

Invest in our future



Sang-hoon Lee

President & Chief Financial Officer





DISCLAIMER

The materials in this report include forward-looking statements which can generally be identified by phrases such as Samsung Electronics (SEC) or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar implications. Similarly, such statements that describe the company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. All such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in the presentation files above.

For us, particular uncertainties which could adversely or positively affect our future results include:

- The behavior of financial markets including fluctuations in exchange rates, interest rates and commodity prices
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses including CE (Consumer Electronics), IM (IT & Mobile communications), DS (Device Solutions)
- Numerous other matters at the national and international levels which could affect our future results

These uncertainties may cause our actual results to be materially different from those expressed in this report.

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

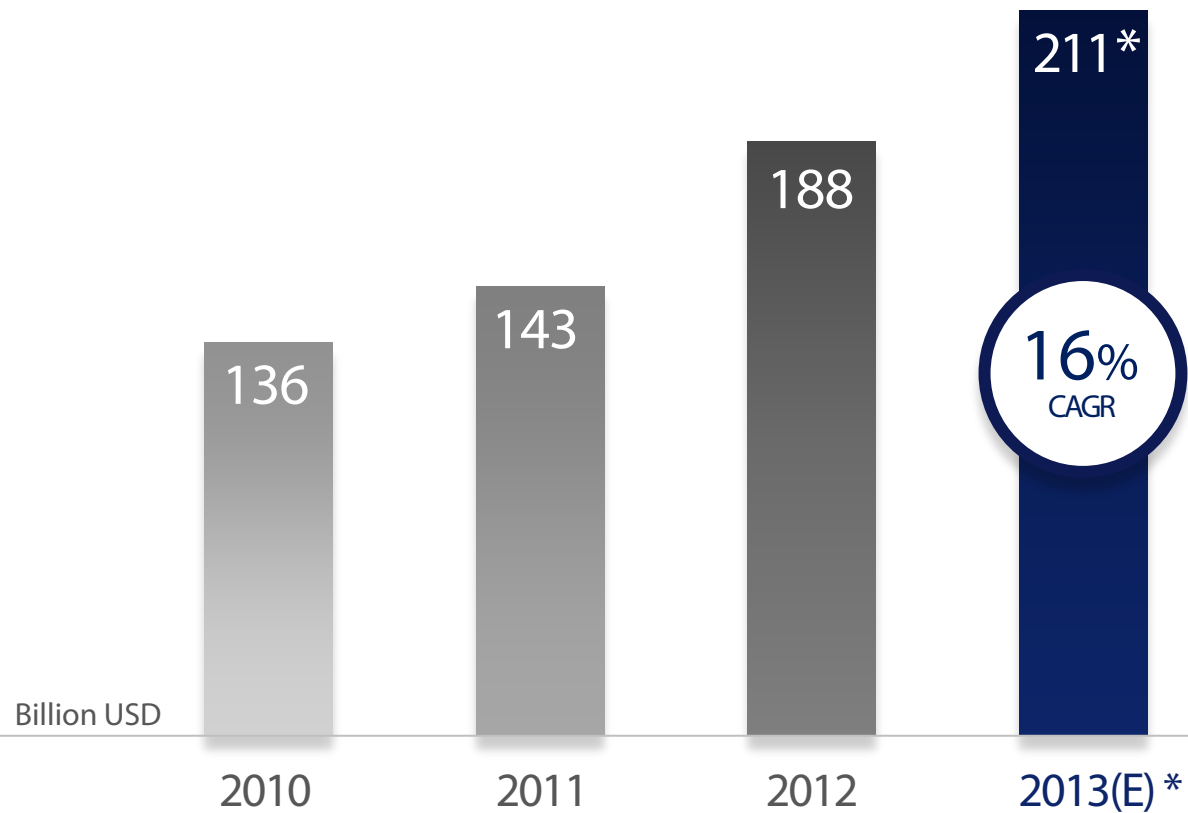
Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

