

2Q16 Quarterly Earnings

July 28, 2016

2Q16 Earnings and Financial Status

futureconfident

(Unit : KRW bn)

| Category | 2Q16 | 1Q16 | QoQ |
|--|------------------|--------------------|------------------|
| Revenue | 1,317.2 | 1,290.7 | +2.1% |
| LIB | 874.4 | 862.9 | +1.3% |
| Electronic Materials | 441.6 | 426.4 | +3.6% |
| Operating Profit (%) | -54.2 (-4.1%) | -703.8 (-54.5%) | Loss Reduced |
| Pre-Tax Profit (%) | -46.2 (-3.5%) | -869.2 (-67.3%) | Loss Reduced |
| Profit from[※] Discontinued Operations | 995.9 | 86.8 | +1,047.4% |
| Net Profit (%) | 955.8 (72.6%) | -717.2 (-55.6%) | Turned Profit |

| Category | Jun. 30, '16 | Mar. 31, '16 | QoQ |
|---|--------------|--------------|----------|
| Assets | 15,857.0 | 15,256.8 | +600.2 |
| Current | 5,375.2 | 5,075.5 | +299.7 |
| Non-Current | 10,481.8 | 10,181.3 | +300.5 |
| Liabilities | 4,655.6 | 5,028.7 | -373.1 |
| Current | 2,809.2 | 3,357.4 | -548.2 |
| Non-Current | 1,846.4 | 1,671.3 | +175.1 |
| Shareholders' Equity | 11,201.4 | 10,228.1 | +973.3 |
| Paid-in Capital | 356.7 | 356.7 | - |
| Cash & cash equiv.[※] | 3,459.0 | 2,051.5 | +1,407.5 |
| Debt | 1,354.4 | 1,624.6 | -270.2 |

※ Disposal of stake in Lotte Advanced Materials Co., Ltd. (SDI Chemical)

※ Include short-term financial products

2Q16 Earnings and Forecast

LIB

[Small-sized LIB]

□ 2Q revenue and profitability improved driven by Cylindrical & Polymer

- Solid cylindrical revenue from P/Tool demand
- Polymer sales on flagship S/Phone increased

□ 2H16 demand 2.9bn cell (+10% YoY), Non-IT cylindrical to lead growth

- Strong cylindrical demand in EV & P/Tool, firm polymer demand in Chinese S/Phones
- Profits to improve further driven by non-IT cylindrical & polymer in flagship S/Phone

[Large-sized LIB]

□ 2Q revenue up on better Europe · ESS sales

- xEV sales in China impact by subsidy where in Europe remain strong
- Secured long-term growth platform as 1H16 fresh back-log orders beat internal target
- Firm ESS revenue growth in Residential/Utility

□ 2H16 xEV demand 13GWh (+64% YoY), ESS demand 1.8GWh (+69% YoY)

- xEV demand driven by PHEV/EV, ESS on utility
- xEV revenue in Europe to expand
- ESS revenue in Utility continue to grow

2Q16 Earnings and Forecast

Electronic Materials

[Electronic materials]

□ 2Q revenue growth led by PV Paste · Polarizer

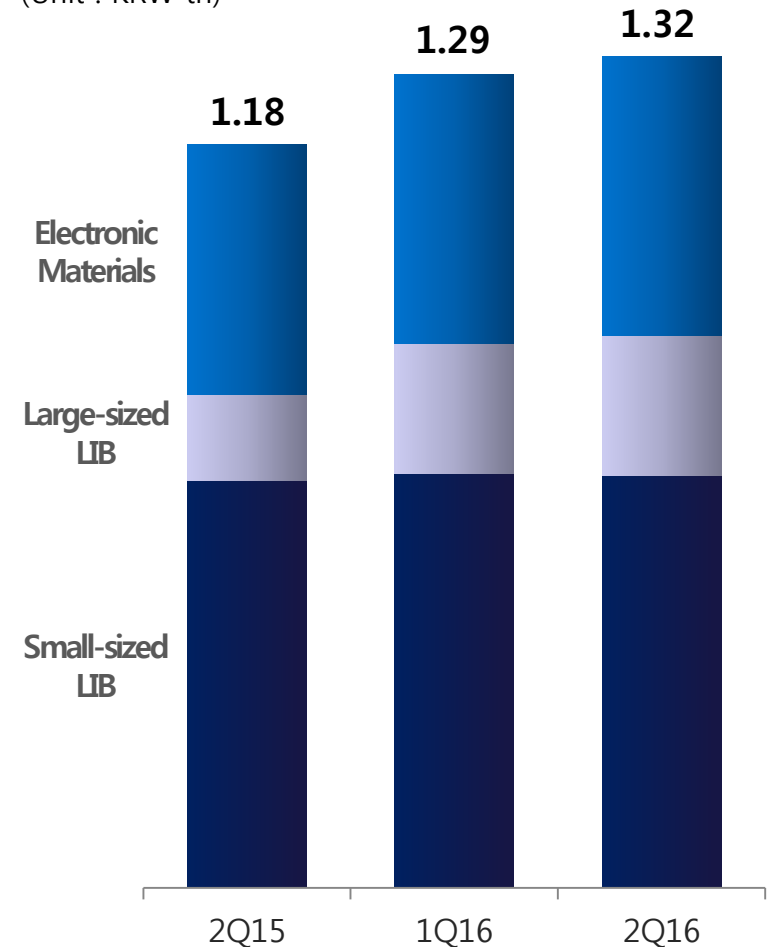
- PV Paste M/S increased in China from favorable market condition
- Polarizer film revenue continue to grow in non-affiliates

