

Q4'12 Earnings Release

January 29, 2013

SAMSUNG SDI

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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.

Q4'12/FY'12 Results

Q4'12 Results

[Unit : KRW Bn]

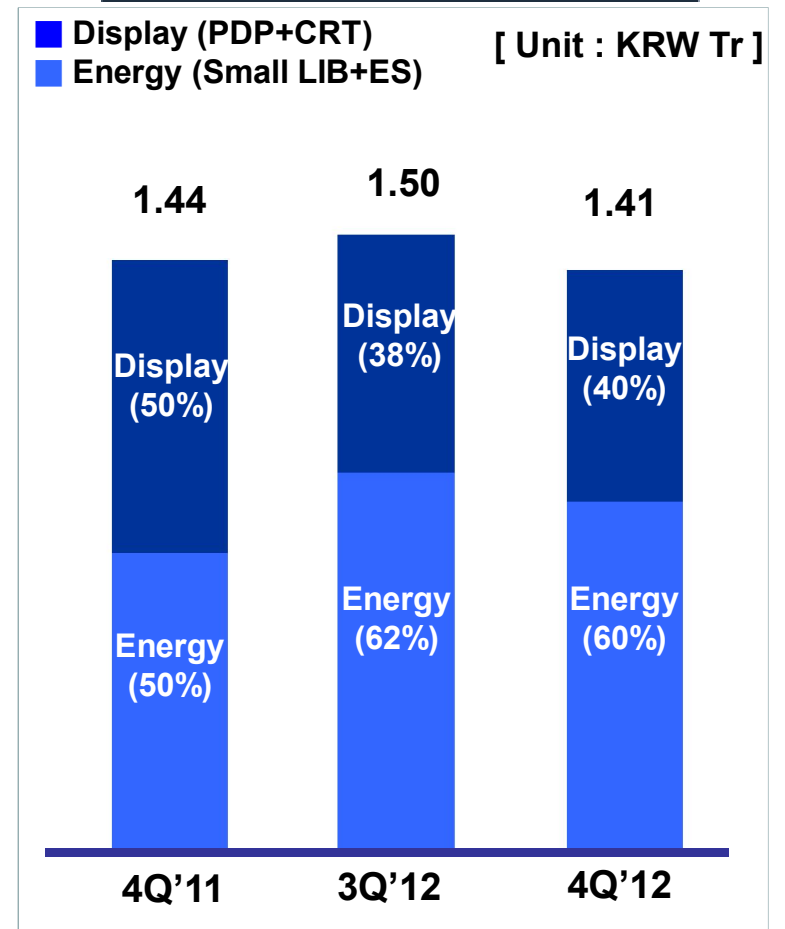
	4Q'11	3Q'12	4Q'12	YoY	QoQ
Revenue	1,437.8	1,502.9	<u>1,414.2</u>	-23.6	-88.7
Operating Profit (%)	17.8 (1.2%)	86.7 (5.8%)	<u>0.7</u> <u>(0.0%)</u>	-17.1	-86.0
Pre-tax Profit (%)	100.0 (7.0%)	1,641.7 (109.2%)	<u>56.2</u> <u>(4.0%)</u>	-43.8	-1,585.5
Net Income (%)	54.9 (3.8%)	1,198.5 (79.7%)	<u>55.7</u> <u>(3.9%)</u>	+0.8	-1,142.8

※ Amended K-IFRS

(Operating profit/loss is an amount of sales less cost of sales and SG&A)

※ Mid-sized LIB (xEV) Division Consolidated as of 4Q'12

Revenue



※ ES : Energy Solution(ESS+PV)