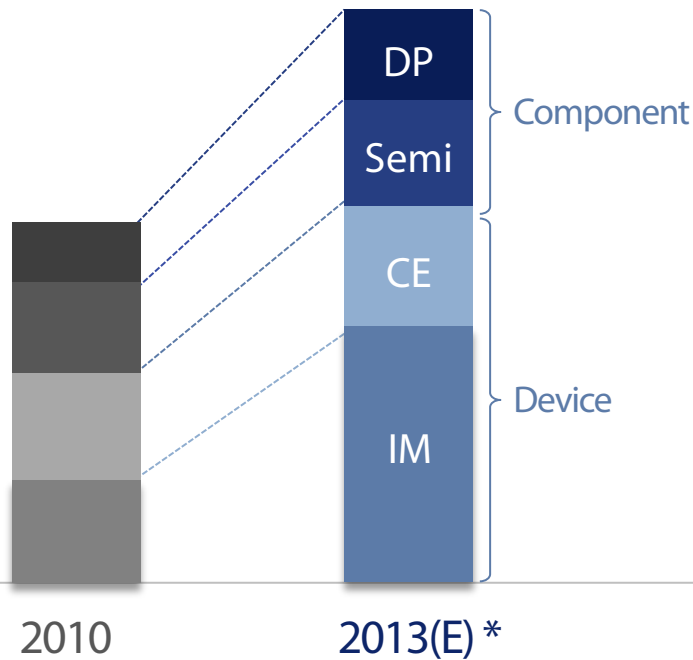
Continuous growth



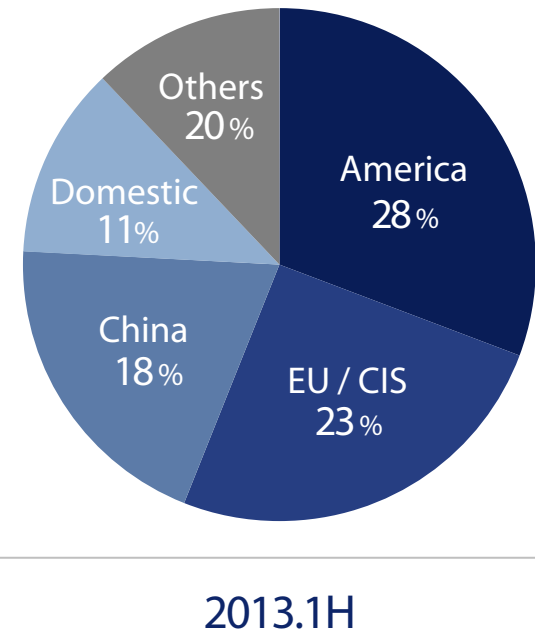
* 2013(E) : Bloomberg Consensus

Balanced structure

By Business area

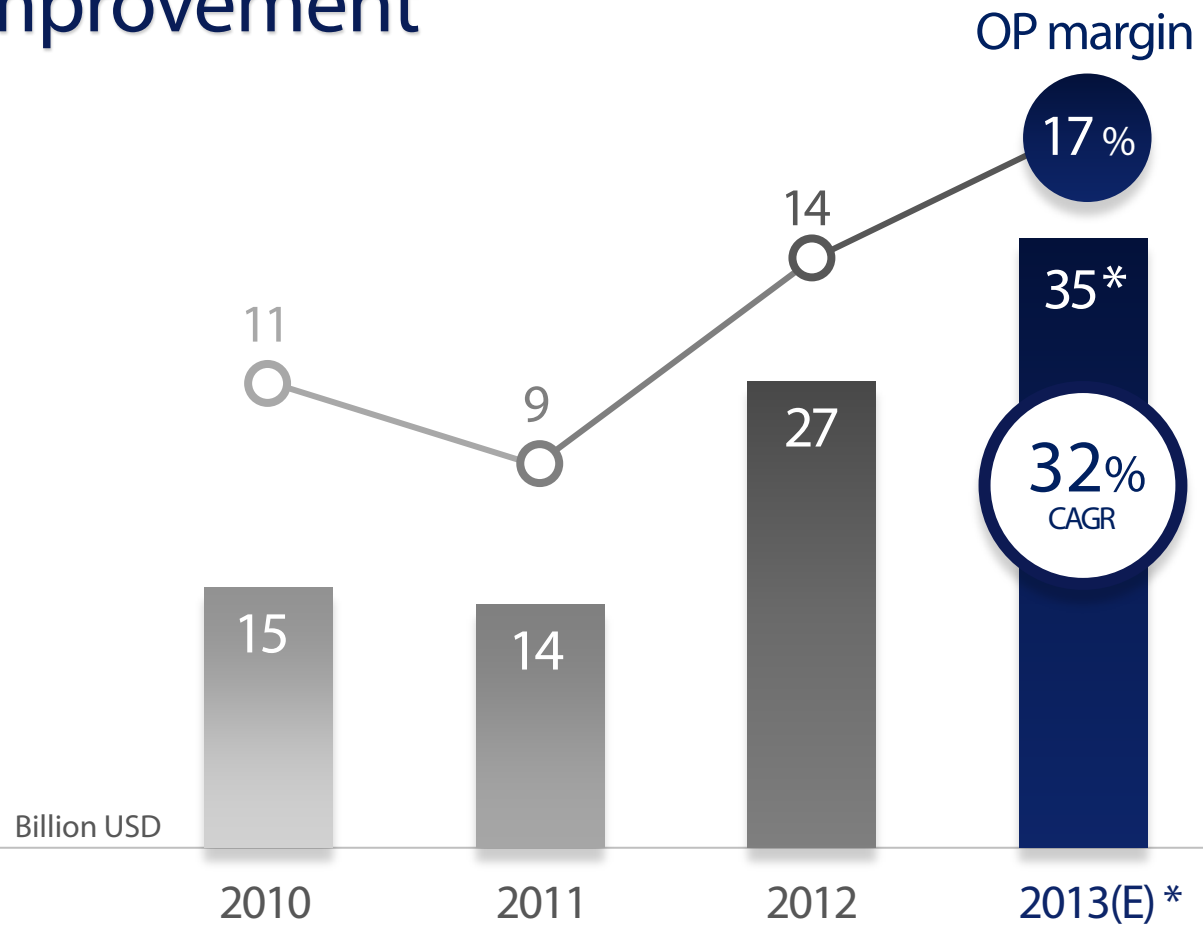


By Geography



* 2013(E) : Fn Guide Consensus

Strong improvement

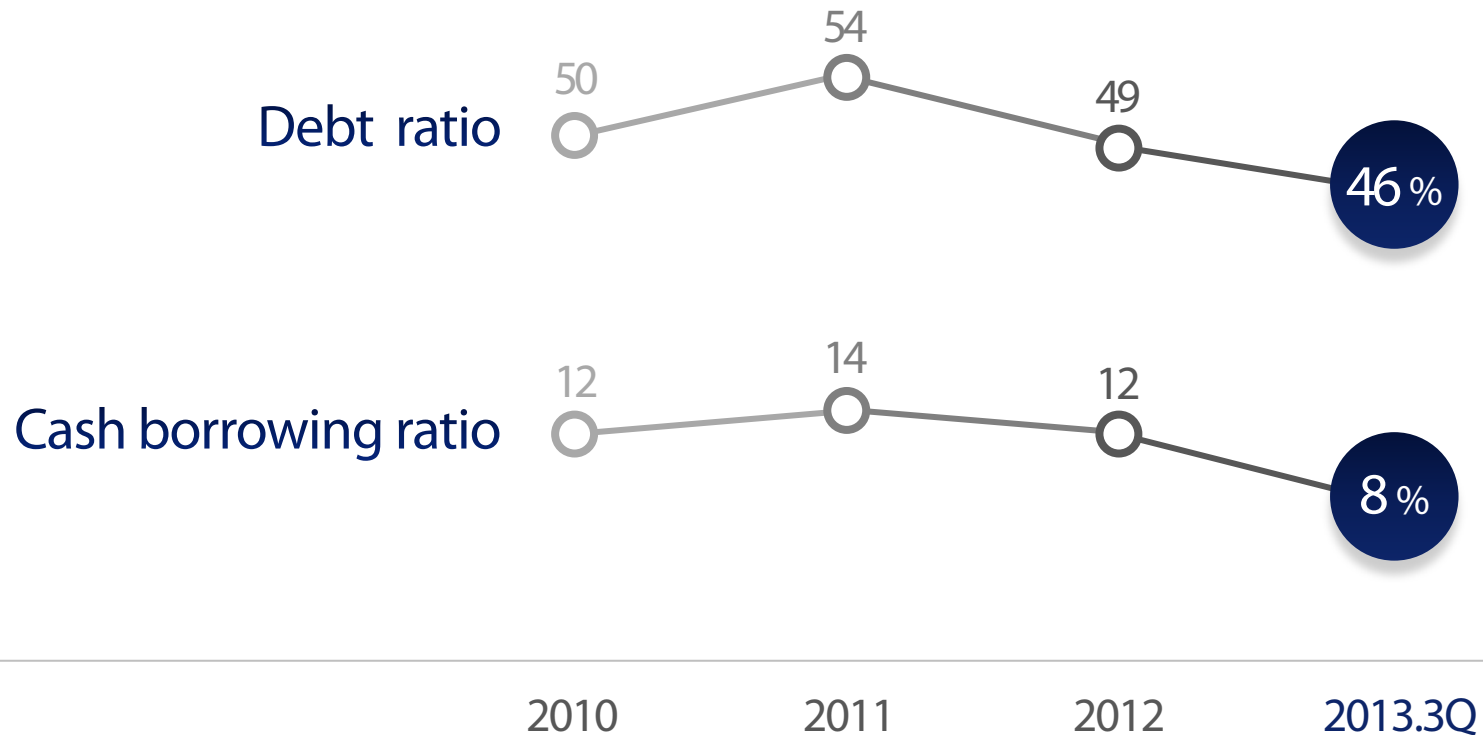


* 2013(E) : Bloomberg Consensus

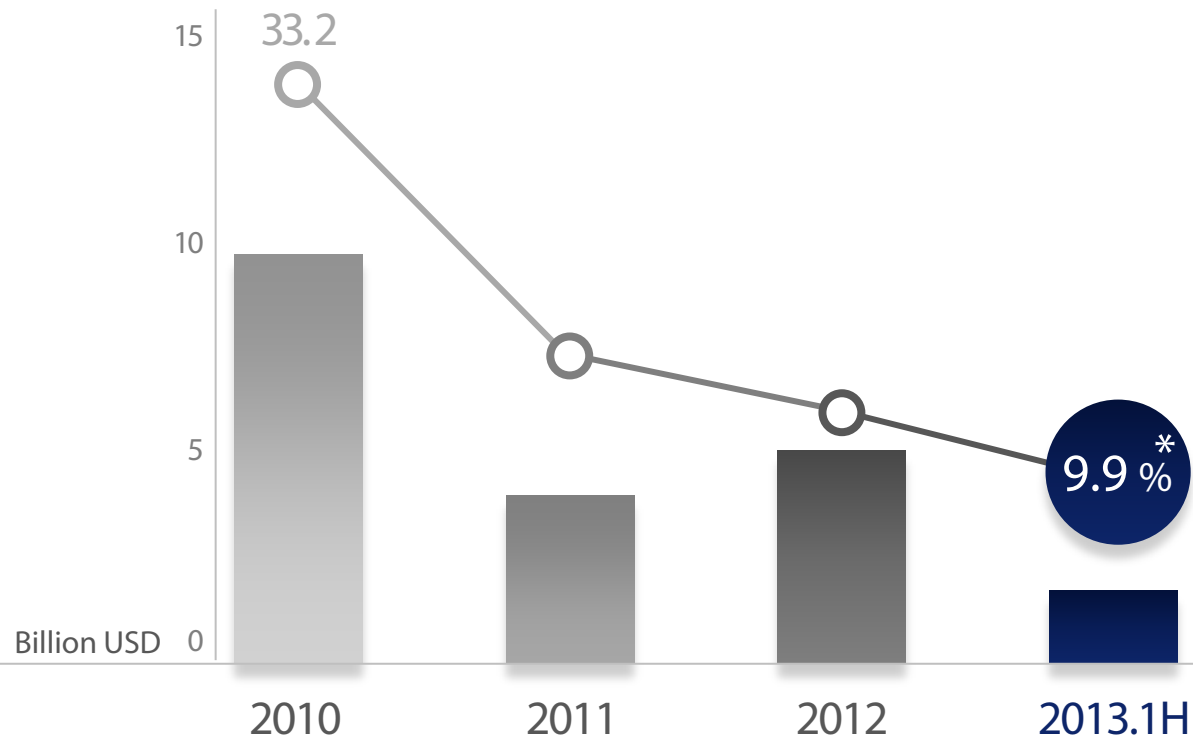
Increase in premium product sales have boosted profits



