REFERENCE DOCUMENT | 2014-2015

Soitec

REFERENCE DOCUMENT AND ANNUAL FINANCIAL REPORT 2014 - 2015

SOITEC

Société Anonyme with a share capital of 23,130,332 Euros

Parc Technologique des Fontaines
Chemin des Franques
38190 Bernin – France

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AUTORITÉ DES MARCHÉS FINANCIERS AMF

This Registration Document was filed with the French Financial Market Authority ("AMF") on June 10, 2015, in accordance with article 212-13 of the AMF's general regulations. It may be used in support of a financial transaction if accompanied by a memorandum approved by the AMF. This document was prepared by the issuer and binds its signatories.

Additional copies of this Registration Document are available without charge at:

- Soitec – Parc Technologique des Fontaines – Chemin des Franques, 38190 Bernin – France,
- On the Soitec website (www.soitec.com) and on the AMF website (www.amf-france.org).

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1. Persons responsible

1.1. Person responsible for the Reference Document

Mr Paul Boudre, CEO.

1.2. Attestation of the person responsible for the Reference Document

I hereby certify, after taking all reasonable measures to this end, that the information contained in this Reference Document gives, to my knowledge, a realistic picture of the situation and does not include any omission likely to alter its scope.

I certify that, to my knowledge, the financial statements are prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all companies included in the consolidation, and that the management report included in this Reference Document (see reconciliation table) presents a true and fair view of the evolution of the business, results and financial position of the Company and companies included in the consolidation and a description of the main risks and uncertainties they face.

I have obtained from the statutory auditors an end of mission letter in which they indicate having audited the information on the financial position and statements given in this Reference Document and have also read the entire Reference Document.

This end-of-works letter does not contain any observations.

The historical financial information presented in this Reference Document is the subject of statutory auditors' reports, given on pages 116 and 119, which contain the following observation: "Without qualifying our opinion, we draw your attention to note 2.2.1 of the consolidated financial statements which explains the assumptions underlying the maintenance of the principle of continuity of business of the Group."

The historic financial information as at 31 March 2014 incorporated by reference in the Reference Document, was the subject of statutory auditors' reports, given on pages 120 and 123 of the Reference Document, which contain an observation drawing attention to note 2.4.7 of the consolidated financial statements which explains the assumptions underlying the maintenance of the principle of continuity of the Group.

The historical financial information as at 31 March 2013 incorporated by reference in the Reference Document was the subject of statutory auditors' reports, given on pages 118 and 120 of the Reference Document 2012-2013, which do not contain any observations.

On 10 June 2015

Paul Boudre

CEO

2. Statutory Auditors

Primary statutory auditors

Cabinet Muraz Pavillet represented by Christian Muraz
3, Chemin du Vieux Chêne – 38240 Meylan
- Date first retained: February 27, 1992;
- Term renewed: July 7, 2010;
- Current term to expire: Ordinary General Shareholders' meeting to approve the accounts for fiscal year ending March 31, 2016.

PricewaterhouseCoopers Audit represented by Nicolas Brunetaud
63, rue de Villiers - 92208 Neuilly-sur-Seine
- Date first retained: 7 juillet 2010;
- Current term to expire: Ordinary General Shareholders' meeting to approve the accounts for fiscal year ending March 31, 2016.

Alternate statutory auditors

René-Charles Perrot
65, boulevard des Alpes – 38240 Meylan
- Date first retained: February 27, 1992;
- Term renewed: July 7, 2010;
- Current term to expire: Ordinary General Shareholders' meeting to approve the accounts for fiscal year ending March 31, 2016.

Yves Nicolas
63, rue de Villiers - 92208 Neuilly-sur-Seine
- Date first retained: July 7, 2010;
- Current term to expire: Ordinary General Shareholders' meeting to approve the accounts for fiscal year ending March 31, 2016

3. Selected financial data

This chapter presents the selected financial data for the financial year 2014-2015.

During 2014-2015, Group consolidated turnover was €222.8 million, down 9.8% on the previous financial year, despite a 7.0% strengthening of the dollar against the euro. At constant exchange rate, the sequential fall in turnover would have been close to 15%. The current operating loss for the first half of the financial year in course is €125.9 million. After depreciation and accelerated amortisation of assets, restructuring costs and net financial costs, the net results (Group share) as at 31 March 2015 reveal a loss of €259.2 million compared to a loss of €236.4 million as at 31 March 2014.

The operating cash flow is practically balanced at -€54k compared to -€179k in the previous financial year. The improvement can be attributed to the significant increase in the operating earnings of the Electronics division and by the unwinding of transactions related to the South African Touwsrivier solar power plant project which generated a significant reduction in working capital requirements.

As at 31 March 2015, available cash flow amounted to €22.9 million compared to €44.7 million at the end of March 2014. Net financial debt fell to €150.1 million compared to €212.2 million in the previous year, mainly due to the repayment of the balance of the convertible bond which matured in September 2014.

Consolidated Profit & Loss Account

(in millions of euros)	31 March 2015	31 March 2014	31 March 2013
Sales	223	247	263
Gross margin	(31)	(56)	(16)
Current operating profit (loss)	(126)	(137)	(123)
Operating profit (loss)	(277)	(220)	(197)
Net profit (loss) (Group share)	**(259)**	**(237)**	**(209)**
Net total diluted profit (loss) per share (in euros)	(1.23)	(1.45)	(1.70)

Sector-base analysis

(in millions of euros)	31 March 2015	31 March 2014	31 March 2013
Sales:			
Electronics	178	167	257
Solar Energy	43	79	6
Lighting	2	1	-
Corporate	-	-	-
Total sales	**223**	**247**	**262**
Current operating profit (loss)			
Electronics	(3)	(26)	(14)
Solar Energy	(103)	(94)	(82)
Lighting	(10)	(6)	(12)
Corporate	(10)	(11)	(15)
Total current operating profit (loss)	**(126)**	**(137)**	**(123)**

Balance Sheet

(in millions of euros)	31 March 2015	31 March 2014	31 March 2013
Assets:			
Cash and cash equivalents	23	45	130
Current assets	167	186	137
Non-current assets	204	354	452
Total assets	**394**	**585**	**719**
Shareholders' equity and liabilities			
Operating debts	153	107	132
Financial debts	173	257	197
Total shareholders' equity of the consolidated group	50	221	391
Total shareholders' equity and liabilities	**394**	**585**	**719**
Net financial position	**(150)**	**(212)**	**(67)**

Cash flow statement

(in millions of euros)	31 March 2015	31 March 2014	31 March 2013
Cash flow generated by the activity	(0)	(179)	(39)
Cash flow related to investment transactions	(29)	(84)	(115)
Cash flow related to financing transactions	(4)	181	23
Effect of fluctuation in foreign exchange rates	11	(4)	1
Change in net cash flow	**(22)**	**(85)**	**(130)**

4. Risk Factors

The Company has conducted a review of the risks that may have a material negative effect on its business activities, financial position, and results or its ability to achieve its targets, and believes that there are no other material risks other than those presented below.

4.1. Risks related to the Company's Business

The Soitec's activities are exposed to certain risk factors inherent to each of its two primary business lines: The Electronics Division, the activity upon which the Group was founded, which consists in the manufacture of silicon wafers to be used in the semiconductor industry, and the Solar Energy division, which has developed created by the acquisition of Concentrix Solar GmbH, a global leader in the manufacture of solar panels using concentrated photovoltaic technology, in 2009. The 2014-2015 fiscal year was highlighted by the 19 January 2015 announcement of the decision of the Board of Directors to re-center the Group on its historical business lines conducted within the Electronics Division. This decision is accompanied intention to discontinue or dispose of the activities of the Solar Energy Division. It was motivated by the major financial effort supported by the Group as part of the development of the Solar Energy Division, whereas the Electronics Division had not yet recorded a significant rebound of its activities, having ended in a tight cash situation. The re-centering of the Group on its electronics business lines is accompanied by a particular risk, linked to the use of major resources that are involved. Moreover, the Group does not have any guarantee as to the net value that it could draw from the divestment of the business lines of the Solar Energy Division.

4.1.1. Operational risks

On 16 January 2015, the Board of Directors unanimously decided to immediately implement and support a strategic plan whose aim is to re-centre the activities of Soitec on electronics, its core business. Soitec has initiated several actions whose purpose is to significantly reduce the fixed "cash" cost of the solar division, that should reach €26.9 million in the second half-year, compared to €30.5 in the first-half (-12% sequentially). The fixed "cash" cost of the solar division in the fourth quarter of 2015 were estimated at €11.3 million for the season (down by 28% sequentially). The workforce of the solar energy division has moreover been brought down to 272 persons at the end of March 2015 (compared with 385 at the end of December 2014).

In parallel, Soitec has granted to an investment bank the mandate to dispose of the assets of the Solar Energy Division (industrial, energy plants and intellectual properties business activities, excluding the assets linked to the "Smart Cell"). Taking into consideration the investments made in its solar energy business since 2009, Soitec does not expect that the disposal of the division's assets will cover its initial investment.

Maintaining a business activity that allows valuable use of the assets of the Solar Energy Division, combined with implementation of a cost reduction plan is accompanied by an operational complexity bearing risks linked to the use of available human and financial resources. In addition, the Group's cash situation remains tight, in spite of the short-term assistance that it received in the month of May 2015 from Bpifrance Participations, CEA Investissement and Shin-Etsu Handotai (SEH) (See the press release of 20 April 2015 and the description of the liquidity risk below).

Soitec, finally, is currently not able to define what could be the residual scope of the business activities of the Solar Energy Division, once the presently ongoing recentering operations have been completed.

Electronics Division

Sensitivity of the Electronics Division results to technical innovations

- The semiconductor industry is characterised by rapidly changing technologies and industry standards, together with new products being frequently placed on the market. It is also characterised by successive technology nodes corresponding to small etch sizes used by microprocessor manufacturers to insert their circuits in the silicon wafers. These technological advances bring constraints on our clients, which they may be unable to face, and which may lead to decreases in demand. In the domain of microprocessors required to have elevated calculation capabilities and lower electrical consumption rates (servers, portable computers, tablets, smart phones, gaming consoles), the semi-conductor industry has come to a cross roads in that the choice in technologies for the next generation of products is highly uncertain. The decline in sales of the Electronics Division attributable to the sales of its main product (300 mm plates for PD-SOI (Partially Depleted SOI) observed since the fiscal year 2011-2012, that resulted from the transition crisis experienced by Advanced Micro Devices (AMD) through our client Global Foundries at the time of overcoming the technological knot from 32 nm to 28 nm, was offset by the rise in sales of plates for RF-SOI applications. Even though Soitec is confident in the growth outlook for RF-SOI products, and that it has with FD-SOI (Fully-depleted SOI) a competitive technological proposal competing with PD-SOI, the adoption of the FD-SOI technology by the foundries, and its use by end customers that are chip manufacturers has not been secured to date. Given that the adoption of this technical solution by the end customers is not guaranteed and, should it be adopted, the calendar for bringing this technical solution up to speed not being certain, the future growth of Soitec on the semi conductor market could be questioned, which could in turn put into question the economic and financial viability of the Electronics Division and also Soitec as a whole, taking into account of the lack of significant contribution of the activities of the Solar Energy Division whose disposal or winding down have begun.

Sensitivity of the Group's results to the evolution of client demands

The semiconductor sector is affected by a rapid change in customers' perspectives or by the unexpected accumulation of stocks in the supply chain due to changes in end users' demand and macroeconomic conditions.

This phenomenon has been strengthened, with regard to RF-SOI products, by the existence of strong competition which could result in pressure on the sales prices of the SOI plates provided by the Company and/or an erosion of its market shares.

The majority of the sales from the Electronics Division does not come from long-term supply agreements for firm quantities, but rather from spot supply agreements regarding finished products that have been produced based on forecasted sales figures received from our major clients. As a result, the Company must regularly make capacity investments and hire extra personnel to service this demand that could be adjusted downwards in a material manner. The sales terms and conditions contain clauses that help reduce risk (automatic invoicing after a determined warehousing period, minimum notice period for supply forecast adjustments, "take or pay" penalties in the event that capacity investments are in play). Additionally, Soitec limits overall risk by negotiating symmetrical conditions with regards to its supply of raw materials, by reducing production cycle time and by standardising its products so that it can meet the demands of many clients by using the same equipment as well as the use of identical stock reference numbers. The main clients of the Electronics Division as well as their revenue are described in section 4.3.1, in the section related to the risk resulting from the concentration of customers in the semiconductor industry. The contractual relationships that link the Group to its principal clients, Global Foundries and IBM, do not contain any unusual clause which, when implemented, would have a material impact on its activity or development. However, even in cases where their standard terms and conditions of sale or other contractual agreements do not permit a customer to materially alter supply forecasts without penalty, Soitec may, from time to time, accept cancellations without penalty to maintain customer relationships or because of industry practices. Finally, there is a gap between the statements made by end users with regards to their medium term strategic choices and orders eventually placed by these end users with their suppliers, which furthers the difficulties encountered by Soitec in that it cannot anticipate the evolution of what will be required by clients. As Soitec is positioned primarily as a raw material supplier to foundries, Soitec depends on end users opting to use the technical solutions it has developed in conjunction with the foundries. Beyond technical performance, the adoption of the technologies developed by Soitec depends on the costs associated with such compared to other solutions that are available on the market. End users, and the foundries, may decide to modify or even abandon projects that are based on SOI technology at any time if they deem that the price–performance ratio of the solutions offered by Soitec is not to their advantage or for other reasons having nothing to do with the characteristics of the Soitec product. This phenomenon is even more salient during the transition period of a core technology to another, especially with regards to the investment expenses incurred, which is the case today with the choices offered between planar and 3D technologies.

Cyclic nature of the semiconductor industry and management of stocks

Semiconductor industry cycles have a significant impact on silicon demand and new products requiring more advanced technologies such as SOI. A severe downward cycle in the semiconductor industry could have a material impact on demand for Soitec products and automatically trigger a reduction in its sales and earnings. Failure to sell our products may adversely affect our inventory levels, turnover, and results. While we believe our inventory levels are appropriate for the current economic environment, continued global economic uncertainty may result in lower than expected demand. During fiscal year 2014-2015, we have implemented a conservative management policy of inventory levels and we will continue to carefully manage it during fiscal year 2015-2016. However, our current business forecasting is still qualified due to uncertainties related to the technological transition that is currently taking place and the adoption calendar for the FD SOI (Fully-Depleted SOI) (see “Sensitivity of the Group’s results to technical innovations”). During the fiscal year 2014-2015, the probability of experiencing an accelerated end of life cycle for the main product of the Electronics Division (300mm wafers for Partially Depleted SOI in 32 nm core technologies) was confirmed. At the same time, over the fiscal year, the other Soitec products, in particular the radio frequency applications that are now massively adopting the SOI and offer major outlooks for growth, have offset the end-of-life of the main product of the Electronics Division. In order to favour successful qualifications with strategic customer foundries, the first sales of FD -SOI plates were recorded in the second half of the fiscal year (for consumer, automobile and industrial electronics), and without the corresponding contribution being significant, Soitec must therefore pursue its policy for prudent management of its inventories, in an environment of marked uncertainties.

The value of the Electronics Division’s inventory is provided in paragraph 3.7 of Chapter 20 of the annual report (24.3 million euros on March 31, 2014, and 27.4 million euros on March 31, 2015).

Impact of short-term demand trends on the *Electronics* Division’s results

As part of its strategy of industrial leadership, the Group commits substantial capital expenditures to keep pace with trends in expected demand. These capital expenditures are represented in the Group’s income statement in the form of predominantly fixed depreciation and operating expenses. In fiscal year 2014-2015, the Group estimated that more than 50% of its operating costs of the Electronics Division can be considered as fixed. In the face of significant uncertainties related to the technological transition that is taking place, and specifically taking place at our principal client (see “Sensitivity of the Group’s results to technical innovations”), we must maintain a level of investment that is compatible with a positive evolution of the demand for SOI wafers for radio-frequency applications for which the current production capacities are close to saturation, which offers a strong potential for growth regarding small-diameter products. In this context, the cost reduction measures implemented by the Soitec must be made taking into account the primordial necessity of being able to have production capacity available for development of the business line for radio-frequency applications (further specified that the partnership agreement signed with Simgui should lead Soitec to have additional capacity, at the end of the 2015-2016 fiscal period) in the event of an upturn in the activities related to the 28 nm FD-SOI (and the Group however, does not anticipate that the significant capacity investments will have to be made in the 2015-2016 fiscal period). Any sudden decline in demand could have a material impact on the Group’s results insofar as it is unable to immediately reduce its fixed costs without definitively compromising its future in the semiconductor arena.

4.1.2. Risks relating to the Group’s divestment from solar energy activities

Soitec’s divestment from the solar energy business lines is accompanied by a residual maintenance of business within the Solar Energy Division, associated with the implementation of a plan for significant cost reductions. This effort is accompanied by an operational complexity bearing risks linked the use of available human and financial resources to successfully carry out this divestment as soon as possible. Since Soitec has commissioned an investment bank to dispose of the assets of the Solar Energy Division (industrial activities, energy plants, and intellectual property, excluding assets linked to the “Smart Cell”), it is not able to confirm the final terms and conditions of a transaction of this type.

In view of the investments made in its Solar Energy Division since 2009, Soitec does not expect that this disposal of the assets of the division will cover its for initial investment. In addition, the shape of the Group after these transactions remains uncertain, given that this divestment could be accompanied by the materialisation of certain risks or obligations attached to the activities that will not be able to be sold and will continue to be borne by Soitec. These risks are those previously described in Chapter IV of the 2013–2014 Registration Document, in particular with respect to the specific contractual guarantees that Soitec will have granted as part of these projects (constituting off-balance sheet commitments). These guarantees can extend up to five years for the equipment and assembly of its modules in the case of defects and up to 25 years for energy production. Consequently, Soitec bears a risk of indemnification in relation to these guarantees that remain in place for a long time after the sale of its systems.

Risks in relation to putting a new generation of solar cells into production

The refocusing of the Group on its electronic business goes hand-in-hand with maintaining current development projects for a new generation of very highly efficient solar cells. Although Soitec is confident of its innovation capabilities, it is not yet able to guarantee manufacturability under long term industrial and economic conditions and is therefore unable to confirm the development potential of this new generation of solar cells.

4.1.3. Industrial, regulatory, or environmental risks

Use of hazardous substances

The manufacturing process used by Soitec for the production of microelectronics entails the use of chemical products that may prove to be a hazard to the safety of people and the natural environment. This includes products widely used in the microelectronics and solar industry, such as hydrofluoric acid, hydrochloric acid, ammonia for liquids, various solvants for liquids, hydrogen chloride, ammonia, dichlorosilane (“DCS”), hydrogen for gases, arsenic and phosphorous for solids, but also substrates comprised of IIIV materials such as gallium arsenic and indium phosphate.

Soitec observes local laws and regulations concerning the use and storage of chemical products, as well as the disposal of hazardous waste (“HW”) that their use entails.

An internal procedure associated with a management basis for chemical products allows ensuring validation by the Health, Security, and Environment service prior to any introduction of new chemical products into each site.

Soitec has effective equipment to combat chemical risk caused either by work-related accidents (bodily contact) or product spills/leaks. Soitec also has an internal crisis management system implemented at Group level and based on internal intervention teams trained specifically in tackling this type of occurrence.

All of these factors help to ensure that chemical risk is controlled properly. However, Soitec cannot rule out any accidental risks that may have a detrimental effect on people's health, the environment, and its activity.

Importance of research and development for the Group

Soitec dedicates a large share of its sales to research and development. These research and development efforts depend partly on financial or tax incentives, which may be called into question in the future and increase the cost of the impact of this expenditure on operating income. In solar energy using concentrated photovoltaic technology, research and development needs to help to make Soitec's high output "Smart Cells" more efficient and reduce the average cost of electricity generated by our modules utilising CPV technology. As with all research and development activities, the intensity, duration, and results of these efforts are uncertain. Due to the Group's re-centering on the electronics business lines, certain financial incentives that the Group was able to have for its research and development work concerning the Smart Cell could be completely or partially put in question. Lastly, some of the contracts executed by Soitec contain stipulations under which it undertakes to improve the efficiency of its products over time, in return for increased remuneration. Any difficulties that Soitec may encounter in meeting these contractual commitments may have an unfavourable impact on its margins and operating income.

4.2. Legal risks

Soitec is involved in certain lawsuits described in chapter 20.8 of this Registration document.

4.2.1. Competition and technological risks

The following risk factors are identified by Soitec taking into account the Group's market and its position in these markets, as described in section 6.2, "Principal Markets" of this Registration Document.

The semiconductor industry is highly competitive characterised by fast-paced technological progress.

The silicon substrate industry plays an important role in meeting demand in the electronics consumer market, which has the following characteristics:

- Ever consolidated competition,
- Highly innovative,
- Products being placed on the market at an ever-quickening pace.

The necessity of obtaining more competitive manufacturing costs in order to meet market expectations, which are in a state of constant change, puts a significant amount of pressure on sector actors.

The adoption of Smart Cut™ technology by silicon leaders such as Shin-Etsu Handotaï under licensing agreements with the Company may reduce the risk of technological competition. As such, the Company's principal competitor in SOI products is Shin-Etsu Handotai, which is also a license holder contributing to the development of the market as part of the licensing strategy announced by the Company. Also, during fiscal year 2013-2014, the settlement of a dispute between Soitec and the American company MEMC (now SunEdison), included the signature of a cross licensing agreement related to their patents covering SOI substrates which allows each company access to the portfolio of the other's for all patents covering SOI technologies (Press release on November 26, 2013 available at http://www.soitec.com/en/news/press-releases/soitec-and-sunedison-enter-into-patent-license-agreement-1390/).

Soitec is therefore confident as to its ability to maintain its competitive position and the competitiveness of its technology, but cannot discount the possibility over the medium and long term that it may be called into question, leading to an unfavourable impact on its results and financial situation.

The Light-Emitting Diode ("LED") industry has two principal targets: lighting performance and manufacturing production cost reduction (with the same performance).

The light emitting diode industry is characterised by a wide diversity of technologies employed and is characterised by the existence of man cross-licensing agreements between the various market actors. Soitec bases its development in the domain of LEDs on its own internal technology, without however having the certainty that these technologies will not require that Soitec execute such cross-licensing agreements with third parties, which could have an unfavourable impact on its intellectual property portfolio, and later, the profitability of its activity in this domain.

4.2.2. Intellectual property

The Company pays particular attention to the protection of its intellectual property. Certain patents protecting the techniques used in the manufacture of Soitec's products belong to the CEA-Leti or Fraunhofer Institute which are therefore responsible for their protection. Soitec holds as such several exclusive licenses for certain CEA patents and uses them under the Smart Cut™ and Smart Stacking™ names.

Smart Cut™ designates a technology that is not protected by a singular patent but by a portfolio composed of many thousands of patents. Even though the first patent in the Smart Cut™ portfolio expired during the 2012-2013 fiscal year, the Company does not consider the expiry of some of the initial patents in the portfolio to be a material risk. With more than 200 new patents filed each year, Soitec is among the most active 30 companies for filing patents (source: Leaderboard of patent filers published by the OMPI http://www.inpi.fr/fileadmin/mediatheque/pdf/OPI/classement_national_deposants_avril_2013.pdf). This policy also extends to the protection of its trademarks (for example Smart Cut™, Smart Stacking™ or Concentrix™). Soitec reinforces and extends its intellectual property in the technology sectors key to its current or future business. Indeed, the successive patented improvements help the Company maintain a competitive advantage on the relevant markets. As an example, in 2012, the Company announced the renewal of the license agreement originally granted to Shin Etsu Handotai for the production of SOI substrate. The Company also announced in the beginning of 2013 that a license agreement had been signed by Sumitomo Electric with regards to Smart Cut™ technology for the production of GaN base substrates.

The absence of sufficiently strong protection, invalidation or designs around patents of which Soitec is the licensee or owner could have negative effects on its activities and financial situation. The same for protecting its technology and enforce its rights, the Company may, where necessary, initiate legal proceedings. This type of litigation may incur weighty expenses and lead to the mobilization of employees for extended periods and may thus have a material adverse effect on the Group's business activities and financial situation. It is also conceivable that litigation may lead to the cancellation of a patent or the payment of royalties by the Company to a third party.

4.3. Risks of dependence on third parties

4.3.1. Dependence on key customers

Risks related to the concentration of customers in the semiconductor industry

A high degree of customer concentration is a normal characteristic of the semiconductor industry. This customer concentration is doubled, in the case of the Company, with the phenomenon linked to the choice of capture technology implemented by its major customers. If Soitec hopes to balance its customer structure as and when new customers gradually reach a high-volume production stage using the substrates it provided, there is no assurance of achieving this goal in the short term. Similarly, the Company is dependent upon the technological choices of their own clients. These technological choices, if they prove unfavourable to the technical solutions based on the substrates produced by the Company, will have an immediate effect on the volume of activity by Soitec with its primary customers. Over the 2014–2015 fiscal year, the first customer of Soitec accounted for only 23% of the sales of the Electronics Division (compared to 20% during the previous fiscal year) and the second 14% (compared to 19% during the previous fiscal year). Customers accounting for more than 5% of sales of the Electronic Division were 7 in number compared to 5 in the previous fiscal year, and altogether represented 78% of the division's sales (compared to 61% in the previous fiscal year). The expected penetration of the FD-SOI (Fully depleted SOI) technology could, in the adoption phase, again result in a concentration of the customer portfolio of the Electronics Division. To reduce its exposure, Soitec seeks to introduce the products of its Electronics Division in new applications (radio frequency, power, photonics).

Risks linked to quantifying end markets for key Electronics Division clients

Soitec does not directly possess information enabling it to quantify the expected impact of the launch of new products by its key customers (or their own clients) of the Electronics Division in their respective markets. Soitec's business forecasts may thus be called into question by a different assessment and/or a revision by its customers of their own forecasts. Soitec adjusts its sales forecasts based on the estimates received from its customers regarding their needs and taking into account their demand for SOI wafers, it being specified that the wafer inventories that it maintains at its customers represent, in general, just a few weeks of their expected consumption. If the demand for the 300 mm FD-SOI products could be confirmed beyond the available capacities, Soitec could be able to make additional capacity investments in upcoming years.

The ways of financing these new investments remains to be defined, but could lead Soitec to solicit the financial markets in upcoming fiscal years.

Risk of Electronics Division customer insolvency

The concentration of the Electronics Division's customer portfolio is not synonymous with substantial credit risk. In the electronics sector, the average payment terms granted to its principal customers are less than 60 days. The risk of non-payment is limited as the Company's customers include major international groups in the microelectronics industry. Soitec has not experienced a material payment default in the Electronics Division over the last three years. In the Solar Energy division, Soitec has a diverse client list in both nature and size, which may present certain insolvability risks considering the concerned country. Longer payment terms are frequently granted, provided that the contracts contain provisions for the payment of any balance under the contracts after verification of the solar power station's performance once it is connected. Moreover, the complexity of the financial commitments could lead to funds not being available on time. Such conditions explain why there are some older debts that have not been written down in the table with client balances in paragraph 3.10 of chapter 20 of the Annual Report. However, product deliveries are more often than not made for projects for which specific financing has been obtained, risk is reduced mechanically. In addition, Soitec has adopted internal procedures for the monitoring and tracking of its risk of payment default and, more generally, its credit risk management. These procedures may nonetheless safeguard Soitec against the risk of insolvency of one or more of its customers. Assuming this were to happen, Soitec's results and financial situation could be negatively affected.

4.3.2. Dependence on partners

The Group's re-centering on the electronics business lines could have consequences on the relationships maintained by the Group with its commercial and financial partners in the Solar Energy Division.

On 16 January 2015, the Board of Directors unanimously decided to immediately implement and support a strategic plan aiming to re-centre Soitec's activities on electronics, its core business line. Soitec has initiated several actions aiming to realise the value of the Solar Energy Division, associated with important restructuring measures in the future. The company has specified that it would examine the most appropriate scenario for extracting the value of its assets linked to solar energy in respect of its obligations toward all the stakeholders, without however being able to guarantee that it will be able to meet all of the obligations contracted as part of the activities of the Solar Energy Division. Soitec thus runs a risk of exposure to lawsuits that could turn out long and costly for the Group.

Dependence on silicon suppliers and impact on Soitec's results

Given the cyclicality of the semiconductor industry and the consequences for silicon consumption, if demand increases significantly, the Group may face sup ply problems that could have a detrimental impact on its business activities. Under its partnership agreements with silicon suppliers, in particular Shin-Etsu Handotaï ("SEH"), these suppliers have agreed to provide the raw materials that the Company may need. Furthermore, the Company has full freedom to buy from other suppliers, ensuring other sources of supplies in the event of a problem and control of its procurement prices.

Silicon prices are adjusted with main suppliers twice a year.

The agreements signed with its main customers provide for adjustments in silicon prices to be reflected in selling prices, without Soitec being able to guarantee that such will be exactly in line with actual fluctuations. The length of the production cycle and the level of raw materials inventories still represent less than three months' consumption. SOI often competes directly with solid silicon materials within Soitec's clients. A long-term divergence in the price of the materials and the price of finished products is unlikely.

The cost of silicon represents around 40%-50% of the production cost of an SOI wafer, higher than for other consumable materials and types of costs. In order to reduce the weighting of silicon in production costs on a long-term basis, Soitec has adopted a strategic cost-cutting program using a procedure developed internally, dedicated entirely to ensuring better use of silicon. Soitec is confident in its ability to implement this strategic program successfully. However, it cannot rule out the possibility that a long-term increase in commodities prices may have a material impact on its results.

Recoverable amount of non-current assets

The Group's non-current assets are assigned to several cash-generating units ("CGUs"): At closing on March 31, 2015, Soitec performed impairment tests on each CGU on the basis of updated business plans. These tests led to accounting for depreciation of non-current assets. The base assumption, as well as the amount of depreciations are detailed in note 3.4. in the schedules to the consolidated accounts shown in chapter 20.3 of this Registration Document.

Operational continuity plan

The Continuity plan has been completely revised and strengthened to better adapt to a multi-site organisation. The operational risk map has been updated and finalised, it has identified and work on several scenarios covering the main risks affecting the business of the Company as of Group level and locally. The operational implementation of the new business continuity plan for Bernin is underway and will be deployed on other sites to reinforce the means currently in place.

In order to anticipate the risks that could cause business interruptions, the Company has sufficient means of prevention and protection to ensure business continuity. The means implemented can secure supplies and deliveries to customers. As part of the prevention program established with its insurers, the Company is working to reduce the risks of its production sites and their potential impacts on the continuity of its activities.

4.4. Market risks

The figures presented below derive from the audited accounts on 31 March 2015.

The Company has conducted a review of the risks that may have a material negative effect on its business activities, financial position, and results or its ability to achieve its targets, and believes that there are no other material risks other than those presented below.

4.4.1. Interest rate risk

Financial assets and liabilities on 31 March 2015:

(€ '000)	Less than 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	More than 5 years	Non-allocable	Total
Financial assets								
Fixed rate	116,205	28,025	8,321	3,605	279	5,694	-	162,129
Variable rate	932	45	-	186	-	-	-	1,163
Total	**117,137**	**28,070**	**8,321**	**3,791**	**279**	**5,694**	**-**	**163,292**
Financial liabilities								
Fixed rate	(178,709)	(6,167)	(23,003)	(93,228)	(2,588)	(17,276)	-	(320,971)
Variable rate	(7,047)	(8,363)	(6,399)	(801)	-	-	-	(22,610)
Total	**(185,756)**	**(14,530)**	**(29,402)**	**(94,029)**	**(2,588)**	**(17,276)**	**-**	**(343,581)**
Net exposure before hedging								
Fixed rate	(62,504)	21,858	(14,682)	(89,623)	(2,309)	(11,582)	-	(158,842)
Variable rate	(6,115)	(8,318)	(6,399)	(615)	-	-	-	(21,447)
Total	**(68,619)**	**13,540**	**(21,081)**	**(90,238)**	**(2,309)**	**(11,582)**	**-**	**(180,289)**
Hedging instruments								
Fixed rate	-	-	-	-	-	-	-	-
Variable rate	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Net exposure after hedging								
Fixed rate	(62,504)	21,858	(14,682)	(89,623)	(2,309)	(11,582)	-	(158,842)
Variable rate	(6,115)	(8,318)	(6,399)	(615)	-	-	-	(21,447)
Total	**(68,619)**	**13,540**	**(21,081)**	**(90,238)**	**(2,309)**	**(11,582)**	**-**	**(180,289)**

The financial instruments held on 31 March 2015 for management of interest rate risk are presented in the following table:

	Financial year ended 31 March 2015		Financial year ended 31 March 2014	
(€ '000) Type of agreement	Market value (net)	Hedged position	Market value (net)	Hedged position
Hedging of financial debts:				
Interest rate swap: assets/(liabilities)				
Cap				
Total hedges of financial debts				

The Group's mediumand long-term debt is mainly fixed rate. In this way, the Group is not subject to a significant risk of changes in interest rates. For the financial year ended 31 March 2015, a 1% rise in interest rates, applied to the portion of debt and investments at variable rates would have led to a decrease in financial income of approximately € 214,000. A 1% fall in interest rates, applied to the portion of debt and investments at variable rates would have led to an increase in financial income of around € 214,000.

	31 March 2015	
€ '000	Impact on pre-tax profit	Impact on pre-tax shareholders' equity
Impact of a change of + 1% in interest rates	(214)	0
Impact of a change of - 1% in interest rates	214	0

4.4.2. Currency risk

Impact of changes in the dollar/euro exchange rate on the Group's results

Most transactions in the semiconductor market are denominated in US dollars. In this way, almost all of the sales of the Electronics Division are invoiced in that currency, as are silicon purchases which represent more than 40% of the Division's production costs at the current level of capacity utilisation. Other costs, corresponding mainly to resources localized at Bernin, are primarily denominated in euros.

Currency flows are more balanced within the Solar Energy Division (costs and revenues in US dollars for the activity located in the United States, costs and revenues in euros for European activity).

Independently of the currency hedging instruments used by the Group in its business transactions, it is exposed to an accounting conversion risk insofar as it publishes its consolidated financial statements in euros.

Because of the structural surplus of revenues in US dollars of the Electronics division, any adverse changes in the dollar/euro exchange rate have a negative impact on the Group's results published in euros since a fall in revenues is not offset by an equivalent reduction in the cost base. The US dollar appreciated by 7.0% against the euro between 2013-2014 and 2014-2015. The Group indicates that for the Electronics division, the gross margin of 14.8% achieved for the 2014-2015 period would have amounted to 11.0% if the euro/dollar exchange rate had remained at the level of the previous year.

Flows designated in yen have become marginal, with the major clients in Japan now also buying in US dollars. As a result, fluctuations in the euro/yen exchange rate no longer represent a significant risk for the Group.

The extent of exposure to currency risk is specified in paragraph 5.5.3 of paragraph 20 of the Registration Document.

The conversion rates used to translate the accounts of subsidiaries for which the functional currency is not the euro have the following countervalues in euros:

	Average rate		Closing rate	
Asset (€ '000)	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Dollar US	0.800739	0.744794	0.929454	0.725268
Yen	0.007262	0.007458	0.007755	0.007021
South African Rand	0.076463	0.067238	0.076148	0.068552

Net positions in foreign currencies

Foreign currency obligations reflect off-balance sheet commitments. The following table presents the items of a financial nature of the consolidated balance sheet by transaction currency:

(€ '000)	EUR	JPY	USD	NTD	SGD	KRW	SAR	ZAR	CLP	CNY	Other currencies	31 March 2015
Assets	60,473	985	68,166	19	1,671	449		31,335	47	114	31	163,292
Liabilities	(250,512)	(912)	(88,890)	(69)	(1,703)	(156)		(1,196)	(89)	(52)	-	(343,581)
Off-balance sheet commitments: assets/(liabilities)	(49,524)	-	(72,941)	-	-	-	(70)	(124)	(2)	-	(2)	(122,661)
Net position before hedging	(239,563)	73	(93,665)	(50)	(32)	293	(70)	30,015	(44)	62	29	(302,950)
Financial hedging instruments	-	-	-	-	-	-	-	-	-	-	-	-
Net position after hedging	(239,563)	73	(93,665)	(50)	(32)	293	(70)	30,015	(44)	62	29	(302,950)

The following table shows the unrealised gains on financial instruments existing on 31 March for hedging foreign exchange risk:

		31 March 2015		31 March 2014	
(€ '000) Type of contract	Currency	Market value (net)	Hedged position	Market value (net)	Hedged position
Hedging of balance sheet accounts (client receivables and supplier debts)					
Forward sales	From USD to euros	-	-	-	-
Total hedges		**-**	**-**	**-**	**-**

The market value was estimated using one or more currently used models.

The Group's procedures are designed to reduce exposure to net exposures to the US dollar and yen by concluding certain loan agreements denominated in the same currency as cash flows generated by operating activities. As part of this foreign exchange risk management policy, the Group also continued during the financial year with a hedging programme for its transactions in US dollars and Japanese yen, using purchases and forward sales with short maturities (less than 6 months).

A 10% depreciation in the euro on 31 March against these currencies would result in an additional gain of € 1,083,000. A 10% appreciation in the euro at 31 March, against these currencies would result in a further loss of € 886,000. For the purposes of this analysis, all other variables, in particular, interest rates, are assumed to remain constant. The calculations are made on the basis of the table presenting the commitments by currency, without considering off-balance sheet commitments.

4.4.3. Liquidity risk

The Group reported a net loss of € 259.2 million for the period ended 31 March 2015 and at the end of the financial year, reported equity of € 50.0 million. The cash used for operations, excluding changes in working capital, amounted to € 69.1 million during the period. On 31 March 2015 the Group had net cash of € 22.9 million against € 44.7 million at end-March 2014. Net financial debt was significantly reduced and fell to

€ 150.1 million against € 212.2 million at the end of March. In order to ensure the continuity of operations, the Group announced its decision to focus on its historical sector of activity and initiated a massive restructuring in its Solar Energy division. In parallel, it conducted negotiations with key partners within the context of a conciliation procedure. These negotiations led to a moratorium on existing debt and will provide access to supplementary funds.

After announcing it on 20 April 2015, Soitec confirmed on 28 May 2015:

- Having finalised on 27 May 20105, financing of a total amount of €54 million, maturing in April 2016. This financing includes:
  - a loan of a total maximum amount of €30 million from Shin Etsu Handotai (major supplier of wafers for Soitec and historic shareholder of the Group), guaranteed by a pledge of receivables and a pledge on stock,
  - a current account advance of a total amount of €15 million granted by Bpifrance Participations, also a Soitec shareholder, guaranteed by a trust-surety on the property assets of the Bernin site, and
  - financing of a total amount of €9 million granted by the Commissariat à l'Energie Atomique et aux Energies Renouvelables (CEA), Soitec's technological partner, through its subsidiary CEA Investissement, a company specialised in corporate financing for innovations from European research laboratories, also guaranteed by a trust-surety on the property assets of the Bernin site.
- Having entered into an agreement with CEA-Leti, which developed and continues to provide its support to the SOI («silicon-on-insulator») roadmap and accepted to postpone to the end of May 2016 the payment of its debt claim under the licence agreements and works carried out for Soitec in 2014, of a total amount of €7.8 million.
- Having restructured the current bank credit lines, of a total amount of €37.2 million at the end of March 2015, to provide for one single repayment date in November 2019.

Within the framework of the financing agreements entered into with BpiFrance Participations and CEA Investissement, Soitec undertook to propose at the next Extraordinary General Shareholders' Meeting one or more resolutions providing for the issue in favour of Bpifrance Participations and CEA Investissment share subscription warrants whose subscription and/or exercise might be realised in all or part by offsetting the debt claim in principal and interest held by Bpifrance Participations and CEA Investissement on Soitec under the short-term financing put in place on 27 May 2015, with maturity of one year and carrying a fixed interest rate of 12% per annum. In case of issue of subscription warrants before the maturity date, the interest rate will be automatically reduced, if Bpifrance Participations and CEA Investissement decide to use all or part of the interest to subscribe to these subscription warrants by debt offsetting, by the percentage of the debt thus offset.

Further, the same system of share subscription warrants might be extended to allow for clearing the sums due by Soitec to CEA and its related parties due to the postponement of the payment of the licence agreements and works carried out for Soitec in 2014. The liquidity risk to which Soitec is exposed is described in more detail in Chapter 4 of this Reference Document.

The Group thus considers that it is able to ensure continuity of operations during the 2015-2016 period.

The following table presents shows the breakdown of the Group's financial liabilities by maturity

	Less than 1 year		1 - 2 years		2 - 3 years		3 - 4 years		4 - 5 years		More than 5 years		Total	
(€ '000)	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest	Nominal	Interest
Lease financing agreement:														
Property lease financing agreement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Movable asset lease financing agreement	2,966	588	3,180	374	3,318	102	-	-	-	-	-	-	9,464	1,064
Borrowings:														
Bond issue: OCEANE[1] 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	,-
Bond issue: OCEANE 2018	-	6,966	-	6,966	-	6,966	103,169	3,483	-	-	-	-	103,169	24,381
Bank borrowings			-	-	-	-	-	-	-	-	-	-		
Borrowings from financial institutions	2,392	1,639	1,947	1,558	16,730	130	-	-	-	-	-	-	21,069	3,327
Other borrowings and financial debts:						-								
Reimbursable advance	1,170	-	425	-	737	-	859	-	855	-	7,993	-	12,039	-
Financial suppliers	362					-	-	-	-	-	-	-	362	-
Derivative financial instrument: liabilities	-	-				-	-	-	-	-	-	-	-	-
Bank overdraft	-					-	-	-	-	-	-	-	-	-
Authorised credit line used	42,087*	253	6,416	81	6,399	18	801	4	-	-	-	-	55,703	356
Other financial liabilities	150	-	-			-	-	-	-	-	-	-	150	-
Financial debts	**49,127**	**9,446**	**11,968**	**8,979**	**27,184**	**7,216**	**104,829**	**3,487**	**855**	**-**	**7,993**	**-**	**201,956**	**29,128**

1. OCEANE – Obligation convertible en actions nouvelles ou existantes – Bond convertible into new or existing shares.

* The amount of €42,087,000 presented as expiring within less than a year consists of credit lines amortisable over 3 years, but which shall form the object of a renewal of the drawdown each year. Only one of these credit lines, amounting to € 9 million, forms the object of covenants that could affect the annual renewal of the drawdown.

4.4.4. Credit risk

The financial instruments for which the Group potentially faces a credit risk are mainly liquid assets, restricted liquid assets and receivables from clients. The Group has implemented a cash management policy with the objective of optimising its investments in low risk short-term financial instruments. The liquid assets of the Group are mainly invested with major international financial institutions.

The Group sells its products to clients in the semiconductor industry located in North America, Asia and Europe. On 31 March 2015, there were 7 clients representing more than 5% of sales of the Electronics Division jointly accounting for 63% of revenues. On 31 March 2014, there were 5 clients representing more than 5% of Group revenues, which jointly accounted for 61% of revenues.

The Group periodically assesses the credit risk and the financial situation of its clients and makes provisions for potential losses on unrecoverable receivables. The amount of these losses remained within the limits anticipated by management.

Confirmed credit lines

In 2012, the Group agreed credit lines with its banking partners confirmed for a total amount of € 72 million, maturing on 31 March 2017 and amortised over 5 years. One of these lines was restructured for an amount of € 8 million, amortisable on 31 August 2014. These credit lines are subject to a confirmation fee of 0.15-0.40%, and a commission for use ranging from Euribor + 0.60-1.00%, according to the credit lines.

Within the context of the mobilisation of claims on the research tax credit and the CICE, the Group signed credit lines with Oséo for a total amount of € 18,250,000, maturing in September 2015, September 2016, September 2017 and September 2018. These credit lines are subject to a 0.30% confirmation fee and a commission free use of Euribor 1 month + 0.70%.

Finally, a short-term credit line of € 253,000 has been implemented to finance export sales, with the counterguarantee of COFACE.

4.4.5. Equity risk

The Group could experience exposure to equity risk on account of its own holdings of treasury stock, although this risk is limited insofar as the Company held 111,451 treasury shares at 31 March 2014, i.e. 0.05% of the share capital of the Company.

Volatility of the share price

In recent years, stock markets have experienced significant fluctuations which have often been unrelated to the results of companies whose shares are traded. Market fluctuations, combined with the economic situation, the news published by the Group's principal clients and press releases issued by the Company may increase the volatility of the Company's shares.

On this point, we note that in the last twelve months, the Soitec share price has shown an average ten-day volatility much greater than that of the component companies of the SBF 120. The Company also underlines the very high turnover rate of its share capital.

Dividend policy.

The Company has not distributed any dividends over the past three years and does not expect to distribute any for the financial year 2014-2015. The future dividend policy will take account of changes in the Group's results, additional investment needs and the evolution of the Soitec share price. Like every growth stock, however, the Group's priority will be to finance its development.

4.4.6. Risks related to the significance of off-balance sheet commitments

The Group contracted off-balance sheet liabilities during the normal course of its operations, as is described in greater detail in note 5.2. of the notes to the consolidated financial statements.

4.5. Hedging of insurance risks

Insurance

In addition to the means of prevention and protection deployed, the Company has a comprehensive insurance programme, notably providing cover for:

- risks of property damage and loss of business;
- risks related to the transport of goods;
- risks related to environmental damage.
- risks of the financial consequences of civil liability which could be incurred due to its operation or due to the movement of its products around the world,

Other insurance programmes are subscribed for smaller risks.

The Group's risk management and insurance policy corresponds to the following objectives:

- spreading the transfer of risk to various leading insurance companies;
- subscribing to Group insurance policies to permit consistency of transferred risks and purchased insurance coverage, as well as to improve economies of scale, taking into account the specific character of the Group's businesses;
- establish deductibles appropriate to the size and capabilities of each insured entity.

Damage to assets and loss of business

Assets are covered by the insurance policies of "All risks except" type. These policies are adapted to the different production sites and are subject to regular examinations by the experts of our insurers in order to adjust the guarantee amounts and deductibles to the reality of risks in optimal fashion.

The combined deductibles "property damage" and "loss of business" are adjusted to the site and operating losses are usually insured for periods of eighteen months. This programme integrates the "additional operating costs" guarantee and a guarantee of "deficiency of suppliers and/or clients."

Transport of merchandise

For freight forwarding, the Group's policy for managing risk and insurance leads it to underwrite insurance policies providing cover for its goods over the whole of its supply chain, from suppliers to clients.

Liability damage to the environment

The guarantee "Civil liability for damage to the environment" covers all of our production sites in France and Singapore.

Civil liability

"Civil Liability" insurance is intended to cover the liability of the Company both during the operation of the business, and after delivery of products or within the framework of defence in criminal proceedings and appeals. These insurance policies are subscribed for all of the production and distribution sites with the same insurance companies. These policies take into account the particular features of each production site, as well as the risks associated with different geographical areas of product delivery.

5. Information about the Company

5.1. History and development of the Company

5.1.1. Company and trade name

The Company is currently called Soitec. The Company trades under the name SOITEC or Soitec.

5.1.2. Company's registration place and number

The Company is registered in the Grenoble Commerce and Companies Register under number 384 711 909 RCS Grenoble.

Its APE code is 2611Z.

5.1.3. Company's date of constitution and Term

The Company was constituted on February 27, 1992.

Its lifespan was set at 80 years from the day of its registration at the Commerce and Companies Register, unless it is dissolved or its duration is extended. The Company was registered on March 3, 1992, and will expire on March 3, 2072.

5.1.4. Company's head office, legal form, and regulatory environment

The Company's head office is located at Parc Technologique des Fontaines – Chemin des Franques, 38190 Bernin. The Company's telephone number is 04 76 92 75 00.

The Company is constituted as a *société anonyme* (limited liability corporation) under French law with a Board of Directors and is governed by the legislative dispositions of the French Commercial Code (*Code de commerce*).

5.1.5. Significant events in the development of the Company's business

1992 – Start-up Soitec is founded

André-Jacques Auberton-Hervé and Jean-Michel Lamure, then engineers at Leti, the electronics and information technology lab of the CEA (French Commission for Atomic Energy and Alternative Energies) in Grenoble, establish Soitec to produce SOI (Silicon-on-Insulator) and industrialize the Smart Cut™ process invented at Leti by Michel Bruel in 1991.

1997 – The move from laboratory to fabrication

Soitec's potential becomes clear as early applications for SOI are developed in the lab and a pilot fabrication line is set up for the company's Smart Cut (1996) technology. The company signs a strategic alliance with silicon-industry leader Shin Etsu Handotai ("SEH") of Japan. The decision is made to break ground on the company's first production unit in Bernin, near Grenoble, France.

1999 – IPO launched, Bernin I production unit inaugurated

Soitec launches an IPO on the Paris Stock Exchange's (now Euronext Paris) Nouveau Marché (for fast-growing start-up companies) and cuts the ribbon on Bernin I, the world's largest SOI production facility. The company's annual production capacity gradually expands to 800,000 200-mm-and-under wafers. In the meantime, Soitec's staff has grown from four to more than 100 since its creation.

2002 – Bernin II opens with a shift to 300-mm technology

Soitec's 300-mm wafer development efforts yield dividends as the company opens Bernin II, offering an annual production capacity of 720,000 wafers. The company's revenue exceeds €100 million for the first time in its history.

2003 – Soitec sets sights on new materials

Soitec acquires Picogiga International's business, adding expertise in technologies for III–V composite materials to its product portfolio. The company then begins to use its Smart Cut technology on materials other than silicon. The first GaN (gallium nitride-on-insulator) substrate is just over the horizon and will be manufactured the following year.

2004 – First office opens in Asia

Soitec opens a Soitec Asia, a sales subsidiary in Tokyo. An additional office soon follows in Taiwan (2005). The company now employs more than 500 people.

2006 – New applications for SmartCut technology

The €200 million, five-year NanoSmart joint R&D project with CEA-Leti is underway, with the goal of developing new applications for Smart Cut technology. Soitec also acquires Tracit Technologies, which specializes in thin layer transfer technologies using molecular adhesion and mechanical and chemical thinning processes. The acquisition will bolster Soitec's efforts to broaden its markets.

2007 – Soitec promotes SOI worldwide

Amid rising SOI production volumes, Soitec now employs more than 1,000 people. Soitec CEO André-Jacques Auberton-Hervé is appointed Chairman of the SOI Industry Consortium, a group of around 30 industry leaders and research labs. The Consortium's mission is to promote SOI worldwide.

2008 – Asian production unit opens

Soitec begins producing SOI wafers in Asia. The company's Pasir Ris, Singapore production unit offers 4,000 m^2 of clean rooms and will one day reach annual production capacity of one million 300-mm wafers.

2010 – Soitec enters solar energy market

Soitec acquires an 80% stake in Concentrix Solar, one of the world's leading suppliers of concentrating photovoltaic ("CPV") systems, and enters the growing solar-energy industry. The company also signs a solar-farm alliance with Johnson Controls Inc. The partners plan to build their first solar farms in the United States, South Africa, and in the Middle East.

2011 – Soitec acquires Altatech Semiconductor

Soitec acquires Altatech Semiconductor S.A., a company specialized in the development of highly efficient technologies and equipment.

2012 – Soitec celebrates its 20th anniversary

Today, there are more than 1,500 employees in several countries.

2015 – Company governance is developing: the role of the Chairman of the Board is now separated from that of the Chief Executive officer.

The major events in the development of Company business in the financial year 2014-2015 were the subject of press releases and put on-line on the Company's website (see Chapter 24.2).

5.2. Investments

The object of the Company's investment policy is to keep production capacity in line with the demand expressed by clients or anticipated by the Company whilst assuring the profitability of the investment.

In general, for its historical activities in semi-conductors, the Company is launching a new production line once the usage capacity of the existing lines reaches 80%. All the production equipment used by the Company is standard equipment in the semi-conductors' industry. Therefore, there is little risk of a supply or support outage. The manufacturing lead-times of the equipment suppliers are generally six to nine months. The same equipment is also used in the Research and Development clean room for the development and pre-industrialisation of new products.

5.2.1. Main investments made in the financial year 2014-2015

In the financial year 2014-2015, the company made almost no production investment in its Solar Energy division, but completed the pilot line dedicated to the development of solar panels on the Bernin 3 site (investments of an amount of €2.6 million).

In March 2015 and based on the current efficiency level of the modules, the annual production capacity reached 250MWp in San Diego and 70MWp in Fribourg.

In the Electronics Division, most new investments were made into the Bernin site in view of increasing the production capacity of the 300mm wafers designed to be Fully Depleted SOI (€2.5 million) and the production capacity of the 200mm wafers for the radio-frequency market (€2.0 million). The balance of the amounts paid out for investment operations concerned the clean rooms and the computer systems.

The investments made in the previous two financial years were able to increase the production capacity of the 200mm wafers to approximately 800,000 units per annum (before return) and the capacity of the 300mm wafers for the Fully Depleted SOI to more than 100,000 wafers per annum (before return). These two values depend on a product mix, returns which relate to the ever-changing technical specifications required by clients and the current level of productivity of the equipment. The impact of these different parameters on the capacity can be significant.

As at 31 March 2015, an amount of approximately €2 million still has to be paid out for the projects initiated in the financial year 2014-2015.

5.2.2. Expected main investments

No investment will be made in the Solar Energy division.

In the Electronics Division, new investments will be made in view of increasing the production capacity of the 200mm wafers in Bernin 1 to 850,000 wafers a year and to increase the production capacity of the 300mm wafers for the Fully Depleted SOI and for the photonic market to 140,000 wafers a year. The increased power of the 300mm wafer production lines for the Fully Depleted SOI will be accompanied by additional investments intended to adapt the Partially Depleted SOI production lines to the Fully Depleted SOI technology.

All new investments currently planned for the financial year 2015-2016 should amount to approximately €15 million.

Reference should also be made to note 3 of the Appendix to the consolidated financial statements given in paragraph 20.3.1.2 of this Reference Document, and to note 3 of the Appendix to the consolidated financial statements given on page 87 and following pages of the Annual Report for the financial year ended 31 March 2014 and submitted in the form of a Reference Document to the Autorité des marchés financiers on 13 May 2014 under number D14-0518, and to note 3 of the Appendix to the consolidated financial statements given on page 88 and following pages of the Annual Report for the financial year ended 31 March 2013 submitted in the form of a Reference Document to the Autorité des marchés financiers on 27 June 2013 under number D13-0686, for additional information on the investments made by the Company.

5.3 Information on environmental matters

Only the results from Bernin sites, San Diego and Freiburg were included in this section. There is no data, however, for the Singapore site, which has been shut down since September 2013 and the South Paris site which ceased operations at the end of 2014.

5.3.1. Environmental policy and objectives

Soitec's environmental policy, updated in February 2015, sets four objectives, namely:

- preventing pollution of land, air and water;
- improving waste recovery;
- reducing the use of natural resources;
- guaranteeing the management of prohibited substances.

These objectives are revised and implemented on an annual basis as part of the deployment of the company's strategy. This policy entails respect for laws and local regulations, continuous improvement of our environmental performances and involvement and accountability of staff at all levels of the organisation.

Soitec has never registered an industrial accident or environmental pollution critical for its human and natural environment.

Despite everything and in order to respond to the order of 31 May 2012 on rules for determining and updating the amount of financial guarantees, Soitec has provisioned for risks and pollution. In this way, a proposed amount of financial guarantees to this effect was submitted to the DREAL [Regional Directorate of the Environment, Development and Housing] in December 2013 and shall be forwarded before end-July 2017 to the Prefect.

5.3.2. Management system

The management system integrates the three fields: Quality, Safety and Environment. It guarantees the identification of risks at all levels, there control and prevention. It is deployed at all of the production sites.

	ISO 9001	ISOTS 16949	ISO 14001	OHSAS 18001	ISO 50001
Bernin	ISOTS 16949 covers ISO 9001	Initial certification January 2012 Renewal November 2014	Initial certification December 2001 Renewal December 2013	Certification December 2010 Renewal December 2013	
Forecasts		Renewal November 2017	Renewal November 2016	Renewal December 2016	Certification November 2015
Freiburg	Certification January 2012	NA	Certification January 2012	Certification July 2010	
Forecasts	Renewal January 2018		Renewal January 2018	Renewal January 2018	
San Diego	Initial certification January 2014	NA	NA	NA	
Forecasts	Renewal January 2018				

Surveillance audits are carried out annually by LRQA (Lloyd's Register Quality Assurance, the certification body chosen by the Company).

This management system includes compliance with the non-use of prohibited substances in our products in order to protect the health of employees and the planet under the name Green Partner. The Bernin site had its Green Partner certification issued by Sony in 2005 and is reviewed annually.

5.3.3. Structural and human investment

At human level, HSE responsibilities are managed by:

- a HSE engineer at the San Diego site;
- a QHSE engineer at the Freiburg site.

Bernin's HSE (Health Safety Environment) service consists of the duty manager, two engineers and one technician. This service is operational for Bernin and functions at Group level: orientation of safety policy/environmental data collection and analysis.

A welcome session provided systematically to new recruits and external companies allows them to be informed of the risks present at each site and of the emergency procedures.

The procedures for the control of accidental risks are regularly tested. These tests permit the provision of feedback on experience regarding the adequacy of procedures and responsiveness of the organisation, the revision of these procedures and the development of an action plan for improvement, if necessary.

The Bernin site is subject to the establishment of an Etaré [listed establishments] plan which was updated in 2009 and validated by an external fire brigade. The emergency organisation is based on a POI [Internal operation plan] type crisis management organisation and rests on the availability 24 hours a day, 7 days a week, of functions necessary for proper crisis management (Director of internal operations, security expert, facilities and communication, etc.). An annual background exercise is organised and enables all members of the crisis unit to train. The POI was submitted to the Prefecture in February 2010.

In Fribourg, an alert and emergency plan is in place and regular training sessions have been set up to ensure the effectiveness of the mechanism.

For the financial year 2013-2014, San Diego has implemented an emergency plan and an emergency response team (ERT) and has thus carried out the first tests.

The risks associated with interventions by external companies are controlled through prevention plans. A Security Policy and Environment Safety Regulations for external companies were drawn up during 2007-2008, and updated in April 2015; they are notified to all of the sub-contractors at the different sites.

Soitec imposes strict requirements for selection and follow-up of critical suppliers regarding the environment, especially waste disposal facilities. Safety performance criteria are integrated into the selection and evaluation grid of on-site providers.

Soitec's production sites carry out HSE audits:

- Every year: among all joint contractors permanently at the site and critical joint contractors;
- Every 3 years: with joint contractors which intermittently visit the site and waste disposal companies.

5.3.4. Assessment of environmental impacts and performance improvement

On the Company's ISO 14001 certified sites, an internal environmental impact assessment is carried out annually following a methodology based on a typology of risks (themes) and a rating grid. This assessment results in an action plan to which a budget is allocated. This plan is approved at the annual HSE Departmental Review and submitted to the certification body during surveillance audits.

For the financial year 2014-2015, the improvement actions initiated on all ISO 14001 certified sites, essentially concern compliance and optimisation of the operation of equipment, in order to reduce the energy impact, especially for the Bernin site.

In order to take into account the "energy impacts" on everyday life, an energy management system is being implemented at the Bernin site. The certification audit will take place in November 2015.

Since 2001, Soitec has developed a process to control the development of its new products and manufacturing procedures. This process, piloted at a high level, covers all stages of maturity in the life of products and processes, from research to end of life, and includes continuous improvement. Each of the defined ten stages is ratified by a milestone which guarantees that all risks are controlled and that the maturity is sufficient to allow the transition to the next stage. The completeness of the data on which the Company bases itself in order to allow the milestone to be passed is formalised by a document which resumes the elements and requirements required at this stage. The risks linked to the environment and to safety, as well as the review of the ICPE/Seveso classification of the site form part of these elements with the same level of demands as for risks e.g. linked to the market and to technology. These risks enter into effect very early in the life cycle and condition the transition to the development phase. When it proves necessary, actions or projects are defined and monitored throughout their development in order to ensure ownership at the time of the qualifying stage for a shift to production.

At the Bernin site, in order to ensure the inclusion of safety and environmental aspects in projects of the company not related to products or manufacturing processes (e.g. new installation facilities), a new methodology for analysing HSE (Health Safety Environment) risks of projects was implemented and deployed for 2009-2010. A training module for this risk analysis methodology was implemented for all project managers at different sites.

In order to improve our analysis of the HSE risks of projects, the methodology was reviewed early in 2015.

5.3.5. Environmental performances

5.3.5.1. Monitoring of liquid discharges

Bernin site

At the Bernin site, since February 2003, self-monitoring of waste before discharge into the environment is carried out on a daily basis. The results of this self-monitoring are forwarded monthly to the inspector of Installations Classified for the Protection of the Environment (DREAL).

Moreover, the DREAL inspector awards a mandate to a laboratory on an annual basis for conducting an unannounced check consisting of:

- taking a sample of our industrial water discharge over 24 hours, in order to compare our results for COD, fluorides, ammonia, pH, solids and phosphorus;
- taking a sample from each cooling circuit for a legionella analysis.

Over the last three years, no overshooting of regulatory limit values has ever been observed during these controls on industrial water discharges.

The last unannounced check by the DREAL (August 2014) regarding legionella analyses did not reveal the presence of Legionella pneumophila in the 3 cooling circuits.

Furthermore, since 2005, the municipal authority of Bernin has mandated the regional laboratory for water analysis, based in Montbonnot, to carry out checks on Soitec's industrial water discharges every three months.

The prefectural operating authorisation No. 2013142-0033 of 05/22/13 and supplementary Order No. 2014101-0072 of 11/04/14 for the Bernin site imposes regulatory thresholds on monthly averages and maximum daily concentrations and flows for the following parameters: BOD5, COD, TSS, fluorides, phosphorus, ammonia nitrogen, hydrocarbons, pH, temperature.

According to the prefectural order, at most three monthly overruns of double the limit value for concentrations and flows are permitted.

For the financial year 2011-2012, four concentration overruns were identified for the ammonia parameter (three overruns authorised by the prefectural order and one outside of the specifications) due to maintenance of a hydrochloric acid distribution cabinet and two overruns of concentration for the fluoride parameter due to the annual maintenance of acid gas scrubbers.

In order to improve the control of emissions of ammonia, a colorimetric analyser was introduced in March 2011 at the water sampler. This allows effluents with high concentrations to be diverted towards the site's retention basin.

For the financial year 2012-2013, five concentration overruns were identified for the ammonia parameter, due firstly to an out of service level detector on a gas scrubber and, secondly, to the establishment of a poor prescription for a new production machine.

The sensor was restored to compliance and in the second case, work in Collaboration with the subcontractor ensured compliance with regulatory thresholds.

For the financial year 2013-2014, an overshoot of the maximum daily concentration threshold was recorded for the ammonia parameter, due to a spill of a basic scrubber at a neutralisation station during maintenance of a conductivity probe.

For the financial year 2014-2015, a concentration overshoot and a flow overshoot were recorded for the parameter of suspended solids, due to the introduction of a new treatment product for cooling towers, moreover with the presence of pollen in the air. The following results showed a return to normal.

A concentration overshoot was also noted for the ammonia parameter, due to a defect in the control parameter for the de concentration of a basic gas scrubber. The immediate action was the compliance of the programming of the de concentration regulation parameter.

A last overshoot was highlighted in terms of fluoride concentration, due to an increase in the conductivity of the distillate exiting the evapoconcentrator. The rate of concentration of the evapoconcentrator thus decreased and in this way, the conductivity of the distillate decreased, as did the fluoride concentration.

It should be noted that none of these excesses had a significant impact on the natural environment.

Period	Industrial wastewater parameters		Regulatory limit value: Flow (kg/j) – Monthly average	Flow (kg/j) – Daily maximum	Concentration (mg/l) – Monthly average	Concentration (mg/l) – Daily maximum	Number of measurements	Annual average: Flow (kg/j)	Annual average: Concentration (mg/l)	Number of overshoots: Flow (kg/j)	Number of overshoots: Concentration (mg/l)
2013-2014	BOD5		32	78	10	20	51	9.2	3.8	0	0
	COD		96	234	30	60	363	19.6	8.5	0	0
	Fluorides		16	39	5	10	363	4.1	1.7	0	0
	Total hydrocarbons				0.1		**12**		**0.1**		**0**
	Matter in suspension		16	39	5	10	363	6.4	2.6	0	0
	Ammonium		25	39	10	8	363	12.8	5.6	0	1
	Phosphorus		3	19	1	5	363	0.28	0.1	0	0
	pH		5.5 < pH < 8.5			●	363	7.1		0	
2014-2015	BOD5		32	78	10	20	53	3.7	2.06	0	0
	COD		96	234	30	60	365	12	6.3	0	0
	Fluorides		22	46	7	12	365	6.81	3.56	0	1
	Total hydrocarbons					0.1	12		0.1		0
	Matter in suspension		16	39		10	365	5.04	2.68	1	1
	Ammonium		32	58	10	15	365	13	6.84	0	1
	Phosphorus		3	19	1	5	365	0.44	0.23	0	0
	pH		**5.5 < pH < 8.5**				**365**	5.5 < pH < 8.5		0	

Other sites

At the Freiburg site, it is not necessary to provide for water treatment: since it is used only for domestic use, no control is necessary.

At the San Diego site, quantitative monitoring (flow) is carried out on wastewater.

5.3.5.2. Monitoring of gaseous emissions

Bernin site

At the Bernin site, measurements of atmospheric discharges are made every quarter by an approved organisation: APAVE. The results of these checks are forwarded to the Inspector of Classified Installations for Environmental Protection (DREAL).

According to the prefectural order, no measurement result expressed as a concentration may exceed twice the concentration limit value.

For the financial year 2011-2012, the results show that air emissions are within the permitted limits.

Moreover, there was no emission of ozone depleting substances or gases contributing to the greenhouse effect and associated with energy consumption.

For the financial year 2012-2013, an overshoot for ammonia was observed in building K.

For the financial year 2013-2014, three flow overruns stream for the VOC parameter (volatile organic compounds) were identified. These are consecutive to the execution of compliance work on production equipment (improved sealing) using isopropyl alcohol (IPA).

A request was made to the DREAL and the threshold flow for the VOC parameter was revised upwards in the latest prefectural operating permit No. 2013142-0033 of 22/05/13 and supplementary order No. 2014101-0072 of 04/11/14 for the chimney in building K.

For the financial year 2014-2015, an overshoot of ammonia concentration was observed on the Bernin 3 chimney. An analysis of the causes showed a defect in the sulphuric acid injection of the basic gas scrubber due to poor feedback of information from the pH meter. The technical fault has been resolved and a countermeasure demonstrated a return to normal.

It should be noted that none of these excesses has had a significant impact on the natural environment.

Period	Parameters for atmospheric discharges	Regulatory limit value: Concentration (mg/Nm³)	Number of measurements	Chimney B1/B2: Regulatory threshold flow(g/h)	Chimney B1/B2: Flow (g/h)	Chimney B1/B2: Concentration (mg/m³)	Chimney of Bdg.K: Regulatory threshold flow(g/h)	Chimney of Bdg.K: Flow (g/h)	Chimney of Bdg.K: Concentration (mg/m³)	Chimney of Bdg.3: Regulatory threshold flow(g/h)	Chimney of Bdg.3: Flow (g/h)	Chimney of Bdg.3: Concentration (mg/m³)	MOCVD heat extractor: Regulatory threshold flow(g/h)	MOCVD heat extractor: Flow (g/h)	MOCVD heat extractor: Concentration (mg/m³)	Number of overshoots not authorised by the prefectural order: Flow (kg/an)	Concentration (mg/Nm³): Chimney 1	Concentration (mg/Nm³): Chimney 2	Concentration (mg/Nm³): Chimney 3
2014-2015	Acidity	0.5	4	50	1.72	0.007	10	0.18	0.008	30	0.5	0.008	10	0.06	0.007	0	0	0	0
	Alkalinity	10	4	850	59.2	0.26	100	3.9	0.15	500	49.8	0.7	130	1.25	0.12	0	0	0	0
	NH3	1	4	500	76.8	0.33	100	4.8	0.19	1 000	49.9	0.7	100	1.09	0.11	0	0	0	0
	VOC	20	4	1 700	406	1.77	350	311	12.4	900	116.6	1.55	270	27.1	2.7	3	0	0	0
	HCl	5	4	300	21.6	0.09	100	1.5	0.06	300	5.6	0.08	60	0.92	0.09	0	0	0	0
	HF	1	4	110	19.1	0.08	30	1.3	0.05	50	4.2	0.058	10	0.74	0.07	0	0	0	0

* VOC: volatile organic compounds, NH3: ammonia, HCl: hydrochloric acid, HF: hydrofluoric acid

Other sites

The Freiburg site, 100% dedicated to the CPV business, has very low gas emissions. As a consequence, it does not need to measure its emissions.

The San Diego site also has very low gas emissions, with the only measured gaseous emissions being volatile organic compounds (VOC).

5.3.5.3. Monitoring of Legionella discharges

Bernin site

Since 2009, Bernin factories I, II and III have never exceeded the dispersion shutdown threshold for cooling towers: VLR *> 10^5.

* VLR: Regulatory limit value. Decree of 14 December 2013: C <10^3: good control of facilities, 10^3 <C <10^5: facilities to be monitored, c > 10^5: halting dispersion for compliance. C: Legionella pneumophila concentration in cfu/L.

The site cooling towers are subject to the Order of 14 December 2013 concerning the general requirements applicable to facilities under the registration regime under heading No. 2921 of the nomenclature of facilities classified for the protection of the environment.

In order to meet the requirements of this regulation, Soitec implemented:

- a logbook involving, among other things, the maintenance and upkeep of cooling circuits. These monitoring books are established for the three cooling circuits Bernin I, Bernin II and Bernin III;
- a monthly analysis of Legionella pneumophila (analyses of Legionella species and of Legionella pneumophila have been made since 2003 for Bernin I and II and since August 2006 four Bernin III). The results of these analyses are forwarded monthly to the DREAL; Since 2009, Legionella pneumophila has never been found at a level above the threshold of 10^5 cfu/l.
- a risk analysis of the cooling circuits was made in 2005 to Bernin I and II and in 2006 to Bernin III. Risk analyses are reviewed annually;
- an annual regulatory compliance audit by an approved body was carried from 2007 to 2013 for Bernin I, Bernin II and Bernin III. This audit is not a requirement of the new ministerial order. This audit should be performed only in the case of the establishment of a new installation or after detection of the presence of Legionella pneumophila at levels above 10^5 cfu/l.
- training in legionella risks for staff working on these installations, to be renewed every 5 years.

The Fribourg and San Diego sites are not subject to legionella regulations.

5.3.5.4. Consumption of natural resources

Bernin site

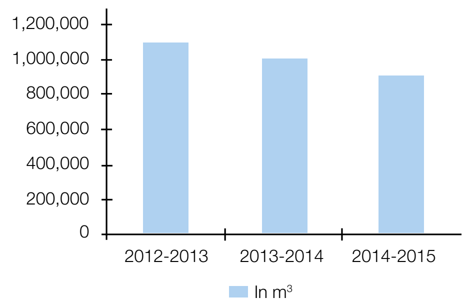
The following tables show consumption of industrial water, electricity and gas for the Bernin site, over the last 3 years.

Water consumption

Numerous actions were taken during previous financial years allowing savings of water. In addition to these specific actions, a more global reflection is required. The last step has thus been the execution of a study during 2013-2014, resulting in the completion of a detailed mapping of incoming/outgoing flows, in order to proceed with the implementation of an action plan for water recycling.

The major action implemented in 2013-2014 is recycling of the concentrates osmosis units in the procedure for manufacturing ultrapure water at Bernin II. This action will reduce annual water consumption by 208,000 m^3.

Industrial water consumption



Electricity consumption

For the financial year 2010-2011, a certain number of actions were carried out, including the implementation of high-performance filters in air treatment installations, the optimisation of adjustment of air conditioning/heating control in offices, as well as the study of installation of a heat pump that would permit a saving, in the future, of 1,800 MWh (electricity + gas) per year or 414 TEQ of CO2 not released into the atmosphere.

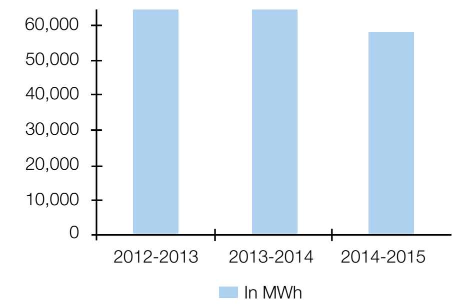
Conversely, the increase in production activity over the period did not allow these economies to be observed on the indicator.

An energy audit was carried out during the financial year 2013-2014, which permitted a mapping of the equipment and premises with the highest energy consumption and in this way, to implement an action plan for the reduction of energy consumption. Actions requiring little investment were implemented over the same period.

One of the major actions implemented was the optimisation of air treatment plants in offices B and J, allowing a reduction in electricity consumption of 500 MWh/year.

For the financial year 2014-2015, the main action implemented was the optimisation of the operating parameters of the clean room:

- Decreased excess pressure entailing a reduction in fresh air intake and hence a decrease in electricity consumption of air treatment units,
- A reduction in laminar flow, permitting a reduction in the electricity consumption of air recyclers.



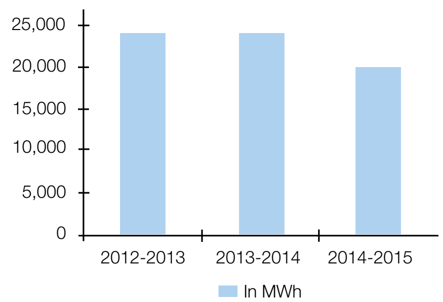
Gas consumption

During the financial year 2010-2011, magnetic filters were installed on air processing units, allowing a saving on natural gas consumption of 2,000 MWh, equivalent to 460 TEQ of CO2.

During the financial year 2012-2013, we continued to deploy the boiler performance improvement systems (hot water), including those of Bernin III.

No major action was deployed during the 2013-2014 financial year.

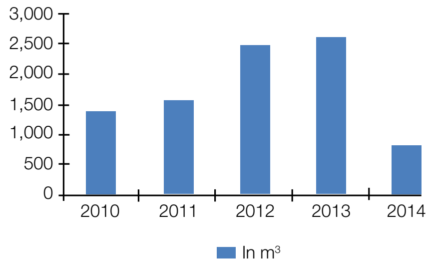
For the financial year 2014-2015, a heat recovery system at the exit from the production of compressed air was introduced to warm the IDE (deionised water) of the EUP station (ultrapure water) of Bernin 2. This action avoids the use of calories from the gas boiler more generally, in order to reduce our energy impact.



Freiburg Site

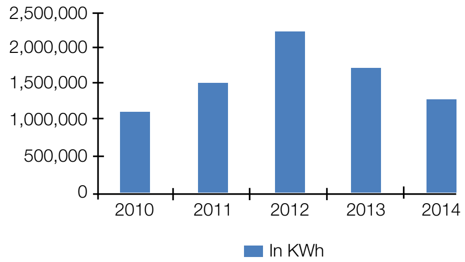
Water consumption

The following graph shows water consumption from 2010 to 2014:



Electricity consumption

The following graph shows electricity consumption from 2010 to 2014:



Gas consumption

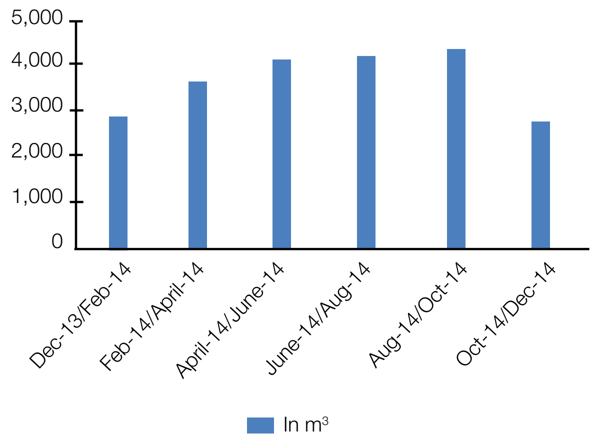
At the Freiburg site, natural gas is only used to heat the site. Consumption evidently depends on climatic conditions. In January 2013, a new heating system was installed in order to improve energy efficiency.

San Diego site

Industrial water consumption

The following graph shows water consumption for 2014:

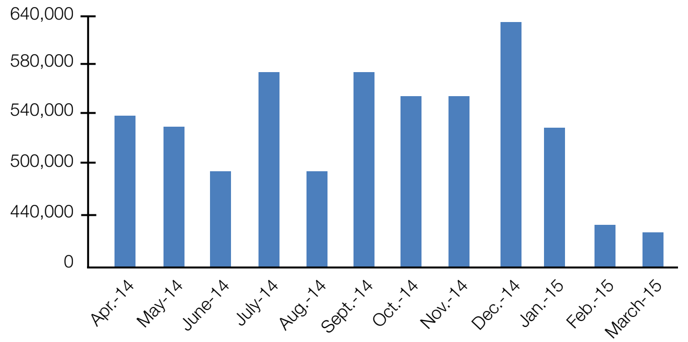
Consumption of industrial water



Electricity consumption

The following graph shows electricity consumption for 2014-2015:

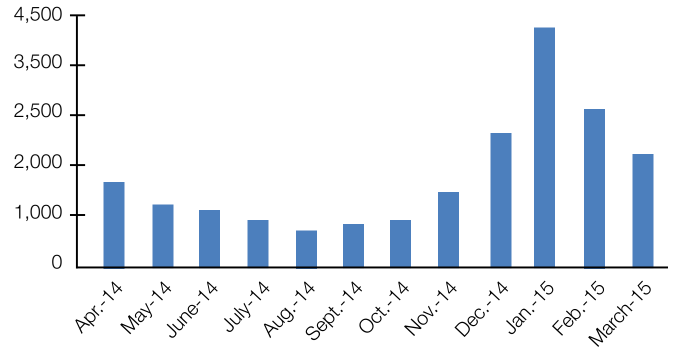
Monitoring of electricity consumption (kWh)



Gas consumption

The following graph shows gas consumption for 2014-2015

Monitoring of gas consumption (kWh)



5.3.5.5. Monitoring of waste recovery and disposal:

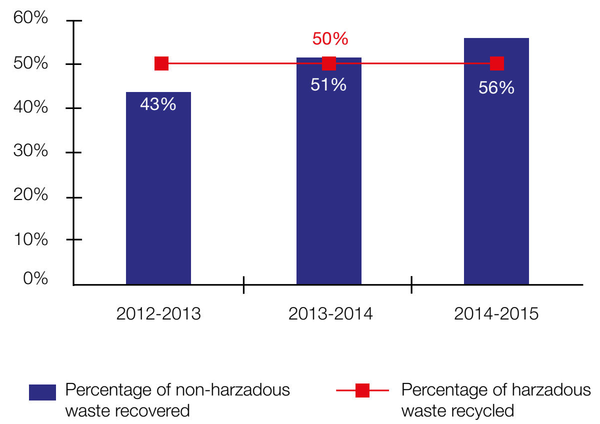
Bernin Site

The main families of recycled waste are:

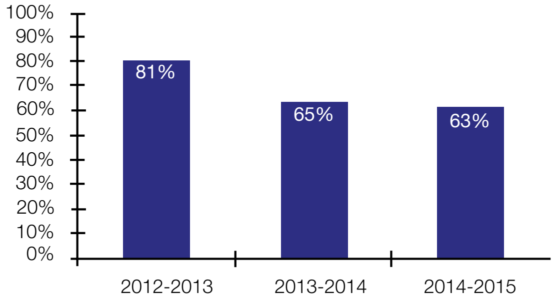
- NHW (non-hazardous waste): paper, cardboard, wood, silicon, plastic and glass;
- HW (hazardous waste):
- Bulk HW: hydrofluoric acid, ammonia, ammonia/sulphuric acid mixture, etc.
- Packaged HW: ink cartridges, electronic waste, batteries and neon lights, etc.

Summary tables of percentages of Non-Hazardous Waste and Hazardous waste processed and recycled

Percentage of non-hazardous waste recycled



Percentage of non-hazardous waste recovered



The recovery rate for non-hazardous waste set by Soitec at 50% was achieved 2 years ago. A certain number of non-hazardous and hazardous waste optimisation actions were implemented each fiscal year:

• WASTE REDUCTION AT SOURCE:

- Paper: use of recycled paper and raising staff awareness of front and back printing;
- Packaging: implementation of reusable containers for the transport of finished products in order to reduce the tonnage of packaging waste;
- Plastics: removal of overshoes in offices.

• IMPROVEMENT OF WASTE RECOVERY:

NON-HAZARDOUS WASTE

- Recycling of numerous items of non-hazardous waste other than paper, cardboard and plastic;
  - Plastic containers which have contained unclassified chemical products;
  - Stainless steel and aluminium waste;
  - Corks and plastic bottles, cans wrapping. The plugs are then given to the association “les Bouchons d’Amour”;
  - Food packaging;
- Implementation of waste sorting at the company restaurant by the guests;
- Optimisation of the on-site printer pool and staff awareness of paper consumption;
- Implementation of a comprehensive global waste management service, as well as the presence of a person dedicated to sorting waste at the site,
- Installation of 2 sorting machines allowing the recovery of plastic cups for reclamation purposes.

HAZARDOUS WASTE

- IPA (isopropyl alcohol): reuse as reagents in a physico-chemical treatment plant
- WEEE (waste from electrical and electronic equipment) recycling within the reintegration association “Solidarité Enfance”
- Establishment of an evapoconcentrator to reduce the tonnage of bulk ammonia or fluorinated DD. The concentrate is sent for treatment by incineration with energy recovery and the distillate is sent to the neutralisation station of the site.

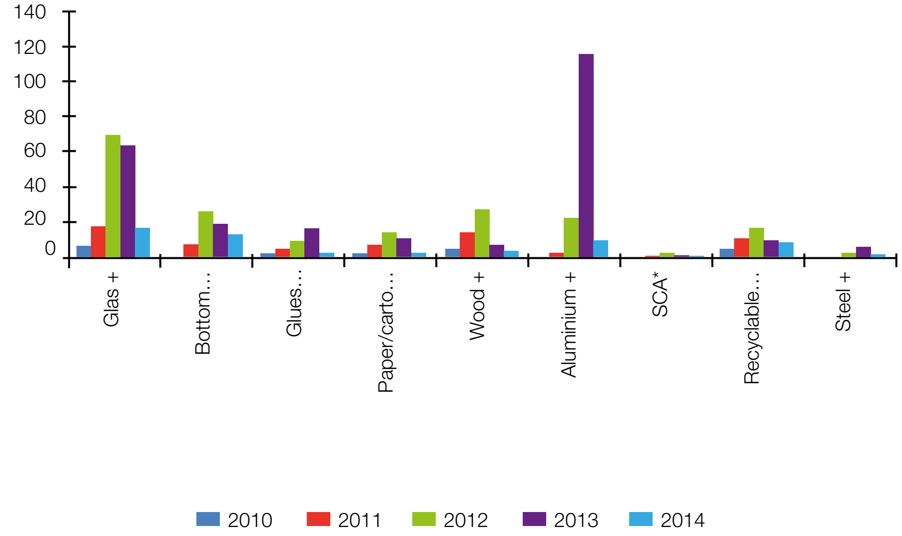
• OPTIMISATION OF WASTE VOLUMES:

- Establishment of two cardboard compactors and DND in order to optimise the number of transport of such waste;
- Construction of a new waste platform for optimal sorting.

Other sites

At the Freiburg site, some materials are 100% recycled: glass, glass with SCA (Sun-Coloured Amethyst), glues and solvents, paper and cardboard, wood, aluminium, metals. Domestic waste forms the object of recycling or thermal treatment with energy recovery.

Industrial waste in tonnes



The “Refresh” Bernin procedure

Recycling in production was established at a very early stage and avoids losses of raw material. The most successful example is SOI (Silicon on Insulator) in microelectronics: in order to develop the product we start from two SOI wafers. The first wafer is oxidised in order to achieve a surface insulation. The method further includes transferring a thin silicon layer from the second wafer onto the first. We then obtain the ‘Silicon on Insulator’ structure. The thickness transferred is very small compared to the total thickness of the wafer, less than 0.05%. We have developed a process for reusing thus wafer: we call this process the ‘refresh’. This consists of reworking the surface on order to restore its initial quality in terms of geometry and defectivity. We can then transfer a very thin layer of silicon onto a new oxidised wafer. We repeat this process a dozen times. This will generally reduce the amount of silicon that we use. Finally, when we can no longer use the ‘refreshed’ wafers because they have become too thin, we sell them for other applications. As such, the original silicon remains in an industrial cycle.

5.3.6. Environmental training

In order to inform employees about the environmental impacts of industrial activity and the means deployed to avoid pollution, a monthly training session is provided to all new employees recruited at the Bernin site. In 2014, 95% of recruits were trained on environmental issues.

Internal communication on the environment

Examples of communication actions on the environment theme conducted at the Bernin site between 2009 and 2015 are:

- Realisation of an environment brochure;
- Realisation of an environment poster campaign (for the Bernin, Pasir Ris and Paris Sud sites);
- Communication on sorting of waste at the company cafeteria;
- Promotion of sorting of waste at the site and the preservation of biodiversity;
- Campaign to reduce paper consumption.

At the San Diego site, all employees have taken part in an awareness raising campaign about ISO 14001 and OHSAS 18001, within the context of the certification process.

5.3.7. Carbon balance

The updated carbon balance will be submitted to the Prefecture in December 2015.

In 2012, Soitec drew up its 3rd Carbon Balance™. The new regulatory framework of the Grenelle II law required us to establish a greenhouse gas balance for our sites of Bernin and Paris Sud. We chose to go beyond the requirement by including all sites (excluding San Diego as it was too recent) and the three perimeters of the ADEME [Agency for the Environment and Energy Control].

The results of our Carbon Balance™ allowed us to prioritise three areas and establish a three-year action plan:

Energy

- Reducing our consumption remains a priority. At the Bernin site, most importantly, a review of operating hours of air treatment units for offices (air conditioning, heating) allowed us to achieve a 500 MW saving;
- The visitor's car park is now lit by LED and road studs along the avenues;
- The next stage is a study of the clean room parameters (humidity, temperature, laminar flow speed and excess pressure) which should permit a reduction in electricity consumption.

Transport of employees

- Travel policy remains the benchmark for travel;
- In order to achieve better monitoring of commuting by employees at Bernin, we took part in the survey of the *Observatoire des PDE*, an observation and promotion tool for Company Travel Plans, offered to us by the Chamber of Commerce of Grenoble, which is a partner of the Observatory partner: of 950 employees on the site, 455 replied. The last survey took place in 2008.
- It should be noted that "solo driving" decreased by 9% in favour of public transport, train, bus and car.

	2013	2008	Change
Commuting	%	%	%
Own car	69.0%	78.0%	-9.0%
Car sharing	17.0%	15.0%	2.0%
Bicycle	1.0%	1.0%	0.0%
Motorised 2-wheel vehicle	1.0%	0.0%	1.0%
Foot	1.0%	1.0%	0.0%
Train	2.0%	1.0%	1.0%
Bus/Car	9.0%	4.0%	5.0%
	100.0%	100.0%	

- The objectives notified last year after the carbon balance remain valid: reducing the impact of business trips by 5% (for constant sales) and that of commuting by 5% (constant number of employees).

Freight

- In addition to having maintained its efforts for packing, the Supply Chain implemented a monthly indicator, presented at the review of operations of the microelectronics industry. The carbon impact of all shipments from Bernin is systematically measured (to customers, other sites, subcontractors, etc.), and its monitoring allows decisions to be made, such as the implementation of maritime transport, dedicated shuttles, etc.

5.3.8. Complaints

Over the last 3 years, no complaints relating to the environment were recorded at Group level.

In order to prevent complaints, Soitec adopts a stance on the following topics:

Consideration of sound disturbances and other forms of pollution specific to an activity

The Bernin site is located close to homes. Industrial activity is likely to generate occasional inconveniences. The Environment Service is attentive to the comments of residents, especially in terms of lighting and noise, and proposes solutions for inconvenience (such as reorienting lighting). In 2013, no noise measurement was conducted for nearby houses in order to monitor the compliance of the site. To date, noise measurements comply with the authorised limits.

Measures taken to preserve or develop biodiversity

Set on a former farm site, the Bernin site implements resources for reintegrating animal and plant species. Following a study, it appears that the majority of species present at the site are concentrated in the storm basin, rehabilitated in 2002.

In collaboration with a nearby horticultural college, Soitec deployed a biodiversity conservation project for this storm basin.

The school's mission is to re-design the basin and its surroundings: to clean the basin, prune the trees and plant new species.

5.4. Societal information

Following Decree No. 2012-557 of the Grenelle II environmental law, 2012 marked the first drafting of Soitec's Sustainable Development report. A table of CSR information provided in Decree No 2012-557 of 24 April 2012 is contained in Chapter 28 of this Reference Document.

Beyond environmental and social information, which were already included in the Registration Document, the issues of Sustainable Development also include societal issues: this aims to meet the needs of the stakeholders of the company.

The Bernin site is both Soitec's oldest and largest site, explaining why most of the societal actions take place there. The ultimate goal is nevertheless to increase initiatives at other sites.

5.4.1. Territorial impact

a) Global vision of actions

In order to ensure proper integration of its sites with their geographical environment, Soitec maintains long-term relationships with local authorities.

On the occasion of the inauguration of the new solar production unit, the municipality of San Diego declared event "Soitec of San Diego day", illustrating the quality of these links.

With regard to employment, Soitec indirectly impacts the local employment areas of all its sites, by virtue, among other things, of its partnerships with research laboratories, job creators and innovators:

- CEA (Grenoble) joint laboratory (20 years), which was at the forefront of innovations and assisted with diversification through joint teams;
- Pierre and Marie Curie University (Paris): monitoring of researchers;
- *IRT nanoélectronique* (Grenoble): collaboration and co-financing of R&D;
- Catholic University of La Louvain: collaboration and development;
- *Institut de Microélectronique et Composants*: secondment of employees;
- Fraunhofer (Fribourg): joint laboratory for 4 years, development of the SmartCell™, a cell which converts light into electricity. A number of Bernin employees have been seconded to the laboratory;
- Phoenix Arizona State University.

The Bernin site also maintains strong links with teaching institutions and businesses in the Grenoble area through the *High Tech University* programme (HTU).

b) Focus on the High Tech University project

A loss of interest in industrial sectors has been visible for several years at higher education level; secondary school pupils in their early years are turning towards science subjects, albeit not necessarily in order to work subsequently in industry.

The HTU project was initiated by SEMI (the international professional association which brings together companies in the semiconductor sector).

The HTU programme aims to encourage secondary school students to move towards careers in high technology, including microelectronics. Over time, Soitec and its partners aim to revitalise the pool of young graduates by stimulating vocations.

Through this project, Soitec is involved locally and forges effective partnerships with educational institutions, engineering schools and companies.

The HTU project consists of hosting secondary school students at the Bernin for identical sessions involving 36 pupils entering secondary school, equally for girls and boys, from two grammar schools.

Each session lasts three days, and each day takes place at a different site, allowing students to understand different industry and university environments: STMicroelectronics Crolles, Grenoble-INP, Soitec. Each day consists of fun workshops directed by company employees or students.

Originally established in 2007 by Soitec and joined by STMicroelectronics and Grenoble-INP, this programme has gradually expanded: from one session in 2007, HTU succeeded in staging a session in 2014, to total fifteen sessions over seven years.

The success of the programme is measured by questionnaires completed by pupils at the end of each session, and by interest of teaching staff in extending the programme year after year.

c) Actions for residents and local communities

Soitec and Altatech have provided a Plug & Sun system to the IMT-ISCO.

The IMT is a major Apprentice Training Centre (CFA) within the greater Grenoble area (2,600 apprentices) the managing body of which is the CCI (Chamber of Commerce) of Grenoble (CCIG).

5 years ago, the IMT created a Sustainable Development and New Energies division and trains apprentices across the entire field of energy performance. The division was created with the help of major energy companies.

ISCO is also an institution associated with the Grenoble Chamber of Commerce and specifically trains BTS Domotics Renewable Energy technicians at the IMT site in partnership with Schneider Electric's *Ecole des Métiers*.

This Collaboration gives priority to raising awareness among apprentices of photovoltaic technologies, to training apprentices in installation skills and to steering and systems maintenance.

It also allows technicians of partners/subcontractors/distributors/trainers invited by Soitec to see and install an operational system at a training site.

Within the context this provision, Soitec has undertaken, at its own expense, to:

- deliver the Plug & Sun system and its accessories and to assume the cost of installation on the IMT (system assembly, tests);
- train two CCIG trainers/technicians in the use, piloting, maintenance and upkeep of the system;
- provide assistance to the CCIG in order to ensure the proper functioning of the system.

Soitec Bernin, which is heavily involved in its territory, has continued to participate actively and regularly in round tables of the Municipalities of Grésivaud which have taken place within the context of developing the Climate Energy Plan and Agenda 21.

5.4.2. Dialogue with stakeholders

Conditions for organising a dialogue with stakeholders

Soitec had planned to establish a proactive dialogue initiative with its stakeholders. This approach was due to take shape from autumn 2013 onwards and Soitec had formed an association with a consulting firm to act on the issue.

Exceptional economic conditions nevertheless led the company to postpone the project. This work, which was due to be based on ISO 26000, has thus been postponed until the company is again able to devote itself to the subject.

Partnership and sponsorship actions

Because of its age and size, the Bernin site is the most active in terms of partnership and sponsorship.

Soitec strengthens its local roots through agreements with well-known local partners which are active in the life of the Grenoble region.

Partnerships and sponsorships develop the sense of belonging of its employees, unite employees around a common corporate culture and help to maintain relationships with the local community.

Soitec is particularly involved in partnerships or sponsorships:

- Our company is one of the key partners of the Grenoble Rugby Club (FCG). Places are regularly offered to Bernin employees via a betting game on our intranet, and also allow us to invite clients and partners;
- Soitec is a member of "Patrons' Club" of the Museum of Grenoble. This sponsorship policy offers employees access to the Museum's collections, as well as opportunities for guided tours.

5.4.3. SUBCONTRACTING AND SUPPLIERS

a) Relations with subcontractors and suppliers

The impact of the CSR policy of a company is also measured through its responsible purchasing policy.

