

DS

Device Solution Business

At Samsung Electronics, our global leadership in technology, production capabilities, and cost competitiveness, combined with highly collaborative customer relationships, enables us to deliver the high-tech semiconductors, LCD panels, and other core components that are driving the rapid evolution of the global electronics and infotech industries. In short, our high-tech components are the building blocks that will help hasten the arrival of an era in which information is truly ubiquitous.

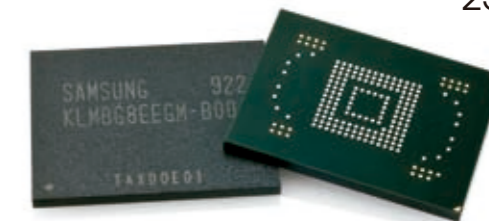
MEMORY DIVISION
SYSTEM LSI DIVISION
STORAGE SYSTEM DIVISION
LCD DIVISION



24

35

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Our industry-leading technologies, state-of-the-art production capabilities, and close collaborative relationships with key customers have made us a global leader in memory and logic semiconductors as well as a powerhouse in leading-edge hard drives. Despite challenging market conditions, timely advances in production technology and an innovative, expanding product lineup have enabled us to cut costs and expand market share while continuing to offer the most comprehensive business portfolio in the industry.

In the memory field, we extended our leadership in high-end markets by being the first to offer next-generation DRAM products with superior power-saving characteristics. We also increased the competitiveness of our product mix by expanding our lineup to include SSDs designed for server and high-performance PC applications and more attractive "fusion" memory devices such as an improved OneDRAM™ chip and a higher-capacity moviNAND™ chip. In the logic semiconductor field, we showed remarkable resilience in the face of significantly weakened market demand by continuing to grow sales revenues.

MEMORY We have held the number one position in worldwide memory sales since 1993. Today, we continue to lead the industry in developing new technologies and manufacturing processes for DRAM, SRAM, and flash memory products. We are also at the forefront in developing markets for high performance products such as solid-state drives, fusion memory devices, and next-generation PRAM.

In the DRAM segment, we continue to maintain our industry leadership with the world's smallest 50nm-class 2Gb DRAM. We plan to strengthen our eco-friendly offerings in 2009 by commencing mass production of a 40nm-class 2Gb DDR3 that consumes one-fourth the energy of today's mainstay 60nm-class products. In the NAND segment, we are leading the way in providing advanced hybrid memory solutions for high-capacity mobile applications. We are now mass producing a 32GB moviNAND™ chip, the industry's first high-capacity storage solution to use 30nm-class NAND, as well as 1Gb OneDRAM™ and 40nm 8Gb Flex-OneNAND™, both double the capacity of previous offerings. In the SSD segment, we will begin mass production of even higher-performance, higher-capacity drives in 2009, spurring the creation of the next-generation of flash-based storage products and applications.

24. S Series Portable External Hard Drives

By integrating a USB controller onto 1.8- and 2.5-inch hard drives, we have created a series of external drives that are significantly smaller, lighter, and more energy efficient than the competition with unique data-protection features such as automatic backup, SecretZone™ encrypted storage, and SafetyKey™ password protection.

25. 32GB moviNAND™ eMMC Solution

The industry's highest-density embedded storage solution to date, this "fusion memory" chip combines eight of our 30nm-class 32Gb NAND chips in a multi-layer package that's a perfect match for today's high-performance, multimedia-savvy mobile devices.

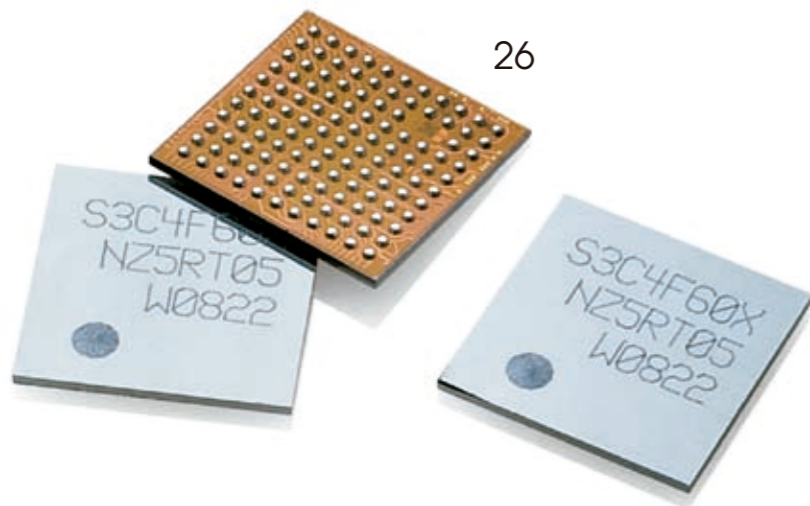
30.1%

2008 GLOBAL DRAM MARKET SHARE

“ We’re leading the global semiconductor industry into the future with advanced technology, superior production capabilities, and strong partnerships. ”

SYSTEM LSI We are the industry leader in display driver ICs and MP3 system-on-chip (SoC) solutions as well as a major producer of smart card chips, application processors, CMOS image sensors, mobile TV SoCs, flash memory controllers, and optical storage SoCs. Our recent accomplishments have been extensive. We have developed EEPROM-embedded 90nm smart card chips as well as high-performance, low-power application processors for mobile devices and the industry’s top-performing wireless USB SoC solution incorporating both a baseband processor and flash memory controller. Today, we continue to drive convergence at the chip level to help our customers deliver products with increasingly powerful and efficient levels of user functionality.

