COMPANY UPDATE

2026. 9. 16

Scan to go to
Research Center report database

EV/Mobility Team

Esther Yim
Team Leader
esther.yim@samsung.com

Dabin Moon
Research Associate
dabinn.moon@samsung.com

AT A GLANCE

BUY

Target price	KRW170,000	36.9%
Current price	**KRW124,200**	
Market cap	KRW47.6t/USD35.0b	
Shares (float)	390,412,998 (60.2%)	
52-week high/low	KRW206,000/KRW100,200	
Avg daily trading value (60-day)	KRW128.5b/ USD94.5m	

ONE-YEAR PERFORMANCE

	1M	6M	12M
Kia (%)	-12.4	-24.4	17.3
Vs Kospi (%pts)	-8.5	-37.9	-40.4

KEY CHANGES

(KRW)	New	Old	Diff
Recommend.	BUY	BUY	
Target price	170,000	210,000	-19.0%
2026E EPS	19,331	22,885	-15.5%
2027E EPS	19,003	25,921	-26.7%

SAMSUNG vs THE STREET

No of estimates	25
Target price	216,800
Recommendation	4.0

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

Kia (000270)

At a crossroads: Dividend stock vs value play

- Kia is able to accumulate cash to the tune of KRW2t-3t *pa* thanks to its relatively light investment burden and robust operating cash flow. As of end-1H26, its net cash position stood at KRW21.6t—double that of Hyundai Motor's (HMC; KRW12.1t).
- If Kia takes the lead on Hyundai Group's domestic robotics initiative, it could: 1) alleviate capital pressure for HMC; and 2) positively impact the group's and the domestic mobility sector's valuations.
- Should Kia's investment load continue to be only 50-60% of HMC's, upward pressure on dividends should intensify. In today's high-rate environment, an estimated dividend yield of 5-6% for 2026 offers limited appeal.

WHAT'S THE STORY?

Cutting target price 19% to KRW170,000: We cut our target price for Kia to KRW170,000, reflecting growing price competition with Chinese EVs and the impact of won appreciation.

- **Maintaining target P/E of 9x:** We cut our target price for Kia to KRW170,000 but continue to apply Toyota's 12-month forward P/E of 9x (Bloomberg) to our average 2026-2027 EPS forecast. Kia has built strong earnings credibility—akin to Toyota's in the 2000s—by delivering the highest profitability among global automakers through a diversified powertrain strategy.
- **Earnings sensitive to forex:** Kia has the highest earnings sensitivity to won appreciation among Hyundai Motor Group's (HMG) three flagship companies—a 1% won appreciation impacts its operating profit by an estimated 3.4%.

(Continued on the next page)

SUMMARY FINANCIAL DATA

	2025	2026E	2027E	2028E
Revenue (KRWb)	114,141	124,117	121,856	127,880
Operating profit (KRWb)	9,078	9,249	9,131	10,104
Net profit (adj) (KRWb)	7,554	7,547	7,419	8,162
EPS (adj) (KRW)	19,111	19,331	19,003	20,907
EPS (adj) growth (% y-y)	-21.7	1.2	-1.7	10.0
EBITDA margin (%)	10.3	9.6	9.5	9.7
ROE (%)	12.9	11.9	10.8	11.1
P/E (adj) (x)	6.4	6.3	6.4	5.8
P/B (x)	0.8	0.7	0.7	0.6
EV/EBITDA (x)	2.4	2.0	1.6	1.0
Dividend yield (%)	5.6	5.7	6.2	6.2

Source: Company data, Samsung Securities estimates

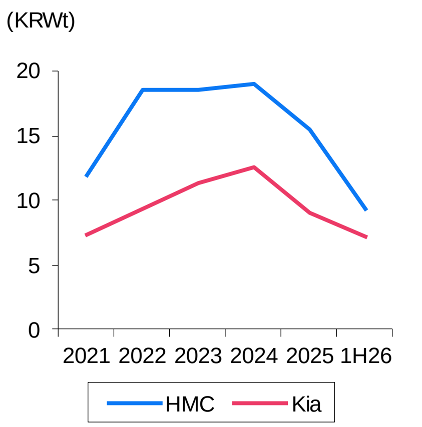
- **Low investment burden given earnings:** Behind Kia's cash-building structure lies its robust operating cash flow and significantly lower investment needs (vs HMC's). Over 2022-2024, Kia's capex and equity investments together averaged KRW6.5t *pa*—55% of HMC's (KRW11.8t *pa*). Kia's excess cash flow began to surpass HMC's in 2025.
- **Dividend pressure and dilemma:** If Kia is able to maintain its current financial structure, upwards pressure on dividends should grow. In today's high interest-rate environment, a 5-6% dividend yield may provide downside support, but it is unlikely to justify a valuation premium.

