

APRIL 12, 2012

U.S.-based Companies Held 12 of the Top 25 Fabless Spots in 2011

Twelve fabless suppliers had sales of greater than \$1.0 billion as Qualcomm nears \$10 billion!

U.S.-based suppliers captured 8 of the top 10 places and 12 of the top 25 positions in the fabless IC supplier ranking for 2011 (Figure 1). Combined, the top 25 fabless IC suppliers represented 80% of the \$64.9 billion in fabless IC sales last year, up 4 percentage points from 2010. A listing of the top 103 fabless IC suppliers in 2011 was included in IC Insights' *March Update*, which is part of the subscription to *The McClean Report*.

It is worth noting that 2010 was the first year on record that total fabless IC company sales growth did not outperform total IC market growth (a 27% increase for fabless IC companies versus a total IC industry growth rate of 33%). However, fabless IC suppliers were back on track in 2011 as worldwide fabless company IC sales increased 4% as compared to total IC market growth of 1%.

Overall, 15 of the top 25 fabless IC companies outperformed the total 2011 fabless IC sales growth rate of 4% (Figure 2). In fact, eight fabless companies registered double-digit increases in IC sales last year.

China-based Spreadtrum was the star performer among the fabless IC producers last year, logging an amazing 95% sales jump. Spreadtrum supplies baseband processors and highly integrated CMOS RF transceivers for wireless applications with over 90% of its sales to China-based customers. As was shown in Figure 1, Spreadtrum has risen from being ranked as the 67th largest fabless IC supplier in 2009 to 17th in 2011, a jump of 50 spots in only two years!

Spreadtrum and ST-Ericsson are both heavily involved in the cellphone marketplace. In contrast to Spreadtrum, ST-Ericsson's IC sales dropped 28% in 2011 after declining by 9% in 2010. The difficult times at the company led to a restructuring in March of 2012 and it is rumored that this was a prelude to eventually putting the company up for sale.

The 8 top-25 fabless IC companies that registered double-digit growth in 2011 had combined sales of \$20.1 billion, up 29% from their combined sales of \$15.6 billion in 2010. Overall, these top eight performers increased their combined sales by \$4.5 billion last year as compared to a \$2.4 billion increase

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for total fabless IC company sales in 2011. It is obvious that these eight companies are now prime targets for the IC foundries (e.g., TSMC, GlobalFoundries, UMC, Samsung, etc.).

IC Insights' *April Update to The McClean Report* (to be released later this month) is dedicated to IC company rankings and includes the top 50 semiconductor, IC, and fabless IC suppliers. Moreover, the top company rankings of MPU, MCU, foundry, flash memory, DRAM, analog, etc., suppliers will also be provided in the *April Update*.

2011 Top 25 Fabless IC Suppliers (\$M)

2011 Rank	2010 Rank	2009 Rank	Company	Headquarters	2009 (\$M)	2010 (\$M)	% Change	2011 (\$M)	% Change
1	1	1	Qualcomm	U.S.	6,409	7,204	12%	9,910	38%
2	2	3	Broadcom	U.S.	4,271	6,589	54%	7,160	9%
3	3	2	AMD	U.S.	5,403	6,494	20%	6,568	1%
4	6	5	Nvidia	U.S.	3,151	3,575	13%	3,939	10%
5	4	6	Marvell	U.S.	2,690	3,592	34%	3,445	-4%
6	5	4	MediaTek	Taiwan	3,500	3,590	3%	2,969	-17%
7	7	7	Xilinx	U.S.	1,699	2,311	36%	2,269	-2%
8	8	10	Altera	U.S.	1,196	1,954	63%	2,064	6%
9	9	8	LSI Corp.	U.S.	1,422	1,616	14%	2,042	26%
10	10	11	Avago	Singapore	858	1,187	38%	1,341	13%
11	13	12	MStar	Taiwan	838	1,065	27%	1,220	15%
12	11	13	Novatek	Taiwan	819	1,149	40%	1,198	4%
13	15	16	CSR	Europe	601	801	33%	845	5%
14	12	9	ST-Ericsson*	Europe	1,263	1,146	-9%	825	-28%
15	16	15	Realtek	Taiwan	615	706	15%	742	5%
16	17	17	HiSilicon	China	572	652	14%	710	9%
17	27	67	Spreadtrum	China	105	346	230%	674	95%
18	19	19	PMC-Sierra	U.S.	496	635	28%	654	3%
19	18	14	Himax	Taiwan	693	643	-7%	633	-2%
20	21	—	Lantiq	Europe	0	550	N/A	540	-2%
21	33	30	Dialog	Europe	218	297	36%	527	77%
22	22	21	Silicon Labs	U.S.	441	494	12%	492	0%
23	29	20	MegaChips	Japan	445	337	-24%	456	35%
24	23	24	Semtech	U.S.	254	403	59%	438	9%
25	24	23	SMSC	U.S.	283	397	40%	415	5%
Top 25 Total			—	—	38,242	47,733	25%	52,076	9%
Non-Top 25 Fabless			—	—	11,091	14,781	33%	12,811	-13%
Total Fabless			—	—	49,333	62,514	27%	64,887	4%

