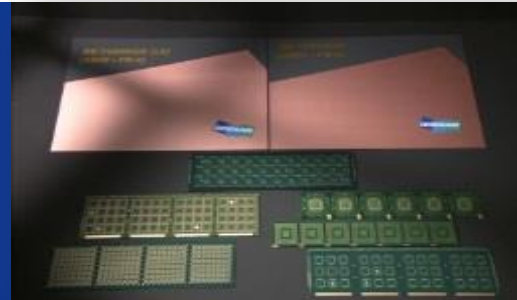




Doosan Corporation

Quarterly Business Review 3Q 2016

2016. 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 (Consolidated)

Sales & OP

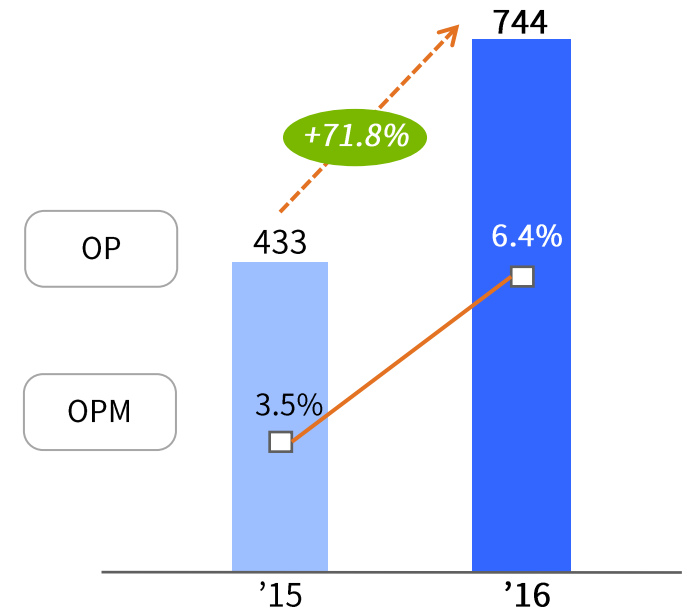
	3Q15	2Q16	3Q16	YoY	QoQ
				(in KRW bn, %)	
Sales	4,040	4,251	3,648	-9.7%	-14.2%
OP	63	306	187	+195.1%	-38.9%
(%)	1.6%	7.2%	5.1%	+3.5%p	-2.1%p
- DS*	44	51	44	+1.4%	-13.8%
- DHI	69	73	50	-28.0%	-31.6%
- Infracore	-16	174	106	-	-39.4%
- E&C	-8	10	2	-	-77.7%
- Others**	-26	-2	-15	-	-

* including overseas branches of in-house biz.

** including DFS earnings

YTD Cumulative OP (3Q)

(in KRW bn)



- 3Q consolidated OP grew by 195% on YoY basis with profitability improvement from subsidiaries, especially Infracore. YTD cumulative OP grew by 71.8% showing continued earnings improvement.
 - DHI : Sales and OP decreased due to domestic nuclear project order delay and construction commencement delay, but 3Q YTD cumulative OPM improved.
 - Infracore : Profitability improvement continued, with huge YoY OP growth even in off-peak season.

