



Driving Innovation Towards a Smarter Life

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Vice chairman & CEO



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:

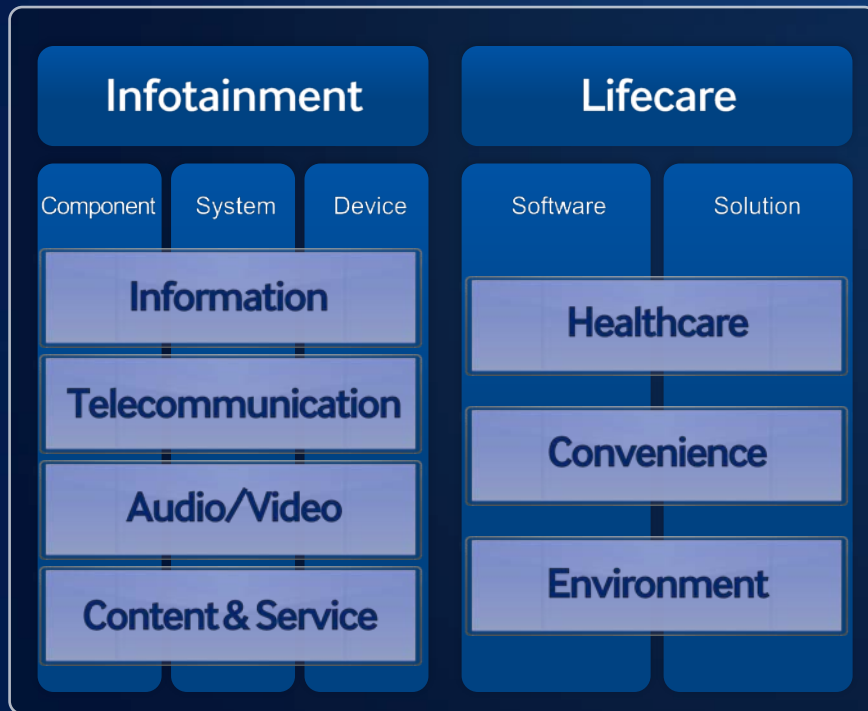
- The behavior of financial markets including fluctuations in exchange rates, interest rates and commodity prices
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses including CE (Consumer Electronics), IM (IT & Mobile communications), 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.

