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IC Insights Announces 1H05 Top 10 Semiconductor Supplier Ranking

Freescale jumps into top 10 ranking; Infineon falls three positions

Scottsdale, Arizona – July 28, 2005 – IC Insights today released its 1H05 ranking of the worldwide top 10 semiconductor suppliers (Figure 1). As shown, Freescale, which ranked eleventh in the full-year 2004 listing, moved into the ninth position in 1H05. Six of the top 10 companies registered sequential declines in 2Q05 with the Japanese companies being especially hard hit. In total, the top 10 companies' semiconductor sales declined 2 percent in 2Q05 as compared to 1Q05.

1H05 Top 10 Worldwide Semiconductor Supplier Ranking (\$M)

| 1H05 Rank | 2004 Rank | Company | Headquarters | 1Q05 Sales (\$M) | 2Q05 Sales (\$M) | 1H05 Sales (\$M) | 2Q05/1Q05 % Change | 2004 Sales (\$M) | 1H05 as a % of Total '04 Sales |
|-----------|-----------|---------------------|--------------|------------------|------------------|------------------|--------------------|------------------|--------------------------------|
| 1 | 1 | Intel | U.S. | 8,520 | 8,335 | 16,855 | -2% | 30,900 | 55% |
| 2 | 2 | Samsung | South Korea | 4,361 | 4,133 | 8,494 | -5% | 15,830 | 54% |
| 3 | 3 | Texas Instruments | U.S. | 2,597 | 2,765 | 5,362 | 6% | 10,700 | 50% |
| 4 | 5 | Renesas | Japan | 2,450 | 2,400 | 4,850 | -2% | 9,000 | 54% |
| 5 | 7 | Toshiba | Japan | 2,275 | 2,061 | 4,336 | -9% | 8,531 | 51% |
| 6 | 6 | STMicroelectronics | Europe | 2,081 | 2,161 | 4,242 | 4% | 8,760 | 48% |
| 7 | 4 | Infineon | Europe | 2,113 | 2,023 | 4,136 | -4% | 9,180 | 45% |
| 8 | 8 | TSMC | Taiwan | 1,765 | 1,861 | 3,626 | 5% | 7,648 | 47% |
| 9 | 11 | Freescale | U.S. | 1,427 | 1,460 | 2,887 | 2% | 5,519 | 52% |
| 10 | 9 | NEC | Japan | 1,519 | 1,305 | 2,824 | -14% | 6,469 | 44% |
| - | - | Total Top 10 | - | 29,108 | 28,504 | 57,612 | -2% | 112,537 | 51% |
| 11 | 10 | Philips | Europe | 1,377 | 1,420 | 2,797 | 3% | 5,692 | 49% |
| 12 | 12 | Sony | Japan | 1,414 | 1,209 | 2,623 | -14% | 5,070 | 52% |

Source: Company Reports, IC Insights

Figure 1

As shown in Figure 1, less than \$100 million separated ninth-ranked Freescale from eleventh-ranked Philips in the 1H05 ranking! Moreover, using the 3Q05 outlooks from the three companies' (Freescale, NEC, and Philips), only about \$150 million is expected to separate their total semiconductor sales through the first three quarters of the year.

Weakness in the 2Q05 DRAM market was clearly evident from the 2Q05/1Q05 sales declines registered by Samsung and Infineon. However, illustrating that the DRAM market may have bottomed out, both companies are expecting moderate sales improvement in the second half of 2005.

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 5-7 positions are truly "up for grabs." In 1H05, only \$200 million separated the fifth ranked supplier, Toshiba, from the seventh ranked company, Infineon! There will also be stiff competition for the tenth spot between Freescale, NEC, and Philips (Sony may also have a shot at the tenth position in 2005).

It is interesting to note that when incorporating the top 10 companies' outlooks for 3Q05, coupled with IC Insights' estimates for their 4Q05 sales, the top 10 semiconductor companies are on track to post a 5.6 percent 2005/2004 semiconductor sales increase. Excluding Intel from the list, the remaining top 10 companies would post a 2.6 percent 2005/2004 sales increase. Both of these figures are very close to IC Insights' 4 percent forecasted growth rate for 2005 worldwide semiconductor sales.

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.