COMPANY UPDATE

2026. 5. 13

Scan to go to
Research Center report database

EV/Mobility Team

Hyunryul Cho
Senior Analyst
hyunryul.cho@samsung.com

Wonyoung Kim
Research Associate
wonyoung10.kim@samsung.com

S-Oil (010950)

1Q review; crude sourcing stabilizes with parent support

- S-Oil reported a 1Q operating profit of KRW1.23t (up 231% q-q), edging consensus by 3% and our forecast by 4%. Profits increased on favorable inventory effects and margin expansion amid conflict in the Middle East.
- With strong support from its parent company, crude oil imports for May-June have returned to pre-war levels. Tight supply of refined products is likely to continue even after the war ends. We maintain our target price and BUY recommendation.

WHAT'S THE STORY?

View—Positive momentum to emerge once war ends: Following the war in the Middle East, investors were concerned about S-Oil's heavy reliance on raw materials from the region. However, with strong support from its parent company, crude oil imports for May-June have returned to pre-war levels. Raw material procurement risk is likely to remain limited in 3Q onwards. Additionally, tight supply of refined products is likely to continue even after the war ends—due to damaged infrastructure in the Middle East and low global inventory levels. This means the refining business could see clear positive momentum after the war ends. We maintain our target price and BUY recommendation.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW150,000	31.2%
Current price	**KRW114,300**	
Market cap	KRW12.9t/USD8.7b	
Shares (float)	112,582,792 (36.6%)	
52-week high/low	KRW141,300/KRW50,600	
Avg daily trading value (60-day)	KRW120.9b/ USD81.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
S-Oil (%)	-5.3	30.6	118.1
Vs Kospi (%pts)	-27.4	-29.1	-25.6

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	150,000	150,000	0.0%
2026E EPS	14,965	14,965	0.0%
2027E EPS	7,924	7,924	0.0%

SAMSUNG vs THE STREET

No of estimates	9
Target price	146,556
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	8,942.7	-0.5	1.7	0.0	-12.9
Operating profit	1,231.1	nm	231.0	0.0	3.4
Pre-tax profit	991.4	nm	273.6	0.0	-7.2
Net profit	721.0	nm	220.3	0.0	-11.9
Margins (%)					
Operating profit	13.8				
Pre-tax profit	11.1				
Net profit	8.1				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	54.7	7.6	14.4
P/B	1.1	1.3	1.2
EV/EBITDA	15.0	5.1	6.4
Div yield (%)	0.4	2.2	1.5
EPS growth (% y-y)	nm	886.2	-47.1
ROE (%)	2.0	17.9	8.5
Per-share data (KRW)			
EPS	1,518	14,965	7,924
BVPS	76,339	90,774	96,510
DPS	330	2,500	1,700

1Q review—Results in line with consensus: S-Oil reported a 1Q operating profit of KRW1.23t (up 231% q-q), in line with FnGuide consensus (KRW1.19t) and our forecast (KRW1.18t). While the refining and petrochemical units met our expectation, the lube base oil unit beat.

- **Refining unit:** S-Oil's refining unit saw an operating profit of KRW1.04t in 1Q (up 465% q-q). As Dubai oil prices surged from an average of USD63.3b/bbl in November-December to USD97.9/bbl in February-March, the refining unit recorded an inventory valuation gain of KRW530b (up KRW617.7b q-q from a KRW87.7b loss in 4Q25). The oil price rise also created a positive lag effect (up from -USD2.6/bbl in 4Q25 to USD22.5/bbl) and lifted spot refining margins (up from USD17.1/bbl in 4Q25 to USD23.3/bbl). These margin gains, though, were partially offset by losses from Korea's fuel price cap and scheduled maintenance on select production lines, which began in March.
- **Petrochemical unit:** The petrochemical unit turned to an operating profit of KRW25.5b (up by KRW39.8b q-q), buoyed by: 1) q-q improvements in spreads on PO (up 8% q-q from USD520/bbl to USD561/bbl), benzene (up 16% q-q from USD103/bbl to USD120/bbl) and PX (up 8% q-q from USD245/bbl to USD263/bbl); and 2) a surge in inventory valuation gains.
- **Lube base oil unit:** Operating profit at the lube base oil unit fell 18% q-q to KRW166.6b. Short-term profitability erosion from rising oil prices was unavoidable, given an inherent time lag (approximately 3 months) between raw material price changes and product price adjustments. The lube base oil-VGO spread narrowed to USD49.6/bbl (down USD5.6 q-q).