If Kia leads HMG's domestic robotics initiative: If Kia takes the lead on Hyundai Group's (HMG) domestic robotics initiative, it would diversify the group's funding options and reduce HMC's capital burden. One scenario would be for Kia to acquire 50% of Robotics Lab, incorporating it as a consolidated subsidiary.

- **Robotics Lab—only business within HMG able to develop proprietary intelligence:** While Robotics Lab does not build world models (big tech firms build them), it does focus on developing domain-specific AI technologies tailored to HMG's core business areas—manufacturing automation and autonomous driving. Within the AI software domain, it is actively developing capabilities in the areas of perception, autonomous navigation, embedded AI, human-machine interfaces (language models, facial recognition), and remote monitoring systems. It also designs and manufactures its own sensors and actuators for robotics applications.
- **HMG must separately nurture Robotics Lab:** HMG ought to nurture Robotics Lab (Korea) separately from Boston Dynamics (US) because developing domestic capabilities in AI, actuators, and sensors—and building a complete value chain—is strategically critical. Although HMG owns 100% of Boston Dynamics, its role so far has mostly been that of strategic investor, with core AI development and robot production mainly happening in the US. After Boston Dynamics is listed, HMG's influence over it is expected to diminish. Physical AI has profound national security implications, and it is inherently difficult to transfer related technologies across borders.
- **Overcoming HMC's capital constraints:** Under a future spin-off scenario, if Robotics Lab adopts a structure similar to Boston Dynamics—with HMC holding 30-40% equity in it and Kia, Hyundai Mobis, and Hyundai Glovis sharing the remainder—the size of investments in Robotics Lab would be constrained by HMC's financial capacity. Currently, HMC bears the largest share of HMG's investments in Boston Dynamics, data centers, and autonomous driving, all of which are prioritized above Robotics Lab.
- **Synergy with Kia's PBV business:** By leading HMG's domestic robotics initiative, Kia could establish its value in the sector and expand its Platform Based Vehicle (PBV) business model, potentially unlocking a valuation premium in the process. Currently, Kia's PBV business focuses on hardware, limiting its scalability. Integrating Robotics Lab's products—such as charging robots, MobED, PnD units, and fleet management software—could transform its PBV business into a comprehensive last-mile logistics platform. With Robotics Lab's product portfolio growing, leveraging Kia's existing PBV manufacturing facilities would be an efficient way of creating synergies.

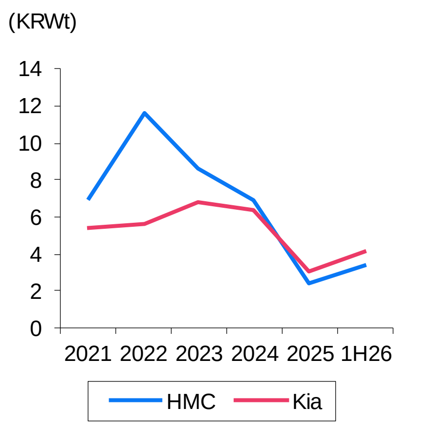
- **Becoming physical AI platform company—only way to overcome competition from Chinese EVs:** Kia's EV sales stand at 40,000-50,000 units per month, double HMC's. However, price competition from Chinese EVs has hurt profitability in the global EV segment. Yet, Kia remains the most profitable global automaker, giving it ample financial flexibility to lead HMG's domestic robotics initiative. By taking ownership of Robotics Lab and aligning the robotics company with Kia's growth narrative, Kia could tap Korea's expanded equity market to raise capital at scale.

