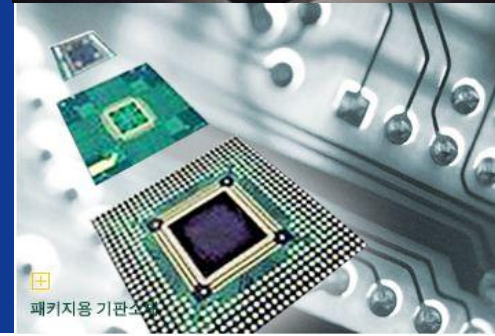




2014 1Q Results



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2014. 4. 29

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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2014 1Q Results (Consolidated)

- 1Q consolidated sales and OP slightly decreased YoY but OP margin improved YoY
 - Sales and OP of in-house business both grew substantially on the back of strong performance of industrial vehicle division
 - OP of subsidiaries decreased in line with sales slowdown, however, margin improved thanks to earning recovery at Infracore and E&C. (OPM 4.5% in 1Q13 → 4.8% in 1Q14)

(Unit : Krw bn, %)

	'13. 1Q	'13. 4Q	'14. 1Q	YoY	QoQ
Sales	5,195	5,736	4,764	-8.3%	-16.9%
▪ In-house	350	470	458	+30.9%	-2.6%
▪ Subsidiaries	4,845	5,266	4,306	-11.1%	-18.2%
OP (%)	248 (4.8%)	278 (4.8%)	239 (5.0%)	-3.6% (+0.2%P)	-13.8% (+0.2%P)
▪ In-house	30	24	34	+14.4%	+42.5%
▪ Subsidiaries	218	254	205	-6.0%	-19.1%

2014 1Q Results (Parent)

- 1Q OP increased 20.4% YoY and 74.6% QoQ, respectively
 - Industrial vehicle continued to grow steadily from both domestic and overseas markets
 - OP from Others grew thanks to stable brand royalty income and our cost savings initiatives
 - Dividend income continued to grow both YoY and QoQ.

(Unit : Krw bn, %)

	'13. 1Q	'13. 4Q	'14. 1Q	YoY	QoQ
Sales	387	492	504	+30.4%	+2.5%
OP (%)	67 (17.3%)	46 (9.4%)	80 (15.9%)	+20.4% (-1.4%P)	+74.6% (+6.5%P)
▪ In-house	30	24	34	+14.4%	+42.5%
- E-Ms	20	6	11	-42.1%	+88.3%
- Industrial vehicle	-	15	12	-	-20.7%
- Mottrol	3	1	-2	TR	TR
- I&C	6	10	8	+34.5%	-17.9%
- Others*	1	-7	5	+307.7%	TB
▪ Dividend Income	37	22	46	+25.3%	+109.5%

* Brand royalty, inter-company transaction, etc.

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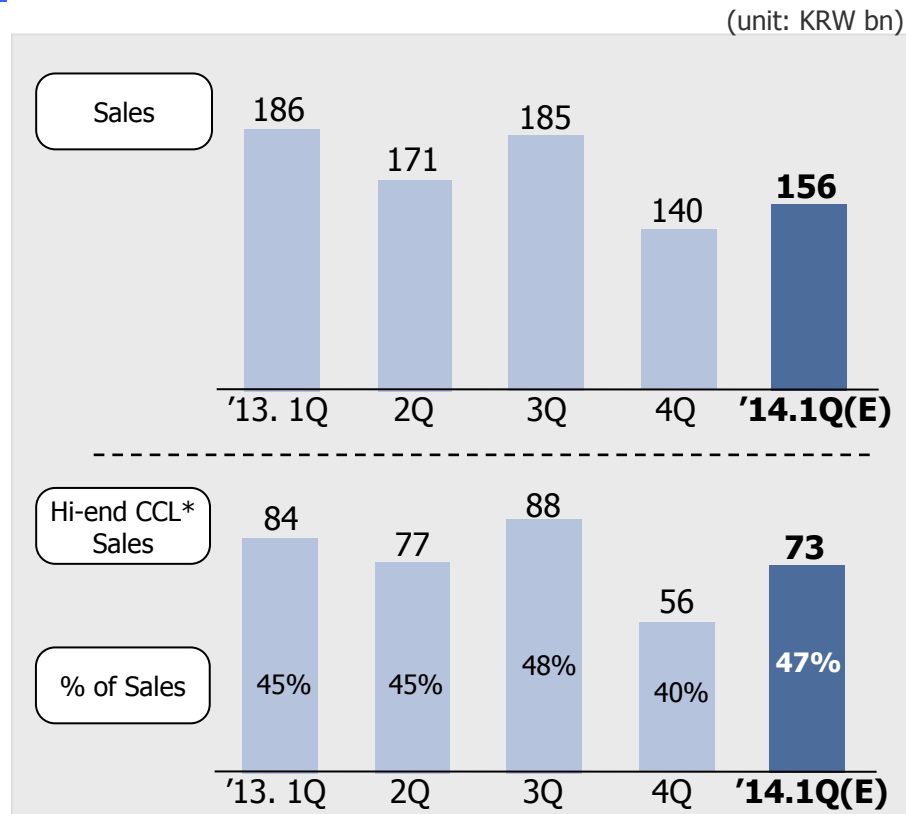
2 Core Strategies of In-house Businesses

