COMPANY UPDATE

2026. 4. 27

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)

1Q review: Despite concerns, ASP rising and cash growing

- Kia's 1Q results came in line with consensus and our estimates. Global ASP recovered to USD26,400 (up 0.8% q-q and 3.3% y-y), with net cash increasing by KRW1.75t q-q.
- We expect a clear earnings recovery in 2Q, driven by: 1) the US launches of the Telluride and Seltos, along with the start of Sportage Hybrid production; and 2) the European debut of the EV2.
- Among Hyundai Motor Group's three major companies, Kia is likely to lead the recovery in earnings momentum. It remains a top pick.

WHAT'S THE STORY?

1Q results in line with consensus: Although global auto demand declined 7.2% y-y, Kia's global retail sales volume increased 3.7% y-y.

- **Sales solid at KRW29.5t (up 5% q-q and 5.3% y-y):** Kia's ex-China global wholesale volume climbed 1% y-y to 761,000 units, the won weakened 1% y-y against the dollar and its global ASP stood at USD26,400 (up 3.3% y-y). Global ASP recovered from USD27,100 in 3Q25 to USD26,200 in 4Q25, then to USD26,400 in 1Q26.
- **Gross margin hits 19.7% (up 1.4%pts q-q but down 2%pts y-y):** US Tariffs (KRW750b) squeezed gross margin by 2.5%pts y-y. Forex effects boosted (KRW143b y-y) gross margin by 0.4%pts y-y.
- **Incentive spends rise but mix improves:** Incentive spends in Europe have increased (reducing operating profit by KRW215b y-y) to compete with Chinese EVs. By narrowing the price gap with Chinese EVs from 20% to within 15% and expanding EV lineup, Kia sought to gain European market share. Incentive spends in the US remained unchanged y-y (USD2,000-USD2,200 per vehicle). The US launch of the Telluride changed the sales mix for the better (boosting operating profit by KRW143b y-y).

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW230,000	49.9%
Current price	KRW153,400	
Market cap	KRW59.9t/USD40.4b	
Shares (float)	390,412,998 (60.4%)	
52-week high/low	KRW206,000/KRW87,100	
Avg daily trading value (60-day)	KRW236.0b/ USD159.0m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	-2.8	33.5	72.7
Vs Kospi (%pts)	-16.7	-18.7	-32.7

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	230,000	230,000	0.0%
2026E EPS	22,695	22,790	-0.4%
2027E EPS	24,065	24,439	-1.5%

SAMSUNG vs THE STREET

No of estimates	26
Target price	217,885
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	29,501.9	5.3	5.0	1.7	-0.2
Operating profit	2,205.1	-26.7	19.7	3.6	-4.1
Pre-tax profit	2,635.2	-18.8	24.8	1.4	0.3
Controlling profit	1,831.4	-23.5	24.2	-4.8	-5.1
Margins (%)					
Operating profit	7.5				
Pre-tax profit	8.9				
Controlling profit	6.2				

Source: Company data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	6.4	6.8	6.4
P/B	0.8	0.9	0.8
EV/EBITDA	2.4	2.7	2.1
Div yield (%)	5.6	4.6	4.9
EPS growth (% y-y)	-21.7	18.8	6.0
ROE (%)	12.9	13.8	13.3
Per-share data (KRW)			
EPS	19,111	22,695	24,065
BVPS	157,456	173,325	190,499
DPS	6,800	7,000	7,500

- **Warranty provisioning hits KRW1.2t (up KRW455b y-y):** Warranty provisioning increased by KRW270b as the won ended the quarter 5.5% weaker against the dollar; and by KRW50b y-y due to campaigns and other factors.
- **Kia's strong financials:** Kia ended the quarter with net cash of KRW21.3t (35.5% of market cap), up KRW1.75b from end-2025.

