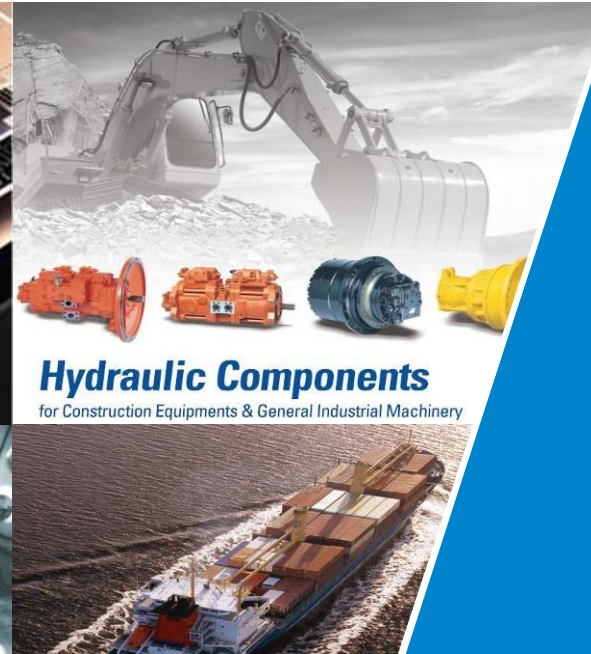
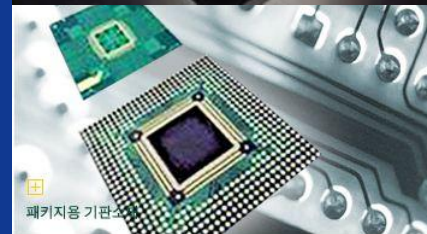
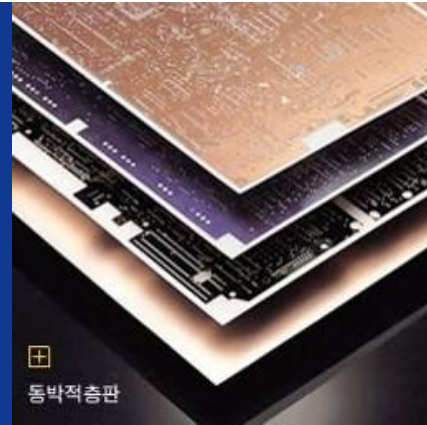




# 2012 4Q Results/ 2013 Business Plan



2013. 2. 4

# Disclaimer

The information herein is provided for your information purposes only and contains preliminary figures which may be materially different from the final figures.

Forecasts and projections contained in this material are based on current business environments and management strategies, and they may differ from the actual results upon changes and unaccounted variables. We make no guarantees and assume no responsibility for the use of information provided. We trust your decisions will be based on your own independent judgment.

Financial data in this presentation is on a IFRS consolidated and IFRS parent basis.

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# '12 Business Result Summary

'12 annual sales came in similar to last year's, however, Op decreased due to weak equity method gains on the back of Doosan E&C's one-off provisioning.

If exclude Doosan E&C provisioning effect of KRW 233 bn, '12 annual sales and OP increased YoY.

(unit : KRW bn, %)

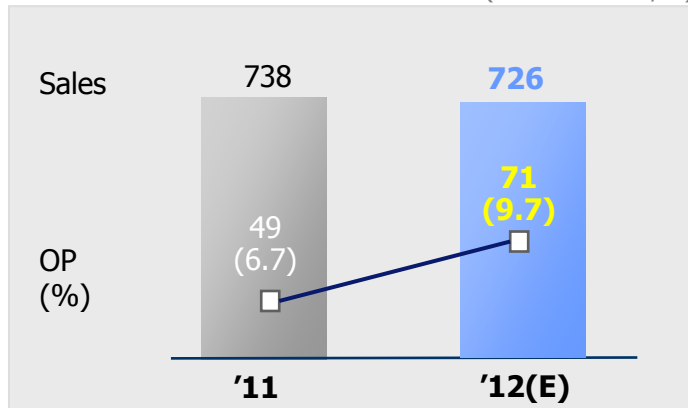
| Items           | 2011           | 2012          | Growth          |
|-----------------|----------------|---------------|-----------------|
| <b>Sales</b>    | <b>3,884</b>   | <b>3,834</b>  | <b>-1.3%</b>    |
| - Business Unit | <b>3,761</b>   | <b>3,813</b>  | <b>+1.4%</b>    |
| - Equity method | <b>124</b>     | <b>21</b>     | <b>-82.9%</b>   |
| <b>OP</b>       | <b>400</b>     | <b>199</b>    | <b>-50.3%</b>   |
| (%)             | <b>(10.3%)</b> | <b>(5.2%)</b> | <b>(-5.1%P)</b> |
| - Business Unit | <b>276</b>     | <b>178</b>    | <b>-35.6%</b>   |
| - Equity Mehod  | <b>124</b>     | <b>21</b>     | <b>-82.9%</b>   |
| <b>Pre-tax</b>  | <b>392</b>     | <b>116</b>    | <b>-70.5%</b>   |
| <b>NP</b>       | <b>352</b>     | <b>106</b>    | <b>-70.0%</b>   |

# '12 Business Results - Business Unit

'12 Business unit sales grew YoY to KRW 3.8 tn while OP declined YoY from Mottrol's weak sales to China.

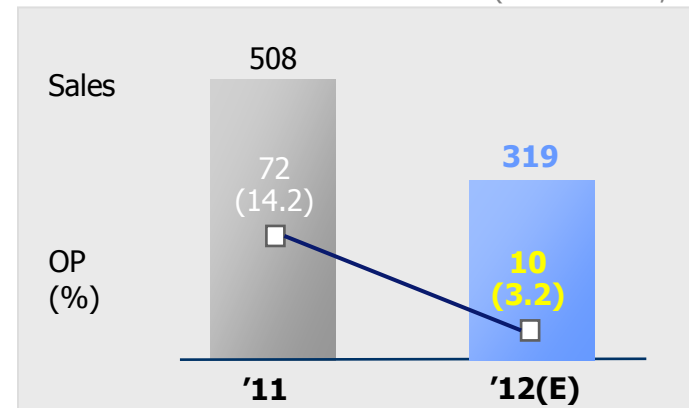
## E-Ms

(unit: KRW bn,%)



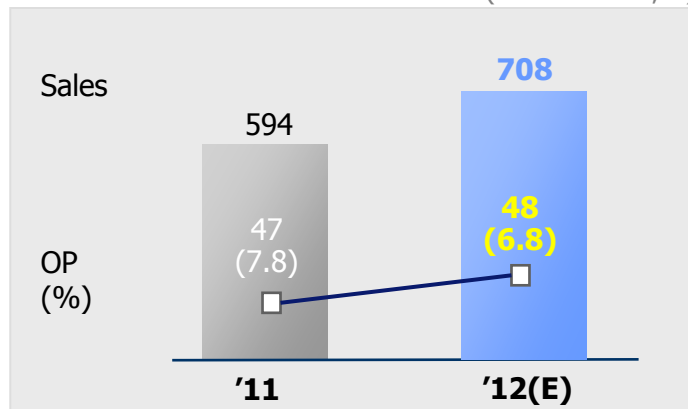
## Mottrol

(unit: KRW bn,%)



