Samsung Electronics

September, 2001

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Company Overview

Organizational Structure

Vice Chairman & CEO (Yun, Jong Yong)

CTO (Yun, Jong Yong)

CFO (Choi, Doh Seok)

Semiconductor
Lee, Yoon Woo

- Memory
- System LSI
- TFT LCD

Info. & Comm
Lee, Ki Tae

- Handsets
- Network
- Fiber Optics

Digital Media Sys.
Chin, Daeje

- Monitor
- PC / PC Peripherals
- DTV / DVDP

Living Appliances
Han, Yong Oe

- Microwave Oven
- Refrigerator
- Air Conditioner

Leading Products ('00)

		Global Market Share	
Semiconductor	• DRAM	21 %	No. 1
	• SRAM	23 %	No. 1
	• TFT - LCD	21 %	No. 1
Telecommunication	• CDMA Handsets	26 %	No. 1
Digital Media	• Color Monitor	19 %	No. 1
	• ODD	15 %	No. 2
	• DVDP	14 %	No. 3
Home Appliances	• Microwave Oven	23 %	No. 1

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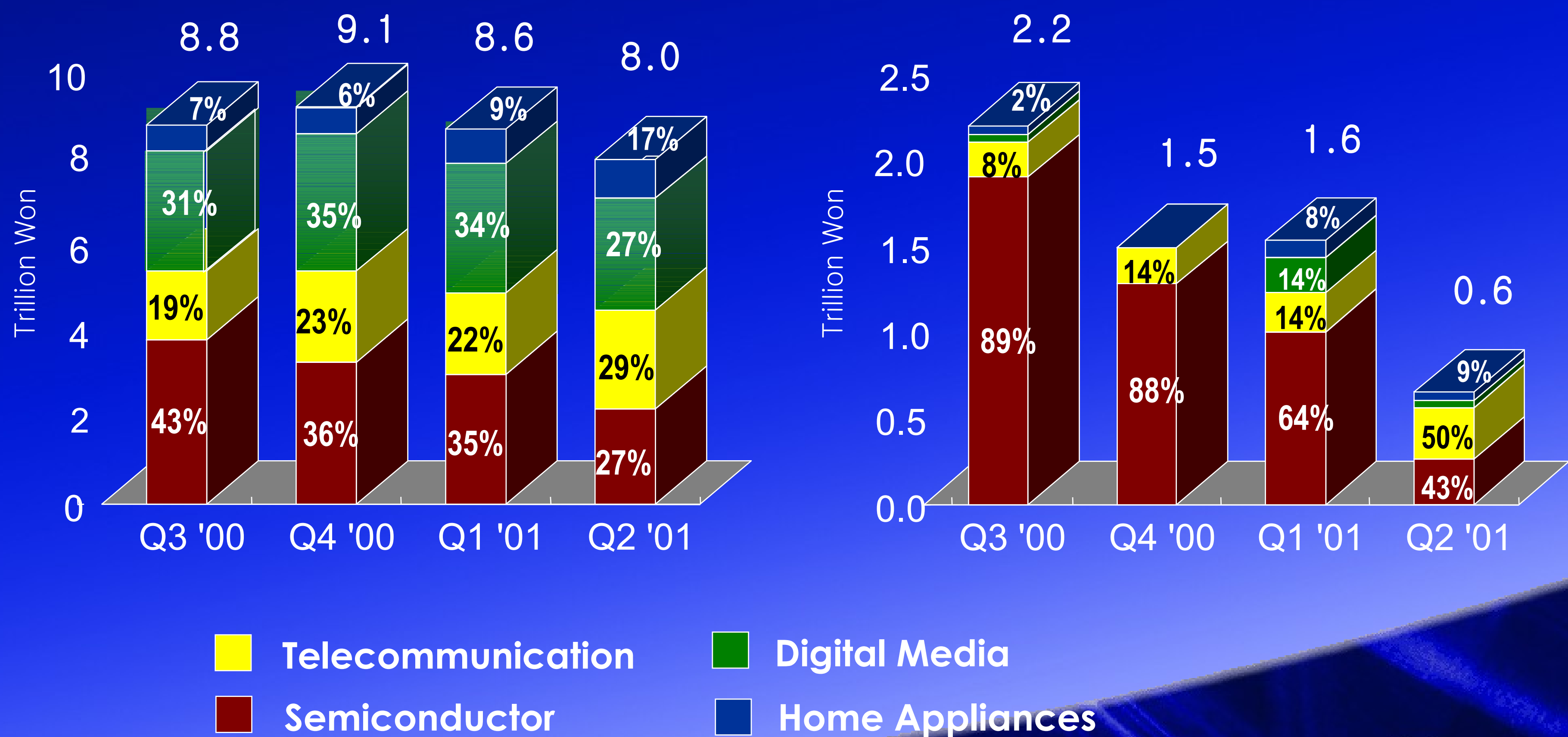
Q2 2001 Results

