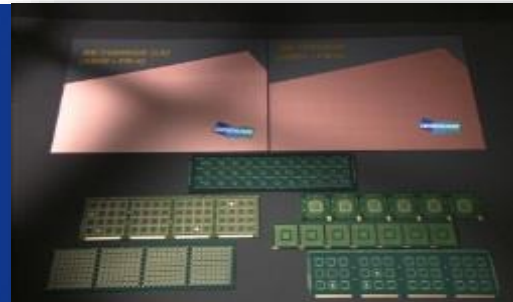




Doosan Corporation

Quarterly Business Review 4Q 2015

2016. 2



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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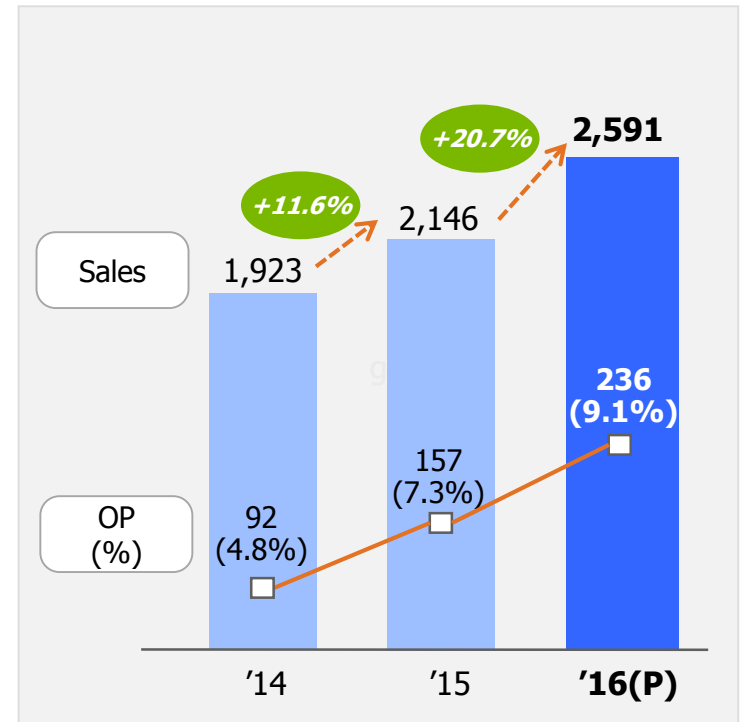
2015 Results and 2016 Outlook (In-house Business*)

- Doosan Corp. recorded annual sales of KRW 2,147 bn and annual OP of KRW 157 bn.
 - OP increased by 71% thanks to growth of overseas branches and new growth driver (Fuel Cell)
- In 2016, both sales and OP of in-house business are forecasted to grow 21% and 50% respectively.

(in KRW bn, %)

	'14	'15	'16(P)	YoY
Sales	1,923	2,146	2,591	+20.7%
OP	92	157	236	+50.4%
(%)	(4.8%)	(7.3%)	(9.1%)	(+1.8%P)
- E-Ms	37	61	88	+44.3%
- Industrial Vehicle	44	54	64	+18.3%
- Mottrol	-0.2	1	12	+1,100.0%
- Fuel Cell	-17	6	40	+625.5%
- I&C	28	35	32	-8.5%

(in KRW bn)



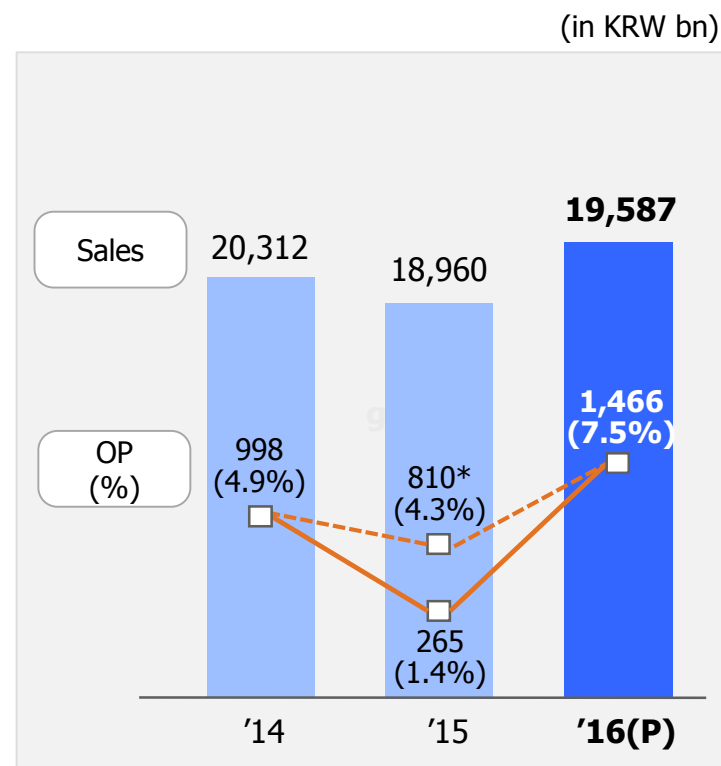
* In-house business includes BG(Business Group) and its overseas branches. Holdings profits, such as dividend and brand royalty income, are excluded. Outlook for Duty-free Shop BG has not yet been confirmed, therefore will be included in near future.

