



**Leading  
Innovation,  
Creating  
Tomorrow**

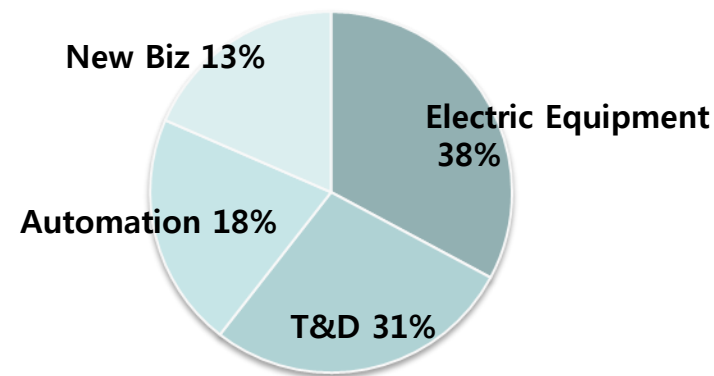
**Q1 2013 results**



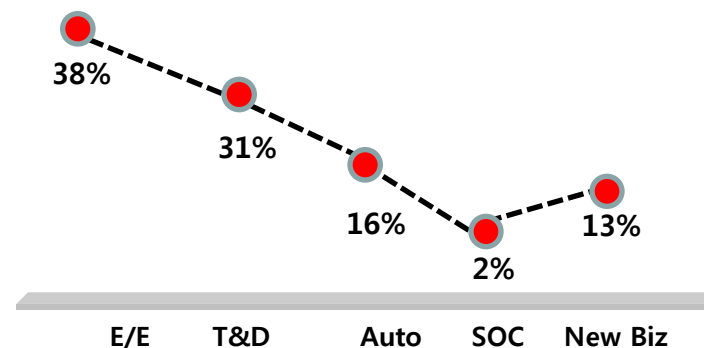
### At a Glance (Q1)

Asset	1.86T	Equity	801B
Debt Ratio	132.6%	Shares Outstanding	30M
Interest Coverage Ratio	6.43	Market Cap	1.84T
Bond Rating	AA-	Div Payout Ratio	30%
# of Employees	3,265	*PER	18




### Sales Breakdown Q1



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### Primary Product Lineup

<b>Electric Solution</b>	Low/high/ultrahigh voltage, meter, relay, distribution system	
<b>Automation Solution</b>	PLC, inverter (drive), automation system	
<b>New Business</b>	Smart Grid, EV, HVDC, RFID, PSC	

※HVDC : High Voltage Direct Current, PSC : Power Semi Conductor

0.1B Kwon	Q1 2013	Q4 2012	Q1 2012	change	
				Y-o-Y	Q-o-Q
Sales	5,292	6,018	4,528	16.9% ↑	-12.1% ↓
COGS	4,355	5,048	3,664	18.9% ↑	-13.7% ↓
GP	937	970	864	8.4% ↑	-3.4% ↓
S&A Exp	611	725	563	8.5% ↑	-15.7% ↓
OP	326	358	304	7.2% ↑	-8.9% ↓
EBT	138	198	261	-47.1% ↓	-30.3% ↓
Net Income	127	97	207	-38.6% ↓	30.9% ↑

- Sales 5,292[Y-o-Y 16.9%] OP 326[Y-o-Y 7.2%], recorded steady top-line growth
- Generated domestic revenues along with robust exports
- In domestic market , maintained profitability & strong market dominance, yet revenue declined amid macro weakness
- F/X-related loss were recognized(W13B) including derivatives-related losses
- [Subsidiary in China] Delayed rebounds due to continuing sluggish macro
- [LS Metal] Copper tube & L-STs sales increased yet profitability worsen due to delay in L-STs exports

