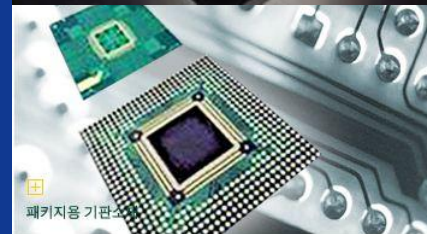
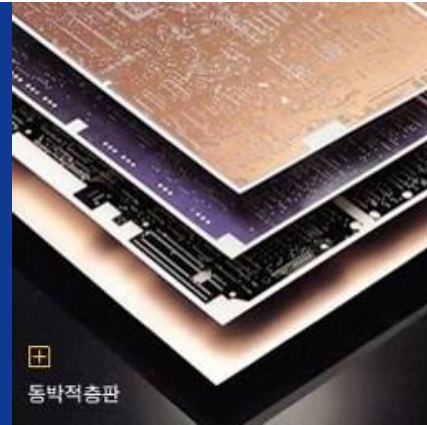




# Doosan Corporation 2013 1Q Results

MAY, 2013



# 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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# 2013 1Q Results Summary (Parent)

- 1Q sales and OP grew 5% and 172% QoQ, respectively
- OP increased 172% QoQ while declined 10% YoY from decreasing dividend income
- In-house business OP grew 32% QoQ and 8% YoY on the back of continued growth of E-Ms division and improving earnings of Mottrol division

(unit: KRW bn, %)

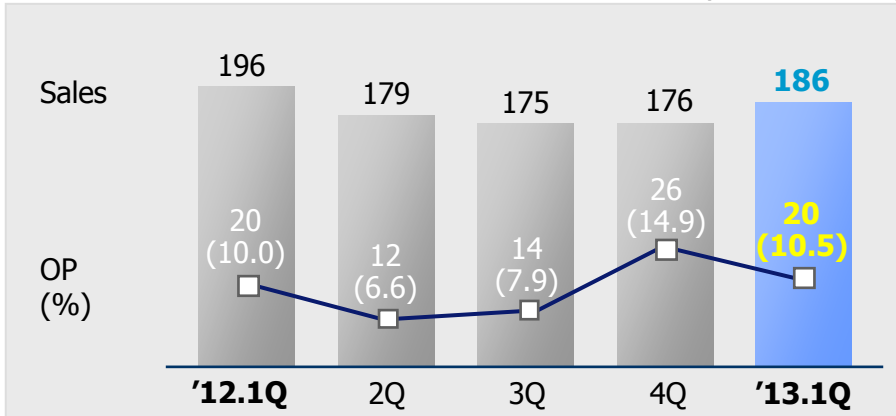
	2012 1Q	2012 4Q	2013 1Q	YoY	QoQ
<b>Sales</b>	<b>513</b>	<b>439</b>	<b>461</b>	<b>-10.3%</b>	<b>+5.0%</b>
<b>OP</b>	<b>80</b>	<b>26</b>	<b>71</b>	<b>-10.4%</b>	<b>+172.2%</b>
<b>(%)</b>	<b>(15.5%)</b>	<b>(6.0%)</b>	<b>(15.5%)</b>	<b>(0.0%P)</b>	<b>(+9.5%P)</b>
<b>In-house business</b>	<b>32</b>	<b>26</b>	<b>34</b>	<b>+8.2%</b>	<b>+31.5%</b>
- E-Ms	20	26	20	-0.1%	-25.3%
- Mottrol	9	-2	3	-63.8%	TB
- Glonet	5	2	4	-26.2%	+80.0%
- I&C	6	11	6	-2.4%	-48.1%
- Others	-8	-11	2	TB	TB
<b>Dividend Income</b>	<b>48</b>	<b>-</b>	<b>37</b>	<b>-22.7%</b>	<b>-</b>

# 2013 1Q Results – In-house business (Parent)

- E-Ms division showed continued growth from increasing sales of high-end products, and Mottrol division's OP recovered in 1Q on the back of growing sales in China. Glonet and I&C divisions continued to generate steady earnings in 1Q.

