SMART Modular Technologies
Nasdaq: SMOD

Providing Subsystems Critical to Electronic Devices

April 2008

Forward Looking Statements

We may make projections or other forward-looking statements regarding future conditions or events concerning our future business, our current and new products and services and our performance, the size and strength of our market and/or the future financial performance and outlook of the Company. These statements are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934. We urge you to review the management's discussion and analysis and related risk factors affecting future results contained in the forms and reports filed with the Securities and Exchange Commission, including our recently filed Form 10-Q.

We caution you that such statements are just projections. Accordingly, our future results may differ materially from such projections. These forward-looking statements are made as of today, and SMART does not currently intend, and has no obligation, to update or revise any forward-looking statements. The Company's SEC filings and press releases are available on the company's website at smartm.com, or you can call our investor relations office at 415-217-7722, and we will fax you a copy.

Please note that non-GAAP financial results, including non-GAAP EPS, presented do not include restructuring costs, impairment charges and other infrequent or unusual items. Please refer to the non-GAAP information section of our earnings press releases previously issued for further detail.

19 Year Track Record of Serving OEM Customers

1988	1995	1999	2004	2005	2006	2007
Founded	*IPO*	*Acquired by Solectron*	*LBO from Solectron*	*HY Debt Offering*	*IPO*	*Follow-on offering*

	FY 2005	FY 2006	FY 2007
Net Sales:	**$607.3 M**	**$707.4 M**	**$828.4 M**
Gross Profit:	**$101.3 M**	**$126.6 M**	**$147.8 M**
Net Income (GAAP)	**$ 26.2 M**	**$ 32.3 M**	**$ 55.9 M**
Net Income (non-GAAP)	**$ 26.9 M**	**$ 40.2 M**	**$ 53.5 M**

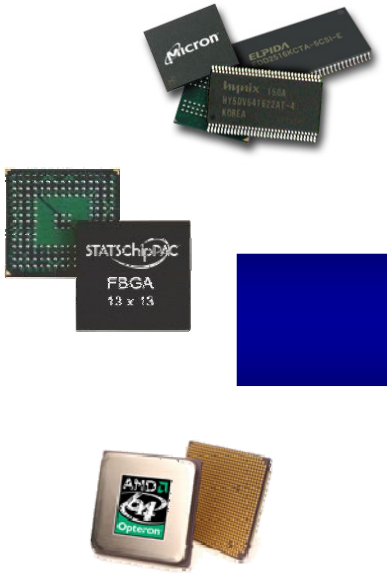
Fiscal year ends the last Friday in August

Outstanding Execution in Volatile Market Environment

SMART® Modular Technologies

Strong Quarterly Performance	➢ Net sales of $160M; GP of $32.4M; EPS of $0.17 for Q2 FY08 ➢ Cash and investments of $155M; Excellent balance sheet metrics ➢ Solid profitability in spite of challenging DRAM ASP environment
Successful Growth Initiatives	➢ **DRAM:** New Products: 4GB Low-Power DDR3 RDIMM; Industry's first 8GB Dual-Rank RDIMM utilizing proprietary advanced packaging technologies ➢ **Flash:** Completed Adtron acquisition strengthening focus on high end industrial/enterprise SSD market; New products, 1.8" XceedLite PATA SSD ➢ **Display and Embedded:** Display growth in Europe; Embedded growth in digital signage/kiosk utilizing SMART's XceedPC/Dx compute platform ➢ **Geography:** Record unit growth in Brazil IC packaging and module output
Capitalizing on Memory Industry Trends	➢ Technology, density, applications and form factors are driving complexity ➢ Financial model intact despite volatile DRAM ASPs ➢ Flash growth driven by new applications

SMART's Business Segments Today



Semiconductors and other Components

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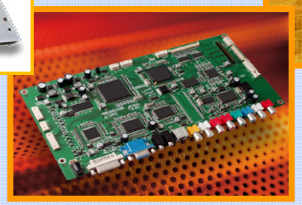
DRAM Memory Modules ~87%

Flash, Embedded Computing & Display ~13%



Critical Subsystems

Electronic Devices

Growing Applications Drive Demand

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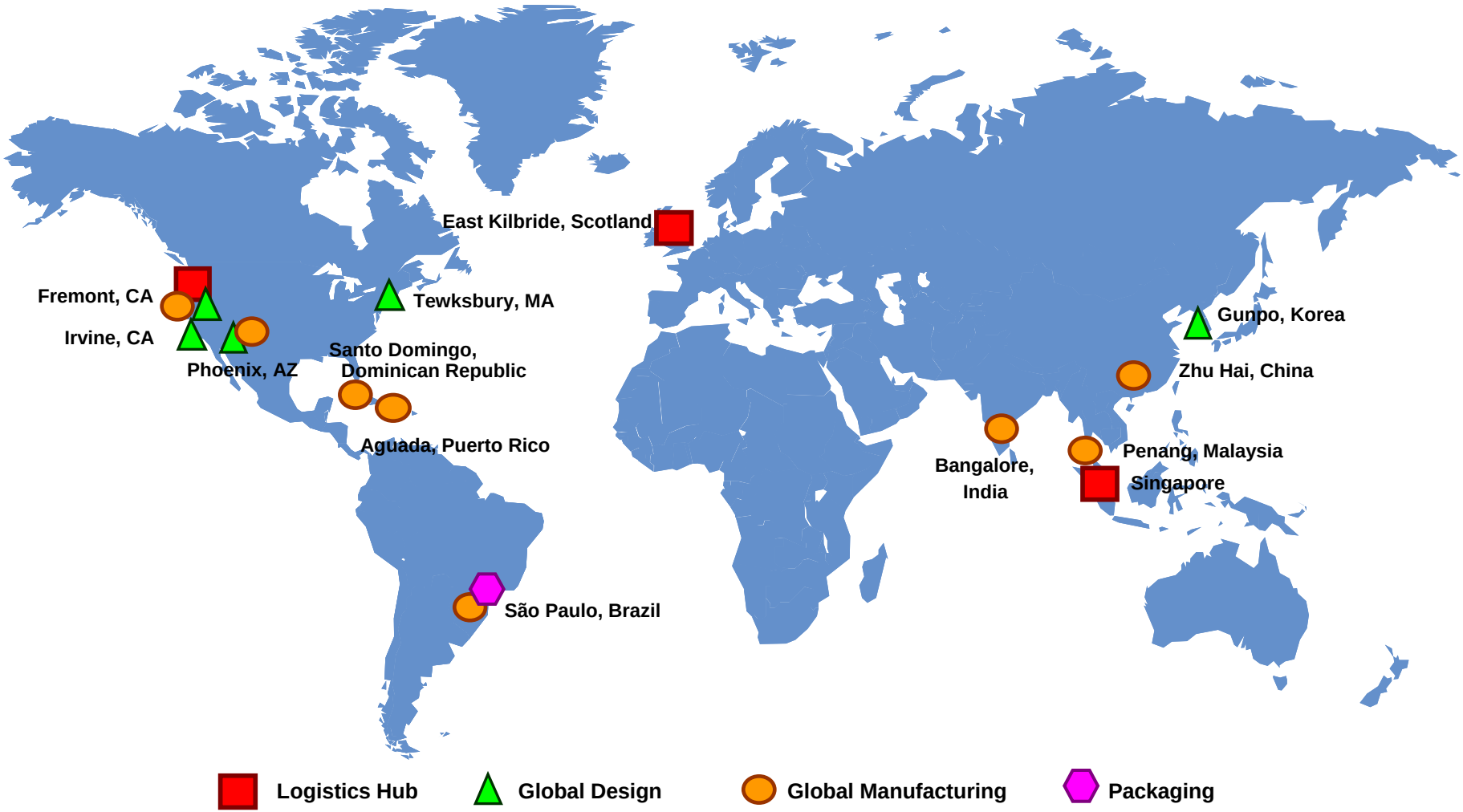
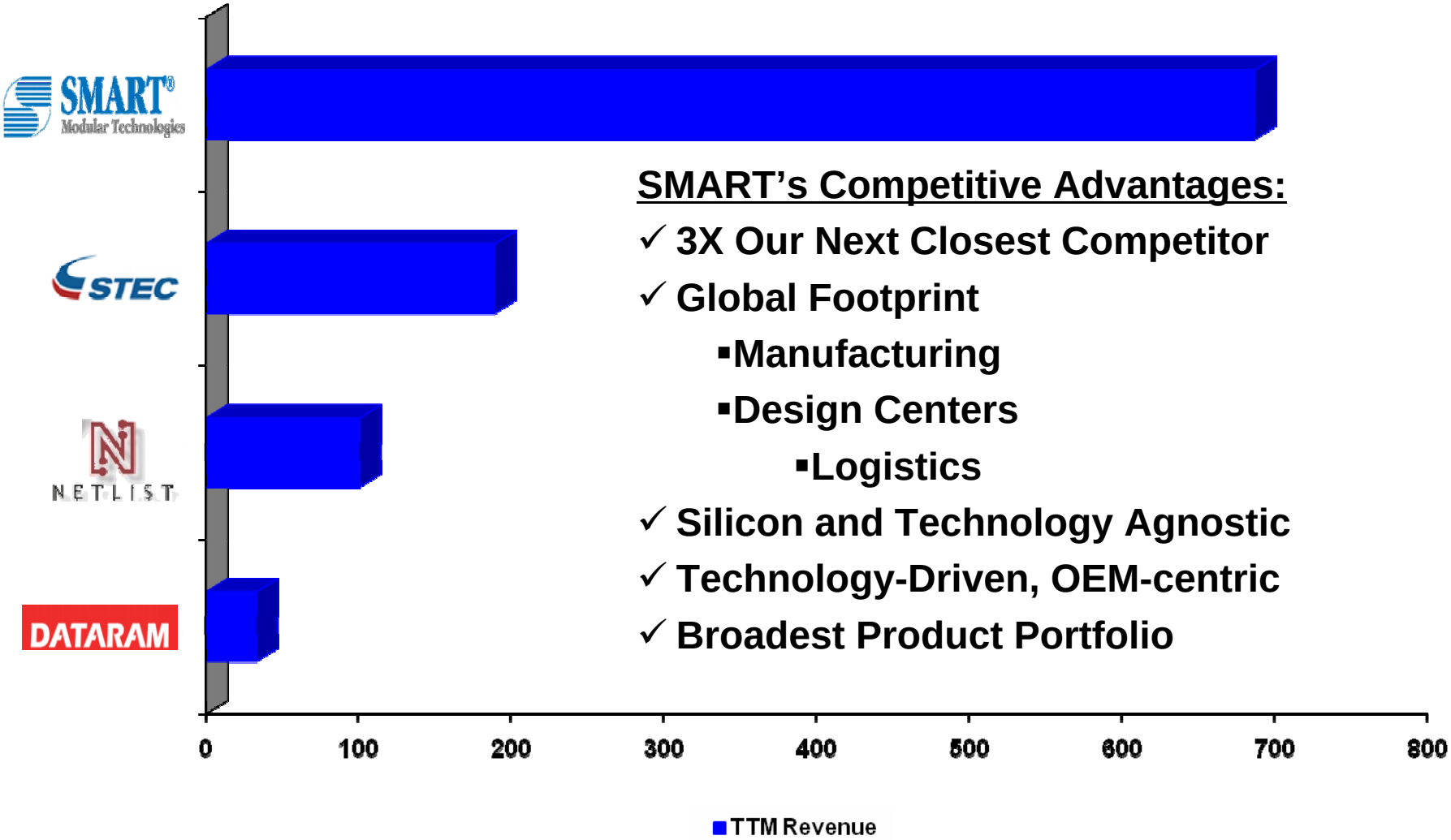
Global Footprint: A Competitive Advantage



