

**FutureHorizons**  
The Global Semiconductor Industry Analysts



Future Horizons Newsletter

August 2015

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## Industry News By Company

### [Apple, Samsung In Talks With Telecom Groups To Launch E-Sim Card](#)

Apple and Samsung are in advanced talks to join the rest of the telecoms industry to launch electronic Sim cards, in a move could fundamentally change how consumers sign up to mobile operators.

The GSMA, the industry association which represents mobile operators worldwide, is close to announcing an agreement to produce a standardised embedded Sim for consumer devices that would include the smartphone makers.

FirstFT is our new essential daily email briefing of the best stories from across the The traditional Sim card locks in the user to a network but an embedded Sim would enable a smartphone, tablet or wearable user to avoid locking themselves into a plan with a single operator or sign up to switch instantly.

### [Apple Iphone Sales, Up 35%, Disappoint Investors](#)

After a series of blockbuster earnings that blew past even the most optimistic of Wall Street expectations, Apple Inc. felt the pain of falling short of elevated expectations.

Apple said Tuesday its profit surged 38%, aided again by strong demand for the company's latest iPhones and robust growth in China where sales more than doubled. The gains lifted Apple's cash reserves to a record \$203 billion.

But while Apple sold 35% more iPhones in the fiscal third quarter compared with a year earlier, those sales missed some analysts' estimates. Apple also indicated its revenue in the current quarter could come in below Wall Street projections.

### [ARM, Digi-Key Team Up To Deliver University Programme](#)

Digi-Key Electronics has joined forces with the ARM University Programme to distribute the 'Lab-in-a-Box' (LiB) to higher educational institutions. Available to participating universities worldwide, the programme puts ARM-based technology into the hands of students to advance education, build new skills and jump-start careers.

The LiB contains ARM-based technology and high quality, rigorous training materials that support electronics and computer engineering courses. Since its launch in February 2014, ARM LiBs have been successfully deployed in hundreds of universities worldwide, enabling an easy migration path for academics wanting to upgrade their existing curricula to modern technologies from the ARM ecosystem.

### [CSRmesh® Creates Exciting Home Automation Opportunities with New Low Power Sensor and Actuator Models](#)

CSR plc (LSE: CSR; NASDAQ: CSRE) today announces the latest version of its Bluetooth® Smart solution for the smart home – CSRmesh® Home Automation. The Future Horizons Ltd, • 44 Bethel Road • Sevenoaks • Kent TN13 3UE • England 3  
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latest software release adds sensor and actuator models to build on the original protocol that was designed for lighting control. This makes it possible for developers to deliver a wider range of home automation solutions including control of heating, ventilation, air conditioning, door locks and window sensors.

Seamless and secure

The new flood mesh solution combines a configuration and control protocol based on CSR's proven Bluetooth Smart devices, including the CSR101x™ family, and allows for an almost unlimited number of devices to be networked together and directly controlled from a smartphone, tablet PC or wearable device. The system does not require a hub or router to function locally, or an end-to-end IP connection which means it offers a simple and seamless user experience. An encrypted network key, combined with other measures, ensures security against eavesdroppers, as well as man-in-the-middle and replay attacks.

### **IBM Cuts Power To 0.3V For 7nm**

IBM has one-upped Intel for the second time.

First, IBM overtook its competitor to 7nm. This time, it had cut power by using a 0.3 supply voltage, while simultaneously increasing speed at advanced nodes by boosting supply voltage during operations.

Dynamic- and interconnect-boosting harnesses what is ordinarily an adversary to speed—capacitive coupling—to momentarily boost supply voltage during operations for up to three-times faster access to SRAM with a 200ps clock pulse width resulting in only a minuscule increase in power, according to IBM.

### **Intel Logs \$2.2B Revenue Amid Drop In PC Sales**

Intel has revealed that its Q2 revenue approached \$13.2 billion and has accumulated a net income of \$2.7 billion. Revenues were in generally in line with expectations, reflecting a continued decline in PC sales, noted the company.

"Q2 results demonstrate the transformation of our business as growth in data centre, memory and IoT accounted for more than 70 per cent of our operating profit and helped offset a challenging PC market," said Intel CEO Brian Krzanich.

