

Optoelectronics Sales Forecast to Surpass Discretes in 2006

Total Revenues for Optoelectronics, Sensors/Actuators, and Discretes to Outpace IC Growth

Scottsdale, Arizona -- March 30, 2006 – In 2006, for the first time in history, the optoelectronics market is forecast to surpass the discrete semiconductor market and become the second largest market segment in the semiconductor industry behind integrated circuits. That’s one of the findings in IC Insights’ new 200-page *2006 Optoelectronics, Sensor/Actuator, and Discrete (O-S-D) Report*. This study forecasts that sales of optoelectronics devices will increase 11% in 2006 to \$16.5 billion, while discretes will grow just 2% to \$15.6 billion this year after declining 3% in 2005 (Figure 1).

Optoelectronics versus Discrete Market Forecast

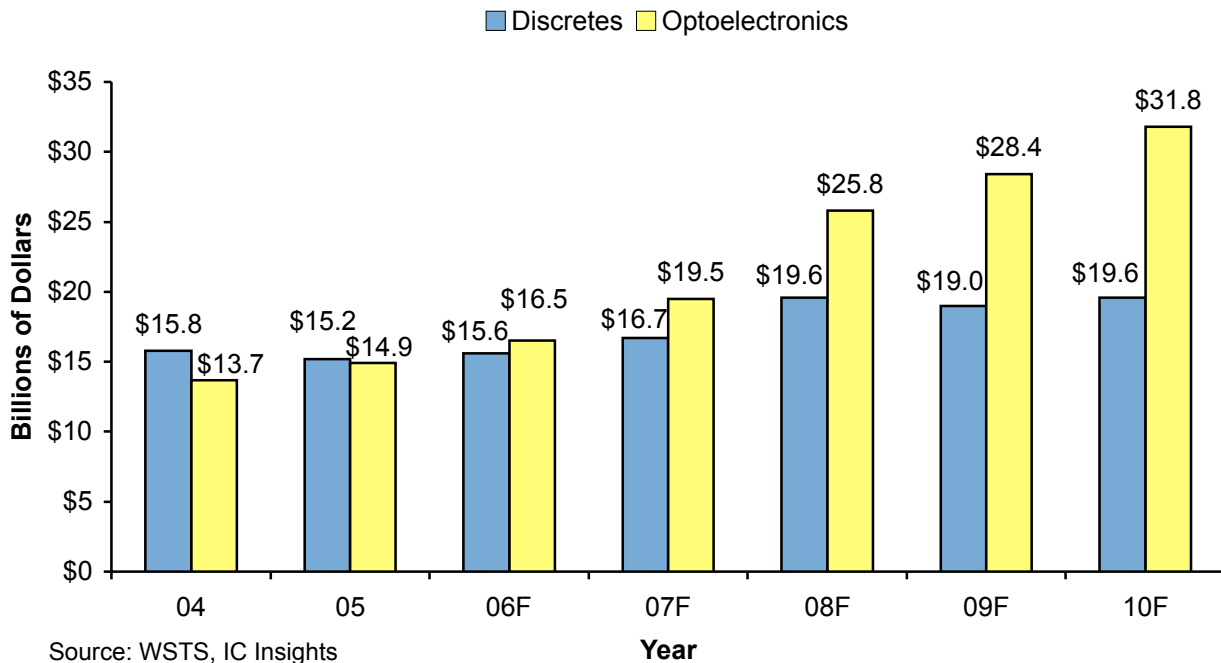


Figure 1

Strong demand for image sensors in digital cameras and cell phones, along with new solid-state lighting applications for white light-emitting diodes (LEDs), will push optoelectronics sales to \$31.8 billion in 2010, says the IC Insights report. Meanwhile, revenues for discrete

semiconductors are expected to grow at a much slower annual rate to reach \$19.6 billion in 2010, concludes IC Insights in the *O-S-D Report*.

Optoelectronics has regained momentum after serious setbacks in the 2001 semiconductor downturn and telecom recession. The optoelectronics segment includes CCD and CMOS image sensors, which are forecast to grow at a CAGR of 24% this decade in terms of sales and 37% in unit shipments! High-brightness white LEDs promise to give the optoelectronics segment another boost at the end of this decade, when solid-state lighting systems begin to replace conventional fluorescent tubes and incandescent light bulbs in offices and homes.

Combined, the O-S-D segments accounted for 15% of the world's \$227.5 billion semiconductor sales in 2005. During this decade, the total dollar volumes of optoelectronics, sensor/actuator, and discrete products are forecast to slightly outpace IC industry growth. IC Insights forecasts a 13% cumulative average growth rate (CAGR) for combined O-S-D sales in the 2005-2010 period, while the much larger IC segment will increase at a CAGR of 11%. It is important to note that dozens of the world's largest IC suppliers participate in at least one or more of the O-S-D segments, and many are banking on strong growth from these markets in the future.

IC Insights' new *2006 O-S-D Report* expands its coverage of the semiconductor industry with detailed analysis of trends and growth rates in the optoelectronics, sensor/actuator, and discrete market segments. The report is available for \$1,990 in either a three-ring binder or CD-ROM format. Additional individual copies of the CD-ROM or binder sell for \$495 each. The report is also available under a multi-user corporate license for \$5,290. Special discount rates for the *O-S-D Report* are available to current subscribers to IC Insights' *McClean Report*, which provides an in-depth analysis of the IC portion of the semiconductor industry.

About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, 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, the IC 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. For more information, contact +1-480-348-1133 or info@icinsights.com, or visit www.icinsights.com.