Appendix

E-Ms — 1Q Results (Parent)

- 1Q sales and OP slightly declined YoY, however increased significantly QoQ
 - High-end CCL accounted for 47% of total E-Ms sales, a continued improvement YoY
- Impact from new product release of major clients was only partially recognized in 1Q, and is expected to be fully reflected from 2Q

Quarterly Sales of E-Ms and high-end CCL



* FCCL, Package CCL, Network board CCL

2014 1Q Results

1

Securing growth by client diversification

- Strengthened sales force (Added R&D personnel)
- Diversified clients to Japanese and Chinese PCB makers
 - Received approval from Japanese PCB makers (company M and S) to supply to Chinese set makers
 - Secured Chinese dealers to expand Chinese business

2

Improving production process and Cost structure

- Maximized operation capacity and upgraded quality by improving the production process
- Increased production efficiency through improving production environment
- Improved profitability by diversifying sourcing of raw materials and placing cost saving initiatives

E-Ms — 2Q and 2014 Outlook (Parent)

- Expect strong rebound in OP during 2Q on the back of increasing sales of FCCL and PKG CCL from series of new product launches of set makers
- 2014 full year OP to grow YoY thanks to growing sales of high-end products and improving product efficiency

Key Strategy

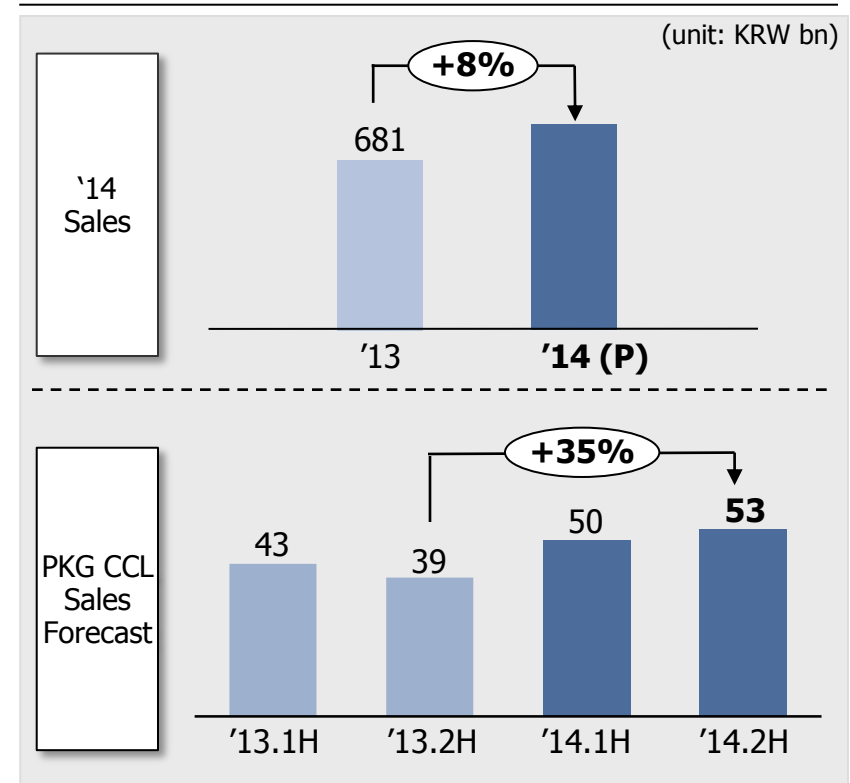
Growth

- Active penetration into target overseas markets such as China
- Expand product portfolio to create synergy with existing products
- Search for inorganic growth opportunities

Profitability

- Increase sales of high-end products
- Continue growth of FCCL sales from new smart phone releases
- Enhance production efficiency through local sourcing and improving production process

'14 Sales Forecast



E-Ms — Market Condition and Outlook

- Sales and OP to increase significantly in 2014 thanks to new smart phone and tablet PC release of set makers
 - Sales contribution of high-end CCL to grow from 2Q
 - Global sales of core products to increase through client expansion and target market diversification
- Tablet PC market to grow continuously in '14
 - Tablet PC market is expected to grow 19% YoY in '14

