COMPANY UPDATE

2025. 11. 13

Finance/Consumer Goods Team

Kayoung Lee
Analyst
kayoung.l.lee@samsung.com

Hyerim Yu
Research Associate
hyerim0705.yu@samsung.com

Scan to go to
Research Center report database

CJ CheilJedang (097950)

3Q review: All operations remain lackluster except overseas food business

- CJ CheilJedang (CJCJ) reported 3Q sales of KRW7.44t and an operating profit of KRW346.5b, missing consensus by 2% and 8%.
- Operating profit plunged 18% y-y, hit by a sharp profitability erosion at the bio and feed & care divisions.
- Reflecting our new earnings forecasts, we cut our target price for the stock to KRW265,000 (based on a SOTP valuation).

WHAT'S THE STORY?

Food—overseas sales growth a silver lining: CJ CheilJedang's (CJCJ) food division reported 3Q sales of KRW2.98t (up 0.4% y-y) and an operating profit of KRW169.5b (up 4.5% y-y). Contraction of domestic sales was offset by overseas sales growth, but due to increased overseas promotions that negated domestic profitability gain, operating margin came in flat y-y at 5.6%.

- **Overseas:** Overseas food sales stood at KRW1.46t (up 3.7% y-y and taking up 49% of the company's total food sales). Sales: 1) in the US—taking up 83% of total overseas food sales hit KRW1.2t (up 2.9% y-y), led by pizza (up 1% y-y) and global strategic products (eg, chicken/frozen rice; up 20-30% y-y); 2) in Japan KRW81.1b (up 4% y-y) led by dumplings; 3) in China KRW45.2b (up 3% y-y) led by soup powder/frozen rice balls; and 4) in others (eg, Oceania/Europe) KRW120.5b (up 12.8% y-y) led by dumplings. The Chinese business turned around, but hikes in raw material and promotion costs in the US, Japan, and Europe weighed on profitability.

(Continued on the next page)

CJ CheilJedang 3Q25 review

(KRWb)	3Q25	2Q25	Chg (% q-q)	3Q24	Chg (% y-y)	Consensus	Diff (%)
Sales	7,439.5	7,237.2	2.8	7,414.3	0.3	7,618.8	-2.4
Operating profit	346.5	349.1	-0.7	423.8	-18.2	375.3	-7.7
Pre-tax profit	196.9	233.6	-15.7	279.2	-29.5	231.4	-14.9
Net profit	72.9	158.6	-54.0	166.6	-56.2	147.7	-50.6
Margins (%)							
Operating profit	4.7	4.8		5.7		4.9	
Pre-tax profit	2.6	3.2		3.8		3.0	
Net profit	1.0	2.2		2.2		1.9	

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW265,000	14%
Current price	**KRW232,500**	
Market cap	KRW3.5t/USD2.4b	
Shares (float)	15,054,186 (51.9%)	
52-week high/low	KRW284,500/KRW223,000	
Avg daily trading value (60-day)	KRW18.7b/ USD12.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
CJ CheilJedang (%)	-0.6	-6.4	-9.4
Vs Kospi (%pts)	-13.6	-41.2	-45.8

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	265,000	300,000	-11.7%
2025E EPS	18,213	22,891	-20.4%
2026E EPS	25,328	31,291	-19.1%

SAMSUNG vs THE STREET

No of estimates	17
Target price	314,294
Recommendation	3.9

※ Rating: 4 < → BUY, 3 = HOLD, 2 > → SELL

- **Domestic:** Domestic food sales hit KRW1.53t, down 2.6% y-y—ie, down 1.4% y-y for processed food sales and down 5% y-y for food ingredient sales—due mainly to poor Chuseok gift set sales. Excluding the gift set sales, the figure would have edged up 1-2% y-y.

Bio—takes a hit from intensifying price competition: CJCJ's bio division posted 3Q sales of KRW979.4b (down 8.4% y-y) and an operating profit of KRW22b (down 71.9% y-y). The plunge in the latter owed to price decline and the resultant fall in operating margin from 7.3% in 3Q24 to 2.2%. Lysine selling price dipped 12.9% y-y due to a hike in supply from China, and (high-margin) tryptophan selling price (based on EUR) tumbled 42.9% y-y. The division should suffer another plunge in operating profit y-y in 4Q, with no positives in sight.

