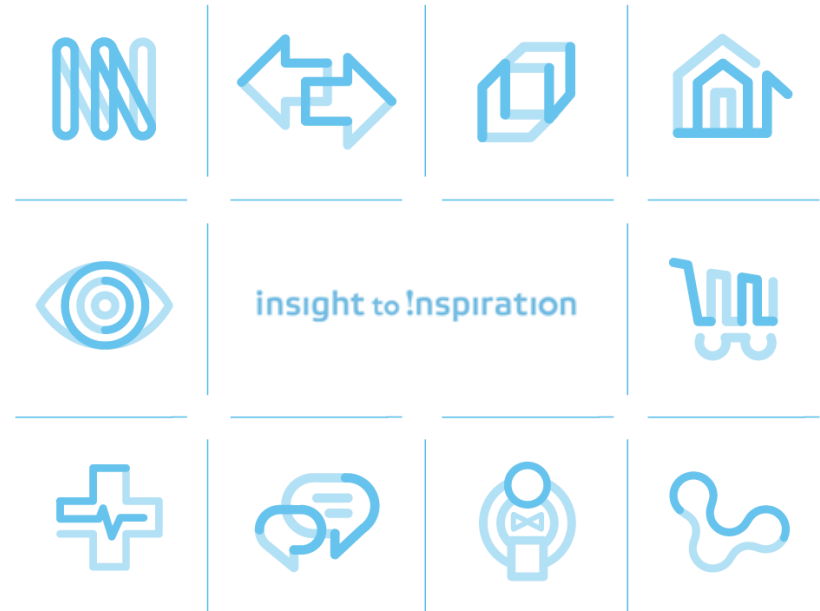


Samsung SDS 1Q16 Earnings Release

April 2016



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 1Q16 financial results is completed. The review outcomes may cause some parts of this document to change.

This document may contain “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.

1Q16 Results

▶ Revenue 1,745 billion KRW (QoQ -17.1%, YoY -8.9%)

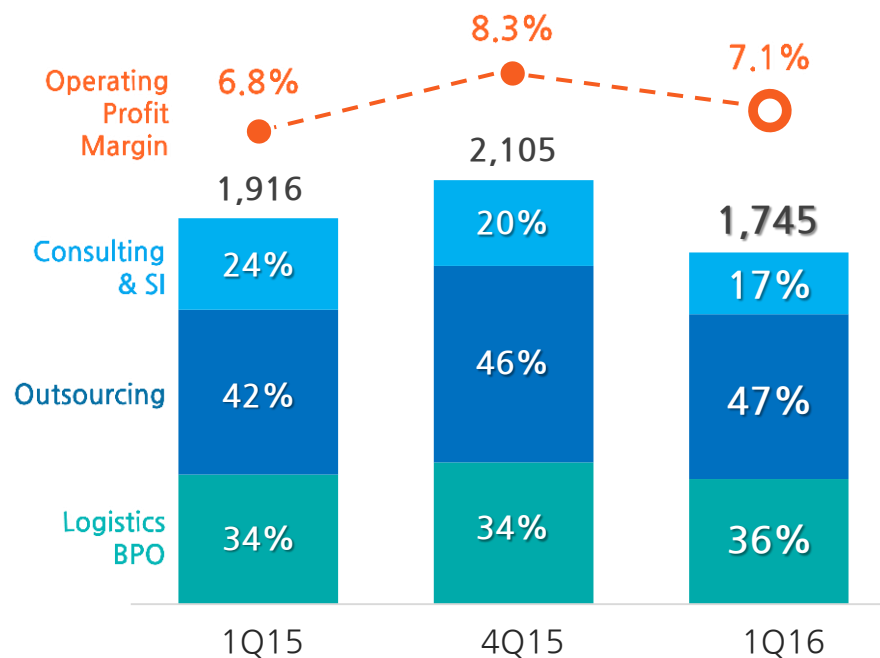
- Revenue decreased due to reduced IT spending of customers as IT industry continues to be weak and logistics freight charge being lowered

