

Q3'13 Earnings Release

October 25, 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.

Q3'13 Results

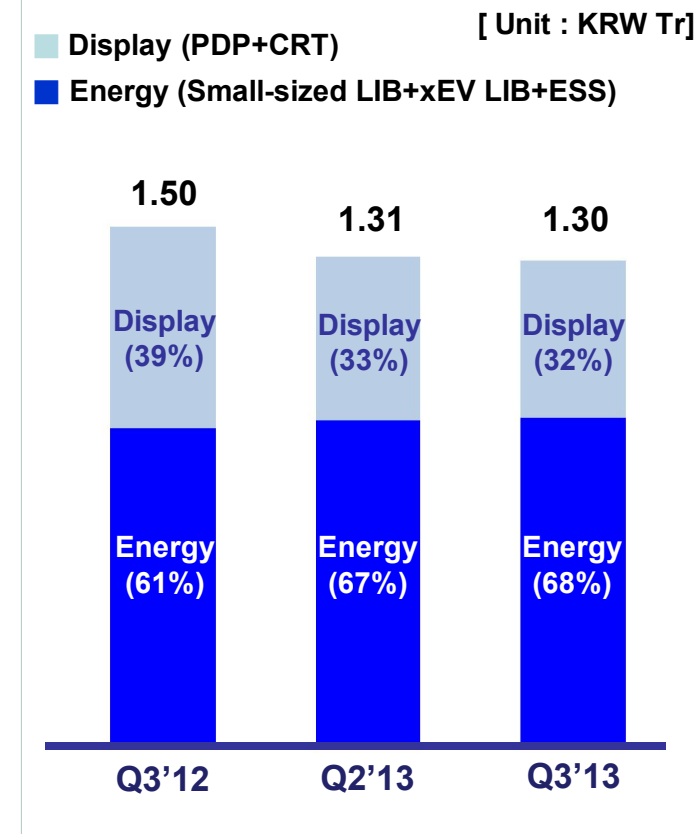
Q3'13 Results

[Unit : KRW Bn]

	Q3'12	Q2'13	Q3'13	YoY	QoQ
Revenue	1,502.9	1,306.9	<u>1,296.6</u>	-206.3	-10.3
Operating Profit (%)	86.7 (5.8%)	32.3 (2.5%)	<u>29.2</u> (2.3%)	-57.5	-3.1
Pre-tax Profit (%)	1,641.7 (109.2%)	172.4 (13.2%)	<u>150.8</u> (11.6%)	-1,490.9	-21.6
Net Income (%)	1,198.5 (79.7%)	129.2 (9.9%)	<u>119.8</u> (9.2%)	-1,078.7	-9.4

※ Net Profit Excluding Minority Interests
 ※ xEV LIB Division Consolidated Since Q4'12

