PRESS RELEASE

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X-FAB Silicon Foundries SE announces the effective launch of its initial public offering

Tessenderlo, Belgium, March 22, 2017 – X-FAB Silicon Foundries SE ("X-FAB" or the "Company"), one of the world's leading specialty foundry groups for analog/mixed-signal semiconductor technologies, announces the effective launch of its initial public offering on March 23, 2017 (the "IPO" or the "Offering") on Euronext Paris

1. IPO key terms

- The indicative Price Range for the IPO has been set at EUR 8.00 – EUR 10.50 per share
- The initial size of the Offering will consist of (i) the sale of such number of newly issued ordinary shares as is necessary to raise gross proceeds of EUR 250 million and (ii) the secondary sale of shares by the Selling Shareholders of up to 18,750,390 existing shares, for an amount of up to EUR 197 million
- The Over-allotment Option, covering the sale by Sarawak Technology Holdings Sdn. Bhd. of additional existing shares, will represent up to 10% of the total number of new and existing shares initially sold, or up to 5,000,039 additional existing shares. The Over-allotment Option will be exercisable for a period of 30 days following the Listing Date
- The Offering will consist of (i) an initial public Offering to retail investors in France (the "Retail Offering") and institutional investors in France (the "French Institutional Offering"); (ii) a private placement in the United States to persons who are reasonably believed to be "qualified institutional buyers" or "QIBs" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act")), in reliance on Rule 144A; and (iii) private placements to institutional investors in the rest of the world

- The Offer Price will be determined during the Offering Period through a Bookbuilding process in which only institutional investors can participate. The Offer Price is expected to be set within the Price Range, although it may be set below the lower end of the Price Range. The Offer Price shall not, however, exceed the higher end of the Price Range
- Based on the Price Range, and assuming the full exercise of the Over-allotment Option, the size of the IPO will range between EUR 440 million and EUR 492 million and the implied market capitalization of X-FAB will range between EUR 1,046 million and EUR 1,295 million
- The English version of the Prospectus was approved by the Belgian Financial Services and Market Authority (the "FSMA") on March 21, 2017 and notified to the French Financial Markets Authority (the "AMF") for passporting in accordance with Article 18 of the Prospectus Directive and Article 212-41 of the AMF General Regulation
- Xtrion NV, X-FAB's main shareholder, which currently holds 61,141,179 (61.4%) of the existing shares, will not sell any shares in the IPO
- Sarawak Technology Holdings Sdn. Bhd. and TDK-Micronas GmbH own 35,009,694 and 1,989,390 shares, respectively. They will sell 16,761,000 and 1,989,390 shares in the Offering, assuming a full placement of the Offer shares and that the Offer Price is at the mid-point of the Price Range respectively, resulting in them holding 18,248,694 and 0 shares after the closing of the Offering (or 13,670,953 and 0 shares after the closing of the Offering assuming that the Over-allotment Option is exercised in full), respectively
- The Company has agreed to a lock-up period of one year, its main shareholder Xtrion has agreed to a lock-up period of three years and Sarawak Technology Holdings Sdn. Bhd. and the management to a lock-up period of one year
- BNP PARIBAS and HSBC are acting as Joint Global Coordinators and joint bookrunners for the IPO. Credit Suisse is also acting as Joint Bookrunner, while COMMERZBANK and ODDO & CIE are Co-Lead managers

2. Offering Timetable

- The Offering Period will begin on March 23, 2017 and is expected to close at 17.00CET on April 4, 2017. While it may be subject to an early closing, the Offering Period will last at least six business days. The institutional Bookbuilding Period will begin one day earlier, on March 22, 2017
- The actual number of Offer shares to be sold by the Company and the Selling Shareholders in the Offering will only be determined after the Offering Period and will be published by means of a Company press release, simultaneously with the publication of the Offer Price and the allocation to retail investors, which are currently expected to take place on or about April 5, 2017 and in any event no later than the first business day after the end of the Offering Period
- Trading of X-FAB's shares on Euronext Paris is expected to commence, on an "if-and-when-issued and/or delivered" basis, on or about April 6, 2017 (the "Listing Date"). Delivery of the Offer shares is expected to take place in book-entry form against payment therefor in immediately available funds on or about April 7, 2017 (the "Closing Date") to investors' securities accounts via Euroclear Belgium, the Belgian central securities depository.

