COMPANY UPDATE

2026. 5. 18

Tech Team

Donghwan Oh
Senior Analyst
dh1.oh@samsung.com

Scan to go to
Research Center report database

Naver (035420)

Time to raise exposure

- Naver's 1Q sales climbed 16% y-y on solid growth in commerce and C2C sales. However, operating profit rose just 7% y-y—missing consensus by 3%—due to increasing infrastructure cost and partner fees.
- While AI service monetization is on track for this year, near-term earnings momentum should remain constrained by ongoing investments in AI infrastructure, commerce, and NPay. The Dunamu acquisition should be a catalyst for a rebound in the share price.

WHAT'S THE STORY?

1Q review: Naver's 1Q sales grew 16.3% y-y (3.1% above consensus) on expansion in commerce sales. Ad sales (including shopping ads) rose 9.3% y-y, accelerating from the 4Q25's 7.1% growth. Service revenue (including shopping commissions) surged 35.6% y-y, driven by fee rate hikes and the "Coupang Quit Effect" originating from Nov 2025. C2C commerce sales jumped 57.7% y-y, supported by robust contributions from Poshmark and Soda, along with the integration of Wallapop. Enterprise sales also climbed 18.8% y-y on the back of: 1) demand for GPU-as-a-Service; and 2) a city-scale Digital Twin Project in Saudi Arabia. Operating expenses, however, increased18.3% y-y, pressured by higher partner fees—including broadcasting rights for CHZZK (a life-streaming platform) and NPay terminal subsidies—and increased infrastructure spending (GPU). As a result, the firm's operating profit grew just 7.2% y-y, falling short of consensus by 3.1%.

(Continued on the next page)

AT A GLANCE

BUY

Target price	KRW260,000	27.8%
Current price	**KRW203,500**	
Market cap	KRW31.9t/USD21.3b	
Shares (float)	156,873,776 (86.0%)	
52-week high/low	KRW290,500/KRW183,100	
Avg daily trading value (60-day)	KRW187.7b/ USD125.1m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Naver (%)	-3.6	-19.7	7.6
Vs Kospi (%pts)	-21.6	-57.0	-62.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	260,000	260,000	0.0%
2026E EPS	11,328	11,328	0.0%
2027E EPS	13,364	13,364	0.0%

SAMSUNG vs THE STREET

No of estimates	17
Target price	305,824
Recommendation	4.0

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

SUMMARY 1Q RESULTS

(KRWb)	1Q26	Chg		Diff (%)	
		(% y-y)	(% q-q)	Samsung	Consensus
Sales	3,241.1	16.3	1.4	0.0	3.1
Operating profit	541.8	7.2	-11.3	0.0	-3.1
Pre-tax profit	393.5	-32.2	31.4	0.0	-39.5
Net profit	291.0	-31.3	78.5	-0.0	-41.9
Margins (%)					
Operating profit	16.7				
Pre-tax profit	12.1				
Net profit	9.0				

data, Fnguide, Samsung Securities estimates

VALUATION SUMMARY

	2025	2026E	2027E
Valuation (x)			
P/E	17.2	18.0	15.2
P/B	1.3	1.0	1.0
EV/EBITDA	11.9	5.0	4.2
Div yield (%)	1.1	1.4	1.4
EPS growth (% y-y)	24.9	-19.5	18.0
ROE (%)	7.4	6.9	7.8
Per-share data (KRW)			
EPS	14,071	11,328	13,364
BVPS	184,396	194,790	207,776
DPS	2,630	2,807	2,807

AI monetization gains momentum: On Apr 27, Naver launched its dedicated AI tab, signaling a full-scale push into agentic AI. The company plans to introduce advertising into its shopping, local AI agent, and AI briefing in 2Q, with broader monetization of AI services expected from 2H26. It also aims to expand its ad sales beyond its own platform, partnering with Meta, Criteo, and Google to drive further advertising revenue growth.

Aggressive investment across the board: This year, Naver should make targeted, aggressive investments to scale AI infrastructure, strengthen membership benefits (including free shipping and returns), and expand offline NPay Connect terminals. While these initiatives should fuel topline growth, full-year operating profit growth should slow to a single digit.

