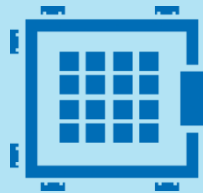




Doosan Corporation



Annual Business Review 2017

Feb. 2018

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.

Key Highlights

Consolid.

2017 Earnings growth was led by Doosan Corp, with improved performance of in-house biz, and Infracore, with rebound of Chinese excavator market.

- Sales was KRW 17.6 tn (+6.8% yoy), OP was KRW 1.2 tn (+27.7% yoy).

Doosan Corp and Infracore will continue to grow in 2018, and earnings turn-around of Doosan Heavy will improve consolidated earnings.

- Sales is planned to be KRW 20.2 tn (+14.9% yoy), OP to be KRW 1.5 tn (+29.4% yoy).

In-house Business

Sales and OP increased greatly on YoY basis in 2017.

- Existing biz, mainly thanks to Electro-Materials and Mottol, recorded sales increase of 17% yoy, OP increase of 46% yoy.

- New biz, even with order delay of Fuel Cell, reduced its loss thanks to earnings improvement of Duty Free Shop.

Existing biz will continue its growth in 2018 through global sales expansion, new biz will turn-around with order normalization of Fuel Cell and sales growth of Duty Free Shop.

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2017 Results and 2018 Plan (Consolidated)

2017

Both sales and OP grew on YoY basis thanks to earnings improvement of Doosan Corp and Infracore.

2018

Level of earnings will be upgraded with recovery of Doosan Heavy and continued growth of Doosan Corp and Infracore.

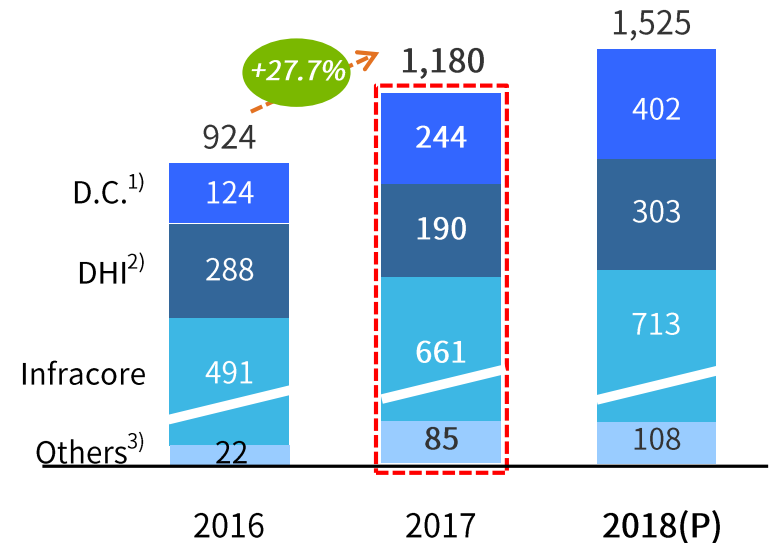
2017 Results and 2018 Plan

(in KRW bn, %)

	2016	2017	YoY	2018(P)	YoY
Sales	16,470	17,585	+6.8%	20,032	+14.9%
OP	924	1,180	+27.7%	1,525	+29.4%
(M)	5.6%	6.7%	+1.1%p	7.6%	+0.9%p
N.I.	50	46	-8.9%	484	+988.2%

Annual OP Trend

(in KRW bn)



1) Including overseas business 2) DHI Consolidated

3) Including Doosan Engine and others

2017 Results and 2018 Plan (In-house Business)

2017

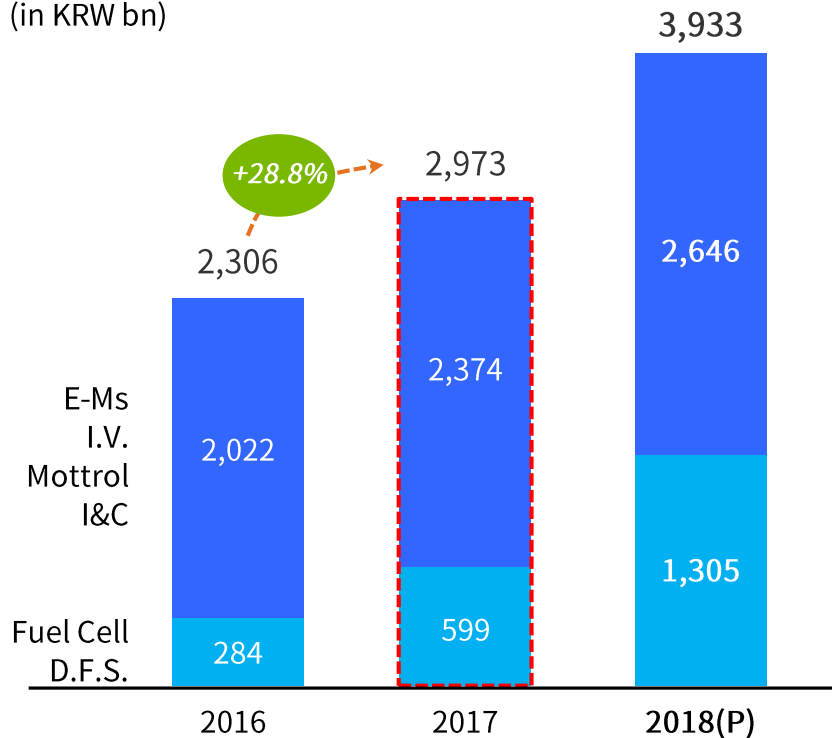
Growth of in-house biz all across the board led huge improvement of both sales and OP.

2018

2018 earnings growth will be driven by continued growth of existing biz and turn-around of new biz.

