COMPANY UPDATE

2026. 2. 2

Scan to go to
Research Center report database

LG Electronics (066570)

Clear robot roadmap a new share catalyst

- LG Electronics (LGE) is exposed to cost inflation, but has strategies in place to mitigate the risk, which include local production and the development of new sales regions.
- Leveraging its technological foundation and insights from in-home data, the company is actively pursuing opportunities in the robotics space.

Tech Team

Jongwook Lee
Team Leader
jwstar.lee@samsung.com

Kyoungbeen Kim
Research Associate
kyoungbeen.kim@samsung.com

WHAT'S THE STORY?

Investment strategy—LGE in business transition toward the future: LG Electronics' (LGE) stock is currently caught between excitement about the company's push into new areas like robotics and EV components, and concerns over cost inflation driven by factors like tariffs, semiconductors, and metal prices. Both growth and cost control are still up in the air, which is why the stock is trading at a discount. We believe that as long as the LG brand stays competitive, cost will eventually stabilize. But a clear roadmap for new robot products will be the most important milestone for the company's stock performance going forward. We maintain our BUY rating and target price of KRW 110,000.

4Q25 review—cost pressure easing: LGE reported 4Q25 sales of KRW23.85t (up 9% q-q and 5% y-y) and an operating loss of KRW109b (for an operating margin of -0.5%), consistent with its preliminary disclosure on Jan 9. During the earnings call, the company shared: 1) its approach to managing cost uncertainties (eg, US tariffs, semiconductor prices, metal prices, logistics); 2) plans to get the TV business back on track; and 3) updates on its preparation for new robotics ventures. While the company has gradually reducing its exposure to US tariffs and logistics costs are starting to normalize, broader cost inflation remains a concern. We expect that cost-cutting efforts—such as voluntary retirement programs and marketing spend optimization—will help stabilize costs going forward.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2024	2025E	2026E	2027E
Revenue (KRWb)	87,728	89,201	92,819	96,373
Operating profit (KRWb)	3,420	2,478	3,515	3,898
Net profit (adj) (KRWb)	591	1,222	1,912	2,375
EPS (adj) (KRW)	2,032	6,558	8,872	11,020
EPS (adj) growth (% y-y)	-48.4	222.7	35.3	24.2
EBITDA margin (%)	7.9	6.7	7.5	7.5
ROE (%)	1.8	5.5	7.0	8.2
P/E (adj) (x)	41.1	14.0	11.2	9.0
P/B (x)	0.7	0.8	0.8	0.7
EV/EBITDA (x)	3.7	5.0	4.2	3.8
Dividend yield (%)	1.2	1.5	1.5	1.5

Source: Company data, Samsung Securities estimates

AT A GLANCE

BUY

Target price	KRW110,000	11%
Current price	KRW99,100	
Market cap	KRW16.1t/USD11.2b	
Shares (float)	162,886,387 (64.7%)	
52-week high/low	KRW109,300/KRW64,700	
Avg daily trading value (60-day)	KRW99.0b/ USD68.8m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
LG Electronics (%)	7.8	25.9	16.5
Vs Kospi (%pts)	-13.0	-21.6	-43.5

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	110,000	110,000	0.0%
2025E EPS	6,558	6,558	0.0%
2026E EPS	8,872	8,872	0.0%

SAMSUNG vs THE STREET

No of estimates	20
Target price	117,350
Recommendation	4.0

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

- **HS:** To mitigate the impact of US tariffs, the home appliance solution (HS) division increased in-region supply to 60%. It concentrated sales efforts on the Global South markets, where demand is expected to be strong in 2026.
- **MS:** The media entertainment solution (MS; including TV) division is vulnerable to the rising costs of components such as semiconductors and display panels. It prioritized the webOS business and enhancing cost competitiveness.
- **VS:** Anticipating a prolonged slowdown in EV demand, the vehicle component solution (VS) division focused on improving product mix and expanding market share within key customer accounts.
- **ES:** The energy solution (ES) division in 2025 experienced a tripling of orders for data center-related heating, ventilation, and air conditioning (HVAC) systems. It pursued growth with a focus on the data center segment.

