

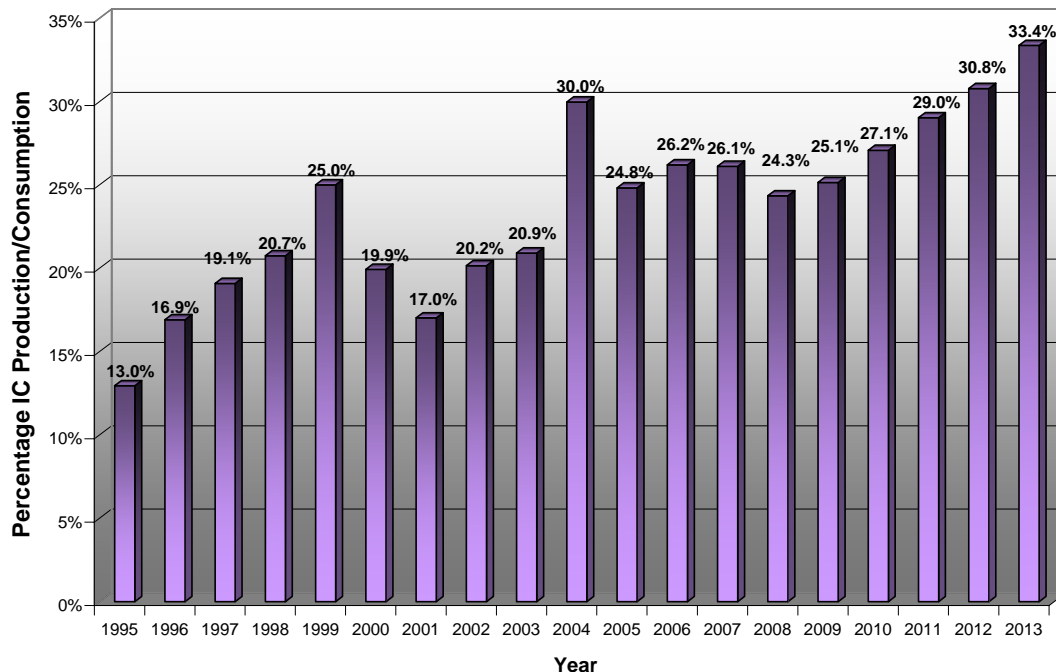


Mainland China IC Production Reaching 33.4% of IC Consumption In 2013 Says The Information Network

NEW TRIPOLI, PA, June 23, 2010. . . Massive investments in China’s semiconductor industry is paying off as internal production is making inroads on demand, according to the report **“Mainland China’s Semiconductor and Equipment Markets: A Complete Analysis Of The Technical, Economic, and Political Issues,”** recently published by The Information Network (www.theinformationnet.com), a New Tripoli, PA-based market research company.

China's IC industry is expanding rapidly. In 2009 Mainland China produced 40 billion ICs, which accounted for 25.1% of domestic demand as a result of massive building programs and the weak economy. In comparison, Mainland China produced only 20.9% five years ago. . .

Percentage IC Production/Consumption



"China's chip industry, once the wunderkind of the semiconductor industry is broken, a combination of the recession and too little money being spent by the government," says Dr. Robert Castellano, President of The Information Network. "Only \$7 billion was spent on fabs in the past five years, enough to build only two 300mm fabs."

That's soon to change as the Chinese government is spending as much as \$25 billion is earmarked over the next five years to prop up the industry, including \$5 billion for the joint venture between Elpida and Suzhou Venture Group and \$5 billion for Sino-chip.

Outside investment will continue to generate new fabs, thereby increasing production levels. Numerous foreign companies have set up fabs in China through investment or acquisition. The latest was Taiwan-based United Microelectronics Corp. (UMC) acquisition of mainland China chipmaker Hejian Technology Suzhou Co. Ltd.,

"Areas propelling the Chinese IC industry are part of the government stimulus program such as projects to supply subsidized electronic goods to rural areas of China. The construction of 3G networks, the expansion of mobile TV operations are big areas of opportunity," added Dr. Castellano. "By 2013, a third of China's IC needs will be met internally."

The Information Network is a leading consulting and market research company addressing the semiconductor, LCD, HDD, MEMS, Nano, and Alternative Energy industries.

CONTACT: Dr. Robert N. Castellano, 610/285-4548
Web: www.theinformationnet.com

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