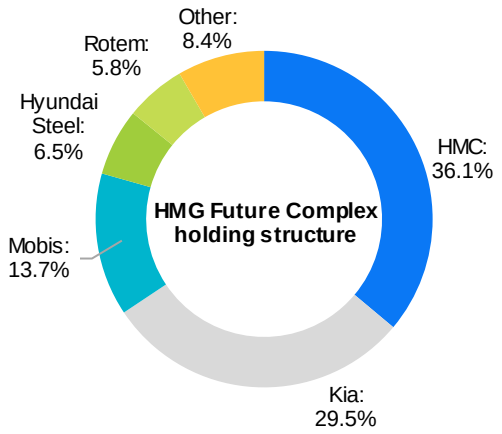
HMG discloses investment in AI R&D hub after market close: Hyundai Motor Group (HMG) announced a KRW8t investment over five years to establish an AI R&D hub, named the HMG Future Complex.

- **Bringing together AI, software, and robotics talents in one place:** The R&D hub will be located in Seoul, aiming to attract top-tier talent.
- **Funding:** Hyundai Motor (HMC) will contribute KRW2.88t (36.1% share), Kia KRW2.36t (29.5% share), and Hyundai Mobis KRW1.09t (13.7% share).

Clear earnings recovery ahead in 2Q: Kia is maintaining strong sales momentum in Korea, and seeing new-model effects in the US and Europe.

- **Korea—demand in recovery:** Korean auto demand bounced back 6.6% y-y in 1Q. Kia's sales volume increased 5.3% y-y to 142,000 units. Tesla's sales volume surged 335% y-y to 20,000 units, and Kia's EV sales also jumped 190% y-y to 34,000 units, supported by the full launch of its EV lineup.
- **US—new model effects starting to click:** The Telluride (February) and Seltos (April) both rolled out as ICE and HEV variants, and Sportage Hybrid production began at the Hyundai Motor Group Metaplant America in late April. We expect Kia's US wholesales to rise 15% q-q to 236,000 units in 2Q.
- **Europe—full EV lineup in place:** The EV2 launched in late March with a price under EUR30,000, following the launch of the PV5 (purpose-built vehicle) in late 2025. Now with five models in lineup—EV2, EV3, EV4, EV5, and PV5—Kia is well positioned to ride the wave of growing European EV demand.
- **Raw material cost pressure to be offset by weaker won:** Rising raw material prices would add approximately KRW50b to annual costs. Kia's operating profit is sensitive to KRW/USD movements, with each KRW10 fluctuation in the won against the dollar affecting profits by 3.5-4%. The current exchange rate is KRW100 above the KRW1,370/USD assumed in its business plan.
- **Impact of fire at engine valve supplier:** A fire at a supplier of engine valves resulted in a production loss of 20,000 units at Kia in April. Higher EV output partially offset the impact, resulting in a net production loss of 10,000 units. Production disruptions will cease in May, as components will be sourced from alternative suppliers.
- **2Q preview—above consensus:** We believe Kia's 2Q results will show sales of KRW32.1t (up 9% q-q and 9.5% y-y) and an operating profit of KRW2.95t (up 33.9% q-q and 6.8% y-y), for an operating margin of 9.2%. FnGuide consensus puts sales at KRW31.6t and operating profit at KRW2.75t, for an operating margin of 8.7%.