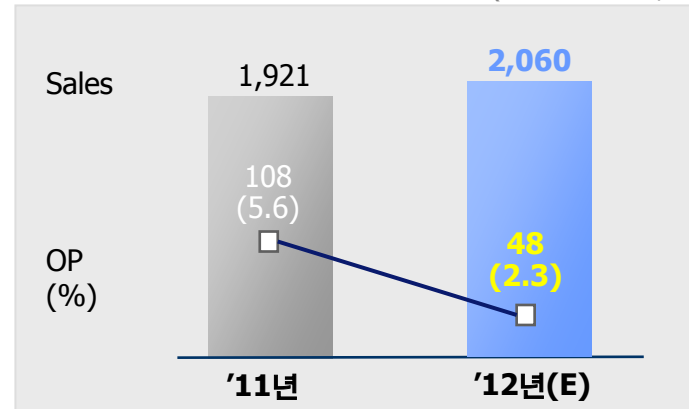
## Glonet/I&C

(unit: KRW bn,%)



## Investment Companies

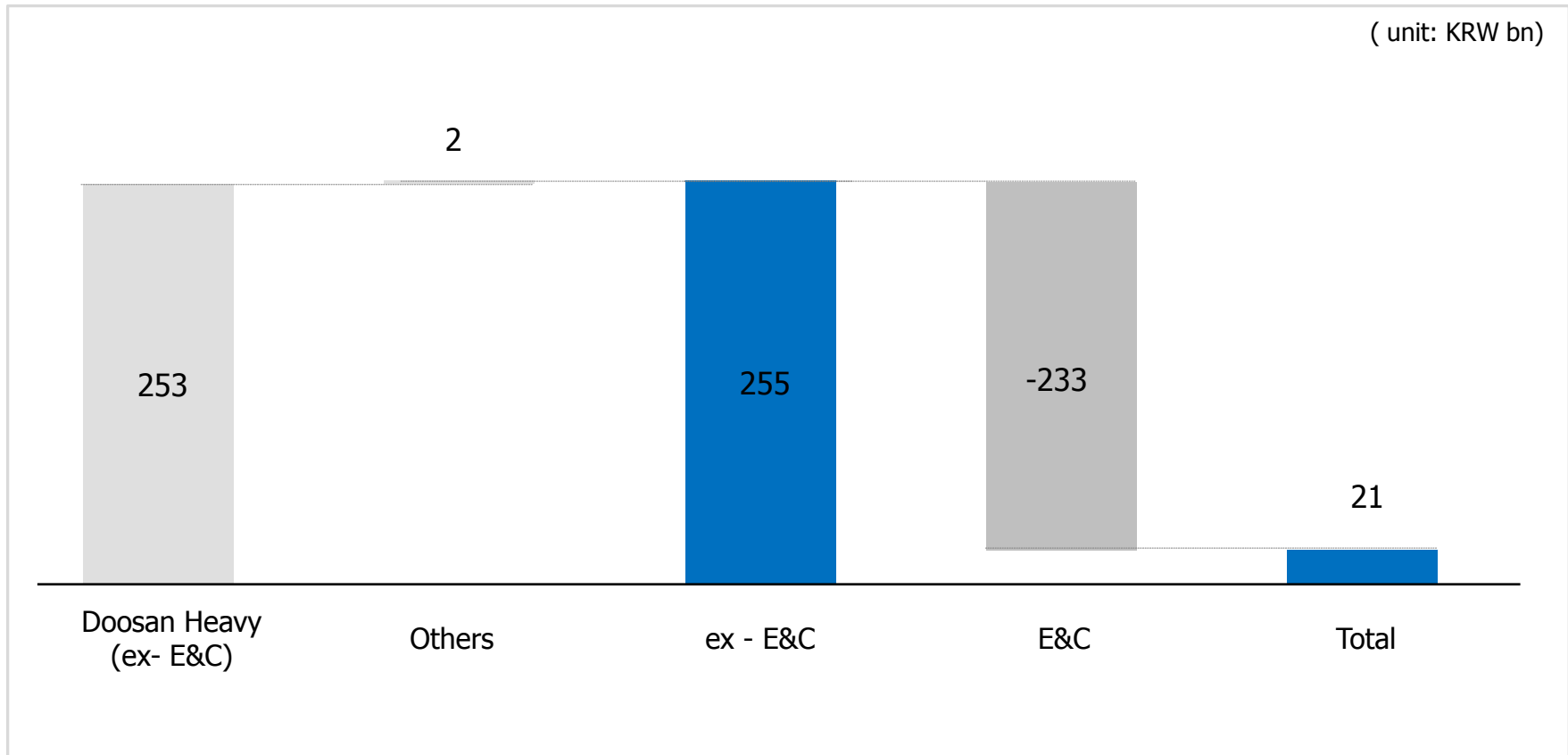
(unit: KRW bn,%)



※ Investment companies: SRS, Doosan Dong A, Oricom, E-Ms and Mottrol overseas divisions, Brand Royalty & Internal trading offset

# Equity Method (Annual)

'12 equity method gains decreased YoY from Doosan E&C's one-off provisioning. However, if exclude this, equity method gain grew 106% YoY to KRW 255 bn.



# 4Q12 Business Results

4Q12 Business Unit OP grew 50% QoQ thanks to strong earnings of E-Ms division as well as growing sales of investment companies as Doosan Dong-A and Oricom, however, overall OP fell substantially from E&C's provisioning. If exclude the effects of Doosan E&C's provisioning, 4Q OP grew QoQ and YoY.

