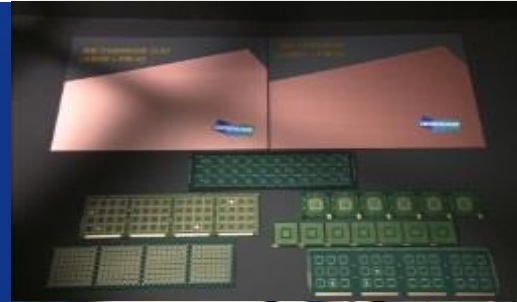




Doosan Corporation

Quarterly Business Review 3Q 2015

2015. 11



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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3Q Result (Parent)

- 3Q Sales and OP grew 9.7% YoY to 34 KRW bn.
 - Earnings of in-house businesses shows steady growth thanks to product mix improvement of E-Ms and sales growth of Industrial Vehicle in both domestic and overseas markets
- Dividend Income, etc decreased on YoY basis due to one-time dividend income increase in 3Q14 from KFC disposal

(in KRW bn, %)

	3Q14	2Q15	3Q15	YoY	QoQ
Sales	584	457	438	-25.0%	-4.1%
OP (%)	140 (24.0%)	42 (9.1%)	22 (5.1%)	-84.2% (-18.9%P)	-46.7% (-4.0%P)
▪ In-house ¹⁾	31	39	34	+9.7%	-12.0%
▪ Dividend Income, etc ²⁾	109	3	-12	-	-

1) In-house : E-Ms, Industrial Vehicle, Mottrol, Information & Communication, Fuel Cell

2) Dividend Income, etc : Dividend Income, internal adjustment, and others

3Q Result (Consolidated)

- Consolidated sales and OP of 3Q decreased both YoY and QoQ.
 - OP of subsidiaries decreased both YoY and QoQ due to one-off cost from subsidiaries, however earnings and financial structure are expected to improve with better order outlook of DHI and disposal of machine tools division / Pre-IPO of Doosan Infracore.

(in KRW bn, %)

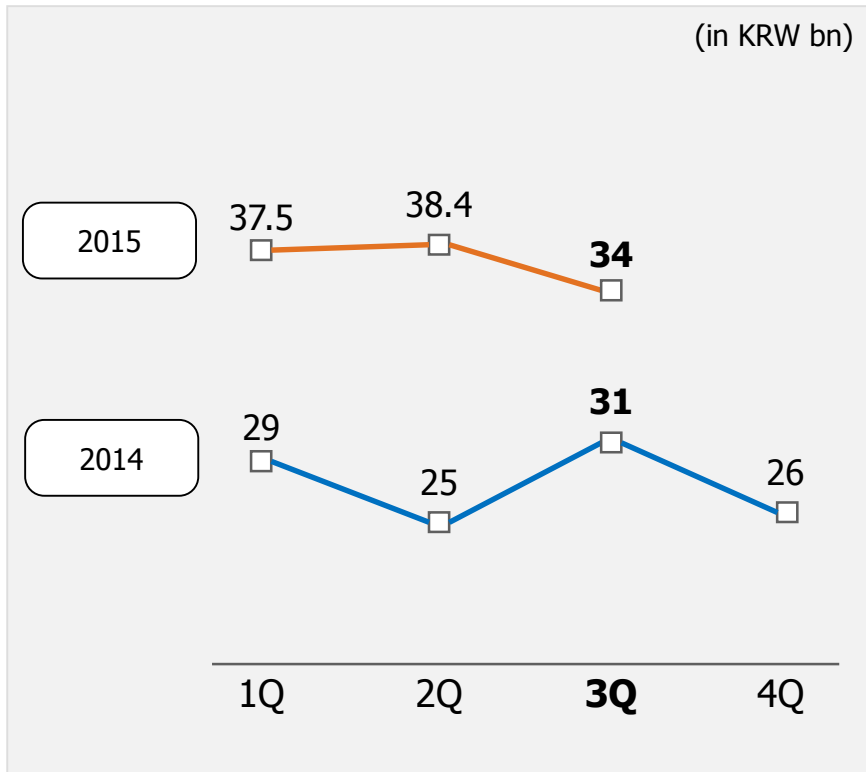
	3Q14	2Q15	3Q15	YoY	QoQ
Sales	4,943	4,919	4,523	-8.5%	-8.1%
▪ In-house ¹⁾	432	423	407	-5.7%	-3.8%
▪ Subsidiaries	4,511	4,495	4,115	-8.8%	-8.5%
OP (%)	207 (4.2%)	308 (6.3%)	114 (2.5%)	-45.1% (-1.7%P)	-63.1% (-3.8%P)
▪ In-house	31	38	34	+9.7%	-12.0%
▪ Subsidiaries	176	269	80	-54.7%	-70.4%

