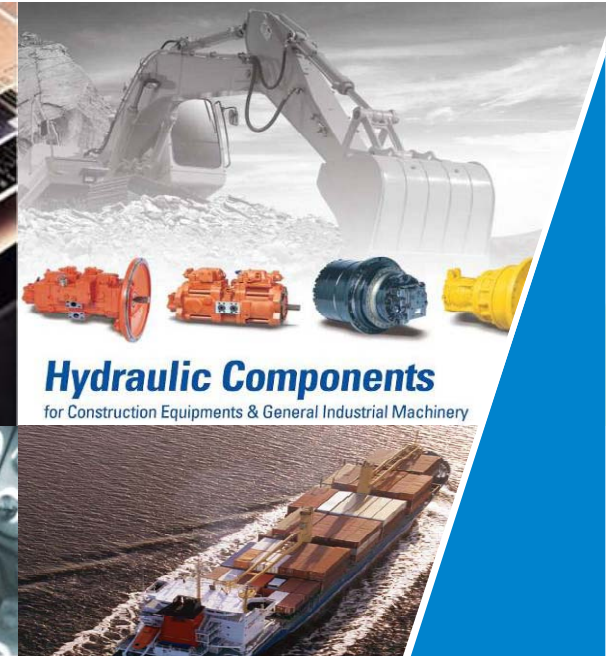
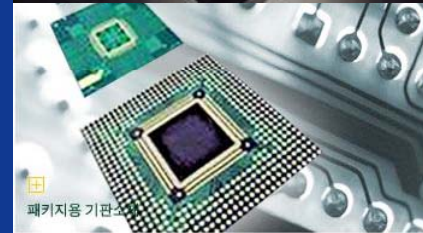




Doosan Corporation

# Doosan Corp. IR Presentation



2010. 12.

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2 Doosan Corp's Business Overview & Performance

3 Doosan Corp's Value as a Holding Company

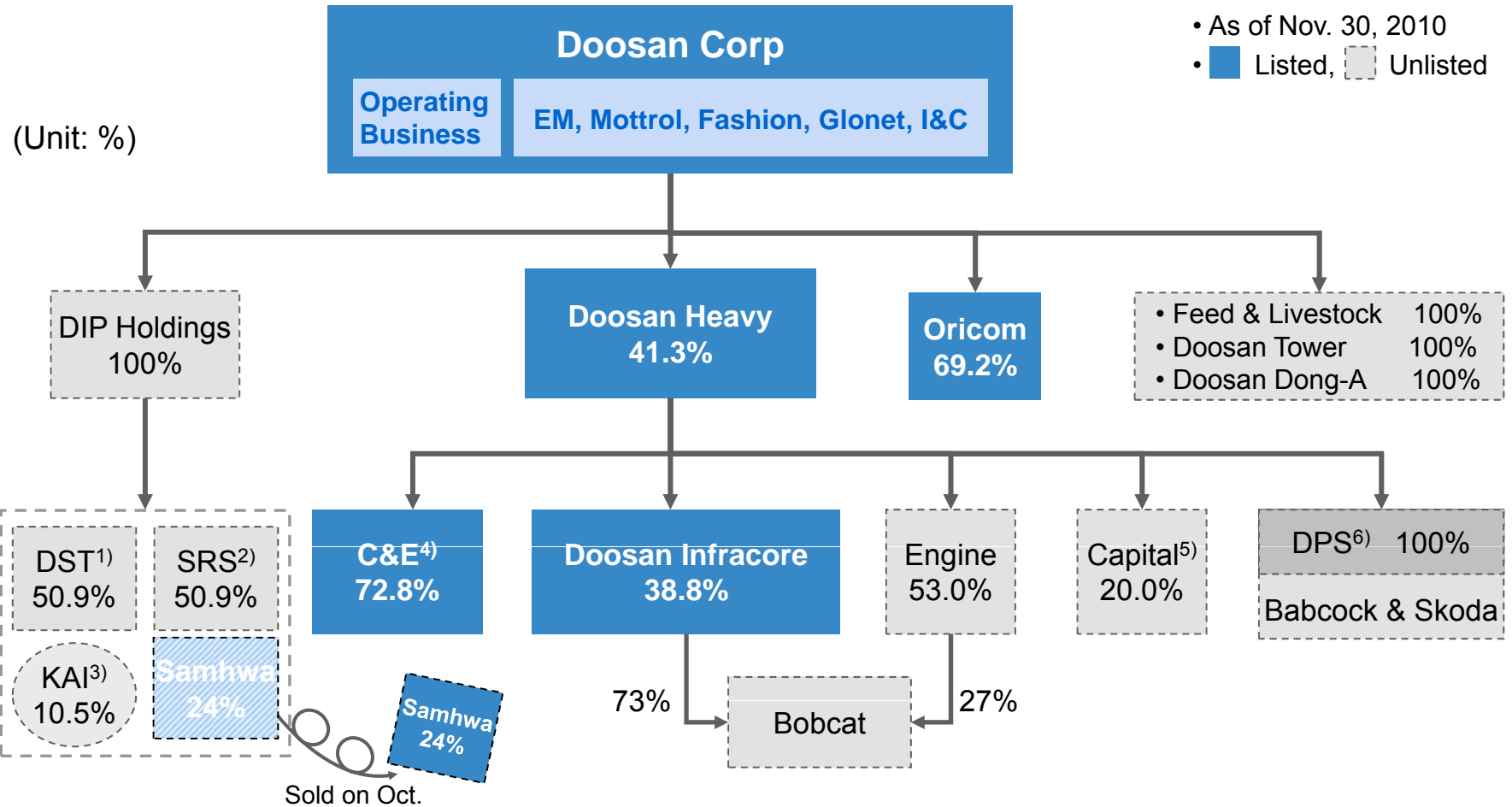
Appendix : Financials, Highlights, Introduction of EM

**Disclaimer**

The information herein is provided for your information purposes only and contains preliminary figures which may be materially different from the final figures. We make no guarantees and assume no responsibility for investment decisions. We trust your decisions will be based on your own independent judgment.

The financial data in this presentation is non-consolidated basis.

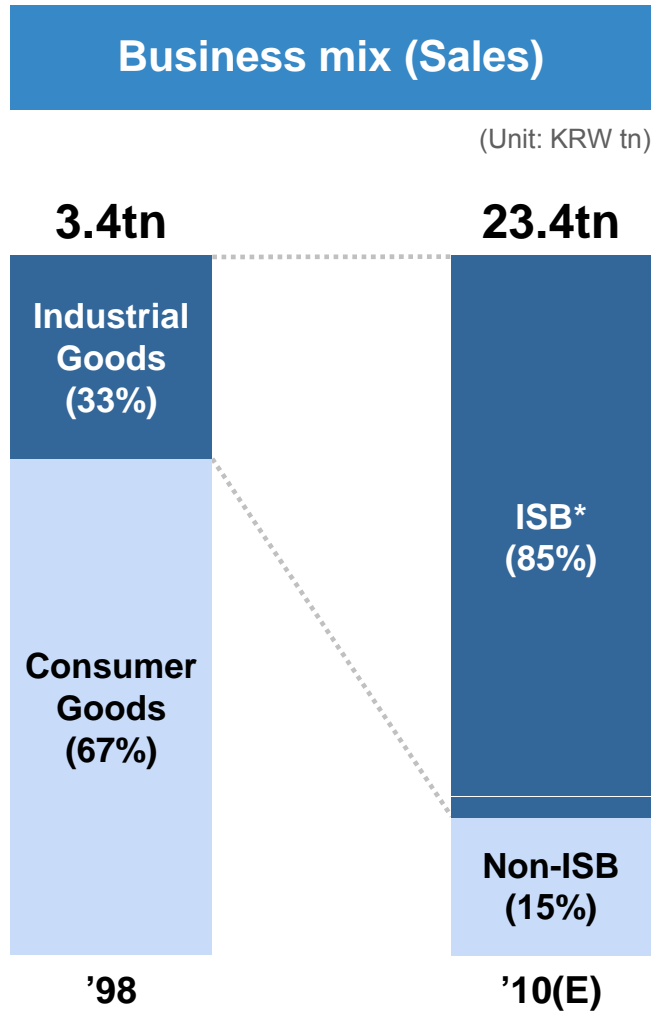
# Shareholding Structure of Doosan Group



1) DST : Defense System & Technology  
 2) SRS : System Restaurant Service (KFC & Burger King)  
 3) KAI : Korea Aerospace Industries  
 ※ Minority shares held by affiliates not displayed

4) C&E : Merged Mecatec on Nov. 1.  
 5) Capital : Infracore owns 20% shares beside Doosan Heavy  
 6) DPS : Doosan Power Systems