Soitec has developed its purchasing policy around 4 guidelines:

- since 2012, systematic inclusion in our agreements with suppliers of a clause for respect for ethical and environmental practices, for 100% of new agreements;
- since 2013, the requirement for our major suppliers, including all of our subcontractors led to deploy staff on our site, to comply with the EICC (Electronic Industry Citizenship Coalition) standard. This standard, specific to the electronics sector, aims to promote good practices. The results are not yet known and will be measured in one year;
- the development of relations with *Entreprises Adaptées* [Adapted Enterprises] (EA) and *Etablissements et Services d'Aide par le Travail* [Assistance through Work Establishments and services through Work] (ESAT), which employ handicapped and/or disabled workers. In 2014, the activities carried out in a protected environment generated revenues of € 59,832 net of taxes, permitting the recovery of 2.59 beneficiary units. In this way, Soitec developed the purchasing of specific services with the appropriate medium (green areas, administrative supplies, catering).

b) Awareness raising among subcontractors and suppliers of Sustainable Development

Soitec is seeking to integrate its suppliers and subcontractors into its sustainable development programme. This integration begins with an optimisation of the supply chain: the attention paid to the environmental impact of logistics raises awareness among suppliers and subcontractors. These first stages aim to lead our partners towards a broader reflection on Sustainable Development.

- in 2012-2013, Soitec initiated a reorganisation of its transport network by opting for the establishment of logistical platforms located closer to its main customers in: the United States, Japan, Singapore. This new organisation allows grouped shipments from Bernin and contributes to the optimisation of volumes, weight, circuits and hence to reducing the carbon footprint;
- we encourage our suppliers and clients to engage with us in approaches to the reduction of greenhouse gas emissions;
- the Approach already initiated of giving priority to maritime transport remains valid. For example, the repatriation of material from the Singapore plant was carried out by boat and this method also applies to some of our supplies (equipment, special clean room packaging);
- during negotiations of agreements, our clients are automatically directed towards delivery solutions using reusable containers;
- the mechanism of dedicated shuttles to key European customers permits the reuse of wedges for blocking boxes of plates in the packages. The client returns them to us via the shuttle and they can then be reused in a future shipment: waste reduction (they no longer have to be destroyed by the client), reduction in the impact of their manufacture (they are recycled);
- since mid-2013, the systematic use of cartons which have permitted our DPF and Smurfit Kappa suppliers to win the 2012 Oscar for packaging, allows us to gain around 1/3 of the volume on pallets, the capacity of which increases from 300 to 450 300mm plates per package. We recall that these boxes are 100% recyclable.

5.4.4. Fair practices

a) Global policy

To date, Soitec has not been active in sensitive markets with regard to corruption, and the nature of its activities, which are strictly *B-to-B*, have rendered the issue irrelevant. Soitec has never experienced a scandal associated with this theme.

With the evolution of solar activity, Soitec will establish *ad hoc* preventive measures, in line with international rules. Soitec's Code of Conduct nevertheless already imposes a strict compliance with national and international legislation on this point.

Deployed across all sites, it defines the behaviour to be adopted: this charter illustrates Soitec's desire for CSR.

Soitec has sought to position itself on the issue of human rights and has launched an unprecedented initiative to meet this commitment: Sunidarity.

b) Sunidarity, a flagship project

Since Soitec announced its strategic refocusing on its electronics activity in January 2015, the Sunidarity initiative has not been renewed.

6. Overview of activities

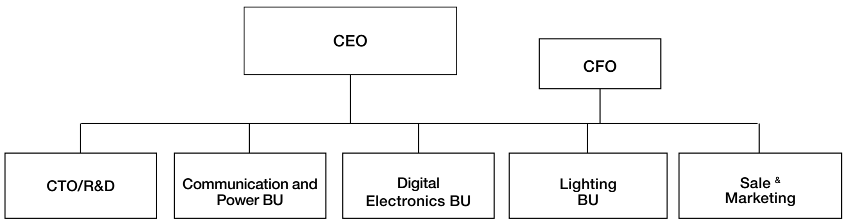
6.1. In 2015, the Group refocused on its core business

6.1.1. Strategic refocusing and new organisation

As announced in the press release of 19 January 2015, and after the shutting down in the United States of major solar power plant projects which were to use the concentrated photovoltaic wafers manufactured by Soitec (see press released of 15 April and 22 December 2014), the Board of Directors of the Group unanimously decided to implement and provide its support to a strategic plan in view of refocusing the activities of Soitec on its core electronics business.

Consequently, Soitec reorganised its company around three Business Units: "Digital" (digital applications), "Communications and Power" (communications and electronic power applications) for the electronics activities (these two BU have two common bases: R&D and Sales & Marketing) and the "Lighting" Business Unit (light applications).

The "Digital" and "Communications and Power" Business Units combine the historic activities of Soitec in the field of semi-conductors: the Bernin operating production lines in France (small diameter wafers and 300mm wafers, 300mm material recycling) and those decommissioned in Pasir Ris, Singapore (300mm wafers). These two Business Units also rely on distribution subsidiaries and sales offices in the main installation regions of those involved in the semi-conductor industry: in Bernin and Paris for Europe, in the United States (Austin, Peabody, Phoenix and San Diego) and in Asia (Seoul, Taipei, Tokyo and a representative office in Shanghai with Simgui for China).



In parallel, Soitec has given an investment bank instructions to sell the assets of the Solar Energy Division (industrial activities, power plants and intellectual property, apart from the assets related to the "Smart Cell". Given the investments made in its Solar Energy Division since 2009, Soitec does not expect the sale of the assets of this division to cover its initial investment. The outcome of the restructuring operations under way in the Solar Energy Division will define the residual scope of the activities of the Group in the domain of solar power.

6.1.2. Three Business Units

The group's three Business Units are organised, as a priority, in accordance with the final applications relating to the wafers of different diameters developed and sold by the Group.

• The "Digital" Business Unit

- This Business Unit combines the historical activities of the Group with the PD-SOI products ("partially-depleted" SOI), which are mainly present in the digital processors for computers, games consoles and servers.
- In a context where the electronics and semi-conductors markets are focusing increasingly on mobility, the group has also developed the FD-SOI technology ("fully-depleted" SOI), growth relay expected from the Business Unit; this new technology favours, at the time of mobility, the performances, energy efficiency and, finally, a reduction in costs.
- The BU also includes the SOI activities for photonic applications (semi-conductor devices using optical transmissions), which can be used either for the long-distance transmissions (communication networks), or for the data transfer applications in the datacentre type networks, routers, switches, etc.

• The "Communications and Power" Business Unit

The activities of this Business Unit mainly relate to:

- the SOI products for the radio-frequency (RF) applications for the mobile applications markets (RF-SOI products for mobile phones and tablets),
- the semi-conductors used in power electronics (automobile and industrial applications).
- and, to a lesser extent, the layer transfer activities resulting from the acquisition of Tracit Technologies in 2006.

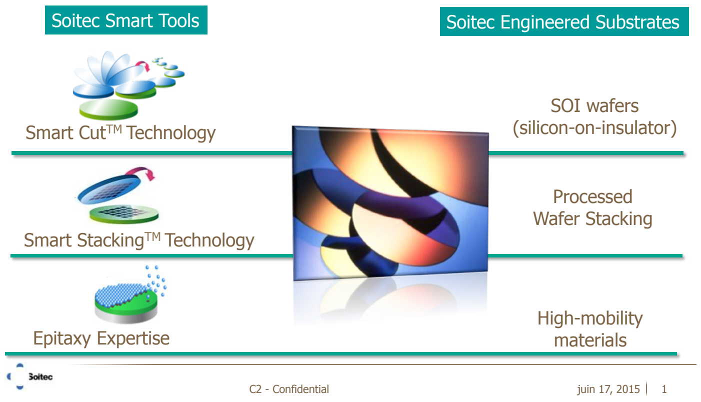
• The "Lighting" Business Unit

- The main activity of this Business Unit is the sale of lighting solutions (light-emitting diode - LED - based) for clients managing buildings for tertiary, commercial and industrial use.

6.1.3. Technological and industrial know-how in semi-conductor materials

Soitec stands out due to its disruptive technologies, protected by numerous patents, and due to its materials experience on atomic architectures. The main areas of expertise developed by the group for the semi-conductors market are: Smart Cut™, Smart Stacking and epitaxy.

Soitec tools

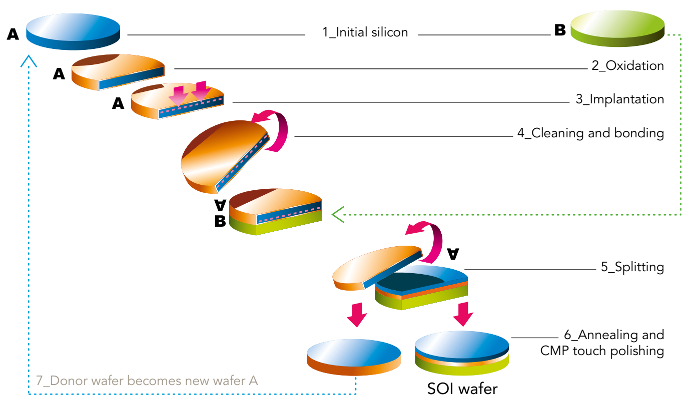


Source: Soitec

6.1.3.1. The Smart Cut™ technology, an atomic scalpel

The Smart Cut™ technology makes it possible to transfer very thin layers of crystalline material from a donor substrate to another substrate, by ionic implantation and molecular adhesion. It overcomes the traditional limitations of placing layers between metals (thermal dilatation, irregularities and faults in the structures), with complete control over the uniformity of the thickness of the silicon and oxide layers with an atomic mesh. The Smart Cut™ technology also allows for recycling the donor substrate and for industrialising the production to serve a wide range of applications (electronic components for computer servers, computers, games consoles, power electronics, automobile, etc.). Combined with the other Soitec technologies, it is finding new applications (LED, photonics, display screens, four-junction solar panels).

The Smart Cut™ technology



Source: Soitec

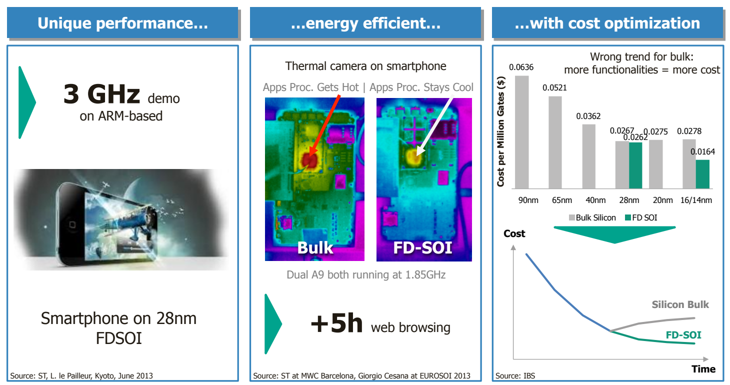
6.1.3.2. The FD-SOI wafers

The wafers used for the fully depleted FD flat structure transistors' technology are composed of an extremely thin silicon layer on an insulting oxide layer (Buried Oxide or BOx). They confer specific properties to the manufactured transistors in this silicon layer. Ideally adapted for "general public" mobile and multi-media applications, these wafers are able to reduce the energy consumption, which is divided by 5 at equivalent performances[1].

Likewise, the processors made using FD-SOI wafers can see their performance peaks improved by up to 43%, depending on the design optimisations. Moreover, when the power voltage is reduced to very low values (0.6V), the performances achieved are still exceptional (1GHz), such that an ultra-low consumption operating of mobile devices can be considered in many user scenarios. On the other hand, the FD-SOI wafers are used on the production lines of the traditional CMOS sector, and share numerous manufacturing stages of the transistors with this latter. Finally, the use of these wafers reduces by 10% the number of stages necessary to manufacture the chips, leading to a very competitive cost of the finished product[1].

[1] [source: ST at the SOI Consortium conference in Japan in January 2015, www.soiconsortium.org/fully-depleted-soi/presentations/january-2015/STM%20-%2028nm%20FDSOI%20growing%20Applications%20and%20Ecosystem%20-%20Kirk%20Ouellette,%20Jan%2023,%2020.pdf].

The advantages of the FD-SOI technology



Source: Soitec with its STMicroelectronics data at MWC, STE in CES, IBS

6.2.3.3 The RF-SOI wafers

The Soitec range of RF-SOI products was developed to respond initially to the antenna switch market for cellular and Wifi applications. Soitec offers a wide range of products covering the Wifi – Cellular 2G-3G market with its HR-SOI and Cellular 4G/LTE range and LTE Advanced with its eSI™ range. Apart from antenna switches, the RF-SOI is today being adopted on power amplifiers with several RF-specialist companies.

Designed and manufactured using the Smart Cut™ technology, the specificity of the RF-SOI products is having a basic substrate with very low electromagnetic losses. By definition, this substrate is a so-called high-resistance substrate. Soitec cooperates with all those involved in the RF ecosystem (research centres, phone manufacturers, "bulk" substrate suppliers, RF fabless, etc.) to continuously improve the performances of its products, so as to respond to increasingly important specifications of the mobile telephony 4G/LTE, LTE Advanced and future 5G standards.

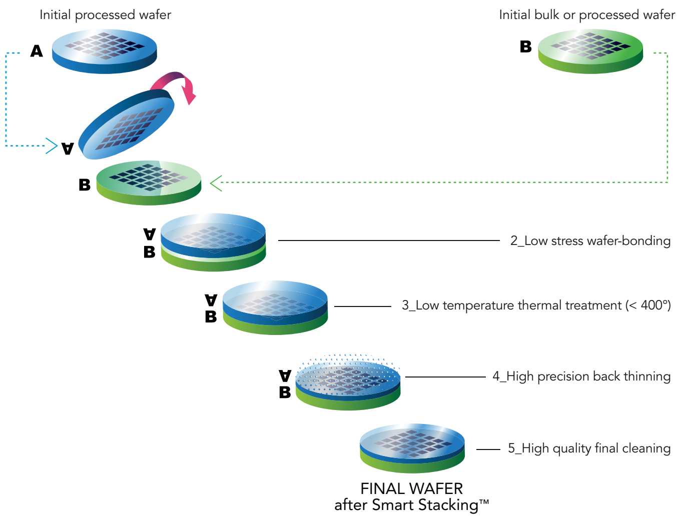
6.1.4. The group's other technologies: Smart Stacking™, Epitaxy and Smart Cell™

• Smart Stacking™, is a technology for transferring layers onto other materials

Developed from Soitec's experience in micro-electronics innovation, the Smart Stacking™ technologies allows for partially or fully processed wafers to be transferred onto other components. Its advantages include the group processing (from substrate to substrate) of such a process which is then able to reduce the costs compared to individual processing. It allows for manufacturing semi-conductor components in a standard CMOS factory which only accepts silicon, and for transferring these components to a different functional material.

For example, it can manufacture silicon transistors, and then transfer them on sapphire, which is more adapted for radio-frequency performances. Finally, this technology allows for accessing 3D stacking to vertically stack several layers of components and increase the density of the resulting component. It is compatible with a wide range of substrates. It comes into play to produce materials which are used in the electronic components of back-lit sensors and radio-frequency sensors.

Smart Stacking™ Technologies



Source: Soitec

• Epitaxy, a technology to grow material layers

Soitec has recognised know-how and expertise in epitaxy. This technique is particularly able to grow layers of semi-conductor materials on compound semi-conductors or insulator substrates. Soitec has a laboratory that is specialised in developing gallium nitride based epitaxy used for applications such as light-emitting diodes - LEDs - or the power and epitaxy components of gallium arsenide or indium phosphide based ternary or quaternary materials for solar cell applications. Soitec has several epitaxy techniques: metalorganic vapour phase epitaxy (MOVPE) and hydride vapour phase epitaxy (HVPE).

• The "smart cell": a high-conversion multi-junction solar cell.

The multi-junction solar cells use IIV-V compound semi-conductor materials. Boosted by its know-how in this domain in the domain of collage of materials, Soitec has developed with its partners, CEA-Leti in France and the Fraunhofer Institute for Solar Energy Systems (ISE), in Germany, a high-conversion solar cell, composed of two tandems of two junctions stuck together allowing for introducing a four-junction cell as opposed to three for the current technologies. This means that it can capture a larger percentage of the solar spectrum and therefore increase the light-energy conversion performance of the cell (in this design, each sub-cell also contributes to the conversion into electric power of the photons included in a wavelength of between 300 and 1,750nm).

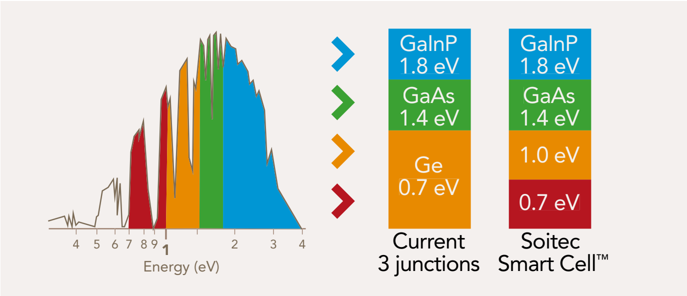
After an initial record announced in September 2013, in December 2014 Soitec and its partners announced a new world record for the direct conversion of sunlight into electricity, with a solar cell demonstrating 46% efficiency.

This new generation of four-junction cells could in particular be used in the centre of the concentrated photovoltaics (CPV) systems. At the end of 2014 and beginning of 2015, Soitec demonstrated that these cells mounted in a Soitec technology CPV module would also able to beat the world record of efficiency of a CPV module with a solar energy into electric energy conversion rate of 38.9% (record confirmed by the independent calibration laboratory of the Franhofer Institute and published at the CPV11 conference in April 2015).

Within the framework of the development of the cell, Soitec uses its basic core-business technologies, namely Smart Stacking for the design of the cell, epitaxy, for the intelligence of the active layers of the junctions and Smart Cut™ to allow this product to achieve the cost objectives.

The R&D and Corsica pilot production line activities (which developed the Smart Cell manufacturing process) are now grouped together within a "Compound Electronics" team in the "Communications and Power" BU.

Smart cell versus a 3-junction cell

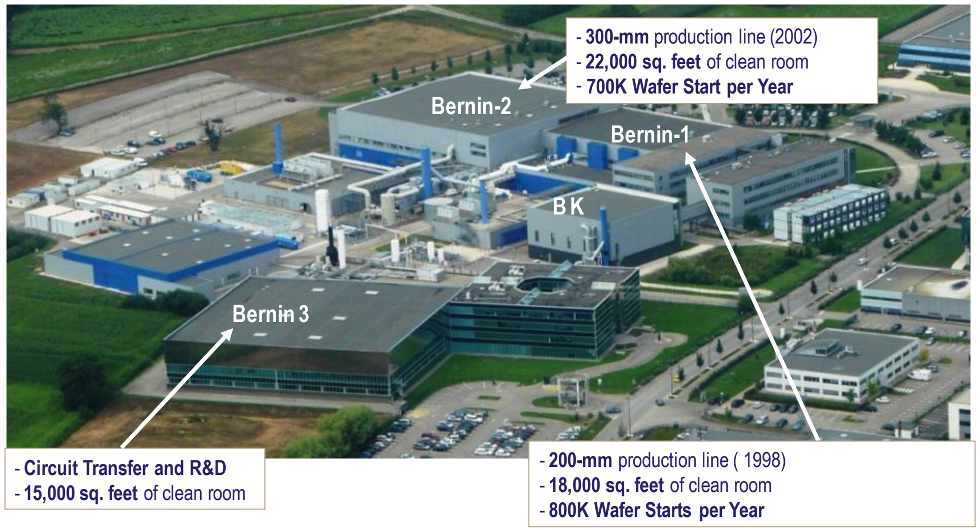


Source: Soitec

6.1.5. Production capacities in France and in Asia

Based in Bernin, Soitec has the world's largest SOI industrial production site. In total, it has 4,500m² of clean rooms, distributed over three plants in France. Furthermore, the group has a production plant in Singapore which is not currently being used and in 2015 entered into a partnership with the Chinese company Simgui for the manufacturing of 200mm wafers for the RF and power applications (see Soitec Press Release of 26 May 2014).

Bernin production site (France)



Source: Bernin production site (France)

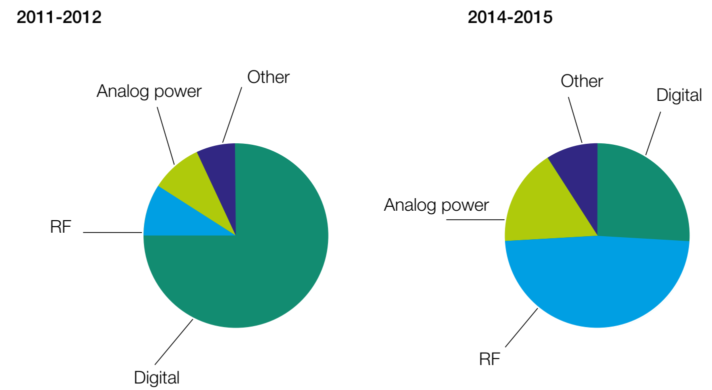
6.1.6. . An electronic business boosted by the market transition towards mobility and connectivity

6.1.6.1 The applications/clients mix of the group is developing

For several years now, the breakdown of the group's turnover in electronics has been developing, both as regards applications and as regards clients. This development accompanies the electronic market's transition towards "mobile" devices (smartphones, tablets) as opposed to the previous technological cycles (dominated by the PC market).

The group does in fact benefit from a substantial increase in the sales of its "Communications and Power" Business Unit, which contrasts with the end of life of part of its portfolio in the "Digital" Portfolio (particularly the PD-SOI products for the PC/servers and video games' consoles applications). Consequently, whereas the digital applications (excluding photonic applications) represented around 75% of turnover until the 2011-2012 tax year, this percentage fell in recent financial years to represent approximately 25% of turnover over the 2014-2015 tax year. Over the same period, sales of wafers for the RF applications increased from approximately 10% over the 2011-2012 financial year to almost 50% in 2014-2015. The wafers for the analogue applications in the power semi-conductors also made progress to represent almost 20% of turnover for the 2014-15 tax year (compared to approximately 10% in 2011-2012).

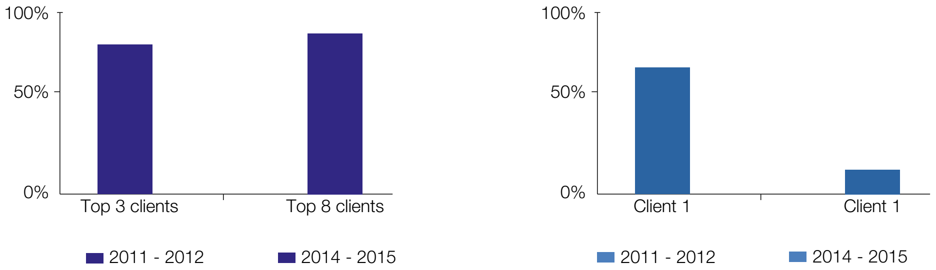
Indicative breakdown by applications of the turnover in electronics



Source: Soitec (unaudited data)

The "client" base has also been changing for several years. In general Soitec reduced its risk profile by diversifying and by reducing the relative weight of its biggest clients. Whereas 3 clients represented 80% of turnover over the 2011-2012 tax year (the number one client then representing approximately 2/3 of turnover), 8 clients represented 80% of turnover for the 2014-2015 tax year (with the number one client representing less than a quarter of turnover).

Breakdown by clients of the turnover in electronics



Source: Soitec

6.1.6.2. “Digital” Business Unit

FD-SOI: A NEW OPPORTUNITY FOR GROWTH

The mobile and general public electronics market is developing at a constant pace. To remain in the forefront and to meet the increased mobility requirements of users, developers and manufacturers of integrated circuits have to constantly improve the balance between integration, energy efficiency and performance of products.

The challenge faced by the digital processors’ market, for these mobile and general public applications today, is its capacity to continue to integrate more and more functions and performance on the same chip for reduced consumption. This consists of reducing the dimensions of the transistors, by keeping the consumption of the circuits under control and by further improving their operating speeds, all of which at a final attractive cost (this is Moore’s Law).

To do so, new transistor architectures have been developed by the semi-conductor industry.

First of all, these are the FD-SOI (planar transistors which are manufactured “flat” on silicon), and secondly the FinFet (3D transistors replacing the traditional planar transistors). In both cases, the idea is to change the geometry of the transistors to remove harmful effects which were secondary in the past but which have become extremely cumbersome as transistors have become smaller and smaller.

The FD-SOI technology has the advantage of remaining a planar solution, and therefore simple and economically interesting, whilst solving the problems of the previous generations of CMOS on silicon.

It also has the advantage of being available today for the 28nm fine engraving, and is being developed for the 20nm and 14nm, whereas the FinFET technology only exists at commercial level for the 14nm, which only concerns the most advanced circuits for servers, PC or smartphones. However, most of the market is satisfied with a less finer engraving.

According to the analyst Handel Jones from International Business Strategy “The 28nm node will represent approximately 4.3 million wafers in the 2017 timeframe, and FD-SOI could capture at least 25% of this market.”

The current consumption and cost constraints could therefore give the advantage to the FD-SOI technology, which responds particularly well to the requirements of the new applications related to the internet of objects but also to those existing in the automobile and networks’ sector.

The ecosystem is reinforcing and thus confirms the growing interest of clients and partners for this technology with new major clients (such as Samsung, GF, ST, Sony, Ciena, Cisco, Lattice, Freescale, Fujitsu and other circuit manufacturers, etc.).

FD-SOI, an ecosystem which is rapidly expanding

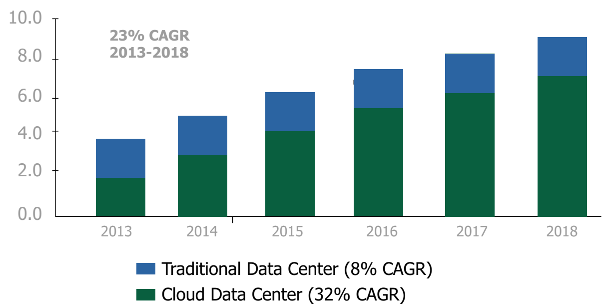
Source: SOI Consortium conference in San Francisco, February 2015 http://www.soiconsortium.org/fully-depleted-soi/presentations/february-2015/Advances%20in%20Applications%20and%20Ecosystem%20for%20FD-SOI%20technology%20-%20ST.pdf

In these past six months, i.e. in the second half of its 2014-2015 financial year, Soitec has also recorded its first sales of FD-SOI wafers. Finally, these new FD-SOI products should allow for increasing the volume of sales of FD-SOI wafers which opens up major revenue outlooks in the coming years.

PHOTONICS ON SILICON: DEVELOPMENT OF A DISRUPTIVE TECHNOLOGY

The explosion of internet traffic and the need for calculation and storage capacity on the “cloud”, exported in calculation centres (datacentres), is the source of the demand for information transmission systems with increasingly bigger outputs over increasingly shorter distances.

Total Data Center Traffic Growth



Source: Cisco Global Cloud Index, 2013–2018

One of the technical means of responding to this demand is using optical transmissions (light signal transmissions) rather than electric ones. Indeed, electronic transmissions are bigger energy consumers (ohmic losses in the cables) and are limited in distance. Optical transmissions (photonics) have been used for a long time for long-distance transmissions (in communications networks for example, visible also by the arrival of “fibre-to-the-home” (FTTH)).

The technologies implemented are typically III-V material based lasers (Indium Phosphide), manufactured in specific factories. But, with the increase in output, the need for optical communication over much shorter distances is growing and is developing in the domain of data transmission. Photonics therefore have to develop towards a mass industry and optimise costs. Photonics on silicon may thus play a major role, allowing for optical components to be made on silicon (transparent to used wavelengths) and compatible with the entire CMOS industry.

The largest semi-conductor industrialists (Intel, IBM, Samsung, STMicroelectronics, Fujitsu, etc.) have for many years had a huge R&D activity in photonics on silicon. Soitec, for its part, has tools and products which would enable it to see a potential increase in power of the photonics-on-silicon market leaders.

6.1.7. "Communications and Power" Business Unit

6.1.7.1. Very high demand for RF-SOI

The growing use of multimedia applications, along with consumers' need to be permanently connected, has caused major changes. We note a continuous growth in the number of mobile phones (+12.7% on average over 2013-2018 - source IDC), subscriptions to mobile networks (today equal to the world's population and which should reach 9.2 billion in 2019 - source: Ericsson) and data consumption (+61% on average over 2013-2018 - source Cisco).

New generations of mobile phones are released on the market each year, successively responding to the 3G, 4G/LTE, LTE Advanced standards. They achieve increasingly larger data transfer performances, which are today getting near to 300Mb/s in downloading. For antenna switches, these changes in standards imply increasing strict specifications, mainly in terms of linearity. Our range of products is constantly adapted to these changes in specifications.

The number of approved frequency bands for mobile phones has increased from 6 in 2004 to almost 60 today. Each frequency band requires new antenna switches. Added to the constraints of overcrowding and the cost of telephones are today the constraints in terms of performance, with the integration of components having become a priority. Since 2011, the historic market of gallium arsenide has been progressively replaced by the RF-SOI technology developed by Soitec, which today represents 85% of the market share of antenna switches (Navian, Dec. 2014).

Silicon content required to perform the antenna switch functions and power amplifiers by generation of telephones

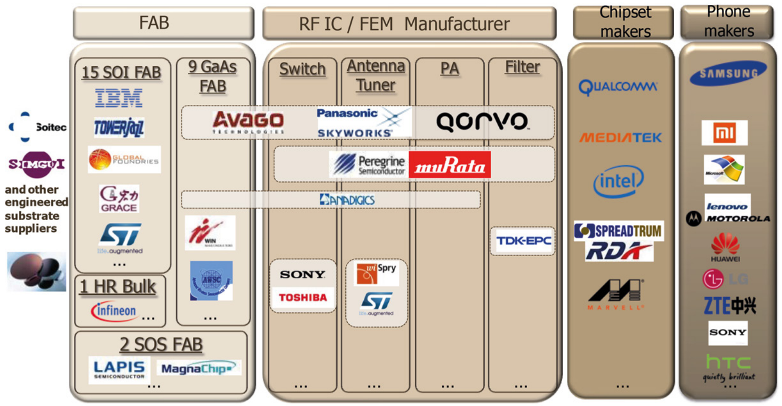
2.5 G smartphone	3G smartphone	LTE smartphone	LTE Adv smartphone
2007- 2008	2009- 2011	2012- 2015	2015-2018
2G 4 bands	2G 4 bands	2G 4 bands	2G 4 bands
	3G 4 bands	3G 6 bands	3G 6 bands
		LTE 4/12 bands	LTE >15/50 bands
2 PA & 1 SW	6 PA & 3 SW	System	System
5 mm²	**12 mm²**	**>24 mm²**	**>32 mm²**

Source: Soitec

The increase in the number of telephones, in the complexity (and therefore the size) of antenna switches first of all, and the increasing market share of the RF-SOI technology on this market secondly, are the source of the significant increase in demand for RF-SOI wafers, which should reach 1 million wafers in 2015 (source: ST, 6 April 2015, EETimes) and continue in coming years.

Further, the system solutions now integrate the power amplifiers, the antenna switches, the control electronics, etc. These circuits are therefore more than three times bigger than the antenna switches alone. Soitec anticipates that this integration and the development of new products with a higher digital content, targeting operating frequencies above 5GHz such as 5G, should lead to the production going to 300mm and the continued development of RF-SOI technologies, particularly beyond the 90nm technological node.

The Front-End Module ecosystem



Source: Public information and Soitec vision

6.1.7.2. Solid fundamentals on power semi-conductors

The automobile sector is therefore one of the first sectors (since the 2000s) to have used SOI in mass production for the power applications. The semi-conductor market for cars is constantly growing due to the increase in the number of electronic components per vehicle and the number of vehicles sold.

Other sectors use SOI for the power semi-conductors: flat screens (plasma and AMOLED technologies), lighting, electricity, medical, etc. To respond to the needs of their clients, most power semi-conductor manufacturers have developed "SOI-BCD" platforms: NXP, ATMEL, STMicroelectronics, Renesas, Freescale, Infineon, TI, AMS, XFAB, etc.

6.1.7.3. Strategic agreement with Simgui in China

For more than a decade, the importance of China has continued to grow within the global electronic value chain (manufacturers of semi-conductors, foundries, fabless, design, OEMs, etc.). Already present directly and indirectly via the sale of SOI wafers, on 26 May 2014 Soitec announced a partnership with Shanghai Simgui Technology Co., Ltd. (Simgui), a Chinese manufacturer of silicon wafers for the semi-conductors' industry.

This alliance aims to respond to the increase in Chinese demand and to the global insufficiency of production capacities for 200mm SOI wafers, which are used in the manufacturing of semi-conductors for the radio frequency (RF) applications and the power applications. Most 4G/LTE smartphones today make use of RF-SOI wafers and particularly the Soitec eSi™ wafers, widely used in the RF circuits. Another Soitec 200mm SOI product, the Smart Power™ SOI, is, for its part, used throughout the world to manufacture integrated power circuits designed for automobile electronics, lighting and electric power.

In addition to giving Soitec its first SOI wafer production capacity in China, the agreement also increases the industrial production capacities to respond to the increase in world demand. Finally, this agreement constitutes the first step in the creation of an SOI ecosystem in China. This agreement includes a licence and technology transfer agreement allowing Simgui to manufacture 200mm SOI wafers using the Soitec Smart Cut™ technology. Simgui will build a high volume SOI production chain to directly cater for the Chinese market. Simgui will also manufacture the Soitec SOI 200mm products for the Soitec global market outside China, to extend Soitec's range throughout the world.

On 2 December 2014, Soitec and Simgui also announced the entering into of a distribution agreement on the exclusive sale of 200mm silicon-on-insulator (SOI) wafers in China. After the previous licence and manufacturing partnership signed between the two companies in May 2014, this agreement constitutes a second key stage for the creation of an SOI ecosystem in China. It now gives Simgui the exclusive right to promote, distribute and sell the Soitec 200mm SOI wafers in China.

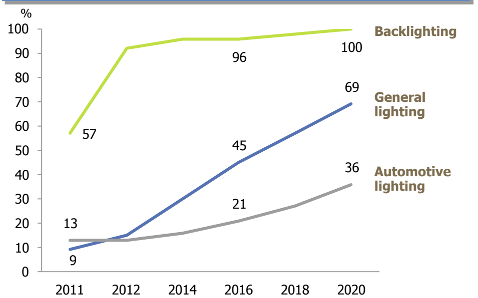
6.1.8. "Lighting" Business Unit

The lighting market players today share three major expectations: the achievement of energy savings, the reduction of the return-on-investment time, and the assurance of having quality products, both in terms of the light service rendered and in terms of reliability and robustness. To respond to this, light-emitting diodes (LED) have many advantages over either type of bulbs (halogen, fluorescent, incandescent, sodium vapour, etc.). They do in fact generate more light per unit of power and this light is more easily perceived by the human eye. The LED market is an attractive market due to have major growth:

Significant growth of the market share of the LED segment on the lighting market

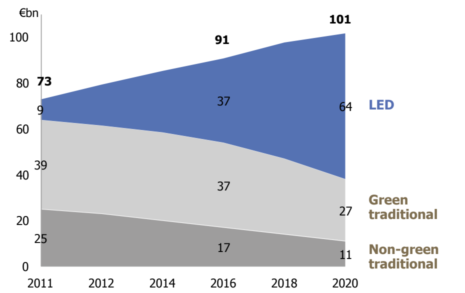
The LED segment market share is expected to be strongly growing into the lighting market

LED value-based market share by sector



The major potential growth market for LED is expected to shift towards general lighting, vs. the backlighting market, which remains dominated by LED

Global lighting product market trend by energy-efficient products



LED transition is expected in 2014-2016, as this technology becomes more cost-competitive vs. energy-efficient traditional technologies

Sources: McKinsey&Cie – Light the way study – 2012; NB: Backlighting: TV, laptops, mobile applications ; General lighting: residential lighting, architectural lighting, hospitality, shop and outdoor, office and industrial applications)

The Lighting Business Unit was created in the 2011-2012 financial year to combine the resources implemented in Bernin and Phoenix (U.S.A.) to develop materials designed for manufacturing light-emitting diodes first of all, and to sell lights on the commercial and industrial markets secondly.

6.2. Main markets

Until the acquisition of Soitec Solar GmbH in December 2009, the Company operated on two markets, the SOI wafer supply one to clients manufacturers of integrated electronic circuits and the market for the supply of advanced substrates for the entire components' industry.

The main component manufacturers and the main silicon founders have put in place programmes using SOI substrates. The Company is the leader in manufacturing and supplying SOI wafers in volume. It was the forerunner in the manufacturing of SOI wafers with its Smart Cut™ technology, which today represents almost 100% of SOI wafers sold on the non-captive market (internal evaluation). The data related to the market share held by the Company are considered confidential. The Smart Cut™ technology is able to offer integrated circuit manufacturers a competitive alternative to massive silicon, thanks to performance gains and to the reduction in the consumption of energy, but also through a reduction of manufacturing costs due to a simplified architecture.

Soitec's main competitor is SEH which obtained from the Company an operating licence for its Smart Cut™ technology. The American company SunEdison, formerly MEMC, started to sell SOI wafers in 2010.

The following tables can be used to assess the change in the breakdown of turnover by region, client and size of wafers.

Geographic breakdown of turnover of the Electronics Division (300 mm + small diameters + III-V materials)

	2012-2013	2013-2014	2014-2015
United States	31%	39%	40%
Europe	61%	41%	28%
Asia	8%	21%	32%

Breakdown of turnover of the Electronics Division by client

	2012-2013	2013-2014	2014-2015
Top five clients	82%	61%	63%
Clients no. 6 to no. 10	9%	19%	23%
Other clients	9%	20%	14%

The top five clients for the financial year 2014-2015 were International Business Machines Corp, Taiwan Semiconductor Manufacturing Company, NXP Semiconductor, Jazz Semiconductor and ST Microelectronics.

Breakdown of turnover of the Electronics Division by family of products

	2012-2013	2013-2014	2014-2015
300 mm	73%	54%	25%
Small diameters	23%	40%	68%
III-V Materials	3%	4%	1%
Royalties	1%	1%	2%
Equipment	0%	1%	4%
Others	0%	0%	0%

In the domain of energy, the Company has committed to the specific segment of the industrial production of electricity in areas with high solar irradiance which should enable it to optimise the energy efficiency of its technology. This technology has been adapted from terrestrial solar energy satellite applications thanks to the efforts of two main research institutes, National Renewable Energy Laboratory (Denver, USA) and Fraunhofer Institute ISE (Fribourg, Germany). At the end of 2009, the Company signed a collaboration agreement with the German institute and its historic partner, CEA-Leti, to develop new generations of high performance solar cells by using its know-how in terms of substrate engineering. The Company decided to vertically integrate by acquiring a solar systems' manufacturer, Concentrix Solar GmbH, which became Soitec Solar GmbH. The Soitec CPV technology remains an emerging technology. The energy production market is a vast market where the different technologies cater for different economic and environmental conditions depending on the country and the laws. Further, the CPV technology is not systematically positioned in competition with all other energy sources as it may be complementary given its high efficiency. All energy sources are nevertheless in competition to deliver the cheapest possible electricity in the area of each project concerned. The competitive environment has become stiffer in recent years: fall in the price of thermal energy in the United States with the massive exploitation of shale gas, abandoning of renewable energy subsidy programmes by the public authorities in most developed countries within the framework of deficit reduction policies, prices practised by the Chinese photovoltaic industrialists. As the Company was not able to assure a satisfactory level of use of its production capacities after the loss of major contracts in the United States, it had to make the decision to abandon the development of this activity in early 2015.

6.3. Extraordinary events

On 16 January 2015, the Board of Directors unanimously decided to immediately implement and develop a strategic plan aiming to refocus Soitec's activities on electronics, its core business. Soitec has initiated several actions designed to significantly reduce the fixed cash costs of the solar division. In parallel, Soitec has given an investment bank instructions to sell the assets of the Solar Energy Division (industrial activities, power plants and intellectual property, apart from the assets related to the "Smart Cell". Given the investments made in its Solar Energy Division since 2009, Soitec does not expect the sale of the assets of the division to cover its initial investment.

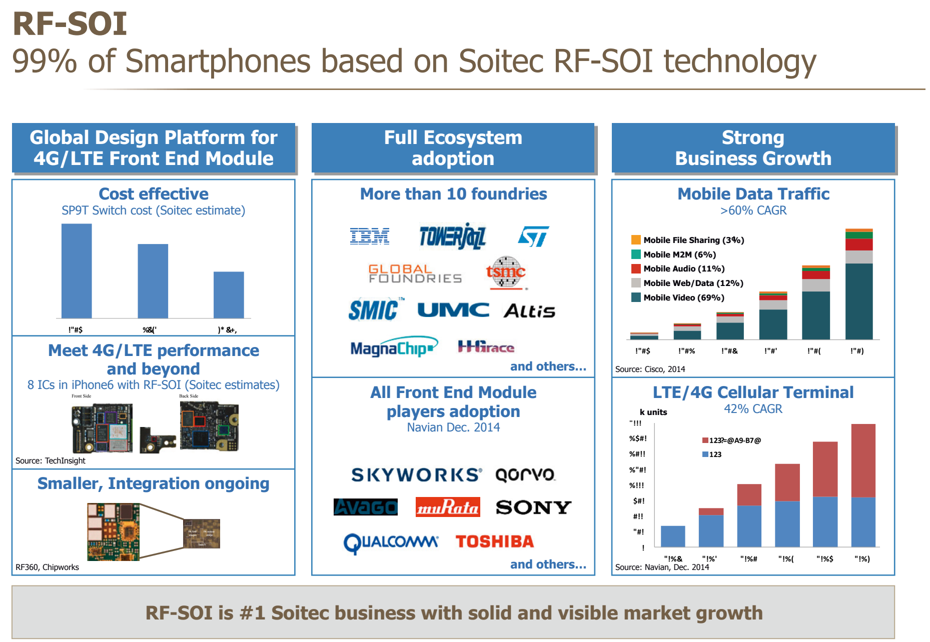
6.4. Degree of dependence of the issuer on patents or licences, industrial, commercial or financial contracts, or on new manufacturing processes

This information is given in paragraph 4.1 of this Reference Document.

6.5. Competitor situation

The elements used for assessing the competitive situation of the Group, mentioned in paragraph 6.2, are taken from internal analyses.

For information, here is an extract from the presentation of the 2014-2015 annual results, given on 28 May 2015 and on line on our website (http://www.soitec.com/fr/finance/resultats-financiers/2014-2015/pdf/Soitec_FY15_Results_28may2015_FR.pdf).



Analog Power
Steady growth, well established footprint

Value

High Temperature
Up to 180°C

High reliability
Robust to ESD/EMI
Truely latchup-free

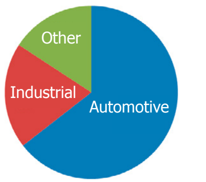
High voltage
Dielectric isolation (up to 600/1,200V)

Low cost
Cost savings thanks to die shrink
(up to 50%)

Proven value since 2000's
Automotive Transceivers
– CAN/LIN/FlexRay (>50% in SOI)
Automotive Infotainment
– Class-D amplifier
Industrial
– AC/DC converter
– Motor drivers
– Power over Ethernet

Customer Ecosystem

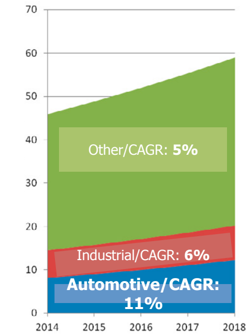
Soitec power SOI revenue
by application



NXP, ATMEL, XFAB, ST, Infineon, Texas Instruments

Business Opportunities

Market value
($B)



Source: IC Insights, May 2014

Power applications – steady long-term growth opportunity

Digital – PD-SOI demand extended thanks to new applications

End of Life opportunities

Gaming

Expect PS3/ XBOX generation consoles based on PD-SOI approaching EOL in 2016 - 2017

Source: Video Game Console Retail Sales Outlooks
Global Game Console Installed Base by Platform

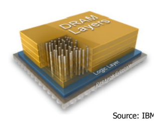
ASICS and microprocessors

IBM, AMD, freescale, HUAWEI

New programs on PD-SOI

Micron's Newest Memory innovation
Hybrid Memory Cube (HMC)

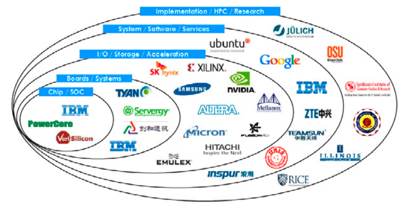
3 program awards received by IBM for the hybrid memory Cube Logic Layer: **32nm SOI w/TSV**



Source: IBM

Power 8 processor: 22nm SOI eDRAM

OpenPOWER



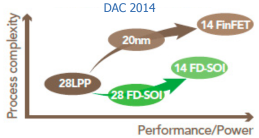
Source: IBM

New developments for added value applications

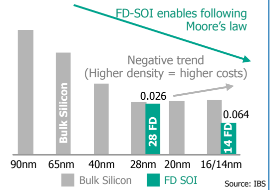
FD-SOI
Confirmed adoption

Strong competitive advantages

Best Performance/Power/Cost
DAC 2014



Cost per Million Gates ($)



Source: IBS

A rapidly growing ecosystem and products announcements

SAMSUNG, ST, GLOBALFOUNDRIES

"There is an opportunity to turn SOI from niche into mainstream."
Kevin Low,
Samsung senior director foundry marketing

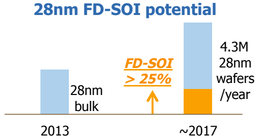
"For cost-sensitive markets with more analog integration, FD-SOI is the right solution."
Jamie Schaeffer, GF product line manager

SONY, freescale, ciena, SYNOPSYS, LATTICE, cadence, FUJITSU, CISCO, Mentor Graphics, surecore, eSilicon, SFARDS, alchip, SYNAPSE design, VeriSilicon, Open-Silicon, Quik

Source: SOI Consortium

A considerable potential

28nm FD-SOI potential



"The 28nm technology will represent approximately 4.3 million wafers in 2017 and FD-SOI could capture at least 25% of the market."
H. Jones, IBS

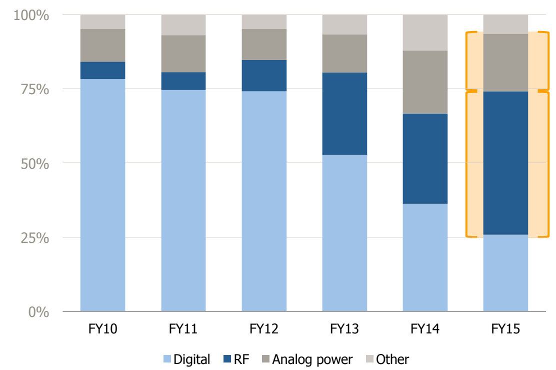
FD-SOI for **COST & POWER SENSITIVE** MARKETS: **automotive, IoT, mobile and networking**

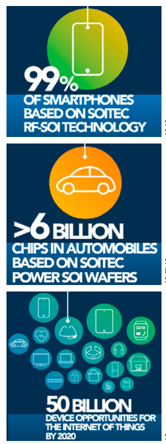
New products under qualification using FD-SOI

A successful transition towards mobility

In FY15, more than 2/3 of revenues related to mobility

Electronics revenue share by application





Source: Navian, Yole, Soitec estimations

Source: NXP analysts Day Nov. 2014, Soitec estimations

Source: Cisco

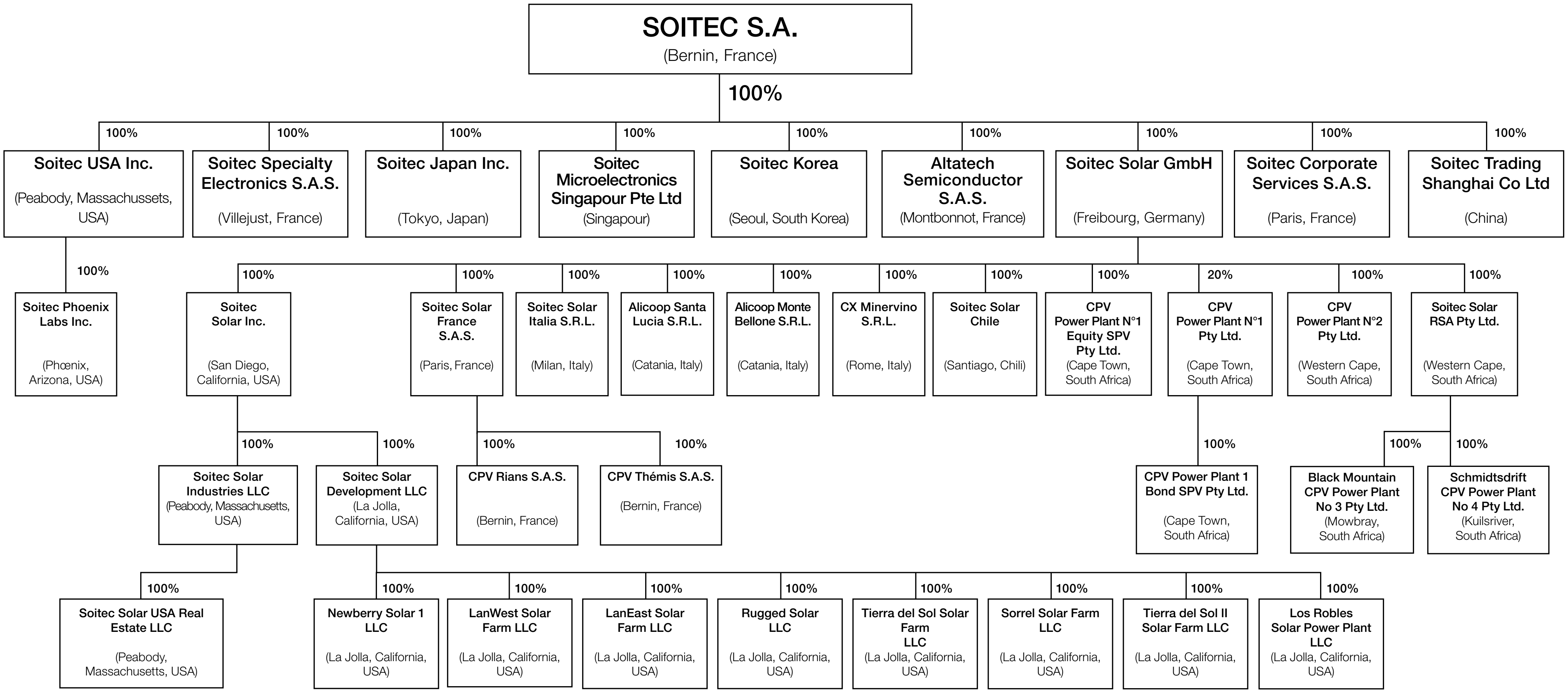
7. Organizational Structure

7.1. The Group

7.1.1. Group's organizational structure

The organizational structure, presented below, shows the Company's subsidiaries at the filing date of this Registration Document. As part of an initiative to bolster the Group's external image, it was to modify the names of the subsidiaries. The new names have not yet been legally registered but are given in this Registration Document for information purposes.

The percentages shown below correspond to the percentages of capital and voting rights.



7.1.2. Group organisation

As described in paragraph 3.5. of chapter 20 of the Reference Document, the Group has defined its organisation according to three business sectors on which it operates:

- Electronics Division: this combines the historic activities of Soitec in the domain of semi-conductors. The industrial resources are now concentrated on the Bernin site (production lines for 200mm wafers and 300mm wafers, recycling of the materials in 300mm), with the Pasir Ris (Singapore) 300mm wafer line being put on standby and the Paris South line (MBE AsGa epitaxy) line being transferred to a competitor industrialist within the framework of a sale of business. A partnership has been entered into with the Chinese industrialist Simgui in view of expanding the production capacity of 200mm wafers. This partnership includes a transfer of technology and a distribution agreement. The division further relies on its distribution subsidiaries and sales offices in the main regions in which the semi-conductor manufacturers are based (in Bernin for Europe, in the United States, in Tokyo, Seoul and Taipei). Day-to-day dealings between the Company and its subsidiaries are contractually documented, both as regards the distribution of the Company's products and as regards the operating of the subsidiaries. The Electronics Division has also included the equipment manufacturing activity since the acquisition in 2012 of Altatech, which has a production and development site in Montbonnot, near Grenoble. Within the framework of tests on the value of non-current assets, the division is subdivided into three Operating Segments (OS, according to the IFRS 8 definition), corresponding to the main production means: the 300mm overall, combining the SOI 300mm wafer production lines and recycling of the 300mm material of Bernin and Pasir Ris; the 200mm wafers, whose production is centralised on the Bernin site; the equipment production activity resulting from the acquisition of Altatech. These three OS rely on a joint commercial, administrative and development structure and benefit from the industrial property and licences and patents owned by the parent company of the Group, Soitec S.A.;
- Solar Energy Division: since December 2009, and following the acquisition of Soitec Solar GmbH, the Group has created a second division which combines the industrial, commercial, Research and Development and project development activities of solar power plants. These activities are based in Europe (Fribourg, Paris and Rome), the United States (San Diego) and in South Africa (Cape Town). The division also includes the Research and Development resources located in other sites of the Group (Bernin, Phoenix) in order to improve the efficiency of the solar cells used for the production of the photovoltaic systems. Within this division, the solar power plant projects are considered as OS and their non-current assets are tested individually; in January 2015 the Group published its decision to withdraw from these activities.
- Lighting Division: the Lighting OS was created during the 2011-2012 financial year to isolate the resources implemented to develop turnover in the lighting sector based on the technologies developed in the domain of equipment designed for manufacturing light-emitting diodes.

7.2. List of the company's subsidiaries and shareholdings

Table of subsidiaries and shareholdings held by the Company:

Name Headquarters	Capital Equity	Shareholding Dividends received	Gross share value Net share value	Loans, advances, guarantees	Sales Income
SUBSIDIARIES (more than 50%):					
Soitec U.S.A Inc. Centennial Drive 2	10,000	100%	16,796		67,681,000
01960 Peabody, MA – U.S.A	17,665,000		16,796		2,927,000
Soitec Specialty Electronics S.A.S.	12,000,000	100%	30,763,440		2,046,278
Place Marcel Rebuffat - 91140 Villejust – France	8,352,396		9,841,000		(2,851,123)
Soitec Japan Inc. 3-1 Marunouchi 3-Chome	300,500,000	100%	2,636,988		12,532,489
Chiyoda-Ku – 100-0005 Tokyo – JPN	227,694,810		1,766,100		588,803
Soitec Solar GmbH	319,890	100%	101,244,230	446,436,257	29,600,199
Bötzinger Str.31 79111 Freiburg – Germany	(263,417,451)		0		(43,195,022)
Soitec Microelectronics Singapore Pte Ltd.	93,395,220	100%	67,197,054	92,844,495	42,293,000
81 Pasir Ris – Drive 1 Singapore 518 220	(27,135,000)	100%	0		(3,058,000)
Soitec Korea Kyunggi-do Hwasung-si Bansong-dong	500,000,000	100%	328,483		767,000
93-10. Shinyoung Gwell Estates B-dong 4th floor, unit 5	567,578,547		328,483		29,000
Altatech	3,800,000	100%	24,157,798	2,667,563	6,444,674
611, rue Aristide Bergès ZAC de Pré Milet 38330 Montbonnot St Martin	383,240		2,534,000		(2,365,917)
Soitec Corporate Services	1,000	100%	1,000		
54, avenue Marceau - 75008 Paris	(3,510)		1,000		(2,060)
Soitec Shanghai Trading	852,619	100%	102,138		
3261 Dong Fang Road	731,000		102,138		40,000
Pu Dong New District – Shangaï - China					
OTHER HOLDINGS					
HOLDINGS (10 to 50%)					
Exagan SAS	40,000	15%	6,000		
7 parvis Louis Néel 38040 Grenoble Cedex 9	3,311		6,000		(36,689)
HOLDINGS: (less than 10%)					
Medgrid S.A.S.	10,200,000	6,66%	600,000		
38, avenue Hoche – 75008 Paris	2,097,640		0		(1,897,048)
Simgui	207,250,000	3,89%	4,440,962		51,623,496
200, Puhui Road District Shanghai China	532,040,264		4,440,962		1,625,125
Cissoïd, Chemin du Cyclotron 6	2,126,599	3,09%	339,903	39,900	315,252
B-1348 Louvain la Neuve (en euros)	2,657,069		0		(1,208,914)
Technocom 2	9,964,344	8%	875,000		
23, rue Royale 75008 Paris	9,136,397		730,987		(830,479)

Capital and equity are shown their respective functional currencies, i.e., dollars for Soitec U.S.A Inc. and Soitec Microelectronics Singapore, in Korean Won for Soitec Korea, in Yuan for Soitec China and Simgui, and in Japanese Yen for Soitec Japan.

The other amounts are shown in euros.

For the subsidiaries and shareholdings, no dividend was received during the fiscal year. For holdings of less than 10% no loan, nor advance, nor security were granted during the fiscal year.

8. Property, plant and equipment

8.1. Major or planned tangible assets

As at 31 March 2015, the total gross value of the Group's tangible assets amounts to €864 million compared to €817 million as at 31 March 2014.

As at 31 March 2015, the total net value of the Group's tangible assets amounts to €158 million, i.e. 40.2% of the total consolidated balance sheet.

The change in the value of tangible assets is detailed in paragraph 20.3.1.2 in note 3.3 of this Reference Document. The stability of the gross value of tangible assets is a result of the following factors: new investments limited in value, impact of the change in the euro/dollar exchange rate on the value of assets located in the United States and in Singapore.

It should be noted that the capacity of the Bernin 1 production plant (small diameter wafers) was increased to approximately 800,000 wafers a year for the product mix provided in the annual plan; its use rate is high. The Bernin 2 plant (SOI 300mm) was approximately 800,000 wafers for the *Partially Depleted* SOI and it is now very much in surplus compared to demand. However, it only achieves approximately 100,000 wafers a year for the *Fully Depleted* SOI under current output and productivity conditions of the new equipment required for two stages of the production process specific to this product. Soitec's objective is to reach production capacity of 140,000 wafers a year for the *Fully Depleted* SOI. The increased power of the 300mm panel production lines for the Fully Depleted SOI will be accompanied by additional investments intended to adapt the Partially Depleted SOI production lines to the Fully Depleted SOI technology. Bernin's capacity for recycling the 300mm material has increased to 350,000 wafers a year. The Singapore factory had been set up to be able to eventually have a production capacity of 1 million wafers a year. It should be noted that the capacities mentioned in this paragraph are indicative, and may be significantly impacted by the product mix, by the change in client specificities and the changes in the production process.

The annual production capacity of the fifth generation (M500) photovoltaic modules is 240MWp for the San Diego site at the current level of output and efficiency of the modules.

Apart from the San Diego industrial building, mortgaged within the framework of a loan agreement, and certain production equipment of the Bernin site which is leased, the buildings and the production equipment are fully-owned by the Group and are not covered by any mortgage.

Please refer to note 3.3 of the appendix to the consolidated financial statements in paragraph 20.3.1.2 of this Reference Document for further information on the financing terms of tangible assets.

8.2. Environmental constraints which could have an impact on the use made by the Company of its fixed assets

No additional significant environmental constraint was ascertained in the financial year ended 31 March 2015.

Please refer to the environmental information contained in chapter 5.3 of this Reference Document for further information on environmental matters.

9. Review of financial position and results

9.1. Financial position and results of the Group

9.1.1. Accounting aspects

This chapter constitutes part of the Soitec S.A. management report. It should be read in parallel with the annual consolidated financial statements for the financial year ended 31 March 2015, and given in paragraph 20.3.1. below (the "consolidated financial statements").

Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002 on the application of international accounting standards, the consolidated financial statements of the Group have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), adopted by the European Union and made compulsory for the approval of accounts.

This reference base, available on the European Commission's website (http //ec.europa.eu/internal_market/accounting/ias/index_fr.htm), incorporates the international accounting standards (IAS and IFRS), the Standing Interpretations Committee – SIC and the International Financial Reporting Interpretations Committee – IFRIC.

Please refer to the appendix to the consolidated financial statements in chapter 20.3.1.2.

The accounting rules and methods applied for preparing the financial statements are the same as those used in the consolidated financial statements of the financial year ended 31 March 2014, after taking account of or except for the new standards and interpretations described in note 2 of the appendix to the consolidated financial statements.

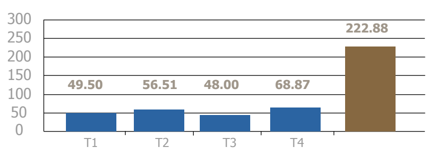
9.1.2. Financial position of the Group

Group activity

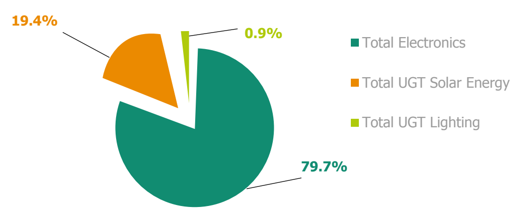
The total consolidated turnover shows a 10.0% reduction, to €222.9 million in 2014-2015 compared to €247.1 million in 2013-2014.

The euro/dollar exchange rate changed favourably, going from an average of 1.34 over the previous financial year to 1.25 for the 2014-2015 financial year. This variation represents a favourable impact of €12.4 million or 7.4% of turnover of the Electronics Division, of which almost 100% of sales are denominated in dollars.

Consolidated sales (in millions of euros)



Sales distribution FY15



The Solar Energy Division contributed an amount of €43.2 million in turnover over this financial year or 19.4% of the consolidated turnover, compared to €78.9 million in the previous financial year. In 2013-2014, the turnover mainly resulted (in the amount of €71.9 million) from the sale of the South African solar power plant project being built on the Touwsrivier site. The remainder of the revenue came from deliveries of photovoltaic systems for the projects in the United States, Portugal, China, Saudi Arabia and in other countries.

Electronics Division

The sales of 300mm wafers fell by 24.8% in value due to the end of life of the PD-SOI products for the 32 nanometres technological node. The Group accounted for sales of 300mm wafers in FDSOI technology during the second half of the year, with the product however being qualified by certain clients. The amounts remained insignificant over the financial year (less than €5.5 million). A product developed for an application in the photonics domain (servers for datacentres) was put into production but also represents still low volumes. Over the 2014-2015 financial year, the 300mm wafers only represent 25.0% of the turnover of the Division.

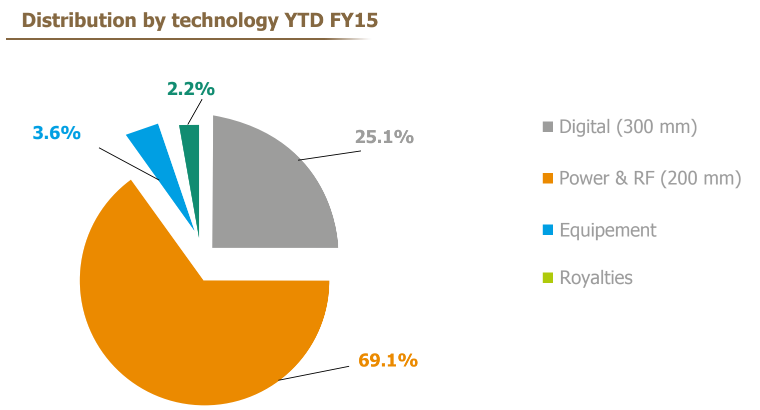
The sales of 200mm wafers, mainly intended for power and radio-frequency applications (antenna switches and tuners for the 4G and LTE-Advanced handsets), increased by 32.8% in value. The usage rate of the Bernin 1 line is now close to saturation. The partnership entered into with the Chinese company Simgui (see press release of 2 December 2014), will allow the company to have additional capacities during the 2015-2016 tax year.

The turnover from the III-V materials fell by 76.8% in value, due to the sale of the Soitec Specialty Electronics business (gallium arsenide substrates produced on the Paris South site). The activity has now been suspended.

Sales of equipment generated €6.3 million in turnover, up 58% on the previous financial year.

The top five clients represent 63% of sales for the 2014-2015 financial year compared to 61% for the previous year. The top client, IBM, represented 9% of the Division's sales. In the previous year, the top client was also IBM, and it represented 17% of the Division's sales.

Breakdown by technology of the sales of the Electronics Division



Segments	Sales 2013-2014 (in millions of euros)	Sales 2012-2013 (in millions of euros)	Annual change (in %)	Customers	Products	Applications
Royalties	4.0	3.7	7%	-	-	-
Power & RF (mainly SOI 200mm)	120	96.47	24%	TSMC, IBM, Peregrine, NXP	eSI, HR SOI, Power SOI	Smartphones, Tablets,
Digital (mainly SOI 300mm)	47.4	63.30	-25%	IBM, GF, STMicroelectronics	PD SOI FD SOI (F2D, F3D)	Servers, PCs, Gaming, Smartphones
Equipment	6.3	4.00	58%	-	-	-

Geographic breakdown of turnover of the Division (300mm + small diameters + III-V materials)

	2012-2013	2013-2014	2014-2015
United States	31%	39%	40%
Europe	61%	41%	28%
Asia	8%	20%	32%

Breakdown of turnover of the Division by client

	2012-2013	2013-2014	2014-2015
Top five clients	82%	61%	63%
Clients no. 6 to no. 10	9%	19%	23%
Other clients / Royalties	9%	20%	14%

Solar Energy Division

This Division combines the design and manufacturing of systems based on the concentrated photovoltaics technology and the efforts made by the Group in terms of Research and Development to develop a highly efficient solar cell. Over the 2014-2015 financial year, the division recorded turnover of €43.2 million, i.e. a 45% fall compared to the €78.9 million recorded in the 2013-2014 financial year. The revenue for the 2014-2015 financial year comes from sales in South Africa (€24.0 million for the Touwsrivier project), the United States (€12.5 million for the Desert Green and Fort Irwin projects), China (€3.5 million) and Europe (€2.1 million).

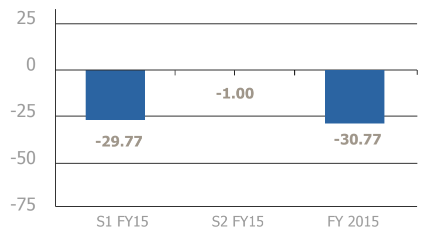
Gross margin

The gross margin corresponds to the total turnover minus the total cost of sales. The total cost of sales is equal to the sum of the production costs, the licence fees payable to the holders of the patents used under licence fees payable to the holders of the patents used under licence by the Company (mainly CEA-Leti for the Smart Cut™ technology and the Fraunhofer Institute for photovoltaics), and distribution costs.

The production costs include the costs of raw materials, mainly silicon, the manufacturing costs, including the direct labour costs and the payments based on shares, the production equipment, the infrastructures of the clean rooms and the overhead costs allocated to production.

The gross margin comes out at -€30.8 million over the 2014-2015 financial year compared to -€55.7 in the previous year. It improved to approach equilibrium during the second half of the year. The gross margin of the Electronics Division increased by €25.8 million, from €0.5 million in 2013-2014 to €26.3 million in 2014-2015. Two main factors explain this improvement: increase in the production volume of 200mm wafers, strengthening of the dollar against the euro. The gross margin of the Solar Energy Division remained stable (-€58.3 million in 2014-2015 compared to -€56.6 million in 2013-2014).

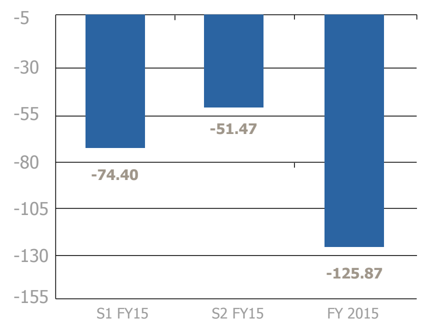
Gross Margin (in millions of euros)



9.1.3. Current operating profit (loss) and changes in other operating costs

9.1.3.1. Current operating profit (loss)

Current operating income (in millions of euros)



Profit & Loss Account by segment

Analysis by segment	Electronics		Solar energy		Lighting		Corporate	
(in millions of euros)	2014 - 2015		2014 - 2015		2014 - 2015		2014 - 2015	
Exchange rate EUR / USD	1.249	% Turn-over	1.249	% Turn-over	1.249	% Turn-over	1.249	% Turn-over
Turnover	**177.7**	**-**	**43.2**	**-**	**2.0**	**-**	**-**	**-**
Gross margin	26.3	14.8%	(58.3)	(135.2%)	1.3	62.1 %	-	-
Net research and development costs	**(13.0)**	**(7.3 %)**	**(16.6)**	**(38.5 %)**	**(9.0)**	**(438.8 %)**	**(0.3)**	**-**
Sales and marketing costs	(6.2)	-	(6.6)	-	(2.2)	-	0.0	-
General and administrative expenses	(10.0)	-	(9.7)	-	(0.3)	-	(9.6)	-
Launch costs of solar power plant projects	-	-	(11.5)	-	-	-	-	-
Total administrative and commercial costs	**(16.3)**	**(9.2 %)**	**(27.9)**	**(64.6 %)**	**(2.5)**	**(121.1 %)**	**(9.6)**	**-**
Current operating profit (loss)	(3.0)	(1.7 %)	(102.8)	(238.2 %)	(10.2)	(497.9 %)	(9.9)	-
Other extraordinary income and expenditure	**(2.3)**	**(1.3 %)**	**(143.9)**	**(333.4 %)**	**(5.2)**	**(255.5 %)**	**0 %**	**-**
Operating profit (loss)	(5.3)	(3.0 %)	(246.7)	(571.7 %)	(15.4)	(753.4 %)	(9.9)	-
Depreciation Allowances	28.4	-	14.0	-	3.4	-	0.2	-
Depreciation for loss of value	0.5	-	109.3	-	1.9	-	-	-
Allowances for provisions	1.0	-	50.5	-	2.8	-	-	-
Costs related to payments in shares	0.2	-	0.3	-	-	-	(0.1)	-
Profit (loss) on sale of assets	(3.3)	-	0.2	-	-	-	-	-
EBITDA	21.5	12.1 %	(72.4)	(167.8 %)	(7.3)	(355.2 %)	(9.8)	-

9.1.3.2. Change in other operating costs

As at 31 March 2014, a non-current cost of €82.4 million had to be recorded:

- accelerated depreciation of intangible assets constituted at the time of the acquisition of Concentrix Solar (€19.3 million), the acquisition of the equipment manufacturer Altatech (€11.4 million) and the creation of the joint optical components' manufacturing venture for the photovoltaic modules (€12.6 million);
- accelerated amortisation of the Freiburg fifth generation modules' production lines (€10.3 million), the Singapore material recycling line (€7.4 million), the Bernin circuit transfer line (€3.4 million) and a solar power plant project (€2.7 million);
- provision for plans to reduce the workforce in Bernin, Frieburg and Singapore (€7.6 million).

Over the 2014-2015 financial year, a net non-current cost of €151.5 million (detailed in note 4.4 of chapter 20) was recorded whose main components are as follows:

- depreciation for loss of values of tangible assets of the OS corresponding to the photovoltaic module production activity (cost of €15.0 million),
- net cost of the restructuring of the Solar Energy Division following the decision of 19 January 2015 (net cost of €138.9 million),
- restructuring measures of the Electronics Division (cost of €4.1 million),
- depreciation for loss of value of non-current assets (cost of €0.5 million),
- impact of the buy-back of the shares of the Reflexite Soitec Optical Technology joint venture (income of €4.7 million),
- result of the sale of the Soitec Specialty Electronics business (income of €2.3 million).

Research and Development Costs

The Research and Development costs are mainly comprised of salaries and social security contributions, operating costs of equipment dedicated to the clean rooms and equipment required for the Research & Development activities, and costs related to the maintenance and reinforcement of the industrial property rights of the Group.

The Research and Development costs are recorded as costs as they occur, whereas the amounts received under contracts or grants are deducted from the gross Research and Development costs to lead to a net amount charged to the Profit & Loss Account, as the cost activation costs according to the standard IAS 38 are not respected (see note 2 of the appendix to the consolidated financial statements).

In France, some Research and Development costs may benefit from a research tax credit. This credit is presented as a deduction from the Research and Development Costs in accordance with the standard IAS 20. The revenue related to the sale of prototypes made within the framework of joint developments with business partners is recorded as a deduction from the gross Research and Development Costs.

The gross amount of the Research and Development expenses over the 2014-2015 financial year remained stable (+1.9% at €58.0 million in 2014-2015 compared to €56.9 million in 2013-2014). The gross costs increased in the Solar Energy Division (+€1.8 million, due to the accelerated development of the solar cell) and in the Lighting Division (+€1.5 million due to the increase in resources allocated to the development of a material for manufacturing light-emitting diodes). The costs fell in the Electronics Division (-€2.0 million) following the reduction plans carried out on the Bernin site in the previous two financial years.

The contribution of clients to the research and development efforts of the Electronics Division fell from €6.7 million in 2013-2014 to €5.3 million in 2014-2015 due to the start of production of the 200mm products for the radio frequency and 300mm for the Fully Depleted SOI.

The amount of public aid to research and development fell drastically from €21.1 million in 2013-2014 to €13.5 million in 2014-2015. This change is partly explained by the recognition in 2013-2014 of grants corresponding to two years of activity for a programme due to the late signature of the aid agreement, and partly by the maturity of the programmes carried out within the framework of Future Investments.

Hence, the net Research and Development costs significantly increased from €28.42 million or 11.5% of turnover in 2013-2014 to €38.9 million or 17.4% of turnover in 2014-2015.

Sales and marketing costs

Sales and marketing costs fell by 14.0% to €15.0 million compared to €17.5 million in the previous year. This reduction of €2.4 million can be attributed to the Electronics Division (-€0.3 million) and the Solar Energy Division (-€2.9 million), whereas the marketing and sales teams dedicated to Lighting were reinforced (growth of €0.8 million).

Launch fees of photovoltaic projects

The launch fees of photovoltaic projects amount to €11.5 million (up €8.5 million on the previous year). The variation can be attributed to the efforts made to start a major project in California which did not end favourably.

General and administrative expenses

The general and administrative expenses are down and amount to €29.7 million compared to an amount of €32.6 million in the previous financial year. This change is mainly a result of the cost reduction plans which were implemented in the Electronics Division and by the "Corporate" support functions.

Change in current operating margin

The current operating margin slightly improved to -€125.9 million (-56.5% of turnover), compared to -€137.3 million (-55.5% of turnover) in the previous financial year.

Other income and operating costs

A net cost of €151.5 million was recorded over the 2014-2015 financial year. The details of this amount are explained in the first part of this chapter.

Change in operating margin

The operating margin comes out at -124.4% of turnover over the 2014-2015 financial year compared to -88.9% in the previous year.

9.1.3.3. Other elements of the Profit & Loss Account

Financial result

The financial result improved from an expense of €16.7 million in 2013-2014 to income of €19.7 million in 2014-2015. This change of €36.4 million euros can be attributed to the impact of the change in the euro/dollar exchange rate which generated an unrealised foreign exchange gain of €37.5 million.

Results and taxes

The net result (Group share) shows a loss of €259.2 million compared to a loss of €236.7 million in 2013-2014. The result per share is a loss of €1.23 per share on a non-diluted basis compared to a loss of €1.45 in 2013-2014.

9.1.3.4. Financing and liquid assets

The financial structure of the Group significantly deteriorated during the 2014-2015 financial year due to the non-current costs accounted in the Solar Energy Division and cash-flow consumption. The consolidated own funds amount to €50.0 million as at 31 March 2015 compared to €220.6 million as at 31 March 2014. The financial debt amounts to €173.7 million as at 31 March 2015 compared to €256.9 million as at 31 March 2014. Available cash flow fell from €44.7 million as at 31 March 2014 to €22.9 million as at 31 March 2015. This situation led the Group to negotiate a restructuring of its bank debt and call upon its partners to raise funds within the framework of a conciliation procedure which ended favourably in the month of May 2015 (please refer to the paragraph on post-year end events on page 121 of this reference document).

The main items of financial debt are the convertible bond ("OCEANE") maturing in 2018 which appears as a non-current liability for €103.2 million before re-classed percentage in net situation and bank loan facilities for €55.7 million, divided between a non-current part of €13.6 million and a current part of €42.1 million. The convertible bond maturing in September 2014, for €83.0 euros (also before percentage retreated in net situation) has now been repaid. It should be recalled that pursuant to the standard IAS 39, the nominal value of convertible bonds net of the costs associated with the issue is divided into a financial debt component and an equity instrument component.

Further information on the financing of the Company and of the Group is provided in note 3.15 of the appendix to the consolidated financial statements on loans and bank debts.

9.1.3.5. Consolidated cash flow

The cash consumed by the operational activities significantly fell in the financial year from €178.8 million in 2013-2014 to just €54k in 2014-2015. This improvement can mainly be attributed to the variation in working capital requirements which became positive (€67.9 million) whereas it was negative in 2013-2014 (-€99.8 million). This change is particularly explained by the unwinding of the flows related to the South African solar power plant project. Another factor explaining the reduction in cash-flow consumption by the operational activities is the improvement of the EBITDA in the amount of €12.1 million in the Electronics Division.

The amount of investments considerably reduced, to €9.2 million in 2014-2015 compared to €47.0 million in the previous financial year. This amount does not include the cash-flows related to the acquisitions and sales of financial assets (€15.5 million, detailed in note 20.3 of chapter 20), the capital contributions in the Touwsrivier solar power plant in South Africa (€4.1 million) and the sum paid for the acquisition of the shares in the Reflexite Soitec Optical Technology joint venture (€6.1 million).

The Group made use of bank financing by using credit lines in the amount of €55.7 million compared to €60.5 million as at 31 March 2014.

On 31 March 2015, the Group had available cash flow (including cash equivalents) of €22.9 million.

9.2. Financial position and results of the Company

This chapter corresponds to part of the management report for the Company. It should be read in parallel with the annual financial statements for the financial year ended 31 March 2015.

9.2.1. Accounting aspects

The annual financial statements of the Company as at 31 March 2015 are presented pursuant to the accounting principles generally accepted in France for company accounts.

9.2.2. Financial position of the Company

The total net turnover of the Company shows an increase of €161.1 million compared to €149.8 million in 2013-2014.

Please refer to chapter 20.3.2 of this Reference Document for further information on the Company's activity during the 2014-2015 financial year.

9.2.3. Main changes in the Company's Balance Sheet

The main changes which took place on the Balance Sheet over the financial year 2014-2015 are a reduction in non-current assets due to allowances for depreciation higher than the amounts of the industrial investments and the accounting of depreciation on receivables related to equity interests. Own funds are also down: the net result significantly fell due in particular to the depreciation of receivables related to the equity interests in the Soitec Solar GmbH subsidiaries. The financial debt fell due to the repayment of the convertible bond which matured in September 2014.

9.2.3.1. Balance Sheet: Assets

Fixed assets

Fixed assets fell from €556 million as at 31 March 2014 to €258 million as at 31 March 2015.

Current assets

Current assets increased from €111.7 million as at 31 March 2014 to €128 million as at 31 March 2015.

The fixed asset items significantly varied: increase in stock and work in progress, increase in receivables. The Company has available cash-flow of €16.9 million compared to €14 million in the previous year.

9.2.3.2. Balance Sheet: Liabilities

Shareholders' equity

Shareholders' equity fell from €318.5 million as at 31 March 2014 to €14.8 million as at 31 March 2015.

Provisions for liabilities and charges

Provisions for liabilities and charges amount to €8.8 million as at 31 March 2015 compared to the amount of €17.4 million established as at 31 March 2014. A provision for restructuring of €2.8 million was constituted as at 31 March 2015.

Debts

As at 31 March 2014, the Company drew down on its credit line for an amount of €56 million and the balance of the bond debt amounted to €103.2 million.

9.2.4. Formation of the operating result of the Company

For the financial year ended 31 March 2015:

The Company's cash flow amounted to €161.1 million compared to €149.8 million for the previous financial year. Given the stocks of products, the total operating income amounts to €195.1 million, compared to €188.8 million in the previous year, i.e. a 3.37% increase. The operating costs of the financial year amounted to €256.5 million compared to €249.6 million in the previous financial year, and the operating result is a loss of €61.3 million compared to a loss of €60.8 million in the previous financial year. The financial statements for the year reveal a loss of €387 million compared to a loss of €306.8 million in the previous financial year.

The annual financial statements of the financial year ended 31 March 2015 have been prepared in accordance with the presentation rules and evaluation methods provided by the regulations in force. The presentation rules and evaluation methods used are the same as those for the previous financial year.

Furthermore, for further information on the financial position of the Company, please refer to the management reports prepared by the Board of Directors of the Company for the previous financial years, particularly page 44 of the Annual Report for the financial year ended 31 March 2014 submitted in the form of a Reference Document to the Autorité des marchés financiers under number D.14-0518 and page 43 of the Annual Report for the financial year ended 31 March 2013 submitted in the form of a Reference Document to the Autorité des marchés financiers under number D.13-0676.

10. Liquidity and capital resources

10.1. Short and medium term capital of the Group

Information on shareholders' equity is provided in paragraphs 20.3.1.1. (table showing the change in consolidated shareholders' equity) and 20.3.1.2, note 3.13 on issued capital and reserves, of this Reference Document.

10.2. Source and amount of Group cash flow

The Group consumed €22 million in cash flow in the 2014-2015 financial year.

The cash flow resulting from the operational activities is close to equilibrium (-€54k), a considerable improvement on the same period in the previous year (-€178.8k). This improvement can mainly be attributed to the reduction in working capital requirements as a result of the completion of the Touwsrivier plant (financing mostly on own funds during the 2013-2014 financial year, but collection of trade receivables in the amount of €75 million over the 2014-2015 financial year). Advances granted by several clients of the Electronics Division designed to secure production capacity allocations also contributed to the improvement, for almost €12 million. Finally, EBITDA increased by almost €11 million.

The cash-flows related to the investment transactions significantly reduced from €83.6 million in the 2013-2014 financial year to just €28.9 million in the 2014-2015 financial year. Acquisitions of fixed assets are down by €37.8 million. The Group granted a loan to one of the shareholders of the Touwsrivier solar power plant for an amount of €10.3 million and took an equity interest of €4.4 million in SIMGUI within the framework of a strategic partnership designed to develop the production capacity of 200mm SOI wafers.

The cash-flow related to financing activities consumed €4.2 million in the 2014-2015 financial year. This amount is mainly explained by the following elements:

- capital increases made in July 2014 and February 2015 for a total amount of €83.7 million net of issue fees,
- repayment of the balance of Océanes convertible bond in September 2014 for an amount of €83.0 million and payment of interest for €5.2 million,
- subscription of a loan of €5.2 million to finance the acquisition of the shares of the joint venture Reflexite Soitec Optical Technology; subscription of new credit lines in the amount of €7.5 million within the framework of the mobilisation of the research tax credit and the competitiveness - employment tax credit; putting in place of an equipment leasing agreement on production equipment of the Bernin site for €11 million,
- repayment of its loan facilities for €12.3 million.

In total, the Group's cash-flow fell by €21.8 million during the 2014-2015 financial year to reach €22.9 million.

10.3. Borrowing terms and financing structure of the Group

The shareholders' equity fell significantly (-€107.6 million) in the 2014-2015 financial year, coming out at €50 million at the end of March 2015 compared to €220.6 million as at 31 March 2014. The change can mainly be attributed to the loss of €259.2 million recorded over the period, partially offset by the capital increases (+€83.7 million) and a favourable foreign exchange difference recorded on the conversion of foreign subsidiaries (+€4.1 million).

The financial debt went from €256.9 million at the end of March 2014 to €173.0 million at the end of March 2015. The main changes are as follows:

The Group repaid the convertible bond maturing in September 2014 for a total amount of €88.2 million (of which €83 million in capital of €5.2 million in interest).

On 10 June, the Group bought-back the shares held by Reflexite in the joint venture Reflexite Soitec Optical Technology. Part of the purchase price was financed by a loan of an amount of €5.2 million, €1.5 million of which was repaid during the financial year. The balance still to be repaid at 31 March 2015 amounts to €4.3 million.

The amount of repayable advances related to the research aid programmes increased by €3.9 million; new credit lines were subscribed for €7.5 million for the mobilisation of the 2013 research tax credit and the competitiveness - employment tax credit. Finally, the Group repaid €12.3 million of credit lines and the balance of if lease debt for €3.5 million and put in place a new lease agreement on the production equipment of the Bernin site, for €1 million.

Further information on the financing of the Company and of the Group is provided in note 3.15 of the appendix to the consolidated financial statements.

10.4. Restrictions on the use of capital

Not applicable.

10.5. Information on expected sources of financing

The operating losses and the cash-flow consumption during the financial year 2014-2015 therefore significantly deteriorated the shareholders' equity and the financial position at year end as at 31 March 2015. To secure the continuity of business, on 19 January 2015 the Group announced its decision to refocus on its historical activity in the Electronics sector and started a massive restructuring of its Solar Energy Division. In parallel, the Group started negotiations with its main partners within the framework of a conciliation procedure to obtain a moratorium on its debt and raise funds.

Based on cash-flow forecasts for the 2015-2016 financial year, and given the success of the conciliation procedure, the Group considers that it will be able to continue operating over the next twelve months. The Group remains attentive to opportunities which may enable it to increase its liquid assets thanks to a monetisation of certain assets and to other financing transactions. Also see note 2.4.7 to the consolidated interim financial statements on the continuity of business in paragraph 20.3.1.2 of this Update of the Reference Document.

11. Research and Development, patents and licenses

11.1. The Soitec Group's Research and Development Policy

11.1.1. Innovation is in Soitec's genes

A growing company, Soitec's activities are focused on the development and production of technologies and procedures, which either alone or combined, achieve a significant leap forward in performance on the markets for which they are assigned to. Soitec allocates a significant amount of its revenues to generating and perfecting products that truly advance current technology.

The origins of the Company can be traced to the technological revolution ushered in by the Smart Cut™ process: designed and then developed on an industrial scale. Smart Stacking™ technology followed soon after, the cutting-edge wafer to wafer technology in the bonding and transfer of layers, and more recently Concentrix ™ technology, developed through advanced research in the field of solar high concentration photovoltaic (CPV).

Through its R&D, Soitec's goal is to become a major player in the world's energy needs.

The company focuses its technological efforts with two priorities in mind: increased performance and improved energy efficiency.

It is divided into four themes: the continuity of Moore's law for microelectronic circuits (More Moore), adding new features (More than Moore), engineering of compound III-V materials and the solar cells and systems for CPV technology.

More Moore

To meet the challenge of continuing to miniaturize the technology node devices below 20 nm, Soitec develops SOI products with active ultra-fine silicon (10nm) of ultra-thin oxide and solutions for stronger electric mobility (crystal orientation, strained silicon).

More than Moore

In order to enrich circuit functionality and manage their increasing complexity, Soitec developed a more functional substrate, circuit transferring processes on the hetero-structures such as glass, as well as stacking and etched plaque technologies.34

Engineering III-V Materials

Soitec benefits from the synergy between its core technologies such as Smart Cut TM and expertise in substrates to create semi-conductor materials for lighting, and for example, for power. These are mainly composed of gallium nitride (GaN).

Cells and CPV Solar Systems

Soitec develops both the new solar cells based on multi-material layers and CPV perfected systems (concentration of solar radiation technology, tracking precision).

11.1.2. Research in close collaboration with industrial sites

Soitec's R&D projects are conducted in partnership with respected laboratories such as CEA-Leti and the Fraunhoefer Institute for Solar Energy (FHG-ISE). Soitec relies on the technological and industrial environment found in its implantations: Grenoble, a major player in European microelectronics with a high concentration of many research institutions, higher education and industry, Freibourg (Germany), where the Fraunhoefer Institute for Solar Energy (FHG-ISE) is located, and Phoenix (Arizona – USA) which brings together research specialized in epitaxy.

Soitec participates in numerous R&D partnerships with its industrial clients and takes part in initiatives and professional groups (competitiveness cluster, SOI Industry Consortium, CPV consortium, Desertec, Medgrid).

Soitec takes advantage of these synergeries and mutual enrichment in order to develop and sell cutting edge technologies, offering new perspectives to its clients.

11.1.3. A patent portfolio spanning the globe

In order to protect Soitec's deep seeded belief in innovation, the Company files over 350 patent applications per year and is consistently among the top 30 French filers, keeping in-line with other top industrial groups. Soitec's exclusive Smart Cut™ technology is covered by several hundred patents. These patents cover the improvements developed by Soitec to allow this technology to be extended to new products, improve certain phases or optimize costs.

Soitec's portfolio has a total of nearly 3,000 patents whose average age does not exceed 5 years. This portfolio of patents held by Soitec has been supplemented with patent licences granted by its research partners. These additional patents without a doubt reinforce the protection around Soitec's key technology: Smart Cut™, Smart Stacking™, and Concentrix™. This proactive intellectual property policy has been implemented in order to preserve the unique character of Soitec's key technologies which the Company may, in turn, license to others pursuant to a technology transfer.

11.2. Research and Development Cost Accounting

Research and development costs essentially consist of salaries and social charges, operating costs of equipment dedicated to clean rooms and equipment necessary for Research and Development activities and costs linked to the maintenance and strengthening of the Group's industrial property.

Research and development costs are recorded and expenses as they arise, while the amounts received by way of contracts or subsidies are deducted from the gross Research and Development costs to arrive at a net amount charged to the income statements, when the criteria for capitalising costs according to the IAS 38 standard are not met (cf. Note 2 to the consolidated financial statements).

Within France, certain Research and Development costs may benefit from a research tax credit. This credit is deducted from the Research and Development costs in accordance with the IAS 20 standard. Revenues linked from the sale of prototypes realised within the context of joint developments with business partners are recorded as a reduction from gross Research and Development expenses.

The gross amount of expenses on Research and Development for the financial year 2014-2015 rose slightly by 1.9% to € 58.0 million, against € 57.1 million in 2013-2014. The gross expenditures of the Solar Energy and Lighting divisions increased by € 1.8 million and € 1.1 million respectively, due to the acceleration of the programs intended for the development of the solar cell and a material for the production of light emitting diodes. Conversely, the gross expenditure of the Electronics division fell by € 2.0 million, as a result of cost reduction plans executed at the Bernin site.

The contribution by clients to Research and Development efforts fell sharply in the Electronics division, from € 6.7 million in 2013-2014 to € 5.3 million in 2014-2015. The decline in sales of prototypes reflects the transition from the development stage to the marketing stage for products intended for radio-frequency applications (SOI 200mm) and for the FD SOI.28 nm.

Public aid recorded as a deduction from Research and Development expenses fell sharply to € 13.6 million for 2014-2015 against € 21.1 million for the previous year. This change is partly explained by the recognition in the income statement for the financial year 2013-2014 of aid regarding the "Guépard" [Leopard] (solar cell) programme for the equivalent of two years of research, due to the late signing of the Agreement. This decrease nevertheless also reflects the completion of certain assistance programs, including "Exact" (FD SOI), "Dynamic ULP."

The net Research and Development costs thus increased significantly from € 28.4 million or 11.5% of revenues in 2013-2014 to € 38.9 million or 17.4% of revenues in 2014-2015.

12. Information on trends

12.1. Main trends which affected operating during the financial year 2014-2015

Given the end of life of the PD SOI technology for the 32nm technological node, demand for 300mm wafers fell once again during the 2014-2015 financial year and reached its lowest level of the last ten years. On the other hand, the financial year 2014-2015 was marked by a strong increase in demand for 200mm wafers designed for radio frequency and power applications, which allowed for the regular growth of the production volumes of the Bernin 1 line up to a level close to saturation during the fourth quarter of the 2014-2015 financial year. Additional investments in Bernin and the partnership put in place with the Chinese industrialist Simgui will allow it to respond to increasing demand.

The cost reduction plans carried out by the division in the previous two financial years enabled it to restore a satisfactory level of profitability despite the too low use of the production capacities of the 300mm wafers. The division is focusing its efforts on developing the FD-SOI technology which should assure the continued growth of its turnover.

For the Solar Energy Division, the 2014-2015 financial year was marked by the commissioning of the Touwsrivier solar power plant during the first half-year, then by the announcement of the record efficiency of the solar cell in December 2014, but also by the loss of major contracts in the United States at the end of the year, resulting in a major under-use of the production capacity of the San Diego assembly factory and the absence of outlooks for a short-term reduction in the division's cash-flow consumption. Consequently, in January 2015 the Company announced its decision to refocus on its historical activity in the domain of electronics.

The Lighting Division recorded a growth in its turnover and a diversification of its sales with the first contracts outside France. It also continued to develop a new material designed for the manufacturing of light-emitting diodes within the framework of a partnership with CEA-Leti.

12.2. Existence of any known trend, uncertainty or claim or any commitment or event reasonably likely to have an impact on Company outlooks

The FD-SOI technology benefits from a positive dynamic

The recent announcements of ST Microelectronics, Samsung Foundry and Global Foundries on the FD-SOI based products testify to a context favourable to the Soitec technological solutions. However, their adoption on a very big scale by "fabless" semi-conductor suppliers is still necessary to allow the Group to gain sufficient revenue, either directly or in the form of licence income.

The short-term visibility is still limited in the second half of the financial year and the Electronics segment confirms its forecasts of stable turnover in relation to the previous financial year. The limited visibility for the sales related to digital applications will be partly offset by an ever-sustained adoption of the Soitec technologies designed for radio frequency (RF) and mobility applications.

The Group has been able to reinforce its financial structure

To deal with a major reduction in its cash-flow during the 2014-2015 financial year, the Group held negotiations with its main creditors and several strategic partners in view of obtaining a moratorium on its debt and raise funds, within the framework of a conciliation procedure. This procedure ended favourably in the month of May 2015. Thanks to the clean-up of its financial structure and to the opportunity of monetising certain non-strategic assets, particularly within the framework of its withdrawal from the energy sector, the Group considers that it is able to assure continuity of business and the development of its activities in its core business.

These trends and objectives do however remain subject to different risk factors to which the Group is exposed, and which are described in chapter 4 of the 2013-2014 Reference Document and chapter 4 of this Reference Document.

13. Forecasts or estimates on profits

13.1. Assumptions related to forecasts

Not applicable.

13.2. Auditors' Report on the forecasts included in the Reference Document of the financial year ended 31 March 2015

Not applicable.

13.3. Long-term objectives

The Group no longer mentions in its reporting any operating margin objective in the long-term.