1) In-house : E-Ms, Industrial Vehicle, Mottrol, Information & Communication, Fuel Cell

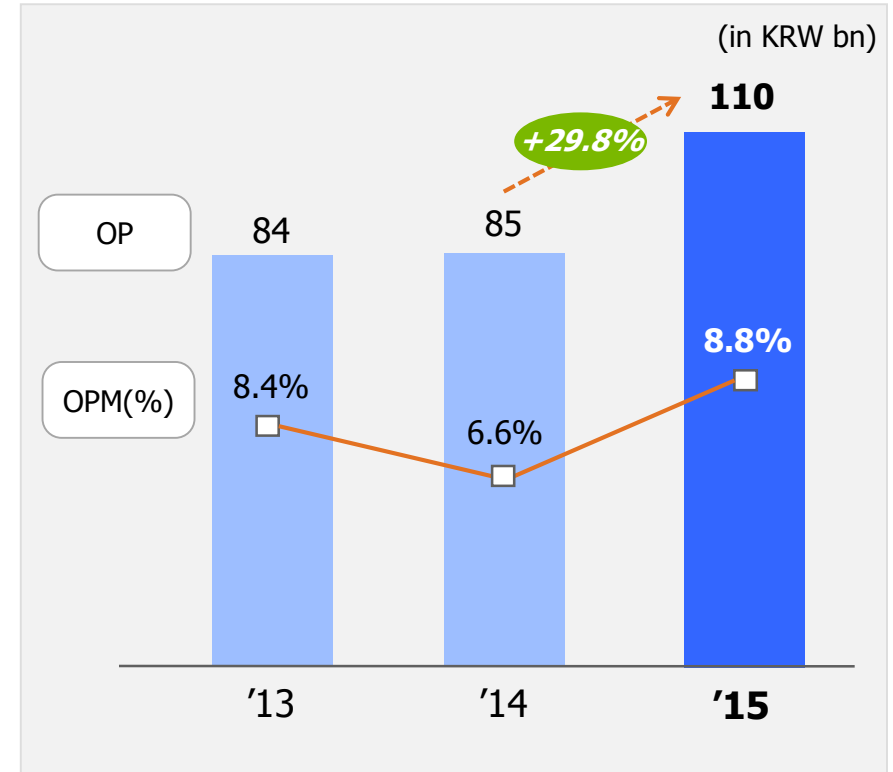
3Q Result (Parent) – Steady Improvement of Profitability

- Overall quarterly OP of 2015 is recorded to be higher than that of 2014.
- Cumulative 3Q OP of In-house business is KRW 110 bn, approx. 30% YoY-increase.

Quarterly OP Trend of In-house Biz.¹⁾



Yearly Cumulative OP (3Q) of In-house Biz.

