



SAMSUNG ELECTRONICS Co., Ltd.
Interim Business Report
For the quarter ended September 30, 2014

Note about forward-looking statements

Certain statements in the document, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are "forward-looking statements." Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in our financial reports available on our website.

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Certification

Letter of Certification

We, Oh-Hyun Kwon and Sang-Hoon Lee, as CEO and director of the company in charge of reporting, certify that we have reviewed the interim business report of Samsung Electronics Co., Ltd. for the quarter ended September 30, 2014.

Based on our knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary that would be misleading with respect to the period covered by this report.

Based on our knowledge, the financial statements, and other financial information included in the report, fairly present in all materials respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report.

We confirm that Samsung Electronics operates an Internal Accounting Management System, responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting, as defined in Article 2.2 and 2.3 of the External Audit Act. We have disclosed our most recent evaluation of internal controls over financial reporting to the Company's auditors and to the audit committee of the Company's board of directors.

Date: 2014. 11. 14

Oh-Hyun Kwon (signature) 

Vice Chairman and CEO,
Samsung Electronics Co., Ltd.

Director responsible for reporting:

Sang-Hoon Lee (signature) 

President and CFO
Samsung Electronics Co., Ltd.

I. Corporate Overview

1. Overview

A. Legal, Commercial Name:

- Samsung Electronics Co., Ltd.

B. Date of Establishment:

- Samsung Electronics (“SEC” or “The Company”) was established as Samsung Electronics Industry Co., Ltd. on January 13, 1969, held an Initial Public Offering on June 11, 1975.
- The Company changed its name from Samsung Electronics Industry Co., Ltd. to Samsung Electronics Co., Ltd. in accordance with the resolution of the Annual General Meeting of Shareholders on February 28, 1984.

C. Address, Phone Number, and Website of the corporate headquarter

- Address: 129, Samsung-ro, Yeongtong-gu, Suwon, Gyeonggi-do, Korea
- Phone Number: 82-31-200-1114
- Website: [http:// www.samsung.com/us](http://www.samsung.com/us)

D. The Company is not subject to Article 2 of the Framework Act on Small and Medium Enterprises.

E. Core Businesses

- The Company independently manages three independent divisions, CE (Consumer Electronics), IM (Information Technology & Mobile Communications), and DS (Device Solutions).

Products in each division are presented below:

Division	Products
CE	CTV, Monitor, Printer, Air Conditioner, Refrigerator, Washing Machine, Medical Devices, etc.
IM	HHP, Network System, Computer, Digital Camera, etc.
DS	DRAM, NAND Flash, Mobile AP, LCD panel, OLED panel, LED, etc.

The Company is a global electronics company comprised of the headquarters in Korea and 158 subsidiaries across the world including nine (9) regional headquarters for the CE and IM divisions and five (5) regional headquarters for the DS division.

[CE Division]

The CE division is leading the global digital era by continuously offering new products with innovative technology, unique design, and value.

CTV is the core product of the CE. The Company has maintained its market leadership position for the past eight (8) consecutive years through competitive advantage in hardware products such as LCD and LED TV as well as software driven product features with our Smart TV product portfolio.

[IM Division]

The IM division is leading mobile lifestyle innovation with consumer-friendly products such as the premium brand ‘GALAXY’ series, while driving the paradigm shift in the market beyond mobile convergence to focus on software.

The IM division is focused on meeting market demands by enhancing mobile product differentiation through integration of key features from various product categories.

In addition to HHP products including smartphones, the IM division is also leading technological development and standardization in the global networks system market including Long Term Evolution (LTE).

[DS Division]

The DS division is comprised of semiconductor and display businesses. The semiconductor business is divided into memory and System LSI businesses. The memory business manufactures and sells DRAM and NAND products. The System LSI business manufactures Mobile AP (Application Processors) and various sensors including CIS (Central Imaging Sensors). The display business manufactures and sells display panels, including TFT-LCD and OLED.

The memory business produces differentiated products and has maintained number one position in the global memory market by applying advanced process technology. The System LSI business is leading the industry shift from PC to mobile. For display business, the Company is leading the market with technological development and investment resulting in superior quality and cost competitiveness in TFT-LCD and increasing applications of OLED panels in various IT products.

☞ Refer to 『II. Businesses Overview』, for more details about each division

F. Affiliates

The Company is an affiliate of Samsung Group under the Monopoly Regulation and Fair Trade Act.

As at September 30, 2014, Samsung Group had a total of seventy (70) domestic affiliates, where four (4) new affiliates (Samsung Welstory, Seoul Lakeside CC, Samsung Card Customer Service, and Shilla Stay) were included and nine (9) affiliates (Samsung Corning Precision Materials, Samsung SNS, Global Tech, 365Homecare, Samsung Petrochemical, Cheil Industries, World Cyber Games, SMP, and SKKU dormitory) were excluded. Among the Samsung Group's seventy (70) domestic affiliates, sixteen (16) affiliates including Samsung Electronics are listed, and fifty-four (54) affiliates are unlisted.

[As of Sep 30, 2014]

	No. of affiliates	Name of affiliates
Listed	16	Samsung C&T, Samsung Electronics, Samsung SDI, Samsung Techwin, SEMCO, Samsung Heavy Industries, Samsung Card, Samsung Life Insurance, Hotel Shilla, Samsung Fire & Marine Insurance, Samsung Securities, Samsung Fine Chemicals, Samsung Engineering, S1, Cheil Worldwide, CREDU
Unlisted	54	Cheil Industries(formerly Samsung Everland), Samsung SDS, Samsung General Chemicals, Samsung Total Petrochemicals, Samsung Lions, SERI, STECO, Samsung Thales, SEMES, Samsung Electronics Sales, Samsung Electronics Service, Samsung Electronics Logitech, Hantok Chemicals, CVnet Corporation, Care Camp, Allat., SECUI, Gacchinet, Open Tide Korea, Samsung Futures, Samsung Venture Investment Corporation, Samsung Asset Management, Saengbo, SD Flex, Samsung Claim Adjustment Service, Samsung Fire & Marine Insurance Service, S-Core, Suwon Samsung Bluewings FC, Human TSS, RAY, Songdo Land Mark City, S-1CRM, OpenHands, S-EnPol, Samsung Medison, Samsung Biologics, STM, Nuri Solution, Colombo Korea, Samsung Life Service, Miracom, SU Materials, Natural9, Samsung Display, Samsung Bioepis, Samsung Corning Advanced Glass, Daejung Offshore Wind Power Co., Ltd., Samsung SRA Asset Management, Jeongahm Wind Power, Samsung SGL Carbon Composite Materials, Samsung Welstory, Samsung Card Customer Service, Seoul Lakeside CC, Shilla Stay
Total	70	

※ The former Cheil Industries merged with Samsung SDI in July 2014, and Samsung Everland has been renamed as Cheil Industries.

☞ Refer to 『4. Affiliates and Subsidiaries』 in 『IV. Corporate Governance and Affiliates』 for more details about domestic and overseas affiliates.

G. Subsidiaries Subject to Consolidated Financial Statements

As at September 30, 2014, Samsung Electronics' consolidated subsidiaries totaled 158 with ten(10) subsidiaries being newly included and five(5) subsidiaries being excluded as compared to December 31, 2013. Below is the list of consolidated subsidiaries.

(Unit: KRW million)

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2013 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics America Inc.	1978.07	Sale of electronic goods	12,248,560	Over 50%	Y
Samsung Receivables Corporation	1998.03	Receivable management	2,780,689	Over 50%	Y
Samsung Semiconductor Inc.	1983.07	Sale of semiconductors and DP	7,346,339	Over 50%	Y
Samsung Electronics Canada Inc.	1980.07	Sale of electronic goods	522,775	Over 50%	Y
Samsung Information Systems America Inc.	1988.10	R&D	184,101	Over 50%	Y
Grandis, Inc.	2002.06	R&D	108,037	Over 50%	Y
Samsung International Inc.	1983.10	Production of CTV and monitors	34,424	Over 50%	N
Samsung Mexicana S.A. de C.V	1988.03	Production of electronic goods	1,065,830	Over 50%	Y
Samsung Telecommunications America LLC.	1992.01	Sale of telecom products	4,735,432	Over 50%	Y
Samsung Austin Semiconductor LLC.	1996.02	Production of semiconductors	6,393,348	Over 50%	Y
Samsung Electronics Mexico S.A. De C.V.	1995.07	Sale of electronic goods	1,554,638	Over 50%	Y
SEMES America Inc.	1998.10	Semiconductor equipment	1,090	Over 50%	N
Samsung Electronics Digital Appliance Mexico, SA de CV	2012.12	Production of electronic goods	503,513	Over 50%	Y
Samsung Electronics Latinoamerica Miami, Inc.	1995.05	Sale of electronic goods	259,165	Over 50%	Y
Nvelo, Inc.	2010.05	Software	1,519	Over 50%	N
Samsung Electronics Latinoamerica (Zona Libre)	1989.04	Sale of electronic goods	375,274	Over 50%	Y
Samsung Electronics Venezuela, C.A.	2010.05	Marketing and services	8,928	Over 50%	N
Samsung Electronica Colombia S.A.	1997.03	Sale of electronic goods	327,320	Over 50%	Y
Samsung Electronics Panama. S.A.	2012.07	Consulting	3,549	Over 50%	N
Samsung Electronica da Amazonia Ltda.	1994.10	Production and sale of electronic goods	3,429,136	Over 50%	Y
Samsung Electronics Argentina S.A.	1996.06	Marketing and services	49,454	Over 50%	N
Samsung Electronics Chile Limitada	2002.12	Sale of electronic goods	492,709	Over 50%	Y
Samsung Electronics Peru S.A.C.	2010.04	Sale of electronic goods	150,228	Over 50%	Y
Samsung Electronics (UK) Ltd.	1995.07	Sale of electronic goods	1,393,507	Over 50%	Y
Samsung Electronics(London) Ltd.	1999.01	Holding company	7,647	Over 50%	N
Samsung Electronics Holding GmbH	1982.02	Holding company	886,338	Over 50%	Y
Samsung Semiconductor Europe GmbH	1987.12	Sale of semiconductors and DP	1,016,296	Over 50%	Y
Samsung Electronics GmbH	1984.12	Sale of electronic goods	1,214,277	Over 50%	Y
Samsung Electronics Iberia, S.A.	1989.01	Sale of electronic goods	783,438	Over 50%	Y
Samsung Electronics France S.A.S	1988.01	Sale of electronic goods	1,157,900	Over 50%	Y
Samsung Electronics Hungarian Private Co. Ltd.	1989.10	Production and sale of electronic goods	1,249,691	Over 50%	Y

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2013 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Czech and Slovak s.r.o.	2010.01	Sale of electronic goods	170,011	Over 50%	Y
Samsung Electronics Italia S.P.A.	1991.04	Sale of electronic goods	1,004,423	Over 50%	Y
Samsung Electronics Europe Logistics B.V.	1991.05	Logistics	1,903,892	Over 50%	Y
Samsung Electronics Benelux B.V.	1995.07	Sale of electronic goods	1,290,124	Over 50%	Y
Samsung Display Slovakia s.r.o.	2007.03	DP Processing	299,196	Over 50%	Y
Samsung Electronics Romania LLC	2007.09	Sale of electronic goods	144,702	Over 50%	Y
Samsung Electronics Polska, SP.Zo.o	1996.04	Sale of electronic goods	557,370	Over 50%	Y
Samsung Electronics Portuguesa S.A.	1982.09	Sale of electronic goods	132,631	Over 50%	Y
Samsung Electronics Nordic Aktiebolag	1992.03	Sale of electronic goods	533,252	Over 50%	Y
Samsung Nanoradio Design Center	2004.02	R&D	21,737	Over 50%	N
Samsung Semiconductor Europe Ltd.	1997.04	Sale of semiconductor and DP	98,884	Over 50%	Y
Samsung Electronics Austria GmbH	2002.01	Sale of electronic goods	323,756	Over 50%	Y
Samsung Electronics Slovakia s.r.o	2002.06	Production of CTV and monitors	1,764,078	Over 50%	Y
Samsung Electronics European Holding Cooperatief U.A.	2008.10	Holding company	5,780,302	Over 50%	Y
Samsung Electronics Poland Manufacturing SP.Zo.o	2010.02	Production of home appliances	373,469	Over 50%	Y
Samsung Electronics Greece S.A.	2010.04	Sale of electronic goods	108,514	Over 50%	Y
Nanoradio Hellas AE	2007.11	R&D	21,737	Over 50%	N
Samsung Denmark Research Center ApS	2012.09	R&D	22,520	Over 50%	N
Samsung France Research Center SARL	2012.10	R&D	22,406	Over 50%	N
Samsung Cambridge Solution Centre Limited	2012.09	R&D	132,919	Over 50%	Y
Samsung Electronics Baltics SIA	2001.10	Sale of electronic goods	44,495	Over 50%	N
Samsung Electronics Overseas B.V.	1997.01	Sale of electronic goods	173,644	Over 50%	Y
Samsung Electronics Rus LLC	1999.03	Marketing	12,392	Over 50%	N
Samsung Electronics Rus Company LLC	2006.10	Sale of electronic goods	1,410,054	Over 50%	Y
Samsung Electronics Ukraine LLC	2004.01	Marketing	79	Over 50%	N
Samsung Electronics Ukraine Company LLC	2008.09	Sale of electronic goods	189,644	Over 50%	Y
Samsung R&D Institute Rus LLC	2011.11	R&D	13,767	Over 50%	N
Samsung Electronics Kazakhstan LLP	2006.07	Marketing	964	Over 50%	N
Samsung Electronics Central Eurasia LLP	2008.09	Sale of electronic goods	161,062	Over 50%	Y
Samsung Electronics Rus Kaluga LLC	2007.07	Production of CTV	1,122,495	Over 50%	Y
Samsung Russia Service Centre LLC	1997.11	Service	41,567	Over 50%	N
Samsung Electronics West Africa	2010.03	Marketing	61,414	Over 50%	Y
Samsung Electronics East Africa	2011.12	Marketing	26,006	Over 50%	N
Samsung Gulf Electronics Co., Ltd.	1995.05	Sale of electronic goods	1,071,694	Over 50%	Y
Samsung Electronics Egypt S.A.E	2012.07	Production and sale of electronic goods	251,866	Over 50%	Y
Samsung Electronics Israel Ltd.	2012.09	Marketing	3,150	Over 50%	N

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2013 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Tunisia S.A.R.L	2012.09	Marketing	1,667	Over 50%	N
Samsung Electronics Pakistan(Private) Ltd.	2012.11	Marketing	1,814	Over 50%	N
Samsung Electronics South Africa(Pty) Ltd.	1994.06	Sale of electronic goods	787,562	Over 50%	Y
Samsung Electronics Turkey	1984.12	Sale of electronic goods	674,173	Over 50%	Y
Samsung Semiconductor Israel R&D Center Ltd.	2007.10	R&D	22,940	Over 50%	N
Samsung Electronics Levant Co.,Ltd.	2009.07	Sale of electronic goods	403,713	Over 50%	Y
Samsung Electronics Morocco SARLAU	2009.11	Sale of electronic goods	88,406	Over 50%	Y
Samsung Japan Corporation	1975.12	Sale of electronic goods	1,174,832	Over 50%	Y
Samsung R&D Institute Japan Co. Ltd	1992.08	R&D	181,723	Over 50%	Y
Samsung Electronics Japan Co., Ltd.	2008.09	Sale of electronic goods	712,050	Over 50%	Y
Samsung Electronics Display (M) Sdn. Bhd.	1995.03	Production and sale of electronic goods	814,820	Over 50%	Y
Samsung Electronics (M) Sdn. Bhd.	1989.09	Production of home appliances	277,354	Over 50%	Y
Samsung Vina Electronics Co., Ltd.	1995.01	Production and sale of electronic goods	175,780	Over 50%	Y
Samsung Asia Private Ltd.	2006.07	Sale of electronic goods	2,425,585	Over 50%	Y
Samsung India Electronics Private Ltd.	1995.08	Production and sale of electronic goods	1,924,832	Over 50%	Y
Samsung R&D Institute India-Bangalore Private Ltd.	2005.05	R&D	147,900	Over 50%	Y
Samsung Electronics Australia Pty. Ltd.	1987.11	Sale of electronic goods	578,624	Over 50%	Y
PT Samsung Electronics Indonesia	1991.08	Production and sale of electronic goods	647,199	Over 50%	Y
PT Samsung Telecommunications Indonesia	2003.03	Sale of telecom systems and services	15,944	Over 50%	N
Thai Samsung Electronics Co., Ltd.	1988.10	Production and sale of electronic goods	1,476,296	Over 50%	Y
Samsung Electronics Philippines Corporation	1996.03	Sale of electronic goods	127,203	Over 50%	Y
Samsung Malaysia Electronics (SME) Sdn. Bhd.	2003.05	Sale of electronic goods	814,104	Over 50%	Y
Samsung R&D Institute BanglaDesh	2010.08	R&D	6,662	Over 50%	N
Samsung Electronics Vietnam Co., Ltd.	2008.03	Production of electronic goods	5,625,759	Over 50%	Y
Samsung Telecommunications Malaysia Sbn. Bhd.	2009.08	Sale of telecom systems and services	11,593	Over 50%	N
Samsung Display Dongguan Co., Ltd.	2001.11	DP production	1,015,838	Over 50%	Y
Samsung Display TianJin Co., Ltd.	2004.06	DP production	650,311	Over 50%	Y
Samsung Electronics Hong Kong Co., Ltd.	1988.09	Sale of electronic goods	1,188,620	Over 50%	Y
Suzhou Samsung Electronics Co., Ltd.	1995.04	Production of home appliances	645,699	Over 50%	Y
Samsung Suzhou Electronics Export Co., Ltd.	1995.04	Production of home appliances	352,780	Over 50%	Y
Samsung (CHINA) Investment Co., Ltd.	1996.03	Sale of electronic goods	8,406,438	Over 50%	Y
Samsung Mobile R&D Center, China-Guangzhou	2010.01	R&D	38,323	Over 50%	N
Samsung Tianjin Mobile Development Center	2010.08	R&D	28,245	Over 50%	N
Samsung Electronics Suzhou Semiconductor Co., Ltd.	1994.12	Semiconductor processing	660,374	Over 50%	Y
Samsung Electronics (Shandong) Digital Printing Co., Ltd.	1993.03	Production of printers	761,018	Over 50%	Y
Samsung Electronics Huizhou Co., Ltd.	1992.12	Production of electronic goods	4,599,200	Over 50%	Y

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2013 Assets	% ownership	Classified as major subsidiary (Y/N)
Tianjin Samsung Electronics Co., Ltd.	1993.04	Production of CTV and monitors	907,752	Over 50%	Y
Samsung Electronics Taiwan Co., Ltd.	1994.11	Sale of electronic goods	1,390,404	Over 50%	Y
Beijing Samsung Telecom R&D Center	2000.09	R&D	44,780	Over 50%	N
Tianjin Samsung Telecom Technology Co., Ltd.	2001.03	Production of telecom products	2,939,027	Over 50%	Y
Shanghai Samsung Semiconductor Co., Ltd.	2001.10	Sale of semiconductor and DP	1,310,109	Over 50%	Y
Samsung Electronics Suzhou Computer Co., Ltd.	2002.09	Production of electronic goods	846,670	Over 50%	Y
Samsung Display SuZhou Co., Ltd.	2002.09	DP Processing	554,424	Over 50%	Y
Samsung Suzhou LCD Co., Ltd	2011.07	DP Production	1,463,589	Over 50%	Y
Shenzhen Samsung Electronics Telecommunication Co., Ltd.	2002.02	Sale of telecom products	88,698	Over 50%	Y
Samsung Electronics Shanghai Telecommunication Co., Ltd.	2001.11	Sale of telecom and network products	1,411	Over 50%	N
Samsung Semiconductor (China) R&D Co., Ltd.	2003.04	R&D	18,982	Over 50%	N
Samsung Electronics China R&D Center	2004.05	R&D	25,429	Over 50%	N
Samsung (China) Semiconductor Co., Ltd.	2012.09	Semiconductor Production	3,752,682	Over 50%	Y
Samsung Electronics Hainan Fiberoptics Co., Ltd.	2004.04	Fiber optic and cable Production	111,367	Over 50%	Y
Samsung Electronics (Beijing) Service Company Ltd.	2005.01	Services	140,868	Over 50%	Y
Tianjin Samsung LED Co., Ltd.	2009.05	LED Productions	457,896	Over 50%	Y
Tianjin Samsung Opto-Electronics Co., Ltd.	1994.02	Camera/camcorder Production	241,957	Over 50%	Y
Samsung Display	2012.04	DP Sales and Production	35,754,894	Over 50%	Y
SU Materials	2011.08	DP component production	21,711	Over 50%	N
STECO	1995.06	Semiconductor component production	91,556	Over 50%	Y
SEMES	1993.01	Semiconductor/FPD manufacturing equipment	669,232	Over 50%	Y
Samsung Electronics Service	1998.10	Electronics goods repair services	335,588	Over 50%	Y
Samsung Electronics Sales	1996.07	Sales of electronic goods	564,361	Over 50%	Y
Samsung Electronics Logitech	1998.04	Total logistic services	140,733	Over 50%	Y
SVIC #6 Venture Capital Union	2005.07	Investment in venture firms and new technologies	37,284	Over 50%	N
SVIC #14 Venture Capital Union	2009.05	Investment in venture firms and new technologies	55,465	Over 50%	Y
SVIC #20 Venture Capital Union	2011.03	Investment in venture firms and new technologies	30,532	Over 50%	N
SVIC #21 Venture Capital Union	2011.11	Investment in venture firms and new technologies	61,384	Over 50%	Y
SVIC #22 Venture Capital Union	2011.11	Investment in venture firms and new technologies	93,554	Over 50%	Y
SVIC #23 Venture Capital Union	2012.10	Investment in venture firms and new technologies	10,746	Over 50%	N
Hi Pioneer Private Securities Investment Trust 1	2011.08	Investment in venture firms and new technologies	19,189	Over 50%	N
Samsung Medison	1985.07	Medical equipment	309,321	Over 50%	Y
RAY	2004.10	Dental CT	5,950	Over 50%	N
SonoAce Deutschland GmbH	2001.10	Medical equipment	322	Over 50%	N
Samsung Medison Shanghai Medical Instrument Co., Ltd.	1992.11	Medical equipment	10,692	Over 50%	N
Samsung Medison India Private Ltd.	2009.01	Medical equipment	96	Over 50%	N

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2013 Assets	% ownership	Classified as major subsidiary (Y/N)
NexusDX Inc.	2009.07	Medical equipment	15,214	Over 50%	N
Nanogen Recognomics GmbH	2001.07	Medical equipment	-	Over 50%	N
NeuroLogica Corp.	2004.02	Medical equipment	187,297	Over 50%	Y
Samsung Electronics Vietnam THAINGUYEN Co., Ltd.	2013.03	Production of telecom products	590,033	Over 50%	Y
Samsung Network R&D Center, China-Shenzhen	2013.03	R&D	5,738	Over 50%	N
Samsung Electronics Switzerland GmbH	2013.05	Sale of electronic goods	115,759	Over 50%	Y
Samsung R&D Institute China-Xian	2013.07	R&D	8,179	Over 50%	N
SEMES (XIAN) Co., Ltd.	2013.07	Semiconductor equipment	242	Over 50%	N
Samsung Electronics New Zealand Limited	2013.09	Sale of electronic goods	3,163	Over 50%	N
RT SV CO-INVEST, LP	2014.02	Investment in venture firms	-	Over 50%	N
Samsung Display Bac Ninh	2014.07	DP Production	-	Over 50%	N
Samsung Electronics South Africa Production (pty) Ltd.	2014.07	Production of CTV and monitors	-	Over 50%	N
Quietside LLC	2001.07	Sale of Air-conditioner	17,407	Over 50%	N
SmartThings, Inc.	2012.04	Sale of Smart-home Devices	12,775	Over 50%	N
PrinterOn Inc.	2000.04	Sale of Printing Solutions	4,545	Over 50%	N
PrinterOn America Corporation	1986.04	Sale of Printing Solutions	28	Over 50%	N
PrinterOn Europe Limited	2013.11	Sale of Printing Solutions	-	Over 50%	N
1397011 Ontario Ltd.	2000.09	Sale of Printing Solutions	-	Over 50%	N
SVIC #27 Venture Capital Union	2014.09	Investment in venture firms and new technologies	-	Over 50%	N

※ Companies with over KRW50 billion total assets as at December 31, 2013 are classified as major subsidiaries.

※ Refer to 『II. Businesses Overview』 for additional information about major business segments.

H. Credit Rating

The Company's credit rating is assessed by two external credit ratings agencies: As at September 30, 2014, Moody's rating is A1 and investment outlook is Positive. In October 2014, Moody's changed the Company's investment outlook from Positive to Stable. S&P's rating is A+ and investment outlook is stable.

Date	Securities	Ratings	Credit Rating Agency	Rating Range	Note
'12.08	Corporate bond	A	S&P (USA)	(AAA ~ D)	Annual Review
'12.08	Corporate bond	A1	Moody's (USA)	(Aaa ~ C)	
'13.08	Corporate bond	A+	S&P (USA)	(AAA ~ D)	
'13.12	Corporate bond	A1	Moody's (USA)	(Aaa ~ C)	

2. Company History

(The Information disclosed below outlines major changes to the Company such as asset transfers, M&A, and security offerings)

2010.01.01 Transferred VSS business to Samsung Techwin
2010.04.01 Merged with Samsung Digital Imaging
2011.01.01 Merged with Samsung Electronics Gwangju
2011.02.16 Acquired shares of Prosonic (100%) and Medison (43.5%)
2011.04.19 Signed a comprehensive partnership contract (including HDD business transfer) with Seagate
2011.04.29 Acquired additional shares of Medison (22.3%)
2011.07.01 Transferred solar cell business to Samsung SDI
2011.07.22 Acquired shares of Grandis (100%), an affiliate of subsidiary SISA
(Samsung Information System America)
2012.01.19 Acquired remaining shares of S-LCD Corporation (50%) from SONY
2012.04.01 Separated LCD business (established Samsung Display)
2012.04.01 Merged with Samsung LED
2012.04.10 Corporate bond (\$1 billion) issued by SEA
2012.07.01 Samsung Mobile Display merged with S-LCD (a subsidiary of Samsung Display)
2012.09.01 Merged Prosonic with Samsung Medison
2012.12.01 Acquired SEHF Korea
2013.01.01 Merged SECRON with GES (a subsidiary of SEMES)
2013.01.28 Acquired shares of NeuroLogica (100%) of a subsidiary SEA
2014.01.15 Disposed stocks of Samsung Corning Precision Materials, a subsidiary of Samsung Display.
Purchased convertible preferred stocks from Corning Incorporated.

(Changes in Subsidiaries)

	AMER	Europe/ MEA/ CIS	Asia	China	Domestic	Total	Increase	Decrease
Dec 31, 2009	17	39	20	25	15	116	-	-
Dec 31, 2010	19	44	21	27	17	128	<p>[Americas: 2] Samsung Electronics Peru S.A.C., Samsung Electronics Venezuela, C.A.</p> <p>[Europe/MEA/CIS: 5] Samsung Electronics West Africa, Samsung Electronics Greece S.A., Samsung LCD Netherlands R&D Center B.V, Samsung LCD Netherlands R&D Center(UK) Limited, Samsung Opto-Electronics GmbH</p> <p>[Asia: 1] Samsung Electronics Bangladeshi Research Center</p> <p>[China: 4] Samsung Guangzhou Mobile R&D Center, Samsung Tianjin Mobile Development Center, Tianjin Samsung Opto-Electronics Co., Ltd., Samsung LCD Netherlands R&D Center(HK) Limited</p> <p>[Domestic: 2] RAY, GES</p>	<p>[China: 2] Tianjin Tongguang Samsung Electronics, Tianjin Samsung Electronics Display</p>
Dec 31, 2011	26	51	25	30	24	156	<p>[Americas: 7] Samsung Medison Brasil Ltda., Samsung Medison America Inc., Grandis, Inc., Nexus DX Inc., HX Diagnostics, Inc., HX Reagents, Inc., Deltapoint Cardiac Diagnostics, Inc.</p> <p>[Europe/MEA/CIS: 7] SONOACE Deutschland GmbH, Samsung Medison France S.A.S., Samsung Medison Italia S.r.l., Samsung Medison Europe B.V., Samsung Moscow Research Centre, Samsung Electronics East Africa, Nanogen Recognomics GmbH</p> <p>[Asia: 4] Samsung Medison Japan Co., Ltd., Samsung Medison India Private Ltd., Medison Medical Systems India Private Ltd., TNP Small/Medium Size & Venture Enterprises Growth-Promotion Investment Limited Partnership(TSUNAMI)</p> <p>[China: 4] Samsung Medison Shanghai Medical Instrument Co., Ltd., Medison (Shanghai) Co., Ltd., Medison Medical Equipment Shanghai, Samsung Suzhou LCD Co., Ltd.</p> <p>[Domestic: 10] Prosonic, SVIC #20 Venture Capital Union, Samsung Medison, Medison Healthcare, CSL, Medison X-ray, SU Materials, Hi Pioneer Private Securities Investment Trust 1, SVIC #21 Venture Capital Union, SVIC #22 Venture Capital Union</p>	<p>[China: 1] Samsung Electronics Shenzhen Co., Ltd.</p> <p>[Domestic: 3] Samsung Electronics Gwangju, Medison X-ray, CSL</p>
Dec 31, 2012	30	61	23	32	20	166	<p>[Domestic: 2] Samsung Display , SVIC #23 Venture Capital Union</p> <p>[Americas: 8] Samsung LED AMERICA, Inc.,mSpot Inc.,Nanoradio Inc., Samsung Electronics Panama. S.A, Samsung Electronics Corportativo SA de CV, Samsung Electronics Digital Appliance Mexico SA de CV, Nvelo Inc., Newton Sub. Corp.</p> <p>[Europe/MEA/CIS: 11] Samsung LED Europe GmbH, Samsung Nanoradio Design Center, Nanoradio Hellas AE, General RF Modules AB, Samsung Cambridge Solution Centre Limited, Samsung Denmark Research Center ApS, Samsung Electronics Egypt S.A.E, Samsung Electronics Tunisia S.A.R.L, Samsung Electronics Israel, Samsung France Research Center SARL, Samsung Electronics Pakistan (Private) Ltd.</p> <p>[China: 2] Tianjin Samsung LED Co., Ltd., Samsung (China) Semiconductor Co., Ltd.</p>	<p>[Domestic: 6] Medison Healthcare, Samsung Mobile Display, S-LCD, SVIC #7 Venture Capital Union, Prosonic, SEHF-Korea</p> <p>[America: 4] Samsung LED AMERICA, Inc., HX Diagnostics, Inc., HX Reagents, Inc., Nanoradio Inc.</p> <p>[Europe/MEA/CIS: 1] Samsung LED Europe GmbH,</p> <p>[Asia: 2] Samsung Asia Private Ltd., Samsung Medison Japan Co., Ltd.</p>

※ AMER = America; MEA = Middle East and Africa, CIS = Commonwealth of Independent States

	AMER	Europe/ MEA/ CIS	Asia	China	Domestic	Total	Increase	Decrease
Dec 31, 2013	25	55	22	33	18	153	<p>[Americas: 2] NeuroLogica Corp., Intellectual Keystone Technology LLC.</p> <p>[Europe/MEA/CIS: 1] Samsung Electronics Switzerland GmbH</p> <p>[Asia: 2] Samsung Electronics Vietnam THAINGUYEN Co., Ltd., Samsung Electronics New Zealand Ltd.</p> <p>[China: 3] Samsung Network R&D Center China-Shenzhen, Samsung R&D Institute China-Xian, SEMES (XIAN) Co., Ltd.</p>	<p>[Domestic: 2] Secron, GES</p> <p>[Americas: 7] Newton Sub. Corp., mSpot, Inc., Deltapoint Cardiac Diagnostics, Inc., Samsung Medison America, Inc., Intellectual Keystone Technology LLC., Samsung Medison Brasil Ltda., Samsung Electronics Corporativo, SA de CV</p> <p>[Europe/MEA/CIS: 7] Samsung Telecoms (UK) Ltd., Samsung LCD Netherlands R&D Center B.V, Samsung LCD Netherlands R&D Center (UK) Limited, General RF Modules AB, Samsung Medison France S.A.S., Samsung Opto-Electronics GmbH, Samsung Medison Italia S.r.l.</p> <p>[Asia: 3] Samsung Electronic Philippines Manufacturing Corp., Batino Realty Corporation, TNP Small/Medium Size & Venture Enterprises Growth Promotion Investment Limited Partnership(TSUNAMI)</p> <p>[China: 2] Samsung LCD Netherlands R&D Center (HK)Limited, Medison (shanghai) Co., Ltd.</p>
Sep 30, 2014	31	56	22	32	17	158	<p>[Domestic : 1] SVIC #27 Venture Capital Union</p> <p>[America: 6] RT SV CO-INVEST, LP, Quieside LLC, SmartThings, Inc., PrinterOn Inc., PrinterOn America Corporation, 1397011 Ontario Ltd.</p> <p>[Europe/MEA/CIS: 2] PrinterOn Europe Limited, Samsung Electronics South Africa Production(pty) Ltd.</p> <p>[Asia : 1] Samsung Display Bac Ninh</p>	<p>[Domestic: 2] Samsung Blue wings, World cyber games</p> <p>[Europe: 1] Samsung Medison Europe B.V</p> <p>[Asia: 1] Medison Medical Systems India Private Ltd.</p> <p>[China: 1] Medison Medical Equipment Shanghai Co., Ltd..</p>

※ AMER = America; MEA = Middle East and Africa, CIS = Commonwealth of Independent States

(Important changes in executives)

Following the annual general shareholder meeting on March 16, 2012, of three Executive Directors with expired terms (Gee-Sung Choi, Yoon-Woo Lee, Ju-Hwa Yoon), Yoon-Woo Lee retired and Gee-Sung Choi and Ju-Hwa Yoon were re-appointed. Oh-Hyun Kwon was newly appointed as Executive Director. In addition, of three Independent Directors with expired terms (Dong-Min Yoon, Jae-Woong Lee, Oh-Soo Park), Jae-Woong Lee and Oh-Soo Park retired and Dong-Min Yoon was re-appointed. Han-Joong Kim and Byeong-Gi Lee were newly appointed as Independent Directors.

On June 8, 2012, the CEO was changed from Gee-Sung Choi to Oh-Hyun Kwon.

On February 7, 2013, Independent Director Dong-Min Yoon retired (deceased).

On March 14, 2013, Executive Directors Gee-Sung Choi and Ju-Hwa Yoon resigned.

Following the shareholders' meeting on March 15, 2013, Boo-Keun Yoon, Jong-Kyun Shin, and Sang-Hoon Lee were newly appointed as Executive Directors. Independent Director In-Ho Lee was reappointed, and Kwang-Soo Song and Eun-Mee Kim were newly appointed as Independent Directors.

On March 15, 2013, we appointed three CEOs, executive directors Boo-Keun Yoon and Jong-Kyun Shin were newly appointed as CEO in addition to CEO Oh-Hyun Kwon.

As of the reporting date, the Company's BOD is comprised of four Executive Directors (Oh-Hyun Kwon, Boo-Keun Yoon, Jong-Kyun Shin, Sang-Hoon Lee) and five Independent Directors (In-Ho Lee, Han-Joong Kim, Byeong-Gi Lee, Kwang-Soo Song and Eun-Mee Kim).

(Changes in Organizational Structure)

In December 2012, following an organizational change, CE and IM businesses were upgraded to individual division status, and the IT Solution business was divided into Printing Solution and Computer businesses. The Printing Solution business was incorporated into the CE division and the Computer business was integrated into the Mobile business under the IM division. The Medical Device business team was upgraded to a business unit within the CE division.

In December 2013, the Digital Imaging business was changed to a team unit, and then integrated with newly established the Mobile business.

[As of December 2012]

	Before	After
Business organization	DMC division (CE: Visual display, Digital appliances) (IM: Mobile, IT solution, Network, Digital imaging)	CE division (Visual display, Digital appliances, Printing solution, Medical devices)
		IM division (Mobile, Network, Digital imaging)
	DS division (Memory, SYS.LSI, LCD,LED)	DS division (Memory, SYS.LSI, DP, LED)
Regional headquarters	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa
	Americas(DS), Europe(DS), China(DS), Southeast Asia(DS), Japan(DS)	Americas(DS), Europe(DS), China(DS), Southeast Asia(DS), Japan (DS)

[As of December 2013]

	Before	After
Business organization	CE division (Visual display, Digital appliances, Printing solution, Medical devices)	CE division (Visual display, Digital appliances, Printing solution, Medical devices)
	IM division (Mobile, Network, Digital imaging)	IM division (Mobile, Network)
	DS division (Memory, SYS.LSI, DP, LED)	DS division (Memory, SYS.LSI, DP, LED)
Regional headquarters	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa	Korea, North America, Latin America, Europe, CIS, Southwest Asia, Southeast Asia, China, Middle East, Africa
	Americas(DS), Europe(DS), China(DS), Southeast Asia(DS), Japan(DS)	Americas(DS), Europe(DS), China(DS), Southeast Asia(DS), Japan (DS)

3. Changes in Paid-in Capital

No changes were reported during the past five (5) consecutive years.

4. Stock Information

A. Total number of Stock

The total number of authorized stocks according to the articles of incorporation is 500,000,000 (par value per share: KRW 5,000). As of September 30, 2014, the Company has issued 147,299,337 shares of registered common stock and 22,833,427 of registered preferred stock without voting right (excluding canceled stock). The Company has canceled 8,310,000 shares of common stock and 1,060,000 shares of preferred stock. As of September 30, 2014, the number of floating common stock is 130,962,651 and the number of floating preferred stock is 19,853,734, excluding treasury stockss (of 16,336,686 common stock and 2,979,693 preferred stock).

[As of Sep 30, 2014]

(Unit: shares)

Classification	Type of Stocks			Note
	Common	Preferred	Total	
I. Number of authorized stocks	400,000,000	100,000,000	500,000,000	-
II. Number of stocks issued	155,609,337	23,893,427	179,502,764	-
III. Number of stocks decreased	8,310,000	1,060,000	9,370,000	-
1. Capital Reduction	-	-	-	-
2. Number of stocks canceled	8,310,000	1,060,000	9,370,000	Cancellation of treasury stocks
3. Redemption of redeemable stocks	-	-	-	-
4. Others	-	-	-	-
IV. Number of Outstanding Stocks (II-III)	147,299,337	22,833,427	170,132,764	-
V. Treasury stocks	16,336,686	2,979,693	19,316,379	-
VI. Number of Floating Stocks (IV-V)	130,962,651	19,853,734	150,816,385	-

※ The Company's common stock carry voting rights but preferred stock carry no voting rights.

B. Treasury Stock

In 2014, Samsung Electronics distributed 47,530 common stocks in relation to the exercise of previously granted stock options of current and former management and employees. As of September 30, 2014, the Company holds 16,336,686 common treasury stocks and 2,979,693 preferred treasury stocks.

[As of Sep 30, 2014]

(Unit: Shares)

Acquisition method	Share type	Period-beginning shares	Change			Period-end shares
			Acquisition (+)	Disposal (-)	Cancellation (-)	
Intra-market direct acquisition (Within dividend related capital gains limit)	Common	16,384,216	-	47,530	-	16,336,686
	Preferred	2,979,693	-	-	-	2,979,693
Total	Common	16,384,216	-	47,530	-	16,336,686
	Preferred	2,979,693	-	-	-	2,979,693

C. Types of Registered Stock

The Company has two types of registered equity securities: 1) Common stock; 2) Non-voting and non-cumulative preferred stock.

The shareholders of preferred stock are entitled to dividend payments of an additional 1% of par value compared to shareholders of common stock. As of September 30, 2014, the total number of outstanding preferred stock is 22,833,427.

5. Voting Shares

Samsung Electronics has 147,299,337 outstanding common stocks, which represents 29.5% of total authorized stocks of 500 million (500,000,000). There are 22,833,427 outstanding preferred stocks (with no voting rights). The Company holds 16,336,686 treasury stocks (with no voting rights) and 12,506,577 shares with limited voting rights under relevant laws. Thus, the total number of shares with voting rights is 118,456,074.

