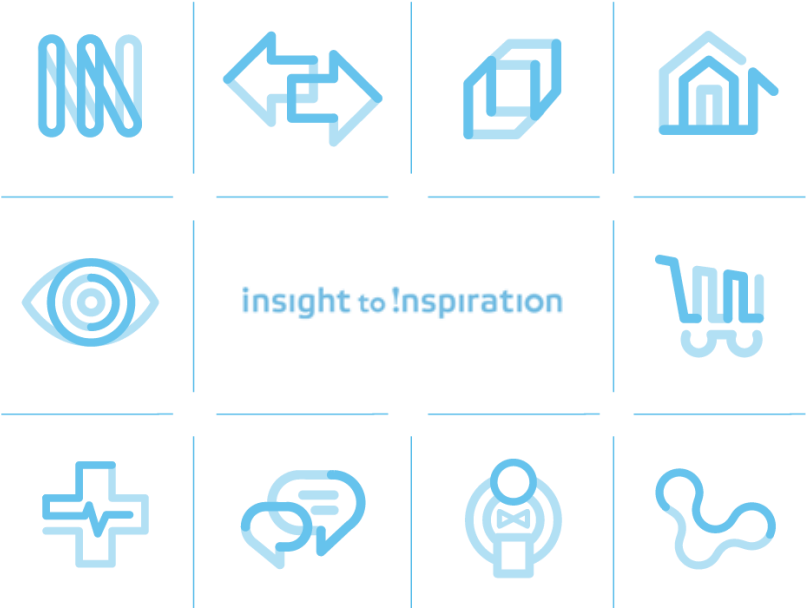


Samsung SDS 2Q16 Earnings Release

July 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 2Q16 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.

2Q16 Results

▶ Revenue increased by 17.6% QoQ to 2,052 billion KRW

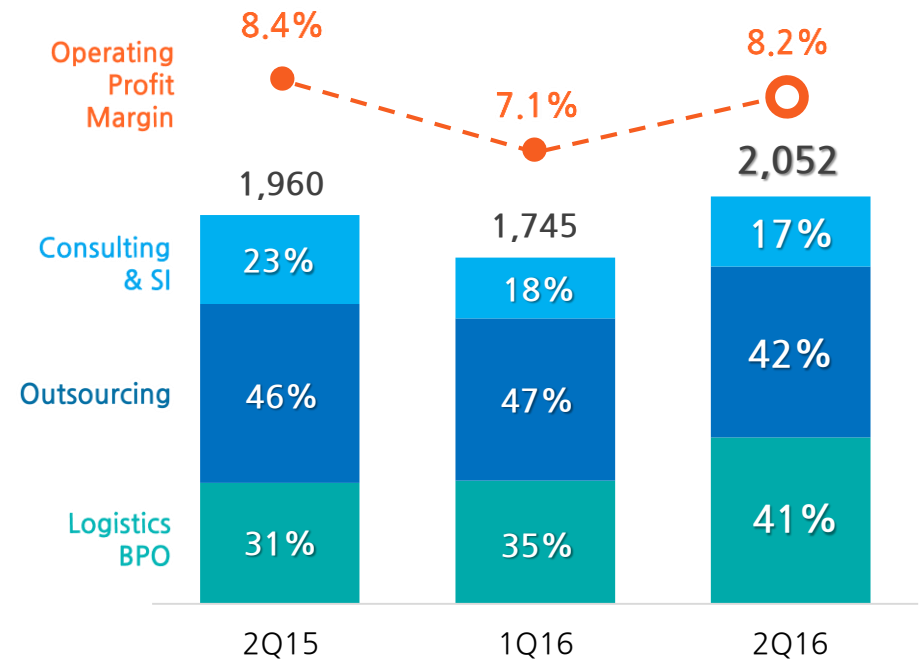
- IT Services revenue increased by 7.9% due to higher IT spending of clients and improved solutions business
- Logistics BPO revenue increased by 35.3% due to increase in trading volume and expansion of sales logistics services

▶ Operating profit 168 billion KRW, operating profit margin 8.2%

- Operating profit margin increased by 35.2% as a result of cost reduction

(Billion KRW)

| | 2Q16 | 1Q16 | QoQ | 2Q15 | YoY |
|--------------------------|-------|-------|--------|-------|--------|
| Revenue | 2,052 | 1,745 | +17.6% | 1,960 | +4.7% |
| Operating profit | 168 | 125 | +35.2% | 164 | +2.9% |
| (%) | 8.2% | 7.1% | +1.1%p | 8.4% | -0.2%p |
| Profit before income tax | 190 | 188 | +0.7% | 181 | +4.8% |
| Net profit | 136 | 136 | +0.1% | 126 | +8.4% |
| (%) | 6.6% | 7.8% | -1.2%p | 6.4% | +0.2%p |



