

THEVA SIGNS LICENSE AGREEMENT WITH IBM

Effective as of January 1, 2004, THEVA and International Business Machines Corp. (IBM) signed a worldwide non-exclusive patent license agreement for use of YBCO coatings and bulk material.

High temperature superconductivity of ceramic compounds was discovered in 1986 by Bednorz and Müller at the IBM research center in Zurich (Switzerland). Soon after this Nobel Prize winning breakthrough, IBM researchers at Yorktown Heights (NY) began work on synthesizing YBCO and other commonly called 123 - compounds exhibiting transition temperatures in excess of 90 K. It was at Yorktown Heights where the first attempts to grow thin films of the new compounds by evaporation were successfully carried out.

Originating from these activities, IBM holds the rights to a variety of important intellectual property in high temperature superconductivity. Among these are the patent families US 5,447,906 and US 5,863,869 relating to HTS films and their fabrication, and EP 281753, relating to the manufacturing of bulk superconductors including YBCO. Through the subject agreement, THEVA has been granted a worldwide license under these patent families.

THEVA is the world's largest manufacturer of YBCO - films for electronic as well as power applications and is a leader in the development of epitaxially coated conductors fabricated by deposition of HTS - films on flexible metal substrates.

This licensing agreement reflects THEVA's longstanding strategy to firm up its leadership position in the high temperature superconductor business. It gives us maximum freedom in the further development and expansion of our technology. We have signed a similar license agreement for the basic YBCO material composition with Lucent Technologies Inc. last year. In combination, the two license agreements cover all basic material related aspects of the 123-compounds.

For our customers, these license agreements are extremely important as they afford them safe use of these materials in their product development without having to face direct future claims related to the materials provided by THEVA.

AGREEMENT SECURES
WORLDWIDE NON-
EXCLUSIVE ACCESS TO
IBM'S IMPORTANT
INTELLECTUAL
PROPERTY IN HTS

LICENSE REFLECTS
THEVA'S STRATEGY
TO FIRM UP ITS
LEADERSHIP POSITION
IN HTS BUSINESS