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," "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.
Contents

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

**SHIPMENTS**
- Smartphone: 2011-
- Handset: 2012-

**NO. 1**

**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
## Tablet

### 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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<tr>
<td>NA</td>
<td>7%</td>
<td></td>
<td>18%</td>
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<tr>
<td>WE</td>
<td></td>
<td>11%</td>
<td>11%</td>
</tr>
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<td>CEE</td>
<td></td>
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<td>CALA</td>
<td></td>
<td></td>
<td>14%</td>
</tr>
<tr>
<td>MEA</td>
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<td></td>
<td>12%</td>
</tr>
</tbody>
</table>

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

Most preferred smartphone brand since 2012

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

- **2010**: Samsung 19th, $19.5B
- **2012**: Samsung 9th, $32.9B
- **2013**: Samsung 8th, $39.6B

Source: Interbrand
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

Smartphone Penetration rate in 2013

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

21%
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
High growth opportunities in the LTE market

2013: 270M units, 27%*
2015: 500 units, 38%
2017: 680, 45%

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

Tablet

CAGR (2013 - 2017) 15% +

10"↑

20% +
New Market

The next big thing is coming...

1990's
Analog
Digital

2000's
Feature Phone
Smartphone

Near Future

Big Data
Flexible Device
IoT
Convergence
Wearable Device
The next big thing is coming...

- 1990's: Analog → Digital
- 2000's: Feature Phone → Smartphone
- Near Future: THE NEXT BIG THING
New Market

Disruptive INNOVATION

OPPORTUNITY

THREAT
Growth opportunities for Samsung

MARKET OPPORTUNITIES

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

- Competitive Full Line-up
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SAMSUNG'S OPPORTUNITIES
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
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 Round

GALAXY Gear
Creator of ‘Fonblet’ market

Large Display + Portability + Handwriting

GALAXY Note
GALAXY Gear

Pioneer of wearable device

1999
Watch Phone

2013
Companion Device
Samsung Strategies

PRODUCT

TECH & DESIGN

CONTENT & SERVICES

MARKETING

OPERATION
Next Generation of Telecommunication

Maintaining cutting-edge technology leadership

4G
VoLTE
Multi Carrier
Carrier Aggregation
Dual Mode (FDD-TDD)
LTE-A

5G
WORLD’S FIRST

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B2B Solutions

Developing enhanced enterprise solutions

SECURITIES + VERTICAL = SAMSUNG SOLUTIONS EXCHANGE
Adopting the most advanced H/W technology

- AMOLED Ultra High Resolution
- Exynos Performance Maximized Processor
- High Definition Camera
- Innovative Sensors
- High Capacity & Compact Size Battery
- 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
Reinforcing the service eco with the Samsung platform

Partners’ Content & Services

In-house Content & Services

Samsung Service Platform

Samsung Smart Devices
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
GALAXY Studio in your life

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

Fashion Week
Beyond preferred brand...
Strengthening the world’s best SCM competency

GLOBAL SCM

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

SPEED

EFFICIENCY
Reinforcing global business infrastructure

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

Based on Handset
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