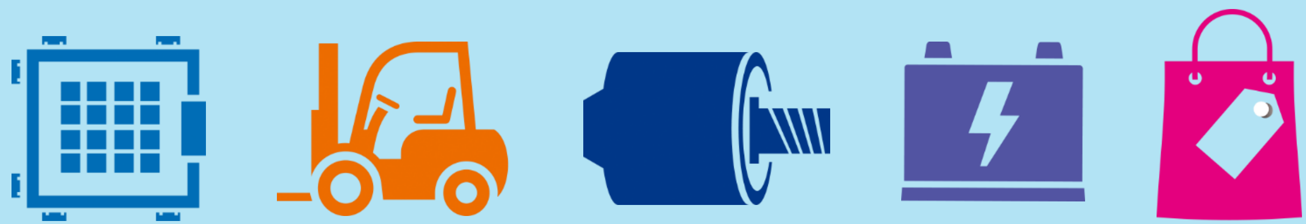
Doosan Corporation



1Q18 Earnings Release

April 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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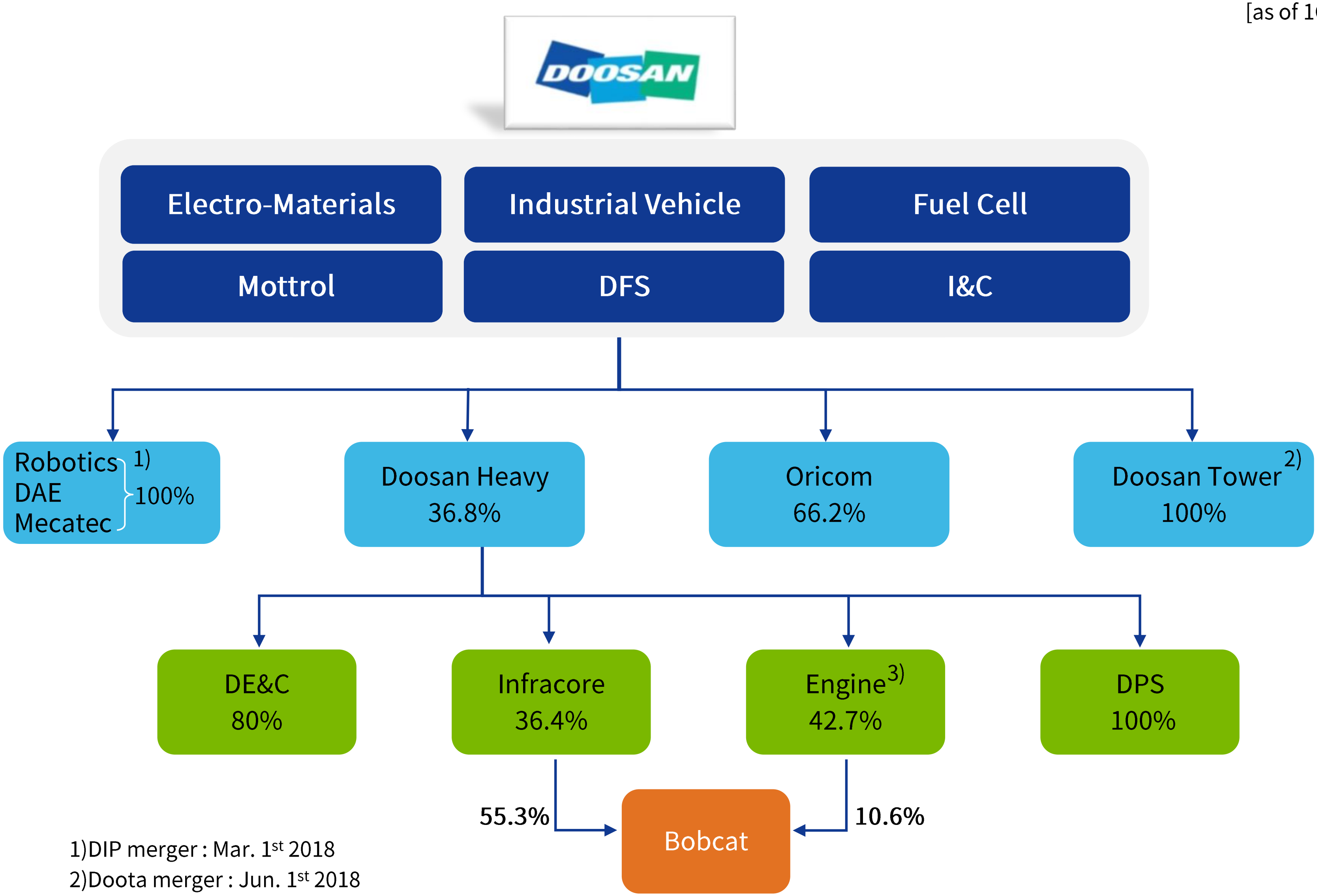
Share Structure of Doosan Group

[as of 1Q18]



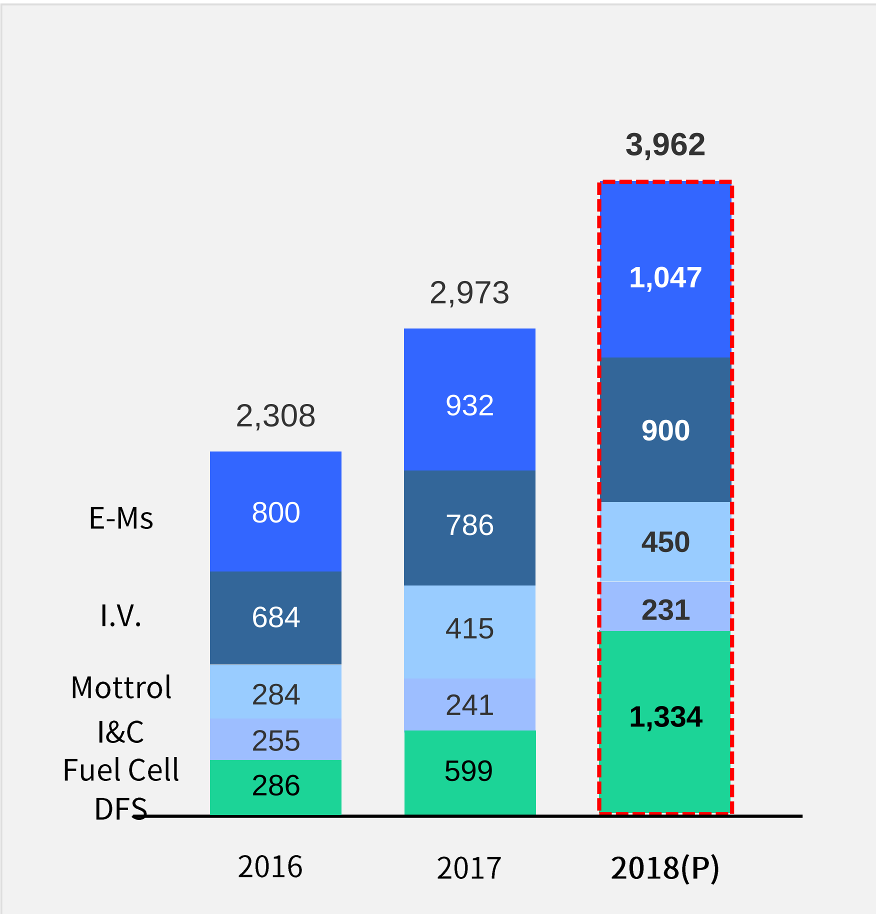
1)DIP merger : Mar. 1st 2018
2)Doota merger : Jun. 1st 2018
3)Engine merger : Jun. 5th 2018

3 year earnings trend of Doosan Corp In-house Business

- In 2018, Sales of Doosan Corp is planned to grow 33.2% yoy, OP to grow 63.9% yoy.