14. Members of the management, executive and supervisory bodies

14.1. Information and disclosures about the Administrative and Management bodies

14.1.1. The Board of Directors

SOITEC has a one-tier organisation, with a Board of Directors. Since 16 January 2015, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separate. They are held respectively by André-Jacques Auberton-Hervé, who founded the Soitec Group and chairs the Board of Directors, and Paul Boudre, Chief Executive Officer, who is also a member of the Board of Directors. The powers of the Executive Management are disclosed in paragraph 14.1.2.2. The composition of the Board of Directors, the work of its Committees and the measures taken by the Board of Directors as part of the internal rules of the Board of Directors and regulations help to establish the balance of powers between the Board of Directors and the Executive Management.

During the 2014-2015 financial year, the composition of Soitec's Board of Directors changed, with the number of members going from eleven to ten following Christian Lucas's resignation, which was offered and accepted at the Board of Directors' meeting of 25 February 2015.

Subsequently, at its meeting of 20 April 2015, the Board of Directors undertook the following:

- Acknowledged Didier Lamouche's resigning, with effect from 17 April 2015, his term of office as member of the Board of Directors.
- Acknowledged that, on 17 April 2015, Thierry Sommelet succeeded Fabienne Demol as Bpifrance Participations permanent representative to the Company's Board of Directors.
- Appointed CEA Investissement by co-optation to the Board of Directors to replace Christian Lucas for the remaining term of Christian Lucas's office, that is, until the end of the forthcoming Annual General Meeting convened to submit for the shareholders' approval the financial statements for the year ended 31 March 2016. This appointment will be submitted for the shareholders' approval at the forthcoming Annual General Meeting. CEA Investissement's permanent representative to the Board of Directors is Christophe Gegout.

The composition of the Board of Directors, the work of its Committees and the measures taken by the Board of Directors as part of the internal rules of the Board of Directors and regulations help to establish the balance of powers between the Board of Directors and the Executive Management. Moreover, the Board of Directors, 50% of the members of which are independent directors, established three Committees: a Strategy Committee, an Audit and Risks Committee and a Remuneration and Appointments Committee. Each of these Committees have independent directors as members, which also contributes to this balance.

14.1.1.1. Composition of the Board of Directors since the beginning of the 2014-2015 financial year

a/ Composition

As at 31 March 2015, the Board of Directors comprised the following ten members:

- André-Jacques Auberton-Hervé,
- Paul Boudre,
- BPI France Participations, represented by Fabienne Demol,
- Douglas Dunn,
- Fumisato Hirose,
- Joël Karecki,
- Didier Lamouche,
- Joseph Martin,
- Patrick Murray,
- Annick Pascal.

At the date of publishing this report, the Board of Directors comprised the following members:

- André-Jacques Auberton-Hervé,
- Paul Boudre,
- BPI France Participations, represented by Thierry Sommelet,
- CEA Investissement, represented by Christophe Gegout,
- Douglas Dunn,
- Fumisato Hirose,
- Joël Karecki,
- Joseph Martin,
- Patrick Murray,
- Annick Pascal.

On the day of publication, Paul Boudre is the only member of the Board of Directors holding an office in Executive Management.

The Board of Directors neither has a member elected by the employees, nor a member representing the employee shareholders. However, the Works Council representatives attend all Board of Directors meetings in an advisory capacity, in accordance with article L.2323-63 of the French labour code.

Sébastien Blot, Investment Director at BPI France Participations, was appointed as non-voting member of the Board of Directors at the Annual General Meeting of 20 January 2012. His membership was renewed for a term of two years at the Annual General Meeting of 28 May 2014. He contributes to the work of the Board of Directors in an advisory capacity. He receives no remuneration as such.

During the financial year ended 31 March 2015, the percentage of women on the Board of Directors was 20%. The Company aims to comply with the Law No.2011-10 of 27 January 2011 on balanced representation of men and women on boards of directors and supervisory boards and professional equality within the recommended timeframes.

b/ Terms of office – expiry

The term of office of elected members as of this date is four years; it expires at the end of the Annual General Meeting that rules on the financial statements for the year just ended and held in the year during which the members' offices expire. They will be eligible for re-election.

The table below shows the start and expiry dates of the terms of office of members of the Board of Directors:

Name	Date of 1st appointment	Current term of office start date	Term of office expiry date	Number of terms of office
André-Jacques Auberton-Hervé	27/02/1992	03/07/2012	AGM for approving financial statements for the year ended 31/03/2016	4
Paul Boudre	03/07/2012	03/07/2012	AGM for approving financial statements for the year ended 31/03/2016	1
BPI France Participations	02/07/2013	02/07/2013	AGM for approving financial statements for the year ended 31/03/2017	1
CEA Investissement	20/04/2015*	20/04/2015*	AGM for approving financial statements for the year ended 31/03/2016*	1
Douglas Dunn	09/07/2004	07/07/2014	AGM for approving financial statements for the year ended 31/03/2018	3
Fumisato Hirose	10/07/2003	24/06/2011	AGM for approving financial statements for the year ended 31/03/2015	2
Joël Karecki	20/01/2012	20/01/2012	AGM for approving financial statements for the year ended 31/03/2016	1
Joseph Martin	09/07/2004	07/07/2014	AGM for approving financial statements for the year ended 31/03/2018	3
Patrick Murray	24/06/2011	24/06/2011	AGM for approving financial statements for the year ended 31/03/2015	1
Annick Pascal	24/06/2011	24/06/2011	AGM for approving financial statements for the year ended 31/03/2015	1

* Appointment by co-optation by the Board of Directors' meeting of 20 April 2015 for the remaining term of office of Christian Lucas, who resigned, subject to the shareholders' approval at the next Annual General Meeting.

c/ Director shares

Pursuant to article L.225-25 of the French Commercial Code, article 13 of the Company's articles of association does not require the Company directors to own at least one Soitec share.

In accordance with the AFEP-MEDEF Code, the internal rules of the Board of Directors recommends that the directors, excluding elected salaried directors, own a large number of shares in the Company, set at 2,000 shares, registered in a registered share account.

As at 31 March 2015, the majority of members of the Board of Directors fulfilled this recommendation under the following conditions:

Name	Number of shares owned
André-Jacques Auberton-Hervé	5,324,949
Paul Boudre	185,247
BPI France Participations	22,071,781
Douglas Dunn	1
Fumisato Hirose	2,400
Joël Karecki	4,004
Didier Lamouche	1
Joseph Martin	2,001
Patrick Murray	0
Annick Pascal	2,750

14.1.1.2. Information on the directors

The Company applies the provisions of article L.225-21 of the French Commercial Code covering the number of directorships held. It also applies Recommendation 19 of the AFEP-MEDEF Code, which requires that "directors devote the necessary time and attention to fulfil their functions. Should a director hold an executive position in the Company, he or she must not, in principle, hold more than four other directorships in publicly listed companies, including foreign companies, outside the Group".

As at 31 March 2015, no member of the Board of Directors held more than four directorships in publicly listed companies.

The table below shows the various positions held by directors in and outside the Company.

Director's or senior executive's first and last name	Age	Directorships and position held in the Company	Date of first appointment or commen-cement of duties	Expiry date of current directorship	Principal activities car-ried on outside the Com-pany within the Group	Directorships and positions held outside the Group over past five years
Directors holding a position within the Executive Management						
Paul Boudre	56	Chief Executive Officer	03/07/2012	AGM for approving financial statements for the year ended 31/03/2016	- Director of Soitec Japan Inc. - Director of Soitec Microelectronics Singapore Pte Ltd	
Directors not holding a position within the Executive Management						
André-Jacques Auberton-Hervé	54	Chairman	27/02/1992	AGM for approving financial statements for the year ended 31/03/2016		- Director of Cissoïd S.A. (2000-2010) - Chairman of the Board of Directors of the professional association SEMI Europe - Chairman of the Board of Directors of the professional association SEMI International - Chairman of the Supervisory Board of Altatech Semiconductor S.A. (2005-2012) - Director of ANRT - Director - of ENIAC - Director of the Fondation Nanosciences - Chairman of the Steering Committee of GRAIN - Member of Ecole Centrale committees working with the French National Centre for Scientific Research (CNRS), - Member of Croissance + - Chairman of ARDI's Commitment Committee (2008-2012)

Directors not holding a position within the Executive Management

Director's or senior executive's first and last name	Age	Directorships and position held in the Company	Date of first appointment or commencement of duties	Expiry date of current directorship	Principal activities carried on outside the Company within the Group	Directorships and positions held outside the Group over past five years
Douglas Dunn	71	Director	09/07/2004	AGM for approving financial statements for the year ended 31/03/2018	None	- Chairman of ARM Holdings Plc (1998-2012) - Member of STMicroelectronics' Supervisory Board (2001-2012) - Vice-Chairman of the Supervisory Board of BE Semiconductor Industries NV* - Member of TomTom's Supervisory Board - Director of Global Foundries Inc.
Christophe Gegout	39	Represents CEA Investissement, director	20/04/2015	AGM for approving financial statements for the year ended 31/03/2016	None	- Chairman of CEA Investissement - Director of AREVA NC - Director of AREVA Mines - Permanent representative of CEA to AREVA's Supervisory Board (2009-2014) - Non-voting member of AREVA's Supervisory Board - CEA's representative to FT1CL's Board of Directors
Fumisato Hirose	67	Director	10/07/2003	AGM for approving financial statements for the year ended 31/03/2015	None	CEO of Shin-Etsu Handotai Europe, Ltd. UK (1997-2012) Member of the Audit Committee and Supervisory Board of Shin-Etsu Handotaï Co. Ltd*

Directors not holding a position within the Executive Management

Director's or senior executive's first and last name	Age	Directorships and position held in the Company	Date of first appointment or commencement of duties	Expiry date of current directorship	Principal activities carried on outside the Company within the Group	Directorships and positions held outside the Group over past five years
Joël Karecki	61	Director	20/01/2012	AGM for approving financial statements for the year ended 31/03/2016	None	- Director of the Silicomp group (2002-2007) - Director of the Fondation Villette Entreprise - Vice-Chairman of FIEEC - Director of UIMM - Chairman of Cluster Lumière - Director of GIM - Senior advisor of Innovafond - Member of IMC's Supervisory Board - Member of Supelec's Board of Directors
Joseph Martin	67	Director	09/07/2004	AGM for approving financial statements for the year ended 31/03/2018	None	- Chairman of the Board of Directors of Brooks Automation Inc. - Member of the Board of Directors of Collectors Universe Inc.
Patrick Murray	71	Director	24/06/2011	AGM for approving financial statements for the year ended 31/03/2015	None	- Chairman of the Board of Directors of ISLP Europe - Director of ISLP UK and International Lawyers Program (US)
Annick Pascal	59	Director	24/06/2011	AGM for approving financial statements for the year ended 31/03/2015	None	Not applicable

Directors not holding a position within the Executive Management

Director's or senior executive's first and last name	Age	Directorships and position held in the Company	Date of first appointment or commencement of duties	Expiry date of current directorship	Principal activities carried on outside the Company within the Group	Directorships and positions held outside the Group over past five years
Thierry Sommelet	45	Represents BPI France, director	02/07/2013	AGM for approving financial statements for the year ended 31/03/2017	None	- Chairman of the Supervisory Board of Greenbureau S.A. - Member of the Supervisory Board of Sipartech S.A.S. - Member of the Supervisory Board of SG Photonics S.A. (2009-2011) - Member of the Supervisory Board of Cloudwatt S.A. (2013-2015) - Member of the Board of Directors of TDF S.A.S., Tyrol Acquisition 1 S.A.S., Tyrol Acquisition 2 S.A.S. (2009-2015)
Non-voting member of the Board of Directors						
Sébastien Blot	36	Non-voting member of the Board of Directors	20/01/2012	AGM ruling on the financial statements for the year ended 31 March 2014	None	- Director of Dailymotion (2009-2011)

* Listed company.

14.1.1.3. Frequency and agenda of meetings of the Board of Directors

The Board of Directors monitors on an ongoing basis the management of the Company by the CEO, Paul Boudre. Meeting are held when needed and convened by the Board's Chairman.

During the 2014-2015 financial year, the Board of Directors met nine times: 16 April 2014, 20 May 2014, 06 June 2014, 30 June 2014, 14 October 2014, 18 November 2014, 16 January 2015, 25 February 2015 and 30 March 2015.

The average attendance rate of meetings of the Board of Directors was 82%.

The issues on the agenda included:

- the Group's activity;
- examination and approval of the individual company and consolidated annual and half-yearly financial statements;
- setting a schedule of future meetings of the Board of Directors for the 2015-2016 financial year;
- Company senior executives' remuneration, including calculating the fixed and variable parts of their remuneration, as well as the conditions under which the variable part is paid;
- convening the Annual and Extraordinary General Meetings;
- recording capital increases;
- how the Company is managed;
- composition of the various committees:

Prior to each meeting of the Board of Directors, each member of the Board receives documentation relating to the agenda and that is needed to fulfil the Board's remit. Members of the Board of Directors are also informed on an ongoing basis of all material transactions relating to the Company.

Please refer to section 21.2.2.2. for a description of the Board of Directors' Standard Policies and Procedures.

14.1.1.4. Professional addresses of Directors and officers of the Corporation

All board members and directors may be contacted at the Company headquarters: Parc Technologique des Fontaines – Chemin des Franques – 38190 Bernin (tel.: 04 76 92 75 00).

14.1.1.5. Directors' expertise and management experience

The criteria for selecting the members of the Board of Directors include their expertise and management experience, and more generally their proven international expertise in the field of semiconductors. The table disclosed in paragraph 14.1.1.2 above showing each director's professional activity gives an indication of the directors' expertise and experience in the field of semiconductors, the majority of whom hold or have held senior executive positions in top companies, most of which listed companies.

André-Jacques Auberton-Hervé:

André-Jacques Auberton-Hervé is the co-founder and Chairman & CEO of the Soitec group, which he founded in 1992 with Jean-Michel Lamure. He graduated from the Ecole Centrale de Lyon and gained his PhD in physics at the age of 24 in the field of semiconductors at the French research institute CEA-Léti, where he began his scientific career.

At CEA-Léti, in partnership with Thomson CSF, he was in charge of various programmes, including the development and transfer of industrial systems for the production of integrated circuits for military and space applications. He was a pioneer of applications using silicon on insulator (SOI) technology and is the author of more than one hundred scientific publications. His duties at CEA-Léti taught him how to manage innovation and the transfer of associated industrial high-technology production operations. In March 1992, he left CEA-Léti to set up and develop Soitec, which produces SOI materials. In 1999, he obtained the SEMI Award for his scientific and industrial activity, considered as a major contribution to the semiconductor industry.

André-Jacques Auberton-Hervé is also a member of the Board of Directors of the French National Association for Technological Research (ANRT), director of the French Higher Institute of Electronics and Radioelectricity of Grenoble (ENSERG), chairman of the steering committee of the Grenoble Incubator (GRAIN), member of the Institute of Electrical and Electronics Engineers (IEEE) and member of the Electrochemical Society.

In July 2005, André-Jacques Auberton-Hervé was appointed to the Board of Directors of the association Semiconductor Equipment and Materials International (SEMI).

In October 2005, André-Jacques Auberton-Hervé was appointed Chairman of the Supervisory Board of Altatech Semiconductor S.A.

On 25 January 2008, André-Jacques Auberton-Hervé was made Chairman of the Commitment Committee of the French Regional Agency for Development and Innovation (ARDI).

On 21 November 2009, André-Jacques Auberton-Hervé became director of the association Semi Europe Grenoble. On 12 July 2010, André-Jacques Auberton-Hervé became chairman of the association Semi Europe Grenoble. On 13 July 2011, André-Jacques Auberton-Hervé was appointed vice-chairman of the Board of Directors of the professional association SEMI International; he was made chairman in July 2013.

Paul Boudre:

Paul Boudre graduated from the French Higher School of Chemistry of Toulouse (ENSCT) and has extensive experience on the cutting edge of the semiconductor industry, gained while working for IBM, Thomson Semi Conducteurs and Motorola. Before joining Soitec, Paul Boudre was General Manager France at KLA TENCOR, then chairman Europe. He joined the Soitec group on 15 January 2007 as Executive Vice-President of Sales, Marketing and Customer Support. He was appointed CEO by the Board of Directors at its meeting of 16 January 2015.

Douglas Dunn:

- Douglas Dunn has forty or so years professional experience in the electronics industry, thirty-two of which in the semiconductor sector. For six years, until December 2004, he was Chairman & CEO of the Dutch company ASML, a leader in the supply of photolithographic equipment for the semiconductor industry. Prior to this, he was Chairman & CEO of the semiconductor and electronics retail division of the Philips group in the Netherlands. From 1980 to1993, Douglas Dunn was CEO of GECPlessey Semiconductors, after having held various management posts at Motorola Semiconductors. Born in Yorkshire, in the UK, in 1944, Douglas Dunn graduated in electrical and electronics engineering from Sheffield College of Advanced Technology. In 1992, he was awarded an OBE for services to the semiconductor industry. In 2004, he was made a Knight of the Order of the Orange-Nassau in the Netherlands for services to the Dutch electronics industry.

Christophe Gegout:

Since 2009, Christophe Gegout has been Chief Financial Officer of CEA and Chairman of CEA Investissement. Prior to this, between 2007 and 2009, he was adviser to the Finance Minister, after having held several posts within the Ministry of Finance. Since 2009, he has represented CEA on the Supervisory Board then the Board of Directors of AREVA. He graduated from École Polytechnique, the Paris Institute of Political Studies (IEP) and the French School of Statistics and Economic Administration (ENSAE).

Fumisato Hirose:

Since June 2012, Fumisato Hirose has been member of the Audit Committee and Supervisory Board of Shin-Etsu Handotai Co. Ltd. Prior to this, from 2007, he was CEO of Shin-Etsu Handotaï Europe Limited (UK); since 2007, Fumisato Hirose has worked for the Shin-Etsu group. After graduating in economics from Keio University (Japan) in 1970, Fumisato Hirose held positions in the Human Resources division of Shin-Etsu Chemical Co. Ltd., before joining Shin-Etsu Handotaï Co. Ltd. in 1973 as head of the Purchasing department. In 1984, he was promoted to International Marketing and Sales director, before joining Shin-Etsu Handotaï Europe Limited (UK) in 1997.

Joël Karecki:

Joël Karecki was chairman of Philips France & Maghreb between 2007 and 2011. Between 2002 and 2006, he was Corporate Strategy and Acquisitions director at Schneider Electric, where he spent fourteen years in various management posts abroad, including CEO southeast Asia. Prior to this, Joël Karecki worked for Hutchinson and Mercer Consulting. He graduated from the Harvard Business School (AMP), INSEAD and the French Higher School of Electricity (ESE).

Joseph Martin:

Joseph R Martin is, and since 2006 has been, Chairman of the Board of Directors of Brooks Automation, which is leading worldwide provider of automation, vacuum and instrumentation solutions for multiple markets and is listed on the NASDAQ stock exchange. Mr. Martin also serves on the Board of Directors of NASDAQ listed Collectors Universe, Inc., a third party authentication and grading service for high value collectibles. Until his retirement in 2006, Mr. Martin was Co-Chairman of Fairchild Semiconductor, a NYSE company and also served as Vice Chairman of its Board of Directors. He also served on the Board of Directors of ChipPac, Inc., a NASDAQ listed company, until 2001 and on the Board of SynQor, Inc. until 2014. Mr. Martin holds an Executive Masters Professional Certification from the American College of Corporate Directors, a director education and credentialing organization. In 2000, CFO Magazine awarded Mr. Martin the CFO of the Year award for turnaround operations. Mr. Martin is a trustee at Embry-Riddle Aeronautical University, where he earned a BS degree, and also has an MBA from the University of Maine. As a result of his significant corporate director experience and his extensive international business experience, Mr. Martin adds valuable strategic and managerial experience on the Board.

Patrick Murray:

Patrick Murray, honorary member of the Paris Bar Association, was a partner in the law firm Winston & Strawn LLP. As legal adviser, he provided the Company with legal counsel throughout the various stages of its development. He graduated in law from the University of Michigan and began his career in the US before settling in Paris. He has extensive experience of business law issues, which he places at the disposal of the Company’s Board of Directors. He no longer has operational duties at Winston & Strawn LLP.

Annick Pascal:

Annick Pascal is a founding member and director of Cimelog, a company specialising in CAD/CAM and industrial robotics software. Between 1995 and 1997, Annick Pascal was Technical director at CGEA-ONYX, and at the same time became member of the Board of Directors of CREED, waste management research centre, common to several subsidiaries of the Général des Eaux group (Veolia Propreté today).

In 2004, Annick Pascal founded the consulting firm Oro Verde, which specialises in consulting, training and audit in quality management and security systems (ISO 14001).

Since 2009, she has been a member of the French Institute of Directors (IFA).

Thierry Sommelet:

Director, member of the Management Committee of Bpifrance Investissement Mid & Large Cap, Thierry Sommelet started his career on the capital markets at Crédit Commercial de France in 1992 in Paris, then in New York. After being Manager of the financial engineers’ team at Renaissance Software in London, then COO of InfosCE in 2001, he joined the Investments and Digital Participations department of Caisse des Dépôts et Consignations in 2002, which he headed up in 2007.

After joining the Strategic Investment Fund in 2009, Thierry joined the teams of Bpifrance Investissement at the time it was created in 2013.

Thierry Sommelet is a graduate of the Ecole Nationale des Ponts et Chaussées and has an MBA from INSEAD.

14.1.1.6. Sanctions applying to directors and senior executives

To the Company's knowledge, no person shown in the table disclosed in paragraph 14.1.1.2 above has been sentenced for fraud during the past five years, nor been associated with a bankruptcy, sequestration or liquidation during the past five years. Moreover, and excluding the details that follow, during the past five years, none of these persons has been charged with or publicly sanctioned for an offense by a legal or regulatory authority or professional organisation, and none have been banned by a court from acting as a member of a management, executive or supervisory body of, or from being involved in the management or running of an issuer.

14.1.2. Executive Management

14.1.2.1. Executive Committee

During the financial year ended 31 March 2015, the management structure previously in place organised around the Chairman & CEO (Chairman's Office) was replaced by an Executive Committee chaired by the CEO and comprising twelve members:

- Paul Boudre, CEO,
- Bernard Aspar, director of Communication and Power business unit,
- Olivier Brice, CFO,
- Lionel Fabrizi, Human Resources director,
- Scott Kern, director of Lighting business unit,
- Jacques Elie Levy, Group Legal and Industrial Property director,
- Christophe Maleville, Digital business unit director,
- Laurent Maumet, Information Systems, Purchasing and Quality director,
- Carlos Mazuré, Research & Development director,
- Cyril Menon, Operations manager,
- Thomas Piliszczuk, Sales and Marketing director,
- Thierry Tron, Group Financial Controller.

14.1.2.2. Executive Management powers

Separation of the functions of Chairman and Chief Executive Officer

Following the deliberations of the Board of Directors of16 January 2015, the functions of Chairman of the Board of Directors and Chief Executive Officer were separated. André-Jacques Auberton-Hervé remains chairman of the Board of Directors and Paul Boudre was appointed CEO.

As CEO, full authority is vested in Paul Boudre to act in all circumstances on behalf of the Company. He exercises his authority within the limit of the Company's objective and subject to the authority that the law expressly bestows on the Shareholders' Meetings and Board of Directors.

Limitations to the powers of the Chief Executive Officer

The internal rules of the Board of Directors provide for certain limitations to the powers of the Chairman & CEO. Accordingly:

1) The CEO must obtain prior authorisation from the Board of Directors for the following decisions:

- decisions of establishing operations abroad, through creating an establishment, direct or indirect subsidiary, or through acquiring an interest, as well as decisions to withdraw from these operations; and
- sizeable operations likely to affect the Group's strategy or change its capital structure or scope of activity, in particular merger and acquisition decisions.

2) The CEO must obtain prior authorisation from the Board of Directors to undertake the following transactions, insofar as their amount exceeds 20 million euros:

- acquire or dispose of any interest in any company created or to be created, participate in the creation of any company, group or organisation, subscribe to any issue of shares or bonds;
- agree to any exchange, with or without equalization payment, concerning property, shares or instruments;
- undertake any investment expense (including any acquisition or sale of non-current assets, it being understood that a project comprising more than one phase must be taken as a whole). The Chairman & CEO must, moreover, for each investment expense of an amount of more than five (5) million euros, prior to undertaking such expense, present to the Audit Committee the effects of such undertaking on the cash position, return on capital employed and return on investment;
- in the event of litigation, accept any agreement, transaction or compromise;
- grant sureties on company assets.

3) The CEO must obtain prior authorisation from the Board of Directors to undertake the following transactions, insofar as their combined amount exceeds 30 million euros per year:

- grant or contract any borrowings or loans, credits or advances, excluding finance lease or equipment lease transactions;
- acquire or sell, in any way, any loans and receivables.

4) The launch of any project likely to incur, in the first five years of it being implemented, investments, expenses, commitments or liabilities of more than 50 million euros (individually or combined) and the funding of which has not been finalised are subject to the prior consent of the Board of Directors, determined by the eight-elevenths majority of the members present or represented.

14.2. Conflicts of interest in the Administrative and Management Bodies

14.2.1. Independence of directors

In accordance with AFEP-MEDEF Code recommendations, the Board of Directors regularly assesses its composition, organisation and practices. When this assessment is conducted, the directors are called on to comment on their independence within the meaning of the provisions of the AFEP-MEDEF Code. This is mainly because of the business relationships that exist between the Company and some companies in which the members of the Board of Directors hold management positions.

In view of the changes to the Board of Directors, such annual assessment was not conducted for the financial year ended 31 March 2015. Whilst, for the financial year ended 31 March 2014, 5 members of the Board of Directors were qualified as independent directors within the meaning of the AFEP-MEDEF Code, i.e. not having any dealings of any nature with the Company, this situation is not likely to continue. Indeed, during its meeting of 27 May 2015, the Remuneration and Appointments Committee ascertained that, first of all, Mr Fumisato

Hirose representing Shin Etsu Handotai (SEH) could no longer, given the participation of SEH in the financial restructuring plan put in place, be qualified as independent. Secondly, with Mr Douglas Dunn in a position of member of the Board of Directors of Global Foundries, it no longer seems that he meets the conditions of independence of the AFEP-MEDEF Code due to the extent of the relations between Soitec and this company. Finally, the Remuneration and Appointments Committee acknowledge the will of Mr Patrick Murray and of Mrs Annick Pascal not to ask for their terms in office to be renewed. As for Mr Fumisato Hirose, whose term in office expires after the General Meeting convened to approve the financial statements of the financial year ended 31 March 2015, it shall be proposed that a new representative of SEH takes over from him in the Board of Directors. As a result, at the end of this meeting, and provided the corresponding resolutions are voted on, only Mr Joseph Martin will meet the conditions of independence arising from the provisions of the AFEP-MEDEF Code.

Furthermore, to the Company's knowledge, no arrangement or agreement other than that described in paragraph 18.3 has been entered into with the Company's principal shareholders, clients, suppliers or others by virtue of which any one of those disclosed in paragraph 14.1.1.2 was selected as a member of a management, executive or supervisory body or as a member of the Executive Management. Accordingly, apart from the appointment of Bpifrance Participations as director at the Annual General Meeting of 2 July 2013, the appointment of Joël Karecki as director at the Annual General Meeting of 20 January 2012 was made on the proposal of Bpifrance Participations. The function of observer on the Board of Directors was undertaken by a Bpifrance Participations employee.

Finally, there is no family relationship between these persons.

14.2.2. Conflicts of interest within the executive committees

The Board of Directors comprises ten members. Besides the Chairman of the Board of Directors and the CEO, nine other members were selected based on their experience of the semiconductor market or their professional experience in other areas useful for the Company's development. The semiconductor market is characterised by its small number of players, so the Group maintains or is likely to have business relationships with ARM Holdings Plc, STMicroelectronics NV and Shin-Etsu Handotai, within which Douglas Dunn and Fumisato Hirose hold or held positions respectively, as disclosed in the table in paragraph 14.1.1.2. Information on the directors.

Moreover, the law firm in which Patrick Murray practised provided, and continues to provide, legal services to Soitec, its subsidiaries and affiliates.

Joël Karecki, whose candidature to the Board of Directors was proposed by Bpifrance Participations, is called upon to share with Bpifrance Participations information on the Company and to discuss with it the positions to adopt when sitting on the Board of Directors. The same is true for Thierry Sommelet, who represents Bpifrance Participations within the Board of Directors.

As regards Sébastien Blot, his acting in the capacity as observer without the right to vote bars him from being a member of the Board of Directors for purposes of reviewing the independence of members of the Board of Directors. As Bpifrance Participations' head of Investments, he may not, in any case, be qualified as independent.

Finally, CEA Investissement is affiliated to the French Atomic and Renewable Energy Commission (CEA), with which Soitec has maintained business relations since the Company's creation.

14.2.3. Transactions in securities by company senior executives

Pursuant to article L. 621-18-2 of the French Monetary and Financial Code and article 223-22 of the AMF's general regulations, the senior executives made the following disclosures:

Discloser	Paul Boudre	Paul Boudre
Position	Chief Operating Officer	Chief Operating Officer
Issuer	Soitec	Soitec
Description of securities	Ordinary shares resulting from free shares	Ordinary shares resulting from free shares
Number of shares	30,000	31,758
Type of transaction	Sale	Sale
Date of transaction	02/09/2014	04/12/2014
Place of transaction	Euronext Paris	Euronext Paris
Unit price	€2.06	€2.15
Total amount of transaction	€61,800	€68,279.70

Discloser	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé
Position	Chairman of the Board of Directors	Chairman of the Board of Directors
Issuer	Soitec	Soitec
Description of securities	Shares	Shares
Number of shares	791,824	37,519
Type of transaction	Sale	Sale
Date of transaction	10/02/2015	12/02/2015
Place of transaction	Euronext Paris	Euronext Paris
Unit price	€0.89	€0.89
Total amount of transaction	€704,723.36	€33,391.91

Discloser	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé
Position	Président du Conseil d'administration	Président du Conseil d'administration	Président du Conseil d'administration	Président du Conseil d'administration
Issuer	Soitec	Soitec	Soitec	Soitec
Description of securities	Actions	Actions	Actions	Actions
Number of shares	68,741	18,435	55,400	21,705
Type of transaction	Sale	Sale	Sale	Sale
Date of transaction	12/02/2015	13/02/2015	13/02/2015	16/02/2015
Place of transaction	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris
Unit price	€0.89	€0.89	€0.89	€0.89
Total amount of transaction	€61,179.49	€16,407.15	€49,306.00	€19,317.45

Discloser	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé	André-Jacques Auberton-Hervé
Position	Chairman of the Board of Directors	Chairman of the Board of Directors	Chairman of the Board of Directors
Issuer	Soitec	Soitec	Soitec
Description of securities	Shares	Shares	Shares
Number of shares	80,715	33,050	66,950
Type of transaction	Sale	Sale	Sale
Date of transaction	16/02/2015	16/02/2015	17/02/2015
Place of transaction	Euronext Paris	Euronext Paris	Euronext Paris
Unit price	€0.89	€0.89	€0.89
Total amount of transaction	€71,836.35	€29,414.50	€59,585.50

Discloser	NEXIS	STAR	STAR	STAR	STAR
Position	Related person	Related person	Related person	Related person	Related person
Issuer	Soitec	Soitec	Soitec	Soitec	Soitec
Description of securities	Shares	Shares	Shares	Shares	Shares
Number of shares	636,951	159,073	611,668	200,000	328,332
Type of transaction	Sale	Sale	Sale	Sale	Sale
Date of transaction	03/02/2015	03/02/2015	06/02/2015	05/02/2015	04/02/2015
Place of transaction	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris	Euronext Paris
Unit price	€0.89	€0.89	€0.89	€0.89	€0.89
Total amount of transaction	€566,886.39	€141,574.97	€544,384.52	€178,000.00	€292,543.81

15. Compensation and advantages

15.1. Remuneration paid to company officers (Chairman & CEO, Chief Operating Officer and directors) for the 2014-15 financial year

15.1.1. Directors' fees

The Annual General Meeting of 20 January 2012 renewed the principle of paying directors directors' fees. Directors' fees are capped at 450,000 euros for all financial years beginning on or after 1 April 2011.

Moreover, at the request of BPI France Participations, the Remuneration and Appointments Committee proposed to the Board of Directors not to attribute directors' fees to the non-voting board member.

Finally, the directors' fees are distributed solely between the members of the Board of Directors not holding any operational function within Group companies, such that André-Jacques Auberton-Hervé and Paul Boudre receive no directors' fees.

The total amount to be paid in respect of the 2014-15 financial year amounts to 450,000 euros. Details of these payments are shown in the table below.

Company officers who are not senior executives	Amount paid during the 2013-2014 financial year	Amount paid during the 2014-2015 financial year
Fabienne Demol		
Directors fees	32,969	52,637
Other remuneration	0	0
Douglas Dunn		
Directors fees	62,044	64,308
Other remuneration	0	0
Fumisato Hirose		
Directors fees	13,126	17,388
Other remuneration	0	0
Joël Karecki		
Directors fees	62,882	63,702
Other remuneration	0	0
Didier Lamouche		
Directors fees	53,293	57,459
Other remuneration	0	0
Christian Lucas		
Directors fees	35,791	22,420
Other remuneration	0	0
Joseph Martin		
Directors fees	75,083	74,135
Other remuneration	0	0
Patrick Murray		
Directors fees	65,807	52,190
Other remuneration	0	0
Annick Pascal		
Directors fees	49,005	45,761
Other remuneration	0	0
Total	**450,000**	**450,000**

Directors' fees are attributed on the following bases:

Board of Directors: Lump sum of 4,000 euros a year; 7,000 euros for each physical attendance and 1,500 euros for each telephone attendance.

Committees: Lump sum of 4,000 euros for members, 6,000 euros for the Chairman of the Remuneration and Appointments Committee and 8,000 euros a year for the Chairman of the Audit Committee; 1,000 euros for members for each physical attendance, 1,500 euros for the Chairman of the Remuneration and Appointments Committee for each physical attendance and 2,000 euros for the Chairman of the Audit Committee for each physical attendance. In the event of Committee meetings by teleconference, the amount of directors' fees paid is adjusted in the same proportions as for the meetings of the Board of Directors.

Travel expenses are paid to the members of the Board of Directors.

15.1.2. General policy of company officers' remuneration

At its meeting of 8 December 2008, the Company's Board of Directors formally adopted the AFEP-MEDEF recommendations on the remuneration of senior executives and company officers of companies whose shares are traded on a regulated market published on 6 October 2008.

Company officers receive remuneration that is determined by the Board of Directors as proposed by the Remuneration and Appointments Committee, comprising the following components: (i) fixed annual remuneration in twelve monthly payments, (ii) variable annual remuneration based on various targets to be attributed at year-end, (iii) an incentive scheme allocating financial instruments giving rights over the Company's share capital, together with performance conditions.

The components of a variable or incentive nature are determined, based on a proposal of the Remuneration and Appointments Committee, by the Board of Directors; the directors concerned are not involved in the decision.

The variable component of the company officers' remuneration is based on the following criteria:

(1) the Group's free cash flow (at constant scope), for 25%,

(2) the Group's operating result (EBITDA) (at constant scope) as a percentage of revenue, for 25%

(3) the Group's revenue (at constant scope) compared with targets set by the Board of Directors, for 25%, and finally

(4) the Board of Directors' discretionary assessment of the company officer's contribution to achieving the strategic targets assigned to him by the Remuneration and Appointments Committee, for 25%. The level of attainment of fixed quantitative targets for the senior executives is set each year by the Board of Directors upon the advice of the Remuneration and Appointments Committee. It is not made public for reasons of confidentiality.

The ratio between the fixed and variable part of the company officers' remuneration is determined annually by the Board of Directors upon the advice of the Remuneration and Appointments Committee. For the year ended 31 March 2015, the variable part of company officers' remuneration could represent between 100% and 150% of the fixed part for André-Jacques Auberton-Hervé, and between 75% and 112.5% of the fixed part for Paul Boudre.

As regards Mr Paul Boudre, following the change in governance of the company, in extension of the Board of Directors of 16 January 2015, the remuneration structure of Mr Paul Boudre for the last quarter of the 2014-2015 financial year has been modified. The variable part of his remuneration was fully based on one strategic objective.

The performance conditions of the free shares allocated to company officers govern their acquisition at the end of the acquisition period. Such acquisition is dependent on the attainment of certain criteria measured by reference to an internal composite indicator based on consolidated revenue, EBITDA and free cash flow, and attainment of the main steps of the Group's strategic plan.

At the end of the retention period, 10% of the number of shares allocated to each company officer is non-transferable until the end of their functions within the Company.

The amount of remuneration paid is calculated gross.

Detailed information and figures on this remuneration is disclosed below.

15.1.2.1. Summary table of remuneration and share options attributed to each senior executive company officer (in euros)

André-Jacques Auberton-Hervé, Chairman of the Board	Financial year 2013-2014	Financial year 2014-2015
Remuneration due for the financial year (details in table 15.1.2.2.)	575,635	498,187
Valuation of share options attributed during the financial year	N/A	N/A
Valuation of free shares attributed during the financial year	N/A	N/A
Total	**575,635**	**498,187**

Paul Boudre, Chief Executive Officer	Financial year 2013-2014	Financial year 2014-2015
Remuneration due for the financial year (details in table 15.1.2.2.)	445,572	660,206
Valuation of share options attributed during the financial year	N/A	N/A
Valuation of free shares attributed during the financial year	N/A	N/A
Total	**445,572**	**660,206**

15.1.2.2. Summary table of remuneration of each senior executive company officer (in euros)

André-Jacques Auberton-Hervé, Chairman of the Board	Financial year 2013-2014		Financial year 2014-2015	
	Amount due for the financial year	Amount paid during the financial year	Amount due for the financial year	Amount paid during the financial year
Fixed remuneration	450,000	450,000	450,000	450,000
Variable remuneration	105,750	264,584	28,150	105,750
% variable/fixed	23.5%		6.2%	-
Exceptionnal remuneration		-		-
Directors' fees		-		
Benefits in kind	19,885	19,885	20,037	20,037
Total	**575,635**	**734,469**	**498,187**	**575,787**

Paul Boudre, Chief Executive Officer	Financial year 2013-2014		Financial year 2014-2015	
	Amount due for the financial year	Amount paid during the financial year	Amount due for the financial year	Amount paid during the financial year
Fixed remuneration	360,000	360,000	368,335	368,335
Variable remuneration	63,450	118,750	270,000	63,450
% variable/fixed	23.5%		73.3	
Exceptionnal remuneration	-	-	-	-
Directors' fees	-	-	-	-
Ava Benefits in kind	22,122	22,122	21,871	21,871
Total	**445,572**	**500,872**	**660,206**	**453,656**

Moreover, no additional remuneration or directors' fees were attributed to company officers by controlled companies.

A detailed description of incentive schemes based on the Company's capital is disclosed in Section 17.2 below.

15.1.2.3. Summary table of the Company's application of the AFEP-MEDEF Code

Senior executive company officers	Employment contract		Supplementary pension scheme		Compensation or benefits due or likely to be due because of termination of service or change in functions		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
André-Jacques Auberton-Hervé CEO from 11/04/02 until 01/16/15		X	X		X			X
Paul Boudre* COO at 06/01/07 then CEO from 01/16/15	X		X			X	X	

* Paul Boudre's employment contract was suspended on the date of his appointment as Chief Operating Officer.

15.1.3. Remuneration of members of the Chairman's Office

Until 16 January 2015, the Chairman's Office was composed of three persons, excluding company officers. Total gross remuneration, including direct and indirect benefits was, for the year ended 31 March 2015, €817k. The total remuneration of the members of the Chairman's Office excluding Company Officers for the year ended 31 March 2014, was €1,623k.

As of 16 January 2015, the Chairman's Office was replaced by an executive committee organised around Paul Boudre, CEO.

15.1.4. Retirement benefit obligations

In addition to compulsory supplementary pensions schemes, the Company has introduced the following schemes for some of its managers and senior executives:

- under article 83 – defined contribution supplementary pension scheme – As part of cost reduction measures, the Company suspended the contributions from 1 October 2013 to 31 March 2015 for all socio-professional categories;
- under article 39 – defined benefit supplementary pension plan – the Company contributes up to 9.8% of the final gross annual salary, less pensions paid under article 83.

15.1.5. Commitments of all kinds undertaken by Soitec in favour of its company officers in respect of commencement, termination or change in company officer functions

In respect of his salaried functions under his employment contract (suspended since his appointment as Chief Operating Officer, then Chief Executive Officer) and in accordance with the collective agreement, Paul Boudre receives compensation of up to €379,500 under the application of a non-compete clause.

On the proposal of the Remuneration and Appointments Committee of 4 May 2015, the Board of Directors, meeting on the same day, decided (without however Mr Auberton-Hervé participating in the vote) to put in place a flat-rate compensation system of €100,000 for Mr André-Jacques Auberton-Hervé at the end of his term in office, in consideration of the subscription by Mr Auberton-Hervé of a non-compete commitment, not remunerated for a term of three years in respect of Soitec from the end of his term of office as director.

A specific mission was also entrusted to Mr Auberton-Hervé under which, pursuant to the provisions of Article L. 225-46 of the French Commercial Code, he will receive from Soitec SA total flat-rate fees of €200,000 and a variable success-fee.

15.2. Provisioned or recorded sums for the payment of pensions, retirement or other benefits

As at 31 March 2015, the sums provisioned for payments of pensions, retirement or other benefits to members of the Chairman's Office amount to €1,160k, €1,252k of which for the company officers.

The provision corresponds to a total simultaneous regime of defined contributions and services.

The company's fund shall be added to according to two different principles:

- one, relating to the defined contributions regime (Art. 83), is a regime whose rights are individualised based on a contribution rate;
- the other, relating to the defined services regime (Art. 39) is a collective regime based on a percentage of the last salary when employed.

Only the rights related to the defined contributions are acquired (even in case of resignation or redundancy); those related to defined services are lost in case of leaving the company before retirement.

Upon retirement, the annuity is mandatory.

Within the framework of the defined contribution contract, in case of death before retirement, the appointed beneficiary shall receive capital

In case of death after retirement age, and in case of option for repayment, all or part of the annuity is repaid to the partner and, failing this, to other beneficiaries if the contract so provides.

The terms of determining and calculating the retirement services for each beneficiary are as follows:

- for the regime falling under Article 83: the contributions correspond to 4% of the gross salary limited to the TC;
- for the regime falling under Article 39: the period and the amount of the reference salary correspond to the last 12 months of gross salary, excluding one-off bonus; the potential annual rights in terms of percentage of reference remuneration correspond to 9.80% of the gross annual salary described above, deduction made of the annuity paid under the regime of Article 83.

The regime in question responds to the principles set down by the AFEP-MEDEF Code for the supplementary retirement schemes for company officers.

16. **Operating** of the administrative and management bodies

16.1. Terms of office of directors and executives

Please refer to paragraph 14.1.1 of this Reference Document.

16.2. Service contracts providing for the granting of future advantages

There is no service contract binding the members of the management or administrative bodies of the Company or to one of its subsidiaries and providing for the granting of future advantages under such a contract.

16.3. Committees of the Board of Directors

The Board of Directors has three committees, the organisation, practices and powers of which are set out in the internal rules of the Board of Directors adopted by decision of the Board of Directors of 1 July 2005 and updated several times since.

At the date of publication, the Committees were composed and operated as set out below.

16.3.1 Strategy Committee

Composition and operating rules

The Strategy Committee comprises the following eight directors:

- Chairman: André-Jacques Auberton-Hervé;
- Members: Paul Boudre,
  Douglas Dunn,
  Joël Karecki,
  Joseph Martin,
  Patrick Murray,
  Annick Pascal, and
  BPI France, represented by Thierry Sommelet.

Membership is by virtue of their office as director and the term of their office on the Committee is the same as that of their office as director. Four of the eight Strategy Committee members are independent directors.

The Strategy Committee meets at least twice a year and can also meet at the request of the Chairman of the Board of Directors or two of its members. Minutes of each of the Committee's meetings are taken.

Remit and powers

The Strategy Committee's remit is:

- to assist the Board of Directors in that of its powers which consists in determining and regularly reviewing the Company's and Group's strategy;
- and to this end, analyse the Group's situation and vectors of growth in order to submit proposals to the Board of Directors on the Group's strategy; and

- through its examination and discussions, clarify the Group's strategic objectives submitted to the Board of Directors and to assess the validity and consequences of the most important strategic decisions submitted to the Board of Directors.

The Strategic Committee does not have its own powers. The Board of Directors alone has authority to decide the Company's and Group's strategy.

However, the Strategy Committee may, within the exercise of its duties, contact the Company's principal senior executives after having informed the Chairman of the Board of Directors and provided it reports its findings to the Board of Directors.

The Strategy Committee may also commission external technical studies on topics under its remit, the cost of which to be borne by the Company, after having informed the Board of Directors and provided it reports its findings to the Board of Directors at its next meeting.

Strategy Committee's activity during the course of the 2014-2015 financial year

During the 2014-2015 financial year, the Strategy Committee met five times, with an attendance rate of its members of 87.5%.

16.3.2 Audit and Risk Committee

Composition and operating rules

The Audit and Risk Committee comprises the following five directors:

- Chairman: Joseph Martin
- Members: Douglas Dunn,
  Joël Karecki,
  Patrick Murray,
  BPI France Participations, represented by Thierry Sommelet.

Membership is by virtue of their office as director and the term of their office on the Committee is the same as that of their office as director. Three of the five Audit Committee members are independent directors.

Joseph Martin, Chairman of the Audit and Risk Committee, meets the conditions of competence and independence required by article L. 823-19 of the French Commercial Code. More generally, all members of the Audit and Risk Committee have qualifications and professional careers (see paragraph 1.1.1.5 above) that make them particularly suitable for the work of the Audit and Risk Committee.

The Committee meets at least four times a year, in particular before the approval of the annual and half-yearly financial statements; the time frame of the Committee's meetings is decided by the Board of Directors at the same time as for the latter's meetings. However, the Committee can meet at the request of its Chairman or two of its members.

The Committee can meet by videoconference or other means of telecommunication that enable the identification of its members to be ascertained.

The following persons attend the Committee's meetings:

- the Chairman of the Board of Directors or his deputy for that purpose, or these two persons together;
- the CEO or his deputy for that purpose, or these two persons together;
- as the case may be, the statutory auditors' representatives or the Company's head of audit;
- any person the Committee wishes to hear.

At least twice a year, the Audit and Risk Committee hears the statutory auditors in the conditions that it decides.

Minutes of each of the Committee's meetings are taken. The minutes are sent to the Audit and Risk Committee members and to the other members of the Board of Directors. The Chairman or member of the Committee appointed for that purpose reports to the Board of Directors on the Committee's work.

Remit and powers

The Audit and Risk Committee assists the Board of Directors to ensure the accuracy and fair view of the Company's individual company and consolidated financial statements, and quality of published information. The remit assigned to it by the Board of Directors, includes:

As regards the financial statements:

- monitoring the processes for preparing financial information;
- examining the annual financial statements before they are presented to the Board of Directors for approval; to this end, the Audit and Risk Committee hears (i) the statutory auditors, who present the main points concerning the results and accounting methods used (ii) as well as a presentation from the CFO describing the risks exposure and material off-balance-sheet commitments;
- ensuring the relevance of accounting methods used and examining changes in accounting policies and rules used in preparing the financial statements, and preventing any breach of these rules;
- monitoring any changes in the scope of consolidated companies and receiving, if any, all necessary explanations;
- examining the intermediate and preliminary results as well as the accompanying comments before publication;
- ensuring the quality of procedures in place, ensuring compliance with stock market regulations;
- being informed on an annual basis of the financial strategy and conditions of the Group's main financial transactions.

Concerning the Company's external audit:

- regularly communicating with the Company's statutory auditors;
- managing the procedure for selecting the statutory auditors and submitting the result of such selection to the Board of Directors; on decision of the Board of Directors, the selection and renewal of the statutory auditors is preceded by a call for tenders;
- assessing the proposals for the appointment of the Company's statutory auditors and issuing a recommendation on their nomination;
- each year, assessing the amount of their remuneration for conducting statutory audits;
- ensuring the statutory auditors' independence, in particular by assessing with them the risks affecting their independence and the safeguard measures taken to mitigate such risk and by ensuring that the amount of fees paid by the Company and its Group, or the portion it represents in the revenue of such firms and networks, is such as not to threaten the independence of the statutory auditors;
- supervising the application of the rules for the use of statutory auditors for work other than statutory audit and pre-approving the use of the statutory auditors for such work;
- each year, examining with the statutory auditors their audit schedules, conclusions and recommendations, and any follow-up.

Concerning the Company's internal audit:

- assessing, with those responsible for internal audit, the Group's internal audit systems;
- examining, with those responsible for internal audit, their action plans and conclusions of such action plans, recommendations and follow-up;
- examining and approving annual capital expenditure;
- examining and approving any capital expenditure that is not included in the annual capital expenditure.

As regards risks:

- regularly reviewing, with the head of internal audit, the Company's main financial risks and off-balance sheet commitments;
- giving its opinion on the organisation of internal audit and be informed of this department's work schedule.

The remit thus established for the Audit and Risk Committee complies with that set out in article L.823-19 of the French Commercial Code.

To fulfil its remit, the Committee undertakes the following:

- It must hear the statutory auditors, as well as the CFOs. Such discussions must be able, when the Committee desires it, to be held outside the presence of the Company's Executive Management.
- The Committee may also commission, when needed, external experts on topics under its remit, the cost of which to be borne by the Company, after having informed the Board of Directors and provided it reports its findings to the Board of Directors at its next meeting.
- The committee must receive reports on internal audit or a periodic synthesis of such reports.
- It must be informed by the Board of Directors of each item of capital expenditure of an amount above five million euros at least seventy-two (72) hours before the investment is made.
- It must receive from the Board of Directors the documentation needed to for each meeting at least eight (8) days before the meeting.

Audit and Risk Committee's activity during the course of the 2014-2015 financial year

During the 2014-2015 financial year, the Audit and Risk Committee met ten times, with an attendance rate of its members of 93.3%.

At each of these meetings, the Committee had the possibility of having discussions with the Company's statutory auditors.

At each closing of the annual and half-yearly financial statements, the Audit and Risk Committee verified such closing was undertaken properly and read the statutory auditors' report, which included a review of all the Company's consolidation transactions and accounts.

The Committee also examined the off-balance sheet commitments, the risks and accounting options in terms of provisions, as well as changes in applicable legal and accounting requirements.

The Committee also examined the Chairman's report on the internal audit procedures.

16.3.3 Remuneration and Appointments Committee

Composition and operating rules

The Remuneration and Appointments Committee comprises the following six directors:

- Chairman: Douglas Dunn
- Members: Joseph Martin,
  Fumisato Hirose,
  Joël Karecki,
  Patrick Murray,
  Annick Pascal.

Initially limited to remuneration, this Committee's authority was extended to include appointments by decision of the Board of Directors of 18 May 2010. Patrick Murray succeeded Douglas Dunn at the head of the Remuneration and Appointments Committee as of 18 November 2014.

Membership is by virtue of their office as director and the term of their office on the Committee is the same as that of their office as director. Four of the six Remuneration and Appointments Committee members are independent directors.

The Committee meets at least once a year, prior to the approval of the agenda of the Annual General Meeting, to examine the draft resolutions that will be submitted to it and which concern the posts of the members of the Board of Directors and/or the setting of the remuneration of the Chairman of the Board of Directors and of any salaried members of the Board of Directors or company officers.

Minutes of each of the Committee's meeting are taken. The minutes are sent to the Audit Committee members and to the other members of the Board of Directors. The Chairman or member of the Committee appointed for that purpose reports to the Board of Directors on the Committee's opinion and recommendations.

Remit and powers

The Remuneration and Appointments Committee is charged by the Board of Directors with:

- submitting to the Chairman recommendations on the remuneration, pension and personal protection schemes, benefits in kind and various financial rights, including, if any, allocations of options allowing subscription or acquisition of shares of the Company, as well as allocations of free shares, attributed to the Chairman of the Board of Directors, Chief Operating Officers and any salaried members of the Board of Directors or company officers;
- making recommendations on the remuneration of members of the Board of Directors;
- implementing a procedure to select future independent directors;
- submitting proposals to the Board of Directors on the selection of new directors, their co-optation, appointment or renewal; the Committee takes account of the desired balance of the balance of the Board of Directors in view of the composition and change in the Company's shareholders;
- preparing, nearing expiry of their terms of office, recommendations for the succession of company officers; it must also prepare a replacement plan in the event of unforeseeable holiday leave;
- being informed of the remuneration policy for the principal senior executives who are not company officers. Particularly when undertaking this task, the Committee consults the company officers.

Remuneration and Appointments Committee's activity during the 2014-2015 financial year

During the 2014-2015 financial year, the Remuneration and Appointments Committee met seven times, with an attendance rate of its members of 75.4%.

Its recommendations mainly concerned the following:

- determination of the variable part of company officers' remuneration for the 2014-2015 financial year;
- implementation of components of company officers' remuneration for the 2014-2015 and 2015-2016 financial years;
- change in the Company's governance; and
- appointment of new directors.

16.4. Declaration on corporate governance

The Company has adopted the AFEP-MEDEF Code of Corporate Governance for Publicly Listed Companies as amended on June 2013 ("AFEP-MEDEF Code") as its corporate governance terms of reference. The report given in paragraph 16.5.1 details the exceptions to the AFEP-MEDEF Code in force within the Company.

16.5. Other significant elements on corporate governance, procedures and internal audit

Pursuant to Article L. 255-37 of the French Commercial Code, the Chairman of Board of Directors has to report, in a report appended to the Board's management report, the conditions of preparing and organising the works of the Board of Directors as well as the internal audit procedures implemented by the Company. This report is presented in paragraph 16.5.1 below. Please also refer to the Statutory Auditors' report provided in Article L. 225-235 (5) on the aforementioned Chairman's report, and given in paragraph 16.5.2 below.

16.5.1. Report of the Chairman of the Board of Directors as provided in Article L. 225-37 of the French Commercial Code

I. INTRODUCTION

Pursuant to Article L. 255-37 of the French Commercial Code, the object of this report is to notify the conditions of preparing and organising the works of the Board of Directors as well as the internal audit procedures implemented by Soitec (the "Company"). This report has been prepared with the support of the Company's finance department, mainly as regards the description of the coordination process of the accounting and financial organisation. It also involved the legal department and all operational departments as regards the management of risks other than financial ones.

This report was approved by the Board of Directors of 27 May 2015, after being validated by the Audit and Risk Committee of the same day.

II. CORPORATE GOVERNANCE

The elements hereinafter constitute a summary of the detailed information concerning the composition and the operating of the Board of Directors inserted in the 2014-2015 Reference Document of the Company.

II.1. REFERENCE BASE

The Company has adopted the AFEP-MEDEF Code of Corporate Governance for Publicly Listed Companies as amended on June 2013 ("AFEP-MEDEF Code") as its corporate governance terms of reference. The following recommendations are subject to the following exceptions:

AFEP-MEDEF Recommendation	Soitec's position and justification
Termination of employment contract where office is held (Section 22 of the AFEP-MEDEF Code)	The Board of Directors considered that Paul Boudre's length of service at the time of his appointment justified the maintenance of his contract, which was signed prior to his taking up the office of Chief Operating Officer.

II.2. The BOARD OF DIRECTORS

Soitec has a one-tier organisation, with a Board of Directors. Since 16 January 2015, the functions of Chairman of the Board of Directors and Chief Executive Officer have been separate. They are held respectively by André-Jacques Auberton-Hervé, who founded the Soitec Group and chairs the Board of Directors, and Paul Boudre, Chief Executive Officer, who is also a member of the Board of Directors. The powers of the Executive Management are disclosed in paragraph 14.1.2.2. The composition of the Board of Directors, the work of its Committees and the measures taken by the Board of Directors as part of the internal rules of the Board of Directors and regulations help to establish the balance of powers between the Board of Directors and the Executive Management.

II.2.1. Composition of the Board of Directors since the beginning of the 2014-2015 financial year

a/ Composition

Please refer to paragraph 14.1.1.1. - Composition and change of the Board of Directors since the beginning of the 2014-2015 financial year of the Reference Document for 2014-2015.

b/ Terms of office – expiry

Please refer to paragraph 14.1.1.1. - Composition and change of the Board of Directors since the beginning of the 2014-2015 financial year of the Reference Document for 2014-2015.

c/ Director shares

Please refer to paragraph 14.1.1.1. - Composition and change of the Board of Directors since the beginning of the 2014-2015 financial year of the Reference Document for 2014-2015.

II.2.2. Powers of the Board of Directors

The Board of Directors determines the orientations of the Company's business and ensures their implementation. Subject to the powers officially granted to the Shareholders' Meetings and those restricted by the company's object, it listens to any interesting issue relating to the correct operating of the Company and rules on the matters concerning it, The Board of Directors monitors on an ongoing basis the management of the Company by the CEO, Paul Boudre. Meeting are held when needed and convened by the Board's Chairman.

During the 2014-2015 financial year, the Board of Directors met nine times: 16 April 2014, 20 May 2014, 06 June 2014, 30 June 2014, 14 October 2014, 18 November 2014, 16 January 2015, 25 February 2015 and 30 March 2015. The average attendance rate of meetings of the Board of Directors was 82%.

Prior to each meeting of the Board of Directors, each member of the Board receives documentation relating to the agenda and that is needed to fulfil the Board's remit. Members of the Board of Directors are also informed on an ongoing basis of all material transactions relating to the Company.

II.2.3. Rules of procedure of the Board of Directors

During its meeting of 1 July 2005, the Board of Directors adopted Rules of Procedure which organise in particular the relationships between directors and the Company and constitute an operational framework designed to be regularly updated to take account of the change in the legal and regulatory provisions, and also best practices in terms of corporate governance. The Rules of Procedure of the Board of Directors and of the Committees have undergone several amendments, with the last one dated June 2014.

By defining the respective powers of the corporate bodies, the Rules of Procedure further provide for a right of review of the Board of Directors, by providing that the CEO has to obtain the prior authorisation of the Board for certain important transactions, such as in particular the significant decisions to set-up abroad, the significant transactions which may affect the Group's strategy or change its financial position or its area of activity, certain transactions exceeding a certain amount.

II.2.4. Committees of the Board of Directors

The Board of Directors relies on the works of the three Committees set up within it: the Strategy Committee, the Audit Committee and the Remuneration and Appointments Committee, whose roles and missions are explained in the Rules of Procedure.

Please refer to Chapter 16.3. - The Committees of the Board of Directors of the Reference Document for 2014-2015.

II.2.5. Executive Board

Please refer to paragraph 14.1.2. - The Executive Board of the Reference Document for 2014-2015.

II.2.6. Remuneration of corporate officers

At its meeting of 8 December 2008, the Company's Board of Directors formally adopted the AFEP-MEDEF recommendations on the remuneration of senior executives and company officers of companies whose shares are traded on a regulated market published on 6 October 2008.

Company officers receive remuneration that is determined by the Board of Directors as proposed by the Remuneration and Appointments Committee, comprising the following components: (I) fixed annual remuneration in twelve monthly payments, (II) variable annual remuneration based on various targets to be attributed at year-end, (iii) an incentive scheme allocating financial instruments giving rights over the Company's share capital, together with performance conditions.

The components of a variable or incentive nature are determined, based on a proposal of the Remuneration and Appointments Committee, by the Board of Directors; the directors concerned are not involved in the decision.

The variable component of the company officers' remuneration is based on the following criteria: (1) the Group's free cash flow (at constant scope), for 25%, (2) the Group's EBIT (at constant scope) as a percentage of revenue, for 25% (3) the Group's revenue (at constant scope) compared with targets set by the Board of Directors, for 25%, and finally (4) the Board of Directors' discretionary assessment of the company officer's contribution to achieving the strategic targets assigned to him by the Remuneration and Appointments Committee, for 25%. The ratio between the fixed and variable part of the company officers' remuneration is determined annually by the Board of Directors upon the advice of the Remuneration and Appointments Committee. For the year ended 31 March 2015, the variable part of company officers' remuneration could represent between 100% and 150% of the fixed part for André-Jacques Auberton-Hervé, and between 75% and 112.5% of the fixed part for Paul Boudre.

The performance shares allocated to the company officers contain conditions determining their acquisition at the end of the acquisition period. Such acquisition is dependent on the attainment of certain criteria measured by reference to an internal composite indicator based on consolidated revenue, EBITDA and free cash flow, and attainment of the main steps of the Group's strategic plan. At the end of the retention period, 10% of the number of shares allocated to each company officer is non-transferable until the end of their functions within the Company.

The Annual General Meeting of 20 January 2012 confirmed the principle of paying directors' fees to directors not performing a Board function in the Company. Directors' fees are capped at €450,000 for all financial years beginning on or after 1 April 2011.

Moreover, at the request of BPI France Participations, the Remuneration and Appointments Committee proposed to the Board of Directors not to attribute directors' fees to the non-voting board member.

The total amount of director's fees paid in respect of the 2014-15 financial year amounts to €450,000.

Detailed information on the gross remuneration and benefits of any kind due by Soitec and the companies it controls to each company officer for the financial years 2013-2014 and 2014-2015 are given in Chapter 15 - Remuneration and benefits of the 2014-2015 Reference Document.

II.3. EVALUATION OF THE OPERATING OF THE BOARD OF DIRECTORS AND OF ITS STUDY COMMITTEES

No evaluation has been made of the operating of the Board of Directors and of its Committees for the financial year ended 31 May 2015.

For the remainder, please refer to paragraph 14.2.1. - Independence of directors of the Reference Document for 2014-2015.

III. PARTICIPATION OF SHAREHOLDERS IN THE GENERAL MEETING

The General Meetings are convened by the Board of Directors, according to the terms and conditions provided by the law, as indicated in Articles 21 to 25 of the Articles of Association of the Company.

IV. ELEMENTS LIKELY TO HAVE AN IMPACT IN CASE OF A PUBLIC OFFERING

Please refer to Chapter 18.3 - Control of the Company of the 2014-2015 Reference Document for a description of the Shareholders' Agreement binding Mr André-Jacques Auberton Hervé to Bpifrance Participations.

V. INTERNAL AUDIT PROCEDURES

V.1. OBJECTIVES AND REFERENCE BASE

V.1.1. Objectives and definition

Internal audit is a mechanism of the Company, defined and implemented under its responsibility, which aims to assure the achievement of the following objectives:

- to check that the financial, accounting and management information communicated to the corporate bodies of the Company are a true and accurate reflection of the activity and the position of the Company;
- to comply with the laws and regulations, particularly in the domain of producing its accounting and financial information;
- to comply with the rules of procedure;
- to ensure that the company is able to achieve its strategic objectives;
- to make its processes reliable, to prevent and control the major risks to which the nature of its activity exposes it.

In general, internal audit contributes towards the control of the Company's activities, to the efficiency of its operations and to the efficient use of its resources.

By contributing towards preventing and controlling the risks of not achieving the objectives set by the Company, the internal audit mechanism plays a key role in the conduct and the coordination of its different activities.

However, internal audit cannot provide an absolute guarantee that the Company's objectives will be achieved, or that the risks of errors or fraud are completely controlled or eliminated.

The internal audit procedures described are applicable to the Company and to its subsidiaries whose financial statements are consolidated using the full consolidation method.

V.1.2. Reference base

In July 2010, the Autorité des marchés financiers (AMF) published the results of the works of the working group set up under its aegis in a document entitled "Risk management and internal audit mechanisms: reference framework". This document, as explained in the mid and small cap implementation guide also published on 22 July 2012, is the Group's reference base.

V.2. RESOURCES ASSIGNED TO INTERNAL AUDIT

The objective of internal audit is focused on making the financial and accounting information reliable and complying with the laws and regulations, particularly in the domain of producing accounting and financial information, applying the instructions and guidelines fixed by the Executive Board and the correct functioning of the internal processes.

The adoption of the Group's reference framework required the formalisation of procedures applicable to other objectives sought by internal audit, particularly making its processes reliable, and preventing and controlling the major risks to which the nature of its activity exposes it.

In the absence of an internal audit department, it is the finance department of the Company which is the driving force of internal audit, on the understanding that the exercise of formalising procedures applicable to the other objectives sought by internal audit entails the increasing involvement of the legal department and of the operational departments. The control and management of risks, other than financial ones has in fact, for a long time, been at the very core of the operating of the Company. In this sense, all of the Group's employees are key internal audit players.

The Executive Committee of the Company assures the identification and treatment of the essential stakes and validates the operational and strategic objectives. It ensures the execution of the strategy and examines the options allowing for its correct implementation, particularly in the domains of technology and strategic options, security, human resources and finance. The Executive Committee is responsible for supervising the Company's internal audit mechanism, and relies on:

- the financial department of the Group;
- the legal department.

Finally, in each of the "businessunits" of the Group and its subsidiaries, apart from the involvement of the management, the administrative and financial managers are an integral part of the internal audit process.

VI. GENERAL PROCEDURES

The Company's Research and Development activity, and the Silicon on Insulator manufacturing processes and its by-products involve compliance with strict procedures, prepared upon the constitution of the Company and inspired from those in place within Leti (CEA Grenoble). These procedures participate in the management of the industrial risk, and in the control of the production cycle within the framework of a comprehensive quality approach. The management and internal audit system incorporates three domains: Quality, Safety and Environment. It guarantees the identification of the risks at all levels, their control and their prevention.

The Company obtained the certification ISO 14001 in December 2001. This certification was renewed in December 2010 and allowed it to incorporate, within the scope of certification, all of its production sites. The quality system in place has been certified ISO 9001 since 1998. It was renewed in January 2012.

Supervision audits are carried out once a year by LRQA (Lloyd's Register Quality Assurance), the certification body chosen by the company. In terms of security, a certification OHSAS 18001 was obtained in December 2010.

The roll-out of a new ERP gave the Group a financial IT architecture in which the Soitec System's audit systems have been configured ahead of time, making the audit system in place even more reliable.

VII. ORGANISATION OF THE LEGAL FUNCTION

To optimise the control of legal risks, since April 2005 the Company has put in place a legal department. This department is headed up by a Group Legal Director and has four lawyers in France, a legal director and two lawyers in the United States, a paralegal in charge of company law and two assistants.

The legal department, under the direct authority of the CEO, is contacted by the directors for issues of legal and regulatory compliance imposed on the Group.

VII.1. SCOPE

The legal department intervenes on all matters related to business law apart from social law which is the remit of the human resources department and tax law which is the remit of the finance department.

The legal department is also responsible for insurance.

The legal department is assisted by lawyers for issues related to foreign law and for those falling into specialist areas not mastered internally.

VII.2. TERMS OF INTERVENTION

An approval procedure before the signature of contracts by company officers has been put in place. It imposes the validation of a monitoring sheet by a case manager, a director and/or the head of the Business Unit and potentially (depending on the object of the contract), the intellectual property department, and the R&D Director.

VIII. COORDINATION PROCESS OF THE ACCOUNTING AND FINANCIAL ORGANISATION

VIII.1. PRINCIPLES AND KEY ANALYSIS POINTS

VIII.1.1. General organisation

The accounting and financial organisation of the Group is incorporated in the operational control system in place within the Group, which is one of its components.

The Company's Finance Department, placed under the responsibility of the Finance Director, includes:

- an accounts department;
- a management control department;
- a consolidation and Internal Audit department;
- a treasury department;
- an investor relations - financial reporting department.

VIII.1.2. Resources Management

Each subsidiary of the Company has an accounts/management control department and a treasury department for which a financial controller is responsible under the authority of the head of management control ("controller") of the Company.

The Finance Director is in charge of centralising and presenting all the management indicators monitored by the Executive Board and the Board of Directors of the Company.

VIII.1.3. Application of accounting rules

The Company is autonomous for the holding of its accounts. The Accounts Departments pass the entries, prepare the general ledger and prepare the social accounting declarations. Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002, the Company has published its consolidated financial statements in accordance with the international accounting standards (IFRS) since 1 April 2005.

VIII.2. ROLE OF THE EXECUTIVE BOARD

VIII.2.1. Organisation, competencies and resources

The Finance Director is a member of the Executive Committee, the reinforced internal management structure which took over from the Executive Committee during the financial year, and whose main rose is to assure operational consistency around the Executive Board to which all the members of the Executive Committee report directly or indirectly.

VIII.2.2. Coordination and control

The Group is organised into 3 business units: Electronics, Solar Energy and Lighting.

The coordination of the Group is organised by management unit based on the following principles.

- each operational unit is coordinated by a manger;
- in collaboration with the different operational units and the functional departments, the Finance Department prepares for each tax year a budgetary plan for each operational unit and a comprehensive consolidated plan;
- detailed monthly reporting on the performance of the operational units (turnover and profitability indicators) and monthly reporting on the consolidated results of the Group are sent to the CEO and to the members of the Executive Committee;
- regular management meetings between the members of the Executive Board of the Company, managers of the operational units and in the presence of the Finance Department take place each month;
- the investment authorisations are centralised and all approved by an ad-hoc Committee.

The control procedures for subsidiaries rely on a centralised control system based on account and cash-flow monitoring of the subsidiaries.

During the financial year, the Group continued its "Strategic Planning" process with the identification of the major strategic stakes for the Group in the medium term. This process, placed under the responsibility of the COO, leads the Group to a regular review of its strategic stakes and to the formalisation of a rolling budgetary plan over the next 18 months, which completes the annual budgetary plan.

VIII.3. Role of the BOARD OF DIRECTORS

VIII.3.1. Checks and audits

Each year, the annual budget, breakdown of the provisional long-term plan, is validated in the Board of Directors, after analysis and approval by the Audit Committee. This budget is used for coordinating the economic performances of each operational unit and of the entire Group.

During each Board meeting, the Finance Director presents the actual situation of the Group in relation to the annual budget.

VIII.3.2. Approval of accounts

The draft annual consolidated and company accounts, along with the appendices, are sent prior to the Board meeting convened to approve the financial statements of the financial year to the members of the Audit and Risk Committee. This Committee meets up ahead of the Board meeting ruling on the financial statements and reviews the financial statements. The Audit and Risk Committee also meets with the Statutory Auditors outside the presence of the Management of the Group and obtains its opinion on the accounting information presented. The financial statements, once validated by the Audit and Risk Committee, are presented to the Board of Directors where they are approved.

VIII.3.3. Dealings with the Statutory Auditors

Pursuant to the legal provisions, the financial statements of the Soitec Group are audited by a firm of auditors. The scope of their mission concerns all companies included in the consolidation group. Each of them undergoes a full audit or a limited one depending on the case, twice a year. The Statutory Auditors are informed ahead of the preparation process of the financial accounts and present a summary of their works to the Group Finance Department and to the Audit and Risk Committee of the interim and annual statements.

In performing their function, the Statutory Auditors are also called upon to familiarise themselves with the organisation and operating of the internal audit procedures applied, to present their observations, as appropriate, on the description given of the internal audit and risk management procedures on the preparation and treatment of the accounting and financial information and to attest to the establishment of other information required under Article L. 225-37 of the French Commercial Code of the Chairman's Report on the internal audit and risk management procedures which, for such purposes, have been read through by the Statutory Auditors.

The firm of Statutory Auditors was renewed during the Mixed General Meeting of 7 July 2010. PricewaterhouseCoopers Audit was appointed to replace Ernst & Young Audit for the six financial years from the one starting on 1 April 2010. The mandate of the firm Muraz Pavillet was for its part renewed at that time for the six financial years from the one starting on 1 April 2010.

VIII.4. PROCESS CONTRIBUTING TO THE PREPARATION OF THE ACCOUNTING AND FINANCIAL INFORMATION PUBLISHED

VIII.4.1. Quality criteria

The accounting and financial information published by the Company is part of the Quality approach which coordinates the entire Group. The Company is therefore committed to publishing true and accurate information, and to bring to the public's knowledge, as soon as possible, any event which may have a significant impact on the price of its shares. All of the Company's financial reporting media are published on the Company's website and are available for a minimum of five years.

VIII.4.2. Principles and key analysis points

The accounting and financial information is prepared using the data prepared by the Finance Department. The Head of Investor Relations - Financial Reporting is responsible for preparing the first draft including the significant elements to be brought to the public's knowledge which he submits for validation to the Finance Director and then to the CEO. The validated draft is then sent to the members of the Board of Directors prior to being published.

AT each stage, the accuracy and precision of the information, its consistency, its prudent and non-misleading nature are the key points which undergo a systematic check.

a/ Investments / Divestments/ Research and Development

The Research and Development costs are recorded as costs as they occur, whereas the amounts received under contracts or grants are deducted from the gross Research and Development costs to lead to a net amount charged to the Profit & Loss Account. Some Research and Development costs may benefit from a research tax credit, which is presented as a deduction from the Research and Development costs pursuant to the standard IAS 20.

The accounting of conditional grants in respect of the expenses incurred is performed depending on the extent of probability of payment of these grants, according to an assessment validated as a last resort by the Finance Department.

b/ Treasury / Financing and financial instruments

The Company adopts a very prudent policy of investing temporary surpluses which are solely invested in money market products. The liquid assets of the Company are mainly expressed in EUR and USD and mainly concentrated in top ranking financial institutions or invested directly in securities issued by sovereign states.

The financial balances between Group entities are managed by means of:

- annual cash-flow forecasts revised on a monthly basis;
- a centralised Group cash-flow management system from the Parent Company.

The Finance Department of the Group assures, wherever the regulations allow it to do so, the financing of its subsidiaries through cash-flow centralisation agreements or intra-Group financing agreements and the payment and collection of flows in currencies.

This centralisation allows the Senior Management:

- to coordinate the external debt and analyse its development;
- to manage the interest rate risk inherent in the debt taken out;
- to finance the subsidiaries in their currency wherever the regulations so permit;
- to apprehend and manage the foreign exchange risk inherent in commercial and financial flows.

The centralised world choice of partner banks and their effective coordination over the duration constitute an important element of internal audit.

Through this organisation, the Finance Department assures an extensive control of the Group's treasury operations.

During the financial year ended 31 March 2014, the Company continued its programme to hedge its foreign exchange risk on some of its transactions denominated in dollars and its interest rate risk through financial instruments (forward sales, options and swaps). These financial instruments are solely designed to hedge the interest rate and foreign exchange risks on fixed commitments or highly probable future transactions.

c / Consolidation

The consolidation process is a centralised process within the Soitec Group.

The monthly reporting, the budgets and the consolidation of the accounting data are managed on the same IT system.

The objectives of the consolidation and management system in terms of control are the following:

- to automatically perform checks of consistency on the financial data provided by the subsidiaries;
- to accelerate the processing of the information provided;
- to increase the level of standardisation by formatted feedback and return tables;
- to manage the international accounting standards (IFRS). The definitions and the accounting principles are accessible on the software by all users.

These tools are designed to improve the reliability of the information sent, and to accelerate its processing.

The financial statements of the subsidiaries are centralised by the Finance Department in order to harmonise these statements with the accounting principles of the Group.

On a monthly basis, the subsidiaries prepare a detailed financial reporting using the model used by the Group. This model has been developed so as to allow for the precise analysis of the formation of the financial flows, and that of the results by comparing them to the budgets.

The reporting procedure thus aims to provide the Senior Management with a detailed analysis of the evolution of results, of certain key indicators, and to enable it to measure the effectiveness of the organisations in place.

The reporting stages can be summarised as follows:

- preparation and approval of an annual detailed budget, which is then updated on a monthly basis;
- monthly reporting on the results, cash-flow and investment;
- detailed analysis of differences;
- quarterly budgetary review during the coordination and control meetings.

The results and the forecasts are reviewed on a quarterly basis so as to ensure that the objectives are achieved. The monthly updated budget is used as a control tool for validating and analysing the month results made. The regular monitoring of the results enables the necessary corrective measures to be taken, as appropriate.

Information feed-back and consolidation procedure

The published consolidated financial statements are prepared by the Finance Department based on the audited financial statements of the subsidiaries.

The financial statements are prepared by the subsidiaries in accordance with the accounting rules of the Group according to a timetable defined by the Finance Department.

The main accounting estimates and options used by the Group are mentioned in advance of the approval of the accounts with the Statutory Auditors.

The Group's controls

The information provided by the subsidiaries is checked by the consolidation team at head office which performs consistency checks and validates the items presenting the most risks prior to consolidating the financial statements.

These financial statements are consolidated at Group level. The Group's Finance Department alone is authorised to pass accounting consolidation entries.

The Statutory Auditors of the parent company audit the consolidated accounts. The statements sent by the subsidiaries are systematically audited by local external auditors.

The Statutory Auditors draw up, within the framework of their mission, letters of recommendation on the procedures and financial statements which were monitored by the Group's Finance Department.

d/ Management of external financial information

The Group's financial statements are prepared from the information taken from the accounts application and are then incorporated in the interim and annual reports which are audited by the external auditors.

The Group's publications are drafted in accordance with the information collected by the Head of Investor Relations - Financial Reporting from the Finance Department.

IX. RISK MANAGEMENT

The objective sought by the Company is to ensure that the entire internal audit mechanism allows for preventing, as far as possible, the risks to which it is exposed. The Company has completed the exercise of mapping its risks, which enables it to have a more systematic supervision tool.

The risk monitoring mechanism put in place was audited during the financial year by PricewaterhouseCoopers, which focused on the Electronics Division, and which was able to conclude as to the relevance of the risk matrix used, and the appropriateness of the risks described in the Reference Document. This audit work did however shed light on the existence of room for improvement, particularly as to the reliability of the process of preparing sales forecasts and the management of short- and medium-term cash-flow requirements resulting from this. In the financial year 2015-2015, the Group intends to improve its supervision and management system of these two risks.

To conclude, the internal audit procedures are today adapted to the size of the company and to the nature of its activities and respond to the needs of the directors and shareholders. The Company has successfully completed most of the projects it initiated, aiming to bring its reference framework in line with that of the Group. Nevertheless, in an environment of transition for its historical business, the diversification of its activities in the domains of energy and lighting, which contributes to complicating the understanding of risks specific to each of the Group's business units, entails the obligation for the Group to increase the attention paid to managing the risks to which such developments expose it.

The Chairman of the Board of Directors

16.5.2. Auditors' Report, prepared pursuant to Article L. 255-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of SOITEC SA

(Financial year ending 31 March 2015)

To the Shareholders,
SOITEC
Parc Technologique des Fontaines
Chemin des Franques 38190 Bernin

As auditors of SOITEC SA, and in application of the provisions of the Article L.225-235 of the French Commercial Code, we hereby present our report on the report drawn up by your company's Chairman, in accordance with the provisions of Article L.225-37 of the French Commercial Code for the financial year ended 31 March 2015.

The Chairman is responsible for preparing and submitting for the approval of the Board of Directors a report on the internal audit and risk management procedures implemented within the company and providing the other information required by Article L. 225-37 of the French Commercial Code particularly related to the corporate governance mechanism.

It is our responsibility:

- to notify you of the observations we have made on the information and statements contained in the Chairman's report concerning the internal audit and risk management procedures relating to the drawing up and treatment of accounting and financial information, and
- to certify that the report contains the other information required by Article L. 225-37 of the French Commercial Code, on the understanding that it is not our responsibility to check the sincerity of this other information.

We have carried out our works in accordance with the professional standards applicable in France.

Information concerning the internal audit and risk management procedures specific to the drawing up and treatment of accounting and financial information

The professional standards require the implementation of due diligence practices designed to assess the sincerity of the information concerning the internal audit and risk management procedures relating to the preparing and treatment of the accounting and financial information contained in the Chairman's report.

These activities consist in particular:

- of familiarising ourselves with the internal audit and risk management procedures concerning the preparation and treatment of the accounting and financial information underlying the information presented in the Chairman's report and of the existing documentation;
- of familiarising ourselves with the works which allowed for this information and the existing documentation to be prepared;
- of determining whether the major internal control and risk management shortcomings concerning the preparation and treatment of the accounting and financial information which we revealed within the framework of our audit are the object of appropriate information in the Chairman's report.

On the basis of these works, we do not have any observation to make on the information concerning the company's internal control and risk management procedures relating to the drawing up and treatment of the accounting and financial information contained in the Chairman of the Board of Directors' report, drawn up in application of the provisions of the provisions of Article L.225-37 of the French Commercial Code.

Other information

We certify that the report of the Chairman of the Board of Directors contains the other information required under Article L. 225-37 of the French Commercial Code.

Done at Neuilly-sur-Seine and Meylan on 9 June 2015

The Auditors

PricewaterhouseCoopers Audit — Cabinet MURAZ-PAVILLET

Nicolas Brunetaud — Christian Muraz

17. Employees

17.1. Social information

Status of staff on 31 March 2015

The distribution of staff by region and activity was as follows:

- EUROPE
  - Bernin (Soitec S.A.)/Paris Sud (Soitec Specialty Electronics S.A.S.)/Montbonnot (Altatech Semiconductor S.A.S.): Electronics activity;
  - Paris centre (Soitec Solar France S.A.S.): Solar energy activity;
  - Fribourg and subsidiaries (RSA and Chile): Solar energy activity.
- ASIA
  - Singapore, Japan, South Korea, Taiwan and China: Electronics activity.
- UNITED STATES
  - Peabody (Soitec USA Inc.) and Phoenix (Soitec Phoenix Labs Inc.): Electronics Activity and Lighting;
  - San Diego: Solar energy activity.

On 31 March 2015, the Group had a total of 1,149 employees, including 49 employees on fixed-term contracts. The average age is 39.8 years.

The distribution of staff is as follows:

Staff status	France Bernin Paris Centre & Sud Montbonnot	EUROPE Freiburg and subsi-diaries	ASIA China Singapore Japan Korea Taiwan	USA Peabody Phoenix	USA San Diego	Total
Employees on 31/03/2015	883	112	11	32	111	1 149
- o/w fixed term	24	11	0	3	11	49
Average age	39.4	38.3	44.9	44.8	42.7	39.8
Turnover rate	4.6%	14.6%	8.4%	7.6%	34.9%	10.4%
Changes in staff during 2014-2015	(46)	(22)	(1)	(11)	(62)	(142)
- o/w operators	2	(12)	0	(2)	(26)	(38)
- o/w technicians & employees	(19)	(5)	0	(7)	(12)	(43)
- o/w engineers and executives	(29)	(5)	(1)	(2)	(24)	(61)
o/w recruited	83	10	0	2	109	204
o/w dismissed	29	14	1	3	54	101
o/w job safeguard plan	77	0	0	11	88	176
o/w redundancies	4	0	0	0	15	19
Allocation by category						
Operators	26%	0%	0%	3%	51%	25%
Technicians & employees	34%	30%	9%	19%	16%	31%
Engineers & executives	40%	70%	91%	78%	33%	44%
Allocation by activity						
Administrative staff	16%	25%	27%	16%	13%	16%
- Sales & Marketing	3%	8%	64%	28%	1%	5%
- R&D	20%	29%	0%	22%	0%	19%
- Production	61%	38%	9%	34%	86%	60%

Evolution of Soitec's staff

The Group had 142 fewer employees than at the closing date on 31 March 2014 (including 39 persons affected by the Group restructuring), a decrease of 11%.

This is notably explained by the closure of Paris South site, as well as the restructuring of the Solar division, initiated in January 2015 and which mainly impacts the San Diego and Freiburg sites (84 fewer staff at end-March 2015, relative to the number of staff at these two sites at end-March 2014).

The turnover rate increased to 10.4% in 2014-2015, against 8.4% for 2013-2014. This increase mainly concerns the Solar activity sites in Europe and San Diego. By contrast, the sites of the Electronics division experienced a fall in turnover rate.

The average annual staff thus fell significantly (1,253 for 2014-2015 against 1,458 for the financial year 2013-2014, a decrease of 14%).

Average Soitec staff in full time equivalent employees is as follows:

(full time equivalent)	2014-2015	2013-2014
Production	757	900
Research and development	226	244
Commercial services and marketing	58	68
General management and administrative staff	205	246
Total full time equivalent staff	1,246	1,458

Workforce diversity

Soitec considers the diversity of its workforce as a significant force for development and seeks to promote it.

Allocation by age group	France Bernin Paris Centre & Sud Montbonnot	Europe Freiburg and subsidiaries	Asia China Singapore Japan S Korea Taiwan	USA Peabody Phoenix	USA San Diego	Total
25 or less	4%	2%	0%	6%	5%	4%
26 - 49	86%	86%	73%	63%	68%	83%
50 or more	10%	12%	27%	31%	27%	13%
Senior > 55	4%	4%	0%	25%	14%	5%

Organisation of working time

The organisational models of working time in France, by type of population, were defined by collective agreement in March 2000.

For production and production support staff, the model timetable implemented is constructed on the basis of five alternating shifts, permitting the plant to remain open 24 hours a day and 365 days a year. The average actual working time of employees on team hours is 30.75 hours per week.

For staff in the administrative zone (support services), the effective working time is 34.6 hours; staff benefit from recovery days under the agreement due to the reduction of working time (RTT) introduced on 1 March 2000.

For management personnel, pursuant to the agreement on reduction of working time implemented on the same date, engineers and managers work under a fixed annual agreement of at most 218 days per year.

At Group level, 77 employees work part-time, representing 6% of the total workforce, up slightly compared to 2012-2013 (5.1%).

The overall absenteeism rate was 3.5%. For the Bernin site, the overall absenteeism rate reached 4.05%, of which 1.16% for short-term absenteeism (<3 months).

Measurement of well-being in the company

Since 2004, Soitec has developed an Internal Opinion Barometer (BOI), covering the main themes of an internal listening barometer (communication, management style, business knowledge, etc.). Originally intended only for employees in France, it was extended to the entire Soitec group, entailing the integration of the multicultural dimension: the content is adapted to local situations.

The goal of the BOI is to measure the level of satisfaction of our employees regarding their working conditions, pay, work organisation and company management. Its relevance rests both on a strong commitment of the Directorate General and the involvement of middle management. The guarantee of anonymity, transparent feedback and the implementation of concrete actions and visible progress favour a high participation rate, generally between 70 and 75%.

At the last survey in 2014, the participation rate was 76% with an average positive opinion of 65%, down 8 points from the BOI in 2012. 72% of employees responded favourably to the question "I am satisfied working for Soitec".

The 2014 overall barometer highlights a readability problem for the company's strategy and hence less confidence in the future. It also shows a loosened tie between certain employees and the company, as well as their difficulty in projecting themselves professionally. Despite a good level of cooperation within the services, which remains a strength of our organisation, the barometer shows insufficient cooperation capacity between departments and sites as well as loss of agility in our ability to make simple and rapid decisions.

Pride in working for Soitec remains strong, and a majority of employees see Soitec as an innovative company. Working conditions and safety are judged positively by 91% of employees and 76% of employees expressed an interest in their work.

Soitec has implemented a policy of improved well-being at work, established in 2010-2011, based on improving the quality of labour relations.

Several mechanisms have been launched to direct this policy, for which a reflection was carried out by a working group including managers, occupational medicine and the HSWC [Health, safety and working conditions committee]:

- training modules aimed at managers, entitled "managing the quality of labour relations and performance";
- a system to capture weak signals: managers have an important relay role for tracing weak signals and passing them up the hierarchy;
- a definition of the role of actors in the company: to avoid a situation in which an employee finds him/herself facing a difficulty alone.

Although Soitec is not structurally challenged by problems of psychosocial risks (PSR), it is seeking in 2015 to strengthen its mechanism for detection and treatment of unhappiness and has proposed to its staff representatives to implement a mechanism in this sense. This mechanism consists of:

- The creation of a multidisciplinary PSR committee (Management, HR, HSE, medical service, CHSCT) with the objective of diagnosing the situation, investigating the causes and establishing an action plan;
- The establishment of a procedure for identifying and treating urgent situations of PSR to deal with the situations which require it as quickly as possible.

The professional assessment interview

Soitec has also developed a tool for assessing annual performance: the Performance Review and Objectives (PRO). The PRO is a privileged moment for an exchange between the employee and his N+1 manager: it provides an opportunity to step back from the past year, as well as to review the objectives and working conditions. The goal is also to set objectives for the coming year. The interviews (PRO) are held between April and June of each year with a 95% completion target.

The PRO also includes a development plan (including the training plan) for the employee's skills to permit him to hold his position and develop professionally.

The employee has the opportunity to comment on the assessment by his manager and to reveal his desires for evolution and training.

Remuneration - salary policy

The gross payroll recorded as an expense for the year amounted to € 93.0 million, including € 23.2 million of employer contributions.

The decrease in payroll is related, on the one hand, to the decline in staff numbers (-11% on average) and on the other, to the establishment of partial activity measures. This measure achieved a cost saving of € 3.8 million.

The payment system includes both the remuneration items linked to the position and to individual performance (basic salary and target-based bonus), as well as to the remuneration items linked to the collective performance and/or results of the Company (profit share, efficiency bonus).

(€ million)	FRANCE Bernin Paris Centre & Sud Montbonnot	EUROPE Fribourg and subsidiaries	ASIA China Singapore Japan S Korea Taiwan	USA Peabody Phoenix	USA San Diego	Total
Payroll for the year 2014-2015	64.3	9.5	1.7	5.1.	12.5	93.0
- o/w employer contributions	20.6	1.4	0.1	0.2	0.8	23.2
Average increase in salaries	2.5%	0%	2.0%	-2.0%	2.0%	1.7%
Average annual salary (in euros)	**40,969**	**64,082**	**92,175**	**89,290**	**47,175**	**45,672**

The incentive scheme has the aim of associating each employee with the Company's results while strengthening his/her understanding of common interests.

The last agreement was signed by Soitec SA on 28 June 2013. It is based on the Company's EBITDA, the range of which, representing 5.7% of payroll, can potentially be increased or decreased depending on the achievement of objectives for 3 criteria:

- safety (frequency rate of accidents with halts);
- quality (index of quality of slabs produced);
- cost control (ratio of costs to revenues).

An added bonus of 0.2% is triggered by the overall level of client satisfaction, as measured by a service rate indicator (POF).

Female staff

The pay gap between men and women is 6%. Women represent 29% of the workforce and are present in all jobs.

	FRANCE Bernin Paris Centre & Sud Montbonnot	EUROPE Fribourg and subsidiaries	ASIA Singapore Japan S Korea Taiwan	USA Peabody Phoenix	USA San Diego	Total
Female staff	32%	21%	9%	34%	15%	29%

For several years, the effort has focused on eliminating wage differentials induced by mechanical effects such as maternity leave or parental leave. The next stage is to achieve equality between men and women.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SOCIAL DIALOGUE

Policy of combating discrimination

Soitec recognises diversity as a source of wealth. The subject is vast and has led Soitec to prioritise its actions. Soitec has committed to 3 key topics: integration of young people, employment of seniors and measures for handicapped workers.

Legal obligations on diversity have resulted in the establishment of many agreements (Generation Agreement, Agreement for professional equality, Agreement for the employment of disabled workers). Soitec has nevertheless gone beyond the strict observance of its obligations and has implemented CSR projects on these topics.

Soitec supports local initiatives for the integration of young people, but also for the employment of older and disabled workers:

- participation in forums for exchanges and meetings aimed at disabled workers;
- youth sponsorship to help them with their professional integration process with the mechanism "Our Neighbourhoods Have Talent".

This latter in-house mechanism permits the strengthening of corporate culture among employees by giving them the opportunity, as part of their work, to help young people in difficulty with job searches.

For this latter mechanism, Soitec is supported by the NQT association, which links:

- young people (under 30), with a higher qualification (at least bac+4), from working class areas;
- experienced business executives, anxious to help young people to find a job and eager to reactivate the role of the degree as a social ladder.

The executives become godfathers/godmothers and will help them to define a professional project based on the reality of the labour market, to analyse their ambitions and motivations and to channel their actions in their search for a job, opening their address books to them.

The sponsorship system demands about 1-2 hours per month from the sponsor, and lasts for an average of 6 months, until the godson secures a job.

Soitec was one of the pioneer companies of the NQT association in the Grenoble region.

Management also signed an agreement with its social partners, favouring the employment of disabled workers, an agreement on the professional mix between men and women and a generation agreement to promote complementarity and the transfer of skills between experienced employees and new recruits.

Employment and integration of disabled workers

Number of disabled workers for the last 5 years	France Bernin/Paris Sud/Montbonnot
2014-2015	34
2013-2014	30
2012-2013	27
2011-2012	27
2010-2011	29

Soitec values the diversity of its teams of employees and seeks to apply its key value “succeed together” to its actions. By integrating disabled workers into its teams, Soitec prioritises work for all.

At end-December 2014, the Bernin site employed 34 disabled individuals. The employment rate increased from 4.2% to 4.9%.

Soitec has engaged with all of its social partners and meets its obligation to employ disabled individuals through the signing of a collective agreement. The 6th and new agreement for 2014-2016 was unanimously signed in July 2014.

The general programme of the agreement is geared towards the following actions, including the following balance sheet for the year 2014:

- Measures for promoting employment: 6 recruits (5 alternating recruits and 1 recruit with provision via the GETH (Employers’ Alliance for employment of disabled workers).

The company emphasised the diversity of recruit profiles, reception services and type of disability. Despite an unfavourable context for recruitment, individuals were recruited and the commitment of the agreement broadly exceeded (2 registered for 2014).

Soitec continued collaborating with all of its recruitment partners (specialised structures) and again participated in 2014 in the specialised Execo forum and in the mechanism established by Schneider Electric in partnership with Cap Emploi, and STMicroelectronics Becton Dickinson: an orientation platform which aims to identify, train and recruit candidates on an alternating basis. The process occurs in 3 phases in order to provide the greatest possible number of guarantees for the success of the approach.

- Discovery: applicants are tested, permitting validation of the appropriateness of the applicant/job;
- Background: a 2-month internship, including a 1-month refresher programme in order to optimise integration into the company, and 1 month in a position within the company;
- Training for employment: vocational training course with a diploma or qualification.

Soitec has recruited 3 apprentices through this operation and 2 contracts were confirmed after the trial period.

Other actions, such as participation in the forum organised by the CGPME (General Confederation of Employers of Small and Medium Enterprises) and a sponsorship project with Cap Emploi permitted the recruitment of 2 other apprentices.

Collaboration with GETH permitted training and the provision of a person undergoing retraining.

- Actions in favour of integration and maintenance in employment:

As every year, all disabled employees were able to benefit from medical monitoring reinforced through a specific meeting with the medical service. 13 cases of disabled employees were handled by monitoring committees for limited skills and permitted:

  - 2 changes of team
  - 1 change of position
  - the creation of 8 positions
  - 4 scheduling arrangements

5 people benefited from remunerated days off for their application or renewal process RQTH (Recognition of the Capacity of Disabled Worker) application. 8 employees were accompanied by an external structure (Exéco) in their initiative for Recognition of the Capacity of Disabled Worker.

