



Doosan Infracore

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2016 1Q Investor Meeting

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Disclaimer

This presentation contains preliminary figures which may be materially different from the final figures.

The financial information in this document are consolidated earnings results based on K-IFRS. Previous earnings results have also been restated in compliance with K-IFRS.

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Highlights

1Q16 Results *

- Although Doosan Bobcat maintained favorable trend and China improved in sales, the total sales declined mainly due to continued weakness in APEM
- In spite of decrease in sales and without MT division, EBIT improved significantly due to effects of the restructuring
- NP turned to positive primarily due to increase in EBIT and F/X gains

Results

(Unit : KRW billion)

	1Q15**	4Q15**	1Q16	YoY	QoQ
Sales	1,530.1	1,382.4	1,433.6	-6.3%	+3.7%
EBIT	37.8	-193.9	111.2	+194.2%	TB
EBIT margin (%)	2.5%	-14.0%	7.8%	+5.3%p	+21.8%p
(Net Financial Cost)	65.6	60.2	61.1	-6.9%	+1.5%
(F/X gains/losses)	-19.5	15.0	17.5		
Net Profit	-43.9	-613.0	79.6	TB	TB

* Figures in this presentation, unless otherwise noted, are based on consolidated K-IFRS

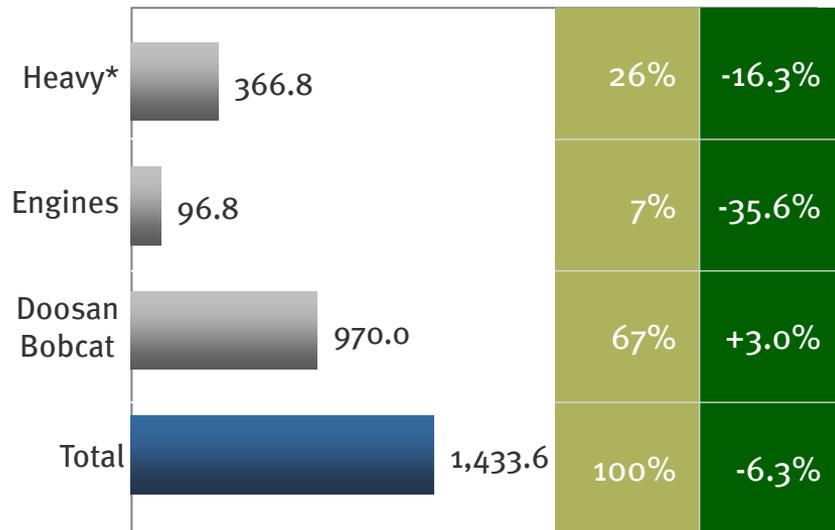
** Restated to reflect MT equity carve-out

1Q16 divisional sales & EBIT

- Despite sales in Heavy and Engine businesses fell, EBIT improved substantially thanks to effects of the restructuring
 - Sales in heavy business decreased primarily due to 1) last year's high base in Korea on pre-buying actions before T4F, 2) continued weakness in emerging markets
 - Sales in Engines business declined mainly due to sluggishness in CV and generator sections
- Doosan Bobcat maintained solid growth but slightly fell on EBIT

