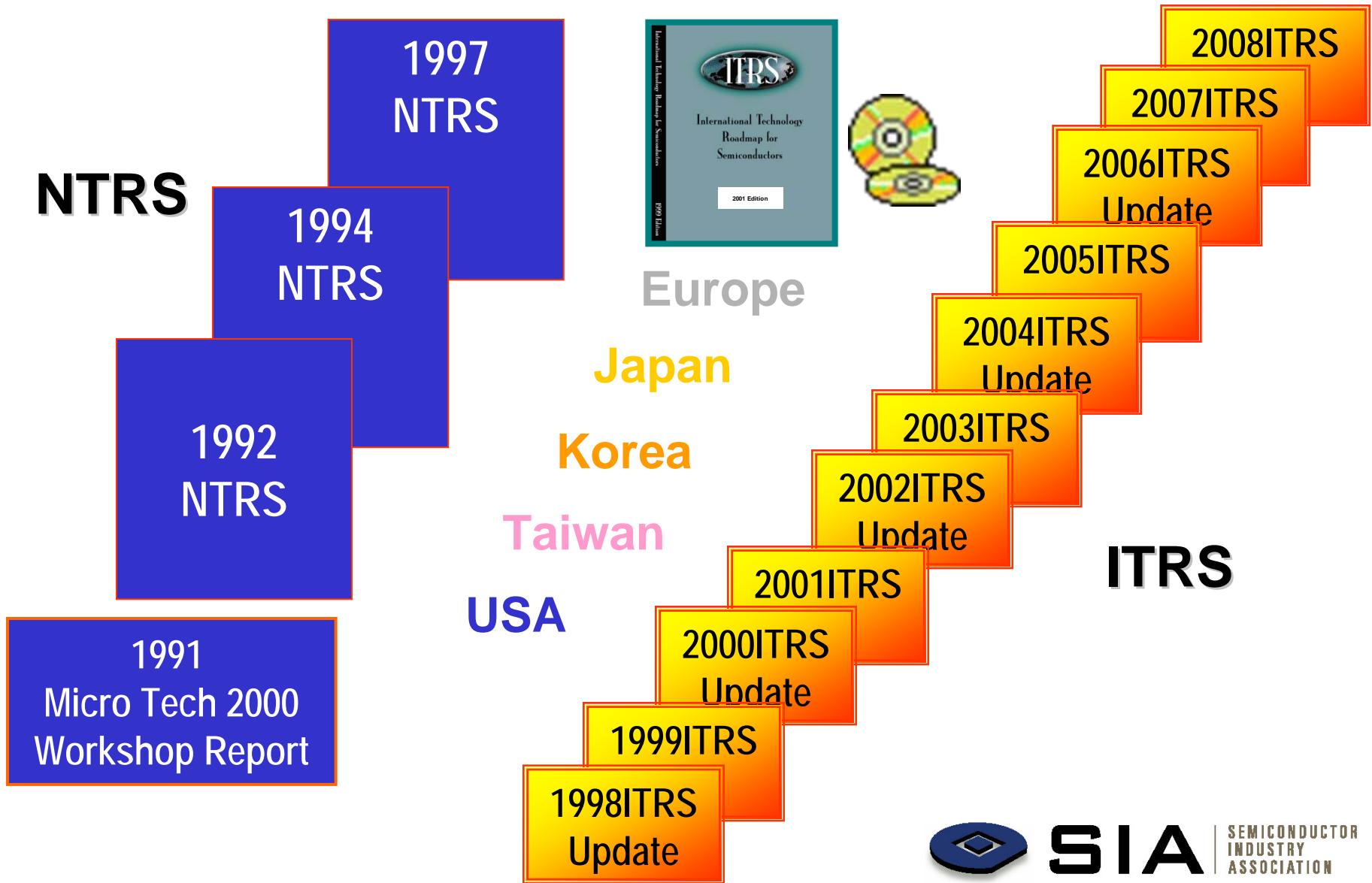


ITRS Executive Panel of Keynotes

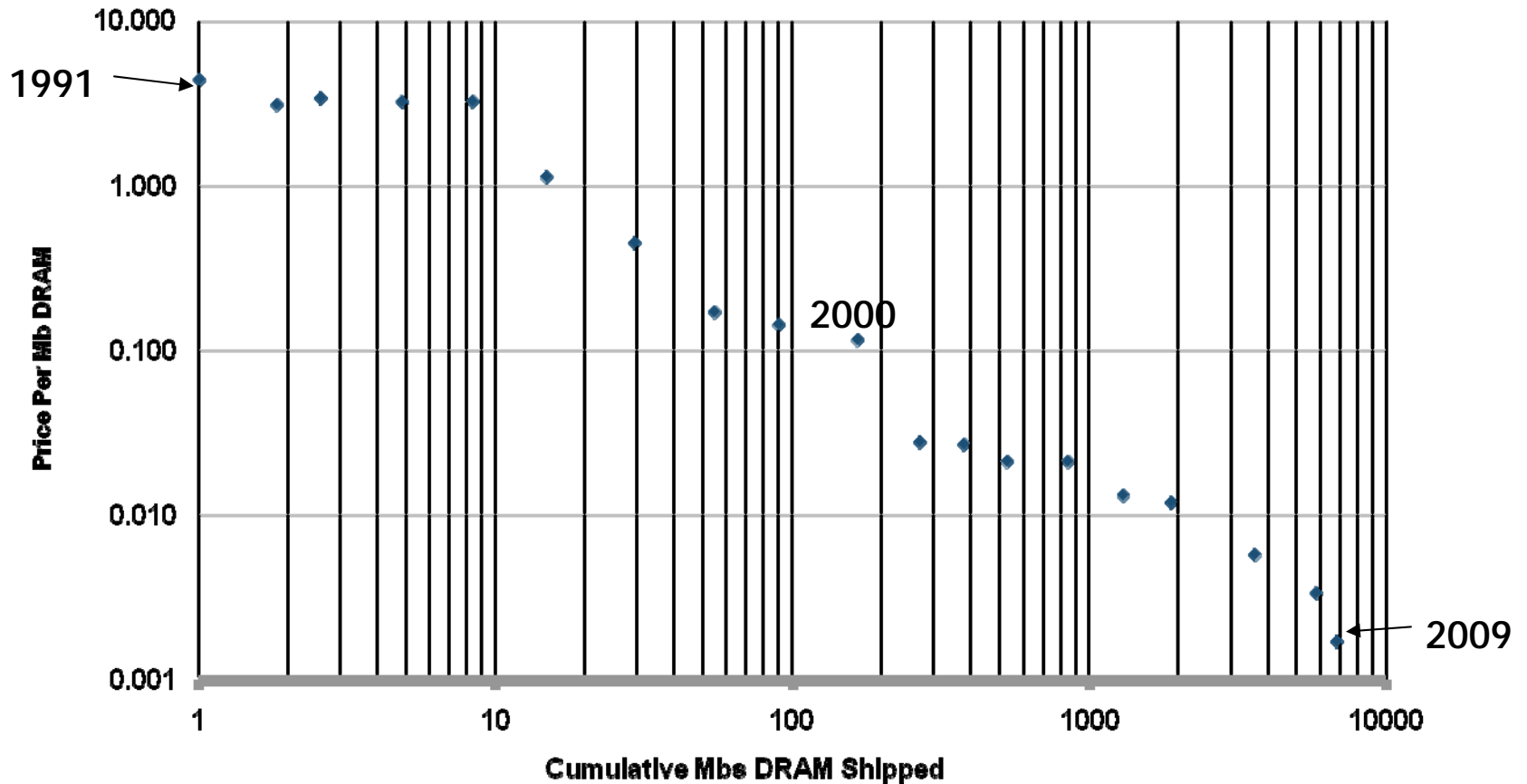
The Future of Innovation