HMC vs Kia: Operating cash flow



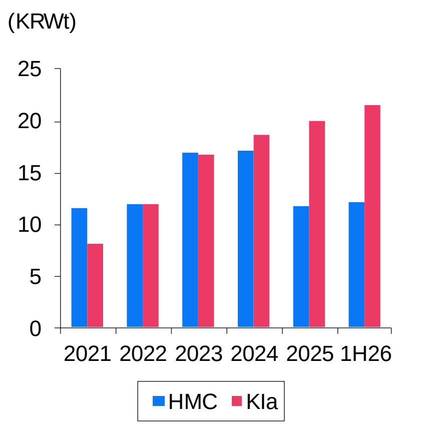
Source: Company data, Samsung Securities

HMC vs Kia: Free cash flow



Source: Company data, Samsung Securities

HMC vs Kia: Net cash



Note: HMC excludes financial subsidiaries
Source: Company data, Samsung Securities

Three HMG companies: KRW/USD sensitivity

(USDm)	HMC	Kia	Hyundai Mobis
Sales	97,076	66,983	22,316
Costs	62,106	31,093	15,139
USD exposure	34,970	35,890	7,177
Hedge (10%)	3,497	3,589	718
Net USD exposure	31,473	32,301	6,459
OP impact of 1% forex move	315	323	65
2026E operating profit	9,593	9,544	3,838
OP sensitivity	3.3%	3.4%	1.7%

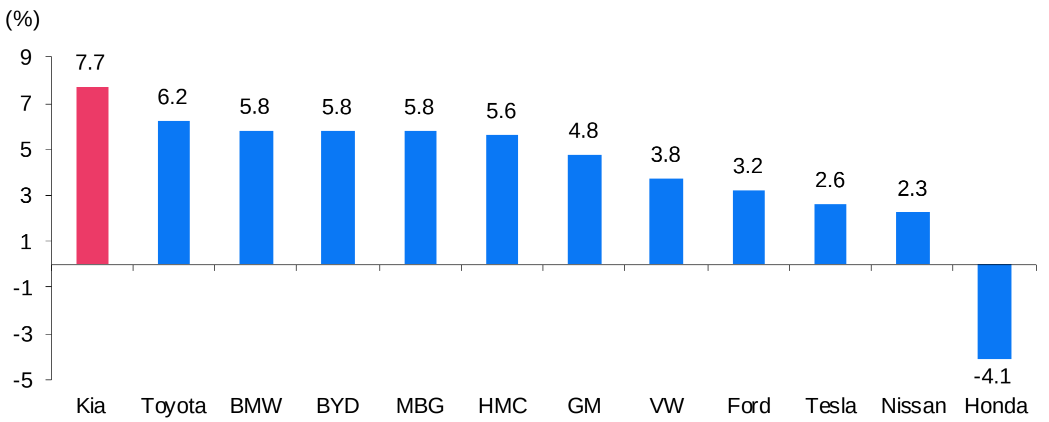
Source: Samsung Securities

Robot companies: Technology stack and degree of in-house development

Category	Company	World model / foundation model	Motion-control model	Inference chip	Body design	Mass production	Remarks
Full stack	Tesla	In-house (FSD)	In-house (FSD)	In-house (AI5)	In-house	2H26	
	Xiaopeng	In-house	In-house	In-house (Turing AI)	In-house	End-2026	
Model-led full stack	Figure AI	In-house	In-house	Nvidia Thor	In-house	2026	Decoupled foundation model from OpenAI
	Robotics Lab	In-house	In-house	DeepX	In-house	1H26	Based on the MobED mobile robot
	AgiBot	In-house	In-house	Nvidia Thor	In-house	2024	Cumulative production of 5,000 units
Big Tech collaboration	Boston Dynamics	Collaboration with Google DeepMind + in-house	In-house	Nvidia Thor	In-house	2028	Actuator standardization; collaboration with Hyundai Mobis
	Agility	Collaboration with Nvidia	In-house	Nvidia Thor	In-house	2026	5th generation by end-2026
	Apptronik	Collaboration with Google DeepMind	In-house	Nvidia Thor	In-house	2026	Planned deployment at a Mercedes-Benz plant
	1X	Collaboration with Nvidia	In-house	Nvidia Thor	In-house	2026	Subscription model launch in April
	Unitree	Collaboration with Nvidia	In-house	Nvidia Thor	In-house	2025	Production of 500 units in 2025

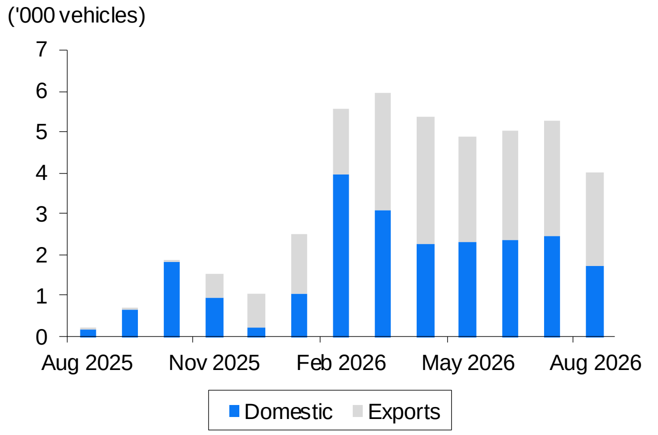
Source: Company data, Samsung Securities