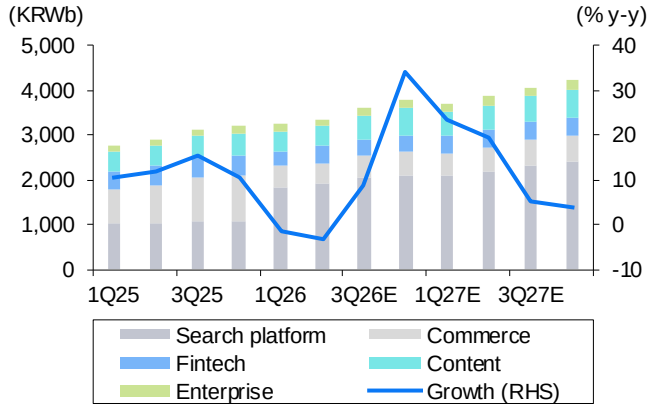
Time needed to recoup investment: We maintain our BUY rating and target price of KRW260,000 (based on a 23.1x 2026 P/E, the global platform average). Near-term earnings pressure from heavy investment may keep the stock range-bound. However, the anticipated full consolidation of Dunamu within this year could offset rising costs through improved consolidated earnings, a factor to boost the share price.

1Q26 review

(KRWb)	1Q26P			Diff (%)		1Q25	4Q25	Chg	
	Result	Samsung	Consensus	Samsung	Consensus			(% y-y)	(% q-q)
Sales	**3,241.1**	**3,159.4**	**3,150.3**	**(0.2)**	**0.1**	**2,786.8**	**3,195.1**	**13.1**	**(1.4)**
Naver platform	1,016.3	1,013.4		0.3		1,012.7	1,059.6	0.4	(4.1)
Financial platform	1,087.5	1,060.2		2.6		787.9	1,054.0	38.0	3.2
C2C commerce	444.9	444.9		0.0		392.7	453.1	13.3	(1.8)
Content	440.9	492.8		(10.5)		459.3	456.7	(4.0)	(3.5)
Enterprise	162.3	148.2		9.5		134.2	171.8	20.9	(5.5)
Operating expenses	**2,613.1**	**2,589.1**		**0.9**		**2,281.5**	**2,584.4**	**14.5**	**1.1**
Development & operations	792.2	769.7		2.9		687.7	759.2	15.2	4.4
Partner	1,089.6	1,102.2		(1.1)		974.2	1,114.4	11.8	(2.2)
Infrastructure	226.9	211.7		7.2		189.3	205.2	19.9	10.6
Marketing	504.3	505.5		(0.2)		430.2	505.7	17.2	(0.3)
Operating profit	**538.8**	**570.3**	**577.1**	**(5.5)**	**(6.6)**	**505.3**	**610.6**	**6.6**	**(11.8)**
Pre-tax profit	625.6	709.5	675.9	(11.8)	(7.4)	580.1	299.5	7.8	108.9
Net profit	463.0	525.0	531.6	(11.8)	(12.9)	423.7	163.0	9.3	184.0
Net profit (controlling)	472.2	514.5	521.4	(8.2)	(9.4)	424.8	313.2	11.2	50.8
Margins (%)									
Operating profit	17.1	13.6	18.3			18.1	19.1		
Pre-tax profit	19.8	12.9	21.5			20.8	9.4		
Net profit	14.7	9.5	16.9			15.2	5.1		
Net profit (controlling)	15.0	10.8	16.5			15.2	9.8		

