



Doosan Corporation

Doosan Corporation

Doosan Corp. 1Q12 Results

2012. 4

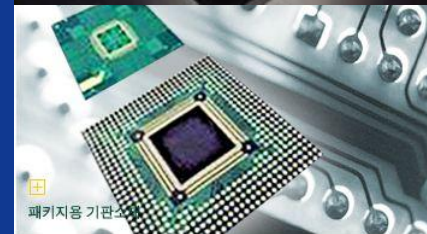
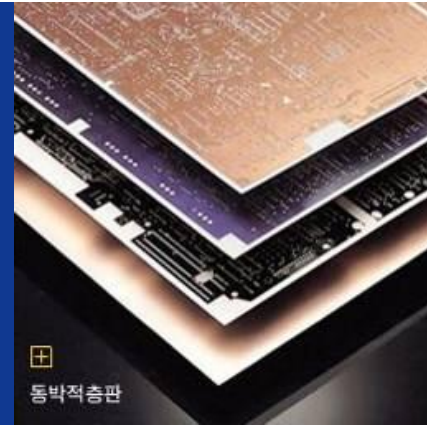


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Disclaimer

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Highlights (1 of 3)

1

1Q12 Results

- ① 1Q parent sales increased 5% YoY and 4% QoQ to KRW 513 bn
 - Despite a decrease in dividend income and Mottrol sales, total sales rose from increasing sales of Glonet division
- ② 1Q parent OP surged 17% YoY and 16% QoQ to KRW 33 bn (excluding dividend income)
 - Though Mottrol division was affected by the sluggish market condition, E-Ms' product mix improvement caused the margin to improve in both YoY and QoQ
 - Expect OP to improve even further in 2Q on the back of sales recovery of Mottrol and continuous margin improvement of E-Ms
- ③ 1Q consolidated sales increased 20% YoY and decreased 24% QoQ to KRW 942 bn
 - Equity method gains were down by KRW 29 bn, however, sales growth of in-house business led by E-Ms and revenue recognition of Doosan Industrial Vehicle caused total sales to increase YoY
- ④ 1Q consolidated OP declined 28% YoY and 17% QoQ to KRW 86 bn
 - Decrease in equity method gains caused OP to decline YoY while seasonality effects of consolidated companies caused OP to drop QoQ

Highlights (2 of 3)

2

Earning Improvement Of E-Ms

- 1Q Sales increased 4% YoY to KRW 196 bn
 - Sales of high-margin CCL rose while sales of low margined Commodity CCL declined
- 1Q OP rose 28% YoY to KRW 18 bn
 - Product mix improvement toward high- margin CCL (1Q11 33% → 1Q12 39%)
 - FCCL sales were up more than 100% thanks to booming smartphone and Tablet PC industries
- Given the current market condition and E-Ms competitiveness, E-Ms earnings are expected to improve continuously in following quarters

3

Outlook for Mottrol

- Sales declined 21% YoY, despite the 44% decrease in Chinese excavator market
 - Sales to Infracore decreased by 23%, and sales to Chinese "company S" rose by 30% YoY
- Earnings to recover from 2Q on the back of market share gains and market recovery
 - Expanding new supply chains: "company S" (March~) / "company L", "company S" (2Q~)

Highlights (3 of 3)

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Glonet, I&C

- 1 Glonet : Both sales and OP rose remarkably in 1Q from expanding logistic and Rental businesses
 - 1Q sales were up 108% YoY, and OP increased 2,800% YoY
 - Sales of logistics increased more than two folds/ OPM improved from growing Rental business
- 2 I&C : Sales rose 19% YoY and OP increased 21% YoY
 - Expect to generate steady sales and OP for the full year
- 3 Steady earnings from Glonet and I&C will contribute to total OP growth in 2Q

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Restructuring

- 1 Announcing Share disposal of KAI
 - Currently searching for a potential buyer under a supervision of KoFC
 - Expect to generate KRW 146 bn of cash from share disposal (assuming KRW 30,000 per a share, excluding management premiums)

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1Q12 Results (IFRS- Parent)