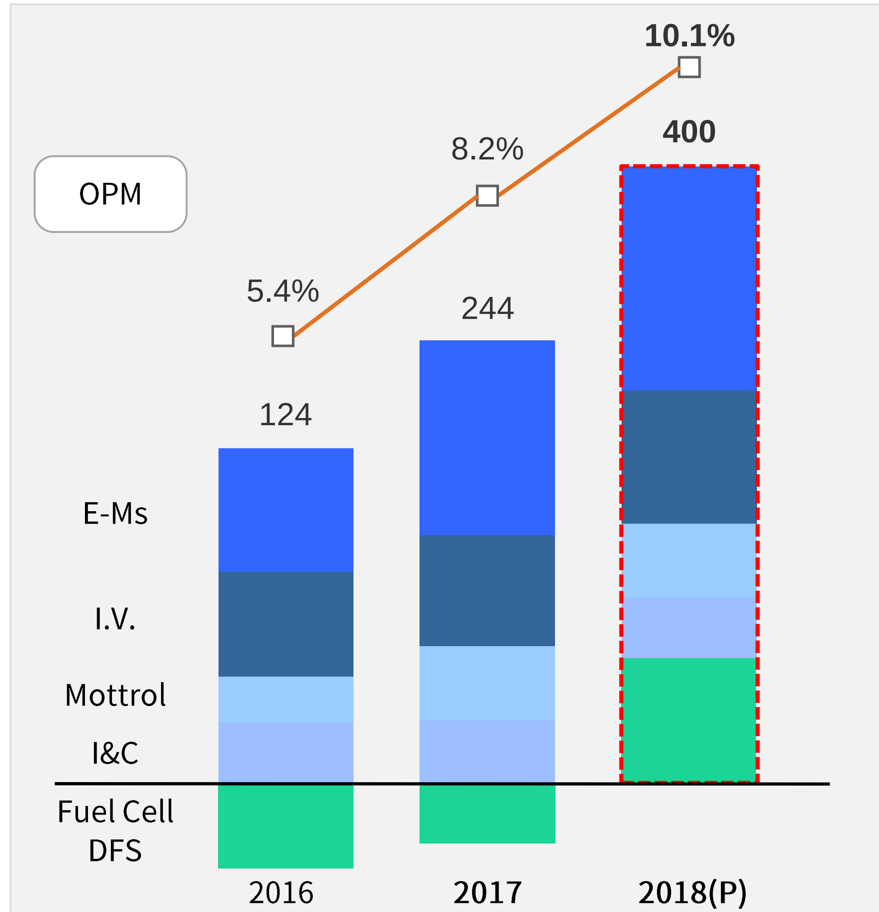
Sales

(in KRW bn)



OP

(in KRW bn)



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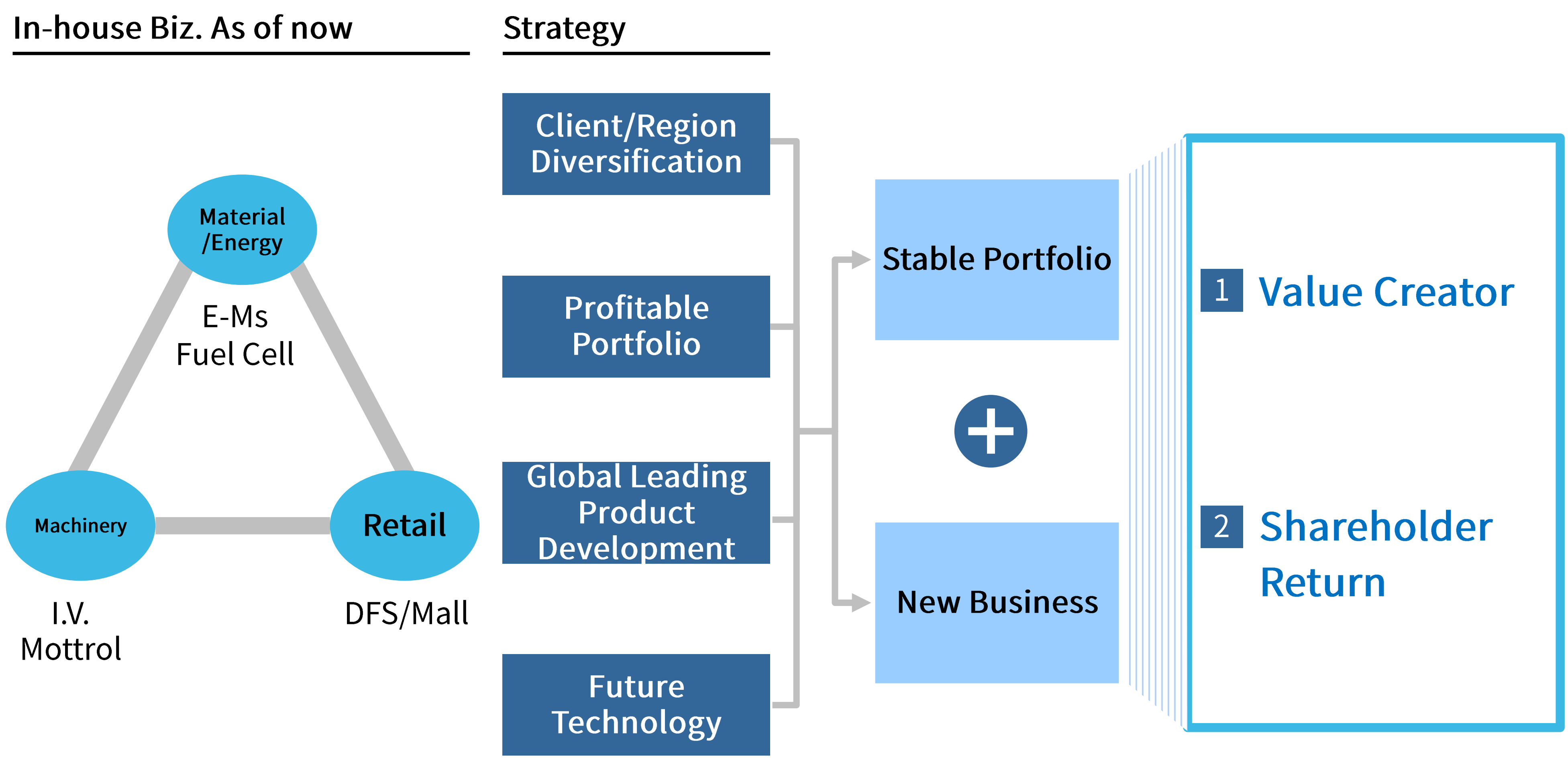
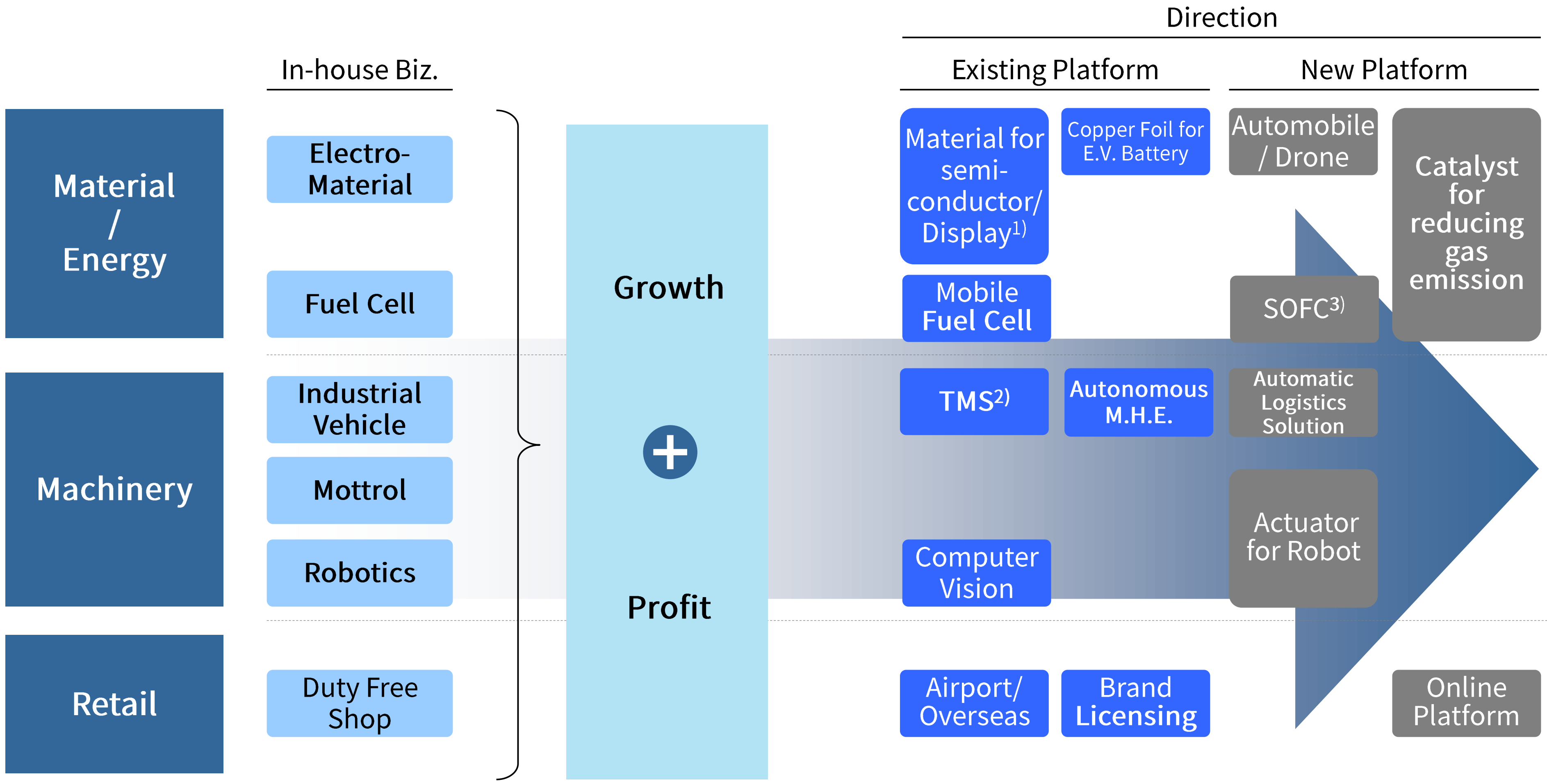
Growth strategy



