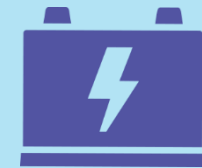




Doosan Corporation



2Q18 Earnings Release

July 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.

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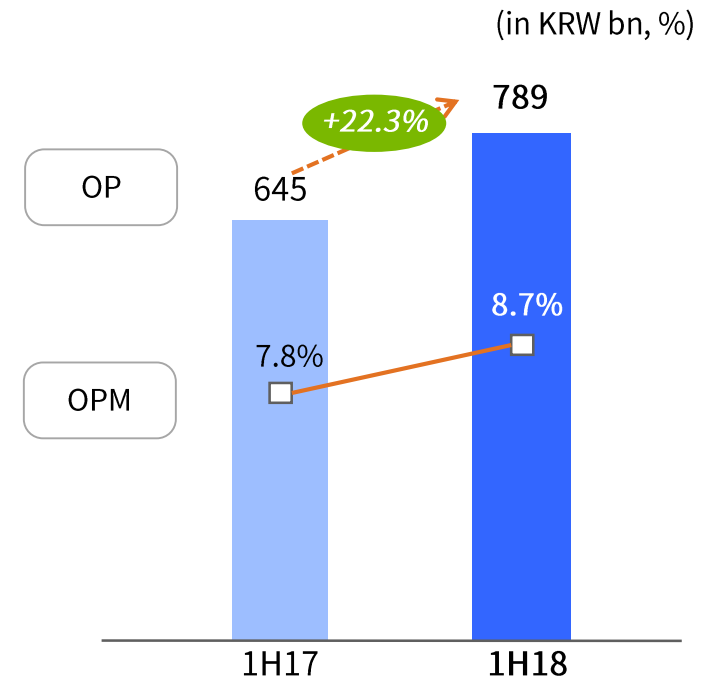
2Q18 Result (Consolidated)

Sales & OP

(in KRW bn, %)

	2Q17	1Q18	2Q18	YoY	QoQ
Sales	4,397	4,308	4,746	+8.0%	+10.2%
OP	384	351	438	+14.1%	+24.9%
(%)	8.7%	8.1%	9.2%	+0.5%p	+1.1%p
- DS	74	64	74	+0.3%	+15.7%
- DHI	63	54	75	+19.2%	+37.2%
- Infracore	215	242	273	+27.2%	+13.0%
- Others	33	-9	16	-50.5%	-
Net Income	23	42	88	+280.5%	+108.8%

Cumulative OP(1st half)



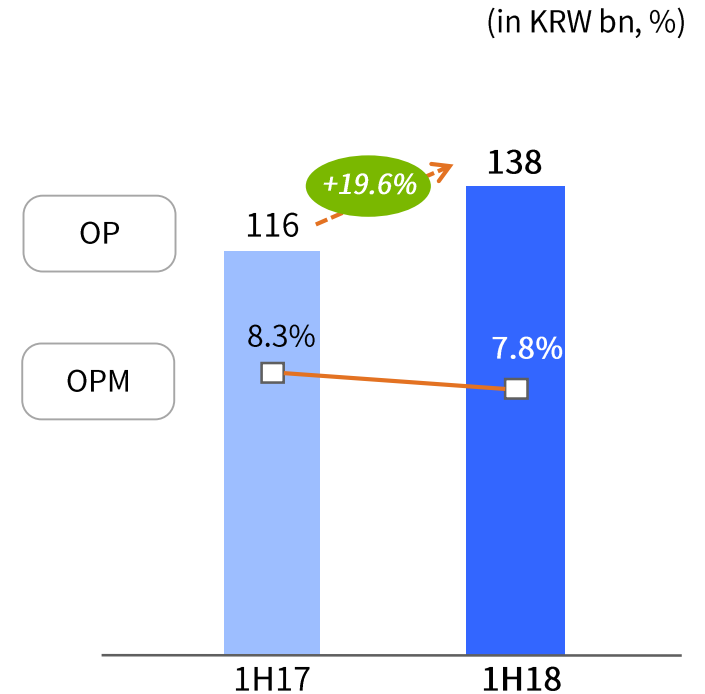
- Both sales and OP of Doosan Group grew on YoY basis, thanks to earnings improvement of Doosan Infracore.
- 1H18 YTD cumulative OP grew by 22.3% on YoY basis.