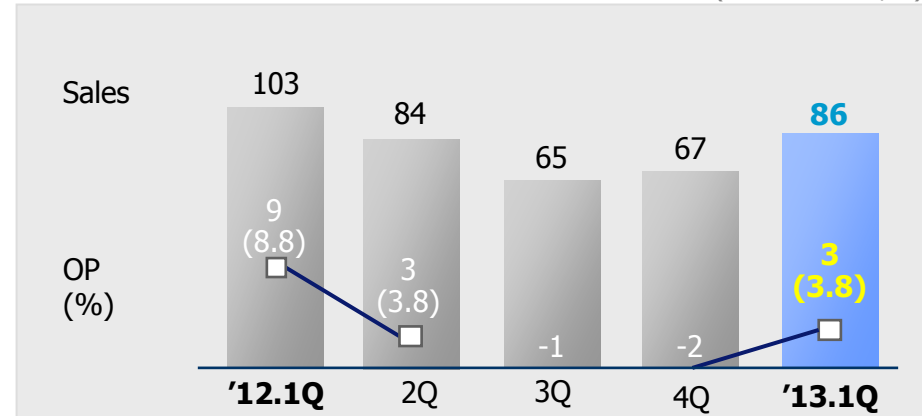
## E-Ms

(unit:KRW bn,%)



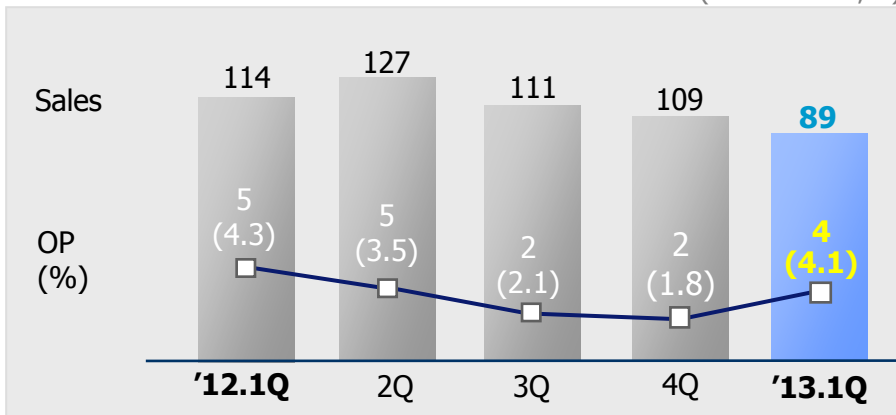
## Mottrol

(unit: KRW bn,%)



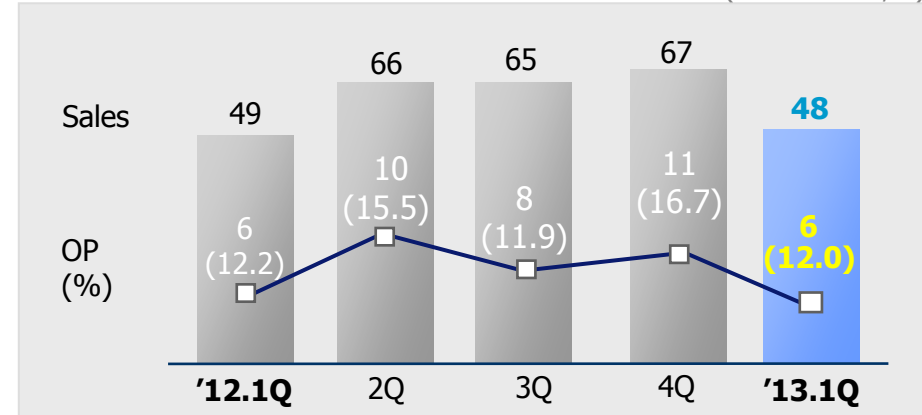
## Glonet

(unit:KRW bn,%)