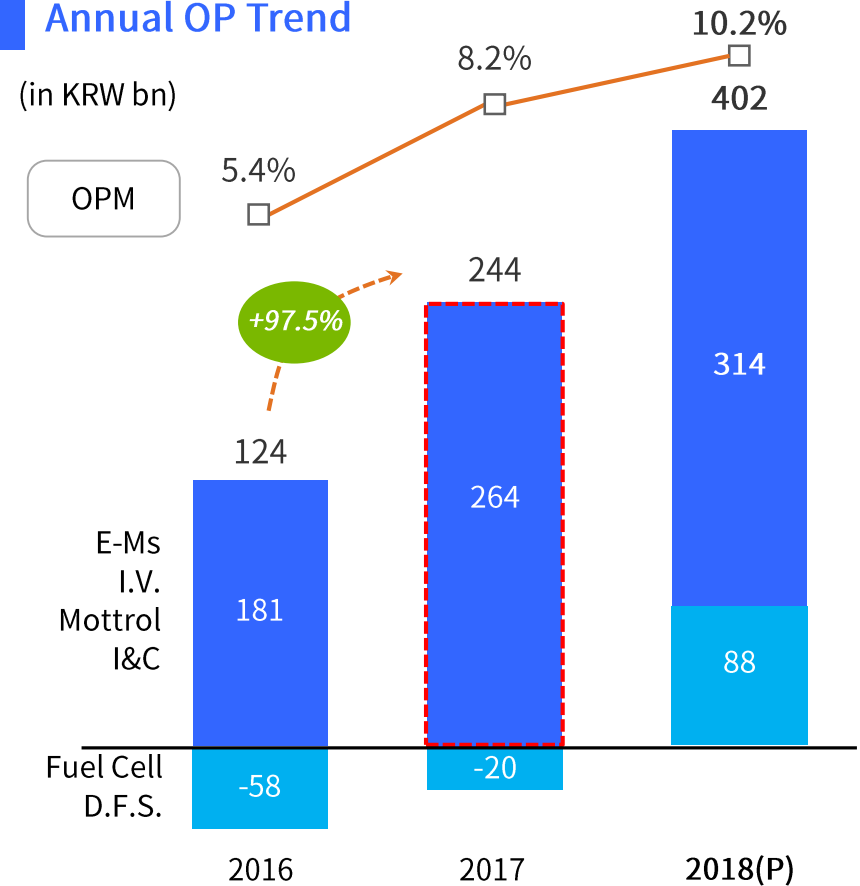
Annual Sales Trend

(in KRW bn)



Annual OP Trend

(in KRW bn)

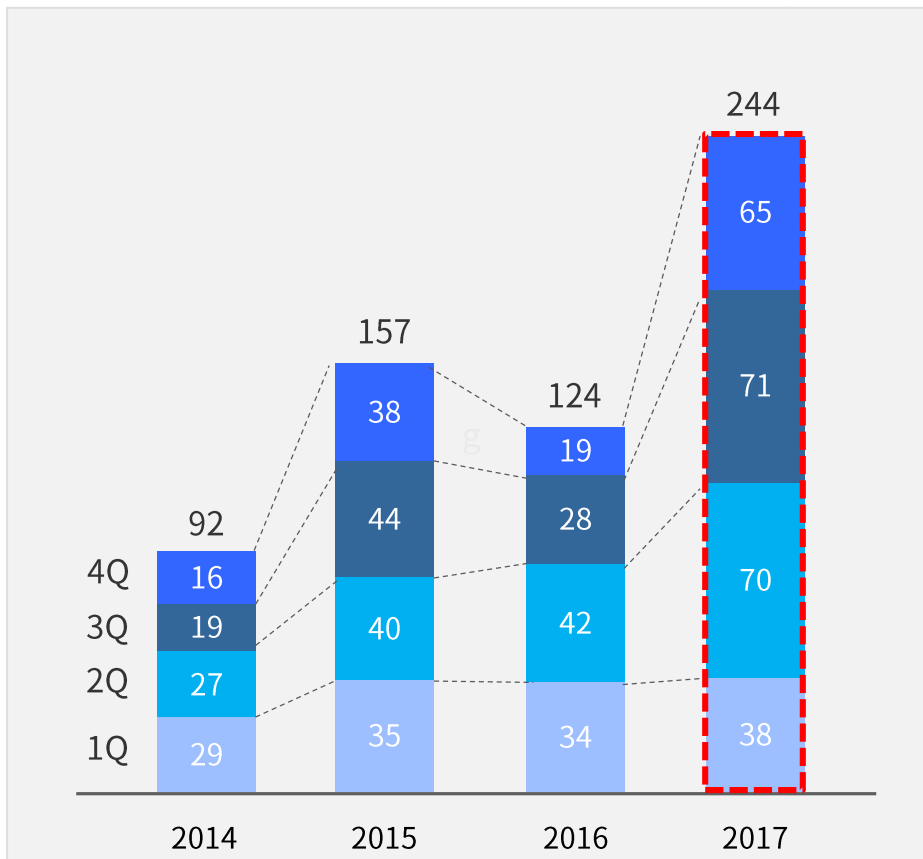


OP Growth Trend of Doosan Corp's In-house biz

- In 2017, Doosan Corp's In-house business achieved both record-high annual and quarterly OP.

Annual OP Trend (including DFS)

(in KRW bn)



Annual OP Trend (excluding DFS)

(in KRW bn)