# Change from Consumer Goods to ISB\*



\* Infrastructure Support Business

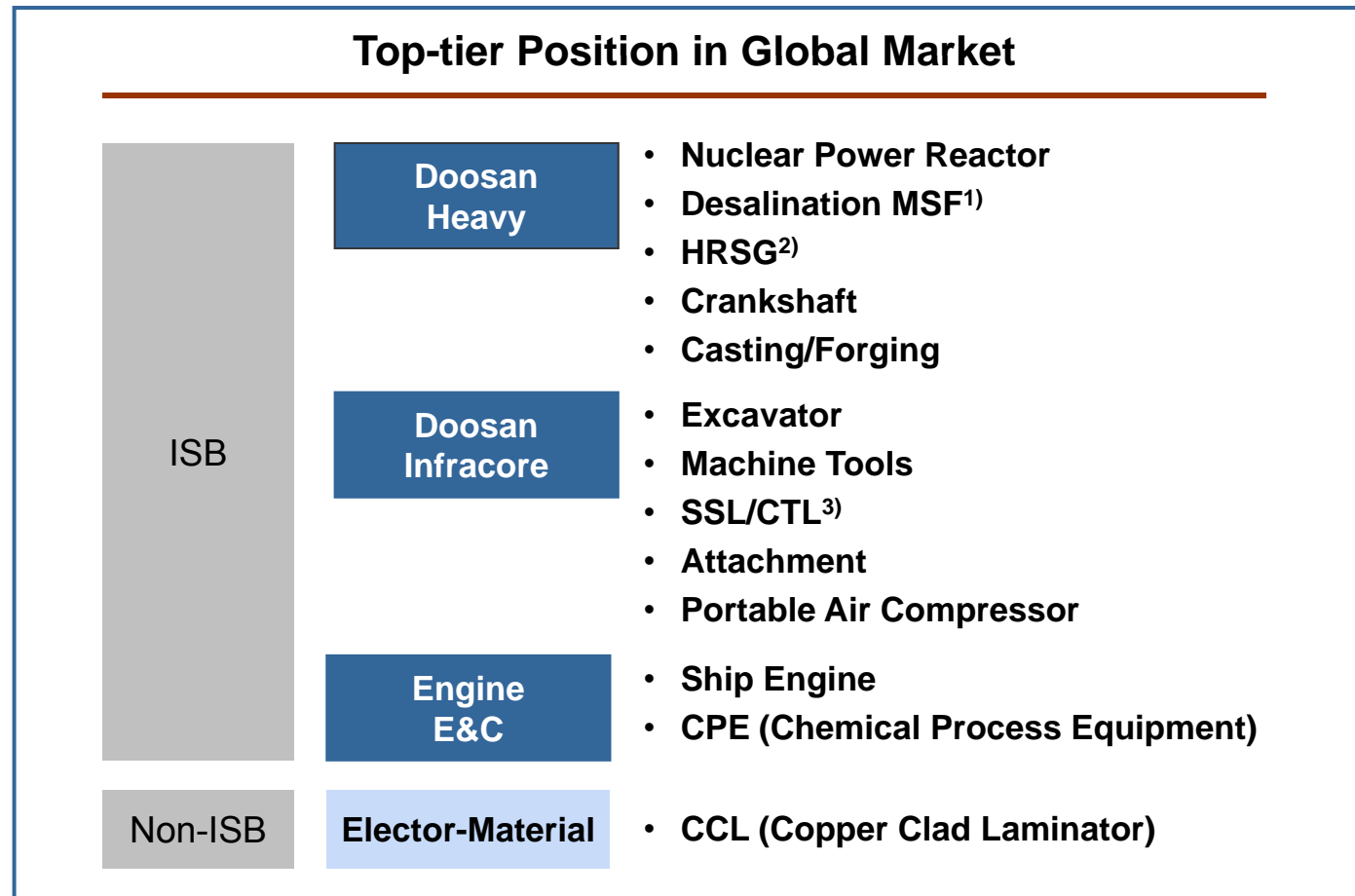
(Unit: KRW tn)

**Sales from ISB : KRW 19.8tn**

Subsidiaries	Sales (Total)
• Doosan Heavy	7.3
• Doosan Infracore	3.2
• Doosan Const.	2.5
• DII (Bobcat)	2.0
• Doosan Engine	1.9
• Doosan Power System	1.8
• Doosan Mecatec	0.7
• Doosan Mottrol	0.4

**Sales from Non-ISB : KRW 3.6tn**

# Change from Local Leader to Global Leader



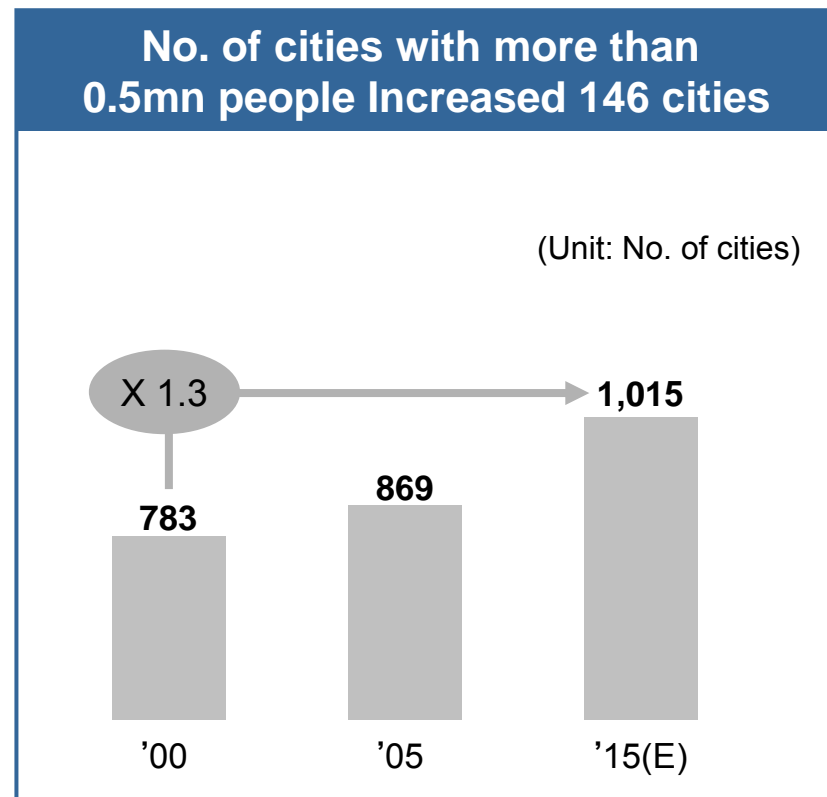
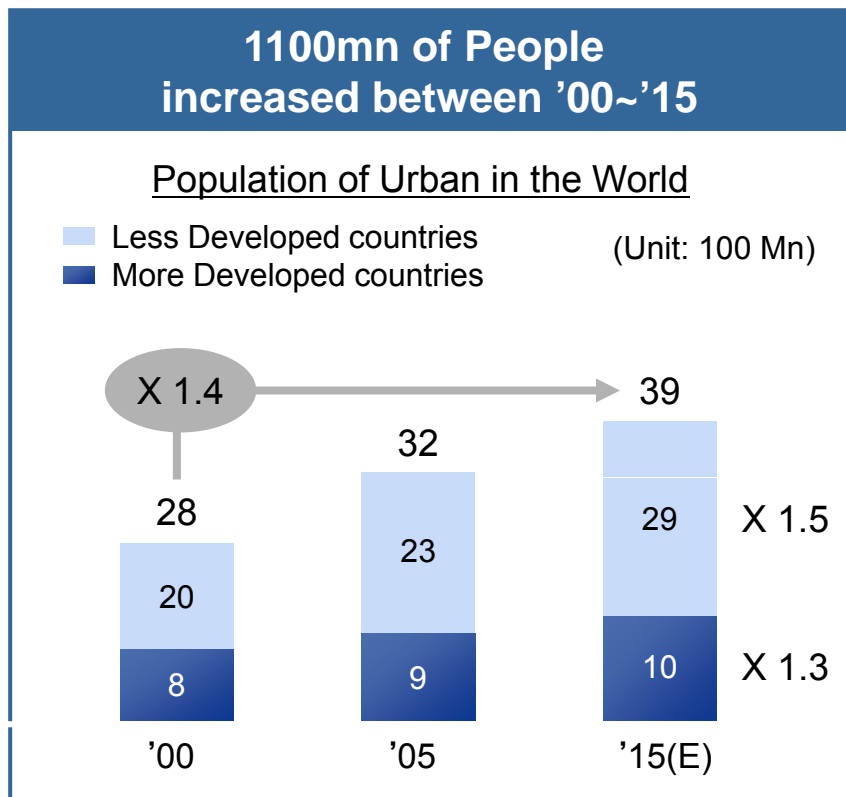
1) MSF : Multi –Stage Flashing

2) HRSG : Heat Recovery Steam Generator

3) SSL : Skid Steer Loader, CTL : Compact Track Loader

# WHY ISB?

- As it gets more urbanized, Infra-structure business, such as power plants, civil/housing engineering, construction equipments, desalination, etc. becomes more necessary to support these changes



※ Source : UN World Urbanization Prospects (2005 Revision Population Database)

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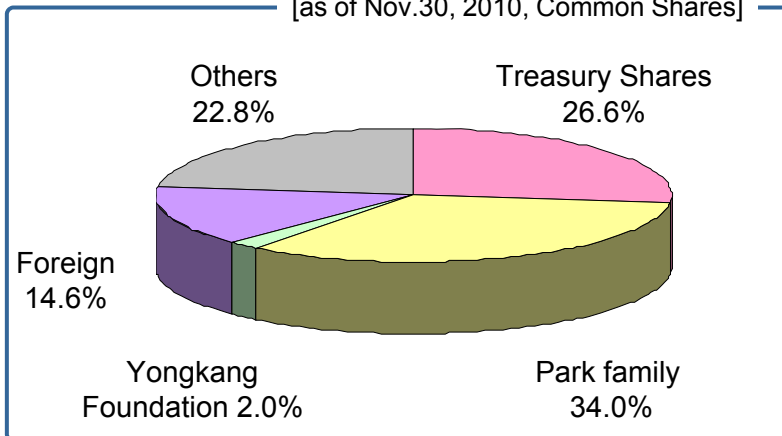
# Doosan Corp. – Outline

