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## Worldwide Semiconductor Revenue Grew 1 Per Cent to Reach \$302 Billion in 2011

### *Semiconductor Industry's Strong Start Runs Out of Steam as Year Progresses*

STAMFORD, Conn., December 19, 2011 — Worldwide semiconductor revenue grew 0.9 per cent from 2010, reaching \$302 billion in 2011, according to preliminary results by Gartner, Inc. After a strong start to the year, worries about the strength of the macroeconomy slowed equipment and semiconductor orders in 2011.

"The industry did well in the early part of the year, in many cases entering the year with backlog from an exuberant 2010," said Stephan Ohr, semiconductor research director at Gartner. "But uncertainty about the state of the macroeconomy set in at the midpoint of the year. Consumers held off purchases, and infrastructure expansion plans languished as governments resisted assuming more debt. Equipment inventories began to build as the year progressed, with resulting ripples throughout the semiconductor industry."

Intel held the No. 1 position for the 20th consecutive year, and 2011 marks Intel's highest-ever market share at 16.9 per cent. Its previous high was in 1998 when it commanded 16.3 per cent of the market. 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. Intel had a strong year for its server products Westmere and Nahelem. Intel's revenue for 2011 includes the wireless business unit (BU) purchased from Infineon in the first quarter of the year, a transaction worth about \$1.4 billion to Intel's revenue in 2011.

**Table 1**  
**Top 10 Semiconductor Vendors by Revenue, Worldwide, 2011 (Millions of U.S. Dollars)**

Rank 2010	Rank 2011	Vendor	2010 Revenue	2011 Estimated Revenue	Growth 2010-2011 (%)	2011 Market Share (%)
1	1	Intel	41,988	51,052	21.6	16.9
2	2	Samsung Electronics	28,097	29,150	3.7	9.7
4	3	Texas Instruments	11,878	12,082	1.7	4.0
3	4	Toshiba	12,360	11,695	-5.4	3.9
6	5	Renesas Electronics	10,204	10,714	5.0	3.5
9	6	Qualcomm	7,204	9,819	36.3	3.3
5	7	STMicroelectronics	10,346	9,780	-5.5	3.2
7	8	Hynix Semiconductor	9,884	9,090	-8.0	3.0
8	9	Micron Technology	8,224	7,618	-7.4	2.5
10	10	Broadcom	6,604	7,091	7.4	2.3
		Others	152,575	143,960	-5.6	47.7

	<b>Total Market</b>	<b>299,364</b>	<b>302,051</b>	<b>0.9</b>	<b>100.0</b>
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Source: Gartner (December 2011)

At No. 2, Samsung Electronics saw its revenue grow slightly above the industry average despite its exposure to the declining DRAM market. Samsung's NAND business saw healthy revenue growth, but this was broadly in line with the overall NAND market growth. Samsung's non-memory business was by far the strongest growth area for the company, with application-specific devices, particularly wireless applications processors. The strongest growth came from Samsung's relationship with Apple, where it is supplying the A5 processor used in the iPhone 4s and iPad2 media tablet.

Texas Instruments, in the No. 3 position, has arguably the strongest manufacturing capability in the analogue semiconductor industry — a consequence of acquisitions made in 2010. However, uncertainties in the macroeconomic environment affected revenue for all analogue suppliers as orders slowed in the third quarter of 2011 and again in the fourth. The slowdown for power management devices — important in the construction of new data centres, and in the deployment of personal computers — was not as severe as the slowdown in amplifiers and data converters.

As a group, the processor makers — Intel, Qualcomm, Advanced Micro Devices and Nvidia — outperformed the rest of the industry. Intel's server business grew despite slowdowns in PC production. Qualcomm was carried by ongoing shifts to 4G and LTE mobile services. Nvidia's Tegra platform supported tablet makers hoping to capture some of the enthusiasm associated with tablet PCs.

Memory makers among the top 25 semiconductor suppliers — Hynix, Micron and Elpida — showed revenue declines as a consequence of DRAM price declines and loss of market share in the DRAM space. Samsung's growth of 3.7 per cent growth was carried as much by mobile phone application-specific integrated circuits (ASICs) as by memory. SanDisk grew 33.5 per cent on demand for flash memory.

Additional information is provided in the Gartner report "Market Share Analysis: Preliminary Total Semiconductor Revenue, Worldwide, 2011." The report provides the worldwide market share rankings for the top 25 vendors in 2011. The report is available on Gartner's website at <http://www.gartner.com/resId=1871819>.

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