[As of Sep 30, 2014]

(Unit: Shares)

Classification		Number of shares	Note
Number of outstanding shares (A)	Common	147,299,337	-
	Preferred	22,833,427	-
Shares with no voting rights (B)	Common	16,336,686	Treasury stock according to Korean Commercial Act
Shares with no voting rights according to Articles of Incorporation (C)	Preferred	22,833,427	2,979,693 preferred treasury stocks included
Shares with limited voting rights under relevant laws (D)	Common	12,479,184	Restricted by the Monopoly Regulation and Fair Trade Act: 10,622,814 shares held by Samsung Life Insurance & 1,856,370 shares held by Samsung Fire & Marine Insurance
	Common	27,393	Restricted by the Insurance Business Act: Some part of shares held by special account of Samsung Life Insurance
Shares with voting rights (F = A - B - C - D)	Common	118,456,074	-
	Preferred	-	-

※ According to the Monopoly Regulation and Fair Trade Act, shareholders with limited voting rights (D) can exercise certain rights in accordance with related laws, including the right to vote on agendas such as the appointment or dismissal of directors and revisions to the Articles of Incorporation.

6. Shareholder Return

As a part of the Company's shareholder return policy, a part of profit has been returned to shareholders by way of dividends and share buyback. The Company carefully considers strategic investments for sustainable growth, business performance, and cash flows in determining the level of total shareholder return.

Dividends paid out in the recent three (3) fiscal years are as follows:

(Unit: Shares / %)

Classification		2014 (Quarter ending September 30)	2013	2012
Par value per share (won)		5,000	5,000	5,000
Net profit (million won)		11,144,838	17,929,520	17,398,530
EPS (won)		73,900	118,946	115,576
Total cash dividend (million won)		75,408	2,156,969	1,206,562
Total stock dividend (million won)		-	-	-
Dividend payout ratio (%)		0.7	12.0	6.9
Cash dividend yield (%)	Common	0.04	1.0	0.5
	Preferred	0.05	1.4	1.0
Stock dividend yield (%)	Common	-	-	-
	Preferred	-	-	-
Cash dividend per share (won)	Common	500	14,300	8,000
	Preferred	500	14,350	8,050
Stock dividend per share (share)	Common	-	-	-
	Preferred	-	-	-

※ 2014 interim dividend declared was KRW 75,408 million (KRW 500 per share).

※ Based on separate financial statements.

※ EPS denotes basic earnings per common share.

※ For further information relating to the calculation of basic EPS, refer to Note 『22. Earnings per share』 in the Interim Separate Financial Statements

II. Businesses Overview

1. Overview

A. Business Overview by division

In addition to our headquarters in Korea, Samsung Electronics is comprised of 158 subsidiaries across the world responsible for sales and production. Also, there are nine (9) regional headquarters for Consumer Electronics (“CE”) and Information Technology & Mobile Communications (“IM”) divisions and five (5) regional headquarters for Device Solutions (“DS”) division.

The Company business divisions are organized in two-pronged business framework of set (brand products) and component businesses. The set business is comprised of CE and IM divisions, and the component business is comprised of DS division. The CE division is responsible for the production and sales of CTVs, monitors, printers, air conditioners and refrigerators, and the IM division focuses on the production and sales of handheld phones (HHPs) (such as feature phones and smartphones), network systems, and computers. The DS division is comprised of the Semiconductor business which manufactures and sells DRAM, NAND and Mobile AP, etc. and the Display Panel (“DP”) business which manufactures and sells TFT-LCD and OLED panels for TV, Monitor, Notebook PC, and Mobile devices.

<Major products by business division>

Business Division		Major Products
CE Division		CTV, Monitor, Printer, Air Conditioner, Refrigerator, Washing Machine, Medical Devices, etc.
IM Division		HHP, Network System, Computer, Digital Camera, etc.
DS Division	Semiconductor Business	DRAM, NAND Flash, Mobile AP, etc.
	DP Business	TFT-LCD, OLED, etc.

The Company maintains its corporate headquarter and seventeen (17) consolidated domestic subsidiaries in Korea.

The Company’s corporate headquarters is established at the following 5 locations: Suwon (CE division and R&D Center); Gumi (IM division); Giheung and Hwasung (Semiconductor business); and Gwangju (Home Appliance business). The Company’s consolidated domestic subsidiaries include Samsung Display for display panel production, Samsung Electronics Sales for domestic retail sales, Samsung Electronics Service for after service care, and Samsung Electronics Logitech for logistics.

We have 141 overseas subsidiaries for product manufacturing, sales, and R&D.

In the America, we have 31 subsidiaries responsible for product manufacturing and sales including SEA (New Jersey, United States) responsible for sales of products such as CTV in the US, STA (Dallas, United States) responsible for sales of HHPs and other communication products in the US, SAMEX (Tijuana, Mexico) responsible for manufacturing CTVs, and SAS (Austin, United States) responsible for manufacturing semiconductor products.

In Europe, we operate 33 subsidiaries including SEUK (UK), SEF (France), SEG (Germany), and SEI (Italy). SESK (Slovakia) and SEH (Hungary) are responsible for manufacturing CTVs, and SEPM (Poland) is responsible for manufacturing home appliances.

In Asia, we have 22 overseas subsidiaries, including SAPL (Singapore), SEAU (Australia), SEPCO (Philippines), and SME (Malaysia), responsible for regional sales. In addition, we operate numerous production sites including SEV (Vietnam) for HHP, SDMA (Malaysia) for CTV, and SIEL (India) for both CTV and HHP.

We operate 32 subsidiaries in China including regional sales operations in Beijing (SCIC) and Hong Kong (SEHK). We also operate production and processing facilities sites in Tianjin and Suzhou (TSTC, SSEC, and SESS)

In addition, we have 23 production and sales subsidiaries across Africa, the Middle East and the CIS regions.

[CE Division]

□ Industry Overview

Since the development of black-and-white TVs in 1926 and subsequent mass production of Color TVs, technological development has led to products such as Trinitron CRT (1967) and flat CRT (1996). As the penetration rate in major countries reached over 90%, the CRT TV business became stagnant. The industry regained strong growth momentum following the launch of Flat Panel TVs (LCD, PDP) with the expansion of digital broadcasting (UK/US 1998~).

FP-TVs replaced the CRT driven by strong annual average growth of 36% from 2004 to 2013 (Source: 2Q14 Display Search, Quantity basis) due to enhanced product performance with respect to design, picture quality, etc., and a sharp decline in prices. In addition, 3D TVs were launched in 2010, and the rise of internet video services (OTT, OVER-THE-TOP) along with increased consumer interest in smart devices from 2011 to 2012 led to the birth of the Smart TV market. In 2013, OLED and UHD TV with innovatively high resolution were launched and the TV market continues to evolve.

In 2014, Annual TV shipment is expected to reach 226.62 million units, an increase 0.3% from the previous year. LCD-TV (including LED-TV) shipment is expected to be around 217.44 million units with an increase of 4.7% year-over-year, while PDP-TV shipment is expected to decline by 48.6% to 5.3 million units from the previous year (Source: 3Q14 Display Search).

□ Market Condition

The trend towards large size and high-resolution screens is accelerating due to intensified competition between manufacturers. Accordingly, market share of major manufacturers with high-quality products and brand power is increasing. The FP-TV market has been growing in advanced markets, but demand is also expected to grow in emerging markets such as BRICS in the future. In addition, as consumer demand for high-resolution and slim design increases, sales of LED TV, with eco-friendly LED BLU (Back Light Unit) which helps brightness and contrast as well as electricity consumption, is on the rise.

The Company has focused on smart TV sales based on forecasts that consumers' desire to acquire internet information from TVs will increase. The Company led the smart TV market in 2011 by launching smart TVs with various smart hub-based Apps and implementing a premium category sales strategy. In 2012, the Company introduced a new market trend with the introduction of the Smart Interaction™ system based on voice and gesture commands for convenient interaction with devices. In 2013, the Company introduced a system that recommends TV programs based on the user's viewing history. In 2014, the Company plans to enhance usability through innovation, secure various video contents, and strengthen its platform in order to maximize viewing experience.

<Market share of major products in the CE division >

Product	The quarter ending on 9/30/2014	2013	2012
CTV	23.9%	21.6%	21.1%

※ 2012 and 2013 Market share data is from research agency *Display Search* (Global market share in quantity).
Market share for 3Q 2014 is the Company's estimation.

□ Business Condition

The Company is addressing market demand with an expansive portfolio product mix within LCD and PDP categories. The Company has maintained market leadership in overall TV, FP-TV, LCD-TV sales for eight consecutive years from 2006 to 2013 (Source: 3Q14 Display Search).

In 2009, the Company was industry first to launch the LED TV (LED BLU, ultra-slim/ultra-light and eco-friendly) as a separate product category. In the first quarter of 2010, the Company took the lead in the 3D TV market through the launch of a 3D Total Solution offering 3D TV/BDP/glasses/BD Title. In addition, the Company launched the world's first TV App store 'Samsung Apps' in 2010 and smart hub with services including 'Your Video', 'Social TV', 'Search All', 'Web Browser' in 2011 and established consumers perception that 'Smart TV=SAMSUNG'.

In 2012, the Company enhanced service features for broader consumer markets, by developing exercise and educational

contents to enhance the ‘All Share’ function that facilitates connections with other digital devices. Such enhancements have helped to maintain competitive edge in the smart TV market. In 2013, the Company led the market with OLED TV and UHD TV through technological innovations in picture definition and resolution. For 2014, the Company plans to capture market leadership in markets with high growth potential, such as the UHD TV market.

[IM Division]

□ Industry Overview

The mobile phone industry started with the first generation analogue phone in the early 1980s. It evolved to second generation digital, and to third generation mobile communication such as WCDMA with high-speed data transmission. Today, fourth generation mobile communication technology with ultrahigh-speed data transmission is becoming commonplace in the market. In particular, the LTE market is spreading to all parts of the world, and LTE-Advanced with higher speeds has been commercialized in Korea since June 2013 through cooperation between the Company and mobile communication carriers. Recently, the mobile phone market is changing rapidly around not only smartphone and tablet but also new hybrid product categories such as Galaxy Note. This puts emphasis on not only existing hardware competitiveness but also on software competitiveness including Application and UX that enables users to access useful information more conveniently. Accordingly, industry business models are shifting to integrate software and hardware capabilities.

□ Market Condition

In 2014, the HHP market is expected to reach 1.8 billion units with a growth of 7% from 2013. The smartphone market is expected to increase from 1 billion units in 2013 to 1.3 billion units in 2014 with a growth of 27% year over year.

The tablet market is expected to reach 260 million units (16% growth rate YoY) shipped by the end of 2014 from 230 million units in 2013. (Source: Strategy Analytics – Mobile: Aug. '14, Smartphone: Sep., Tablet: Aug.)

< Market share of major products of the IM division >

Product	The quarter ending on 9/30/2014	2013	2012
HHP	23.9%	26.8%	25.1%

※ Market share data is from research agency *Strategy Analytics* (Global market share in quantity).

□ Business Condition

The Company strengthened market leadership by maintaining its wide range of product lineup from premium to mass market models and by leading new market such as the LTE market. In particular, the Company has maintained its status as No.1 in terms of global smartphone market share, based on the success of Flagship smartphones such as the Galaxy S series and Galaxy Note series.

In 2014, the Company continued to solidify market leadership in premium smartphone and tablet categories and creates consumer demand with new products, such as Galaxy S, VR, and Circle, and advanced features, such as Flexible Display. Furthermore, we will continuously strengthen competitiveness of our strategic models amid unfavorable market environments resulted from intensifying products and price competitions. In addition, we will strive to become a company that continuously offers new values to customers by making strategic investments in mobile healthcare and B2B for future growth and by utilizing our R&D capacity that is the best in the industry.

[DS Division]

- Semiconductor

□ Industry Overview

The semiconductor industry is cyclical by nature, and imbalances between supply and demand frequently occur. Many manufacturers have not been able to maintain competitiveness during periods of global economic recession and oversupply, resulting in consolidation within the industry. Supply and demand volatility is expected to decrease as a result of increased demand for semiconductors in new smartphone, tablet PC and server markets.

□ Market Condition

Throughout 2014, PC DRAM prices are expected to remain strong amid stable supply and demand condition. In the third quarter of 2014, overall DRAM demand has increased as driven by new product launch, but supply is not stable due to difficulties in process migration. In the fourth quarter, supply of PC DRAM is expected to increase within the industry. However, supply of advanced process high-density server and mobile DRAM is expected to have difficulties. As NAND supply and demand condition improves due to the launch of new smartphones with high-density memory, price is being stabilized in the third quarter. Stable supply and demand condition is expected to continue in the fourth quarter.

< Market share of major products of the semiconductor business >

Product	The quarter ending on 9/30/2014	2013	2012
DRAM	41.3%	36.2%	41.0%

※ 2012 and 2013 market share data is from research agency *iSuppli* (Global market share in amount). Market share for 3Q 2014 is the Company's estimation.

□ Business Condition

The Company was the first to develop and produce DRAM 20nm products and has also developed products with differentiated design, secure technology and cost competitiveness ahead of competitors. The Company has commenced mass production of Vertical-NAND products to enter the premium market. The Company is also maximizing cost competitiveness to remain ahead of competitors by developing high-performance solution products such as SSD and eMCP and expanding into 3bit product categories.

Going forward, the Company plans to maintain its No.1 position in the memory industry by reducing costs, strengthening its technological advantage through development of advanced processing technology, and developing differentiated high-performance products.

-DP

□ Industry Overview

Display products include TFT-LCD (Thin Film Transistor Liquid Crystal Display) and OLED (Organic Light Emitting Diode) panels.

TFT-LCD panel is a liquid crystal based display that consumes less electricity and features a thinner profile, while maintaining high resolution. It has a wide range of potential applications in devices of all sizes and functionality. The market growth rate has slowed down recently due to a reduction of replace demands for CRT monitors and high market penetration of LCD TVs.

OLED panels use organic materials which offer wide contrast and color, high color concordance, and fast response rates. Such differentiating features provide advantages in smartphone products, and as a result the market demand for under 10” small to medium size displays has increased.

□ **Market Condition**

During the second half of 2014, the large size panel market is expected to grow due to year-end seasonal demand. In particular, we expect market demand increases for large size TVs (over 40” and UHD TV), however, we expect relatively stable demand and supply market conditions until the end of the year as a result of increased investment in production for new products such as UHD TV.

For Mobile, the product mix is expected to expand, particularly in the mid-range category. The trend toward higher resolution and larger size panels is expected to continue, while the demand for new product categories such as wearable devices is expected to increase.

< Market share of major products of the DP division >

Product	The quarter ending on 9/30/2014	2013	2012
Display Panel	21.8%	20.4%	25.4%

※ 2012, 2013, and 3Q 2014 M/S data are from *Display Search* (Global market share, large size panel in amount).

□ **Business Condition**

The Company is improving competitiveness through increasing production yields by developing advanced process technologies, developing high transmission panels, and domestically producing core equipment. In addition, the Company continues to improve profitability through close collaboration with TV and smartphone manufacturers from R&D to production.

For the large size panel business, the Company plans to improve profitability through increased cost competitiveness while meeting the demand for new premium products such as UHD TV and Curved TV.

For mobile, the Company plans to secure long-term growth momentum by expanding its customer base through enhanced cost competitiveness, and expansion of new product categories, including mid-range products and Flexible Ultra High-Resolution products.

B. Financial Summary by Division

(Unit: KRW million, %)

Division	Classification	3Q 2014		3Q 2013		2013		2012		
		Amount	Portion	Amount	Portion	Amount	Portion	Amount	Portion	
CE	Total sales	88,921,865	24.3%	88,715,835	21.5%	125,088,762	22.4%	117,897,781	24.6%	
	Internal sales	53,005,877	24.9%	52,649,562	21.6%	74,757,247	22.7%	66,792,679	24.0%	
	Net sales	35,915,988	23.4%	36,066,273	21.3%	50,331,515	22.0%	51,105,102	25.4%	
	Operating profit	1,004,513	5.1%	1,014,309	3.6%	1,673,343	4.5%	2,324,036	8.0%	
	Total asset	45,812,374	13.6%	46,915,165	14.7%	47,183,953	14.9%	38,947,252	14.1%	
IM	Total sales	180,415,490	49.3%	225,454,070	54.6%	299,161,654	53.6%	224,920,171	46.9%	
	Internal sales	94,943,836	44.6%	120,523,352	49.4%	160,344,435	48.7%	119,075,488	42.8%	
	Net sales	85,471,654	55.7%	104,930,718	61.9%	138,817,219	60.7%	105,844,683	52.6%	
	Operating profit	12,601,764	63.8%	19,487,577	68.4%	24,957,741	67.8%	19,418,235	66.8%	
	Total asset	98,455,930	29.1%	88,733,985	27.8%	86,132,881	27.1%	68,743,115	24.9%	
DS	Semi-conductor	Total sales	54,357,702	14.8%	50,191,364	12.1%	70,908,145	12.7%	66,976,623	14.0%
		Internal sales	25,289,738	11.9%	23,193,842	9.5%	33,471,566	10.2%	32,090,017	11.5%
		Net sales	29,067,964	18.9%	26,997,522	15.9%	37,436,579	16.4%	34,886,606	17.3%
		Operating profit	6,074,097	30.8%	4,893,293	17.2%	6,887,978	18.7%	4,173,730	14.4%
		Total asset	82,649,026	24.5%	70,385,435	22.1%	76,224,096	24.0%	67,136,914	24.4%
	DP	Total sales	38,553,383	10.4%	48,068,381	11.6%	61,294,886	11.0%	69,359,762	14.5%
		Internal sales	19,872,808	9.1%	24,693,209	10.1%	31,457,770	9.5%	36,360,406	13.1%
		Net sales	18,680,575	12.2%	23,375,172	13.8%	29,837,116	13.0%	32,999,356	16.4%
		Operating profit	187,880	1.0%	2,873,712	10.1%	2,980,563	8.1%	3,214,750	11.1%
		Total asset	48,057,499	14.2%	43,694,173	13.7%	42,195,558	13.3%	41,429,074	15.0%
	Total	Total sales	96,024,484	26.1%	99,731,189	24.1%	134,394,781	24.1%	136,724,256	28.5%
		Internal sales	47,948,414	22.3%	48,965,309	20.1%	66,633,875	20.2%	68,436,962	24.6%
		Net sales	48,076,070	31.3%	50,765,880	30.0%	67,760,906	29.6%	68,287,294	34.0%
		Operating profit	6,295,992	31.9%	7,858,030	27.6%	10,000,665	27.2%	7,416,325	25.5%
		Total asset	155,629,871	46.1%	142,095,438	44.5%	145,872,686	45.9%	130,371,546	47.3%

※ Restated on 3Q 2014 basis (presented on a consolidated basis).

※ Net sales reported here includes inter-divisional sales.

Cumulative Net sales for the 3Q of 2014 were KRW 153.4759 trillion. By division, CE reported KRW 35,916 billion (23.4%) and IM reported KRW 85,472 billion (55.7%). The DS division contributed approximately 31.3% of net sales, KRW 29,068 billion (18.9%) by semiconductor business and KRW 18,681 billion (12.2%) by DP business.

Cumulative operating profit for the 3Q of 2014 was KRW 19.7366 trillion. The IM division accounted for 63.8% with KRW 12,602 billion and the DS division accounted for 31.9% with KRW 6,296 billion.

□ Reasonable Allocation of Common SG&A (Selling General & Administrative) Expenses and Assets

(1) For common SG&A expenses, specific expenses are allocated to each product/model, and other common expenses that cannot be attributed by product/model category are reasonably allocated throughout the Company based on an allocation standard (expense-to-sales ratio, number of personnel), etc.

(2) For common assets, assets that can be directly allocated (inventory assets, fixed assets, investment assets, etc.) are allocated to the corresponding organizational unit. Assets that are commonly managed are allocated to each division based on an allocation standard (expense-to-sales ratio, pre-tax profit, etc.).

2. Key Products and Services

A. Revenue

From January to September of 2014, the CE division's revenue accounted for 23.4% of the total net revenue with KRW 35,916 billion, the IM division accounted for 55.7% with KRW 85,472 billion, and the DS division accounted for 31.3% with KRW 48,076 billion.

The Company's net revenues by division as of Sep 30, 2014 are as follows:

(Unit: KRW 100 million, %)

Division		Major Products	Net Revenue	Portion
CE		CTV, monitor, printer, air conditioner, refrigerator, washing machine, medical equipment, etc.	359,160	23.4%
IM		HHP, network system, computer, digital camera, etc.	854,717	55.7%
DS	Semiconductor	DRAM, NAND flash, Mobile AP, etc.	290,680	18.9%
	DP	TFT-LCD, OLED, etc.	186,806	12.2%
	Sub-Total		480,761	31.3%
Others		-	-159,879	-10.4%
		Total	1,534,759	100.0%

※ Includes sales between divisions (on consolidated basis).

☞ Refer to 『5. Sales and Distribution』 for sales by each product.

B. Average Selling Price (ASP) Changes

Throughout 2014, CTV ASP decline continued from 2013. HHP ASP remained at a similar level since 2013, while Memory ASP decline slowed down from 2013 to the level of 10.5% due to stable market demand and supply conditions. The downward momentum of Display panel ASP continued due to weak demand from China and developed markets.

3. Key Raw Materials

(On consolidated basis as of Sep 30, 2014)

(Unit: KRW 100 million, %)

Division	Type	Item	Specific usage	Purchase price	Portion	Note (supplier)
CE	Raw materials	Display panel	Color picture signaler	27,746	17.4%	CMI, AUO, etc.
	Raw material	PDP module	Color picture signaler	8,324	5.2%	Samsung SDI, etc.
	Raw material	Others		123,109	77.3%	
		Division Total		159,179	100.0%	
IM	Raw material	Mobile display panel	Color picture signaler	38,895	12.4%	Iljin Display, etc.
	Raw material	Base Band Chip	CPU	38,670	12.3%	Qualcomm, etc.
	Raw material	Others		236,499	75.3%	
		Division Total		314,064	100.0%	
DS	Raw material	Glass	Glass substrate for display	13,961	9.5%	Corning Precision Materials, etc.
	Raw material	POL	Polarizer plate	13,842	9.4%	Dongwoo Fine-Chem, NITTO, etc.
	Raw material	Window	Tempered glass	9,094	6.2%	BIEL, etc.
	Raw material	Wafer	Semiconductor wafer	6,471	4.4%	SUMCO, etc.
	Raw material	Others		104,260	70.6%	
		Division Total		147,628	100.0%	
		Others		346	-	
	Total		621,217	-		

※ As of Sep 30, 2014, Samsung SDI is an affiliate of the Company.

For the CE division, key raw materials include display panels for TVs and monitors and PDP modules. For the IM division, key raw materials include display panels for mobile and Baseband Chips. For the DS division, key raw materials include glass, polarizer (POL) and wafers.

Large display panels for TVs and monitors are supplied by Cummins (CMI) and AU Optronics (AUO), mobile display panels are supplied by Iljin Display, and Baseband Chips are supplied by the System LSI division and Qualcomm. The Company manufactures display panels with glass and POL supplied by Samsung Corning and Dongwoo Fine-Chem.

(Raw Materials Price Trends)

The price of TV and monitor display panels, which are the major raw materials for the CE division, declined 12% on average since 2013 due to oversupply from increased CAPEX and improved productivity. For the IM division since 2013, the price of mobile display panels declined by 8%, and the price of Baseband Chips increased by 12%. For the DS division, the price of raw materials continues to decrease. Also, since 2013, the price of Semiconductor wafer has declined by 17% and the price of glass for display panels has declined by 18%.

4. Production and Facilities

A. Production Capacity, Output, Utilization Rate

(Capacity)

(Unit: 1,000)

Division	Item	3Q 2014 ('14.1.1~9.30)	2013	2012
		Quantity	Quantity	Quantity
CE	CTV	44,802	53,102	53,375
IM	HHP	397,100	556,600	461,950
DS	Memory	122,697,000	116,909,000	80,159,000
	DP	6,742	8,260	9,218

※ Global production capacity for major product categories

The CE and IM division production capacity, by major product, is calculated as follows:

The average number of lines (x) the average output per hour (x) the average operation hours per day (x) the days of operation

Memory production capacity for DS division is calculated as follows:

Converted output (1GB equivalent) ÷ the utilization rate.

DP production capacity is calculated as follows:

The total producible panel surface area ÷ the dimensions of eighth generation glass (2200x2500mm)

(Output)

(Unit: 1,000)

Division	Item	3Q 2014 ('14.1.1~9.30)	2013	2012
		Quantity	Quantity	Quantity
CE	CTV	38,857	47,527	48,357
IM	HHP	336,486	499,480	416,632
DS	Memory	122,697,000	116,909,000	80,159,000
	DP	6,076	7,340	7,800

※ Global output for major product categories

For the third quarter of 2014, the CE division CTV output was 38.857 million (major production sites: Korea, China, Mexico, Brazil, and Hungary). The IM division HHP output was 336.486 million (major production sites: Korea, China, Vietnam, and Brazil). The DS division Memory output (1GB equivalent) was 122,697 million (major production sites: Korea and China). The DS division DP output was 6.076 million (major production sites: Korea, China, and Slovakia).

(Utilization Rate)

(Unit: 1,000)

Division	Item	3Q 2014 Production capacity	3Q 2014 Actual output	Utilization Rate
CE	CTV	44,802	38,857	86.7%
IM	HHP	397,100	336,486	84.7%

In the 3Q of 2014, CE and IM utilization rates were calculated as actual output relative to production capacity. CTV is 86.7% and HHP is 84.7%.

(Unit: hours)

Division	Item	3Q 2014 Potential Production Time	3Q 2014 Actual Production Time	Utilization Rate
DS	Memory	37,152	37,152	100.0%
	DP	65,520	64,072	97.8%

The DS division operates Memory and DP production in three shifts (24 hours a day). Cumulative operating days in the 3Q of 2014 including holidays were 273 days. The utilization rate was calculated as actual hours [273 days (x) number of production lines (x) 24 hours] relative to production capacity.

B. Production Facilities and Investment

(1) Key facilities for production and operation

The Company's operational activities includes manufacturing, development, marketing, and sales at domestic operations – including operations in Seocho, Seoul, Suwon, Gumi, Giheung, Onyang, Gwangju – and 9 regional headquarters under the CE and IM divisions and 5 under the DS division in North America, Europe, and China.

[Operations]

Region	Headquarters	Location
Domestic (8)	Seocho	Seoul, Korea
	Suwon	Suwon, Korea
	Gumi1	Gumi, Korea
	Gumi2	Gumi, Korea
	Giheung	Yongin, Korea
	Onyang	Asan, Korea
	Hwaseong	Hwaseong, Korea
	Gwangju	Gwangju, Korea
Overseas (9 regional headquarters for CE and IM Division)	North America	New Jersey, US
	Europe	London, UK
	China	Beijing, China
	Southeast Asia	Singapore, Singapore
	Southwest Asia	New Delhi, India
	CIS	Moscow, Russia
	Middle East	Dubai, UAE
	Africa	Johannesburg, Republic of South Africa
	Latin America	Sao Paulo, Brazil
Overseas (5 regional headquarters for DS Division)	Americas	San Jose, US
	Europe	Eschborn, Germany
	China	Shanghai, China
	Southeast Asia	Singapore, Singapore
	Japan	Tokyo, Japan

The Company's property, plant and equipment include land, buildings and structures, machinery and equipment, and construction in progress. As of September 30, 2014, the book value of them is KRW 76,121 billion, an increase of KRW 515.7 billion from December 31, 2013. In the 3Q of 2014, new acquisitions of KRW 14,460 billion and depreciation of KRW 12,532 billion were recorded.

(Unit: KRW million)

Classification		Land	Buildings and Structures	Machinery and Equipment	Construction in -progress	Others	Total
At 1 January 2014	Book value	7,429,287	15,715,064	36,498,478	13,840,172	2,013,387	75,496,388
	Acquisition cost	7,429,287	23,375,035	118,621,699	13,840,172	5,518,351	168,784,544
	Accumulated depreciation (Including accumulated impairment loss)	-	(7,659,971)	(82,123,221)	-	(3,504,964)	(93,288,156)
Increase (Decrease)	General acquisition and capital expenditure	47,768	2,825,909	13,898,296	(3,089,660)	777,733	14,460,046
	Acquisition as a result of business combination	-	-	-	-	940	940
	Depreciation	-	(964,699)	(10,917,582)	-	(649,206)	(12,531,487)
	Disposal/Discard/Damage	(65,418)	(423,283)	(226,163)	52,690	(49,564)	(711,738)
	Others	(6,869)	(88,531)	24,114	(567,717)	(63,081)	(702,084)
Balance at 30 Sep 2014	Book value	7,404,768	17,064,460	39,277,143	10,235,485	2,030,209	76,012,065
	Acquisition cost	7,404,768	25,560,592	125,894,081	10,235,485	5,588,041	174,682,967
	Accumulated depreciation (Including accumulated impairment loss)	-	(8,496,132)	(86,616,938)	-	(3,557,832)	(98,670,902)

※ Others: Includes effects of changes in FX rates and changes in the scope of consolidated financial statements.

※ Property, Plant, and Equipment above is presented on a consolidated basis.

(2) CAPEX

During the first half of 2014, the Company invested KRW 14.5 trillion in CAPEX, including upgrade production lines of semiconductor and DP business. The total projected CAPEX for 2014 is about KRW 24 trillion, although this is subject to change depending upon the business environment.

[CAPEX by division]

(Unit: KRW 100 million)

Business	Purpose	Period	Assets	Investment in 3Q 2014
Semiconductor	Establishment, addition, upgrade	Jan '14 ~ Sep '14	Buildings, facilities	87,789
DP	Establishment, addition, upgrade	Jan '14 ~ Sep '14	Buildings, facilities	25,702
Others	Others	Jan '14 ~ Sep '14	Buildings, facilities	31,109
	Total			144,600

5. Sales and Distribution

A. Sales

In the 3Q of 2014, the Company recorded KRW 153,476 billion of total revenue, a decline of 9.4% from the prior year. By division from 2013, the CE division revenue increased by 0.4%, the IM division revenue decreased by 18.5%, and the DS division revenue decreased by 5.3%.

(Unit: KRW 100 million)

Division		Sales types	Product categories	3Q 2014 (*14.1.1~9.30)	2013	2012
CE		Goods Products Service Others	CTV, monitor, printer, air conditioner, refrigerator, washing machine, medical equipment	359,160	503,315	511,051
IM		Goods Products Service Others	HHP, Network System, Computer, Digital camera	854,717	1,388,172	1,058,447
DS	Semiconductor	Goods Products Service Others	DRAM, NAND Flash, Mobile AP	290,680	374,366	348,866
	DP	Goods Products Service Others	TFT-LCD, OLED	186,806	298,371	329,994
	Division total			480,761	677,609	682,873
Others		Other revenue	-	-159,879	-282,169	-241,335
Total				1,534,759	2,286,927	2,011,036

※ Includes internal sales between divisions.

※ Represented on 3Q 2014 basis.

□ Sales by major product

(Unit: KRW 100 million)

Classification	3Q 2014 (*14.1.1~9.30)	2013	2012
CTV	226,571	331,207	350,381
Mobile	823,910	1,353,537	1,032,875
MEMORY	211,462	237,146	208,640
DP	186,806	298,371	329,994

※ Including internal sales between divisions.

※ Represented on 3Q 2014 basis.

Sales by sales type

(Unit: KRW 100 million)

Classification	3Q 2014 (*14.1.1~9.30)	2013	2012
Products	1,515,164	2,252,839	1,926,709
Service and other sales	19,595	34,088	84,327
Total	1,534,759	2,286,927	2,011,036

※ Other sales consists of royalty income and rental income.

Sales by major region (on a parent company financial statement basis)

(Unit: KRW 100 million)

Classification	3Q 2014 (*14.1.1~9.30)	2013	2012
Korea	122,205	172,004	204,703
Americas	310,071	442,526	315,846
Europe	166,014	335,645	312,650
Asia and Africa	226,738	341,059	290,832
China	216,789	292,487	288,033
Total	1,041,763	1,583,721	1,412,064

B. Sales Channels

Domestic

Classification	Sales Channel	Consumer	
Manufacture (Facility)	Retailer	Consumer	
	Distributor (General merchandise store, Discount store, Department Store, Home-Shopping, Internet)		
	Retailer		Cooperative Joint Market, Sales Shop, Open Stores
	Telecommunication Service Provider (SKT, KT, LG U+)		
	Direct Sales		

Overseas

Classification	Sales Channel	Consumer			
Production Subsidiaries	Regional Sales Office	Retailer	Consumer		
		Dealer		Retailer	
		Distributor		Dealer	Retailer
		Telecommunication Service Provider			
	Regional Distribution Office	Regional Sales Office		Retailer	
				Dealer	Retailer
		Distributor		Dealer	Dealer
	Direct Sales				

Sales ratio by channel

Channel	Wholesale	Retail	Special/direct sale	Others
Ratio	36%	25%	34%	5%

※ On a global basis

C. Sales methods and conditions

Domestic

Classification	Channel	Collection	Incidental expense sharing
Exclusive	Agency	- Credit agreement (Cash, 30 day credit) (Credit applied within 100% of collateral)	- Share cost under mutual agreement for each case
Distributor	General merchandise store, Discount store, Department store, Home shopping, Internet	Case by case contract	- Share cost under mutual agreement for each case
Special/direct sale	General companies	Case by case contract	N/A

Overseas

Classification	Channel	Collection	Incidental expense sharing
Retailer	Retail store	Case by case contract	- Share cost under mutual agreement for each case
Dealer	General merchandise store, Discount store, Department store	Case by case contract	- Share cost under mutual agreement for each case
Distributor	Direct sales to local distributors	Case by case contract	- Share cost under mutual agreement for each case
B2B	General companies	Case by case contract	N/A

D. Sales Strategy

- Expand market leadership based on smart devices
- Provide differentiated value to customers through brand, products, and service
- Strengthen operational capabilities for customer/market
- Enhance sales capabilities

E. Major customers

During the 3Q of 2014, major customers included Apple, Deutsche Telekom, Ingram Micro, Sprint and Verizon. Sales to our five major customers accounted for about 13% of total sales.

6. Long-term Contracts

N/A

7. Financial Risk Management

The Company's financial risk management focuses on minimizing market risk, credit risk, and liquidity risk arising from operating activities. To mitigate these risks, the Company implements and operates a financial risk policy and program that closely monitors and manages such risks.

The finance team mainly carries out the Company's financial risk management. With the cooperation of the Company's divisions, domestic and foreign subsidiaries, the finance team periodically measures, evaluates and hedges financial risk and also establishes and implements global financial risk management policies.

Financial risk management officers are dispatched to the regional headquarters of each area including the USA, UK, Singapore, China, Japan, Brazil and Russia to oversee application of global financial risk management policies at the local finance centers.

Financial assets subject to the Company's financial risk management are as follows: Cash and cash equivalents, short-term financial instruments, available-for-sale financial assets, trade, and other receivables, and other financial assets. The Company's financial liabilities subject to financial risk management are as follows: Trade and other payables, borrowings, debentures, and other financial liabilities.

A. Market risk

(1) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from various currency exposures due to global operations. The Company is mostly exposed to foreign currency volatility due to exchange positions of currencies, including the US Dollar, Euro, Japanese Yen, and Chinese Yuan.

To minimize foreign exchange risk arising from operating activities, the Company's foreign exchange management policy requires normal business transactions to be in local currency or for the cash-in currency to be matched with the cash-out currency. The Company's foreign exchange risk management policy also defines foreign exchange risk, measuring period, ownership responsibilities, management procedures, hedging period and hedge ratio.

The Company prohibits all speculative foreign exchange transactions. The Company has established a global foreign exchange system to manage exposures related to receivables and payables denominated in foreign currencies.

(2) Stock price risk

The Company's investment portfolio consists of direct and indirect investments in equity securities classified as available-for-sale, which is in line with the Company's strategy.

As of September 30, 2014 and December 31, 2013 a price fluctuation in relation to marketable equity securities by 1% would result in changes in other comprehensive income (before income tax) of KRW 56,297 million and KRW 43,993 million, respectively.

(3) Interest rate risk

Risk of changes in interest rate for a floating interest rate financial instrument is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates and the risk that cash flows from investing/financing activities will fluctuate with changes in interest gain/loss. The Company is exposed to interest rate risk mainly through interest bearing liabilities and assets. The Company has policies to minimize uncertainty and finance expenses from changes in interest rates. In order to avoid interest rate related risks, the Company maintains

minimum external borrowing by facilitating cash pooling systems on a regional and global basis. The Company manages exposed interest rate risk via periodic monitoring and handles risk factors on a timely manner.

B. Credit risk

Credit risk arises during the normal course of transactions and investing activities where clients or other parties fail to discharge an obligation. The Company monitors and sets counterparty's credit limits on a periodic basis based on the counterparty's financial conditions, default history, and other important factors.

Credit risk can arise from transactions with financial institutions which include financial instrument transactions such as cash and cash equivalents, savings, and derivative instruments. To minimize such risk, the Company transacts only with banks which have a strong international credit rating (S&P A and above), and all new transactions with financial institutions with no prior transaction history are approved, managed and monitored by the Company's finance team and the local finance center. The Company carries out financial transactional contracts according to its debt ratio limit policy to provide collateral goods and collect external borrowings. The Company requires separate approval for contracts with restrictions.

Most of the Company's accounts receivable are adequately insured to limit exposure to credit risk. The Company estimates that its maximum exposure to credit risk is the carrying value of its financial assets, net of impairment losses.

C. Liquidity risk

Due to large investments made by the Company, maintaining adequate levels of liquidity risk is critical. The Company strives to achieve this goal by periodically forecasting its cash flow, estimating required cash levels, and managing income and expenses.

The Company manages its liquidity risk by periodically forecasting projected cash flows. If abnormal signs are identified, the Company works with the local finance center and provides liquidity support by utilizing a globally integrated finance structure, such as Cash Pooling. In addition, the Company maintains a liquidity management process which provides additional financial support by the local finance center and the Company. The Cash Pooling program allows sharing of surplus funds among entities and contributes to minimizing liquidity risk and strengthening the Company's competitive position by reducing capital operation expenses and finance expenses.

In addition, the Company mitigates liquidity risk by contracting with financial institutions with respect to bank overdrafts and foreign trade finance and by providing payment guarantees to subsidiaries. For large scale facility investments, liquidity risk is minimized by utilizing internal reserves and long term borrowings according to the capital injection schedule.

D. Capital risk management

The purpose of capital management is to maintain a sound capital structure. The Company monitors capital on the basis of the ratio of total liabilities to total equity. This ratio is calculated by dividing total liabilities by total equity in the consolidated financial statements.

The Company's capital risk management policy has not changed since the fiscal year ended December 31, 2013. The Company has maintained A+ and A1 credit ratings from S&P and Moody's, respectively.

The total liabilities to equity ratios as of September 30, 2014 and December 31, 2013 are as follows:

(Unit: KRW million)

	September 30, 2014	December 31, 2013
Total liabilities	68,278,794	64,059,008
Total equity	163,467,695	150,016,010
Total liabilities to equity ratio	41.8%	42.7%

E. Fair value measurement

- Carrying amounts and fair values of financial instruments by category as of September 30, 2014 and December 31, 2013 are as follows:

(Unit: KRW million)

Classification	September 30, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents ¹	18,004,063	-	16,284,780	-
Short-term financial instruments ¹	45,695,172	-	36,722,702	-
Short-term available-for-sale financial assets	3,251,924	3,251,924	1,488,527	1,488,527
Trade and other receivables ¹	24,069,510	-	24,988,532	-
Long-term available-for-sale financial assets ²	12,317,751	11,902,526	6,238,380	5,850,155
Other	5,772,600	5,743,505	5,472,956	5,436,470
Total Financial assets	109,111,020		91,195,877	
Financial liabilities				
Trade and other payables ¹	16,733,181	-	16,314,720	-
Short-term borrowings ¹	9,722,014	-	6,438,517	-
Debentures	1,309,116	1,333,728	1,311,068	1,327,569
Long-term borrowings	1,774,255	1,709,050	985,117	971,844
Long-term other payables	2,576,575	2,721,437	1,023,714	1,090,580
Other ¹	9,133,739	-	13,288,343	-
Total Financial liabilities	41,248,880		39,361,479	

¹ Assets and liabilities whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

² Amount measured at cost (3Q 2014: KRW 415,225 million and 4Q 2013: KRW 388,225 million) is excluded as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

The following table presents the assets and liabilities, by level, that are measured at fair value:

(In millions of Korean won)	As of September 30, 2014			
	Level 1	Level 2	Level 3	Total balance
Derivatives	-	54,413	2,471	56,884
Available-for-sale financial assets ¹	6,695,188	5,344,222	3,115,040	15,154,450
Total assets	6,695,188	5,398,635	3,117,511	15,211,334
Derivatives	-	306,643	-	306,643
Total liabilities	-	306,643	-	306,643

(In millions of Korean won)	December 31, 2013			
	Level 1	Level 2	Level 3	Total balance
Derivatives	-	40,552	-	40,552
Available-for-sale financial assets ¹	5,656,806	1,188,498	493,378	7,338,682
Total assets	5,656,806	1,229,050	493,378	7,379,234
Derivatives	-	244,172	-	244,172
Total liabilities	-	244,172	-	244,172

¹ Amount measured at cost (September 30, 2014: KRW 415,225 million, December 31, 2013: KRW 388,225 million) is excluded as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

The levels of the fair value hierarchy and its application to financial assets and liabilities are described below.

