



Doosan Infracore

Doosan Infracore

2012 1Q Investor Meeting

April 2012



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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1Q12 Highlights

1Q12 results *

- Despite the weakness in China, sales were comparable to a year ago and grew 7% compared to the previous quarter thanks to the favorable trends in developed markets for the construction equipment division and solid performance of the machine tools division.
- EBIT declined year-on-year, but surged by 87% relative to the previous quarter.

Results

(Unit : KRW billion)

	1Q11	2Q11	3Q11	4Q11	1Q12	YoY	QoQ
Sales	2,211.8	2,263.8	1,947.0	2,040.5	2,190.3	-1.0%	+7.3%
EBIT	228.9	235.4	150.3	93.9	175.4	-23.4%	+86.8%
EBIT margin (%)	10.3%	10.4%	7.7%	4.6%	8.0%	-2.3%P	+3.4%P
(Net Financial Cost)	(72.5)	(71.4)	(88.7)	(87.5)	(87.2)	+20.3%	-0.1%
(F/X gains/losses)	44.7	20.4	(66.9)	(12.0)	36.3	-18.8%	-
Net Profit	148.6	170.8	5.2	(13.8)	70.5	-52.6%	TB

* Figures are based on consolidated K-IFRS

1Q12 divisional sales & EBIT *

- Although the construction equipment division was affected by China's tightening policies, the compact equipment and machine tools divisions reported remarkable growth.

Sales

(Unit : KRW billion)

		% of sales	YoY
Construction Equipment	1,691.9	77.2%	-7.8%
Machine Tools	380.4	17.4%	+33.6%
Engines	117.9	5.4%	+27.3%
Total	2,190.3	100%	-1.0%

EBIT & Margin

(Unit : KRW billion)

		EBIT margin	YoY
Construction Equipment	137.7	8.1%	-33.6%
Machine Tools	43.1	11.3%	+413.4%
Engines	-5.3	-4.5%	-
Total	175.4	8.0%	-23.4%

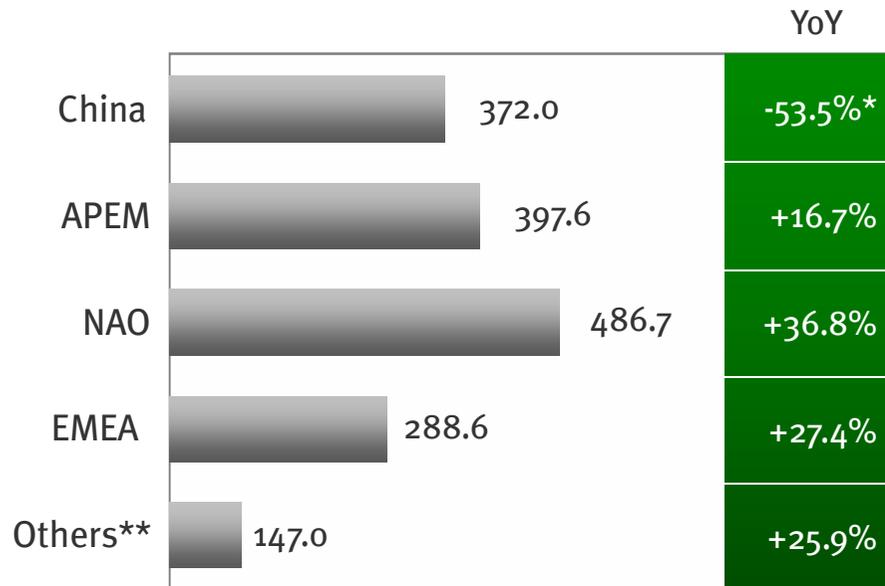
* Figures are based on consolidated K-IFRS

1Q12 construction equipment BG details

- China sales declined due to austerity measures, while sales and profits at DII rose substantially thanks to favorable trends in North America and Europe.