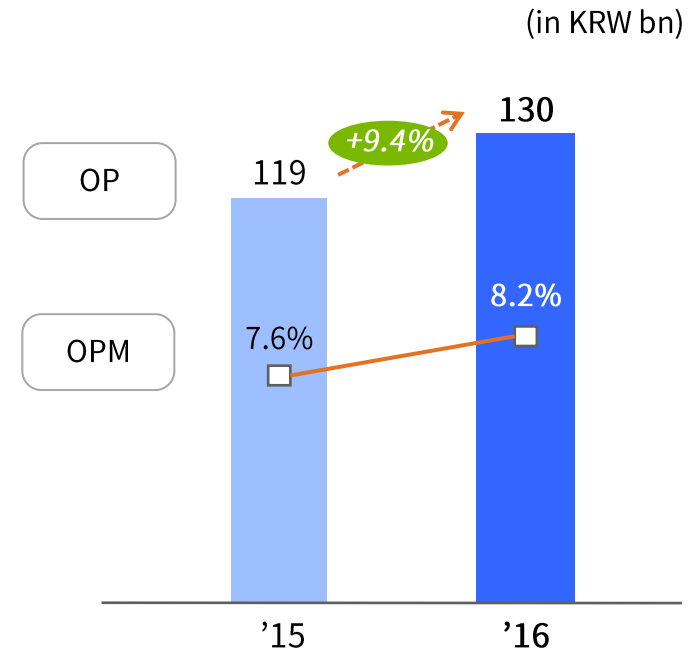
3Q Result (In-house business)

Sales & OP

(in KRW bn, %)

	3Q15	2Q16	3Q16	YoY	QoQ
Sales	530	585	514	-3.0%	-12.2%
OP	44	51	44	1.4%	-13.8%
(%)	8.3%	8.8%	8.6%	(+0.3%P)	(-0.2%P)

YTD Cumulative OP (3Q)



- 3Q OP increased on YoY basis to be KRW 44.3 bn with growth of in-house businesses across the board.
 - Earnings continue to be solid with high-end product sales growth of E-M and stable overseas sales of I.V.
 - Temporary sales slowdown of Fuel Cell, due to delay in new order inflow, hurt earnings in 3Q. But, with product delivery starting for newly won orders, earnings will improve in 4Q.
- 3Q YTD cumulative OP grew by 9.4% on YoY basis.

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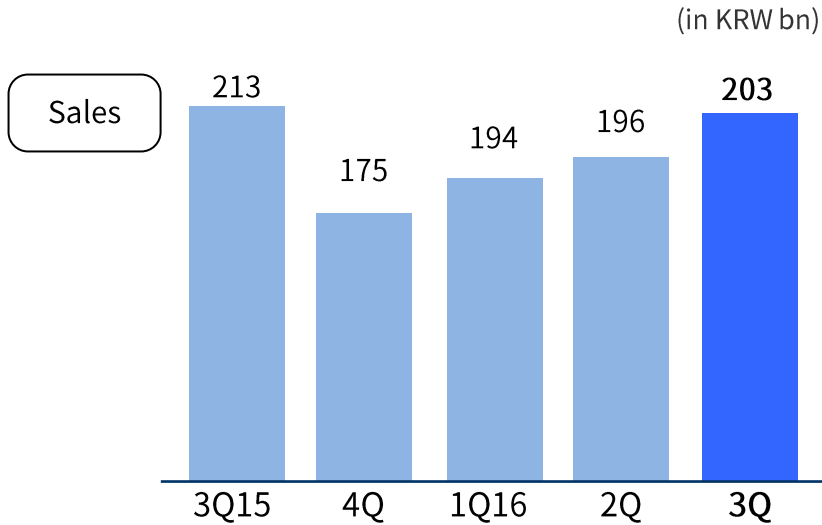
I. 3Q16 Results

II. In-house Business Result and Outlook

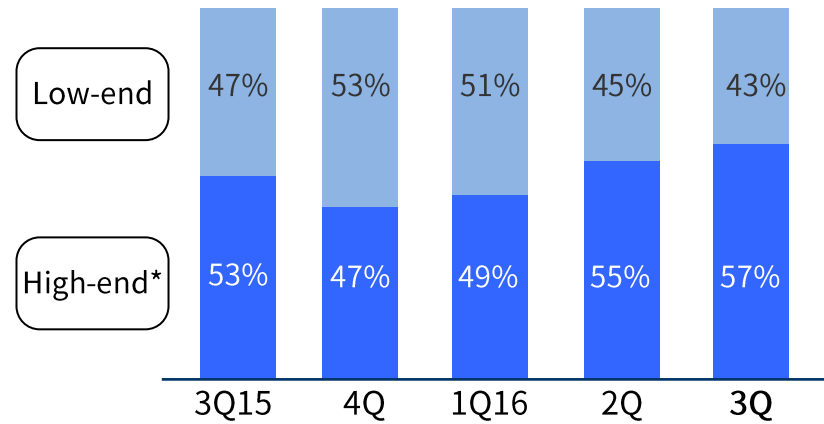
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Electro-Materials