2015 Results and 2016 Outlook (Consolidated)

- Both consolidated sales and OP in 2015 decreased YoY due to one-off cost from subsidiaries.
- In 2016, both sales and earnings are forecasted to improve to be KRW 19,587 bn and KRW 1,466 bn respectively, thanks to steady order increase of DHI and cost elimination effort of other subsidiaries.

(in KRW bn, %)

	'14	'15	'16(P)	YoY
Sales	20,312	18,960	19,587	+3.3%
▪ In-house	1,923	2,146	2,591	+20.7%
▪ Subsidiaries	18,390	16,814	16,996	+1.1%
OP	998	265	1,466	+454.2%
(%)	(4.9%)	(1.4%)	(7.5%)	(+6.1%P)
▪ In-house	92	157	236	+50.4%
▪ Subsidiaries	906	108	1,230	+1,041.4%



* Normalized OP without one-off cost from subsidiaries

Key Highlights

1

Shareholder Friendly Policy

- DPS of KRW 4,000 for 2014 fiscal year
- 2015 Dividend plan announcement (DPS of KRW 4,500)
- Share buyback program (KRW 60 bn)

2015

2016

- Confirmation of 2015 Dividend (DPS of KRW 4,550)
- Share buyback program (KRW 30 bn+α)
- Treasury share cancellation plan announcement (Minimum 5% cancellation each year for next 3 years)

2

Profitability and Growth Potential

- Fuel Cell BG turned to profit in its 2nd year of operation
- In-house business shows steady growth (growth of both sales and OPM)

- With improved profitability, Fuel Cell will expand its presence in global market. 2016 order target KRW 845 bn with OPM of 9.8%
- Steady growth of in-house biz (E-M, I.V.)
- Additional growth driver such as Duty Free Business

3

Turn-around of Subsidiaries

- One-off expense occurrence to eliminate potential risk of all subsidiaries

- Operating expenses	KRW 546 bn
- Non-operating expenses	KRW 1,067 bn
Total	KRW 1,613 bn

- Substantial improvement of OP and better financial structure
 - 2016 consolidated OP : KRW 1,466 bn (YoY growth of KRW 1,202 bn)

Investment Plan for Growth Acceleration of Doosan Corp.

- Utilizing its liquid assets Doosan Corp. will continue to invest for accelerating its business growth and for shareholder return.

Available Assets		Investment Plan	
(in KRW bn)		(in KRW bn)	
① Cash	335	• Growth Acceleration	281
		- Fuel Cell : Factory in Korea(41), Capa increase in U.S.(13), R&D (20)	
		- DFS : Facility(92), Deposit(22), Working Capital (28)	
		- E.M. : Overseas investment(22), Electrodes(12)	
		- I.V. : New product (13)	
		- Others : 18	
② KAI	170	• Shareholder return	121 + α
		- Dividend / Share buyback	
③ DST	330	• Additional growth driver	α
④ Disposable Real Estate	83	• Lowering debt level	160 + α
⑤ OCF	220		
Total	1,138	Total	562+α

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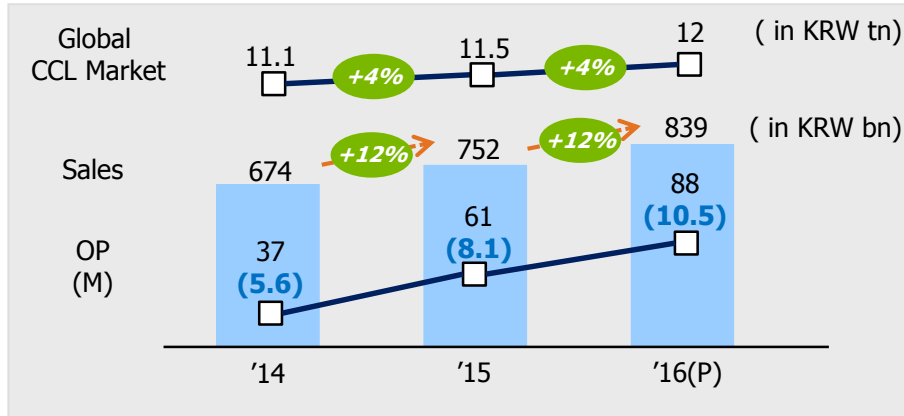
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Electro-Materials – 2015 Highlights and 2016 Outlook

- Even under sluggish growth of Global CCL market in '15 (4%), E-M managed to report YoY sales growth of 12% and YoY OP growth of 63% with increased sales of high-end products and cost cuts.
- Annual sales to grow 12%, Annual OP to grow 44% in '16, with sales expansion of PKG CCL and OLED, diversification of global customers and business portfolio expansion.