- Doosan corporation is an **operating holding company**

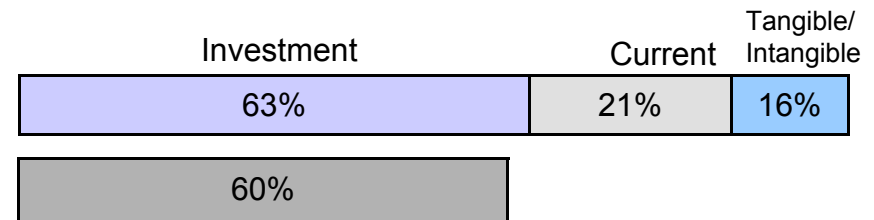
[as of Nov.30, 2010]

CEO	James B. Bemowski
Paid-in Capital	W154.1 bn
Total Shares	30,812,425 Shares (Com. 25,042,611)
Market Cap.	W3,796.9bn
Credit Rating	A0
Employees	2,700

[as of Nov.30, 2010, Common Shares]



## Assets as of Sep 30, 2010 (Total Asset W2.9tn)

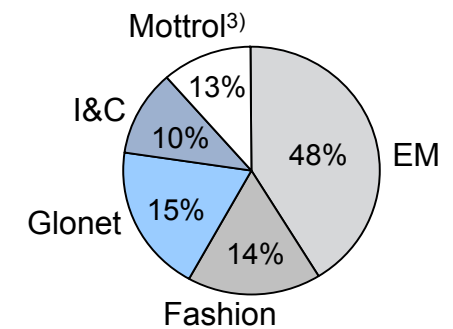
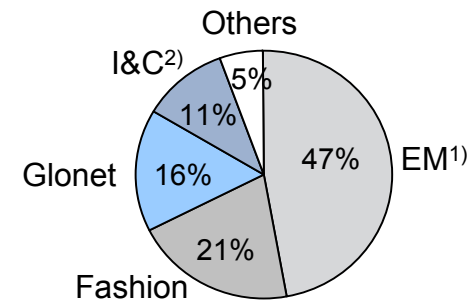


Equity Method Securities W1.756tn

## Sales Breakdown by Business

'09 Results (Sales W1.2tn)

'10(E) Results (Sales W1.5tn)



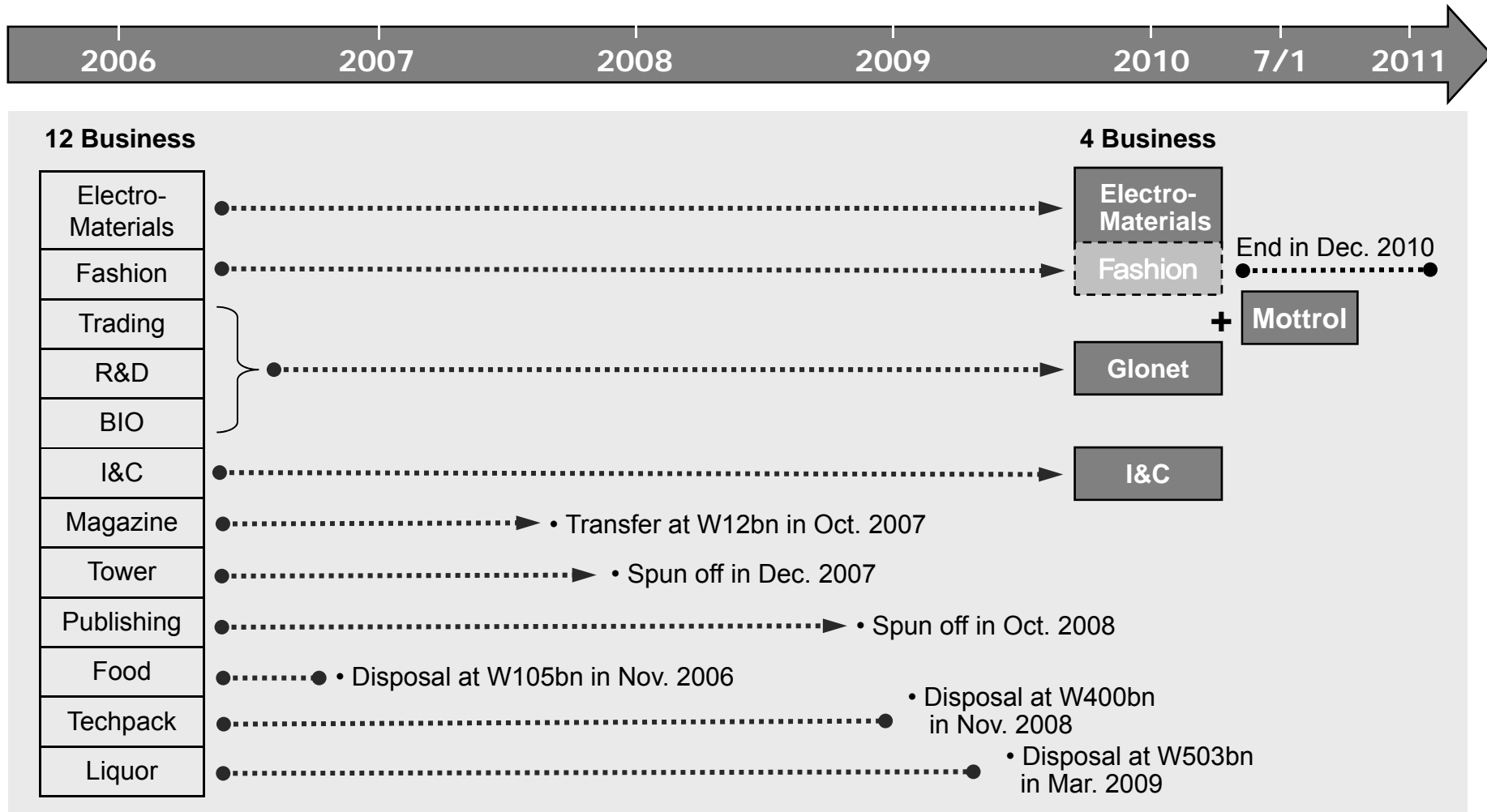
1) EM: Electro-Materials

2) I&C: Information & Communication

3) Including only 2H of sales from Mottrol

# Reorganization of Business Portfolio

- Selection & Concentration : Restructured its business from 12 to 4 business
- Merge completion of Doosan Mottrol as of Jul 1, 2010, Fashion business will be closed as of Dec 31, 2010



## 2010 Outlook

- We expect operating revenue to grow by 42% and operating income to turn in black in 2010
  - In self-operating business, we expect sales and OP to improve by 33% and 53% YoY
  - The 3Q accumulated operating revenue & income achieved 74% and 79% versus 2010 Outlook

### Income Statement

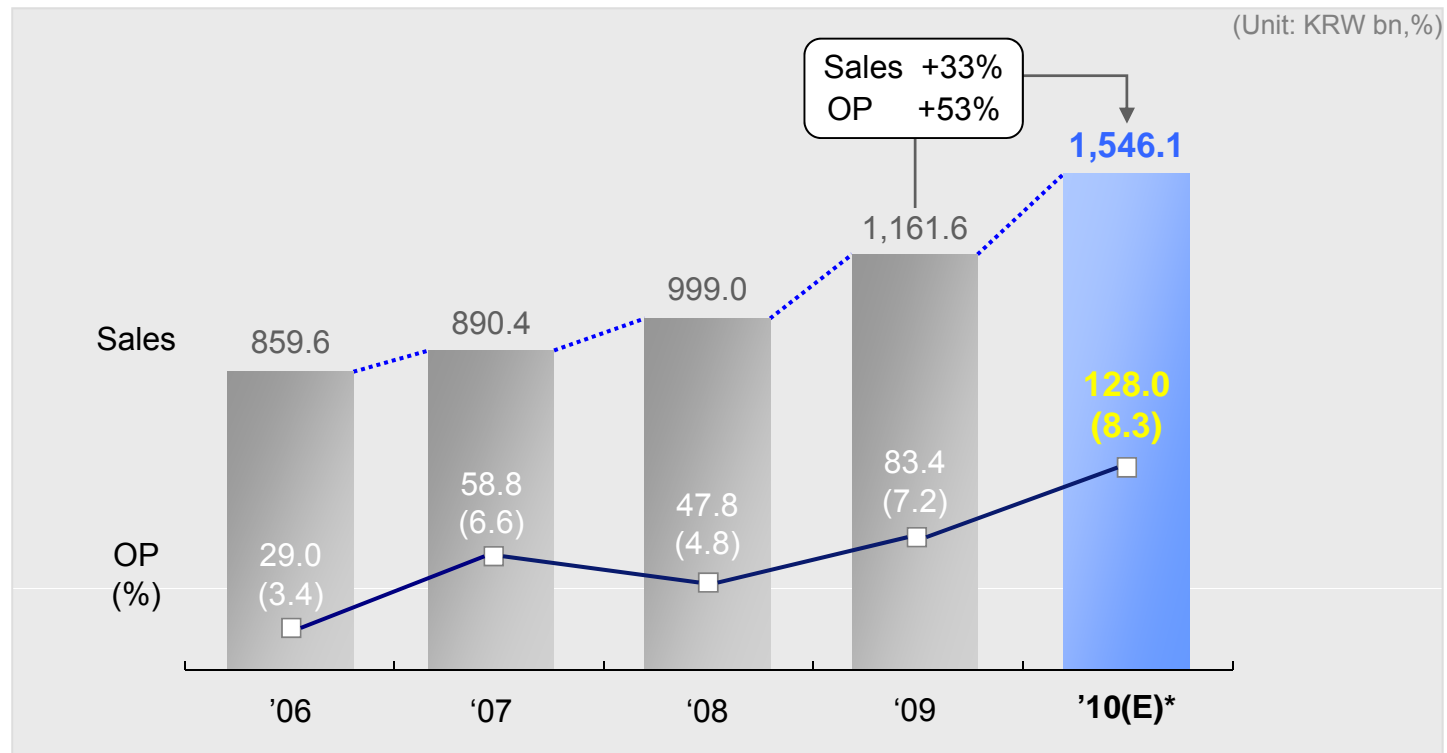
(Unit: KRW bn, %)