2Q preview—To beat consensus again: We now forecast S-Oil to post a 2Q operating profit of KRW923.2b (down 25% q-q), beating FnGuide consensus of KRW780.5b by 18%. Specifically, we expect the refining unit to post an operating profit of KRW727.7b (down 30% q-q), the petrochemical unit to post a loss of KRW11.9b (worsened by KRW37.4b q-q), and the lube base oil unit to report an operating profit of KRW207.4b (up 25% q-q). At the refining unit, while inventory valuation gains should narrow significantly q-q from KRW530b to KRW80.7b and the lag effect should turn negative (down from USD22.5 to -USD20.1), a sharp surge in the spot refining margin (from USD23.3 to USD59.3) should offset these headwinds, sustaining robust earnings. The petrochemical unit is expected to turn to a loss as positive inventory effects dissipate. The lube base oil unit should see profit improvement driven by tight supply, as global refiners concentrate on kerosene and diesel production.

S-Oil: Quarterly results

(KRWb)	1Q26	4Q25	1Q25	Consensus	Samsung	Diff (%)			
						(% q-q)	(% y-y)	Consensus	Samsung
Sales	8,943	8,793	8,991	10,263	10,152	1.7	-0.5	-12.9	-11.9
Operating income	1,231	372	-22	1,191	1,184	231.0	Turned pos	3.4	4.0
Pre-tax income	991	265	-67	1,068	929	273.6	Turned pos	-7.2	6.7
Net income	721	225	-45	819	676	220.3	Turned pos	-11.9	6.7
Attributable to parent	721	225	-45	900	676	220.3	Turned pos	-19.9	6.7
Margins (%)									
Operating income	13.8	4.2	-0.2	11.6	11.7				
Pre-tax income	11.1	3.0	-0.7	10.4	9.1				
Net income	8.1	2.6	-0.5	8.0	6.7				
Attributable to parent	8.1	2.6	-0.5	8.8	6.7				

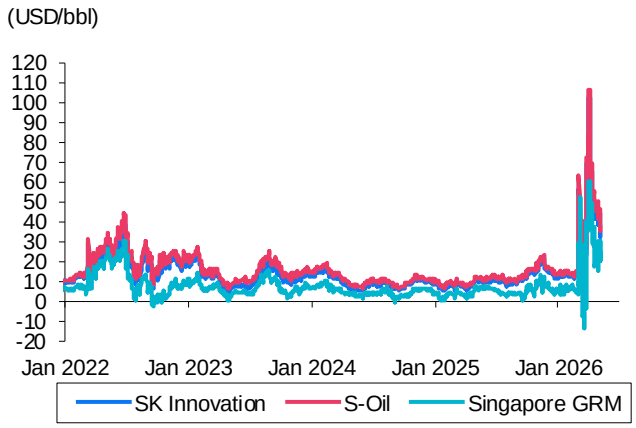
Source: Company data, FnGuide, Samsung Securities estimates

S-Oil: Quarterly results, by division

(KRWb)	1Q26	4Q25	1Q25	Chg (% q-q)	Chg (% y-y)
Sales	**8,943**	**8,793**	**8,991**	**1.7**	**-0.5**
Refining	7,101	6,979	7,072	1.7	0.4
Petrochemical	1,104	1,056	1,128	4.6	-2.1
Lube base oil	737	757	791	-2.7	-6.8
Operating income	**1,231**	**372**	**-22**	**231.0**	**Turned pos**
Refining	1,039	184	-57	465.2	Turned pos
Petrochemical	26	-14	-75	Turned pos	Turned pos
Lube base oil	167	202	110	-17.7	51.8
Pre-tax income	991	265	-67	273.6	Turned pos
Net income	**721**	**225**	**-45**	**220.3**	**Turned pos**
Margins (%)					
Operating income	13.8	4.2	-0.2		
Refining	14.6	2.6	-0.8		
Petrochemical	2.3	-1.4	-6.6		
Lube base oil	22.6	26.7	13.9		
Pre-tax income	11.1	3.0	-0.7		
Net income	8.1	2.6	-0.5		