1 Value Creator



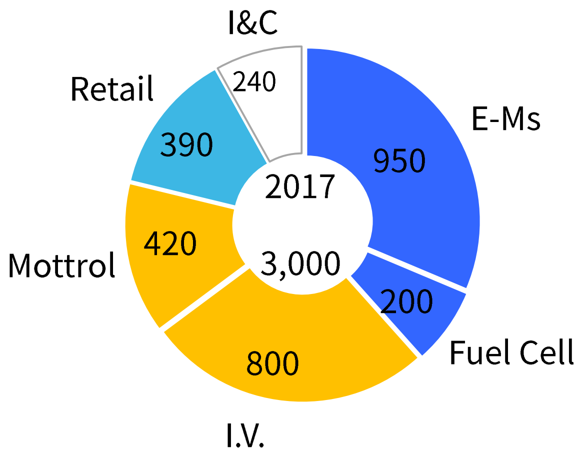
1) CPI, TADF, Nano Carbon Fiber, FO-WLP
2) Tele-Management system
3) SOFC : Solid Oxide Fuel Cell

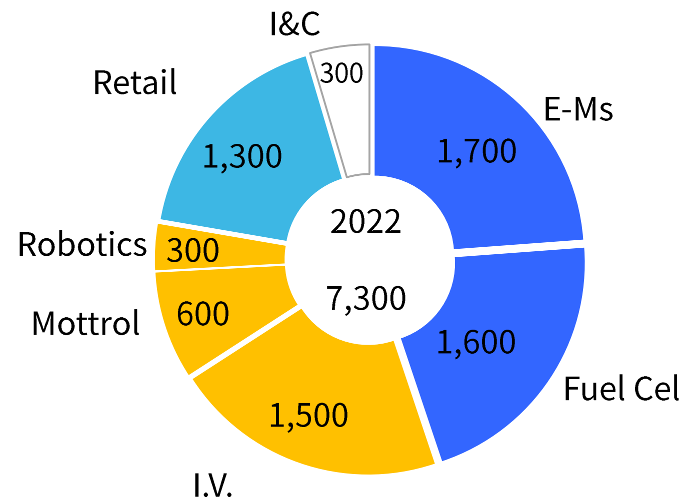
Stable yet Profitable Portfolio of Doosan Corp.

Business Portfolio

(in KRW bn)

Material/Energy	1.2 tn → 3.3 tn
Machinery	1.2 tn →2.4 tn
Retail	0.4 tn →1.3 tn

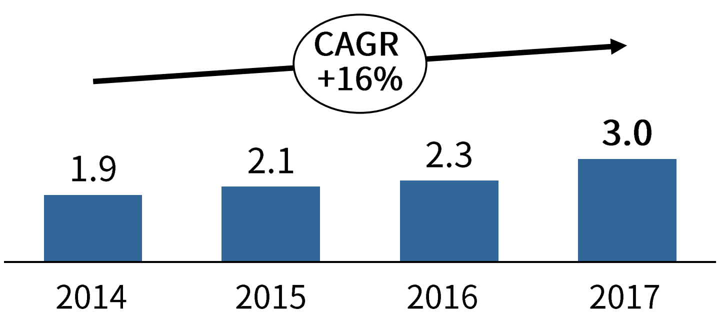


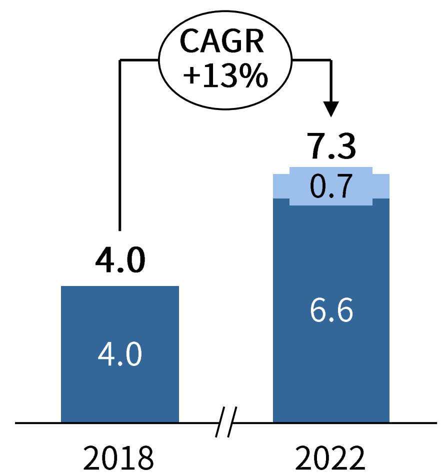


Sales Trend

New Biz.
Existing Biz.

(in KRW tn)



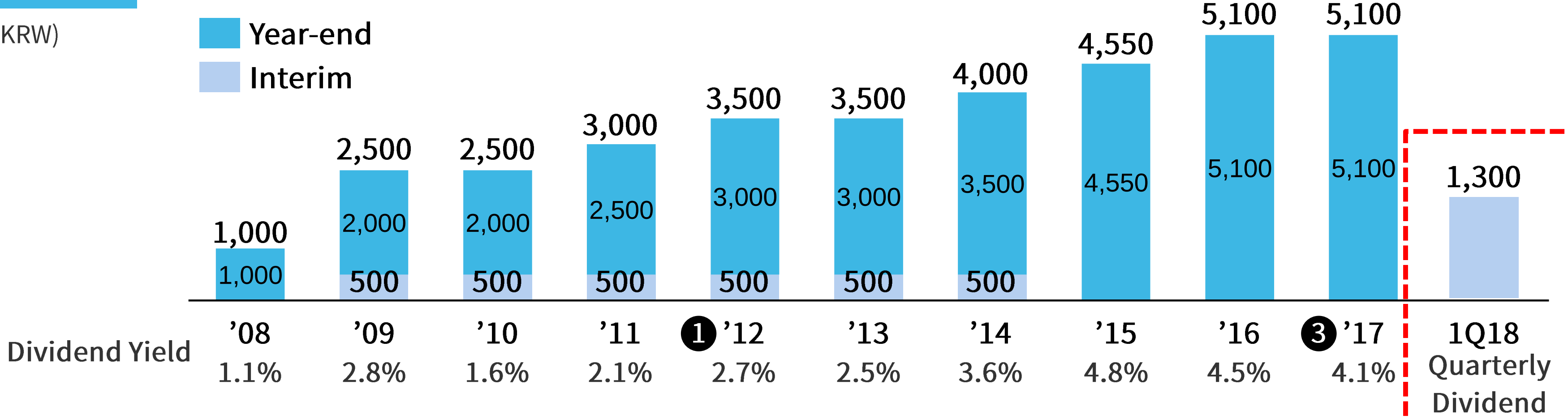


2 Shareholder Return Policy of Doosan Corp.

Dividend Policy

- Quarterly Dividend : 25% of last year's annual dividend (4Q dividend to be decided upon annual earnings of Doosan Corp.)