Quarterly Sales and OP



Sales Portion of High-end Products

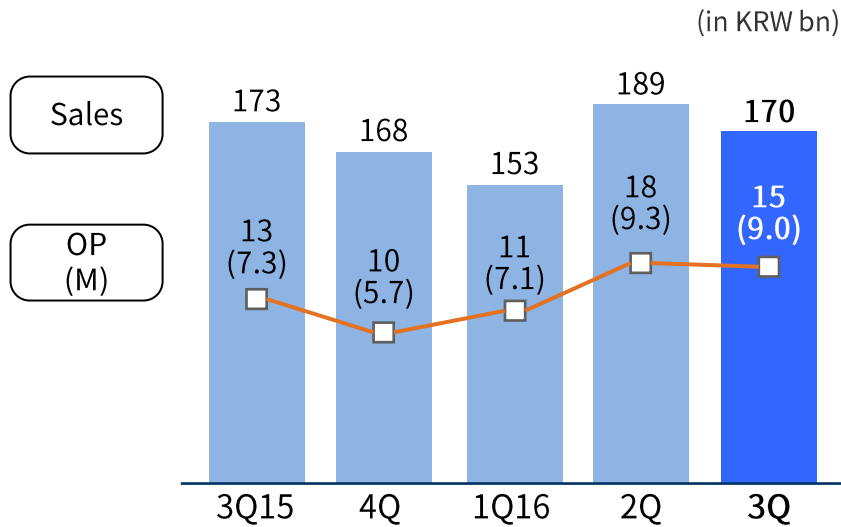


* FCCL, PKG CCL, Network Board and OLED

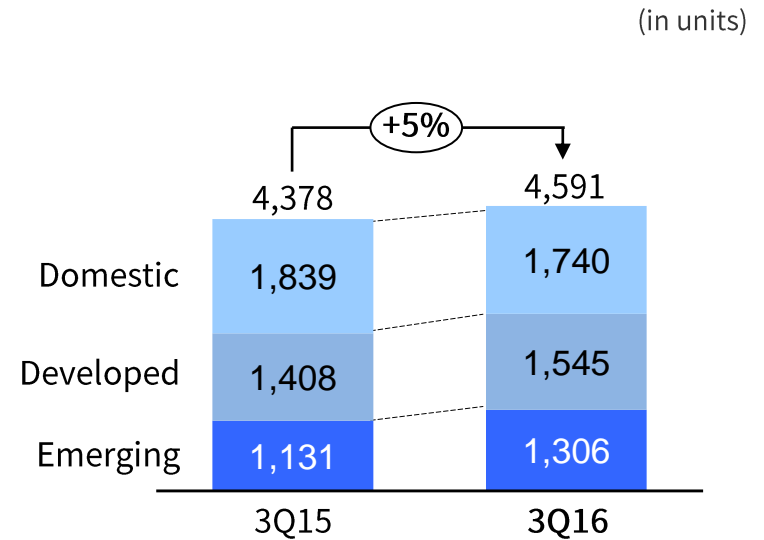
- Due to sales reduction in low-end products, 3Q Sales decreased 4.5% on YoY basis, but OP grew by 8.1% on YoY basis.
 - Profitability continues to improve with higher sales portion of high-end products such as FCCL, PKG CCL and OLED.