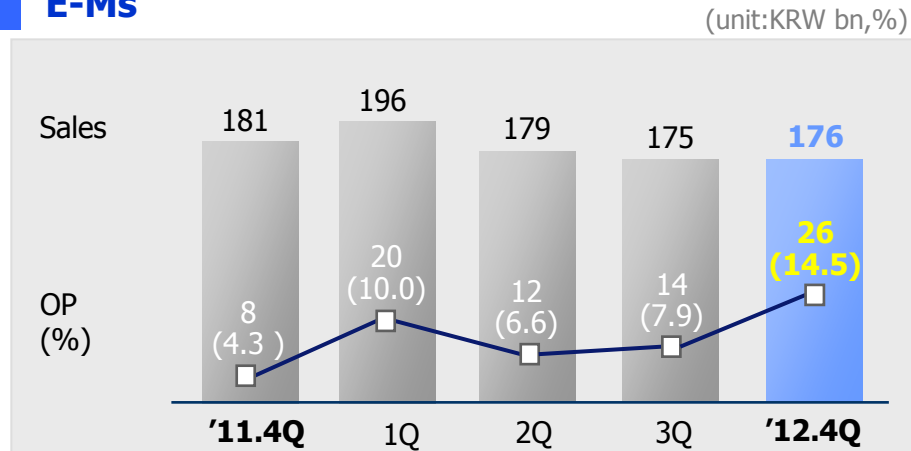
(unit: KRW bn, %)

|                      | '11.4Q        | '12.3Q        | '12.4Q       | YoY           | QoQ           |
|----------------------|---------------|---------------|--------------|---------------|---------------|
| <b>Sales</b>         | <b>1,197</b>  | <b>1,026</b>  | <b>900</b>   | <b>-24.8%</b> | <b>-12.3%</b> |
| - Business Unit      | <b>1,164</b>  | <b>1,005</b>  | <b>1,004</b> | <b>-13.7%</b> | <b>-0.1%</b>  |
| - Equity method gain | <b>33</b>     | <b>21</b>     | <b>-104</b>  | -             | -             |
| <b>OP</b>            | <b>99</b>     | <b>53</b>     | <b>-56</b>   | -             | -             |
| (%)                  | <b>(8.3%)</b> | <b>(5.1%)</b> |              |               |               |
| - Business Unit      | <b>67</b>     | <b>32</b>     | <b>48</b>    | <b>-28.5%</b> | <b>+50.0%</b> |
| - Equity Method      | <b>33</b>     | <b>21</b>     | <b>-104</b>  | -             | -             |
| <b>Pre-tax</b>       | <b>82</b>     | <b>36</b>     | <b>-90</b>   | -             | -             |
| <b>NP</b>            | <b>93</b>     | <b>28</b>     | <b>-57</b>   | -             | -             |

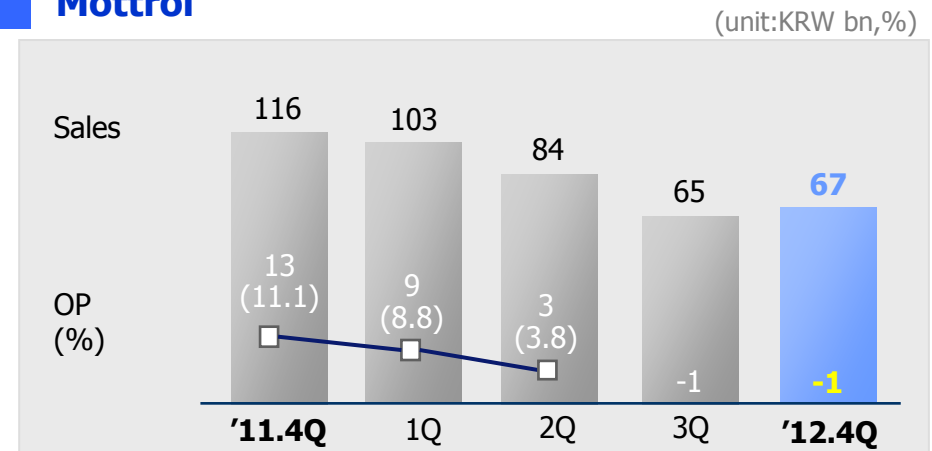
# 4Q12 Business Results – Business Unit

E-Ms OP increased notably from growing sales of high-end products while Glonet and I&C continuously showed steady earnings. Mottrol reported OP losses in 4Q from the weak Chinese market condition.

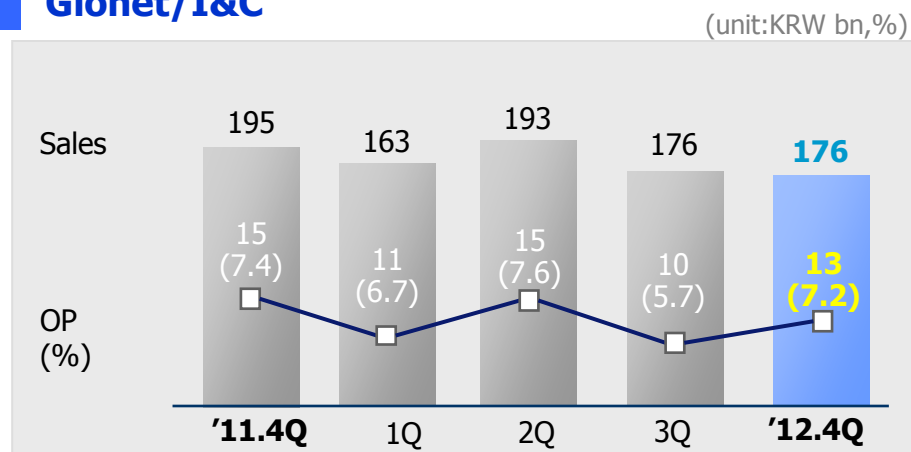
## E-Ms



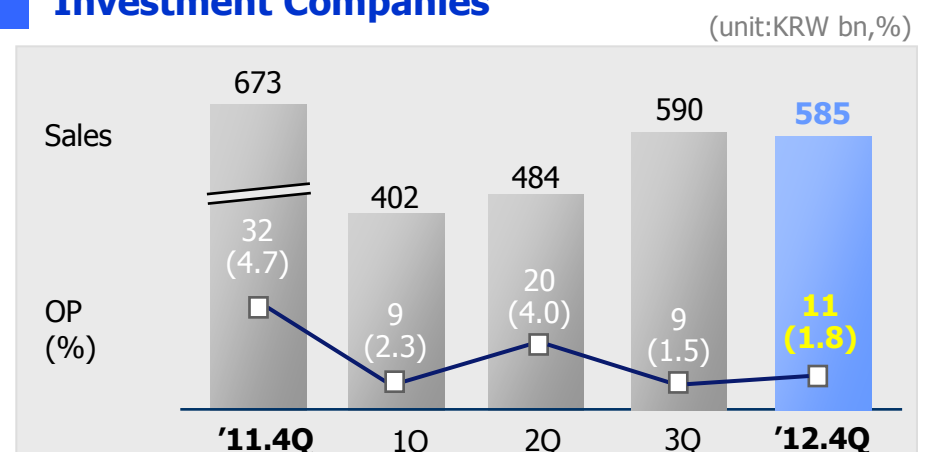
## Mottrol



## Glonet/I&C



## Investment Companies



※ Investment companies: SRS, Doosan Dong A, Oricom, E-Ms and Mottrol overseas divisions, Brand Royalty, Internal trading offset



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# Doosan E&C's needs for financial restructuring

As the sluggish real estate market condition continues, improvement in financial structure though provisioning is needed.

As domestic real estate and financing market tightened day by day, the worst case scenario, negative cash flow is possible.

