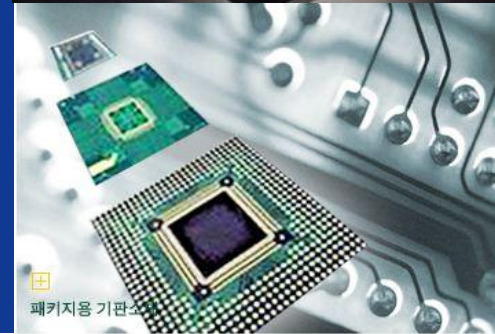




Doosan Corporation 2013 4Q Results

Feb, 2014



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 Results (Consolidated)

- Consolidated sales declined 9.9% while OP increased 44.5% YoY
- OP increased YoY thanks to growing in-house business and base effect from bad debt expenses recognition of Doosan E&C in 2012

(unit : KRW bn, %)

	2012	2013	YoY
Sales	24,352	21,937	-9.9%
▪ In-house	1,333	1,514	+13.6%
▪ Subsidiaries (Incl. Heavy)	23,020	20,423	-11.3%
OP	799	1,155	+44.5%
▪ In-house	83	105	+26.6%
▪ Subsidiaries (Incl. Heavy)	717	1,050	+46.6%

2013 Results (Parent)

- 2013 sales and OP grew 11.1% and 54.7% YoY, respectively, from solid performance of in-house business and increasing dividend income
- OP of in-house business grew 26.7% YoY, on the back of new product launches of industrial vehicle and increasing brand royalty

(Unit: KRW bn, %)

	2012	2013	YoY
Sales	1,488	1,652	+11.1%
OP	126	195	+54.7%
(%)	(8.5%)	(11.8%)	(+3.3%p)
▪ In-house Business	83	105	+26.7%
- E-Ms	71	57	-20.5%
- Industrial Vehicle*	-	19	-
- Mottrol	9	7	-24.2%
- I&C, etc.	36	34	-4.8%
- Others**	-34	-12	-
▪ Dividend Income, etc***	44	91	+107.8%

* Transferred to Doosan. Corp. in September

** Including Inter-company transaction, Brand royalty etc.

*** Discontinued Business profit, Dividend etc.

2013 4Q Results (Consolidated)

- Consolidated 4Q sales decreased 12.0% YoY, but increased 11.1% QoQ
 - In-house business sales grew both YoY and QoQ
- 4Q OP turned profit in YoY while increased 12.8% QoQ from the base effect from bad debt expenses recognition of Doosan E&C in 2012

(Unit: KRW bn, %)

	2012 4Q	2013 3Q	2013 4Q	YoY	QoQ
Sales	6,517	5,161	5,736	-12.0%	+11.1%
▪ In-house Business	330	374	460	+39.5%	+23.0%
▪ Subsidiaries	6,187	4,787	5,276	-14.7%	+10.2%
OP	-330	246	278	TB	+12.8%
▪ In-house Business	24	18	24	-0.8%	+36.0%
▪ Subsidiaries	-355	228	253	TB	+11.0%

2013 4Q Results (Parent)

- 4Q sales grew 40.1% and 17.4% YoY and QoQ, respectively
- OP increased 92.5% YoY from growing sales of industrial vehicle and earning recovery of Mottrol

(Unit: KRW bn, %)

	2012 4Q	2013 3Q	2013 4Q	YoY	QoQ
Sales	351	419	492	+40.1%	+17.4%
OP	24	53	46	+92.5%	-12.7%
(%)	(6.8%)	(12.6%)	(9.4%)	(+2.6%op)	(-3.2%op)
▪ In-house Business	24	18	24	-0.8%	+36.0%
- E-Ms	26	17	6	-77.1%	-64.5%
- Industrial Vehicle*		4	15	-	+262.5%
- Mottrol	-2	-3	1	TB	TB
- I&C, etc.	12	10	10	-11.1%	+4.0%
- Others**	-12	-10	-7	-	-
▪ Dividend Income, etc***	-1	35	22	TB	-37.6%

* Transferred to Doosan. Corp. in September

** Including Inter-company transaction, Brand royalty etc.

*** Discontinued Business profit, Dividend etc.

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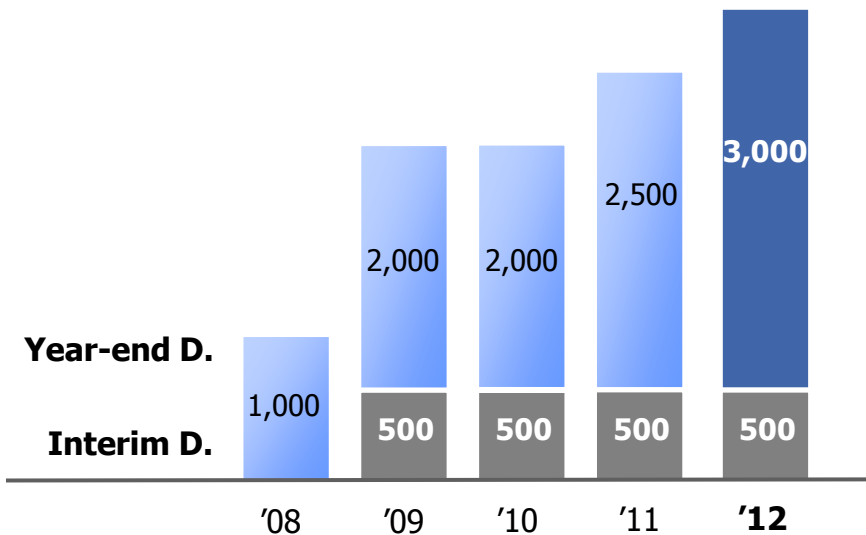
Appendix

Dividend & Treasury Share Buyback

Attractive dividend policy

- The average dividend yield for the past 3 years was 2.2%
- Dividend policy is to pay at least the same amount or more than the previous year in terms of DPS

(Unit: KRW)



Treasury share buyback

- Doosan Corp. has been purchasing and cancelling treasury shares from 2003 to improve shareholder's value

