

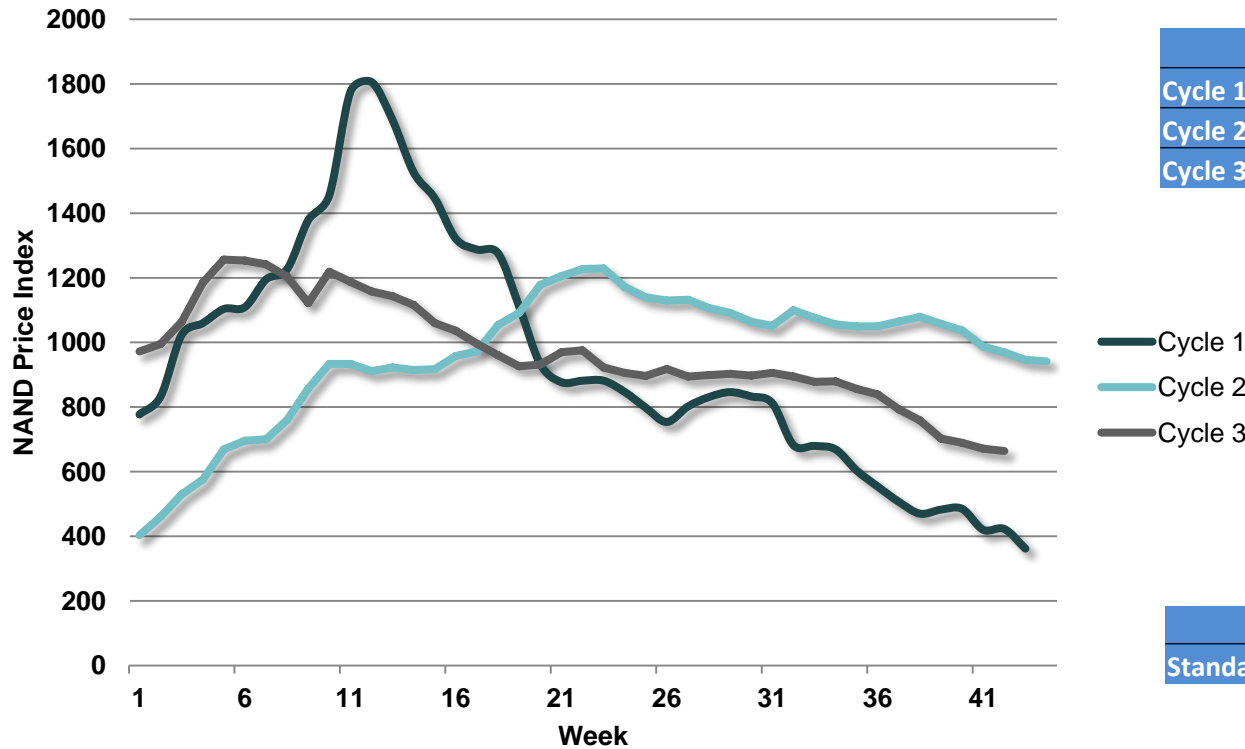


Long-Term Trends in the NAND Market

An Examination of the Industry Using
Economic and Statistical Methods

Dee Nguyen

Cycle Analysis using the F-Test



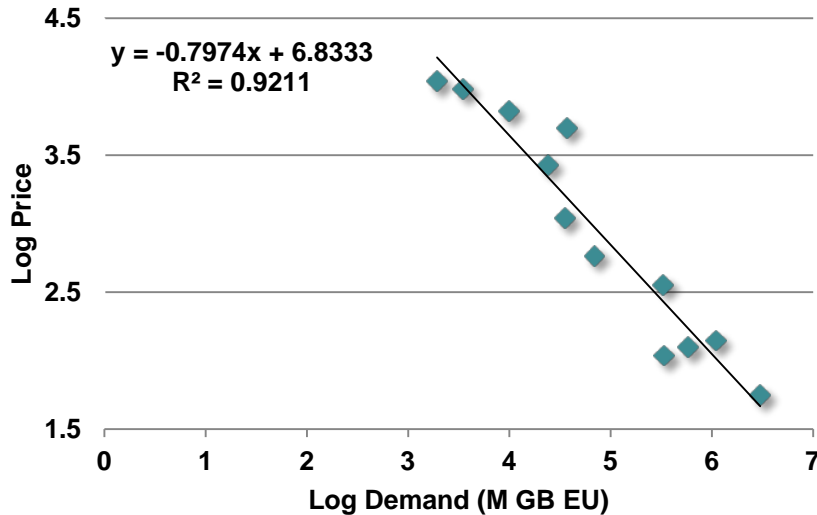
	Cycle 1	Cycle 2	Cycle 3
Cycle 1	100.0%	0.3%	0.0%
Cycle 2	0.3%	100.0%	4.4%
Cycle 3	0.0%	4.4%	100.0%

	Cycle 1	Cycle 2	Cycle 3
Standard Deviation	0.086215	0.053605	0.038982

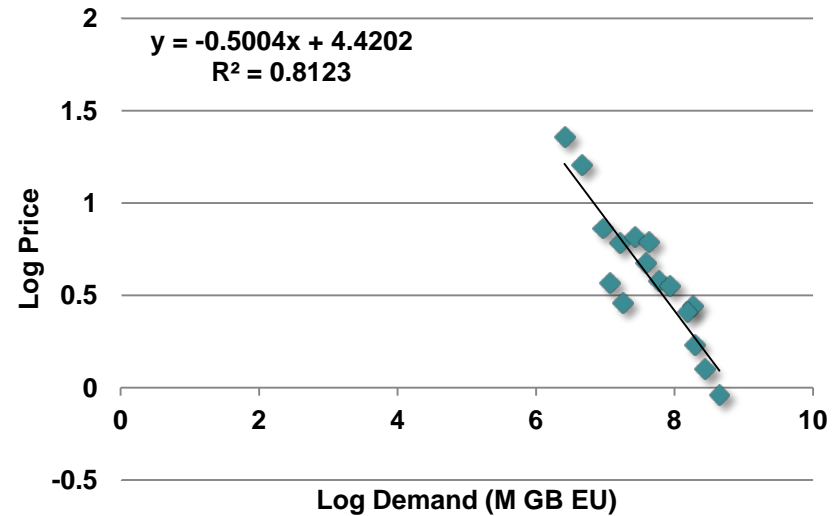
- In the past three cycles, pricing has become less volatile
 - How to quantify volatility?
 - Are the decreases in volatility statistically significant?

Price Elasticity of Demand

2005-2007



2008-2011



- Are consumers of flash storage becoming more or less responsive to price changes?
 - Can provide rationale for both sides of the story
 - With high prices (in the beginning) OEMs and consumers more likely to adopt as price decreases
 - OR with more devices (current), price decreases leads to higher density demands/migration
 - Data suggests the former explanation