Samsung Mobile Vision & Strategies

Nov. 6th, 2013

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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," "foressees," "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.
Contents

• Business Highlights
• Market Opportunities
• Samsung Strategies
• Vision
Business Highlights
Global leader in handset & smartphone

**Shipments**
- Smartphone 2011-
- Handset 2012-

**Revenue**
- Smartphone 2013
- Handset 2013
GALAXY S & Note series

100,000,000+ units in 2013
M/S No.1 in all regions
Global LTE Leader

CDMA 1996
WCDMA 2003
HSDPA 2006
TD-SCDMA 2008
LTE 2010
LTE-A 2013

The world's first to commercialize
Rapid tablet growth since 2012. 2H

40,000,000+ units in 2013

- 2010: 1.5M units
- 2011: 5.8 units
- 2012: 16.6 units
- 2013, 1H: 17.6 units
Well-balanced M/S growth in all regions

<table>
<thead>
<tr>
<th>Region</th>
<th>2012.1H</th>
<th>2012.2H</th>
<th>2013.1H</th>
</tr>
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<tbody>
<tr>
<td>NA</td>
<td>7%</td>
<td>11%</td>
<td>18%</td>
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<tr>
<td>WE</td>
<td></td>
<td></td>
<td>9%P↑</td>
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<td>CEE</td>
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<td></td>
<td>11%P↑</td>
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<tr>
<td>APAC</td>
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<td></td>
<td>16%P↑</td>
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<td>CALA</td>
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<td></td>
<td>10%P↑</td>
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<tr>
<td>MEA</td>
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<td></td>
<td>12%P↑</td>
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</tbody>
</table>

* M/S growth YoY
Strategy Analytics (Shipments)
Brand Preference

Most preferred smartphone brand since 2012

13% 2010
16% 2011
30% 2012
38% 2013.1H

Brand Attitude Survey conducted by TNA, requested from Samsung GMO
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Global Top 10 brand since 2012

- **2010**: $19.5B, Mobile 53%
- **2012**: $32.9B, Mobile 73%
- **2013**: $39.6B, Mobile 77%
Market Opportunities
Continuous growth in smartphone market

21% Smartphone penetration rate in 2013

- 2013: 1.0B units
- 2015: 1.3 units
- 2017: 1.5 units

Strategy Analytics
Rapidly increasing penetration of smartphones in emerging markets

* Portion of emerging market in smartphone market
Strategy Analytics

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Premium market to outgrow the forecasts

Market Forecasts

Premium

Mass

Samsung's Perspective

Premium

Mass

+ α
High growth opportunities in the LTE market

* LTE share in smartphone market
Strategy Analytics
Strong growth in tablet market, especially over 10"
New Market

The next big thing is coming...

1990's

2000's

Near Future

Analog → Digital

Feature Phone → Smartphone

Big Data
Flexible Device
IoT
Convergence
Wearable Device
New Market

The next big thing is coming...

1990's
- Analog
- Digital

2000's
- Feature Phone
- Smartphone

Near Future
- THE NEXT BIG THING

THE NEXT BIG THING
Disruptive INNOVATION

OPPORTUNITY

THREAT
Growth opportunities for Samsung

- Competitive Full Line-up
- Tech Leadership
- Win-Win Partnerships
- Well-balanced Growth in all Regions
- Premium GALAXY Brand

MARKET OPPORTUNITIES
Growth opportunities for Samsung

- Competitive Full Line-up
- Tech Leadership
- Rapid Market Responsiveness
- Win-Win Partnerships
- Well-balanced Growth in all Regions
- Premium GALAXY Brand

SAMSUNG'S OPPORTUNITIES
Samsung Strategies
Going Forward...

Sustaining healthy growth

Creating new markets

Maintaining stable profitability
Samsung Strategies

PRODUCT

TECH & DESIGN

CONTENT & SERVICES

MARKETING

OPERATION
Flagship Smartphone

Reinforcing premium leadership with flagship models

S Series
Note Series

S Family

Companion Device
Mass Smartphone

Responding to market growth by leveraging GALAXY brand

Premium GALAXY Identity
Cost Competitiveness
Localized Features and C&S
Strengthening full line-up & Leading the post-PC era
Innovative Product

New growth momentum

Note & S Pen

GALAXY Gear

GALAXY Round
GALAXY Note

Creator of ‘Fonblet’ market

Large Display + Portability + Handwriting
Pioneer of wearable device

1999 Watch Phone

2013 Companion Device
PRODUCT

TECH & DESIGN

CONTENT & SERVICES

MARKETING

OPERATION
Next Generation of Telecommunication

Maintaining cutting-edge technology leadership

4G WORLD’S FIRST 5G

VoLTE
Multi Carrier
Carrier Aggregation
Dual Mode (FDD-TDD)
LTE-A
Developing enhanced enterprise solutions
Adopting the most advanced H/W technology

- AMOLED: Ultra High Resolution
- Exynos: Performance Maximized Processor
- Innovative Sensors
- High Capacity & Compact Size Battery
- High Definition Camera
- Ultra Slim & Light Body
Dominant H/W leadership with superior S/W expertise
Enrich smarter life with Life Companion
Fostering continuous innovation in design

Iconic & Innovative Design
Premium CMF
Samsung Strategies

PRODUCT

TECH & DESIGN

CONTENT & SERVICES

MARKETING

OPERATION
Reinforcing the service eco with the Samsung platform

Content & Services

Samsung Service Platform

In-house Content & Services

Samsung Smart Devices

Partners’ Content & Services
Providing personalized services
Differentiating service through multi-device connectivity

- Commerce
- Healthcare
- Game
- LBS
Flagship Marketing

GALAXY Note3
And Gear
@Berlin

GALAXY S4
@New York

GALAXY Note2
@Berlin

GALAXY S3
@London

GALAXY Note
@Berlin

GALAXY S2
@Barcelona

GALAXY S
@Las Vegas
Hands-on Experience

Continuous expansion of Samsung experience stores
Creative Marketing

GALAXY Studio in your life

Expand experience coverage and enhance engagement in real life environments
Creative Marketing

Fashion Week
Aspirational Brand

Beyond preferred brand...
Global SCM

Strengthening the world’s best SCM competency

GLOBAL SCM

Global Sales Network
Various Models
Global Production Sites
Numerous Partners
Over 1M Sales /Day

SPEED
EFFICIENCY
Reinforcing global business infrastructure

- Production: 7
- Sales: 100+
- R&D: 20+
- Design: 7
- Content & Services: 10
Global Partnership

Strengthening the Win-Win partnership
Vision
THE MOST BELOVED COMPANY
Creating Innovative Value for Customers' Lives

Solidifying Smartphone No. 1

Achieving Tablet No. 1

Creating New Businesses
THANK YOU