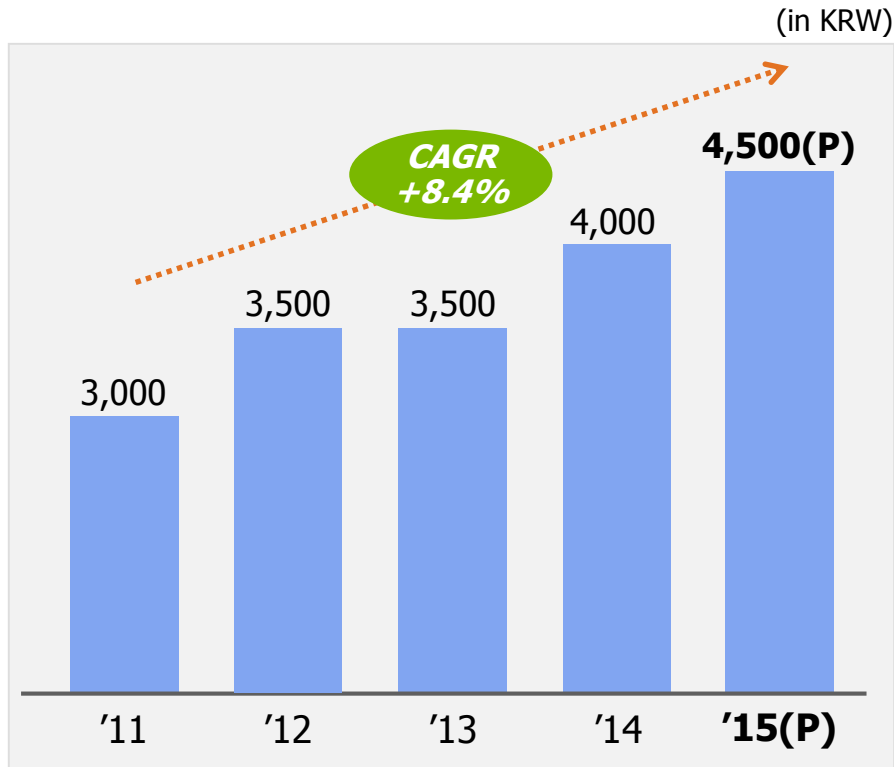


1) In-house : E-Ms, Industrial Vehicle, Mottrol, Information & Communication, Fuel Cell

Dividend Plan and Transparent Corporate Structure

- DPS of KRW 4,500(P) was publicly disclosed for 2015 fiscal year, last August.
- Doosan Group was assessed, by Korea Corporate Governance Service, as Number 1 company with most transparent corporate governance structure among 20 biggest Korean conglomerates.

Annual DPS Trend



Dividend Plan & Transparent Corporate Structure

1

Dividend Plan for 2015 Fiscal Year

- DPS constantly increased starting from DPS of KRW 1,000 in 2008.
- Expected to exceed market average dividend payout ratio and yield ratio

2

Transparent Corporate Structure

- Selected as a company of most transparent corporate structure with score of 40.6 (average 25.9)
 - Scored highest in all of individual criteria such as shareholder right protection, board of directors, public disclosure and more.

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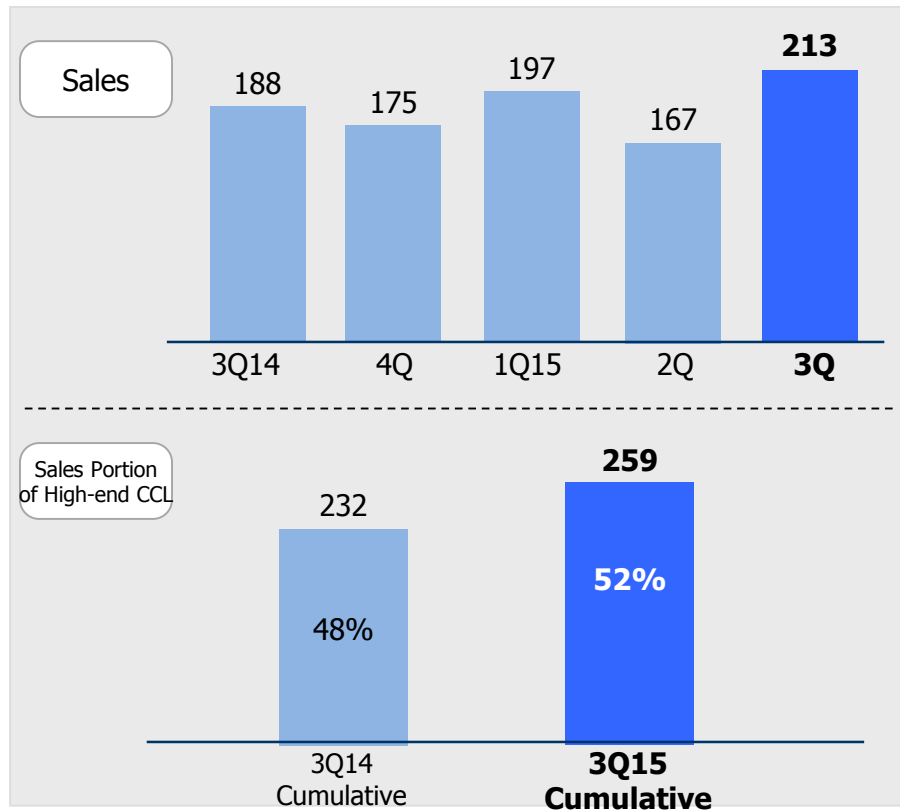
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E-Ms — 3Q Results (Consolidated) and 4Q Outlook

- 3Q sales grew both YoY and QoQ, 13% and 29% respectively, thanks to increased overseas sales and improved earnings of CFL after acquisition.

