

Samsung CE Strategy

SAMSUNG
ANALYST DAY 2013

The logo for Samsung Analyst Day 2013 features the text "SAMSUNG ANALYST DAY 2013" in a white, sans-serif font. Below the text is a stylized graphic consisting of a white swoosh that curves upwards and then downwards, ending in a yellow swoosh that curves upwards.

- Sustainable Growth and Value Creation -



Nov 2013



DISCLAIMER

The materials in this report include forward-looking statements which can generally be identified by phrases such as Samsung Electronics (SEC) or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar implications. Similarly, such statements that describe the company's business strategy, outlook, objectives, plans, intentions or goals are also forward-looking statements. All such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in the presentation files above.

For us, particular uncertainties which could adversely or positively affect our future results include:

- The behavior of financial markets including fluctuations in exchange rates, interest rates and commodity prices
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses including CE (Consumer Electronics), IM (IT & Mobile communications), DS (Device Solutions)
- Numerous other matters at the national and international levels which could affect our future results

These uncertainties may cause our actual results to be materially different from those expressed in this report.

Agenda

1. Business Opportunity
2. CE Strategy
3. Samsung CE Vision

Closely Tied to People's Daily Lives



Doing laundry



Cooking



Watching TV



Listening to music



Cooling

Cleaning

Imagine Your Home Without CE Products



Doing laundry

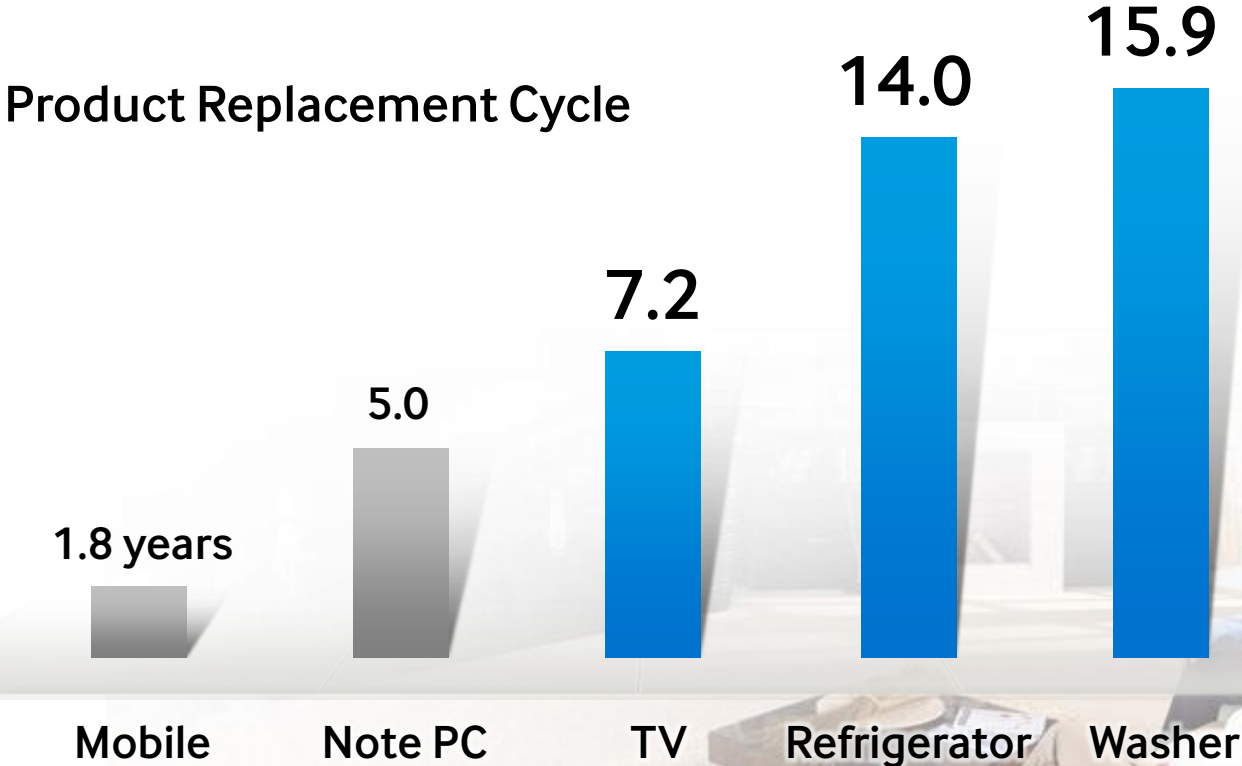
Cooling

Cooking

ng to

Cleaning

Brand Reliability Comes First



※ Source : IMS Research(USA), Internal Analysis

Potential to Lock-in Customers



The First Purchase

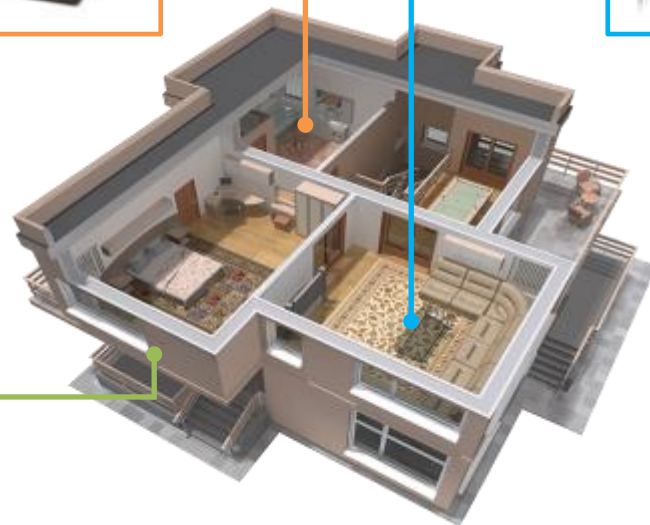


Additional Purchase



Full Package

Experience Samsung Brand Everywhere!



1. Business Opportunity



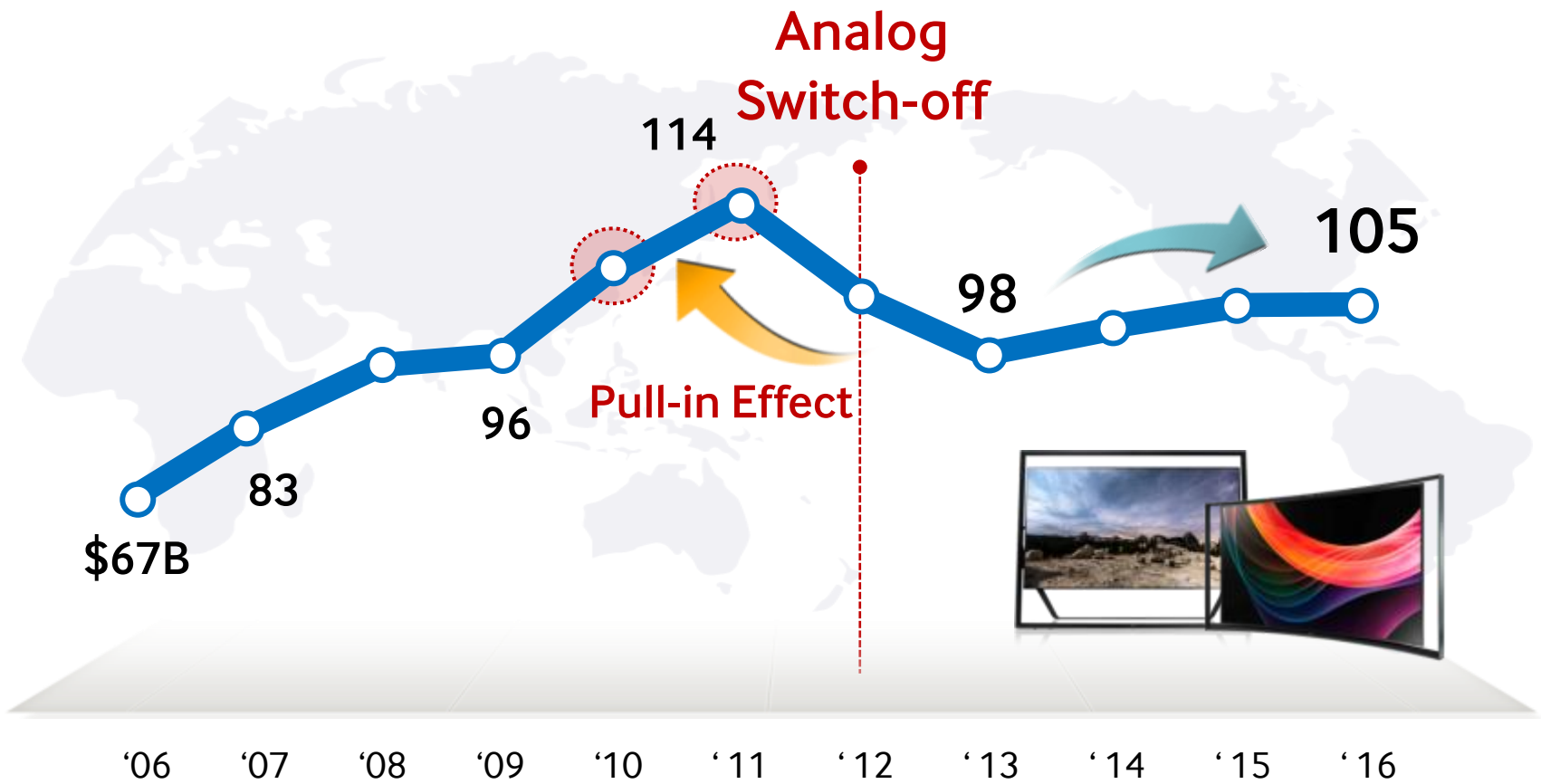
Is TV biz able to generate sustainable growth?