PC chip sales up two per cent QoQ but down 14 per cent on a YoY basis at \$7.5 billion. While PCs continue to slump, tablets remained a bright spot for the chip giant with sales of 9.9 million units, up 11 per cent YoY.

### **NXP Semiconductor Looks Good For The Long Term**

From in-car entertainment and networking solutions to supply chain monitoring solutions, NXP Semiconductor (NASDAQ:NXPI) has it all and is well poised for an IoT (Internet of things) driven growth. The company recently delivered a strong set of results for the second quarter that exceeded analyst expectations. So what makes this chipmaker so attractive for the long haul? Before we discuss that, let's take a closer look at NXP's financial performance.

Figuring it out

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The chipmaker delivered a robust \$1.51 billion revenue that was 11.64% higher than the previous year's quarter. Quarter-on-quarter revenue growth was mainly driven by higher sales in the Secure Connected Devices and Secure Interfaces & Power segments. While operating income grew 33.3% from the previous year's quarter to \$334 million, net income saw a spectacular 80.33% jump to \$321 million.

### **Qualcomm Plans 4,700 Layoffs**

Qualcomm plans to lay off some 4,700 people, or 15 per cent of its employees as part of its restructuring plan. The mobile giant also revealed its quarterly result, which showed lower revenues that are still in line with expectations, as well as its plan to cut \$1.4 billion in annual costs by 2016.

Revenues for Qualcomm's fiscal third quarter were \$5.8 billion, down \$1 billion year-over-year and \$1.1 billion sequentially. Net profit was down a whopping 47 per cent from the prior year to \$1.2 billion.

Amid an industry slowdown in smartphone growth, the company forecast its fourth quarter revenue would be down 15-30 per cent from the prior year to \$4.7 to \$5.7 billion. It estimated it will sell 170 to 190 million of its MSM cell phone chip sets in the period, down 19-28 per cent from last year.

### **Renesas, Audi Partner To Speed Automotive Innovation**

Renesas Electronics Corp. has revealed that Renesas and Audi have entered a strategic relationship as part of the Audi Progressive SemiConductor Programme (PSCP) to expedite automotive innovation. The partnership covers traditional automotive control areas such as powertrain, chassis, body and safety; driver infotainment and driver assistance systems; and novel application areas such as automated drive, connected car and the electrical vehicle.

"Renesas Electronics is a major innovation leader in the semiconductor industry. The company's MONOS flash technology as well as its pioneering role in the development of 28nm process technology are significant proof of this," said Ricky Hudi, head of electric/electronic development at Audi. "I'm pleased that we have Renesas as an innovative, extremely quality-conscious and reliable partner working with us on our Progressive SemiConductor Programme. We will join forces to increase the processing performance, comfort level and intelligence of our cars even further."

### **SMIC's 28nm Chips Power Mainstream Smartphones Marking A New Era For Advanced Chip Manufacturing In China**

SHANGHAI, Aug. 10, 2015 /PRNewswire/ -- Semiconductor Manufacturing International Corporation ("SMIC"; NYSE: SMI; SEHK: 981), China's largest and most advanced semiconductor foundry and one of the world's largest foundries, today announced its 28nm process technology that is used for manufacturing Qualcomm® Snapdragon™ 410 processors, has been successfully adopted into mainstream smartphones. This marks a significant step in the commercial usage of 28nm core chips, and a new era of advanced mobile phone chip manufacturing in China. This is another

major breakthrough in the company's collaboration on 28nm, following SMIC's announcement of successfully fabricating Qualcomm Technologies' processors at the end of last year.

Qualcomm Snapdragon 410 processors, with integrated 4G LTE, offer an abundant feature set for high-volume smartphones. Compared with 40nm technologies, processors manufactured on 28nm process technology have twice the logic density, are 20 to 30 percent faster, and consume 30 to 50 percent less power.

