IXYS and GMCH Enter Into an Agreement for Chip Manufacturing

May 5, 2011 -- IXYS Corporation (NASDAQ:IXYS) and General Motors Components Holdings (GMCH) jointly announced today that they have entered into an agreement for the fabrication of power semiconductor wafers.

IXYS was founded originally as a fabless power semiconductor company, with global foundry relationships with selected world class semiconductor manufacturers. However, to create and retain proprietary technologies, IXYS developed its own in-house capabilities. Thus, IXYS owns and operates wafer fab facilities for its highly proprietary products in Germany, the UK and the USA. As the demand has been increasing for IXYS’ specialized products, it has been IXYS’ strategy to increase its internal and external wafer fab capacities.

IXYS initially was selected by GM’s Delco division in 1990 to develop the specialized power semiconductors for the legendary electric car, the EV1, for manufacturing at the Kokomo, Indiana wafer fab. Given the growing importance of power semiconductors for transportation industries, including for electric trains, cars, electrical and hybrid vehicles (“EVs”, “HEVs”), it is a strategic fit for IXYS to engage with GMCH in order to establish a large scale power semiconductor wafer fabrication base in the USA.

"IXYS is looking forward to this new page in our historical relationship with GMCH in order to expand high power semiconductor fabrication in the USA by moving production into the domestic fab that GMCH owns. It is our long term strategy to penetrate the growing opportunities in the automotive market with GMCH for a wide range of our power semiconductors, including our power modules. As a U.S. company that pioneered high power MOSFETs and IGBTs, we are proud to work with GMCH in establishing a solid U.S. base for fabricating some of our power semiconductors. The proven manufacturing and technical skills of the GMCH team in Kokomo will enable us to expand our capacity rapidly, to improve our domestic supply chain, and to serve our worldwide customers with cost effective, high quality ‘made in the USA’ products,” commented Dr. Nathan Zommer, Founder and CEO of IXYS Corporation.

“In light of the recent growth that we have experienced, we have looked to increase our manufacturing capacity. Our customers desire multiple sources for our products, especially wafer fabrication. We have been using our Clare fab in Massachusetts, which is essentially a high voltage integrated circuit wafer fab, to augment our power semiconductor wafer needs. However, the capabilities and capacity that GMCH will make available to us can address our potential growth needs beyond the capacity of the Clare fab, which may provide us great operational benefits in the USA,” commented Uzi Sasson, President of IXYS Corporation.

In 2010, the GMCH Kokomo Operations began making its manufacturing capabilities available to customers beyond Delphi and General Motors. Currently, this plant employs over a thousand people at a facility with over two million square feet of manufacturing space. It continues to produce industry
leading components including semiconductors, engine and transmission control modules, crash sensing and diagnostics modules, pressure sensors for engine management and occupant detection, body computer modules and power electronics modules primarily for the automotive industry. To learn more about GMCH Kokomo, click here: www.kokomogmch.com

**About IXYS**

Since its founding in Silicon Valley, IXYS Corporation has been developing technology-driven products to improve energy conversion efficiency, generate clean energy, improve automation, and provide advanced products for the transportation, medical and telecommunications industries.

IXYS, with its subsidiaries (Clare, MWT, Westcode and Zilog), is a worldwide pioneer in the development of power semiconductors, solid state relays, high voltage integrated circuits, and microcontrollers that are necessary in conserving energy and in reducing the world’s dependence on fossil fuels.

Diminishing natural resources, demand for renewable energy and environmental directives for energy efficiency represent a significant challenge. IXYS’ power semiconductors and mixed-signal integrated circuits play a vital role in reducing energy costs and consumption by optimizing the energy efficiency of everyday products.

Additional information may be obtained by visiting IXYS’ website at http://www.ixys.com, or by contacting the company directly.

**About GMCH, LLC Kokomo Operations**

General Motors Components Holdings, LLC is a wholly owned subsidiary of General Motors. Its Kokomo Operations Electronics Manufacturing Center consists of Kokomo Semiconductors, Kokomo Thick-Film Printing and Kokomo Electronics Assembly. These three synergistic business units provide a comprehensive range of Electronics Manufacturing Services for high-reliability applications. To learn more visit www.kokomogmch.com.

**Safe Harbor Statement**

Statements in this press release regarding IXYS' business that are not historical facts are "forward-looking statements" that involve risks and uncertainties, including, but not limited to the growing importance of power semiconductors for transportation industries, the expansion of high power semiconductor fabrication in the USA, our long term strategy for the automotive market, the expansion of our capacity, the improvement of our supply chain, the service to our customers, our potential growth needs and operational benefits. Actual results may vary materially from those contained in the forward-looking statements, due to changes in customer delivery schedules, the cancellation of orders, an unanticipated decline in our business, increased competition, cash flow difficulties, unanticipated technological hurdles, adverse changes in customer demand or production difficulties experienced or decisions made by external foundries or assembly houses as well as other risks detailed from time to time in our reports filed with the Securities and Exchange Commission. Further information on other factors that could affect our operations is detailed and included in our Form 10-Q for the fiscal quarter ended December 31, 2010, as filed with the Securities and Exchange Commission. IXYS undertakes no obligation to publicly release the results of any revisions to these forward-looking statements.