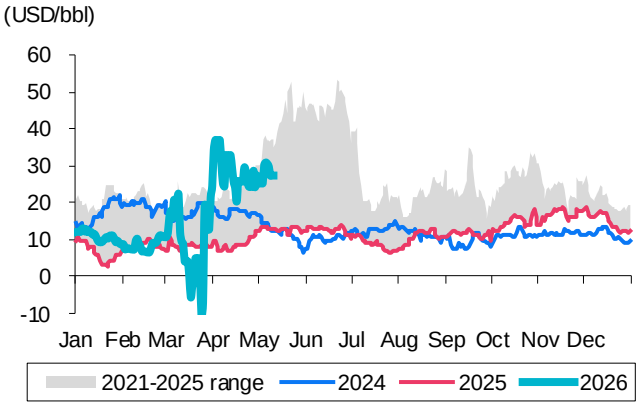
Source: Company data, Samsung Securities

Mixed margin at Korean refiners vs Singapore GRM



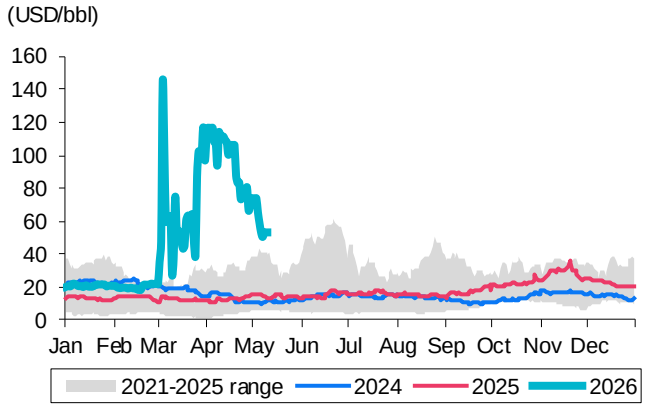
Source: Company data, DataStream, Samsung Securities

