

Molecular Imprints makes its mark with chip makers

Nanotech firm starts selling machines, scoring customers and investors

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Big things are coming in small packages for Austin-based Molecular Imprints Inc.

The company has finally started selling its machines, which go to the heart of how to take advantage of nanotechnology in the semiconductor industry.

Nanotechnology takes its name from the term nanometer, or one-billionth of a meter. It's the idea of using the smallest building blocks to create new technologies and products.

Molecular Imprints' machines use a technology licensed from the University of Texas to imprint silicon chips.

"It's like the wax seals used to close envelopes, which imprint a faithful replica," said CEO Norman Schumaker.

Semiconductor companies are designing increasingly smaller chips but are having trouble making them with existing technology. Molecular Imprints' equipment replaces the process of using optical lasers and traditional lithography techniques to print patterns on chips.

"They can do things with their machines that major semiconductor manufacturers can't do," said Josh Wolfe, managing partner of Molecular Imprints investor Lux Capital, which focuses on nanotechnology investments. "If they can do it, it's 10 times the price at what MI can do."

The 3-year-old company has sold three of its machines, which cost about \$1.5 million each. Among its customers is Motorola Inc., which is also an investor. And more semiconductor companies and universities from around the world are on a six-month waiting list to purchase the company's machines.

Molecular Imprints also recently hired former Sematech CEO Mark Melliar-Smith as its new chief operating officer.

So far, the company has raised \$30 million in venture capital. Its latest round of financing is expected to top another \$30 million by the time it closes March 31, the company said.

The company, which has 75 employees, hopes to hire more staff and sell 16 machines by the end of the year. By the end of the summer, the company will have labs in Germany, Japan and Southeast Asia.

Because equipment companies face high initial costs, Schumaker estimates that MI won't be profitable until 2006.

Nanotechnology has piqued the interest of investors looking for the next big money maker. But few of those companies have figured out how to use the technology to turn a profit.

"People who make money are the people who are providing tools to make nanotech," Wolfe said. "They become the legs of table."

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