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54-Point Growth Rate Swing Within Top 20 Supplier Ranking

Qualcomm shows largest gain (27%) while Hynix registers biggest decline (-27%)

IC Insights' recent research for its *November Update to The McClean Report* includes an analysis of the top 20 semiconductor suppliers for 1Q-3Q08 (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 \$3.0 billion in 1Q-3Q08 sales to make the top 20 ranking. Although the top four ranked companies remained the same, and most of the other top 20 suppliers moved up or down only one or two spots in the ranking, there were a few companies that displayed significant changes in their 1Q-3Q08 ranking as compared to their full-year 2007 positions.

MORE INFORMATION CONTACT

Bill McClean
President
IC Insights, Inc.
Phone: +1-480-348-1133
Email: bill@icinsights.com

Major Changes in the Ranking Include:

- Cell phone IC supplier **Qualcomm** used a 27% year-over-year growth rate to jump five spots and rank as the 9th largest semiconductor supplier through the first three quarters of 2008.
- The third largest fabless supplier, **Broadcom**, jumped five positions and is now positioned as the 18th largest semiconductor supplier in the world.
- DRAM-supplier **Qimonda's** nightmare worsened in 3Q08 as the company dropped 12 positions from being ranked 18th overall in 2007 to 30th in the first three quarters of 2008.
- With a 5% decline in 1Q-3Q08/1Q-3Q07 sales, **NXP** fell five spots to 15th from 10th in 2007. For all of 2008, the company's sales are forecast to decline 11% as compared to 2007.

Summary

With some major DRAM and flash suppliers (e.g., Qimonda, Elpida, and Spansion) no longer part of the top 20 ranking, the total 1Q-3Q08/1Q-3Q07 sales of the top 20 semiconductor suppliers displayed a relatively strong 6% increase as compared to the total worldwide semiconductor market increase of 4%.

Among the top 20 semiconductor suppliers, there was a 54-point swing (Figure 2) from the company that showed the fastest growth (Qualcomm at +27%) to the company that registered the steepest decline (Hynix at -27%).

1Q-3Q08 Top 20 Semiconductor Sales Leaders (\$M)

1Q-3Q08 Rank	Full-Yr. 2007 Rank	Company	Headquarters	1Q07 Tot Semi	2Q07 Tot Semi	3Q07 Tot Semi	1Q-3Q07 Tot Semi	1Q08 Tot Semi	2Q08 Tot Semi	3Q08 Tot Semi	1Q-3Q08 Tot Semi	1Q-3Q08/1Q-3Q07 % Change
1	1	Intel	U.S.	8,072	7,916	9,203	25,191	8,841	8,655	9,338	26,834	7%
2	2	Samsung	South Korea	4,697	4,552	5,387	14,636	5,568	5,616	5,581	16,765	15%
3	3	TI	U.S.	3,115	3,257	3,461	9,833	3,191	3,175	3,205	9,571	-3%
4	4	Toshiba	Japan	3,249	2,510	3,521	9,280	3,055	2,790	2,867	8,712	-6%
5	6	TSMC*	Taiwan	1,922	2,258	2,724	6,904	2,767	2,894	2,980	8,641	25%
6	5	ST**	Europe	1,953	2,086	2,213	6,252	2,179	2,391	2,696	7,266	16%
7	8	Renesas	Japan	1,949	1,984	2,041	5,974	2,142	2,062	1,962	6,166	3%
8	7	Hynix	South Korea	2,569	1,998	2,621	7,188	1,675	1,824	1,725	5,224	-27%
9	14	Qualcomm***	U.S.	1,259	1,367	1,419	4,045	1,620	1,762	1,761	5,143	27%
10	9	Sony	Japan	1,716	1,573	1,993	5,282	1,946	1,484	1,535	4,965	-6%
11	12	Infineon	Europe	1,282	1,361	1,552	4,195	1,566	1,580	1,605	4,751	13%
12	11	AMD	U.S.	1,233	1,378	1,632	4,243	1,505	1,349	1,776	4,630	9%
13	15	NEC	Japan	1,346	1,366	1,434	4,146	1,475	1,523	1,478	4,476	8%
14	13	Micron	U.S.	1,370	1,328	1,448	4,146	1,391	1,529	1,400	4,320	4%
15	10	NXP	Europe	1,390	1,461	1,550	4,401	1,443	1,445	1,305	4,193	-5%
16	16	Freescale	U.S.	1,295	1,310	1,376	3,981	1,304	1,389	1,320	4,013	1%
17	17	Fujitsu	Japan	1,047	1,061	1,240	3,348	1,226	1,108	1,139	3,473	4%
18	23	Broadcom***	U.S.	897	892	950	2,739	986	1,153	1,299	3,438	26%
19	21	Panasonic	Japan	870	905	1,010	2,785	1,058	1,170	1,150	3,378	21%
20	19	Nvidia***	U.S.	847	896	850	2,593	1,158	979	895	3,032	17%
—	—	Total Top 20		42,078	41,459	47,625	131,162	46,096	45,878	47,017	138,991	6%

*Foundry

**Not incl. flash in 1Q-3Q07 & 1Q-3Q08

***Fabless

Source: Company reports, IC Insights

Figure 1

As shown in Figure 2, eight of the top 20 companies had double-digit 1Q-3Q08/1Q-3Q07 growth rates. Moreover, all of these companies registered 1Q-3Q08 growth rates that were more than three times the 4% growth rate of the entire 1Q-3Q08 semiconductor market. It goes to show that there are still "strong" performers in a "slow" market.

Given the current state of the worldwide economy and the weakening semiconductor markets, IC Insights expects that the top 20 semiconductor suppliers, in total, will register 4Q08 sales of \$43.2 billion, a decline of 8% sequentially. It should be noted that the "star" growth company in the first three quarters of 2008, Qualcomm, has warned that its calendar year 4Q08/3Q08 sales are expected to drop about 28%! However, its current full-year 2009 WCDMA/CDMA cellular phone device shipment forecast is +25%, essentially the same growth expected for 2008.

For full-year 2008, the top 20 semiconductor suppliers are forecast to have combined sales of \$182.2 billion, a 2% increase over 2007. This 2% increase is the same growth rate expected for the 2008/2007 worldwide semiconductor market.

1Q-3Q08 Top 20 Semiconductor Sales Leaders Ranked by Growth Rate

1Q-3Q08 Rank	Company	Headquarters	1Q07 Tot Semi	2Q07 Tot Semi	3Q07 Tot Semi	1Q-3Q07 Tot Semi	1Q08 Tot Semi	2Q08 Tot Semi	3Q08 Tot Semi	1Q-3Q08 Tot Semi	1Q-3Q08/1Q-3Q07 % Change
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Figure 2

Report Details

Further details on the top 20 semiconductor suppliers as well as extensive company profiles of more than 220 IC suppliers, including their 5-year sales, R&D, and capital expenditures figures, key management, product/services offered, strategic alliances, process technology, and detailed wafer fab information can be found in IC Insights' *Strategic Reviews Online* database. The online database is undergoing a major upgrade and receives ongoing updates throughout the year. A 12-month, single-user subscription to *Strategic Reviews* is priced at \$2,290. Access is also available under a multi-user corporate license for \$3,990.

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.

Web Site: www.icinsights.com • **Phone:** +1-480-348-1133 • **E-mail:** info@icinsights.com