- Level 1: Quoted market prices (unadjusted) for identical assets or liabilities
- Level 2: Fair valuation based on inputs that are observable in the market
(Other than quoted prices included within level 1)
- Level 3: Fair valuation based on inputs that are unobservable in the market

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 are listed equity investments classified as trading securities or available-for-sale financial assets.

The fair value of financial instruments that are not traded on an active market (for example, over-the-counter derivatives) is determined using valuation methods. These valuation methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

The Company performs the fair value measurements required for financial reporting purposes, including level 3 fair values and discusses valuation processes and results at least once every quarter in line with the Company's quarterly reporting dates. The Company's policy is to recognize transfers between levels at the end of the reporting period, if corresponding events or changes in circumstances have occurred.

Specific valuation methods used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of foreign exchange forward contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.

Other methods, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments. For trade and other receivables, the book value approximates a reasonable estimate of fair value.

- Valuation methods and the inputs

- The Company utilizes a present value method to discount future cash flows at a proper interest rate for corporate bonds, government and public bonds, and bank debentures that are classified as Level 2 in the fair value hierarchy.
- The following table presents the valuation methods and the inputs used for major financial instruments classified as Level 3.

(In millions of Korean won)

Classification	Fair Value	Valuation Technique	Level 3 Inputs	Input Range (Weighted Average)
Long-term available-for-sale financial assets				
Samsung Petrochemical	80,347	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 6.37% ~ 8.37% (7.37%)
Samsung General Chemicals	80,653	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.01% ~ 9.01% (8.01%)
Taewon Electric	17,072	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 6.06% ~ 8.06% (7.06%)
Pantech	53,053	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 8.81% ~ 10.81% (9.81%)
Samsung Venture Investment	7,021	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.69% ~ 9.69% (8.69%)
Coming Incorporated convertible preferred stock	2,625,324	Trinomial model	Risk adjusted discount rate Price volatility	5.49% ~ 7.49% (6.49%) 30.90% ~ 36.90% (33.90%)
Derivatives				
Embedded derivatives (convertible bonds)	2,471	Binomial model	Discount rate Stock price volatility	5.50% ~ 10.90% (7.74%) 10.26% ~ 16.83% (13.30%)

-Changes in Level 3 instruments:

(In millions of Korean won)	2014	2013
Balance as of January 1	493,378	389,195
Purchases	2,498,800	131,151
Disposals	(10,871)	(15,067)
Amount recognized in profit or loss	(14,518)	(5,129)
Amount recognized in other comprehensive income	192,453	5,798
Other	(41,731)	6,722
Balance as of September 30	3,117,511	512,670

- Sensitivity analysis for recurring fair value measurements categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by two or more input parameters, the amounts represent the most favorable or most unfavorable.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument, which is categorized within Level 3 and subject to sensitivity analysis, are as follows:

(In millions of Korean won)	Favorable Changes		Unfavorable Changes	
	Profit or Loss	Equity	Profit or Loss	Equity
Long-term available for sale financial assets ¹	-	278,243	-	(202,701)
Embedded derivatives (convertible bonds) ²	469	469	(482)	(482)
Total	469	278,712	(482)	(203,183)

¹ Changes in fair value are calculated by increasing or decreasing the correlation between volatility (30.9% to 36.90%) and discount rate for convertible preferred stock. Similarly, for other equity securities, changes in fair value are calculated with the correlation between growth ratio (-1% to 1%) and discount rate, which are significant unobservable inputs.

² For equity derivatives, changes in their fair value are calculated by increasing or decreasing the correlation between stock prices and volatility by 10%.

8. Derivative Instruments and Put Options

The Company holds convertible bonds in several companies, including FTS, as well as bonds with warrants of Shinwha Intertek Co., Ltd.

(A) The value of derivative instruments as of Sep 30, 2014 is presented below:

(Unit: KRW million)

	Asset	Liabilities	Valuation Gain	Valuation Loss
Put options	8,854	-	-	10,768
Total	8,854	-	-	10,768

※ The option values were calculated using appropriate valuation methodologies, including the Black-Scholes model

(B) To manage foreign exchange risk, the Company's subsidiaries hedge by trading forward currency contracts based on foreign currency positions. Overseas subsidiaries buy or sell currency forwards with less than one year maturity via a bank to avert risk.

The Company holds convertible preferred shares of Corning Incorporated and its value is as follows.

(Unit: KRW million)

	Purchasing Price	Fair Value	Valuation Gain	Valuation Loss
Convertible preferred Stocks	2,434,320	2,625,324	191,004	-

※ Fair value determined using Trinomial Tree model

(C) Currency forwards as of Sep 30, 2014 are as follows.

(Unit: KRW million)

	Asset	Liabilities	Valuation Gain	Valuation Loss
Currency forwards	54,302	306,607	52,261	94,897
Total	54,302	306,607	52,261	94,897

9. Major contracts

Account	Item	Contents
Ericsson	Contract type	Mutual patent-use contract
	Contract date	2014.01.25
	Purpose and contents	Secure operational advantage through mutual patent licensing
Google	Contract type	Mutual patent-use contract
	Contract date and period	2014.01.25 / indefinite term
	Purpose and contents	Secure business freedom through mutual patent licensing
	Others	Permanent license contract (including patent applications in the next 10 years)
Cisco	Contract type	Mutual patent-use contract
	Contract date	2014.01.23
	Purpose and contents	Secure operational advantage through mutual patent licensing
Global Foundries Inc.	Contract type	Process technology license contract
	Contract date	2014.02.28
	Purpose and contents	Expand customer base of 14nm process
InterDigital	Contract type	Patent-use contract
	Contract date	2014.06.03
	Purpose and contents	Secure business freedom through patent licensing

※ Information related to other IP disputes, including contract amount, was not included.

10. Research and Development Activities

A. Summary of activities and R&D expenditures

The Company is leading the global market by continuously developing creative and innovative products and the future technology through shifting its way of thinking and understanding customer demand.

The Company is currently developing creative and innovative products and doing its utmost to cement its position in the world IT industry and become a truly Leading Company that leads world's industrial technology by securing next-generation and original technology.

[R&D expenses]

(Unit: KRW million)

		3Q 2014	3Q 2013	2013	2012
Total R&D expenditure		11,412,295	10,840,199	14,780,432	11,892,434
Accounting	Capitalization of development expenses (intangible asset)	679,094	314,340	461,030	359,639
	R&D costs (expenses)	10,733,201	10,525,859	14,319,402	11,532,795
R&D expenses/sales Ratio		7.4%	6.4%	6.5%	5.9%

※ On a consolidated basis (in conformity with K-IFRS)

As of Sep 30, 2014, the Company's R&D expenses were KRW 11,412 billion, a 5.3% YoY basis. The Company capitalized KRW 679 billion and recognized KRW 10,733 billion as the current expenditure.

B. R&D Organization and Operations

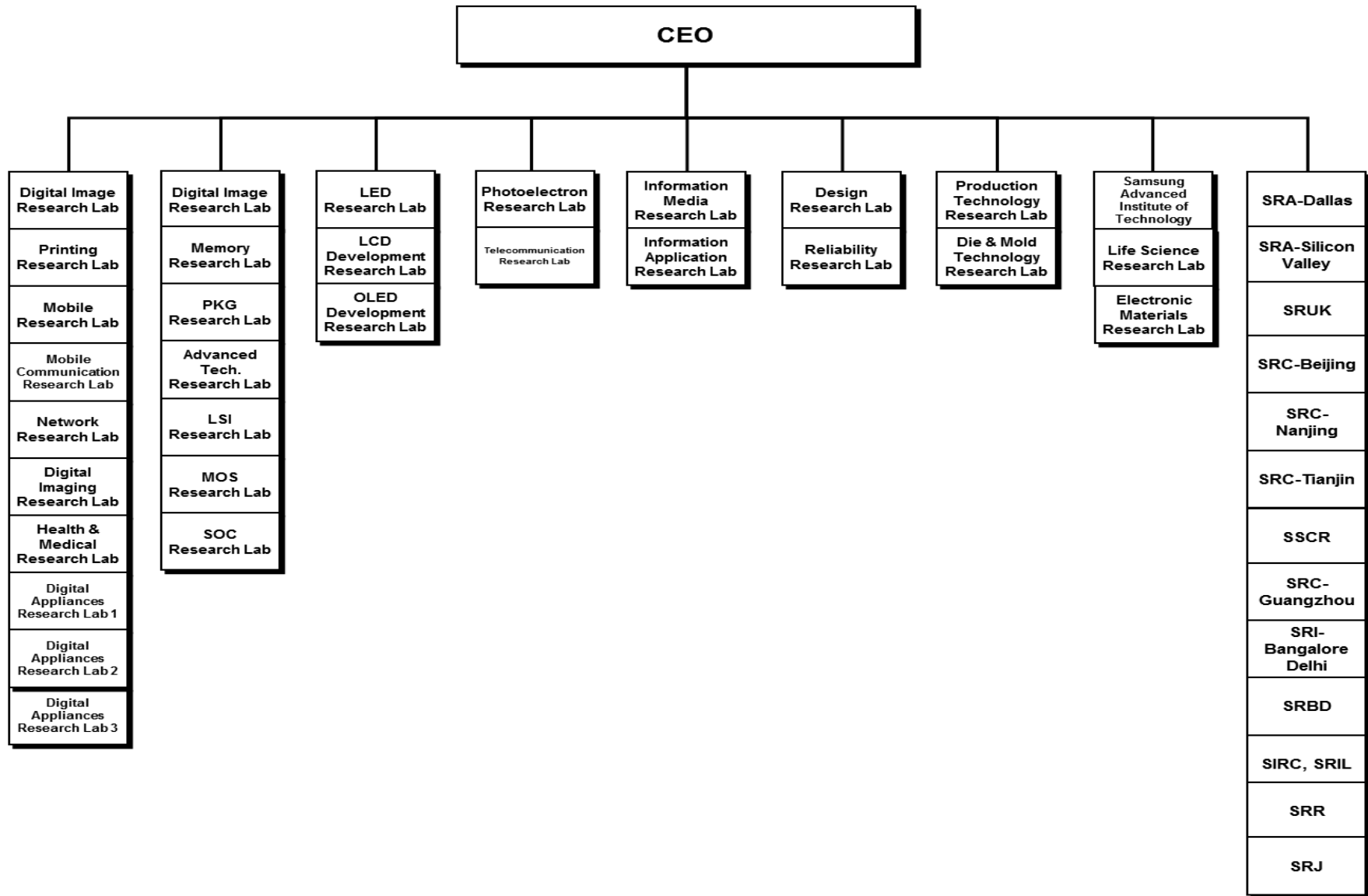
Domestic

The Company operates three levels of R&D organizations; a business unit development team under each division that develops market ready technologies with a 1-2 year outlook, a research institute under each business unit that develops mid to long-term technology with a 3-5 year outlook, and the Samsung Advanced Institute of Technology that develops core technology as a future growth engine.

Samsung Advanced Institute of Technology is the central research institute of Samsung Electronics that has been established to lead the future as a birthplace of cutting-edge technology. It has a creative R&D system and provides R&D directions for promising growth sectors at the Company level, exploring future growth engines and strengthening technological competitiveness of core businesses.

Overseas

The Company operates R&D organizations in the US (SRA-Silicon Valley, SRA-Dallas), the UK (SRUK), Russia (SRR), Israel (SRIL,SIRC), India (SRI-Bangalore, SRI-Delhi), Japan (SRJ), China (SSCR, SRC-Beijing, SRC-Nanjing, SRC-Tianjin, SRC-Guangzhou) to carry out research activities for product development and basic technological research.



※ As of Sep 30, 2014

※ Refer to 『G. Subsidiaries subject to consolidation』 in 『I. Corporate Overview』 for more details about overseas R&D organizations.

C. R&D Results

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Smart TV monitor	<ul style="list-style-type: none"> □ Smart Monitor (TB750, 24"/27") <ul style="list-style-type: none"> - Support mobile device connectivity via MHL - Support wireless transmission of picture via WiFi - Can use smart hub and smart TV apps - AllShare and Connect Share functions - 7W x 2 Ch speaker - Asymmetric slim design 	<ul style="list-style-type: none"> □ Region: Americas/Europe/ domestic, etc. □ Launch: Feb '12
Set-Top Box for Virgin Media	<ul style="list-style-type: none"> □ Supply commercialized broadcasting set-top box for UK Virgin Media <ul style="list-style-type: none"> - Develop cable TV set-top box (equipped with TiVo middle ware) - HD broadcasting and mass recording functions (1T class) <ul style="list-style-type: none"> ※ Virgin Media: The largest media group in UK 	<ul style="list-style-type: none"> □ Region: UK □ Launch: Feb '12
Smart TV Service	<ul style="list-style-type: none"> □ Smart TV Service launch in '12 <ul style="list-style-type: none"> - Cloud-based contents sharing among family members - Provide and manage contents for toddlers - Customized exercise guide service - Contents sharing between various devices □ SDK3.1 Public Release (March) <ul style="list-style-type: none"> - Smart Control input device and In-App advertisement - Provide utility tool (Automatic Testing Tool) 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Feb '12
Smart Input Device	<ul style="list-style-type: none"> □ Introduction of smart wireless keyboard <ul style="list-style-type: none"> Easy to control device with QWERTY text input and Touch Pad Bluetooth Pairing for controlling TV and Mobile devices 	<ul style="list-style-type: none"> □ Region: Americas/Europe/ domestic, etc. □ Launch: Feb '12 □ Applied products: LED/PDP products in response to BT
Smart Station Monitor	<ul style="list-style-type: none"> □ Smart Station Monitor (CB750, 24") <ul style="list-style-type: none"> - Support connection to Wireless PC screen - Mobile control function - Support mobile device connectivity via MHL - Can control 2 PCs (Drag & Drop file transfer, etc.) - Support USB Hub and USB Super Charging - 5W x 2 Channel speaker 	<ul style="list-style-type: none"> □ Region: Americas/Europe/ domestic, etc. □ Launch: May '12
All-in-one Cloud Monitor	<ul style="list-style-type: none"> □ Product Concept <ul style="list-style-type: none"> - All-in-one Cloud Display Monitor(AMD Solution) <ul style="list-style-type: none"> * Cloud Display Monitor: All-in-one LED monitor for creating server-based computing environment, which is the next generation IT infra solution that can efficiently manage IT resources and strengthen security □ Purpose and effects <ul style="list-style-type: none"> - Respond to EnergyStar5.0 and Erp(European energy standard) - Apply platform/DDR3 and SSD/enable Fan less via 2 chip solution AMD Ontario - Increase opportunity of sales expansion by adding 23.6" 16:9, 19" 5:4 Format Line-up - ECO-Friendly → LED BLU /Energystar/TCO/Thin Design - Secure sales channel in response to VMware/Citrix virtualization solution 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Dec '12 □ Inch : 19"/23.6"
LFD DEC (LH40DECPLBA/ZA)	<ul style="list-style-type: none"> □ Product Concept <ul style="list-style-type: none"> - Changed to new Echo-E chip dedicated to LFD from existing Genoa-P - DP LoopOut & DP1.2 MST using ST Athena chip - 24/7 operable Heavy Usage LED models - High intensity (700nit) anti-Glare required for information delivery □ Spec and effects <ul style="list-style-type: none"> - Panel : New, Edge-LED, 700nit - SMPS (PD-Board) : New - 12 hours use per day (3 year warranty) - Safety standard 60950-1(monitor), EMC class A - Remote control: TM1240B - Stand not provided (Option accessory) - In response to competitors' line-up - Secure LFD product line-up 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Oct '12 □ Inch : 40"/46"/55"

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Develop high-resolution large size TV panel	<ul style="list-style-type: none"> □ Differentiate Main Stream TV products and secure competitiveness 	<ul style="list-style-type: none"> □ Region: Global □ Launch: 1Q 13
High-resolution low-power consumption Tablet product technology	<ul style="list-style-type: none"> □ Achieve low power consumption of table products by enhancing transmittivity and enhance production yield 	<ul style="list-style-type: none"> □ Region: Global □ Launch: 4Q 12
Mass produce 20nm 4GB DDR3 DRAM for computer	<ul style="list-style-type: none"> □ Mass produce 20nm 4GB DDR3 DRAM as the first in the world <ul style="list-style-type: none"> - Developed as the first in the world for 4 consecutive generations since 50nm 4GB in '09 - Transmission speed of 1,833Mbps, which is the fastest for server □ Maintain competitive advantage in the value-added DRAM market with cutting-edge 'green memory' from server to PC market 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Feb '12 □ Name : 4GB DDR3 DRAM
Mass produce 20nm 4GB LPDDR2 mobile DRAM for mobile	<ul style="list-style-type: none"> □ Mass produce 20nm 4GB mobile DRAM as the first in the world <ul style="list-style-type: none"> - Mass produce products from 1GB to 4GB, highest capacity in the industry - Only provider of 4GB ultra-thin 0.8mm solution in the industry □ In the future, expand 4GB market by increasing the proportion of 20nm DRAM Maintain competitive advantage in the premium memory market 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Apr '12 □ Name : 4GB LPDDR2 Mobile DRAM
Develop 30nm 4GB DDR4 DRAM for computer	<ul style="list-style-type: none"> □ Develop next generation 30nm 4GB DDR4 DRAM as the first in the world <ul style="list-style-type: none"> - Launched 16GB DDR4 DRAM as the first after the launch of 2GB DDR4 DRAM in '11 - In the future, plan to develop products with fastest speed of 3.2Mb/s □ Create differentiated market by mass producing 20nm products in '13 and maintain competitive advantage with high-capacity green memory 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Jun '12 □ Name : 4GB DDR4 DRAM
Mass produce 30nm 4GB LPDDR3 mobile DRAM for mobile	<ul style="list-style-type: none"> □ Mass produce next generation 30nm 4GB mobile DRAM as the first in the world <ul style="list-style-type: none"> - Mass produce largest range of LPDDR3 products in the industry from 1GB to 2GB - Only provider of 2GB ultra-slim 0.8mm solution in the industry □ Maintain competitive advantage in the premium memory market by taking the lead in high-capacity next generation LPDDR3 DRAM market in the future 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Aug '12 □ Name : 4GB LPDDR3 Mobile DRAM
Mass produce 20nm 128GB eMMC internal storage for mobile	<ul style="list-style-type: none"> □ Mass produce high-capacity 20nm 128GB eMMC as the first in the world <ul style="list-style-type: none"> - Launched 128GB in Aug '12 after mass production of 64GB in Jul '12 - Can store 15 8GB Full HD contents □ Continue to expand next generation high-capacity mobile device market with 5 times faster speed than external memory card Class10 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Aug '12 □ Name : 128GB eMMC internal memory card
Mass produce 2ynm 4GB DDR3 DRAM for computer	<ul style="list-style-type: none"> □ Mass produce cutting-edge 2ynm 4GB DDR3 DRAM as the first in the world <ul style="list-style-type: none"> - Launched DRAM produced by new process for 4 consecutive years since '09 - Enhance product competitiveness with the best capacity low power consumption property □ Continue to strengthen business competitive advantage by expanding sales in differentiated market through mass production of 20nm products in '13 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Oct '12 □ Name : 4GB DDR3 DRAM
Mass produce 2ynm 512GB SSD for computer	<ul style="list-style-type: none"> □ Mass produce the best performance high-capacity 512GB SSD in the world <ul style="list-style-type: none"> - Develop high-performance SSD with high-performance 3bit MLC as the first in the industry - Lead market expansion by mass producing high-end/mass market SSD simultaneously □ Continue to strengthen business competitiveness in the premium memory market by expanding premium ultra notebook market in '13 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Oct '12 □ Name : 512GB SSD
Mass produce 10nm 64GB eMMC internal storage for mobile	<ul style="list-style-type: none"> □ Mass produce 64GB eMMC with next generation standard as the first in the world <ul style="list-style-type: none"> - Launched next generation product after the launch of eMMC 4.5 product in Jul '12-7 - Equipped with best performance 10nm 64GB NAND since Oct '12 □ Take the lead in high performance mobile device market with subminiature package that has 10 times faster speed than external memory card Class10 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Nov '12 □ Name : 64GB eMMC internal memory card

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Smart TV Service	<ul style="list-style-type: none"> □ Smart Hub service launch in '13 <ul style="list-style-type: none"> - Provides Smart Hub that enables easy and fast access to contents by category via five panel UIs <ul style="list-style-type: none"> • On TV: Recommends program based on viewing history by the hour • Movies & TV Shows: Recommends popular/new VOD based on user's viewing history • Photos, Videos & Music: Provides list of recently played/recorded photos/music/videos • Social: list of contents recommended by SNS friends/ video call • Apps: Shows recommended/ downloaded apps □ SDK 4.1 Public Release <ul style="list-style-type: none"> - Reinforces platform and ecosystem by adding major S/W module platform of '13 - Supports Linux and Mac emulator and provides local Cloud Emulator functions - Adds Smart Controller functions of '13 - Native IME (response to '13 input device) 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Feb '13
Smart Input Device	<ul style="list-style-type: none"> □ Introduction of 2013 smart wireless keyboard <ul style="list-style-type: none"> Easy to control device with QWERTY text input and Touch Pad Supports multi pairing between BT standard devices including TV/mobile (shortcut) □ Introduction of 2013 external camera <ul style="list-style-type: none"> Improves Skype resolution with 5M pixel camera EPTZ(Electronic Pan Tilt Zoom), Face Tracking One Hand Gesture Recognition 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Mar '13
HDD Broadcasting Multi-device (BD-F8500)	<ul style="list-style-type: none"> □ Key features <ul style="list-style-type: none"> Dual Tuner , CI , LAN, USB 2.0, HDMI, S-PDIF, Internal HDD, WiFi, Record 3D broadcasts □ Development <ul style="list-style-type: none"> Applied '13 UX & Apps, Applied Fox-B, New Micom (Nuvoton, 32bit), Movie & TV Show, Screen Mirroring, Remote Access 	<ul style="list-style-type: none"> □ Region: Europe □ Launch: Mar '13
BD Player (BD-F7500)	<ul style="list-style-type: none"> □ Key features <ul style="list-style-type: none"> 4K 3D Wifi BDP premium model Internal 4K Scaler / 2HDMI (4K/Audio) TV 7080 design matching VFD Front Display Smart Hub / Screen mirroring 2 x 2 Dual band Wifi module (minimized interference) □ Development <ul style="list-style-type: none"> Scaler Chip for 4K HDMI exclusively for Audio (increase usability) Strengthen Smart Hub functions (Movie & TV Show, Screen Mirroring, Remote Access) Reinforce security with TrustZone 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Mar '13
Smart Interaction	<ul style="list-style-type: none"> □ Improved motion recognition <ul style="list-style-type: none"> - Improve motion sensitivity, Thumbs Up recognition □ Increased interactive voice response supported countries <ul style="list-style-type: none"> - Countries added: Canada/Switzerland/Spain <ul style="list-style-type: none"> • Countries supported: 9 (as of end-June) • US, UK, Korea, France, Germany, Australia, Canada, Switzerland, Spain □ Introduced built-in camera for OLED/UHD TV <ul style="list-style-type: none"> Reflected new developments on circuit/apparatus for OLED Design 5M pixels, support motion/face recognition (same spec as LED F8000) 	<ul style="list-style-type: none"> □ Region: Global □ Launch: Jun '13 □ Applied products <ul style="list-style-type: none"> - Motion recognition: TV with built-in camera - Interactive voice response: Models of LED 6400 or higher - Built-in camera: OLED TV KN55S9CAF, UHD TV 55/65 F9000
Monitor (SC770)	<ul style="list-style-type: none"> □ Added Touch Monitor Line up in '13 <ul style="list-style-type: none"> - Introduced Touch Monitor to create a new market □ Reinforced user convenience <ul style="list-style-type: none"> - Secured absolute advantage over competitors by providing differentiated usability&design □ Optimum solution for using Touch <ul style="list-style-type: none"> - Fast Touch and 10 Points multi Touch possible by applying capacitive sensing Touch, Windows8 certification - Ergonomic sliding stand structure - Wide viewing range Panel and contrast range three times wider than plain monitor □ Premium design <ul style="list-style-type: none"> - Premium design with metallic materials - Narrow Bezel design that maximizes immersive experience when using Touch 	<ul style="list-style-type: none"> □ Region: America/Europe/etc. □ Launch: Jun '13 □ Inch : 24"

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Open Cell Monitor (SC590)	<ul style="list-style-type: none"> <input type="checkbox"/> Seek to introduce Open Cell to Display product line <ul style="list-style-type: none"> - Introduced Open Cell model <input type="checkbox"/> Reinforced line ups <ul style="list-style-type: none"> - Open Cell new line ups - Cheaper model than existing SC570 model as responding to 27" Slim Design <input type="checkbox"/> Reinforced user convenience <ul style="list-style-type: none"> - Narrow Bezel Design provides immersive experience aesthetic value - Applied wide viewing range PLS Panel, reproduce vivid color in any angle - Increased connection devices such as PC and imaging device by supporting HDMI 	<ul style="list-style-type: none"> <input type="checkbox"/> Region: Global <input type="checkbox"/> Launch: Aug '13 <input type="checkbox"/> Inch : 27"
LFD ME95C	<ul style="list-style-type: none"> <input type="checkbox"/> Product Concept <ul style="list-style-type: none"> - Ultra large size 95" LED LFD(world's largest Edge LED LFD) - Slim Bezel & Depth Metallic Black Premium Design - Symmetric Design for both vertical/horizontal use - Valuable functions for Smart Meeting Room <input type="checkbox"/> Product specification <ul style="list-style-type: none"> - Support PIM Half Embedded structure - Support automatic Pivot, using sensor - Terminal: D -sub,DVI,Component(AV),DP,HDMIx3,RS232C 	<ul style="list-style-type: none"> <input type="checkbox"/>Region: America/Europe/Domestic, etc. <input type="checkbox"/> Launch: Dec '13 <input type="checkbox"/> Inch : 95"
Mobile AP development	<ul style="list-style-type: none"> <input type="checkbox"/> Developed and mass produced big.LITTLE based octa-core Mobile AP as the first in the industry <ul style="list-style-type: none"> - Maximized benefits of low power consumption with big.LITTLE based octa-core - GPU capacity twice the 'Exynos 4 Quad' products - Support WQXGA – can be applied to smartphone and tablet - Applied eMMC 5.0 and USB 3.0 interface as the first in the industry - Continue to secure the Company's AP technology leadership 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Mar '13 <input type="checkbox"/> Name : Exynos 5 Octa
Mass produce 10nm 128Gb NAND Flash for mobile	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produced high capacity 10nm 128Gb NAND Flash <ul style="list-style-type: none"> - Launched twice the capacity of 10nm 64Gb in Nov '12 - Equipped best capacity 20nm 64Gb NAND from May '12 <input type="checkbox"/> Strengthen product competitive edge and lead memory market growth with 128Gb NAND-based memory card and expansion of SSD market 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Mar '13 <input type="checkbox"/> Name : 128Gb NAND Flash
Mass produce 20nm 1TB Server SSD for Server	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produced world best performance 1TB class Server storage <ul style="list-style-type: none"> - High-efficiency solution for cloud service market - Enhanced Server system capacity by six fold, reduced power consumption by 30% <input type="checkbox"/> Lead premium SSD market growth by developing next generation SSD <ul style="list-style-type: none"> - Solidified competitive advantage with high value-added Server SSD 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Mar '13 <input type="checkbox"/> Name : 960GB Server SSD
Smart card IC	<ul style="list-style-type: none"> <input type="checkbox"/> Acquired 'CC EAL7' with Smart card IC as the first in the industry <ul style="list-style-type: none"> - Applied world-class design/manufacture/security technology - Established standard modeling that can resist various types of hacking attacks - Issue certification via ANSSI, a French security agency <input type="checkbox"/> Promote the Company's image as a leader of smart card IC technology and continue to increase FSID market presence 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Mar '13 <input type="checkbox"/> Name : S3FT9KF
eFlash process	<ul style="list-style-type: none"> <input type="checkbox"/> Developed 45nm eFlash process as the first in the industry <ul style="list-style-type: none"> - Secured commercialization technology by developing smart card IC test chip - Reduced power consumption 25%, data reading time 50% - Plan to mass produce the first commercialized product in 2H14 - Applied to MCU product foundry/ASIC business <input type="checkbox"/> Promote the Company's image as a leader of smart card IC technology and induce foundry/ASIC customers 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch: May '13 <input type="checkbox"/> Name: 45nm eFlash
160lm/W middle power LED package	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produced 160lm/W middle power, which is the best in the industry <ul style="list-style-type: none"> - Middle power achieved luminance efficiency of 160 lumen per watt - First to mass produce industry-best LED package <input type="checkbox"/> Promote the Company's image as a leader of middle power technology and continue to secure LED market presence 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch: Feb '13 <input type="checkbox"/> Name: LM561B
Mass produce 3D vertical 128Gb V-NAND Flash	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produce new concept 128Gb 3D V-NAND Flash as the first in the world <ul style="list-style-type: none"> - Overcome the limits of miniaturization by 3D CTF(Charge Trap Flash) cell structure innovation and vertical layer process innovation - Increased degree of integration by twofold/ cell life by tenfold/ writing speed by twofold <input type="checkbox"/> Secured Tera bit NAND mass production technology with 300 core patents <ul style="list-style-type: none"> - Strengthen technological competitive advantage to take the lead in large capacity market 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch: Aug '13 <input type="checkbox"/> Name: 128Gb V-NAND Flash

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Mobile 20nm 8Gb LPDDR4 DRAM	<ul style="list-style-type: none"> □ Develop next generation 20nm 8Gb LPDDR4 DRAM as the first in the world - Develop lowest power consumption/ highest speed mobile DRAM - Create LPDDR4 market in '14 after LPDDR3 in '12 □ Build 20nm 8Gb DRAM mobile/server full line up - Create new market by launching 4GB in '14, the largest capacity in mobile ' 	<ul style="list-style-type: none"> □ Region : Global □ Launch: Dec '13 □ Name : 8Gb LPDDR4 Mobile DRAM
Develop ISOCELL Pixel technology	<ul style="list-style-type: none"> □ Develop next generation image sensor pixel technology as the first in the industry - Applied new method that isolates adjacent pixel - Enhanced sensitivity by minimizing loss of electric signal - Provide a sample of the first product with new technology □ Strengthened the Company's leadership in image sensor market 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Nov '13 □ Name : S5K4H5YB
5Develop ultra large size/ high resolution LCD TV panel	<ul style="list-style-type: none"> □ Mass produced 55",65" UHD TV panel □ Strengthen market leadership and contribute to commercialization of UHD TV by expanding UHD TV line ups 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jun '13
Develop OLED TV panel (55")	<ul style="list-style-type: none"> □ Take the lead in the next generation TV market by launching curved OLED TV □ Secure competitiveness by enabling Zero Pixel Defect definition 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jun '13
Wearable Display Watch	<ul style="list-style-type: none"> □ Create new OLED Application market based on design differentiation □ Develop 1.63" high-resolution Compact Design 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Sep '13
Develop high-resolution OLED panel	<ul style="list-style-type: none"> □ Secure advantages in terms of resolution compare to competitors and strengthen market competitiveness by developing high-resolution technology □ Mass produce smartphone OLED panel 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Apr '13
Develop Flexible technology	<ul style="list-style-type: none"> □ Secure advanced technology to take the lead in the next generation products □ Mass produce curved display for smartphone as the first in the world 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Oct '13
Develop UHD OLED TV panel	<ul style="list-style-type: none"> □ Develop R/G/B technology UHD products as the first in the world □ Reinforce market leadership and differentiate products by expanding UHD TV line ups 	<ul style="list-style-type: none"> □ Region : Global □ Launch : TBD
High-resolution low power consumption Tablet product technology	<ul style="list-style-type: none"> □ Mass produce high-resolution Tablet panel □ Achieved low power consumption of tablet products and higher rate of production by enhancing transmissivity 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Feb '14
Mass produce Server 3D V-NAND based 960GB high reliability SSD	<ul style="list-style-type: none"> □ Mass produced 3D V-NAND based high-reliability 960GB SSD as the first in the world Equal performance with SLC NAND SSD by using 3D V-NAND Increased customer value with high-reliability/high performance/high capacity/ low power consumption □ Maximized efficiency of investment in datacenter with ultra power saving solution Secure competitiveness for expansion of next generation green IT market 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Sep '13 □ Name: 960GB 3D V-NAND SSD
Mass produce 20nm 4GB DDR3 DRAM for server	<ul style="list-style-type: none"> □ Mass produce ultra-fine 20nm 4GB DDR3 DRAM as the first in the world - Applied independently developed high-density/high-speed/low-power consumption technology - Enhanced productivity by 30% compare to 25nm □ PC and server full line-up to be launched with 20nm 4GB DRAM - Enhance competitiveness by launching the whole line-up including mobile in the future 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Feb '14 □ Name : 4GB DDR3 DRAM
Develop new ISOCELL image sensor	<ul style="list-style-type: none"> □ Launched new 1600 megapixel ISOCELL image sensor - Clear image even in dark places - 16 megapixel / 30fps per second (first in the industry) - 16:9 aspect ratio FullHD resolution □ Developed 13 megapixel stacked ISOCELL image sensor - Smaller chip size and wider circuit range by applying stacked structure - Diversification of exposure with smart WDR function improves color in backlight 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Mar '14 □ Name : S5K2P2
Develop new mobile AP product with HMP solution	<ul style="list-style-type: none"> □ Launched new Exynos 5 Octa (5422) product - Enhance power efficiency by combining and utilizing 8 high-capacity/low-power consumption cores through applying HMP solution - Support WQHD and WQXGA ultra-high resolution - Strengthen low-power consumption capacity by using automatic conversion to power save mode and mobile video compression technology □ Launched new Exynos 5 Hexa (5250) product - Enhance power efficiency by combining and utilizing 6 high-capacity/low power consumption cores through applying HMP solution - Support WQXGA ultra-high resolution 	<ul style="list-style-type: none"> □ Region : Global □ Launch: Jan/Mar '14 □ Name : Exynos5250/ Exynos5422

Research project	Research results and expected effect	In case applied to a product, name of the product and application
Develop new smart card product	<ul style="list-style-type: none"> □ Launched NFC with internal flash memory (e-flash) - Used 45nm e-flash logic process as the only one in the industry, which improves density and power efficiency compare to 90nm products - Miniaturized products by supporting smallest antenna solution - Enabled mobile POS through NFC chip as the first in the industry ※ POS (Point of Sales): point of sale information management system 	<ul style="list-style-type: none"> □ Region : Global □ Launch: Jan '14 □ Name : S3FWRN5
UHD TV HU9000	<ul style="list-style-type: none"> □ Ultimate Curved UHD TV that provides perfect immersive experience - Adopted ergonomic Curved LED Panel □ Clear differentiation values compare to competitors - Smart Hub function with Multi-Link Screen added - The only Evolutionary UHD TV □ Premium design - Ergonomic Curved Design - The best premium image through Immersive Viewing Experience 	<ul style="list-style-type: none"> □ Region : Global □ Launch: Mar '14 □ Inch : 55"/65"
UHD TV HU9000 (105")	<ul style="list-style-type: none"> □ Wide Curved(21:9) 105" UHD TV - Introduced ultra-large size 105" Curved UHD TV as the first in the world - Adopted SDC 4200R 105" Wide Curved Panel - Applied Golf-AP/MP Platform - Provide ultimate immersive experience and realistic viewing experience 	<ul style="list-style-type: none"> □ Region : Middle East □ Launch : Jun '14 □ Inch : 105"
Mass produce 2 nd generation V-NAND based 1TB SSD for PC	<ul style="list-style-type: none"> □ Mass produced 2nd generation 3D V-NAND based 1TB SSD as the first in the world - Opened up 'the era of popularized 3D memory' with 2nd generation V-NAND - Target PC market after creating server market last year □ Launched high-reliability, high-capacity, low-power consumption V-NAND SSD line-up - Increased life by twofold and reduced power consumption by 20% compare to existing SSD - Launch 'V-NAND SSD' in 53 nations around the world starting in July 	<ul style="list-style-type: none"> □ Region : Global □ Launch : May '14 □ Name : 1TB, V-NAND SSD
Develop new ISOCELL Image sensor	<ul style="list-style-type: none"> □ Develop 13 megapixel stacked ISOCELL image sensor - Smaller chip size and wider circuit range by applying stacked structure - Diversification of exposure with smart WDR function improves color in backlight 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jun '14 □ Name : S5K3M2
Develop new mobile AP product	<ul style="list-style-type: none"> □ Launched new Exynos 5 Octa (5430) product - Increased power efficiency by applying 20nm low-power consumption HKMG process - Enhanced performance by applying HMP solution and can work individually depending on low power core needs - Enhanced low power consumption property by using automatic conversion to power save mode and mobile video compression technology - Support WQHD and WQXGA ultra high-resolution 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jun '14 □ Name : Exynos 5430
UHD TV (UN105S9WAF)	<ul style="list-style-type: none"> □ Product Concept - Wide Curved(21:9) 105" UHD TV - Need to solidify market leadership by introducing ultra-large size 105" UHD TV as the first in the world □ Spec and effects - Adopted SDC 4200R 105" Wide Curved Panel - Applied Golf-AP/MP Platform - Provide the ultimate immersive and realistic viewing experience 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jul '14 □ Inch: 105"
LFD QMD	<ul style="list-style-type: none"> □ Introduced Premium UHD Line Up - Introduced high resolution UHD LFD line up - Applied SE13U Platform - Applied spec to respond to LFD Usage - Reduced additional investment costs by sharing TV HU7K design □ Main functions - Support full HD screen split in 4 (2/3/4 splits) - DP 1.2 and SBB applicable 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Aug '14 □ Inch: 85"

11. Other Information for Investment Decision Making

A. Intellectual property right

In 2013, the Company invested KRW 14.8 trillion and registered 7,643 domestic and 11,289 overseas patents including approval for 4,676 US patents. As a result, the Company maintained second place in terms of numbers of patents registered in US amongst global technology companies, for eight (8) consecutive years since 2006.

<Number of patents registered in each country (as of December 31, 2013, cumulative)>

(Unit: # of Patents)

	Korea	US	Europe	China	Japan	Others
Number	36,559	34,203	15,091	9,898	7,143	7,871

The Company first registered US patents in 1984, and now holds 110,765 patents around the world. The Company holds a significant number of registered US patents to effectively respond to disputes in the U.S

<Number of patents registration per year>

(Unit: # of Patents)

	'13	'12	'11	'10	'09	'08	'07
Korea	2,762	2,013	1,610	1,612	1,485	4,740	10,974
US	4,676	5,081	4,894	4,551	3,611	3,515	2,725

These patents are mostly related to smartphone, flash memory, System LSI and DTV for the Company's strategic business products or for future use. These patents not only protect the Company's business but also play the role of keeping similar technology and patents, as well as competitors in check. In addition, as some of the patents are for new material, new multimedia codec, and next-generation mobile communication, the Company expects them to protect its business in the future when it enters into new businesses.

The Company has also been focusing on securing design patents to protect its original design applied to smartphone and LED TV by acquiring 516 US patents in 2013.

B. Environmental regulations

The Company strictly abides by environmental regulations on products and workplace prescribed by law. In addition, to following "the low carbon green growth policy" of the Korean government, the Company has been increasing the number of "Green Technology Certifications" and reports "the amount of CO2 emission and energy use" to the government and transparently provides related information to stakeholders.

(Refer to 『9. Green Management』 of 『VIII. Other Information Related to Investment Protection』 for more details about green technology certification.)