Revenue



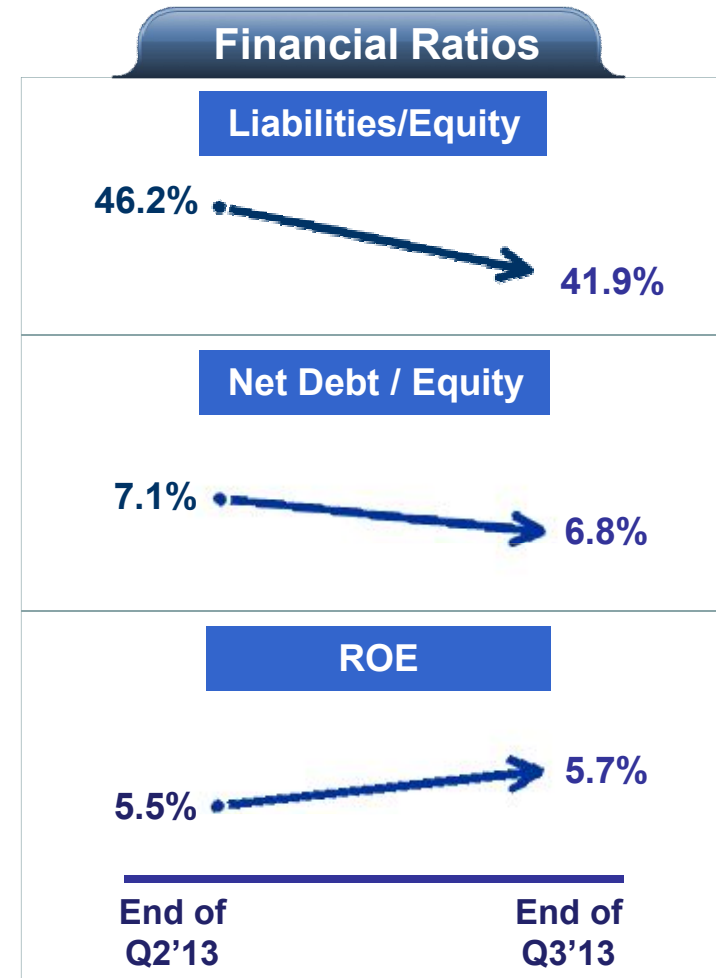
※ Rev. Including PV in Q3'12

Q3'13 Financial Status

[Unit : KRW Bn]

	End of Q2'13	End of Q3'13	QoQ
Assets	11,001.1	<u>10,847.4</u>	-153.7
Liabilities	3,476.7	<u>3,200.7</u>	-276.0
Equity	7,524.4	<u>7,646.7</u>	+122.3
Cash Equiv.	933.1	<u>706.1</u>	-227.0
Debt	1,468.3	<u>1,224.8</u>	-243.5

※ Cash Equiv. Including Short-term Financial Instruments

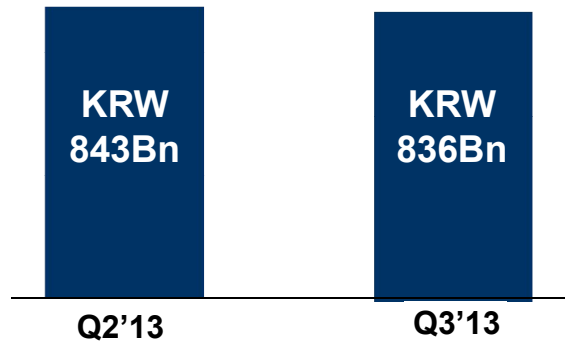


Results & Market Outlook

Small-sized LIB - Q3 Results & Q4 Market Outlook

Q3'13 Results

Revenue

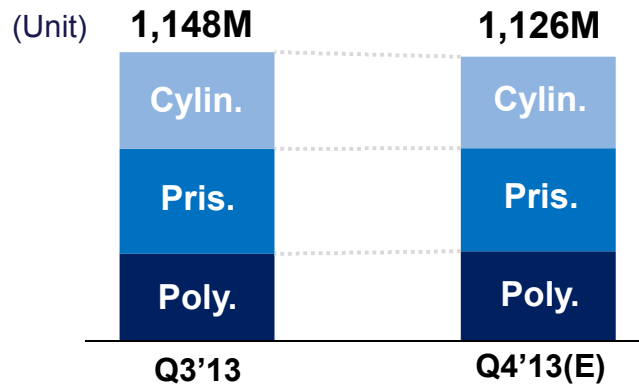


» Q3'13 Revenue : KRW 836Bn

- Temporarily Negative Effect on Revenue due to Change in Product-mix in Cylin. LIB
- Sales Volume↑ of Pris./Poly. LIB for Newly Launched S/Phones

Q4'13 LIB Cell Market

Demand



» Q4'13 LIB Cell Demand : 1,126M (QoQ 2%↓)

