COMPANY UPDATE

2026. 2. 10

EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim
Research Associate
wonyoung10.kim@samsung.com

Scan to go to
Research Center report database

SKC (011790)

4Q results miss amid industry downturn, several one-offs

- SKC reported a 4Q operating loss of KRW107.6b on Feb 2, way below consensus (KRW58b loss) due to worse-than-forecast earnings at the copper foil and chemical units.
- We maintain our KRW135,000 target price to reflect a shift in our forward EBITDA valuation period, and keep the stock at HOLD rating as we have yet to observe any tangible evidence of the company implementing its revised strategy.

WHAT'S THE STORY?

View—Time to execute new strategy: We revise down our 2026 earnings estimates but raise our forward EBITDA by 6% to reflect a shift in our valuation period (from 2026 to 2026-2027 average). We also change its peers' multiple to 2026-2027 average and thus maintain our target price unchanged at KRW135,000. The company has remained in the red and necessitates rapid execution of its revised strategy. Until we see tangible evidence of better profitability via business optimization, cost innovation, or other strategic shifts, we maintain HOLD rating.

4Q review—Misses consensus: SKC reported a 4Q operating loss of KRW107.6b (widening KRW54.8b q-q) on Feb 5, missing consensus (KRW58b loss, FnGuide) and our estimate (KRW52.2b loss) due to: 1) a slower-than-forecast profitability recovery at the copper foil unit and the chemical business; and 2) KRW320b in one-off costs related with facilities and goodwill impairment losses.

(Continued on the next page)

AT A GLANCE

HOLD

Target price	KRW135,000	20.9%
Current price	KRW111,700	
Market cap	KRW4.2t/USD2.9b	
Shares (float)	37,868,298 (49.3%)	
52-week high/low	KRW162,100/KRW86,000	
Avg daily trading value (60-day)	KRW25.8b/ USD17.7m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
SKC (%)	9.3	11.8	-28.6
Vs Kospi (%pts)	-5.5	-32.3	-66.1

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	HOLD	HOLD	
Target price	135,000	135,000	0.0%
2025E EPS	-19,394	-19,394	0.0%
2026E EPS	-8,494	-8,494	0.0%

SAMSUNG vs THE STREET

No of estimates	2
Target price	137,500
Recommendation	3.5

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

SUMMARY 4Q RESULTS

(KRWb)	4Q25	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	428.2	0.6	-15.4	-0.0	-18.7
Operating profit	-107.6	nm	nm	nm	nm
Pre-tax profit	-554.1	nm	nm	nm	nm
Net profit	-498.6	nm	nm	nm	nm
Margins (%)					
Operating profit	-25.1				
Pre-tax profit	-129.4				
Net profit	-116.4				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2024	2025E	2026E
Valuations (x)			
P/E	n/a	n/a	n/a
P/B	3.1	4.0	6.7
EV/EBITDA	n/a	n/a	335.0
Div yield (%)	0.0	0.0	0.0
EPS growth (% y-y)	nm	nm	nm
ROE (%)	-34.3	-71.2	-44.1
Per-share data (KRW)			
EPS	-11,711	-19,394	-8,494
BVPS	34,412	26,138	16,697
DPS	0	0	0

- **SK Nexilis:** SKC's wholly-owned copper foil subsidiary SK Nexilis posted an operating loss of KRW66.9b (the loss expanded KRW31.9b q-q; for an operating margin of -59%). Its sales slumped 32% q-q to KRW113.3b—marking the first quarterly decline since 3Q24—and its sales volume diminished 33% q-q on falling utilization rates and year-end inventory destocking at North American clients. One-off costs (including legal expenses) totaled around KRW20b.
- **Semiconductor materials:** Operating profit expanded 26% q-q to KRW21.9b (for an operating margin of 30.3%), the highest quarterly figure ever, as strong demand from AI applications and diversified ASIC clientele led to growing sales of test sockets.
- **Chemicals:** The chemicals unit posted an operating loss of KRW30.8b (the loss widened KRW23.4b q-q) owning to negative inventory effect (from weak raw-material prices) and some one-off factors.