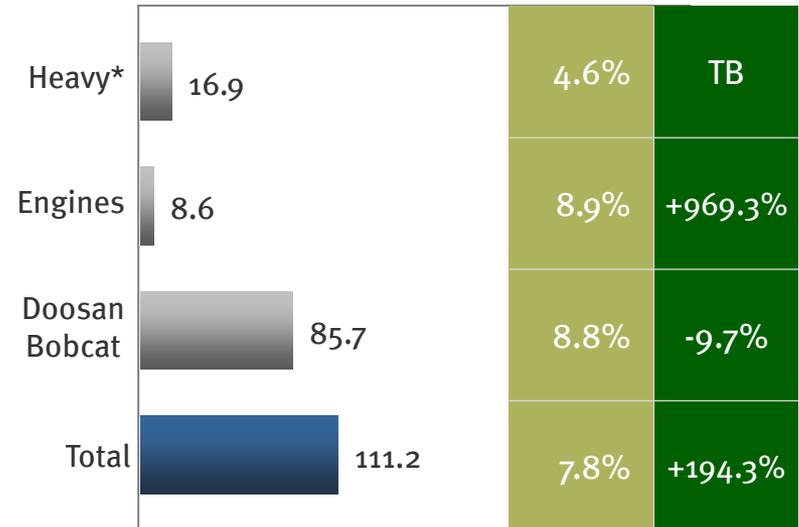
Sales

(Unit : KRW billion)
% of sales YoY



EBIT & Margin

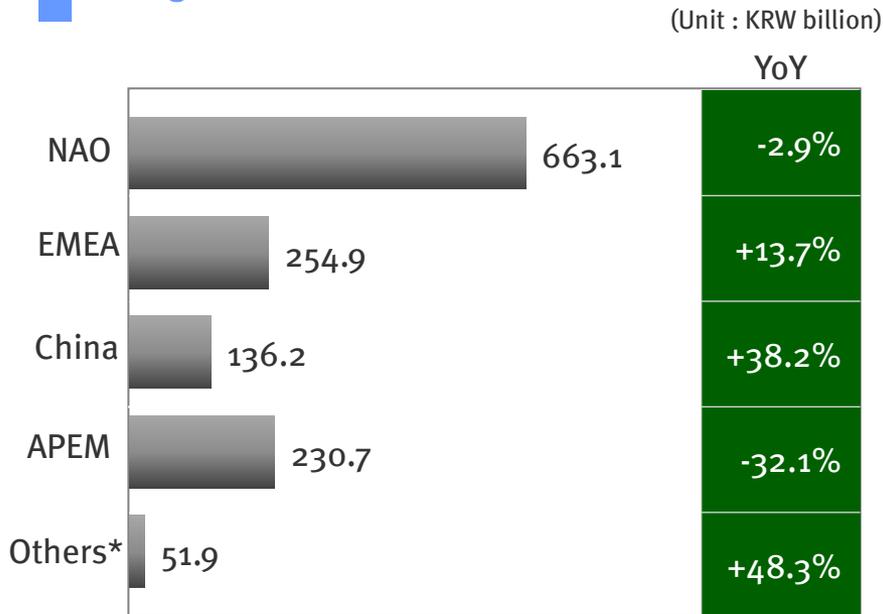
(Unit : KRW billion)
EBIT margin YoY



1Q16 construction equipment BG details

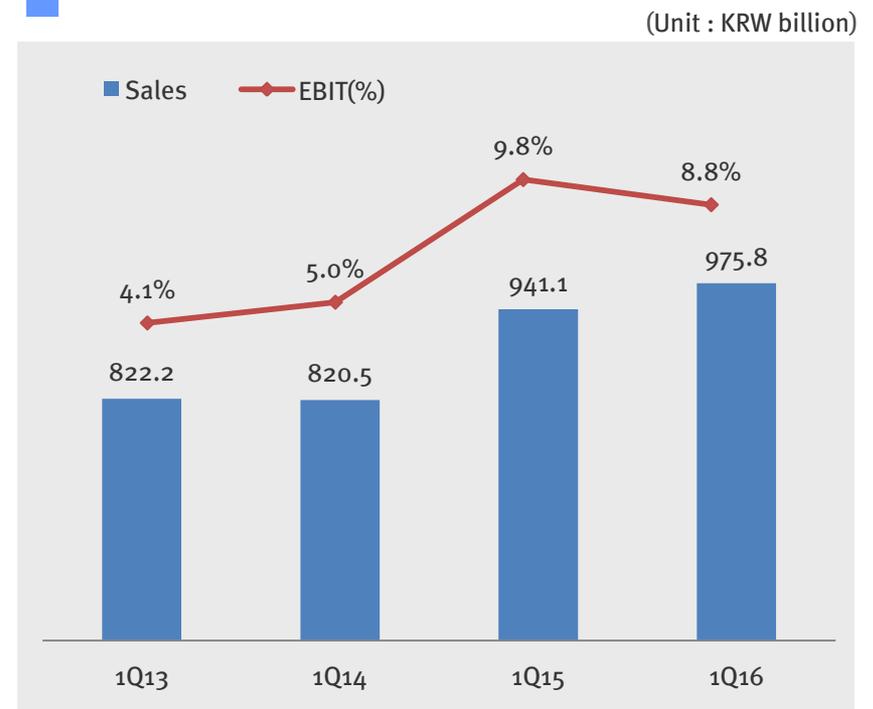
- Although sales in EMEA and China increased, APEM remained weak
- Doosan Bobcat
 - Sales maintained solid growth primarily due to favorable currencies and recovery in Europe
 - Despite the margin fell temporarily due to 1) impacts of emission regulation in US, 2) pre-production related to the modification of CTL production line up-until 1H15, gradual improvement is anticipated