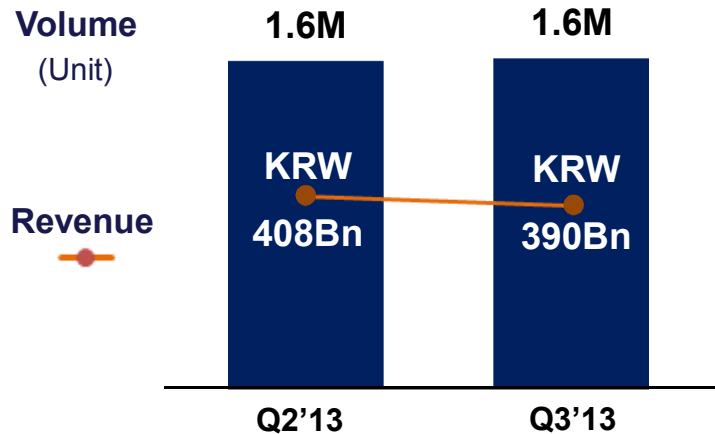
- Sluggish Demand of NPC
- Demand↑ of S/Phone and Tablet PC for Year-end Promotions

» Sales Expansion for Major New IT Devices & New Apps. Including P/Tool

[SDI Marketing]

PDP - Q3 Results & Q4 Market Outlook

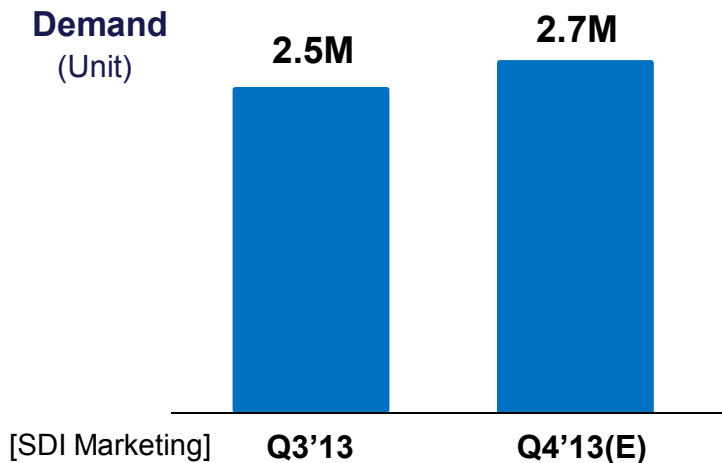
Q3'13 Results



» Q3'13 Volume : 1.6M (QoQ Equivalent)

- Steady Sales Volume Despite Weak Demand in Developed Markets and Expiration of TV Subsidy in China
- Revenue↓ by QoQ 4% due to Product-mix
 - Sales of 43"/51" ED↑ vs. Sales of 60" ↓