1Q preview—Losses to narrow: We believe that SKC will record a 1Q operating loss of KRW50.4b (with the loss shrinking KRW57.1b q-q). SK Nexilis should log an operating loss of KRW35.6b (the loss should narrow KRW31.3b q-q for an operating margin of -23%), backed by growing sales volume (up 22% q-q) and absence of one-off costs. Operating profit at the semiconductor materials business should drop 12% q-q to KRW19.2b, whereas the chemicals unit should see its loss come in at KRW9b (narrowing KRW21.8 q-q) on strong SM prices and absence of one-offs.

SKC: Sum-of-the-parts valuation

(KRWb)	Forward EBITDA	Multiples (x)	EV	Note
Operating value (A)				
Chemicals	46	9.7	231	Peers (BASF, DowDuPont, LyondellBasell, Shin-Etsu); **Revised down from 10.3x**
Semiconductor materials	113	10.0	1,129	Peers (DowDuPont); **Revised down from 13.8x**
SK Nexilis	131	19.8	2,587	Peers (Korean copper foil makers**); **Revised down from 24.1x**
Glass substrate*	93	32.1	2,983	Peers (100% premium on Substrate makers***)
Silicon anode materials*	11	32.1	361	Peers (Korean cathode/anode makers****); **Revised up from 20.7x**
Eco-friendly materials*	52	8.7	451	Peers (DowDuPont, Eastman Chemical); **Revised down from 9.1x**
Total	447	17.3	7,742	**Target raised by 6% on revised 12MF EBITDA timing from KRW419b**
Asset value (B)			169	**30% discount**
Net debt (C)			2,886	**End-2025E**
Fair market cap (D=A+B-C)			5,024	
Outstanding shares ('000)			37,868	
Fair value per share (KRW)			132,673	
Target price (KRW)			135,000	**Maintain target price**
Current price (KRW)			114,000	As of Feb 9 close
Upside (%)			18.4	
2026 implied P/E (x)			nm	
2027 implied P/E (x)			nm	
2026 implied P/B (x)			8.1	
2027 implied P/B (x)			9.6	

Note: *Present value discount of 2027 EBITDA;
**Lotte Energy Materials, Solus Advanced Materials;
***TSMC, DNP (Dai Nippon Printing), Jusung Engineering, EO Technics;
****Posco Future M, Ecopro BM, L&F, Chunbo

Source: Bloomberg, Samsung Securities estimates

SKC: Quarterly results

(KRWb)	4Q25	3Q25	4Q24	Consensus	Samsung	Diff (%)			
						(% q-q)	(% y-y)	Consensus	Samsung
Sales	428	506	425	527	541	-15.4	0.8	-18.7	-20.8
Operating profit	-108	-53	-83	-58	-52	Remained neg	Remained neg	Remained neg	Remained neg
Pre-tax profit	-469	-131	-277	-29	-29	Remained neg	Remained neg	Remained neg	Remained neg
Net profit	-499	-99	-262	-26	-26	Remained neg	Remained neg	Remained neg	Remained neg
Attr. to parent	-542	-91	-260	-44	-25	Remained neg	Remained neg	Remained neg	Remained neg
Margins (%)									
Operating profit	-25.1	-10.4	-19.4	-11.1	-9.7				
Pre-tax profit	-109.5	-25.8	-65.3	-5.5	-5.4				
Net profit	-116.4	-19.6	-61.7	-4.9	-4.9				
Attr. to parent	-126.6	-17.9	-61.2	-8.3	-4.6				

Source: Company data, Samsung Securities estimates

SKC: Quarterly results, by division

(KRWb)	4Q25	3Q25	4Q24	Chg (% q-q)	Chg (% y-y)
Sales	**428**	**506**	**425**	**-15.4**	**0.8**
Chemicals	113	167	87	-32.0	29.8
Semiconductor materials	72	65	53	12.1	36.5
SK Nexilis	248	274	284	-9.5	-12.7
Operating profit	**-108**	**-53**	**-83**	**Remained neg**	**Remained neg**
Chemicals	-67	-35	-42	Remained neg	Remained neg
Semiconductor materials	22	17	8	25.7	170.4
SK Nexilis	-31	-7	-16	Remained neg	Remained neg
Other	-32	-28	-32	Remained neg	Remained neg
Pre-tax profit	-469	-131	-277	Remained neg	Remained neg
Net profit	**-499**	**-99**	**-262**	**Remained neg**	**Remained neg**
Margins (%)					
Operating profit	-25.1	-10.4	-19.4		
Chemicals	-59.0	-21.0	-48.5		
Semiconductor materials	30.3	27.0	15.3		
SK Nexilis	-12.4	-2.7	-5.7		
Pre-tax profit	-109.5	-25.8	-65.3		
Net profit	-116.4	-19.6	-61.7		

