

PRESS RELEASE

New Study Predicts Communications Silicon Market Will Experience Modest Growth Despite Deployment of New Technologies

MOUNTAIN VIEW, CA—January 23, 2008— A recent study by The Linley Group, Communications Silicon Market Forecast, 2006-2011, predicts the wired-communications semiconductor market will rebound in 2008 and suggests modest growth rates of nearly 5% per year from 2007 to 2011, with the fastest growth anticipated in network processors and 10 Gigabit Ethernet devices. In the wireless market, an expected growth rate of 8% in handset shipments provides significant opportunities for next-generation connectivity chips and mobile TV receivers.

The report spans major wired categories including network processors, security accelerators, embedded processors, Ethernet, broadband access, interconnect, and other networking ASSPs. Also addressed are key mobile and wireless product markets, including Wi-Fi/ Bluetooth connectivity chips, mobile-TV receivers, and baseband processors. The report is the result of comprehensive research from vendors, OEMs, and The Linley Group technical analysts to provide revenue figures, specific forecasts and explain the broad trends driving growth of specific market areas.

“The communications IC market often experiences sustained disruption when new technologies displace older approaches,” said Joseph Byrne, senior analyst at The Linley Group. “But determining which new developments will make a real impact in these dynamic markets takes more than just understanding the latest specification. This report provides an in-depth platform for the decision maker who needs to fully understand the underlying dynamics of the communications silicon market. Whether you are a top-level executive, a marketing manager, or an investor in communication chip companies, this report will help you make informed decisions on the key technologies and products that will shape the market for the next five years.”

Report Highlights (all growth rates CAGR 2006 to 2011):

- Network processor growth will outstrip both wired and wireless devices, experiencing 13% CAGR
- Wireless baseband devices will grow at nearly 5% CAGR
- Ethernet ASSPs will grow at 6% CAGR with the majority of shipments coming from Gigabit Ethernet. The fastest growing Ethernet sector is 10 Gigabit
- Broadband access device growth will be flat as VDSL and PON displace ADSL
- PCI Express switches will grow rapidly by displacing slower PCI devices
- ATM and Sonet are declining with Carrier Ethernet expanding its market share

**Availability**

This report is currently available directly from The Linley Group. For further details, visit the web site. http://www.linleygroup.com/Reports/market_forecast_rpt.html

About The Linley Group

The Linley Group, the leading provider of independent technology analysis for networking, communications, and consumer electronics semiconductors, covers emerging areas such as high-speed embedded processors, Gigabit and 10G Ethernet, mobile communications processors, and more. The company provides in-depth technology reports and interactive seminars as well as strategic consulting services tailored to the individual client. To get free access to The Linley Group's analysis of recent news and events in these markets, subscribe to our e-mail newsletters. More information about The Linley Group is available at <http://www.linleygroup.com>.

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