Size: A Competitive Advantage



SMART's Competitive Advantages:

- ✓ 3X Our Next Closest Competitor
- ✓ Global Footprint
  - ▪Manufacturing
  - ▪Design Centers
    - ▪Logistics
- ✓ Silicon and Technology Agnostic
- ✓ Technology-Driven, OEM-centric
- ✓ Broadest Product Portfolio

Source: Public Filings

Delivering Value Through Execution

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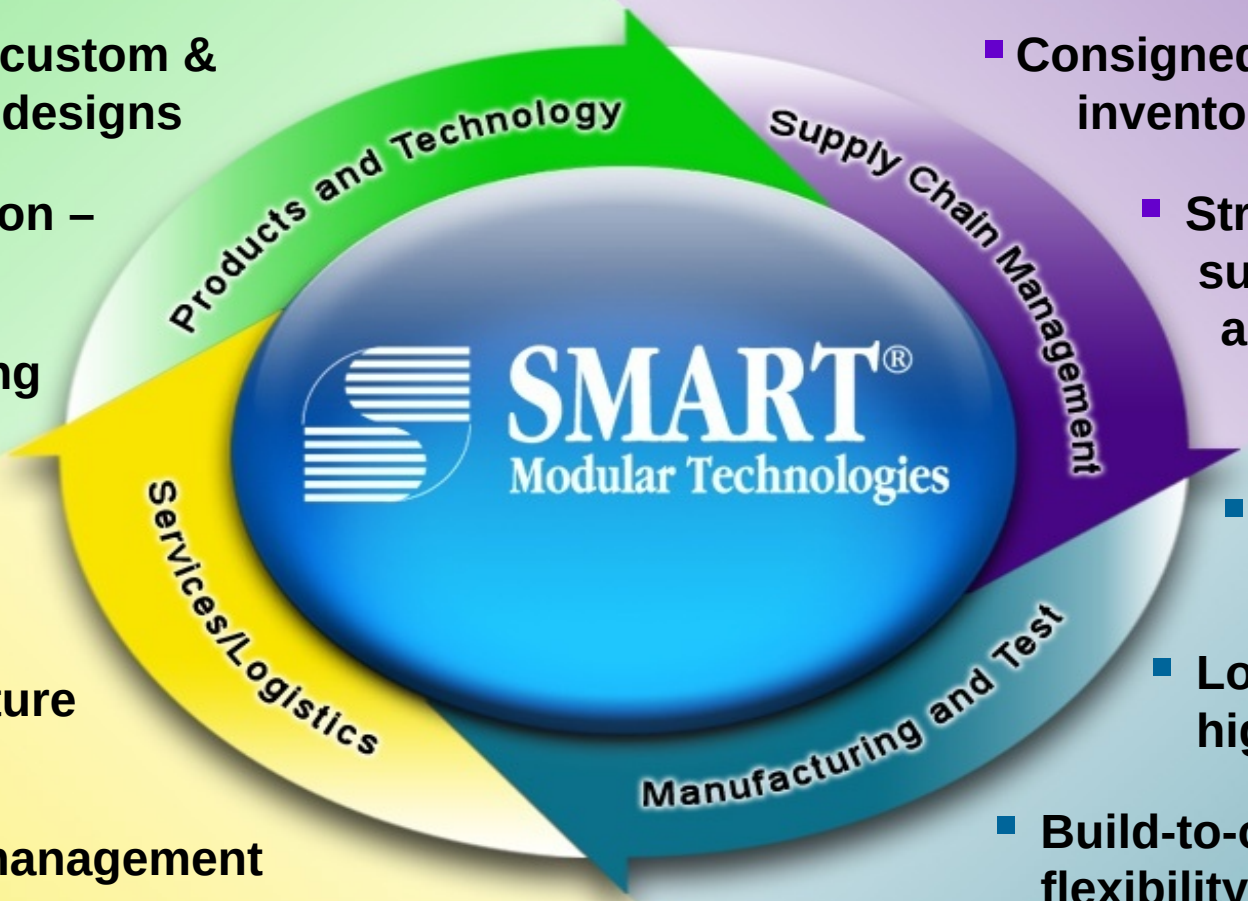
- Relationships with OEMs
- Standard, custom & derivative designs
- Qualification – platform
- Engineering & design

- Semiconductor agnostic
- Consigned inventory models
- Strategic supply chain alliances

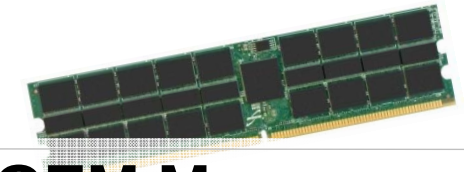


- Global infrastructure
- Product lifecycle management
- Warranty repair

- Worldwide footprint
- Low-volume / high-mix
- Build-to-order flexibility
- Multi-level test