Industrial Vehicles

Quarterly Sales and OP



Regional Sales Breakdown

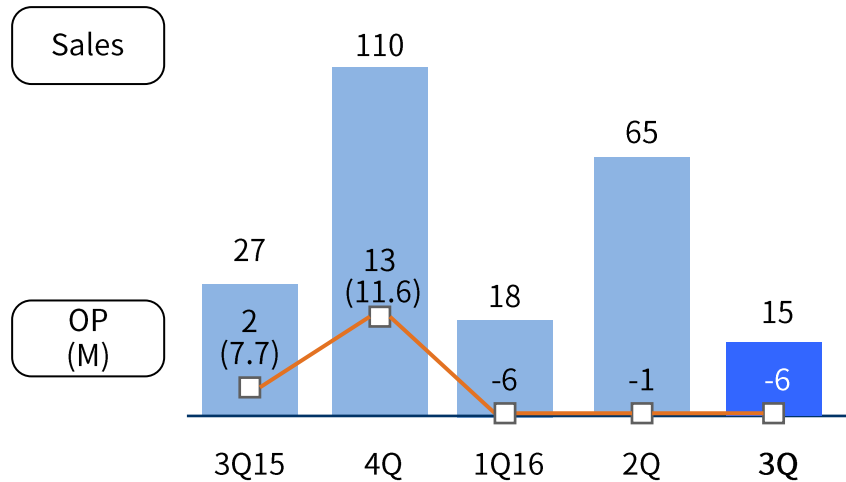


- Profitability improved on YoY basis thanks to new product launch.
 - Electric 7-series new model launch in N.A./Western Europe and mass supply in Oceanic region led 5% increase in units sold.
 - Overall sales slightly fell influenced by a drop in exchange rate.
 - Thanks to sales growth in overseas market with higher profitability, OP grew on YoY basis.

Fuel Cell

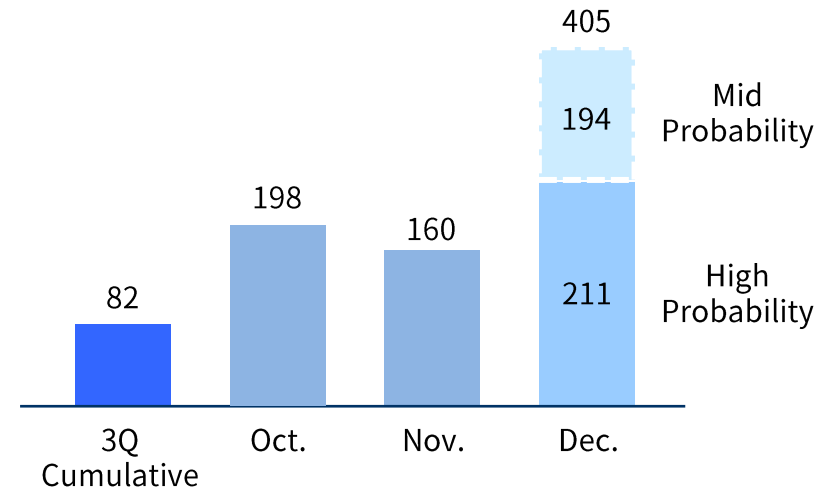
Quarterly Sales and OP

(in KRW bn)



Order Plan

(in KRW bn)