Quarterly Sales and Sales % of High-end CCL¹⁾

(in KRW bn)



3Q Result and 4Q Outlook

1

3Q Result

- Improved product mix with increasing sales of High-end CCL
 - 3Q (Cumulative) 48% in '14 → 52% in '15, 4%P ↑
- Secured the foundation for stable earnings
 - Concentrated on cost-cuts and fixed cost optimization
 - Improved profitability of overseas branches (Changshu in China, CFL in Luxembourg)

2

4Q Outlook

- Continue to improve profitability with larger sales portion of High-end CCL²⁾
 - 51% in '14.2H → 54% in '15. 2H, 3%P ↑
- Increase sales of Coverlay and seek new business opportunity with existing core technology

1) High-end CCL : Package CCL, Network Board, FCCL

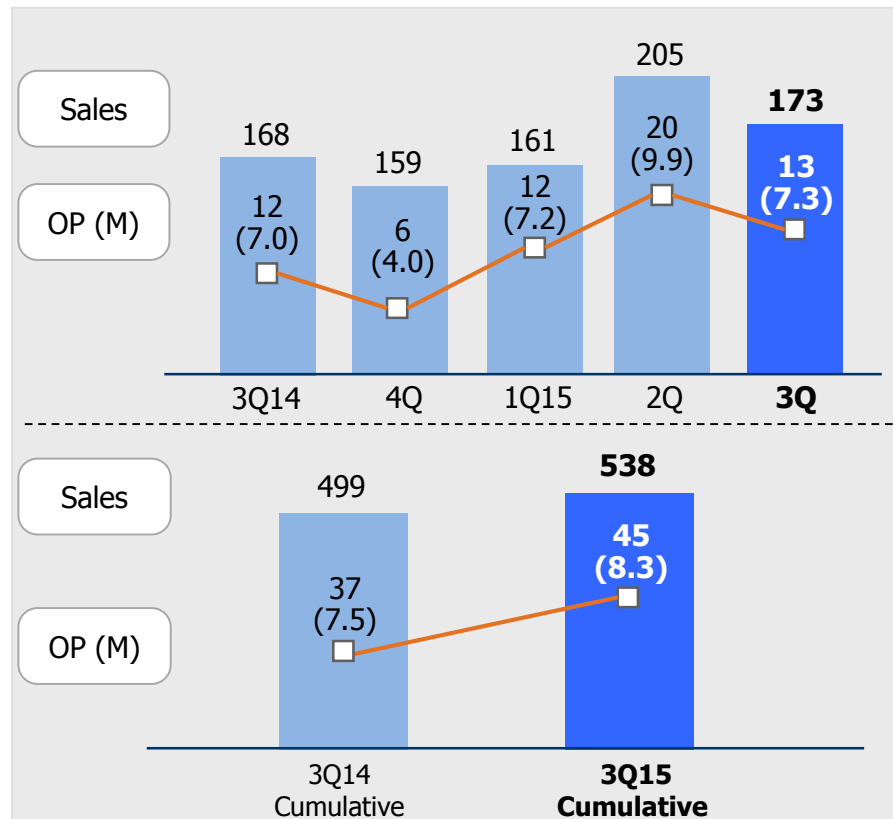
2) 25% in 2012 → 54% in 2015

Industrial Vehicle – 3Q Results (Consolidated) and 4Q Outlook

- In 3Q15, OP came in at KRW 12.7 bn on sales of KRW 173 bn, showing continued YoY growth
 - Due to ASP increase following Tier-4 introduction in domestic market in July, quarterly sales fell slightly QoQ.
- Cumulated sales and OP grew 7.9%, 19.4% respectively on YoY basis, thanks to expanding overseas business.

Quarterly Sales and OP Trend (Consol.)