Generating solid cash flow as an LG brand: At the core of the company's business transformation are B2B and subscription models. LGE has moved beyond simply selling home appliances to introduce subscription services, as a way to build long-term customer relationships and maximize monetization opportunities. This strategy helps reduce the ups and downs of the traditional home appliance business and gives the company a more stable source of cash to invest in new future ventures like robotics. On the B2B side, the company is seeing steady orders for EV components, and its HVAC systems are expanding into data centers. Home appliance subscription services have surpassed KRW2t in annual sales in Korea and, based on this success, are now expanding into Malaysia, Thailand, Taiwan, and Singapore.

Robotics strategy turns more aggressive: From the big picture of freeing people from household chores, it makes sense that LGE is expanding from home appliances into robotics. The slowdown in growth for traditional appliances is actually pushing the company to invest more aggressively in new businesses. Now, the company's stock performance depends on how quickly it can make the shift to robotics. Leveraging its long-standing expertise in actuators and autonomous driving technology, LGE is collaborating with global players such as Nvidia, Google, and Agility Robotics to quickly enter the robotics ecosystem. The company's unique advantage lies in its unmatched homes appliance ecosystem, which provides valuable data on how people live at home, and potential synergies with other LG companies. On the flip side, because safety is important in home appliances, it will take time before humanoid robots can be used directly in homes. LGE expects the home humanoid market to take off around 2030. In the meantime, there is a need for intermediate types of home robots that can bridge the gap between current products and full-fledged humanoids. The key will be how fast LGE can make these new robots a part of daily life.

LG Electronics: 4Q results

(KRWb)	4Q25	3Q25	4Q24	Diff	
				(% q-q)	(% y-y)
Sales	**23,852.2**	21,873.8	22,761.5	9.0	4.8
Operating profit	**-109.0**	688.9	135.3	Turned to loss	Turned to loss
Pre-tax profit	**-610.6**	567.4	-1,095.4	Turned to loss	Continued loss
Net profit	**-725.9**	461.1	-713.8	Turned to loss	Continued loss
Margins (%)					
Operating profit	**-0.5**	3.1	0.6		
Pre-tax profit	**-2.6**	2.6	-3.6		
Net profit	**-3.0**	2.1	-3.1		

Source: Company data, Samsung Securities

LG Electronics: Changes to full-year forecasts

(KRWb)	Old		New		Diff (%)	
	2026E	2027E	2026E	2027E	2026E	2027E
Sales	89,831	92,744	92,819	96,373	3.3	3.9
Operating profit	3,381	3,726	3,515	3,898	4.0	4.6
Pre-tax profit	2,254	2,842	2,452	3,045	8.8	7.1
Net profit	2,410	3,039	1,912	2,375	-20.6	-21.8

Source: Company data, Samsung Securities

LG Electronics: Changes to forecasts

(KRWb)	1Q26E		2026E		1Q26E		2026E	
	Old	New	Old	New	Diff	Diff (%)	Diff	Diff (%)
Sales	**22,144**	**23,368**	**89,831**	**92,819**	**1,224.3**	**5.5**	**2,987.9**	**3.3**
HS	6,574	6,923	26,461	27,188	348.8	5.3	727.0	2.7
MS	4,437	5,058	17,967	19,478	621.3	14.0	1,511.5	8.4
VS	2,924	2,785	11,853	11,294	-139.1	-4.8	-559.9	-4.7
ES	3,146	2,997	9,944	9,721	-149.2	-4.7	-222.7	-2.2
Other	402	383	1,859	1,895	-18.3	-4.5	35.7	1.9
LG Innotek	4,766	5,342	22,150	23,714	576.0	12.1	1,564.0	7.1
Operating profit	**1,220.4**	**1,277.9**	**3,380.6**	**3,514.5**	**57.5**	**4.7**	**133.9**	**4.0**
HS	557.1	553.9	1,275.0	1,262.8	-3.2	-0.6	-12.3	-1.0
MS	22.2	50.6	2.5	7.2	28.4	128.0	4.7	191.3
VS	144.0	152.1	612.5	661.0	8.1	5.6	48.5	7.9
ES	383.0	365.1	811.5	809.7	-17.9	-4.7	-1.7	-0.2
Other	-20.0	-20.0	-100.0	-110.0	0.0	0.0	-10.0	10.0
LG Innotek	132.0	171.0	771.0	858.0	39.0	29.5	87.0	11.3
Operating margin (%)	**5.5**	**5.5**	**3.8**	**3.8**	**(0.0)**		**0.0**	

