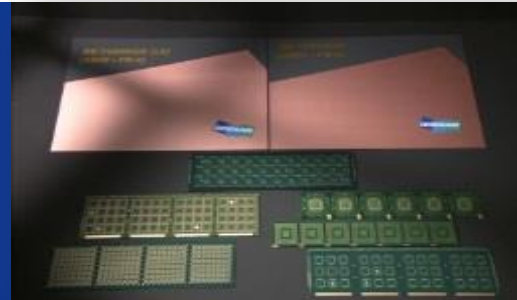




Doosan Corporation

Quarterly Business Review 2Q 2016

2016. 7



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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2Q Result (Consolidated)

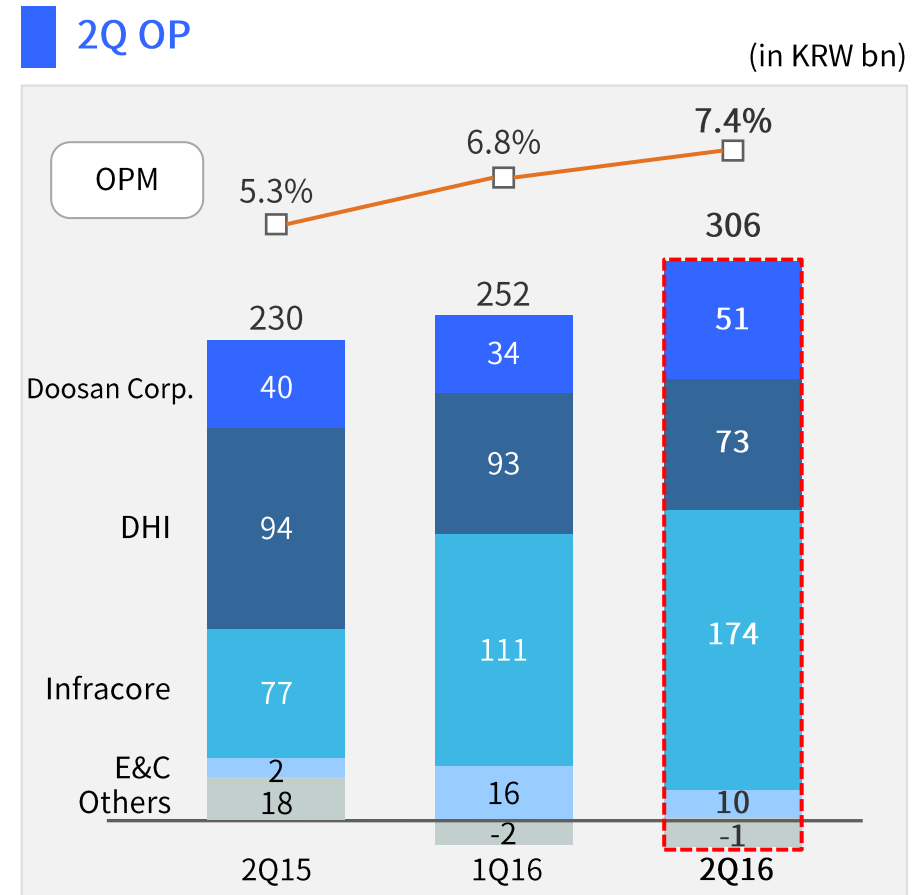
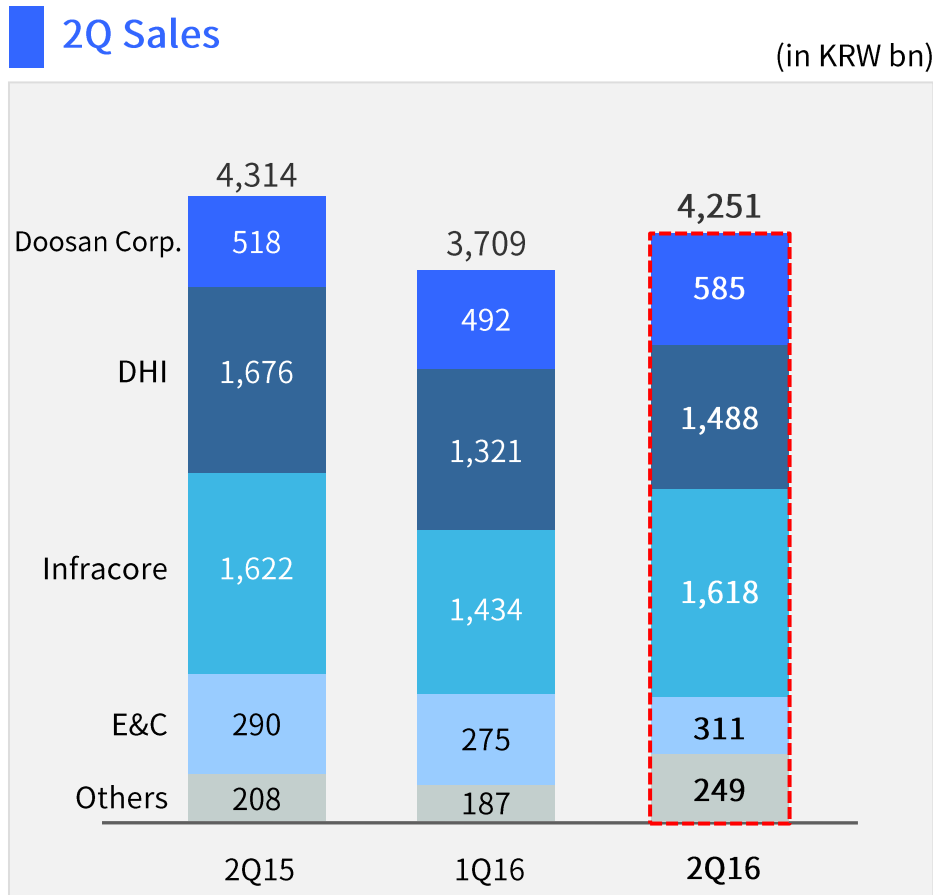
- 2Q consolidated result shows accelerated earnings improvement after turn-around in 1Q thanks to preemptive restructuring last year.
 - 2Q sales increased 14.9% on QoQ basis with growth of Infracore and Doosan Corp.
 - 2Q OP increased 33.2% YoY and 21.7% QoQ because of overall profitability improvement of Doosan Group.