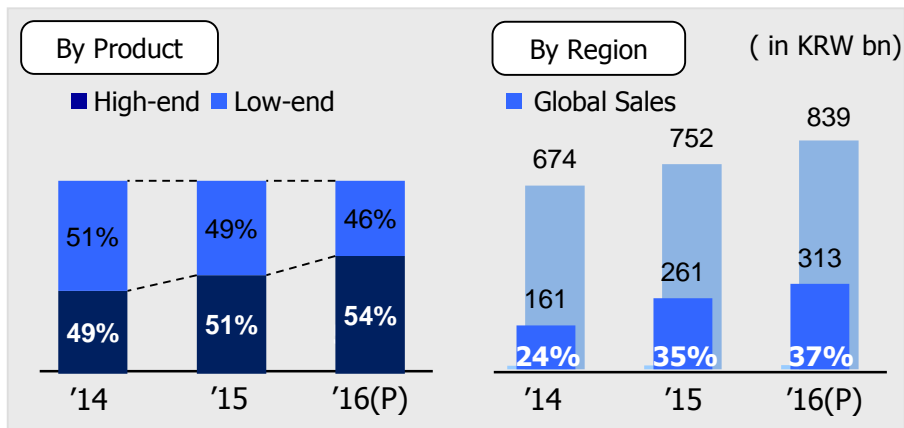
Annual Results



2015 - Highlights

- Increased sales of PKG CCL and OLED by 2%P
- Expanded sales to Chinese set makers and Apple by 11%P
- OP growth with stabilization of overseas operation and improvement of product portfolio
 - Steady profit from overseas operation (China, CFL)
 - Cost reduction by streamlining low-end CCL production line
- Business portfolio expansion with core technology

Sales Analysis by Product and Region



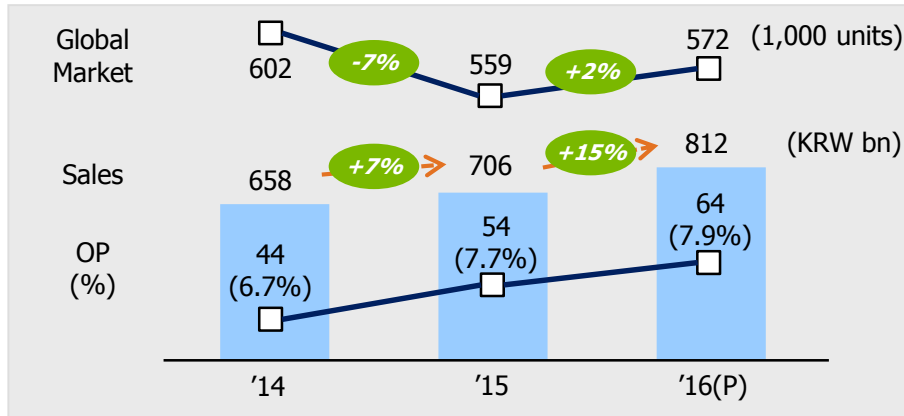
2016 - Outlook and Strategy

- Increase sales of high-end CCL and OLED by 3%P
 - High-end : PKG CCL, Network Board, CCL for automobile
 - Develop new material for light-emitting layer of OLED
- Strengthen global business competitiveness
 - CCL development through CFL's core technology
 - M/S increase in Apple/Chinese set-makers through external strategic partnership
- Business and product line-up expansion
 - Material for automobile and fuel cell, film for FPCB

Industrial Vehicles – 2015 Highlights and 2016 Outlook

- Even with 7% decline in global market, I.V. achieved YoY growth of sales and OP by 7% and 24% respectively through introduction of new model, more overseas customers and Rushlift acquisition
- Annual sales and OP to grow 15% and 18% in 2016 with wider sales network and new business portfolio