1Q12 Regional Breakdown

(Unit : KRW billion)



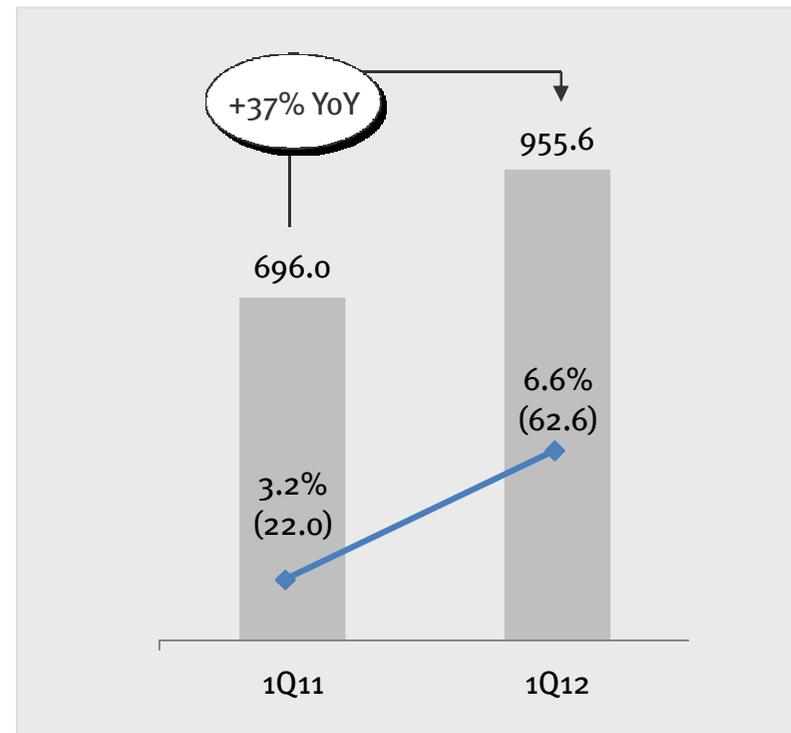
* Difference between actual retail sales and wholesale after changing the sales method to consignment sales

** DIPP, ADT, HQ sales

*** APEM(Asia Pacific/Emerging Markets), NAO(North America/Oceania), EMEA(Europe/Middle East/Africa)

DII's 1Q12 Sales & EBIT

(Unit : KRW billion)



Financial structure *

- Total assets and liabilities rose by KRW618.9bn and KRW246.5bn due to an increase in working capital as we progressed into the high demand season, while net debt declined by KRW281.9bn.

Balance Sheet

(Unit : KRW billion)

	2010	2011	1Q11	1Q12	YoY
Current Assets	3,855.7	4,232.5	4,515.6	4,938.2	+422.6
Fixed Assets	7,155.9	7,471.2	7,085.2	7,344.5	+259.3
Total Assets	11,011.6	11,703.7	11,600.8	12,282.7	+681.9
Total Liabilities	9,254.1	9,418.5	9,694.4	9,940.9	+246.5
- Net Debt	5,548.5	5,344.4	5,751.6	5,469.7	-281.9
Total Shareholders' Equity	1,757.5	2,285.2	1,906.4	2,341.8	+435.4
Liabilities/Equity Ratio	526.5%	412.2%	508.5%	424.5%	-84.0%P

