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Shakeups Rock 1Q08 Top 20 Semiconductor Supplier Ranking

Qualcomm, Broadcom make biggest leap; NXP registers biggest decline

IC Insights' May update to *The McClean Report* describes the big shakeup in the 1Q08 top 20 semiconductor supplier ranking (Figure 1). There are eight U.S. companies in the top 20 (including three fabless semiconductor suppliers), six Japanese, three European, two South Korean, and one Taiwanese company (IC foundry supplier TSMC) in the ranking. As shown, it required at least \$1.0 billion in first quarter sales to make the top 20 ranking. Although the top four ranked companies remained the same, there were a number of "movers and shakers" up and down the remainder of the 1Q08 ranking as compared to their full-year 2007 positions.

Climbers

Cell phone IC supplier **Qualcomm** used a 29% year-over-year 1Q08 growth rate to jump four spots and rank as the 10th largest semiconductor supplier in 1Q08.

The third largest fabless supplier, **Broadcom**, also jumped four positions in the ranking and is now positioned as the 20th largest semiconductor supplier in the world.

Japanese consumer electronics powerhouse **Panasonic** (formerly Matsushita) jumped three places and moved into the 19th position in the top 20 ranking.

NEC moved up two positions in the ranking from 15th to 13th.

Nvidia, the second-largest fabless supplier, registered a blistering 37% year-over-year increase in sales to move into the 18th position in the ranking, up two places from its full-year 2007 rank.

Moving up one place in 1Q08 were **TSMC, Renesas, Sony,** and **Infineon**.

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“Descenders”

DRAM-supplier **Qimonda’s** nightmare continued in 1Q08 as the company dropped 10 positions from being ranked 19th overall in 2007 to 29th in 1Q08. The company endured a 1Q08/1Q07 sales decline of 52%!

IBM also fell from the top 20 ranking even though its 1Q08/1Q07 sales increased 12%. IC Insights estimates the company is now ranked as the 22nd largest semiconductor supplier in the world, down from 18th in 2007.

Despite a moderate 4% 1Q08/1Q07 sales increase, **NXP** fell three positions in the 1Q08 ranking to 14th from 11th.

AMD posted a solid 22% increase in 1Q08/1Q07 sales, yet slid two positions from 10th to 12th.

Memory suppliers **Hynix** (#9) and **Micron** (#15) each fell two spots in the ranking although Micron showed a 2% increase in 1Q08/1Q07 sales while sales at Hynix dropped 35%!

ST fell one position in the ranking and now occupies the 6th spot. It should be noted that the company’s 1Q08 and 1Q07 figures do not include FMG (flash memory group) sales, which are now part of Numonyx’s sales. As shown, the company registered a nice 12% year-over-year growth rate in 1Q08 and has a relatively positive outlook for its second quarter as well.

Summary

With many of the major DRAM and flash suppliers (e.g., Qimonda, Elpida, Spansion, Powerchip, Nanya, etc.) no longer part of the top 20 ranking, the total 1Q08/1Q07 sales of the top 20 semiconductor suppliers displayed a very strong 11% increase as compared to the total worldwide semiconductor market increase of 4%. Among the top 20 semiconductor suppliers, there was a 79-point swing from the fastest growing company (TSMC at +44%) to the company showing the steepest decline (Hynix at -35%)! Moreover, 14 of the top 20 companies had double-digit 1Q08/1Q07 growth rates, including the top two companies Intel and Samsung, while only two (Toshiba and Hynix) had declines.

As was mentioned in IC Insights’ March Update to *The McClean Report*, currency fluctuations are going to play a big part in the 2008 semiconductor market figures as the strong yen and euro are converted into U.S. dollars. With the yen increasing in value 13% and the euro 14% in 1Q08 as compared to 1Q07, many Japanese and European companies’ results are getting a “boost” when converted to U.S. dollars. Moreover, it should be kept in mind that this currency effect will also impact the worldwide semiconductor market figures when reported in U.S. dollars this year.

1Q08 Top 20 Semiconductor Sales Leaders (\$M)

1Q08 Rank	2007 Rank	Company	Headquarters	1Q07 Tot Semi	2007 Tot Semi	1Q08 Tot Semi	1Q08/1Q07 % Change
1	1	Intel	U.S.	8,072	35,021	9,335	16%
2	2	Samsung	South Korea	4,697	19,951	5,570	19%
3	3	TI	U.S.	3,115	13,309	3,191	2%
4	4	Toshiba	Japan	3,249	11,850	3,055	-6%
5	6	TSMC*	Taiwan	1,922	9,813	2,771	44%
6	5	ST**	Europe	1,953	9,966	2,179	12%
7	8	Renesas	Japan	1,949	8,001	2,142	10%
8	9	Sony	Japan	1,716	7,203	2,035	19%
9	7	Hynix	South Korea	2,569	9,201	1,676	-35%
10	14	Qualcomm***	U.S.	1,259	5,619	1,620	29%
11	12	Infineon	Europe	1,282	5,772	1,570	22%
12	10	AMD	U.S.	1,233	6,013	1,505	22%
13	15	NEC	Japan	1,346	5,593	1,475	10%
14	11	NXP	Europe	1,390	5,831	1,443	4%
15	13	Micron	U.S.	1,370	5,665	1,400	2%
16	16	Freescall	U.S.	1,295	5,570	1,304	1%
17	17	Fujitsu	Japan	1,047	4,568	1,226	17%
18	20	Nvidia***	U.S.	847	3,979	1,158	37%
19	22	Panasonic	Japan	870	3,810	1,058	22%
20	24	Broadcom***	U.S.	902	3,754	1,032	14%
—	—	Total Top 20		42,083	180,489	46,745	11%

*Foundry

**Not incl. flash in 1Q07 & 1Q08

***Fabless

Source: Company reports, IC Insights

Figure 1

Report Details

The 2008 edition of IC Insights' *McClean Report—A Complete Analysis and Forecast of the Integrated Circuit Industry*, is now available for purchase. Packed with over 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 \$2,790. A bundled CD-binder set is priced at \$3,285. An Internet access password is available as a \$695 option. The report is also available under a multi-user corporate license for \$5,990.

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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