New smart phone and tablet PC release plan

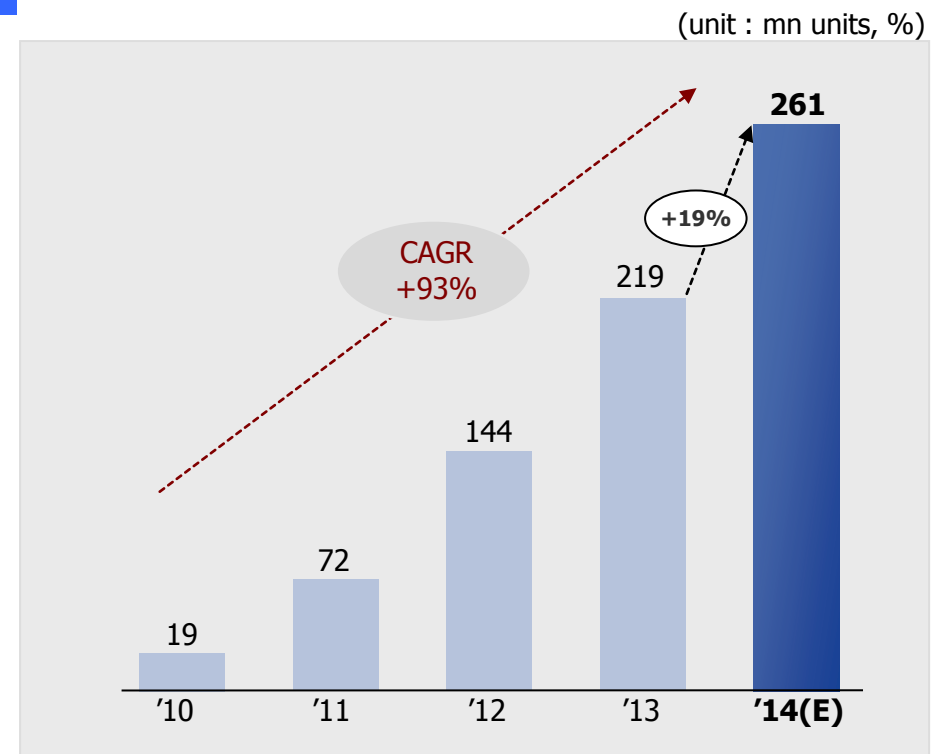


	Company	Product	Release Date
Smart phone	Company S	S5	'14.1Q
		N4	'14.3Q
	Company A	I6	'14.2~3Q
		I6S	'14.3~4Q

Tablet PC	Company S	T series	'14.2Q
	Company A	I series	'14.3~4Q

※ Source: media

Tablet PC market outlook

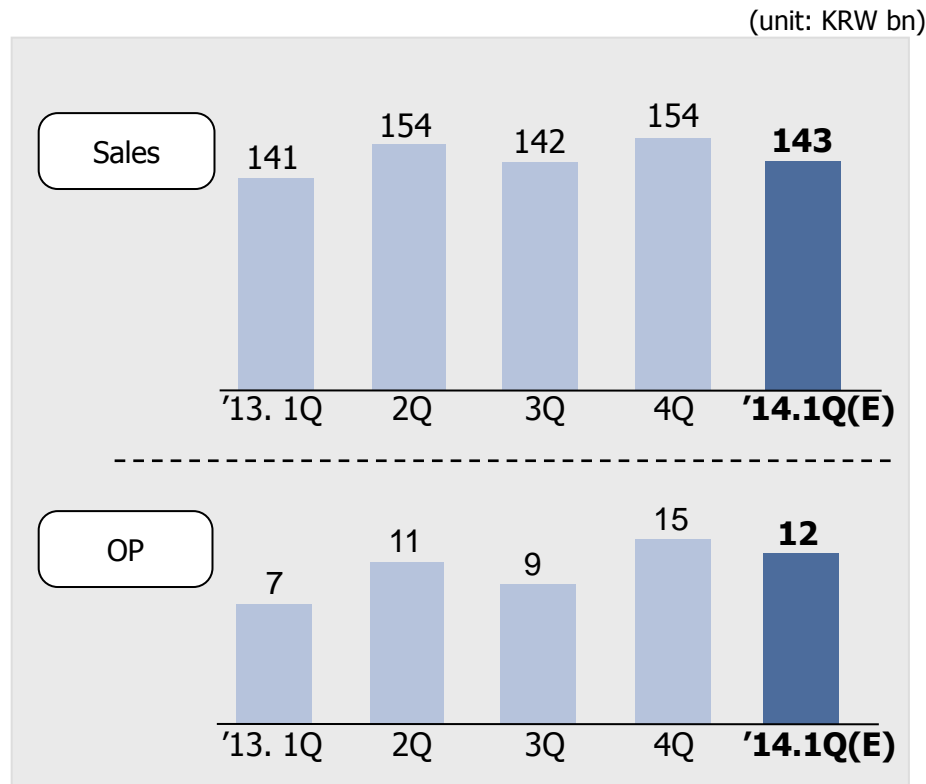


※ Source: IDC(shipment)