Improvements in living conditions and conditions of employment were supported (hearing aids, translation into LSF (French Sign Language), accommodation expenses, etc.)

- Actions to promote training:
  - Reception of 6 apprentices (within the context of the *Platform alternance*, with an assessment in the workplace (EMT) and validation of a professional retraining project
  - 2 jointly funded external training courses
  - 2 internal training courses already committed in 2013, one to ensure maintenance in employment of an employee following a change of job due to incapacity, and the other for a professional retraining course for orientation towards a new profession.

- Information and awareness raising actions:

Training/awareness days were organised for the IRP (Staff Representative Bodies) (1 day for the members of the monitoring committee and members of the CHSCT) and for managers supervising employees with disabilities (20 managers trained out of 23 concerned).

The SEPH (Disabled People’s Employment Week) was the occasion for the promotion of 5 sessions of the KESKI® game, with the participation of 100 people, with quizzes and background on disability, with the participation of Isabelle Lafaye, disabled table tennis player, whom Soitec continues to support.

- Partnership initiatives with a protected environment:

The development of outsourcing has continued, as have one-off collaborations for certain activities (printing, catering, small manufactured parts, etc.).

A new partnership was established in 2014 with the workshops of Fontaine Insertion through operations for assembling lighting, with an updating service for quality procedures entrusted to Réactiv2M (Adapted Company Réactiv2M). Assistance for employees with a disabled child, spouse or ascending relative:

This is a first in the new agreement, with Soitec providing the possibility of benefiting from authorisations for remunerated leave for “assistant” employees. On presentation of a justification, 4 employees took advantage of this new arrangement.

Reporting only relates to the Bernin site. For cultural and legal reasons, no information on the use of disabled workers is available for foreign sites.

Industrial relations and business agreements

Despite particularly complex periods in social terms, due to difficult economic conditions in recent years, Soitec has always regarded social dialogue as the preferred means of accompanying the necessary corporate developments.

From this perspective, the Company has always been willing to express its commitment to implementing a more sustained policy, in search of an active partnership with the representative bodies and company unions.

It is in this context that a draft agreement on the exercise of trade union rights and social dialogue culminated this year in the signing of an agreement with all trade union organisations present within the company.

Other agreements were concluded in this same year, such as the agreement to employ disabled individuals, signed in June 2014, the agreement for professional equality between women and men signed in January 2015, or the generation contract signed in January 2015.

Other company agreements remain in effect:

- the POPARTT agreement (Organisation of Productivity, Development and Reduction of Working Time) for non-executives;
- the POPARTT executive agreement;
- continuous schedule agreement;
- solidarity day agreement;
- incentive agreement;
- profit-sharing agreement;
- operational agreement premium;
- agreement for predictive management of jobs and skills;
- annual wage agreement;
- Time Savings Account agreement.

Every collective agreement is monitored by a committee composed of a minimum of signatories, responsible for drawing up an assessment and proposing possible improvements. The planning of meetings of these committees depends on agreements but includes at least one meeting per year.

Health and safety conditions

Health and safety conditions form the object of major attention and combined efforts by key players in this field: the Health, Safety and Environment Service, the Medical Service, the General Directorate, the Directorate of Operations and staff representative bodies representatives.

The Soitec group's HSE represents a total of 6 individuals divided as follows: 4 individuals at the Bernin site, 1 person at the Freiburg site and 1 at the San Diego site.

Since April 2007, a safety management programme named Safe has been deployed at all Soitec group production sites.

This programme mainly translates into the execution of the following actions:

- the realisation of systemic safety risk analysis of workstations and projects;
- the enhancement of staff training for different types of risks encountered in their jobs (chemical, ergonomic, ionising radiation, electrical, etc.) but also in their role and responsibility for safety;
- the conducting of regular safety inspections by management on the ground;
- the systemic analysis of dangerous situations, accidents and near misses and the sharing of feedback on experience;
- communication and awareness raising actions on safety for all employees, with the active involvement of managers;
- the integration of safety criteria in assessing the performance of each employee and manager;
- the improvement of the safety management of external companies on-site.

The Safe programme allowed the Group's TF (frequency rate for work accidents with stoppages) and TG (severity rate for work accidents with stoppages) at levels comparable to the average rates of the profession in France. At the end of the 2014-2015 fiscal year, the Group TF was 5.7 and Group TG was 0.17.

The Group had 7 cases of occupational diseases recognised since the end of 2007-2008 (date of the first appearance of the first requests for recognition of occupational diseases within Soitec). These diseases are all MSD (musculoskeletal disorders) and the workstations concerned have been systematically subjected to a detailed analysis by an external professional ergonomist, leading to the development of a prevention programme.

For each workstation, the security risks are analysed following a methodology leading to their prioritisation and the development of preventive actions (development of posts and implementation of collective or individual protection devices), the drafting of safety instructions and staff training. All of these items are summarised in a single document available to the competent authorities and internally on the company's intranet.

The results of the risk analyses permit the adaptation of strengthened medical supervision of staff, in cooperation with the occupational doctor.

Each Soitec group industrial site established an organisation for the management of industrial risks, permitting the prevention of major accidents and effective crisis management which is regularly tested and operational 24 hours a day.

Finally, within the context of their OHSAS 18001 certification, the Bernin and Fribourg production sites have successfully passed their follow-up audit by the certification body (LRQA). This audit permitted the identification of areas, which were deployed during the year 2014-2015 to contribute to the continuous improvement of the safety level of each of the sites and their management system.

Training

	FRANCE Bernin Paris Sud Montbonnot	EUROPE Freiburg	ASIA Singapore	USA San Diego	Group
Access to training					
Number of hours per employee per year	18	24	0	47	-
Number of beneficiaries	675	117	0	205	997
Total number of hours of training	15,677	2,773	0	9,561	28,011

During the financial year 2014-2015, the training plan for Bernin was marked by a reduction in activity with regard to the previous year (18 hours of training per employee per year against 25 in 2013-2014).

Training investment represents a total cost of 2.9% of the payroll.

The strategic training lines deployed during the year were:

- The maintenance of our safety culture;
- The maintenance of monitoring for managers and the development of cross-cutting employee skills;
- The development of technical/professional skills.

For several years, Soitec has implemented a policy of developing its staff. During the financial year 2014-2015, the promotion rate for France was 12% and the mobility rate 6.5%. Soitec also monitors the development of its employees through degree courses or vocational training.

Promotion and observance of ILO conventions

Soitec had undertaken to act in order to adhere to the United Nations Global Compact. Unfortunately the economic situation did not allow it to dedicate itself to the project, which was postponed. Soitec nevertheless remains committed to this project and is seeking to be able to implement actions on the various principles of the text as soon as its situation allows. Soitec deals with the issues of the Global Compact but does not yet organise detailed information feedback. As soon as the company becomes involved in the Global Compact, it shall be able to document its active commitment on the following points:

– Human Rights

  • Promoting and respecting the protection of international law on HR;

  • Avoiding complicity in violations of HR.

– Working Conditions

  • Respect for freedom of association and for the right to collective bargaining;

  • Contribution to eliminating forced or compulsory labour;

  • The effective abolition of child labour;

  • Elimination of discrimination regarding employment and occupation.

– Environment

  • Applying the principle of precaution;

  • Promotion of environmental responsibility (on this point, Soitec implements and already disseminates eco-friendly technologies, see chapter 5.3.).

– Combating of corruption

  • Anti-corruption action and notably against extortion of funds and bribery.

On this last point of combating corruption, to date, Soitec has not been active in sensitive markets in terms of corruption, and the nature of its activities, which are strictly B-to-B, have rendered issue rather irrelevant. Soitec has never experienced a scandal associated with this theme.

Aware of the issues surrounding corruption, Soitec has nevertheless equipped itself with a Code of Conduct.

It imposes strict compliance with national and international legislation on corruption on company employees.

17.2. Shareholding and stock options

17.2.1. Incentive schemes and employee profit-sharing

17.2.1.1. Incentive schemes

The incentive scheme agreement aims to associate each salaried employee to the Company's results, while strengthening employees' understanding of common interest.

The last agreement signed in June 2013 is based on the Company's EBITDA and the package, representing 5.7% of total payroll, can be potentially increased or decreased depending on achieving objectives on three criteria:

- safety (frequency rate of occupational accidents with absences);
- quality (quality index of plates produced);
- cost control (ratio of costs on revenue), this criteria having a greater weighting compared to the other two because of the importance of this criteria on the next three years.

An additional bonus of 0.2% is triggered based on the overall satisfaction of our clients.

Incentive bonus payments and contributions on the company savings plan for past years:

Year	Incentive bonuses (EUR'000)	Contributions (EUR'000)
2001-2002	152	65
2002-2003	0	0
2003-2004	0	58
2004-2005	189	127
2005-2006	629	253
2006-2007	1,775	483
2007-2008	0	0
2008-2009	973	517*
2009-2010	294	113
2010-2011	1,322	937**
2011-2012	557	2,138
2012-2013	38	1,096
2013-2014	1,456	383
2014-2015	0	214

* including the contribution paid in respect of BSAAR subscriptions, i.e. 317k euros (see 1.6.2 below).
** including the contribution paid in respect of BSAAR subscriptions, i.e. 182k euros (see 1.6.2 below).

17.2.1.2. Employee profit-sharing through implementation of a PACEO (medium-term 1equity financing facility) with sale of BSAARs to salaried employees

The Extraordinary General Meeting of 5 November 2007 voted in favour of a series of resolutions enabling the implementation by SOCIETE GENERALE of a capital increase programme through the exercise of options (PACEO) of a maximum of four years, underpinned by the issue of warrants requiring SOCIETE GENERALE, as sole holder, to subscribe, on SOITEC's request, shares with redeemable share subscription and/or acquisition warrants.

The implementation of this PACEO has a dual purpose:

- ensure the diversification of sources for funding the Company's growth, by providing the Company with a line of equity financing from SOCIETE GENERALE combining flexibility and security: the Board of Directors will be able to draw it down at any time and in stages depending on the opportunities it will appraise;
- also enable the greatest possible number of Company employees (and Group company employees) to benefit from share ownership plans under optimal conditions for the employees, similar to the various plans of warrants for subscription of business creator shares that could no longer be implemented by the Company as in the past.

To summarise, the following drawdowns were made:

1st PACEO drawdown

The Board of Directors at its meeting of 4 June 2008 decided a partial use of the PACEO programme.

Following the 1st issue of the PACEO programme, 1,656,261 BSAARs were transferred to the salaried employees and company officers, 200,000 of which to André-Jacques Auberton-Hervé and 50,000 to Paul Boudre.

2nd PACEO drawdown

The Board of Directors at its meeting of 17 November 2009 decided a second partial use of the PACEO programme.

Of 750.000 BSAARs offered, 517,771 were acquired, 60,000 of which by André-Jacques Auberton-Hervé and 15,000 by Paul Boudre.

3rd PACEO drawdown

The Board of Directors at its meeting of 1 April 2011 decided a third and last partial use of the PACEO programme, which was implemented on 11 April 2011 in the amount of 1,100,000 BSAARs.

However, because of market conditions, the offer of the BSAARs of the 3rd drawdown to Group employees could not be undertaken. The sharp fall in Soitec's share price made this third drawdown economically unsound. Consequently, the Board of Directors at its meeting of 15 November 2011 authorised the cancellation of the aforementioned BSAARs. These BSAARs were repurchased by the Company at their issue price with the purpose of cancelling them.

Summary table of the three PACEO drawdowns

	1st drawdown	2nd drawdown	3rd drawdown
AGM date	05/11/2007	05/11/2007	05/11/2007
Board of Directors' meeting date	04/06/2008	17/11/2009	01/04/2011
Number of ABSAARs issued	2,250,000	750,000	1,100,000
Number of BSAARs acquired	1,656,261	517,771	0
- including number of BSAARs for company officers	250,000*	75,000	0
Issue price	€1.2878	3.4900	NA
Exercise price	€4.1618	€13.5431	NA
Exercise period	from 02/07/08 to 02/07/15	from 13/07/10 to 13/07/15	NA
Number of remaining BSAARs acquired by employees	1,434,660	513,351	0

* Paul Boudre sold 50,000 BSAARs on 10 February 2012.

17.2.2. Share subscription options and bonus issue of performance shares exercised during the 2014-15 year

The following paragraphs give details of stock options granted and exercised and performance-based shares awarded during the fiscal year ending on March 31, 2015. For up-to-date information at the issue date of this Registration Document, see sections 21.1.4.3 and 21.1.4.4. on pages 127 and 128.

17.2.2.1. Share subscription options

a/ Company officers

No share subscription options have been granted or exercised during the 2014-15 year.

b/ Salaried employees

No share subscription options have been granted or exercised during the 2014-15 year.

17.2.2.2. Special report on share subscription options for the 2014-15 financial year

Pursuant to article L. 225-184 of the French Commercial Code, we disclose below the transactions of attribution and exercise of subscription options of shares of your company (the "Company") undertaken during the 2014-15 financial year.

I. Attribution of share subscription options for the 2014-15 financial year:

In respect of the 2014-15 financial year, no share subscription option was granted.

II. Exercise of share subscription options for the 2014-15 financial year:

1. Exercise of share subscription options under schemes attributed in the 2014-15 financial year:

Not applicable.

2. Exercise of share subscription options in respect of past financial years

No share subscription option was exercised under past plans in the 2014-15 financial year.

III. Cancellation of share subscription options for the 2014-15 financial year:

Under share subscription plans decided by the Board of Directors on 30 April 2004, the following options expired on 29 April 2014:

- 31,860 options the beneficiaries of which were two salaried managers were cancelled following the plan's expiration.

Under share subscription plans decided by the Board of Directors on 16 November 2004, the following options expired on 15 November 2014:

- 32,000 options the beneficiary of which was a salaried manager were cancelled following the plan's expiration.

17.2.2.3. Performance shares

17.2.2.3.1. Performance shares attributed to each company officer

a/ Performance shares attributed to each company officer

Not applicable.

b/ Performance shares acquired for each company officer

Performance shares acquired during the financial year by each company officer	Date of plan	Number of shares acquired during the financial year	Conditions of acquisition	Performance conditions
André-Jacques Auberton-Hervé	04/06/2012	73,961*	Yes	Yes**
Paul Boudre	04/06/2012	53,252*	Yes	Yes**
TOTAL		**127,213**		

* The Board of Directors' meeting of 21 May 2013 recognised that up to 70% of the performance conditions had been met. This led to the cancellation on the first half of attributed shares of 18,964 and 13,654 free shares respectively granted to André-Jacques Auberton-Hervé and Paul Boudre.

The Board of Directors' meeting of 16 April 2014 recognised that up to 47% of the performance conditions had been met. This led to the cancellation on the second half of attributed shares of 33,504 and 24,123 free shares respectively granted to André-Jacques Auberton-Hervé and Paul Boudre.

** The acquisition of shares following the acquisition period is subject to meeting the performance criteria measured with reference to an internal composite indicator based on the consolidated revenue, EBITDA and free cash flow, and achieving the main phases of the Group's strategic plan, according to the following weightings (the meeting of these conditions having to be recognised by the Board of Directors):

Synthetic indicator	Year 1	Year 2
Consolidated revenue as% of 5 year Group budget	10%	10%
Consolidated EBITDA as% of 5 year Group budget	20%	20%
Free cash flow as% of 5 year Group budget	20%	20%
Achievement of 5 year Group strategic plan	50%	50%
Total	**100%**	**100%**

c/ Performance shares becoming available for each company officer

Under the free shares scheme of 1 June 2010, of which André-Jacques Auberton-Hervé and Paul Boudre were beneficiaries, 47,056 and 37,644 performance shares respectively became available on 1 June 2014.

As company officers, MM Auberton-Hervé and Paul Boudre are bound to keep 10% of the shares having become available until the end of their terms of office.

17.2.2.3.2. Free shares and performance shares granted to salaried employees

Not applicable.

17.2.2.3.3. Special report on transactions of attribution of free shares and performance shares for the 2014-2015 financial year

Pursuant to article L. 225-197-4 of the French Commercial Code, we disclose below the transactions of attribution of free shares and performance shares of the company (the "Company") undertaken during the 2014-15 financial year.

I. Attribution of free shares and performance shares for the 2014-15 financial year:

Not applicable.

II. Acquisition of shares attributed free of charge in respect of the 2014-15 financial year and previous financial years:

Under the plan of attribution of free shares and performance shares decided by the Board of Directors at its meeting of 4 June 2012, the beneficiaries of which were André-Jacques Auberton-Hervé and Paul Boudre, as well as senior executives of the Company, since the acquisition period had expired on 4 June 2014, the Board of Directors recognised at its meeting of 16 April 2014 the acquisition of 73,961 free shares by Auberton-Hervé, 53,252 free shares by Paul Boudre and 434,482 free shares by the plan's other beneficiaries on the one hand, and the corresponding increase in the Company's capital on the other.

Under the plan of attribution of free shares decided by the Board of Directors at its meeting of 7 March 2013, the beneficiaries of which were senior executives of the Company, since the acquisition period for one of the beneficiaries expired on 7 March 2015, it was recognised by decision of the CEO on 10 March 2015 the expiration of the acquisition period of 99,200 shares attributed at the Board of Directors' meeting of 7 March 2013 on the one hand, and the corresponding increase in the Company's capital on the other.

III. Cancellation of shares attributed free of charge in respect of the 2014-15 financial year and previous financial years:

Under the plan of attribution of free shares decided by the Board of Directors on 4 June 2012:

- 32,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager's departure on 7 February 2015.

Under the plan of attribution of free shares decided by the Board of Directors on 7 March 2013:

- 32,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager's departure on 12 September 2014.

Under the plan of attribution of free shares decided by the Board of Directors on 6 March 2014:

- 128,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager's departure on 7 February 2015.

18. Main shareholders

18.1. Shareholding of the Company as at 9 June 2015

Breakdown of capital and voting rights at 9 June 2015:

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé	5,324,949	2.302%	10,411,802	4.092%
The Auberton-Hervé Family	529,707	0.229%	1,059,414	0.416%
The Auberton-Hervé Family Group	**5,854,856**	**2.531%**	**11,471,216**	**4.508%**
BPI France Participations (ex FSI)	22,071,781	9.542%	34,199,133	13.440%
Caisse des Dépôts et Consignation	6,647,404	2.874%	6,647,404	2.612%
Shin-Etsu Handotaï Co Ltd (partner since 1997 and first sub-licensee of Soitec)	4,452,599	1.925%	4,452,599	1.750%
Public	192,165,429	83.079%	197,584,056	77.647%
Self-owned	111,451	0.048%	111,451	(0.044%)
Total	**231,303,320**	**100%**	**254,465,859**	**100%**

A shareholding study carried out in early May 2011 through a request for identification of shareholders with registered shares reveals that the shareholding of Soitec is distributed between institutional investors (approximately 40% of the capital) and widely in the public for the remainder (with French private individuals representing from 30% to 40% of the capital approximately).

Further, to the Company's knowledge, no one not a member of an administrative or management body of the Company directly or indirectly holds a percentage of the share capital and of the voting rights of the Company which has to be notified under national legislation.

18.2. Different voting rights

The voting right attached to shares is proportional to the capital they represent. When meetings are held, each share carries one vote. However, following the decision of the Mixed General Meeting of 30 November 1998, the Articles of Association of the Company provide that a double voting right is conferred to shares held in registered form for at least two years by the same shareholder, as of 31 August 2000. The double voting right ceases for any share converted to bearer or subject to a transfer.

18.3. Control of the Company

Given the existence of double voting rights, BPI France Participations holds 9.547% of the capital and 13.44% of the voting rights, which is in fact the number one shareholder of the Company ahead of André-Jacques Auberton-Hervé and his family.

On 3 May 2015, the shareholders' agreement entered into on 27 June 2011 between Bpifrance Participations and Mr Auberton-Hervé was terminated when BPI France Participations took a stake in the capital of Soitec. At that time, Mr André-Jacques Auberton-Hervé undertook for a period of three years from his departure from Soitec not to compete with Soitec.

To the company's knowledge, there are no other shareholders agreements or shareholders holding, either directly, indirectly, 3%, 5% or more of the share capital or voting rights than those mentioned above.

Please refer to paragraph 21.2.6. of this Reference Document for a description of the Memorandum of Association, Articles of Association, a charter or a regulation of the Company which might entail delaying, deferring or preventing a change of its control.

18.4. Agreement which could lead to a change in control

Further, none of the significant agreements entered into by the Company contains any clause allowing for their automatic reconsideration in case of change of control.

19. Related-party transactions

Special statutory auditors' report on the statutory agreements

(General Meeting for approving financial statements for the year ended 31 March 2015)

To the Shareholders,
SOITEC
Parc Technologique des Fontaines Chemin des Franques
38190 Bernin

In our capacity as Auditors for your company, we hereby present our report on the statutory agreements.

Based on the information given to us, it is our responsibility to report to you on the main terms and characteristics of the agreements and commitments notified to us and which we discovered during our audit without having to rule on their appropriateness or on their merits or look for the existence of other agreements and commitments. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to evaluate the benefits resulting from these agreements and commitments prior to their approval.

Further, it is our responsibility, as appropriate, to provide you with the information provided in Article R. 225-31 of the French Commercial Code related to the performance, in the past financial year, of agreements and commitments already approved by the General Meeting.

We have conducted the due diligence we considered necessary in respect of the professional doctrine of the Compagnie nationale des commissaires aux comptes in relation to this audit. Such due diligence consisted of checking that the information given to us corresponds to the basic documents from which they emerge.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL OF THE GENERAL MEETING

We should inform you that we were not informed of any agreement or commitment authorised during the past financial year to be submitted for the approval of the General Meeting pursuant to the provisions of Article 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS AUTHORISED SINCE FINANCIAL YEAR-END

We have been advised of the following agreements and commitments, authorised since the end of the past financial year, which were the object of the prior authorisation of your Board of Directors.

DIRECTOR CONCERNED: SA BPIFRANCE PARTICIPATIONS

Nature and purpose:

Authorisation during the Board of Directors of 20 April 2015, of the signature by your company of a financing agreement with BPIFRANCE PARTICIPATIONS along with sureties as guarantee.

Terms:

Financing agreement in the amount of €15 million, designed for the financing of the working capital and operating expenses of the Company. This financing is due to mature in 2016, on the 1st anniversary date of the funds being made available, with the loan being repaid in fine. The interest rate will be 12% per annum, fully capitalised, and may be reduced in case of issue of BSA and subscription by Bpifrance Participations to such BSA by debt offsetting.

The following guarantees will be put in place:

Entering into by SOITEC of a "Trust-surety" agreement with Equitis Gestion as trustee and Bpifrance Participations and CEA Investissement as first ranking pari passu beneficiary, on the property of Bernin (sections B1, B2 and B3), including an agreement to make available free of charge premises allocated in guarantee in favour of the Company and its related parties, save payment of a monthly indemnity of €900,000 should the Company fail to make the Fiduciary Assets free of any occupancy within 90 days from receipt of a Request for Termination.

DIRECTOR CONCERNED: SA CEA INVESTISSEMENT

Nature and purpose:

Authorisation during the Board of Directors of 20 April 2015, of the signature by your company of a financing agreement with CEA INVESTISSEMENT along with sureties as guarantee.

Terms:

Financing agreement in the amount of €9 million, designed for the financing of the working capital and operating expenses of the Company. This financing is due to mature in 2016, on the 1st anniversary date of the funds being made available, with the loan being repaid in fine. The interest rate will be 12% per annum, fully capitalised, and may be reduced to 6% in case of issue of BSA and subscription by CEA INVESTISSEMENT to such BSA by debt offsetting.

The following guarantees will be put in place:

Entering into by SOITEC of a "Trust-surety" agreement with Equitis Gestion as trustee and Bprifrance Participations and CEA Investissement as first ranking pari passu beneficiary, on the property of Bernin (sections B1, B2 and B3), including an agreement to make available free of charge premises allocated in guarantee in favour of the Company and its related parties, save payment of a monthly indemnity of €900,000 should the Company fail to make the Fiduciary Assets free of any occupancy within 90 days from receipt of a Request for Termination.

COMPANY CONCERNED: SHIN-ETSU HANDOTAI (SEH) EUROPE

Director concerned:

Mr Fumisato HIROSE

Nature and purpose:

Authorisation given during the Board of Directors of 20 April 2015, of the signature by your company of a financing agreement with SEH with sureties as guarantee of the loan.

Terms:

Financing agreement in the maximum amount of €30 million available in several tranches, the first two of which of a maximum amount of USD17 million in favour of Soitec USA, Inc., and the third in favour of Soitec S.A.. This financing is due to mature on 15 May 2016, with the loan being repayable in fine. The interest rate would be EURIBOR + 3%. The putting in place of the corresponding financing will entail the signature by Soitec USA, Inc. of a Promissory Note of a maximum amount of USD17 million.

The following guarantees will be put in place:

- A first demand guarantee by Soitec S.A. of the obligations of Soitec USA, Inc. in respect of SEH;
- An Inventory Pledge Deed with dispossession to AUXILIARE DE GARANTIES - AUXIGA);
- A Security Agreement of the assets of Soitec USA, Inc., including the accounts receivable planned to be assigned by Soitec S.A. to Soitec USA, Inc.;
- A Note Pledge Agreement of the debt claim held by Soitec
- S.A. on LH Technology Acquisitions LLC under the transaction to sell certain non-strategic assets previously authorised by the Board of Directors; and
- An Allonge in favour of SEH of the debt claim held by Soitec
- S.A. on LH Technology Acquisitions LLC under the transaction to sell certain non-strategic assets previously authorised by the Board of Directors.

Director concerned:

Mr André-Jacques AUBERTON-HERVE

1/ Nature and purpose:

The Board of Directors of 4 May 2015 decided to entrust to Mr AUBERTON-HERVE a specific mission of assistance of Soitec SA and of its teams within the framework of the negotiation and sale of the solar division of Soitec SA.

Terms:

Under this mission, and pursuant to the provisions of Article L. 225-46 of the French Commercial Code, Mr AUBERTON-HERVE will receive from Soitec SA total flat-rate fees of €200k (excluding tax), whose payment has been agreed to be staggered over the period May/December 2015, by means of monthly payments of €25,000 (excluding tax) and a success-fee of 1% proportional to the cash compared impact of the actual sale of the solar activity compared to the basic scenario used by SOITEC. These elements are described in the document appended to the minutes of the Board meeting of 4 May 2015. The amount which will be received on the completion date of the sale of the solar division of Soitec SA, i.e. when Soitec SA receives the proceeds from the sale.

2/ Nature and purpose:

On the proposal of the Remuneration and Appointments Committee of 4 May 2015, the Board of Directors, meeting on the same day, decided to put in place a compensation system for Mr André-Jacques AUBERTON-HERVE at the end of his current term of office of Chairman of the Board of Directors in consideration of the subscription by this latter of a non-compete commitment of three years in respect of Soitec.

Terms

Amount: €100,000

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

We inform you that we have not been advised of any agreement or commitment already approved by the General Meeting whose performance would be continued in the past financial year.

Done at Neuilly sur Seine and Meylan, on 9 June 2015

The Auditors

PricewaterhouseCoopers Audit	Cabinet MURAZ-PAVILLET
Nicolas Brunetaud	Christian Muraz

20. **Financial** information: assets, financial position and results

20.1. Historical financial information

Pursuant to article 28 of Commission Regulation (EC) No 809/2004, the following information is incorporated by reference in this document:

- the group consolidated financial statements as at March 31, 2012 and the corresponding auditors' reports presented on pages 67 et seq and on page 100 of the Registration Document ("Document de Référence") filed with the French Financial Markets Authority on June 15, 2012 under the number D.12-0619;
- the group statutory accounts as at March 31, 2012 and the corresponding auditors' reports presented on pages 101 et seq and on pages 102 and 103 of the Registration Document filed with the French Financial Markets Authority on June 15, 2012 under the number D. 12-0619;
- the group consolidated financial statements as at March 31, 2013 and the corresponding auditors' reports presented on pages 85 et seq and on page 118 of the Registration Document filed with the French Financial Markets Authority on June 27, 2013 under the number D.13-0676;
- the group statutory accounts as at March 31, 2013 and the corresponding auditors' reports presented on pages 119 et seq and on pages 120 and 121 of the Registration Document filed with the French Financial Markets Authority on June 27, 2013 under the number D. 13-0676;
- the group consolidated financial statements as at March 31, 2014 and the corresponding auditors' reports presented on pages 85 et seq and on page 120 of the Registration Document filed with the French Financial Markets Authority on May 13, 2014 under the number D.14-0518;
- the group statutory accounts as at March 31, 2014 and the corresponding auditors' reports presented on pages 121 et seq and on pages 123 of the Registration Document filed with the French Financial Markets Authority on May 13, 2014 under the number D.14-0518;

Parts not included in these documents are either not relevant for the investor or covered elsewhere in the Registration Document.

The Registration Documents mentioned above are available on the websites of the Company (www.soitec.com) and the French Financial Markets Authority (www.amf-france.org).

20.2. Pro-forma financial information

N/A

20.3. Financial statements of the Company as at March 31, 2015

20.3.1. Financial consolidated statements as at March 31, 2015

20.3.1.1.Consolidated statement

Consolidated income statement

(in thousands of Euros)	Note	March,31.,2015	March,31.,2014
Revenue	**3.2**	**222,876**	**247,135**
Cost of sales	-	(253,642)	(302,835)
Gross margin	**-**	**(30,766)**	**(55,700)**
Sales and marketing expenses	3.2	(15,041)	(17,489)
Research and development expenses	3.2	(38,873)	(28,404)
Solar power project development costs	3.2	(11,518)	(3,066)
General and administrative expenses	3.2	(29,670)	(32,618)
Current operating loss	**-**	**(125,867)**	**(137,276)**
Other operating income	4.4	7,057	2,659
Other operating expenses	4.4	(158,518)	(85,023)
Operating loss	**3.2**	**(277,328)**	**(219,640)**
Financial income	4.5	41,172	37,690
Financial expense	4.6	(21,478)	(54,349)
Net financial income /(expense)	**-**	**19,694**	**(16,659)**
Profit / (loss) before tax	**4.7**	**(257,634)**	**(236,299)**
Income tax	4.7	(215)	(63)
Consolidated net profit / (loss) for the year	**-**	**(257,849)**	**(236,362)**
Share of profit / (loss) of associates	-	(1,391)	(641)
Net loss	**-**	**(259,240)**	**(237,004)**
Non-controlling interests	-	-	(331)
Net loss (Group share)	**-**	**(259,240)**	**(236,673)**
Basic net earnings per share in Euros	-	(1.23)	(1.45)
Diluted net earnings per share in Euros	-	(1.23)	(1.45)

Consolidated statement of comprehensive income

(in thousands of Euros)	Note	March 31, 2015	March 31, 2014
Net loss	-	**(259,240)**	**(237,004)**
Items re-classifiable to profit and loss:			
Exchange gains (losses) on translation of foreign operations	-	4,116	(12,193)
Items not re-classifiable to profit and loss:			
Actuarial gains (losses) on pensions and other post-retirement benefits	-	353	340
Income and expenses recognized directly in equity	-	4,469	(11,853)
Total comprehensive loss for the year	-	(254,771)	(248,857)
Non-controlling interests	-	-	(360)
Total comprehensive loss for the year (Group share)	-	(254,771)	(248,497)

Balance sheet

Assets (in thousands of Euros)	Note	March 31, 2015	March 31, 2014
Non-current assets:			
Goodwill and other intangible assets	3.2	8,842	17,032
Capitalized development projects	3.2	2,226	2,597
Property, plant and equipment	3.3	156,736	280,810
Solar power projects	3.3 – 3.4	1,600	15,427
Deferred tax assets	4.7	-	-
Investments accounted for under the equity method	3.6	-	6,886
Non-current financial assets	3.6	5,739	2,046
Other non-current assets	3.7	28,961	29,010
Total non-current assets	**-**	**204,104**	**353,807**
Current assets:			
Inventories	3.8	33,073	58,767
Trade receivables	3.9	43,812	88,811
Solar power projects		-	-
Assets held for sale*	4.4	69,435	-
Other current assets	3.10	18,894	22,766
Current financial assets	3.11	1,311	15,873
Cash and cash equivalents	3.12	22,911	44,728
Total current assets	**-**	**189,436**	**230,945**
Total assets	**-**	**393,540**	**752**

* Assets held for sale in conjunction with the termination of the Solar Energy division activities (see note 3.2)

Equity and liabilities (in thousands of Euros)	Note	March 31, 2015	March 31, 2014
Equity:			
Share capital Share premium Treasury shares Retained earnings Other reserves	3.14.1	23,119	17,258
Share premium	3.14.1	782,058	704,157
Treasury shares	3.14.2	(475)	(478)
Retained earnings	-	(737,473)	(503,453)
Other reserves	3.14.3	(17,270)	3,077
Group equity	-	**49,958**	**220,561**
Non-controlling interests	-	-	-
Total equity	-	**49,958**	**220,561**
Non-current liabilities:			
Long term financial debt	3.16	123,552	118,721
Provisions and other non-current liabilities	3.17	17,543	18,358
Total non-current liabilities	**-**	**141,095**	**137,079**
Current liabilities:			
Short term financial debt	3.16	49,455	138,200
Trade payables	3.18	52,279	45,972
Liabilities held for sale	3.13	16,852	-
Provisions and other current liabilities	3.19	83,902	42,940
Total current liabilities	**-**	**202,487**	**227,112**
Total liabilities	**-**	**393,540**	**584,752**

Statement of changes in equity

(in thousands of Euros)	Number of shares	Share capital	Share pre-mium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
March 31, 2013	122,626,743	12,263	641,233	(478)	(270,661)	8,736	391,093	(119)	390,974
Items that may be re-classified to profit and loss: Exchange gains (losses) on translation of foreign operations	-	-	-	-	(6,337)	(5,827)	(12,164)	(29)	(12,193)
Items that will not be re-classified to profit and loss: Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	340	340	-	340
Total income and expenses for the year recognized in equity	**-**	**-**	**-**	**-**	**(6,337)**	**(5,487)**	**(11,824)**	**(29)**	**(11,853)**
Profit / (loss) for the year	-	-	-	-	(236,673)	-	(236,673)	(331)	(237,004)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(243,010)**	**(5,487)**	**(248,497)**	**(360)**	**(248,857)**
Stock options, warrants and free shares	670,540	67	-	-	(67)	-	-	-	-
Proceeds from share issue	49,283 512	4,928	66,533	-	-	-	71,461	-	71,461
Share issuance expenses net	-	-	(3,608)	-	-	-	(3,608)	-	(3,608)
Impact of early partial repurchase of 2014 OCEANE	-	-	-	-	(1,863)	-	(1,863)	-	(1,863)
Equity component of new compound financial instruments (2018 OCEANE)	-	-	-	-	13,176	-	13,176	-	13,176
Change in scope	-	-	-	-	-	-	-	479	479
Share-based payments	-	-	-	-	(1,028)	-	(1,028)	-	(1,028)
IAS 19 revised: recognition of past service cost	-	-	-	-	-	(172)	(172)	-	(172)
March 31, 2014	**172,580 795**	**17,258**	**704,158**	**(478)**	**(503,453)**	**3,077**	**220,562**	**-**	**220,562**

(in thousands of Euros)	Number of shares	Share capital	Share pre-mium	Treasury shares	Retained earnings	Other reserves	Total	Non-controlling interests	Total equity
March 31, 2014	172,580 795	17,258	704,158	(478)	(503,453)	3,077	220,562	-	220,562
Items that may be re-classified to profit and loss: Exchange gains (losses) on translation of foreign operations	-	-	-	-	24,816	(20,700)	4,116	-	4,116
Items that will not be re-classified to profit and loss: Actuarial gains (losses) on pensions and other post-retirement benefits	-	-	-	-	-	353	353	-	353
Total income and expenses for the year recognized in equity	**-**	**-**	**-**	**-**	**24,816**	**(20,347)**	**4,469**	**-**	**4,469**
Profit / (loss) for the year	-	-	-	-	(259,240)	-	(259,240)	-	(259,240)
Total comprehensive loss for the year	**-**	**-**	**-**	**-**	**(234,424)**	**(20,347)**	**(254,771)**	**-**	**(254,771)**
Stock options, warrants and free shares	660,895	66	-	-	(66)	-	-	-	-
Proceeds from share issue	57,946 736	5,795	82,565	-	-	-	88,360	-	88,360
Share issuance expenses net	-	-	(4,666)	-	-	-	(4,666)	-	(4,666)
Purchase of treasury shares	-	-	-	3	-	-	3	-	3
Share-based payments	-	-	-	-	470	-	470	-	470
March 31, 2015	**231,188 426**	**23,119**	**782,058**	**(475)**	**(737,473)**	**(17,270)**	**49,958**	**-**	**49,958**

Statement of cash flows

(in thousands of Euros)	Note	March 31, 2015	March 31, 2014
Consolidated net loss for the year	**-**	**(259,240)**	**(237,004)**
Elimination of non-cash items:			
Share of profit / (loss) of associates accounted for under the equity method	(a)	1,391	641
(Reversal) / impairment of investments accounted for under the equity method in the JV Reflexite	3.6	(4,713)	12,607
Impairment of *goodwill*	(b) 3.3	-	30,668
Change in repayable advances	-	-	2,649
Depreciation and amortization expenses	4.3 – 5.6	45,951	54,152
Impairment charges and write-down of assets	3.3 – 3.4	116,431	26,235
Provisions, net	3.5- 3.7- 3.8- 3.9 – 3.10	55,669	15,033
(Reversal of)/ provision for retirement indemnities	5.1	(1,325)	795
Profit / (loss) on disposals of assets	4.4	(3,077)	(525)
Income tax charge	4.7	215	63
Financial result	4.5 – 4.6	(19,695)	16,661
Share-based payments	4.1	467	(1,028)
Total non-cash items	**-**	**191,313**	**157,951**
EBITDA		**(67,927)**	**(79,053)**
Increase (decrease) in cash on:			
Inventories	-	7,273	(39,727)
Solar power projects	-	-	(16,146)
Trade receivables	-	5,029	9,671
Other receivables	-	6,535	(8,411)
Receivable relating to Touwsrivier project sale	(c)	40,080	(51,156)
Trade payables	-	5,614	5,113
Other liabilities	-	3,341	871
Changes in working capital	**-**	**67,872**	**(99,785)**
Net cash generated by (used in) operating activities	**-**	**(54)**	**(178,838)**
Purchase of intangible assets	-	(797)	(6,866)
Capitalization of solar power projects' development costs	-	-	(3,193)
Purchase of tangible assets	-	(8,408)	(36,915)
Proceeds from sales of tangible and intangible assets	-	6,091	2,145
(Acquisition) and disposal of financial assets	(d)	(15,525)	(37,810)
Capital contribution in subsidiaries accounted for under the equity method	.(e)	(4,097)	(996)
Acquisition of Reflexite Soitec Optical Technology (RSOT)	-	(6,138)	-
Nat cash generated by (used in) investing activities	**-**	**(28,874)**	**(83,635)**
Proceeds from capital increases and exercise of stock options	-	83,664	67,853
Bond issuance	(f)	16,240	180,003

(in thousands of Euros)	Note	March 31, 2015	March 31, 2014
Drawing on credit lines	-	7,453	19,456
Repayment of borrowings (including finance leases)	(g)	(102,347)	(68,791)
Interest received	-	6,197	8,552
Interest paid	-	(15,449)	(26,315)
Nat cash generated by (used in) investing activities	**-**	**(4,242)**	**180,758**
Impact of exchange rate fluctuations	-	11,354	(3,684)
Change in net cash	**-**	**(21,817)**	**(85,399)**
Cash at beginning of year	-	44,728	130,127
Cash at end of year	-	22,911	44,728

(a) In 2015 this amount relates to the share of profit of associates accounted for under the equity method; CPV Power Plant n° 1 (Touwsrivier) and CPV Power Plant n° 1 Bond SPV (RF). In 2014, the amount related to Reflexite Soitec Optical Technology which was a joint venture up until June 10, 2014, the date at which the Group took over control of the company by buying the remaining 51% of shares. It subsequently merged with Soitec Solar Industries as at September 30, 2014.

(b) Impairment of goodwill recorded in 2014 relates to the subsidiaries Altatech for 11,402 thousand Euros and Soitec Solar GmbH for 19,266 thousand Euros.

(c) As at March 31, 2014, the receivable arising from the sale of the Touwsrivier project mainly comprised trade receivables related to the sale of photovoltaic systems and modules and project development costs for 40,080 thousand Euros received during fiscal year 2014-2015. A receivable of 11,075 thousand Euros corresponding to the sale of the project to one of the shareholders of the Touwsrivier plant is presented in the balance sheet as at March 31, 2015.

(d) Acquisitions and disposals of financial assets for 2015 mainly comprise a loan granted to a shareholder of the Touwsrivier solar power plant for an amount of 10,276 thousand Euros and the acquisition of a stake in SIMGUI for an amount of 4,441 thousand Euros. These were acquired as part of the partnership for the development of the production capacity of 200mm SOI wafers. In 2014, the line item related to deposits for the construction of the Touwsrivier solar plant for 10,840 thousand Euros and the investment of the cash received following the South African bond issuance for an amount of 25,932 thousand Euros.

(e) Capital contribution in subsidiaries accounted for under the equity method in 2015 relates to the acquisition of a further stake in CPV Power Plant n°1 (the Touwsrivier solar plant) for 4,097 thousand Euros, and in 2014 to the acquisition of a further stake in the joint venture Reflexite Soitec Optical Technology, for 996 thousand Euros.

(f) In 2015 bond issuances include the financing of the acquisition of the shares held by Reflexite in the joint venture Reflexite Soitec Optical Technology for 5,240 thousand Euros and the implementation of an equipment leasing contract for the Bernin site's production equipment for an amount of 11,000 thousand Euros. In 2014, this line item related to the issuance of a convertible bond, 2018 OCEANE, for an amount of 99,359 thousand Euros, net of expenses; proceeds from the bond issued in South Africa for 67,238 thousand Euros; and a loan amounting to 13,406 thousand Euros (excluding foreign exchange impact) taken out with a financial institution to finance the San Diego plant building.

(g) The majority of borrowing repayments relate to the repayment of OCEANE bonds which reached maturity in 2014 for an amount of 83,000 thousand Euros

20.3.1.2. Notes to the consolidated financial statements as at March 31, 2015

1. Overview of the company and of the business activities

Soitec S.A. is a société anonyme (limited liability corporation) operating under French law and listed in compartment B of Euronext Paris. Soitec S.A. and its subsidiaries are hereinafter referred to as the "Group". Soitec S.A. is hereinafter referred to as the "Company."

The Group operates in three business segments:

- the Electronics business segment: the Group manufactures and sells silicon-on-insulator (SOI) wafers primarily for the semiconductor industry. The Group's main products are Unibond™ wafers, which are made using the patented Smart Cut™ technology licensed exclusively to the Group by the French Atomic Energy Commission ("Commissariat à l'Energie Atomique", "CEA" or "AEC"). This exclusive license runs up to the expiry of the registered patents, the first of which came into the public domain in 2013. The recently acquired activities (III-V materials, layer transfer solutions, design and manufacture of equipment) are included in this scope.

- the Solar Energy business segment: since December 2009, when the Group took control of Soitec Solar GmbH, the Group has manufactured and sold concentrated photovoltaic modules while also designing and building solar power plant installations for their turnkey sale or their operation. On January 19, 2015 the Group announced that it would be withdrawing from the solar activity so as to focus its activities on the electronics business (see note 2.3.2).
- the Lighting business segment: based on a portfolio of technologies developed by the Electronics segment, the Group develops materials for the production of light emitting diodes and is implementing strategic alliances to become a major player in this sector.

The Group decided to isolate the central support costs borne by the business segments. These costs, reported under the heading "Other", group together the general management costs of the Group including treasury, consolidation, internal control, planning, financial reporting and legal expenses relating to regulations for listed companies, as well as the teams in charge of standardizing practices and developing synergies between divisions (manufacturing, human resources, IT, quality control).

On May 27, 2015, the Board of Directors authorized the publication of the Group's annual consolidated financial statements for the financial year ended March 31, 2015.

2. Accounting policies

2.1. Compliance report

In accordance with European Directive 1606/2002 dated July 19, 2002 on international accounting standards, the Group's consolidated financial statements have been prepared in accordance with the standards and interpretations published by the International Accounting Standards Board (IASB), as adopted by the European Union and enforceable as at year end.

These standards, available on the European Commission's website (http://ec.Europa.eu/internal_market/accounting/ias/index_en.htm), integrate international accounting standards (IAS and IFRS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC).

2.2. Basis of preparation

2.2.1. Going concern

The Group posted a net loss of 259.2 million Euros in the year ended March 31, 2015 (loss of 237.0 million Euros for the year ended March 31, 2014) and equity at the balance sheet date amounted to 50.0 million Euros (220.6 million Euros as at March 31, 2014)

Cash used in operating activities, excluding working capital requirements, amounted to 68 million Euros during the year (79.0 million Euros for the year ended March 31, 2014). As at March 31, 2015, cash and cash equivalents stand at 22.9 million Euros (44.7 million Euros as at March 31, 2014). In order to ensure its continuity of activity, the Group has implemented a refinancing plan in the context of a conciliation procedure. A conciliation protocol was approved by the Grenoble Commercial Court on May 5, 2015. The protocol permitted the deferral of debt and for funds to be raised in excess of 105 million. The main elements include a postponement to November 30, 2019 of the repayment of bank credit lines for a total amount of 37 million Euros, the interest being capitalized and payable upon maturity of the loan; new loans granted by CEA (the French Atomic Energy Commission), Shin Etsu Handotai and BPI for a total amount of 48 million Euros; moratoria on trade receivables held by Shin Etsu Handotai and CEA for 14 million Euros; and a moratorium on tax and social charges payable for an amount of 7 million Euros.

In addition, the Group expects to be able to monetize certain assets through its withdrawal from the Solar activity (see note 2.3.2).

Finally, focusing on the electronics activity will enable the Group to generate positive operating cash flows.

On this basis, the Group believes it will be able to continue its activities in 2015-2016. The consolidated financial statements have therefore been prepared on a going concern basis for the next twelve months.

2.2.2. Presentation currency

The Group's presentation currency is the Euro. The consolidated financial statements are presented in thousands of Euros, all values being rounded to the nearest thousand (€000) unless stated otherwise.

2.2.3. Accounting rules and methods

The accounting rules and methods are identical to those applied in the consolidated financial statements for the financial year ended March 31, 2014, except for the standards, amendments and interpretations detailed below, as adopted by the European Union.

New standards, amendments and interpretations adopted by the Group as at April 1, 2014, with no material impact on the consolidated financial statements:

- IFRS 10, consolidated financial statements
- IFRS 11, partnerships
- IFRS 12, the provision of information regarding interests held in other companies
- IAS 28 Revised, investments in associates
- Amendment to IAS 32, relating to the compensation of financial assets and liabilities
- Amendment to IAS 36, relating to the information of the recoverable value of non-financial assets
- Amendment to IAS 39, relating to the novation of derivatives and the continuation of hedge accounting

New standards, amendments and interpretations whose application is mandatory for future fiscal years that the Group has elected not to early adopt:

- Amendment to IAS 16/IAS 38 offering clarification on the acceptable methods of amortization and depreciation
- Amendment to IAS 19 relating to defined benefit plans: employee contributions
- Amendment to IFRS 11 relating to the acquisition of interests in joint operations
- Improvements in IFRS cycle 2010-2012
- Improvements in IFRS cycle 2011-2013
- IFRIC 21, Taxes

In addition, the IASB issued standards, amendments and interpretations that can be anticipated for April 1, 2014, these have not yet been adopted by the European Union:

- IFRS 9, Financial Instruments;
- IFRS 14, Regulatory deferral accounts;
- IFRS 15, Revenue from contracts with customers.

- The resulting impact of these standards, amendments and interpretations that have not been early adopted by the Group is currently being assessed.

2.3. Significant events of the year

2.3.1. Financing

During the first half of the year ended March 31, 2015, the Group decided to consolidate its financial structure in order to pursue its growth strategy by an increase of capital, which was performed through the issuance of 51,942,792 new shares at a unit price of 1.60 Euros. The proceeds generated, net of issuance costs, amounted to 78.9 million Euros. These funds were attributed to the repayment of bonds which reached maturity in September 2014.

On February 3, 2015, Soitec again increased its capital, as part of the Capital Increase by Exercise of Options Program ("Programme d'Augmentation de Capital par Exercice d'Options" or PACEO), established with Société Générale on January 19, 2015. This transaction resulted in the issuance of 6,000,000 new shares at a unit price of 0.87 Euros. These shares are freely traded on Euronext Paris and are equivalent to existing shares. The proceeds generated, net of issuance costs amounted to 4.7 million Euros.

2.3.2. Refocusing on the core electronic business and short term exit from the Solar activity

As announced in its press release dated January 19, 2015, the Board of Directors unanimously decided to implement and support a strategic plan which aims to refocus Soitec's activities on its core electronics business. Before closing, the Group committed to significant restructuring measures for its Solar Energy business segment, in addition to measures to realize the value of certain assets.

The main corresponding expenses recognized during the financial year ended March 31, 2015, detailed in note 4.4, are:

- Accelerated depreciation and write-off of production equipment
- Impairment of patented technologies
- Impairment of assets related to solar farm projects
- Provisions for redundancies
- Provisions for commitments to suppliers for non-cancelable orders
- Provisions for dismantling and implicit and contractual restoration
- Provisions for remaining lease expenses due in relation to contractual obligations, unless exemptions have been obtained
- Provisions for losses on current contracts when the Group has a commitment to complete these contracts
- Provisions for external costs required for the Group's withdrawal.

The Solar Energy division's net assets held for sale, measured at their fair value net of selling costs, amount to 53 million Euros at March 31, 2015 (note 3.12).

2.4. Summary of significant accounting policies

2.4.1. Consolidation principles

All Group controlling interests are controlled by the parent company and are thus fully consolidated, with the exception of the companies CPV Power Plant N°1 Ltd ("Touwsrivier") and CPV Power Plant Bond SPV (RF) Ltd, which are 20% held; both of which are accounted for under the equity method until March 31, 2015, the date at which these companies were classified as "Assets held for sale". The Group considers that it has exclusive control over an entity in which it has an investment when (i) it has power over the entity, (ii) it is exposed to or has rights to variable returns due to its relationship with the entity, and (iii) it has the capacity to exercise power over the entity so as to affect the level of return from said entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date of transfer of effective control until the date that control ceases to exist.

As at March 31, 2015, the consolidated financial statements include the accounts of the Company and its subsidiaries listed below:

Entity	Consolidtaed since	Percentage controlling interest	Country	Functional currency
Soitec USA Inc.	1997	100.00%	USA	US Dollar
Soitec Specialty Electronics S.A.S	April 2003	100.00%	France	Euro
Soitec Japan Inc.	June 2004	100.00%	Japan	Japanese Yen
Soitec Phoenix Labs Inc.	February 2006	100.00%	USA	US Dollar
Soitec Microelectronics Singapore Pte Ltd	June 2006	100.00%	Singapore	US Dollar
Soitec Korea	July 2011	100.00%	South Korea	US Dollar
Altatech Semiconductor S.A.S	January 2012	100.00%	France	Euro
Soitec Corporate Services	July 2012	100.00%	France	Euro
Soitec Trading Shanghai	November 2013	100.00%	China	Yuan
Entities in the scope of the Solar Energy division:				
CPV Power Plant n°1 Ltd (Touwsrivier)	October 2009	20.00%	South Africa	South African Rand
Soitec Solar GmbH	December 2009	100.00%	Germany	Euro
Soitec Solar Inc.	December 2009	100.00%	USA	US Dollar
Soitec Solar Industries LLC*	December 2009	100.00%	USA	US Dollar
Soitec Solar Italia S.R.L	August 2010	100.00%	Italy	Euro
Soitec Solar Development LLC	September 2010	100.00%	USA	US Dollar
Soitec Solar RSA Ltd	April 2011	100.00%	South Africa	South African Rand
Soitec Solar France	October 2011	100.00%	France	Euro
CPV Power Plant n°1 Bond SPV (Rf) Ltd	September 2012	20.00%	South Africa	South African Rand
Soitec Solar Chile	July 2013	100.00%	Chile	Chilean Pesos
Soitec Solar USA Real Estate LLC	January 2014	100.00%	USA	US Dollar
CPV n° 1 Equity SPV Pty Ltd	February 2014	100.00%	South Africa	South African Rand

*The entity Reflexite Soitec Optical Technology LLC (formerly Reflexite Optical Technology LLC), located in the US and established in November 2011, which the Group owned at 49.48% as at March 31, 2014, was accounted for under the equity method. Following the acquisition of all shares on June 10, 2014, the entity was merged with Soitec Solar Industries.

As part of its Solar Energy business, the Group may have to establish special purpose entities to hold the permits, administrative authorizations, costs and income associated with a solar power project. In general, the intention was to sell these legal entities to investors when the projects were sufficiently advanced.

The following entities have been created, placed under the control of the Group and fully consolidated:

Entity	Consolidtaed since	Percentage controlling interest	Country	Functional currency
CPV Rians S.A.S	July 2010	100.00%	France	Euro
Newberry Solar 1 LLC	September 2010	100.00%	USA	US Dollar
CPV Power Plant n° 2 LTD	September 2010	100.00%	South Africa	South African Rand
Alicoop Poggio Santa Lucia S.R.L	November 2010	100.00%	Italy	Euro
Alicoop Monte Bellone S.R.L	November 2010	100.00%	Italy	Euro
LanEast Solar Farm LLC	February 2011	100.00%	USA	US Dollar
LanWest Solar Farm LLC	February 2011	100.00%	USA	US Dollar
Rugged Solar LLC	April 2011	100.00%	USA	US Dollar
Tierra del Sol Solar Farm LLC	April 2011	100.00%	USA	US Dollar
CX Minervino S.R.L	October 2011	100.00%	Italy	Euro
Sorrel Solar Farm LLC	February 2012	100.00%	USA	US Dollar
CPV Thémis	March 2012	100.00%	France	Euro
Black mountain CPV PP n° 3 (formerly K2011137452 LTD)	March 2012	100.00%	South Africa	South African Rand
Schmidtsdrift CPV PP n° 4 (formerly Itakane Trading 339 (Pty) LTD)	March 2012	100.00%	South Africa	South African Rand
Tierra del Sol II Solar Farm LLC	May 2012	100.00%	USA	US Dollar
Los Robles Solar Power Plant LLC	May 2012	100.00%	USA	US Dollar

The following entities were previously fully consolidated and have been taken out of the consolidation scope or accounted for under the equity method during the year ended March 31, 2015:

Entity	Change in scope
CPV Llo 1 S.A.S	Transfer of all assets
Soitec Optical Technology (formerly Reflexite Soitec Optical Technology LLC)	Merger with Soitec Solar Industries LLC

Balances and transactions between the Group companies are eliminated from the consolidated financial statements.

Business combinations are accounted for using the acquisition method. In the event of an acquisition, the assets acquired and the liabilities assumed which meet the IFRS 3 recognition criteria are recorded at the fair value price as determined at the date of acquisition, except for non-current assets classified as assets held for sale and which are recorded at fair value less costs to sell.

The accounting rules governing business combinations and transactions with non-controlling interests include the following:

- Acquisition costs are expensed on the date of acquisition.
- The impact of buying non-controlling interests in a subsidiary that is already controlled and the impact of disposing of interests without losing control are directly recorded as equity without impacting goodwill or the income statement.
- Changes in the value of assets and liabilities relating to acquisitions recognized on a provisional basis (by virtue of the fact that appraisal reports or additional analyses have not yet been completed) are recorded as a retrospective adjustment to goodwill where they occur within 12 months of the date of acquisition. After this period, the effects are recorded directly as income. Contingent consideration (earn outs) is recognized at fair value from the date of acquisition. Adjustments to earn-outs and changes in debt associated with calls and puts on non-controlling interests are recognized directly in the income statement.

2.4.2. Translation of the financial statements of foreign subsidiaries

The Euro, used as the presentation currency, is the currency in which the majority of the Group's cash flows are generated. The functional currency of the Company is the Euro and the functional currencies of its subsidiaries are as follows:

- Euro
- US Dollar
- Japanese Yen
- South African Rand
- Chilean Peso
- Chinese Yuan

The functional currency of each subsidiary is presented in note 2.3.1.

The financial statements of Group entities with functional currencies other than the Euro are translated into Euros as follows:

- Assets and liabilities are translated at the closing rates on March 31, 2015; and
- The income and expenses in each income statement are translated at the average exchange rate for the period or financial year which is deemed to represent the rate applicable on the effective transaction date.
- Income and impairment expenses related to non-current assets from the Solar Energy division are converted at the rate prevailing at the date of the press release, January 19, 2015. The other impairment losses directly attributable to the restructuring of this division are translated at the rate prevailing at March 31, 2015.

Exchange differences resulting from the application of these various rates are recognized as a separate component of equity, namely "Exchange gains (losses) on translation of foreign operations".

2.4.3. Goodwill

Following its initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purposes of impairment tests, goodwill is allocated to each of the Cash-Generating Units (CGU) or groups of CGU that are expected to benefit from the combination. Goodwill is not amortized, but instead tested for impairment at each annual reporting date or whenever there are indications of impairment losses. All impairment losses recognized are irreversible.

2.4.4. Other intangible assets

Intangible assets acquired separately by the Group are recognized at their acquisition cost, which corresponds, for assets acquired through business combinations, to their fair value on the acquisition date. They include:

Software recognized at acquisition cost and amortized on a straight line basis over its estimated useful life	1 to 5 years
Technology recognized following the acquisition of Soitec Solar GmbH	5 years
Technology recognized following the acquisition of Tracit S.A.S	10 years
Technology recognized following the acquisition of Altatech Semiconductor	7 years
Capitalization of solar power projects' development costs	Operational life

Development costs must be capitalized under IAS 38 if the following criteria are met:

- the Group has the intent and technical capabilities to see the development of the project through to completion;
- there is a high probability that the future economic benefits attributable to the development expenses will flow to the Group, generally backed up by the existence of orders or contracts;
- the costs can be measured reliably;
- the Group has the capacity to use or sell the intangible asset; and
- the Group has the necessary resources to complete the project.

Research and Development costs which do not meet the above criteria are expensed as incurred within "Research and Development expenses".

2.4.5. Property, plant and equipment

Property, plant and equipment are measured at their acquisition cost, net of accumulated depreciation and/or any impairment losses. Subsequent costs are included in the carrying amount of the asset or, as the case may be, recognized as a separate asset where it is likely that the future economic benefits associated with the asset will flow to the Group or that the cost of the asset can be measured reliably. The carrying amount of replaced components is derecognized. All repair and maintenance costs are recognized in the income statement.

Depreciation is calculated on a straight line basis over the following estimated useful lives:

Buildings, fixtures and fittings	15 to 30 years
Solar power plants	20 years
Machinery and equipment	3 to 8 years
Other fixtures and fittings	5 to 10 years
Vehicles	5 years
IT and office equipment	3 to 7 years
Office furniture	5 to 10 years

Residual value may be recognized, where appropriate. The residual value, useful life and depreciation schedule of assets are reviewed at each reporting date and amended, if appropriate, on a prospective basis.

2.4.6. Leasing

Property leases or equipment leases (finance leases with or without purchase options) are recognized in the balance sheet at the lower of the fair value of the leased item and the present value of minimum lease payments, where substantially all the risks and rewards of ownership have been transferred to the lessee. Lease payments are allocated between financial expenses and depreciation of the relevant assets. When the lease contains a transfer of title clause upon the completion of its term, the depreciation conditions are the same as those applied for similar types of assets owned by the Group. Where this is not the case, the assets are depreciated in the same manner and over the term of the lease.

Leases classified as operating leases are not restated, and the relevant payments made are recognized in the expenses of the financial year.

2.4.7. Acquisition expenses for non-current assets

Acquisition expenses for non-current assets are included in the cost of acquisition of these non-current assets at their amount gross of tax. For tangible fixed assets and intangible assets, these expenses increase the value of those assets.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset, where the preparation prior to use or expected sale requires a significant length of time (generally in excess of six months) are included in the cost of the relevant asset. All other borrowing costs are expensed as incurred.

2.4.8. Impairment of non-current assets

IAS 36 defines the procedures that a company must apply to ensure that the net book value of its assets does not exceed their recoverable amount; the amount that will be recovered from their use or their sale. Aside from goodwill and intangible assets with an indefinite life that systematically undergo annual impairment testing, the recoverable amount of an asset is estimated whenever there are indications that the asset's value may have been impaired.

• Cash Generating Unit (CGU)

A Cash Generating Unit is the smallest group of identifiable assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

In the Electronics business segment, the Group has identified four distinct CGU; each centrally managed and with production capacity organized to maximize their utilization without geographical distinction. These CGUs are as follows:

- Electronics 300 mm: primarily serving the digital market and based on the production capacity of the site Bernin 2;
- Electronics Small diameters: used primarily for the radio-frequency and power markets, and based on the production capacity of the site Bernin 1;
- Electronics GaAs: corresponding to III-V products on the South Paris site, mainly serving the radio frequency market. The Group sold the Soitec Speciality Electronics business in the first half of 2014-2015.

- Electronics Equipment: corresponding to the design and sale of equipment primarily for the semiconductor industry, integrated with the Electronics business segment since the acquisition of Altatech, with patents and production facilities on the Montbonnot site near Grenoble. Goodwill arising from the acquisition of Altatech is tested on the basis of the Electronics Equipment CGU and was fully impaired as at March 31, 2014.

The Lighting business segment represents a separate CGU, including non-current assets consisting primarily of research and development facilities located on the Phoenix site.

In the Solar Energy business segment:

- for projects involving the design, building and operation of solar power plants, a CGU encompasses each individual project or a group of inter-dependent projects located in the same geographic area;
- for installations which shall become operational, a CGU encompasses individual installations or a number of inter-dependent installations located in the same geographic area;
- for the manufacturing and sale of solar modules, a business in which the Group is globally organized, customers being managed centrally and production organized so as to optimize capacity use without any regard to geographic location, the CGU encompasses the module manufacturing business. The goodwill generated by the acquisition of Soitec Solar GmbH is tested on the basis of the CGU corresponding to module production and was fully impaired as at March 31, 2015.

As announced on January 19, 2015, the Group decided to withdraw from this sector of activity (see note 2.3.2).

• Impairment indicators

The Group regularly monitors its financial results against its forecasts for all of its businesses and monitors local and global economic indicators. These elements represent, where applicable, impairment indicators.

• Determining the recoverable amount

The recoverable amount of an asset is the higher of the fair value less costs to sell and its value in use. It is estimated separately for each asset. Where this is not possible, assets are pooled into a group of CGUs for which the recoverable amount is then calculated.

Fair value less costs to sell is the amount that may be obtained from the sale of these assets in an arm's length transaction between well-informed and consenting parties, less costs to sell.

Value in use is the present value of future cash flows expected from the continuous use of an asset and its disposal at the end of its useful life. Value in use is determined using cash flows estimated on the basis of business plans or budgets typically drawn up for a period of five years, taking into account the specific risks inherent to the technological nature of the Group's activity.

• Impairment

An impairment loss is recognized as soon as the carrying amount of the asset or CGU to which it belongs exceeds its recoverable amount. Impairment losses are expensed under "Other operating expenses".

Except in the case of goodwill, impairment losses recognized in previous years may be reversed if and only if there has been a change in the estimates used to calculate the recoverable amount of the asset since the previous recognition of an impairment loss. Even so, the carrying amount of an asset plus a reversal of an impairment loss cannot exceed the carrying amount that would have been calculated had no impairment been recognized for the asset in previous years.

2.4.9. Financial assets

Financial assets are classified into four categories depending on their nature and the purpose for which they are held:

- assets held to maturity;
- financial assets at fair value through profit and loss;
- loans and receivables;
- assets available for sale.

The Group has no held to maturity assets. Except for assets carried at fair value through profit and loss, all financial assets are initially recognized at cost, which represents the fair value of the price paid plus acquisition costs.

All standardized purchases and sales of financial assets are recognized at the settlement date.

• Loans and receivables

These are financial assets, issued or acquired by the Group, which are received in return for a direct transfer of money, goods or services to a debtor. They are carried at amortized cost calculated using the effective interest rate method. Non-current financial assets consist of loans, deposits, guarantees and restricted cash. Current financial assets mainly consist of receivables initially recognized at their fair value.

Trade receivables, which are generally due between 30 and 90 days, are recognized at par value. These receivables are then carried at amortized cost, less any impairment losses recognized on non-recoverable amounts.

An impairment loss is recognized where there is objective evidence suggesting that the Group will not be able to recover its receivables. Uncollectible receivables are recognized as losses, when identified as such.

• Financial assets at fair value through profit and loss

These represent assets held for trading, i.e. assets acquired by the company with a view to selling them in the short term. They are stated at their fair value, and changes in fair value are recognized in income.

• Assets available for sale

Classified as non-current financial assets, these represent the Group's equity interests in companies that it does not control or exercise significant influence over. They are stated at their fair value, and changes in fair value are recognized in equity until the asset is either sold, cashed in or deconsolidated in any other way or until it is demonstrated that the asset is impaired. In such cases, the gain or loss previously recognized in equity is transferred to income.

2.4.10. Fair value of financial instruments

The Group applies IFRS 7 on financial instruments measured at fair value in the balance sheet. Fair value measurements must be broken down by level in line with the following fair value hierarchy:

- the instrument is quoted in an active market (Level 1);
- the measurement relies on valuation techniques based directly (price) or indirectly (price derivatives) on observable inputs (Level 2);
- at least one significant component of fair value is based on non-observable inputs (Level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service or regulatory agency, and those prices represent regularly occurring market transactions. These instruments are classified in Level 1.

The fair values of financial instruments that are not traded in an active market (e.g. OTC derivatives) are determined using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all inputs required to calculate the fair value of an instrument are observable, the instrument is classified in Level 2.

If one or more of the principal inputs is not based on observable market prices, the instrument is classified in Level 3.

2.4.11. Inventories

Inventories of raw materials and consumables are stated at their acquisition cost. An impairment loss is provided for obsolete or surplus items.

Finished goods are carried at production cost except for those where cost may be above the selling price during the start-up phase of production and obsolete or surplus items. An impairment loss is recognized to adjust the inventory of finished goods to its realizable value less proportional selling expenses.

Work in progress is stated using the same method as finished goods, applying the percentage of completion reached in the production process.

2.4.12. Assets held for sale

Non-current assets aimed to be sold (or groups aimed to be sold) are classified as "Assets held for sale" when their carrying amount will be recovered principally through a sale transaction rather than continuous use. It may be a component of an entity, a group or an individual non-current asset.

On initial classification as an asset held for sale, non-current assets and groups of assets held for sale are carried at the lower of their carrying amount and fair value less costs to sell.

The presentation of activities held for sale is described in Note 3.12.

2.4.13. Cash and cash equivalents

Cash and cash equivalents primarily consist of deposits and marketable securities which have an initial maturity of no more than three months, do not carry a material interest rate risk and are readily convertible.

Investments with a maturity of more than three months without the right to early redemption and investments in UCITS money-markets which do not satisfy the criteria for recognition as cash equivalents under IAS 7 are recorded in other financial assets.

2.4.14. Equity

• Equity instruments and convertible bonds

Classification in equity depends on a specific analysis of the characteristics of each instrument issued.

• Share capital increase program through exercise of stock options

On January 19, 2015, Soitec introduced a new PACEO program with Société Générale, for a maximum period of 24 months, based on the issuance of shares with equity warrants attached. These options require Société Générale, as the sole bearer, to subscribe to a maximum of 22 million shares upon Soitec's request; they remain subject to possible adjustments regarding the bearer's rights. A first draw down of 6,000,000 shares was performed in February 2015 for an amount of 4.7 million Euros.

• Trading costs on equity instruments

External costs directly attributable to capital transactions or equity instruments are deducted from equity net of tax. Other costs are expensed as incurred.

• Treasury shares

Purchases of treasury shares are recorded as a deduction from equity based on their acquisition cost. Any gains or losses upon disposal or use are recognized in other reserves. When treasury shares are used as payment for an acquisition, the value used for accounting purposes corresponds to their market price at transaction date.

• Share-based payments

In accordance with IFRS 2 "Share-based payments", equity-settled share-based payments are measured at the date of grant. The fair value of these instruments is calculated by an external expert using the binomial model. This valuation model accounts for the exercise price of the option, the life of the option, the price of the underlying shares, the expected volatility of the share price and the risk-free interest rate over the life of the option.

The value of these options is recognized on a linear basis in employee benefits expense between the date of grant and exercise date, with a corresponding adjustment in equity, since these are all equity-settled plans.

For free share allotments, fair value is also determined according to the characteristics of the plan, market data at the date of grant and an assumption of continued presence of the employee on the payroll at the end of the vesting period. If the plan does not specify the vesting arrangements, the expense is recognized in full as soon as the plan is granted. Otherwise, the expense is recognized over the vesting period as and when conditions are met.

2.4.15. Financial liabilities

Financial liabilities are classified into two categories:

- financial liabilities at amortized cost;
- financial liabilities at fair value through profit and loss.

• Financial liabilities at amortized cost

Borrowings and other financial liabilities (including trade payables) are held at amortized cost using the effective interest rate method. Issuance costs, issue premiums and redemption premiums form part of the amortized cost of borrowings and financial debts. They are shown as reductions or increases in borrowings, as appropriate, and are amortized on an actuarial basis.

• Financial liabilities at fair value through profit and loss

These represent liabilities held for trading purposes, i.e. liabilities that are meant to be settled in the short term. They are stated at fair value, and changes in fair value are recognized in income.

2.4.16. Financial instruments

• Hedging derivatives

The Group hedges its currency risk on certain transactions denominated in US dollars, as well as its interest rate risk, using derivative instruments (forward sales, options and swaps). These derivate instruments hedge only currency and interest rate risk arising from firm commitments or highly probable future transactions.

2.4.17. Provisions

A provision is recognized when the Group has a present (contractual or constructive) obligation arising from a past event, the amount of which can be estimated reliably, and the settlement of which is expected to result in an outflow of resources embodying economic benefits for the Group. Provisions are discounted where the impact of discounting is material.

A provision for restructuring costs is only recognized when there is a constructive obligation vis-à-vis third parties arising from a decision by management reflected prior to the reporting date by a detailed and formalized plan and the announcement of this plan to the relevant parties.

Contingent liabilities consist of a possible obligation resulting from past events, the existence of which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation for which an outflow of resources is not likely. Contingent liabilities are not recognized but are disclosed in the notes.

2.4.18. Pensions and other related benefits

• Retirement indemnities and related benefits

French law requires the payment of a lump sum retirement indemnity. This indemnity is calculated based on the employee's length of service and level of compensation upon retirement. Rights only vest for employees who are still with the company upon retirement. In addition, the Group has entered into an agreement to supplement the legally required retirement indemnity benefits.

• Other pension plans

The Group decided to grant a supplementary plan to certain employees. This defined benefit plan is managed by an external body.

In the United States, Soitec USA Inc pays into a funded pension plan under section 401 (k) of the US Internal Revenue Code. This defined contribution pension plan is exempt from tax and covers the majority of US employees.

Defined benefit plans undergo an actuarial valuation using the projected unit credit method, which factors in demographic (salary trends, age upon retirement, staff turnover, mortality rate) and financial (discount and inflation rate) assumptions. Actuarial gains or losses resulting from changes to the assumptions are recognized in equity under "Actuarial gains (losses) on pensions and other post-retirement benefits".

For defined contribution plans, payments are expensed when incurred. There are no actuarial liabilities in respect of these plans.

2.4.19. Revenue recognition on ordinary activities

Revenue from ordinary activities derives primarily from product sales. It is supplemented by licensing revenue. Revenue is recognized when it is likely that the future economic benefits will flow to the Group and can be measured reliably.

The revenue recognition criteria vary depending on the nature of the goods and services supplied by the Group:

- Sales of silicon wafers are recognized in income where the transfer of the risks and rewards has taken place in accordance with the terms set out in the contracts.
- Sales of photovoltaic modules that the Group will not be installing are recognized as income when the modules have been delivered to the customer on site.
- Sales of photovoltaic systems that:
  - the Group will not be installing are recognized as income when the full system, mainly comprising modules, trackers and inverters, have been delivered to the customer on site;
  - the Group will install are recognized as income when the modules, trackers and inverters have been installed on site and are ready to be plugged into the customer's network.
- Bill and hold sales are generally not recognized as income prior to effective delivery, except in special circumstances and in particular where the transfer of risks and rewards has been formalized, the products are finished and no additional services are planned, the inventory is set aside pending delivery and delayed delivery is operationally justified for the buyer.
- Revenue from projects to design and build turn-key photovoltaic installations is recognized in income in accordance with the stage of completion method based on milestones generally used by the Group for such contracts:
  - Production of solar modules on production sites
  - Delivery of other elements of the installation (trackers, inverters and other key elements)
  - Arrival of solar modules on the site of the installation
  - Installation of photovoltaic panels ready to be connected
  - Completion of installation (connection between modules and connection system of electricity production).

Revenue may be recorded on the basis of the following ratio: total costs incurred over the best estimate of total project costs.

- Where photovoltaic installations are operated by the Group, the sale of electricity is recognized in income as it is generated and sold;
- Licensing revenue is recognized on a straight-line basis over the period for which the rights are granted. Where the licensing agreements provide, in addition to royalties, for advance payments or interim invoicing designed to finance development work carried out to meet a client's specific needs, they are recognized in income over the period in which the customer is expected to use the transferred technology.
- Revenues from construction of industrial equipment are recognized in two stages, corresponding to the sale of the equipment and to the delivery and installation. The sale of the equipment represents 90% of the overall contract price and delivery and related services represent 10%. Thus 90% of revenue is recognized as income on the date that the customer gives formal authorization for the equipment to be dispatched, following technical validation by the customer at the Group site, as the risks and rewards are transferred to the customer with the sale of the equipment. The remaining 10% is recorded as deferred income until the delivery and installation of the equipment. These contracts concern the Group subsidiary Altatech, a supplier for the semiconductor industry acquired by the Group during the year ended March 31, 2012. The equipment is constructed on the basis of orders by customers and construction lasts on average between 2 and 4 months.

2.4.20. Gross margin

Gross margin represents revenues less the total cost of sales. The "cost of sales" includes the cost of the resources used in the production of goods sold (raw materials, consumables, employee benefit expenses, depreciation, energy and fluids).

2.4.21. Sales and marketing expenses

"Sales and marketing expenses" comprise costs incurred by the "Sales & Business Development" and "Strategic Marketing" departments. They primarily consist of employee benefit, trade fair, consulting and travel expenses.

2.4.22. Research and development expenses

Research and development expenses comprise expenses that do not meet the criteria defined in the note on "intangible assets". These expenses are net of prototype sales made as part of the Research and Development business, any research tax credits and grants recognized in income for the period.

Grants received, corresponding to grants for which the financing agreements have been signed and the administrative authorizations obtained, are deducted from the amortization of capitalized development costs (where the project satisfies the criteria laid down in IAS 38) or are recognized in income in proportion to the Research and Development costs expensed during the period on the aforementioned projects. The grants are invoiced to the relevant bodies following project reviews based on the milestones set out in the grant agreements.

Aid for Research and Development activities may also take the form of repayable advances. These advances are recognized as financial debts where the corresponding projects satisfy the criteria for the capitalization of Research and Development expenses or where it is likely that the advance will be repaid. Where the criteria are not satisfied, the accounting treatment of the repayable advances is in line with that used for grants received (recognition on a pro rata basis on the income statement as a reduction in Research and Development expenses).

2.4.23. General and administrative expenses

General and administrative expenses comprise the costs incurred by support functions less the portion allocated to production costs. These support functions are as follows: management, finance, human resources, legal, communications, quality and IT.

2.4.24. Solar power project development costs

Solar power project development costs are mainly composed of employee benefit and operating expenses of teams tasked with project development and finance structuring, in addition to expenses incurred selecting sites and obtaining permits and administrative authorizations.

2.4.25. Other operating income and expenses

This line item shows the effects of major events occurring during the accounting period that are liable to skew analyses of the Group's recurring performance. This includes a limited number of unusual, abnormal, infrequent or non-significant items of income and expense. This line item encompasses non-recurring restructuring costs, the impairment of non-current assets and goodwill and certain costs, including transaction costs, related to the acquisition of entities.

2.4.26. Net financial result

Net financial result comprises the cost of debt, dividends received from non-consolidated subsidiaries, changes in the fair value of financial assets excluding cash and derivatives not eligible for hedge accounting, gains and losses on the disposal of financial assets excluding cash, gains and losses on discounting and foreign exchange gains and losses on items not included in net financial debt.

2.4.27. Income tax and deferred taxes

Income tax expense represents the total amount of income tax payable by the various companies in the Group, adjusted for deferred tax. Income tax expense is recognized in income except where it relates to items directly recognized in equity. In this instance it is also recognized in equity.

Deferred tax is accounted for using the asset-liability method. The amount of tax expense calculated is, where appropriate, influenced by the change in the receivable or liability caused by the change in the corporate income tax rate from one year to the next (liability method of tax allocation).

With respect to its finance leases, the Group initially recognizes deferred tax for the net amount of the positive and negative temporary differences resulting from the initial recognition of the finance lease, recognizing any subsequent changes in income.

A deferred tax asset is recognized where the following conditions are satisfied:

- the entity has sufficient taxable temporary differences involving the same taxation authority and the same taxable entity, which will result in taxable amounts against which the unused tax credits or tax losses can be utilized before they expire;
- it is likely that the entity will have taxable profits before the unused tax credits or tax losses expire;
- unused tax losses result from identifiable causes that are unlikely to recur;
- tax planning opportunities are available to the entity that will generate taxable profit in the period in which the unused tax credits or tax losses can be utilized.

To the extent that it is unlikely that the entity will post taxable profit against which the unused tax credits or tax losses can be utilized, the deferred tax asset is not recognized.

2.4.28. Earnings per share

Earnings per share are calculated based on the weighted average number of shares depending on the date of issuance of shares during the financial year, less any treasury shares held. Diluted earnings per share are calculated using the treasury stock/share buy-back method, which incorporates in the denominator the number of shares potentially resulting from dilutive instruments (options), less the number of shares that may be bought back at market price using the funds raised from exercising the relevant instruments. The number of shares used to compute diluted earnings per share takes into account the weighted average number of ordinary shares outstanding during the period, adjusted for the impact of the potential ordinary shares that could be created from the exercise of the options, stock warrants and/or other financial instruments that may be converted into ordinary shares, where their impact is dilutive. Dilutive instruments are not factored into the calculation of diluted earnings per share where so doing would result in a reduction in the loss per share calculated on the basis of the average number of outstanding shares.

2.5. Significant estimates and judgments

The preparation of financial statements requires Group Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosures in certain notes as of the date of preparation of this financial information and the reported amounts of income and expenses for the financial year.

The judgments, estimates and assumptions made on the basis of information available at the reporting date of the financial statements primarily relate to:

2.5.1. Impairment of non-current assets and goodwill

Non-current assets and goodwill are tested for impairment annually at the reporting date or whenever there are indications of loss in value. The recoverable amount of the relevant assets is estimated. Goodwill is allocated to Cash Generating Units (CGU) or groups of CGU as defined in the section “impairment of non-current assets” under “significant accounting methods”. The recoverable amount of CGUs is generally estimated on the basis of the value in use. The value in use is determined using a discounted cash flow model, excluding the impact of restructuring programs not yet implemented or future investments that would increase the scope of the CGU being tested. The value in use calculation is sensitive to the discount rate, future cash flow estimate, timeframe and long-term growth rate used.

Due to the technological nature of the Group’s activity and the loss posted during the year, impairment testing has been performed at CGU level on assets other than goodwill and intangible assets with indefinite useful lives as at March 31, 2014. These impairment tests take into account long-term assets, including goodwill and intangible assets, and are based on cash flow projections per CGU.

• Electronics activity

For the Electronics business segment, the main assumptions used as at March 31, 2015 for each CGU tested are presented in the table below:

CGU	Value in use/ Market value	Duration	Research and development expenses	Long-term growth rate	Terminal value	Discount rate
Electronics 300 mm	Value in use	8 years	Limited to the maintenance of current technologies	N/A	Building	15%
Electronics small diameters	Value in use	8 years	Limited to the maintenance of current technologies	N/A	Building	15%
Electronics Equipment	Value in use	8 years	Limited to the maintenance of current technologies	N/A	N/A	15%

The net carrying value of the “Electronics 300mm”, “Electronics small diameters” and “Electronics Equipment” CGUs amounts to 166.8 million Euros and does not include any goodwill, which was fully impaired as at March 31, 2014. These CGUs’ cash flow projections take into account a product life of approximately 8 years, with a peak in activity in the fourth year. For forecasting purposes, only clearly identified products with established commercial perspectives have been taken into account. Products that have not reached the technical feasibility stage have not been considered. Similarly, research and development expenses corresponding to future developments have not been taken into account in the cash flow projections. No terminal value above the market value of the manufacturing site buildings has been used and the discount rate adopted is 15% (the same as for the year ended March 31, 2014).

The value in use calculation is not particularly sensitive to the discount rate given the relatively short useful lives of the products in question.

Based on the above calculations, the Group considers that no additional impairment of the non-current assets of these CGUs is necessary for the year ended March 31, 2015. Sensitivity analyses were performed and did not cast any doubt upon this conclusion. As a reminder, the goodwill resulting from the acquisition of Altatech (Electronics Equipment CGU) was fully impaired for an amount of 11.4 million Euros during the year ended March 31, 2014.

• Solar Energy Activity

During the year ended March 31, 2014 goodwill relating to the Solar Energy business segment was fully impaired for an amount of 19.3 million Euros, the shares held in the joint venture producing Relexite optical elements having been impaired for an amount of 12.6 million Euros.

Following the decision taken by the Group on January 19, 2015 to exit this business segment, the assets of the CGU dedicated to the production of photovoltaic modules, as well as assets dedicated to solar power projects, were tested for impairment as per IAS 36. If necessary, the remaining items for which no impairment was recognized, including assets held for sale or assets to be scrapped, have been depreciated on an accelerated basis over their revised useful life in accordance with IAS 16. In this particular case, accelerated depreciation is not material, as the impairment charge covers most of the assets’ book value.

In accordance with IFRS 5, the Solar Energy division's assets intended to be sold were classified as "Assets held for sale", immediately after impairment tests were carried out in accordance with IAS 36. The net book value of these assets has been reduced to the lower of their carrying value or estimated resale value less costs to sell.

Moreover, the expenditure required to completely withdraw from the Solar Energy activity has been estimated.

2.5.2. Valuation of options associated with employee stock option plans

The Group measures the cost of share-based payment transactions entered into with employees by reference to the fair value of the equity instruments at the date of grant. The fair value estimate uses the most appropriate valuation model in light of the terms and conditions of grant. This exercise also requires the use, as valuation model inputs, of the most appropriate measurement assumptions in terms of the option's life and volatility, and of the expected level of dividends.

2.5.3. Date of first capitalization of project-related expenses for designing, building and operating solar power plants

Expenses relating to projects involving the design, building and operating of solar power plants are capitalized when it is highly likely that the projects will be successful:

- Existence of a commitment by a third party to buy the installation or by an electricity producer to operate it ("power purchase agreement"),
- The project has been shown to be technically feasible and profitable.

Until these criteria are met, the Group records these expenses in the income statement under "Solar power project development costs". These expenses primarily consist of employee benefits, site selection costs and the cost of obtaining the necessary administrative operating permits. Where a site is purchased for a project but the capitalization criteria have not been met, it is recorded as an asset in the balance sheet at the lower of its acquisition price and fair value. Certain permits or rights, such as a grid connection option, may be capitalized where existing market prices can be used to substantiate the asset amount recognized in the balance sheet.

2.5.4. Impairment of inventories and doubtful debt

Inventory is estimated by taking into account obsolete or surplus items and net realizable value of finished goods. Provisions are recorded to cover the risk of uncollectible debt.

2.5.5. Measurement of provisions

Provisions for risks are recorded when the Group has a present obligation (contractual or implicit). In certain cases, Management must estimate potential risks.

2.5.6. Deferred tax assets

The Group has substantial deferred tax assets primarily associated with losses carried forward, which have been generated by certain consolidated companies or groups of companies. The Group only records deferred tax assets when it believes that the company or group of companies in question will be able to consistently generate taxable profits. Whether or not the Group will be able to generate taxable profits requires an assessment by Management.

3. Notes to the balance sheet

3.1. Segment information

As indicated in the note "Overview of the company and of the business activities", the Group operates in three business segments:

- the production and commercialization of substrates and components for use in the microelectronic industry (Electronics),
- the production and commercialization of concentrated photovoltaic modules, the performance, design and construction of turnkey solar projects and the operation of solar power plant installations (Solar Energy),
- the finalization of materials for use in the production of light emitting diodes (Lighting).

The EBITDA presented in the segment information table below represents Current operating income/(loss) (EBIT) before depreciation, amortization and non-cash share based compensation expenses. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of a company's ability to generate cash from its operations. The Group believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to net income / (loss) for the period, Operating income/(loss) or any other financial metric required by such accounting principles.

The segment information breaks down as follows:

Breakdown of consolidated income statement:

	March 31, 2015				
(in thousand Euros)	Electronics	Solar Energy	Lighting	" Corporate "	Total
Revenue	177,664	43,163	2,049	-	222,876
Gross margin	**26,301**	**(58,338)**	**1,272**	**-**	**(30,766)**
Research and development expenses, gross	(25,395)	(19,988)	(12,196)	(400)	(57,979)
Sales of prototypes and other revenue	5,277	-	261	57	5,595
Grants and repayable advances	7,134	3,370	2,944	63	13,511
Research and development expenses, net	**(12,984)**	**(16,618)**	**(8,991)**	**(280)**	**(38,873)**
Sales and marketing expenses	**(6,233)**	**(6,642)**	**(2,165)**	**-**	**(15,041)**
General and administrative expenses	**(10,036)**	**(9,702)**	**(317)**	**(9,614)**	**(29,670)**
Solar power project development costs	**-**	**(11,518)**	**-**	**-**	**(11,518)**
Current operating loss	**(2,951)**	**(102,819)**	**(10,202)**	**(9,894)**	**(125,867)**
Other operating income	2,344	4,713	-	-	7,057
Other operating expenses	(4,642)	(148,639)	(5,236)	-	(158,518)
EBIT	**(5,249)**	**(246,745)**	**(15,438)**	**(9,894)**	**(277,328)**
Impairment of shares accounted for under equity method	-	(4,713)	-	-	(4,713)
Impairment charges	524	113,966	1,940	-	116,430
Depreciation and amortization expenses	28,356	13,970	3,433	193	45,951
Provisions, net	545	52,345	2,777	-	55,667
Provision for retirement indemnities	476	(1,801)	-	-	(1,325)
Share-based payments	186	325	9	(53)	467
Profit / (loss) on disposals of assets	(3,324)	247	(1)	-	(3,078)
EBITDA	**21,515**	**(72,407)**	**(7,280)**	**(9,754)**	**(67,928)**

	March 31, 2014				
(in thousand Euros)	Electronics	Solar Energy	Lighting	" Corporate "	Total
Revenue	167,493	78,896	746	-	247,135
Gross margin	**505**	**(56,594)**	**390**	**-**	**(55,700)**
Research and development expenses, gross	(27,362)	(18,165)	(10,673)	(711)	(56,912)
Sales of prototypes and other revenue	6,725	-	463	189	7,377
Grants and repayable advances	13,521	1,989	5,621	-	21,131
Research and development expenses, net	**(7,116)**	**(16,176)**	**(4,589)**	**(522)**	**(28,404)**
Sales and marketing expenses	**(6,552)**	**(9,550)**	**(1,387)**	**-**	**(17,489)**
General and administrative expenses	**(13,241)**	**(8,204)**	**(239)**	**(10,933)**	**(32,618)**
Solar power project development costs	**-**	**(3,066)**	**-**	**-**	**(3,066)**
Current operating loss	**(26,402)**	**(93,590)**	**(5,825)**	**(11,456)**	**(137,276)**
Other operating income	2,659	-	-	-	2,659
Other operating expenses	(35,221)	(49,802)	-	-	(85,023)
EBIT	**(58,964)**	**(143,392)**	**(5,825)**	**(11,456)**	**(219,640)**
Impairment of shares accounted for under equity method	-	12,606	-	-	12,606
Impairment of goodwill	11,402	19,266	-	-	30,668
Change in repayable advances*	2,649	-	-	-	2,649
Impairment charges	10,555	15,680	-	-	26,235
Depreciation and amortization expenses	37,090	14,601	2,378	83	54,152
Provisions, net	6,359	8,675	-	-	15,034
Provision for retirement indemnities	795	-	-	-	795
Share-based payments	138	(320)	6	(852)	(1,028)
Profit / (loss) on disposals of assets	(633)	-	108	-	(525)
EBITDA	**9,391**	**(72,884)**	**(3,333)**	**(12,225)**	**(79,054)**

* The Group benefited from certain government grants for research and development projects. These grants may be repayable depending on the success of the projects. As at March 31, 2015, the Group revalued the corresponding liability based on the new business plan. The discounted liability amounted to 7.0 million Euros.

Breakdown of the balance sheet:

(in thousand Euros)	March 31, 2015				
	Electronics	Solar Energy	Lighting	" Corporate "	Total
Net intangible assets	11,068	-	-	1	11,069
Of which goodwill	-	-	-	-	-
Solar power projects	-	1,600	-	-	1,600
Property, plant and equipment, net	155,727	-	53	956	156,736
Investments in associates	-	-	-	-	-
Non-current assets (1)	**166,795**	**1,600**	**53**	**957**	**169,405**
Inventories	27,424	5,013	636	-	33,073
Trade receivables	41,672	1,693	447	-	43,812
Other current assets	12,650	5,409	835	-	18,894
Current assets (2)	**81,746**	**12,115**	**1,918**	**-**	**95,779**
Trade payables	46,947	5,199	132	-	52,279
Other current and non-current liabilities	59,682	36,232	5,531	-	101,444
Current and non-current liabilities (3)	**106,629**	**41,431**	**5,663**	**-**	**153,723**
Assets held for sale (a)	-	48,004	-	-	48,004
Liabilities held for sale (b)	-	122	-	-	122
Net assets held for sale * (4 = a - b)	**-**	**47,882**	**-**	**-**	**47,882**
Capital employed (1) + (2) - (3) + (4)	**141,912**	**20,166**	**(3,693)**	**957**	**159,343**

* For the purposes of the segment information, assets/ liabilities held for sale have not been grouped with current items.

Solar Energy assets and liabilities which have not been recognized as held for sale comprise assets that will be realized in the normal course of business (operating solar plants whose disposal is improbable at closing, recovery of deposits, sale of inventory to customers, collection of accounts receivable and other current receivables), or, inversely, payments to suppliers or other current payables.

(in thousand Euros)	March 31, 2014				
	Electronics	Solar Energy	Lighting	" Corporate "	Total
Net intangible assets	17,671	1,935	22	-	19,628
Of which goodwill	-	-	-	-	-
Solar power projects	-	15,428	-	-	15,428
Property, plant and equipment, net	154,737	101,012	25,061	-	280,810
Investments in associates	-	6,886	-	-	6,886
Non-current assets (1)	**172,408**	**125,261**	**25,083**	**-**	**322,752**
Inventories	24,293	34,332	141	-	58,766
Trade receivables	30,383	58,368	61	-	88,812
Solar power projects- current portion	-	-	-	-	-
Other current assets	15,608	7,072	86	-	22,766
Current assets (2)	**70,284**	**99,772**	**288**	**-**	**170,344**
Trade payables	30,672	15,122	177	-	45,972
Other current and non-current liabilities	43,693	14,022	3,583	-	61,298
Current and non-current liabilities (3)	**74,365**	**29,144**	**3,760**	**-**	**107,270**
Capital employed (1) + (2) - (3)	**168,327**	**195,889**	**21,610**	**-**	**385,826**

Breakdown of revenue

The revenue by sector and sub-sector breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Electronics 300mm CGU	44,559	59,248
Electronics Small diameters CGU	120,560	90,804
Electronics GaAs CGU	2,259	9,722
Electronics Equipment CGU	6,310	3,998
Royalties	3,976	3,721
Total Electronics	**177,664**	**167,493**
Total Solar Energy	**43,163**	**78,896**
Total Lighting	**2,049**	**746**
Total revenue	**222,876**	**247,135**

3.2. Intangible assets

Intangible assets break down as follows:

(in thousand Euros)	Gross value	Accumulated amortization	Impairment charges	Net book value
March 31, 2013	**133,721**	**(50,538)**	**(13,295)**	**69,889**
Goodwill –Electronics CGU	24,697	-	(24,697)	-
Goodwill – Solar Energy CGU	19,266	-	(19,266)	-
Capitalized development projects	3,710	(1,113)	-	2,597
Concessions, patents and other rights	22,262	(15,715)	-	6,547
Software	51,193	(41,439)	(15)	9,739
Solar power projects	6,516	(379)	(150)	5,987
Intangible assets in progress	745	-	-	745
March 31, 2014	**128,389**	**(58,645)**	**(44,128)**	**25,615**
Goodwill – Electronics CGU	24,697	-	(24,697)	-
Goodwill – Solar Energy CGU	19,266	-	(19,266)	-
Capitalized development projects	3,710	(1,484)	-	2,226
Concessions, patents and other rights	22,211	(18,466)	-	3,745
Software	55,450	(49,786)	(1,112)	4,552
Solar power projects	8,219	(491)	(7,728)	-
Other intangible assets	(321)	42	279	-
Intangible assets in progress	575	-	(30)	545
March 31, 2015	**133,808**	**(70,185)**	**(52,554)**	**11,068**

As at March 31, 2015, capitalized development projects with a gross value of 3,710 thousand Euros relate to a research project in the field of image sensors, which resulted in a license agreement to be amortized over the lease term.

Intangible assets in progress consist primarily of software for production equipment currently being installed as part of the development of the 300mm wafer production capacity for FD SOI technology.

