

Q2 '11 Earnings Release

July 28, 2011

SAMSUNG

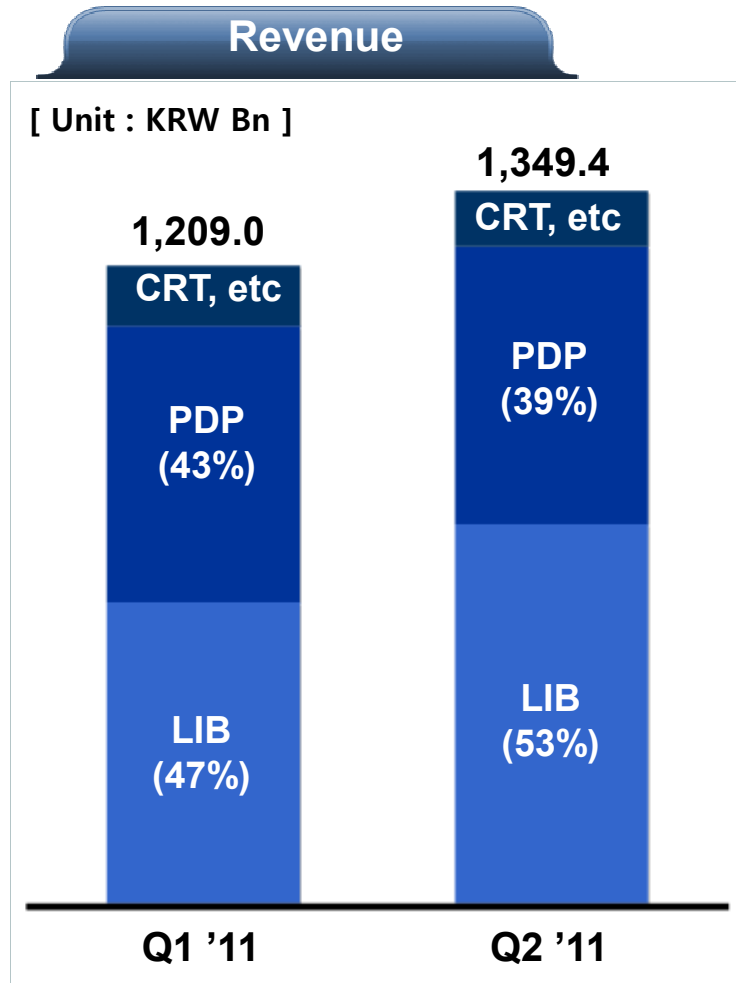
SAMSUNG SDI

Results are preliminary and unaudited. Therefore, the figures in this material are subject to change during the independent auditing process.

Please note that statements that describe the company's business strategy, outlook, plans or objectives are also forward-looking statements. All such forward-looking assumptions and statements involve known and unknown risks, and uncertainties that could cause actual results to be materially different than those expressed in this material.

