

## **Petrov Group Announces Case Study of Profitability and Game Theory in Analog and Mixed-Signal ICs**

PALO ALTO, Calif.—(BUSINESS WIRE)—March 14, 2005—The Petrov Group today announced its findings on the use of game theory in maximizing profitability in analog and mixed-signal semiconductor businesses. The findings are published in the report on Linear Technology, priced at \$3,950.

“Industry analysts have been puzzled by the seeming irrelevance of market shares to value IC players in the analog/mixed-signal space. However, according to the principles of game theory (Nash, 1951; ref. the movie “Beautiful Mind”), value players are engaged in the so-called “nonzero-sum” game, which has two or more equally attractive equilibrium outcomes. Such a game is distinctly different from the so called “zero-sum” games in which players’ interests are in total conflict, without any room for cooperation through coordination,” said Boris Petrov, managing partner of the Petrov Group.

“A value player is compelled to be selective in order to maximize the profitability of its “market hopping” that yields its minimum value metric. This player cannot achieve its equilibrium outcome by averaging and, therefore, cannot claim large parts of the market terrain. The nonzero-sum game business strategy is well suited for the highly fragmented analog/mixed-signal market. There are very few IC vendors that consistently use and benefit from such a performance maximization strategy, as illustrated in Section One of the report, which is posted on our Web site at [www.petrovgroup.com](http://www.petrovgroup.com).”

The Petrov Group, LLC, formed in 1981, is a market research and strategy consulting firm focused on growth and profitability opportunities. Petrov Group’s methodology includes development of proprietary business and technology models; several examples are shown on our Web site

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