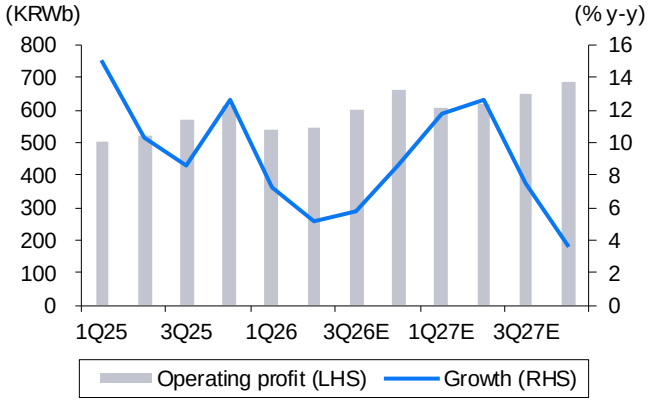
Source: Company data, FnGuide, Samsung Securities estimates

Quarterly sales, by division



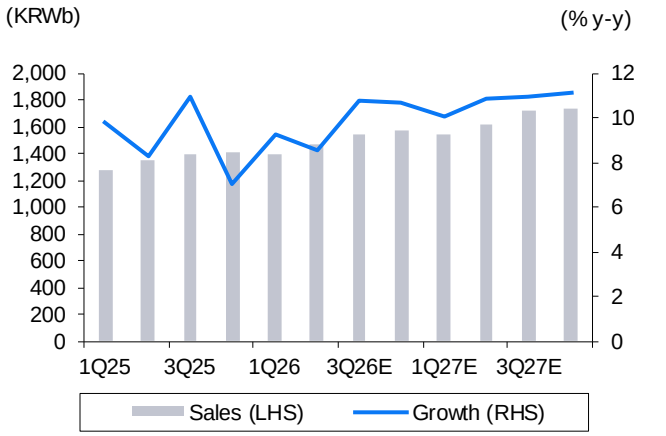
Source: Company data, Samsung Securities

Quarterly operating profit



Source: Company data, Samsung Securities

Commerce sales

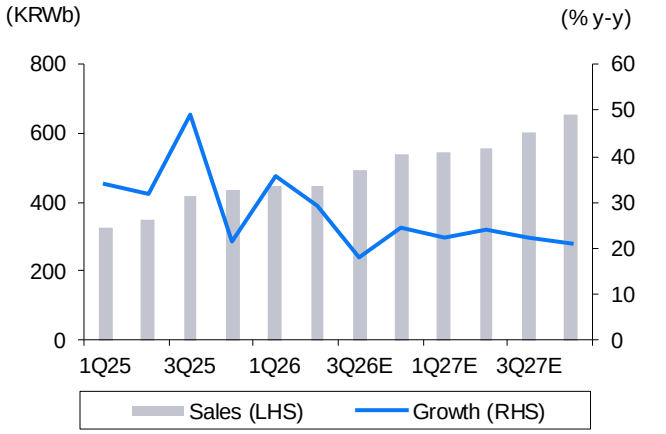


Source: Company data, Samsung Securities

Naver AI search tab

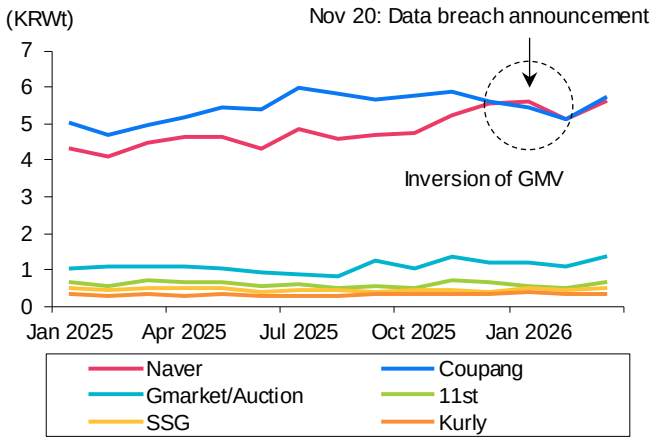
Source: Company data, Samsung Securities