### **[Power-Management IC From Stmicroelectronics Selected By Kingston For Its Hyperx® Savage Solid-State Drive](#)**

STMicroelectronics (NYSE: STM), a global semiconductor leader serving customers across the spectrum of electronics applications, today announced its 5-channel power-management IC (L7292) has been selected by Kingston Technology Company, Inc., the independent world leader in memory products, for its enthusiast-class HyperX Savage solid-state drive (SSD). Compared with designs using low drop-out regulators (LDO) or other multi-channel power-management ICs, ST's L7292 offers the highest level of integration, flexibility and programmability, and enables higher efficiency with compact and simplified PCB design.

HyperX Savage SSD combines ultra-fast read/write speeds and powerful multitasking with a low-profile, 7mm-slim form factor that fits in most notebooks, desktops, and home-theater PCs. The ST power-management IC inside HyperX Savage has been developed in the industry's most advanced 0.16µm BCD1 process technology, which allows the lowest Bill-of-Material cost through the full integration of all external components. The L7292's design and IPs enable the highest DC/DC power-conversion efficiency together with the lowest quiescent current and its full programmability allows real-time control and rapid adaptation to any application needs.

## Industry News & Trends

### [Doubts Remain Over Prospects Of Apple Watch](#)

Apple's launch of its Watch in April was its most significant product introduction since the iPad made its debut five years ago.

But, three months in, the response from analysts and consumers bears a greater resemblance to the launch of the iPhone than to the more enthusiastic reception that first greeted the iPad. Despite its subsequent success the iPhone was initially met by confusion and widespread doubts about its prospects.

With no sales figures from Apple to act as a guide, speculation about the Watch's performance has run wild. Estimates for sales so far range between 2m and 5m, with first-year sales pegged anywhere between 10m and 30m.

### [Korean Startup Develops Ultra-Lightweight Solar Charger](#)

Yolk, a South Korean startup, has developed what it describes as a paper thin and ultra-lightweight solar charger. The solar design company has already raised more than \$500,000 of its \$50,000 goal in its crowdfunding campaign.

Designed to be as thin and aesthetically pleasing as possible, the charger, called Solar Paper, is claimed to be "the world's thinnest and lightest solar charger." It is thin enough that it can be placed inside a notebook or planner, yet the basic 5W version is powerful enough to charge a smartphone in 2.5 hours on a sunny day according to the company.

### [German Carmakers Look To Head Off Tech Rivals With Nokia Maps](#)

It takes a big prize for Germany's three leading carmakers to throw aside their historic rivalries and club together.

But that is what happened this week as Daimler — owner of Mercedes-Benz — BMW and Audi, part of the Volkswagen group, entered exclusive talks with Nokia over an acquisition of its highly-prized mapping business, according to people familiar with the matter.

The final price for Nokia Here is expected to be at least €2.5bn, far lower than the Finnish telecoms group paid to acquire Navteq, the mapping business it bought and merged with its in-house mapping unit for \$8.1bn in 2007.

But Nokia had written down the value of the unit to just €2bn by 2014, and analysts at Bernstein were doubtful that it would be sold for more than €1bn given "limited opportunities, risks and terminal growth expectations"

### [3-D Printer Firms Fall Flat, As Buyers Wait For New Models](#)

The companies that make 3-D printers are struggling with an increasingly uncertain outlook as many potential buyers hold out for what they hope will be better, faster machines.

3D Systems Corp. , one of the biggest 3-D printer producers, on Thursday reported second-quarter sales and profit that fell short of expectations.

The Rock Hill, S.C., company said it swung to a net loss of \$13.7 million in the period, from \$2.1 million in profit a year earlier. Overall revenue rose, but organic sales, which exclude revenue from acquisitions and exchange-rate changes, slid 5%.

### **Apple Denies Plans To Be A Mobile Operator**

Apple has rebuffed industry rumours indicating that the company's plans to build its own virtual network service. While it isn't unusual for Apple to be at the centre of tech's rumour mill, but it is strange for the company to directly repudiate industry speculation.

This is what happened today, when Apple openly denied rumours that it was planning to create its own virtual network service to provide mobile communications. The company claimed it has never planned to offer communications services to consumers, as reported by Reuters on August 4.

