

China MCU Market Overview

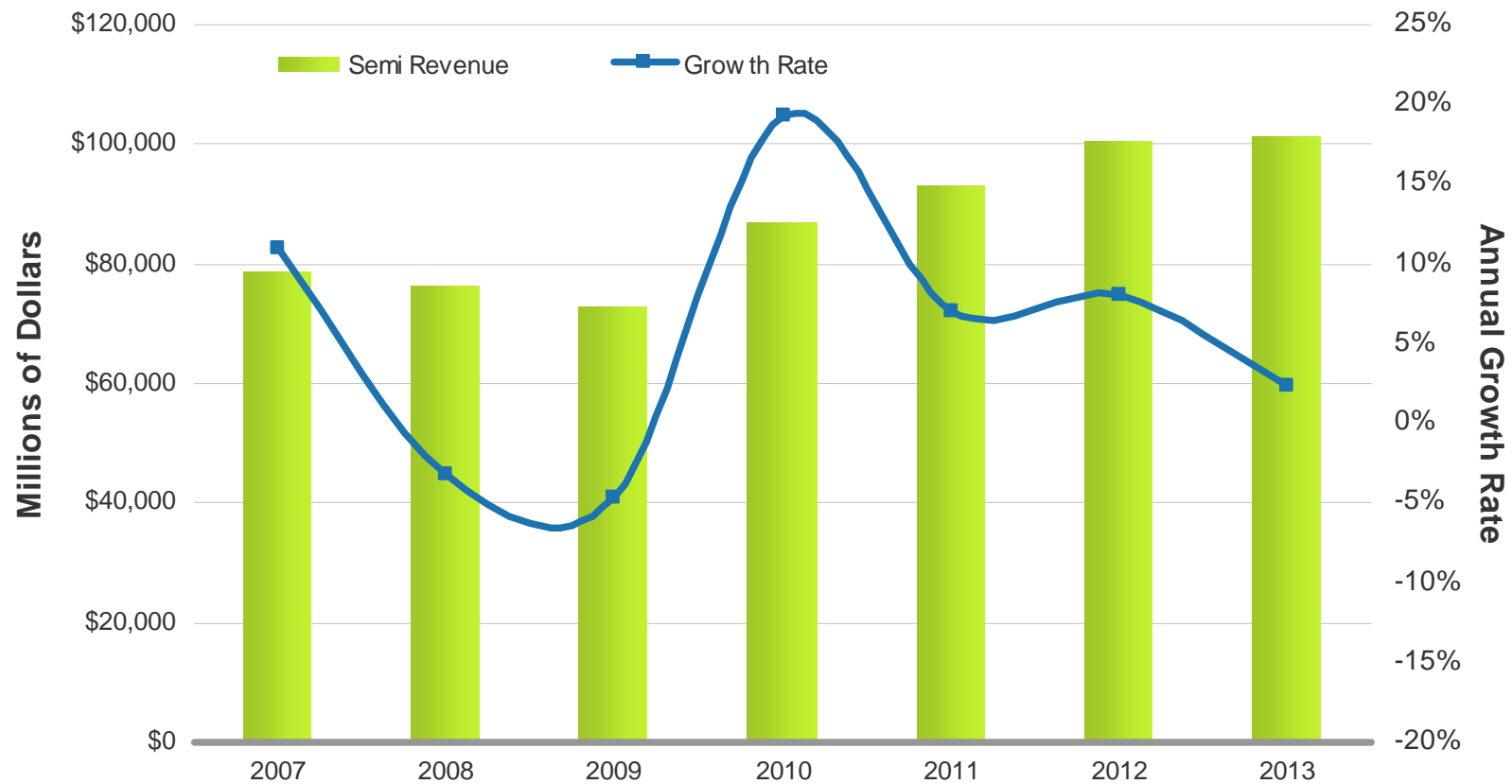
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China Semiconductor Consumption 2007-2013

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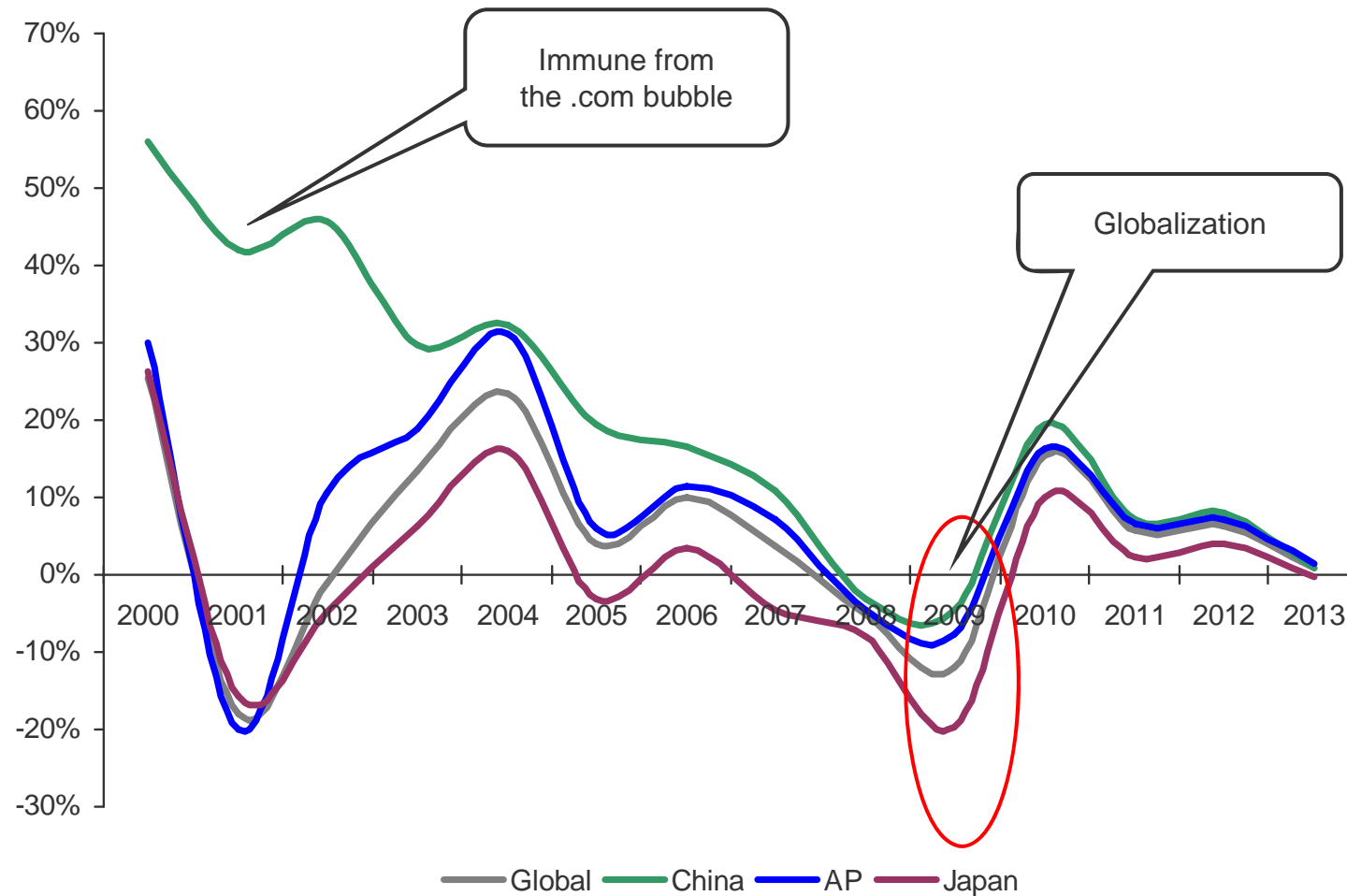


2009 is the toughest year for all semi vendors. China semi consumption is around \$72 billion in 2009, declined 4.7% over 2008.

iSuppli forecast the semiconductor consumption will rebound from 2010. And the CAGR of China semiconductor consumption is 6.1% from 2008 to 2013.