## I&C

(unit:KRW bn,%)



# 2013 1Q Results Summary (New- Consolidated)

- 1Q consolidated sales declined 19% QoQ to KRW 5.2 tn while OP turned black to KRW 247 bn
- OP turned into black from growing in-house businesses as well as improving earnings of subsidiaries

(unit: KRW bn, %)

	2012 1Q	2012 4Q	2013 1Q	YoY	QoQ
<b>Sales</b>	<b>5,749</b>	<b>6,438</b>	<b>5,195</b>	<b>-9.6%</b>	<b>-19.3%</b>
▪ In-house business	466	439	424	-9.0%	-3.4%
▪ Subsidiaries (incl. Heavy)	5,283	5,999	4,771	-9.7%	-20.5%
<b>OP</b>	<b>448</b>	<b>-326</b>	<b>247</b>	<b>-44.9%</b>	<b>TB</b>
▪ In-house business	32	26	34	+8.2%	+31.5%
▪ Subsidiaries (incl. Heavy)	416	-352	212	-49.0%	TB

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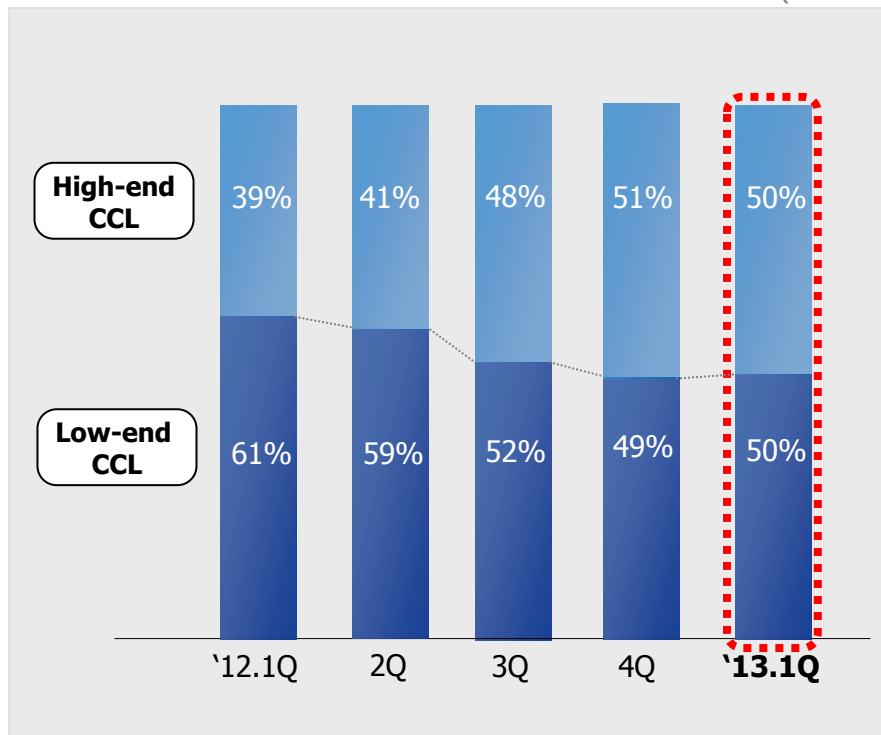
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# E-Ms – 1Q Results

- 1Q sales and OP slightly decreased YoY, however maintained strong OP margin from continuous growth of high-end CCL
- Sales of high-end CCL continued to grow in 1Q13 thanks to increasing demand for smartphone and tablet PC
- OP margin improved on the back of growing sales of FCCL from new smartphone release and PKG CCL from increasing demand for smartphone mobile DRAM

