



SAMSUNG ELECTRONICS Co., Ltd.
Interim Business Report
For the quarter ended March 31, 2015

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.

See, also, 『Note on Forward-Looking Statements』 in preamble of 『II. Business Overview』.

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Certification

Letter of Certification

We, Oh-Hyun Kwon and Sang-Hoon Lee, respectively, as CEO and director of the company in charge of reporting, certify that we have reviewed the annual business report of Samsung Electronics Co., Ltd. for the quarter ended March 31, 2015.

To 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.

To 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: 2015. 5. 29

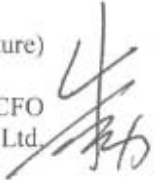
Oh-Hyun Kwon

(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, and 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. following a the resolution passed at the Annual General Meeting of Shareholders on February 28, 1984.

C. Address, Phone Number, and English Language 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 separately manages three independent self-determining divisions (each a “**Division**”), CE (Consumer Electronics), IM (Information Technology & Mobile Communications), and DS (Device Solutions).

Products in each Division are presented below:

Division	Products
CE	TV, 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 161 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 enhanced value propositions.

TV is the core product of CE. The Company has maintained its market leadership position for the past nine (9) consecutive years by leveraging competitive advantages in hardware such as LCD and LED TVs as well as software driven product features within our Smart TV product portfolio.

[IM Division]

The IM Division is leading mobile lifestyle innovation with consumer-friendly products such as the premium ‘GALAXY’ branded series of smartphones and tablets, 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 seamless integration of key features from various product categories.

In addition to handheld phone (“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 the semiconductor sub-division and the display panel business. The semiconductor sub-division (“Semiconductor Sub-Division”) is further divided into the memory business and system LSI business. The Company’s memory business unit (“Memory” or “Memory Business Unit”) manufactures and sells DRAM and NAND products. The Company’s system LSI business unit (“System LSI”) manufactures mobile application processors (“Mobile APs” or “APs”) and various sensors including CMOS imaging sensors (“CIS”). The display business (“DP Business Unit”) through its Samsung Display subsidiary, manufactures and sells display panels (“DP”), including TFT-LCDs and OLEDs.

The Memory Business Unit produces differentiated products and has maintained the number one position in the global memory market by continuously applying the latest advanced process technology ahead of the competition with each technological iteration. System LSI is leading the industry shift from PCs to mobile. The Company’s DP Business Unit is leading the market with technological innovations and investment resulting in superior quality and cost competitiveness in TFT-LCDs and by increasing the application of OLED panels in various IT products.

☞ See 『II. Businesses Overview』, for more details about each Division.

F. Affiliates

The Company is an affiliate of the Samsung group as defined under Korea’s Monopoly Regulation and Fair Trade Act (“Samsung Group”).

As of March 31, 2015, Samsung Group had a total of sixty-seven (67) domestic affiliates, reduction of two (2) affiliates (RAY, Songdo Land Mark City) when compared to December 31, 2014. Among the Samsung Group’s sixty seven (67) domestic affiliates, eighteen (18) affiliates including Samsung Electronics are listed, and forty-nine (49) affiliates are unlisted.

[As of March 31, 2015]

	No. of affiliates	Name of affiliates
Listed	18	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, Cheil Industries, Samsung SDS, CREDU
Unlisted	49	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, Allat., SECUI, Open Tide Korea, Samsung Futures, Samsung Venture Investment Corporation, Samsung Asset Management, Saengbo, SD Flex, Samsung Claim Adjustment Service, Samsung Fire & Marine Insurance Service, Suwon Samsung Bluewings FC, S-Core, Human TSS, 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, Samsung Welstory, Jeongahm Wind Power, Samsung SGL Carbon Composite Materials, Samsung Card Customer Service, Seoul Lakeside CC, Shilla Stay, Samoo Architects & Engineers
Total	67	

See 『IX. Corporate Governance and Affiliates』 for more details about domestic and overseas affiliates.

G. Subsidiaries Subject to Consolidated Financial Statements

As of March 31, 2015, Samsung Electronics' consolidated subsidiaries totaled 161 with the addition of seven(7) newly established and acquired subsidiaries and the subtraction of four(4) subsidiaries through mergers, dispositions or other reorganization, when compared to December 31, 2014. Below is the list of consolidated subsidiaries.

(Unit: KRW million)

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2014 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics America Inc.	1978.07	Sale of electronic goods	10,697,787	Over 50%	Y
Samsung Receivables Corporation	1998.03	Receivable management	3,527,023	Over 50%	Y
Samsung Semiconductor Inc.	1983.07	Sale of semiconductors and display panels	7,577,935	Over 50%	Y
Samsung Electronics Canada Inc.	1980.07	Sale of electronic goods	529,348	Over 50%	Y
Samsung Research America, Inc	1988.10	R&D	238,690	Over 50%	Y
Grandis, Inc.	2002.06	R&D	107,943	Over 50%	Y
Samsung International Inc.	1983.10	Production of TVs and monitors	33,506	Over 50%	N
Samsung Mexicana S.A. de C.V	1988.03	Production of electronic goods	871,462	Over 50%	Y
Samsung Austin Semiconductor LLC.	1996.02	Production of semiconductors	6,503,003	Over 50%	Y
Samsung Electronics Mexico S.A. De C.V.	1995.07	Sale of electronic goods	795,138	Over 50%	Y
SEMES America Inc.	1998.10	Semiconductor equipment	717	Over 50%	N
Samsung Electronics Digital Appliance Mexico, SA de CV	2012.12	Production of electronic goods	443,745	Over 50%	Y
Samsung Electronics Latinoamerica Miami, Inc.	1995.05	Sale of electronic goods	126,017	Over 50%	Y
Nvelo, Inc.	2010.05	Software	1,774	Over 50%	N
Samsung Electronics Latinoamerica (Zona Libre)	1989.04	Sale of electronic goods	347,502	Over 50%	Y
Samsung Electronics Venezuela, C.A.	2010.05	Marketing and services	8,344	Over 50%	N
Samsung Electronica Colombia S.A.	1997.03	Sale of electronic goods	287,792	Over 50%	Y
Samsung Electronics Panama. S.A.	2012.07	Consulting	8,973	Over 50%	N
Samsung Electronica da Amazonia Ltda.	1994.10	Production and sale of electronic goods	4,174	Over 50%	N
Samsung Electronics Argentina S.A.	1996.06	Marketing and services	52,003	Over 50%	N
Samsung Electronics Chile Limitada	2002.12	Sale of electronic goods	262,414	Over 50%	Y
Samsung Electronics Peru S.A.C.	2010.04	Sale of electronic goods	199,308	Over 50%	Y
Samsung Electronics (UK) Ltd.	1995.07	Sale of electronic goods	1,235,239	Over 50%	Y
Samsung Electronics(London) Ltd.	1999.01	Holding company	7,515	Over 50%	N
Samsung Electronics Holding GmbH	1982.02	Holding company	840,716	Over 50%	Y
Samsung Semiconductor Europe GmbH	1987.12	Sale of semiconductors and display panels	1,186,942	Over 50%	Y
Samsung Electronics GmbH	1984.12	Sale of electronic goods	1,142,897	Over 50%	Y
Samsung Electronics Iberia, S.A.	1989.01	Sale of electronic goods	665,617	Over 50%	Y
Samsung Electronics France S.A.S	1988.01	Sale of electronic goods	1,031,342	Over 50%	Y
Samsung Electronics Hungarian Private Co. Ltd.	1989.10	Production and sale of electronic goods	1,287,972	Over 50%	Y

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2014 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Czech and Slovak s.r.o.	2010.01	Sale of electronic goods	153,708	Over 50%	Y
Samsung Electronics Italia S.P.A.	1991.04	Sale of electronic goods	759,637	Over 50%	Y
Samsung Electronics Europe Logistics B.V.	1991.05	Logistics	1,621,583	Over 50%	Y
Samsung Electronics Benelux B.V.	1995.07	Sale of electronic goods	1,207,723	Over 50%	Y
Samsung Display Slovakia s.r.o.	2007.03	Display panel processing	225,826	Over 50%	Y
Samsung Electronics Romania LLC	2007.09	Sale of electronic goods	153,259	Over 50%	Y
Samsung Electronics Polska, SP.Zo.o	1996.04	Sale of electronic goods	419,043	Over 50%	Y
Samsung Electronics Portuguesa S.A.	1982.09	Sale of electronic goods	136,282	Over 50%	Y
Samsung Electronics Nordic Aktiebolag	1992.03	Sale of electronic goods	467,393	Over 50%	Y
Samsung Nanoradio Design Center	2004.02	R&D	21,112	Over 50%	N
Samsung Semiconductor Europe Ltd.	1997.04	Sale of semiconductors and display panels	104,308	Over 50%	Y
Samsung Electronics Austria GmbH	2002.01	Sale of electronic goods	290,346	Over 50%	Y
Samsung Electronics Slovakia s.r.o	2002.06	Production of TVs and monitors	1,869,697	Over 50%	Y
Samsung Electronics Europe Holding Cooperatief U.A.	2008.10	Holding company	7,022,746	Over 50%	Y
Samsung Electronics Poland Manufacturing SP.Zo.o	2010.02	Production of home appliances	331,949	Over 50%	Y
Samsung Electronics Greece S.A.	2010.04	Sale of electronic goods	84,289	Over 50%	Y
Nanoradio Hellas AE	2007.11	R&D	21,112	Over 50%	N
Samsung Denmark Research Center ApS	2012.09	R&D	21,408	Over 50%	N
Samsung France Research Center SARL	2012.10	R&D	21,275	Over 50%	N
Samsung Cambridge Solution Centre Limited	2012.09	R&D	130,113	Over 50%	Y
Samsung Electronics Baltics SIA	2001.10	Sale of electronic goods	52,840	Over 50%	N
Samsung Electronics Overseas B.V.	1997.01	Sale of electronic goods	176,271	Over 50%	Y
Samsung Electronics Rus LLC	1999.03	Marketing	8,067	Over 50%	N
Samsung Electronics Rus Company LLC	2006.10	Sale of electronic goods	796,220	Over 50%	Y
Samsung Electronics Ukraine LLC	2004.01	Marketing	3	Over 50%	N
Samsung Electronics Ukraine Company LLC	2008.09	Sale of electronic goods	254,000	Over 50%	Y
Samsung R&D Institute Rus LLC	2011.11	R&D	10,048	Over 50%	N
Samsung Electronics Kazakhstan LLP	2006.07	Marketing	1,046	Over 50%	N
Samsung Electronics Central Eurasia LLP	2008.09	Sale of electronic goods	154,438	Over 50%	Y
Samsung Electronics Rus Kaluga LLC	2007.07	Production of TVs	785,584	Over 50%	Y
Samsung Russia Service Centre LLC	1997.11	Service	29,243	Over 50%	N
Samsung Electronics West Africa	2010.03	Marketing	59,933	Over 50%	N
Samsung Electronics East Africa	2011.12	Marketing	32,929	Over 50%	N
Samsung Gulf Electronics Co., Ltd.	1995.05	Sale of electronic goods	921,338	Over 50%	Y
Samsung Electronics Egypt S.A.E	2012.07	Production and sale of electronic goods	512,426	Over 50%	Y

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2014 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics Israel Ltd.	2012.09	Marketing	4,724	Over 50%	N
Samsung Electronics Tunisia S.A.R.L	2012.09	Marketing	2,129	Over 50%	N
Samsung Electronics Pakistan(Private) Ltd.	2012.11	Marketing	1,943	Over 50%	N
Samsung Electronics South Africa(Pty) Ltd.	1994.06	Sale of electronic goods	712,489	Over 50%	Y
Samsung Electronics Turkey	1984.12	Sale of electronic goods	563,363	Over 50%	Y
Samsung Semiconductor Israel R&D Center Ltd.	2007.10	R&D	30,036	Over 50%	N
Samsung Electronics Levant Co.,Ltd.	2009.07	Sale of electronic goods	508,983	Over 50%	Y
Samsung Electronics Morocco SARLAU	2009.11	Sale of electronic goods	92,576	Over 50%	Y
Samsung Japan Corporation	1975.12	Sale of electronic goods	831,649	Over 50%	Y
Samsung R&D Institute Japan Co. Ltd	1992.08	R&D	160,614	Over 50%	Y
Samsung Electronics Japan Co., Ltd.	2008.09	Sale of electronic goods	612,675	Over 50%	Y
Samsung Electronics Display (M) Sdn. Bhd.	1995.03	Production and sale of electronic goods	278,239	Over 50%	Y
Samsung Electronics (M) Sdn. Bhd.	1989.09	Production of home appliances	129,214	Over 50%	Y
Samsung Vina Electronics Co., Ltd.	1995.01	Production and sale of electronic goods	219,356	Over 50%	Y
Samsung Asia Private Ltd.	2006.07	Sale of electronic goods	3,110,433	Over 50%	Y
Samsung India Electronics Private Ltd.	1995.08	Production and sale of electronic goods	2,949,605	Over 50%	Y
Samsung R&D Institute India-Bangalore Private Ltd.	2005.05	R&D	190,104	Over 50%	Y
Samsung Electronics Australia Pty. Ltd.	1987.11	Sale of electronic goods	437,351	Over 50%	Y
PT Samsung Electronics Indonesia	1991.08	Production and sale of electronic goods	806,451	Over 50%	Y
PT Samsung Telecommunications Indonesia	2003.03	Sale of telecom systems and services	17,850	Over 50%	N
Thai Samsung Electronics Co., Ltd.	1988.10	Production and sale of electronic goods	1,654,988	Over 50%	Y
Samsung Electronics Philippines Corporation	1996.03	Sale of electronic goods	126,256	Over 50%	Y
Samsung Malaysia Electronics (SME) Sdn. Bhd.	2003.05	Sale of electronic goods	328,645	Over 50%	Y
Samsung R&D Institute BanglaDesh	2010.08	R&D	7,590	Over 50%	N
Samsung Electronics Vietnam Co., Ltd.	2008.03	Production of electronic goods	6,553,628	Over 50%	Y
Samsung Telecommunications Malaysia Sdn. Bhd.	2009.08	Sale of telecom systems and services	1,170	Over 50%	N
Samsung Display Dongguan Co., Ltd.	2001.11	Display panel production	1,101,846	Over 50%	Y
Samsung Display TianJin Co., Ltd.	2004.06	Display panel production	836,806	Over 50%	Y
Samsung Electronics Hong Kong Co., Ltd.	1988.09	Sale of electronic goods	984,732	Over 50%	Y
Suzhou Samsung Electronics Co., Ltd.	1995.04	Production of home appliances	689,430	Over 50%	Y
Samsung Suzhou Electronics Export Co., Ltd.	1995.04	Production of home appliances	370,904	Over 50%	Y
Samsung (CHINA) Investment Co., Ltd.	1996.03	Sale of electronic goods	9,603,679	Over 50%	Y
Samsung Mobile R&D Center, China-Guangzhou	2010.01	R&D	43,117	Over 50%	N
Samsung Tianjin Mobile Development Center	2010.08	R&D	22,927	Over 50%	N
Samsung Electronics Suzhou Semiconductor Co., Ltd.	1994.12	Semiconductor processing	749,914	Over 50%	Y

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2014 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Electronics (Shandong) Digital Printing Co., Ltd.	1993.03	Production of printers	777,128	Over 50%	Y
Samsung Electronics Huizhou Co., Ltd.	1992.12	Production of electronic goods	4,966,486	Over 50%	Y
Tianjin Samsung Electronics Co., Ltd.	1993.04	Production of TV and monitors	933,487	Over 50%	Y
Samsung Electronics Taiwan Co., Ltd.	1994.11	Sale of electronic goods	1,583,027	Over 50%	Y
Beijing Samsung Telecom R&D Center	2000.09	R&D	55,424	Over 50%	N
Tianjin Samsung Telecom Technology Co., Ltd.	2001.03	Production of telecom products	2,316,054	Over 50%	Y
Shanghai Samsung Semiconductor Co., Ltd.	2001.10	Sale of semiconductor and display panels	2,560,852	Over 50%	Y
Samsung Electronics Suzhou Computer Co., Ltd.	2002.09	Production of electronic goods	812,755	Over 50%	Y
Samsung Display Suzhou Co., Ltd.	2002.09	Display panel processing	550,429	Over 50%	Y
Samsung Suzhou LCD Co., Ltd.	2011.07	Display panel production	1,831,794	Over 50%	Y
Shenzhen Samsung Electronics Telecommunication Co., Ltd.	2002.02	Sale of telecom products	146,482	Over 50%	Y
Samsung Electronics Shanghai Telecommunication Co., Ltd.	2001.11	Sale of telecom and network products	124	Over 50%	N
Samsung Semiconductor (China) R&D Co., Ltd.	2003.04	R&D	20,548	Over 50%	N
Samsung Electronics China R&D Center	2004.05	R&D	30,629	Over 50%	N
Samsung (China) Semiconductor Co., Ltd.	2012.09	Semiconductor production	6,765,278	Over 50%	Y
Samsung Electronics (Beijing) Service Company Ltd.	2005.01	Services	163,455	Over 50%	Y
Tianjin Samsung LED Co., Ltd.	2009.05	LED production	411,558	Over 50%	Y
Tianjin Samsung Opto-Electronics Co., Ltd.	1994.02	Camera/camcorder production	177,394	Over 50%	Y
Samsung Display	2012.04	Display panel sales and production	37,939,965	Over 50%	Y
SU Materials	2011.08	Display panel component production	21,978	Over 50%	N
STECO	1995.06	Semiconductor component production	93,819	Over 50%	Y
SEMES	1993.01	Semiconductor/FPD manufacturing equipment	692,721	Over 50%	Y
Samsung Electronics Service	1998.10	Electronics goods repair services	330,185	Over 50%	Y
Samsung Electronics Sales	1996.07	Sales of electronic goods	603,933	Over 50%	Y
Samsung Electronics Logitech	1998.04	Total logistics services	150,390	Over 50%	Y
SVIC #6 Venture Capital Union	2005.07	Investment in venture firms and new technologies	42,633	Over 50%	N
SVIC #14 Venture Capital Union	2009.05	Investment in venture firms and new technologies	57,146	Over 50%	N
SVIC #20 Venture Capital Union	2011.03	Investment in venture firms and new technologies	26,858	Over 50%	N
SVIC #21 Venture Capital Union	2011.11	Investment in venture firms and new technologies	130,290	Over 50%	Y
SVIC #22 Venture Capital Union	2011.11	Investment in venture firms and new technologies	145,501	Over 50%	Y
SVIC #23 Venture Capital Union	2012.10	Investment in venture firms and new technologies	34,843	Over 50%	N
Hi Pioneer Private Securities Investment Trust 1	2011.08	Investment in venture firms and new technologies	19,179	Over 50%	N
Samsung Medison	1985.07	Medical equipment	326,260	Over 50%	Y
SonoAce Deutschland GmbH	2001.10	Medical equipment	113	Over 50%	N
Samsung Medison Shanghai Medical Instrument Co., Ltd.	1992.11	Medical equipment	10,639	Over 50%	N

Name of Subsidiaries	Date of Establishment	Major business	Dec 31, 2014 Assets	% ownership	Classified as major subsidiary (Y/N)
Samsung Medison India Private Ltd.	2009.01	Medical equipment	32	Over 50%	N
NexusDX Inc.	2009.07	Medical equipment	15,470	Over 50%	N
NeuroLogica Corp.	2004.02	Medical equipment	199,807	Over 50%	Y
Samsung Electronics Vietnam THANGUYEN Co., Ltd.	2013.03	Production of telecom products	3,957,700	Over 50%	Y
Samsung R&D Institute China-Shenzhen (formerly Samsung Network R&D Center, China-Shenzhen)	2013.03	R&D	12,770	Over 50%	N
Samsung Electronics Switzerland GmbH	2013.05	Sale of electronic goods	133,921	Over 50%	Y
Samsung R&D Institute China-Xian	2013.07	R&D	9,306	Over 50%	N
SEMES (XIAN) Co., Ltd.	2013.07	Semiconductor equipment	538	Over 50%	N
Samsung Electronics New Zealand Limited	2013.09	Sale of electronic goods	70,253	Over 50%	N
RT SV CO-INVEST, LP	2014.02	Investment in venture firms	13,046	Over 50%	N
Samsung Display Bac Ninh	2014.07	Display panel production	128,662	Over 50%	Y
Samsung Electronics South Africa Production (pty) Ltd.	2014.07	Production of TV and monitors	18,735	Over 50%	N
Quietside LLC	2001.07	Sale of Air-conditioner	15,581	Over 50%	N
SmartThings, Inc.	2012.04	Sale of smart-home devices	196,910	Over 50%	Y
PrinterOn Inc.	2000.04	Sale of printing solutions	7,271	Over 50%	N
PrinterOn America Corporation	1986.04	Sale of printing solutions	22	Over 50%	N
PrinterOn Europe Limited	2013.11	Sale of printing solutions	45	Over 50%	N
SVIC #27 Venture Capital Union	2014.09	Investment in venture firms and new technologies	5,898	Over 50%	N
Samsung Electronics Caucasus Co., Ltd.	2014.10	Marketing	2,418	Over 50%	N
SVIC #26 Venture Capital Union	2014.11	Investment in venture firms and new technologies	20,057	Over 50%	N
Simpres Comercio, Locacao e Servicos S.A.	2005.02	Sale of printing solutions	133,442	Over 50%	Y
Samsung Electronics HCMC CE Complex Co. Ltd.,	2015.02	Production of CE goods	0	Over 50%	N
LoopPay, Inc.	2006.03	Develop and service mobile payment	16,821	Over 50%	N
Beijing Integrated Circuit Industry International Fund, L.P	2014.12	Investment in venture firms	0	Over 50%	N
SVIC #28 Venture Capital Union	2015.02	Investment in venture firms and new technologies	0	Over 50%	N
YESCO Electronics LLC	2007.10	LED display panel production and sales	37,701	Over 50%	N

* Companies with over KRW75 billion in total assets as of December 31, 2014, are classified as major subsidiaries.

* See 『II. Businesses Overview』 for additional information about major business segments.

(Changes in Subsidiaries)

	AMER	Europe/ MEA/ CIS	Asia	China	Domestic	Total	Increase	Decrease
Dec 31, 2012	30	61	23	32	20	166		
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>
Dec 31, 2014	30	56	22	32	18	158	<p>[Domestic : 2] SVIC #26 Venture Capital Union SVIC #27 Venture Capital Union</p> <p>[America: 6] RT SV CO-INVEST, LP, Quietside LLC, SmartThings, Inc., PrinterOn Inc., PrinterOn America Corporation, 1397011 Ontario Ltd.</p> <p>[Europe/MEA/CIS: 3] PrinterOn Europe Limited, Samsung Electronics South Africa Production(pty) Ltd., Samsung Electronics Caucasus Co., Ltd.</p> <p>[Asia : 1] Samsung Display Bac Ninh</p>	<p>[Domestic: 2] Samsung Blue Wings, World Cyber Games</p> <p>[America: 1] 1397011 Ontario Ltd.</p> <p>[Europe: 2] Samsung Medison Europe B.V Nanogen Recognomics GmbH</p> <p>[Asia: 1] Medison Medical Systems India Private Ltd.</p> <p>[China: 1] Medison Medical Equipment Shanghai Co., Ltd..</p>
Mar 31, 2015	33	56	23	31	18	161	<p>[Domestic : 1] SVIC #28 Venture Capital Union SVIC #27 Venture Capital Union</p> <p>[America: 5] Simpres Comercio, Locacao e Servicos S.A., LoopPay, Inc., YESCO Electronics LLC, Paymate Global, Inc. Beijing Integrated Circuit Industry International Fund, L.P.</p> <p>[Asia : 1] Samsung Electronics HCMC CE Complex Co. Ltd.</p>	<p>[Domestic: 1] RAY</p> <p>[America: 2] Samsung Telecommunications America LLC., Paymate Global, Inc.</p> <p>[China: 1] Samsung Electronics Hainan Fiberoptics Co.,Ltd</p>

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

H. Credit Rating

The Company's credit rating is assessed by two external credit ratings agencies. As of March 31, 2015, the Company's credit ratings are: A1 and investment outlook is stable, as rated by Moody's; and A+ and investment outlook is stable, as rated by S&P.

Date	Securities	Ratings	Credit Rating Agency	Rating Range	Note
'13.08	Corporate bond	A+	S&P (USA)	(AAA ~ D)	Annual Review
'13.12	Corporate bond	A1	Moody's (USA)	(Aaa ~ C)	
'14.08	Corporate bond	A+	S&P (USA)	(AAA ~ D)	
'14.10	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)

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%), a subsidiary of SEA
2014.01.15	Disposed of stocks of Samsung Corning Precision Materials, a subsidiary of Samsung Display Purchased convertible preferred stocks from Corning Incorporated
2014.08.18	Acquired shares of SmartThings (100%), a subsidiary of SEA
2015.01.01	Merged with STA(Samsung Telecommunications America LLC), a subsidiary of SEA
2015.02.23	Acquired shares of LoopPay (100%), a subsidiary of SEA

(Important Changes in Management Executives)

Following the annual general meeting of shareholders on March 16, 2012, of the three Executive Directors with expiring 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 the three Independent Directors with expiring 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, Oh-Hyun Kwon succeeded Gee-Sung Choi as CEO.

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, the Company appointed Executive Directors Boo-Keun Yoon and Jong-Kyun Shin as CEOs to serve alongside incumbent CEO Oh-Hyun Kwon as co-CEOs.

On March 13, 2015, Executive Director Oh-Hyun Kwon and Independent Directors Han-Joong Kim and Byeong-Gi Lee were reappointed at the annual general meeting of shareholders.

As of March 31, 2015, (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 converted to a team unit and 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 organized into a team unit, and then was integrated with the Mobile business. No further changes have been made as of March 31, 2015.

[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 Shares

The total number of authorized shares according to the articles of incorporation is 500,000,000 (par value per share: KRW 5,000). As of March 31, 2015, the Company has issued 147,299,337 shares of registered common stock and 22,833,427 shares of registered preferred stock without voting rights (excluding canceled shares). The Company has canceled 8,310,000 shares of common stock and 1,060,000 shares of preferred stock. As of March 31, 2015, the number of floating common stock is 129,312,651 shares and the number of floating preferred stock is 19,603,734 shares, excluding treasury shares (of 17,986,686 shares of common stock and 3,229,693 shares of preferred stock).

[As of March 31, 2015]

(Unit: shares)

Classification	Type of Stocks			Note
	Common	Preferred	Total	
I. Number of authorized shares	400,000,000	100,000,000	500,000,000	-
II. Number of shares issued	155,609,337	23,893,427	179,502,764	-
III. Number of shares decreased	8,310,000	1,060,000	9,370,000	-
1. Capital Reduction	-	-	-	-
2. Number of shares canceled	8,310,000	1,060,000	9,370,000	Cancellation of treasury shares
3. Redemption of redeemable shares	-	-	-	-
4. Others	-	-	-	-
IV. Number of outstanding shares (II-III)	147,299,337	22,833,427	170,132,764	-
V. Treasury shares	17,986,686	3,229,693	21,216,379	-
VI. Number of floating shares (IV-V)	129,312,651	19,603,734	148,916,385	-

※ Shares of the Company's common stock carry voting rights but preferred stock do not carry voting rights.

B. Treasury Shares

In the first quarter of 2015, Samsung Electronics acquired 891,945 shares of common stock and 118,750 shares of preferred stock for its treasury to enhance shareholder value. As of March 31, 2015, the Company holds 17,986,686 shares of common stock and 3,229,693 shares of preferred stock as treasury shares.

[As of March 31, 2015]

(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	17,094,741	891,945	-	-	17,986,686
	Preferred	3,110,943	118,750	-	-	3,229,693
Total	Common	17,094,741	891,945	-	-	17,986,686
	Preferred	3,110,943	118,750	-	-	3,229,693

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 March 31, 2015, the total number of outstanding preferred stock is 22,833,427 shares.

5. Voting Shares

Samsung Electronics has 147,299,337 shares of common stock outstanding, which represents 29.5% of the total number of authorized shares of 500 million (500,000,000). There are 22,833,427 shares of preferred stock outstanding (with no voting rights). The Company holds 17,986,686 shares of common stock (with no voting rights) in its treasury, and 12,506,577 shares of common stock are held by the Company's affiliates and have limited voting rights under applicable laws. Thus, the total number of shares with voting rights is 116,806,074.

[As of March 31, 2015]

(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	17,986,686	Treasury stock according to Korean Commercial Act
Shares with no voting rights according to Articles of Incorporation (C)	Preferred	22,833,427	3,229,693 shares of preferred treasury stock 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: Shares held by Samsung Life Insurance in certain special accounts
Shares with voting rights (F = A - B - C - D)	Common	116,806,074	-
	Preferred	-	-

※ Pursuant to Korea's 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 portion of the profits have been returned to shareholders by way of dividends and shareholder value has been increased through open market purchases of floating shares (share repurchase). The Company carefully considers strategic investments for sustainable growth, business performance, and cash flows in determining the level of total shareholder return.

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

(Unit: Shares / %)

Classification		2015.1Q	2014	2013
Par value per share (won)		5,000	5,000	5,000
Net profit (million won)		4,519,323	23,082,499	29,821,215
EPS (won)		30,311	153,105	197,841
Total cash dividend (million won)		-	2,999,972	2,156,969
Total stock dividend (million won)		-	-	-
Dividend payout ratio (%)		-	13.0	7.2
Cash dividend yield (%)	Common	-	1.5	1.0
	Preferred	-	1.9	1.4
Stock dividend yield (%)	Common	-	-	-
	Preferred	-	-	-
Cash dividend per share (won)	Common	-	20,000	14,300
	Preferred	-	20,050	14,350
Stock dividend per share (share)	Common	-	-	-
	Preferred	-	-	-

※ EPS denotes basic earnings per common share.

※ For further information relating to the calculation of basic EPS, see Earnings Per Share in 『3. Note to Consolidated Financial Statements』 in 『III. Financial Affairs』.