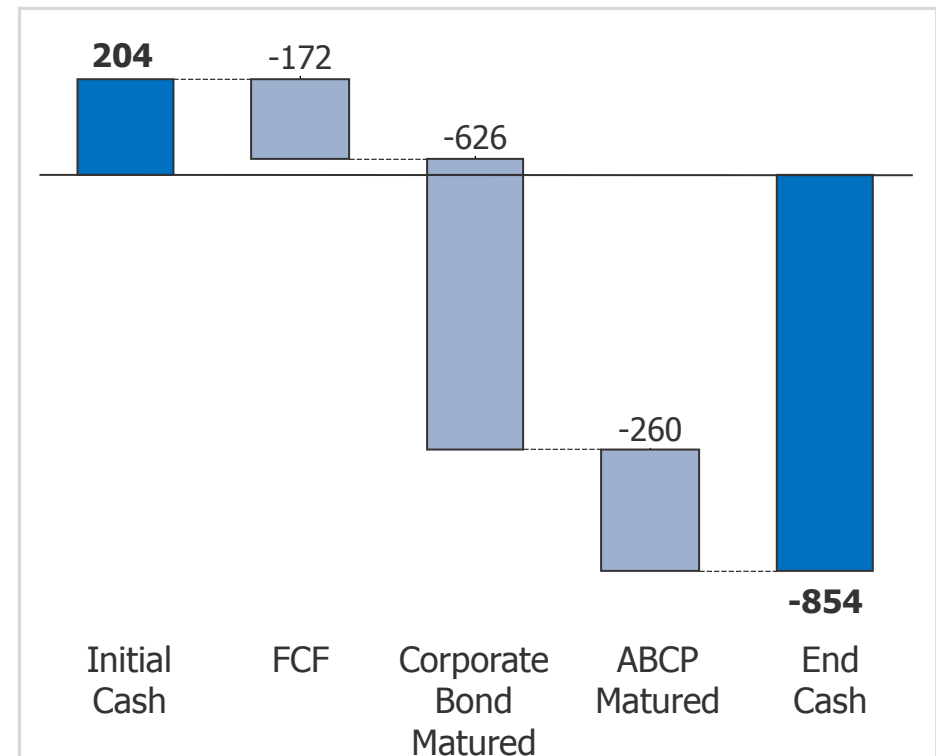
## Financial Summary (Parent)

(Unit: KRW bn, %)

|             | 2011  | 2012  | Growth |
|-------------|-------|-------|--------|
| Sales       | 2,634 | 2,230 | -15%   |
| OP          | -310  | -454  | -46%   |
| NP          | -294  | -615  | -110%  |
| Assets      | 4,831 | 3,910 | -19%   |
| Liabilities | 3,610 | 3,305 | -8%    |
| Equity      | 1,221 | 605   | -50%   |
| FCF         | -0.4  | -58   | -58    |
| Net Debt    | 1,670 | 1,728 | 58     |
| Debt Ratio  | 296%  | 546%  | 250%p  |

## Worst Case Scenario: '13 Cash Flow

(Unit: KRW bn)



# Doosan E&C Financial Restructuring Plan

Approximately KRW 1 tn of capital and KRW 850 bn of liquidity is expected to be raised by new rights offering and new business acquisition. Additionally, asset sales will add KRW 150 bn of cash increase.

| (Unit: KRW bn)            | Equity Increase  | Cash Increase    | Details  |
|---------------------------|------------------|------------------|--|
| <b>Rights Offering</b>    | 450 <sup>1</sup> | 450 <sup>1</sup> | <ul style="list-style-type: none"> <li>• Purpose : financial restructuring and liquidity increase</li> </ul>   |
| <b>Investment in Kind</b> | 571 <sup>2</sup> | 400              | <ul style="list-style-type: none"> <li>• Type : Subrogation</li> <li>• Purpose : financial restructuring, acquiring competencies in plant equipment</li> <li>• Cash KRW 400 bn, Debt KRW 200 bn</li> </ul> |
| <b>Others</b>             | -                | 150              | <ul style="list-style-type: none"> <li>• Sales of Assets (Building)</li> </ul>   |
|                           | <b>1,021</b>     | <b>1,000</b>     |  |

Total Investment by Doosan Heavy:  
KRW 877 bn  
(Net cash KRW 505 bn)

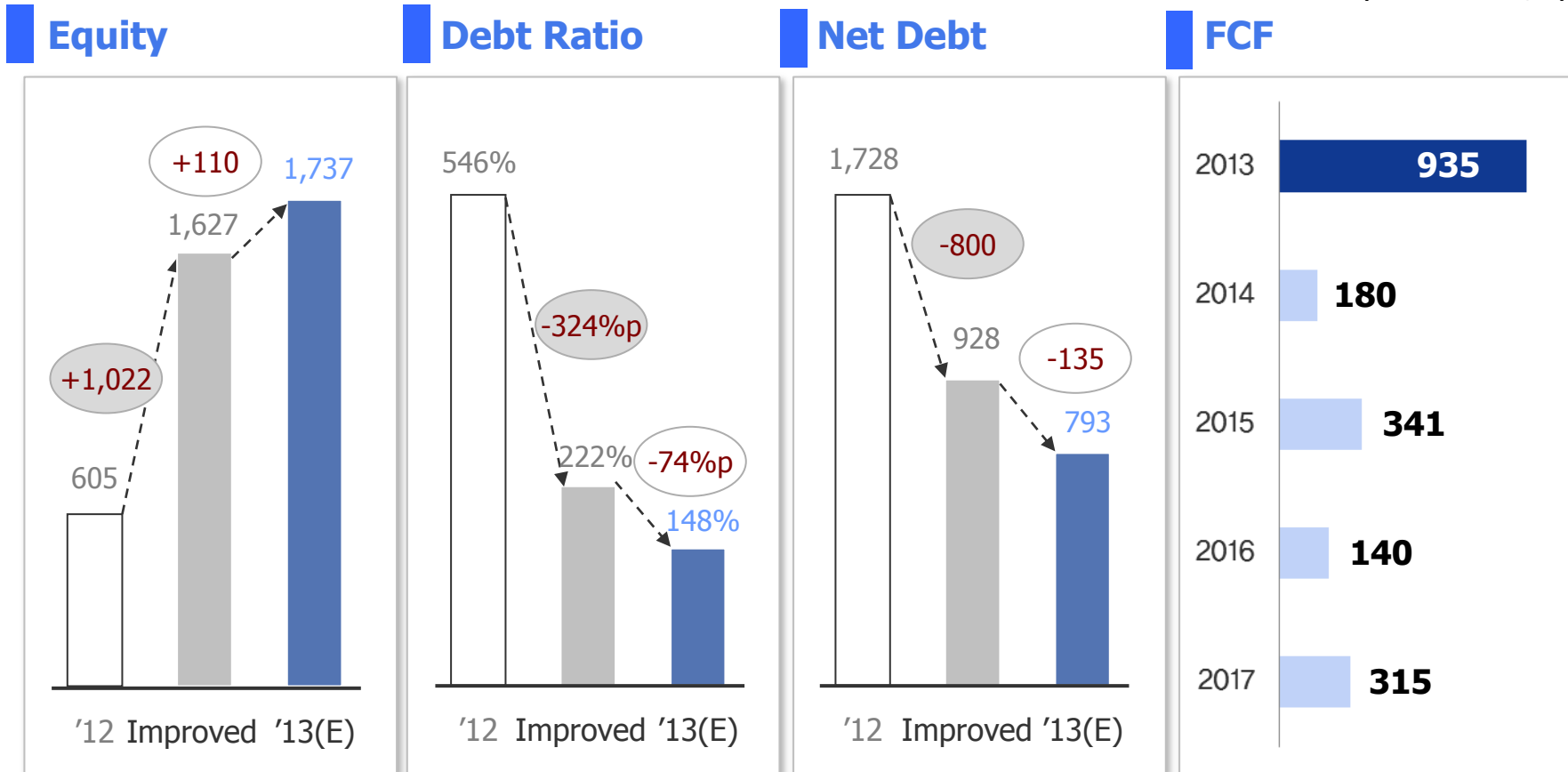
1 Doosan Heavy KRW 305 bn, Employee stock ownership KRW 54 bn, Other minor shareholders KRW 90 bn

