

For Immediate Release

Sputtering Target Business for 2010 Climbs to \$600M

Techcet Forecasts \$750M Target Business Peak by 2012

North Plains, OR, June 27: The 2010 market for semiconductor sputtering targets totaled \$600M, up 39% from the prior year, according to a new report from Techcet Group, “**Sputtering Targets for Semiconductor Fabrication 2011, A Techcet Group Critical Materials Report.**” The 2011 outlook is for an additional 12% growth to \$670M, driven by the rising price of tantalum on top of the industry increase in wafer starts. The market is expected to peak at \$750M in 2012 before Ta prices return to more reasonable levels after 2013.

The market price of Ta during 2010 increased from \$40 to around \$150 per pound at the raw material end of the supply chain. By early 2011, target manufacturers were reporting a 2x increase in refined Ta cost, which continues to rise. Price shifting in China and a key Ta mine closure in Australia contributed to the steep increase in price. Geopolitical issues will continue to affect pricing on Ti, W, Cu, Co and Ru in the coming 1-2 years. Most dramatic among these has been Ru, which peaked at >\$400/toz (Troy ounce) in 2007, plummeted to ~\$80/toz in early 2009, and doubled to ~\$160/toz by early 2010.

The semiconductor sputtering targets market is dominated by four suppliers: JX Nikko Mining & Metals, Praxair-MRC, Tosoh SMD and Honeywell Electronic Materials, each with roughly equal global market shares that vary by region. The remaining market of less than 2% is shared by a handful of other suppliers.

The Techcet report discusses the changing technology drivers that will cause some of the target metal markets to grow faster than the industry overall, as well as the global issues that are affecting the market dynamics and supply chain stability for metal ore suppliers and refiners, and goes into detail on specific issues critical to each individual metal. The outlook for future metals usage as shaped by environmental concerns, legislative changes, and geopolitical issues are also discussed.

In addition to market analysis, critical supply chain issues and technical trends, the report includes profiles and news updates for the major suppliers to the global semiconductor sputtering targets industry.

Techcet Group, LLC specializes in technical trend analysis and market analysis for the semiconductor, silicon, PV and related electronics industries. The company has been responsible for producing the International Sematech Critical Material Reports since 2001. Other reports released this quarter include:

- CMP Consumables
- Photoresist and Photoresist Ancillaries
- Gases
- Wet Chemicals

For additional information about these reports, contact Lita Shon-Roy, lshonroy@techcet.com, +1-480-336-2160, or visit our website at www.techcet.com.

SOURCE: Techcet Group, LLC

© 2011 Techcet Group, LLC