3. Retail Offering in France

- From March 23, 2017, the Offer shares will be offered to eligible retail investors in France in accordance with applicable law and regulations. The number of Offer shares allocated in response to the orders placed by eligible retail investors as part of the Retail Offering will be up to 4,577,741 ordinary shares representing 10% of the total number of Offer shares before any exercise of the Over-allotment Option and assuming that the Offer Price is at the mid-point of the Price Range (the "Preferential Retail Allocation")
- The Company and the Joint Global Coordinators have full discretion as to whether or not and how to allocate the remainder of the Offer shares subscribed for. If the demand expressed for the Retail Offering is lower than 10% of the total number of Offer shares, the Retail Offering will be fully served and the remaining balance of unallotted Offer shares offered will be reallocated to institutional investors in the private placements
- Purchase orders for the Retail Offering will be Orders A. Orders A will be broken down into two categories depending on the number of shares subscribed for:
    - Fraction A1 orders: from 10 shares up to and including 250 shares; and
    - Fraction A2 orders: in excess of 250 shares
- A1 orders will enjoy preferred treatment if not all A orders can be fully served. All orders placed in the Retail Offering are A orders that are ultimately split between A1 and A2 orders, in order to ensure a preferred treatment to smaller orders (A1) in case A orders are to be reduced as a result of a retail demand above 10% of the Offer Shares.
- Financial intermediaries will report the demand collected in the Retail Offering, according to the timetable and the terms and conditions specified in the opening notice of the Retail Offering that will be published by Euronext Paris
- Subscription orders placed by individuals via internet in the Retail Offering will be revocable, via internet, until the closing of the Retail Offering (April 4, 2017 at 20.00 (CET))
- The results of the Offering, the allocation for retail investors and the Offer Price will be published by means of a Company press release and by a notice issued by Euronext Paris on or about April 5, 2017
- The Offer Price must be paid in full, in euro, together with any applicable stock exchange taxes and costs
- The prospectus has been approved by the FSMA on March 21, 2017 and notified to the AMF for passporting in accordance with Article 18 of the Prospectus Directive and Article 212-41 of the AMF General Regulation

4. Availability of the Prospectus

- On March 23, 2017, this Prospectus will be made available in English, and the Summary of the Prospectus in French to all investors in France. The Prospectus and the Summary will be made available to such investors at no cost at the offices of X-FAB France SAS at 224, Boulevard John Kennedy, 91105 Corbeil-Essonnes Cedex, France (accessible through Avenue des Roissys Haut, 91540 Ormoy, France)
- Subject to selling and transfer restrictions, the Prospectus is also available to investors on the website of the Company: www.xfab.com

5. X-FAB at a glance

X-FAB is one of the world's leading specialty foundry groups for analog/mixed-signal semiconductor technologies, providing manufacturing and design support services for customers that design analog/mixed signal Integrated Circuits ("ICs"). The Company manufactures customized analog/mixed-signal ICs for use in a variety of applications, with a focus on the automotive, industrial and medical end markets. Unlike some of the larger foundries in the IC market, X-FAB's focus on producing highly customized analog/mixed-signal ICs typically leads to smaller production volumes that require more engineering input per unit with significant value added for its customers. Moreover, the Company has extensive experience in the fast growing segment of Micro Electro Mechanical Systems ("MEMS"), having invested in it over the last 20 years, and is a pioneer in 150mm silicon carbide ("SiC") foundry services.

X-FAB is a global company operating six wafer manufacturing sites in Germany, France, Malaysia and the United States, with current aggregate production capacity of approximately 94,000 200mm equivalent wafer starts per month.

6. Use of Proceeds

The net proceeds derived from X-FAB's sale of shares in the primary tranche of the Offering are intended to be used by it for the following purposes:

- X-FAB expects to use a portion of the proceeds as partial funding, along with its existing capital resources, of its planned capacity maintenance and expansion program, pursuant to which it intends to spend $350-370 million over approximately three years on planned capital expenditure projects.
- X-FAB intends to use the balance of the net proceeds to strengthen its balance sheet as a platform for further growth, and will continue to evaluate potential acquisition opportunities.

