COMPANY UPDATE

2026. 1. 21

EV/Mobility Team

Esther Yim
Team Leader
esther.yim@samsung.com

Hyunji Kim
Research Associate
hyunzi.kim@samsung.com

Scan to go to
Research Center report database

Kia (000270)

From discount to premium: A valuation inflection point

- Google and Nvidia have chosen Boston Dynamics as a hardware partner for physical AI. This decision is based on Hyundai Motor's (HMC) and Kia's mass-production capabilities, value chain, and the action datasets generated from their manufacturing plants.
- Hyundai Motor Group (HMG) has brought in talent from Nvidia to head up its Advanced Vehicle Platform (AVP), and it is collaborating with Nvidia to speed up the development of autonomous driving technology. The move should help Kia shed its valuation discount.
- HMC and Kia shares have moved in the same direction, but Kia has underperformed HMC because it holds smaller equity stakes in robotics ventures and is increasingly shouldering common costs shared with HMC.

▶ AT A GLANCE

BUY

Target price	KRW175,000	6.8%
Current price	**KRW163,900**	
Market cap	KRW64.0t/USD43.3b	
Shares (float)	390,412,998 (60.4%)	
52-week high/low	KRW169,500/KRW82,000	
Avg daily trading value (60-day)	KRW158.2b/ USD107.0m	

▶ ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	35.5	64.2	62.3
Vs Kospi (%pts)	11.5	7.2	-16.3

▶ KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	175,000	175,000	0.0%
2025E EPS	19,211	19,211	0.0%
2026E EPS	22,283	22,283	0.0%

▶ SAMSUNG vs THE STREET

No of estimates	26
Target price	162,923
Recommendation	4.0

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

WHAT'S THE STORY?

Valuation discount factors dissipating—raising target price

(target price raised in our Jan 14 *CES 2026 takeaways* report, available only in Korean)

- **Raising valuation multiple:** We raise our target price by 16.6% to KRW175,000 (based on 8x 2026 P/E), reflecting an increase in our target P/E multiple from 7x to 8x—now matching the average of global legacy automakers—to account for the redefined value of the company's assets and the diminishing valuation discount related to autonomous driving. Depending on how the group's robotics business unfolds, Kia's valuation multiple may rise again further.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	107,449	113,124	122,670	128,152
Operating profit (KRWb)	12,667	9,159	10,444	11,075
Net profit (adj) (KRWb)	9,775	7,601	8,700	9,273
EPS (adj) (KRW)	24,413	19,211	22,283	23,751
EPS (adj) growth (% y-y)	12.1	-21.3	16.0	6.6
EBITDA margin (%)	14.2	10.7	10.8	10.6
ROE (%)	19.1	13.0	13.6	13.2
P/E (adj) (x)	4.1	6.3	7.4	6.9
P/B (x)	0.7	0.8	1.0	0.9
EV/EBITDA (x)	1.6	2.5	3.1	2.4
Dividend yield (%)	6.5	5.3	4.0	4.3

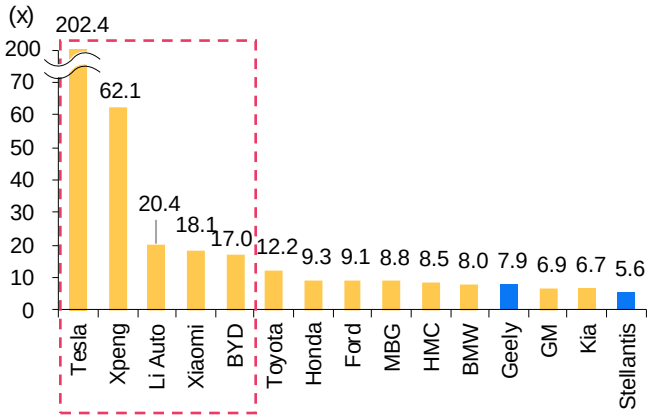
Source: Company data, Samsung Securities estimates

