

# Q1'13 Earnings Release

April 26, 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.**

# Q1'13 Results

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[ Unit : KRW Bn ]

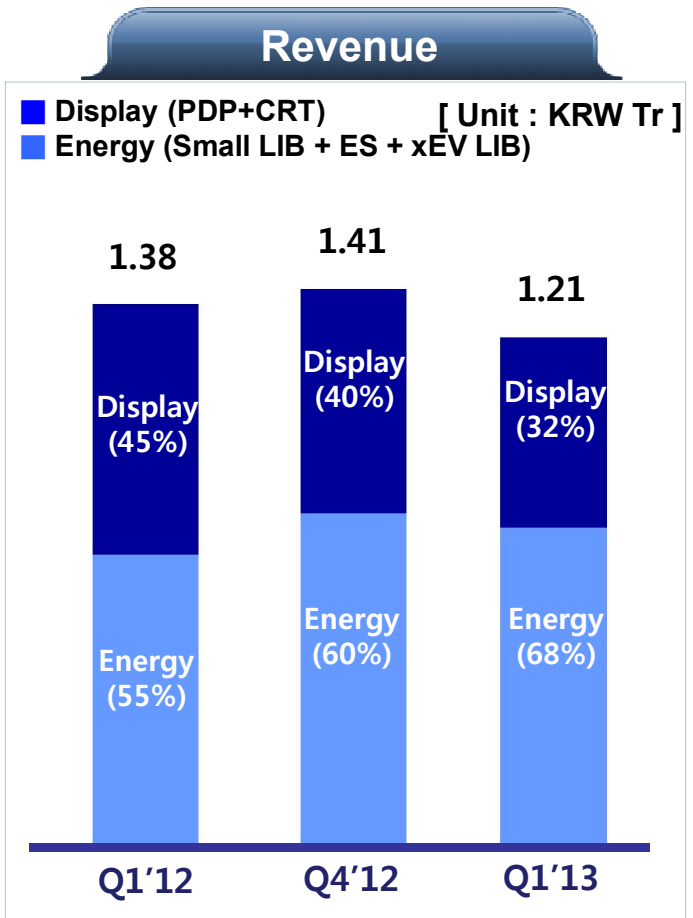
	Q1'12	Q4'12	Q1'13	YoY	QoQ
Revenue	1,376.7	1,414.2	<u>1,208.2</u>	-168.5	-206.0
Operating Profit (%)	16.9 (1.2%)	0.7 (0.0%)	<u>-33.3</u> <u>(-2.8%)</u>	-50.2	-34.0
Pre-tax Profit (%)	165.2 (12.0%)	56.2 (4.0%)	<u>109.0</u> <u>(9.0%)</u>	-56.2	+52.8
Net Income (%)	112.0 (8.1%)	55.7 (3.9%)	<u>77.7</u> <u>(6.4%)</u>	-34.3	+22.0

※ Net Profit Excluding Minority Interests

※ Amended K-IFRS

(Operating Profit/loss is an Amount of Sales Less Cost of Sales and SG&A)

※ xEV LIB Division Consolidated as of 4Q'12



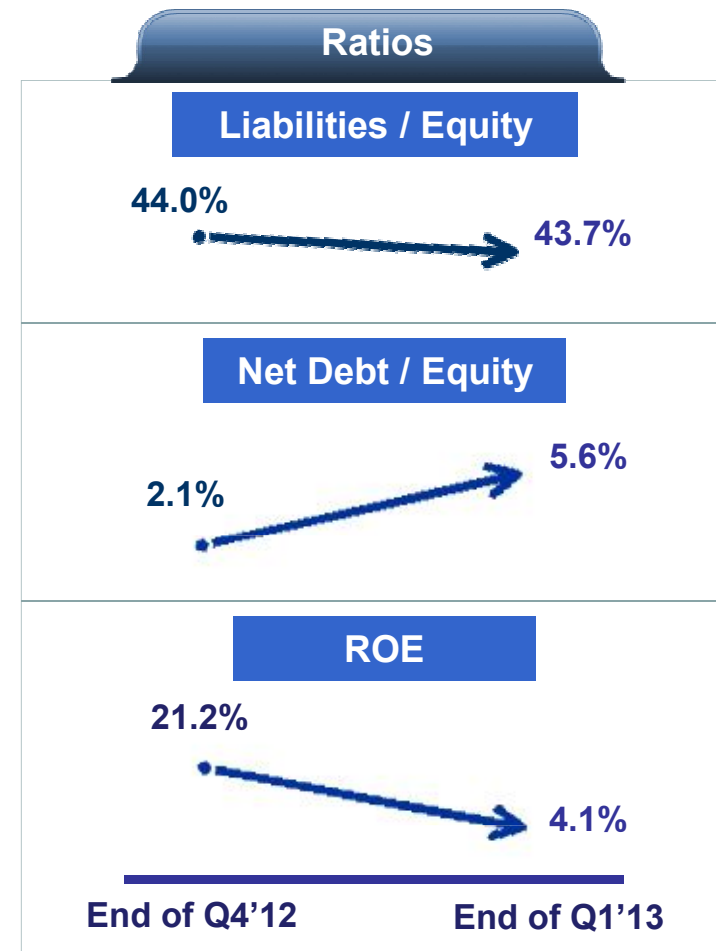
※ ES : Energy Solution(ESS+PV)