Source: Company data, Samsung Securities

SKC: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,449	1,450	1,400	1,350	1,315	1,365	1,422	1,379	1,315
Sales	**438**	**467**	**506**	**428**	**474**	**508**	**521**	**526**	**1,722**	**1,840**	**2,029**	**2,401**
Growth (% q-q)	3.2	6.6	8.3	-15.4	10.8	7.0	2.6	1.1				
Growth (% y-y)	9.9	3.1	13.9	0.8	8.2	8.6	2.9	22.9	9.6	6.9	10.3	18.3
Chemicals	295	275	274	248	254	262	255	251	1,187	1,091	1,021	985
Semiconductor materials	44	61	65	72	66	74	79	67	210	242	286	329
SK Nexilis	99	127	167	113	155	171	187	210	318	506	723	1,090
Absolics								16			16	205
Other	1	4	1	-5	0	0	-1	-17	7	1	-17	-208
Operating profit	**-74**	**-70**	**-53**	**-108**	**-50**	**-38**	**-25**	**-17**	**-277**	**-305**	**-131**	**62**
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To turn pos
Chemicals	-18	-16	-7	-31	-9	-1	-2	-4	-53	-73	-15	14
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To turn pos
Semiconductor materials	7	14	17	22	19	23	24	20	45	61	86	102
Growth (% q-q)	-16.0	111.8	21.0	25.7	-12.3	20.8	2.9	-18.2				
Growth (% y-y)	-16.0	-0.7	25.3	170.4	182.6	61.2	37.2	-10.7	237.9	35.7	41.9	19.2
SK Nexilis	-35	-38	-35	-67	-36	-36	-24	-10	-151	-175	-106	20
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To turn pos
Absolics								2			2	60
Growth (% q-q)								To remain neg				
Growth (% y-y)												3,700.0
Other	-28	-30	-28	-32	-25	-24	-23	-24	-118	-118	-97	-134
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Pre-tax profit	-127	-172	-131	-469	-97	-84	-72	-64	-662	-899	-317	-77
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Net profit	**-118**	**-4**	**-99**	**-499**	**-97**	**-85**	**-72**	**-64**	**-455**	**-719**	**-318**	**-78**
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Remained neg	Remained neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Attr. to parent	-105	3	-91	-542	-97	-86	-74	-65	-443	-734	-322	-89
Growth (% q-q)	Remained neg	Turned pos	Turned neg	Remained neg	To remain neg	To remain neg	To remain neg	To remain neg				
Growth (% y-y)	Remained neg	Turned pos	Remained neg	Remained neg	To remain neg	To turn neg	To remain neg	To remain neg	Remained neg	Remained neg	To remain neg	To remain neg
Margins (%)												
Operating profit	-17.0	-15.0	-10.4	-25.1	-10.6	-7.5	-4.9	-3.3	-16.1	-16.6	-6.5	2.6
Chemicals	-6.2	-5.8	-2.7	-12.4	-3.5	-0.3	-0.7	-1.6	-4.4	-6.7	-1.5	1.4
Semiconductor materials	15.4	23.8	27.0	30.3	29.2	31.2	30.2	29.2	21.3	25.1	30.0	31.1
SK Nexilis	-35.1	-29.9	-21.0	-59.0	-23.0	-21.0	-13.0	-5.0	-47.3	-34.5	-14.7	1.8
Absolics								10.0			10.0	29.2
Pre-tax profit	-29.0	-36.9	-25.8	-109.5	-20.4	-16.6	-13.8	-12.1	-38.5	-48.9	-15.6	-3.2
Net profit	-26.9	-0.9	-19.6	-116.4	-20.5	-16.7	-13.8	-12.1	-26.4	-39.1	-15.7	-3.2

