

**Worldwide Semiconductor Revenue Rose by More Than \$70 Billion in 2010,
According to Final Results by Gartner**

Semiconductor Industry Experiences Largest-Ever Increase in One Year

STAMFORD, Conn., 18 April 2011 — Total worldwide semiconductor revenue reached \$299.4 billion in 2010, up \$70.7 billion, or 30.9 per cent from 2009, the largest dollar increase for the semiconductor industry in any one year, according to Gartner, Inc. However, the industry just fell short of the milestone \$300 billion revenue threshold.

Gartner said that the top 25 semiconductor suppliers accounted for 69.1 per cent of semiconductor industry revenue in 2010, and as a group, memory vendors showed the strongest growth.

"The industry-wide upturn was due to the combination of pent-up demand that had built in the wake of the worldwide economic recession, and rebuilding of semiconductor inventories that were significantly depleted during the recession and early recovery," said Peter Middleton, principal analyst at Gartner. "The market began to surge in the second half of 2009, as demand recovery in a variety of market sectors resulted in strong order rates. This continued, almost frantically, during the first half of 2010 as demand soared, prices rose, and we saw lead times expanding significantly."

Intel held the No. 1 position for the 19th consecutive year, with 14 per cent share (see Table 1), down from 14.6 per cent in 2009. Intel gained market share in some markets, but it lost ground in the total market, mainly at the hands of commodity memory vendors.

**Table 1
Top 10 Semiconductor Vendors by Revenue Estimates, 2010 (Millions of U.S. Dollars)**

2010 Rank	2009 Rank	Vendor	2009 Revenue	2010 Revenue	2009-2010 Growth (%)	2010 Market Share (%)
1	1	Intel	33,429	41,988	25.6	14.0
2	2	Samsung Electronics	17,749	28,097	58.3	9.4
3	3	Toshiba	9,604	12,360	28.7	4.1
4	4	Texas Instruments	9,142	11,878	29.9	4.0
5	5	STMicroelectronics	8,460	10,346	22.3	3.5
6	11	Renesas Electronics	4,542	10,204	124.7	3.4
7	7	Hynix Semiconductor	6,035	9,884	63.8	3.3
8	13	Micron Technology	4,170	8,224	97.2	2.7
9	6	Qualcomm	6,409	7,204	12.4	2.4
10	12	Broadcom	4,317	6,604	53.0	2.2
		Others	124,815	152,574	22.2	51.0
		Total Market	228,672	299,363	30.9	100.0

Note: 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 (\$1,432 million) has been accounted for separately.

Source: Gartner (April 2011)

Second-placed Samsung Electronics enjoyed a strong growth year due to its exposure to the booming DRAM and NAND flash markets. Memory accounted for about 80 per cent of

the company's sales in 2010. In the DRAM sector, the South Korean vendor was able to strengthen its No. 1 position, pushing its market share to record highs due to bit growth significantly above the rest of the market.

At No. 3, Toshiba's semiconductor revenue grew 28.7 per cent in 2010. The company grew its NAND flash memory business for mobile devices, as well as its discrete and optical electronics device businesses. Revenue for application-specific integrated circuits (ASICs) declined in consumer electronics due to the decrease of video game business as market share shifted between component suppliers and the overall game console market started to slow. But ASIC revenue for the communications and automotive area grew with economic recovery in 2010.

Elsewhere in the top ten, tenth-placed Broadcom outperformed the overall industry by a considerable margin — with growth of 53 per cent over 2009. This allowed it to climb two ranks and enter the top 10 for the first time. All three of Broadcom's business units — broadband, mobile and wireless, and infrastructure and networking — performed well.

Vendor Relative Industry Performance

Market share tables by themselves give a good indication of which vendors did well or badly during a year, but they do not tell the whole story. More often than not, a strong or weak performance by a vendor is a result of the overall market growth of the device areas that the vendor participates in. Gartner's relative industry performance (RIP) index measures the difference between industry-specific growth for a company and actual growth, showing which are transforming their businesses by growing share or moving into new markets and choosing their customers wisely.

Several of the top 25 vendors performed significantly better than expected according to Gartner's RIP index. The four vendors that grew better than 10 percent beyond expectations on the RIP index were Broadcom, Marvell, Samsung Electronics and NXP. In contrast, four vendors missed expectations by more than 10 per cent: Rohm, Renesas Electronics, Nvidia and MediaTek.

Gartner's annual semiconductor market share analysis examines and ranks the worldwide and regional revenue for more than 275 semiconductor suppliers in 62 separate product categories and eight major market categories. It serves as a benchmark for semiconductor industry performance, as well as a means for individual companies to assess their revenue performance against their competitors'.

Additional information is provided in the Gartner report "Market Share Analysis: Total Semiconductor Revenue, Worldwide, 2010." The report provides the worldwide market share rankings for the top 25 vendors in 2010. The report is available on Gartner's Web site at <http://www.gartner.com/resId=1632514>.

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