Result

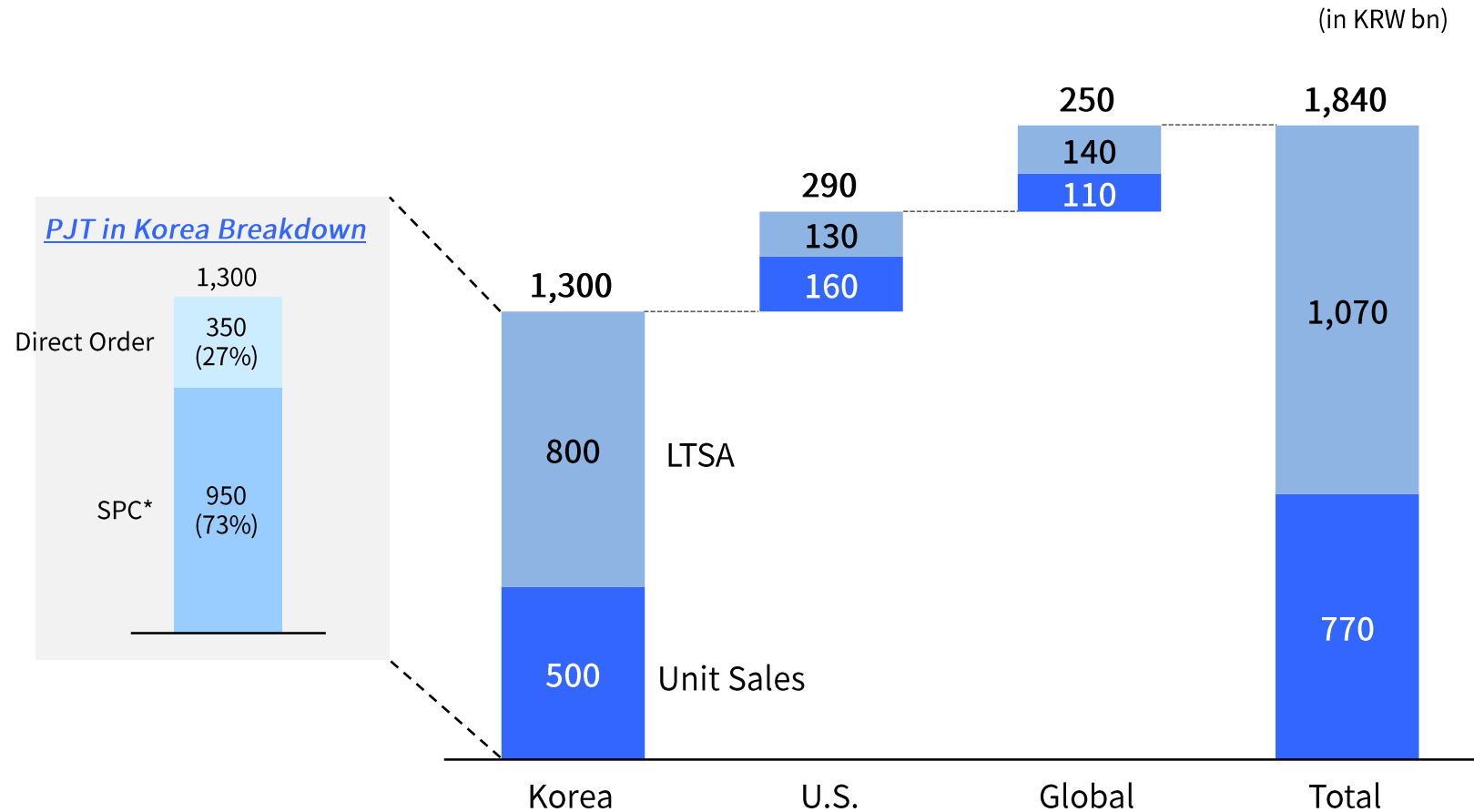
- **Temporary sales slowdown continued in 3Q due to delay in new order inflow**
 - Earnings will improve in 4Q with product delivery starting for new orders.

Order

- **Doosan Fuel Cell won every direct order project by domestic electric power companies.**
 - KRW 260 bn of order won with KOSEP Bundang 5th PJT (5MW) and KOSEP Bundang 4th PJT (15MW).
 - Doosan has participated in sole-source bid and is under contract negotiation for KOMIPO PJT (7.5MW).
- **20% of KRW 1.8 tn of order pipeline secured will be finalized within this year.**
 - SPC projects in Korea and global projects (U.S., U.K., South Africa) are currently well on track.
 - In U.S. market, Doosan F.C. begun business model shift in U.S. (Power Purchase Agreement) to expand its market presence.