II. Businesses Overview

1. Overview

A. Business Overview by Division

In addition to our headquarters in Korea, Samsung Electronics is comprised of 161 subsidiaries across the world responsible for sales and production. There are also 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’s business Divisions are organized in a two-pronged business framework of set (brand products) and component businesses. The set business is comprised of the CE and IM Divisions, and the component business is comprised of the DS Division. The CE Division is responsible for the production and sales of TVs, monitors, printers, air conditioners and refrigerators, and the IM Division focuses on the production and sales of handheld phones (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, Mobile APs, and other semiconductor and semiconductor-related products, and the Display Panel (“DP Business Unit”) business which manufactures and sells TFT-LCD and OLED panels for TVs, monitors, notebook PCs, and mobile devices.

<Major Products by Business Division>

Business Division		Major Products
CE Division		TVs, Monitors, Printers, Air Conditioners, Refrigerators, Washing Machines, Medical Devices, etc.
IM Division		HHPs, Network Systems, Computers, Digital Cameras, etc.
DS Division	Semiconductor (Sub-Division)	DRAMs, NAND Flashes, Mobile APs, etc.
	DP Business Unit	TFT-LCDs, OLEDs, etc.

The Company maintains its corporate headquarter and eighteen (18) consolidated domestic subsidiaries in Korea.

The Company’s corporate headquarters in Korea is divided along Divisions and/or businesses, and are situated 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 143 overseas subsidiaries for product manufacturing, sales, and R&D.

In the Americas, we have 33 subsidiaries including SEA (New Jersey, United States) which is responsible for sales of set products such as HHPs, SAMEX (Tijuana, Mexico) which is responsible for manufacturing TVs, and SAS (Austin, United States) which is responsible for manufacturing semiconductor products.

In Europe, we operate 32 subsidiaries including SEUK (UK), SEF (France), SEG (Germany), and SEI (Italy). SESK (Slovakia) and SEH (Hungary) are responsible for manufacturing TVs, and SEPM (Poland) is responsible for manufacturing home appliances.

In Asia, we have 23 overseas subsidiaries, including SAPL (Singapore), SEAU (Australia), SEPCO (Philippines), and SME (Malaysia), which are responsible for regional sales. In addition, we operate numerous production sites including SEV (Vietnam) for HHPs, SDMA (Malaysia) for TVs, and SIEL (India) for both TVs and HHPs.

We operate 31 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 24 production and sales subsidiaries across Africa, the Middle East and the CIS regions.

[CE Division]

□ Industry Overview

Since the first public demonstration of a true television system in 1926 and subsequent mass production of Color TVs, technological developments have led to products such as the Trinitron CRT (1967) and the 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 (LCDs, PDPs), especially with the expansion of digital broadcasting (UK/US 1998~).

Flat panel TVs (“FPTVs”) replaced the CRT driven by 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, further innovation led to the launch of OLED and UHD TVs with high resolution as the TV market continues to evolve.

In 2015, annual global TV shipment is expected to reach 235.92 million units, an increase 0.4% from the previous year. LCD-TV shipment (including LED- TVs) is expected to be around 234.62 million units with an increase of 4.3% year-over-year, while PDP-TV shipment is expected to decline by 96.8% to 0.21 million units from the previous year (Source: Dec ‘14 Display Search).

□ Market Condition

The trend towards large-size and high-resolution screens is accelerating due to intensified competition between manufacturers. Accordingly, the market share of major manufacturers with high-quality products and brand power is increasing. In addition, as consumer demand for high-resolution and slim design increases, LED TVs, with eco-friendly LED back light units (“BLU”) which increases brightness and contrast as well as energy efficiency, has become the mainstream of the market.

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 applications (“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 commands and command gestures for convenient interaction with its proprietary Samsung Smart TVs. In 2013, the Company introduced a system that recommends TV programs based on the user’s viewing history. In 2014, as competition among TV set makers accelerated in large-screen and high definition TVs, competitive products and strong brand power have become important factors in gaining and/or maintaining market share. Going forward, we expect this trend to continue in the global TV market, and with increasing customer demand for large-screen TVs with high definition, and expect that sales of ultra-high-definition (“UHD”) TVs will continue to increase. In 2015, the Company launched SUHD TVs based on semiconductor crystal technology that expresses different colors depending on the size when electric current or light is applied.

< Market Share of the CE Division’s Main Product >

Product	2015.1Q	2014	2013
TV	22.7%	22.6%	21.6%

※ 2013 and 2014 market share data is from research agency *Display Search* (global market share in quantity). Market share as of March 31, 2015 is the Company’s estimation.

□ Business Condition

We have maintained the top position in the Flat Panel TV market (in terms of market share) for nine consecutive years since 2006. In 2014, we introduced a variety of UHD TV products, offering differentiated benefits to our customers. Samsung UHD TVs, as the next step in the evolution of TVs, not only offers superior picture quality, but also supports upcoming UHD broadcasting standards through its Evolution Kit. Also, our Curved TV products, which offer a greater sense of depth and an immersive viewing experience, made our products unique and different. Thus, we were able to solidify our leadership in the premium TV market by expanding sales of UHD and Curved TVs.

We aim to maintain our leadership in the market in 2015 by focusing on new premium products such as SUHD TVs. SUHD TVs, featuring our Nano Crystal technology, will offer superior picture quality in important material aspects including color, brightness, and contrast. Furthermore, most of our premium TV products, including SUHD TVs, will be offered as Smart TVs, and all our new Smart TV products will be equipped with: our own open-source platform, Tizen, to offer easy compatibility with other smart devices; fast and intuitive user interface for better user experience (“UX”); and customized contents and services.

[IM Division]

□ Industry Overview

A mobile phone is one of the most ubiquitous electronics devices today. As of year-end 2014, the global penetration rate was 74%. In 2015, it is expected to reach 77%. (Source: Dec '14 Strategy Analytics)

The mobile phone industry started with the first generation analogue phones in the early 1980s. It evolved to second generation digital, and to third generation mobile communication standards such as WCDMA with high-speed data transmission. Today, fourth generation mobile communication technology with ultra-high-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.

□ Market Condition

In 2015, the HHP market is expected to reach 1.9 billion units with a growth of 5% from 1.8 billion in 2014. The smartphone market is expected to increase from 1.25 billion units in 2014 to 1.4 billion units in 2015 with a growth of 12% year over year.

The tablet market is expected to reach 260 million units (6% growth rate YoY) shipped in 2015 from 250 million units in 2014. (Source: Strategy Analytics – Mobile/Smartphone: Dec '14, Tablet: Feb '15)

< Market share of the IM Division's Main Product >

Product	2015.1Q	2014	2013
HHP	22.2%	22.4%	26.8%

※ 2013 and 2014 market share data is from research agency *Strategy Analytics* (global market share in quantity).
Market share as of March 31, 2015 is the Company's estimation.

□ Business Condition

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

Going forward, the Company will continue to solidify its market leadership in premium smartphones and tablets and create consumer demand with new products (such as Galaxy S, Gear VR, and Gear Circle) and advanced features (such as flexible displays). Furthermore, we will continue to strive to strengthen the competitiveness of our strategic models to overcome unfavorable market conditions resulting from intensifying competition as more competitors enter the market with more products and lower prices. In addition, we will strive to become a company that consistently offers new value 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

In general, semiconductor is divided into memory semiconductor that stores information and system LSI (non-memory semiconductor) that logically processes information. Memory semiconductor is divided into RAM products that can be written on and read, and ROM products that can only read. RAM is called volatile memory as the information is deleted when the power is turned off. It is used for temporary loading and storage of application programs.

There are various types of system LSI products for various applications. CPUs (Central Processing Units) for PCs and servers is the biggest market. System LSI products are used in many product categories such as household electronics, telecommunications, network, and games. The Company supplies its system LSI semiconductor products for use in media players including digital TVs, DVDs, and MP3s. The company also manufactures CMOS image sensors (“CIS”) for camera phones, Mobile APs for smartphones, and other customized system LSI semiconductor products.

The semiconductor industry is cyclical by nature, and imbalances between supply and demand occur frequently. 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 smartphones, tablet PCs and servers.

□ Market Condition

Even as the overall DRAM market continues to experience oversupply, supply and demand condition in the second quarter of 2015 is expected to improve compared to the previous quarter driven by strong demand from mobile products. In particular, demand for the Company’s products is increasing as other manufacturers are experiencing delays in developing high-performance and highly reliable products. Demand for NAND is expected to increase as more NAND (in terms of gigabytes of installed memory) is included in new smartphones and the ever-increasing adoption of solid state drives(“SSDs”) continues, but supply is also expected to increase as competitors shift to finer processes.

< Market share of the Semiconductor Business’ Main Product >

Product	2015.1Q	2014	2013
DRAM	43.1%	40.9%	37.2%

※ 2013 and 2014 market share data is from research agency IDC (global market share in amount). Market share as of March 31, 2015 is the Company’s estimation.

□ Business Condition

The Company was the first to develop and produce 20nm DRAM products and also secured technology and cost competitiveness ahead of competitors. In addition, the Company is solidifying its leadership position in the DRAM market by developing differentiated 20nm products and 10nm-class DRAM. For NAND, the Company is simultaneously developing and mass producing both planar and vertical NANDs, addressing customer demand in a timely manner. In particular, the Company is entering the premium market by adding vertical NAND, with technology that is one year ahead of competitors, to high-performance SSDs. The Company is also expanding high-quality 3bit products to maximize cost competitiveness.

In 2015, the server market and the mid-to-low end mobile markets are expected to grow. As such, the Company will expand differentiated products based on advanced processes and address each market segment with diverse product lineups to continue to lead the market as the No.1 memory maker.

-DP Business Unit

□ Industry Overview

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

A 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 replacement demand for CRT monitors and high market penetration of LCD TVs.

OLED panels use organic materials which offer sharp 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 OLED displays has increased. In addition, OLED has recently made a foray into the high-end TV market.

The TFT-LCD and OLED businesses have high barriers to entry as they are capital intensive and require large-scale production to realize economies of scale. These types of businesses are generally sensitive to business fluctuations. Therefore, even if demand continuously increases, supply and demand balance tends to change regularly due to competitive investment in facilities by producers. Also, production capacity can sharply increase as producers invest in facilities contemporaneously as they compete with one another to address demand increase ahead of the competition. As such, when production capacity sharply increases, the average selling price (“ASP”) of panels may decrease. In contrast, when supply cannot meet increasing demand, ASP may increase.

□ Market Condition

In 2015, supply and demand for large-size panels is expected to be solid driven by the trend towards large-screen TVs and continued growth of UHD TVs. However, there may be excess supply due to an increase in industry capacity in the second half.

For mobile devices, 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 from new product categories such as wearable devices is also expected to increase.

< Market Share of the DP Business’ Main Product >

Product	2015.1Q	2014	2013
Display Panel	21.8%	20.9%	20.4%

※ 2013 and 2014 market share and market share as of March 31, 2015 data is from *Display Search* (global market share, large-size panel in amount).

□ Business Condition

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

For its large-size panel business, the Company plans to improve profitability through increased cost competitiveness and addressing the demand from new premium products such as UHD TVs and Curved TVs.

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	2015.1Q		2014		2013		
		Amount	Portion	Amount	Portion	Amount	Portion	
CE	Total sales	25,452,193	22.1%	124,916,892	25.3%	125,088,762	22.4%	
	Internal sales	15,195,210	22.4%	74,733,757	25.9%	74,757,247	22.7%	
	Net sales	10,256,983	21.8%	50,183,135	24.3%	50,331,515	22.0%	
	Operating profit	△135,884	△2.3%	1,184,325	4.7%	1,673,343	4.5%	
	Total asset	43,920,564	12.9%	43,116,374	12.8%	47,183,953	14.9%	
IM	Total sales	55,726,720	48.4%	236,438,979	47.9%	299,161,654	53.6%	
	Internal sales	29,839,870	43.9%	124,674,435	43.3%	160,344,435	48.7%	
	Net sales	25,886,850	54.9%	111,764,544	54.2%	138,817,219	60.7%	
	Operating profit	2,743,270	45.9%	14,562,885	58.2%	24,957,741	67.8%	
	Total asset	99,803,241	29.4%	94,227,108	27.9%	86,132,881	27.1%	
DS	Semi-conductor	Total sales	19,305,753	16.8%	75,058,071	15.2%	70,908,145	12.7%
		Internal sales	9,039,038	13.3%	35,328,169	12.3%	33,471,566	10.2%
		Net sales	10,266,715	21.8%	39,729,902	19.3%	37,436,579	16.4%
		Operating profit	2,932,980	49.1%	8,776,442	35.1%	6,887,978	18.7%
		Total asset	88,577,656	26.1%	87,567,196	25.9%	76,224,096	24.0%
	DP Business Unit	Total sales	13,148,326	11.4%	52,227,615	10.6%	61,294,886	11.0%
		Internal sales	6,296,159	9.3%	26,500,446	9.2%	31,457,770	9.5%
		Net sales	6,852,167	14.5%	25,727,169	12.5%	29,837,116	13.0%
		Operating profit	524,722	8.8%	660,181	2.6%	2,980,563	8.1%
		Total asset	46,230,010	13.6%	46,826,533	13.8%	42,195,558	13.3%
	Total	Total sales	33,582,070	29.2%	131,459,756	26.6%	134,394,781	24.1%
		Internal sales	16,478,374	24.3%	65,669,950	22.8%	66,633,875	20.2%
		Net sales	17,103,696	36.3%	65,789,806	31.9%	67,760,906	29.6%
		Operating profit	3,387,639	56.7%	9,430,915	37.7%	10,000,665	27.2%
		Total asset	160,468,479	47.3%	160,138,321	47.4%	145,872,686	45.9%

※ Net sales reported here includes inter-divisional sales.

Cumulative net sales for 1Q 2015 were KRW 47.118 trillion. By Division, CE reported net sales of KRW 10,257 billion (21.8%) and IM reported net sales of KRW 25,887 billion (54.9%). The DS Division contributed approximately 36.3% of net sales: KRW 10,267 billion (21.8%) by the Semiconductor Sub-Division and KRW 6,852 billion (14.5%) by the DP Business Unit.

Cumulative operating profit for 1Q 2015 was KRW 5.979 trillion. The IM Division accounted for 45.9% with KRW 2,743 billion and the DS Division accounted for 56.7% with KRW 3,388 billion.

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

(1) For common SG&A expenses, specific expenses that are allocable to a specific product/model are allocated to such product/model. However, common expenses that cannot be attributed to a specific 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

In the first quarter of 2015, the CE Division's revenue of KRW 10,257 billion accounted for 21.8% of the total net revenue; the IM Division accounted for 54.9% with KRW 25,887 billion; and the DS Division accounted for 36.3% with KRW 17,104 billion.

The Company's net revenue by Division as of March 31, 2015 are as follows:

(Unit: KRW 100 million, %)

Division		Major Products	Net Revenue	Portion
CE		TV, monitor, printer, air conditioner, refrigerator, washing machine, medical equipment, etc.	102,570	21.8%
IM		HHP, network system, computer, digital camera, etc.	258,869	54.9%
DS	Semiconductor	DRAM, NAND flash, Mobile AP, etc.	102,667	21.8%
	DP Business Unit	TFT-LCD, OLED, etc.	68,522	14.5%
	Sub-Total		171,037	36.3%
Others		-	-61,297	-13.0%
		Total	471,179	100.0%

※ Includes sales between Divisions (on consolidated basis).

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

B. Average Selling Price (ASP) Changes

In the first quarter of 2015, the ASP of TVs continued to decline from 2014. The ASP of HHPs declined slightly compared to 2014, and the ASP of memory products also decreased. The ASP of display panels have not changed materially from 2014.

3. Key Raw Materials

(On consolidated basis as of March 31, 2015)

(Unit: KRW 100 million, %)

Division	Type	Item	Specific usage	Purchase price	Portion	Note (supplier)
CE	Raw materials	Display panel	Color picture signaler	11,341	23.60%	CMI, AUO, etc.
	Raw material	Others		36,669	76.40%	
		Division Total		48,010	100.00%	
IM	Raw material	Mobile display panel	Color picture signaler	9,835	9.50%	Iljin Display, etc.
	Raw material	Baseband Chip	CPU	8,923	8.60%	Qualcomm, etc.
	Raw material	Others		84,434	81.90%	
		Division Total		103,192	100.00%	
DS	Raw material	Glass	Glass substrate for display	3,663	7.60%	Corning Precision Materials, etc.
	Raw material	POL	Polarizer plate	4,704	9.80%	Dongwoo Fine-Chem, NITTO, etc.
	Raw material	Window	Tempered glass	3,750	7.80%	BIEL, etc.
	Raw material	Others		35,911	74.80%	
		Division Total		48,028	100.00%	
		Others		57	-	
		Total		199,287	-	

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 devices and baseband chips. For the DS Division, key raw materials include glass, polarizers (“POL”) and wafers.

Large display panels for TVs and monitors are supplied by Cummins (CMI) and AU Optronics (AUO) (among others), mobile display panels are supplied by Iljin Display, and baseband chips are supplied by the System LSI business unit and Qualcomm. The Company manufactures display panels with glass and POLs 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 3% on average since 2014 due to oversupply from increased capacity and improved productivity. For the IM Division, since 2014, the price of mobile display panels have increased by 1%, and the price of baseband chips have increased by 5%. For the DS Division, the price of raw materials continues to decrease. Also, since 2014, the price of semiconductor wafer has declined by 13% and the price of glass for display panels has declined by 21%.

4. Production and Facilities

A. Production Capacity, Output, Utilization Rate

(Capacity)

(Unit: 1,000)

Division	Item	2015.1Q	2014	2013
		Quantity	Quantity	Quantity
CE	TV	10,571	62,990	53,102
IM	HHP	128,250	523,750	556,600
DS	Memory	53,540,000	173,506,000	116,909,000
	Display Panel	2,355	9,185	8,260

※ Global production capacity for major product categories

The CE and IM Divisions' 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 the DS Division is calculated as follows:

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

Display panel 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	2015.1Q	2014	2013
		Quantity	Quantity	Quantity
CE	TV	9,614	55,066	47,527
IM	HHP	107,455	439,520	499,480
DS	Memory	53,540,000	173,506,000	116,909,000
	Display Panel	2,043	8,252	7,340

※ Global output for major product categories

In the first quarter of 2015, the CE Division's output of TVs was 9.614 thousand units (major production sites: Korea, China, Mexico, Brazil, and Hungary). The IM Division's output of HHPs was 107.455 thousand units (major production sites: Korea, China, Vietnam, and Brazil). The DS Division's memory output (1GB equivalent) was 53,540 million (major production sites: Korea and China). The DS Division's output of display panels was 2.043 thousand units (major production sites: Korea, China, and Slovakia).

(Utilization Rate)

(Unit: 1,000)

Division	Item	2015.1Q Production capacity	2015.1Q Actual output	Utilization Rate
CE	TV	10,571	9,614	90.9%
IM	HHP	128,250	107,455	83.8%

In the first quarter of 2015, CE and IM utilization rates were calculated as actual output relative to production capacity. The utilization rates were 90.9% for TVs and 83.8% for HHPs.

(Unit: hours)

Division	Item	2015.1Q Potential Production Time	2015.1Q Actual Production Time	Utilization Rate
DS	Memory	12,960	12,960	100.0%
	Display Panel	21,600	21,438	99.3%

The DS Division operates memory and display panel production in three shifts (24 hours a day). Cumulative operating days in the first quarter of 2015 including holidays were 90 days. The utilization rate was calculated as actual hours [90 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 include manufacturing, development, marketing, and sales in Korea – 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
Korea (10)	Seocho	Seoul, Korea
	Suwon	Suwon, Korea
	Gumi1	Gumi, Korea
	Gumi2	Gumi, Korea
	Giheung	Yongin, Korea
	Onyang	Asan, Korea
	Hwaseong	Hwaseong, Korea
	Gwangju	Gwangju, Korea
	Cheonan	Cheonan, Korea
	Asan	Asan, Korea
Overseas (9 Regional Headquarters for CE and IM Divisions)	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
	Japan	Tokyo, Japan

The Company's property, plant and equipment include land, buildings and structures, machinery and equipment, and construction in progress. As of March 31, 2015, their total book value is KRW 83,442 billion, which is an increase of KRW 2.569 trillion from year-end 2014. In the first quarter of 2015, new acquisitions of KRW 7,213 billion and depreciation of KRW 4,563 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	7,710,352	17,598,547	37,751,890	15,832,307	1,979,854	80,872,950
	Acquisition cost	7,710,352	26,474,937	127,603,897	15,832,307	5,664,513	183,286,006
	Accumulated depreciation (Including accumulated impairment loss)	-	(8,876,390)	(89,852,007)	-	(3,684,659)	(102,413,056)
Increase (Decrease)	General acquisition and capital expenditure	27,600	2,440,504	7,967,206	(3,630,304)	407,619	7,212,625
	Acquisition as a result of business combination	246	1,757	3,498	47	29,228	34,776
	Depreciation	-	(360,542)	(3,965,643)	-	(237,200)	(4,563,385)
	Disposal/Discard	(7,188)	(29,191)	(83,538)	(66)	(15,219)	(135,202)
	Others	(3,466)	(32,964)	94,374	(96,208)	58,922	20,658
Balance at 31 Dec 2014	Book value	7,727,544	19,618,111	41,767,787	12,105,776	2,223,204	83,442,422
	Acquisition cost	7,727,544	28,860,330	135,291,200	12,105,776	6,083,266	190,068,116
	Accumulated depreciation (Including accumulated impairment loss)	-	(9,242,219)	(93,523,413)	-	(3,860,062)	(106,625,694)

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

※ Market value of major tangible assets is omitted as objective assessment is difficult.

※ Property, plant, and equipment above is presented on a consolidated basis.

(2) CAPEX

During the 1st quarter of 2015, the Company invested KRW 7.2 trillion in CAPEX, including upgrading production lines of the Semiconductor Sub-Division and the DP Business Unit. The total CAPEX for 2015 is expected to increase compared to the previous year, although this is subject to change depending on changes in the business environment and market conditions.

[CAPEX by Division]

(Unit: KRW 100 million)

Business	Purpose	Period	Assets	Investment in 2015.1Q
Semiconductor	Establishment, addition, upgrade	Jan '15 ~ Mar '15	Buildings, facilities	43,617
DP Business Unit	Establishment, addition, upgrade	Jan '15 ~ Mar '15	Buildings, facilities	5,227
Other	Other	Jan '15 ~ Mar '15	Buildings, facilities	23,282
	Total			72,126

5. Sales and Distribution

A. Sales

In the first quarter of 2015, the Company recorded KRW 47,118 billion of total revenue, a decline of 12.2% compared to the first quarter of the prior year. By Division, when compared to the first quarter of 2014, the CE Division's revenue decreased by 9.4%, the IM Division's revenue decreased by 20.2%, and the DS Division's revenue decreased by 9.9%.

(Unit: KRW 100 million)

Division		Sales types	Product categories	2015.1Q	2014	2013
CE		Goods Products Service Others	TV, monitor, printer, air conditioner, refrigerator, washing machine, medical equipment	102,570	501,831	503,315
IM		Goods Products Service Others	HHP, Network System, Computer, Digital camera	258,869	1,117,645	1,388,172
DS	Semiconductor	Goods Products Service Others	DRAM, NAND Flash, Mobile AP	102,667	397,299	374,366
	DP Business Unit	Goods Products Service Others	TFT-LCD, OLED	68,522	257,272	298,371
	Division total			171,037	657,898	677,609
Others		Other revenue	-	-61,297	-215,314	-282,169
Total				471,179	2,062,060	2,286,927

※ Includes internal sales between Divisions.

□ Sales by Major Product

(Unit: KRW 100 million)

Classification	2015.1Q	2014	2013
TV	62,194	324,486	331,207
Mobile Devices	249,869	1,074,149	1,353,537
Memory	83,175	293,244	237,146
Display Panel	68,522	257,272	298,371

※ Including internal sales between Divisions.

□ Sales by Type

(Unit: KRW 100 million)

Classification	2015.1Q	2014	2013
Products	467,995	2,036,716	2,252,839
Service and other Sales	3,184	25,344	34,088
Total	471,179	2,062,060	2,286,927

※ Other sales consists of royalty income and rental income.

□ Sales by Region (on a separate basis)

(Unit: KRW 100 million)

Classification	2015.1Q	2014	2013
Korea	38,353	153,247	172,004
Americas	92,745	433,940	442,526
Europe	38,527	208,982	335,645
Asia and Africa	81,977	298,140	341,059
China	65,290	283,946	292,487
Total	316,892	1,378,255	1,583,721

B. Sales Channels

□ Korea

Seller	Sales Channel	Consumer	
Manufacturer (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

Seller	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	Retailer
	Direct Sales				

□ Sales Ratio by Channel

Channel	Wholesale	Retail	Special/direct sale	Others
Ratio	34%	24%	37%	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)	- Case specific cost sharing as determined by mutual agreement
Distributor	General Merchandise Store, Discount Store, Department Store, Home Shopping, Internet	Case specific and contract specific	- Case specific cost sharing as determined by mutual agreement
Special/direct sale	Corporate Clients, etc.	Case specific and contract specific	N/A

Overseas

Classification	Channel	Collection	Incidental expense sharing
Retailer	Retail store	Case specific and contract specific	- Case specific cost sharing as determined by mutual agreement
Dealer	General merchandise store, Discount store, Department store	Case specific and contract specific	- Case specific cost sharing as determined by mutual agreement
Distributor	Direct sales to local distributors	Case specific and contract specific	- Case specific cost sharing as determined by mutual agreement
B2B	Corporate Clients, etc.	Case specific and contract specific	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 first quarter of 2015, 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 risks and also establishes and implements global financial risk management policies.

Financial risk management officers are dispatched to the regional headquarters of located in the US, 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 exposed to foreign currency volatility due to exchange positions of currencies, especially 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 (including imports and exports) to be conducted in the 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) Risk of Volatility in Equity Securities Held as Investment

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

As of March 31, 2015 and December 31, 2014, a price fluctuation in relation to marketable equity securities by 1% would result in changes in other comprehensive income (before income tax) of KRW 58,183 million and KRW 57,768 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 expenses from changes in interest rates. In order to minimize interest rate related risks, the Company minimizes external borrowings by facilitating cash pooling systems on a regional and global basis. The Company manages its exposure to interest rate risks by regularly monitoring risk factors and timely resolution, and prevention, of issues.

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 actively monitors its credit risk on a regular basis and determines a counterparty's credit limit periodically 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 that have strong international credit ratings (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 requires separate approval for contracts with restrictions.

Most of the Company's trade receivables are adequately insured to manage any risk, therefore, the Company estimates its credit risk exposure to be limited. 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 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 its globally integrated finance structures such as cash pooling. In addition, the Company maintains a liquidity management process which provides additional financial support through the local finance center and the Company when necessary. 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 operating 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 healthy capital structure. The Company uses debt ratio as an indicator and measure of an appropriate capital structure. The debt 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 ratio as of first quarter-end 2015 and year-end 2014 are as follows:

(Unit: KRW million)

	March 31, 2015	December 31, 2014
Total liabilities	59,631,070	62,334,770
Total equity	167,619,307	168,088,188
Total liabilities to equity ratio	35.6%	37.1%

E. Fair Value Measurement

- Carrying amounts and fair values of financial instruments by category as of March 31, 2015 and December 31, 2014 are as follows:

(Unit: KRW million)

Classification	March 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	18,395,883	(1)	16,840,766	(1)
Short-term financial instruments	34,511,437	(1)	41,689,776	(1)
Short-term available-for-sale financial assets	3,221,305	3,221,305	3,286,798	3,286,798
Trade and other receivables	24,911,678	(1)	24,694,610	(1)
Long-term available-for-sale financial assets ⁽²⁾	12,205,278	11,805,491	12,667,509	12,272,756
Other	3,439,933	3,404,784	4,762,971	4,725,263
Total Financial assets	96,685,514		103,942,430	
Financial liabilities				
Trade payables	8,736,903	(1)	7,914,704	(1)
Short-term borrowings	7,854,910	(1)	8,029,299	(1)
Other payables	10,880,443	(1)	9,258,344	(1)
Current portion of long-term borrowings	524,828	(1)	1,778,667	(1)
Debentures	1,382,138	1,407,237	1,355,882	1,377,113
Long-term borrowings	85,375	68,216	101,671	82,271
Long-term other payables	2,130,832	2,214,696	2,520,277	2,606,179
Other	7,489,587	(1)	11,474,129	(1)
Total Financial liabilities	39,085,016		42,432,973	

¹ Assets and liabilities whose carrying amounts are reasonable approximations of their fair value are excluded from the fair value disclosures.

² Amount measured at cost (2015.1Q: KRW 399,787 million and 2014: KRW 394,753 million) is excluded, as the range of reasonable fair value estimates are significant and the probabilities of the various estimates cannot be reasonably assessed.

The following table presents the fair value of assets and liabilities, by Level (as defined below), measured as of the dates indicated:

(In millions of Korean won)	As of March 31, 2015			Total balance
	Level 1	Level 2	Level 3	
Short-term available-for-sale financial assets	817,680	2,403,625	-	3,221,305
Long-term available-for-sale financial assets ¹	5,818,314	2,413,478	3,573,699	11,805,491
Other		75,005	104,570	179,575
Total assets				
Other	-	55,351	-	55,351
Total liabilities	-			

(In millions of Korean won)	December 31, 2014			Total balance
	Level 1	Level 2	Level 3	
Short-term available-for-sale financial assets	1,016,878	2,269,920	-	3,286,798
Long-term available-for-sale financial assets ¹	5,776,836	3,050,338	3,445,582	12,272,756
Other	-	45,898	102,513	148,411
Total assets				
Derivatives	-	78,348	-	78,348
Total liabilities				

¹ Amount measured at cost (March 31, 2015: KRW 399,787 million, December 31, 2014: KRW 394,753 million) is excluded, as the range of reasonable fair value estimates are significant and the probabilities of the various estimates cannot be reasonably assessed.