- 1Q sales were up 5.2% YoY and 3.8% QoQ to KRW 513 bn
 - YoY : Despite a decrease in dividend income, increasing sales of Glonet led total sales to grow
 - QoQ: If excludes dividend income, sales decreased 5.9% from seasonal revenue recognition of I&C
- 1Q OP declined 18% YoY and increased 185% QoQ to KRW 80 bn
 - If excludes dividend income, OP rose 17% YoY and 16% QoQ
 - In-house business continuously generated steady profits despite the OP decline of Mottrol
 - Expect margin to improve remarkably from 2Q by reducing adjusted expenses

1Q12 Financial Summary

(Unit bn KRW, %)

Item	'11.1Q	'11.4Q	'12.1Q	YoY	QoQ
Sales	488	495	513	+5.2%	+3.8%
Operating Profit	98	28	80	-17.9%	+184.8%
• In-house	28	28	33	+17.2%	+16.0%
- EM	15	8	19	+27.4%	+138.5%
- Mottrol	20	13	8	-60.1%	+35.7%
- Glonet	.3	8	9	+2,800%	+7.4%
- I&C	4	7	5	+20.5%	-25.4%
-Adj. and others	-12	-8	-8	-31.6%	+6.7%
• Dividend Income	70	-	48	-31.8%	-

1Q12 Results (IFRS- Consolidated)

- 1Q Sales were up 20% YoY and dropped 24% in QoQ to KRW 942 bn
 - YoY : Sales rose from increasing sales of in-house business and revenue recognition of Doosan Industrial Vehicle
 - QoQ: declined due to a seasonality in DST sales and a change in revenue recognition under K-IFRS
- 1Q OP dropped 28% YoY and 17% QoQ to KRW 86 bn

1Q12 Financial Summary

(Unit: bn KRW, %)

Item	'11.1Q	'11.4Q	'12.1Q	YoY	QoQ
Sales	784	1,233	942	+20.3%	-23.6%
Doosan Corp	418	495	466	+11.4%	-5.9%
Equity Method,etc	366	739	477	+30.4%	-35.5%
OP	120	103	86	-28.2%	-16.8%
Doosan Corp	28	28	33	+17.2%	+16.0%
Equity Method,etc	92	75	53	-42.0%	-29.1%

1Q12 Operating Profit

- 1 Doosan Corp
 - Despite the decreasing OP of Mottrol, improving margin of E-Ms, Glonet, and I&C led total OP to grow
- 2 Equity method, etc.
 - 1) Consolidated companies
 - Seasonality in DST sales caused total sales and OP to dropped in YoY and QoQ
 - 2) Equity Method
 - Dropped YoY due to high based effect given robust industry growth in 2011
 - Reported sequential growth in QoQ

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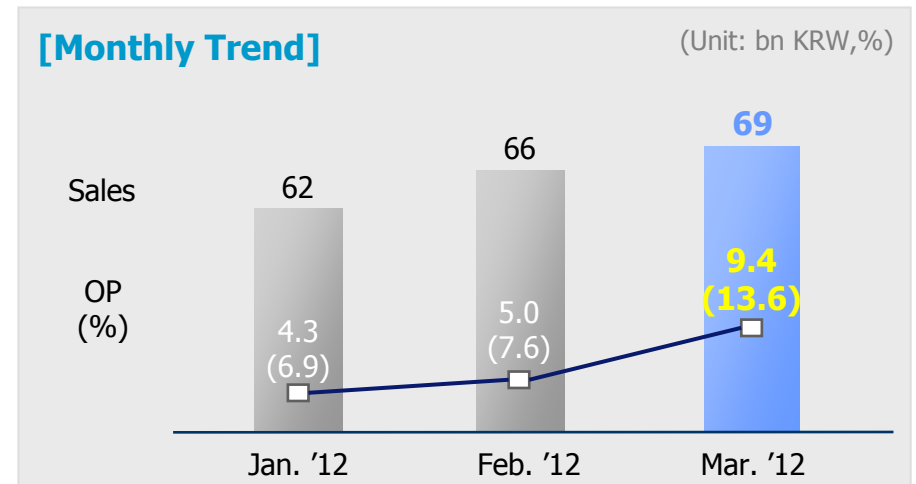
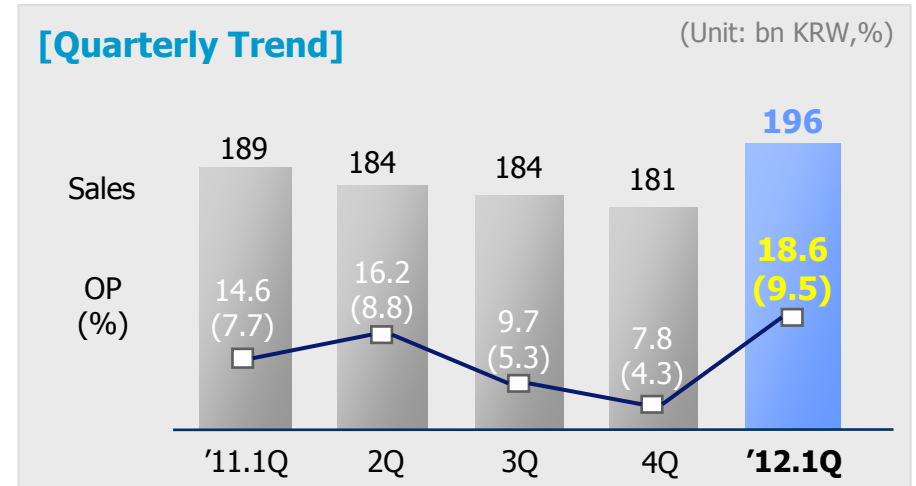
3 2012 1Q Results – Divisional Sales & OP

