

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In millions of Korean won, in thousands of US dollars (Note 2.28))

| | Notes | For the year ended December 31, | | | |
|--|--------|---------------------------------|--------------------|--------------------|--------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | KRW | KRW | USD | USD |
| Revenue | 32 | 243,771,415 | 239,575,376 | 221,568,382 | 217,754,524 |
| Cost of sales | 24 | 132,394,411 | 129,290,661 | 120,335,747 | 117,514,691 |
| Gross profit | | 111,377,004 | 110,284,715 | 101,232,635 | 100,239,833 |
| Selling and administrative expenses | 24, 25 | 52,490,335 | 56,639,677 | 47,709,444 | 51,480,858 |
| Operating profit | | 58,886,669 | 53,645,038 | 53,523,191 | 48,758,975 |
| Other non-operating income | 26 | 1,485,037 | 3,010,657 | 1,349,778 | 2,736,442 |
| Other non-operating expense | 26 | 1,142,018 | 1,419,648 | 1,038,001 | 1,290,345 |
| Share of profit of associates and joint ventures | 12 | 539,845 | 201,442 | 490,675 | 183,094 |
| Financial income | 27 | 9,999,321 | 9,737,391 | 9,088,569 | 8,850,496 |
| Financial expense | 27 | 8,608,896 | 8,978,913 | 7,824,786 | 8,161,100 |
| Profit before income tax | | 61,159,958 | 56,195,967 | 55,589,426 | 51,077,562 |
| Income tax expense | 28 | 16,815,101 | 14,009,220 | 15,283,559 | 12,733,241 |
| Profit for the period | | 44,344,857 | 42,186,747 | 40,305,867 | 38,344,321 |
| Profit attributable to owners of the parent | | 43,890,877 | 41,344,569 | 39,893,236 | 37,578,849 |
| Profit attributable to non-controlling interests | | 453,980 | 842,178 | 412,631 | 765,472 |
| Earnings per share (in Korean Won, in US dollars) | 29 | | | | |
| - Basic | | 6,461 | 5,997 | 5.87 | 5.45 |
| - Diluted | | 6,461 | 5,997 | 5.87 | 5.45 |

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars (Note 2.28))

| | Notes | For the year ended December 31, | | | |
|---|--------|---------------------------------|--------------------|-------------------|--------------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | KRW | KRW | USD | USD |
| Profit for the period | | 44,344,857 | 42,186,747 | 40,305,867 | 38,344,321 |
| Other comprehensive income (loss) | | | | | |
| Items not to be reclassified to profit or loss subsequently: | | | | | |
| Changes in value of financial assets at fair value through other comprehensive income, net of tax | 8, 23 | (235,865) | - | (214,382) | - |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax | 12, 23 | (10,631) | (6,347) | (9,663) | (5,769) |
| Remeasurement of net defined benefit liabilities (assets), net of tax | 17, 23 | (410,151) | 414,247 | (372,794) | 376,517 |
| Items to be reclassified to profit or loss subsequently: | | | | | |
| Changes in value of available-for-sale financial assets, net of tax | 9, 23 | - | 511,207 | - | 464,646 |
| Share of other comprehensive income (loss) of associates and joint ventures, net of tax | 12, 23 | 6,688 | (49,256) | 6,079 | (44,770) |
| Foreign currency translation, net of tax | 23 | 590,638 | (6,334,987) | 536,842 | (5,757,988) |
| Gain (loss) on valuation of derivatives | 23 | 47,079 | (37,121) | 42,791 | (33,740) |
| Other comprehensive loss for the period, net of tax | | (12,242) | (5,502,257) | (11,127) | (5,001,104) |
| Total comprehensive income for the period | | 44,332,615 | 36,684,490 | 40,294,740 | 33,343,217 |
| Comprehensive income attributable to: | | | | | |
| Owners of the parent | | 43,882,473 | 35,887,505 | 39,885,598 | 32,618,822 |
| Non-controlling interests | | 450,142 | 796,985 | 409,142 | 724,395 |

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.