

Quarterly Company Revenues & Margin Turning-Points Forecasts

Advanced Forecasting's Quarterly Company Revenues and Margin Turning-Points Forecasts predict the absolute value of quarterly **Gross Margins** or **Total Revenues** of various IC and semiconductor equipment manufacturers. Each deliverable compares the company's original quarterly guidance to Advanced Forecasting's quarter forecast. A correlation coefficient measures the accuracy of each forecast (most forecasts yield > 0.91).

Subscribers to this service receive a customized report incorporating only the companies they have chosen (from a given list) to include. Forecast reports are updated and shipped monthly. Actual company quarterly data is updated upon earnings release.

COMPANY FORECASTS CURRENTLY AVAILABLE:

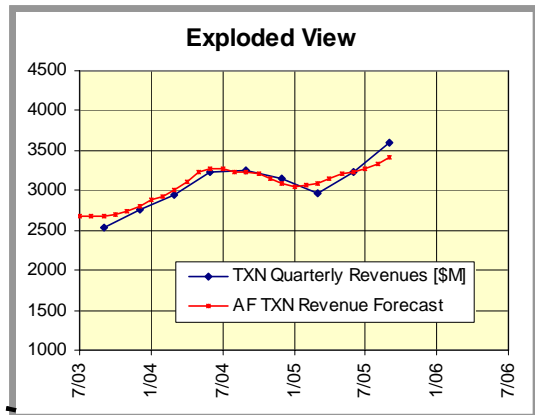
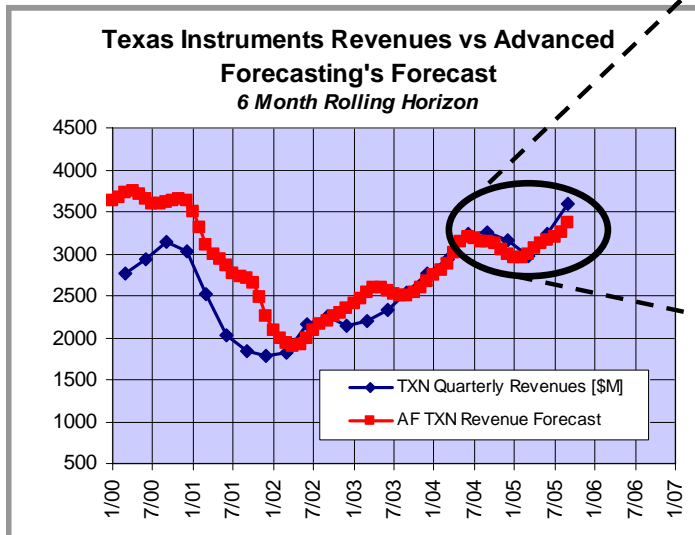
Forecast Horizon				Forecast Horizon			
Company	R/GM	(Months) *	Correlation **	Company	R/GM	(Months) *	Correlation **
ALTR	R	5	0.96	NSM	R	4	0.77
AMD	GM	7	0.67	NVLS	R	9	0.96
AMD	R	6	0.79	ONNN	GM	4	0.97
ADI	GM	7	0.86	ONNN	R	6	0.92
ADI	R	5	0.77	TER	R	6	0.86
KLAC	R	12	0.91	TXN	GM	4	0.93
KLIC	GM	4	0.62	TXN	R	6	0.97
KLIC	R	3	0.78	VSH	GM	4	0.85
MXIM	R	8	0.94	WFR	R	4	0.95
NSM	GM	4	0.94	XLNX	R	4	0.78

* Example of 5 months horizon: a forecast published at the beginning of January will predict up to (including) May. In February the June forecast point will be added. Previously published points remain unchanged.

** Correlation. The Pearson Correlation Coefficient (highest possible = 1.0) measures the degree of relation between Advanced Forecasting's forecast and actual company Revenues or Gross Margin calculated on the last 10 quarters of available data.

SAMPLE OF DELIVERABLES:

Forecast horizons have been truncated



Correlation with our forecast calculated on the last 10 quarters of historical data. **0.97**

Forecast Comparison		
Fiscal Quarter	Q3-05	Q4-05
Original Company Guidance*	\$3,425	\$3,570
AF Forecast	\$3,500	Truncated
Quarter Final Number	#N/A	

* Original Company Guidance is mid-point of company's given range.

Forecast Methodology

Advanced Forecasting's forecasts of the gross margins and total revenues of semiconductor vendors and semiconductor equipment manufacturers use the same quantitative models used to derive its legacy forecasts. The inputs are monthly measurements of economic factors, and the interactions among them, influencing the consumption of ICs through the purchasing behavior of individuals and companies who buy end-equipment products, which in turn impact semiconductor vendors and equipment manufacturers. To avoid human opinion and extrapolation, we do not use industry consensus or surveys of industry managers as input to our models.

Advanced Forecasting has been the semiconductor industry's most accurate forecasting group through the last 20 years. Its forecasts provide decision-makers with quantitative forecasts of changes in direction to be used in making better business decisions. Advanced Forecasting's leading services include forecasts for the IC cycle, semiconductor materials and equipment-components, wafer sales, semiconductor equipment (front-end and back-end), and communication ICs.

To view **Advanced Forecasting's** Historical Performance, please visit the following link:
http://www.adv-forecast.com/historical_performance.htm.

Annual Subscription to the Margin and Revenues Turning-Points Forecasts Includes:

- **3- to 6-Month Forecast Horizons (depends on the company)**
- Choice of IC Vendor companies
- Choice of Semiconductor Equipment Manufacturers
- Comparison of company's original guidance vs Advanced Forecasting's forecast
- Correlation Coefficient between for each forecast and actuals
- **Purely Quantitative Forecast Model**
- 12 Monthly Reports
- No Retroactive Modifications
- 3-Month Money Back Guarantee Period
- Unlimited Phone Access
- Assistance with Implementation

Pricing Structure

The client chooses from the given list of company specific forecasts he/she would like to receive. Pricing is based on the number of forecasts selected.

- 1st Revenue or Gross Margin Forecast- \$7,000
- 2nd Revenue or Gross Margin Forecast - \$3,000
- Each Additional Revenue or Gross Margin Forecast - \$1,500
- - Or -
- Set of 10 Revenue or Gross Margin Forecasts - \$19,800 (10% Savings)
- Set of 15 Revenue or Gross Margin Forecasts - \$25,000 (15% Savings)
- Set of 20 Revenue or Gross Margin Forecasts - \$29,600 (20% Savings)

* Soft-dollar payments are accepted

For more information, please contact:
Rosa Luis, *Director of Marketing and Sales*
Phone: 408.725.2964
Email: rosal@adv-forecast.com