

Fairness Opinion

Assessment of the financial adequacy of the offer by **LAM Research Corporation, Wilmington, Delaware (USA)** to the shareholders of **SEZ Holding AG, Zurich.**



SARASIN

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Contents

1. Introduction	3
1.1. Starting Situation.....	3
1.2. Mandate Given to Bank Sarasin & Co. Ltd by the Board of Directors of SEZ	4
2. Assessment Basis	5
3. An Overview of SEZ	7
3.1. The SEZ Group.....	7
3.2. Business Segments and Market Overview	8
4. Valuation Analysis	12
4.1. Scope of Valuation.....	12
4.2. Financial Forecasts Used.....	12
4.3. Valuation Methods Used	16
4.4. Discounted Cash Flow Method	16
4.5. Valuation Based on Comparable Listed Companies (Compco).....	19
4.6. Valuation Based on Comparable Transactions (Compac).....	22
4.7. Analysis of Premiums Paid in the Swiss Capital Market.....	24
4.8. Summary of the Result of the Valuation	26
5. Result of the Fairness Opinion	27
6. Appendix	28
6.1. Appendix 1: Market penetration based on 2006 / 2010 sales figures.....	28
6.2. Appendix 2: Multiples of comparable listed companies	29
6.3. Appendix 3: Multiples of comparable transactions.....	30
6.4. Appendix 4: Premium analysis	31
6.5. Appendix 5: Betas of comparable listed companies	32
6.6. Appendix 6: List of abbreviations / Glossary.....	33

1. Introduction

1.1. Starting Situation

SEZ Holding AG, Zurich ("SEZ"), is a public company traded on the SWX Swiss Exchange with a stock-market capitalization of approximately CHF 650 million as of December 20, 2007. SEZ is active in the semiconductor industry and is the world's leading manufacturer of single-wafer, wet-clean equipment. The use of single-wafer wet-clean systems in the production of microchips is increasing and this technology is supplanting the conventional wet immersion baths (batch technology) as quality requirements become more stringent in the wake of miniaturization.

On December 10, 2007, LAM Research Corporation, Wilmington, Delaware, USA ("LAM") and SEZ signed a transaction agreement on a takeover offer.

In a pre-announcement published on December 11, 2007, LAM announced its intention to purchase all outstanding SEZ registered shares, each having a par value of CHF 1, for a price of CHF 38 (net) per share. LAM is listed on Nasdaq and active in the semiconductor industry. It mainly supplies systems for etching wafers in the microchip fabrication process. LAM's stock-market capitalization amounts to approximately USD 6 billion. The company was established in 1980.

The offer price of CHF 38 will be reduced by the gross sum of any dilutive effects (stemming, for example, from dividend payments, capital repayments, any other kind of payout, capital increases with an issue price per share that is less than the offer price, the sale of own shares at a price that is less than the offer price, or the issue of options priced less than the market value of such options), provided such effects transpire before the purchase offer is consummated. The exercise of outstanding employee options will not effect any adjustments to the offer price.

The tentative publication date of the takeover offer is January 8, 2008 and it is planned to remain in effect for a period of 20 trading days. The offer is subject to satisfaction of various conditions. These include a minimum number of shares being tendered, the absence of negative events (so-called major adverse change) having a certain impact on SEZ's equity, sales or profitability, on obtaining all required authorizations and approvals, the approval of certain changes in the company's bylaws at a general meeting of shareholders and the entry of LAM in the share register with full voting rights for the shares it has acquired.



1.2. Mandate Given to Bank Sarasin & Co. Ltd by the Board of Directors of SEZ

The Board of Directors of SEZ mandated Bank Sarasin & Co. Ltd, Zurich ("Sarasin") on December 14, 2007 to provide a fairness opinion assessing the financial adequacy of LAM's proposed offer price of CHF 38 per SEZ registered share. Sarasin will receive no compensation that is contingent upon the statements made in this fairness opinion or the successful outcome of an existing or future takeover bid or upon the price paid. Sarasin is therefore independent in its judgment.

This fairness opinion is solely intended for the Board of Directors of SEZ for use in preparing the report of the Board of Directors in compliance with the Ordinance of the Swiss Takeover Board on Public Takeover Offers and it does not constitute a recommendation for the public shareholders of SEZ to accept or to reject the takeover offer made by LAM. The Board of Directors of SEZ Holding AG will, however, express its opinion on the takeover offer in its report addressed to SEZ's shareholders and reference will be made to this fairness opinion in doing so.

Sarasin's fairness opinion is not in any way addressed to LAM or its shareholders nor is it intended for use in evaluating the transaction from the standpoint of LAM or its shareholders.

This fairness opinion is based on our assessment of information that we have assumed to be accurate and complete and upon which we have relied without having it audited or reviewed by third parties. We assume the details, information and data that we were provided with had been properly compiled and prepared. As explained in greater detail in section 4.2, Plausibility and Consistency of the Financial Forecasts, the most important factors in determining the enterprise value ("value drivers") were evaluated by Sarasin with respect to their plausibility and consistency.

This fairness opinion may not be used for any other purpose except for publication in connection with the report of the Board of Directors of SEZ without the permission of Sarasin.



2. Assessment Basis

Sarasin based its assessment on the following:

- The transaction agreement between LAM and SEZ concerning the announcement of a takeover bid for SEZ on December 10, 2007
- The pre-announcement by LAM concerning its intention to issue a public offer to the shareholders of SEZ, dated December 11, 2007
- The draft of the Offer Prospectus for LAM's public offer to the shareholders of SEZ, dated December 17, 2007
- Public information on SEZ that we consider to be relevant for the valuation of the company and the assessment of the financial adequacy of the public offer. This includes in particular the annual reports (2003, 2004, 2005, 2006) as well as the interim reports dated June 30, 2006 and 2007 (unaudited) and the quarterly reports for 2007 (up to the third quarter, unaudited)
- SEZ's business plan 2008 – 2010, including the 2008 budget and the 2007 budget / forecasts
- Balance sheet and income statement (both unaudited) as of October 31, 2007
- Management presentation (dated November 16/17, 2007) on SEZ's business plan
- Discussions with the COO, CFO and other SEZ executives, focusing on the company's financial and earnings situation, business prospects, value drivers, the market and competitive environment and on the assumptions made in the business plan
- A review of the minutes of the meetings of the Board of Directors since January 1, 2007
- Capital market data and financial data on selected listed companies (peer group)
- Multiples paid in comparable acquisition transactions
- Control premiums paid to acquire listed industrial companies in Switzerland
- Current and historical financial market analyses to determine relevant valuation parameters

This fairness opinion by Sarasin is based on the current market, corporate and financial conditions and also takes into account the capital market environment as well as other factors existing or anticipated at the time of assessment and that could be evaluated.

Sarasin did not visit any production sites and facilities belonging to SEZ. Sarasin also did not appraise or value the assets and liabilities of SEZ nor did it have any such appraisals and calculations performed by third parties.

In preparing this fairness opinion, Sarasin assumed that the financial information and other data on SEZ were accurate and complete and it relied on said information without accepting any responsibility for the independent verification of such information.

In addition, Sarasin has relied on the assurances given by SEZ management to the effect that the latter is not aware of any facts or circumstances that would render the given information incomplete, inaccurate or misleading.

3. An Overview of SEZ

3.1. The SEZ Group

Group Structure

The SEZ Group is a supplier of single-wafer wet-clean processing systems for the semiconductor manufacturing industry. SEZ systems play an important role in the production chain from raw wafers to the finished chip. Its patented spin process technology allows semiconductor manufacturers to achieve consistently high cleaning results and gives them flexibility in responding to fluctuations in production utilization rates and to changes in chip architecture.

The group is globally active and maintains development, production, sales & marketing and service operations in Europe, Asia-Pacific, Japan and North America. SEZ's workforce numbered 886 as of June 30, 2007.

SEZ reported consolidated sales of CHF 207.5 million in the first half of 2007 (CHF 168.2 million in the first half of 2006), EBIT of CHF 20.2 million (CHF 10.4 million) and net income of CHF 20.7 million (CHF 9.1 million). Spending on research and development amounted to CHF 33.0 million (CHF 27.8 million).