Global Semiconductor Consumption Growth 2000-2013

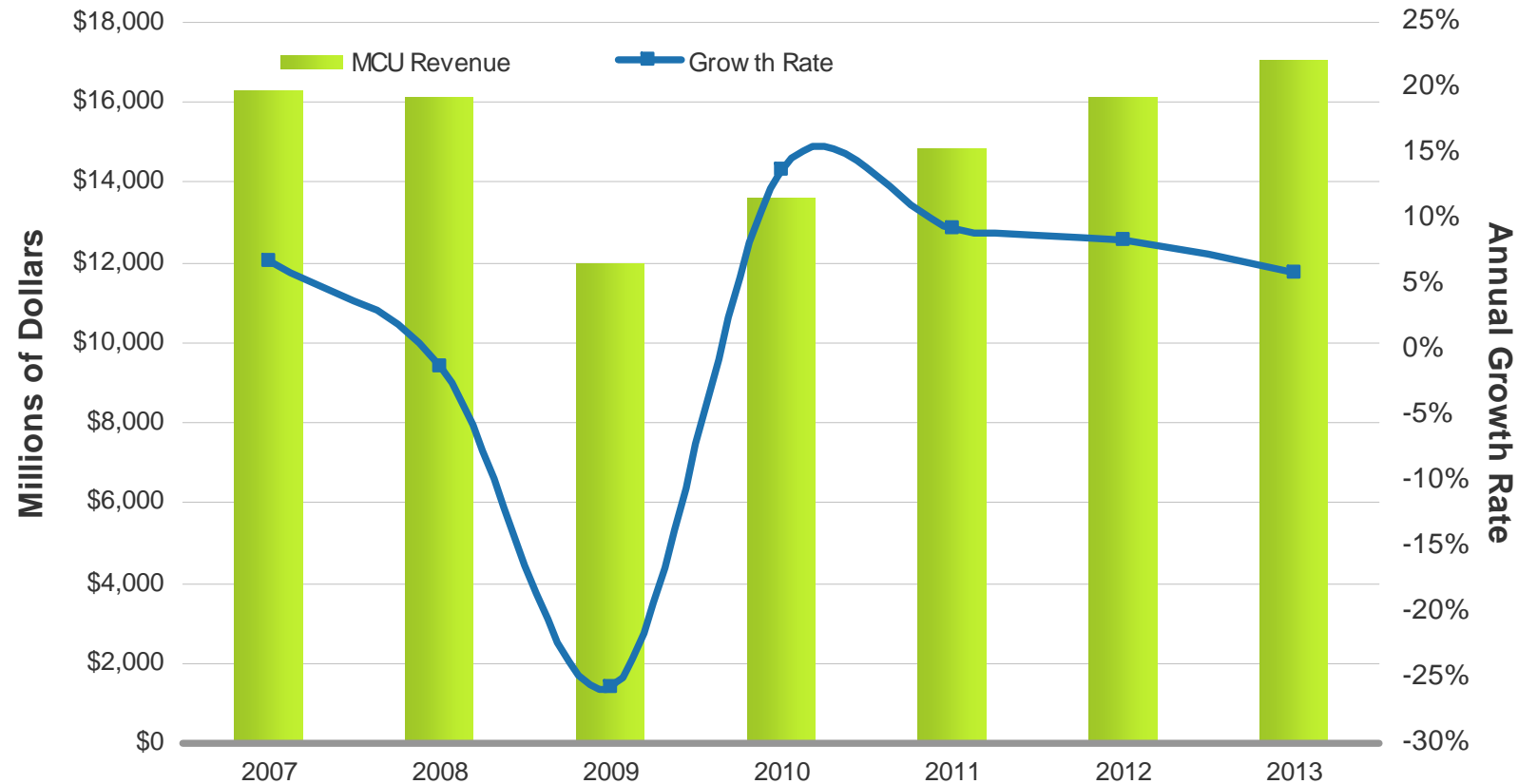
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Notes: The data is actual through 2008 and forecast from Q4 2009

Worldwide MCU Consumption, 2007-2013

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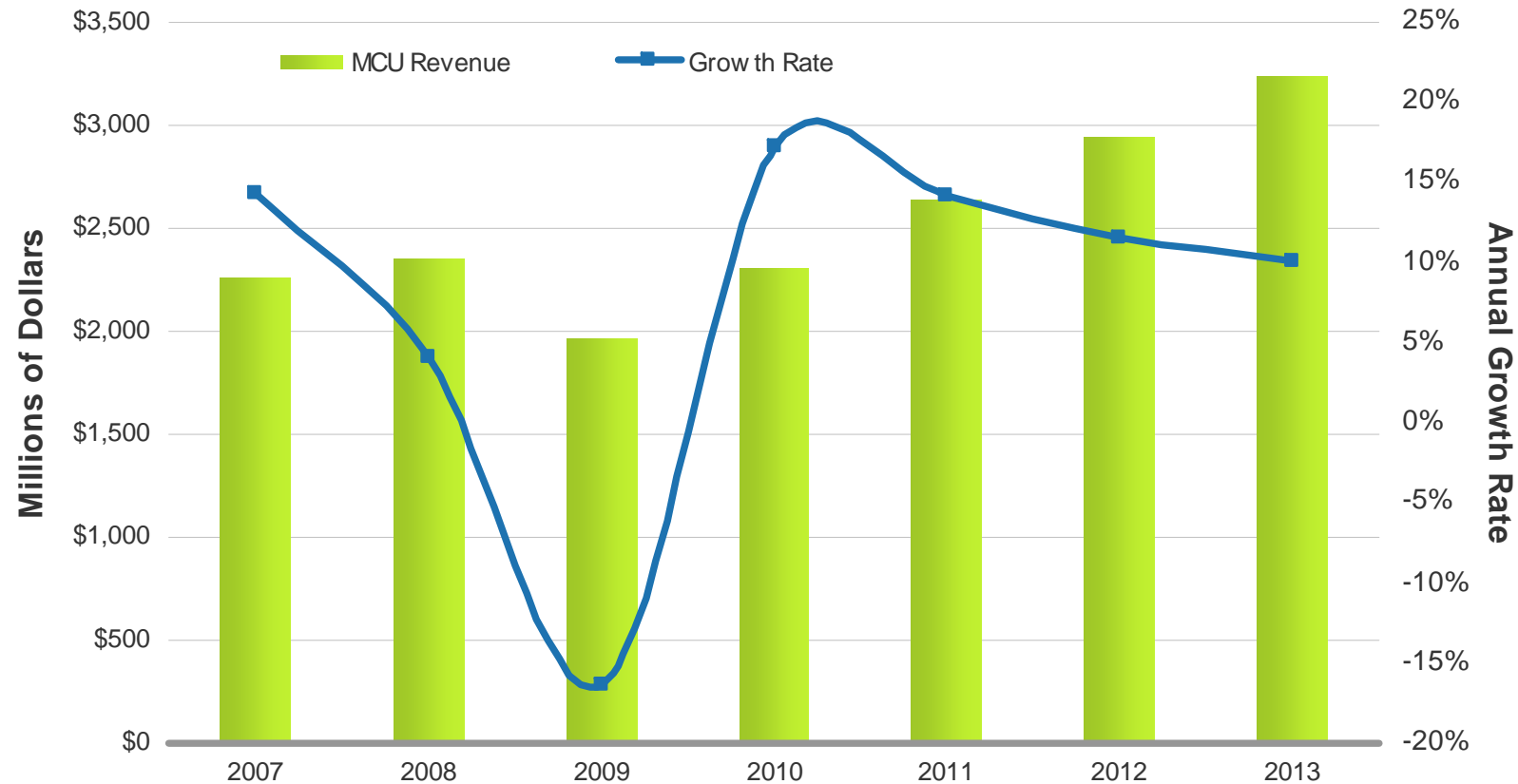
In 2009, MCU consumption revenue is \$12 billion, with 25% decline comparing with 2008.

We forecast in 2010 the market will rebound with 14% annual growth over 2009, and reached \$13.6billion.

The market will recover gradually.