Vision 2020

Inspire the World, Create the Future

Business portfolio



Goals



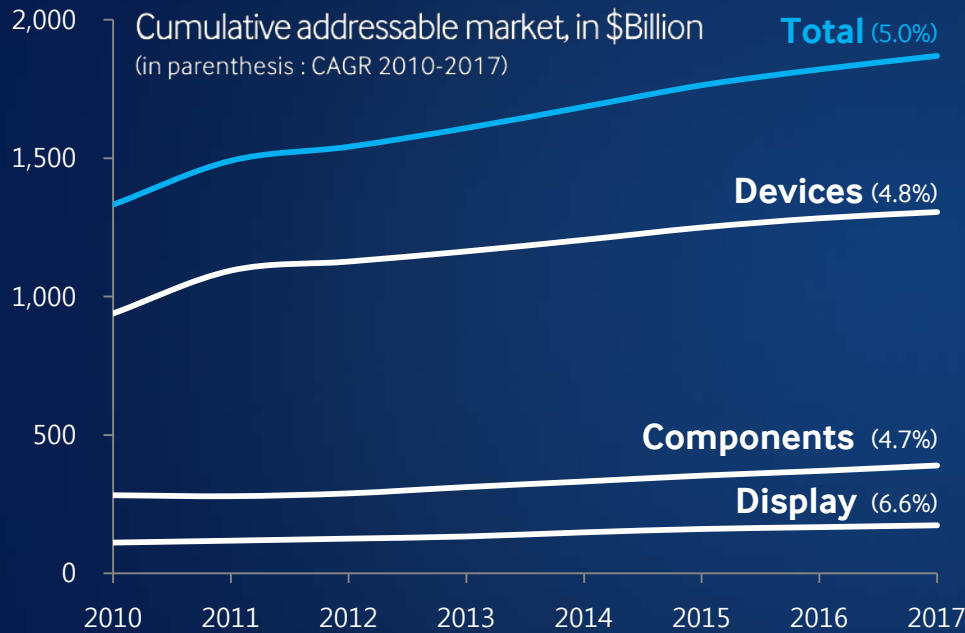
Vision 2020 – Strategic Pillars

Provide a compelling vision to industry, society and employees



Vision 2020 – Market Landscape

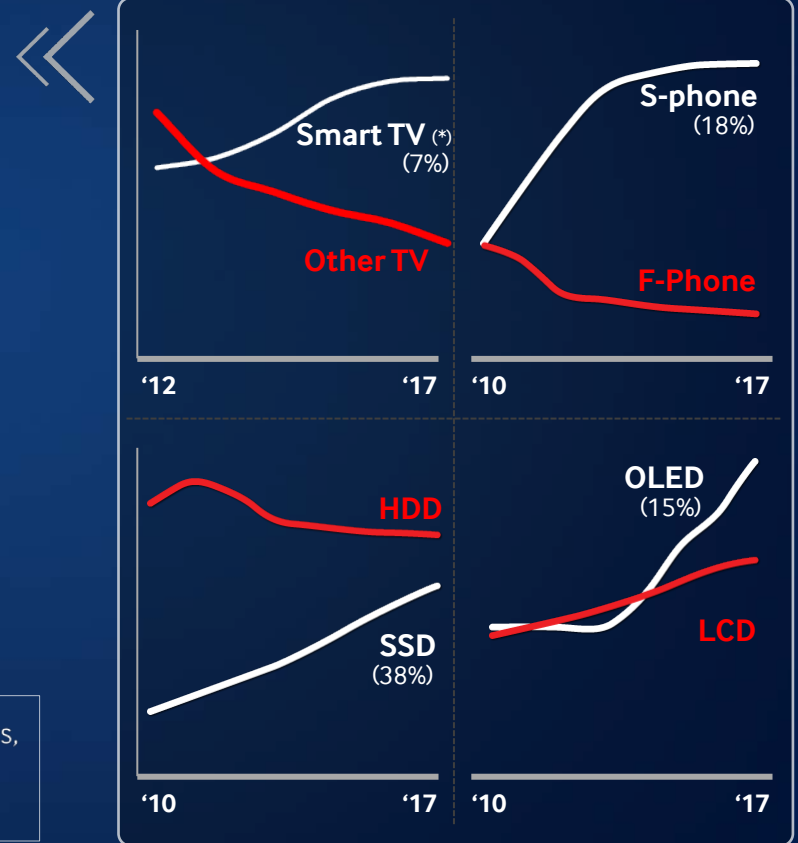
In spite of a sluggish global electronics market, smart devices and components market are growing rapidly...



Categories

Devices : Smart and feature phones, smart TV and other TV, laptops, tablets, medical devices, printers, home appliances, networks, digital cameras