1H26 global automakers: Operating margin



Source: Bloomberg, Samsung Securities

Kia: PBV sales volume

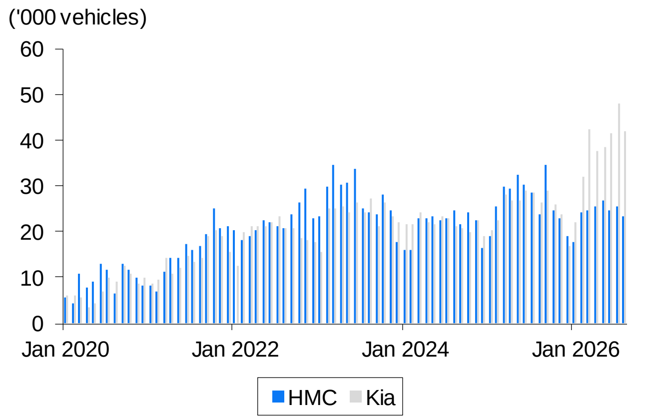


Source: Company data, Samsung Securities

Kia PV5: Remote autonomous driving

Source: Company data, Samsung Securities

HMC/Kia: EV sales volume



Source: Company data, Samsung Securities

Robotics Lab: EV-charging robot

Source: Company data, Samsung Securities

Kia: Global sales volume and forecasts

('000 vehicles)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
Global plant sales	776	808	758	742	780	832	843	850	3,044	3,083	3,305	3,430
Domestic	394	417	397	379	404	431	418	432	1,547	1,587	1,685	1,700
Overseas	382	391	360	363	376	401	425	418	1,496	1,496	1,620	1,730
US (KMMG)	88	91	88	84	87	90	107	96	352	352	380	400
Europe (KMS)	89	86	64	56	73	77	84	96	351	295	330	350
China (DYK)	57	67	63	67	50	68	68	64	248	254	250	250
Mexico (KMM)	68	74	73	74	76	79	81	75	274	288	310	350
India (KMI)	81	73	72	82	90	87	87	86	270	307	350	380
Global retail sales	772	815	784	761	779	852	842	860	3,083	3,131	3,320	3,450
Global ASP (KRWm)	37.2	36.9	37.6	38.0	38.8	39.7	37.7	36.5	35.8	37.4	38.3	36.2

Source: Company data, Samsung Securities estimates

Kia: Results and forecasts

(KRWb)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	3Q26E	4Q26E	2024	2025	2026E	2027E
KRW/USD (avg)	1,453	1,401	1,387	1,452	1,467	1,502	1,370	1,308	1,365	1,423	1,412	1,274
Revenue	28,018	29,350	28,686	28,088	29,502	33,037	31,021	30,557	107,449	114,141	124,117	121,856
Gross profit	6,081	5,875	5,409	5,143	5,804	6,043	5,165	5,192	24,771	22,508	22,204	21,537
Operating profit	3,009	2,765	1,462	1,843	2,205	2,629	2,328	2,087	12,667	9,078	9,249	9,131
Pre-tax profit	3,243	3,000	1,887	2,111	2,635	3,068	2,664	2,043	13,500	10,241	10,410	10,304
Net profit	2,393	2,268	1,422	1,471	1,830	2,328	1,918	1,471	9,775	7,554	7,547	7,419
Controlling profit	2,393	2,269	1,425	1,474	1,831	2,328	1,918	1,471	9,773	7,561	7,548	7,419
Margins (%)												
Gross profit	21.7	20.0	18.9	18.3	19.7	18.3	16.7	17.0	23.1	19.7	17.9	17.7
Operating profit	10.7	9.4	5.1	6.6	7.5	8.0	7.5	6.8	11.8	8.0	7.5	7.5
Net profit	8.5	7.7	5.0	5.2	6.2	7.0	6.2	4.8	9.1	6.6	6.1	6.1
Controlling profit	8.5	7.7	5.0	5.2	6.2	7.0	6.2	4.8	9.1	6.6	6.1	6.1

