



Press-release

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Umicore and Hydro embark on solar-grade silicon venture

Umicore and Hydro have decided to join forces in the production of solar-grade silicon used in the production of solar cells. The new company will be named HyCore and will have its headquarters in Porsgrunn, Norway.

HyCore's first step will be to construct a pilot plant at Hydro's industrial park at Herøya in Porsgrunn. The pilot plant, which will be completed in 2008, will have an annual capacity of around 20 tonnes of solar-grade silicon. A budget of € 26 million is foreseen for this phase. Provided the pilot programme proves successful, the intention is to construct a larger facility, also in Herøya, with the capacity to produce industrial scale volumes by 2010.

"The demand for high purity silicon has increased significantly in recent years and we expect the market to continue to grow in the years to come. Consequently we have great expectations regarding our investment", said Einar Glomnes, who is Head of Solar in Hydro.

Metallurgical silicon is found in abundance, but the demand for solar-grade purity has risen substantially, in line with the growth of the photovoltaics industry. Economical limitations of the traditional conversion technology have led to a shortage of solar-grade silicon, which has spurred the development of new technologies.

HyCore will utilize proprietary technology that Hydro and Umicore have developed for the conversion of metallurgical silicon to solar-grade silicon. The chosen technology approach is significantly more energy-efficient compared to the traditional processes and allows for a closed-loop approach whereby all major process consumables are re-used. Several patent applications have been filed by the partners.

"Hydro and Umicore complement each other regarding technological know-how in material science, industrial processes and technology development. The way we work is also very similar. We really look forward to a mutually rewarding partnership with Hydro", said Marc Van Sande, Umicore's Chief Technology Officer.

Umicore and Hydro started their joint technical development cooperation approximately 15 months ago. The two companies will own 51 and 49 percent of HyCore respectively, while Umicore will also be compensated for previously incurred research and development costs through a royalty and up-front payment of €2.5 million. Paul Mijlemans, formerly the head of Umicore's semiconductor wafer business for space photovoltaics, will be responsible for the management of the new company.

This joint venture is Hydro's third initiative within solar energy since November 2006 when it invested in the solar energy company, Norsun. Norsun will open a factory producing monocrystalline silicon wafers in Årdal, Norway. Hydro has also invested in the US company Ascent Solar, which is developing flexible, thin-film solar modules based on efficient roll-to-roll processing.

Umicore focuses increasingly on clean technologies and in particular on the development and production of materials and solutions in the areas of emission control, energy storage and innovative energy generation. It also is a world leader in the recycling of metals. This initiative fits in its current photovoltaics product portfolio, which already includes non-silicon-based materials for high-efficiency solar cells and thin-film applications.

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Umicore profile

Umicore is a materials technology group. Its activities are centred on four business areas: Advanced Materials, Precious Metals Products and Catalysts, Precious Metals Services and Zinc Specialties. Each business area is divided into market-focused business units.

Umicore focuses on application areas where it knows its expertise in materials science, chemistry and metallurgy can make a real difference, be it in products that are essential to everyday life or those at the cutting edge of new technological developments. Umicore's overriding goal of sustainable value creation is based on this ambition to develop, produce and recycle materials in a way that fulfils its mission: materials for a better life.

The Umicore Group has industrial operations on all continents and serves a global customer base; it generated a turnover of €8.8 billion (€1.9 billion, excluding metal) in 2006 and currently employs some 17,000 people.

Hydro profile

Hydro is a world-leading supplier of energy and aluminium, with 33,000 employees in nearly 40 countries. The company is a leading offshore producer of oil and gas, based on a strong position in the development of the Norwegian petroleum industry during the past 40 years, and a pioneer in renewable energy. Hydro is also the third-largest integrated aluminium supplier in the world.