	2009	3Q10 (YTD)	YoY	2010 Outlook	YoY
Operating Revenue	1,203.1	1,265.2	+42.9%	<b>1,710.1</b>	<b>+42.1%</b>
- Self-Operating Biz Sales	1,161.6	1,143.0	+34.2%	<b>1,546.1</b>	<b>+33.1%</b>
- Equity Method Gain	41.5	122.2	+259.4%	164.0	+295.2%
Operating Cost	1,241.1	1,034.3	+5.4%	1,418.1	+14.3%
- COGS/SG&A	1,078.2	1,029.0	+31.6%	1,418.1	+31.5%
- Equity Method Loss	162.9	5.3	-97.3%	-	-100.0%
Operating Income	-38.0	230.9	TB	<b>292.0</b>	<b>TB</b>
- Self-Operating Biz OP	83.4	114.0	+63.8%	<b>128.0</b>	<b>+53.4%</b>
- Equity Method G/L	-121.4	116.9	TB	<b>164.0</b>	TB

# Operating Business Performance [Yearly Trend]

- Sales and OP have continuously increased since 2006
- In 2010, we expect sales and OP to grow by 33% and 53% YoY

## Yearly Sales & OP since 2006

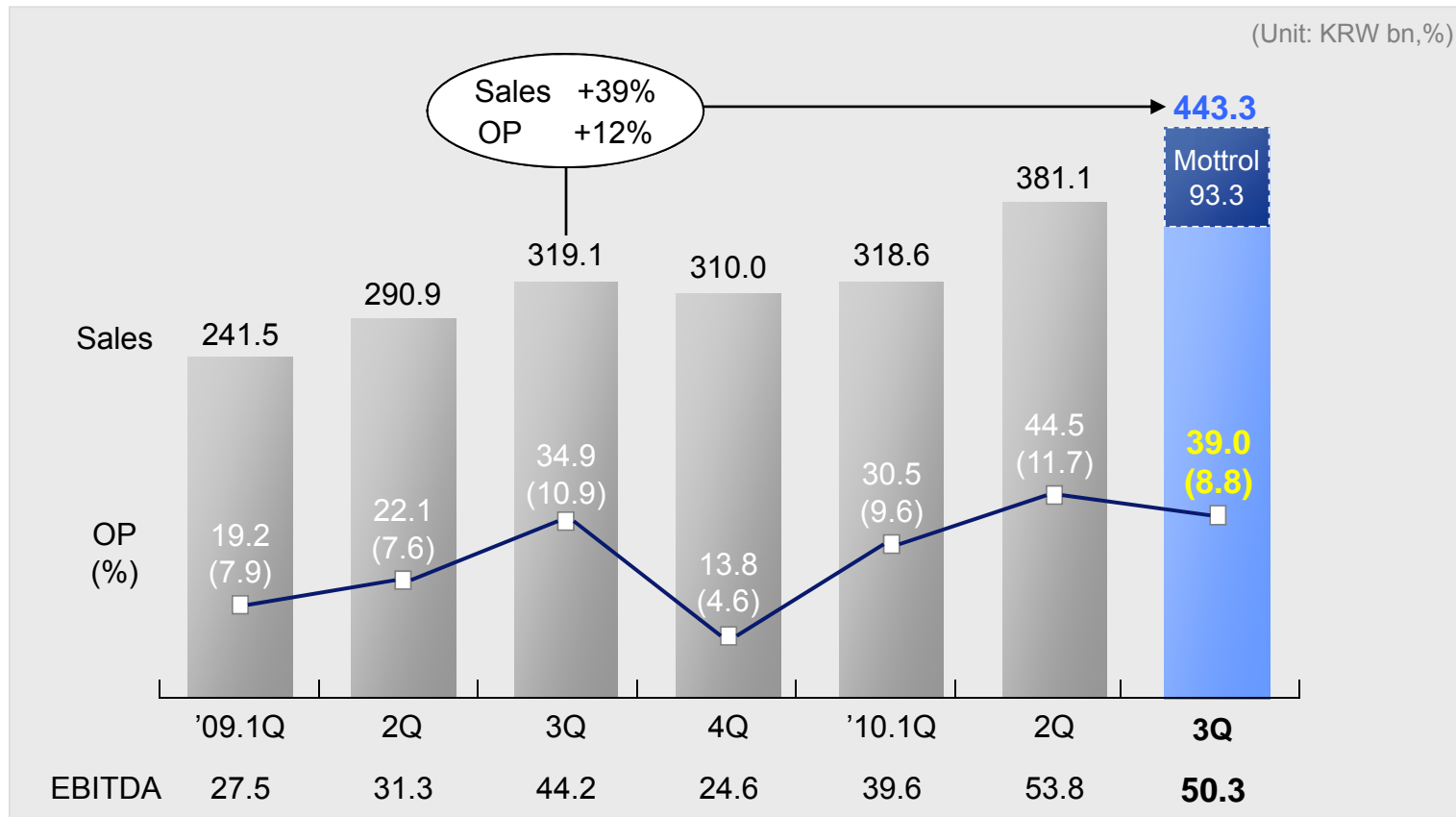


- After 2Q, Sales and OP in 2010 were revised up by 30% and 188% to reflect better 1H10 results  
- Only 2H of Sales and OP from Mottrol are added

# Operating Business Performance [Quarterly Trend]

- In 3Q10, sales rose 39% YoY to KRW443.3bn and OP grew 12% YoY to KRW39.0bn
  - By merging Mottrol in July 1st, Doosan Corp’s sales and OP in 3Q10 showed continuous growth trend YoY (3Q10 Mottrol Sales KRW 93.3bn, OP KRW 13.8bn)

## Quarterly Sales & OP

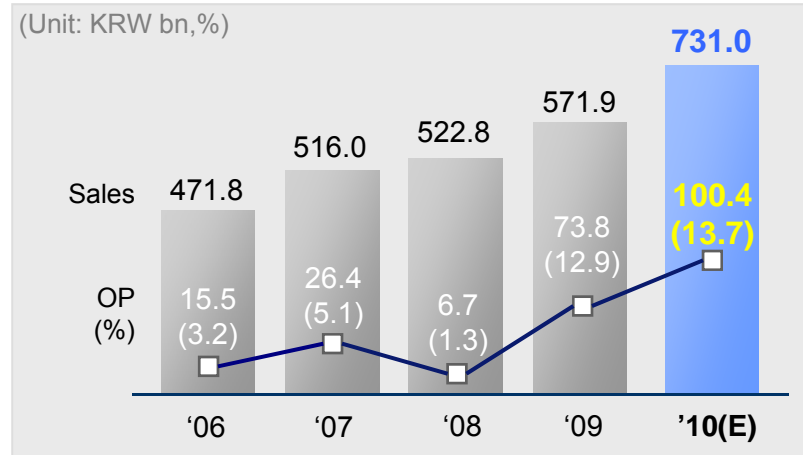


- Considering disposed alcoholic beverage business(W6.5bn), the 1Q09 operating profit of W19.2bn is actually W12.7bn

# Business Units – Sales & OP [Yearly Trend]

## Electro Materials

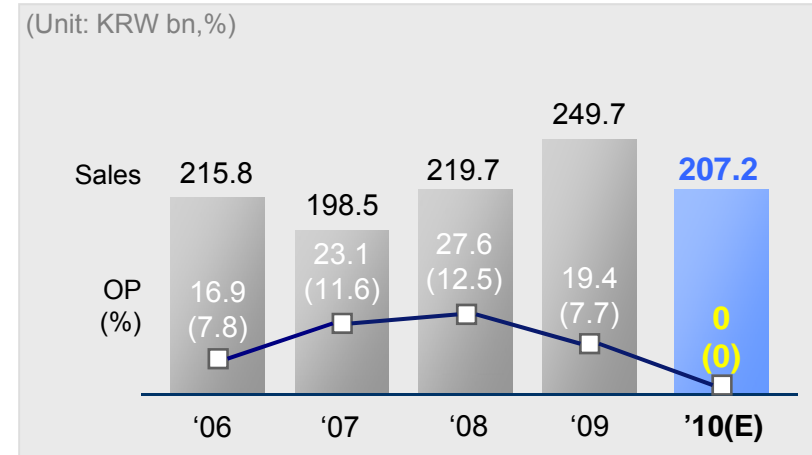
– Dominant market leader in MCCL\* & FCCL\*



\*MCCL/FCCL (Metal / Flexible Copper Clad Laminate)