Industrial Vehicle – 1Q Results (Parent)

- Sales increased 1.2% YoY and OP grew 55.4% YoY in 1Q
- Sales of domestic and developed markets increased 19% and 8%, respectively, thanks to market recovery
As we focus our efforts to further penetrate these markets, we continue to expect growth throughout the year

Quarterly Sales and OP



1Q Results

1

Securing domestic Leadership

- Secured leadership in the domestic market backed by stable supply and positive reviews on G2 engine installed products (M/S 52.3%, +0.3%pt YoY)
- Received large-sized fleet orders from military and logistic companies
- Developed program to improve dealer network

2

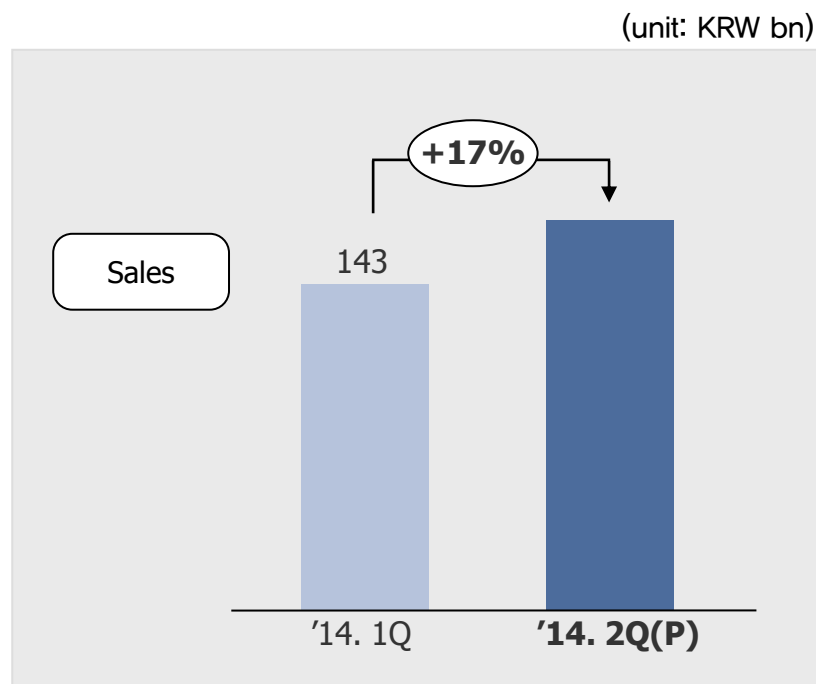
Strengthening Overseas Positioning

- Received 2014 UK FLTA Award (D25S, a forklift with G2 engine)
- Completed public-based military and government orders in the U.S.
- Improved profitability through expanding M/S of large sized products in the Middle East

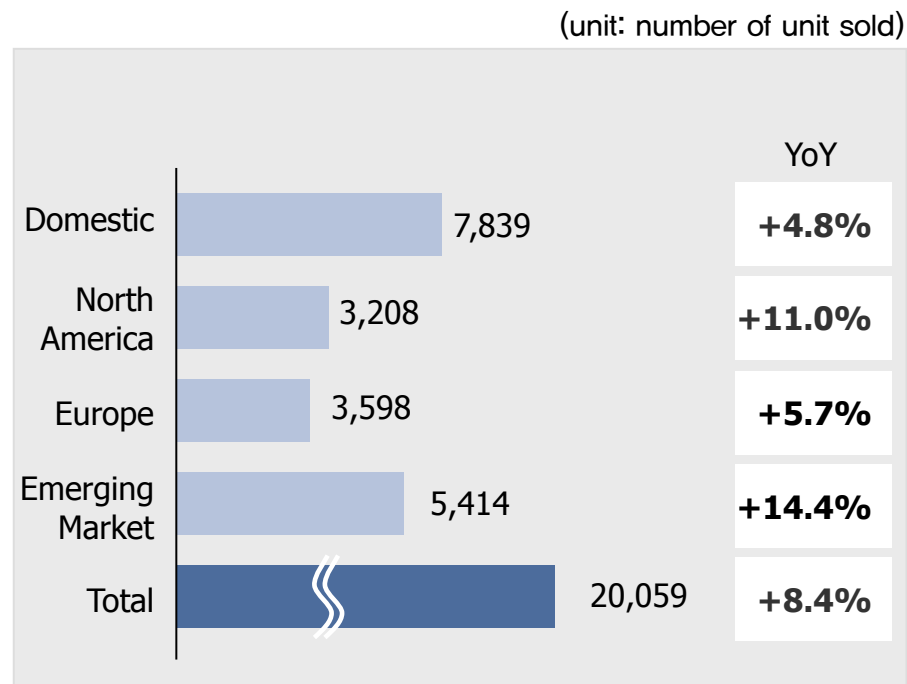
Industrial Vehicle – 2Q and 2014 Outlook (Parent)