Below is a list of the companies that belong to the SEZ Group. In addition to the corporate headquarters and the principal facilities in Villach (Austria) with assembly, testing and development operations, SEZ operates a network of research and service centres and maintains its own branch offices in Asia.

Affiliated and finance companies of SEZ Group

Companies	Purpose
SEZ Holding AG Zurich, Switzerland	Holding
SEZ Management GmbH Villach, Austria	Management
SEZ AG Villach, Austria	Research and Development, Production, Sale and Service
SEZ America, Inc. Phoenix, USA	Research and Development, Production, Sale and Service
SEZ Japan, Inc. Tokio, Japan	Research and Development, Production, Sale and Service
SEZ Asia Pacific Pte. Ltd. Singapore	Sale and Holding for affiliated asia-pacific companies
SEZ Singapore Pte. Ltd. Singapore	Sale and Service
SEZ Korea Ltd. Seoul, Korea	Sale and Service
SEZ Taiwan Ltd. Hsin Chu City, Taiwan	Sale and Service, Research
SEZ China Co., Ltd Shanghai, China	Sale and Service
SEZ d.o.o. Sencur, Slovenia	Software development
SEZ Slovakia s.r.o. Bratislava, Slovakia	Sourcing and Purchase

Source: SEZ annual report 2006

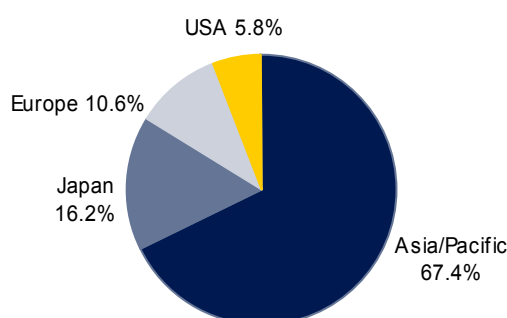
Sales Breakdown

SEZ generated 7.1% of its sales in the first half of 2007 from services and the sale of spare parts; 92.9% stemmed from equipment sales. The most important customer group accounting for approximately 75% of total sales was memory chip makers as they continued to expand their high-volume manufacturing capacity. Besides the manufacturers of memory chips, contract manufacturers (foundries) accounted for 15% and logic chip manufacturers for 10% of SEZ's equipment sales in the first half of 2007.

The Asia-Pacific region has traditionally boasted the highest density of both manufacturers and buyers of microchips. It follows that more than two-thirds of SEZ's first-half sales (67.4%), or CHF 140 million, were generated in this region. South Korean suppliers of memory chips in particular have been replacing conventional batch cleaning systems with SEZ single wafer systems, following the trend to high-volume manufacturing.

In Japan SEZ increased its sales to CHF 33.6 million in the first half, or 16.2% of total net sales. Europe and the USA contributed a combined CHF 34.0 million or 16.4% to the group's first-half net sales.

Sales per region H1 2007



Source: SEZ semi-annual report 2007

3.2. Business Segments and Market Overview

Market Overview

The trend toward ever smaller and more powerful microchips continues. However, selling prices for microchips have remained largely unchanged despite the constant performance enhancements, so microchip manufacturers are not only challenged to constantly improve the performance of their products but also to steadily lower their production costs. The main reason for unrelenting price pressure is that the prices consumers ultimately pay (for computers, notebooks, mobile telephones, consumer electronic products) have remained unchanged despite all the improvements in terms of features and performance.



A vast amount of capital is required to raise the output of increasingly powerful microchips. Current market prices for microchips make it difficult to finance such investment projects, however. Production output can be increased indirectly – and production costs thereby lowered – by reducing waste. The use of single wafer wet-clean technology has therefore increased considerably in recent years.

There are three main wet-clean processing technologies:

- Batch technology (multi-wafer wet benches):
Several wafers are immersed into a cleaning bath at the same time
 - + Low costs
 - + Standard chemicals used
 - Low process repeatability
 - Non-uniform cleaning results
 - High reject rates
- Multi-wafer spray processors:
A cleaning solution is sprayed onto several wafers at the same time
 - + Low costs
 - Outdated technology
 - Non-uniform cleaning results
- Single wafer technology (single wafer spin cleaning method):
 - + Broad spectrum of application
 - + Highly flexible
 - + High process repeatability
 - + Best cleaning results
 - + Low reject rates
 - Limited track record in FEOL segment
 - Investment costs

Compared to the conventional multi-wafer processes, SEZ single-wafer technology is clearly superior with regard to process precision, process repeatability, productivity and flexibility.

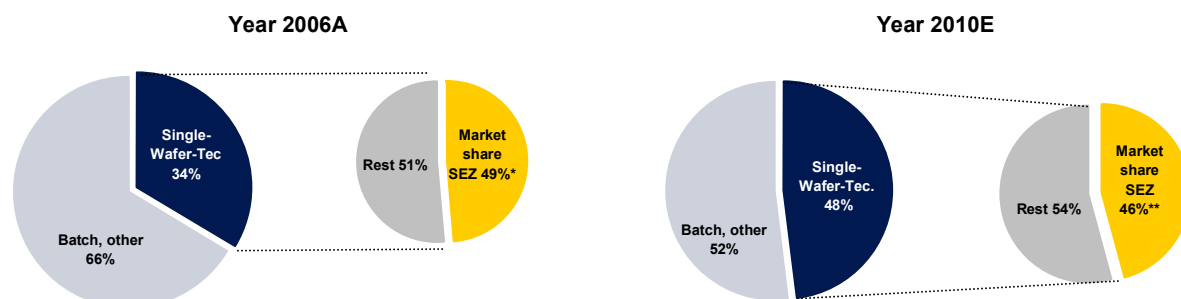
SEZ Market Share

The market for wet-clean processing equipment had an estimated volume of approximately USD 1.90 billion in 2006. Single-wafer wet-clean processing systems accounted for an estimated 34% (USD 640 million) of the market in 2006. Due to continuous miniaturization and the reduction in circuit linewidths, both SEZ and independent industry research institutes forecast that single-wafer wet-clean technology will widen its share of the market to about 48% by the year 2010 (USD 920 million) while total market volume is projected to remain stable (USD 1.92 billion).

SEZ sales amounted to CHF 392 million in 2006, which corresponds to a 49% share of the single-wafer segment of the market, or a 16% share of the total wet-clean processing market. Major market developments going forward to the year 2010 are the increasing use of single-wafer technology and the arrival of new competitors. SEZ's forecast of its sales and market share in 2010 takes both of these developments into consideration: With estimated sales of more than CHF 500 million, SEZ expects to maintain its market share at a high 46% despite

the arrival of new competitors. SEZ's share of the total wet-clean market is expected to increase to 22% due to the increasing application of single-wafer technology.

Wet Equipment market and SEZ market share 2006A and 2010E



*Corresponds to a SEZ market share of 16%

**Corresponds to a SEZ market share of 22%

Source: SEZ management presentation

Fabrication Process

A distinction is made between two successive stages in the chip manufacturing process: the Front-End-of-Line (FEOL) and the Back-End-of-Line (BEOL) segment. FEOL comprises all the semiconductor processing steps that take place before thin layers of metal are deposited on the wafers (metallization). BEOL refers to the processing steps that follow the metallization process.

Single-wafer applications are currently underrepresented in the FEOL segment. This market segment is dominated by the aging but inexpensive batch technology. SEZ sees its greatest growth potential in the coming years in this segment and it aims to tap this potential with its Esanti and Da Vinci Prime production lines (see 6.1).

In the BEOL segment single-wafer technology has become mainstreamed over the past few years thanks to its technological superiority and low life-cycle costs (lower Cost of Ownership). The Da Vinci production line of wet processing systems is specifically designed for high-volume production in the BEOL segment.