Improved equity ratios



Delivered asset efficiency to minimize working capital increase



■ Working Capital Increase

* Working Capital Increase to Cash flow from Operation

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

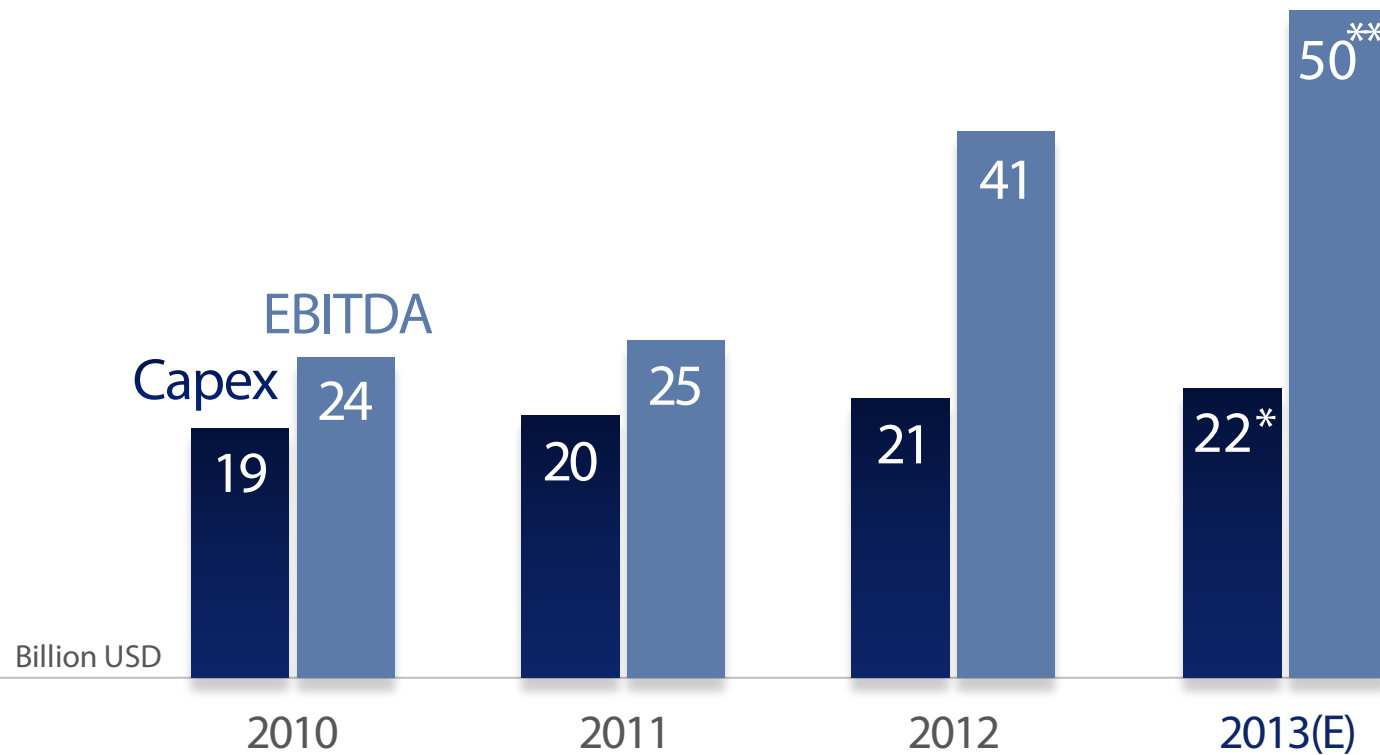
Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