[Treasury share transaction in 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

Restructuring

- Additional restructuring efforts to be continued in 2013
- Cash-inflow from disposal of non-core assts will be used to improve shareholder's value and enhance financial soundness

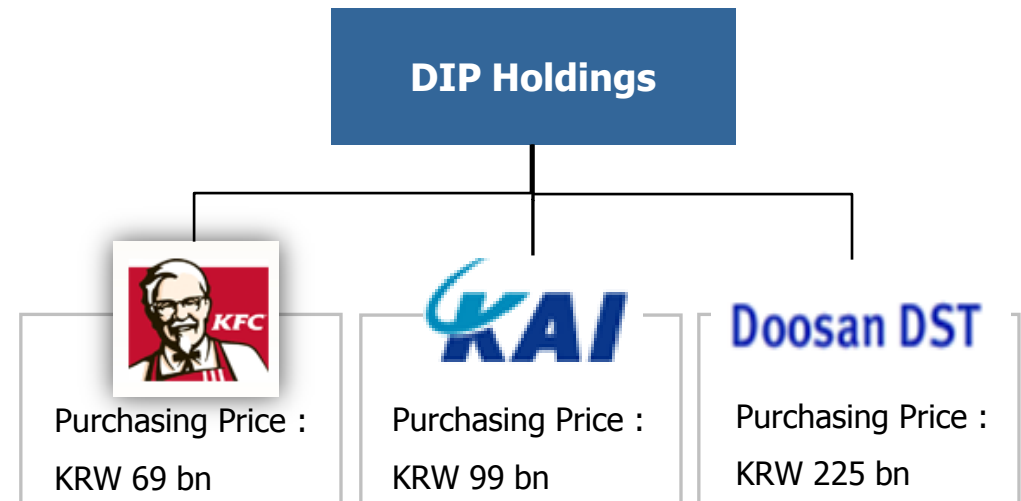
Restructuring Results of DIP Holdings

(Unit: KRW bn, %)

	Burger King	KAI	Samhwa Crown
Disposal Date	'12.4Q	'11. 2Q	'10. 4Q
Purchasing Price	69*	46	22
Disposal Price	110	66	31
Return(%)	60.6%	43.5%	40.0%

* Assuming the purchasing price of Burger King is half of purchasing price of SRS (Burger King + KFC)

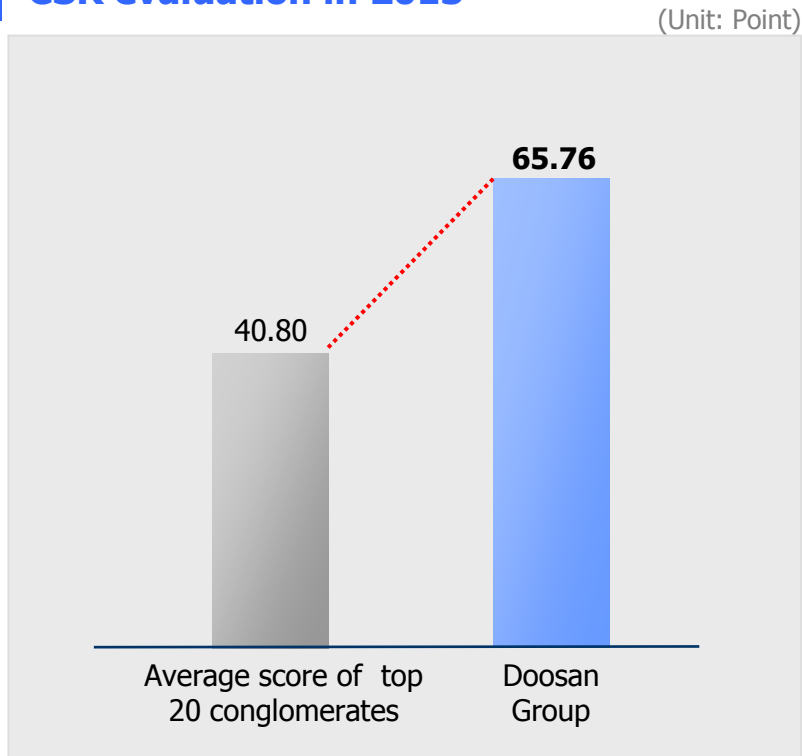
Remaining Assets of DIP Holding



Outstanding Performance in CSR and Improving Financial Structure

- Doosan Group earned the highest score of 65.76 point in the CSR(Corporate Social Responsibilities) evaluation among Korea's top 20 conglomerates
 - ☞ average score of top 20 conglomerates was 40.8point
- Doosan E&C enhanced its financial structure by raising capital and liquidity in 1Q13
- Doosan Group substantially improved financial structure via preemptive financial restructuring activities in 4Q13

CSR evaluation in 2013



Improving financial structure

- Raised capital and liquidity at Doosan E&C (1Q13)
 - KRW 850 bn of liquidity was raised by rights offering and HRSG business transfer
 - Improved financial structure as well as business portfolio
- Strengthened group's financial structure (4Q13)
 - Infracore: Issued GDR (KRW421bn)
 - E&C: Issued RCPS (KRW400bn)
 - Heavy: Disposal of treasury share (KRW303bn)
 - Consolidated debt/equity ratio down by 122%p