(in KRW bn, %)

	2Q15	1Q16	2Q16	YoY	QoQ
Sales	4,314	3,709	4,251	-1.5%	+14.6%
OP	230	252	306	+33.2%	+21.7%
OPM	5.3%	6.8%	7.2%	+1.9%p	+0.4%p
Net Profit	21	254	181	+767.0%	-28.6%

2Q Result (Consolidated)

- Turn-around of Infracore is accelerated. Sales and OP growth of Doosan Corp.'s in-house businesses is solid.
 - DHI : Sales decreased YoY due to completion of big projects, but sales is expected to increase in 2H with new projects initiated.
 - Infracore : OP improved for 2 consecutive quarters thanks to restructuring effect of HQ/China and top-line growth of Bobcat. (QoQ 56.0% ↑ , YoY 126.8% ↑)



2Q Result (Parent)

- 2Q sales for in-house business increased on YoY and QoQ basis thanks to overall growth of all businesses.
- 2Q OP for in-house business increased 51.2% QoQ.
 - E-Ms : higher sales portion of high-end products / I.V. : sales boost from all regions
 - OP for 3Q is expected to increase because growth of E-Ms and I.V. will continue to be solid and Fuel Cell will begin to book more orders.

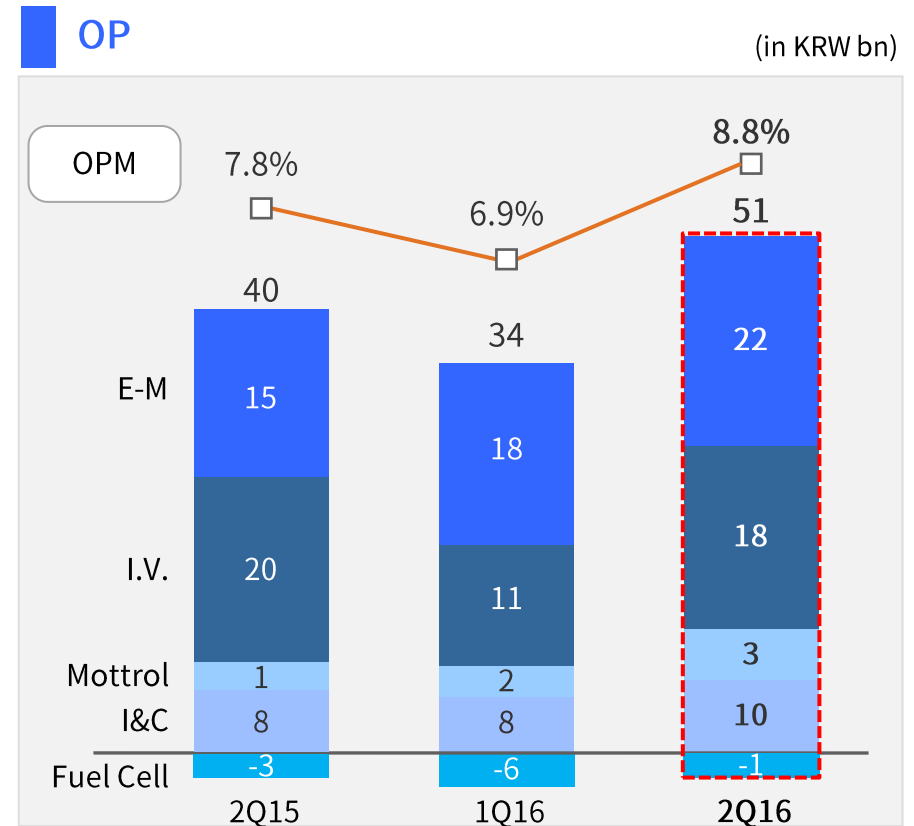
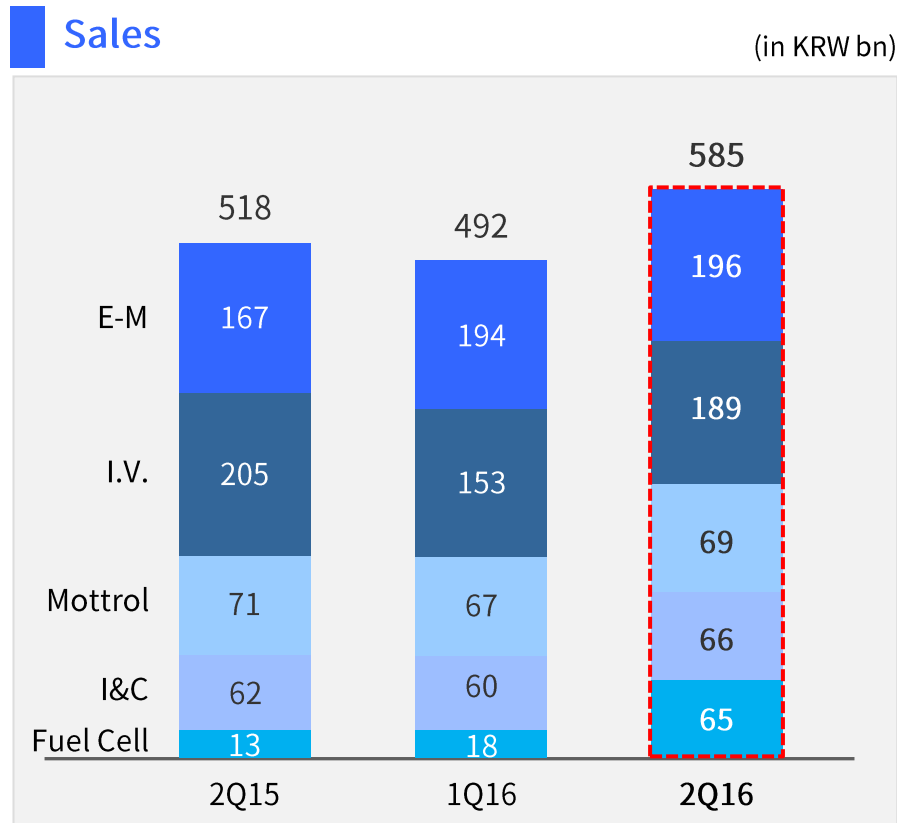