Fuel Cell - Project Pipeline (~2017)

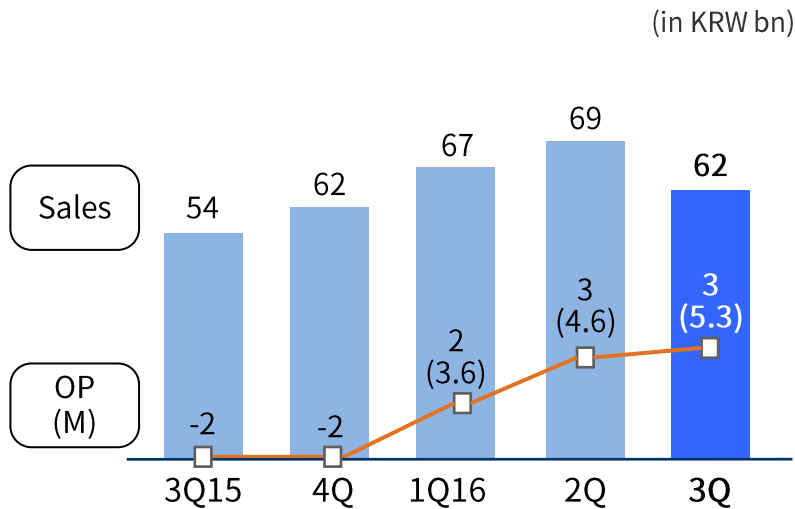
Regional PJT Pipeline Breakdown



*Among SPC projects in PJT pipeline, Doosan Fuel Cell has been selected as the priority bidder for KNHP Songdo (40MW, KRW 460 bn), a follow-up project of KNHP Busan (2015).

Mottrol / Duty-Free Shop

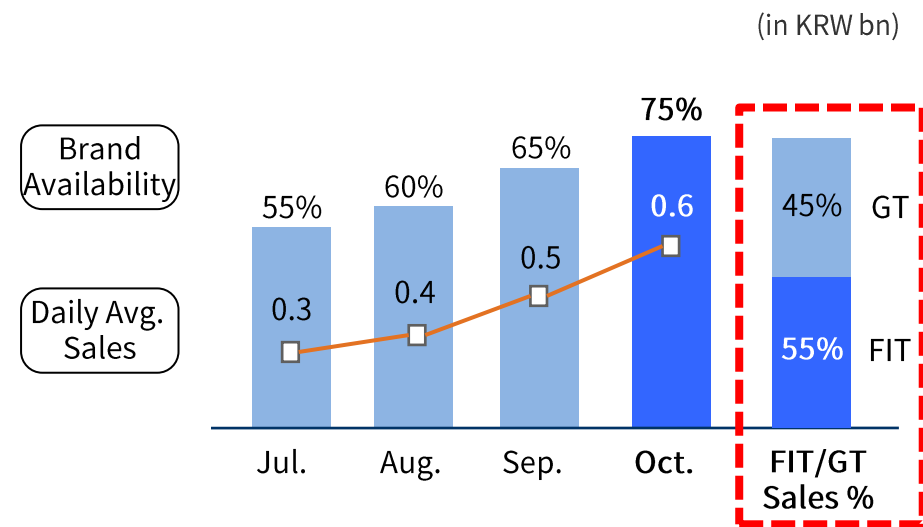
Mottrol



- 3Q sales grew by 15.8% on YoY basis and 3Q OP turned to black.
 - Sales grew with higher M/S* in Chinese market.
 - OP stayed in the black thanks to sales growth and cost-cut effort.

* M/S (Chinese Market) 13%(2015)→15.4%(2016)

Duty-Free Shop



* In last week of Oct.