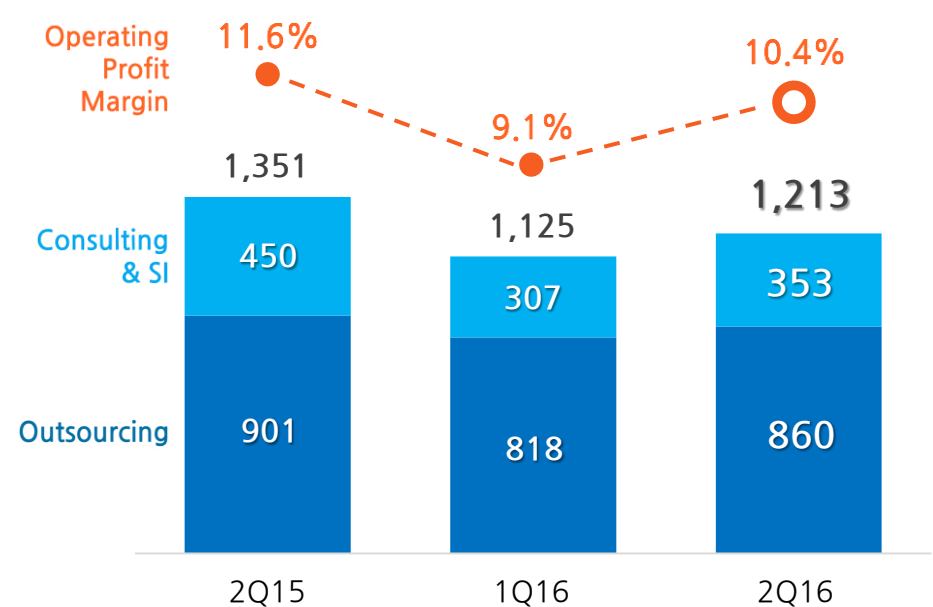
2Q16 Results IT Services

- ▶ Revenue increased by 7.9% QoQ to 1,213 billion KRW
 - Consulting & SI revenue increased by 15.2% due to higher IT spending of clients and improved solution business
 - Outsourcing revenue increased by 5.1% due to expansion in new business such as cloud services

- ▶ Operating profit 127 billion KRW, operating profit margin 10.4%
 - Operating profit increased by 24.1% due to revenue growth and cost reduction

(Billion KRW)

| | 2Q16 | 1Q16 | QoQ | 2Q15 | YoY |
|-------------------------|--------------|--------------|---------------|--------------|---------------|
| Revenue | 1,213 | 1,125 | +7.9% | 1,351 | -10.2% |
| Consulting & SI | 353 | 307 | +15.2% | 450 | -21.4% |
| Outsourcing | 860 | 818 | +5.1% | 901 | -4.5% |
| Operating profit | 127 | 102 | +24.1% | 157 | -19.2% |
| (%) | 10.4% | 9.1% | +1.4%p | 11.6% | -1.2%p |



2Q16 Results Logistics BPO

▶ Revenue increased by 35.3% QoQ to 839 billion KRW

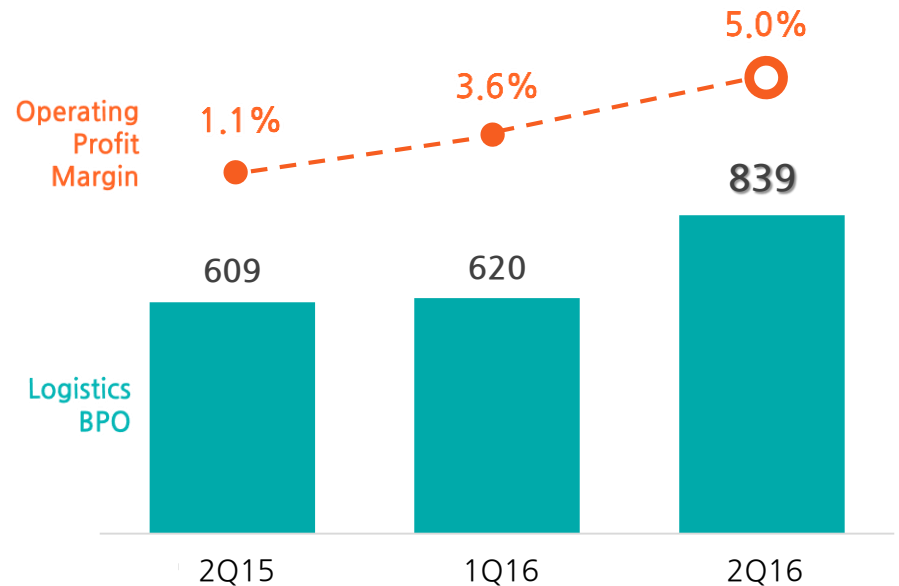
- Revenue increased due to increase in trading volume of client's IT products and expansion of sales logistics services in North America