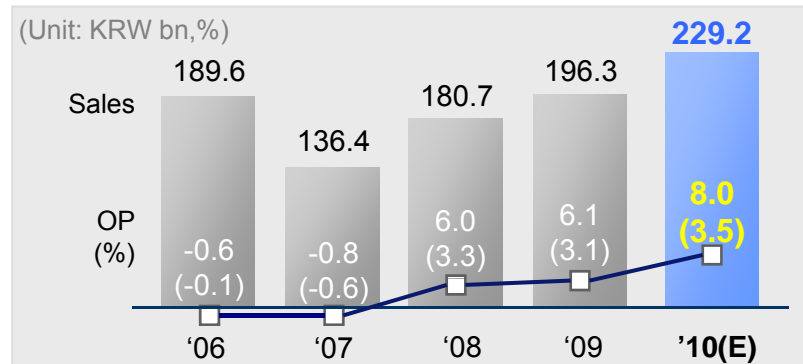
## Fashion

– Local licensing franchise for POLO Ralph Lauren



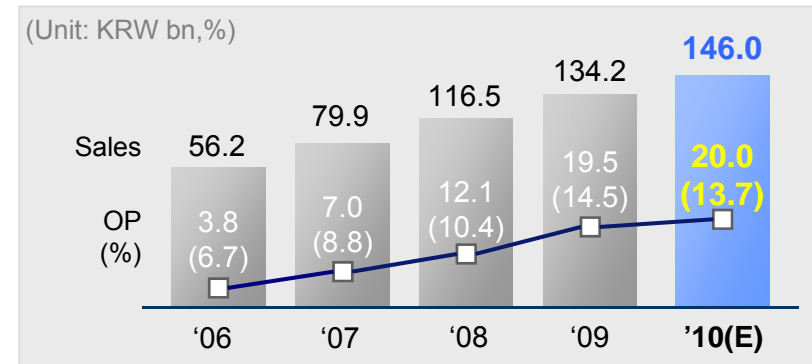
## Glonet

– Logistic support center in Doosan group



## Information & Communication

– IT service provider in Doosan group



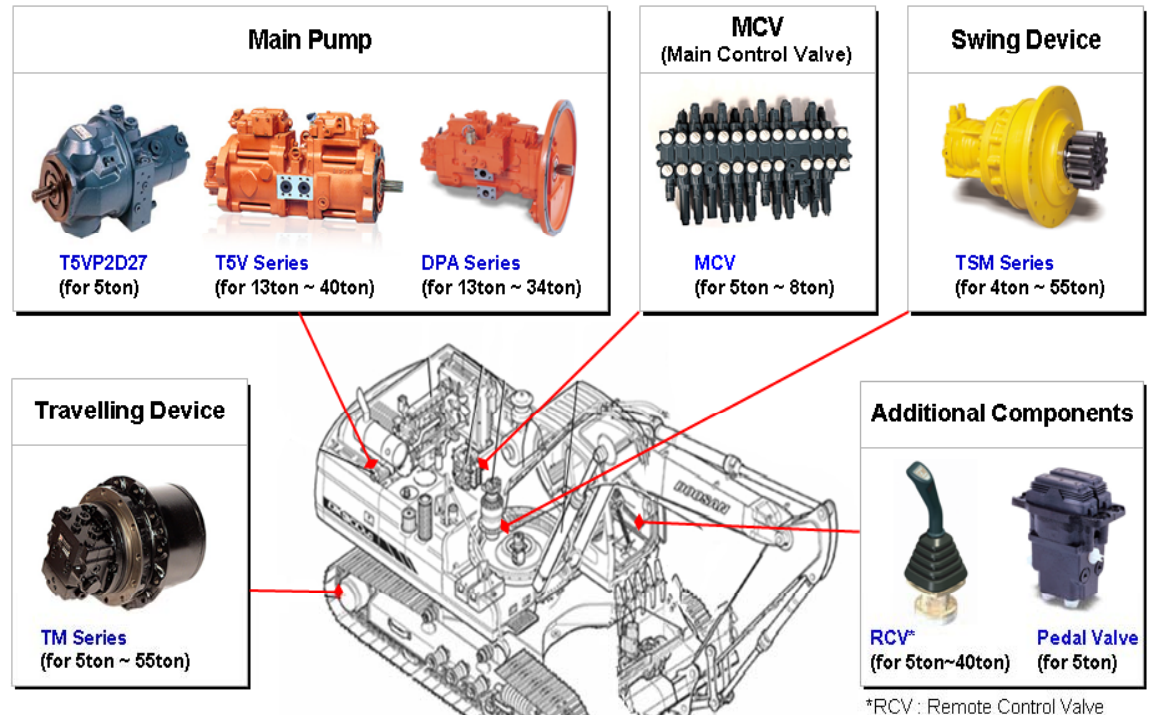
# A New Growth Engine – Doosan MOTTROL

- Doosan Mottrol has been developing and producing Hydraulic components which are essential to various construction equipments and defense systems.

## Mottrol's Mid-term Direction

- **Why Mottrol?**
  - More than 30 years of experiences with hi-efficient technology as a hydraulic components manufacturer
  - Creating a great synergy effect with current subsidiaries' business
- **Mid-term Strategy**
  - Perfect supplier to captive market,
    - Expand the supply to Infracore
  - Expand its business to the global non-captive market, such as China
- **Capacity Growth**
  - 2009 cap. 180thn units (15,000 u/m)
  - 2010(E) cap. 200thn units (17,000 u/m)
  - 2011(E) cap. 280thn units (23,000 u/m)

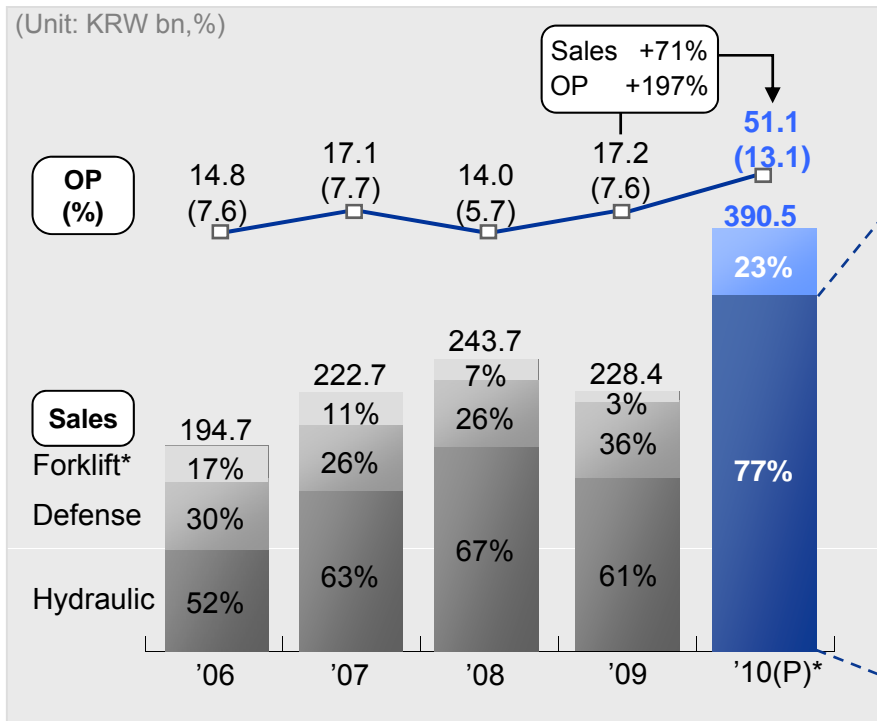
## Products [Hydraulic Components]



# MOTTROL – Sales & OP Trend / Sales Breakdown

## Sales & OP since 2006

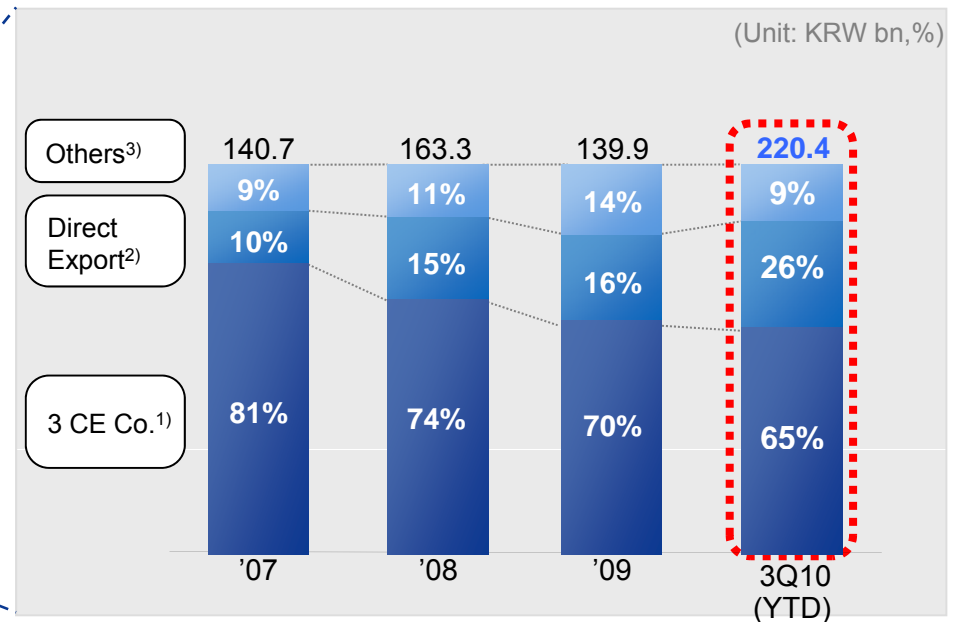
- Sales showed steady growth since 2006 and normal operating profit margin was approximately 7%
- Expected sales of W390bn in 2010 increased by 71% YoY, OP will be increased by 197% YoY



\*Forklift business has been ceased manufacturing as of July 2009.