2 Subrogating amount is subject to change upon appraisal of court

# Doosan E&C Anticipated Financial Effect

The financial restructuring is expected to improve Doosan E&C's equity, debt ratio, and net debt dramatically. FCF will also turn black significantly, and thus eliminate the future liquidity risk.

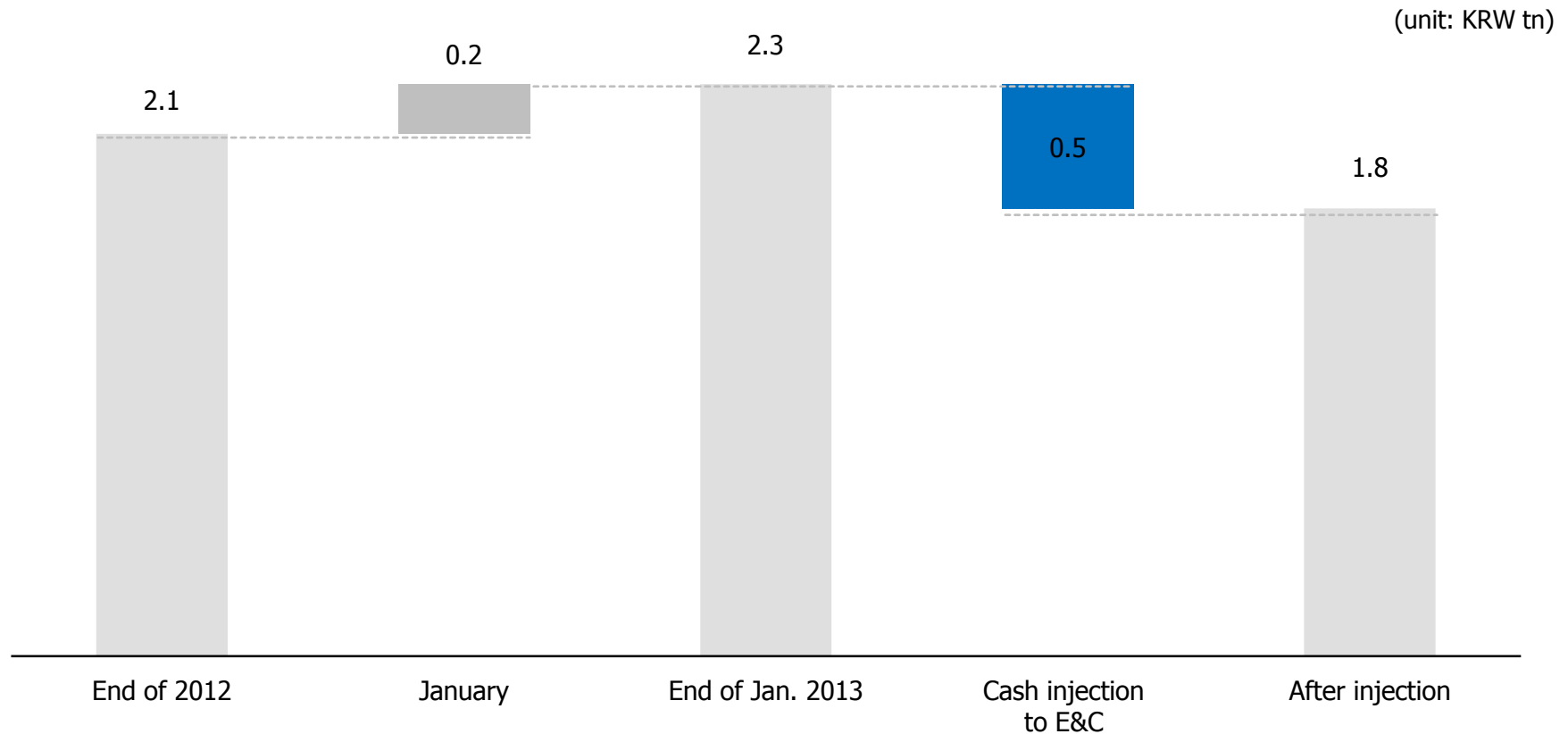
(Unit: KRW bn,%)



# '13 Doosan Heavy Liquidity

As the end of '12, Doosan Heavy generated KRW 2.1 tn of liquidity and KRW 2.3 tn by the end of January through securing additional KRW 0.2 tn of liquidity.

Doosan Heavy is expected to maintain liquidity of KRW 1.8 tn after the cash injection of KRW 0.5 tn to E&C.