# Q1'13 Financial Status

[ Unit : KRW Bn ]

	End of Q4'12	End of Q1'13	QoQ
Assets	10,895.1	<u>10,897.4</u>	+2.3
Liabilities	3,330.6	<u>3,316.4</u>	-14.2
Equity	7,564.5	<u>7,581.0</u>	+16.5
Cash Equiv.	971.9	<u>751.5</u>	-220.4
Debt	1,133.1	<u>1,179.0</u>	+45.9

※ Cash Equiv. Includes Short-term Financial Instruments

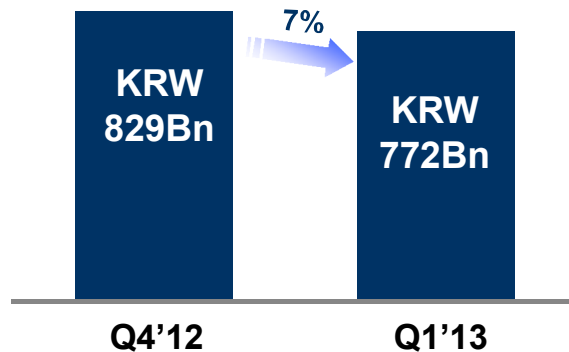


# Results & Market Outlook

# Small-sized LIB (Mobile) – Q1 Results & Market Outlook

## Q1'13 Results

### Revenue

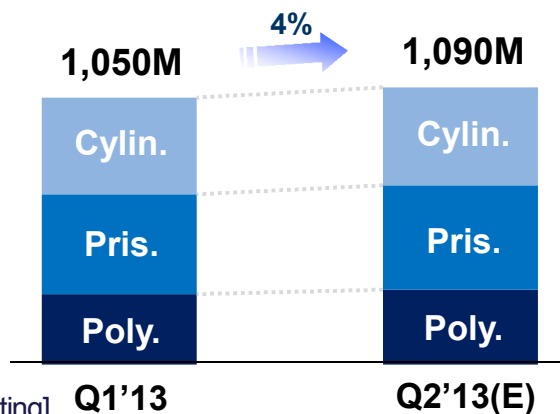


» Q1'13 Revenue : KRW 772Bn (YoY 4%↑, QoQ 7%↓)

- Decline in QoQ Sales Volume of Pris./Poly. LIB due to Off-season in IT Devices (Continuing YoY Growth)
- Growth in Sales Volume & Revenue of Cylin. LIB Led by New Applications, despite Decline in NPC Demand

## Q2'13 LIB Cell Market

### Demand (Unit)



» Q2'13 LIB Cell Demand : 1,090M (QoQ 4%↑)

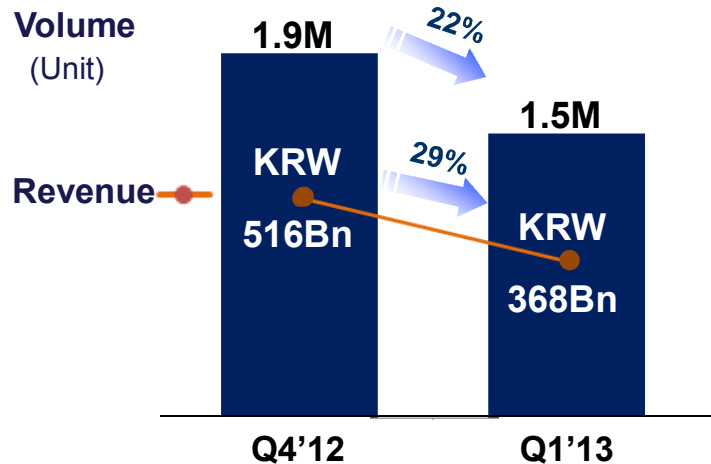
- Cylin. : Strong Demand of New Applications including P/Tool
- Pris. : Expansion of High-capacity Pris. LIB Driven by Surging Demand of Smartphone
- Poly. : Increase in Demand with New Tablet PC Products