During the year ended March 31, 2015, details of changes in net asset values by category is as follows:

(in thousand Euros)	Goodwill	Capitalized development projects	Concession, patents and other rights	Software	Solar power projects	Intangible assets in progress	Total
March 31, 2013	**30,668**	**2,968**	**10,016**	**14,297**	**10,851**	**1,089**	**69,889**
Transfers (gross value)	-	-	183	1,759	-	(1,942)	-
Reclassifications from/ to property, plant and equipment	-	-	-	101	(5,106)	-	(5,005)
Additions (gross value)	-	-	-	-	158	1,598	1,756
Capitalized solar power development projects	-	-	-	-	3,193	-	3,193
Exchange differences (net value)	-	-	-	(57)	(423)	-	(480)
Amortization expenses	-	(371)	(3,643)	(6,341)	(17)	-	(10,372)
Impairment charges	(30,668)	-	-	(23)	(2,670)	-	(33,361)
Disposals (net value)	-	(1)	(7)	-	-	-	(8)
March 31, 2014	**-**	**2,596**	**6,549**	**9,736**	**5,987**	**745**	**25,615**
Transfers (gross value)	-	-	-	965	-	(965)	-
Additions (gross value)	-	-	-	-	-	796	796
Change in scope (net value)	-	-	-	4	-	-	4
Exchange differences (net value)	-	-	-	46	592	-	638
Amortization expenses	-	(371)	(2,801)	(4,954)	(13)	-	(8,140)
Impairment charges	-	-	-	(1,231)	(6,566)	(30)	(7,827) *
Disposals (net value)	-	-	-	(18)	-	-	(18)
Assets held for sale (net value)	-	-	-	-	-	-	-
March 31, 2015	**-**	**2,226**	**3,745**	**4,552**	**-**	**545**	**11,068**

* This amount is recorded in other operating expenses (see note 4.4).

3.3. Property, plant and equipment

Property, plant and equipment break down as follows:

(in thousand Euros)	Gross value	Accumulated depreciation	Impairment charges	Net book value
March 31, 2013	**823,841**	**(447,940)**	**(29,886)**	**346,013**
Buildings*	260,027	(111,935)	(8)	148,084
Machinery and equipment*	501,860	(351,008)	(38,134)	112,717
Solar power projects*	17,554	(5,748)	(2,365)	9,441
Other property, plant and equipment*	21,897	(14,461)	(22)	7,414
Property, plant and equipment in progress*	15,908	-	(3,315)	12,593
March 31, 2014	**817,245**	**(483,150)**	**(43,844)**	**290,251**
Buildings*	291,551	(131,880)	(18,046)	141,625
Bulidings held for sale	(26,036)	565	-	(25,471)
Buildings*	265,514	(131,315)	(18,046)	116,154
Machinery and equipment*	554,878	(414,772)	(103,946)	36,160
Solar plant projects	19,839	(6,836)	(9,103)	3,900
Solar plant projects held for sale	(6,289)	2,888	1,100	(2,300)
Solar plant projects*	13,550	(3,948)	(8,003)	1,600
Other property, plant and equipment*	23,520	(16,842)	(5,489)	1,189
Property, plant and equipment in progress*	6,384	-	(3,152)	3,232
March 31, 2015	**863,847**	**(566,876)**	**(138,636)**	**158,336**

The main changes in the items “buildings” and “machinery and equipment” are related to the acquisition of Reflexite assets following Reflexite-Soitec’s takeover for an amount of 10.3 million Euros, the finalization of the commissioning of the plant and production lines of solar modules in San Diego for 13.6 million Euros, and the commissioning of equipment at the Bernin site designed to develop smart cell (thereafter written down following the Group’s decision to refocus on its core business) and LED production capacity, and 300mm wafer production capacity for FD SOI technology.

Moreover, the San Diego building and the two solar power plants have been reclassified in assets held for sale.

In addition, certain items of production equipment have been sold or scrapped, mainly at the Southern Paris, Bernin, Singapore and Freiburg sites, for a gross amount of 16.2 million Euros. The related gain on disposal amounted to 3,725 thousand Euros.

* Including assets financed through finance leases:

(in thousand Euros)	Gross value	Accumulated depreciation	Impairment charges	Net book value
March 31, 2013	**67,558**	**(45,731)**	**-**	**21,827**
Buildings	64,743	(47,568)	-	17,175
Other property, plant and equipment	39	(23)	-	16
March 31, 2014	**64,782**	**(47,591)**	**-**	**17,191**
Buildings	3,639	(993)	-	2,646
Machinery and equipment	28,236	(13,395)	(3,645)	11,196
Other property, plant and equipment	-	-	-	-
March 31, 2015	**31,918**	**(14,419)**	**(3,645)**	**13,854**

During the year ended March 31, 2015, the breakdown of the variations of net carrying amounts by asset type is as follows:

(in thousand Euros)	Buildings	Machinery and equipment	Solar power plant	Other	Property, plant and equipment in progress	Total
March 31, 2013	**152,036**	**116,089**	**5,433**	**8,577**	**63,877**	**346,013**
Items brought into service, gross	15,734	54,613	174	1,233	(71,754)	-
Reclassifications from/ to property, plant and equipment	(101)	-	5,106	-	-	5,005
Reclassifications between asset categories	(366)	(1,915)	56	389	1,836	-
Inventory reclassifications	-	-	4,608	-	-	4,608
Additions (gross value)	-	-	2,113	-	20,740	22,853
Change in scope (net value)	-	-	(5,026)	-	-	(5,026)
Exchange differences (net value)	(6,859)	(3,224)	(261)	(261)	(1,084)	(11,689)
Depreciation expenses	(12,362)	(28,377)	(543)	(2,498)	-	(43,780)
Impairment charges	-	(22,737)	(2,190)	-	(1,221)	(26,148)*
Disposals (net value)	-	(1,732)	-	(25)	200	(1,557)
March 31, 2014	**148,082**	**112,717**	**9,441**	**7,415**	**12,593**	**290,251**
Items brought into service, gross	711	13,991	-	369	(15,072)	-
Reclassifications between property, plant and equipment categories	(89)	68	-	-	20	-
Inventory reclassifications	-	-	255	-	-	255
Additions (gross value)	-	-	6	-	6,036	6,042
Change in scope (net value)	16	10,207	-	94	-	10,317**
Exchange differences (net value)	20,999	6,378	783	315	179	28,656
Depreciation expenses	(12,079)	(23,356)	(434)	(1,941)	-	(37,810)
Impairment charges	(16,016)	(81,471)	(6,152)	(5,063)	98	(108,604)*
Disposals (net value)	-	(2,375)	-	-	(624)	(2,999)
Assets held for sale	(25,471)	-	(2,300)	-	-	(27,771)
March 31, 2015	**116,153**	**36,160**	**1,600**	**1,189**	**3,232**	**158,336**

* These amounts are recorded in other operating expenses (see note 4.4).

** Impact of the takeover of Reflexite-Soitec Optical Technology (see note 2.3.1).

3.4. Value of non-current assets

Accelerated depreciation and write-off of tangible and intangible assets

The Group depreciated on an accelerated basis and impaired specific equipment to their recoverable value. These impairments mainly concern:

- The San Diego production line in the US: 61.4 million Euros
- Production equipment used for smart cells on the Bernin site: 19.7 million Euros
- The Solar Energy division's IT software and hardware: 1.1 million Euros
- The Freiburg production line in Germany: 8.3 million Euros
- Solar plants: 6.9 million Euros
- The Phoenix site's non-current assets in the US: 2.0 million Euros.

Impairment testing

As described in note 2.5.1, the Group performed impairment tests on the non-current assets of all CGUs as at March 31, 2015.

• Electronics business segment

The impairment tests performed for the September 31, 2014 half year closing had led to the conclusion that no impairment was necessary; the CGU's value in use remaining superior to the book value of its related assets.

These impairment tests have been updated for each of the three CGUs (Electronics 300 mm, Electronics small diameters, and Electronic Equipment, the CGU Electronic GaAs having been sold in the first half of 2014-2015), based on the updated business plan for the business segment.

The non-current assets of the CGUs are described in note 2.3.9. They consist mostly of cleanrooms and production equipment in Bernin (France) and Pasir Ris (Singapore), and patents relating to circuit transfer and equipment design activities.

To take into account uncertainties related to the short-term development of the activities, cash flows were estimated over a short timeframe (eight years), without using a terminal value above the market value of the manufacturing site buildings, and applying a discount rate of 15% (see note 2.5.1). The discounted cash flows are higher than the net carrying amount of non-current assets for each of the three CGUs remaining active. The tested net carrying amount was 166.8 million Euros (see note 3.1) as at March 31, 2015 (the sum of the assets associated with the three CGUs that make up the business segment). The Group therefore considered that no additional impairment was necessary with respect to the amounts recorded as at September 30, 2014.

• Solar Energy business segment

As with the Electronics business segment, the Group considered that there were indicators of impairment in the Solar Energy business segment at the September 30, 2014 half year closing and recorded an impairment charge of 14.0 million Euros. This corresponded to the delay in the development of the main solar plant construction project.

These impairment tests were updated at March 31, 2015. Assets were valued based on an estimation of their realizable value in the context of the exit from the activity (see note 2.5.1).

• **Lighting CGU**

Non-current assets are not material (53 thousand Euros) (see note 3.1).

3.5. Non-current financial assets

Non-current financial assets break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Investments accounted for under the equity method: RSOT *	-	12,607
Investments accounted for under the equity method: Touwsrivier (South Africa)**	-	6,886
Financial assets - Investments in associates	7,180	2,324
Loans and advances to the finance lessor – Bernin plant	-	40
Deposits	-	-
Restricted cash	231	700
Gross value	**7,412**	**22,557**
Impairment of investments in associates: RSOT*	-	(12,607)
Available for sale financial assets	(1,672)	(978)
Loans	-	(40)
Less: Provision for impairment of non-current financial assets	**(1,672)**	**(13,625)**
Non-current financial assets, net	**5,740**	**8,932**

* The investment in the joint venture RSOT, accounted for under the equity method, was fully impaired as at March 31, 2014. On June 10, 2014, the Group acquired the remaining shares held by Reflexite in the joint venture Reflextite-Soitec Optical Technology, also accounted for under the equity method. This new subsidiary was subsequently merged with Soitec Solar Industries in San Diego as at September 30, 2014.

** The investment in Touwsrivier is classified as an "asset held for sale" as at March 31, 215 (see note 3.12).

Under the finance lease for the Bernin plant, the Group granted an advance for a nominal amount of 5,430 thousand Euros to the lessee. This advance was repaid as the lessor received the corresponding grants and is fully settled as at March 31, 2015.

Financial assets- Investments held for sale break down as follows:

	March 31, 2015			March 31, 2014		
(in thousand Euros)	Gross value	Provisions	% held	Gross value	Provisions	% held
Cissoïd	340	(340)	3.09%	300	(300)	2.32%
Medgrid	600	(600)	6.66%	600	(600)	5.45%
Technocom2*	875	(144)	8.00%	500	(78)	8.00%
Exagan	6	-	15.00%	6	-	15.00%
Simgui**	4,441	-	3.89%	-	-	-
Suncoutim – Solar Energy***	918	(588)	19.99%	918	-	23.31%
Total available-for-sale financial assets	**7,180**	**(1,672)**		**2,324**	**(978)**	

The securities detailed above are classified in category 3 in accordance with the fair value hierarchy as per IFRS 7.

* By the end of the contract, the total amount of the investment will be 2,500 thousand Euros.

** The stake in SIMGUI totaling 4,441 thousand Euros was acquired as part of the partnership for the development of the production capacity of 200mm SOI wafers.

*** This investment is held by the German subsidiary Soitec Solar GmbH.

3.6. Other non-current assets

Other non-current assets break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Tax receivables	28,000	25,031
Prepayments to fixed assets suppliers	637	350
Deposits*	766	3,629
Other assets	-	-
Total other non-current assets	**29,403**	**29,010**
Advances and down payments	(441)	-
Less: Provision for impairment of other non-current assets	-	-
Less: Provision for impairment	(441)	29,010
Other non-current assets, net	**28,961**	**29,010**

The tax receivable of 28,000 thousand Euros as at March 31, 2015 corresponds to:

The non-current portion of the research tax credit for the calendar years 2012, 2013 and 2014 and the first quarter of 2015, for an amount of 25,926 thousand Euros (23,984 thousand Euros as at March 31, 2014);

The non-current portion of the competitive tax credit for the calendar years 2013 and 2014 and the first quarter of 2015, for an amount of 2,106 thousand Euros (1,048 thousand Euros as at March 31, 2014).

The total research tax credit receivable (current and non-current portion) amounts to 32,159 thousand Euros (32, 585 thousand Euros as at March 31, 2014).

3.7. Inventories

Inventories break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Raw materials	35,296	40,582
Work in progress	7,659	12,502
Finished goods	18,103	22,226
Total inventories	**61,057**	**75,311**
Less: Provision for inventory write-down	(27,984)	(16,544)
Inventories, net	**33,073**	**58,767**

During the year ended March 31, 2015, inventories decreased by 44% (-25,694 thousand Euros). The analysis per division shows opposing trends:

- Inventories for the Electronics division increased by 3,131 thousand Euros during the year. This can be explained by the increase in work in progress (+1,298 thousand Euros) and finished goods (+2,642 thousand Euros), partially offset by a decline in raw material inventory (-810 thousand Euros).
- Inventories for the Solar Energy division increased by 29,320 thousand Euros, of which 13,159 thousand Euros was due to impairment. This variation can be explained by the decrease in raw materials (-14,396 thousand Euros), work in progress (-3,459 thousand Euros) and finished goods (-11,465 thousand Euros). These results led directly to the decision to withdraw from the business segment.
- The Lighting division increased by 495 thousand Euros, which can be explained by an increase in finished goods (+569 thousand Euros), and a slight decline in raw materials (-74 thousand Euros).

3.8. Trade receivables

Trade receivables break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Trade receivables	49,015	91,803
Less: provision for impairment of trade receivables	(5,203)	(2,992)
Trade receivables, net	**43,812**	**88,811**

The variation in provisions for impairment of trade receivables breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Provision for impairment at beginning of year	**(2,992)**	**-**
Provision for impairment	(2,212)	(2,992)
Reversals of used provisions: uncollectible receivables	19	-
Reversals of unused provisions	-	-
Exchange differences	(18)	-
Provision for impairment at end of year	**(5,203)**	**(2,992)**

As at March 31, 2015, the provision for impairment amounting to 2,212 thousand Euros mainly comprises the Solar Energy business segment, notably: receivables relating to the sale of photovoltaic systems in Saudi Arabia (1,068 thousand Euros) and China (730 thousand Euros).

As at March 2014, a provision of 2,992 thousand Euros was recognized to take into account the risk of non-recovery of receivables relating to photovoltaic systems for a solar plant in Italy.

As at March 31, 2015, the aging analysis of trade receivables is as follows:

(in thousand Euros)	Total trade receivables	Not due and not impaired	<30 days	<30-60 days	<60-90 days	<90-120 days	>120 days
Gross value	**49,015**	42,399	884	263	105	2	5,362
Provision for impairment	**(5,203)**	-	-	(82)	(55)	-	(5,066)
Trade receivables, net	**43,812**	**42,399**	**884**	**181**	**50**	**2**	**296**

Aged receivable accounts were subject to a detailed review.

As at March 31, 2014, the aging analysis of trade receivables was as follows:

(in thousand Euros)	Total trade receivables	Not due and not impaired	<30 days	<30-60 days	<60-90 days	<90-120 days	>120 days
Gross value	**91,803**	85,853	1,677	77	126	30	4,040
Provision for impairment	**(2,992)**	-	-	-	-	(4)	(2,988)
Trade receivables, net	**88,811**	**85,853**	**1,677**	**77**	**126**	**26**	**1,052**

Aged receivable accounts were subject to a detailed review.

3.9. Other current assets

Other current assets break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Tax and social security receivables*	9,318	12,688
Prepaid expenses	1,243	1,400
Grants receivable**	1,382	2,738
Deposits	3,298	58
Prepayments	3,730	4,781
Other	1,596	1,101
Total current assets	**20,565**	**22,766**
Deposits and guarantees	(1,669)	-
Other	(2)	-
Less: provision for impairment of current assets	**(1,671)**	**22,766**
Current assets, net	**18,894**	**22,766**

* As at March 31, 2015, tax and social security receivables include a research tax credit amounting to 6,264 thousand Euros for the calendar year 2011.

** Operating grants receivable are as follows:

(in thousand Euros)	March 31, 2014	March 31, 2013
Operating grants receivable at beginning of year	**2,738**	**3,852**
Received during the year	(6,878)	(15,113)
Recognized as income	5,522	14,011
Exchange differences	-	(12)
Operating grants receivable at end of year	**1,382**	**2,738**

In accordance with IAS 20, research and development subsidies received are recorded as grants receivable when the financing agreements have been signed and administrative authorization has been obtained. They are recorded in the income statement proportionally to the research and development expenses recorded during the period and eligible for subsidized projects, after verifying that the grant conditions were respected. The grants are invoiced and recorded according to the milestones set out in the agreements.

3.10. Current financial assets

Current financial assets break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Loans	233	296
Accrued interest	23	49
Prepaid expenses	179	214
Deposits*	-	10,840
Restricted cash	1,609	1,000
Other financial assets**	-	3,657
Total current financial assets	**2,044**	**16,055**
Loans	(233)	(181)
Restricted cash	(500)	-
Total provision for impairment	**(733)**	**(181)**
Other current financial assets, net	**1,311**	**15,873**

* Deposits amounting to 10,840 thousand Euros as at March 31, 2014 comprised unavailable deposits which had been paid as part of the bond issuance intended to finance the Touwsrivier solar plant. As at March 31, 2015 these deposits have been reclassified as assets held for sale.

** As at March 31, 2014 other financial assets corresponded to interest payments related to the financing of the Touwsrivier solar power plant, invoiced by Soitec Solar RSA (3,608 thousand Euros as at March 31, 2014). These other financial assets are presented in loans held for sale as at March 31, 2015.

3.11. Cash and cash equivalents

Cash and cash equivalents break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Cash	22,911	44,728
Cash equivalents	-	-
Total cash and cash equivalents	**22,911**	**44,728**

Cash held in banks is principally denominated in US Dollars as at March 31, 2015, and in US Dollars, South African Rand and Euros as at March 31, 2014.

Since March 31, 2014, cash comprises interest-bearing accounts.

In order to determine if an investment is eligible to be classified as a cash equivalent, the Group complies with the AMF guidance issued on May 3, 2011 relating to the classification of UCITS money market funds as cash equivalents in accordance with IAS 7.

3.12. Assets and liabilities held for sale

(in thousand Euros)	March 31, 2015	March 31, 2014
Property, plant and equipment	25,471	-
Solar plant projects	2,300	-
Companies accounted for under the equity method	10,838	
Other non-current assets	618	-
Non current assets	**39,227**	**-**
Trade receivables	9,013	-
Other current assets	382	-
Current financial assets	**20,813**	**-**
Current assets	**30,208**	**-**
Total assets held for sale (1)	**69,435**	**-**
Long-term financial debt	16,730	-
Non-current liabilities	**16,730**	**-**
Trade payables	114	-
Provisions and other current payables	7	-
Current liabilities	**121**	**-**
Total liabilities held for sale (2)	**16,851**	**-**
Assets held for sale, net (1) - (2)	**52,584**	**-**

The line items “property, plant and equipment” and “long-term financial debt” correspond to the San Diego building.

The solar plants held for sale comprise the plants in Rians in France and in Poggio Santa Lucia in Italy. The other solar plants will either be operated so long as their sale is improbable and positive cash flows are being generated, or closed down.

The line item "companies accounted for under the equity method" includes CPV Power Plant n° 1 Ltd ("Touwsrivier") and CPV n° 1 Equity SPV Pty Ltd, located in South Africa, for which the Group holds 20% of shares accounted for under the equity method.

The line item "trade receivables" includes an amount of 8,947 thousand Euros resulting from the sale of the share in the Touwsrivier project.

Current financial assets comprise:

- the financing (principal and interest) agreed upon with one of the shareholders of the Touwsrivier plant (10,708 thousand Euros)
- a shareholder's current account corresponding to the Touwsrivier project in the related entity (366 thousand Euros)
- a security deposit related to the non-convertible bonds intended to partially finance the Touwsrivier solar plant (9,740 thousand Euros).

"Financial debt" includes the refinancing of the San Diego building.

3.13. Issued capital and reserves

3.13.1. Share capital and premium

As at March 31, 2015, the number of Company shares outstanding was 231,188,426. These are ordinary shares with a nominal value of 0.10 Euros per share.

(in number of shares)	March 31, 2015	March 31, 2014
Ordinary shares with a nominal value of 0.10 Euro	231,188 426	172,580 795

During 2014-2015 the share capital was increased by 5,861 thousand Euros to reach 23,119 thousand Euros by the end of March 2015 as detailed in the table below:

Date	Nature of the transaction	Ordinary shares issued and fully paid up (in number of shares)	Share capital	Share premium
			Increase (decrease) in thousand Euros	
March 31, 2013		**122,626 743**	**12,263**	**641,233**
May 25, 2013	Acquisition of free shares	582,040	58	-
July 23, 2013	Issuance of shares	49,283 512	4,928	66,533
December 13, 2013	Acquisition of free shares	88,500	9	-
	Share issuance expenses, net	-	-	(3,608)
March 31, 2014		**172,580 795**	**17,258**	**704,158**
June 5, 2014	Acquisition of free shares	561,695	56	-
June 12, 2014	Issuance of shares following the conversion of OCEANEs	150	-	1
July 22, 2014	Issuance of shares	51,942 792	5,194	77,914
February 3, 2015	Issuance of shares	6,000 000	600	4,622
March 10, 2015	Acquisition of free shares	99,200	10	-
March 10, 2015	Issuance of shares following the conversion of OCEANEs	3,794	-	30
	Share issuance expenses, net	**-**	**-**	**(4,666)**
March 31, 2015		**231,188 426**	**23,119**	**782,058**

In terms of the number of shares issued, share capital movements during the year ended March 31, 2015 can be summarized as follows:

Transaction	Number of shares issued
Exercise of warrants	-
ABSAAR issue	-
Share capital increase	57,942 792
Acquisition of free shares	660,895
Conversions on OCEANE	3,944
Total	**58,607 631**

The Group conducted six share capital increases during the year ended March 31, 2015 with the issuance of 57,942,792 new shares, the definitive acquisition of 660,895 free shares and the conversion of OCEANE into 3,944 shares, amounting to 88,427 thousand Euros, including a share premium of 82,566 thousand Euros (excluding issue costs).

External costs directly associated with these capital increases, netted against the premium, amount to 4,666 thousand Euros.

3.13.2. Treasury shares

As at March 31, 2015, the Company holds 111,451 treasury shares.

	March 31, 2015	March 31, 2014
Number of treasury shares	111,451	112,059
Gross value (in thousand Euros)	475	478
Unrealized gain / (loss) (in thousand Euros)	(377)	(233)

The gross value of these treasury shares along with any gains or losses on disposal is deducted from equity.

3.13.3. Other reserves

(in thousand Euros)	Revaluation difference	Actuarial gains (losses) on pensions and other post-retirement benefits	Gains and losses on treasury shares	Other	Exchange differences	Total
March 31, 2013	**705**	**(1,793)**	**1,023**	**(241)**	**9,042**	**8,736**
Variation for the year	-	168*	-	-	(5,827)	(5,659)
March 31, 2014	**705**	**(1,625)**	**1,023**	**(241)**	**3,215**	**3,077**
Variation for the year	-	353	-	-	(20,700)	(20,347)
March 31, 2015	**705**	**(1,272)**	**1,023**	**(241)**	**(17,485)**	**(17,270)**

* This amount includes 172 thousand Euros related to the recognition of past service cost in accordance with IAS 19 revised.

The variation in exchange differences of 20,700 thousand Euros includes the negative effect of 20,396 thousand Euros of exchange differences in the intergroup financing denominated in US Dollars granted by Soitec S.A. to its subsidiary in Singapore, deemed to be part of the Group's net investment in Singapore.

Actuarial gains on retirement benefit obligations are recognized in other reserves, with a corresponding reduction of the provision for employee retirement.

3.13.4. Dividends

Considering the loss from the previous period, the Board of Directors will propose allocating the loss to retained earnings and not paying dividends at the General Meeting of shareholders on July 9, 2015.

3.14. Share-based payments

3.14.1. Impact of share-based payments on the consolidated income statement

The expense recognized in income for the year ended March 31, 2015 totals 873 thousand Euros (1,631 thousand Euros for the year ended March 31, 2014). In accordance with IFRS 2, due to the failure to meet internal performance criteria based on sales, EBITDA, consolidated available cash and the completion of key stages in the Group's strategic plan, and due to departures before the end of the vesting period, a portion of the expense recognized during the year ended March 31, 2014 has been reversed for an amount of 406 thousand Euros (2,659 thousand Euros as at March 31, 2014).

3.14.2. Information on changes to stock option plans

No new plans were introduced during the financial year.

The following table summarizes the changes to the employee warrant and stock option plans:

	Shares (in number of shares)	Weighted average exercise price per share (in Euros)	Price range (in Euros)
March 31, 2013	**1,352 610**	**11.86**	**3.88 – 22.73**
After the share capital increase in July 2013*	1,396 960	11.48	3.71 – 17.81
Granted	-	-	-
Exercised	-	-	-
Expired	(474,200)	9.73	3.81 – 21.77
March 31, 2014	**922,760**	**12.39**	**3.71 – 17.81**
After the share capital increase in July 2014*	985,460	11.39	3.42 – 16.41
Granted	-	-	-
Exercised	-	-	-
Expired	(63,860)	3.64	3.42 – 3.86
March 31, 2015	**921,600**	**11.93**	**6.20 – 16.41**

* In accordance with the dispositions of article L.225-181 of the French commercial code and as a result of the capital increase maintaining the preferential right of subscription carried out by the Company during the year, the Company took the measures necessary to protect the interests of the beneficiaries of the options under the conditions set out in article L.228-99 of the same code, by adjusting the subscription conditions for Company shares.

3.14.3. Share-based payments

The tables below indicates the extent to which stock options and free shares had been distributed pursuant to those authorizations adopted at the Shareholders' Meetings held on July 10, 2003, July 1, 2005, July 6, 2006, July 7, 2009, June 24, 2011, July 3, 2012 and July 2, 2013 prior to the beginning of the financial year ended March 31, 2013. It also sets out the extent to which prior authorizations had been utilized.

3.14.4. Stock option plans (issued after November 7, 2002)

Date of Shareholders' meeting	10/07/03	10/07/03	10/07/03	10/07/03	10/07/03	01/07/05	01/07/05
Date of Board of Directors meeting	10/07/03	12/11/03	30/04/04	16/11/04	13/05/05	03/11/05	26/01/06
Number of shares	169,500	59,000	39,860	62,000	25,600	1,025,250	180,800
- Of which number of shares for corporate officers	-	-	-	-	-	100,000	-
- Of which number of shares for top ten employees	169,500	59,000	39,860	62,000	25,600	664,050	180,800
Number of beneficiaries	1	2	2	2	1	20	2
Start date for exercise of warrants	10/07/03	12/11/03	30/04/08	16/11/08	13/05/09	03/11/09	26/01/10
Expiration date	09/07/13	11/11/13	29/04/14	15/11/14	12/05/15	02/11/15	25/01/13
Number of shares subscribed	-	-	8,000	30,000	-	-	-
Number of shares cancelled	169,500	59,000	31,860	32,000	-	474,850	180,800
Number of outstanding shares	-	-	-	-	25,600	550,400	-
Subscription price per share (in Euros)	4.35	3.81	3.86	3.42	6.20	9.98	13.80
Share price at time of grant	4.38	5.12	4.50	4.78	9.08	13.13	21.17
Life	10	10	10	10	10	10	10
Expected dividend	-	-	-	-	-	-	-
Expected volatility	-	-	22.00%	22.00%	25.00%	44.04%	43.27%
Risk free rate	-	-	4.20%	3.82%	3.60%	3.60%	3.60%
Fair value of the option	-	-	1.09	1.35	3.20	5.80	11.11

Date of Shareholders' meeting	01/07/05	01/07/05	01/07/05	01/07/05
Date of Board of directors meeting	04/05/06	06/07/06	26/10/06	12/03/07
Number of shares	41,300	89,600	256,000	31,800
- Of which number of shares for corporate officers	-	-	-	-
- Of which number of shares for top ten employees	41,300	89,600	256,000	31,800
Number of beneficiaries	1	2	1	2
Start date for exercise of warrants	04/05/10	06/07/10	26/10/10	12/03/11
Expiration date	03/05/16	05/07/16	25/10/16	11/03/17
Number of shares subscribed	-	-	-	-
Number of shares cancelled	41,300	-	-	31,800
Number of outstanding shares	-	89,600	236,000	-
Subscription price per share (in Euros)	21.77	16.41	15.11	17.34
Share price at time of grant	27.52	23.37	18.70	17.86
Life	10	10	10	10
Expected dividend	-	-	-	-
Expected volatility	42.50%	49.70%	51.87%	51.87%
Risk free rate	3.81%	3.80%	3.87%	3.86%
Fair value of the option	12.32	11.83	9.01	8.09

3.14.5. Free shares

Free shares break down as follows:

Date of Shareholders' meeting	06/07/06	06/07/06	06/07/06	06/07/06	06/07/06
Date of Board of directors meeting	06/07/06	01/06/07	24/01/08	04/06/08	25/02/09
Number of shares	100,000	46,096	8,000**	129,297	30,000
- Of which number of shares for corporate officers	100,000	28,464	-	62,674	-
- Of which number of shares for top ten employees	-	17,632	8,000	66,623	30,000
Number of beneficiaries	1	6	1	9	1
Starting date to exercise options	06/07/06 - 05/07/08	01/06/07 - 31/05/09	24/01/08 - 23/01/10	04/06/08 - 03/06/10	25/02/09 - 24/02/11
Expiry date	06/07/08 - 05/07/10	01/06/09 - 31/05/11	24/01/10 - 23/01/12	04/06/10 - 03/06/12	25/02/11 - 24/02/13
Number of shares subscribed	100,000	38,115	8,000	129,297	30,000
Number of transferable shares	100,000	38,115	8,000	123,030	30,000
Number of nontransferable shares	-	-	-	6,267	-
Number of shares cancelled	-	7,981*	-	-	-
Number of outstanding shares	-	-	-	-	-
Subscription price per share (in Euros)	21.01	17.00	6.55	5.38	2.15

* Includes 7,981 shares cancelled following the departure of Mr. Pascal Mauberger on 21 February 2008.

** All these free shares were granted to Mr. Paul Boudre prior to his appointment as Chief Operating Officer.

Date of Shareholders' meeting	06/07/06	07/07/09	07/07/09	07/07/09	07/07/09
Date of Board of directors meeting	05/06/09	07/07/09	01/06/10	22/09/10	01/04/11
Number of shares	228,556	55,000	219,542	5,650	934,510
- Of which number of shares for corporate officers	145,683	-	105,611	-	418,100
- Of which number of shares for top ten employees	82,873	55,000	113,931	5,650	408,600
Number of beneficiaries	10	1	11	1	19
Starting date to exercise options	05/06/09 - 04/06/11	07/07/09 - 06/07/11	01/06/10 - 31/05/12	22/09/10 - 21/09/12	01/04/11 - 31/03/13
Expiry date	05/06/11 - 04/06/13	07/07/11 - 06/07/13	01/06/12 - 31/05/14	22/09/12 - 21/09/14	01/04/13 - 31/03/15
Number of shares subscribed	216,403	55,000	184,452	5,650	582,040
Number of transferable shares	-	-	-	-	-
Number of nontransferable shares	14,568	-	8,470	-	27,260
Number of shares cancelled	12,153	-	35,090	-	352,470
Number of outstanding shares	-	-	-	-	-
Subscription price per share (in Euros)	5.00	5.24	7.64	7.36	10.72

Date of Shareholders' meeting	07/07/09	24/06/11	24/06/11	24/06/11	24/06/11
Date of Board of directors meeting	01/04/11	13/12/11	13/12/11	04/06/12	04/06/12
Number of shares	300,920	138,500	32,000	946,697	276,760
- Of which number of shares for corporate officers	-	-	-	217,457	-
- Of which number of shares for top ten employees	300,920	138,500	32,000	422,440	84,960
Number of beneficiaries	13	2	2	21	10
Acquisition period	01/04/11 - 31/03/15	13/12/11 - 12/12/13	13/12/11 - 12/12/15	04/06/12 - 03/06/14	04/06/12 - 03/06/16
Holding period		13/12/13 - 12/12/15		04/06/14 - 03/06/16	
Number of shares subscribed	-	88,500	-	561,694	-
Number of transferable shares	-	-	-	-	-
Number of nontransferable shares	-	-	-	-	-
Number of shares cancelled	128,120	50,000	-	385,003	81,560
Number of outstanding shares	172,800	-	32,000	834,597	195,200
Subscription price per share (in Euros)	10.72	3.73	3.73	2.61	2.61

Date of Shareholders' meeting	03/07/12	03/07/12	02/07/13	02/07/13
Date of Board of directors meeting	07/03/13	07/03/13	06/03/14	06/03/14
Number of shares	99,200	179,500	147,200	128,000
- Of which number of shares for corporate officers	-	-	-	-
- Of which number of shares for top ten employees	99,200	179,500	147,200	128,000
Number of beneficiaries	1	2	2	1
Acquisition period	07/03/13 - 06/03/15	07/03/13 - 06/03/17	06/03/14 - 05/03/16	06/03/14 - 05/03/18
Holding period	07/03/15 - 06/03/17		06/03/16 - 05/03/18	
Number of shares subscribed	99,200	-	-	-
Number of transferable shares	-	-	-	-
Number of nontransferable shares	-	-	-	-
Number of shares cancelled	-	179,500	-	-
Number of outstanding shares	-	-	147,200	128,000
Share price at time of grant	2.89	2.89	2.34	2.34

3.15. Borrowings and financial debt

Borrowings and financial debt break down as follows:

Current (in thousand Euros)	Effective interest rate (%)	Currency	Repayment date	March 31, 2015	March 31, 2014
Finance leases:					
Core equipment and machinery	7.04%	EUR	2018	2,959	3,484
Furnishings and other equipment	1.35%	JPY	2016	7	6
Borrowings:					
Bonds: OCEANE 2014 (principal)	6.25%	EUR	2014	-	81,112
Bonds: OCEANE 2014 (accrued interest)	6.25%	EUR	2014	-	2,892
Bonds: OCEANE 2018 (accrued interest)	6.75%	EUR	2015	229	229
Bank loans	2.34%- 4.30%	EUR	2015	-	509
Loans from financial institutions	2.73%- 2.77%	USD	2016	2,392	-
Other borrowings and financial liabilities:					
Repayable advances	-	EUR	2015-2016	1,170	28
Derivative financial instruments	-	USD	-	-	-
Accounts payable	-	EUR	2015-2016	190	190
Accounts payable	-	ZAR	2015-2016	172	-
Bank overdrafts	-	EUR	-	-	-
Credit lines (principal)	0.59%- 1.43%	EUR	2016	42,087	49,497
Credit lines (interest)	0.59%- 1.39%	EUR	2016	99	102
Other financial liabilities*	-	EUR	2016	150	150
Current financial liabilities				**49,455**	**138,200**

Non-current (in thousand Euros)	Effective interest rate (%)	Currency	Repayment date	March 31, 2015	March 31, 2014
Finance leases:					
Core equipment and machinery	7.04%	EUR	2017	6,488	-
Furnishings and other equipment	1.35%	JPY	2016-2018	10	15
Borrowings:					
Bonds: OCEANE 2018	6.75%	EUR	2018	90,623	87,662
Bank loans	-	EUR	-	-	-
Loan with financial institutions	2.73% -2.77%	USD	2016	1947	13,055
Other borrowings and financial liabilities:					
Repayable advances	-	EUR	2017-2024	10,869	6,939
Credit lines	0.59%- 1.39%	EUR	2016-2018	13,616	11,050
Derivative financial instruments	-	-	-	-	-
Other financial liabilities	-	USD	-	-	-
Non-current financial liabilities				**123,552**	**118,721**

* This amount relates to Medgrid shares subscribed to by Soitec S.A. for 150 thousand Euros and not paid up as at March 31, 2014 and 2015.

On September 9, 2009, Soitec S.A. issued bonds convertible into and/or exchangeable for new or existing shares (OCEANE) for a nominal amount of 145 million Euros. The 16,959,065 bonds issued will mature on September 9, 2014 and carry interest at an annual nominal rate of 6.25%. The issue price was 8.55 Euros per bond. Holders may convert their bonds into shares at any time after September 9, 2009 on a one-for-one basis. In addition, from September 9, 2012, Soitec S.A. may elect to redeem the OCEANE bonds ahead of their maturity date at par value plus accrued interest if the share price exceeds 130% of the nominal value of the bonds.

On September 18, 2013, the Group early repaid 7,249,260 2014 OCEANE for a total amount of 62.0 million Euros.

On September 9, 2014, at its maturity, the Group repaid its 2014 OCEANE bond.

On September 18, 2014, the Group issued new OCEANE convertible bonds for a nominal amount of 103.2 million Euros. The 40,000,000 issued bonds mature on September 18, 2018 and bear interest at a nominal annual rate of 6.75% payable on a half-yearly basis, on March 18 and September 18 every year. The issue price per bond amounted to 2.58 Euros. The bonds may be subject to optional early redemption by the Group under certain conditions.

In accordance with IAS 39, the fair value of the OCEANE convertible bonds was recognized through two separate components:

- the debt component, which was calculated using a market interest rate for an equivalent non-convertible bond. It was recognized at an amortized cost of 86,182 thousand Euros net of its portion of issuance costs. The estimated effective interest rate of the debt is 10.46.
- the conversion option component, calculated as the difference between the fair value of the OCEANE convertible bond and the debt component. It was recognized separately in equity for 13,161 thousand Euros net of its portion of issuance costs. This amount will remain fixed until the bonds are converted, exchanged or redeemed, barring a change in their estimated life.

The Group entered into a new finance lease agreement in October 2014, relating to production equipment. The contract for an amount of 11,000 thousand Euros has been agreed for a duration of 3 years, bearing interest at 7.04%

Bank loans

Moratoria were negotiated on bank loans as part of the conciliation protocol agreed by the Grenoble Commercial Court on May 5, 2015. The bank loans' maturity has been postponed until November 30, 2019. As at March 31, 2015, the last day of the fiscal year, the negotiations with the lenders were ongoing. Credit lines for which no formal agreement had been reached to allow maturity to be postponed by 12 months, are presented under current financial liabilities (37,200 thousand Euros).

Loans from other financial institutions

Loans from other financial institutions are repayable on a monthly basis until 2016.

Repayment schedule

The loan repayment schedule breaks down as follows:

	March 31, 2015				
(in thousand Euros)	<1year	1 to 5 years	> 5years	Total	March 31, 2014
Finance leases:					
Real estate finance leases	-	-	-	-	3,484
Equipment finance leases	2,966	6,498	-	9,464	21
Borrowings:					
Bonds: OCEANE 2014	-	-	-	-	84,004
Bonds: OCEANE 2018	229	90,623	-	90,852	87,891
Bank loans	-	-	-	-	509
Loans from other financial institutions	2,392	1,947	-	4,339	13,055
Other borrowings and financial liabilities:					
Repayable advances	1,170	2,876	7,993	12,039	6,967
Accounts payable	362	-	-	362	190
Derivative financial instruments	-	-	-	-	-
Credit lines	42,186	13,616	-	55,802	60,650
Bank overdraft	-	-	-	-	-
Other financial liabilities	150	-	-	150*	150*
Borrowings and financial liabilities	**49,455**	**115,560**	**7,993**	**173,007**	**256,921**

* As at March 31, 2014 and 2015 this amount relates to Medgrid shares subscribed to by Soitec S.A. for 150 thousand Euros and not paid up.

The repayment schedule above does not take into account the postponement of bank credit lines to November 30, 2019, which was obtained post-closing (note 2.2).

3.16. Provisions and other non-current liabilities

Provisions and other non-current liabilities break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Deferred income	10,416	10,024
Deposits and guarantees	67	236
Other debtors	9	236
Non-current liabilities	**10,493**	**10,260**
Provisions for other liabilities and charges	7,050	8,098
Provisions and other non-current liabilities	**17,543**	**18,358**

As at March 31, 2015, deferred income mainly related to:

- The prepayment on a license agreement signed in March 2011 in the field of image sensors, for a total amount of 3,913 thousand Euros, split into a non-current portion for 3,261 thousand Euros and a current portion for 652 thousand Euros.
- The prepayment on a license agreement signed in March 2013 in the field of III-V materials in the light-emitting diodes market, for a total amount of 2,023 thousand Euros, split into a non-current portion for 1,770 thousand Euros and a current portion for 253 thousand Euros.
- The prepayment on a license agreement signed in May 2014 in the radio frequency and power applications field, for a total amount of 6,213 thousand Euros, split into a non-current portion for 5,385 thousand Euros and a current portion for 828 thousand Euros.
- Moreover, the decision was made not to continue development efforts made by the partner with whom a license agreement had been negotiated in January 2013 in the III-V materials field, for a total amount of 762 thousand Euros recognized under deferred income in March 2014. This was formerly split into a non-current portion for 605 thousand Euros and a current portion for 158 thousand Euros. The Group no longer has any obligation relating to this license agreement.

Provisions for other non-current liabilities and charges are principally composed of provisions for retirement obligations amounting to 4,719 thousand Euros.

Variations in provisions for other liabilities and charges

Provisions for other liabilities and charges break down as follows:

(in thousand Euros)	March 31, 2014	Allocation of the year	Reversal (used)	Reversal (unused)	Exchange differences	Reclassification	March 31, 2015
Current provisions:							
Litigation	4,371	527	(1,211)	(839)	-	-	2,847
Restructuring	4,718	34,262	(5,364)	(50)	2,252	327	36,146
Other liabilities	248	-	(275)	-	26	-	-
Total	**9,337**	**34,789**	**(6,850)**	**(889)**	**2,278**	**327**	**38,993**
Non-current provisions:							
Retirement obligations	6,225	945	(17)	(2,089)	7	(353)	4,719
Litigation	-	-	-	-	-	-	-
Warranty	1,136	263	(44)	(77)	79	-	1,356
Restructuring	737	565	-	-	-	(327)	975
Other liabilities	-	-	-	-	-	-	-
Total	**8,098**	**1,773**	**(61)**	**(2,166)**	**86**	**(353)**	**7,050**

Provisions for litigation are composed of various amounts linked to legal proceedings related to employee arbitration, commercial or tax issues. The review of ongoing litigation is presented in note 5.3. The main variation for the period corresponds to the reversal of a provision for 828 thousand Euros subsequent to the receipt and settlement of a tax notice regarding Soitec SA's real estate and organic contributions in the amount of 376 thousand Euros.

The provision for retirement indemnities has been subject to a reversal of 2,030 thousand Euros. This amount includes:

- 229 thousand Euros for the reversal of the provision relating to Soitec Specialty Electronics employees, as the business was sold during the first half of 2014-2015.
- 1,801 thousand Euros for the reversal of provisions for retirement obligations relating to employees whose departure is in line with the restructuring plan implemented in the Solar Energy business unit.

These amounts are recognized in other operating income and expenses (see note 4.4).

Provision for restructuring (current and non-current) are detailed below:

(in thousands of Euros)	March 31, 2014	Allocation for the year	Reversal (used)	Reversal (unused)	Exchange differences	Reclassification	March 31, 2015
2012-2013 and 2013-2014 departure plans	3,394	191	(3,096)	-	-	-	489
2012-2013 and 2013-2014 production equipment cessation costs	708	-	(97)	-	-	-	611
Departure plan related to the restructuring of the Solar Energy division	-	2,056	-	-	-	-	2,056
Rent owed for Paris offices	-	676	-	-	-	-	676
Bernin	**4,102**	**2,923**	**(3,193)**	**-**	**-**	**-**	**3,832**
Employee departures	-	3,092	(1,493)	-	-	-	1,599
Dismantling and restoration of site	-	777	(473)	-	-	-	304
Villejust	**-**	**3,869**	**(1,966)**	**-**	**-**	**-**	**5,462**
Employee departures	50	5,462	-	(50)	-	-	5,249
Dismantling of solar plants (excluding US)	-	2,584	-	-	-	-	2,584
Operating loss	-	2,080	-	-	-	-	2,080
Third party compensation	-	1,890	-	-	-	-	1,890
Rent owed – non-current portion	737	565	-	-	-	(327)	975
Rent owed – current portion	-	380	(163)	-	-	327	544
Freiburg	**787**	**12,962**	**(163)**	**(50)**	**-**	**-**	**13,536**
Site dismantling and production cessation costs	565	2	(42)	-	153	-	679
Singapore	**565**	**2**	**(42)**	**-**	**153**	**-**	**679**
Employee departures	-	910	-	-	146	-	1,056
Rent owed	-	1,139	-	-	183	-	1,322
Dismantling and restoration of site	-	620	-	-	99	-	719
Phoenix	**-**	**2,668**	**-**	**-**	**429**	**-**	**3,097**
Employee departures	-	790	-	-	127		917
Operating loss	-	9,016	-	-	1,449		10,465
Dismantling of solar plants in US	-	602	-	-	97		699
San Diego	**-**	**10,408**	**-**	**-**	**1,673**		**12,081**
Employee departures	-	1,995	-	-	(3)	-	1,992
Other sites	**-**	**1,995**	**-**	**-**	**(3)**	**-**	**1,992**
Total current and non-current	**5,455**	**34,827**	**(5,364)**	**(50)**	**2,252**	**-**	**37,121**

The provision for retirement indemnities is detailed in note 5.1.

3.17. Trade payables

Trade payables break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Trade payables	**52,279**	**45,972**

Trade payables increased by 6,307 thousand Euros during 2014-2015. This can be explained by an increase of 16,275 thousand Euros in the Electronics division's trade payables partly relating to the debt rescheduling granted by two of the Group's strategic partners, and a strong decline in the Solar Energy division (-9,923 thousand Euros) which can be explained by the exit from the activity.

3.18. Provisions and other current liabilities

Provisions and other current liabilities:

(in thousand Euros)	March 31, 2015	March 31, 2014
Customer advances/ prepaid income	13,975	5,648
Suppliers	2,423	4,224
Tax and social security liabilities	23,843	21,794
Deferred income	2,532	1,329
Other	2,137	609
Other liabilities	**44,910**	**33,603**
Provisions	38,993	9,337
Provisions and other current liabilities	**83,902**	**42,940**

Provisions are detailed in note 3.16.

The line item "Suppliers" has decreased significantly due to the decline in the Group's investment activities.

4. Notes to the income statement

4.1. Employee costs

Employee benefit expenses break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Wages and salaries, including social security costs*	(94,982)	(104,002)
Tax credit for competitiveness and employment	1,041	1,048
Pension costs	(921)	(1,458)
Share-based payments	(467)	1,028
Total employee costs	**(95,329)**	**(103,384)**

* Employee costs presented also include incentive schemes.

The reduction in payroll of 8,055 thousand Euros is mainly related to:

- a reduction in wages and salaries, including social security costs, for 9,020 thousand Euros,
- the stability in tax credit for competitiveness and employment stable (-7 thousand Euros),
- a positive impact in share-based payments for 1,495 thousand Euros, (see 3.14.1) and
- an increase in pension costs for 537 thousand Euros.

An analysis by division of the decrease of 9,020 thousand Euros in wages and salaries shows opposing trends:

- The wages and salaries in the Electronics division decreased by 6,389 thousand Euros. The Singapore site Pasir Ris was closed during the first half of 2013-2014. A voluntary departure plan was initiated in the second half of 2013-2014 concerning 10% of the workforce of Bernin, and, the sale of Soitec Speciality Electronics in the first half of 2014-2015 leading to the complete closure of the Villejust Paris site. These three measures had an impact of 2,491 thousand Euros on the Singapore site, 1,861 thousand Euros on the Bernin site and 1,609 on the Villejust site.
- The Solar Energy division contributed 2,583 thousand Euros to the reduction in employee costs. The German site Freiburg implemented a departure plan concerning 40% of its workforce during the second half of 2013-2014: this measure resulted in a workforce reduction amounting to 3,167 thousand Euros during 2014-2015. This decline is partially offset by the development of the San Diego site in the US, where the workforce increased by 237 thousand Euros, mainly from the addition of certain employees from the Reflexite Optical Soitec Technology joint venture.
- Wages and salaries for the Lighting division increased by 778 thousand Euros.
- Wages and salaries for the Corporate division decreased by 826 thousand Euros.

The Group's average number of staff measured on a full time equivalent basis is as follows:

(full-time equivalent basis)	March 31, 2015	March 31, 2014
Production	757	900
Research and development	226	244
Sales and marketing expenses	58	68
Management and administrative staff	205	246
Total number of employees on a full-time equivalent basis	**1,246**	**1,458**

4.2. Research and development expenses

Research and development expenses break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Gross research and development operating expenses	**(57,979)**	**(57,133)**
Sales of prototypes	5,589	7,377
Research and Development grants recognized in income	4,957	13,397
Repayable advances recognized in income	-	-
Research tax credit	8,554	7,734
Other revenue	6	222
Total revenue net of operating expenses	**19,106**	**28,730**
Net total research and development operating expenses	**(38,873)**	**(28,404)**

Gross Research and Development expenses mainly consist of research expenses and are recognized in the income statement. The Group has defined an eight-stage life cycle for Research and Development projects. Upon the completion of each stage a decision is made to either continue or discontinue the project. The first five steps cover exploratory research (evaluation of technologies), while the following two phases correspond to the development of a product, generally in conjunction with a potential customer. The final stage is the high-volume industrialization of the product. The costs incurred during the exploratory research phases are expensed under research costs. Development expenses are incurred over a relatively short period and are generally not material. Finally, the costs incurred in the industrialization phase are recognized in the cost of sales. The research and development operating expenses remained stable in relation to the previous year (increase of 1.5%). This stability leads to the decline in Electronics expenses being offset by an increase in the Solar Energy business (development of the solar cell) and the Lighting business (equipment advanced for LED manufacture).

Sales of prototypes have decreased substantially by 25% compared to the previous financial year, due to new SOI 200mm products intended for the radio frequency market and FD-SOI products intended for 28nm technological nodes reaching maturity.

Government funding for research recorded during the year ended March 31, 2015 mainly corresponds to three "Invest for the Future" (Investissements d'Avenir) programs: "Exact" (for advanced digital material), "Bright" (substrates for new generations of light-emitting diodes) and "Guepard" (solar cells), the first two either reaching or having reached maturity.

The research tax credit recognized is impacted by the amount of government grants received during a calendar year and may therefore vary significantly from one year to the next. Thus, the increase in the research tax credit for the year ended March 31, 2015 reflects two developments from the year, a decline in the grants received during the fiscal year and an increase in the eligible costs.

4.3. Depreciation and amortization included in the consolidated income statement

The depreciation and amortization expense in the income statement breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Cost of sales	(34,634)	(47,261)
Research and development expenses	(10,031)	(5,445)
Marketing expenses	(52)	(110)
Solar power project development costs	(25)	(14)
Administrative expenses	(1,207)	(1,322)
Total depreciation and amortization	**(45,950)**	**(54,152)**

4.4. Other operating income and expenses

Other operating income and expense in the income statement breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Other operating income:		
Profit from the sale of Soitec Specialty Electronics	2,344	-
Effect of the acquisition of shares in the JV Reflexite-Soitec Optical Technology	4,713	-
Reversal of asset write-down	-	2,660
Total other operating income	**7,057**	**2,660**
Other operating expenses:		
Impairment loss – production of photovoltaic modules	(15,013)	-
Net cost of the Solar Energy division restructuring following the January 19, 2015 decision	(138,862)	-
Electronics division restructuring	**(4,117)**	**(8,379)**
Impairment of goodwill	-	(30,668)
Impairment of investments accounted for under the equity method	-	(12,606)
Impairment of non-current assets	(526)	(2,699)
Changes in repayable advances	-	(2,649)
Write-downs of assets	-	(23,031)
Other provisions on current assets	-	(4,991)
Total other operating expenses	**(158,518)**	**(85,023)**
Non-current expense	**(151,461)**	**(82,363)**

Three main events resulted in the recognition of a non-current expense of 151,461 thousand Euros during the year ended March 31, 2015 (82,363 thousand Euros for the year ended March 31, 2014):

- Regarding the Electronics business segment, the termination of the Soitec Speciality Electronics business (gallium arsenide substrates produced on the South Paris site) during the first half of 2014-2015 resulted in:
  - a gain on the sale of assets recognized during the first 6 months of 2014-2015 for an amount of 2,344 thousand Euros.
  - the recognition of a provision for restructuring (employee departure costs, industrial site closure costs) for an amount of 4,346 thousand Euros, partially offsetting the reversal of a provision for retirement indemnities for 229 thousand Euros, i.e. a net charge of 4,117 thousand Euros.
- Regarding the Solar Energy business segment, during the first half of 2014-2015:
  - the purchase by the Group of the 51% held by the majority shareholder in the joint venture involved in the production of optical components of photovoltaic units (Reflexite-Soitec Optical Technology) is shown by a non-current net income of 4,713 thousand Euros, corresponding to the reevaluation, based on the price paid, of the share formerly held in the entity.
  - as a result of the delay in the development of the major solar plant construction project, the Group considered that there was an indication of impairment and updated the impairment testing of the CGU “Solar manufacturing activities” as at September 30, 2014. Subsequently a charge amounting to 15,013 thousand Euros was recorded so as reduce the net book value to the realizable value.
- As per the press release dated January 19, 2015 the Group announced that it would be withdrawing from the Solar Energy activity so as to focus its activities on the Electronics business. The Group therefore implemented numerous restructuring plans which have had the following effect:

Net cost of the Solar Energy division restructuring following the January 19, 2015 decision:	
Impairment of non-current assets	99,468
Impairment of current assets	4,334
Provision for ongoing loss-making contracts	13,395
Provision for the dismantling of solar power plants	4,002
Provisions for commitments towards suppliers	3,536
Provisions for redundancies	11,184
Provision for rental charges due	2,943
Total	**138,862**

  - the recognition of an impairment for 99,468 thousand Euros for the current and non-current assets related to the Solar Energy business. The production sites affected are San Diego in the US for an amount of 61,368, Bernin in France for an amount of 20,855 thousand Euros, Freiburg in Germany for an amount of 8,353 thousand Euros and Phoenix in the US for an amount of 2,038 thousand Euros. Solar plants have seen an impact of 4,834 thousand Euros in the US and 2,020 thousand Euros in Europe;
  - the recognition of the impairment of current assets for a total amount of 4,334 thousand Euros. This amount is divided between: the provision for the receivable relating to the minority shareholder of Touwsrivier in South Africa for an amount of 3,355 thousand Euros, the partial impairment of deposits relating to solar plant projects in the US for 704 thousand Euros and inventory for 275 thousand Euros;

- the recognition of provisions for on-going loss-making contracts for 13,395 thousand Euros relating to the San Diego sites in the US (10,465 thousand Euros), Freiburg in Germany (2,080 thousand Euros) and Cape Town in South Africa (850 thousand Euros), insomuch as the Group has a commitment to follow through on these contracts;
- the recognition of additional provisions for the dismantling of solar power plants in Europe (2,584 thousand Euros) and in the US (699 thousand Euros), as well as research and development facility located in Phoenix in the US (719 thousand Euros);
- the recognition of provisions for commitments towards suppliers for an amount of 4,002 thousand Euros, including non-cancellable purchase orders for a total of 3,536 thousand Euros relating to Freiburg sites in Germany (1,891 thousand Euros), San Diego in the US (1,630 thousand Euros) and Durban in South Africa (15 thousand Euros);
- the recognition of provisions for redundancies for 12,985 thousand Euros, offset by the reversal of the provision for retirement indemnities for 1,801 thousand Euros, i.e. 11,184 thousand Euros net;
- the recognition of an additional provision for 2,943 thousand Euros for rental charges due to landlords on the basis of contractual obligations for the sites in Phoenix in the US (1,322 thousand Euros), Freiburg in Germany (945 thousand Euros), Paris (676 thousand Euros) and a provision for the rental charges due relating to the production activity which was already established as at March 31, 2014.

As mentioned in note 3.12, the exchange difference arising from the translation of foreign entity operations is, in accordance with IFRS, recognized as a separate component of equity, namely "Exchange gains (losses) on translation of foreign operations". These comprehensive income items are recycled to the income statement. Under IFRS, this recycling occurs only when the assets are derecognized, whether or not any previous impairment existed. As at March 31, 2015, the translation adjustment recognized in equity relating to Solar Energy companies amounted to 7,434 thousand Euros. They will be recycled to profit/ loss upon liquidation of the companies concerned.

4.5. Financial income

Financial income breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Net gain on the disposal of marketable securities	-	-
Interest received on financial investments	27	6,954
Other interest and related income	2,498	17,845
Financial income	**2,525**	**24,799**
Foreign exchange gains	38,647	12,891
Total financial income	**41,172**	**37,690**

Other interest and related income mainly comprises:

- financial interest invoiced to one of the Touwsrivier shareholders for 1,760 thousand Euros (16,005 thousand Euros as at March 31, 2014),
- and interest received on interest-bearing current accounts for 725 thousand Euros (714 thousand Euros as at March 31, 2014).

4.6. Financial expense

Financial expense breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Interest on borrowings and bank overdrafts	(2,186)	(915)
Interest on lease purchases	(315)	(97)
Interest on 2014 and 2018 OCEANE	(14,145)	(19,940)
Interest on 2029 non-convertible bonds: South Africa	-	(6,834)
Net loss on disposal of cash investment: South Africa	-	(3,822)
Unrealized loss on cash investment: South Africa	-	(1,478)
Impairment of financial assets- Investments in associates	(694)	(278)
Other interest and related expense*	(2,949)	(1,171)
Financial expense	**(20,290)**	**(34,535)**
Foreign exchange losses	(1,188)	(19,815)
Total financial expense	**(21,478)**	**(54,350)**

* This amount includes the partial impairment of a financial deposit for 1,082 thousand Euros, the impact of the unwinding of the discounting effect of the provision for retirement indemnities for 165 thousand Euros and bank fees for 298 thousand Euros.

As the Touwsrivier project was only sold as at March 31, 2014, interest on bonds and capital gains and losses on cash investments in South Africa were recorded in the income statement during 2013-2014 for a total amount of 12,134 thousand Euros.

4.7. Income tax

Income before tax breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
France	(7,724)	(98,403)
Germany	(82,602)	(67,487)
United States	(165,040)	(54,817)
Asia	(2,270)	(15,594)
Total income before tax	**(257,634)**	**(236,299)**

As at March 31, 2015, the income expense for the period is 215 thousand Euros.

The difference between the theoretical income tax calculated at the standard tax rate in France (34.43%) and the effective tax expense in the income statement breaks down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Theoretical income tax benefit (expense) at the standard rate	**88,704**	**81,244**
Unrecognized deferred tax assets	(93,061)	(76,729)
Non-deductible provisions and expenses	1,240	(7,573)
Tax-exempt income (Research Tax Credit)	3,117	3,058
Adjustments for differences in income tax rates	213	(62)
Total income tax benefit (expense)	**213**	**(62)**

Deferred tax assets and liabilities are principally composed of the following elements:

(in thousand Euros)	March 31, 2015	March 31, 2014
Deferred tax assets:		
Tax losses carried forward, net	1,849	1,664
Temporary differences between tax and accounting	40,637	16,480
Other items	733	3,551
Total deferred tax assets	**43,220**	**21,694**
Deferred tax liabilities:		
Net deferred tax on finance leases	(233)	(12,549)
Other items	(42,987)	(9,145)
Total deferred tax liabilities	**(43,220)**	**(21,694)**
Net deferred taxes	**-**	**-**

Other elements (see above) mainly consist of:

- the impact of unrealized exchange losses/ gains being transferred to the statement of income, resulting in a deferred tax liability of 17,220 thousand Euros.
- the impact of the end of the finance lease contracts being reached for 13,749 thousand Euros.
- repayable advances amounting to 4,643 thousand Euros as at March 31, 2015 and 5,679 thousand Euros as at March 31, 2014.
- amortization of Soitec Solar GmbH patents amounting to 1,960 thousand Euros as at March 31, 2015 and 1,952 thousand Euros as at March 31, 2014.

The Group only recognizes deferred tax assets arising from tax losses up to the amount of deferred tax liabilities recognized. Loss carry-forwards represent a potential tax saving of 1,849 thousand Euros for French companies. Loss carry-forwards do not expire. They are only capitalized where it can be anticipated that the companies in question will consistently generate taxable profits.

4.8. Net earnings per share

The data used in the basic and diluted earnings per share computations were as follows:

(in number of shares)	March 31, 2015	March 31, 2014
Weighted average number of ordinary shares (excluding treasury shares) for basic earnings per share	**209,715 973**	**160,308 021**
Diluting effect as measured by the treasury stock method:		
Stock options	-	-
ABSAAR	-	-
OCEANE	-	-
Free shares	547,200	2,515 842
Dilutive effect	**547,200**	**2,515 842**
Adjusted weighted average number of ordinary shares (excluding treasury shares) for diluted earnings per share	**210,263 173**	**162,823 863**

Dilutive instruments are not factored into the calculation of diluted earnings per share where doing so would result in a reduction in the loss per share calculated on the basis of the average number of outstanding shares.

OCEANE bonds are not factored into the calculation of diluted earnings where the closing share price is below the conversion price.

5. Other information

5.1. Pensions and other post-retirement benefits

5.1.1. Obligations

(in thousand Euros)	March 31, 2015	March 31, 2014
Pension obligations	5,018	6,546
Fair value of plan assets	(376)	(364)
Legislative change	-	-
Obligations recognized in the balance sheet	**4,642**	**6,181**

The Group recognizes pension obligations as liabilities in the balance sheet at the amount of the obligations estimated on the basis of the information most likely to be correct at the reporting date. The impact of changes in actuarial assumptions is recognized in equity under “Actuarial gains (losses) on pensions and other post-retirement benefits”.

5.1.2. Pension obligations

• Description of plans

Pension and other employee benefits granted to long-term personnel relate solely to active employees. There are two different types of plan: i) defined contributions pension plans, and ii) defined benefit pension plans. Provisions are set aside only for the defined benefit pension plan. They mainly consist of retirement indemnities plus other pension obligations and retirement complements.

Defined benefit pension plans may, in certain cases, be covered by funds, which are regularly appraised by independent actuaries. The value of these funds, where such exist, is deducted from liabilities. Assets comprise secure/dynamic investment vehicles, following an analysis with the enterprise of its obligations based on the expected retirement dates of its employees.

	March 31, 2015	March 31, 2014
Retirement age	Between 62 and 65 years	Between 62 and 65 years
Turnover rate (average)	Between 0.00% and 5.00% depending on age	3.20% on average
Annual inflation rate	1.50%	2.00%
Annual rate of salary increase	from 1.00% to 2.50%	from 2.00% to 4.00%
Annual discount rate	1.24%	3.00%

The sensitivity of these assumptions is described below: sensitivity of the results to the discount rate (plus or minus 0.5 percentage points compared to the base rate).

	Annual discount rate		
	0.74% (-0.5 points)	1.24% (base rate)	1.74% (+0.5 points)
Present value of the obligation	**10.3%**	**0.0%**	**-9.2%**

• **Change in pension obligations**

(in thousand Euros)	March 31, 2015	March 31, 2014
Obligations at beginning of the year	**6,546**	**6,422**
Cost of services rendered	696	926
Interest credited	235	234
Benefits actually paid	(17)	(642)
Reduction	(1,860)	(61)
Creation of Soitec Solar France	-	22
Disposal of Soitec Specialty Electronics	(229)	-
Gain (loss) due to plan changes impacting past service cost	-	(15)
Actuarial gains (losses) (assumptions and experience)	(353)	(340)
Obligations at end of the year	**5,018**	**6,546**

• **Change in fair value of plan assets**

(in thousand Euros)	March 31, 2015	March 31, 2014
Fair value of plan assets at beginning of the year	**364**	**870**
Expected return on plan assets	12	20
Benefits paid by the fund	-	(525)
Fair value of plan assets at end of the year	**376**	**364**

• **Change in obligations recognized in the balance sheet**

(in thousand Euros)	March 31, 2015	March 31, 2014
Obligations at beginning of the year	**6,181**	**5,380**
Recognition of past service cost (IAS 19 revised)	-	172
Cost of services rendered	696	926
Interest credited	235	234
Expected return on plan assets	(12)	(20)
Amortization of past service cost	-	(15)
Actuarial gains (losses)	(353)	(340)
Benefits actually paid through fund	(17)	(117)
Reduction	(1,860)	(61)
Disposals	(229)	-
Creation of Soitec Solar France	-	22
Obligations at end of year	**4,642**	**6,181**

• **Charges comptabilisées au compte de résultat**

(in thousand Euros)	March 31, 2014	March 31, 2013
Cost of services rendered	(696)	(926)
Interest credited	(235)	(234)
Expected return on plan assets	12	20
Amortization of past service cost	-	15
Reversal of the provision for retirement indemnities – Solar division (note 4.4)	1,860	61
Reversal of the provision for retirement indemnities – Electronics division (note 4.4)	229	-
Total expenses recognized in the income statement	**1,170**	**(1,064)**

5.2. Commitments and contractual obligations

5.2.1. Status of commitments and contractual obligations

	March 31, 2015				
(in thousand Euros)	<1year	1 to 5 years	> 5years	Total	March 31, 2014
Contractual obligations shown on the balance sheet:					
Financial liabilities (excluding financial lease contracts)	46,489	109,062	7,993	163,543	253,416
Obligations under finance leases	2,966	6,498	-	9,494	3,505
Total	**49,455**	**115,560**	**7,993**	**173,007**	**256,921**
Contractual obligations shown off-balance sheet:					
Operating lease agreements	257	7	-	264	4,971
Collateral (*)	-	25,472	-	25,472	22,617
Guarantees given (**)	14,099	44,352	38,303	96,754	117,414
Guarantees received	(3,459)	-	-	(3,459)	(819)
Other commitments	3,630	-	-	3,630	7,629
Total	**14,527**	**69,831**	**38,303**	**122,661**	**151,812**
Total contractual obligations shown on and off-balance sheet	**63,982**	**185,391**	**46,296**	**295,668**	**408,733**

* During the year ended March 31, 2014, the Group was granted a loan using the San Diego building as collateral. This loan is held by the subsidiary Soitec Solar Real Estate and is included amongst the liabilities held for sale. The related collateral amounts to 25,472 thousand Euros as at March 31, 2015 (20,317 thousand Euros as at March 31, 2014).

** As at March 31, 2015, guarantees given break down as follows:

- guarantees given by Soitec SA amounting to 92.6 million Euros, mainly covering requirements within the Solar Energy business segment. The main beneficiaries of these guarantees are as follows:
  - the project company dedicated to the Touwsrivier solar power plant: 30.0 million Euros;
  - the financial institution that granted a loan to Soitec Solar Real Estate, under the terms of which the manufacturing building at San Diego serves as collateral: 19.8 million Euros;
  - acquirer of the Desert Green solar energy plant: 11.2 million Euros;
  - customers of the subsidiary Altatech, and bank guarantees 4.9 million Euros.
  - guarantees related to the CRE1 project: 6.2 million Euros and the Sunlight project: 9.3 million Euros.
- bank guarantees amounting to 4.1 million Euros, of which 2.5 million Euros to secure contracts agreed with Altatech customers and 1.6 million Euros for solar power project development.

5.2.2. Commitments on derivative financial instruments.

A description and breakdown of these obligations can be found in note 5.5.3.

5.2.3. Individual training rights in France

The French Act of May 4, 2004 on occupational training states that certain French companies must grant their employees an individual right to a minimum of 20 hours training per calendar year. This allowance may be carried forward for a maximum of six years, at the end of which it remains capped at a maximum of 120 hours, should it not be used. No charge was recognized in the financial year ended March 31, 2014 and there were a total of 94,004 vested but unused hours as at March 31, 2014. No provisions were recognized in this respect.

As from January 1, 2015, these rights have been replaced by the Individual Training Account “CPF”.

5.3. Related party information

The Group’s Board of Directors is composed of ten members. In addition to the CEO and the Chief Operating Officer, the eight other members were selected based on their experience in the semi-conductor industry or their professional experience in other areas useful to Group’s development. The semi-conductor industry is notable for its limited number of market participants, meaning that the Group has or is likely to have business dealings with ARM Holdings Plc, Shin-Etsu Handotai and Global Foundries, companies in which Mr Douglas Dunn and Mr Fumisato Hirose respectively hold or have held positions, as presented in the table 14.1.1.2 “Information on Board members”.

During the year ended March 31, 2015, purchases of raw materials from Shin-Etsu Handotaï amounted to 37,718 thousand Euros (33,425 thousand Euros during the year ended March 31, 2014). Soitec SA invoiced Shin-Etsu Handotaï for royalties for an amount of 2,014 thousand Euros for 2014-2015 (1,359 thousand Euros for 2013-2014).

In addition, the law firm Winston & Straw in which Mr Patrick Murray practiced provided, and continues to provide, legal services to Soitec and its subsidiaries. During the year ended March 31, 2015, legal services provided by Winston & Straw amounted to 632 thousand Euros (984 thousand Euros during March 31, 2014).

Global Foundries is one of Soitec’s main clients: wafer sales increased to 24,054 thousand USD during 2014-2015 (41,167 thousand USD in 2013-2014).

In 2014-2015, Soitec made a transfer of 4,000 thousand Euros to CEA for a research and development contract, and 3,246 thousand Euros for patent royalties.

Soitec entered into a commercial cooperation agreement with Novaday, in which Joel Karecki owns shares. Purchases amounted to 314 thousand Euros in 2014-2015.

The gross amount of compensation granted to the Group's senior management, i.e. five executives, one of whom left the Group during the year, was as follows during the financial year ended March 31, 2015:

(in thousand Euros)	March 31, 2015	March 31, 2014
Short-term employee benefits	2,075	2,644
Post-employment benefits	30	81
Share-based payments*	60	491
Total compensation paid to key management personnel	**2,165**	**3,216**

* As at March 31, 2014, this amount did not take into account the reversal of 2,659 thousand Euros corresponding to the reversal of a portion of the expense recognized during the financial years ended March 31, 2012 and 2013 due to the failure to meet certain performance criteria and to the departures of employees before the end of their vesting period (see note 3.15.1). As at March 31, 2015, no withdrawal has been recorded in the financial statements.

The only post-employment benefits received by Management are the legal retirement benefits and pensions.

The gross amount of compensation paid to corporate officers and non-executive directors was as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Corporate officers:		
Short-term employee benefits	1,258	1,021
Post-employment benefits	30	63
Termination benefits	-	-
Share-based payments	38	229
Total compensation paid to corporate officers	**1,325**	**1,313**
Non-executive directors:		
Directors' fees	450	450
Reimbursement of travel expenses	130	70
Total compensation paid to non-executive directors	**580**	**520**

Stock options and free share plans granted to management during the financial year breaks down as follows:

(in numbers)	Stock options	Free shares	Total as at March 31, 2015
Key management personnel	-	-	**-**
Of which corporate officers	-	-	**-**

5.4. Financial risk management

5.4.1. Financial risk management objectives and policies

The Group's objective is to hedge currency risk arising from fixed-rate transactions (amount and rate) using currency futures, and the currency risk arising on contracts where the amount and exchange rate are not certain through the use of options. The Group's policy consists in managing its interest expense using a combination of fixed-rate and floating-rate borrowings. Interest rate risk is hedged using short-term interest rate swaps. The Group does not engage in hedge accounting as defined in IAS 39. Accordingly, hedging instruments are recognized at their fair value, with changes in their value recognized in income. However, the Group's policy is to not use instruments for the purposes of speculation.

The table below summarizes the maturity profile of the Group's financial liabilities as at March 31, 2015:

(in thousand Euros)	<3months	3 to 12 months	1 to 5 years	>5 years	Total
March 31, 2013	**96,267**	**79,204**	**143,080**	**9,719**	**328,267**
Interest-bearing loans and borrowings	19,871	118,139	118,721	-	**256,731**
Other financial liabilities	190	-	-	-	**190**
Trade and other liabilities	45,972	-	-	-	**45,972**
Other liabilities	28,793	14,146	8,580	9,777	61,298
March 31, 2014	**94,827**	**132,285**	**127,301**	**9,777**	**364,191**
Interest bearing loans and borrowings	28,406	20,687	115,560	7,993	**172,645**
Other financial liabilities	172	190	-	-	**362**
Trade and other liabilities	52,239	39	-	-	**52,279**
Other liabilities	**44,961**	**38,942**	**8,258**	**9,283**	**101,444**
March 31, 2015	**125,777**	**59,858**	**123,818**	**17,276**	**326,730**

5.4.2. Fair value and classification of financial assets and liabilities

The Group believes that the carrying value of the financial instruments in the balance sheet and in particular the interest-bearing borrowings, reasonably approximate their fair value.

		March 31, 2015				
(in thousand Euros)	Notes	Carrying amount	At fair value through profit and loss	Available-for-sale assets	Loans and receivables	Held to maturity investments
Non-current financial assets:						
Non-consolidated investments	3.6	5,508	-	5,508	-	-
Investments in associates: RSOT	3.6	-	-	-	-	-
Investments in associates: Touwsrivier	3.6	-	-	-	-	-
Derivative financial instruments	3.6	-	-	-	-	-
Deposits	3.6	-	-	-	-	-
Restricted cash	3.6	231	-	-	231	-
Other	3.6	-	-	-	-	-
Non-current financial assets	**3.6**	**5,739**	**-**	**5,508**	**231**	-
Current financial assets:						
Derivative financial instruments	3.11	-	-	**-**	-	-
Deposits	3.11	-	-	**-**	-	-
Restricted cash	3.11	1,109	-	**-**	1,109	-
Other	3.11	202	-	**-**	202	-
Current financial assets	**3.11**	**1,311**	**-**	**-**	**1,311**	-
Trade and other receivables	**3.9**	**43,812**	**-**	**-**	**43,812**	-
Cash and cash equivalents	**3.12**	**22,911**	**-**	**-**	**22,911**	-
Total financial assets	**-**	**73,774**	**-**	**5,508**	**68,265**	**-**
Financial liabilities:						
Convertible bonds: 2014 OCEANE	3.16	-	-	-	-	-
Convertible bonds: 2018 OCEANE	3.16	90,852	-	-	90,852	-
Derivative financial instruments	3.16	-	-	-	-	-
Loans from banks and other financial institutions	3.16	4,339	-	-	4,339	-
Other financial liabilities	3.16	21,652	-	-	21,652	-
Bank overdrafts	3.16	-	-	-	-	-
Used authorized credit line	3.16	55,802	-	-	55,802	-
Current and non-current financial liabilities	**3.16**	**172,645**	**-**	**-**	**172,645**	-
Other financial liabilities	**3.16**	**362**	**-**	**-**	**362**	-
Trade and other payables	**3.18**	**52,279**	**-**	**-**	**52,279**	-
Total financial liabilities	**-**	**225,285**	**-**	**-**	**225,285**	**-**

The information as at March 31, 2014 was as follows:

		March 31, 2014				
(in thousand Euros)	Notes	Carrying amount	At fair value through profit and loss	Available-for-sale assets	Loans and receivables	Held to maturity investments
Non-current financial assets:						
Non-consolidated investments	3.6	1,346	-	1,346	-	-
Investments in associates: RSOT	3.6	-	-	-	-	-
Investments in associates: Touwsrivier	3.6	6,886	-	-	6,886	-
Derivative financial instruments	3.6	-	-	-	-	-
Deposits	3.6	-	-	-	-	-
Restricted cash	3.6	700	-	-	700	-
Other	3.6	-	-	-	-	-
Non-current financial assets	**3.6**	**8,932**	**-**	**1,346**	**7,586**	**-**
Current financial assets:						
Derivative financial instruments	3.11	-	-	-	-	-
Deposits*	3.11	10,840	-	-	10,840	-
Restricted cash	3.11	1,000	-	-	1,000	-
Other**	3.11	4,034	-	-	4,034	-
Current financial assets	**3.11**	**15,873**	**-**	**-**	**15,873**	**-**
Trade and other receivables	**3.9**	**88,811**	**-**	**-**	**88,811**	**-**
Cash and cash equivalents	**3.12**	**44,728**	**-**	**-**	**44,728**	**-**
Total financial assets	**-**	**158,344**	**-**	**1,346**	**156,998**	**-**
Financial liabilities:						
Convertible bonds: 2014 OCEANE	3.16	84,004	-	-	84,004	-
Convertible bonds: 2018 OCEANE	3.16	87,891	-	-	87,891	-
Derivative financial instruments	3.16	-	-	-	-	**-**
Loans from banks and other financial institutions	3.16	13,564	-	-	13,564	**-**
Other financial liabilities	3.16	10,622	-	-	10,622	**-**
Bank overdrafts	3.16	-	-	-	-	**-**
Used authorized credit line	3.16	60,650	-	-	60,650	**-**
Current and non-current financial liabilities	**3.16**	**256,731**	**-**	**-**	**256,731**	**-**
Other financial liabilities	**3.16**	**190**	**-**	**-**	**190**	**-**
Trade and other payables	**3.18**	**45,972**	**-**	**-**	**45,972**	**-**
Total financial liabilities	**-**	**302,893**	**-**	**-**	**302,893**	**-**

* This amount corresponds to the deposit relating to the issue of non-convertible bonds in South Africa to finance the Touwsrivier solar power plant.

** This includes interest amounting to 3,634 thousand Euros invoiced by Soitec Solar GmbH and Soitec Solar RSA to the South African subsidiary dedicated to the Touwsrivier solar power plant in relation to the financing of the plant.

• Classification of financial instruments pursuant to the IFRS 7 amendment:

The break down by level of the financial instruments at fair value through profit and loss is as follows:

(in thousand Euros)	Notes	Level 1	Level 2	Level 3	Total
Assets:					
UCITS	-	-	-	-	-
Interest bearing deposits	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Net value as at March 31, 2014		**-**	**-**	**-**	**-**
Assets:					
UCITS	-	-	-	-	-
Interest bearing deposits	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-
Liabilities:					
Derivative financial instruments	-	-	-	-	-
Net value as at March 31, 2015		**-**	**-**	**-**	**-**

The fair value hierarchy is discussed in note 2.3.11.

5.4.3. Financial instruments used

• Foreign exchange risk:

The exchange rates used to translate the financial statements of subsidiaries with functional currencies other than the Euro were as follows:

	Average rate		Closing rate	
Currency	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
US Dollar	0.800739	0.744794	0.929454	0.725268
Yen	0.007262	0.007458	0.007755	0.007021
South African Rand	0.076463	0.067238	0.076148	0.068552

The table below shows the unrealized income on financial hedging instruments available to cover foreign exchange risk as at March 31:

(in thousand Euros)		March 31, 2015		March 31, 2014	
Type of contract	Currency	Market value (net)	Hedged position	Market value (net)	Hedged position
Hedging of balance sheet line items (trade receivables and trade payables):					
Forward sales	USD to EUR	-	-	-	-
Subtotal		**-**	**-**	**-**	**-**
Future transaction hedges (off-balance sheet line items)		**-**	**-**	**-**	**-**
Total		**-**	**-**	**-**	**-**

The market value has been estimated using one or more commonly used models.

The Group's procedures have been put into place in order to reduce its exposure to US Dollar and Yen foreign exchange risk by entering into certain borrowing agreements in the same currency as the cash flows generated by operating activities. During the financial year, as part of this foreign exchange risk management policy, the Group also continued its program of hedging its transactions in US Dollars and Yen through forward purchases and sales, as well as short-term currency options (i.e. expiring in less than six months).

• Sensitivity analysis of net exposure to foreign exchange risk after hedging

The exchange rates for the three main currencies used by the Group are as follows:

- EUR/USD: 1 EUR for 1.0759 USD as at March 31, 2015 and 1 EUR for 1.3788 USD as at March 31, 2014.
- EUR / JPY: 1 EUR for 128.95 Yen as at March 31, 2015 and 1 EUR for 142.42 Yen as at March 31, 2014.
- EUR/ZAR: 1 EUR for 13.1324 Rand as at March 31, 2015 and 1 EUR for 14.5875 Rand as at March 31, 2014.

A 10% increase in the value of the Euro against these currencies as at March 31 would negatively impact earnings, as indicated below. For the purposes of this analysis, all other variables (in particular interest rates) are assumed to have remained constant.

(in thousand Euros)	March 31, 2015	March 31, 2014
US Dollar	1,884	(901)
Japanese Yen	(7)	32
South African Rand	(2,740)	(7,110)
Other currencies	(24)	(15)
Increase (decrease) on net income resulting from a 10% increase of the value of the Euro	**(886)**	**(7,994)**

A 10% decrase in the value of the Euro against these currencies as at March 31 would positively impact earnings, as indicated below. For the purposes of this analysis, all other variables (in particular interest rates) are assumed to have remained constant.

(in thousand Euros)	March 31, 2015	March 31, 2014
US Dollar	(2,303)	1,102
Japanese Yen	8	(39)
South African Rand	3,349	8,690
Other currencies	29	18
Increase (decrease) on net income resulting from a 10% decrease of the value of the Euro	**1,083**	**9,771**

• Interest rate risk

The Group's medium to long-term debt is mainly at fixed rates. As such, there is no significant risk exposure regarding changes in interest rates. The Group thus only makes limited use of hedging instruments:

(in thousand Euros)	March 31, 2015		March 31, 2014	
Type of contract	Market value (net)	Hedged position	Market value (net)	Hedged position
Hedge of financial debts:				
Interest rate swap hedge asset/ (liability)	-	-	-	-
Caps	-	-	-	-
Total	**-**	**-**	**-**	**-**

For the year ended March 31, 2015, an increase in interest rates of 1% applied to the portion of the debt and investments at variable rates would have led to a decrease in financial income of approximately 214 thousand Euros.

A decrease in interest rates of 1% applied to the portion of the debt and investments at variable rates would have led to an increase in financial income of approximately 214 thousand Euros.

• Credit risk

The financial instruments representing a potential credit risk to the Group are primarily cash and cash equivalents, restricted cash and trade receivables. The Group has established a cash management policy to optimize its investments regarding short-term and low-risk financial instruments. The Group's cash and cash equivalents are deposited mainly with leading international financial institutions.

The Group sells its products to customers within the semiconductor industry located in North America, Asia and Europe. As at March 31, 2015, there are seven customers who represent more than 5% of turnover for the Electronics division, and together account for 63% of turnover. As at March 31, 2014, there were five customers who represented more than 5% of Group turnover and together accounted for 61% of turnover.

The Group periodically evaluates the credit risk and financial position of its customers and allocates reserves for potential losses on non-recoverable receivables. The size of these losses remained within the limits expected by Management.

• Equity risk

The Group does not hold any unconsolidated investments or securities or other investments traded on a regulated market.

• Liquidity risk

The Group's financing is provided via capital market transactions in the form of long-term resources (convertible bond issuances and capital increases), finance leases for investment in manufacturing and confirmed credit lines.

Most of these credit lines are not subject to financial ratios. One of the Group's credit lines requires a debt to equity ratio of below 1 at each drawdown notice.

• Maturity schedule for financial debts in terms of cash flows

This table shows the maturity schedule for financial liabilities recognized as at March 31, 2015 at their nominal amount including interest without any discounting calculation.

	Maturity of contracts : Amount due						
(in thousand Euros)	in less than 1 year	between 1 and 2 years	between 2 and 3 years	between 3 and 5 years	in 5 years and more	Total	Amount recognized in the balance sheet as at March 31, 2015
Non-derivative financial instrument liabilities:							
Finance leases	3,554	3,554	3,420	-	-	10,528	9,464
Bonds and other borrowings	53,488	15,866	14,120	109,171	7,993	200,637	176,090
Trade payables	52,279	-	-	-	-	52,279	52,279
Other payables (excluding tax and social security liabilities)	18,535	-	-	-	-	18,535	18,535
Non-derivative financial instruments	**127,855**	**19,420**	**17,540**	**109,171**	**7,993**	**281,979**	**256,367**
Derivative financial instruments:							
Interest rate derivatives:	-	-	-	-	-	-	-
Currency derivatives:	-	-	-	-	-	-	-
Other derivative instruments:	-	-	-	-	-	-	-
Total derivative instruments	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total financial instruments	**127,855**	**19,420**	**17,540**	**109,171**	**7,993**	**281,979**	**256,367**

• Confirmed credit lines

In 2012, the Group subscribed to confirmed credit lines with its bank partners amounting to 72,000 thousand Euros falling due March 31, 2017 and amortized over five years. One of these credit lines was restructured for an amount of 8,000 thousand Euros to be amortized as at August 31, 2014. These credit lines carry a commitment fee of between 0.15% and 0.40% and a utilization fee ranging from EURIBOR + 0.60% to 1.00% depending on the credit lines.

As part of the factoring on the research tax credit and the CICE (competitive tax credit), the Group subscribed to credit lines with Oséo for a total of 18,250 thousand Euros due in September 2015, September 2016, September 2017 and September 2018. These credit lines carry a commitment fee of 0.30% and a utilization fee of 1 month Euribor + 0.70%.

Short term credit lines for an amount of 253 thousand Euros have been established in order to finance an Export sale, these lines of credit are guaranteed by the Compagnie Française d'Assurance pour le Commerce Extérieur (COFACE).

See off-balance sheet commitments in note 5.2.2.

5.4.4. Capital management

The Group's primary objective is to have the necessary and sufficient financial resources in order to fund the development of its operations. To this end, it has in the past called on its shareholders, through capital increases and the issuance of convertible bonds, in order to finance its capital expenditures. Pursuing a strategy of industrial growth focused on strong product innovation, the Group systematically reinvests its earnings and does not foresee the payment of dividends over the coming years.

The Group's capital is unrestricted, with a broad base among institutional investors and a high level of turnover.

5.5. Consolidated statement of cash flows

Depreciation, amortization and impairment break down as follows:

(in thousand Euros)	March 31, 2015	March 31, 2014
Net amortization of intangible assets	(8,140)	(10,372)
Net depreciation of property, plant and equipment	(37,810)	(43,780)
Depreciation, amortization and impairment	**(45,950)**	**(54,152)**

Depreciation, amortization and impairment per category is presented in notes 3.2, 3.3 and 3.4.

5.6. Post-balance sheet events

Management plans to adopt additional measures in order to strengthen the Group's balance sheet

As at March 31, 2015 available cash and cash equivalents amounted to 22.9 million Euros, while gross debt totaled 173.0 million Euros, thus representing a net debt of 150.1 million Euros.

After its announcement on April 20, 2015, Soitec confirms that in May 2015 funding was arranged including:

A loan of up to 54 million Euros reaching maturity in April 2016. Shin Etsu Handotai (a major supplier of wafers for Soitec SA and a historical shareholder of the Group) made a commitment to lend funds of up to 30 million Euros. Bpifrance Participations, another Soitec shareholder, has also committed to lend up to 15 million Euros.

CEA, Soitec's technology partner, has committed to lend 9 million Euros through "strategic funds" from its subsidiary CEA Investissement, a company specialized in financing companies mobilizing innovations from European research laboratories. In addition, its microelectronics research institute, CEA-Leti, which developed and continues to support the SOI ("silicon-on-insulator") roadmap, has agreed to defer the payment of license agreements and work done for Soitec in 2014, for a total amount of 8 million Euros, bringing CEA's overall contribution to 17 million Euros.

Current bank credit lines with a total value of 37.2 million Euros as at March 31, 2015, have been restructured aligning the now single maturity date to November 2019.

The loan transaction for an amount of 54 million Euros, was completed on May 27, 2015.

Soitec continues to explore other opportunities to strengthen its balance sheet.

20.3.1.3. Statutory auditors' report on the consolidated financial statements

(Financial year ending 31 March 2015)

To the Shareholders,
SOITEC SA
Parc Technologique des Fontaines
Chemin des Franques
38190 Bernin

As a result of the mission that was given to us by your General Shareholders' Meeting, we present the report relating to the financial year ended 31 March 2015 for:

- auditing the annual accounts for the company SOITEC SA, as attached to this report;
- the justification of our assessments;
- the specific verification provided by law.

The consolidated accounts have been closed by the Board of Directors. It is our role to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We have conducted our audit in accordance with the generally accepted auditing standards in France; these standards require that we plan and perform the audit in order to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit involves using sampling or other selection methods to verify the elements justifying the amounts and information appearing in the consolidated financial statements. It also involves assessing the accounting principles followed, the significant estimates made, and the overall presentation of the financial statements. We feel that the elements that we have collected provide a sufficient and appropriate basis for our opinion.

We certify that the consolidated financial statements of the financial year, in respect of the IFRS standards as adopted in the European Union, are in order and of good faith and give a true picture of the company's net asset base, its financial situation, as well as the results of all the entities and businesses that have been consolidated in these statements.

Without qualifying our opinion, we draw your attention to note 2.2.1 of the consolidated financial statements which explains the assumptions underlying the maintenance of the principle of continuity of business of the Group and the refinancing terms given in the approved conciliation agreement combined with the additional measures mentioned in note 5.6 on the post-year end events.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we would like to bring the following items to your attention:

Accounting principles

We have in particular examined the accounting principles used by the Group relating to the recognition of revenue and to the depreciation tests on non-current assets. We are assured that note 2.4 "Significant accounting methods" provides appropriate information in this respect.

Accounting estimates related to the specificities of the technologies' sector

When approving its financial statements, the Group has to make estimates and assumptions which take account, as appropriate, of the specificities specific to the technologies' sector and which concern in particular the depreciation of non-current assets, the provisions on stocks and the provisions for liabilities and charges.

The methods used to this end are described in note 2.5 "Judgments and significant estimates". We have examined the documentation available, assessed the reasonable nature of the evaluations made and checked that the notes associated with these (included in part 3. "Notes to the Balance Sheet" and 4 "Notes to the Profit and Loss Statement" of the consolidated financial statements) provide appropriate information on the assumptions used by the Group.

Accounting estimates related to the withdrawal from the "Solar Energy" activity

As indicated in notes 2.2.1 "Continuity of business" and 2.3.2 "Refocusing on the core Electronics business and withdrawal in the short term from the Solar Energy activity", the Group has estimated the costs of this withdrawal, leading to depreciations of assets and provisions for charges, as mentioned in note 4.4 of the appendix "Other income and operating costs". We have examined the documentation available, assessed the reasonable nature of the evaluations used and checked that the notes of the consolidated financial statements associated with these provide appropriate information on the assumptions used by the Group.

The assessments thus carried out are in line with our approach for the audit of consolidated financial statements, taken as a whole, and therefore contributed to the formulation of our opinion expressed in the first part of this report.

III. Specific verification

We have also conducted the specific verifications required by the French law on group information, given in the management report, in accordance with the applicable professional standards in France.

We have nothing to report with respect to its fairness and accordance with the consolidated financial statements.

Done at Neuilly-sur-Seine and Meylan on 9 June 2015

The Auditors

PricewaterhouseCoopers Audit — Cabinet MURAZ-PAVILLET

Nicolas Brunetaud — Christian Muraz

20.3.2. Financial statements of the Company as at 31 March 2015

20.3.2.1. Company accounts as at 31 March 2015

Income Statement

	Financial year ended 31 March	
(in thousands of euros)	2015	2014
Net turnover	161,132	149,764
Inventories and capitalised production	733	(2,186)
Operating grants	4,090	12,981
Reversals on provisions and depreciation and transfer expenses	24,426	25,344
Other products	**4,764**	**2,878**
Total operating income	195,145	188,781
Purchases of raw materials and other supplies	59,213	52,637
Stock variation	(2,297)	1,488
Other purchases and external services	73,284	74,819
Taxes, duties and similar payments	4,650	3,930
Staff costs	62,837	62,957
Allowances, depreciation and provisions	54,508	50,787
Other costs	4,261	3,021
Total operating charges	**256,456**	**249,638**
Operating profit (loss)	**(61,310)**	**(60,857)**
Financial income	45,250	13,785
Financial expenses	374,083	266,081
Financial result	**(328,833)**	**(252,296)**
Extraordinary profit (loss)	**(4,773)**	**(1,156)**
Tax on profits	(7,850)	(7,463)
Net profit/loss	(387,067)	(306,846)

Balance Sheet - Assets

(in thousands of euros)	At 31 March 2015 Gross	Depreciation and Provisions	Net	At 31 March 2014
Intangible fixed assets				
Research and Development Costs	3,710	1,484	2,226	2,597
Concessions, patents and similar rights	43,635	37,301	6,334	11,705
Goodwill				-
Other intangible assets	576		576	745
Tangible fixed assets				
Land	781		781	781
Buildings	6,657	2,290	4,367	4,829
Plant and machinery	221,060	199,101	21,959	54,907
Other tangible assets	60,569	33,383	27,186	30,010
Tangible fixed assets in course of construction	5,818		5,818	13,669
Financial fixed assets				
Other stake holdings	232,709	212,942	19,767	18,965
Receivables linked to stake holdings	541,948	383,444	158,504	406,339
Other fixed investments				-
Loans				114
Other financial fixed assets	11,587	1,459	10,128	11,335
Fixed assets	**1,129,053**	**871,406**	**257,647**	**555,997**
Inventory and work in progress				
Stocks of raw materials	22,071	6,528	15,543	12,009
Production in progress	7,075	808	6,267	6,218
Stocks of semi-finished and finished products	4,090	724	3,366	2,350
Stocks of goods	313	27	286	67
Operating receivables				
Advances, goods paid for on order	596		596	92
Accounts receivable	45,804	82	45,722	36,083
Other receivables	38,495		38,495	40,256
Marketable Securities	1,000		1,000	1,000
Liquid assets	15,889		15,889	13,158
Prepaid expenses	799		799	456
Current assets	**136,133**	**8,169**	**127,964**	**111,689**
Costs to be spread over several financial years	2,709		2,709	3,949
Unrealized losses on exchange	3,220		3,220	10,449
Grand total	**1,271,114**	**879,575**	**391,539**	**682,083**

Balance Sheet -Liabilities

(in thousands of euros)	Financial year ended 31 March 2015	2014
Share capital	23,119	17,258
Share premiums from issues, mergers, and contributions	782,060	704,157
Reserves		
Statutory reserve	3,393	3,393
Other reserves	26,363	26,429
Retained earnings	(434,087)	(127,241)
Period Earnings	**(387,067)**	**(306,846)**
Investment grants		36
Mandatory provisions	1,037	1,327
Shareholders' equity	**14,818**	**318,514**
Advances with conditions	24,532	20,212
Other equity	**24,532**	**20,212**
Provisions for liabilities and charges	8,776	17,422
Financial debts		
Convertible bond loans	103,397	189,325
Loans and debts with credit companies	56,574	60,666
Various loans and financial debts	27	27
Advances and instalments on outstanding orders	5,523	204
Operating debts		
Trade debts	45,859	31,461
Tax and social security debts	17,832	15,633
Debts on fixed assets	1,363	2,720
Other debts	23,261	12,754
Pre-paid earnings	12,547	7,589
Debts	**266,385**	**320,380**
Unrealized gains on foreign exchange transactions	77,028	5,555
Grand total	**391,539**	**682,083**

20.3.2.2. Appendix to financial statements as at 31 March 2015

The simplified financial statements of the parent company Soitec S.A. are prepared pursuant to the accounting principles generally accepted in France for company accounts.