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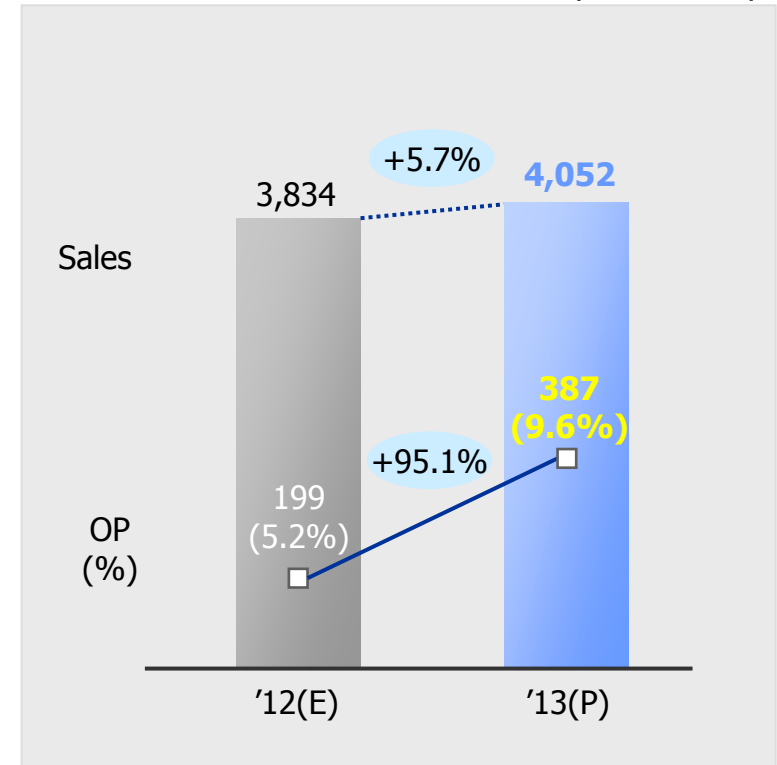
# '13 Business Plan (Consolidated)

Doosan Corp. plans to focus on ensuring internal stability in '13, therefore, slight growth in sales is expected in. OP is expected to increase 95% YoY from sustaining growth of E-Ms division, improving earnings of Mottrol division, and increasing equity method gains by eliminating risks of subsidiaries such as E&C.

(Unit: KRW bn, %)

|                 | 2012          | 2013          | Growth            |
|-----------------|---------------|---------------|-------------------|
| Sales           | 3,834         | 4,052         | +5.7%             |
| - Business Unit | 3,813         | 3,916         | +2.7%             |
| - Equity Method | 21            | 136           | +544.5%           |
| OP (%)          | 199<br>(5.2%) | 387<br>(9.6%) | +95.1%<br>(+4.4%) |
| - Business Unit | 178           | 251           | +41.6%            |
| - Equity Method | 21            | 136           | +544.5%           |
| Pre-tax         | 116           | 376           | +225.2%           |
| NP              | 106           | 306           | +189.4%           |

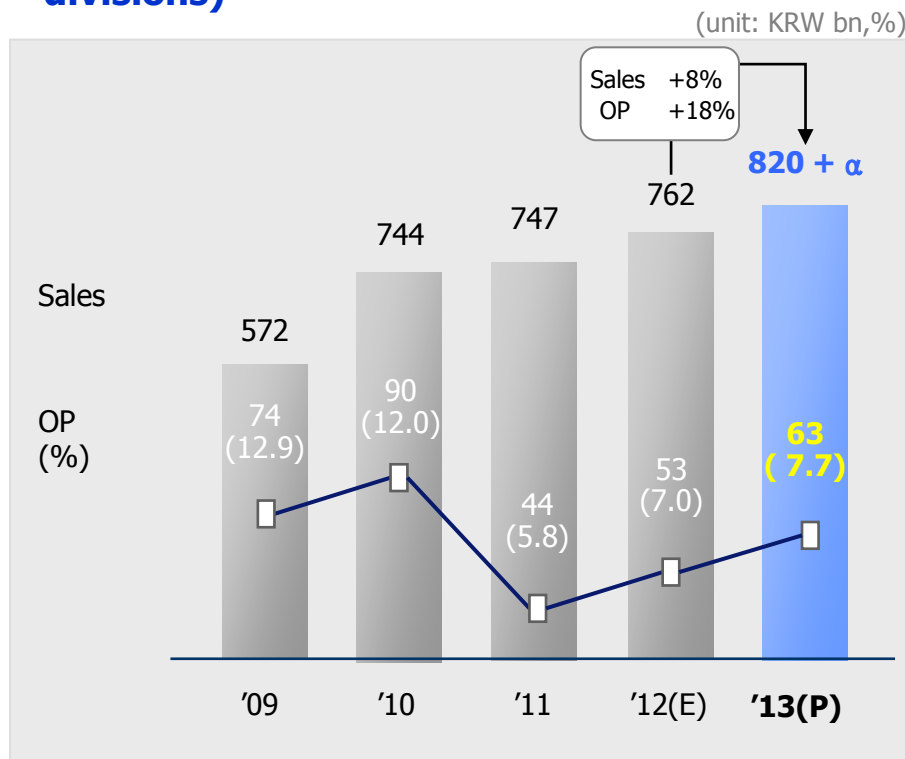
(Unit: KRW bn)



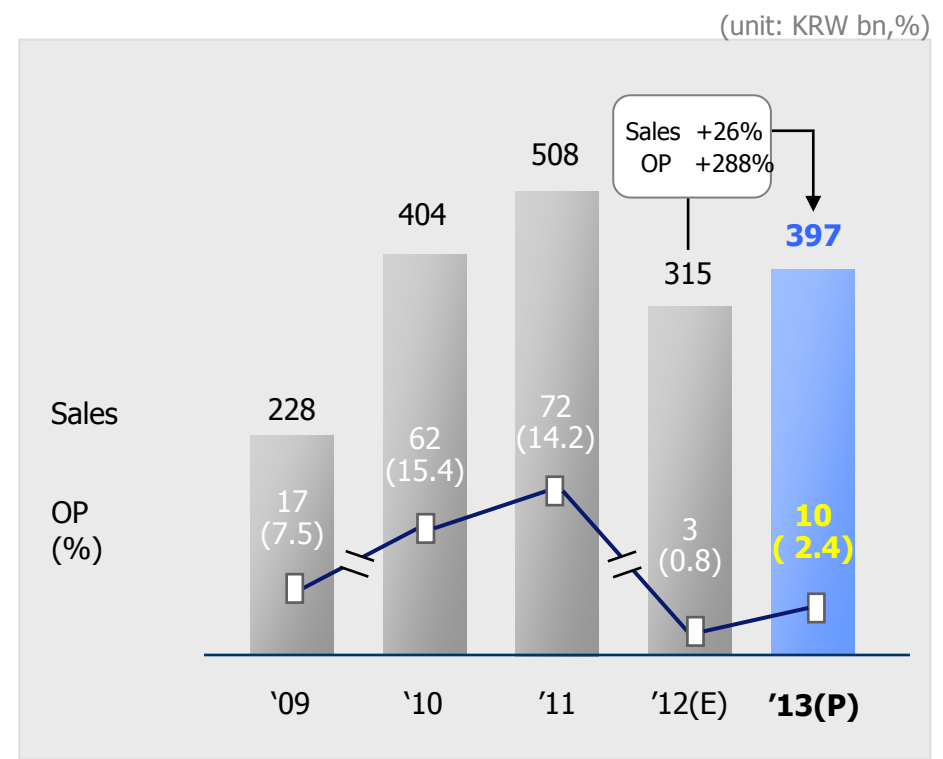
# '13 Business Plan – Business Unit (1 of 2)

Chinese plants of both E-Ms and Mottrol are expected to generate profits in '13, therefore, sales and OP are expected to increase in '13 despite the fall in foreign exchange rates.