The levels of the fair value hierarchy (based on characteristics of the input variables) 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 in Level 1 include 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 models. These valuation models maximize the use of observable market data where it is available and rely as little as possible on entity specific information. 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 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 recognizes changes in Levels at the end of the reporting period, if corresponding events or changes in circumstances necessitating such reclassification 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, among other things, 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 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 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				
Taewon Electric	17,094	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.76% ~ 9.76% (8.76%)
Samsung Venture Investment	6,586	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 7.74% ~ 9.74% (8.74%)
Samsung General Chemicals	100,051	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00% ~ 1.00% (0%) 10.48% ~ 12.48% (11.48%)
Coming Incorporated convertible preferred stock	3,159,862	Trinomial model	Risk adjusted discount rate Price volatility	4.73% ~ 6.73% (5.73%) 30.40% ~ 36.40% (33.40%)
Derivatives				
Embedded derivatives (convertible bonds)	4,519	Binomial model	Discount rate Stock price volatility	4.45% ~ 8.26% (6.23%) 13.05% ~ 18.04% (15.45%)

- Changes in Level 3 Instruments:

(In millions of Korean won)	2015.1Q	2014.4Q
Balance as of January 1	3,548,095	493,378
Purchases	39,219	2,453,321
Disposals	(3,447)	(8,311)
Amount recognized in profit or loss	2,058	-
Amount recognized in other comprehensive income	105,407	206,025
Other	(13,063)	(15,649)
Balance as of December 31	3,678,269	3,128,764

- 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 inputs that are unobservable in the market, using a statistical technique. When the fair value is affected by two or more input variables, such fair value is calculated using the most favorable or most unfavorable input values.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each type of 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	-	239,167	-	(225,754)
Embedded derivatives (convertible bonds) ²	391	391	(386)	(386)
Total	391	239,558	(386)	(226,140)

¹ Changes in the fair value of convertible preferred stock have been calculated by increasing or decreasing the correlation between volatility (30.4% ~ 36.4%) and the discount rate. Similarly, for other equity securities, changes in fair value have been calculated by increasing or decreasing the correlation between growth ratio (-1% ~ 1%) and the discount rate, which are significant unobservable inputs.

² For equity derivatives, changes in fair value have been 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.

(A) The value of derivative instruments as of March 31, 2015 is presented below:

(Unit: KRW million)

	Asset	Liabilities	Valuation Gain	Valuation Loss
Put options	13,262	-	3,754	1,696
Total	13,262	-	3,754	1,696

※ 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 their foreign currency positions by trading currency forward contracts of such currencies. Overseas subsidiaries buy or sell currency forwards with less than one year maturity through a bank to minimize such risks.

The Company holds convertible preferred shares of Corning Incorporated and its value as of March 31, 2015 is as follows.

(Unit: KRW million)

	Purchasing Price	Fair Value	Valuation Gain	Valuation Loss
Convertible preferred Stocks	2,434,320	3,159,862	725,542	-

※ Fair value determined using Trinomial Tree model

(C) Currency forwards as of March 31, 2015 are as follows.

(Unit: KRW million)

	Asset	Liabilities	Valuation Gain	Valuation Loss
Currency forwards	67,534	55,314	54,897	28,016
Total	67,534	55,314	54,897	28,016

9. Major Contracts

Account	Item	Contents
Ericsson	Contract type	Patent cross-license agreement
	Contract date	2014.01.25
	Purpose and contents	Secure operational advantage through mutual patent licensing
Google	Contract type	Patent cross-license agreement
	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	Patent cross-license agreement
	Contract date	2014.01.23
	Purpose and contents	Secure business freedom 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 license agreement
	Contract date	2014.06.03
	Purpose and contents	Secure business freedom through patent licensing
Sharp	Contract type	Patent cross-license agreement
	Contract date	2015.01.01
	Purpose and contents	Secure operational advantage through mutual patent licensing
Microsoft	Contract type	Settlement Agreement
	Contract date	-
	Purpose and contents	End dispute over royalty payment

※ Information that may be referenced or used in other IP disputes, including contract amount, is 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 global IT industry and become a worldwide leader in industrial technology by creating and securing next-generation technology.

[R&D expenses]

(Unit: KRW million)

		2015.1Q	2014.1Q	2014	2013
Total R&D expenditure		3,795,718	3,877,538	15,325,507	14,780,432
Accounting	Capitalization of development expenses (intangible asset)	304,477	186,694	940,001	461,030
	R&D costs (expenses)	3,491,241	3,690,844	14,385,506	14,319,402
R&D expenses/sales Ratio		8.1%	7.2%	7.4%	6.5%

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

As of March 31, 2015, the Company's R&D expenses were KRW 3,796 billion. The Company capitalized KRW 304.5 billion and recognized KRW 3,491 billion as current expenditure.

B. R&D Organization and Operations

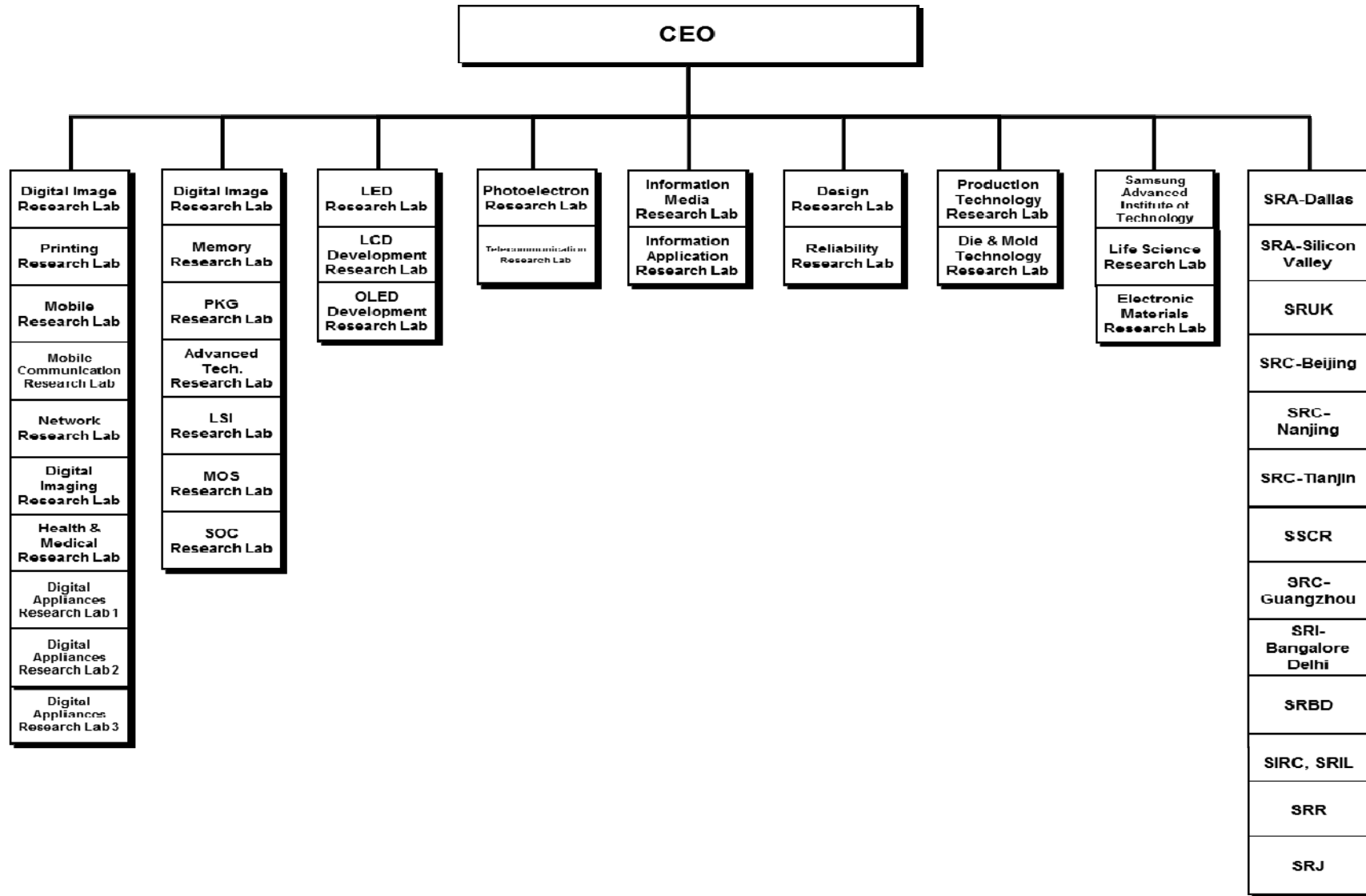
Korea

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 seeds for future growth engines.

Samsung Advanced Institute of Technology is the central research institute of Samsung Electronics that has been established to lead the Company into the future and serve as an incubator of cutting-edge technology. It has a creative R&D system and provides R&D direction 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 and SRA-Dallas), the UK (SRUK), Russia (SRR), Israel (SRIL and SIRC), India (SRI-Bangalore and SRI-Delhi), Japan (SRJ), China (SSCR, SRC-Beijing, SRC-Nanjing, SRC-Tianjin, and SRC-Guangzhou) to carry out research activities for product development and basic technological research.



※ As of March 31, 2015

※ 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 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
160lm/W middle power LED package	<ul style="list-style-type: none"> □ Mass produced 160lm/W middle power, LED package <ul style="list-style-type: none"> - Middle power LED package achieved luminance efficiency of 160 lumen per watt - First to mass produce industry-best middle power LED package □ Promote the Company's image as a leader in middle power LED package technology and continue to secure LED market presence 	<ul style="list-style-type: none"> □ Region : Global □ Launch: Feb '13 □ Name: LM561B
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
Mobile AP development	<ul style="list-style-type: none"> □ 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"> □ Region : Global □ Launch : Mar '13 □ Name : Exynos 5 Octa
Mass produce 10nm 128Gb NAND Flash for mobile	<ul style="list-style-type: none"> □ 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 □ 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"> □ Region : Global □ Launch : Mar '13 □ Name : 128Gb NAND Flash

Research Project	Research Results and Expected Effect	In case applied to a product, name of the product and application
Mass produce 20nm 1TB Server SSD for Server	<ul style="list-style-type: none"> □ 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% □ 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"> □ Region : Global □ Launch : Mar '13 □ Name : 960GB Server SSD
Smart card IC	<ul style="list-style-type: none"> □ 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 □ 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"> □ Region : Global □ Launch : Mar '13 □ Name : S3FT9KF
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
eFlash process	<ul style="list-style-type: none"> □ 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 □ Promote the Company's image as a leader of smart card IC technology and induce foundry/ASIC customers 	<ul style="list-style-type: none"> □ Region : Global □ Launch : May '13 □ Name : 45nm eFlash
Develop 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 lineups 	<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
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"
Mass produce 3D vertical 128Gb V-NAND Flash	<ul style="list-style-type: none"> □ 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 □ Secured Tera bit NAND mass production technology with 300 core patents □ Strengthen technological competitive advantage to take the lead in large capacity market 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Aug '13 □ Name : 128Gb V-NAND Flash
Open Cell Monitor (SC590)	<ul style="list-style-type: none"> □ Seek to introduce Open Cell to Display product line <ul style="list-style-type: none"> - Introduced Open Cell model □ Reinforced lineups <ul style="list-style-type: none"> - Open Cell new lineups 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Aug '13 □ Inch : 27"

Research Project	Research Results and Expected Effect	In case applied to a product, name of the product and application
	<ul style="list-style-type: none"> - Cheaper model than existing SC570 model as responding to 27" Slim Design <input type="checkbox"/> Reinforced user convenience - 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 	
Wearable Display Watch	<ul style="list-style-type: none"> <input type="checkbox"/> Create new OLED Application market based on design differentiation <input type="checkbox"/> Develop 1.63" high-resolution Compact Design 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Sep '13
Mass produce Server 3D V-NAND based 960GB high reliability SSD	<ul style="list-style-type: none"> <input type="checkbox"/> 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 <input type="checkbox"/> 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"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Sep '13 <input type="checkbox"/> Name: 960GB 3D V-NAND SSD
Develop Flexible technology	<ul style="list-style-type: none"> <input type="checkbox"/> Secure advanced technology to take the lead in the next generation products <input type="checkbox"/> Mass produce curved display for smartphone as the first in the world 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Oct '13
Develop ISOCELL Pixel technology	<ul style="list-style-type: none"> <input type="checkbox"/> 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 <input type="checkbox"/> Strengthened the Company's leadership in image sensor market 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Nov '13 <input type="checkbox"/> Name : S5K4H5YB
Mass produce mobile 20nm 8Gb LPDDR4 DRAM	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produced the world's first ultrafine 20nm 8Gb LPDDR4 DRAM - Applied "highly integrated/ultrahigh speed/high-density" solution developed by the Company - Created the world's first 4GB market and took the lead <input type="checkbox"/> Led growth of the DRAM market by expanding 20nm DRAM lineup - Plan to take the lead in the market by expanding next-generation lineups(8/6/4Gb) in the future 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Dec '14 <input type="checkbox"/> Inch: 8Gb LPDDR4 DRAM
LFD ME95C	<ul style="list-style-type: none"> <input type="checkbox"/> Product Concept - 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 - 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"
Develop new smart card product	<ul style="list-style-type: none"> <input type="checkbox"/> 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"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch: Jan '14 <input type="checkbox"/> Name : S3FWRN5
High-resolution low power consumption Tablet product technology	<ul style="list-style-type: none"> <input type="checkbox"/> Mass produce high-resolution Tablet panel <input type="checkbox"/> Achieved low power consumption of tablet products and higher rate of production by enhancing transmissivity 	<ul style="list-style-type: none"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Feb '14
Mass produce 20nm 4GB DDR3 DRAM for server	<ul style="list-style-type: none"> <input type="checkbox"/> 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 <input type="checkbox"/> 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"> <input type="checkbox"/> Region : Global <input type="checkbox"/> Launch : Feb '14 <input type="checkbox"/> Name : 4GB DDR3 DRAM

Research Project	Research Results and Expected Effect	In case applied to a product, name of the product and application
Develop new ISOCELL image sensor	<ul style="list-style-type: none"> □ Launched new 1600 megapixel ISOCELL image sensor <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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
UHD TV HU9000	<ul style="list-style-type: none"> □ Ultimate Curved UHD TV that provides perfect immersive experience <ul style="list-style-type: none"> - Adopted ergonomic Curved LED Panel □ Clear differentiation values compare to competitors <ul style="list-style-type: none"> - Smart Hub function with Multi-Link Screen added - The only Evolutionary UHD TV □ Premium design <ul style="list-style-type: none"> - 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"
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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - Introduced high resolution UHD LFD lineup - Applied SE13U Platform - Applied spec to respond to LFD Usage - Reduced additional investment costs by sharing TV HU7K design □ Main functions <ul style="list-style-type: none"> - 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"

Research Project	Research Results and Expected Effect	In case applied to a product, name of the product and application
Bendable TV Nov (UN78S9BAF)	<ul style="list-style-type: none"> □ World's first Bendable UHD TV - Secured technology leadership □ Design - Adopted Timeless Gallery Design - Becomes an aesthetic object when power is off 	<ul style="list-style-type: none"> □ Region : Domestic □ Launch : Nov '14 □ Inch: 78"
Mass produce PC/server 32 layer 3bit 3D V-NAND	<ul style="list-style-type: none"> □ Mass produced the world's first 3bit 3D V-NAND based 1TB SSD - Opened up the era of "popularized V-NAND SSD" with 3bit V-NAND - Target the standard SSD market with V-NAND that has 50% higher productivity □ Reinforced highly reliable, high-performance, low energy consuming V-NAND SSD lineup - Launched mSATA and M.2 SSD lineups in addition to the existing 2.5" - Launched '850 EVO SSD' in 53 nations around the world in Dec 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Oct '14 □ Inch: 128Gb 3bit 3D V-NAND (850 EVO SSD)
Mass produce mobile 20nm 8Gb LPDDR4 DRAM	<ul style="list-style-type: none"> □ Mass produced the world's first ultrafine 20nm 8Gb LPDDR4 DRAM - Applied "highly integrated/ultra-high speed/high-density" solution developed by the Company - Created the world's first 4GB market and took the lead □ Led growth of the DRAM market by expanding 20nm DRAM lineup - Plan to take the lead in the market by expanding next-generation lineups(8/6/4Gb) in the future 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Dec '14 □ Inch: 8Gb LPDDR4 DRAM
Launch new mobile AP product	<ul style="list-style-type: none"> □ Industry's first 14nm FinFET process-based mobile AP - Compared to 20nm process, 14nm process has enhanced performance by 20%, reduced power consumption by 30%, and improved productivity by 35% 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jan '15 □ Name: Exynos 7 Octa
Launch new NFC product	<ul style="list-style-type: none"> □ 4th generation NFC solution with enhanced RF performance - Compared to 3rd generation products, doubled card mode and enhanced reader mode by 20% □ Support mobile POS in smartphone environment □ Applied 45nm embedded flash process - Reduced customers' product development and certification period 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Jan '15 □ Name: S3FWRN5P
Mass produce 10nm-class 128GB UFS for mobile	<ul style="list-style-type: none"> □ Mass produced the world's first 128GB UFS memory for mobile - Performance was enhanced by 12 times compared to memory card and 2.7 times compared to eMMC □ Lead the growth of the premium market by expanding the high-density memory market - Launched high-density line up with twice the density (128/64/32GB) 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Feb '15 □ Name: 128GB UFS (Internal memory card)Lau
Launch SUHD TV	<ul style="list-style-type: none"> □ Curved SUHD TV : Provide the ultimate immersive experience ※ S: Spectacular, Smart, Stylish, Superb □ Design : Chamfer Design (Real Metal) 	<ul style="list-style-type: none"> □ Region : Global □ Launch : Mar '15 □ Inch: 65"/78"/88"

11. Other Information

A. Intellectual Property Rights

In 2014, the Company invested KRW 15.3 trillion and registered 7,574 domestic and 14,342 overseas patents, including approval for 4,952 US patents. As a result, the Company maintained second place in terms of numbers of patents registered in US amongst global technology companies for nine (9) consecutive years since 2006.

<Number of Patents Registered in Each Country (as of December 31, 2014, cumulative)>

(Unit: # of Patents)

	Korea	US	Europe	China	Japan	Others
<i>Number</i>	32,507	35,718	14,834	9,099	6,814	7,735

The Company registered its first US patent in 1984, and now holds 106,707 patents around the world.

<Number of Patent Registrations Per Year>

(Unit: # of Patents)

	'14	'13	'12	'11	'10	'09	'08	'07
<i>Korea</i>	3,970	2,762	2,013	1,610	1,612	1,485	4,740	10,974
<i>US</i>	4,952	4,676	5,081	4,894	4,551	3,611	3,515	2,725

These patents are mostly related to smartphone, smart TV, flash memory, and system LSI products for the Company's strategic business products or for future use. These patents not only protect the Company's business but also play a role in keeping similar technology and patents, as well as competitors, in check. In addition, as some of the patents are for new materials 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 smartphones and LED TVs. In 2014, the Company acquired 832 US patents, in part for the aforementioned purpose.

B. Environmental regulations

The Company strictly abides by environmental regulations on products and in the workplace, as 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 provides related information to stakeholders.

(See 『9. Green Management』 of 『XI. Other Information Related to Investment Protection』 for more details about Green Technology Certification.)

(Environmental Regulation of Products)

The environmental regulation of products are becoming stricter reflecting the concerns of governments and regulators about potential direct and indirect impact of products to consumers' health and safety as consumers. Accordingly, the Company is working to minimize the environmental impact throughout the entire life cycle of products from the development stage of components and products to manufacturing, distribution, use, and disposal. The Company offers "Eco-Partner Certification" to suppliers for components free of 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 the use 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 for 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 in the Workplace)

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

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

Major Relevant Domestic and International Laws are as follows:

1. Regulations 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 Korea’s “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 provided below:

	2014	2013	2012
Greenhouse gas (Unit: tCO ₂ e)	6,775,915	6,303,033	6,004,674
Energy (Unit: TJ)	101,386	96,298	91,330

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

※ Reported Greenhouse gas emission excludes ozone depletion substances (ODS).

The Company achieved its own greenhouse emission and energy consumption limit goal for 2014 through energy-saving activities and by installing energy efficient equipment to meet greenhouse gas reduction. From 2015, in accordance with the Article 8 of the Act on the Allocation and Trading of Greenhouse-Gas Emission Permits, the Company is an eligible business entity under the Act.

※ See 『9. Green Management』 in 『XI. Other Information』 for Green Technology Certifications.

III. Financial Affairs

1. Consolidated Financial Statements

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

	Notes	March 31, 2015 KRW	December 31, 2014 KRW	March 31, 2015 USD	December 31, 2014 USD
Assets					
Current assets					
Cash and cash equivalents	3	18,395,883	16,840,766	16,721,098	15,307,561
Short-term financial instruments	3	34,511,437	41,689,776	31,369,471	37,894,284
Short-term available-for-sale financial assets	3	3,221,305	3,286,798	2,928,033	2,987,564
Trade receivables	3	24,911,678	24,694,610	22,643,686	22,446,381
Non-trade receivables	3	2,444,607	3,539,875	2,222,047	3,217,600
Advances		1,830,925	1,989,470	1,664,235	1,808,346
Prepaid expenses		3,731,761	3,346,593	3,392,017	3,041,915
Inventories	5	19,119,811	17,317,504	17,379,118	15,740,896
Other current assets		1,311,672	1,795,143	1,192,256	1,631,711
Assets held-for-sale	6, 28	511,441	645,491	464,879	586,724
Total current assets		109,990,520	115,146,026	99,976,840	104,662,982
Non-current assets					
Long-term available-for-sale financial assets	3, 4	12,205,278	12,667,509	11,094,094	11,514,242
Investment in associates and joint ventures	6	5,234,426	5,232,461	4,757,877	4,756,091
Property, plant and equipment	7	83,442,422	80,872,950	75,845,715	73,510,171
Intangible assets	8	5,338,518	4,785,473	4,852,492	4,349,797
Long-term prepaid expenses		4,691,506	4,857,126	4,264,385	4,414,927
Deferred income tax assets		4,439,185	4,526,595	4,035,036	4,114,488
Other non-current assets		1,908,522	2,334,818	1,734,768	2,122,254
Total assets		227,250,377	230,422,958	206,561,207	209,444,952

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

	Notes	March 31, 2015 KRW	December 31, 2014 KRW	March 31, 2015 USD	December 31, 2014 USD
Liabilities and Equity					
Current liabilities					
Trade payables	3	8,736,903	7,914,704	7,941,484	7,194,139
Short-term borrowings	3, 9	7,854,910	8,029,299	7,139,789	7,298,301
Other payables	3	12,066,686	10,318,407	10,968,119	9,379,006
Advances received		1,297,696	1,427,230	1,179,552	1,297,293
Withholdings		1,185,107	1,161,635	1,077,213	1,055,878
Accrued expenses		8,749,616	12,876,777	7,953,040	11,704,458
Income tax payable		2,109,123	2,161,109	1,917,106	1,964,359
Current portion of long-term liabilities	3, 9, 10	524,828	1,778,667	477,047	1,616,735
Provisions	12	6,435,288	5,991,510	5,849,411	5,446,035
Other current liabilities		254,226	326,259	231,080	296,557
Liabilities held-for-sale	28	-	28,316	-	25,738
Total current liabilities		49,214,383	52,013,913	44,733,841	47,278,499
Non-current liabilities					
Debentures	3, 10	1,382,138	1,355,882	1,256,306	1,232,441
Long-term borrowings	3, 9	85,375	101,671	77,602	92,415
Long-term other payables	3	2,161,296	2,562,271	1,964,529	2,328,999
Net defined benefit liabilities	11	473,322	201,342	430,230	183,012
Deferred income tax liabilities		4,249,781	4,097,811	3,862,875	3,724,741
Provisions	12	563,619	499,290	512,306	453,834
Other non-current liabilities		1,501,156	1,502,590	1,364,491	1,365,791
Total liabilities		59,631,070	62,334,770	54,202,180	56,659,732

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

	Notes	March 31, 2015 KRW	December 31, 2014 KRW	March 31, 2015 USD	December 31, 2014 USD
Equity attributable to owners of the parent					
Preferred stock	14	119,467	119,467	108,591	108,591
Common stock	14	778,047	778,047	707,213	707,213
Share premium		4,403,893	4,403,893	4,002,957	4,002,957
Retained earnings	15	171,105,630	169,529,604	155,527,950	154,095,408
Other components of equity	16	(14,889,956)	(12,729,387)	(13,534,356)	(11,570,489)
Accumulated other comprehensive income attributable to assets held-for-sale	28	78,868	80,101	71,688	72,809
		161,595,949	162,181,725	146,884,043	147,416,489
Non-controlling interests		6,023,358	5,906,463	5,474,984	5,368,731
Total equity		167,619,307	168,088,188	152,359,027	152,785,220
Total liabilities and equity		227,250,377	230,422,958	206,561,207	209,444,952

INTERIM CONSOLIDATED STATEMENTS OF INCOME

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

	Notes	For the three months ended March 31,			
		2015 KRW	2014 KRW	2015 USD	2014 USD
Revenue		47,117,918	53,675,326	42,828,241	48,788,654
Cost of sales	17	28,955,387	32,049,515	26,319,250	29,131,685
Gross profit		18,162,531	21,625,811	16,508,991	19,656,969
Selling and administrative expenses	17, 18	12,183,164	13,137,012	11,073,993	11,941,001
Operating profit		5,979,367	8,488,799	5,434,998	7,715,968
Other non-operating income	19	366,132	1,911,596	332,799	1,737,562
Other non-operating expense	19	316,219	949,971	287,431	863,485
Share of profit of associates and joint ventures	6	55,208	30,136	50,182	27,392
Financial income	20	2,399,652	1,450,291	2,181,185	1,318,255
Financial expense	20	2,265,497	1,281,881	2,059,243	1,165,177
Profit before income tax		6,218,643	9,648,970	5,652,490	8,770,515
Income tax expense	21	1,592,828	2,074,529	1,447,815	1,885,661
Profit for the period		4,625,815	7,574,441	4,204,675	6,884,854
Profit attributable to owners of the parent		4,519,323	7,484,680	4,107,878	6,803,265
Profit attributable to non-controlling interests		106,492	89,761	96,797	81,589
Earnings per share for profit attributable to owners of the parent					
(in Korean Won, in US dollars)	22				
- Basic		30,311	49,640	28	45
- Diluted		30,311	49,635	28	45

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars (refer to III. 2 - 2.3))

For the three months ended March 31,					
	Notes	2015	2014	2015	2014
		KRW	KRW	USD	USD
Profit for the period		4,625,815	7,574,441	4,204,675	6,884,855
Other comprehensive income (loss)					
Items not to be reclassified to profit or loss subsequently:					
Remeasurement of net defined benefit liabilities, net of tax	16	(24,103)	(5,026)	(21,909)	(4,568)
Items to be reclassified to profit or loss subsequently:					
Changes in value of available-for-sale financial assets, net of tax	16	264,851	(49,858)	240,739	(45,319)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	16	(44,052)	(26,025)	(40,041)	(23,656)
Foreign currency translation, net of tax	16	(1,016,676)	123,280	(924,117)	112,056
Other comprehensive income (loss) for the period, net of tax		(819,980)	42,371	(745,328)	38,513
Total comprehensive income for the period		3,805,835	7,616,812	3,459,347	6,923,368
Comprehensive income attributable to					
Owners of the parent		3,685,109	7,508,468	3,349,612	6,824,888
Non-controlling interests		120,726	108,344	109,735	98,480

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2014 KRW	Notes	Preferred stock	Common stock	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent	Non-controlling interests	Total
Balance as at January 1, 2014		119,467	778,047	4,403,893	148,600,282	(9,459,073)	144,442,616	5,573,394	150,016,010
Profit for the period		-	-	-	7,484,680	-	7,484,680	89,761	7,574,441
Changes in value of available-for-sale financial assets, net of tax	16	-	-	-	-	(74,903)	(74,903)	25,045	(49,858)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	16	-	-	-	-	(26,041)	(26,041)	16	(26,025)
Foreign currency translation, net of tax	16	-	-	-	-	131,815	131,815	(8,535)	123,280
Remeasurement of net defined benefit liabilities, net of tax	16	-	-	-	-	(7,083)	(7,083)	2,057	(5,026)
Total comprehensive income		-	-	-	7,484,680	23,788	7,508,468	108,344	7,616,812
Dividends		-	-	-	(2,081,603)	-	(2,081,603)	(458)	(2,082,061)
Capital transaction under common control		-	-	-	-	(158)	(158)	(803)	(961)
Changes in consolidated entities		-	-	-	-	-	-	13	13
Disposal of treasury stock	16	-	-	-	-	16,307	16,307	-	16,307
Stock option activities		-	-	-	-	(4,696)	(4,696)	-	(4,696)
Others		-	-	-	-	319	319	(19)	300
Total transactions with owners		-	-	-	(2,081,603)	11,772	(2,069,831)	(1,267)	(2,071,098)
Balance as at March 31, 2014		119,467	778,047	4,403,893	154,003,359	(9,423,513)	149,881,253	5,680,471	155,561,724

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (refer to III. 2 - 2.3))

2014 USD	Notes	Preferred stock	Common stock	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as at January 1, 2014		108,591	707,213	4,002,957	135,071,519	(8,597,908)	131,292,372	5,065,984	136,358,356
Profit for the period		-	-	-	6,803,265	-	6,803,265	81,589	6,884,854
Changes in value of available-for-sale financial assets, net of tax	16	-	-	-	-	(68,084)	(68,084)	22,765	(45,319)
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	16	-	-	-	-	(23,670)	(23,670)	15	(23,655)
Foreign currency translation, net of tax	16	-	-	-	-	119,814	119,814	(7,758)	112,056
Remeasurement of net defined benefit liabilities, net of tax	16	-	-	-	-	(6,438)	(6,438)	1,870	(4,568)
Total comprehensive income		-	-	-	6,803,265	21,622	6,824,887	98,481	6,923,368
Dividends		-	-	-	(1,892,091)	-	(1,892,091)	(416)	(1,892,507)
Capital transaction under common control		-	-	-	-	(144)	(144)	(730)	(874)
Changes in consolidated entities		-	-	-	-	-	-	12	12
Disposal of treasury stock	16	-	-	-	-	14,822	14,822	-	14,822
Stock option activities		-	-	-	-	(4,268)	(4,268)	-	(4,268)
Others		-	-	-	-	290	290	(17)	273
Total transactions with owners		-	-	-	(1,892,091)	10,700	(1,881,391)	(1,151)	(1,882,542)
Balance as at March 31, 2014		108,591	707,213	4,002,957	139,982,693	(8,565,586)	136,235,868	5,163,314	141,399,182