**Implications of Today's Trends on Tomorrow's
Technology**

Semiconductor Roadmap History

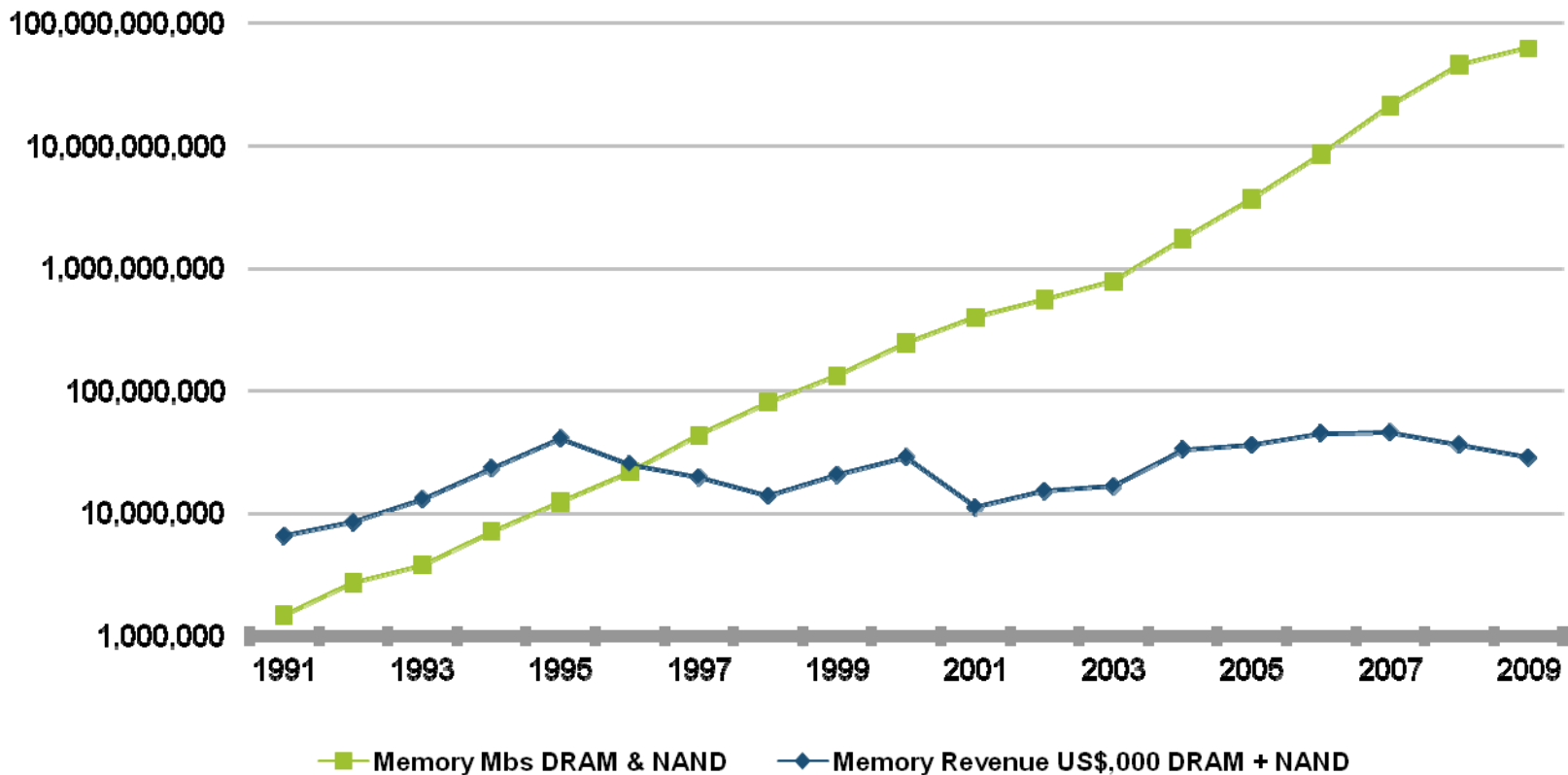


The Industry Has Innovated At An Incredible Pace