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1Q12 Results– In-house Business (1/3)

E-Ms

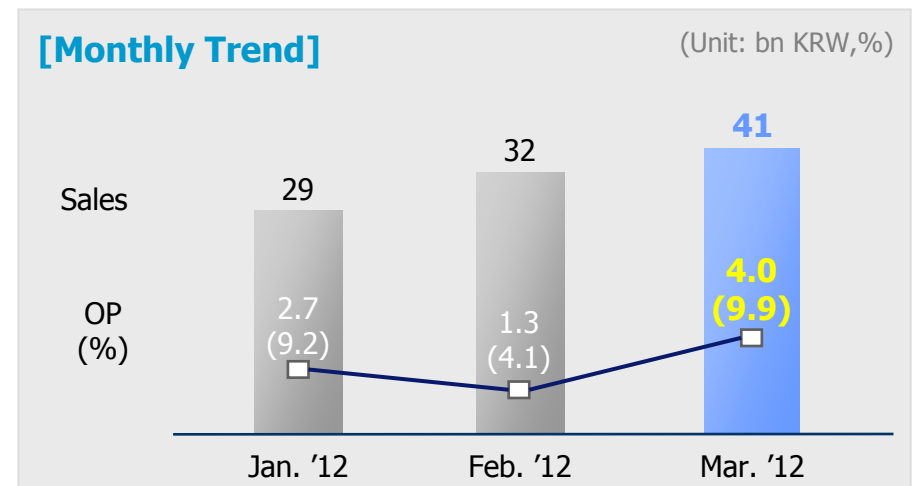
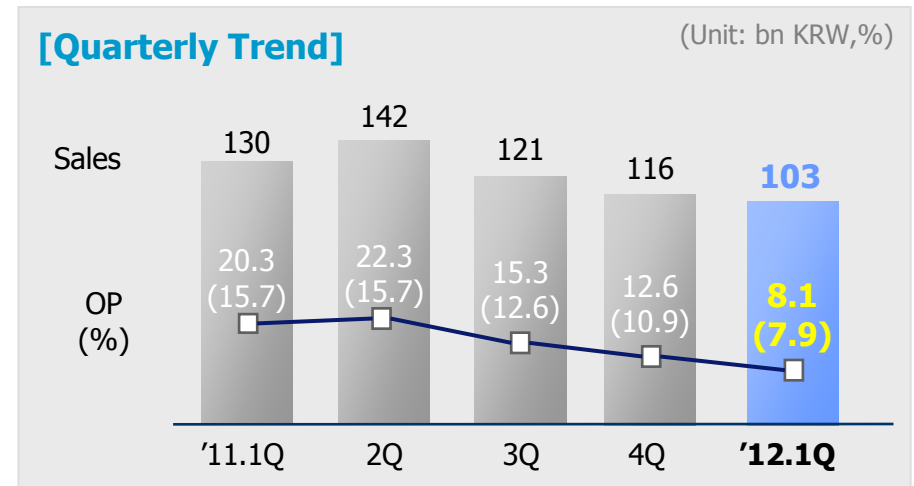
- Sales were up 3.8% YoY and 8.3% QoQ
 - OP rose 27.4% and 138.5% in YoY and QoQ
 - Sales expansion of high margin products (Improving Product Mix)
 - Sales of high margin CCL : 1Q11 32.9% → 1Q12 38.6%
 - FCCL sales exposure : 1Q11 10.5% → 1Q12 20.5%
 - High demand for FCCL from booming smartphone and tablet PC industries
-
- Monthly sales continued to increase toward 2Q
 - Strength of FCCL
 - Targeting growing market
 - Expanding position with key customers as “company S” and “company A”
 - Held competitiveness on price, delivery time, and product line-up
 - Expect continuous growth in 2Q from high demand
 - Product Mix Target: high margined CCL 37%
 - OPM Target: 10.4% for the full year