(Environmental regulation on products)

The environmental regulations on products are getting stricter reflecting its potential direct and indirect impacts consumers' health and safety as consumers carry them or install at home for use. Accordingly, the Company is working to minimize environmental impact throughout the whole life cycle of products from development stage of components and products to manufacturing, distribution, use, and disposal. The Company offers "Eco partner Certification" to partner companies for components without harmful substances, and runs an "Eco design evaluation" system to reflect eco-

friendly elements on products (reduced use of resources, energy, and harmful substances and application of eco-friendly materials) at the development stage, and operates a “waste electronics collection recycle system” in Europe, North America, Korea, and India for collecting and recycling waste electronics. These activities are in line with domestic and foreign environmental laws on electronics and are a differentiation factor of the Company and its products.

Relevant laws are as follows:

1. Law on collection and recycle of waste electronics (e.g., EU WEEE Directive)
2. Limit on the use of harmful substances (e.g., EU RoHS Directive, REACH Regulation)
3. Regulation on energy efficiency (e.g., EU ErP Directive)

(Environmental regulations on workplace)

The Company operates environmental pollution prevention facilities for preventing air pollution, water pollution, and disposal of waste to minimize discharge of pollutants, thereby minimizing impact on the surrounding environment.

Environmental management of workplace is supervised by relevant government authorities. All production facilities, domestic and overseas, have acquired International Occupational Health and Safety Management System Certification (ISO 14001, OHSAS18001) to strengthen compliance.

Domestic and International major relevant laws are as follows:

1. Regulation related to emission of pollutants: Water Quality and Ecosystem Conservation Act, Clean Air Conservation Act, Wastes Control Act, Noise and Vibration Control Act, Environmental Impact Assessment Act
2. Management of greenhouse gas emission: Greenhouse gas emission report, Goal management system
3. Others: Toxic Chemicals Control Act, Odor Control Law, Soil Environment Conservation Act

(Greenhouse gas emission and energy consumption management)

The Company is a “controlled entity” according to article 42 of the “Framework Act on Low Carbon, Green Growth.” Thus, the Company has been reporting the amount of greenhouse gas emission and energy consumption, verified by a third-party, to the authorities and disclosing it to stakeholders according to article 44 of the same Act since May 2011.

The reported amount of greenhouse gas emission and energy use are presented below:

	2013	2012	2011
Greenhouse gas (Unit: tCO ₂ e)	6,303,033	6,004,674	9,955,301
Energy (Unit: TJ)	96,298	91,330	125,370

※ 62 workplaces including domestic manufacturing facilities, company buildings, and company owned buildings.

※ DP business was excluded from the total amounts of 2012 due to the spin-off of Samsung Display.

※ Reported Greenhouse gas emission excludes Ozone Depletion Substance (ODS).

The Company achieved its own greenhouse emission and energy consumption limit goal for 2013 by installing energy efficient equipment and energy-saving activities to meet greenhouse gas reduction.

III. Management Discussion and Analysis

Pursuant to the reporting guidelines set forth by the *Financial Supervisory Service* of South Korea, the Management Discussion and Analysis section, reported in the annual Business Report, is not included in quarterly and half year reports.

IV. Corporate Governance and Affiliates

1. Board of Directors

A. Overview of Board of Directors

As of September 30, 2014, the Board of Directors (BOD) consists of nine (9) directors, four (4) of whom are executive directors (Oh-Hyun Kwon, Boo-Keun Yoon, Jong-Kyun Shin, and Sang-Hoon Lee) and five (5) independent directors (In-Ho Lee, Han-Joong Kim, Kwang-Soo Song, Byeong-Gi Lee, and Eun-Mee Kim). The Board has six (6) committees as follows: Management Committee, Audit Committee, Independent Director Recommendation Committee, Related Party Transactions Committee, Compensation Committee, and CSR Committee.

B. The BOD Agendas considered and voting results

Date	Agenda	Results	Independent directors				
			In-Ho Lee	Han-Joong Kim	Kwang-Soo Song	Byeong-Gi Lee	Eun-Mee Kim
Jan 24, 2014	① Approval of FY2013 financial statements and annual business report ② Approval of FY2014 business plan ③ Revision to management committee regulations ④ Participation in Samsung BioLogics equity rights offerings ⑤ Appointment of compliance officer ※ Reported Items ① Report on the internal accounting management system ② Assessment of the internal accounting management system ③ Report on the results of establishment of research committee for environmental safety	Approved Approved Approved Approved Approved	For For For For For	For For For For For	For For For For For	For For For For For	For For For For For
Feb 18, 2014	① Decision to convene the 45 th (FY2014) AGM ② Decision of the 45th AGM agenda items - report items: 1) FY2013 annual audit report 2) FY2013 annual business report - Item 1: Approval of FY2013 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc. - Item 2: Approval of remuneration limit for Directors ③ Donation to Chung-nam Samsung Institute ※ Reported Item ① Report on the results of compliance review	Approved Approved Approved	Did not attend	For For For	For For For	For For For	Did not attend
Apr 29, 2014	① Approval of 1Q FY14 financial statements and business report ② Renewal of the existing Directors' liability insurance policy ③ Donation ④ Application for Venture Capital Union	Approved Approved Approved Approved	For For For For	For For For For	For For For For	For For For For	For For For For
Jun 03, 2014	① Disposal of technology assets ② Equity investments ③ A property Leasing contract with Samsung Display ※ Reported Items ① Research results and findings from the advancement of corporate ecosystem research council ② Reported Progress of research results for the environmental safety	Approved Approved Approved	For For For	For For For	For For For	For For For	For For For

Jul 31, 2014	① Approval of the 46th 1H14 financial statements, business report, and interim dividend	Approved	For	For	For	For	For
	② Approval of Samsung Asset Management annual trade volume	Approved	For	For	For	For	For
	③ Application for property insurance	Approved	For	For	For	For	For
	④ Donation to Sungkyunkwan University	Approved	For	For	For	For	For
	⑤ Donation to Samsung Science & Technology Foundation	Approved	For	For	For	For	For

C. The Committees of BOD

(1) Composition of the BOD Committees as of September 30, 2014

Committee Name	Members	Member Name	Responsibility and Authority
Management	4 Executive Directors	Oh-Hyun Kwon, Boo-Keun Yoon, Jong-Kyun Shin, Sang-Hoon Lee	See description below
Related Party Transactions	3 Independent Directors	In-Ho Lee, Han-Joong Kim, Kwang-Soo Song	
Compensation	3 Independent Directors	Kwang-Soo Song, In-Ho Lee, Byeong-Gi Lee	
CSR	5 Independent Directors	Byeong-Gi Lee, In-Ho Lee, Han-Joong Kim, Kwang-Soo Song, Eun-Mee Kim	

※ The Audit Committee and Independent Director Recommendation Committee were excluded according to *Corporate Disclosure Guidelines* set forth by the *Financial Supervisory Service Authority* of South Korea.

i) The Management Committee

- *Responsibility*: The Management Committee deliberates and decides on matters specified by the BOD regulations and resolutions or specifically delegated by the BOD. The composition and operation of the management committee are determined by the BOD.

- *Authority*

The Management Committee deliberates and decides on the following matters:

(A) General management

1. Annual or mid to long-term management policy and strategy
2. Key management strategy
3. Business planning and restructuring
4. Establishment, relocation, and withdrawal of overseas branch and corporation
5. Initiating cooperation such as strategic partnership with foreign companies
6. Acquisition or disposal of domestic and overseas subsidiaries
7. Other major management matters
8. Establishment, relocation, and withdrawal of branches and operations
9. Appointment or dismissal of supervisors
10. Suspension or shutdown of production over 5% of the total production in the recent year
11. Licensing agreements and technology transfer, partnership in regards to technology of over 0.5% of the total equity
12. Acquisitions and transfers of patents related to new material and new technology of over 0.5% of the total equity
13. Collection and destruction of products corresponding to over 5% of the total sales in the recent business year
14. Contracting for over 5% of the total sales in the recent business year
15. Contracting or canceling of single sales agency and suppliers over 5% of the total sales in the recent business year

16. Set basic principles of organization management
17. Decision making on basic principles and any changes related to wages, bonus, and fringe benefits
18. Appointments, dismissals and changes of transfer agent
19. Closing of shareholder register and setting reference date
20. Establishing corporate guidelines for business and management related activities
21. Donations over KRW 50 billion per donation. Donation to related parties between KRW 1 billion and KRW 5 billion

(B) Matters related to Finance

1. Acquisitions or disposals of equity investments with a value between 0.1% and/or less than 2.5% of the total equity
2. Direct overseas investments with a value of over 0.1% and/or less than 2.5% of the total equity
3. New debt guarantee (excluding extension of period) or collateral issuance with a value of over 0.1% and/or less than 2.5% of the total equity
 - A. Collateral: Only in the case of providing collateral for others
 - B. Guarantee: Excludes performance guarantee (e.g., bid, contract, defect, difference guarantee) and tax payment guarantee
4. New credit agreement contract (excluding extension of period) with a value of over 0.1% and/or less than 5% of the total equity
5. Approval of related party transactions:
 Related party transactions with affiliates involving cash (loans and payments), equity (stocks and bonds) or assets (such as real estate and intangible property rights) with a value between KRW 1 billion and/or less than KRW 5 billion, as defined in the Monopoly Regulation and Fair Trade Act
 ※ Excluding cases where existing contracts are renewed without significant change).
6. Issuance of Corporate Bond
7. Acquisition and disposal of real estate with a value of over 0.1% of the total equity, provided that the transaction is with the third party
8. Any matters that the CEO deems necessary and important for the business (e.g., CAPEX)

(C) All other matters except for those delegated to the BOD and other committees in accordance with BOD regulations

ii) Related Party Transactions Committee

- *Responsibility*: Improve management transparency through establishment of a voluntary compliance system

- *Authority*

- 1) Right to receive reports on related party transactions:
 The Committee can request reports on related party transactions with affiliates
 ※ According to the Monopoly Regulation and Fair Trade Act, the Related Party Transactions committee is permitted to conduct preliminary reviews and approves on related party transactions over KRW 5 billion and other transactions that are deemed as significant.
- 2) Right to order ex officio investigation of related party transactions
- 3) Right to propose corrective measures for related party transactions

iii) Compensation Committee

- *Responsibility*: Provide transparent and objective decision making process related to remuneration of directors

- *Authority*

- 1) Propose remuneration limit of directors at annual general shareholders' meeting
- 2) Establish the director remuneration system
- 3) Other matters delegated by the Board

iv) *CSR Committee*

- *Responsibility*: Address social responsibilities of the Company and make contributions to public interest

- *Authority*

- 1) Make decisions on matters related to social contributions of the Company
- 2) Establish research groups under the committee, appoint researchers, and devise CSR management plan
- 3) Other matters delegated by the Board

(2) **The BOD Committee Activities**

※ The Audit Committee and Independent Director Recommendation Committee were excluded according to *Corporate Disclosure Guidelines* set forth by the *Financial Supervisory Service Authority* of South Korea.

□ **The Management Committee**

Name	Date	Agenda	Voting Results	Attendance/Voting Results of Independent Directors
Management Committee	Jan 20, 2014	① Patent license agreement ② Patent license agreement ③ Establishment of production base in the Republic of South Africa ④ Product donations to Chung-nam Samsung Institute	Approved Approved Approved Approved	N/A (All comprised of executive directors)
	Feb 19, 2014	① Technology license agreement ② Liquidation of a subsidiary	Approved Approved	
	Mar 19, 2014	① Ownership sales of Samsung Bluewings	Approved	
	May 14, 2014	① Increase the limit on trade finance ② Exercise of voting rights for merger with affiliates ③ Donation	Approved Approved Approved	
	Jun 3, 2014	① Patent license agreement ② Closing of shareholder register for interim dividend	Approved Approved	
	Jul 16, 2014	① Stake acquisition ② Stake acquisition ③ LED investment	Approved Rejected Approved	
	Jul 31, 2014	① Stake acquisition ② Patent license agreement	Approved Approved	
	Aug 13, 2014	① Stake acquisition ② Memory investment	Approved Approved	
	Sep 17, 2014	① Bid for real estate purchase ② S.LSI investment ③ Establishment of overseas marketing corporate entity	Approved Approved Approved	

□ **The Related Party Transactions Committee**

Date	Agenda	Voting Results	Name of independent directors		
			In-Ho Lee (Attendance: 80%)	Han-Joong Kim (Attendance: 100%)	Kwang-Soo Song (Attendance: 100%)
			For/against		
Jan 23, 2014	<ul style="list-style-type: none"> - Preliminary review on large-scale related party transactions 1) Participation in Samsung BioLogics capital raising - Report on 4Q13 related party transactions 	N/A	-	-	-
Feb 18, 2014	<ul style="list-style-type: none"> - Preliminary review on large-scale related party transactions 1) Donation to Chung-nam Samsung Institute 	N/A	Did not attend	-	-
Apr 28, 2014	<ul style="list-style-type: none"> - Preliminary review on large-scale related party transactions 1) Renewal of the existing directors' liability insurance policy 2) Donation 3) Application for Venture Capital Union - Report on 1Q14 related party transactions 	N/A	-	-	-
Jun 3, 2014	<ul style="list-style-type: none"> - Preliminary review on large-scale related party transactions 1) Disposal of Technology assets 2) Ownership investment 3) Rental contract with Samsung Display 	N/A	-	-	-
Jul 30, 2014	<ul style="list-style-type: none"> - Preliminary review on large-scale related party transactions 1) Approval of Samsung Asset Management annual trade volume 2) Application for property insurance 3) Donation to Sungkyunkwan University 4) Donation to Samsung Science & Technology Foundation - Report on 2Q14 related party transactions 	N/A	-	-	-

※ Agendas presented here are non-voting resolutions.

□ **The Compensation Committee**

Date	Agenda	Voting Results	Name of Independent Directors		
			Kwang-Soo Song (Attendance: 100%)	In-Ho Lee (Attendance: 50%)	Byeong-Gi Lee (Attendance: 100%)
			For/Against		
Feb 13, 2014	Appointment of the head of compensation committee	Approved	For	For	For
Feb 18, 2014	Preliminary review on remuneration limit for Directors	Approved	For	Did not attend	For

□ **The CSR Committee**

Date	Agenda	Voting Results	Name of Independent Directors				
			Byeong-Gi Lee (Attendance: 100%)	In-Ho Lee (Attendance: 100%)	Han-Joong Kim (Attendance: 100%)	Kwang-Soo Song (Attendance: 100%)	Eun-Mee Kim (Attendance: 50%)
			For/Against				
Jan 24, 2014	– Establishment of research committee for the environmental safety and appointment of research members	Approved	For	For	For	For	For
May 30, 2014	– Report on research results of research committee for the advancement of corporate ecosystem – Report on research committee for environmental safety	N/A	-	-	-	-	Did not attend

D. Director Independence

(1) Appointment of Directors

Directors are appointed by shareholders at the annual general meeting of shareholders. The Board is responsible for nominating candidates for Executive Directors, and the Independent Director Recommendation Committee nominates independent director candidates, which are presented to shareholders as separate agendas and voted on at the annual general meeting.

The Board submits shareholders' proposal for appointment of Directors at the annual general shareholder meeting as a separate agenda if the proposal satisfies related laws and regulations.

The Board of Directors appointed by shareholders is as follows:

[As of September 30, 2014]

Position	Name	Nominated by	Responsibility	Transactions with the Company	Relation with the controlling shareholder
Executive Director	Oh-Hyun Kwon	BOD	Chairman of BOD Head of DS division	N/A	N/A
Executive Director	Boo-Keun Yoon	BOD	Head of CE division		
Executive Director	Jong-Kyun Shin	BOD	Head of IM division		
Executive Director	Sang-Hoon Lee	BOD	CFO, Head of Corporate Management Office		
Independent Director	In-Ho Lee	Independent Director Recommendation Committee	Overall management of the Company		
Independent Director	Han-Joong Kim	Independent Director Recommendation Committee	Overall management of the Company		
Independent Director	Kwang-Soo Song	Independent Director Recommendation Committee	Overall management of the Company		
Independent Director	Byeong-Gi Lee	Independent Director Recommendation Committee	Overall management of the Company		
Independent Director	Eun-Mee Kim	Independent Director Recommendation Committee	Overall management of the Company		

※ Oh-Hyun Kwon, Boo-Keun Yoon, and Jong-Kyun Shin are appointed as the Represented Directors of the Company in accordance with the Commercial Act of Korea.

(2) Independent Director Recommendation Committee

The Independent Director Recommendation Committee assesses the independence and ability of potential candidates and recommends selected candidates to be appointed at the annual general meeting of shareholders. The committee is composed of three Independent Directors (Han-Joong Kim, Byeong-Gi Lee, and Eun-Mee Kim) and one Executive Director (Oh-Hyun Kwon) based on related laws that states more than a majority of members should be independent directors in accordance with clause 4 of Article 542-8 of the Commercial Law.

(3) Professionalism of Independent Directors

There are designated support group in the Company that supports independent directors to perform their duties professionally in the BOD and the Board committees. The support group provides reference materials on the meeting agendas in advance so Directors can thoroughly review them before the Board and committee meetings. If necessary, the support group provides separate information sessions on any agenda and frequently provides updates on other key management issues. In addition, the support group conducts internal education programs which allow Independent Directors to visit and conduct inspect domestic and overseas business sites and receive reports of the current state of business operation.

2. Audit System

A. Profile of the member of the Audit Committee

As of September 30, 2014, the Company operates an Audit Committee consisting of three (3) Independent Directors.

Name	Career	Note
In-Ho Lee	<ul style="list-style-type: none">– Corporate Advisor, Shinhan Bank (2009-2011)– Chief Executive Officer, Shinhan Financial Group (2005-2009)– President & CEO, Shinhan Bank (1999-2003)	Independent director
Han-Joong Kim	<ul style="list-style-type: none">– Professor Emeritus, Yonsei University (2012~Present)– President, Yonsei University (2008-2012)– Professor, Dept. of Preventive Medicine & Public Health (1982-2012)	Independent director
Kwang-Soo Song	<ul style="list-style-type: none">– Advisor, Kim & Chang Law Office (2007-Present)– Prosecutor General, Supreme Prosecutors' Office (2003-2005)– Chief Prosecutor, Daegu High Prosecutors' Office (2002-2003)	Independent director

B. Audit Committee Independence

Pursuant to related laws and the Articles of Incorporation, the Company has prepared internal audit regulations which encompass composition, operation, authority, and responsibility of the Audit Committees to carry out audit related activities.

The Audit Committee is exclusively composed of Independent Directors appointed at the annual general shareholder meeting and includes audit and financial experts. Also, the Audit Committee satisfies requirements of relevant laws. (e.g., The stipulation that the role of head of the committee be held by an Independent Director.

The Audit Committee reviews accounting documents including financial statements and audit process related documents presented by the external auditor, and if needed, requests the external auditor to perform additional reviews on accounting books and records. To ensure the reliability of accounting related disclosures, the audit committee receives and reviews a report on internal accounting control systems prepared by internal accounting managers. In addition, the Committee attends the BOD meetings and other significant meetings. The Committee receives reports on deliberations of the Management Committee and on business performance from Directors and requests additional reviews and supplementation of data as needed.

C. Major Activities of the Audit Committee

See the table below for major activities of the Audit Committee by reporting date.

Name	Date	Agenda	Voting Results	Name of independent directors		
				In-Ho Lee (Attendance: 75%)	Han-Joong Kim (Attendance: 100%)	Kwang-Soo Song (Attendance: 100%)
				For/Against		
Audit Committee	Jan 23, 2014	- 2013 financial and business reports - Report on 2013 internal accounting management system activities - Report on 4Q13 non-audit activities - Report on appointment plan of external auditor - Report on 2013 audit activities	- - - - -			
	Feb 18, 2014	- Review and approval of appointment of external auditor - Review of the 2013 AGM agenda - Assessment of 2013 activities of internal compliance system	Approved - -	Did not Attend	For - -	For - -
	Apr 28, 2014	- Report on the 1Q14 financial statements and business report - Report on 1Q14 non-audit activities	- -	- -	- -	- -
	Jul 30, 2014	- Report on the 1H14 financial statements and business report - Report on 2Q14 non-audit activities - Report on 1H14 audit activities	- - -	- - -	- - -	- - -

3. Voting rights of shareholders

A. Voting method

The Company has not adopted the concentrated voting system, voting in writing, or electronic voting system.

B. Minority Shareholder Right

No minority shareholder right was exercised during the reporting period.

C. Competition over management right

No competition over management rights occurred during the reporting period.

4. Affiliates & Subsidiaries

A. Affiliates

- Name of affiliated group: Samsung Group

As at September 30, 2014, Samsung Group had a total of 70 domestic affiliates. Compared to December 31, 2013, four (4) new affiliate (Samsung Welstory, Seoul Lakeside CC, Samsung Card Customer Service, and Shilla Stay) were included and nine (9) (Samsung Corning Precision Materials, Samsung SNS, Global Tech, 365Homecare, Samsung Petrochemical, Cheil Industries, World Cyber Games, SMP, and SKKU dormitory) were excluded. Among Samsung Group's 70 affiliates, 16 including Samsung Electronics are listed, and 54 are unlisted.

[As of September 30, 2014]

	No. of affiliates	Name of affiliates
Listed	16	Samsung C&T, Samsung Electronics, Samsung SDI, Samsung Techwin, SEMCO, Samsung Heavy Industries, Samsung Card, Samsung Life Insurance, Hotel Shilla, Samsung Fire & Marine Insurance, Samsung Securities, Samsung Fine Chemicals, Samsung Engineering, S1, Cheil Worldwide, CREDU
Unlisted	54	Cheil Industries(formerly Samsung Everland), Samsung SDS, Samsung General Chemicals, Samsung Total Petrochemicals, Samsung Lions, SERI, STECO, Samsung Thales, SEMES, Samsung Electronics Sales, Samsung Electronics Service, Samsung Electronics Logitech, Hantok Chemicals, CVnet Corporation, Care Camp, Allat., SECUI, Gacchinet, Open Tide Korea, Samsung Futures, Samsung Venture Investment Corporation, Samsung Asset Management, Saengbo, SD Flex, Samsung Claim Adjustment Service, Samsung Fire & Marine Insurance Service, S-Core, Suwon Samsung Bluewings FC, Human TSS, RAY, Songdo Land Mark City, S-1CRM, OpenHands, S-EnPol, Samsung Medison, Samsung Biologics, STM, Nuri Solution, Colombo Korea, Samsung Life Service, Miracom, SU Materials, Natural9, Samsung Display, Samsung Bioepis, Samsung Corning Advanced Glass, Daejung Offshore Wind Power Co., Ltd., Samsung SRA Asset Management, Jeongahm Wind Power, Samsung SGL Carbon Composite Materials, Samsung Welstory, Samsung Card Customer Service, Seoul Lakeside CC, Shilla Stay
Total	70	

※ The former Cheil Industries merged with Samsung SDI in July 2014, and Samsung Everland has been renamed as Cheil Industries

B. Ownership Status of Affiliates and Subsidiaries

1) Domestic

Investor	Investee	Samsung C&T Corp	Samsung Electronics	Samsung SDI	Samsung Electro-Mechanics	Samsung Heavy Industries	Samsung Techwin	Hotel Shilla	Samsung Engineering	Cheil Worldwide	Samsung Fine Chemicals	S1 Corporation	Samsung SDS	Cheil Industries
Samsung C&T Corporation			4.1				4.3		7.8	12.6	5.6		17.1	1.5
Samsung Electronics				19.6	23.7	17.6	25.5	5.1		2.6	8.4		22.6	
Samsung SDI		7.4				0.4	0.1	0.1	13.1		14.7	11.0		8.0
Samsung Electro-mechanics						2.4					0.3		7.9	4.0
Cheil Industries						0.1								
Samsung Heavy Industries														
Samsung Techwin						0.1								
Cheil Worldwide						0.1								
Samsung Fine Chemicals														
Samsung General Chemicals														
Hotel Shilla											2.2			
S1 Corporation														
SERI														
Samsung SDS														
Samsung Life Insurance		0.5	7.5	0.2	0.0	3.5	0.6	7.7	0.0	0.2	0.0	5.5		
Samsung Fire & Marine Insurance		4.8	1.3	0.0	0.0	0.0	0.0	0.0	1.1	0.0	0.0	1.0		
Samsung Securities.							2.0	3.1				1.3		
Samsung Card								1.3		3.0		1.9		5.0
SDC														
Samsung BioLogics														
SVIC #6														
Total		12.7	12.9	19.8	23.7	24.2	32.4	17.3	22.0	18.5	31.1	20.7	47.5	18.5

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

Investor	Investee	Samsung General Chemicals	Samsung Total Petrochemicals	Hantok Chemicals	Samsung Lions	SERI	STECO	SEMES	Samsung Electronics Service	Samsung Electronics Sales	Suwon Samsung Bluewings FC	Samsung Electronics Logitech	Samsung Display	Ray
	Samsung C&T Corporation	37.3			7.5	1.0								
	Samsung Electronics	5.3			27.5	29.8	51.0	91.5	99.3	100.0		100.0	84.8	
	Samsung SDI	13.1			15.0	29.6							15.2	
	Samsung Electro-mechanics	9.0			12.5	23.8								
	Cheil Industries				2.0									
	Samsung Heavy Industries					1.0								
	Samsung Techwin	22.7												
	Cheil Worldwide	0.3			3.0						100.0			
	Samsung Fine Chemicals	3.1		50.0										
	Samsung General Chemicals		50.0											
	Hotel Shilla .													
	S1 Corporation													
	SERI													
	Samsung SDS													
	Samsung Life Insurance					14.8								
	Samsung Fire & Marine Insurance.													
	Samsung Securities													
	Samsung Card													
	SDC													
	Samsung BioLogics													
	SVIC #6													64.6
	Total	90.8	50.0	50.0	67.5	100.0	51.0	91.5	99.3	100.0	100.0	100.0	100.0	64.6

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

Investor	Investee	Samsung Medison	Samsung BioLogics	Samsung BioEpis	Samsung Corning Advanced Glass	SU Materials	Samsung Thales	CVnet	Care Camp	Songdo Landmark City	Seoul Lakeside CC	SD Flex	Colombo Korea	Natural
	Samsung C&T Corporation		5.7					40.1		41.4	80.0			
	Samsung Electronics	68.5	45.7											
	Samsung SDI											50.0		
	Samsung Electro-mechanics													
	Cheil Industries		45.7								20.0		100.0	51.0
	Samsung Heavy Industries													
	Samsung Techwin						50.0							
	Cheil Worldwide													
	Samsung Fine Chemicals													
	Samsung General Chemicals													
	Hotel Shilla													
	S1 Corporation													
	SERI													
	Samsung SDS							9.4						
	Samsung Life Insurance													
	Samsung Fire & Marine Insurance.													
	Samsung Securities													
	Samsung Card													
	SDC				50.0	50.0								
	Samsung BioLogics			90.3										
	SVIC #6													
	Total	68.5	97.1	90.3	50.0	50.0	50.0	49.5	0.0	41.4	100.0	50.0	100.0	51.0

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

Investor	Investee	Samsung Welstory	Daejung Offshore Wind Power	Jeongahm Wind Power	SECUI	Human TSS	S-1CRM	S-EnPol	STM	CREDU	Gacchinet	Open Tide Korea	S-Core	OpenHands
	Samsung C&T Corporation													
	Samsung Electronics													
	Samsung SDI								13.8					
	Samsung Electro-mechanics													
	Cheil Industries	100.0			8.7						21.0			
	Samsung Heavy Industries		50.1	50.0										
	Samsung Techwin													
	Cheil Worldwide											9.8		
	Samsung Fine Chemicals							100.0	58.0					
	Samsung General Chemicals													
	Hotel Shilla													
	S1 Corporation				52.2	100.0	93.4					1.1		
	SERI									15.2	5.2			
	Samsung SDS				4.3					47.2	10.5	70.2	94.8	100.0
	Samsung Life Insurance									0.0				
	Samsung Fire & Marine Insurance.													
	Samsung Securities										1.6			
	Samsung Card										3.3			
	SDC													
	Samsung BioLogics													
	SVIC #6													
	Total	100.0	50.1	50.0	65.2	100.0	93.4	100.0	71.8	62.4	41.5	81.1	94.8	100.0

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

Investor	Investee	Miracom	Nuri Solution	Samsung SGL Carbon Composite Materials	Shilla Stay	Samsung Life Insurance	Saengbo	Samsung Life Service	Samsung SRA Asset Management	Samsung Fire & Marine Insurance	Samsung Claim Adjustment Service	Samsung Fire & Marine Insurance Service
	Samsung C&T Corporation											
	Samsung Electronics											
	Samsung SDI											
	Samsung Electro-mechanics											
	Cheil Industries					19.3						
	Samsung Heavy Industries											
	Samsung Techwin											
	Cheil Worldwide											
	Samsung Fine Chemicals											
	Samsung General Chemicals			50.0								
	Hotel Shilla				100.0							
	S1 Corporation											
	SERI											
	Samsung SDS	100.0	100.0									
	Samsung Life Insurance						50.0	99.8	100.0	15.0		
	Samsung Fire & Marine Insurance.										99.9	100.0
	Samsung Securities											
	Samsung Card											
	SDC											
	Samsung BioLogics											
	SVIC #6											
	Total	100.0	100.0	50.0	100.0	19.3	50.0	99.8	100.0	15.0	99.9	100.0

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

Investor	Investee	Samsung Securities	Samsung Card	Allat	Samsungcard Customer Service	Samsung Asset Management	Samsung Futures	Samsung Venture Investment
	Samsung C&T Corporation	0.3						
	Samsung Electronics		37.5					16.3
	Samsung SDI							16.3
	Samsung Electro-mechanics							17.0
	Cheil Industries			30.0				
	Samsung Heavy Industries							17.0
	Samsung Techwin							16.7
	Cheil Worldwide							
	Samsung Fine Chemicals							
	Samsung General Chemicals							
	Hotel Shilla							
	S1 Corporation							
	SERI							
	Samsung SDS							
	Samsung Life Insurance	11.1	34.4			96.8		
	Samsung Fire & Marine Insurance.	8.0						
	Samsung Securities						99.9	16.7
	Samsung Card			30.0	100.0			
	SDC							
	Samsung BioLogics							
	SVIC #6							
	Total	19.4	71.9	60.0	100.0	96.8	99.9	100.0

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

2) Overseas

Investor	Investee	Ownership
Samsung C&T Corporation	MYODO METAL CO., Ltd.	100.0
Samsung C&T Corporation	Samsung C&T Japan Corporation	100.0
Samsung C&T Corporation	Samsung C&T America Inc.	100.0
Samsung C&T Corporation	Samsung Finance Corporation.	80.0
Samsung C&T Corporation	Samsung E&C America, Inc.	100.0
Samsung C&T Corporation	SAMSUNG OIL & GAS USA CORP	90.0
Samsung C&T Corporation	Samsung Renewable Energy Inc.	100.0
Samsung C&T Corporation	SCNT Power Norte S. De R.L. de C.V.	100.0
Samsung C&T Corporation	QSSC, S.A. de C.V.	60.0
Samsung C&T Corporation	Samsung C&T Oil & Gas Parallel	100.0
Samsung C&T Corporation	Samsung C&T Automation Inc.	70.0
Samsung C&T Corporation	Samsung C&T Canada Ltd.	100.0
Samsung C&T Corporation	Samsung C&T Deutschland GmbH	100.0
Samsung C&T Corporation	Samsung C&T U.K. Ltd.	100.0
Samsung C&T Corporation	Xiod Distribution	25.0
Samsung C&T Corporation	Samsung C&T France S.A.S	100.0
Samsung C&T Corporation	Samsung C&T ECUK Limited	100.0
Samsung C&T Corporation	Whessoe Project Limited	100.0
Samsung C&T Corporation	SCNT Investment Atlantic SPRL	100.0
Samsung C&T Corporation	POSS-SLPC, s.r.o	50.0
Samsung C&T Corporation	Solluce Romania 1 B.V.	80.0
Samsung C&T Corporation	SAM investment Manzanilo.B.V	53.3
Samsung C&T Corporation	Solluce Slovenia 1 B.V.	80.0
Samsung C&T Corporation	Ecosolar OOD	100.0
Samsung C&T Corporation	Ecoenergy Solar OOD	100.0
Samsung C&T Corporation	Agiriplam EOOD	100.0
Samsung C&T Corporation	Fishtrade EOOD	100.0
Samsung C&T Corporation	Manageprojekt EOOD	100.0
Samsung C&T Corporation	Solar Park EOOD	100.0
Samsung C&T Corporation	Veselinovo Energy OOD	100.0
Samsung C&T Corporation	Samsung C&T Construction Hunga	100.0
Samsung C&T Corporation	Samsung C&T (KL) Sdn.,Bhd.	100.0
Samsung C&T Corporation	Samsung C&T Malaysia SDN. BHD	100.0
Samsung C&T Corporation	Erdsam Co., Ltd.	100.0
Samsung C&T Corporation	Samsung Chemtech	51.7
Samsung C&T Corporation	S-print Inc.	40.0
Samsung C&T Corporation	Cassava Investment Korea Pte. Ltd.	29.7
Samsung C&T Corporation	P.T. Samsung Development	100.0
Samsung C&T Corporation	Samsung Development (Thailand) Co., Ltd.	33.0
Samsung C&T Corporation	Samsung C&T Thailand Co., Ltd.	44.0
Samsung C&T Corporation	Cheil Holding Inc.	40.0
Samsung C&T Corporation	Samsung Const. Co. Phils., Inc.	25.0
Samsung C&T Corporation	Samsung Design Philippines Inc.	100.0
Samsung C&T Corporation	Samsung Oil & Gas(Timor Sea 06-102) Ltd.	100.0
Samsung C&T Corporation	Samsugn Oil & Gas Australia PTY. Ltd.	100.0
Samsung C&T Corporation	PT. INSAM BATUBARA ENERGY	90.0
Samsung C&T Corporation	Samsung C&T India Pte., Ltd.	100.0
Samsung C&T Corporation	Samsung C&T Corporation India	100.0
Samsung C&T Corporation	Malaysia Samsung Steel Center Sdn.Bhd	70.0
Samsung C&T Corporation	Samsung C&T Singapore Pte., Ltd.	100.0
Samsung C&T Corporation	S&G Biofuel PTE.LTD	50.5
Samsung C&T Corporation	SAMSUNG C&T Mongolia LLC.	70.0
Samsung C&T Corporation	Samsung C&T Eng.&Const. Mogolia	100.0
Samsung C&T Corporation	SAMSUNG C&T HONGKONG Ltd.	100.0
Samsung C&T Corporation	GUANGDONG XINGPU STEEL CENTER CO.,LTD	51.6
Samsung C&T Corporation	Samsung C&T Taiwan Co., Ltd.	100.0
Samsung C&T Corporation	Samsung Precision Stainless Steel (pinghu) Co., Ltd.	55.0
Samsung C&T Corporation	Samsung C&T (Shanghai) Co., Ltd.	100.0
Samsung C&T Corporation	Samsung Nigeria Co., Ltd.	99.9
Samsung C&T Corporation	LOBINAVE - Estaleiro Naval do Lobito, Ltda.	40.0
Samsung C&T Corporation	SAMSUNG C&T CORPORATION SAUDI ARABIA	100.0

Investor	Investee	Ownership
Samsung C&T Corporation	Samsung C&T Chile Copper SpA	100.0
Samsung C&T Corporation	SCNT Power Kelar Inversones Li	99.0
Samsung C&T Corporation	Samsung C&T do BRASIL CONSTRUCTORA LTDA.	100.0
Samsung C&T Corporation	Samsung C&T Corporation Rus LLC	100.0
Samsung C&T Corporation	KSI LLP	25.0
Samsung C&T Corporation	JSC BALKHASH THERMAL POWER PLA	57.5
Samsung C&T Corporation	Samsung SDI America, Inc.	8.3
Samsung C&T Corporation	Samsung SDI (Malaysia) SDN. BHD.	6.4
Samsung C&T Corporation	Samsung SDI (Hong Kong) Ltd.	2.4
Samsung C&T Corporation	Samsung SDI Brasil Ltda.	0.0
Samsung C&T Corporation	Beijing Samsung Real Estate Co., Ltd.	10.0
Samsung C&T America Inc.	Meadowland Distribution	100.0
Samsung C&T America Inc.	SAMSUNG OIL & GAS USA CORP	10.0
Samsung C&T America Inc.	Samsung Green repower, LLC	100.0
Samsung C&T America Inc.	Samsung Solar Construction Inc.	100.0
Samsung C&T America Inc.	QSSC, S.A. de C.V.	20.0
Samsung C&T America Inc.	Samsung C&T Automation Inc.	30.0
Samsung C&T America Inc.	S-print Inc.	24.0
Samsung E&C America, INC	Samsung E&C RADIUS, Inc.	100.0
Samsung Renewable Energy Inc.	SRE GRW EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE GRW EPC LP	100.0
Samsung Renewable Energy Inc.	SRE SKW EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE SKW EPC LP	100.0
Samsung Renewable Energy Inc.	SRE GRW LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE SKW LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE WIND PA GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE WIND PA LP	100.0
Samsung Renewable Energy Inc.	SRE GRS Holdings GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE GRS Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE K2 EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE K2 EPC LP	100.0
Samsung Renewable Energy Inc.	SRE K2 LP HOLDINGS LP	100.0
Samsung Renewable Energy Inc.	SRE KS HOLDINGS GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE KS HOLDINGS LP	100.0
Samsung Renewable Energy Inc.	SOUTHGATE SOLAR GP Inc.	100.0
Samsung Renewable Energy Inc.	SOUTHGATE SOLAR LP	100.0
Samsung Renewable Energy Inc.	WINDSOR SOLAR GP Inc.	100.0
Samsung Renewable Energy Inc.	WINDSOR SOLAR LP	100.0
Samsung Renewable Energy Inc.	SRE Belle River LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE Armow EP CGP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Armow EP CLP	100.0
Samsung Renewable Energy Inc.	SRE Armow LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE Wind GP Holding Inc.	100.0
Samsung Renewable Energy Inc.	SP Ontario Wind Development LP	50.0
Samsung Renewable Energy Inc.	SP Southgate Wind LP	50.0
Samsung Green repower, LLC	SOLAR PROJECTS SOLUTIONS,LLC	66.0
Kingston Solar GP Inc.	Kingston Solar LP Inc.	0.0
K2 Wind Ontario Inc.	K2 Wind Ontario LP Inc.	0.0
SP Armow Wind Ontario GP Inc	SP Armow Wind Ontario LP Inc.	0.0
Samsung C&T Oil & Gas Parallel	PLL Holdings LLC	83.6
Samsung C&T Oil & Gas Parallel	PLL E&P LLC	90.0
SRE GRW EPC GP Inc.	SRE GRW EPC LP	0.0
SRE SKW EPC GP Inc.	SRE SKW EPC LP	0.0
PLL Holdings LLC	Parallel Petroleum LLC	61.0
SRE GRW LP Holdings LP	Grand Renewable Wind LP Inc.	44.5
SRE SKW LP Holdings LP	South Kent Wind LP Inc.	50.0
SRE WIND PA GP INC.	SRE WIND PA LP	0.0
SRE GRS Holdings GP Inc.	Grand Renewable Solar GP Inc.	50.0
SRE GRS Holdings GP Inc.	SRE GRS Holdings LP	0.0
SRE K2 EPC GP Inc.	SRE K2 EPC LP	0.0
SRE K2 LP HOLDINGS LP	K2 Wind Ontario LP	33.3
SRE KS HOLDINGS GP INC.	Kingston Solar GP Inc.	50.0
SRE KS HOLDINGS GP INC.	SRE KS HOLDINGS LP	0.0