China MCU Consumption 2007-2013

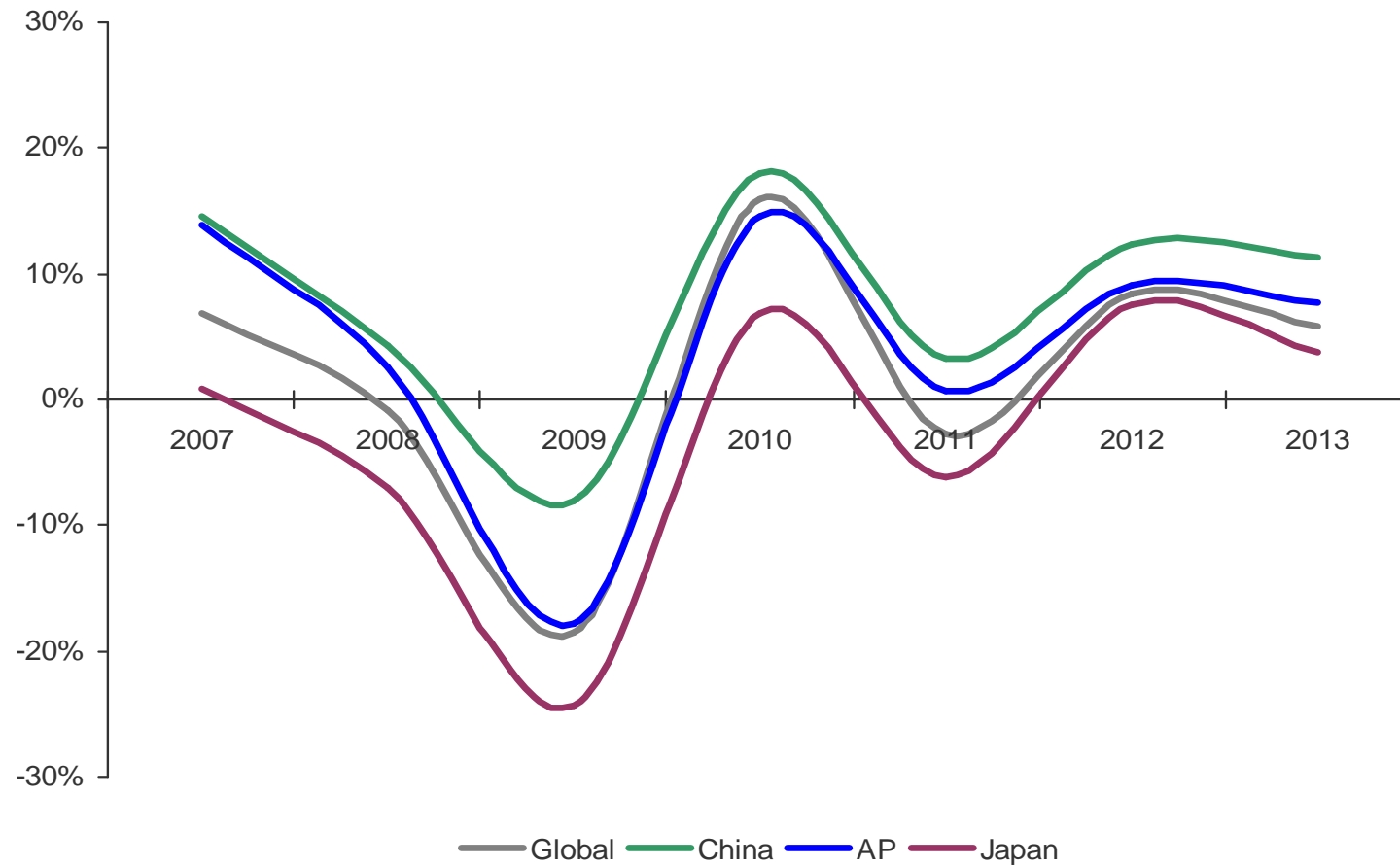
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In China, MCU market also experience a significant decline with -16.4% comparing with 2008. We forecast the annual growth rate will be above 10% in next several years. The situation is much better than other regions.

MCU Consumption Growth Rate by Region 2007-2013

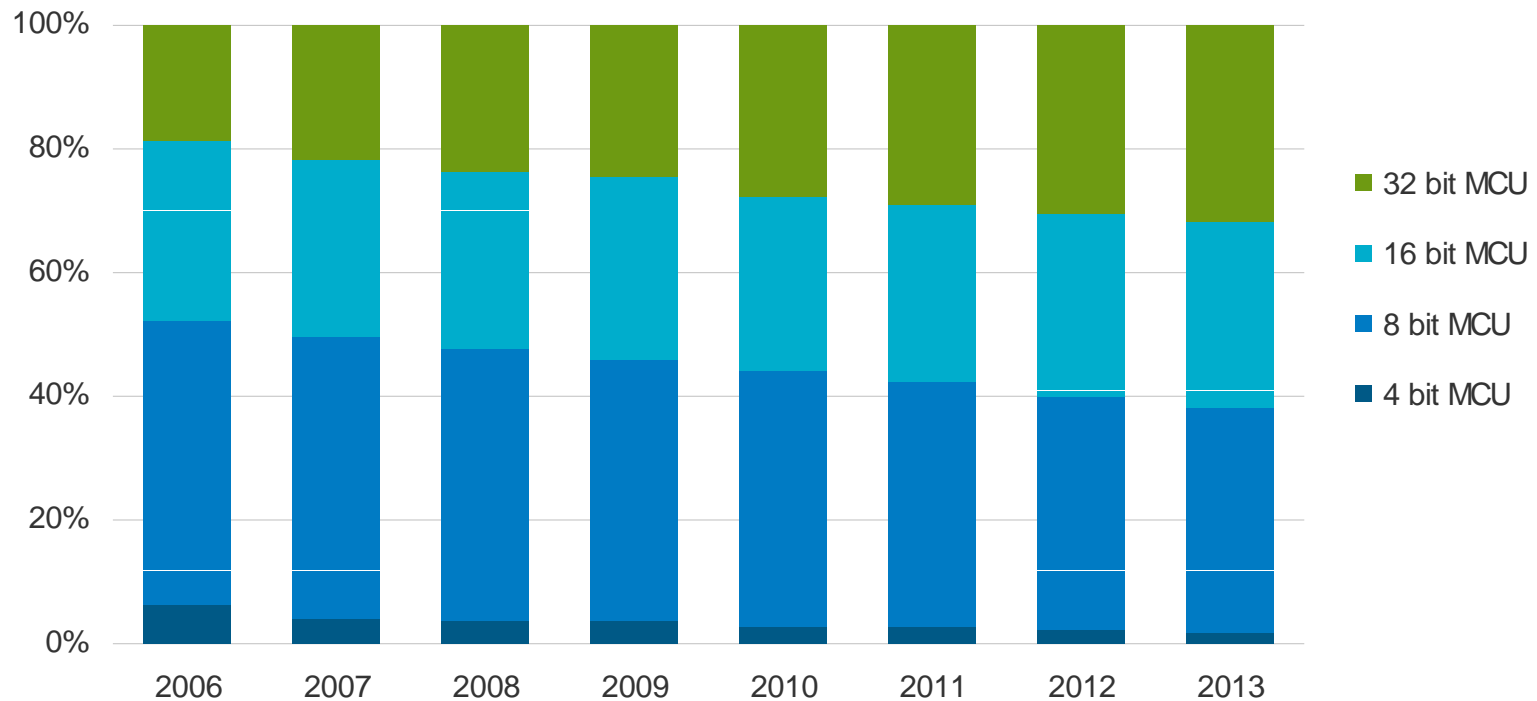
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Notes: the AP region excludes China (Mainland and Hong Kong)

China MCU Market share by Product 2006-2013

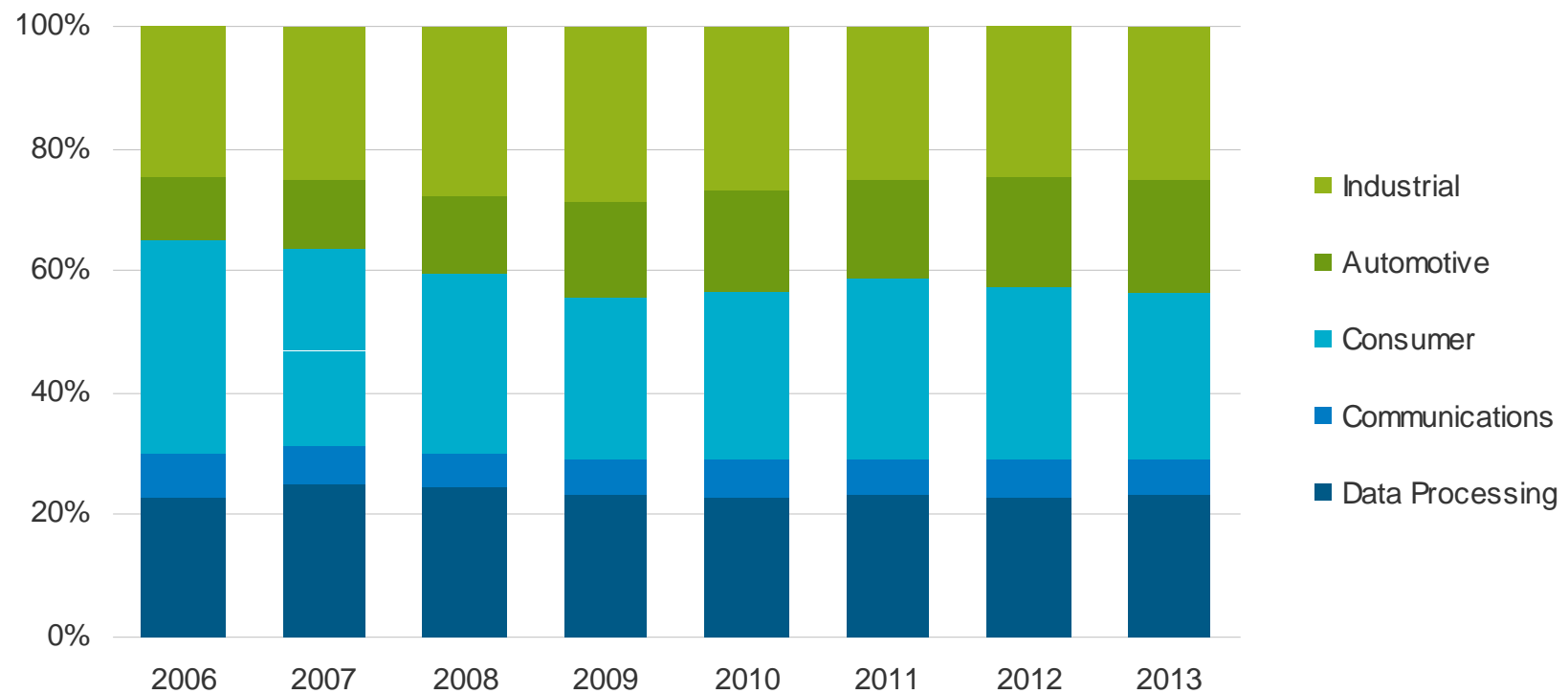
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32 bit MCU's market share continue to increase in next few years; and 8 bit and 4 bit revenue will be declined.
In Worldwide, the trend is more obvious than China.