Source: iSuppli, Company Reports

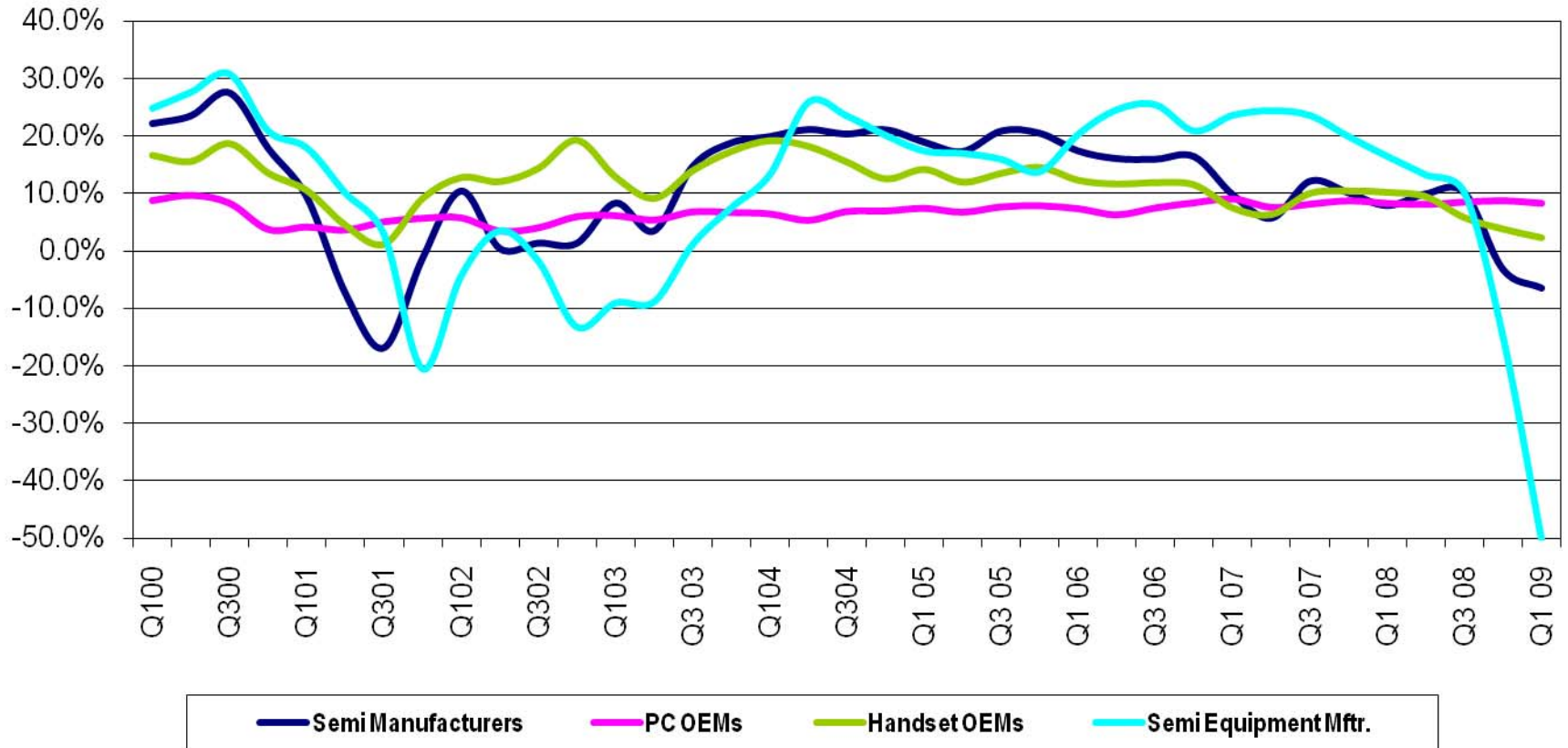
Financial Rewards Have Not Kept Pace With Technology Innovation



