COMPANY UPDATE

2026. 5. 18

Innovation Team

Donghee Jeong
Analyst
donghee1009.jeong@samsung.com

Scan to go to
Research Center report database

Daewoong Pharmaceutical

(069620)

Catalysts ahead, but time needed

- **1Q26 review:** Daewoong Pharmaceutical reported consensus-missing 1Q results hit by domestic distribution restructuring and concentrated SG&A expenses.
- **Maintaining BUY; cutting target price to KRW210,000:** Although we lower our full-year earnings forecasts, the path to margin improvement remains intact, driven by OTC growth and rising thynC bed utilization rates.

AT A GLANCE

BUY

Target price	KRW210,000	47.8%
Current price	**KRW142,000**	
Market cap	KRW1.6t/USD1.1b	
Shares (float)	11,586,575 (38.0%)	
52-week high/low	KRW194,000/KRW129,300	
Avg daily trading value (60-day)	KRW5.3b/ USD3.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
DAEWOONGPHARMACEUTICAL (%)	-8.4	-18.3	-0.6
Vs Kospi (%pts)	-25.6	-56.3	-65.2

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	210,000	250,000	-16.0%
2026E EPS	12,222	13,388	-8.7%
2027E EPS	16,663	15,555	7.1%

SAMSUNG vs THE STREET

No of estimates	7
Target price	210,000
Recommendation	4.0

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

WHAT'S THE STORY?

1Q review: Daewoong Pharmaceutical reported a 1Q consolidated sales of KRW377.8b (up 6.0% y-y but down 4.9% q-q) and operating profit of KRW22.2b (down 42.6% y-y and 48.8% q-q), the latter missing consensus. This was primarily due to: 1) lower sales of key new drugs following restructuring of the distribution network; 2) quality concerns related to impurities in the active ingredient of Olmetec (olmesartan; a hypertension treatment); and 3) concentrated SG&A expenses in 1H. Sales at the prescription division totaled KRW216.1b (down 1.4% y-y and 5.8% q-q), weighed on by weaker performance of Fexuclue (KRW19.2b; down 29% y-y) and Olmetec (KRW4.7b; down 42.1% y-y). However, growth in digital healthcare—including thynC—offset some of the decline, reaching KRW17b (up 52.4% y-y). Nabota generated KRW51.9b (up 13.8% y-y but down 10.3% q-q), with exports contributing KRW42.4b (up 13.6% y-y but down 11.5% q-q), reflecting continued geographic expansion. Sales at the OTC division rose to KRW43.8b (up 32.8% y-y but down 1.6% q-q), driven by strong growth in Ursa and health supplements. The distribution restructuring should gradually normalize from 2Q26 onward, but a persistent impact on annual margins remains unavoidable.

(Continued on the next page)

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	377.8	6.0	(4.9)	(4.8)	(2.7)
Operating profit	22.2	(42.6)	(48.8)	(58.8)	(49.7)
Pre-tax profit	34.0	37.3	(50.7)	(33.9)	(25.8)
Net profit	25.5	29.0	(70.2)	(36.4)	(21.5)
Margins (%)					
Operating profit	5.9				
Pre-tax profit	9.0				
Net profit	6.8				

Source: Company data, FnGuide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuations (x)			
P/E	10.2	11.6	8.5
P/B	2.0	1.4	1.2
EV/EBITDA	11.2	9.6	6.2
Div yield (%)	0.3	0.4	0.4
EPS growth (% y-y)	691.8	-27.7	36.3
ROE (%)	21.8	13.2	15.6
Per-share data (KRW)			
EPS	16,904	12,222	16,663
BVPS	87,439	99,146	115,325
DPS	600	600	600

Maintaining BUY; cutting target price to KRW210,000: Reflecting the impact of distribution adjustments, we cut our 2026 operating profit estimates by 9%. We also exclude subsidiaries with low correlation to market cap (eg, HanAll Biopharma) from our valuation model. We thus recalculate our target price of KRW210,000 (using a 12-month forward EBITDA multiple). Key upcoming catalysts include: 1) higher Fexuclue sales (driven by normalization of prescription drug distribution channels and expansion of indications [5 approved, 3 in clinical trials]) and expanded OTC distribution channels; 2) increase of Nabota shipments to the US, Middle East, and Latin America following cGMP certification of Plant 3 in late June; 3) increased utilization rate of thynC's installed beds (17,000 currently installed; target of 50,000 by year-end), with revenue recognition expected only after a minimum 6-month post-installation ramp-up period; and 4) top-line results for Bersiporocin (IPF treatment) in 4Q26 and the GLP-1 microneedle patch by year-end. Near-term risks—including weaker quarterly results, delayed digital healthcare adoption rates, and the outcome of the civil appeal trial regarding toxin—could increase stock volatility. However, as the year progresses, multiple catalysts (*eg*, prescription drug sales recovery, toxin export growth, and R&D milestones) should come into limelight simultaneously. We maintain our BUY rating.