Q2'11 Results

Q2 '11 Results – IFRS



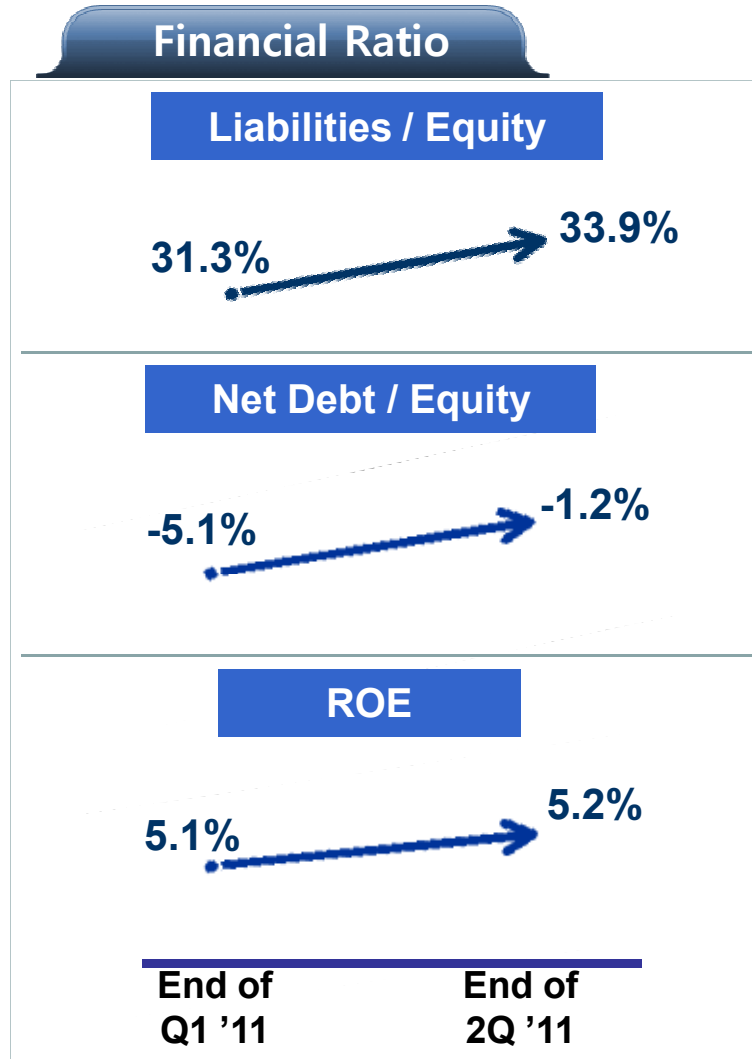
[Unit : KRW Bn]

	Q2 '10	Q1 '11	Q2 '11	YoY	QoQ
Revenue	1,326.6	1,209.0	<u>1,349.4</u>	+22.8	+140.4
Operating Profit (%)	83.6 (6.3%)	60.3 (5.0%)	<u>89.2</u> (6.6%)	+5.6	+28.9
Pre-Tax Profit (%)	98.8 (7.4%)	111.7 (9.2%)	<u>130.5</u> (9.7%)	+31.7	+18.8
Net Profit (%)	68.4 (5.2%)	78.7 (6.5%)	<u>86.5</u> (6.4%)	+18.1	+7.8

※ Net Profit excluding minority interests

Q2 '11 Financial Status – IFRS

[Unit : KRW Bn]



	End of Q1 '11	End of Q2'11	QoQ
Assets	8,127.2	<u>8,529.8</u>	+402.6
Liabilities	1,939.0	<u>2,160.1</u>	+221.1
Equity	6,188.2	<u>6,369.7</u>	+181.5
※ Cash Equiv.	739.9	<u>709.5</u>	-30.4
Debt	422.4	<u>634.4</u>	+212.0

※ Cash Equiv. Includes Short-term Financial Instruments

Q2 '11 Key Summary

Smart Solution for a Green World

- SDI New Vision -

Smart Energy

» IT LIB

- Production Capacity Expansion in Response to High Demand of Smartphone & Tablet PC
- Acquiring New Customers & Sales Growth for New Applications



» xEV

- More Projects in Various Regions
- Improving Productivity of Mass Production Line (Preparing for Next Capacity Expansion)



- » ESS : Participating in Demo-biz PJTs in Domestic & Oversea and Improving Product/Cost Structure



Green Device

- » PDP : M/S No.1 Focusing on Differentiated Products



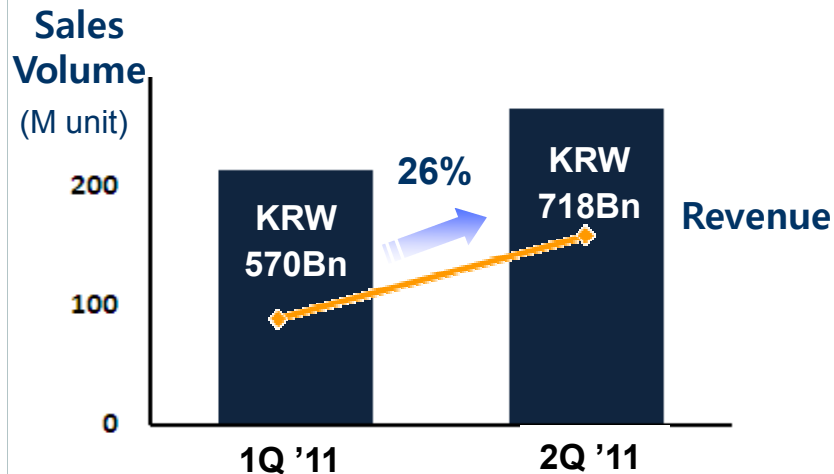
- » PV : Expansion of Biz. Portfolio into Energy Generation