Components : memories, SoC, Image sensor, foundries, and LED

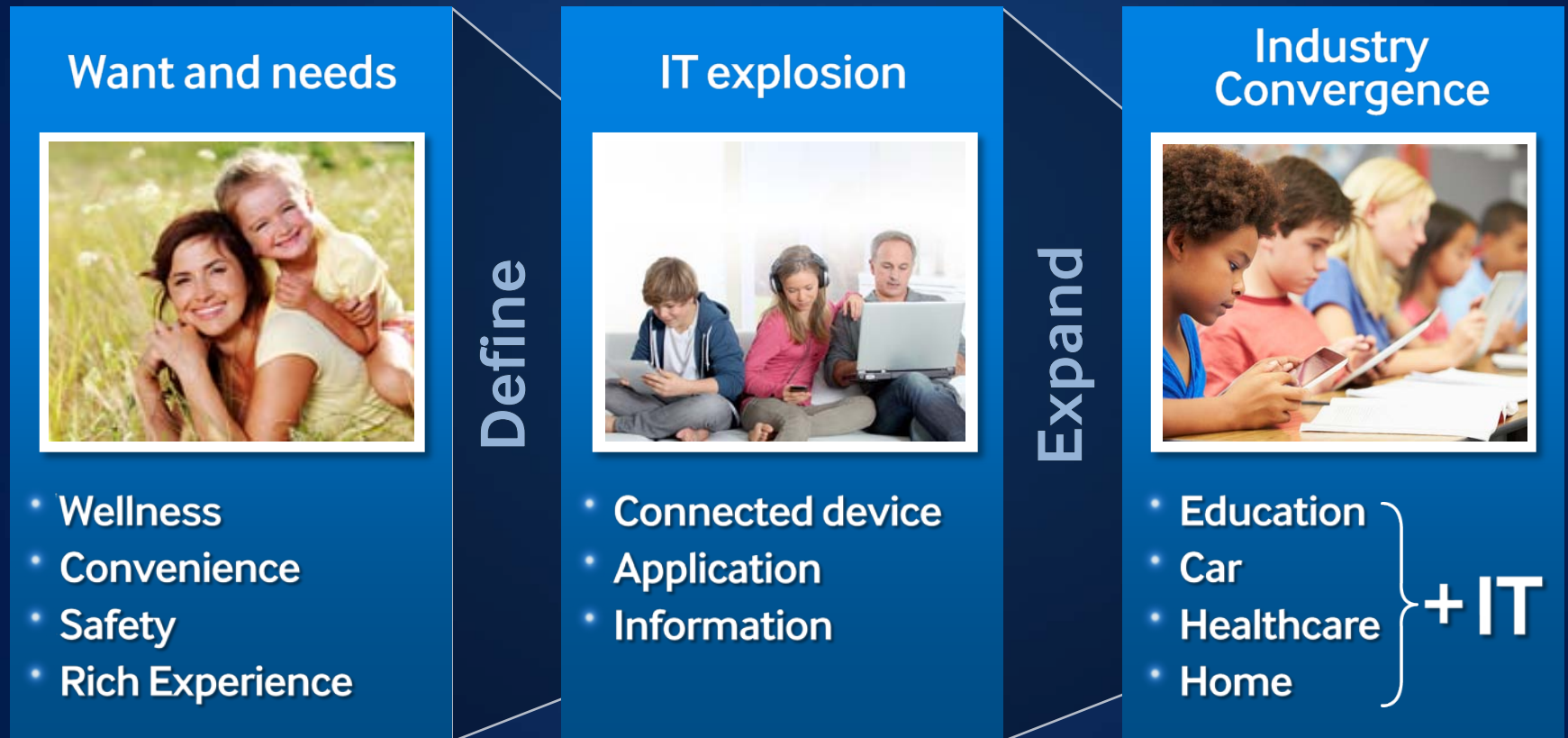


Sources : Display Search, Strategy Analytics, IDC, InMedica, Kalorama, Euromonitor, GFK, iSuppli, Samsung assumption

Note (*) : CAGR for TVs is 2012 to 2017

Era of a “Smarter Life”

...these trends are explained by behavioral and industrial shifts, focusing on a “smarter life”

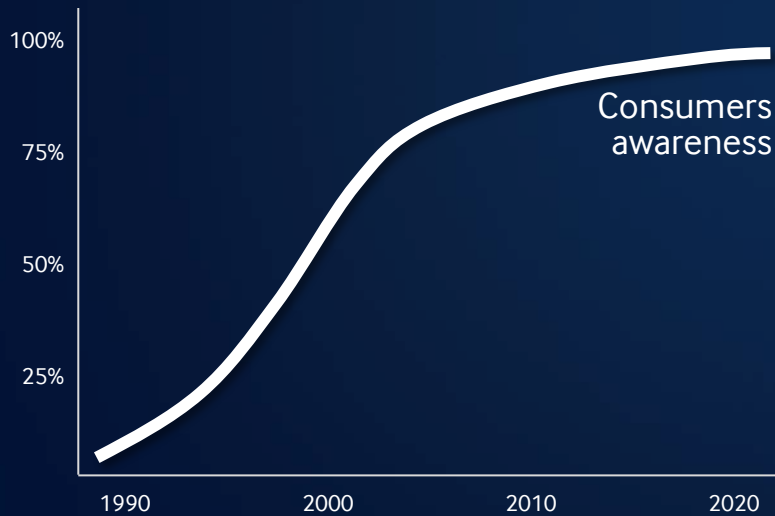


Era of a “Smarter Life”

Facing a more complex environment, consumers want wellness, security, comfort and convenience and a rich experiences

Wellness

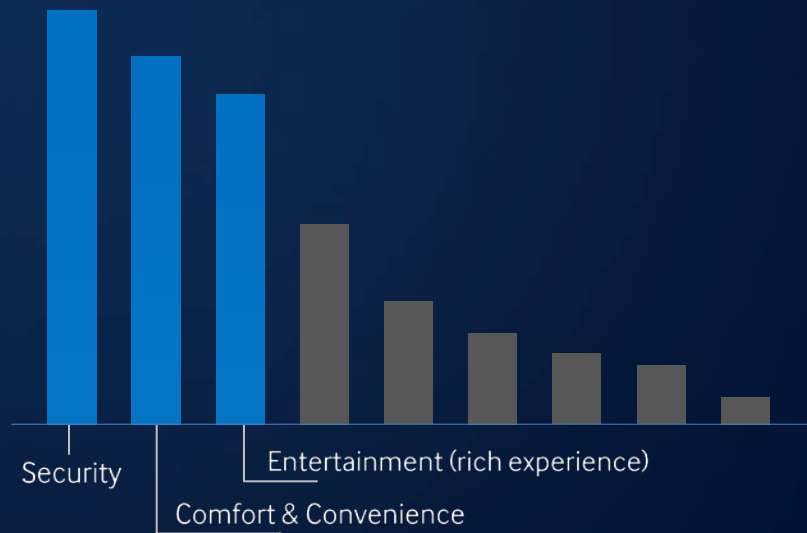
Consumer awareness of the word “Wellness”



Source: SRI International, 2010

Security & Convenience

Consumer motivation for buying smart home solutions



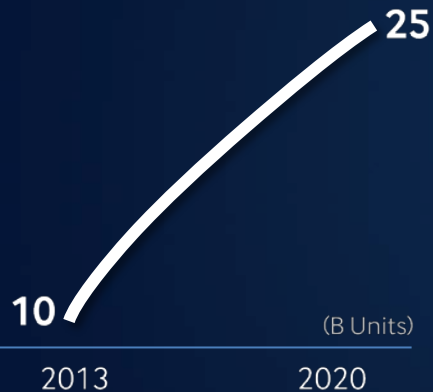
Source: BCG smart home consumer survey, 2013

Era of a “Smarter Life”

The IT industry will expand dramatically, thereby answering consumers expectations

IT explosion

Device
(Connected devices)