Service sales



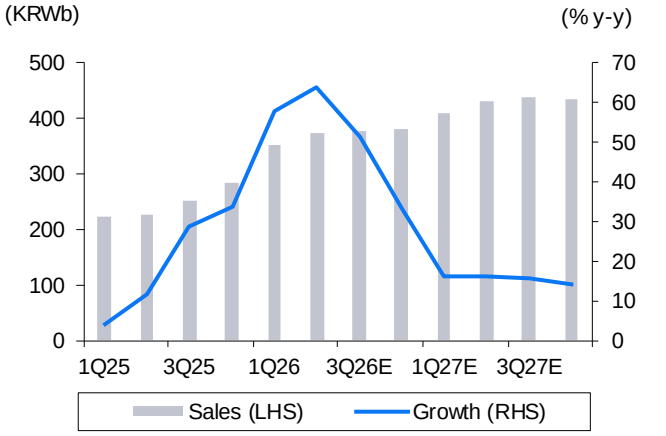
Source: Company data, Samsung Securities

Monthly GMV, by player



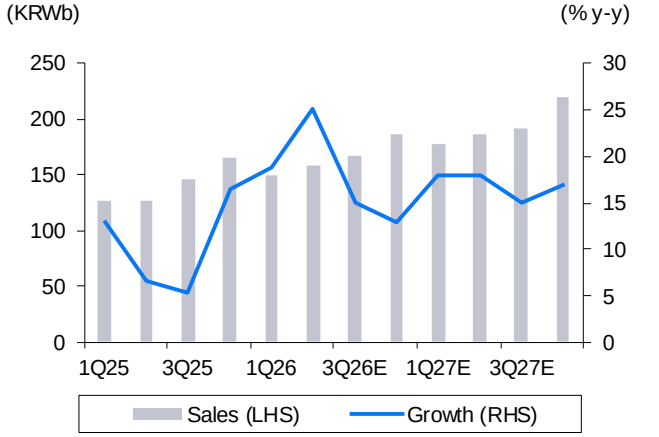
Source: Wise retail

C2C commerce sales



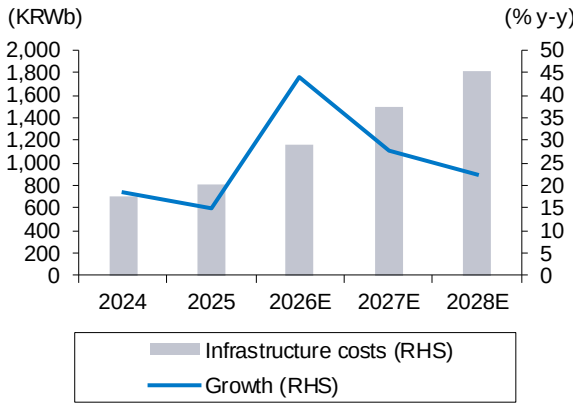
Source: Company data, Samsung Securities

Enterprise sales



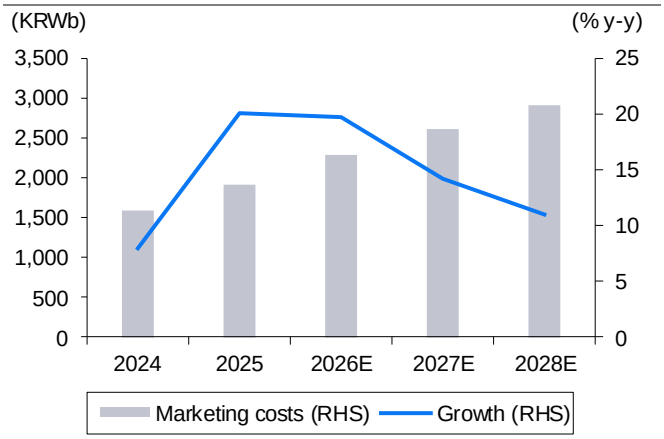
Source: Company data, Samsung Securities

