

# Q2 '12 Earnings Release

July 27, 2012



**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 '12 Results

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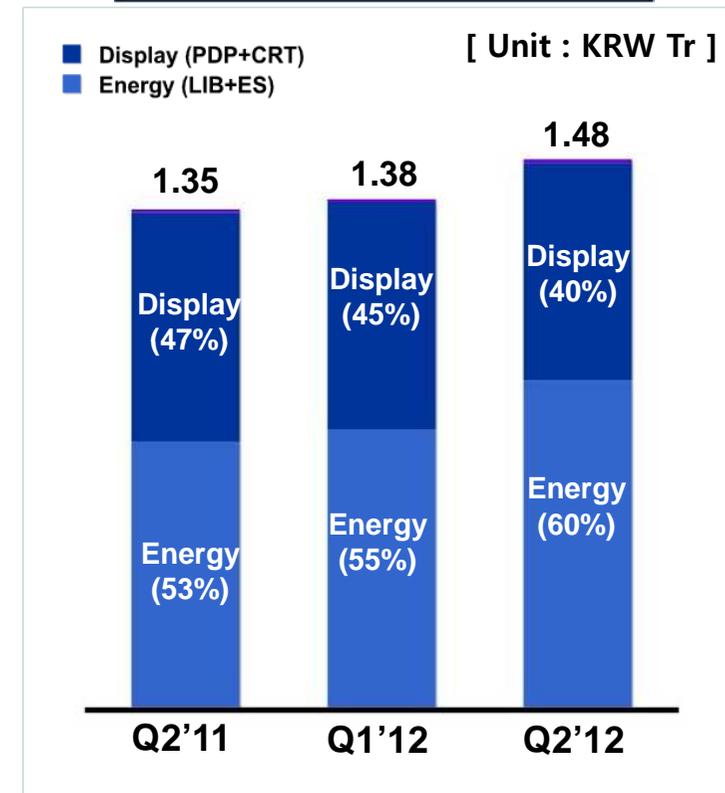
[ Unit : KRW Bn ]

	Q2'11	Q1 '12	Q2 '12	YoY	QoQ
Revenue	1,349.4	1,376.7	<u>1,477.4</u>	+128.0	+100.7
Operating Profit (%)	89.2 (6.6%)	67.0 (4.9%)	<u>84.0</u> <u>(5.7%)</u>	-5.2	+17.0
Pre-tax Profit (%)	130.5 (9.7%)	165.2 (12.0%)	<u>166.3</u> <u>(11.3%)</u>	+35.8	+1.1
Net Profit (%)	86.5 (6.4%)	112.0 (8.1%)	<u>105.3</u> <u>(7.1%)</u>	+18.8	-6.7

※ Net Profit Excluding Minority Interests

## Revenue

[ Unit : KRW Tr ]



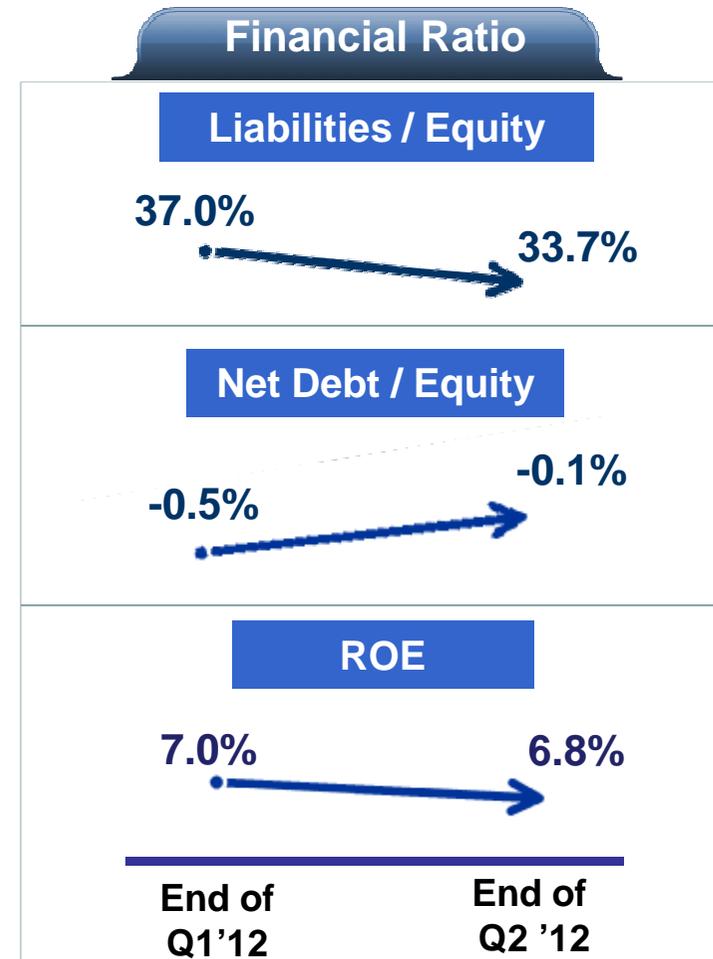
※ ES : Energy Solution (ESS + PV)