- Smartphones 10%
 - Tablet 16%
- (Units, '13-'17 CAGR)

Source : Machina Research, 2013

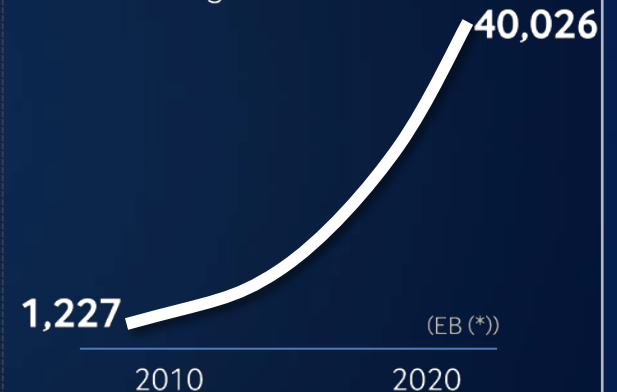
Application
(Apps downloaded)



- Media & Game 42%
 - Health & Fitness 4%
- (Android Apps 2013)

Source : Gartner, 2013

Information
(Digital Universe)



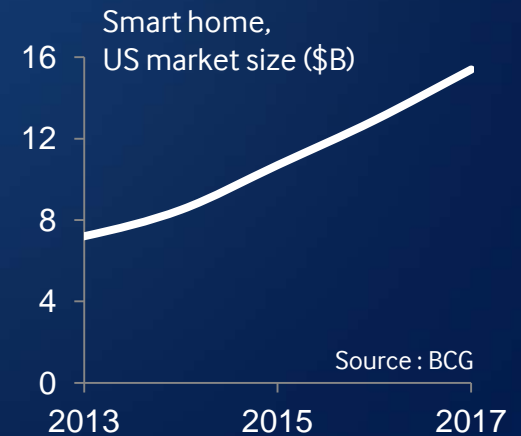
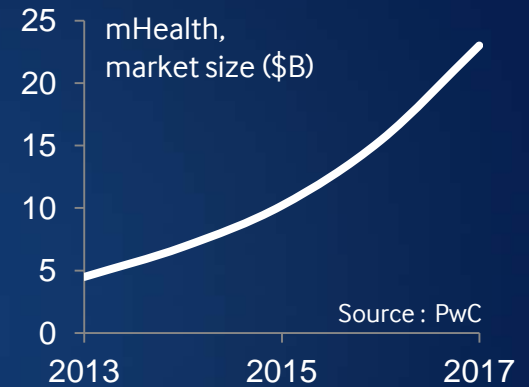
- Entertainment 47%
 - Security 35%
- (In the cloud, 2020)

Source : IDC and EMC, 2012

Note (*): EB refers to Exabytes (1 EB ~ 1,000,000,000 GB)

Era of a “Smarter Life”

The convergence of consumers needs with CE and IT technology will transform many industries



Era of a “Smarter Life”