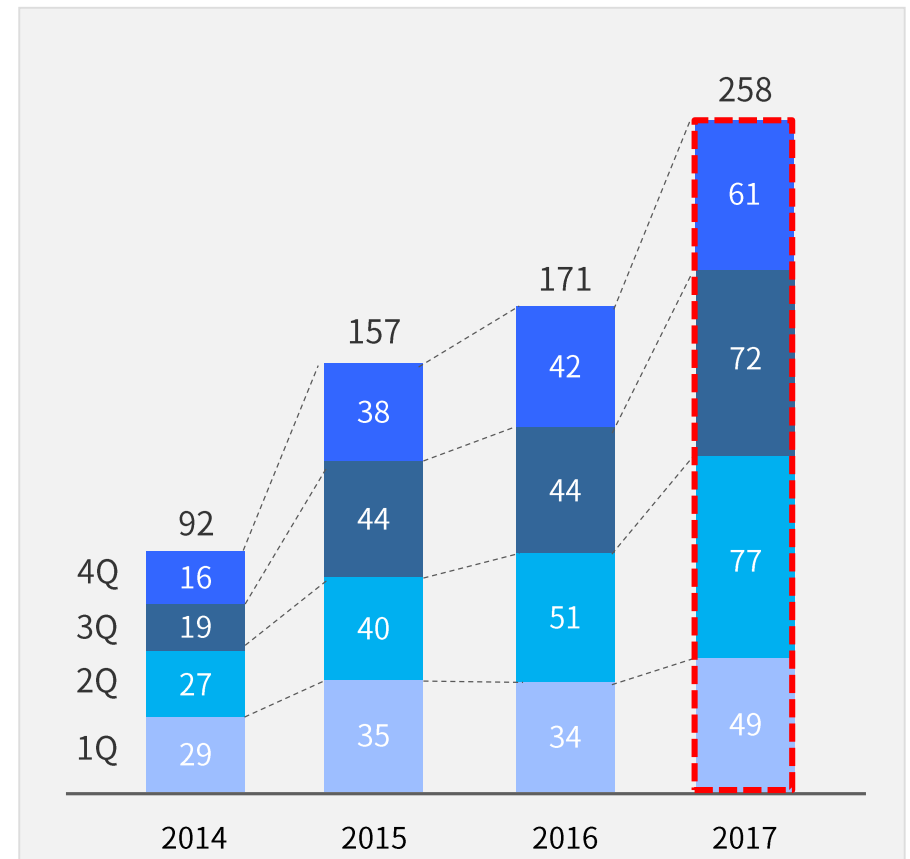


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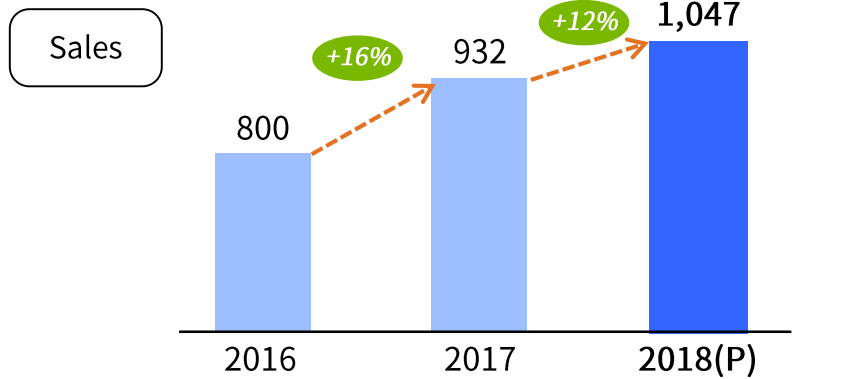
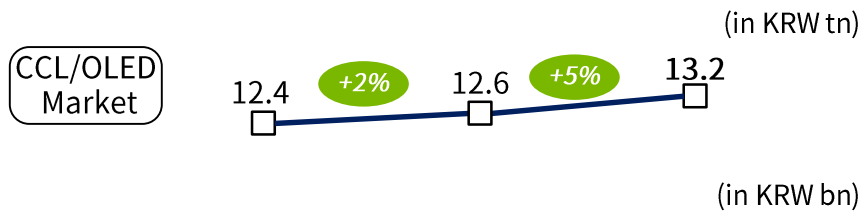
I. 2017 Results and 2018 Plan

