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The Evolving Secondary Market

A Broker's Perspective

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Asset Management Services

- Seller's Agent for Users & OEM's
- "As Is" Equipment Sales
- Legacy Parts Purchasing
- Established 1987



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The Evolving Secondary Market *The First Business Model*



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The Evolving Secondary Market *Early Years*

- Highly fragmented market
- Few used asset sales strategies
- Fewer used asset buy strategies
- Informal 2nd owner product support
- “As Is” standard prevailed



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The Evolving Secondary Market *Key Change Drivers*

- Configurable cluster tools
- Rise of reconfiguration suppliers
- Direct re-marketing
- Expanded new equipment lease financing

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The Evolving Secondary Market *Broker Adaptation*

- ❑ Configurable cluster tools
 - ✓ Reduced end user “As Is” market
- ❑ Rise of reconfiguration suppliers
 - ✓ New locus of the “As Is” market
- ❑ Direct re-marketing
 - ✓ Shift to value added professional services
- ❑ Expanded new equipment lease financing
 - ✓ Demand for secondary market order



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An Orderly Secondary Market Is Our Common Goal



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An Orderly Secondary Market

Benefits (1)

- Adequate finance capital for new equipment
- More channels for excess / off-lease tools
- IP rights recognized & respected
- Stable policy on software, parts, support

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An Orderly Secondary Market *Benefits (2)*

- ❑ Precise meanings for market terminology
- ❑ Standards for safe handling of used tools
- ❑ More efficient & profitable for everyone



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The Orderly Secondary Market *Creating the Next Level*

- ❑ Brokers have a leadership role to play
- ❑ SEC/N provides the necessary forum