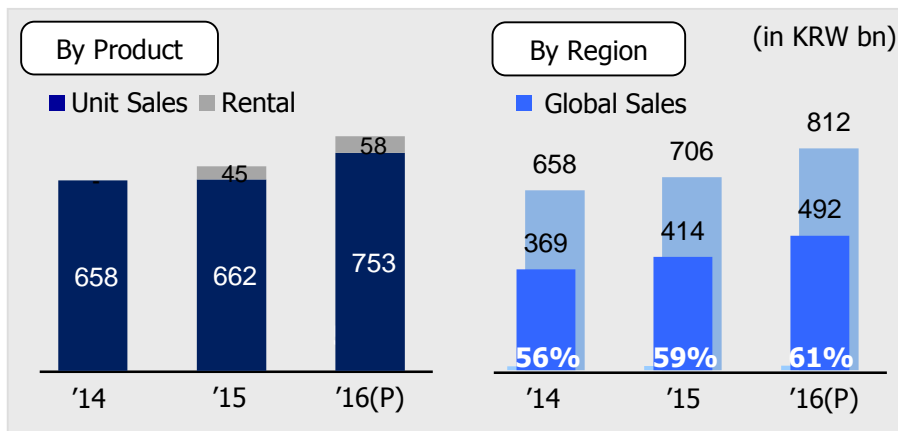
Annual Results



2015 - Highlights

- **New product line-up**
 - Introduced new Tier-4 model in domestic market
 - Developed new 1.5ton electric-type model for western Europe market
- **Strengthened global market presence**
 - Secured national account in North America
 - New customers in emerging market such as Africa
- **Business expansion in rental and U.K. market with Rushlift acquisition**

Sales Analysis by Product and Region



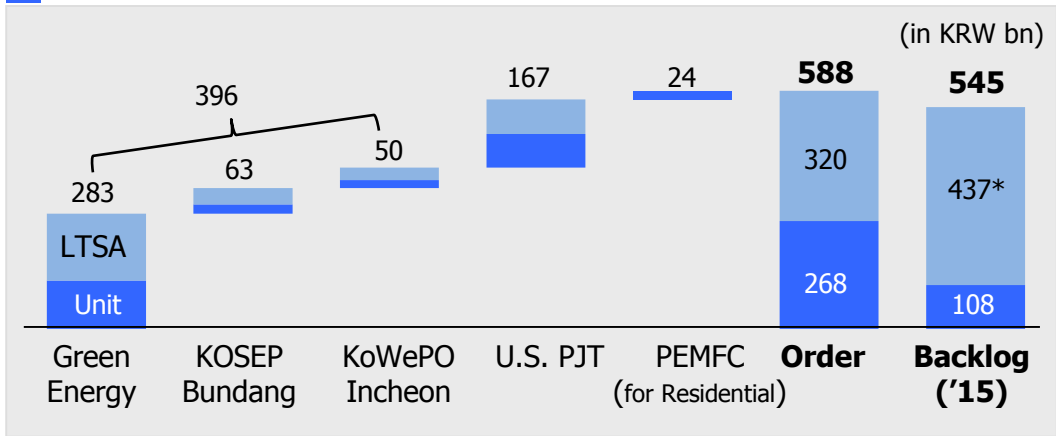
2016 – Outlook and Strategy

- **Global sales expansion through strong partnership**
 - Fortify dealer network in N.A./Europe
- **Product line-up expansion for N.A./Europe market**
 - Develop new electric-/engine-type model
- **Business portfolio expansion for future growth**
 - Tier-5 model (engine/electric)
 - Expand airport logistics business

Fuel Cell – 2015 Result and Highlights

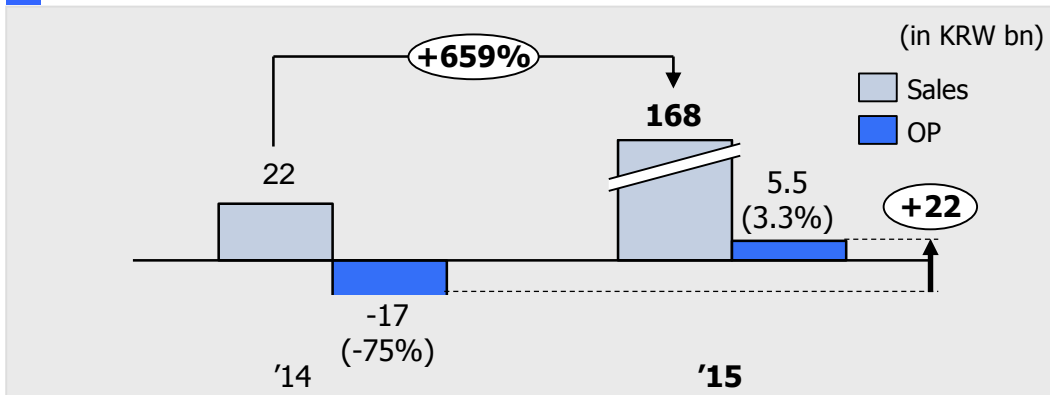
- Secured KRW 588 bn of new order and KRW 545 bn of order backlog thanks to successful entry into Korean stationary market and US commercial building market.
- Annual OP of Fuel Cell turned to profit in its 2nd year of operation.

