RESEARCH BULLETIN

NOVEMBER 6, 2009

Top 20 Suppliers' Sales Show Back-to-Back 19% Growth Rates!

Top memory suppliers (Samsung, Toshiba, Hynix, and Micron) sales jump by an average of 27%!

Third quarter sales results from the top 20 semiconductor producers illustrate once again why IC Insights has, since the beginning of this downturn, encouraged its clients to think quarterly about 2009! As shown below, the semiconductor industry continues to move through this silicon cycle very quickly as it recovers from recession.

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- **4Q08** — The beginning of the downturn/collapse
- **1Q09** — The bottom of the cycle
- **2Q09** — Inventory replenishment phase
- **3Q09** — Strong seasonal demand
- **4Q09** and beyond — Market growth will mirror the health of the worldwide economy and electronic system sales

As shown in Figure 1, the top 20 semiconductor companies, in total, registered a 3Q09/2Q09 sales increase of 19%. This followed the strong 19% increase logged by the top 20 suppliers in 2Q09/1Q09! In 3Q09, the DRAM and NAND flash markets surged and helped Toshiba and Hynix post 3Q09/2Q09 sales increases of 30% and 31%, respectively.

Figure 1 shows the top 20 semiconductor companies ranked by sales through the first three quarters of 2009. If only 3Q09 figures were used, Freescale would drop out of the ranking and be replaced by Japanese DRAM supplier Elpida, which had 3Q09 sales of $1,025 million (an increase of 38% over its 2Q09 sales).

As will be discussed in IC Insights' *November Update* to *The McClean Report*, even though 2009 will go down as one of the steepest downturns in semiconductor history (-12%), four of the top 20 companies are expected to register higher sales in 2009 than in 2008. Using company guidance as well as IC Insights' forecasts for 4Q09 semiconductor sales levels, Samsung, Toshiba, Qualcomm, and MediaTek are expected to show sales *growth* this year. Quite an accomplishment considering that 2009 is likely to be the worst recession to hit the worldwide economy in 63 years!

1Q09-3Q09 Top 20 Semiconductor Sales Leaders ($M)

1Q09-3Q09 Rank	2008 Rank	Company	Headquarters	2008 Tot Semi	1Q09 Tot Semi	2Q09 Tot Semi	2Q/1Q % Change	3Q09 Tot Semi	3Q/2Q % Change	1Q09-3Q09 Tot Semi
1	1	Intel	U.S.	34,490	6,573	7,382	12%	8,639	17%	22,594
2	2	Samsung	South Korea	20,272	3,686	4,767	29%	6,002	26%	14,455
3	5	Toshiba	Japan	10,422	2,008	2,310	15%	3,002	30%	7,320
4	3	TI	U.S.	11,618	1,939	2,285	18%	2,678	17%	6,902
5	4	TSMC*	Taiwan	10,556	1,162	2,238	93%	2,740	22%	6,140
6	6	ST	Europe	10,325	1,657	1,970	19%	2,269	15%	5,896
7	8	Qualcomm**	U.S.	6,477	1,316	1,786	36%	1,699	-5%	4,801
8	7	Renesas	Japan	7,017	1,233	1,381	12%	1,589	15%	4,203
9	10	Hynix	South Korea	6,182	927	1,301	40%	1,704	31%	3,932
10	9	Sony	Japan	6,420	1,270	1,260	-1%	1,325	5%	3,855
11	12	AMD	U.S.	5,808	1,177	1,184	1%	1,396	18%	3,757
12	14	Micron	U.S.	5,688	1,020	1,160	14%	1,395	20%	3,575
13	11	Infineon	Europe	5,903	970	1,150	19%	1,400	22%	3,520
14	13	NEC	Japan	5,732	863	1,005	16%	1,214	21%	3,082
15	18	Broadcom**	U.S.	4,509	827	966	17%	1,195	24%	2,988
16	19	Panasonic	Japan	4,321	850	920	8%	1,120	22%	2,890
17	25	MediaTek**	Taiwan	2,845	704	849	21%	1,046	23%	2,599
18	17	Fujitsu	Japan	4,536	820	743	-9%	910	22%	2,473
19	15	NXP	Europe	5,020	648	832	28%	992	19%	2,472
20	16	Freescale	U.S.	4,959	798	784	-2%	850	8%	2,432
—	—	Total Top 20	—	173,100	30,448	36,273	19%	43,165	19%	109,886

*Foundry **Fabless

Source: IC Insights, company reports

Figure 1

Report Details, Including the New *"Half-Year" McClean Report* Subscription

The *November Update* to *The McClean Report* is a part of IC Insights' new *2009 "Half-Year" McClean Report* service. The new *2009 Half-Year McClean Report* subscription includes the 200+ page *Mid-Year Update*, the August, September, October, and November *Monthly Updates*, as well as access to *The McClean Report* subscriber-only Webcasts. The new *2009 Half-Year McClean Report* subscription is **priced at only $1,890**.

Note: Current *2009 McClean Report* subscribers will receive the products/services described above as part of their full-year subscription.

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About IC Insights
IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

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