▶ Operating profit 125 billion KRW, operating profit margin 7.1%

- Operating profit margin increased YoY as a result of cost reduction (QoQ -1.2%p, YoY +0.3%p)

(Billion KRW)

	1Q16	4Q15	QoQ	1Q15	YoY
Revenue	1,745	2,105	-17.1%	1,916	-8.9%
Operating profit	125	174	-28.4%	130	-4.5%
(%)	7.1%	8.3%	-1.2%p	6.8%	+0.3%p
Profit before income tax	188	175	+7.8%	141	+33.7%
Net profit	136	141	-3.7%	93	+45.9%
(%)	7.8%	6.7%	+1.1%p	4.9%	+2.9%p



1Q16 Results IT Services

▶ **Revenue 1,125 billion KRW (QoQ -19.7%, YoY -11.5%)**

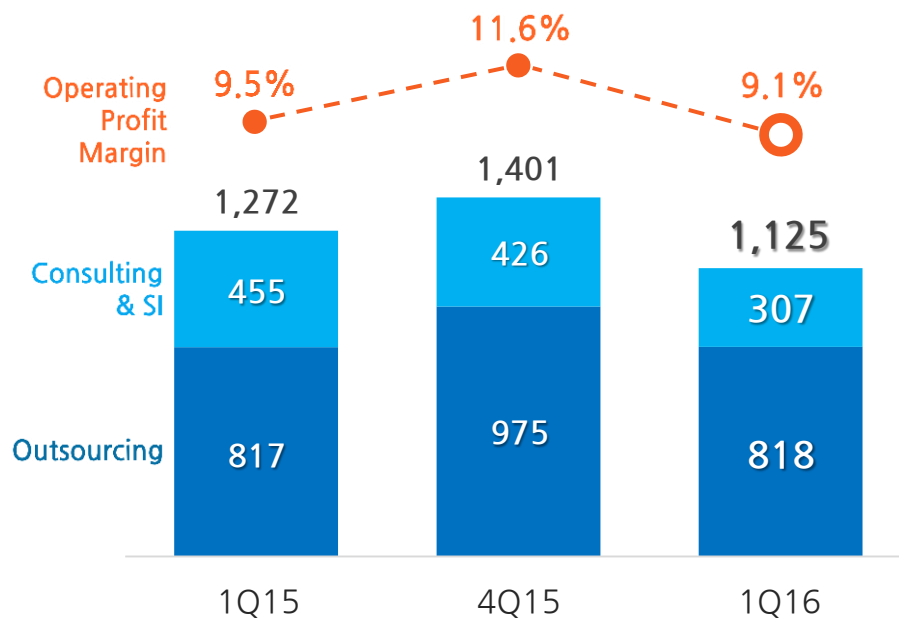
- Consulting & SI business underperformed due to decreased IT spending of customers and reduced network construction business
- Outsourcing business remained stable when compared YoY

▶ **Operating profit 102 billion KRW, operating profit margin 9.1%**

- Operating profit margin reduced less from cost reduction (QoQ -2.5%p, YoY -0.4%p)

(Billion KRW)

	1Q16	4Q15	QoQ	1Q15	YoY
Revenue	1,125	1,401	-19.7%	1,272	-11.5%
Consulting & SI	307	426	-28.0%	455	-32.6%
Outsourcing	818	975	-16.1%	817	+0.2%
Operating profit	102	162	-37.1%	120	-15.1%
(%)	9.1%	11.6%	-2.5%p	9.5%	-0.4%p

