

## STMicro Flashes Forward

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With the fast-growing NAND flash market passing it by, **STMicroelectronics** ([STM](#) - [commentary](#) - [Cramer's Take](#) - [Rating](#)) is trying something new.

The Geneva, Switzerland-based company has licensed a special flash technology from **Samsung** that is supposed to provide better performance than standard NAND flash. STMicro will support Samsung's so-called OneNAND technology starting in early 2007, according to an announcement by Samsung.

The deal will help STMicro meet rising demand in various applications, including the mobile sector, according to the announcement. "As a result of STMicroelectronics' licensing move, handset and other platform designers can more easily specify OneNAND in an expanding range of mobile applications," said Yun-Ho Choi, vice president of Samsung's semiconductor business flash solutions team in a statement.

STMicro is the world's No. 3 maker of NOR flash, a type of memory used primarily for storing the code that runs devices like cell phones. But the market for NOR flash chips isn't growing nearly as fast as the market for NAND flash, which stores data like digital photos and music.

STMicro's share of the global NAND market was a mere 2% last year, according to market research firm Semico Research.

Last week, **Qimonda** ([QI](#) - [commentary](#) - [Cramer's Take](#)), another European chipmaker that had struggled to get traction in the flash market, [said it was exiting the business](#).

OneNAND is something of a hybrid of different flash technologies, with the ability to save data to memory faster than conventional NOR, while accessing, or "reading" the data faster than NAND flash.

But Semico flash memory analyst Jim Handy says that OneNAND is a niche market that has yet to catch on broadly.

"It's not intuitive why they did this," said Handy. "I don't see OneNAND doing anything that will change the basic way that STMicro's NAND business is operating."

A representative of STMicro wasn't immediately available for comment.

The announcement hints that in addition to the market for cell phones, STMicro could be eyeing the PC. The announcement notes that OneNAND's fast read-and-write speeds can provide significant performance enhancements in boot time and application launch time in PC applications.

New technology initiatives from **Intel** ([INTC](#) - [commentary](#) - [Cramer's Take](#) - [Rating](#)) and **Microsoft** ([MSFT](#) - [commentary](#) - [Cramer's Take](#) - [Rating](#)) coming next year are designed to improve PC performance by using flash memory to cache frequently accessed data. Notebook PCs are considered one of the more promising untapped markets for flash-memory chip makers.

Shares of STMicro were off 4 cents to \$17.18 in midday trading.