CE regional breakdown



* Including sales from HQ and Compact sales from Asia/LA

Doosan Bobcat* Results



* Based on consolidated Doosan Bobcat

Financial structure

- Total Equity increased as a result of improved Net profit and Net debt decreased mainly due to improvement in working capital

Balance Sheet

(Unit : KRW billion)

	2015	1Q16	QoQ(amount)
Total Assets	11,383.2	11,266.3	-116.9
Total Liabilities	8,280.2	8,051.6	-228.6
- Net Debt	5,055.1	4,971.6	-83.5
Total Shareholders' Equity	3,103.0	3,214.7	+111.7
Liabilities/Equity Ratio	266.8%	250.5%	-16.3%p

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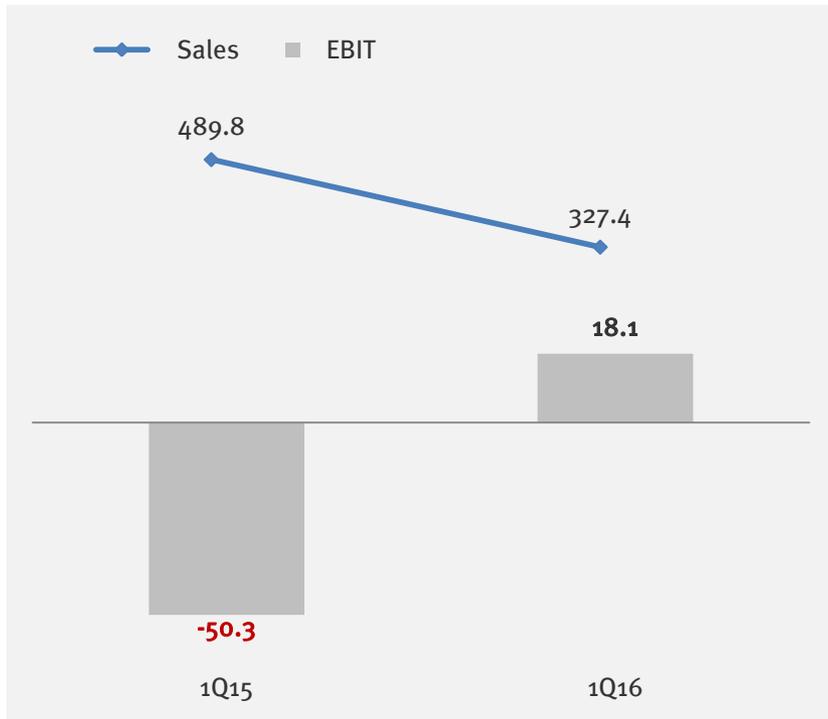
Highlights

APEM/Engines

- Although sales declined, EBIT turned to positive on the back of cost savings from the restructuring
- Nearly KRW 80bil is saved from the restructuring and further improvement is expected from 2Q16 thanks to increase in sales and lower purchase cost