* Figures are based on consolidated K-IFRS

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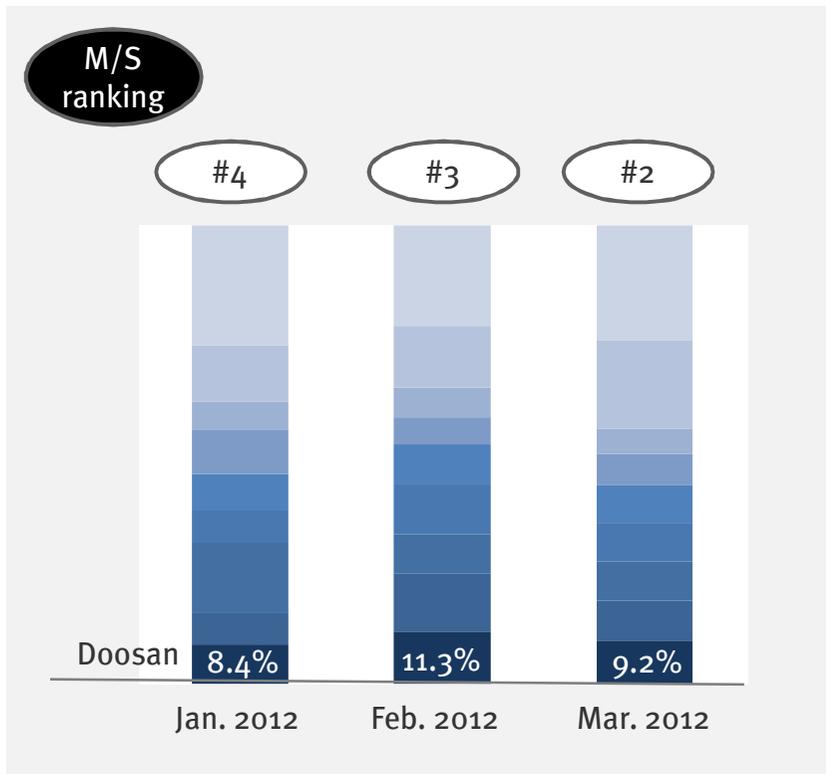
1Q12 Highlights

Construction Equipment : Market share in China stabilizing

- Market declined substantially, however Doosan's market share ranking improved as a result of successful new product launches and sales channel restructuring.
- Newly launched models this year are already showing promising sales trends and accordingly, market share for large-sized excavators is rising.

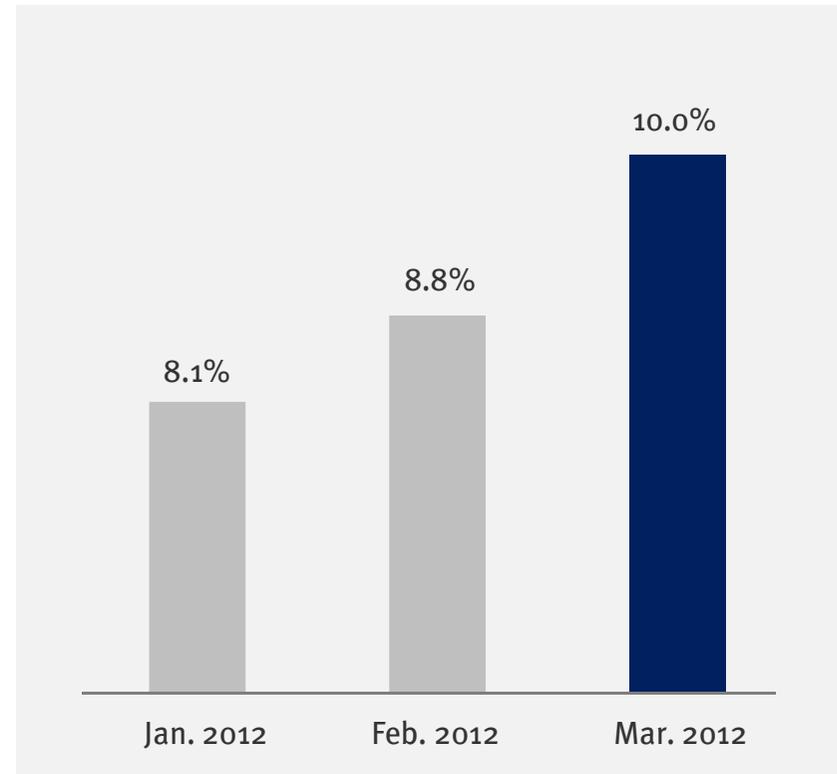
Monthly sales volume & Ranking

(Unit : %)



Market share trend – Large-sized

(Unit : %)



* Source : China Construction Machinery Association

Construction Equipment : Potential tailwind from policy changes

- Construction projects in China have been put on hold due to the financial conditions of local authorities.
- Doosan Infracore is fully prepared to take advantage of the future market recovery on the back of the new Suzhou plant, new products, expanded after-market business/after-service and stronger sales channel.

