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SAMSUNG MOBILE



Investor Presentation

2017

Content

BUSINESS HIGHLIGHTS

MOBILE MARKET OPPORTUNITIES

SAMSUNG STRATEGY

KEY TAKEAWAYS

2016 FINANCIAL SUMMARY

Earnings results*

(trillion won)

100.3
Sales

10.8
Operating profit

11%
Operating profit Margin

2016 FINANCIAL SUMMARY

Global number 1



Global market share*



Smartphone

21%

(# 1 since 2011)

Flagship sales record: Galaxy S7 and S7 edge

(Sales of the flagship model during the year it was released)

BUSINESS ACCOMPLISHMENTS

Contents & service business expansion

Global expansion of Samsung Pay



Active acquisition of emerging technology



BUSINESS ACCOMPLISHMENTS

Enhanced product portfolio



Expanding high-end features to mid-end smartphones
(metal casing, water/dust proof, fast charging)



Streamlining mass smartphone portfolio



Content

BUSINESS HIGHLIGHTS

MOBILE MARKET OPPORTUNITIES

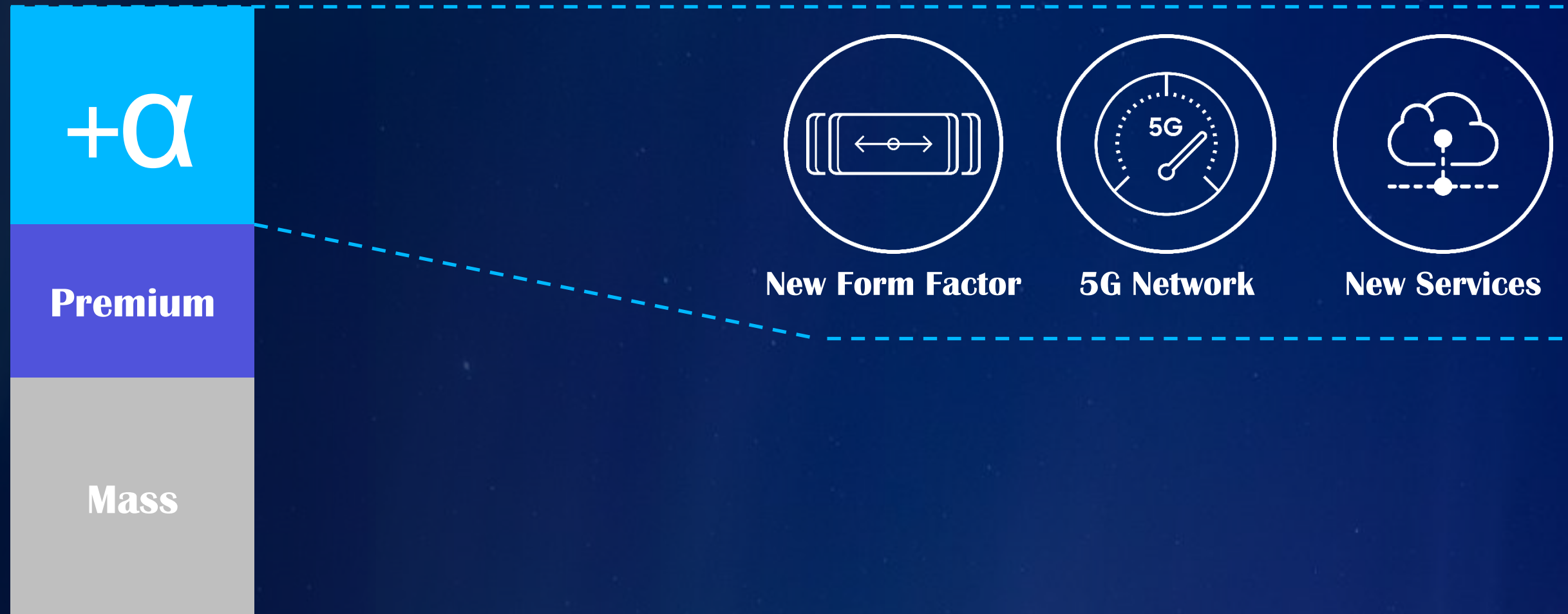
SAMSUNG STRATEGY

KEY TAKEAWAYS

SMARTPHONE GROWTH : PREMIUM MARKET

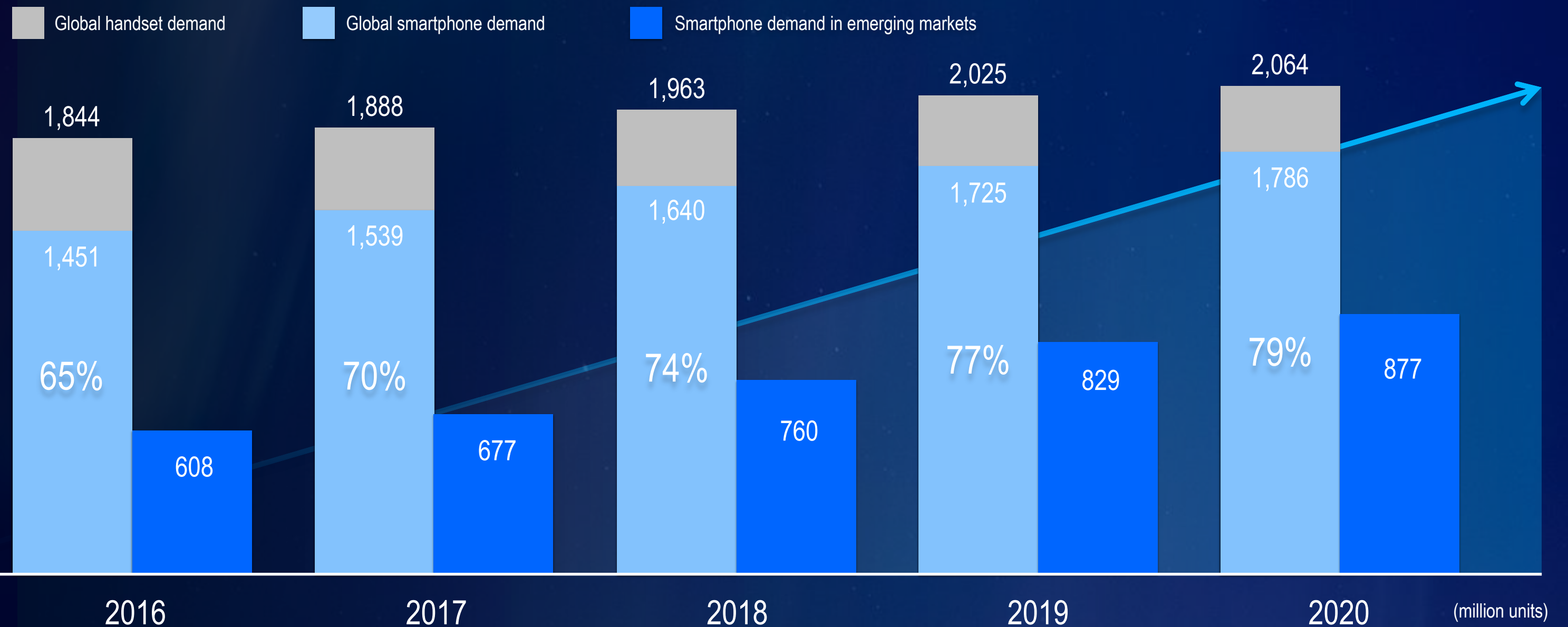
Create premium market demand with new technologies and services

Market Forecasts



SMARTPHONE GROWTH : MASS MARKET

Low penetration in emerging markets will drive further growth



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BUSINESS HIGHLIGHTS

MOBILE MARKET OPPORTUNITIES

SAMSUNG STRATEGY

KEY TAKEAWAYS

SAMSUNG STRATEGY

Well-balanced business portfolio



Core competencies

PRODUCT LEADERSHIP IN PREMIUM SMARTPHONES



**Leading industry with
new form factors**

(AMOLED, curved OLED,
dual-edge, infinity display)