(in KRW bn)



3Q Results and 4Q Outlook

1

3Q Results

- Maintained market dominance with domestic M/S of over 50%
 - Strengthened competitiveness with successful introduction of Tier-4 Models
- Expanded Rushlift business in U.K.
 - Entered into Airport logistics business and started to show visible performance
- Increased sales in Europe via introduction of new electric-type models

2

4Q Outlook

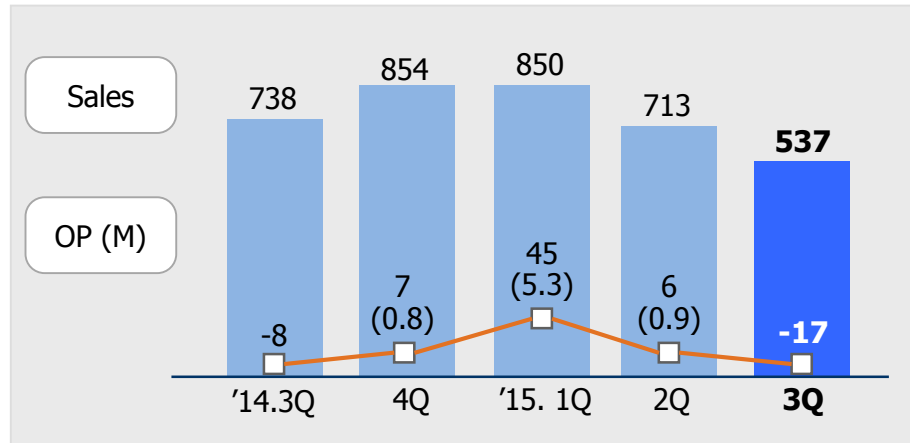
- Increase sales of Tier-4 and electric-type models in domestic market
- Increase overseas sales with Rushlift branch in U.K.

Mottrol – 3Q Results (Consolidated) and 4Q Outlook

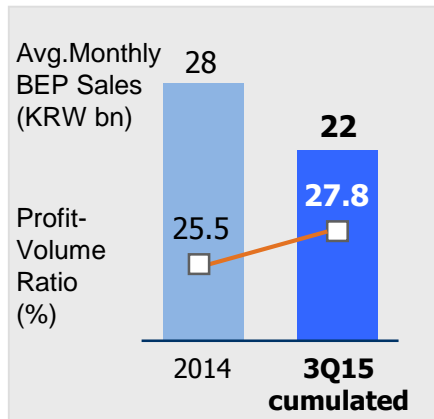
- 3Q sales decreased under the influence of seasonality and continued sluggish condition of Chinese excavator market. However, M/S in China market increased with diversification of clientele and products, and division-wide cost cut efforts led to better BEP sales and PV ratio.

Quarterly Sales and OP Trend (Consol.)

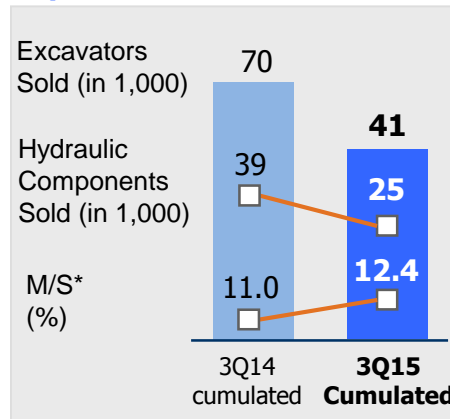
(in KRW bn)



BEP Sales and PV Ratio



M/S in China Market



* Calculation based on Excavators Sold

3Q Results and 4Q Outlook

1

3Q Results

- M/S in china market Grew from 11.0% to 12.4%
 - Even under sluggish excavator market condition in china, successfully increased M/S
- Supplied new products to major clients in China
 - Began providing hydraulic pumps to Volvo
- Reduced costs through local-sourcing in China, quality improvement