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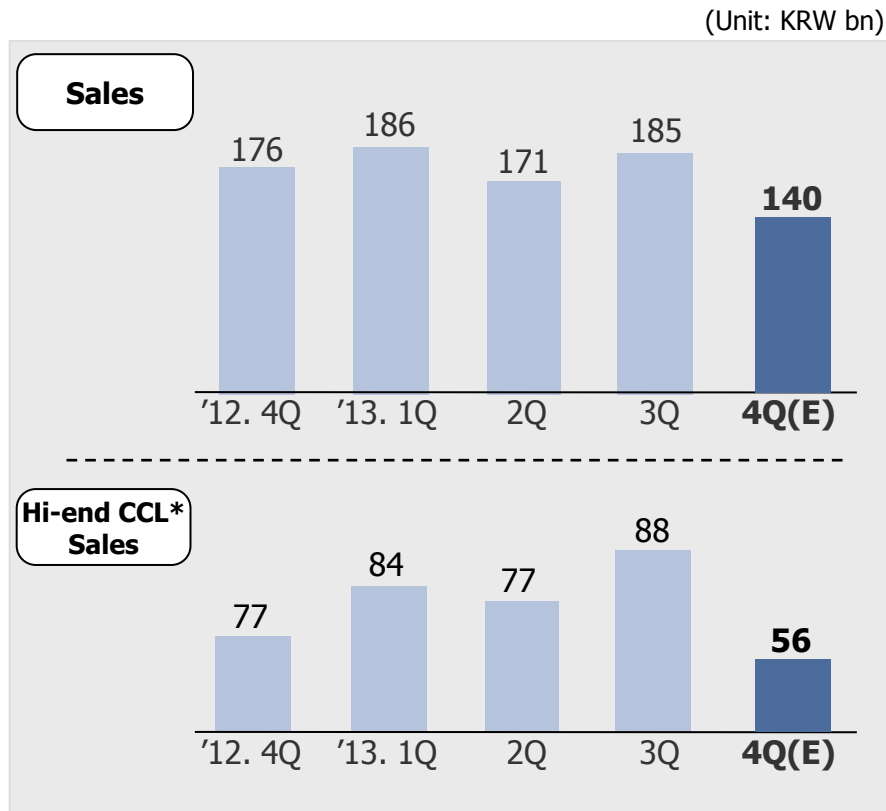
3 Growth Strategy of In-house Business

Appendix

E-Ms – 2013 4Q Results (Parent)

- 4Q sales and OP decreased YoY due to the lack of new smartphone launches and seasonality
- We expect strong growth in 2014 by maintaining market share leadership and diversifying client base

Quarterly sales and Hi-end CCL sales trend



* FCCL, PKG CCL, Network board CCL

2013 4Q Results

1

Improved product mix/ client base

- Secure FPCB clients in China
 - Improve new model approval rate from Chinese PCB makers who are vendors of company A
 - Diversify client base to Chinese major FPCB makers (company M, company U)

2

Increase production efficiency

- Increasing production efficiency of existing production lines
 - same effect as adding 2 more production lines

3

Expanding Overseas sales force

- Strengthened sales force to a major client, company S, as well as Japanese PCB makers who are entering Vietnam by setting up a branch in Vietnam
- Reinforced overseas business by hiring new personnel

E-Ms – 2014 Business Plan

Strategy

Growth

- Continuous growth of high-end CCL and expand overseas market
- Improve product portfolio by diversifying OLED development strategy

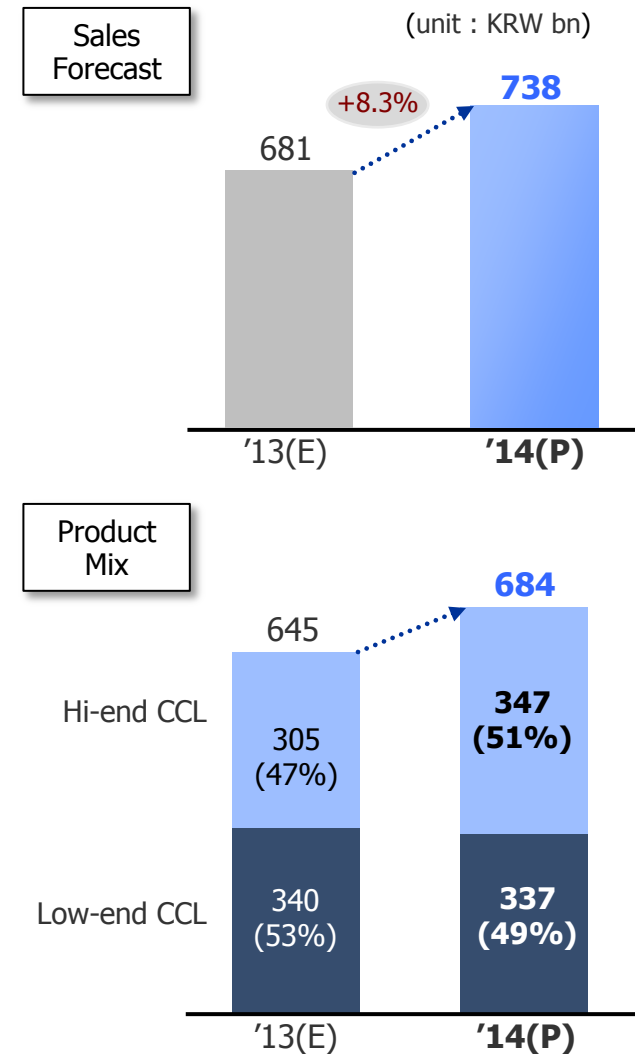
Profitability

- Improve margin driven by favorable product mix toward high-end CCL
- Save cost through diversifying source of raw material and enhance production efficiency of domestic and overseas production sites

Long term Growth

- Expand product types and strengthen product competitiveness through synergy with existing products
- Search for inorganic growth opportunities to secure future growth engine