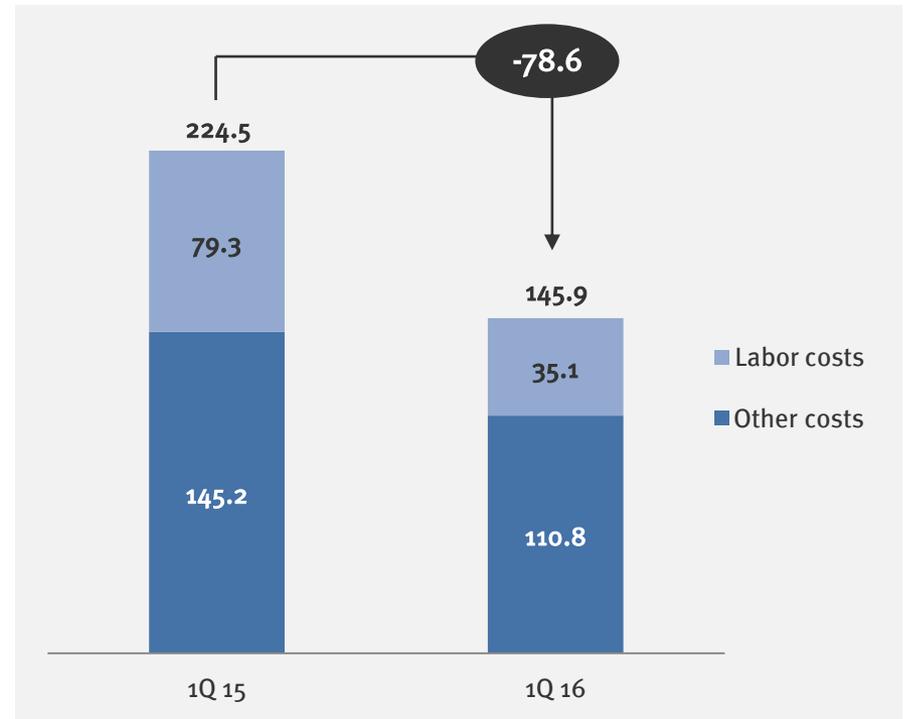
APEM/Engines Results

(Unit : KRW billion)



Improvement in Profitability

(Unit : KRW billion)

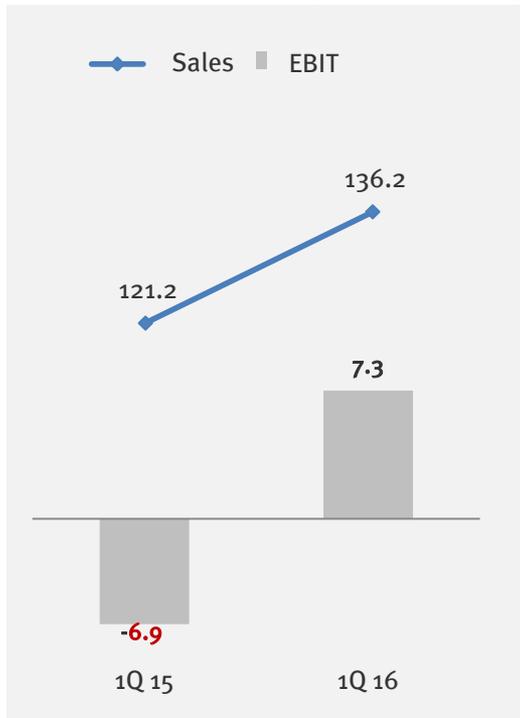


China

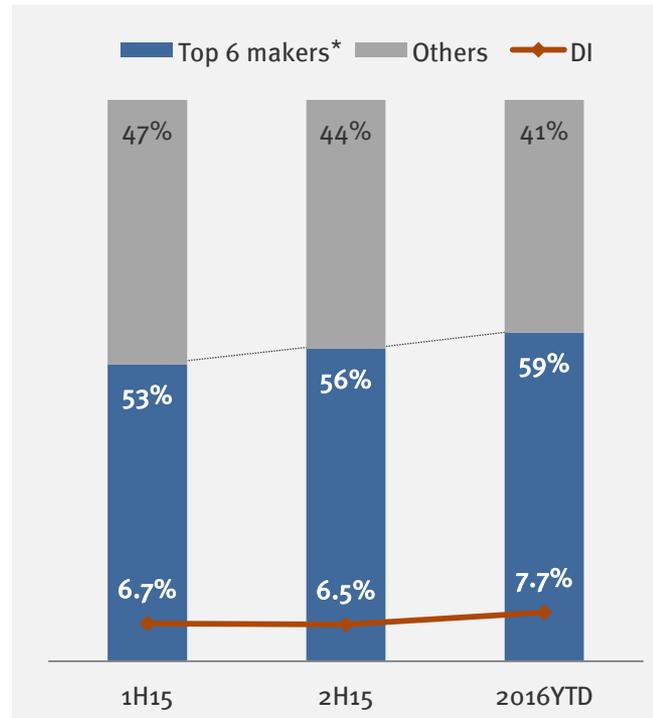
- EBIT turned to positive mainly due to increases in sales and effects from the restructuring
- The Prolonged downturn led to an intensified competition which resulted in expanded M/S gap between the top and bottom of the groups, and more benefit is expected to well-positioned 1st tier group including DI, once market recovers
- Gradual recovery from 2H16 is expected given recent improvement in the fleet utilization, one of the leading indicators as for excavator sales