(in KRW)



T. Share Cancellation

❶ 2012
- 300,000 T. Shares cancelled
- 50% of owned T. Shares additionally cancelled (4,072,978 shares)

❷ 2016
- January
  - Cancellation plan disclosed
    - · min. 5% of total common shares to be cancelled annually for 3 years
- December
  - 1st cancellation (5%)
    1,064,000 shares(T.shares after cancellation 5,276,455, 26%)

❸ 2017~2018
- November
  - 2nd cancellation (5%)
    1,010,385 shares (T.shares after cancellation 4,266,070, 22%)
- 2018
  - 3rd cancellation (plan)
    959,865 shares(T.shares after cancellation 3,306,205, 18%)

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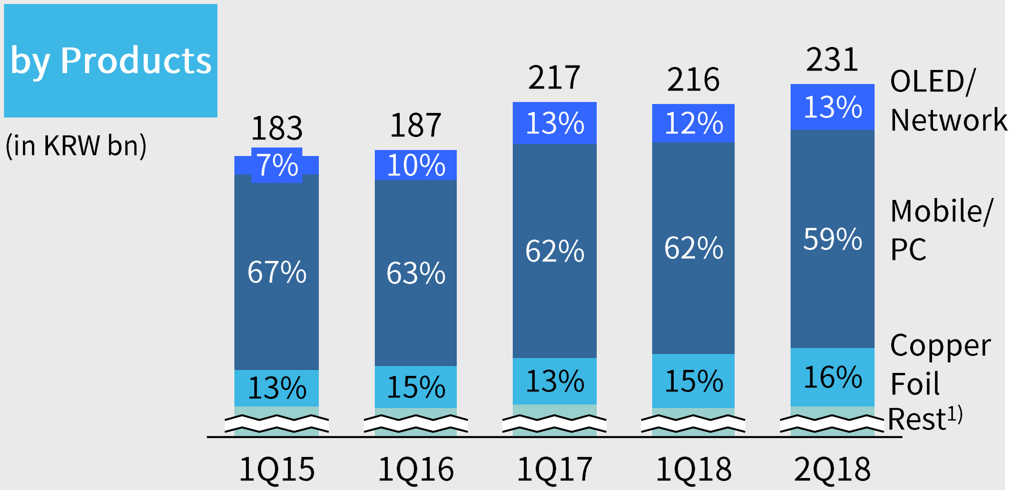
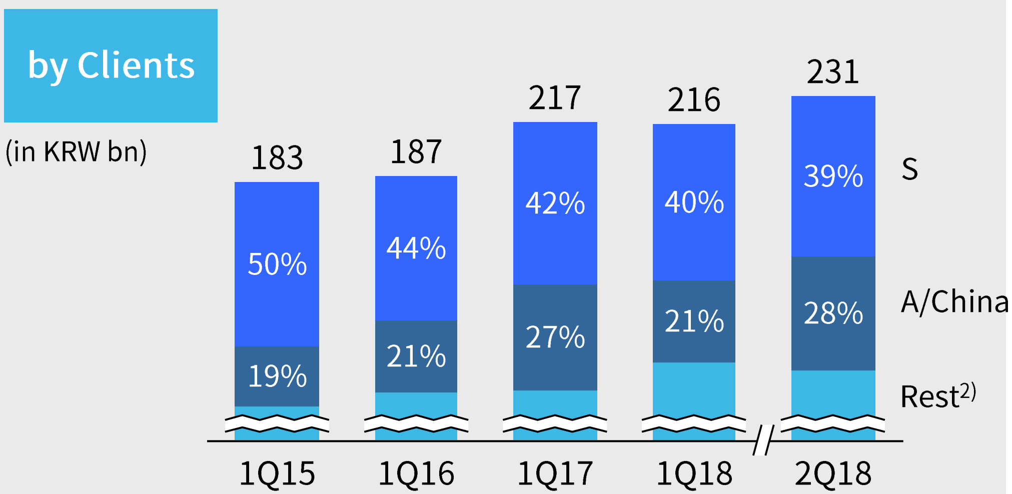
Electro-Materials



1) CCL for automobile, lighting, white electronics, fuel cell



2) Servers, automobile, lighting

* 2015 and 2016 sales excludes revenue from discontinued low-end CCL

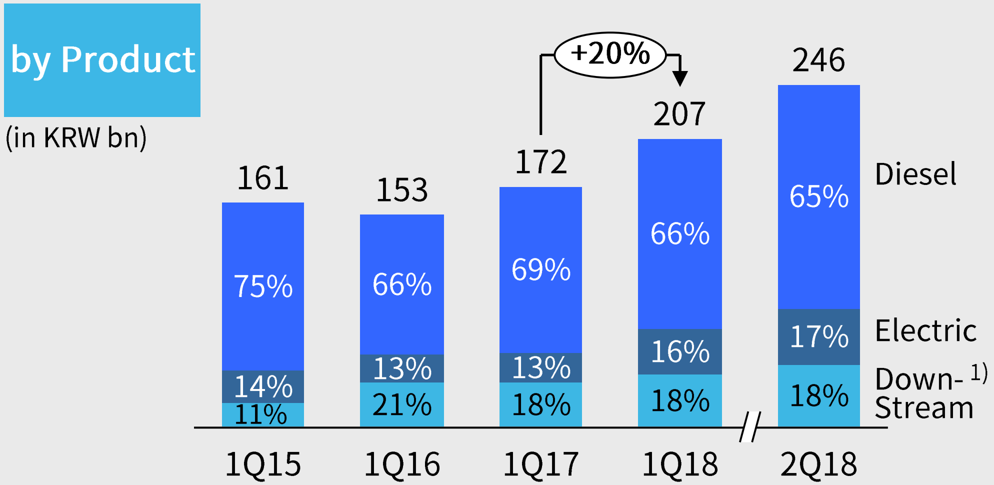
Performance

- **High-end products and customer diversification lead stable growth.**
  - Product : OLED / Network Board CCL / Copper Foil
  - Client : A and China
- High-end oriented portfolio maintained high OPM even with weak sales of iPhone X.
  - Network Board CCL
  - New customers in China market

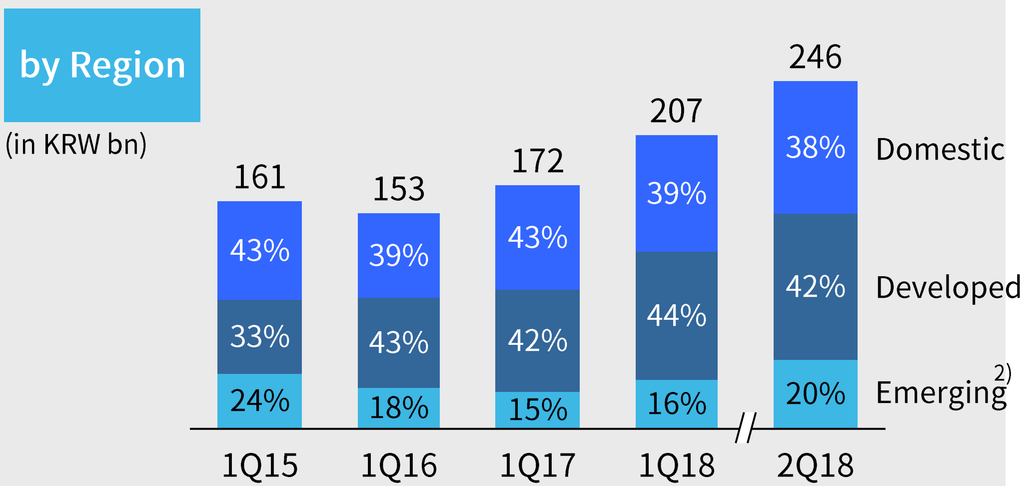
Strategy

- **Client diversification for OLED and NWB CCL**
  - OLED : China/LG/for TV
  - NWB CCL : global top tiers
- **New Business**
  - Copper foil for E.V.
  - CCL for automobile
  - Electrodes for fuel cell

Industrial Vehicle



1) Rental, After Sales, Used Cars, TMS, Airport Logistics



2) East. Europe, Oceania, South America, Africa, Mid. East, China

Performance

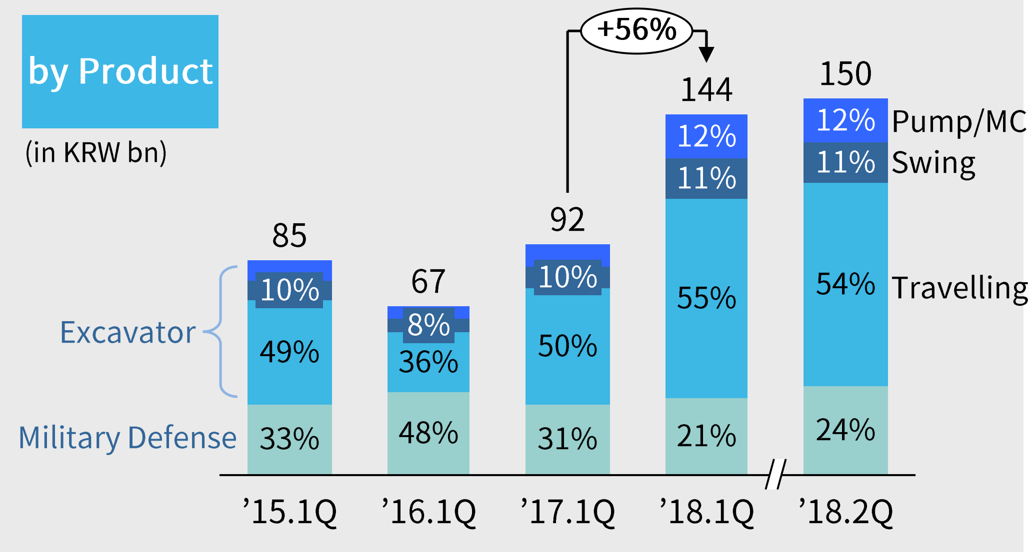
- **Diversification of products and region**
  - Product : electric-type and downstream (parts/airport logistics)
  - Region : developed/emerging market
- **Sales grew by 20% yoy thanks to more revenue from new clients**
  - Domestic : M/S 54%(+2.4%p)
  - N.A. : +34% growth
  - Europe : +23% growth thanks to new markets[3)]

