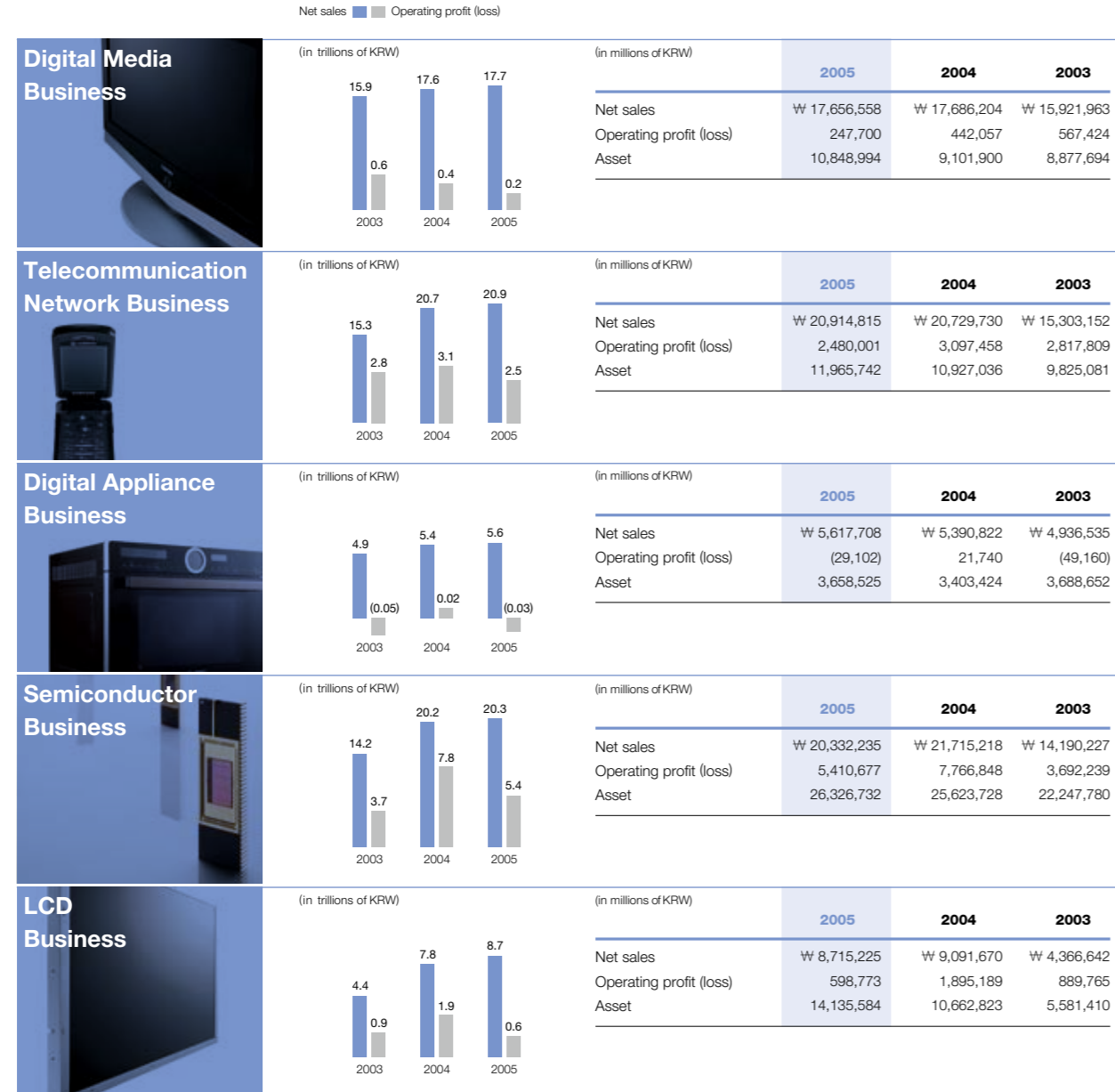


Consolidated Fiscal Highlights by Business



Description of Business

Fiscal Year in Review

The Digital Media Business is a leading developer and manufacturer of digital TVs, color monitors, DVD recorders, notebook PCs, printers, and portable entertainment devices. Its industry leadership is demonstrated by its no.1 global market share in monitors and televisions and its many award-winning products, such as the world's largest LCD TV, the world's first Blu-ray player, and the world's smallest color laser printer.