China Results

(Unit : KRW billion)

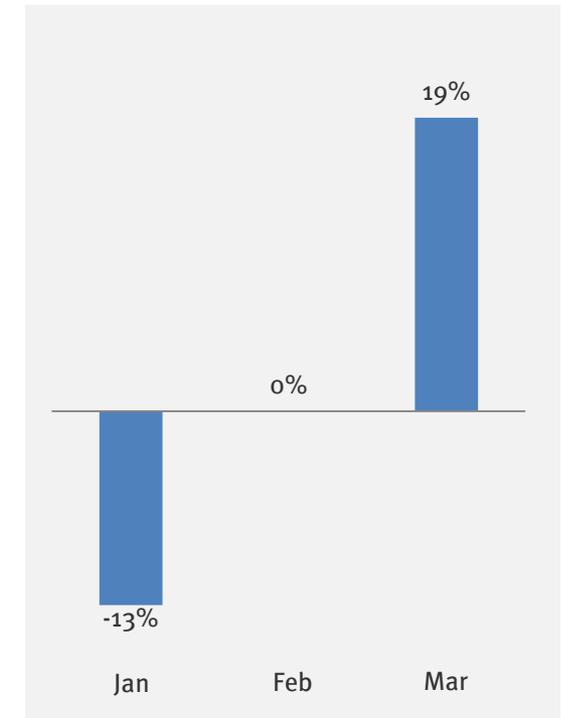


Market Share Trend



* Top 6 : SANY, CAT, Doosan, Hitachi, Komatsu, XCMG

Fleet Utilization* Trend



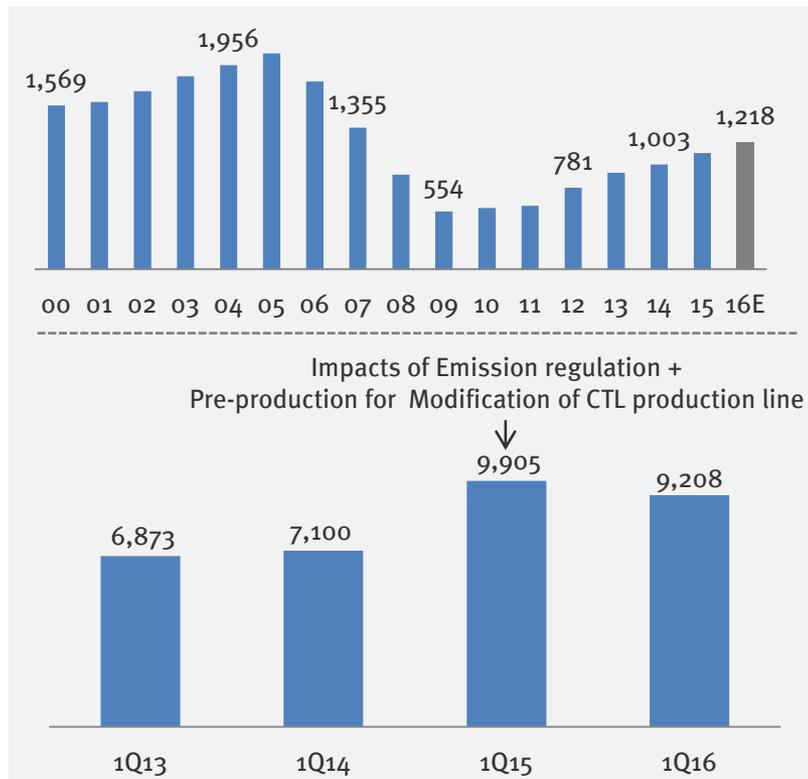
* Based on DI excavator

Doosan Bobcat

- US Housing index, one of the business related indices, is remained positive and Bobcat's volume maintained a stable growth except for temporary high volume in 2015
- European economies are showing signs of recovery and the volume is increasing steadily