Q2 '11 Results & 2H Market Outlook

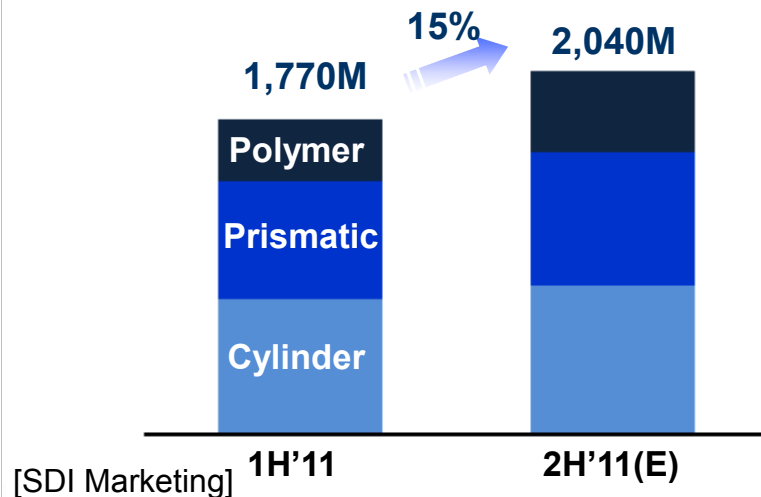
LIB : Q2 '11 Results & 2H Market Outlook

Q2 Result



- » Q2 Revenue: 718Bn (YoY 26%↑, QoQ 26%↑)
 - Sequential Growth Despite Low Seasonality & Slow Demand of N/PC
 - Short-term Benefit from Japan Earthquake & Penetration in New Customers
- » Sales Growth of High Value-Added Products (Tablet PC, Smartphone, P/Tools)
- » Production Capa. Expansion in response to Demand

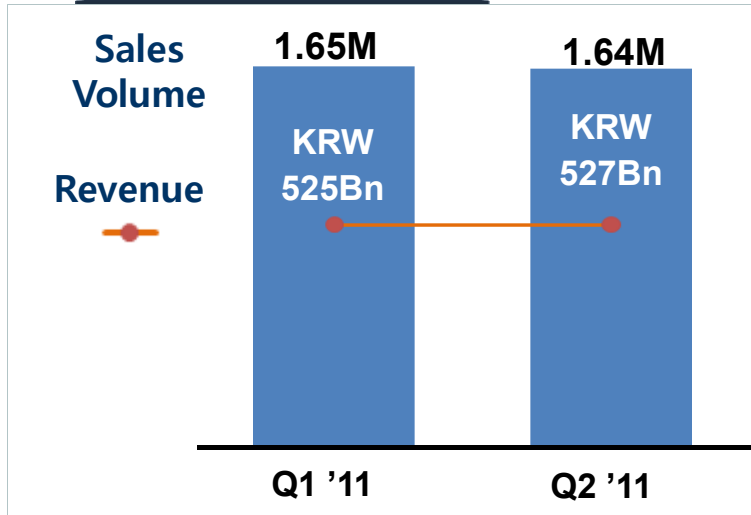
2H LIB Market



- » 2H LIB Demand : 2,040M (HoH 15%↑)
 - Cylinder : Slowdown in EU Economy & Cannibalization of Netbook by Tablet PC
 - Prismatic : Rising Smartphone Demand with 4G Technology & New Contents
 - Polymer : Launch of New Tablet PCs and Sequential Growth in Slim N/PC
- » Oversupply Rate ↓ due to Seasonality