Strategic Focus

The displacement of multi-wafer (batch) technology with single-wafer solutions gained momentum in 2006 and 2007 (H1). Asian foundries and memory chip manufacturers in particular have increasingly opted for the more flexible and precise single-wafer processing systems, also for high-volume manufacturing purposes. SEZ's leadership position as a supplier of single-wafer wet-clean processing systems was strengthened in conformity with the company's strategy. A decisive factor behind SEZ's successful business development in 2006 and the first half of 2007 was the Da Vinci product line, which is designed for BEOL applica-

tions. SEZ achieved two new technological milestones in the pursuit of its strategic objective of extending its market leadership in single-wafer wet-clean systems to the FEOL segment: It introduced the new ESA (Enhanced Sulfuric Acid) strip process for wet-chemical photoresist stripping and it launched the new Esanti platform with high-volume processing capabilities in the FEOL segment.

Business Plan 2008 – 2010

The BEOL segment SEZ addresses with its products is a relatively mature market distinguished by the following factors:

- The producers of logic chips and contract manufacturers (foundries) already have a high installed base of single-wafer systems, which has led to a temporary slow-down in demand in this segment
- The market for single-wafer systems is shifting towards memory chip producers
- The arrival of new competitors offering single-wafer systems is putting pressure on prices and leading to a struggle for market share

Against this background SEZ assumes that it will almost be able to maintain its market share. This will require constant innovation lowering life cycle costs ("Total Cost of Ownership") for the equipment operators.

The significant growth forecast in the Business Plan 2008 – 2010 is expected to be driven by the introduction of new applications for single-wafer systems in the FEOL segment. This expansion will broaden the spectrum of application for SEZ's single-wafer systems considerably.

The aforementioned development of a technology for removing photoresist (ESA process) and the current market launch of the Esanti platform (see also Appendix 1) will be crucial for the successful penetration of the FEOL segment.



4. Valuation Analysis

4.1. Scope of Valuation

Stand-alone / Synergies / Control premium

The financial projections used by Sarasin in establishing a value for SEZ were based solely on SEZ as a target company, i.e. an independent business development was assumed in these forecasts (stand-alone), without taking into consideration LAM's takeover offer.

Taking over SEZ would allow an industrial buyer to exploit synergy potential in various respects. Industrial buyers will attach prime importance to technology and product-related synergies and to synergies stemming from broader market access. An acquiring company might also be able to benefit from cost synergies. Both parties underscored such synergies between SEZ and LAM.

The stand-alone valuation of SEZ based on the DCF method (see section 4.4) and the valuation based on comparable, listed companies (see section 4.5) do not take this synergy potential into account because it cannot be realized by SEZ on a stand-alone basis.

A comparison can be made with the figures paid in other transactions by analyzing comparable transactions (see section 4.6) and the premiums paid in recent (comparable) acquisitions (see section 4.7). These data can give an indication of the compensation the shareholders of the target company received for the future synergy potential. Compensation is usually offered for the synergy potential provided by the shareholders of a target company, especially if there is a controlling shareholder, and is referred to as a control premium. In the case of SEZ there are no controlling shareholders.

Valuation Date and Subsequent Events

January 1, 2008 was fixed as the valuation date. Initial point for the financial forecast was the balance sheet as of December 31, 2006. SEZ management assured Sarasin that no events had occurred since December 31, 2006 that have not been referred to in the financial forecasts or that would have a material impact on the valuation.

4.2. Financial Forecasts Used

The value of a company is determined by the economic benefits the company can realize in the future based on the company-specific success factors present at the time of valuation – which include its tangible assets, its innovation skills, products, market position, internal organization and its workforce and management team. Under the assumption that a company's objectives are ultimately purely financial in nature, the value of a company is derived from its capacity to generate a financial surplus for its shareholders through the interaction of all the factors influencing its earnings power.



Forecast Period and Residual Value

Historical data, the forecast 2007 and the company's 2008 – 2010 business plan (including the 2008 budget) and its long-term outlook served as the basis for the analyses and calculations conducted by Sarasin in determining SEZ's future financial surplus. The period up to 2015 was selected as the forecast period and the company's financial surplus in the year 2015 was normalized based on the assumptions made in the calculation of the residual value. With regard to the normalization of the financial surplus in 2015, great care was taken to ensure that the growth rate, margins, capital expenditure and tax rate were plausible in relation to historical data and the projections given by SEZ management. The financial surplus derived for the year 2015 then served to determine the residual value using the perpetual growth method.

Plausibility and Consistency of the Financial Forecasts

Within the scope of its valuation calculations Sarasin tested the plausibility and consistency of the most important factors influencing the enterprise value ("value drivers") in relation to historical trends. In addition, the financial forecasts were discussed with SEZ's executive management, which was particularly important in assessing the company's growth and margin outlook.

Modifications to the financial forecasts were made when deemed justifiable from Sarasin's standpoint. The table on the following pages gives an overview of the assumptions regarding the most important value drivers that were used by Sarasin for valuation purposes:

GROWTH	2007 – 2010	2011 – 2015
<p>Nominal sales growth (average p.a.)</p> <p>As a manufacturer of production equipment for the semiconductor industry, SEZ is active in an extremely volatile business distinguished by major cyclical fluctuations. Phases of higher-than-average growth are followed by phases of lower-than-average growth (with sales usually contracting by 12% to 25%).</p> <p>Management expects a cyclical upswing in the years 2008 – 2010 with clearly above-average growth rates. After this peak a cyclical low is expected, so growth in the subsequent forecast period beginning in 2011 is accordingly low.</p> <p>The sales growth expected for SEZ in the years from 2008 to 2010 is high, even for the peak of a cycle, and includes market share gains. These expected market share gains are basically dependent on two developments. Firstly, SEZ expects that single-wafer technology will continue to capture market share at the expense of batch technology (refer to breakdown of market share in section 3.2). Secondly, SEZ expects that it will successfully penetrate the FEOL market with its products and thereby benefit from the growing market share of single-wafer technology in this market segment (see graphic illustration in</p>	<p>16.9% p.a.</p>	<p>1.2% p.a.</p>



<p>appendix 6.1).</p> <p>A cyclical low is expected as of 2011 in the wake of the cyclical peak. The low growth between 2011 and 2015 reflects the downturn and is largely attributable to a decline in sales in 2011. Since this decline is likely to affect the entire industry, however, the long-term financial forecasts likewise imply that SEZ will be able to defend the additional market share gained during the forecast period up to 2010 on the back of new technology and new products.</p>		
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PROFITABILITY	2007 – 2010	2015
<p>Gross margin</p> <p>SEZ generated an average gross profit margin of 40.8% from 2003 to 2007E. SEZ expects to generate an average gross margin of 40.4% during the period from 2007E to 2010E, although the expected gross margin for 2007 is only 36.7%. The company's entry into the FEOL segment is expected to lead to a significant increase in the gross margin up to the year 2010, along with the substantial increase in sales.</p> <p>The cyclical low expected in the years 2011 and 2012 will result in a temporary decline in the gross margin, as in previous cyclical lows.</p> <p>A gross margin of 41.0% is forecast over a longer-term period, which is in line with the historical average margin.</p>	<p>Average 40.4%</p>	<p>41.0%</p>
<p>Research and development expense as a % of sales</p> <p>According to SEZ's budget, the absolute amount of research and development expenditure in the forecast period from 2007 to 2010 will remain stable at around the same level as in 2007. Sales are forecast to increase up to 2010, so R&D spending as a percent of sales is set to decline from 19.2% to 13.1%. Such a development is plausible considering the company's full product pipeline and the anticipated economies of scale. According to SEZ, the 14.5% rate forecast for 2015 is in line with the long-term average for the industry.</p>	<p>Average 16.1%</p>	<p>14.5%</p>