# Q1 '12 Financial Status

[ Unit : KRW Bn ]

	End of Q1 '12	End of Q2 '12	QoQ
Assets	8,896.5	<u>8,589.6</u>	-306.9
Liabilities	2,401.0	<u>2,167.2</u>	-233.8
Equity	6,495.5	<u>6,422.4</u>	-73.1
Cash Equiv.	859.3	<u>699.2</u>	-160.1
Debt	829.5	<u>695.2</u>	-134.3

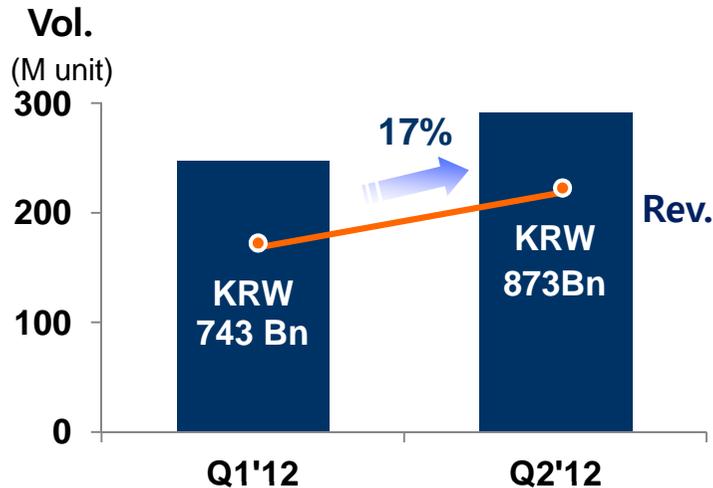
※ Cash Equiv. Includes Short-term Financial Instruments



# Q2'12 Results & 2H Market Outlook

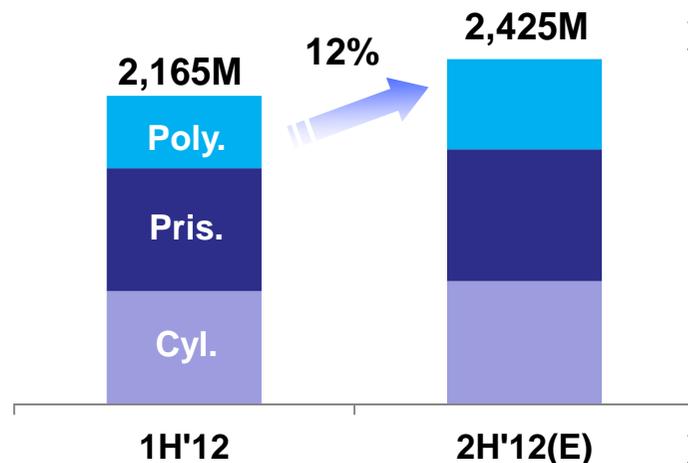
# LIB : Q2 '12 Result & 2H Market Outlook