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

2015 KRW	Notes	Preferred stock	Common stock	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent	Non-controlling interests	Total
Balance as at January 1, 2015		119,467	778,047	4,403,893	169,529,604	(12,729,387)	80,101	162,181,725	5,906,463	168,088,188
Profit for the period		-	-	-	4,519,323	-	-	4,519,323	106,492	4,625,815
Changes in value of available-for-sale financial assets, net of tax	16	-	-	-	-	257,861	-	257,861	6,990	264,851
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	16	-	-	-	-	(44,007)	-	(44,007)	(45)	(44,052)
Foreign currency translation, net of tax	16	-	-	-	-	(1,022,004)	(1,233)	(1,023,237)	6,561	(1,016,676)
Remeasurement of net defined benefit liabilities, net of tax	16	-	-	-	-	(24,831)	-	(24,831)	728	(24,103)
Dividends		-	-	-	(2,924,564)	-	-	(2,924,564)	(461)	(2,925,025)
Capital transaction under common control		-	-	-	-	(5,314)	-	(5,314)	(2,023)	(7,337)
Changes in consolidated entities		-	-	-	-	-	-	-	(261)	(261)
Acquisition of treasury stock	16	-	-	-	-	(1,323,059)	-	(1,323,059)	-	(1,323,059)
Others		-	-	-	(18,733)	785	-	(17,948)	(1,086)	(19,034)
Balance as at January 1, 2015		119,467	778,047	4,403,893	169,529,604	(12,729,387)	80,101	162,181,725	5,906,463	168,088,188
Profit for the period		-	-	-	4,519,323	-	-	4,519,323	106,492	4,625,815

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (refer to III. 2 - 2.3))

2015 USD	Notes	Preferred stock	Common stock	Share premium	Retained earnings	Other components of equity	Accumulated other comprehensive income attributable to assets held-for-sale	Equity attributable to owners of the parent	Non- controlling interests	Total
Balance as at January 1, 2015		108,591	707,213	4,002,957	154,095,408	(11,570,489)	72,809	147,416,489	5,368,731	152,785,220
Profit for the period		-	-	-	4,107,878	-	-	4,107,878	96,797	4,204,675
Changes in value of available-for-sale financial assets, net of tax	16	-	-	-	-	234,385	-	234,385	6,354	240,739
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	16	-	-	-	-	(40,001)	-	(40,001)	(40)	(40,041)
Foreign currency translation, net of tax	16	-	-	-	-	(928,959)	(1,121)	(930,080)	5,964	(924,116)
Remeasurement of net defined benefit liabilities, net of tax	16	-	-	-	-	(22,570)	-	(22,570)	661	(21,909)
Dividends		-	-	-	(2,658,308)	-	-	(2,658,308)	(419)	(2,658,727)
Capital transaction under common control		-	-	-	-	(4,830)	-	(4,830)	(1,839)	(6,669)
Changes in consolidated entities		-	-	-	-	-	-	-	(237)	(237)
Acquisition of treasury stock	16	-	-	-	-	(1,202,606)	-	(1,202,606)	-	(1,202,606)
Others		-	-	-	(17,028)	714	-	(16,314)	(988)	(17,302)
Balance as at January 1, 2015		108,591	707,213	4,002,957	154,095,408	(11,570,489)	72,809	147,416,489	5,368,731	152,785,220
Profit for the period		-	-	-	4,107,878	-	-	4,107,878	96,797	4,204,675

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

For the three months ended March 31,					
	Notes	2015	2014	2015	2014
		KRW	KRW	USD	USD
Cash flows from operating activities					
Profit for the period		4,625,815	7,574,441	4,204,675	6,884,854
Adjustments	23	6,322,246	5,617,215	5,746,660	5,105,816
Changes in operating assets and liabilities	23	(4,896,326)	(735,419)	(4,450,558)	(668,465)
<hr/>					
Cash flows from operating activities		6,051,735	12,456,237	5,500,777	11,322,205
Interest received		652,650	352,757	593,232	320,642
Interest paid		(195,903)	(98,367)	(178,068)	(89,412)
Dividends received		52,868	1,295,241	48,055	1,177,321
Income tax paid		(1,439,358)	(1,792,972)	(1,308,317)	(1,629,737)
<hr/>					
Net cash generated from operating activities		5,121,992	12,212,896	4,655,679	11,101,019
<hr/>					
Cash flows from investing activities					
Net decrease (increase) in short-term financial instruments		6,855,215	(4,558,705)	6,231,107	(4,143,675)
Proceeds from disposal of short-term available-for-sale financial assets		747,688	658,203	679,618	598,279
Acquisition of short-term available-for-sale financial assets		-	(787,840)	-	(716,114)
Proceeds from disposal of long-term available-for-sale financial assets		26,596	140,539	24,175	127,744
Acquisition of long-term available-for-sale financial assets		(54,283)	(2,456,883)	(49,341)	(2,233,205)
Proceeds from disposal of associates and joint ventures		1,099	2,013,457	999	1,830,149
Acquisition of associates and joint ventures		(66,700)	(184,700)	(60,628)	(167,885)
Disposal of property, plant and equipment		94,075	86,009	85,510	78,179
Purchases of property, plant and equipment		(7,762,203)	(5,939,788)	(7,055,522)	(5,399,022)
Disposal of intangible assets		94	1,242	85	1,129
Purchases of intangible assets		(419,918)	(267,146)	(381,688)	(242,825)
Cash outflows from business combinations		(411,445)	-	(373,987)	-
<hr/>					
Others		761,560	(361,491)	692,228	(328,579)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of U.S dollars (refer to III. 2 - 2.3))

Notes	For the three months ended March 31,			
	2015	2014	2015	2014
	KRW	KRW	USD	USD
Cash flows from financing activities				
Net increase in short-term borrowings	32,578	827,941	29,612	752,564
Acquisition of treasury stock	(1,323,059)	-	(1,202,606)	-
Disposal of treasury stock	-	13,727	-	12,477
Proceeds from long-term borrowings and debentures	-	1,714,342	-	1,558,266
Repayment of long-term borrowings and debentures	(1,306,568)	(1,294,299)	(1,187,616)	(1,176,464)
Payment of dividends	(457)	(2,236)	(415)	(2,032)
Net increase in non-controlling interests	(27,040)	(776)	(24,579)	(706)
Net cash generated from (used in) financing activities	(2,624,546)	1,258,699	(2,385,604)	1,144,105
Effect of exchange rate changes on cash and cash equivalents	(714,107)	51,012	(649,094)	46,367
Net increase in cash and cash equivalents	1,555,117	1,865,504	1,413,537	1,695,666
Cash and cash equivalents				
Beginning of the period	16,840,766	16,284,780	15,307,561	14,802,192
End of the period	18,395,883	18,150,284	16,721,098	16,497,858

2. Notes to Consolidated Financial Statements

1. General Information

1.1 Company Overview

Samsung Electronics Co., Ltd. (“SEC”) was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975.

SEC and its subsidiaries (collectively referred to as the “Group”) operate three business divisions: Consumer Electronics (“CE”), Information technology & Mobile communications (“IM”), and Device Solution (“DS”). The CE division includes digital TVs, monitors, printers, air conditioners and refrigerators and the IM division includes mobile phones, communication system, and computers. The DS division includes products such as memory and system LSI in the semiconductor business (“Semiconductor”), and LCD and OLED panels in the display business (“DP”). The Group is domiciled in the Republic of Korea and the address of its registered office is Suwon, the Republic of Korea.

These interim consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards (“K-IFRS”) 1110, *Consolidated Financial Statements*. SEC, as the controlling Company, consolidates its 161 subsidiaries including Samsung Display and Samsung Electronics America. The Group also applies the equity method of accounting to its 36 affiliates, including Samsung Electro-Mechanics.

1.2 Consolidated Subsidiaries

(A) The consolidated subsidiaries as of March 31, 2015 are as follows:

Area	Subsidiaries	Industry	Percentage of ownership ¹
Domestic	High Pioneer Private Investment Trust #1	Technology business, Venture capital investments	100.0
	Samsung Display (SDC)	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of LCD components	50.0
	STECO	Manufacture of semiconductor components	70.0
	SEMES	Manufacture of semiconductor/FPD	91.5
	Samsung Electronics Service	Repair services for electronic devices	99.3
	Samsung Electronics Sales	Sale of electronic devices	100.0
	Samsung Electronics Logitech	General logistics agency	100.0
	Samsung Medison	Medical equipment	68.5
	Samsung Venture Capital Union #6	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #14	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #20	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #21	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #23	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #27	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #28	Technology business, Venture capital investments	99.0
	America	Samsung Electronics America (SEA)	Sale of electronic devices
NexusDX (Nexus)		Medical equipment	100.0
Samsung Receivables (SRC)		Credit management	100.0

Area	Subsidiaries	Industry	Percentage of ownership ¹
	NeuroLogica	Medical equipment	100.0
	Samsung Semiconductor (SSI)	Sale of semiconductor/LCD	100.0
	Samsung Electronics Canada (SECA)	Sale of electronic devices	100.0
	Samsung Research America (SRA)	R&D	100.0
	Grandis	R&D	100.0
	Samsung Mexicana (SAMEX)	Manufacture of electronic devices	100.0
	Samsung International (SII)	Manufacture of CTV/monitors	100.0
	Samsung Austin Semiconductor (SAS)	Manufacture of semiconductor	100.0
	Samsung Electronics Mexico (SEM)	Sale of electronic devices	99.9
	SEMES America (SEMESA)	Semiconductor equipment	100.0
	Samsung Electronics Digital Appliance Mexico (SEDAM)	Manufacture of electronic devices	99.9
	Samsung Electronics Latinoamerica Miami (SEMI)	Sale of electronic devices	100.0
	Nvelo	Software	100.0
	Samsung Electronics Latinoamerica (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela (SEVEN)	Marketing and services	100.0
	Samsung Electronica Colombia (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Panama (SEPA)	Consulting	100.0
	Samsung Electronica da Amazonia (SEDA)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Argentina (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru (SEPR)	Sale of electronic devices	100.0
	RT SV CO-INVEST (RT-SV)	Technology business, Venture capital investments	99.9
	Quietside	Sale of heating and cooling products	100.0
	SmartThings	Sale of smart home electronics	100.0
	PrinterOn	Sale of printing solutions	100.0
	PrinterOn America	Sale of printing solutions	100.0
	SIMPRESS	Sale of printing solutions	100.0
	LoopPay	Develop and provide mobile payment service	100.0
	YESCO Electronics	Manufacture and sale of LED displays	100.0
	Beijing Integrated Circuit Industry International Fund (Beijing Fund)	Venture capital investments	99.0
	Samsung Electronics (UK) (SEUK)	Sale of electronic devices	100.0
	Samsung Electronics Holding (SEHG)	Holding Company	100.0
	Samsung Semiconductor Europe GmbH (SSEG)	Sale of semiconductor/LCD	100.0
	Samsung Electronics GmbH (SEG)	Sale of electronic devices	100.0
	Samsung Electronics Iberia (SESA)	Sale of electronic devices	100.0
	Samsung Electronics France (SEF)	Sale of electronic devices	100.0
	Samsung Electronics Hungarian (SEH)	Manufacture and sale of electronic devices	100.0
Europe	Samsung Electronics Czech and Slovak (SECZ)	Sale of electronic devices	100.0
	Samsung Electronics Italia (SEI)	Sale of electronic devices	100.0
	Samsung Electronics Europe Logistics (SELS)	Logistics	100.0
	Samsung Electronics Benelux (SEBN)	Sale of electronic devices	100.0
	Samsung Display Slovakia (SDSK)	Toll processing of LCD	100.0
	Samsung Electronics Romania (SEROM)	Sale of electronic devices	100.0
	Samsung Electronics Overseas (SEO)	Sale of electronic devices	100.0
	Samsung Electronics Polska (SEPOL)	Sale of electronic devices	100.0
	Samsung Electronics Portuguesa (SEP)	Sale of electronic devices	100.0
	Samsung Electronics Nordic (SENA)	Sale of electronic devices	100.0
	Samsung Semiconductor Europe (SSEL)	Sale of semiconductor/LCD	100.0
	Samsung Electronics Austria (SEAG)	Sale of electronic devices	100.0
	Samsung Electronics Slovakia (SESK)	Manufacture of CTV/monitors	100.0

Area	Subsidiaries	Industry	Percentage of ownership ¹
	Samsung Electronics Europe Holding (SEEH)	Holding Company	100.0
	Samsung Electronics Poland Manufacturing (SEPM)	Manufacture of home appliances	100.0
	Samsung Electronics Greece (SEGR)	Sale of electronic devices	100.0
	Samsung Nanoradio Design Center (SNDC)	R&D	100.0
	Nanoradio Hellas	R&D	100.0
	SonoAce Deutschland (SMDE)	Medical equipment	100.0
	Samsung Electronics Rus (SER)	Marketing	100.0
	Samsung Electronics Rus Company (SERC)	Sale of electronic devices	100.0
	Samsung Electronics Ukraine (SEU)	Marketing	100.0
	Samsung Electronics Baltics (SEB)	Sale of electronic devices	100.0
	Samsung Electronics Ukraine Company (SEUC)	Sale of electronic devices	100.0
	Samsung R&D Institute Rus (SRR)	R&D	100.0
	Samsung Electronics Kazakhstan (SEK)	Marketing	100.0
	Samsung Electronics Central Eurasia (SECE)	Sale of electronic devices	100.0
	Samsung Electronics Rus Kaluga (SERK)	Manufacture of CTV	100.0
	Samsung Russia Service Centre (SRSC)	Services	100.0
	Samsung Electronics (London) Limited (SEL)	Holding Company	100.0
	Samsung Denmark Research Center (SDRC)	R&D	100.0
	Samsung France Research Center (SFRC)	R&D	100.0
	Samsung Cambridge Solution Centre (SCSC)	R&D	100.0
	Samsung Electronics Switzerland GmbH (SESG)	Sale of electronic devices	100.0
	PrinterOn Europe	Sale of printing solutions	100.0
	Samsung Electronics Caucasus (SECC)	Marketing	100.0
	Samsung Electronics West Africa (SEWA)	Marketing	100.0
	Samsung Electronics East Africa (SEEA)	Marketing	100.0
	Samsung Gulf Electronics (SGE)	Sale of electronic devices	100.0
	Samsung Electronics Egypt (SEEG)	Manufacture of CTV/monitors	100.0
	Samsung Electronics Israel (SEIL)	Marketing	100.0
	Samsung Electronics Tunisia (SETN)	Marketing	100.0
Middle East and Africa	Samsung Electronics Pakistan (SEPAK)	Marketing	100.0
	Samsung Electronics South Africa (SSA)	Sale of electronic devices	100.0
	Samsung Electronics Turkey (SETK)	Sale of electronic devices	100.0
	Samsung Semiconductor Israel R&D Center (SIRC)	R&D	100.0
	Samsung Electronics Levant (SELV)	Sale of electronic devices	100.0
	Samsung Electronics Morocco (SEMRC)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (SSAP)	Manufacture of CTV/monitors	100.0
	Samsung Display Dongguan (SDDG)	Manufacture of LCD	100.0
	Samsung Display Tianjin (SDTJ)	Manufacture of LCD	95.0
	Samsung Electronics Hong Kong (SEHK)	Sale of electronic devices	100.0
	Suzhou Samsung Electronics (SSEC)	Manufacture of home appliances	88.3
	Samsung Suzhou Electronics Export (SSEC-E)	Manufacture of home appliances	100.0
	Samsung (China) Investment (SCIC)	Sale of electronic devices	100.0
China	Samsung Mobile R&D Center China-Guangzhou (SRC-Guangzhou)	R&D	100.0
	Samsung Tianjin Mobile Development Center (STMC)	R&D	100.0
	Samsung Network R&D Center China-Shenzhen (SRC-Shenzhen)	R&D	100.0
	Samsung Electronics Suzhou Semiconductor (SESS)	Toll processing of semiconductor	100.0
	Samsung Electronics (Shandong) Digital Printing	Manufacture of printers	100.0

Area	Subsidiaries	Industry	Percentage of ownership ¹
	(SSDP)		
	Samsung Electronics Huizhou (SEHZ)	Manufacture of electronic devices	99.9
	Tianjin Samsung Electronics (TSEC)	Manufacture of CTV/monitors	91.2
	Samsung Electronics Taiwan (SET)	Sale of electronic devices	100.0
	Beijing Samsung Telecom R&D Center (BST)	R&D	100.0
	Tianjin Samsung Telecom Technology (TSTC)	Manufacture of communication equipment	90.0
	Shanghai Samsung Semiconductor (SSS)	Sale of semiconductor/LCD	100.0
	Samsung Electronics Suzhou Computer (SESC)	Manufacture of electronic devices	100.0
	Samsung Display Suzhou (SDSZ)	Toll processing of LCD	100.0
	Samsung Suzhou LCD (SSL)	Manufacture of LCD	60.0
	Shenzhen Samsung Electronics Telecommunication (SSET)	Manufacture of communication equipment	95.0
	Samsung Electronics Shanghai Telecommunication (SSTC)	Sale of mobile communication and network equipment	100.0
	Samsung Semiconductor (China) R&D (SSCR)	R&D	100.0
	Samsung Electronics China R&D Center (SCRC)	R&D	100.0
	Samsung (China) Semiconductor (SCS)	Manufacture of semiconductor	100.0
	Samsung Electronics (Beijing) Service (SBSC)	Services	100.0
	Samsung Medison Shanghai Medical Instrument (SMS1)	Medical equipment	100.0
	Tianjin Samsung LED (TSLED)	Manufacture of LED	100.0
	Tianjin Samsung Opto-Electronics (TSOE)	Manufacture of cameras/camcorders	90.0
	Samsung R&D Institute China-Xian (SRC-Xian)	R&D	100.0
	SEMES (Xian)	Semiconductor equipment	100.0
	Samsung Japan (SJC)	Sale of electronic devices	100.0
	Samsung R&D Institute Japan (SRJ)	R&D	100.0
	Samsung Electronics Japan (SEJ)	Sale of electronic devices	100.0
	Samsung Electronics Display (M) (SDMA)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics (M) (SEMA)	Manufacture of home appliances	100.0
	Samsung Vina Electronics (SAVINA)	Manufacture and sale of electronic devices	100.0
	Samsung Asia Private (SAPL)	Sale of electronic devices	100.0
	Samsung India Electronics (SIEL)	Manufacture and sale of electronic devices	100.0
	Samsung R&D Institute India-Bangalore (SRI-B)	R&D	100.0
Asia	Samsung Electronics Australia (SEAU)	Sale of electronic devices	100.0
(Except China)	Samsung Electronics Indonesia (SEIN)	Manufacture and sale of electronic devices	100.0
	Samsung Telecommunications Indonesia (STIN)	Sale and services of communication systems	100.0
	Thai Samsung Electronics (TSE)	Manufacture and sale of electronic devices	91.8
	Samsung Electronics Philippines (SEPCO)	Sale of electronic devices	100.0
	Samsung Malaysia Electronics (SME)	Sale of electronic devices	100.0
	Samsung R&D Institute Bangladesh (SRBD)	R&D	100.0
	Samsung Electronics Vietnam (SEV)	Manufacture of electronic devices	100.0
	Samsung Telecommunications Malaysia (STM)	Communication system services	100.0
	Samsung Electronics Vietnam THAINGUYEN (SEVT)	Manufacture of communication equipment	100.0
	Samsung Medison India (SMIN)	Medical equipment	100.0
	Samsung Electronics New Zealand (SENZ)	Sale of electronic devices	100.0
	Samsung Display Bac Ninh (SDBN)	Manufacture of LCD	
	Samsung Electronics HCMC CE Complex (SEHC)	Manufacture of CE	100.0

¹ Ownership represents the Company's ownership of voting rights in each entity.

(B) A summary of financial data of major consolidated subsidiaries is as follows:

(1) 2015

<i>(In millions of Korean won)</i>	As of March 31, 2015		For the three months ended March 31, 2015	
	Assets	Liabilities	Sales	Net Income (Loss)
Samsung Display (SDC)	₩ 37,657,400	₩ 5,998,638	₩ 6,654,684	₩ 408,248
Samsung Electronics America (SEA)	14,914,135	8,245,602	7,590,758	34,583
Samsung (China) Investment (SCIC)	10,461,232	8,542,937	3,138,366	131,675
Samsung Electronics Vietnam (SEV)	7,272,932	1,527,238	4,205,601	412,951
Samsung (China) Semiconductor (SCS)	7,252,950	4,334,724	535,522	44,943
Samsung Semiconductor (SSI)	6,844,574	3,115,524	4,651,184	15,705
Samsung Austin Semiconductor (SAS)	6,457,142	3,291,042	593,269	21,618
Samsung Electronics Europe Holding (SEEH)	6,444,170	4,629,832	-	2,138
Samsung Electronics Huizhou (SEHZ)	6,025,724	2,113,385	4,410,885	187,194
Samsung Electronics Vietnam THAINGUYEN (SEVT)	5,373,679	4,169,645	4,343,342	281,898
Samsung Electronica da Amazonia (SEDA)	3,884,426	1,591,848	1,741,065	208,375
Samsung India Electronics (SEIL)	3,524,090	2,287,050	1,947,753	41,062
Samsung Asia Private (SAPL)	3,373,403	789,308	391,784	13,493
Tianjin Samsung Telecom Technology (TSTC)	2,368,751	744,615	2,060,961	97,540
Shanghai Samsung Semiconductor (SSS)	2,325,486	1,851,511	2,588,725	30,669
Thai Samsung Electronics (TSE)	1,864,628	426,030	1,036,638	71,512
Samsung Suzhou LCD (SSL)	1,853,565	757,191	249,984	25,595
Samsung Electronics Europe Logistics (SELS)	1,834,889	1,538,819	3,104,293	215,808
Samsung Electronics Slovakia (SESK)	1,816,693	463,709	929,502	42,935
Samsung Electronics Taiwan (SET)	1,609,086	1,309,568	1,258,187	10,264
Samsung Electronics GmbH (SEG)	1,475,030	1,558,132	1,458,805	(149,360)
Samsung Electronics Hungarian (SEH)	1,210,857	289,293	687,322	14,368
Samsung Electronics Benelux (SEBN)	1,205,066	302,708	565,191	28,821
Samsung International (SII)	1,198,308	805,727	1,187,670	(18,609)
Samsung Display Dongguan (SDDG)	1,187,750	406,930	1,158,269	19,793

(2) 2014

<i>(In millions of Korean won)</i>	As of December 31, 2014		For the three months ended March 31, 2014	
	Assets	Liabilities	Sales	Net Income (Loss)
Samsung Display (SDC)	₩ 37,939,965	₩ 6,728,991	₩ 5,947,527	₩ 1,279,409
Samsung Electronics America (SEA)	10,697,787	5,409,749	2,635,844	(33,028)
Samsung (China) Investment (SCIC)	9,603,679	7,830,941	6,154,186	20,116
Samsung Semiconductor (SSI)	7,577,935	3,883,673	4,376,811	16,344
Samsung Electronics Europe Holding (SEEH)	7,022,746	5,062,988	-	55,971
Samsung (China) Semiconductor (SCS)	6,765,278	3,911,166	-	(24,989)
Samsung Electronics Vietnam (SEV)	6,553,628	1,251,667	6,155,893	792,168
Samsung Austin Semiconductor (SAS)	6,503,003	3,375,099	608,656	15,702
Samsung Telecommunications America (STA)	5,321,014	4,573,413	5,025,660	45,843
Samsung Electronics Huizhou (SEHZ)	4,966,486	1,258,635	4,886,210	146,518
Samsung Electronics Vietnam THAINGUYEN (SEVT)	3,957,700	3,042,402	96,414	(14,176)
Samsung Electronica da Amazonia (SEDA)	3,797,166	1,330,302	1,885,070	204,166

Samsung Asia Private (SAPL)	3,110,433	671,729	378,033	1,061,523
Samsung India Electronics (SIEL)	2,949,605	1,776,936	1,841,991	229,941
Shanghai Samsung Semiconductor (SSS)	2,560,852	2,120,738	3,052,001	33,620
Tianjin Samsung Telecom Technology (TSTC)	2,316,054	789,395	3,585,478	203,564
Samsung Electronics Slovakia (SESK)	1,869,697	405,089	965,110	32,007
Samsung Suzhou LCD (SSL)	1,831,794	768,230	63,667	(74,783)
Thai Samsung Electronics (TSE)	1,654,988	307,109	1,201,746	47,956
Samsung Electronics Europe Logistics (SELS)	1,621,583	1,524,468	3,669,060	302,234
Samsung Electronics Taiwan (SET)	1,583,027	1,299,330	959,236	12,058
Samsung Electronics Hungarian (SEH)	1,287,972	323,972	728,415	47,787
Samsung Electronics (UK) (SEUK)	1,235,239	964,058	1,308,909	(100,894)
Samsung Electronics Benelux (SEBN)	1,207,723	245,237	707,421	(34,626)
Samsung Electronics GmbH (SEG)	1,142,897	1,082,420	1,862,116	(153,191)

(C) Changes in scope of consolidation

A. Subsidiaries newly included in the consolidation for the three months ended March 31, 2015:

Area	Subsidiary	Description
Domestic	Samsung Venture Capital Union #28	Incorporation
America	SIMPRESS	Acquisition of shares
	LoopPay	Acquisition of shares
	YESCO Electronics	Acquisition of shares
	Beijing Integrated Circuit Industry International Fund(Beijing Fund)	Acquisition of shares
	Paymate Global	Acquisition of shares
Asia	Samsung Electronics HCMC CE Complex (SEHC)	Incorporation

B. Subsidiaries excluded from the consolidation for the three months ended March 31, 2015:

Area	Subsidiary	Description
Domestic	Ray	Disposal
America	Samsung Telecommunications America (STA)	Consolidation ¹
	Paymate Global	Liquidation
China	Samsung Electronics Hainan Fiberoptics (SEHF)	Disposal

¹ Samsung Electronics America (SEA), a subsidiary of the Group, consolidated Samsung Telecommunications America (STA) on January 1, 2015.

2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Presentation

The interim consolidated financial statements for the three months ended March 31, 2015, 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 Group applied the following amended and enacted standards for the annual period beginning on January 1, 2015:

Amendment to Korean IFRS 1019, Employee Benefits

According to the amendment of *K-IFRS 1019, Employee Benefits*, a practical expedient is allowed for a participant in a defined benefit plan when it receives contributions from employees or third parties. The adoption of this standard did not have a material impact on the interim consolidated financial statements.

2.2 Accounting Policies

Significant accounting policies and estimates adopted in the preparation of the interim consolidated financial statements are consistent with those adopted in the preparation of the annual consolidated financial statements for the year ended December 31, 2014, except changes in accounting policies applied in the financial year beginning on January 1, 2015 and as described below.

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income.

An emission trading scheme came into effect in January 2015 and is accounted for under Korean Generally Accepted Accounting Standard 33, *Emission Rights and Liabilities*. The emission permits granted by the government for no consideration are recognized at zero value, and emission permits purchased are stated at cost, less accumulated impairment losses. A provision has been recorded for emissions produced under current emissions permits during the three months ended March 31, 2015, which was calculated using the stated rates in the current emissions permits held by the Group. A provision was also recorded for emissions produced during the three months ended March 31, 2015 in excess of the emissions permits held by the Group, which was calculated using market rates in effect during the period.

2.3 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 ₩1,100.16 to US \$1, the average exchange rate for the three month period ended in March 31, 2015. 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 U.S. dollars at this or at any other rate.

2.4 Critical Accounting Estimates and Assumptions

In preparing the interim consolidated financial statements, the management of the Group makes estimates and assumptions on matters which affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, seldom equal the related actual results.

Critical accounting estimates and assumptions made in the preparation of the interim consolidated financial statements are consistent with those made in the preparation of the annual consolidated financial statements for the year ended December 31, 2014, except for the estimation methodologies applied in deriving corporate income tax, emission rights, and emission liabilities.

3. Financial Instruments by Category

Categorizations of financial assets and liabilities as of March 31, 2015 and December 31, 2014, are as follows:

(1) As of March 31, 2015

<i>(In millions of Korean won)</i>	Assets at fair value through profit and loss		Loans and receivables		Available-for-sale financial assets		Total
Assets							
Cash and cash equivalents	₩	-	₩	18,395,88	₩	-	₩ 18,395,883
Short-term financial instruments		-		34,511,437		-	34,511,437
Short-term available-for-sale financial assets		-		-		3,221,305	3,221,305
Trade receivables		-		24,911,678		-	24,911,678
Long-term available-for-sale financial assets		-		-		12,205,278	12,205,278
Other		79,524		3,260,358		100,051	3,439,933
Total	₩	79	₩	81,079,35	₩	15,526,634	₩ 96,685,514

<i>(In millions of Korean won)</i>	Liabilities at fair value through profit and loss		Financial liabilities measured at amortized cost		Other financial liabilities		Total
Liabilities							
Trade payables	₩	-	₩	8,736,903	₩	-	₩ 8,736,903
Short-term borrowings		-		2,409,231		5,445,679	7,854,910
Other payables		-		10,880,443		-	10,880,443
Current portion of long-term liabilities		-		524,828		-	524,828
Debentures		-		1,382,138		-	1,382,138
Long-term borrowings		-		85,375		-	85,375
Long-term other payables		-		2,130,832		-	2,130,832
Other		55,351		7,434,236		-	7,489,587
Total	₩	55,351	₩	33,583,986	₩	5,445,679	₩ 39,085,016

(2) As of December 31, 2014

<i>(In millions of Korean won)</i>	Assets at fair value through profit or loss		Loans and receivables		Available-for-sale financial assets		Total
Assets							
Cash and cash equivalents	₩	-	₩	16,840,766	₩	-	₩ 16,840,766
Short-term financial instruments		-		41,689,776		-	41,689,776
Short-term available-for-sale financial assets		-		-		3,286,798	3,286,798
Trade receivables		-		24,694,610		-	24,694,610
Long-term available-for-sale financial assets		-		-		12,667,509	12,667,509
Other		48,360		4,614,560		100,051	4,762,971
Total	₩	48,360	₩	87,839,712	₩	16,054,358	₩ 103,942,430

<i>(In millions of Korean won)</i>	Liabilities at fair value through profit and loss		Financial liabilities measured at amortized cost		Other financial liabilities		Total
Liabilities							
Trade payables	₩	-	₩	7,914,704	₩	-	₩ 7,914,704
Short-term borrowings		-		3,367,915		4,661,384	8,029,299
Other payables		-		9,258,344		-	9,258,344
Current portion of long-term liabilities		-		1,778,667		-	1,778,667
Debentures		-		1,355,882		-	1,355,882
Long-term borrowings		-		101,671		-	101,671
Long-term other payables		-		2,520,277		-	2,520,277
Other		78,348		11,395,781		-	11,474,129
Total	₩	78,348	₩	37,693,241	₩	4,661,384	₩ 42,432,973

4. Long-Term Available-for-Sale Financial Assets

(A) Details of long-term available-for-sale financial assets as of March 31, 2015 and December 31, 2014, are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Equity securities - Listed	₩	5,818,314	₩	5,776,836
Equity securities - Non-listed		3,877,659		3,746,393
Debt securities ¹		2,509,305		3,144,280
Total	₩	12,205,278	₩	12,667,509

¹ The maximum exposure to credit risk of available-for-sale debt securities is the carrying value at the reporting date.