These phenomena would not be possible without new types of components

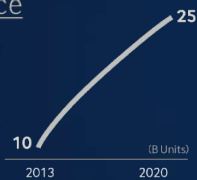
People want more



- Wellness
- Convenience
- Safety
- Rich Experience

IT explosion

Device



Application



Information



Industry Convergence

N-screen



Smart city



Smart home

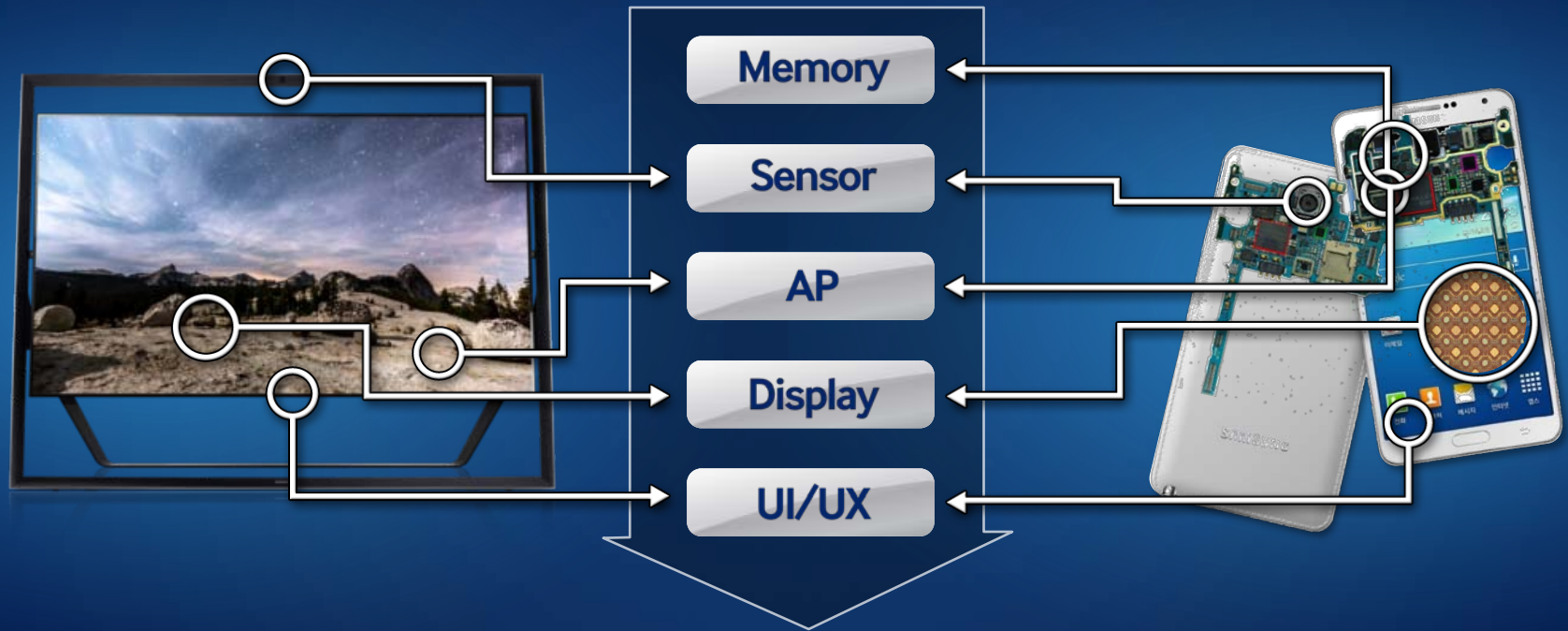


Required technology

- Enhanced computing power
- Higher storage capacity
- Less power consumption
- Simpler UI

Era of a “Smarter Life”

Components play a key role in development of smart devices

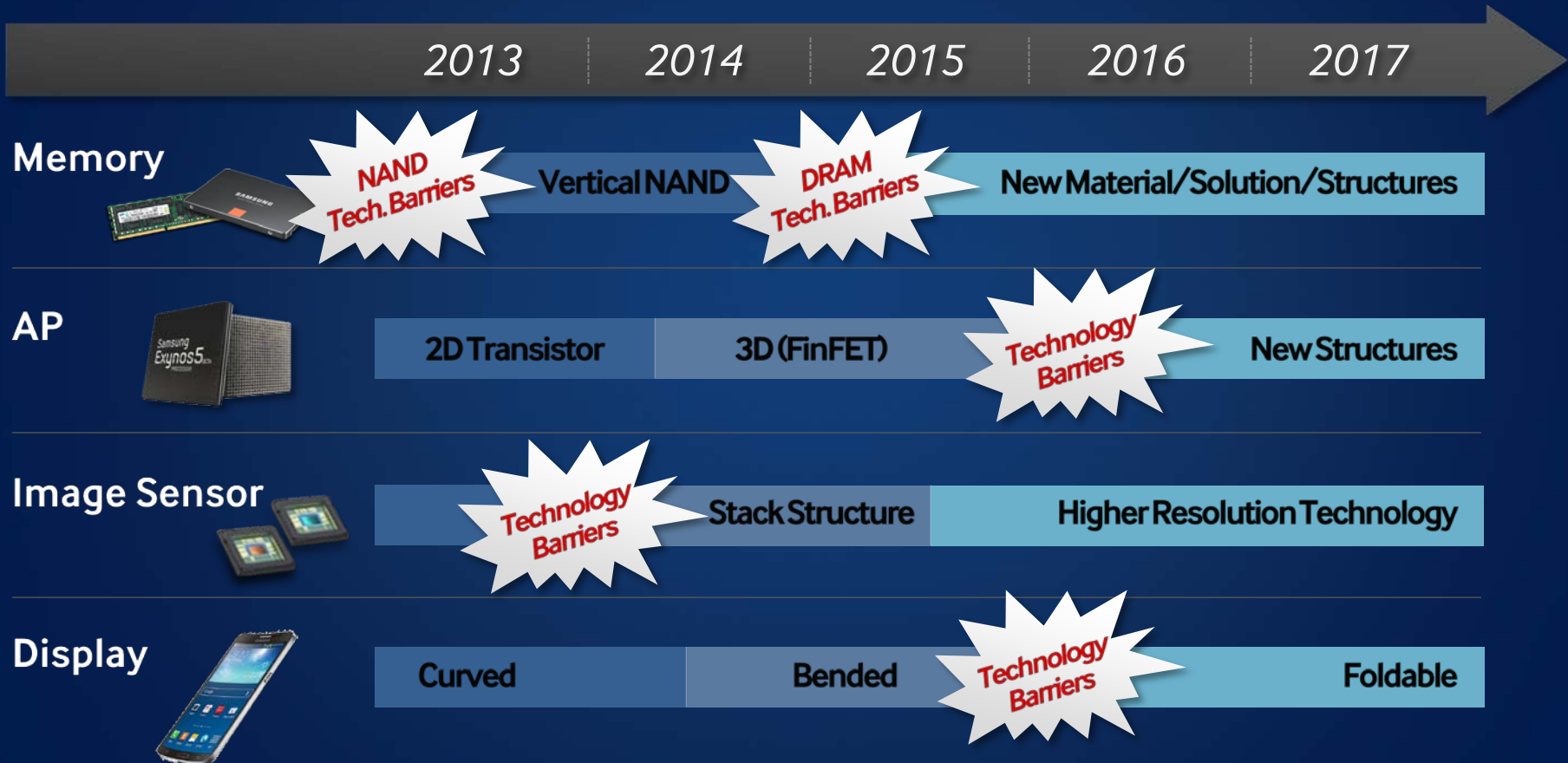


Differentiable for

low power, high performance, Innovative form factors
larger size, higher resolution, smart interfaces

