RESEARCH BULLETIN

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Big Shakeup in 3Q07 Top 10 Semiconductor Supplier Ranking

Flash market surge propels Toshiba to third place; AMD jumps into top 10

IC Insights' November Update to *The McClean Report* will describe the big shakeup in the 3Q07 top 10 semiconductor supplier ranking (Figure 1). As shown, Toshiba moved past TI and ST to become the third largest semiconductor supplier in the world, while AMD moved into the top 10 ranking for the first time in its history. Highlights of some of the changes that took place in 3Q07 are shown below:

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- Toshiba rode the coattails of a 46% 3Q07/2Q07 NAND flash memory market surge to post an amazing 40% 3Q07/2Q07 semiconductor sales increase. This increase helped propel Toshiba to a third place ranking, its highest since being ranked as the second largest semiconductor supplier in 2000.

- AMD continues to display a nice recovery this year with its 3Q07 sales increasing 18% over 2Q07, which follows a 12% sequential increase in 2Q07/1Q07. As part of its continuing MPU marketshare battle with Intel, AMD is expected to announce a major manufacturing/foundry deal in the second half of 2007.

- The largest pure-play foundry in the world, TSMC, jumped one spot in 3Q07 as compared to the full-year 2006 ranking as the company recorded a strong 3Q07/2Q07 sales increase of 21%. It should be noted that after operating at only 83% capacity utilization in 1Q07, TSMC surpassed its "company-defined" 100% capacity utilization level in 3Q07!

- If pure-play foundry TSMC were excluded from the ranking, NXP would have been in the tenth position.

- In spite of 3Q07 DRAM pricing weakness, Hynix took advantage of its strong NAND flash marketshare to move from seventh to sixth place in the ranking.

- Freescale continues to feel the pain of its biggest customer, Motorola, as the company went from being ranked as the ninth largest semiconductor supplier in the world in 2006 to sixteenth in 3Q07. Unfortunately for Freescale, Motorola has gone from holding a 22% share of cellular phone unit shipments in 3Q06 (53.7 million) to securing only a 13% share in 3Q07 (37.2 million).

- TI, ST, and Renesas were the only top 10 companies to register less than double-digit 3Q07/2Q07 sequential sales growth rates. Each of these companies is a top-10 supplier to the currently slow-growing analog IC market.

- The top 10 listing consists of three U.S., three Japanese, two Korean, one European, and one Taiwanese company.

Through the end of 2007, IC Insights expects to see pricing stability return to the DRAM memory market, surging IC demand for PCs and high-end cellular phones, and a continuation of the seasonal rebound in overall semiconductor demand that began in August. Together, these three factors are expected to help 2007 close out on a positive note for the major semiconductor suppliers.

3Q07 Top 10 Semiconductor Sales Leaders ($M)

3Q07 Rank	2006 Rank	Company	2006 Tot Semi	1Q07 Tot Semi	2Q07 Tot Semi	2Q/1Q07 % Chng.	3Q07 Tot Semi	3Q/2Q07 % Chng.
1	1	**Intel**	32,268	8,072	**7,916**	-2%	**9,203**	**16.3%**
2	2	**Samsung**	19,670	4,697	**4,552**	-3%	**5,387**	**18.3%**
3	5	**Toshiba**	9,782	3,249	**2,510**	-23%	**3,521**	**40.3%**
4	3	**TI**	13,200	3,115	**3,257**	5%	**3,461**	**6.3%**
5	6	**TSMC***	9,748	1,922	**2,258**	17%	**2,724**	**20.6%**
6	7	**Hynix**	8,009	2,569	**1,998**	-22%	**2,621**	**31.2%**
7	4	**ST**	9,854	2,269	**2,409**	6%	**2,555**	**6.1%**
8	8	**Renesas**	7,900	1,949	**1,984**	2%	**2,041**	**2.9%**
9	10	**Sony**	6,019	1,716	**1,573**	-8%	**1,780**	**13.2%**
10	13	**AMD**	5,649	1,233	**1,378**	12%	**1,632**	**18.4%**
Total			**122,099**	**30,791**	**29,835**	**-3%**	**34,925**	**17%**

*Foundry

Source: IC Insights, company reports

Figure 1

Report Details

IC Insights provides top rankings of semiconductor suppliers in *The McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*. Including the main 500-page report published in January and free monthly updates March through November, the complete year-long *McClean Report* service offers over 700 tables and graphs of valuable market research data. The 2008 edition will be available beginning in January of 2008. A single copy of the main report in CD-ROM or binder format is priced at $2,790. A bundled CD-binder set is priced at $3,285. An Internet access password is available as a $695 option. The report is also available under a multi-user corporate license for $5,990.

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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