Samsung Opens Largest Wafer Plant In Austin, Texas

June 15 2007

Samsung Electronics announced the opening of the largest 300mm NAND flash memory wafer plant in Austin, Texas on Thursday, in ceremonies that included Texas Governor Rick Perry and Samsung Electronics Vice Chairman & CEO Jong-Yong Yun.

The 1.6 million square foot building--as large as nine football fields and one of the largest buildings in Austin--is one of the largest single semiconductor facilities in the United States. The first product of the new plant will be 16Gb NAND flash chips using 50-nanometer level process technology. The $3.5 billion facility will initiate operation in the second half of 2007 and ramp up to produce 60,000 wafers per month by 2008.

"With this new manufacturing facility, Samsung has made the single largest foreign investment in Texas history," said Texas Governor Rick Perry. "The facility will provide a significant boost to the Texas economy, employment base and cultural life."

"Our monumental new fabrication facility that we built in Austin is a testament to the company's commitment to our U.S. customers," said Vice Chairman Yun. "With the Austin plant, Samsung will supply the American market with the most advanced flash memory products available.

The plant will manufacture NAND flash memory chips, which are widely used in a host of consumer- related products, such as MP3 players, cell phones, digital cameras, and other mobile devices.

NAND chips can also be found in the ubiquitous flash drives that consumers use to store photos, documents, music and other multimedia data as well as the new solid state drives for PCs. NAND flash memory is popular in a growing number of mobile products because flash memory does not lose its data when its power supply is turned off.

Samsung has committed to an investment of $3.5 billion for the project, making it the largest single foreign investment in Texas and one of the largest in the United States. Previously, the largest foreigninvestment in Texas was the existing Samsung memory plant, which cost about $1.4 billion in 1996.

With construction breaking ground in April 2006, the new high-tech factory is adjacent to the existing eight-inch (200mm) wafer fabrication plant in Austin. The existing plant was completed in 1997 and will continue to be used to manufacture DRAM.

The new fabrication plant, or "fab," will be the city's first to produce

semiconductors on a 300 millimeter (12-inch) wafer. The 300 millimeter wafer is 2.25 times larger than the 200 millimeter (eight-inch) wafer now used at the first fab. The 12-inch wafer can typically hold about 1,200 standard 256-megabit memory chips, compared to about 500 such chips on an eight-inch wafer.

From a structural perspective, it will be almost two times as large as the existing facility, which was formerly the largest semiconductor fab in Austin. The current eight-inch plant will continue to operate, producing a mix of memory chips for computers and mobile devices.

Samsung Austin Semiconductor has hired about 700 new employees during the construction of the plant and now has 1,600 employees in Austin. The payroll for Samsung in Austin will grow from $60 million annually (eight-inch plant only) to about $100 million once the new plant is in full operation.

"Samsung's investment in Austin is both a statement of our faith in the Austin community and its human resources," said Dr. Chang-Gyu Hwang, president of Samsung Electronics Semiconductor Business, "but also a testament to the work and energy of our current work force which has proven that we can compete in a global market in Austin, Texas."

The smallest feature size on the first chips, 50-nanometer level, is 200 times smaller than the diameter of a human hair.

Samsung Austin Semiconductor is owned by Samsung Electronics. The Austin semiconductor plants are the only plants outside of South Korea belonging to Samsung. Currently, Samsung Electronics operates 15 semiconductor fabrication lines.

Source: Samsung Electronics