

**FEBRUARY 23, 2009**

## **DRAM Market to Witness Big Quarterly Growth in 2H09**

*Strong sequential quarterly growth fueled by tighter capacity, stabilized ASPs, ongoing unit demand; annual forecast remains negative.*

After reaching a revenue low point in 1Q09, the DRAM market is forecast to show outstanding quarterly growth throughout the balance of the year, as shown in Figure 1. The market for DRAM memory is forecast to surge in the second half of 2009 as capacity tightens, ASPs increase, and system demand begins to recover.

Sequentially, the DRAM market is forecast to decline 5% in 1Q09, to \$4.2 billion. Thereafter, IC Insights forecasts quarterly growth to \$4.9 billion (17%), \$5.9 billion (21%), and \$6.8 billion (15%) to finish the year. DRAM sales in 4Q09 are forecast to be 63% higher than in 1Q09! It is interesting to note that even with the strong quarterly gains, the 2009 DRAM market is forecast to finish 12% smaller than in 2008. For the year, IC Insights forecasts the DRAM market to be \$22.3 billion, down from \$25.2 billion in 2008.

With several DRAM vendors eliminating their 200mm wafer fab capacity and with Qimonda and possibly other DRAM vendors filing for bankruptcy, DRAM supplies will tighten and more closely align with demand as the year progresses. The result will be DRAM average selling prices that are stable at the very least, or that quickly ramp up. Since the beginning of the year, spot prices for some versions of 512Mb and 1Gb DRAM devices have increased as much as 40%.

All other memory segments are forecast to show a similar growth pattern in 2009, but not nearly the same magnitude as DRAM. For example, the 4Q09 market for NAND flash memory is forecast to be 16% greater than the 1Q09 NAND flash market. On an annual basis, the NAND flash market is forecast to be 24% smaller than in 2008.

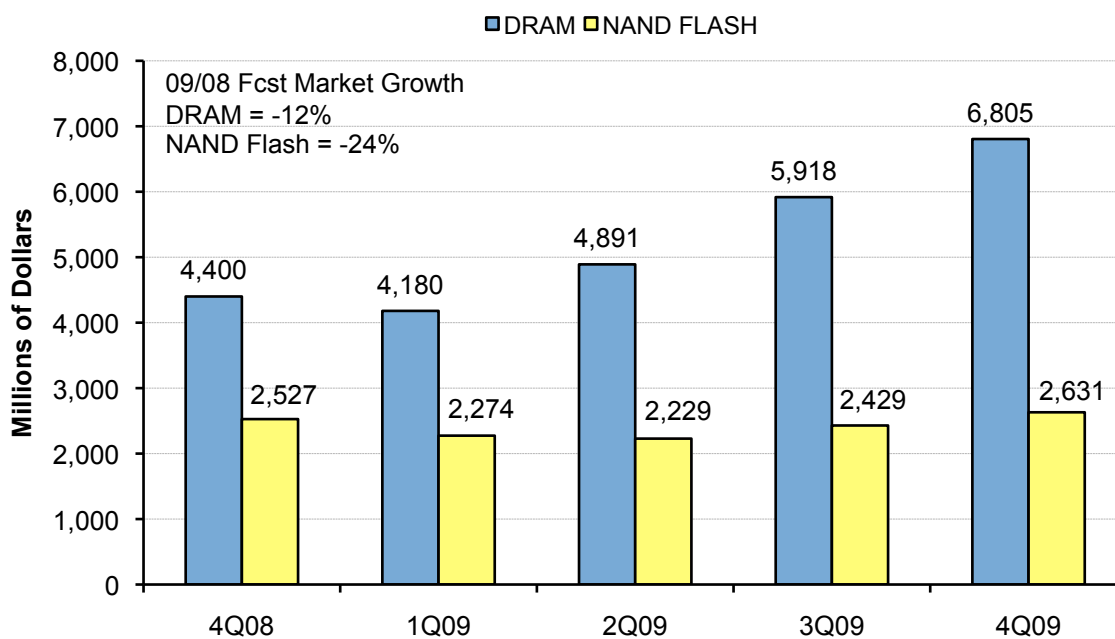
The DRAM growth figures show that depending on one's perspective, the 2009 DRAM market can be viewed either as one that will decline 12% or one that will finish 63% larger than it started. Though the annual market growth for DRAM looks dim, it is good to note that 1Q09 is likely to be the bottom for this market in the current downturn.

### **MORE INFORMATION CONTACT**

Brian Matas  
Vice President  
IC Insights, Inc.  
Phone: +1-480-348-1133  
Email: [brian@icinsights.com](mailto:brian@icinsights.com)

In its upcoming *March Update to The McClean Report*, IC Insights will show several electronic system categories that are forecast to enjoy much stronger growth in 2H09 compared to the run rates seen in 1Q09 and provide an explain for the anticipated the growth.

## DRAM and NAND Flash Memory Quarterly Forecasts



Source: IC Insights

**Figure 1**

### Report Details

Details about IC market forecasts through 2013 can be found in the 2009 edition of *The McClean Report (released in January 2009)*, IC Insights' complete analysis and forecast of the integrated circuit market. Packed with 400 tables and graphs, the report is available in three-ring binder, CD-ROM, and on-line formats, and also comes with free monthly updates by e-mail from March through November. A single copy of the report in CD-ROM or binder format is priced at \$2,890. A bundled CD-binder set is priced at \$3,385. An Internet access password is available as a \$695 option. The report is also available under a multi-user corporate license for \$5,990.

#### About IC Insights

IC Insights, Inc., based in Scottsdale, Arizona USA, is dedicated to providing high-quality, cost-effective market research for the semiconductor industry. Founded in 1997, IC Insights offers coverage of global economic trends, the semiconductor market forecast, capital spending and fab capacity trends, product market details, and technology trends, as well as complete IC company profiles and evaluations of end-use applications driving demand for ICs.

**Web Site:** [www.icinsights.com](http://www.icinsights.com) • **Phone:** +1-480-348-1133 • **E-mail:** [info@icinsights.com](mailto:info@icinsights.com)