Order Intake in 2015



* Including KRW 117 bn of LTSA in the previous year

2015 Annual Result



2015 - Highlights

1

Korean Stationary Market and US Commercial Market

- Won 42MW/KRW 396 bn of order with high output duplex model in Korean stationary fuel cell market
- Commercial market for distributed generation in U.S. expanded.
 - Won 14MW/KRW 167 bn of order from Gas providers and distributed generators
- PEMFC for residential and commercial market expanded : sales rose by 106%. OP rose by 153%

2

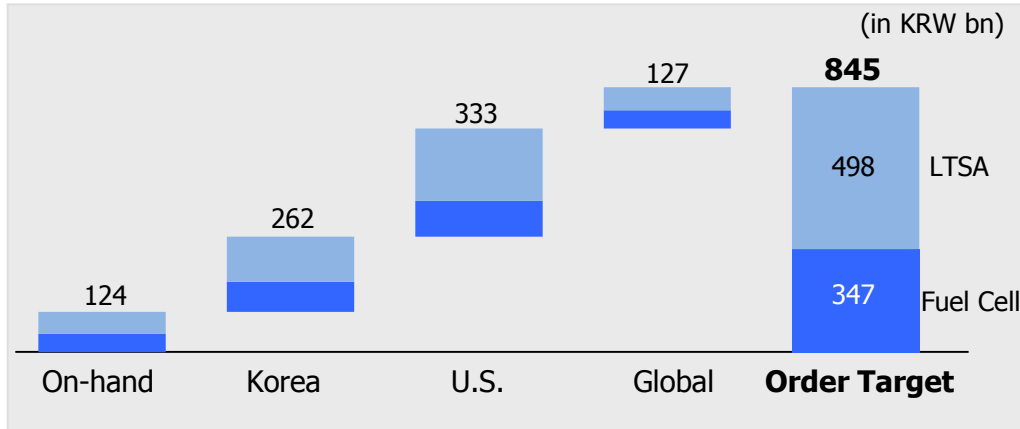
35% Cost-cut with Improved Products

- 18% cost-cut by developing new high output model (400KW → 455KW) and improving major components
- 17% cost-cut by increasing productivity (5 units/month to 12 units/month) and Dual Sourcing
- Secured opportunity to enter into global market with 50Hz model

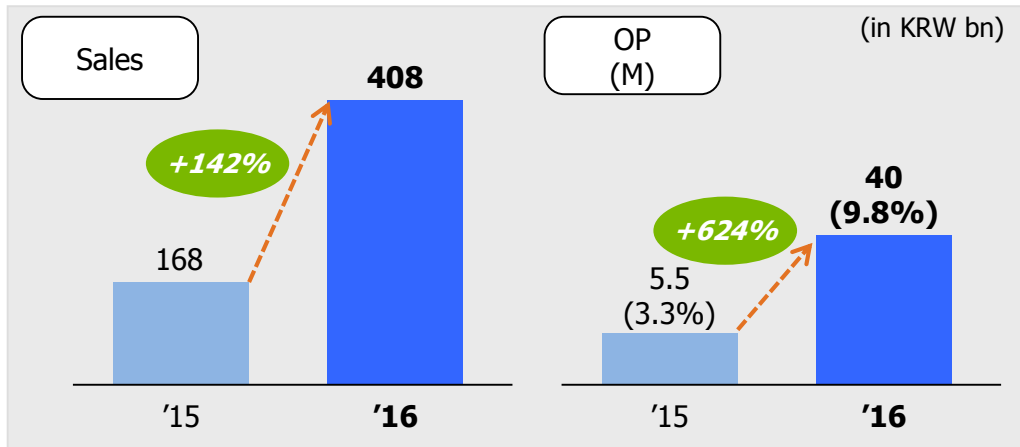
Fuel Cell – 2016 Outlook and Main Strategy

- Fuel Cell plans to record KRW 845 bn of new order, KRW 408 bn of sales, KRW 40 bn of OP in 2016.

Order Plan for 2016



2016 Outlook



Main Strategy

1

Global and Domestic Market

- Plan to win 25MW of order in Korea from additional order by existing customers(15MW) and new product with better electricity efficiency(45%)
- Plan to win 25MW of additional order in U.S. under eco-friendly distributed generation policy
- Enter into global market based on commercialization of 50Hz model (Secured 20MW of LOI)
- PEMFC market expansion in Korea with stronger government regulation

2

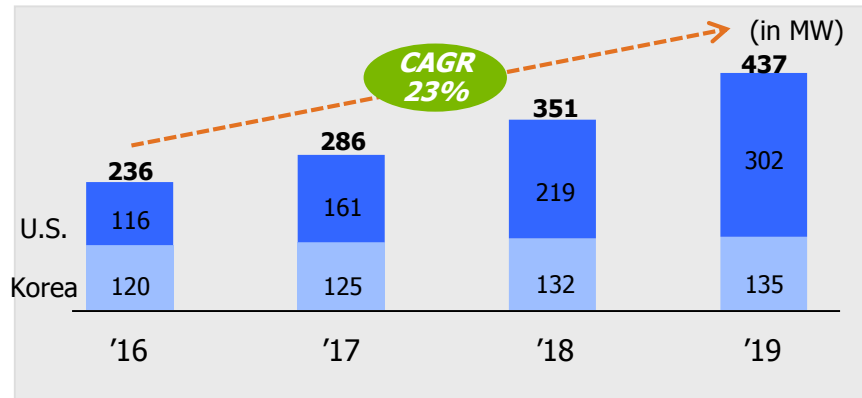
Strengthening Cost Competitiveness

- Aim to cut cost by 15% with higher fuel cell output (up to 460kw) and improved electricity efficiency (40% → 45%)

Fuel Cell – Mid-term Market and Sales Outlook

- Overall fuel cell market is expected to grow steadily with national eco-friendly regulatory policy, and in 2019, Fuel Cell plans to record KRW 1.2 tn.