Source: iSuppli, WSTS

Semiconductor Operating Margins Have Been Falling

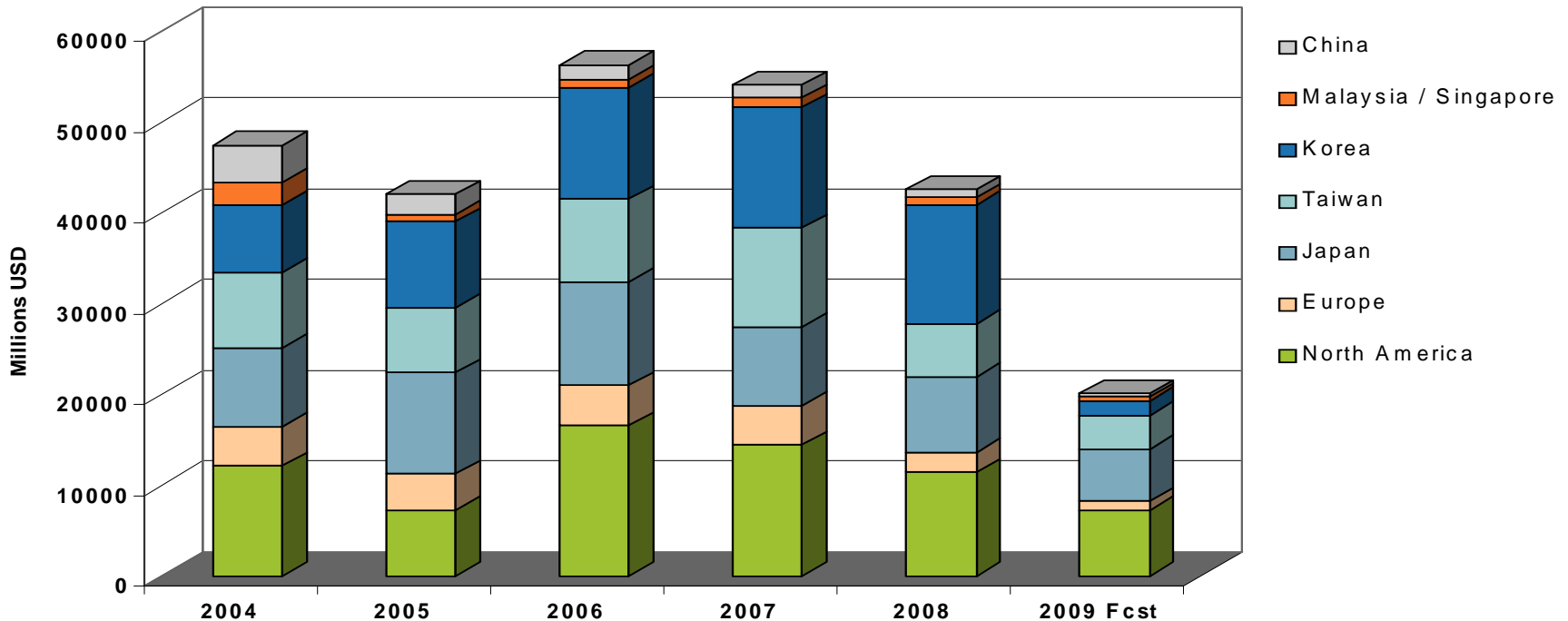
Operating Margin by Electronic Industry Segment