Targeting Large and Growing Markets

SMART® Modular Technologies



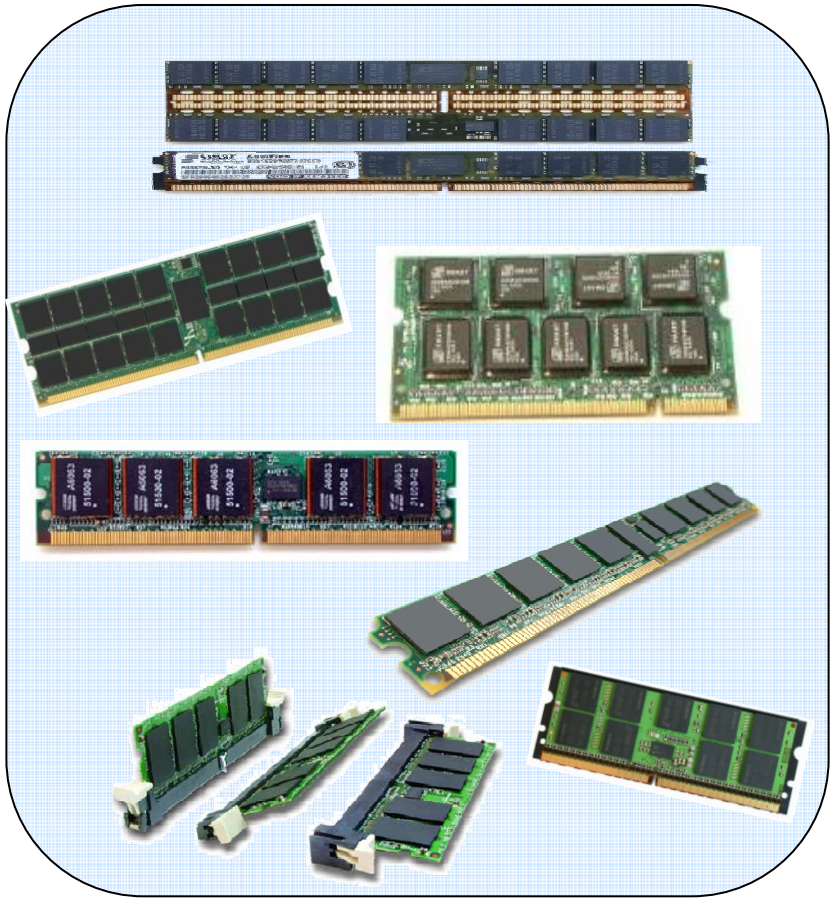
	2008 TAM	SMART's Focus
OEM Memory Modules	$30.9 Bn	Blade servers, Enterprise Servers, High Density, High Value
Embedded & Display	$4.6 Bn	Complete subsystem outsourcing, low volume, high mix, specialized, custom, Casino, Kiosk, Public Signage
SSD/ Industrial Flash	$3.0 Bn	Storage Cache, Networking, Embedded, Industrial, Enterprise, Medical, Military, VOD Systems, Data and Telecom

ources: iSuppli 2H 2007, Venture Development Corp., Summit Research, Hyundai, Webfeet Research, SMART Marketing.
lote: OEM Memory and Embedded & Display CAGR of 24% and 16%, respectively, based on unit growth from 2004 - 2008. Embedded & Display TAM excludes mobile PC market.
ndustrial Flash/SSD CAGR of 74% based on revenue growth from 2007-2012

Memory Growth Strategy

- **New Products Targeted at High-Growth Segments**
  - DRAM
    - Enterprise Servers
    - High Performance Computing
    - Blade Servers
    - Media/VOD Servers
    - Enterprise Storage
    - Emerging markets
      - Brazil, India, China

New DRAM-based products



Key SMART NAND Flash Products

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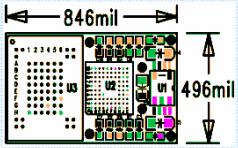
PRODUCTS

Embedded USB Drive (eUSB)

Industrial Compact Flash (CF)

Industrial SD card

Single Chip Disk Drive



Solid State IDE/PATA Drive

Solid State SATA Drive

APPLICATIONS

Gaming

Communications

Printers

Industrial

Servers

Storage

Kiosks

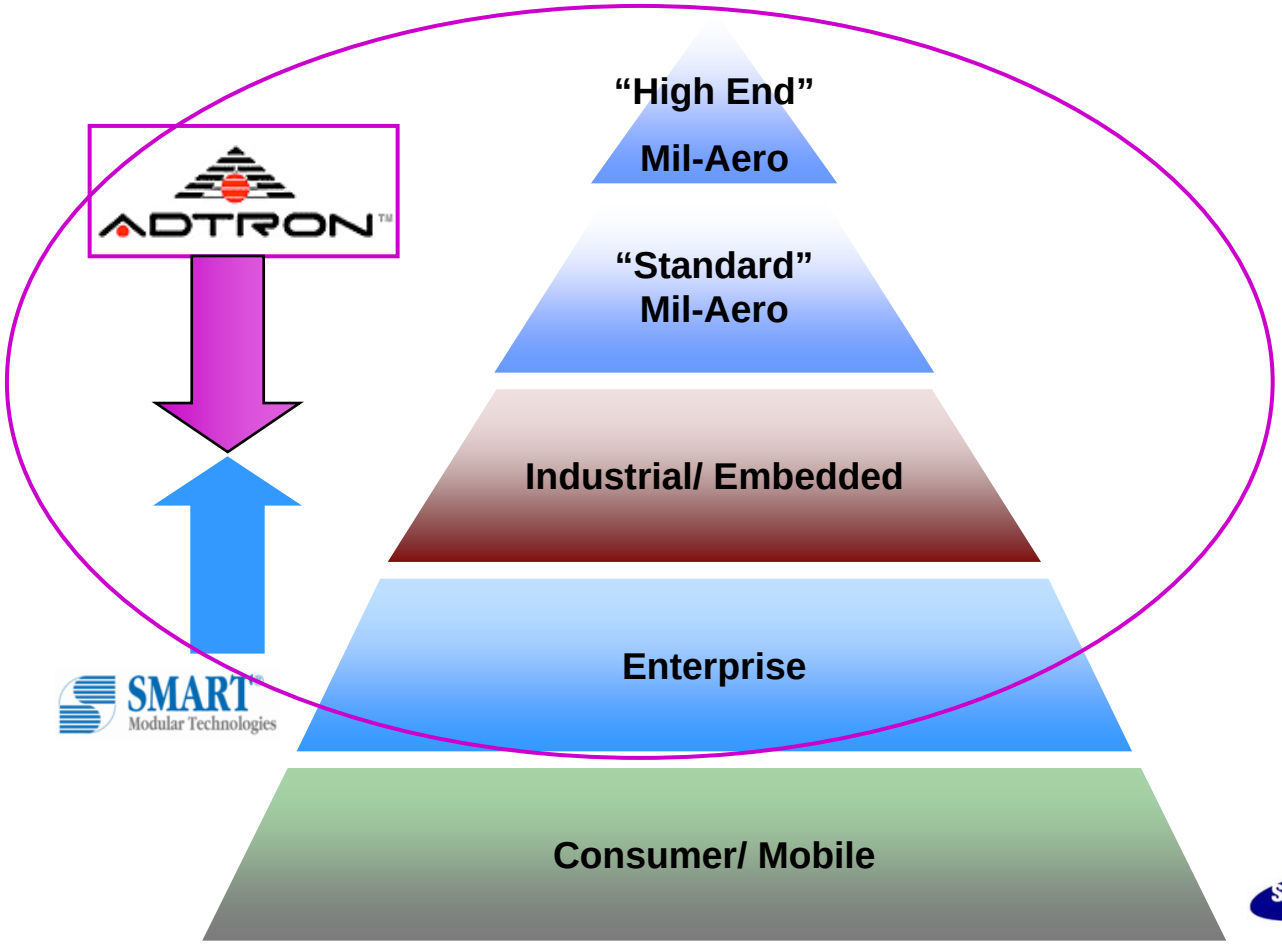
Adtron Acquisition

- Acquisition closed March 2008
- Adtron – Leader in High Performance, High Capacity SSD Flash Drives
- All cash transaction valued at $20M with additional $15M Earn-out
- Minimal accretive financial impact to FY08
- Complementary products and customers
- Expands TAM to Defense Segment of SSD market
- Together SMART + Adtron to target Enterprise Segment of SSD market
- Solid financials, attractive gross margins, no debt

SMART & Adtron: Complementary Businesses

- Complementary Markets, Products, and Customers
- SMART Gives Adtron Leverage Points to Grow:
  - SMART's Enterprise and Telecom Customer Base and Sales Force;
  - Balance Sheet Strength
  - Scale for Procurement, Manufacturing, Quality Systems, IT and Engineering Services, Logistics, Multiple Locations
- Adtron Brings to SMART:
  - High Level System and Product Architecture,
  - Design Capabilities, Technical Marketing, Apps Engineering
  - Unique Controller Design (MONC), Additional Product Features
  - Credibility through High Quality, High Performance Products to a Defense, Medical and Industrial Customer Base and Revenue Stream

Expanding SMART's Target Markets



SSD Market Segment Differentiators

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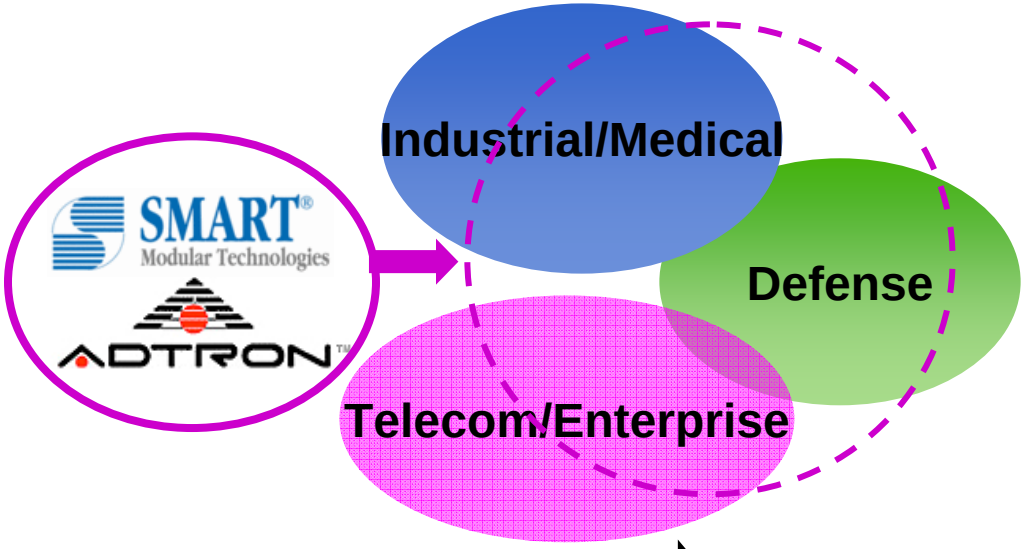
Consumer Markets