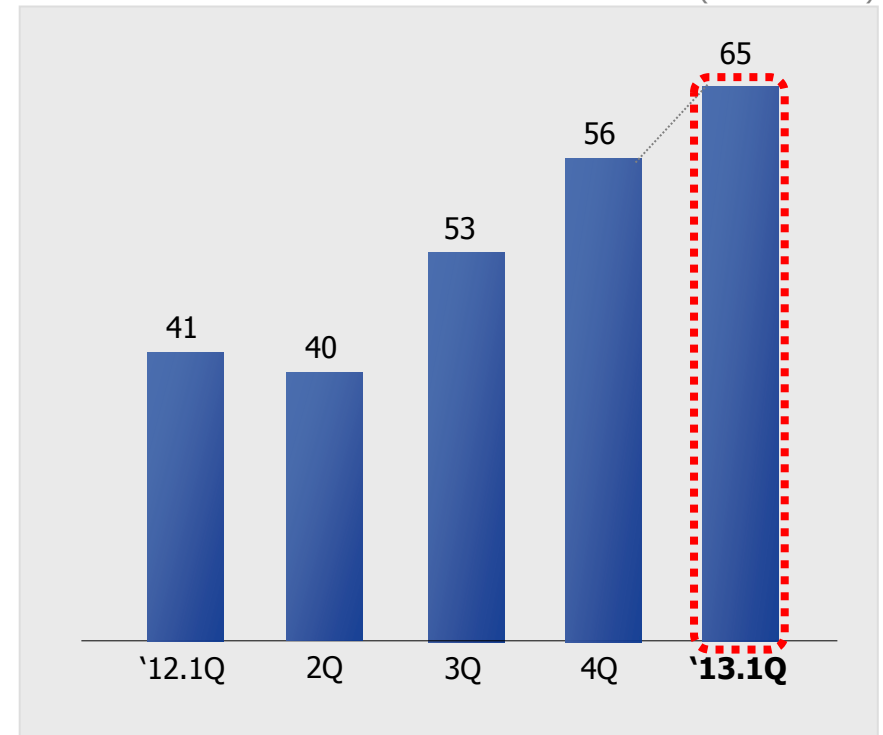
## E-Ms Sales Breakdown

(unit : %)



## Sales trend of FCCL

(unit: KRW bn)





# E-Ms – 2Q and 2013 Annual Outlook

- 2Q Sales and OP of E-Ms to surge on the back the series of new smart device launches
- Plan to add 4 FCCL production lines in 1H to prepare for the increasing demand for mobile phone
- 2013 annual sales and OP to beat the company's guidance
  - Expanding smart device sales, and accelerating sales growth with the Chinese business in full swing
  - Improving margin by increasing sales of high-end products, and improving production efficiency