01

02

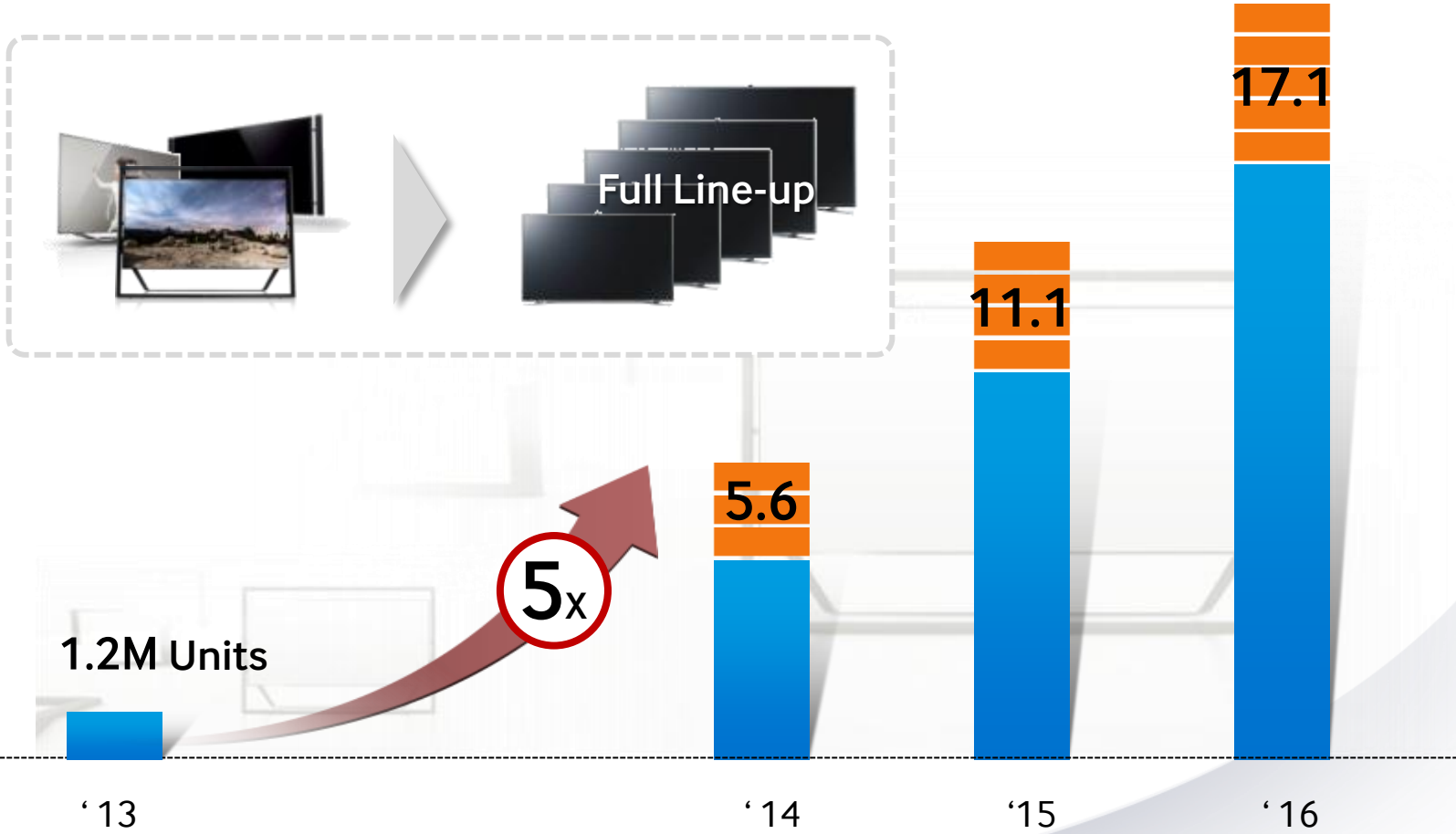
Can HA biz turn into the Samsung's next driver?

TV Demand Growing Consistently



※ Source : Display Search FPTV (Revenue)