Daewoong Pharmaceutical: Valuation

(KRWb)	Calculation	Value	Remarks
12M forward EBITDA	(A)	264.2	2Q26E-1Q27E
Target EV/EBTIDA (x)	(B)	11.0	Peer average*
Operating value	(C = AxB)	2,906.3	
Net debt	(D)	483.2	
Fair value	(E = C - D)	2,423.1	
Outstanding shares ('000)	(F)	11,587	
Fare price per share (KRW)	(E/F)	209,126	
Target price (KRW)		210,000	

Note: *Major Korean pharmaceutical companies (HK Inno.N, Green Cross, Hanmi Pharmaceutical, Dong-A ST, Chong Kun Dang, Yuhan), excluding those with the minimum and maximum valuation multiples

Source: Bloomberg, Samsung Securities estimates

Daewoong Pharmaceutical: Results and forecasts (consolidated)

(KRWb)	2025	2026E	2027E	1Q25	2Q25	3Q25	4Q25	1Q26P	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**1,571**	**1,636**	**1,780**	**356**	**405**	**412**	**397**	**377.8**	**415.6**	**417.3**	**425.3**	**403.4**	**459.4**	**456.7**	**460.9**
Prescription drugs	**894**	**887**	**938**	**219**	**220**	**225**	**229**	**216.1**	**225.8**	**222.2**	**223.2**	**214.0**	**251.0**	**237.3**	**236.2**
Product	352	346	372	89	86	89	88	77.4	88.1	91.3	89.2	84.2	95.4	98.6	94.2
Fexuclue	94	83	93	27	21	22	24	19.2	20.2	21.2	22.2	22.7	23.1	23.6	24.1
Envlo	12	11	11	3	3	3	3	2.7	2.7	2.9	3.0	2.7	2.7	2.9	3.0
Goods	258	268	279	62	65	65	66	65.3	68.4	67.2	67.3	68.0	71.9	69.6	69.1
Digital Healthcare	51	86	113	11	12	13	15	17.0	20.2	23.7	25.2	26.9	27.1	29.1	29.9
Nabota	**229**	**261**	**291**	**46**	**70**	**55**	**58**	**51.9**	**66.6**	**65.9**	**76.9**	**65.5**	**69.3**	**72.7**	**83.2**
Domestic	36	40	44	8	9	9	10	9.5	9.6	9.6	11.0	10.5	10.6	10.6	12.1
Exports	193	222	247	37	61	47	48	42.4	57.0	56.3	65.9	55.1	58.7	62.2	71.1
OTC	**163**	**194**	**226**	**33**	**41**	**44**	**45**	**43.8**	**47.6**	**50.9**	**51.4**	**50.8**	**55.4**	**59.7**	**59.7**
Urusa	92	106	114	19	27	24	23	27.1	28.8	25.8	24.2	29.0	30.9	27.7	26.0
Health functional foods	54	75	98	9	14	15	16	16.8	18.8	19.3	20.2	21.8	24.5	25.1	26.2
Global	35	37	43	5	12	12	7	5.8	9.1	12.5	9.5	6.8	10.7	14.6	11.1
CMO and other	66	73	81	14	19	17	15	18.1	19.3	19.1	16.9	19.9	21.3	21.0	18.6
Consolidation and other	184	183	202	40	43	58	43	42.1	47.0	46.7	47.4	46.3	51.7	51.4	52.1
Gross profit	**823**	**830**	**964**	**183**	**215**	**214**	**210**	**181.2**	**206.6**	**213.4**	**228.8**	**217.2**	**245.9**	**248.2**	**253.0**
Operating profit	**197**	**180**	**249**	**39**	**58**	**57**	**43**	**22.2**	**46.1**	**53.2**	**58.6**	**44.6**	**68.9**	**71.6**	**64.3**
Pre-tax profit	**192**	**178**	**238**	**25**	**43**	**55**	**69**	**34.0**	**46.3**	**51.4**	**46.7**	**45.3**	**68.3**	**66.3**	**58.5**
Net income (controlling)	**193**	**138**	**186**	**20**	**40**	**47**	**86**	**25.5**	**36.1**	**40.1**	**36.4**	**35.4**	**53.3**	**51.7**	**45.7**
Growth (%)															
Sales	***10.4***	***4.1***	***8.8***	***6.2***	***12.5***	***14.9***	***7.9***	***6.0***	***2.5***	***1.3***	***7.1***	***6.8***	***10.6***	***9.4***	***8.4***
Prescription drugs	***3.9***	***-0.8***	***5.8***	***4.6***	***1.1***	***5.1***	***4.9***	***-1.4***	***2.4***	***-1.4***	***-2.7***	***-1.0***	***11.2***	***6.8***	***5.8***