2Q18 Result (In-house Biz)

Sales & OP

	(in KRW bn, %)				
	2Q17	1Q18	2Q18	YoY	QoQ
Sales	768	8,02	967	+25.9%	+20.5%
OP	74	64	74	+0.3%	+15.7%
(%)	9.7%	8.0%	7.7%	-2.0%p	-0.3%p

Cumulative OP(1st half)



- Growth of I.V., Mottrol, Fuel Cell led both YoY and QoQ improvement of both sales and OP.
- 1H18 YTD cumulative OP grew by 19.6% on YoY basis.

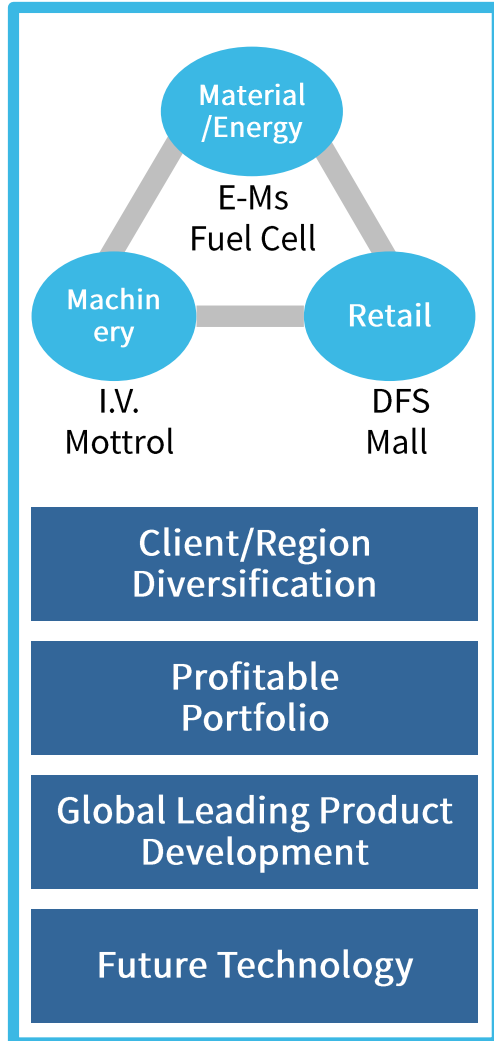
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Key highlights of Doosan Corp In-house Business



	Results	성과의 의의
E-Ms	<ul style="list-style-type: none"> • NWB/PKG/China grew by 19% YoY - New customer expansion(client N / P) - Application expansion(client C/ A) 	Portfolio Stabilization
I.V.	<ul style="list-style-type: none"> • Global sales grew by 20% YoY • Expansion of Downstream business - Factory store¹⁾ in N.A / CS center in Korea 	Portfolio Diversification
Mottrol	<ul style="list-style-type: none"> • M/S in China 20% (+3.8%p YoY) - Sales expansion of Swing/MCV through Sany and Chinese local makers • Sales increase in India with Sany, Liugong 	New Global Market Entrance
Fuel Cell	<ul style="list-style-type: none"> • KRW 840bn of new order won(+730bn YoY) • World's largest Hydrogen PJT 	Energy source Diversification
New Business	<ul style="list-style-type: none"> • Copper Foil for Electric Vehicle - Establish a factory in Europe(Hungary) • Fuel Cell for drone completed prototype • Robotics obtained Safety Certification²⁾ & MOU with German dealers 	Prior Occupation of Potential Market

