



Samsung Electronics Estimates Mid-3 Trillion Won Negative Impact for Q4 2016 and Q1 2017 Due to Galaxy Note7 Discontinuation

SEOUL, Korea – October 14, 2016 – Samsung Electronics announced today that it estimates a negative impact of approximately mid-3 trillion won in operating profit from the fourth quarter of 2016 through the first quarter of 2017, due to the discontinuation of Galaxy Note7 sales.

The company already allocated the expected direct cost from the discontinuation of Galaxy Note7 sales in its third quarter earnings guidance revision announced on Oct. 11, but expects the drop in revenue from the discontinued sales to continue to have a negative impact on operating profit for the next two quarters.

The negative impact is estimated in the mid-2 trillion won range for the fourth quarter of 2016 and at approximately 1 trillion won for the first quarter of 2017.

The company is releasing these estimates to inform the market on the impact of the Galaxy Note7 discontinuation.

Moving forward, Samsung Electronics plans to normalize its mobile business by expanding sales of flagship models such as the Galaxy S7 and Galaxy S7 edge.

Additionally, the company will focus on enhancing product safety for consumers by making significant changes in its quality assurance processes.

About Samsung Electronics Co., Ltd.

Samsung Electronics Co., Ltd. inspires the world and shapes the future with transformative ideas and technologies. The company is redefining the worlds of TVs, smartphones, wearable devices, tablets, cameras, digital appliances, printers, medical equipment, network systems, and semiconductor and LED solutions. For the latest news, please visit the Samsung Newsroom at news.samsung.com.

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