

Xenics, A NEW IMEC SPIN-OFF, LAUNCHES ONTO THE INFRARED SPECTROSCOPY AND IMAGING MARKET

***Leuven, 3 October, 2000** --- IMEC has announced the creation of a new spinoff, Xenics NV, which will develop and market innovative infrared image sensors. These image sensors are based on a number of patented technologies and on key know-how, which in exchange for a shareholding, IMEC has brought to the new company via exclusive license agreements.*

The next decade will see a revolution in the infrared imaging and spectroscopy market with a shift to “uncooled”, low cost devices. It is Xenics’ vision that infrared cameras will be available in the future for €1.000 or less, opening a vast range of applications for their use.

Sales of infrared imaging devices have long been determined by the high costs of cryogenic cooling and complex production processes. To overcome these factors, Xenics has licensed two innovative technologies from IMEC, one based on new III-V semiconductor materials for infrared detection in the wavelength ranges from 1 to 5 micrometer and a second, based on poly SiGe micro-bolometers, that operates in the wavelength range from 8 to 12 micrometer.

Both technologies have the advantage of requiring less or no cooling; further, they allow volume production on large substrates such that economies of scale become a reality. Other advantages include low power consumption, small pixel size (reducing the array size and therefore the cost of optics or increasing the optical resolution), and the possibility of integrating a number of electronic functions together with the sensor on-chip. Using these technologies, Xenics aims to offer the best solution at optimum price.

The research that gave rise to these technologies began at IMEC in 1987, boosted in 1998 by the creation of a dedicated Detector Systems Group. Xenics plans to set-up an intensive collaboration program with this group in order to remain in the forefront of state-of-the-art infrared imaging technology. During start-up, the Xenics offices will be situated at IMEC.

Marketing Strategy

Current widespread applications for infrared spectroscopy and imaging systems include on-line quality control, process monitoring and predictive maintenance. In addition, these vision systems can be applied in the automotive industry for improved night vision or improved vision in bad weather conditions. Other applications lie in telecommunications, surveillance and medical fields.

Based on numbers from Maxtech International, Xenics forecasts that the worldwide market for infrared image sensors for civil applications will grow from \$210 million in the year 2000 to \$620 million by the year 2003, an average growth of 30 % per year. For some applications such as driver vision enhancement, growth rates of over 100% are predicted. For industrial process control and spectroscopic applications growth rates are as high as 26% and 55% per year respectively.

Xenics' first products will be a range of standard linear arrays for use in spectroscopy and for integration in line-scan cameras for on-line process monitoring. In a later phase, this line of products will be extended to 2D detector arrays.

The new company also intends to collaborate with IMEC on the development of infrared image sensors for applications in space, mainly for ESA, the European Space Agency. Xenics has received support from the ESA Technology Transfer Program that stimulates the start-up of new spin-off companies that will make space technology available for civil use.

Xenics will operate on an international scale initially targeting the European and the US markets. As a European company, Xenics has a clear advantage over its US and Japanese competitors who are subject to strict export limitations and government ruling.

Personnel

Xenics currently employs a staff of 7 people, with over 88 man-years' experience on infrared technology or in the infrared business. Several employees are former IMEC researchers. Some have over twenty years of experience in this field.

The company's CEO is Bob Grietens, a former IMEC employee who has been active in the field of infrared components and in business development. He commented: "IMEC has provided us with breakthrough technologies and know how. It is our challenge to convert this technology into leading-edge market products and to set up the organization that can support these activities. We are convinced that we have found a motivated and complementary group of investors that will allow us to succeed in our mission to become the infrared company of the future."

The first round of funding amounts to BEF125 million in seed capital. In addition to IMEC and its founders, the shareholders include a number of Belgian venture capital firms such as VIV, Dexia, and Equinox Capital management NV and various individual investors, including Jan Callewaert.

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About IMEC:

IMEC was founded in 1984 and today is Europe's leading independent research center for the development and licensing of microelectronics, and information and communication technologies (ICT). IMEC is headquartered in Leuven, Belgium, and employs nearly 1000 people, of whom 75 percent are highly qualified scientists and engineers. Its more than \$100 million revenue is derived from agreements and contracts with Flemish government, the EC, the European Space Agency and semiconductor companies worldwide. IMEC's activities concentrate on design of integrated information and communication systems; silicon process technology; silicon technology and device integration; microsystems, components and packaging; advanced training in microelectronics. IMEC has a sub 0,25-micron 200-mm pilot line and is ISO 9001 certified. News from IMEC is located at www.imec.be.

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