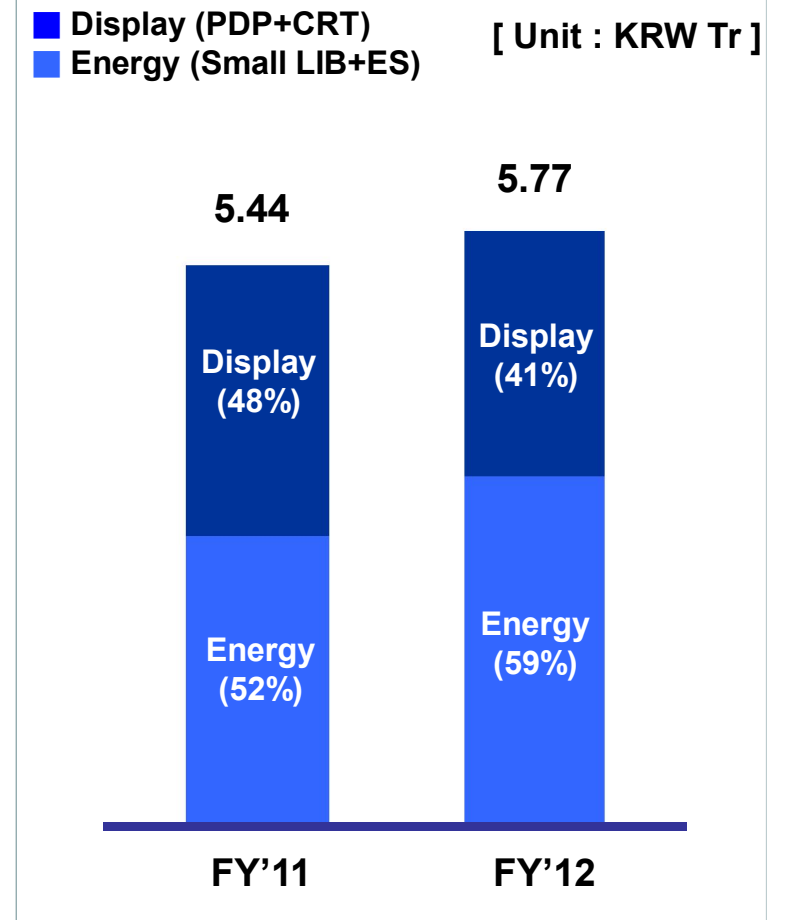
FY'12 Results

[Unit : KRW Bn]

	FY'11	FY'12	YoY
Revenue	5,443.9	<u>5,771.2</u>	+327.3
Operating Profit (%)	110.0 (2.0%)	<u>186.9</u> (<u>3.2%</u>)	+76.9
Pre-tax Profit (%)	478.1 (8.8%)	<u>2,029.4</u> (<u>35.2%</u>)	+1,551.3
Net Income (%)	320.1 (5.9%)	<u>1,471.5</u> (<u>25.5%</u>)	+1,151.4

- ※ Amended K-IFRS
(Operating profit/loss is an amount of sales less cost of sales and SG&A)
- ※ Mid-sized LIB (xEV) Division Consolidated as of 4Q'12