HMG Future Complex: Holdings structure



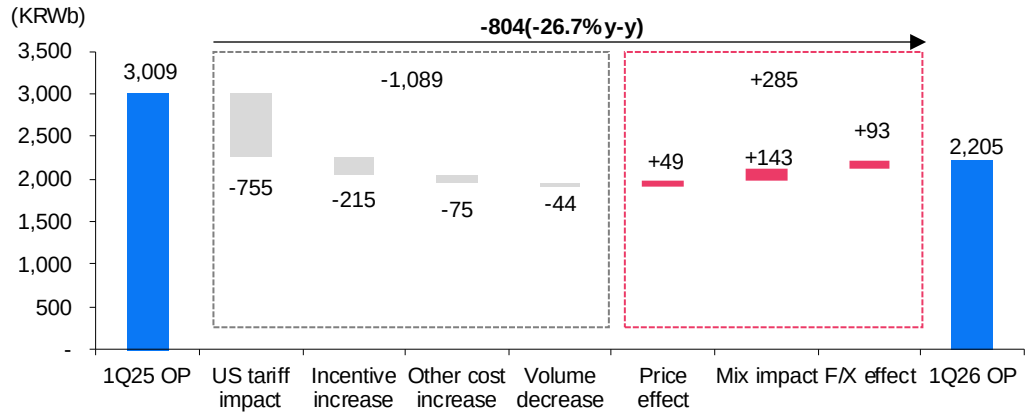
Source: Dart, Samsung Securities

Acquisition of shares in HMG Future Complex

	Shares acquired ('000 shares)	Acquisition amount (KRWb)	Ownership (%)	Equity (KRWb)	Equity as % of total
HMC	2,889	2,889	36.1	127,648	2.3
Kia	**2,363**	**2,363**	**29.5**	**61,190**	**3.9**
Hyundai Mobis	1,099	1,099	13.7	49,213	2.2
Hyundai Steel	516	516	6.5	19,840	2.6
Rotem	461	461	5.8	3,041	15.2
Other	674	674	8.4		
Total	**8,002**	**8,002**	**100**		
Planned incorporation date					May 2026
Payment schedule					May, 2026, Jun 2026, May 2027, Apr 2028, Apr 2029; Dec 2030 (installments over 5 years)
Expected completion date of acquisition					Dec 23, 2030

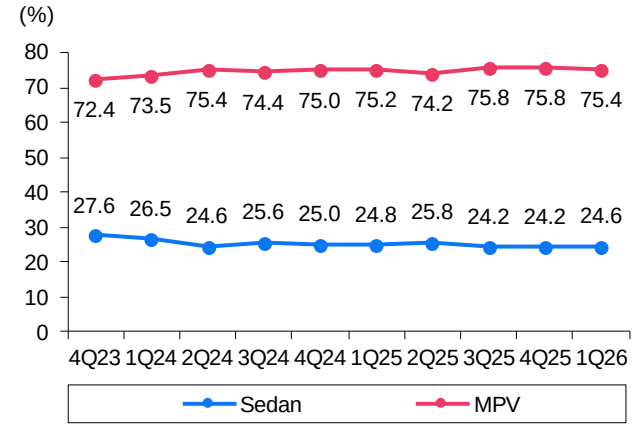
Source: Dart, Samsung Securities

Kia: Operating profit analysis



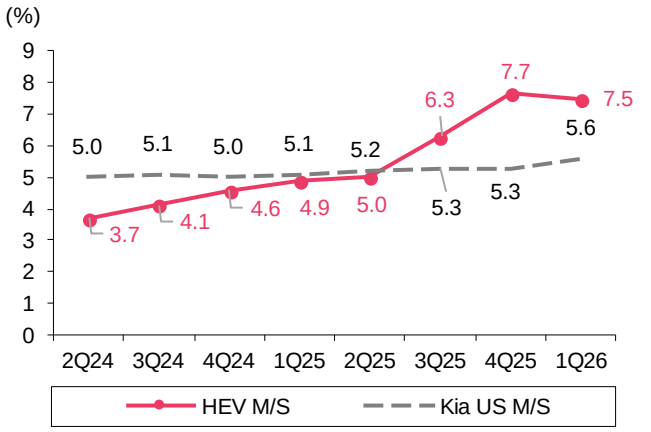
Source: Company data, Samsung Securities

Kia: Sedan + MPV sales volume as portion of total



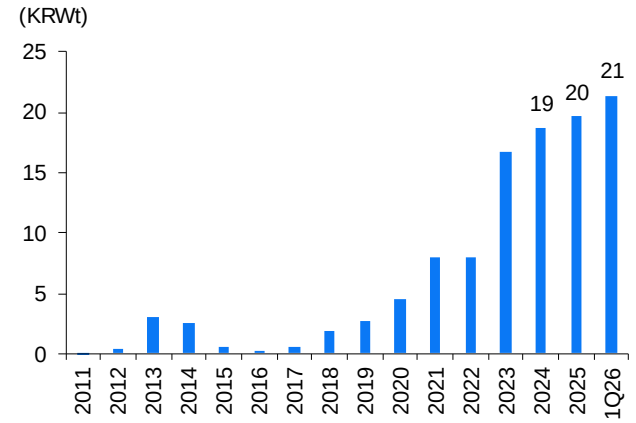
Source: Company data, Samsung Securities