Q4'13 PDP Module Market



» Q4'13 Demand : PDP TV 2.7M, Module 2.7M

- Mild Growth of Demand with Year-end Promotions

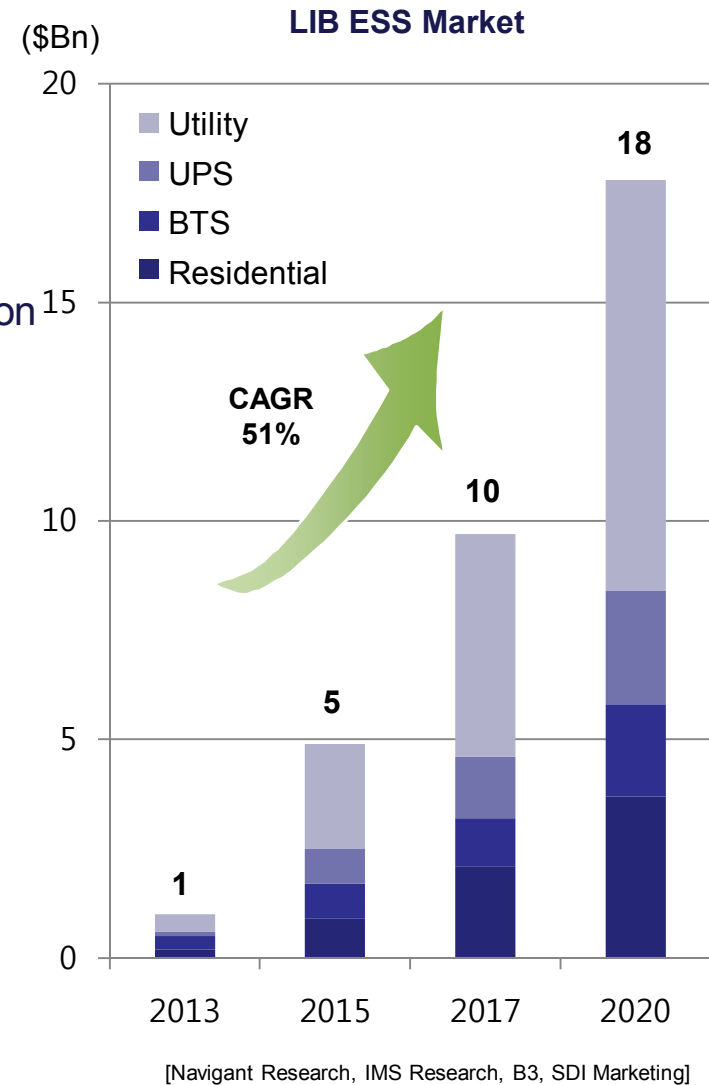
» Sales Expansion in Emerging Markets (Brazil/Middle East)

LIB ESS Market

LIB ESS Market

» CAGR of 51% in LIB ESS Market by 2020

- Utility : Driven by Renewable Energy, Off-grid in Islands, Back-up for T&D Substation and Frequency Regulation
- UPS : LIB Installed in IDC & Manufacturing Fabs for High Value-added Products (ex. Semiconductor and Display Panel)
- BTS : Demand Growth in India/SEA due to Unstable Power Supply
- Residential : Demand Growth in JP/EU with High Installation Ratio of Rooftop PV



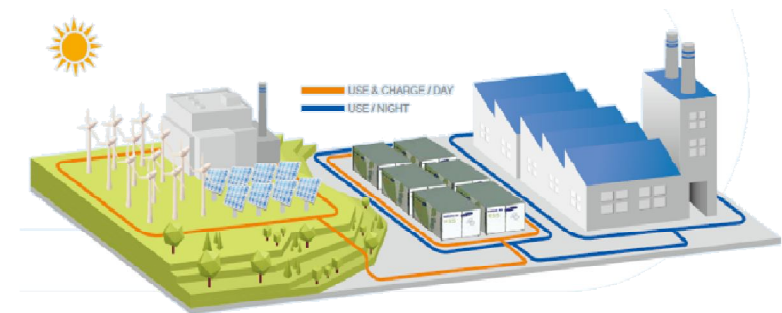
ESS - Utility

» Necessity of Utility ESS

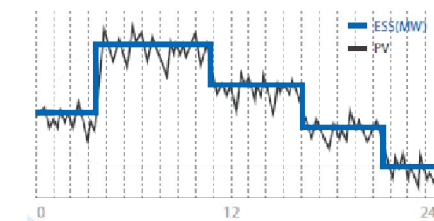
- Stabilization of Power Quality
from Increasing PV/Wind Power Generation
- Balancing Supply&Demand Throughout Peak Shaving
- Peak cut to Resolve Unstable Power Supply
in Corporate/Commercial Facilities
- Back-up for Power Generation, Transmission & Distribution

» Primary Markets

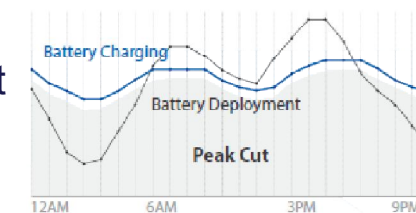
- US/EU : Market Growth Driven by Renewable, T&D, and F/R
- Island/Off-grid : Renewable/Diesel Generator Integrated ESS Market
- KR : ESS Adoption↑ Led by Government & KEPCO
to Resolve Power Shortage at Peak time



