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## **Gartner Says Worldwide Semiconductor Revenue Increased 31.5 Per Cent in 2010 to Exceed \$300 Billion**

STAMFORD, Conn., December 8, 2010 — After a worldwide economic recession, the semiconductor market rallied in 2010 with worldwide revenue reaching a landmark \$300.3 billion in 2010, up 31.5 per cent from 2009, according to preliminary results by Gartner, Inc.

"In 2010, the semiconductor market was driven by pent-up demand as system makers scrambled against depleted inventories to obtain parts," said Stephan Ohr, semiconductor research director at Gartner. "Manufacturers — both integrated device manufacturers (IDMs) and foundries — scrambled to put new capacity in place. With slowing demand and a weakening consumer confidence in the third quarter, lead times are coming down and inventories are slowly starting to build. Still, semiconductor vendors are working on fulfilling backlog orders, and 2010 will go on record as a banner year for the semiconductor industry."

In 2010, the semiconductor market rebounded from a 10 per cent revenue decline in 2009. Overall semiconductor industry revenue grew \$71.9 billion in 2010 — the largest single dollar increase for the semiconductor industry in any one year. Only three times in its past — in 1988, 1995 and 2000 — has semiconductor industry revenue grown by more than 30 per cent in any one year. This year, the industry topped \$300 billion, long regarded as a benchmark achievement for the industry.

Intel held the No. 1 vendor position for the 19th consecutive year in 2010, albeit with a slightly smaller share of the market, down to an estimated 13.8 per cent from 14.2 per cent in 2009 (see Table 1). Intel saw strong growth in the first half of the year as the PC market stocked up inventory in anticipation of a strong second half of the year, but third quarter growth weakened as consumer sentiment began to flag. Sales of mini-notebooks — a segment for which Intel is almost the exclusive supplier — were particularly disappointing.

**Table 1**

### **Top 10 Worldwide Semiconductor Vendors, Preliminary Ranking by Estimated Revenue (Millions of US Dollars)**

<b>Rank 2009</b>	<b>Rank 2010</b>	<b>Company</b>	<b>2009 Revenue</b>	<b>2010 Revenue</b>	<b>2009-2010 Growth (%)</b>	<b>2010 Market Share (%)</b>
1	1	Intel	33,253	41,430	24.6	13.8
2	2	Samsung Electronics	17,686	28,256	59.8	9.4
3	3	Toshiba	9,604	12,376	28.9	4.1
4	4	Texas Instruments	9,142	12,356	35.2	4.1
11	5	Renesas Electronics*	4,542	10,368	128.3	3.5
7	6	Hynix Semiconductor	6,035	10,350	71.5	3.4
5	7	STMicroelectronics	8,510	10,290	20.9	3.4
13	8	Micron Technology **	4,170	8,884	113.0	3.0
6	9	Qualcomm	6,409	7,167	11.8	2.4

10	10	Infineon	4,682	6,680	42.7	2.2
		Others	124,338	152,156	22.4	50.7
		<b>Total</b>	<b>228,371</b>	<b>300,313</b>	<b>31.5</b>	<b>100.0</b>

Source: Gartner (December 2010)

\* NEC Electronics was renamed Renesas Electronics in 2Q10. This name change has been applied retrospectively to 2009 to maintain continuity. Renesas Electronics acquired Renesas Technology in 2Q10. According to Gartner's merger and acquisition policy (restated in December 2009), Renesas Technology's revenue has been attributed to Renesas Electronics for 2Q10 through 4Q10. NEC Electronics' 1Q10 revenue has been attributed to Renesas Electronics for 2010, while Renesas Technology's 1Q10 revenue (\$1,731 million) has been accounted for separately.

\*\* Micron's revenue includes partial revenue from Numonyx, which it acquired in early 2010.

Samsung Electronics, Toshiba and Texas Instruments all performed well in 2010 to retain their respective rankings of Nos. 2, 3 and 4. Samsung enjoyed a strong growth year due to its exposure to the booming DRAM and NAND flash markets. Memory accounts for more than 80 per cent of the company's sales. Toshiba grew its NAND flash memory business for mobile devices, as well as its discrete, ASIC and ASSP device businesses. Texas Instruments had a banner year with the company's overall semiconductor revenue growing 35.2 per cent, and its analog revenue increasing more than 41 per cent.

A new entrant to the top 10 was Renesas Electronics, at No. 5 following the merger of NEC Electronics and Renesas Technology on 1 April, 2010. Also in the top 10, Micron Technology rose five places to No. 8, largely as a result of its acquisition of Numonyx, which allowed it to capture the last three quarters of Numonyx sales in calendar 2010.

Additional information is available the Gartner report " Market Share Analysis: Preliminary Total Semiconductor Revenue, Worldwide, 2010." The report is available on Gartner's website at <http://www.gartner.com/resId=1486614>.

### About Gartner

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