Infrastructure costs



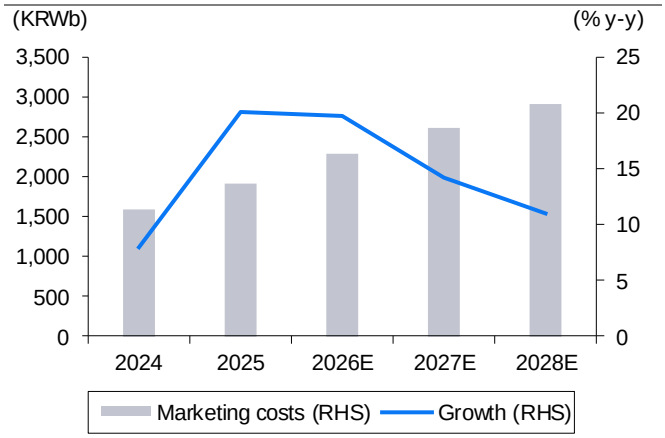
Source: Company data, Samsung Securities

Marketing costs



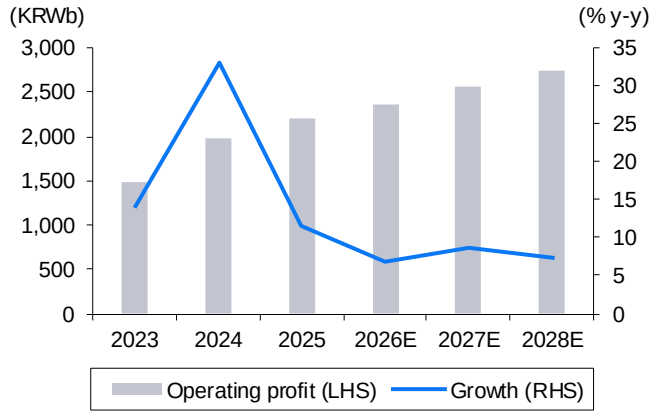
Source: Company data, Samsung Securities

Annual sales



Source: Company data, Samsung Securities

Annual operating profit



Source: Company data, Samsung Securities

Valuation

(KRW)	
2026E EPS	11,328
Target P/E* (x)	23.1
Fair value per share	261,427
Target price	**260,000**
Current price	211,000
Upside (%)	23.2%

Note: *Peer group's average 2026 P/E;
Based on Apr 30 closing price
Source: Bloomberg, Samsung Securities

Global peers: P/E and P/S valuations

(x)	P/E		P/S	
	2026E	**2027E**	**2026E**	**2027E**
Alphabet	28.4	24.7	10.3	8.8
Meta Platforms	19.8	17.1	6.8	5.7
Baidu	15.3	13.1	2.1	2.0
Amazon	28.8	23.5	3.5	23.1
Average	23.1	19.6	5.7	4.9

Note: Based on Apr 30 closing price
Source: Bloomberg

Quarterly results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26E	3Q26E	4Q26E	1Q27E	2Q27E	3Q27E	4Q27E
Sales	**2,787**	**2,915**	**3,138**	**3,195**	**3,241**	**3,361**	**3,622**	**3,785**	**3,715**	**3,865**	**4,081**	**4,247**
Naver platform	1,605	1,693	1,817	1,850	1,840	1,909	2,043	2,109	2,080	2,174	2,322	2,398
Financial platform	387	406	427	449	460	473	491	510	504	538	560	575
C2C commerce	223	228	251	286	351	373	379	381	408	433	437	434
Content	446	462	498	445	440	447	542	598	544	533	569	622
Enterprise	127	127	145	166	150	158	167	187	178	187	192	219
Operating expenses	**2,281**	**2,394**	**2,567**	**2,584**	**2,699**	**2,813**	**3,018**	**3,122**	**3,109**	**3,248**	**3,432**	**3,560**
Development & operations	671	683	733	744	749	762	810	821	837	854	909	921
Partner	991	1,030	1,114	1,130	1,188	1,220	1,303	1,332	1,324	1,401	1,463	1,526
Infrastructure	189	198	219	205	251	276	308	333	334	356	388	412
Marketing	430	482	502	506	512	555	598	636	613	638	673	701
Operating profit	**505**	**522**	**571**	**611**	**542**	**548**	**604**	**663**	**606**	**617**	**649**	**688**
Pre-tax profit	580	684	857	300	393	693	764	813	753	771	818	883
Net profit	424	497	735	163	291	513	565	602	557	571	605	653
Net profit (controlling)	425	489	726	313	285	508	559	596	551	565	599	647
Adjusted EPS (KRW)	2,586	3,334	4,842	4,289	2,170	2,899	3,178	3,080	3,238	3,323	3,492	3,312
Margins (%)												
Operating profit	18.1	17.9	18.2	19.1	16.7	16.3	16.7	17.5	16.3	16.0	15.9	16.2
Pre-tax profit	20.8	23.5	27.3	9.4	12.1	20.6	21.1	21.5	20.3	20.0	20.0	20.8
Net profit	15.2	17.1	23.4	5.1	9.0	15.3	15.6	15.9	15.0	14.8	14.8	15.4
Net profit (controlling)	15.2	16.8	23.1	9.8	8.8	15.1	15.4	15.7	14.8	14.6	14.7	15.2

