

**NOVEMBER 4, 2011**

## **Extreme Results Expected in a 2011 Semi Market Forecast to Grow 2%!** *Qualcomm and Elpida forecast to represent a 72-point swing in 2011 growth rates.*

Although low single-digit growth is forecast for the total semiconductor market this year, there are several companies expected to register results that are quite different (Figure 1). Qualcomm, spurred by a smartphone market that is forecast to jump 73% this year, is expected to log a strong 33% increase in semiconductor sales in 2011! However, at the other end of the spectrum is Elpida, which is forecast to register a sales decline of 39% (a decline that is likely to be close to 50% when expressed in yen)!

### **MORE INFORMATION CONTACT**

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In total, the top 20 semiconductor suppliers are forecast to display a 6% increase in 2011 sales as compared to 2010. This growth rate is four points greater than the 2% increase forecast for the total worldwide 2011/2010 semiconductor market. A forecast of the 2011 top semiconductor suppliers will be included in IC Insights' *November Update*, which is part of the subscription to *The McClean Report*.

As shown in the Figure, Intel is expected to remain firmly in control of the number one spot in the ranking this year. In fact, Intel, helped by its acquisition of Infineon's wireless IC business, is forecast to extend its lead over second-ranked Samsung by registering a 47% higher semiconductor sales level than Samsung in 2011 as compared to a 24% margin in 2010.

Healthy growth in its graphics and communications processor business is forecast to help Nvidia jump five positions and move the company to 18th place in the top 20 ranking. In contrast, Elpida is expected to fall six spots in the ranking this year (from 13th to 19th) as the collapse in the DRAM market is having a pronounced negative effect on the company (Elpida lost \$629 million in 3Q11).

Unlike last year, the memory companies are not expected to secure the top growth rate positions in the ranking in 2011. In fact, as shown below, the top seven 2011/2010 semiconductor sales growth rate increases are forecast to be logged by non-memory suppliers. As shown, since all of the figures are converted to U.S. dollars, the weak U.S. dollar in 2011 is expected to spur double-digit growth at Sony, Fujitsu, and TSMC.

- 1) Qualcomm; 33% jump due to surging smartphone IC sales
- 2) Infineon; 30% growth from continuing operations (24% using 2010 exchange rates)
- 3) Intel; 26% increase spurred in part by its acquisition of Infineon's wireless business
- 4) Sony; 16% growth (6% using 2010 exchange rates)
- 5) Fujitsu; 11% increase (1% using 2010 exchange rates)
- 6) Nvidia; 11% growth due to healthy sales of graphics and communications processors
- 7) TSMC; 10% (2% using 2010 exchange rates)

Of the big five memory suppliers in the top 20 ranking (i.e., Samsung, Toshiba, Hynix, Micron, and Elpida), only Samsung and Toshiba are expected to register 2011/2010 growth. In total, 11 of the top 20 suppliers are forecast to outperform the total worldwide semiconductor industry 2011/2010 growth rate of 2% (including Infineon's 30% sales growth from continuing operations).

### 2011F Top 20 Semiconductor Sales Leaders (\$M)

2011F Rank	2010 Rank	Company	Headquarters	2010 Tot Semi	1Q11 Tot Semi	2Q11 Tot Semi	3Q11 Tot Semi	4Q11F Tot Semi	2011 Tot Semi	2011/2010 % Change
1	1	Intel	U.S.	40,154	11,819	11,990	13,098	13,685	50,592	26%
2	2	Samsung	South Korea	32,455	8,215	8,466	8,786	9,000	34,467	6%
3	3	TSMC*	Taiwan	13,307	3,600	3,831	3,677	3,590	14,698	10%
4	5	Toshiba	Japan	13,028	3,554	2,790	3,533	3,600	13,477	3%
5	4	TI	U.S.	13,037	3,167	3,232	3,220	3,155	12,774	-2%
6	6	Renesas	Japan	11,650	3,035	2,540	2,806	2,900	11,281	-3%
7	8	ST	Europe	10,287	2,508	2,545	2,392	2,200	9,645	-6%
8	10	Qualcomm**	U.S.	7,204	1,962	2,194	2,587	2,845	9,588	33%
9	7	Hynix	South Korea	10,432	2,499	2,549	2,123	2,220	9,391	-10%
10	9	Micron	U.S.	9,092	2,218	2,140	2,130	2,180	8,668	-5%
11	11	Broadcom**	U.S.	6,589	1,752	1,742	1,902	1,700	7,096	8%
12	12	AMD**	U.S.	6,494	1,613	1,574	1,690	1,740	6,617	2%
13	15	Sony	Japan	5,645	1,520	1,471	1,672	1,880	6,543	16%
14	14	Infineon***	Europe	6,049	1,362	1,490	1,470	1,380	5,702	-6%
15	18	Fujitsu	Japan	4,147	1,148	1,027	1,192	1,230	4,597	11%
16	16	Freescale	U.S.	4,357	1,167	1,196	1,112	1,030	4,505	3%
17	17	NXP	Europe	4,515	1,071	1,108	1,049	960	4,188	-7%
18	23	Nvidia**	U.S.	3,575	936	960	1,055	1,000	3,951	11%
19	13	Elpida	Japan	6,446	1,120	1,173	824	830	3,947	-39%
20	19	UMC*	Taiwan	3,965	995	1,015	905	860	3,775	-5%
<b>Top 20 Total</b>				<b>212,428</b>	<b>55,261</b>	<b>55,033</b>	<b>57,223</b>	<b>57,985</b>	<b>225,502</b>	<b>6%</b>

\*Foundry      \*\*Fabless

\*\*\*Continuing operations growth forecast to be 30%.

Source: IC Insights, company reports

**Figure 1**

## **Report Details: The "Half-Year" McClean Report Subscription and *Strategic Reviews***

The *2011 Half-Year McClean Report* subscription includes the *Mid-Year Update*, the August, September, October, and November *Monthly Updates*, as well as access to *The McClean Report* subscriber-only Webcasts in August and November. The new *2011 Half-Year McClean Report* subscription is **priced at only \$1,990 for a single user and \$3,290 for a multi-user corporate license.**

Note: Current *2011 McClean Report* subscribers will receive all of the products/services described above as part of their full-year subscription.

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### **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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