Revenue and Earnings

Sales by Quarter | **Operating Incomes by Quarter**



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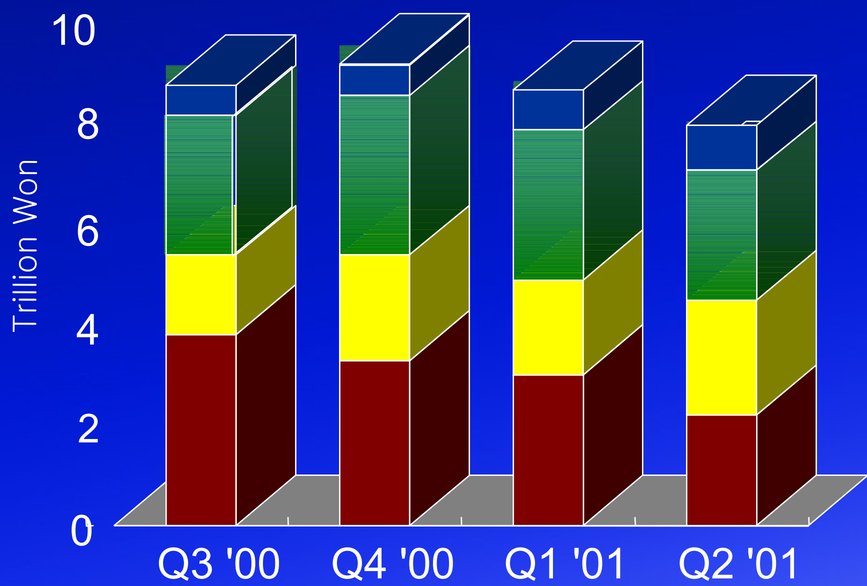
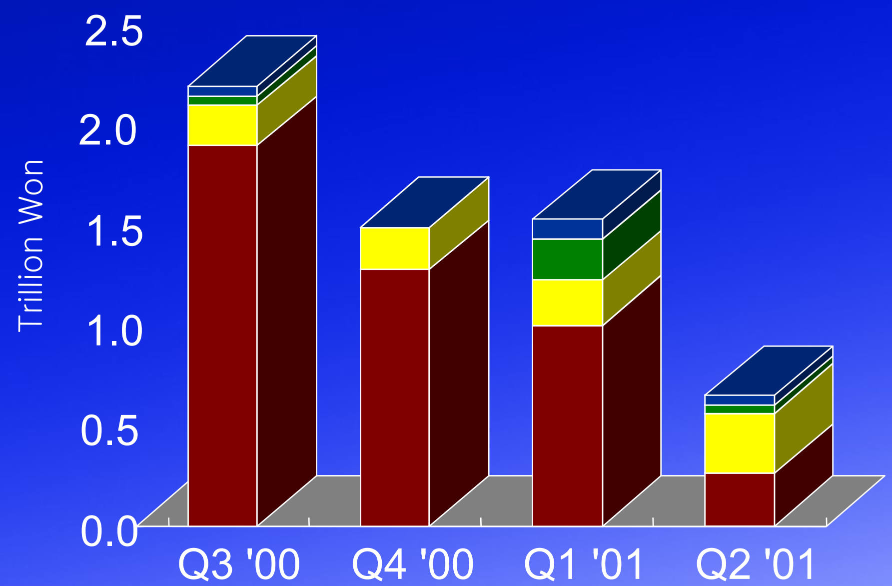
Revenue and Earnings