- Price driven
- Low quality even with ECC/Wear leveling
- Low grade MLC flash
- No Special Features
- Marketing is everything



- Highest Reliability/Durability
- Highest Performance
- Industrial Grade SLC Flash
- Special Features
- Long Term Life Cycle

© SMART Modular

Product Development Roadmap

Features/Performance

XceedULTRA U100

SATA I
8GB to 40GB
123 MB/s Read
71 MB/s Write

XceedULTRA U150

SATA I
8GB to 80GB
135 MB/s Read
100 MB/s Write

XceedULTRA2 U150

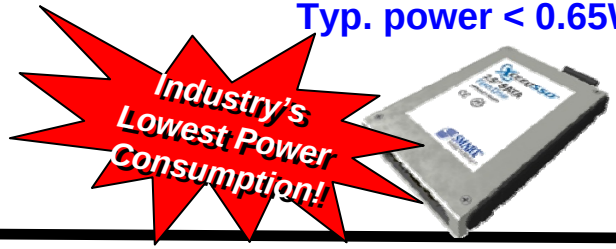
SATA I / II
8GB to 160*GB
150 MB/s Read
100 MB/s Write

XceedULTRA3 (study)

SAS
8GB to 160GB

XceedLITE

SATA I
8GB to 32GB
40 MB/s Read
25 MB/s Write
Typ. power < 0.65W



XceedLITE2

SATA I / II
8GB to 64GB
60 MB/s Read
40 MB/s Write
Typ. Power < 0.65W

XceedLITE3

SATA I / II
8GB to 128*GB
100 MB/s Read
70 MB/s Write
Typ. Power < 1W

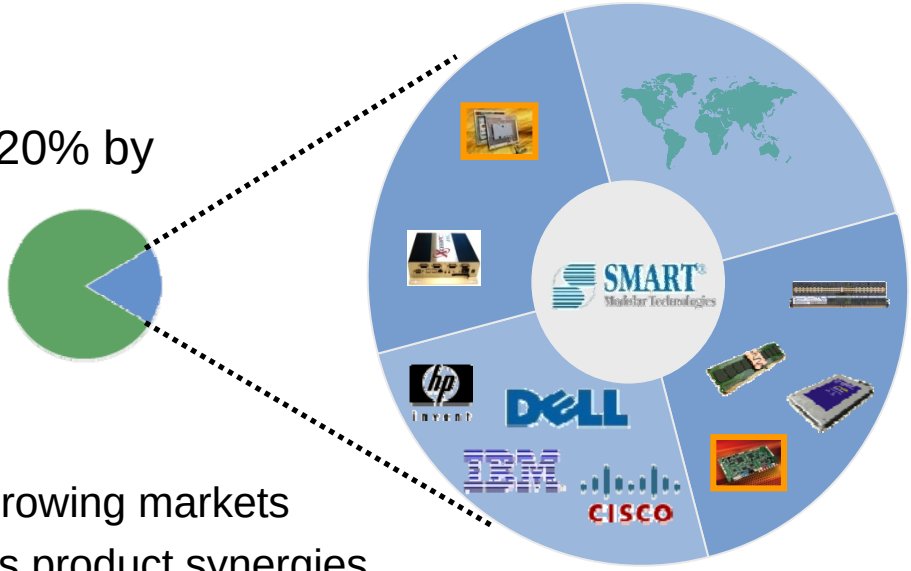
1H CY07 | 2H CY07 | 1H CY08 | 2H CY08

▲ SSD Market Analysis & Product Requirements Review

Strategic Growth Initiatives

Goal

Non-DRAM ~ 15- 20% by Q4 08



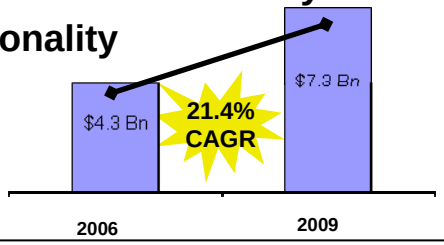
Strategies

- Target large and growing markets
- Focus on SMART's product synergies
- Increase SMART's value to existing customers
- Dominate vertical market segments
- Leverage SMART's financial, product, logistical, and manufacturing capabilities in fragmented vertical markets

Embedded and Display Market Drivers

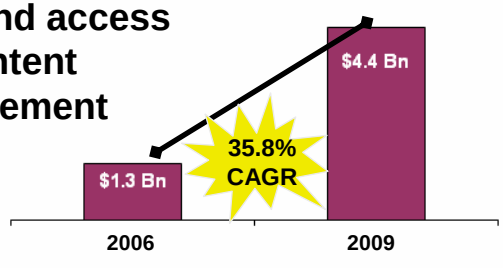
Kiosk and Self Service

- Less expensive & more efficient vs. service personnel
- Increased transaction security
- 24 x 7 functionality



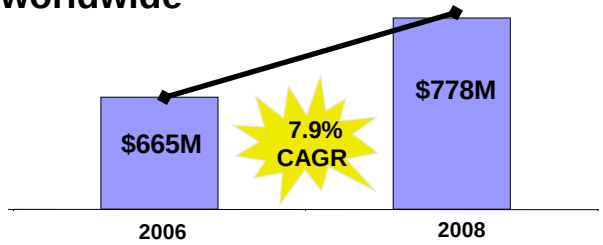
Signage and Public Display

- Smaller, thinner form factor vs. CRTs
- Decreasing cost driving increased deployment
- Pervasive broadband access enables remote content loading and management



Casino Gaming

- CRT ➡ TFT LCD ➡ Multiple TFTs
- Games are increasing the size and number of displays
- Foreign casinos moving to video and higher-end games
- Game replacement cycle is accelerating
- Number and size of casinos is increasing worldwide



