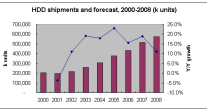


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By: Traian Teglet, Technology News Editor

HDD Market Continues to Grow

Due to insatiable demand



iSuppli's HDD shipments and forecast graphic digitimes

Despite the fact that some claim that HDDs have almost outlived their usability, the overall HDD industry is continuing to grow. According to iSuppli, this happens mostly because of an insatiable demand for low-cost, high-capacity storage devices. The current figures regarding HDD shipments indicate a rather impressive increase of 21%, on a year-on-year basis. In fact, HDD vendors have reported healthy Q1 revenues, which further emphasizes what we were saying before - that the HDD market is doing just fine. Seagate reported US\$363 million in profits, or 11.7% of revenue, while Western Digital announced US\$298 million which is a 14% return. Hitachi GST has also seen a favorable revenue growth of US\$65 million, or 4.6% revenue. While the numbers are lower than those of Seagate and Western Digital, they do make for a rather desirable outcome for Hitachi, especially after several quarters of low revenues. "Unlike the NAND flash chip industry, HDD vendors have been able to resist the worst impacts of the economic slowdown by learning how to control their costs," said Krishna Chander, senior analyst for storage systems at iSuppli. "The industry also has been aided by increased demand for more storage in PCs - as new applications demand increasingly larger-capacity HDDs. As long as demand for low-cost storage capacity keeps rising, the HDD industry will find ways to deliver." All major vendors are expecting this trend to continue and thus to increase shipments in 2008. iSuppli even makes a 16% shipments growth forecast for the second quarter of this year, compared to 2007. The recently announced figures seem to indicate that flash-based solutions still have a long way to go before becoming an industry standard, mostly because current HDDs provide more storage space at considerably lower prices. But even so, Solid State Drive continue to make inroads in the computer segment, most of them being offered as solutions for portable computer systems.