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Double-Digit Growth Forecast for All But Two IC Products in 2010

Market increases for 26 of 28 IC products, 10 categories to grow faster than total IC market.

In a dramatic turnaround from 2009, 26 out of 28 IC product segments will show not only growth, but *double-digit* growth in 2010, according to the forecast in IC Insights' recently released *Mid-Year Update to The McClean Report 2010*. Only two categories—ROM and EPROM—are forecast to decline. This scenario is completely opposite from last year, which saw 26 of 28 products segments decline in revenue. Flash memory and telecom—application-specific analog were the only two segments to post gains in 2009.

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Spurred by a 15% increase in unit demand and a huge 55% upswing in average selling price, the DRAM market is forecast to lead all categories with 79% market growth in 2010, as shown in Figure 1. The market for automotive-related ICs is also forecast to show a marked improvement in 2010. After taking a beating when cars sales plummeted during the recent recession, the markets for automotive-related ICs—special purpose logic and application-specific analog—are forecast to rebound with growth in excess of 40% in 2010. IC Insights forecasts 10 product segments will outpace the 30% growth forecast for the overall IC market. Six of these 10 categories are forecast to be analog products.

According to the *Mid-Year Update*, many industry conditions are coming together in 2010 to put upward pressure on average selling prices and boost sales for most IC products. A big drop in capital spending in 2008 and 2009 coupled with the closure of aging wafer fabs has resulted in a very high (>93%) wafer fab capacity utilization rate, just as demand for IC units continues due to an expected 11% increase in electronic systems sales in 2010.

Report Details:

The *2010 Mid-Year Update to The McClean Report* is a part of IC Insights' new *2010 "Half-Year" McClean Report* service. The *2010 Half-Year McClean Report* subscription includes the 220-page *Mid-Year Update* (released at the end of July), 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 *2010 Half-Year McClean Report* subscription is **priced at only \$1,890 for a single user**.

Note: Current 2010 McClean Report subscribers will receive the products/services described above as part of their full-year subscription.

2010 Forecast of Best-Growing IC Market Segments

Product Category	2010F Growth	2009 Growth
DRAM	79%	-9%
Auto—Spcl Purpose Logic/MPR	54%	-27%
PLDs	45%	-12%
Voltage Reg. & Ref.	43%	-13%
Automotive App-Specific Analog	41%	-25%
Amplifiers/Comparators	37%	-24%
Computer App-Specific Analog	36%	-12%
Gate Array	36%	-44%
Industrial/Other App-Specific Analog	35%	-4%
Interface	34%	-15%
Total IC Market	30%	-9%
MCU	29%	-22%
Consumer App-Specific Analog	28%	-20%
Telecom App-Specific Analog	27%	11%
General Purpose Logic	27%	-24%
Standard Cell	26%	-18%
MPU	25%	-2%
Flash Memory	25%	5%
SRAM	25%	-30%
EEPROM/Other	24%	-15%
Computer and Peripherals—Spcl Purpose Logic/MPR	23%	-9%
Data Conversion	21%	-13%
Display Drivers	18%	-33%
Consumer—Special Purpose Logic/MPR	17%	-10%
DSP	17%	-20%
Industrial/Other—Spcl Purpose Logic/MPR	16%	-29%
Telecom—Spcl Purpose Logic/MPR	10%	-2%
ROM	-28%	-12%
EPROM	-30%	-13%

Source: IC Insights

Figure 1

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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