F&C—suffers from fall in pork price in Vietnam: CJCJ's feed & care (F&C) division posted 3Q sales of KRW569.2b (down 1.7% y-y) and an operating profit of KRW12b (down 63.3% y-y, vs down 5.6% y-y in 3Q24; due to operating margin down to 2.1% on pork price plunge in Vietnam). Meanwhile, CJCJ should begin the process of selling the F&C business in 4Q. The F&C assets should be reflected as ones held for sale from 4Q. Disposal of the assets is expected to cut the company's borrowings by KRW700b.

CJ CheilJedang: Results and forecasts

(KRWb)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25E	2023	2024	2025E	2026E	2027E
Sales	**7,216.0**	**7,238.7**	**7,414.3**	**7,490.2**	**7,208.5**	**7,237.2**	**7,439.5**	**7,549.5**	**29,023.5**	**29,359.1**	**29,434.7**	**30,089.5**	**31,035.0**
Sales (ex CJ Logistics)	**4,444.2**	**4,331.4**	**4,620.4**	**4,475.0**	**4,362.5**	**4,322.4**	**4,532.6**	**4,453.7**	**17,890.4**	**17,871.0**	**17,671.2**	**17,792.3**	**18,186.1**
Food	2,831.5	2,705.1	2,972.1	2,844.3	2,924.6	2,687.3	2,984.0	2,921.5	11,264.4	11,353.0	11,517.4	11,580.5	11,959.2
Domestic	1,456.3	1,380.7	1,569.0	1,365.6	1,436.5	1,318.5	1,528.6	1,329.5	5,878.2	5,771.6	5,613.1	5,528.4	5,647.8
Processed	1,021.7	866.8	1,055.7	928.6	997.6	840.6	1,041.0	910.0	3,704.8	3,872.8	3,789.1	3,763.6	3,838.9
Raw materials	434.6	513.9	513.3	437.0	438.9	477.9	487.6	419.5	2,173.4	1,898.8	1,824.0	1,764.8	1,808.9
Overseas	1,375.2	1,324.4	1,403.1	1,478.7	1,488.1	1,368.8	1,455.4	1,592.0	5,386.2	5,581.4	5,904.3	6,052.1	6,311.4
US	1,175.1	1,114.9	1,174.4	1,249.4	1,247.0	1,120.0	1,208.6	1,335.3	4,380.7	4,713.8	4,910.9	4,966.2	5,130.6
China	43.0	44.2	43.9	43.4	49.3	44.2	45.2	45.3	329.0	174.5	184.0	195.7	209.2
Japan	63.4	68.1	78.0	73.3	73.1	93.3	81.1	76.6	323.6	282.8	324.1	365.1	392.5
Other	93.7	97.2	106.8	112.6	118.7	111.3	120.5	134.7	352.9	410.3	485.2	525.1	579.1
Bio	1,021.6	1,056.4	1,069.4	1,062.1	895.4	1,079.8	979.4	975.0	4,134.3	4,209.5	3,929.6	4,037.4	4,102.5
F&C	591.1	569.9	578.9	568.6	542.5	555.3	569.2	557.2	2,491.7	2,308.5	2,224.2	2,174.3	2,124.3
CJ Logistics	2,921.4	3,059.2	2,975.8	3,160.3	2,992.6	3,048.4	3,066.6	3,258.0	11,767.9	12,116.8	12,365.6	12,943.8	13,515.9
Operating profit	**375.9**	**383.6**	**416.2**	**377.3**	**333.2**	**353.1**	**346.5**	**269.6**	**1,291.6**	**1,553.0**	**1,297.1**	**1,547.0**	**1,740.9**
OP (ex CJ Logistics)	**267.1**	**269.0**	**276.4**	**219.9**	**246.2**	**235.1**	**202.5**	**116.5**	**819.5**	**1,032.4**	**796.4**	**989.4**	**1,132.2**
Food	184.5	135.9	161.3	138.4	128.6	90.1	168.5	81.8	654.6	620.1	469.0	645.6	717.6
Bio	97.8	99.0	82.4	58.4	82.5	102.4	22.0	14.6	251.3	337.6	217.5	214.9	287.2
