

STRATEGY ANALYTICS: Cellphone Memory Card Revenue to Reach \$9 Billion By 2013

Growth Expected to Resume in 2010 After Two Flat Years

Boston, MA - November 4, 2009 – Total global shipments of cellphone memory cards will be flat, at 444 million cards, in 2008 and 2009. However, the supply-demand dynamic of MLC NAND Flash has stabilised and the economic outlook has begun to improve. Strategy Analytics anticipates 11% growth in sales of memory cards for cellphones in 2010, based primarily on higher phone shipments next year.

In its long-term forecast for cellphone memory card revenues and shipments “Cellphone Memory Card Revenues will Recover in 2010 after Two Bleak Years,” the Strategy Analytics Handset Component Technology service reveals that revenue from memory card sales is expected to show strong growth in the long-term from a flat \$3 Billion in 2007, 2008 and 2009, to a more appealing \$9 Billion by 2013, representing an average 25% growth per year over the next five years.

Stuart Robinson, author of this report and Director of the Handset Component Technologies service, says, “Revenue from memory card sales is expected to show strong growth in the long-term which will be fuelled by greater cellphone shipments, higher penetration of slots in phones, higher capacity cards and less severe price reductions of NAND Flash.”

“Strategy Analytics estimates that the global average card capacity will be 2.27GB for 2009 and will increase at an annual average rate of nearly 118% over the next five years,” adds Stephen Entwistle, VP of the Strategic Technologies Practice. “The next big question in the removable memory card market is the impact that embedded memory will have on slots and card sales as some high-end smart phone models are likely to have over 1TB of embedded memory by 2015.”

About Strategy Analytics

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