## E-Ms (including overseas divisions)



## Mottrol (including overseas divisions)

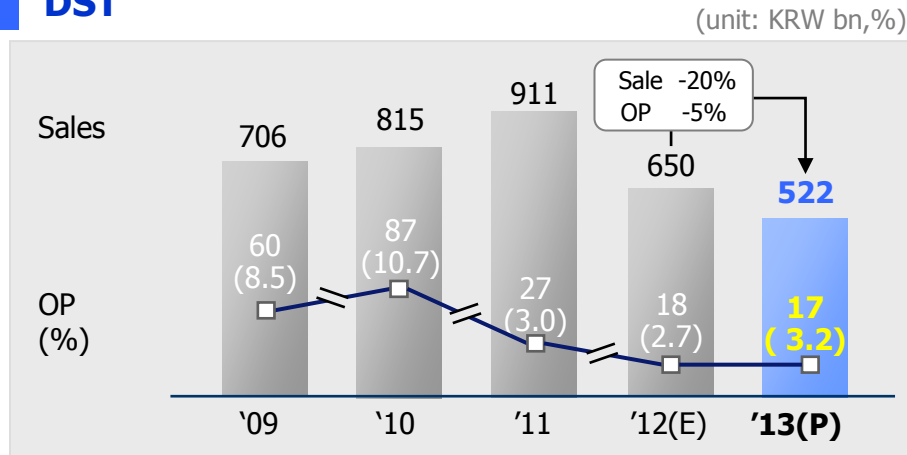




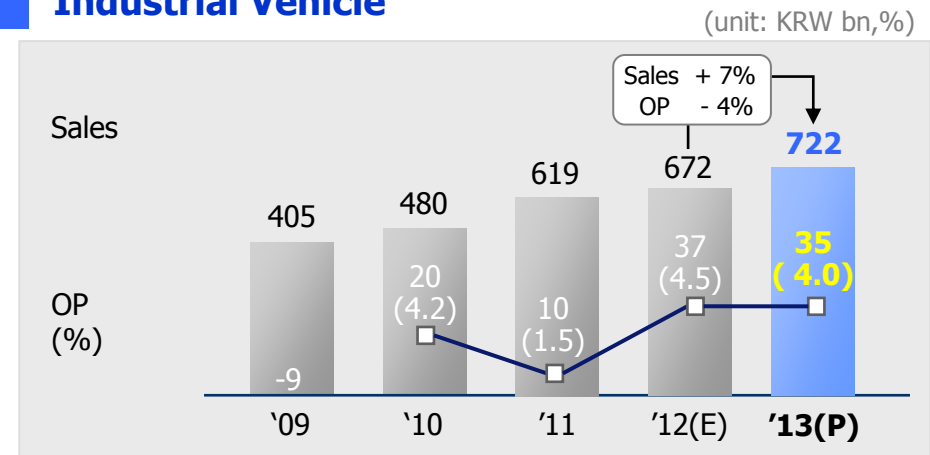
# '13 Business Plan – Business Unit (2 of 2)

Business unit OP other than in house businesses is expected to grow YoY, mostly from increasing brand royalty income and improving earnings of investment companies as Industrial Vehicle and Doosan Dong-A.

## DST

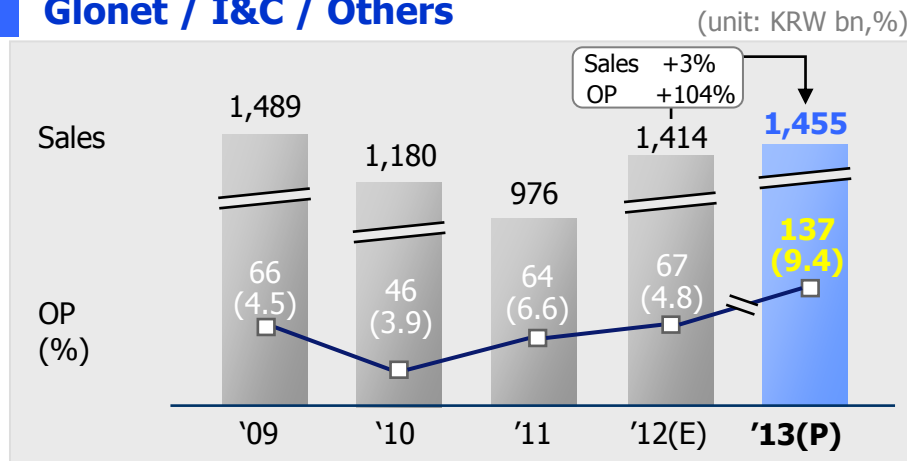


## Industrial Vehicle



※ Industrial Vehicle was acquired in 3Q11

## Glonet / I&C / Others



※ Sales decrease of Doosan DST in '13

- Contract end of major projects
- DST finalized supply contracts (KRW 726 bn) with Gov't in the end of '12 that are scheduled to be delivered in '14, therefore, sales are expected to rebound in '14.

# Securing growth driver/ Improving shareholder's value

Continuous effort to secure growth driver as a holding company of Doosan Group as well as to improve shareholder's value.

## Securing growth driver

- Disposal of non core assets
  - Completed sales of SRS Burger King in 4Q12
  - Expect 5.0% of KAI shares to be sold in near future (KRW 120 bn based on Jan 31 share price)
- Increasing brand royalty income
  - '12 : KRW 43 bn → '13(P) : KRW 53 bn

## Improving Shareholder's Value

- Paying out dividend to improve shareholder's value
  - The average dividend yield for the past 3 years were 2.2%
  - Expect '12 year-end dividend of KRW 3,000 (dividend yield of 2.9%)
- Share Cancellation and buy back
  - Jan '12 : Completed buyback and cancellation of 0.3 million treasury shares
  - May '12 : Cancelled half of treasury shares via capital reduction
  - May '12 ~ Present : In process to purchase KRW 50 bn worth of shares

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# Electro-Materials – '13 Business Plan

## Growth

### • Continuous growth of High-end CCL and OLED

- FCCL M/S expansion by utilizing core competitiveness and expanding capacity
- Expand client base to global advanced companies as Qualcomm and Cisco for PKG and Network board
- Sales of H/F to grow 150% by fully operating Chinese Plant
- OLED sales to increase 90% on the back of expanding business to Mobile phosphorescence and TV markets