Display and Embedded Product Synergies

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Visualize

Compute

XCEEDPC™

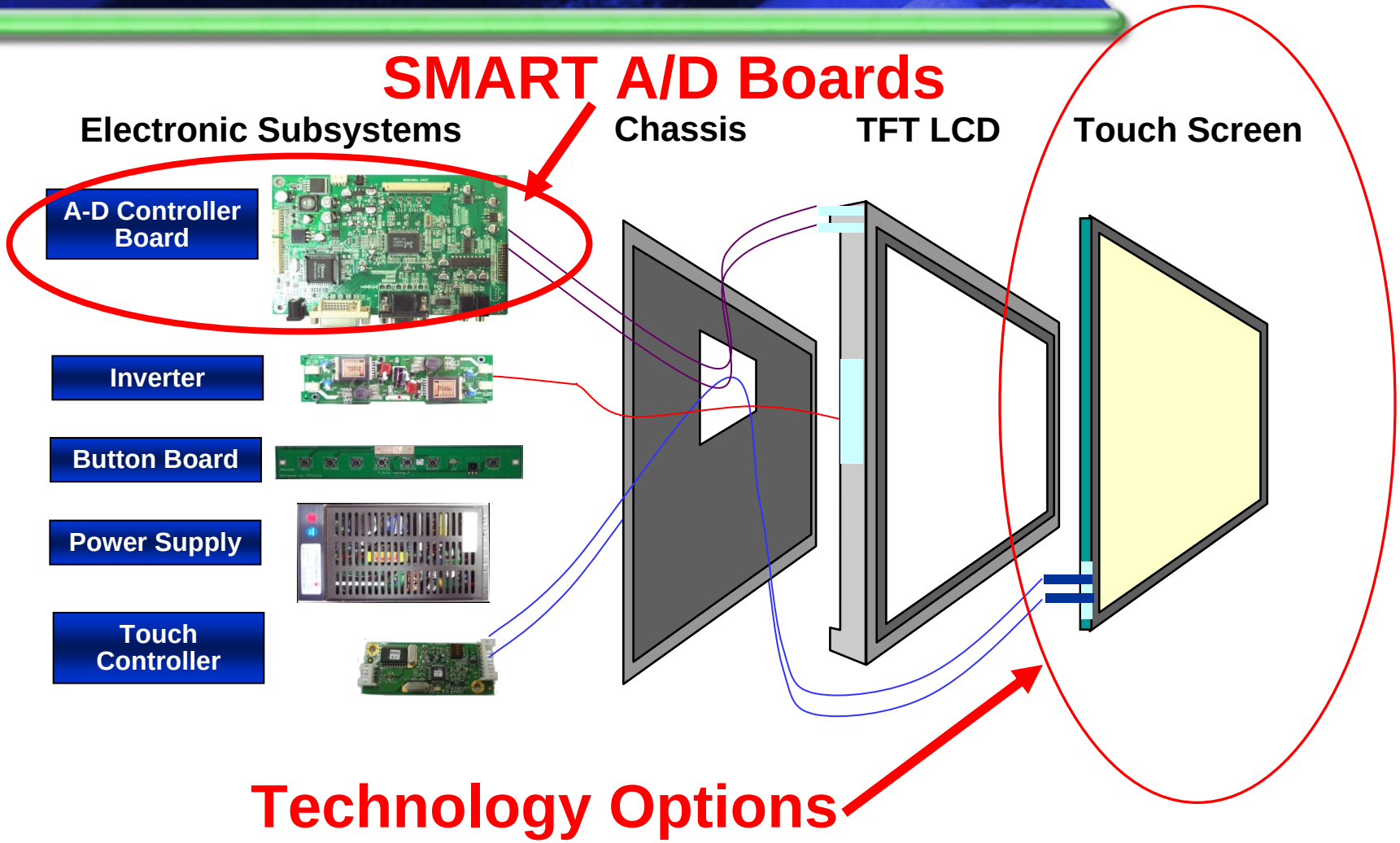
Store

Communicate

Computing Engine: XceedPC

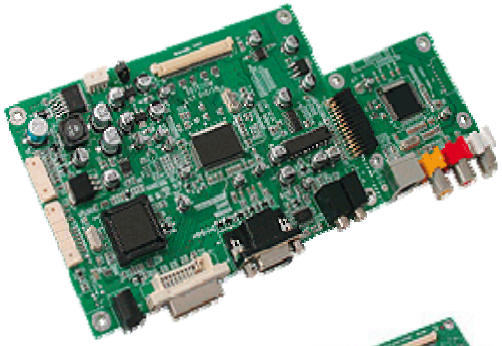
- XceedPC product family is targeted at Kiosk, POS, Gaming, and Signage applications
  - x86 architectures
  - Low power / fanless
  - Desktop / high performance
  - High reliability
  - Extensive CPU options
  - High I/O count / Front panel I/O
  - Multiple communication options
  - Minimal form factor
  - RoHS (6 of 6)
  - Extended configuration control
    - Embedded XP
  - Long life products (5 year + manufacturing life)

What's in a Display ?



SMART Display Products

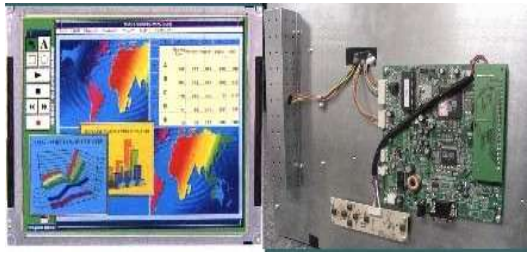
- A/D Controller Board
  - Designed and manufactured by SMART
  - Converts industry standard inputs (VGA, DVI, TV) to the LCD electrical interface (LVDS)
  - Performs image scaling and color correction
- Technology Advantages
  - Different displays have different characteristics
    - "Hard" specs
      - Viewing angle
      - Response time
    - "Soft" specs
      - Brightness
      - Color
      - Contrast



Kiosk Leverages Product Synergies

- SMART is focused on a broad based technology sale
  - Increases value to customer
  - Increases SMART's competitive differentiation at accounts
  - Generates improved revenue and margin opportunities

Display Products



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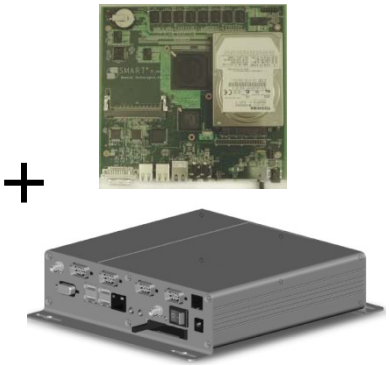
Embedded Products



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Memory & Flash Products

Kiosk

Collaborative design & multiple technology options to meet OEM needs

Recent Kiosk Design Wins

- Coupon/Voucher based Retail Kiosk
  - 17” TFT; XceedPC/Geode w/ WLAN
  - Solid State Drive

- Informational Kiosks
  - XceedPC/Geode

- Commercial buildings Digital Directory
  - XceedPC/Geode; 19” TFT w/ SAW touch

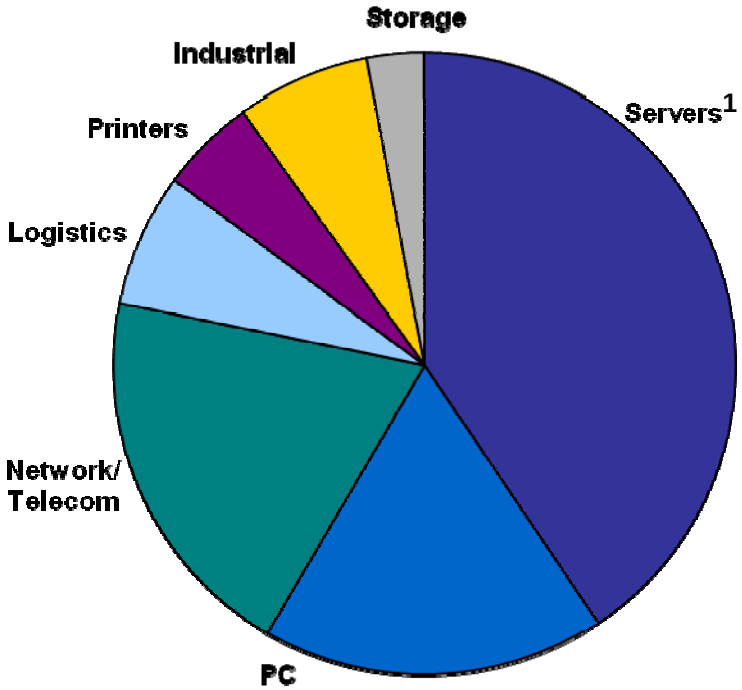
- European Gaming: Skill with Prizes (SWP) Platform
  - 19” TFT w/ capacitive touch

Financial Highlights

- Targeting Profitable Products and Markets
- Unique Business Model = Resistant to ASP Fluctuations
- Exceptional Track Record of Gross Profit Growth
- Expense Control = Greater Margin Leverage
- Strong Balance Sheet
- Building a Foundation for the Future
  - Leveraging Technology Platform
  - Revenue Diversification