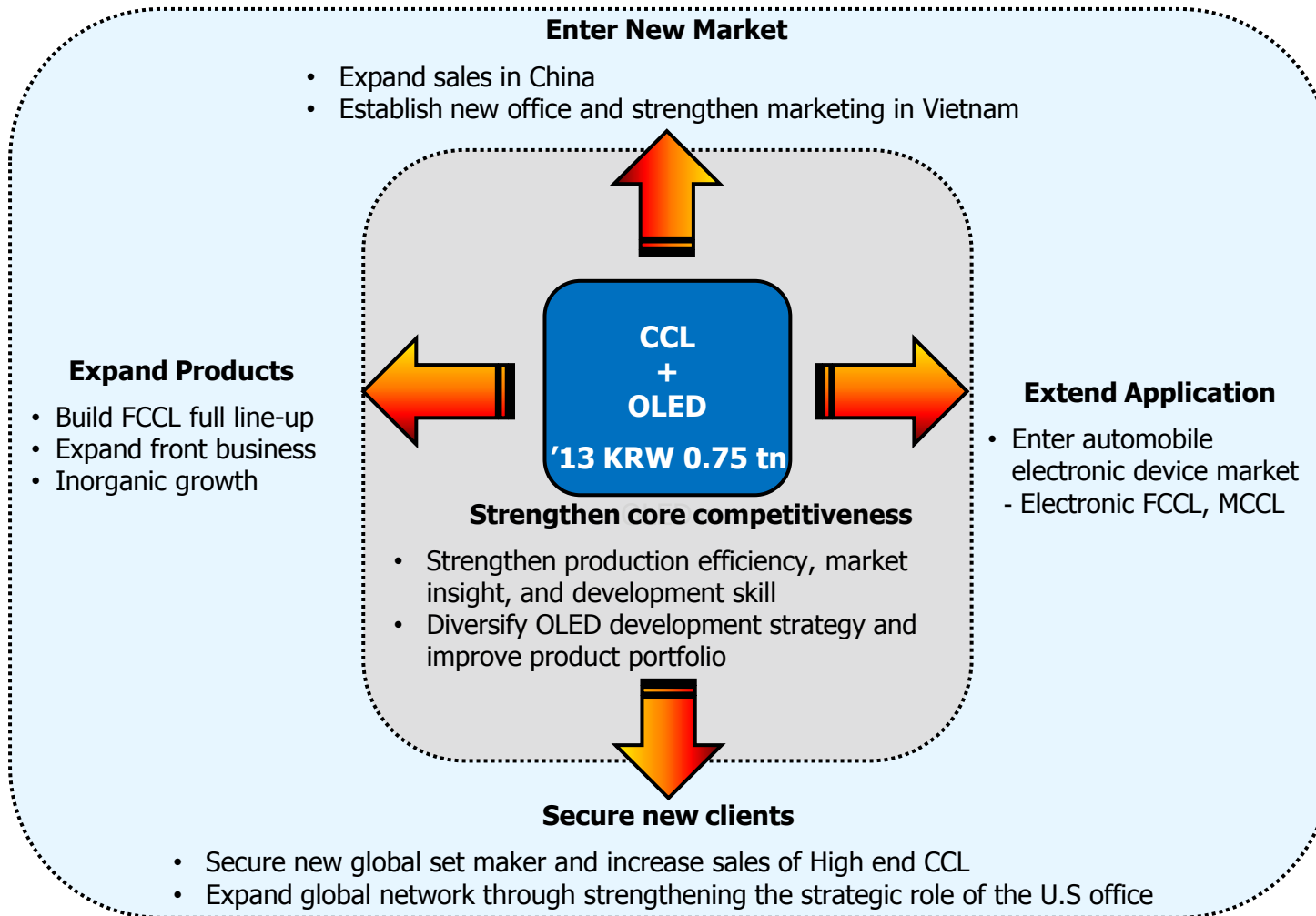
2014 Business Plan



* Excluding OLED

E-Ms – Mid-long term Business Plan

- Expect sales of KRW 2.6 tn in 2018 by strengthening core competitiveness as well as expanding product portfolio, application, clients, and global presence

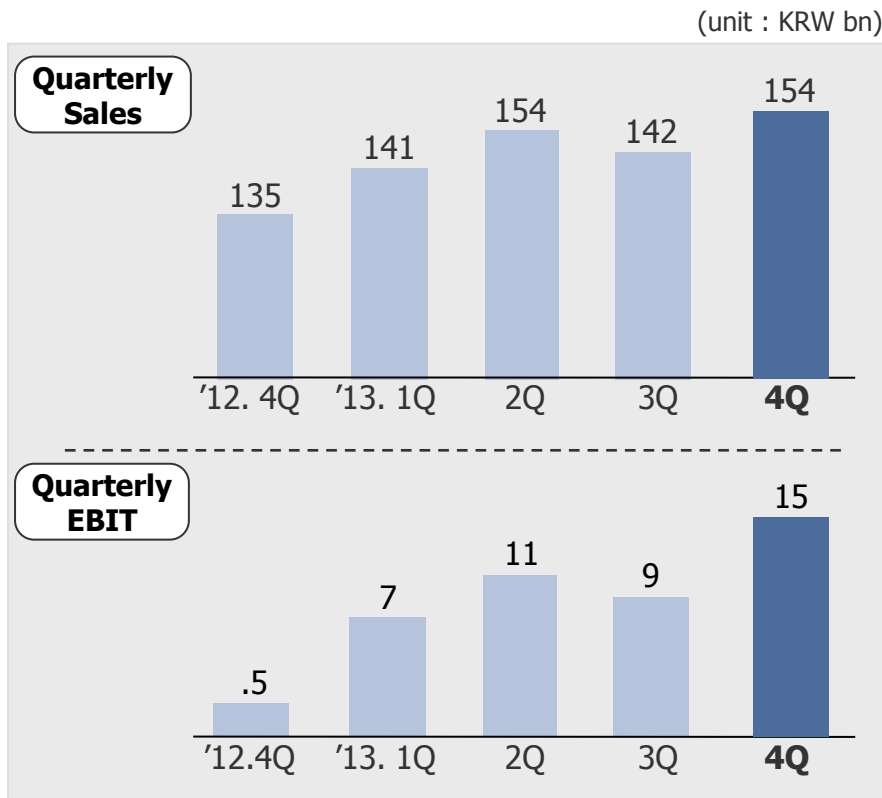


Existing Business,
 Growth of existing business,
 Business expansion

Industrial Vehicle — 4Q13 Results (Parent)

- 4Q sales and OP grew, both YoY and QoQ, thanks to increase in domestic M/S and exports.
- Stable growth is expected in 2014 from reinforcement of overseas market position and fleet deal from both domestic and overseas markets.