F&C	-15.2	34.1	32.7	23.1	35.1	42.6	12.0	20.1	-86.4	74.7	109.9	128.9	127.5
CJ Logistics	109.4	125.4	141.6	154.3	85.4	115.2	147.9	154.2	480.2	530.7	501.5	564.0	616.0
Net profit (controlling)	91.9	98.1	159.2	-201.1	17.6	162.5	72.9	49.2	385.9	148.2	298.4	414.9	588.2
Growth (%)													
Operating profit	**5.2**	**5.3**	**5.6**	**5.0**	**4.6**	**4.9**	**4.7**	**3.6**	**4.5**	**5.3**	**4.4**	**5.1**	**5.6**
OP (ex CJ Logistics)	**6.0**	**6.2**	**6.0**	**4.9**	**5.6**	**5.4**	**4.5**	**2.6**	**4.6**	**5.8**	**4.5**	**5.6**	**6.2**
Food	6.5	5.0	5.4	4.9	4.4	3.4	5.6	2.8	5.8	5.5	4.1	5.6	6.0
Bio	9.6	9.4	7.7	5.5	9.2	9.5	2.2	1.5	6.1	8.0	5.5	5.3	7.0
F&C	-2.6	6.0	5.6	4.1	6.5	7.7	2.1	3.6	-3.5	3.2	4.9	5.9	6.0
CJ Logistics	3.7	4.1	4.8	4.9	2.9	3.8	4.8	4.7	4.1	4.4	4.1	4.4	4.6
Net profit (controlling)	1.3	1.4	2.1	-2.7	0.2	2.2	1.0	0.7	1.3	0.5	1.0	1.4	1.9
Growth (% y-y)													
Sales	**2.0**	**0.3**	**-0.4**	**2.8**	**-0.1**	**0.0**	**0.3**	**0.8**	**-3.5**	**1.2**	**0.3**	**2.2**	**3.1**
Sales (ex CJ Logistics)	**0.8**	**-2.1**	**-1.1**	**2.0**	**-1.8**	**-0.2**	**-1.9**	**-0.5**	**-4.7**	**-0.1**	**-1.1**	**0.7**	**2.2**
Food	2.6	-1.0	-1.1	2.8	3.3	-0.7	0.4	2.7	1.4	0.8	1.4	0.5	3.3
Domestic	3.6	-2.9	-6.1	-1.0	-1.4	-4.5	-2.6	-2.6	-0.8	-1.8	-2.7	-1.5	2.2
Processed	17.7	3.1	0.2	-1.4	-2.4	-3.0	-1.4	-2.0	1.3	4.5	-2.2	-0.7	2.0
Raw materials	-19.2	-11.5	-16.8	-0.3	1.0	-7.0	-5.0	-4.0	-4.1	-12.6	-3.9	-3.2	2.5
Overseas	1.6	1.1	5.1	6.6	8.2	3.4	3.7	7.7	4.0	3.6	5.8	2.5	4.3
US	9.1	7.5	7.6	6.3	6.1	0.5	2.9	6.9	8.6	7.6	4.2	1.1	3.3
China	-60.9	-57.3	-34.8	-10.1	14.7	-0.1	3.0	4.4	-28.1	-47.0	5.4	6.4	6.9
Japan	-27.5	-22.7	-5.9	12.6	15.3	37.0	4.0	4.5	-12.1	-12.6	14.6	12.6	7.5
Other	18.0	18.5	14.6	14.5	26.7	14.6	12.8	19.7	10.2	16.3	18.3	8.2	10.3
Bio	3.0	1.0	1.1	2.3	-12.4	2.2	-8.4	-8.2	-14.8	1.8	-6.6	2.7	1.6
F&C	-10.0	-11.7	-5.0	-2.1	-8.2	-2.6	-1.7	-2.0	-11.7	-7.4	-3.7	-2.2	-2.3
CJ Logistics	4.0	3.3	1.3	3.3	2.4	-0.4	3.1	3.1	-3.0	3.0	2.1	4.7	4.4
Operating profit	**48.7**	**11.3**	**5.1**	**26.5**	**-11.4**	**-7.0**	**-16.7**	**-28.5**	**-22.4**	**20.2**	**-16.5**	**19.3**	**12.5**
OP (ex CJ Logistics)	**77.6**	**14.1**	**0.4**	**39.2**	**-7.8**	**-25.6**	**-25.6**	**-45.9**	**-35.4**	**24.9**	**-22.2**	**24.2**	**14.4**
Food	37.7	-4.8	-31.1	-3.8	-30.3	-33.7	4.5	-40.9	4.9	-5.3	-24.4	37.7	11.1
Bio	55.0	17.4	74.9	2.8	-15.6	3.4	-71.9	-72.9	-60.5	30.9	-33.9	-1.2	33.6
F&C	nm	287.5	nm	nm	nm	24.9	-63.3	-13.2	nm	nm	47.1	17.4	-1.2
CJ Logistics	10.4	11.5	13.5	7.2	-21.9	-8.1	4.4	-0.1	16.6	10.5	-5.5	12.5	9.2
Net profit (controlling)	1,287.0	48.8	-20.8	nm	-80.8	72.5	-54.2	nm	-35.2	-61.6	101.3	39.1	41.8