Sales, marketing and administrative expense as a % of sales According to SEZ's executive management, sales, marketing and administrative expense is largely variable in nature, so economies of scale are limited. SEZ considers 14.0% a realistic figure over the long term.	Average 14.5%	14.0%
Resulting EBIT margin The long-term EBIT margin derived from the assumptions above is 12.5%. Generally speaking, there is a correlation between the EBIT margins of suppliers to the semiconductor industry and corporate size. Large companies such as Applied Materials, Novellus Systems, LAM Research, KLA-Tencor, ASML Holding and Tokyo Electron that generate more than one billion CHF in sales have an average EBIT margin of 23.4%. ¹ Smaller companies such as FSI International, Dainippon Screen Manufacturing, SES, Semitool, Axcelis Technologies and Mattson Technology have a lower average margin of 9.5% (average margin ranges from 6.2% to 12.3%). ² The long-term margin target of 12.5% assumed for SEZ is therefore at the upper end of the forecast range for niche suppliers.	Average 9.8%	12.5%

CAPITAL EXPENDITURE	2007 – 2010	2015
Capital expenditure as a % of sales SEZ invests primarily in fixed assets such as buildings, production facilities, prototypes and other machines, tools, operating and business equipment. According to SEZ management, in the recent past – in view of the new product launches in the FEOL segment – investments were higher than average in connection with the introduction of the Esanti product family (2006: 11.7% of sales). Therefore, SEZ is expecting capital expenditure to decline to a much lower 6.2% of sales in its financial forecast for 2007 to 2010. SEZ management expects its capital expenditure to average between 7.0% and 8.0% of sales over the long term.	Average 6.2%	7.5%

¹ Source: Bloomberg EBIT Estimates 2008 / 2009

² Source: Bloomberg EBIT Estimates 2008 / 2009



Other Value Driver
<p>Residual value: Growth assumptions after the year 2015</p> <p>The growth rate used in the calculation of residual value has a significant impact on the valuation outcome because the residual value is usually given a substantial weighting in DCF-based valuation methods. Sarasin assumed a terminal growth rate of 1.0% p.a. for SEZ, which reflects low inflation rate expectations.</p>
<p>Tax rate</p> <p>SEZ management considers a long-term average tax rate of 20.0% realistic. This is slightly below the usual international rate of 23.0% thanks to SEZ's optimal corporate structure with respect to group taxation. Deductible loss carryforwards have been taken into consideration in the forecast period. In its valuation model Sarasin applied a tax rate of 20.0% for the year 2007 and beyond.</p>

4.3. Valuation Methods Used

The evaluation of the financial adequacy of the offer price is based primarily on the DCF method. In addition, an analysis of comparable companies (Compco analysis), an analysis of comparable transactions (Compac analysis) and an analysis of the control premiums paid in transactions on the Swiss stock market were conducted to validate the plausibility of the result of the DCF valuation.

4.4. Discounted Cash Flow Method

In the DCF method, the present cash value of the financial surplus from the operationally necessary assets is calculated first. The financial surplus is derived from the free cash flows available to shareholders and creditors. The total present cash value of the free cash flows (incl. the residual value) plus any non-operating assets correspond to the gross enterprise value of the company. Interest-bearing debt less excess cash is then deducted from this sum to determine the net company value, i.e. the value of the company's equity.

The Weighted Average Cost of Capital was used as the discount rate in calculating the present cash value of the financial surpluses and the Capital Asset Pricing Model applied in calculating the components of the average cost of capital. In view of the capital structure targeted by SEZ management (net cash position), there is no need to analyze the company's borrowing costs. The weighted average cost of capital corresponds to the company's cost of equity.

Since the financial forecasts are based in CHF, the discount rate was calculated based on the cost of capital in CHF. The following input variables were applied in determining the discount rate:

Risk-free Interest Rate

The risk-free interest rate is derived from the CHF interest rate for a (virtually) risk-free investment, which is based on the long-term attainable yield of bonds issued by public-sector borrowers. However, because the life of such bonds is limited, an assumption has to be made with respect to interest rates at the time of reinvestment. Historical yield data was used as an approximation.

Bonds issued by the Swiss government with approx. 30 years to maturity were yielding 3.2%³ on December 19, 2007. In the past 10 years, Swiss government bonds with a remaining life of 30 years displayed an average yield of 3.8%⁴. Viewed over a period of several decades, however, interest rates were well above 4%⁵. Taking into consideration historical yield developments and the current yields of these long-term bonds, a base interest rate of 4.0% was assumed.

Risk Premium

An entrepreneurial engagement is always associated with risks. For this reason, future financial surpluses cannot be forecast with absolute certainty. Market participants demand risk premiums as compensation for taking on entrepreneurial risk. Since investors take on a special risk when investing in a company, a risk premium on top of the risk-free rate must be factored in. In order to establish the adequate rate for discounting future cash flows, the risk structure of the underlying company has to be taken into account when calculating the risk premium.

One can apply the pricing models used in capital markets today to determine the risk premium. The most widely used model in theory and practice is the Capital Asset Pricing Model (CAPM). It was also applied here.

The company-specific risk premium is derived by multiplying the company-specific beta factor by the market risk premium. The beta factor is a measure of company-specific risk in relation to market risk. A beta of more than 1 implies that the stock value of a company, as measured by the share price of the company in question, will tend to display proportionately greater sensitivity to market movements, while a beta of less than 1 suggests that the specific company value will rise or fall proportionately less than the corresponding market movements.

The market risk premium is given by the difference in the returns of stock investments and risk-free investments. Capital market studies over long periods of observation have shown that investing in stocks has yielded a higher return than investments in debt securities with low risk. Taking into consideration the long-term stock market return in Switzerland of approx. 8% to approx. 10%⁶ and deducting from this the assumed risk-free rate of 4%, resulted in a market risk premium of about 5%, which served as the basis for the valuation.

³ Source: Bloomberg

⁴ Source: Datastream

⁵ Source: Pictet & Cie, The Performance of Equities and Bonds in Switzerland (1926-2006), January 2007

⁶ Source: Pictet & Cie, The Performance of Equities and Bonds in Switzerland (1926-2006), January 2007

The beta factor for SEZ was derived from the betas of comparable companies (see Appendix 6.5). In order to render the beta factors of the comparable companies effectively comparable, betas were adjusted for the company-specific leverage. The comparable companies' average unlevered (debt-free) beta is 1.17.

This unlevered beta derived from the comparable companies must, in turn, be adjusted to the company-specific leverage of SEZ in order to obtain the corresponding levered beta factor for SEZ. In calculating the beta for SEZ a target ratio of 0% net financial debt to 100% equity (at market prices) was assumed. This corresponds to 100% financing with company equity, which is quite normal for the semiconductor industry and SEZ.

Cost of Debt

Due to SEZ's targeted capital structure without any net financial debt, there is no need to conduct an analysis of the risk premium over and above the risk-free interest rate.

Total Cost of Capital

Based on the information given above, the total cost of capital for SEZ is calculated as follows:

WACC calculation		
(some figures rounded)		
	SEZ	Source:
Risk free rate	4.0%	Yield to maturity of Swiss government bonds incl. re-investment
Market risk premium	5.0%	(return on equity - risk free rate); Pictet
Unlevered Beta	1.17	Peer group analysis; Bloomberg
Relevered Beta	1.17	= Unlevered Beta * (1+(1-t) * Gearing)
Cost of equity	9.85%	= Risk free rate + (market risk premium * unlevered Beta)
Risk free rate	n.m.	
Risk premium	n.m.	
Cost of debt	n.m.	
Cost of debt (tax adjusted)	n.m.	= Cost of debt * (1-t)
Gearing (net debt / equity*)	0	Long-term projected future capital structure
Proportion of debt	0%	
Proportion of equity	100%	
Tax rate (t)	20.0%	Marginal tax rate
WACC (tax adjusted)	9.85%	Weighted average cost of capital (tax adjusted)

* Market value

Special Considerations

According to SEZ, the company does not own any significant assets that are not necessary for operating purposes. Capital outflows resulting from dividend payments for fiscal 2006 and the repurchase of own shares have been taken into consideration. The exercise prices of employee options that SEZ employees paid or would theoretically have to pay (in the event options not yet exercised are "in the money") have also been taken into consideration.



Treasury shares were not included in the calculation of the total number of shares. New shares stemming from the exercise of employee options were included.

The liquidity required for operating purposes at SEZ was set at CHF 50 million and was not included in the calculation of net debt. Liquidity required for operating purposes earns interest at the going short-term interest rate.