Sales and EBIT Trend



4Q Strategy

1

Strengthen domestic leadership

- Domestic M/S increased from strong sales-network and sales increase of core product (Domestic M/S 52%)
- Launched new products with G2 engine
- Maximized orders to major logistic companies

2

Reinforce our overseas position

- M/S in Middle east increased to 9%, thanks to fleet deal from Saudi Arabian oil company
- Stable M/S in North America achieved from new orders to major companies
- Penetration into emerging markets such as Colombia, and South Africa in full swing

Industrial Vehicle – 2014 Business Plan

Strategy

Growth Driver

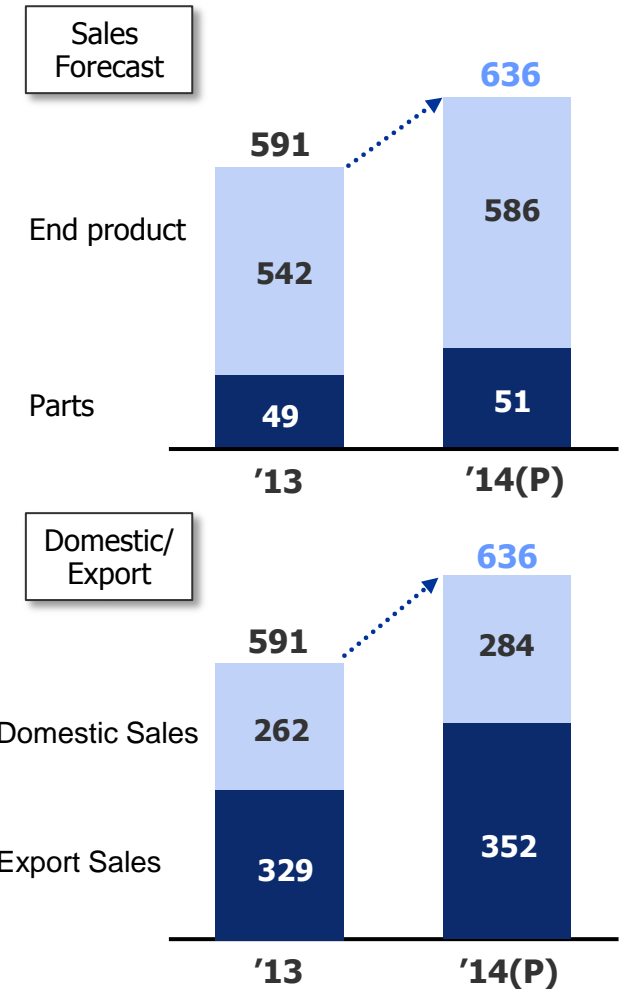
- Increase sales based on dominant position in domestic market
- Target emerging market for next growth driver
- Expand investment to strengthen market position
 - Develop Tier-4 product to expand M/S in advanced market
- Upgrade plant facilities in China for full-fledged mass production

Business Expansion

- Strengthen market position in advanced market in line with the acceleration of market growth
 - expand and secure dealer network in the US
- Enter high-margin parts business which has strong growth potential
 - Improve internal parts business ability

2014 Business Plan

(unit: KRW bn)



Industrial Vehicle – Mid-long term Business Plan

Strategy

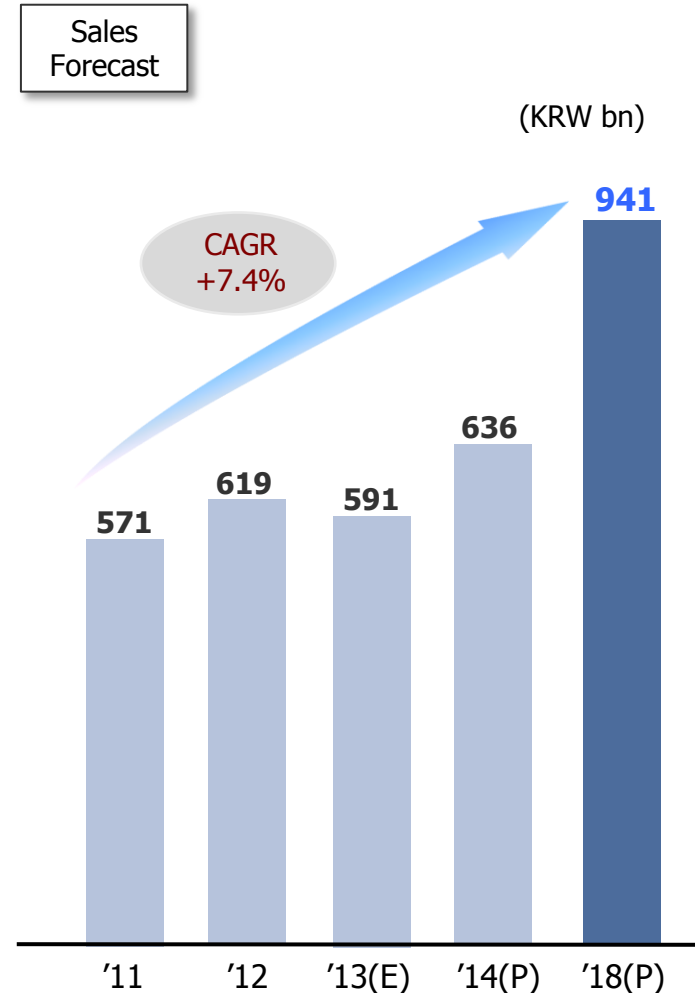
Market Expansion

- Total market size to grow from 530,000 units in 2013 to 640,000 units in 2018(E)
- Expand M/S in emerging markets (Middle East, Africa and South America)
 - CAGR 5% until 2018 in emerging markets
- Improve profit size and strengthen brand perception via acquisition of big size dealer agencies in developed markets (North America, Europe)

Healthy growth performer

- Strengthen core competitiveness
- Pursue sustainable organic growth
- Increase global M/S up to 4.5% with global ranking No.10 by 2018
- Improve profitability (OPM 8.6% in 2018)

