

SAMSUNG ELECTRONICS CO., LTD.

STATEMENTS OF INCOME  
for the years ended December 31, 1998 and 1997

	In Thousands of			
	Korean Won		U.S. Dollar (Note 3)	
	1998	1997	1998	1997
Sales (Note 19) :				
Domestic	₩ 6,494,496,605	₩ 8,013,718,934	\$ 5,380,693	\$ 6,639,369
Export	<u>13,589,679,922</u>	<u>10,451,640,507</u>	<u>11,259,056</u>	<u>8,659,189</u>
	<u>20,084,176,527</u>	<u>18,465,359,441</u>	<u>16,639,749</u>	<u>15,298,558</u>
Cost of sales (Note 19)	<u>13,975,748,868</u>	<u>12,701,065,224</u>	<u>11,578,914</u>	<u>10,522,838</u>
Gross profit	6,108,427,659	5,764,294,217	5,060,835	4,775,720
Selling, general and administrative expenses	<u>3,008,468,868</u>	<u>2,908,073,790</u>	<u>2,492,518</u>	<u>2,409,340</u>
Operating profit	<u>3,099,958,791</u>	<u>2,856,220,427</u>	<u>2,568,317</u>	<u>2,366,380</u>
Non-operating income :				
Interest and dividend income	337,215,452	171,182,036	279,383	141,825
Gain on foreign currency transactions	1,041,919,177	1,869,713,309	863,231	1,549,058
Other	<u>448,477,112</u>	<u>411,715,036</u>	<u>371,563</u>	<u>341,106</u>
	<u>1,827,611,741</u>	<u>2,452,610,381</u>	<u>1,514,177</u>	<u>2,031,989</u>
Non-operating expenses :				
Interest expenses	1,116,346,994	759,045,307	924,894	628,870
Amortization of deferred charges	1,882,034,879	1,581,287,365	1,559,267	1,310,097
Loss on foreign currency transactions	1,035,283,230	2,092,372,147	857,732	1,733,531
Other	<u>453,052,701</u>	<u>720,061,983</u>	<u>375,354</u>	<u>596,572</u>
	<u>4,486,717,804</u>	<u>5,152,766,802</u>	<u>3,717,247</u>	<u>4,269,070</u>
Ordinary profit	440,852,728	156,064,006	365,247	129,299
Extraordinary income (Note 22)	283,726,603	65,610	235,068	54
Extraordinary loss (Note 8)	<u>313,723,010</u>	<u>2,508,902</u>	<u>259,920</u>	<u>2,078</u>
Net income before income taxes	410,856,321	153,620,714	340,395	127,275
Income taxes (Note 16)	<u>97,640,283</u>	<u>30,115,805</u>	<u>80,895</u>	<u>24,951</u>
Net income	₩ <u>313,216,038</u>	₩ <u>123,504,909</u>	\$ <u>259,500</u>	\$ <u>102,324</u>
Earnings per share (Note 17) (in Korean Won and U.S.Dollar)	₩ <u>2,832</u>	₩ <u>1,232</u>	\$ <u>2</u>	\$ <u>1</u>

The accompanying notes are an integral part of these statements.