Key source of sustainable growth & competitive edge



* Annual Budget

** Bloomberg Consensus

Manage under strict principles and guidelines

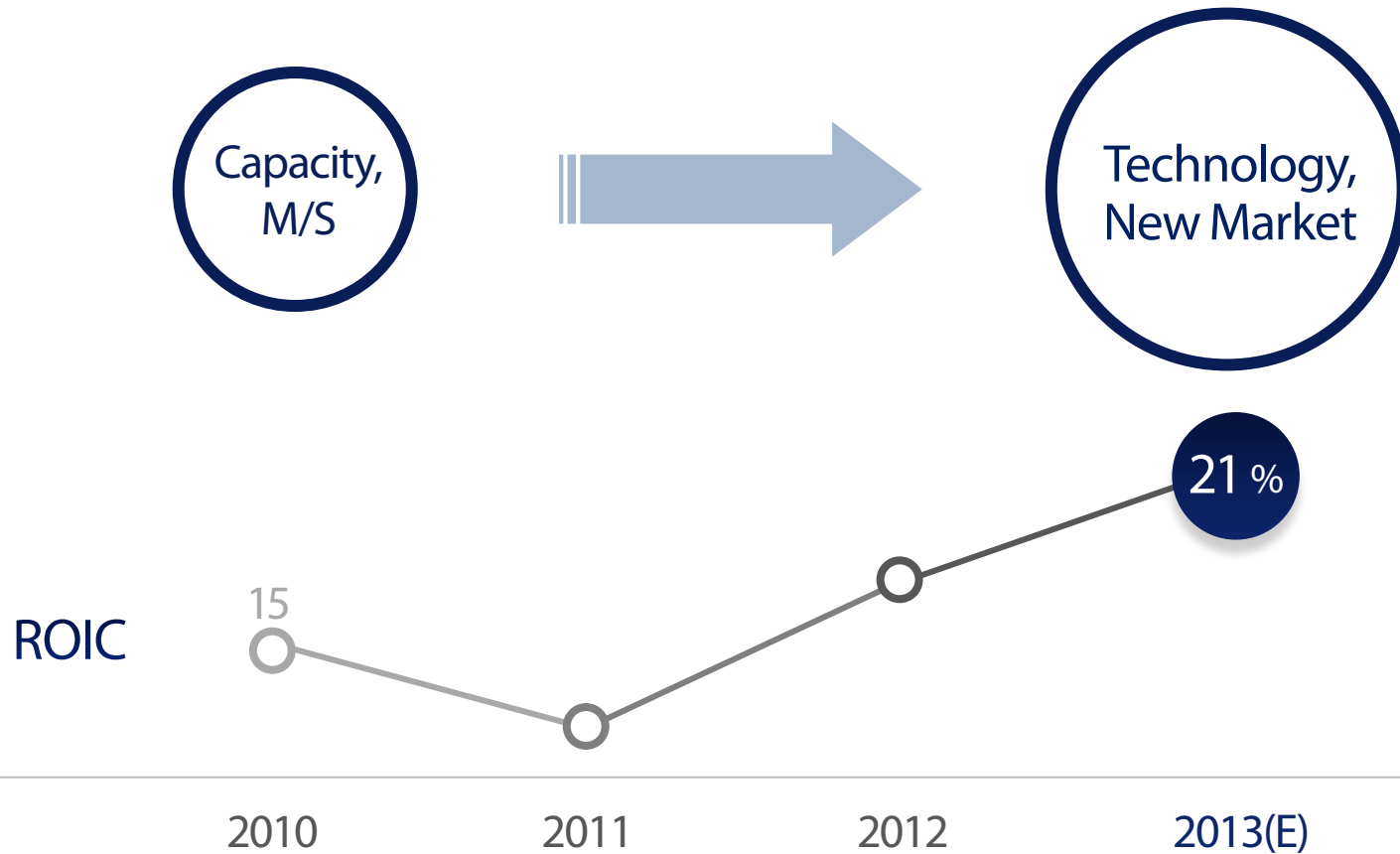
Principles

- Differentiate technology and Profitability
- Flexible planning to reduce risk

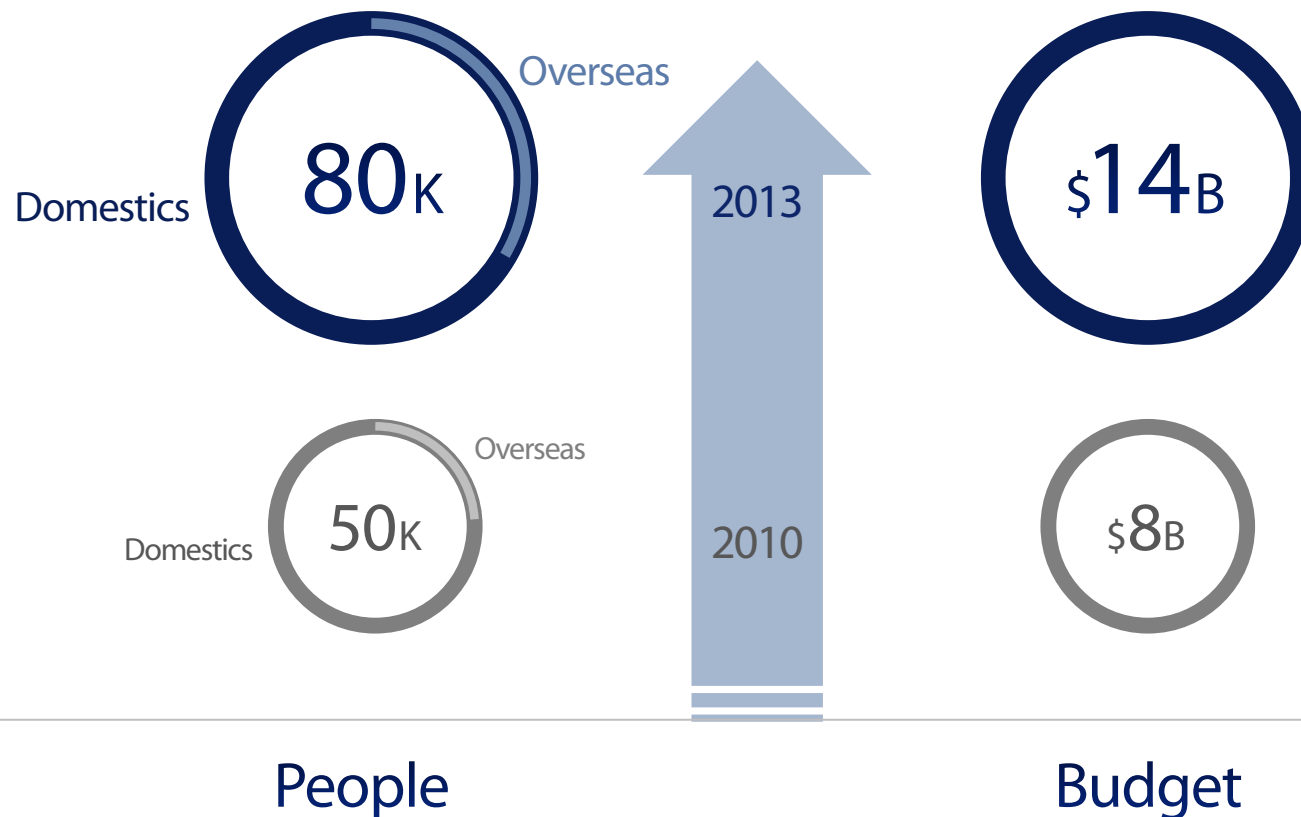
Guidelines

- Execution within C/F
- IRR
- Payback period

New focus

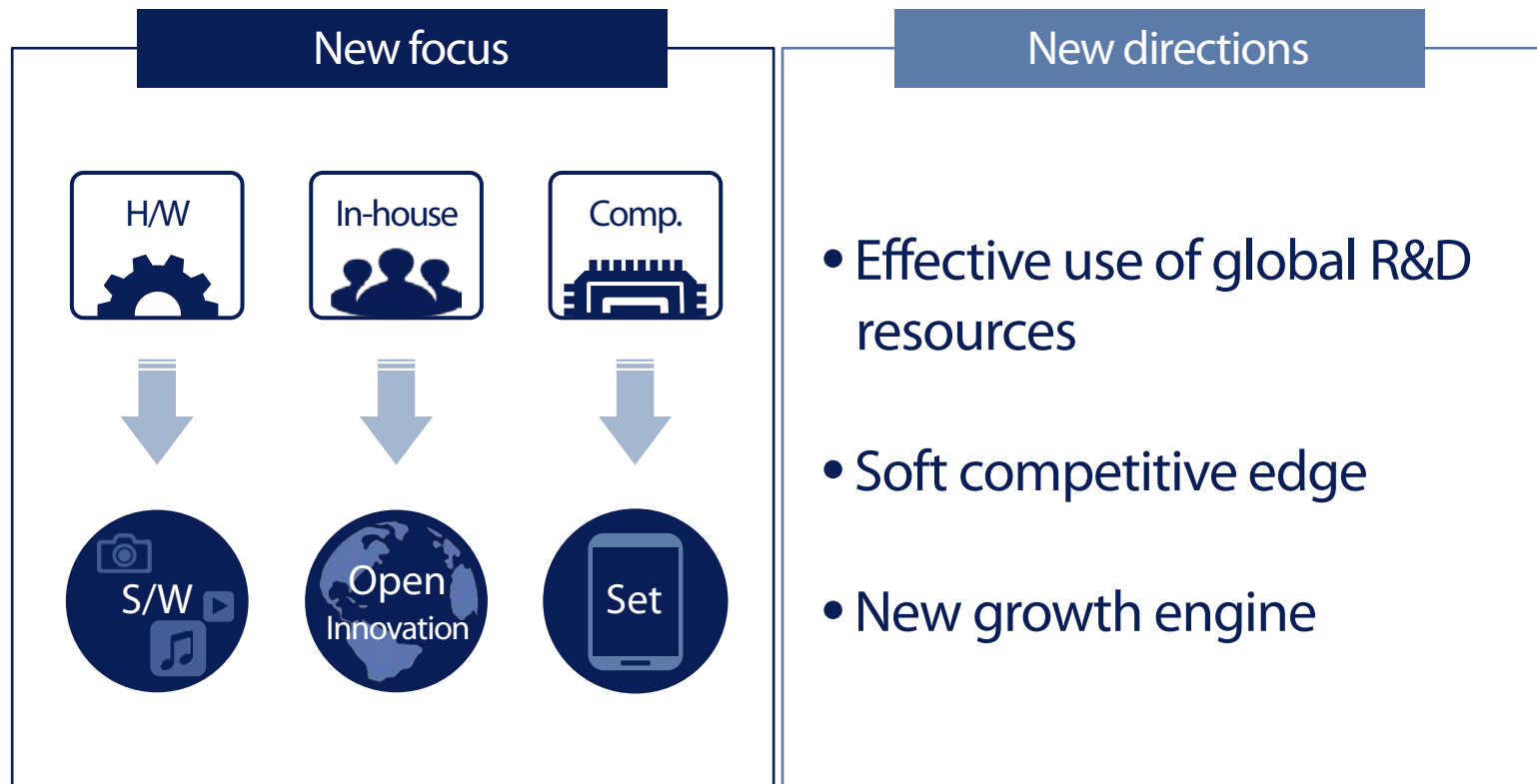


Continuous investing for growth



► Global R&D investment ranking #2 in 2013, Booz&Co.