Source: Company data, Samsung Securities estimates

Income statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Sales	**107,449**	**114,141**	**124,117**	**121,856**	**127,880**
Cost of goods sold	82,678	91,633	101,913	100,319	104,661
Gross profit	**24,771**	**22,508**	**22,204**	**21,537**	**23,219**
Gross margin (%)	23.1	19.7	17.9	17.7	18.2
SG&A expenses	12,104	13,430	12,955	12,406	13,115
Operating profit	**12,667**	**9,078**	**9,249**	**9,131**	**10,104**
Operating margin (%)	11.8	8.0	7.5	7.5	7.9
Non-operating gains (losses)	**833**	**1,163**	**1,162**	**1,174**	**1,232**
Financial profit	1,351	1,300	1,023	1,216	1,458
Financial costs	610	578	51	38	38
Equity-method gains (losses)	395	415	342	354	371
Other	-304	26	-152	-359	-560
Pre-tax profit	**13,500**	**10,241**	**10,410**	**10,304**	**11,337**
Taxes	3,725	2,687	2,863	2,885	3,174
Effective tax rate (%)	27.6	26.2	27.5	28.0	28.0
Profit from continuing operations	9,775	7,554	7,547	7,419	8,162
Profit from discontinued operations	0	0	0	0	0
Net profit	**9,775**	**7,554**	**7,547**	**7,419**	**8,162**
Net margin (%)	9.1	6.6	6.1	6.1	6.4
Net profit (controlling interests)	9,773	7,561	7,547	7,419	8,162
Net profit (non-controlling interests)	2	-7	0	0	0
EBITDA	15,216	11,792	11,876	11,607	12,451
EBITDA margin (%)	14.2	10.3	9.6	9.5	9.7
EPS (parent-based) (KRW)	24,413	19,111	19,331	19,003	20,907
EPS (consolidated) (KRW)	24,418	19,094	19,331	19,003	20,907
Adjusted EPS (KRW)*	24,413	19,111	19,331	19,003	20,907

Balance sheet

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Current assets	**41,797**	**44,426**	**49,441**	**54,962**	**61,465**
Cash & equivalents	13,567	13,998	16,381	22,499	27,414
Accounts receivable	3,561	3,552	3,862	3,792	3,979
Inventories	12,419	14,666	15,948	15,658	16,432
Other current assets	12,251	12,210	13,249	13,013	13,641
Fixed assets	**50,958**	**54,553**	**56,316**	**54,798**	**55,395**
Investment assets	27,223	28,149	30,539	29,998	31,441
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**	**105,757**	**109,760**	**116,860**
Current liabilities	**26,977**	**28,378**	**29,586**	**29,051**	**30,476**
Accounts payable	10,455	10,662	11,594	11,383	11,946
Short-term debt	221	211	211	211	211
Other current liabilities	16,302	17,505	17,780	17,456	18,319
Long-term liabilities	**9,938**	**9,410**	**10,118**	**9,957**	**10,385**
Bonds & long-term debt	2,176	979	979	979	979
Other long-term liabilities	7,763	8,431	9,139	8,978	9,406
Total liabilities	**36,916**	**37,789**	**39,703**	**39,008**	**40,861**
Owners of parent equity	**55,831**	**61,188**	**66,051**	**70,749**	**75,997**
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	59,424	64,123	69,370
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**	**66,053**	**70,752**	**75,999**
Net debt	-15,303	-19,162	-23,385	-29,347	-34,675

Cash flow statement

Year-end Dec 31 (KRWb)	2024	2025	2026E	2027E	2028E
Cash flow from operations	**12,564**	**9,054**	**10,955**	**9,287**	**10,816**
Net profit	9,775	7,554	7,547	7,419	8,162
Non-cash profit and expenses	9,666	8,455	3,984	3,636	3,536
Depreciation	2,010	2,070	2,060	1,977	1,906
Amortization	540	644	567	500	440
Other	7,116	5,741	1,357	1,160	1,189
Changes in A/L from operating activities	-4,287	-4,328	1,123	-255	678
Cash flow from investments	**-10,153**	**-4,960**	**-2,876**	**-1,301**	**-2,029**
Change in tangible assets	-3,424	-3,593	-2,000	-1,500	-1,500
Change in financial assets	-4,788	-1,940	-876	199	-529
Other	-1,941	573	0	-0	0
Cash flow from financing	**-3,570**	**-4,175**	**-3,790**	**-2,722**	**-2,911**
Change in debt	-525	-887	-1,147	-1	4
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	2,383	6,118	4,915
Cash at beginning of year	14,353	13,567	13,998	16,381	22,499
Cash at end of year	13,567	13,998	16,381	22,499	27,414
Gross cash flow	**19,441**	**16,009**	**11,531**	**11,055**	**11,698**
Free cash flow	**9,079**	**5,290**	**8,955**	**7,787**	**9,316**

