

3Q15 Quarterly Earnings

October 30, 2015

3Q15 Earning and Financial Status

futureconfident

[Unit : bn KRW]

Category	3Q15	2Q15	QoQ
Revenue	1,997.7	1,843.9	+8.3%
LIB	886.8	780.0	+13.7%
Chemicals	677.0	667.3	+1.5%
Electronic Materials	433.3	395.9	+9.4%
Operating Profit (%)	17.9 (0.9%)	△3.7 (△0.2%)	Turned Profit
Pre-tax Profit (%)	675.9 (33.8%)	△400.7 (△21.7%)	Turned Profit
Net Profit (%)	502.5 (25.2%)	△310.0 (△16.8%)	Turned Profit

Category	3Q15	2Q15	QoQ
Assets	16,522.9	16,040.7	+482.2
Current	4,014.6	3,460.0	+554.6
Non-current	12,508.3	12,580.7	-72.4
Liabilities	4,906.5	4,457.6	+448.9
Current	3,049.5	2,773.4	+276.1
Non-current	1,857.0	1,684.2	+172.8
Shareholders Equity	11,616.4	11,583.1	+33.3
Paid-in Capital	356.7	356.7	-
Cash & Cash Equiv.	1,670.0	1,373.3	+386.7
Debt	2,012.1	1,899.7	+112.4

※ Cash & cash equiv. including Short-term financial products

Analysis & Outlook

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Sustainability Indices

SAMSUNG SDI



In Collaboration with RobecoSAM

LIB

[3Q15]

□ Small-sized

- Sales and revenue of Non-IT applications such as China EVs and power tool remain upbeat
- ASP pressure extended as a major customer challenged in tougher smartphone landscape

□ Large-sized

- Successfully ramping up a new production line at Ulsan and Xian
- Revenue driven by OEMs in Europe and China and expect to win more orders from European OEMs to secure long-term growth platform
- ESS revenue growth led by utility and UPS

[4Q15]

□ Small-sized

- Meet robust demand from Non-IT sector with high-powered/capacity products to reinforce market leadership
- Improve profitability from new smartphones launch and increase in production efficiency

□ Large-sized

- Revenue growth in-line with rapid EV expansion in China and new lines to contribute
- To build up sturdy backlog from OEMs in Europe and China
- ESS revenue and backlog increase primarily driven by Korea and US utility sector

3Q15 Analysis & 4Q15 Outlook

Chemicals

[3Q15]

□ Enhance profitability on better product mix

- Increased sales and profit from strong seasonality in TV and mobile market while extensive cost cut efforts contributed
- PC spread remained wide

[4Q15]

□ Weak seasonality and narrowing spread

- Auto and high-grade product sales expansion to maintain margins as offset decreasing shipment and narrowing spread
- Carry on with variety of cost cut efforts

Electronic Materials

[3Q15]

□ Revenue growth driven by solid semi-materials and PV paste sales

- Semi-materials saw better demand of processing migration materials while PV paste benefitted from early sell-in ahead of strong seasonality in 4Q
- OLED materials contributed to maintain display materials revenue despite of weak demand

[4Q15]

□ Revenue pull back from weakening demand

- Semi-materials to maintain strong margin as benefit from processing migration demand
- Display materials and PV paste revenue to slide on soft demand and seasonality

Appendix

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Sustainability Indices**

SAMSUNG SDI



In Collaboration with RobecoSAM

Sale of Chemical Division

□ Sale Structure

- Spin off Chemical Division to establish a new entity
- 90% of new entity stake will be sold to Lotte Chemical Corporation

□ Background

- SDI to focus on battery business
- Lotte Chemical to strengthen competitiveness through vertical integration
- Win-Win deal for both parties

□ Use of Proceed

- To invest over W2tr in next 5 years to prepare for fast growing xEV battery industry
- Secure technologies in advanced materials (R&D, Open Innovation)
- Improve financial status

□ Plan

- Extraordinary Shareholders Meeting (Jan, '16)
- Spin off date (Feb 1, '16)
 - ※ Will complete 90% stake sale within 1H16 post due diligence

Income Statement

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[Unit : bn KRW]

Category	3Q14	4Q14	FY14	1Q15	2Q15	3Q15
Revenue	1,891.8	1,910.1	5,474.2	1,865.9	1,843.9	1,997.7
COGS	1,570.3	1,546.6	4,545.5	1,512.8	1,511.8	1,617.2
Gross Profit	321.5	363.5	928.7	353.1	332.1	380.5
(%)	(17.0%)	(19.0%)	(17.0%)	(18.9%)	(18.0%)	(19.0%)
Operating Profit	32.6	37.2	70.8	6.8	-3.7	17.9
(%)	(1.7%)	(1.9%)	(1.3%)	(0.4%)	(-0.2%)	(0.9%)
Non-operating Profit	37.4	-75.8	128.6	73.9	-397.0	658.0
Pre-tax Profit	70.0	-38.6	199.4	80.7	-400.7	675.9
(%)	(3.7%)	(-2.0%)	(3.6%)	(4.3%)	(-21.7%)	(33.8%)
Tax	20.0	-14.9	47.3	16.1	-90.7	173.4
Discontinued Operations	-62.9	-105.1	-232.4	0	0	0
Net Profit	-12.9	-128.8	-80.3	64.6	-310.0	502.5
(%)	(-0.7%)	(-6.7%)	(-1.5%)	(3.5%)	(-16.8%)	(25.2%)
NP less Minority Interests	-13.0	-129.1	-83.8	59.7	-303.4	499.2
(%)	(-0.7%)	(-6.8%)	(-1.5%)	(3.2%)	(-16.5%)	(25.0%)
Depreciation	156.5	156.0	505.4	156.4	156.2	159.7
CAPEX	145.8	102.8	384.9	163.6	167.0	155.9

※ Chemicals & Electronic Materials reflected from 3Q14 post merger with Cheil Industries Inc. (July 1, 2014)

※ PDP and Solar division reflected in discontinued operations

Balance Sheet

[Unit : bn KRW]

Category	FY14	1Q15	2Q15	3Q15
Total Assets	15,968.5	16,119.4	16,040.7	16,522.9
Current Assets	3,535.5	3,607.9	3,460.0	4,014.6
Quick Assets	2,760.5	2,850.1	2,718.6	3,262.9
Inventory & Others	775.0	757.8	741.4	751.7
Non-current Assets	12,433.0	12,511.5	12,580.7	12,508.3
Investment Assets	7,605.1	7,695.0	7,612.4	7,447.9
Tangible Assets	3,324.9	3,379.2	3,400.2	3,488.5
Intangible Assets	1,278.9	1,231.6	1,303.6	1,310.4
Other Assets	224.1	205.7	264.5	261.5
Liabilities	4,141.6	4,277.3	4,457.6	4,906.5
Current Liabilities	2,254.2	2,465.7	2,773.4	3,049.5
Non-current Liabilities	1,887.4	1,811.6	1,684.2	1,857.0
Shareholders Equity	11,826.9	11,842.1	11,583.1	11,616.4
Paid-in Capital	356.7	356.7	356.7	356.7

※ Chemicals & Electronic Materials reflected from 3Q14 post merger with Cheil Industries Inc. (July 1, 2014)