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**DEMAND FOR SUPERCAPACITORS EXPECTED TO SURGE**

Consumer electronics and large energy storage applications will power significant growth through 2014 for supercapacitors, says Lux Research.

**Boston, MA** – June 10, 2009 – While Li-ion batteries temporarily dampened enthusiasm for capacitor-based storage, demand for power-hungry applications has sparked a resurgence of interest in supercapacitors. The overall market is expected to expand from \$208 million last year, to an \$877 million market in 2014, according to a new report from Lux Research.

Signifying a CAGR of 27%, that spells opportunities for both current and future players in the supercapacitor market, and for investors as well. But the Lux report, entitled “Bridging the Gap with Supercapacitors: a Tale of Two Markets,” reveals a few caveats on how best to approach those opportunities.

“Our analysis revealed something that has largely been ignored so far,” said Jacob Grose, a Lux analyst and lead author of the report. “Namely, that the supercapacitor market is divided between two sub-segments: large multinational players are going after electronic applications, while the pure-plays are targeting large-size storage applications.”

Lux’s report is divided as well. Its first section explains the basic technologies enabling supercapacitors, and what properties make these devices attractive. The second half explores opportunities in each of the market’s sectors, including their potential size and growth, and how individual companies are poised to capitalize.

Incumbent supercapacitor players will find the report offers comparative analysis of future growth opportunities for each sub-segment, while companies arriving late to the game will learn what technologies offer appealing entry points to the market. Prospective investors will also find insights into which individual companies are best positioned to compete in their respective sectors.

The report derives its intelligence, in part, from interviews with 19 supercapacitor manufacturers and four application developers in different application areas. Among its key conclusions:

- **Cell phones and digital cameras will drive adoption in electronics.** Multimedia cell phones and autofocus cameras both impose high pulse power demands that batteries and conventional capacitors are poorly equipped to provide. This will spark supercapacitor growth in consumer electronics from \$122 million in 2008 to over \$550 million in 2014.
- **Transportation will drive large supercapacitor applications.** It takes a lot of power to get a large bus or truck moving, which will fuel demand for most large supercapacitor applications. Wind turbines are another key opportunity, although relatively high

supercapacitor prices will limit adoption rate. Overall, large storage applications are expected to expand from \$86 million last year, to over \$320 million in 2014.

- **Commoditization of carbon-based supercapacitors will give large players an edge.** Carbon-based supercapacitors – which will define the market for the foreseeable future – are a relatively undifferentiated technology composed of base materials in very price sensitive markets. That creates a textbook case for commoditization, wherein high volumes will help to lower costs, and allow large players to gain more market share.

“As volumes increase, we expect large players including Panasonic, NEC - Tokin, and Maxwell Technologies to benefit most from economies of scale,” said Grose. “As that trend unfolds, the market may see more diversification as large companies bolster their portfolios through acquisitions of smaller firms.”

“Bridging the Gap with Supercapacitors: a Tale of Two Markets,” is part of Lux Research’s Alternative Power and Energy Storage Intelligence service. Clients subscribing to this service receive continuous research on the industry, as well as market trends and forecasts, ongoing technology scouting reports, and proprietary data points in the weekly Lux Research Alternative Power and Energy Storage Journal, and on-demand inquiry with Lux Research analysts.

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