## Profitability

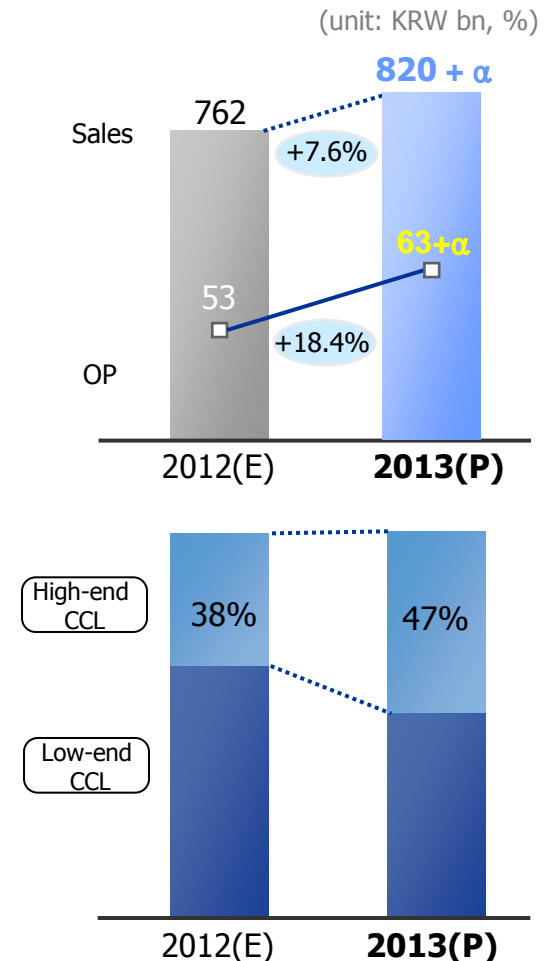
### • Improve margins by increasing sales of High-end products

- High-end CCL sales within E-Ms: 47% in '13 (YoY +9%P)
- OLED sales within E-Ms: 10% in '13 (YoY +4%P)

## Long term Growth

### • R&D investment and strengthening competitiveness to encourage long term growth

- Continuous development of core technology of high-end CCL
- Strengthening competitiveness by internalizing core material



# Mottrol – '13 Business Plan

## Growth

- **Sales to increase 26% by strengthening market position of traveling device, a core product of Mottrol**
  - Chinese market recovery (10% YoY) and targeting Chinese local maker(KRW 37 bn) by performing close customer services

### • China excavator market size ('000 units)

|      | '10 | '11 | '12 | '13 (E) |
|------|-----|-----|-----|---------|
| Unit | 162 | 169 | 105 | 120     |

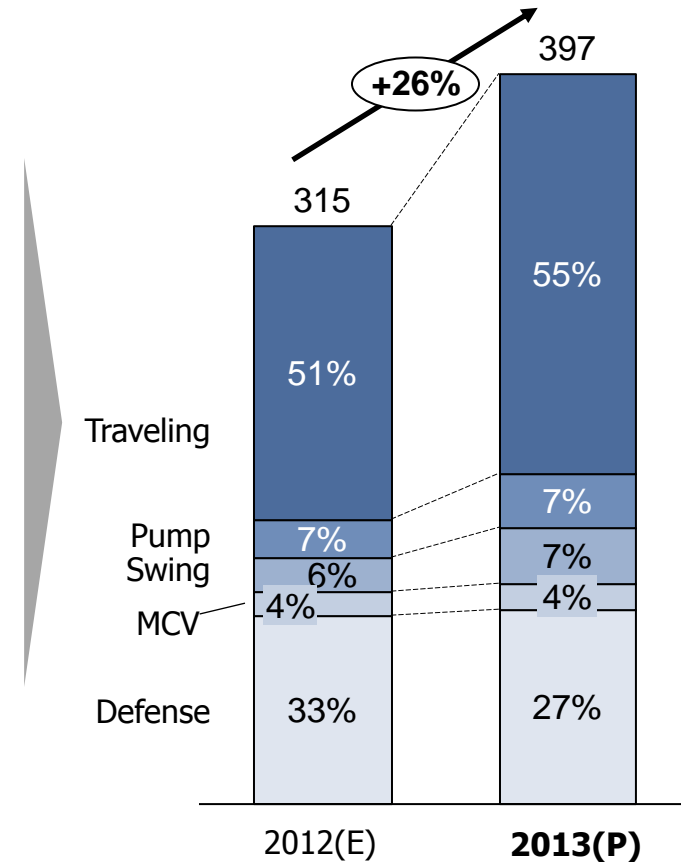
- Diversify product Line up to large-sized (KRW18bn)
- Expand client base to advanced companies as Cater, Kobelco (KRW18bn)

- **Improve QRD of pump: producing its own DPA pump**
- **Steady growth of defense business**
  - expand business to ground equipment
  - plan to enter other businesses in defense market

## Profitability

- **Improve margins by fully utilizing Chinese plant and cost savings from localization**

**Mottrol Sales** (unit: KRW bn)



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**Appendix**

# Appendix 1. Doosan Corp. Financials

## Financial Summery

| Items                    | (unit: KRW bn) |              | Items                    | (unit: KRW bn)    |              |
|--------------------------|----------------|--------------|--------------------------|-------------------|--------------|
|                          | B/S(Parent)    |              |                          | B/S(Consolidated) |              |
|                          | 3Q12           | 4Q12         |                          | 3Q12              | 4Q12         |
| Current Assets           | 626            | <b>567</b>   | Current Assets           | 1,789             | <b>1,617</b> |
| Non-current Assets       | 2,534          | <b>2,523</b> | Non-current Assets       | 4,574             | <b>4,346</b> |
| <b>Total Assets</b>      | <b>3,160</b>   | <b>3,090</b> | <b>Total Assets</b>      | <b>6,363</b>      | <b>5,963</b> |
| Current Liabilities      | 446            | <b>446</b>   | Current Liabilities      | 1,482             | <b>1,395</b> |
| Non-current Liabilities  | 745            | <b>732</b>   | Non-current Liabilities  | 1,362             | <b>1,369</b> |
| <b>Total Liabilities</b> | <b>1,191</b>   | <b>1,177</b> | <b>Total Liabilities</b> | <b>2,844</b>      | <b>2,765</b> |
| Paid-in Capital          | 132            | <b>133</b>   | Paid-in Capital          | 3,219             | <b>2,941</b> |
| <b>Equity</b>            | <b>1,969</b>   | <b>1,913</b> | <b>Equity</b>            | <b>3,519</b>      | <b>3,198</b> |
| <b>L/E Ratio</b>         | <b>60%</b>     | <b>61%</b>   | <b>L/E Ratio</b>         | <b>81%</b>        | <b>86%</b>   |

## Debt

| Items                | (unit: KRW bn) |            |
|----------------------|----------------|------------|
|                      | Parent         |            |
|                      | 3Q12           | 4Q12       |
| Bank                 | 310            | <b>192</b> |
| Corp. Bonds          | 370            | <b>470</b> |
| Others               | 53             | <b>53</b>  |
| <b>Total Debt</b>    | <b>733</b>     | <b>715</b> |
| Cash                 | 116            | <b>139</b> |
| <b>Net Debt</b>      | <b>617</b>     | <b>576</b> |
| <b>Net D/E Ratio</b> | <b>31%</b>     | <b>29%</b> |