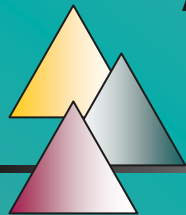




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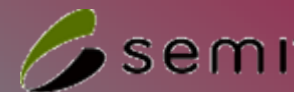


"Used Equipment – The Evolving Secondary Market"



"Used Equipment – The Evolving Secondary Market"

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Seminar Overview

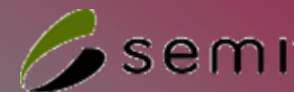
Special Recognition

- SEMI
 - Mr. Stan Myers – President of SEMI
 - Mr. Dennosuke Uchida – Past President, SEMI Japan
 - Mr. Mark Ding – President, SEMI China
- SEC/N®
 - Board of Directors
 - Members
 - Presenters



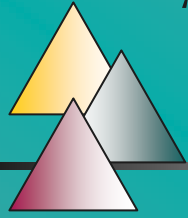
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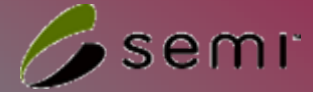
Seminar Agenda

- **State of the Industry** - Gary Alexander (SEC/N Executive Director)
- **SEC/N®** - Tim Hayden (SEC/N President / Rite Track)
- **A Customer's Perspective** - Bill Wilson (SEMATECH)
- **An OEM's Perspective** – Ron Melief (ASML)
- **A Refurbisher's Perspective**
 - **Front End** - Richard Ringler (Broadway Engineering Services Team)
 - **Back End** – Kyle Schroeder (Team ATE)
- **A Broker's Perspective** - Bill Scaife (Group 5)
- **A Service Provider's Perspective** – Chuck Svendsen (Belfor USA)
- **What Lies Ahead?** – Gary Alexander (SEC/N Executive Director)



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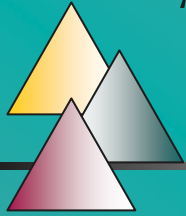
Seminar Overview

Questions and Answers

- Return forms to SEC/N's Booth L1
(Corridor between North and South Halls)
- Contact presenters directly