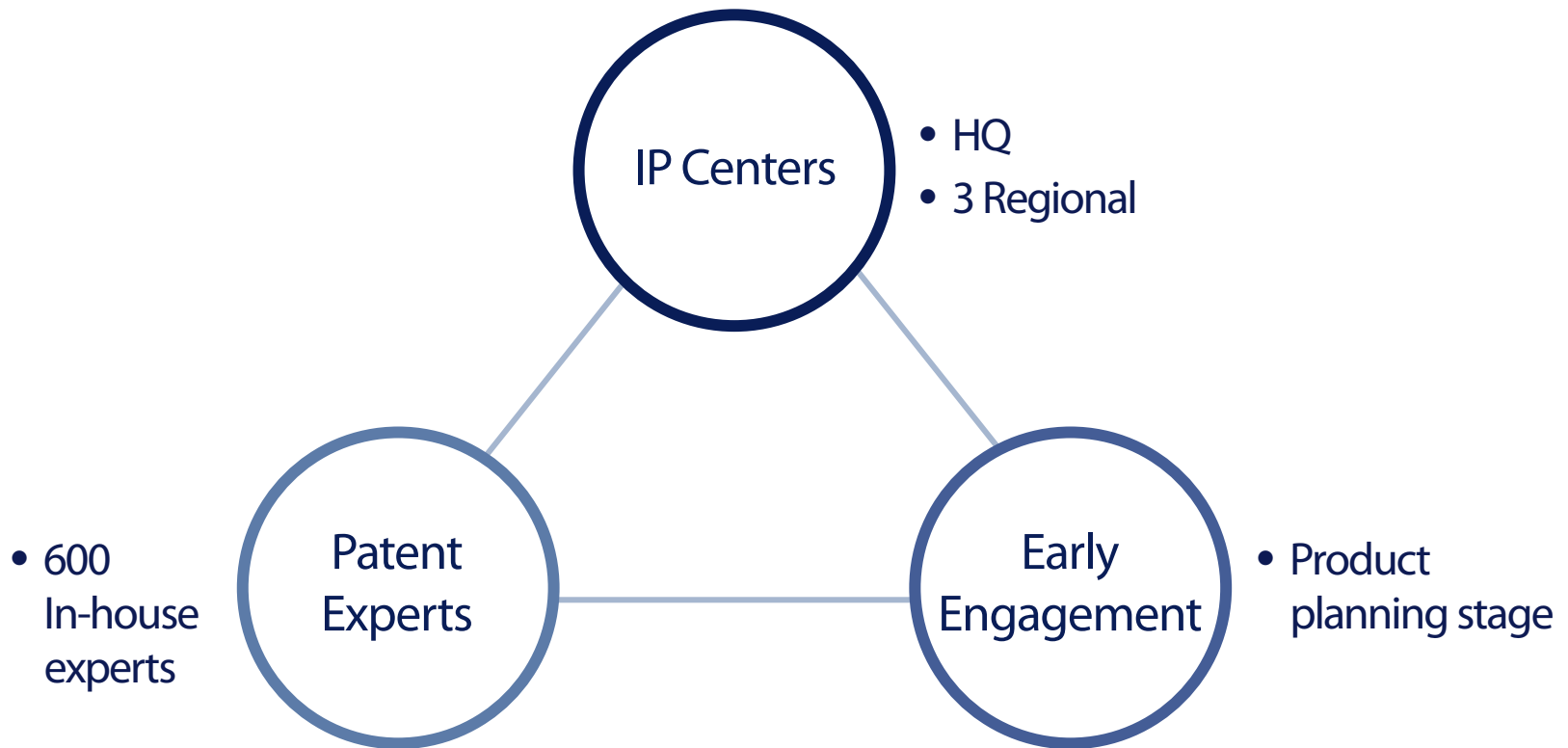
Key strategic shifts



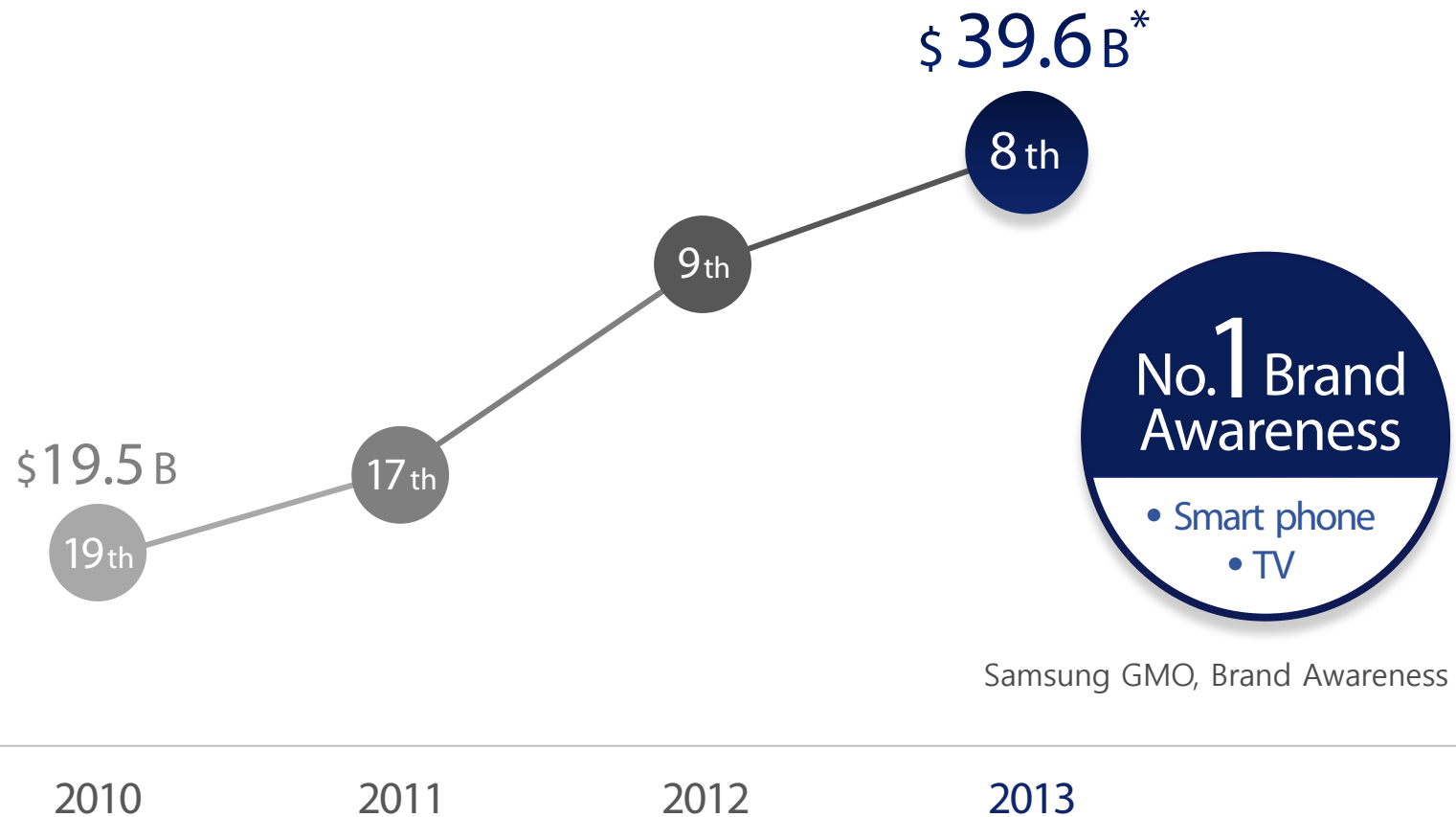
Persistent increase in IP risk



Reinforcing IP competitive edge

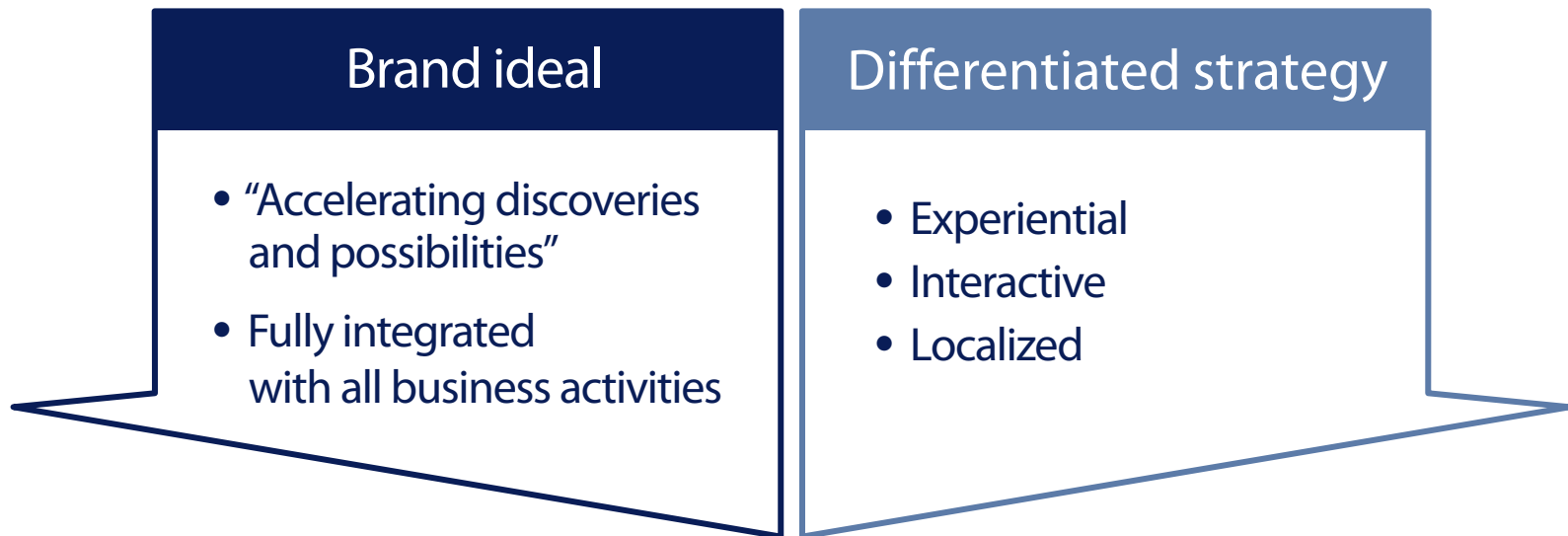


Global top 10 brand value



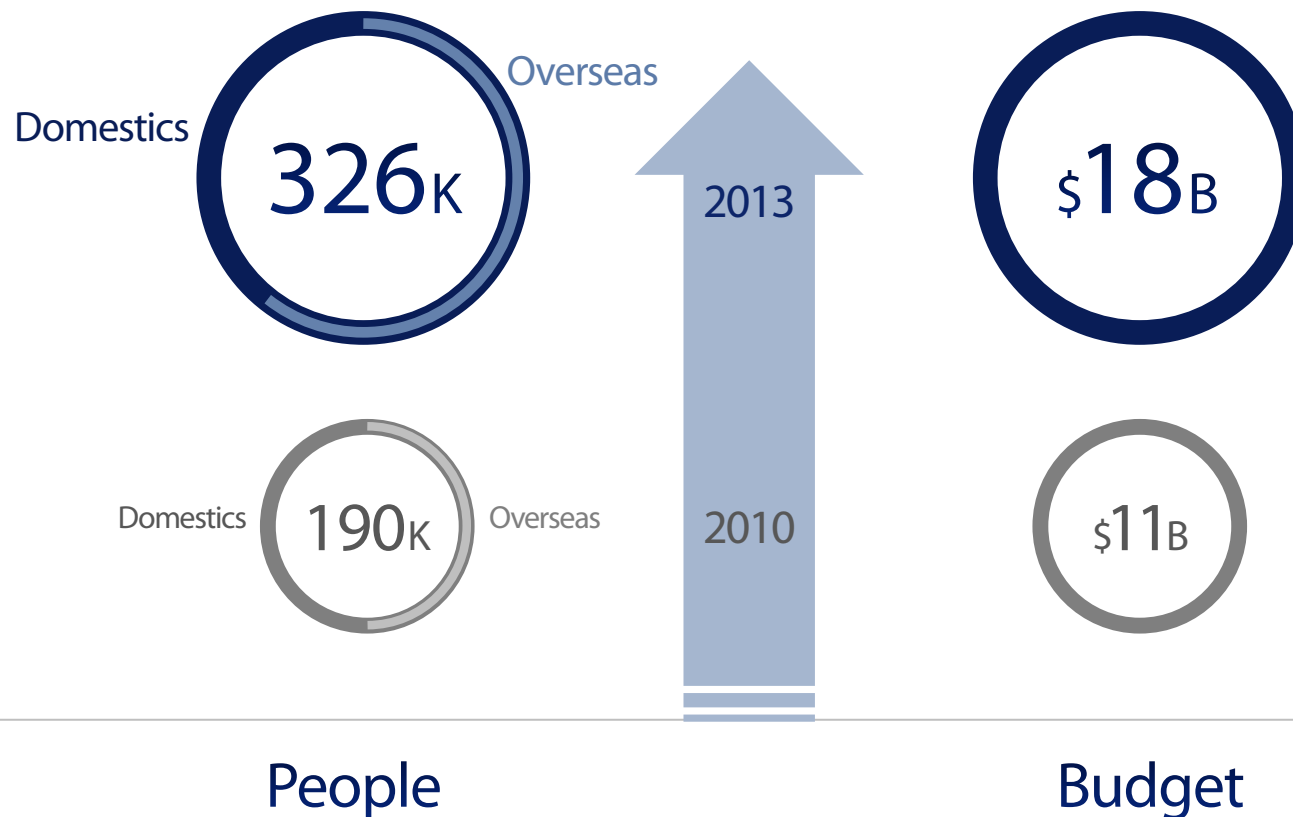
* Interbrand

Utilize strong brand assets

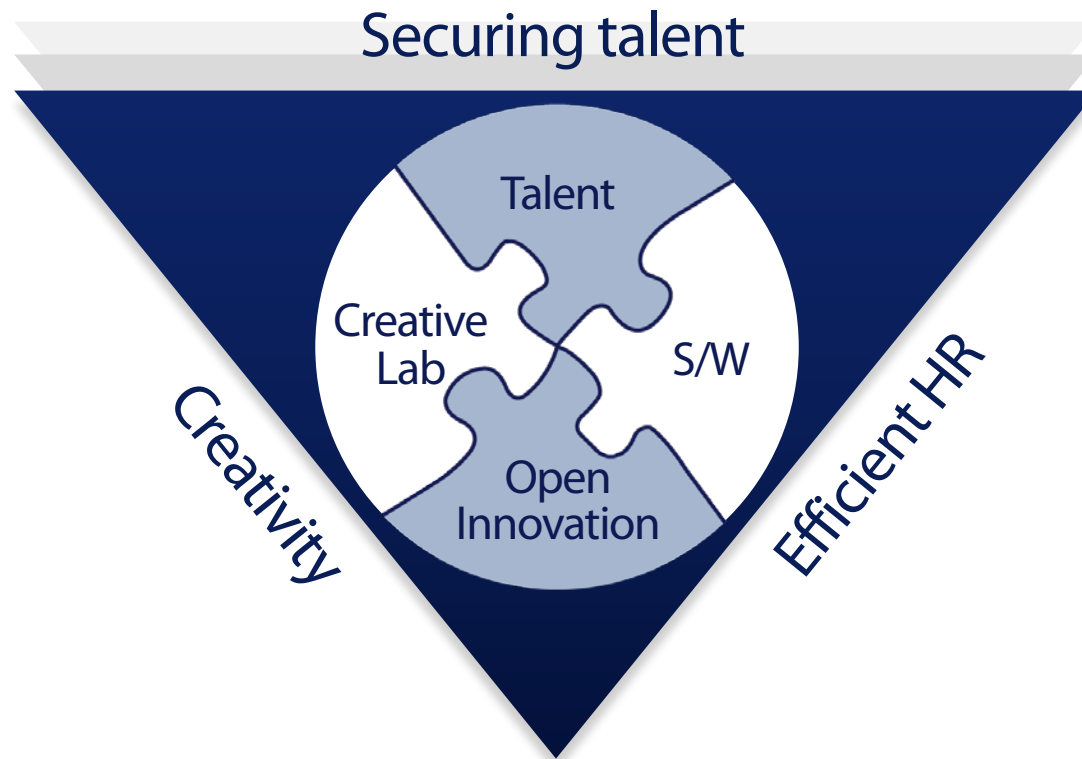


2020 Brand Value : **Global Top 5** (\$ 80 B)