- **Valuation discount related to autonomous driving dissipating:** Hyundai Motor (HMC) and Kia have traded at a discount to Tesla—and even Chinese EV makers—due to their lower level of autonomous driving technology. However, things are about to change. In 3Q26, the Korean carmakers will begin volume production of Pace Cars, which will help them accumulate data. From 2027, they will start integrating Level 2+ autonomous driving technology into their volume-production vehicle models.
- **Share price headed in same direction as HMC's, but underperforms:** HMC's share price has surged 39.5% ytd, while Kia is up just 24%. Kia has underperformed because it holds smaller equity stakes in the group's robotics ventures—such as Boston Dynamics (16.68% vs HMC's 27%) and HMG Robotics Lab (40% vs HMC's 60%)—and is increasingly shouldering common costs shared with HMC.
- **4Q25 preview—Result to meet consensus:** We expect Kia to report 4Q sales of KRW27t (down 5.6% q-q but up 0.3% y-y) and operating profit of KRW1.9t (up 31.6% q-q but down 29.2% y-y), for an operating margin of 7.1%. Although the US lowered tariffs from 25% to 15%, the impact of this was limited to December. Duty offsets for auto parts imports (estimated at KRW200b; tax relief program) are now expected in 1Q26, pushed back because of the US government shutdown (Oct 1-Nov 12). FnGuide consensus puts sales at KRW28.6t and operating profit at KRW1.95t.

Through collaborations with Big Tech, HMG positioning to be leader in physical AI

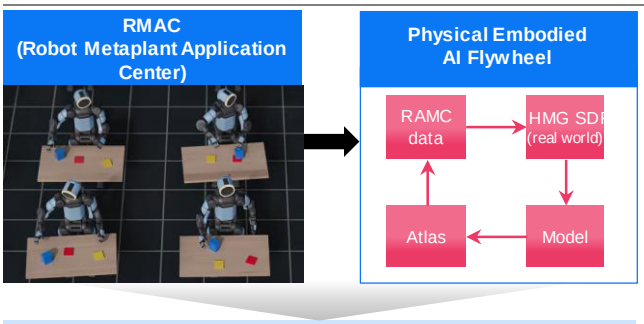
- **Why Google DeepMind and Nvidia chose Boston Dynamics as a partner:** Google owned Boston Dynamics from Dec 2013 to May 2017 before selling it to SoftBank. A decade later, Google and Boston Dynamics have re-established a technical collaboration. This partnership is driven by the fact that HMC/Kia's factories provide: 1) real-world action data; 2) sequencing data across different work environments; and 3) validation of models by operating robots in real factory and logistics settings. Most other robotics companies are startups, lacking both the means to accumulate large-scale action datasets and the manufacturing environments needed to validate their models.
- **HMC/Kia plants to serve as digital factories producing action data for robots:** Robot Metaplant Application Center (RMAC) provides a controlled environment where robots learn by mapping factory layout, movement paths, and work positions, which are then combined with real-world operational data from HMC/Kia's software-defined factory (SDF) facilities. The goal is to establish a closed-loop learning model [virtual training (RMAC) →real-world data (SDF) → retraining] that enables continuous improvement in speed, accuracy, and safety.
- **New models in 2026—Telluride and Seltos set to launch:** The Telluride, being made in the US, is exempt from tariffs. The launch of a hybrid variant should help drive price increases and sales growth, potentially adding KRW1t to annual profit.
- **In 15% US tariff environment, Kia to book KRW10t-11t in annual operating profit:** Kia, alongside Toyota, is likely to maintain the highest profitability among global automakers. If tariffs ease in Mexico in 2026—affecting exports of 100,000 to 150,000 units—that could add another KRW300b-400b in annual profit.

Global automakers: 12-month forward P/E valuation



Source: Bloomberg, Samsung Securities

HMC: Physical Embodied AI Flywheel



The process of **data → model training → robot application → real-world operation → new data generation** repeats continuously, allowing for the ongoing accumulation of high-quality datasets and enabling continuous improvement in model performance.