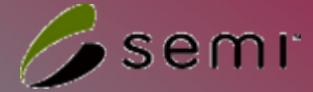
Copies of Presentations

- Contact presenters directly
- www.secn.org



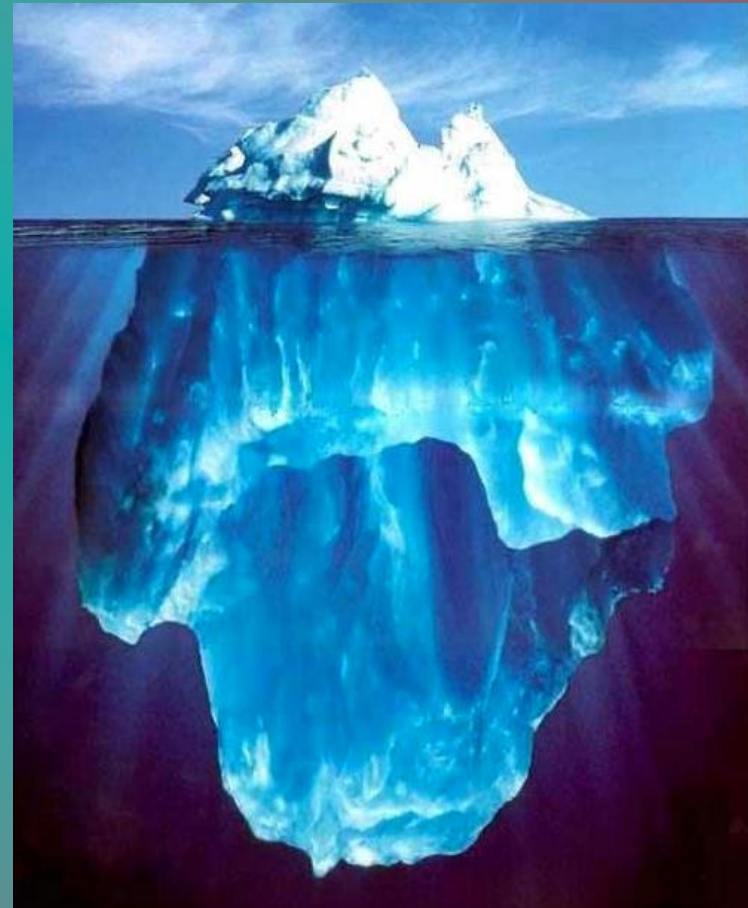
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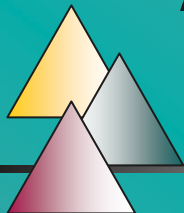
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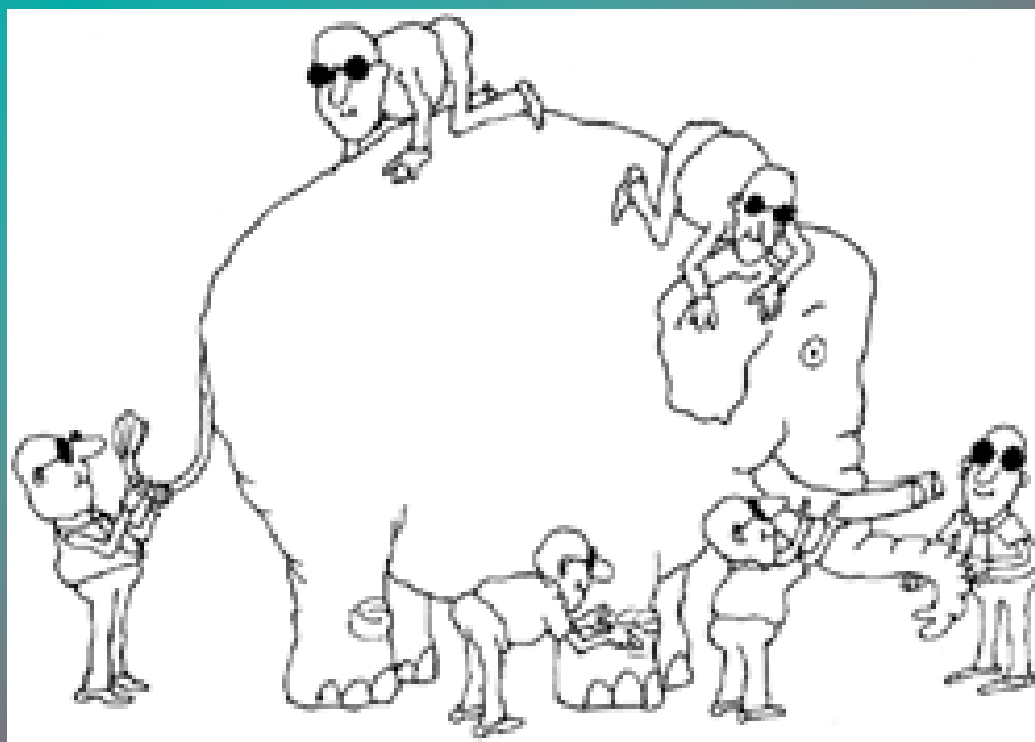
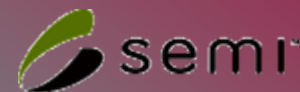
- A deceptive and formidable mass
- Originating from a larger body
- The bulk of which looms below the surface and hidden from view





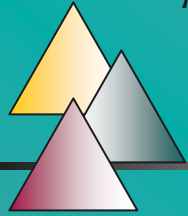
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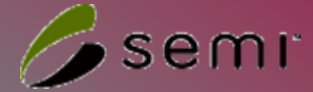
John Godfrey Saxe – *"The Blind Men and the Elephant"*

McGraw-Hill Book Company, 1963 Elephant



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State of the Industry

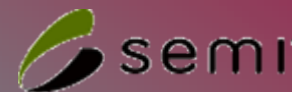
Long Term – Continued international
growth and maturity