Source: Company data, Samsung Securities estimates

CJ CheilJedang: Target-price calculation

(KRWb)	
Operating value	**13,880.6**
Food business	8,825.9
EBITDA	1,176.8
Applied EV/EBITDA (x)**	7.5
Bio business	3,899.7
EBITDA	600.0
Applied EV/EBITDA (x)**	6.5
F&C (feed & care) business	1,155.0
EBITDA	231.0
Applied EV/EBITDA(x)**	5.0
Non-operating value	**425.6**
CJ Logistics market cap (x)**	2,119.3
Stake	40.2%
Discount rate	50.0%
Net debt	**10,123.5**
Preferred shares market cap (x)*	**186.0**
Target market cap	**3,996.7**
Outstanding shares	15,054,186
Target price	**265,000**
Current price*	229,000
Upside	15.7%

Note: *As of Nov 11, 2025;
**25% discount to global peer average
Source: Bloomberg, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**29,023**	**29,359**	**29,435**	**30,089**	**31,035**
Cost of goods sold	22,971	22,867	23,148	23,478	24,132
Gross profit	**6,053**	**6,492**	**6,287**	**6,612**	**6,904**
Gross margin (%)	20.9	22.1	21.4	22.0	22.2
SG&A expenses	4,761	4,939	4,990	5,065	5,163
Operating profit	**1,292**	**1,553**	**1,297**	**1,547**	**1,741**
Operating margin (%)	4.5	5.3	4.4	5.1	5.6
Non-operating gains (losses)	**-560**	**-942**	**-449**	**-796**	**-672**
Financial profit	459	662	502	620	602
Financial costs	911	1,234	820	1,137	1,071
Equity-method gains (losses)	20	26	21	24	24
Other	-127	-397	-152	-303	-228
Pre-tax profit	**732**	**611**	**848**	**751**	**1,069**
Taxes	173	249	172	170	254
Effective tax rate (%)	23.6	40.7	20.2	22.6	23.8
Profit from continuing operations	559	362	676	581	814
Profit from discontinued operations	0	0	0	0	0
Net profit	**559**	**362**	**676**	**581**	**814**
Net margin (%)	1.9	1.2	2.3	1.9	2.6
Net profit (controlling interests)	386	148	298	415	588
Net profit (non-controlling interests)	174	214	152	161	226
EBITDA	2,834	3,095	2,911	3,181	3,396
EBITDA margin (%)	9.8	10.5	9.9	10.6	10.9
EPS (parent-based) (KRW)	23,559	9,046	18,213	25,328	35,908
EPS (consolidated) (KRW)	34,152	22,088	41,275	35,476	49,715
Adjusted EPS (KRW)*	23,559	9,046	18,213	25,328	35,908