II. In-house Business Result and Outlook

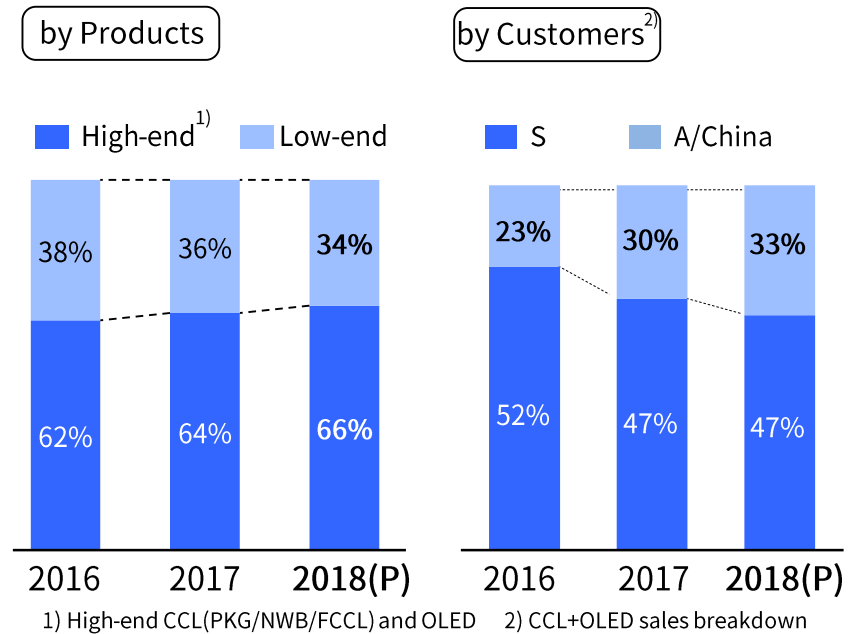
III. Appendix

Electro-Materials

2017 Results and 2018 Plan



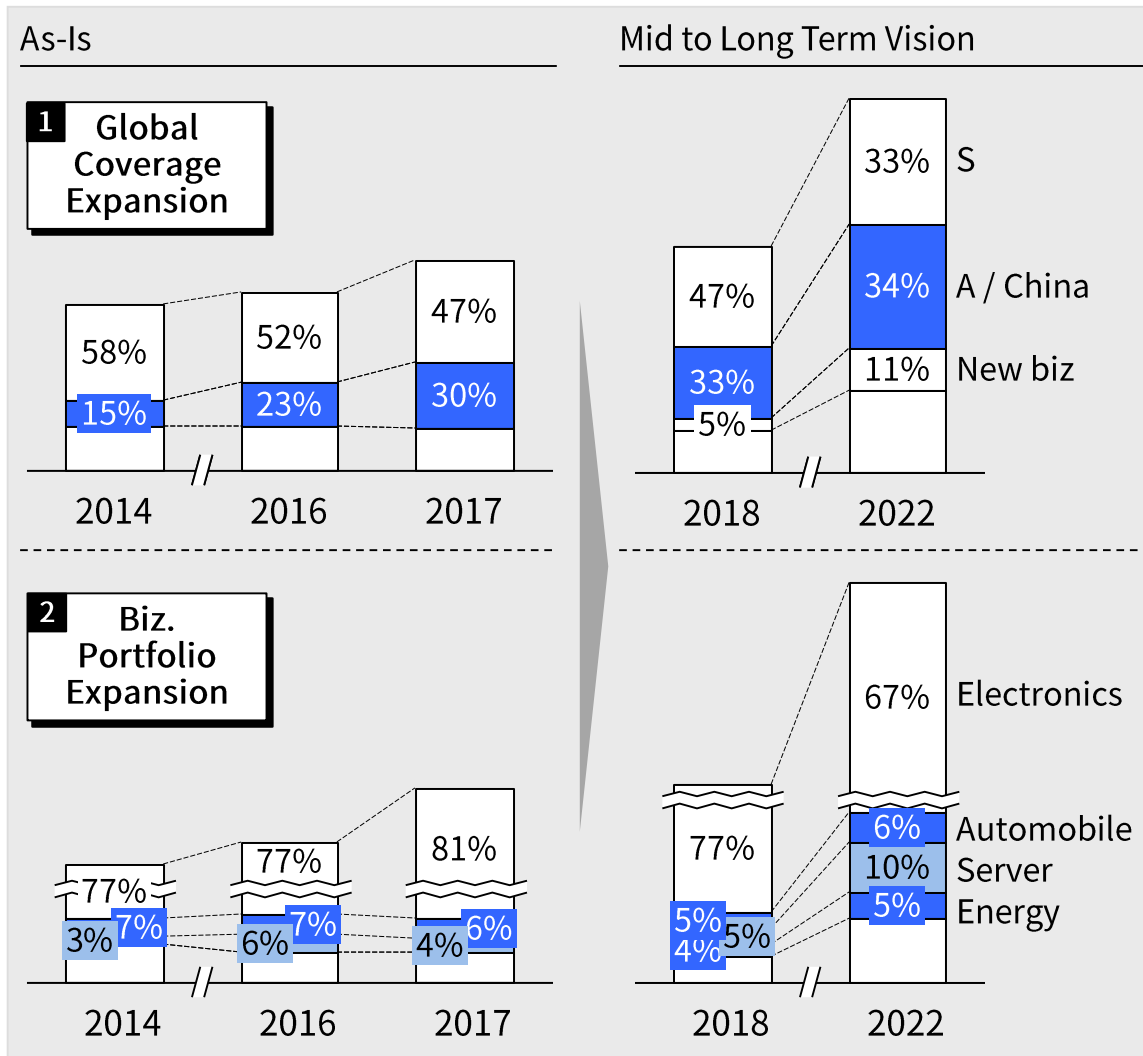
Sales Breakdown



- In 2017, Sales rose by 16% yoy thanks to sales increase of high-end products (FCCL/OLED) and to China and A.
- KRW 1 tn of sales is planned for 2018 with customer diversification and expanded business portfolio.

Electro-Materials – Mid to Long Term Vision

- Growth led by customer diversification and business portfolio diversification



1 Customer Diversification (A / China)

- ① Application Expansion
 - Wireless Charger
 - OLED display module
- ② Customer Expansion
 - Sales expansion in Chinese local market through H, X and V

2 Business Portfolio Diversification

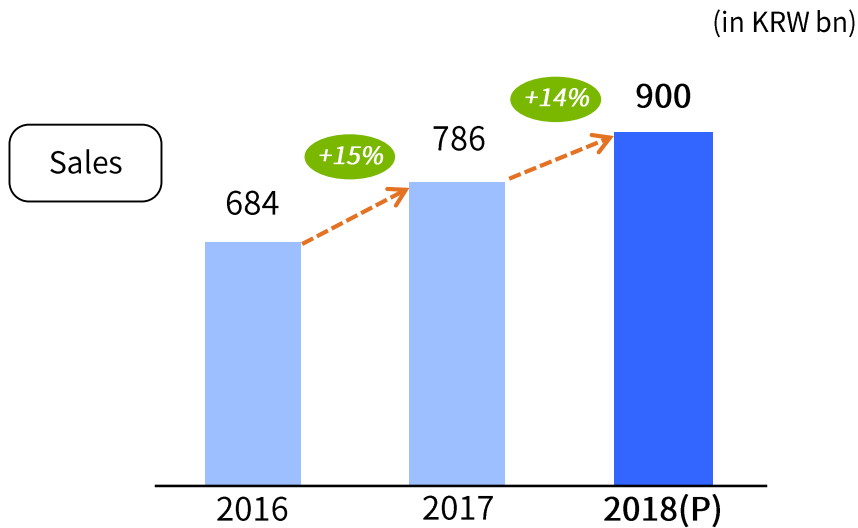
- ① New Product Development
 - Electrodes for Fuel Cell (2018)
 - FFC* for automobile