Source: iSuppli, Company Reports

Semiconductor Makers Are Investing Less In Manufacturing Capex

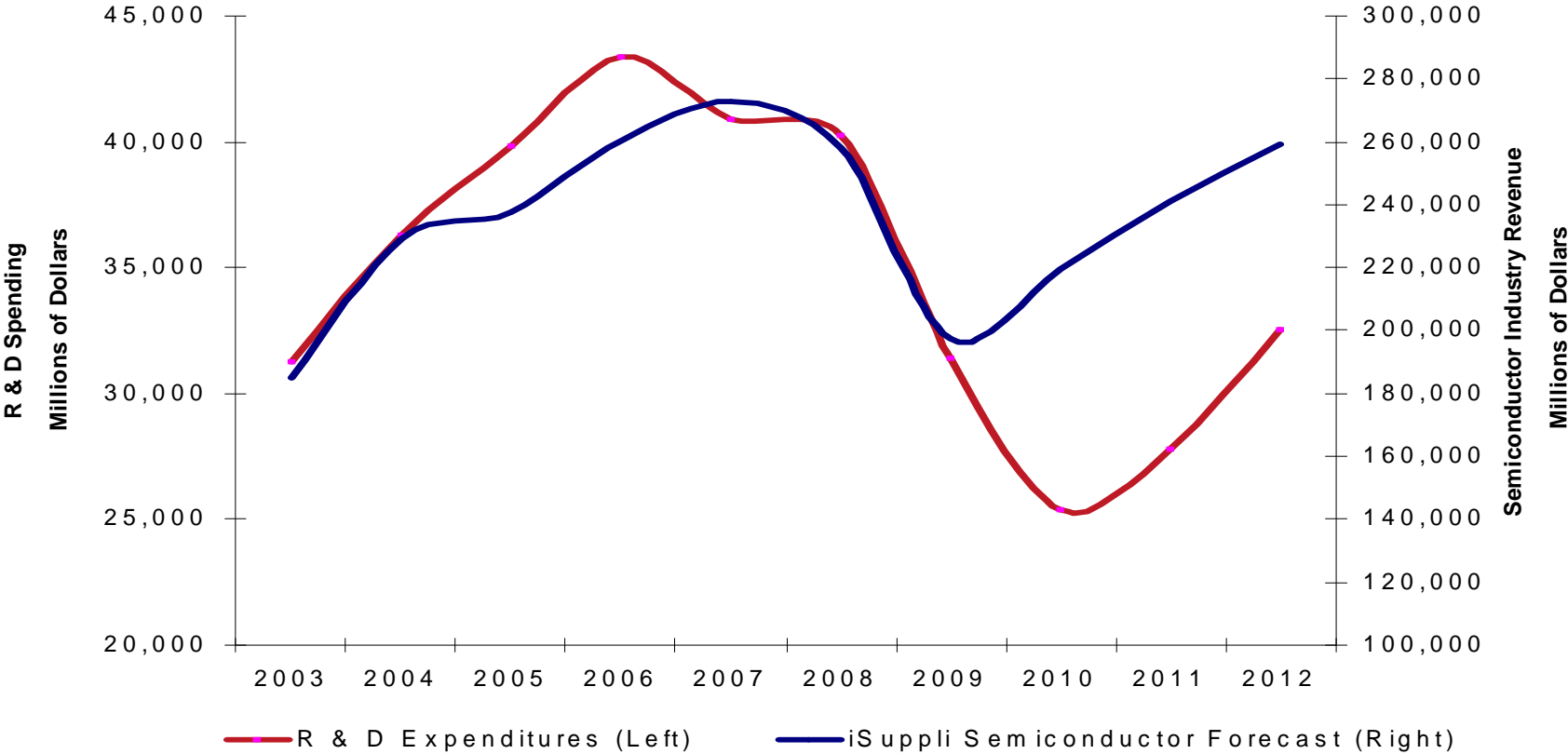
Global Semiconductor CAPEX
2004 - 2009 Forecast