[Renewable Integrated ESS]



[Stabilization of Power Supply]

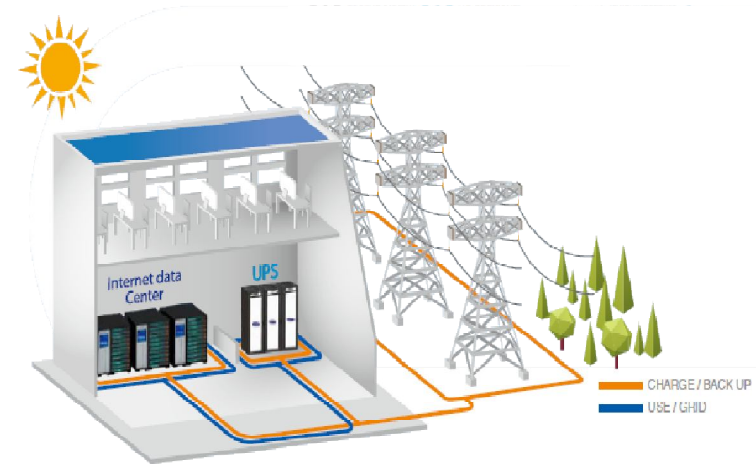


[Peak Cut]

ESS - UPS (Uninterruptible Power Supply)

» UPS in Most of Factories & Offices

- Increasing Replacement of Lead-acid with High Efficient & Eco-friendly LIB
- LIB Installed in IDC & Large-sized Manufacturing Fabs where UPS is Essential



[UPS for Data Center]

» Advantage of LIB for UPS

- Reduction of Space to 1/5 and Weight to 1/7, Doubling Life Span
- Cost Down on Rent, Construction and Investment
- SDI LIB-UPS Installed in Jukjeon IDC of Shinhan Bank (Partnership with Schneider)

	Lead Acid	LIB	(1,600kVA)
	19.6m ²	4.32m ²	
	26.2ton	3.4ton	
	20~22.5℃	0 ~ 40℃	
	5years	10years	
Temp/Impedance		Analysis/Forecast	

[Advantage of LIB over Lead-acid]

ESS - BTS (Base Transceiver Station)

» BTS ESS Classification

- On-grid : UPS in case of Power Failure
- Off-grid : Renewable/Diesel Generator Integrated

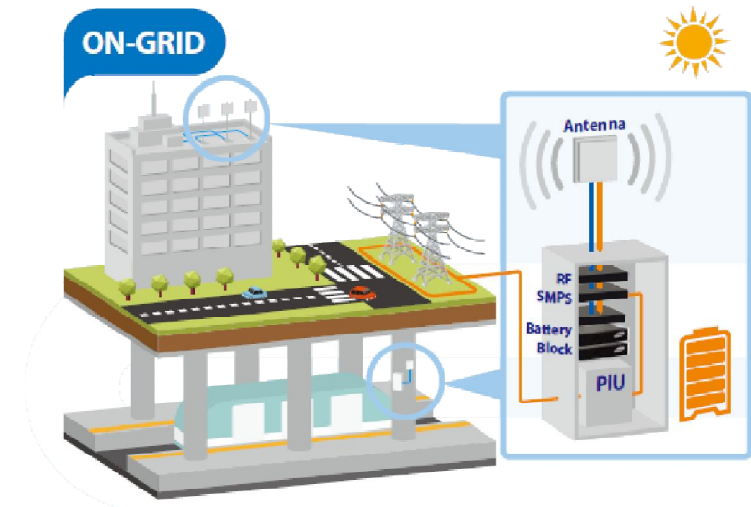
» Off-grid Demand of Emerging Market

- India/SEA/Africa due to Unstable Power Supply
- LIB Adoption along with 4G, 3G Investment