UHD TV Market Ready to Explode



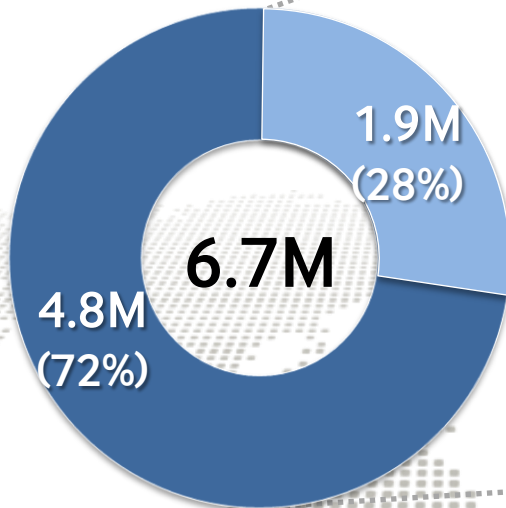
※ Source : Display Search

Fast Growing Premium Segment

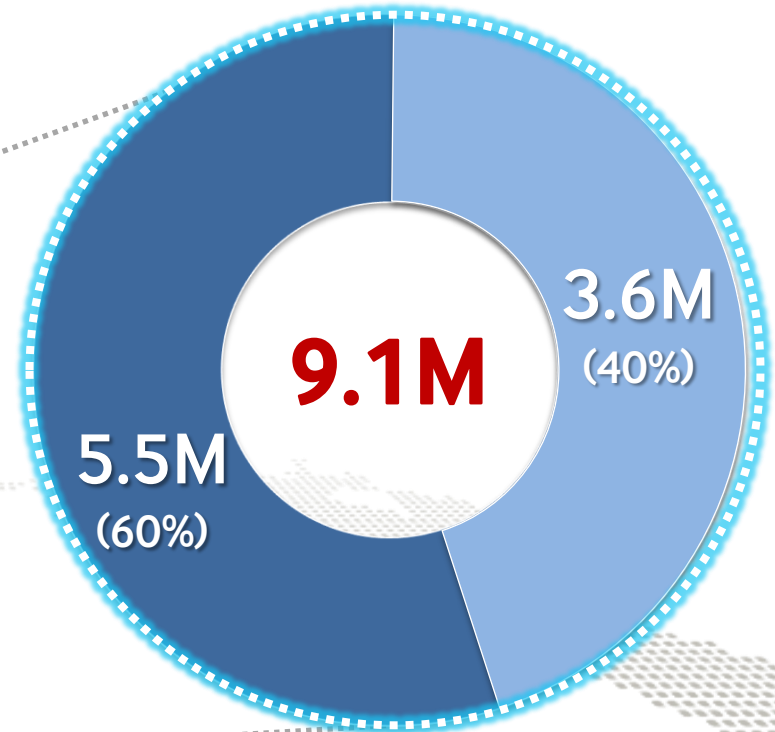


60" ↑ FPTV

■ Emerging
■ Developed



'13



'16

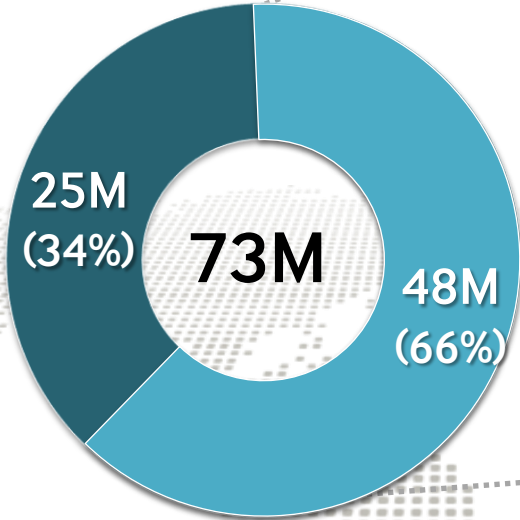
※ Source : Display Search (Unit)