China MCU Market share by Application, 2006-2013

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In China, the largest market is consumer and Data processing. Automotive experience the highest growth in next five years, with a CAGR of 15.6% from 2008 to 2013.

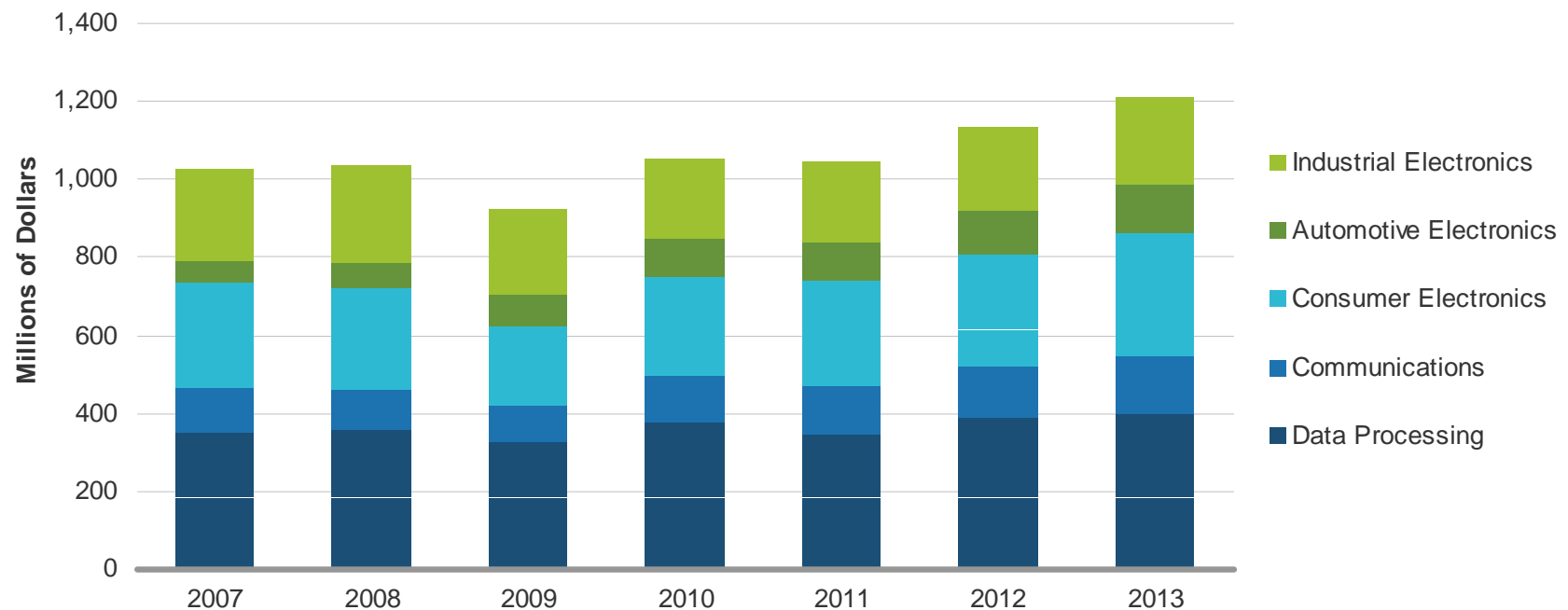
MCU Suppliers Ranking in China Market, 2008

2008 Ranking	MCU Suppliers	2008 Revenue (M\$)
1	Renesas Technology	180
2	Freescale Semiconductor	150
3	Microchip Technology	148
4	NEC Electronics	140
5	Infineon Technologies	103
6	Toshiba	68
7	Atmel	68
8	Samsung	65
9	STMicroelectronics	58
10	NXP	52

Notes: The revenue is based on Bill-to China

Market Developments in China, 8-bit MCUs

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For 8 bit market, China market decline to \$923 million in 2009, with 20% decline over 2008.

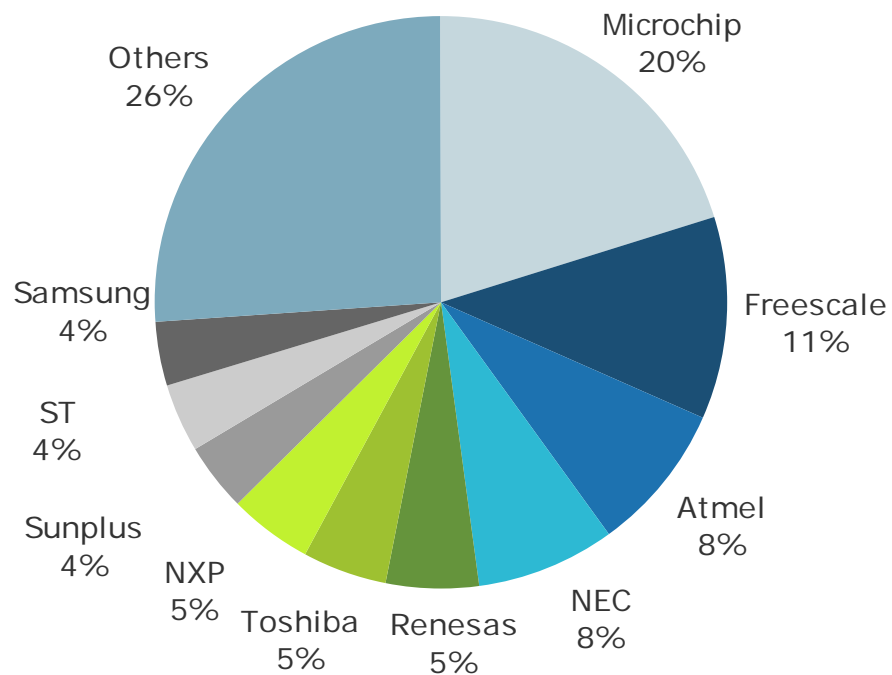
For 8 bit products, Data processing is the largest market.