Product	*1.8*	*-1.7*	*7.6*	*12.7*	*-8.9*	*4.5*	*1.0*	*-13.4*	*2.4*	*2.9*	*1.7*	*8.8*	*8.3*	*7.9*	*5.6*
Fexuclue	*-3.1*	*-12.2*	*12.9*	*49.2*	*-35.3*	*-2.6*	*1.6*	*-29.0*	*-6.2*	*-4.0*	*-5.9*	*18.1*	*14.7*	*11.4*	*8.2*
Envlo	*8.0*	*-8.7*	*-0.9*	*18.3*	*13.9*	*6.9*	*-5.3*	*-15.9*	*-15.9*	*-5.9*	*4.1*	*-0.9*	*-0.9*	*-0.9*	*-0.9*
Goods	*-0.2*	*4.0*	*3.9*	*-9.3*	*4.2*	*3.1*	*1.9*	*5.9*	*5.2*	*3.0*	*1.9*	*4.1*	*5.0*	*3.6*	*2.7*
Digital Healthcare	*82.5*	*69.1*	*31.2*	*132.8*	*102.8*	*58.6*	*63.3*	*52.4*	*62.6*	*85.4*	*73.1*	*58.2*	*34.5*	*22.8*	*18.3*
Nabota	***22.6***	***14.4***	***11.3***	***22.7***	***31.5***	***16.3***	***19.0***	***13.8***	***-4.5***	***19.1***	***32.9***	***26.3***	***4.0***	***10.4***	***8.2***
Domestic	*17.5*	*11.1*	*10.0*	*20.5*	*10.7*	*20.0*	*19.4*	*14.5*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*
Exports	*23.8*	*14.8*	*11.5*	*23.2*	*35.1*	*16.4*	*18.9*	*13.6*	*-6.5*	*20.0*	*37.7*	*30.0*	*3.0*	*10.5*	*7.9*
OTC	***21.3***	***19.2***	***16.5***	***4.2***	***22.4***	***27.1***	***30.1***	***32.8***	***15.3***	***16.4***	***15.4***	***16.0***	***16.3***	***17.2***	***16.2***
Urusa	*3.9*	*14.5*	*7.4*	*-11.8*	*16.3*	*6.8*	*3.5*	*42.1*	*7.4*	*7.4*	*7.4*	*7.4*	*7.4*	*7.4*	*7.4*
Health functional foods	*122.9*	*39.6*	*30.0*	*72.4*	*157.1*	*112.3*	*145.6*	*87.7*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*	*30.0*
Global	*8.6*	*5.1*	*16.9*	*-15.9*	*37.6*	*74.6*	*-39.9*	*25.5*	*-23.1*	*6.9*	*36.9*	*16.9*	*16.9*	*16.9*	*16.9*
CMO and other	***29.0***	***11.4***	***10.0***	***8.5***	***56.3***	***37.1***	***15.5***	***30.5***	***0.0***	***10.0***	***10.0***	***10.0***	***10.0***	***10.0***	***10.0***
Consolidation and other	*16.6*	*-0.7*	*10.0*	*2.8*	*23.2*	*36.6*	*3.6*	*4.6*	*10.0*	*-20.0*	*10.0*	*10.0*	*10.0*	*10.0*	*10.0*
Gross profit	***12.0***	***0.9***	***16.2***	***7.1***	***12.5***	***33.4***	***24.7***	***-1.0***	***-3.9***	***-0.3***	***8.7***	***19.9***	***19.0***	***16.3***	***10.6***
Operating profit	***33.0***	***-8.5***	***38.5***	***30.5***	***36.7***	***52.6***	***12.0***	***-42.6***	***-20.3***	***-6.5***	***35.1***	***100.8***	***49.4***	***34.7***	***9.9***
Pre-tax profit	***239.2***	***-7.0***	***33.7***	***118.3***	***57.2***	***99.7***	*Turned to pos*	***37.3***	***6.7***	***-6.0***	***-32.3***	***33.5***	***47.4***	***28.9***	***25.5***
Net income (controlling)	***726.3***	***-28.4***	***34.6***	***149.8***	*Turned to pos*	***67.4***	*Turned to pos*	***29.0***	*-9.9*	***-15.2***	***-57.5***	***38.6***	***47.4***	***28.9***	***25.5***
Margins (%)															
Gross profit	**52.4**	**50.7**	**54.2**	**51.4**	**53.0**	**52.0**	**53.0**	**48.0**	**49.7**	**51.1**	**53.8**	**53.8**	**53.5**	**54.4**	**54.9**
Operating profit	**12.5**	**11.0**	**14.0**	**10.9**	**14.3**	**13.8**	**10.9**	**5.9**	**11.1**	**12.7**	**13.8**	**11.1**	**15.0**	**15.7**	**14.0**
Pre-tax profit	**12.2**	**10.9**	**13.4**	**6.9**	**10.7**	**13.3**	**17.4**	**9.0**	**11.1**	**12.3**	**11.0**	**11.2**	**14.9**	**14.5**	**12.7**
Net income (controlling)	**12.3**	**8.4**	**10.4**	**5.5**	**9.9**	**11.5**	**21.6**	**6.8**	**8.7**	**9.6**	**8.6**	**8.8**	**11.6**	**11.3**	**9.9**

