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Worldwide Semiconductor Revenue Grew 5 Per Cent in 2013, According to Final Results by Gartner

Intel Retained the No. 1 Position for the 22nd Year in a Row

STAMFORD, Conn., 3 April, 2014 — Total worldwide semiconductor revenue reached \$315 billion in 2013, up 5 per cent from 2012, according to Gartner, Inc. The combined revenue of the top 25 semiconductor vendors increased by 6.9 per cent during 2013. This was a significantly better performance than the rest of the market, whose revenue growth was 0.9 per cent, and was due, in part, to the concentration of memory vendors in the top ranking. The memory market increased 23.5 per cent in 2013.

"After a weak start to 2013 due to excess inventory, revenue growth strengthened during the second and third quarters before levelling off during the fourth quarter," said Andrew Norwood, research vice president at Gartner. "Memory, and in particular DRAM, led this growth; not due to strong demand, but rather weak supply growth that pushed pricing higher. In fact, the overall market faced a number of demand headwinds during the year, with PC production declining 9.9 per cent and the premium smartphone market showing signs of saturation as growth tilted toward lower-priced, albeit quite capable, entry-level and midrange smartphone models."

Intel saw a second year of revenue contraction with sales down 1 per cent, mostly due to falling PC sales (see Table 1). However, it continues to command a clear lead, holding the No. 1 position for the 22nd consecutive year with 15.4 per cent of the market.

Table 1. Top 10 Semiconductor Vendors by Revenue, Worldwide, 2013 (Millions of Dollars)

Rank 2012	Rank 2013	Vendor	2012 Revenue	2013 Revenue	2012-2013 Growth (%)	2013 Market Share (%)
1	1	Intel	49,089	48,590	-1.0	15.4
2	2	Samsung Electronics	28,622	30,636	7.0	9.7
3	3	Qualcomm	13,177	17,211	30.6	5.5
7	4	SK Hynix	8,965	12,625	40.8	4.0
10	5	Micron Technology	6,917	11,918	72.3	3.8
5	6	Toshiba	10,610	11,277	6.3	3.6
4	7	Texas Instruments	11,111	10,591	-4.7	3.4
9	8	Broadcom	7,851	8,199	4.4	2.6
8	9	STMicroelectronics	8,415	8,082	-4.0	2.6
6	10	Renesas Electronics	9,152	7,979	-12.8	2.5
		Others	145,986	147,883	1.3	46.9
		Total Market	299,895	314,991	5.0	100.0

Source: Gartner (April 2014)

Samsung Electronics maintained the No. 2 position for the 12th year. The company has almost doubled its share of the market since 2002. Samsung's memory business saw strong revenue growth for both DRAM and NAND flash.

In third position, Qualcomm's semiconductor business grew 30.6 per cent. This was achieved due to its market-leading position in smartphone application processors and long term evolution (LTE) baseband processors. The company continues to outperform the market, with its mobile station modem unit shipments increasing 21 per cent during 2013.

At No. 4, SK Hynix's revenue increased 40.8 per cent, representing the strongest organic growth in the top 25 and pushing the company into the top five for the first time. Micron Technology saw the biggest revenue growth among the top 25 due to its acquisition of Elpida Memory, which Gartner counts under Micron from the third quarter of 2013 onward.

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.

MediaTek and Qualcomm topped Gartner's RIP index analysis by significantly outgrowing their peers in the mobile handset market. MediaTek accomplished this by focusing on the low-tier and midtier segments in China and other emerging markets; Qualcomm dominated the Tier 1 OEMs and high-end segments.

Gartner's annual semiconductor market share analysis examines and ranks the worldwide revenue for more than 280 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, 2013." The report provides data and analysis for the top 25 vendors in 2013. The report is available on Gartner's web site at <http://www.gartner.com/doc/2693217>.

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