Source: Company data, Samsung Securities

LG Electronics: Results and forecasts, by division

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26	4Q26	1Q27	2Q27	3Q27	4Q27	2025	2026	2027
Sales															
Total	**22,740**	**20,740**	**21,874**	**23,852**	**23,368**	**21,444**	**23,525**	**24,481**	**24,310**	**22,201**	**24,475**	**25,386**	**89,201**	**92,819**	**96,373**
HS	6,697	6,594	6,580	6,254	6,923	6,942	6,943	6,379	7,112	7,141	7,160	6,506	26,126	27,188	27,918
MS	4,950	4,393	4,653	5,430	5,058	4,382	4,704	5,334	5,148	4,410	4,765	5,492	19,426	19,478	19,814
VS	2,843	2,849	2,647	2,796	2,785	2,887	2,780	2,842	2,850	2,954	2,925	2,917	11,136	11,294	11,645
ES	3,054	2,644	2,167	1,457	2,997	2,822	2,348	1,555	3,293	3,047	2,505	1,655	9,323	9,721	10,500
Other	365	458	586	431	383	481	557	474	422	529	612	521	1,840	1,895	2,084
LG Innotek	4,983	3,856	5,369	7,610	5,342	4,031	6,318	8,023	5,609	4,233	6,634	8,424	21,818	23,714	24,900
Operating profit															
Total	**1,259**	**639**	**689**	**-109**	**1,278**	**1,013**	**1,024**	**200**	**1,417**	**1,108**	**1,122**	**251**	**2,478**	**3,515**	**3,898**
HS	645	440	366	-171	554	452	410	-153	614	481	447	-154	1,279	1,263	1,387
MS	5	-192	-303	-262	51	35	28	-107	62	49	38	-93	-751	7	55
VS	125	126	150	158	152	164	172	173	170	183	197	193	559	661	742
ES	407	251	133	-143	365	294	187	-37	404	320	201	-39	647	810	885
Other	-47	-1	132	-26	-20	-30	-20	-40	-18	-27	-18	-36	58	-110	-99
LG Innotek	125	11	204	325	171	91	239	357	180	96	251	375	665	858	901
Total	**5.5**	**3.1**	**3.1**	**-0.5**	**5.5**	**4.7**	**4.4**	**0.8**	**5.8**	**5.0**	**4.6**	**1.0**	**2.8**	**3.8**	**4.0**
HS	9.6	6.7	5.6	-2.7	8.0	6.5	5.9	-2.4	8.6	6.7	6.2	-2.4	4.9	4.6	5.0
MS	0.1	-4.4	-6.5	-4.8	1.0	0.8	0.6	-2.0	1.2	1.1	0.8	-1.7	-3.9	0.0	0.3
VS	4.4	4.4	5.7	5.7	5.5	5.7	6.2	6.1	6.0	6.2	6.7	6.6	5.0	5.9	6.4
ES	13.3	9.5	6.1	-9.8	12.2	10.4	8.0	-2.4	12.3	10.5	8.0	-2.4	6.9	8.3	8.4
Other	-12.9	-0.3	22.6	-6.1	-5.2	-6.2	-3.6	-8.4	-4.3	-5.1	-2.9	-6.9	3.2	-5.8	-4.7
LG Innotek	2.5	0.3	3.8	4.3	3.2	2.3	3.8	4.4	3.2	2.3	3.8	4.4	3.0	3.6	3.6