Sensitivity Analysis

The valuation range of the DCF method was determined by a sensitivity analysis in which the value drivers were varied across a range of values. The model parameters were WACC, perpetual growth, the gross margin in 2015 and the corporate tax rate from 2007. The results of the sensitivity analysis are given in the following table.

Sensitivity Analysis				
Value Driver	Base Scenario	Δ Value Driver	Sensitivity Scenario	Value per Share (in CHF)
WACC	9.85%	+ 1%	10.85%	35.2
		- 1%	8.85%	42.6
Perpetual Growth	1.00%	- 1%	0.00%	36.5
		+ 1%	2.00%	40.9
Gross Margin 2015	41.00%	- 2%	39.00%	35.2
		+ 2%	43.00%	41.7
Tax Rate from 2007	20.00%	+ 5%	25.00%	36.2
		- 5%	15.00%	40.6

Result of the DCF Valuation

The sensitivity analysis of the DCF valuation indicated a value in the range of CHF 35.2 to CHF 42.6 per SEZ registered share.

4.5. Valuation Based on Comparable Listed Companies (Compco)

Significance of Method

This method is preferred in particular by investment and financial analysts because the capital market community usually does not have access to the detailed financial budgets and forecasts drawn up by the companies. Since Sarasin was able to review the financial forecasts made by SEZ and discuss these with SEZ management, and also test them for plausibility using additional documents provided by the company, we consider the DCF valuation a more meaningful valuation method. This is also because this valuation method does not re-

flect the control premiums that a buyer is willing to pay to acquire a company, or then only to a very limited extent.

Therefore, the comparable companies valuation primarily serves to validate the plausibility of the result of the DCF valuation method.

Basic Methodology

Dividing the enterprise value (current market capitalization plus net debt, minorities) of comparable listed companies by their actual financial results (e.g. sales, EBITDA, EBIT, Net Income, Book Value) for the past twelve months and their expected results for the following two business years produces corresponding multiples and the average multiples can be calculated (see Appendix 6.2). Applying these average multiples to the financial figures for SEZ (Sales, EBITDA, EBIT, Net Income, Book Value) produces a valuation result for each average multiple.

The following two factors have a significant impact on the outcome of the valuation:

- the calculated average multiple and
- the selection and calculation of SEZ's financial figures with which the average multiples are multiplied

The average multiple is basically dependent on the underlying selection of comparable companies. A meaningful average multiple will only be produced if there are companies that are indeed comparable with the core characteristics of the company being valued.

Since the valuation by means of comparable companies is based on the most recent and the estimated results for the next 1 to 2 years (LTM, 2008E, 2009E), the outcome of this method reflects a short-term view of a company's value. The growth and margin expansion potential that a company can realize in the medium term and its specific stage in the business cycle will only be reflected if the companies it is compared with have similar growth and margin potential or are in the same stage of the business cycle.

Selection of Comparable Companies for SEZ

Selecting comparable companies for SEZ is a rather difficult undertaking. SEZ is a supplier of front-end semiconductor manufacturing equipment. This industrial segment is heterogeneous in several aspects: Special machines are needed to meet the varying requirements of the individual stages of the semiconductor fabrication process and the business models of the equipment manufacturers can vary as a result.

Sarasin was unable to identify any listed companies that are directly comparable with SEZ's business model and that are also in a comparable stage of the business cycle and mainly supplying wet-clean equipment based on single-wafer technology. Nevertheless, there are a number of companies that are directly or indirectly competing with SEZ in the marketplace or technology-wise that can be used to conduct a valuation analysis based on comparable companies.

As already mentioned in section 4.2, the relative size of a company and the size of its product range have an impact on its business model. Generally speaking, it can be said that large

semiconductor manufacturing equipment suppliers worth more than CHF 2 billion and having a broadly diversified product portfolio are capable of generating significantly higher and also more stable margins (EBIT margins of more than 20% attainable) in the long run than smaller suppliers (company value of less than CHF 2 billion) with a specialized product range (EBIT margins of 8% to 13% attainable). SEZ belongs to the group of smaller, focused suppliers.

Against this background comparable companies were identified that, ideally, met the following profile:

- Companies that mainly offers systems for the front-end segment of the semiconductor manufacturing process
- Comparable growth and profitability expectations
- Leading market position in specific production stages of wafer processing and a global market presence
- Comparable size (direct peers)

The following group of comparable companies was created:

Group 1: (Direct Peers)	Group 2: (Large Peers)
- Axcelis Technologies Inc.	- Applied Materials Inc.
- Dainippon Screen Manufacturing Co Ltd.	- ASML Holding NV
- FSI International Inc.	- KLA-Tencor Corporation
- Mattson Technology Inc.	- Lam Research Corporation
- Semitool Inc.	- Novellus Systems Inc.
- SES Co Ltd.	
- Tokyo Electron Ltd.	

Based on the criteria mentioned above we consider these companies suitable for the purpose of determining average valuation multiples. Due to SEZ's business model, under which the company only offers single-wafer wet-clean equipment, we have divided the comparable companies into two different groups. The first is the direct peer group, which is more comparable with regard to size and product offering and the second the large peer group, consisting of companies that have a broader product portfolio and a company value in excess of CHF 2 billion. Some of these large peers are also active in other market segments (e.g. in display production, data storage, lithography).

The breakdown into two groups acknowledges the fact that the direct peers have lower multiples than the large peers because their attainable EBIT and EBITDA margins are lower. Lower margins are a consequence of intense pricing pressure in the semiconductor equipment manufacturing market. The smaller direct peers have to sell their products with similar technological standards at lower prices due to the smaller production quantities and their inability to offer comprehensive solutions. Large peers can also profile themselves as providers of comprehensive solutions and offer customers different production lines and systems tailored to their specific needs. Furthermore, the market entry of new companies in the direct

peer group is creating additional price pressure because these new companies are aggressively pricing their products to ensure a successful market entry, whereas the solutions and services offered by the large peer segment are exposed to considerably less competitive pressure (oligopoly/duopoly).

Due to the quite different market environments in which the direct peers and the large peers operate, the direct peers are in our opinion more comparable with SEZ and their multiples are accordingly more meaningful. The valuation range for SEZ derived from the mean for all comparable companies (All Comparables) is nevertheless also listed below for the sake of completeness:

CHF per Share	Mean (All Multiples)		
	LTM	2008E	2009E
Direct Peers	42	34	36
All Comparables (w/o Min & Max)	39	39	44

We believe the values derived from the direct peer multiples are the most appropriate.

Result of the Valuation Based on Comparable Listed Companies

The valuation based on comparable listed companies produced the following value range:

Direct Peers **CHF 34 to CHF 42** per registered share

The values produced based on the large peers/all comparables multiples were deliberately not included in view of the much more favourable conditions under which the large peers operate.

As mentioned above, it must be noted that the valuation based on the comparable companies does not include a control premium.

The valuation result based on comparable companies confirms the result of the discounted cash flow analysis as the valuation ranges of the two methods are similar.

4.6. Valuation Based on Comparable Transactions (Compac)

Significance of Method

If a strategic buyer and a seller want to agree on a price for a takeover, both parties will have to assess the resulting synergy potential and combined market potential in their valuation calculations. To facilitate the acceptance of its bid by the seller, the buyer can agree to share some of this potential by factoring these gains into its offered takeover price, which results in a premium versus the market price. An analysis of comparable transactions can shed some light on the multiples paid in takeover situations. It is difficult, however, to find transactions that are comparable and that were also closed in the not too distant past. Comparable transactions should not have taken place all too long ago because the multiples paid can vary significantly over time – just like the valuations on stock markets.

Basic Methodology

Dividing the enterprise value that was paid during the course of a takeover by the key financial figures of the target company (Sales, EBITDA, EBIT, Net Income) produces the corresponding takeover multiples. The multiples of comparable transactions can then be used to calculate an average multiple which is multiplied by the corresponding financial figure of the target company, producing an implied value for the target company.