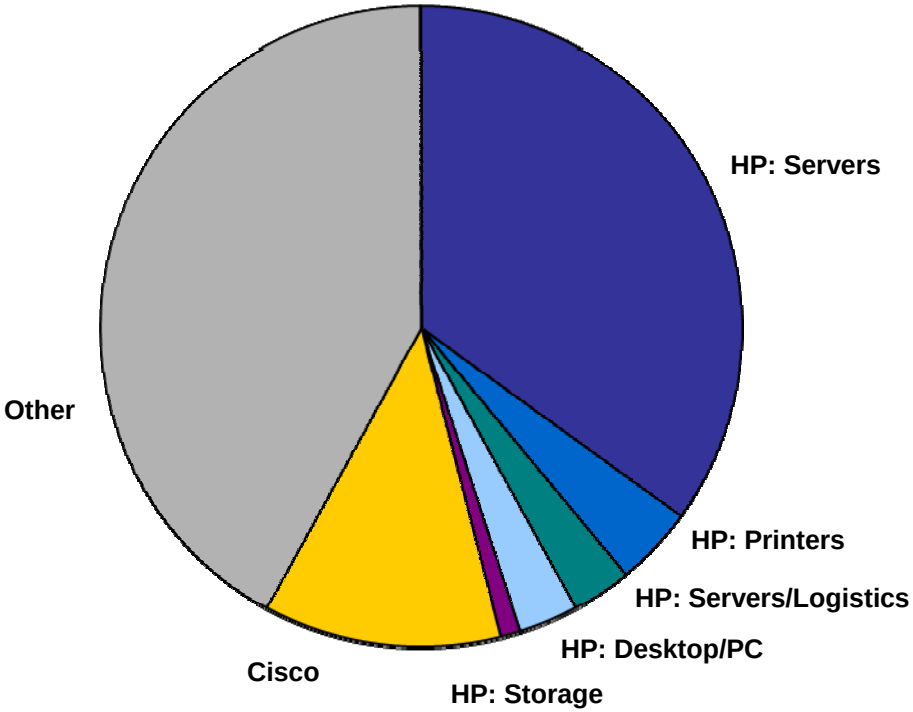
Diversified End Markets and Customers

2Q FY08 Net Sales by End Market

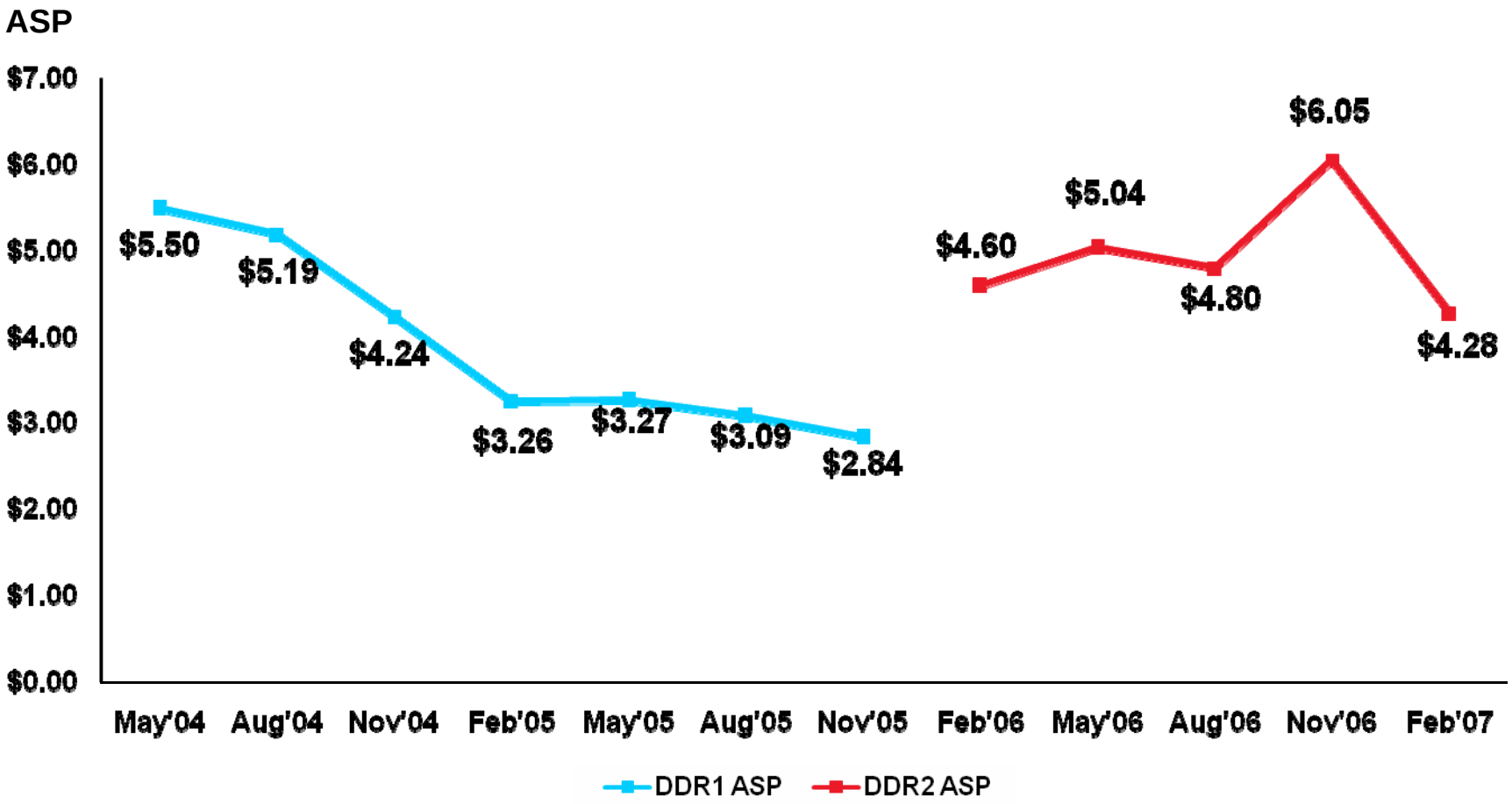


1 Servers include High Performance Computing
Note: Fiscal year ends last Friday in August

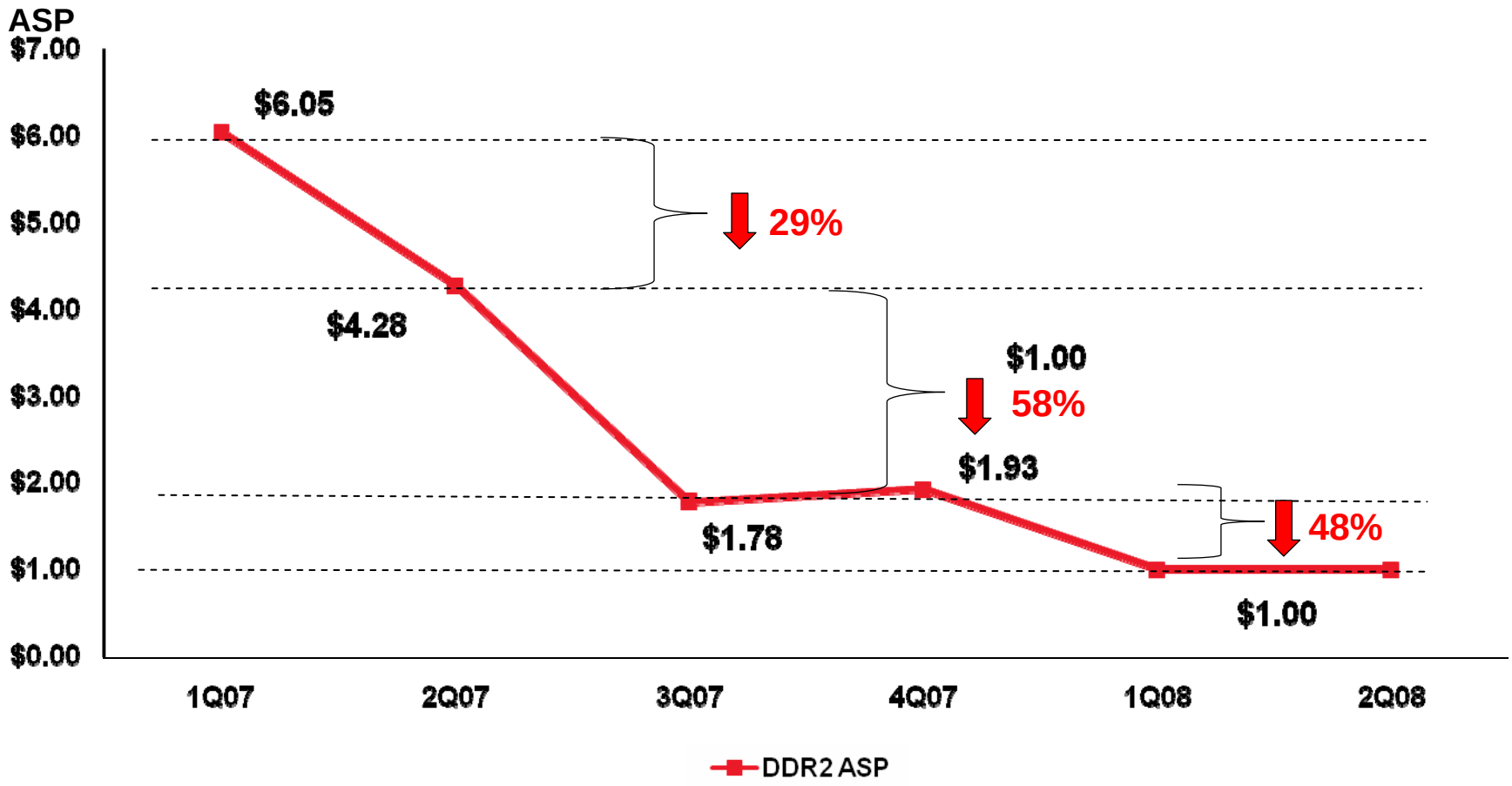
2Q FY08 Net Sales by Customer



Historical DRAM ASP Volatility



Unprecedented DRAM ASP Declines



Sustainable Profitability

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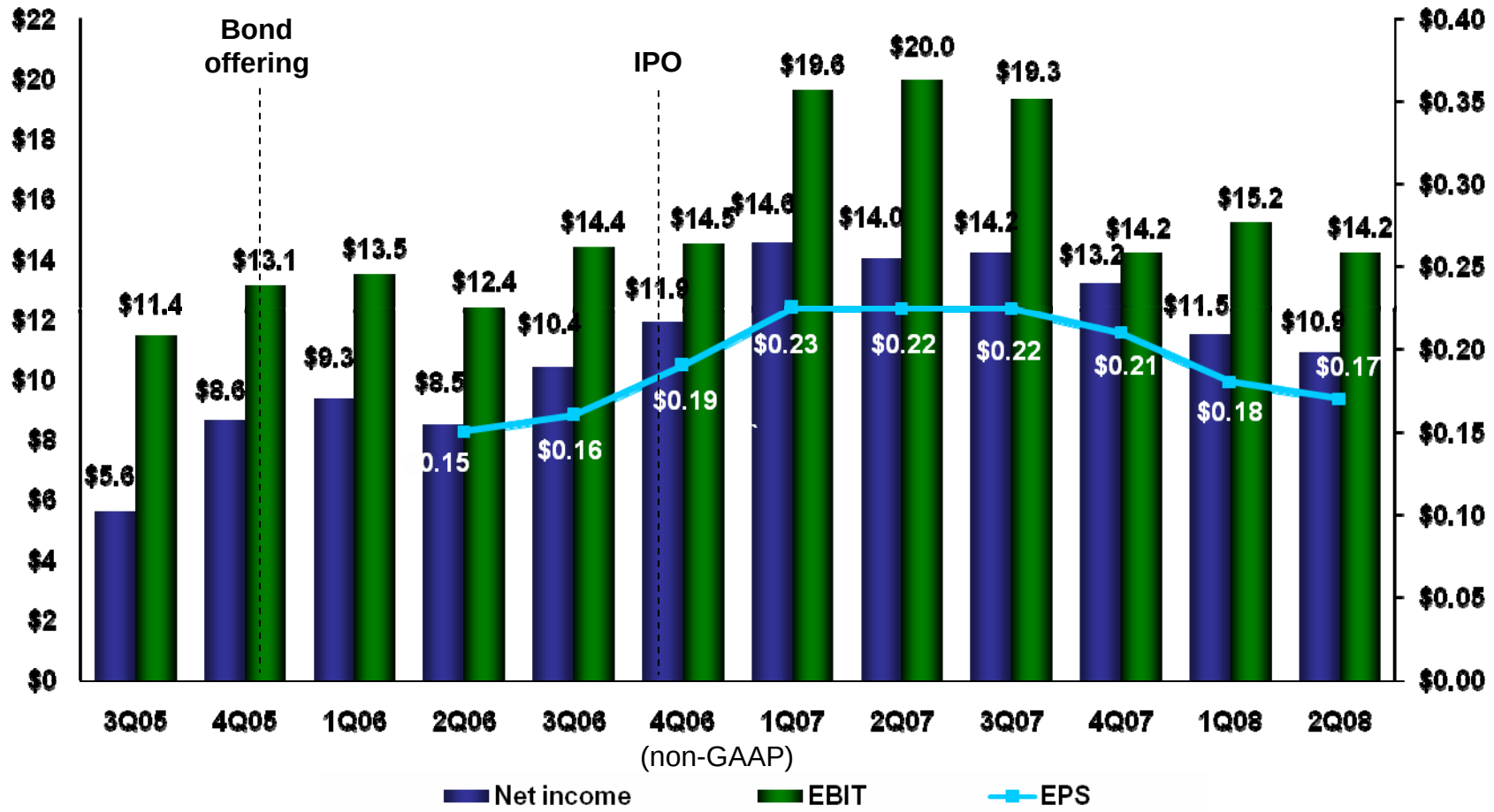
($ in millions)



Notes: Fiscal year ends last Friday in August