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**9,580**	**9,494**	**10,213**	**10,587**	**10,883**
Cash & equivalents	1,854	1,272	1,859	2,258	2,281
Accounts receivable	2,733	2,948	2,903	2,968	3,061
Inventories	2,649	2,429	2,664	2,702	2,777
Other current assets	2,344	2,846	2,788	2,659	2,764
Fixed assets	**20,026**	**20,656**	**20,637**	**20,440**	**20,577**
Investment assets	1,122	1,051	209	208	213
Tangible assets	11,875	12,258	12,315	12,150	12,241
Intangible assets	4,308	4,541	4,527	4,459	4,509
Other long-term assets	2,720	2,806	3,586	3,623	3,615
Total assets	**29,606**	**30,150**	**30,851**	**31,026**	**31,460**
Current liabilities	**9,556**	**10,320**	**11,327**	**10,489**	**10,872**
Accounts payable	2,169	1,885	2,093	2,123	2,182
Short-term debt	2,472	3,091	3,924	3,162	3,392
Other current liabilities	4,914	5,344	5,310	5,204	5,298
Long-term liabilities	**8,271**	**7,588**	**7,179**	**8,070**	**7,829**
Bonds & long-term debt	4,921	4,152	3,430	4,168	3,917
Other long-term liabilities	3,350	3,435	3,748	3,902	3,912
Total liabilities	**17,826**	**17,907**	**18,505**	**18,558**	**18,701**
Owners of parent equity	**7,152**	**7,863**	**7,938**	**8,055**	**8,341**
Capital stock	82	82	82	82	82
Capital surplus	1,223	1,304	1,304	1,304	1,304
Retained earnings	5,731	5,747	5,821	5,938	6,224
Other	115	730	730	730	730
Non-controlling interests' equity	**4,628**	**4,379**	**4,408**	**4,413**	**4,419**
Total equity	**11,780**	**12,243**	**12,345**	**12,468**	**12,760**
Net debt	9,490	10,123	10,069	9,298	9,346

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**2,445**	**2,255**	**2,391**	**2,300**	**2,554**
Net profit	559	362	676	581	814
Non-cash profit and expenses	2,273	2,767	2,506	2,578	2,603
Depreciation	1,380	1,384	1,457	1,467	1,478
Amortization	162	158	157	167	178
Other	731	1,225	893	943	948
Changes in A/L from operating activities	-155	-676	-475	-580	-607
Cash flow from investments	**-703**	**-1,104**	**-848**	**-885**	**-946**
Change in tangible assets	-1,017	-908	-1,013	-979	-967
Change in financial assets	277	-215	15	17	-50
Other	37	19	150	77	71
Cash flow from financing	**-1,658**	**-1,863**	**-956**	**-1,015**	**-1,586**
Change in debt	-449	345	-349	107	45
Change in equity	94	82	0	0	0
Dividends	-141	-128	-106	-123	-131
Other	-1,162	-2,162	-500	-1,000	-1,500
Change in cash	56	-581	587	399	22
Cash at beginning of year	1,797	1,854	1,272	1,859	2,258
Cash at end of year	1,854	1,272	1,859	2,258	2,281
Gross cash flow	**2,832**	**3,129**	**3,182**	**3,159**	**3,418**
Free cash flow	**1,321**	**1,254**	**1,310**	**1,231**	**1,504**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-3.5	1.2	0.3	2.2	3.1
Operating profit	-22.4	20.2	-16.5	19.3	12.5
Net profit	-30.3	-35.3	86.9	-14.0	40.1
Adjusted EPS**	-35.2	-61.6	101.3	39.1	41.8
Per-share data (KRW)					
EPS (parent-based)	23,559	9,046	18,213	25,328	35,908
EPS (consolidated)	34,152	22,088	41,275	35,476	49,715
Adjusted EPS**	23,559	9,046	18,213	25,328	35,908
BVPS	446,325	490,755	495,380	502,680	520,528
DPS (common)	5,500	6,000	6,500	7,500	8,000
Valuations (x)					
P/E***	13.8	28.2	12.8	9.2	6.5
P/B***	0.7	0.5	0.5	0.5	0.4
EV/EBITDA	6.8	6.0	6.2	5.5	5.1
Ratios (%)					
ROE	5.6	2.0	3.8	5.2	7.2
ROA	1.9	1.2	2.2	1.9	2.6
ROIC	4.6	4.2	4.4	5.1	5.6
Payout ratio	20.9	59.5	35.7	29.6	22.3
Dividend yield (common)	1.7	2.3	2.8	3.2	3.4
Net debt to equity	80.6	82.7	81.6	74.6	73.2
Interest coverage (x)	2.5	2.8	3.5	3.0	3.6