- Expect both 2Q and 2014 annual OP to grow YoY thanks to global economic recovery
 - Plan to expand sales of eco-friendly forklifts and pursue large-sized fleet deal orders from major logistic companies based on its dominant market position
 - To enter rental market in the U.S. and Europe that are in a process of rapid economic recovery
 - To secure orders from major clients(rental and local construction companies) in the Middle East
 - To diversify client base and enter emerging market by building new networks in Africa

2Q Outlook



'14 Sales Forecast by regions

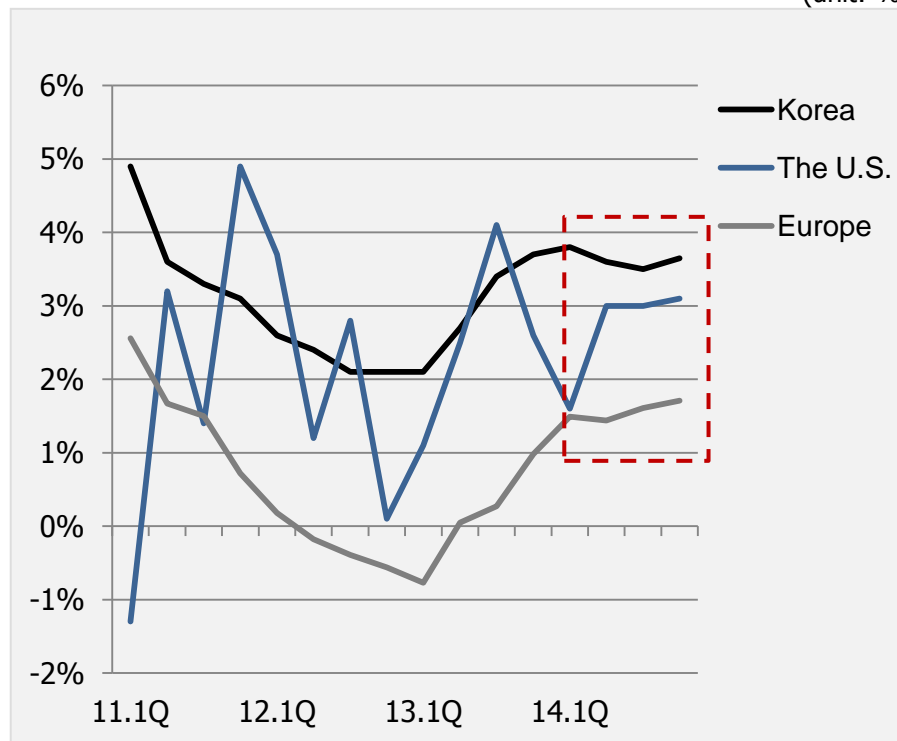


Industrial Vehicle – Market Condition and Outlook

- Sales of Industrial Vehicle to grow continuously from favorable economic conditions in both domestic and developed market
 - Stable market growth in Korea, US and Europe in line with global economic recovery
 - Stronger market presence in Middle East by targeting sizable new major clients

Quarterly GDP Growth

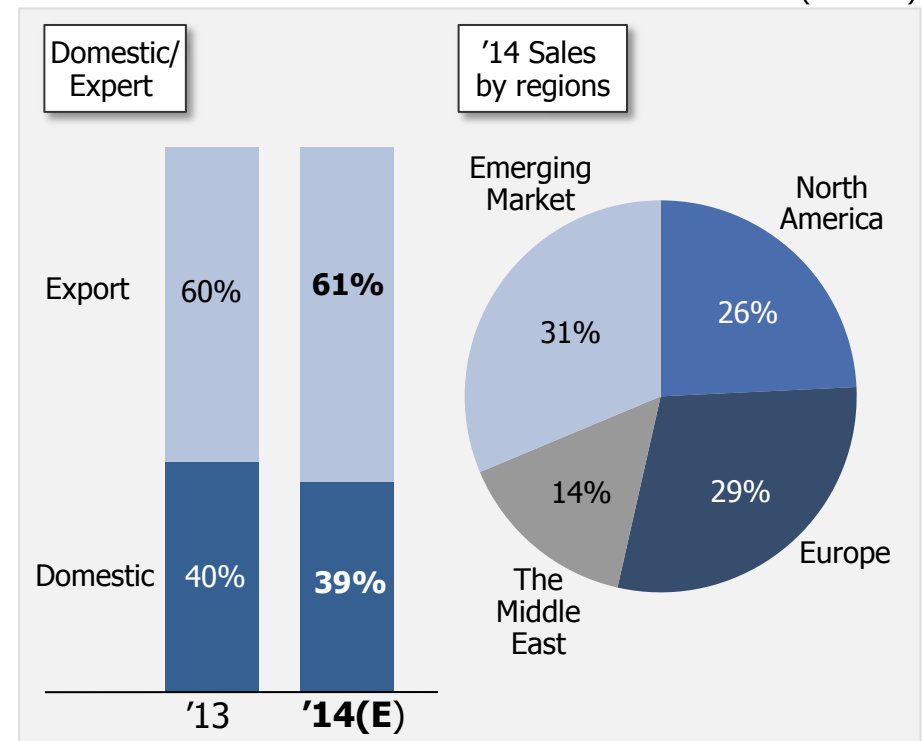
(unit: %)



