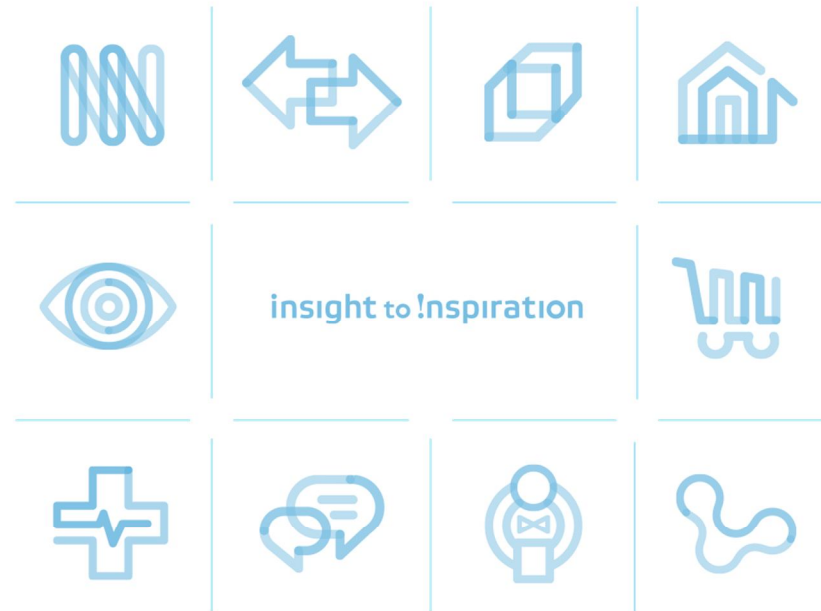


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Samsung SDS 2Q15 Earnings Release

July 2015



SAMSUNG SDS



[Disclaimer]

The financial information in this document are consolidated earnings results based on K-IFRS.

This document is provided for the convenience of investors only, before the external review on our 2Q15 financial results is completed. The review outcomes may cause some parts of this document to change.

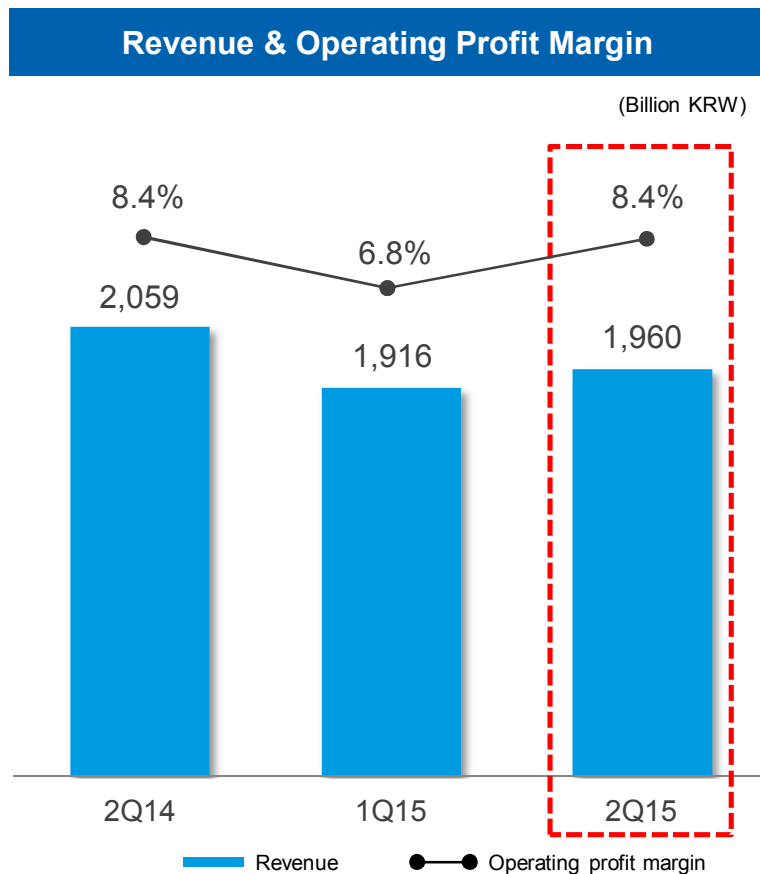
This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, “forward-looking statements” often address our expected future business and financial performance, and often contain words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “seeks” or “will”. “Forward-looking statements” by their nature address matters that are, to different degrees, uncertain. 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
- Strategic actions including dispositions and acquisitions
- Unanticipated dramatic developments in our major businesses
- 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 document.