Samsung Components – Enabling a Smarter Life

Build devices with high performance & low power consumption



* Time of Technology Development

Samsung Devices for a Smarter Life – TV

Deliver an immersive experience with smart TVs & new form factors

Smart TV (Rich experience)



- Intuitive UX/UI
- Differentiated content & service

New form factor (Reality)



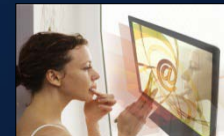
UHD(*) TV



Curved TV



Smart Wall



Smart Mirror

- Larger screens, 4K resolution
- Smart evolution

Note (*) UHD (Ultra High definition)

Samsung Devices for a Smarter Life – Mobiles

Empower users to truly experience, enjoy and fulfill their busy life

N-service (Simple, Convenience)



- Higher connectivity between devices
- Always on anywhere, anytime

Life companion (Convenience, Well-being)



- Create new categories
- Brand-new way to stay connected

Samsung Devices for a Smarter Life – Appliances

Provide comfort & convenience with stylish design and eco-tech.

Comfort with eco-friendly technology



- Energy-efficient and water-saving
- Innovative digital features

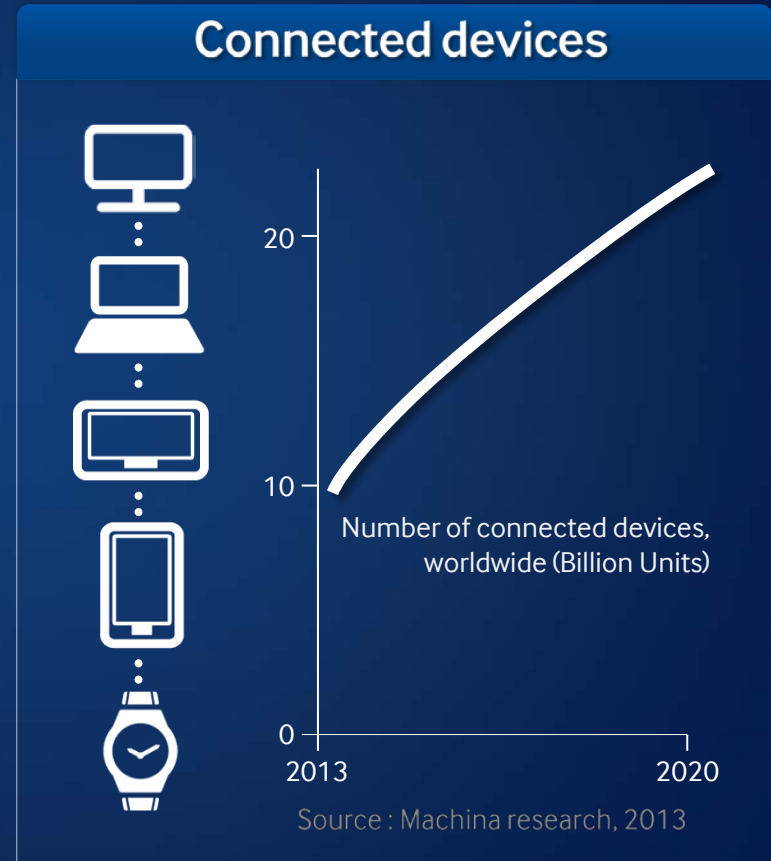
Smart kitchen solution for convenience



- Smart functions for cooking experience
- Collaboration with top chefs

Samsung Smart Solutions – Multimedia Services

Pump up Samsung devices with powerful services



Samsung Smart Solutions – Smart Home

Connect home devices for greater peace of mind

People's needs & Samsung's competence

People want more



- Wellness
- Convenience
- Safety
- Rich Experience

Samsung's Disruption



- Home control solution
- Smarter appliances
- Smart lighting
- TV + wireless speaker sys.

Smart Home

Security



Energy saving



Home fitness & healthcare



Home theater



Samsung Smart Solutions – Medical Devices

Develop innovative and advanced medical devices

Market needs & Samsung's competence

Pain point in the market



- Analog
- Hard to use
- Low resolution
- Bulky

Samsung's Disruption



- IT/CE capabilities
- Components technology
- Samsung group synergies

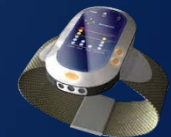
Biologics Bioepis Medical Center

Healthcare innovation

- Optimized size
- High performance
- High resolution
- 3D image
- Portable



Hi-resolution image



Wearable bio-sensors



Portable device

Samsung Smart Solutions – Enterprise Solutions

Offer holistic solutions to enterprise customers

B2B portfolio

Enterprise devices



Mobile



NPC



PRT



LFD



N/W

Enterprise solutions



Security, Wireless Contents mgmt, Connectivity, etc.

