

# 3Q14 QUARTERLY EARNINGS

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Oct 30, 2014

# 3Q14 Earnings & Financial Status

futureconfident

[ Bn KRW ]

Category	3Q14	Category	End of 3Q14
<b>Revenue</b>	1,891.8	<b>Assets</b>	16,087.5
<b>Energy Solution</b>	794.9	<b>Current Assets</b>	3,571.0
<b>Materials</b>	1,096.9	<b>Non-current Assets</b>	12,516.5
<b>Operating Profit (%)</b>	26.2 (1.4%)	<b>Liabilities</b>	4,365.9
<b>Pre-tax Income (%)</b>	63.7 (3.4%)	<b>Current Liabilities</b>	2,379.3
<b>Profit from Discontinued Operations</b>	-58.2	<b>Non-current Liabilities</b>	1,986.6
<b>Net Income (%)</b>	-12.9 (-0.7%)	<b>Shareholders' Equity</b>	11,721.6
		<b>Paid-in Capital</b>	356.7
		<b>Cash &amp; Cash Equiv.</b>	1,475.8
		<b>Debt</b>	1,875.4

※ Please refer to Appendix for pre-merger historical performance as QoQ and YoY comparison is not available.

※ Energy Solution division reflects profit from discontinued PDP operation.

# Analysis & Outlook

## 3Q14 Analysis

Shipment growth in new market/high value-added product, to offset slowing IT demand

- Strong shipment growth in China and adding more new customers offsetting slowing Tablet PC & S/Phone demand
- Volume growth of high value-added and non-IT new applications

## 4Q14 Outlook

Major set makers to expand new products sales

Continue to clinch strong leadership in non-IT segment

- Revenue growth driven by newly launching S/Phone & S/Watch
- Continue to lead LIB penetration into non-IT market with innovative products including high-power/high-energy capacity LIBs

## 3Q14 Analysis

**Stronger strategic partnership with existing premium/major OEMs while adding new OEMs**

- MOU with BMW for strategic partnership and mid/long-term battery supply
- Cooperation on next generation development of cell & module with a major European OEM
- Solid platform for China local production backed by expansion of Chinese PJTs

## 4Q14 Outlook

**Sharp revenue growth driven by new PJTs as ramp up mass production**

- FY'14 Revenue to leap more than 3x in YoY
  - ※ Start shipment to Chinese local OEM in 4Q14
- Expansion of xEV PJTs with both existing European premium OEMs and new strategic OEMs
- Pioneering into Chinese local market with new PJTs

## 3Q14 Analysis

**Materializing Commercial ESS contract and greater global exposure in Utility ESS**

- Install & running 5MWh ESS in German substation (WEMAG)
- Won 25MWh the largest Commercial ESS order in the world (GCN in US)
- Won 2 PJTs (total 4) in KEPCO F/R PJT, obtaining the highest evaluation
- Won 3MWh domestic smart-grid ESS supply PJT

## 4Q14 Outlook

**Expand domestic Utility ESS and affiliate shipments**

**Sales launch of brand new residential ESS abroad**

- Supply UPS to Samsung affiliate companies
- Ship ESS to KEPCO F/Rs, smart-grid PJTs and KTX substations
- Begin sales of All-in-One residential ESS in Europe

## 3Q14 Analysis

Earnings improved in QoQ  
due to strong seasonality

- Synthetic resin volume increased on strong seasonality in electronics, mobile, etc.
- Artificial marble continue solid earnings as maintain full operation
- Improving margin post 4Q'13 bottom from strengthening product competitiveness and market power

## 4Q14 Outlook

Focus on profitability  
by strengthening high value products  
and expanding into new markets

- Reach optimal product mix by sales expansion of high value products during low season
- Sales growth in China mobile and automobile market supported by technology competitiveness

## 3Q14 Analysis

**Both revenue & operating profit increased in QoQ from solid Semi-materials performance and Polarizer turn around**

- Semiconductor materials earnings improved in QoQ with strong demand led by memory
- Polarizer turned profit based on the solid LCD panel industry and competitive technology

## 4Q14 Outlook

**Expect to maintain steady quarterly earnings due to firm front-end demand despite weak seasonality**

- Semiconductor materials to show strong earnings from favorable market condition
- Continuing LCD-TV panel price upturn to provide stable industry for display materials including Polarizer



# Appendix

# Income Statement

## ☐ Samsung SDI Income Statement

Category (Bn KRW)	3Q13	2Q14	3Q13
Revenue	905.3	835.1	1,891.8
COGS	745.9	705.5	1,570.3
Gross Profit (%)	159.4 (17.6%)	129.6 (15.5%)	321.5 (17.0%)
Operating Profit (%)	8.6 (0.9%)	19.0 (2.3%)	26.2 (1.4%)
Non-Operating Profit	131.6	61.0	37.5
Pre-tax Income (%)	140.2 (15.5%)	80.0 (9.6%)	63.7 (3.4%)
Tax	24.8	22.0	18.4
Discontinued Operation	9.6	-37.4	-58.2
Net Income (%)	125.0 (9.6%)	20.5 (2.0%)	-12.9 (-0.7%)
NI excluding Minority Interests (%)	119.8 (9.2%)	19.1 (1.8%)	-13.0 (-0.7%)
Depreciation	87.9	85.7	143.8
CAPEX	106.0	70.1	145.8

## ☐ ex. Cheil Industries Income Statement

Category (Bn KRW)	3Q13	2Q14
Revenue	1,125.4	1,060.9
COGS	891.8	867.6
Gross Profit (%)	233.6 (20.8%)	193.3 (18.2%)
Operating Profit (%)	84.2 (7.5%)	29.3 (2.8%)
Non-Operating Profit	-12.4	1.7
Pre-tax Income (%)	71.8 (6.4%)	31.0 (2.9%)
Tax	12.4	20.0
Discontinued Operation	-8.4	-6.3
Net Income (%)	51.0 (4.5%)	4.7 (0.4%)
NI excluding Minority Interests (%)	51.1 (4.5%)	4.6 (0.4%)
Depreciation	57.4	49.8
CAPEX	85.1	34.6

※ Energy Solution division reflects profit from discontinued PDP operation.

※ Materials division (ex. Cheil Industries) was merged from 3Q14.

# Balance Sheet

Category (Bn KRW)	2Q14	Jul 1 <sup>st</sup> '14 ※	3Q14
<b>Total Assets</b>	10,875.0	16,414.6	16,087.5
<b>Current Assets</b>	2,087.1	3,787.5	3,571.0
<b>Quick Assets</b>	1,555.2	2,909.4	2,732.3
<b>Inventory</b>	531.9	878.1	838.7
<b>Non-current Assets</b>	8,787.9	12,627.1	12,516.5
<b>Investment Assets</b>	6,711.9	7,687.1	7,601.9
<b>Tangible Assets</b>	1,729.2	3,376.1	3,375.1
<b>Intangible Assets</b>	166.6	1,340.6	1,308.8
<b>Other Assets</b>	180.2	223.3	230.7
<b>Total Liabilities</b>	2,922.4	4,642.5	4,365.9
<b>Current Liabilities</b>	1,337.7	2,066.8	2,379.3
<b>Non-current Liabilities</b>	1,584.7	2,575.7	1,986.6
<b>Shareholder's Equity</b>	7,952.6	11,772.1	11,721.6
<b>Paid-in capital</b>	240.7	356.7	356.7

※ Merger effective date