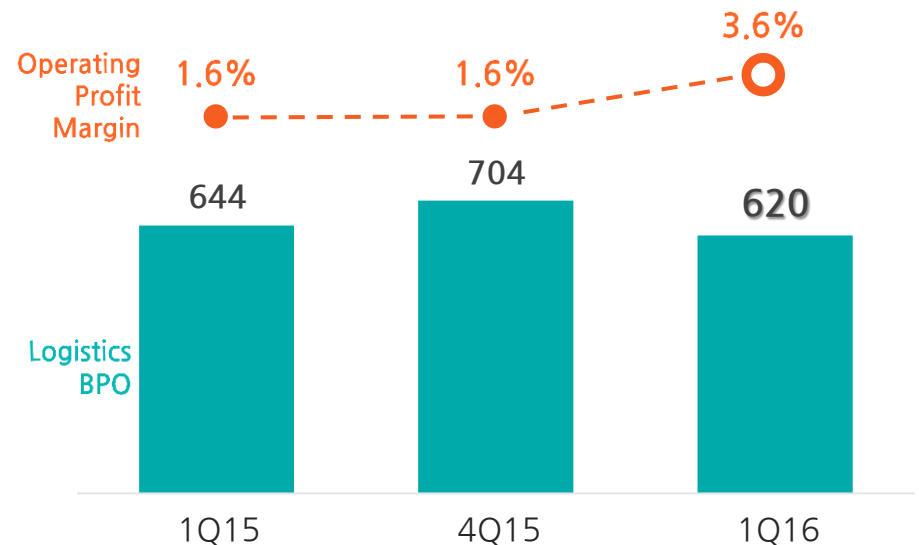


1Q16 Results Logistics BPO

- ▶ Revenue 620 billion KRW (QoQ -11.9%, YoY -3.7%)
 - Despite expansion of overseas service coverage, revenue decreased due to lowered freight charge
- ▶ Operating profit 22 billion KRW, operating profit margin 3.6%
 - Both operating profit and margin increased from cost reduction

(Billion KRW)

	1Q16	4Q15	QoQ	1Q15	YoY
Revenue	620	704	-11.9%	644	-3.7%
Operating profit	22	12	+92.4%	10	+123%
(%)	3.6%	1.6%	+2.0%p	1.6%	+2.0%p



Income Statement

(Billion KRW)	2015					1Q16
	1Q	2Q	3Q	4Q	FY15	
Revenue	1,916	1,960	1,874	2,105	7,854	1,745
COGS	1,620	1,623	1,572	1,746	6,561	1,430
Gross profit	296	336	302	359	1,293	315
Margin (%)	15.5%	17.1%	16.1%	17.1%	16.5%	18.1%
SG&A	166	172	181	185	704	190
Operating profit	130	164	120	174	588	125
Margin (%)	6.8%	8.4%	6.4%	8.3%	7.5%	7.1%
Non-operating gain & loss	11	17	32	1	61	63
Profit before income tax	141	181	152	175	649	188
Income tax expense	48	55	43	33	179	52
Net profit	93	126	110	141	470	136
Margin (%)	4.9%	6.4%	5.8%	6.7%	6.0%	7.8%

Revenue & Operating Profit by Business Segment

(Billion KRW)	2015					1Q16
	1Q	2Q	3Q	4Q	FY15	
Revenue	1,916	1,960	1,874	2,105	7,854	1,745
IT Services	1,272	1,351	1,224	1,401	5,248	1,125
- Consulting & SI	455	450	385	426	1,716	307
- Outsourcing	817	901	839	975	3,532	818
Logistics BPO	644	609	650	704	2,606	620
Operating profit	130	164	120	174	588	125
IT Services	120	157	106	162	545	102
Logistics BPO	10	7	14	12	43	22
Operating margin rate	6.8%	8.4%	6.4%	8.3%	7.5%	7.1%
IT Services	9.5%	11.6%	8.7%	11.6%	10.4%	9.1%
Logistics BPO	1.6%	1.1%	2.2%	1.6%	1.6%	3.6%

Statement of Financial Position

(Billion KRW)	2013	2014	2015	1Q16
Assets	5,300	5,546	6,332	6,245
Current assets	2,929	3,228	3,845	3,870
Non-current assets	2,371	2,318	2,487	2,375
Liabilities	1,417	1,332	1,555	1,380
Current liabilities	1,220	1,118	1,390	1,190
Non-current liabilities	197	214	165	190
Equity	3,883	4,214	4,777	4,865
Common stock	39	39	39	39
Cash & cash equivalents*	1,071	1,651	1,951	1,929
Debts & borrowings	53	20	11	13
Depreciation & amortization	364	397	390	92
CAPEX	302	407	467	48

* Including short-term financial instruments

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