HMG's physical AI: Collaboration with Nvidia

Role	Entity	Role/Policy
HMC's autonomous driving model	Hyundai Atria AI	Autonomous driving model / Policy
Robotics Lab autonomous driving model	Perception and SLAM	Autonomous driving model / Policy
Boston Dynamics VLA model	Boston Dynamics	Robot model / Policy
Data amplification	Nvidia Cosmos	Real-to-Sim data engine that amplifies learning scenarios (environment, observations) at thousands of scales using real and verified synthetic data
	GR00T-Dreams	Virtual world-based behavior data generator for robot learning
Physics verification	Nvidia Isaac/Omniverse	Generates and verifies synthetic motion data / 3D virtual environment with physical laws identical to reality
Learning infrastructure	Nvidia NeMo / Blackwell GPU	AI model learning and operation platform / High-performance computing chip
Reference model	Nvidia Alpamayo-R1	Comparison and verification with Atria
Robot foundation model	GR00T	Foundation model for robot reasoning and decision-making, allowing individual robot companies to operate their own models on top of it
Inference chip	Nvidia Orin/Thor	275 TOPS (INT8) / 2070 TFLOPS (FP4)

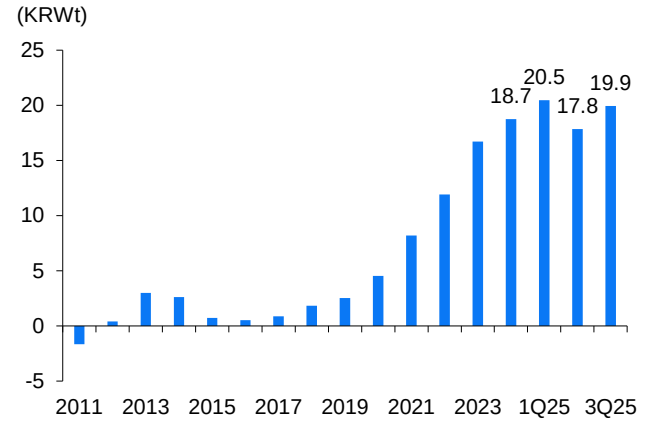
Source: Nvidia, HMC, Samsung Securities

Telluride profitability analysis

	Telluride 1st gen	Telluride 2nd gen
Selling price (USD)	46,453	55,743
Wholesale price (USD)	41,807	50,169
Sales volume (units)	115,000	150,000
Revenue (USDm)	4,808	7,525
Profitability (%)	20%	22%
Operating profit (USDm)	**962**	**1,656**
Operating profit (KRWb)	**1,346**	**2,318**

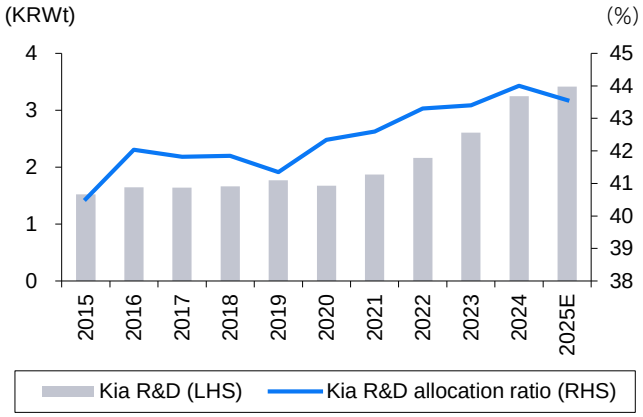
Source: Samsung Securities estimates

Kia: Net cash



Source: Company data, Samsung Securities

Kia: R&D expense and allocation ratio



Note: Kia's R&D allocation ratio is based on its share of the total R&D costs combined with HMC

Source: Company data, Samsung Securities

US market: Hyundai Palisade vs Toyota Grand Highlander

	Hyundai Palisade		Toyota Grand Highlander	
Powertrain	**ICE**	**HEV**	**ICE**	**HEV**
Last launch date	2025.07	2025.09	2023.08	2023.08
Price (USD)	39,435	47,520	41,360	44,710
Fuel economy (City/Hwy/Combined)	19/25/21 MPG	33/35/34 MPG	21/28/24 MPG	36/32/34 MPG
Seating capacity	7-8 passengers	7-8 passengers	8 passengers	8 passengers
Length (in.)	199.2	199.2	201.4	201.4
Width (in.)	78	78	78.3	78.3
Height (in.)	69.5	69.5	70.1	70.1
Wheelbase (in.)	116.9	116.9	116.1	116.1
Drivetrain	FWD/AWD	FWD/AWD	FWD/AWD	FWD/AWD
Fuel system	3.5L V6 engine	2.5L inline-4 turbo engine	2.5L inline-4 turbo engine	2.5L inline-4 engine.
Fuel tank capacity (gal.)	19	18.2	17.83	17.17
Battery capacity		1.65kWh Li-ion		1.3kWh Ni-MH
Transmission	8-speed automatic	6-speed automatic	8-speed automatic	eCVT
Max power (hp)	287 @ 6,400	258 @ 5,800	265 @ 6000	245 combined net
Max torque (lb-ft)	260 @ 5,000	260 @ 1,800-4500	310 @ 1700-3600	175 @ 4400