## Q2 '12 Result



- » Q2'12 Revenue : KRW 873Bn (QoQ 8%↑)
  - Unceasing Growth in Sales & M/S
- » Increase in High Capacity Pris./Poly. LIB Sales due to New Smartphones & Tablets from Major Set Makers
- » Increase in Cyl. LIB Sales towards New Applications (P/T, E-Bike, etc.)
- » Expansion for New Customers, Proactively Responding to Changes in Market Trend

## 2H'12 LIB Market

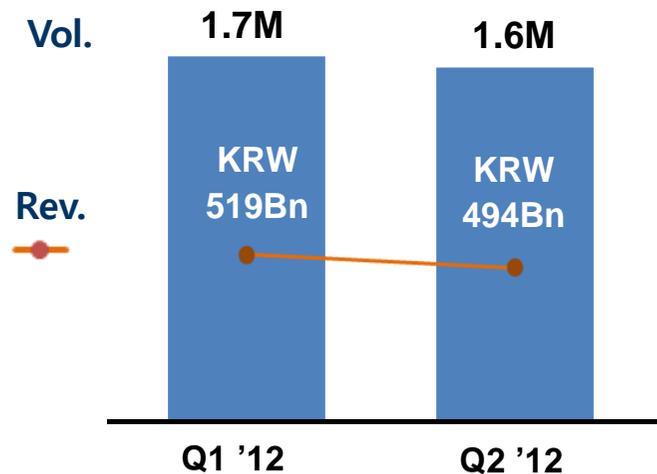


- » 2H'12 LIB Demand : 2.4Bn (HoH 12%↑)
  - Cyl. : Slow Demand of NPC due to Economic Slowdown vs. Applying More LIB in P/T & E-Bike
  - Pris. : Increase of Smartphone Portion & Adopting Pris. LIB in Slim NPC
  - Poly. : More New Tablet Models & Increase in Slim NPC using Poly. LIB
- » Top Supplier Positioning with Market Needs

[SDI Marketing]

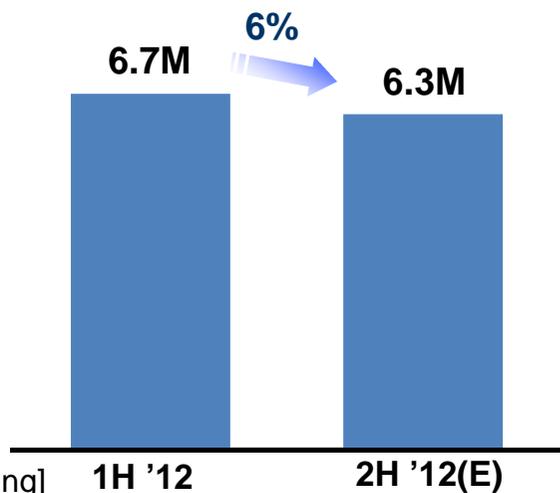
# PDP : Q2 '12 Results & 2H Market Outlook

## Q2 '12 Result



- » Q2 '12 Volume : 1.6M (YoY Flat, QoQ 2%↓)
- Sales Growth of 43"EV (Economical Model) for Emerging Markets
- » SDI's M/S Maintained, Despite Shrinking Markets (US/EU)

## 2H'12 PDP Module Market



- » 2H '12 FPTV Demand : 133M (HoH 39%↑)
- Strong Demand in Emerging Markets (HoH, Latin America 47%↑, East Europe 33%↑)
- » 2H '12 PDP Module Demand : 6.3M (HoH 6%↓)
- PDP Market Contraction due to High Demand on Low-priced D-LED
- » M/S Gap Expansion under Co-operation with SEC

[SDI Marketing]

# Summary

## Proactive and Selective Strategies against Eurozone Crisis Risks

### Core Business

#### » Strengthening Competitiveness for Widening M/S Gap vs. Competitors

##### - IT LIB

- Capa. Expansion for High Capacity LIB for Smartphones
- Global Localization of Production Base
- Strengthening Proactive Marketing, New Monthly Sales Record (100M cells)
- **PDP** : Solid Sales led by Optimized Co-operation with SEC



### New Business

#### » Securing Differentiated Technologies and Manufacturing Competitiveness

##### - xEV : Order Receiving Activities Targeting Major OEMs

Preparation for Capa. Expansion and R&D on Next-generation LIB with High Energy Density

##### - **ES<sup>(\*)</sup>** : Maximizing Synergy btw ESS+PV through Establishment of ES division Entry into UPS Market with Shinhan Bank PJT.