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Sales	**1,493**	**1,722**	**1,840**	**2,029**	**2,401**
Cost of goods sold	1,485	1,746	1,859	1,844	1,966
Gross profit	**8**	**-25**	**-19**	**185**	**436**
Gross margin (%)	0.6	-1.4	-1.0	9.1	18.1
SG&A expenses	222	252	286	316	374
Operating profit	**-214**	**-277**	**-305**	**-131**	**62**
Operating margin (%)	-14.3	-16.1	-16.6	-6.5	2.6
Non-operating gains (losses)	**-229**	**-228**	**-458**	**-186**	**-139**
Financial profit	68	87	53	100	162
Financial costs	220	356	234	255	276
Equity-method gains (losses)	-21	-14	-33	-27	-21
Other	-55	55	-244	-4	-4
Pre-tax profit	**-443**	**-505**	**-763**	**-317**	**-77**
Taxes	-119	-84	-44	1	0
Effective tax rate (%)	27.0	16.6	5.7	-0.4	-0.4
Profit from continuing operations	-279	-578	-855	-318	-78
Profit from discontinued operations	-47	123	136	0	0
Net profit	**-326**	**-455**	**-719**	**-318**	**-78**
Net margin (%)	-21.9	-26.4	-39.1	-15.7	-3.2
Net profit (controlling interests)	-276	-443	-734	-322	-89
Net profit (non-controlling interests)	-51	-12	15	4	11
EBITDA	-41	-100	-167	26	230
EBITDA margin (%)	-2.8	-5.8	-9.1	1.3	9.6
EPS (parent-based) (KRW)	-7,276	-11,711	-19,394	-8,494	-2,345
EPS (consolidated) (KRW)	-8,618	-12,017	-18,997	-8,391	-2,053
Adjusted EPS (KRW)*	-7,276	-11,711	-19,394	-8,494	-2,345

Balance sheet

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Current assets	**2,081**	**1,520**	**2,138**	**2,318**	**2,756**
Cash & equivalents	531	404	944	1,002	1,199
Accounts receivable	162	218	233	257	304
Inventories	333	235	251	277	327
Other current assets	1,055	664	710	782	926
Fixed assets	**4,951**	**5,228**	**4,935**	**5,034**	**5,108**
Investment assets	309	220	225	231	273
Tangible assets	2,665	3,240	2,985	3,118	3,188
Intangible assets	1,671	1,493	1,450	1,410	1,372
Other long-term assets	306	275	275	275	275
Total assets	**7,032**	**6,749**	**7,073**	**7,352**	**7,864**
Current liabilities	**1,846**	**2,211**	**2,481**	**2,543**	**2,667**
Accounts payable	88	122	130	143	170
Short-term debt	1,156	1,151	1,151	1,151	1,151
Other current liabilities	602	939	1,200	1,250	1,347
Long-term liabilities	**2,662**	**2,245**	**2,566**	**3,100**	**3,567**
Bonds & long-term debt	2,178	1,908	2,208	2,708	3,108
Other long-term liabilities	484	337	358	392	459
Total liabilities	**4,508**	**4,456**	**5,047**	**5,644**	**6,234**
Owners of parent equity	**1,411**	**1,172**	**890**	**569**	**480**
Capital stock	189	189	189	189	189
Capital surplus	285	279	208	208	208
Retained earnings	1,136	686	-49	-370	-459
Other	-199	19	541	541	541
Non-controlling interests' equity	**1,114**	**1,120**	**1,135**	**1,139**	**1,150**
Total equity	**2,524**	**2,293**	**2,026**	**1,708**	**1,630**
Net debt	2,894	2,914	2,886	3,300	3,447

Cash flow statement

Year-end Dec 31 (KRWb)	2023	2024	2025E	2026E	2027E
Cash flow from operations	**-235**	**-200**	**-550**	**-136**	**108**
Net profit	-326	-455	-719	-318	-78
Non-cash profit and expenses	291	316	263	330	344
Depreciation	134	131	96	117	130
Amortization	38	46	43	40	38
Other	118	139	125	173	176
Changes in A/L from operating activities	-66	84	2	3	5
Cash flow from investments	**-987**	**17**	**140**	**-284**	**-266**
Change in tangible assets	-1,017	-658	160	-250	-200
Change in financial assets	280	-248	-24	-38	-75
Other	-250	923	4	4	8
Cash flow from financing	**662**	**-2**	**997**	**508**	**416**
Change in debt	147	188	535	508	416
Change in equity	-80	-6	-70	0	0
Dividends	-57	-3	0	0	0
Other	651	-181	532	0	-0
Change in cash	-567	-127	541	57	197
Cash at beginning of year	1,098	531	404	944	1,002
Cash at end of year	531	404	944	1,002	1,199
Gross cash flow	**-36**	**-140**	**-456**	**12**	**267**
Free cash flow	**-1,266**	**-867**	**-830**	**-386**	**-92**