0.1B Kwon	Q1 2013	Q4 2012	Q1 2012	change	
				Y-o-Y	Q-o-Q
Sales	3,865	4,482	3,175	21.7% ↑	-13.8% ↓
COGS	3,048	3,663	2,451	24.4% ↑	-16.8% ↓
GP	817	819	724	12.8% ↑	-0.2% ↓
S&A Exp	494	558	434	13.8% ↑	-11.5% ↓
OP	324	338	289	12.1% ↑	-4.1% ↓
EBT	199	204	264	-24.6% ↓	-2.5% ↓
Net Income	97	109	218	-55.5% ↓	-11.0% ↓

- Remarkable results have been obtained thanks to stabilized growth in the “cash-cow” electric device and automation despite sluggish economic condition.
- Power system business has recorded stable growth; thus boosting overall performance.
- In addition, the KTX Honam Line project won by the company last year began to be implemented, bolstering sales and improving transport SOC profitability as well.
- Overall sales of automation division declined due to “automation system” back log downturn from 2012 (Expected to recover from 2<sup>nd</sup> half 2013)
- Wins orders for the construction of four 132kV/33kV GIS substations worth USD 46 million in Iraq[4/12]

0.1B Kwon	Q1 2013	Q4 2012	Q1 2012	Change	
				Y-o-Y	Q-o-Q
<b>Electric</b>	3,183	3,726	2,227	43%	-15%
<b>Domestic</b>	1,938	2,393	1,537	26%	-19%
<b>Overseas</b>	1,245	1,333	690	80%	-7%
<b>Automation</b>	682	756	947	-28%	-10%
<b>Domestic</b>	463	539	715	-35%	-14%
<b>Overseas</b>	219	217	232	-6%	1%
<b>Total</b>	<b>3,865</b>	<b>4,482</b>	<b>3,174</b>	<b>22%</b>	<b>-14%</b>
<b>Domestic</b>	<b>2,401</b>	<b>2,932</b>	<b>2,252</b>	<b>7%</b>	<b>-18%</b>
<b>Overseas</b>	<b>1,464</b>	<b>1,550</b>	<b>922</b>	<b>59%</b>	<b>-6%</b>

## DOMESTIC

▪ Electric

- Equip: Overall Sales decreased while securing profitability
- T&D: Sales increased due to multiple PJT from KEPCO

▪ Automation

- Equip: Sales remained flat
- System: Overall sales decreased due to macro downturn and sluggish capex in domestic

## OVERSEAS

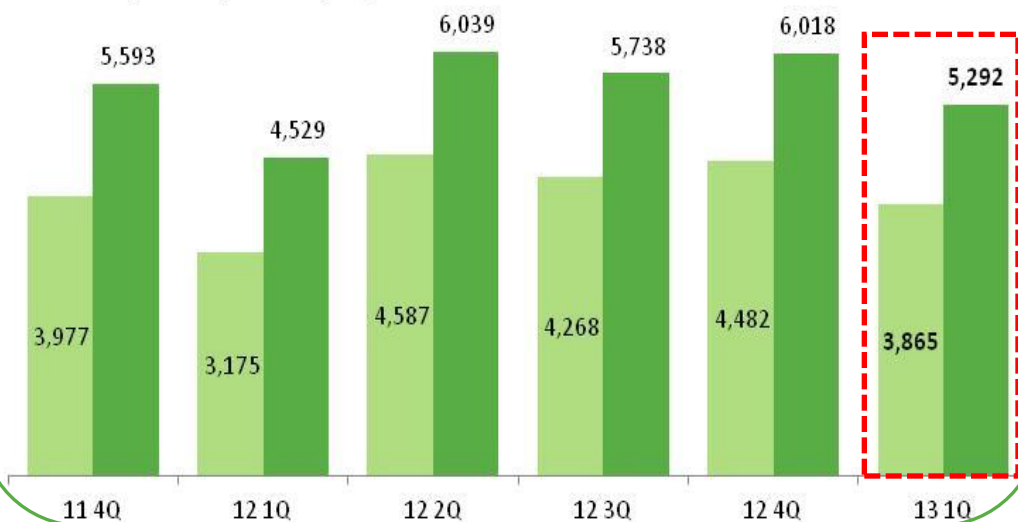
▪ Electric

- Equip : Slowdown due to decrease to emerging market
- T&D: Recorded strong performance in Iraq & Solar

