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VLSI RESEARCH INC

2007 VLSI Research Inc Overall 10 BEST Awards for Chip Making Equipment – Orthodyne and Varian achieve top rankings among all equipment companies

Santa Clara, CA - June 25, 2007 - VLSI Research Inc is honored to present the winners of the 2007 Overall 10 BEST Customer Satisfaction Awards for Focused Suppliers of Chip Making Equipment and Large Suppliers of Chip Making Equipment. The rankings are based on responses from customers who represent 95% of the world's total semiconductor market.

Orthodyne and Varian were rated #1 by customers in these two overall segments, with both companies earning average ratings above 8.0. Furthermore, an additional four companies in the Focused Overall 10 BEST segment also earned averages above an 8.0: PVA TePla, Carl Zeiss, Rite Track, and Kulicke & Soffa. It was an extremely close competition for the Focused Suppliers this year, with the spread between first and tenth place at less than half a point.



2007 10 BEST Focused Suppliers of Chip Making Equipment		
Rank	Company	Overall Rating[†]
1	Orthodyne Electronics	8.36
2	PVA TePla AG	8.32
3	Carl Zeiss SMT AG	8.12
4	Rite Track	8.08
5	Kulicke & Soffa Industries, Inc.	8.02
6	Inovys Corporation	7.98
7	BTU International, Inc.	7.96
8	HANMI Semiconductor	7.93
9	ICOS Vision Systems	7.93
10	Nissin Ion Equipment Co., Ltd.	7.93

2007 10 BEST Large Suppliers of Chip Making Equipment		
Rank	Company	Overall Rating[†]
1	Varian Semiconductor	8.12
2	ASML	7.71
3	Advantest	7.48
4	Dainippon Screen Mfg. Co., Ltd.	7.38
5	Novellus Systems, Inc.	7.32
6	Teradyne, Inc.	7.28
7	Hitachi High-Technologies Corporation	7.22
8	Tokyo Electron Limited	7.17
9	ASM International N.V.	7.16
10	Lam Research Corporation	6.77

These overall 10 BEST lists are based on each company as a whole, regardless of equipment type. Assembly, Material Handling, Process Diagnostics, Test, and Wafer Processing equipment ratings are all grouped together for each company and an overall score is determined.

Among the **Focused Suppliers of Chip Making Equipment**, customers rated Orthodyne as the best in *support after sales* and *technical leadership*. PVA TePla captured the top spots in four categories: *cost of ownership*, *uptime*, *usable throughput*, and *product performance*. Carl Zeiss also achieved the best marks in four categories: *software*, *build quality*, *process support*, and *spares support*. Additionally, Carl Zeiss tied with BTU International as the top ranked company for *quality of results*. Rite Track rounded out this group of high scorers by receiving peak ratings in *field engineering support* and *commitment*.

The majority of the Focused Suppliers earned their personal best ratings in the equipment performance criteria, but three firms scored very well on the customer service side: Orthodyne, Rite Track, and Kulicke & Soffa. The table below lists the highest-rated category for each individual company:

Company	Highest Rated Category
Orthodyne Electronics	Support after sales
PVA TePla AG	Product performance
Carl Zeiss SMT AG	Build quality and quality of results (two-way tie)
Rite Track	Commitment
Kulicke & Soffa Industries, Inc.	Technical leadership
Inovys Corporation	Cost of ownership
BTU International, Inc.	Quality of results
HANMI Semiconductor	Quality of results
ICOS Vision Systems	Uptime
Nissin Ion Equipment Co., Ltd.	Quality of results

For the **Large Suppliers of Chip Making Equipment**, Varian reigned supreme in twelve of the thirteen categories: *cost of ownership*, *uptime*, *software*, *build quality*, *usable throughput*, *quality of results*, *product performance*, *process support*, *field engineering support*, *spares support*, *support after sales*, and *commitment*. ASML captured the highest score for *technical leadership*.

The majority of the Large Suppliers excelled in the equipment performance criteria. Only ASML earned its personal best in a customer service category. The table below lists the top-rated category for each individual company:

Company	Highest Rated Category
Varian Semiconductor	Quality of results
ASML	Technical leadership
Advantest	Usable throughput
Dainippon Screen Mfg. Co., Ltd.	Uptime
Novellus Systems, Inc.	Quality of results
Teradyne, Inc.	Quality of results
Hitachi High-Technologies Corporation	Uptime
Tokyo Electron Limited	Uptime
ASM International N.V.	Product performance
Lam Research Corporation	Quality of results

The Overall 10 BEST lists are based on all the ratings each company received, regardless of equipment type. Assembly, Material Handling, Process Diagnostics, Test, and Wafer Processing equipment ratings are grouped together for each company and an overall score is determined. The Large Suppliers of Chip Making Equipment 10 BEST competition is comprised of the fifteen largest companies in terms of their sales of chip making equipment. These fifteen companies are ranked against each other for a 10 BEST placement based on survey responses from their customers. The Focused Suppliers of Chip Making Equipment is comprised of the manufacturers that are smaller than the largest fifteen in chip making equipment sales.