Sales by Quarter



Operating Incomes by Quarter



Our Well-Balanced Business Portfolio is Paying-off

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Financial Analysis

	1H '01	2000	1999
Net Debt / Equity	10%	9%	32%
Debt / Capitalization	16%	20%	30%
Coverage Ratio*	94x	56x	14x
ROE**	24%	41%	31%
Profitability (Net Income / Sales)	0.13	0.18	0.12
Asset Turnover (Sales / Asset)	1.23	1.33	1.15
Leverage (Asset / Equity)	1.56	1.75	2.24

* Coverage Ratio = EBITDA / Net Interest Expense. ** Annualized for 1H '01

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Cash Flow of 1H 2001

(Unit: Trillion, KRW)

Source of Fund		Use of Fund	
Net Income	2.1	Capex	3.0
Depreciation	1.5	Increase in W/C	0.7
Sale of Marketable Securities	0.5	Debt Redemption	0.4
Others	0.7	Dividend	0.4
		Others	0.7
Total	**4.8**	**Total**	**5.2**

Cash Balance

Beginning : 1.9　　Net decrease : 0.4　　End : 1.5

※ **Cash Balance = Cash&Cash Equivalent + Short-term Financial Instrument**

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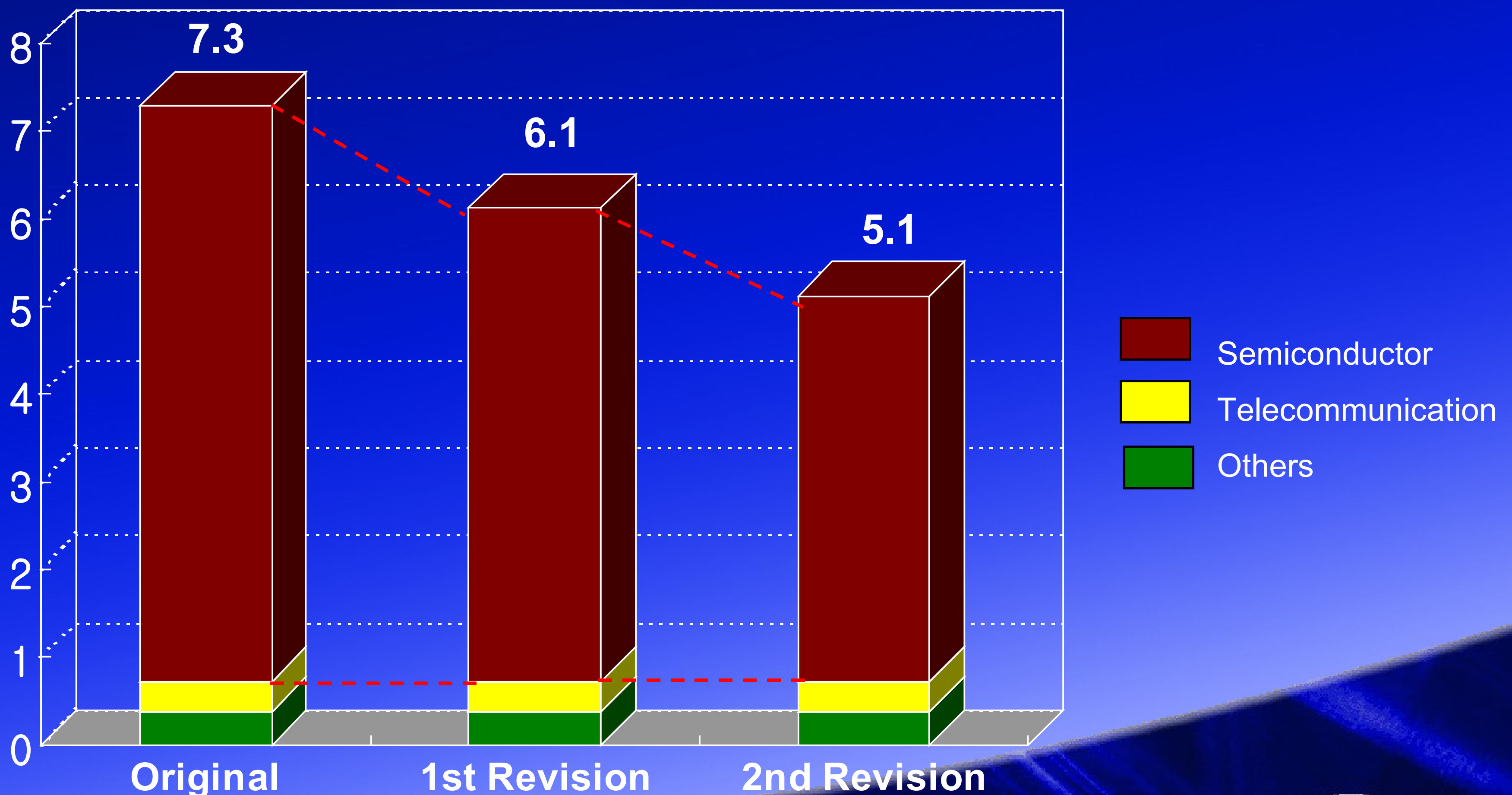
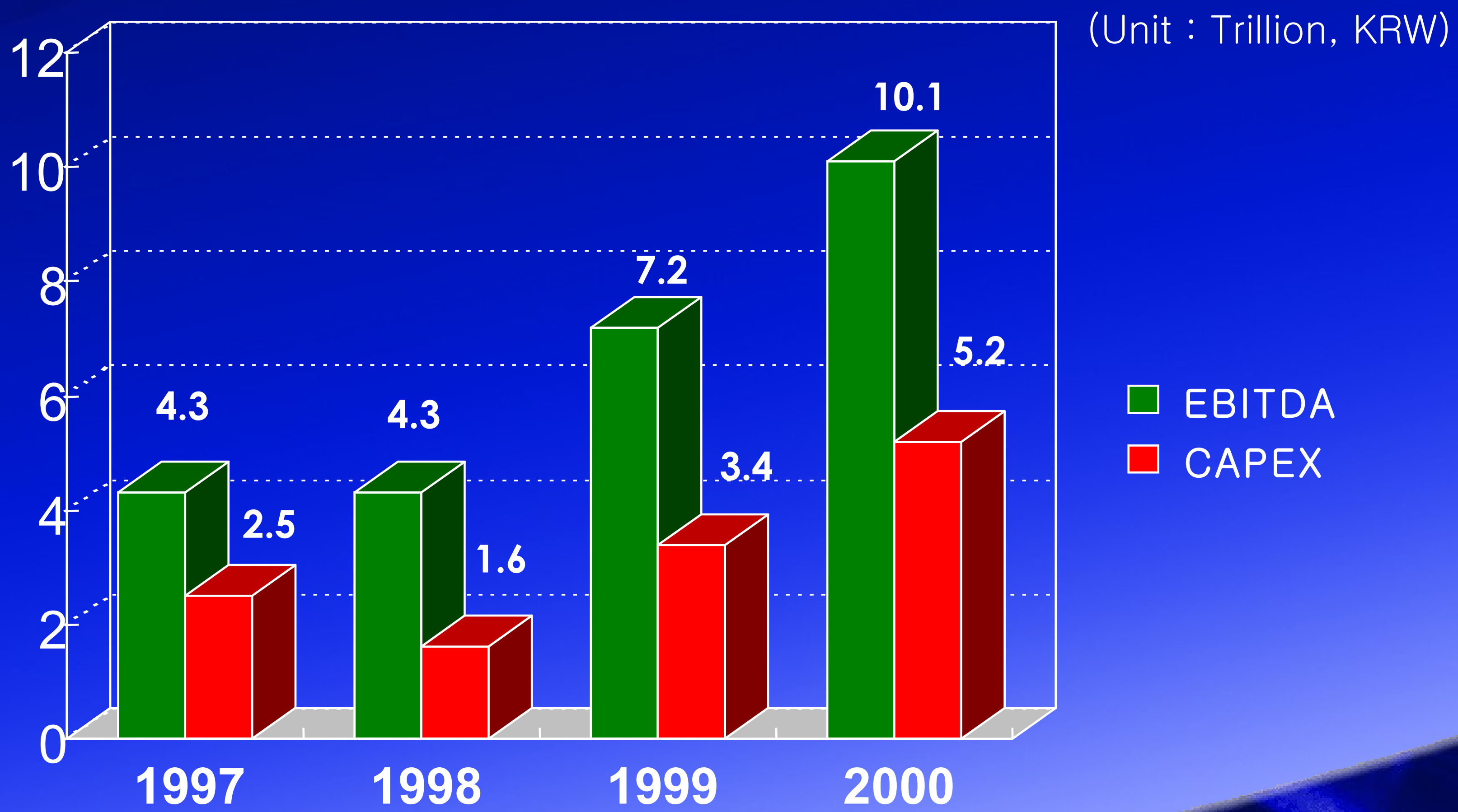
Revised CAPEX for 2001

