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**SPEECH BY MR. TAN CHOON SHIAN, DEPUTY MANAGING
DIRECTOR, ECONOMIC DEVELOPMENT BOARD, AT THE
OFFICIAL OPENING CEREMONY OF FORMFACTOR
SINGAPORE'S NEW MANUFACTURING FACILITY AND
GLOBAL BUSINESS CENTRE ON 10th MARCH 2010 at 10
AM**

Dr. Mario Ruscev
Chief Executive Officer and Director
Formfactor Inc.

Mr. Jean Bernard Vernet
Chief Financial Officer and Senior Vice President
Formfactor Inc.

Mr. Chan Pin Chong
Vice President and General Manager,
Country Manager, South East Asia
Formfactor Singapore Pte Ltd

Distinguished Guests,

Good morning.

Introduction

1. I am glad to join you this morning for the opening of Formfactor Singapore's new Manufacturing facility and

Global Business Centre. I congratulate Formfactor for establishing this facility in Singapore. With this facility, Formfactor will be able to support the semiconductor industry not only in Singapore but also the whole of Asia.

2. Formfactor is the global leader in advanced wafer probe card technology and design. The opening of this facility affirms Singapore's position as a leading base for complex manufacturing in Asia. I am therefore encouraged that Formfactor has chosen Singapore as its location in Asia to grow its future business.

Economic Strategies Committee - Charting Singapore's future growth

3. In May 2009, the Economic Strategies Committee or ESC was established to develop strategies for Singapore to achieve sustained and inclusive economic growth. Through its various sub-committees' reviews, the ESC has

highlighted the need for a clear shift towards growth built on skills, innovation and productivity. One of its main recommendations has been to maintain manufacturing as a key pillar of our economy accounting for 20% to 25% of GDP. With the focus on four key clusters - electronics, engineering, chemicals and biomedical sciences; the ESC calls for the manufacturing activities of tomorrow to focus on areas in which generation, use and protection of know-how and intellectual property will be crucial.

4. Such complex manufacturing would be complemented by anchoring more design and R&D activities so as to increase value creation and value add in Singapore, by creating next-generation products and solutions. This will also generate opportunity to attract more headquarters activities and create highly desirable skilled-jobs in Singapore. In order to secure our future as a knowledge and innovation driven economy, the ESC has therefore also

recommended increasing Singapore's total R&D expenditure from 3 to 3.5% of GDP.

Singapore's semiconductor industry

5. Over the past 40 years, Singapore has developed a vibrant semiconductor ecosystem that contributed to about S\$37b of manufacturing output in 2009. Today we have the full value chain of activities including about 40 Integrated Circuit or IC design companies, 14 silicon wafer fabs and 20 Assembly and Test companies. This includes 8 out of the world's top 10 fabless companies, the world's top 3 foundries as well as 3 out of the world's top 5 subcontract assembly and test companies.

Significance of precision engineering as a critical enabler of the semiconductor industry

6. This Semiconductor ecosystem in Singapore is well supported by both global and local companies from the Precision Engineering sector, which produces critical components as well as production equipment. In 2009, Precision Engineering contributed more than S\$19b in manufacturing output and S\$5.6b in value add, employing more than 91,000 people. In order to establish global leadership positions in the industry verticals of the future, Singapore needs to develop a world-class Precision Engineering industry, the backbone of our manufacturing industry.

7. Today Singapore produces more than 10% of the global semiconductor back-end equipment output. We are also establishing our global position in the front-end equipment sector. Recently, companies such as Applied Materials' setup their Asian Operations Centre which will be a base for their global purchasing, sales, manufacturing, engineering and financial groups for the growing

semiconductor and solar market in Asia while KLA Tencor's new facility will do high-precision manufacturing as well as perform training, sales and corporate functions. These industry leaders leverage not only on Singapore as a base to produce leading-edge wafer fabrication equipment, but they will also serve as technology and demand drivers to deepen and diversify our supporting supplier base engaged in activities such as mechanical contract manufacturing, precision machining and surface treatment.

Conclusion

8. Formfactor's new facility in Singapore is a much welcomed addition to our semiconductor and precision engineering industry ecosystems. I would like to thank Formfactor for its trust and confidence in Singapore with this decision to establish its state-of-the-art probe card manufacturing here and to make Singapore its home for business in Asia.

9. I wish Formfactor every success and now declare the facility open.

10. Thank you.