The other elements of the annual financial statements do not contain anything else likely to clarify the judgment of the investor. The full financial statements, including the appendix, are available on simple request from the Company.

20.3.2.3. Statutory auditors' report on the annual financial statements

(Financial year ending 31 March 2015)

To the Shareholders,
SOITEC SA
Parc Technologique des Fontaines
Chemin des Franques
38190 Bernin

As a result of the mission that was given to us by your General Shareholders' Meeting, we present the report relating to the financial year ended 31 March 2015 for:

- auditing the annual accounts for the company SOITEC SA, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual accounts have been closed by the Board of Directors. It is our role to express an opinion on these financial statements based on our audit.

I. Opinion on the annual accounts

We have conducted our audit in accordance with the generally accepted auditing standards in France; these standards require that we plan and perform the audit in order to obtain reasonable assurance that the annual financial statements are free of material misstatements. An audit involves using sampling or other selection methods to verify the elements justifying the amounts and information appearing in the annual accounts. It also involves assessing the accounting principles followed, the significant estimates made, and the overall presentation of the financial statements. We feel that the elements that we have collected provide a sufficient and appropriate basis for our opinion.

We certify that the annual accounts, which have been established according to French accounting principles, are in order and give a true picture of the results of the business activities as well as the company's financial situation and its asset base at the end of this financial year.

Without qualifying our opinion, we draw your attention to the Preamble "Continuity of business" of the note of the appendix relating to "Accounting rules and methods and notes to the Balance Sheet" which explains the assumptions underlying the maintenance of the principle of continuity of business of the Group and the refinancing terms given in the approved conciliation agreement combined with the additional measures mentioned in the note on the post-year end events.

II. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we would like to bring the following items to your attention:

Accounting rules and principles

The note "Financial fixed assets" of the appendix sets out the accounting rules and regulations relating in particular to the evaluation of the equity investments and receivables attached to such investments.

As part of our assessment of the accounting rules and principles followed by your company, we checked the appropriate nature of the accounting methods stated above and the information given in the notes of the appendix and we are assured of their correct application.

Accounting estimates

When approving its financial statements, your company has to make estimates and assumptions which concern in particular the forecasts to cover the potential risks of depreciation of equity investments, provisions on stocks and provisions for liabilities and charges.

We assessed the approaches used by the company, described in the appendix concerning the evaluation of the equity investments, the estimate of the provisions on stocks and for liabilities and charges, based on the information available, and implemented tests to check, by samples, the application of these methods. We assessed the reasonable nature of such estimates.

The assessments thus carried out are in line with our approach for the audit of annual financial statements, taken as a whole, and therefore contributed to the formulation of our opinion expressed in the first part of this report.

III. Specific verifications and information

We have also conducted the specific verifications required by law, in accordance with the applicable professional standards in France.

We have no comment or observation to make on the good faith and agreement of the annual reports with the information given to the Board of Directors' management report and the documents given to the shareholders on the company's financial situation and annual accounts.

As regards the information provided pursuant to the provisions of Article L.225-102-1 of the French Commercial Code on remuneration and benefits paid to company officers and on the commitments made in their favour, we have checked their concordance with the accounts or with the data used to prepare these accounts and, where appropriate, with the information collected by our company from companies controlling your company or controlled by it. Based on these works, we certify that such information is true and accurate.

In accordance with the law, we have made sure that all the different information relating to the identity of those holding your capital or voting rights has been communicated to you in the management report.

Done at Neuilly-sur-Seine and Meylan on 9 June 2015

The Auditors

PricewaterhouseCoopers Audit — Cabinet MURAZ-PAVILLET

Nicolas Brunetaud — Christian Muraz

20.3.3. Inventory of portfolio securities

	Inventory value (in thousands of euros)
A. Equity investments	
Soitec USA Inc.	17
Soitec Specialty Electronics S.A.S.	30,763
Soitec Microelectronics Singapore Pte Ltd.	67,197
Soitec Japan Inc.	2,637
Soitec Solar GmbH	101,244
Soitec Korea	328
Altatech	24,158
Soitec Corporate Services	1
Soitec Shanghai Trading	102
Simgui	4,441
Exagan	6
Cissoïd	340
Medgrid	600
Technocom	875
B. Receivables linked to stake holdings	
Soitec Microelectronics Singapore Pte	92,844
Soitec Solar GmbH	446,436
Altatech	2,668
C. Marketable securities (treasury SICAV)	
Marketable Securities	1,000
D. Own Shares	
111,451 Soitec own shares	475
Total	**776,133**

20.3.4. Table of the financial results for the last five financial years

Type of indications	Financial year 31/03/2011	Financial year 31/03/2012	Financial year 31/03/2013	Financial year 31/03/2014	Financial year 31/03/2015
I. Capital at end of financial year					
Share capital	8,748,781	12,212,839	12,262,674	17,258,080	23,118,843
Number of ordinary shares existing	87,487,811	122,128,392	122,626,743	172,580,795	231,188,426
Number of priority dividend shares (without voting right) existing					
Maximum number of future shares to be created					
- By conversion of bonds					
- By exercising subscription rights					
II. Operations and results of the financial year					
Revenue before tax	262,624,046	296,757,836	248,265,323	149,763,853	161,132,017
Earnings before tax, employee profit-sharing and allowances for amortisation and provisions	22,432,461	15,519,323	(22,749,433)	(30,879,143)	(26,299,367)
Tax on profits	(9,699,622)	(5,445,343)	(8,902,491)	(7,463,321)	(7,849,663)
Depreciation expenses and provisions	18,029,014	22,364,663	44,514,363	283,430,002	368,617,053
Earnings after tax, employee profit-sharing and allowances for amortisation and provisions	14,103,069	(1,399,997)	(58,361,305)	(306,845,824)	(387,066,756)
Distributed Profits					
III. Earnings per share					
Earnings after tax, employee profit-sharing and before allowances for amortisation and provisions	0.37	0.17	(0.11)	(0.14)	(0.08)
Earnings after tax, employee profit-sharing and allowances for amortisation and provisions	0.16	(0.01)	(0.48)	(1.78)	(1.67)
Dividend allocated to each share					
IV. Personnel					
Average workforce of employees during the financial year	981	1,030	1,056	909	814
Payroll amount of the financial year	43,406,665	46,776,271	52,657,377	43,742,171	44,336,825
Amount of sums paid as social benefits during the financial year (social security, social works, etc.)	20,317,266	25,268,426	25,470,464	19,214,511	18,499,799

20.3.5. List of subsidiaries and equity interests

The list of subsidiaries and equity interests is given in chapter 7.2 of this Reference Document.

20.4. Verification of historic financial information

20.4.1. Attestation of the statutory auditors

Please refer to the Statutory Auditors' Report on the consolidated financial statements as at 31 March 2015 and to the Statutory Auditors' Report on the financial statements as at 31 March 2015 given respectively in paragraphs 20.3.1.3 and 20.3.2.3 of this 2014-2015 Reference Document.

Furthermore, the consolidated financial statements of the financial year ended 31 March 2014 were the subject of a certification report by the Statutory Auditors which is given on page 120 of the Reference Document filed under number D.14-0518. The consolidated financial statements of the financial year ended 31 March 2013 were the subject of a certification report by the Statutory Auditors which is given on page 118 of the Reference Document filed under number D.13.0676.

The annual financial statements of the financial years ended 31 March 2014 and 31 March 2013 were the subject of certification reports by the Statutory Auditors without reservation or observation, which are given respectively on pages 123 and 120 of the 2013-2014 Reference Document and of the 2012-2013 Reference Document, filed under number D.13-0676.

20.4.2. Other information audited by the statutory auditors

Not applicable.

20.4.3. Financial information not contained in the financial statements

Not applicable.

20.5. Date of last financial information

31 March 2014.

20.6. Interim and other financial information

Not applicable.

20.7. Dividend distribution policy

The Company has not distributed dividends in the last three financial years. The Company intends to reinvest its profits to finance its future growth and is not planning to pay dividends in the next three years. The dividends are subject to statutory limitation in favour of the State, pursuant to the provisions of the French State Domain Code.

20.8. Legal proceedings and arbitration procedures

The company is not party to any significant dispute.

In the financial year ended 31 March 2014, Soitec and SunEdisson (NYSE: SUNE - ex MEMC Electronics Materials, Inc.) announced they finally ended all pending disputes between them and entered into a cross-licence agreement on their patents related to silicon-on-insulator (SOI). The agreement allows each company to have access to the portfolio of the other in terms of patents for the SOI technologies (see press release of 26 November 2013 - http://www.soitec.com/pdf/soi_license_agreement_fr.pdf)

To date, there is no pending tax audit in Soitec S.A. and its subsidiaries.

There is no other governmental, judicial or arbitration procedure, including any procedure to the knowledge of the Company, which is pending or is threatened, and likely to have or having had in the last twelve months significant effects on the financial situation or the profitability of the Company or the Group.

20.9. Significant change in the financial or business position since 31 March 2015

The management provides for the adoption of additional measures in view of reinforcing the Group's balance sheet

The available cash flow, at the end of March 2015, amounted to €22.9 million whereas gross debt came to a total of €173.0 million, i.e. net indebtedness of €150.1 million.

After announcing this on 20 April 2015, Soitec confirms having put in place in May 2015 financing including:

A loan of an amount which may reach €54 million, maturing in April 2016. Shin Etsu Handotai (major supplier of wafers for Soitec SA and historic shareholder of the Group) undertook to lend up to €30 million. Bpifrance Participations, also a Soitec shareholder, undertook for its part to lend up €15 million.

·CEA, a SOITEC technological partner, undertook to lend €9 million through the "strategic fund" of its subsidiary CEA Investissement, a company specialised in corporate financing through innovations resulting from European research laboratories. Further, its microelectronics research institute, CEA-Leti, which developed and continues to provide its support to the SOI ("silicon-on-insulator") roadmap, accepted to postpone the payments of the licence agreements and works carried out for Soitec in 2014, by a total amount of €8 million, thus bringing the total support effort of CEA to €17 million.

Finally, the current bank credit lines, of a total amount of €37.2 million at the end of March 2015, were restructured with one single repayment date in November 2019.

The loan transaction, for an amount of €54 million, was finalised on 27 May 2015.

Soitec continues to explore other opportunities in view of reinforcing its balance sheet.

21. Further information

21.1. Share capital

21.1.1. Share capital on the submission date of this Reference Document

On the submission date of this Reference Document, the share capital of the Company amounts to €23,130,332 divided into 231,303,320 shares of €0.10 in nominal value, fully paid-up.

There are no shares issued and not paid-up.

On the submission date of the 2013-2014 Reference Document, the share capital of the Company amounted to €17,258,079.50 divided into 172,580,795 shares of €0.10 in nominal value, fully paid-up.

On the submission date of the First Update of the 2013-2014 Reference Document, the share capital of the Company amounted to €17,314,264 divided into 173,142,640 shares of €0.10 in nominal value, fully paid-up.

This change is a result of the confirmation by the Board of Directors and the Chairman & CEO of the following capital increases:

- on 6 June 2014, the Board of Directors confirmed that the share capital of the company had been increased from €17,258,079.50 to €17,314,249, divided into 173,142, 490 shares due to the acquisition of 561,695 performance shares, and in exercise of these acquisitions, of the issue of 561,695 shares.
- on 12 June 2014, the Chairman and CEO, acting on delegation of the Board of Directors, confirmed that the share capital of the Company had been increased from €17,314,249 to €17,314,264, divided into 173,142, 640 shares due to the conversion of 150 OCEANE, and in exercise of these conversions, of the issue of 150 shares.
- on 22 July 2014, the Chairman and CEO, acting on delegation of the Board of Directors, confirmed that the share capital of the Company had been increased from €17,314,264 to €22,508,543.20, divided into 225,085,432 shares of €0.10 nominal as a result of the capital increase with maintenance of the preferential subscription right decided upon on 24 June 2014.
- on 3 February 2015, the CEO, acting on delegation of the Board of Directors, confirmed that the share capital of the Company had been increased from €22,508,543.20 to €23,108,543.20, divided into 231,085,432 shares due to the subscription of 6,000,000 share issue warrants, and in exercise of these warrants, of the issue of 6,000,000 shares.
- on 10 March 2015, the CEO, acting on delegation of the Board of Directors, confirmed that the share capital of the Company had been increased from €23,108,543.20 to €23,118,842.60, divided into 231,188,426 shares due to the acquisition of 99,200 performance shares, and in exercise of these acquisitions, of the issue of 99,200 shares, and the conversion of 3,500 OCEANE, and in exercise of these conversions, of the issue of 3,794 shares, due to the amendment of the OCEANE adjustment ratio.
- on 22 April 2015, the CEO, acting on delegation of the Board of Directors, confirmed that the share capital of the Company had been increased from €23,118,842.60 to €23,130,332, divided into 231,303,320 shares due to the acquisition of 114,894 performance shares, and in exercise of these warrants, of the issue of 114,894 shares.

21.1.2. Shares not representative of the share capital

Not applicable.

21.1.3 Shares held by the Company

Number of own shares held

On 31 March 2015, the Company held 111,451 shares, representing 0.048% of the share capital. These actions are all allocated to supporting the secondary market in the shares.

We refer to Note 3.13.2 of the consolidated financial statements for an analysis of the treatment and the book value of treasury shares held by the Company on 31 March 2015. The nominal value of treasury shares is € 0.10.

Number of shares held via sub-subsidiaries.

On 31 March 2015, no sub-subsidiary of the Company held shares of the Company.

Existing authorisation

The Ordinary and Extraordinary General Meeting of 28 May 2014, in its tenth resolution, authorised the Board of Directors to acquire shares of the Company, as provided by Articles L. 225-209 et seq. of the Commercial Code, as well as European Commission Regulation No. 2273/2003 of 22 December 2003, implementing the European Directive 2003/6/EC of 28 January 2003 on one or more occasions, at times it shall determine, within the limit of the 10% increase in the number of shares comprising the share capital i.e. on the date of the Meeting, 12,212,839 shares.

This authorisation terminated the authorisation granted to the Board by the Annual General Meeting on 2 July 2013.

Acquisitions may be made with a view to:

- ensuring liquidity and supporting the secondary market for the Company's shares through an investment service provider acting independently under a liquidity contract in accordance with the AMAFI ethical charter recognised by the French Financial Markets Authority; or
- the allocation or sale of shares to employees and/or corporate officers or former officers of the Company and/or Companies which are or shall be linked to it, under the conditions and in accordance with the procedures stipulated by the applicable regulations, notably within the context of stock option purchase plans, operations, free allocation of existing shares or company savings plans; or
- retention and subsequent delivery of shares (by way of an exchange, payment or otherwise) within the context of external growth operations, it being specified that the maximum amount of shares acquired for retention and subsequent delivery in payment or exchange, within the context of a merger, demerger or contribution, may not exceed 5% of the share capital; or
- the cover of securities providing entitlement to the allocation of shares in the Company by delivery of shares on exercise of rights attached to securities giving a right through redemption, conversion, exchange, presentation of a warrant or in any other way to the allocation of shares in the Company; or
- the subsequent cancellation, as a whole or in part of the shares so repurchased under the conditions provided in Article L. 225-209 of the Commercial Code, in accordance with the terms of the thirteenth resolution adopted at the Mixed, Ordinary and Extraordinary General Meeting of 28 May 2014; or
- implementing of any market practice which is or may be allowed by market authorities; or
- operating for any other purpose which is or may be authorised by the law or regulations in effect subject to informing the shareholders of the Company in a press release.

These share purchases may be made by any means, including by acquisition of blocks of shares on the open market or otherwise, and during periods which the Board determines, including during a public offering, within the limits of stock market regulations. The Company nevertheless does not intend to make use of derivative products.

In case of operations on the share capital, notably division or dismemberment of shares or bonus shares, the aforementioned amount will be adjusted in the same proportions (adjustment factor equal to the ratio between the number of shares comprising the share capital before the operation and the number of shares after the operation).

The 2013-2014 Reference Document, filed on 13 May 2014 with the French Financial Markets Authority under number D.14-0518, describes the principal terms of the share buyback programme approved by the General Meeting of 28 May 2014. Between 28 May 2014 and 31 March 2015, the Company transferred 608 shares of treasury stock.

The Company's shareholders shall be asked at the General Meeting, called to approve the financial statements for the financial year ended 31 March 2015, to vote for a new authorisation to replace the above authorisation. This new authorisation would be granted to the Board of Directors for a period of eighteen (18) months starting from the date of the Meeting, and would permit the Board to make the buyback of the Company's shares for a maximum price € 5 per share, with the maximum amount of the operation amounting to € 43,145,199.

Special report on purchase transactions of treasury stock by the Company for the financial year 2014-2015

1. Legal framework

This description of the programme has the object, pursuant to Article 241-2 of the General Regulations of the French Financial Markets Authority, of describing the objectives and procedures of the repurchase programme by the Company, which shall be submitted to the Ordinary and Extraordinary General Meeting called for 9 July 2015.

2. Number of shares and percentage of the share capital held directly or indirectly by the Company

On 31 March 2015, the Company held 111,451 treasury shares with a total value of € 475,217 or 0.048% of the share capital of the Company.

3. Allocation by objectives of shares which the Company holds directly or indirectly on the present date

On the present date, all shares held by the Company are allocated to the liquidity agreement.

4. Objectives of the buyback programme

Acquisitions may be made with a view to:

- ensuring liquidity and boosting the secondary market for shares in the Company through an investment service provider acting independently within the context of a liquidity contract compliant with the charter of ethics of the AMAFI [French Financial Markets Association], recognised by the French Financial Markets Authority; or
- the attribution or sale of shares to employees or former employees and/or present or former officers of the Company and/or companies which are or shall be linked to it under the conditions and according to the procedures provided by the applicable legislation, including within the context of stock option purchase plans, operations for the free allocation of existing shares or company savings plans; or
- retention and subsequent delivery of shares (in exchange, payment or otherwise) in connection with external growth operations, it being specified that the maximum amount of shares acquired for retention and subsequently delivery for payment or exchange within the context of a merger, demerger or contribution may not exceed 5% of the capital; or
- the cover of securities giving the right to the attribution of shares in the Company by delivery of shares on exercise of rights attached to securities giving a right through redemption, conversion, exchange, presentation of a warrant or in any other way to the allocation of shares of the Company; or
- the subsequent cancellation of all or part of the shares repurchased under the conditions provided in Article L. 225-209 of the Commercial Code, pursuant to the tenth resolution adopted at the Mixed, Ordinary and Extraordinary General Meeting, of 28 May 2014; or
- the implementation of any market practice that is or may be accepted by the market authorities; or
- to operate for any other purpose which is or may be authorised by the law or regulations in effect subject to informing the shareholders of the Company in a statement.

5. Maximum portion of the share capital, maximum number and characteristics of the shares which the Company proposes to acquire and the maximum purchase price

The number of shares acquired during the buyback programme shall not exceed 5% of the shares comprising the share capital of the Company at any point, with this percentage applying to a share capital adjusted according to operations affecting it after this General Meeting, it being specified that for the particular case of shares purchased within the context of a liquidity contract, the number of shares used for the calculation of the limit of 5% shall be the number of shares purchased minus the number of shares resold during the authorisation period. The number of shares that the Company holds at any time shall not exceed 5% of the shares comprising the share capital of the Company, with this percentage applying to a share capital adjusted in accordance with the transactions affecting it after this General Assembly.

These share purchases may be made on one or more occasions, by any means, on a regulated market, within a multilateral trading system, via a systematic internaliser or over the counter, including by public offer or transactions of blocks of shares (which may represent the entire programme). The Company nevertheless does not intend to use derivative products. These transactions may be executed at any time, pursuant to the legal provisions in effect, with the exception of the public offer periods for the Company's shares.

The General Meeting has decided that the maximum purchase price per share is set at five (5) euros per share. In the case of operations on the share capital, notably of splitting or consolidation of shares or bonus shares, the aforementioned amount will be adjusted by the same proportions (adjustment factor equal to the ratio between the number of shares comprising the capital before the transaction and the number of shares after the transaction).

Accordingly, pursuant to Article R. 225-151 of the French Commercial Code, the General Meeting sets at € 43,145,199 the maximum aggregate amount allocated to the share repurchase programme authorised above, as calculated on the basis of the share capital on 31 March 2014, consisting of 172,580,795 shares.

The General Meeting grants full powers to the Board of Directors, with the right of delegation, to implement this authorisation, conclude all agreements, carry out all formalities and declarations to all organisations, and in general, to do whatever is necessary.

This authorisation shall take effect at the end of this Meeting and shall expire on the date of the General Meeting called to approve the financial statements for the financial year ended on 31 March 2016 and moles and replaces that granted by the Mixed General Meeting of 28 May 2014 in its tenth resolution.

The securities forming the object of this programme are the shares of the Company listed on Eurolist on the Paris stock exchange.

6. Duration of the repurchase programme

The repurchase programme shall be executed in accordance with the tenth resolution of the General Meeting on 9 July 2015, for a period expiring on the date of the General Meeting called to approve the financial statements for the financial year ended 31 March 2016.

7. Report on the previous programme

The Ordinary and Extraordinary General Meeting of 28 May 2014, in its tenth resolution, authorised the Board of Directors to acquire shares of the Company, under the conditions provided by Articles L. 225-209 *et seq.* of the Commercial Code and European Regulation No. 2273/2003 of 22 December 2003, implementing European Directive 2003/6/EC of 28 January 2003 on one or more occasions, at the times it shall determine, within the limit of 5% of the number of shares comprising the share capital of the Company.

Declaration by the issuer of transactions on Treasury stock from 28 May 2014 to 31 March 2015:

Percentage of share capital held directly and indirectly*	0.048%
Number of shares cancelled over the last 24 months**	0
Number of shares held in the portfolio*	111,451
Book value of the portfolio*	€ 475,217.24
Market value of the portfolio*	€ 99,191.39

* On the date of publication of the programme description,

** This relates to the last 24 months preceding the date of publication of the programme description.

	Cumulative gross flows*		Positions opened on the day of publication of the programme description **			
	Purchases	Sales/transfers	Positions opened on purchase		Positions opened on sale	
			Purchased call options	Forward purchases	Sold call options	Forward sales
Number of securities	0	608				
Average maximum maturity			N/A	N/A	N/A	N/A
Average price of the transaction*			-	-	-	-
Average exercise price		2.28	N/A	N/A	N/A	N/A
Amounts	-	1,386.24	-	-	-	-

* The cumulative gross flows include spot purchase or sale transactions, as well as option and forward transactions which have been exercised or which have matured.

** Open positions include unmatured forward purchases or sales, as well as unexercised call options.

21.1.4. Shares and marketable securities giving access to the capital

21.1.4.1. Information on the potential dilution of the Company's capital as at 9 June 2015

Nature of the potentially dilutive instruments	Exercise price	Number of shares to which such instruments give right	Potential dilution which may arise from the exercising of these instruments
SOP	6.20/16.41	921,600	0.40 %
BSAARs issued not exercised	4.1618-13.5431	3,080,014	1.33 %
OCEANEs 2018	2.58	43,356,043	18.74 %
FREE SHARES	2.340/10.725	547,200	0.24%
Total		**47,904,857**	**20.71 %**

The share subscription option and free share plans below, whose shares still have to be acquired, have been subject to an adjustment ratio protecting the interests of the beneficiaries, following the capital increase of July 2014.

The table below summarises the free share plans detailed in paragraph 21.1.4 of this Reference Document, whose acquisition period maturity is in the future:

Date of the Board of Directors	01/04/2011	13/12/2011	04/06/2012	06/03/2014
Number of shares	1,235,430	170,500	1,223,457	275,200
- including number of shares for company officers	418,100	0	217,457	0
Number of shares acquired	582,040	88,500	561,695	0
Number of shares cancelled	480,590	50,000	466,563	128,000
Number of shares remaining	172,800	32,000	195,200	147,200

21.1.4.2 Summary of existing authorisations

Summary table of authorisations in progress:

Operations/Securities in question	Maximum nominal amount of issue	Use (date)	Duration of authorisation (and expiry)
Capital increase for all securities with a PSR EGM of 22/04/14 – 1st resolution	Equity = € 20million	€ 5.2 million (24/06/2014)	26 months (06/16)
Capital increase for all securities without PSR EGM of 22/04/14 – 2nd resolution	Equity = € 15 million[1] Loan = € 250 million[2]	None	26 months (06/16)
Capital increase for all securities without a PSR - reserved to the designated category of persons EGM of 22/04/14 – 3rd resolution	Equity = € 15 million[1] Loan = € 250 million [2]	None	18 months (06/15)
Capital increase for all securities without a PSR - offers cited in II of article L. 411-2 of the Monetary and Financial Code EGM of 22/04/14 – 4th resolution	Equity = 20% of the share capital, within the limit of 15 million[1] Loan = 250 million[2]	None	26 months (06/16)
Increase in the number of shares to be issued in the event of excess demands EGM of 22/04/14 – 5th resolution	Within the limit (i) of 15% of the initial issue and (ii) of the ceiling foreseen for the delegation used	None	26 months (06/16)
Capital increase for all securities without a PSR - exceptional procedures for setting the issue price EGM of 22/04/14 – 6th resolution	Equity = 10% of the share capital, per year within the limit of € 15 million[1] Loan = € 250 million[2]	None	26 months (06/16)
Capital increase of the Company through remuneration of contributions in kind, consisting of shares or securities giving access to the share capital EGM of 22/04/14 – 7th resolution	Equity = 10% of the share capital, per year within the limit of € 15 million[1] Loan = € 250 million	None	26 months (06/16)
Capital increase through incorporation of premiums, reserves, profits, etc. EGM of 22/04/14 – 8th resolution	Within the limit of the amount of the accounts for reserves, premiums or profits and of the ceiling of € 20 million	None	26 months (06/16)

Operations/Securities in question	Maximum nominal amount of issue	Use (date)	Duration of authorisation (and expiry)
Capital increase by way of remuneration of contributions of securities made within the context of a public exchange offer initiated by the Company EGM of 22/04/14 – 9th resolution	Equity = € 15 million Loan = € 250 million	None	26 months (06/16)
Capital increase through the issuance of shares or securities giving access to the share capital, reserved to members of company saving plans, with the removal of the PSR OGM/EGM of 02/07/13 – 17th resolution	Equity = € 500,000, attributed to the ceiling of € 15 million	None	26 months (09/15)
Attribution of bonus shares OGM/EGM of 02/07/13 – 18th resolution	2% of the share capital (on the day of attribution) The attribution to the company representatives shall not exceed 20% of the global amount	Attribution on 06/03/14 of 215,000 bonus shares	24 months (07/15)
Repurchase of Company shares OGM/EGM of 28/05/14 – 10th resolution	5% of the share capital	None	12 months (AGM for approval of the financial statements for the year ended in March 2015)
Annulment of shares acquired by virtue of repurchase authorisations of the Treasury stock of the Company EGM of 22/04/14 – 11th resolution	10% of the share capital	None	18 months (07/15)

1 Common ceiling attributable to the ceiling of € 5 million imposed in the 11th resolution.

2 Common ceiling attributable to the ceiling of € 250 million imposed in the 12th resolution.

Authorisation to repurchase Company shares

The Mixed General Meeting of 2 July 2013 authorised the Board of Directors, in its sixth resolution, to repurchase Company shares within a limit of 5% of the share capital on the date of the Meeting and up to a maximum price of € 5 per share (for a maximum total amount of € 30,656,686), with it possible to assign the shares so acquired for supporting the secondary market or providing liquidity for the share within the context of a liquidity agreement, to cover stock option plans and other forms of allocating shares to the employees and/or company representatives of the Group, for delivery in exchange or as payment within the context of external growth operations, to deliver shares on the exercise of the rights attached to securities providing access to the share capital of the Company, the cancellation or implementation of any market practice that would be accepted by the French Financial Markets Authority; this authorisation shall expire on the date of the General Meeting called to approve the financial statements for the financial year ended 31 March 2014.

Authorisation to cancel Company shares

The Extraordinary General Meeting of 22 April 2014 authorised the Board of Directors, in its eleventh resolution, to cancel shares acquired under the sixth resolution approved at the General Meeting of 2 July 2013, up to a limit of 10% of the share capital over a 24 month period.

Delegation of authority to the Board of Directors with a view to carrying out the increase within the limit of € 20 million of nominal value of the share capital of the Company by issuing, with the maintenance of pre-emptive subscription rights, shares and/or any securities giving access, whether immediately or in the future, to shares of the Company

The Extraordinary General Meeting of 22 April 2014, in its first resolution, delegated to the Board of Directors for 26 months, with the right of subdelegation, the authority to increase the share capital by up to € 20 million nominal by issuing ordinary shares or any securities giving access to the share capital with the maintenance of the pre-emptive subscription right of shareholders, with the nominal amount of debt securities likely to be issued as a result of this resolution capped at € 250 million.

Delegation of authority granted to the Board of Directors to decide on an increase within the limit of € 15 million nominal of share capital of the Company by issuing, without pre-emptive subscription rights, debt or related securities giving access, immediately or in the future, to shares of the Company

The Extraordinary General Meeting of 22 April 2014, in its second resolution, granted the Board of Directors, for a period of 26 months, with the right of subdelegation, the authority to increase the capital up to a limit of € 15 million nominal by issuing ordinary shares or any securities giving access to the share capital, without a pre-emptive subscription right of shareholders, as part of a public offering in France or abroad, with the nominal amount of debt securities likely be issued as a result of this resolution capped at € 250 million.

Delegation of authority to the Board of Directors with a view to issuing shares and/or securities giving access, immediately or in the future, to the share capital of the Company, with the cancellation of the pre-emptive subscription right of shareholders to the benefit of categories of persons meeting specified characteristics

The Extraordinary General Meeting of 22 April 2014, in its third resolution, granted the Board of Directors, for a period of 18 months, with the right of sub-delegation, the authority to increase the share capital up to a limit of € 15 million nominal by issuing ordinary shares or any securities giving access to the share capital, cancelling the pre-emptive subscription rights of shareholders, in favour of the category of beneficiaries meeting the following characteristics: French or foreign industrial and commercial or financial companies (or entities which are their affiliates) with activities, whether directly or indirectly, which may strengthen the prospects for development of one of the three development centres of the Soitec group (electronics, energy, lighting); the nominal amount of debt securities that may be issued under this resolution shall be capped at € 250 million.

Delegation of authority to the Board of Directors to issue, through an offer cited in Article L. 411-2 II of the French Monetary and Financial Code, shares and/or securities giving immediate or future access to the share capital of the Company, without pre-emptive subscription rights for shareholders

The Extraordinary General Meeting of 22 April 2014, in its fourth resolution, granted the Board of Directors, for a period of 26 months, with the right of subdelegation, the authority to increase the capital up to a limit of 20% of the share capital per year and € 15 million nominal, by issuing ordinary shares or any securities giving access to the share capital, cancelling the pre-emptive subscription right of shareholders, within the context of a bid cited in Article L. 411-2 II of the French Monetary and Financial Code, whether in France or abroad; the nominal amount of debt securities that may be issued under this resolution is capped at € 250 million.

Delegation of authority to the Board of Directors to increase the amount of issues made with the maintenance of cancellation of the preferential subscription rights within the limit of 15% of the initial issue

The Extraordinary General Meeting of 22 April 2014, in its fifth resolution, granted the Board of Directors, for a period of 26 months, the authority to decide, for any issue decided in application of the first, second or fourth resolutions the Extraordinary General Meeting of 22 April 2014, to increase the number of shares to issue and make the corresponding emissions at the same price as that retained for the initial issuance, up to a limit of 15% of the amount of the same, all within the ceiling provided by these resolutions.

Delegation of authority to the Board of Directors in case of issuance of shares with the cancellation of pre-emptive subscription rights and/or any securities giving immediate or future access to the share capital of the Company, with a view to setting the issue price within the limit of 10% of the share capital of the Company pursuant to the procedures decided by the General Meeting

The Extraordinary General Meeting of 22 April 2014, in its sixth resolution, granted the Board of Directors, for a period of 26 months, with the right of subdelegation, the authority to increase the share capital up to the limit of 10% of the share capital per year and of € 15 million nominal, by issuing ordinary shares or any securities giving access to the share capital, with cancellation of the pre-emptive subscription right of shareholders, with the issue price of the ordinary shares to be issued as part of this programme or to which the securities to be issued by virtue of this same resolution may provide entitlement, being equal, at the discretion of the Board, to (i) the average price observed over a maximum period of six months preceding the issuance or (ii) the weighted average market price on the day preceding the issue (VWAP 1 day) with a maximum discount of 15%; the nominal amount of debt securities that may be issued under this resolution shall be capped at € 250 million.

Delegation of powers to the Board of Directors to proceed with the capital increase of the Company in consideration for contributions in kind consisting of equity securities or securities giving access to the share capital

The Extraordinary General Meeting of 22 April 2014, in its seventh resolution, delegated to the Board of Directors, for a period of 26 months, the authority to decide, up to the limit of 10% of the share capital, on an increase in the share capital by issuing ordinary shares and/or any other securities giving immediate and/or future access, at any time or on a fixed date, to shares of the Company, with a view to remunerate contributions in kind to the Company consisting of equity securities or securities giving access to the share capital, when the provisions of Article L. 225-148 of the French Commercial Code are not applicable, and decided, as necessary to remove the pre-emptive subscription right for shareholders to the shares and securities so issued, in favour of holders of the shares or securities forming the object of contributions in kind. The maximum nominal amount of the capital increase by way of shares which may thus be issued, either directly or on submission of securities, shall not exceed the ceiling of € 15 million nominal or the countervalue of this amount, with the nominal amount of debt securities that may be issued under this resolution being capped at € 250 million.

Delegation of authority to the Board of Directors with a view to increasing the share capital by incorporation of premiums, reserves, profits or any other amount that may be capitalised

The Extraordinary General Meeting of 22 April 2014, in its eighth resolution, granted the Board of Directors, for a period of 26 months, its authority to decide to increase share capital on one or more occasions, in the proportion and at the times which it determines, through the incorporation into the share capital of premiums, reserves, profits or other items, the capitalisation of which is legally and statutorily permitted and by allocating bonus shares or increasing the par value of existing shares. The total amount of capital increases likely to be realised in this way, increased by the amount necessary, in accordance with the law, for preserving the rights of holders of securities providing entitlement to shares may not exceed the amounts which may be incorporated or the ceiling of € 20 million nominal.

Delegation of authority to the Board of Directors to proceed with the capital increase by issuing shares or securities giving immediate or future access to the share capital of the Company as consideration for contributions of securities made in the context of a public exchange offer initiated by the Company

The Extraordinary General Meeting of 22 April 2014, in its ninth resolution, granted the Board of Directors, for a period of 26 months, the authority to decide on an issue of ordinary shares and/or securities giving access, immediately and/or in the future, at any time or on a fixed date, to shares in the Company, as consideration for securities contributed in the context of a public exchange offer initiated in France or abroad, according to local regulations (including any other transaction having the same effect as a public exchange offer initiated by the Company on its own shares or on the shares of another company, the securities of which are admitted to trading on a regulated market subject to a foreign law, or which may be regarded as such) by the Company on the securities of another company admitted to trading on one of the regulated markets cited in Article L. 225-148 of the Commercial Code, with the maximum nominal amount of the capital increases likely to be realised under this authorisation not permitted to exceed the ceiling of € 15 million nominal, or the countervalue of this amount; the nominal amount of debt securities which may be issued under this resolution shall be capped at € 250 million.

Delegation of authority granted to the Board of Directors to proceed with the capital increase by issuing shares or securities giving access to the share capital reserved for members of savings plans, without pre-emptive subscription rights in favour of these latter parties

The Mixed General Meeting of 2 July 2013, in its seventeenth resolution, granted the Board of Directors, for a period of 26 months, the authority to decide on a capital increase on one or more occasions, for a maximum nominal amount of €500,000, by issuing shares or securities giving access to the share capital, reserved for members of one or several company savings plans (or another plan for the adherents to which Articles L. 3332-18 et seq. of the Labour Code would permit a reserved capital increase under equivalent conditions) which would be implemented within the Group comprising the Company and French or foreign companies falling within the Consolidation perimeter of the Company accounts, pursuant to Article L. 3344-1 of the French Labour Code. The maximum nominal amount of the capital increases likely to be made under this authorisation may not exceed the ceiling of € 15 million nominal, or the countervalue of this amount; the nominal amount of debt securities likely to be issued under this resolution shall be capped at € 250 million.

The issue price of the new shares or securities giving access to capital shall be determined in accordance with Articles L. 3332-18 et seq. of the Labour Code and shall be equal to at least 80% of the average share price quoted on Euronext Paris during the 20 trading days preceding the day of the decision setting the opening date of the subscription period for the capital increase reserved for members of a company savings plan (the "Reference Price"); the General Assembly has nevertheless specifically authorised the Board of Directors, if it considers it appropriate, to reduce or cancel the aforementioned discount, within the legal and regulatory limits, in order, notably, to take account of legal, accounting, tax and labour regimes applicable locally.

Authorisation to grant bonus shares to the benefit of certain Group directors and employees

The Combined General Meeting of 2 July 2013, in its eighteenth resolution, authorised the Board of Directors, for a period of 24 months, within the limit of the equivalent of 2% of the share capital, to grant existing or new shares of the Company. The total number of shares which may be granted by virtue of this authorisation may not exceed 2% of the share capital, as confirmed on the date of the decision of attribution by the Board of Directors, provided that the free allocation of shares to directors shall not exceed 20% of the total amount granted. The attribution of shares to their beneficiaries shall be definitive after an acquisition period of at least two years for all or part of the attributed shares and shall, for shares granted to the company representatives and directors, be subject to Group's conditions of performance, assessed over the entire acquisition period, and to a condition of presence of the beneficiaries in the Group following the procedure determined by the Board of Directors. The duration of the obligation on the part of the beneficiaries to retain the shares shall be set at a minimum of two years after the final allocation of shares, it being specified that for the attributed shares for which the acquisition period is set at four years, the minimum duration of the obligation to retain the shares may be cancelled so that the shares are freely assignable as soon as they are definitively attributed. The final attribution of shares granted to company representatives will be linked to the achievement by the Group of a performance which satisfies its shareholders, measured with reference to an internal composite indicator based on consolidated revenues, EBITDA, and available cash, and the completion of the main stages of the Group's strategic plan.

Delegation of authority to the Board of Directors to issue free warrants in the event of a takeover bid for the Company

The Combined General Meeting of 2 July 2013, in its nineteenth resolution, authorised the Board of Directors, for a period of 18 months, in the event of a public offer targeting the Company, to issue warrants on one or more occasions, subject to Articles L. 233-32 and L. 233-33 II of the Commercial Code, allowing the subscription, under preferential conditions, of one or more shares of the Company and their free allocation to all shareholders of the Company with this capacity before the end of the public offer period, as well as to set the exercise conditions and the characteristics of the said warrants. The total nominal amount of the capital increase resulting from the exercise of these warrants may not exceed forty per cent (40%) of the amount of the share capital, it being specified that this ceiling is set independently of any other ceiling on issues of shares or securities giving access to the share capital of the Company, authorised by the General Meeting on 2 July 2013 or by any General Meeting. The maximum number of warrants which may be issued may not exceed forty per cent (40%) of the number of shares comprising the share capital on issue of the warrants. These equity warrants shall lapse ipso jure if the tender offer and any competing offer fails, lapses or is withdrawn; we specify that the warrants which lapse by the effect of the law shall not be taken into account for calculating the maximum number of warrants which may be issued, as indicated above.

21.1.4.3. Implementation of the authorisations adopted by the General Meetings of 1 July 2005, 6 July 2006, 7 July 2009, 24 June 2011, 3 July 2012 and 2 July 2013

The following table indicates the extent to which the authorisations adopted by the General Meetings of 1 July 2005, 6 July 2006, 7 July 2009, 24 June 2011, 3 July 2012 and 2 July 2013 relating to stock options and attributions of bonus shares, were implemented prior to the start of the Financial year ended on 31 March 2011. It also indicates the status of use of previous authorisations. Reference is made to Section 1.5.2 for a point on the use of the authorisation granted by the Extraordinary General Meeting of 5 November 2007 (PACEO – Capital Increase Programmes through the Exercise of Options).

Option plans in progress

Date of the Meeting	07/01/05	07/01/05	07/01/05
Date of the Meeting of the Board of Directors	11/03/05	07/06/06	10/26/06
Number of shares	1,025,250	89,600	256,000*
- of which the number of shares for the company representatives	100,000	0	0
- of which the number of shares for the first ten assignees who are employees	664,050	89,600	256,000
Number of beneficiaries	20	2	1
Starting date for the exercise of the options	11/03/09	07/06/10	10/26/10
Expiration date	11/02/15	07/05/16	10/25/16
Number of shares subscribed	0	0	0
Number of shares cancelled	474,850	-	-
Remaining number of shares	550,400	89,600	256,000
Subscription price per share (in €)	9.98	16.41	15.11

* All of these options were granted to Mr. Paul Boudre, prior to his appointment as deputy Managing Director at the meeting of the Board of Directors on 16 May 2008.

Bonus shares plans in progress

Date of the Meeting	07/07/2009	07/07/2009	07/07/2009	06/24/2011	06/24/2011
Date of the Meeting of the Board of Directors	04/01/2011	04/01/2011	04/01/2011	12/13/2011	04/06/2012
Number of shares	102,480	103,540	94,900	32,000	217,457
- of which the number of shares for the company representatives	0	0	0	0	217,457
- of which the number of shares for the first ten assignees who are employees	102,480	103,540	94,900	32,000	0
Number of beneficiaries	6	6	2	1	2
Acquisition period	from 04/01/11 to 03/31/15	from 04/01/11 to 03/31/15	from 04/01/11 to 03/31/15	from 12/13/11 to 12/12/15	from 06/04/12 to 06/03/14
Retention period					from 06/04/14 to 06/03/16
Number of shares acquired	0	0	0	0	127,213
Number of shares cancelled	14,160*	25,460**	88,500***	0	90,244****
Number of shares remaining to be acquired	88,320	78,080	6,400	32,000	0

* These shares were cancelled following the departure of an executive on 1 November 2013.

** These shares were cancelled following the departure of two executives on 15 March 2011 and 1 September 2013.

*** These shares were cancelled following the departure of an executive on 7 December 2013.

**** These shares were cancelled pursuant to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date.

Date of the Meeting	06/24/11	06/24/11	06/24/11	06/24/11
Date of the Meeting of the Board of Directors	06/04/12	06/04/12	06/04/12	06/04/12
Number of shares	307,980	244,260	32,000	212,760
- of which the number of shares for the company representatives	0	0	0	0
- of which the number of shares for the first ten assignees who are employees	307,980	244,260	32,000	212,760
Acquisition period	10	6	1	7
Retention period	from 06/04/12 to 06/03/14	from 06/04/12 to 06/03/14	from 06/04/12 to 06/03/16	from 06/04/12 to 06/03/16
Number of shares acquired	from 06/04/14 to 06/03/16	from 06/04/14 to 06/03/16		
Number of shares cancelled	166,362	91,120	0	0
Number of shares assigned	141,618*	153,140**	0	81,560***
Number of shares remaining to be acquired	0	0	32,000	131,200

* These shares were cancelled, on the one hand, following the departure of an executive on 5 November 2013, on the other hand due to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date and following the departure of an employee on November 5, 2013.

** These shares were cancelled, on the one hand, following the departure of an executive on 20 February 2014, on the other hand due to the performance conditions defined by the Board of Directors that attributed them, which were not met on the acquisition date.

*** These shares were cancelled following the departure of two executives on 7 December 2013 and 7 February 2015.

Date of the Meeting	07/03/12	07/03/12	07/03/12	07/02/13
Date of the Meeting of the Board of Directors	03/07/13	03/07/13	03/07/13	03/06/14
Number of shares	99,200	32,000	147,500	108,800
- of which the number of shares for the company representatives	0	0	0	0
- of which the number of shares for the first ten assignees who are employees	99,200	32,000	147,500	108,800
Number of beneficiaries	1	1	1	1
Acquisition period	from 03/07/13 to 03/06/15	from 03/07/13 to 03/06/17	from 03/07/13 to 03/06/17	from 03/06/14 to 03/05/16
Retention period	from 03/07/15 to 03/06/17			from 03/06/16 to 03/05/18
Number of shares acquired	99,200	0	0	0
Number of shares cancelled	0	32,000*	147,500**	0
Number of shares remaining to be acquired	0	0	0	108,800

* These shares were cancelled following the departure of an executive on 12 September 2014.

** These shares were cancelled following the departure of an executive on 7 December 2013.

Date of the Meeting	07/02/13	07/02/13	07/02/13
Date of the Meeting of the Board of Directors	03/06/14	03/06/14	03/06/14
Number of shares	96,000	32,000	38,400
- of which the number of shares for the company representatives	0	0	0
- of which the number of shares for the first ten assignees who are employees	96,000	32,000	38,400
Number of beneficiaries	1	1	1
Acquisition period	from 03/06/14 to 03/05/18	from 03/06/14 to 03/05/18	from 03/06/14 to 03/05/18
Retention period			from 03/06/16 to 03/05/18
Number of shares acquired	0	0	0
Number of shares cancelled	96,000*	32,000*	0
Number of shares remaining to be acquired	0	0	38,400

* These shares were cancelled following the departure of an executive on 7 February 2015.

21.1.4.4. Operations during the 2014-2015 fiscal year

SUPPLEMENTARY REPORT BY THE CHAIRMAN AND MANAGING DIRECTOR ON THE CASH CAPITAL INCREASE WITH THE MAINTENANCE OF THE PRE-EMPTIVE SUBSCRIPTION RIGHT OF 24 JUNE 2014

Pursuant to Articles L. 225-129-5 and R. 225-116 of the Commercial Code, the Chairman and Managing Director of Soitec (the "Company") prepared an additional report to the report of the Board of Directors to the Extraordinary General Meeting of 22 April 2014 (the "Meeting"), describing the conditions under which the Board of Directors and, by delegation of the latter, the CEO, made use of the authorisation passed within the context of the first resolution of the General Meeting.

I. Delegation of the General Meeting

The General Meeting, in its first resolution, granted to the Board of Directors, with the right of subdelegation under the conditions set by law, the authority to carry out one or several capital increases of the Company by issuing in France and/or abroad, with the maintenance of the preferential subscription right, ordinary shares and/or any other securities issued against payment or free of charge, providing access by any means, immediately and/or in the future, to new or existing ordinary shares of the Company. The General Meeting has set the following limits on the emissions allowed by virtue of its delegation:

- the maximum nominal amount of capital increases that may be made immediately or in the future by virtue of the authorisation may not exceed the ceiling of € 20 million nominal or the countervalue of this amount, it being understood that to this ceiling will be added the nominal amount of capital increases for ordinary shares to be issued, in accordance with the law and, where applicable, to the contractual stipulations, in order to preserve the rights of holders of securities and holders of other rights granting access to the share capital of the Company, to be issued by virtue of this resolution;
- the issue or issues shall be reserved by priority to shareholders who may subscribe on an irreducible basis;
- the Board of Directors may grant shareholders the right to subscribe to a number of securities exceeding the number which they could subscribe on an irreducible basis, in proportion to the subscription rights they hold and, in any event, within the limit of their request;

- if the subscriptions on an irreducible basis and, if applicable, on a reducible basis, have not absorbed the entire issue of shares or securities as defined above, the Board of Directors may use, under the conditions provided by law and in the order which it shall determine, one and/or other of the following options:
- limit the capital increase to the amount of subscriptions, provided that this amount reaches at least three quarters of the issue decided;
- freely distribute all or part of the unsubscribed securities among the persons of its choice;
- offer to the public all or part of the unsubscribed securities, on the French market and/or internationally.

The General Meeting, in its fifth resolution, also granted to the Board of Directors, with the right of subdelegation, as provided by law, its authority to decide to increase the number of shares to be issued in the event of issuance of shares or securities providing access to the share capital of the Company, with the maintenance or cancellation with or without pre-emptive subscription rights, decided on the basis of the first, second or fourth resolutions of the General Meeting, at the same price as that adopted for the initial issue and within the deadlines and limits provided by the legal and regulatory provisions applicable on the day of issue (on the present day, within thirty days of the subscription and within the limit of 15% of the initial issue), subject to the ceiling by way of application of which, the issue is decided.

The General Meeting also granted all powers to the Board of Directors, with the right of subdelegation under the conditions set by law, to implement these delegations of authority, which are valid for a period of 26 months starting from the said Meeting.

II. Delegation of the Board of Directors

By virtue of the delegations granted by the General Meeting in its first and fifth resolutions, the Board of Directors which met on 6 June 2014 decided unanimously (i) on the principle of a capital increase of the Company up to a maximum nominal amount of € 10,000,000.00, which may be adjusted to € 10,257,850.30 in the event of exercise of all of the exercisable stock options, by issuing a maximum number of 100,000,000 new ordinary shares with maintenance of the pre-emptive subscription right of shareholders, which may be increased to 102,578,503 new ordinary shares upon exercise of all of the exercisable stock options, (ii) on the principle of an increase in the number of new ordinary shares to be issued to meet reducible subscription requests by shareholders and/or assignees of pre-emptive subscription rights, it being specified that the total number of new shares which may then be issued shall not exceed 117,965,278 new ordinary shares, representing a maximum nominal amount of € 11,796,527.80.

The Board of Directors also delegated to its Chairman and Managing Director, or with his agreement, to the Deputy Managing Director, in accordance with Article L. 225-129-4 of the Commercial Code, the power to decide, or suspend (i) the issuance, by public offer (including, if applicable, a private placement with qualified investors), with the maintenance of the pre-emptive subscription right, an increase in the share capital of the Company by issuing new ordinary shares, up to a maximum of 100,000,000 new ordinary shares, which may be adjusted to 102,578,503 new ordinary shares on exercise of all of the exercisable stock options, (ii) the increase in the number of shares to be issued at the same price as that adopted for the initial issue, with it then being possible to increase the maximum number of new shares to 117,965,278 million new ordinary shares in the event of full exercise of the extension clause.

Furthermore, the Board of Directors, unanimously, without Messrs. André-Jacques Auberton-Herve and Paul Boudre taking part in the vote, granted full powers to its Chairman and Managing Director or, in agreement with the latter, the Deputy Managing Director, under the applicable legal and regulatory conditions, and within the limits set by the General Meeting and by its decision of 6 June 2014, to implement this programme (including, if necessary, the extension clause) and to draw up all of its conditions on a definitive basis, notably:

- setting the subscription price of new shares;
- setting the size and other definitive procedures of the transaction (including the issue dates and procedures), to confirm the completion of the capital increase and accordingly to amend the articles of Association of the Company;
- granting shareholders the right to subscribe to a greater number of shares than they could subscribe in proportion to the subscription rights which they hold and within the limit of their request;
- deciding, if the subscriptions on an irreducible basis and, if applicable, on a reducible basis, had not absorbed all of the ordinary shares issued, in the order which he would determine, either to limit the issuance to the effectively revised amount of the subscriptions, pursuant to the law, provided that these reached at least three-quarters of the decided amount of the issue, or to distribute freely all or part of the unsubscribed securities among persons of its choice, or to offer them to the public in the same way;
- deciding, in accordance with Article L. 225-210 of the French Commercial Code, to sell the pre-emptive subscription rights attached to shares held by the Company on the stock exchange;
- requesting admission for the new shares to trading on the regulated Euronext Paris market; determining the date on which the new shares issued will best fit dividends and their ranking, as appropriate, with the shares of the Company traded on the Euronext Paris regulated market;
- executing, as appropriate, all formalities regarding the suspension and then the resumption of the right to exercise the Company's stock options and/or the right to attribution of shares attached to BSAAR and/or OCEANE;
- after the close of the subscription period for the capital increase and, where appropriate, before the resumption of the exercise of stock options and the right to allocation of shares attached to the BSAAR and OCEANE, adjusting the rights (i) of the beneficiaries of stock options, (ii) of the beneficiaries of bonus share plans following the close of the subscription period, (iii) of holders of BSAAR and (iv) of holders of OCEANE, to be preserved in accordance with legal and regulatory provisions and the provisions of the respective stock option plan regulations, the terms of issuance of the BSAAR and OCEANE, as well as the stipulations of the regulations for attributing bonus shares.
- observing the definitive completion of the capital increase and making the associated amendments to the articles of association;
- transferring the amount of the issue premium to the “share premium” reserve account and if applicable, deducting from the share premium account all costs and fees incurred by the operation;
- setting the terms of the supplementary report in accordance with the requirements of Article L. 225-129-5 of the Commercial Code;
- in general, taking all necessary measures to ensure the successful completion of the issue.

Lastly, the Board also gave full powers to its Chairman and Managing Director, and with the agreement of this latter party, its Deputy Managing Director, to subdelegate under the applicable legal and regulatory conditions, for the purpose of concluding any agreements (including the guarantee agreement to be entered into with Natixis, in the capacity of banking institution guaranteeing the subscription and placement of the new shares), and of signing all documents necessary for the completion of this transaction, notably concluding all agreements and conventions, completing and signing the transaction note relating to this transaction and all associated information documents, executing all of the necessary formalities and filings, particularly with the stock exchange authorities, requesting the admission of the new Company shares to the Euronext Paris regulated market and more generally, taking all necessary steps, all initiatives and fulfilling all formalities necessary for ensuring the definitive realisation of the new share issue, its listing and the service for the issued securities, as well as the resulting adjustments.

III. Decisions of the Managing Director

The Chairman and Managing Director, using the powers granted to him by the Board of Directors in the aforementioned delegation, pursuant to a decision dated 24 June 2014, decided:

- to increase the share capital of the Company by € 83,108,467, likely to be increased to € 85,251,418 in the event of exercise of all of the exercisable stock options, through the issue of 51,942,792 new shares, likely to be adjusted to 53,282,136 new shares in the event of exercise of all of the exercisable subscription options exercisable with the maintenance of the pre-emptive subscription right, at a ratio of 3 new shares for 10 existing shares, to be subscribed and paid up in cash at a subscription price of € 1.60 per new share, of which a par value of € 0.10 and an issue premium of € 1.50;
- to reserve on a preferential basis, the subscription of new shares (i) to holders of existing shares, recorded in their security accounts at the end of the accounting day of 25 June 2014, (ii) to the assignees of their pre-emptive subscription rights; the holders of pre-emptive subscription rights may subscribe (i) on an irreducible basis, at a ratio of 3 new shares with a nominal value of € 0.10 each for 10 existing shares held. 10 preferential subscription rights will provide entitlement to subscribe 3 new shares at € 1.60 per share, without taking fractions into account and (ii) on a reducible basis, the number of new shares which they desire, in addition to those due to them by virtue of the exercise of their irreducible rights;
- that the subscription period will be open from 26 June 2014 to 11 July 2014 inclusive. The pre-emptive subscription rights will be detached on 26 June 2014. They shall be traded on the Euronext Paris regulated market from 26 June 2014 to 11 July, 2014 under the ISIN code FR0011995216;
- that the new shares are ordinary shares of the same category as the existing shares of the Company; they will rank for current rights and provide entitlement, starting from their issuance, to all distributions decided by the Company starting from that date;
- to request the admission of the new shares to trading on the Euronext Paris regulated market. They will be fungible with existing Company shares already traded on the market, starting from their admission, under the same ISIN code as the existing shares of the Company or FR0004025062;
- to grant a mandate to BNP Paribas Securities Services, in order to centralise the issuance of New Shares and establish the certificate of deposit for funds confirming the completion of the capital increase;
- to authorise the conclusion of a security agreement between the Company and Natixis, in its capacity as banking institution guaranteeing the subscription and placement of the new shares; this guarantee shall relate to the new shares that have not been subscribed at the close of the subscription period on exercise of the subscription rights, after taking account of subscriptions in a reducible capacity, excluding the new shares forming the object of the irrevocable subscription commitments, as well as the new shares likely to be issued in the event of exercise of exercisable stock options; this warranty shall not constitute a guarantee of successful performance pursuant to Article L. 225145 of the Commercial Code;
- to decide on the terms of the draft operation note, detailing the characteristics and the final conditions of the shares to be issued, which will be submitted for approval to the French Financial Markets Authority and for which a copy shall be annexed to this report;
- to attribute the costs incurred by the issue to the amount of the associated premium and to deduct from this amount the sums necessary for funding the legal reserve.

IV. Procedures for determining the issue price and justification

The subscription price is € 1.60 per share, of which € 0.10 of nominal value per share and € 1.50 of share premium. On the basis of the closing share price for Soitec on 23 June 2014, of € 2.97;

- the issue price of new shares of € 1.60 revealed a discount to face value of 46.1%;
- the theoretical value of the preferential subscription rights amounted to € 0.32;
- the theoretical value of the ex-rights share amounted to € 2.65;
- the issue price of the new shares reflects a discount of 39.7% relative to the theoretical value of the ex-rights share.

V. Impact of the issue

1) Impact of the issue on the quota of consolidated shareholders' equity per share

The impact (without taking into account of the adjustments of the BSAAR, OCEANE, the options and bonus shares linked to the capital increase) of the issuance of the Group's quota of consolidated equity per share (with calculations made on the basis of the Group's quota of consolidated equity, as reflected in the consolidated financial statements on 31 March 2014, and the number of shares comprising the share capital of the Company on that date after deducting treasury shares) would be as follows:

	Quota of equity (€)	
	Undiluted basis	Diluted basis [1]
Before the issue of new shares resulting from this capital increase	1.27	1.74
After the issue of 51,942,792 new shares resulting from this capital increase	1.35	1.60

(1) In the event of exercise of all (i) stock options, whether exercisable or not, (ii) the right of attribution of shares by way of all OCEANE and BSAAR, as well as in the event of (iii) expiry of the acquisition period for all of the bonus shares. On the date of updating of the Reference Document, 890,900 stock options were outstanding, as well as 2,406,261 warrants, 49,708,091 OCEANEs and 734,200 bonus shares.

2) Impact of the issue on the shareholder's situation

The impact (without taking into account the adjustments of the BSAAR, OCEANE, Options and bonus shares linked to the capital increase) of the issue on the participation in the share capital of a shareholder holding 1% of share capital of the Company prior to the issue and not subscribing to it (calculated on the basis of the number of outstanding shares of the Company on 24 June 2014) would be as follows:

	Shareholder's stake (in %)	
	Undiluted basis	Diluted basis [1]
Before the issue of new shares resulting from this capital increase	1%	0.76%
After the issue of 51,942,792 new shares resulting from this capital increase	0.77%	0.62%

(1) In the event of exercise of all (i) stock options, whether exercisable or not, (ii) the right of attribution of shares by way of all OCEANE and BSAAR, as well as in the event of (iii) expiry of the acquisition period for all of the bonus shares. On the date of updating of the Reference Document, 890,900 stock options were outstanding, as well as 2,406,261 warrants, 49,708,091 OCEANEs and 734,200 bonus shares.

3) Impact of the issue on the market value of Soitec shares

The theoretical impact on the market value of the Soitec share, i.e. € 3.10 (average of the closing prices for 20 trading days preceding 24 June 2014) of the issuance of new shares resulting from the capital increase would be:

	Number of shares	Market value per share (€)
Before the issue of new shares resulting from this capital increase	173,142,640	3.10
After the issue of 51,942,792 new shares resulting from this capital increase	225,085,432	2.74

The market value was obtained by taking the market capitalisation before the operation, corresponding to the average of the twenty trading days preceding 24 June 2014 (i.e. € 3.10) multiplied by the number of shares (173,142,640 shares on 23 June 2014), adding the estimated net proceeds of the issue (or € 80,524,272) and dividing the total by 225,085,432, corresponding to the sum of the number of shares on 23 June 2014 (or 173,142,640 shares) and the total number of shares issued within the context of the capital increase (i.e. 51,942,792 shares).

Your statutory auditors will verify the compliance of the capital increase with the terms of the authorisation of the general meeting dated 22 April 2014, which they certify in their supplementary report, prepared pursuant to and according to the procedures provided in Article 225-116 of the Commercial Code.

Pursuant to the legal provisions in effect, this supplementary report, as well as that of the statutory auditors, are made available to you at the registered office of the company, and will be brought to your attention directly at the next general meeting.

SPECIAL REPORT ON TRANSACTIONS OF ATTRIBUTION OF FREE SHARES AND PERFORMANCE SHARES FOR THE 2014-2015 FINANCIAL YEAR

Pursuant to article L. 225-197-4 of the French Commercial Code, we disclose below the transactions of attribution of free shares and performance shares of the company (the “Company”) undertaken during the 2014-15 financial year.

a) Attribution of free shares and performance shares for the 2014-15 financial year

Not applicable.

b) Acquisition of shares attributed free of charge in respect of the 2014-15 financial year and previous financial years

Under the plan of attribution of free shares and performance shares decided by the Board of Directors at its meeting of 4 June 2012, the beneficiaries of which were André-Jacques Auberton-Hervé and Paul Boudre, as well as senior executives of the Company, since the acquisition period had expired on 4 June 2014, the Board of Directors recognised at its meeting of 16 April 2014 the acquisition of 73,961 free shares by Auberton-Hervé, 53,252 free shares by Paul Boudre and 434,482 free shares by the plan’s other beneficiaries on the one hand, and the corresponding increase in the Company’s capital on the other.

Under the plan of attribution of free shares decided by the Board of Directors at its meeting of 7 March 2013, the beneficiaries of which were senior executives of the Company, since the acquisition period for one of the beneficiaries expired on 7 March 2015, it was recognised by decision of the CEO on 10 March 2015 the expiration of the acquisition period of 99,200 shares attributed at the Board of Directors’ meeting of 7 March 2013 on the one hand, and the corresponding increase in the Company’s capital on the other.

c) Cancellation of shares attributed free of charge in respect of the 2014-15 financial year and previous financial years

Under the plan of attribution of free shares decided by the Board of Directors on 4 June 2012:

- 32,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager’s departure on 7 February 2015.

Under the plan of attribution of free shares decided by the Board of Directors on 7 March 2013:

- 32,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager’s departure on 12 September 2014.

Under the plan of attribution of free shares decided by the Board of Directors on 6 March 2014:

- 128,000 free shares the beneficiary of which was a salaried manager were cancelled following the manager’s departure on 7 February 2015.

d) Allotments of stock options to certain of the Group’s senior executives and employees

During fiscal year 2014-2015, there was no allotment of stock options.

21.1.5. Right to buy and obligation attached to the capital subscribed but not paid-up

On the submission date of this Reference Document, there was no right to buy or obligation attached to the capital subscribed but not paid-up.

21.1.6. Information on the capital of Group companies subject of an option or conditional or unconditional agreement providing for placing it under option

On the submission date of this Reference Document, there was not, to the knowledge of the Company, any option on the capital of a company of the Group or a conditional or unconditional agreement providing for placing the capital of these companies under option.

21.1.7. Capital and voting rights distribution

Evolution and history of the share capital over the last five financial years

Date	Type of transaction	Increase in capital in euros	Share issue premium and Contribution	Number of shares issued	Value nominal in euros	Total amount of the share capital in euros	Total amount of the share capital in shares
24/01/2008	Increase in Capital by exercise of and conversion of	18,155	1,197,807	181,545	0.10	8,260,360	82,603,597
11/03/2008	Increase in Capital by lifting of SOP and exercise of BCE	15,204	454,361	152,035	0.10	8,275,563	82,755,632
16/06/08	Increase in Capital by issue of ABSAARs	225,000	11,708,200	2,250,000	0.10	8,500,839	85,008,392
19/06/2008	Increase in Capital by exercise of BCE	674	29,603	6,737	0.10	8, 501,513	85,015,129
03/09/08	Increase in Capital by exercise of BCE and acquisition of free shares	10,185	(1,956)	101,854	0.10	8,511,698	85,116,983
14/10/2008	Increase in capital by exercise of BCE	240	10,560	2,400	0.10	8,511,938	85,119,383
05/06/09	Increase in Capital by exercise of BCE and acquisition of free shares	5,025	48,113	50,247	0.10	8,516,963	85,169,630
07/07/2009	Increase in Capital by exercise of BCE	6,493	277,896	64,929	0.10	8,523,456	85,234,559
15/09/2009	Increase in Capital by exercise of BCE	22,858	978,322	228,580	0.10	8,546,314	85,463,139
14/10/2009	Increase in Capital by exercise of BCE, of BSAARs, and lifting of SOP	52,634	2,187,284	526,342	0.10	8,598,948	85,989,481
17/11/2009	Capital increase by exercise of BCE, lifting of SOP and conversion of OCEANEs	9,451	408,452	94,509	0.10	8,609,399	86,083,990
14/01/2010	Increase in Capital by exercise of BCE and lifting of SOP	6,124	267,925	61,243	0.10	8,614,523	86,145,233
09/04/2010	Increase in Capital by lifting of SOP and acquisition of free shares	3,050	95,500	30,500	0.10	8,617,573	86,175,733
06/05/2010	Increase in Capital by issue of ABSAARs	75,000	9,825,000	750,000	0.10	8,692,573	86,925,733
07/07/2010	Increase in Capital by exercise of BSAARs and acquisition of free shares	42,304	1,193,109	423,036	0.10	8,734,877	87,348,769
22/09/2010	Increase in Capital by lifting of subscription options	3,650	171,915	36,500	0.10	8,738,527	87,385,269
08/03/2011	Increase in Capital by exercise of BSAARs, conversion of OCEANEs and acquisition of free shares	10,254	299,443	102,542	0.10	8,748,781	87,487,811
25/05/2011	Increase in Capital by issue of ABSAARs	110,000	12,527,253	1,100,000	0.10	8,858,781	88,587,811
20/06/2011	Increase in Capital by acquisition of free shares	21,640		216,403	0.10	8,880,421	88,804,214
25/07/2011	Increase in Capital with maintenance of preferential subscription right	3,330,158	146,526,943	33,301,578	0.10	12,210,579	122,105,792
26/03/2012	Increase in Capital by lifting of share subscription options	2,260	66,766	22,600	0.10	12,212,839	122,128,392
04/06/2012	Increase in Capital by acquisition of free shares	18,445	-	184,451	0.10	12,231,284	122,312,843
13/11/2012	Increase in Capital by acquisition of free shares	565	-	5,650	0.10	12,231,849	122,318,493
22/01/2013	Capital increase resulting from an offer referred to in Article L.411-2 II of the French Monetary and Finance Code, subscribed by Fraunhofer-Gesellschaft zur Förderung der Angewandten Forschung e.V.	30,825	855,024	308,250	0.10	12,262,674	122,626,743
21/05/2013	Increase in capital by acquisition of free shares	58,204	-	582,040	0.10	12,320,878	123,208,783
23/07/2013	Capital increase with maintained preferential subscription right	4,928,351	66,532,741	49,283,512	0.10	17,249,923	172,492,295
13/12/2013	Increase in capital by acquisition of free shares	8,850	-	88,500	0.10	17,258,079	172,580,795
06/06/2014	Increase in capital by acquisition of free shares	56,170	-	561,695	0.10	17,314,249	173,142,490
12/06/2014	Increase of capital by conversion of OCEANEs	15	1,268	150	0.10	17,314,264	173,142,640
22/07/2014	Capital increase with maintained preferential subscription right	5,194,279	77,914,188	51,942,792	0.10	22,508,543	225,085,432
03/02/2015	Capital increase by issuance of share warrants	600,000	4,620,000	6,000,000	0.10	23,108,543	231,085,432
10/03/2015	Increase in capital by acquisition of free shares and conversion of OCEANEs	10,299	29,546	102,994	0.10	23,118,843	231,188,426
28/04/2015	Increase in capital by acquisition of free shares	11,489		114,893	0.10	23,130,332	231,303,319

Breakdown of capital and voting rights at 31 March 2013

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé*	6,263,240	5.108	12,372,876	9.175
The Auberton-Hervé Family	1,166,658	0.951	1,166,658	0.865
The Auberton-Hervé Family Group	**7,429,898**	**6.059**	**13,539,534**	**10.040**
Strategic Investment Fund*	12,127,352	9.890	12,127,352	8.993
***Shareholder Agreement**	**18,390,592**	**14.997**	**24,500,228**	**18.168**
Caisse des Dépôts et Consignations	4,168,352	3.399	4,168,352	3.091
Shin-Etsu Handotaï Co Ltd (partner since 1997 and first sub-licensee of Soitec)	4,452,599	3.631	4,452,599	3.302
Public	94,336,483	76.930	100,454,587	74.494
Self-held	112,059	0.091	112,059	(0.083)
Total	**122,626,743**	**100%**	**134,854,483**	**100%**

Breakdown of capital and voting rights at 31 March 2014

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé*	6,425,327	3.723	12,641,511	6.383
The Auberton-Hervé Family	1,655,812	0.959	2,822,470	1.425
The Auberton-Hervé Family Group	**8,081,139**	**4.682**	**15,463,981**	**7.809**
Strategic Investment Fund*	16,978,294	9.838	29,105,646	14.697
***Shareholder Agreement**	**23,403,621**	**13.561**	**41,747,157**	**21.080**
Caisse des Dépôts et Consignations	6,647,404	3.852	6,647,404	3.357
Shin-Etsu Handotaï Co Ltd (partner since 1997 and first sub-licensee of Soitec)	4,452,599	2.580	4,452,599	2.248
Public	136,309,300	78.983	142,258,103	71.833
Self-held	112,059	0.065	112,059	(0.083)
Total	**172,580,795**	**100**	**198,039,792**	**100**

Breakdown of capital and voting rights at 31 March 2015

Shareholders	Number of shares	In % of capital	Voting rights	In %
André-Jacques Auberton-Hervé	5,324,949	2.303	10,411,802	4.092
The Auberton-Hervé Family	529,707	0.229	1,059,414	0.416
The Auberton-Hervé Family Group	**5,854,656**	**2.532**	**11,471,216**	**4.508**
BPI France Participations	22,071,781	9.547	34,199,133	13.440
Caisse des Dépôts et Consignations	6,647,404	2.875	6,647,404	2.612
Shin-Etsu Handotaï Co Ltd (partner since 1997 and first sub-licensee of Soitec)	4,452,599	1.926	4,452,599	1.750
Public	192,050,535	83.071	197,584,156	77.647
Self-held	111,451	0.048	111,451	(0.044)
Total	**231,188,426**	**100**	**254,465,959**	**100**

Report on the employee share scheme

Pursuant to Article L. 225-102 of the French Commercial Code, the participation of salaried employees in the share capital of Soitec as at 31 March 2015 amounts to 1,481,171 registered shares, i.e. approximately 0.64% of the capital.

Further, in the first and second draw-downs of the PACEO, the salaried employees held 1,948,011 BSAARs giving right to one share, i.e. potentially 1.59% of the Company's capital.

Declarations on breach of statutory thresholds

Dimensional Fund Advisors LP declared having breached:

- upwards, on 22 April 2014, the 3% threshold of voting rights of the Company, and holding 7,543,054 voting rights of the Company, representing 3.009% of the voting rights of this latter.

UBS AG declared having breached:

- upwards, on 12 June 2014, the 3% threshold of the capital of the Company, and holding 7,788,478 shares of the Company, representing 4.51% of the capital of this latter, and 3.94% of the voting rights.
- downwards, on 22 July 2014, the 3% threshold of the capital of the Company, and holding 4,893,844 shares of the Company, representing 2.84% of the capital of this latter, and 2.47% of the voting rights.
- Balyasnè Asset Management LP declared having breached:
- upwards, on 1 December 2014, the 5% threshold of the capital of the Company, and holding 11,320,930 shares of the Company, representing 5.03% of the capital of this latter, and 4.52% of the voting rights.
- downwards, on 5 December 2014, the 5% threshold of the capital of the Company, and holding 10,950,927 shares of the Company, representing 4.86% of the capital of this latter, and 4.38% of the voting rights.

KBC Asset Management NV declared having breached:

- upwards, on 29 July 2014, the 1% threshold of the capital of the Company, and holding 1.29% of the shares of this latter.

Caisse des Dépôts et Consignations, through BPIFrance Participations and CDC Entreprise Valeurs Moyennes declared having breached:

- downwards, on 22 July 2014, the 18% threshold of voting rights, and holding 47,840,757 voting rights representing 17.13% of the voting rights of this latter.

Given the existence of double voting rights, BPI France Participations holds 9.542% of the capital and 13.44% of the voting rights, which is in fact the number one shareholder of the Company ahead of André-Jacques Auberton-Hervé and his family.

Shareholders Agreement:

Please refer to Chapter 18.3, page 74 of this Reference Document for a description of the shareholders' agreement entered into between Bpifrance Participations and Mr Auberton-Hervé.

To the company's knowledge, there are no other shareholders agreement or shareholders holding, either directly, indirectly, 3%, 5% or more of the share capital or voting rights than those mentioned above.

Apart from the founding directors and their assigns at law, and SEH, the registered shareholders remain quite insignificant. Almost all public shareholding is via bearer shares.

21.2. Memorandum and Articles of Association

21.2.1. Company object (Article 2 of the Articles of Association)

The Company's object, in France and in all countries is:

- the development, research, manufacturing, sale of materials for microelectronics and in general for the industry;
- diverse technological assistance, and development of specific machines and applications;
- all industrial and commercial operations:
- to create, to purchase, to lease, to lease manage any commercial business, to let on hire, to install, to undertake any establishments, businesses, factories, workshops, in connection with any of the specified activities;
- taking, acquiring, operating or cancelling all procedures and patents relating to these activities;
- direct or indirect involvement in all financial operations, property or securities or business or industrial companies being able to link to the company's focus or to any similar or connected focus,
- whatever operations contribute to achieving this aim.

21.2.2. Provision of the Articles of Association, a charter or a regulation of the Company on members of the Board of Directors

21.2.2.1. The Board of Directors (Articles 12 to 16 of the Articles of Association)

The provisions related to the Board of Directors are given in Articles 12 to 16 of the Articles of Association. The main information is presented below.

Composition - Term of Office

The provisions of general law shall apply.

Thus, the Company is administered by a Board of Directors of three members at least and twelve members at most, or fifteen if the Company shares are listed officially on a stock market.

The directors are appointed or renewed in their functions by the Ordinary General Shareholders' Meeting which may revoke them at any time.

The directors may be natural persons or legal entities.

A salaried employee of the Company may only be appointed director if his employment contract is before his appointment and corresponds to an actual job. The number of directors bound to the Company by an employment contract may not exceed a third of the directors in office.

The term of office of members is six years; it expires at the end of the Annual General Meeting that rules on the financial statements for the year just ended and held in the year during which their terms of office expire. The directors may always be re-elected.

Powers of the Board of Directors

The Board of Directors determines the orientations of the Company's business and ensures their implementation. Subject to the powers officially granted to the Shareholders' Meetings and those restricted by the company's object, it listens to any interesting issue relating to the correct operating of the Company and rules on the matters concerning it. To this end, the Chairman represents the Board of Directors; further, he may consent delegations of power to all agents of his choice.

In relations with third parties, the Company is bound even by the acts of the Board of Directors which do not come under the company object, unless it proves that the third party knew that the act exceeded this object or that it could not have not known it given the circumstances, on the exclusion that the mere publication of the Memorandum and Articles of Association suffices to constitute this proof.

The Board carries out the checks and controls it considers appropriate.

Chairman of the Board of Directors

The Chairman of the Board of Directors is elected by the members of the Board which determine the term of his functions.

Please refer also to paragraph 14.1.2.2 above for information on the Senior Management of the Company.

21.2.2.2. Rules of procedure of the Board of Directors

Rules of Procedure have been adopted by the Board of Directors and then regularly updated. The last update was on 30 June 2014.

These Rules of Procedure organise in particular the relationships between directors and the Company and constitute an operational framework designed to be regularly updated to take account of the change in the legal and regulatory provisions, and also best practices in terms of corporate governance.

Without replacing either the law or the Articles of Association of the Company, these Rules of Procedure are an internal document which specifies the rules concerning the respective composition, the role and powers of the Board of Directors, the Executive Board and of the different Committees of the Board of Directors, by explaining or completing some of the existing legal and statutory provisions. The Rules of Procedure further provide for the principle of remuneration of directors and executives of the Company.

By defining the respective powers of the corporate bodies, the Rules of Procedure further provide for a right of review of the Board of Directors, by providing that the CEO has to obtain the prior authorisation of the Board for certain important transactions, such as in particular the significant decisions to set-up abroad, the significant transactions which may affect the Group's strategy or change its financial position or its area of activity, certain transactions exceeding a certain amount.

The objective of the Rules of Procedure is thus to optimise the efficiency of the meetings and discussions of the Board of Directors, and to incorporate in the operating of the corporate bodies the best practices in terms of corporate governance. Please refer to Chapter 16 of this Reference Document on page 57 for a detailed description of the operating of the administrative and management bodies of the Company.

21.2.3. Rights, liens and restrictions attached to shares (Article 10 of the Articles of Association)

On the submission date of this Reference Document, only ordinary shares of the Company have been issued.

Furthermore, the rights and obligations attached to the shares are described in Article 10 of the Articles of Association reproduced below.

Each share gives right, in the profits and the company assets, to an amount proportional to the percentage of capital it represents and gives the right to vote and to representation in the General Meetings, under the conditions set down by the law and the Articles of Association.

All shareholders are entitled to be informed of the operating of the Company and to obtain notification of certain company records at times and under the conditions provided by the law and the Articles of Association.

Shareholders only support losses up to the amount of their contributions.

Subject to the legal and regulatory provisions, no majority may impose an increase in their commitments on them. The rights and obligations attached to the share are transferred to the bearer.

The possession of one share automatically entails adhesion to the decisions of the General Meeting and to the Articles of Association herein. The sale includes all dividends due and not paid and to fall due and, potentially, the percentage in the reserve funds, save contrary provisions notified to the Company.

The heirs, creditors, assigns or other representatives of a shareholder may not, under any pretext whatsoever, demand the affixing of seals on corporate assets and records, request the sharing or awarding of such assets, or interfere in the Administration of the Company. To exercise their rights, they shall refer to company accounts and to the resolutions of the General Meeting.

Each time there is a need to own a certain number of shares to exercise any right, in case of exchange, combination or allocation of shares, or at the time of a capital increase or decrease, a merger or any other operation, the shareholders holding a number of shares less than what is required may only exercise such rights provided that they personally see to obtaining the number of shares required.

21.2.4. Amendment of shareholders' rights

Decisions amending in general the Articles of Association of the Company are adopted by the Extraordinary General Meeting under the conditions of legal majority.

21.2.5. General Meetings (Articles 21 to 25 of the Articles of Association)

General Meetings are convened by the Board of Directors, in accordance with the methods provided by the law.

General meetings take place in the head office or in another place indicated in the convocation. All shareholders may participate in the Meetings, personally or by proxy, regardless of the number of shares they hold, on proof of their identity and the ownership of their shares. The right to participate in the General Meetings is justified by the account record of the securities in the name of the shareholder or the proxy registered on its behalf pursuant to the seventh paragraph of Article L. 228-1, on the third business day preceding the Meeting at midnight, Paris time, either in the registered share accounts held by the Company, or in the bearer share accounts held by an intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code. The listing or the account recording of securities in the bearer share register held by an intermediary mentioned in Article L. 211-3 of the French Monetary and Financial Code is confirmed by a statement of participation issued by this latter, as appropriate electronically under the conditions provided in Article R. 225-61, as an attachment to the correspondence voting form or power of attorney or on the request of an admission card drawn up in the name of the shareholder or on behalf of the shareholder represented by the registered proxy. A certificate is also issued to shareholders wishing to physically participate in the Meeting and not having received the admission card on the third business day preceding the Meeting at midnight, Paris time.

The voting right attached to shares is proportional to the capital they represent. When Meetings are held, each share carries one vote. However, as indicated in chapter 18.2 above, following the decision of the Mixed General Meeting of 30 November 1998, the Articles of Association of the Company provide that a double voting right is conferred to shares held in registered form for at least two years by the same shareholder, as of 31 August 2000. The double voting right ceases for any share converted to bearer or subject to a transfer.

When shareholders have already voted by correspondence, have sent a power of attorney or requested their admission card or certificate of participation under the conditions provided above, they may no longer opt for another method of participation in the Meeting, save provision to the contrary in the Articles of Association. Shareholders having already voted by correspondence, having sent a power of attorney or having requested their admission card or certificate of participation may at any time sell all or part of their shares. However, if the sale takes place before the third business day following the Meeting at midnight, Paris time, the Company invalidates or amends accordingly, depending on the case, the vote made by correspondence, the power of attorney, the admission card or the certificate of participation. To this end, the proxy mentioned in Article L. 211-3 of the French Monetary and Financial Code shall notify the sale to the Company or to its agent and shall send it the necessary information. No sale or any other transaction effected after the third business day preceding the Meeting at midnight, Paris time, regardless of the method used, is notified by the proxy mentioned in Article L. 211-3 of the French Monetary and Financial Code or taken into consideration by the Company, notwithstanding any agreement to the contrary.

General meetings are presided over by the Chairman of the Board of Directors or, in his absence, by a director specially delegated for this purpose by the Board. Failing this, the Meeting elects its chairperson.

The role of scrutineers is performed by the two members of the Meeting who have the highest number of votes and who are present and agree to act in this capacity. The Board designates a secretary who may be chosen from outside the body of shareholders.

An attendance sheet is held under the conditions provided by the law. Copies or excerpts of the minutes of the Meeting are validly certified by the Chairman of the Board, by a director performing the functions of CEO or by the secretary of the Meeting.

21.2.6. Provision of the Memorandum of Association, Articles of Association, a charter or a regulation of the Company which might entail delaying, deferring or preventing a change of its control

Apart from the double voting rights described above, there is no provision of the Memorandum of Association, Articles of Association, a charter or a regulation of the Company which might entail delaying, deferring or preventing a change of its control.

21.2.7. Exceeding of thresholds (Article 11 of the Articles of Association)

Any shareholder, acting alone or in concert, without prejudice to the thresholds referred to in Article L. 233-7 (1) of the French Commercial Code, that directly or indirectly comes to hold at least 3% of the capital or voting rights of the Company must notify this, by registered letter with acknowledgement of receipt to the registered office, to the Company within a period of fifteen days from the breach of the shareholding threshold.

This declaration must also be made when the stake in the capital becomes lower than the threshold mentioned above.

Should declarations of legal and statutory thresholds not be adhered to, the owner will be denied voting rights in the conditions set out in article L 233-14 of the French Commercial Code, on the request of one of several shareholders who hold together at least 3% of the company's capital or voting rights.

21.2.8. Change in share capital and voting rights attached to shares

Any change in the capital or voting rights attached to the shares composing it is subject to the legal requirements, as the Articles of Association do not provide any specific provisions.

21.3. Auditors' fees

Auditors' fees and fees of the members of their networks paid by the Company and its subsidiaries.

For the financial years ended 31 March 2014 and 2015, the fees are broken down as follows:

	PricewaterhouseCoopers Audit				Cabinet Muraz Pavillet			
	Amount excl. tax		Percentage		Amount excl. tax		Percentage	
(in thousands of euros)	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Audit:								
Auditing, Auditor's opinion, examination of individual and consolidated accounts								
- Issuer	194.0	190.6	43.2%	42.3%	93	90		69.44%
- Fully consolidated subsidiaries	198.7	257.9	44.2%	57.2%	21	24		18.53%
Other due diligence and services directly related to the mission of the Statutory Auditor								
- Issuer	9.1	2.0	2.0%	0.4%	11	15.6		12.03%
- Fully consolidated subsidiaries	47.6	0	10.6%	0%	0	0		0.00%
Subtotal	**449.4**	**450.5**	**100%**	**100%**	**125**	**129.6**	**100%**	**100%**
Other services provided by the networks to the fully consolidated subsidiaries:								
Legal, tax, social	0	0	0%	0%	0	0	0%	0%
Others (to be specified if > 10% of audit fees)	0	0	0%	0%	0	0	0%	0%
Subtotal	**0**	**0**	**0%**	**0%**	**0**	**0**	**0%**	**0%**
Total	**449.4**	**450.5**	**100%**	**100%**	**125**	**129.6**	**100%**	**100%**

22. Material contracts

Since the end of 2009, Soitec has committed to develop its activities in the domains of solar energy and lighting. This diversification led the Group to enter into different contracts from those which characterised the exercise of its historic activities in the semi-conductors' sector.

As announced in the press release of 19 January 2015, and after the shutting down in the United States of major solar power plant projects which were to use the concentration solar panels manufactured by Soitec (see press released of 15 April and 22 December 2014), the Board of Directors of the Group unanimously decided to implement and provide its support to a strategic plan in view of refocusing the activities of Soitec on its core electronics business. This decision, and the activities of the Group arising therefrom, exposes it to a series of risks which are described in Chapter 4 of this Reference Document.

During the last two financial years, and apart from the contracts described in Chapter 5.5 of the 2013-2014 Management Report, Soitec has not entered into, within the framework of its activities, a contract breaking from the normal course of business, conferring an obligation or a major commitment for the entire Group apart from what is stated below.

Sale of the solar systems activity:

On 21 May 2015, Soitec announced the signature of an agreement with ConcenSolar, on the sale of its solar systems' activity. A private company, ConcenSolar is a business partner of Suncore Photovoltaic Technology Co Ltd, a leader in the domain of concentrated photovoltaics (CPV).

The solar systems' activity concerned includes all the technological assets and the production tools of Fribourg in Germany and of San Diego in the United States. Soitec will keep, in view of a future sale, other assets, particularly the San Diego building and its stake in certain solar power plants. Soitec will continue to develop and sell, based on its existing industrial capacity, its four-junction solar cell (or "Smart Cell™"), which holds the world record for energy efficiency.

Subject to the regulatory authorisations and other usual conditions of closing-off accounts, Soitec intends to finalise the transaction in the third quarter of 2015.

At the end of the transaction, Soitec plans to make capital gains. The net book value of the assets and liabilities from the sale of the Solar Energy division amounted to €52 million as at 31 March 2015. At this stage, this value includes the assets which are part of the ConcenSolar transaction, the balance of the assets related to Touwsrivier, the San Diego building and some operating power plants. Consequently, the final result of the sale of all solar activities remains uncertain in terms of cash and profit outlooks. The liquidity risk to which Soitec is exposed is described in more detail in Chapter 4 of this Reference Document.

Putting in place of short-term financing with Group partners:

After announcing it on 20 April 2015, Soitec confirmed on 28 May 2015:

- Having finalised on 27 May 20105, financing of a total amount of €54 million, maturing in April 2016.

This financing includes:

- a loan of a total maximum amount of €30 million from Shin Etsu Handotai (major supplier of wafers for Soitec and historic shareholder of the Group), guaranteed by a pledge of receivables and a pledge on stock,

- a current account advance of a total amount of €15 million granted by Bpifrance Participations, also a Soitec shareholder, guaranteed by a trust-surety on the property assets of the Bernin site, and
- financing of a total amount of €9 million granted by the Commissariat à l'Energie Atomique et aux Energies Renouvelables (CEA), Soitec's technological partner, through its subsidiary CEA Investissement, a company specialised in corporate financing for innovations from European research laboratories, also guaranteed by a trust-surety on the property assets of the Bernin site.

Having entered into an agreement with CEA-Leti, which developed and continues to provide its support to the SOI ("silicon-on-insulator") roadmap and accepted to postpone to the end of May 2016 the payment of its debt claim under the licence agreements and works carried out for Soitec in 2014, of a total amount of €7.8 million.

Having restructured the current bank credit lines, of a total amount of €37.2 million at the end of March 2015, to provide for one single repayment date in November 2019.

Within the framework of the financing agreements entered into with BpiFrance Participations and CEA Investissement, Soitec undertook to propose at the next Extraordinary General Shareholders' Meeting one or more resolutions providing for the issue in favour of Bpifrance Participations and CEA Investissment share subscription warrants whose subscription and/or exercise might be realised in all or part by offsetting the debt claim in principal and interest held by Bpifrance Participations and CEA Investissement on Soitec under the short-term financing put in place on 27 May 2015, with maturity of one year and carrying a fixed interest rate of 12% per annum. In case of issue of subscription warrants before the maturity date, the interest rate will be automatically reduced, if Bpifrance Participations and CEA Investissement decide to use all or part of the interest to subscribe to these subscription warrants by debt offsetting, by the percentage of the debt thus offset.

Further, the same system of share subscription warrants might be extended to allow for clearing the sums due by Soitec to CEA and its related parties due to the postponement of the payment of the licence agreements and works carried out for Soitec in 2014. The liquidity risk to which Soitec is exposed is described in more detail in Chapter 4 of this Reference Document.

23. Information from third parties, declarations of experts and declarations of interests

No expert report or any expert declaration other than those of the Statutory Auditors of the Company are reproduced in this Reference Document.

24. Documents accessible to the public

24.1. Documents accessible on the Company website

All the regulatory information within the meaning of Article 221-3 of the AMF General Regulation is available on the Company's website (www.soitec.com) and particularly the following documents:

- The Reference Document filed with the Autorité des marchés financiers on 22 June 2010 under number D.10-0552;
- The Reference Document filed with the Autorité des marchés financiers on 10 June 2011 under number D.11-0565;
- The Reference Document filed with the Autorité des marchés financiers on 15 June 2012 under number D.12-0619;
- The Reference Document filed with the Autorité des marchés financiers on 27 June 2013 under number D.13-0676;
- The Reference Document filed with the Autorité des marchés financiers on 13 May 2014 under number D.14-0518;
- The update of the aforementioned Reference Document filed with the Autorité des marchés financiers on 17 June 2014 under number D.14-0518-A01;
- Financial press releases;
- The updated Articles of Association;
- The documents and information relating to the Company, including the Memorandum of Association and Articles of Association, may also be consulted at the registered office of the Company: Parc Technologique des Fontaines – Chemin des Franques, 38190 Bernin (Tel.: 04 76 92 75 00).

24.2. List of press releases and other publications

During the 2014-2015 financial year, and up to the submission date of this Reference Document, the following press releases were published on the Company's website (www.soitec.com):

- 9 June 2015: Soitec and Shanghai Industrial Technology Research Institute (SITRI) announce collaboration on high-performance RF-SOI technology;
- 29 May 2015: Information on the total number of voting rights and shares composing the capital;
- 28 May 2015: Annual results 2014-2015 Consolidated turnover 2014-2015: €222.9 million. Current operating losses 2014-2015: €125.9 million. Strategic refocusing on core business with the signature of an agreement to sell the solar systems' activity to ConcenSolar. New financing closed in May 2015
- 21 May 2015: Soitec divests its solar system business to refocus on its core semi-conductor activities;
- 28 April 2015: Information on the total number of voting rights and shares composing the capital (pdf);
- 20 April 2015: Consolidated turnover 2014-2015 of €222.9 million. Refocusing on the core electronic business in progress. New financing in April 2015 (closing expected in May 2015);
- 01 April 2015: Soitec confirms being eligible for the new PEA-PME (share savings scheme for financing SME);
- 24 March 2015:Information on the total number of voting rights and shares composing the capital (pdf);
- 25 Feb. 2015: Information on the total number of voting rights and share composing the capital (pdf)

- 12 Feb. 2015: Issue of new shares (PACEOTM);
- 30 Jan. 2015: Information on the total number of voting rights and shares composing the capital (pdf);
- 26 Jan. 2015: Soitec's new RF-SOI substrates expand the frontiers of mobile communications;
- 19 Jan. 2015: Soitec publishes its consolidated sales for Q3 2014-215 and announces strategic re-focus on its core electronic business;
- 22 Dec. 2014: Soitec updates its 2015 and 2016 financial objectives;
- 18 Dec. 2014: Information on the total number of voting rights and shares composing the capital (pdf);
- 03 Dec. 2014: Altatech announces fast, new atomic-layer CVD system;
- 02 Dec. 2014: Soitec's Altatech division introduces new inspection system for substrates used in rapidly growing LED and semi-conductor markets;
- 02 Dec. 2014: Soitec and Simgui extend strategic partnership with a distribution agreement for SOI in China;
- 01 Dec. 2014: New world record for solar cell efficiency at 46%;
- 27 Nov. 2014: Soitec's Lighting Division presents the SIMI trade fair with its new range of LED communicating panes; Soitec DigiMeG 25 Nov. 2014. Publication of the Half-year Financial Report for 2014-2015 24 Nov. 2014 Soitec and SK Innovation sign a collaboration agreement on advanced semiconductor materials;
- 19 Nov. 2014: Half-year results 2014-2015 (pdf);
- 23 Oct. 2014: Information on the total number of voting rights and shares composing the capital (pdf);
- 23 Oct. 2014: Soitec enters into a sales agreement to sell 150MW of power purchase agreements (PPAs) to a large solar service provider;
- 20 Oct. 2014: Soitec reports consolidated sales of €160.0 million for H1 2014-2015;
- 16 Oct. 2014: Solar solidarity-based electricity: in Lebanon, the Taanayel centre is celebrating its first year of power supply with Soitec;
- 16 Oct. 2014: Focusic is building a 20MWc CPV power plant in China using Soitec's high-efficiency modules;
- 09 Oct. 2014: Soitec and its partners inaugurate a 1.29MWc CPV power plant in Portugal;
- 06 Oct. 2014: Soitec receives Sony's Best Partnership award for its support with RF-SOI substrates;
- 29 Sep. 2014: Acquisition by IntelliEPI of the gallium arsenide (Ga-As) epitaxy business from Soitec's Specialty Electronics subsidiary;
- 12 Sep. 2014: Information on the total number of voting rights and shares composing the capital (pdf);
- 05 Sep. 2014: Amendment of the OCEANE adjustment ratio (pdf);
- 22 Aug. 2014: Information on the total number of voting rights and shares composing the capital (pdf);
- 21 July 2014: Soitec reports consolidated sales of €49.5 million for Q1 2014-2015;
- 18 July 2014: Successful completion of the €83 million capital increase;
- 08 July 2014: Soitec announces widespread adoption of its eSI™ substrates by leading RF semiconductor companies;
- 02 July 2014: Concentrated photovoltaics: the biggest power plant in France celebrates its third year of operating in Rians;
- 25 June 2014: Soitec announces the launch of a capital increase with shareholder's preferential subscription rights, for an amount of approximately €83 million;
- 18 June 2014: Publication of the update of the reference document;
- 30 April 2014: Information on the total number of voting rights and shares composing the capital;
- 28 April 2014: Exosun and Soitec combine their expertise to bring to market a new concentrated photovoltaic system;
- 22 April 2014: Minutes of the Extraordinary General Meeting of 22 April 2014;
- 22 April 2014: Extraordinary General Meeting of 22 April 2014;
- 22 April 2014: Full year results 2013-2014;
- 15 April 2014: Soitec: update on Tenaska's solar project;
- 15 April 2014: Soitec: amendment of the reporting calendar;
- 14 April 2014: Altatech's advanced inspection and metrology system selected by leading LED manufacturing OSRAM;
- 11 April 2014: Information on the total number of voting rights and shares composing the capital;
- 07 April 2014: Soitec selected in more than 10 new solar power plant projects in France;
- 1 April 2014: Soitec shares not eligible for the new PEA-PME (share savings plan for financing SME);

25. Information on equity investments

This chapter presents the list of companies in which the Company holds more than 50% of the capital and voting rights. The Company holds 100% of the share capital and voting rights of the following companies:

- Soitec USA Inc., a company whose registered office is 2 Centenial Drive, Peabody, MA 01960, United States
- Soitec Specialty Electronics S.A.S. a company whose registered office is Parc Technologique des Fontaines, Chemin des Franques, 38190 Bernin, France, and whose main establishment is at place Marcel Rebuffat, Zone artisanale de Courtabœuf 7 – 91140 Villejust, France;
- Soitec Microelectonics Singapore Pte Ltd., a company whose registered office is 81 Pasir Ris Industrial drive 1, Singapore 518 220;
- Soitec Japan Inc, a company whose registered office is 3-1, Marunouchi 3-Chome, Chiyoda-Ku, 100-0005 Tokyo, Japan;
- Soitec Solar GmbH at Bötzinger Strasse 31, 79111 Freiburg im Breisgau, Germany;
- Soitec Korea LLC, at Kyunggi-do Hwasung-si Bansong-dong 93-10, Shinyoung Gwell Estates B-dong 4th floor, unit 5, South Korea;
- Soitec Corporate Service S.A.S., a company whose registered office is 54, avenue Marceau, 75008 Paris;
- Soitec Trading Shanghai Co Ltd, a company whose registered office is Room 103-12, Zhenhua Heavy, Industry R&D Building Tower B no. 3261 Dong Fang Road, Pu Dong, New District Shanghai.