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**1,423**	**1,571**	**1,636**	**1,780**	**1,940**
Cost of goods sold	689	748	806	816	868
Gross profit	**734**	**823**	**830**	**964**	**1,072**
Gross margin (%)	51.6	52.4	50.7	54.2	55.2
SG&A expenses	586	626	650	715	775
Operating profit	**148**	**197**	**180**	**249**	**296**
Operating margin (%)	10.4	12.5	11.0	14.0	15.3
Non-operating gains (losses)	**-91**	**-5**	**26**	**-2**	**4**
Financial profit	18	13	36	16	23
Financial costs	42	38	6	18	18
Equity-method gains (losses)	13	-4	0	0	0
Other	-80	24	-5	0	0
Pre-tax profit	**57**	**192**	**206**	**248**	**301**
Taxes	33	-1	45	54	66
Effective tax rate (%)	58.7	-0.6	21.9	22.0	22.0
Profit from continuing operations	23	193	142	193	234
Profit from discontinued operations	0	0	0	0	0
Net profit	**23**	**193**	**142**	**193**	**234**
Net margin (%)	1.6	12.3	8.7	10.8	12.1
Net profit (controlling interests)	25	196	142	193	234
Net profit (non-controlling interests)	-1	-3	0	0	0
EBITDA	197	248	236	326	365
EBITDA margin (%)	13.8	15.8	14.4	18.3	18.8
EPS (parent-based) (KRW)	2,135	16,904	12,222	16,663	20,234
EPS (consolidated) (KRW)	2,015	16,649	12,222	16,663	20,234
Adjusted EPS (KRW)*	2,135	16,904	12,222	16,663	20,234

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**613**	**732**	**1,099**	**1,481**	**1,807**
Cash & equivalents	103	169	496	827	1,101
Accounts receivable	161	167	179	193	209
Inventories	256	311	333	361	390
Other current assets	93	86	92	100	108
Fixed assets	**1,364**	**1,630**	**1,580**	**1,511**	**1,449**
Investment assets	184	254	259	266	273
Tangible assets	656	825	783	720	664
Intangible assets	347	368	354	341	328
Other long-term assets	177	184	184	184	184
Total assets	**1,977**	**2,363**	**2,680**	**2,992**	**3,256**
Current liabilities	**629**	**589**	**675**	**639**	**668**
Accounts payable	83	106	114	123	133
Short-term debt	206	71	71	71	71
Other current liabilities	340	412	490	445	464
Long-term liabilities	**421**	**639**	**736**	**897**	**906**
Bonds & long-term debt	324	551	641	795	795
Other long-term liabilities	96	89	95	103	111
Total liabilities	**1,050**	**1,228**	**1,410**	**1,536**	**1,573**
Owners of parent equity	**795**	**1,006**	**1,141**	**1,327**	**1,555**
Capital stock	29	29	29	29	29
Capital surplus	150	150	150	150	150
Retained earnings	636	834	968	1,154	1,382
Other	-20	-6	-6	-6	-6
Non-controlling interests' equity	**132**	**129**	**129**	**129**	**129**
Total equity	**927**	**1,135**	**1,269**	**1,456**	**1,683**
Net debt	576	656	483	242	-32