» Leading Industry as Global No.1 by Optimizing Customer & Market Portfolio

[SDI Marketing]

# PDP – Q1 Results & Market Outlook

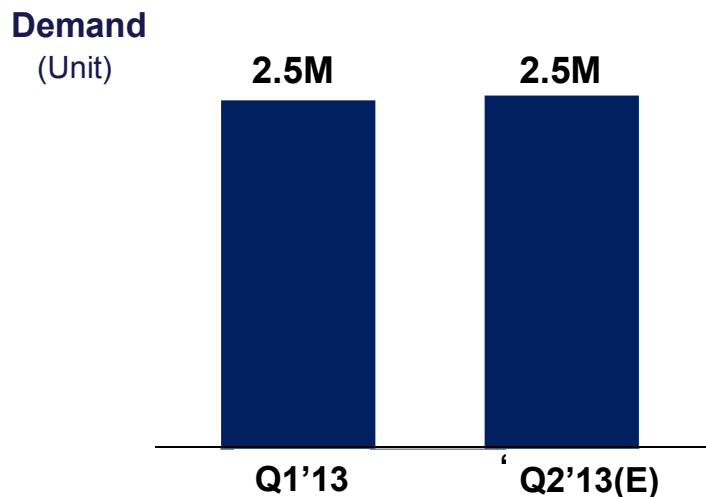
## Q1'13 Results



» **Q1'13 Volume : 1.5M (YoY 12%↓, QoQ 22% ↓)**

- Off-season in TV Sales, Deepening Market Penetration by LED Products
  - Decline in PDP TV Demand in Developed Market (QoQ 41% ↓)
- Recovery of Sales led by Emerging Market Biz.
  - China QoQ 12%↑, Southeast Asia QoQ 8%↑

## Q2'13 PDP Module Market



» **Q2'13 PDP TV Demand : 2.4M / Module Demand : 2.5M**

- Lack of Demand Recovery with Economic Recession in Developed Market
  - Stagnant TV Demand, Rush on LED Products

» **Securing Profitability Throughout Sales Increase in Emerging Market & Optimization of Line Operating**

- Targeting Emerging Markets → Dealing with Slow Sales in Developed Market
- Focusing on Profitability Improvement by Expanding Mid/Large-sized Models & Maximizing Operating Efficiency

[SDI Marketing]



# Q2 Outlook – Core Biz. with Expansion in M/S & Profitability

## Small-sized LIB

- ✓ **Growth in Sales Volume(Pris./Poly./Cylin.), Actively Responding Customers' Needs**
  - Beneficiary from the New Versions of Mobile Devices
  - Targeting Both New Application Markets & New Chinese Customers
- ✓ **Profitability Improvement**
  - Capacity Expansion with Higher Efficiency in Productivity
  - Discontinuing Sales of Low-margin Models & Focusing on High Value-added Products



## PDP

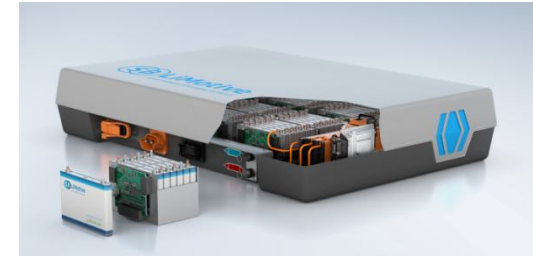
- ✓ **Sales Expansion with Premium Model in Developed Market & Low-end Models in Emerging Market**
  - Premium PDP TV(F8500) & Economical models
- ✓ **Synergy Enhancement Throughout Collaboration**



# Q2 Outlook – New Biz. Focused on Securing Orders

## xEV LIB

- ✓ **Mass Production for Major PJTs and Endeavor to Win Large Contracts**
  - Supplying to Premium OEMs in US & EU
- ✓ **Continuous Efforts to Reduce Loss**



## ESS

- ✓ **Start of Revenue Contribution and Diversification of Applications**
  - Securing New Orders Focusing on UPS and MW-level ESS
- ✓ **Synergy with xEV LIB → Cost Competiveness ↑**