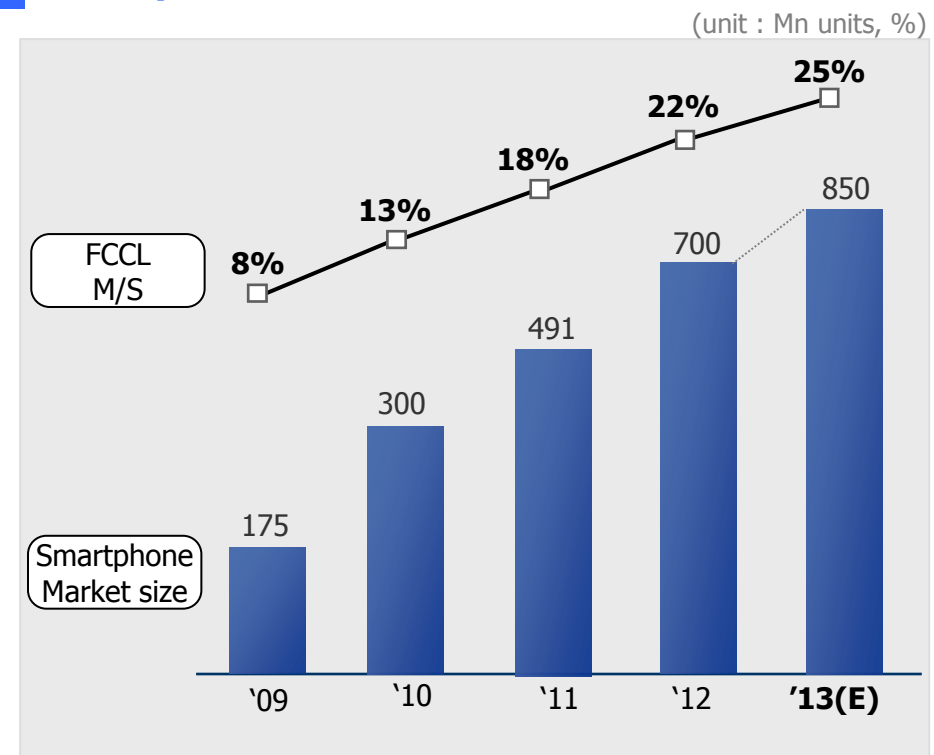
## New smart devices launching plans



	Manufacturer	Product	Launching Date
<b>Smart phone</b>	Company S	S4, N3	'13.2~3Q
	Company A	5S	'13.3Q
	Company L	G Pro	'13.2Q
-----			
<b>Tablet PC</b>	Company S	N 8.0	'13.2Q
	Company A	Mini(new)	'13.3Q
	Company G	N7(New)	'13.3Q

※ Source: Press

## Smartphone market and Doosan's FCCL M/S



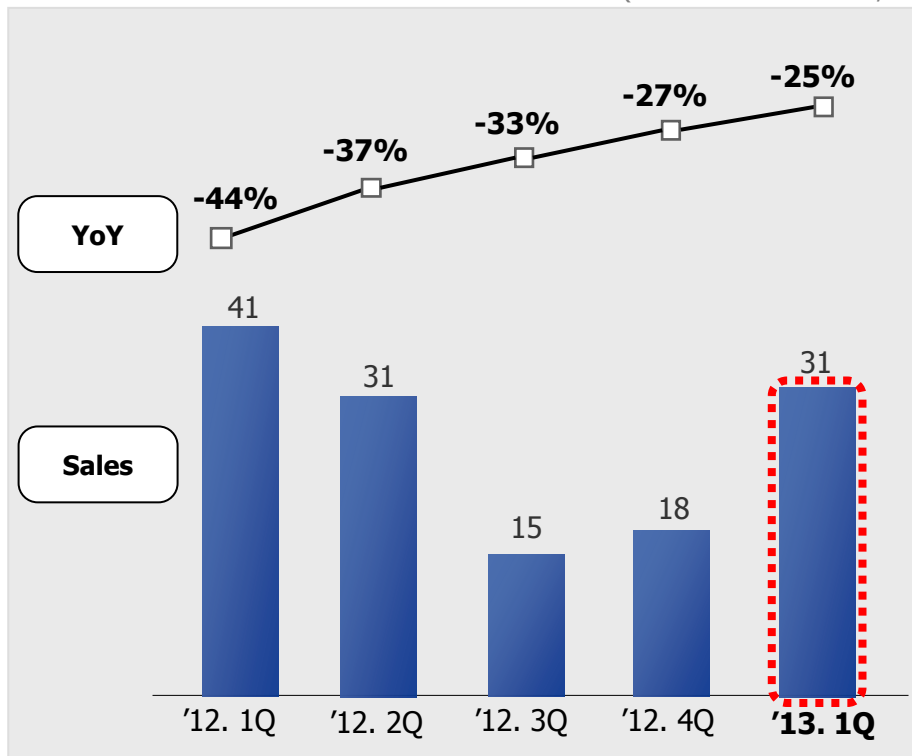
※ Source: Gartner, Strategy Analytics, Company estimate

# Mottrol – 1Q Results

- Mottrol’s sales to China grew 35% YoY in 1Q13 despite the Chinese excavator market slow down
- Mottrol sales growth is mainly from increasing production levels of China plant as well as growing sales to Chinese local excavator makers
- Chinese local makers’ sales have been continuously grew and they accounted for 41% in Chinese excavator market in 1Q

