

BUSINESS INSIDER

Samsung's huge recall of its exploding phones could cost it \$1 billion



ROB PRICE
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Samsung's exploding smartphones might cost it a cool \$1 billion (£749 million.)

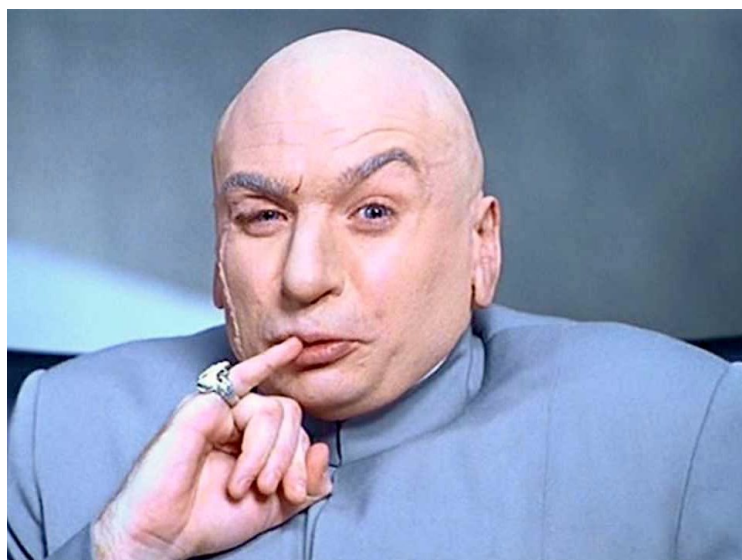
That's according to [Bloomberg](#), which surveyed estimates from Credit Suisse, Daishin Securities, and Pelham Smithers Associates.

Last week, [Samsung announced it was halting sales of the Galaxy Note 7, its new flagship smartphone, and launching a global recall](#) — because of dozens of reports of batteries in the phone exploding.

It's a colossal PR disaster for the South Korean electronics company, and it comes at a point when it was on the up. The new phone had been well-reviewed, and the company's revenue was finally growing again after years of decline.

Adding to this, there are only tepid expectations for the iPhone 7, the next big smartphone from Apple, due to launch later this week. The Note 7 had a real shot at being *the* phone of 2016, but will now be forever linked with backfiring batteries instead.

In short: Samsung had an open goal — and it kicked itself in the face.



How much?!?!

New Line Cinema



A melted Samsung Galaxy Note 7.

Baidu/Mr. Ni66666

Initial reports of the recall wiped billions off Samsung's market cap, and the recall seems certain to do long-term reputational damage, denting the company's future sales. Around 2.5 million of the Note 7 devices had been sold, and replacing them may cost an estimated \$1 billion.

Samsung smartphone boss Koh Dong Jin told a press conference only that the cost was a "heartbreaking amount," Bloomberg reports.