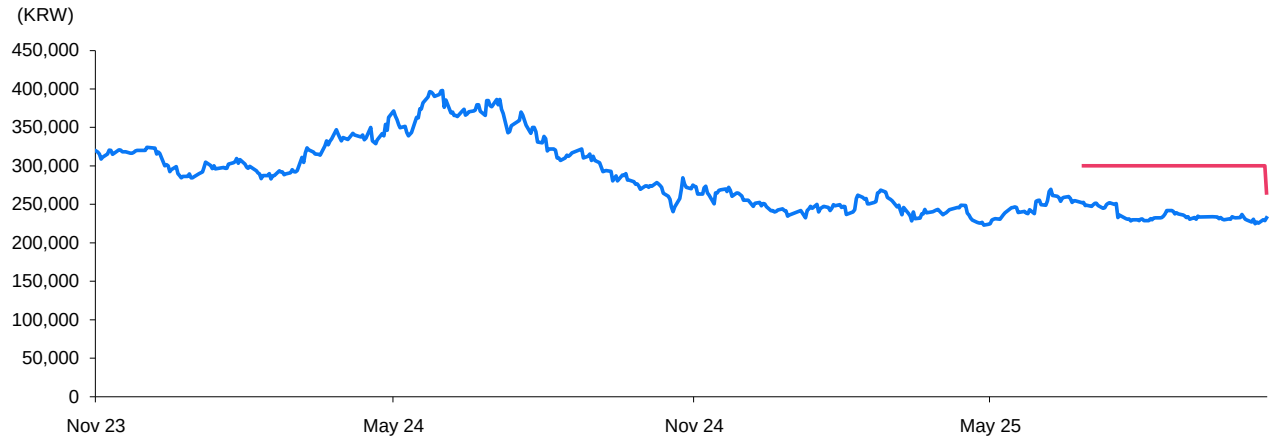
Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 11/12 2025, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 11/12 2025, Samsung Securities' holdings of shares and debt instruments convertible into shares of each company covered in this report would not, if such debt instruments were converted, exceed 1% of each company's outstanding shares.
- This report has been prepared without any undue external influence or interference, and accurately reflects the views of the analyst(s) covering the company or companies herein.
- All material presented in this report, unless specifically indicated otherwise, is under copyright to Samsung Securities.
- Neither the material nor its content (including copies) may be altered in any form, or by any means transmitted, copied, or distributed to another party, without prior express written permission from Samsung Securities.
- This memorandum is based upon information available to the public. While we have taken all reasonable care to ensure its reliability, we do not guarantee its accuracy or completeness. This memorandum is not intended to be an offer, or a solicitation of any offer, to buy or sell the securities mentioned herein. Samsung Securities shall not be liable whatsoever for any loss, direct or consequential, arising from the use of this memorandum or its contents. Statements made regarding affiliates of Samsung Securities are also based upon publicly available information and do not necessarily represent the views of management at such affiliates.
- This material has not been distributed to institutional investors or other third parties prior to its publication.