Investor	Investee	Ownership
SRE KS HOLDINGS LP	Kingston Solar LP Inc.	25.0
SOUTHGATE SOLAR GP INC.	SOUTHGATE SOLAR LP	0.0
WINDSOR SOLAR GP INC.	WINDSOR SOLAR LP	0.0
SRE Belle River LP Holdings LP	SP Belle River Wind LP	50.0
SP Belle River Wind GP Inc	SP Belle River Wind LP	0.0
SRE Arrow EP CGP Inc.	SRE Arrow EPC LP	0.0
SRE Arrow LP Holdings LP	SP Arrow Wind Ontario LP	50.0
SRE Wind GP Holding Inc.	K2 Wind Ontario Inc.	50.0
SRE Wind GP Holding Inc.	SP Arrow Wind Ontario GP Inc.	50.0
SRE Wind GP Holding Inc.	SP Southgate Wind GP	50.0
SRE Wind GP Holding Inc.	SRE GRW LP Holdings LP	0.0
SRE Wind GP Holding Inc.	SRE SKW LP Holdings LP	0.0
SRE Wind GP Holding Inc.	SRE K2 LP HOLDINGS LP	0.0
SRE Wind GP Holding Inc.	SRE Belle River LP Holdings LP	0.0
SRE Wind GP Holding Inc.	SP Belle River Wind GP Inc.	50.0
SRE Wind GP Holding Inc.	SRE Arrow LP Holdings LP	0.0
SRE Wind GP Holding Inc.	SP Ontario Wind Development GP	50.0
SRE Wind GP Holding Inc.	South Kent Wind GP Inc.	50.0
SRE Wind GP Holding Inc.	Grand Renewable Wind GP Inc.	50.0
SP Ontario Wind Development GP	SP Ontario Wind Development LP	0.0
South Kent Wind GP Inc.	South Kent Wind LP Inc.	0.0
Grand Renewable Wind GP Inc.	Grand Renewable Wind LP Inc.	0.0
Samsung C&T Deutschland GmbH	Samsung C&T Italia S.A.R.L	100.0
Samsung C&T Deutschland GmbH	SCNT Investment Atlantic SPRL	0.0
Samsung C&T Deutschland GmbH	POSS-SLPC, s.r.o	20.0
Samsung C&T Deutschland GmbH	Solluce Romania 1 B.V.	20.0
Samsung C&T Deutschland GmbH	Solluce Slovenia 1 B.V.	20.0
Samsung C&T Deutschland GmbH	S.C. Otelinox S.A	94.3
Samsung C&T Deutschland GmbH	KSI LLP	25.0
Samsung C&T U.K. Ltd.	Xiod Distribution	75.0
Samsung C&T U.K. Ltd.	Samsung Nigeria Co., Ltd.	0.1
Samsung C&T France S.A.S	Comptoir Des Produits Inoxydables S.A.S.	12.5
Solluce Romania 1 B.V.	LJG GREEN SOURCE ENERGY ALPHA	78.0
SAM investment Manzanilo.B.V	Terminal KMS de GNL S. de R.L de C.V	37.5
Solluce Slovenia 1 B.V.	ZE Solar 1 D.O.O.	70.0
Samsung C&T (KL) Sdn.,Bhd.	SS KUKDONG JASATERA JV	70.0
Cassava Investment Korea Pte.	PT. Cahaya Borneo Sukses Agros	49.0
Cassava Investment Korea Pte.	PT. Cassava Borneo Sukses Plan	49.0
Samsung C&T Thailand Co., Ltd	Samsung Development (Thailand) Co., Ltd.	67.0
Cheil Holding Inc.	Samsung Const. Co. Phils.,Inc.	75.0
Samsung C&T Singapore Pte. Ltd.	Samsung Chemtech	48.3
Samsung C&T Singapore Pte. Ltd.	S-print Inc.	16.0
Samsung C&T Singapore Pte. Ltd.	Cassava Investment Korea Pte. Ltd.	12.7
Samsung C&T Singapore Pte. Ltd.	PT. INSAM BATUBARA ENERGY	10.0
Samsung C&T Singapore Pte. Ltd.	Malaysia Samsung Steel Center Sdn.Bhd	30.0
Samsung C&T Singapore Pte. Ltd.	S&G Biofuel PTE.LTD	12.6
S&G Biofuel PTE.LTD	PT. Gandaerah Hendana	95.0
S&G Biofuel PTE.LTD	PT. Inecda	95.0
SAMSUNG C&T HONGKONG Ltd.	Samsung C&T Thailand Co., Ltd.	13.2
SAMSUNG C&T HONGKONG Ltd.	SAMSUNG (TIANJIN) INTERNATIONAL TRADING CO., Ltd.	100.0
SAMSUNG C&T HONGKONG Ltd.	SAMSUNG TRADING (SHANGHAI)CO., Ltd.	100.0
SAMSUNG C&T HONGKONG Ltd.	Karson Industrial Co., Ltd.	100.0
SAMSUNG C&T HONGKONG Ltd.	SAMSUNG TRADING (SHENZHEN) CO., Ltd.	100.0
SAMSUNG C&T HONGKONG Ltd.	Samsung Precision Stainless Steel(pinghu) Co., Ltd.	45.0
SAMSUNG C&T HONGKONG Ltd.	Samsung (China) Logistics Ltd.	100.0
SAMSUNG C&T HONGKONG Ltd.	Samsung Corporation (Gaungzhou) Limited.	100.0
Samsung (China) Logistics Ltd.	Samsung Logistics (Tianjin) Ltd.	100.0
Samsung (China) Logistics Ltd.	SAMSUNG TRADING (SHENZHEN) CO., Ltd.	100.0
Samsung C&T Chile Copper SpA	Pampa Camarones S.A.	46.5
S.C. Otelinox S.A	Comptoir Des Produits Inoxydables S.A.S.	87.5
Samsung Electronics	Samsung Japan Corporation	100.0
Samsung Electronics	Samsung R&D Institute Japan Co. Ltd.	100.0
Samsung Electronics	Samsung Electronics America Inc.	100.0

Investor	Investee	Ownership
Samsung Electronics	Samsung Electronics Canada Inc.	100.0
Samsung Electronics	Samsung Electronics Mexico S.A. De C.V.	63.6
Samsung Electronics	Nvelo Inc.	100.0
Samsung Electronics	Samsung Electronics (UK) Ltd.	100.0
Samsung Electronics	Samsung Electronics(London) Ltd.	100.0
Samsung Electronics	Samsung Electronics Holding GmbH	100.0
Samsung Electronics	Samsung Electronics Iberia, S.A.	100.0
Samsung Electronics	Samsung Electronics France S.A.S	100.0
Samsung Electronics	Samsung Electronics Hungarian RT.	100.0
Samsung Electronics	Samsung Electronics Italia S.P.A.	100.0
Samsung Electronics	Samsung Electronics Europe Logistics B.V.	100.0
Samsung Electronics	Samsung Electronics Benelux B.V.	100.0
Samsung Electronics	Samsung Electronics Overseas B.V.	100.0
Samsung Electronics	Samsung Electronics Polska, SP.Zo.o	100.0
Samsung Electronics	Samsung Electronics Portuguesa S.A.	100.0
Samsung Electronics	Samsung Electronics Nordic Aktiebolag	100.0
Samsung Electronics	Samsung Electronics Austria GmbH	100.0
Samsung Electronics	Samsung Electronics Slovakia s.r.o	55.7
Samsung Electronics	Samsung Electronics Europe Holding Cooperatief U.A.	100.0
Samsung Electronics	Samsung Electronics Display (M) Sdn Bhd	75.0
Samsung Electronics	Samsung Electronics (M) Sdn. Bhd.	100.0
Samsung Electronics	Samsung Vina Electronics Co., Ltd.	100.0
Samsung Electronics	Samsung Asia Private Ltd.	100.0
Samsung Electronics	Samsung India Electronics Private Ltd.	100.0
Samsung Electronics	Samsung R&D Institute India-Bangalore Private Limited	100.0
Samsung Electronics	Samsung Electronics Australia Pty. Ltd.	100.0
Samsung Electronics	PT Samsung Electronics Indonesia	100.0
Samsung Electronics	Thai Samsung Electronics Co., Ltd.	91.8
Samsung Electronics	Samsung Malaysia Electronics (SME) Sdn. Bhd.	100.0
Samsung Electronics	Samsung Electronics Hong Kong Co., Ltd.	100.0
Samsung Electronics	Suzhou Samsung Electronics Co., Ltd.	69.1
Samsung Electronics	Samsung (CHINA) Investment Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Suzhou Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics (Shandong) Digital Printing Co., Ltd.	87.1
Samsung Electronics	Samsung Electronics Huizhou Co., Ltd.	89.6
Samsung Electronics	Tianjin Samsung Electronics Co., Ltd.	48.2
Samsung Electronics	Samsung Electronics Taiwan Co., Ltd.	100.0
Samsung Electronics	Tianjin Samsung Telecom Technology Co., Ltd.	90.0
Samsung Electronics	Shanghai Samsung Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Suzhou Computer Co., Ltd.	73.7
Samsung Electronics	Shenzhen Samsung Electronics Telecommunication Co., Ltd.	95.0
Samsung Electronics	Samsung Electronics Shanghai Telecommunication Co., Ltd.	100.0
Samsung Electronics	Samsung Semiconductor (China) R&D Co., Ltd.	100.0
Samsung Electronics	Samsung (China) Semiconductor Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Hainan Fiberoptics Co., Ltd	100.0
Samsung Electronics	Samsung Gulf Electronics Co., Ltd.	100.0
Samsung Electronics	Samsung Electronics Egypt S.A.E	0.1
Samsung Electronics	Samsung Electronics South Africa(Pty) Ltd.	100.0
Samsung Electronics	Samsung Electronics Latinoamerica (Zona Libre)	100.0
Samsung Electronics	Samsung Electronica da Amazonia Ltda.	87.0
Samsung Electronics	Samsung Electronics Argentina S.A.	98.0
Samsung Electronics	Samsung Electronics Chile Ltda.	4.1
Samsung Electronics	Samsung Electronics Rus Company LLC	100.0
Samsung Electronics	Samsung Electronics Rus Kaluga LLC	100.0
Samsung Electronics	Samsung Russia Service Centre LLC	100.0
Samsung Electronics	Samsung SDI Brasil Ltda.	0.1
Samsung Electronics	Tianjin Samsung LED Co., Ltd.	100.0
Samsung Electronics	Tianjin Samsung Opto-Electronics Co., Ltd.	82.0
Samsung BioEpis	SAMSUNG BIOEPIS UK LIMITED	100.0
Samsung Display	Intellectual Keystone Technology LLC.	41.9
Samsung Display	Samsung Display Slovakia s.r.o.	100.0
Samsung Display	Samsung Display Bac Ninh	100.0
Samsung Display	Samsung Display Suzhou Co., Ltd.	100.0

Investor	Investee	Ownership
Samsung Display	Samsung Suzhou LCD Co., Ltd.	60.0
Samsung Display	Samsung Display Dongguan Co., Ltd.	100.0
Samsung Display	Samsung Display Tianjin Co., Ltd.	95.0
Samsung Display	Novaed GmbH	9.9
SEMES	SEMES America, Inc.	100.0
SEMES	SEMES (XIAN) Co., Ltd.	100.0
Samsung Medison	SonoAce Deutschland GmbH	100.0
Samsung Medison	Samsung Medison India Private Ltd.	100.0
Samsung Medison	Samsung Medison Shanghai Medical Instrument Co., Ltd.	100.0
Samsung Electronics America, Inc.	NexusDX, Inc.	100.0
Samsung Electronics America, Inc.	NeuroLogica Corp.	100.0
Samsung Electronics America, Inc.	Samsung Receivables Corporation	40.1
Samsung Electronics America, Inc.	Quietside	100.0
Samsung Electronics America, Inc.	Smart Things	100.0
Samsung Electronics America, Inc.	Samsung Semiconductor, Inc.	100.0
Samsung Electronics America, Inc.	Samsung Information Systems America, Inc.	100.0
Samsung Electronics America, Inc.	Samsung International, Inc.	100.0
Samsung Electronics America, Inc.	Samsung Telecommunications America LLC.	100.0
NexusDX, Inc.	Nanogen Recognomics GmbH	60.0
Samsung Semiconductor, Inc.	Grandis, Inc.	100.0
Samsung Semiconductor, Inc.	Samsung Austin Semiconductor LLC.	100.0
SamsungElectronicsCanadaInc	PrinterOn, Inc.	100.0
Printer On Inc	1397011 Ontario Ltd.	100.0
Printer On Inc	Printer On America Corporation	100.0
Printer On Inc	Printer On Europe Limited	100.0
Samsung International, Inc.	Samsung Mexicana S.A. de C.V	100.0
Samsung Telecommunications America LLC.	Samsung Receivables Corporation	59.9
Samsung Electronics Mexico S.A. De C.V.	Samsung Electronics Digital Appliance Mexico, SA de CV	100.0
Samsung Electronics (UK) Ltd.	Samsung Semiconductor Europe Limited	100.0
Samsung Electronics Holding GmbH	Samsung Semiconductor Europe GmbH	100.0
Samsung Electronics Holding GmbH	Samsung Electronics GmbH	100.0
Samsung Electronics Hungarian RT.	Samsung Electronics Czech and Slovak s.r.o.	30.0
Samsung Electronics Hungarian RT.	Samsung Electronics Slovakia s.r.o	44.3
Samsung Electronics Benelux B.V.	Samsung Electronics Mexico S.A. De C.V.	36.4
Samsung Electronics Benelux B.V.	SAMSUNG ELECTRONICS BALTICS SI	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics West Africa	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics East Africa	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Egypt S.A.E	99.9
Samsung Electronics Benelux B.V.	Samsung Electronics Israel Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Tunisia S.A.R.L	99.0
Samsung Electronics Benelux B.V.	Samsung Electronics Pakistan(Private) Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics South Africa	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Turkey	100.0
Samsung Electronics Benelux B.V.	Samsung Semiconductor Israel R&D Center, Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Levant Co., Ltd.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Morocco SARLAU	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Venezuela, C.A.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronica da Amazonia Ltda.	13.0
Samsung Electronics Benelux B.V.	Samsung Electronics Chile Ltda.	95.9
Samsung Electronics Benelux B.V.	Samsung Electronics Peru S.A.C.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Russia LLC	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Ukraine LLC	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Ukraine Company LLC	100.0
Samsung Electronics Benelux B.V.	Samsung R&D Institute Rus LLC	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Kazakhstan LLP	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics KZ and Central Asia LLP	100.0
Samsung Electronics Austria GmbH	Samsung Electronics Switzerland GmbH	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Czech and Slovak s.r.o.	70.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Romania LLC	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Poland Manufacturing SP.Zo.o	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Electronics Greece S.A.	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Nanoradio Design Center	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Denmark Research Center ApS	100.0

Investor	Investee	Ownership
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung France Research Center SARL	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Samsung Cambridge Solution Centre Limited	100.0
Samsung Electronics Europe Holding Cooperatief U.A.	Novalted GmbH	40.0
Samsung Nanoradio Design Center	Nanoradio Hellas AE	100.0
Samsung Electronics Display (M) Sdn. Bhd.	Tianjin Samsung Electronics Co., Ltd.	2.2
Samsung Asia Private Ltd.	Samsung Electronics Japan Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics Display (M) Sdn. Bhd.	25.0
Samsung Asia Private Ltd.	Samsung Electronics New Zealand Limited	100.0
Samsung Asia Private Ltd.	Samsung Electronics Philippines Corporation	100.0
Samsung Asia Private Ltd.	Samsung R&D Institute BanglaDesh	100.0
Samsung Asia Private Ltd.	Samsung Electronics Vietnam Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Telecommunications Malaysia Sbn. Bhd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics Vietnam THAINGUYEN Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung SDI (Malaysia) SDN. BHD.	25.0
Samsung Asia Private Ltd.	Samsung Electro-Mechanics Thailand Co., Ltd.	25.0
Samsung Asia Private Ltd.	iMarket Asia Co., Ltd.	11.4
PT Samsung Electronics Indonesia	PT Samsung Telecommunications Indonesia	99.0
Samsung Electronics Hong Kong Co., Ltd.	iMarket Asia Co., Ltd.	11.3
Suzhou Samsung Electronics Co., Ltd.	Samsung Suzhou Electronics Export Co., Ltd.	100.0
Samsung (CHINA) Investment Co., Ltd.	Suzhou Samsung Electronics Co., Ltd.	19.2
Samsung (CHINA) Investment Co., Ltd.	Samsung Mobile R&D Center China-Guangzhou	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Tianjin Mobile Development Center	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Network R&D Center China-Shenzhen	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung R&D Institute China-Xian	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics (Shandong) Digital Printing Co., Ltd.	12.9
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics Huizhou Co., Ltd.	10.3
Samsung (CHINA) Investment Co., Ltd.	Tianjin Samsung Electronics Co., Ltd.	40.8
Samsung (CHINA) Investment Co., Ltd.	Beijing Samsung Telecom R&D Center	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics Suzhou Computer Co., Ltd.	26.3
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics China R&D Center	100.0
Samsung (CHINA) Investment Co., Ltd.	Samsung Electronics (Beijing) Service Company Limited	100.0
Samsung (CHINA) Investment Co., Ltd.	Tianjin Samsung Opto-Electronics Co., Ltd.	8.0
Samsung Gulf Electronics Co., Ltd.	Samsung Electronics Egypt S.A.E	0.1
Samsung Electronics Morocco SARLAU	Samsung Electronics Tunisia S.A.R.L	1.0
Samsung Electronics Latinoamerica (Zona Libre)	Samsung Electronics Latinoamerica Miami, Inc.	100.0
Samsung Electronics Latinoamerica (Zona Libre)	Samsung Electronica Colombia S.A.	100.0
Samsung Electronics Latinoamerica (Zona Libre)	Samsung Electronics Panama. S.A.	100.0
Samsung Electronica da Amazonia Ltda.	Samsung Electronics Argentina S.A.	2.0
Samsung SDI	Intellectual Keystone Technology LLC.	41.0
Samsung SDI	Samsung SDI Japan co., Ltd.	100.0
Samsung SDI	Samsung SDI America, Inc.	91.7
Samsung SDI	Samsung SDI Hungary Rt.	100.0
Samsung SDI	Samsung SDI Europe GmbH.	100.0
Samsung SDI	Samsung SDI (Malaysia) SDN. BHD.	68.6
Samsung SDI	Samsung SDI Vietnam Co., Ltd.	100.0
Samsung SDI	Samsung SDI Energy Malaysia SD	100.0
Samsung SDI	Samsung SDI (Hong Kong) Ltd.	97.6
Samsung SDI	Samsung SDI China Co., Ltd.	100.0
Samsung SDI	Samsung SDI-ARN(Xian) Power Ba	50.0
Samsung SDI	Samsung SDI Brasil Ltda.	45.0
Samsung SDI	SAMSUNG CHEIL INDUSTRIES JAPAN	100.0
Samsung SDI	Samsung Chemical(USA), INC.	100.0
Samsung SDI	Starex Compounding America Inc.	100.0
Samsung SDI	Samsung Chemical Europe GmbH	100.0
Samsung SDI	Samsung Chemical Hungary Limited	100.0
Samsung SDI	Novalted GmbH	50.1
Samsung SDI	SAMSUNG CHEMICAL(THAILAND) CO.	59.4
Samsung SDI	Samsung Chemical Material Trad	100.0
Samsung SDI	Tianjin Samsung Engineering Plastics Co., Ltd.	100.0
Samsung SDI	Dongguan Samsung Engineering Plastics Co., Ltd.	100.0
Samsung SDI	SAMSUNG CHEMICAL ELECTRONIC MA	100.0
Samsung SDI	iMarket Asia Co., Ltd.	8.7
Samsung SDI America, Inc.	Samsung SDI Mexico S.A. de C.V.	100.0

Investor	Investee	Ownership
Samsung SDI America, Inc.	Samsung SDI Brasil Ltda.	40.4
Samsung SDI (Hong Kong) Ltd.	Shenzhen Samsung SDI Co., Ltd.	80.0
Samsung SDI (Hong Kong) Ltd.	Tianjin Samsung SDI Co., Ltd.	80.0
Samsung SDI (Hong Kong) Ltd.	Shanghai Samsung Electronic Devices Co., Ltd.	60.3
Samsung SDI (Hong Kong) Ltd.	Samsung SDI Brasil Ltda.	14.5
Samsung Electro-Mechanics	Samsung Electro-Mechanics Japan Co., Ltd	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Japan Advanced Technology Co.,Ltd.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics America, Inc.	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics GmbH	100.0
Samsung Electro-Mechanics	Samsung hungary Electro-Mechanics Private Ltd Liability Company	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics(Thailand) Co., Ltd.	75.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Phils., Corp.	100.0
Samsung Electro-Mechanics	Calamba Premier Realty Corporation.	39.8
Samsung Electro-Mechanics	Samsung Electro-Mechanics Pte., Ltd.	100.0
Samsung Electro-Mechanics	Samsung Electro Mechanics Vietnam Co., Ltd.	100.0
Samsung Electro-Mechanics	Dongguan Samsung Electro-Mechanics Co., Ltd.	100.0
Samsung Electro-Mechanics	Tianjin Samsung Electro-Mechanics Co., Ltd.	81.7
Samsung Electro-Mechanics	Samsung Electro-Mechanics(HK) Co., Ltd.	100.0
Samsung Electro-Mechanics	Samsung High-Tech Electro-Mechanics(Tianjin) Co., Ltd.	95.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics(Shenzhen) Co., Ltd.	100.0
Samsung Electro-Mechanics	Kunshan Samsung Electro-Mechanics Co., Ltd.	100.0
Samsung Electro-Mechanics	iMarket Asia Co., Ltd.	8.7
Samsung Electro-Mechanics Japan Advanced Technology Co.,Ltd	Samsung Electro-Mechanics Nakhonratchasima Co.,Ltd.	100.0
Samsung Electro-Mechanics America, Inc.	Samsung Electro-Mechanics do Brasil Intermediacoes de Negocios Ltda.	100.0
Calamba Premier Realty Corpora	BATINO REALTY CORPORATION	100.0
Samsung Fire & Marine Insurance	Samsung Fire & Marine Management Corporation	100.0
Samsung Fire & Marine Insurance	Samsung Fire & Marine Insurance Company of Europe Ltd.	100.0
Samsung Fire & Marine Insurance	P.T. Asuransi Samsung Tugu	70.0
Samsung Fire & Marine Insurance	Samsung Vina Insurance Co., Ltd.	75.0
Samsung Fire & Marine Insurance	Samsung Reinsurance Pte., Ltd.	100.0
Samsung Fire & Marine Insurance	Samsung Property and Casualty Insurance Co(China) Ltd.	100.0
Samsung Fire & Marine Insurance	SAMSUNG FIRE & MARINE CONSULTORIA EM SEGUROS Ltda.	100.0
Samsung General Chemicals	SAMSUNG PETROCHEMICAL (SHANGHAI)	100.0
Samsung Total Petrochemicals	Dongguan Samsung Total Engineering Plastic co.,Ltd.	100.0
Samsung Total Petrochemicals	Samsung Total Petrochemicals Trading (Shanghai) Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	Camellia Consulting Corporation	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Wind Energy Inc.	100.0
Samsung Heavy Industries Co.,Ltd.	Offshore 1 consulting Corporation	51.0
Samsung Heavy Industries Co.,Ltd.	Samsung heavy Industries Hamburg GmbH	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries India Pvt. Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	SAMSUNG HEAVY INDUSTRIES (M) SDN.BHD	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries(Ningbo) Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries(Rongcheng) Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	Rongcheng Gaya Heavy Industries Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries Trade(Shanghai) Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	SAMSUNG HEAVY INDUSTRIES NIGERIA Co., Ltd.	100.0
Samsung Heavy Industries Co.,Ltd.	Samsung Heavy Industries Brazil	100.0
Samsung Heavy Industries Co.,Ltd.	SHI BRAZIL CONSTRUCTION	100.0
Camellia Consulting Corporation	Oil & Gas Solution LLC	50.0
Offshore 1 consulting Corporat	AMEC Samsung Oil&Gas, LLC	51.0
SAMSUNG HEAVY INDUSTRIES NIGERIA Co., Ltd	MCI - SHI FZE	70.0
Samsung Life Insurance	Samsung Life Investment (America)	100.0
Samsung Life Insurance	Samsung Life Investment (U.K.) Limited	100.0
Samsung Life Insurance	30 GRESHAM STREET(JERSEY) Limited	100.0
Samsung Life Insurance	THAI SAMSUNG LIFE INSURANCE CO.	35.8
Samsung Life Insurance	Samsung Air China Life Insurance	50.0
Samsung Life Insurance	Beijing Samsung Real Estate Co., Ltd.	90.0
Samsung Asset Management	Samsung Investment Management (Hong Kong)	100.0
30 GRESHAM STREET(JERSEY) LIM	30 GRESHAM STREET (SINGAPORE)	100.0
Starex Compounding America Inc.	STARCOM MEXICO	100.0
SAMSUNG CHEMICAL(THAILAND) CO.	Samsung Thai Engineering Co.	19.0
Samsung Techwin	Techwin Engineering Center Co.	100.0
Samsung Techwin	Samsung Opto-Electronics America	100.0

Investor	Investee	Ownership
Samsung Techwin	SAMSUNG TECHWIN EUROPE LIMITED	100.0
Samsung Techwin	Tianjin Samsung Techwin Opto-Electronics	95.0
Samsung Techwin	Shanghai Samsung Techwin	100.0
Samsung Techwin	SAMSUNG TECHWIN DO BRASIL EQUIPAMENTOS	100.0
Cheil Industries Inc.	Samsung Fashion America Inc.	100.0
Cheil Industries Inc.	Samsung Fashion S.r.L	100.0
Cheil Industries Inc.	COLOMBO VIA DELLA SPIGA S.R.L	100.0
Cheil Industries Inc.	Samsung Fashion Trading (Shanghai)	100.0
Cheil Industries Inc.	Samsung Everland Inc. Vietnam	100.0
Cheil Industries Inc.	iMarket Asia Co., Ltd.	19.3
Samsung Welstory	Shanghai Ever-Hongjun Business	51.0
Credu	Language Testing International	82.4
Opentide Greater China Co., Ltd.	Opentide China Co., Ltd.	100.0
Opentide Greater China Co., Ltd.	OpenTide Taiwan Co., Ltd.	100.0
Opentide Greater China Co., Ltd.	OpenTide Interactive Advertising Co., Ltd.	100.0
Opentide China Co., Ltd.	OpenTide e-Commerce Co., Ltd.	100.0
Opentide China Co., Ltd.	OpenTide Marketing Service Co., Ltd.	100.0
iMarket Asia Co., Ltd.	iMarket China Co., Ltd.	80.0
Samsung Fine Chemicals	Samsung Fine Chemicals Europe	100.0
Samsung Fine Chemicals	Samsung Fine Chemicals Trading (Shanghai) Co., Ltd.	100.0
Samsung Securities	Samsung Securities (America), Inc.	100.0
Samsung Securities	Samsung Securities (Europe) Limited.	100.0
Samsung Securities	Samsung Securities (Asia) Limited.	100.0
Samsung SDS	iMarket Asia Co., Ltd.	40.6
Samsung SDS	Samsung SDS America, Inc.	100.0
Samsung SDS	Samsung SDS Europe Ltd.	100.0
Samsung SDS	Samsung SDS Global SCL Netherland Cooperatief U.A	100.0
Samsung SDS	Samsung SDS Asia Pacific Pte. Ltd.	100.0
Samsung SDS	Samsung SDS India Pvt. Ltd.	100.0
Samsung SDS	Samsung SDS China, Ltd.	100.0
Samsung SDS	Samsung SDS Latin America, Ltd.	99.7
Miracom	MIRACOM ASIA PACIFIC	100.0
Samsung SDS America, Inc.	Samsung SDS Latin America, Ltd.	0.3
Samsung SDS America, Inc.	Samsung SDS Mexico, S.A. DE C.	99.0
Samsung SDS America, Inc.	Samsung SDS Global SCL Panama	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Hungary	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Slovaki	100.0
Samsung SDS Europe Ltd.	SAMSUNG SDS GSCL POLAND	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Netherland Cooperatief U.A	0.0
Samsung SDS Europe Ltd.	SAMSUNG SDS Global SCL Egypt C	100.0
Samsung SDS Europe Ltd.	Samsung SDS global SCL South A	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Transpo	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Rus Lim	100.0
Samsung SDS Global SCL Netherland Cooperatief U.A	SAMSUNG SDS GSCL POLAND	0.0
Samsung SDS Global SCL Netherland Cooperatief U.A	Samsung SDS Global SCL Rus Lim	0.0
Samsung SDS Asia Pacific Pte.	Samsung SDS GSCL Vietnam Co Ltd.	51.0
Samsung SDS Asia Pacific Pte.	PT. Samsung SDS Global SCL Indonesia	100.0
Samsung SDS Asia Pacific Pte.	Samsung SDS Global SCL Philippines Co., Ltd.	100.0
Samsung SDS Asia Pacific Pte.	Samsung SDS Global SCL Thailand Co., Ltd.	100.0
Samsung SDS Asia Pacific Pte.	Samsung SDS Global SCL Malaysia SDN.BHD.	100.0
Samsung SDS Asia Pacific Pte.	Samsung SDS Global SCL Hong Kong Ltd.	100.0
Samsung SDS China, Ltd.	Samsung SDS Global Development	100.0
Samsung SDS China, Ltd.	Samsung SDS Global SCL Beijing Co., Ltd.	100.0
MIRACOM ASIA PACIFIC	MIRACOM CHINA	100.0
Samsung Engineering	Offshore 1 consulting Corporation	49.0
Samsung Engineering	Samsung Engineering America Inc.	100.0
Samsung Engineering	Samsung Engineering Magyarorszag Kft	100.0
Samsung Engineering	Samsung Engineering (Malaysia) SDN. BHD.	100.0
Samsung Engineering	PT Samsung Engineering Indonesia Co., Ltd.	100.0
Samsung Engineering	Samsung Thai Engineering Co., Ltd.	81.0
Samsung Engineering	Samsung Engineering India Private Ltd.	100.0
Samsung Engineering	Samsung Engineering Vietnam Co.	100.0
Samsung Engineering	Samsung Engineering Construction(Shanghai) Co., Ltd.	100.0

Investor	Investee	Ownership
Samsung Engineering	Samsung Saudi Arabia Ltd.	95.0
Samsung Engineering	Muharrag Wastewater Services Company W.L.L.	64.8
Samsung Engineering	Muharrag STP Company B.S.C.	5.1
Samsung Engineering	Muharrag Holding Company 1 Limited	45.0
Samsung Engineering	Samsung INGENIERIA MEXICO S.A DE C.V.	99.7
Samsung Engineering	Samsung Ingenieria Minatitlan, S.A. De C.V.	99.9
Samsung Engineering	Samsung Engineering Trinidad Co., Ltd.	100.0
Samsung Engineering	Samsung Ingenieria Manzanillo, S.A. De C.V.	99.9
Samsung Engineering	Grupo Samsung Ingenieria Mexico, S.A. De C.V.	100.0
Samsung Engineering	Samsung Ingenieria Energia S.A. De C.V.	100.0
Samsung Engineering	Samsung Engineering America Do Sul Projecto E Consultoria Ltda.	100.0
Samsung Engineering	Samsung Engineering Bolivia S.	99.9
Samsung Engineering	SamsungIngenieriaDUBAS.A.d	100.0
Samsung Engineering	Samsung Engineering Kazakhstan LLP	100.0
Samsung Engineering America Inc	SEA Construction, LLC	100.0
Samsung Engineering (Malaysia)	Muharrag Wastewater Services Company W.L.L.	0.3
Samsung Thai Engineering Co.,	SAMSUNG CHEMICAL(THAILAND) CO.	40.6
Samsung Engineering India Private Ltd.	Samsung Saudi Arabia Ltd.	5.0
Samsung Saudi Arabia Ltd.	Samsung EPC Company limited	75.0
Muharrag Holding Company 1 Limited	Muharrag Holding Company 2 Lim	100.0
Muharrag Holding Company 2 Limited	Muharrag STP Company B.S.C.	88.7
S1 Corporation	SOCM LLC	100.0
S1 Corporation	Samsung Beijing Security Systems	100.0
Cheil Worldwide	Cheil USA Inc.	100.0
Cheil Worldwide	Cheil Central America Inc.	100.0
Cheil Worldwide	Cheil Europe Ltd.	100.0
Cheil Worldwide	Cheil Germany GmbH	100.0
Cheil Worldwide	Cheil France SAS	100.0
Cheil Worldwide	Cheil Nordic AB	100.0
Cheil Worldwide	Cheil India Pvt. Ltd.	100.0
Cheil Worldwide	Cheil (Thailand) Ltd.	100.0
Cheil Worldwide	Cheil Singapore Pte. Ltd.	100.0
Cheil Worldwide	Cheil Vietnam Co. Ltd.	90.0
Cheil Worldwide	Cheil Integrated Marketing Philippines, Inc.	100.0
Cheil Worldwide	Cheil Malaysia SDN BHD	100.0
Cheil Worldwide	Cheil China	100.0
Cheil Worldwide	Cheil Hong Kong Limited	100.0
Cheil Worldwide	Bravo Asia Limited	100.0
Cheil Worldwide	Bravo Asia-Shanghai	100.0
Cheil Worldwide	Cheil MEA FZ-LLC	100.0
Cheil Worldwide	Cheil South Africa Pty., Ltd.	100.0
Cheil Worldwide	CHEIL KENYA LIMITED	99.0
Cheil Worldwide	Cheil Jordan	100.0
Cheil Worldwide	Cheil Brazil Communications Ltda.	100.0
Cheil Worldwide	Cheil Mexico Inc. SA de CV	98.0
Cheil Worldwide	Cheil Rus LLC.	100.0
Cheil Worldwide	Cheil Ukraine LLC	100.0
Cheil Worldwide	Cheil Kazakhstan LLC	100.0
Hotel Shilla	Samsung Hospitality America	100.0
Hotel Shilla	New Jersey International M.C. Inc.	100.0
Hotel Shilla	SAMSUNG HOSPITALITY U.K. Limited	100.0
Hotel Shilla	Shilla Travel Retail Pte., Ltd.	100.0
Hotel Shilla	SHILLA LIMITED Macao	100.0
Hotel Shilla	Samsung Shilla Business Service Beijing Co., Ltd.	100.0
Hotel Shilla	SHILLA LIMITED Hong Kong	100.0
SVIC #22	RT SV CO-INVEST, LP	99.9
Cheil USA Inc.	The Barbarian Group, LLC	100.0
Cheil USA Inc.	McKinney Ventures LLC.	100.0
Cheil USA Inc.	Cheil India Pvt. Ltd.	0.0
Cheil USA Inc.	Cheil Mexico Inc. SA de CV	2.0
Samsung Hospitality America	Samsung Hospitality EUROPE	100.0
Cheil Europe Ltd.	Beattie McGuinness Bungay Limited	75.0
Cheil Europe Ltd.	Cheil Italia S.r.l	100.0

Investor	Investee	Ownership
Cheil Europe Ltd.	CHEIL SPAIN S.L	100.0
Cheil Europe Ltd.	CHEIL BENELUX B.V.	100.0
Cheil Germany GmbH	CHEIL AUSTRIA GMBH	100.0
Cheil Singapore Pte. Ltd.	Opentide Greater China Co., Ltd.	95.0
Cheil Singapore Pte. Ltd.	PT. CHEIL WORLDWIDE INDONESIA	100.0
Cheil Hong Kong Limited	Opentide Greater China Co., Ltd.	3.1
Cheil MEA FZ-LLC	One Agency FZ LLC	100.0
Cheil MEA FZ-LLC	One Agency Istanbul Advertisement, Communication & Production LLC	0.0
Cheil South Africa Pty., Ltd.	CHEIL KENYA LIMITED	1.0
One Agency FZ LLC	One Agency Istanbul Advertisement, Communication & Production LLC	100.0
One Agency FZ LLC	One Agency Interior Design LLC	100.0
One Agency FZ LLC	One Agency Printing LLC	100.0
One Agency FZ LLC	One Agency South Africa	100.0
One Agency FZ LLC	One Agency Russia LLC	99.9
Cheil RusLLC.	One Agency Russia LLC	0.1

※ (% of Ownership; As of September 30, 2014; Based on Common shares)

C. Related Statute & Regulation

Regulatory restrictions including the restriction on cross-holdings in accordance with the Monopoly Regulation and Fair Trade Act

(1) Date of announcement by the authorities related to companies deemed as a part of Samsung Group for the current year:
April 1, 2014

(2) Summary of Restrictions

- Restriction of cross-holdings
- Restriction of debt guarantee between affiliates
- Restriction of voting rights for affiliates, including financial and insurance companies
- Decision by board committee and public disclosure of large-scale related party transactions
- Public disclosure of important matters of unlisted companies
- Other public disclosures related to the Group status

D. Equity Investments in other corporations

(1) The total book value of equity investments in other corporations as of September 30, 2014 is KRW 46,297 billion

[As of September 30, 2014]

(Unit: 1,000 shares, KRW million, %)

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Domestic*	Listed	Samsung Electro-Mechanics	1977.01	Management	250	17,693	23.69	445,244	0	0	0	17,693	23.69	445,244	7,185,343	345,692
	Listed	Samsung Card	1988.12	Management	10,000	43,393	37.45	1,455,485	0	0	0	43,393	37.45	1,455,485	16,560,926	273,232
	Listed	Samsung Techwin	1977.12	Management	336	13,527	25.46	235,638	0	0	0	13,527	25.46	235,638	3,434,224	133,039
	Unlisted	STECO	1995.06	Business	24,000	2,448	51.00	32,724	0	0	0	2,448	51.00	32,724	91,556	3,188
	Unlisted	SEMES	1992.12	Business	1,000	2,167	91.30	70,817	6	1,089	0	2,173	91.54	71,906	669,232	38,062
	Unlisted	SERI	1991.05	Management	320	3,576	29.80	24,942	0	0	0	3,576	29.80	24,942	123,875	5,014
	Unlisted	Samsung SDS	1992.07	Management	6,160	17,472	22.58	560,827	0	0	0	17,472	22.58	560,827	5,300,100	325,983
	Unlisted	Samsung Lions	1986.08	Management	240	55	27.50	-102	0	0	0	55	27.50	-102	65,889	-12,166
	Unlisted	Samsung Electronics Service	1998.01	Business	30,000	6,000	99.33	48,121	0	0	0	6,000	99.33	48,121	335,588	4,363
	Unlisted	MEMC Korea	1991.12	Management	36,000	3,440	20.00	35,286	-3,440	-35,286	0	0	0.00	0	266,963	5,418
	Unlisted	Samsung Electronics Sales	2000.12	Business	3,100	1,767	100.00	247,523	0	0	0	1,767	100.00	247,523	564,361	4,425
	Unlisted	Samsung Electronics Logitech	1999.04	Business	76	1,011	100.00	46,669	0	0	0	1,011	100.00	46,669	140,733	3,185
	Unlisted	SSLM	2012.04	Management	52,296	4,378	19.99	0	0	0	0	4,378	19.99	0	191,164	-64,194

※ Domestic account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Domestic*	Unlisted	Samsung Display	2012.04	Business	16,009,547	221,969	84.78	18,509,307	0	0	0	221,969	84.78	18,509,307	35,754,894	2,400,779
	Unlisted	SVIC #6	2005.07	Business	26,800	1	99.00	2,277	0	0	0	1	99.00	2,277	37,284	-10,041
	Unlisted	SVIC #14	2009.05	Business	18,000	0	99.00	0	0	0	0	0	99.00	0	55,465	-1,882
	Unlisted	SVIC #21	2011.11	Business	19,800	0	99.00	81,180	0	17,182	0	0	99.00	98,362	61,384	-11,804
	Unlisted	SVIC #22	2011.11	Business	19,800	0	99.00	102,633	0	36,630	0	0	99.00	139,263	93,554	-4,497
	Unlisted	SVIC #27	2014.09	Business	5,940	0	0.00	0	0	5,940	0	0	99.00	5,940	0	0
	Unlisted	World Cyber Games	2003.12	Business	1	450	47.60	0	-450	0	0	0	0.00	0	2,234	486
	Unlisted	Suwon Samsung Bluewings FC	2008.12	Business	2,000	400	100.00	2,000	-400	-2,000	0	0	0.00	0	4,115	-26
	Unlisted	Samsung Medison	2011.02	Business	286,384	87,350	68.45	477,648	0	0	0	87,350	68.45	477,648	309,321	28,856
	Unlisted	Samsung BioLogics	2011.04	Management	30,000	5,058	42.55	244,665	4,240	167,400	0	9,298	45.65	412,065	653,426	-140,762
	Unlisted	Intellectual Discovery	2011.05	Management	5,000	1,784	15.71	5,241	0	0	0	1,784	15.71	5,241	48,125	12,619
	Listed	Samsung Heavy Industries	1977.09	Management	125	40,676	17.61	1,547,708	0	0	-520,648	40,676	17.61	1,027,060	17,427,147	632,205
	Listed	Samsung Fine Chemicals	1995.05	Management	1,346	2,165	8.39	96,449	0	0	-13,747	2,165	8.39	82,702	1,900,118	3,340
	Listed	Hotel Shilla	1979.12	Management	252	2,005	5.11	133,314	0	0	106,250	2,005	5.11	239,564	1,712,071	10,810
Listed	Cheil Worldwide	1988.09	Management	185	2,999	2.61	82,465	0	0	-15,443	2,999	2.61	67,022	1,704,531	102,269	
Listed	A-Tech Solution	2009.11	Management	26,348	1,592	15.92	9,568	0	0	-1,576	1,592	15.92	7,992	181,148	-1,340	