Kia: Hybrid market share in US



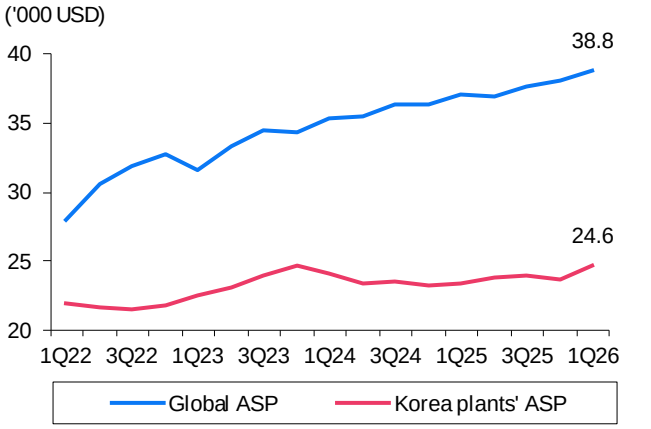
Source: Company data, Samsung Securities

Kia: Net cash



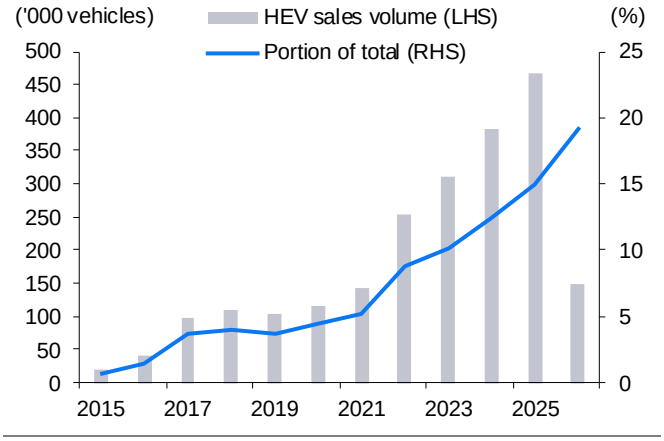
Source: Company data, Samsung Securities

Kia: ASP trends



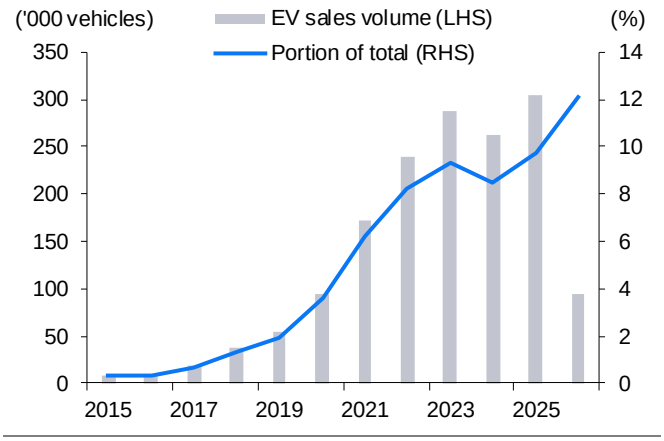
Note: Korea plant ASP includes domestics and exports
Source: Company data, Samsung Securities

Kia: Hybrid sales volume



Note: As of Mar 2026
Source: Company data, Samsung Securities

Kia: EV sales volume



Note: As of Mar 2026
Source: Company data, Samsung Securities

HMC/Kia: Sales volume, by powertrain

	HMC					Kia				
(Units)	1Q26	Portion (%)	1Q25	Portion (%)	Chg (% y-y)	1Q26	Portion (%)	1Q25	Portion (%)	Chg (% y-y)
EV	68,680	7.0	74,588	7.5	-7.9	93,597	12.1	71,113	9.2	31.6
BEV	59,879	6.1	64,091	6.4	-6.6	88,231	11.4	56,347	7.3	56.6
PHEV	8,801	0.9	10,497	1.0	-16.2	5,366	0.7	14,766	1.9	-63.7
HEV	175,196	18.0	137,075	13.7	27.8	148,537	19.2	109,893	14.2	35.2
Total	**975,213**	**100.0**	**1,001,150**	**100.0**	**-2.6**	**774,362**	**100.0**	**771,818**	**100.0**	**0.3**

