



Strategy Analytics: Infineon and Broadcom Improving Market Share in Cellular Basebands

MediaTek Now Second Only to Qualcomm

Boston, MA - March 11, 2010 – Due to increased demand in the end of year holiday season, Q3 2009 cellular baseband revenues and shipments grew for the first time since Q3 2008, according to Strategy Analytics. In its latest quarterly baseband market share tracker report, “Baseband Market Share Tracker: Qualcomm Holds 38 % of Revenue in Q3 2009,” the Strategy Analytics Handset Component Technology service revealed that total cellular baseband revenue reached \$3.02 billion in Q3 2009, with strong growth coming from GSM/GPRS/EDGE, W-CDMA and CDMA markets. This study also shows that total cellular baseband revenues in 2008 were \$11.15 billion and provisionally estimates \$11.04 billion for 2009.

The handset chip market has gone through some rapid changes over the past 3 years. Only a handful of the remaining players have long-term viability and sustainable profitability. Both Freescale and TI announced their intentions to exit from the cellular baseband market in Q3 2008, leaving about 23 percent of the total W-CDMA baseband revenue market share up for grabs. Qualcomm, ST-Ericsson, MediaTek, Infineon and Broadcom are best positioned to remain long-term players in the cellular baseband market.

Stuart Robinson, Director of the Handset Component Technologies service, said, “Based on our cellular baseband market share estimates for Q3 2009, MediaTek had reached the number 2 position in terms of units and revenues. Both Broadcom and Infineon are improving their market share and are expanding their presence with respective key customers.”

“Strategy Analytics estimates that the cumulative baseband revenue market share of Qualcomm, ST-Ericsson, MediaTek, Infineon and Broadcom rose to 78% in Q3 2009, from 68% in Q3 2008,” commented Analyst, Sravan Kundojjala. “With TI and Freescale exiting from the baseband market, further consolidation is a possibility in the now mature 2G and 3G markets while new entrants are likely to appear as demand increases for LTE and TD-SCDMA chips.”

Analyst blog: <http://blogs.strategyanalytics.com/stp/?cat=12>

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