US Housing Starts & Compact Sales

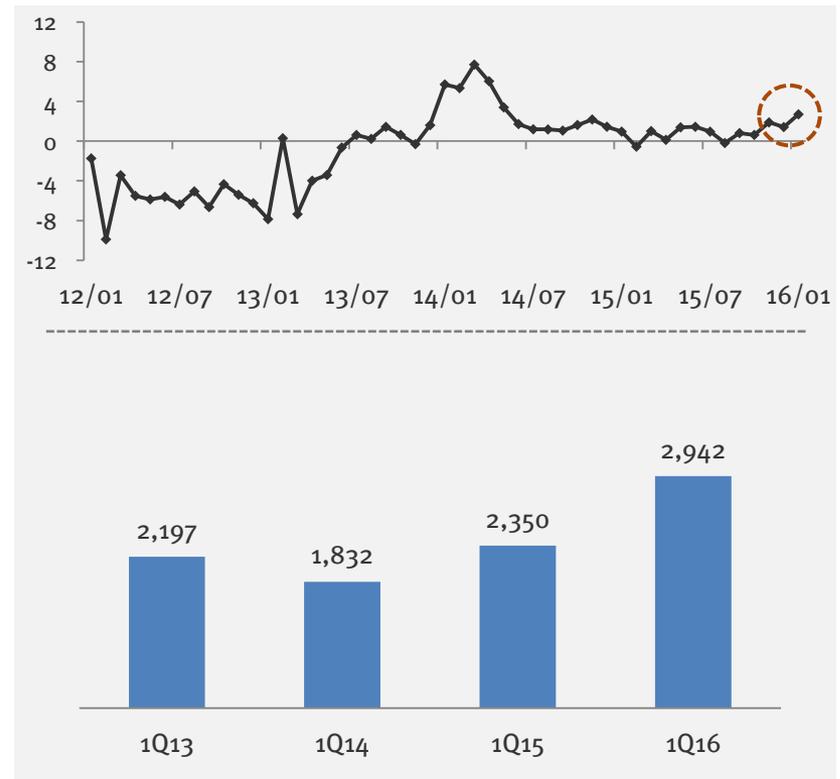
(Unit : '000 unit, unit)



* Source: Bloomberg, company data

EU Construction Production index & Compact sales

(Unit : %, unit)



* Source: Eurostat, company data

Business segment information

• Doosan Bobcat* results

(Unit : KRW billion)

	1Q15	2Q15	3Q15	4Q15	1Q16
Sales	941.1	1,079.9	1,024.4	995.4	975.8
EBIT	92.0	131.3	90.0	72.3	85.7
EBIT Margin	9.8%	12.2%	8.8%	7.3%	8.8%

* Based on consolidated Doosan Bobcat

• China monthly sales volume and M/S

(Unit : unit)

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2014	Market	4,096	9,017	19,277	12,471	7,392	5,752	4,209	4,000	4,137	4,499	4,668	4,910	84,428
	DI	358	839	1,803	1,002	577	398	270	216	259	316	355	512	6,905
	M/S	8.7%	9.3%	9.4%	8.0%	7.8%	6.9%	6.4%	5.4%	6.3%	7.0%	7.6%	10.4%	8.2%
2015	Market	3,437	2,417	11,995	8,837	5,120	3,555	2,600	2,529	2,689	2,987	3,249	3,460	52,875
	DI	179	153	828	613	360	250	165	163	198	191	191	235	3,526
	M/S	5.7%	6.6%	7.5%	6.9%	7.0%	7.0%	6.3%	6.4%	7.4%	6.4%	5.9%	6.8%	6.7%
2016	Market	2,483	3,199	13,096										18,778
	DI	167	278	1,001										1,446
	M/S	6.7%	8.7%	7.6%										7.7%

• CE regional breakdown

(Unit : KRW billion)

	1Q15	2Q15	3Q15	4Q15	2015	1Q16
NAO	682.6	730.8	709.9	684.0	2,807.3	663.1
EMEA	2.4	292.9	252.7	259.5	1,029.4	254.9
China	98.5	114.4	64.4	61.8	339.0	136.2
APEM	3.9	275.7	221.7	184.3	1,021.2	230.7
Others *	35.0	54.5	51.4	48.9	189.8	51.9
TOTAL	13,798	1,468.3	1,300.1	1,238.5	5,386.7	1,336.8

* Including sales from HQ and Compact sales from Asia/LA