Note: Both companies are based on the lowest trim specifications

Source: Company data, Samsung Securities

Kia: Global sales volume and forecasts

('000 vehicles)	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E	2027E
Global plant sales	776	808	758	743	840	858	842	820	3,044	3,084	3,360	3,510
Domestic	394	417	397	378	391	408	398	393	1,547	1,586	1,590	1,610
Overseas	382	391	360	365	449	450	444	427	1,496	1,498	1,770	1,900
US (KMMG)	88	91	88	84	105	108	107	100	352	352	420	450
Europe (KMS)	89	86	64	56	100	98	80	81	351	295	360	380
China (DYK)	57	67	63	67	75	79	89	87	248	254	330	380
Mexico (KMM)	68	74	73	76	73	78	81	78	274	290	310	310
India (KMI)	81	73	72	82	95	87	87	81	270	307	350	380
Global retail sales	772	814	784	760	810	854	828	807	3,083	3,129	3,290	3,420
Global ASP (KRWm)	37.2	37.0	37.6	36.7	37.9	38.5	38.9	37.0	35.8	37.1	38.2	38.4

Source: Company data, Samsung Securities estimates

Kia: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25E	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025E	2026E	2027E
KRW/USD (avg)	1,453	1,400	1,387	1,452	1,430	1,420	1,400	1,400	1,365	1,422	1,413	1,370
Revenue	28,018	29,350	28,686	27,071	30,049	32,168	31,411	29,043	107,449	113,124	122,670	128,152
Gross profit	6,081	5,875	5,409	5,473	5,832	5,849	5,733	6,354	24,771	22,838	23,767	24,608
Operating profit	3,009	2,765	1,462	1,924	2,638	2,730	2,379	2,696	12,667	9,159	10,444	11,075
Pre-tax profit	3,243	3,000	1,887	1,996	2,987	2,944	2,876	2,793	13,500	10,127	11,600	12,363
Net profit	2,393	2,268	1,422	1,517	2,240	2,208	2,157	2,095	9,775	7,601	8,700	9,273
Controlling profit	2,393	2,269	1,425	1,517	2,240	2,208	2,157	2,095	9,773	7,604	8,700	9,273
Margins (%)												
Gross profit	21.7	20.0	18.9	20.2	19.4	18.2	18.3	21.9	23.1	20.2	19.4	19.2
Operating profit	10.7	9.4	5.1	7.1	8.8	8.5	7.6	9.3	11.8	8.1	8.5	8.6
Net profit	8.5	7.7	5.0	5.6	7.5	6.9	6.9	7.2	9.1	6.7	7.1	7.2
Controlling profit	8.5	7.7	5.0	5.6	7.5	6.9	6.9	7.2	9.1	6.7	7.1	7.2