## Hydraulic Equipment Sales Breakdown

- Until 3Q10, Sales in 3 domestic construction equipment makers accounted for 65%
- Direct export to China local makers steadily increased to 26%



1) 3 CE Co. : Infracore, Hyundai Heavy, Volvo Korea

2) Direct Export : China, Attachment export

3) Others : After Service Market

## Equity Method Gain/Loss

- In 2010, we expect total equity method gain of W164bn
- In 3Q10, equity method G/L of +W23.7bn was down by KRW36.7bn QoQ
  - After 3Q, Mottrol Holdings' equity method G/L added up to operating profit
  - Doosan Heavy's equity method G/L of KRW 10.5bn has dropped by KRW 28.1bn QoQ

(Unit: KRW bn, %)

Affiliates	Stake	2009			2010			2010(E)
		1H	2H	Total	1Q	2Q	3Q	
DHI	41.3%	-112.0	-42.3	-154.3	11.4	38.6	<b>10.5</b>	<b>60.5</b>
Oricom	57.8%	-0.3	1.8	1.5	-	0.9	<b>0.3</b>	<b>1.2</b>
Doosan Dong-A	100%	-7.0	6.0	-1.0	-3.5	-1.5	<b>-0.3</b>	<b>-5.3</b>
Doosan F&L	100%	0	5.0	5.0	1.2	-0.2	<b>2.0</b>	<b>3.0</b>
Doosan Tower	100%	-3.0	2.5	-0.5	1.2	1.2	<b>2.1</b>	<b>4.6</b>
Doosan Mottrol Holdings	100%	-3.2	4.9	1.7	9.9	9.5	<b>Merged</b>	<b>19.5</b>
DIP Holdings	100%	0.8	15.7	16.5	9.7	10.6	<b>9.1</b>	<b>29.4</b>
Samhwa*	-	1.9	0.8	2.7	-	-	-	-
SRS*	-	10.2	0	10.2	-	-	-	-
Others	-	-4.1	0.9	-3.2	2.9	1.3	-	<b>4.0</b>
<b>Total</b>	-	<b>-116.7</b>	<b>-4.7</b>	<b>-121.4</b>	<b>32.8</b>	<b>60.4</b>	<b>23.7</b>	<b>116.9</b>

\* SRS and Samhwa were not displayed since June 29, 2009 (SRS) and August 20, 2009 (Samhwa), respectively  
 → Those are appeared under DIP holdings with valuation of equity method hereafter

## Affiliates' Performance

- DHI : Although sales in 3Q10(YTD) were down by 5.9% YoY, net income turned surplus in light of equity method gain recovery
- DIP Holdings: Net income recorded W29.4bn in 3Q10(YTD) thanks to sales growth from DST and SRS

(Unit: KRW bn, %)

Affiliates	2009						3Q10(YTD)					
	Sales	YoY	OP	YoY	Net Income	YoY	Sales	YoY	OP	YoY	Net Income	YoY
DHI	6,279.5	+10.0%	403.8	-14.9%	-328.3	Increased Deficit	4,251.4	-5.9%	275.0	+5.7%	108.8	Turned Surplus
DIP Holdings*	-	-	21.8	-	16.6	-	-	-	37.7	-	29.4	-
• Doosan DST	706.0	+32.5%	60.4	+295.1%	48.0	+4,253.6%	714.6	+43.8%	59.8	+43.1%	47.0	+42.9%
• SRS	247.1	+9.8%	19.6	+84.2%	16.2	+164.3%	198.4	+6.0%	18.9	+9.2%	13.1	-13.2%
• Samhwa	78.2	-0.1%	10.0	+92.3%	11.3	+66.2%	59.8	-0.3%	5.4	-33.3%	4.6	-56.6%
• KAI	1,086.6	+19.4%	50.4	-36.5%	90.2	+373.3%	884.5	-1.4%	90.4	-19.4%	75.4	-25.4%
Doosan Dong-A	227.1	-2.0%	9.7	Turned Surplus	-1.2	Reduced Deficit	153.7	+6.4%	4.7	Turned Surplus	-5.3	Reduced Deficit
Doosan F&L	126.5	-21.1%	5.8	+333.6%	5.0	Turned Surplus	91.9	-5.3%	3.1	-39.2%	3.0	-25.0%
Oricom	76.3	-18.0%	3.6	+6.9%	2.3	-5.6%	60.3	+15.5%	2.6	+766.7%	2.0	Turned Surplus
Doosan Tower	51.7	+14.6%	14.4	+16.6%	1.1	+33.8%	42.5	+12.7%	17.0	+104.8%	5.8	Turned Surplus
Neoplux	29.4	+36.0%	5.4	+64.5%	4.4	+87.2%	21.3	+0.9%	6.5	-18.8%	4.9	-16.9%

\* DIP Holding is a SPC (Special Purpose Company), No sales recorded.

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**3 Doosan Corp's Value as a Holding Company**

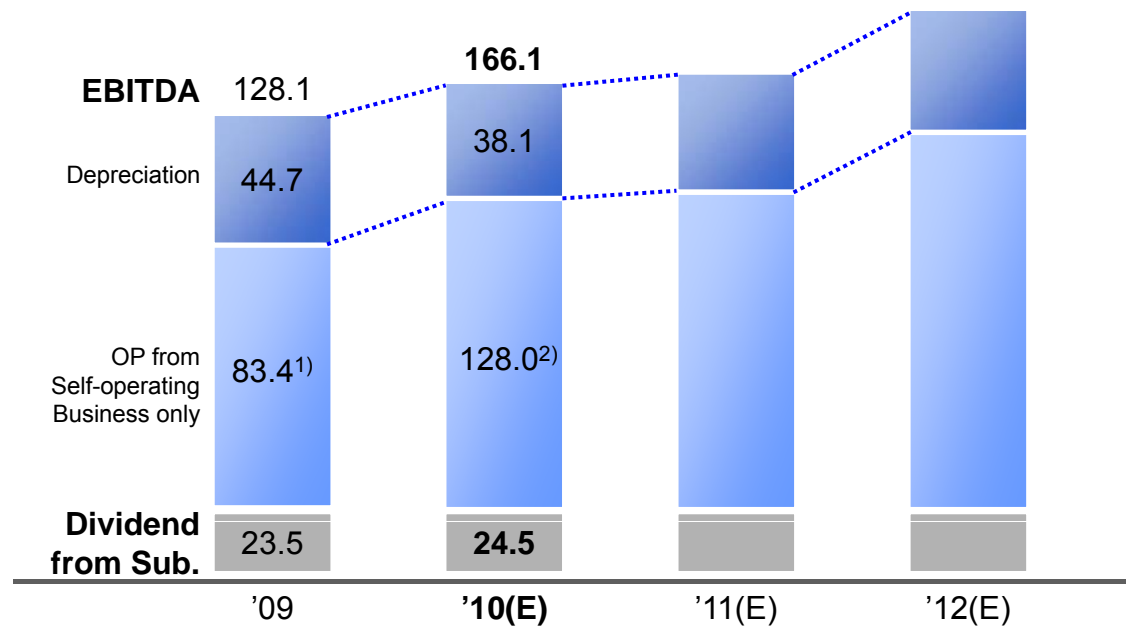
Appendix : Financials, Introduction of EM, Highlights

# 1 Capable of generating stable cash through our own business

- Doosan Corp. is capable of generating cash almost W200bn annually through EBITDA and dividend from subsidiaries

## Cash Flow

(Unit: KRW bn)



1) '09 OP: Sum of EM, I&C, Glonet, Fashion

2) '10 OP: Sum of EM, I&C, Glonet, Mottrol (Planned zero OP for Fashion)

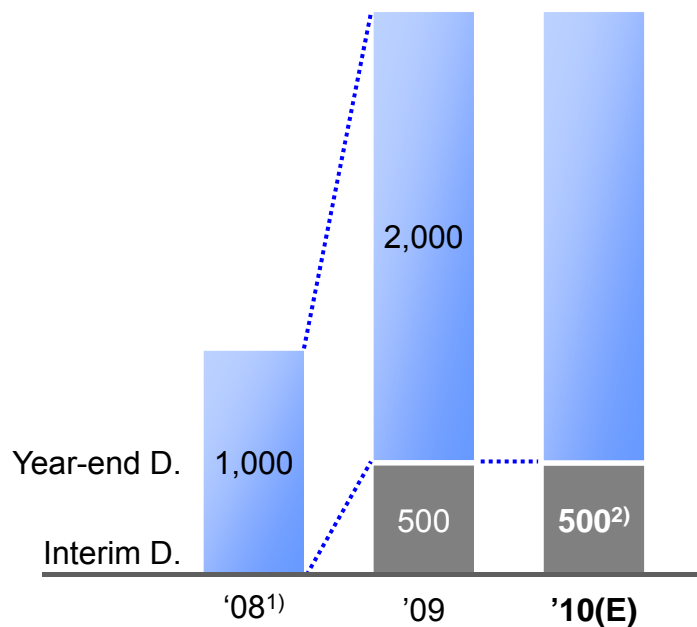
- Only 2H of OP from Mottrol is added (Annual OP of KRW 51.1bn in 2010(P))

## 2 Aim for shareholders' value-oriented management as a holding co.

- Doosan Corp. paid dividend of W1,000 per share in 2008, W2,500 per share in 2009, and W500 per share in 2010 as an interim dividend.
- Dividend will be continuously paid to increase shareholders' value

### Dividend

(Unit: KRW)



1) It is made for the first time since 1998

2) As of Jun 30, we paid interim dividend of W500

(Unit: KRW bn, %)

	'08	'09	'10(E)
Net profit	109.7	232.3	-
Total amount of Dividend	24.2	58.3	-
- Dividend per share	<b>W1,000</b>	<b>W2,500</b>	-
Dividend payout ratio	22%	25%	-
Dividend yield ratio <sup>2)</sup>	1.0%	2.6%	-

