



Gartner Says Worldwide Semiconductor Revenue in 2010 to Rebound to 2008 Levels

Worldwide Semiconductor Revenue on Track to Decline 11 Per Cent in 2009

STAMFORD, Conn., November 17, 2009 — Worldwide semiconductor revenue is on pace to total \$226 billion in 2009, an 11.4 per cent decline from 2008 revenue of \$255 billion, according to the latest outlook by Gartner, Inc. This forecast is better than the third quarter projections when Gartner forecast semiconductor revenue to decline 17 per cent in 2009.

Semiconductor revenue in 2010 is expected to bounce back to the same revenue level as 2008 at \$255 billion, a 13 per cent increase from 2009.

"The most significant changes for the semiconductor industry came from application-specific standard products (ASSPs), memory and compute microprocessors, as all three products benefited from a strengthening PC market," said **Bryan Lewis, research vice president at Gartner.** *"ASSPs and memory, primarily NAND flash, also benefited from an improved outlook for cell phones.*

"The revenue forecast for the commodity memory market — DRAM and NAND flash — has improved because of the stronger demand outlook, which means that pricing has strengthened more than previously forecast," **Mr Lewis** said.

PCs are the single largest application driving the semiconductor rebound: PC unit growth projections dramatically improved from double-digit declines at the start of 2009 to the current low-single-digit positive outlook. This strong PC recovery has made microprocessors and DRAM two of the most-noteworthy device categories of 2009.

"Both device types experienced lower revenue declines than the industry average, and DRAM began to be profitable for some vendors in the third quarter of 2009 after almost three years of losses," **Mr Lewis** said. *"While most of the news has been positive to date, recent channel checks in Taiwan indicate there is concern that PC orders are slowing earlier than the seasonal norm and that 2010 may get off to a slow start."*

Mr Lewis will provide a more detailed analysis on the outlook for the semiconductor industry during the Gartner Teleconference: 4Q09 Semiconductor Forecast Update. Gartner analysts will explore key assumptions driving the forecast. Additional information regarding the teleconference is available at

<http://my.gartner.com/portal/server.pt?open=512&objID=202&mode=2&PageID=5553&resId=1224625&ref=Webinar-Calendar>.

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