The Company's subsidiaries apart from Soitec Specialty Electronics S.A.S., Soitec Solar GmbH, Soitec Microelectronics Singapore Pte Ltd., Altatech Semiconductor S.A.S. and Soitec Corporate Services S.A.S., are the Company's product sales units.

The balances and reciprocal transactions between Group companies are not included in the consolidated financial statements.

Since the end of the financial year as at 31 March 2005, the Company has also set up a branch in Taiwan. This branch is located at Rm. 217, 11F, N° 51, Hengyand Rd., Taipei, Taiwan, R.O.C.

Please refer to chapter 7 of this Reference Document for a description of the Parent company - subsidiaries relations and to paragraphs 7.2 and 20.3.5 for the list of subsidiaries and equity interests.

26. Financial instruments' market of the Company

The Company's shares have been listed on Euronext Paris since 9 February 1999.

Volume of transactions and change in share prices

	Share					
	Highest (in euros)	Lowest (in euros)	Average (in euros)	Number of shares traded	Capital traded (in thousands of euros)	Capitalisation based on the average price (in thousands of euros)
2010						
January	11.915	9.860	10.770	39,429,386	427.62	927,784
February	11.030	8.554	9.800	29,401,539	287.62	844,223
March	11.870	9.600	10.840	33,715,552	370.07	934,145
April	11.770	10.075	11.175	26,567,838	297.26	963,014
May	10.495	6.950	8.919	48,021,327	411.10	775,291
June	8.770	7.100	7.874	34,194,431	269.93	687,784
July	8.740	7.021	7.965	28,772,002	232.39	695,733
August	8.454	6.483	7.539	23,565,708	175.27	658,522
September	7.489	6.560	7.197	28,099,986	201.71	628,912
October	7.713	6.564	7.194	24,709,573	177.41	628,650
November	8.990	7.070	8.026	40,041,419	379.43	701,354
December	8.752	7.910	8.270	15,333,375	127.54	722,676
2011						
January	9.669	8.122	8.953	25,386,180	228.88	782,360
February	9.610	8.432	9.115	14,183,632	129.14	796,517
March	11.100	8.720	9.956	47,460,329	481.49	871,029
April	11.470	10.410	11.054	19,982,239	221.42	967,090
May	11.090	9.650	10.246	17,734,023	181.49	896,400
June	9.005	5.923	8.028	31,395,636	259.71	712,920
July	7.300	5.870	6.668	26,634,534	178.01	814,201
August	6.500	4.570	5.148	34,083,648	176.55	628,601
September	5.150	3.601	4.462	26,840,556	118.44	544,836
October	4.673	3.480	3.897	28,977,394	113.16	475,846
November	4.194	3.010	3.424	30,478,373	107.45	418,090
December	4.190	3.250	3.709	23,492,786	88.40	452,890
2012						
January	5.100	3.750	4.343	30,531,498	134.10	530,305
February	5.170	4.200	4.616	22,847,639	107.04	563,640
March	5.139	4.306	4.775	18,379,996	88.38	583,163
April	4.390	3.030	3.482	18,744,951	62.55	425,251
May	3.240	2.608	2.892	12,551,773	36.32	353,195
June	3.087	2.450	2.737	11,862,954	33.84	334,770
July	3.250	2.120	2.593	17,781,732	45.00	317,157
August	3.150	2.240	2.729	19,192,667	52.72	333,792
September	2.860	2.280	2.582	10,908,127	28.09	315,812
October	2.449	2.157	2.293	8,283,785	18.99	280,463
November	2.679	2.153	2.309	13,504,537	32.10	282,433
December	2.722	2.282	2.484	12,821,880	32.08	303,839

	Share					
	Highest (in euros)	Lowest (in euros)	Average (in euros)	Number of shares traded	Capital traded (in thousands of euros)	Capitalisation based on the average price (in thousands of euros)
2013						
January	3.540	2.616	2.972	28,519,589	85.74	364,447
February	2.960	2.640	2.770	10,729,593	29.98	339,676
March	3.200	2.710	2.952	11,603,462	34.49	361,994
April	2.970	2.540	2.687	7,719,440	20.91	329,498
May	2.870	2.403	2.882	11,564,509	36.35	355,088
June	2.834	2.000	2.739	17,329,372	41.20	337,469
July	2.090	1.590	1.752	50,795,344	48.50	302,207
August	2.100	1.660	1.855	64,496,579	121.35	319,973
September	2.110	1.750	1.937	46,966,352	91.65	334,118
October	2.040	1.650	1.828	34,610,894	63.01	315,316
November	1.730	1.330	1.556	46,423,730	69.89	268,398
December	1.570	1.370	1.437	20,732,194	30.17	247,871
2014						
January	1.710	1.400	1.541	42,428,115	67.85	265,947
February	2.280	1.430	1.610	55,976,191	105.29	277,855
March	2.660	2.100	2.283	119,642,043	281.58	394,002
April	2.530	1.780	2.198	79,674,969	170.82	379,333
May	3.300	2.060	2.592	109 021028	301.02	447,329
June	3.042	2.130	2.937	63,419,871	167.91	508,520
July	2.450	2.130	2.279	42,884,679	98.10	512,970
August	2.260	1.890	2.011	26,762,623	54.32	452,647
September	2.380	1.930	2.125	37,565,228	80.02	478,307
October	2.220	1.680	2.003	42,301,855	84.01	450,846
November	2.210	1.910	2.043	31,312,631	64.62	459,850
December	2.390	0.860	1.825	119,261,050	145.79	410,781
2015						
January	1.080	0.890	0.983	67,054,510	66.58	221,259
February	0.900	0.870	0.888	26,980,111	23.94	205,204
March	0.920	0.820	0.881	36,076,330	31.91	203,677
April	0.950	0.850	0.883	26,675,918	23.82	204,241
May	0.910	0.760	0.821	42,093,650	69.85	189,900

Source: Euronext

Volume of transactions and evolution of OCEANEs 2014

	OCEANE at 6.25%	
	Monthly average (in euros)	Volumes traded
2009		
September	10.02	126,631
October	11.44	121,240
November	10.73	109,876
December	11.06	12,452
2010		
January	11.87	44,848
February	11.20	123,106
March	12.55	63,165
April	12.78	38,729
May	10.79	70,837
June	10.01	25,888
July	10.01	20,439
August	9.91	18,363
September	9.53	22,601
October	9.51	33,782
November	10.18	54,107
December	10.16	7,448
2011		
January	10.49	25,949
February	10.52	21,767
March	11.62	75,158
April	12.30	21,484
May	11.64	3,917
June	10.41	10,854
July	9.72	33,804
August	9.03	29,174
September	8.19	88,480
October	7.89	190,640
November	7.60	82,578
December	7.95	90,324

	OCEANE at 6.25%	
	Monthly average (in euros)	Volumes traded
2012		
January	8.47	143,948
February	8.84	85,232
March	8.93	71,119
April	8.41	26,071
May	8.38	34,588
June	8.53	35,396
July	8.34	58,537
August	8.22	67,569
September	8.01	38,844
October	7.57	52,035
November	7.19	79,191
December	6.98	769,529
2013		
January	7.81	78,313
February	7.89	80,557
March	8.00	50,916
April	7.94	33,604
May	7.93	62,311
June	8.06	322,513
July	8.70	386,730
August	8.89	57,717
September	8.70	432,139
October	8.70	70,537
November	8.70	151,650
December	8.61	33,100
2014		
January	8.68	73,189
February	8.68	63,322
March	8.81	23,980
April	8.91	15,355
May	8.92	21,311

Volume of transactions and evolution of OCEANEs 2018

	OCEANE at 6.75%	
	Monthly average (in euros)	Volumes traded
2013		
September	2.64	127,630
October	2.55	259,822
November	2.21	155,616
December	1.98	268,282
2014		
January	2.09	163,301
February	2.13	268,326
March	2.63	200,571
April	2.66	133,810
May	2.95	350,662
June	3.15	118,271
July	2.90	35,810
August	2.89	6,260
September	2.95	113,386
October	2.82	225,553
November	2.90	48,046
December	2.51	220,576
2015		
January	1.57	946,125
February	1.42	517,858
March	1.62	239,716
April	1.73	143,530
May	1.78	103,612

Source: Euronext

The closing rate of Soitec's shares as at 9 June 2015 is €0.800.

27. Glossary

Equipment

Wafer — Semiconductor plate, board, layer used as a support for manufacturing micro-structures. These micro-structures are a major component in the manufacturing of integrated circuits, power semiconductors or electromechanical microsystems.

Photovoltaic solar cell (or photovoltaic solar panel) — Direct current electric generator composed of a series of photovoltaic cells connected electrically to each other, which is used as a base module for the photovoltaic installations and particularly the photovoltaic solar power plants.

Solar tracker — Mobile, load-bearing structure which can direct the solar panels in accordance with the movement of the sun in order to increase their productivity.

Converter — Power electronic device which can deliver alternative currents and voltages from a continuous electric power source. It is the reverse function of a rectifier. The converter is direct/alternative static converter.

Balance of system (BOS) — System encompassing all the components of a photovoltaic system other than the photovoltaic panels. This includes the cabling, the switches, the supports, a converter and batteries in case of system outage.

LED — Optical-electronic component capable of emitting light when run by an electric current, which is a very low energy consumer and small in size.

S-LED — A super-light-emitting LED (or SLED) has both the high power and brightness of a laser diode but with the low coherence of the traditional LED. It is also a very low energy consumer.

Components

Substrate — Physical base, support or stand which can receive any scriptural or other element, organic, to assure its sustainability or development

Silicon On Insulator (SOI) — Structure constituted of a stacking of a layer of silicon (from 50nm to a few µm thick) on an insulator layer. This technology is an alternative to raw silicon in the manufacturing of transistors operating at high frequencies. In fact, despite its development cost which is 10% more than traditional technologies on massive substrate, the performance gain is evaluated between 20 and 35%.

Bulk silicon — Massive silicon in "basic" form (unlike advanced substrates such as the SOI), whose semiconductor properties have allowed for the creation of transistors and then integrated circuits ("chips").

Solar technology

Mini-trackers Plug&Sun

PV (photovoltaic) technology — Technology designed for the production of renewable electric energy from solar radiation. It is produced from inter-connected cells forming a photovoltaic solar panel. Several combined panels form a solar installation producing electricity which can be used on-site, or provide power for a distribution network.

CPV technology (Concentrated photovoltaic) — Concentrated photovoltaic technology is a development of PV technology. It uses lenses or curved mirrors to concentrate a large amount of sunlight onto a small area. In each photovoltaic solar panel, the most expensive component is, by far, the photovoltaic cell. By inserting a concentrator mechanism between the sun and the cell, we can use a much smaller cell surface area, and thus use cells whose performance is far superior, with values typically ranging between 30 and 40% (and which, in the medium term, will exceed 50%). A concentrated photovoltaic panel is then obtained, or simply a concentrated panel.

Thermal solar technology / thermal solar — Technology allowing for the solar energy to be concentrated in a specific point which can then reach a considerable temperature. Electric production is then possible via, inter alia, steam turbines or other thermal engines. By using the heat transmitted by radiation rather than the radiation itself, these methods of energy transformation distinguish themselves from other forms of solar energy such as photovoltaic cells.

Thin film (PV) — Semiconductor relying on an alloy between silicon and other precious metals and allowing for energy to be produced by capturing a wider light spectrum (not only infra-red) and used generally under high temperature conditions without the fear of heating which generally reduces the performance of the crystalline modules. However, it generally uses toxic materials and makes recycling more difficult.

Industrial applications

Bonded SOI — Process of bonding silicon wafers without additional intermediary layers.

FD-SOI (Fully Depleted Silicon On Insulator) — The FD-SOI technology is considered a low consumption and high performance new generation alternative to the traditional silicon technologies. The wafers used for the fully depleted flat structure transistors' technology are composed of an extremely thin silicon layer on an insulting oxide layer. These wafers, adapted for "general public" mobile and multi-media applications, are able to reduce the energy consumption by up to 40% compared to traditional technologies, at equivalent performances.

Smart Cut — Process allowing for transferring very fine layers of crystalline materials to a mechanical support. The application of this technological process is used mainly in Silicon-on-Insulator (SOI). The role of SOI is to electronically insulate a thin layer of mono-crystalline silicon from the rest of the silicon plate, an ultra-thin silicon film is transferred to a mechanical medium, which introduces an interim, insulator layer. Semiconductor manufacturers can then manufacture integrated circuits on the upper layer of the SOI wafers by using the same processes they would use on raw silicon plates.

Smart Cell — Photovoltaic cell relying on the Soitec Smart Cut and Smart Stacking technologies to transfer thin layers of crystalline semiconductor material of a superior quality. The Smart Cell technology, developed with the participation of CEA-Leti (expert in the Smart Cut technology) and the Fraunhofer Institute (for the III-V multi-junction solar cells), will produce multi-junction cells in high quality III-V compound materials, capable of assuring performance significantly higher than the traditional multi-junction cells obtained by epitaxy. This PV technology is applied particularly to very sunny areas and for high powers.

Smart Stacking — The Soitec Smart Stacking technology allows for transferring thin layers of substrates or circuits to other substrates, in a performing industrial environment. It is used for the back-lit image sensors, whose sensitivity it is increasing, and means that the size of the pixels can be reduced. It opens up new prospects for RF and 3D applications.

Financial

AMF — Autorité des Marchés Financiers.

Bond loan — Contract by which a legal entity (a company, a bank, a State or a governmental organisation) receives a certain amount of money from subscribers of the bonds it has issued.
The bonds corresponding to this bond loan bear interest remunerating the lender investors. These bonds also give their holders the right to be repaid on the maturity of the bond loan itself. Should the company fall bankrupt, the holders of the bond loan are reimbursed before the shareholders.

Goodwill — Can be estimated from profitability outlooks of the investments made by the company, taking account of the positions it has taken on its market.
The concept of goodwill corresponds to a financial valuation of the reputation, know-how and performances of the company but also of its positioning and the attachment of its suppliers and all of its partners.
Goodwill is an element monitored closely by investors since in the event of a sale or buy-out of the Company, the estimate of the value of the goodwill may provide good grounds for discussion for determining the sale price.

IFRS Standards — Accounting standards (International Financial Reporting Standards) which are applied internationally and which are defined by the International Accounting Standard Board. The IFRS standards concern the summary documents (balance sheet, profit & loss account and appended tables) published by the companies but also, more generally, all published financial information.

OCEANE — Obligation convertible en actions nouvelles (bond that can be converted into new shares) An OCEANE gives its holder the possibility of converting its bond at any time, on given dates or even at maturity. An OCEANE may also sometimes be converted when the issuer wishes depending on the terms of the issue contract.

OS (Operating Segment)
According to the IFRS standards, a company has to define the highest possible number of operating segments (OS) composing it; these OS have to be largely independent in their operations and the company must allocate its assets to each of these OS. It is in these OS that the impairment tests are performed from time to time if there are reasons to believe that their value dropped or every year if they include goodwill.

Others

Purchase Power Agreement (PPA)
Electricity purchase agreement defining all the business terms for the sale of electricity between the two parties, including when the project will start commercial operating, the electricity delivery schedule, the penalties for electricity deliver shortages, the payment and cessation terms and conditions. In general the agreement is expressed in €/KWh.

Moore's Law — Moore's Law was published in 1965 in "Electronics Magazine" by Gordon Moore, a Fairchild Semiconductor engineer, one of three founders of Intel. Ascertaining that the complexity of the semiconductors proposed at range entry-level doubled every year at a constant cost since 1959, the date of their invention, he forecast the continuation of this growth (in 1965, the most performing circuit contained 64 transistors). This exponential increase was quickly named Moore's Law, or, given the subsequent adjustment, Moore's First Law.

Transistor — A transistor is a semiconductor device with three active electrodes, which can control a current. They are found in high numbers in processors (smartphones, computers, etc.).

MW — The Megawatt (MW), i.e. a million watts, is a unit frequently used in electric production.

Mwh — The Megawatt-hour is an energy measuring unit corresponding to the energy consumed by a 1MW machine over a period of one hour.

Mwp — Means Megawatt-peak, i.e. the peak power, which is the unit of measure generally used for photovoltaic projects.

Production tax credit (PTC)
Tax credit of 2.2 cents/kilowatts-hour granted to certain types of electricity produced (wind energy, biomass, geothermal, solar, etc.).

Load factor — The load factor or use factor of an electric power plant is the relationship between the electric energy actually produced over a given period and the energy which would have been produced if it had operated at its nominal power in the same period. This is a performance indicator (a load factor of 100% shows use at full power).

Investment tax credit (ITC)
Tax credit granted to private individuals and companies using solar energy sources. This is a means of encouraging investors of the private sector to use this source of energy. The solar ITC is perceived as the cornerstone of the growth of the sector in the United States and consists of a 30% tax credit on solar energy systems in private or commercial residences. According to current law, the ITC will remain in force until 31 December 2016.

28. Reconciliation table

To make it easier to read the annual report filed in the form of a Reference Document, the following reconciliation table allows you to identify the information required in this Reference Document.

Annual report information	Reference
Board of Directors' Management Report	chapters 9, 10 and 20
Situation of the activity of the Company during the past financial year, and as appropriate, of its subsidiaries and companies it controls	chapters 3, 6 and 9
Results of the activity of the Company, of its subsidiaries and companies it controls by business sector	chapters 9 and 20.3
Major events that have occurred since the end of the financial year and the submission date of this document	chapter 20.9
Difficulties encountered and future outlooks	chapters 3, 9 and 13
Activities concerning Research and Development	chapter 11
Analysis of the change in business, earnings and the financial position	chapters 6 and 9
Key financial performance indicators	chapter 3
Key indicators on environmental and personnel matters	chapters 4.1.2, 5.3 and 17.1
Description of the main risks and uncertainties	chapter 4
Indications on the use of financial instruments and objectives and policy of the Company on financial risk management	chapters 4 and 10
Report on the employee share scheme	chapters 18.1 and 21.1.7
Total remuneration and benefits of all kinds paid to each company officer	chapters 15.1 and 17.2
Social and environmental consequences	chapters 4.1.2 and 5.3
Information on the technological accident risk prevention policy, the Company's ability to cover its civil liability	chapters 4.1.2, 4.5 and 5.3
Amount of dividends distributed in the last three financial years	chapter 20.7
Information on the share buy-back programme	chapter 21.1.3
Transactions effected by executives on their shares	chapter 14.2.2
Calculation elements and results of the adjustment of conversion or exercise bases of marketable securities giving access to capital and subscription options or or share purchase options	chapter 21.1.4
Equity interest taken in companies whose registered office is within the territory of the French Republic and representing more than 1/20, 1/10, 1/5, 1/3, 1/2 or 2/3 of the capital or voting rights of these companies and control taken in companies whose registered office is within the territory of the French Republic	chapters 7, 20.3.5 and 25
Summary table of delegations of power still valid in the Board of Director in terms of capital increase	chapter 21.1.4.2
Usual first name and surname of the directors and Chief Executive Officers	chapter 14.1
Table of results of the Company over the last five financial years	chapter 20.3.4
Inventory of marketable securities	chapter 20.3.3
Annual financial statements	chapter 20.3.2
Consolidated financial statements	chapter 20.3.1
Statutory auditors' report on the financial statements	chapter 20.3.2.3
Statutory auditors' report on the consolidated financial statements	chapter 20.3.1.3
Statutory auditors' report on the statutory agreements	chapter 19
Report of one of the auditors, appointed independent third party organisation, on the consolidated social, environmental and society-related information given in the management report	chapter 28
Special report of the Chairman on the internal audit procedures	chapter 16.5.1
Special statutory auditors' report on the internal audit procedures	chapter 16.5.2
Special report of the Board of Directors on the share subscription options	chapter 17.2.2.2

Integration of "Grenelle 2" sustainable development indicators in the Soitec management report

Completeness of information:

In the table below, Soitec presents a table indicating on what page of the report the Grenelle 2 indicators can be found. When Soitec was not able or did not yet wish to implement the indicators, we state the reason why.

Comparability of indicators:

The Decree requires that, as far as possible, the indicators given in the CSR reporting cover two years. 2012 was the first version of the SD report. 2013 is the second and we have indicated in the table below the references for referring to and comparing the 2012 data with the 2013 data. However, 2012 marks the first year when Soitec produced CSR reporting. Whenever possible, a comparison was made with the 2011 data in the table below. Soitec is however recommended to pay special attention to this point in its next report.

Scope of information:

Soitec has implemented group-level indicators whenever possible. However, the structuring of its activities outside the Bernin site is still under-way, which did not enable it to have relevant indicators for all of the Group's sites for all the indicators. Mindful of transparency, we specify in this table the indicators on a group perimeter and those on the Bernin site. Soitec's objectives is of course to improve its indicators to have more exhaustive reporting at group level. However, the closing of the Singapore site led to a logical interruption in collecting data on this site. Likewise, the extraordinary economic conditions met by the company did not enable it to improve reporting at group level for all indicators.

Verification of information:

Soitec was assisted by Nicomak in putting in place its CSR reporting. Its reporting will have to be certified as of 2016. For the time being, Soitec continues to be assisted by Nicomak to achieve the most accurate non-financial reporting as possible before obtaining an official certification.

Soitec's exposure to climate change:

Soitec's activity and installations do not directly expose the Group to the impacts of climate change.

Compounds of rare earth or metals:

Soitec's activity does not require any significant consumption of rare metals or materials.

Information required in Article 225 of the French Grenelle 2 Law	Correspondence (pages of the report)	Data scope	Comparability with 2013-2014 published in the Reference Document
Social information			
a) Employment			
The total workforce and breakdown of employees by sex, age and geographic region	17.1 Report on workforce plus Diversity of workforce plus Female staff, pages 66 to 67	Group	Pages 72, 74
Hiring and redundancies	17.1 Change in workforce, page 67	Group	Page 72
Remuneration and changes	17.1 Remuneration, Wage Policy, page 68	Group	Pages 73, 74

b) Organisation of work			
Organisation of working time	17.1 Organisation of work, page 67	Group	Page 73
Absenteeism	17.1 Organisation of work, page 67	Group	Page 73
c) Social relations			
Organisation of social dialogue, particular personnel information and consultation procedures and negotiating with them	17.1 Professional relations and company agreements, page 67, 68	Bernin	Page 75
Report on collective agreements	17.1 Professional relations and company agreements, page 70	Bernin	Page 75
d) Health and safety			
Conditions concerning health and safety at work	17.1 Conditions concerning hygiene and safety, page 70	Group	Page 76
Report on signed agreements with union organisations or personnel representatives on health and safety at work	17.1 Professional relations and company agreements, page 70	Bernin	Page 75
Accidents at work, particularly their frequency and severity, and occupational diseases	17.1 Conditions concerning hygiene and safety, page 70	Group	Page 76
e) Training			
The policies implemented on training	17.1 Training, page 71	Group	Pages 76
Total number of hours' training	17.1 Training, page 71	Group	Page 76
f) Equal treatment			
Measures taken in favour of equality between women and men	17.1 Female personnel, page 68	Group	Page 74
Measures taken in favour of the employment and incorporation of disabled persons	17.1 Employment and incorporation of disabled workers, pages 69, 70	Bernin	Pages 74, 75
Policy on fighting discrimination	17.1 Anti-discrimination policy, page 68	Group	Page 74
g) Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organisation on...			
Respect of the freedom of association and the right to collective bargaining	17.1 Promotion and compliance with the ILO conventions, page 71	Group	Page 77
The elimination of discrimination in terms of employment and profession	17.1 Promotion and compliance with the ILO conventions, page 71	Group	Page 77
The elimination of forced or mandatory labour	17.1 Promotion and compliance with the ILO conventions, page 71	Group	Page 77
The effective abolition of child labour	17.1 Promotion and compliance with the ILO conventions, page 71	Group	Page 77
Environmental information			
g) General environmental policy			
Company organisation to take account of environmental issues and, as appropriate, the evaluation or certification steps on the environment	5.3.2 and 5.3.4, pages 17, 18	Group	Pages 21, 22
Actions concerning the training and information of salaried employees on environmental protection	5.3.6, pages 23, 24	Group	Page 29
Resources dedicated to preventing environmental risks and pollution	5.3.3, page 17	Group	Page 22
The amount of provisions and guarantees for risks on the environment, provided that this information is not likely to cause serious damage to the company in a pending dispute	5.3.1, page 16	Group	Page 21
b) Pollution and waste management			
Measures for preventing, reducing and repairing discharges into the air, water and soil seriously affecting the environment	5.3.5.1, 5.3.5.2, 5.3.5.3, pages 18 to 20	Group	Pages 22 to 25
Measures for preventing, recycling and eliminating waste	5.3.5, pages 22 to 23	Group	Pages 27 to 29
Taking into account of noise disturbances and of any other form of pollution specific to an activity	5.3.8, page 24	Bernin	Page 29
c) Sustainable use of resources			
The water consumption and water supply in accordance with local constraints	5.3.5.4, pages 20 to 22	Group	Pages 25, 26
Consumption of raw materials and measures taken to improve efficiency in their use	5.3.4, pages 23	Bernin	Pages 25 to 27
Energy consumption, measures taken to improve energy efficiency and use of renewable energies	5.3.4, pages 18 to 22	Group	Pages 25 to 27
Use of soil	*Soitec considers this stake of little impact due to its manufacturing process which does not require use of soil*	n/a	*Information not dealt with as of little impact for Soitec*

d) Climate Change			
Greenhouse gas emissions	5.3.7, page 24	Group excluding San Diego	Page 29
Adaptation to the consequences of climate change	5.3.7, page 24	Group excluding San Diego	Page 29
e) Protection of biodiversity			
Measures taken to protect or develop biodiversity	5.3.8 page 24	Bernin	Page 29
Society-related information			
a) Territorial, economic and social impact of the company's activity			
In terms of employment and regional development	5.4.1 a) and b), pages 24, 25	Group	Page 30
On the neighbouring or local populations	5.4.1 c), page 25	Bernin	Page 30
b) Relations with persons or organisations interested by the Company's activity, particularly outsourcing agencies, teaching establishments, environmental defence associations, consumer populations and the neighbouring populations			
Conditions of dialogue with these persons or organisations	5.4.2 page 25	Group	Pages 30, 31
The partnership actions or sponsorship	5.4.2 page 25	Bernin	Page 31
c) Subcontracting and suppliers			
Taking into account in the procurement policy of social and environmental stakes	5.4.3 a), page 26	Group	Page 31
The importance of subcontracting and taking into account in relations with the suppliers and subcontractors of their social and environmental responsibility	5.4.3 b), page 26	Group	Page 31
d) Loyalty of practices			
Actions taken to prevent corruption	5.4.4 a), page 26	Group	Page 31
Measures taken in favour of health and safety of consumers	5.4.4 a) page 26	Group	Not dealt with
Other actions taken in favour of human rights	5.4.4 b), page 26	Group	Pages 31, 32

REPORT OF ONE OF THE AUDITORS, APPOINTED INDEPENDENT THIRD PARTY ORGANISATION, ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETY-RELATED INFORMATION GIVEN IN THE MANAGEMENT REPORT

Financial year ending 31 March 2015

To the shareholders,

As statutory auditor of Soitec SA appointed independent third party organisation, accredited by COFRAC under number 3-1060[1], we hereby present to you our report on the consolidated social, environmental and society-related information for the financial year ended on 31 March 2015, presented in the management report (hereinafter the “CSR Information”), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

Responsibility of the Company

It is the responsibility of the Board of Directors to prepare a management report including the CSR Information provided in Article R.225-105-1 of the French Commercial Code, prepared in accordance with the terms of reference used by the company (hereinafter the “Terms of Reference”).

Independence and quality control

Our independence is defined by the regulatory texts, the code of ethics of the profession and the provisions provided in Article L.822-11 of the French Commercial Code. Further, we have put in place a quality control system which includes documented procedures and policies in view of ensuring compliance with the codes of ethics, professional standards and the applicable legal and regulatory texts.

Responsibility of the Auditor

Based on our works, it is our responsibility:

- to certify that the required CSR information is presented in the management report or is, in case of omission, explained pursuant to the third paragraph of Article R.225-2015 of the French Commercial Code (Certificate of presence of CSR information);
- to express a conclusion of moderate assurance on the fact that the CSR Information, taken as a whole, is presented, in all its significant aspects, in a true and faithful manner in accordance with the Terms of Reference (Substantiated Opinion on the true and faithful nature of the CSR Information).

Our works were carried out by a team of 4 people between 31 March 2015 and 13 May 2015 for a period of approximately 5 weeks. To assist us in carrying out our works, we made use of CSR experts.

We conducted the works described below in accordance with the applicable professional standards in France and the French Decree of 13 May 2013 setting down the terms and conditions under which the independent third party company conducts its audit.

1. Certificate of presence of CSR information

Based on meetings with the heads of the departments concerned, we familiarised ourselves with the sustainable development objectives, according to the social and environmental consequences related to the activity of the company and its society-related commitments and, as appropriate, the resulting actions or programmes.

We compared the CSR Information presented in the management report with the list provided by Article R.225-105-1 of the French Commercial Code.

(1) Whose content is available on the website www.cofrac.fr

In case of absence of certain consolidated information, we checked that explanations were provided pursuant to the provisions of Article R.225-105 (3) of the French Commercial Code.

We checked that the CSR Information covered the consolidated group, namely the company and its subsidiaries within the meaning of Article L.233-1 and the companies it controls within the meaning of Article L.233-3 of the French Commercial Code with the limits specified in the concordance table presented in the management report.

Based on these works and account taken of the limits mentioned above, we attest to the presence in the management report of the required CSR Information.

2. Substantiated opinion on the true and faithful nature of the CSR Information

Nature and extent of the works

We held a dozen meetings with the persons responsible for preparing the CSR Information in the departments in charge of the information collection processes and, as appropriate, those responsible for the internal audit and risk management procedures, in order to:

- assess the appropriate nature of the Terms of Reference as regards their relevance, their completeness, their reliability, their neutrality, their understandable nature, taking into consideration, as appropriate, the best practices of the sector;
- check the implementation of a collection, compilation, processing and audit process aiming to have complete and consistent CSR Information and familiarise ourselves with the internal audit and risk management procedures related to the drawing up of the CSR Information.

We determined the nature and extent of our tests and checks in accordance with the nature and the importance of the CSR Information in view of the characteristics of the company, the social and environmental stakes of its activities, its objectives in terms of sustainable development and sector-based best practices.

For the CSR Information which we considered to be the most important:

- in the consolidating entity and the Bernin site, we consulted the documentary sources and held meetings to corroborate the qualitative information (organisation, policies, actions), we implemented analytical procedures on the quantitative information and checked, based on surveys, the calculations and the consolidation of the data and checked their consistency and their concordance with the other information given in the management report;
- as regards a representative sample of entities (Soitec head office in Bernin) which we selected depending on their activity, their contribution to the consolidated indicators, their base and a risk analysis, we held meetings to check the correct application of the procedures and implemented detailed tests based on samples taken, consisting of checking the calculations performed and comparing them with the data on the supporting documents. The sample thus selected represents 77% of the workforce and between 90 and 96% of the environmental quantitative information.

For the other consolidated CSR Information, we assessed their consistency in relation to our knowledge of the company.

Finally, we assessed the relevance of the explanations relating, as appropriate, to the total or partial absence of some information.

We believe that the sampling methods and size of samples we used by exercising our professional judgment allows us to make a conclusion of moderate assurance: assurance of a higher level would have required more extensive verification works. Due to the use of sampling techniques and other limitations inherent in the operating of any information and internal audit system, the risk of not detecting a significant anomaly in the CSR information cannot be completely set aside.

Conclusion

Based on our works, we have not revealed any significant anomaly likely to call into question the fact that the CSR Information, taken as a whole, is presented in a true and faithful manner, in accordance with the Terms of Reference.

Neuilly-sur-Seine, 09 June 2015

One of the auditors

PricewaterhouseCoopers Audit

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Associate

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29. Identification form

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31. **Board of Directors'** report to the Shareholders' Meeting and draft resolutions

DRAFT RESOLUTIONS

COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

- First resolution - Approval of the statutory financial statements for the fiscal year ended March 31, 2015.
- Second resolution – Approval of the consolidated statements for the fiscal year ended March 31, 2015.
- Third resolution – Appropriation of net income for the fiscal year ended March 31, 2015.
- Fourth resolution – Approval of the related-party agreements.
- Fifth resolution – Nomination of Mr. Satoshi Onishi as Board Member.
- Sixth resolution – Ratification of the nomination via co-option of CEA Investissement as Board Member, in replacement of Mr. Christian Lucas who resigned.
- Seventh resolution – Consultative vote on the compensation owed and paid to Mr. André-Jacques Auberton-Hervé for the fiscal year ending on March 31, 2015.
- Eighth resolution – Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2015.
- Ninth resolution – Authorization for the Board of Directors for the purpose of carrying out transactions with the Company's shares.

COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- Tenth resolution – Delegation of authority granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or any securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future.
- Eleventh resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital, without preferential subscription rights, immediately or in the future.
- Twelfth resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital to categories of persons meeting defined requirements, without preferential subscription rights, immediately or in the future.
- Thirteenth resolution - Delegation of authority granted to the Board of Directors to issue shares and securities giving access to Company equity, immediately or in the future, without preferential subscription rights, within the context of an offering provided for in Article L. 411-2 II of the French Financial and Monetary Code.
- Fourteenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.
- Fifteenth resolution - Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights for shares and/or securities giving access, immediately or in the future, to the Company's capital, for the purpose of fixing the issuance price within the limit of 10% of the share capital of the Company under the conditions adopted by the Shareholders.
- Sixteenth resolution - Delegation of powers to the Board of Directors for the purpose of proceeding with an increase in the Company's share capital in compensation for capital contributions in kind consisting of capital securities or securities with access to Company capital.
- Seventeenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized.
- Eighteenth resolution - Authorization for the Board of Directors to increase share capital by the issuance of shares or securities that give access to Company capital, either immediately or in the future, to compensate shares brought within the framework of a public exchange offer initiated by the Company.
- Nineteenth resolution - Authorization for the Board of Directors to increase share capital through share or security issuance restricted to employees subscribing to a Company savings plan when the preferential subscription right has been suppressed.
- Twentieth resolution - Authorization for the Board of Directors to cancel, if necessary, the Company's own shares up to a maximum of 10%.
- Twenty-first resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of Bpifrance Participations and CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.
- Twenty-second resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.
- Twenty-third resolution – Authorization for the Board of Directors to proceed with the attribution of free performance shares.
- Twenty-fourth resolution - Delegation of authority to the Board of Directors to issue free equity warrants for the shares in case of a public offer against the Company.
- Twenty-fifth resolution - Power for formalities.

RESOLUTIONS OF THE COMPETENCE OF THE ORDINARY SHAREHOLDERS' MEETING

• First Resolution - Approval of the statutory financial statements for the fiscal year ended March 31, 2015.

Having considered the reports of the Board of Directors and of the statutory auditors regarding the statutory financial statements for the fiscal year ended March 31, 2015, the Shareholders approve at the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings the statutory financial statements as they were presented which show sales of 161,132,017 euros and a loss of 387,066,790.31 euros, as well as operations found in these accounts and summarized in these reports.

The Shareholders also approve an overall global amount of non-deductible expenditures and charges subject to corporate tax amounting to 150,274 euros for the fiscal year.

• Second resolution – Approval of the consolidated statements for the fiscal year ended March 31, 2015.

Having considered the reports of the Board of Directors and of the statutory auditors regarding the consolidated financial statements for the fiscal year ended March 31, 2015, the Shareholders approve at the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings the consolidated financial statements as they were presented which show sales of 222,876,000 euros and the Group's net loss of 259,240,000 euros, as well as operations found in these accounts and summarized in these reports.

• Third resolution – Appropriation of net income for the fiscal year ended March 31, 2015.

Having considered the reports of the Board of Directors and of the statutory auditors regarding the annual financial statements for the fiscal year ended March 31, 2015, the Shareholders resolve at the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings to allocate the loss for the fiscal year ended March 31, 2014, amounting to 387,066,790.31 euros, to the losses carried forward, which increased from (434,087,286.41) euros to (821,154,076.72) euros.

The Shareholders acknowledge that there has not been any payment of dividends during the last three fiscal years.

• Fourth resolution – Approval of the related-party agreements.

Having considered the special report from the statutory auditors regarding the regulated agreements, as defined in Articles L. 225-38 *et seq.* of the French Commercial Code, the Shareholders approve at the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings said report's conclusions and the related-party agreements previously made or approved, which continued throughout the fiscal year.

• Fifth resolution –Nomination of Mr. Satoshi Onishi as Board member.

The Shareholders' Meeting, taking decisions in accordance with quorum and majority requirements for Ordinary Shareholders' Meetings, having reviewed the management report prepared by the Board of Directors, decides to nominate Mr. Satoshi Onishi as Board member for a term of four (4) years, such term to expire after the Shareholders' Meeting to be summoned to approve the financial statements for the fiscal year ending March 31, 2019.

• Sixth resolution –Ratification of the nomination via co-option of CEA Investissement as Board member, in replacement of Mr. Christian Lucas who resigned.

The Shareholders' Meeting, taking decisions in accordance with quorum and majority requirements for Ordinary Shareholders' Meetings, decides to ratify the nomination made provisionally of CEA Investissement, a *société anonyme*, with a registered office located at 25, rue Leblanc – 75015 Paris, registered with the Paris Commercial Registry under number 423 426 899, represented by Mr. Christian Gegout, domiciled at CEA Investissement, in replacement of Mr. Christian Lucas, who resigned.

• Seventh resolution – Consultative vote on the compensation owed and paid to Mr. André-Jacques Auberton-Hervé for the fiscal year ending on March 31, 2015.

The Shareholders' Meeting, consulted in accordance with the AFEP-MEDEF Code of Governance for listed companies (section 24.3), taking decisions in accordance with quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the management report prepared by the Board of Directors, issues a favorable vote on the compensation owed and paid to Mr. André-Jacques Auberton-Hervé for the fiscal year ending on March 31, 2015, as described and detailed in the Company's 2014-2015 annual report.

• Eighth resolution – Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2015.

The Shareholders' Meeting, consulted in accordance with the AFEP-MEDEF Code of Governance for listed companies (section 24.3), taking decisions in accordance with quorum and majority requirements for Ordinary Shareholders' Meetings, and having reviewed the management report prepared by the Board of Directors, issues a favorable vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2015, as described and detailed in the Company's 2014-2015 annual report.

• Ninth resolution – Authorization for the Board of Directors for the purpose of carrying out transactions with the Company's shares.

Having considered the Board's report, at the conditions of quorum and majority applicable to Ordinary Shareholders' Meetings, and conforming to the conditions provided for under article L. 225-209 *et seq.* of the French Commercial Code and under European regulation no. 2273/2003 of December 22, 2003, and as recognized by the market practices of the *Autorité des Marchés Financiers*, the Board is authorized, with the possibility of sub-delegating, as in the conditions set forth by the law and in the Articles of Incorporation, to acquire or to allow to acquire the Company's shares with the purpose of:

- Ensuring the secondary market's animation or the shares' liquidity through an investment service provider acting independently and in respect to a liquidity agreement complying with the AMAFI's ethical chart, as recognized by the *Autorité des Marchés Financiers*; or
- Ensuring the coverage of stock option plans and other forms of share allocations granted to employees or former employees and/or executive officers or former executive officers of the Group and/or of companies related to it or that will be related to it in accordance with conditions and terms provided by applicable law, notably with respect to the framework of stock option plans or projects for free allocation of existing shares or the Company's savings plan; or
- Holding the purchased shares (and offering them for exchange or payment or otherwise) with respect to external growth transactions, provided that the acquired shares' maximum amount, in light of the hold, and their subsequent delivery for payment or exchange in connection with the merger, the split or the contribution does not exceed 5% of the capital; or
- Hedge of securities giving rights to shares of the Company upon exercise of rights attached to securities giving rights to the attribution of the Company's shares through redemption, conversion, exchange, presentation of bonds, or any other means; or

- In the event that the twentieth resolution is adopted, cancelling, in whole or in part, any shares which were acquired, in accordance with Article L. 225-209 of the French Commercial Code, or
- Implementing any securities practice which would be permitted by the *Autorité des Marchés Financiers*; or
- Operating in any other authorized purpose or which may hereafter be authorized by law or regulations in force subject to the information of the Shareholders by a Company press release.

The share repurchase may involve a number of actions, such as:

- The number of shares acquired during the term or the repurchase program may not exceed, at any time, 5% of the shares comprising the share capital of the Company. This percentage applies to the capital adjusted according to these operations occurring after the present meeting, provided that in the event the shares are purchased with a liquidity contract, the number of shares taken into account for calculating the 5% limit is the number of shares reduced by the number of shares sold during the duration of the authorization;
- The number of shares that the Company holds at any time cannot exceed 5% of the shares comprising the share capital of the Company; this percentage applies to the capital adjusted according to these operations occurring after the present meeting;

The purchase of the shares may be made via one or multiple purchases, by all means available, in a regulated market, a system of multilateral negotiations, with a systematic internalizer or over the counter, and includes a Public Exchange Offer or transaction of share blocks (which could reach the entire program). However, the Company does not have recourse to derivatives. These operations could be performed at any time pursuant to applicable law, excluding during a time period when there is Public Exchange Offer for the Company's shares;

The Board of Directors decides that the maximum purchase price is to be set at 1 (one) euro per share. In the event of transactions carried out on the share capital, notably a stock split or a stock consolidation or the free allocation of shares, the above-indicated amount will be adjusted in the same proportions (adjustment factor equal to the ratio between the number of shares comprising the capital before the operation and the number of shares after the operation);

As a result of Article R. 225-151 of the French Commercial Code, the Board of Directors sets the maximum amount of the transaction at 11,565,166 euros, as calculated on the basis of the share capital on this day, consisting of 231,303,320 shares;

The Shareholders' Meeting empowers the Board of Directors with a possibility to delegate, for the purpose of implementing this authorization, entering into any agreement, carrying out any formality and filing any declaration with any agency, and more generally, doing all that is necessary.

This authorization will expire on the date of the Shareholders' Meeting convened to approve the financial statements for the fiscal year which will end on March 31, 2016.

RESOLUTIONS OF THE COMPETENCE OF THE EXTRAORDINARY SHAREHOLDERS' MEETING

- **Tenth resolution – Delegation of authority granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or any securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future.**

The Shareholders, having considered the Board of Directors' report and the Statutory Auditors' special report, and in accordance with provisions of articles L. 225-129 *et seq.*, L. 228-91 *et seq.* and specifically articles L. 225-129-2 and L. 228-92 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. delegate to the Board of Directors with the possibility to sub-delegate, within the limits provided at law, its authority and the powers necessary for the purpose of deciding, on one or more occasions, in France as well as abroad, in amount and at such time as it deems appropriate, in euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, with preferential subscription rights, ordinary shares and/or any securities issued (including warrants and debt securities) for consideration or for free, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way, to Company shares, provided that the subscription of shares and/or other securities may be made either in cash or by setting off with liquid and due receivables;
2. the delegation granted to the Board of Directors shall be valid for twenty-six (26) months as of the date of this Shareholders' Meeting;
3. decide to set up the following limits on the issuance amounts permitted in the event that the Board of Directors decides to use its delegation of authority:
   a. the maximum nominal amount of capital increases that may be realized immediately or in the long term under this delegation of competence may not surpass the ceiling of 20 million euros for the nominal value, or counter value of this amount, being specified that:
      (i) the aggregate nominal amount of the capital increase in respect of shares issued directly or indirectly, on the basis of this resolution and the eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions subject to their adoption by the present Shareholders' Meeting, and on the basis of the issuance authorized by the resolutions of the same nature that could succeed these resolutions during the term of this delegation, shall not surpass the global ceiling of 20 million euros for the nominal value, and
      (ii) to these ceilings will be added the nominal amount of capital increases related to ordinary shares which may be issued to preserve, in accordance with the law, and, where applicable, contractual provisions providing for other adjustments, the rights of holders of securities and other rights giving access to the Company's capital,
   b. the maximum nominal amount of securities representing bond or related securities, giving access to the Company's capital, which may be issued under the present delegation of competence, may not exceed the ceiling of 150 million euros or the counter-value of this amount, provided that this amount will be deducted from the nominal amount of securities representing bond instruments or equivalent, giving access to the Company's capital, to be issued under this resolution and the eleventh, twelfth, thirteenth, fourteenth, fifteenth, sixteenth, eighteenth and nineteenth resolutions, subject to the adoption by the present Shareholders' Meeting, and on the basis of issuance authorized by the resolutions of the same nature that may succeed these resolutions during the validity of the present delegation.
4. in the event that the present delegation of authority is used by the Board of Directors:
   - decide that the issuance will be reserved in favor of Company shareholders who have the right to subscribe to such in direct proportion to the holdings, which may not be reduced,
   - nevertheless, decide that the Board of Directors will have the power to grant Shareholders the right to subscribe to shares or securities in excess of the minimum number to which they have preferential subscription rights (*réductible*) proportionally to their subscription rights, and in any event, within the limit of their request,

- decide that if the subscriptions as of right (*irréductible*) and, where applicable, excess subscriptions (*réductible*) are not absorbed by the entire issuance of shares or securities, as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or both of the following:
  - limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
  - freely distribute all or part of the non-subscribed securities between the individuals chosen;
  - offer to the public all or part of the non-subscribed securities, to the French market and/or internationally.

5. decide that the issuance of the Company share warrants may be made by a subscription offer, but also with free allocation of shares to Company shareholders, it being understood that the Board of Directors may decide that, in the event of an allocation of bonus warrants, resulting fractional shares shall not be negotiable and that the corresponding shares will be sold;
6. decide that the Board of Directors will have the powers with the possibility to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issuance in such a form as it deems appropriate and in compliance with applicable law, including:
   - determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued,
   - determining the number of shares and/or other securities to be issued, the issue price and conditions attached thereto, specifically the issuance thereof, the issuance premium, the terms of their release and their maturity date (if applicable retroactively) and, if necessary, repurchase conditions,
   - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months pursuant to the forms and limits provided by law and regulations,
   - at its sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase,
   - generally taking all appropriate measures, executing all agreements, obtaining all authorizations, carrying out all formalities necessary to ensure successful completion of issuance or stay, including any capital increases resulting from any issuance conducted by this present delegation, amending the Articles of Incorporation, or requesting the listing of any shares and/or securities issued as a result of this present delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Eleventh resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital, without preferential subscription rights, immediately or in the future.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129-2, L. 225-135, L. 225-136, L. 225-148 and L. 228-92 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. delegate to the Board of Directors with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary for the purpose of deciding, on one or several occasions, in France as well as abroad, the increase of the Company's share capital, in amount and at such times as it deems appropriate, in euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, without preferential subscription rights, within the framework of a public offering, ordinary shares as well as any securities issued for consideration or for free, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way, to Company shares, provided that the subscription of shares and/or securities may be made either in cash or by setting off with liquid and due receivables;
2. the delegation so granted to the Board of Directors is valid for twenty-six (26) months as of the date of this Shareholders' Meeting;
3. set the following limits on the issuance amounts in the event the Board of Directors decides to use its delegation of authority:
   a. the maximum nominal amount of capital increases that may be realized immediately or in the long term, under this delegation of competence, may not surpass the ceiling of 15 million euros for the nominal value, or counter value of this amount, being specified that:
      (i) this ceiling applies to the present resolution and the thirteenth, fourteenth, fifteenth and seventeen resolutions,
      (ii) this amount will be deducted from the global nominal ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution of the present Shareholders' Meeting or, when appropriate, from the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation,
   b. the maximum nominal amount of securities representing bond or related securities, giving access to the Company's capital, likely to be issued on the basis of the present resolution, may not exceed the ceiling of 150 million euros or the counter value of this amount, provided that this amount is deducted from the global ceiling amount of 150 million euros pursuant to "3b" of the tenth resolution of the present meeting or, as the case may be, from the possible ceiling amount pursuant to a resolution of the same nature that may succeed this resolutions during the term of validity of the present delegation;
4. decide that any issuance performed pursuant hereto shall be performed through public offers, it being specified that such may be performed in conjunction with an offer or offers arising under article L. 411-2 (II) of the French Monetary and Financial Code, which may be completed under resolution number thirteen hereunder, which shall be submitted for shareholder approval;
5. decide to suppress the Shareholders' preferential subscription rights to the shares and/or securities that are likely to be issued on the grounds of the present delegation;
6. decide that the Board of Directors may bestow a preemptive right to shareholders in direct proportion to the holdings, which may not be reduced, or potentially the right to subscribe to securities in excess of the minimum number to which they have preferential subscription rights (*réductible*) proportionally to their subscription rights, over an amount of time that shall be set by the Board of Directors in accordance with applicable law and regulations, for all or part of an issuance that is performed in relation to this resolution and which should be exercised in proportion to the number of shares held by each shareholder pursuant to applicable law and regulations;
7. decide that if the subscriptions as of right (*irréductible*) and, where applicable, excess subscriptions (*réductible*) are not absorbed by the entire issuance of shares or securities, as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or both of the following:
   - limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;

- freely distribute all or part of the non-subscribed securities between the individuals chosen;
- offer to the public all or part of the non-subscribed securities, to the French market and/or internationally.

8. acknowledge and decide, as the case may be, that this delegation shall automatically apply to holders of any securities that give access to Company equity that may be issued pursuant to this delegation, the waiver of shareholder preferential subscription rights to the new shares to which these securities would give rise;

9. decide that (i) the shares' issuance price for ordinary shares pursuant to this resolution or those which may give rights to securities to be issued under this resolution, shall be at least equal to the minimum price permitted by laws and regulations applicable on the date of issue (to date, the weighted average of the last three trading days preceding the fixation of the subscription price minus 5%), after, if necessary, adjusting this average in the event of a difference between the maturity dates, and (ii) the issuance price for the securities giving access to capital shall be that of the sum immediately received by the Company increased, where appropriate, by that likely to be collected subsequently by the Company, or for each share issued as a consequence of the issuance of the securities, at least equal to the price defined in part (i) of this paragraph;

10. decide that the Board of Directors will have all powers with the possibility to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issuance in compliance with applicable law, including:
   - determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued,
   - determining the number of shares and/or other issued securities, setting the issue price and conditions of the issuance, if applicable, the issuance premium, the terms of their release and their maturity date (if applicable retroactively), and, if necessary, any repurchase conditions,
   - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months pursuant to the forms and limits provided by law and regulations,
   - at is sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase, and
   - taking all appropriate measures, executing all agreements, obtaining all authorizations, and carrying out all formalities necessary to ensure successful completion of issuance or stay, including any capital increases resulting from any issuance conducted by this present delegation, amending the Articles of Incorporation, and requesting the listing of any shares and/or securities issued as a result of this delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Twelfth resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital to categories of persons meeting defined requirements, without preferential subscription rights, immediately or in the future.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129, L. 228-91 to L. 228-93, and L. 225-135 to L. 225-138 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. delegate to the Board of Directors with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary for the purpose of performing, on one or more occasions, in France as well as abroad, in amount and at such times as it deems appropriate, in euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, without preferential subscription rights, ordinary shares as well as any securities issued for consideration or for free, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way to Company shares, it being understood that the subscription of shares and/or other securities may be made either in cash or by setting off with liquid and due receivables;

2. decide to eliminate the preferential subscription rights of the shareholders in connection to shares and/or securities giving access to Company equity and to reserve, as it pertains to this delegation, the right to subscribe new shares and/or securities to those persons meeting the following requirements: French or international (or affiliated companies) industrial, commercial or finance companies who are – directly or indirectly – engaged in activities that could reinforce the development of the Soitec group.

3. delegate the authority to define the precise list of beneficiaries of the elimination of preemptive subscription rights to the Board of Directors as well as the authority to set the number of shares and/or securities that may be issued to each such entity;

4. acknowledge and decide, as the case may be, that this delegation shall automatically apply to the beneficiaries appearing in the list provided by the Board of Directors mentioned above, the waiver of shareholder preferential subscription rights to the new shares to which these securities would give rise;

5. set the following limits on the issuance amounts in the event the Board of Directors decides to use its delegation of authority:
   a. the maximum nominal amount of capital increases that may be realized immediately or in the future, under this delegation of competence, may not surpass the ceiling of 15 million euros for the nominal value, or counter value of this amount, being specified that:
      (i) this ceiling applies to the present resolution and the thirteenth, fourteenth, fifteenth and sixteenth resolutions, and
      (ii) this amount will be imputed to the global nominal ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution of the present Shareholders' Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation,
   b. the maximum nominal amount of debt securities or related securities, giving access to the Company's capital, likely to be issued on the basis of the present resolution, may not exceed the ceiling of 150 million euros or the counter value of this amount, it being understood that this amount shall be imputed to the global ceiling amount of 150 million euros pursuant to "3b" of the tenth resolution of the present meeting or, as the case may be, to the possible ceiling amount pursuant to a resolution of the same nature that may succeed this resolution during the validity of the present delegation;

6. decide that (i) the shares' issuance price for ordinary shares pursuant to this resolution or those which may give rights to securities to be issued under this resolution, shall be at least equal to the minimum price permitted by laws and regulations applicable on the date of issue (to date, the weighted average of the last three trading days preceding the fixation of the subscription price minus 5%), after, if necessary, adjusting this average in the event of a difference between the maturity dates, and (ii) the issuance price for the securities giving access to capital shall be that of the sum immediately received by the Company increased,

where appropriate, by that likely to be collected subsequently by the Company, or for each share issued as a consequence of the issuance of the securities, at least equal to the minimum price defined in part (i) of this paragraph;

7. delegate to the Board of Directors all powers with the possibility to sub-delegate, in accordance with applicable law, necessary to proceed with the aforementioned issuance in compliance with applicable law, such as determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued which would grant access to Company equity, how the shares or securities shall be allocated, at is sole discretion, charging any costs or expenses related to the capital increase to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase, making any adjustments intended to take any transactions that affect Company capital into account, executing all agreements in order to issue the shares or securities set forth herein, acknowledging the completion of the capital increase(s), amending the articles of incorporation as a result hereof, and carrying out all formalities and generally doing all that is useful and necessary;
8. the delegation so granted to the Board of Directors is valid for eighteen (18) months as of the date of this Shareholders' Meeting.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Thirteenth resolution - Delegation of authority granted to the Board of Directors to issue shares and securities giving access to Company equity, immediately or in the future, without preferential subscription rights, within the context of an offering provided for in Article L. 411-2 II of the French Financial and Monetary Code.**

The Shareholders, voting in accordance with the rules governing quorum for extraordinary general shareholders' meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129 *et seq.* and L. 228-91 *et seq.* of the French Commercial Code, notably Articles L. 225-129-2, L. 225-135, and L. 225-136, and Articles L. 228-91 *et seq.* of the French Commercial Code:

1. delegate to the Board of Directors with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary to decide the issuance, on one or several occasions, in the proportions and at such times as it deems appropriate, in France or abroad, pursuant to the provisions relating to offers set forth in II of Article L. 411-2 of the French Financial and Monetary Code, in euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, of ordinary shares as well as any securities issued for consideration or for free, giving access to ordinary Company shares, by any means, immediately and/or in the future, at any time or upon a certain date, by way of subscription, conversion, exchange, reimbursement, presentation of warrants or any other manner. The subscription of these shares or securities may be made either in cash or by setting off with liquid and due receivables;
2. decide to suppress the Shareholders' preferential subscription rights to the securities that can be issued on the grounds of this resolution;
3. decide that the maximum amount of capital increases that may be performed under this resolution may not, within the limits set forth by law applicable on the day of the issuance (as an indication, the day of the present Shareholders' Meeting, the issuance of share capital carried out by an offer pursuant to Article L. 411-2 (II) of the French Financial and Monetary Code is limited to 20% of the Company's capital per year), surpass the nominal 15 million euro ceiling, or the counter-value of this amount, it being understood that such amount shall be imputed to:
   (i) the shared global nominal ceiling amount of 15 million euros referred to in paragraph "3a(i)" of the eleventh resolution of the present Shareholders' Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation, being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,
   (ii) the global nominal ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution, or if need be, to the possible amount, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation;
4. decide that the maximum nominal amount of debt securities or related securities, giving access to the Company's capital, likely to be issued on the basis of the present resolution, may not exceed the ceiling of 150 million euros or the counter value of this amount, in case of an issuance in a foreign currency or another accounting unit established by reference to a basket of currencies, it being understood that this amount shall be imputed to the global ceiling amount of 150 million euros pursuant to "3b" of the tenth resolution of the present meeting or, as the case may be, to the possible ceiling amount pursuant to a resolution of the same nature that may succeed this resolution during the validity of the present delegation;
5. acknowledge that if the subscriptions do not absorb the total issuance, the Board of Directors may limit the operation's amount to the amount of subscriptions received, provided that they reach at least three-fourths of the subscriptions issued;
6. decide that (i) the shares' issuance price for ordinary shares pursuant to this resolution or those which may give rights to securities to be issued under this resolution, shall be at least equal to the minimum price permitted by laws and regulations applicable on the date of issue (to date, the weighted average of the last three trading days preceding the fixation of the subscription price minus 5%), after, if necessary, adjusting this average in the event of a difference between the maturity dates; and (ii) the issuance of price for the securities giving access to capital shall be that of the sums received immediately by the Company increased, where appropriate, by that likely to be collected subsequently by the Company, or for each share issued as a consequence of the issuance of the securities, at least equal to the minimum price defined in part (i) of this paragraph;
7. grant the Board of Directors all powers with the possibility to sub-delegate, in accordance with applicable law, necessary to proceed with the aforementioned issuance in compliance with applicable law, including:
   - determining the dates and the terms of issuance as well as the form and characteristics of the shares and/or securities to be issued,
   - determining the number of shares and/or other securities to be issued, as well as the terms and conditions, including the issue price, if applicable, the issuance premium, the term of their release and their maturity date (if applicable retroactively), and, if necessary, repurchase conditions,
   - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months pursuant to the forms and limits provided by law and regulations,
   - at is sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase, and
   - generally taking all appropriate measures, executing all agreements, obtaining all authorizations, and carrying out all formalities necessary to ensure successful completion of issuance or stay, including any capital increases resulting from any issuance conducted by this present delegation, amending the Articles of Incorporation, and requesting the listing of any shares and/or securities issued as a result of this delegation;

8. the present delegation is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Fourteenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.**

The Shareholders, voting in accordance with the rules governing quorum for extraordinary general shareholders' meetings, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-135-1 of the French Commercial Code:

1. grant the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, the power to decide to increase the number of shares issued, in the event of issuance of shares or securities giving access to Company's capital, with or without preferential subscription rights decided on the basis of the tenth, eleventh, or thirteenth resolutions of the present Shareholders' Meeting, at the same price as the initial issuance and in the same time limits provided by the applicable legal and regulatory provisions on the day of the issuance (to date, within thirty (30) days of the subscription and limited by 15% of the initial issuance), subject to the ceiling under which the issuance is decided;
2. the present delegation is granted for a period of twenty-six (26) months as of the date of this Shareholders' Meeting.
3. delegate to the Board of Directors with the possibility to sub-delegate, in accordance with applicable law and the Articles of Incorporation, all the powers required to implement the present delegation of authority.

- **Fifteenth resolution - Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights for shares and/or securities giving access, immediately or in the future, to the Company's capital, for the purpose of fixing the issuance price within the limit of 10% of the share capital of the Company under the conditions adopted by the Shareholders.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Article L. 225-136-1 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. authorize the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, subject to the adoption of the tenth, eleventh, twelfth and thirteenth resolutions voted on by the present Meeting, for each of the issuances decided on the basis of these resolutions, to waive the price conditions set forth in these resolutions and to set the issuance price in the matter hereafter, within the limit of 10% of the Company's legal capital per year (this percentage applies to capital adjusted for transactions occurring after the present Meeting):
   a. the issuance price for ordinary shares to be issued pursuant to this issuance or those which may give rights to securities to be issued hereunder, shall be, at the discretion of the Board of Directors, equal to (i) the average listed price over a maximum period of six (6) months preceding the issuance or (ii) the average weighted market price on the day preceding the issuance (WVAP 1 day) with a maximum discount of 15%;
   b. the issuance price for the securities other than ordinary shares shall be that of the sums received immediately by the Company plus, where appropriate, the sum likely to be collected subsequently by the Company for each ordinary share issued as a consequence of the issuance of the securities, at least equal to the amount determined by the Board of Directors in paragraph "1.a" above.
2. decide that the maximum nominal amount for the Company's capital increases realized as a result of the present resolution, either directly or by the presentation of the securities, shall not exceed 10% of the Company's share capital for each 12-month period or the counter-value of this amount, it being understood that this amount shall be imputed to:
   (i) the shared global ceiling amount of 15 million euros referred to in paragraph "3a(i)" of the eleventh resolution of this Shareholders' Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation, being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,
   (ii) the global ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution, or if need be, to the possible amount, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation.
3. decide that the maximum nominal amount of bond securities giving right to receive shares of the Company or deemed equivalent financial instruments, likely to be issued on the basis of this resolution, shall be deducted from the global ceiling of 150 million euros referred to in "3.b" of the tenth resolution of this Shareholders' Meeting, or as the case may be, from the possible ceiling amount pursuant to a resolution of the same nature that may subsequently be made during the validity of the authorization; it being specified that this amount shall be included in the nominal amount of bond securities;
4. acknowledge that the Board of Directors shall establish an additional report, certified by the statutory auditors, describing the final terms of the transaction and providing criteria for assessing the actual impact on the Shareholders' situation;
5. set to twenty-six (26) months as from the day of this Shareholders' Meeting the validity of this authorization;
6. delegate to the Board of Directors with the possibility to sub-delegate, in accordance with applicable law and the Articles of Incorporation, all the powers required to implement the present delegation of authority.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Sixteenth resolution - Delegation of powers to the Board of Directors for the purpose of proceeding with an increase in the Company's share capital in compensation for capital contributions in kind consisting of capital securities or securities with access to Company capital.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Article L. 225-147 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. authorize the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, the powers necessary for the purposes of carrying out, based on a report of the statutory auditors, the increase of legal capital, in the limit of 10% of the legal capital (this percentage applies to capital adjusted in function of these transactions occurring after the present Meeting), by issuing ordinary shares and/or other securities

giving access immediately or in the future, at any time or at any given time, to shares of the Company, to compensate contributions in kind made to the Company in the form of shares or securities giving access to capital, when provisions of Article L. 225-148 of the French Commercial Code do not apply, and decide to remove for the benefit of the holders of shares or securities, objects of the contributions in kind, the preferential subscription rights of the Shareholders for shares and securities to be issued;

2. decide that the maximum nominal amount of increase of share capital that may be issued, either directly or by the presentation of the securities, shall not surpass the 15 million euro ceiling, or the counter-value of this amount, it being understood that such amount shall be imputed to:
   (i) the shared global ceiling amount of 15 million euros referred to in paragraph "3a" of the eleventh resolution of the present Shareholders' Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation, being specified in any event that issuances of securities made in this framework are limited according to the legal provisions in force on the day of the issuance,
   (ii) the global ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution, or if need be, to the possible amount, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation,
3. decide that the maximum nominal amount of bond securities giving right to receive shares of the Company or deemed equivalent financial instruments, likely to be issued on the basis of this resolution, shall be deducted from the global ceiling of 150 million euros referred to in "3.b" of the tenth resolution of this Shareholders' Meeting, or as the case may be, from the possible ceiling amount pursuant to a resolution of the same nature that may subsequently be made during the validity of the authorization; it being specified that this amount shall be included in the nominal amount of debt securities;
4. set to twenty-six (26) months as from the day of this Shareholders' Meeting the validity of this authorization.
5. grant all powers to the Board of Directors with the possibility to sub-delegate, necessary to proceed with the aforementioned issuance in accordance with applicable law and notably:
   - to determine the form and the characteristics of the securities to be issued,
   - to take a decision on the evaluation of contributions and special benefit grants, to determine the number of shares and/or other securities to be issued, the terms and conditions and, if applicable, the premium amount,
   - to suspend if need be the exercise of rights attached to these securities for a maximum time period of three (3) months in the cases and the limits provided by laws and regulations,
   - at its sole discretion, to charge issuance fees on the premium amounts associated therewith and deduct therefrom the sums necessary to carry the legal reserve to the tenth of the legal capital after each increase,
   - to take all appropriate measures, execute all agreements, obtain all authorizations, and carry out all formalities necessary to ensure successful completion of issuance or to postpone such, including any capital increases resulting from any issuance performed pursuant to this present delegation, amend the Articles of Incorporation, and request the listing of any securities issued as a result of the present delegation.

The Board of Directors cannot, without the prior authorization from the Shareholders' Meeting, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Seventeenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129, L. 225-129-2, and L. 225-130 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. authorize the Board of Directors, with faculty of sub-delegation in the conditions set forth by law and the Company's Articles of Incorporation, the powers necessary for the purposes of carrying out the increase of legal capital, in one or several times, in proportions and at times it deems appropriate through successive or simultaneous incorporation of premiums, reserves, profits, or other amounts which may be capitalized, in the form of distribution of free shares or the increase in the nominal value of the existing shares or the combination of these two methods;
2. set to twenty-six (26) months as from the day of this Shareholders' Meeting the validity of this authorization;
3. decide that the maximum amount of capital increase that may potentially be realized shall not exceed the total amount of funds that may be incorporated nor the 20 million euro ceiling or the counter-value of this amount, it being specified that this amount shall be included in the calculation of the 20 million euro ceiling mentioned in paragraph "3.a(i)" of the tenth resolution of this Shareholders' Meeting or, as the case may be, in the ceiling that may be established by a subsequent resolution that may be voted during the validity of this authorization;
4. decide that, in case of an increase in capital in the form of distribution of free shares and in accordance with article L. 225-130 of the French Commercial Code, the rights to fractional shares shall not be negotiable and the corresponding securities shall be sold, with the stipulation that the proceeds of the sale shall be allocated to the holders of rights under the statutory conditions;
5. grant all powers to the Board of Directors with the possibility to sub-delegate, necessary to proceed with the aforementioned issuance in accordance with applicable law and notably:
   - to determine the dates, methods, and other characteristics of the issuance,
   - to take all appropriate measures, conclude all agreements, obtain all authorizations, carry out all formalities necessary to ensure successful completion of issuance or stay, including any capital increases resulting from any issuance performed pursuant to this present delegation, amend the Articles of Incorporation, and request the listing of any securities issued as a result of the present delegation.

- **Eighteenth resolution - Authorization for the Board of Directors to increase share capital by the issuance of shares or securities that give access to Company capital, either immediately or in the future, to compensate shares brought within the framework of a public exchange offer initiated by the Company.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, acting at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings, in accordance with articles L. 225-129, L. 225-148, and L. 228-91 of the French Commercial Code:

1. authorize the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, to decide one or several issuances the issuance of ordinary shares and/or other securities giving access, immediately or in the future, at any time or at a given time, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to ordinary shares in the Company, to compensate shares that

would be brought within the framework of a public exchange offer initiated in France or abroad, following local rules, by the Company on its shares or the shares of another entity listed on a regulated market pursuant to article L. 225-148 of the French Commercial Code (including of any other operations with the same effect as a public exchange offer, initiated by the Company on its own shares or the shares of another entity whose shares are listed on a regulated market subject to foreign law, or deemed equivalent).

2. set to twenty-six (26) months as from the day of this Shareholders' Meeting the validity of this authorization;

3. decide that the maximum amount of capital increase that may potentially be realized shall not exceed the 15 million euro ceiling, or the counter-value of this amount, it being understood that such amount shall be imputed to:

   (i) the shared global ceiling amount of 15 million euros referred to in paragraph "3a" of the eleventh resolution of the present Shareholders' Meeting or, when appropriate, to the global ceiling, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation, it being specified that these capital increases shall not be subject to issuance price rules set forth in the eleventh resolution, as well as

   (ii) the global ceiling amount of 20 million euros referred to in paragraph "3a(i)" of the tenth resolution or, if need be, to the possible amount, if any, provided by a resolution of same nature succeeding this resolution during the term of this delegation;

4. decide that the maximum nominal amount of bond securities giving right to receive shares of the Company or deemed equivalent financial instruments, likely to be issued on the basis of this resolution, shall be deducted from the global ceiling of 150 million euros set forth in "3.b" of the tenth resolution of this Shareholders' Meeting, or as the case may be, from the possible ceiling amount pursuant to a resolution of the same nature that may subsequently be made during the validity of the authorization, it being specified that this amount shall be deducted from the nominal amount of debt securities;

5. acknowledge that the Shareholders of the Company will not be entitled to a preferential right to subscribe shares and/or other securities that would be issued under this authorization, the latter having the sole objective to compensate shares brought within the framework of a public exchange offer initiated by the Company;

6. acknowledge that the price of the shares and/or securities that would be issued pursuant to this resolution shall be set in accordance with the laws and regulations concerning public exchange offers;

7. grant to the Board of Directors, with faculty to sub-delegate, all powers necessary to carry out the above-mentioned issuance according to the modalities it will determine in conformity with the law, and notably:

   - to determine the dates, methods, and characteristics of the issuance;
   - at its own initiative, to offset the transaction costs related to any issuance with the related issuance premium, and withhold from this amount what is necessary to bring the legal reserve to one-tenth of the new capital after the capital increase;
   - to take any useful action, sign all agreements, request all authorizations, carry out all formalities, and do what is appropriate to ensure the completion of the forecasted issuances, and notably acknowledge capital increases resulting from any issuance carried out in line with this authorization, make consequential amendments to the articles of incorporation, and request the listing of all securities issued following this authorization.

- **Nineteenth resolution - Authorization for the Board of Directors to increase share capital through share or security issuance restricted to employees subscribing to a Company savings plan when the preferential subscription right has been suppressed.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, acting at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings, in accordance with provisions of Articles L. 225-129, L. 225-129-2 to L. 225-129-6, L. 225-138, L. 225-138-1, L. 228-91, and L. 228-92 of the French Commercial Code, and Articles L. 3332-18 *et seq.* of the French Labor Code:

1. authorize the Board of Directors, with faculty of sub-delegation in the conditions fixed by law, to decide one or several share capital increases, for a maximum nominal amount of 500,000 euros, by issuance of shares or other securities giving access to the capital of the Company restricted to employees subscribing to one or more of the Company's saving plans (or other plans for which the provisions of Articles L. 3332-18 *et seq.* of the French Labor Code would enable to restrict to subscribers a capital share increase under similar conditions) that would be implemented within the group comprised of the Company and the French or foreign entities included in the consolidation perimeter of the group following the provisions of Article L. 3344-1 of the French Labor Code; it being specified that (i) the maximum share capital increase that could be realized immediately or in the long term according to this delegation will be included in the overall ceiling of 20 million euros set forth in paragraph "3.a(i)" of the tenth resolution of this Shareholders' Meeting, or as the case may be, in the overall ceiling that may be established by a resolution of the same nature that may be subsequently voted during the validity of this resolution, and that (ii) the maximum nominal value of debt securities giving access to the capital of the Company or other similar instruments that may be issued following this delegation will be included in the global ceiling of 150 million euros, referred to in "3.b" of the tenth resolution of this Shareholders' Meeting, or as the case may be, in the overall ceiling that may be established by a resolution of the same nature that may be subsequently voted during the validity of this resolution;

2. set to twenty-six (26) months from the day of this Shareholders' Meeting the validity of this authorization;

3. decide that the issuance price of new shares and securities giving access to the capital of the Company will be determined following the conditions in Articles L. 3332-18 *et seq.* of the French Labor Code and will be at least 80% of the average listed price of the share on Euronext Paris during the last 20 stock exchange days before the day the decision was made to open the subscription period of the share capital increase restricted to subscribers of a Company's saving plan (the "Reference Price"); however, the Shareholders specifically allow the Board of Directors, if deemed necessary, to decrease or remove the above-mentioned discount, within the legal and regulatory limits, in order to take account, notably, of legal, accounting, tax, and social regimes that are applicable locally;

4. allow the Board of Directors to award to the above-mentioned beneficiaries, in addition to shares or securities giving access to the capital of the Company, free shares or free securities giving access to the capital of the Company, existing or to be issued, in exchange for some or all of the discount compared to the Reference Price; it being specified that the benefit resulting from the award could not exceed legal or regulatory limits set forth in Articles L. 3332-18 *et seq.* and L. 3332-11 *et seq.* of the French Labor Code;

5. decide to remove for the benefit of the above-mentioned beneficiaries the Shareholders' preferential right to subscribe to shares and other securities giving access to the capital of the Company issued pursuant to this delegation. In addition, the Shareholders waive, in case of award to the beneficiaries of free shares or other

securities giving access to the capital of the Company, any rights to said shares or other securities giving access to the capital of the Company, including to the portion of reserves, profit, or issuance premium in the event of the allocation of bonus shares pursuant to this resolution;

6. allow the Board of Directors, in the conditions of this authorization, to sell shares to subscribers of a Company saving plan as set forth in Article L. 3332-24 of the French Labor Code; it being specified that sales of shares done with a discount in favor of subscribers to one or several Company savings plans mentioned in this resolution will be deducted up to the nominal amount of the shares thus sold from the ceilings indicated in paragraph 1 above;

7. grant, within the limits set forth above, to the Board of Directors, with faculty to sub-delegate in the conditions set forth by law, all powers necessary to implement this authorization and notably in order to:
   - determine, subject to legal provisions, the list of entities for which the subscribers to one or several Company savings plans will be able to subscribe to shares or other securities giving access to the Company's capital, and therefore, benefit, as the case may be, from the free shares or other securities giving access to the Company's capital;
   - decide that subscriptions may be performed directly by the beneficiaries that are enrolled in a Company's saving plan, or through a Company investment fund or other structure allowed by legal and regulatory provisions;
   - determine conditions (notably seniority) that would need to be satisfied by beneficiaries;
   - set opening and closing dates for subscriptions;
   - set the amounts of issuance that will be done following this authorization and determine notably the issuance prices, timing, modalities, and conditions for subscribing, award, delivery, and ownership of the shares (even retroactive), reduction rules applicable in case of over-subscription, as well as other modalities and conditions of issuances, within the applicable legal and regulatory limits;
   - in the event of award of free shares or other securities giving access to the Company's capital, set the nature, characteristics, and number of shares or other securities giving access to the Company's capital to be issued, the number to award to each beneficiary, and determine dates, timing, and modalities and conditions of award of these shares or other securities giving access to the Company's capital within the legal and regulatory limits, and notably to choose either to substitute fully or partially the award of the shares or other securities giving access to the Company's capital for discounts compared to the Reference Price, or to offset the counter-value of these shares against the total amount of the Company's contribution, or to combine these two options;
   - in the event of freely-awarded shares that are issued, offset, as the case may be, against the reserves, profits, or issuance premium, the amount necessary for the issuance of such shares;
   - acknowledge the realization of capital increases up to the amount of shares subscribed (after potential reduction in case of over-subscription);
   - as the case may be, offset the transaction costs related to the share capital increases against issuance premium associated therewith, and withhold from this amount what is necessary to bring the legal reserve to one-tenth of the new capital after the capital increase;
   - execute all agreements, carry out, directly or indirectly by proxy, all operations, including to proceed with the formalities subsequent to the capital increase and any consequential amendments to the articles of incorporation, and more generally, to sign all agreements notably to ensure the completion of the issuance, to make any decision and do any formalities useful for the issuance, request the listing and the financial service of the shares issued following this delegation, and the exercise of the rights attached thereto or resulting from the capital increases carried out.

- **Twentieth resolution - Authorization for the Board of Directors to cancel, if necessary, the Company's own shares up to a maximum of 10%.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, authorize, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings, the Board of Directors, acting in line with provisions of Article L. 225-209 of the French Commercial Code, to cancel the company's own shares acquired by it within the framework of the authorization granted by the Shareholders and in accordance with Article L. 225-209 of the French Commercial Code as follows:

- the Board of Directors is authorized to cancel, upon its sole decision, in one or several occasions, all or part of the company's own shares acquired by it during share buy-back plans within the limit of 10% of the company's capital over a period of twenty-four (24) months as of this date, and to decrease the company's capital accordingly;
- the difference between the purchase price of the shares and their nominal value shall be offset against issuance premiums and, if need be, the legal reserve up to 10% of the canceled capital.

This authorization is valid from the date of this meeting and shall end on the date upon which the shareholders shall be convened to approve the accounts for the fiscal year ending March 31, 2016. The Board of Directors shall be entitled to sub-delegate and is granted the authority to carry out any act, formality, or declaration with a view to cancel the shares acquired and decrease the company's capital, as well as amend the Articles of Incorporation as necessary.

- **Twenty-first resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of Bpifrance Participations and CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129-2, L. 225-135, L. 225-138 and L. 228-92 of the French Commercial Code, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. delegate to the Board of Directors, with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary for the purpose of deciding the issuance, in one or more occasions, of warrants that would enable the holders thereof to subscribe to ordinary shares of the Company, being specified that the subscription of the warrants, and of the shares to which they give access, may be made either in cash or by setting off with liquid and due receivables;

2. decide to suppress, in favor of Bpifrance Participations and CEA Investissement, the preferential subscription rights of Shareholders to the warrants and the ordinary shares of the Company that may be issued in connection with the exercise of the warrants;

3. set at eighteen (18) months as of the date of this Shareholders' Meeting the duration of the present delegation;

4. decide that the maximum amount of capital increases that may be realized under this delegation of competence (nominal capital and issue premium included) may not surpass the ceiling of 26.88 million euros, corresponding to the principal and the interest capitalized from the Bpifrance Participations and CEA Investissement advances on May 27, 2015 and expiring on May 27, 2016.

5. decide that the Board of Directors shall determine the terms and conditions of the issuance. Notably, it will determine, on the basis of a report provided by an independent expert, the subscription price for the warrants issued as well as the price for the warrants to subscribe to the shares, or the terms for exchange,

conversion, reimbursement, attribution, or the allocation in any other manner, of the shares of capital or giving access to a percentage of the capital; it will also determine the duration of the warrants issued, which shall in any event not exceed eighteen (18) months.

6. acknowledge and decide, as the case may be, that this delegation shall automatically apply to holders of any securities that give access to Company equity that may be issued pursuant to this delegation, the waiver of shareholder preferential subscription rights to the new shares to which these securities would give rise.

7. decide that the Board of Directors will have all powers with the possibility to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issuance in compliance with applicable law, including:
   - determining the dates and the terms of issuance as well as the form and characteristics of the warrants and the shares and/or securities to be issued,
   - determining the number of warrants and shares and/or other issued securities, setting the issue price and conditions of the issuance, if applicable, the issuance premium, the term of their release and their maturity date (if applicable retroactively), and, if necessary, any repurchase conditions,
   - determining the proportion of the warrants attributed to each beneficiary named in this resolution;
   - suspending, if need be, the exercise of rights attached to these warrants for a maximum time period of three (3) months pursuant to the forms and limits provided by law and regulations,
   - taking steps to ensure the protection of those holding the warrants in the event of financial transactions involving the company, and in accordance with all legal and regulatory provisions in force,
   - at is sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase, and
   - taking all appropriate measures, executing all agreements, issuance agreements, obtaining all authorizations, and carrying out all formalities necessary to ensure successful completion of issuance or stay, including preparing and signing all issuance agreements, any capital increases resulting from any issuance conducted by this present delegation, amending the Articles of Incorporation, and requesting the listing of any shares and/or securities issued as a result of this delegation.

- **Twenty-second resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.**

The Shareholders, having considered the Board of Directors' report and the statutory auditors' special report, and pursuant to provisions of Articles L. 225-129-2, L. 225-135, L. 225-138 and L. 228-92 of the French Commercial Code, subject to the adoption of resolution 21, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings:

1. delegate to the Board of Directors, with a possibility to sub-delegate, in accordance with applicable law, the authority and powers necessary for the purpose of deciding the issuance, on one or more occasions, of warrants that would enable the holders thereof to subscribe to ordinary shares of the Company, being specified that the subscription of the warrants, and of the shares to which they give access, may be made either in cash or by setting off with liquid and due receivables;

2. decide to suppress, in favor of CEA Investissement, the preferential subscription rights of shareholders to the warrants and the ordinary shares of the Company that may be issued in connection with the exercise of the warrants;

3. set at eighteen (18) months as of the date of this Shareholders' Meeting the duration of the present delegation;

4. decide that the maximum amount of capital increases that may be realized under this delegation of competence (nominal capital and issue premium included) may not surpass the ceiling of 8 million euros, corresponding to the amount of the claims held by CEA Investissement against the Company on May 5, 2015, the repayment of which has been suspended.

5. decide that the Board of Directors shall determine the terms and conditions of the issuance, the subscription price for the warrants issued as well as the price for the warrants to subscribe to the shares, or the terms for exchange, conversion, reimbursement, attribution, or the allocation in any other manner, of the shares of capital or giving access to a percentage of the capital being set in the same conditions and according to the same terms as those provided for in resolution 21 and having to be identical to those of the warrants issued at the same time under resolution 21; it will also determine the duration of the warrants issued, which shall in any event not exceed eighteen (18) months.

6. acknowledge and decide, as the case may be, that this delegation shall automatically apply to holders of any securities that give access to Company equity that may be issued pursuant to this delegation, the waiver of shareholder preferential subscription rights to the new shares to which these securities would give rise.

7. decide that the Board of Directors will have all powers with the possibility to sub-delegate, in accordance with applicable law, to proceed with the aforementioned issuance in compliance with applicable law, including:
   - determining the dates and the terms of issuance as well as the form and characteristics of the warrants and the shares and/or securities to be issued;
   - determining the number of warrants and shares and/or other issued securities, setting the issue price and conditions of the issuance, if applicable, the issuance premium, the term of their release and their maturity date (if applicable retroactively), and, if necessary, any repurchase conditions;
   - determining the proportion of the warrants attributed to each beneficiary named in this resolution;
   - suspending, if need be, the exercise of rights attached to these securities for a maximum time period of three (3) months pursuant to the forms and limits provided by law and regulations;
   - taking steps to ensure the protection of those holding the warrants in the event of financial transactions involving the company, and in accordance with all legal and regulatory provisions in force,
   - at is sole discretion, charging issuance fees to the premium amounts associated therewith and withholding from these sums the amount necessary to carry the legal reserve to the tenth of the legal capital after each increase, and
   - taking all appropriate measures, executing all agreements, issuance agreements, obtaining all authorizations, and carrying out all formalities necessary to ensure successful completion of issuance or stay, including preparing and signing all issuance agreements, any capital increases resulting from any issuance conducted by this present delegation, amending the Articles of Incorporation, and requesting the listing of any shares and/or securities issued as a result of this delegation.

- **Twenty-third resolution – Authorization for the Board of Directors to proceed with the attribution of free performance shares.**

The Shareholders, voting in accordance with the rules governing quorum for Extraordinary Shareholders' Meetings, having considered the Board of Directors' report and the statutory auditors' special report:

1. authorize the Board of Directors, pursuant to Articles L. 225-197-1 to L. 225-197-6 of the French Commercial Code, to proceed, once or on several occasions, with the allocation of new or existing free performance shares of the Company, to the beneficiaries or categories of beneficiaries, determined among the Company's employees, as well as among the employees of associated companies within the meaning of Article L. 225-197-2 of the French Commercial Code, and executive officers of the Company or associated companies meeting the conditions of Article L. 225-197-1, II of the French Commercial Code, in the conditions set forth below;
2. decide that the total number of free shares granted pursuant to this resolution shall not represent more than 5% of the number of shares composing the share capital of the Company at the date of this meeting, it being specified that the free shares granted to executive officers shall not exceed 20% of the total amount granted;
3. decide that all or some of the Company's free shares will be definitely awarded to their beneficiaries after a vesting period that the Board of Directors shall determine, and those free shares granted to executive officers shall be subject to Group performance criteria assessed over the entire vesting period, and to a condition of continuing involvement within the Group according to modalities determined by the Board of Directors. The Board of Directors may also impose an obligation for the beneficiaries to hold the shares.
4. decide that the definite allocation of the shares granted to executive officers will be subject to the achievement by the Group of the conditions determined by the Board of Directors.
5. decide that in the event that a beneficiary is classified as having a disability in the second or third category referred to in Article L. 341-4 of the French Social Security Code, the free shares vest immediately, and that in the event the beneficiary dies, his/her heirs will be allowed to require immediate vesting within six (6) months following the death;
6. decide that existing shares that may be granted following this resolution shall be acquired by the Company, either within the framework of the provisions of Article L. 225-208 of the French Commercial Code, or as the case may be, within the framework of a share buy-back program in line with the provisions of Article L. 225-209 of the French Commercial Code;
7. acknowledge that the present authorization entails the revocation by the Shareholders of their preferential right to subscribe to shares of the Company issued pursuant to a free share scheme implemented as a result of this resolution in favor of the beneficiaries of such free shares. The corresponding share capital increase may be carried out by the allotment of the shares, by incorporation of reserves, profits or share premiums to the benefit of the beneficiaries;
8. grant, within the limits set forth below, to the Board of Directors, with faculty to sub-delegate in the conditions of the law, all powers necessary to implement this authorization and notably in order to:
   - determine whether the free shares to be issued are existing or are to be issued;
   - determine the number of actions granted to each beneficiary that is chosen;
   - set the conditions and, as the case may be, the criteria to grant the shares, notably the minimum vesting and holding periods;
   - increase, as the case may be, capital through incorporation of reserves, profit, or issuance premium to proceed with the issuance of freely-granted shares;
   - grant shares to people referred to in the fourth paragraph of Article L.225-185 of the French Commercial Code subject to respect of conditions set forth in Article L. 225-186-1 of the French Commercial Code. For such shares, the Board of Directors (i) decides that the free shares granted cannot be sold by the beneficiaries before the end of their involvement with the Company, or (ii) determines the minimum number of free shares that the beneficiaries must hold until the end of their involvement with the Company;
   - plan, as the case may be, the possibility to delay the definitive granting dates of shares and, for the same period, the end of the holding period of such shares (so that the minimum holding period remains unchanged);
   - adjust, as the case may be, the number of free shares that shall be granted in order to maintain the beneficiaries' rights, depending on potential transactions involving the capital of the Company in the conditions set forth in Article L. 225-181 of the French Commercial Code. Shares granted within the framework of these adjustments are considered as having been granted on the same day as those initially granted;
   - determine dates and modalities to grant the free shares, and generally do what is appropriate and execute all agreements to proceed with the contemplated allocations.

   The Board of Directors will be allowed to implement any other new legal provisions that will come into force during the validity of this resolution and whose implementation would not require an express vote from the Shareholders; and
9. set to twenty-four (24) months as from the day of the Shareholders' Meeting the validity of this authorization.

- **Twenty-fourth resolution - Delegation of authority to the Board of Directors to issue free equity warrants for the shares in case of a public offer against the Company.**

The Shareholders, voting in accordance with the rules governing quorum for Extraordinary Shareholders' Meetings, having considered the Board of Directors' report and the statutory auditors' special report:

1. delegate to the Board of Directors the authority and all powers necessary for the purpose of deciding, in case of a public offer against the Company, on one or several occasions, the issuance of warrants pursuant to Articles L. 233-32 II and L. 233-33 of the French Commercial Code, granting the right to subscribe, at preferential conditions, to one or more shares of the Company and the free allocation of said warrants to every Shareholder of the Company prior to the end of the period of public offering as well as to determine the characteristics of the warrants and the conditions in which the warrants may be exercised;
2. decide that the total nominal amount of the capital increase resulting from the exercise of the warrants shall not exceed forty percent (40%) of the share capital, it being specified that this amount is independent from any other amount of share or security capital increase authorized in this or any previous Shareholders' Meetings; this limit will be increased by the amount corresponding the nominal value of the shares necessary to achieve the adjustments that may be required under applicable laws and regulations (especially in case of the change in par value of the share, capital increase by incorporation of reserves, issuance of new shares with preferential subscription rights reserved to the Shareholders) and, if applicable, contractual provisions providing for other cases of adjustment, to preserve the rights of those holding the warrants mentioned above;
3. decide that the number of warrants which may be issued under this resolution may not exceed forty percent (40%) of the number of the shares making up the share capital on the date of issuance of the warrants;
4. decide that the present delegation can only be exercised in case of a public offer against the Company;

5. decide that the Board of Directors will have all powers, with a faculty to delegate, in order to execute the present delegation pursuant to the conditions provided by applicable laws;
6. decide that such warrants shall become null and void as soon as the public offer or any competing offer fails, becomes time-barred, or is withdrawn; it being specified that the warrants that would become null and void will not be taken into account for the calculation of the maximum amount of warrants that may be issued as indicated above;
7. set at a period of time expiring at the end of the offer period of any public offer against the Company filed within twelve (12) months from the date of this meeting, the validity period of this authorization.

- **Twenty-fifth resolution - Power for formalities.**

The Shareholders decide, at the conditions of quorum and majority applicable to Extraordinary Shareholders' Meetings, to grant all powers to the bearer of an original, copy, or excerpt of these minutes for the purpose of carrying out all formalities required by law.

REPORT OF THE BOARD OF DIRECTORS
TO SHAREHOLDERS DELIVERED AT THE ANNUAL ORDINARY AND EXTRAORDINARY MEETING OF SHAREHOLDERS HELD ON JULY 10, 2015

You have been convened at the annual Ordinary and Extraordinary Shareholders' Meeting in order to decide on the following resolutions:

Resolution of the competence of the Ordinary Shareholders' Meeting

First resolution - Approval of the statutory financial statements for the fiscal year ended March 31, 2015.

Second resolution – Approval of the consolidated statements for the fiscal year ended March 31, 2015.

Third resolution – Appropriation of net income for the fiscal year ended March 31, 2015.

Fourth resolution – Approval of the related-party agreements.

Fifth resolution – Nomination of Mr. Satoshi Onishi as Board Member.

Sixth resolution – Ratification of the nomination via co-option of CEA Investissement as Board Member, in replacement of Mr. Christian Lucas who resigned.

Seventh resolution – Consultative vote on the compensation owed and paid to Mr. André-Jacques Auberton-Hervé for the fiscal year ending on March 31, 2015.

Eighth resolution – Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2015.

Ninth resolution – Authorization for the Board of Directors for the purpose of carrying out transactions with the Company's shares.

Resolution of the competence of the Extraordinary Shareholders' Meeting

Tenth resolution – Delegation of authority granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or any securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future.

Eleventh resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital, without preferential subscription rights, immediately or in the future.

Twelfth resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital to categories of persons meeting defined requirements, without preferential subscription rights, immediately or in the future.

Thirteenth resolution - Delegation of authority granted to the Board of Directors to issue shares and securities giving access to Company equity, immediately or in the future, without preferential subscription rights, within the context of an offering provided for in Article L. 411-2 II of the French Financial and Monetary Code.

Fourteenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.

Fifteenth resolution - Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights for shares and/or securities giving access, immediately or in the future, to the Company’s capital, for the purpose of fixing the issuance price within the limit of 10% of the share capital of the Company under the conditions adopted by the Shareholders.

Sixteenth resolution - Delegation of powers to the Board of Directors for the purpose of proceeding with an increase in the Company’s share capital in compensation for capital contributions in kind consisting of capital securities or securities with access to Company capital.

Seventeenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized.

Eighteenth resolution - Authorization for the Board of Directors to increase share capital by the issuance of shares or securities that give access to Company capital, either immediately or in the future, to compensate shares brought within the framework of a public exchange offer initiated by the Company.

Nineteenth resolution - Authorization for the Board of Directors to increase share capital through share or security issuance restricted to employees subscribing to a Company savings plan when the preferential subscription right has been suppressed.

Twentieth resolution - Authorization for the Board of Directors to cancel, if necessary, the Company’s own shares up to a maximum of 10%.

Twenty-first resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of Bpifrance Participations and CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.

Twenty-second resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.

Twenty-third resolution – Authorization for the Board of Directors to proceed with the attribution of free performance shares.

Twenty-fourth resolution - Delegation of authority to the Board of Directors to issue free equity warrants for the shares in case of a public offer against the Company.

Twenty-fifth resolution - Power for formalities.

I. Company’s affairs since the beginning of the financial year 2014-2015

Conforming to the regulated dispositions, the description of the company’s affairs since the beginning of the financial year included in the management report for 2014-2015 are also contained in our Registration Document.