Fast Growing Premium Segment

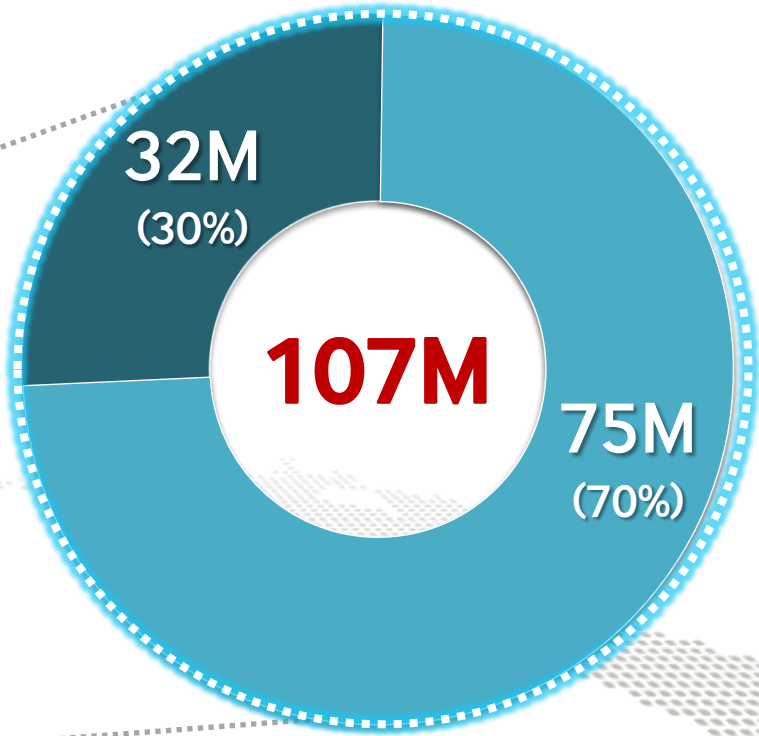


Smart TV

- Emerging
- Developed



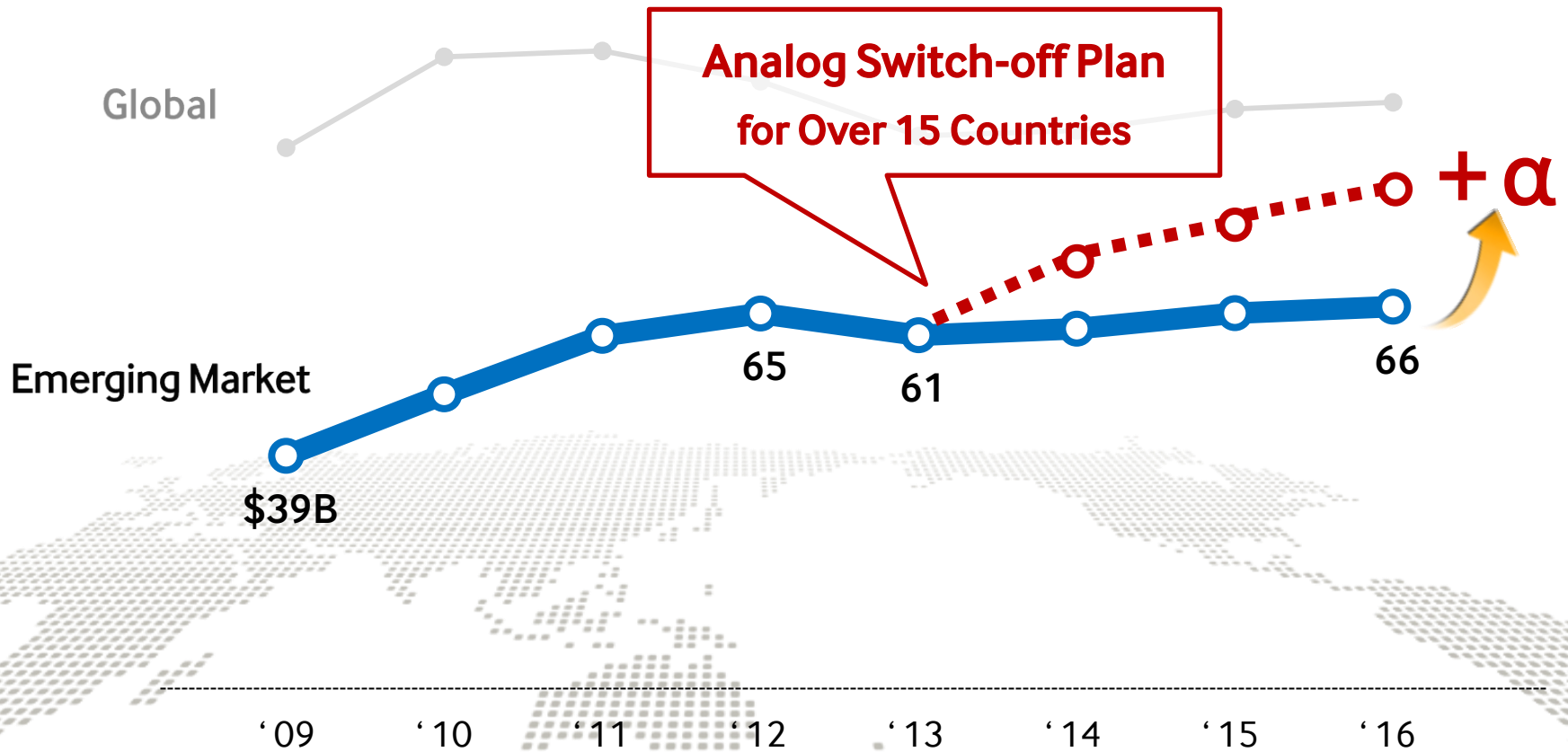
'13



'16

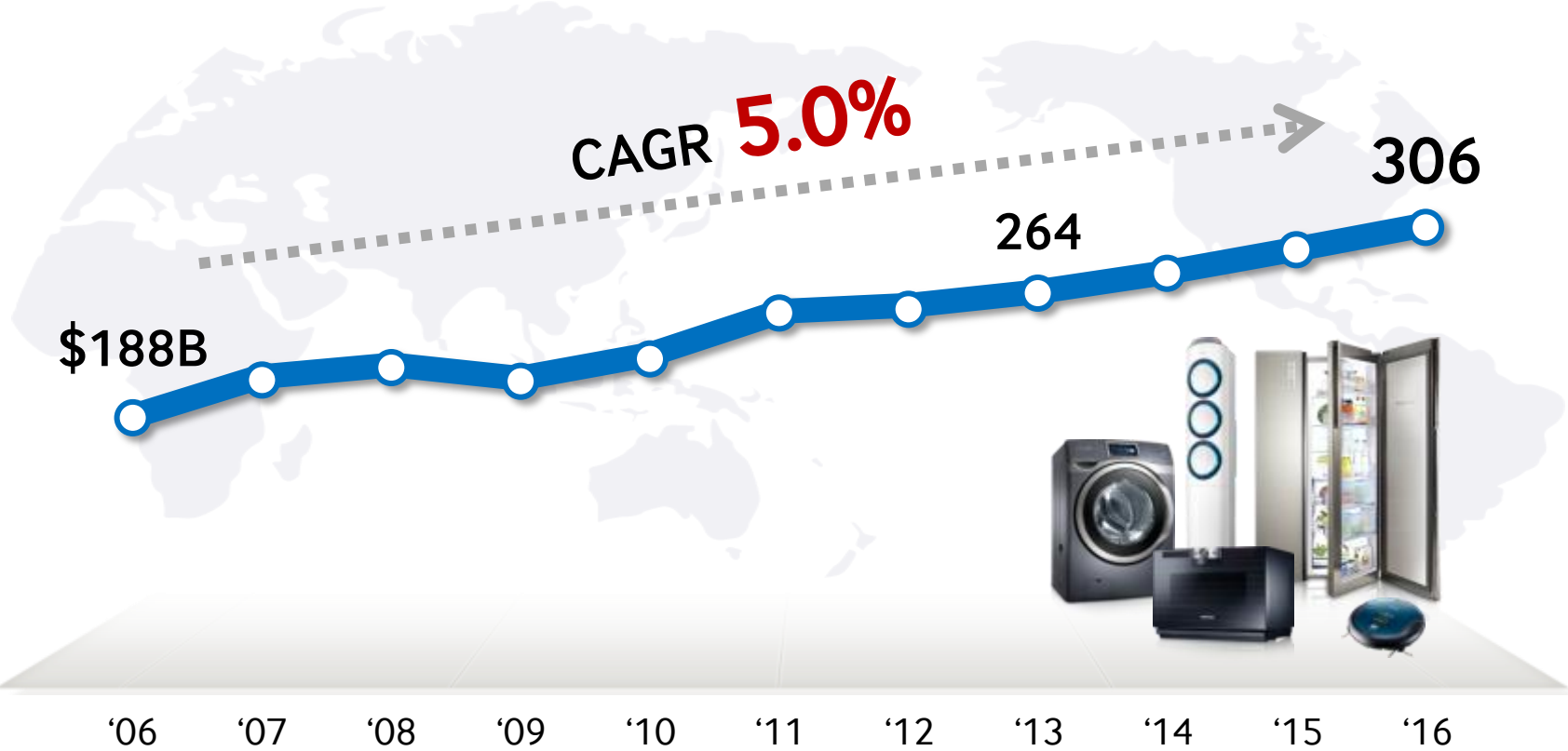
※ Source : Display Search (Unit)

Emerging Market, Driving New Momentum



※ Source : Display Search FPTV (Revenue)

Continuously Growing Market



※ Source : Euromonitor, GfK, BSRIA, Internal Analysis

Increasing Appetite for Value-added Products



**Better
Quality of Life**



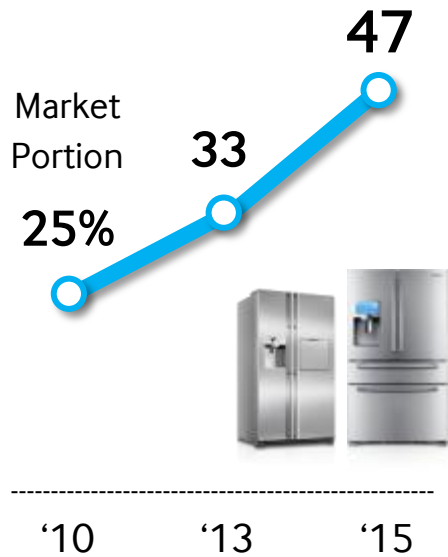
**Growing Desire for
Premium Product**



**Increasing
Average Price**

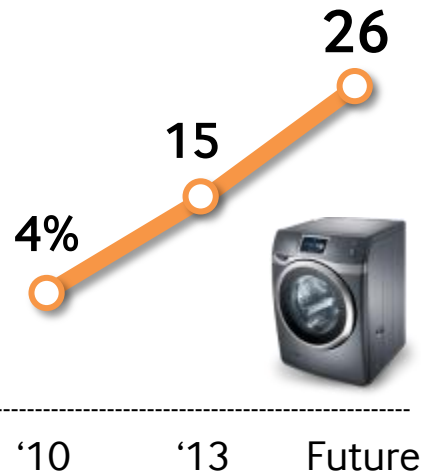
Increasing Appetite for Value-added Products

High End



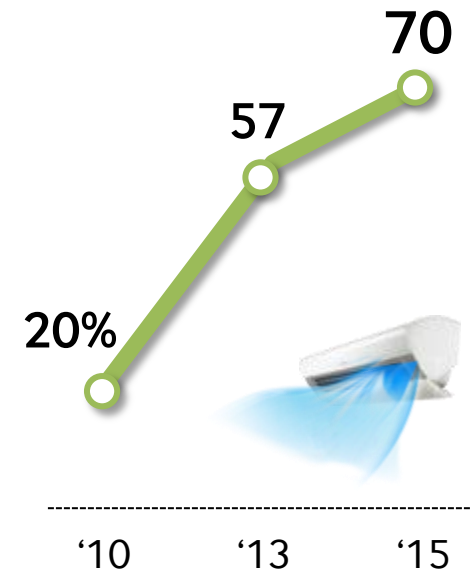
* REF priced over \$2,000 (USA)