(Unit : Trillion, KRW)



CAPEX Plan - EBITDA vs. CAPEX



EBITDA has been always larger than CAPEX

Divisional Highlights

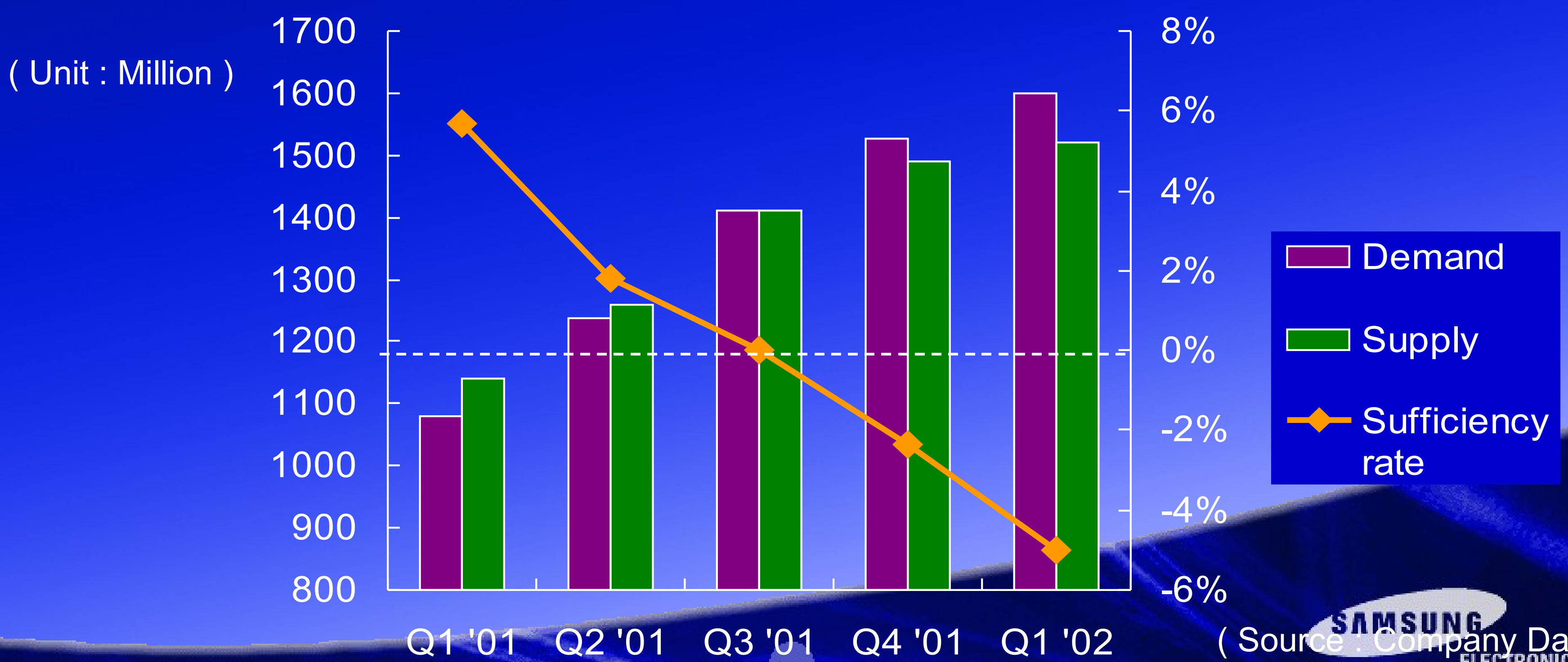
- Semiconductor Division

DRAM Demand and Supply

- **Balance is delayed by one quarter : Q3 ’01 → Q4 ’01**
- **Expected demand drivers**