7. Dividend Policy

The Company currently intends not to pay dividends for the current financial year ending December 31, 2017 and the financial years ending December 31, 2018 and 2019. The Company reserves the right, after carefully assessing X-FAB's business prospects, cash requirements and financial performance, the condition of the market and the general economic climate, the industry dynamics and other factors, including tax considerations, to still decide to propose to pay out a dividend during these financial years.

8. A Summary of the Key Risks

The following risk factors describe certain key risks that may affect X-FAB's business, financial condition, results of operations and prospects and the value of an investment in X-FAB's shares:

- Structural trends in the markets for the end-user products produced by X-FAB's customers, or material volatility in demand for these products, may limit X-FAB's ability to maintain or increase sales and profit levels.
- A global systemic economic or financial crisis, increased political uncertainty or increased economic protectionism could negatively affect X-FAB.
- A significant portion of X-FAB's revenue comes from a relatively limited number of customers, with its largest customer being a related party.
- Due to X-FAB's relatively fixed-cost structure, its ability to grow profitability is dependent on its ability to maintain appropriate utilization levels.
- X-FAB faces difficulties in forecasting demand and may therefore be unable to match its production capacity to demand.
- X-FAB may be unsuccessful in its attempts to increase its production capacity and capabilities.
- X-FAB may not realize the anticipated benefits from its acquisition of Altis' core business.
- X-FAB's expectations of an increase in market share by foundries might not occur.
- X-FAB may face increasing competition.
- X-FAB may face competitive pricing pressures.
- X-FAB is subject to risks associated with currency fluctuations.

More information on the risk factors can be found in the prospectus.

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This announcement is not for distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, South Africa, Canada or Japan or any other jurisdiction where to do so would be prohibited by applicable law. These materials do not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States, Australia, South Africa, Canada or Japan (or other excluded territories). The securities mentioned herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States, except pursuant to an exemption from the registration requirements of the Securities Act. The Company has not registered, and does not intend to register, any portion of the Offering in the United States, and does not intend to conduct a public Offering of securities in the United States.

*This announcement is only addressed to and directed at persons in member states of the European Economic Area ("**EEA**") other than France who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant Member State of the European Economic Area) and any implementing measure in each relevant Member State of the EEA (the "**Prospectus Directive**") ("**Qualified Investors**"). In addition, in the United Kingdom, this announcement is being distributed only to, and is directed only at, Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") and Qualified Investors falling within Article 49(2)(a) to (d) of the Order, and (ii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). The Offering will only be available to, and any invitation, offer or agreement to subscribe for, purchase, or otherwise acquire securities will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this announcement or any of its contents.*

Certain statements, beliefs and opinions in this press release are forward-looking, and reflect the Company's or, as appropriate, the Company directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. A multitude of factors can cause actual events, performance or results to differ significantly from any anticipated development. Forward looking statements contained in this press release regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. As a result, the Company expressly disclaims any obligation or undertaking to release any update or revisions to any forward-looking statements in this press release as a result of any change in expectations or any change in events, conditions, assumptions or circumstances on which these forward-looking statements are based. Neither the Company nor its advisers or representatives nor any of its subsidiary undertakings or any such person's officers or employees guarantees that the assumptions underlying such forward-looking statements are free from errors nor does either accept any responsibility for the future accuracy of the forward-looking statements contained in this press release or the actual occurrence of the forecasted developments. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release.

The date of completion of listing on Euronext Paris may be influenced by things such as market conditions. There is no guarantee that such listing will occur and you should not base your financial decisions on the Company's intentions in relation to such listing at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering such investments should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Offering. The value of the shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the Offering for the person concerned.

No announcement or information regarding the Offering may be disseminated to the public in jurisdictions outside of France where a prior registration or approval is required for such purpose. No steps have been taken, or will be taken, for the Offering or shares of the Company in any jurisdiction outside of France where such steps would be required. The application for or purchase of shares of the Company are subject to special legal or statutory restrictions in certain jurisdictions. The Company is not liable if the aforementioned restrictions are not complied with by any person.

BNP Paribas, HSBC France SA, Crédit Suisse, Commerzbank and Oddo are acting for the Company and no one else in relation to the Offering, and will not be responsible to anyone other than the Company for providing the protections offered to their respective clients nor for providing advice in relation to the Offering.

The Company assumes responsibility for the information contained in this announcement. None of BNP Paribas, HSBC France SA and Crédit Suisse, Commerzbank and Oddo or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company its respective subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.

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