Micron Cashes in on Cell Phone Memory Business with Numonyx Acquisition

Micron Technology Inc.'s acquisition of NOR flash technology, arising from the February purchase of Numonyx, will allow the company to expand its presence in the burgeoning market for memory for cell phones and better position the American player to compete with dominant supplier Samsung Electronics Co. Ltd., according to iSuppli Corp.

Global mobile memory revenue, consisting of NAND flash, NOR flash and mobile DRAM used in cell phones, is expected to rise to $10.2 billion in 2010, up a stunning 49.9 percent from $6.8 billion in 2009, iSuppli predicts. Revenue is expected to rise another 9.6 percent to $11.2 billion in 2011, as presented in the attached figure. A major factor driving this growth is the fast-growing smart phone segment, which is using increasing densities of memory.

"With the addition of NOR flash, Micron has gained access to a broad portfolio of components required to compete in the memory market for mobile platforms," said Michael Yang, senior analyst, memory and storage systems, for iSuppli.

"To vie with Korean industry heavyweight Samsung, Micron will need to offer complete memory solutions that combine multiple types of memory and serve the needs of the wireless segment. While Micron still has work to do to develop its product line, the combination of Numonyx's unique position as a top-tier mobile memory supplier, along with Micron's own NAND and mobile DRAM products, gives Micron the pieces that it needs to compete."

Numonyx was the world's leading supplier of NOR flash memory in the first quarter of 2010, with 32.6 percent share of global revenue. More than 70 percent of Numonyx's revenue in 2009 was derived from its mobile business.

Numonyx, No. 2 supplier Spansion and third-placed Samsung collectively accounted for 70.5 percent of global NOR flash revenue in the first quarter. Meanwhile, with 9.1 percent share of market revenue, Micron was the No. 3 supplier of NAND flash memory in the first quarter, trailing No. 1 Samsung and No. 2 Toshiba.

Samsung in the first quarter was the top NAND supplier with 38.5 percent share of revenue, and was also the No. 3 seller of NOR flash with 14.7 percent share. For more information on this topic, see Yan?s new report, entitled: Mobile and Embedded Memory: Micron, Numonyx Ride High on the Smart Phone Wave.

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