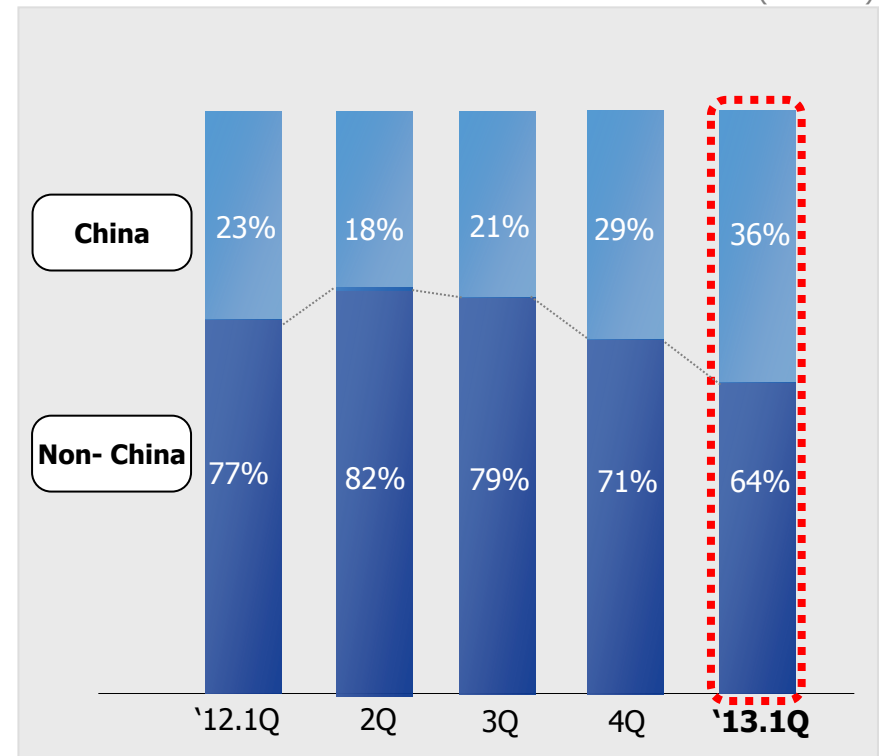
## Chinese excavator market

(unit : thousand units, %)



## Mottrol sales breakdown by region

(unit : %)



※ Source: China Construction Machinery Association

# Mottrol – 2Q and 2013 Annual Outlook

## Chinese Market Condition

- Chinese local makers are expected to be accounted for 45~50% of total Chinese excavator market in '13
- Chinese construction market are expected to recover in 2H thanks to Chinese government's plan for infrastructure related investment
- Excavator makers within Chinese market are expected to increase sales aggressively to expand M/S

## Strategy

- Expand M/S in China by increasing direct dealing and building strategic relationships with local excavator makers
- Reduce cost through local sourcing in China
- Strengthen relationship with global leading clients company 'C', company 'B' beside current clients.

## 2Q Outlook

- Mottrol's 1H sales are expected to exceed the initial guidance due to order increase from Chinese leading excavator makers
- Diversify product types and launch new products by building strategic relationship with new clients in China
- Build mutual relationship with local dealers by utilizing Chinese plant

## 2013 Outlook

- Annual sales to grow YoY thanks to Chinese excavator market recovery as well as the M/S expansion in China
- Expect M/S to expand YoY from increasing supply to existing clients in China as the market grows
- Margin to improve from quality improvement and cost savings