※ Source: Bloomberg

Sales by regions

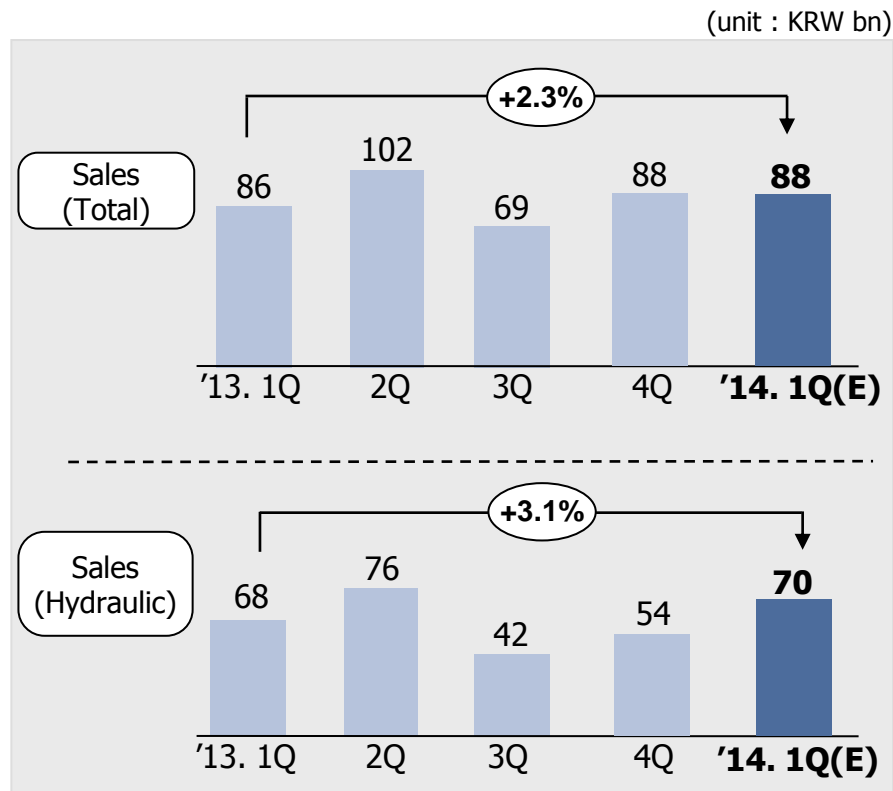
(unit : %)



Mottrol – 1Q Results(Parent)

- 1Q sales increased 2.3% YoY to 88bn while OP turned negative
- Despite the sluggish construction market condition in China as well as in domestic market, 1Q sales grew from increasing sales to global leading excavator companies in developed markets

Sales Trend (Total Mottrol and Hydraulic)



1Q Results

1

Diversifying product portfolio

- Improved product portfolio by supplying new products
 - China : Supply 3 products to company S and X
 - Others : Supply traveling devices to company C
- Built strategic partnership with Chinese clients
 - Increased set-base sales to Chinese company X

2

Improving Profitability

- Increased local sourcing in China
 - Finished quality test and ready to produce (~July)
- Improved production efficiency and reduced production cost

Mottrol – 2014 Outlook (Parent)

- Expect 2014 sales to grow 7% YoY to 370bn
- Plan to expand M/S in China consistently through the launch of new products and improve profitability by pursuing local sourcing

2014 Key Business Plan

Growth

- Expand supply of new products
 - Chinese major client(S,X,L) : 10 new products
 - Other foreign clients in china : 6 new products
- Strengthen technology exchange with Chinese clients (Swing device and pump)
- Increase set-base sales to Chinese local players

Profitability

- Strengthen cost competitiveness through local sourcing in China
- Improve profitability via cost saving initiatives
- Enhance production efficiency

(unit : KRW bn)