**Innovative product
features
including camera and
sensor technology**

(dual-pixel, fingerprint recognition, iris
recognition, face recognition)



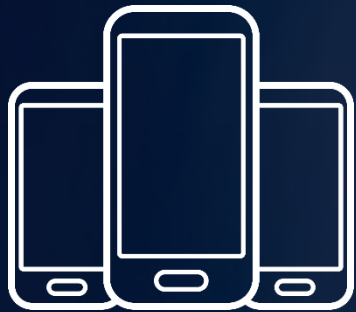
**Enhancing product
design and usability**

(water/dust-proof functionalities,
metal casing, wireless charging)



Pursue relentless innovation for premium smartphone experience

EFFICIENCY IN MASS SMARTPHONES



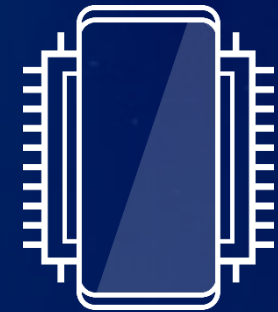
**Streamlining mass
smartphone portfolio**

(Galaxy A series, J series)



**Improving R&D and
production efficiency**

(expanding common use of key components)



**Expanding high-end features
to mid-end smartphones**

(metal casing, water/dust proof,
fast charging)



Pursue both shipment and profitability in mass smartphones category

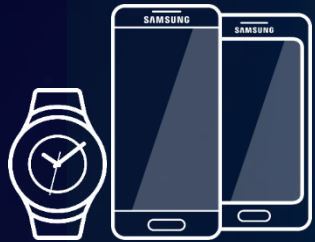
WEARABLES & ACCESSORIES



**Diverse wearable and accessory products
to create holistic mobile experiences**

(smartwatches, fitness bands, VR, smartphone cases, wireless charging, and audio-related devices)

MOBILE ENTERPRISE PORTFOLIO



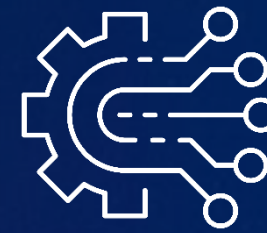
Products

- Enterprise device program
- Security maintenance release
- Wide range of product portfolio