Investment plans in China related to construction equipment demand

Rail /Road

- Funding by the Chinese government should enable investment of RMB 500 billion from 2H
→ Raising railway investment fund, providing new loans, allowing private investment for railway construction

Real Estate

- Growth up to 20% expected due to social housing construction projects
→ construction start of 10 million units in 2011, 7 million units more expected in 2012

Water Conservancy

- Expected to invest RMB 4 trillion in next 10 years including acceleration of projects such as the South-North Water Transfer

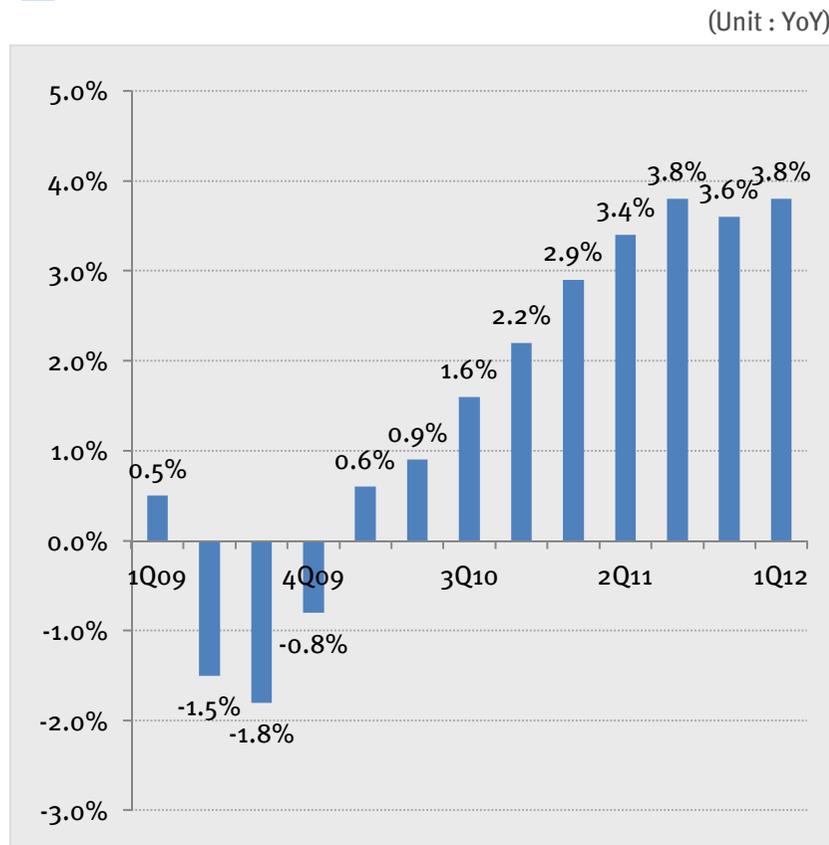
Mining

- Consumption of coal used for thermal power generation expected to grow by 150 million tons in '12

Construction Equipment : Improving conditions in North America

- Market conditions such as construction equipment price trends are improving in line with better US construction cycle indicators.
- Market share has also made solid recovery after the capacity expansion.