1) Factory Store(Direct management): new cars/used cars/parts&after sales

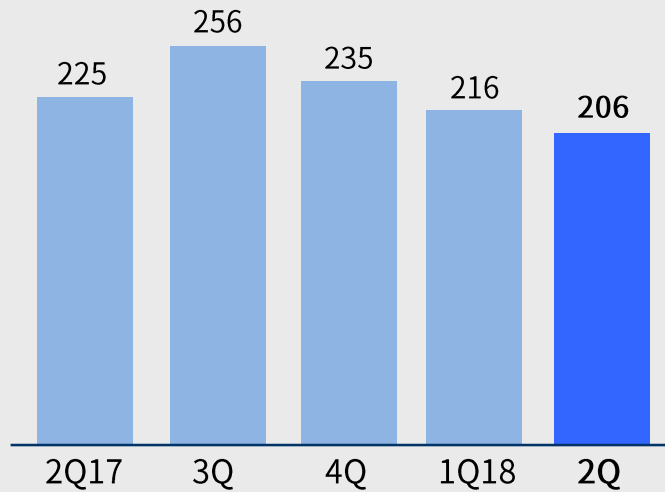
2) NRTL in N.A.(Nationally Recognized Testing Laboratories)
CE(Conformite European)

Electro-Materials

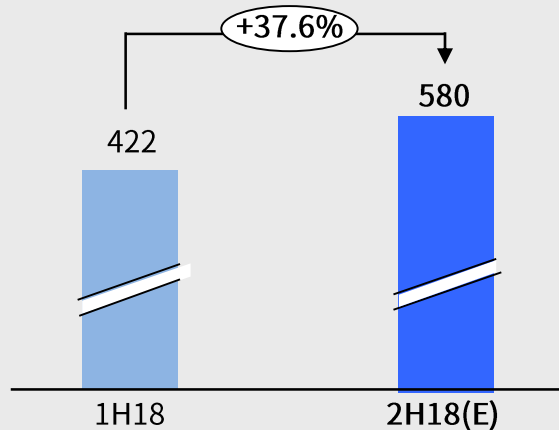
(in KRW bn)

Quarterly Results

Sales



2H Sales Outlook



2Q Performance

- OLED smartphone sales decrease due to weak sales of Galaxy/iPhone X
- Client diversification for NWB CCL & sales expansion in China led steady sales.

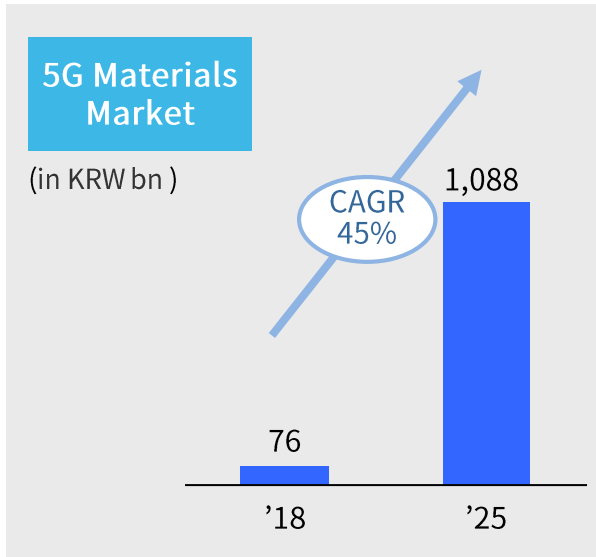
2H Outlook

- New product launch by Samsung/Apple and expansion of application (OLED Display, NWB, PKG) will boost sales.

New Growth Items

- Sales expansion of High-end products
 - Newly secure OLED display customers¹⁾
- Co-work with 5G Infra company
 - Samsung, Huawei, Nokia, Ericsson, ZTE

E-Ms Results – New Growth Items

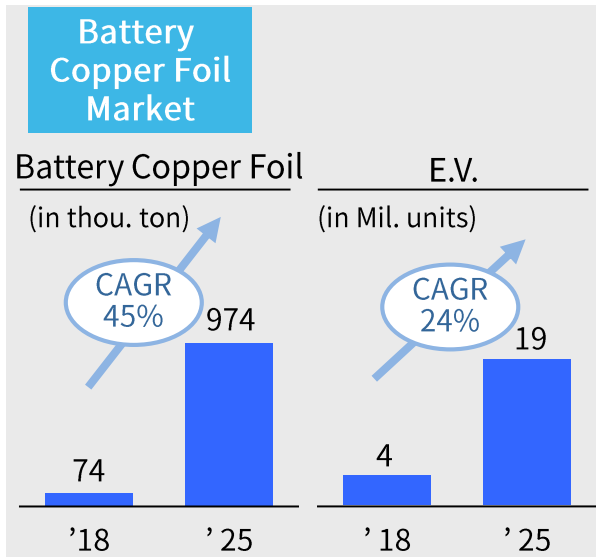


Market Features and Required Characteristics

- Market**
 - 5G is the key for implementation of Self-driving car/AR/VR/AI
 - 5 global players¹⁾ for 5G infra
- Tech nology**
 - High-end CCL is main products for 5G Infra (Low loss tech.)