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I. 2Q Results

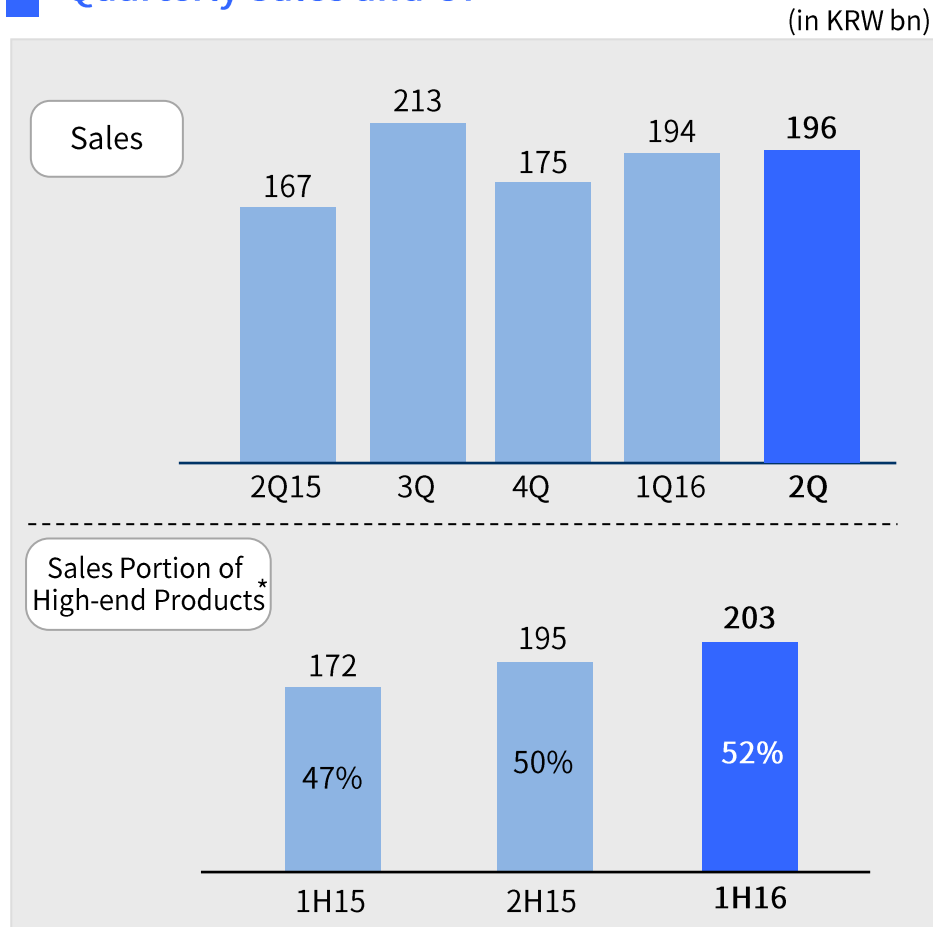
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Electro-Materials – 2Q Result and 2H Strategy

- Sales of 2Q grew on YoY and QoQ basis. Sales of 3Q is forecasted to increase on QoQ basis thanks to new product launch in end-market.