Gasoline: Spot refining margin vs Dubai oil



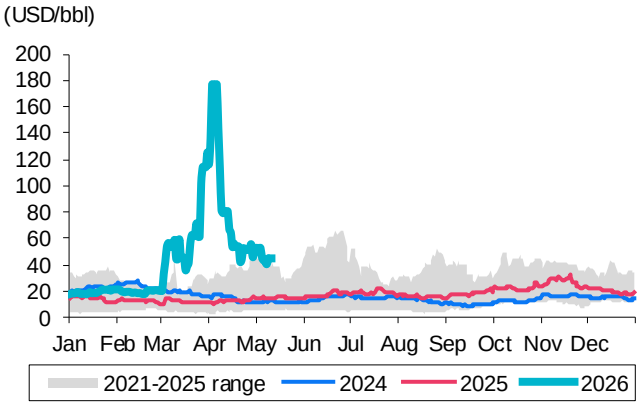
Source: Petronet, Samsung Securities

Kerosene: Spot refining margin vs Dubai oil



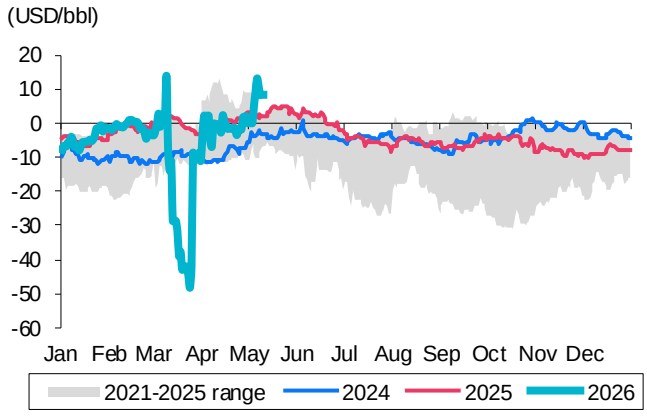
Source: Petronet, Samsung Securities

Diesel: Spot refining margin vs Dubai oil



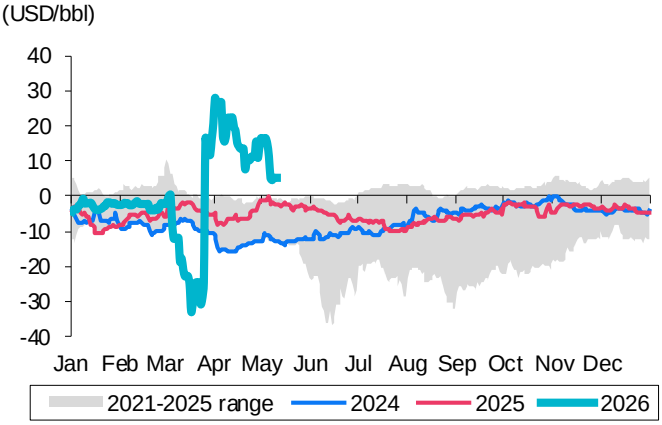
Source: Petronet, Samsung Securities

Bunker-C: Spot refining margin vs Dubai oil



Source: Petronet, Samsung Securities

Naphtha: Spot refining margin vs Dubai oil



Source: Petronet, Samsung Securities

S-Oil: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (average)	1,453	1,401	1,387	1,452	1,467	1,420	1,380	1,335	1,365	1,423	1,401	1,335
Sales	**8,991**	**8,049**	**8,415**	**8,793**	**8,943**	**11,388**	**9,244**	**8,241**	**36,637**	**34,247**	**37,816**	**34,153**
Growth (% q-q)	0.8	-10.5	4.6	4.5	1.7	27.3	-18.8	-10.8				
Growth (% y-y)	-3.4	-15.9	-4.8	-1.4	-0.5	41.5	9.9	-6.3	2.5	-6.5	10.4	-9.7
Refining	7,072	6,260	6,694	6,979	7,101	9,339	7,179	6,265	28,805	27,005	29,884	22,736
Petrochemical	1,128	1,034	1,016	1,056	1,104	1,181	1,205	1,160	4,703	4,234	4,650	8,128
Lube base oil	791	755	705	757	737	869	861	816	3,130	3,007	3,282	3,289
Operating income	**-22**	**-344**	**229**	**372**	**1,231**	**923**	**203**	**200**	**422**	**236**	**2,557**	**1,534**
Growth (% q-q)	Turned neg	Remained neg	Turned pos	62.3	231.0	-25.0	-78.0	-1.4				
Growth (% y-y)	Turned neg	Turned neg	Turned pos	67.3	Turned pos	To turn pos	-11.6	-46.3	-68.8	-44.2	985.1	-40.0
Refining	-57	-441	115	184	1,039	728	22	44	-273	-199	1,833	876
Growth (% q-q)	Turned neg	Remained neg	Turned pos	59.2	465.2	-30.0	-97.0	100.2				
Growth (% y-y)	Turned neg	Remained neg	Turned pos	26.8	Turned pos	To turn pos	-80.9	-76.0	Turned neg	Remained neg	To turn pos	-52.2
Petrochemical	-75	-35	-20	-14	26	-12	-17	-27	127	-143	-30	26
Growth (% q-q)	Remained neg	Remained neg	Remained neg	Remained neg	Turned pos	To turn neg	To remain neg	To remain neg				
Growth (% y-y)	Turned neg	Turned neg	Turned neg	Remained neg	Turned pos	To remain neg	To remain neg	To remain neg	-33.2	Turned neg	To remain neg	To turn pos
Lube base oil	110	132	134	202	167	207	198	183	568	578	754	631
Growth (% q-q)	-2.9	20.1	1.4	51.5	-17.7	24.5	-4.7	-7.6				
Growth (% y-y)	-29.5	-9.6	-13.1	79.1	51.8	57.3	47.9	-9.8	-29.9	1.6	30.6	-16.3
Pre-tax income	-67	-106	81	265	991	1,055	180	173	-333	173	2,399	1,270
Growth (% q-q)	Remained neg	Remained neg	Turned pos	225.7	472.3	6.4	-82.9	-3.9				
Growth (% y-y)	Turned neg	Remained neg	Turned pos	Turned pos	Turned pos	To turn pos	121.0	-34.8	Turned neg	-23.8	To turn pos	28.2
Net income	**-45**	**-67**	**63**	**225**	**721**	**767**	**131**	**126**	**-193**	**177**	**1,745**	**924**
Growth (% q-q)	Remained neg	Remained neg	Turned pos	256.1	307.5	6.4	-82.9	-3.9				
Growth (% y-y)	Turned neg	Remained neg	Turned pos	Turned pos	Turned pos	To turn pos	107.2	-44.1	Turned neg	6.5	To turn pos	28.2
Attributable to parent	-45	-67	63	225	721	767	131	126	-193	177	1,745	924
Margins (%)												
Operating income	-0.2	-4.3	2.7	4.2	13.8	8.1	2.2	2.4	1.2	0.7	6.8	4.5
Refining	-0.8	-7.0	1.7	2.6	14.6	7.8	0.3	0.7	-0.9	-0.7	6.1	3.9
Petrochemical	-6.6	-3.4	-2.0	-1.4	2.3	-1.0	-1.4	-2.3	2.7	-3.4	-0.6	0.3
Lube base oil	13.9	17.5	19.0	26.7	22.6	23.9	22.9	22.4	18.2	19.2	23.0	19.2
Pre-tax income	-0.7	-1.3	1.0	3.0	11.1	9.3	1.9	2.1	-0.9	0.5	6.3	3.7
Net income	-0.5	-0.8	0.8	2.6	8.1	6.7	1.4	1.5	-0.5	0.5	4.6	2.7

