

DRAM Growth Approaches Record Territory , Setting Stage for Best Year Ever

El Segundo, Calif., May 10, 2010—How hot was the [DRAM market](#) in the first quarter?

- So hot that during the first three months of 2010, global DRAM sales exceeded the total for the initial six months of 2009.
- So hot that the first quarter delivered the third highest quarterly DRAM revenue seen during the past 11 years.
- So hot that DRAM pricing actually rose in the first quarter compared to the fourth quarter of 2009, defying the normal double-digit seasonal decline.

Worldwide DRAM revenue in the first quarter of 2010 neared \$9.5 billion, up 9.7 percent from \$8.7 billion from the fourth quarter of 2009, and up a stunning 181.6 percent from \$3.4 billion in the first quarter of 2009.

“Both DRAM shipments and Average Selling Prices (ASPs) surged in the first quarter due to stronger-than-anticipated demand for PCs and tight supplies,” said Mike Howard, senior analyst, DRAM, for iSuppli. “It doesn’t take a math genius to figure out that the combination of larger shipments and higher prices results in rising revenue for the DRAM market. This strong performance bodes well for continued growth in 2010, possibly paving the way for the industry’s greatest year in history.”

The attached figure presents iSuppli’s forecast of global annual DRAM revenue.

Record results

DRAM revenue in the first quarter exceeded the \$7.9 billion total for the entire first half of 2009, iSuppli estimates. Only two quarters during the past 11 years achieved higher revenue than the first quarter of 2010: the fourth quarter of 2006 at \$10.7 billion, and the first quarter of 2007 at \$9.7 billion.

The first quarter typically is the weakest period of the year for DRAM revenue, as sales and prices decline following the strong PC buying season in the fourth quarter. During the past 20 years, DRAM prices in the first quarter typically fell by an average of 14.7 percent compared to the previous quarter. However, in the first quarter of 2010, prices actually rose by 2.9 percent on a sequential basis.

The best year ever?

Several indicators point to continued strength for the DRAM industry.

For one, DRAM ASP has maintained its momentum in the second quarter. In fact, many DRAM parts are in such short supply that they are on allocation.

Second-half demand also promises to be even more robust than in the first half as supply growth for the year will not be able to significantly exceed the expansion in demand.

“The first quarter of 2010 has positioned the industry for a bull run, the likes of which haven’t been seen more than a decade,” Howard said. “The question is no longer if 2010 will be a great year for DRAM—but rather if 2010 will be the greatest year for DRAM.”

Learn more about this topic by reading iSuppli’s new report, entitled: [*DRAM Revenue: Going from Great to Greatest? A Look at Q1 2010 DRAM Revenue and Beyond.*](#)