Short Term – Slowed down and plateaued in Q2



"Used Equipment – The Evolving Secondary Market"

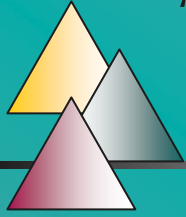
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State of the Industry

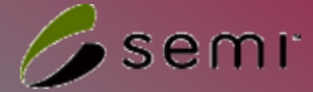
In terms of growth and opportunities to sell:

- The market has become very global with many more potential buyers in Asia than in the USA and Europe.
- The diminishing supply of used equipment continues to drive up selling prices, somewhat offset currently by refurbishers being “hungry for orders.”
- If you want to be a global player, you need a sound global strategy.
- If you are in the global market, know what you are doing.



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State of the Industry

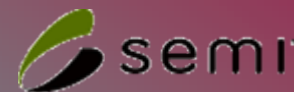
In terms of maturity:

- Less “As Is / Where Is”
- More complex, high tech systems
- Becoming more informed
- Becoming more open



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State of the Industry

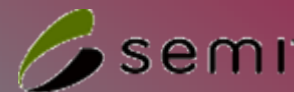
In terms of players and industry segments:

- Brokers
 - Device Manufacturers
 - Refurbishers
 - Service Providers
 - OEM's
 - More networking and alliances
 - Improved product quality and dealer ethics
- Evolution Shift* →



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State of the Industry

Service Providers

Device Manufacturers



Brokers

Refurbishers

OEM's



State of the Industry

In terms of challenges and issues: “Top Ten”

1. Need for Standards

- Terms and definitions
- Environmental, health & safety
- Metrics formulas

2. Need for Education

- Management
- Buyers and sellers
- Governments



State of the Industry

In terms of challenges and issues: "Top Ten"

3. Negativism

- Denial
- Dissention and Isolationism
- Intimidation

4. Cultural Differences

- Geographic
- Historic
- Political



State of the Industry

In terms of challenges and issues: "Top Ten"

5. International Transactions

- Contractual interpretations
- Service and support
- Ownership of assets

6. Reputation & Ethics

- Historical connotations
- Opportunists
- Competition



State of the Industry

In terms of challenges and issues: "Top Ten"

7. Intellectual Property

- Software licenses and parts
- Undefined and covert
- International interpretations

8. Environment, Health & Safety

- Decontamination
- Transportation
- "Life Cycle Management"
(Reclamation & Recycling Reimbursement Policy)



State of the Industry

In terms of challenges and issues: "Top Ten"

9. Government Involvement & Compliance

- Political and Reactive vs. Proactive
- "3R's," "WEEE," and "RoHS" Initiatives
- Selective enforcement

10. Inter-industry Synergy

- Lack of a central focal point
- Between industries and countries
- Few common standards



State of the Industry

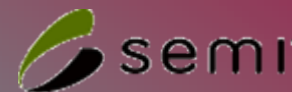
The 25 R's

1. Reassemble
2. Rebuild
3. Recharge
4. Reclamation
5. Re-commission
6. Recondition
7. Reconfigure
8. Recovery
9. **Recycle**
10. Redo
11. **Reduce**
12. Re-engineer
13. Refurbish
14. Reinstate
15. Reissue
16. Remanufacture
17. Remake
18. Remarket
19. Renew
20. Repair
21. Reprocess
22. Restore
23. **Reuse**
24. Revitalize
25. Rework



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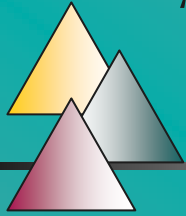
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State of the Industry

Keys to Success:

- Courage to objectively embrace change
- Understanding of both opportunities and challenges
- Well thought out and communicated programs
 - Strength in commitments
 - Participation from all segments



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State of the Industry

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- Surplus Equipment Consortium / Network, Inc.
 - Mr. Tim Hayden, SEC/N President