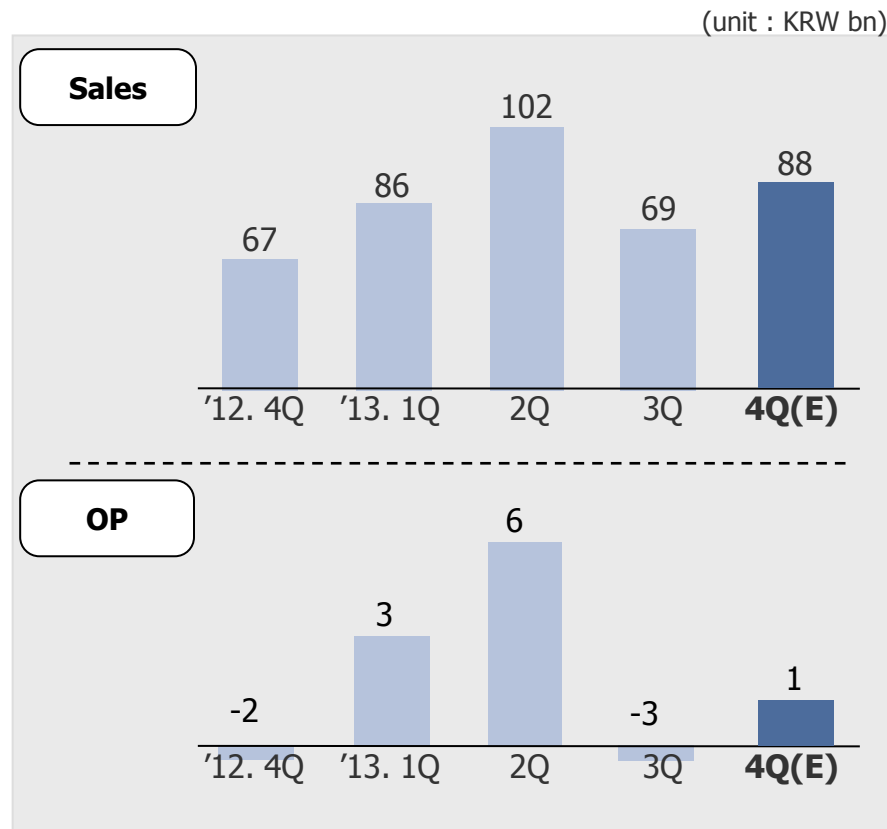
Business Plan



Mottrol – 2013 4Q Results (Parent)

- 4Q sales and OP increased both YoY and QoQ
- Despite the unfavorable market conditions in China and developed markets, Mottrol's OP turned profitable in 4Q from increasing orders from global leading makers as well as Chinese local makers

Quarterly Sales and OP



4Q Results

1

Market Condition

- China Market
 - Mid-long term growth is mostly expected from structural changes of the industry rather than artificial economic policies from political regime changes
 - Increase in demand for small sized excavator from city development than large projects led by government
- Developed Market
 - Strong demand for major makers in spite of slowdown in growth of developed and emerging markets

2

Business Condition

- Sales and OP of construction equipment division increased YoY from increasing orders from global and Chinese major clients
- Sales of defense division also grew YoY on back of new business launches(K21), and increasing sales of aircraft/guiding system technology

Strategy

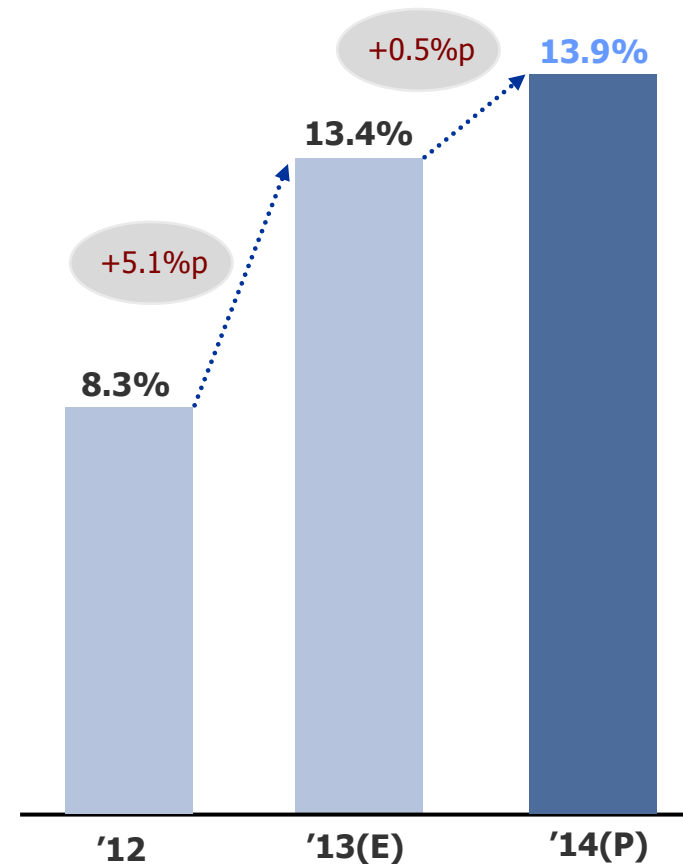
M/S in China

Growth

- Strong sales growth is expected from expanding our product offering to domestic clients and launching new products
- Chinese excavator market to recover and Mottrol's M/S in China to grow
 - Expand M/S through increasing direct transaction in China, launching new products, improving quality, and utilizing price competitiveness

Business Expansion

- Rapid sales growth from advanced market
 - Dramatic sales growth is expected from increasing supply to global leading excavator makers, diversifying product line-up, and launching new products
- Strong demand for new defense system
 - Increasing sales related to guiding system technology



Mottrol – Mid-long term Business Plan

Strategy

Strengthen Competitiveness

- Expand Market share in China through improving quality and strengthening client network
 - 13.4% in '13 → 20.8% in '17 (+7.1%p)
- Develop relationship with existing clients through technology improvement
- Extend direct transaction in China to increase sales
- Diversify line-up for leading excavator makers (expand supply chain to mid-large sized and small sized excavators)
- Promote local sourcing to save costs

Securing New Growth driver

- Enter new market and secure new clients
 - Entering new market as India, Brazil, and Turkey
- Launch new products and expand line-up
 - building new relationship with advanced makers through pre-mounting and increasing product Line-up
- Strengthen overseas sales channel
 - Developing new business area and strengthening sales power

