



MEDIA CONTACTS:

Jason Isberg
Loomis Group
isbergi@loomisgroup.com
415-882-9494 x351

Steven Brewster
San Jose Office of Economic
Development
Steven.brewster@sanjoseca.gov
415-577-8851

Helen Duong
San Jose Redevelopment Agency
Helen.duong@sanjoseca.gov
408-795-1807

Intermolecular Reaffirms Commitment to San Jose with Major Headquarters Expansion

*Technology-platform company expands operations and adds jobs
with support from city's innovative Clean Tech Careers Fund*

SAN JOSE, Calif., March 8, 2011 – In a move that is expected to bring over 125 new jobs and significant capital investment to San Jose, fast-growing Intermolecular, Inc. has expanded its operations at a new headquarters campus at 3011 N. First Street.

Intermolecular, which has been based at 2865 Zanker Road in San Jose since 2006, provides innovative equipment and services that greatly accelerate research and development for semiconductor and clean-energy companies. Much of the company's work is performed in Collaborative Development Programs (CDPs), in which joint research teams utilize Intermolecular facilities, equipment, and Informatics software to conduct large numbers of experiments and quickly analyze the resulting data.

The First Street facility, former home of Novellus Systems, is located in San Jose's premier high-tech corridor and will support these efforts as well as engineering and other corporate functions with 146,000 square feet of cleanrooms, laboratories, and office space.

Intermolecular has already invested over \$3 million in improvements, including new state-of-the-art processing and test equipment, and also plans to hire over 100 new employees, including engineers, technologists, and administrative staff. This will bring the company's full-time San Jose employee base to about 250. Plans call for multi-million dollar investments in specialized R&D equipment and software in each of the next two years.

"This is great news for our local economy and I'd like to thank Intermolecular for their partnership and commitment to growing here in San Jose," said Mayor Chuck Reed. "Since Intermolecular first approached me a year ago about expanding their presence, we have been working at the speed of business to help facilitate their growth. I'd also like to thank the Silicon Valley Leadership Group for their role in helping San Jose retain innovative companies, like Intermolecular, and the jobs that they create."

Support for Intermolecular's expansion has been provided by a number of organizations. Equipment purchases have been aided by the San Jose Redevelopment Agency, which provided \$400,000 in Capital Equipment

Assistance last summer, and the San Jose Office of Economic Development, which provided \$200,000 in Community Development Block Grant (CDBG) funds from the city's Clean Tech Careers Fund.

"Redevelopment plays a critical role in helping tomorrow's industries take root and create jobs needed to pull San Jose and the entire state out of the current economic slump," said Harry Mavrogenes, executive director, San Jose Redevelopment Agency. "Redevelopment remains one of only a couple tools we have to make California a competitive business destination in the face of strong national and international competition."

In return for the CDBG funds, which support green technology companies that are creating jobs and promoting economic recovery by expanding in or relocating to San Jose, Intermolecular was required to create at least six new job opportunities by June, 2011, with at least 51 percent made available to low- and moderate-income residents. The company has already met this goal, adding eight new jobs.

"We are pleased to maintain our headquarters and development facilities in San Jose, which has been an ideal growth environment for Intermolecular," said David Lazovsky, Intermolecular president and CEO. "Our expansion is being driven by increasing customer demand for Collaborative Development Programs, in which Intermolecular team members work with customer teams to accelerate R&D and get products to market faster. Our unique, proprietary innovation platform leverages our High Productivity Combinatorial technology to increase R&D productivity by 10-100X relative to conventional approaches, and our customer-centric approach has been proven to bring new technologies and products from initial discovery to high-volume production with unprecedented speed and much lower costs than traditional R&D methods."

"By creating jobs and promoting economic recovery in the City of San Jose, Intermolecular is capitalizing on our local R&D talent pool, location advantages, and mindset to build smarter, shorter value chains that add value locally and further San Jose's position as a Top-10 U.S. manufacturing city," said Kim Walesh, director, San Jose Office of Economic Development and chief strategist, City of San Jose.

###

About Intermolecular

Intermolecular, Inc. delivers High Productivity Combinatorial™ (HPC) technology products and services that enable customers in the semiconductor and clean energy sectors to maximize their R&D ROI. The company's Tempus™ HPC(TM) Platform provides manufacturers and their supply chain companies with integrated processing, characterization and informatics systems that exponentially accelerate learning in materials discovery, process development and IC device integration. Customers apply Intermolecular's technologies in their R&D projects through Collaborative Development Programs (CDPs) with Intermolecular's multidisciplinary team, through purchase of Tempus platforms, or by licensing of IP developed and qualified by Intermolecular. Leveraging HPC technologies to quickly develop, integrate and electrically test multiple alternative solutions, at minimum cost and risk, customers obtain unique IP and time-to-market advantage. Founded in 2004, Intermolecular is based in San Jose, California. A more detailed description of the Tempus HPC platforms and information about customer projects are available at www.intermolecular.com.

ABOUT SAN JOSE'S GREEN VISION

On October 7, 2007, Mayor Chuck Reed introduced San Jose's Green Vision, which sets 10 ambitious goals for environmental protection and economic development. This 15-year plan envisions: creating 25,000 Clean Tech jobs; building or retrofitting 50 million square feet of green buildings; installing 100,000 solar roofs (1/10 the 1 million solar roofs for the State of California initiative); reducing per capita electricity use by half; becoming a zero waste city; recycling and reusing 100 percent of the city's water; and moving to 100 percent renewable energy. San Jose, the nation's tenth largest city, already is a leader in clean energy and solar innovation, with leading corporations such as SunPower, SoloPower, Stion, Nanosolar, Echelon, SunWize, Sopogy, and others headquartered in the city. For more information, visit www.sanjoseca.gov/greenvision/.

SAN JOSE REDEVELOPMENT AGENCY

The Agency is dedicated to improving the quality of life for all who live and work in San Jose. Governed by the City Council acting as the Redevelopment Agency Board, the Agency facilitates and oversees comprehensive programs for development to revitalize and strengthen quality of life and competitiveness for San Jose's downtown, neighborhoods and industrial areas. For more information, visit www.sjredevelopment.org.

ABOUT THE CITY OF SAN JOSE'S OFFICE OF ECONOMIC DEVELOPMENT

The City of San Jose's Office of Economic Development (OED), part of the San Jose Office of the City Manager, catalyzes job and revenue growth, assists business success, connects employers with trained workers, and enhances cultural amenities. For more information, please visit, www.sjeconomy.com.

ABOUT THE CITY OF SAN JOSE

From its founding in 1777 as California's first city, San Jose has been a leader, driven by its spirit of innovation. Today, San Jose stands as the largest city in Northern California and the Capital of Silicon Valley—the world's leading center of innovation. The city, the 10th largest in the U.S., is committed to remaining a top-ranked place to do business, to work and to live. For more information, visit, www.sanjoseca.gov.

###