- Daily average sales has grown proportionately with brand availability.
 - 4Q daily average sales is expected to be higher with masstige brands open in Nov. (Longchamp, Michael Kors, Bally, Kenzo, etc.)
- In last week of Oct., DFS recorded KRW 0.67 bn of daily avg sales, and sales portion of FIT/GT was 55% and 45% respectively.

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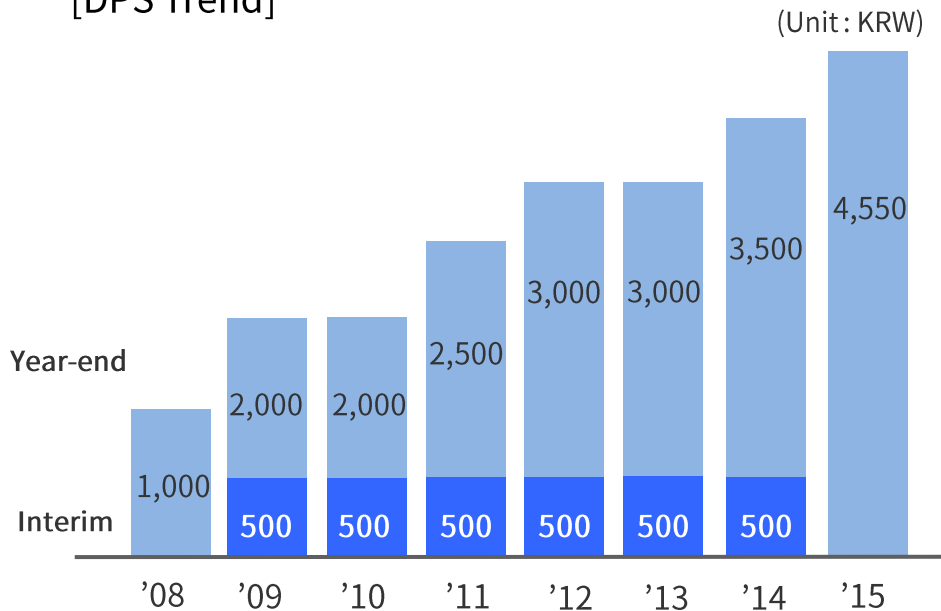
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Appendix : Shareholder Friendly Policy

Dividend Policy

[DPS Trend]



- DPS for 2016 fiscal year will be at least as same amount as DPS for 2015.
- DPS of Doosan Corp. was KRW 4,550 for 2015 fiscal year

Treasury Share Cancellation

[Treasury share cancellation history and plan]

Period	Transaction	Amount
'12	Cancel	0.3mn treasury shares
	Cancel (via capital reduction)	Half of treasury shares
'16 ~ '18	Cancel (Announced Treasury share cancellation plan in Jan)	Minimum 15% of total shares

- Treasury share cancellation will be executed within this year to improve shareholder's value.
- Long-term treasury share cancellation plan, to annually cancel at least 5% of total shares, was publicly disclosed last January.

Appendix : 3Q16 Result (Parent)

(in KRW bn, %)

	'15.3Q	'16.2Q	'16.3Q	YoY
Sales	438	598	449	+2.5%
OP (%)	22 (5.0%)	154 (25.8%)	15 (3.4%)	-31.7% (-1.6%P)
▪ In-house Biz	34	48	34	+1.5%
▪ Others*	-12	107	-19	-

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

Quarterly In-house Business Results (including overseas branches)

(in KRW bn, %)