* Flexible Flat Cable

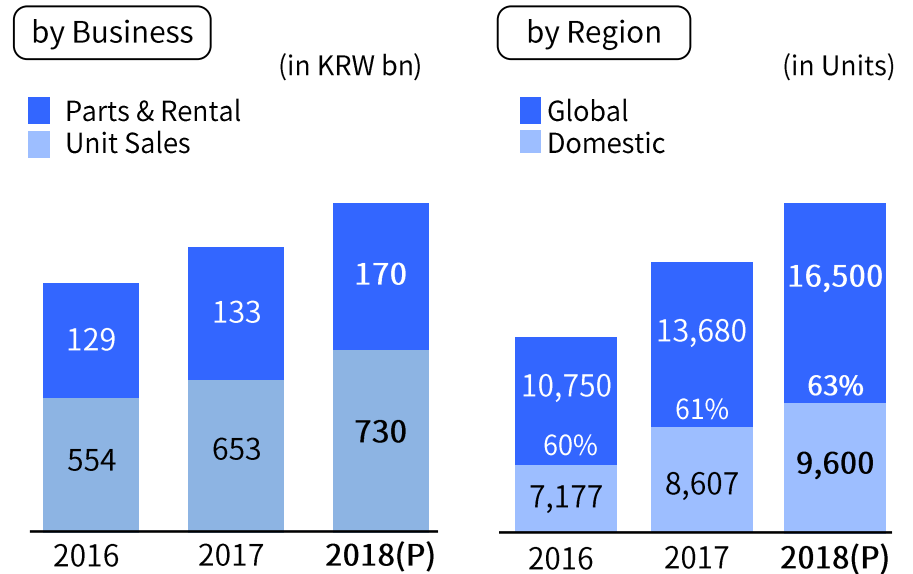
* excluding copper foil business

Industrial Vehicle

2017 Results and 2018 Plan



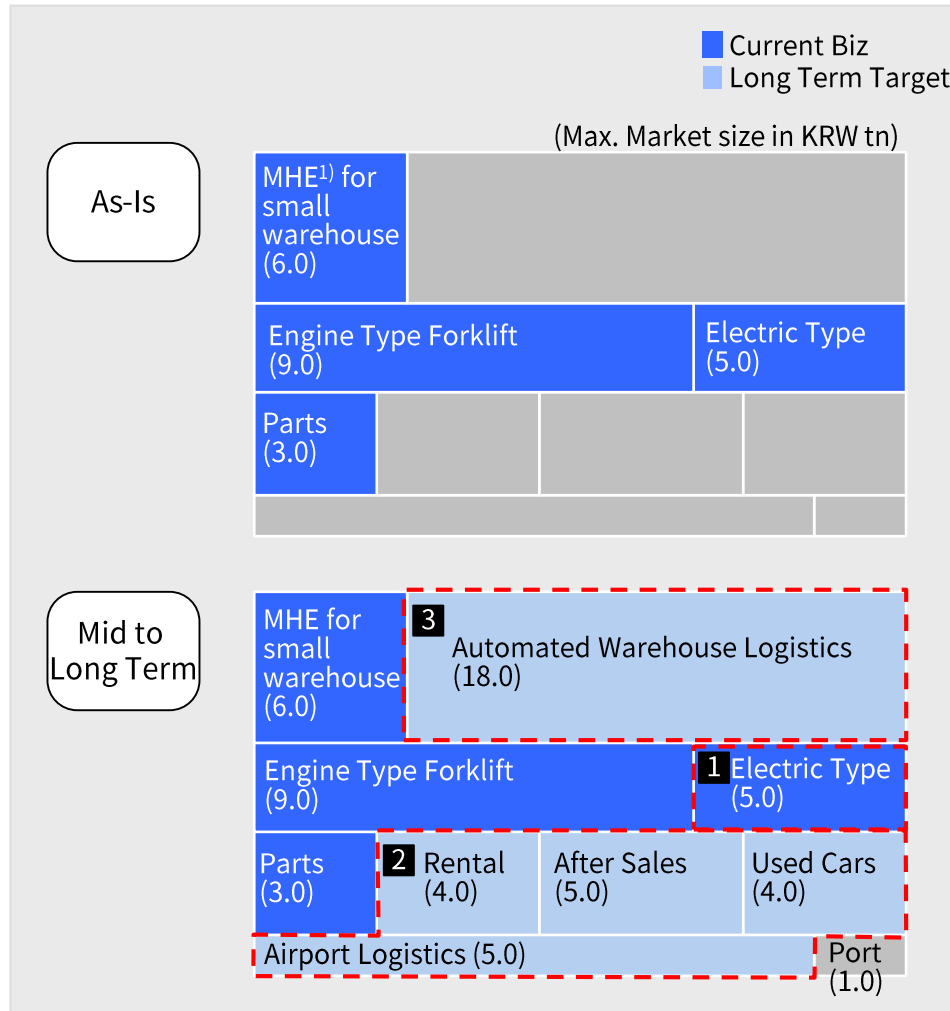
Sales Breakdown



- In 2017, both sales (+15% yoy) and OP (+24% yoy) increased thanks to stronger sales channel and more sales of electric forklift.
- In 2018, KRW 900 bn of sales, a 14% yoy growth, is planned with new electric model launch, improved dealership network in emerging market and new downstream business in N.A. and domestic market.

Industrial Vehicle – Mid to Long Term Vision

- Growth led by downstream business and automated warehouse logistics



1 Electric Type Forklift

- ① High-end models (lithium battery)
- ② Warehouse logistics for large-size distributors

2 Downstream Business

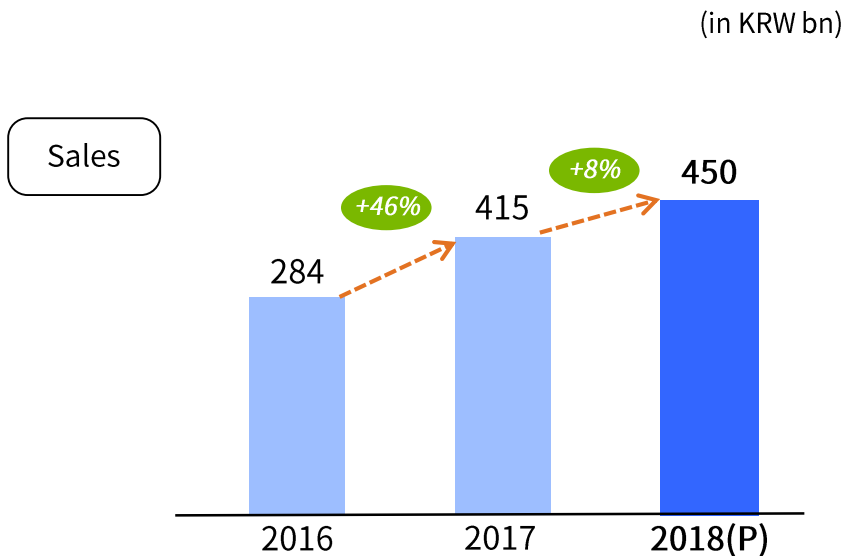
- ① Refurbish biz (from rental and used cars)
 - Rushlift in U.K. and Factory store in N.A.
- ② Parts and aftersales expansion in global market
- ③ Airport logistics biz through Rushlift in U.K.