New equipment price trend in North America

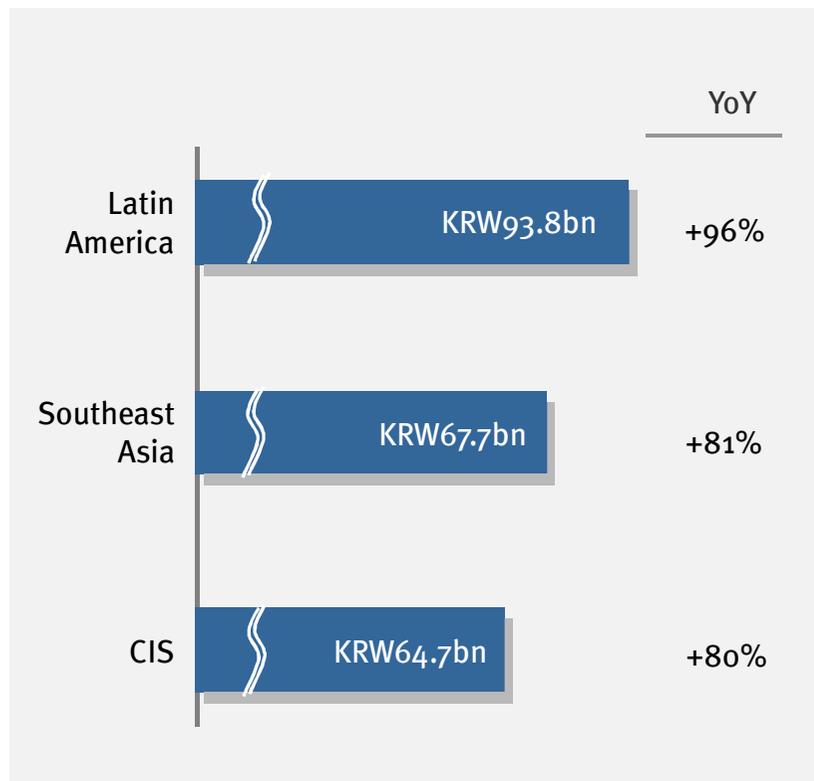


* Source : International Strategy & Investment Group

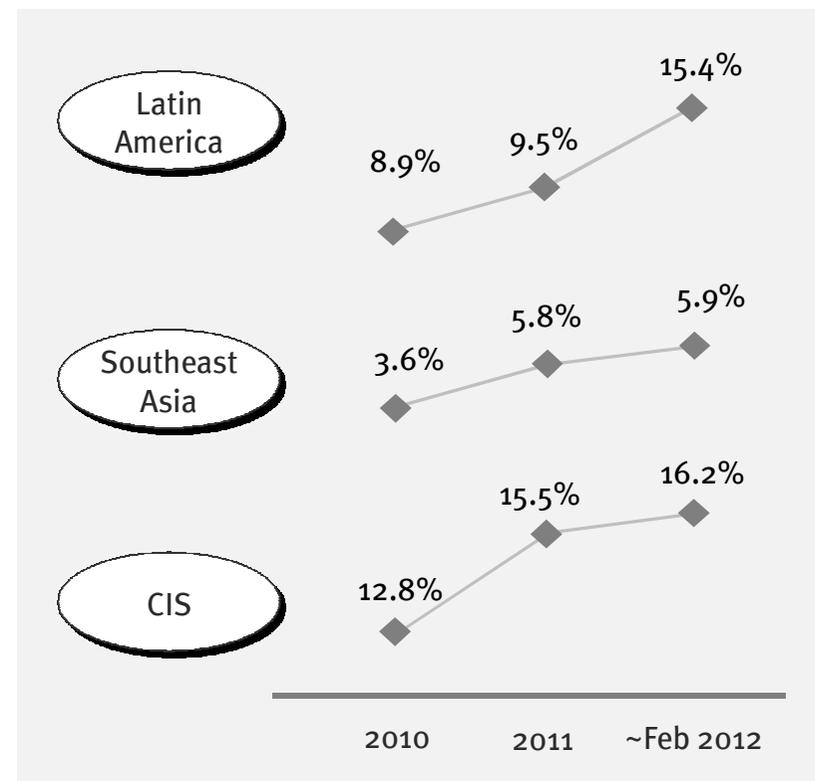
Construction Equipment : Accelerated growth in emerging markets

- Sales in key markets are reporting remarkable growth. In particular, market share in Latin America (incl. Brazil) is rising significantly.
- We expect growth in emerging market to continue, and accordingly, we plan to further penetrate Brazil, Indonesia and CIS markets.