2Q15 Results

Revenue for the quarter was 1,960 billion KRW (+2.3% QoQ) and operating profit was increased by 25.5% QoQ to 164 billion KRW with 8.4% margin. Net profit was 126 billion KRW (+34.8% QoQ) with 6.4% margin.

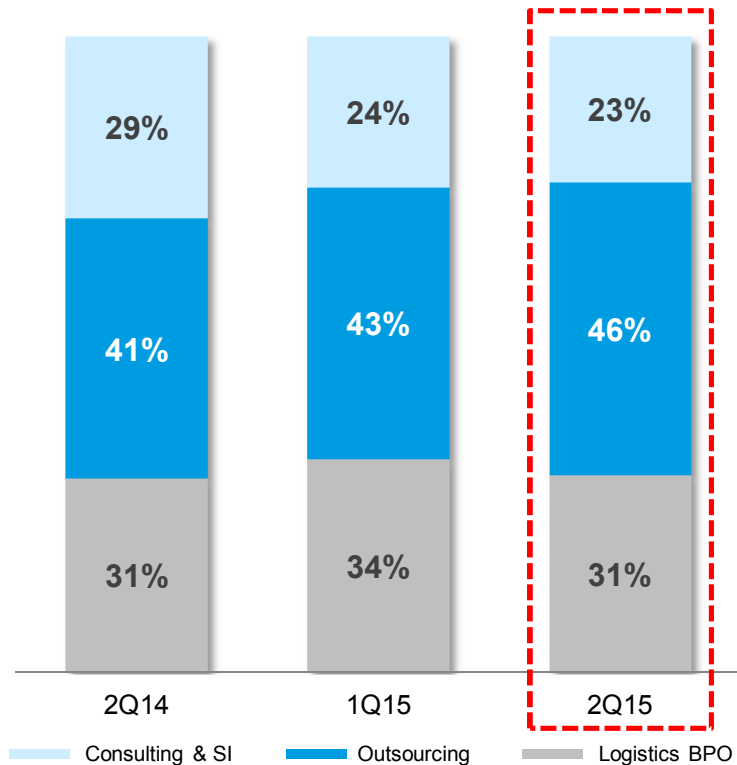


(Billion KRW)	2Q15	1Q15	QoQ	2Q14	YoY
Revenue	1,960	1,916	+2.3%	2,059	-4.9%
Gross profit	336	296	+13.5%	335	+0.4%
Gross profit margin	17.1%	15.5%	+1.6p	16.2%	+0.9p
Operating profit	164	130	+25.5%	173	-5.3%
Operating profit margin	8.4%	6.8%	+1.6p	8.4%	-
Profit before income tax	181	141	+28.5%	191	-5.4%
Net profit	126	93	+34.8%	126	+0.2%
Net profit margin	6.4%	4.9%	+1.5p	6.1%	+0.3p
Profit attributable to owners of the Company	119	88	+35.1%	120	-0.6%
Margin	6.1%	4.6%	+1.5p	5.8%	+0.3p

Revenue by Business Segment

- IT Services revenue was increased by 6.2% QoQ from IT outsourcing & data center contracts with Samsung companies. The revenue was decreased by 5.6% YoY under the influence of withdrawal from public & financial sectors business and downturn in sales of network business.
- Logistics BPO revenue was decreased by 5.4% QoQ due to reduced logistics trading volume and air freight portion. The revenue was slipped by 3.2% YoY compared to high 2Q14 revenue from World Cup event.