Note: As portion of global wholesales
Source: Company data, Samsung Securities

HMC/Kia: Sales in Korea and US

	HMC					Kia				
('000 vehicles)	1Q26	4Q25	Chg (% q-q)	1Q25	Chg (% y-y)	1Q26	4Q25	Chg (% q-q)	1Q25	Chg (% y-y)
Korea	159	177	-10.4	166	-4.4	142	132	7.3	134	5.3
US	243	244	-0.3	243	0.3	202	209	-3.3	207	-2.0
Total	402	422	-4.6	409	-1.6	344	341	0.8	341	0.9
Global sales	**975**	**1,033**	**-5.6**	**1,001**	**-2.6**	**774**	**761**	**1.8**	**772**	**0.3**
Korea + US Portion (%)	41.3	40.8	0.4	40.9	0.4	44.4	44.8	-0.4	44.2	0.2

Note: Based on wholesales
Source: Company data, Samsung Securities

Kia: Global sales volume and forecasts

('000 vehicles)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
Global plant sales	776	808	758	742	778	841	837	834	3,044	3,083	3,290	3,440
Domestic	394	417	397	379	401	412	397	400	1,547	1,587	1,610	1,620
Overseas	382	391	360	363	377	429	440	434	1,496	1,496	1,680	1,820
US (KMMG)	88	91	88	84	89	105	114	101	352	352	410	460
Europe (KMS)	89	86	64	56	73	98	90	98	351	295	360	380
China (DYK)	57	67	63	67	49	60	68	73	248	254	250	250
Mexico (KMM)	68	74	73	74	75	78	81	76	274	288	310	350
India (KMI)	81	73	72	82	90	87	87	86	270	307	350	380
Global retail sales	772	814	784	760	780	846	827	848	3,083	3,129	3,290	3,400
Global ASP (KRWm)	37.2	37.0	37.6	38.1	38.8	38.9	39.1	39.7	35.8	37.5	39.2	39.3

Source: Company data, Samsung Securities estimates

Kia: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,450	1,430	1,420	1,365	1,423	1,442	1,390
Revenue	28,018	29,350	28,686	28,088	29,502	32,149	31,510	32,804	107,449	114,141	125,965	130,328
Gross profit	6,081	5,875	5,409	5,143	5,804	6,254	5,785	6,162	24,771	22,508	24,005	24,410
Operating profit	3,009	2,765	1,462	1,843	2,205	2,954	2,518	2,761	12,667	9,078	10,438	10,958
Pre-tax profit	3,243	3,000	1,887	2,111	2,635	3,191	3,168	3,141	13,500	10,241	12,135	12,696
Net profit	2,393	2,268	1,422	1,471	1,830	2,362	2,344	2,325	9,775	7,554	8,860	9,395
Controlling profit	2,393	2,269	1,425	1,474	1,831	2,362	2,344	2,325	9,773	7,561	8,860	9,395
Margins (%)												
Gross profit	21.7	20.0	18.9	18.3	19.7	19.5	18.4	18.8	23.1	19.7	19.1	18.7
Operating profit	10.7	9.4	5.1	6.6	7.5	9.2	8.0	8.4	11.8	8.0	8.3	8.4
Net profit	8.5	7.7	5.0	5.2	6.2	7.3	7.4	7.1	9.1	6.6	7.0	7.2
Controlling profit	8.5	7.7	5.0	5.2	6.2	7.3	7.4	7.1	9.1	6.6	7.0	7.2