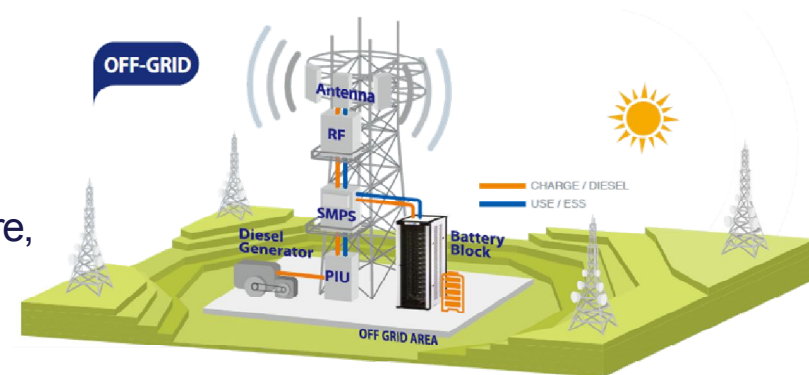
» Competitive TCO Secured vs. Lead-acid

- Longer Life Span, Wider Range of Operating Temperature, Higher Energy Density

* TCO : Total Cost of Ownership



[On-grid BTS]



[Off-grid BTS]

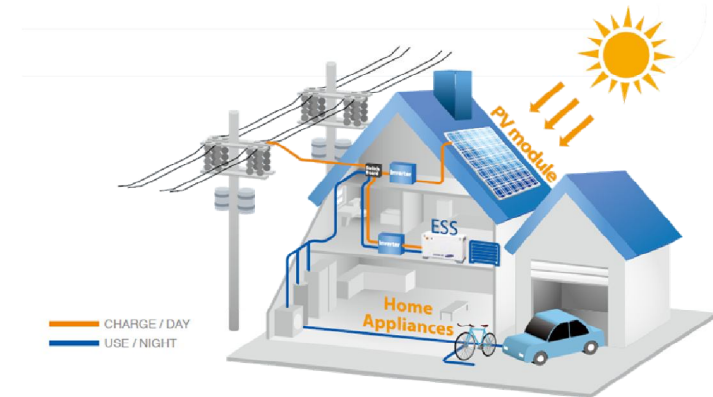
ESS - Residential

» **Sales of Excess Power Electricity & Reduction on Electric Charge under Feed-in-Tariff (FiT) Policy**
- Self Consumption Needs increasing
due to Rising Electric Charge & Decline of FiT Rate

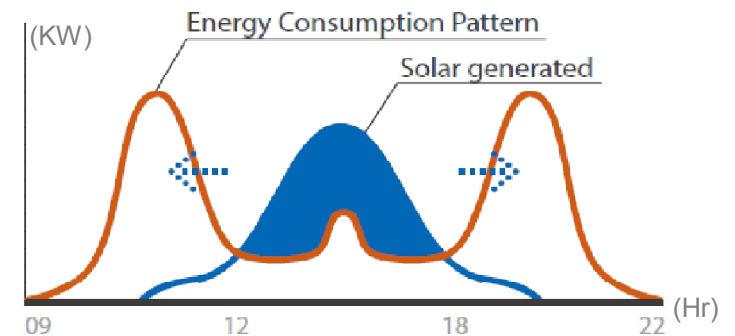
» **Increasing Demand for Residential ESS to Store Excess Power due to Increase in Self Consumption Needs**

» **Energy Bill Saving Through Time-Of-Use Arbitrage (ex. JP)**

» **An Ideal Solution for Blackout in Areas with Unstable Power Supply & Demand**



[Electricity Flow]



[Energy Consumption Pattern vs. Solar generated]