STORAGE SYSTEM We are a leading producer of high-capacity hard drive storage solutions for the mobile, home, and enterprise markets. Our comprehensive lineup includes 1.3-, 1.8-, 2.5-, and 3.5-inch drives with capacities ranging from 40GB to 1.5TB. In late 2008, we entered the external hard drive market with our ultra-light, ultra-portable 1.8-inch S1 Mini and 2.5-inch S2 Portable drives, followed in early 2009 by the 3.5-inch Story Station external drive series for desktop PCs. We also showed our commitment to the development and design of “greener” products in early 2009 with the launch of our EcoGreen series of 3.5-inch drives featuring eco-friendly components, low power consumption, and low-noise characteristics.



26

26. Multi-Mode Mobile TV Receiver SoC

The industry’s first solution to combine a multi-mode RF tuner and channel decoder on a single chip, this system-on-chip solution supports mobile TV reception around the world at speeds of up to 280 km/h.

LCD We are the world’s leading manufacturer of LCD panels backed by the industry’s most-advanced technology, production capabilities, and cost competitiveness. In 2008, we focused investment on adding a second 8th generation production line at S-LCD—our joint venture with Sony—as we targeted highly profitable market segments such as the 40-inch-and-up TV panel market. This enabled us to capture 25.7% of the global market as we marked our 7th consecutive year at the top of the industry. Despite the global economic downturn, we generated an operating income of over KRW 2 trillion for the very first time as we pulled further ahead of our competition as the industry’s most profitable maker.

Backed by the superb image quality of our S-PVA technology with 240 Hz refresh rates, we now lead the full-HD TV display market with panels ranging from 26 inches all the way up to 70 inches. We continued to drive the industry forward in 2008 by unveiling the first 82-inch 120 Hz quad-HD TV panel with four-times the resolution of today full-HD panels. In 2009, we began shipping the industry’s first 240 Hz ultra-slim TV panels with edge-lit LED backlighting, significantly lowering power consumption while eliminating a significant source of mercury pollution.

27



27. 46-inch DID with Super-Narrow Bezel

With a mere 7.3 mm gap between live screen areas, this 46-inch digital information display is the building block of a virtually seamless video wall solution with one of the narrowest bezel spaces available on the market.

25.7%

2008 GLOBAL TFT-LCD PANEL MARKET SHARE

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We're delivering a brighter, sharper lineup of LCD panels that satisfies every customer need from picture quality and form factor to eco-friendliness. ”

In addition to TV panels, we produce high-resolution LCD panels in a variety of sizes in both 16:9 and 16:10 aspect ratios for computer monitors and notebook displays that feature wide color gamuts and ultra-thin designs that make it easier to manufacture ultra-slim, ultra-portable multimedia devices. Our current focus is on leading the market for 20-inch-and-larger panels and 16:9 widescreen panels as we step up development of panels for the fast-growing netbook market. We are also innovating in the digital signage market with 46-inch DID panels featuring ultra-narrow 7.3 mm bezels for tiled video wall applications and high-brightness 46-inch (1,500 nits) and 70-inch (2,000 nits) panels for sunlight-readable outdoor applications.

Today, we are leading the way in developing tomorrow's display technologies. In addition to producing the industry's first LCD panels with built-in touchscreen features and demonstrating the industry's first blue-phase-mode LCD that is compatible with refresh rates of 240 Hz and above, we continue to innovate with a 52-inch full-HD 3D panel, the industry's largest OLED TV panel (40 inches), a 4.3-inch flexible plastic LCD panel, and a 14.3-inch color e-paper solution.

Strategic expansion of our production capabilities goes hand-in-hand with our ongoing efforts to optimize production processes for greater yields and cost competitiveness. We launched production at our first 8th generation line at S-LCD in Korea and a module plant in China in 2007, followed by a module plant in Slovakia in 2008 and our second 8th generation line at S-LCD in 2009. As we look ahead to the future, we plan to expand our 7th and 8th generation lines to meet growing demand for larger panel sizes. Combined with our growing lineup of premium products, expanding customer base, ongoing R&D, and pursuit of new business opportunities, our market-driven investment paradigm ensures our industry leadership will continue to grow in the years ahead.

28

28. 70-inch DID with 2,000-Nit Output

Boasting up to four times the brightness of a standard LCD TV, this digital information display with advanced local-dimming LED backlighting delivers a bright, clear picture in even bright outdoor environments with significantly lower power consumption.

