



Editorial Contacts:

Ann Barlow
Peppercom
212-931-6112

abarlow@peppercom.com

John P. Burnham
SDA/Panasonic
201-348-7850

burnhamj@us.panasonic.com

Ray Creech
SD Card Association
831-636-7322

rcreech@sdcard.com

**SD LEADS FLASH MEMORY INDUSTRY INTO 2004
DOMINATING MARKET SHARE AT 41.8 PERCENT**

***SD Emerges as De Facto Standard and Builds on Broad Product Selection,
Strong Industry Support and Superior Technology***

LAS VEGAS (January 8-11, 2004) — The SD Memory Card will demonstrate its growing format dominance in 2004 as **SD Card Association (SDA)** member companies introduce a wide variety of exciting new SD-enabled products at the 2004 International CES this week. Since its introduction, there have been 1,700 innovative SD-enabled products brought to market, helping SD Memory Card sales surpass those of CompactFlash and claim a dominant 41.8 percent marketshare in November 2003, according to sales data from The NPD Group. This year, new product offerings -- from such leading companies as Panasonic, Hewlett-Packard, Toshiba and others -- underscore these great strides made by the SD Memory Card in 2003.

“The key to SD’s growth lies not just in the format’s superior technology, but in the ability of SDA member companies to provide consumers with products that enrich their personal and business lives,” said Ray Creech, President of the SD Card Association. “We foresee SD continuing to grow, as even more products are added to list of SD-enabled devices, many at this year’s International CES.”

With more than 660 member companies supporting the format consumers can choose from a wide array of products – including digital still cameras, camcorders, cell phones ,MP3 players, laptop and handheld computers, and printers -- that let them quickly and easily store, transport and share documents, images and other content with

compatible devices. A wide variety of such devices will be showcased during 2004 International CES at the SDA Pavilion, Booth #15115, Central Hall, Las Vegas Convention Center from January 8-11, 2004.

In November 2003, SD Memory Card controlled the top spot with 41.8 percent of the U.S. flash memory market, compared to 26.5 percent for the CompactFlash Card. Memory Stick was third with 16.3 percent in November. According to leading analysts, this news is not unexpected. In a July 2003 report by analyst firm IDC, it was projected that SD would rise to a 50% market share by 2005, and to 56.6% market share by 2007 to become the industry standard. Analyst research firm Gartner also sees SD becoming the dominant format as stated their August 2003 report, "Worldwide Flash Card Market History and Forecast Trends, 2001-2007", saying that SD's ability to meet the needs of all applications from the point of view of size, performance, and security are its greatest strengths.

"The developers of the SD technology envisioned a media that would enable consumers to capture, store and move their favorite pictures, video and other information quickly and easily," said John P. Burnham, director, strategic alliance and business development group for Panasonic and chair of the U.S. Marketing Committee of the SD Card Association. "The fact that SD has become the number-one form of flash media means that we're achieving this vision. Panasonic and all the SDA members are proud of this milestone and of helping consumers maximize the enjoyment and use of their consumer electronics."

###

About the SDA

The SD Association (SDA) is an open industry standards organization established in January 2000 by Matsushita Electric (Panasonic), SanDisk and Toshiba, and is supported by a consortium of over 660 companies. The SDA's mission is to set industry standards and promote SD Memory Card's wide acceptance in a variety of applications. The SD Card is a highly sophisticated memory device about the size of a postage stamp. SD stands to revolutionize information, entertainment and communications by putting advanced digital storage technology quite literally at users' fingertips. SD Card standards are currently being built into a wide range of new digital products such as cellular phones, audio players, automotive multimedia systems, handheld PC's and video and digital still cameras.

The Association's Web site can be reached at www.sdcard.org for more information about SDA membership, applications usage, member companies and upcoming meetings. Parties interested in joining the SDA are encouraged to visit the Web site or contact SDA President Ray Creech directly at 831-636-7322 or rcreech@sdcard.org.