1Q12 Results– In-house Business (2/3)

Mottrol

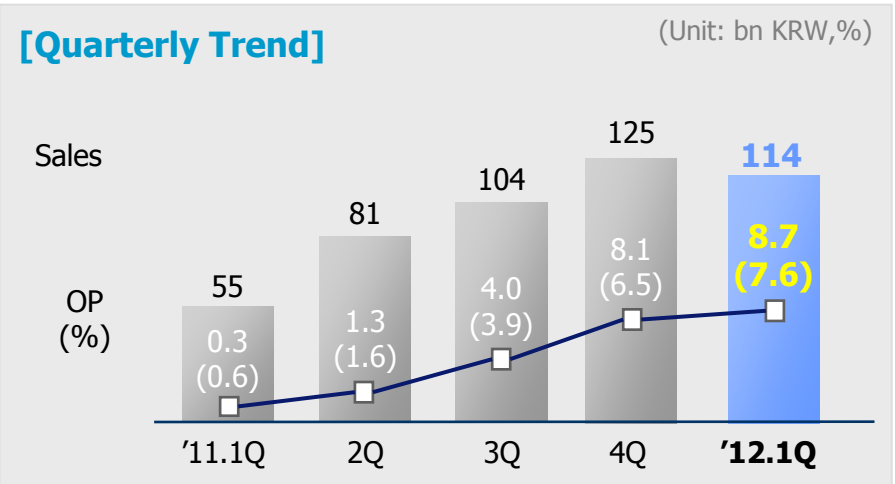
- Sales declined 21% YoY, despite the 44% decrease in Chinese excavator market
 - Steady sales to major customers ("Company D", and "Company V")
 - A/S, and sales to Europe grew in 1Q
- Expanding new supply chains
 - "Company S" : supply 1,000unit/month from March
 - Sequential mass production by models to "Company L" and "Company S" from 2Q
- Monthly sales continued to increase toward 2Q
 - March sales and OPM came in close to 2011 average figures
 - ※ '11 Quarterly Ave : Sales KRW 127 bn, OP KRW 18 bn
- Expect earnings to improve from expanding new supply chains and recovering Chinese market



1Q12 Results– In-house Business (3/3)