'People' as one of our core values

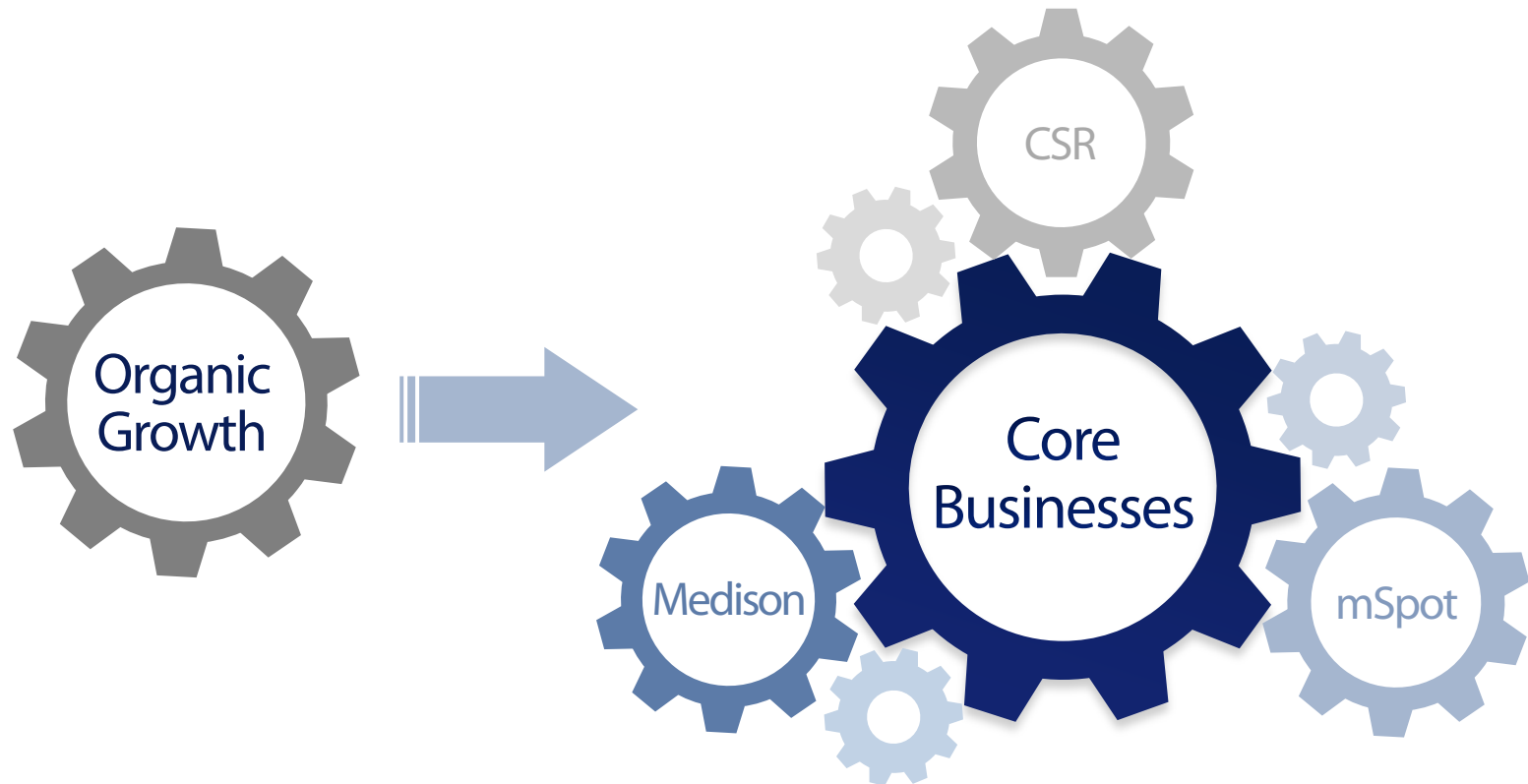


Strategic directions for HR



Future competitive edge

14 companies, over \$1B invested



Growth objectives via M&A

- 
- ⚙ Reinforcing current businesses
 - ⚙ Finding new business opportunities
 - ⚙ Securing talent

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

Sustainable Growth & Profitability

Enhance Competitive Edge

Capex

R&D

Patent