PDP Q2 '11 Results & 2H Market Outlook

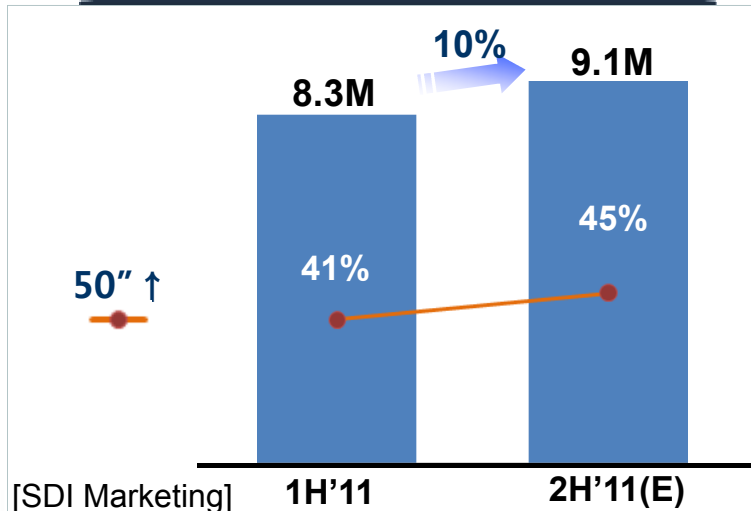
2Q Result



- » Q2'11 Sales Volume : 1.64M (YoY 2%↑, QoQ 1%↓)
 - Revenue Growth by 59"↑ & 3D PDP Sales Increase
- » Strong Emerging Market Incl. China & AP (QoQ 11%↑)
 - China 13% ↑, AP 45% ↑
 - Slowdown in US/EU Market QoQ 13%↓

* AP : Asia Pacific excluding JP

2H PDP Module Market

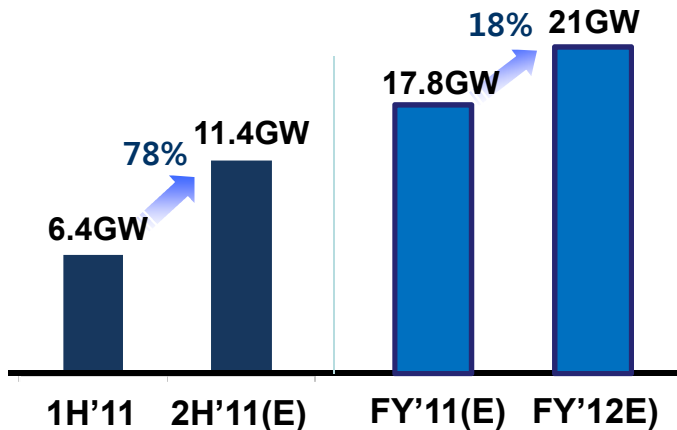


- » 2H FPTV Demand : 122M (HoH 25%↑)
 - US 45% ↑, China 46% ↑
- » 2H PDP Module Demand : 9.1M (HoH 10%↑)
 - Slowdown in Developed Market
 - Pricing Pressure from High LCD Inventory
- » Aggressive Promotion & Sales Expansion in China

[SDI Marketing]

PV Market Outlook

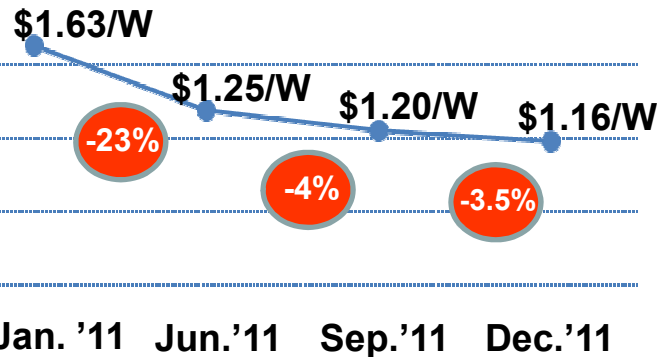
Demand (Installation)



[Government DB, Collins Stewart, Macquarie ('11..Jun.~Jul.)]