*Represents the 50% share not accounted for by ST.

Source: Company reports, IC Insights' *Strategic Reviews Database*

Figure 1

2011 Top 25 Fabless IC Suppliers Ranked by Growth Rate (\$M)

2011 Rank	Company	Headquarters	2010 (\$M)	2011 (\$M)	% Change
1	Spreadtrum	China	346	674	95%
2	Dialog	Europe	297	527	77%
3	Qualcomm	U.S.	7,204	9,910	38%
4	MegaChips	Japan	337	456	35%
5	LSI Corp.	U.S.	1,616	2,042	26%
6	MStar	Taiwan	1,065	1,220	15%
7	Avago	Singapore	1,187	1,341	13%
8	Nvidia	U.S.	3,575	3,939	10%
9	HiSilicon	China	652	710	9%
10	Semtech	U.S.	403	438	9%
11	Broadcom	U.S.	6,589	7,160	9%
12	Altera	U.S.	1,954	2,064	6%
13	CSR	Europe	801	845	5%
14	Realtek	Taiwan	706	742	5%
15	SMSC	U.S.	397	415	5%
16	Novatek	Taiwan	1,149	1,198	4%
17	PMC-Sierra	U.S.	635	654	3%
18	AMD	U.S.	6,494	6,568	1%
19	Silicon Labs	U.S.	494	492	0%
20	Himax	Taiwan	643	633	-2%
21	Xilinx	U.S.	2,311	2,269	-2%
22	Lantiq	Europe	550	540	-2%
23	Marvell	U.S.	3,592	3,445	-4%
24	MediaTek	Taiwan	3,590	2,969	-17%
25	ST-Ericsson*	Europe	1,146	825	-28%
Top 25 Total			47,733	52,076	9%
Non-Top 25 Fabless			14,781	12,811	-13%
Total Fabless			62,514	64,887	4%

*Represents the 50% share not accounted for by ST.

Source: Company reports, IC Insights' *Strategic Reviews Database*

Figure 2

Report Details: *The McClean Report* Subscription and *Strategic Reviews*

Additional details of the 2012 IC market and its suppliers can be found in the 2012 edition of *The McClean Report*, IC Insights' complete market analysis and forecast of the IC industry. Packed with more than 400 tables and graphs, *The McClean Report* subscription includes free monthly updates by e-mail from March through November (including a 250+ page *Mid-Year Report*). A single-user subscription to the 2012 edition of *The McClean Report* is priced at \$3,290 and includes an Internet access password. A multi-user worldwide corporate license is available for \$6,290.

IC Insights' *Strategic Reviews* database includes extensive profiles of more than 220 IC companies, including those companies with a fabrication facility as well as fabless IC suppliers. The profiles include financial highlights, company strategy, key personnel, products and services offered, process technologies employed, important strategic alliances, detailed fab data when applicable, and contact information. Over 2,000 hours a year are expended to keep this database current!

An individual-user password to *Strategic Reviews* is available for \$2,890 and is good for access to the database for one full year after the start of the subscription. A multi-user corporate-wide password is available for only \$4,590.

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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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