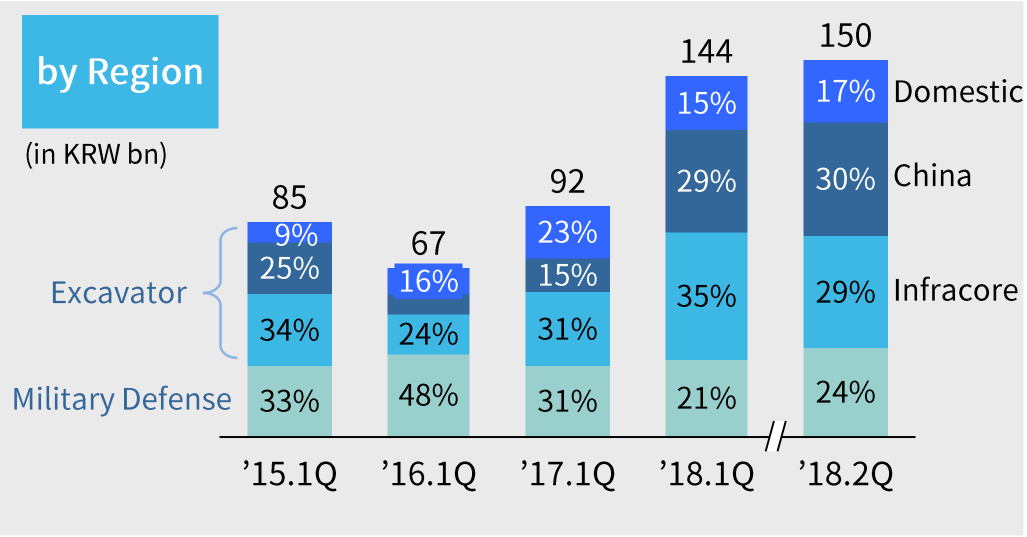
3) Germany, Spain and Italy

Strategy

- **Growth from new biz and region**
  - New lithium-ion electric type launch (April)
  - Rental and used car biz in domestic market (2H18)
  - direct distribution network in N.A. (May)
  - Sales region expansion in China

Mottrol





Performance

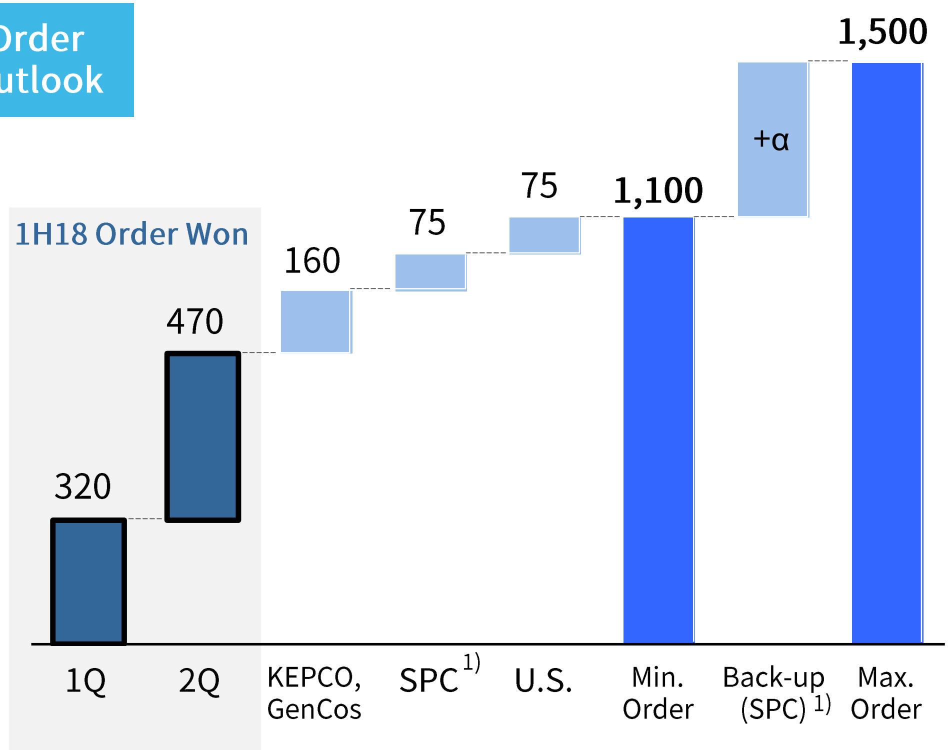
- **Diversification of products and clients**
  - Product : more revenue from highly-profitable pump/MCV
  - Client : more clients in developed and India market
- **Sales grew by 56% yoy thanks to bullish Chinese construction equipment market**
  - M/S in China 19.7%(+6.0%p yoy)

Strategy

- **Continued bullish China market and market penetration into Europe and India**
  - M/S↑ with timely response in China
  - more sales from Sany / Volvo / Bobcat
- **Non-excavator market**
  - other construction equipment and precision reducer

Fuel Cell

Order Outlook



✓ 1H18 Order Detail (KRW 790 bn)
① KOSPO (GenCo) (18MW) : 160
② KOWEPO (Genco) (18MW) : 160
③ By-product Hydrogen (50MW) : 470

New Order Won

- KRW 790 bn of new order won in 1H of 2018.
- 3 consecutive project won by bidding
- Project track record secured from all 6 GenCos of KEPCO

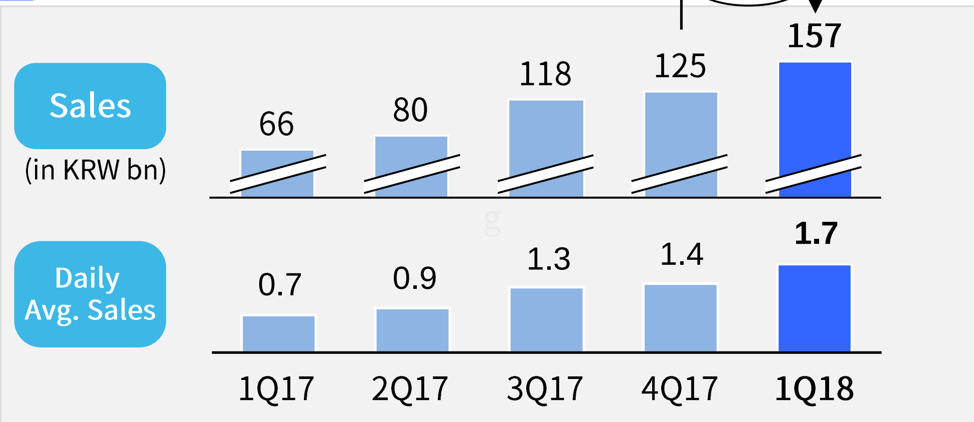
Business Portfolio Expansion

- Pure hydrogen model Fuel Cell
  - biz. opportunity in China and India
- Fuel verification and new demand from various customers