Mkt.

HR

M&A

Maximize Mgmt Effectiveness

Finance

Risk
Management

Systems
(ERP/SCM)

Real-time monitoring under rules & processes

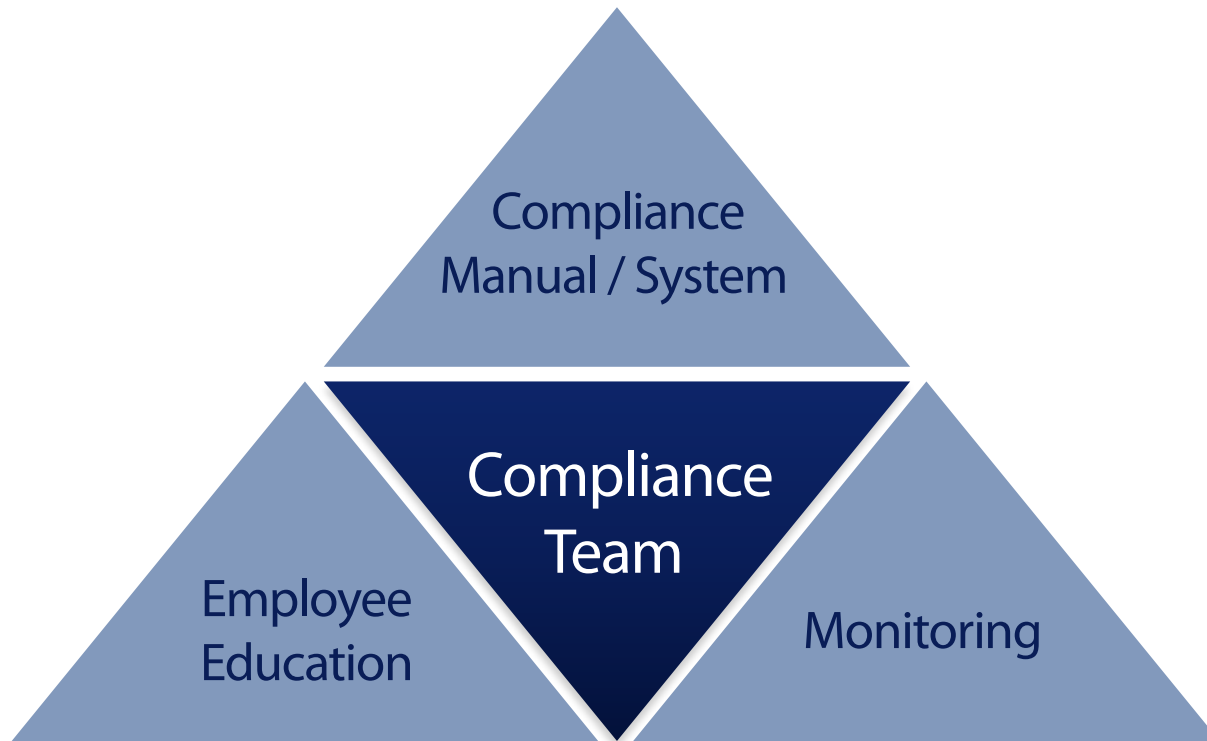
Monitoring system

- Regional market condition
- F/X, Inventory, A/R
- Contingency plan

Rules & processes

- Manuals
- Check-list system
- Early warning protocol

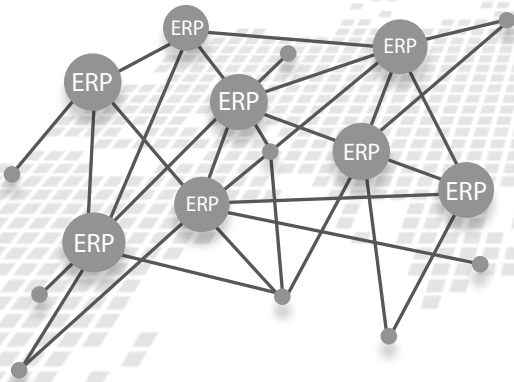
☞ Increase of government regulations globally