Large Capacity



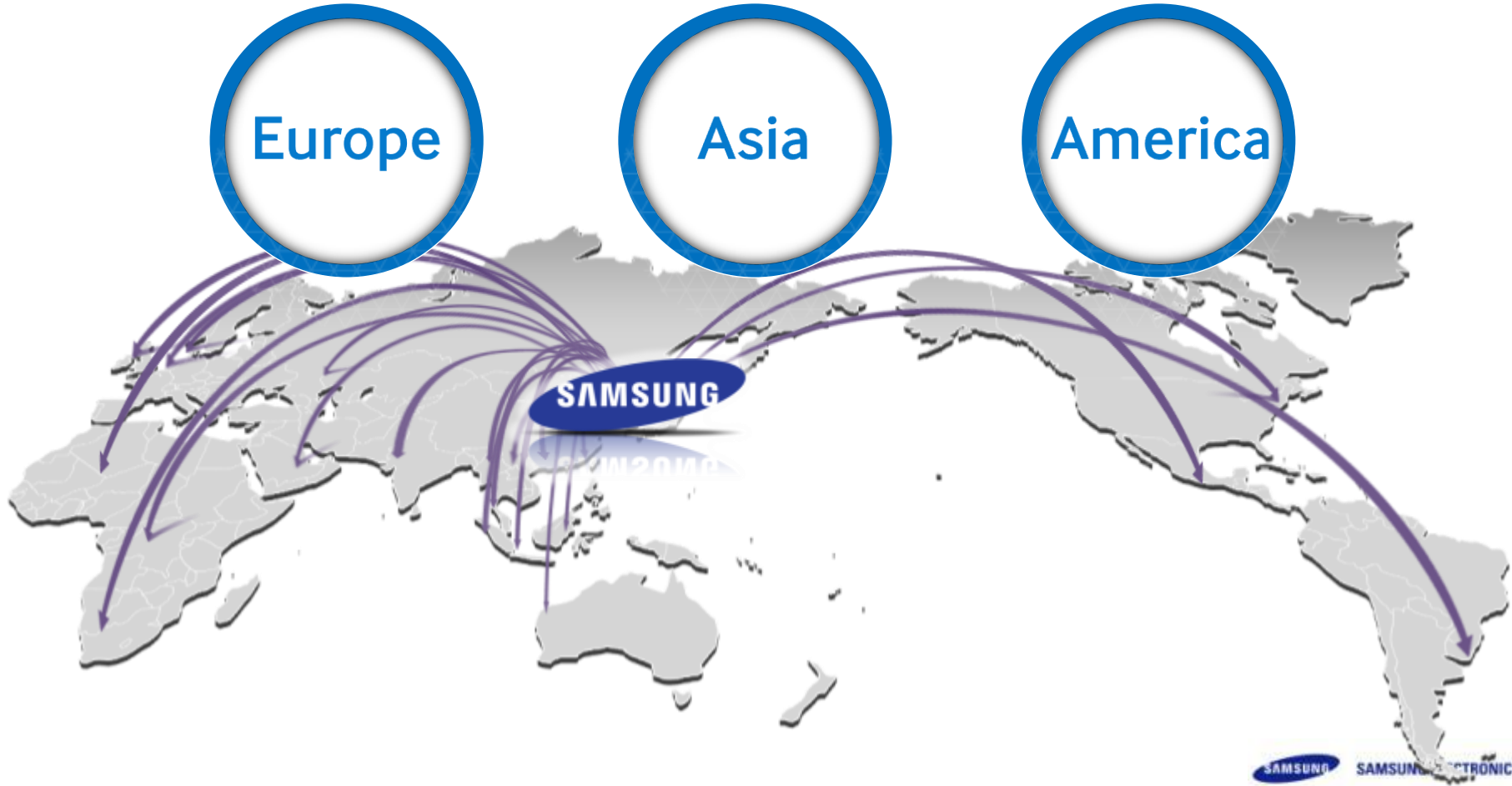
* Washer over 8kg (Germany)

Energy Efficiency

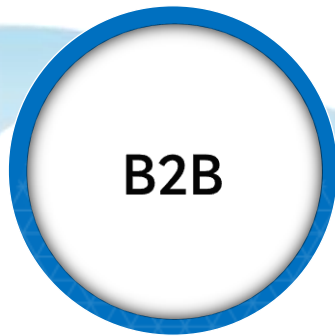


* Inverter A/C (China)

Fragmented Market with Regional Players



Tremendous Addressable Opportunities



Addressable
Market

Total
Market



Our Sales

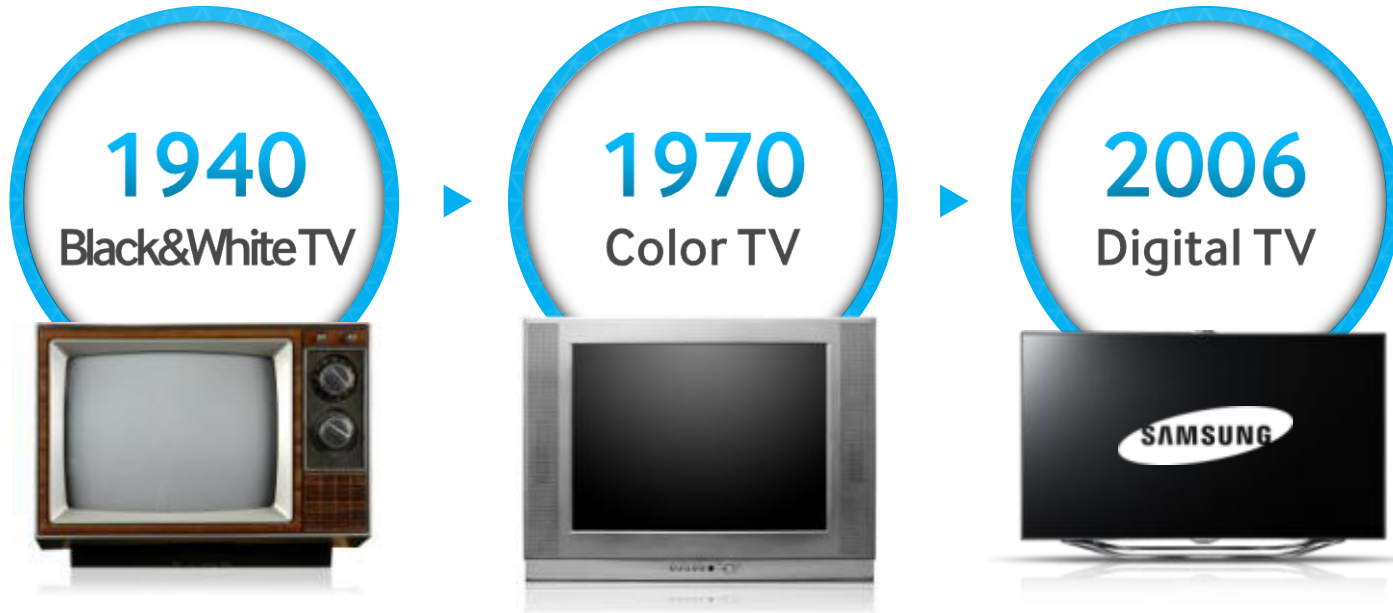
2. CE Strategy

The background features a dark blue gradient with abstract, flowing wavy lines in shades of teal and light blue, creating a sense of movement and depth.

