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FOR IMMEDIATE RELEASE

**SOITEC AND ASM INTERNATIONAL ANNOUNCE MAJOR MILESTONE
IN THEIR PARTNERSHIP TO DELIVER STRAINED SOI**

**Soitec Has Produced High-performing Strained Silicon on Silicon Germanium on Insulator (SGOI)
Wafer Samples Using ASM Epitaxial Technology**

SEMICON WEST, San Francisco, Calif.—July 14, 2003—Soitec and ASM International N.V. (Nasdaq: ASMI and Euronext Amsterdam: ASM) today announced that they have achieved a major milestone in their strained silicon-on-insulator (SOI) partnership program. Marking an industry first, the joint program has produced samples of its first-generation strained silicon wafers for the 65-nm technology node. Initiated in May of this year, the Soitec/ASM partnership is now focused on fine-tuning its strained SOI processes to optimize substrate performance, boost productivity and maximize cost efficiency, thus accelerating time-to-market for a complete industrialized solution for 200-mm strained SOI wafers and, ultimately, 300-mm wafers.

The first product in Soitec's new portfolio of strained SOI substrates consists of a silicon germanium on insulator (SGOI) template substrate on which a final strained silicon layer is grown. Tailored for both partially depleted and fully depleted applications, these SGOI wafers will enable the semiconductor industry to improve device performance, while shrinking critical dimensions and increasing chip density. Soitec's subsequent generations of strained silicon solutions will include SGOI with higher germanium content, strained silicon without the silicon germanium template layer, as well as germanium on insulator—all to be developed for the 45-nm technology node and beyond.

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In an effort to speed up industrial sampling of 200-mm and 300-mm SGOI wafers concurrent with the development of the epitaxial modules, Soitec and ASM are operating in a “virtual fab” mode, processing wafers at both company sites. Teams from both companies have joined forces to fine-tune the epitaxial processes and optimize the production process for high-volume fabrication. This “virtual fab” allows Soitec to secure early industrial sampling, bridging the time required to implement the infrastructure at Soitec’s production facility. Once the epitaxial equipment is installed and the technology is perfected, high-volume production will commence at Soitec’s facility in Bernin, France—the world’s largest SOI manufacturing site.

Leveraging the combined power of Soitec’s Smart Cut™ technology and ASM’s advanced Epsilon® 3000 epitaxial reactor, the collaboration has already made considerable progress—culminating in the availability of the first samples of 200-mm fully relaxed silicon germanium on insulator substrates incorporating 20 percent germanium with and without the final strained silicon layer. Preliminary R&D findings indicate excellent control over the homogeneity of the layer stacks, as well as strain reproducibility in silicon layers as thin as 15 nm—further validating Smart Cut as an optimal manufacturing solution with broad applications beyond SOI.

“The joint power of this partnership will soon make SGOI a commercial reality,” said André Auberton-Hervé, president and CEO of Soitec. “By proactively addressing the Smart Cut requirements for the epitaxy layers, we will be able to aggressively reduce the cost of ownership associated with starting the epi wafer—currently considered the primary gating factor for a cost-competitive solution. As with previous generation SOI technologies, we believe this will once again position Smart Cut as the best-in-class solution—with volume manufacturing benefits that clearly exceed those of competing techniques.”

Soitec’s CTO and Smart Cut expert, Carlos Mazure, noted, “The potential to reproducibly deliver fully relaxed silicon germanium on insulator highlights the power of Smart Cut as an industrial tool to engineer substrates tailored to the industry’s changing needs. Smart Cut has the flexibility to follow the industry’s constant evolving requirements. And since subsequent generations of advanced, strained SOI substrates, such as strained SOI and germanium-on-insulator, are only obtainable by using Smart Cut, Soitec is creating an extendible roadmap that will ensure technology continuity from today’s SOI solutions through the most advanced engineered substrates for future technology nodes.”

“The first results were realized soon after the inception of the partnership, attesting to the power of the Soitec/ASM synergy,” said Arthur del Prado, CEO of ASM International. “It is a unique opportunity to accelerate the commercialization of SGOI as well as benefit the semiconductor industry at large with cutting-edge technology that will address many of the advanced device performance challenges currently facing our industry roadmap. The rapid achievement of this milestone is indicative of each company’s respective strengths and mutual reputation for innovation.”

Note to editors: Soitec and ASM International executives will present first 200-mm strained SOI wafer results during a press and analyst conference to be held in conjunction with this year’s SEMICON West (San Francisco) on Monday, July 14 (4:00 p.m., PDT). An audio replay of the conference proceedings will be available on the Internet beginning Tuesday, July 15 at www.soitec.com and www.asm.com

For more information about strained SOI, drop by Soitec’s booth #5436 (North Hall) or ASM International’s booth #614 (South Hall) at Moscone Convention Center during SEMICON West 2003.

About Soitec: Soitec is the world's leading manufacturer and supplier of SOI wafers, with greater than 80-percent market share. Headquartered in Bernin, France, Soitec provides a broad range of advanced thin-film substrates for IC manufacturing, including bonded SOI (UNIBOND™) and silicon-on-quartz (SOQ) wafers—all of which are manufactured using Soitec's proprietary Smart Cut™ process. Soitec is traded on the French "Nouveau Marché" of Euronext Paris (Sicovam code 7206). Additional information is available on the Internet at www.soitec.com

About ASM:

ASM International N.V. is headquartered in Bilthoven, the Netherlands. ASM International is a global company, serving one of the most important and demanding industries in the world. The Company possesses a strong technological base, state-of-the-art manufacturing facilities, a competent and qualified workforce and a highly trained, strategically distributed support network. ASM International's subsidiaries design and manufacture equipment and materials used to produce semiconductor devices. ASM International and its subsidiaries provide production solutions for wafer processing, assembly and packaging through their facilities in the United States, Europe, Japan and Asia. ASM International's common stock shares trade on NASDAQ (symbol ASMI) and the Euronext Stock Exchange in Amsterdam (symbol ASM). For more information, visit ASM's Web site at <http://www.asm.com>

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