Source: Company data, Samsung Securities

Revisions to full-year forecasts

(KRWb)	2026E			2027E			2028E		
	Old	New	Diff (%)	Old	New	Diff (%)	Old	New	Diff (%)
Sales	**13,462**	**14,008**	**4.1**	**15,052**	**15,908**	**5.7**	**16,584**	**17,865**	**7.7**
Naver platform		7,900	n/a		8,975	n/a		10,197	n/a
Financial platform		1,934	n/a		2,178	n/a		2,460	n/a
C2C commerce		1,484	n/a		1,712	n/a		1,955	n/a
Content		2,027	n/a		2,268	n/a		2,360	n/a
Enterprise		663	n/a		776	n/a		894	n/a
Operating expenses	**11,084**	**11,652**	**5.1**	**12,452**	**13,349**	**7.2**	**13,736**	**15,120**	**10.1**
Development & operations	3,269	3,142	(3.9)	3,566	3,521	(1.3)	3,898	3,948	1.3
Partner	4,612	5,043	9.3	5,103	5,714	12.0	5,600	6,436	14.9
Infrastructure	1,011	1,167	15.4	1,299	1,490	14.7	1,502	1,820	21.2
Marketing	2,192	2,300	4.9	2,484	2,625	5.7	2,736	2,916	6.5
Operating profit	**2,378**	**2,357**	**(0.9)**	**2,600**	**2,559**	**(1.6)**	**2,848**	**2,745**	**(3.6)**
Pre-tax profit	2,794	2,663	(4.7)	3,123	3,225	3.2	3,537	3,608	2.0
Net profit	2,068	1,971	(4.7)	2,311	2,386	3.2	2,617	2,670	2.0
Net profit (controlling)	2,109	1,948	(7.6)	2,357	2,362	0.2	2,670	2,643	(1.0)
Adjusted EPS (KRW)	13,369	11,328	(15.3)	14,926	13,364	(10.5)	16,648	14,678	(11.8)
Margins (%)									
Operating profit	17.7	16.8		17.3	16.1		17.2	15.4	
Pre-tax profit	20.8	19.0		20.7	20.3		21.3	20.2	
Net profit	15.4	14.1		15.4	15.0		15.8	14.9	
Net profit (controlling)	15.7	13.9		15.7	14.8		16.1	14.8	