Quarterly Sales and OP



* FCCL, Package, Network Board, OLED

2Q Result

- Higher sales portion of High-end CCL and OLED
 - Sales of FCCL, PKG CCL and OLED expanded thanks to strong sales of new products in end-market and newly secured Chinese clients.
 - Sales of network board grew 501% YoY with new supply route into a global company in U.S.
- Profitability improvement through higher sales portion of high-end products and continuous cost-cuts

2H Strategy

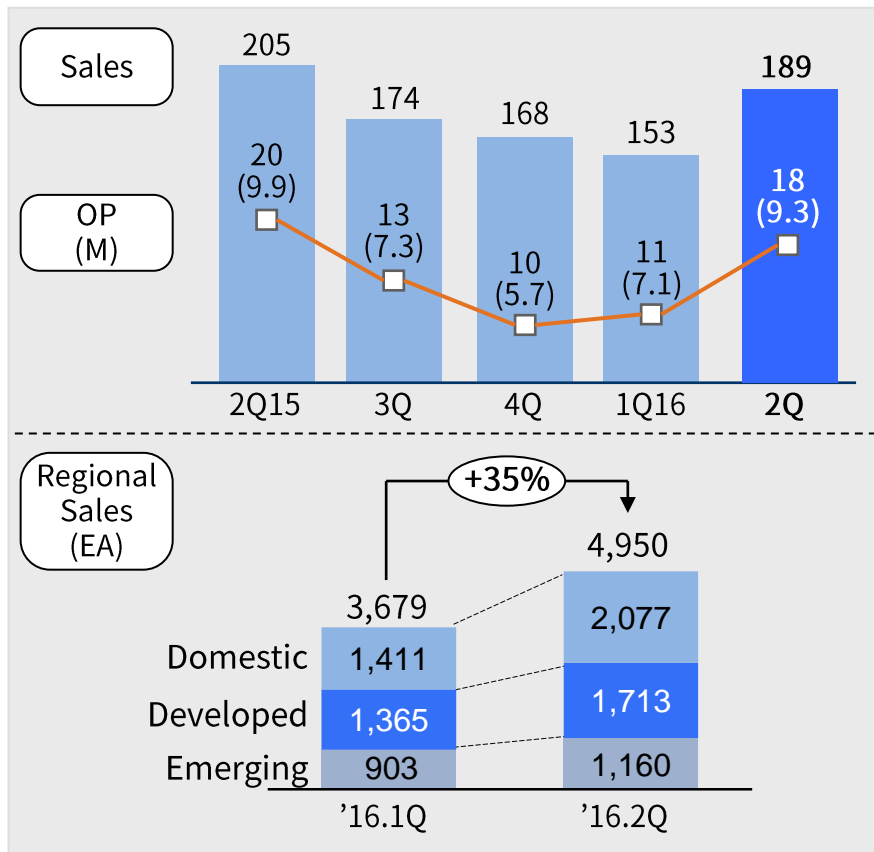
- Market expansion focusing on high-end products
 - Sales growth of network board in U.S. market
 - New product development for Apple's new iPhone and M/S expansion in Samsung
 - New clients search in Chinese mobile market
- OPM improvement through streamlining low-end products
- New product development – CCL for automobile and electrodes for fuel cell

Industrial Vehicles – 2Q Result and 2H Strategy

- Both sales and OP of 2Q grew on QoQ basis thanks to sales increase in all regions.
 - YoY slowdown of sales and OP was led by one-time sales increase in 2Q15 due to Tier-4 model introduction.
- I.V. plans to increase its sales in 2H by expanding its strategic partnership with a top-tier company and targeting national accounts and large scale fleet deal order.

Quarterly Sales and OP

(in KRW bn)



2Q Result

- New product launch
 - 2-ton electric 7 series in NA/EU
 - Midsize forklift with new engine in NA
- 120 units of new order from a global logistics company (Oceanic region)