Note: Company sales reflect the sum of each division's sales, with internal sales between LG Electronics and LG Innotek eliminated
Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**82,263**	**87,728**	**89,201**	**92,819**	**96,373**
Cost of goods sold	62,461	66,349	68,554	70,597	72,883
Gross profit	**19,801**	**21,379**	**20,646**	**22,222**	**23,489**
Gross margin (%)	24.1	24.4	23.1	23.9	24.4
SG&A expenses	16,148	17,960	18,168	18,707	19,591
Operating profit	**3,653**	**3,420**	**2,478**	**3,515**	**3,898**
Operating margin (%)	4.4	3.9	2.8	3.8	4.0
Non-operating gains (losses)	**-1,782**	**-2,465**	**-655**	**-1,063**	**-853**
Financial profit	1,280	1,168	1,058	903	1,105
Financial costs	1,381	1,133	1,592	1,584	1,437
Equity-method gains (losses)	-1,045	-992	176	41	-25
Other	-636	-1,507	-298	-423	-496
Pre-tax profit	**1,871**	**955**	**1,823**	**2,452**	**3,045**
Taxes	757	463	609	539	670
Effective tax rate (%)	40.5	48.4	33.4	22.0	22.0
Profit from continuing operations	1,258	873	1,228	1,912	2,375
Profit from discontinued operations	-107	-282	-5	0	0
Net profit	**1,151**	**591**	**1,222**	**1,912**	**2,375**
Net margin (%)	1.4	0.7	1.4	2.1	2.5
Net profit (controlling interests)	713	368	1,184	1,598	1,984
Net profit (non-controlling interests)	438	224	38	315	391
EBITDA	6,870	6,954	5,993	6,966	7,260
EBITDA margin (%)	8.4	7.9	6.7	7.5	7.5
EPS (parent-based) (KRW)	3,942	2,032	6,558	8,872	11,020
EPS (consolidated) (KRW)	6,363	3,270	6,770	10,620	13,191
Adjusted EPS (KRW)*	3,942	2,032	6,558	8,872	11,020

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**30,341**	**33,924**	**32,058**	**34,961**	**38,499**
Cash & equivalents	8,488	7,573	3,512	5,662	8,118
Accounts receivable	9,265	10,536	11,650	11,957	12,399
Inventories	9,125	10,729	11,568	11,873	12,312
Other current assets	3,463	5,086	5,329	5,469	5,671
Fixed assets	**29,900**	**31,706**	**34,907**	**34,359**	**33,948**
Investment assets	4,762	4,043	4,243	4,347	4,497
Tangible assets	16,819	17,075	19,041	18,896	18,776
Intangible assets	2,868	3,519	3,855	3,347	2,907
Other long-term assets	5,451	7,069	7,768	7,768	7,768
Total assets	**60,241**	**65,630**	**66,965**	**69,320**	**72,447**
Current liabilities	**24,160**	**27,307**	**28,649**	**29,324**	**30,294**
Accounts payable	9,427	9,885	10,358	10,632	11,024
Short-term debt	708	564	941	941	941
Other current liabilities	14,025	16,858	17,350	17,752	18,329
Long-term liabilities	**12,582**	**13,110**	**12,120**	**12,150**	**12,193**
Bonds & long-term debt	10,719	11,093	10,060	10,060	10,060
Other long-term liabilities	1,863	2,017	2,060	2,090	2,134
Total liabilities	**36,742**	**40,418**	**40,769**	**41,474**	**42,488**
Owners of parent equity	**19,665**	**20,995**	**22,007**	**23,343**	**25,065**
Capital stock	904	904	904	904	904
Capital surplus	3,025	2,970	3,038	3,038	3,038
Retained earnings	16,201	16,353	17,421	18,756	20,479
Other	-466	768	644	644	644
Non-controlling interests' equity	**3,834**	**4,217**	**4,188**	**4,503**	**4,894**
Total equity	**23,499**	**25,212**	**26,195**	**27,846**	**29,959**
Net debt	6,018	6,833	10,000	7,835	5,359