Automotive has the highest growth rate in next five years, with a CAGR of 12.5%

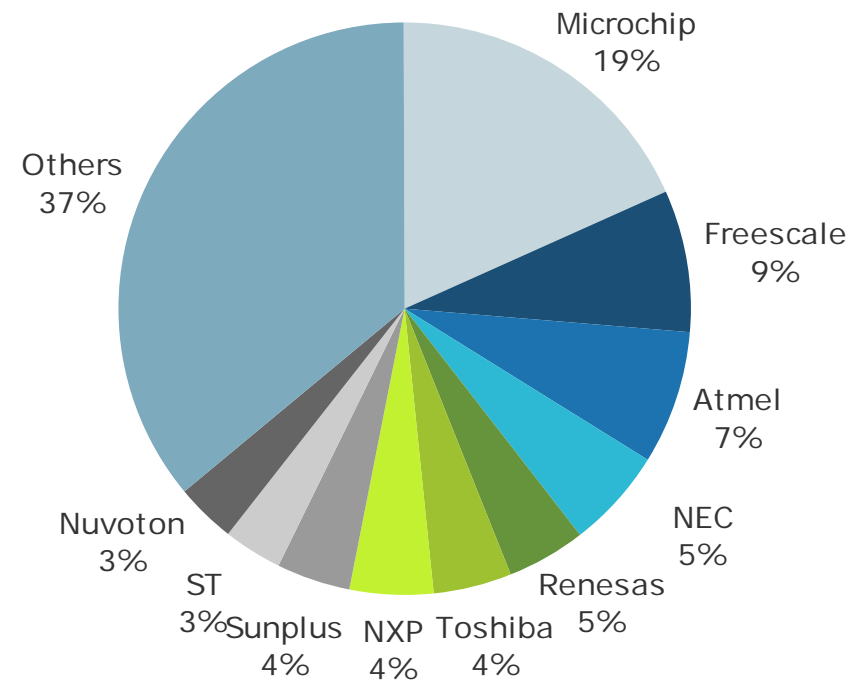
8-bit MCU Market Share in China

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Consumption in China

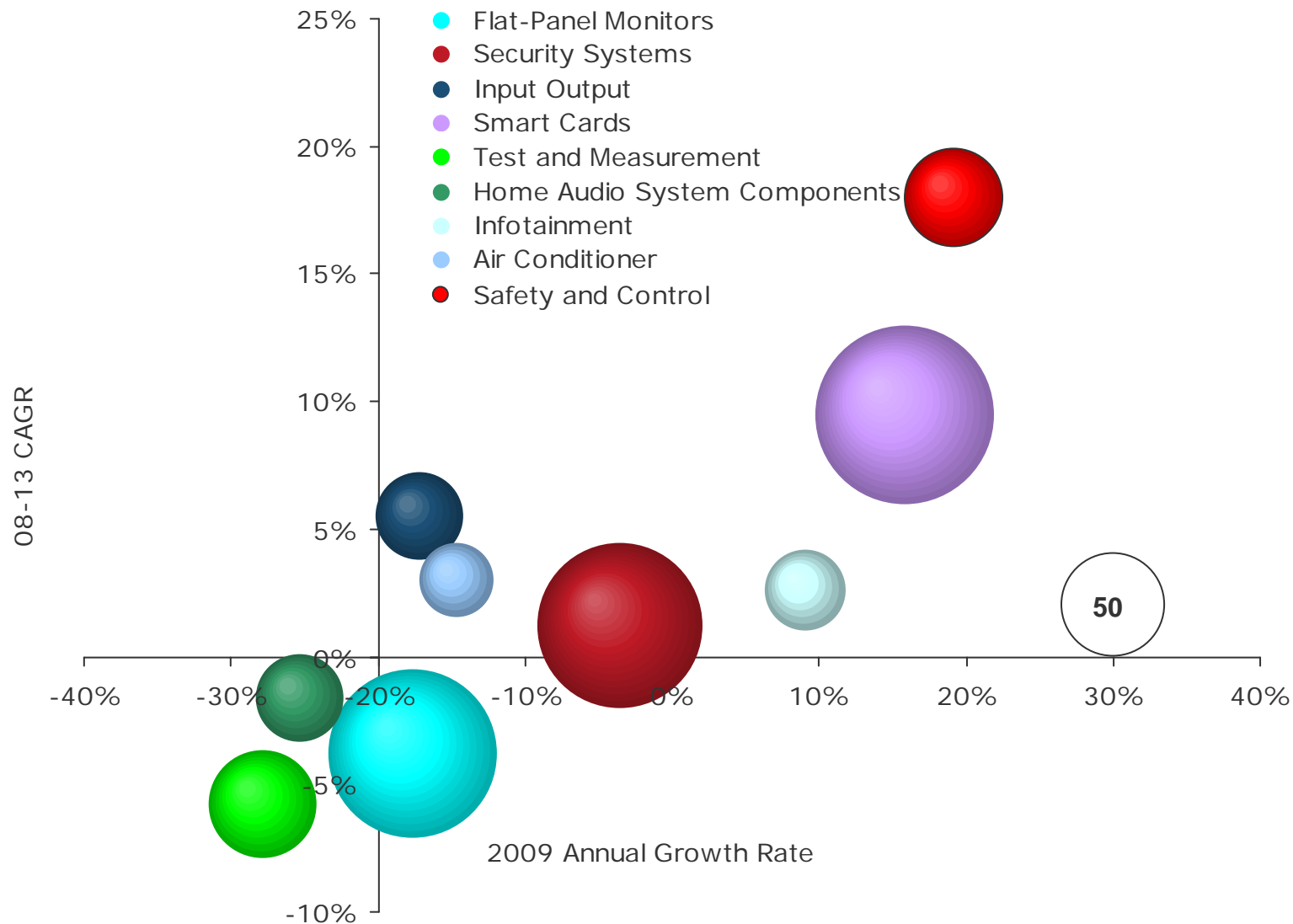


Local Design in China



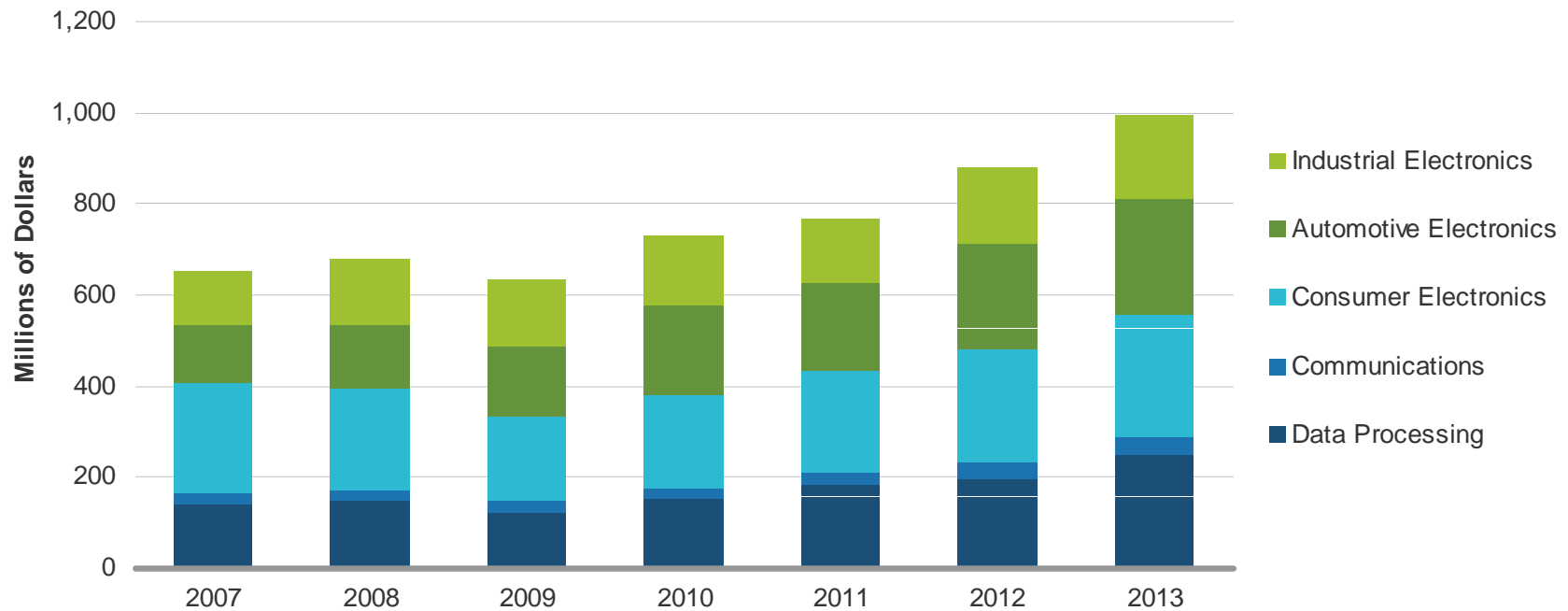
China's Top Application Markets for 8-bit MCUs, Consumption