Target price changes in past two years



Rating changes over past two years (adjusted share prices)

Date	2025/7/23	11/12
Recommendation	BUY	BUY
Target price (KRW)	300000	265000
Gap* (average)	-21.45	
(max or min)**	-16.00	

Note: * [(average, maximum, or minimum share price over duration of target price minus target price) / target price] x 100%
** Maximum/minimum share price if new target is higher/lower than market close on the business day prior to target price change

Samsung Securities uses the following investment ratings*

Company

BUY	Expected to increase in value by 15% or more within 12 months and is highly attractive within sector
HOLD	Expected to increase/decrease in value by less than 15% within 12 months
SELL	Expected to decrease in value by 15% or more within 12 months

Industry

OVERWEIGHT	Expected to outperform market by 5% or more within 12 months
NEUTRAL	Expected to outperform/underperform market by less than 5% within 12 months
UNDERWEIGHT	Expected to underperform market by 5% or more within 12 months

* Note: Effective Jul 27, 2023, BUY, HOLD, and SELL criteria are based on expectations of share-price moves of 15% or more within 12 months

Percentage of ratings in 12 months prior to 2025.09.30

BUY(83.5%)·HOLD(16.5%)·SELL(0%)

Global Disclosures & Disclaimers

General

This research report is for information purposes only. It is not and should not be construed as an offer or solicitation of an offer to purchase or sell any securities or other financial instruments or to participate in any trading strategy. This report does not provide individually tailored investment advice. This report does not take into account individual client circumstances, objectives, or needs and is not intended as recommendations of particular securities, financial instruments or strategies to any particular client. The securities and other financial instruments discussed in this report may not be suitable for all investors. The recipient of this report must make its own independent decisions regarding any securities or financial instruments mentioned herein and investors should seek the advice of a financial adviser.

This report may not be altered, reproduced, distributed, transmitted or published in whole or in part for any purpose. References to "Samsung Securities" are references to any company in the Samsung Securities, Co., Ltd. group of companies.

Samsung Securities and/or other affiliated companies, its and their directors, officers, representatives, or employees may have long or short positions in any of the securities or other financial instruments mentioned in this report or of issuers described herein and may purchase and/or sell, or offer to purchase and/or sell, at any time, such securities or other financial instruments in the open market or otherwise, as either a principal or agent. Any pricing of securities or other financial instrument contained herein is as of the close of market for such day, unless otherwise stated. Opinions and estimates contained herein constitute our judgment as of the date of this report and are subject to change without notice.

The information provided in this report is provided "AS IS". Although the information contained herein has been obtained from sources believed to be reliable, no representation or warranty, either expressed or implied, is provided by Samsung Securities in relation to the accuracy, completeness or reliability of such information or that such information was provided for any particular purpose and Samsung Securities expressly disclaims any warranties of merchantability or fitness for a particular purpose. Furthermore, this report is not intended to be a complete statement or summary of the securities, markets or developments referred to herein.

Samsung Securities does not undertake that investors will obtain any profits, nor will it share with investors any investment profits. Samsung Securities, its affiliates, or any of its and their affiliates, directors, officers, employees or agents disclaim any and all responsibility or liability whatsoever for any loss (direct or consequential) or damage arising out of the use of all or any part of this report or its contents or otherwise arising in connection therewith. Information and opinions contained herein are subject to change without notice. Past performance is not indicative of future results. Foreign currency rates of exchange may adversely affect the value, price or income of any security or financial instrument mentioned in this report. For investment advice, trade execution or other enquiries, clients should contact their local sales representative. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other business areas or groups of Samsung Securities. Any analysis contained herein is based on numerous assumptions. Different assumptions may result in materially different results. Samsung Securities is under no obligation to update or keep current the information contained herein. Samsung Securities relies on information barriers to control the flow of information contained in one or more areas or groups within Samsung Securities into other areas or groups of Samsung Securities. Any prices stated in this report are for information purposes only and do not represent valuations for individual securities or other financial instruments. Samsung Securities makes no representation that any transaction can or could have been effected at those prices and any prices contained herein may not reflect Samsung Securities' internal books and records or theoretical model-based valuations and may be based on certain assumptions. Different assumptions by Samsung Securities or any other source may yield substantially different results. Additional information is available upon request.

