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Microchip Technology to expand product line

Ed Taylor, Tribune

Microchip Technology, the Chandler-based semiconductor company that makes microcontrollers used in many consumer and industrial products, said it will expand its product line to include higher-end, more capable chips.

Called 32-bit microcontrollers, the new chips will be able to perform more tasks more quickly than the company's current lineup of 8- and 16-bit microcontrollers, said Patrick Johnson, director of the company's high-performance microcontroller division.

The new chips also have twice the memory capacity of the company's current top-performing chips, he said.

"A lot of our customers are designing products with more complex displays and other features that require better performance and more memory," Johnson said.

A microcontroller is a thumbnail-sized computer-on-a-chip that performs specific tasks needed for an electronic device to function.

An example is a microwave oven, which contains a microcontroller that processes instructions on the time and setting input by the user and causes the device to operate according to those instructions.

The bit number represents the number of instructions that a microcontroller can process simultaneously.

The higher the number, the more complex and capable the chip.

The worldwide 32-bit market is valued at more than \$3 billion and is expected to grow over the next five years, Johnson said.

The company expects to begin high-volume production of the new product line in the second quarter of 2008, he said. Production will take place at the company's plants in Tempe and Oregon, he said.

Some of the products that will use the more powerful microcontrollers are vehicle navigation systems, home electronic remote controllers, utility meters, medical equipment, pool and spa control equipment, home security systems and industrial controls.

An example is the new generation of "smart" utility meters that can be monitored remotely and can turn up thermostats to conserve energy during periods of peak use, Johnson said.

Tony Massimini, an analyst for Semico Research Co., a Phoenix-based market research firm, said the move into 32-bit products is a logical move for Microchip.

"They have taken control of the 8-bit market, but it has single-digit growth," he said.

"Thirty-two is double-digit growth."