3 Automated warehouse logistics

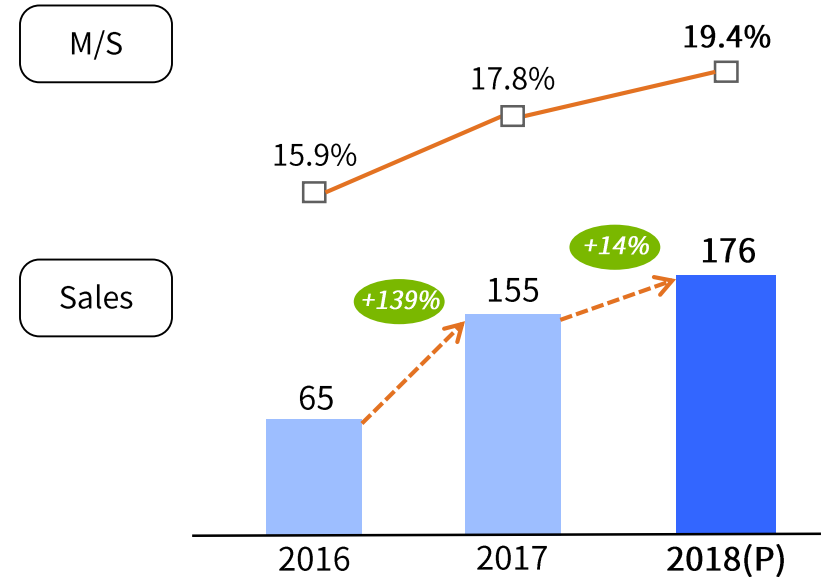
- ① Total Logistics Solution biz

1) MHE – Material Handling Equipment

2017 Results and 2018 Plan



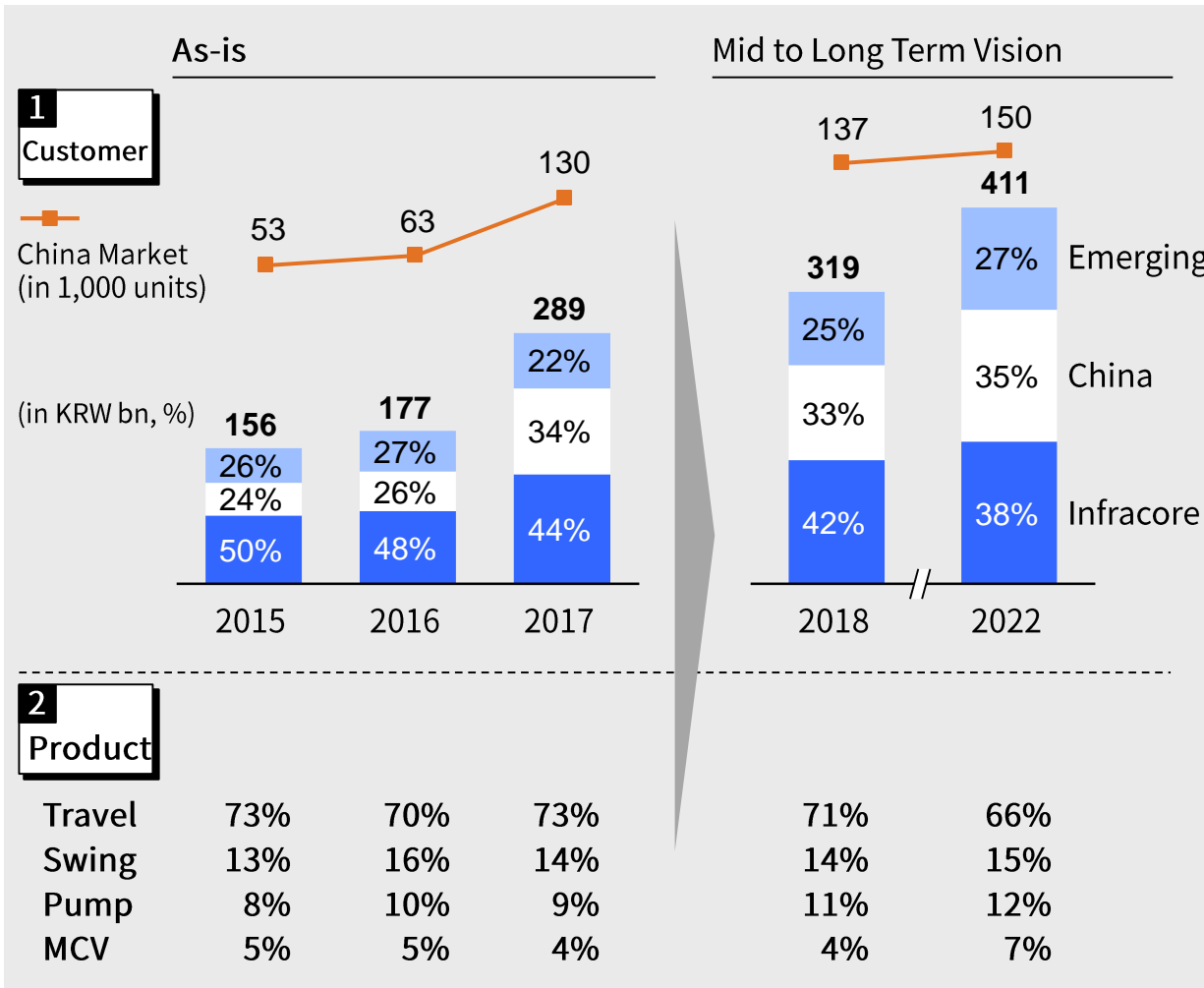
M/S and Sales Trend in China



- In 2017, both sales (+46% yoy) and OP grew thanks to better product quality and stronger price competitiveness compared to competition.
- In 2018, sales is planned to grow by 14% with better market position in China market and market entrance into India, N.A. and Europe.

Mottrol – Mid to Long Term Vision

- Growth led by Non-China market expansion and product portfolio improvement



- After China market crash in 2011, Mottrol focused on captive sales to Infracore.

- With China market recovery in 2017, Mottrol now focuses on Chinese local makers.

- M/S in China 13%(2015) → 18%(2018)

- 1 Stronger market presence in China and market entrance in India, N.A. and Europe**

