

FOR IMMEDIATE RELEASE

Asia Challenged to Continue as the World's Producer and Exporter for Electronics Manufacturing

- GlobalTRONICS Provides Insights on Cost-Saving Manufacturing and Innovations to Strengthen Tough Competition in the Electronics Manufacturing Industry -

SINGAPORE., 12 August 2008 – With the global outlook for 2008 shadowed by rising oil prices, accelerating inflation in both China and India, and the health of the U.S. economy, sentiment for Asia's electronics manufacturing sector remains strong. According to World Bank's World Development Indicators online database in June 2007, East and Southeast Asia accounts for more than 40 per cent of the world's combined GDP for exports of manufactured products. However as companies continue to look for cost efficiencies, traditional contract manufacturing powerhouses in Asia like Singapore, Malaysia, Taiwan and South Korea are under pressure from new markets in the region and further afield.

Dialogue on many issues facing the industry in the region underpins Asia's continued leadership as the world's leading electronics manufacturing hub for the years to come. Electronics manufacturers are facing many challenges such as wasteful manufacturing, intellectual property rights, decrease in consumer spending on electronics due to the credit crunch, fears of rising inflation and competition from non-Asian manufacturers like Mexico re-emerging as an increasingly important manufacturing base to supply to the U.S. market. In addition, the European Union's Restriction of Hazardous Substances (RoHS) directive noted the growing concern and preference for environment friendly products and processes, manufacturers face a great deal of added pressure from legal responsibility, expended resources and product quality.

Other than employing improved manufacturing technologies and streamlined processes to minimize costs and optimize manufacturing, electronics manufacturers need to implement a broader scope of activities and strategies to elevate the value chain to enhance competition. The continued expansion of the electronics manufacturing

services (EMS) suppliers' role in terms of design for manufacturability and supply chain, innovation, operational excellence and sustainability, are key factors for the future growth of the industry. This can also be achieved by adopting cost-saving measures like energy-efficient manufacturing and initiatives to decrease the harmful effects to the global environment, and to uphold health and safety directives.

“We see new opportunities in the electronics manufacturing industry amidst the many challenges that have recently arisen in the global market, from increasing inflationary pressures to more countries entering the contract manufacturing arena. Core manufacturing competencies and growing cost-effective skilled workforce have helped Asia be the leader in electronics manufacturing for many years. By taking advantage of these competencies and also constantly improving on the skills and strategies to elevate the value chain, Asia will continue to lead as the world's producer and exporter of electronics. The challenge is to identify the higher value segments in the electronic components market, for example integrated circuits, testing and development of components and even design, which require higher levels of skilled workers to utilize advanced manufacturing technology” said Michelle Lim, General Manager for Reed Exhibitions, Singapore and Malaysia.

“Reed Exhibitions is proud to host GlobalTRONICS 2008 in Singapore as this is Asia's dedicated international sourcing, networking and educational platform for the electronics manufacturing industry for optimized manufacturing efficiencies and enhanced competitiveness, closer to home. It is the key electronics manufacturing platform of choice for major multinational and regional manufacturers in Asia as it brings together leading industry players and decision makers and is aimed to help them deliver and added value to their customers via insights on the issues, trends and developments of the industry in today's environment,” she added.

“GlobalTRONICS is more than just a trade show for the industry. The informative seminars and conferences offer ideas and solutions that will provide us with valuable insights. We hope to gain added knowledge at GlobalTRONICS, so we can strive to be more competitive in terms of adding value, improving operations, ensuring quality and meeting international standards. The discussions and information exchanged during

these sessions will definitely be invaluable and help us move up the value chain and remain competitive,” said Mr. Dennis Rutherford, Managing Director of CyberOptics Singapore.

GlobalTRONICS 2008 will bring a dedicated showcase of six electronics manufacturing segments from 434 international suppliers, including key international participants from the United States of America, Germany, Japan, China, Hong Kong, Taiwan, the United Kingdom, Singapore and more. It will be the meeting ground for industry professionals to network, exchange views, as well as explore collaborations and business opportunities. At the last GlobalTRONICS held in 2006, 11,960 visitors from 58 countries visited the exhibition. 579 companies from 33 countries participated, with US\$57.5 million worth of sales concluded at or after the exhibition.