- In 2005, the Digital Media Business showed significant growth in the high end of the market, especially in flat panel TV (FPTV).
- We also transitioned our product focus from DVD players to DVD recorders.
- We continued to expand our laptop sales and increased our ratio of high-value-added products, including FPTVs, LCD monitors, DVDs, digital camcorders, laser printers, notebook PCs, and MP3 players.

The Telecommunication Network Business is at the heart of today's digital revolution, providing wireless handsets and telecommunication infrastructure systems worldwide. As the world's largest manufacturer of CDMA handsets and the world's third largest mobile phone manufacturer in 2005, the company has contributed to improving people's everyday lives with a series of innovative products. The Telecommunication Network Business is steadily climbing to the top as the industry's innovative leader.

- Samsung Electronics became the world's third largest manufacturer of mobile phones, with a 12.6% market share in 2005.
- Anticipating upcoming innovations, the Mobile Communication Division is committed to leading the mobile TV market, supporting HSDPA technologies, and continuing to strengthen its global position with ground-breaking mobiles and 3G handsets.
- We are driving both the domestic and overseas markets with the introduction of Mobile WiMAX, and a range of sophisticated networking systems in preparation for a world of ubiquitous computing.

The Digital Appliance Business maintains a significant presence in the home appliance marketplace with side-by-side and built-in refrigerators, air conditioners, air purifiers, microwaves, robot cleaners, drum washing machines, and remote controlled digital home networks. These products offer best of breed and environmentally friendly technologies, stunning design, and outstanding user convenience.

- The global appliance market is now valued at around USD 170 billion and is growing steadily at an annual rate of around 3% in spite of a sharp surge in prices for both oil and raw materials.
- Surmounting these challenges, Samsung Electronics' Digital Appliance Business showed steady growth in 2005.
- Our product innovations, high-end design, and technology have been recognized around the world.

The Semiconductor Business is the world's largest producer of DRAMs, SRAMs, and flash memory and has been the leader in DRAMs for the past 14 years. The division also pioneered System LSI chips and a variety of core components for mobile and digital consumer applications. These include system-on-chip (SOC) products, the world's fastest mobile AP (Application Processor), display driver ICs, CMOS image sensors, and the world's first 52X RW Combo Drive.

- In 2005, Samsung Electronics achieved yet another milestone in the data storage industry by expanding the scope of high density NAND flash memory application to products such as MP3 players.
- We further bolstered our market leadership by being the top supplier of not only memory semiconductors such as DRAM, SRAM and flash memory but also display driver ICs and MCPs.
- Samsung Electronics is strengthening its long-term competitiveness in this area by focusing on nanotechnology and market sensing efforts to introduce new solutions that enable future technology requirements in set products.
- Major achievements include the development of 16Gb NAND flash and 7.2 Megapixel CMOS image sensor.

The LCD Business develops and manufactures LCD panels for TVs and large-scale monitors (greater than 10"), as well as displays for notebook PCs and a variety of mobile devices. With a 20% market share in 2005, it is the largest producer of large-screen LCD panels and has been the leader for the last four years. Its continuous advancements in technology have produced the market's largest LCDs since 2001, with an 82" panel offered in 2005.

- In 2005, our LCD Business continued to maintain its number one position in total sales revenue.
- In January 2006, we started Phase 1 mass production on our 7-2 line and will achieve full capacity during the first half of 2006.
- In late 2006, phase 2 capacity will reach 90,000 glass substrates per month. The combined capacity from Line 7-2 and our first 7th generation line, Line 7-1, will total 180,000 7G mother glasses, which is equivalent to the production of 1,440,000 40" LCD panels or 1,080,000 46" LCD panels per month. This is the most stable 7th generation production capability in the industry.