※ As of the ending date of stock market in each year

### 3 Non-operating assets value

- Current Doosan Corp's market cap just reflects the value of non-operating assets
  - Market Cap of W3,797bn (as of Nov 30, 2010) vs. Non-operating assets' adjustment value of W3,804bn
  - With conservative view, we applied 30% discount to the market value of listed companies and treasury shares

#### Value by Non-operating Assets

(Unit: KRW bn)

		Market Value	Adjustment	Base for Discount
Listed <sup>1)</sup> (Current market value)	DHI	3,527	2,469	· 43.6 mn shares × 80,800 w/share (30% discounted)
	Oricom	14	10	· 1.5 mn shares × 9,760 w/share (30% discounted)
		<b>3,541</b>	<b>2,479</b>	
Unlisted (Book Value, Sep 30)	Doosan Tower	202	202	· Book values of unlisted companies
	DIP Holdings	194	194	
	Others <sup>2)</sup>	81	81	
		<b>477</b>	<b>477</b>	
Properties (Current market value)		<b>168</b>	<b>168</b>	· Ranch at Anmyeon-do, Factory site, etc
Treasury shares <sup>3)</sup>		<b>971</b>	<b>680</b>	· 30% discounted to the current market value
<b>Total</b>		<b>5,157</b>	<b>3,804</b>	

1) Listed companies market values (as of Nov 30, 2010)

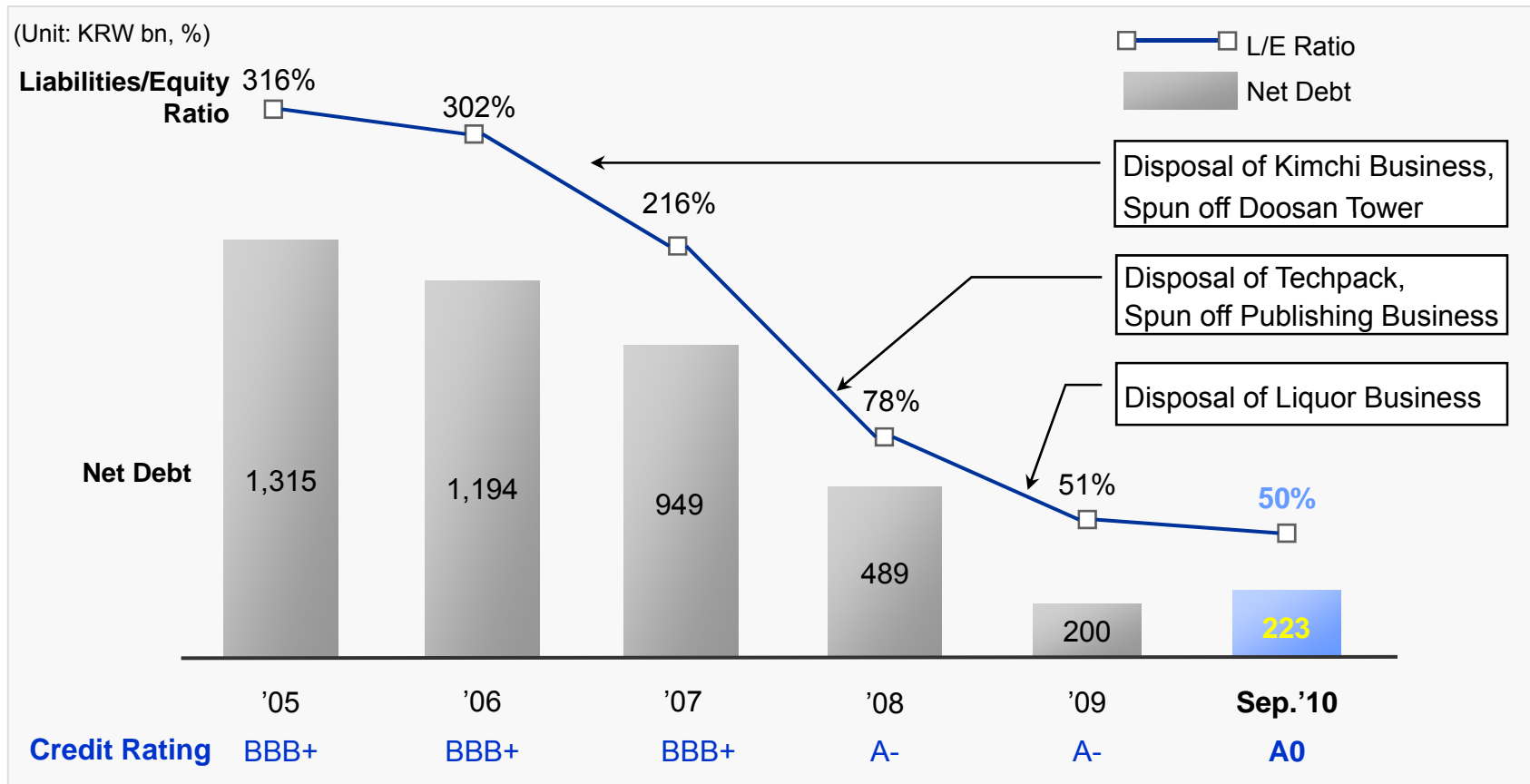
2) Publishing, Feed & Livestock, Neoplux, etc.

3) Common shares 26.6%, Preferred shares 12.9% (as of Nov 30, 2010)

## 4 Stabilized financials by reducing L/E ratio

- As of Sep 2010, L/E ratio was 50%, Net borrowings was W223bn
- Credit rating was raised (A- → A0) in April 2010

### L/E Ratio & Net Borrowings



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## 1. Financial Status

## 2. Quarterly Performance of Business Units

## 3. 3Q10 Highlights

## 4. Introduction of Doosan EM

- Products
- Competitors, Customers, Position

## Appendix 1. Financials Status (Non-consolidated basis)

### Summary Balance Sheet

(Unit: KRW bn)

	'09.12	'10. 9
Current Assets	496.6	<b>629.8</b>
Non-Current Assets	2,251.8	<b>2,311.7</b>
<b>Assets</b>	<b>2,748.4</b>	<b>2,941.5</b>
Current Liabilities	351.2	<b>545.3</b>
Non-Current Liabilities	581.6	<b>437.4</b>
<b>Liabilities</b>	<b>932.8</b>	<b>982.7</b>
Paid-in Capital	153.2	<b>154.1</b>
<b>Total Shareholders Equities</b>	<b>1,815.6</b>	<b>1,958.8</b>
<b>L/E Ratio</b>	<b>51%</b>	<b>50%</b>

### Debt & Net D/E Ratio

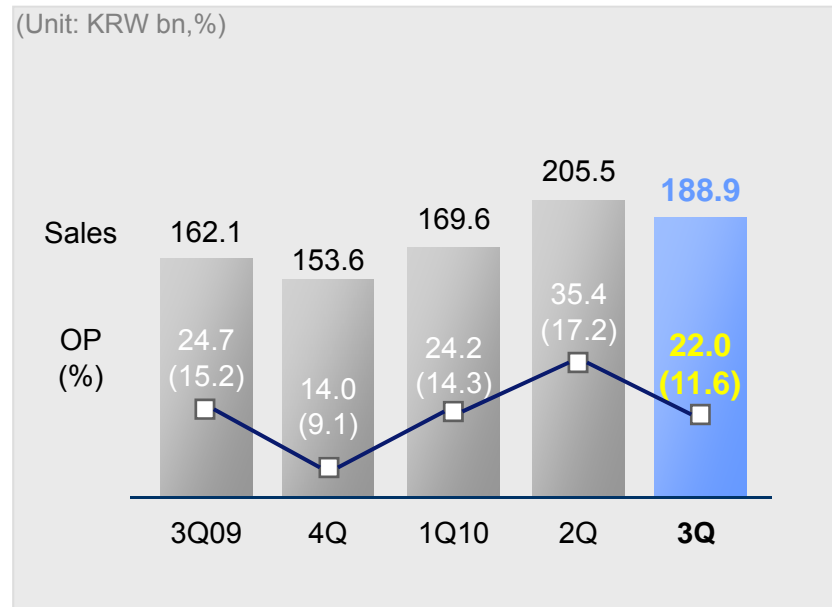
(Unit: KRW bn)

	'09.12	'10. 9
Bank	85.7	<b>130.0</b>
Debentures	300.0	<b>247.0</b>
Others	2.9	<b>2.9</b>
<b>Total Debt</b>	<b>388.6</b>	<b>379.9</b>
Cash	188.6	<b>156.5</b>
<b>Net Debt</b>	<b>200.0</b>	<b>223.4</b>
<b>Net D/E Ratio</b>	<b>11%</b>	<b>11%</b>

## Appendix 2. Business Units – Sales & OP [Quarterly Trend]

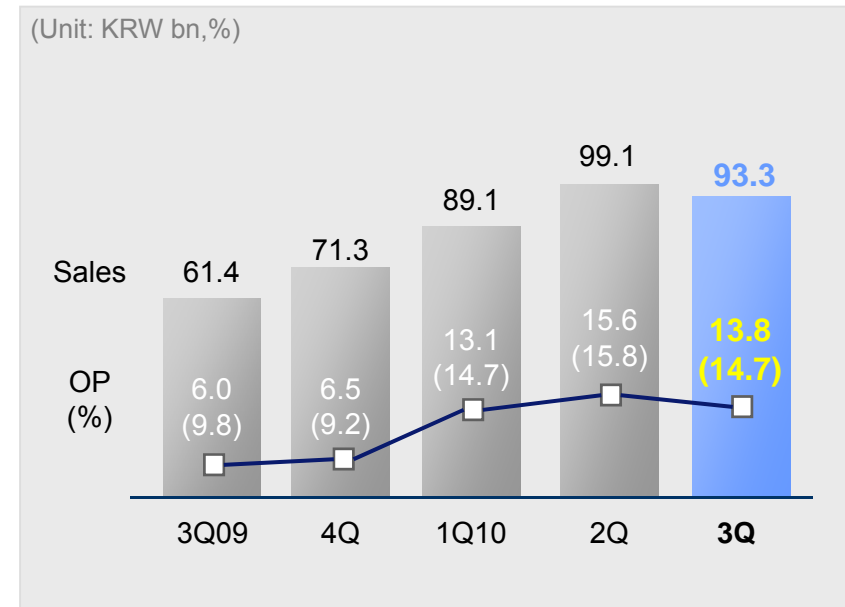
### Electro Material

- Sales surged 17 % YoY
- OP was down by -11% YoY due to LED TV inventory adjustment by Set Makers