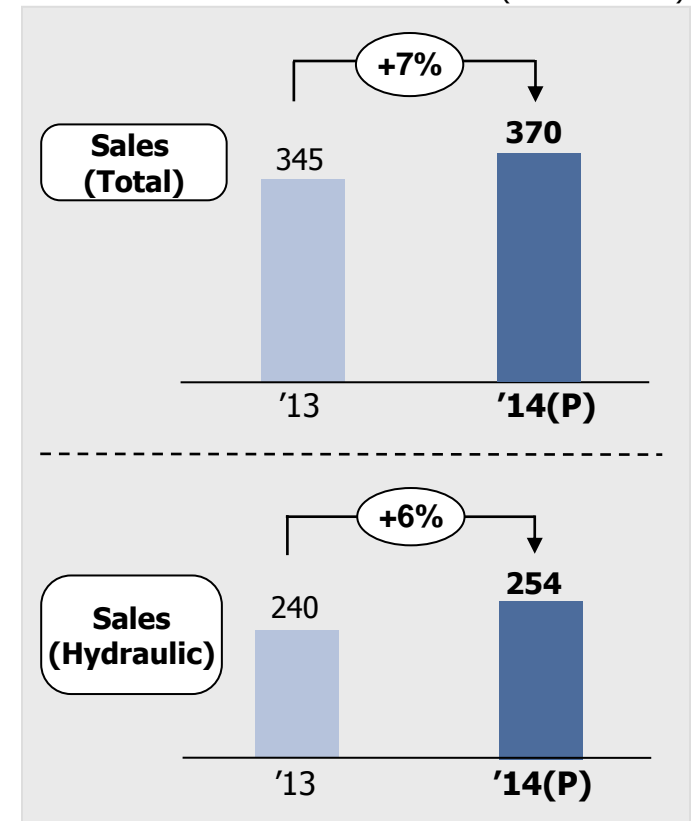


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Appendix. 1Q Results of Subsidiaries — Consolidated

- Heavy sales and OP slightly decreased, however, OPM improved both YoY and QoQ
- Infracore OP increased remarkably YoY from region/product mix improvement and turnaround in Engine BG
- E&C OP grew both YoY and QoQ thanks to business restructuring and order growth
- Engine OP turned red from product mix deterioration but should turnaround with new orders received from '13

(unit : KRW bn, %)

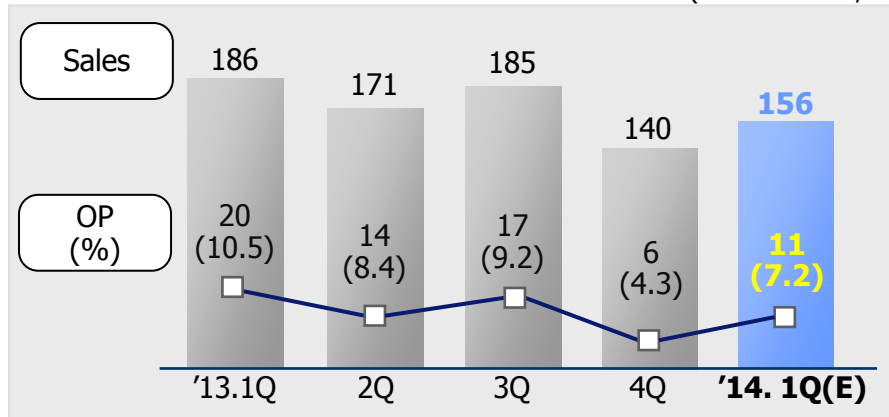
		'13. 1Q	'13. 4Q	'14. 1Q	YoY	QoQ
Heavy	Sales	4,529	4,956	4,177	-7.8%	-15.7%
	OP (%)	206 (4.5%)	217 (4.4%)	203 (4.9%)	-1.1% (+0.4%P)	-6.3% (+0.5%P)
Infracore	Sales	1,789	1,887	1,809	1.1%	-4.1%
	OP (%)	57 (3.2%)	88 (4.7%)	99 (5.5%)	72.9% (+2.3%P)	12.1% (+0.8%P)
E&C	Sales	567	634	518	-8.5%	-18.3%
	OP (%)	13 (2.2%)	6 (1.0%)	23 (4.5%)	84.3% (+2.3P)	283.6% (+3.5P)
Engine	Sales	214	144	165	-23.1%	14.2%
	OP (%)	6 (2.8%)	- (0.1%)	-19 (-11.6)	TR	TR

Appendix. Quarterly Results – In-house Business

- E-Ms OP slightly decreased YoY since the impact of new product release from major clients was delayed in 1Q
- Industrial Vehicle OP grew dramatically thanks to expanding M/S in domestic and strong performance in Europe