2

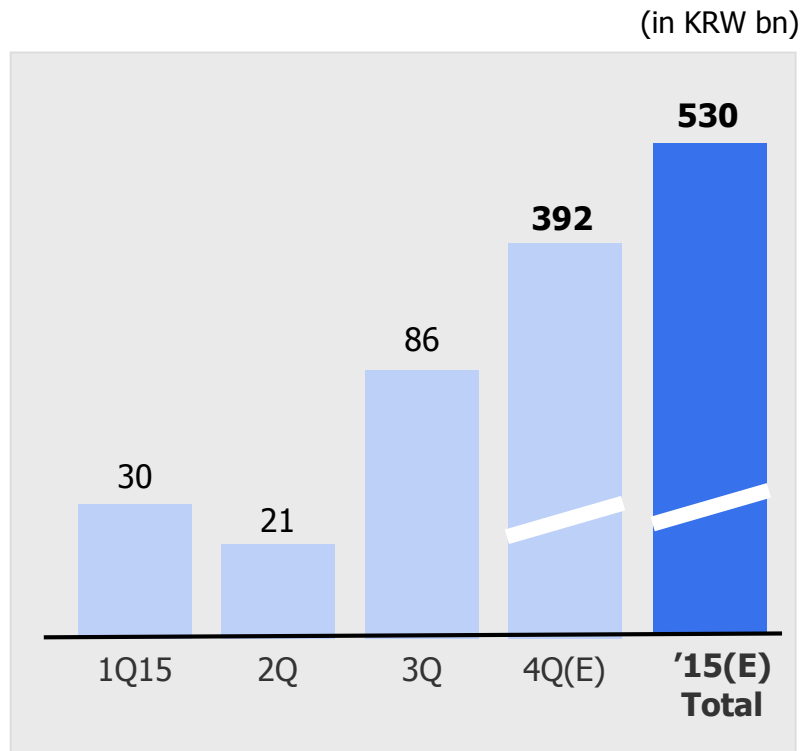
4Q Outlook

- Supply new products to clients in China and advanced markets
- Continue to improve profitability
 - Start dualized mass production of swing device
 - Start mass production of travel device with local sourcing
 - Continue personnel rationalization

Fuel Cell – 3Q Results (Consolidated) and 4Q Outlook

- After stabilizing production system in 1H15, Fuel Cell is expected to win orders worth KRW 530 bn in '15.
 - Expected to exceed original annual order plan of KRW 400 bn
- Especially with revenue from SPC projects starting to be recognized on top of meeting cost reduction goal, Quarterly OP turns black for the first time in 3Q15.

Quarterly Order Trend (Consol.)



3Q Results and 4Q Outlook

1

3Q Results

- Secured project pool for 2015 and 2016
- Achieved cost-cuts via collaborative R&D with Fuel Cell America
- Increased production capacity of U.S. factory and penetrated into distributed generation plant market
- Re-built major supply chain and ran the factory in full production capacity

2

4Q Outlook

- Attempt to win additional projects in Korea
- Build sales system and set up marketing strategy for entrance into overseas / commercial building-usage / bio-mass market.

Fuel Cell – Orders Won in 2015

- Fuel Cell division won two contracts in October, a 31MW order with Busan Green Energy, an affiliate of Korea Hydro & Nuclear Power, and the other 5MW order with Korea West Power in Incheon.
- With these two new contracts, including Korea South-East Power in Bundang deal earlier this year, Fuel Cell division is expected to win orders worth KRW 530 bn in 2015.

Key New Orders

	Busan Green Energy	KoWePo
Orderer	Samsung C&T	KoWePo
Capacity	31MW	5MW
Location	Busan	Incheon
Remarks	<ul style="list-style-type: none"> World's Largest PAFC PJT Urban-friendly Fuel Cell site with multi-story installation 	<ul style="list-style-type: none"> Provided output-improved model abled by R&D Production & delivery all in 3 months

New Orders in 2015

PJT Name	Order Amount (in KRW bn)
Green Energy	280
KOSEP Bundang	61
KoWePO Incheon	50
VFS (U.S.)	40
Aquarium (U.S.)	20
BioFuelcell (U.S.)	14
Amgraph (U.S.)	16
CT Transit (U.S.)	60
Total	Approx. 530

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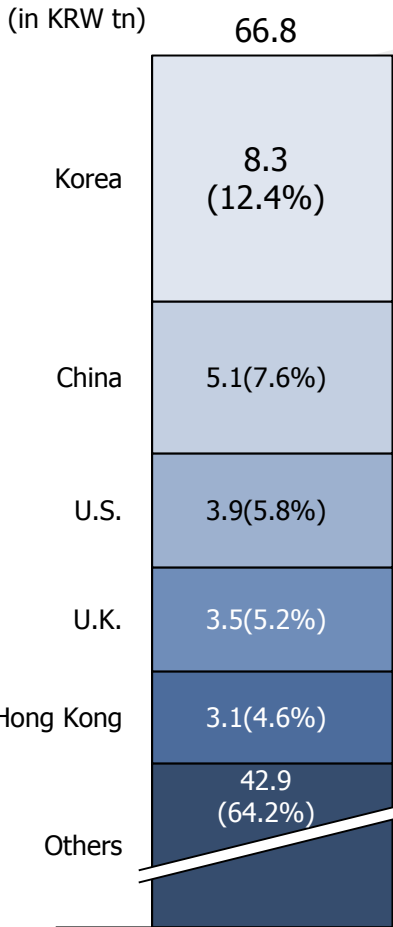
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Global and Domestic DFS Market

- Domestic DFS¹⁾ market continues its expansion¹⁾, and the market is expected to transform from oligopoly of a few players to more competitive market with multiple players in 2016.