### Mottrol

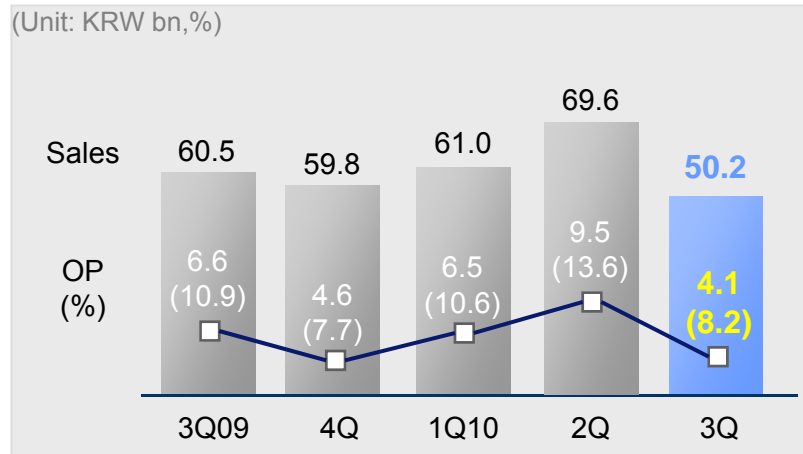
- Strong earnings growth with diversifying customers
- Sales & OP surged by 52% and 128% YoY thanks to strong demand in domestic and China market



## Appendix 2. Business Units – Sales & OP [Quarterly Trend]

### Fashion

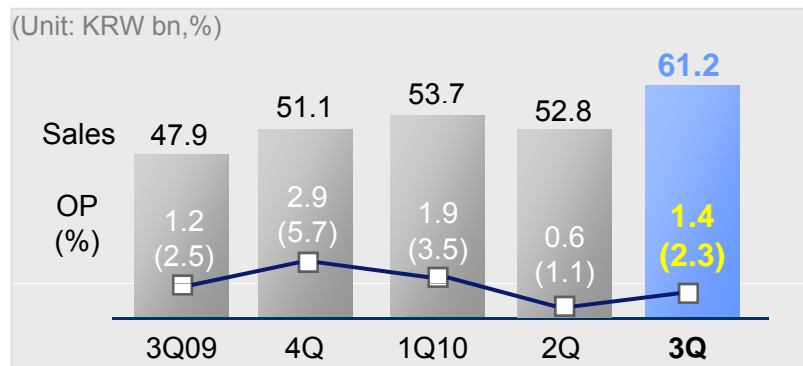
- Sales have fallen by -17% YoY
- OP dropped by -41% YoY



- Fashion BG will be dropped at the end of 2010
  - Termination of local licensing franchise contract with POLO Ralph Lauren

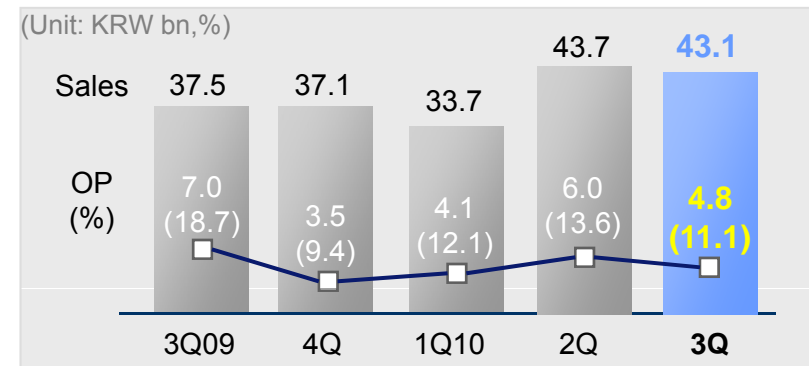
### Glonet

- Sales rose +28% YoY
- OP was down by -17% YoY



### Information & Communication

- Sales grew +15% YoY
- OP dropped by -30% YoY



## Appendix 3. 1Q10 ~ 3Q10 Highlights

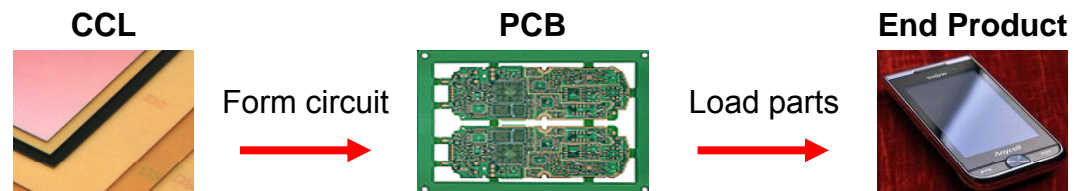
	Doosan Corp.	Subsidiaries
1Q	<ul style="list-style-type: none"> <li>• Equity method G/L turned surplus followed by 4Q09 as a result of subsidiaries turnaround</li> </ul>	<ul style="list-style-type: none"> <li>• [DHI] Rising order momentum of nuclear power plants               <ul style="list-style-type: none"> <li>– Won the first overseas project of nuclear power plants in UAE worth USD 3.9bn (Dec. 2009)</li> </ul> </li> </ul>
2Q	<ul style="list-style-type: none"> <li>• Credit rating rose from A- to A0 (April)</li> <li>• Resolution of the interim dividend to 500won per share (June)</li> </ul>	<ul style="list-style-type: none"> <li>• [DI] Remarkable results in Doosan Infracore               <ul style="list-style-type: none"> <li>– Significant performance in construction equipment and machine tools from China</li> <li>– DII's visible improvements in operations</li> </ul> </li> </ul>
3Q	<ul style="list-style-type: none"> <li>• Completion of Mottrol merger (July 1)</li> <li>• Resolution of closing the fashion business (July)               <ul style="list-style-type: none"> <li>– Termination of License Agreement with POLO Ralph Lauren as of Dec. 31, 2010</li> </ul> </li> <li>• DIP holdings sold its 24% stake in Samhwa Crown &amp; Closure for W30bn (Oct)</li> </ul>	<ul style="list-style-type: none"> <li>• [DHI] Continuous order momentum               <ul style="list-style-type: none"> <li>– Won the Rabigh thermal power plant from Saudi worth around USD3.4bn (Sep)</li> <li>– Won the Desalination plant from Saudi worth around USD1.5bn (Sep)</li> </ul> </li> <li>• [Construction] Merge Mecatec (Nov)</li> </ul>

## Appendix 4. ELECTRO-MATERIAL – Products

- EM is one of the global leaders in Copper Clad Laminate (CCL), which is the core material for Printed Circuit Board (PCB), including flexible CCL and metal CCL, and is extending its product portfolio to materials for OLED

### CCL (Copper Clad Laminate)

It is made with copper foil, paper-phenol resin, glass-epoxy resin, or other composite resins according to the application of the product



### MCCL (Metal CCL)

MCCL are materials that coated TRCC<sup>1)</sup> on aluminum sheets. It used as the LCD backlight of the LED TV and LED light sources.

### FCCL (Flexible CCL)

FCCL requires high resistance against repeated bending and suitability for the compact electronics, such as smart phone and notebooks.

### OLED

EM produces various kinds of powder that used in the formation of OLED film

1) TRCC: Thermal Resin Coated Copper foil

## Appendix 4. ELECTRO-MATERIAL – Competitors, Customers, Position

Products	Competitors (Domestic & Oversea)	Major Customers (Domestic & Oversea)	Position in Market (as of end of 2009)
<b>CCL</b> (Copper Clad Laminate)	King Board, Nanya Panasonic, etc.	Samsung Electro-Mechanics, Daeduck GDS, Korea Circuit etc.	<ul style="list-style-type: none"> <li>• <b>Domestic No.1 (M/S 55%)</b></li> <li>• Global No.6 (M/S 6%)</li> </ul>
<b>MCCL</b> (Metal CCL)	CSEM, Hankuk Carbon	Daeduck GDS, Sejong Metal, Teranics, etc.	<ul style="list-style-type: none"> <li>• Domestic No.1 (M/S 100%)</li> <li>• <b>Global No.1 (M/S 92%)</b></li> </ul>
<b>FCCL</b> (Flexible CCL)	Nippon Steel Corp. LG Chem, SK Energy	Interflex, YoungPoong Electronics, Daeduck GDS, etc.	<ul style="list-style-type: none"> <li>• Domestic No.1 (M/S 63%)</li> <li>• <b>Global No.2 (M/S 15%)</b></li> </ul>
<b>OLED Material</b>	Dow, Idemitsu, Ludis	Samsung Mobile Display, LG Display, CMEL	<ul style="list-style-type: none"> <li>• Domestic No.3 (M/S 10%)</li> <li>• Global No.7 (M/S 7%)</li> </ul>