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**99,808**	**107,449**	**113,124**	**122,670**	**128,152**
Cost of goods sold	77,180	82,678	90,286	98,903	103,544
Gross profit	**22,629**	**24,771**	**22,838**	**23,767**	**24,608**
Gross margin (%)	22.7	23.1	20.2	19.4	19.2
SG&A expenses	11,021	12,104	13,679	13,324	13,533
Operating profit	**11,608**	**12,667**	**9,159**	**10,444**	**11,075**
Operating margin (%)	11.6	11.8	8.1	8.5	8.6
Non-operating gains (losses)	**1,069**	**833**	**967**	**1,156**	**1,289**
Financial profit	1,263	1,351	1,121	1,324	1,632
Financial costs	392	610	97	99	99
Equity-method gains (losses)	684	395	647	686	719
Other	-485	-304	-704	-755	-962
Pre-tax profit	**12,677**	**13,500**	**10,127**	**11,600**	**12,363**
Taxes	3,900	3,725	2,526	2,900	3,091
Effective tax rate (%)	30.8	27.6	24.9	25.0	25.0
Profit from continuing operations	8,778	9,775	7,601	8,700	9,273
Profit from discontinued operations	0	0	0	0	0
Net profit	**8,778**	**9,775**	**7,601**	**8,700**	**9,273**
Net margin (%)	8.8	9.1	6.7	7.1	7.2
Net profit (controlling interests)	8,777	9,773	7,601	8,700	9,273
Net profit (non-controlling interests)	1	2	0	0	0
EBITDA	13,961	15,216	12,050	13,209	13,647
EBITDA margin (%)	14.0	14.2	10.7	10.8	10.6
EPS (parent-based) (KRW)	21,770	24,413	19,211	22,283	23,751
EPS (consolidated) (KRW)	21,772	24,418	19,211	22,283	23,751
Adjusted EPS (KRW)*	21,770	24,413	19,211	22,283	23,751

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**37,466**	**41,797**	**45,606**	**53,149**	**61,276**
Cash & equivalents	14,353	13,567	16,048	21,362	28,208
Accounts receivable	2,475	3,561	3,749	4,066	4,247
Inventories	11,273	12,419	13,075	14,178	14,812
Other current assets	9,365	12,251	12,733	13,543	14,009
Fixed assets	**43,162**	**50,958**	**53,971**	**55,566**	**55,849**
Investment assets	22,205	27,223	28,627	30,987	32,342
Tangible assets	16,104	18,279	19,924	19,630	18,975
Intangible assets	3,310	4,094	4,059	3,587	3,170
Other long-term assets	1,542	1,362	1,362	1,362	1,362
Total assets	**80,628**	**92,756**	**99,577**	**108,715**	**117,125**
Current liabilities	**25,674**	**26,977**	**28,009**	**30,311**	**31,633**
Accounts payable	10,369	10,455	11,007	11,936	12,469
Short-term debt	129	221	721	721	721
Other current liabilities	15,176	16,302	16,281	17,655	18,444
Long-term liabilities	**8,395**	**9,938**	**10,832**	**11,493**	**11,873**
Bonds & long-term debt	2,702	2,176	2,676	2,676	2,676
Other long-term liabilities	5,693	7,763	8,156	8,818	9,198
Total liabilities	**34,070**	**36,916**	**38,840**	**41,805**	**43,507**
Owners of parent equity	**46,552**	**55,831**	**60,728**	**66,901**	**73,609**
Capital stock	2,139	2,139	2,139	2,139	2,139
Capital surplus	1,758	1,760	1,760	1,760	1,760
Retained earnings	43,271	50,241	55,283	61,456	68,164
Other	-616	1,691	1,546	1,546	1,546
Non-controlling interests' equity	**6**	**9**	**9**	**9**	**9**
Total equity	**46,558**	**55,840**	**60,737**	**66,910**	**73,618**
Net debt	-12,718	-15,303	-17,902	-23,685	-30,801