“GlobalTRONICS is a great networking ground for exhibitors to learn and share insights about new technologies through the Technology Forum. It is also an excellent source for SMT products and services,” Charoenggamuang Somsak, SMT PM Manager, Samsung Electro, Thailand.

GlobalTRONICS 2008 will be held from 9 to 12 September 2008, at the SUNTEC Convention Centre, Level 4. This event will feature a Technology Forum that will showcase a lineup of prominent speakers from the industry who will present a wide range of state-of-the-art and innovative products and services that cater to the trends of the industry today. GlobalTRONICS 2008 will also feature various informative seminars, conferences and workshops that will include the EDN Asia Embedded Systems Seminar, GlobalTRONICS Supply Chain and Logistics Conference and conference topics such as Surface Mount Technology, and key upcoming technology and manufacturing trends.

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About GlobalTRONICS 2008

GlobalTRONICS is an event dedicated to the electronics manufacturing industry in Asia, bringing together key industry professionals and decision makers of Asia. GlobalTRONICS 2008 offers the latest in electronics manufacturing technology, products and services. With 434 international suppliers and informative forums,

workshops and conferences, GlobalTRONICS provides a one-stop sourcing, networking and education platform for the electronics manufacturing industry in Asia.

GlobalTRONICS is part of the NEPCON family of events which are held in China, India, Japan, Korea, Malaysia, Thailand and the United Kingdom.

About Reed Exhibitions

Reed Exhibitions is the world's leading events organiser. In 2007 Reed brought together over six million industry professionals from around the world generating billions of dollars in business. Today Reed events are held in 38 countries throughout the Americas, Europe, the Middle East and Asia Pacific, and organised by 39 fully staffed offices.

Reed organizes a wide range of events, including exhibitions, conferences, congresses and meetings. Its portfolio of over 500 events serves 47 industry sectors, including:

Aerospace & aviation, automobiles, building & construction, electronics, energy, engineering, entertainment, environment, food & hospitality, gifts, healthcare, IT, jewellery, life sciences & pharmaceuticals, property, manufacturing, medical education, packaging & converting, printing & visual communication, security, sports & recreation, travel.

Working closely with professional bodies, trade associations and government departments Reed ensures that each and every event is targeted and relevant to industry needs. As a result, many Reed events are market leaders in their field.

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Appendix: facts and figures

According to reports by In-Stat in May 2007:

- The Asia Contract Electronics Manufacturing (CEM) market will grow from US\$121.5 billion in 2006 to US\$281.8 billion in 2011.
 - Asia will capture 55.1 per cent of the global EMS marketing in 2011, up from 45 percent in 2006.
 - Although China will dominate the EMS and Original Design Manufacturing (ODM) market, India, Thailand, and Vietnam will emerge as new dominant players.
 - With CEM in Asia rapidly growing beyond traditional locations, assembly capacities (manufacturing area in square footage) are increasing in Asian CEM destinations. In 2009, CEM capacity in Asia is projected to be 65 per cent of the global capacity, up from 52 per cent in 2005.
 - EMS/ODM revenues in Vietnam are expected to grow at a CAGR of 63.1% from 2007 to 2012 to reach US\$1.5 billion by 2012.
- In February, research house, Gartner, reported that the demand for semiconductors for the top five major consumer electronics equipment types by EMS and ODMs in Asia will almost double between 2006 and 2011 from US\$11.3 billion to US\$20 billion.
 - Electronics firms have produced about a third of Singapore's manufacturing output as reported in March 2008 by the Economic Development Board of Singapore.
 - The world's largest manufacturing plant for making solar energy products will soon be built in Singapore and expected to start production of wafers, cells and modules used to generate solar power by 2010.

According to the National Statistics Office in the Philippines, electronics including semiconductors, accounts for 59.6 per cent of the total dollar receipts in February 2008. This grew by 4.7 percent to US\$2.456 billion from US\$2.346 billion a year ago.