

**Semico Press:
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Semico Research Corp. Announces Latest IPI Indicator Signaling Impending Slowdown

PHOENIX, AZ, July 21, 2004 Semico Research Corp., the premier market research firm, today announced the latest Semico Inflection Point Indicator (IPI) declined from the previous month, signaling an impending slowdown in 2005. The IPI peaked two months ago, and the company will rely on the historical accuracy of its forecasting tool as a critical indicator of the industry status for the first half of 2005. The decline in this month's IPI is the first real evidence the market will experience a downturn beginning in early 2005.

Semico forecasts worldwide revenues will increase by 33.8% this year, reaching \$222.6 billion. Additional strength in pricing could drive the percentage growth into the upper 30's. Next year – in line with the IPIs prediction of a slowdown – Semico forecasts the market will decline 6.8% in revenue.

"The 2004 semiconductor market conditions are very similar to what occurred in 2000," according to Jim Feldhan, president of Semico Research Corp. "Both 2000 and 2004 are characterized by strong GDP growth, an election year, and upgrades and growth in the cellular phone market. New cellular subscribers, smart phones, and camera phones are a key factor in driving semiconductor demand," Feldhan continued. In 1999 and 2000, total worldwide semiconductor revenue shipments increased 18.9% and 36.8%, respectively. Similarly, the market increased by 18.4% in 2003, and is forecast to grow between 34 and 39% in 2004.

Semico's IPI is calculated and published monthly in the Semico IPI Report. IPI Service subscribers also receive Semico's in-depth quarterly semiconductor forecast report detailing annual, quarterly, and regional forecasts for a number of categories including total semiconductors, Micro Logic, linear, and MOS Memory.

Semico Research Corp is a marketing and engineering research company located in Phoenix, Arizona. Semico was founded in 1994 by a group of semiconductor industry veterans who believed that the validity of semiconductor product forecasts could be greatly improved if the forecasts were based on semiconductor consumption in end-use markets. Semico forecasts, today, are based on that idea. Corporate Headquarters: P.O. Box 9850 Phoenix, AZ 85068-9850 Tel: 602-997-0337 Fax: 602-997-0302 Web: www.semico.com