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**5,914**	**3,843**	**3,470**	**5,318**	**5,734**
Net profit	1,151	591	1,222	1,912	2,375
Non-cash profit and expenses	7,119	8,141	5,465	4,263	4,247
Depreciation	2,704	2,993	2,963	2,944	2,921
Amortization	513	541	551	508	441
Other	3,902	4,607	1,951	811	886
Changes in A/L from operating activities	-1,218	-3,797	-2,214	-34	-49
Cash flow from investments	**-5,290**	**-4,212**	**-6,597**	**-2,852**	**-2,875**
Change in tangible assets	-3,223	-2,315	-5,015	-2,800	-2,800
Change in financial assets	-993	-275	-110	-52	-75
Other	-1,074	-1,622	-1,473	0	0
Cash flow from financing	**1,503**	**-705**	**-1,457**	**-251**	**-247**
Change in debt	2,414	727	-852	11	15
Change in equity	-23	-55	68	0	0
Dividends	-241	-317	-266	-262	-262
Other	-646	-1,060	-406	0	-0
Change in cash	2,165	-915	-4,061	2,150	2,456
Cash at beginning of year	6,322	8,488	7,573	3,512	5,662
Cash at end of year	8,488	7,573	3,512	5,662	8,118
Gross cash flow	**8,270**	**8,732**	**6,688**	**6,176**	**6,623**
Free cash flow	**2,644**	**1,486**	**-1,608**	**2,518**	**2,934**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-1.4	6.6	1.7	4.1	3.8
Operating profit	2.9	-6.4	-27.5	41.8	10.9
Net profit	-38.2	-48.6	106.7	56.5	24.2
Adjusted EPS**	-40.4	-48.4	222.7	35.3	24.2
Per-share data (KRW)					
EPS (parent-based)	3,942	2,032	6,558	8,872	11,020
EPS (consolidated)	6,363	3,270	6,770	10,620	13,191
Adjusted EPS**	3,942	2,032	6,558	8,872	11,020
BVPS	109,209	116,595	122,217	129,635	139,201
DPS (common)	800	1,000	1,350	1,450	1,450
Valuations (x)					
P/E***	25.8	41.1	14.0	11.2	9.0
P/B***	0.9	0.7	0.8	0.8	0.7
EV/EBITDA	4.0	3.7	5.0	4.2	3.8
Ratios (%)					
ROE	3.7	1.8	5.5	7.0	8.2
ROA	2.0	0.9	1.8	2.8	3.4
ROIC	9.9	9.0	5.7	8.9	10.0
Payout ratio	18.3	44.3	18.6	14.8	11.9
Dividend yield (common)	0.8	1.2	1.5	1.5	1.5
Net debt to equity	25.6	27.1	38.2	28.1	17.9
Interest coverage (x)	6.8	6.0	4.2	6.0	6.7

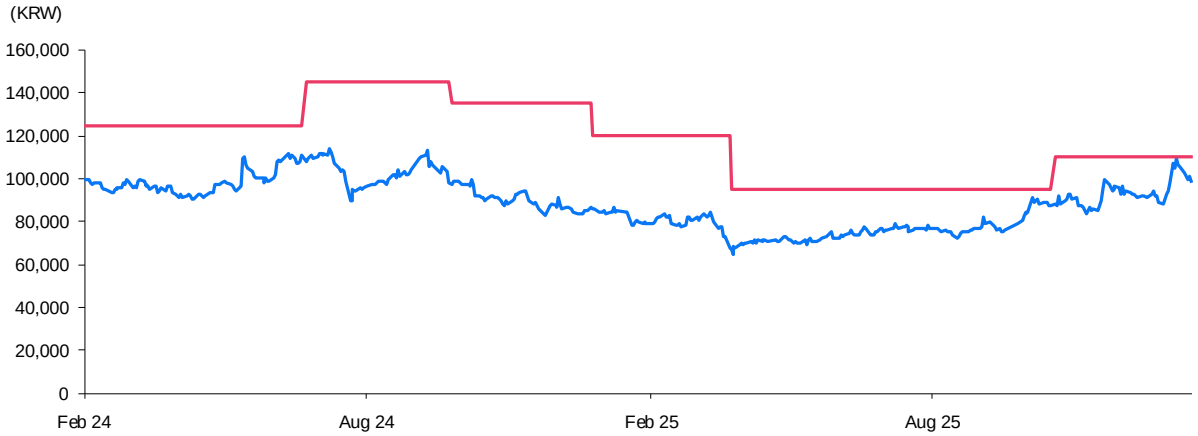
Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 1/30 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 1/30 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	2024/1/26	7/8	10/10	2025/1/9	4/8	11/3
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	125000	145000	135000	120000	95000	110000
Gap* (average)	-21.37	-28.78	-33.09	-32.58	-20.31	
(max or min)**	-10.88	-21.45	-26.30	-28.00	-4.21	

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