Signed MOU with KACO(Germany) for Residential & Industrial ESS  
Driving Standardization by Gathering Proven Data from MWh-level ESS in-house



\*\* ES : Energy Solution (ESS+PV)

# References

## ※ Reference : Income Statement

[ Unit : KRW Bn ]

	Q2 '11	Q3 '11	Q4 '11	FY '11	Q1 '12	Q2 '12
Revenue	1,349.4	1,447.7	1,437.8	5,443.9	1,376.7	1,477.4
COGS	1,141.6	1,276.0	1,263.9	4,760.6	1,195.1	1,221.3
Gross Profit (%)	207.7 (15.4%)	171.8 (11.9%)	173.9 (12.1%)	683.3 (12.6%)	181.6 (13.2%)	256.1 (17.3%)
Operating Profit (%)	89.3 (6.6%)	43.0 (3.0%)	11.1 (0.8%)	203.7 (3.7%)	67.0 (4.9%)	84.0 (5.7%)
Non-Operating Income	41.2	92.9	88.9	274.4	98.2	82.3
Pre-Tax Profit (%)	130.5 (9.7%)	135.9 (9.4%)	100.0 (7.0%)	478.1 (8.8%)	165.2 (12.0%)	166.3 (11.3%)
Tax Expenses	35.7	24.3	38.8	127.0	46.4	50.2
Minority Interests	8.3	11.6	6.3	31.0	6.8	10.8
Net Profit (%)	86.5 (6.4%)	100.0 (6.9%)	54.9 (3.8%)	320.1 (5.9%)	112.0 (8.1%)	105.3 (7.1%)
Depreciation & Amortization	103.6	114.0	118.2	430.1	117.0	121.5
EBITDA (%)	233.6 (17.3%)	250.2 (17.3%)	219.1 (15.2%)	906.1 (16.6%)	281.9 (20.5%)	288.0 (19.5%)
CAPEX	97.2	85.0	83.5	410.1	113.6	81.1

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

## ※ Reference : Balance Sheet

[ Unit : KRW Bn ]

	End of Q2 '11	End of Q3 '11	End of '11	End of Q1 '12	End of Q2 '12
<b>Assets</b>	8,529.8	8,789.4	8,527.4	8,896.5	8,589.6
<b>Current Assets</b>	2,350.3	2,634.6	2,364.1	2,465.6	2,355.8
<b>Quick Assets</b>	1,776.1	2,002.3	1,780.5	1,860.8	1,718.5
<b>Inventories</b>	574.2	632.3	583.6	604.8	637.3
<b>Non-Current Assets</b>	6,179.5	6,154.8	6,163.3	6,430.9	6,233.8
<b>Investment Assets</b>	4,126.5	3,950.9	3,985.4	4,255.7	4,107.3
<b>Property &amp; Equipment</b>	1,760.4	1,893.6	1,827.2	1,831.8	1,785.3
<b>Intangible Assets</b>	85.8	100.2	140.3	136.8	138.4
<b>Others</b>	206.8	210.1	210.4	206.6	202.8
<b>Liabilities</b>	2,160.1	2,437.9	2,212.9	2,401.0	2,167.2
<b>Current Liabilities</b>	1,510.1	2,013.0	1,750.0	1,865.6	1,650.0
<b>Non-Current Liabilities</b>	650.0	424.9	462.9	535.4	517.2
<b>Shareholders' Equity</b>	6,369.7	6,351.5	6,314.5	6,495.5	6,422.4
<b>Capital Stocks</b>	240.7	240.7	240.7	240.7	240.7