Revenue

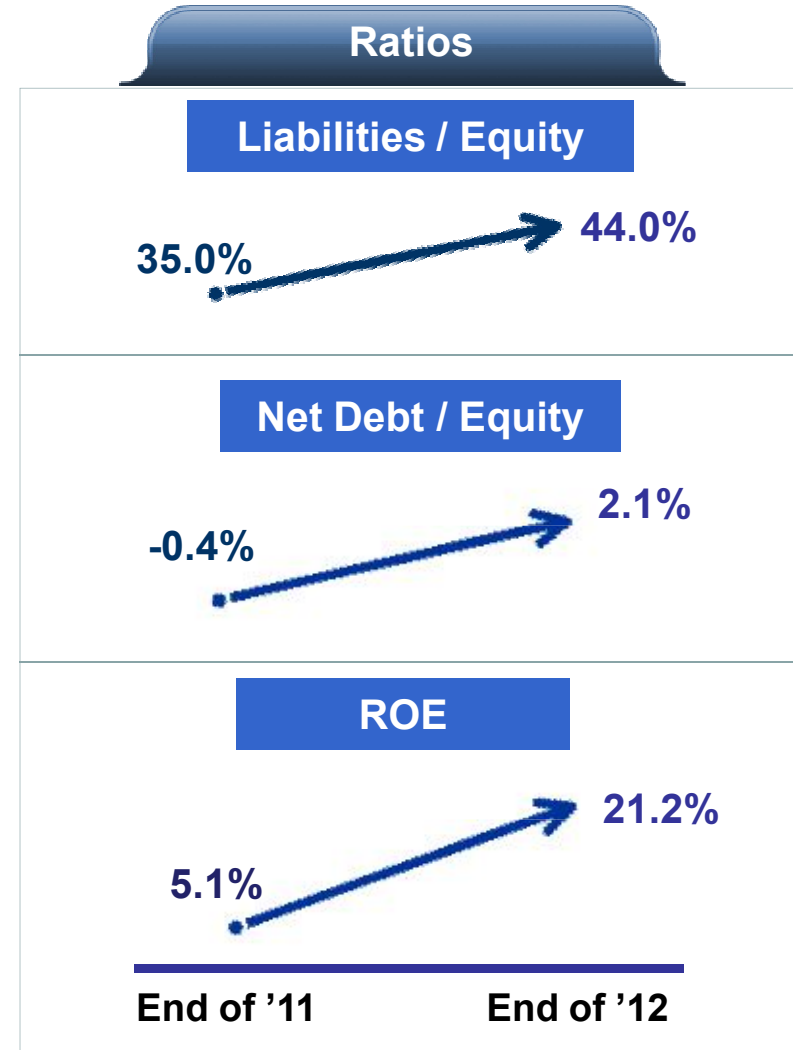


※ ES : Energy Solution(ESS+PV)

FY'12 Financial Status

[Unit : KRW Bn]

	End of FY'11	End of FY'12	YoY
Assets	8,527.4	<u>10,895.1</u>	+2,367.7
Liabilities	2,212.9	<u>3,330.6</u>	+1,117.7
Equity	6,314.5	<u>7,564.5</u>	+1,250.0
Cash Equiv.	785.3	<u>971.9</u>	+186.6
Debt	761.4	<u>1,133.1</u>	+371.7



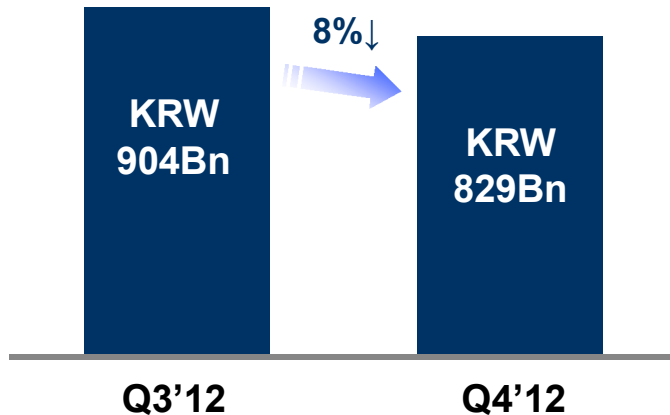
※ Cash Equiv. Includes Short-term Financial Instruments

Results & Market Outlook

Small-sized LIB (Mobile) – Q4'12 & FY'12 Results

Q4'12

Revenue

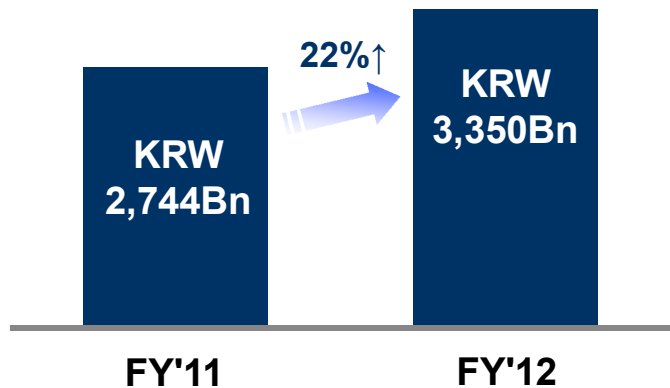


» Q4'12 Revenue : KRW 829Bn (YoY 20%↑, QoQ 8%↓)

- Decline in Sales Volume of Cylin. LIB due to Year-end Inventory Adjustments & Weakened Demand in NPC
- Decline in Revenue under KRW Appreciation

FY'12

Revenue



» FY'12 Revenue : KRW 3,350Bn (YoY 22%↑)

- Product-mix Improved led by Higher Value-added Products for Smart Devices
 - Portfolio Diversified throughout Expansion into New customers & New Appl. Markets
- » **Beyond No.1 in LIB Market**
- Highest Sales Volume&Revenue → M/S Gap ↑ vs. Competitors