□ 2H16 V-NAND demand to expand, China display market growth continues

- Anticipate V-NAND to expand & DRAM to recover, Display improve on large panels & Chinese OEMs
- Sales of New V-NAND material & polarize film in China as seek to enter new OLED platform

[Revenue]

(Unit : KRW tn)



Appendix

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Sustainability Indices**

SAMSUNG SDI



In Collaboration with RobecoSAM

Income Statement

(Unit : KRW bn)

| Category | 2Q15 | 3Q15 | 4Q15 | FY15 | 1Q16 | 2Q16 |
|-----------------------------------|----------|---------|----------|---------|----------|---------|
| Revenue | 1,176.6 | 1,320.8 | 1,257.9 | 4,954.8 | 1,290.7 | 1,317.2 |
| COGS | 977.8 | 1,093.5 | 1,080.4 | 4,114.7 | 1,146.9 | 1,084.9 |
| Gross Profit | 198.8 | 227.3 | 177.5 | 840.1 | 143.8 | 232.3 |
| (%) | (16.9%) | (17.2%) | (14.1%) | (17.0%) | (11.1%) | (17.6%) |
| Operating Profit | -58.8 | -47.9 | -127.4 | -267.5 | -703.8 | -54.2 |
| (%) | (-5.0%) | (-3.6%) | (-10.1%) | (-5.4%) | (-54.5%) | (-4.1%) |
| Non-operating Profit | -401.1 | 659.2 | -236.8 | 97.4 | -165.4 | 8.0 |
| Pre-tax Profit | -459.9 | 611.3 | -364.2 | -170.1 | -869.2 | -46.2 |
| (%) | (-39.1%) | (46.3%) | (-29.0%) | (-3.4%) | (-67.3%) | (-3.5%) |
| Tax | -104.4 | 156.4 | -95.9 | -39.2 | -65.1 | -6.1 |
| Discontinued Operations ※ | 45.5 | 47.5 | 36.9 | 156.5 | 86.8 | 995.9 |
| Net Profit | -310.0 | 502.5 | -231.4 | 25.7 | -717.2 | 955.8 |
| (%) | (-26.3%) | (38.0%) | (-18.4%) | (0.5%) | (-55.6%) | (72.6%) |
| NP less Minority Interests | -303.4 | 499.2 | -201.5 | 53.8 | -715.1 | 961.1 |
| (%) | (-25.8%) | (37.8%) | (-16.0%) | (1.1%) | (-55.5%) | (73.0%) |
| Depreciation | 131.6 | 138.5 | 139.3 | 538.1 | 126.7 | 105.9 |
| CAPEX | 165.4 | 132.3 | 149.7 | 608.7 | 130.3 | 175.2 |

※ Disposal of stake in Lotte Advanced Materials Co., Ltd. (SDI Chemical)

Balance Sheet

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(Unit : KRW bn)

| Category | Jun. 30, '15 | Sep. 30, '15 | Dec. 31, '15 | Mar. 31, '16 | Jun. 30, '16 |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Total Assets | 16,040.7 | 16,522.9 | 16,225.3 | 15,256.8 | 15,857.0 |
| Current Assets | 3,460.0 | 4,014.6 | 4,773.9 | 5,075.5 | 5,375.2 |
| Quick Assets | 2,718.6 | 3,262.9 | 3,165.5 | 3,276.0 | 4,665.3 |
| Inventory & Others | 741.4 | 751.7 | 1,608.4 | 1,799.5 | 709.9 |
| Non-current Assets | 12,580.7 | 12,508.3 | 11,451.4 | 10,181.3 | 10,481.8 |
| Investment Assets | 7,612.4 | 7,447.9 | 6,609.1 | 6,735.9 | 6,915.1 |
| Tangible Assets | 3,400.2 | 3,488.5 | 3,229.0 | 2,159.2 | 2,352.3 |
| Intangible Assets | 1,303.6 | 1,310.4 | 1,277.6 | 964.9 | 950.3 |
| Other Assets | 264.5 | 261.5 | 335.7 | 321.3 | 264.1 |
| Liabilities | 4,457.6 | 4,906.5 | 4,972.1 | 5,028.7 | 4,655.6 |
| Current Liabilities | 2,773.4 | 3,049.5 | 3,201.3 | 3,357.4 | 2,809.2 |
| Non-current Liabilities | 1,684.2 | 1,857.0 | 1,770.8 | 1,671.3 | 1,846.4 |
| Shareholders' Equity | 11,583.1 | 11,616.4 | 11,253.2 | 10,228.1 | 11,201.4 |
| Paid-in Capital | 356.7 | 356.7 | 356.7 | 356.7 | 356.7 |