Mid-term Market Outlook

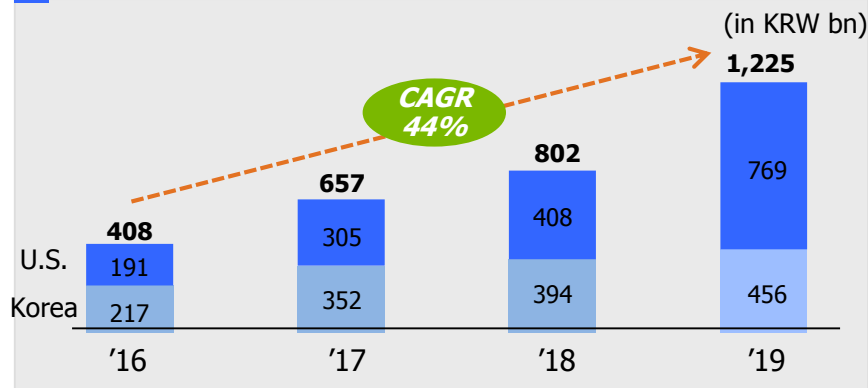


1

Mid-term Market Outlook

- Korea is a captive market formed by RPS (Renewable Portfolio Standard), and is forecasted to grow at annual rate of 4% rate.
- U.S. is currently a market formed by state or federal subsidy under eco-friendly distributed generation policy. However, in 2019, by more than 50% cost-cut, Doosan Fuel Cell will be able to break through into non-subsidy market.
 - Aim to achieve 9.7c/kWh of unit cost of electricity, which is 10% lower than average unit cost of commercial electricity in U.S. (10.9c/kWh)

Mid-term Sales Forecast



2

Mid-term Sales Forecast

- In 2019, Fuel Cell is forecasted to record KRW 456 bn in domestic market with increased capacity from a newly-built factory in Korea, and customized models.
- In 2019, Fuel Cell is forecasted to record KRW 769 bn in U.S. market with entry into non-subsidy market and new product line-up targeted for demand of U.S. commercial building.

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2015 Annual Result (Parent)

(in KRW bn, %)

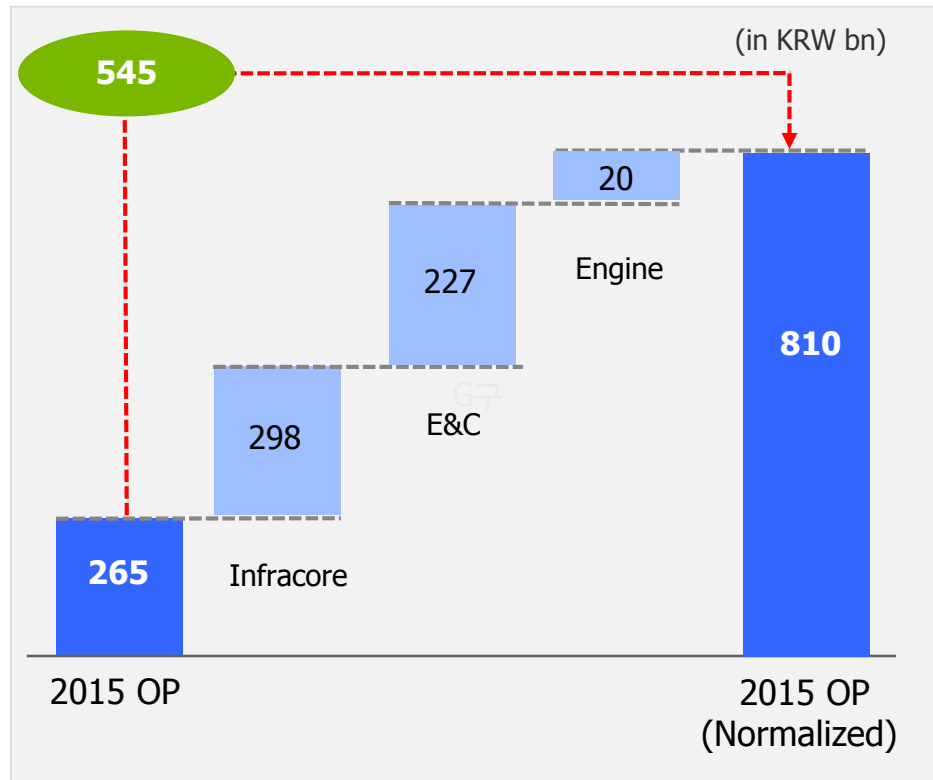
	2014	2015	2016	YoY
Sales	1,995	1,874	2,210	+17.9%
OP (%)	256 (12.9%)	213 (11.4%)	382 (17.3%)	+79.0% (+5.9%P)
▪ In-house Biz	101	130	169	+30.1%
▪ Others*	156	83	213	+155.3%