TV



Samsung TV Seized the Initiative



Leading the Industry Trend

2006 Bordeaux



2009 LED TV



2011 Smart TV



2012 Smart Interaction



UHD TV

World's Largest

Timeless Design



Evolutionary TV

EVOLUTIONARY TV



Evolution Kit

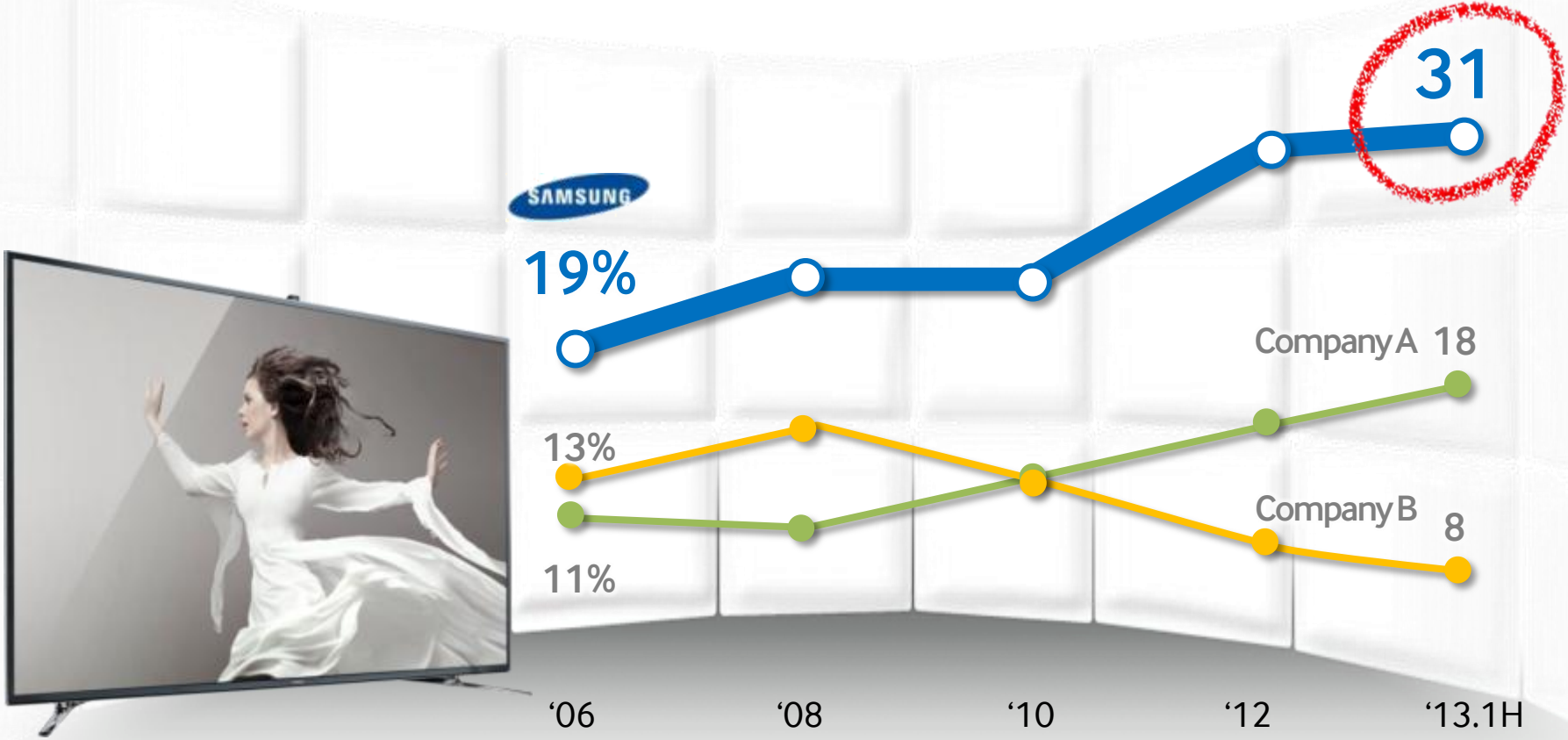
OLED TV

Unparalleled
Picture Quality



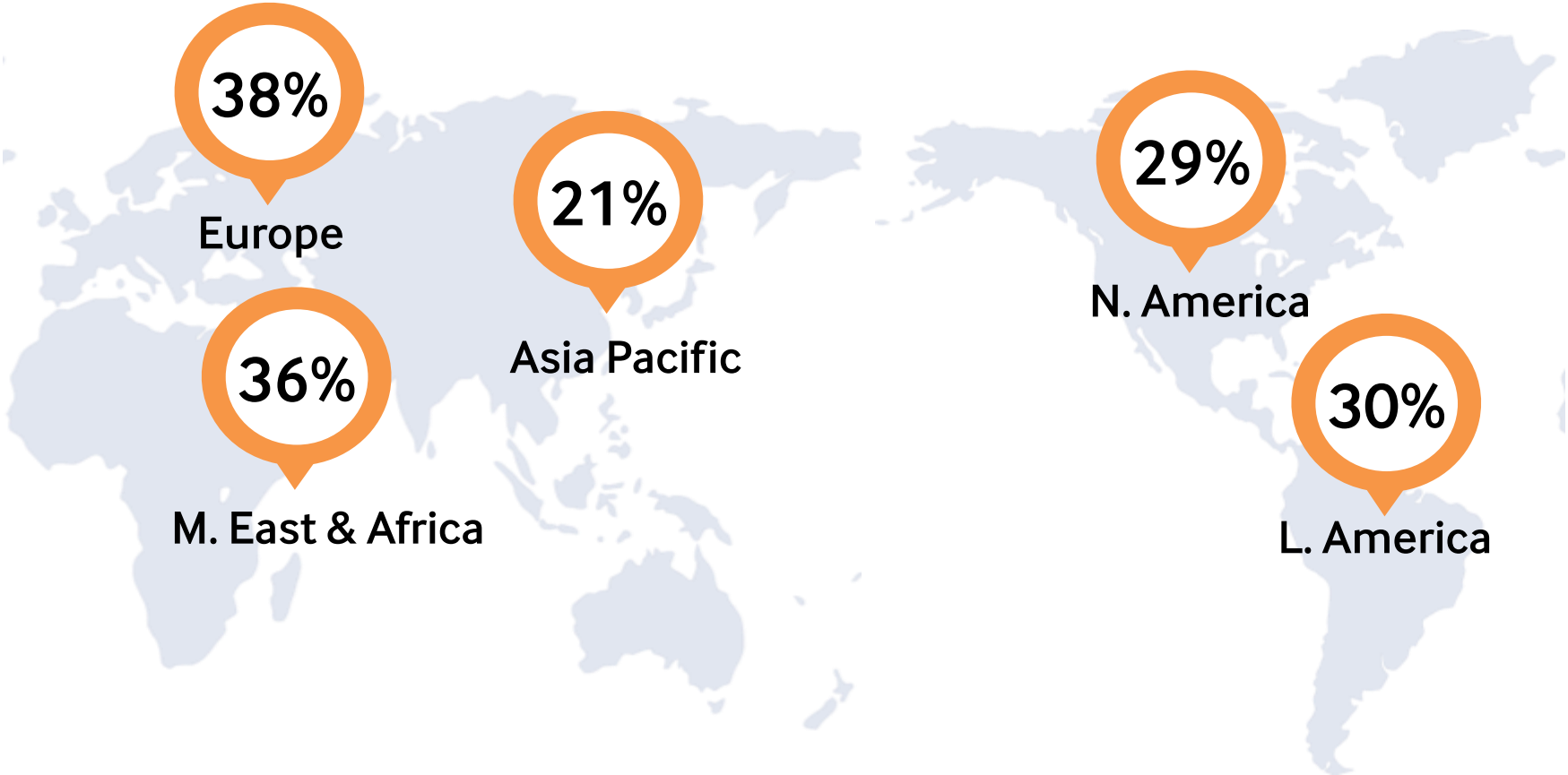
Curved Design

Global No.1 for 8 Consecutive Years



※ Source : GfK, NPD (Revenue)