1Q07, 2Q07, 3Q07 GAAP Net Income and EPS = non-GAAP Net Income and EPS

Strong Balance Sheet

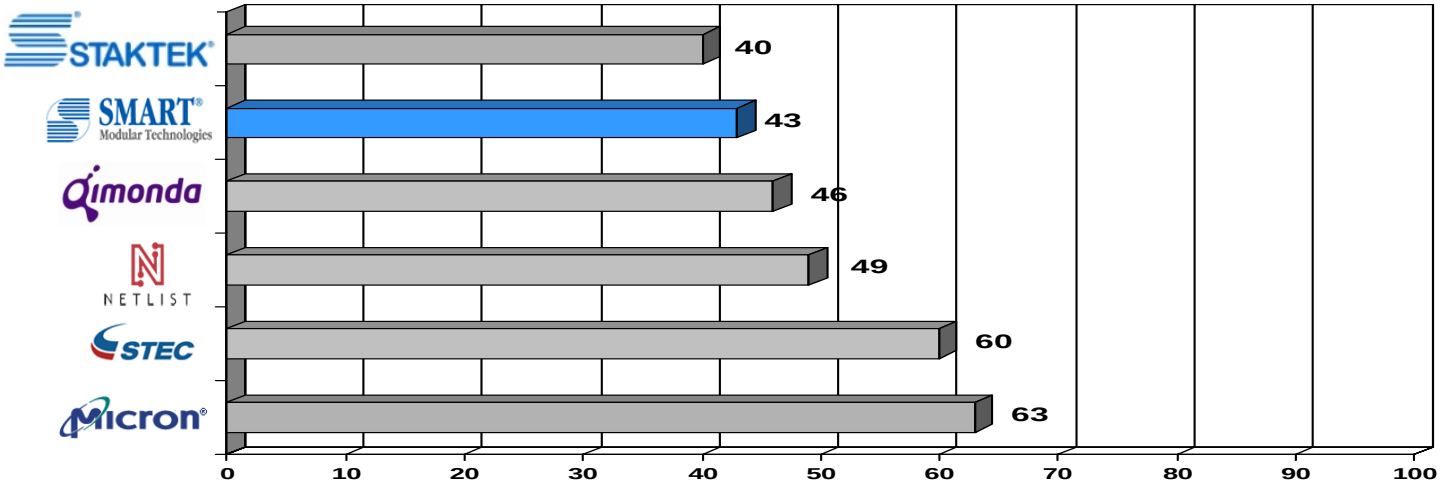
BALANCE SHEET HIGHLIGHTS ($ in millions)	FY 2007	Q2 FY 2008
Cash and Equivalents	$ 144.1	$ 155.0
Total LT Debt	$ 81.3	$ 81.3
Inventory	$ 65.1	$ 61.9
Accounts Receivable	$ 184.4	$ 162.6
Accounts Payable	$ 131.9	$ 96.4
DSO	45 days	43 days
Inventory Turns	21x	20x

Note: DSO and inventory turns calculated on a gross sales and cost of goods sold basis

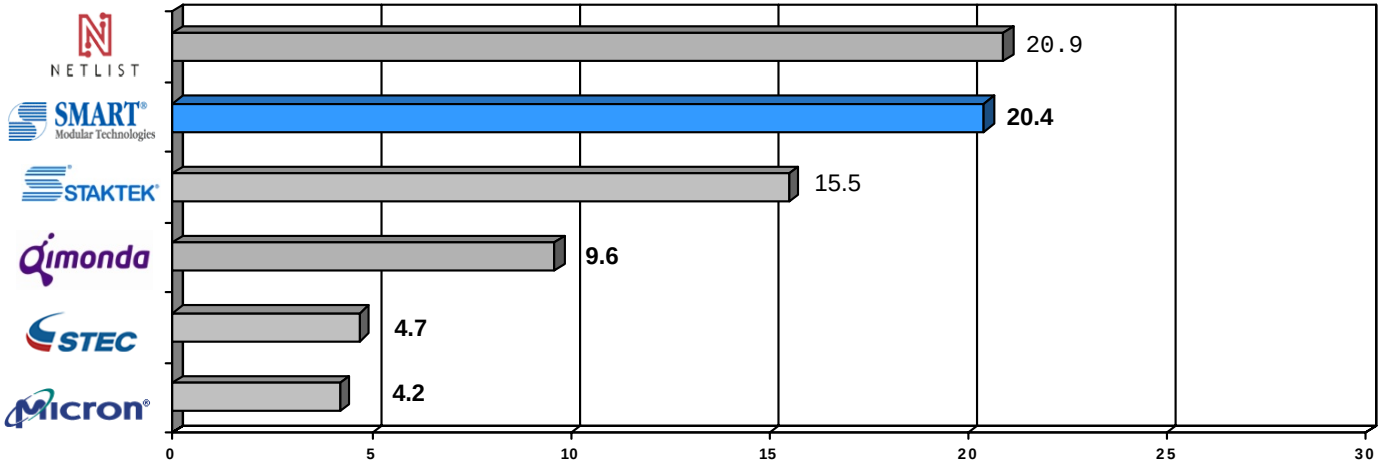
Note: Fiscal Year ends last Friday in August

