

# RESEARCH BULLETIN

**SEPTEMBER 11, 2012**

## Five Companies to Account for 64% of \$61.4B Semiconductor Capex in 2012

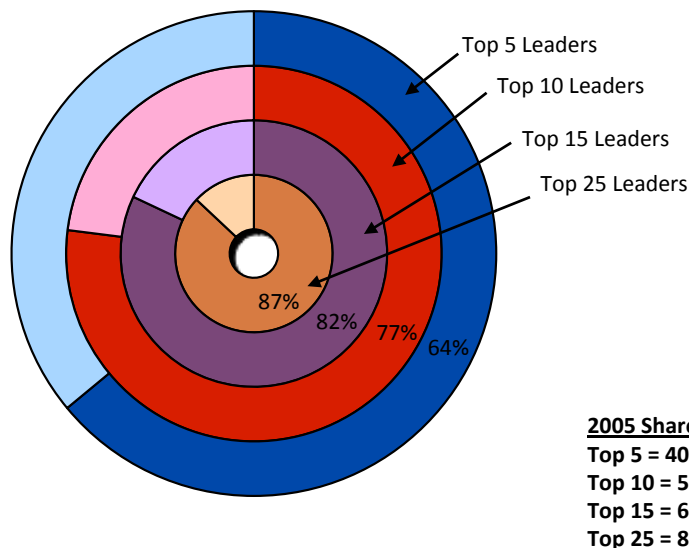
*Top 10 companies forecast to represent 77% of semiconductor capex this year.*

Despite reducing its 2012 planned capital spending by \$1.0 billion on September 7, 2012, Intel and four other large semiconductor suppliers are still expected to account for almost two-thirds of industry-wide capital expenditures in 2012, according to new data released by IC Insights. The top 5 capex spenders for 2012—Samsung, \$13.1 billion; Intel, \$11.2 billion; TSMC, \$8.3 billion, SK Hynix, \$3.7 billion; and GlobalFoundries, \$3.1 billion—are forecast to account for 64% of the \$61.4 billion in semiconductor capital expenditures forecast for 2012 (Figure 1).

### MORE INFORMATION CONTACT

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**2012F Capital Spending Leaders' Shares of Total WW Semiconductor Industry Spending (\$61.4B)**



Source: IC Insights

**Figure 1**

The expected 64% marketshare held by the top 5 spending leaders is significantly greater than seven years ago (2005), when the top 5 companies represented just 40% of total semiconductor industry spending. Similarly, the top 10 capital spending leaders are now forecast to account for 77% of total industry spending in 2012, a jump of 22 percentage points from 2005 when the top 10 companies represented 55% of spending. The figures reveal there are fewer suppliers that, on their own, can afford to spend the enormous dollars necessary to build and equip a new fab. As a result, more companies are pursuing the fab-lite or fabless business model and relying on foundries to manufacture their devices.

The \$61.4 billion capital expenditure forecast for 2012 represents a 6% decline from the \$65.6 billion spent for semiconductor capex in 2011. Only 6 of 35 leading semiconductor suppliers are forecast to increase their capital expenditure budgets in 2012 compared to 2011, led by Rohm with a 78% increase. Other major suppliers that are forecast to increase their semiconductor capex budgets for 2012 include UMC, 26%; SK Hynix, 16%; TSMC, 13%; Samsung, 11%; and Intel, 4%. More details of semiconductor capital expenditure trends and spending plans for individual companies can be found in the 2012 edition of IC Insights' *The McClean Report* or by attending IC Insights' upcoming *Fall Forecast Seminar*.

## **Report and Seminar Details:**

### ***The 2012 McClean Report***

IC Insights' 200+ page *Mid-Year Update* to the 2012 edition of *The McClean Report* refreshes the outlook for IC markets through 2016 and examines important new trends impacting the semiconductor industry this year. In addition to the *Mid-Year Update*, a subscription to *The 2012 McClean Report* also comes with monthly updates for the year (March-November) as well as three subscriber-only webcasts. An individual-user subscription to the 2012 edition of *The McClean Report* is priced at \$3,290 and includes an Internet access password. The subscription is also available under a multi-user worldwide corporate license for \$6,290.

### **September 13, 2012 *Fall Forecast Seminar* Presented by IC Insights' President, Bill McClean**

**WHAT:** Discussion about the current status of and future outlook for the IC market.

**WHY:** To bring existing and prospective clients up-to-date on IC market conditions.

**WHEN:** Thursday, September 13, 2012. 9:00 AM - 12:00 PM.

**WHERE:** Sheraton Sunnyvale Hotel, Sunnyvale, California.

**Special pricing for current IC Insights clients: \$295, others only \$395.**

Please click on this link (<http://www.icinsights.com/events/fall-forecast-seminar/>) for more information about the *Fall Forecast Seminar* and to download a registration form. To review additional information

about IC Insights' new and existing market research products and services please visit our web site:  
[www.icinsights.com](http://www.icinsights.com)

#### **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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