- New product development for 5G Infra
 - Qualifying/Being tested in progress with 5G infra clients

1) 5 Major players of communication equipment : Samsung, Huawei, Nokia, Ericsson, ZTE



- Market**
 - Europe market is expected to expand more with E.V. top-tier motor companies
 - Market portion of Europe will be 31% up until 2025
 - Korean battery companies are investing in Eastern Europe
 - SK, SDI, LGC
- Tech nology**
 - CFL, sole copper foil for E.V. company²⁾ in Europe with high-end copper foil technology

- Building a factory in Hungary
 - Capa. 10,000tons/year
- Stable sales secured through partnership with Korean clients (Battery companies) in Europe

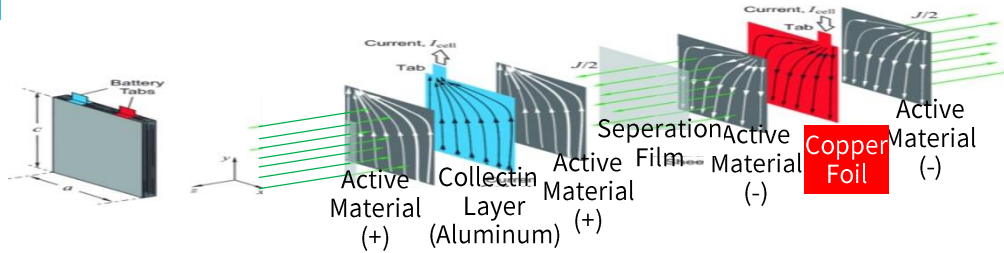
2) Global leaders : Doosan(CFL), Iljin, LS, Changchun, Furukawa

Back-up] Battery Copper Foil for Electric Vehicle Investment Progress

Investment Progress

Battery Copper Foil?

- Main raw materials for E.V. battery : Role as a moving path of electrons generated from the anode active materials



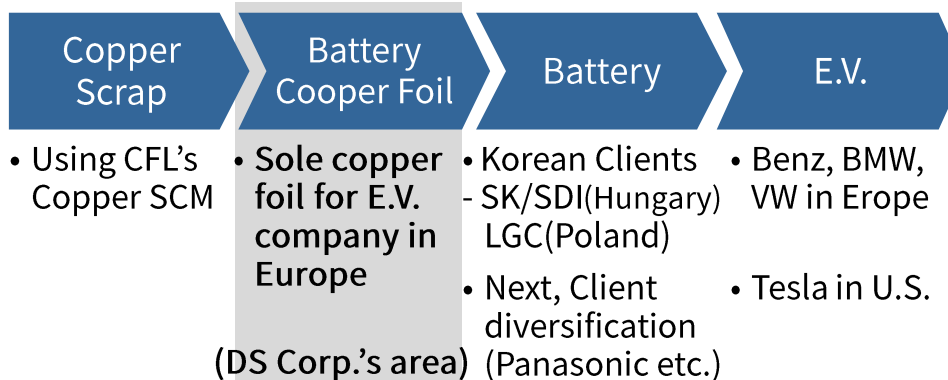
Background

- High growth in EV battery market is forecasted by Electronization/Smartization/Self-driving Car Trend

Progress

- Established a company for battery in Hungary
 - Company Name : Doosan Energy Solution(June '18)