ESS Market Outlook for '14

» Utility : ESS Supporting Policies

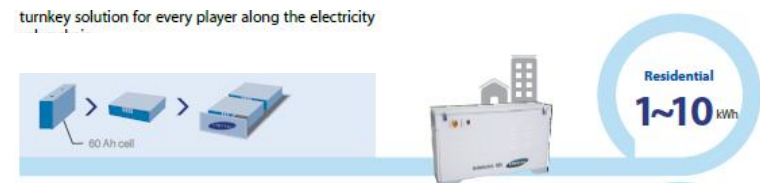
- US : State Regulation in CA(AB2514) & NY/NJ(FERC755)
- KR : ESS Policy by Government & KEPCO

» UPS/BTS : Replacement of Lead-acid

- LIB Penetration Lead by Asian & Korean UPS Market
- Increase in Replacement of Lead-acid in India/China

» Residential : Growth Driven by Government Subsidy

- JP : Subsidy will resume from April '14
- DE : Subsidy for Small PV Integrated ESS



References

※ Income Statement (K-IFRS)

[Unit : KRW Bn]

	Q3'12	Q4'12	FY '12	Q1'13	Q2'13	Q3'13
Revenue	1,502.9	1,414.2	5,771.2	1,208.2	1,306.9	1,296.6
COGS	1,248.1	1,198.8	4,863.3	1,054.6	1,090.0	1,088.7
Gross Profit (%)	254.8 (17.0%)	215.4 (15.2%)	907.8 (15.7%)	153.6 (12.7%)	216.9 (16.6%)	207.9 (16.0%)
Operating Profit (%)	86.7 (5.8%)	0.7 (0.0%)	186.9 (3.2%)	-33.3 (-2.8%)	32.3 (2.5%)	29.2 (2.3%)
Non-Operating Income	1,555.0	55.5	1,842.5	142.3	140.1	121.6
Pre-tax Profit (%)	1,641.7 (109.2%)	56.2 (4.0%)	2,029.4 (35.2%)	109.0 (9.0%)	172.4 (13.2%)	150.8 (11.6%)
Tax Expenses	435.7	10.3	542.6	28.4	39.8	25.8
Minority Interests	7.5	-9.8	15.3	2.9	3.4	5.2
Net Income (%)	1,198.5 (79.7%)	55.7 (3.9%)	1,471.5 (25.5%)	77.7 (6.4%)	129.2 (9.9%)	119.8 (9.2%)
Depreciation & Amortization	106.0	99.1	443.6	101.9	106.5	109.0
CAPEX	66.0	144.7	405.8	232.0	187.7	110.4

※ Net Profit Excluding Minority Interests

※ xEV LIB Division Consolidated Since 4Q'12

※ Statement of Financial Position (K-IFRS)

[Unit: KRW Bn]

	End of Q3'12	End of FY'12	End of Q1'13	End of Q2'13	End of Q3'13
Assets	10,578.0	10,895.1	10,897.4	11,001.1	10,847.4
Current Assets	2,521.2	2,414.9	2,316.6	2,523.0	2,153.5
Quick Assets	1,880.2	1,856.4	1,719.4	1,926.0	1,629.0
Inventories	641.0	558.5	597.2	597.0	524.5
Non-current Assets	8,056.8	8,480.2	8,580.8	8,478.1	8,693.9
Investment Assets	6,041.6	6,022.1	6,091.1	5,933.6	6,190.8
Property & Equipment	1,673.6	1,971.1	2,109.9	2,172.7	2,136.6
Intangible Assets	131.2	171.0	171.3	166.8	168.5
Others	210.4	316.0	208.5	205.0	198.0
Liabilities	2,903.4	3,330.6	3,316.4	3,476.7	3,200.7
Current Liabilities	1,626.2	2,004.0	2,062.2	1,949.4	1,624.0
Non-current Liabilities	1,277.2	1,326.6	1,254.2	1,527.3	1,576.7
Shareholders' Equity	7,674.6	7,564.5	7,581.0	7,524.4	7,646.7
Capital Stock	240.7	240.7	240.7	240.7	240.7