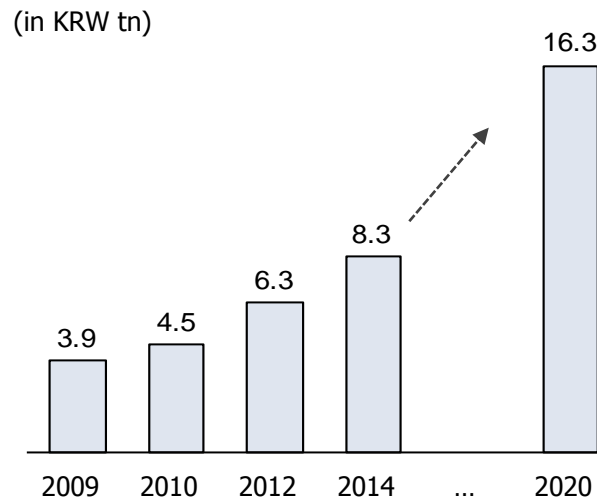
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Global DFS Market (2014)



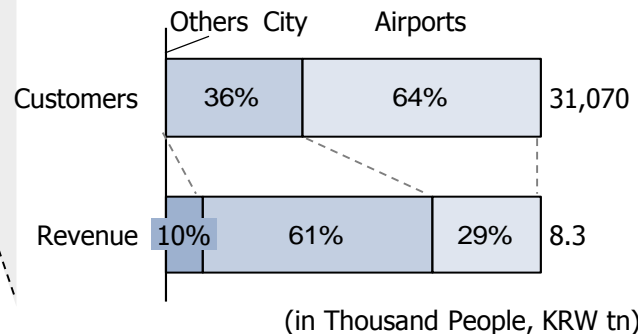
2

Domestic Market Growth Trend



3

City and Airport DFS (2014)



1

DFS market in Korea is the largest market in the world.

2

Domestic DFS market has continued to grow ('09~'14 CAGR 18%), and is expected to reach KRW 16.3 tn in 2020. ('14~'20 CAGR 12%)

3

Customer transaction in city DFS is around 3.8 times bigger than that in airport DFS.

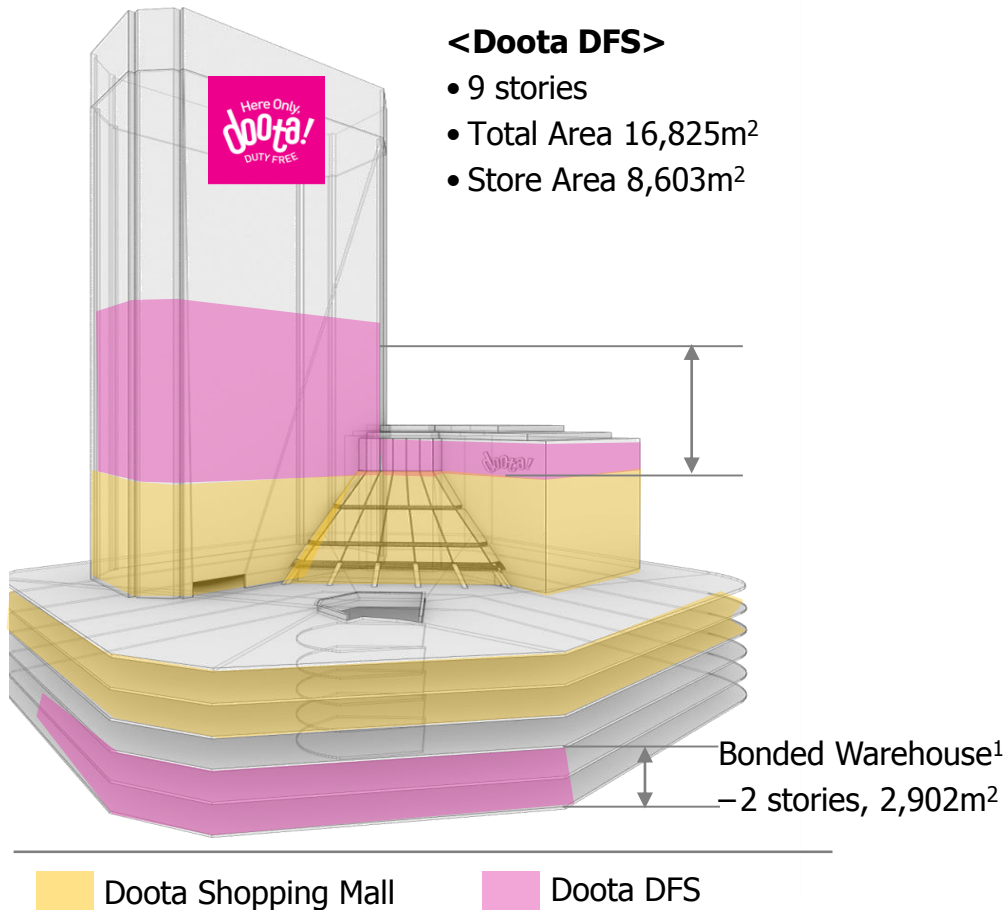
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M/S of two dominant players captured 81% of DFS market in 2014, but with new players entering, M/S of DFS market is up to be reorganized.