Value Chain



Overview



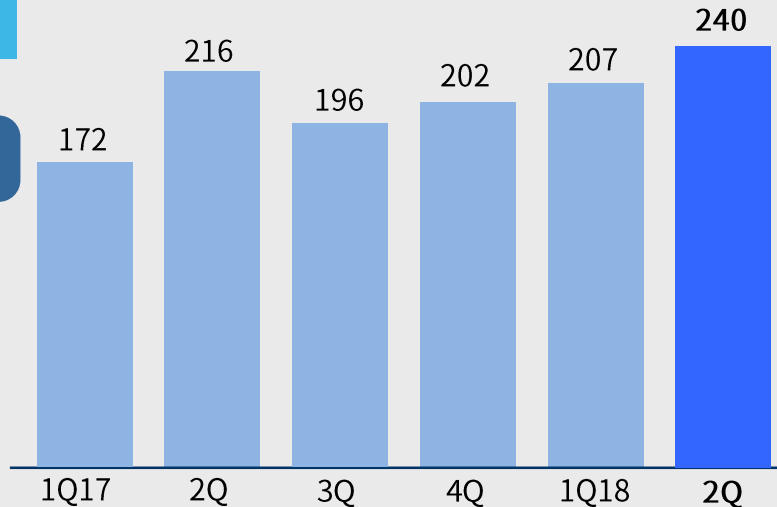
- Location : Tatabánya, Hungary
 - Size : 144,000m²
 - Capacity : 10,000ton/year (max 50,000ton/year land size)
- Milestone
 - Site confirmation : June '18
 - Start of construction : Dec. '18
 - Mass production : July '20
- KRW 1tn of revenue will be expected for 50,000ton after '28

Industrial Vehicle

Quarterly Results

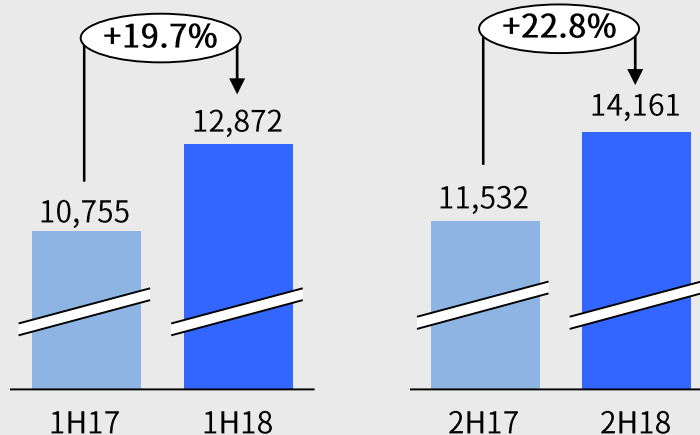
(in KRW bn)

Sales



2H Sales Outlook

(in units)



2Q Performance

- 2Q unit sales grew by 15% yoy with orders from large size rental companies

- Sales grew thanks to expansion of electric type models
 - Domestic : M/S 55%(+2.2%p yoy)
 - N.A : +20% growth yoy with new dealers
 - Western Europe : +49% growth thanks to new markets(Germany, Spain,Italy)

2H Outlook

- New products launch
 - Domestic : Li-ion electric type launch
 - N.A. : 3 Electric type models launch for warehouse

- Strategic partnership with Crown

New Growth Items

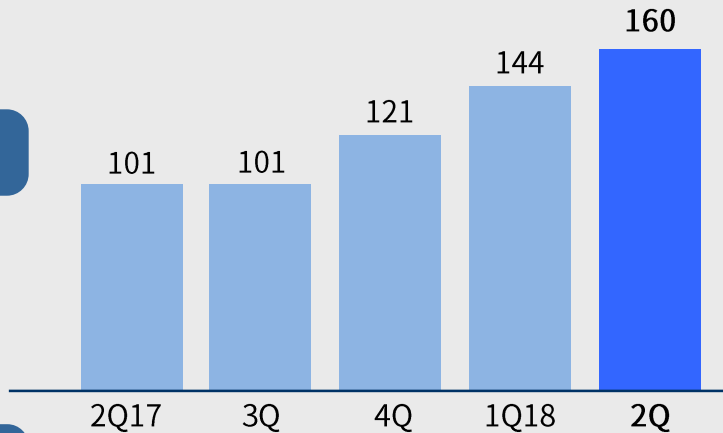
- Downstream Business Expansion
 - Opened Factory Store in N.A.
 - Refurbish Biz.(from used cars)
 - Established CS center

Mottrol

(in KRW bn)