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**36,637**	**34,247**	**37,816**	**34,153**	**33,984**
Cost of goods sold	35,411	33,204	34,373	31,816	31,550
Gross profit	**1,226**	**1,043**	**3,443**	**2,337**	**2,435**
Gross margin (%)	3.3	3.0	9.1	6.8	7.2
SG&A expenses	804	808	886	803	798
Operating profit	**422**	**236**	**2,557**	**1,534**	**1,637**
Operating margin (%)	1.2	0.7	6.8	4.5	4.8
Non-operating gains (losses)	**-755**	**-62**	**-157**	**-263**	**-325**
Financial profit	389	483	220	27	-155
Financial costs	833	678	426	416	392
Equity-method gains (losses)	6	4	4	4	4
Other	-317	128	46	122	218
Pre-tax profit	**-333**	**173**	**2,399**	**1,270**	**1,312**
Taxes	-139	-4	654	347	358
Effective tax rate (%)	41.9	-2.2	27.3	27.3	27.3
Profit from continuing operations	-193	177	1,745	924	954
Profit from discontinued operations	0	0	0	0	0
Net profit	**-193**	**177**	**1,745**	**924**	**954**
Net margin (%)	-0.5	0.5	4.6	2.7	2.8
Net profit (controlling interests)	-193	177	1,745	924	954
Net profit (non-controlling interests)	0	0	0	0	0
EBITDA	1,174	1,043	3,400	2,576	2,729
EBITDA margin (%)	3.2	3.0	9.0	7.5	8.0
EPS (parent-based) (KRW)	-1,656	1,518	14,965	7,924	8,182
EPS (consolidated) (KRW)	-1,656	1,518	14,965	7,924	8,182
Adjusted EPS (KRW)*	-1,656	1,518	14,965	7,924	8,182

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**10,048**	**8,616**	**12,678**	**12,492**	**13,477**
Cash & equivalents	1,946	1,835	5,371	6,076	7,242
Accounts receivable	2,171	2,005	2,034	1,654	1,497
Inventories	4,493	4,164	4,598	4,153	4,133
Other current assets	1,438	611	675	610	607
Fixed assets	**14,403**	**17,941**	**18,257**	**18,055**	**17,778**
Investment assets	203	188	197	187	187
Tangible assets	13,582	16,990	17,310	17,129	16,862
Intangible assets	149	150	136	124	115
Other long-term assets	470	614	614	614	614
Total assets	**24,451**	**26,557**	**30,935**	**30,547**	**31,255**
Current liabilities	**11,657**	**12,211**	**12,892**	**11,853**	**11,806**
Accounts payable	4,982	6,982	7,709	6,962	6,928
Short-term debt	3,355	2,173	2,173	2,173	2,173
Other current liabilities	3,320	3,056	3,009	2,718	2,705
Long-term liabilities	**4,099**	**5,459**	**7,475**	**7,458**	**7,457**
Bonds & long-term debt	3,791	5,032	7,032	7,032	7,032
Other long-term liabilities	308	427	443	427	426
Total liabilities	**15,756**	**17,670**	**20,367**	**19,312**	**19,263**
Owners of parent equity	**8,696**	**8,887**	**10,568**	**11,236**	**11,992**
Capital stock	292	292	292	292	292
Capital surplus	1,332	1,332	1,332	1,332	1,332
Retained earnings	7,030	7,222	8,870	9,538	10,294
Other	42	43	75	75	75
Non-controlling interests' equity	**0**	**0**	**0**	**0**	**0**
Total equity	**8,696**	**8,887**	**10,568**	**11,236**	**11,992**
Net debt	6,001	6,065	4,208	3,492	2,326