(B) Details of listed equity securities as of March 31, 2015 and December 31, 2014, are as follows:

(In millions of Korean won, number of shares and percentage)

	March 31, 2015			December 31, 2014	
	Number of Shares Owned	Percentage of Ownership (%)	Acquisition Cost	Book Value (Market Value)	Book Value (Market Value)
Samsung SDI	13,462,673	19.6	₩ 2,180,953	₩ 1,837,655	₩ 1,561,670
Samsung Heavy Industries	40,675,641	17.6	258,299	734,195	811,479
Samsung Fine Chemicals	2,164,970	8.4	45,678	89,738	70,795
Hotel Shilla	2,004,717	5.1	13,957	196,262	183,231
Cheil Worldwide	14,498,725	12.6	223,941	348,694	249,378
iMarket Korea	647,320	1.8	324	16,571	18,384
SFA	1,822,000	10.2	38,262	99,117	90,462
Wonik IPS	7,220,216	9.0	63,250	80,144	100,722
ASML	12,595,575	2.9	726,024	1,428,865	1,506,664
Rambus	4,788,125	4.2	92,682	66,559	58,368
Seagate Technology	12,539,490	3.8	218,544	720,936	916,597
Sharp	35,804,000	2.1	122,535	77,430	88,292
SunEdison Semiconductor	1,416,925	3.4	21,937	40,426	49,511
Wacom	8,398,400	5.0	62,013	44,682	36,084
Other			51,837	37,040	35,199
Total			₩ 4,120,236	₩ 5,818,314	₩ 5,776,836

Acquisition cost includes impairment loss on available-for-sale financial assets recognized due to the decline in realizable value below acquisition cost.

The difference between the acquisition cost and the current fair value, after income tax effects, is recorded within other components of equity (unrealized gains or losses on available-for-sale financial assets).

5. Inventories

Inventories as of March 31, 2015 and December 31, 2014, are as follows:

(In millions of Korean won)	March 31, 2015			December 31, 2014		
	Gross Amount	Valuation Allowance	Book Value	Gross Amount	Valuation Allowance	Book Value
Finished goods	₩ 6,555,501	₩ (222,278)	₩ 6,333,223	₩ 6,011,078	₩ (237,630)	₩ 5,773,448
Work in process	5,558,386	(515,122)	5,043,264	5,018,416	(553,345)	4,465,071
Raw materials and supplies	7,116,038	(319,626)	6,796,412	6,244,161	(287,155)	5,957,006
Materials in transit	946,912	-	946,912	1,121,979	-	1,121,979
Total	₩ 20,176,837	₩ (1,057,026)	₩ 19,119,811	₩ 18,395,634	₩ (1,078,130)	₩ 17,317,504

6. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the three months ended March 31, 2015 and 2014, are as follows:

(In millions of Korean won)	March 31, 2015	March 31, 2014
Balance as of January 1	₩ 5,232,461	₩ 6,422,292
Acquisition	66,700	184,700
Disposal	(2,278)	-
Share of profit	55,208	30,136
Other ¹	(117,665)	(99,785)
Balance as of March 31	₩ 5,234,426	₩ 6,537,343

¹ Other consists of dividends, business combinations, and effects of changes in foreign exchange rates.

(B) Major investments in associates and joint ventures as of March 31, 2015, are as follows:

(1) Investments in associates

Investee	Nature of Relationship with Associate	Percentage of Ownership ¹ (%)	Principal Business Location
Samsung Card	Business alliance	37.5	Korea
Samsung Electro-Mechanics	Manufacture and supply electronic components including passive component, circuit board, and module	23.7	Korea
Samsung SDS	Provide IT services including computer programming, system integration and management	22.6	Korea
Samsung Techwin ²	Manufacture and supply engine and precision machines	25.5	Korea

¹ Ownership represents the Group's ownership of common stock in each entity.

² The Group's investment in Samsung Techwin met the asset held-for-sale classification criterion and was reclassified accordingly.

(2) Investments in joint ventures

Investee	Nature of Relationship with Joint Venture	Percentage of Ownership¹ (%)	Principal Business Location
Samsung Corning Advanced Glass	Manufacture and supply other industrial glass devices	50.0	Korea

¹ Ownership represents the Group's ownership of common stock in each entity.

(C) Details of investments in associates and joint ventures as of March 31, 2015 and December 31, 2014, are as follows:

(1) Investments in associates

(In millions of Korean won)

Investee	March 31, 2015		
	Acquisition cost	Net asset value¹	Book value
Samsung Card	₩ 1,538,540	₩ 2,391,505	₩ 2,352,351
Samsung Electro-Mechanics	359,237	993,466	999,274
Samsung SDS	147,963	937,048	960,580
Other	811,633	537,538	674,048
Total	₩ 2,857,373	₩ 4,859,557	₩ 4,986,253

(In millions of Korean won)

Investee	December 31, 2014		
	Acquisition cost	Net asset value¹	Book value
Samsung Card	₩ 1,538,540	₩ 2,393,185	₩ 2,354,026
Samsung Electro-Mechanics	359,237	1,038,184	1,040,404
Samsung SDS	147,963	928,548	951,776
Other	745,568	485,330	623,480
Total	₩ 2,791,308	₩ 4,845,247	₩ 4,969,686

¹ Company's portion of net asset value of associates is based on the Group's ownership percentage.

(2) Investments in joint ventures

(In millions of Korean won)

Investee	March 31, 2015		
	Acquisition cost	Net asset value¹	Book value
Samsung Corning Advanced Glass	₩ 215,000	₩ 193,698	₩ 193,981
Other	527,204	93,995	54,192
Total	₩ 742,204	₩ 287,693	₩ 248,173

(In millions of Korean won)

Investee	Acquisition cost		December 31, 2014		Book value	
			Net asset value ¹			
Samsung Corning Advanced Glass	₩	215,000	₩	196,015	₩	195,930
Other		527,204		100,948		66,845
Total	₩	742,204	₩	296,963	₩	262,775

¹ Company's portion of net asset value of joint ventures is based on the Group's ownership percentage.

(D) Details of changes in equity-method investments, including associates and joint ventures, are as follows:

(1) For the three months ended March 31, 2015

(In millions of Korean won)

	Balance as of January 1	Gain/loss on valuation	Other comprehensive income/loss	Other ¹	Balance as of March 31
Samsung Card	₩ 2,354,026	₩ 30,983	₩ 10,560	₩ (43,219)	₩ 2,352,350
Samsung Electro-Mechanics	1,040,404	11,969	(39,015)	(14,084)	999,274
Samsung SDS	951,776	20,263	(2,727)	(8,733)	960,579
Samsung Corning Advanced Glass	195,930	(1,956)	6	1	193,981
Other	690,325	(6,051)	(12,876)	56,844	728,242
Total	₩ 5,232,461	₩ 55,208	₩ (44,052)	₩ (9,191)	₩ 5,234,426

¹ Other consists of acquisitions, disposals, dividends, and effects of changes in currency exchange rates.

(2) For the three months ended March 31, 2014

(In millions of Korean won)

	Balance as of January 1	Gain/loss on valuation	Other comprehensive income/loss	Other ¹	Balance as of March 31
Samsung Card	₩ 2,340,009	₩ 25,326	₩ (10,496)	₩ (30,375)	₩ 2,324,464
Samsung Electro-Mechanics	954,496	(1,012)	(5,717)	(13,270)	934,497
Samsung SDI	1,175,204	7,528	16,313	(13,925)	1,185,120
Samsung SDS	879,956	16,951	(513)	(4,368)	892,026
Samsung Techwin	402,745	965	5,915	(6,762)	402,863
Samsung Corning Advanced Glass	111,961	(5,446)	(11)	99,894	206,398
Other	557,921	(14,176)	(2,744)	50,974	591,975
Total	₩ 6,422,292	₩ 30,136	₩ 2,747	₩ 82,168	₩ 6,537,343

¹ Other consists of acquisitions, disposals, dividends, and effects of changes in currency exchange rates.

(E) Summary of condensed financial information of major associates and joint ventures

(1) A summary of condensed financial information of major associates and dividends received from associates as of March 31, 2015 and December 31, 2014, and for the three months ended March 31, 2015 and 2014, is as follows:

(In millions of Korean won)

Investee	2015		
	Samsung Card ¹	Samsung Electro-Mechanics	Samsung SDS
1. Condensed financial information			
Condensed statement of financial position			
Current assets	₩ 17,478,694	₩ 3,290,417	₩ 3,426,009
Non-current assets		4,222,479	2,319,542
Current liabilities	11,092,832	2,093,107	1,255,751
Non-current liabilities		967,957	234,085
Non-controlling interests	-	94,555	105,810
Condensed statement of comprehensive income			
Revenue	772,013	1,776,514	1,915,524
Profit from continuing operations ²	109,085	36,759	88,397
Other comprehensive income (loss) ²	28,199	(35,187)	(12,077)
Total comprehensive income ²	137,284	1,572	76,320
2. Dividends from associates			
Dividends	₩ 43,393	₩ 13,270	₩ 8,736

¹ Samsung Card does not present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position.

² Income (loss) attributable to owners of the parent.

(In millions of Korean won)

Investee	2014		
	Samsung Card ¹	Samsung Electro-Mechanics	Samsung SDS
1. Condensed financial information			
Condensed statement of financial position			
Current assets	₩ 17,736,627	₩ 3,553,987	₩ 3,228,074
Non-current assets		4,164,625	2,317,971
Current liabilities	11,346,281	2,151,002	1,117,969
Non-current liabilities		924,814	214,051
Non-controlling interests	-	89,390	101,766
Condensed statement of comprehensive income			
Revenue	731,583	1,728,771	1,866,857
Profit from continuing operations ²	67,602	1,661	71,871
Other comprehensive loss ²	(28,026)	(25,486)	(2,270)
Total comprehensive income ²	39,576	(23,825)	69,601
2. Dividends from associates			
Dividends	₩ 30,375	₩ 13,270	₩ 4,368

¹ Samsung Card does not present current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position.

² Income (loss) attributable to owners of the parent

(2) A summary of the condensed financial information of major joint ventures and dividends received from joint ventures as of March 31, 2015 and December 31, 2014, and for the three months ended March 31, 2015 and 2014, is as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Investee	Samsung Corning Advanced Glass		Samsung Corning Advanced Glass	
1. Condensed financial information				
Condensed statements of financial position				
Current assets	₩	220,187	₩	228,312
- Cash and cash equivalent		6,610		14,696
Non-current assets		195,125		200,105
Current liabilities		25,672		34,719
- Current financial liabilities ¹		13,656		18,718
Non-current liabilities		2,244		1,669
Condensed statements of comprehensive income²				
Revenue		71,191		50,227
Depreciation and amortization		446		87
Interest income		290		103
Income tax expense		(556)		(2,212)
Net loss from continuing operations		(4,644)		(10,904)
Other comprehensive loss		-		(23)
Total comprehensive loss		(4,644)		(10,927)
2. Dividends from joint ventures				
Dividends	₩	-	₩	-

¹ Accounts payable, other payables, and provisions are excluded.

² Amounts relate to the three months ended March 31, 2015 and 2014.

(3) Profit (loss) amounts attributable to owners of the parent from associates and joint ventures which are not individually material for the three months ended March 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015				2014			
Investee	Associates		Joint ventures		Associates		Joint ventures	
Loss from continuing operations ¹	₩	(17,075)	₩	(3,739)	₩	(33,017)	₩	(49,980)
Other comprehensive income (loss) ¹		(6,242)		(6,507)		4,817		11,547
Total comprehensive loss ¹	₩	(23,317)	₩	(10,246)	₩	(28,200)	₩	(38,433)

¹ Income (loss) attributable to owners of the parent.

(F) Fair value of marketable investments in associates as of March 31, 2015 and December 31, 2014, is as follows:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2015		December 31, 2014	
	Number of shares held	Market value	Market value	
Samsung Card	43,393,170	₩ 1,781,290	₩ 1,917,978	
Samsung Electro-Mechanics	17,693,084	1,360,598	967,812	
Samsung SDS	17,472,110	4,673,789	5,128,064	
Samsung Techwin	13,526,935	320,588	322,617	

7. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the three months ended March 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Balance as of January 1	₩	80,872,950	₩	75,496,388
Acquisition and capital expenditures		7,212,625		5,373,794
Business combinations		34,776		-
Depreciation		(4,563,385)		(4,004,084)
Sales/disposals/impairment		(135,202)		(249,785)
Other ¹		20,658		(97,277)
Balance as of March 31	₩	83,442,422	₩	76,519,036

¹ Other includes effects of changes in foreign currency exchange rates.

(B) Details of depreciation of property, plant and equipment by line item for the three months ended March 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Cost of sales	₩	4,128,702	₩	3,619,728
Selling and administrative expenses		434,683		384,356
Total	₩	4,563,385	₩	4,004,084

8. Intangible Assets

(A) Changes in intangible assets for the three months ended March 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Balance as of January 1	₩	4,785,473	₩	3,980,600
Internally generated (development costs)		304,477		186,694
External acquisitions		115,441		80,452
Business combinations		374,224		-
Amortization		(305,944)		(252,337)
Sales/disposals/impairment		(2,136)		(3,802)
Other ¹		66,983		128,630
Balance as of March 31	₩	5,338,518	₩	4,120,237

¹ Other includes effects of changes in foreign currency exchange rates.

(B) Details of amortization of intangible assets by line item for the three months ended March 31, 2015 and 2014, are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Cost of sales	₩	178,168	₩	107,648
Selling and administrative expenses		127,776		144,689
Total	₩	305,944	₩	252,337

9. Borrowings

Details of the carrying amounts of borrowings as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	Financial Institutions	Annual Interest Rates(%) as of March 31, 2015	March 31, 2015		December 31, 2014	
Short-term borrowings						
Collateralized borrowings ¹	Woori Bank and others	0.4 ~ 11.2	₩	5,445,679	₩	4,661,384
Non-collateralized borrowings	Citibank and others	0.4 ~ 11.8		2,409,231		3,367,915
Total			₩	7,854,910	₩	8,029,299
Current portion of long-term borrowings						
Bank borrowings	SMBC and others	0.5 ~ 14.9	₩	494,091	₩	1,758,556
Financial lease liabilities ²	CSSD and others	1.1 ~ 15.7		14,985		14,807
Total			₩	509,076	₩	1,773,363
Long-term borrowings						
Bank borrowings	SMBC and others	1.1 ~ 19.0	₩	8,948	₩	23,989
Financial lease liabilities ²	CSSD and others	1.1 ~ 15.7		76,427		77,682
Total			₩	85,375	₩	101,671

¹ Collateralized borrowings are secured by trade receivables.

² Leased property, plant and equipment were pledged as collateral.

10. Debentures

Details of the carrying amount of debentures as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Korean won denominated debentures (A)	₩	199,594	₩	199,515
Foreign currency denominated debentures (B)		1,182,544		1,156,367
Total	₩	1,382,138	₩	1,355,882

(A) Details of Korean won denominated debentures as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	Issue Date	Due Date	Annual Interest Rates (%) as of March 31, 2015	March 31, 2015	December 31, 2014
Unsecured debentures	2011.11.17	2016.11.17	4.2	₩ 200,000	₩ 200,000
Less: Current portion				-	-
Less: Discounts				(406)	(485)
Total				₩ 199,594	₩ 199,515

All the above debentures have been issued by Samsung Display and will be repaid upon maturity.

(B) Details of foreign currency denominated debentures as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean Won)</i>	Issue Date	Due Date	Annual Interest Rates (%) as of March 31, 2015	March 31, 2015	December 31, 2014
US dollar denominated straight bonds ¹	1997.10.02	2027.10.01	7.7	₩ 71,825 (US\$65 million)	₩ 71,448 (US\$65 million)
US dollar denominated unsecured bonds ²	2012.4.10	2017.4.10	1.8	1,105,000 (US\$1,000 million)	1,099,200 (US\$1,000 million)
Simpres Corporate Bond (ITAU)	2011.9.13	2016.9.14	14.5	8,554 (BRL 25,000 thousand)	-
Simpres Corporate Bond (SANTANDER)	2013.8.6	2018.8.6	15.0	20,530 (BRL 60,000 thousand)	-
Less: Current Portion				(15,670)	(5,496)
Less: Discounts				(7,695)	(8,785)
Total				₩ 1,182,544	₩ 1,156,367

¹ US dollar denominated straight bonds are repaid annually for twenty years after a ten-year grace period from the date of issuance. Interest is paid semi-annually.

² US dollar denominated unsecured bonds are issued by Samsung Electronics America, a subsidiary of the Group, and are repaid in full upon maturity. Interest is paid semi-annually.

11. Net Defined Benefit Liabilities

(A) Details of net defined benefit liabilities recognized on the consolidated statements of financial position as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Present value of funded defined benefit obligations	₩	7,682,020	₩	7,404,205
Present value of unfunded defined benefit obligations		118,808		138,042
Subtotal		7,800,828		7,542,247
Fair value of plan assets		(7,327,506)		(7,340,905)
Total	₩	473,322	₩	201,342

(B) The amounts recognized in the consolidated statements of income for the three months ended March 31, 2015 and 2014 are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Current service cost	₩	289,985	₩	238,270
Interest cost		8,899		25,386
Past service cost		-		128,747
Other		2,741		(2,259)
Total	₩	301,625	₩	390,144

(C) The pension expenses related to defined benefit plans recognized on the consolidated statements of income for the three months ended March 31, 2015 and 2014 are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Cost of sales	₩	132,625	₩	165,180
Selling and administrative expenses		169,000		224,964
Total	₩	301,625	₩	390,144

12. Provisions

Changes in the provisions during the three months ended March 31, 2015 are as follows:

<i>(In millions of Korean won)</i>	Warranty (A)	Royalty expenses (B)	Long-term incentives (C)	Bonus (D)	Other (E)	Total
Balance as of January 1, 2015	₩ 1,829,068	₩ 3,917,792	₩ 730,464	₩ -	₩ 13,476	₩ 6,490,800
Charged to the statement of income	417,193	253,996	43,664	900,949	16,352	1,632,154
Payment	(435,752)	(324,815)	(202,572)	-	-	(963,139)
Other ¹	(80,612)	(80,175)	-	-	(121)	(160,908)
Balance as of March 31, 2015	₩ 1,729,897	₩ 3,766,798	₩ 571,556	₩ 900,949	₩ 29,707	₩ 6,998,907

¹ Other includes effects of changes in foreign currency exchange rates.

(A) The Group accrues warranty reserves for estimated costs of future service, repairs and recalls, based on historical experience and terms of warranty programs.

(B) The Group makes provisions for the estimated royalty expenses under negotiation with counterparties. The timing of payment depends on the settlement of the negotiation.

(C) The Group has a long-term incentive plan for its executives based on a three-year management performance criteria and has made a provision for the estimated incentive cost for the accrued period.

(D) The Group provides bonuses for its executives and employees, which are determined based on current-period performance. The estimated bonus cost for the accrued period has been recognized as a provision.

(E) The Group makes provisions for the estimated emission expense to deliver permits exceeding the emission permits held by the Group for the applicable years. Details of emission rights and liabilities as of March 31, 2015 are as follows:

(1) Allocated amount of emission permits and estimated amount of emission for the next three years as of March 31, 2015 are as follows:

<i>(In tons)</i>	2015	2016	2017
Allocated emission permits	5,774,375	5,662,429	5,548,627
Estimated amount of emission	6,569,385	7,328,034	8,248,797

(2) Changes in the provisions for emissions as of March 31, 2015 are as follows:

<i>(In millions of Korean won)</i>	2015	
Balance as of January 1	₩	-
Emission costs		1,987
Balance as of March 31	₩	1,987

13. Commitments and Contingencies

(A) Guarantees

Details of guarantees of debt provided by the Group as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Guarantees of debt for housing rental ¹	₩	70,247	₩	76,558

¹ Represent the maximum amount of debt guarantee, which was provided for employees who took debt from financial institutions in order to finance employee housing rental.

In addition to the guarantees described above, the Group provides guarantees for borrowings by Intellectual Keystone Technology (IKT), the Group's associate, to Citibank in the amount of ₩33,150 million (USD 30 million).

As of March 31, 2015, the Group's investments in Pusan Newport are pledged as collateral against the investee's debt.

(B) Litigation

(1) The litigation with Apple Inc. ("Apple") is ongoing in the United States as of the reporting date. Regarding the ongoing lawsuit in the United States, on August 24, 2012, the jury determined that the Group 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 Group and made a final judgment restating the total damages amount determined by a jury verdict on November 21, 2013. The Group appealed the decision on the damages amount on March 7, 2014, and a hearing on the appeal was held on December 4, 2014.

Additionally, on May 5, 2014, the jury in another ongoing lawsuit determined that the Group partially infringed Apple's utility patent and should pay damages to Apple. On November 25, 2014, the first trial judgment was pronounced to confirm the jury's

verdict. The Group appealed the decision on the damages and the appeal is currently on-going. The final conclusion and the effect of the patent lawsuits with Apple are uncertain as of the reporting date.

In August 2014, the Group and Apple reached an agreement to withdraw from ongoing litigation in all regions other than the United States, and the Group has withdrawn all non-United States based lawsuits.

- (2) Including civil claims from some overseas buyers for price-fixing related to the sale of TFT-LCD raised before the split, the Group is involved in claims, disputes, and investigations conducted by regulatory bodies at the reporting date. Although the outflow of resources and timing of these matters are uncertain, the Group believes the outcome will not have a material impact on the financial condition of the Group.
- (3) In addition, during the normal course of business with numerous companies, the Group 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 Group believes the outcome will not have a material impact on the financial condition of the Group.

(C) Other commitments

The Group entered into a comprehensive business cooperation agreement with Corning Incorporated on October 23, 2013. The respective agreement includes ex-post settlement conditions based on the business performance of Samsung Corning Precision Materials which may result in the future outflow of or inflow to the Group's resource. As of the reporting date, the future inflow or outflow are uncertain and thus, its impact to the Group's financial statements cannot be estimated. The Group's management, however, believes the future inflow or outflow will not have a material impact on the financial conditions of the Group.

14. Share Capital

The Group's total number of authorized shares is 500,000,000 shares (₩5,000 per share). The Group has issued 147,299,337 shares of common stock and 22,833,427 shares of preferred stock as of March 31, 2015, excluding retired shares. Due to the retirement of shares, the total par value of the shares issued is ₩850,664 million (common stock ₩736,497 million and preferred stock ₩114,167 million), which does not agree with paid-in capital of ₩897,514 million.

15. Retained Earnings

(A) Retained earnings as of March 31, 2015 and December 31, 2014 consist of:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Appropriated	₩	131,539,595	₩	119,947,785
Unappropriated		39,566,035		49,581,819
Total	₩	171,105,630	₩	169,529,604

16. Other Components of Equity

Other components of equity as of March 31, 2015 and December 31, 2014 consist of:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Treasury stock	₩	(9,752,372)	₩	(8,429,313)
Stock options		806		806
Unrealized gains on available-for-sale financial assets		2,108,056		1,850,195
Share of other comprehensive income of associates and joint ventures		515,273		559,280
Foreign currency translation		(5,588,891)		(4,566,887)
Remeasurement of net defined benefit liabilities		(2,021,623)		(1,996,792)
Other		(151,205)		(146,676)
Total	₩	(14,889,956)	₩	(12,729,387)

The Group repurchases registered common stock and non-voting preferred stock and recognizes the repurchase amount in other components of equity. Such stock will be distributed upon exercise of stock options. Treasury stock as of March 31, 2015 and December 31, 2014 consists of the following:

<i>(In millions of Korean won and number of shares)</i>	March 31, 2015		December 31, 2014	
	Preferred Stock	Common Stock	Preferred Stock	Common Stock
Number of shares	3,229,693 shares	17,986,686 shares	3,110,943 shares	17,094,741 shares
Acquisition cost	₩ 878,817	₩ 8,873,555	₩ 755,764	₩ 7,673,549

17. Expenses by Nature

Expenses by nature for the three months ended March 31, 2015 and 2014 consist of the following:

<i>(In millions of Korean won)</i>	2015		2014	
Changes in finished goods and work in process	₩	(1,137,968)	₩	354,019
Raw materials and goods		19,180,417		21,402,457
Wages and salaries		4,714,744		4,485,185
Pension		313,024		402,604
Depreciation		4,563,385		4,004,084
Amortization		305,944		252,337
Welfare		860,080		821,212
Commission and service charges		1,944,909		2,550,416
Other		10,394,016		10,914,213
Total¹	₩	41,138,551	₩	45,186,527

¹ Expenses above are equal to the sum of cost of sales and selling and administrative expenses on the interim consolidated statements of income.

18. Selling and Administrative Expenses

Selling and administrative expenses for the three months ended March 31, 2015 and 2014 are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
1) Selling and administrative expenses				
Wages and salaries	₩	1,369,401	₩	1,338,623
Pension		68,701		87,310
Commission and service charges		1,944,909		2,550,416
Depreciation		172,334		164,075
Amortization		77,517		98,681
Advertising		653,799		677,862
Sales promotion		1,528,100		1,587,983
Transportation		798,985		839,661
Warranty		705,881		861,689
Other		1,372,296		1,239,868
2) Research and development expenses				
Total expenses		3,795,718		3,877,538
Capitalized expenses		(304,477)		(186,694)
Total	₩	12,183,164	₩	13,137,012

19. Other Non-Operating Income and Expense

Details of other non-operating income and expense for the three months ended March 31, 2015 and 2014 are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Non-operating income				
Dividend income	₩	61,066	₩	1,307,086
Rental income		22,411		24,857
Gain on disposal of investments		33,786		74,095
Gain on disposal of property, plant and equipment		33,705		43,367
Other		215,164		462,191
Total	₩	366,132	₩	1,911,596

<i>(In millions of Korean won)</i>	2015		2014	
Non-operating expense				
Loss on disposal of property, plant and equipment	₩	33,074	₩	53,309
Donations		120,312		50,251
Loss on disposal of assets classified as held for sale		-		723,869
Other		162,833		122,542
Total	₩	316,219	₩	949,971

20. Finance Income and Expense

(A) Details of finance income and expense for the three months ended March 31, 2015 and 2014 are as follows:

<i>(In millions of Korean won)</i>	2015		2014	
Finance income				
Interest income:	₩	442,274	₩	417,663
Interest income from loans and receivables		414,984		408,716
Interest income from available-for-sale financial assets		27,290		8,947
Foreign exchange differences ¹		1,644,493		876,521
Gain on valuation of derivatives		312,885		156,107
Total	₩	2,339,652	₩	1,450,291

<i>(In millions of Korean won)</i>	2015		2014	
Finance expense				
Interest expense:	₩	166,918	₩	142,555
Interest expense from financial liabilities measured at amortized cost		98,691		99,404
Other financial liabilities		68,227		43,151
Foreign exchange differences ¹		1,813,563		981,220
Loss on valuation of derivatives		285,016		158,106
Total	₩	2,265,497	₩	1,281,881

¹The Group recognizes foreign exchange gains and losses arising from foreign currency transactions and translation as finance income and expense.

21. Income Tax Expense

Income tax expense is recognized based on management's best estimate of the average annual income tax rate expected for the full financial year. The average annual tax rate expected as of March 31, 2015 to be effective for the year ended December 31, 2015 is 25.6% (March 31, 2014: 21.5%).

22. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the three months ended March 31, 2015 and 2014 are calculated as follows:

(1) Common stock

(In millions of Korean won and thousands of shares, except per share data)

	2015		2014	
Net income as reported on the statements of income	₩	4,519,323	₩	7,484,680
Net income available for common stock		3,924,175		6,499,012
Weighted-average number of common shares outstanding		129,462		130,923
Basic earnings per share (in Korean won)	₩	30,311	₩	49,640

(2) Preferred stock

(In millions of Korean won and thousands of shares, except per share data)

	2015		2014	
Net income as reported on the statements of income	₩	4,519,323	₩	7,484,680
Net income available for preferred stock		595,148		985,668
Weighted-average number of preferred shares outstanding		19,625		19,854
Basic earnings per preferred share (in Korean won)	₩	30,326	₩	49,646

(B) Diluted earnings per share

The Group has one category of potentially dilutive ordinary shares: stock options. Dilutive earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

Diluted earnings per share for the three months ended March 31, 2015 and 2014 are calculated as follows:

(1) Common stock

(In millions of Korean won and thousands of shares, except per share data)

	2015		2014	
Net income available for common stock and common stock equivalents	₩	3,924,195	₩	6,499,115
Weighted-average number of shares of common stock and common stock equivalents		129,465		130,939
Diluted earnings per share (in Korean won)	₩	30,311	₩	49,635

(2) Preferred stock

(In millions of Korean won and thousands of shares, except per share data)

	2015		2014	
Net income available for preferred stock and preferred stock equivalents	₩	595,128	₩	985,565
Weighted-average number of shares of preferred stock and preferred stock equivalents		19,625		19,854
Diluted earnings per preferred share (in Korean won)	₩	30,325	₩	49,961

23. Cash Flows Generated from Operating Activities

Adjustments and changes in assets and liabilities arising from operating activities for the three months ended March 31, 2015 and 2014 are as follows:

- Adjustments

(In millions of Korean won)	2015		2014	
Adjustments for:				
Income tax expense	₩	1,592,828	₩	2,074,529
Finance income		(1,373,566)		(1,053,766)
Finance costs		974,622		624,053
Pension		313,024		402,604
Depreciation		4,563,385		4,004,084
Amortization		305,944		252,337
Bad debt expense		72,064		128,305
Gain on valuation of equity method		(55,208)		(30,136)
Gain on disposal of property, plant and equipment		(33,705)		(43,367)
Loss on disposal of property, plant and equipment		33,074		53,309
Obsolescence and scrapping of inventories		153,840		116,600
Loss on disposal of assets classified as held-for-sale		-		723,869
Dividend income		(61,066)		(1,307,086)
Other		(162,990)		(328,120)
Adjustments, total	₩	6,322,246	₩	5,617,215

- Changes in assets and liabilities arising from operating activities

<i>(In millions of Korean won)</i>	2015		2014	
Changes in assets and liabilities :				
Decrease (Increase) in trade receivables	₩	(340,270)	₩	340,983
Decrease in other receivables		919,694		301,594
Increase in advances		(21,868)		(79,398)
Increase in prepaid expenses		(351,386)		(2,772,299)
Increase in inventories		(2,271,425)		(514,024)
Increase in trade payables		1,210,116		1,693,791
Increase (Decrease) in other payables		(339,643)		2,653,370
Decrease in advances received		(104,390)		(64,813)
Increase (Decrease) in withholdings		25,788		(6,963)
Decrease in accrued expenses		(4,230,031)		(2,773,699)
Increase in provisions		855,749		358,752
Payment of severance benefits		(80,658)		(98,833)
Other		(168,002)		226,120
Changes in net working capital, total	₩	(4,896,326)	₩	(735,419)

24. Financial Risk Management

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

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

Also, financial risk management officers are dispatched to the regional headquarters of each area including the United States, England, Singapore, China, Japan, Brazil and Russia to operate the local finance center in accordance with global financial risk management.

The Group's financial assets that are under financial risk management are comprised of cash and cash equivalents, short-term financial instruments, available-for-sale financial assets, trade and other receivables and other financial assets. The Group's financial liabilities under financial risk management are comprised of trade and other payables, borrowings, debentures, and other financial liabilities.

(A) Market risk

(1) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States, European Union, South America, Japan and other Asian countries. Revenues and expenses arise from foreign currency transactions and exchange positions, and the most widely used currencies are the US Dollar, EU's EURO, Japanese Yen and Chinese Yuan.

Foreign exchange risk management of the Group is carried out by both SEC and its subsidiaries. To minimize foreign exchange risk arising from operating activities, the Group's foreign exchange management policy requires normal business transactions to be in local currency or for the cash-in currency to be matched up with the cash-out currency. The Group's foreign exchange risk management policy also defines foreign exchange risk, measuring period, controlling responsibilities, management procedures, hedging period and hedge ratio.

The Group limits all speculative foreign exchange transactions and operates a system to manage receivables and payables denominated in foreign currency. It evaluates, manages and reports foreign currency exposures to receivables and payables.

(2) Price risk

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

As of March 31, 2015 and December 31, 2014, a price fluctuation in relation to marketable equity securities by 1% would result in changes in other comprehensive income (before income tax) of ₩58,183 million and ₩57,768 million, respectively.

(3) Interest rate risk

Risk of changes in interest rates for floating interest rate financial instruments is defined as the risk that the fair value of components of the statement of financial position, and future cash flows of interest income (expenses) of a financial instrument, will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk mainly through interest bearing liabilities and assets. The Group's position with regard to interest rate risk exposure is mainly driven by its floating interest rate debt obligations and interest-bearing deposits. The Group implemented policies and operates to minimize uncertainty arising from changes in interest rates and finance costs.

In order to avoid interest rate risk, the Group maintains minimum external borrowings by facilitating cash pooling systems on a regional and global basis. The Group manages exposed interest rate risk via periodic monitoring and handles risk factors on a timely basis.

(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 Group monitors and sets the client's and counterparty's credit limit on a periodic basis based on the client's and 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 Group transacts only with banks which have 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 Group's finance team and the local finance center. The Group requires separate approval for contracts with restrictions.

Most of the Group's trade receivables are adequately insured to manage any risk, therefore, the Group estimates its credit risk exposure to be limited. The Group 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 Group, maintaining adequate levels of liquidity risk is critical. The Group strives to achieve this goal by periodically forecasting its capital balance, estimating required cash levels, and managing income and expenses.

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

In addition, the Group 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 Group 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 Group's capital risk management policy has not changed since the fiscal year ended December 31, 2014. As of March 31, 2015, the Group has maintained an A+ and A1 credit rating from S&P and Moody's, respectively, on its long term debt.

The total liabilities to equity ratios as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
Total liabilities	₩	59,631,070	₩	62,334,770
Total equity		167,619,307		168,088,188
Total liabilities to equity ratio		35.6%		37.1%

(E) Fair value estimation

(1) Carrying amounts and fair values of financial instruments by category as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean won)</i>	March 31, 2015		December 31, 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents ¹	₩ 18,395,883	₩ -	₩ 16,840,766	₩ -
Short-term financial instruments ¹	34,511,437	-	41,689,776	-
Short-term available-for-sale financial assets	3,221,305	3,221,305	3,286,798	3,286,798
Trade receivables ¹	24,911,678	-	24,694,610	-
Long-term available-for-sale financial assets ²	12,205,278	11,805,491	12,667,509	12,272,756
Other	3,439,933	3,404,784	4,762,971	4,725,263
Total financial assets	₩ 96,685,514		₩ 103,942,430	
Financial liabilities				
Trade payables ¹	₩ 8,736,903	₩ -	₩ 7,914,704	₩ -
Short-term borrowings ¹	7,854,910	-	8,029,299	-
Other payables ¹	10,880,443	-	9,258,344	-
Current portion of long-term liabilities ¹	524,828	-	1,778,667	-
Debentures	1,382,138	1,407,237	1,355,882	1,377,113
Long-term borrowings	85,375	68,216	101,671	82,271
Long-term other payables	2,130,832	2,214,696	2,520,277	2,606,179
Other ¹	7,489,587	-	11,474,129	-
Total financial liabilities	₩ 39,085,016		₩ 42,432,973	

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 (March 31, 2015: ₩399,787 million, December 31, 2014: ₩394,753 million) is excluded as the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed.

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

<i>(In millions of Korean won)</i>	March 31, 2015			
	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term available-for-sale financial assets	₩ 817,680	₩ 2,403,625	₩ -	₩ 3,221,305
Long-term available-for-sale financial assets ¹	5,818,314	2,413,478	3,573,699	11,805,491
Other	-	75,005	104,570	179,575
2) Liabilities				
Other	-	55,351	-	55,351

December 31, 2014

<i>(In millions of Korean won)</i>	Level 1	Level 2	Level 3	Total balance
1) Assets				
Short-term available-for-sale financial assets	₩ 1,016,878	₩ 2,269,920	₩ -	₩ 3,286,798
Long-term available-for-sale financial assets ¹	5,776,836	3,050,338	3,445,582	12,272,756
Other	-	45,898	102,513	148,411
2) Liabilities				
Other	-	78,348	-	78,348

¹ Amount measured at cost (March 31, 2015: ₩399,787 million, December 31, 2014: ₩394,753 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 prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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 Group 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 in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques 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 are not based on observable market data, the instrument is included in Level 3.

The Group 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 Group's quarterly reporting dates. The Group'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 techniques used to value financial instruments include:

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

Other techniques, 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.

(3) Valuation technique and the inputs

The Group utilizes a present value technique 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 technique 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				
Taewon Electric	₩ 17,094	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00%~1.00% (0%) 7.76%~9.76% (8.76%)
Samsung Venture Investment	6,586	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00%~1.00% (0%) 7.74%~9.74% (8.74%)
Samsung General Chemicals	100,051	Discounted cash flow	Permanent growth rate Weighted average cost of capital	-1.00%~1.00% (0%) 10.48%~12.48% (11.48%)
Corning Incorporated convertible preferred stock	3,159,862	Trinomial model	Risk adjusted discount rate Price volatility	4.73%~6.73% (5.73%) 30.4%~36.4% (33.4%)
Derivatives				
Embedded derivatives (convertible bonds)	4,519	Binomial model	Discount rate Stock price volatility	4.45%~8.26%(6.23%) 13.05%~18.04%(15.45%)

(4) Changes in Level 3 instruments:

(In millions of Korean won)

	March 31, 2015		March 31, 2014	
Balance as of January 1	₩	3,548,095	₩	493,378
Purchases		39,219		2,453,321
Disposals		(3,447)		(8,311)
Amount recognized in profit or loss		2,058		-
Amount recognized in other comprehensive income		105,407		206,025
Other		(13,063)		(15,649)
Balance as of March 31	₩	3,678,269	₩	3,128,764

(5) 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 (before-tax amount for other comprehensive income or loss) from changes in inputs for each financial instrument which is categorized within Level 3 and subject to sensitivity analysis, are as follows:

<i>(In millions of Korean won)</i>	Classification	Favorable Changes		Unfavorable Changes					
		Profit or Loss	Equity	Profit or Loss	Equity				
	Long-term available-for-sale financial assets ¹	₩	-	₩	239,167	₩	-	₩	(225,754)
	Embedded derivatives (convertible bonds) ²		391		391		(386)		(386)
	Total	₩	391	₩	239,558	₩	(386)	₩	(226,140)

1 Changes in fair value are calculated by increasing or decreasing the correlation between volatility (30.4~36.4%) 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%.

25. Segment Information

(A) Operating segment information

The chief operating decision maker has been identified as the Management Committee. The Management Committee is responsible for making strategic decisions based on review of the Group's internal reporting. The Management Committee has determined the operating segments based on these reports.

The Management Committee reviews operating profits of each operating segment in order to assess performance and to make decisions about allocating resources to the segment. The operating segments are product based and include CE, IM, Semiconductor, DP and others.

Operating segment information was prepared after depreciation, amortization of intangible assets and the allocation of internal transaction adjustments. Total assets and liabilities of each operating segment are excluded from the disclosure as these have not been provided regularly to the Management Committee.

(1) For the three months ended March 31, 2015

<i>(In millions of Korean won)</i>	DS						Intercompany elimination within the group	Consolidated
	CE	IM	Total ¹	Semi-conductor	DP	Total ¹		
Total segment revenue	₩25,452,193	₩55,726,720	₩33,582,070	₩19,305,753	₩13,148,326	₩115,024,157	₩ (67,906,239)	₩47,117,918
Intercompany revenue	(15,195,210)	(29,839,870)	(16,478,374)	(9,039,038)	(6,296,159)	(67,906,239)	67,906,239	-
Net revenue ²	10,256,983	25,886,850	17,103,696	10,266,715	6,852,167	47,117,918	-	47,117,918
Depreciation	157,277	240,571	4,006,719	2,891,833	1,061,564	4,563,385	-	4,563,385
Amortization	27,127	48,262	171,284	136,882	31,081	305,944	-	305,944
Operating profit	(135,884)	2,743,270	3,387,639	2,932,980	524,722	5,979,367	-	5,979,367

¹ Includes other amounts not included in specific operating segments.

² Segment net revenue includes intersegment revenues.

(2) For the three months ended March 31, 2014

March 31, 2014	DS						Intercompany elimination within the group	Consolidated
	CE	IM	Total¹	Semi-conductor	DP	Total¹		
<i>(In millions of Korean won)</i>								
Total segment revenue	₩27,840,111	₩67,859,260	₩30,677,773	₩17,136,048	₩12,435,270	₩126,704,001	₩ (73,028,675)	₩53,675,326
Intercompany revenue	(16,523,869)	(35,417,246)	(15,121,314)	(7,741,936)	(6,338,518)	(73,028,675)	73,028,675	-
Net revenue ²	11,316,242	32,442,014	15,556,459	9,394,112	6,096,752	53,675,326	-	53,675,326
Depreciation	150,591	172,679	3,534,077	2,410,150	1,071,706	4,004,084	-	4,004,084
Amortization	23,966	44,357	109,227	77,365	28,047	252,337	-	252,337
Operating profit	191,669	6,428,670	1,870,758	1,949,175	(83,574)	8,488,799	-	8,488,799

¹ Includes other amounts not included in specific operating segments.

² Segment net revenue includes intersegment revenues.

(B) Regional information

The regional segment information provided to the Management Committee for the reportable segments as of and for the three months ended March 31, 2015 and 2014, is as follows:

<i>(In millions of Korean won)</i>	March 31, 2015						Intercompany elimination within the group	Consolidated
	Korea	America	Europe	Asia and Africa	China			
Net segment revenue	5,216,771	14,977,300	9,121,983	10,653,399	7,148,465	-	47,117,918	
Non-current assets ¹	64,022,499	7,858,237	789,846	6,093,134	10,374,193	(356,969)	88,780,940	

¹ Total of non-current assets other than financial instruments, deferred tax assets, and investments in associates and joint ventures.

<i>(In millions of Korean won)</i>	March 31, 2014						Intercompany elimination within the group	Consolidated
	Korea	America	Europe	Asia and Africa	China			
Net segment revenue	5,790,084	15,437,620	11,797,166	10,832,330	9,818,126	-	53,675,326	
Non-current assets ¹	61,002,668	7,113,758	1,031,704	3,190,242	9,009,707	(708,806)	80,639,273	

¹ Total of non-current assets other than financial instruments, deferred tax assets, and investments in associates and joint ventures.

26. Related Party Transactions

(A) Sale and purchase transactions

Sales and purchases with related parties for the three months ended March 31, 2015 and 2014, are as follows:

(In millions of Korean won)		Name of Company ¹	March 31, 2015						
			Sales	Disposal of fixed assets	Purchases	Purchase of fixed assets			
Associates	Samsung SDS	₩	8,435	₩	-	₩	400,191	₩	47,032
	Samsung Electro-Mechanics		2,659		-		622,525		-
	Samsung Techwin		1,812		-		3,488		29,537
	Samsung Card		1,531		-		8,416		-
	Other		60,168		3,524		1,307,081		57,944
	Total (Associates)		74,605		3,524		2,341,701		134,513
Joint ventures	Siltronic Samsung Wafer		-		-		41,390		-
	Other		1,970		-		49,379		-
	Total (Joint ventures)		1,970		-		90,769		-
Other related parties	Cheil Industries Inc. ²		1,437		-		6,436		112,551
	Samsung SDI		11,642		-		399,155		2,232
	Other		27,741		-		270,828		85,220
	Total (Other related parties)		40,820		-		676,419		200,003

¹ Transactions with separate entities that are related parties of the Group.

² During the year ended December 31, 2014, Samsung Everland changed its name to Cheil Industries Inc.

(In millions of Korean won)		Name of Company ¹	March 31, 2014						
			Sales	Disposal of fixed assets	Purchases	Purchase of fixed assets			
Associates	Samsung SDS	₩	10,747	₩	-	₩	492,476	₩	83,139
	Samsung Electro-Mechanics		9,020		1		620,036		-
	Samsung Techwin		4,479		-		7,755		25,272
	Samsung Card		1,392		-		9,024		-
	Other		85,065		-		1,091,589		142,923
	Total (Associates)		110,703		1		2,220,880		251,334
Joint ventures	Samsung Corning Precision ²		164		-		67,826		-
	Siltronic Samsung Wafer		-		-		39,621		-
	Other		891		575		35,181		-
	Total (Joint ventures)		1,055		575		142,628		-
Other related parties	Cheil Industries Inc. ³		1,734		-		24,708		76,283
	Samsung SDI		16,023		-		203,683		-
	Other		70,543		-		563,470		51,193
	Total (Other related parties)		88,300		-		791,861		127,476

¹ Transactions with separate entities that are related parties of the Group.

² During the year ended December 31, 2014, the Group completed the disposal of all shares of Samsung Corning Precision Materials held by the Group.

³ During the year ended December 31, 2014, Samsung Everland changed its name to Cheil Industries Inc.

(B) Balances of receivables and payables

Balances of receivables and payables arising from sales and purchases of goods and services as of March 31, 2015 and December 31, 2014, are as follows:

<i>(In millions of Korean won)</i>	Name of Company ¹	March 31, 2015	
		Receivables	Payables
	Samsung SDS	₩ 6,337	₩ 326,046
	Samsung Electro-Mechanics	2,370	296,978
Associates	Samsung Techwin	9,157	36,625
	Samsung Card	9,815	689,420
	Other	68,756	453,663
	Total (Associates)	96,435	1,802,732
	Siltronic Samsung Wafer	12,971	12,267
Joint ventures	Other	1,051	35,737
	Total (Joint ventures)	14,022	48,004
Other related parties	Cheil Industries Inc. ²	186,665	162,741
	Samsung SDI	3,150	137,251
	Other	15,992	96,551
	Total (Other related parties)	205,807	396,543

¹ Balances due from and to separate entities that are related parties of the Group.

² During the year ended December 31, 2014, Samsung Everland changed its name to Cheil Industries Inc.

<i>(In millions of Korean won)</i>	Name of Company ¹	December 31, 2014	
		Receivables	Payables
	Samsung SDS	₩ 3,353	₩ 359,001
	Samsung Electro-Mechanics	1,431	237,816
Associates	Samsung Techwin	1,353	18,977
	Samsung Card	5,431	1,124,240
	Other	61,903	393,963
	Total (Associates)	73,471	2,133,997
	Siltronic Samsung Wafer	19,143	11,445
Joint ventures	Other	474	39,262
	Total (Joint ventures)	19,617	50,707
Other related parties	Cheil Industries Inc. ²	187,108	288,984
	Samsung SDI	4,771	122,936
	Other	18,052	126,422
	Total (Other related parties)	209,931	538,342

¹ Balances due from and to separate entities that are related parties of the Group.

² During the year ended December 31, 2014, Samsung Everland changed its name to Cheil Industries Inc.

(C) Key management compensation

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable for employee services for the three months ended March 31, 2015 and 2014 consists of:

<i>(In millions of Korean won)</i>	March 31, 2015		March 31, 2014	
Salaries and other short-term employee benefits	₩	2,361	₩	13,172
Termination benefits		140		243
Other long-term benefits		2,079		1,784

27. Business Combination

Significant business combinations for the three months ended March 31, 2015 are as follow:

Samsung Electronics America, the Group's subsidiary, acquired 100% of the equity shares of LoopPay on February 23, 2015.

(A) Overview of the acquired company

Name of the acquired company	LoopPay, Inc.
Headquarters location	Burlington, MA. USA
Representative director	Will Graylin
Industry	Mobile payments development and services

(B) Purchase price allocation

<i>(In millions of Korean Won)</i>	Amount
I. Consideration transferred	₩ 275,325
II. Identifiable assets and liabilities	
Cash and cash equivalents	3,042
Short-term financial instruments	57
Trade and other receivables	17,559
Property, plant and equipment	122
Intangible assets	20,293
Other assets	22
Trade and other payables	(23,268)
Deferred income tax liabilities	(5,220)
Total net identifiable assets	12,607
III. Goodwill (I – II)	₩ 262,718

Had LoopPay been consolidated from January 1, 2015, revenues would increase by ₩85 million and net income would decrease by ₩2,151 million on the interim consolidated statement of income. The revenues and net loss contributed by LoopPay after the consolidation amount to ₩74 million and ₩2,250 million, respectively.

28. Non-current Assets Held-for-Sale (Assets of disposal group)

(A) Summary

(1) Sale of Samsung Techwin Co., Ltd.

During the year ended December 31, 2014, the management of the Group decided to sell all its shares of Samsung Techwin Co., Ltd. to Hanwha Corporation. The contract was entered into on November 26, 2014, and the transaction and associated due diligence will be completed by June 2015.

(2) Sale of Samsung General Chemicals Co., Ltd.

During the year ended December 31, 2014, the management of the Group decided to sell all its shares of Samsung General Chemicals Co., Ltd. to Hanwha Chemical and Hanwha Energy Corporation, and the transaction was completed in April 2015.

(3) Sale of Optical Materials business segment

During the year ended December 31, 2014, the management of the Group decided to sell the Optical Materials business segment and accordingly, the related assets and liabilities are classified as held-for-sale. Since the business does not represent a separate major line of the Group, related profit or loss was not presented as profit or loss of discontinued operations. The contract was entered into on December 2, 2014, and the transaction was completed in March 2015.

(B) Details of assets and liabilities reclassified as held-for-sale, as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean Won)</i>	March 31, 2015		December 31, 2014
Assets held-for-sale			
Trade receivables	-	₩	60,173
Inventories	-		9,703
Other current assets	-		22,523
Property, plant and equipment	-		37,955
Investment	511,441		511,441
Other non-current assets	-		3,696
Total	511,441	₩	645,491
Liabilities held-for-sale			
Current liabilities	-	₩	25,939
Non-current liabilities	-		2,377
Total	-	₩	28,316

Impairment loss recognized in 2014 from the reclassification of assets and liabilities held-for-sale amounts to ₩ 31,219 million.

(C) Details of cumulative income or expense recognized in other comprehensive income relating to the disposal group classified as held-for-sale as of March 31, 2015 and December 31, 2014 are as follows:

<i>(In millions of Korean Won)</i>	March 31, 2015		December 31, 2014	
Gain on valuation of available-for-sale securities	₩	24,750	₩	24,750
Changes in equity under the equity-method		54,118		54,118
Foreign exchange translation adjustment		-		1,233
Total	₩	78,868	₩	80,101

29. Events after the Reporting Period

The Group sold all its shares of Samsung General Chemicals Co., Ltd. that were classified as asset held-for-sale, to Hanwha Chemical and Hanwha Energy Corporation on April 30, 2015.

3. Other Financial Information

A. Matters of Interest

- Restatement of Financial Statements: N/A
- Acquisitions and Divestments (on a separate basis)
Refer to 8.Acquisition and Divestments (VIII. Other Information Related to Investment Protection)

B. 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 (%)
2015.1Q	Trade receivables	25,214,844	303,166	1.2%
	Short-term loans	8,278	105	1.3%
	Other receivables	2,466,204	21,597	0.9%
	Advances	1,834,788	3,863	0.2%
	Trade receivables (Long-term)	35,291	361	1.0%
	Other receivables (Long-term)	10,233	72	0.7%
	Advances (Long-term)	386,072	793	0.2%
	Long-term loans	180,868	1,307	0.7%
	Total	30,136,578	331,264	1.1%
2014	Trade receivables	24,972,069	277,459	1.1%
	Short-term loans	9,650	118	1.2%
	Other receivables	3,549,692	9,817	0.3%
	Advances	1,993,788	4,318	0.2%
	Trade receivables (Long-term)	35,944	329	0.9%
	Other receivables (Long-term)	9,419	77	0.8%
	Advances (Long-term)	176,949	793	0.4%
	Long-term loans	176,232	1,246	0.7%
	Total	30,923,743	294,157	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%

※ 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)

	2015.1Q	2014	2013
1. Allowance for bad debts (beginning balance)	294,157	329,853	283,869
2. Net Bad Debt Expense (① - ②±③)	2,710	49,349	17,833
① Bad Debt Expense (Write-off)	2,776	50,705	20,393
② Bad Debt Recovered	66	1,356	2,560
③ Others	-	-	-
3. Bad debts expense	39,817	13,653	63,817
4. Allowance for bad debts (Ending balance)	331,264	294,157	329,853

※ Based on consolidated financial statements.

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.

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	25,077,332	94,357	54,655	23,791	25,250,135
Ratio	99.3%	0.4%	0.2%	0.1%	100.0%

* Receivables amount on net present value (consolidated)

C. Inventory

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

(Unit: KRW million)

Division		Category	2015.1Q	2014	2013	Note
CE		Finished Goods	1,999,837	1,946,482	1,927,784	
		Work In Process	94,577	80,122	73,876	
		Raw Material	1,876,856	1,566,121	1,435,023	
		Material In Transit	1,922,274	1,694,448	1,689,040	
		Total	5,893,544	5,287,173	5,125,723	
IM		Finished Goods	2,233,269	2,210,160	2,896,647	
		Work In Process	396,731	279,861	333,109	
		Raw Material	3,135,830	2,751,331	3,363,195	
		Material In Transit	658,487	488,877	1,026,147	
		Total	6,424,317	5,730,229	7,619,098	
DS	Semi-Conductor Sub-Division	Finished Goods	902,966	777,450	1,219,189	
		Work In Process	4,290,585	3,677,543	3,022,125	
		Raw Material	418,526	419,398	351,646	
		Material In Transit	93,921	121,477	89,670	
		Total	5,705,998	4,995,868	4,682,630	
	DP Business Unit	Finished Goods	356,459	409,516	553,108	
		Work In Process	90,890	244,324	443,611	
		Raw Material	298,784	281,223	328,955	
		Material In Transit	54,263	55,176	4,988	
		Total	800,396	990,239	1,330,662	
	DS Total	Finished Goods	1,287,485	1,228,783	1,810,852	
		Work In Process	4,552,024	4,105,675	3,663,346	
		Raw Material	766,663	750,929	726,455	
		Material In Transit	151,406	178,218	98,897	
		Total	6,757,578	6,263,605	6,299,550	
Total	Finished Goods	6,333,223	5,773,448	7,429,350		
	Work In Process	5,043,264	4,465,071	4,070,266		
	Raw Material	6,796,412	5,957,006	6,809,112		
	Material In Transit	946,912	1,121,979	826,140		
	Total	19,119,811	17,317,504	19,134,868		
Inventory Ratio (%)– Total Assets [Inventory ÷ Total Assets]			8.4%	7.5%	8.9%	
Inventory Turn-over [Yearly CGS ÷ {(Beginning of Inventory End of Inventory)÷2}]			6.4	7.0	7.5	

Inventory Counts

(1) Inspection Date

- End of May and 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 Sub-Division and DP Business Unit 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.

Inventory Aging and Valuation

Inventories are stated at the lower of cost or net realizable value. Inventory as at March 31st, 2015 is as follows:

(Unit : KRW million)

Category	Acquisition Cost	Inventory Valuation Reserve	Balance	Note
Finished Goods	6,555,501	222,278	6,333,223	
Work In Process	5,558,386	515,122	5,043,264	
Raw Material	7,116,038	319,626	6,796,412	
Material In Transit	946,912	-	946,912	
Total	20,176,837	1,057,026	19,119,811	

※ Prepared on a consolidated basis

D. Fair Value Estimation

Refer to 2- 3. Financial Instruments by Category and 2-24. Financial Risk Management in 『Ⅲ. Financial Affairs』 .

IV. Auditor's Report

1. Introduction

Samil PwC has reviewed the interim consolidated/separate financial position of the Company as of March 31, 2015, and the related interim consolidated/separate statements of income and comprehensive income for the three months ended March 31, 2015, and the interim consolidated/separate statements of changes in equity and cash flows for the three months ended March 31, 2015. 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, 2013 and 2014, 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 161 subsidiaries as of March 31, 2015.

Three subsidiaries have changed the auditor to PwC for the three months ended March 31, 2015 and newly incorporated/acquired entities are in progress of appointing auditors.

Year end	Group Auditor	Audit(Review) Opinion	Remarks
31 March 2015	Samil PwC	Not applicable	Not applicable
31 December 2014	Samil PwC	Unqualified	Not applicable
31 December 2013	Samil PwC	Unqualified	Not applicable

< Review plan for three-month period ended March 31, 2015 >

Review Period		Planned dates
2015 Q1	Pre-review	2015.03.09 ~ 2015.03.27
	Review	2015.04.07 ~ 2015.05.11

[Audit Contract Description]

(In millions of Korean won)

Fiscal Year	Group Auditor	Description	Compensation	Total Hours
Three-months ended March 31, 2015	Samil PwC	- Review of the interim consolidated/separate financial statements	602	6,921
Year ended December 31, 2014	Samil PwC	- Review of the interim consolidated/separate financial statements - Audit on consolidated/separate financial statements	3,690	43,411
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

Samil PwC has performed non-audit services and has been paid KRW 503 million by the Company for the three months ended March 31, 2015.

[Non-Audit Service Contract Description]

(In millions of Korean won)

Fiscal Year	Contract Date	Non-audit Service Description	Period for Service	Compensation	Note
Three-months ended March 31, 2015	June 2014	Incorporation, M&A and Divestiture Advisory	2015.01~2015.03	503	
	Subtotal			503	
Year ended December 31, 2014	September 2013	Incorporation, M&A and Divestiture Advisory	2014.01~2014.12	1,161	
	August 2013	Tax Advisory	2014.01~2014.12	533	
	October 2013	Process Improvement Advisory	2014.01~2014.12	996	
		Others		297	
	Subtotal			2,987	
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	

2. Regarding Internal Control

Samil PwC has reviewed management's report on the operations of the Internal Accounting Control System ("IACS") of the Company as of December 31, 2014 and nothing has come to attention that causes them to believe that management's report on the operations of the IACS is not presented fairly, in all material respects, in accordance with IACS standards.

Samil PwC has audited the financial year end consolidated/separate financial position of the Company as of December 31, 2014, and the related financial year end consolidated/separate statements of income and comprehensive income for the year ended December 31, 2014, and the consolidated/separate statements of changes in equity and cash flows for the year ended December 31, 2014. Nothing has come to attention that causes them to believe the accompanying year end consolidated/separate financial statements are not presented fairly, in all material respects, in accordance with K-IFRS. 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 years then ended and expressed an unqualified opinion on those financial statements. There were no auditor changes at any subsidiaries for the year ended December 31, 2014. There are 8 newly incorporated/acquired entities, and 6 of them, such as Samsung Display Bac Ninh, appointed PwC as the auditor and 2 of them, such as SVIC #26, appointed Deloitte Anjin as external auditor at their own decision.

