

**FOR IMMEDIATE RELEASE**

## **VLSI RESEARCH INC**

### **Semi Industry on Track to Meet VLSI Research's December Forecast**

Santa Clara, CA, June 20, 2007: For the first four months of 2007, sales of integrated circuits have come very close to what VLSI forecasted in December 2006. VLSI's forecast of sales from January to April totaled \$68.89B, which is only \$2.1B higher than the results from the WSTS. This difference represents a mere 1% of a \$200B market, which can become inconsequential when demand surges in the second half.

IC sales were extremely weak during the first quarter of 2007; February sales were one of the lowest on record. The poor showing in February had many concerned, but one must remember that the biggest growth in IC sales occurs in the second half of the year when holiday demand for electronics is at its peak. The industry is holiday-driven, and we have yet to arrive at the sweet spot. Moreover, VLSI's Chip Price Performance Index (CPPI) is tracking the 24-month Moore's Law curve, pointing to further pricing improvement. Consequently, VLSI's view of 2007 has not changed since December 2006. VLSI believes that the industry is on track to reach \$220B in sales in 2007, 5% higher than in 2006.

The data quoted in this press release were derived from the June edition of the Industry Pulse Pro® from VLSI Research Inc. Details on this report and other VLSI studies can be found by visiting the website at [www.vlsiresearch.com](http://www.vlsiresearch.com).

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