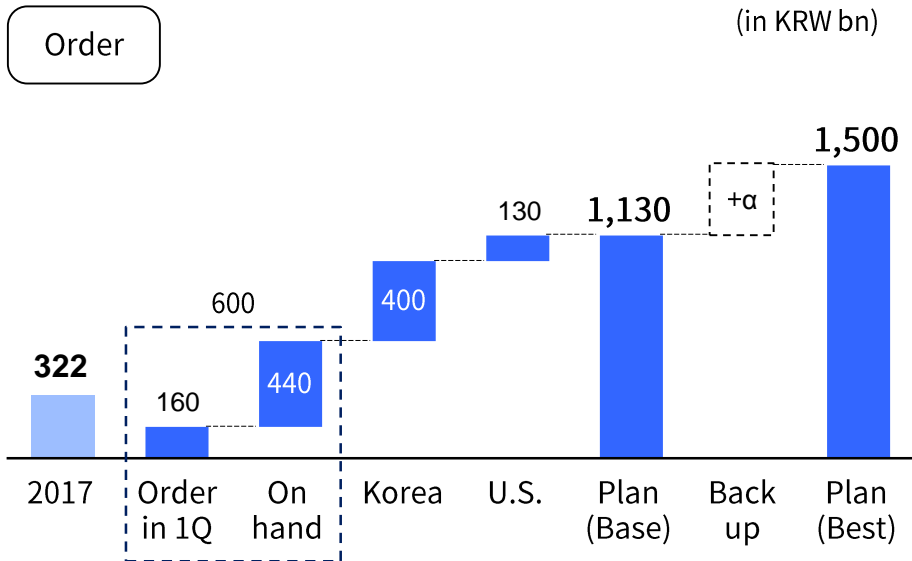
- M/S in China 24% (2022)

- 2 Sales expansion of highly profitable Pump and MCV**

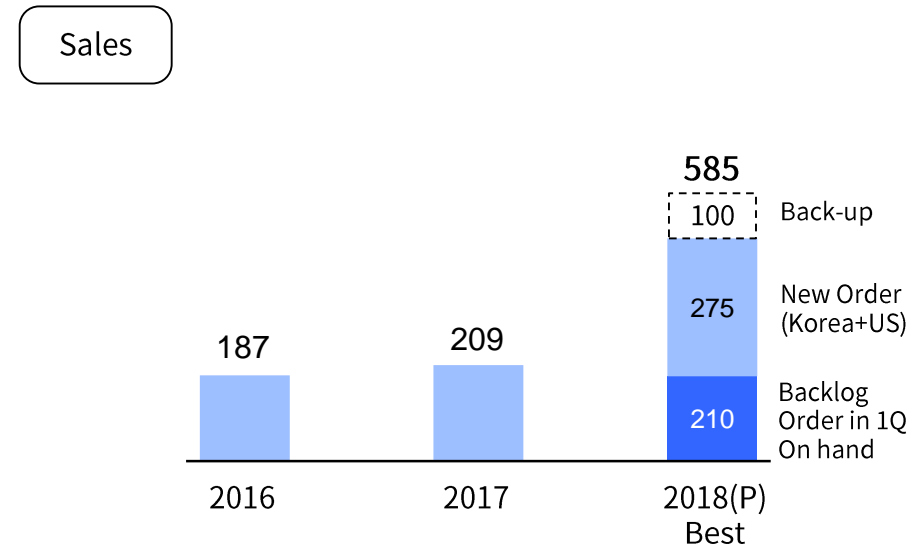
- Cost-cuts for travel and swing device

Fuel Cell

2017 Results and 2018 Plan (Order)



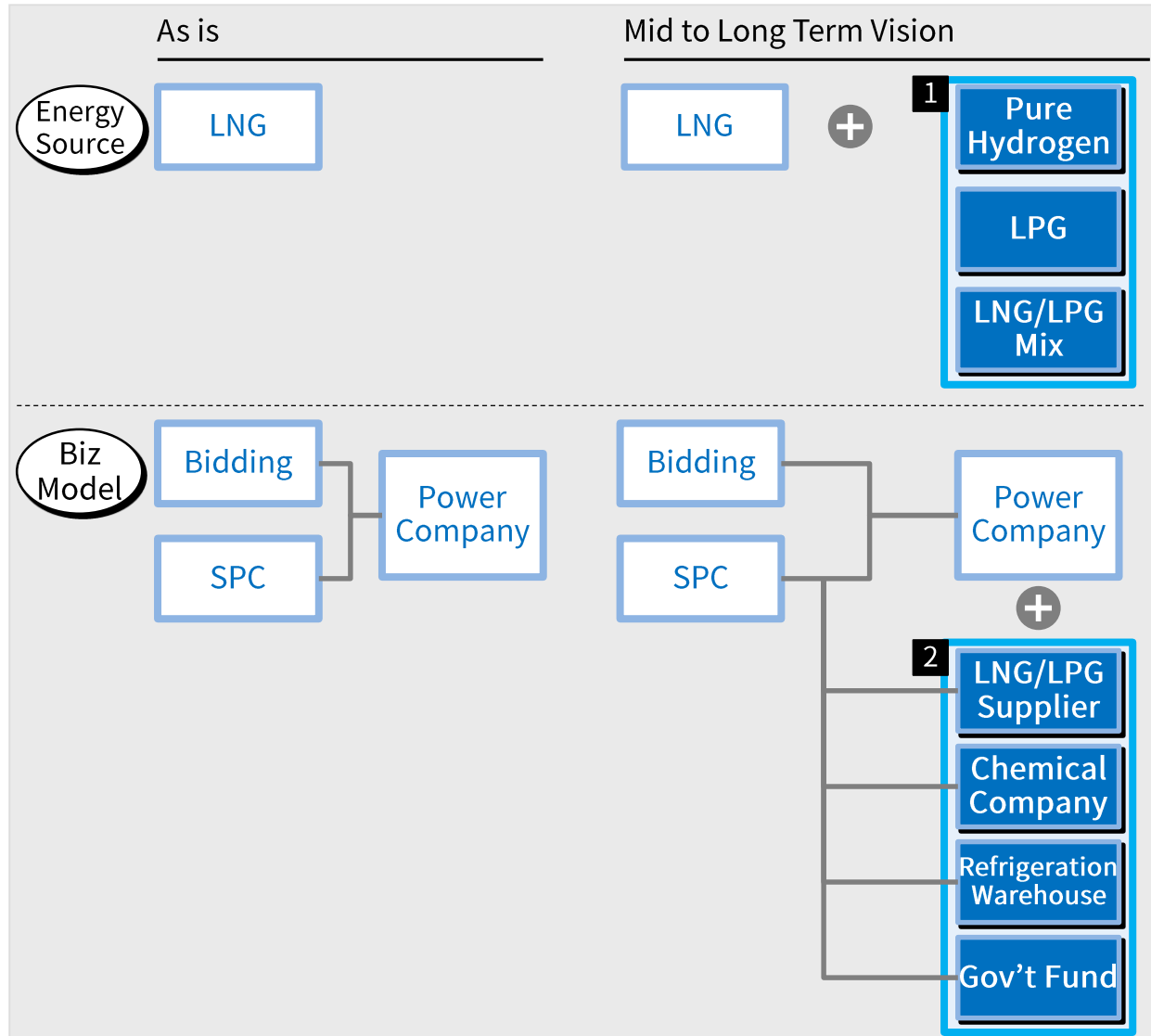
2017 Results and 2018 Plan (Sales)



- Earnings and order won was sluggish in 2017 due to delay of big SPC projects and more intense competition.
- In 2018, earnings will turn around with KRW 600 bn of projects on hand and additional new projects worth KRW 530 to 900 bn.