Financial ratios

Year-end Dec 31	2023	2024	2025E	2026E	2027E
Growth (%)					
Sales	-37.4	15.3	6.9	10.3	18.3
Operating profit	nm	nm	nm	nm	nm
Net profit	nm	nm	nm	nm	nm
Adjusted EPS**	nm	nm	nm	nm	nm
Per-share data (KRW)					
EPS (parent-based)	-7,276	-11,711	-19,394	-8,494	-2,345
EPS (consolidated)	-8,618	-12,017	-18,997	-8,391	-2,053
Adjusted EPS**	-7,276	-11,711	-19,394	-8,494	-2,345
BVPS	41,484	34,412	26,138	16,697	14,090
DPS (common)	0	0	0	0	0
Valuations (x)					
P/E***	n/a	n/a	n/a	n/a	n/a
P/B***	2.2	3.1	4.0	6.7	7.9
EV/EBITDA	n/a	n/a	n/a	335.0	38.4
Ratios (%)					
ROE	-17.6	-34.3	-71.2	-44.1	-16.9
ROA	-4.9	-6.6	-10.4	-4.4	-1.0
ROIC	-3.2	-4.6	-5.8	-2.7	1.2
Payout ratio	0.0	0.0	0.0	0.0	0.0
Dividend yield (common)	0.0	0.0	0.0	0.0	0.0
Net debt to equity	114.6	127.1	142.5	193.2	211.4
Interest coverage (x)	-1.4	-1.6	-1.6	-0.6	0.3

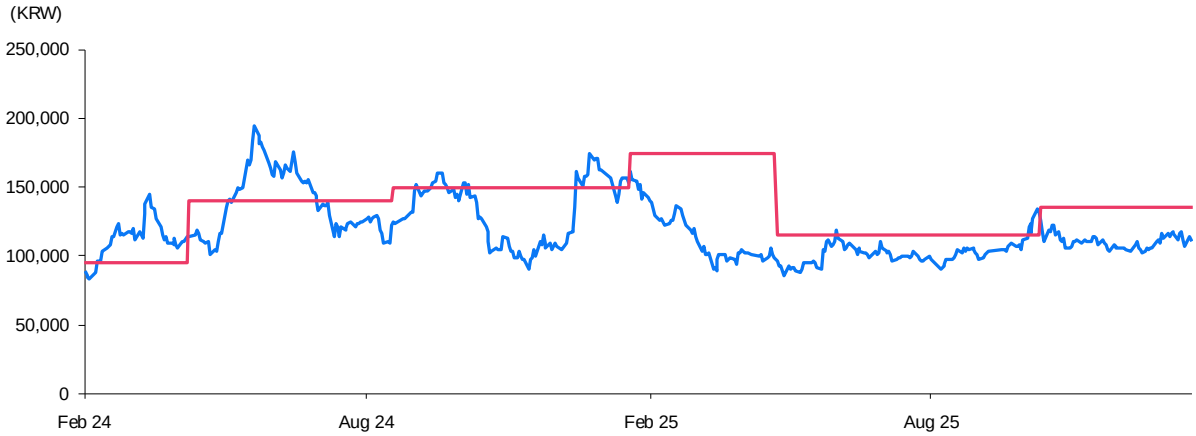
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 2/9 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 2/9 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	2024/2/7	5/3	9/12	2025/2/12	5/19	11/5
Recommendation	BUY	BUY	BUY	HOLD	HOLD	HOLD
Target price (KRW)	95000	140000	150000	175000	115000	135000
Gap* (average)	13.07	-0.24	-12.47	-33.86	-11.14	
(max or min)**	52.95	39.50	16.33	-7.37	17.22	

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