* Including dividend income, common expenses, consolidated adjustment and etc

2015 Annual OP (Consolidated)

- 2015 Annual OP is KRW 265 bn, however normalized OP without one-off cost from subsidiaries is KRW 810 bn.

Normalized OP without one-off cost (Consol.)



One-off Cost Details

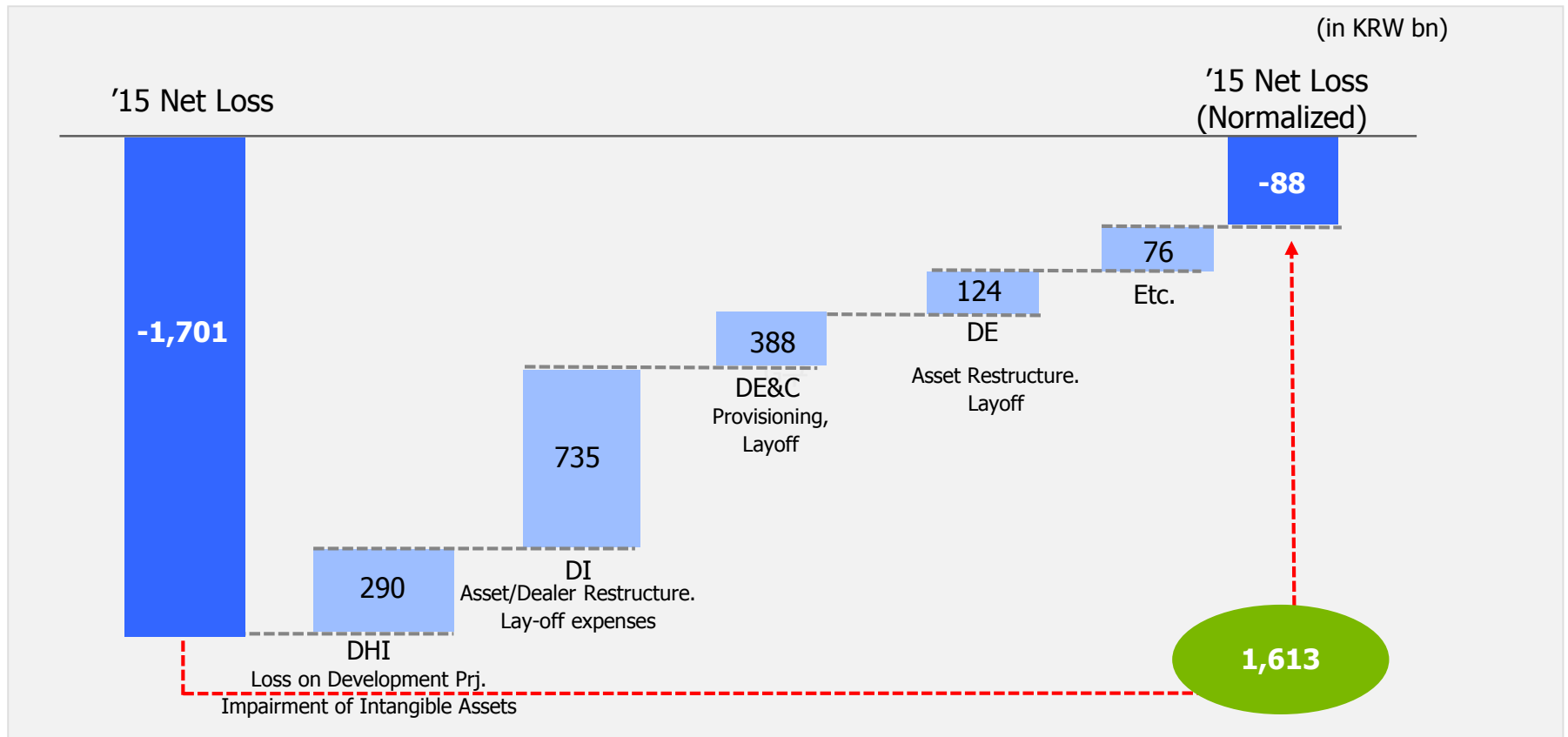
(in KRW bn)

Category	Item	Value (KRW bn)
❶ Infracore	Layoff expense	172
	Dealer restructure	126
❷ E&C	Provisioning, etc	206
	Layoff expense	22
❸ Engine	Layoff expense	18
	Provisioning	3

2015 Annual Net Profit (Consolidated)

- Net loss of 2015 came in at KRW 1,701 bn. However, with one-off expenses excluded, normalized net loss of 2015 should be KRW 88 bn.

