

4Q16 Quarterly Earnings

January 24, 2017

4Q16 Earnings and Financial Status

futureconfident

(Unit : KRW bn)

Category	4Q16	3Q16	QoQ	FY16	FY15	YoY
Revenue	1,302.9	1,290.0	+1.0%	5,200.8	4,954.9	+5.0%
LIB	836.8	850.1	-1.6%	3,423.9	3,310.4	+3.4%
Electronic Materials	464.7	438.6	+6.0%	1,770.6	1,642.1	+7.8%
Operating Profit (%)	-58.0 (-4.5%)	-110.4 (-8.6%)	Loss Continues	-926.3 (-17.8%)	-267.5 (-5.4%)	Loss Continues
Pre-Tax Profit (%)	99.6 (7.6%)	-4.9 (-0.4%)	Turned Black	-820.7 (-15.8%)	-170.1 (-3.4%)	Loss Continues
Profit from Discontinued Operations ※	-	-	-	1,089.6	156.6	+596%
Net Profit (%)	7.7 (0.6%)	-35.2 (-2.7%)	Turned Black	211.1 (4.1%)	25.7 (0.5%)	+721%

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

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Category	Dec.31, '16	Sep.30, '16	QoQ	Dec.31, '15	YoY
Assets	14,900.3	15,243.8	-343.5	16,225.3	-1,325.0
Current	3,958.3	4,589.1	-630.8	4,773.9	-815.6
Non-Current	10,942.0	10,654.7	+287.3	11,451.4	-509.4
Liabilities	3,936.2	4,126.8	-190.6	4,972.1	-1,035.9
Current	2,212.8	2,308.3	-95.5	3,201.3	-988.5
Non-Current	1,723.4	1,818.5	-95.1	1,770.8	-47.4
Shareholders' Equity	10,964.1	11,117.0	-152.9	11,253.2	-289.1
Paid-in Capital	356.7	356.7	-	356.7	-
Cash & cash equiv.[※]	1,887.6	2,493.5	-605.9	1,831.8	+55.8
Debt	950.5	1,054.2	-103.7	1,749.7	-799.2

※ Include short-term financial products

Large-sized LIB

[4Q16 Results]

□ ESS revenue driven by U.S. Utility sales

- Turned black from strong sales in Utility
- xEV added a new European customer

[1Q17 Outlook]

□ Seasonality to cause soft revenue growth

- xEV revenue and sales to jump as shipment for a key customer's new model begins
- ESS revenue to slide in QoQ due to base effect

[FY17 Market Outlook and Strategy]

□ xEV market size 46.5GWh (+24% YoY) ※ B3

- Sharp EV/LVS growth on fuel efficiency & CO₂ rule
 - Target to win mega size back-log orders
 - Overcome China risk, increase Europe revenue

□ ESS market size 4.3GWh (+50% YoY) ※ Navigant

- Utility and Commercial to lead market growth
 - Increase revenue and profitability in Utility and Commercial segment

Small-sized LIB

[4Q16 Results]

□ Revenue down on seasonality and inventory

- Cylindrical down from P/Tool's seasonality but YoY upturn trend continues
- Polymer began shipment to key customer's new flagship model but impacted by inventory

[1Q17 Outlook]

□ Revenue to rebound as business normalize

- Cylindrical to see strong P/Tool sales in China/U.S.
- Polymer to benefit from new flagship S/Phone sale

[FY17 Market Outlook and Strategy]

□ LIB market size of 5.8 bn cells (+8% YoY) ※ B3

- Cylindrical lead LIB market growth as non-IT demand increases (+13% YoY)
 - Technology leadership & seek new apps
- Polymer continue to rise driven by prismatic replacement demand despite slow IT set market growth (+10% YoY)
 - Recover customers' trust & raise flagship M/S
 - Revenue growth & cost cut to turnaround

Electronic Materials

[4Q16 Results]

Revenue increase on better Display sales

- Ramp up a polarizer film line in Wuxi, China
- OLED materials sales continue growth trend

[1Q17 Outlook]

