



Samsung Electronics Announces Enhanced Shareholder Return Program for 2018-2020, Boosting Dividends

Seoul, KOREA – October 31, 2017 – Samsung Electronics announced today the Company's Shareholder Return Program for 2018-2020, which includes significant enhancements in dividend policy and is set to deliver long-term value for its shareholders.

The program builds on the previous Shareholder Value Enhancement Program it announced in 2015 that was well received by the market, and reinforces the Company's commitment to creating shareholder value and returning significant capital to its shareholders.

- The Company will increase annual dividends in 2017 by 20 percent, which will be followed by a 100 percent rise in dividends in 2018. The 2019 and 2020 dividends will be kept at the same level with 2018.
- This will translate into approximately 29 trillion won of total dividend returns in the 2018 to 2020 period which will provide shareholders with a more transparent and predictable return profile.
- Future M&A investments will not be deducted from free cash flow (FCF). This policy change will increase the amount of capital available to return to shareholders and result in greater transparency and predictability. The portion of FCF allocated for shareholder returns will be set at minimum 50 percent over the three year period.
- After dividend payouts, any remaining portion of the 50 percent of FCF available for shareholder returns will be used either for additional cash dividends or share buybacks as deemed appropriate.

Following the introduction of the three-year shareholder return initiative in 2015, Samsung Electronics has made significant enhancements to its shareholder return policy, returning more than 10 trillion won in the form of dividends and 20 trillion won in share buybacks. In April 2017, the Company also cancelled 50 percent of its treasury shares worth approximately 20 trillion won in market value.

The Company's share price has more than doubled since the beginning of 2016, a validation of our shareholders' approval of the improvements in our shareholder policy and confidence in the steps the Company is taking. Samsung Electronics remains committed to delivering sustainable shareholder value and will continue to enhance long-term value creation.

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About Samsung Electronics Co., Ltd.

Samsung inspires the world and shapes the future with transformative ideas and technologies. The company is redefining the worlds of TVs, smartphones, wearable devices, tablets, digital appliances, network systems, and memory, system LSI, foundry and LED solutions. For the latest news, please visit the Samsung Newsroom at <http://news.samsung.com>.