  -XP, Brookdale, New applications (S-T Box, 3G Handsets, Game machines)

Original Forecast



(Source : Company Data)

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DRAM Demand and Supply

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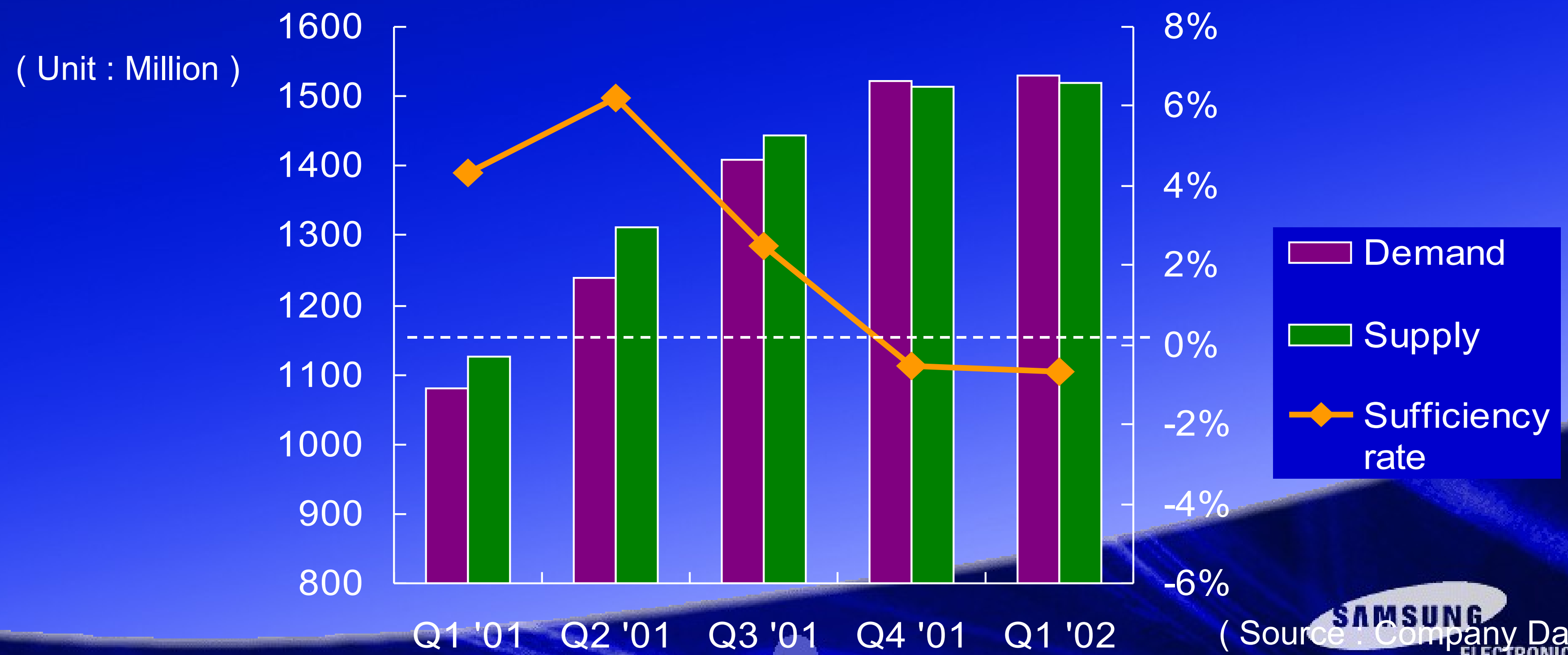
Revised Forecast



(Source : Company Data)

Outlook for TFT-LCD Market

- **Demand and Supply**

  - Oversupply of 10% for '01 but expects shortage from Q3 '02

Competitiveness

- **Flexible product mix**
  - Monitor portion ↑ : 17% in 2000 → 37% in 2001
  - Niche market (Small size LTPS for HHP, PDA) : 1M in 2001
- **Continual cost reduction**
  - Number of components : 120 ~ 150 vs. SEC under 100
  - Mask steps : 5 ~ 6 vs. SEC 4 ~ 5
  - Mother glass size : 680 x 880 vs. SEC 730 x 920