※ Domestic account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Domestic*	Listed	iMarket Korea	2000.12	Management	1,900	647	1.80	16,668	0	0	3,917	647	1.80	20,585	791,733	38,557
	Listed	KT Skylife	2001.12	Management	3,344	240	0.50	7,092	0	0	-1,656	240	0.50	5,436	684,444	72,724
	Listed	Samsung SDI	1977.01	Management	304	9,283	20.38	874,079	4,180	1,306,874	-531,776	13,463	19.58	1,649,177	10,555,671	147,916
	Listed	Cheil Industries	2014.06	Management	312,380	0	0.00	0	0	0	0	0	0.00	0	4,987,794	255,032
	Unlisted	Samsung Petrochemical	1978.01	Management	100	514	12.96	80,347	-514	-80,347	0	0	0.00	0	883,798	-42,180
	Unlisted	Samsung General Chemicals	1988.07	Management	1,500	1,914	3.91	80,653	1,103	48,257	0	3,017	5.29	128,910	1,597,400	205,314
	Unlisted	Kihyup Technology Banking	1995.01	Management	5,000	1,000	17.24	5,000	0	0	0	1,000	17.24	5,000	85,615	691
	Unlisted	Pusan Newport	1997.09	Management	590	1,135	0.98	5,677	0	0	0	1,135	0.98	5,677	682,137	35,726
	Unlisted	The Korea Economic Daily	1987.05	Management	150	72	0.39	365	0	0	0	72	0.39	365	221,876	12,938
	Unlisted	Brooks Automation Asia	1999.06	Management	1,097	219	19.00	368	-219	-368	0	0	0.00	0	4,279	294
	Unlisted	Samsung Venture Investment	1999.11	Management	4,900	980	16.33	7,021	0	0	0	980	16.33	7,021	64,049	2,575
	Unlisted	Cyber Bank	2000.12	Management	8,000	1,083	7.46	0	0	0	0	1,083	7.46	0	0	0
	Unlisted	FineChips	2001.12	Management	10	2	3.81	10	0	0	0	2	3.81	10	3,231	361
	Unlisted	SK Telink	2010.11	Management	4,357	15	1.13	4,357	0	0	0	15	1.13	4,357	253,332	16,093
	Unlisted	Inkel	2006.11	Management	130	0	0.00	0	0	0	0	0	0.00	0	153,629	974
Unlisted	Yongpyong Resort	2007.05	Management	1,869	400	1.05	1,869	0	0	0	400	1.05	1,869	734,627	12,019	

※ Domestic account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Domestic*	Unlisted	E-SCOM	2007.12	Management	0	0	0.01	0	0	0	0	0	0.01	0	14,329	-7,482
	Unlisted	TGSambo	2012.09	Management	0	0	0.01	0	0	0	0	0	0.01	0	37,940	1,467
	Unlisted	Icube #1	2009.12	Management	4,000	0	16.23	4,000	0	0	0	0	16.23	4,000	24,399	97
	Unlisted	KT Wibro	2010.07	Management	60,000	600	24.20	60,000	0	0	0	600	24.20	60,000	262,713	3,169
	Unlisted	Shinsung Eng & Construction	2010.07	Management	1	1	0.01	0	-1	0	0	0	0.01	0	61,878	3,281
	Unlisted	Woobang	2010.07	Management	0	1	0	0	0	0	0	1	0	0	171,444	1,109
	Unlisted	Heehoon Design & Global	2010.07	Management	0	2	0.02	0	0	0	0	2	0.02	0	42,516	-8,168
	Unlisted	Daewoo Development	2012.12	Management	0	0	0.02	0	0	0	0	0	0.02	0	153,402	-51,563
	Unlisted	Daewoo Songdo Development	2012.12	Management	0	9	0.02	0	0	0	0	9	0.02	0	1,217,768	-267,694
	Unlisted	Daewoo Motor Sales	2012.12	Management	0	1	0	0	0	0	0	1	0	0	318,071	-369
	Unlisted	Woojung Construction	2014.04	Withdrawal	0	0	0	0	5	0	0	5	0.35	0	23,920	-6,902
	Unlisted	Hyunjin	2014.04	Withdrawal	0	0	0	0	23	0	0	23	0.25	0	47,994	1,579
	Unlisted	Sungwon Construction	2014.04	Withdrawal	0	0	0	0	1	0	0	1	0.03	0	35,318	-18,343
	Unlisted	Inhee	2014.04	Withdrawal	0	0	0	0	2	0	0	2	0.17	0	15,780	-942
	Unlisted	Samsung Solution	2014.04	Withdrawal	0	0	0	0	4	0	0	4	6.70	0	11,713	173
	Unlisted	STX Construction	2014.04	Withdrawal	0	0	0	0	1	0	0	1	0.02	0	247,859	-443,500
	Unlisted	Poonglim	2014.05	Withdrawal	0	0	0	0	52	0	0	52	0.37	0	512,015	72,350

※ Domestic account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Domestic*	Unlisted	JNT	2011.02	Investment	1,800	0	24.00	3,360	0	0	0	0	24.00	3,360	13,647	-310
	Unlisted	SV	2011.02	Investment	1,850	0	14.80	3,403	0	0	0	0	14.85	3,403	19,873	-1,730
	Unlisted	Seoul Investment Partners	2011.10	Investment	1,550	0	19.40	3,047	0	-175	0	0	19.38	2,872	15,778	1,257
	Unlisted	Daishin Aju IB	2011.08	Investment	258	0	3.00	2,277	0	-379	0	0	3.00	1,898	68,934	2,235
	Unlisted	TS	2011.11	Investment	1,700	0	20.48	3,400	0	-718	0	0	20.32	2,682	17,032	745
	Unlisted	IMM	2011.11	Investment	760	0	7.60	2,489	0	805	0	0	7.60	3,294	34,792	1,512
	Unlisted	L&S	2012.07	Investment	848	0	8.10	1,687	0	402	0	0	7.50	2,089	23,610	1,871
	Unlisted	Taewon Electric	2012.04	Management	16,544	9	15.00	17,072	36	0	0	45	15.00	17,072	82,347	5,386
	Unlisted	Pantech	2013.06	Business	53,000	53,000	10.03	53,053	0	0	0	53,000	10.03	53,053	714,097	-619,909
	Unlisted	KTCNP-GC	2013.12	Business	960	0	3.00	960	0	0	0	0	3.00	960	25,578	-1,591
	Listed	Wonik IPS	2013.12	Business	31,625	3,610	4.48	30,975	0	0	14,332	3,610	4.48	45,307	590,142	37,354
	Unlisted	Postech Technology Investment	2013.12	Business	600	0	10.00	600	0	0	0	0	10.00	600	118,613	3,514
	Unlisted	High Pioneer Private Investment Trust #1	2011.09	Business	29,244	0	100.00	19,470	0	0	0	0	100.00	19,470	19,189	-303

※ Domestic account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Int'l*	Unlisted	SECA	1992.08	Position Security	3,823	0	100.00	90,922	0	0	0	0	100.00	90,922	522,775	48,920
	Unlisted	SEA	1978.07	Position Security	59,362	492	100.00	4,861,334	0	166,546	0	492	100.00	5,027,880	11,316,048	56,864
	Unlisted	SELA	1989.04	Position Security	319	40	100.00	86,962	0	0	0	40	100.00	86,962	375,274	-26,800
	Unlisted	SEM	1995.07	Position Security	3,032	3,173	63.58	111,697	664	53,941	0	3,837	63.58	165,638	1,554,638	10,689
	Unlisted	SEASA	1996.06	Position Security	4,696	21,854	98.00	6,779	0	0	0	21,854	98.00	6,779	49,454	6,353
	Unlisted	SEDA	1994.01	Position Security	13,224	62,816,336	87.04	577,483	0	0	0	62,816,336	87.04	577,483	3,429,136	914,548
	Unlisted	SECH	2002.12	Position Security	597	0	4.10	597	0	0	0	0	4.10	597	492,709	28,128
	Unlisted	Nvelo, Inc.	2012.12	Position Security	42,892	100	100.00	42,892	0	0	0	100	100.00	42,892	1,519	246
	Unlisted	CMLA LLC	2008.02	Management	654	0	25.00	4,115	0	0	0	0	25.00	4,115	10,084	-728
	Unlisted	SESA	1989.01	Position Security	3,276	8,021	100.00	142,091	0	0	0	8,021	100.00	142,091	783,438	57,386
	Unlisted	SENA	1992.03	Position Security	392	1,000	100.00	69,372	0	0	0	1,000	100.00	69,372	533,252	39,394
	Unlisted	SEH	1991.05	Position Security	1,954	753	100.00	650,157	0	0	0	753	100.00	650,157	1,249,691	103,658
	Unlisted	SEP	1982.09	Position Security	204	1,751	100.00	37,616	0	0	0	1,751	100.00	37,616	132,631	8,139
	Unlisted	SEF	1991.08	Position Security	230	2,700	100.00	234,115	0	0	0	2,700	100.00	234,115	1,157,900	127,155
	Unlisted	SEUK	1995.07	Position Security	33,908	109,546	100.00	433,202	0	0	0	109,546	100.00	433,202	1,393,507	92,969
Unlisted	SEHG	1982.02	Position Security	28,042	0	100.00	354,846	0	0	0	0	100.00	354,846	886,338	122,818	

※ International account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Int'l*	Unlisted	SEAG	2002.01	Position Security	40	0	100.00	32,162	0	0	0	0	100.00	32,162	323,756	17,845
	Unlisted	SEI	1993.05	Position Security	862	677	100.00	143,181	0	0	0	677	100.00	143,181	1,004,423	70,337
	Unlisted	SEBN	1995.07	Position Security	236	500,285	100.00	860,716	21,129	41,261	0	521,414	100.00	901,977	1,290,124	25,233
	Unlisted	SELS	1991.05	Position Security	18,314	1,306	100.00	24,288	0	0	0	1,306	100.00	24,288	1,903,892	7,613
	Unlisted	SEPOL	1996.04	Position Security	5,462	106	100.00	78,267	0	0	0	106	100.00	78,267	557,370	41,945
	Unlisted	SSA	1998.12	Position Security	263	2,000	100.00	32,622	0	0	0	2,000	100.00	32,622	787,562	87,809
	Unlisted	SESK	2002.06	Position Security	8,976	0	55.68	263,767	0	0	0	0	55.68	263,767	1,764,078	140,825
	Unlisted	SEEH	2008.01	Position Security	4,214	0	100.00	1,304,648	0	0	0	0	100.00	1,304,648	5,780,302	-28,769
	Unlisted	SEO	1997.01	Position Security	120	0	100.00	-10,043	0	0	0	0	100.00	-10,043	173,644	-352
	Unlisted	SRSC	1997.11	Position Security	707	0	100.00	8,211	0	0	0	0	100.00	8,211	41,567	3,546
	Unlisted	SERC	2006.01	Position Security	24,877	0	100.00	180,079	0	0	0	0	100.00	180,079	1,410,054	-11,137
	Unlisted	SERK	2007.07	Position Security	4,600	0	100.00	204,555	0	0	0	0	100.00	204,555	1,122,495	69,837
	Unlisted	SEAU	1987.11	Position Security	392	53,200	100.00	111,964	0	0	0	53,200	100.00	111,964	578,624	31,998
	Unlisted	SEMA	1989.09	Position Security	4,378	16,247	100.00	153,602	0	0	0	16,247	100.00	153,602	277,354	33,000
	Unlisted	SGE	1995.05	Position Security	827	0	100.00	32,836	0	0	0	0	100.00	32,836	1,071,694	-13,157
	Unlisted	SEEG	2012.07	Position Security	23	0	0.05	39	0	0	0	0	0.05	39	251,866	-11,788

※ International account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Int'l*	Unlisted	SEIN	1991.08	Position Security	7,463	46	99.99	118,909	0	0	0	46	99.99	118,909	647,199	141,290
	Unlisted	SDMA	1995.03	Position Security	21,876	71,400	75.00	244,382	0	0	0	71,400	75.00	244,382	814,820	70,830
	Unlisted	SIEL	1995.08	Position Security	5,414	216,787	100.00	75,263	0	0	0	216,787	100.00	75,263	1,924,832	324,171
	Unlisted	SRI-B	2005.05	Position Security	7,358	17	100.00	31,787	0	0	0	17	100.00	31,787	147,900	20,316
	Unlisted	SAVINA	1995.01	Position Security	5,839	0	100.00	28,365	0	0	0	0	100.00	28,365	175,780	18,173
	Unlisted	TSE	1988.01	Position Security	1,390	11,020	91.83	279,163	0	0	0	11,020	91.83	279,163	1,476,296	222,389
	Unlisted	STE	1996.01	Position Security	4,206	0	49.00	4,474	0	0	0	0	49.00	4,474	23,979	-7
	Unlisted	SME	2003.05	Position Security	4,796	17,100	100.00	7,644	0	0	0	17,100	100.00	7,644	814,104	36,427
	Unlisted	SAPL	2006.07	Position Security	793	736,269	100.00	870,623	0	0	0	736,269	100.00	870,623	2,425,585	674,510
	Unlisted	SEHK	1988.09	Position Security	349	274,250	100.00	79,033	0	0	0	274,250	100.00	79,033	1,188,620	37,977
	Unlisted	SET	1994.11	Position Security	456	27,270	100.00	112,949	0	0	0	27,270	100.00	112,949	1,390,404	30,802
	Unlisted	SESS	1994.12	Position Security	18,875	0	100.00	483,923	0	20,390	0	0	100.00	504,313	660,374	64,362
	Unlisted	SCIC	1996.03	Position Security	23,253	0	100.00	617,941	0	0	0	0	100.00	617,941	8,406,438	743,369
	Unlisted	SEHZ	1992.12	Position Security	792	0	89.56	255,535	0	0	0	0	89.56	255,535	4,599,200	1,012,728
	Unlisted	SSEC	1995.04	Position Security	32,128	0	69.06	130,551	0	0	0	0	69.06	130,551	645,699	67,668
	Unlisted	TSEC	1993.04	Position Security	15,064	0	48.20	138,101	0	0	0	0	48.20	138,101	907,752	155,258

※ Overseas account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Int'l*	Unlisted	SSDP	1993.08	Position Security	4,446	0	87.10	65,319	0	0	0	0	87.10	65,319	761,018	94,541
	Unlisted	TSTC	2001.03	Position Security	10,813	0	90.00	490,041	0	0	0	0	90.00	490,041	2,939,027	767,822
	Unlisted	SSTC	2001.11	Position Security	15,799	0	100.00	-1,186	0	0	0	0	100.00	-1,186	1,411	-4,958
	Unlisted	SSET	2002.02	Position Security	6,009	0	60.00	121,624	0	0	0	0	95.00	121,624	88,698	7,122
	Unlisted	SESC	2002.09	Position Security	5,471	0	73.70	34,028	0	0	0	0	73.70	34,028	846,670	58,194
	Unlisted	SSS	2001.01	Position Security	1,200	0	100.00	19,189	0	0	0	0	100.00	19,189	1,310,109	130,082
	Unlisted	SEHF	2004.04	Position Security	17,204	0	100.00	85,088	0	0	0	0	100.00	85,088	111,367	-7,855
	Unlisted	SSCR	2006.09	Position Security	3,405	0	100.00	9,332	0	0	0	0	100.00	9,332	18,982	1,874
	Unlisted	TSOE	2010.04	Position Security	33,837	167,199	82.00	93,154	0	0	0	167,199	82.00	93,154	241,957	34,236
	Unlisted	TSLED	2012.04	Position Security	119,519	0	100.00	119,519	0	0	0	0	100.00	119,519	457,896	15,570
	Unlisted	SCS	2012.09	Position Security	111,770	0	100.00	2,538,826	0	173,270	0	0	100.00	2,712,096	3,752,682	-40,537
	Unlisted	SJC	1975.12	Position Security	273	1,560	100.00	370,647	0	0	0	1,560	100.00	370,647	1,174,832	2,866
	Unlisted	SRJ	1992.08	Position Security	3,120	122	100.00	117,257	0	0	0	122	100.00	117,257	181,723	4,905
	Unlisted	TSST Japan	2004.03	Management	1,639	0	49.03	11,137	30	39,380	-50,517	30	49.03	0	169,322	-41,875
	Unlisted	SDIB	1996.09	Management	3,110	586	0.08	0	0	0	0	586	0.08	0	49,372	10,088
Unlisted	Semiconductor Portal	2002.12	Management	38	0	1.21	10	0	0	0	0	1.21	10	1,724	2,141	

※ International account noted here reflects approved for sales securities

Account	Name of Company	Acquisition Date	Objective	Acquisition Cost	Beginning Balance			Increase/Decrease			Ending Balance			Current Financial Stats		
					Qty	Ownership (%)	Book Value	Acquisition/Disposal		Valuation	Qty	Ownership (%)	Book Value	Total Asset	Net Income (Loss)	
								Qty	Amount							
Int'l*	Unlisted	FTS	2008.12	Management	1,952	116	41.50	563	0	0	0	116	41.50	563	2,710	406
	Unlisted	Nanosys Inc.	2010.08	Management	4,774	1,747	1.67	2,387	0	0	0	1,747	1.67	2,387	22,159	857
	Unlisted	ONE BLUE LLC	2011.07	Management	1,766	0	16.67	1,766	0	0	0	0	16.67	1,766	33,803	875
	Unlisted	TidalScale	2013.08	Management	1,112	2,882	18.98	1,112	0	0	0	2,882	18.98	1,112	1,214	-1,948
	Listed	SSL	2014.05	Business	37,553	0	0.00	0	2,426	37,553	11,757	2,426	5.84	49,310	-	-
	Unlisted	Mantis Vision	2014.01	Business	1,594	0	0.00	0	301	1,594	0	301	3.53	1,594	3,236	-4,186
	Unlisted	INEDA	2014.04	Business	3,181	0	0.00	0	3,918	3,181	0	3,918	5.55	3,181	9,878	2,955
	Unlisted	Leman	2014.08	Business	1,019	0	0.00	0	17	1,019	0	17	3.91	1,019	1,630	-1,495
	Unlisted	Alces	2014.09	Business	4,832	0	0.00	0	421	4,832	0	421	20.10	4,832	799	-738
	Listed	Rambus	2010.01	Business	185,363	4,788	4.34	47,851	0	0	14,928	4,788	4.19	62,779	752,829	-36,931
Listed	SEAGATE	2011.12	Business	788,454	12,539	3.80	743,161	0	0	11,313	12,539	3.80	754,474	9,754,138	2,011,378	
Total					18,955,878			45,261,470	33,533	2,008,273	-972,866			46,296,877		

* International account noted here reflects approved for sales securities

* Based on separate financial statements

* Ownership is calculated based on common share

V. Information on Shareholders

1. Ownership of shares by the major shareholder and related parties

The following table presents changes in shares held by the major shareholder and related parties as of the beginning and end of the reporting period.

[As of September 30, 2014]

(Unit: Shares, %)

Name	Relationship	Type of share	Number of Shares owned				Note
			Beginning of period		End of period		
			# shares owned	%	# shares owned	%	
Kun-Hee Lee	Major shareholder	Common	4,985,464	3.38	4,985,464	3.38	-
Kun-Hee Lee	Major shareholder	Preferred	12,398	0.05	12,398	0.05	-
Samsung C&T	Affiliate	Common	5,976,362	4.06	5,976,362	4.06	-
Samsung Welfare Foundation	Affiliate	Common	89,683	0.06	89,683	0.06	-
Samsung Foundation Of Culture	Affiliate	Common	37,615	0.03	37,615	0.03	-
Ra-Hee Hong	Affiliate	Common	1,083,072	0.74	1,083,072	0.74	-
Jae-Yong Lee	Affiliate	Common	840,403	0.57	840,403	0.57	-
Samsung Life Insurance	Affiliate	Common	10,622,814	7.21	10,622,814	7.21	-
Samsung Life Insurance	Affiliate	Preferred	879	0.00	879	0.00	-
Samsung Life Insurance (special accounts)	Affiliate	Common	514,098	0.35	479,389	0.33	Open market sales
Samsung Life Insurance (special accounts)	Affiliate	Preferred	26,379	0.12	48,509	0.21	Open market sales
Samsung Fire & Marine Insurance	Affiliate	Common	1,856,370	1.26	1,856,370	1.26	-
Samsung Fire & Marine Insurance (special accounts)	Affiliate	Common	143	0.00	143	0.00	-
Samsung Fire & Marine Insurance (special accounts)	Affiliate	Preferred	53	0.00	53	0.00	-
Cheil Industries	Affiliate	Common	9,679	0.01	0	0.00	Open market sales
Oh-Hyun Kwon	Affiliate	Common	3,000	0.00	3,000	0.00	-
Sang-Hoon Lee	Affiliate	Common	1,473	0.00	1,473	0.00	-
Total		Common	26,020,176	17.66	25,975,788	17.63	-
		Preferred	39,709	0.17	61,839	0.27	-

※ Note: According to the closed shareholder register, as at June 30, 2014, Yong-Jin Jeong, CEO of Shinsegye, holds 293,500 shares.

※ The definition of major shareholder is as defined in the Monopoly Regulation and Fair Trade Act

[The major shareholder]

- Name of the major shareholder: Kun-Hee Lee
 - Education: Waseda University School of Commerce (1965)
George Washington University MBA (1966)
 - Career (recent 5 years): Chairman of Samsung Electronics (2010.3 ~)
Chairman/CEO of Samsung Electronics (1998.4 ~ 2008.4)
Vice Chairman of the Federation of Korean Industries (1987 ~)
Member of the International Olympic Committee (1996 ~)
- There are no changes of the major shareholder recorded during the reporting period.

2. Ownership of shares

As at June 30, 2014, the date of Suspension of Entry in the Register of Shareholders, shareholders with over 5% voting shares, excluding the major shareholder, are as follows:

[As of June 30, 2014]

(Unit: Shares)

Classification	Name	Number of shares owned	Share ratio	Note
Shareholders with over 5% voting shares	National Pension Service	11,509,043	7.81	-
	Samsung Life Insurance	11,125,049	7.55	-
	Employee Stock Ownership Association	-	-	-

※ The number of shares owned and share ratio of Samsung Life Insurance includes special accounts.

3. Minority Shareholders

[As of June 30, 2014]

(Unit: Person, Shares, %)

Classification	Shareholder		Shares owned		Note
	# of shareholders	Portion	# of shares	Portion	
Minority shareholder	134,000	99.95	80,030,253	54.33	Shareholders with shares less than 1/100 of total issued stocks
Total	134,068	100.00	147,299,337	100.00	

※ On common stock (with voting right) basis.

4. Stock Affairs

<p>Preemptive Rights in the Articles of Incorporation</p>	<ol style="list-style-type: none">1. New shares to be issued by the Company shall be allocated to the shareholders in proportion to their respective shareholdings in accordance with Paragraph 6, Article 8. If shareholders wave or lose their preemptive right to new shares issues or if there are fractional shares at the time of allocation of new shares, such shares may be handled by a resolution of the Board of Directors.2. Notwithstanding the above Paragraph 1, new shares may be allocated to persons other than shareholders in the following cases:<ol style="list-style-type: none">a. If the Company issues new shares or causes underwriters to underwrite new shares by a resolution of the Board of Directors in accordance with the applicable laws and regulations including the Securities and Exchange Act ("SEA");b. If the Company allocates new shares preferentially to members of the Employee Stock Ownership Association by a resolution of the Board of Directors in accordance with the applicable laws and regulations including SEA;c. If the Company issues new shares for the issuance of depositary receipts (DR) by a resolution of the Board of Directors in accordance with the applicable laws and regulations including SEA;d. If the Company issues new shares by public offering in accordance with Article 11-3;e. If new shares are issued by the exercise of stock options in accordance with Article 11-4;f. If the Company issues new shares to the extent of 30% of the total issued and outstanding shares, to domestic or foreign financial institutions to obtain financing urgently, or to partner companies to induce technology therefrom, etc., by a resolution of the Board of Directors; provided that the issue price of the new shares shall not be less than the price prescribed by Article 84-5 of the Enforcement Decree of SEA. <p>☞ (Note) Paragraph 6, Article 8</p> <p>In the case of rights issues, bonus issues or stock dividends, common shareholders shall be entitled to common shares, and preferred shareholders shall be entitled to preferred shares, in proportion to their respective shareholdings; provided that in the case of rights issue and stock dividend the Company may, if necessary, issue only one kind of shares, where all the shareholders, regardless of the class of their shares, shall be entitled to the kind of shares to be issued.</p> <p>☞ (Note) Article 11-3 (Public Offering)</p> <ol style="list-style-type: none">1. The Company may issue new shares by public offering to the extent that the new shares do not exceed 30% of the total number of issued and outstanding shares by a resolution of the Board of Directors, pursuant to Article 189-3 of the SEA.2. If the Company issues new shares by public offering, the type, number and issue price of the new shares shall be determined by a resolution of the Board of Directors; provided that the issue price of such new shares shall not be less than the price prescribed by Article 84-5 of the Enforcement Decree of the SEA. <p>☞ (Note) Article 11-4 (Stock Options)</p>
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<p>Preemptive Rights in the Articles of Incorporation</p>	<p>The Company may grant stock options to its officers and employees (in this Article, “officers and employees” include officers and employees of the related companies as set forth in Article 189-4, Paragraph 1 of the SEA) by a special resolution of the general meeting of shareholders pursuant to Article 189-4 of the SEA, to the extent permitted by the SEA; provided, however, that the Company may grant the stock options to its officers and employees (except for the directors of the Company) by a resolution of the Board of Directors to the extent determined by the relevant laws and regulations.<Amended, Feb.28, 2002></p> <p>2. The persons to whom stock options may be granted are the officers and employees who have contributed or have the capacity to contribute to the establishment, management, overseas business, technical innovation, etc. of the Company; provided, however, that the officers and employees who are not entitled to stock options under the relevant laws and regulations shall be excluded.<Amended, Feb.28, 2002></p> <p>3. The shares to be issued to the officers or employees by the exercise of their stock options (in case the Company pays, either in cash or treasury shares, the difference between the exercise price of stock options and the market price, they refer to the shares which are the basis for such calculation) shall be common shares in registered form or preferred shares in registered form.</p> <p>4. Total number of shares to be delivered in accordance with the exercise of stock options shall be up to the extent permitted by the relevant laws and regulations.</p> <p>5. The stock options may be exercised until an expiry date determined by a resolution of the general meeting of shareholders or the Board of Directors and the expiry date shall be in no more than eight (8) years from when two (2) years have elapsed from the date of the general meeting of shareholders or the Board of Directors' meeting at which a resolution to grant such stock options was; provided, however, that the person to whom a stock option is granted should serve the Company for at least two (2) years after the date of such resolution in order to exercise such stock option, unless otherwise set forth by relevant laws and regulations.<Amended, Feb.28, 2002></p> <p>6. The terms and conditions of stock options, such as the contents and exercise price thereof shall be determined by a special resolution of the general meeting of shareholders or by a resolution of the Board of Directors in accordance with the relevant laws and regulations and the Articles of Incorporation; provided, however, that such matters which are not provided for as matters reserved for resolutions of the general meeting of shareholders or the Board of Directors' meeting under the relevant laws and regulations or the Articles of Incorporation may be determined by the Board of Directors or a committee authorized by the Board of Directors.<Amended, Feb.28, 2002></p> <p>7. The Company may cancel the grant of stock options by a resolution of the Board of Directors in any of the following cases: <Amended, Feb.28, 2002></p> <p>a. In case the option grantees voluntarily retire from their office or leave the Company after the grant of stock options;</p> <p>b. In case the option grantees cause substantial damage to the Company due to their willful misconduct or negligence;</p> <p>c. In case any of the causes for cancellation set forth in the stock option agreement occur</p>		
Settlement date	December 31	Annual General Meetings of Shareholders	Within 3 months after the end of every business year
Shareholder register closing period		One month from January 1	
Stock type	1,5,10,50,100,500,1000,10000(8 types)		
Transfer agent	Korea Securities Depository(T: +82-2-3774-3000); 23, Yeouinaru-ro 4-gil, Yeongdeungpo-gu, Seoul, Korea		
Shareholder benefit	n/a	Published on	Joongang Daily

5. Stock Price and Stock Transactions

A. Domestic stock market

(Unit: KRW, Shares)

Type			April 2014	May	June	July	August	September
Common stock	Stock price	Highest	1,407,000	1,460,000	1,470,000	1,395,000	1,317,000	1,226,000
		Lowest	1,339,000	1,335,000	1,301,000	1,284,000	1,222,000	1,150,000
		Average	1,376,455	1,409,211	1,373,895	1,329,565	1,261,450	1,193,895
	Volume	Highest (day)	381,976	385,621	478,053	487,027	564,621	466,184
		Lowest (day)	65,985	74,712	148,789	119,577	168,153	113,281
		Monthly	4,950	4,612	5,222	4,749	5,113	4,991
Preferred stock	Stock price	Highest	1,094,000	1,165,000	1,151,000	1,128,000	1,044,000	1,008,000
		Lowest	1,037,000	1,031,000	1,033,000	1,040,000	956,000	875,000
		Average	1,072,000	1,102,368	1,075,526	1,075,522	1,001,050	946,842
	Volume	Highest (day)	92,408	95,484	96,237	88,913	96,322	96,922
		Lowest (day)	2,708	9,501	18,274	7,019	21,972	11,188
		Monthly	792	767	1,056	780	931	775

※ Monthly trading volume in 1,000 shares

B. Overseas stock market

Name of stock exchange: London Stock Exchange (common stock)

(Unit: \$, KRW, DR)

Type		April '14	May	June	July	August	September	
Common stock	Stock price	Highest	670.00	715.00	718.50	674.00	636.50	607.00
		(Converted to KRW)	696,465	731,159	735,960	690,648	657,950	616,044
		Lowest	632.00	643.50	640.50	630.50	600.00	553.00
		(Converted to KRW)	670,236	663,899	652,029	641,849	612,360	576,281
		Average	654.98	681.35	677.52	649.17	614.65	577.55
	Volume	Highest (day)	200,931	146,900	118,089	78,983	117,894	134,943
		Lowest (day)	700	24	28,418	14,277	2,122	16,902
		Monthly	1,603	1,275	1,210	881	1,014	1,404

※ Monthly volume in 1,000 Depository Receipt (DR) shares.

※ Stock price converted to KRW is based on KRW/USD exchange rate of closing price of trading day.

Ratio: Common one (1) share equals DR two (2) shares

Name of stock exchange: Luxembourg Stock Exchange (Preferred stock)

(Unit: USD, KRW, 1,000 Shares)

Type		April '14	May	June	July	August	September	
Preferred stock	Stock price	Highest (USD)	520.50	569.00	563.50	548.50	501.00	497.50
		(Converted to KRW)	541,997	581,916	577,193	562,048	517,884	504,913
		Lowest (USD)	490.60	499.00	507.00	511.50	475.20	424.50
		(Converted to KRW)	520,281	514,818	516,278	517,740	484,989	442,371
		Average (USD)	509.34	532.95	530.71	525.54	487.95	459.41
	Volume	Highest (day)	71,163	32,913	41,921	33,490	104,610	14,596
		Lowest (day)	953	3,058	895	529	490	279
		Monthly	244	296	179	134	561	104

※ Monthly volume in 1,000 DR shares.

※ Stock price converted to KRW is based on KRW/USD exchange rate of closing price of trading day.

Ratio: Common one (1) share equals DR two (2) shares

VI. Executives and Employees

1. Executives and Employees

A. Registered Executives

[As of September 30, 2014]

(Unit: # of shares)

Name	Gender	Date of birth	Position	Registered executive	Full/part-time	Responsibility	Major career	Number of shares owned		Length of Service	Term expiration
								Common	Preferred		
Oh-Hyun Kwon	M	1952.10	CEO	Registered executive	Full time	Chairman of BOD Head of DS division	Head of DS division	3,000	0	31 mo.	2015.03.15
Boo-Keun Yoon	M	1953.02	CEO	Registered executive	Full time	Head of CE division	Head of CE division	0	0	19 mo.	2016.03.14
Jong-Kyun Shin	M	1956.01	CEO	Registered executive	Full time	Head of IM division	Head of IM division	0	0	19 mo.	2016.03.14
Sang-Hoon Lee	M	1955.06	CFO	Registered executive	Full time	CFO, Head of Corporate Management Office	Head of Corporate Management Office	1,473	0	19 mo.	2016.03.14
In-Ho Lee	M	1943.11	Independent Director	Registered executive	Part time	Overall management of the Company	President & CEO of Shinhan Bank	0	0	55 mo.	2016.03.14
Han-Joong Kim	M	1948.11	Independent Director	Registered executive	Part time	Overall management of the Company	President of Yonsei University	0	0	31 mo.	2015.03.15
Kwang-Soo Song	M	1950.01	Independent Director	Registered executive	Part time	Overall management of the Company	Advisor at Kim & Chang Law Office	0	0	19 mo.	2016.03.14
Byeong-Gi Lee	M	1951.05	Independent Director	Registered executive	Part time	Overall management of the Company	Professor of Electrical Engineering at Seoul National University	0	0	31mo.	2015.03.15
Eun-Mee Kim	F	1958.09	Independent Director	Registered executive	Part time	Overall management of the Company	Dean of Graduate School of International Studies at Ewha Womans University	0	0	19 mo.	2016.03.14

B. Concurrent position with other companies

Concurrent office holder		Company	
Name	Position	Name of company	Position
Kwang-Soo Song	Independent director	Doosan Corp.	Independent director

C. Employees

[As of September 30, 2014]

(Unit: KRW million)

Division	Gender	No. of employees				Average length of service (years)	Total Compensation	Average Compensation per employee
		Regular	Contract-based	Others	Total			
CE	M	12,995	354	-	13,349	11.5	-	-
CE	F	2,593	295	-	2,888	6.0	-	-
IM	M	19,612	344	-	19,956	9.5	-	-
IM	F	7,856	222	-	8,078	6.9	-	-
DS	M	29,183	249	-	29,432	9.6	-	-
DS	F	13,064	257	-	13,321	8.7	-	-
Others	M	9,560	446	-	10,006	11.4	-	-
Others	F	2,082	444	-	2,526	6.7	-	-
Gender Total	M	71,350	1,393	-	72,743	10.2	4,854,272	67
Gender Total	F	25,595	1,218	-	26,813	7.6	1,137,613	43
Total		96,945	2,611	-	99,556	9.5	5,991,885	61

※ Total compensation and average compensation per employee were calculated before income deduction based on the earned income payment record submitted to the district tax office in accordance with Article 20 of the Income Tax Law.

※ The number of employees represent domestic employees, excluding four executive directors.

※ Average compensation per employee was calculated based on total average employee figure of 98,305 (male: 72,015; female: 26,290)

2. Remuneration for Directors

A. Summary on Total Remuneration

(1) Remuneration approved at the annual general meetings of shareholders

(Unit: KRW million)

	Number of Persons	Amount Approved at Shareholders' Meeting	Note
Executive Directors	4	-	-
Independent Directors	2	-	-
Audit Committee member or Auditor	3	-	-
Total	9	48,000	-

- ※ Number of persons as of the reporting date.
- ※ The amount approved at shareholders' meeting is the remuneration limit for registered directors according to the Article 388 of the Korean Commercial Act. It includes compensation for registered directors who retired this fiscal year or in the past years.

(2) Remuneration Paid

(Unit: KRW million)

	Number of Persons	Total amount of remuneration	Average remuneration per Director	Note
Executive Directors	4	24,328	6,082	-
Independent Directors	2	125	62	-
Audit Committee member or Auditor	3	201	67	-
Total	9	24,654	-	-

- ※ Number of persons is as of the reporting date.
- ※ The total amount is the income based on the Income Tax Law that incumbent or retired executive directors, independent directors, and members of audit committee in the fiscal year received as a registered director according to the Article 159 of the Financial Investment Services and Capital Markets Act and the Article 168 of the enforcement decree of the same law.
- ※ Average remuneration per Director was calculated by dividing total remuneration by annual average number of persons.
- ※ There is no recognized expenses (compensation expenses) in this term from granting stock option.

B. Summary on Remuneration by Executive

(Unit: KRW million)

Name	position	Total amount of remuneration	Remuneration not included in total amount
Oh-Hyun Kwon	CEO	6,257	-
Boo-Keun Yoon	CEO	3,611	-
Jong-Kyun Shin	CEO	12,034	-
Sang-Hoon Lee	CFO	2,426	-

※ Total amount of compensation for each individual is a sum of earned, retirement, and other related incomes based on the Income Tax Law that incumbent or retired executive directors, independent directors, and members of audit committee in the fiscal year received as a registered director according to the Article 159 of the Financial Investment Services and Capital Markets Act and the Article 168 of the enforcement decree of the same law.

(2) Criteria and methodology

	Criteria and methodology
CEO Oh-Hyun Kwon	<ul style="list-style-type: none"> • Total compensation of KRW 6,257 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 1,562 million (consists of monthly wage) • Bonus: KRW 3,946 million (consists of traditional holiday bonus, Target Achievement Incentive, long-term incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 749 million — Retirement Income: n/a — Other Income: n/a • Compensation criteria and calculation method <ul style="list-style-type: none"> — Salary: According to internal regulation for executive treatment (Board resolution) — Bonus: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Traditional holiday bonus: 100% of monthly wage — Target Achievement Incentive: Paid biannual basis within the range of 100~400% of monthly wage * According to the level of target achieved — Long-term incentive: According to internal regulation for executive long-term incentive (Board resolution) — Other earned income: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Consists of a special bonus (one-off) and fringe benefits
CEO Boo-Keun Yoon	<ul style="list-style-type: none"> • Total compensation of KRW 3,611 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 1,296 million (consists of monthly wage) • Bonus: KRW 1,680 million (consists of traditional holiday bonus, Target Achievement Incentive, long-term incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 635 million — Retirement Income: n/a — Other Income: n/a • Compensation criteria and calculation method <ul style="list-style-type: none"> — Salary: According to internal regulation for executive treatment (Board resolution) — Bonus: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Traditional holiday bonus: 100% of monthly wage — Target Achievement Incentive: Paid biannual basis within the range of 100~400% of monthly wage * According to the level of target achieved — Long-term incentive: According to internal regulation for executive long-term incentive (Board resolution) — Other earned income: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Consists of a special bonus (one-off) and fringe benefits

	Criteria and methodology
<p style="text-align: center;">CEO Jong-Kyun Shin</p>	<ul style="list-style-type: none"> • Total compensation of KRW 12,034 million <ul style="list-style-type: none"> – Earned Income <ul style="list-style-type: none"> • Salary: KRW 1,296 million (consists of monthly wage) • Bonus: KRW 1,644 million (consists of traditional holiday bonus, Target Achievement Incentive, long-term incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 9,094 million – Retirement Income: n/a – Other Income: n/a • Compensation criteria and calculation method <ul style="list-style-type: none"> – Salary: According to internal regulation for executive treatment (Board resolution) – Bonus: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Traditional holiday bonus: 100% of monthly wage – Target Achievement Incentive: Paid biannual basis within the range of 100~400% of monthly wage * According to the level of target achieved – Long-term incentive: According to internal regulation for executive long-term incentive (Board resolution) – Other earned income: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Consists of a special bonus (one-off) and fringe benefits
<p style="text-align: center;">CFO Sang-Hoon Lee</p>	<ul style="list-style-type: none"> • Total compensation of KRW 2,426 million <ul style="list-style-type: none"> – Earned Income <ul style="list-style-type: none"> • Salary: KRW 842 million (consists of monthly wage) • Bonus: KRW 1,149 million (consists of traditional holiday bonus, Target Achievement Incentive, long-term incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 435 million – Retirement Income: n/a – Other Income: n/a • Compensation criteria and calculation method <ul style="list-style-type: none"> – Salary: According to internal regulation for executive treatment (Board resolution) – Bonus: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Traditional holiday bonus: 100% of monthly wage – Target Achievement Incentive: Paid biannual basis within the range of 100~400% of monthly wage * According to the level of target achieved – Long-term incentive: According to internal regulation for executive long-term incentive (Board resolution) – Other earned income: According to internal regulation for executive treatment (Board resolution) <ul style="list-style-type: none"> • Consists of a special bonus (one-off) and fringe benefits

B. Stock Options Granted and Exercised

(1) Status of stock options granted to registered directors

There have been no stock options granted to, or exercised by, the executive BOD or Audit Committee members during the reporting period.