V. 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.

VI. Corporate Governance

1. Board of Directors

A. Overview of Board of Directors

As of March 31, 2015, 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 29, 2015	① Approval of FY2014 financial statements and annual business report	Approved	For	For	For	For	For
	② Approval of FY2015 business plan ③ Application for Venture Capital Union	Approved Approved	For For	For For	For For	For For	For For
	✳ 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						
Feb 13, 2015	① Decision to convene the 46 th (FY2015) AGM ② Decision of the 46 th AGM agenda items - report items: 1) FY2014 annual audit report 2) FY2014 annual business report - Item 1: Approval of FY2014 financial statements, including balance sheet, income statement, and the statement of appropriation of retained earnings, etc. -Item 2: Appointment of Directors Item 2-1: Appointment of Independent Directors Item 2-1-1: Appointment of Han-Joong Kim as an Independent Director Item 2-1-1: Appointment of Byeong-Gi Lee as an Independent Director Item 2-2: Appointment of Executive Directors Item 2-3: Appointment of Audit Committee members - Item 3: Approval of remuneration limit for Directors	Approved Approved	For For	For For	For For	For For	For For
	③ Donation ✳ Reported Item ① Report on the results of compliance review ② Report on review on the suggestions from the advancement of corporate ecosystem research council	Approved	For	For	For	For	For
Mar 13, 2015	① Appointment of CEO and Directors ② Appointment of BOD Committee members	Approved Approved	For For	For For	For For	For For	For For

C. The Committees of BOD

(1) Composition of the BOD Committees as of March 31, 2015

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 14, 2015	① Capital increase for regional office ② Stake acquisition ③ Purchase of insurance	Approved Approved Approved	N/A (All comprised of executive directors)
	Jan 28, 2015	① Stake acquisition ② Asset transfer	Approved Approved	
	Feb 11, 2015	① Stake acquisition	Approved	
	Mar 11, 2015	① Memory investment ② Rental contract	Approved Approved	

□ The Related Party Transactions Committee

Date	Agenda	Voting Results	Name of independent directors		
			In-Ho Lee (Attendance: 100%)	Han-Joong Kim (Attendance: 100%)	Kwang-Soo Song (Attendance: 100%)
			For/against		
Jan 28, 2015	- Preliminary review on large-scale related party transactions 1) Application for Venture Capital Union - Report on 4Q14 related party transactions	N/A	-	-	-
Feb 13, 2015	- Preliminary review on large-scale related party transactions 1) Donation	N/A	-	-	-

□ **The Compensation Committee**

Date	Agenda	Voting Results	Name of Independent Directors		
			Kwang-Soo Song (Attendance: 100%)	In-Ho Lee (Attendance: 100%)	Byeong-Gi Lee (Attendance: 100%)
			For/Against		
Feb 11, 2015	Preliminary review on remuneration limit for Directors	Approved	For	For	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: 100%)
			For/Against				
Jan 29, 2015	- Report on research results of the Research Committee for Environmental Safety	-	-	-	-	-	-

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 March 31, 2015]

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 March 31, 2015, 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: 100%)	Han-Joong Kim (Attendance: 100%)	Kwang-Soo Song (Attendance: 100%)
				For/Against		
Audit Committee	Jan 28, 2015	- 2014 financial and business reports	-	-	-	-
		- Report on 2014 internal accounting management system activities	-	-	-	-
		- Report on 4Q14 non-audit activities	-	-	-	-
		- Report on 2014 audit activities	-	-	-	-
Audit Committee	Feb 13, 2015	- Review of the 2015 AGM agenda	-	-	-	-
		- Assessment of 2014 activities of internal compliance system	-	-	-	-

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.

VII. 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 March 31, 2015]

(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	486,926	0.33	501,128	0.34	Open market sales
Samsung Life Insurance (special accounts)	Affiliate	Preferred	52,332	0.23	45,526	0.20	Open market sales
Samsung Fire & Marine Insurance	Affiliate	Common	1,856,370	1.26	1,856,370	1.26	-
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	25,983,182	17.64	25,997,384	17.65	-
		Preferred	65,609	0.29	58,803	0.26	-

※ Note: According to the closed shareholder register, as at December 31, 2014, Yong-Jin Jeong, CEO of Shinsegye, holds 245,000 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
- 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 ~)

- The major shareholder of record has not changed during the reporting period.

2. Ownership of shares

As at December 31, 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 December 31, 2014]

(Unit: Shares)

Classification	Name	Number of shares owned	Share ratio	Note
Shareholders with over 5% voting shares	National Pension Service	11,164,905	7.58	-
	Samsung Life Insurance	11,109,740	7.54	-
Employee Stock Ownership Association		-	-	-

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

※ The National Pension Service disclosed that it owns 11,790,915 common shares(8.00%) in the Report on Mass Holding, etc. of Stocks as of April 8, 2015.

3. Minority Shareholders

[As of December 31, 2014]

(Unit: Person, Shares, %)

Classification	Shareholder		Shares owned		Note
	# of shareholders	Portion	# of shares	Portion	
Minority shareholder	115,030	99.94	84,010,794	57.03	Shareholders with shares less than 1/100 of total issued stocks
Total	115,097	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>	<p>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.</p> <p>2. Notwithstanding the above Paragraph 1, new shares may be allocated to persons other than shareholders in the following cases:</p> <ul 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> <p>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.</p> <p>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>
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Preemptive Rights in the Articles of Incorporation	<p>(Note) Article 11-4 (Stock Options)</p> <p>1. 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		October '14	November	December	January '15	February	March	
Common stock	Stock price	Highest	1,244,000	1,287,000	1,352,000	1,400,000	1,395,000	1,503,000
		Lowest	1,083,000	1,190,000	1,266,000	1,295,000	1,344,000	1,418,000
		Average	1,126,143	1,221,250	1,310,143	1,348,048	1,367,765	1,450,182
	Volume	Highest (day)	772,463	887,556	409,817	359,154	306,036	436,112
		Lowest (day)	124,877	120,604	112,756	133,459	113,088	156,292
		Monthly	6,138	5,275	5,122	5,260	3,009	5,598
Preferred stock	Stock price	Highest	985,000	1,049,000	1,046,000	1,079,000	1,083,000	1,130,000
		Lowest	822,000	919,000	959,000	1,001,000	1,034,000	1,065,000
		Average	874,476	960,850	1,018,143	1,038,571	1,057,824	1,101,000
	Volume	Highest (day)	89,068	93,546	67,540	55,700	48,495	87,134
		Lowest (day)	15,137	19,263	12,605	8,497	11,280	15,982
		Monthly	1,017	679	730	654	447	658

※ Monthly trading volume in 1,000 shares

B. Overseas stock market

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

(Unit: \$, KRW, DR)

Type		October '14	November	December	January '15	February	March	
Common stock	Stock price	Highest	575.00	579.50	611.00	642.00	633.00	669.00
		(Converted to KRW)	606,050	633,104	672,894	695,992	688,894	740,650
		Lowest	515.50	541.00	577.00	589.00	612.00	632.50
		(Converted to KRW)	552,771	601,700	627,834	653,024	671,303	702,265
		Average	530.98	557.18	591.71	616.79	622.58	650.59
	Volume	Highest (day)	161,340	111,237	128,518	152,580	71,507	193,415
		Lowest (day)	20,239	29,845	4,706	25,700	19,099	16,404
		Monthly	1,650	1,041	1,400	1,452	816	959

※ 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, DR)

Type		October '14	November	December	January '15	February	March	
Preferred stock	Stock price	Highest	457.20	468.00	472.00	491.30	492.00	500.50
		(Converted to KRW)	481,889	515,315	519,814	532,618	540,364	554,104
		Lowest	378.70	417.00	437.30	451.00	464.50	477.00
		(Converted to KRW)	406,080	457,658	475,826	497,273	506,677	529,613
		Average	409.54	436.82	459.32	473.52	478.02	492.64
	Volume	Highest (day)	47,310	42,035	33,245	43,627	12,780	15,173
		Lowest (day)	2,043	2,188	245	2,112	869	1,788
		Monthly	259	258	229	347	99	138

※ 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

VIII. Executives and Employees

1. Executives and Employees

A. Registered Executives

[As of March 31, 2015]

(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	37 mo.	2018.03.15
Boo-Keun Yoon	M	1953.02	CEO	Registered executive	Full time	Head of CE Division	Head of CE Division	0	0	25 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	25 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	25 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	61 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	37 mo.	2018.03.15
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	25 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	37mo.	2018.03.15
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	25 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 March 31, 2015]

(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	17,357	460	-	17,817	11.1	-	-
CE	F	3,394	360	-	3,754	6.4	-	-
IM	M	19,128	344	-	19,472	9.9	-	-
IM	F	7,568	232	-	7,800	7.2	-	-
DS	M	29,758	259	-	30,017	9.7	-	-
DS	F	12,955	325	-	13,280	8.9	-	-
Others	M	5,730	292	-	6,022	12.5	-	-
Others	F	1,410	355	-	1,765	7.1	-	-
Gender Total	M	71,973	1,355	-	73,328	10.3	1,866,093	25
Gender Total	F	25,327	1,272	-	26,599	8.0	419,695	16
Total		97,300	2,627	-	99,927	9.7	2,285,788	23

- ※ Total compensation and average compensation per employee were calculated before income tax and other deductions 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 resident in Korea, excluding four executive directors.
- ※ Average compensation per employee was calculated based on total average employee figure of 100,151 (male: 73,352; female: 26,799)

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	39,000	-

※ Number of persons as of the Reporting Date.

※ The amount approved at shareholders' meeting is the remuneration limit for directors registered pursuant to Article 388 of the Korean Commercial Act ("**Registered Directors**"). It includes compensation for Registered Directors who retired this fiscal year and in past years.

(2) Remuneration Paid

(Unit: KRW million)

	Number of Persons	Total amount of remuneration	Average remuneration per Director	Note
Executive Directors	4	5,639	1,410	-
Independent Directors	2	50	25	-
Audit Committee member or Auditor	3	67	22	-
Total	9	5,756	-	-

※ 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 in accordance with Article 159 of the Financial Investment Services and Capital Markets Act and 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 options.

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	2,413	-
Boo-Keun Yoon	CEO	1,203	-
Jong-Kyun Shin	CEO	1,203	-
Sang-Hoon Lee	CFO	820	-

※ Total amount of compensation for each individual is the sum of earned, retirement, and other related 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 in accordance with Article 159 of the Financial Investment Services and Capital Markets Act and 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 2,413 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 521 million (consists of monthly wage) • Bonus: KRW 1,886 million (consists of traditional holiday bonus, Long-term Incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 6 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 • Long-term incentive: Calculated within the director remuneration limit, based on the average salary of 3 years, using ROE, stock performance, and EBIT margin as criteria. Paid over the course of 3 years. — 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;">CEO Boo-Keun Yoon</p>	<ul style="list-style-type: none"> • Total compensation of KRW 1,203 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 432 million (consists of monthly wage) • Bonus: KRW 768 million (consists of traditional holiday bonus, Long-term Incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 3 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 • Long-term incentive: Calculated within the director remuneration limit, based on the average salary of 3 years, using ROE, stock performance, and EBIT margin as criteria. Paid over the course of 3 years. — 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;">CEO Jong-Kyun Shin</p>	<ul style="list-style-type: none"> • Total compensation of KRW 1,203 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 432 million (consists of monthly wage) • Bonus: KRW 768 million (consists of traditional holiday bonus, Long-term Incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 3 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 • Long-term incentive: Calculated within the director remuneration limit, based on the average salary of 3 years, using ROE, stock performance, and EBIT margin as criteria. Paid over the course of 3 years. — 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 820 million <ul style="list-style-type: none"> — Earned Income <ul style="list-style-type: none"> • Salary: KRW 281 million (consists of monthly wage) • Bonus: KRW 528 million (consists of traditional holiday bonus, Long-term Incentive) • Profit from exercising stock option : n/a • Other earned income: KRW 12 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 • Long-term incentive: Calculated within the director remuneration limit, based on the average salary of 3 years, using ROE, stock performance, and EBIT margin as criteria. Paid over the course of 3 years. — 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 of March 31, 2015, the accumulated weighted average exercise price of unexercised stock options is KRW 606,700. [Weighted average exercise price = Sum of (no. of unexercised stocks per period x exercise price per period) / total no. of unexercised stocks]

[As of March 31, 2015]

(Unit: KRW, shares)

Grantee	Relationship	Date	Method	Type of stock	Changes			Unexercised	Exercise period	Exercise price
					Grant	Exercise	Cancel			
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

※ As of March 31, 2015, the closing price was KRW 1,441,000. 'Relationship' is as of the reporting date (March 31, 2015).

IX. Affiliates and Subsidiaries

1. Affiliates & Subsidiaries

A. Affiliates

- Name of affiliated group: Samsung Group

As at March 31, 2015, Samsung Group had a total of sixty-seven (67) domestic affiliates, where two (2) affiliates (RAY, Songdo Land Mark City) were excluded. Among the Samsung Group's sixty seven (67) domestic affiliates, eighteen (18) affiliates including Samsung Electronics are listed, and forty-nine (49) affiliates are unlisted.

[As of Mar 31, 2015]

	No. of affiliates	Name of affiliates
Listed	18	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, Cheil Industries, Samsung SDS, CREDU
Unlisted	49	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, Allat., SECUI, Open Tide Korea, Samsung Futures, Samsung Venture Investment Corporation, Samsung Asset Management, Saengbo, SD Flex, Samsung Claim Adjustment Service, Samsung Fire & Marine Insurance Service, Suwon Samsung Bluewings FC, S-Core, Human TSS, 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, Samsung Welstory, Jeongahm Wind Power, Samsung SGL Carbon Composite Materials, Samsung Card Customer Service, Seoul Lakeside CC, Shilla Stay, Samoo Architects & Engineers
Total	67	

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	1.4
Samsung Electronics				19.6	23.7	17.6	25.5	5.1		12.6	8.4		22.6	
Samsung SDI		7.4				0.4	0.1	0.1	13.1		14.7	11.0		3.7
Samsung Electro-mechanics						2.4					0.3			3.7
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		0.2	7.6	0.2	0.2	3.4	0.6	8.0	0.0	0.1	0.0	5.7	0.0	
Samsung Fire & Marine Insurance		4.8	1.3						1.1			1.0		
Samsung Securities.							2.0	3.1				1.3		
Samsung Card								1.3		3.0		1.9		
SDC														
Samsung BioLogics														
SVIC #6														
Total		12.4	12.9	19.7	23.8	24.1	32.4	17.5	22.0	28.4	31.1	20.9	39.7	8.8

※ (% of Ownership; As of March 31, 2015; 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
Samsung C&T Corporation		38.3			7.5	1.0							
Samsung Electronics		5.4			27.5	29.8	70.0	91.5	99.3	100.0		100.0	84.8
Samsung SDI		13.5			15.0	29.6							15.2
Samsung Electro-mechanics		9.3			12.5	23.8							
Cheil Industries					2.0								
Samsung Heavy Industries						1.0							
Samsung Techwin		23.4											
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													
Total		93.4	50.0	50.0	67.5	100.0	70.0	91.5	99.3	100.0	100.0	100.0	100.0

※ (% of Ownership; As of March 31, 2015; Based on Common shares)

Investor	Investee	Samsung Medison	Samsung BioLogics	Samsung BioEpis	Samsung Corning Advanced Glass	SU Materials	Samsung Thales	CVnet	Seoul Lakeside CC	Samwoo Architects & Engineers	SD Flex	Colombo Korea	Natural9
Samsung C&T Corporation			4.9					40.1	80.0	100.0			
Samsung Electronics		68.5	46.3										
Samsung SDI											50.0		
Samsung Electro-mechanics													
Cheil Industries			46.3						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									
Total		68.5	97.5	90.3	50.0	50.0	50.0	49.5	100.0	100.0	50.0	100.0	51.0

※ (% of Ownership; As of March 31, 2015; Based on Common shares)

Investor	Investee	Samsung Welstory	Daejung Offshore Wind Power	Jeongahm Wind Power	SECUI	Human TSS	S-1CRM	S-EnPol	STM	CREDU	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								
	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			
	Samsung SDS				4.3					47.2	70.2	94.8	100.0
	Samsung Life Insurance									0.0			
	Samsung Fire & Marine Insurance.												
	Samsung Securities												
	Samsung Card												
	SDC												
	Samsung BioLogics												
	Total	100.0	50.1	50.0	65.2	100.0	93.4	100.0	71.8	62.4	81.1	94.8	100.0

※ (% of Ownership; As of March 31, 2015; 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											
	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 March 31, 2015; 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	11.2	34.4			97.7		
	Samsung Fire & Marine Insurance.	8.0						
	Samsung Securities						99.9	16.7
	Samsung Card			30.0	100.0			
	SDC							
	Samsung BioLogics							
	Total	19.5	71.9	60.0	100.0	97.7	99.9	100.0

※ (% of Ownership; As of March 31, 2015; 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 Corp.	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 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 Hungary Kft.	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	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 Private Limited	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 LLC.	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, Limitada	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 Limitada	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 PLANT	75.0
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 EPC GP Inc.	100.0
Samsung Renewable Energy Inc.	SRE Armow EPC LP	100.0
Samsung Renewable Energy Inc.	SRE Armow LP Holdings LP	100.0
Samsung Renewable Energy Inc.	SRE North Kent 1 LP H.LP	100.0
Samsung Renewable Energy Inc.	SRE Wind GP Holding Inc.	100.0
Samsung Renewable Energy Inc.	SP Ontario Wind Development LP Inc.	50.0
Samsung Renewable Energy Inc.	SP Southgate Wind LP	50.0
Samsung Renewable Energy Inc.	SRE North Kent 2 LP Holdings LP	100.0
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	0.0
SP Armow Wind Ontario GP Inc	SP Armow Wind Ontario LP	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

Investor	Investee	Ownership
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
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 Armow EPC GP Inc.	SRE Armow EPC LP	0.0
SRE Armow LP Holdings LP	SP Armow Wind Ontario LP	50.0
SRE North Kent 1 LP H.LP	North Kent Wind 1 LP	50.0
SRE Wind GP Holding Inc.	K2 Wind Ontario Inc.	50.0
SRE Wind GP Holding Inc.	SP Armow 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 Armow LP Holdings LP	0.0
SRE Wind GP Holding Inc.	SRE North Kent 1 LP H.LP	0.0
SRE Wind GP Holding Inc.	SP Ontario Wind Development GP Inc.	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
SRE Wind GP Holding Inc.	North Kent Wind 1 GP Inc	50.0
SRE Wind GP Holding Inc.	SRE North Kent 2 LP Holdings LP	0.0
SP Ontario Wind Development GP	SP Ontario Wind Development LP Inc.	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
North Kent Wind 1 GP Inc	North Kent Wind 1 LP	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
Solluce Romania 1 B.V.	LJG GREEN SOURCE ENERGY ALPHA S.R.L.	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
Cassava Investment Korea Pte.	PT. Cahaya Borneo Sukses Agrosindo	49.0
Cassava Investment Korea Pte.	PT. Cassava Borneo Sukses Plantation	49.0
Samsung C&T Thailand Co., Ltd	Samsung Development (Thailand) Co., Ltd.	67.0
Samsung C&T Thailand Co., Ltd	Samsung Engineering (Thailand) Co., Ltd.	0.0
Samsung C&T Thailand Co., Ltd	Cheil (Thailand) Ltd.	0.0
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.	SAMSUNG TRADING (SHENZHEN) CO., LTD	100.0

Investor	Investee	Ownership
SAMSUNG C&T HONGKONG Ltd.	Samsung Precision Stainless Steel(pinghu) Co.,Ltd.	45.0
SAMSUNG C&T HONGKONG Ltd.	Samsung Logistics (China) 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
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
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 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 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 Limitada	4.1
Samsung Electronics	Samsung Electronics Rus Company LLC	100.0

Investor	Investee	Ownership
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 Co., Ltd.	100.0
Samsung Display	Samsung Display Suzhou Co., Ltd.	100.0
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	Novalad 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	100.0
Samsung Electronics America, Inc.	Quietside	100.0
Samsung Electronics America, Inc.	SmartThings	100.0
Samsung Electronics America, Inc.	LoopPay, Inc	100.0
Samsung Electronics America, Inc.	YESCO Electronics LLC	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 Semiconductor, Inc.	Grandis, Inc.	100.0
Samsung Semiconductor, Inc.	Samsung Austin Semiconductor LLC.	100.0
Samsung Electronics Canada Inc	PrinterOn Corporation	100.0
PrinterOn Inc	PrinterOn America Corporation	100.0
PrinterOn Inc	PrinterOn Europe Limited	100.0
Samsung International, Inc.	Samsung Mexicana S.A. de C.V	100.0
Samsung Electronics Mexico S.A	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 SIA	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 Production	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 Limitada	95.9
Samsung Electronics Benelux B.V.	Samsung Electronics Peru S.A.C.	100.0
Samsung Electronics Benelux B.V.	Samsung Electronics Rus 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

Investor	Investee	Ownership
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 Benelux B.V.	Samsung Electronics Caucasus Co., Ltd	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.	Porta Nuova Varesine Building 2 S.r.l.	49.0
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
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.	Novalad 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 THANGUYEN Co., Ltd.	100.0
Samsung Asia Private Ltd.	Samsung Electronics HCMC CE Complex 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 Mobile R&D Center China - Tianjin	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 R&D Institute China - Nanjing	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 Amazoni	Simpres Comercio, Locacao e Servicos S.A.	100.0
Samsung Electronica da Amazonia Ltda.	Samsung Electronics Argentina S.A.	2.0
Samsung Electronics KZ and Cen	Samsung Electronics Caucasus Co., Ltd	0.0
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 Battery Systems GmbH	100.0
Samsung SDI	Samsung SDI (Malaysia) SDN. BHD.	68.6
Samsung SDI	Samsung SDI Vietnam Co., LTD.	100.0

Investor	Investee	Ownership
Samsung SDI	Samsung SDI Energy Malaysia Sdn. Bhd.	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 Battery Co., Ltd	50.0
Samsung SDI	Samsung SDI Brasil Ltda.	45.0
Samsung SDI	Samsung Chemical U.S.A Inc.	100.0
Samsung SDI	Samsung Chemical Europe GmbH	100.0
Samsung SDI	Samsung Chemical Hungary LLC	100.0
Samsung SDI	Novalad GmbH	50.1
Samsung SDI	Samsung Chemical (Thailand) CO., Ltd	59.4
Samsung SDI	Samsung Chemical Material Trading(Shanghai)Co.,Ltd.	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 Materials(Suzhou) Co.,Ltd	100.0
Samsung SDI	iMarket Asia Co., Ltd.	8.7
Samsung SDI America, Inc.	Samsung SDI Mexico S.A. de C.V.	100.0
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 LLC	100.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics(Thailand) Co., Ltd.	75.0
Samsung Electro-Mechanics	Samsung Electro-Mechanics Philippines, 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 Hong Kong 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	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 General Chemicals (Shanghai) Co., Ltd.	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

Investor	Investee	Ownership
Samsung Heavy Industries Co.,Ltd.	SAMSUNG HEAVY INDUSTRIES NIGERIA LIMITED	100.0
Samsung Heavy Industries Co.,Ltd.	SANGSUNG HEAVY INDUSTRIES BRAZIL ASSESSORIA EM PRO	100.0
Samsung Heavy Industries Co.,Ltd.	SHI BRAZIL CONSTRUCTION	100.0
Offshore 1 consulting Corporat	AMEC Samsung Oil&Gas, LLC	51.0
SAMSUNG HEAVY INDUSTRIES NIGERIA Co., Ltd	SHI - MCI FZE	70.0
Samsung Life Insurance	Porta Nuova Varesine Building 2 S.r.l.	51.0
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., LTD.	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 LIFE INVESTMENT (AMERICA) LTD.	100.0
Samsung Asset Management	Samsung Asset Management(Hong Kong) Limited.	100.0
30 GRESHAM STREET(JERSEY) LIMI	30 GRESHAM STREET (SINGAPORE) LIMITED	100.0
Starex Compounding America Inc.	Stacom Mexico, S.A. de C.V.	100.0
SAMSUNG CHEMICAL(THAILAND) CO.	Samsung Engineering (Thailand) Co., Ltd.	19.0
Samsung Techwin	Techwin Engineering Center	100.0
Samsung Techwin	Samsung Opto-Electronics America, Inc.	100.0
Samsung Techwin	SAMSUNG TECHWIN EUROPE, Ltd.	100.0
Samsung Techwin	Tianjin Samsung Techwin Opto-Electronics	95.0
Samsung Techwin	Shanghai Samsung Techwin	100.0
Samsung Techwin	SAMSUNG TECHWIN DO BRASIL EQUIPAMEN TOS DE SEGURANCA Ltda	100.0
Cheil Industries Inc.	Cheil 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) Co.,Ltd	100.0
Cheil Industries Inc.	CHEIL INDUSTRIES INC. VIETNAM COMPANY LIMITED	100.0
Cheil Industries Inc.	iMarket Asia Co., Ltd.	19.3
Samsung Welstory	WELSTORY VIETNAM COMPANY LIMITED	100.0
Samsung Welstory	Shanghai Ever-Hongjun Business Mgt Service Co.,LTD	51.0
Credu	LANGUAGE TESTING INTERNATIONAL, INC	82.4
PengTai Greater China Co., Ltd	PengTai China Co., Ltd.	100.0
PengTai Greater China Co., Ltd	PengTai Taiwan Co., Ltd.	100.0
PengTai Greater China Co., Ltd	PengTai Interactive Advertising Co.,Ltd.	100.0
PengTai China Co., Ltd.	PengTai e-Commerce Co.,Ltd.	100.0
PengTai China Co., Ltd.	PengTai Marketing Service Co., Ltd.	100.0
PengTai Interactive Advertisin	MEDIALYTICS Inc.	51.0
iMarket Asia Co., Ltd.	iMarket China Co., Ltd.	80.0
Samsung Fine Chemicals	Samsung Fine Chemicals Europe GmbH	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 Netherlands 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 Americas Solucoes Em Tecnologia Ltda	99.7
Miracom	MIRACOM INC ASIA PACIFIC LTD	100.0
Samsung SDS America,Inc.	Samsung SDS Latin Americas Solucoes Em Tecnologia Ltda	0.3
Samsung SDS America,Inc.	Samsung SDS Mexico, S.A. DE C.V.	99.0
Samsung SDS America,Inc.	Samsung SDS Global SCL Panama S. A.	100.0
Samsung SDS America,Inc.	Samsung SDS Global SCL Chile Limitada	100.0
Samsung SDS America,Inc.	Samsung SDS Global SCL Peru S.A.C.	100.0
Samsung SDS America,Inc.	Samsung SDS Global SCL Colombia S.A.S.	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Hungary Kft.	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Slovakia, s.r.o.	100.0
Samsung SDS Europe Ltd.	SAMSUNG SDS GSCL POLAND	100.0

Investor	Investee	Ownership
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Netherlands Cooperatief U.A	0.0
Samsung SDS Europe Ltd.	SAMSUNG SDS Global SCL Egypt Co. Ltd.	100.0
Samsung SDS Europe Ltd.	Samsung SDS global SCL South Africa	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Transport and Logistics Joint Stock Company	100.0
Samsung SDS Europe Ltd.	Samsung SDS Global SCL Rus Limited liability company	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 LLC	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 AUSTRALIA PTY., LTD.	100.0
Samsung SDS Asia Pacific Pte.	Samsung SDS Global SCL Hong Kong Ltd	100.0
Samsung SDS China, Ltd.	Samsung SDS Global Development Center Xi'an	100.0
Samsung SDS China, Ltd.	Samsung SDS Global SCL Beijing Co., Ltd	100.0
MIRACOM INC ASIA PACIFIC LTD	MIRACOM INC CHINA LTD	100.0
Samsung Engineering	Offshore 1 consulting Corporation	49.0
Samsung Engineering	Samsung Engineering America Inc.	100.0
Samsung Engineering	Samsung Engineering Magyarorszag Epitoipari K. F.T	100.0
Samsung Engineering	Samsung Engineering (Malaysia) SDN. BHD.	100.0
Samsung Engineering	PT Samsung Engineering Indonesia Co., Ltd.	100.0
Samsung Engineering	Samsung Engineering (Thailand) Co., Ltd.	81.0
Samsung Engineering	Samsung Engineering India Private Ltd.	100.0
Samsung Engineering	Samsung Engineering Vietnam	100.0
Samsung Engineering	Samsung Engineering Construction(Shanghai) Co., Ltd	100.0
Samsung Engineering	Samsung Saudi Arabia Company Limited.	95.0
Samsung Engineering	Muharrag Wastewater Services Company W.L.L.	64.8
Samsung Engineering	Muharrag STP Company B.S.C.	4.6
Samsung Engineering	Muharrag Holding Company 1 Ltd.	45.0
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 Projeto e Consultoria Ltda	100.0
Samsung Engineering	Samsung Engineering Bolivia S.A	99.9
Samsung Engineering	Samsung Ingenieria DUBA S.A. de C.V.	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 Engineering (Thailand)	Samsung Chemical (Thailand) CO., Ltd	40.6
Samsung Engineering India Private Ltd.	Samsung Saudi Arabia Company Limited.	5.0
Samsung Saudi Arabia Company	Samsung EPC Company Ltd.	75.0
Muharrag Holding Company 1 Ltd	Muharrag Holding Company 2 Ltd.	100.0
Muharrag Holding Company 2 Ltd	Muharrag STP Company B.S.C.	79.7
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	IRIS Worldwide Holdings Limited	71.1
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

Investor	Investee	Ownership
Cheil Worldwide	Cheil China	100.0
Cheil Worldwide	Cheil Hong Kong Ltd.	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 Communications Nigeria Ltd.	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 Inc.	100.0
Hotel Shilla	New Jersey Int'l 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 GmbH	100.0
Cheil Europe Ltd.	Beattie McGuinness Bungay Limited.	75.0
Cheil Europe Ltd.	Cheil Italia S.r.l	100.0
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 (Thailand) Ltd.	Samsung Chemical (Thailand) Co., Ltd	0.0
Cheil Singapore Pte. Ltd.	PengTai Greater China Co., Ltd.	95.0
Cheil Singapore Pte. Ltd.	PT. CHEIL WORLDWIDE INDONESIA	100.0
Cheil Hong Kong Ltd.	PengTai 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
Cheil South Africa Pty., Ltd.	Cheil Communications Nigeria Ltd.	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 Pty., Ltd.	100.0
One Agency FZ LLC	One Agency Russia LLC	99.9
Cheil Rus LLC	One Agency Russia LLC	0.1

