

TSMC buys into Motech

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The anticipated move by semiconductor foundry, TSMC into the solar industry has started with the purchase of a 20% stake in Motech Industries at a cost of approximately US\$193 million. TSMC becomes the single largest shareholder in the company. Motech is Taiwan's largest solar cell manufacturer. TSMC said that the investment in Motech would allow the foundry to enter the solar market faster than establishing its own operations and would now be better placed to evaluate its future solar strategy.

"We are delighted to partner with Motech in our pursuit of new opportunities in the high-growth solar sector," commented Dr. Rick Tsai, President of TSMC New Businesses. "With the investment, TSMC intends to leverage Motech's established platform to accelerate our time to market, better evaluate opportunities along the solar value chain, and further formulate our overall solar strategy."

"TSMC's investment affirms Motech's competitive position in the solar industry," said Dr. Simon Tsuo, Chairman and CEO of Motech. "TSMC's technology leadership and global management expertise would add significant value to Motech, as we strengthen supply chain integration and improve our operational efficiency. We plan to work closely with TSMC to address new business opportunities. We believe this partnership would further enhance Motech's leadership position in the solar industry."



Motech has been developing like many others, a vertical integration strategy that includes a majority investment in a polysilicon production plant operated by AE Polysilicon, which comes on stream soon, as well as ingot, through wafer and solar cell production. However, Motech also has plans to go further downstream and establish its own PV module production. The company has operations in both Taiwan and China.

The solar cell manufacturer has recently claimed average conversion efficiencies of more than 17.5% for its 5-inch mono-crystalline solar cells in volume production. Motech has targeted 18% conversion efficiencies by the end of 2010.

Motech is also expected to ship approximately 360MW of cells in 2009 and currently has a cell capacity approaching 600MW with plans to nearly double that capacity to between 800MW ~1GW in 2010. With the TSMC investment and new strategic partner, capacity expansion plans as well as further moves to expand its business downstream could now be accelerated.

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