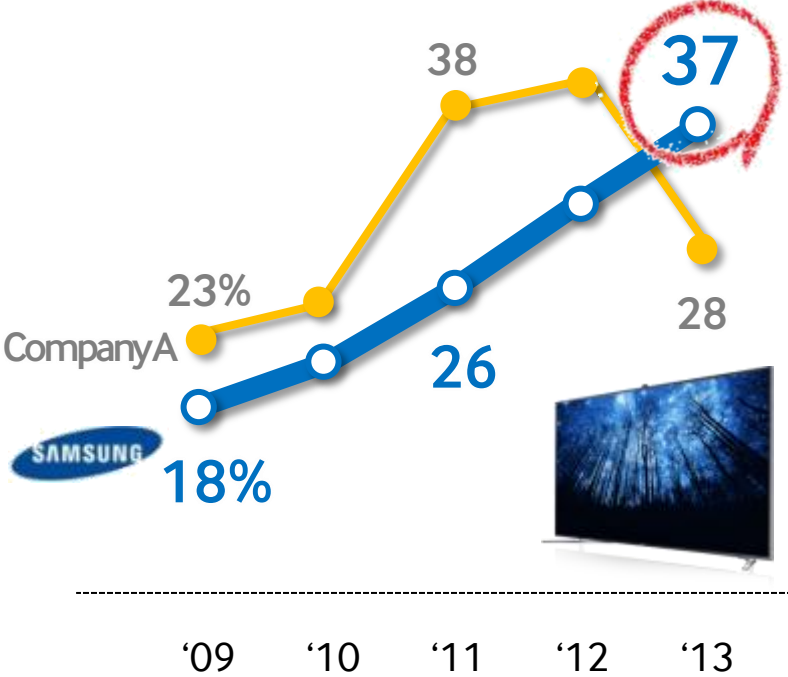
No.1 Market Share on Key Regions



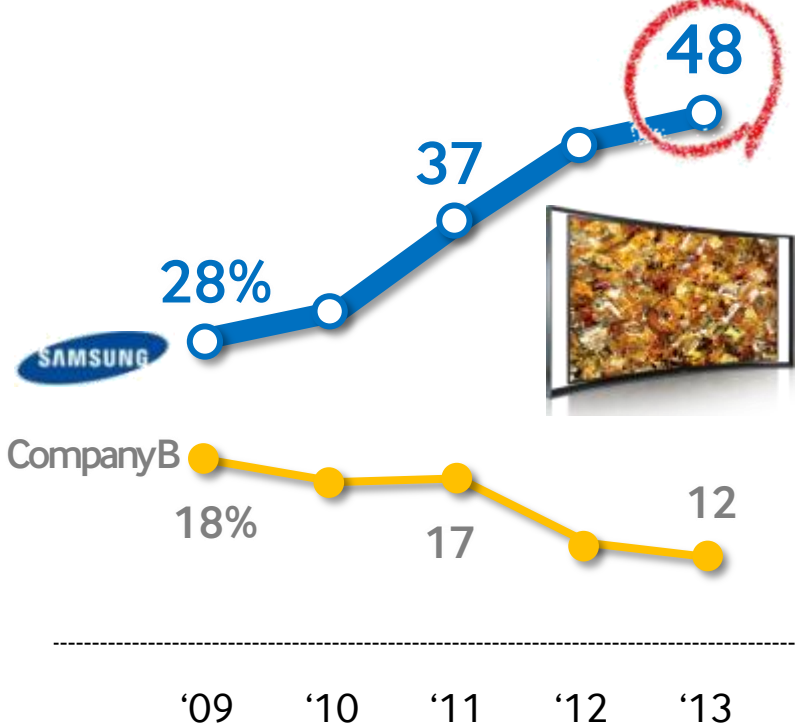
※ Source : GfK, NPD (Revenue) '13.1H

Leading the Premium Market

Market Share of 60" ↑



Market Share of \$2,000 ↑



※ Source : GfK, NPD (Revenue) '13.3Q Cumulative

The Most Preferred TV Brand

2006		
Rank	Company	Preference
1	Company A	41.4
2	B	11.8
3	C	9.6
4	Samsung	9.6
⋮	⋮	⋮

2008		
Rank	Company	Preference
1	Company A	30.9
2	Samsung	14.0
3	B	8.7
4	D	8.7
⋮	⋮	⋮

2013		
Rank	Company	Preference
1	Samsung	32.7
2	Company A	22.0
3	D	12.1
4	B	7.0
⋮	⋮	⋮

(Most Preferred Single Answer)

※ Source : Internal Analysis, TNS

Recent Challenges Surrounding TV Business



**Major TV
Competitors**

**2nd-Tier
TV Set Makers**

**IT Companies
with New Devices**

Lead the UHD Category

Highest **Picture Quality**

Size Leadership

Multiple **Form Factors**



Reinforce Our Core Competencies



Cutting-edge Technology

Innovative Design

Various Line-ups

Bring New Experience

Easier & Faster User Interface



Differentiated Content & Service

Provide Best Shopper Experiences

Story Zone
(In-store Display)



Culture Marketing
(France Nuit Blanche Festival)



Fully Prepared for Any Challenges

SAMSUNG

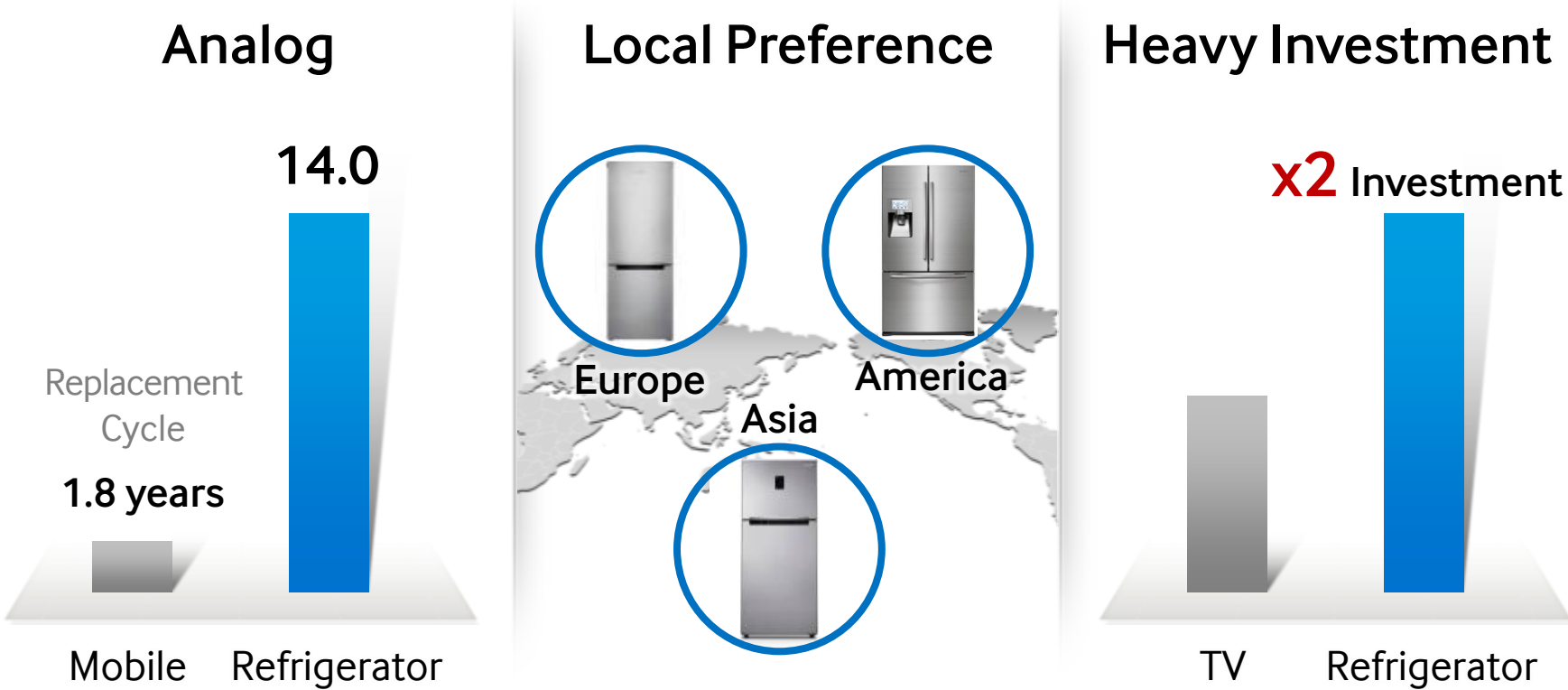
Future
TV



Home Appliances



Home Appliances Industry is ...



Slow Moving Industry

Few Technology Breakthrough in the past



Refrigerator



Washer



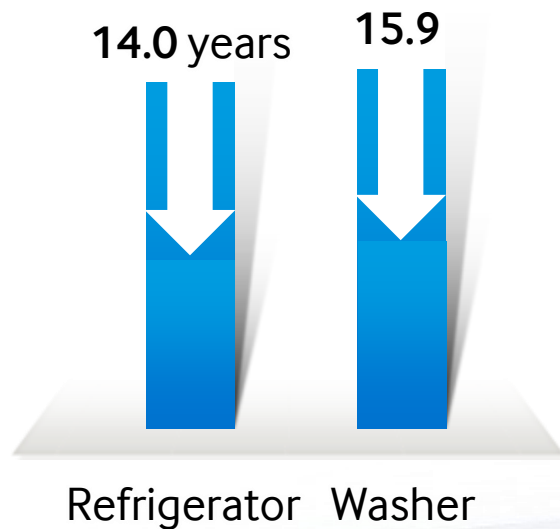
Air-conditioner



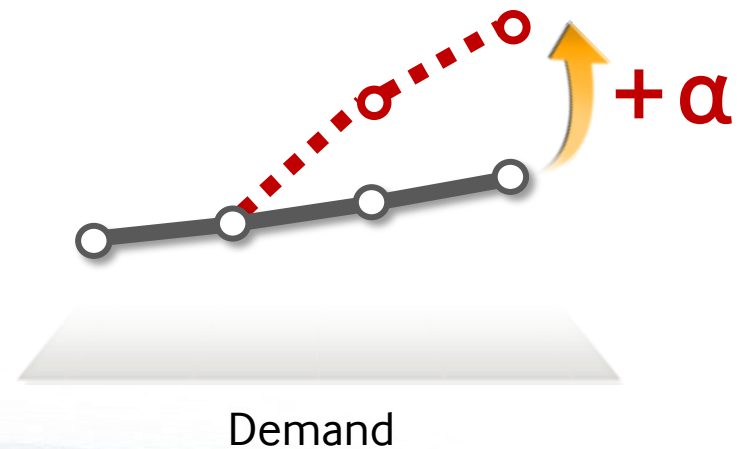
Time to Change
the Market Paradigm

Innovate the Marketplace

Boost up Customer Desire



Enlarge Market Size



Samsung's Innovative Products

A Quantum Leap through Innovation





Samsung's

Product Innovation
PRODUCT INNOVATION

Refrigerator

Create a New Premium Category

New!