Increasing Display/Semi materials revenue

- Secure new TV and OLED polarizer customers
- Solid semi cycle to drive materials demand

[FY17 Market Outlook and Strategy]

Expect Display, Semi demand to climb

- Higher demand in Mobile OLED/large TVs
 - Improve profitability on new OLED products development & superior global polarizer manufacturing competitiveness
- Strong demand in low-power/high-density/high-performance semiconductor
 - Increase competitiveness with new product development based on technological trend
- PV Paste : High-efficient cell demand to jump
 - Increase high-efficient product line ups

Appendix

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Sustainability Indices**

SAMSUNG SDI



In Collaboration with RobecoSAM

Income Statement

(Unit : KRW bn)

Category	4Q15	FY15	1Q16	2Q16	3Q16	4Q16	FY16
Revenue	1,257.9	4,954.9	1,290.7	1,317.2	1,290.0	1,302.9	5,200.8
COGS	1,080.4	4,114.8	1,146.9	1,084.9	1,109.5	1,108.9	4,450.3
Gross Profit	177.5	840.1	143.8	232.3	180.5	194.0	750.5
(%)	(14.1%)	(17.0%)	(11.1%)	(17.6%)	(14.0%)	(14.9%)	(14.4%)
Operating Profit	-127.4	-267.5	-703.8	-54.2	-110.4	-58.0	-926.3
(%)	(-10.1%)	(-5.4%)	(-54.5%)	(-4.1%)	(-8.6%)	(-4.5%)	(-17.8%)
Non-operating Profit	-236.8	97.4	-165.4	8.0	105.5	157.6	105.6
Pre-tax Profit	-364.2	-170.1	-869.2	-46.2	-4.9	99.6	-820.7
(%)	(-29.0%)	(-3.4%)	(-67.3%)	(-3.5%)	(-0.4%)	(7.6%)	(-15.8%)
Tax	-95.9	-39.2	-65.1	0.8	30.3	91.9	57.8
Discontinued Operations ※	36.9	156.6	86.8	1,002.8	0.0	0.0	1,089.6
Net Profit	-231.4	25.7	-717.2	955.8	-35.2	7.7	211.1
(%)	(-18.4%)	(0.5%)	(-55.6%)	(72.6%)	(-2.7%)	(0.6%)	(4.1%)
NP less Minority	-201.5	53.8	-715.1	961.1	-34.1	7.5	219.4
Interests (%)	(-16.0%)	(1.1%)	(-55.5%)	(73.0%)	(-2.6%)	(0.6%)	(4.2%)
Depreciation	139.3	538.0	133.8	105.9	104.5	110.8	455.0
CAPEX	149.7	608.7	129.5	181.2	188.2	277.0	775.9

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

Balance Sheet

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(Unit : KRW bn)

Category	Dec. 31, '15	Mar. 31, '16	Jun. 30, '16	Sep. 30, '16	Dec. 31, '16
Total Assets	16,225.3	15,256.8	15,886.7	15,243.8	14,900.3
Current Assets	4,773.9	5,075.5	5,375.3	4,589.1	3,958.3
Quick Assets	3,165.5	3,276.0	4,665.4	3,833.6	3,149.8
Inventory & Others	1,608.4	1,799.5	709.9	755.5	808.5
Non-current Assets	11,451.4	10,181.3	10,511.4	10,654.7	10,942.0
Investment Assets	6,609.1	6,735.9	6,915.1	7,111.0	7,215.3
Tangible Assets	3,229.0	2,159.2	2,352.3	2,309.7	2,503.8
Intangible Assets	1,277.6	964.9	950.3	954.7	941.7
Other Assets	335.7	321.3	293.7	279.3	281.2
Liabilities	4,972.1	5,028.7	4,685.3	4,126.8	3,936.2
Current Liabilities	3,201.3	3,357.4	2,809.2	2,308.3	2,212.8
Non-current Liabilities	1,770.8	1,671.3	1,876.1	1,818.5	1,723.4
Shareholders' Equity	11,253.2	10,228.1	11,201.4	11,117.0	10,964.1
Paid-in Capital	356.7	356.7	356.7	356.7	356.7