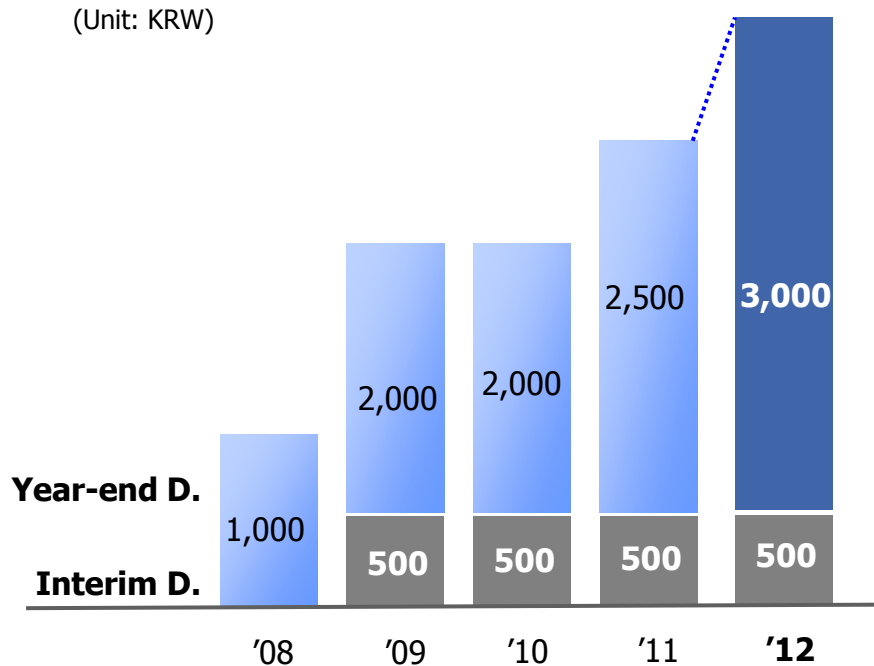
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# Improving Shareholder's value

## Attractive dividend policy

- The average dividend yield for the past 3 years was 2.2%
- Year-end dividend in '12 was KRW 3,000
  - ☞ Annual dividend in '12 was KRW 3,500, combining KRW 500 of interim dividend



## Treasury Shares

- Doosan Corp. has been purchasing treasury shares from '03
- Performed share buyback and cancellation to improve shareholder's value in recent 2 years.

[ Treasury share transaction in the past 2 years]

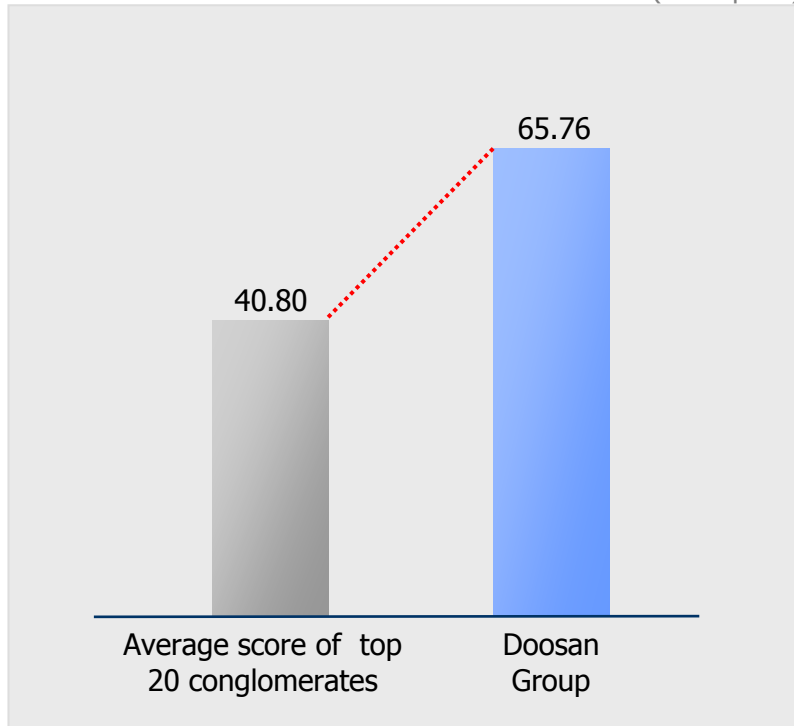
Period	Transaction
'11. Oct.~ '12. Jan.	Purchased 0.3 mn treasury shares
'12. Jan.	Cancelled 0.3 mn treasury shares
'12. May.	Cancelled half of treasury shares via capital reduction
'12. May.~ '13. May.	Purchased KRW 50 bn of treasury shares
'13. May. ~	In process of purchasing KRW 30 bn of treasury shares