2H Strategy

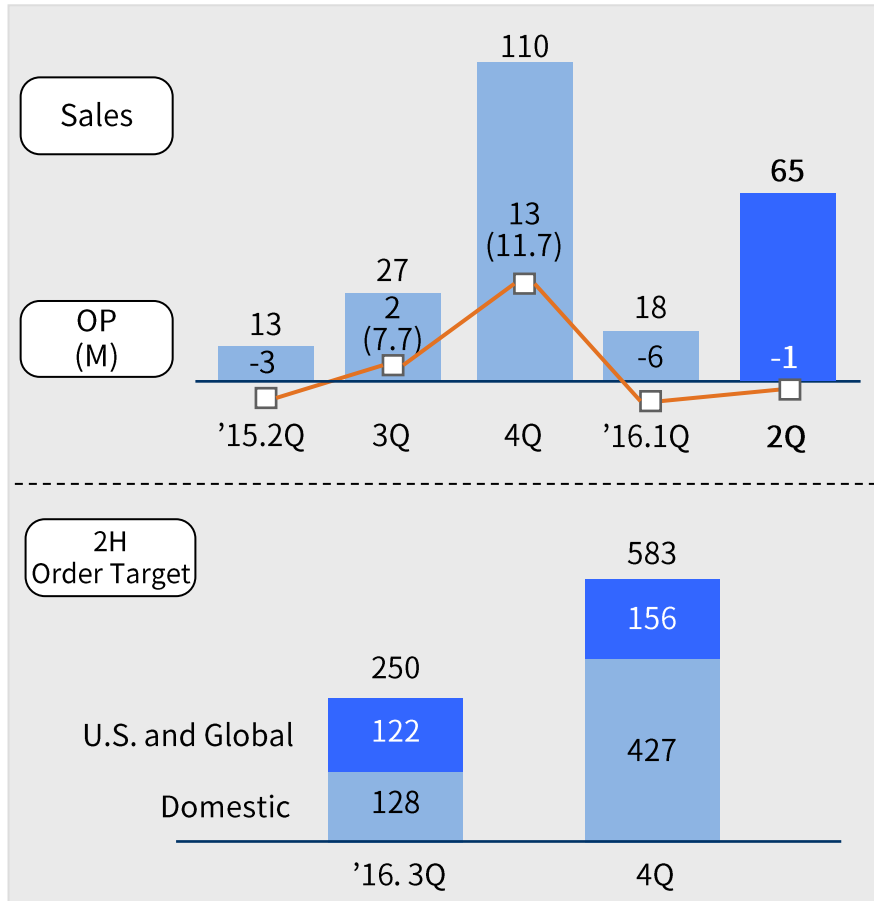
- Sales expansion through strategic partnership with top-tier company (NA, China, Asia, Domestic)
- Targeting large scale fleet deal order
 - Middle East (Aluminum Industry Package), Western EU (Airport), Domestic (Logistics company)
- Targeting national account
 - Utilizing sales network of Rushlift U.K.
 - Expecting big order won from rental company and Korean companies in U.S.

Fuel Cell – 1Q Result and 2H Strategy

- 2Q sales increased QoQ thanks to product delivery of 30MW Green Energy PJT.
- Fuel Cell is expected to win KRW 833 bn of new order in 2H with more direct order projects in Korea, sales acceleration in U.S. and penetration into new global market in 1H.

Quarterly Sales and OP

(in KRW bn)



2Q Result

- 2Q sales increased KRW 48 bn to be KRW 65 bn, with product delivery of 30MW Green Energy PJT.
- A small operating loss was due to continued R&D investment in higher-efficiency model for future growth.
 - KRW 4 bn of QoQ growth, KRW 2 bn of YoY growth