II. Ordinary part of the Shareholders’ Meeting

The following resolutions are submitted to your vote this year with respect to the Ordinary part of the Shareholders’ Meeting: approval of the annual consolidated and financial statements for the fiscal year ended March 31, 2015 (Resolutions 1 and 2), appropriation of income (Resolution 3), approval of related-party agreements (Resolution 4), nomination of Mr. Satoshi Onishi, who takes over from Mr. Fumisato Hirose, as a representative of Shin Etsu Handotai in the Board Member (Resolutions 5), the renewal, ratification of the nomination via co-option of CEA Investissement as Board Member, in replacement of Mr. Christian Lucas who resigned (Resolution 6), a consultative vote on the compensation of the corporate officers (Resolutions 7 and 8), and renewal of the share repurchase program (Resolution 9).

• First resolution: Approval of the statutory financial statements for the fiscal year ended March 31, 2015.

The Shareholders’ Ordinary Meeting will be asked to approve the annual financial statements of the Company for the fiscal year ended March 31, 2013, which show sales of 161,132,017 euros and a loss of 387,066,790.31 euros, and also to approve an overall global amount of non-deductible expenditures and charges subject to corporate tax amounting to 150,274 euros for the year.

• Second resolution: Approval of the consolidated statements for the fiscal year.

The Shareholders’ Ordinary Meeting will be asked to approve the annual consolidated statements of the Company for the fiscal year ended March 31, 2015, which show sales of 222,876,000 euros and the Group’s net loss of 259,240,000 euros

• Third resolution: Appropriation of net income for the fiscal year.

The Shareholders’ Ordinary Meeting will be asked to allocate the loss for the fiscal year ended March 31, 2015 which amounts to 387,066,790.31 euros, to the losses carried forward, which increased from (434,087,286.41) euros to (821,154,076.72) euros.

• Fourth resolution: Approval of the related-party agreements.

A special report from the statutory auditors regarding the related-party agreements as defined in article L. 225-38 of the French Commercial Code is provided in Chapter 19 of the Reference Document. In accordance with applicable laws, the Board of Directors asks you to review the information provided in this report and to approve, pursuant to the provisions of article L. 225-40 of the French Commercial Code, the conclusions. No agreement was concluded in the course of the year ended March 31, 2015.

You will also acknowledge that the review of the implementation of the elements of compensation for managers with respect to fiscal year 2015-2015 were carried out in conformity with the procedure set forth by articles L. 225-38 et seq. of the French Commercial Code subsequent to the dispositions of article L. 225-42-1 of the French Commercial Code.

• Fifth Resolution: Nomination of Mr. Satoshi Onishi as a member of the Board.

The appointment of Mr. Hirose Fumisato, representing the Shin Etsu Jandotai group has come to an end. Mr. Hirose does not wish to renew his mandate, but recommends that he be replaced by his colleague and the head of Shin Etsu Handotai, Europe, Mr. Satoshi Onishi. The Group Shin Etsu Handotai is a world leader in the silicon manufacture. It is Soitec’s historical partner, and the firs licensee of its Smart CutTM technology. It is also the Group’s financial partner, which has supported it during its restructuring financial plan. Following the recommendation of the Nomination and Compensation Committee, we propose to appoint Mr. Satoshi Onishi for a period of four (4) years, (i.e., until the Shareholders' Meeting which shall be called to approve the financial statements for the fiscal year ending March 31, 2019). His CV will be available for review on Soitec's website under conditions provided by law.

- **Sixth Resolution: Ratification of the nomination via co-option of CEA Investissement as Board Member, in replacement of Mr. Christian Lucas who resigned.**

As a part of the financial restructuring, to which CEA Investissement participates, it has requested that it has a seat on Soitec's Board of Directors, and which has been acknowledged by the Nomination and Compensation Committee. At the Board of Directors' meeting on April 20, 2015 and conforming to the dispositions of Article L. 225-24 of the French Commercial Code, the number of directors currently in office remain above the legal minimum, the Board of Directors unanimously decided to proceed with the appointment of CEA Investissement as a member of Soitec's Board of Directors for the remaining mandate term of Mr. Christian Lucas, who resigned from his position with effect from February 22, 2015, until the Shareholders' Meeting approved the financial statements for the fiscal year ended March 31, 2016. It being demanded by the shareholders to approve this appointment. Mr. Christophe Gegout was appointed as permanent representative of CEA Investissement at the meeting of the Board of Directors. His CV will be available for review on Soitec's website under conditions provided by law.

- **Seventh resolution: Consultative vote on the compensation owed and paid to Mr. André-Jacques Auberton-Hervé for the fiscal year ending on March 31, 2015.**

- **Eighth resolution: Consultative vote on the compensation owed and paid to Mr. Paul Boudre for the fiscal year ending on March 31, 2015.**

In accordance with the recommendations of the AFEP-MEDEF Code of Governance, as revised in June 2013 (article 24.3), which the Company refers to pursuant to Article L.225-37 of the Commercial Code, the shareholders are invited to cast a consultative vote on the following compensation items to be paid to the Company's officers :

- fixed part ;
- annual and/or multi-annual variable part, as well as the objectives conditioning such variable part ;
- exceptional compensation ;
- stock options, performance shares, or any long-term incentive mechanism ;
- indemnities related to the taking up or cessation of their functions ;
- supplemental retirement scheme ;
- advantages of any kind.

Through the vote of Resolutions 7 and 8, we invite you to cast a favorable vote on the compensation package owed or paid to Mr. Auberton-Hervé, CEO until January 16, 2015, and Paul Boudre, COO, and then CEO starting from January 16, 2015, as more fully described in the 2014-2015 Registration Document (Chapter 15).

- **Ninth resolution: Authorization for the Board of Directors to proceed with the purchase of the Company's shares.**

In its tenth resolution, the Ordinary and Extraordinary Shareholders' General Meeting held on May 28, 2014, authorized the Board of Directors to acquire shares in the Company under the conditions provided for under article L. 225-209 of the French Commercial Code and under European regulation n° 2273/2003 of December 22, 2003, implementing European directive 2003/6/EC of January 28, 2003. The shares acquisition may be carried out in one or several transactions, at any time, as determined by the Board, within the limit of 5% of the share capital. The maximum purchase price was set at 5 euros per share.

The main terms and conditions of the share repurchase plan approved by the Shareholders can be found in the 2014-2015 Registration Document which describes the methods of the share purchase program approved by the Shareholder's Meeting on May 24, 2014. Between May 24, 2014 and March 31, 2015 the Company neither acquired nor sold any of its shares.

You will be asked to grant new authorization to the Board of Directors in accordance with the provisions of article L. 225-209 of the French Commercial Code for a period expiring on the date of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending March 31, 2016, and will cancel and supersede the authorization granted in 2014.

This new share repurchase program shall be for the purposes of:

- ensuring the secondary market's animation or the shares' liquidity through an investment service provider acting independently and in respect to a liquidity agreement complying with the AMAFI's ethical chart, as recognized by the Autorité des Marchés Financier; or
- ensuring the coverage of purchase stock option plans and other forms of share allocations granted to employees or former employees and/or executive officers or former executive officers of the Group in accordance with conditions and terms provided by applicable law, notably with respect to the framework of the purchase of share plans or projects for free allocation of existing shares or the Company's savings plan; or
- holding the shares purchased (and offering them for exchange or payment or otherwise) with respect to external growth transactions, provided that the acquired shares' maximum amount, in light of the hold, and their subsequent delivery for payment or exchange in connection with the merger, the split, or the contribution does not exceed 5% of the capital; or
- hedge of securities giving rights to shares of the Company upon exercise of rights attached to securities, giving rights to the attribution of Company's shares through redemption, conversion, exchange, presentation of bonds, or any other means; or
- under the condition that the twentieth resolution will be adopted, cancelling, in whole or in part, any shares which were acquired, in accordance with article L. 225-209 of the French Commercial Code; or
- implementing any securities practice which would be permitted by the Autorité des Marchés Financiers; or
- operating in any other authorized purpose or which may hereafter be authorized by law or regulations in force subject to the information of Shareholders by a Company press release.

The share repurchase may involve a number of actions, such as:

- the number of shares acquired during the term of the repurchase program may not exceed, at any time, 5% of the shares. This percentage applies to the capital adjusted for the function of these operations occurring after the present meeting, provided that in the event the shares are purchased with a liquidities contract, the number of shares taken into account for calculating the 5% limit is the number of shares reduced by the number of shares sold during the duration of the authorization;

- the number of shares that the Company holds at any time cannot exceed 5% of the shares comprising the share capital of the Company; this percentage applies to the capital adjusted for the function of these operations occurring after the present meeting.

The purchase of the shares may be made via one or multiple purchases, by all means available, in a regulated market, a system of multilateral negotiations, with a systematic internalizer or over the counter, and includes a Public Exchange Offer or transaction of share blocks (which could reach the entire program). However, the company does not have recourse to derivatives. These operations could be performed at any time pursuant to applicable law, excluding during a time period when there is Public Exchange Offer for the Company's shares.

The maximum purchase price is set at one (1) euro per share. In the event of transactions carried out on the share capital, notably a stock split or a stock consolidation or the free allocation of shares, the above-indicated amount will be adjusted in the same proportions (adjustment factor equal to the ratio between the number of shares comprising the capital before the operation and the number of shares after the operation).

Pursuant to article R. 225-151 of the French Commercial Code, the maximum amount of the transaction is thus set at 11,565,1166 euros, as calculated on the basis of the share capital on March 31, 2015, consisting of 231,303,320 shares.

You will be asked to grant all powers to the Board of Directors, with a possibility to delegate, for the purpose of implementing this authorization, entering into any agreement, carrying out any formality, and filing any declaration with any agency, and more generally, doing all that is necessary. This authorization will expire on the date of the Shareholders' Meeting convened to approve the financial statements for the fiscal year ending March 31, 2016.

III. Extraordinary part of the Shareholders' Meeting

In order to adapt its means to the changes in the Group, the Board proposes, in application of Articles L.225-129-2 and L.228-92 of the French Commercial Code, resolutions which aim to grant it the authorizations for the purposes of having different opportunities for emissions stipulated by the regulations in force (Resolutions 10 to 18).

It requests to renew and extend the authorizations and delegations of authority granted in 2014, to carry out the capital increases or issuance of shares or securities, which were implemented when the capital increase was carried out in June 2014, and which allow the company to have the widest flexibility to take advantage of the financing opportunities.

The maximum nominal amount of the capital increase that may be realized as a result of the delegations below is fixed at 20 million euros for the nominal value for the capital increases and 150 million euros for the nominal value for the issuance of shares or securities giving access to the Company's share capital (Resolution 10). This is a common ceiling in the Resolutions 10, 11, 12, 13, 14, 15, 16, 17, 18, et 19, as well as the eventual additional nominal amount of the shares, under the adjustments arising from the operational impact on the Company's capital and effectuated, to preserve the rights of the holders of the securities giving access to the capital. Within the overall ceiling for the capital increases, we propose to establish a sub-ceiling of 15 million euros for the nominal value of operations without preferential subscription rights.

These authorizations would be given with a right to sub delegate as provided by law. In the event that the Board uses the delegations that are conferred on it via the resolutions, the Board would report at the next Ordinary Shareholders' Meeting, in accordance with the law and the regulations in force, the use of the authorizations granted in the relevant resolutions.

We also submit to your approval a resolution that would enable the Company to allow its employees and managers to benefit from its success by allowing for an increase of the share capital to employees subscribing to a Company savings plan (Resolution 19). This resolution would expire at the end of the period of 24 months, from the date of the Shareholder Meeting.

Finally, we propose to renew the resolution the Board of Directors to cancel, if necessary, the Company's own shares up to a maximum of 10% (Resolution 20).

As far as the Extraordinary part of the Shareholders' Meeting is concerned, in order to provide the company with sufficient means to avoid any hostile public offer against it, we propose that you renew the resolution adopted last year, which would allow the issuance, in case of a public offer against the Company, of anti-public-offering warrants (Resolution 24) up to 40% of the Company's current share capital.

Finally, with the framework of the financing agreements concluded with Bpifrance Participations and CEA Investissement, Soitec is committed to propose at the newt Extraordinary Shareholders' Meeting one or more resolutions providing for the issuance, for the benefit of Bpifrance Participations and CEA Investissement, of warrants whose subscription and / or exercise in whole or in part by offsetting the principal debt and interest held by Bpifrance Participations and CEA Investissement on Soitec, with short-term financing put in place on May 27, 2015, with a maturity of one year and bearing a fixed interest rate of 12% per year. In case of issuance of the warrants prior to the maturity date, the interest rate will automatically be reduced, if Bpifrance Participations and CEA Investissement decide to use all or a part of the interest to subscribe to the warrants offset against the debt, by the percentage of the debts and the offset. Moreover, the same warrant system can extend to allow for the settlement of the sums due by Soitec to CEA and its affiliates under the deferred payment of the license agreement and the work done for Soitec in 2015. Resolutions 21 and 22 are intended to implement these commitments.

Resolution 23 envisions authorizing the Board of Directors to put in place the attribution of free performance shares in the global limit of 5% of the share capital (or 20% for the corporate officers).

The last resolution (Resolution 25) concerns powers and formalities.

By proposing these delegations to be conferred to the Board, the Board assures you that it will meet the legal and regulatory requirements; the scope of the corresponding resolutions is submitted for your approval.

- **Tenth Resolution - Delegation of authority granted to the Board of Directors for the purpose of proceeding with a capital increase by way of the issuance of shares and/or any securities giving access to the Company's share capital, with preferential subscription rights, immediately or in the future.**

In the framework of this resolution, it will be proposed to you that you grant a new authorization, for a period of twenty-six months from the day that the Board of Directors will have the competence, the authority to proceed with on one or more occasions, in France as well as abroad, in amount and at such time as it deems appropriate, in euros, in foreign currencies, or any other accounting unit established by reference to a basket of currencies, with preferential subscription rights, ordinary shares and/or any securities issued (including warrants and debt securities) for consideration or for free, immediately or in the future, at any time or on a determined date, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other way, to Company shares, provided that the subscription of shares and/or other securities may be made either in cash or by setting off with liquid and due receivables;

The shareholders will have a preferential subscription right to be exercised in proportion to their rights and within the limit of their requests.

The total amount of the capital increase that can be realized under this delegation may not surpass the ceiling of 20 million euros for the nominal value; and the nominal value of the securities representing the bonds that may be issued is 150 million euros, or the counter-value of this amount.

We also propose that you decide that the issuance will be reserved in favor of Company shareholders who have the right to subscribe to such in direct proportion to the holdings, which may not be reduced. However, you confer that the Board of Directors will have the power to grant Shareholders the right to subscribe to shares or securities in excess of the minimum number to which they have preferential subscription rights (réductible) proportionally to their subscription rights, and in any event, within the limit of their request,

We propose that you decide if the decide that if the subscriptions as of right (irréductible) and, where applicable, excess subscriptions (réductible) are not absorbed by the entire issuance of shares or securities, as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or both of the following:

- limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- freely distribute all or part of the non-subscribed securities between the individuals chosen;
- offer to the public all or part of the non-subscribed securities, to the French market and/or internationally.

The final modalities of the transaction(s) realized under this delegation will be subject to additional reporting under provisions of articles L. 225-129-5 of the French Commercial Code, that the Board of Directors must establish at the moment it will decide to use the present delegation.

In the event that the Board will exercise its right to further delegate in accordance with the provisions of Article L.225-129-4 of the French Commercial Code, the Chief Executive will report to the Board of Directors when and how these capital increases will be carried out, in accordance with the additional compliance requirements under Article L.225-129-5 of the French Commercial Code.

The Board of Directors may not, without prior authorization by the Shareholders, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Eleventh resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital, without preferential subscription rights, immediately or in the future.**

In order to employ the delegation mechanism envisioned in the preceding resolution, and to provide the Board with the means to carry out the issuance in the speed that is essential for success, we propose to grant the Board, for a period of twenty-six months, the competence to issue both in France and abroad, without preferential subscription rights, the same securities as those mentioned in the first resolution.

The total amount of the capital increase that may be carried out under this delegation may not exceed 15 million euros for the nominal value, (this sub ceiling against the global ceiling of 20 million euros mentioned in Resolution 10, and being mentioned in Resolutions 13, 14, 15 and 17), and the nominal amount of the debt securities that may be issued is 150 million euros (the ceiling in Resolution 10).

The issuances resulting from this delegation would be by way of a public offer, it being specified that such may be performed in conjunction with an offer or offers arising under article L. 411-2 of the French Monetary and Financial Code, which may be completed under Resolution number 14, and submitted for shareholder approval.

Shareholders' preferential subscription rights to the shares and/or securities that are likely to be issued on the grounds of the present delegation are suppressed, but the Board may institute, to the benefit of the shareholders, right to subscribe to securities in excess of the minimum number to which they have preferential subscription rights (réductible), for a duration conforming to law, for all of or a part of the issuance carried out in this present resolution, and which will be exercised in proportion to the number of shares owned by each shareholder in accordance with legal and regulatory provisions.

We also propose that you decide that if the subscriptions as of right (irréductible) and, where applicable, excess subscriptions (réductible) are not absorbed by the entire issuance of shares or securities, as defined above, the Board of Directors may use, as provided by law, and in the order of its choosing, one and/or both of the following:

- limit the capital increase to the subscriptions' amount upon the condition that this amount reaches at least three-quarters of the decided issuance;
- freely distribute all or part of the non-subscribed securities between the individuals chosen;
- offer to the public all or part of the non-subscribed securities, to the French market and/or internationally.

The terms of the setting of the issuance price are those provided for in Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average price of the three (3) trading days preceding the setting thereof, possibly reduced by a maximum discount of 5%.

The final modalities of the transaction(s) realized under this delegation will be subject to additional reporting under provisions of articles L. 225-129-5 of the French Commercial Code, that the Board of Directors must establish at the moment it will decide to use the present delegation.

In the event that the Board will exercise its right to further delegate in accordance with the provisions of Article L.225-129-4 of the French Commercial Code, the Chief Executive will report to the Board of Directors when and how these capital increases will be carried out, in accordance with the additional compliance requirements under Article L.225-129-5 of the French Commercial Code.

The Board of Directors may not, without prior authorization by the Shareholders, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Twelfth resolution - Delegation of authority granted to the Board of Directors for the purpose of issuing shares and/or any securities giving access to the Company's share capital to categories of persons meeting defined requirements, without preferential subscription rights, immediately or in the future.**

In addition to the previous resolution, we propose to grant to the Board of Directors, for duration of eighteen months, the competence to issue in France and abroad, without preferential subscription rights, the same securities as those mentioned in the first resolution. The ceilings authorized are identical as those in Resolution 11 and shall be under the same conditions and the global ceiling set out in Resolution 10.

The preferential subscription rights of the shareholders in connection to shares and/or securities to be issued, as it pertains to this delegation, are suppressed for the benefit of those categories of beneficiaries that meet the following requirements: French or international (or affiliated companies) industrial, commercial or finance companies who are – directly or indirectly – engaged in activities that could reinforce the development of the Soitec group.

You also delegate to the Board the authority to define the precise list of beneficiaries of the elimination of preferential subscription rights as well as the authority to set the number of shares and/or securities that may be issued to each such entity, which would automatically apply to the beneficiaries appearing in the list provided by the Board of Directors, waiving the shareholder preferential subscription rights to the new shares to which these securities would give rise, pursuant to this resolution.

The terms of the setting of the issuance price are those provided for in Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average price of the three (3) trading days preceding the setting thereof, possibly reduced by a maximum discount of 5%.

The Board of Directors may not, without prior authorization by the Shareholders, utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Thirteenth resolution - Delegation of authority granted to the Board of Directors to issue shares and securities giving access to Company equity, immediately or in the future, without preferential subscription rights, within the context of an offer provided for in Article L. 411-2 II of the French Financial and Monetary Code.**

To complete the system proposed in the two preceding resolutions, we will ask you to authorize the issuance of any kind of financial instrument, without preferential subscription rights, within the framework of an offer referred to in Article L411-2 II of the French Financial and Monetary Code (“private placement”). The terms of the implementation of this delegation of authority are identical to those provided for in Resolution 3, but in accordance with the provisions of paragraph 3 of Article L. 225-136 of the French Commercial Code, the issuance of securities carried out through an offer referred to in point II of Article L.411-2 II of the French Financial and Monetary Code shall be limited to 20% of the share capital per year (or any other limit that would be authorized during the term of the resolution) without ever exceeding the 15 million euros ceiling that shall be deducted from the shared ceiling of 15 million euros set in Resolution 11 for operations resulting in the withdrawal of preferential subscription rights, and the general ceiling of 20 million euros set in Resolution 10 for all capital increase operations that may result from the implementation of the resolutions submitted to you. Similarly, debt securities or related securities, giving access to Company’s capital, likely to be issued pursuant to this delegation, may not exceed 150 million euros, the nominal amount of the issuances of said securities that may be carried out pursuant to this delegation being deducted from the global 15 million euros ceiling referred to in “3.b” of Resolution 10.

The terms of the setting of the issuance price are those provided for in Article R. 225-119 of the French Commercial Code. It shall be at least equal to the weighted average price of the three (3) trading days preceding the setting thereof, possibly reduced by a maximum discount of 5%.

This delegation of authority would be valid for a period of 26 months from the date of the Shareholders’ Meeting. The Board of Directors would not be entitled, without the prior authorization from the Shareholders’ Meeting, to utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Fourteenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the issuance amount with or without preferential subscription rights within the limit of 15% of the initial issue.**

Pursuant to the provisions of Articles L. 225-135-1 of the French Commercial Code, if an issuance is subject to more requests than the proposed amount, you will have the possibility to authorize the Board of Directors to increase the number of ordinary shares and securities to be issued within thirty days from the end of the subscription, within the limits of the ceilings provided for in the preceding resolutions and subject to a maximum amount of 15 % of the initial issuance, at the same price as that of the initial issuance.

This authorization would be valid for a period of 26 months from the date of the Shareholders’ Meeting.

- **Fifteenth resolution - Delegation of authority granted to the Board of Directors in the event of issuance without preferential subscription rights for shares and/or securities giving access, immediately or in the future, to the Company’s capital, for the purpose of fixing the issuance price within the limit of 10% of the share capital of the Company under the conditions adopted by the Shareholders.**

Pursuant to the provisions of paragraph 1 of Article L. 225-136 of the French Commercial Code, we will ask you to authorize the Board of Directors to set the issuance price of the securities issued pursuant to Resolutions 11, 12 and 13 in conditions departing from the legal method referred to in these resolutions. This possibility shall be limited to 10% of the share capital (this percentage applies to a capital adjusted for transactions occurring after the Meeting) over a period of 12 months.

In order to give the Board of Directors the flexibility necessary to the proper implementation of this authorization, while at the same time supervising its prerogatives, we ask you to decide that the Board of Directors has to choose one of the following terms to set the issuance price:

a) for securities to be issued immediately, the Board of Directors may choose one of the following terms:
   - issuance price equal to the average price over a maximum period of six months preceding the issuance,
   - issuance price equal to the weighted average market price on the day preceding the issuance (VWAP 1 day) with a maximum discount of 15%.

   This discount level corresponds to the maximum level applicable pursuant to regulations, in particular in case of the issuance of stock options. The setting of an authorization allowing a discount level that is deliberately high takes into account the strong volatility of the price of the Soitec share, and shall allow the issuance of the securities in the best market conditions.

b) for securities to be issued in a differed manner, the issuance price shall be that of the sum received immediately by the Company plus the sum likely to be collected subsequently by the Company, or for each share at least equal to the amount determined in paragraph “1.a” above.

The maximum nominal amount for the Company’s capital increases realized as a result of this resolution, either directly or by the presentation of the securities, shall not exceed 10% of the Company’s share capital for each 12-month period, or the counter-value of this amount, it being understood that this amount shall be imputed to the shared ceiling amount of 15 million euros set in Resolution 11 for operations resulting in the withdrawal of preferential subscription rights, and the general ceiling of 20 million euros set in Resolution 10 for all capital increase operations that may result from the implementation of the resolutions submitted to you. Similarly, debt securities or related securities, giving access to Company’s capital, likely to be issued pursuant to this delegation, may not exceed 150 million euros, the nominal amount of the issuances of said securities that may be carried out pursuant to this delegation being deducted from the global 15 million euros ceiling referred to in "3.b" of Resolution 10.

This delegation of authority would be valid for a period of 26 months from the date of the Shareholders' Meeting. The Board of Directors would not be entitled, without the prior authorization from the Shareholders' Meeting, to utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Sixteenth resolution - Delegation of powers to the Board of Directors for the purpose of proceeding with an increase in the Company's share capital in compensation for capital contributions in kind consisting of capital securities or securities with access to Company capital.**

Article L. 225-147, paragraph 6, of the French Commercial Code provides that a Shareholders' Meeting of a company whose securities are listed on a regulated market may authorize the Board of Directors to increase the share capital within the limits of 10% of the share capital in order to compensate contributions in the form of shares or securities giving access to capital.

Pursuant to this system, within the limits of the shared ceiling amount of 15 million euros set in Resolution 11 for operations resulting in the withdrawal of preferential subscription rights, and the general ceiling of 20 million euros set in Resolution 10 for all capital increase operations that may result from the implementation of the resolutions submitted to you, and the ceiling of 150 million euros set in "3.b" of Resolution 10 for debt securities or related securities, giving access to Company's capital, we will ask you to delegate your authority to the Board of Directors for the purpose of issuing ordinary shares of the Company or any securities giving access by any means, immediately and/or in the future, to ordinary shares of the Company existing or to be issued, within the limits of 10% of the share capital (capital adjusted for transactions occurring after the Meeting), to which shall be added the nominal amount of the additional shares to be issued to protect the rights of the holders of securities giving right to shares, in compensation for the securities brought within the framework of a contribution in kind in accordance with the provisions of Article L. 225-147, paragraph 6, of the French Commercial Code.

This delegation of authority would be valid for a period of 26 months from the date of the Shareholders' Meeting. The Board of Directors would not be entitled, without the prior authorization from the Shareholders' Meeting, to utilize this delegation once a third party makes a public offer for the shares of the Company until the end of the offer period.

- **Seventeenth resolution - Delegation of authority granted to the Board of Directors for the purpose of increasing the share capital by capitalizing premiums, reserves, profits, or any other funds that may be capitalized**

As part of this resolution, we ask you to authorize the Board of Directors, in the conditions of Article L. 225-129-2 of the French Commercial Code, to carry out, on one or more occasions, increases of the capital of the Company by capitalizing premiums, reserves, profits, or any other funds that may be capitalized under the law or the Articles of incorporation, in the form of the distribution of free shares or the increase in the nominal value of the existing shares.

The total amount of capital increases likely to be carried out, plus the amount necessary to protect, in accordance with the law, the rights of the holders of securities giving right to shares, may not exceed the amount of the reserves, premiums or profits accounts existing at the time of the capital increase.

The maximum amount of capital increases that may potentially be realized shall not exceed the total amount of funds that may be incorporated nor the 20 million euros ceiling, or the counter-value of this amount, it being specified that this amount shall be deducted from the global 20 million euros ceiling mentioned in paragraph "3.a(i)" of Resolution 10 or, as the case may be, from the ceiling that may be established by a subsequent resolution that may be voted during the validity of this authorization.

This authorization would be granted to the Board of Directors for a period of 26 months.

- **Eighteenth resolution - Authorization for the Board of Directors to increase share capital by the issuance of shares or securities that give access to Company capital, either immediately or in the future, to compensate shares brought within the framework of a public exchange offer initiated by the Company.**

Within the limits of the shared ceiling amount of 15 million euros set in Resolution 11 for operations resulting in the withdrawal of preferential subscription rights, the general ceiling of 20 million euros set in Resolution 10 for all capital increase operations that may result from the implementation of the resolutions submitted to you, and the ceiling of 150 million euros set in "3.b" of Resolution 10 for debt securities or related securities, giving access to Company's capital, we will ask you to delegate your authority to the Board of Directors, with faculty of sub-delegation in the conditions set forth by law, for the purpose of deciding the issuance, on one or more occasions, of ordinary shares and/or securities giving access, immediately or in the future, at any time or at a given time, by way of subscription, conversion, exchange, reimbursement, presentation of a warrant or any other manner, to ordinary shares in the Company, to compensate shares that would be brought within the framework of a public exchange offer initiated in France or abroad, following local rules (including any other operations with the same effect as a public exchange offer, initiated by the Company on its own shares or the shares of another entity whose shares are listed on a regulated market subject to foreign law, or deemed equivalent), by the Company on its shares or the shares of another entity listed on a regulated market pursuant to article L. 225-148 of the French Commercial Code.

The Shareholders of the Company shall not be entitled to a preferential right to subscribe to shares and/or securities that would be issued under this delegation, the latter having the sole objective to compensate shares brought within the framework of a public exchange offer initiated by the Company.

The price of the shares and/or securities that would be issued pursuant to this delegation shall be set in accordance with the laws and regulations in force concerning public exchange offers.

This delegation of authority would be valid for a period of 26 months from the date of the Shareholders' Meeting.

- **Nineteenth resolution - Authorization for the Board of Directors to increase share capital through share or security issuance restricted to employees subscribing to a Company savings plan when the preferential subscription right has been suppressed.**

Article L. 225-129 of the French Commercial Code provides that, at the time of any decision to increase the capital or issue securities giving access in the future to a share of the capital, the Extraordinary Shareholders' Meeting shall take a decision on a draft resolution aiming at carrying out a capital increase in the conditions provided for in Article L. 3332-18 of the French Labor Code.

Pursuant to these provisions, we will ask you to authorize the Board of Directors to decide, if it deems appropriate, capital increases reserved to employees, up to a maximum nominal amount of 500,000 euros, this amount being deducted from the global ceiling of 20 million euros set in Resolution 10, and determine the identity of the beneficiaries of the allocations, the conditions and, as the case may be, the allocation criteria.

We ask you to set the maximum discount offered within the framework of a Company's saving plan at 20% of the first or last average listed prices of the share of the company on Euronext Paris during the last 20 trading days before the day the decision was made to open the subscription period. However, you would expressly authorize the Board of Directors to reduce or remove the above-mentioned discount, within the legal and regulatory limits, in order to take into account, notably, regulations applicable locally.

Pursuant to paragraph 3 of Article L.3332-21 of the Labor Code, the Board of Directors would be entitled to award free financial securities giving access to the capital to the beneficiaries mentioned above, in exchange for the discount.

The adoption of this resolution would imply the withdrawal of the preferential rights of the shareholders to subscribe to the new shares to be issued in favor of the employees who are subscribers of a Company's saving plan.

This delegation of authority would be valid for a period of 26 months.

- **Twentieth resolution - Authorization for the Board of Directors to cancel, if necessary, the Company's own shares up to a maximum of 10%**

In order to allow the continuation of all objectives of the share buy-back plan of the Company, we propose to authorize the Board of Directors to cancel, upon its sole decisions, in one or more occasions, all or part of the company's own shares acquired by it during share buy-back plans within the limit of 10% of the capital over a period of twenty-four (24) months as from this date, and to decrease the company's capital accordingly.

This authorization would be valid until the date upon which the shareholders would be convened to approve the accounts for the fiscal year ending March 31, 2016.

- **Twenty-second resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.**

As part of the financing agreements entered into with Bpifrance Participations and CEA Investissement, Soitec undertook to propose one or more resolutions, at the following Extraordinary Shareholders' Meeting, providing for the issuance, to the benefit of Bpifrance Participations and CEA Investissement, of warrants, which subscription and/or exercise may be carried out, in all or in part, by setting off the claim (principal and interests) held by Bpifrance Participations and CEA Investissement against Soitec regarding the short-term financing implemented on May 27, 2015, due in one year and with a fixed interest rate of 12% per year. In case of the issuance of warrants before the maturity date, the interest rate shall be automatically reduced, if Bpifrance Participations and CEA Investissement decide to use all or part of the interests to subscribe to these warrants by setting off the claim, by the percentage of the claim thus set off.

This resolution would thus allow the implementation of these agreements.

We will ask you to delegate to the Board of Directors, with a possibility to sub-delegate in accordance with applicable law, the authority and powers necessary for the purpose of deciding the issuance, on one or more occasions, of warrants that would enable the holders thereof to subscribe to ordinary shares of the Company, it being specified that the subscription of the warrants, and of the shares to which they give access, may be made either in cash or by setting off with liquid and due receivables. The maximum amount of capital increases that may be realized under this delegation of authority (nominal capital and issue premium included) may not surpass the ceiling of 26.88 million euros, corresponding to the principal and the interest capitalized from the Bpifrance Participations and CEA Investissement advances on May 27, 2015 and expiring on May 27, 2016. The subscription price of the warrants issued, as well as the exercise price of the warrants would be determined by the Board of Directors, on the basis of a report provided by an independent expert. The Board of Directors will also determine the duration of the warrants issued, which shall in any event not exceed eighteen (18) months.

We ask you to suppress, in favor of Bpifrance Participations and CEA Investissement, the preferential rights of shareholders to subscribe to the warrants and ordinary shares of the Company that may be issued in connection with the exercise of the warrants. You will also grant all powers to the Board of Directors to implement the delegation resulting from this resolution.

This delegation of authority would be valid for a period of 18 months from the date of the Shareholders' Meeting.

Twenty-second resolution – Delegation of authority granted to the Board of Directors for the purpose of issuance, for the benefit of CEA Investissement, of warrants in the event of a capital increase without preferential subscription rights.

This resolution is identical, as regards the principle and terms thereof, to the previous resolution. The aim is to extend the system of warrants in order to settle the sums owed by Soitec to the CEA and its affiliates in relation to the postponement of the payment of the license agreements and the works performed for Soitec in 2014.

We will thus ask you to delegate to the Board of Directors, with a possibility to sub-delegate in accordance with applicable law, the authority and powers necessary for the purpose of deciding the issuance, on one or more occasions, of warrants that would enable CEA Investissement – to the benefit of which shareholder preferential subscription rights have been withdrawn – to subscribe to ordinary shares of the Company, being specified that the subscription of the warrants, and of the shares to which they give access, may be made either in cash or by setting off with liquid and due receivables. The maximum amount of capital increases that may be realized under this delegation of authority (nominal capital and issue premium included) may not surpass the ceiling of 8 million euros, corresponding to the amount of the claims held by CEA Investissement against the Company on May 5, 2015, the repayment of which has been suspended. The subscription price of the warrants issued, as well as the exercise price of the warrants would be determined by the Board of Directors, on the basis of a report provided by an independent expert in the same conditions as those provided for in Resolution 21; it would be identical to those of the warrants issued at the same time under Resolution 21. The Board of Directors will also determine the duration of the warrants issued, which shall in any event not exceed eighteen (18) months. You will also grant all powers to the Board of Directors to implement the delegation resulting from this resolution.

This delegation of authority would be valid for a period of 18 months from the date of the Shareholders' Meeting.

• **Twenty-third resolution – Authorization for the Board of Directors to proceed with the allocation of free performance shares.**

Stock companies (sociétés par actions) are entitled to award free shares, be they existing shares or shares to be issued, to their managers and employees, in the conditions provided for in Articles L. 225-197-1 et seq. of the French Commercial Code. We therefore ask you to authorize the Board of Directors to allocate new or existing free shares of the Company, to members of the staff and executive officers of the Company meeting the conditions set forth in Article L. 225-197-1 II of the French Commercial Code, or associated companies within the meaning of Article L. 225-197-2 of the French Commercial Code; it being specified that the total number of shares freely awarded may not exceed 5% of the share capital, as noted on the day on which the decision to award is made (of which 20% for executive officers).

We ask you to decide that the allocation of the shares to the beneficiaries shall only be definite upon achievement of the conditions and criteria determined, as the case may be, by the Board of Directors, following a vesting period determined by the Board of Directors.

Regarding executive officers, the definite allocation of the shares granted shall be subject to the achievement of performance conditions determined by the Board of Directors upon a proposal of the Compensation and Appointment Committee.

The Board of Directors may set, in compliance with Article L.225-197-1 of the French Commercial Code, the duration of the share vesting and holding periods, it being specified that the definite allocation of the shares and the possibility to freely transfer them would however be acquired by a beneficiary if said beneficiary starts to suffer from one of the disabilities referred to in Article L.225-197-1 of the French Commercial Code.

Pursuant to this delegation, the Board of Directors would also be authorized to adjust, as the case may be, during the vesting period, the number of shares related to potential transactions involving the capital of the Company, in order to protect the rights of the holders thereof.

This authorization, which may be used on one or more occasions, would be given for a period of 24 months from the date of the Shareholders' Meeting.

• **Twenty-fourth resolution - Delegation of authority to the Board of Directors to issue free equity warrants for the shares in case of a public offer against the Company**

Considering the high number of shares of the Company traded every day, and the strong volatility of the market price, the Board of Directors may not dismiss the hypothesis that the Company be subject to a hostile takeover, in conditions that would not be favorable to shareholders. In this connection, we submit to your approval the renewal of the resolution adopted last year relating to the issuance, within the framework of a public offer, of anti-takeover warrants. These warrants, which are dilutive for predators, would result in significantly outbidding a hostile offer.

In this connection, we will ask you to delegate to the Board of Directors the authority and powers necessary for the purpose of deciding, on one or more occasions, the issuance of warrants pursuant to Articles L. 233-32 II and L. 233-33 of the French Commercial Code, granting the right to subscribe, at preferential conditions, to one or more shares of the Company, within the limits of 40% of the share capital.

Where issued, these warrants would be freely awarded to all shareholders of the Company before the end of the public offer period. In any event, they may be issued only in case of a public offer against the Company, in opposition to the opinion of the Board of Directors. They shall automatically become null and void as soon as the public offer and any competing offer fails, becomes null and void, or is withdrawn.

We will ask you to grant all powers to the Board of Directors to set the exercise conditions and characteristics of these warrants.

The maximum nominal amount of the ordinary shares that may thus be issued may not exceed 40% of the share capital at the time of the implementation of the resolution.

The delegation would be granted to the Board of Directors for a period of time expiring at the end of the offer period of any public offer against the Company filed within twelve (12) months from the date of the meeting.

• **Twenty-fifth resolution - Power for formalities**

Finally, we will ask you to grant all powers to the bearer of an original, copy, or excerpt of these minutes for the purpose of carrying out all formalities required by law.

*

We invite you to adopt the resolutions that shall be submitted to you. Before voting on the resolutions submitted to you, we ask you to listen to a reading of the Auditors' reports.

The Board of Directors

32. Financial statements as at 31 March 2-15 of Soitec S.A.

Balance Sheet

Assets

(in euros)	Gross amount	Amortisation	31/03/2015	31/03/2014
Capital (subscribed but not called up)				
Intangible fixed assets				
Start up costs	-	-	-	-
Research costs	3,710,000	1,484,000	2,226,000	2,597,000
Concessions, patents and similar rights	43,635,621	37,301,343	6,334,278	11,705,497
Goodwill money (1)				-
Other intangible assets	575,992		575,992	744,823
Advances and instalments on intangible assets				
Tangible fixed assets				
Land	780,801		780,801	780,801
Buildings	6,657,482	2,290,456	4,367,026	4,828,620
Technical installations, equipment, tools	221,059,917	199,101,145	21,958,772	54,907,402
Other tangible assets	60,569,200	33,383,157	27,186,042	30,009,831
Fixed assets under construction	5,818,099		5,818,099	13,668,641
Advances and instalments			-	-
Financial fixed assets (2)				
Holdings using the equity method			-	-
Other stake holdings	232,709,791	212,942,326	19,767,464	18,965,075
Receivables linked to stake holdings	541,948,315	383,444,333	158,503,982	406,338,783
Other fixed investments				
Loans				114,069
Other financial fixed assets	11,587,763	1,459,310	10,128,453	11,336,152
Fixed assets	**1,129,052,982**	**871,406,071**	**257,646,910**	**555,996,694**
Inventory and work in progress				
Raw materials, supplies	22,070,643	6,527,867	15,542,776	12,008,508
Work-in-progress of production of goods	7,075,538	808,198	6,267,340	6,218,236
Work-in-progress of production of services				-
Semi-finished and finished products	4,090,339	723,696	3,366,642	2,350,102
Merchandise	313,010	26,947	286,063	67,139
Advances, goods paid for on order	596,460		596,460	91,613
Receivables				
Accounts receivable and related accounts (3)	45,804,425	82,535	45,721,889	36,083,160
Other receivables (3)	38,495,028		38,495,028	40,225,961
Subscribed Capital, called up but not paid				
Miscellaneous				
Marketable securities (of which own shares)	1,000,000		1,000,000	1,000,000
Liquid assets	15,889,142		15,889,142	13,157,643
Adjustment Accounts				
Pre-paid costs (3)	798,587		798,587	456,462
Current assets	**136,133,170**	**8169 243**	**127,963,927**	**111,688,822**
Debt issue expenses to be written off	2,708,866		2,708,866	3,949,103
Bond redemption premium				
Adjustments - assets	3,219,587		3,219,587	10,448,837
Grand total	**1,271,114,606**	**879,575,315**	**391,539,291**	**682,083,456**

Liabilities

(in euros)	31/03/2015	31/03/2014
Share or individual capital of which paid up (1)	23,118,843	17,258,080
Share premiums from issues, mergers, and contributions	782,059,728	704,157,231
Revaluation adjustment of which equity method valuation difference (2)*		
Legal reserve (3)	3,393,047	3,393,047
Statutory or contractual reserves		
Regulated reserves (incl. Prov. res. for FX rate fluctuation) (3)		-
Other reserves (including purchase of original works of art)	26,363,254	26,429,344
Retained earnings	(434,087,286)	(127,241,462)
Earnings for the financial year (profit or loss)	(387,066,756)	(306,845,824)
Investment grants		35,952
Mandatory provisions	1,037,382	1,327,483
Shareholders' equity	**14,818,211**	**318,513,850**
Earnings from issues of securities in capital		
Advances with conditions	24,531,768	20,212,000
Other equity	24,531,768	**20,212,000**
Provision for contingencies	4,944,070	13,319,506
Provision for charges	3,831,966	4,102,298
Provisions for liabilities and charges	**8,776,036**	**17,421,804**
Financial debts		
Convertible bond loans	103,168,793	186,204,178
Other bond loans	228,575	3,121,171
Loans and debts with credit institutions (5)	56,574,185	60,666,052
Various other loans (of which equity loans)	27,217	27,252
Advances and instalments received on outstanding orders	5,523,356	203,556
Operating debts		
Trade accounts and notes payable	45,858,969	31,461,411
Tax and social security debts	17,832,171	15,633,257
Miscellaneous debts		
Debts on fixed assets and related accounts	1,363,323	2,720,074
Other debts	23,261,242	12,754,279
Adjustment Accounts		
Pre-paid earnings (4)	12,547,094	7,589,095
Debts (4)	266,384,924	320,380,325
Liability adjustments	77,028,352	5,555,477
Grand total	**391,539,291**	**682,083,456**

(1) N/A		
(2) N/A		
(3) N/A		
(4) Pre-paid debts and earnings – less than 1 year	152,772,589	187,121,598
(5) Of which, bank outstandings, bank credit balances, CCP	56,574,185	60,547,400
Debts of more than one year	13,615,992	
Debts of less than one year	42,958,193	

INCOME STATEMENT (LIST FORM)

Items	France	Exports	31/03/2015	31/03/2014
Sale of goods	746,555	194,132	940,687	418,128
Sales of goods produced	8,180,925	147,218,298	155,399,222	142,334,118
Sales of services offered	480,876	4,311,232	4,792,107	7,011,607
Net revenue	**9,408,355**	**151,723,661**	**161,132,017**	**149,763,853**
Inventory			732,784	(2,186,306)
Production capitalised				
Operating grants			4,090,020	12,980,630
Reversal of depreciation and provisions, transfer of expenses (9)			24,425,966	25,344,435
Other earnings (1) (11)			4,764,497	2,878,101
Operating income (2)			**195,145,284**	**188,780,712**
Purchases of goods (including customs duties)			1,038,271	337,811
Variations in inventory (goods)			(245,871)	(67,139)
Purchases of raw materials and supplies (and customs duties)			58,420,764	52,365,935
Inventory variation (raw materials and supplies)			(2,297,261)	1,487,972
Other purchases and external costs (3) (6bis)			73,284,235	74,819,099
Taxes and similar payments			4,650,176	3,930,079
Wages and salaries			44,336,825	43,742,171
Social security contributions (10)			18,499,799	19,214,511
Provisions for liabilities				
On fixed assets: provisions for amortisation			25,677,492	26,387,867
On fixed assets: allocations to provisions			17,211,136	6,916,244
On current assets: allocations to provisions			8,169,243	9,629,574
For contingencies and charges: allocations to provisions			3,449,635	7,853,000
Other costs (12)			4,261,070	3,020,894
Operating costs (4)			**256,455,516**	**249,638,018**
Operating profit/loss			**(61,310,231)**	**(60,857,305)**
Joint ventures				
Allocated gain or transferred loss				
Allocated loss or transferred gain				
Financial income				
Financial earnings from equity interests (5)				
Other assets, receivables and capitalised asset earnings (5)				
Other interest and other such earnings (5)			9,487,043	8,651,207
Reversals on provisions and transfer expenses			28,327,603	1,725,332
Positive exchange rate adjustments			7,435,716	3,407,872
Net income from sales of investment securities				982
Financial income			**45,250,363**	**13,785,393**
Financial allocations to amortisation, and provisions			359,241,552	250,288,648
Interest and similar costs (6)			11,015,993	11,541,061
Negative exchange rate adjustments			3,825,919	4,251,506
Net costs on sales of investment securities				
Financial expenses			**374,083,464**	**266,081,216**
Financial result			**(328,833,101)**	**(252,295,823)**
Current pre-tax profit			**(390,143,332)**	**(313,153,128)**

INCOME STATEMENT (CONTINUED)

Items	31/03/2015	31/03/2014
Extraordinary earnings on management operations		524
Exceptional earnings on capital operations	11,803,545	481,257
Reversals on provisions and transfer expenses	798,040	
Extraordinary income	**12,601,585**	**481,781**
Extraordinary costs on management operations (6bis)	510,512	2,245
Extraordinary costs on capital operations	16,864,195	1,635,553
Extraordinary allocations to depreciation and provisions		
Extraordinary costs	**17,374,706**	**1,637,798**
Extraordinary profit or loss	**(4,773,121.62)**	**(1,156,016.82)**
Employees share in the company's profits		
Tax on profits	(7,849,663.37)	(7,463,321.00)
Total income	**252,997,232**	**203,047,887**
Total costs	**640,064,022**	**509,893,711**
Profit or loss	**(387,066,790.31)**	**(306,845,824.06)**

(1) Of which, partial net earnings on long term operations		
(2) Of which: - income from property rentals, - operating income from previous financial years		524
(3) Of which: - Equipment leasing - Property leasing	1,860,593 3,491,462	6,410,479
(4) Of which operating costs over previous financial years (8)	407,336	1,958
(5) Of which: earnings concerning related undertakings	9,270,132	7,476,708
(6) Of which: interest concerning related undertakings	75,639	40,815
(6bis) Of which: donations made to general interest organisations (art. 238bis of the French General Tax Code)		
(7) Details of the extraordinary earnings and costs		
(8) Details of the earnings and costs over previous financial years:		
(9) Of which, cost transfers	8,419,603	9,424,436
(10) Of which operating pers. contributions (13)		
(11) Of which, royalties for concessions, patents, licences (income)	4,764,497	2,878,101
(12) Of which, royalties for concessions, patents, licences (costs)	3,835,295	2,509,191
(13) Of which premiums and optional pers. add. contributions		

FINANCIAL RESULTS FOR THE PREVIOUS FIVE FINANCIAL YEARS

End date Length of the financial year (months)	31/03/2015 12	31/03/2014 12	31/03/2013 12	31/03/2012 12	31/03/2011 12
Capital at the end of the financial year					
Share capital	23,118,843	17,258,080	12,262,674	12,212,839	8,748,781
Number of shares					
- ordinary	231,188,426	172,580,795	122,626,743	122,128,392	87,487,811
- preference shares					
Maximum number of shares to be issued					
- by conversion of obligations					
- by subscription rights					
Operations and results					
Revenue before tax	161,132,017	149,763,853	248,265,323	296,757,836	262,624,046
EBITDA	(26,299,367)	(30,879,143)	(22,749,433)	15,519,323	22,432,461
Tax on profits	(7,849,663)	(7,463,321)	(8,902,491)	(5,445,343)	(9,699,622)
Employee participation					
Allocations Depreciation and provisions	368,617,053	283,430,002	44,514,363	22,364,663	18,029,014
Net profit/loss	(387,066,756)	(306,845,824)	(58,361,305)	(1,399,997)	14,103,069
Distributed Profits					
Earnings per share					
Profit after tax, participation, before allowances, depreciation, provisions.	- 0.08	- 0.14	- 0.11	0.17	0.37
Profit after tax, participation, allowances, depreciation, provisions.	- 1.67	- 1.78	- 0.48	- 0.01	0.16
Dividends					
Personnel					
Average staff levels	814	909	1,056	1,030	981
Payroll	44,336,825	43,742,171	52,657,377	46,776,271	43,406,665
Sums paid for employee benefits (social security, welfare institutions, etc.)	18,499,799	19,214,511	25,470,464	25,268,426	20,317,266

APPENDIX

To the balance sheet before distribution of the financial year ended 31/03/2015 whose total amounts to €391,539,291 and to the financial year's profit & loss account, presented in the form of a list, whose total costs is €640,064,022, income is €252,997,232 and revealing a loss of €387,066,790.

The financial year ran for 12 months from 1 April 2014 to 31 March 2015.

The notes and tables below are an integral part of the annual accounts.

Given the loss of the previous financial year, the Board of Directors will propose to the General Shareholders' Meeting of 10 July 2015 to carry forward the loss and not to distribute dividends.

These annual accounts were closed by the Board of Directors on 27 May 2015.

ACCOUNTING RULES AND METHODS AND NOTES TO THE BALANCE SHEET

The general accounting agreements have been applied in accordance with the principle of prudence, pursuant to the basic assumptions: continuity of business, permanence of accounting methods from one year to another, independence of financial years, pursuant to the general rules of preparing and presenting annual financial statements.

The base method retained to evaluate items written in the accounts is the historic costs method.

Preamble: Continuity of business

The company made a net loss of €387 million over the financial year ended on 31 March 2015 and at year end presents shareholders' equity of €15 million. The cash-flow used by the business, excluding variation of working capital requirements, represented €68 million in the financial year. As at 31 March 2015, cash and cash equivalents amounted to €22.9 million, with the cash-flow of SOITEC SA being €16.9 million.

To be able to assure the continuity of its business, the company implemented a refinancing plan within the framework of a conciliation procedure. A conciliation agreement was approved by the Commercial Court of Grenoble on 5 May 2015. The agreement allowed for the deferral of debts and for the raising of funds for an amount of more than €150 million. Its main elements consist of a deferral to 30 November 2019 of the repayment of the bank credit lines, for a total amount of €37 million, with the interest being capitalised and due to be repaid at the end of the loan; new loans granted by CEA, Shin Etsu Handotai and BPI for a total amount of €48 million, moratoriums on trade debts held by Shin Etsu Handotai and by CEA for an amount of €14 million euros; a moratorium on tax and social security debts concerning an amount of €7 million.

Further, the company believes it is able to monetise certain assets within the framework of its withdrawal from the Solar Energy activity.

As announced in the press release of 19 January 2015, the Board of Directors decided to implement and provide its support to a strategic plan in view of refocusing Soitec's activities on its core electronic business. Before approving the financial statements, the Group initiated major restructuring measures of the Solar Energy activity and actions in view of realising the value of certain assets.

The main costs recorded for such purpose in the financial year ended 31 March 2015, as stated in note 4.4, are the following:

- Depreciation and accelerated amortisation of production equipment;
- Depreciation of patented technologies;
- Depreciation of assets related to solar farm projects;
- Provisions for redundancies;

- Provisions for commitments to suppliers corresponding to past orders that cannot be cancelled;
- Provisions for decommissioning and contractual and implicit repair works;
- Provisions for rental costs due based on contractual obligations, unless exemptions have been obtained;
- Provisions for losses on valid contracts when the Group has a commitment to continue such contracts;
- Provisions for external costs required to complete the withdrawal of the Group.

The net assets being sold of the Solar Energy Division, evaluated at their fair vale net of the sale costs, amount to €53 million as at 31 March 2015.

On these bases, the company considers that it will be able to continue its business in 2015-2016. The consolidated financial statements have therefore been prepared based on the principle of continuity of business for the next twelve months.

PRINCIPLES AND GENERAL CONVENTIONS

The annual financial statements are prepared in accordance with the requirements of the 1999 general accounting plan approved by the French Order of 22 June 1999. The accounting rules and methods applied are the same as those of the previous financial year apart from the change described below.

Highlights

• Financing

During the first half of the financial year ended on 31 March 2015, the company started to consolidate its financial structure to continue its growth strategy by going ahead with a capital increase, which led to the issue of 51,942,792 new shares at the price of €1.60. The proceeds net of issue costs of the transaction amounted to €78.9 million. These funds were allocated to the repayment of the convertible bonds which matured in September 2014.

On 3 February 2015, Soitec went ahead with a capital increase, within the framework of its Programme d'Augmentation de Capital par Exercice d'Options (PACEO - Capital Increase Programme by means of Exercise of Options), put in place with Société Générale on 19 January 2015. This transaction led to the issue of 6,000,000 new shares with a unit price of €0.87. These shares can be freely traded on Euronext Paris and are considered the same as the existing shares. The proceeds net of issue costs of the transaction amounted to €4.7 million.

• Refocusing on the core "Electronics" business and progressive withdrawal from the Solar Energy business

As announced in the press release of 19 January 2015, the Board of Directors decided to implement and provide its support to a strategic plan in view of refocusing Soitec's activities on its core electronic business.

Before approving the financial statements, the company initiated major restructuring measures of the Solar Energy activity and actions in view of realising the value of certain assets.

Intangible and tangible fixed assets

The intangible fixed assets mainly include the software applications which are accounted at their purchase price and amortised using the straight-line method over their estimated useful life, i.e. 1 to 5 years.

Tangible assets are evaluated at their purchase price. Amortisations are calculated following the straight-line method over their useful life estimated as follows:

Construction fittings	15 to 30 years
Plant and machinery	3 to 8 years
Other fittings and fixtures	5 to 10 years
Transport equipment	5 years
Office and computer equipment	3 to 7 years
Office furniture	5 to 10 years

Provisions for depreciation of current assets and accelerated amortisations were accounted for the Bernin site for €19.7 million of tangible fixed assets (production capacity of the smartcell) and €1.1 million of intangible fixed assets (hardware and software dedicated to the Solar Energy Division).

Financial fixed assets

Soitec S.A.

The financial fixed assets include equity investments, receivables attached to equity interests, deposits and bonds, own shares.

The equity investments are valued at their historic purchase price. At the end of the financial year, an examination of the value of the securities was carried out consisting of analysing the book value of the securities, mainly based on the re-valued net asset or on the realisation value of the companies concerned. The lowest of these values is used on the balance sheet. Thus, the value of the securities of the Soitec SA subsidiaries was adjusted in accordance with the results of the re-valuation tests on the economic situation of each of the subsidiaries.

Further, Soitec SA took an equity interest in Simgui for €4,441k.

Company	Gross values 31/03/2015	31/03/2014	Depreciation/ Variations	31/03/2015	Net values 31/03/2015
SHARES					
SOITEC SE	30,763,440	19,162,956	1,759,483	20,922,439	9,841,001
SOITEC JP	2,636,988	1,606,988	-736,100	870,888	1,766,100
SOITEC ME	67,197,054	67,197,054		67,197,054	0
SOITEC Gmbh	101,244,230	101,244,230		101,244,230	0
ALTATECH	24,157,798	18,699,798	2,924,000	21,623,798	2,534,000
SOITEC US	16,796				16,796
SOITEC KOREA	328,483				328,483
SOITEC CORP	1,000				1,000
SOITEC CHINA	102,138				102,138
Cissoid	339,903	300,003	39,900	339,903	0
Innovacom	875,000	77,823	66,190	144,013	730,987
Medgrid	600,000	600,000		600,000	0
Exagan	6,000				6,000
Simgui	4,440,962				4,440,962
Total	**232,709,792**	**208,888,852**	**4,053,473**	**212,942,325**	**19,767,467**

The receivables attached to equity interests, for their part, were depreciated for an amount of €349,813k, corresponding exclusively to a depreciation of the subsidiary Soitec Solar GmbH, bringing it to its realisation value. The provision for depreciation of the subsidiary Soitec Singapore was, for its part, reversed for €16,910k.

Company	Gross values 31/03/2015	31/03/2014	Depreciation/ Variations	31/03/2015	Net values 31/03/2015
RECEIVABLES					
SOITEC ME	92,844,495	16,910,000	-16,910,000	0	92,844,495
SOITEC Gmbh	446,436,257	33,631,352	349,812,981	383,444,333	62,991,924
ALTATECH	2,667,563	0	0	0	2,667,563
Total	**541,948,315**	**50,541,352**	**332,902,981**	**383,444,333**	**158,503,982**

Deposit paid in favour of the Southchester project: this was the object of a depreciation of €1,082k.

Loan and lessor advance for the Bernin Plant: within the framework of a property lease agreement for the Bernin Plant, the Company granted a lessor advance of a nominal amount of €5,430k. The lessor advance was repaid in full on 31 March 2015.

As at 31 March 2015, the Company had 11,451 own shares in its portfolio.

	31 March 2015
Number of own shares	111,451
Gross value (in thousands of euros)	475,217
Underlying capital loss (in thousands of euros)	(377,140)

Inventories

The stocks of raw materials and consumables are evaluated at their purchase price. A provision for depreciation is constituted for the obsolete or surplus references.

The stocks of finished products are evaluated at their production cost apart from those which, during the production launch phase, have a cost price more than their sale price and the obsolete or surplus products.

A provision for depreciation brings the stock of finished products to its realisation value after deducting the proportional sale costs.

Semi-finished products are evaluated using the same principles depending on their state of progress in the manufacturing process.

They are broken down as follows:

Stock Category	Gross values	Amount of depreciation	Net values
Raw materials	12,855,421	3,112,066	9,743,355
Consumables	9,215,222	3,415,801	5,799,421
Semi-finished products	7,075,538	808,198	6,267,340
Finished products	4,090,339	723,696	3,366,643
Merchandise	313,010	26,947	286,063

Receivables

Accounts receivable, whose maturities are generally between 30 and 90 days, are recognised and accounted for the nominal value.

These receivables are then evaluated at the amortised cost, after deducting the losses of value of the amounts that cannot be recovered.

A depreciation is constituted when there are objective elements indicating that the company will not be able to recover its debt claims. Debt claims that cannot be recovered are recognised as a loss when they are identified as such.

A provision for depreciation of bad debts was accounted over the financial year for €82k.

Other receivables

Other receivables concerned tax and social security receivables and grants to be received.

The item “state and local authorities” incorporates a Research Tax Credit of €32,327k.

The Competitiveness-Employment Tax Credit (CICE) as at 31 March 2015 is €1,930k, composed of CICE 2013, 2014 and 2015.

The CICE of 2013 and 2014 was the object of prefinancing for €1,494k with BPI France.

The purpose of this tax credit for Competitiveness and Employment is to finance the competitiveness of companies particularly through efforts relating to investments, research, innovation, training, recruitment, prospecting new markets, rebuilding working capital.

It cannot finance either an increase in distributed profits or increase the remuneration of directors.

Liquid assets and marketable securities

Liquid assets and marketable securities include the liquid assets and marketable securities. Bank overdrafts are part of these short-term debts.

Cash at bank is mainly held in dollars.

Adjustments

Expenses and earnings in foreign currencies are recorded at their average exchange value at the date of the transaction of the previous month. Debts, receivables and cash in foreign currencies are recorded on the balance sheet at the exchange rate prevailing at the end of the financial year.

The difference resulting from this updating of the value of debts and receivables in foreign currencies is recorded on the balance sheet as an “exchange rate adjustment”. Unrealised exchange rate losses, which are not compensated for, are the subject of provisions for liabilities and charges. It amounts to €3,220k at financial year end.

Shareholders’ equity

General information

As at 31 March 2015, the number of the Company’s shares in circulation was 231,188,426.

These are ordinary shares of a nominal value of €0.10 per share.

Financing

During the financial year ended 31 March 2015, the company made the decision to consolidate its financial structure to continue its growth strategy.

On 22 July 2014, Soitec went ahead with a capital increase, which led to the issue of 51,942,792 new shares of a unit price of €1.60. The proceeds net of issue costs of the transaction amount to €78.9 million and allowed the Group to strengthen its financial situation and its cash-flow position in order to assure its working capital and mainly respond to the increase in industrial production power of the FD-SOI products.

On 3 February 2015, Soitec went ahead with a capital increase, within the framework of its Programme d'Augmentation de Capital par Exercice d'Options (PACEO - Capital Increase Programme by means of Exercise of Options), put in place with Société Générale on 19 January 2015. This transaction led to the issue of 6,000,000 new shares with a unit price of €0.87. These shares can be freely traded on Euronext Paris and are considered the same as the existing shares. The proceeds net of issue costs of the transaction amounted to €4.8 million.

Information on movements on the stock option plans

There were no new plans over the financial year.

The table below summarises the information on movements and the average weighted exercise price per share of the share subscription options:

	Shares (in number)	Average weighted price by share in €	Price range in €
31 March 2011	**1,452,000**	**12.46**	**3.44 - 25.69**
After capital increase of July 2011*	**1,640,760**	**11.02**	**3.04 - 22.73**
Allocated	-	-	-
Exercised	(22,600)	3.04	3.04
Cancelled	(84,750)	11.31	11
31 March 2012	**1,533,410**	**11.13**	**3.04 - 22.73**
Allocated	-	-	-
Exercised	-	-	-
Cancelled	(180,800)	5.62	3.04 - 11.31
31 March 2013	**1,352,610**	**11.86**	**3.88 - 22.73**
After capital increase of July 2013	**1,393,960**	**11.48**	**3.71 - 17.81**
Allocated			-
Exercised			-
Cancelled	(474,200)	9.73	3.81 - 21.77
31 March 2014	922,760	12.39	3.71 -17.81
After capital increase of July 2014*	**985,460**	**11.39**	**3.42 - 3.86**
Allocated			-
Exercised			-
Cancelled	63,860	3.64	3.42 - 3.86
31 March 2015	**921,600**	**11.93**	**6.20 - 16.41**

* Pursuant to the provisions of Article L.225-181 of the French Commercial Code, and as a result of the capital increase with maintenance of the preferential subscription right carried out by the Company during the financial year, the Company took the necessary measures to protect the interests of the beneficiaries of the options under the conditions provided in Article L.228-99 of the French Commercial Code, by adjusting the subscription conditions to the Company's shares.

Other equity

In the financial year, Soitec received a conditional advance for the project called "Guépard" for €4,320k.

Loans and financial debts

Bank loans were given a moratorium within the framework of the conciliation procedure approved by the Commercial Court of Grenoble on 5 May 2015. The maturity of the loans is postponed to 30 November 2019. As at 31 March 2015, the last day of the tax year, the negotiations with the lenders were still ongoing. The credit lines for which the lenders had not given a formal agreement allowing for the maturities to be postponed beyond twelve months were presented as part of the short-term financial debts (€37,200k).

The financial debt reduced due to the repayment of the convertible bond maturing in September 2014 (€83 million).

Soitec entered into a new equipment lease agreement for a term of 3 years on production equipment for €11 million.

Financial Instruments

Hedging derivative instruments

The Company hedges its foreign exchange risk on some of its transactions denominated in US dollars and its interest rate risk through financial instruments (forward sales, options and swaps). These derivative instruments are solely designed to hedge the interest rate and foreign exchange risks on fixed commitments or highly probable future transactions.

Foreign exchange risk

The company's objectives are to hedge the foreign exchange risk on certain transactions (amount and rate) using forward foreign exchange contracts, and the foreign exchange risk on the contracts whose amount and rate are uncertain using options. The company's policy is to manage its interest costs by using a combination of fixed and variable rate loans. The interest rate risk is hedged by short-term interest rate swaps.

The conversion rates used to convert the accounts of the subsidiaries whose operating currency is different from the euro have the following exchange value in euros:

		Average rate		Closing rate
Currencies	31 March 2015	31 March 2014	31 March 2015	31 March 2014
US Dollar	0.800739	0.744794	0.929454	0.725268
Yen	0.007262	0.007458	0.007755	0.007021
South African Rand	0.076463	0.067238	0.076148	0.068552
Chilean Peso	0.001461	0.001288	0.001494	0.001322
Chinese Yuan	0.146301	0.117630	0.149903	0.116613

The market value was estimated using one or more commonly used models.

The Company's procedures aim to reduce the exposure to the foreign exchange risk on the US dollar and the yen by entering into certain loan agreements denominated in the same currency as the cash-flows generated by the operating activities.

Within the framework of this foreign exchange risk management policy, in the financial year the Company also continued a programme to hedge its transactions in US dollars and yen by using forward purchases and sales and foreign exchange options with short maturities (less than 6 months).

Credit risk

The financial instruments on which the company potentially incurs a credit risk are mainly cash, liquid assets subject to restrictions and accounts receivable. The company has put in place a cash-flow management policy with the objective of optimising its investments in short-term and low risk financial instruments. The liquid assets of the company are mainly invested with large international financial institutions.

The company sells its products to a customer-base belonging to the semiconductor industry based in North America, Asia and Europe. As at 31 March 2015, seven clients represent more than 5% of the turnover of the Electronics Division and, together, represent 63% of the turnover. As at 31 March 2014, five clients represent more than 5% of the turnover of the Group and, together, represent 61% of the turnover.

The company frequently evaluates the credit risk and the financial situation of its clients and provisions the potential losses on receivables that cannot be recovered. The amount of these losses remained within the limits anticipated by the Management.

Liquidity Risk

The company's financing is assured by the use of the capital market (issues of convertible bonds and capital increases), the use of lease financing for its industrial investments, bank loans and confirmed credit lines.

Most of these credit lines do not have financial covenants. One of them imposes on each draw-down advice respect of the debt to equity rate of less than 1.

Confirmed credit facilities

In 2012, the Company signed with its banking partners confirmed credit lines for a total amount of €72,000k to mature on 31 March 2017 and which are depreciated over 5 years. One of these lines was restructured for an amount of €8 million, depreciable to 31 August 2014. These credit lines bear a confirmation commission of 0.15% to 0.40%, and a usage commission ranging from Euribor +0.60% to 1.00% depending on the credit lines.

Within the framework of the mobilisation of receivables on the research tax credit and CICE, the Company signed credit lines with Oséo for a total amount of €18,250k to mature in September 2015, September 2016, September 2017 and September 2018. These credit lines bear a confirmation commission of 0.30%, and a usage commission of Euribor 1 month +0.70%. Finally, a short-term credit line of €253k was put in place in order to finance an Export sale, with the counter-guarantee of COFACE.

Recognition of income from ordinary activities

Income from ordinary activities mainly comes from sales of products. It is completed by licence income:

- Sales of silicon wafers are recorded as earnings when the transfer of risks and advantages takes place pursuant to the incoterms specified in the contracts.
- Licence income is recorded using a straight-line method over the period during which the royalties are granted. When the licence agreements provide, in addition to royalties, for payments of advances or interim invoices allowing for the financing of the developments implemented to respond to the specific needs of a client, these are recorded as earnings over the foreseeable duration of the use by the client of the transferred technology.

As at 31 March 2015, the main pre-paid earnings are as follows:

- A pre-payment on a licence agreement entered into in March 2011 in the domain of image sensors, for a total amount of €3,913k, divided between a non-current part of €3,261k and a current part of €652k.
- A pre-payment on a licence agreement entered into in March 2013 in the domain of III-V materials for the light-emitting diodes' market, for a total amount of €2,023k, divided between a non-current part of €1,770k and a current part of €253k.
- A pre-payment on a licence agreement entered into in May 2014 in the domain of radio frequency applications and power applications, for a total amount of €6,213k, divided between a non-current part of €5,385k and a current part of €828k.
- Further, following the decision not to continue with the development efforts made by the partner with which a licence agreement had been entered into in January 2013 in the domain of III-V materials, for a total amount of €721k recorded as pre-paid earnings in March 2014, previously divided between a non-current part of €563k and a current part of €158k. The Group no longer has any obligation under this licence agreement.

Research and development expenditure

The Research and Development costs are mainly comprised of salaries and social security contributions, operating costs of equipment dedicated to the clean rooms and equipment required for the Research & Development activities, and costs related to the maintenance and reinforcement of the industrial property rights of the Group.

The Research and Development costs are accounted as they occur.

These net Research and Development costs significantly increased from €28.4 million or 11.5% of turnover in 2013-2014 to €38.9 million or 17.4% of turnover in 2014-2015.

The first five phases correspond to exploratory research (evaluation of technologies); the next two phases correspond to the development of a product, generally in cooperation with a potential client. The last phase is the industrialisation of the product in huge volumes. The costs incurred during the exploratory research phases are accounted as research costs in the Profit & Loss Account. The development costs are incurred over a relatively short period and generally represent quite insignificant amounts. Finally, the costs incurred during the industrialisation phase are accounted as cost of products sold. The operational research and development costs have remained relatively stable compared to the previous financial year, with a small increase of 1.5%. It should however be noted that there was a fall in expenses in the domain of electronics whereas the acceleration of the strategic programmes in the domain of solar energy and lighting was maintained over this financial year through the development of the Corsica line.

The contribution of clients to the research and development efforts of the Electronics Division fell from €6.7 million to €5.3 million in 2014-2015.

Public aid to research accounted over the 2014-2015 financial year mainly corresponds to the "Exact" (advanced material for digital), "Bright" (substrates for new generations of light-emitting diodes), and "Guépard" (photovoltaic cell) programmes.

The amount of the research tax credit granted is reduced by the grants collected during a calendar year for the projects concerned. The amount of the research tax credit received may thus vary from one period to the next depending on the level of grants received.

Thus, the increase recorded over the financial year ended 31 March 2015 has two effects on the financial year: a fall in collections first of all and an increase in costs associated with the research tax credit secondly.

The income recorded over the financial year is €7,849,663 comprised of €5,657,665 of the 2014 research tax credit.

Pension costs

Pension costs and similar commitments

French law provides for the one-off payment of pension costs. This compensation is determined depending on the years of service and the level of remuneration at the time of retirement. The rights are only acquired by the salaried employees present in the company at retirement age. The Group has entered into an agreement in order to complete the legal amount of pension payments.

Other pension schemes

The Company has decided to grant certain salaried employees of the Group a complementary regime in addition to the normal regime. This defined services regime is managed by an external organisation.

The defined services regimes (Article 83 of the French General Tax Code) are subject to an actuarial evaluation using the method of projected credit units which incorporates demographic assumptions (change in salaries, retirement age, staff rotation, mortality rate) and financial assumptions (financial update rate and inflation).

The defined services regimes (Article 83 of the French General Tax Code) are subject to an actuarial evaluation using the method of projected credit units which incorporates demographic assumptions (change in salaries, retirement age, staff rotation, mortality rate) and financial assumptions (financial update rate and inflation).

For the defined contribution regimes (Art. 39 of the French General Tax Code), the payments are recognised as costs of the financial year to which they relate. There are no actuarial liabilities to this end.

For the financial year ended 31 March 2015, nothing was accounted as the Company decided to suspend the defined services regime at the end of October 2013 to make savings.

The pension commitment of the Company as at 31 March 2015 amounts to €4,642k.

Provisions

A provision is accounted when the company has an actual or implicit contractual obligation, resulting from a past event, whose amount may be estimated reliably, and whose extinction should entail an exit of resources representative of economic advantages for it. The provisions are updated when the impact of the update is significant.

A provision for restructuring is only accounted when there is an implicit obligation to a third party, originating from a decision of the Management materialised before financial year-end by the existence of a detailed and formalised plan and the announcement of this plan to the persons concerned.

The other provisions correspond to risks and charges identified specifically.

Provisions for litigation: Industrial tribunal, Urssaf, RSI, C.F.E	1,724,482 €
Provisions for foreign exchange losses	3,219,587 €
Provisions for restructuring operations	3,831,966 €

The potential liabilities correspond to potential obligations arising from past events whose existence can only be confirmed by the occurrence of certain future events which are not under the control of the entity or to current obligations for which an exit of resources is not probable. The potential liabilities are not accounted but information on them is provided in the appendix.

Commitments given to subsidiaries (guarantees and bonds)	Amount in euros
Soitec Solar US	45,870,000
Soitec Solar RSA	30,000,000
Soitec Phoenix LABS	1,536,000
Altatech	4,910,000
Soitec Solar GmbH	9,909,000

Related party disclosures

The Board of Directors comprises ten members. Besides the Chairman and the CEO, eight other members were selected based on their experience of the semiconductor market or their professional experience in other areas useful for the Group's development. The semiconductor market is characterised by its small number of players, so the Group maintains or is likely to have business relationships with ARM Holdings Plc, Shin-Etsu Handotai Global Foundries, within which Douglas Dunn and Fumisato Hirose hold or held positions respectively, as disclosed in the table in paragraph 14.1.1.2. Information on the directors.

During the financial year ended 31 March 2015, purchases of raw materials from Shin-Etsu Handotai represented €37,718k (€33,425k during the financial year ended 31 March 2014). Soitec SA invoiced, as receivables, to Shin-Etsu Handotaï an amount of €2,014k for the financial year 2014-2015 (€1,359k for the financial year 2013-2014).

Moreover, the law firm Winston & Strawn in which Patrick Murray practised provided, and continues to provide, legal services to Soitec, its subsidiaries and affiliates. During the financial year ended 31 March 2015, the legal services provided with the law firm Winston & Strawn represented €632k (€984k during the financial year ended 31 March 2014).

Global Foundries is one of Soitec's main clients; sales of wafers amounted to USD24,054k during the financial year 2014-2015 (41,167k for the financial year 2013-2014).

For the financial year 2014-2015, Soitec paid CEA €4,000k under the research and development contract and €3,246k as patent royalties.

Finally, Soitec entered into a business collaboration agreement with Novaday whose shareholder is Mr Joël Karecki. Purchases amounted to €314k for the financial year 2014-2015.

The amount of gross remuneration allocated to the managing personnel of the Group for the financial year ended 31 March 2015, i.e. 5 persons for the financial year ended 31 March 2015, 1 of whom left the company during the financial year, is as follows:

(In thousands of euros)	31 March 2015	31 March 2014
Short term benefits	2,075	2,644
Post-employment benefits	30	81
Payment in shares *	60	491
Total gross remuneration paid to managing personnel of the Group	**2,165**	**3,216**

* As at 31 March 2014, this amount does not take account of the cancellation of an amount of €2,659k, corresponding to a reversal of part of the cost recorded in the financial years ended 31 March 2012 and 2013, due to the non-achievement of the performance criteria or departures of salaried employees before their acquisition period (see note 3.15.1). As at 31 March 2015, no cancellation was recorded in the accounts.

The amount of the gross remuneration allocated to company officers and non-employee directors is as follows:

(In thousands of euros)	31 March 2015	31 March 2014
Company officers:		
Short term benefits	1,258	1,021
Post-employment benefits	30	63
Termination benefits	-	-
Payment in shares	38	229
Total gross remuneration paid to company officers	**1,325**	**1,313**
Non-employee directors:		
Directors' fees paid	450	450
Reimbursement of travel expenses	130	70
Total remuneration granted to non-employee directors	**580**	**520**

Details of option plans and free shares for directors allocated in the financial year:

(in number)	Stock options	Free shares	Total as of 31 March 2015
Managing personnel	-	-	-
Of which, company officers	-	-	-

Information required by Article L 123-198 (9) of the French Commercial Code

The total amount of Auditors' fees given in the Profit & Loss Account for the financial year is €302k.

Tax consolidation

Soitec S.A. is the head of the Group formed between Soitec S.A., Soitec Specialty Electronics, and Altatech.

The principle of neutrality is retained by which, insofar as possible, Soitec Specialty Electronics and Altatech have to record in their accounts for the entire consolidation period in the Soitec Group a corporation tax expense or income, additional contributions and IFA (annual flat-rate tax), similar to what it would have recorded it they have not been consolidated.

Events that have taken place since the close of the financial year

The management provides for the adoption of additional measures in view of reinforcing the Group's balance sheet

The available cash flow, at the end of March 2015, amounted to €22.9 million whereas gross debt came to a total of €173.0 million, i.e. net indebtedness of €150.1 million.

After announcing this on 20 April 2015, Soitec confirms having put in place in May 2015 financing including:

A loan of an amount which may reach €54 million, maturing in April 2016. Shin Etsu Handotai (major supplier of wafers for Soitec SA and historic shareholder of the Group) undertook to lend up to €30 million. Bpifrance Participations, also a Soitec shareholder, undertook for its part to lend up €15 million.

CEA, a SOITEC technological partner, undertook to lend €9 million through the "strategic fund" of its subsidiary CEA Investissement, a company specialised in corporate financing through innovations resulting from European research laboratories. Further, its microelectronics research institute, CEA-Leti, which developed and continues to provide its support to the SOI ("silicon-on-insulator") roadmap, accepted to postpone the payments of the licence agreements and works carried out for Soitec in 2014, by a total amount of €8 million, thus bringing the total support effort of CEA to €17 million.

Finally, the current bank credit lines, of a total amount of €37.2 million at the end of March 2015, were restructured with one single repayment date in November 2019.

The loan transaction, for an amount of €54 million, was finalised on 27 May 2015.

Soitec continues to explore other opportunities in view of reinforcing its balance sheet.

BALANCE SHEET AND PROFIT & LOSS ACCOUNT INFORMATION

FIXED ASSETS

Items	Beginning of the financial year	Revaluation	Acquisit.,contributions
Set-up and research & development costs	**3,710,000**		
Other intangible fixed assets' items	**43,509,558**		**732,056**
Land	780,801		
Land constructions	6,657,481		1
Buildings on non-freehold land			
General installations constructions, fixtures, fittings			
Technical installations, equipment and industrial tools	231,789,192		12,847,233
General installations, fixtures, fittings	48,376,315		687,201
Transport equipment	286,412		3,000
Office, IT, equipment and furniture	11,290,468		126,283
Recyclable and various packaging			
Tangible fixed assets in course of construction	13,668,641		6,007,156
Advances and instalments			
Tangible fixed assets	**312,849,311**		**19,670,874**
Contributions evaluated against equivalents			
Other stake holdings	684,734,064		127,302,656
Other fixed investments			
Loans and other financial assets	11,722,788		
Financial fixed assets	**696,456,851**		**127,302,656**
Grand total	**1,056,525,719**		**147,705,586**

Items	Transfer	Sale	End of the financial year	Initial value
Set-up and research & development costs			**3,710,000**	
Other intangible fixed assets' items		**30,000**	**44,211,613**	
Land			780,801	
Land constructions			6,657,482	
Buildings on non-freehold land				
General installations constructions, fixtures				
Technical installations, equipment and industrial tools		23,576,509	221,059,917	
General installations and various fixtures			49,063,516	
Transport equipment		200,479	88,933	
Office, IT, equipment and furniture			11,416,750	
Recyclable and various packaging				
Tangible fixed assets in course of construction	13,662,441	195,257	5,818,099	
Advances and instalments				
Tangible fixed assets	**13,662,441**	**23,972,244**	**294,885,499**	
Contributions evaluated against equivalents				
Other stake holdings		37,378,614	774,658,106	
Other fixed investments				
Loans and other financial assets		135,025	11,587,763	
Financial fixed assets		**37,513,639**	**786,245,869**	
Grand total	**13,662,441**	**61,515,883**	**1,129,052,982**	

DEPRECIATION

Items	Beginning of the financial year	Depreciation Allowances	Reversals	End of the financial year
Set-up and research & development costs	**1,113,000**	**371,000**		**1,484,000**
Other intangible assets	**31,059,237**	**5,298,304**		**36,357,541**
Land				
Land constructions	1,828,862	461,594		2,290,456
Buildings on non-freehold land				
General installations constructions, fixtures				
Technical installations, equipment, tools	167,836,033	14,703,854	6,733,314	175,806,573
General installations and fixtures	20,009,621	2,936,136	21,851	22,945,757
Transport equipment	257,822	9,477	200,479	66,820
Office, IT, equipment and furniture	9,675,729	694,852		10,370,580
Recyclable and various packaging				
Tangible fixed assets	**199,608,067**	**18,805,913**	**6,933,793**	**211,480,187**
Grand total	**231,780,304**	**24,475,217**	**6,933,793**	**249,321,728**

Breakdown of depreciation allowances	Straight-line	Reducing Balance	Exceptional	Tax-based allowances	Tax-based recovery
Set-up and research & development costs					
Other intangible assets				**290,101**	**(290,101)**
Land					
Land constructions					
Buildings on non-freehold land					
Constructions and installations					
Technical installations, tools					
General installations and fixtures					
Transport equipment					
Office and IT equipment					
Recyclable packaging					
Fixed assets					
Grand total				**290,101**	**(290,101)**

Costs spread over several financial years	Beginning of the financial year	Increases	Depreciation Allowances	End of the financial year
Costs to be spread over several financial years	3,949,103		1,240,236	2,708,866
Bond redemption premium				

PROVISIONS

Items	Beginning of the financial year	Depreciation Allowances	Reversals	End of the financial year
Mining and oil deposits				
Investment provisions				
Provisions for price increases				
Provisions for stock price fluctuations				
Special depreciation allowances	1,327,483	290,101		1,037,382
Foreign ventures before 01/01/92				
Foreign ventures after 01/01/92				
Provisions for installation loans				
Other statutory provisions				
Mandatory provisions	**1,327,483**		**290,101**	**1,037,382**
Provisions for litigation	2,870,670	526,588	1,672,775	1,724,482
Provisions for guarantees given to customers				
Provisions for future make losses				
Provisions for fines and penalties				
Provisions for foreign exchange losses	10,448,837	3,219,587	10,448,837	3,219,587
Provisions for pensions and similar commitments	4,102,298	2,923,047	3,193,379	3,831,966
Provisions for taxes				
Provisions for renewing fixed assets				
Provisions for large repairs				
Provisions for company costs, tax costs and leave to be paid				
Other provisions for risks and costs				
Provisions for risks and costs	**17,421,804**	**6,669,223**	**15,314,991**	**8,776,036**
Provisions for intangible fixed assets		943,802		943,802
Provisions for tangible fixed assets	9,045,758	16,267,334	2,018,520	23,294,572
Provisions for securities				
Provisions for equity loans	208,888,853	4,789,573	736,100	212,942,326
Provisions for other financial fixed assets	50,813,919	351,232,391	17,142,667	384,903,643
Provisions for stock and work in progress	9,629,629	8,086,708	9,629,629	8,086,708
Provisions for customer accounts		82,535		82,535
Other provisions for depreciation				
Provisions for depreciation	**278,378,158**	**381,402,344**	**29,526,915**	**630,253,587**
Grand total	**297,127,445**	**388,071,567**	**45,132,007**	**640,067,006**
Operating charges and reversals		28,830,015	16,006,363	
Financial charges and reversals		359,241,552	28,327,603	
Exceptional contributions and recoveries			798,040	
Depreciation of investments in equity affiliates at the end of the financial year				

RECEIVABLES AND DEBTS

Receivables statement	Gross amount	1 year maximum	over 1 year
Receivables linked to stake holdings	541,948,315	95,512,058	446,436,257
Loans [1] [2]			-
Other financial fixed assets	11,587,763	10,821,704	766,059
Doubtful and disputed trade receivables	82,535	82,535	
Other trade receivables	45,721,889	45,721,889	
Receivables relating to securities loaned			
Staff and related accounts	4,994	4,994	
Social security and other social bodies			
State, other local authorities: tax on profits	34,256,480	7,596,018	26,660,462
State, other local authorities: VAT	994,176	994,176	
State, other local authorities: other duties, taxes and related payments			
State, other local authorities: miscellaneous receivables	1,623,155	1,623,155	
Group and related parties [2]			
Miscellaneous trade payables	1,616,222	1,616,222	
Prepaid expenses	798,587	798,587	
Grand total	**638,634,118**	**164,771,339**	**473,862,778**
[1] Amount of loans granted during the financial year			
- repayments obtained during the financial year	114,069		
[2] Loans and advances given to related parties			

Debts statement	Gross amount	1 year maximum	more than 1 year, less than 5 years	over 5 years
Convertible bond loans [1]	103,168,793		103,168,793	
Other bond loans [1]	228,575	228,575		
Loans and debts of 1 year maximum initially	56,574,185	42,958,193	13,615,992	
Loans and debts of more than 1 year initially [1] [2]				
Miscellaneous loans and financial debts [1] [2]	27,217	27,217		
Trade payables and related accounts	45,858,969	45,858,969		
Staff and related accounts	7,691,259	7,691,259		
Social security and other social bodies	7,837,035	7,837,035		
State: tax on profits				
State: value added tax	419,758	419,758		
State: guaranteed bonds				
State: other duties, taxes and similar payments	1,884,119	1,884,119		
Debts on fixed assets and related accounts	1,363,323	1,363,323		
Group and related parties [2]	22,769,227	21,436,089	1,333,138	
Other debts				
Debts representing borrowed securities				
Prepaid earnings	12,547,094	2,130,769	8,668,693	1,747,632
Grand total	**260,861,568**	**132,327,321**	**126,786,615**	**1,747,632**
[1] Loans taken out during the financial year				
- repaid during the financial year	83,035,385			
[2] Loans and debts entered into with related parties				

ELEMENTS RELATING TO SEVERAL BALANCE SHEET ITEMS

Items	Related companies	Holdings	Debts, claims on bills of exchange
Fixed assets			
Capital (subscribed but not called up)			
Advances and instalments on intangible assets			
Advances and instalments on tangible assets			
Holdings	14,589,515	5,177,949	
Receivables linked to stake holdings	158,503,982		
Loans			
Other fixed investments			
Other financial fixed assets			
Current assets			
Advances, goods paid for on order			
Customer receivables and related accounts	36,166,134		
Other receivables	1,000		
Subscribed Capital, called up but not paid		150,000	
Marketable Securities			
Liquid assets			
Debts			
Convertible bond loans			
Other bond loans			
Loans and debts with credit companies			
Various loans and financial debts	27,217		
Advances and instalments received on orders	22,699		
Trade accounts and notes payable	1,123,380		
Debts on fixed assets and related accounts			
Other debts	22,619,227		

TRANSLATION DIFFERENCES ON RECEIVABLES AND DEBTS IN FOREIGN CURRENCIES

Type of differences	Underlying loss assets	Differences offset by foreign exchange hedging	Provisions for foreign exchange losses	Underlying loss liabilities
Non-financial fixed assets				
Financial fixed assets	1,070,635		1,070,635	75,830,211
Receivables	1,010,515		1,010,515	1,124,252
Financial debts				
Operating debts	1,138,437		1,138,437	73,889
Debts on fixed assets				
Total	**3,219,587**		**3,219,587**	**77,028,352**

COMPOSITION OF THE SHARE CAPITAL

Categories of securities	Number of shares			Total nominal
	At the end of the financial year	Created during the financial year	Redeemed during the financial year	
Ordinary shares	231,188,426.00	58,607,631.00		0.10
Redeemed shares				
Priority dividend shares without voting right				
Preference shares				
Members' shares				
Investment certificates				

VARIATION IN EQUITY

Position at the beginning of the financial year		Balance
Shareholders equity before distribution on previous earnings		318,513,850
Distribution on previous earnings		
Shareholders equity after distribution previous profits		318,513,850
Changes during the financial year	**Minus**	**Plus**
Changes in capital		5,860,763
Changes in bonuses linked to capital		77,902,497
Change in reserves	66,090	
Change in investment subsidies	35,952	
Change in statutory provisions	290,101	
Other changes: Period Earnings	387,066,756	
Balance	**303,695,639**	
Position at the end of the financial year		**Balance**
Shareholders equity before distribution		14,818,211

ALLOCATION OF RESULTS SUBMITTED FOR APPROVAL OF THE GENERAL MEETING

1 - Origin	Amount
Prior retained earnings	(434,087,286.41)
Period Earnings	(387,066,756.24)
including current result after tax	(387,066,756.00)
Deductions from reserves	
Total	**(821,154,042.65)**

2 - Allocations	Amount
Statutory reserve	
Long term capital gains special reserve	
Other reserves	
Dividends	
Other distributions	
Retained earnings	(387,066,756.00)
Total	**(387,066,756.00)**

PROVISIONS FOR LIABILITIES AND CHARGES

Items	Position and movements				
			Decreases		
	Provisions at the start of the financial year	Increases in allowances for financial year	Amounts used during the financial year	Amounts not reversed in the financial year	Provisions at the end of the financial year
Provisions for industrial disputes	122,007	153,855	6,298		269,564
Provisions for other disputes	2,748,663	372,733	1,204,689	461,788	1,454,919
Provision for currency translation losses	10,448,837	3,219,587		10,448,837	3,219,587
Provisions for restructuring operations	4,102,298	2,923,047	3,193,379		3,831,967
Total	**17,421,805**	**6,669,222**	**4,404,366**	**10,910,625**	**8,776,036**

AVERAGE WORKFORCE

Workforce	Salaried personnel	Personnel used in the company
Operators	220	
Technicians and employees	283	
Engineers and executives	311	
Total	**814**	

FINANCIAL COMMITMENTS, OTHER INFORMATION

LEASING COMMITMENTS

Items	Land	Buildings	Equipment tools	Others tangible	Total
Initial value			**28,266,947**		**28,266,947**
Amortisation					
Running total for previous financial years			12,218,291		12,218,291
Financial year in progress			1,185,572		1,185,572
Total			13,403,863		13,403,863
Net worth			**14,863,084**		**14,863,084**
Royalties paid					
Running total for previous financial years	210,936	111,450,382			111,661,318
Financial year in progress	6,095	3,485,367	1,860,593		5,352,055
Total	217,031	114,935,749	1,860,593		117,013,373
Royalties to be paid					
One year at most			3,546,800		3,546,800
Later than one year and not later than 5 years			6,206,900		6,206,900
Later than five years					
Total			**9,753,700**		9,753,700
Residual Value					
Amount accounted for in this financial year	6,095	3,485,367	1,860,593		5,352,055

OFF-BALANCE SHEET COMMITMENTS

Items	Off balance sheet amount
Unmatured eligible bills	
Guarantees and bonds	
Pension obligations	4,642,385
Other commitments given	92,803,751
Long term lease commitments	181,865
Guarantees given	92,621,886
Foreign exchange hedging	
Individual Right to Training (DIF), see note below	
Pledges on industrial materials	
Total	**97,446,136**

DEFERRED AND UNDERLYING TAX POSITION

Items	Amount
Tax due on:	
Others:	
Provision for currency translation losses	1,073,195
Deferred depreciation of charges	
Statutory provisions - special depreciation allowances	
Investment grants:	
Total increases	**1,073,195**
Tax paid in advance on:	
Temporarily non-deductible costs (to be deducted the following year):	
Organic	28,768
Current translation adjustments	24,602,676
Others	3,719,784
To be deducted subsequently:	
Provisions for own insurer	
Other: pensions	1,519,097
Total tax relief	**29,870,325**
Net deferred tax position	**(28,797,130)**
Tax due on: Deferred capital gains	
Credit to be charged to:	
Deficits carried forward (in thousands of euros)	191,697
Long-term capital losses	191,697
Net underlying tax position	**(191,697)**

LIST OF SUBSIDIARIES AND EQUITY INTERESTS

Name – Registered Office	Capital Shareholders Equity	Percentage Holding Distr. Divid.	Gross val. Shares Net val. Shares	Loans, advances, Bonds	Turnover Result
SUBSIDIARIES (more than 50%)					
Soitec USA Inc, Centennial Drive 2, 01960	10,000	100%	16,796		67,681,000
Peabody MA, USA	17,665,000		16,796		2,927,000
Soitec Specialty Electronics S.A.S.	12,000,000	100%	30,763,440		2,046,278
91140 Villejust	8,352,396		9,841,000		(2,851,123)
Soitec Japan Inc, 3-1 Marunouchi 3-Chome	300,500,000	100%	2,636,988		12,532,489
Chiyoda-Ku, 100-00005 Tokyo, Japan	227,694,810		1,766,100		588,803
Soitec Solar GmbH	319,890	100%	101,244,230	446,436,257	29,600,199
Bötzinger Str.31 79111 Freiburg Germany	(263,417,451)		0		(43,195,022)
Soitec Microelectronics Singapore Pte Ltd,	93,395,220	100%	67,197,054	92,844,495	42,293,000
81 Pasir Ris Industrial Drive 1, Singapore 518220	(27,135,000)		0		(3,058,000)
Soitec Korea, Kyunggi-do hwasung-si Bansong	500,000,000	100%	328,483		767,000
Dong 93-10, Shinyoung Gwell	567,578,547		328,483		29,000
Altatech	3,800,000	100%	24,157,798	2,667,563	6,444,674
611, rue A.Bergès 38330 Montbonnot	383,240		2,534,000		(2,365,917)
Soitec Corporate services	1,000	100%	1,000		
54, Av. Marceau 75008 Paris	(3,510)		1,000		(2,060)
Soitec Shanghai Trading	852,619	100%	102,138		
3261 Dong Fang Road	731,000		102,138		40,000
Pu Dong New District Shanghai China					
EQUITY INTERESTS (10 to 50%)					
Exagan S.A.S.	40,000	15%	6,000		
7 parvis Louis Néel 38040 Grenoble Cedex 9	3,311		6,000		(36,689)
OTHER SECURITIES					
EQUITY INTERESTS (less than 10%)					
Medgrid	10,200,000	6.66%	600,000		
38, avenue Hoche 75008 Paris	2,097,640		0		(1,897,048)
Simgui	207,250,000	3.89%	4,440,962		51,623,496
200, Puhui Road District Shanghai China	532,040,264		4,440,962		1,625,125
Cissoid, chemin du Cyclotron 6	2,126,599	3.09%	339,903		315,252
B-1348 Louvain la neuve	2,657,069		0		(1,208,914)
Technocom 2	9,964,344	8%	875,000		
23, Rue Royale 75008 Paris	9,136,397		730,987		(830,479)

The capital and shareholders' equity are indicated in local currency, i.e. US Dollars for Soitec USA Inc. and Soitec Microelectronics Singapore, in Korean Won for Soitec Korea, in Yuan for Soitec China and Simgui, and in Japanese Yen for Soitec Japan.

The other amounts are given in euros.

For the subsidiaries and equity interests, no dividend was distributed in the financial year. For equity interests less than 10%, no loan, no advance and no bond were granted during the financial year.

Notes

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