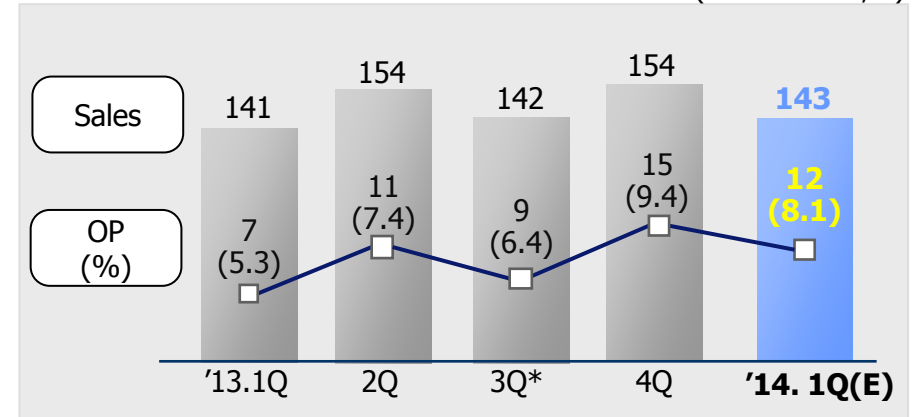
E-Ms

(unit: KRW bn,%)



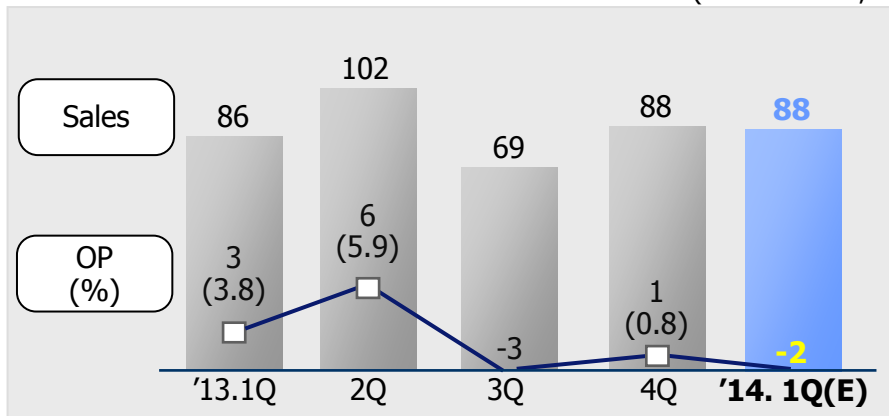
Industrial Vehicle

(unit: KRW bn,%)



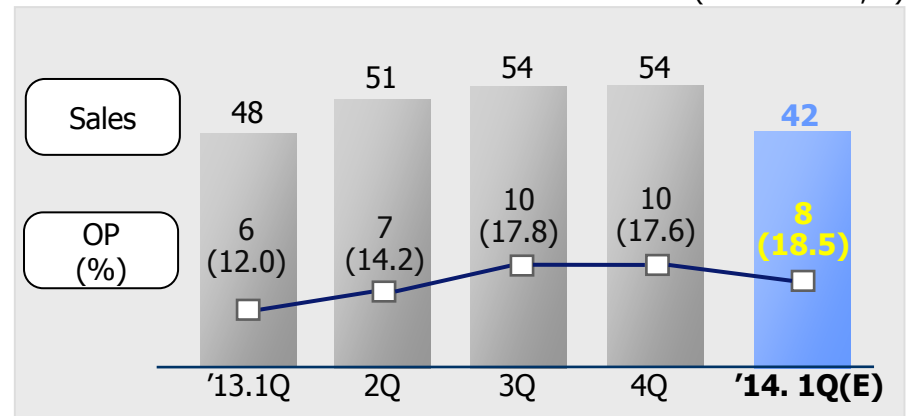
Mottrol

(unit: KRW bn,%)



I&C

(unit: KRW bn,%)



Appendix. Financial Summary

Financial Summary (B/S)

	(unit: KRW bn)		(unit: KRW bn)	
	Parent		Consolidated	
	'13. 4Q	'14. 1Q	'13. 4Q	'14. 1Q
Current Asset	572	690	12,309	13,010
Non-Current Asset	2,720	2,726	18,857	18,917
Total Assets	3,292	3,415	31,166	31,927
Current Liabilities	488	660	11,815	13,378
Non-Current Liabilities	836	783	10,293	9,517
Total Liabilities	1,324	1,443	22,108	22,895
Paid-in Capital	133	133	3,039	3,041
Total Equity	1,968	1,972	9,058	9,032
L/E Ratio	67%	73%	244%	253%

Debt

	(unit: KRW bn)	
	Parent	
	'13. 4Q	'14. 1Q
Bank	263	270
Corp. Bonds	530	530
Others	53	53
Debt	846	853
Cash	101	68
Net Debt	745	785
Net D/E Ratio	38%	40%