

## Future Horizons turns 20 today

**London, UK. 1 April 2009.** Future Horizons is today celebrating its 20<sup>th</sup> birthday. Founded by Malcolm Penn on April 1, 1989, it is the world's leading independent semiconductor analysts. "When we set up shop 20 years ago our Worldwide HQ was an attic office in Fleet Street, London, home to Cochrane Communications, the PR agency for Eaton, Fairchild Semiconductors, SEMI and Teradyne," said Malcolm Penn, Chairman, founder and CEO of Future Horizons. "Future Horizons was founded on strong semiconductor start up principles; spinning out from a market leader that was becoming complacent (Dataquest) and exploiting a market opportunity ignored by the incumbents; namely the re-birth of a powerful European chip industry led and epitomised by Pasquale Pistorio, then CEO of STMicroelectronics."

The initial \$12k capital investment of the company comprised two 386-PCs, a fax machine and a HP LaserJet printer.

"On the day we started leading edge processing was 0.8 micron on 150mm wafers, with 0.65 micron and 200mm wafers just being introduced," said Penn. "In the labs 0.5 micron had just been produced and Sematech had processed its very first wafer. The 1.2 million transistor 486 processor was launched by Intel later the same month."

Future Horizons shares the same birth year as; Cray Computers (Seymore Cray), the World Wide Web (Tim Berners-Lee/CERN) and the delivery of the first GSM network by Nokia to Radiolina in Finland. It was to be a further two years before the first GSM call was made.

The key chip statistics from April 1989 were: a worldwide market size of \$48.8 billion, 20 percent of which were discrete devices; a fabless sector still in its infancy at \$0.4b dominated by Chips & Technology (386-chip sets), Lattice Semiconductor (CMOS PALs/PLDs) and Exar (EEPROMs); NEC the world's leading chip firm, having dethroned TI; and TEL and Nikon dominating the fab equipment market, previously a US-centric market.

Philips (now NXP) was the only European firm in the Worldwide Top 10, at number 10, but was still operating in a highly fragmented way under its regional local Signetics, RTC, Mullard, and Valco etc brands.

“World GDP was \$18.5 trillion dollars, one third of today’s value, and communism was on the verge of collapsing, opening up the opportunity for us to dominate the market for research and analysis on the former East European/USSR chip industry,” Penn explained.

“Our very first contracts were for IBM La Hulpe (a technology analysis), SEMI Europe (for a study on the East European semiconductor technology capability), The Welsh Development Agency (on the feasibility of setting up a wafer fab in Wales) and Harris Semiconductor (on the commercial need for a European back-end facility), inspired by the impending introduction of the Single European Act.”

“Starting Future Horizons gave me the chance to follow my passion and to focus on the things I thought important,” said Penn. “It has been an exciting roller coaster ride, typified by the fact we started the firm just as the industry collapsed following three successive years of double digit growth. This was part of the company’s making – anyone can start a business in a boom, in a recession you have to fight hard for every scrap of business, but that business stays.”

“We’ve learnt a lot from the start-up experience,” he continued. “Cash flow is king, we used to line up the bills for payment on the mantle piece and when the next cheque arrived, flip a coin or pay the one who shouted loudest first! It also taught us to always have enough cash set aside for the next 2-3 months expenses and for the inevitable rainy day.”

Ends

About Future Horizons

Established in April 1989, Future Horizons provides market research and business support services for use in opportunity analysis, business planning and new market development. Its industry information seminars and forums are widely considered to be the best of their kind. Emphasis is placed on the worldwide semiconductor and electronics industry and associated markets.

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