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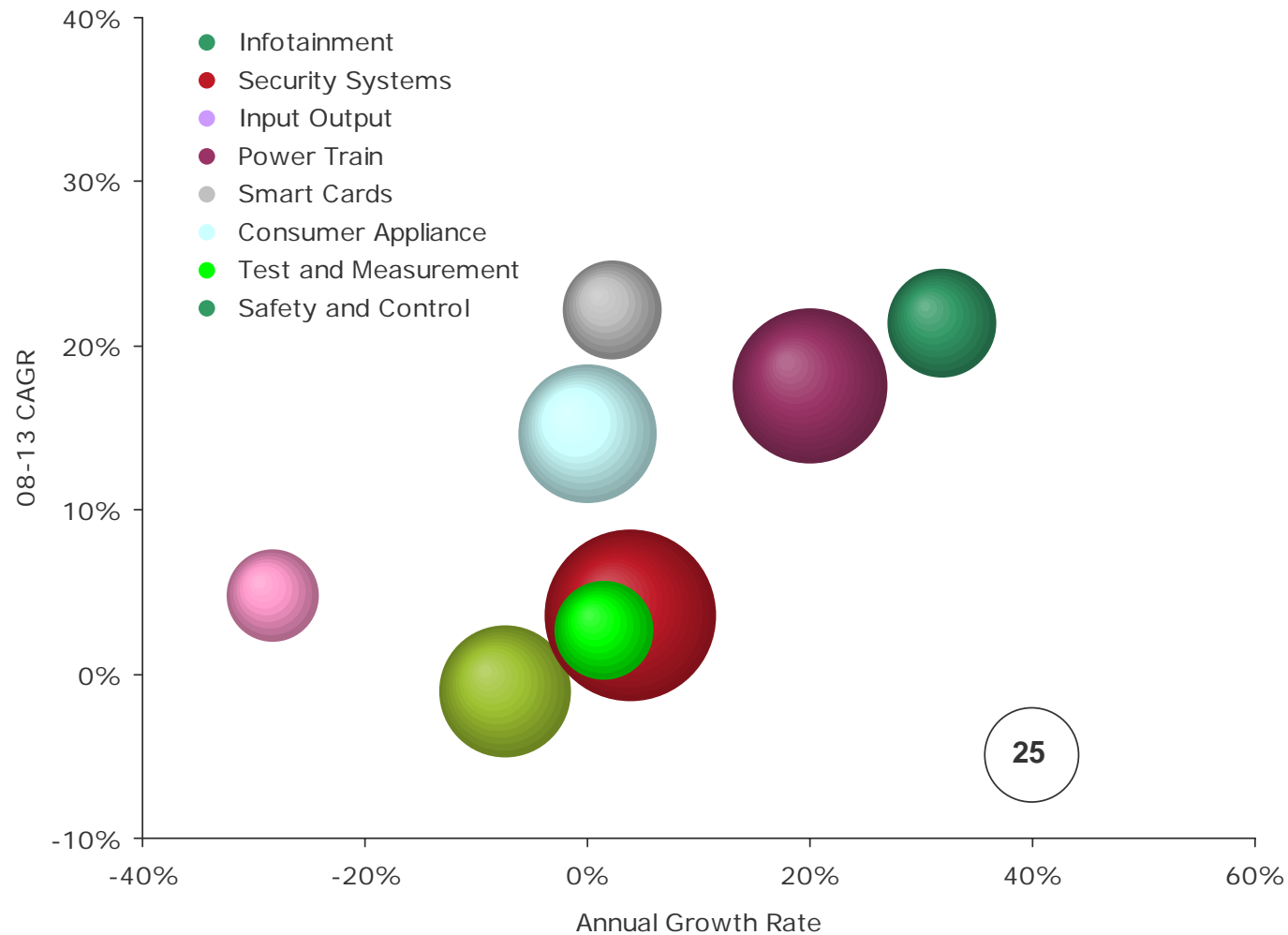
Market Developments in China, 16-bit MCUs

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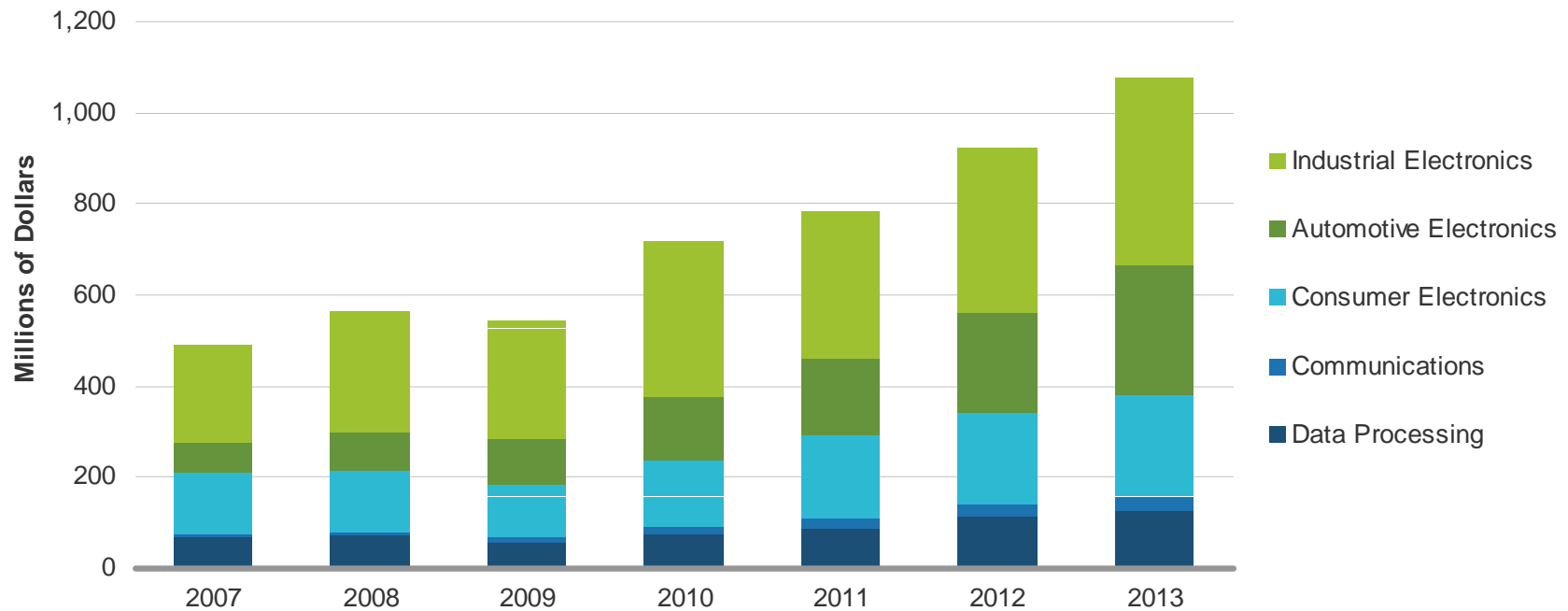
China's Top Application Markets for 16-bit MCUs

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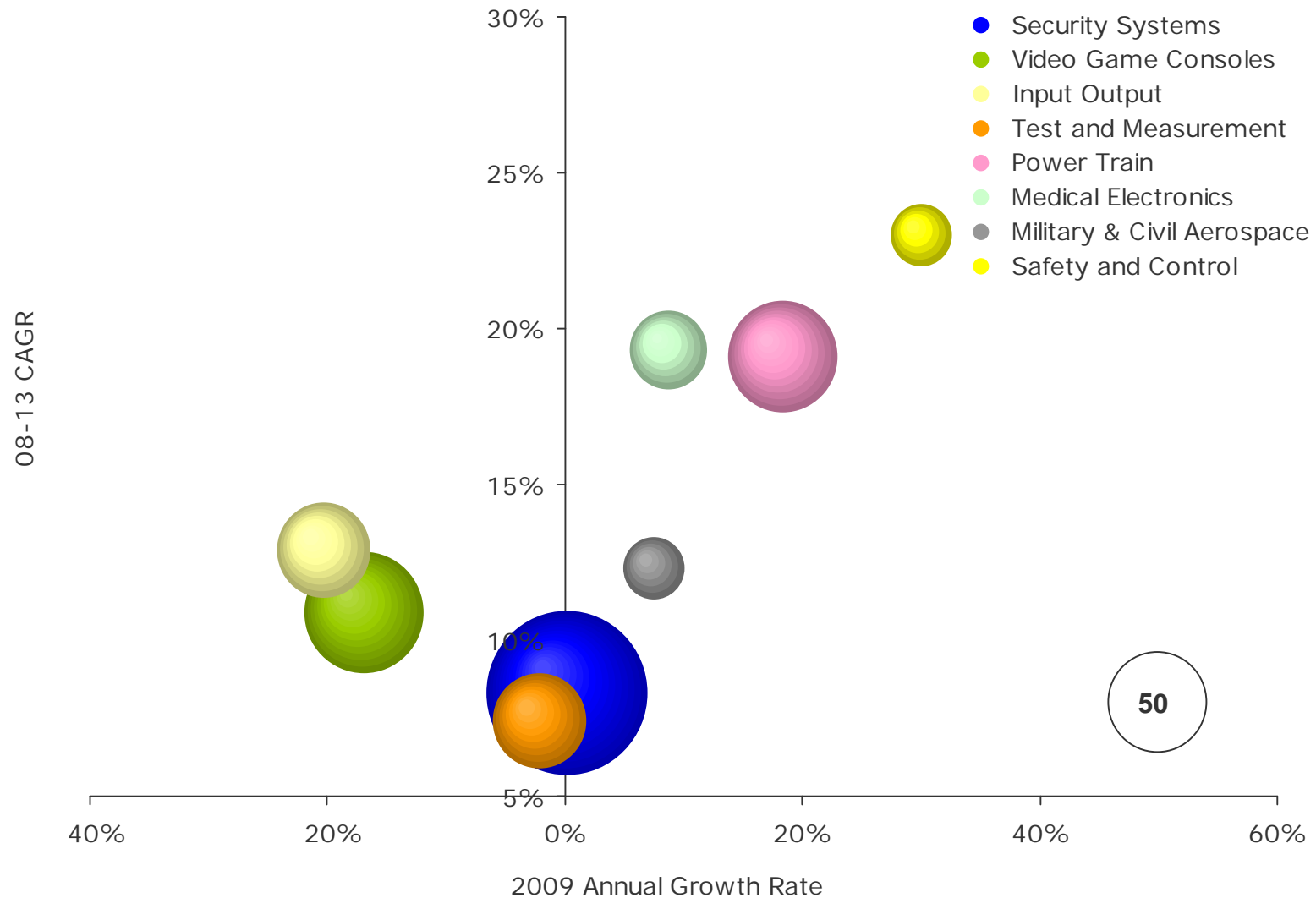
Market Developments in China, 32-bit MCUs

