

From: Blando, Maureen
Sent: Tuesday, February 01, 2000 1:49 PM
To: 'msadler'
Cc: Blando, Maureen; Anne, Seshu; 'blauer'; 'dmorrissey'; Culp, David; Newman, Keith
Subject: RE: RDRAM in 2000

Mike,

Lots in the press right now about Rambus and DDR.

Dell remains committed to Rambus. Clearly we are the leaders today. In fact however, we are hearing that at least one other top 4 PC maker is forecasting similar numbers to Dell by mid-2Q.

Our current Rambus plan is for a cumulative 20% minimum of our TAM throughout 2000 to be Rambus.

1H2000 is clearly limited by supply. We are capped by supply to no greater than about 14% of our demand in 1H2000. We could sell (conservatively) another 10% of TAM, if we could get the supply.

2H2000 is still limited by supply, though not to the same degree. Yield/pricing is the greater question in 2H2000. Our demand today is for 25-30% of demand in 2H2000 in Rambus. That could be as high as 40% if yields support lower pricing.

We are rolling up TAM again this week and should have a new plan to Dan either late this week or next week.

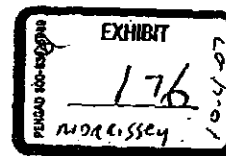
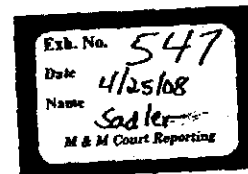
We launch our Optiplex (corporate) platform in mid-April. We need Micron's support to kick in at that time. We will be testing your samples in parallel to the Micron validation. We would like to formulate a letter of volume/price commitment with Micron for support beginning in March or April. Seshu will be the point person for that.

Let me know if you have any further questions,
Maureen

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-----Original Message-----
From: msadler [mailto:msadler@micron.com]
Sent: Monday, January 31, 2000 12:08 PM
To: 'maureen_blando@dell.com'
Cc: 'seshu_anne@dell.com'; blauer; dmorrissey
Subject: RDRAM in 2000

Maureen, the latest plan of record for Dell still shows RDRAM plugged in at 35% - 45% of total DRAM demand in 2H2000. I regret that we are not



currently supplying RDRAM to Dell but our development program is progressing along such that we should be in position to provide significant volume support throughout 2H of this year. Having said this we are still not seeing PC manufacturers other than Dell projecting RDRAM needs anywhere near as aggressively as you. The following article provides a 3rd party (should be impartial) perspective on future of RDRAM in next couple of years:

Rambus confounds market share estimation

Tom Murphy

Jan 28, 2000 --- Rambus DRAM continues to confound market estimation.

While

some analysts remain confident in Direct Rambus DRAM (RDRAM) memory technology and its future place in the marketplace, other analysts have begun to rock the boat.

In her "DRAM Market Direction" address at the Platform 2000 conference, Sherry Garber, senior vice president of Semico Research Corp., charted the RDRAM as gaining 2.6 percent of the total units shipped in 2000 and then trailing off to about 2.3 percent in 2001. Rambus RDRAM then declines to 1.1 percent of the units shipped in both 2002 and 0.8 percent in 2003.

Garber

predicted DDR SDRAM, the rival high-density memory device to Rambus, will gain approximately 8 percent market share this year and then experiences significant growth through 2004. For Garber, the high costs associated with RDRAM do not jibe with the low-cost aspirations of PC consumers.

While the Phoenix, Ariz.-based market research firm's forecast sheds some doubt on Rambus as a memory platform, other analysts see the market shaping up differently.

"Even in the worst case scenario, we will see Rambus get up to 10 percent," said Steve Cullen, Cahners In-Stat Group. The Scottsdale, Ariz.-based market research firm mapped out four different scenarios for Rambus. In the best case, it takes 12.3 percent market share this year and moves up to 55.8 percent by 2004.

Meanwhile, market research firm Dataquest expects Rambus to gain a 14 percent share of the market this year, then quickly ram up to 60 percent by 2003, according to memory analyst Jim Handy. Once Intel establishes its 820 platform in the PC market while towing Rambus with it, manufacturers will quickly move to make it a cost-effective device.

We want to be in the best position possible to meet Dell's needs and presently we still see issues such as cost premiums, yield problems, and RDRAM alternatives (such as Solano/PC133) as being potential limiters to RDRAM proliferation throughout the industry. Any further insight you can provide on this would be greatly appreciated. Thanks.

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