Source: iSuppli, Company Reports

Semiconductor Revenue and R&D Investment Will Fall Precipitously

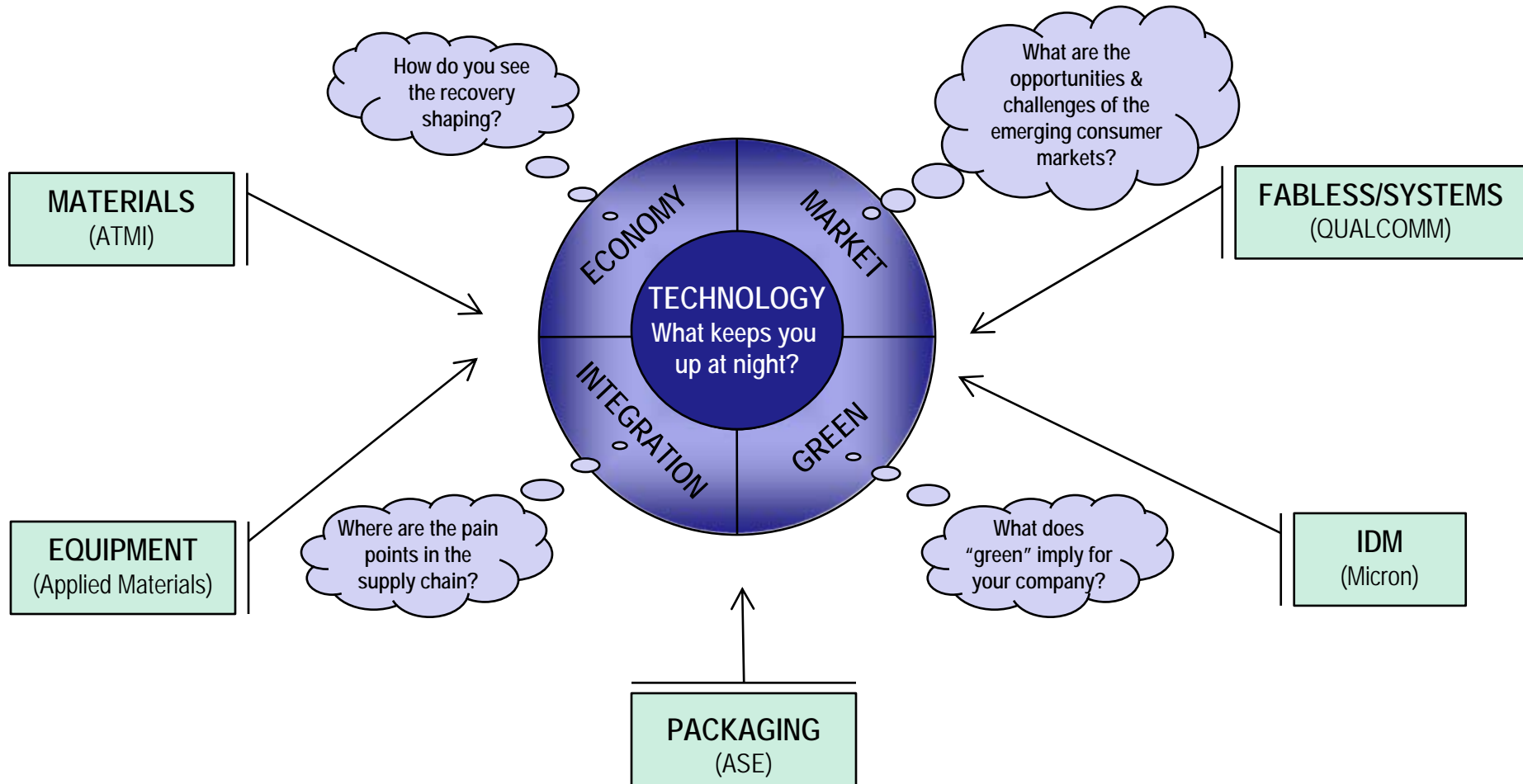
Semiconductor Revenue and Corporate R & D Expenditures