Mother Glass / Panel	730x920 (Samsung)	680x880 (Others)
14"	9 panels	6 panels
15"	6 panels	6 panels
17"	6 panels	4 panels

Divisional Highlights

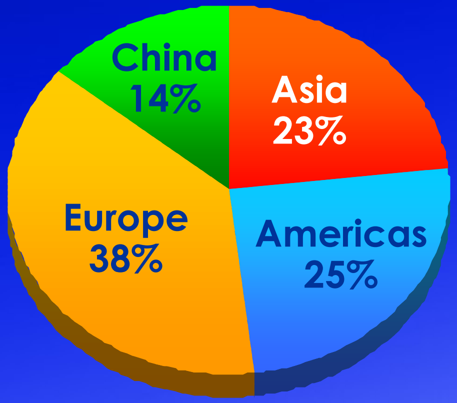
- Telecommunication Division

Global Handset Market

- **Revised global handset shipment in 2001**

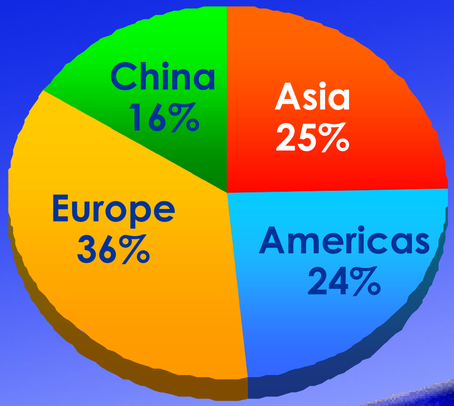
  - Global economy slowdown, Lack of new applications and contents, Reduction of handset subsidies

Previous Forecast
(March '01)



480 M units

Revised Forecast
(July '01)



410 M units

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Achievements in 1H

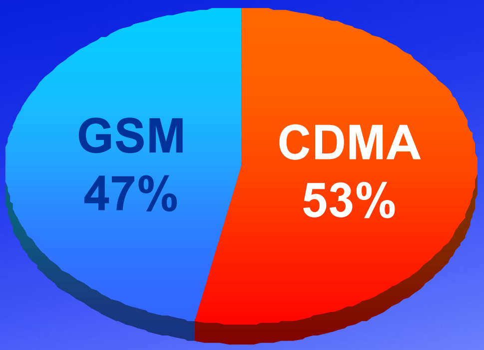
- **Outstanding sales in the midst of deteriorating market**

  - Sustain ASP by targeting mid to high-end segment

  - Timely introduction of new models

  - Domestic sales growth of cdma2000 1x handset

1H 2001



12.5million units

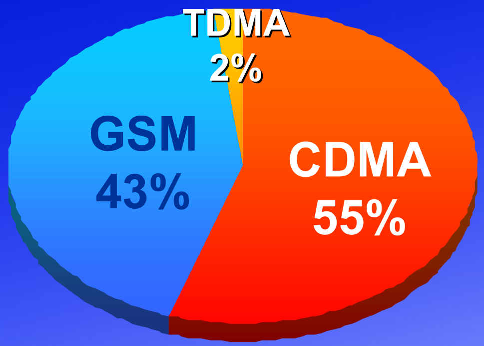
Business Outlook

- **Expect continuous growth in 2H '01**

  - Increasing adoption rate of 1x handset in domestic market
  - Explore new business opportunities with new service providers

"Maintain original target sales of 28M units"

2001(F)



28million units

Wireless systems

- **Recent achievements in 1H '01**
  - Strong presence in 1x system market
  - CDMA contracts in China and Puerto Rico

- **2H '01 Outlook**
  - Domestic: 2.5G System expansion and upgrade to 1x EV-DO
  - Overseas: Increasing adoption of CDMA technology

    * China, Japan, Brazil, India, Israel, etc.