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**51**	**149**	**186**	**255**	**288**
Net profit	23	193	142	193	234
Non-cash profit and expenses	171	66	108	133	130
Depreciation	36	38	42	64	56
Amortization	13	13	14	13	12
Other	122	14	53	56	62
Changes in A/L from operating activities	-83	-74	-11	-14	-15
Cash flow from investments	**-265**	**-247**	**-1**	**-1**	**-1**
Change in tangible assets	-155	-191	0	0	0
Change in financial assets	-2	1	-1	-1	-1
Other	-108	-57	0	-0	0
Cash flow from financing	**201**	**164**	**147**	**83**	**-7**
Change in debt	215	145	154	90	0
Change in equity	1	-0	0	0	0
Dividends	-8	-8	-7	-7	-7
Other	-7	27	0	0	0
Change in cash	-9	66	327	331	274
Cash at beginning of year	112	103	169	496	827
Cash at end of year	103	169	496	827	1,101
Gross cash flow	**194**	**258**	**250**	**326**	**365**
Free cash flow	**-104**	**-42**	**186**	**255**	**288**

Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	3.4	10.4	4.1	8.8	9.0
Operating profit	20.7	33.0	-8.5	38.5	18.8
Net profit	-80.5	726.3	-26.6	36.3	21.4
Adjusted EPS**	-79.7	691.8	-27.7	36.3	21.4
Per-share data (KRW)					
EPS (parent-based)	2,135	16,904	12,222	16,663	20,234
EPS (consolidated)	2,015	16,649	12,222	16,663	20,234
Adjusted EPS**	2,135	16,904	12,222	16,663	20,234
BVPS	69,061	87,439	99,146	115,325	135,101
DPS (common)	600	600	600	600	600
Valuations (x)					
P/E***	59.2	10.2	11.6	8.5	7.0
P/B***	1.8	2.0	1.4	1.2	1.1
EV/EBITDA	11.0	11.2	9.6	6.2	4.8
Ratios (%)					
ROE	3.2	21.8	13.2	15.6	16.3
ROA	1.2	8.9	5.6	6.8	7.5
ROIC	5.4	14.3	9.6	13.7	16.8
Payout ratio	27.9	3.5	4.9	3.6	2.9
Dividend yield (common)	0.5	0.3	0.4	0.4	0.4
Net debt to equity	62.2	57.9	38.1	16.6	-1.9
Interest coverage (x)	21.2	15.8	11.3	14.0	16.1

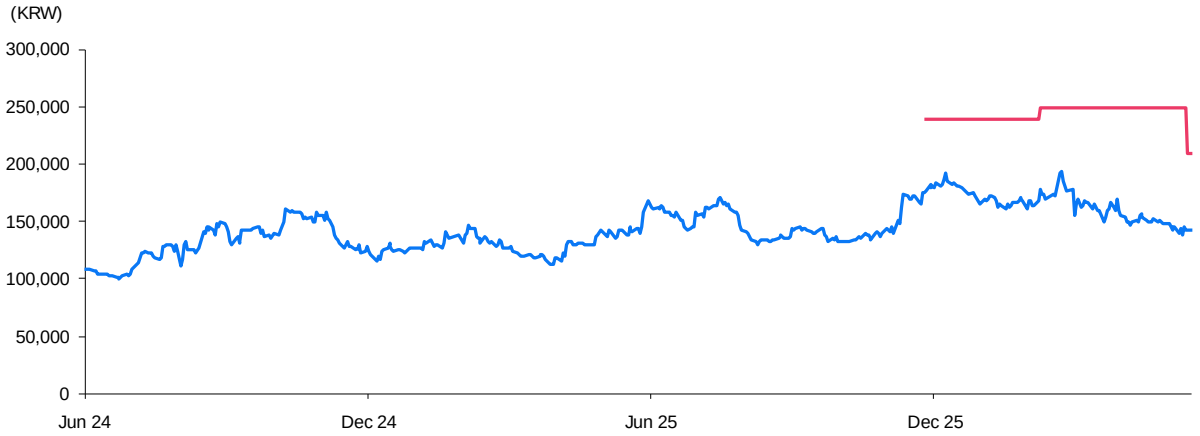
Note: *Excluding one-off items;
**Fully diluted, excluding one-off items;
***From companies subject to equity-method valuation

Source: Company data, Samsung Securities estimates

Compliance notice

- As of 5/15 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 5/15 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	2025/11/28	2026/2/10	2026/5/18
Recommendation	BUY	BUY	BUY
Target price (KRW)	240000	250000	210000
Gap* (average)	-27.85	-36.41	
(max or min)**	-19.58	-22.40	

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