Source: Company data, Samsung Securities

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**10,738**	**12,035**	**14,008**	**15,908**	**17,865**
Cost of goods sold	0	0	0	0	0
Gross profit	**10,738**	**12,035**	**14,008**	**15,908**	**17,865**
Gross margin (%)	100.0	100.0	100.0	100.0	100.0
SG&A expenses	8,758	9,827	11,652	13,349	15,120
Operating profit	**1,979**	**2,208**	**2,357**	**2,559**	**2,745**
Operating margin (%)	18.4	18.3	16.8	16.1	15.4
Non-operating gains (losses)	**343**	**212**	**307**	**665**	**862**
Financial profit	633	807	1,041	1,191	1,380
Financial costs	579	562	423	484	488
Equity-method gains (losses)	145	495	-104	43	49
Other	144	-528	-207	-85	-78
Pre-tax profit	**2,322**	**2,420**	**2,663**	**3,225**	**3,608**
Taxes	390	601	693	838	938
Effective tax rate (%)	16.8	24.8	26.0	26.0	26.0
Profit from continuing operations	1,932	1,819	1,971	2,386	2,670
Profit from discontinued operations	0	0	0	0	0
Net profit	**1,932**	**1,819**	**1,971**	**2,386**	**2,670**
Net margin (%)	18.0	15.1	14.1	15.0	14.9
Net profit (controlling interests)	1,923	1,953	1,948	2,362	2,643
Net profit (non-controlling interests)	9	-134	22	24	27
EBITDA	2,653	2,953	5,338	5,541	5,727
EBITDA margin (%)	24.7	24.5	38.1	34.8	32.1
EPS (parent-based) (KRW)	11,913	12,376	12,421	15,061	16,850
EPS (consolidated) (KRW)	11,967	11,524	12,564	15,213	17,020
Adjusted EPS (KRW)*	11,265	14,071	11,328	13,364	14,678

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**2,590**	**3,096**	**6,456**	**6,511**	**6,924**
Net profit	1,932	1,819	1,971	2,386	2,670
Non-cash profit and expenses	1,003	1,362	3,880	3,808	3,822
Depreciation	609	680	2,720	2,720	2,720
Amortization	65	65	261	261	261
Other	329	617	899	827	841
Changes in A/L from operating activities	152	462	1,036	813	942
Cash flow from investments	**-1,340**	**-744**	**-460**	**-353**	**-410**
Change in tangible assets	-522	-1,220	0	0	0
Change in financial assets	-2,225	449	-487	-382	-443
Other	1,407	28	27	29	32
Cash flow from financing	**-770**	**-524**	**-462**	**-498**	**-494**
Change in debt	-377	372	43	34	39
Change in equity	180	164	0	0	0
Dividends	-119	-168	-394	-420	-420
Other	-454	-891	-111	-112	-113
Change in cash	619	1,788	2,079	3,000	2,976
Cash at beginning of year	3,576	4,196	5,984	8,063	11,063
Cash at end of year	4,196	5,984	8,063	11,063	14,039
Gross cash flow	**2,935**	**3,181**	**5,851**	**6,194**	**6,492**
Free cash flow	**2,036**	**1,861**	**6,456**	**6,511**	**6,924**

Note: *Excluding one-off items
**Fully diluted, excluding one-off items
***From companies subject to equity-method valuation
Source: Company data, Samsung Securities estimates

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**9,375**	**10,928**	**13,804**	**17,430**	**21,131**
Cash & equivalents	4,196	5,984	8,063	11,063	14,039
Accounts receivable	478	492	582	654	736
Inventories	22	20	24	27	30
Other current assets	4,680	4,433	5,135	5,686	6,325
Fixed assets	**28,793**	**30,156**	**30,288**	**29,752**	**29,603**
Investment assets	20,910	21,394	24,508	26,953	29,784
Tangible assets	2,910	3,608	887	-1,833	-4,553
Intangible assets	3,657	3,421	3,160	2,899	2,638
Other long-term assets	1,316	1,733	1,733	1,733	1,733
Total assets	**38,168**	**41,084**	**44,092**	**47,182**	**50,733**
Current liabilities	**6,092**	**8,019**	**9,099**	**9,947**	**10,929**
Accounts payable	0	0	0	0	0
Short-term debt	135	132	132	132	132
Other current liabilities	5,957	7,887	8,967	9,815	10,797
Long-term liabilities	**5,075**	**4,113**	**4,463**	**4,739**	**5,058**
Bonds & long-term debt	2,870	1,256	1,256	1,256	1,256
Other long-term liabilities	2,204	2,856	3,207	3,482	3,801
Total liabilities	**11,167**	**12,131**	**13,562**	**14,686**	**15,987**
Owners of parent equity	**25,460**	**27,582**	**29,137**	**31,079**	**33,302**
Capital stock	16	16	16	16	16
Capital surplus	1,423	1,586	1,586	1,586	1,586
Retained earnings	25,965	27,626	29,180	31,123	33,346
Other	-1,944	-1,647	-1,647	-1,647	-1,647
Non-controlling interests' equity	**1,541**	**1,371**	**1,394**	**1,417**	**1,444**
Total equity	**27,001**	**28,953**	**30,530**	**32,497**	**34,746**
Net debt	-3,321	-4,221	-6,701	-10,017	-13,358