### **Samsung Electronics Unveils World's First Wireless Mobile Charging Monitor**

Samsung Electronics Co., Ltd., introduced the SE370, the industry's first monitor with an integrated wireless charging function for mobile devices. Available in 23.6 inches and 27 inches, the SE370 monitor declutters work areas by doing away with unnecessary cables and ports needed to charge mobile devices. Along with superior picture quality, enhanced visual performance and thoughtful design, the monitor seamlessly integrates advanced technologies that offer both professionals and consumers an optimal viewing and usability experience.

Samsung's SE370 monitor works with all mobile devices that use the leading Qi wireless charging standard, which was developed by the Wireless Power Consortium (WPC). Qi is one of the most readily-available global interface standards.

## East European News & Trends

### **Bank of Russia Cuts Interest Rates Again**

MOSCOW—The Bank of Russia cut interest rates Friday for the fifth time this year citing economic risks, but declined to commit on whether there would be further monetary easing.

The central bank slashed the key rate by 50 basis points to 11%, in line with the market consensus, taking its total cuts so far this year to six percentage points.

Still, the key rate remains above the 10.5% level it reached in early December, before an emergency increase to 17% that helped to stabilize the plummeting ruble.

### **Laser Technologies Center Launches Pilot Project In Primorye**

A pilot project putting into practice the technology of laser reordering of metallic parts in Russia's Primorye Territory was developed by the Far Eastern branch of the Russian Academy of Sciences (RAS) jointly with the Far Eastern Federal University and the Vladivostok-based ship-repairing center Dalzavod, the press service of the territorial authorities said on Wednesday.

Robot complexes will be equipped with high-power lasers which will allow overlaying repair coats of different metals on faulty parts automatically, fully restoring the operational integrity of separate units, the RAS Far Eastern branch said.

The laser performs a large number of functions: cuts materials, welds and faces them and makes the surface cleaning. The method of laser cladding provides for the repair and the restoration of different parts for a short period of time.

### **Sergey Lavrov Pushes For Greater Russia-ASEAN Ties**

Russian Foreign Minister Sergey Lavrov participated in the ASEAN-Russia Ministerial Meetings and the ASEAN Regional Forum in Kuala Lumpur on August 5-6. The meetings, which gathered leaders from the Association of Southeast Asian Nations (ASEAN) and the grouping's dialogue and regional partners, were a good opportunity for Lavrov to hold standalone talks with his Asian counterparts.

Security-related matters, such as the dangers posed by ISIS and tensions in the Korean peninsula, featured prominently in the ASEAN-Russia Ministerial Meetings. Lavrov also called for greater economic ties between Russia and Southeast Asia.

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## World Economic Round Up

The Hungarian central bank (MNB) has cut its key rate by 15 basis points to an all-time low of 1.35 percent. The market expected a 10bp reduction, although a 15bp cut was also on the cards. MNB Governor György Matolcsy told a subsequent news conference that rates would remain at this level for a long time. Going forward, a significant strengthening of the HUF would probably be the most likely trigger for more rate cuts, but it is still believed that the HUF is more likely to weaken than to strengthen for the rest of this year.

***The latest economic news by country to include USA, Europe, UK, Japan, China, Asia Pacific and India can be found each month in our [Semiconductor Monthly Report](#).***

## Industry Events 2015

### Future Horizons Events

- [Silicon Chip Industry Training Seminar](#) – London – 21<sup>st</sup> September 2015
- [Industry Forecast Briefing](#), London – 24<sup>th</sup> September 2015

***To book your place on any of our events please contact us on:***

**Telephone: +44 1732 740440**

**Email: [mail@futurehorizons.com](mailto:mail@futurehorizons.com)**

[Download Future Horizons Full Events Calendar Here](#)

### Industry Events

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MARK YOUR CALENDER FOR THE NEXT

SILICON CHIP INDUSTRY WORKSHOP

MONDAY 21<sup>ST</sup> SEPTEMBER 2015

AND

INDUSTRY FORECAST BRIEFING

THURSDAY 24<sup>TH</sup> SEPTEMBER 2015

BOTH BEING HELD AT

HOLIDAY INN KENSINGTON FORUM, LONDON

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