※ (% of Ownership; As of March 31, 2015; 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, 2015
- (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 March 31, 2015 is KRW 47,292 billion

[As of March 31, 2015]

(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	Own ership (%)	Book Value	Acquisition/Disposal		Valuati on	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	7,718,612	508,912
	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	17,736,627	656,025
	Listed	Samsung Techwin	1977.12	Management	336	13,527	25.46	235,638	0	0	0	13,527	25.46	235,638	3,601,728	-118,182
	Unlisted	STECO	1995.06	Business	24,000	2,448	51.00	32,724	142	3,137	0	2,590	70.00	35,681	93,819	4,532
	Unlisted	SEMES	1992.12	Business	1,000	2,173	91.54	71,906	0	0	0	2,173	91.54	71,906	692,721	39,080
	Unlisted	SERI	1991.05	Management	320	3,576	29.80	24,942	0	0	0	3,576	29.80	24,942	130,715	252
	Unlisted	Samsung SDS	1992.07	Management	6,160	17,472	22.58	560,827	0	0	0	17,472	22.58	560,827	5,546,045	434,273
	Unlisted	Samsung Lions	1986.08	Management	240	55	27.50	-102	0	0	0	55	27.50	-102	61,737	-17,141
	Unlisted	Samsung Electronics Service	1998.01	Business	30,000	6,000	99.33	48,121	0	0	0	6,000	99.33	48,121	330,184	12,524
	Unlisted	Samsung Electronics Sales	2000.12	Business	3,100	1,767	100.00	247,523	0	0	0	1,767	100.00	247,523	603,933	1,662
	Unlisted	Samsung Electronics Logitech	1999.04	Business	76	1,011	100.00	46,669	0	0	0	1,011	100.00	46,669	150,390	8,940
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	37,939,965	1,698,239	

※ 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	SVIC #6	2005.07	Business	26,800	1	99.00	2,277	0	0	0	1	99.00	2,277	42,633	458
	Unlisted	SVIC #14	2009.05	Business	18,000	0	99.00	0	0	0	0	0	99.00	0	57,146	2,434
	Unlisted	SVIC #21	2011.11	Business	19,800	0	99.00	150,634	0	0	0	0	99.00	150,634	130,290	-4,984
	Unlisted	SVIC #22	2011.11	Business	19,800	0	99.00	155,796	0	0	0	0	99.00	155,796	145,501	-43
	Unlisted	SVIC #26	2014.11	Business	19,800	0	99.00	19,800	0	2,970	0	0	99.00	22,770	20,057	-699
	Unlisted	SVIC #27	2014.09	Business	5,940	0	99.00	5,940	0	0	0	0	99.00	5,940	5,898	-483
	Unlisted	SVIC #28	2015.02	Business	7,415	0	0.00	0	0	7,425	0	0	99.00	7,425	0	0
	Unlisted	Samsung Medison	2011.02	Business	286,384	87,350	68.45	477,648	0	0	0	87,350	68.45	477,648	326,260	8,817
	Unlisted	Samsung BioLogics	2011.04	Management	30,000	9,298	45.65	412,065	1,769	66,700	0	11,067	46.30	478,765	1,357,295	-83,939
	Unlisted	Intellectual Discovery	2011.05	Management	5,000	1,784	15.71	5,241	0	0	0	1,784	15.71	5,241	44,353	-7,792
	Listed	Samsung Heavy Industries	1977.09	Management	125	40,676	17.61	811,479	0	0	-77,284	40,676	17.61	734,195	17,122,234	147,320
	Listed	Samsung Fine Chemicals	1995.05	Management	1,346	2,165	8.39	70,795	0	0	18,943	2,165	8.39	89,738	1,845,960	58,683
	Listed	Hotel Shilla	1979.12	Management	252	2,005	5.11	183,231	0	0	13,031	2,005	5.11	196,262	1,907,452	73,483
Listed	Cheil Worldwide	1988.09	Management	185	14,499	12.60	249,378	0	0	99,316	14,499	12.60	348,694	1,843,852	102,022	
Listed	A-Tech Solution	2009.11	Management	26,348	1,592	15.92	7,578	0	0	398	1,592	15.92	7,976	184,201	490	

※ 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	18,384	0	0	-1,813	647	1.80	16,571	1,090,486	44,140
	Listed	KT Skylife	2001.12	Management	3,344	240	0.50	4,404	0	0	36	240	0.50	4,440	683,009	55,162
	Listed	Samsung SDI	1977.01	Management	304	13,463	19.58	1,561,670	0	0	275,985	13,463	19.58	1,837,655	15,968,550	-80,314
	Listed	Wonik IPS	2013.12	Business	31,625	3,610	4.48	50,361	0	0	-10,289	3,610	4.48	40,072	658,929	57,128
	Unlisted	Samsung General Chemicals	1988.07	Management	1,500	3,017	5.29	100,051	0	0	0	3,017	5.44	100,051	2,245,888	-23,537
	Unlisted	SSLM	2012.04	Management	52,296	4,378	18.24	0	0	0	0	4,378	18.24	0	177,022	-46,587
	Unlisted	Kihyup Technology Banking	1995.01	Management	5,000	1,000	17.24	5,000	0	0	0	1,000	17.24	5,000	91,722	762
	Unlisted	Pusan Newport	1997.09	Management	590	1,135	0.98	5,677	0	0	0	1,135	0.98	5,677	680,228	50,481
	Unlisted	The Korea Economic Daily	1987.05	Management	150	72	0.39	365	0	0	0	72	0.39	365	289,901	15,395
	Unlisted	Samsung Venture Investment	1999.11	Management	4,900	980	16.33	6,586	0	0	0	980	16.33	6,586	67,044	3,274
	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	3,653	707
	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							
Dome stic*	Unlisted	E-SCOM	2007.12	Management	0	0	0.01	0	0	0	0	0	0.01	0	14,329	-7,482
	Unlisted	Sambo Computer	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	22,756	-1,648
	Unlisted	KT Wibro	2010.07	Management	60,000	600	24.20	60,000	0	0	0	600	24.20	60,000	266,331	3,545
	Unlisted	Shinsung Eng & Construction	2010.07	Management	1	0	0.01	0	0	0	0	0	0.01	0	58,865	425
	Unlisted	Woobang	2010.07	Management	0	1	0.00	0	0	0	0	1	0.00	0	159,892	7,234
	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	143,190	-14,700
	Unlisted	Daewoo Songdo Development	2012.12	Management	0	9	0.02	0	0	0	0	9	0.02	0	1,216,605	-7,984
	Unlisted	Zyle Motor Sales	2012.12	Management	0	1	0.00	0	0	0	0	1	0.00	0	292,265	3,083
	Unlisted	Woojung Construction	2014.04	Withdrawal	0	5	0.35	0	0	0	0	5	0.35	0	23,920	-6,902
	Unlisted	Hyunjin	2014.04	Withdrawal	0	23	0.25	0	0	0	0	23	0.25	0	44,332	2,004
	Unlisted	Sungwon Construction	2014.04	Withdrawal	0	1	0.03	0	0	0	0	1	0.03	0	34,337	-1,733
	Unlisted	Inhee	2014.04	Withdrawal	0	2	0.17	0	0	0	0	2	0.17	0	11,239	-2,034
	Unlisted	Samsung Solution	2014.04	Withdrawal	0	4	6.70	0	0	0	0	4	6.70	0	11,713	173
	Unlisted	STX Construction	2014.04	Withdrawal	0	0	0.01	0	0	0	0	0	0.01	0	199,475	-14,036
Unlisted	Poonglim	2014.05	Withdrawal	0	52	0.37	0	0	0	0	52	0.37	0	405,404	32,142	
Unlisted	SamGong Development	2014.10	debt-equity swap	0	0	0.09	0	0	0	0	0	0.09	0	180,549	-4,186	

※ 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	14,579	417
	Unlisted	SV	2011.02	Investment	1,850	0	14.85	3,403	0	-215	0	0	14.85	3,188	19,433	-469
	Unlisted	Seoul Investment Partners	2011.10	Investment	1,550	0	19.38	2,872	0	-135	0	0	19.38	2,737	17,978	323
	Unlisted	Daishin Aju IB	2011.08	Investment	258	0	3.00	1,898	0	-294	0	0	3.00	1,604	63,869	7,656
	Unlisted	TS	2011.11	Investment	1,700	0	20.32	2,682	0	0	0	0	20.32	2,682	13,470	-128
	Unlisted	IMM	2011.11	Investment	760	0	7.60	3,294	0	-401	0	0	7.60	2,893	44,114	342
	Unlisted	L&S	2012.07	Investment	848	0	7.46	2,848	0	-75	0	0	7.46	2,773	33,885	-5,301
	Unlisted	Taewon Electric	2012.04	Management	16,544	45	15.00	17,094	0	0	0	45	15.00	17,094	64,677	1,478
	Unlisted	Pantech	2013.06	Business	53,000	53,000	10.03	0	0	0	0	53,000	10.03	0	279,464	-249,327
	Unlisted	KTCNP-GC	2013.12	Business	960	0	3.56	918	0	0	0	0	3.56	918	24,289	-869
	Unlisted	Postech Technology Investment	2013.12	Business	600	0	10.00	600	0	0	0	0	10.00	600	175,836	3,625
	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	19,179	-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	529,348	-515
	Unlisted	SEA	1978.07	Position Security	59,362	492	100.00	5,027,880	0	622,315	0	492	100.00	5,651,195	10,697,787	-80,403
	Unlisted	SELA	1989.04	Position Security	319	40	100.00	86,962	0	0	0	40	100.00	86,962	347,502	571
	Unlisted	SEM	1995.07	Position Security	3,032	3,837	63.58	165,638	0	0	0	3,837	63.58	165,638	795,138	-245,143
	Unlisted	SEASA	1996.06	Position Security	4,696	21,854	98.00	6,779	0	0	0	21,854	98.00	6,779	52,003	5,937
	Unlisted	SEDA	1994.01	Position Security	13,224	62,816,336	87.04	577,483	14,389,373	70,137	0	77,205,709	87.04	647,620	3,797,166	887,715
	Unlisted	SECH	2002.12	Position Security	597	0	4.10	597	0	0	0	0	4.10	597	262,414	-8,240
	Unlisted	Nvelo, Inc.	2012.12	Position Security	42,892	100	100.00	42,892	0	0	0	100	100.00	42,892	1,774	225
	Unlisted	CMLA LLC	2008.02	Management	654	0	25.00	4,115	0	-4,115	0	0	0.00	0	0	0
	Unlisted	SESA	1989.01	Position Security	3,276	8,021	100.00	142,091	0	0	0	8,021	100.00	142,091	665,617	19,153
	Unlisted	SENA	1992.03	Position Security	392	1,000	100.00	69,372	0	0	0	1,000	100.00	69,372	467,393	39,396
	Unlisted	SEH	1991.05	Position Security	1,954	753	100.00	650,157	0	0	0	753	100.00	650,157	1,287,972	109,549
	Unlisted	SEP	1982.09	Position Security	204	1,751	100.00	37,616	0	0	0	1,751	100.00	37,616	136,282	6,198
	Unlisted	SEF	1991.08	Position Security	230	2,700	100.00	234,115	0	0	0	2,700	100.00	234,115	1,031,342	44,771
	Unlisted	SEUK	1995.07	Position Security	33,908	109,546	100.00	433,202	0	0	0	109,546	100.00	433,202	1,235,239	72,231
Unlisted	SEHG	1982.02	Position Security	28,042	0	100.00	354,846	0	0	0	0	100.00	354,846	840,716	84,393	

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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	290,346	9,100
	Unlisted	SEI	1993.05	Position Security	862	677	100.00	143,181	0	0	0	677	100.00	143,181	759,637	107,593
	Unlisted	SEBN	1995.07	Position Security	236	530,589	100.00	904,308	8,549	10,443	0	539,138	100.00	914,751	1,207,723	30,404
	Unlisted	SELS	1991.05	Position Security	18,314	1,306	100.00	24,288	0	0	0	1,306	100.00	24,288	1,621,583	38,209
	Unlisted	SEPOL	1996.04	Position Security	5,462	106	100.00	78,267	0	0	0	106	100.00	78,267	419,043	38,817
	Unlisted	SSA	1998.12	Position Security	263	2,000	100.00	32,622	0	0	0	2,000	100.00	32,622	712,489	-38,887
	Unlisted	SESK	2002.06	Position Security	8,976	0	55.68	263,767	0	0	0	0	55.68	263,767	1,869,697	142,416
	Unlisted	SEEH	2008.01	Position Security	4,214	0	100.00	1,369,992	0	0	0	0	100.00	1,369,992	7,022,746	93,605
	Unlisted	SEO	1997.01	Position Security	120	0	100.00	-10,043	0	0	0	0	100.00	-10,043	176,271	57
	Unlisted	SRSC	1997.11	Position Security	707	0	100.00	8,211	0	0	0	0	100.00	8,211	29,243	1,664
	Unlisted	SERC	2006.01	Position Security	24,877	0	100.00	180,079	0	0	0	0	100.00	180,079	796,220	31,587
	Unlisted	SERK	2007.07	Position Security	4,600	0	100.00	204,555	0	0	0	0	100.00	204,555	785,584	88,557
	Unlisted	SEAU	1987.11	Position Security	392	53,200	100.00	111,964	0	0	0	53,200	100.00	111,964	437,351	-48,132
	Unlisted	SEMA	1989.09	Position Security	4,378	16,247	100.00	153,602	0	0	0	16,247	100.00	153,602	129,214	28,018
	Unlisted	SGE	1995.05	Position Security	827	0	100.00	32,836	0	0	0	0	100.00	32,836	921,338	-66-153
	Unlisted	SEEG	2012.07	Position Security	23	0	0.05	39	0	0	0	0	0.05	39	512,426	44,697

※ 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	806,451	147,666
	Unlisted	SDMA	1995.03	Position Security	21,876	71,400	75.00	244,382	0	0	0	71,400	75.00	244,382	278,239	38,955
	Unlisted	SIEL	1995.08	Position Security	5,414	216,787	100.00	75,263	0	0	0	216,787	100.00	75,263	2,949,605	428,757
	Unlisted	SRI-B	2005.05	Position Security	7,358	17	100.00	31,787	0	0	0	17	100.00	31,787	190,104	24,805
	Unlisted	SAVINA	1995.01	Position Security	5,839	0	100.00	28,365	0	0	0	0	100.00	28,365	219,356	43,367
	Unlisted	TSE	1988.01	Position Security	1,390	11,020	91.83	279,163	0	0	0	11,020	91.83	279,163	1,654,988	202,647
	Unlisted	STE	1996.01	Position Security	4,206	2,499	49.00	4,474	0	0	0	2,499	49.00	4,474	6,159	100
	Unlisted	SME	2003.05	Position Security	4,796	17,100	100.00	7,644	0	0	0	17,100	100.00	7,644	328,645	3,473
	Unlisted	SAPL	2006.07	Position Security	793	741,378	100.00	870,623	135,755	110,860	0	877,133	100.00	981,483	3,110,433	1,057,873
	Unlisted	SEHK	1988.09	Position Security	349	274,250	100.00	79,033	0	0	0	274,250	100.00	79,033	984,732	20,662
	Unlisted	SET	1994.11	Position Security	456	27,270	100.00	112,949	0	0	0	27,270	100.00	112,949	1,583,027	44,559
	Unlisted	SESS	1994.12	Position Security	18,875	0	100.00	504,313	0	0	0	0	100.00	504,313	749,914	64,345
	Unlisted	SCIC	1996.03	Position Security	23,253	0	100.00	617,941	0	0	0	0	100.00	617,941	9,603,679	162,677
	Unlisted	SEHZ	1992.12	Position Security	792	0	89.56	255,535	0	0	0	0	89.56	255,535	4,966,486	829,880
	Unlisted	SSEC	1995.04	Position Security	32,128	0	69.06	130,551	0	0	0	0	69.06	130,551	689,430	99,282
Unlisted	TSEC	1993.04	Position Security	15,064	0	48.20	138,101	0	0	0	0	48.20	138,101	933,487	140,983	

※ 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	SSDP	1993.08	Position Security	4,446	0	87.10	65,319	0	0	0	0	87.10	65,319	777,128	136,272
	Unlisted	TSTC	2001.03	Position Security	10,813	0	90.00	490,041	0	0	0	0	90.00	490,041	2,316,054	510,357
	Unlisted	SSTC	2001.11	Position Security	15,799	0	100.00	-1,186	0	23,698	0	0	100.00	22,512	124	-3,478
	Unlisted	SSET	2002.02	Position Security	6,009	0	95.00	121,624	0	0	0	0	95.00	121,624	146,482	13,509
	Unlisted	SESC	2002.09	Position Security	5,471	0	73.70	34,028	0	0	0	0	73.70	34,028	812,755	66,091
	Unlisted	SSS	2001.01	Position Security	1,200	0	100.00	19,189	0	0	0	0	100.00	19,189	2,560,852	125,239
	Unlisted	SEHF	2004.04	Position Security	17,204	0	100.00	53,869	0	-53,869	0	0	0.00	0	108,183	-2,549
	Unlisted	SSCR	2006.09	Position Security	3,405	0	100.00	9,332	0	0	0	0	100.00	9,332	20,548	3,257
	Unlisted	TSOE	2010.04	Position Security	33,837	167,199	82.00	93,154	0	0	0	167,199	82.00	93,154	177,394	17,427
	Unlisted	TSLED	2012.04	Position Security	119,519	0	100.00	119,519	0	0	0	0	100.00	119,519	411,558	27,308
	Unlisted	SCS	2012.09	Position Security	111,770	0	100.00	2,712,096	0	0	0	0	100.00	2,712,096	6,765,278	166,754
	Unlisted	SJC	1975.12	Position Security	273	1,560	100.00	370,647	0	0	0	1,560	100.00	370,647	831,649	5,690
	Unlisted	SRJ	1992.08	Position Security	3,120	122	100.00	117,257	0	0	0	122	100.00	117,257	160,614	3,625
	Unlisted	TSST Japan	2004.03	Management	1,639	30	49.03	0	0	0	0	30	49.03	0	234,785	-24,594
	Unlisted	SDIB	1996.09	Management	3,110	586	0.08	0	0	0	0	586	0.08	0	29,290	2,294
Unlisted	Semiconductor Portal	2002.12	Management	38	0	1.21	10	0	0	0	0	1.21	10	1,255	3	

※ 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	2,371	-128
	Unlisted	Nanosys Inc.	2010.08	Management	4,774	1,747	1.49	2,387	0	0	0	1,747	1.49	2,387	23,134	861
	Unlisted	ONE BLUE LLC	2011.07	Management	1,766	0	16.67	1,766	0	0	0	0	16.67	1,766	36,941	860
	Unlisted	TidalScale	2013.08	Management	1,112	2,882	18.98	1,112	0	0	0	2,882	8.87	1,112	7,734	-2,631
	Unlisted	Mantis Vision	2014.01	Business	1,594	301	3.53	1,594	0	0	0	301	3.53	1,594	4,969	-8,275
	Unlisted	INEDA	2014.04	Business	3,181	3,918	5.55	3,181	0	0	0	3,918	5.55	3,181	8,221	-15,439
	Unlisted	Leman	2014.08	Business	1,019	17	3.91	1,019	0	0	0	17	3.91	1,019	6,563	-3,340
	Unlisted	Alces	2014.09	Business	4,832	421	19.95	4,832	0	0	0	421	19.95	4,832	2,905	-1,937
	Listed	SSL	2014.05	Business	37,553	2,426	5.84	49,511	-1,009	-20,589	11,504	1,417	3.41	40,426	1,301,673	-100,027
	Listed	Rambus	2010.01	Business	185,363	4,788	4.19	58,368	0	0	8,191	4,788	4.16	66,559	620,811	27,650
	Listed	SEAGATE	2011.12	Business	788,454	12,539	3.80	916,597	0	0	-195,662	12,539	3.82	720,935	10,016,908	1,656,821
Total					18,631,526			46,310,677						47,292,027		

* International account noted here reflects approved for sales securities

* Based on separate financial statements

* Ownership is calculated based on common share

X. Related Party Transactions

1. Credit Offerings for Affiliates and Subsidiaries

A. Details on Debt Guarantee (as at March 31, 2015)

- 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	1,000,000	0	0	1,000,000	2,425,000
SECA	Subsidiary	Nova Scotia	2015-10-10	0	0	0	0	11,832
SEM	Subsidiary	Santander, etc.	2016-03-27	348,280	0	109,270	239,010	676,000
SAMCOL	Subsidiary	Citibank, etc.	2015-12-16	67,533	0	19,719	47,814	126,000
SEDA	Subsidiary	HSBC, etc.	2015-12-16	0	0	0	0	909,000
SECH	Subsidiary	Citibank, etc.	2015-12-16	54,332	0	54,332	0	178,000
SEPR	Subsidiary	BBVA, etc.	2015-12-16	62,718	11,727	0	74,445	180,000
SELA	Subsidiary	Citibank	2015-12-16	0	0	0	0	30,000
SEEH	Subsidiary	HSBC, etc.	2015-12-16	0	0	0	0	777,000
SSA	Subsidiary	Citibank, etc.	2015-12-16	161,095	0	52,529	108,566	335,000
SEMRC	Subsidiary	SocGen, etc.	2015-12-16	5,824	1,729	0	7,553	110,000
SETK	Subsidiary	BTMU, etc.	2015-12-16	85,877	104,203	0	190,080	570,000
SERK	Subsidiary	BNP, etc.	2015-12-16	0	0	0	0	370,000
SECE	Subsidiary	Citibank, etc.	2016-03-04	0	2,160	0	2,160	91,000
SEUC	Subsidiary	Credit Agricole, etc.	2015-12-16	0	0	0	0	175,000
SELV	Subsidiary	Citibank	2015-12-16	0	0	0	0	10,000
SAPL	Subsidiary	BOA, etc.	2015-12-16	0	0	0	0	545,000
SEV	Subsidiary	SCB	2015-11-08	0	0	0	0	15,000
SAVINA	Subsidiary	SCB, etc.	2015-11-08	0	0	0	0	30,000
SEEG	Subsidiary	HSBC	2015-06-13	0	0	0	0	50,000
SEPCO	Subsidiary	BOA	2015-11-08	9,379	0	9,379	0	0
SET	Subsidiary	SCB	2015-11-08	0	0	0	0	30,000
SEIN	Subsidiary	BNP, etc.	2015-11-08	0	0	0	0	110,000
SCIC	Subsidiary	HSBC, etc.	2015-12-16	0	0	0	0	200,000
SJC	Subsidiary	Mizuho Bank, etc.	2016-03-31	211,882	5,022	0	216,904	889,617
SRJ	Subsidiary	SMBC	2016-02-28	20,928	0	103	20,825	20,825
SEDAM	Subsidiary	Citibank, etc.	2015-12-16	116,727	846	0	117,573	441,000
SME	Subsidiary	SCB	2015-11-08	0	0	0	0	120,000
SAMEX	Subsidiary	Citibank	2015-12-16	0	0	0	0	5,000
SEASA	Subsidiary	Citibank	2015-12-16	0	0	0	0	1,000
SSAP	Subsidiary	SCB	2015-11-08	7,779	0	363	7,416	20,000
		Total		2,152,354	125,687	245,695	2,032,346	9,451,274

Other than the guarantee obligations presented above, the Company provides payment guarantees of KRW 17,280 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	5,354	817,680	Asset management
Total			-	200,000	200,000	5,354	817,680	

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

2. Acquisitions and disposals of Assets with Affiliates and Subsidiaries

During the first quarter of 2015, 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
SCS	Affiliates	Asset sale	2015.03.31	Date of sale	Machinery, etc.	26,724
SAS	Affiliates	Asset purchase	2015.03.10	Date of purchase	Machinery, etc.	6,214
SESS	Affiliates	Asset sale/purchase	2015.02.26	Date of sale/purchase	Machinery, etc.	6,063
Samsung Bioepis	Affiliates	Asset sale	2015.03.09	Date of sale	Machinery, etc.	3,524
SEV	Affiliates	Asset sale	2015.03.02	Date of sale	Machinery, etc.	1,976
TSTC	Affiliates	Asset purchase	2015.03.25	Date of purchase	Machinery, etc.	870
SIEL	Affiliates	Asset sale	2015.02.02	Date of sale	Machinery, etc.	300

※ Transaction date: most recent transaction

3. Business Transactions with Affiliates and Subsidiaries

During the first quarter of 2015, no business transaction has been made with affiliate and subsidiary that exceeds 5% of total sales.

4. Transactions with Stakeholders other than Affiliates and Subsidiaries

As at March 31, 2015, the Company's outstanding loan amount is KRW 118.9 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 11 billion for employees' loans from financial institutions relating to housing rental.

(Unit: KRW million)

Company	Relationship	Loans				
		Account title	Transaction			End of period (March 31, 2015)
			Beginning of period (January 1, 2015)	Increase	Decrease	
Jangwon Tech, etc	Partner company	Short-term loans	34,321	45	1,380	32,986
Dooil I&D, etc	Partner company and employee	Long-term loans	81,534	10,665	6,293	85,906
Total			115,855	10,710	7,673	118,892

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

XI. Other Information

1. Public Disclosure

- N/A

2. Summary of Results of Shareholder Meetings

Date	Agenda	Results
FY2015 annual general meeting of shareholders ('15.3.13)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2014	Approved
	2. Appointment of Directors 2.1: Appointment of Independent Directors 2.1.1: Han-Joong Kim 2.1.2: Byeong-Gi Lee	Approved
	2.2: Appointment of Executive Director (Oh-Hyun Kwon) 2.3: Appointment of Member of Audit Committee (Han-Joong Kim) 3. Approval of the limit on the remuneration for Directors	Approved
FY2014 annual general meeting of shareholders ('14.3.14)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2013	Approved
	2. Approval of the limit on the remuneration for Directors	Approved
FY2013 annual general meeting of shareholders ('13.3.15)	1. Approval of Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft), etc. for FY2012	Approved
	2. Appointment of Directors 2.1 : Appointment of Independent Directors 2.1.1: In-Ho Lee 2.1.2: Kwang-Soo Song 2.1.3: Eun-Mee Kim	Approved
	2.2: Appointment of Executive Directors 2.2.1: Boo-Keun Yoon 2.2.2: Jong-Kyun Shin 2.2.3: Sang-Hoon Lee 2-3: Appointment of Members of Audit Committee 2.3.1: In-Ho Lee 2.3.2: Kwang-Soo Song	
	3. Approval of the limit on the remuneration for Directors	Approved

3. *Litigation*

The litigation with Apple Inc. (“Apple”) is ongoing in the United States as of the reporting date. Regarding the ongoing lawsuit in the United States, 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 a hearing on the appeal was held on December 4, 2014.

Additionally, on May 5, 2014, the jury in another ongoing lawsuit determined that the Company partially infringed Apple’s utility patent and should pay damages to Apple. On November 25, 2014, the first trial judgment was pronounced to confirm the jury’s verdict. The Company appealed the decision on the damages and the appeal is currently on-going. 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 reached an agreement to withdraw from ongoing litigation in all regions other than the United States, and the Company has withdrawn all lawsuits against Apple outside of the United States.

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 authorities. 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*

See 『2-13. Commitments and Contingencies』 notes in the 『III. Financial Affairs』.

5. Sanctions and Others

The Company is engaged in a lawsuit after being issued a corrective order and fine (KRW 14.126 million) on July 10, 2012 for violating Article 23 (Prohibition of Unfair Trade Practices) of the Monopoly Regulation and Fair Trade Act.

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

The Company was ordered to pay a fine (KRW 267 million) on March 7, 2013, for violating the Occupational Safety and Health Act in connection with a hydrofluoric acid gas leak that occurred on January 28, 2013, and has subsequently paid the fine. 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. The Company reported compliance with the improvement order and subsequently paid the fine. As a result of this incident, 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 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 has subsequently paid the fine.

The Company was ordered and paid a fine of KRW 166.7 million for not reporting the importation of certain chemicals in August 2013, following a joint inspection by the Ministry of Environment and Gyeong-Gi Province.

The Company regularly provides compliance education and training to executives and employees to promote global standards of fair competition, and operates various compliance programs. 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) in the past three years and until the date of this report.

7. Subsequent Events

The Company finalized the sale of all its shares in Samsung General Chemicals Co., Ltd. to Hanwha Chemical and Hanwha Energy Corporation on April 30, 2015.

8. Acquisition and Divestments

There have been no significant acquisitions or divestments during the first quarter of 2015. Please refer to the 『Business Combination』 and 『Non-current Assets Held-for-Sale (Assets of disposal group)』 under 『2. Notes to Consolidated Financial Statements』 in 『Ⅲ. Financial Affairs』 for further information on acquisitions and divestments.

9. Green Management

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

(Green Technology Certification)

The Company is acquiring Green Technology Certifications in accordance with Clause 2, Article 32 of the Framework Act on Low Carbon Green Growth. Green technology development is a part of our “Planet First” strategy, which strives to conduct business activities in a manner that respect people and nature. Since the certification system was introduced in 2010, the Company has secured 32 valid Green Technology Certifications as of March 31, 2015. In addition, the Company has acquired 40 ‘Green Technology’ product certificates (550 models), for commercialized products. Meanwhile, the Company withdrew the application for its Giheung/Hwasung Campus to be re-certified as a Green Company Campus, and as of April 5, 2013, the Giheung/Hwasung Campus designation as a Green Company Campus was canceled.

Certified Green Technologies as of December 31, 2014 are as follows:

Division	Business	Name of green technology and green projects	No.
CE		Efficient multi-evaporator system technology	19
IM		Membrane laminated air filter for telecommunication base transceiver stations; Low power consumption cooling, heating, and controlling humidity, etc.	7
DS	Semiconductor (Sub-Division)	3-bit NAND Flash semiconductor design technology, etc.	5
	DP	Transparent LCD Display technology, etc.	1
		Total	32

※ The data reported above is with respect to Samsung Electronics Co., Ltd. only.

※ See 『11. Other Information (B. Environmental regulations)』 in 『II. Businesses Overview』 for greenhouse gas emission and energy use.