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Contact: Bill McClean, President
IC Insights, Inc.
Phone: 480-348-1133
Email: bill@icinsights.com

IC Insights Announces 1Q05 Top 10 Semiconductor Supplier Ranking

Freescale replaces Philips; Toshiba jumps three positions!

Scottsdale, Arizona – April 28, 2005 – IC Insights today released its 1Q05 ranking of the worldwide top 10 semiconductor suppliers (Figure 1). As shown, Freescale, which ranked eleventh in the full-year 2004 listing, replaced Philips as the tenth largest semiconductor supplier in the world in 1Q05. Philips fell to number 12, being passed by Sony as well. Moreover, given the three companies' (Freescale, Sony, and Philips) outlooks for 2Q05, Freescale is likely to remain the tenth largest supplier when the 1H05 rankings are compiled.

It should be noted that Freescale's entry into the top 10 ranking in 1Q05 was not solely the result of Philips' poor performance. In contrast to Philips' 9 percent 1Q05/4Q04 semiconductor sales decline, Freescale posted a 1Q05/4Q04 semiconductor sales increase of 1 percent. Given the relatively weak overall semiconductor industry environment of 1Q05, Freescale's performance should be recognized as excellent.

In 1Q05, Toshiba jumped from seventh in the full-year 2004 semiconductor supplier ranking to fourth. Toshiba's 1Q05/4Q04 sales surged 14 percent to help it jump three positions. Moreover, Toshiba expects its fiscal year 2005 (ending March 2006) semiconductor sales to increase 11 percent (in yen) over fiscal year 2004 (which ended March 2005).

Overall, the major European semiconductor suppliers (i.e., Infineon, ST, and Philips) endured a very difficult 1Q05. Together, the top three European producers registered a 1Q05/4Q04 semiconductor sales decline of 10.1 percent. Even with a slightly positive boost from exchange rate conversions from euros to U.S. dollars, Infineon registered a 10.6 percent 1Q05/4Q04 revenue decline, ST a 10.5 percent drop, and Philips an 8.7 percent fall.

As compared to the full-year 2004 top 10 semiconductor supplier ranking, the top three positions are highly unlikely to change in 2005. However, the number 4-7 positions are truly "up for grabs" (there will also be stiff competition for the tenth spot between Freescale and Sony). In 1Q05, less than \$200 million separated the fourth ranked supplier, Toshiba, from the seventh ranked company, ST! At the present time, forecasting the order of the semiconductor companies in the 4-7 positions, as well as the tenth spot, in the full-year 2005 ranking is just too close to call.

It is interesting to note that, if the top 10 semiconductor suppliers do register \$57.5 billion in 1H05 semiconductor sales, it would represent 51 percent of their total 2004 revenue. Given expectations for a better semiconductor market in 2H05 as compared to 1H05, the top 10 suppliers, in total, appear very likely to register positive 2005/2004 growth.

1Q05 Top 10 Worldwide Semiconductor Supplier Ranking (\$M)

1Q05 Rank	2004 Rank	Company	Headquarters	1Q05 Sales (\$M)	2Q05 Sales (\$M, Fcst)	1H05 Sales (\$M, Fcst)	2Q05/1Q05 % Change	2004 Sales (\$M)
1	1	Intel	U.S.	8,490	8,035	16,525	-5%	30,900
2	2	Samsung	South Korea	4,361	4,360	8,721	0%	15,830
3	3	Texas Instruments	U.S.	2,597	2,650	5,247	2%	10,700
4	7	Toshiba	Japan	2,275	2,325	4,600	2%	8,531
5	5	Renesas	Japan	2,200	2,230	4,430	1%	9,000
6	4	Infineon	Europe	2,108	2,110	4,218	0%	9,180
7	6	STMicroelectronics	Europe	2,083	2,145	4,228	3%	8,760
8	8	TSMC	Taiwan	1,765	1,800	3,565	2%	7,648
9	9	NEC	Japan	1,519	1,570	3,089	3%	6,469
10	11	Freescale	U.S.	1,442	1,435	2,877	0%	5,519
-	-	Total Top 10	-	28,840	28,660	57,500	-1%	112,537
11	12	Sony	Japan	1,414	1,440	2,854	2%	5,070
12	10	Philips	Europe	1,328	1,370	2,698	3%	5,692

Source: Company Reports, IC Insights

Figure 1

About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona, is dedicated to providing high-quality, cost-effective market research for the integrated circuit industry. Founded in 1997, IC Insights offers coverage of global economic trends, IC market forecasts, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of emerging markets for ICs. For more information, contact 480-348-1133 or info@icinsights.com, or visit www.icinsights.com.