

**JUNE 8, 2009**

## Updated Forecast: Two IC Products Forecast to Grow in Tough '09

*Revised forecast shows wireless communication key to growth of telecom-analog and telecom-special purpose logic/MPR.*

WSTS (Worldwide Semiconductor Trade Statistics) classifies ICs into 29 distinct product categories. Only two of these segments—Telecom-Analog and Telecom-Special Purpose Logic/MPR—are forecast to show revenue growth in 2009 according to a just-released market forecast from IC Insights.

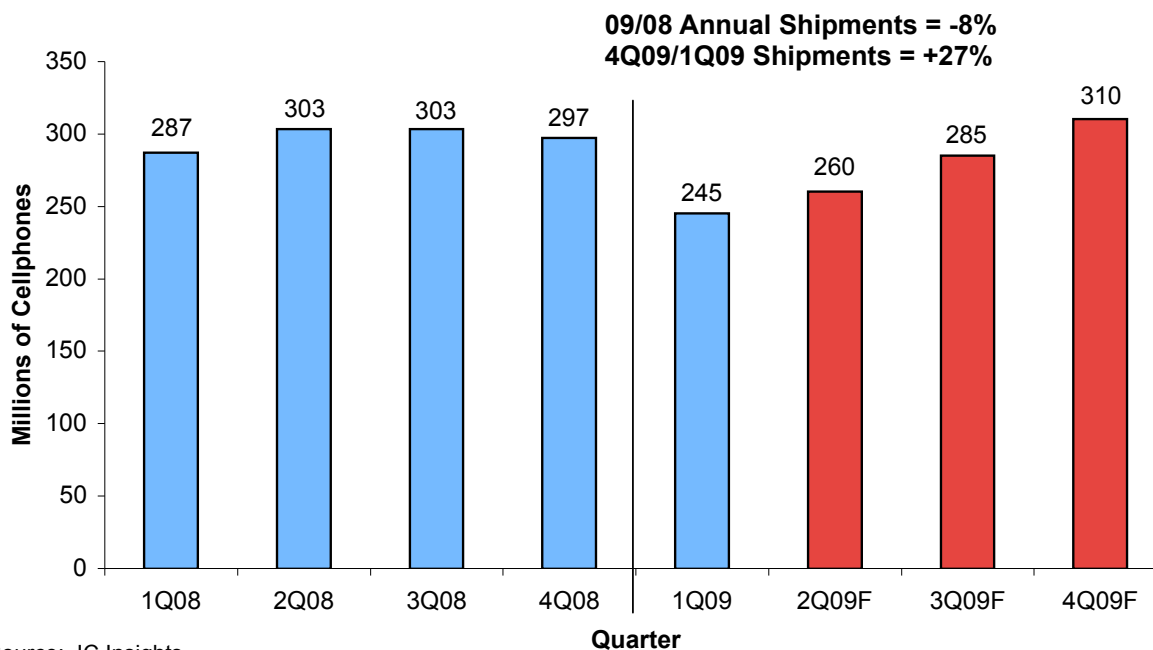
Spurred by the ongoing movement to higher-end cellphones (i.e., smartphones), the Telecom-Analog IC market is forecast to grow 4% to \$8.3 billion and the Telecom-Special Purpose Logic market is now forecast to increase 14% to \$22.2 billion in 2009. Besides wireless handsets, basestations, Bluetooth connections, and Wi-Fi networks are also helping to drive growth in these IC segments.

As shown in Figure 1, cellphone unit shipments are forecast to decline 8% in 2009, yet significant quarterly growth is expected from the low-point exhibited in 1Q09. In fact, 4Q09 cellphone unit shipments are forecast to be 27% greater than in 1Q09 and higher than any quarter of 2008!

### MORE INFORMATION CONTACT

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### 2009 Cellphone Sales Quarterly Rebound



**Figure 1**

Among all cellphones, 3G smartphones continue to represent an increasing portion of shipments. These feature-rich, high-end phones and the infrastructure needed to support them require a significant amount of leading-edge logic, a large amount of memory, and analog ICs specific for telecom applications. According to IC Insights' research, smartphones accounted for 15% of the 245 million cellphone units shipped in 1Q09 and are forecast to represent slightly more than 20% of the 310 million cellphone shipments in 4Q09.

Aside from increases in these two wireless-telecom IC segments, all other product categories are forecast to decrease in sales in 2009.

## Report Details

Details and forecasts of the cellphone market can be found in the 2009 edition of IC Insights' *IC Market Drivers—A Study of Emerging and Major End-Use Applications Fueling Demand for Integrated Circuits*. The report examines the leading applications for ICs and evaluates the potential growth for new applications that are expected to fuel the market for ICs through 2012. Price: \$2,490 in three-ring binder or CD format.

IC Insights' market forecasts for all semiconductors, including ICs and optoelectronics, sensors, and discrete components, will be featured in IC Insights' Mid-Year Update to *The McClean Report*, which will be released in late July.

## Announcements

Clients of *The McClean Report 2009 Edition* should watch for a link to our **upcoming web cast** where Bill McClean, president of IC Insights, will outline present IC industry conditions and the positive trends that are developing. IC Insights believes that 1Q09 was the bottom of the current cyclical downturn. Leading economic indicators have shown signs of improvement and industry data suggests that IC inventories are being replenished in time for an active second half of the year. Be sure to listen as IC Insights steps you through its findings and forecast for the balance of 2009 and beyond.

### 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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