

Future Horizons: 'There's nothing to fear but fear itself'

Chip makers need to seize these superb market conditions as Future Horizons will outline at the International Electronics Forum in Dresden on May 5th

London, UK, 14th April 2010 – In its March 2010 Global Semiconductor Monthly Report Future Horizons paints a positive picture of the prospects of the semiconductor industry, in line with the predictions of its 2010 Annual Semiconductor Report. This is tempered with a warning for companies to stop reveling in inappropriate pessimism.

On the one hand, Future Horizons indicates that semiconductor sales have continued to be very strong. This looks set to continue for the rest of the year, resulting in a 2010 that is massively improved on 2009.

On the other hand, several companies still remain unjustifiably pessimistic and confused about the state of the market. Companies now have an opportunity to dominate the market. Instead they continue to be cautious, undermining their own prospects of making some serious money.

Pessimism is no longer appropriate, the report indicates, given the current market conditions. IC sales in January were up four point eight percent versus December on a five-week-month-adjusted basis.

The real significance of January is its potential impact on first quarter sales. If this run rate to continue in the emerging WTST reports through February and March, first quarter sales would be up eight percent versus Q4-09. That would make 2010 grow a staggering 40 percent on 2009. Despite these figures being inflated due to a recessionary year, the overall trend is still very encouraging.

"Anecdotally order books are strong, and starting to firm-up for the second half of 2010," commented Malcolm Penn. "Companies now have more orders than they can deliver. Backlogs are being scrutinised and culled, small firms and small orders are being ignored, higher margin shipments are being prioritised.

And yet still semiconductor companies are being cautious. In reality the sky won't come crashing down unless we see another epic Lehman Brothers-style collapse.

As we enter Q2 with the seasonally strong Q3 not that far away, industry is psychologically unprepared to react. It's time to stop navel-gazing and swing back to optimism."

Future Horizons will expand upon this theme, and others, at its upcoming International Electronics Forum in Dresden on May 5th. For further details, or to register, go to <http://bit.ly/cqD4IU>

Copies of Future Horizons' Global Semiconductor Monthly Report, 2010 Annual Semiconductor Report, and 2010 Annual Semiconductor Applications Markets Report, which expand upon the underlying state of the semiconductor market, can be obtained via <http://bit.ly/bvOYBH>

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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 world-wide semiconductor and electronics industry and associated markets.

Editorial contacts:

Malcolm Penn

Future Horizons

+44 (0)1732 740440

mpenn@futurehorizons.com

Alex Perryman/Richard Parker

EML

+44 (0)20 8408 8000

futurehorizons@eml.com