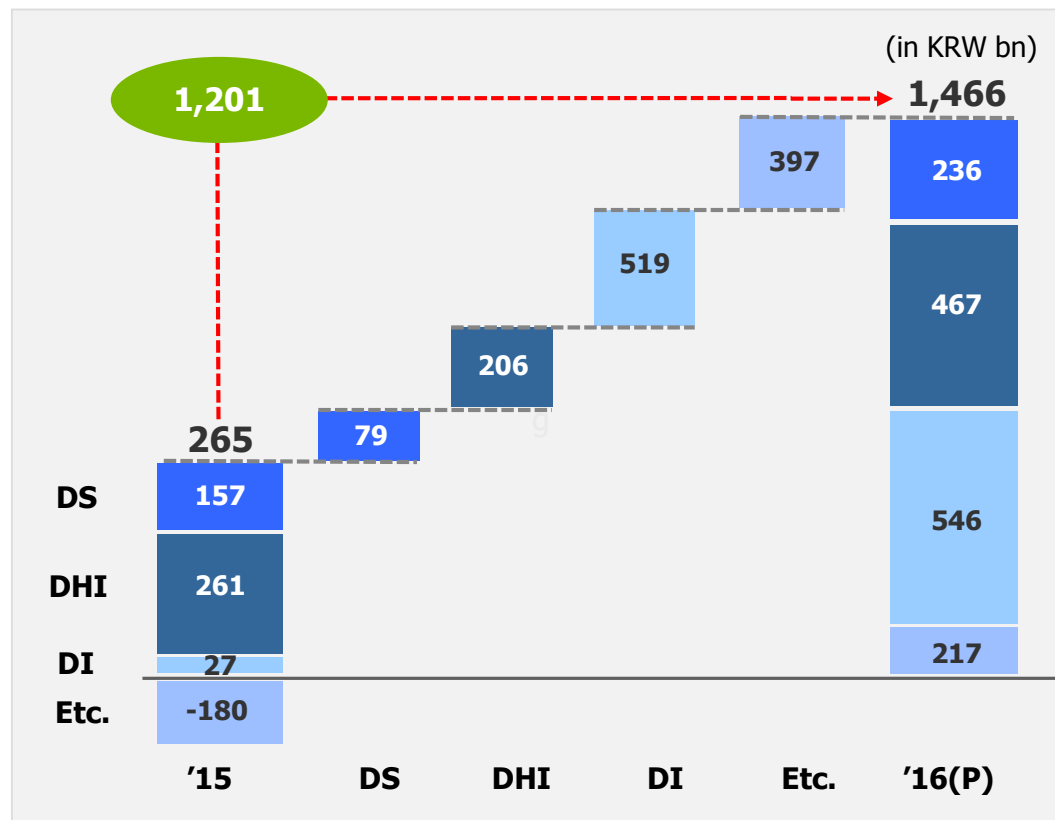
Net Loss without One-off Expenses (Consolidated)



2016 Annual OP Outlook (Consolidated)

- Annual OP for 2016 is planned to be KRW 1,466 bn, KRW 1,201 bn of YoY improvement, through sales increase and cost reduction effort of subsidiaries.

2016 OP Outlook (Consolidated)



Details

① DHI

- Sales Increase 163
- Fixed cost reduction 43

② Infracore

- One-off cost eliminate. 298
- Labor cost saving 117
- Cost reduction, etc. 104

③ Others

- One-off cost elim. (E&C) 227
- One-off cost elim. (DE) 117
- Etc. 104

Financial Summary

Financial Summary

Debt

(in KRW bn)

	Parent	
	3Q15	4Q15
Current Asset	993	713
Non-Current Asset	2,749	2,765
Total Assets	3,742	3,478
Current Liabilities	1,094	870
Non-Current Liabilities	581	499
Total Liabilities	1,675	1,369
Paid-in Capital	135	135
Total Equity	2,067	2,109
L/E Ratio	81%	65%

(in KRW bn)

	Consolidated	
	3Q15	4Q15
Current Asset	13,627	12,324
Non-Current Asset	19,286	19,232
Total Assets	32,913	31,556
Current Liabilities	14,301	14,280
Non-Current Liabilities	9,529	8,883
Total Liabilities	23,830	23,163
Paid-in Capital	2,834	2,571
Total Equity	9,083	8,393
L/E Ratio	264%	276%

(in KRW bn)

	Parent	
	3Q15	4Q15
Bank	753	530
Corp. Bonds	410	360
Others	0	0
Debt	1,163	890
Cash	310	166
Net Debt	854	724
Net D/E Ratio	41%	34%

E O D