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China's Top Application Markets for 32-bit MCUs

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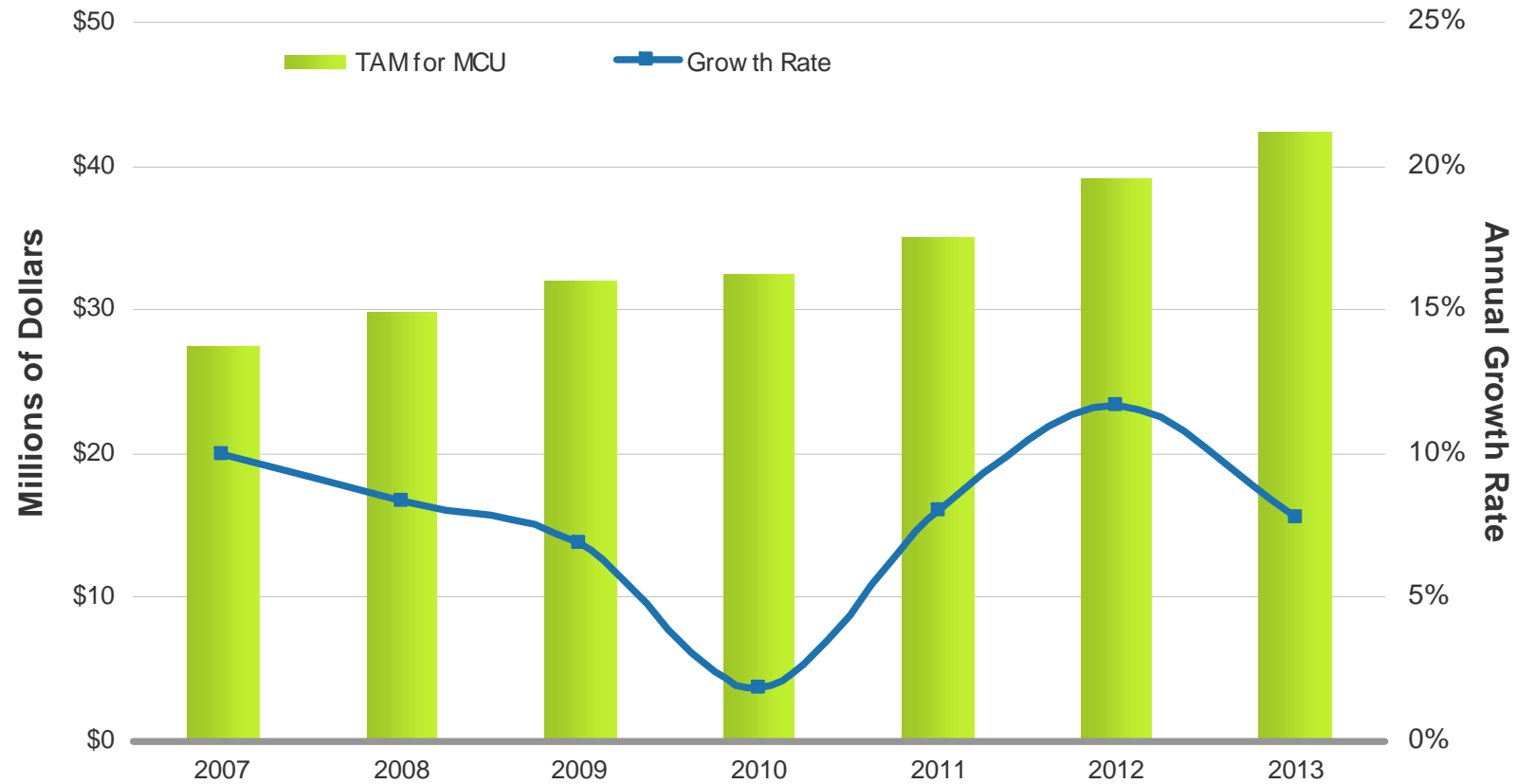
TAM of MCU in China Aircon Market, 2007-2013

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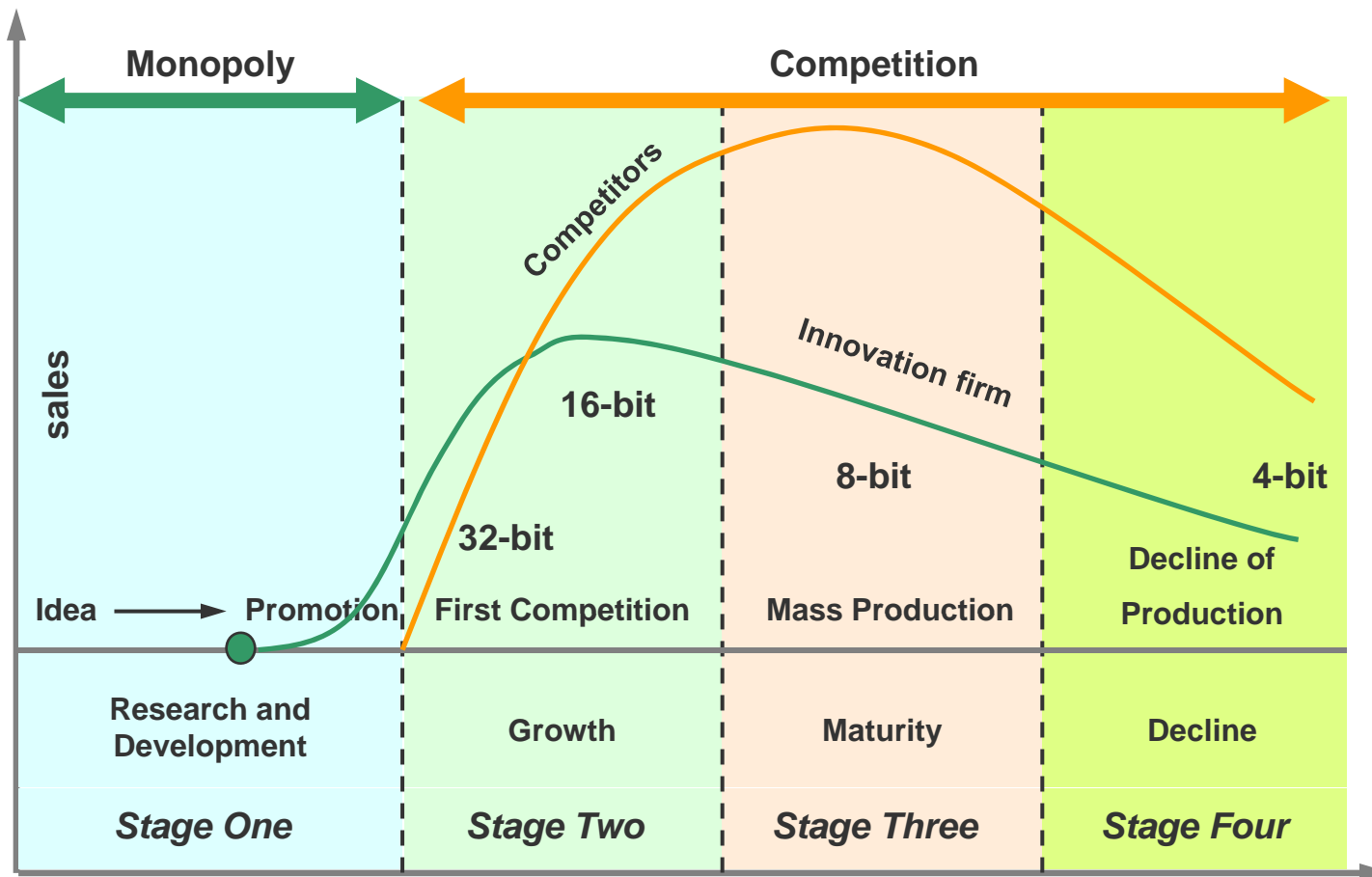
TAM of MCU in China E-Meter Market, 2007-2013