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**107,449**	**114,141**	**125,965**	**130,328**	**135,568**
Cost of goods sold	82,678	91,633	101,960	105,917	109,779
Gross profit	**24,771**	**22,508**	**24,005**	**24,410**	**25,789**
Gross margin (%)	23.1	19.7	19.1	18.7	19.0
SG&A expenses	12,104	13,430	13,566	13,452	14,279
Operating profit	**12,667**	**9,078**	**10,438**	**10,958**	**11,511**
Operating margin (%)	11.8	8.0	8.3	8.4	8.5
Non-operating gains (losses)	**833**	**1,163**	**1,697**	**1,738**	**1,825**
Financial profit	1,351	1,300	1,046	1,287	1,595
Financial costs	610	578	51	38	38
Equity-method gains (losses)	395	415	927	968	1,017
Other	-304	26	-225	-479	-748
Pre-tax profit	**13,500**	**10,241**	**12,135**	**12,696**	**13,336**
Taxes	3,725	2,687	3,275	3,301	3,334
Effective tax rate (%)	27.6	26.2	27.0	26.0	25.0
Profit from continuing operations	9,775	7,554	8,860	9,395	10,002
Profit from discontinued operations	0	0	0	0	0
Net profit	**9,775**	**7,554**	**8,860**	**9,395**	**10,002**
Net margin (%)	9.1	6.6	7.0	7.2	7.4
Net profit (controlling interests)	9,773	7,561	8,860	9,395	10,002
Net profit (non-controlling interests)	2	-7	0	0	0
EBITDA	15,216	11,792	13,065	13,435	13,857
EBITDA margin (%)	14.2	10.3	10.4	10.3	10.2
EPS (parent-based) (KRW)	24,413	19,111	22,695	24,065	25,619
EPS (consolidated) (KRW)	24,418	19,094	22,695	24,065	25,619
Adjusted EPS (KRW)*	24,413	19,111	22,695	24,065	25,619

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**41,797**	**44,426**	**50,879**	**58,827**	**67,117**
Cash & equivalents	13,567	13,998	17,333	24,130	31,038
Accounts receivable	3,561	3,552	3,920	4,056	4,219
Inventories	12,419	14,666	16,185	16,746	17,419
Other current assets	12,251	12,210	13,441	13,896	14,441
Fixed assets	**50,958**	**54,553**	**56,759**	**56,828**	**57,237**
Investment assets	27,223	28,149	30,982	32,027	33,283
Tangible assets	17,928	19,934	19,875	19,398	18,992
Intangible assets	4,094	4,806	4,238	3,738	3,298
Other long-term assets	1,713	1,664	1,664	1,664	1,664
Total assets	**92,756**	**98,979**	**107,638**	**115,655**	**124,354**
Current liabilities	**26,977**	**28,378**	**30,023**	**31,056**	**32,296**
Accounts payable	10,455	10,662	11,767	12,174	12,664
Short-term debt	221	211	211	211	211
Other current liabilities	16,302	17,505	18,045	18,670	19,421
Long-term liabilities	**9,938**	**9,410**	**10,249**	**10,558**	**10,930**
Bonds & long-term debt	2,176	979	979	979	979
Other long-term liabilities	7,763	8,431	9,270	9,579	9,951
Total liabilities	**36,916**	**37,789**	**40,272**	**41,614**	**43,226**
Owners of parent equity	**55,831**	**61,188**	**67,364**	**74,039**	**81,126**
Capital stock	2,139	2,139	2,139	2,139	2,139
Capital surplus	1,760	1,771	1,771	1,771	1,771
Retained earnings	50,241	54,520	60,737	67,412	74,499
Other	1,691	2,758	2,716	2,716	2,716
Non-controlling interests' equity	**9**	**3**	**3**	**3**	**3**
Total equity	**55,840**	**61,190**	**67,367**	**74,041**	**81,128**
Net debt	-15,303	-19,162	-24,463	-31,560	-38,828