1) DFS : Duty Free Shop

Doota DFS - Introduction

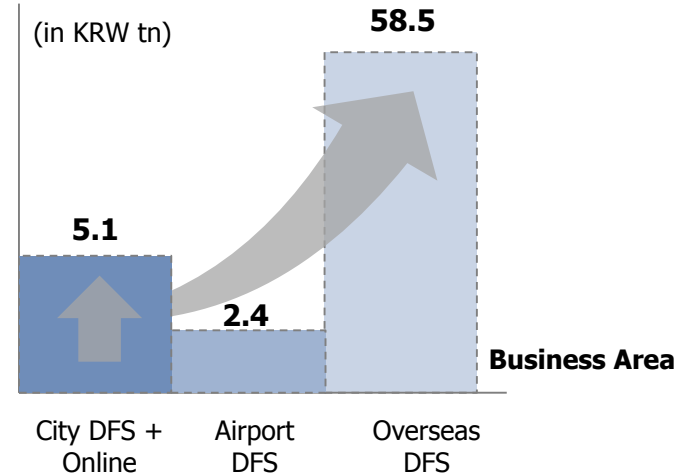
- Doosan Corp. plans to operate DFS in total area of 16,825m² on 9 stories in Doosan Tower, a landmark of Dongdaemun which is one of top Seoul attractions where 7.1 million tourists visit annually.



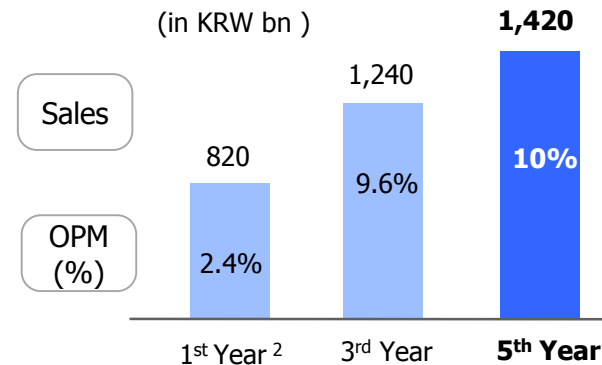
1. Area of bonded warehouse is included in total area
2. May 16 – Apr 17

Strategic Direction

Market Size



Financial Forecast



Financial Summary

Financial Summary

Debt

(in KRW bn)

	Parent	
	2Q15	3Q15
Current Asset	788	993
Non-Current Asset	2,777	2,749
Total Assets	3,564	3,742
Current Liabilities	865	1,094
Non-Current Liabilities	607	581
Total Liabilities	1,472	1,675
Paid-in Capital	135	135
Total Equity	2,092	2,067
L/E Ratio	70%	81%

(in KRW bn)

	Consolidated	
	2Q15	3Q15
Current Asset	12,819	13,627
Non-Current Asset	18,815	19,286
Total Assets	31,634	32,913
Current Liabilities	13,647	14,301
Non-Current Liabilities	9,340	9,529
Total Liabilities	22,987	23,830
Paid-in Capital	2,901	2,834
Total Equity	8,647	9,083
L/E Ratio	265%	264%

(in KRW bn)

	Parent	
	'15. 2Q	'15. 3Q
Bank	532	753
Corp. Bonds	410	410
Others	1	0
Debt	943	1,163
Cash	102	310
Net Debt	840	854
Net D/E Ratio	40%	41%

E O D