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**1,468**	**3,942**	**3,082**	**1,714**	**1,946**
Net profit	-193	177	1,745	924	954
Non-cash profit and expenses	1,328	1,054	1,490	1,282	1,208
Depreciation	741	791	830	1,031	1,082
Amortization	11	16	14	12	10
Other	576	247	647	239	116
Changes in A/L from operating activities	829	3,091	492	-154	132
Cash flow from investments	**-3,027**	**-3,783**	**-1,164**	**-746**	**-586**
Change in tangible assets	-3,038	-3,906	-1,150	-850	-815
Change in financial assets	-57	35	-9	9	0
Other	68	88	-5	95	229
Cash flow from financing	**1,539**	**-270**	**1,586**	**-270**	**-199**
Change in debt	2,167	-68	1,683	-14	-1
Change in equity	0	0	0	0	0
Dividends	-189	-0	-97	-256	-198
Other	-439	-202	0	0	0
Change in cash	-17	-111	3,536	706	1,165
Cash at beginning of year	1,963	1,946	1,835	5,371	6,076
Cash at end of year	1,946	1,835	5,371	6,076	7,242
Gross cash flow	**1,135**	**1,231**	**3,235**	**2,206**	**2,162**
Free cash flow	**-1,574**	**36**	**1,932**	**864**	**1,131**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	2.5	-6.5	10.4	-9.7	-0.5
Operating profit	-68.8	-44.2	985.1	-40.0	6.7
Net profit	nm	nm	886.2	-47.1	3.3
Adjusted EPS**	nm	nm	886.2	-47.1	3.3
Per-share data (KRW)					
EPS (parent-based)	-1,656	1,518	14,965	7,924	8,182
EPS (consolidated)	-1,656	1,518	14,965	7,924	8,182
Adjusted EPS**	-1,656	1,518	14,965	7,924	8,182
BVPS	74,692	76,339	90,774	96,510	103,004
DPS (common)	125	330	2,500	1,700	1,700
Valuations (x)					
P/E***	n/a	54.7	7.6	14.4	14.0
P/B***	0.7	1.1	1.3	1.2	1.1
EV/EBITDA	10.5	15.0	5.1	6.4	5.7
Ratios (%)					
ROE	-2.2	2.0	17.9	8.5	8.2
ROA	-0.8	0.7	6.1	3.0	3.1
ROIC	1.8	1.6	12.6	7.6	8.3
Payout ratio	-7.3	21.0	16.1	20.7	20.1
Dividend yield (common)	0.2	0.4	2.2	1.5	1.5
Net debt to equity	69.0	68.2	39.8	31.1	19.4
Interest coverage (x)	1.5	0.9	n/a	n/a	n/a

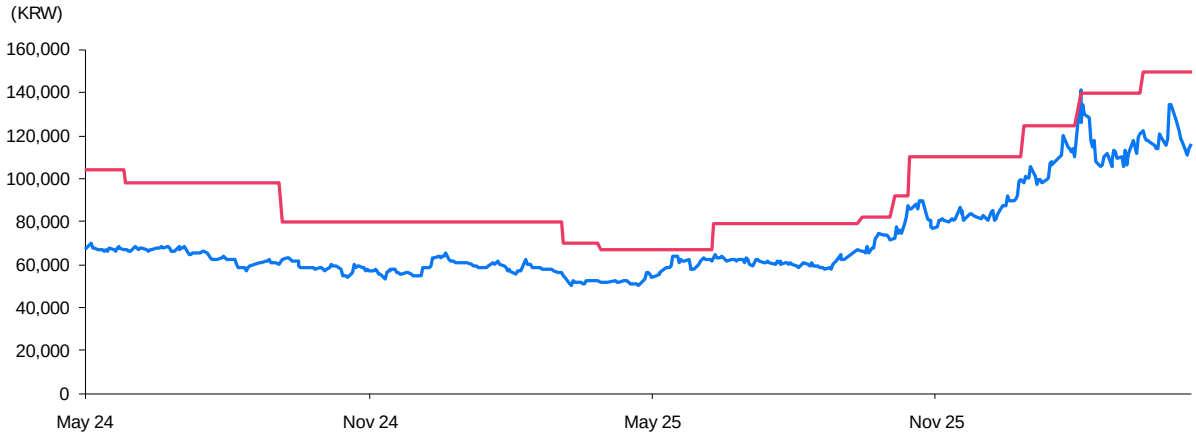
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 5/12 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 5/12 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	2024/4/4	6/25	10/4	2025/4/3	4/28	7/9	10/13	11/3	11/13	2026/1/26	3/3	4/13
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	104000	98000	80000	70000	67000	79000	82000	92000	110000	125000	140000	150000
Gap* (average)	-31.26	-34.27	-26.70	-25.77	-15.35	-22.55	-13.94	-14.35	-23.17	-15.34	-18.24	
(max or min)**	-19.71	-29.80	-18.38	-22.29	-4.93	-15.44	-8.66	-4.89	-9.55	-4.00	-24.79	

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