Software, Application

- Security
- Productivity
- Manageability
- Vertical solution



Implementation, service

- Expertise
- Customization
- Global partnerships



Support

- Warranty
- Mobile Carepack



An end-to-end integrated solution


CONTENTS, SERVICE & SOFTWARE




Security
SAMSUNG **Knox**



Payment
SAMSUNG **pay**



Cloud
+ Joyent



Artificial Intelligence
VIV



Customer Lock-in

+

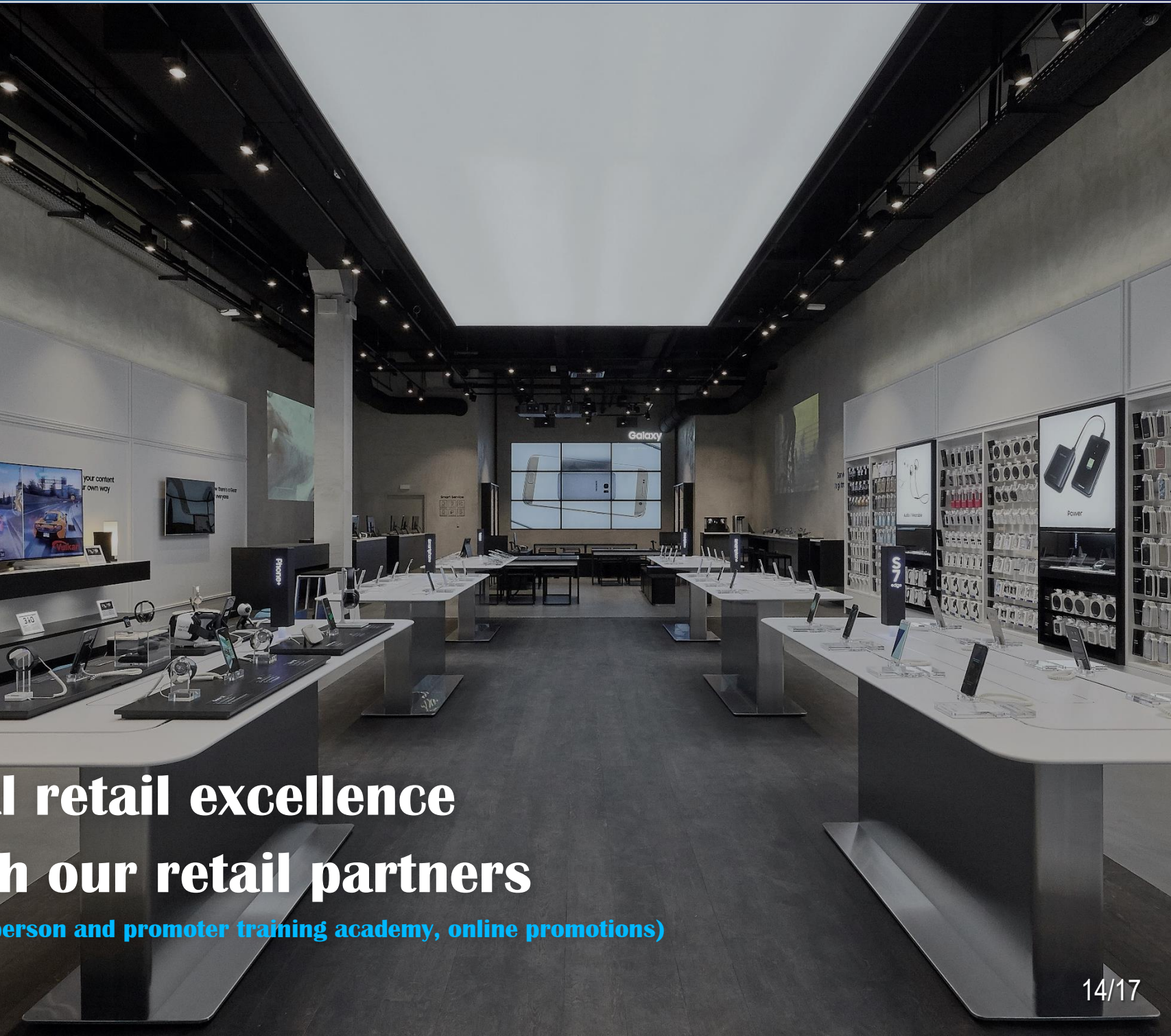
New Business Opportunities

BRAND LEADERSHIP



**Establishing premium brand
by developing an emotional engagement with our customers
through providing a whole new world of experiences**

RETAIL EXCELLENCE



**Achieving global retail excellence
by cooperating with our retail partners**

(enhanced shop display and experiencing zone, salesperson and promoter training academy, online promotions)

OPERATIONAL EXCELLENCE

Global SCM



**Global
Production Sites**



**Global
Sales Network**



**Numerous
Partners**



**Sell-out
based Operation**



Speed



Efficiency

Strengthening the world's best SCM competency

NEW BUSINESS OPPORTUNITIES

Create new business opportunities with emerging technologies



M-commerce

(shopping experience not confined by time or location)



Artificial Intelligence

(interface and ecosystem that supports our customers to connect with various devices and technology)



Healthcare

(remote patient monitoring and medical service, fitness and wellness-related services)



Cloud / IoT

(seamless experience that provides more value to our customers)



5G

(new generation of devices and services)

New Business

Content

BUSINESS HIGHLIGHTS

MOBILE MARKET OPPORTUNITIES

SAMSUNG STRATEGY

KEY TAKEAWAYS

KEY TAKEAWAYS

- ✓ **Lead the market with product innovation and differentiation in both H/W and S/W**
- ✓ **Sustain business growth & profitability with a well-balanced product & service portfolio**
- ✓ **Reinforce our brand leadership, retail experience and operational excellence**
- ✓ **Creating new business opportunities with emerging technologies**