Selection of Comparable Transactions

The most important criteria we applied in selecting comparable transactions were:

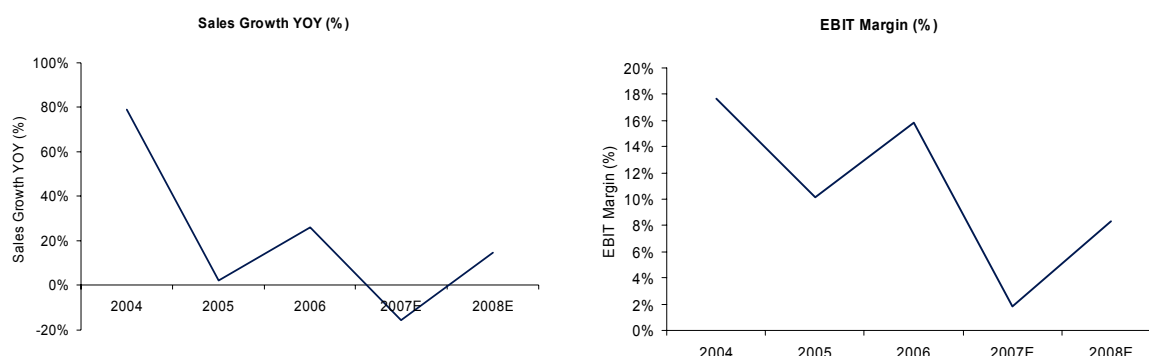
- Transaction size of more than USD 50 million
- Comparable industrial activity of the target company (i.e., supplier of manufacturing equipment or complex components for semiconductor manufacturing equipment (front-end and back-end))
- Transaction date no later than 2005
- A majority interest was acquired
- Multiples have been disclosed or can otherwise be calculated

Results of the Valuation Based on Comparable Transactions

Appendix 3 lists the relevant transactions and the multiples paid in these transactions. This analysis shows that the range of multiples paid is rather broad. The relevant transactions that closed in recent years are not fully comparable with the takeover bid for SEZ because no transactions involving manufacturers of production equipment in the front-end segment could be identified. The ten transactions listed in Appendix 3 all involved companies in the back-end, quality control or component manufacturing business.

Another challenge regarding the valuation based on comparable transactions is the fact that SEZ's sales and profitability are rather volatile with up and downswings during the period from 2006 to 2008; after the high sales growth and better-than-average profitability in 2006, a significant decline in sales and low profitability are expected in 2007, before an expected upturn in demand in 2008 and the positive effects from SEZ's entry into new markets (FEOL applications) are reflected in its income statement.

Graphs: Sales growth (YOY) and EBIT margin: 2004-2008



Source: SEZ Management Report

Against this background, Sarasin considers it appropriate to apply the multiples from the comparable transactions to SEZ's key figures for the LTM (fourth quarter of 2006 to the third quarter of 2007) and 2008E. This produces the following numbers per share for SEZ:

SEZ LTM		Mean (All)	Mean (EBIT / PE)
All Transactions w/o Min & Max	Value per Share (CHF)	47	35

SEZ 2008E		Mean (All)	Mean (EBIT / PE)
All Transactions w/o Min & Max	Value per Share (CHF)	48	37

Due to the limited comparability of the transactions we calculated the valuation range above excluding the highest and lowest values, which produced a valuation range from **CHF 35 per share to CHF 48 per share**.

The comparable transaction valuation includes method-inherent potential control premiums and premiums for the synergy effects realized by the buyer. The result of this valuation method is, as already mentioned above, of limited applicability.

4.7. Analysis of Premiums Paid in the Swiss Capital Market

We also analyzed to what extent the premium offered in the present transaction (53.4% in relation to the average opening price of SEZ shares during the 60 trading sessions prior to the pre-announcement of the takeover offer by LAM) is comparable with the premiums paid in similar stock-market transactions.

The criteria applied in selecting comparable transactions are given below:

- Transaction size of more than approx. CHF 50 million

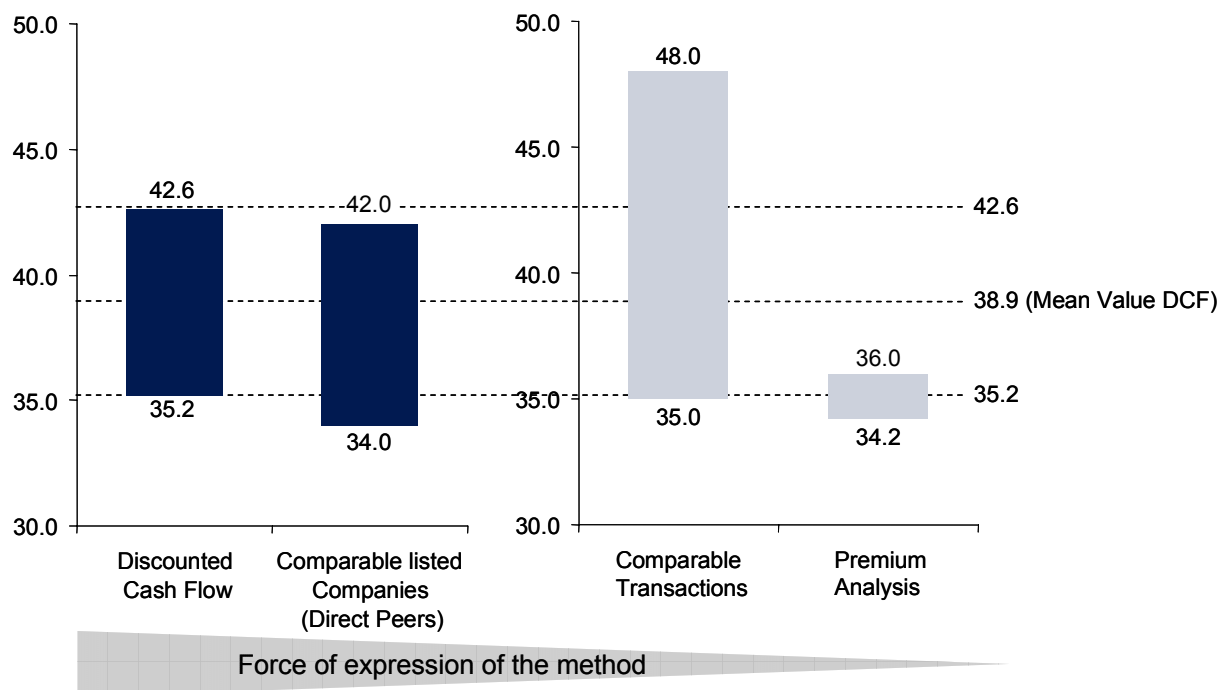
- Company with industrial business activities (excluding power utilities / financial services providers, etc.)
- Transaction date no later than 2005
- Change in control
- Target company listed on the SWX Swiss Exchange
- Most of the purchase price paid in cash

The particular circumstances of a public tender offer can have a substantial impact on the premium paid. In contested takeovers involving several potential buyers (e.g. Leica or Saia-Burgess) the premiums paid were higher than in transactions where there were no competing bids (e.g. Sarna). The kind of consideration offered also has an impact on the premium. The premium in all-share offers is usually lower than in cash offers. Based on the average paid premium of 45.2% in comparable stock market transactions and the average opening price of CHF 24.8 per SEZ registered share in the 60 days preceding LAM's pre-announcement on December 11, 2007, we calculated a share price of **CHF 36.0** per registered share.

The average paid premium in transactions without competing bidders was 38.1%, which would correspond to a price of **CHF 34.2** per registered share.

Information on the premiums paid in the Swiss capital market is given in Appendix 4.

4.8. Summary of the Result of the Valuation



The valuation result of the DCF method, which is the most appropriate method, is confirmed by the results of the other valuation methods. The upper end of the valuation range resulting from the valuation based on comparable transactions (incl. control premiums) is above the result of the DCF valuation, but it nevertheless confirms the latter result. The result of the valuation based on comparable companies is somewhat lower (no control premiums), which is to be expected, while the result of the premium analysis of comparable takeover bids in the Swiss capital market indicates that the takeover offer for SEZ is attractive relative to the share prices paid in the preceding 60 days.