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**11,297**	**12,564**	**10,559**	**11,983**	**11,817**
Net profit	8,778	9,775	7,601	8,700	9,273
Non-cash profit and expenses	8,836	9,666	3,564	3,573	3,231
Depreciation	1,846	2,010	2,355	2,294	2,156
Amortization	507	540	535	472	417
Other	6,483	7,116	674	808	659
Changes in A/L from operating activities	-4,247	-4,287	715	1,203	691
Cash flow from investments	**-3,107**	**-10,153**	**-4,927**	**-2,718**	**-1,912**
Change in tangible assets	-2,230	-3,424	-4,000	-2,000	-1,500
Change in financial assets	-541	-4,788	-427	-718	-412
Other	-336	-1,941	-500	0	0
Cash flow from financing	**-5,596**	**-3,570**	**-2,392**	**-2,518**	**-2,560**
Change in debt	-3,622	-525	167	8	5
Change in equity	21	2	0	0	0
Dividends	-1,403	-2,194	-2,559	-2,526	-2,565
Other	-592	-853	0	0	0
Change in cash	2,799	-787	2,482	5,313	6,846
Cash at beginning of year	11,554	14,353	13,567	16,048	21,362
Cash at end of year	14,353	13,567	16,048	21,362	28,208
Gross cash flow	**17,614**	**19,441**	**11,165**	**12,273**	**12,504**
Free cash flow	**8,961**	**9,079**	**6,559**	**9,983**	**10,317**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	15.3	7.7	5.3	8.4	4.5
Operating profit	60.5	9.1	-27.7	14.0	6.0
Net profit	62.3	11.4	-22.2	14.5	6.6
Adjusted EPS**	63.1	12.1	-21.3	16.0	6.6
Per-share data (KRW)					
EPS (parent-based)	21,770	24,413	19,211	22,283	23,751
EPS (consolidated)	21,772	24,418	19,211	22,283	23,751
Adjusted EPS**	21,770	24,413	19,211	22,283	23,751
BVPS	117,495	141,812	156,272	172,159	189,420
DPS (common)	5,600	6,500	6,500	6,600	7,000
Valuations (x)					
P/E***	4.6	4.1	6.3	7.4	6.9
P/B***	0.9	0.7	0.8	1.0	0.9
EV/EBITDA	2.0	1.6	2.5	3.1	2.4
Ratios (%)					
ROE	20.4	19.1	13.0	13.6	13.2
ROA	11.4	11.3	7.9	8.4	8.2
ROIC	45.7	45.2	29.5	33.0	36.5
Payout ratio	25.0	26.2	33.2	29.5	29.3
Dividend yield (common)	5.6	6.5	5.3	4.0	4.3
Net debt to equity	-27.3	-27.4	-29.5	-35.4	-41.8
Interest coverage (x)	63.8	124.8	94.6	105.4	111.6

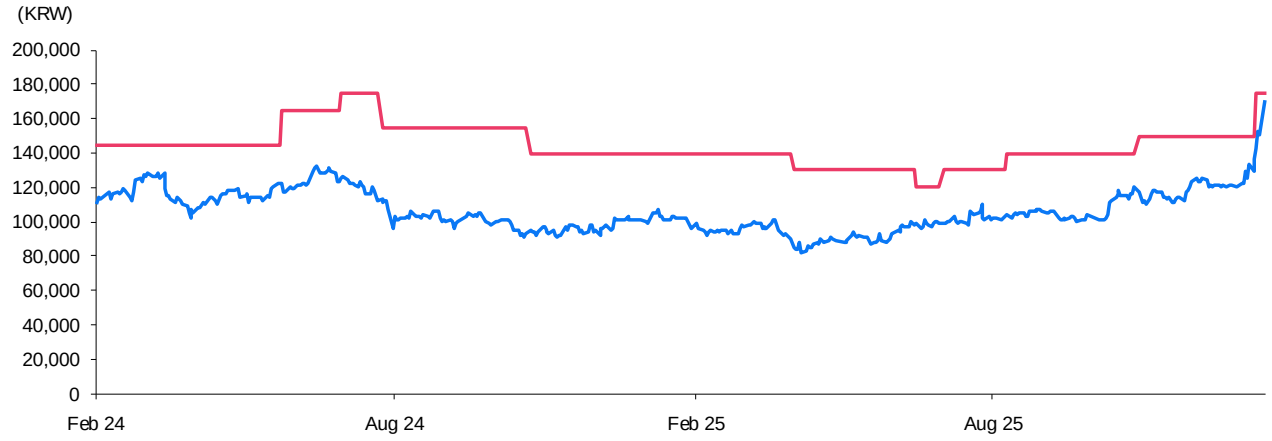
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 1/20 2026, the covering analyst(s) did not own any shares, or debt instruments convertible into shares, of any company covered in this report.
- As of 1/20 2026, 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	2023/8/4	2024/1/26	2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	110000	120000	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000
Gap* (average)	-24.00	-12.23	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38
(max or min)**	-9.09	-0.42	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33

Date	2026/1/14
Recommendation	BUY
Target price (KRW)	175000
Gap* (average)	
(max or min)**	

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 2025.12.31

BUY (85.8%)·HOLD (14.2%)·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