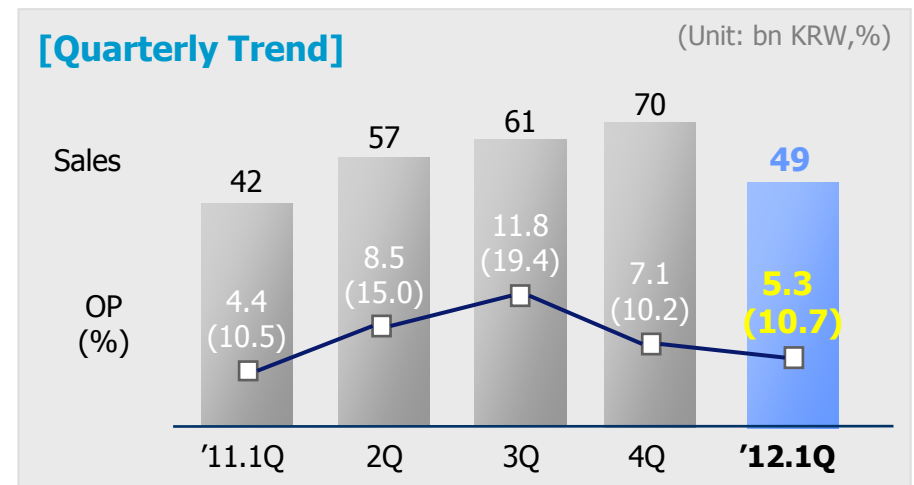
Glonet

- Sales increased 108% YoY, and OP grew 2,800% YoY
 - Logistics sales grew by KRW 40.7 bn YoY
 - Steady OP from growing rental business



I&C

- Sales increased 18.6% YoY and OP grew 20.5% YoY
 - Seasonality existed (contracts are usually made after 2Q)
 - 1Q results slightly exceeded the company's expectation



Outlook for Glonet and I&C

- Glonet and I&C will provide Shared-Service for whole Doosan group, contributing steady profit to Doosan Corp.

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Appendix 1. Financial Status of Doosan Corp.

Summary - B/S

(Unit: KRW bn, %)

Items	B/S(Parent)	
	4Q '11	1Q '12
Current Assets	699	754
Non-current Assets	2,479	2,500
Total Assets	3,178	3,254
Current Liabilities	563	627
Non-current Liabilities	647	664
Total Liabilities	1,210	1,291
Paid-in Capital	154	154
Equities	1,968	1,964
L/E Ratio	61%	66%

Debt

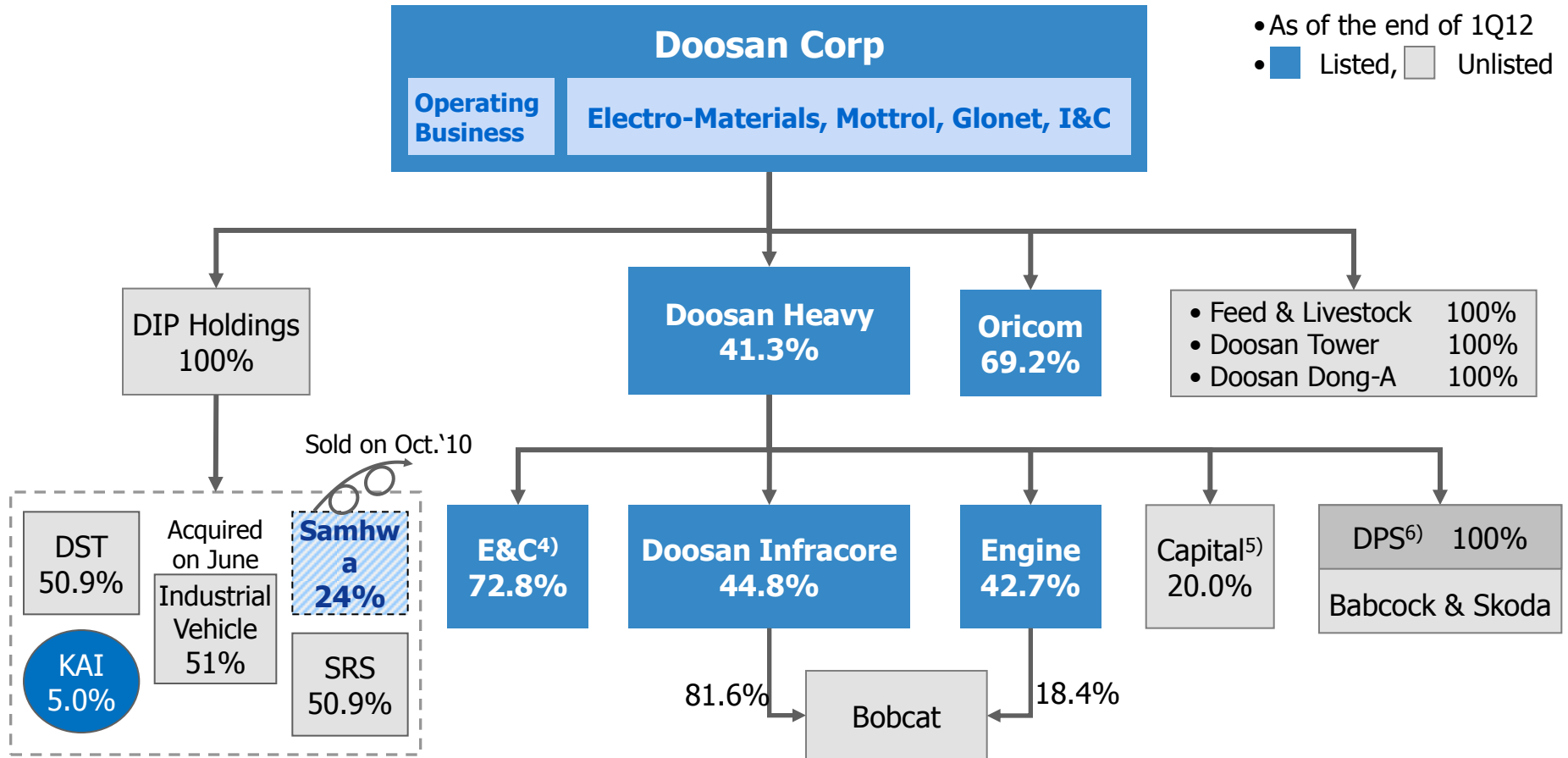
(Unit: KRW bn, %)