Because the DCF method best reflects the fair value of SEZ and Sarasin was given access to SEZ management and the company's business plan, the results of the DCF method were used as the primary valuation method. This produced a valuation range from CHF 35.2 to CHF 42.6 per share.

5. Result of the Fairness Opinion

Based on the valuation analyses and the deliberations presented in this fairness opinion, LAM's offer price of CHF 38 per SEZ registered share lies within the established valuation range and is therefore considered financially adequate. This statement is based primarily on the result of the DCF valuation and is also supported by the aforementioned additional analyses.

Important for Private Shareholders

The result of the fairness opinion does not take into consideration the potential tax consequences for individual shareholders – especially for private shareholders in Switzerland. The Board of Directors of SEZ should, if possible, draw attention to the potential tax consequences in its report to shareholders.

Zurich, December 28, 2007

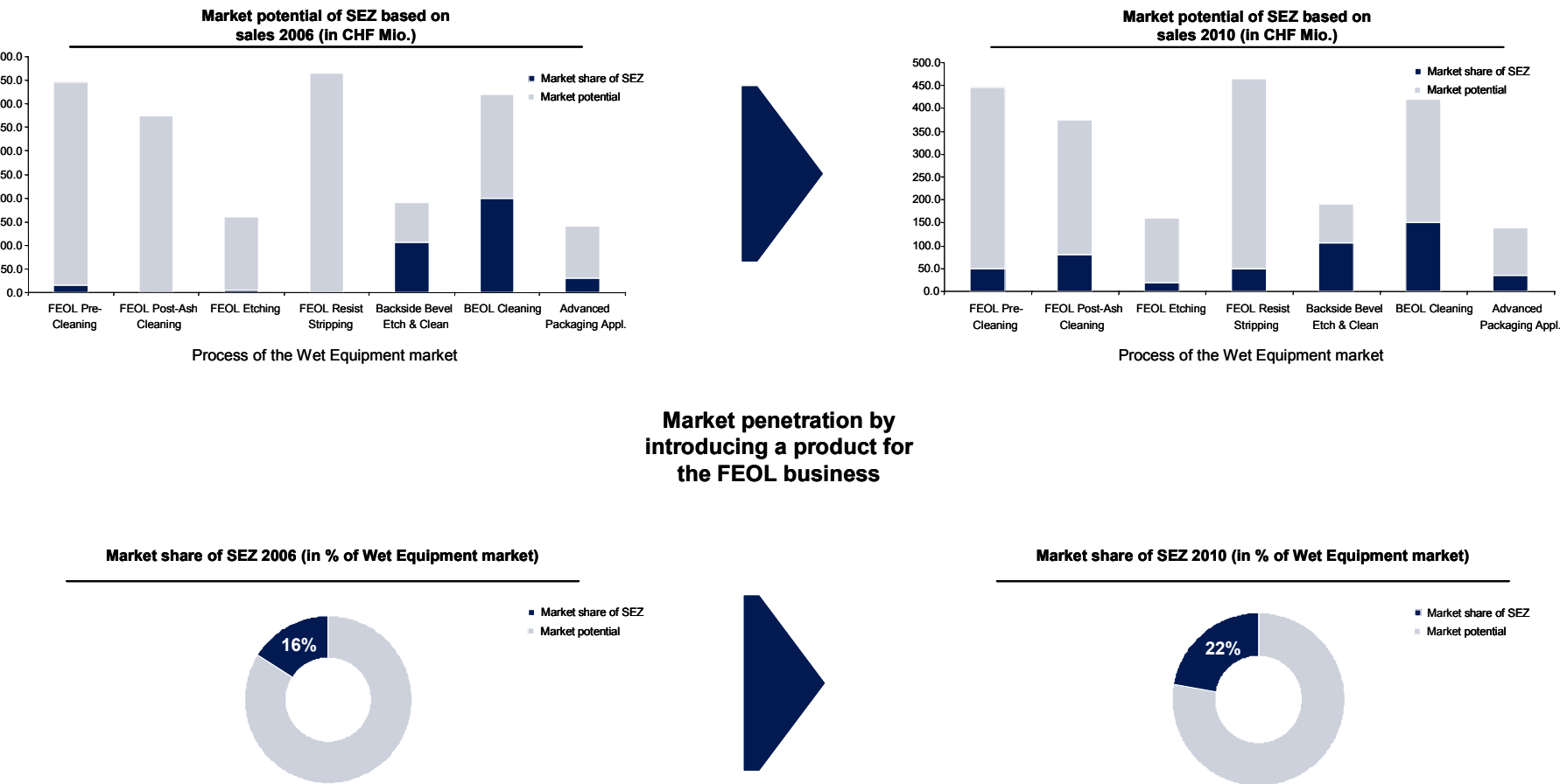
Bank Sarasin & Co. Ltd

sig. Alexander Cassani

sig. Matthias Spiess

6. Appendix

6.1. Appendix 1: Market penetration based on 2006 / 2010 sales figures



Source: SEZ management presentation



6.2. Appendix 2: Multiples of comparable listed companies

Company	Country	Currency	Market Cap	Price to Book Ratio	Sales Multiples			EBITDA Multiples			EBIT Multiples			P/E Multiples		
			(in mio of LC)		LTM	2008 E	2009 E	LTM	2008 E	2009 E	LTM	2008 E	2009 E	LTM	2008 E	2009 E
Axcelis Technologies Inc	UNITED STATES	USD	471	0.96	0.9x	1.0x	1.0x	24.2x	11.1x	5.2x	NM	18.0x	6.7x	31.6x	18.7x	8.3x
Dainippon Screen Manufacturing	JAPAN	JPY	149'845	1.07	0.5x	0.6x	0.6x	4.9x	6.6x	6.3x	5.8x	7.9x	7.3x	9.7x	19.1x	13.4x
FSI International Inc	UNITED STATES	USD	58	0.74	0.3x	0.4x	0.3x	NM	NA	NA	NM	NA	NA	NM	NM	6.3x
Mattson Technology Inc	UNITED STATES	USD	443	1.76	1.1x	1.2x	1.1x	9.2x	8.0x	6.4x	11.2x	13.1x	7.3x	17.2x	13.3x	10.3x
Semitool Inc	UNITED STATES	USD	288	1.80	1.3x	1.2x	1.0x	21.6x	10.3x	4.1x	109.2x	24.7x	9.2x	58.2x	26.4x	12.9x
SES Co Ltd	JAPAN	JPY	12'452	1.13	0.6x	0.6x	0.6x	6.3x	NA	NA	8.8x	NA	NA	5.4x	8.2x	8.3x
Tokyo Electron Ltd	JAPAN	JPY	1'172'165	2.27	1.1x	1.2x	1.3x	5.3x	6.0x	6.9x	5.9x	6.8x	7.4x	10.0x	11.5x	13.7x
Applied Materials Inc	UNITED STATES	USD	24'307	3.12	2.3x	2.6x	2.1x	8.6x	9.8x	7.2x	9.3x	11.8x	8.3x	14.2x	17.1x	13.7x
ASML Holding NV	NETHERLANDS	EUR	9'704	5.28	2.5x	2.6x	2.4x	9.6x	9.2x	8.4x	11.0x	10.4x	10.1x	15.7x	15.3x	13.9x
Kla-Tencor Corp	UNITED STATES	USD	8'785	3.12	2.7x	2.8x	2.8x	10.2x	7.7x	7.7x	12.2x	8.6x	7.9x	20.9x	16.3x	14.3x
Lam Research Corp	UNITED STATES	USD	5'342	3.24	2.1x	1.8x	1.9x	7.9x	6.4x	7.3x	8.2x	6.8x	7.7x	17.1x	9.7x	11.3x
Novellus Systems Inc	UNITED STATES	USD	3'089	1.68	1.6x	1.8x	1.7x	7.0x	8.5x	8.5x	8.5x	11.9x	11.4x	16.4x	16.9x	17.1x
AVERAGE (All Comparables w/o Min & Max)				2.02	1.4x	1.5x	1.4x	9.5x	8.3x	6.9x	9.4x	11.1x	8.2x	17.0x	15.3x	12.0x
AVERAGE (Direct Peers)				1.39	0.8x	0.9x	0.8x	11.9x	8.4x	5.8x	28.2x	14.1x	7.6x	22.0x	16.2x	10.4x
AVERAGE (Large Peers)				3.29	2.2x	2.3x	2.2x	8.6x	8.3x	7.8x	9.8x	9.9x	9.1x	16.8x	15.1x	14.1x

