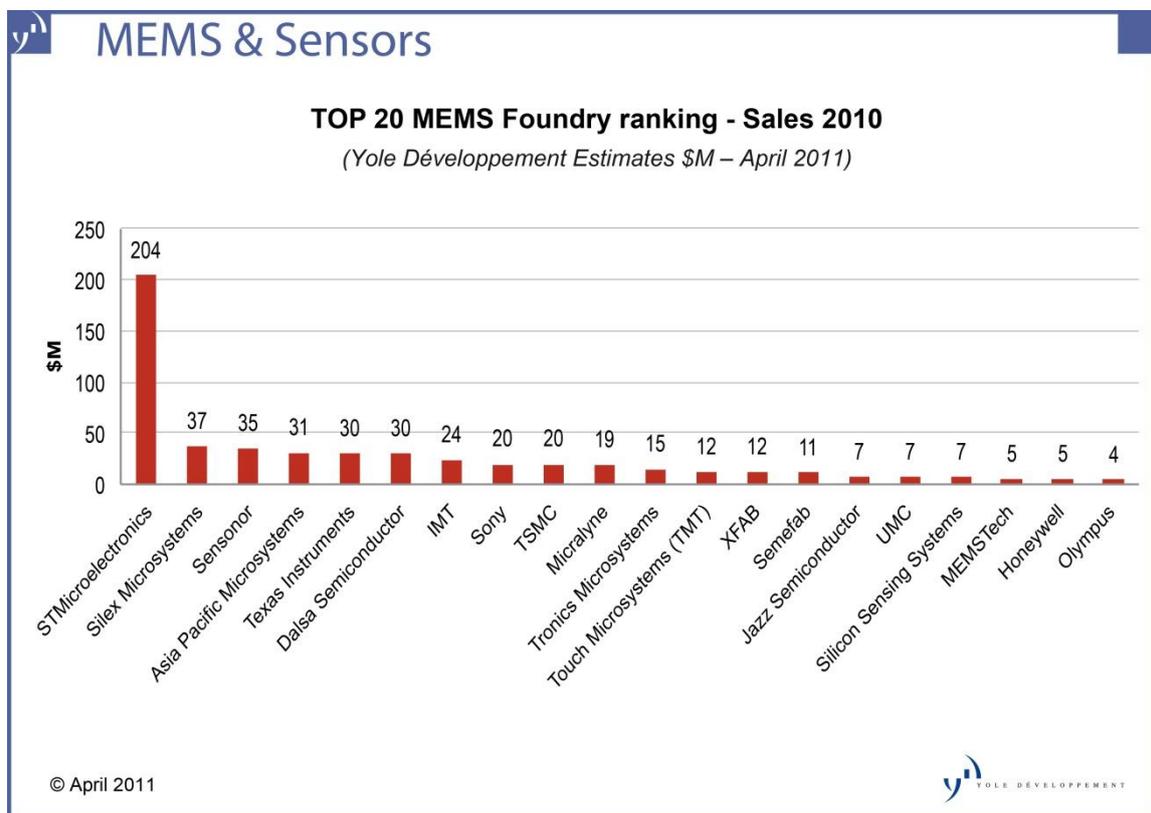


Growth at Top 20 MEMS foundries lags market, as IDMs capture volume consumer business

Lyon, France – April 27, 2011 – MEMS foundries shared unequally in the MEMS market’s robust 25% growth in 2010. Total combined revenues of Yole Développement’s annual ranking of the Top 20 MEMS foundries –which account for the vast majority of world’s total MEMS foundry capacity— climbed only about 10% last year, as companies doing their own internal production instead grabbed most of the big growth in consumer and automotive markets.



STMicroelectronics continued to dominate the MEMS foundry business, capturing nearly a third of the total foundry market, but there was plenty of re-shuffling among the rest of the leading players in this highly fluid sector. Silix Microsystems saw robust 85% growth to some \$37 million in sales, to become the largest of the pure play independents, largely on demand for its via-first, highly doped silicon TSV technology. Sales at Asia Pacific Microsystems jumped some 60%, to move the Taiwan company into fourth position.

But in a market largely driven by demand for high volume sensors for smart phones and other consumer gear, large MEMS IDMs with 8-inch lines and assured supply capability captured much of the new business. The IDMs also benefited from the robust recovery of the automotive market, as those qualified devices remain largely made in house. Smaller fabless companies generally saw slower growth, as they had to compete with the giants for volume orders.

“In the future, the large IDMs like Bosch, STMicroelectronics and Panasonic will continue to capture much of the big growth in consumer MEMS markets,” said Jean Christophe Eloy, CEO of Yole Développement. “And those foundries coming from the large volume semiconductor industry will become more and more important. The foundry business will increasingly be in other hands than before, as much of the growth will be captured by new players.”

Yole Développement estimates TSMC roughly doubled its MEMS revenues last year, to jump from about \$10 million to about \$20 million in MEMS foundry revenues. Other semiconductor industry companies like XFab, Jazz Semiconductor and UMC also saw healthy growth, though remain relatively smaller players. Though not yet large enough to make the list, SMIC’s MEMS foundry business is also growing, and Global Foundries plans an aggressive move into the MEMS market.

Though the specialty MEMS foundries may be serving lower volume customers, those applications include much specialized, higher margin business in optical, telecommunications and biomedical applications. “These foundries may not be seeing the same big growth, but they are making a good, profitable business,” says Eloy. And there’s a large and growing group of these larger specialty foundries increasingly separating themselves from the pack. Nine MEMS foundries now have revenues of about \$20 million or more, and six of those are now doing more than \$30 million in annual business. As recently as 2006, only five MEMS foundries reached the \$20 million mark.

Sensoror vaulted onto the list in number third position, with \$35 million in foundry business, as Infineon spun out the MEMS unit to make its tire pressure monitoring systems as a foundry. Texas Instruments, meanwhile, slipped to fifth place from second, on the slowing of demand for ink jet heads from Lexmark, as the maturing inkjet printer market slowed and transitioned from disposable to permanent heads.

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