Targets

\$ B

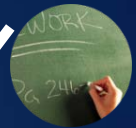
100

50

0

2013

2020



Education



Government

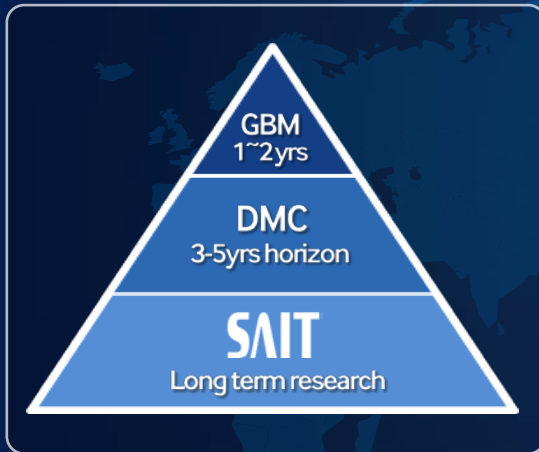


Retail

Our Core Competencies – R&D

Prepare the future with great capabilities

R&D Organization



R&D Role



Advanced R&D

- Next generation telecommunication
- Smart home solution
- Holographic display
- Next generation memory based on new material (resistive RAM, magnetic RAM)
- :

Number of patents, 2012



30,641



102,995

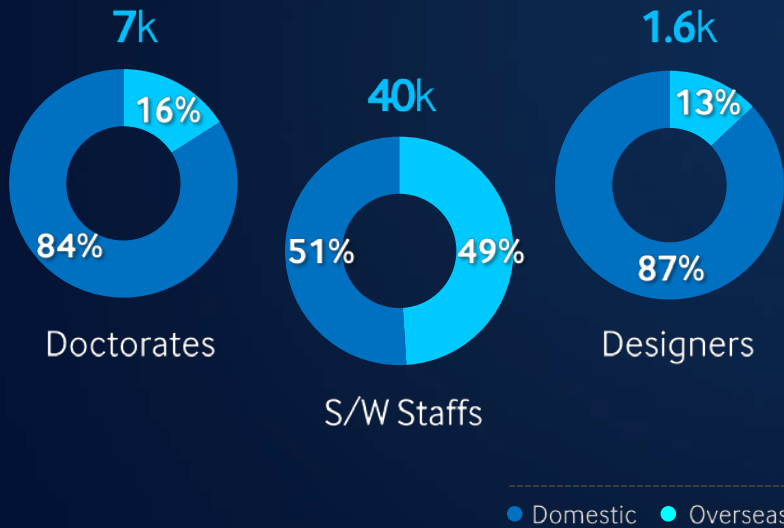
Source: USPTO, Based on registration

Our Core Competencies – Human Resources

Create the future with global talents
and a creative organization

Global talents

326k employees worldwide



34 R&D Centers and 5 PIT (Product Innovation Team)

- Identify growth engines for the future
- Conceptualize product features and designs