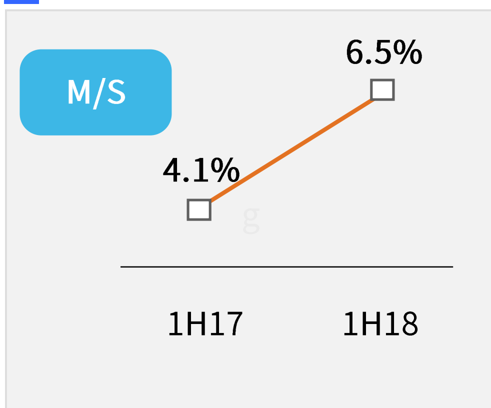
1) SPC : 4 projects worth 60MW

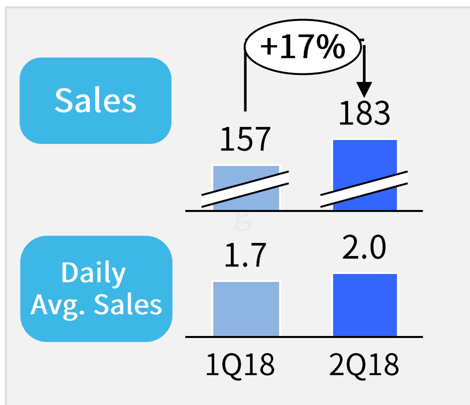
Duty Free Shop

Quarterly Sales



1H Outlook





Turn-around

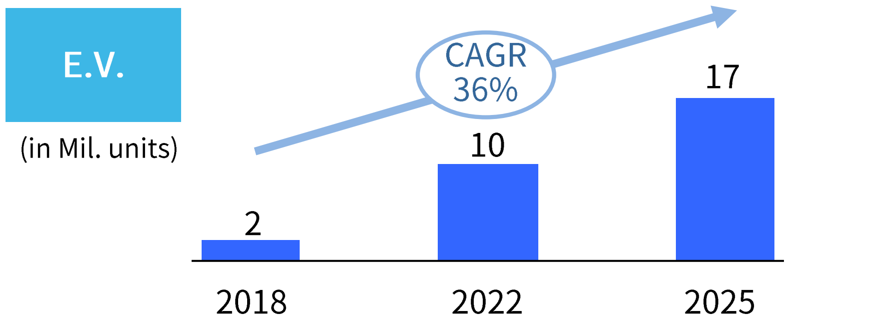
- Strategic partnership with big travel agency
- Continued operating profit
- New brand introduction
  - 39 in 1Q18 / 8 in 2Q18

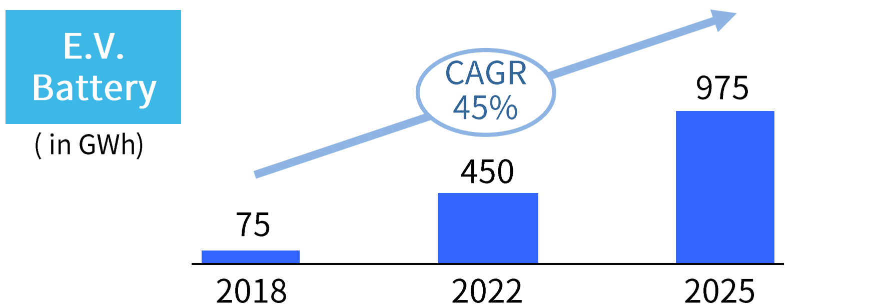
Business Expansion

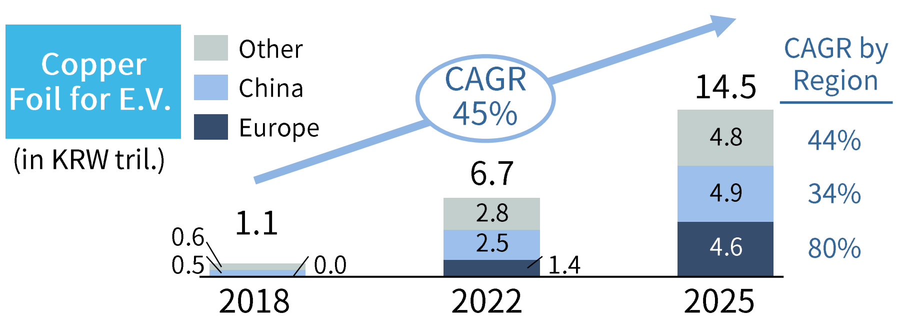
- Additional growth potential if THAAD conflict resolves
- Participation in airport DFS bid

New Business - Copper Foil for Electric Vehicle (E-Ms)

Long-term Market Outlook







Market

- E.V. battery market is expected to expand due to E.V. market expansion.
- Europe market is expected to expand more with E.V. top-tier motor companies.

Doosan CFL

- Already holds high-end technology (thin, high-strength, high-stretch) required for copper foil for E.V. battery

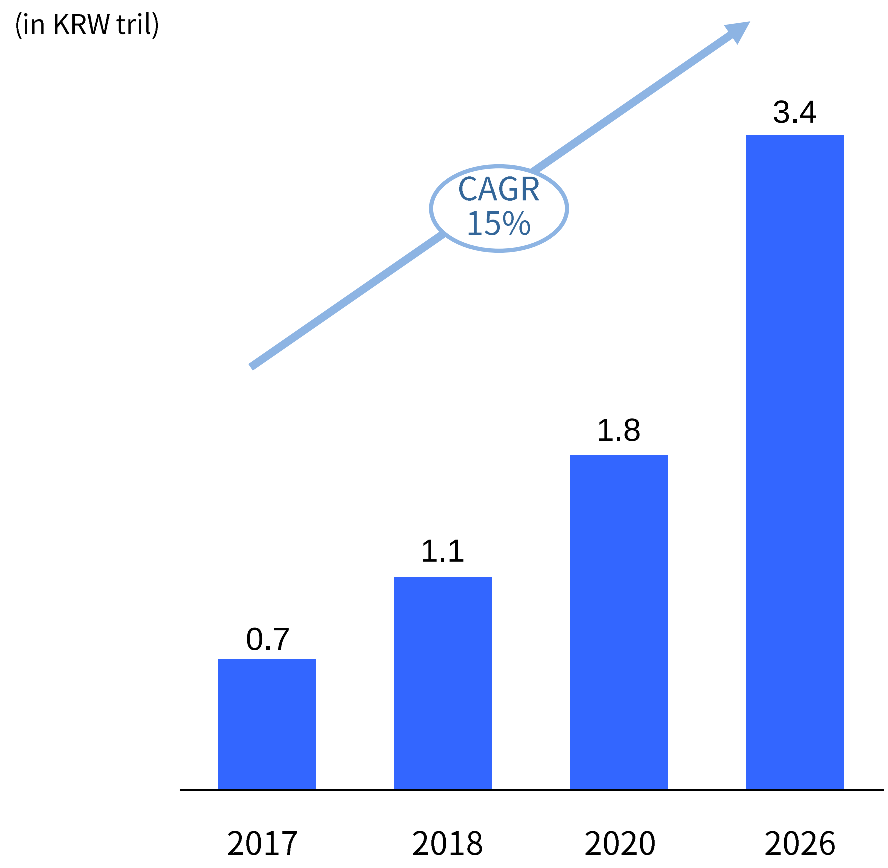
  Global leaders : Doosan(CFL), Iljin, Changchun, Furukawa, Nippon Denkai

Strategy

- Sole copper foil for E.V. company in Europe with high-end copper foil technology
- Stable sales secured through partnership with Korean clients in Europe
- U.S. market penetration with Tesla and Panasonic

New Business - Collaborative Robot (Robotics)

Market Outlook



Market

- Introduction of cobots to global big companies and new entrance of cobot manufacturers
- Advancement of Robot and A.I. tech.

Performance

- Commercialization of 4 models
- Competitive against global top-tiers in terms of precision, ease-of-use, and price
- 11 customers secured