Source: iSuppli, Company Reports

ITRS Keynote Panel 2009: The Future of Innovation

San Francisco, CA



BACK-UP

Source: iSuppli, Company Reports

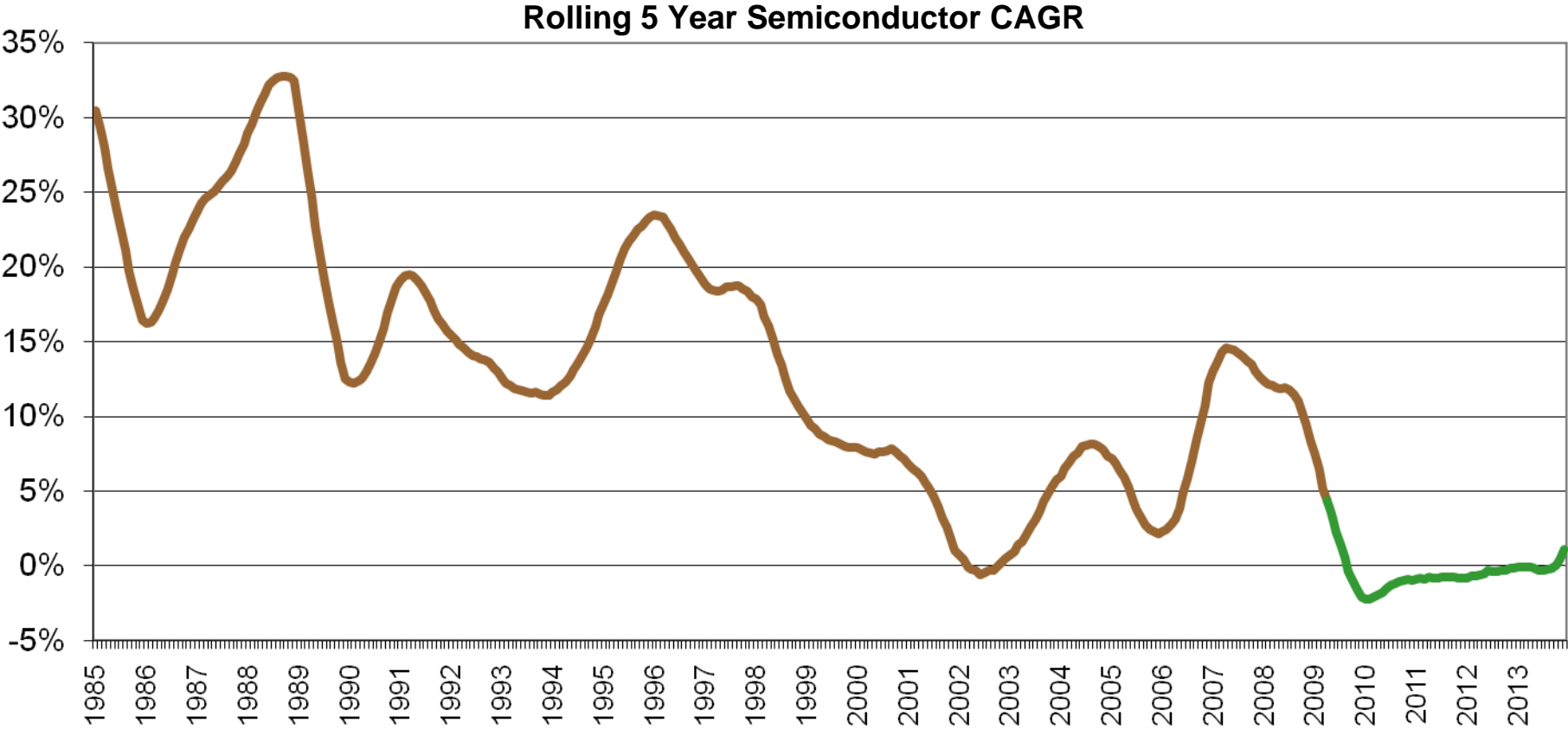


Equipment Companies Face Shrinking TAM

- ❖ Reduction in the total number of manufacturing facilities represents a shrinking TAM for equipment suppliers
- ❖ Manufacturing alliances and 3rd party manufacturing solutions provide IDMs and fabless companies the optimal ROI but hinder equipment company profits
