RESEARCH BULLETIN

IC Insights

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Chaos Reigns in Top 20 Semiconductor Company Ranking

17 of the top 20 companies changed positions in 1Q09, with more volatility expected in 2Q09!

The global recession and subsequent inventory corrections in the electronic system and semiconductor industries have caused a major shakeup in the 1Q09 top 20 semiconductor company ranking (Figure 1). As discussed in detail in IC Insights' *May Update* to *The McClean Report*, the volatility in the ranking is forecast to continue in 2Q09. Many top semiconductor suppliers are expected to rebound from a weak 1Q09 to register strong double-digit 2Q09/1Q09 sequential sales growth!

MORE INFORMATION CONTACT

Bill McClean
President
IC Insights, Inc.
Phone: +1-480-348-1133
Email: bill@icinsights.com

Of the top 20 companies in 1Q09, only Intel (#1), Samsung (#2), and Fujitsu (#17) remained in the same positions as they ranked in 2008. Some notable changes to the top 20 ranking are shown below.

1Q09 Top 20 Semiconductor Sales Leaders ($M)

1Q09 Rank	2008 Rank	Company	Headquarters	2008 Tot Semi	08/07 % Change	1Q09 Tot Semi
1	1	Intel	U.S.	34,490	-2%	6,573
2	2	Samsung	South Korea	20,272	2%	3,686
3	5	Toshiba	Japan	10,422	-12%	2,008
4	3	TI	U.S.	11,618	-13%	1,982
5	6	ST	Europe	10,325	3%	1,660
6	8	Qualcomm**	U.S.	6,477	15%	1,316
7	9	Sony	Japan	6,420	-11%	1,270
8	7	Renesas	Japan	7,017	-12%	1,233
9	12	AMD	U.S.	5,808	-1%	1,177
10	4	TSMC*	Taiwan	10,556	8%	1,162
11	14	Micron	U.S.	5,688	3%	1,010
12	11	Infineon	Europe	5,903	2%	970
13	10	Hynix	South Korea	6,182	-33%	927
14	13	NEC	Japan	5,732	2%	863
15	18	Broadcom**	U.S.	4,509	20%	853
16	19	Panasonic	Japan	4,321	13%	850
17	17	Fujitsu	Japan	4,536	-1%	820
18	16	Freescale	U.S.	4,959	-11%	798
19	22	Sharp	Japan	3,411	-7%	790
20	25	MediaTek**	Taiwan	2,845	16%	704

*Foundry **Fabless

Source: IC Insights, company reports

Figure 1

Climbers:

Qualcomm — The world's largest fabless IC supplier, which focuses on leading-edge cellphone devices, moved from being ranked 8th in 2008 to 6th in 1Q09. IC Insights anticipates increasingly positive news for Qualcomm as high-end cellphone (e.g., smartphone) sales pick up speed throughout 2009.

AMD — Jumped into the top 10 group, moving up three spots from 12th in 2008 to 9th in 1Q09. However, AMD is one of the few top semiconductor companies that has stated it expects 2Q09 sales to be worse than in 1Q09. How long will it stay in the top 10?

MediaTek — High-flying fabless IC supplier MediaTek joined the top 20 ranking by jumping five positions. In fact, MediaTek was the only top 20 semiconductor supplier to register a 1Q09/4Q08 sequential sales increase, a whopping 16% surge! The company attributed part of its success to the "stay-at-home-economy" driving digital TV IC sales as well as continued strength in its core wireless communications business.

Decenders:

TSMC — The largest foundry in the world dropped six positions in the 1Q09 ranking but managed to stay in the top 10. It is well known that fabless IC suppliers are some of the worst offenders with regard to IC inventory builds and burns. With fabless companies representing the bulk of TSMC's sales, the company has been caught in a hellacious two-quarter inventory burn period (4Q08 and 1Q09), with 1Q09 sales 57% less than were registered in 3Q08!

However, the anticipated recovery in TSMC's sales will be one of the most significant rebounds witnessed in the IC industry this year. Using current exchange rates, it is expected that TSMC's 2Q09 sales will be about $2.2 billion, a sequential increase of 89%! ***Moreover, IC Insights believes that if this level of sales is achieved next quarter, it would serve to rank TSMC as the third largest semiconductor supplier in the world in 2Q09!***

NXP and Nvidia — These two companies fell out of the top 20 ranking in 1Q09, with NXP falling from being ranked 15th in 2008 to 21st in 1Q09 and Nvidia dropping from 20th to 22nd. However, IC Insights expects a significant rebound in both of these companies' sales in 2Q09, maybe even enough to put them back into the top 20!

The *May Update* to *The McClean Report* examines the top 20 semiconductor company ranking changes in more detail and incorporates company guidance in addition to IC Insights' own estimates to *forecast the major ranking changes expected for 2Q09*. Moreover, further details on the top 20 semiconductor suppliers as well as an additional 200 suppliers can also be found in IC Insights' *Strategic Reviews Online* database.

Report Details

Additional rankings of the top IC suppliers and details about IC market forecasts through 2013 can be found in the 2009 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 $2,890. A bundled CD-binder set is priced at $3,385. An Internet access password is available as a $695 option. The report is also available under a multi-user corporate license for $5,990.

Further details on the top 20 semiconductor suppliers as well as extensive company profiles of more than 220 IC suppliers, including their 5-year sales, R&D, and capital expenditures figures, key management, product/services offered, strategic alliances, process technology, and detailed wafer fab information can be found in IC Insights' *Strategic Reviews Online* database. The online database is undergoing a major upgrade and receives ongoing updates throughout the year. A 12-month, single-user subscription to *Strategic Reviews* is priced at $2,490. Access is also available under a multi-user corporate license for $4,190.

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.

Web Site: www.icinsights.com • **Phone:** +1-480-348-1133 • **E-mail:** info@icinsights.com