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Financial Structure Improvement - Group Level

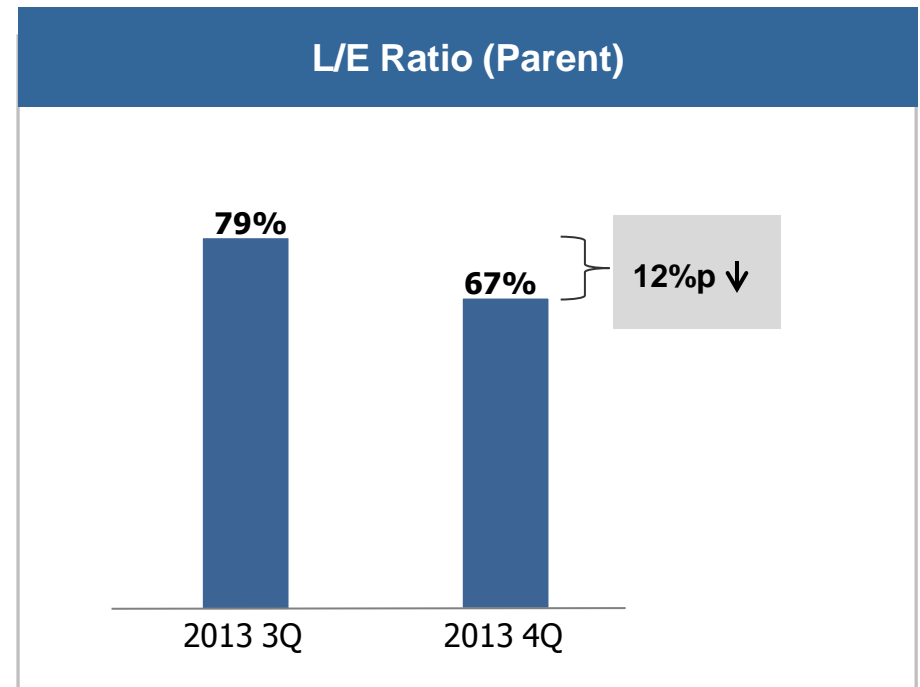
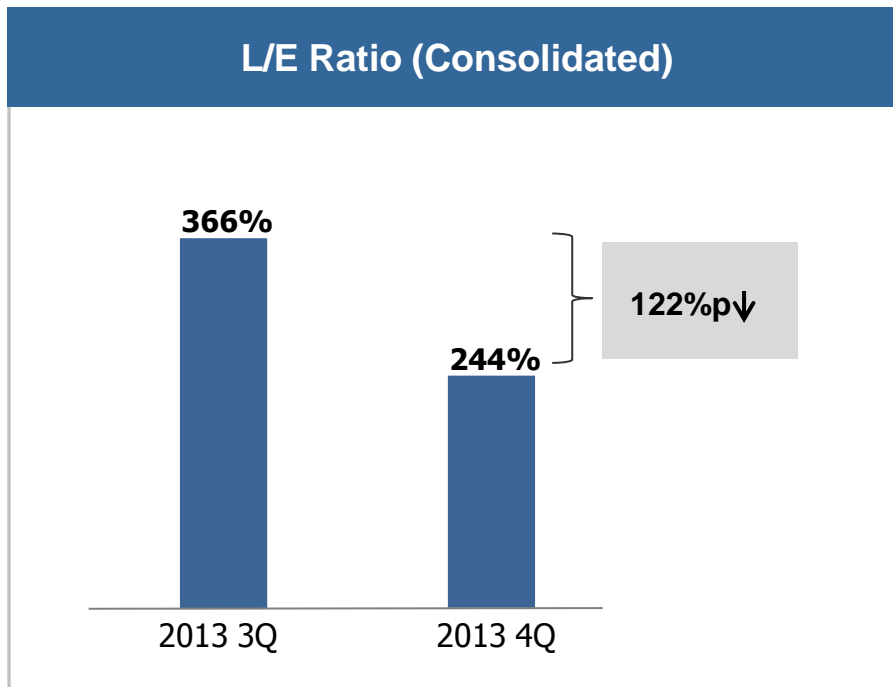
- Doosan group issued GDR(DI) and RCPS(DE&C) and disposed DHI's treasury shares in market to enhance financial soundness and to respond the market concern in advance
- Through these capital expansion activities, consolidated L/E ratio improved (366% → 244%*)

(unit : KRW bn)	Amount	Impact
GDR Issuance (DI)	421 bn	<ul style="list-style-type: none"> ✓ Improved financial structure with redemption of foreign currency debt <ul style="list-style-type: none"> ① L/E ratio dropped 82%p (306%→224%*) ② To save interest expense of 20bn per annum
RCPS Issuance (DE&C)	400 bn	<ul style="list-style-type: none"> ✓ Secured long-term liquidity and improved financial structure by paying down short-term borrowings <ul style="list-style-type: none"> ① L/E ratio dropped 72% (208%→ 136%*) ② Net debt decreased by 370bn YoY compared to end-2012
Treasury Shares Disposal (DHI)	303 bn	<ul style="list-style-type: none"> ✓ Enhanced financial soundness with capital expansion and increase in free floating shares <ul style="list-style-type: none"> ① L/E ratio dropped 76% (217%→141%*) ② To save interest expense of 13bn per a annum

* L/E ratio comparison for 2013 3Q and 4Q

Financial Structure Improvement - continued

- Doosan group's financial structure significantly improved through anticipative and long-range financial structure enhancement activities
 - In consolidated basis, L/E ratio improved 122%p compare to 3Q13
 - In parent basis, L/E ratio improved 12%p compare to 3Q13