Revenue Proportion



(Billion KRW)	2Q15	1Q15	QoQ	2Q14	YoY
Revenue	1,960	1,916	+2.3%	2,059	-4.9%
IT Services	1,351	1,272	+6.2%	1,430	-5.6%
- Consulting & SI	450	455	-1.2%	589	-23.6%
- Outsourcing	901	817	+10.3%	841	+7.0%
Logistics BPO	609	644	-5.4%	629	-3.2%
Operating profit	164	130	+25.5%	173	-5.3%
IT Services	157	120	+30.4%	157	+0.1%
Logistics BPO	7	10	-33.0%	16	-57.9%
Operating profit margin	8.4%	6.8%	+1.6p	8.4%	-
IT Services	11.6%	9.5%	+2.2p	11.0%	+0.6p
Logistics BPO	1.1%	1.6%	-0.5p	2.5%	-1.4p

Income Statement

(Billion KRW)	2014					FY14	1Q15	2Q15
	1Q	2Q	3Q	4Q				
Revenue	1,867	2,059	1,803	2,169	7,898	1,916	1,960	
COGS	1,582	1,725	1,496	1,803	6,605	1,620	1,623	
Gross profit	285	335	307	366	1,293	296	336	
Gross profit margin	15.3%	16.2%	17.0%	16.9%	16.4%	15.5%	17.1%	
SG&A	182	162	176	179	699	166	172	
Operating profit	102	173	131	187	593	130	164	
Operating profit margin	5.5%	8.4%	7.3%	8.6%	7.5%	6.8%	8.4%	
Non-operating gain & loss	13	19	15	-3	44	11	17	
Profit before income tax	115	191	146	184	637	141	181	
Income tax expense	39	66	49	49	203	48	55	
Net profit	76	126	97	135	434	93	126	
Net profit margin	4.1%	6.1%	5.4%	6.2%	5.5%	4.9%	6.4%	
Profit attributable to owners of the Company	72	120	91	130	413	88	119	
Margin	3.9%	5.8%	5.0%	6.0%	5.2%	4.6%	6.1%	

Revenue & Operating Profit by Business Segment

(Billion KRW)	2014					FY14	1Q15	2Q15
	1Q	2Q	3Q	4Q				
Revenue	1,867	2,059	1,803	2,169	7,898	1,916	1,960	
IT Services	1,382	1,430	1,282	1,400	5,494	1,272	1,351	
- Consulting & SI	572	589	432	543	2,136	455	450	
- Outsourcing	810	841	850	857	3,358	817	901	
Logistics BPO	485	629	521	769	2,404	644	609	
Operating profit	102	173	131	187	593	130	164	
IT Services	96	157	125	168	546	120	157	
Logistics BPO	6	16	6	19	47	10	7	
Operating profit margin	5.5%	8.4%	7.3%	8.6%	7.5%	6.8%	8.4%	
IT Services	6.9%	11.0%	9.8%	12.0%	9.9%	9.5%	11.6%	
Logistics BPO	1.3%	2.5%	1.1%	2.5%	2.0%	1.6%	1.1%	

Statement of Financial Position

(Billion KRW)	2012	2013	2014	1Q15	2Q15
Assets	4,465	5,300	5,546	5,746	5,886
Current assets	2,283	2,929	3,228	3,426	3,474
Cash and cash equivalents	815	1,071	1,651	1,586	1,675
Trade receivables	858	1,095	884	894	900
Other current assets	610	763	693	946	899
Non-current assets	2,182	2,371	2,318	2,320	2,412
Investments in associates	164	140	65	65	65
Property, plant & equipment	1,000	1,059	1,138	1,155	1,240
Intangible assets	907	1,057	1,010	1,005	1,011
Other non-current assets	111	115	106	95	96
Liabilities	1,220	1,417	1,332	1,490	1,495
Debts & borrowings	41	53	20	20	18
Trade payables	383	384	362	364	386
Other payables & accrued expenses	396	446	447	461	523
Advance received & withholdings	196	281	199	272	208
Other liabilities	204	253	304	373	360
Equity	3,245	3,883	4,214	4,256	4,391
Common stock	36	39	39	39	39
Retained earnings	2,362	2,656	3,050	3,100	3,219
Share premium & other reserves	847	1,188	1,125	1,117	1,133

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