Small-sized LIB (Mobile) – '13 Market Outlook

'13 Set Demand

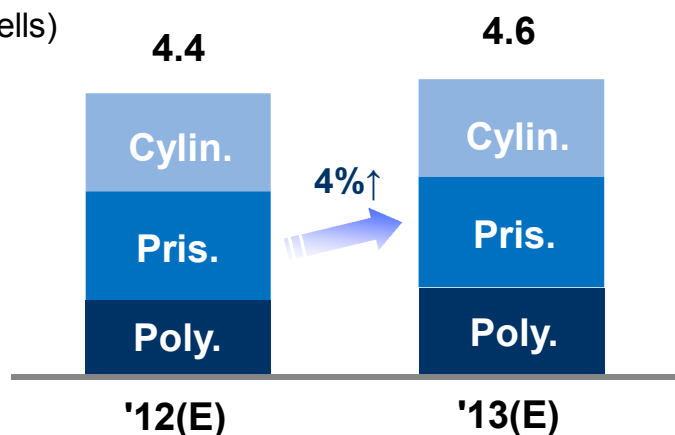
(M unit)	'12(E)	'13(E)	YoY
S/phone	680	890	31% ↑
Tablet	125	215	73% ↑
NPC	210	214	2% ↑
(LIB)P/tool	26	30	15% ↑
(LIB)E-Bike	2.7	4.4	63% ↑

» Growth in Smart Device Market with Segment Differentiation

- S/phone : Reaching 50% out of HHP
Surge in 5~7" Phablet Market
- Tablet : High Performing 7~8" Tablets with Mobility
- NPC : Diversified Form-factor such as Slim/Hybrid PC
- P/Tool : Ni-/Corded → LIB Penetration ↑
- E-Bike : Increase in Adoption of LIB led by EU Market

'13 LIB Cell Demand

Demand
(Bn Cells)



[SDI Marketing]

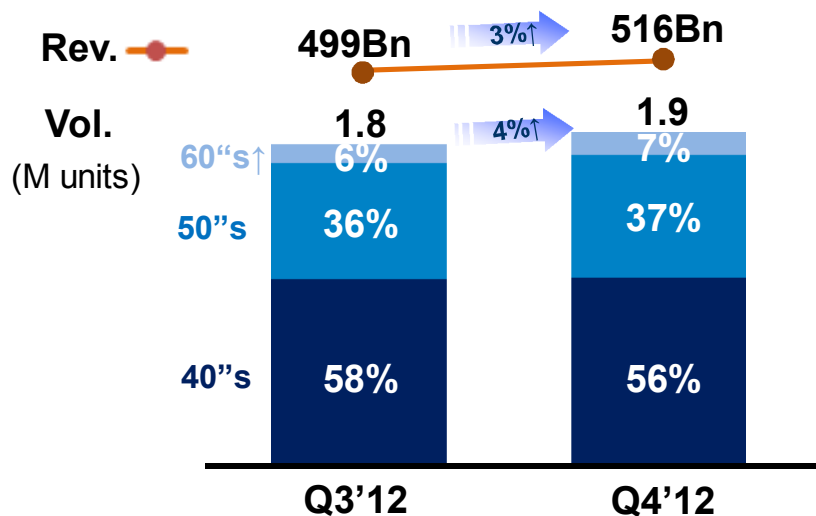
» '13 LIB Cell Demand : 4.6Bn (YoY 4%↑)

→ Market Revenue YoY 9% ↑ with Surging Demand of Higher Value-added Models

- Poly. : Increase in Adoption for Android Tablet/Slim NPC
- Pris. : Increase in Adoption for S/phone (38% → 49% of HHP)
- Cylin. : Demand Switch from NPC to P/Tool & E-Bike

PDP – Q4 & FY'12 Results

Q4'12



» Q4'12 Sales Volume : 1.9M (YoY 3%↑, QoQ 4%↑)