Sales growth by region



Market share trend

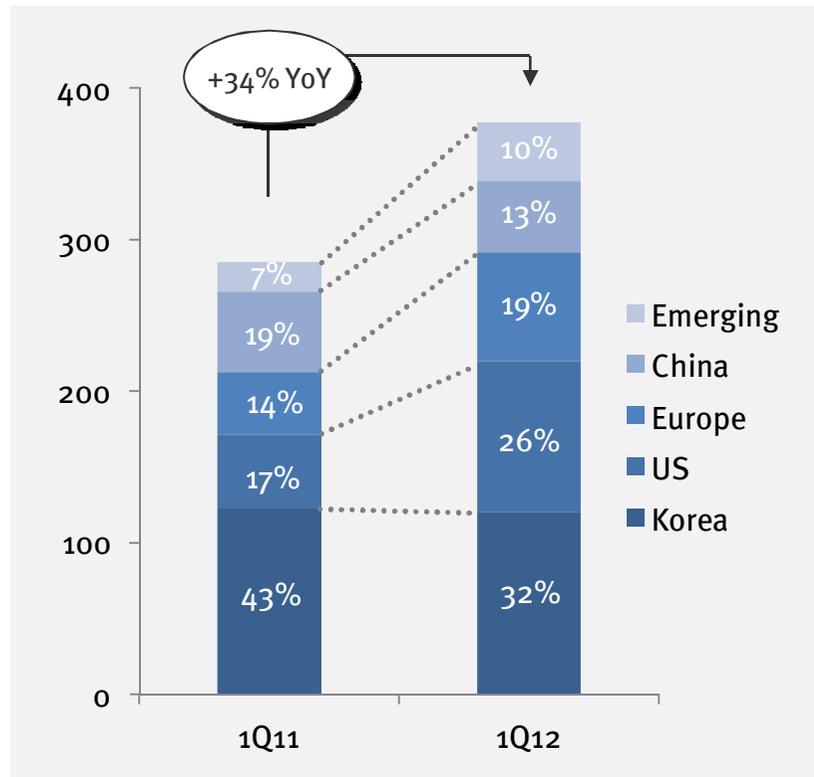


Machine Tools : Recovering order trend

- We continue to see order recovery in US, Europe and emerging markets.
- In light of order growth for high-end products, we project high profitability to be maintained going forward.

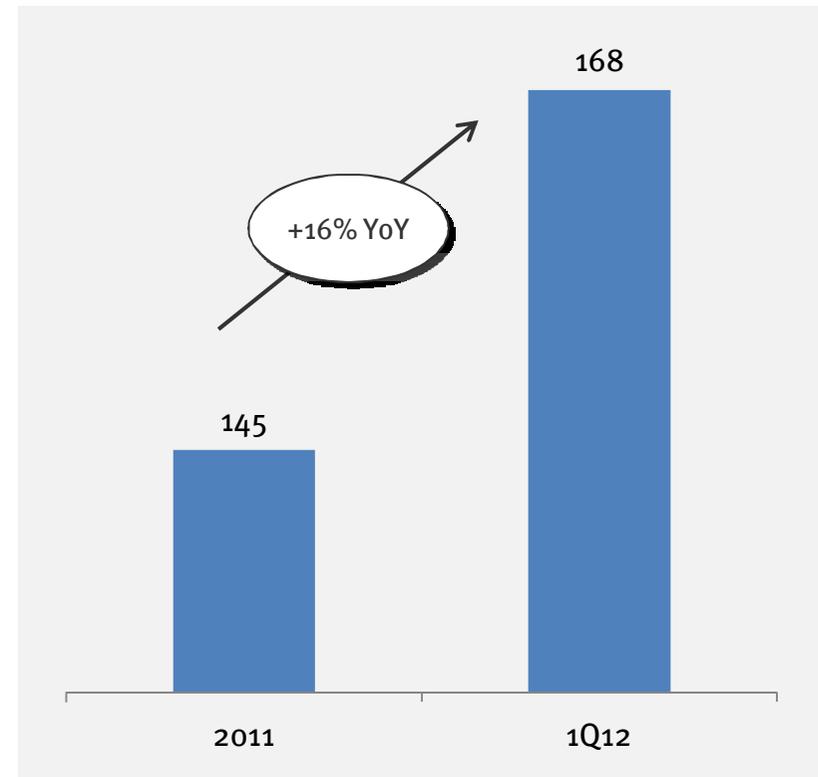
Sales breakdown by region

(Unit : KRW billion)



Average order price in North America

(Unit : KRW million)





Thank You