For reports to be distributed to US:

Securities research is prepared, issued and exclusively distributed by Samsung Securities Co., Ltd., an organization licensed with the Financial Supervisory Service of South Korea. This research may be distributed in the United States only to major institutional investors as defined in Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended, and may not be circulated to any other person otherwise. All transactions by U.S. investors involving securities discussed in this report must be effected through Samsung Securities (America) Inc., a broker-dealer registered with the U.S. Securities & Exchange Commission and a member of the Financial Industry Regulatory Authority/SIPC, and not through any non-U.S. affiliate thereof. The analysts listed [on the front of this report] are employees of Samsung Securities Co., Ltd., or a non-U.S. affiliate thereof, and are not registered/qualified as research analysts under applicable U.S. rules and regulations and may not be subject to U.S. restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

For reports to be distributed to UK:

This report is not an invitation nor is it intended to be an inducement to engage in investment activity for the purpose of section 21 of the Financial Services and Markets Act 2000 of the United Kingdom ("FSMA"). To the extent that this report does constitute such an invitation or inducement, it is directed only at (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) of the United Kingdom (the "Financial Promotion Order"); (ii) persons who fall within Articles 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Financial Promotion Order; and (iii) any other persons to whom this report can, for the purposes of section 21 of FSMA, otherwise lawfully be made (all such persons together being referred to as "relevant persons").

Any investment or investment activity to which this report relates is available only to relevant persons and will be engaged in only with relevant persons. Persons who are not relevant persons must not act or rely on this report.

For reports to be distributed to Korea:

This report is for private circulation only, not for sale, and is issued and distributed only to persons permitted under the laws and regulations of Korea.

For reports to be distributed to Singapore:

This report is provided pursuant to the financial advisory licensing exemption under Regulation 27(1)(e) of the Financial Advisers Regulation of Singapore and accordingly may only be provided to persons in Singapore who are "institutional investors" as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore. This report is intended only for the person to whom Samsung Securities has provided this report and such person may not send, forward or transmit in any way this report or any copy of this report to any other person.

Analyst certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issuers and no part of the compensation of such analyst(s) was, is, or will be directly or indirectly related to the inclusion of specific recommendations or views in this research report. The analyst(s) principally responsible for the preparation of this research report receives compensation based on determination by research management and senior management (not including investment banking), based on the overall revenues, including investment banking revenues of Samsung Securities Co., Ltd. and its related entities and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations.

Copyright © 2010 Samsung Securities Co., Ltd.. All rights reserved. This report or any portion hereof may not be reprinted, sold or redistributed without the prior written consent of Samsung Securities America Inc

Samsung Securities

SAMSUNG SECURITIES

Samsung Electronics Bldg., 11, 74-gil,
Seochodae-ro, Seocho-gu, Seoul, Korea 06620
Tel: 02 2020 8000 / www.samsungpop.com

Family Center: 1588 2323

Voice Of Customer: 080 911 0900

**For more information,
please call our sales representatives:**

LONDON

Samsung Securities Europe Limited
1st Floor, 30 Gresham Street, London EC2V 7PG UK
Tel. 44-207-776-4311
Fax. 44-203-837-9219

NEW YORK

Samsung Securities America Limited
1330 Avenue of the Americas. 10th Floor. New York,
NY 10019
Tel: 1-212-972-2454
Fax: 1-212-972-2704

HONG KONG

Samsung Securities (Asia) Limited
Suite 4511, Two International Finance Center,
8 Finance Street, Central, Hong Kong
Tel: 852-3411-3608
Fax: 852-2114-0290

BEIJING

Samsung Securities Beijing Representative Office
Rm. 910, The Exchange Building No 118 JianGuo Lu, Chao
Yang District, Beijing, China
Tel: 86-10-6522-1855 (extension 7891)
Fax: 86-10-6522-1855 (extension 7889)

TOKYO

Samsung Securities Tokyo Representative Office
#106-8532 19F, Roppongi T-Cube 3-1-1,
Roppongi Minato-ku Tokyo, Japan
Tel: 81-3-6333-2952
Fax: 81-3-6333-2953

Member of
Dow Jones
Sustainability Indices
Powered by the S&P Global CSA