

For Immediate Release

Press Release

Title: 2009 Top Ten IC Manufacturing Equipment Suppliers

Santa Clara, CA – March 10, 2010: VLSI Research Inc has announced the Top Ten IC Manufacturing Equipment Suppliers for 2009.

Usually VLSI's top 10 equipment suppliers' announcement highlights the semiconductor equipment industry's achievements during the previous year. This time it is difficult to highlight specific achievements; but how about this: All suppliers that were listed in the 2008 top 10 announcement survived 2009. Considering the events in late 2008 and the first half 2009, to be listed as one of the top 10 equipment suppliers in 2009 means that these companies are truly top players in this industry. They have staying power, technology, products, and management skills far beyond many companies and industries that were decimated in 2009.

Top Ten IC Equipment Suppliers†

<u>2009</u> <u>Rank</u>	<u>Company</u>	<u>2009</u> <u>\$M</u>	<u>2008</u> <u>\$M</u>	<u>2007</u> <u>\$M</u>	<u>2008</u> <u>Rank</u>	<u>2007</u> <u>Rank</u>
1	Applied Materials	3597.1	5667.6	8521.7	1	1
2	Tokyo Electron LTD.	2323.7	4352.6	6291.0	3	2
3	ASML	2267.9	4367.2	5144.9	2	3
4	Nikon Corporation	1546.5	1742.1	2147.6	6	6
5	KLA-Tencor	1320.8	2112.3	2771.2	4	4
6	Lam Research Corporation	1198.0	1903.7	2623.7	5	5
7	Dainippon Screen Mfg. Co., Ltd.	804.8	1040.3	1329.5	9	10
8	ASM International N.V.	690.0	961.3	1171.8	11	12
9	Novellus Systems, Inc.	581.9	884.4	1509.6	10	8
10	Teradyne, Inc.	552.4	924.7	876.5	12	14

Next Five

11	Hitachi High-Technologies Corp.	474.4	1055.8	1385.4	8	9
12	Advantest Corporation	415.8	884.4	1656.5	13	7
13	Aixtron AG	412.3	384.8	306.4	18	27
14	Varian Semiconductor Equipment	395.9	687.4	1073.9	14	13
15	Verigy	333.1	621.2	761.5	15	15

†Includes revenues from IC mfg. systems, service and support. PV Solar and Flat Panel Display mfg. equipment are not included.

The statistics of the top 10 IC equipment suppliers show that equipment sales declined 38.2% in 2009 after a 26% decline in 2008. Thus, semiconductor equipment sales have declined more than 50% over the last two years. None of the industry segments or regions were saved: the top litho equipment suppliers' sales declined 38.9%, North American equipment suppliers declined 36.9%, Japanese equipment suppliers declined 35.6%, and European equipment suppliers declined 44.5% during 2009. Any way we try to cut the statistics, equipment sales declined around 40% in 2009.

Here is how the individual companies in the top 10 made it through 2009:

Applied Materials easily maintained its leadership as the largest equipment company.

AMAT IC equipment sales started to recover about one quarter earlier than the industry giving it better sales momentum in the fourth quarter. Applied showed the same competitive advantage they have had over the last few cycles: reacting early and quickly to the signs an upturn was underway. Product development focused both on technology and productivity. AMAT introduced the Vantage® Astra™ millisecond anneal system, with completely new laser technology. They also announced a new and highly improved CMP tool, the Reflexion GT.

Tokyo Electron maintained high levels of business with its major North American customer.

This helped TEL maintain reasonable business levels when sales to memory customers rapidly declined. Early in the year TEL announced its new Trias™ tungsten deposition tool and added more capabilities in the integrated metrology portfolio.

ASML sustained its lithography leadership through continued R&D spending. The company spent \$8M on R&D for each scanner it shipped in 2009. ASML continued to drive the holistic lithography concept, which has clearly started to benefit customers as they drive the k1 lower with multi exposure patterning.

Nikon leaped to fourth position in 2009. The company had a healthy business as the primary immersion scanner supplier to Intel. The company announced the outstanding NSR-S620D

scanner at the recent SPIE conference showing its high commitment to R&D through the downturn.

KLA-Tencor was one of the most productive companies during the year. K-T announced three new defect inspection tools and two new reticle inspection tools. With these new tools K-T simply showed they are unmatched in process diagnostics.

Lam Research continued to lead in etch and finished the integration of the SEZ.

Dainippon Screen acquired Sokudo back from Applied Materials. The company also continued its leadership in the wet processing equipment segments.

ASMI International continues to deepen its leadership in HKMG deposition. A number of leading logic IDMs and foundries announced they will be adopting ASMI's Pulsar ALD for HKMG. In the back-end ASM Pacific was the leader among equipment suppliers.

Novellus took the leadership in product and application introductions, proving they arguably have the most productive R&D organization in the industry. The company announced numerous applications, products, and enhancements. All were targeted for 32 and 22nm applications. They should have a very bright future over the next two nodes.

Teradyne gained two positions from 2008. The company clearly benefited from its position as the leading SOC test company. Teradyne correctly bet on the early signs of an upturn, allowing them a recovery in the summer. During 2009 Teradyne completed its Eagle Test acquisition and introduced the new Magnum 2x memory tester.

The Next Five section shows the upcoming companies. Aixtron made its first appearance, driven by booming HBLEED markets. The company grew its business during 2009, mainly benefiting from the MOCVD equipment sales to HBLEED suppliers.

About VLSI Research Inc

VLSI Research Inc is the leading provider of market research and economic analysis on the technical, business, and economic aspects within semiconductor, nanotechnology and related industries. The company is known for its unparalleled accuracy, innovation in market research, and its sharply focused insight into the rapidly changing landscapes of the industries covered. VLSI Research's primary databases and reports cover the semiconductor, flat panel display, PV cell and module manufacturing, and associated high technology industries. VLSI Research was founded in 1976.

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