- ❖ Declining industry revenue forces declines by chip companies in R&D expenditures impacting development of next generation technology as well as the installation of next generation tools

Source: iSuppli, Company Reports

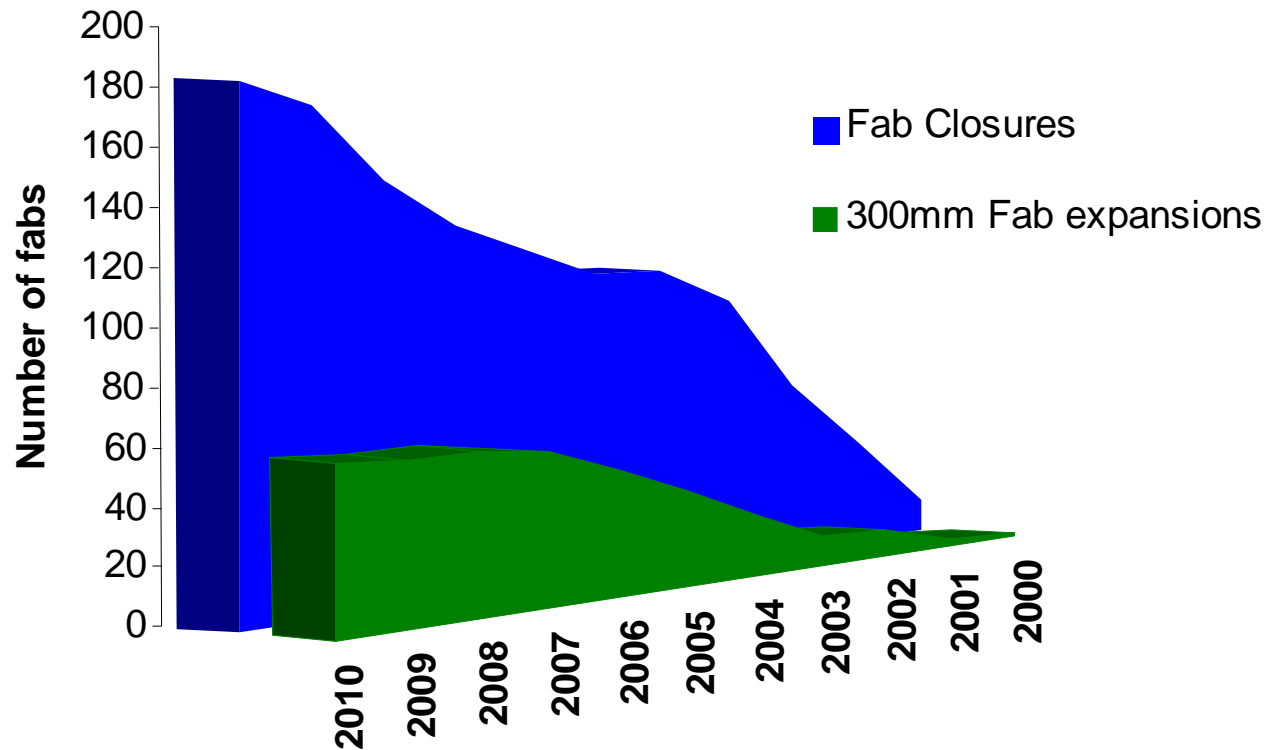
The Semiconductor Industry Growth Rate Has Slowed



Source: WSTS and iSuppli

Equipment Companies Face Shrinking TAM

Chip Industry Manufacturing Consolidates Cumulative Fab Closures & Installations



Source: iSuppli, Company Reports