"Current macro environment remains challenging"

Divisional Highlights

- Digital Media Division

Digital Media

Global Market Share Trends

Product	1999		2000		2001 (F)	
	Rank	M/S	Rank	M/S	Rank	M/S
Monitors	1	15%	1	19%	1	19%
ODD	2	12%	2	15%	2	14%
DVD Players	6	13%	3	16%	2	15%
Color TVs	5	8%	4	9%	3	9%
VCRs	3	12%	2	15%	1	16%

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Convergence Vision

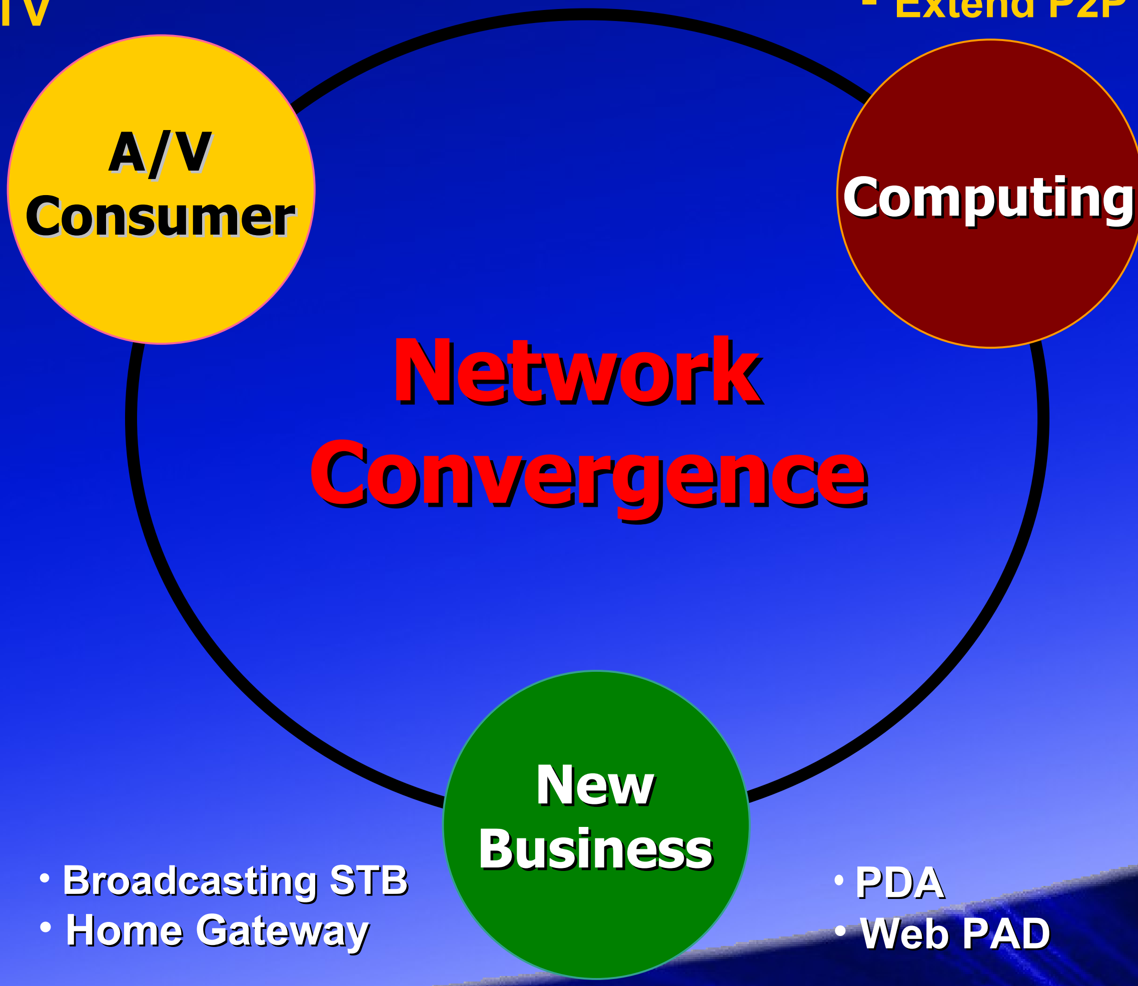
Home solution based on DTV

- DTV
- DVDP
- CDP
- VCR
- DVC
- MP3

Establishing global competition

- Extend P2P connectivity

- PC
- Server
- Printer
- Monitor
- ODD



- Broadcasting STB
- Home Gateway

- PDA
- Web PAD

Networking Solutions

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THANK YOU