2H Order Target

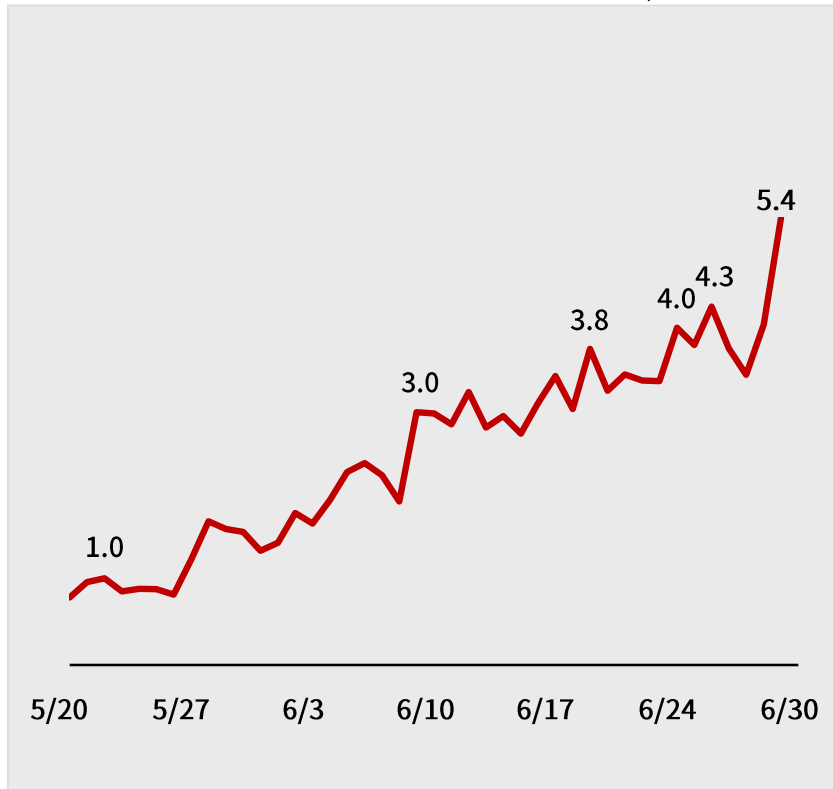
- Korea – Direct order projects by power companies are scheduled in 2H (KRW 555 bn)
- U.S. – PJT Financing is expected to be easier with state incentive, and more order intake is expected by securing stable developer partners. (KRW 177 bn)
- Global – Market penetration has started in Africa and Europe with new 50Hz model. (KRW 101 bn)

Duty Free Shop BG – 2Q Result and 2H Strategy

- Average daily sales of DFS started at KRW 100 mn in the first week of opening. But with improved brand awareness and active sales promotion, DFS recorded KRW 540 mn of daily sales at the end of June.
- In 3Q, DFS will introduce major brands in cosmetics, watch and masstige categories before its Grand-Open in Oct., and target for quarterly break-even in 4Q.

2Q Result (Daily Sales Trend)

(in 100 KRW mn)



2H Strategy (Brand Introduction Plan)

July Additional Cosmetic Brands

- Amore Pacific (Sulwhasoo and more)
- 6 Global Cosmetic Brands (Kiehl's and more)

Aug. D2 Watch Fl. Open

- Rolex Gr.-Tudor , Swatch Gr.-Longines, etc.
- General Fashion Watch (30 Brands)

Sep. D2 Watch Fl. Additional Brands

- 10 Luxury Watch brands incl. JLC, IWC, Chopard, Panerai

D5 fl. Masstige BTQ Open

- Masstige Brand incl. BALLY, Marc Jacobs

2017 Luxury BTQ fl. Open

- Luxury Watch/Jewelry Additional Brands

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Appendix : 2Q16 Result (Parent)

(in KRW bn, %)

	2Q15	1Q16	2Q16	YoY
Sales	457	454	598	+30.9%
OP (%)	42 (9.1%)	71 (15.7%)	154 (25.8%)	+271.1% (+16.7%P)
▪ In-house Biz	39	35	48	+23.7%
▪ Others*	3	36	107	+3,335.5%

* Including dividend income, common expenses, consolidated adjustment, DFS business and etc.

Financial Summary

Financial Summary

(in KRW bn)

	Parent	
	1Q16	2Q16
Current Asset	794	744
Non-Current Asset	2,866	2,918
Total Assets	3,660	3,662
Current Liabilities	1,143	1,009
Non-Current Liabilities	492	520
Total Liabilities	1,635	1,529
Paid-in Capital	135	135
Total Equity	2,024	2,133
L/E Ratio	81%	72%

(in KRW bn)

	Consolidated	
	1Q16	2Q16
Current Asset	12,685	11,298
Non-Current Asset	18,218	17,756
Total Assets	30,903	29,054
Current Liabilities	14,572	13,178
Non-Current Liabilities	8,139	7,906
Total Liabilities	22,711	21,084
Paid-in Capital	2,430	2,397
Total Equity	8,193	7,970
L/E Ratio	277%	265%

Debt

(in KRW bn)

	Parent	
	1Q16	2Q16
Bank	696	744
Corp. Bonds	360	280
Others	0	0
Debt	1,056	1,024
Cash	108	111
Net Debt	948	913
Net D/E Ratio	47%	43%

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