

**MARCH 11, 2009**

## Trend or Blip? IC ASPs Rebound Across Several Product Segments

*Upward movement is a small step in right direction. Will they hold?*

IC Insights' recently reviewed January average selling prices for several IC product categories and compared them to prices in December 2008 and over the past two years. Some interesting and encouraging results are shown below.

- **Analog** ASP up 10% compared to Dec '08, the highest since Apr '07.
- **MPU** ASP up 23% compared to Dec '08, the highest since Sep '08.
- **MCU** ASP up 5% compared to Dec '08, the highest since Jun '08.
- **8-bit MCU** ASP up 22% compared to Dec '08, the highest ASP in over two years.
- **32-bit MCU** ASP up 9% from 4Q08 average, the highest since Apr '08.
- **Logic** ASP up only 2% compared to Dec '08, but first time above \$2.00 in over two years.
- **DRAM** ASP up 5% compared to Dec '08, which was lowest point for DRAM ASP in over two years.
- **Total Flash** ASP up 11% compared to Dec '08, the highest since Jun '08.
- **NAND Flash** ASP up 17% compared to Dec '08, the highest since in Jun '08.
- **Total IC** ASP up 4% compared to Dec '08, the highest four-week month ASP since **Nov '07!**

### MORE INFORMATION CONTACT

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It is too early to say with certainty if IC ASPs have reached their low points, but IC Insights firmly believes that IC ASPs **will** rebound throughout 2009 and into 2010. Several conditions are lining up throughout the industry that suggest ASPs will begin to improve—perhaps dramatically—in the coming months.

Some factors that are expected to cause ASP increases include very low IC inventory levels at electronic system producers—any “uptick” in orders will likely put upward pressure on prices; fewer IC suppliers due to mergers and consolidation throughout the industry; 85% factory utilization at 300mm fabs during the current slow period; older, 200mm factories being taken off line; and dramatic reductions in 2009 capital

equipment budgets. These conditions suggest that even a nominal increase in IC units will put upward pressure on prices. That nominal increase could begin in 2Q09 and accelerate in the second half of the year when seasonal demand for electronic systems jumps. Although the 2009 IC market is forecast to register a double-digit decline this year, IC Insights believes IC unit shipments, average selling prices, and market growth will rebound in the second half of this year.

## Report Details

Details about IC market forecasts through 2013 can be found in the 2009 edition of *The McClean Report (released in January 2009)*, IC Insights' complete analysis and forecast of the integrated circuit market. Packed with 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 \$2,890. A bundled CD-binder set is priced at \$3,385. 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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