



**SOITEC EXPANDS INTO THE FAST GROWING SOLAR ENERGY MARKET WITH THE ACQUISITION OF CONCENTRIX SOLAR, THE LEADING PROVIDER OF CPV SOLAR SYSTEMS FOR THE INDUSTRIAL PRODUCTION OF ENERGY**

**Simultaneously, Soitec Signs Strategic Technology Alliance with Both the Fraunhofer Institute for Solar Energy Systems and the CEA-Leti.**

*Bernin, France, December 11, 2009* — The Soitec Group (Euronext Paris), the world’s leading supplier of engineered substrates for the microelectronics industry, announced today that it has signed an agreement to acquire privately held Concentrix Solar GmbH (“Concentrix”), a leading provider of concentrated photovoltaic (CPV) solar systems. With this acquisition, and in line with its strategy, Soitec is entering the fast-growing solar industry; capturing value through the system level; and expanding its revenue base as worldwide demand for CPV systems is anticipated to ramp up strongly in the coming years. Soitec’s technologies in engineered substrates are key to improving solar cell performance and therefore strongly complement Concentrix’s expertise in high-efficiency CPV systems for solar power plants. This combination will deliver an even more attractive and competitive value proposition to satisfy the growing needs of renewable energy. Additionally, the transaction includes access to the high-efficiency concentrator solar cell technologies from the Fraunhofer Institute for Solar Energy Systems ISE (“Fraunhofer ISE”). Simultaneously, Soitec has signed a strategic technology alliance with both the Fraunhofer ISE and the CEA-Leti.

Based in Freiburg, Germany, Concentrix was founded in 2005 as a spin-off company of the Fraunhofer ISE. Soitec has acquired circa 80 percent of the shares, valuing 100 percent of Concentrix at € 55 million. The remaining 20 percent of the shares continue to be owned by the Fraunhofer ISE and the company’s founders and senior management. Upon closing of the transaction, Concentrix will retain its staff and will operate within a new photovoltaic business unit of the Soitec Group, which is expected to be significantly accretive to the total Soitec Group’s growth.

CPV is a very promising technology in a rapidly expanding global market for solar energy, offering a breakthrough and competitive solution for large power plants in high irradiation countries. Concentrix’s patented solution, which is proven in various power plants and demo installations in Spain, Italy, Korea and the United States, concentrates sunlight onto a small area of high-efficiency solar cells, reducing the need for costly materials and increasing system efficiency.

“The Concentrix solution, which we believe is the best for solar farms and therefore industrial production of solar-sourced electricity, has exceptional synergy with Soitec technologies,” said André-Jacques Auberton-Hervé, President and CEO of Soitec. “This acquisition represents an exciting and natural expansion for Soitec into the fast-growing solar market, allowing us to leverage our technology and process knowledge in the development of high-performance and cost-competitive photovoltaic solutions up to the system level. We plan to become an active player in the city of Freiburg both through Concentrix industrial activities and through the long term partnership between Soitec and the Fraunhofer ISE. Like other Soitec core businesses, the CPV business aligns with our mission to innovate and create new, energy-efficient materials for high-volume markets serving sustainable development.”

As part of the transaction, the Fraunhofer ISE, the largest solar energy research institute in Europe with more than 20 years of experience in III-V solar cell development, has entered into a long term license agreement with Soitec regarding the know-how and technology related to the manufacturing of concentrator cells. Both partners are going to develop the next generation of very high efficiency CPV solar cells based on Soitec’s proprietary technologies, strongly to boost CPV system performance. The collaboration includes CEA-Leti, Soitec’s long-time partner within the Grenoble R&D cluster.

“We are very excited at the prospect of Soitec and Concentrix combining forces, and look forward to maintaining and strengthening our long-standing partnership with Concentrix through Soitec,” said Eicke Weber, Director of the Fraunhofer ISE. “Soitec will provide remarkable resources for advanced technical development of our III-V solar cell technology and will increase efficiency of existing Concentrix products and technologies.”

“We are very pleased to further expand our long-standing collaboration with Soitec, and to reinforce our relationship with the Fraunhofer Institute,” said Laurent Malier, CEO of the CEA-Leti. “Combining our R&D efforts in Europe is key to supporting European industrial leadership in the critical field of renewable energy.”

“We are looking forward to the strategic and technical opportunities arising from the combination of our skills and technologies and the acceleration of our cost reduction and system efficiency roadmaps,” said Hansjörg Lerchenmüller, CEO of Concentrix. “This is a wonderful opportunity for our company. With Soitec’s experience and financial strengths, we are going to be able to boost our growth further and move faster in the industrial phase.”

The transaction values 100 percent of Concentrix at € 55 million with an earn out option based on sales growth performance in 2010. The agreement also contains put-and-call option rights on the remaining 20 percent of Concentrix shares currently owned by the Fraunhofer Institute, Concentrix founders and senior management. These rights grant (1) Soitec a call option to buy the remaining Concentrix shares, which commences in January 1, 2012, and (2) Fraunhofer Institute, Concentrix founders and senior management a put option to sell their Concentrix shares to Soitec, which commences in January 1, 2013. Under the agreement, pre-agreed multiples determine the exercise price of the put-and-call option rights and the exercise of the put option is also subject to Concentrix achieving certain financial targets.

Morgan Stanley acted as exclusive financial advisor and Winston & Strawn as exclusive legal advisor to Soitec in this transaction.

**About the Soitec Group:**

The Soitec Group is the world's leading innovator and provider of the engineered substrate solutions that serve as the foundation for today's most advanced microelectronic products. The group leverages its proprietary Smart Cut™ technology to engineer new substrate solutions, such as silicon-on-insulator (SOI) wafers, which became the first high-volume application for this proprietary technology. Since then, SOI has emerged as the material platform of the future, enabling the production of higher performing, faster chips that consume less power. Today, Soitec produces more than 80 percent of the world's SOI wafers. Headquartered in Bernin, France, with two high-volume fabs on-site, Soitec has offices throughout the United States, Japan and Taiwan, and a new production site in Singapore. Two other divisions, Picogiga International and Tracit Technologies, complete the Soitec Group. Picogiga delivers advanced substrates solutions, including III-V epiwafers and gallium nitride (GaN) wafers, to the compound material world for the manufacture of high-frequency electronics and other optoelectronic devices. Tracit, on the other hand, provides thin-film layer transfer technologies used to manufacture advanced substrates for power ICs and microsystems, as well as generic circuit transfer technology, Smart Stacking™ for applications such as image sensors and 3D-integration. Shares of the Soitec Group are listed on Euronext Paris. For more information, visit [www.soitec.com](http://www.soitec.com).

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**About Concentrix Solar:**

Concentrix Solar GmbH was founded in February 2005 as a spin-off company of the Fraunhofer Institute for Solar Energy Systems ISE. At present, about 60 people are employed at Concentrix Solar. Concentrix Solar manufactures concentrator power plants for sunny locations. By means of Fresnel lenses, sunlight is focused onto small highly-efficient solar cells. These solar cells convert the sunlight, concentrated almost 500 times, directly into electrical energy. With this technology, Concentrix Solar achieves AC system efficiencies of 25 percent, which are almost twice as high as those achieved by conventional silicon technology. As a result, cost reduction potentials between 10 and 20 percent can be reached, depending on the location of the installation. For manufacturing the concentrator modules, Concentrix Solar operates a fully-automated industrial production line with an annual production capacity of 25 megawatts located in Freiburg, Germany. For more information, visit: [www.concentrix-solar.de](http://www.concentrix-solar.de)

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