▶ Operating profit 42 billion KRW, operating profit margin 5.0%

- Operating profit increased by 86.3% due to cost reduction and increased trading volume by air

(Billion KRW)

| | 2Q16 | 1Q16 | QoQ | 2Q15 | YoY |
|------------------|------|------|--------|------|--------|
| Revenue | 839 | 620 | +35.3% | 609 | +37.8% |
| Operating profit | 42 | 22 | +86.3% | 7 | +517% |
| (%) | 5.0% | 3.6% | +1.4%p | 1.1% | +3.8%p |



Income Statement

| (Billion KRW) | 2015 | | | | | 2016 | |
|---------------------------------|------------|------------|------------|------------|--------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | FY15 | 1Q | 2Q |
| Revenue | 1,916 | 1,960 | 1,874 | 2,105 | 7,854 | 1,745 | 2,052 |
| COGS | 1,620 | 1,623 | 1,572 | 1,746 | 6,561 | 1,430 | 1,689 |
| Gross profit | 296 | 336 | 302 | 359 | 1,293 | 315 | 363 |
| Margin (%) | 15.5% | 17.1% | 16.1% | 17.1% | 16.5% | 18.1% | 17.7% |
| SG&A | 166 | 172 | 181 | 185 | 704 | 190 | 195 |
| Operating profit | 130 | 164 | 120 | 174 | 588 | 125 | 168 |
| Margin (%) | 6.8% | 8.4% | 6.4% | 8.3% | 7.5% | 7.1% | 8.2% |
| Non-operating gain & loss | 11 | 17 | 32 | 1 | 61 | 63 | 21 |
| Profit before income tax | 141 | 181 | 152 | 175 | 649 | 188 | 190 |
| Income tax expense | 48 | 55 | 43 | 33 | 179 | 52 | 54 |
| Net profit | 93 | 126 | 110 | 141 | 470 | 136 | 136 |
| Margin (%) | 4.9% | 6.4% | 5.8% | 6.7% | 6.0% | 7.8% | 6.6% |

Revenue & Operating Profit by Business Segment

| (Billion KRW) | 2015 | | | | | 2016 | |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1Q | 2Q | 3Q | 4Q | FY15 | 1Q | 2Q |
| Revenue | 1,916 | 1,960 | 1,874 | 2,105 | 7,854 | 1,745 | 2,052 |
| IT Services | 1,272 | 1,351 | 1,224 | 1,401 | 5,248 | 1,125 | 1,213 |
| - Consulting & SI | 455 | 450 | 385 | 426 | 1,716 | 307 | 353 |
| - Outsourcing | 817 | 901 | 839 | 975 | 3,532 | 818 | 860 |
| Logistics BPO | 644 | 609 | 650 | 704 | 2,606 | 620 | 839 |
| Operating profit | 130 | 164 | 120 | 174 | 588 | 125 | 168 |
| IT Services | 120 | 157 | 106 | 162 | 545 | 102 | 127 |
| Logistics BPO | 10 | 7 | 14 | 12 | 43 | 22 | 42 |
| Operating margin rate | 6.8% | 8.4% | 6.4% | 8.3% | 7.5% | 7.1% | 8.2% |
| IT Services | 9.5% | 11.6% | 8.7% | 11.6% | 10.4% | 9.1% | 10.4% |
| Logistics BPO | 1.6% | 1.1% | 2.2% | 1.6% | 1.6% | 3.6% | 5.0% |

Statement of Financial Position

| (Billion KRW) | 2013 | 2014 | 2015 | 1Q16 | 2Q16 |
|--|--------------|--------------|--------------|--------------|--------------|
| Assets | 5,300 | 5,546 | 6,332 | 6,245 | 6,435 |
| Current assets | 2,929 | 3,228 | 3,845 | 3,870 | 4,130 |
| Non-current assets | 2,371 | 2,318 | 2,487 | 2,375 | 2,305 |
| Liabilities | 1,417 | 1,332 | 1,555 | 1,380 | 1,440 |
| Current liabilities | 1,220 | 1,118 | 1,390 | 1,190 | 1,217 |
| Non-current liabilities | 197 | 214 | 165 | 190 | 223 |
| Equity | 3,883 | 4,214 | 4,777 | 4,865 | 4,995 |
| Common stock | 39 | 39 | 39 | 39 | 39 |
| Cash & cash equivalents* | 1,071 | 1,651 | 1,951 | 1,929 | 2,149 |
| Debts & borrowings | 53 | 20 | 11 | 11 | 20 |
| Depreciation & amortization | 364 | 397 | 390 | 92 | 92 |
| CAPEX | 302 | 407 | 467 | 48 | 36 |

* Including short-term financial instruments

insight to!nspiration



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