Future Aspiration – Open Innovation & Acquisitions

Foster a rich ecosystem of partners, leverage inorganic growth

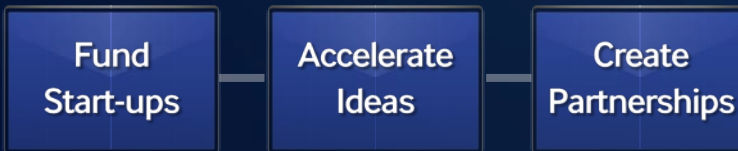
Open Innovation

OIC locations



Shared technology roadmap
Smooth integration within Samsung ecosystems

Purpose



Acquisitions

Strategic for
new business

Opportunistic for
current business



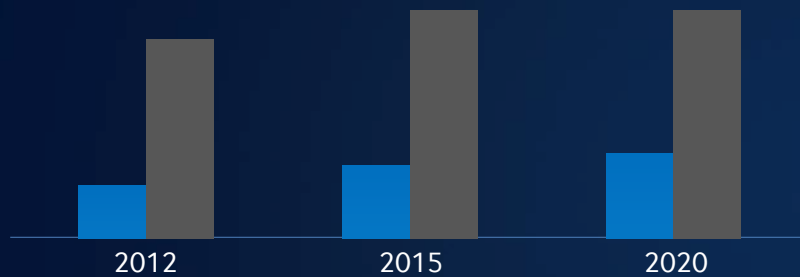
MEDISON **m**spot 
Neuro**O**Logica

Growth target by categories

We will continue to outpace the market growth

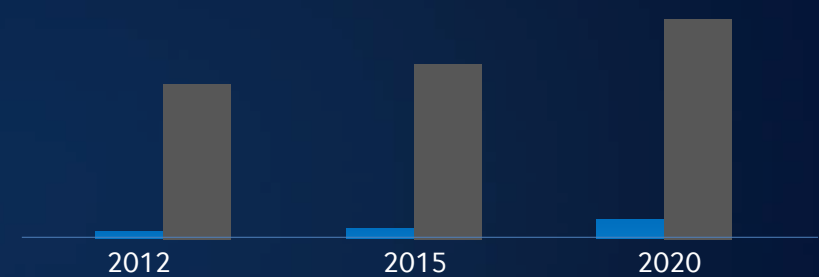
Smartphone, TV

TAM (*): 1.3%



Appliances, Printers, LED, Medical equipment

TAM: 4.9%



Memory, SoC, Image sensor

TAM: 4.2%



Displays

TAM: 6.0%

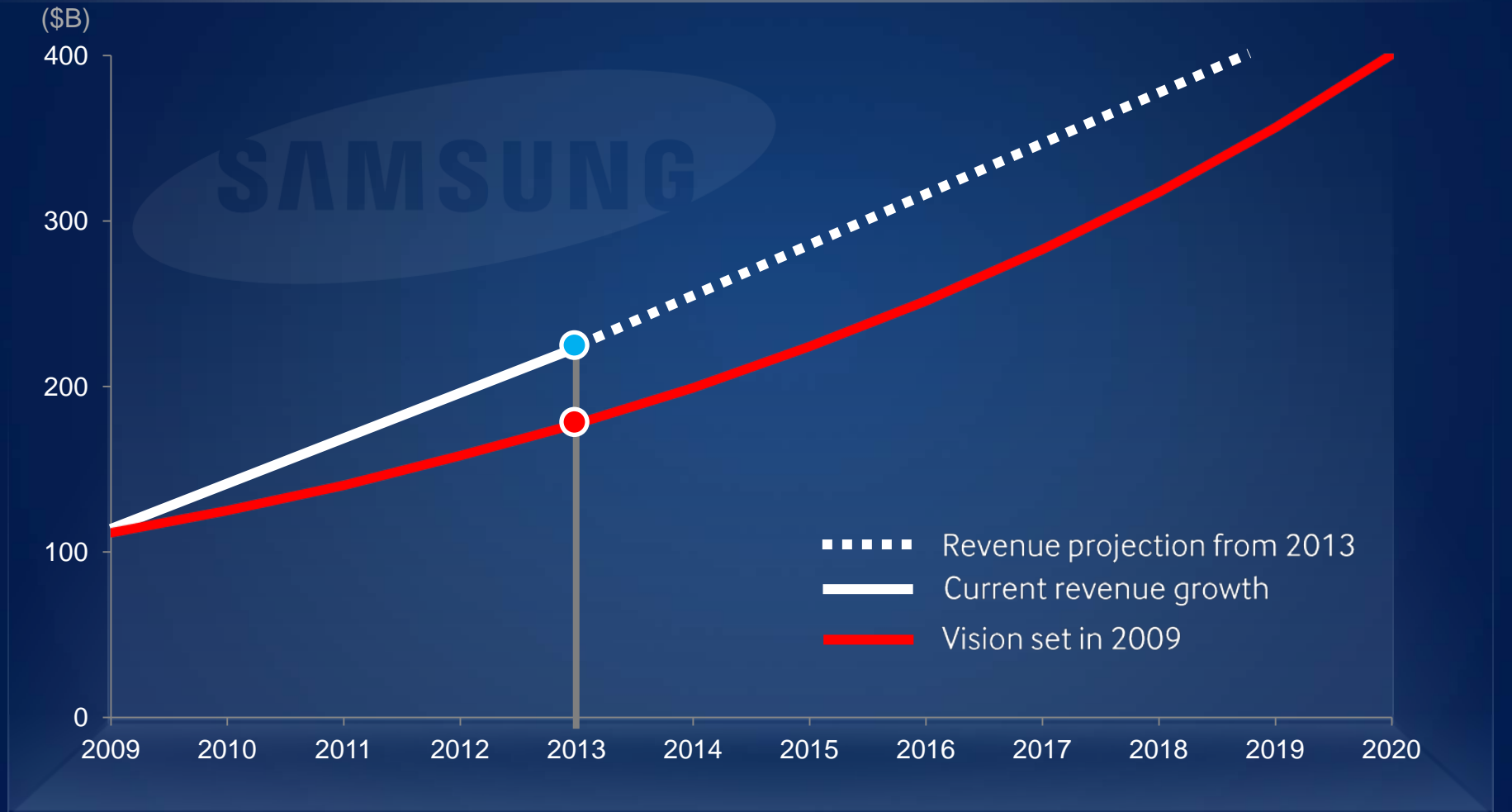


Note : (*) CAGR are from 2012 to 2020

Sources : Display Search, Strategy Analytics, IDC, InMedica, Kalorama, Euromonitor, GFK, iSuppli

Conclude

Going above and beyond





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Q&A