Fuel Cell – Mid to Long Term Vision

- Growth led by diversification of business type and energy source



1 Energy source diversification

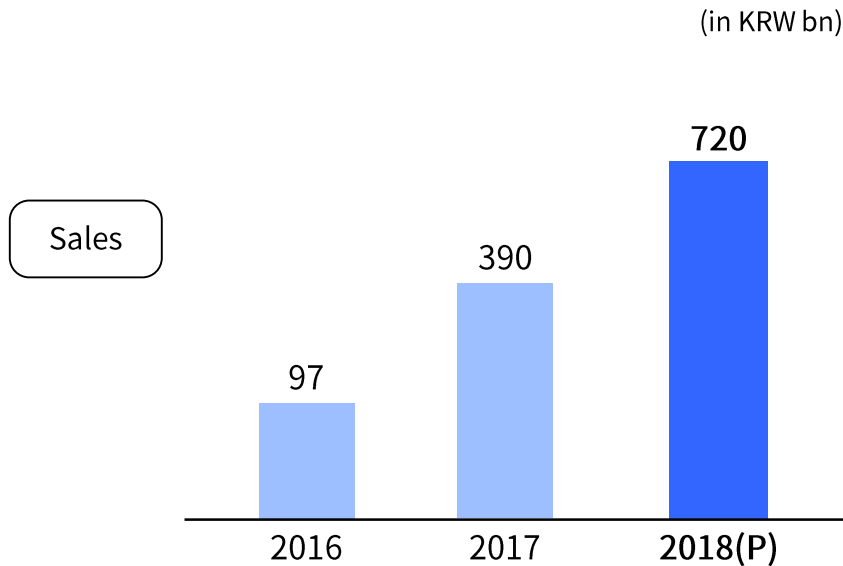
- ① R&D and test completed for each energy source
- ② Project ongoing with pure hydrogen as the energy source

2 Biz model diversification

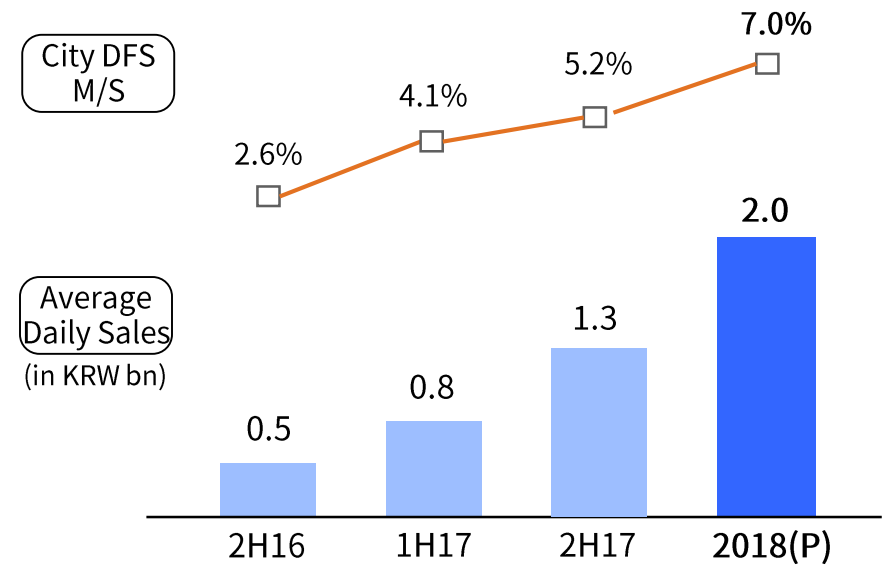
- ① 관련회사의 안정적 연료 공급 및 추가 수익 창출로 당사의 사업 추진 가능
- ② Government-funded new-renewable energy projects

Duty Free Shop

2017 Results and 2018 Plan



M/S and Average Daily Sales Trend



- 4Q17 was first quarter to generate operating profit with average daily sales of KRW 1.4 bn thanks to wholesale growth.
- In 2018, KRW 720 bn of sales and 7.0% of city DFS M/S is planned with new brand line-ups and more in-bound Chinese group tourists.

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2017 Annual Result and 2018 Plan (Parent)

(in KRW bn, %)

	2016	2017	YoY	2018
Sales	2,067	2,625	+27.0%	3,370
OP (M)	225 (10.9%)	277 (10.6%)	+22.8% (-0.3%P)	347 (10.3%)
▪ In-house Biz.	87	200	+129.5%	-
▪ Others*	138	77	-44.5%	-
- Interest Expense	38	42	+10.7%	-
Net Income	154	205	+33.4%	-

Financial Summary

Financial Summary

	(in KRW bn)	
	3Q17	4Q17
Parent		
Current Asset	1,024	981
Non-Current Asset	2,988	2,969
Total Assets	4,011	3,950
Current Liabilities	1,477	1,319
Non-Current Liabilities	386	431
Total Liabilities	1,862	1,750
Paid-in Capital	135	135
Total Equity	2,149	2,200
L/E Ratio	86.7%	79.6%

	(in KRW bn)	
	3Q17	4Q17
Consolidated		
Current Asset	12,215	10,868
Non-Current Asset	17,821	17,901
Total Assets	30,036	28,769
Current Liabilities	13,777	13,722
Non-Current Liabilities	8,189	7,444
Total Liabilities	21,966	21,166
Paid-in Capital	2,412	2,474
Total Equity	8,070	7,603
L/E Ratio	272.2%	278.4%

Debt

	(in KRW bn)	
	3Q17	4Q17
Parent		
Bank	670	380
Corp. Bonds	515	575
Debt	1,185	955
Cash	117	57
Net Debt	1,069	898
Net D/E Ratio	49.7%	40.8%

E O D