1990



Side-by-side

2003



French-door

2012



T-type

2013



Food Showcase

2014~



Future REF

Capacity Innovation



Bigger Capacity

T-type

T9000

Same Frame, More Space



Smart Storage Solution



Unorganized



Food Showcase

New Embedded Feature



soda**stream**



Sparkling
Refrigerator

Washing Machine

Lead the Green Technology Paradigm

Performance



Energy



Water



Washing Machine

Lead the Green Technology Paradigm

Eco Bubble
Up to 70% Less Energy

Air Speed Dry
No Water Consumption
(Conventional 52L)

**New Concept,
New Design**

2014

W9000

Air-conditioner

Provide Total Air Solutions



Design Innovation

Turbo Jet Cooling



Q9000

Slim Design

Spring
Air-purifier

55% ↓
Summer
Cooling



Q9000
Virus Destroyer

Winter
Humidifier



Unlimited Applications

Easy Installation

Largest Capacity

Energy Leadership
with Inverter Technology

Shopping Mall
(Hungary)

Stadium
(Germany)

Airport
(China)

Resort
(Turkey)

Office Building
(Qatar)

Vacuum Cleaner

Create Cutting-edge Products

Canister/Upright



Motion Sync Design

Vacuum Cleaner

Create Cutting-edge Products

Robot Cleaner



Mechanics
Pop-out Brush

Sensors
Visionary Mapping

IT Technologies
Remote Control

Kitchen Appliances

Deliver the Premium Kitchen Package

Large Market Potential

Total Market

\$70B

(Refrigerator \$80B)

Core of a Premium Brand

**Built-in
Package**

Premium
Home
Appliances

Kitchen Appliances

Deliver the Premium Kitchen Package



Establishing a Global Business Foundation

7 manufacturing sites in 2008 \blacktriangleright 12 manufacturing sites in 2013



Discovering Deep Local Insights

5 Lifestyle Research Lab



Premium Marketing to Raise Value



Premium Marketing to Raise Value

Opened **Samsung Home Innovation**
space **at Harrods**,
which is the Future of Retail (Sep '13)



Harrods



Excellent Reviews across the World



“Best of the year 2013”

Side-by-side



- 1 Samsung 76
- 2 Company A 75
- 3 B 74

French Door



- 1 Samsung 84
- 2 Company A 83
- 2 B 83

Sparkling REF



Picked as
Spotlight

Dryer
(Electric/Gas)



Excellent
Grade

※ Source : Consumer Report (Nov 2013)

Excellent Reviews across the World



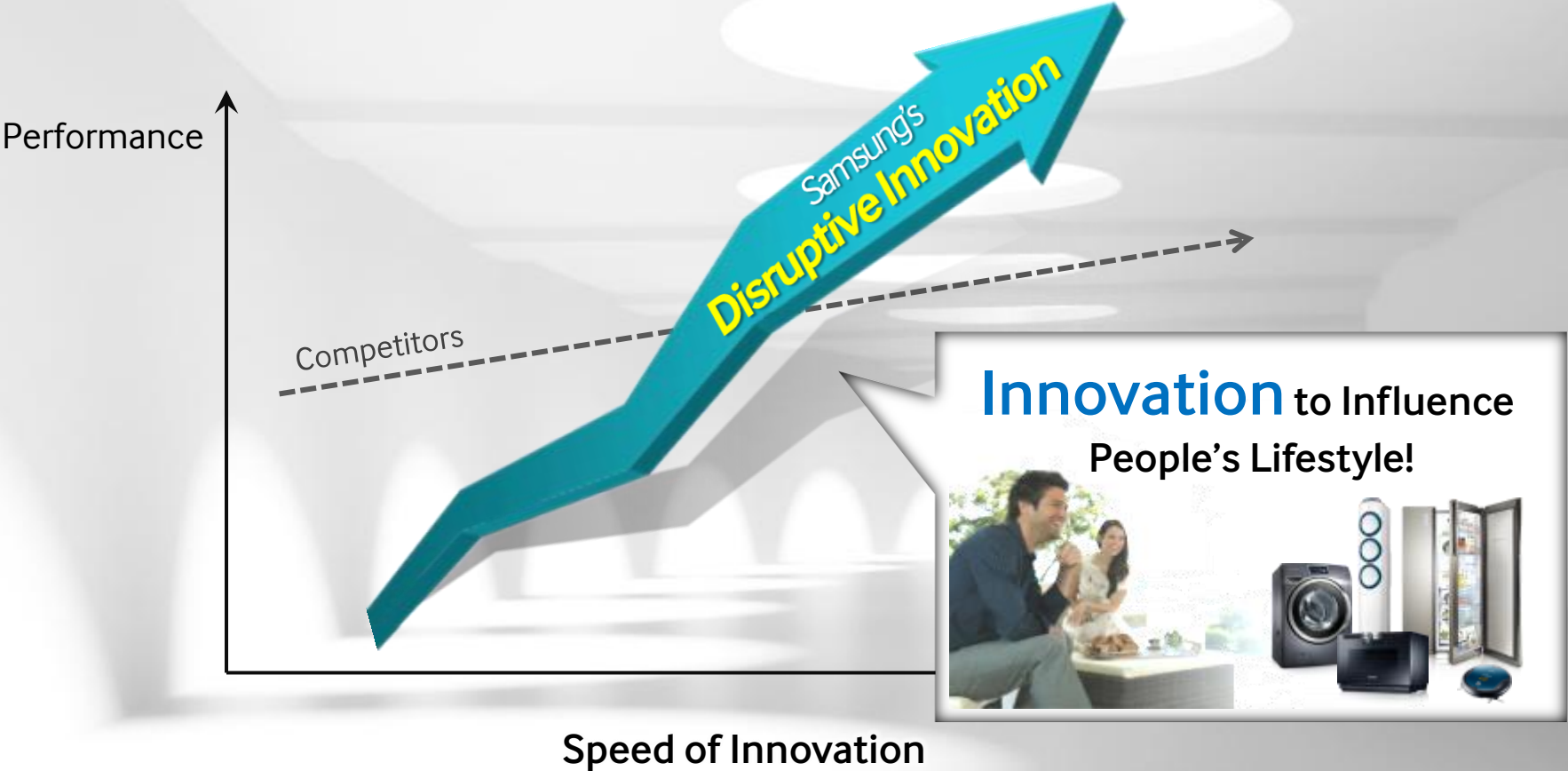
Top Ranked
for 5-Consecutive Year

Washer



※ Source : J.D.Power 2013 Laundry Appliances Satisfaction Study (Aug 2013)

HA Business will Jump Up to No.1



3. Samsung CE Vision



Highlight of Samsung CE

Highlight of Samsung CE



TV
**Sustainable
Growth**



HA
**Global
No.1**

Disruptive Innovator

**Product
Leadership**



**Design
Superiority**



**Marketing
Excellence**



Thank you

The bottom half of the slide features a decorative graphic consisting of multiple overlapping, wavy lines. These lines are rendered in various shades of blue and green, creating a sense of movement and depth. The lines are most prominent in the lower-left and lower-right areas, with some fading towards the center.