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

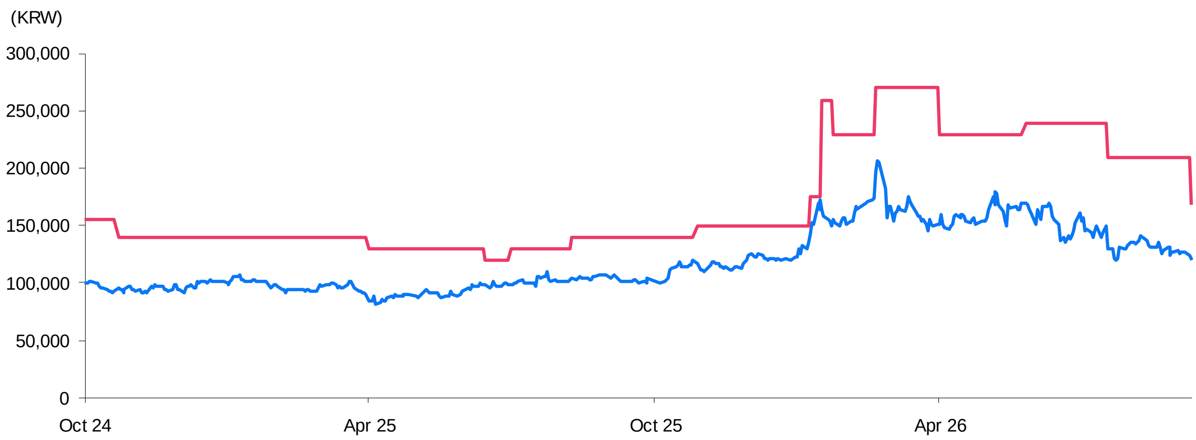
Financial ratios

Year-end Dec 31	2024	2025	2026E	2027E	2028E
Growth (%)					
Sales	7.7	6.2	8.7	-1.8	4.9
Operating profit	9.1	-28.3	1.9	-1.3	10.7
Net profit	11.4	-22.7	-0.1	-1.7	10.0
Adjusted EPS**	12.1	-21.7	1.2	-1.7	10.0
Per-share data (KRW)					
EPS (parent-based)	24,413	19,111	19,331	19,003	20,907
EPS (consolidated)	24,418	19,094	19,331	19,003	20,907
Adjusted EPS**	24,413	19,111	19,331	19,003	20,907
BVPS	141,812	157,456	169,947	182,036	195,537
DPS (common)	6,500	6,800	7,000	7,500	7,500
Valuations (x)					
P/E***	4.1	6.4	6.3	6.4	5.8
P/B***	0.7	0.8	0.7	0.7	0.6
EV/EBITDA	1.6	2.4	2.0	1.6	1.0
Ratios (%)					
ROE	19.1	12.9	11.9	10.8	11.1
ROA	11.3	7.9	7.4	6.9	7.2
ROIC	45.2	27.3	25.5	25.7	29.5
Payout ratio	26.2	34.9	36.0	39.3	35.7
Dividend yield (common)	6.5	5.6	5.7	6.2	6.2
Net debt to equity	-27.4	-31.3	-35.4	-41.5	-45.6
Interest coverage (x)	124.8	120.8	180.5	242.1	267.7

Compliance notice

- As of 9/14 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 9/14 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	2024/7/29	10/28	2025/4/7	6/20	7/7	8/14	11/3	2026/1/14	1/22	1/29	2/25	4/7
Recommendation	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY	BUY
Target price (KRW)	155000	140000	130000	120000	130000	140000	150000	175000	260000	230000	270000	230000
Gap* (average)	-34.54	-30.66	-30.49	-17.88	-21.50	-24.00	-20.38	-7.53	-40.63	-30.12	-39.27	-30.51
(max or min)**	-27.68	-23.79	-23.38	-15.75	-15.08	-14.36	-9.33	-1.66	-38.85	-24.35	-23.70	-21.96

Date	6/1	7/24	9/15
Recommendation	BUY	BUY	BUY
Target price (KRW)	240000	210000	170000
Gap* (average)	-36.89	-38.05	
(max or min)**	-29.08	-32.52	

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 2026.06.30

BUY (85.5%)·HOLD (14.5%)·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.

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