

CONTACT:

Janessa Rivera
Gartner
+ 1 408 468 8312
janessa.rivera@gartner.com

Robert van der Meulen
Gartner
+ 44 (0) 1784 267 738
rob.vandermeulen@gartner.com

Worldwide Semiconductor Revenue Declined 2.6 Per Cent in 2012, According to Final Results by Gartner

Intel Retained the No. 1 Position for the 21st Year in a Row

STAMFORD, Conn., 3 April, 2013 — Total worldwide semiconductor revenue reached \$299.9 billion in 2012, down 2.6 per cent from 2011, according to Gartner, Inc. With the overall semiconductor market decline, the number of vendors that declined among the top 25 outnumbered those that grew.

Gartner said the top 25 semiconductor vendors' revenue declined slightly faster, at 2.8 per cent, than the industry as a whole and accounted for almost the same portion of the industry's total revenue — 68.9 per cent in 2012, compared with 69.0 per cent in 2011.

"The normal drivers of semiconductor industry growth — the computing, wireless, consumer electronics and automotive electronics sectors — all suffered serious disruption in 2012," said Steve Ohr, research director at Gartner. "Even the industrial/medical, wired communications and military/aerospace sectors — ordinarily less affected by changes in consumer sentiment — suffered severe declines in semiconductor consumption. Excess inventory levels also remained a growth inhibitor."

Intel recorded a 3.1 per cent revenue decline, due to falls in PC shipments. However, it retained the No. 1 market share position for the 21st year in a row. Intel's share was 16.4 per cent in 2012, down from 16.5 per cent in 2011.

Table 1. Top 10 Semiconductor Vendors by Revenue, Worldwide, 2012 (Millions of Dollars)

Rank 2011	Rank 2012	Vendor	2011 Revenue	2012 Revenue	2011-2012 Growth (%)	2012 Market Share (%)
1	1	Intel	50,669	49,089	-3.1	16.4
2	2	Samsung Electronics	27,764	28,622	3.1	9.5
6	3	Qualcomm	9,998	13,177	31.8	4.4
4	4	Texas Instruments	11,754	11,111	-5.5	3.7
3	5	Toshiba	11,769	10,610	-9.8	3.5
5	6	Renesas Electronics	10,650	9,152	-14.1	3.1
8	7	SK Hynix	9,388	8,965	-4.5	3.0
7	8	STMicroelectronics	9,635	8,415	-12.7	2.8
10	9	Broadcom	7,160	7,846	9.6	2.6
9	10	Micron Technology	7,643	6,917	-9.5	2.3
		Others	151,343	146,008	-3.5	48.7
		Total Market	307,773	299,912	-2.6	100.0

Source: Gartner (April 2013)

Samsung, the No. 2 vendor, was held back by weak DRAM growth in 2012, as well as a dilution of the NAND flash market, although its overall revenue increased from smartphone application-specific integrated circuits (ASICs) and application-specific standard products (ASSPs).

Qualcomm's semiconductor revenue increased 31.8 per cent in 2012 to \$13.2 billion. The company climbed from No. 6 in 2011 to No. 3 and now trails only Intel and Samsung. Qualcomm was the fastest-growing semiconductor company in the top 25 and continues to benefit from its leading position in wireless semiconductors.

Texas Instruments retained its fourth-place ranking, although Toshiba slipped to fifth place in semiconductor shipments.

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.

Market leaders in Gartner's Relative Industry Performance index include Qualcomm (which grew 18.2 per cent better than expected). The only other company to exceed expectation by more than 10 per cent was NXP. On the other hand, three companies underperformed expectations by more than 10 per cent: Freescale, STMicroelectronics and AMD.

Gartner's annual semiconductor market share analysis examines and ranks the worldwide and regional revenue for more than 310 semiconductor suppliers in 64 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: Semiconductor Revenue, Worldwide, 2012." The report provides data and analysis for the top 25 vendors in 2012. The report is available on Gartner's web site at <http://www.gartner.com/resId=2393115>.

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