All employees access Real-time data managed by One system at Any time

Non-standardized

54 Countries, 115 Systems



- Lack of process standardization
For different working places
- Complicated system interface

Standardization
Process / Data

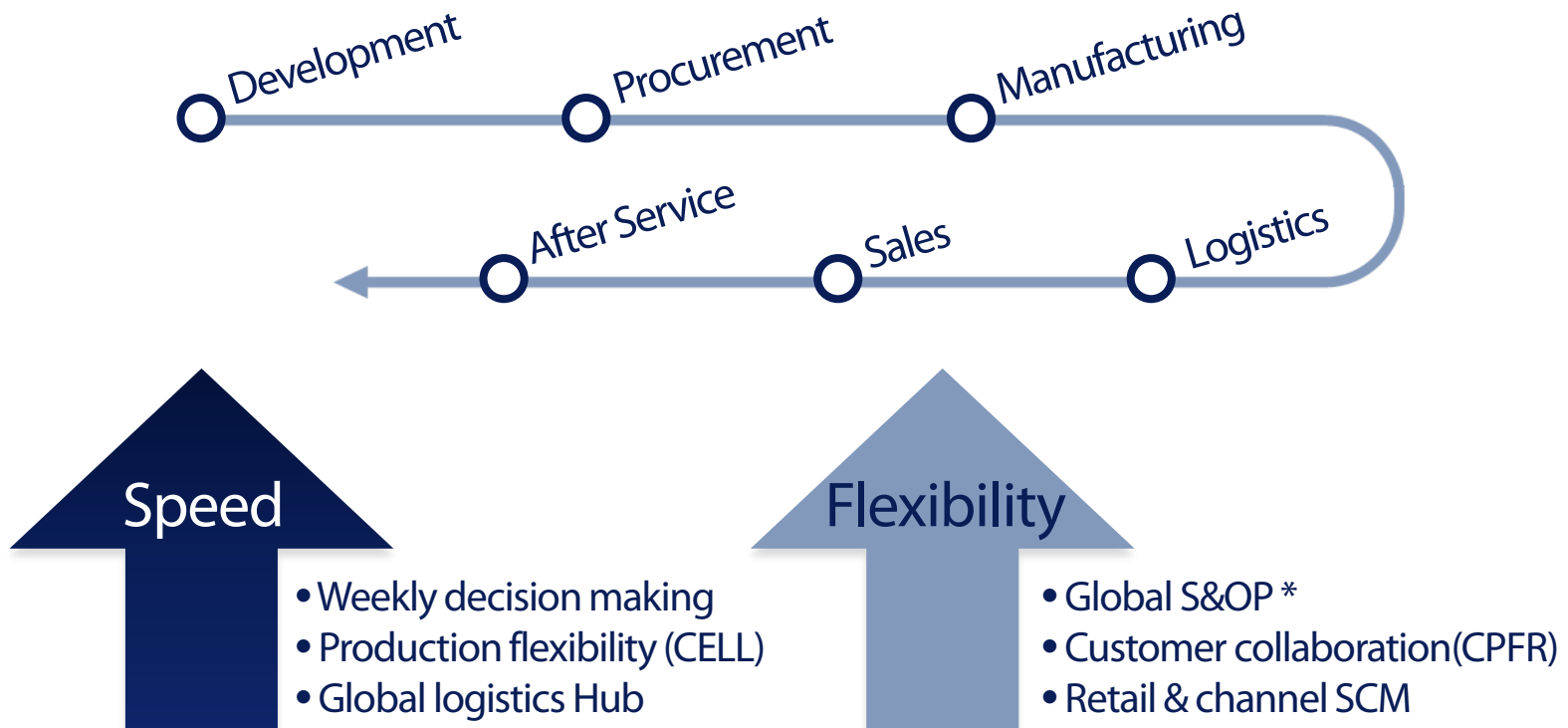
One Global ERP

24hour, Year-round operation



- Real-time information sharing
- Fast response to global business
Environment changes

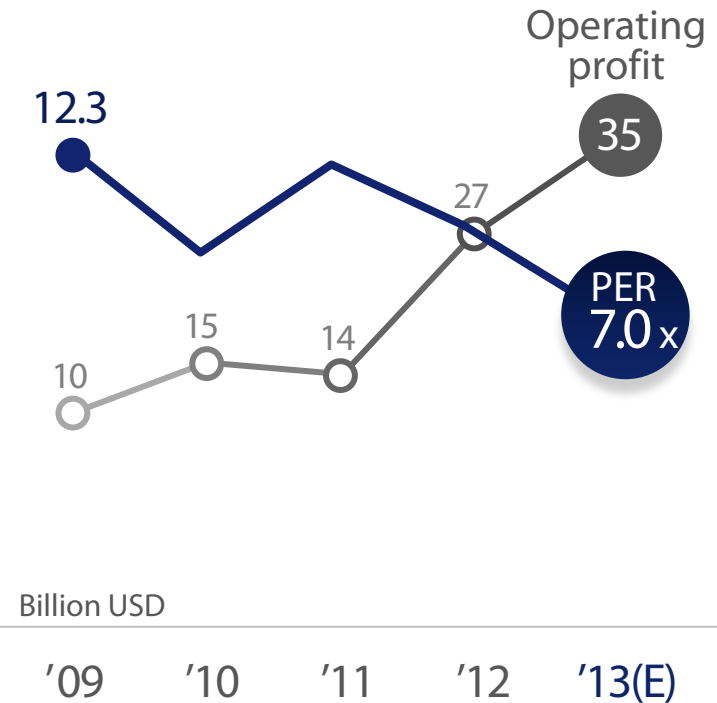
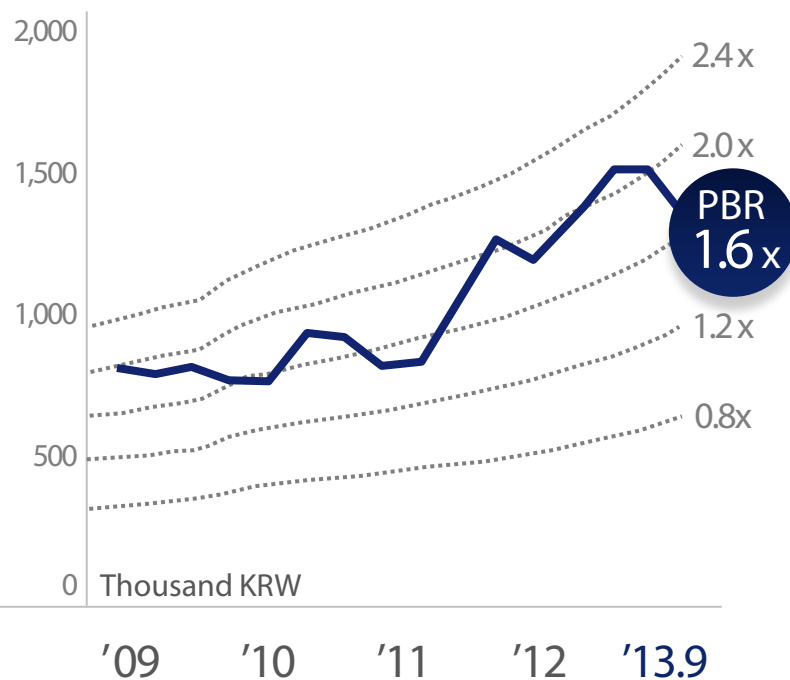
Operational excellence



* S & OP : Sales and Operation Plan

- Total shareholder return based on free cash flow
- Target dividend yield
- Three year review term

PBR & PER declined despite increased ROE and profits



Invest in our future