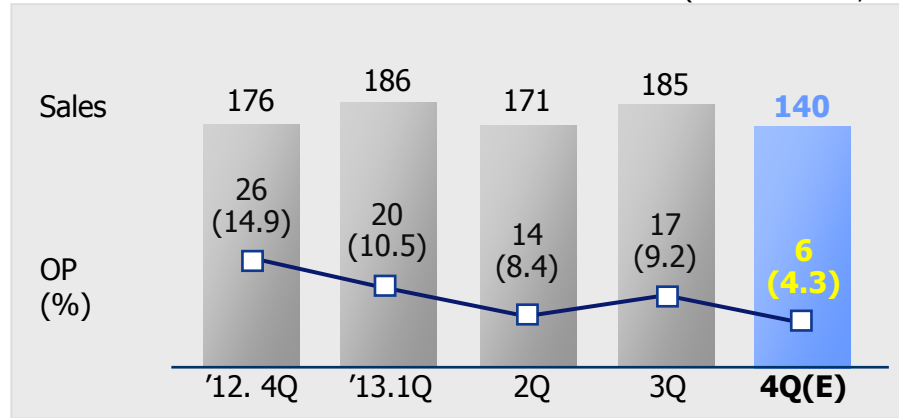


Appendix. Trend of In-house Businesses (Parent)

- EM's OP declined YoY due to absence of new product release in mobile phone industry
- IV's OP grew significantly thanks to the increase of domestic M/S and fleet deals in emerging market
- Mottrol turned into profit in 2013 4Q and I&C continued to generate stable profit

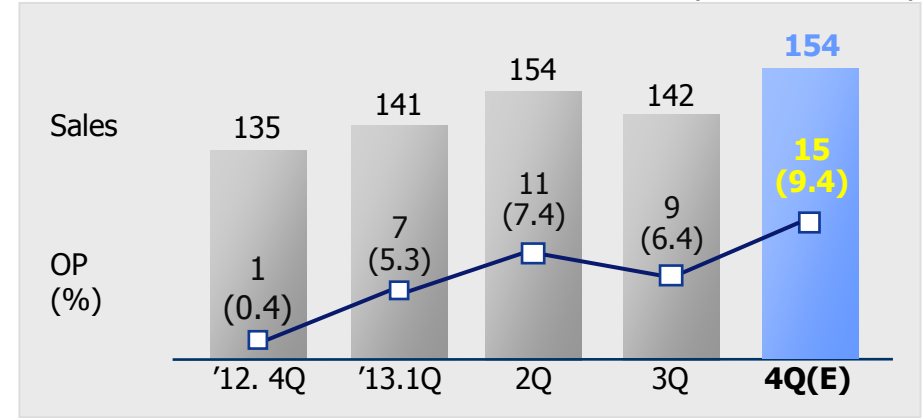
EMs

(unit : KRW bn, %)



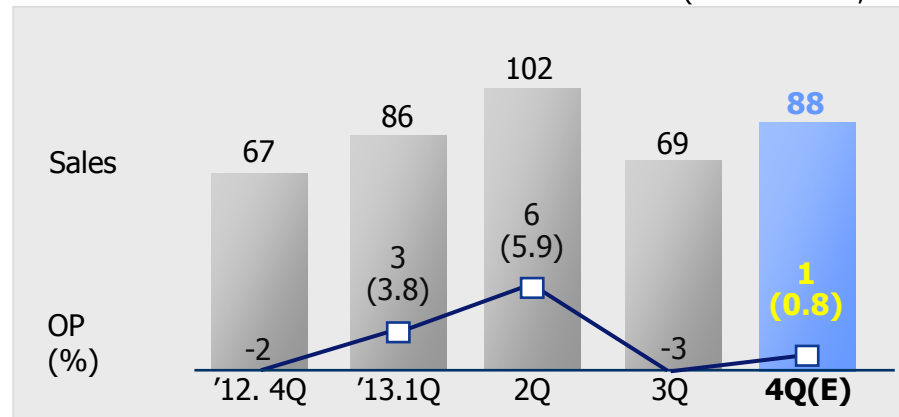
Industrial Vehicle

(unit : KRW bn, %)



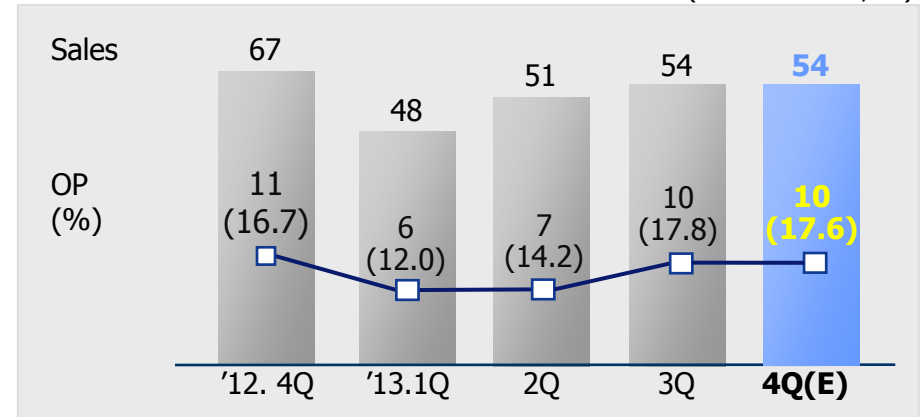
Mottrol

(unit : KRW bn, %)



I&C

(unit : KRW bn, %)



Appendix. Financial Summary

Financial Summary (B/S)

(unit : KRW bn)			(unit : KRW bn)		
B/S (Parent)		B/S (Consolidated)			
	3Q13	4Q13	3Q13	4Q13	
Current Assets	726	572	14,865	12,309	
Non-Current Assets	2,624	2,720	17,456	18,857	
Total Assets	3,350	3,292	32,321	31,166	
Current Liabilities	567	488	14,802	11,815	
Non-Current Liabilities	912	836	10,586	10,293	
Total Liabilities	1,479	1,324	25,388	22,108	
Paid-in Capital	133	133	4,288	3,039	
Equity	1,871	1,968	6,934	9,058	
L/E Ratio	79%	67%	L/E Ratio	366% 244%	

Debt

(unit : KRW bn)		
Items	Parent	
	2Q13	3Q13
Bank	321	263
Corp.Bonds	570	530
Others	53	53
Total Debt	944	846
Cash	121	101
Net Debt	822	745
Net D/E Ratio	44%	38%

E O D