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**12,564**	**9,054**	**11,891**	**11,395**	**11,921**
Net profit	9,775	7,554	8,860	9,395	10,002
Non-cash profit and expenses	9,666	8,455	3,787	3,367	2,914
Depreciation	2,010	2,070	2,060	1,977	1,906
Amortization	540	644	567	500	440
Other	7,116	5,741	1,160	890	567
Changes in A/L from operating activities	-4,287	-4,328	1,331	491	590
Cash flow from investments	**-10,153**	**-4,960**	**-3,038**	**-1,883**	**-1,960**
Change in tangible assets	-3,424	-3,593	-2,000	-1,500	-1,500
Change in financial assets	-4,788	-1,940	-1,038	-383	-460
Other	-1,941	573	0	-0	-0
Cash flow from financing	**-3,570**	**-4,175**	**-3,789**	**-2,718**	**-2,912**
Change in debt	-525	-887	-1,146	3	3
Change in equity	2	11	0	0	0
Dividends	-2,194	-2,559	-2,642	-2,721	-2,915
Other	-853	-740	0	0	0
Change in cash	-787	432	3,335	6,797	6,907
Cash at beginning of year	14,353	13,567	13,998	17,333	24,130
Cash at end of year	13,567	13,998	17,333	24,130	31,038
Gross cash flow	**19,441**	**16,009**	**12,647**	**12,762**	**12,915**
Free cash flow	**9,079**	**5,290**	**9,891**	**9,895**	**10,421**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	7.7	6.2	10.4	3.5	4.0
Operating profit	9.1	-28.3	15.0	5.0	5.0
Net profit	11.4	-22.7	17.3	6.0	6.5
Adjusted EPS**	12.1	-21.7	18.8	6.0	6.5
Per-share data (KRW)					
EPS (parent-based)	24,413	19,111	22,695	24,065	25,619
EPS (consolidated)	24,418	19,094	22,695	24,065	25,619
Adjusted EPS**	24,413	19,111	22,695	24,065	25,619
BVPS	141,812	157,456	173,325	190,499	208,734
DPS (common)	6,500	6,800	7,000	7,500	7,500
Valuations (x)					
P/E***	4.1	6.4	6.8	6.4	6.0
P/B***	0.7	0.8	0.9	0.8	0.7
EV/EBITDA	1.6	2.4	2.7	2.1	1.5
Ratios (%)					
ROE	19.1	12.9	13.8	13.3	12.9
ROA	11.3	7.9	8.6	8.4	8.3
ROIC	45.2	27.3	28.9	31.7	34.9
Payout ratio	26.2	34.9	30.7	31.0	29.1
Dividend yield (common)	6.5	5.6	4.6	4.9	4.9
Net debt to equity	-27.4	-31.3	-36.3	-42.6	-47.9
Interest coverage (x)	124.8	120.8	203.7	289.9	304.0

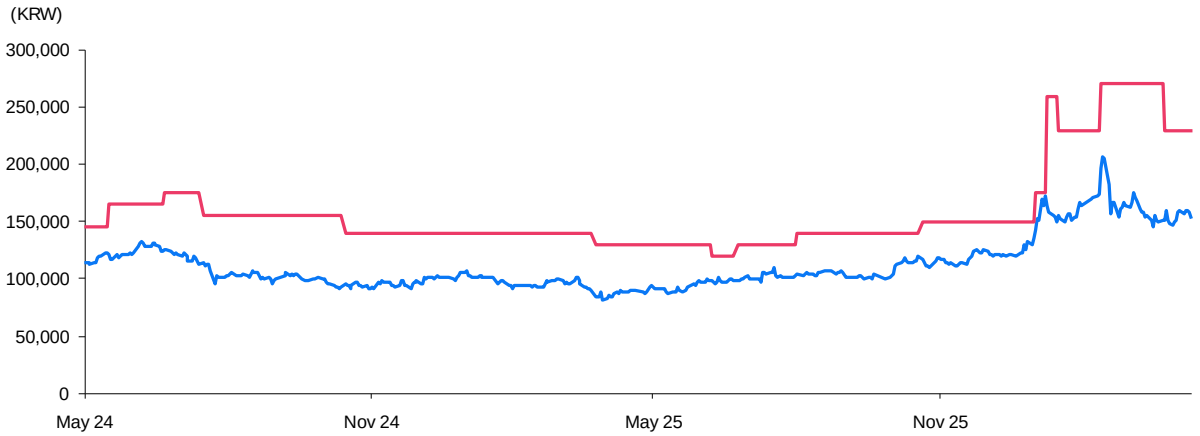
Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 4/24 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 4/24 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	2024/2/5	5/29	7/4	7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	145000	165000	175000	155000	140000	130000	120000	130000	140000	150000	175000	260000
Gap* (average)	-19.81	-24.20	-31.41	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63
(max or min)**	-11.38	-19.82	-27.83	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85

Date	1/29	2/25	4/7
Recommendation	BUY	BUY	BUY
Target price (KRW)	230000	270000	230000
Gap* (average)	-30.12	-39.27	
(max or min)**	-24.35	-23.70	

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 2026.03.31

BUY(85.2%)·HOLD(14.8%)·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