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For More Information:

Contact Bill Cryer, Samsung Austin Semiconductor, 512-672-1003 (o) 512-769-4423 (m)

Samsung Austin Semiconductor Begins \$3.6B Expansion for Advanced Logic Chips

New Facility Expected to Generate 500 Permanent Jobs

AUSTIN—Samsung Austin Semiconductor LLC today announced plans to expand the capacity of its 12-inch semiconductor fabrication plant in Austin with a \$3.6 billion investment.

The decision to bring the additional capacity to Austin was based on the company's long-term business requirements.

The expanded fabrication plant, one of the largest in the United States, will produce advanced logic devices for Samsung's System LSI business. Currently the Austin plant produces a variety of NAND Flash memory chips. The production of those chips will continue.

The company will also hire an additional 500 employees as a result of the expansion.

"Forty-five nanometer and below advanced logic applications are in high demand and respective markets are expected to show substantial growth in the coming years. Together with the original advanced IC production capacity in Giheung, Korea, our rapid installment of substantial new capacity in Austin will allow our customers to meet the growing demand for their exciting next generation digital solutions," said Dr. Stephen Woo, executive vice president and general manager, System LSI, Samsung Electronics.

The investment in the Austin campus will build out the second phase of the company's 2.3-million-square-foot semiconductor complex. The first half of the building was started in 2006 and began production a year later.

The 12-inch facility was built in 2007. An older fabrication plant, which produced chips on 8-inch wafers, was closed in 2009 and refurbished for metal (copper) process for 12-inch fabrication.

The new facility, which is dedicated to front-end fabrication of advanced 45 nanometer logic process technology and beyond, is expected to be completed by the end of 2011.

“This investment, along with the creation of Samsung Austin Semiconductor’s first research and development entity this spring, makes the Austin campus a true semiconductor complex and ensures Austin’s premier status as a center for semiconductor research and manufacturing,” said Dr. W. S. Han, president of Samsung Austin Semiconductor.

Equipment move-in and build-out of the clean room will begin almost immediately. “We expect that the facility will be operational by the second quarter of next year,” he said.

In March, the company established Samsung Austin Semiconductor Research Center (SARC), which will concentrate on the design of Large Scale Integrated circuits, but is not part of the LSI manufacturing line. The center’s director is Keith Hawkins, a veteran semiconductor researcher, who was senior director of design engineering-microelectronics at Sun Microsystems in Austin prior to joining Samsung.

SARC will employ about 50 researchers by the end of 2010.

Samsung started in Austin in 1996, when it began construction of its first plant. In total, Samsung has invested about \$5.6 billion in the Austin location – by far the largest foreign investment in Texas and one of the largest single foreign investments in the United States.

The new investment will bring the total Samsung investment in Austin to more than \$9 billion.

Employment at the Austin site is expected to grow from 1,000 employees to about 1,500 by 2011. The annual payroll in Austin will grow from its current \$70 million to about \$105 million.

Most of the new employees will be engineers and technicians, who will operate the highly automated equipment at the state-of-the-art plant.

Samsung, which already is the largest Austin Energy customer with an annual electrical utility bill of about \$32.9 million, will substantially increase its electricity purchase by more than \$45 million per year. Water and waste water purchases from the city will grow to almost \$13 million per year.

Since 1996, Samsung Austin Semiconductor has paid about \$120 million in local and state taxes.

In addition to the Samsung direct employees, almost 3,000 construction workers and equipment vendors will be at the plant to move in and set up the complex machinery that operates the semiconductor plant.

General contractor for the project is Samsung Texas Construction Inc.

About Samsung Austin Semiconductor, LLC

Samsung Austin Semiconductor (SAS), located in Austin, Texas, is owned by Samsung Electronics and is the company's only semiconductor manufacturing plant located outside Korea. The complex has one of the most advanced semiconductor plants in the United States where state-of-the-art NAND Flash memory chips are made.

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