This is the last announcement in a series of three press releases listing the 10 BEST companies in each competitive segment.

On July 18, 2007, VLSI Research will honor the number one ranked company in each of the 2007 10 BEST segments at an award ceremony. The ceremony will be held at the San Francisco Museum of Modern Art at 8:45pm in conjunction with TheParty 2007 brought to you by PennWell (Solid State Technology & Advanced Packaging), Loomis Group, NY Loves Nanotech, Oerlikon and Hultquist Capital.

Last year's 10 BEST Focused and Large Suppliers of Chip Making Equipment lists for 2006 are shown below for reference. Prior years' lists can be found at <https://www.vlsiresearch.com> in the Reference section under Press Releases for the Customer Satisfaction Survey.

2006 10 BEST Focused Suppliers of Chip Making Equipment		
Rank	Company	Overall Rating[†]
1	TESEC Corporation	8.26
2	HANMI Semiconductor	8.07
3	Orthodyne Electronics	8.01
4	DISCO Corporation	7.99
5	Nextest Systems Corporation	7.95
6	Keithley Instruments, Inc.	7.81
7	Nissin Ion Equipment Co., Ltd.	7.77
8	Hamamatsu Photonics K.K.	7.71
9	Rigaku Corporation	7.69
10	Towa Corporation	7.69

2006 10 BEST Large Suppliers of Chip Making Equipment		
Rank	Company	Overall Rating[†]
1	Varian Semiconductor	7.91
2	ASML	7.68
3	Teradyne, Inc.	7.33
4	Advantest	7.33
5	ASM International N.V.	7.26
6	Dainippon Screen Mfg. Co., Ltd.	7.15
7	Tokyo Electron Limited	7.12
8	Hitachi High-Technologies Corporation	6.97
9	Applied Materials, Inc.	6.83
10	Novellus Systems, Inc.	6.67

ABOUT THE SURVEY

The VLSI Research annual *Customer Satisfaction Survey on Chip Making Equipment* is the only publicly available opportunity for chip manufacturers to provide feedback on their suppliers. The 10 BEST rankings award special recognition to the suppliers that are rated highest by their customers.

The survey asks users of chip making equipment to rate their suppliers on a ten-point scale among thirteen categories that exemplify a supplier's relationship with its customers. These thirteen categories include seven measures of equipment performance and six measures of customer service. *Cost of ownership, uptime, software, build quality, usable throughput, quality of results achieved, and product performance* are the equipment performance measures. Customer service measures include *process support, field engineering support, spares support, support after sales, technical leadership in the supplier's field, and the supplier's overall commitment to supporting its customers' needs*.

VLSI Research Inc conducts these surveys across sixty major equipment market segments and compiles competitive positioning reports for each segment. These sixty categories are grouped into the six major market categories of wafer processing equipment (small and large companies), test equipment, material handling equipment, process diagnostics equipment, and assembly equipment.

The statistics were drawn from a distribution of 48,255 questionnaires sent worldwide by mail, email, and fax in six languages: English, Japanese, Korean, Chinese, German, and French. About one in sixteen industry employees received a survey. Virtually every chipmaker was given a chance to respond.

Respondents returned surveys rating 4,594 equipment models. The companies that responded to VLSI Research's customer satisfaction survey represented 95% of worldwide chip production in 2005. When calculating each of the thirteen separate categories previously mentioned, total responses comprised about 56,700 individual ratings across the categories, each on a scale of 1 through 10.

Demographic distribution of the equipment ratings returned was 29.9% from North America, 20.5% from Europe, 12.9% from China, 8.4% from Taiwan, 8.1% from Japan, 6.0% from Korea, and 14.3% from all other areas of the world.

There are two parts to the 10 BEST methodology. The first part is that the qualification rule for the 10 BEST Awards is based on the *Respondents' Share of Market* statistic. This statistic is the sum of share of market held by unique companies responding to the survey for each specific equipment supplier and equipment type.

The second part of the 10 BEST methodology is the calculation of the 10 BEST ranking itself. The rankings are based on the **equally weighted average** rather than the straight average. This rating is weighted equally for each unique responding company (not individual survey response). Hence, each surveyed company only gets "one vote", based on the average of the individuals from that company responding to the survey. This rating method has the advantage that no single customer/company can stuff the ballot box, giving a much more meaningful picture for potential effects on market share.

SURVEY STATISTICS

Percent of Chip Market Represented:	95%
Surveys Distributed:	48,255
Equipment Models Rated:	4,594
From Asia:	35%
From North America:	30%
From Europe:	21%
From Other:	14%

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† In cases where a tie has occurred, the ranking position is determined by a single-sided 97.5% confidence margin.

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doc # 507853 v 1.1 06/07

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