LC: local currency

Source: Bloomberg, Sarasin

6.3. Appendix 3: Multiples of comparable transactions

Target Name	Acquirer Name	Announcement Date	Payment Type	Deal Close	Enterprise Value (in mio USD)	Transaction Multiples			
						Sales	EBITDA	EBIT	P/E
United Test and Assembly Center Ltd	Affinity Equity Partners / TPG Capital	26.06.2007	Cash (USD 1173m)	23.10.2007	1'480	2.6 x	7.4 x	14.2 x	18.1 x
Stats ChipPac Limited	Temasek Holdings Pte Ltd	01.03.2007	Cash (USD 1584m)	13.04.2007	3'166	2.0 x	7.5 x	20.5 x	30.7 x
Therma-Wave Inc	KLA-Tencor Corporation	08.01.2007	Cash (USD 75m)	25.05.2007	62	0.9 x	NA	NA	NA
Dage Holdings Limited	Nordson Corporation	17.11.2006	Cash (USD 222m)	14.12.2006	229	4.3 x	NA	36.4 x	56.1 x
Applied Films Corporation	Applied Materials Inc	04.05.2006	Cash (USD 448m)	07.07.2006	286	1.6 x	33.7 x	NA	NA
NS Electronics Bangkok (1993) Ltd	United Test and Assembly Center Ltd	21.04.2006	Cash (USD 149m)	08.06.2006	153	1.2 x	3.6 x	9.7 x	12.8 x
ADE Corporation	KLA-Tencor Corporation	23.02.2006	Cash (USD 470m)	12.10.2006	392	3.4 x	15.2 x	16.6 x	11.4 x
Helix Technology Corporation	Brooks Automation Inc	11.07.2005	Equity (USD 454m)	27.10.2005	426	2.7 x	16.8 x	20.4 x	16.5 x
August Technology Corporation	Rudolph Technologies, Inc.	28.06.2005	Cash (USD 60m), Equity (USD 133m)	15.02.2006	156	2.3 x	49.3 x	NM	NM
Mykrolis Corporation	Entegris Inc	21.03.2005	Equity (USD 579m)	06.08.2005	447	1.5 x	9.2 x	12.2 x	20.3 x
AVERAGE (all transactions)						2.2 x	17.8 x	18.6 x	23.7 x
AVERAGE (w/o Min & Max)						2.1 x	15.0 x	16.8 x	19.7 x

Source: Mergermarket (figures used for multiples are the last reported prior to transaction)

6.4. Appendix 4: Premium analysis

(in mio CHF)

Target Name	Acquirer Name	Target Industry Subgroup	Announcement Date ¹⁾	Transaction Value (Equity) ²⁾	Cash consideration in % of Trans. Value	Minimum Acceptance Level	Premium paid based on 60 days average
SIG ³⁾	Rank Group	Machinery - General Industry	24.09.2006	2'533.22	100%	75%	55.6%
Saurer	OC Oerlikon	Machinery - General Industry	06.09.2006	1'963.98	100%	50%	50.5%
Amazys	X-Rite	Electr. Measur. Instr.	31.01.2006	365.35	72%	70%	40.2%
Sarna Kunststoff	Sika	Bldg&Construct Prod-Misc	12.09.2005	398.99	100%	67%	16.8%
Saia-Burgess ³⁾	Gatebrook (Johnson)	Electric Products-Misc	30.06.2005	695.89	100%	50%	51.9%
Leica Geosystems ³⁾	Hexagon AB	Electr. Measur. Instr.	13.06.2005	1'463.29	80%	50%	56.2%
Büro-Fürer	Lyreco	Office Supplies&Forms	11.03.2005	45.70	100%	none	45.0%
Average							45.2%
Average (only transactions w/o competitive bidding)							38.1%

¹⁾ Announcement date of the first offer

²⁾ Value paid by the successful acquirer if competing offers were launched

³⁾ Competitive bidding

For comparability reasons, all transactions with the following target firms have not been included in the analysis:

Absolute Europe, Acorn, Agie Charmilles, Atel, Schmolz + Bickenbach, Bank Linth, Bank Sarasin, Berna Biotech, Converium, E.E.S., Getaz Romang, Henniez, Implenla, Isotis, Leclanché, Mövenpick, Serono, Unilabs, Von Roll

Source: Bloomberg, Swiss Takeover Board (UEK)

6.5. Appendix 5: Betas of comparable listed companies

Company	Exchange	Currency	Adjusted Beta ¹⁾	Capital Structure ²⁾	Unlevered Beta ³⁾	Unlevering Factor ⁴⁾
Axcelis Technologies Inc	NASDAQ GM	USD	1.08	-11%	1.17	1.08
Dainippon Screen Manufacturing Co Ltd	Tokyo	JPY	1.16	9%	1.10	0.95
FSI International Inc	NASDAQ GM	USD	0.72	-39%	0.97	1.34
Mattson Technology Inc	NASDAQ GM	USD	1.42	-31%	1.78	1.26
Semitool Inc	NASDAQ GM	USD	1.28	-1%	1.29	1.01
SES Co Ltd	JASDAQ	JPY	0.85	16%	0.78	0.91
Tokyo Electron Ltd	Tokyo	JPY	0.97	-9%	1.03	1.06
Applied Materials Inc	NASDAQ GS	USD	0.98	-9%	1.04	1.07
ASML Holding NV	EN Amsterdam	EUR	1.00	-13%	1.10	1.10
Kla-Tencor Corp	NASDAQ GS	USD	1.16	-19%	1.33	1.14
Lam Research Corp	NASDAQ GS	USD	1.22	-13%	1.36	1.11
Novellus Systems Inc	NASDAQ GS	USD	0.96	-23%	1.13	1.17
Average			1.07		1.17	

1) Source: Bloomberg

2) Capital Structure: Net Debt / Market Cap

3) Unlevered Beta = Adjusted Beta * Unlevering Factor

4) Unlevering Factor = $1/(1+(1-\text{Tax Rate}) \cdot (\text{Net Debt} / \text{Market Cap}))$

6.6. Appendix 6: List of abbreviations / Glossary

Batch technology	Several wafers are immersed in a wet bath, going through the same processing step at the same time
BEOL	One part of the chip manufacturing process following metallization of the unfinished memory chips on wafers
Beta	Relative risk factor of equity
CAGR	Compound Annual Growth Rate during a particular period (geometric mean)
Compac Analysis	Valuation method based on a comparison of comparable transactions
Compco Analysis	Valuation method based on a comparison of comparable listed companies
Cost of Ownership	Life cycle costs
DCF	Discounted Cash Flow
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Enterprise value, gross	Value of a company before deduction of interest-bearing debt (less excess liquidity in some cases)
Enterprise value, net	Value of a company after deduction of interest-bearing debt
FCF	Free Cash Flow (before interest on borrowed capital); used as the financial surplus in the DCF valuation method
FEOL	One part of the chip manufacturing process before metallization of the unfinished memory chips on wafers
Free float	Shares not held by controlling or strategic shareholders, readily tradable
LTM	Last Twelve Months (income statement results published in the last twelve months)
Residual value	Company value at the end of the forecast period
Single wafer technology	Single-wafer spinning process: Only one wafer at a time is cleaned
Target company	Company that is the target of a buyer's takeover bid
Value Drivers	Valuation parameter having a significant influence on the result of the DCF valuation
WACC	Weighted Average Cost of Capital

Wet Equipment Market Market for semiconductor manufacturing equipment based on wet-cleaning technology