		1Q15	2Q	3Q	4Q	15 Total	1Q16	2Q	3Q
Electro-Materials	Sales	198	167	213	175	752	194	196	203
	OP (M)	16 (8.2)	15 (8.9)	21 (9.9)	9 (4.9)	61 (8.1)	18 (9.4)	22 (11.3)	23 (11.2)
Industrial Vehicles	Sales	161	205	173	168	706	153	189	170
	OP (M)	12 (7.2)	20 (9.9)	13 (7.3)	10 (5.7)	54 (7.7)	11 (7.1)	18 (9.3)	15 (9.0)
Mottrol	Sales	85	71	54	62	272	67	69	62
	OP (M)	5 (5.3)	1 (0.8)	-2 (-)	-2 (-)	1 (0.4)	2 (3.6)	3 (4.6)	3 (5.3)
Fuel Cell	Sales	19	13	27	110	168	18	65	15
	OP (M)	-6 (-)	-3 (-)	2 (7.7)	13 (11.6)	5.5 (3.3)	-6 (-)	-1 (-)	-6 (-)
I&C	Sales	61	62	63	62	247	60	66	63
	OP (M)	9 (14.0)	8 (12.6)	10 (15.2)	10 (15.6)	36 (14.3)	8 (13.6)	10 (14.7)	9 (14.5)
Total	Sales	523	518	530	576	2,146	492	585	514
	OP (M)	35 (6.7)	40 (7.8)	44 (8.3)	38 (6.6)	157 (7.3)	34 (6.9)	51 (8.8)	44 (8.6)

Quarterly In-house Business Results (Parent)

(in KRW bn, %)

		1Q15	2Q	3Q	4Q	15 Total	1Q16	2Q	3Q
Electro-Materials	Sales	154	128	165	130	576	151	152	149
	OP (M)	13 (8.2)	12 (9.1)	16 (9.4)	7 (5.2)	46 (8.1)	16 (10.5)	21 (13.6)	16 (11.0)
Industrial Vehicles	Sales	151	174	141	133	600	130	161	144
	OP (M)	13 (9.2)	17 (9.7)	10 (6.9)	8 (5.4)	47 (7.9)	11 (8.5)	16 (9.7)	13 (8.9)
Mottrol	Sales	83	69	51	59	263	65	67	60
	OP (M)	4.4 (5.3)	1.2 (1.7)	-1 (-)	-2 (-)	3 (1.1)	3 (3.8)	2 (3.9)	3 (5.0)
Fuel Cell	Sales	1	8	4	10	23	2	2	-1
	OP (M)	-0.7 (-)	2.5 (32.5)	-0.3 (-)	-0.5 (-)	1 (4.4)	-1 (-)	-1 (-)	-6 (-)
I&C	Sales	45	45	46	46	181	41	50	43
	OP (M)	8 (18.6)	6 (13.8)	10 (21.4)	8 (18.2)	33 (18.0)	7 (17.4)	10 (19.5)	8 (17.6)
Total	Sales	434	423	407	378	1,642	389	432	395
	OP (M)	38 (8.7)	38 (9.1)	34 (8.3)	20 (5.4)	130 (7.9)	35 (9.0)	48 (11.0)	34 (8.7)

Appendix : Financial Summary

Financial Summary

Debt

(in KRW bn)

	Parent	
	2Q16	3Q16
Current Asset	744	745
Non-Current Asset	2,918	2,904
Total Assets	3,662	3,649
Current Liabilities	1,009	969
Non-Current Liabilities	520	546
Total Liabilities	1,529	1,515
Paid-in Capital	135	135
Total Equity	2,133	2,135
L/E Ratio	72%	71%

(in KRW bn)

	Consolidated	
	2Q16	3Q16
Current Asset	11,306	10,380
Non-Current Asset	17,759	17,417
Total Assets	29,066	27,797
Current Liabilities	13,187	12,958
Non-Current Liabilities	7,903	7,174
Total Liabilities	21,091	20,132
Paid-in Capital	2,449	2,413
Total Equity	7,975	7,665
L/E Ratio	265%	263%

(in KRW bn)

	Parent	
	2Q16	3Q16
Bank	744	689
Corp. Bonds	280	340
Others	0	0
Debt	1,024	1,029
Cash	111	58
Net Debt	912	971
Net D/E Ratio	43%	45%

E O D