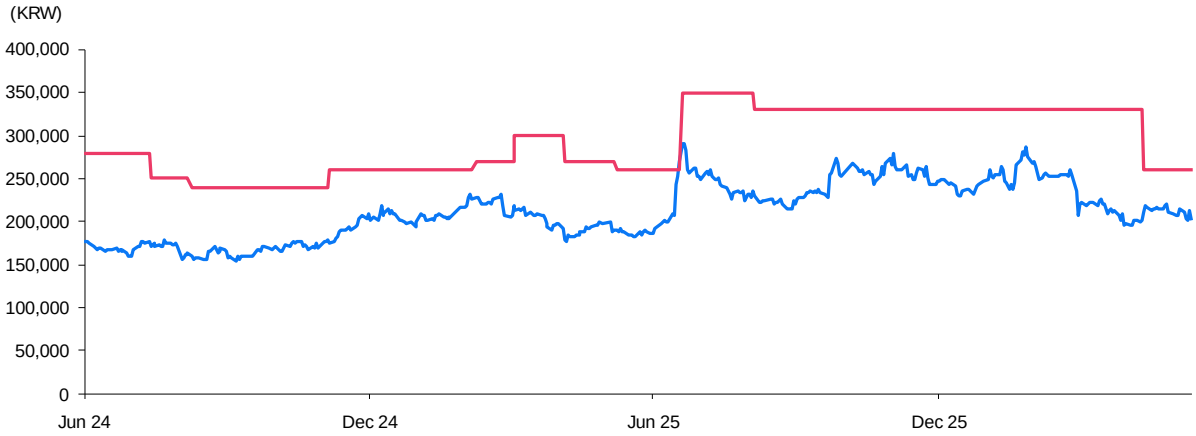
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	11.0	12.1	16.4	13.6	12.3
Operating profit	32.9	11.6	6.7	8.6	7.3
Net profit	96.1	-5.9	8.4	21.1	11.9
Adjusted EPS**	60.5	24.9	-19.5	18.0	9.8
Per-share data (KRW)					
EPS (parent-based)	11,913	12,376	12,421	15,061	16,850
EPS (consolidated)	11,967	11,524	12,564	15,213	17,020
Adjusted EPS**	11,265	14,071	11,328	13,364	14,678
BVPS	170,953	184,396	194,790	207,776	222,639
DPS (common)	1,130	2,630	2,807	2,807	2,807
Valuations (x)					
P/E***	17.7	17.2	18.0	15.2	13.9
P/B***	1.2	1.3	1.0	1.0	0.9
EV/EBITDA	11.2	11.9	5.0	4.2	3.5
Ratios (%)					
ROE	7.9	7.4	6.9	7.8	8.2
ROA	5.2	4.6	4.6	5.2	5.5
ROIC	39.7	37.7	62.1	-241.5	-46.8
Payout ratio	8.8	20.2	21.5	17.8	15.9
Dividend yield (common)	0.6	1.1	1.4	1.4	1.4
Net debt to equity	-12.3	-14.6	-21.9	-30.8	-38.4
Interest coverage (x)	18.9	20.3	21.2	22.9	24.3

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	2024/5/7	7/16	8/12	11/8	2025/2/10	3/7	4/8	5/12	6/23	8/8	2026/4/15
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	280000	250000	240000	260000	270000	300000	270000	260000	350000	330000	260000
Gap* (average)	-37.88	-31.99	-30.43	-21.66	-18.21	-31.85	-29.75	-23.69	-29.48	-26.96	
(max or min)**	-31.82	-28.80	-25.13	-10.77	-14.26	-28.00	-25.74	3.65	-17.00	-13.03	

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