# Outstanding Performance in CSR area

- Doosan Group earned the highest score of 65.76 point in the Korea CSR(Corporate Social Responsibilities) evaluation among Korea's top 20 conglomerates
  - ☞ average score of top 20 conglomerates was 40.8point
- Doosan received the highest rating of A+ from ESG evaluation
  - ☞ Environment A+, Social responsibility A+, Corporate governance A+

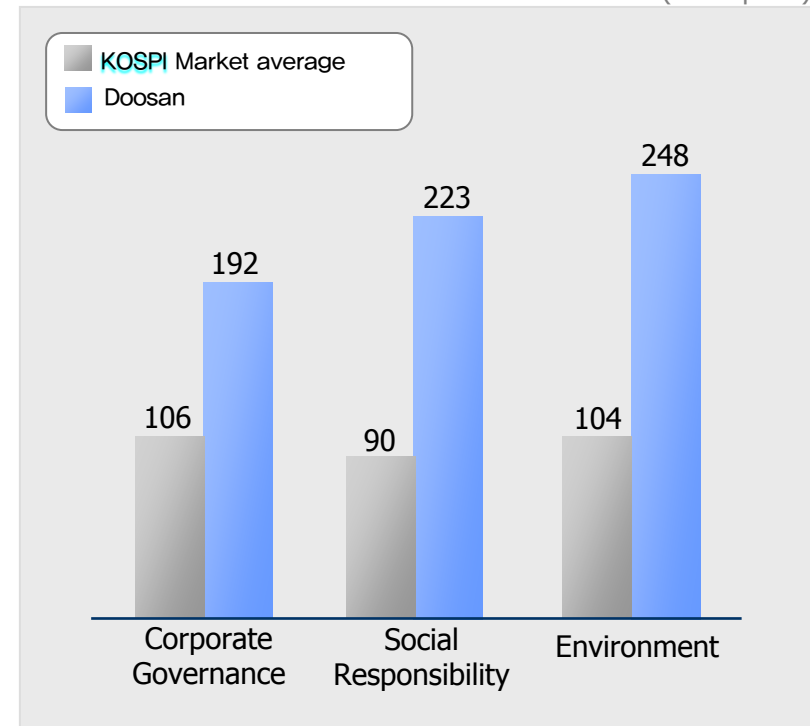
## CSR evaluation in '13

(unit : point)



## ESG evaluation in '12

(unit : point)



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**Appendix**

# Appendix 7: Financial Summary

## Financial Summary (B/S)

(unit: KRW bn)

Items	B/S(Parent)	
	4Q12	1Q13
Current Assets	567	<b>555</b>
Non-current Assets	2,523	<b>2,521</b>
<b>Total Assets</b>	<b>3,090</b>	<b>3,076</b>
Current Liabilities	438	<b>482</b>
Non-current Liabilities	713	<b>670</b>
<b>Total Liabilities</b>	<b>1,151</b>	<b>1,153</b>
Paid-in Capital	133	<b>133</b>
<b>Equity</b>	<b>1,939</b>	<b>1,923</b>
<b>L/E Ratio</b>	<b>59%</b>	<b>60%</b>

## Debt

(unit: KRW bn)

Items	Parent	
	4Q12	1Q13
Bank	192	<b>131</b>
Corp. Bonds	470	<b>470</b>
Others	53	<b>53</b>
<b>Total Debt</b>	<b>715</b>	<b>654</b>
Cash	139	<b>47</b>
<b>Net Debt</b>	<b>576</b>	<b>607</b>
<b>Net D/E Ratio</b>	<b>29%</b>	<b>32%</b>