Strategy

- Package Solution (system and solution) sales in Korea
- Target Europe and Asia

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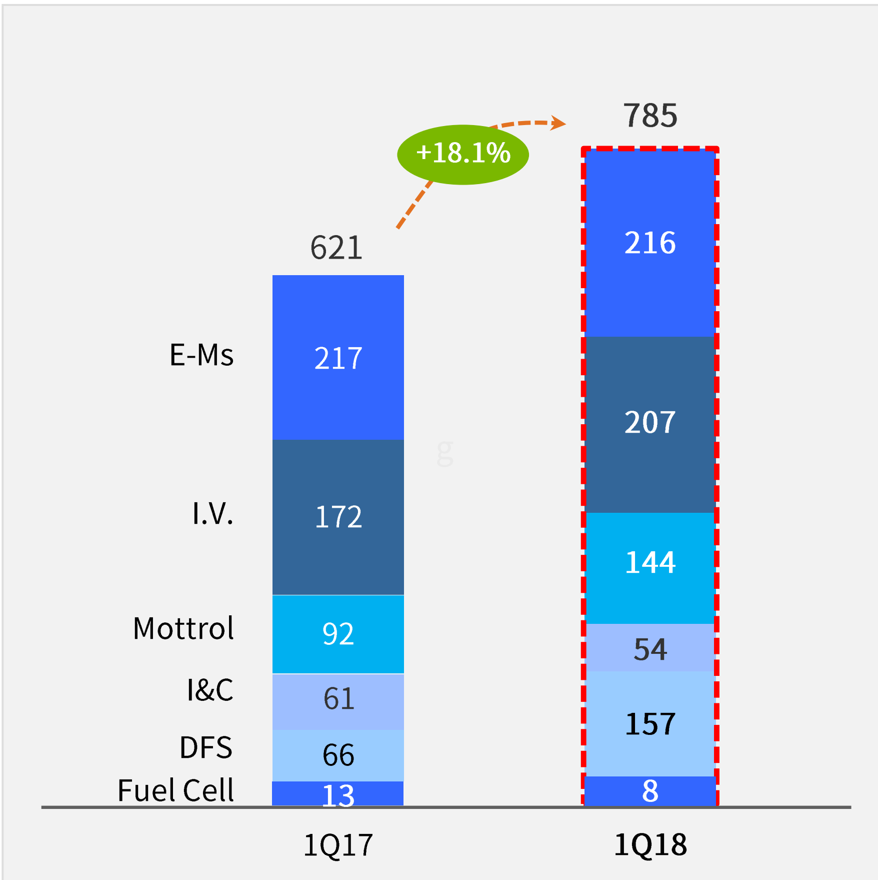
1Q18 (In-house Biz)

- Based on stable earnings from E-Ms and I.V., profit improvement from Mottrol and Duty Free led both sales and OP improvement of Doosan Corp.

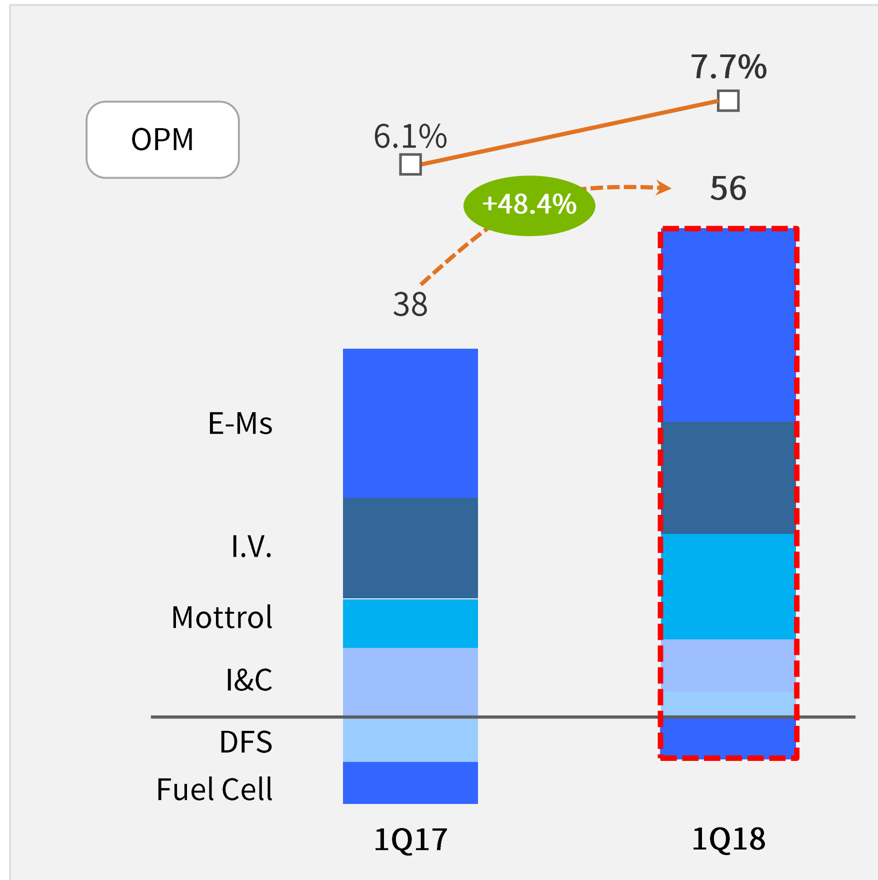
Sales

(in KRW bn)



OP

(in KRW bn)

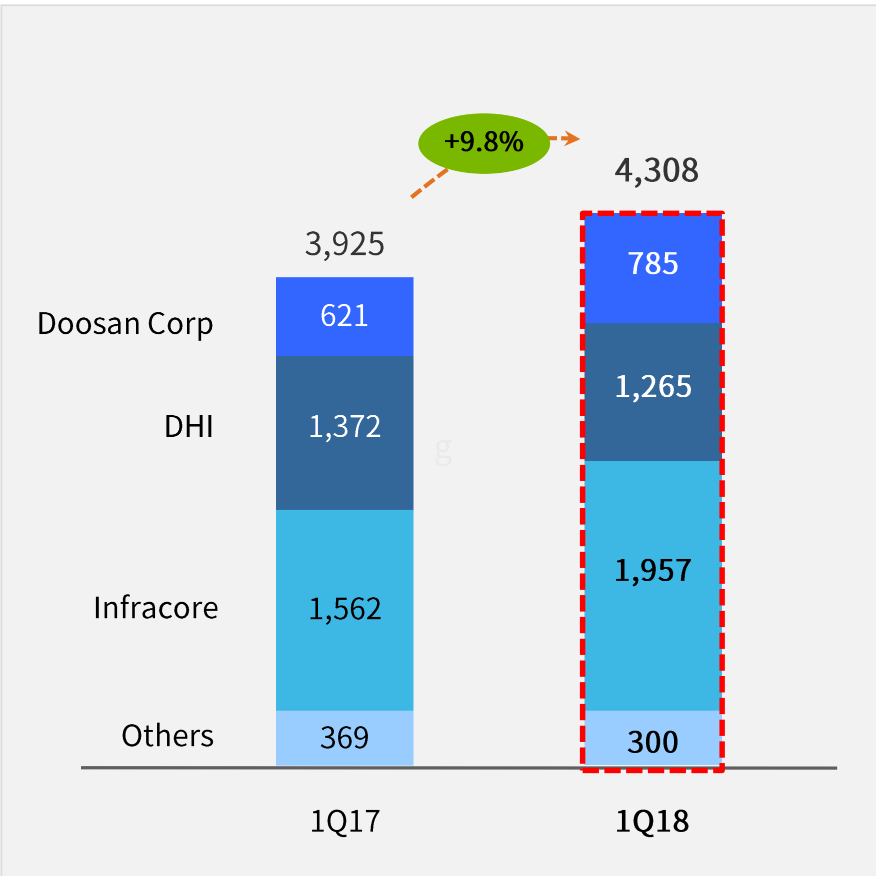


1Q18 Result (Consolidated)

- Both sales and OP of Doosan Group grew on yoy basis, thanks to earnings improvement of Doosan Corp and Doosan Infracore.
  - OP contribution of Doosan Corp to consolidated OP increased. (1Q17 14.5% → 1Q18 16.3%)

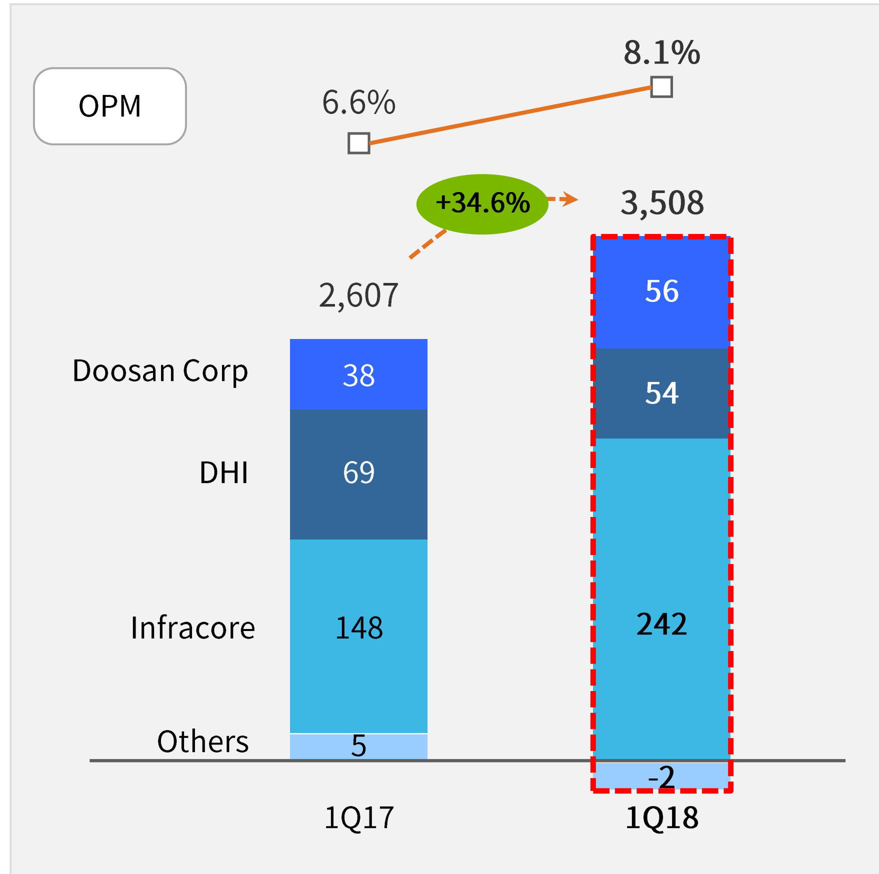
Sales

(in KRW bn)