Quarterly Results

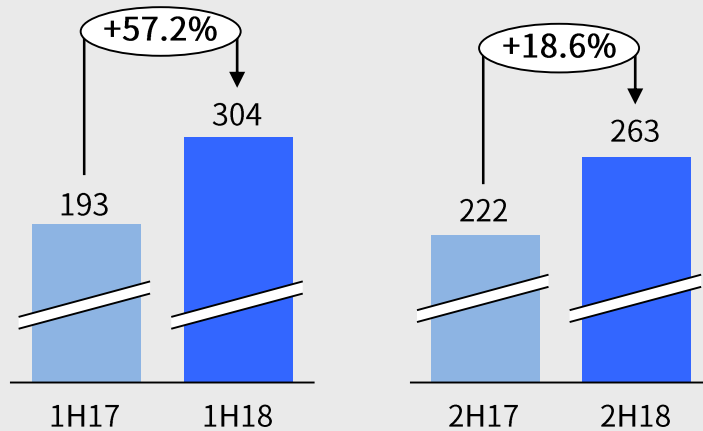
Sales



China M/S



2H Sales Outlook



2Q Performance

- Sales expansion thanks to growth in Chinese construction equipment market and diversification of products (pump/swing)

2H Outlook

- Continued sales expansion from main clients
 - Excavator market +5%
 - M/S 21%(+3%p yoy) (travel/swing device adoption by Sany)

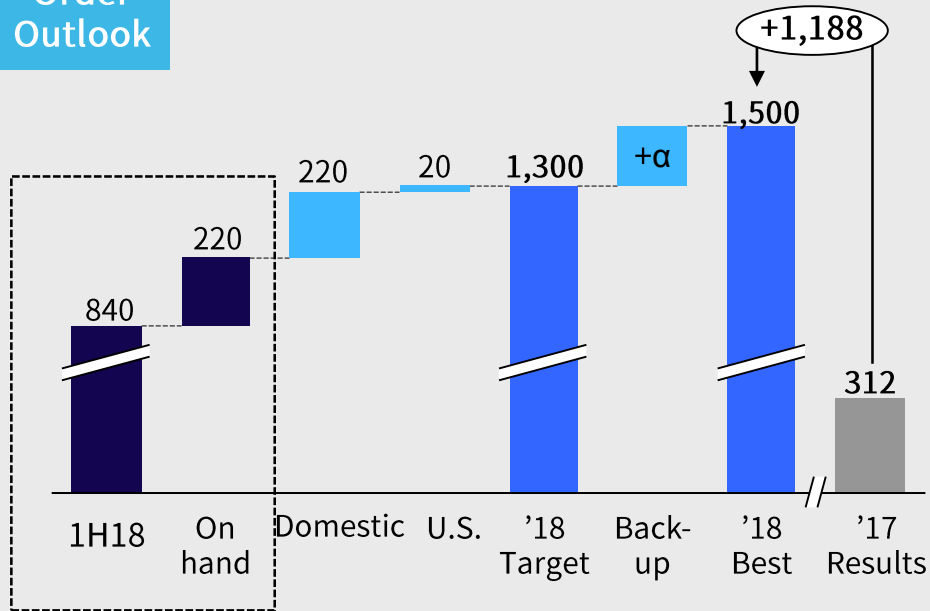
New Market

- India market : Co-work with Chinese excavator makers(Sany, Liugong)
 - Supply travel devices
- Advanced market : Co-work with local excavator makers
 - Supply travel device to Bonfi.(Europe)
 - Enter Mini excavator market with Bobcat

Fuel Cell

(in KRW bn)

Order Outlook



1H18 840bn			
	KOSPO2 (GenCo)	18MW	160
	KOWEPO3(GenCo)	18MW	160
	By-product(Hydrogen)	50MW	470
	Others		50

On hand 220bn			
	KOSPO3 (GenCo)	20MW	180
	South Windsor(U.S.)	5MW	40

New Order Won

- KRW 840bn of new order won in 1H18
- KRW 1tn secured including On-hand PJT
- 100% of bidding PJT won in 2018
- World's largest Hydrogen PJT won

2H Outlook

- Revenue recognition of orders won in 1H 2018
- 2019 & long-term earnings will improve as KRW 1.3~1.5tn of new order expected to be won in 2018