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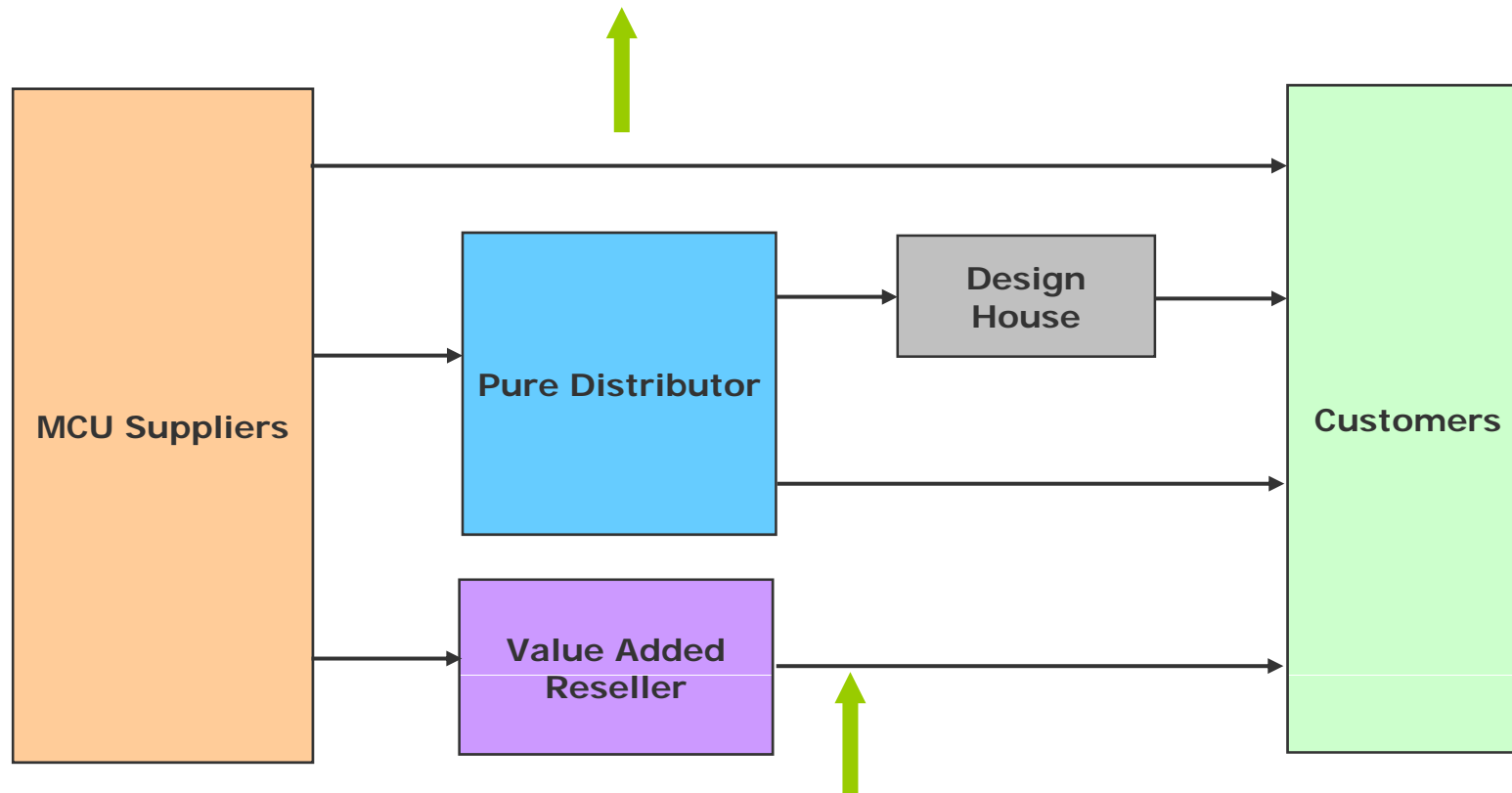
MCU product life cycle

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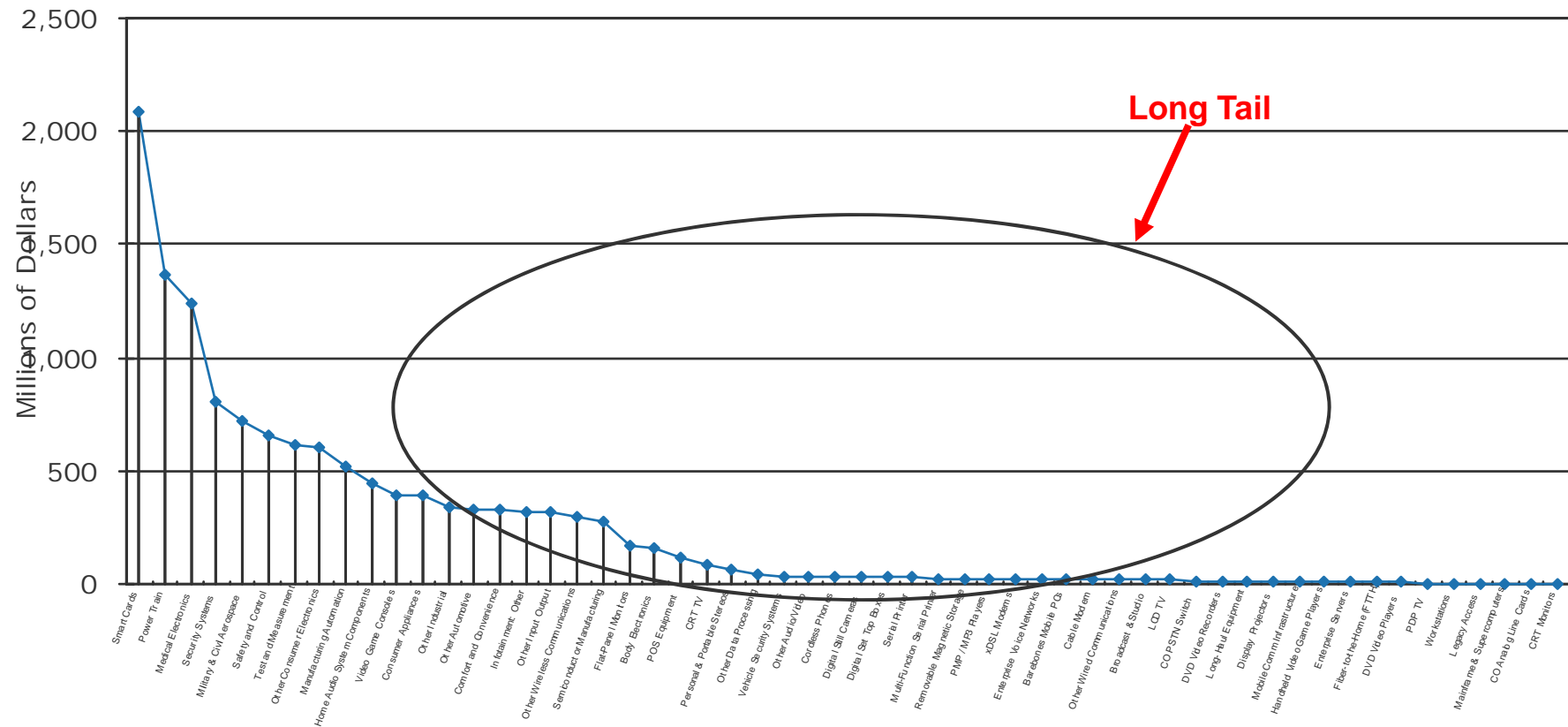
MCU Distribute Business Model

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MCU market is fragment, so it obey the long tail theory,

Long Tail Theory



Conclusion

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- ▶ Price
- ▶ Differentiation
- ▶ Service
- ▶ Brand
- ▶ Distribute

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