

The logo for Tekrati, featuring the word "Tekrati" in a white serif font centered on a dark purple square background.

### **Semico's Fab Database Confirms Bullish Capex Outlook**

<http://www.tekrati.com/research/News.asp?id=7143>

Semico Research Corp. - May 30, 2006

Semiconductor manufacturers are picking up the pace of capacity additions in the second quarter of 2006, according to Semico Research Corporation. As advanced node utilization rate reaches 100 percent, companies are accelerating or initiating build out of existing fabs and investment in new fabs. The semiconductor analysts expect capex to rise in both 2006 and 2007.

"A review of the ramping and planned fab database substantiates Semico's bullish outlook on fab capacity growth and capex," commented Dave Cavanaugh, Director of Manufacturing Technology at Semico. "Specifically, even with the capacity additions currently projected to come on line in the next two years, substantially more capacity must be built to meet Semico's projected wafer demand."

Currently, the Semico fab database indicates planned additions of 3.4 million wafers per month in 200mm wafer equivalents. Semico's fab database reveals that the bulk of new capacity, some 69%, is projected to manufacture memory products with a trend toward NAND flash capacity addition in 2006. Furthermore, a significant amount of the new memory capacity will be built by various joint ventures underlining the great burden in financing the large new fabs (averaging over 80K WPM 200mm wafer equivalent capacity).

Stated Mr. Cavanaugh, "Combined with our capacity utilization report series, the database confirms that a large opportunity for revenue growth for semiconductor equipment and materials manufacturers will continue through 2Q08."

About the market research studies

Semico's capex and equipment forecast is based on data and research in two parts. Part two offers detailed worldwide fab data, "Semiconductor and Display Fab Database" (Study No.MA120-06; April 2006). Part one, "Semiconductor Capacity Utilization and Capital Expenditure Forecast 2003-2010" (Study No.MA122-06; January 2006), tells the story of how Semico's end-market-driven utilization rate results in accurate capex forecasts.