New Growth Items

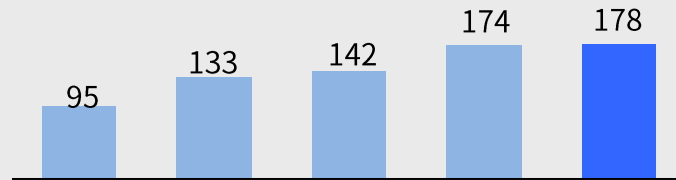
- MW PJT expansion by state governments in U.S market
- Pure hydrogen model Fuel Cell
- biz. opportunity in Domestic and China
- Biz. opportunity from hydrogen-related parts

Retail

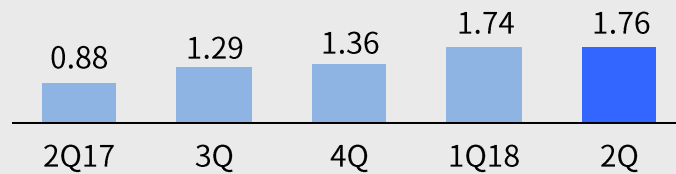
(in KRW bn)

Quarterly Results

Sales¹⁾

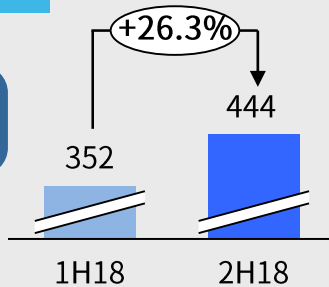


Daily Avg. Sales (Duty Free)

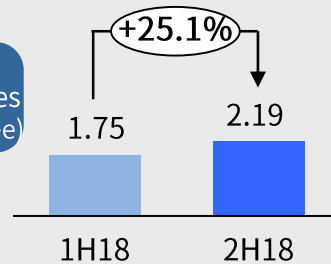


2H Sales Outlook

Sales¹⁾



Daily Avg. Sales (Duty Free)



2Q Performance

- Strategic partnership with big travel agency and new brand²⁾ introduction
- Stable sales secured through rental business of Doota Mall

2H Outlook

- New packages for Group Tourists launch
- Additional New brands & Trendy items introduction
 - YSL, G.Armani, Tumi, Maxmara

New Growth Items

- Participation in airport DFS bid

1) Doota Mall + Duty free

2) Monblanc, Stila, Benefit etc. 30 brands

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2Q18 Result (Parent)

(in KRW bn)

	2Q17	1Q18	2Q18	YoY	QoQ
Sales	636	697	790	+24.3%	+13.4%
OP	53	124	61	+15.0%	-51.4%
(M)	8.3%	17.9%	7.7%	-0.6%p	-10.2%p
▪ In-house Biz	59	59	72	+23.2%	+22.3%
▪ Others ¹⁾	-6	65	-12	-	-
Interest Expense	10	11	13	+31.0%	+21.3%
Net Income	48	106	30	-38.1%	-71.9%

1) Others : dividend income, common expense, adjustments

Financial Summary

Financial Summary

	(in KRW bn)	
	1Q18	2Q18
Parent		
Current Asset	1,126	1,154
Non-Current Asset	3,108	3,514
Total Assets	4,234	4,668
Current Liabilities	1,340	1,315
Non-Current Liabilities	544	1,013
Total Liabilities	1,884	2,328
Paid-in Capital	135	135
Total Equity	2,350	2,341
L/E Ratio	80.2%	99.4%

	(in KRW bn)	
	1Q18	2Q18
Consolidated		
Current Asset	12,213	11,721
Non-Current Asset	17,468	17,487
Total Assets	29,681	29,208
Current Liabilities	14,682	13,852
Non-Current Liabilities	7,500	7,864
Total Liabilities	22,182	21,716
Paid-in Capital	2,352	2,216
Total Equity	7,499	7,492
L/E Ratio	295.7%	289.9%

Debt

	(in KRW bn)	
	1Q18	2Q18
Parent		
Bank	379	527
Corp. Bonds	615	765
Debt	994	1,292
Cash	60	66
Net Debt	933	1,226
Net D/E Ratio	39.7%	52.4%

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