# References

## ※ Income Statement (K-IFRS)

[ Unit : KRW Bn ]

	Q1'12	Q2'12	Q3'12	Q4'12	FY'12	Q1'13
Revenue	1,376.7	1,477.4	1,502.9	1,414.2	5,771.2	1,208.2
COGS	1,195.1	1,221.3	1,248.1	1,198.8	4,863.4	1,054.6
Gross Profit (%)	181.6 (13.2%)	256.1 (17.3%)	254.8 (17.0%)	215.4 (15.2%)	907.8 (15.7%)	153.6 (12.7%)
Operating Profit (%)	16.9 (1.2%)	82.6 (5.6%)	86.7 (5.8%)	0.7 (0.0%)	186.9 (3.2%)	-33.3 (-2.8%)
Non-Operating Income	148.3	83.7	1,555.0	55.5	1,842.5	142.3
Pre-tax Profit (%)	165.2 (12.0%)	166.3 (11.3%)	1,641.7 (109.2%)	56.2 (4.0%)	2,029.4 (35.2%)	109.0 (9.0%)
Tax Expenses	46.4	50.2	435.7	10.3	542.6	28.4
Minority Interests	6.8	10.8	7.5	-9.8	15.3	2.9
Net Income (%)	112.0 (8.1%)	105.3 (7.1%)	1,198.5 (79.7%)	55.7 (3.9%)	1,471.5 (25.5%)	77.7 (6.4%)
Depreciation & Amortization	117.0	121.5	106.0	99.1	443.6	101.9
CAPEX	113.7	81.4	66.0	144.7	405.8	234.2

※ Net Profit Excluding Minority Interests

※ Amended K-IFRS

(Operating Profit/loss is an Amount of Sales Less Cost of Sales and SG&A)

※ xEV LIB Division Consolidated as of 4Q'12

## ※ Statement of Financial Position (K-IFRS)

[ Unit : KRW Bn ]

	End of Q1'12	End of Q2'12	End of Q3'12	End of FY'12	End of Q1'13
<b>Assets</b>	<b>8,896.5</b>	<b>8,589.6</b>	<b>10,578.0</b>	<b>10,895.1</b>	<b>10,897.4</b>
<b>Current Assets</b>	<b>2,465.6</b>	<b>2,353.9</b>	<b>2,521.2</b>	<b>2,414.9</b>	<b>2,316.6</b>
<b>Quick Assets</b>	<b>1,860.8</b>	<b>1,716.6</b>	<b>1,880.2</b>	<b>1,856.4</b>	<b>1,719.4</b>
<b>Inventories</b>	<b>604.8</b>	<b>637.3</b>	<b>641.0</b>	<b>558.5</b>	<b>597.2</b>
<b>Non-current Assets</b>	<b>6,430.9</b>	<b>6,235.7</b>	<b>8,056.8</b>	<b>8,480.2</b>	<b>8,580.8</b>
<b>Investment Assets</b>	<b>4,255.7</b>	<b>4,107.3</b>	<b>6,041.6</b>	<b>6,022.1</b>	<b>6,091.1</b>
<b>Property &amp; Equipment</b>	<b>1,831.8</b>	<b>1,785.3</b>	<b>1,673.6</b>	<b>1,971.1</b>	<b>2,109.9</b>
<b>Intangible Assets</b>	<b>136.8</b>	<b>138.4</b>	<b>131.2</b>	<b>171.0</b>	<b>171.3</b>
<b>Others</b>	<b>206.6</b>	<b>204.7</b>	<b>210.4</b>	<b>316.0</b>	<b>208.5</b>
<b>Liabilities</b>	<b>2,401.0</b>	<b>2,167.2</b>	<b>2,903.4</b>	<b>3,330.6</b>	<b>3,316.4</b>
<b>Current Liabilities</b>	<b>1,865.6</b>	<b>1,650.0</b>	<b>1,626.2</b>	<b>2,004.0</b>	<b>2,062.2</b>
<b>Non-current Liabilities</b>	<b>535.4</b>	<b>517.2</b>	<b>1,277.2</b>	<b>1,326.6</b>	<b>1,254.2</b>
<b>Shareholders' Equity</b>	<b>6,495.5</b>	<b>6,422.4</b>	<b>7,674.6</b>	<b>7,564.5</b>	<b>7,581.0</b>
<b>Capital Stock</b>	<b>240.7</b>	<b>240.7</b>	<b>240.7</b>	<b>240.7</b>	<b>240.7</b>