- » Demand Decline in 1H'11 (YoY 15% ↓)
 - Oversupply Situation & Uncertainty of FIT Policies in Germany & Italy
- » Recovery in 2H'11 due to Module Price Drop & Settled FIT
 - Demand increase ahead of FIT Cutback from Germany (9~18% ↓ in Early of '12) & Italy (21% ↓ in 1H'12)
 - U.S & Japan : Expanding Solar Energy under Gov.
 - Expecting Distributors' Inventory Adjustments (8GW)

Module Price Outlook



[Source : PV Insights, Goldman Sachs, Macquarie, Samsung Analysis]

- » Price Drop by 23% in 1H '11 due to Slow Demand
 - \$1.63/W(Jan.'11) → \$1.25/W(Jun.'11)
- » Continuous Pricing Pressure in 2H '11
- » Stimulating Grid Parity by Rapid Price Drop
 - Reaching Grid Parity in Italy / U.S. CA ('12 ~ '13 (E))

※ Reference : Income Statement - IFRS

[Unit : KRW Bn]

	Q2'10	Q3'10	Q4'10	FY'10	Q1'11	Q2'11
Revenue	1,326.6	1,347.8	1,245.0	5,124.3	1,209.0	1,349.4
COGS	1,118.5	1,104.7	1,084.2	4,334.0	1,079.1	1,141.7
Gross Profit (%)	208.1 (15.7%)	243.1 (18.0%)	160.8 (12.9%)	790.3 (15.4%)	129.9 (10.7%)	207.7 (15.4%)
Operating Profit (%)	83.6 (6.3%)	123.8 (9.2%)	14.7 (1.2%)	286.8 (5.6%)	60.3 (5.0%)	89.2 (6.6%)
Non-Operating Income	15.2	58.7	62.7	135.8	51.4	41.3
Pre-Tax Profit (%)	98.8 (7.4%)	182.5 (13.5%)	77.4 (6.2%)	422.6 (8.2%)	111.7 (9.2%)	130.5 (9.7%)
Tax Expenses	20.6	15.0	-6.0	37.5	28.2	35.7
Minority Interests	9.8	7.8	2.1	29.0	4.8	8.3
Net Income (%)	68.4 (5.2%)	159.7 (11.8%)	81.3 (6.5%)	356.1 (6.9%)	78.7 (6.5%)	86.5 (6.4%)
Depreciation & Amortization	89.7	91.6	91.0	363.3	94.3	103.6
Cash-in EBITDA (%)	185.6 (14.0%)	269.5 (20.0%)	164.1 (13.2%)	772.0 (15.1%)	203.2 (16.8%)	233.7 (17.3%)
Cash-out CAPEX	50.0	82.7	141.0	314.6	144.4	99.1

※ EBITDA = Net Income + Depreciation & Amortization + Minority Interests + Tax Expenses (Net) + Interests Expenses (Net)

※ Reference : Balance Sheet - IFRS

[Unit : KRW Bn]

	End of Q2 '10	End of Q3 '10	End of '10	End of Q1 '11	End of Q2'11
Assets	7,355.7	7,592.9	7,933.6	8,127.2	8,529.8
Current Assets	2,797.2	2,683.8	2,451.5	2,176.8	2,350.3
Quick Assets	2,344.1	2,196.2	1,967.4	1,692.5	1,776.1
Inventories	453.1	487.6	484.1	484.3	574.2
Non-Current Assets	4,558.5	4,909.1	5,482.1	5,950.4	6,179.5
Investment Assets	2,609.0	2,966.5	3,456.6	3,876.7	4,126.5
Property & Equipment	1,652.9	1,644.7	1,727.0	1,782.1	1,760.4
Intangible Assets	81.3	78.8	78.9	80.1	85.8
Others	215.3	219.1	219.6	211.5	206.8
Liabilities	1,906.8	1,761.2	1,702.7	1,939.0	2,160.1
Current Liabilities	1,375.4	1,178.4	1,098.4	1,317.5	1,510.1
Non-Current Liabilities	531.4	582.8	604.3	621.5	650.0
Shareholder's Equity	5,448.9	5,831.7	6,230.9	6,188.2	6,369.7
Capital Stock	240.7	240.7	240.7	240.7	240.7