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## **IC Insights Ranks Top Foundry Suppliers**

*Pure-play foundries account for 84% of total market; Samsung joins Top 10*

IC Insights today released its ranking of the leading IC foundries for 2007 (Figure 1). As shown, 11 of the top 14 foundry companies listed are based in the Asia-Pacific region. Europe-headquartered X-Fab, which merged with 1st Silicon in 2006, is the only non-Asia-Pacific pure-play foundry company in the top 14 group.

The “Big 4” (TSMC, UMC, Chartered, and SMIC) have dominated the foundry market over the past five years. With sales of almost \$10 billion, Taiwan Semiconductor Manufacturing Co. (TSMC) was clearly the leading foundry supplier in 2007. Its revenue increased 1% over 2006. TSMC’s sales were only 11% less than the combined foundry sales of the other companies listed in the top 14 ranking.

UMC maintained its second place ranking with sales of \$3.8 billion, an increase of 2% over 2006. SMIC increased its sales 6% and edged slightly ahead of Chartered in 2007 to take over the number three position in the ranking (a position it lost in 1Q08). Together, these “big four” accounted for just over two-thirds (68%) of the \$24.5 billion foundry market in 2007. TSMC, UMC, SMIC, and Chartered are pure-play foundries—companies that do not offer IC products of their own design, but instead focus on producing ICs for other companies. In 2007, pure play foundries accounted for 84% of the total foundry market.

Integrated device manufacturer (IDM) foundries accounted for 16% of the 2007 foundry market. IDM foundries are defined as those companies that offer foundry services in addition to their own ICs. IDM foundries include IBM, NEC, TI, and Samsung. In 2007, Samsung edged it way into the ranks of the top 10 foundry suppliers. In 2006, Samsung announced it was going to place special emphasis on its foundry business. Aided by a technology alliance with IBM and Chartered and with a new, 300mm wafer fab dedicated exclusively to foundry production, Samsung has quickly emerged as a foundry player. Samsung’s foundry sales were \$385 million in 2007, placing it in 10th-place in the top 14 ranking.

### **MORE INFORMATION CONTACT**

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IC foundries have two main customers—fabless IC companies such as Qualcomm, Nvidia, and Xilinx, and IDMs such as Freescale, ST, and others. The success of fabless IC companies as well as the movement to more outsourcing by existing IDMs has fueled tremendous growth in IC foundry sales since 1998.

Large companies and an increasing number of mid-size companies are ditching their fabs in favor of the fabless business model. Companies in this category include LSI and Avago (ex-Agilent), which have all become fabless in the past few years. Considering its 1Q08 financial results, AMD could be a company that is forced to go fab-lite or possibly completely fabless in the near future.

### 2007 Major IC Foundries

2007 Rank	Company	Foundry Type	Location	2005 Sales (\$M)	2006 Sales (\$M)	06/05 Sales (%)	2007 Sales (\$M)	07/06 Sales (%)
1	<b>TSMC</b>	Pure-Play	Taiwan	8,217	<b>9,748</b>	19%	<b>9,813</b>	<b>1%</b>
2	<b>UMC</b>	Pure-Play	Taiwan	3,259	<b>3,670</b>	13%	<b>3,755</b>	<b>2%</b>
3	<b>SMIC</b>	Pure-Play	China	1,171	<b>1,465</b>	25%	<b>1,550</b>	<b>6%</b>
4	<b>Chartered</b>	Pure-Play	Singapore	1,132	<b>1,527</b>	35%	<b>1,458</b>	<b>-5%</b>
5	<b>TI</b>	IDM	U.S.	540	<b>585</b>	8%	<b>610</b>	<b>4%</b>
6	<b>IBM</b>	IDM	U.S.	665	<b>600</b>	-10%	<b>570</b>	<b>-5%</b>
7	<b>Dongbu</b>	Pure-Play	South Korea	347	<b>456</b>	31%	<b>510</b>	<b>12%</b>
8	<b>Vanguard</b>	Pure-Play	Taiwan	353	<b>398</b>	13%	<b>486</b>	<b>22%</b>
9	<b>X-Fab</b>	Pure-Play	Europe	202	<b>290</b>	44%	<b>410</b>	<b>41%</b>
10	<b>Samsung</b>	IDM	South Korea	—	<b>75</b>	N/A	<b>385</b>	<b>413%</b>
11	<b>SSMC</b>	Pure-Play	Singapore	280	<b>325</b>	16%	<b>350</b>	<b>8%</b>
12	<b>HHNEC</b>	Pure-Play	China	313	<b>315</b>	1%	<b>335</b>	<b>6%</b>
13	<b>He Jian</b>	Pure-Play	China	250	<b>290</b>	16%	<b>330</b>	<b>14%</b>
14	<b>MagnaChip</b>	IDM	South Korea	345	<b>342</b>	-1%	<b>322</b>	<b>-6%</b>

Source: IC Insights, company reports

**Figure 1**

### Report Details

Additional details about the foundry market through 2012 can be found in the 2008 edition of *The McClean Report*, IC Insights' complete analysis and forecast of the integrated circuit market. Packed with 400 tables and graphs, the report is available in three-ring binder, CD-ROM, and on-line formats, and also comes with free monthly updates by e-mail from March through November. A single copy of the 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.

Additionally, a complete profile of each foundry including sales, key management, product/services offered, strategic alliances, process technology and detailed wafer fab information is offered in IC Insights' *Strategic Reviews* database. The database features over 220 company profiles and is updated on a continuous basis throughout the year. A 12-month, single-user subscription to *Strategic Reviews* is priced at \$2,290. Access is also available under a multi-user corporate license for \$3,990.

#### **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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