

PHILIPS SPINS OFF TRIMEDIA GROUP

By Peter N. Glaskowsky {4/17/00-03}

Philips has spun off its TriMedia architecture group to create a new company, TriMedia Technologies. The new company starts life with about 70 employees and is based in Silicon Valley. It will be set up as an IP vendor much like ARM or MIPS; it will design cores and

software, but it will not sell chips. Philips will retain its TriMedia product-development group, which produced the TM-1300 and is currently working on the CPU64-based TM-1400 (see *MPR 10/26/98-07*, "Philips Advances TriMedia Architecture").

Both Philips and Sony have made investments in TriMedia Technologies. Sony is using a TriMedia processor in some of its rear-projection TV sets. We interpret Sony's support for the new venture as an indication Sony intends to make wider use of the TriMedia architecture in future products. Sony has not said if it will design or manufacture its own TriMedia processors, however.

The spinoff should make it easier to sell TriMedia chips into the consumer-electronics market. Philips, which

is a major player in this market, may have found it difficult to sell TriMedia to its competitors. These competitors may have been reluctant to buy from Philips or concerned that their product plans could have leaked through to Philips's other divisions.

Philips and Sony have not disclosed details of their investments in TriMedia Technologies or of their respective shares in the new company, though Philips acknowledges its stake is more than 50%. Philips says it hopes to attract additional investors in the new company, eventually diminishing Philips's ownership in TriMedia Technologies to a minority share.

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