OP

(in KRW bn)



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1Q18 Result (Consolidated)

(in KRW bn)

	1Q17	4Q17	1Q18	YoY	QoQ
Sales	3,925	4,517	4,308	+9.8%	-4.6%
OP (M)	261 (6.6%)	264 (5.8%)	351 (8.1%)	+34.6% (+1.5%p)	+33.0% (+2.3%p)
Interest Expense	133	148	144	+8.3%	-2.7%
Net Income	51	-52	42	-17.9%	-

1Q18 Result (Parent)

(in KRW bn)

	1Q17	4Q17	1Q18	YoY	QoQ
Sales	612	740	697	+13.9%	-5.9%
OP **(M)**	108 17.7%	68 9.1%	124 17.9%	+15.1% +0.2%p	+84.3% +8.8%p
▪ In-house Biz	26	63	51	+100.8%	-19.2%
▪ Others[1)]	83	4	73	-	-
Interest Expense	10	12	11	+9.1%	-6.1%
Net Income	86	38	106	+22.0%	+175.6%

1) Others : dividend income, common expense, adjustments

Quarterly In-house Business Results (including overseas branches)

(in KRW bn, %)

		1Q16	2Q	3Q	4Q	16 Total	1Q17	2Q	3Q	4Q	17 Total	1Q18
Electro-Material	Sales	194	196	203	206	**800**	217	225	256	235	**932**	**216**
	OP (M)	18 (9.4)	22 (11.3)	23 (11.2)	17 (8.2)	**80 (10.0)**	28 (13.1)	34 (15.1)	42 (16.2)	28 (12.1)	**132 (14.2)**	**29 (13.2)**
Industrial Vehicles	Sales	153	189	170	172	**684**	172	216	196	202	**786**	**207**
	OP (M)	11 (7.1)	18 (9.3)	15 (9.0)	8 (4.8)	**52 (7.6)**	16 (9.0)	20 (9.4)	17 (8.8)	12 (5.9)	**65 (8.2)**	**16 (7.7)**
Mottrol	Sales	67	69	62	85	**284**	92	101	101	121	**415**	**144**
	OP (M)	2 (3.6)	3 (4.6)	3 (5.3)	2 (2.8)	**11 (4.0)**	5 (5.7)	9 (9.2)	9 (8.6)	12 (10.0)	**35 (8.5)**	**15 (10.2)**
Fuel Cell	Sales	18	65	15	89	**187**	13	66	21	109	**209**	**8**
	OP (M)	-6 (-)	-1 (-)	-6 (-)	3 (3.8)	**-10 (-)**	-9 (-)	3 (5.0)	-6 (-)	6 (5.2)	**-6 (-)**	**-12 (-)**
I&C	Sales	60	66	63	66	**255**	61	60	60	55	**241**	**54**
	OP (M)	8 (13.6)	10 (14.7)	9 (14.5)	10 (15.9)	**38 (14.7)**	9 (15.1)	10 (16.6)	10 (16.7)	3 (5.3)	**32 (13.3)**	**7 (13.3)**
Duty Free	Sales	-	9	34	54	**97**	66	80	118	125	**390**	**157**
	OP (M)	-	-9 (-)	-16 (-)	-23 (-)	**-48 (-)**	-11 (-)	-6 (-)	-1 (-)	5 (3.6)	**-14 (-)**	**2 (1.4)**
Total	**Sales**	**492**	**594**	**548**	**672**	**2,306**	**621**	**753**	**753**	**846**	**2,973**	**785**
	OP (M)	**34 (6.9)**	**42 (7.1)**	**29 (5.2)**	**19 (2.8)**	**124 (5.4)**	**38 (6.1)**	**70 (9.3)**	**71 (9.4)**	**65 (7.7)**	**244 (8.2)**	**56 (7.2)**

Quarterly In-house Business Results (Parent)

(in KRW bn, %)

		1Q16	2Q	3Q	4Q	16 Total	1Q17	2Q	3Q	4Q	17 Total	1Q18
Electro-Material	Sales	151	152	149	141	**593**	149	156	176	165	**647**	**147**
	OP (M)	16 (10.5)	21 (13.6)	16 (11.0)	10 (7.4)	**63 (10.7)**	18 (12.2)	23 (14.4)	30 (16.9)	21 (13.0)	**92 (14.2)**	**21 (14.3)**
Industrial Vehicles	Sales	130	161	144	139	**574**	152	187	173	176	**687**	**181**
	OP (M)	11 (8.5)	16 (9.7)	13 (8.9)	4 (3.1)	**44 (7.6)**	12 (8.0)	18 (9.7)	14 (8.3)	14 (8.1)	**59 (8.6)**	**13 (7.2)**
Mottrol	Sales	65	67	60	82	**274**	86	96	96	120	**398**	**131**
	OP (M)	3 (3.8)	2 (3.9)	3 (5.0)	2 (2.0)	**10 (3.5)**	4 (4.6)	8 (8.0)	7 (7.1)	13 (10.5)	**31 (7.8)**	**14 (10.4)**
Fuel Cell	Sales	2	2	-1	76	**79**	10	48	9	99	**166**	**7**
	OP (M)	-1 (-)	-1 (-)	-6 (-)	-7 (-)	**-16 (-)**	-6 (-)	1 (2.7)	-2 (-)	8 (7.6)	**0.6 (0.4)**	**-5 (-)**
I&C	Sales	41	50	43	50	**184**	42	49	43	43	**176**	**37**
	OP (M)	7 (17.4)	10 (19.5)	8 (17.6)	10 (19.0)	**34 (18.5)**	8 (19.4)	12 (23.5)	9 (20.6)	3 (7.4)	**32 (17.9)**	**6 (16.1)**
Duty Free	Sales	-	9.2	34	54	**97**	66	80	118	125	**390**	**157**
	OP (M)	-	-9 (-)	-16 (-)	-23 (-)	**-48 (-)**	-11 (-)	-6 (-)	-1 (-)	5 (3.6)	**-14 (-)**	**2 (1.4)**
Total	**Sales**	**389**	**442**	**429**	**542**	**1,802**	**506**	**617**	**614**	**727**	**2,464**	**661**
	OP (M)	**35 (9.0)**	**38 (8.7)**	**18 (4.3)**	**-4 (-)**	**87 (4.9)**	**26 (5.0)**	**55 (8.9)**	**56 (9.2)**	**63 (8.7)**	**200 (8.1)**	**51 (7.8)**

Financial Summary

Financial Summary

(in KRW bn)

	Parent 4Q17	Parent 1Q18
Current Asset	981	1,126
Non-Current Asset	2,969	3,108
Total Assets	3,950	4,234
Current Liabilities	1,319	1,340
Non-Current Liabilities	431	544
Total Liabilities	1,750	1,884
Paid-in Capital	135	135
Total Equity	2,200	2,350
L/E Ratio	79.6%	80.2%

(in KRW bn)

	Consolidated 4Q17	Consolidated 1Q18
Current Asset	10,868	12,206
Non-Current Asset	17,901	17,468
Total Assets	28,769	29,674
Current Liabilities	13,722	14,675
Non-Current Liabilities	7,444	7,500
Total Liabilities	21,166	22,175
Paid-in Capital	2,474	2,352
Total Equity	7,603	7,499
L/E Ratio	278.4%	295.7%

Debt

(in KRW bn)

	Parent 4Q17	Parent 1Q18
Bank	380	379
Corp. Bonds	575	615
Debt	955	994
Cash	57	60
Net Debt	898	933
Net D/E Ratio	40.8%	39.7%

E O D