

# Exhibit 11



# Samsung sees a bright future in smart phones, tablet computers

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LAS VEGAS - Out of its offices in Richardson, Samsung is designing and creating the smart phones and tablets that mobile users around the world are using.

But it's also dreaming up the wireless devices that won't show up on store shelves for two or three years.

The pace of mobile innovation has come at a breakneck pace in the past several years.

"I think it's actually speeding up," said Omar Khan, chief strategy officer and senior vice president of products and services at Samsung Telecommunications America.

Khan spoke at the Consumer Electronics Show in Las Vegas only a couple of days after Samsung unveiled a slew of new phones and tablets coming soon.

With Apple Inc. having ignited the tablet market with its iPad and with Dallas-based AT&T Inc. and its competitors racing to upgrade their wireless networks to 4G, there's an explosion of opportunity right now for device makers such as Samsung.

"Over two-thirds of the U.S. population still has a basic feature phone," Khan said. "There's a huge opportunity there."

Nielsen Co. estimated recently that smart phone penetration in the U.S. will overtake basic feature phones by the end of 2011. So the gold rush is on among smart-phone makers.

Among the devices Samsung unveiled at CES this week were the AT&T-bound Infuse phone with a giant 4.5-inch screen, running Google Inc.'s Android 2.2 software and a 1.2 GHz processor, and an as-yet-unnamed 4.3-inch phone for Verizon Wireless.

Both phones will run on the carriers' new 4G networks, allowing superfast video streaming, online gaming and data downloads.

Samsung also announced a 4G version of its Galaxy Tab tablet computer for Verizon Wireless, and it's possible a 4G Tab could also be coming to AT&T and other carriers.

But even as Samsung quickly drafts new phones and tablets to keep up with the new technologies, it also has to extend the lives of its current products by pushing out software updates as they become available.

"The ability to continue to upgrade these devices is an extremely important factor in extending the life spans of these products," Khan said.

Enabling those updates can be tricky, though, especially when it comes to Google's Android software, which is revamped every few months.

So even as handset makers at CES are announcing Android 2.2 devices, Samsung has already released the first Android 2.3 phone, the Nexus S.

Meanwhile at the show, Samsung competitor Motorola Mobility Inc. demoed the first tablet running Android 3.0, which is designed specifically for touch-screen computers.

Khan declined to say whether the existing Android 2.2 Galaxy Tab machines will get 3.0, but it seems likely.

Coming up with those near-term improvements and also planning for the next-generation of mobile devices is a complex task.

Samsung now has about 600 employees at its Richardson offices, doing everything from research and development to sales and marketing, and the facility is constantly hiring, Khan said.

And it's work that can't really be outsourced anywhere else.

Khan noted that when Apple launched the smart phone craze with the iPhone in 2007, it shifted the global center of smart phone innovation from Asia to the U.S.

"Really, the smart phone evolution is driven by the U.S.," he said. "The U.S. is becoming much more of a leading indicator for where smart phones are going."

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