(2) Status of stock options granted to non-registered executives

As at September 30, 2014, the accumulated weighted average exercise price of outstanding stock options is KRW 606,700. [Weighted average exercise price = Sum of (no. of unexercised stocks per period x exercise amount per period) / total no. of unexercised stocks]

[As of September 30, 2014]

(Unit: KRW, shares)

Grantee	Relationship	Date	Method	Type of stock	Changes			Unexercised	Exercise period	Exercise price
					Grant	Exercise	Cancel			
Kyung-Hoon Kang	Unregistered executive	Apr 16, 2004	Treasury share	Common	4,000	3,924	76	0	'06.4.17~ '14.4.16	580,300
Myung-Soo Kim	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Seok-ki Kim	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Seok-Pil Kim	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Haeng-II Kim	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Hyuk-Cheol Kim	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Byung-Dae Park	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Seung-Kun Park	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Sang-Jo Ban	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Jae-Hyun Seong	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Hak-Kyung Sung	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Byung-Se So	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Seong-Won Song	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Soon-Seon Sim	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Young-Hoon Um	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Wong-Tong	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Moon-Kyun Woo	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Ki-Ok Lee	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Ki-Woong Lee	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300

Grantee	Relationship	Date	Method	Type of stock	Changes			Unexercised	Exercise period	Exercise price
					Grant	Exercise	Cancel			
Sang-Cheol Lee	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Jae-Hyung Lee	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Chung-Ki Jang	Unregistered executive	Apr 16, 2004	Treasury share	Common	30,000	29,426	574	0	'06.4.17~ '14.4.16	580,300
Joon-Young Jeon	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Keum-Yong Jeong	Unregistered executive	Apr 16, 2004	Treasury share	Common	4,000	3,924	76	0	'06.4.17~ '14.4.16	580,300
Woo-In Jeong	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Eun-Seung Jeong	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Seung-Hwan Cho	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
In-Soo Cho	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Jae-Moon Cho	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Seung-Cheol Choi	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Young-Jun Choi	Unregistered executive	Apr 16, 2004	Treasury share	Common	4,000	3,924	76	0	'06.4.17~ '14.4.16	580,300
In-Kwon Choi	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Jeong-Hyuk Choi	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Myung-Seob Han	Unregistered executive	Apr 16, 2004	Treasury share	Common	5,000	4,905	95	0	'06.4.17~ '14.4.16	580,300
Deuk-Kyu Hwang	Unregistered executive	Apr 16, 2004	Treasury share	Common	3,500	3,434	66	0	'06.4.17~ '14.4.16	580,300
Kyung-Do Kim and other 83	-	Apr 16, 2004	Treasury share	Common	409,500	359,867	49,633	0	'06.4.17~ '14.4.16	580,300
Sub-total	-	-	-	-	590,000	536,939	53,061	0	-	-
Young-Soo Kwak and other 1	-	Dec 20, 2005	Treasury share	Common	10,000	5,000	0	5,000	'07.12.21~ '15.12.20	606,700
Total	-	-	-	-	600,000	541,939	53,061	5,000	-	-

※ The change in number of shares granted reflects the cancellation of share grants according to Company's internal revocation policy and decline of earnings in 2004.

※ As of September 30, 2014, the closing price was KRW 1,184,000. 'Relationship' is as of the reporting date (September 30, 2014).

VII. Related Party Transactions

1. Credit Offerings for Affiliates and Subsidiaries

A. Details on Debt Guarantee (as at September 30, 2014)

- Domestic: N/A

- Overseas:

(Unit: USD thousand)

Company	Relationship	Creditor	Guarantee Expiry Date	Transactions				Limit of Guarantee
				Beginning of period	Increase	Decrease	End of period	
SEA	Subsidiary	SMBC, etc.	2017-04-10	2,840,000	0	1,308,000	1,532,000	2,425,000
SECA	Subsidiary	Nova Scotia	2014-10-10	0	0	0	0	15,000
SEM	Subsidiary	Santander, etc.	2015-08-19	314,620	73,150	0	387,770	566,000
SAMCOL	Subsidiary	Citibank, etc.	2015-06-13	34,050	27,805	0	61,855	160,000
SEDA	Subsidiary	HSBC, etc.	2015-08-29	257,366	0	252,257	5,109	1,110,000
SECH	Subsidiary	Citibank, etc.	2015-06-13	49,400	43,667	0	93,067	168,000
SEPR	Subsidiary	BBVA, etc.	2015-06-13	63,688	0	9,579	54,109	192,000
SELA	Subsidiary	Citibank	2014-12-16	0	0	0	0	5,000
SEEH	Subsidiary	HSBC, etc.	2015-09-05	0	0	0	0	920,000
SSA	Subsidiary	Citibank, etc.	2015-06-13	64,729	68,858	0	133,587	335,000
SEMRC	Subsidiary	SocGen, etc.	2014-12-16	22,157	12,413	0	34,570	110,000
SETK	Subsidiary	BTMU, etc.	2015-06-13	150,784	17,286	0	168,070	420,000
SERK	Subsidiary	BNP, etc.	2015-06-28	0	0	0	0	375,000
SEI	Subsidiary	Intesa	2014-10-31	550	0	550	0	0
SECE	Subsidiary	Citibank, etc.	2015-07-21	10,400	0	6,550	3,850	105,000
SEUC	Subsidiary	Credit Agricole, etc.	2015-06-13	16,920	0	16,920	0	175,000
SELV	Subsidiary	Citibank	2014-12-16	0	0	0	0	10,000
SAPL	Subsidiary	BOA, etc.	2015-06-13	0	0	0	0	467,270
SEV	Subsidiary	SCB	2014-11-08	0	0	0	0	15,000
SAVINA	Subsidiary	SCB	2014-11-08	0	0	0	0	30,000
SEEG	Subsidiary	HSBC	2014-06-13	3,000	0	3,000	0	0
SEPCO	Subsidiary	Citibank, etc.	2014-12-16	54,225	0	6,495	47,730	47,730
SET	Subsidiary	SCB, etc.	2014-11-08	0	0	0	0	50,000
SEIN	Subsidiary	HSBC	2014-06-13	16,400	40,379	0	56,779	140,000
SCIC	Subsidiary	HSBC, etc.	2015-06-13	0	0	0	0	200,000
SJC	Subsidiary	Mizuho Bank, etc.	2015-05-31	285,600	79,039	0	364,639	874,000
SRJ	Subsidiary	SMBC	2016-02-28	26,085	0	3,235	22,850	22,850
SEDAM	Subsidiary	Citibank, etc.	2015-06-13	54,315	147,240	0	201,555	366,000
SME	Subsidiary	SCB	2014-11-08	0	0	0	0	120,000
SAMEX	Subsidiary	Citibank	2014-11-08	0	0	0	0	5,000
		Total		4,264,289	509,837	1,606,586	3,167,540	9,428,850

Other than the guarantee obligations presented above, the Company provides payment guarantees of KRW 18,490 million (HUF 4.32 billion) to SEH (Samsung Electronics Hungarian) in Hungary to guarantee fulfillment of an investment incentive contract with the Hungarian government.

The Company requires BOD approval for individual guarantees exceeding 2.5% of total equity. When the guarantee amount is between 0.1% and/or less than 2.5%, the approval decision is delegated to the Management Committee.

B. Purchase and Sales of Securities

(Unit: KRW million)

Company	Relationship	Changes					Balance	Note
		Securities Type	Purchase	Sale	Total	Profit & Loss		
Samsung Asset Management	Affiliate	Beneficiary certificate	-	200,000	200,000	2,710	1,065,463	Asset management
Total			-	200,000	200,000	2,710	1,065,463	

※ Profit and loss of securities is based on gain from disposition.

2. Acquisitions and disposals of Assets with Affiliates and Subsidiaries

During the first nine months of 2014, the Company disposed assets to affiliates including SCS (Samsung China Semiconductor Co., Ltd.) for the purpose of increasing production capacity.

In addition, the Company acquired assets including facility equipment from affiliates to improve efficiency of domestic production.

(Unit: KRW million)

Company	Relationship	Purpose	Transaction Date	Date based on	Asset	Amount
Samsung SDI	Affiliate	Asset sale/purchase	2014.07.01	Date of sale/purchase	Stock, etc.	669,591
Samsung Card	Affiliate	Asset purchase	2014.06.03	Date of purchase	Stock, etc.	169,030
Cheil Industries	Affiliate	Asset purchase	2014.06.03	Date of purchase	Machinery, etc.	143,037
SCS	Subsidiary	Asset sale	2014.09.23	Date of sale	Machinery, etc.	46,303
Samsung Techwin	Affiliate	Asset purchase	2014.07.07	Date of purchase	Machinery, etc.	41,254
SAS	Subsidiary	Asset purchase	2014.09.22	Date of purchase	Machinery, etc.	20,769
Samsung Biologics	Affiliate	Asset sale	2014.06.05	Date of sale	Intellectual property right, etc.	10,433
SESS	Subsidiary	Asset sale/purchase	2014.09.05	Date of sale/purchase	Machinery, etc.	6,883
SEV	Subsidiary	Asset sale/purchase	2014.09.03	Date of sale/purchase	Machinery, etc.	4,155
SEVT	Subsidiary	Asset sale	2014.09.30	Date of sale	Machinery, etc.	3,086
SII	Subsidiary	Asset sale/purchase	2014.06.09	Date of sale/purchase	Machinery, etc.	2,593
Samsung Display	Affiliate	Asset purchase	2014.02.01	Date of purchase	Intellectual property right, etc.	1,458
SESC	Subsidiary	Asset purchase	2014.04.18	Date of purchase	Machinery, etc.	950
SRC-Guangzhou	Subsidiary	Asset sale	2014.02.17	Date of sale	Machinery, etc.	879
SEMES	Affiliates	Asset purchase	2014.05.30	Date of purchase	Machinery, etc.	808
TSST Korea	Subsidiary	Asset sale	2014.09.30	Date of sale	Intellectual property right, etc.	647
SSEC-E	Subsidiary	Asset sale	2014.02.01	Date of sale	Machinery, etc.	524
SSEC	Affiliate	Asset sale	2014.03.21	Date of sale	Machinery, etc.	190
SEHZ	Subsidiary	Asset sale	2014.09.05	Date of sale	Machinery, etc.	189
Cheil Worldwide	Affiliate	Asset sale	2014.09.18	Date of sale	Machinery, etc.	180
TSOE	Subsidiary	Asset sale	2014.07.25	Date of sale	Machinery, etc.	124
SEMCO	Subsidiary	Asset sale	2014.06.23	Date of sale	Machinery, etc.	110

※ Transaction date: most recent transaction

※ The former Cheil Industries merged with Samsung SDI in July 2014, and Samsung Everland name has been renamed as Cheil Industries

3. Business Transactions with Affiliates and Subsidiaries

During the first nine months of 2014, the Company had business transactions with affiliates STA (Samsung Telecommunications America LLC.) and SEV (Samsung Electronics Vietnam Co., Ltd.).

(Unit: KRW million)

Company	Relationship	Type of Transaction	Date	Details	Amount
STA	Subsidiary	Sales/Purchases	2014.01 - 2014.09	Sales of HHP and Network Equipment, etc.	13,029,581
SEV	Subsidiary	Sales/Purchases	2014.01 - 2014.09	Purchase of HHP and Home Appliance, etc.	11,375,462
SEHZ	Subsidiary	Sales/Purchases	2014.01 - 2014.09	Purchase of HHP and CTV, etc.	9,859,862
SSI	Subsidiary	Sales/Purchases	2014.01 - 2014.09	Purchase of semiconductor, etc.	9,790,281
SEA	Subsidiary	Sales/Purchases	2014.01 - 2014.09	Purchase of HHP and Home Appliance, etc.	8,518,686

4. Transactions with Stakeholders other than Affiliates and Subsidiaries

As at September 30, 2014, the Company's outstanding loan amount is KRW 114 billion related to support for supplier companies for product competitiveness and mutual development as well as home loan and educational expenses for employee welfare. In addition, the Company provides debt guarantees up to KRW 13.8 billion for employees' loans from financial institutions relating to housing rental.

(Unit: KRW million)

Company	Relationship	Loans				
		Account title	Transaction			End of period (September 30, 2014)
			Beginning of period (January 1, 2014)	Increase	Decrease	
Jeil Precision Industrial, etc	Partner company	Short-term loans	30,977	2,169	3,565	29,581
Dooil I&D, etc	Partner company and employee	Long-term loans	77,303	31,195	24,060	84,438
Total			108,280	33,364	27,625	114,019

※ The amount shown above reflects present value of discounted debts before accounting for bad debts.

VIII. Other Information Related to Investor Protection

1. Public Disclosure

(A) Progress on major disclosed information related to management

Report date	Title	Report	Progress
Feb 7, 2011	Appeal of Court's Ruling on Samsung Motors Case	Related to the agreement regarding court receivership of Samsung Motors between 28 Samsung affiliates (including Samsung Electronics) and creditors of Samsung Motors in September 1999, the Samsung affiliates (including Samsung Electronics) appealed the Court's ruling of January 1, 2011, against the case filed by the defendants (Creditors filed the case on December 2005).	In progress
Mar 4, 2011	Filing of a lawsuit	Related to the agreement regarding court receivership of Samsung Motors between 28 Samsung affiliates (including Samsung Electronics) and creditors of Samsung Motors in September 1999, creditors appealed the Court's ruling of January 1, 2011 regarding the dispute case filed by the creditors on December 2005.	In progress (The Company received on Mar 4, 2011 the petition of appeal that the creditors of Samsung Motors submitted on Feb 1, 2011)

2. Summary of Shareholder Meeting results

Date	Agenda	Results
FY2014 annual general meeting of shareholders ('14.3.14)	<ol style="list-style-type: none"> Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2013 Approval of the limit on the remuneration for the Directors 	<p>Approved</p> <p>Approved</p>
FY2013 annual general meeting of shareholders ('13.3.15)	<ol style="list-style-type: none"> Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2012 Appointment of Directors <ol style="list-style-type: none"> Appointment of Independent Directors <ol style="list-style-type: none"> In-Ho Lee Kwang-Soo Song Eun-Mee Kim Appointment of Executive Directors <ol style="list-style-type: none"> Boo-Keun Yoon Jong-Kyun Shin Sang-Hoon Lee Appointment of Members of Audit Committee <ol style="list-style-type: none"> In-Ho Lee Kwang-Soo Song Approval of the limit on the remuneration for the Directors 	<p>Approved</p> <p>Approved</p> <p>Approved</p>
FY2012 annual general meeting of shareholders ('12.3.16)	<ol style="list-style-type: none"> Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2011 Appointment of Directors <ol style="list-style-type: none"> Appointment of Independent Directors Appointment of Executive Directors Appointment of Members of Audit Committee Approval of the limit on the remuneration for the Directors LCD business spin-off 	<p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>

3. Litigation

On December 2005, based on the agreement entered on September 1999 with respect to Samsung Motor Inc. (“SMI”)’s bankruptcy proceedings, SMI’s creditors (the “Creditors”) filed a civil action against Mr. Kun-Hee Lee, chairman of the Company, and 28 Samsung Group affiliates including the Company under joint and several liability for failing to comply with such agreement. Under the suit, the Creditors have sought KRW 2,450 billion for loss of principal on loans extended to SMI and additional amounts for default interest. During the course of Samsung Life Insurance (“SLI”)’s Initial Public Offering (“IPO”), its shares owned by the Creditors were disposed of, and the part of proceeds exceeding the par value of KRW 70,000 was deposited into an escrow account (KRW 877.6 billion). Most of the claims with regards to the lawsuit have been withdrawn. On January 11, 2011, the Seoul High Court ordered Samsung Group affiliates to pay to the Creditors KRW 600 billion and penalties for the delay. In accordance with the Seoul High Court order, KRW 620.4 billion (which includes penalties and interest owed) was paid to the Creditors from the funds held in escrow during January 2011. Samsung Group affiliates and the Creditors appealed the Seoul High Court’s ruling to the Korean Supreme Court, and the appeal is currently in progress.

As at the time of this disclosure, there are a number of on-going IP related litigations with Apple Inc. Regarding the ongoing lawsuit in the U.S.A, on August 24, 2012, the jury determined that the Company partially infringed Apple’s design and utility patent and should pay damages to Apple. On March 1, 2013, however, the Judge ordered a new trial for a certain portion of the damages, ruling that it was originally miscalculated. On March 6, 2014, the Judge denied Apple’s bid for a permanent injunction against the Company and made a final judgment restating the total damages amount determined by a jury verdict on November 21, 2013. The Company appealed the decision on the damages amount on March 7, 2014, and the appeal is currently in progress. The final conclusion and the effect of the patent lawsuits with Apple are uncertain as of the reporting date. In August 2014, the company and Apple Inc. reached an agreement to withdraw suits held in countries other than U.S.A

As at the time of this disclosure, there are multiple on-going lawsuits and civil damage claims by some overseas purchasers of TFT-LCD panels, as well as investigations by regulatory authorities, in connection with the price fixing of LCD panels. These lawsuits, claims and investigations were initiated prior to the spin-off of LCD business. The timing of payments related to these matters is currently uncertain but our management believes that the ultimate resolution of such lawsuits, claims, and investigations would not materially affect the financial condition of the company.

In addition, during the normal course of business with numerous companies, the Company has been involved in various claims, disputes, and investigations conducted by regulatory bodies. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial condition of the Company.

4. Guarantees

Refer to Commitments and Contingencies notes in the Separate and Consolidated Financial Statements

5. Sanctions and Others

The Company paid a fine of KRW 1.602 billion on 7 August 2012 according to a corrective order resulting from the violation of Article 8 (Prohibition of Unreasonable Cancellation of Entrustment) in pursuant to the Fair Transactions in Subcontracting Act. On 21 March 2012, the Company paid a fine of KRW 12.907 billion according to a corrective order resulting from the violating of Article 19 (Prohibition of Unfair Collaborative Acts) of the Monopoly Regulation and Fair Trade Act from the Fair Trade Commission relating to sales of washing machines, flat panel TVs, and notebook PCs.

The Company is still engaged in a lawsuit after being issued a corrective order and fine (KRW 14.126 billion) on July 10, 2012 for violating Article 23 (Prohibition of Unfair Trade Practices) of the Monopoly Regulation and Fair Trade Act. In relation to the same lawsuit, the Company and two executives (one incumbent senior vice president at the time and one retired vice president at the time) were ordered to pay a fine (the Company: KRW 300 million, two executives: 50 million each) on Mar 12, 2012, and have subsequently paid.

The Company was ordered to pay a fine (KRW 26 million) on Jan 13, 2014 from the Fair Trade Commission for violating Article 4 (Announcement of Critical Information and Integrated Notification) of the Act on Fair Labeling and Advertising), and this has been subsequently paid.

For the hydrofluoric acid gas leak occurred on January 28, 2013, the Company was ordered to pay a fine (KRW 267 million) on March 7, 2013, for violating the Occupational Safety and Health Act, and have subsequently paid. The Company was issued an improvement order and ordered to pay a fine (KRW 2.2 million) on April 1, 2013, for violating the Toxic Chemicals Control Act. Accordingly, the Company reported compliance with the improvement order and subsequently paid the fine. For this case, three employees and executives of the Company were ordered to pay a fine (KRW 15 million) at the first trial on October 31, 2014. The Company appealed against the decision on November 7, 2014.

For the hydrofluoric acid gas leak occurred on May 2, 2013, the Company was ordered to pay a fine (KRW 4.5 million) on February 27, 2014, for violating the Occupational Safety and Health Act and the Toxic Chemicals Control Act, and have subsequently paid.

The Company was ordered and paid a fine of KRW 166.7 million for not reporting imported chemical substances in August 2013, when the Ministry of Environment and Gyeong-Gi province conducted a joint inspection.

The Company is consistently providing education to executives and employees to promote fair competition that is up to global standards, and operating various programs for compliance. The Company reinforced internal controls to comply with relevant laws on environmental safety and provides related education for executives and employees.

6. Return of Short-Swing Profits

The Company has not received any notification of short-swing profits from the Securities & Futures Commission (the Governor of the Financial Supervisory Service) over the last three years and until the date of this report.

7. Subsequent Events

N/A

8. Acquisition and Divestments

A. Acquisitions and divestments

[Samsung LED Merge]

- Type: Merger
- Purpose: Efficiency and profitability of LED business
- Board Decision Date: 26 December 2011
- Board Approval Date: 20 February 2012
(※ The merger was approved at the shareholder meeting in lieu of the BOD.)
- Merger Date: April 1, 2012

	Acquiring Company	Predecessor Company
Name	Samsung Electronics Co., Ltd.	Samsung LED Co., Ltd.
Address	416, Maetan-dong, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea	San 24, Nongseo-dong, Giheung-gu, Yongin-si, Gyeonggi-do, Korea
President	Gee-sung Choi	Nam-sung Cho
Rate of Merger	1	0.0134934

[LCD Business Spin-off]

- Type: Physical division (establishment of Samsung Display Co., Ltd.)
- Purpose: Efficiency of LCD business and profitability
- Approval Date: March 16, 2012 (At the Annual Shareholder Meeting)
- Spin-off Date: April 1, 2012

[Samsung Electronics Hainan Fiber Optics Korea Merge]

- Type: Merger
- Purpose: Efficiency and profitability of Camera module and Touchscreen
- Board Decision Date: September 13, 2012
- Board Approval Date: October 26, 2012
(※ The merger was approved at the shareholder meeting in lieu of the BOD.)
- Merger Date: 1 December 2012

	Acquiring Company	Predecessor Company
Name	Samsung Electronics Co., Ltd.	Samsung Electronics Hainan Fiber Optics Korea Co., Ltd.
Address	129, Samsung-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, Korea	94-1, Imsu-dong, Gumi-si, Gyeongsangbuk-do, Korea
President	Oh-Hyun Kwon	Phil-Young Kim
Merger Ratio	1	0.2056163

※ We acquired Hainan Fiber Optics Korea Corp. without issuance of new shares as the Company held 100% ownership of equity.

B. Post Information

[Samsung LED]

(Unit: KRW million)

Predecessor Company	Account	Year 2 (2012)			Reason for Difference
		Forecast	Actual	Forecast Vs. Actual Ratio	
Samsung LED	Revenue	2,381,405	1,587,265	33%	IT market and lighting business stagnation
	Operating Profit	258,250	-54,283	121%	
	EBIT	234,507	-76,422	133%	

※ For Year 1 (2011), refer to the Audited Financial Statement of Samsung LED.

[Samsung Electronics Hainan Fiber Optics Korea]

(Unit: KRW million)

Predecessor Company	Account	Year 1 (2012)			Reason for Difference
		Forecast	Actual	Forecast Vs. Actual Ratio	
SEHF-K	Revenue	1,111,692	1,086,135	2%	Decrease of profitability of Touch Screen Panel Business
	Operating Profit	33,366	5,121	85%	
	EBIT	31,517	1,008	97%	

※ For Year 2 (2013), the Company's financial results are difficult to determine as the business was incorporated into the IM division.

9. Green Management

The Company is increasing acquisitions of “Green Technology Certifications” to follow the Low Carbon Green Growth policy of the Korean government.

(Green Technology Certification)

In accordance with Clause 2, Article 32 of the Framework Act on Low Carbon Green Growth, the Company acquires Green Technology Certification. Green technology development is a part of our Planet First strategy, which aims for business activities that respect people and nature. Since the certification system was introduced in 2010, the Company has secured 35 valid green certifications as of September 30, 2014. In addition, the Company has acquired 21 ‘Green technology product certificates (410 models), for commercialized products. Meanwhile, the Company withdrew the application for Giheung/Hwasung Campus to be re-designated as green company, and as of April 5, 2013, the Company no longer qualified for “the Green Company” status.

Certified Green Technologies as of September 30, 2014 are as follows:

Division	Business	Name of green technology and green projects	No.
CE		Eco Bubble washing technology, etc.	23
IM		Membrane laminated air filter for telecommunication base transceiver stations; Low power consumption cooling, heating, and controlling humidity, etc.	6
DS	Semiconductor	3-bit NAND Flash semiconductor design technology, etc.	5
	DP	Transparent LCD Display technology, etc.	1
Total			35

※ The reported data above is based on parent company only.

※ Refer to 『11. Other Information for Investment Decision Making (B. Environmental regulations)』 in 『II. Businesses Overview』 for greenhouse gas emission and energy use.

IX. Auditor's Report

1. Introduction

Samil PriceWaterhouseCooper (PwC) has reviewed the interim consolidated/separate financial position of the Company as of September 30, 2014, and the related interim consolidated/separate statements of income and comprehensive income for the three and nine months ended September 30, 2014, and the interim consolidated/separate statements of changes in equity and cash flows for the nine months ended September 30, 2014. Nothing has come to attention that causes them to believe the accompanying interim consolidated/separate financial statements are not presented fairly, in all material respects, in accordance with the K-IFRS 1034, Interim Financial Reporting. Samil PwC also conducted audits on the consolidated/separate financial statement of financial position of the Company as of December 31, 2012 and 2013, and the related consolidated/separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended and expressed an unqualified opinion on those financial statements. There are 158 subsidiaries as of September 30, 2014 and no auditors have changed for the subsidiaries for the nine months ended September 30, 2014.

<Review plan for six-month period ended September 30, 2014 >

	Pre-Review	Review
Consolidated Financial Statements	2014.09.08 ~ 2014.09.26	2014.10.07 ~ 2014.11.07
Separate Financial Statements	2014.09.08 ~ 2014.09.26	2014.10.07 ~ 2014.11.07

<Audit Contract Description>

(Unit: KRW million)

Fiscal Year	Auditor	Description	Compensation	Total Hours
Nine-months ended September 30, 2014	Samil PwC	- Review of the interim consolidated/separate financial statements	1,751	20,123
Year ended December 31, 2013	Samil PwC	- Review of the interim consolidated/separate financial statements - Audit on consolidated/separate financial statements	3,840	44,702
Year ended December 31, 2012	Samil PwC	- Review of the interim consolidated/separate financial statements - Audit on consolidated/separate financial statements	3,660	43,572

Samil PwC has performed non-audit services and has been paid KRW 2,722 million from the Company for the nine months ended September 30, 2014.

<Non-Audit Service Contract Description>

(Unit: KRW million)

Fiscal Year	Contract Date	Non-audit Service Description	Period for Service	Compensation
Nine-months ended September 30, 2014	September 2013	Incorporation, M&A and Divestiture Advisory	2014.01~2014.09	1,161
	August 2013	Tax Advisory	2014.01~2014.09	533
	October 2013	Process Improvement Advisory	2014.01~2014.09	731
		Others		297
	Subtotal			2,722
Year ended December 31, 2013	November 2012	Incorporation, M&A and Divestiture Advisory	2013.01~2013.12	2,466
	August 2012	Tax Advisory	2013.01~2013.12	2,272
	June 2012	Process Improvement Advisory	2013.01~2013.12	1,896
		Others		1,573
	Subtotal			8,207
Year ended December 31, 2012	January 2012	Incorporation and M&A Advisory	2012.01~2012.12	3,520
	January 2011	Tax Advisory	2012.01~2012.12	3,995
	November 2011	IP Advisory	2012.01~2012.12	1,287
	January 2012	Process Improvement Advisory	2012.01~2012.12	2,815
		Others		802
	Subtotal			12,419

X. Financial Statements

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
	KRW	KRW	USD	USD
Assets				
Current Assets				
Cash and cash equivalents	18,004,063	16,284,780	17,136,934	15,500,457
Short-term financial instruments	45,695,172	36,722,702	43,494,358	34,954,028
Available-for-sale financial assets	3,251,924	1,488,527	3,095,302	1,416,835
Trade and other receivables	26,584,479	27,875,934	25,304,092	26,533,347
Advances	1,605,417	1,928,188	1,528,095	1,835,321
Prepaid expenses	3,974,010	2,472,950	3,782,610	2,353,845
Inventories	18,872,710	19,134,868	17,963,745	18,213,276
Other current assets	1,823,527	2,135,589	1,735,700	2,032,733
Assets held for sale	-	2,716,733	-	2,585,887
Total current assets	119,811,302	110,760,271	114,040,836	105,425,729
Non-current assets				
Available-for-sale financial assets	12,317,751	6,238,380	11,724,491	5,937,921
Associates and joint ventures	5,391,924	6,422,292	5,132,233	6,112,975
Property, plant and equipment	76,012,065	75,496,388	72,351,099	71,860,259
Intangible assets	4,684,752	3,980,600	4,459,121	3,788,883
Long-term prepaid expenses	5,140,876	3,465,783	4,893,276	3,298,861
Deferred income tax assets	4,824,644	4,621,780	4,592,275	4,399,181
Other non-current assets	3,563,175	3,089,524	3,391,562	2,940,724
Total assets	231,746,489	214,075,018	220,584,893	203,764,533

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	September 30, 2014 KRW	December 31, 2013 KRW	September 30, 2014 USD	December 31, 2013 USD
Liabilities and Equity				
Current liabilities				
Trade and other payables	17,975,973	17,633,705	17,110,197	16,784,414
Short-term borrowings	9,722,014	6,438,517	9,253,773	6,128,419
Advances received	1,981,972	1,706,313	1,886,514	1,624,132
Withholdings	1,066,256	1,176,046	1,014,902	1,119,404
Accrued expenses	9,254,550	11,344,530	8,808,824	10,798,144
Income tax payable	3,943,563	3,386,018	3,753,629	3,222,937
Current portion of long-term borrowings and debentures	1,133,104	2,425,831	1,078,530	2,308,996
Provisions	7,604,860	6,736,476	7,238,587	6,412,027
Other current liabilities	525,466	467,973	500,159	445,434
Total current liabilities	53,207,758	51,315,409	50,645,115	48,843,907
Non-current liabilities				
Debentures	1,309,116	1,311,068	1,246,065	1,247,923
Long-term borrowings	1,774,255	985,117	1,688,802	937,671
Long-term trade and other payables	2,606,322	1,053,756	2,480,794	1,003,004
Net defined benefit liabilities	2,697,054	1,854,902	2,567,156	1,765,564
Deferred income tax liabilities	4,606,139	6,012,371	4,384,294	5,722,797
Provisions	661,624	460,924	629,758	438,725
Other non-current liabilities	1,416,526	1,065,461	1,348,302	1,014,146
Total liabilities	68,278,794	64,059,008	64,990,286	60,973,737

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
	KRW	KRW	USD	USD
Equity attributable to owners of the parent				
Preferred stock	119,467	119,467	113,713	113,713
Common stock	778,047	778,047	740,574	740,574
Share premium	4,403,893	4,403,893	4,191,789	4,191,789
Retained earnings	164,244,856	148,600,282	156,334,338	141,443,253
Other components of equity	(11,829,111)	(9,459,073)	(11,259,387)	(9,003,496)
Non-controlling interests	5,750,543	5,573,394	5,473,580	5,304,963
Total equity	163,467,695	150,016,010	155,594,607	142,790,796
Total liabilities and equity	231,746,489	214,075,018	220,584,893	203,764,533

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	For the three-months ended September 30,				For the nine-months ended September 30,			
	2014	2013	2014	2013	2014	2013	2014	2013
	KRW	KRW	USD	USD	KRW	KRW	USD	USD
Revenue	47,447,310	59,083,499	45,162,107	56,237,863	153,475,865	169,416,042	146,084,014	161,256,465
Cost of sales	30,711,398	35,527,620	29,232,246	33,816,505	94,432,732	101,248,394	89,884,572	96,371,972
Gross profit	16,735,912	23,555,879	15,929,861	22,421,358	59,043,133	68,167,648	56,199,442	64,884,493
Selling, general and administrative expenses	12,675,390	13,392,285	12,064,906	12,747,273	39,306,489	39,693,913	37,413,373	37,782,137
Operating profit	4,060,522	10,163,594	3,864,955	9,674,085	19,736,644	28,473,735	18,786,069	27,102,356
Other non-operating income	828,296	419,495	788,403	399,291	3,327,828	996,647	3,167,550	948,646
Other non-operating expense	286,460	449,455	272,663	427,808	1,572,572	1,037,977	1,496,832	987,985
Share of profit of associates and joint ventures	2,076	149,651	1,976	142,443	96,217	539,902	91,583	513,899
Finance income	1,682,596	1,998,542	1,601,557	1,902,286	5,369,692	6,257,206	5,111,072	5,955,840
Finance expense	1,440,159	2,042,670	1,370,797	1,944,288	4,676,862	6,117,091	4,451,611	5,822,474
Profit before income tax	4,846,871	10,239,157	4,613,431	9,746,009	22,280,947	29,112,422	21,207,831	27,710,282
Income tax expense	624,526	1,994,421	594,447	1,898,364	4,233,380	5,938,934	4,029,488	5,652,898
Profit for the period	4,222,345	8,244,736	4,018,984	7,847,645	18,047,567	23,173,488	17,178,343	22,057,384
Profit attributable to owners of the parent	4,135,422	8,049,537	3,936,248	7,661,848	17,796,608	22,601,471	16,939,471	21,512,917
Profit attributable to non-controlling interests	86,923	195,199	82,736	185,797	250,959	572,017	238,872	544,467
Earnings per share for profit attributable to the owners of the parent (in Korean Won, in US dollars)								
- Basic	27,419	53,401	26.10	50.83	118,009	149,948	112.33	142.73
- Diluted	27,418	53,384	26.10	50.81	118,000	149,891	112.32	142.67

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	For the three-months ended September 30,				For the nine-months ended September 30,			
	2014	2013	2014	2013	2014	2013	2014	2013
	KRW	KRW	USD	USD	KRW	KRW	USD	USD
Profit for the period	4,222,345	8,244,736	4,018,984	7,847,645	18,047,567	23,173,488	17,178,343	22,057,384
Other comprehensive income								
Items not to be reclassified								
subsequently to profit or loss :								
Remeasurement of the net defined benefit liabilities, net of tax	(15,366)	(786)	(14,626)	(748)	(35,973)	(17,777)	(34,240)	(16,921)
Items to be reclassified								
subsequently to profit or loss :								
Changes in value of available-for-sale financial assets, net of tax	(292,853)	200,941	(278,748)	191,263	(562,797)	1,039,847	(535,691)	989,765
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	22,408	(10,392)	21,329	(9,891)	(61,509)	(9,003)	(58,547)	(8,569)
Foreign currency translation, net of tax	112,396	(2,293,074)	106,983	(2,182,633)	(1,792,533)	(320,166)	(1,706,199)	(304,746)
Other comprehensive income (loss) for the period, net of tax	(173,415)	(2,103,311)	(165,062)	(2,002,009)	(2,452,812)	692,901	(2,334,677)	659,529
Total consolidated comprehensive income for the period	4,048,930	6,141,425	3,853,922	5,845,636	15,594,755	23,866,389	14,843,666	22,716,913
Consolidated comprehensive income attributable to :								
Owners of the parent	3,977,392	6,023,479	3,785,829	5,733,370	15,400,519	23,293,031	14,658,785	22,171,170
Non-controlling interests	71,538	117,946	68,093	112,266	194,236	573,358	184,881	545,743

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2013 KRW	Preferred stock	Common stock	Share premium	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as of January 1, 2013	119,467	778,047	4,403,893	(8,193,044)	119,985,689	117,094,052	4,386,154	121,480,206
Profit for the period	-	-	-	-	22,601,471	22,601,471	572,017	23,173,488
Changes in value of available-for-sale financial assets, net of tax	-	-	-	1,038,661	-	1,038,661	1,186	1,039,847
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	(8,833)	-	(8,833)	(170)	(9,003)
Foreign currency translation, net of tax	-	-	-	(320,514)	-	(320,514)	348	(320,166)
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	(17,754)	-	(17,754)	(23)	(17,777)
Total comprehensive income	-	-	-	691,560	22,601,471	23,293,031	573,358	23,866,389
Dividends	-	-	-	-	(1,206,622)	(1,206,622)	(7,985)	(1,214,607)
Capital transaction under common control	-	-	-	1,688	-	1,688	287,641	289,329
Effect of business combination	-	-	-	-	-	-	894	894
Disposal of treasury stock	-	-	-	22,685	-	22,685	-	22,685
Stock option activities	-	-	-	(6,489)	-	(6,489)	-	(6,489)
Others	-	-	-	541	-	541	(145)	396
Total transactions with owners	-	-	-	18,425	(1,206,622)	(1,188,197)	280,405	(907,792)
Balance as of September 30, 2013	119,467	778,047	4,403,893	(7,483,059)	141,380,538	139,198,886	5,239,917	144,438,803

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (refer to XI.-28))

2013 USD	Preferred stock	Common stock	Share premium	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as of January 1, 2013	113,713	740,574	4,191,789	(7,798,443)	114,206,824	111,454,457	4,174,903	115,629,360
Profit for the period	-	-	-	-	21,512,917	21,512,917	544,467	22,057,384
Changes in value of available-for-sale financial assets, net of tax	-	-	-	988,636	-	988,636	1,129	989,765
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	(8,408)	-	(8,408)	(161)	(8,569)
Foreign currency translation, net of tax	-	-	-	(305,077)	-	(305,077)	331	(304,746)
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	(16,899)	-	(16,899)	(22)	(16,921)
Total comprehensive income	-	-	-	658,252	21,512,917	22,171,169	545,744	22,716,913
Dividends	-	-	-	-	(1,148,508)	(1,148,508)	(7,600)	(1,156,108)
Capital transaction under common control	-	-	-	1,607	-	1,607	273,787	275,394
Effect of business combination	-	-	-	-	-	-	851	851
Disposal of treasury stock	-	-	-	21,592	-	21,592	-	21,592
Stock option activities	-	-	-	(6,176)	-	(6,176)	-	(6,176)
Others	-	-	-	515	-	515	(138)	377
Total transactions with owners	-	-	-	17,538	(1,148,508)	(1,130,970)	266,900	(864,070)
Balance as of September 30, 2013	113,713	740,574	4,191,789	(7,122,653)	134,571,233	132,494,656	4,987,547	137,482,203

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2014 KRW	Preferred stock	Common stock	Share premium	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as of January 1, 2014	119,467	778,047	4,403,893	(9,459,073)	148,600,282	144,442,616	5,573,394	150,016,010
Profit for the period	-	-	-	-	17,796,608	17,796,608	250,959	18,047,567
Changes in value of available-for-sale financial assets, net of tax	-	-	-	(586,312)	-	(586,312)	23,515	(562,797)
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	(61,138)	-	(61,138)	(371)	(61,509)
Foreign currency translation, net of tax	-	-	-	(1,710,595)	-	(1,710,595)	(81,938)	(1,792,533)
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	(38,044)	-	(38,044)	2,071	(35,973)
Total comprehensive income	-	-	-	(2,396,089)	17,796,608	15,400,519	194,236	15,594,755
Dividends	-	-	-	-	(2,157,011)	(2,157,011)	(16,312)	(2,173,323)
Capital transaction under common control	-	-	-	(158)	-	(158)	(549)	(707)
Effect of business combination	-	-	-	-	-	-	378	378
Disposal of treasury stock	-	-	-	32,763	-	32,763	-	32,763
Stock option activities	-	-	-	(9,436)	-	(9,436)	-	(9,436)
Others	-	-	-	2,882	4,977	7,859	(604)	7,255
Total transactions with owners	-	-	-	26,051	(2,152,034)	(2,125,983)	(17,087)	(2,143,070)
Balance as of September 30, 2014	119,467	778,047	4,403,893	(11,829,111)	164,244,856	157,717,152	5,750,543	163,467,695

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (refer to XI.-28))