Industry Leading Balance Sheet Metrics

DSOs



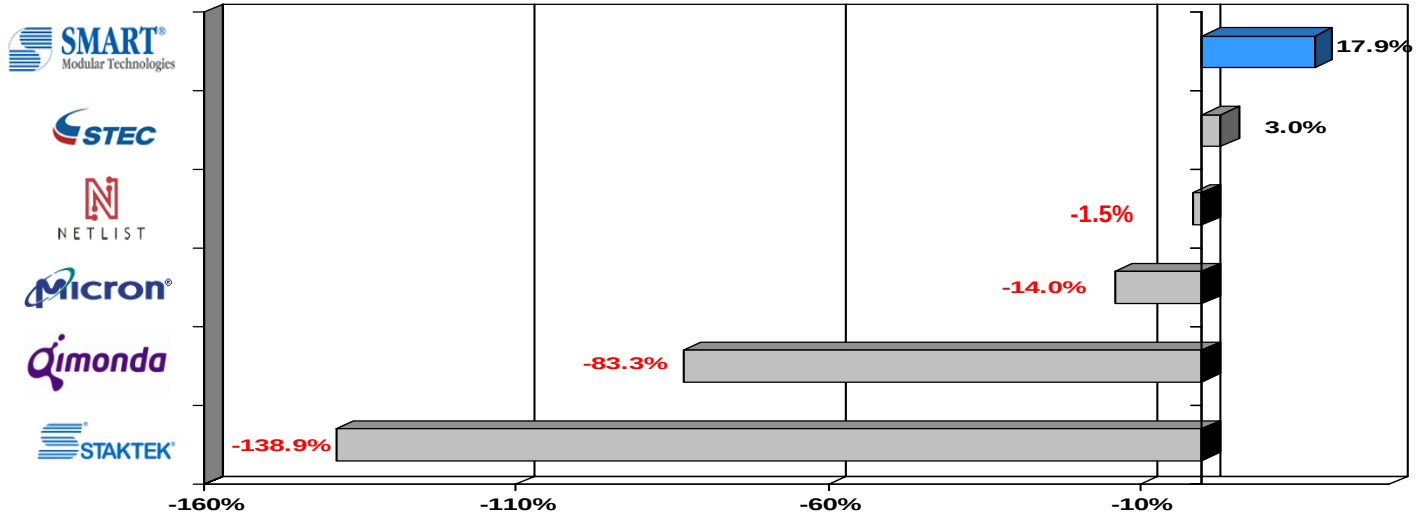
Inventory Turns



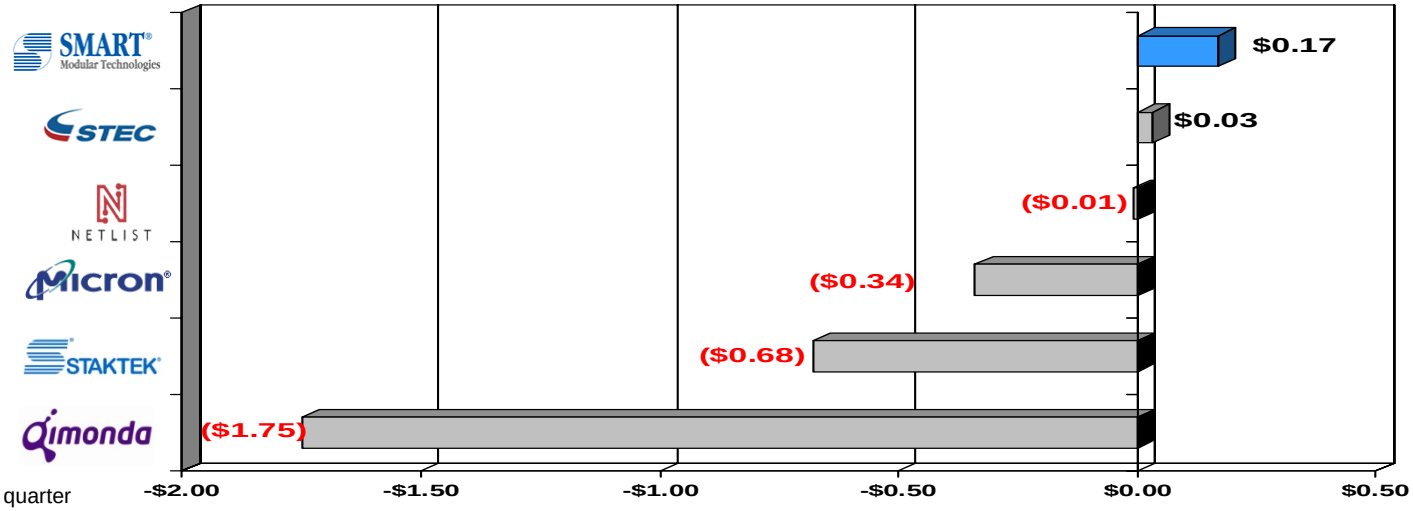
Note: Based on latest reported quarter

Superior ROE and EPS Performance

ROE

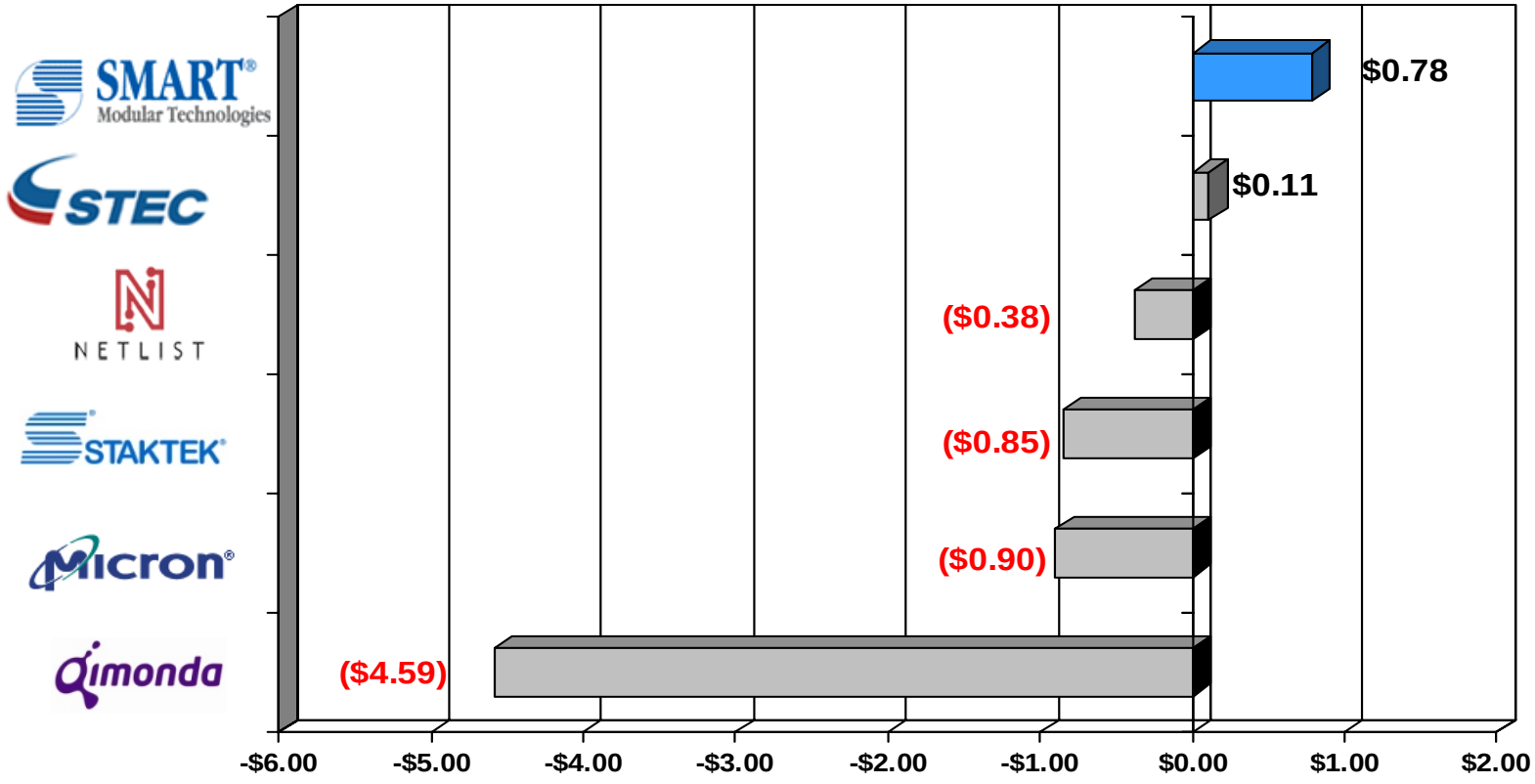


EPS



Note: Based on latest reported quarter

Trailing Twelve Months EPS



Note: Based on latest reported TTM EPS (GAAP)

Summary

- MARKET LEADER in memory modules and electronic subsystems
- Strong financial track record and PROFITABLE GROWTH
- Targeting LARGE and GROWING markets: Memory Modules, Industrial Flash, Embedded Computing, and Display
- Application engineered solutions; BROAD product portfolio
- WELL-ESTABLISHED relationships with leading OEMs (19+ years)
- GLOBAL, cost-effective operations
- DIVERSIFICATION Strategy Gaining Traction

SMART Modular Technologies
Nasdaq: SMOD

Providing Subsystems Critical to Electronic Devices