Items	Parent	
	4Q '11	1Q '12
Bank	208	246
Corp. Bonds	487	467
Others	31	36
Total Debt	726	749
Cash	156	142
Net Debt	570	607
Net D/E Ratio	29%	31%

(Unit: KRW bn, %)

Items	B/S(Consolidated)	
	4Q '11	1Q '12
Current Assets	1,763	1,815
Non-current Assets	4,533	4,535
Total Assets	6,296	6,350
Current Liabilities	1,539	1,626
Non-current Liabilities	1,269	1,272
Total Liabilities	2,807	2,898
Holdings Stake	3,193	3,167
Equities	3,489	3,452
L/E Ratio	80%	84%

Appendix 2. Shareholder Structure of Doosan Group



※ 5.5% stake of KAI was sold on June. '11

- 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) E&C : Merged Mecatec on Nov. 1, 2010
- 5) Capital : Infracore owns 14.3% shares beside Doosan Heavy
- 6) DPS : Doosan Power Systems

Appendix 3. Doosan Corp. - Outline

- Doosan corporation is an operating holding company

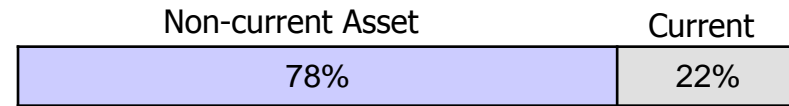
Overview

[as of 1Q12]

Paid-in Capital	154 bn KRW
Total Shares	30,559,025 Shares (Com. 24,789,211)
Market Cap.	3,743 bn KRW
Credit Rating	A+
Employees	3,078(As of Dec. '11)

Asset as of 1Q12(Total Asset KRW 3.3tn)

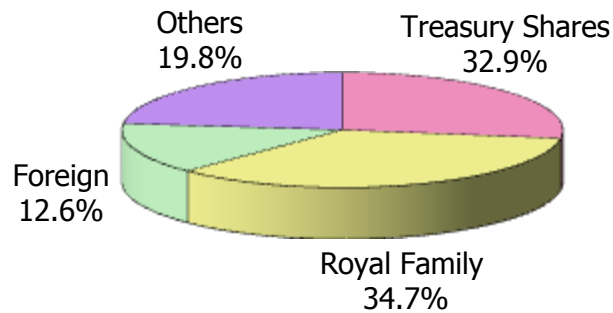
(Based on K-IFRS F/S)



Equity Method Securities KRW 1.8tn

Common Shares

[as of 1Q12]



Sales Breakdown by Business (Parent)

2011 Results(Sales W1.9tn)

2012 Results(Sales W2.1tn(P))