2014 USD	Preferred stock	Common stock	Share premium	Other components of equity	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as of January 1, 2014	113,713	740,574	4,191,789	(9,003,496)	141,443,253	137,485,833	5,304,963	142,790,796
Profit for the period	-	-	-	-	16,939,471	16,939,471	238,872	17,178,343
Changes in value of available-for-sale financial assets, net of tax	-	-	-	(558,073)	-	(558,073)	22,382	(535,691)
Share of other comprehensive income of associates and joint ventures, net of tax	-	-	-	(58,193)	-	(58,193)	(354)	(58,547)
Foreign currency translation, net of tax	-	-	-	(1,628,208)	-	(1,628,208)	(77,991)	(1,706,199)
Remeasurement of net defined benefit liabilities, net of tax	-	-	-	(36,212)	-	(36,212)	1,972	(34,240)
Total comprehensive income	-	-	-	(2,280,686)	16,939,471	14,658,785	184,881	14,843,666
Dividends	-	-	-	-	(2,053,123)	(2,053,123)	(15,526)	(2,068,649)
Capital transaction under common control	-	-	-	(150)	-	(150)	(523)	(673)
Effect of business combination	-	-	-	-	-	-	360	360
Disposal of treasury stock	-	-	-	31,185	-	31,185	-	31,185
Stock option activities	-	-	-	(8,982)	-	(8,982)	-	(8,982)
Others	-	-	-	2,743	4,737	7,480	(574)	6,906
Total transactions with owners	-	-	-	24,796	(2,048,386)	(2,023,590)	(16,263)	(2,039,853)
Balance as of September 30, 2014	113,713	740,574	4,191,789	(11,259,386)	156,334,338	150,121,028	5,473,581	155,594,609

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

	2014	2013	2014	2013
Cash flows from operating activities	KRW	KRW	USD	USD
Profit for the period	18,047,567	23,173,488	17,178,343	22,057,384
Adjustments	16,303,949	18,253,468	15,518,703	17,374,327
Changes in assets and liabilities arising from operating activities	638,514	(16,355)	607,761	(15,567)
Cash flows from operating activities	34,990,030	41,410,601	33,304,807	39,416,144
Interest received	1,118,831	699,644	1,064,945	665,947
Interest paid	(341,456)	(332,175)	(325,010)	(316,176)
Dividend received	1,459,641	281,939	1,389,340	268,360
Income tax paid	(5,657,246)	(5,627,868)	(5,384,777)	(5,356,814)
Net cash generated from operating activities	31,569,800	36,432,141	30,049,305	34,677,461
Cash flows from investing activities				
Net increase in short-term financial instruments	(6,524,466)	(16,502,340)	(6,210,228)	(15,707,539)
Net decrease (increase) in short-term available-for-sale financial assets	(784,666)	25,923	(746,874)	24,674
Proceeds from disposal of long-term available-for-sale financial assets	151,548	30,411	144,249	28,946
Acquisition of long-term available-for-sale financial assets	(5,940,674)	(326,961)	(5,654,554)	(311,214)
Proceeds from disposal of associates and joint ventures	2,014,430	240	1,917,409	228
Acquisition of associates and joint ventures	(653,567)	(37,534)	(622,089)	(35,726)
Disposal of property and equipment	267,969	266,214	255,063	253,392
Purchases of property and equipment	(14,478,346)	(15,077,203)	(13,781,026)	(14,351,040)
Disposal of intangible assets	7,865	994	7,486	946
Purchases of intangible assets	(951,358)	(651,853)	(905,538)	(620,458)
Cash outflows from business combination	(176,625)	(167,155)	(168,118)	(159,104)
Others	(2,951,180)	(1,599,723)	(2,809,043)	(1,522,674)
Net cash used in investing activities	(30,019,070)	(34,038,987)	(28,573,263)	(32,399,569)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of U.S dollars (refer to XI.-28))

Notes	For the nine-months ended September 30,			
	2014	2013	2014	2013
	KRW	KRW	USD	USD
Cash flows from financing activities				
Net increase(decrease)				
in short-term borrowings	3,474,181	(1,509,323)	3,306,854	(1,436,630)
Disposal of treasury stock	27,582	18,284	26,254	17,403
Proceeds from long-term borrowings and debentures	1,739,653	26,672	1,655,866	25,387
Repayment of long-term borrowings and debentures	(2,177,556)	(1,336,214)	(2,072,678)	(1,271,858)
Payment of dividends	(2,162,416)	(1,215,583)	(2,058,268)	(1,157,037)
Net increase(decrease) in non-controlling interests	(760)	282,016	(724)	268,435
Net cash generated(used) in financing activities	900,684	(3,734,148)	857,304	(3,554,300)
Effect of exchange rate changes on cash and cash equivalents	(732,131)	64,298	(696,869)	61,201
Net increase(decrease) in cash and cash equivalents	1,719,283	(1,276,696)	1,636,477	(1,215,207)
Cash and cash equivalents				
Beginning of the period	16,284,780	18,791,460	15,500,457	17,886,408
End of the period	18,004,063	17,514,764	17,136,934	16,671,201

1. Allowance for bad debt

The allowances for bad debts over the past 3 years are as follows:

Bad debt allowance by account

(Unit: KRW million, %)

Period	Account	Receivables Amount	Allowance Amount	Allowance (%)
September 30 2014	Trade receivables	24,353,730	284,220	1.2%
	Short-term loans	4,837	73	1.5%
	Other receivables	2,527,675	12,706	0.5%
	Advances	1,608,996	3,579	0.2%
	Trade receivables (Long-term)	34,636	308	0.9%
	Other receivables (Long-term)	29,292	79	0.3%
	Advances (Long-term)	201,674	793	0.4%
	Long-term loans	154,563	1,287	0.8%
	Total	28,915,403	303,045	1.0%
2013	Trade receivables	25,256,002	267,470	1.1%
	Short-term loans	33,382	271	0.8%
	Other receivables	2,907,221	19,819	0.7%
	Advances	1,932,530	4,342	0.2%
	Trade receivables (Long-term)	36,229	205	0.6%
	Other receivables (Long-term)	24,384	227	0.9%
	Advances (Long-term)	76,429	792	1.0%
	Long-term loans	152,005	36,727	24.2%
	Total	30,418,182	329,853	1.1%
2012	Trade receivables	24,138,022	276,787	1.1%
	Short-term loans	60,843	675	1.1%
	Other receivables	2,815,696	2,335	0.1%
	Advances	1,676,804	2,376	0.1%
	Trade receivables (Long-term)	30,405	-	0.0%
	Other receivables (Long-term)	18,491	260	1.4%
	Advances (Long-term)	85,843	793	0.9%
	Long-term loans	166,689	643	0.4%
	Total	28,992,793	283,869	1.0%

※ Receivables amount is based on net present value (Consolidated)

※ Presented in accordance with Korean International Financial Reporting Standards (“K-IFRS”)

Allowance for Bad Debt (Roll Forward)

(Unit: KRW million)

	September 30, 2014	2013	2012
1. Allowance for bad debts (beginning balance)	329,853	283,869	259,161
2. Net Bad Debt Expense (① - ② ± ③)	50,081	17,833	53,433
① Bad Debt Expense (Write-off)	51,160	20,393	55,592
② Bad Debt Recovered	1,079	2,560	2,159
③ Others	-	-	-
3. Bad debts expense	23,273	63,817	78,141
4. Allowance for bad debts (Ending balance)	303,045	329,853	283,869

※ Based on consolidated financial statements.

A. The guideline for Bad Debts Allowances

(1) Calculation of Bad Debts Allowances

- Bad Debts are calculated based on write-off experiences and future expected bad debts.

(2) Calculation method for write-off experience rate:

- Experience rate of write-off: the actual write-off rate for the average receivables balance of previous three (3) years
- Future expected bad debts: Cases of debtor bankruptcy, compulsory execution, death, or disappearance are reflected in the bad debt allowance, ranging from 1% ~ 100% of the balance of trade-other receivable

[Bad Debt Allowance]

Situation	Rate of allowance
Dispute or Conflict	25%
Receivable through utilization of third party collection agency	50%
Receivable under litigation	75%
Customer filed or in the process of filing bankruptcy	100%

(3) Instruction: Write-off is recorded when trade receivables contain the following characteristics:

- Objective proof of bad debts, such as bankruptcy, compulsory execution, discontinuance of business, debtor's death or disappearance
- Legal action has failed or the right of collection is extinguished.
- When the collection agency gives as notice that collection is not possible.
- When the collateral is sold or insurance is received.
- The collection expenses exceed the amount of receivables.

B. The outstanding period of trade receivables

(Unit: KRW million)

	Less than 6 months	6 months ~ 1 year	1 year ~ 3 years	More than 3 years	Total
Amount	24,297,380	9,139	58,704	23,143	24,388,366
Ratio	99.6%	0.1%	0.2%	0.1%	100.0%

* Receivables amount on net present value (consolidated)

2. Inventory

- The inventory status by division over the last three years is as follows:

(Unit: KRW million)

Division		Category	September 30, 2014	2013	2012	Note
CE		Finished Goods	2,164,815	1,927,784	1,868,910	
		Work in Process	103,520	73,876	72,375	
		Raw Material	1,741,768	1,435,023	1,468,295	
		Material in Transit	2,114,252	1,689,040	1,634,797	
		Total	6,124,355	5,125,723	5,044,377	
IM		Finished Goods	1,847,565	2,896,647	3,113,848	
		Work in Process	313,102	333,109	305,543	
		Raw Material	3,288,109	3,363,195	2,736,050	
		Material in Transit	1,044,283	1,026,147	895,088	
		Total	6,493,059	7,619,098	7,050,529	
DS	Semi-Conductor	Finished Goods	779,626	1,219,189	1,317,615	
		Work in Process	3,588,409	3,022,125	2,461,713	
		Raw Material	450,221	351,646	486,166	
		Material in Transit	81,965	89,670	83,312	
		Total	4,900,221	4,682,630	4,348,806	
	DP	Finished Goods	308,634	553,108	460,600	
		Work in Process	400,739	443,611	259,324	
		Raw Material	268,777	328,955	239,414	
		Material in Transit	42,164	4,988	63,721	
		Total	1,020,314	1,330,662	1,023,059	
	DS Total	Finished Goods	1,118,621	1,810,852	1,797,309	
		Work in Process	4,177,931	3,663,346	2,852,724	
		Raw Material	767,852	726,455	775,434	
		Material in Transit	129,816	98,897	150,237	
		Total	6,194,220	6,299,550	5,575,704	
Total	Finished Goods	6,134,399	7,429,350	6,837,250		
	Work in Process	4,594,487	4,070,266	3,230,576		
	Raw Material	7,075,267	6,809,112	5,081,396		
	Material in Transit	1,068,557	826,140	2,598,191		
	Total	18,872,710	19,134,868	17,747,413		
Inventory Ratio (%) – Total Assets [Inventory ÷ Total Assets]			8.1%	8.9%	9.8%	
Inventory Turn-over [Yearly CGS ÷ {(Beginning of Inventory End of Inventory)÷2}]			6.6	7.5	7.6	

A. Inventory Counts

(1) Inspection Date

- End of May and end of November (twice a year)
- Performed check of the existence of inventories included in an accounting books and records on the inspection date

(2) Inspection Method

- Internal warehouse: Closed & Total Inspection
- ※ Sample check in semiconductor and DP inventory, SVC materials
- Outside warehouse -
Performed check of the possession confirmation documents and sample tests at third party warehouse and Inventory in transit
- External auditors join and observe the inspection and carry out sample test to check the existence and completeness.

B. Inventory Aging and Valuation

Inventories are stated at the lower of cost or net realizable value. Inventory as at September 30, 2014 is as follows:

(Unit : KRW million)

Category	Acquisition Cost	Inventory Valuation Reserve	Balance	Note
Finished Goods	6,274,274	139,875	6,134,399	
Work In Process	4,841,325	246,838	4,594,487	
Raw Material	7,307,399	232,132	7,075,267	
Material In Transit	1,068,557	-	1,068,557	
Total	19,491,555	618,845	18,872,710	

- ※ Prepared on a consolidated basis

XI. Summary of Significant Accounting Policies

1. Basis of Presentation

The interim consolidated financial statements for the six months ended June 30, 2014, have been prepared in accordance with K-IFRS 1034, *Interim Financial Reporting*. These interim consolidated financial statements have been prepared in accordance with the K-IFRS standards and interpretations effective or early adopted at the reporting date.

The Company applied the following amended and enacted standards for the annual period beginning on January 1, 2014:

K-IFRS 1032, 'Financial Instruments: Presentation'

The standard provides that the right to offset must not be contingent on a future event and must be legally enforceable in all of circumstances; and if an entity can settle amounts in a manner such that outcome is, in effect, equivalent to net settlement, the entity will meet the net settlement criterion. The adoption of this standard did not have a material impact on the consolidated financial statements.

K-IFRIC Interpretations 2121, 'Levies'

The interpretation requires that the liability to pay a levy is recognized when the activity that triggers the payment of the levy occurs, as identified by the legislation (the obligating event). The adoption of this interpretation did not have a material impact on the consolidated financial statements.

2. Consolidation

The Company prepares interim consolidated financial statements in accordance with K-IFRS 1110, *'Consolidated Financial Statements'*

A. Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins from the date the Company obtains control of a subsidiary and ceases when the Company loses control of the subsidiary.

The Company applies the acquisition method to account for business combinations. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis in the event of liquidation at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is recognized as the excess of (1) the aggregate of i) the consideration transferred, ii) the amount of any non-controlling interest in the acquiree and iii) the acquisition-date fair value of the Company's previously held equity interest in the acquiree over (2) the net identifiable assets acquired. If the aggregate amount in (1) is less than the fair value of the acquiree's net assets in (2), the difference is recognized in profit or loss.

Balances of receivables and payables, income and expenses and unrealized gains on transactions between the Company subsidiaries are eliminated. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Company.

B. Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals of non-controlling interests are also recorded in equity.

C. Disposal of subsidiaries

If the Company loses control of a subsidiary, any investment continuously retained in the subsidiary is re-measured at its fair value at the date when control is lost and any resulting differences are recognized in profit or loss. Such fair value becomes the initial carrying amount for the subsequent measurement of the retained interest accounted for as an associate, joint venture, or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of such entity are accounted for as if the Company had directly disposed of the related assets or liabilities.

D. Non-controlling interests

Each component of profit or loss and other comprehensive income is attributed to owners of the parent and to non-controlling interests. Total comprehensive income is attributed to owners of the parent and to non-controlling interests even if this results in a negative balance of non-controlling interests

E. Associates

Associates are all entities over which the Company has significant influence, generally investees of which from 20% to 50% of voting stock is owned by the Company. Investments in associates are initially recognized at acquisition cost using the equity method. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. If there is any objective evidence that the investment in the associate is impaired, the Company recognizes the difference between the recoverable amount of the associate and its book value as impairment loss.

F. Joint arrangements

A joint arrangement of which two or more parties have joint control is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

3. Foreign Currency Translation

A. Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the parent company's functional and presentation currency.

B. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Exchange differences arising on non-monetary financial assets and liabilities such as equity instruments at fair value through profit or loss and available-for-sale equity instruments are recognized in profit or loss and included in other comprehensive income, respectively, as part of the fair value gain or loss.

C. Translation into the presentation currency

The results and financial position of all the foreign entities that have a functional currency different from the presentation currency of the Company are translated into the presentation currency as follows:

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting date.

Income and expenses for each statement of income are translated at average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions.

All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are recognized in other comprehensive income. When a foreign operation is partially disposed of or sold, the exchange differences that were recorded in equity are reclassified as part of gains and losses on disposition in the statement of income. When the Company loses control over foreign subsidiaries, the exchange differences that were recorded in equity are reclassified into profit or loss when such gain or loss on disposition is recognized.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments are treated as the foreign operation's assets and liabilities. Such goodwill is expressed in the foreign operation's functional currency and is translated at the closing rate. Exchange differences are recognized in other comprehensive income.

4. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

5. Financial Assets

A. Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, and held-to-maturity financial assets. The classification depends on the terms of the instruments and purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives not subject to hedge accounting and derivatives separated from financial instruments such as embedded derivatives are also categorized as held for trading. Assets in this category are classified as current assets.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless an investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

B. Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date. At initial recognition, financial assets are measured at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of income. After the initial recognition, available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are subsequently carried at amortized cost using the effective interest method.

Changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss and changes in fair value of available-for-sale financial assets are recognized in other comprehensive income. When the available-for-sale financial assets are sold or impaired, the fair value adjustments recorded in equity are reclassified into profit or loss.

Interest on available-for-sale financial assets and held-to-maturity financial assets calculated using the effective interest method is recognized in the statement of income as part of finance income. Dividends on available-for-sale financial assets are recognized in the statement of income as part of other non-operating income when the Company's right to receive payments is established.

C. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

D. De-recognition of financial assets

If the Company transfers a financial asset and the transfer does not result in derecognition because the Company has retained substantially of all the risks and rewards of ownership of the transferred asset due to a recourse in the event the debtor defaults, the Company continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The related financial liability is classified as 'borrowings' in the statement of financial position.

6. Impairment of Financial Assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment loss is recognized only if there is objective evidence and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment of loans and receivables is presented as a deduction in an allowance account. Impairment of other financial assets is directly deducted from their carrying amount. The Company writes off financial assets when the assets are determined to be no longer recoverable.

The objective evidence that a financial asset is impaired includes significant financial difficulty of the issuer or obligor; a delinquency in interest or principal payments; or the disappearance of an active market for that financial asset because of financial difficulties. A decline in the fair value of an available-for-sale equity instrument by more than 20% from its cost or a prolonged decline below its cost for more than six months is also objective evidence of impairment.

7. Trade Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the Company if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

8. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the average cost method, except for materials in transit. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads (based on normal operating capacity). It excludes costs of idle plant and abnormal waste. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventories are reduced for the estimated losses arising from excess, obsolescence, and decline in value. This reduction is determined by estimating market value based on future customer demand. The losses on inventory obsolescence are recorded as a part of cost of sales.

9. Disposal Group Held-for-Sale

Non-current assets (or disposal group) are classified as assets held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

10. Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized and repairs and maintenance expenses are recognized in profit or loss in the period they are incurred.

Depreciation on tangible assets is calculated using the straight-line method to allocate the difference between their cost and their residual values over their estimated useful lives. Land is not depreciated. Costs that are directly attributable to the acquisition, construction or production of a qualifying asset, including capitalized interest costs, form part of the cost of that asset and are amortized over the estimated useful lives.

The Company's policy is that property, plant and equipment should be depreciated over the following estimated useful lives:

	<u>Estimated useful lives</u>
Buildings and structures	15, 30 years
Machinery and equipment	5 years
Other	5 years

The depreciation method, residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within the statement of income as part of other non-operating income and expenses.

1. Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary, associates, joint ventures and businesses at the date of acquisition. Goodwill on acquisitions of subsidiaries and businesses is included in intangible assets and goodwill on acquisition of associates and joint ventures are included in the investments in associates and joint ventures.

Intangible assets, except for goodwill, are initially recognized at their historical cost and carried at cost less accumulated amortization and accumulated impairment losses.

Internally generated development costs are the aggregate costs recognized after meeting the asset recognition criteria, including technical feasibility, and determined to have future economic benefits. Membership rights are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the assets are expected to be utilized. Intangible assets with definite useful life such as trademarks and licenses are amortized using the straight-line method over their estimated useful lives.

The Company's policy is that intangible assets should be amortized over the following estimated useful lives:

	<u>Estimated useful lives</u>
Development costs	2 years
Trademarks, licenses and other intangible assets	5 - 10 years

12. Impairment of Non-Financial Assets

Goodwill or intangible assets with indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

13. Financial Liabilities

A. Classification and measurement

Financial liabilities at fair value through profit or loss are financial instruments held for trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Company classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as 'trade payables', 'borrowings', and 'other financial liabilities' in the statement of financial position.

B. De-recognition

Financial liabilities are removed from the statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified.

14. Trade Payables

Trade payables are amounts due to suppliers for merchandise purchased or services received in the ordinary course of business. If payment is expected in one year or less (or in the normal operating cycle of the Company if longer), they are classified as current liabilities. If not, they are presented as non-current liabilities. Non-current trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

15. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost. Any difference between cost and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method. If the Company has an indefinite right to defer payment for a period longer than 12 months after the end of the reporting date, such liabilities are recorded as non-current liabilities, otherwise, they are recorded as current liabilities.

16. Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

When it is probable that an outflow of economic benefits will occur due to a present obligation resulting from a past event, and the amount is reasonably estimable, a corresponding provision is recognized in the financial statements. However, when such outflow is dependent upon a future event, that is not certain to occur, or cannot be reliably estimated, a disclosure regarding the contingent liability is made in the notes to the financial statements.

17. Net Defined Benefit Liabilities

The Company has a variety of retirement pension plans including defined benefit or defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. For defined contribution plans, the Company pays contributions to annuity plans that are managed either publicly or privately on a mandatory, contractual or voluntary basis. The Company has no further future payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect to defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses resulting from the changes in actuarial assumptions, and the differences between the previous actuarial assumptions and what has actually occurred, are recognized in other comprehensive income in the period in which they were incurred. Past service costs are immediately recognized in profit or loss.

18. Financial Guarantee Contract

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due. Financial guarantees are initially recognized in the financial statements at fair value on the date the guarantee was given. If the amount measured in subsequent periods exceeds the unamortized balance of the amount initially recognized, the excess is classified as other financial liability.

19. Current and Deferred Tax

The tax expense for the period comprises current and deferred tax. Tax is recognized on the profit for the period in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity, respectively. The tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as expected tax consequences at the recovery or settlement of the carrying amounts of the assets and liabilities. However, deferred tax assets and liabilities are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

A deferred tax liability is recognized for taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, a deferred tax asset is recognized for deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

20. Derivative Instruments

All derivative instruments are accounted for at fair value with the resulting valuation gain or loss recorded as an asset or liability. If the derivative instrument is not designated as a hedging instrument, the gain or loss is recognized in the statement of income in the period of change.

Fair value hedge accounting is applied to a derivative instrument with the purpose of hedging the exposure to changes in the fair value of an asset or a liability or a firm commitment (hedged item) that is attributable to a particular risk. Hedge accounting is applied when the derivative instrument is designated as a hedging instrument and the hedge accounting criteria have been met.

21. Dividend Distribution

Dividend distribution to the Company's shareholders is recognized when the dividends are approved.

22. Share Capital

Common shares and preferred shares with no repayment obligations are classified as equity. When the Company purchases its common shares, the acquisition costs including direct transaction costs are deducted from equity until the redemption or reissuance of treasury shares. Consideration received on the subsequent sale or issue of treasury shares is credited to equity.

23. Revenue Recognition

Revenue mainly comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, sales incentives and discounts and after eliminating intercompany transactions.

The Company recognizes revenue when specific recognition criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where multiple-element arrangements exist, the fair values of each element are determined based on the current market price of each of the elements when sold separately. When the fair values of each element are indeterminable, the fair values of deliverables which have already been provided are calculated in such way that the fair values of elements, which are yet to be provided, are subtracted from total contract value of the arrangement.

A. Sales of goods

Sales of products and merchandise are recognized upon delivery when the significant risks and rewards of ownership of goods have transferred to the buyer, continuing managerial involvement usually associated with ownership and effective control have ceased, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. The Company records reductions to revenue for special pricing arrangements, price protection and other volume based discounts. If product sales are subject to customer acceptance, revenue is not recognized until customer acceptance occurs.

B. Sales of services

Revenues from rendering services are generally recognized using the percentage-of-completion method, based on the percentage of costs to date compared to the total estimated costs, contractual milestones or performance.

C. Other sources of revenue

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Royalty income is recognized on an accruals basis in accordance with the substance of the relevant agreements. Dividend income is recognized when the right to receive payment is established.

24. Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grant will be received and the Group will comply with the conditions attaching to it. Government grants related to assets are presented by deducting the grants in arriving at the carrying amount of the assets, and grants related to income are deferred and presented by deducting the related expenses for the purpose of the government grants.

25. Earnings per Share

Basic earnings per share is calculated by dividing net profit for the period available to common shareholders by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is calculated using the weighted-average number of common shares outstanding adjusted to include the potentially dilutive effect of common equivalent shares outstanding.

26. Reportable Segments

Reportable segments are disclosed in the manner reported to the chief operating decision-maker (please see footnote 33). The chief operating decision-maker is responsible for making strategic decisions on resource allocation and performance assessment of the reportable segments. The management committee which makes strategic decisions is regarded as the chief operating decision-maker.

27. Approval of the Consolidated Financial Statements

These consolidated financial statements were approved by the Board of Directors on 30 October 2014.

28. Convenience Translation into United States Dollar Amounts

The Company operates primarily in Korean won and its official accounting records are maintained in Korean won. The US dollar amounts provided in the financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollars at the rate of KRW 1,014.40 to USD 1, the exchange rate in effect on 30 June 2014. Such presentation is not in accordance with generally accepted accounting principles, and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or at any other rate.

[Critical Accounting Estimates and Assumptions]

The Company makes estimates and assumptions concerning the future. The estimates and assumptions are continuously assessed, considering historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(1) Revenue recognition

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts to deliver installation services. Use of the percentage-of-completion method requires the Company to estimate the services performed to date as a proportion of the total services to be performed. Revenues and earnings are subject to significant change, effected by early steps in a long-term projects, change in scope of a project, cost, period, and plans of the customers.

(2) Provision for warranty

The Company recognizes provision for warranty on products sold. The Company accrues provision for warranty based on the best estimate of amounts necessary to settle future and existing claims. The amounts are estimated based on historical data.

(3) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using a variety of methods and assumptions that are mainly based on market conditions existing at the end of each reporting period.

(4) Net defined benefit liabilities

The net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of the net defined benefit liability. The Company, in consideration of the interest rates of high-quality corporate bonds, determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the net defined benefit liability.

The principal actuarial assumptions associated with the net defined benefit liability are based on the current market expectations.

(5) Estimated impairment of goodwill

The Company tests at the end of each reporting period whether goodwill has suffered any impairment in accordance with the accounting policy described in Note 2.12. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on estimates.

(6) Income taxes

Income taxes on the Company's taxable income from operating activities are subject to various tax laws and determinations of each tax authority across various countries in the world. There is uncertainty in determining the eventual tax effects on the taxable income from operating activities. The Company has recognized current tax and deferred tax at the end of the fiscal year based on the best estimation of future taxes payable as a result of operating activities. However, the resulting deferred income tax assets and liabilities may not equal the actual future taxes payable and such difference may impact the current tax and deferred income tax assets and liabilities upon the determination of eventual tax effects.

[Translation to International Financial Reporting Standards as adopted by the Republic of Korea from Generally Accepted Accounting Principle in the Republic of Korea]

The Company adopted Korean IFRS from the fiscal year 2010 (the date of first-time adoption to Korean IFRS: 1 January 2010). The comparison year, 2009, is restated in accordance with Korean IFRS 1101, First-time adoption of international financial reporting standards (the date of transition to Korean IFRS: 1 January 2009).

(1) Significant differences in accounting policies

Significant differences between the accounting policies chosen by the Company under Korean IFRS and under previous Korean GAAP are as follows:

(A) First time adoption of Korean IFRS

- a) Business combination: Past business combinations that occurred before the date of transition to Korean IFRS will not be retrospectively restated under Korean IFRS 1103, Business combinations.
- b) Fair value as deemed cost: The Company elects to measure certain land assets at fair value at the date of transition to Korean IFRS and use the fair value as its deemed cost. Valuations were made on the basis of recent market transactions on the arm's length terms by independent values.
- c) Cumulative translation differences: All cumulative translation gains and losses arising from foreign subsidiaries and associates as of the date of transition to Korean IFRS are reset to zero.
- d) Employee benefits: The Company elected to use the 'corridor' approach for actuarial gains and losses and all cumulative actuarial gains and losses have been recognized at the date of transition to Korean IFRS.

(B) Employee benefits

Employees and directors with at least one year of service are entitled to receive a lump-sum payment upon termination of their employment with SEC, its Korean subsidiaries and certain foreign subsidiaries, based on their length of service and rate of pay at the time of termination. Under the previous severance policy pursuant to Korean GAAP, Accrued severance benefits represented the amount which would be payable assuming all eligible employees and directors were to terminate their employment as of the end of the reporting period. However, under Korean IFRS, the liability is determined based on the present value of expected future payments calculated and reported using actuarial assumptions.

(C) Capitalization of development costs

Under Korean GAAP the Company recorded expenditures related to research and development activities as current expense. Under Korean IFRS if such costs related to development activities meet certain criteria they are recorded as intangible assets.

(D) Goodwill or bargain purchase arising from business combinations

Under Korean GAAP, the Company amortizes goodwill or recognizes a gain in relation to bargain purchase (negative goodwill¹) acquired as a result of business combinations on a straight-line method over five years from the year of acquisition. Under Korean IFRS, goodwill is not amortized but reviewed for impairment annually. Bargain purchase is recognized immediately in the statement of income. The impact of this adjustment is included within "other" adjustment in the tables below.

1 Negative goodwill under Korean GAAP is referred to as bargain purchase under Korean IFRS

(E) Derecognition of financial assets

Under Korean GAAP, when the Company transferred a financial asset to financial institutions and it was determined that control over the asset has been transferred the Company derecognized the financial asset. Under Korean IFRS, if the Company retains substantially all the risks and rewards of ownership of the asset, the asset is not derecognized but instead the related cash proceeds are recognized as financial liabilities.

(F) Deferred Tax

Under Korean GAAP, deferred tax assets and liabilities were classified as either current or non-current based on the classification of their underlying assets and liabilities. If there are no corresponding assets or liabilities, deferred tax assets and liabilities were classified based on the periods the temporary differences were expected to reverse. Under Korean IFRS, deferred tax assets and liabilities are all classified as non-current on the statement of financial position. In addition, there is a difference between Korean IFRS and Korean GAAP in terms of recognition of deferred tax assets or liabilities relating to investments in subsidiaries. Under Korean GAAP there is specific criteria as to when deferred tax assets and liabilities relating to investments in subsidiaries should be recognized, whereas under Korean IFRS, the related deferred tax assets or liabilities are recognized according to sources of reversal of the temporary differences.

(2) Changes in scope of consolidation

At the date of transition, changes in the scope of consolidation as a result of adoption of Korean IFRS are as follows:

Changes	Description	Name of Entity
Newly added	Under the former 'Act on External Audit of Stock companies' in the Republic of Korea, companies whose total assets are less than 10 billion Korean Won were not subject to consideration, but they are subject to consolidation under Korean IFRS.	World Cyber Games, Samsung Electronics Football Club, SEMES America, Samsung Electronics Ukraine, Samsung Electronics Romania, Samsung Electronics Kazakhstan, Samsung Electronics Czech and Slovak s.r.o. Samsung Electronics Levant, Samsung Electronics European Holding, Batino Realty Corporation, Samsung Telecommunications Malaysia, Samsung Electronics Shenzhen, Samsung Electronics China R&D Center, Samsung Electronics Limited, Samsung Electronics Poland Manufacturing, Samsung Telecoms(UK)
Newly added	Under Korean GAAP, a union is not regarded as a legal entity and excluded from scope of consolidation. However, it is subject to consolidation under Korean IFRS	Samsung Venture Capital Union #6, #7 and #14
Excluded	Under Korean GAAP, entities where the Company owns more than 30% of shares and is the largest shareholder with the largest voting rights were included in scope of consolidation. Under Korean IFRS, such entities are not subject to consolidation unless control over the entity is established.	Samsung Card

(3) The effects of the adoption of Korean IFRS on financial position, Comprehensive income and cash flows of the Company

(A) Adjustments to the statement of financial position as of the date of transition, 1 January 2009.

<i>(Unit: KRW million)</i>	Assets	Liabilities	Equity
Korean GAAP	105,300,650	42,376,696	62,923,954
Adjustments:			
Change in scope of consolidation	(12,972,168)	(10,649,400)	(2,322,768)
Fair valuation of land(*)	3,816,293	927,141	2,889,152
Derecognition of financial asset	1,807,675	1,807,675	-
Capitalization of development costs	200,478	-	200,478
Pension and compensated absence	-	186,978	(186,978)
Deferred tax on investments in equity and reclassification to non-current	(1,434,287)	(1,332,886)	(101,401)
Effect of the adoption of IFRS for jointly controlled entities and associates	155,163	-	155,163
Other	(95,064)	-	(95,064)
Tax-effect on adjustments	(141)	2,010	(2,151)
Total	(8,522,051)	(9,058,482)	536,431
Korean IFRS	96,778,599	33,318,214	63,460,385

(*) The adjustment includes the effect of deferred tax

(B) The effect of the adoption of Korean IFRS on financial position and comprehensive income of the Company as of and for the year ended 31 December 2009.

<i>(Unit: KRW million)</i>	Assets	Liabilities	Equity	Comprehensive income
Korean GAAP	118,281,488	45,227,196	73,054,292	9,700,671
Adjustments:				
Change in scope of consolidation	(10,120,256)	(7,372,830)	(2,747,426)	(489,504)
Fair valuation of land(*)	3,804,404	924,525	2,879,879	(9,273)
Derecognition of financial asset	754,969	754,969	-	-
Capitalization of development costs	214,451	-	214,451	13,973
Pension and compensated absence	-	153,357	(153,357)	33,621
Deferred tax on investments in equity and reclassification to non-current	(874,056)	(564,016)	(310,040)	(200,099)
Effect of the adoption of IFRS for jointly controlled entities and associates	266,742	-	266,742	111,579
Other	(143,058)	-	(143,058)	(47,994)
Tax-effect on adjustments	(4,895)	11,386	(16,281)	(14,130)
Total	(6,101,699)	(6,092,609)	(9,090)	(601,827)
Korean IFRS	112,179,789	39,134,587	73,045,202	9,098,844

(*) The adjustment includes the effect of deferred tax

(C) Adjustments to the statement of cash flows for the year ended 31 December 2009

According to Korean IFRS 1007, Cash Flow Statements, cash flows from interest, dividends received and taxes on income shall each be disclosed separately. The comparison year, 2009, is restated in accordance with Korean IFRS. There are no other significant differences between cash flows under Korean IFRS and those under previous Korean GAAP for the year ended 31 December 2009.

XII. Supplementary Information

1. Fair Value Evaluation Procedures

A. Financial Assets

(1) Classification

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, available-for-sale financial assets, and held-to-maturity financial assets. The classification depends on the terms of the instruments and purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(A) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives not subject to hedge accounting and derivatives separated from financial instruments such as embedded derivatives are also categorized as held for trading. Assets in this category are classified as current assets.

(B) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

(C) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless an investment matures or management intends to dispose of it within 12 months of the end of the reporting period

B. Financial Liabilities

(1) Classification and measurement

Financial liabilities at fair value through profit or loss are financial instruments held for trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Company classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as 'trade payables', 'borrowings', and 'other financial liabilities' in the statement of financial position.

(2) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified.

C. Derivative Instruments

All derivative instruments are accounted for at fair value with the resulting valuation gain or loss recorded as an asset or liability. If the derivative instrument is not designated as a hedging instrument, the gain or loss is recognized in the statement of income in the period of change.

Fair value hedge accounting is applied to a derivative instrument with the purpose of hedging the exposure to changes in the fair value of an asset or a liability or a firm commitment (hedged item) that is attributable to a particular risk. Hedge accounting is applied when the derivative instrument is designated as a hedging instrument and the hedge accounting criteria have been met.

D. Fair value estimation

- Carrying amounts and fair values of financial instruments by category as of 30 September 2014 and 31 December 2013 are as follows:

(Unit: KRW million)

Classification	September 30, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents ¹	18,004,063		16,284,780	
Short-term financial instruments ¹	45,695,172		36,722,702	
Short-term available-for-sale financial assets	3,251,924	3,251,924	1,488,527	1,488,527
Trade and other receivables ¹	24,069,510		24,988,532	
Long-term available-for-sale financial assets ²	12,317,751	11,902,526	6,238,380	5,850,155
Other	5,772,600	5,743,505	5,472,956	5,436,470
Total Financial assets	109,111,020		91,195,877	
Financial liabilities				
Trade and other payables ¹	16,733,181		16,314,720	
Short-term borrowings ¹	9,722,014		6,438,517	
Debentures	1,309,116	1,333,728	1,311,068	1,327,569
Long-term borrowings	1,774,255	1,709,050	985,117	971,844
Long-term other payables	2,576,575	2,721,437	1,023,714	1,090,580
Other ¹	9,133,739		13,288,343	
Total Financial liabilities	41,248,880		39,361,479	

¹ Assets and liabilities whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

² Amount measured at cost (30 September 2014: ₩415,225 million, 31 December 2013: ₩388,225 million) is excluded as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

The following table presents the assets and liabilities, by level, that are measured at fair value:

(In millions of Korean won)	As of September 30, 2014			
	Level 1	Level 2	Level 3	Total balance
Derivatives	-	54,413	2,471	56,884
Available-for-sale financial assets ¹	6,695,188	5,344,222	3,115,040	15,154,450
Total assets	6,695,188	5,398,635	3,117,511	15,211,334
Derivatives	-	306,643	-	306,643
Total liabilities	-	306,643	-	306,643

(In millions of Korean won)	December 31, 2013			
	Level 1	Level 2	Level 3	Total balance
Derivatives	-	40,552	-	40,552
Available-for-sale financial assets ¹	5,656,806	1,188,498	493,378	7,338,682
Total assets	5,656,806	1,229,050	493,378	7,379,234
Derivatives	-	244,172	-	244,172
Total liabilities	-	244,172	-	244,172

¹ Amount measured at cost (September 30, 2014: ₩415,225 million, December 31, 2013: ₩388,225 million) is excluded as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

The levels of the fair value hierarchy and its application to financial assets and liabilities are described below.

- Level 1: Quoted market prices (unadjusted) for identical assets or liabilities
- Level 2: Fair valuation based on inputs that are observable in the market
(Other than quoted prices included within level 1)
- Level 3: Fair valuation based on inputs that are unobservable in the market

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 are listed equity investments classified as trading securities or available-for-sale financial assets.

The fair value of financial instruments that are not traded on an active market (for example, over-the-counter derivatives) is determined using valuation methods. These valuation methods maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The Company performs the fair value measurements required for financial reporting purposes, including level 3 fair values and discusses valuation processes and results at least once every quarter in line with the Company's quarterly reporting dates. The Company's policy is to recognize transfers between levels at the end of the reporting period, if corresponding events or changes in circumstances have occurred.

Specific valuation methods used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of foreign exchange forward contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value.

Other methods, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments. For trade and other receivables, the book value approximates a reasonable estimate of fair value.

- Valuation methods and the inputs

- The Company utilizes a present value method to discount future cash flows at a proper interest rate for corporate bonds, government and public bonds, and bank debentures that are classified as Level 2 in the fair value hierarchy.
- The following table presents the valuation methods and the inputs used for major financial instruments classified as Level 3.

(In millions of Korean won)

Classification	Fair Value	Valuation Technique	Level 3 Inputs	Input Range (Weighted Average)
Long-term available-for-sale financial assets				
Samsung Petrochemical	80,347	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 6.37% ~ 8.37% (7.37%)
Samsung General Chemicals	80,653	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.01% ~ 9.01% (8.01%)
Taewon Electric	17,072	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 6.06% ~ 8.06% (7.06%)
Pantech	53,053	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 8.81% ~ 10.81% (9.81%)
Samsung Venture Investment	7,021	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.69% ~ 9.69% (8.69%)
Coming Incorporated convertible preferred stock	2,625,324	Trinomial model	Risk adjusted discount rate Price volatility	5.49% ~ 7.49% (6.49%) 30.90% ~ 36.90% (33.90%)
Derivatives				
Embedded derivatives (convertible bonds)	2,471	Binomial model	Discount rate Stock price volatility	5.50% ~ 10.90% (7.74%) 10.26% ~ 16.83% (13.30%)

-Changes in Level 3 instruments:

(In millions of Korean won)	2014	2013
Balance as of January 1	493,378	389,195
Purchases	2,498,800	131,151
Disposals	(10,871)	(15,067)
Amount recognized in profit or loss	(14,518)	(5,129)
Amount recognized in other comprehensive income	192,453	5,798
Other	(41,731)	6,722
Balance as of September 30	3,117,511	512,670

- Sensitivity analysis for recurring fair value measurements categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or most unfavorable.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument, which is categorized within Level 3 and subject to sensitivity analysis, are as follows:

(In millions of Korean won)	Favorable Changes		Unfavorable Changes	
	Profit or Loss	Equity	Profit or Loss	Equity
Long-term available for sale financial assets ¹	-	278,243	-	(202,701)
Embedded derivatives (convertible bonds) ²	469	469	(482)	(482)
Total	469	278,712	(482)	(203,183)

¹ Changes in fair value are calculated by increasing or decreasing the correlation between volatility (30.90 to 36.90%) and discount rate for convertible preferred stock. Similarly, for other equity securities, changes in fair value are calculated with the correlation between growth ratio (-1% to 1%) and discount rate, which are significant unobservable inputs.

² For equity derivatives, changes in their fair value are calculated by increasing or decreasing the correlation between stock prices and volatility by 10%.

E. Tangible Assets

No valuations were performed on tangible assets during the reporting period.