- Year-end TV Sales Promotion in Developed Markets

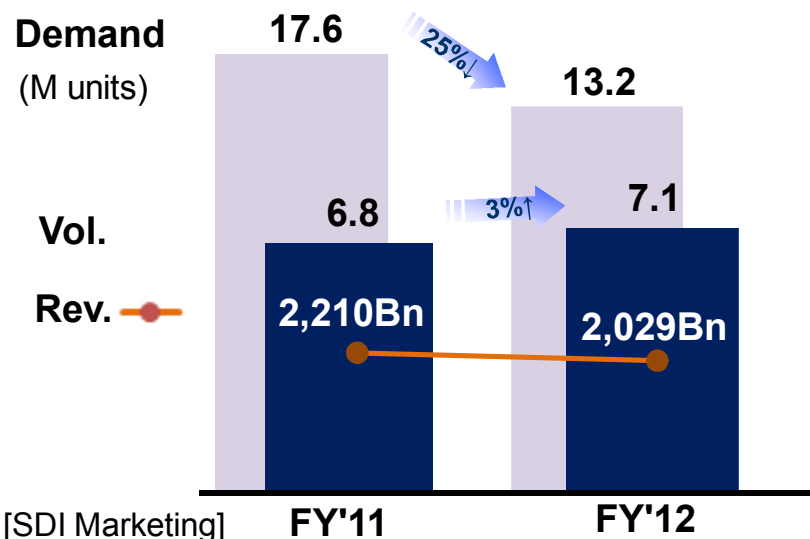
• US QoQ 27%↑, EU QoQ 23%↑

- Solid Sales in Emerging Markets

(Middle East/Russia/China)

- Sales Expansion in High-end Products (51" FHD/60"↑ FHD)

FY'12



» FY'12 Sales Volume : 7.1M (YoY 3%↑, No.1)

- Further M/S Gain from Competitors

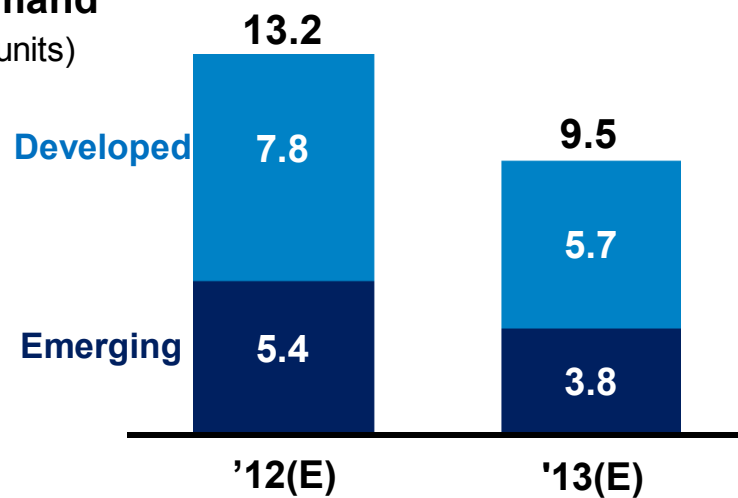
- Successful Marketing with 43" Strategic Model

» Beyond No.1 in PDP Module Market (38%/'11 → 54%/'12)

PDP – '13 Market Outlook

'13 PDP TV Demand

Demand
(M units)

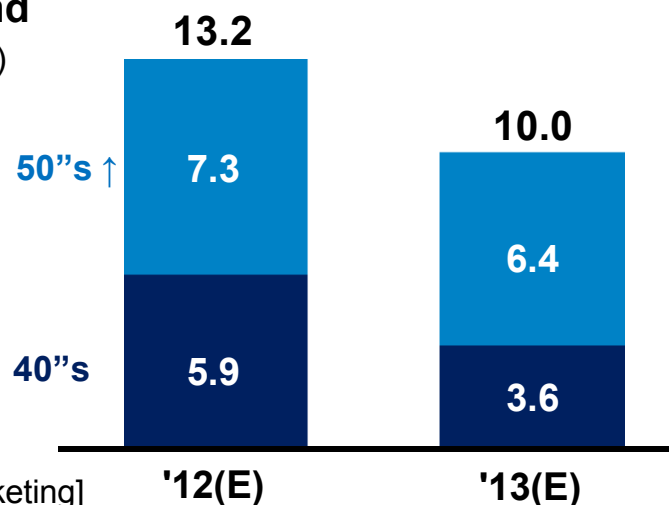


» '13 PDP TV Demand : 9.5M (YoY 28%↓)

- Developed Market 30%↓, Emerging Market 27%↓
- Strong Demand of LED TV (66%/'12 → 84%/'13)
 - Size Diversification & Growth in Entry-models
- Shrinking Demand of PDP TV
 - Competitors Downsizing PDP Biz.
 - Accelerating Market Contraction

'13 PDP Module Demand

Demand
(M units)



» '13 PDP Module Demand : 10.0M (YoY 24%↓)

» M/S Gain with Aggressive Marketing

- Steady Sales with Strategic Marketing in China
- Differentiated Strategies by Models
 - Expansion in Entry-models
 - Technical Upgrades of High-end Products
- Improvement in Product Quality & Cost Structure

[SDI Marketing]

FY'13 Biz. Strategy

**Beyond No.1
(Core Business)**



**Competency Improvement
(New Business)**

Core Business

» Leading Industries as Global No.1

- Small-sized LIB (Mobile) : First to Market, Best in Class
 - Capa. Expansion Focused on Poly. LIB
 - High Value-added by Sales Growth in Large-sized Poly. & Widen Pris. LIB
- PDP : Profit-oriented Biz. Operation with Strengthening Competitiveness

New Business

» Stabilization in Mass Production & Buildup of Foundation for Growth

- Mid-sized LIB (xEV) : Securing Orders from Major Strategic OEMs
Differentiated Mass Production Capability and R&D
- Large-sized LIB (ESS) : Revenue Growth led by Residential/UPS
Broader Segments (Industrial) → Driving Sales of MWs in 2H

References

※ Income Statement (K-IFRS)

[Unit : KRW Bn]

	Q4'11	FY'11	Q3'12	Q4'12	FY'12
Revenue	1,437.8	5,443.9	1,502.9	1,414.2	5,771.2
COGS	1,263.9	4,760.6	1,248.1	1,198.8	4,863.4
Gross Profit (%)	173.9 (12.1%)	683.3 (12.6%)	254.8 (17.0%)	215.4 (15.2%)	907.8 (15.7%)
Operating Profit (%)	17.8 (1.2%)	110.0 (2.0%)	86.7 (5.8%)	0.7 (0.0%)	186.9 (3.2%)
Non-Operating Income	82.2	368.1	1,555.0	55.5	1,842.5
Pre-tax Profit (%)	100.0 (7.0%)	478.1 (8.8%)	1,641.7 (109.2%)	56.2 (4.0%)	2,029.4 (35.2%)
Tax Expenses	38.8	127.0	435.7	10.3	542.6
Minority Interests	6.3	31.0	7.5	-9.8	15.3
Net Income (%)	54.9 (3.8%)	320.1 (5.9%)	1,198.5 (79.7%)	55.7 (3.9%)	1,471.5 (25.5%)
Depreciation & Amortization	118.2	430.1	106.0	99.1	443.6
CAPEX	81.7	408.3	66.0	144.7	405.8

※ Amended K-IFRS

(Operating profit/loss is an amount of sales less cost of sales and SG&A)

※ Mid-sized LIB (xEV) Division Consolidated as of 4Q'12

※ Statement of Financial Position (K-IFRS)

[Unit : KRW Bn]

	End of FY'11	End of Q1'12	End of Q2'12	End of Q3'12	End of FY'12
Assets	8,527.4	8,896.5	8,589.6	10,578.0	10,895.1
Current Assets	2,364.1	2,465.6	2,353.9	2,521.2	2,414.9
Quick Assets	1,780.5	1,860.8	1,716.6	1,880.2	1,856.4
Inventories	583.6	604.8	637.3	641.0	558.5
Non-current Assets	6,163.3	6,430.9	6,235.7	8,056.8	8,480.2
Investment Assets	3,985.4	4,255.7	4,107.3	6,041.6	6,022.1
Property & Equipment	1,827.2	1,831.8	1,785.3	1,673.6	1,971.1
Intangible Assets	140.3	136.8	138.4	131.2	171.0
Others	210.4	206.6	204.7	210.4	316.0
Liabilities	2,212.9	2,401.0	2,167.2	2,903.4	3,330.6
Current Liabilities	1,750.0	1,865.6	1,650.0	1,626.2	2,004.0
Non-current Liabilities	462.9	535.4	517.2	1,277.2	1,326.6
Shareholders' Equity	6,314.5	6,495.5	6,422.4	7,674.6	7,564.5
Capital Stock	240.7	240.7	240.7	240.7	240.7