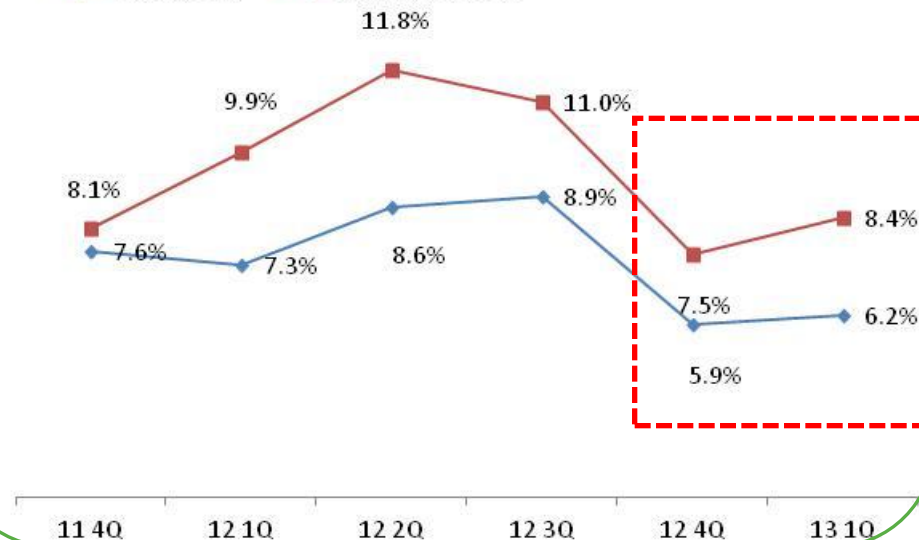
▪ Automation

- Equip : Sales slowdown due to global economy especially European market
- System : Sales Remained flat

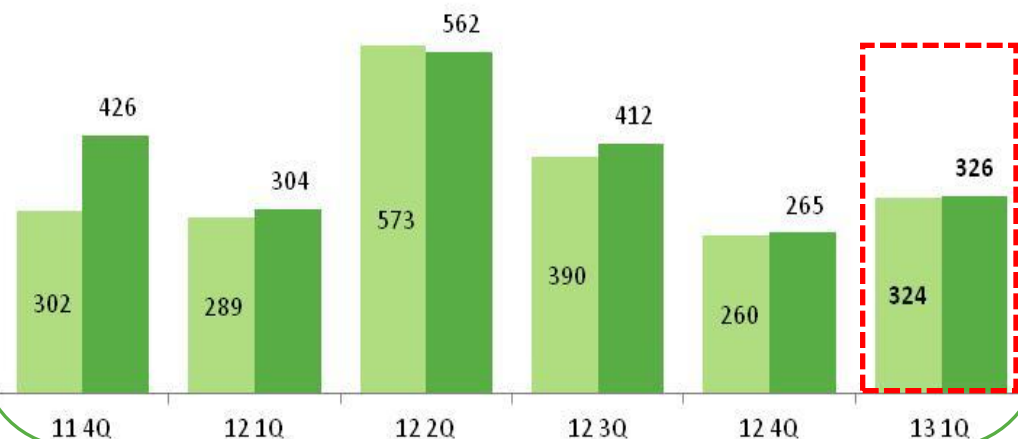
Sales[Non-Con] Sales[Con]



OPMR[Con] OPMR[[Non-Con]



OP[Non-Con] OP[Con]



- Overall sales growth rate slowdown due to sluggish macro, yet secured its profitability
- Overall sales boosted by T&D division(Iraq PJT, KEPCO, Solar etc)
- Raw material costs are still favorable
- Solar exports to Japan still strong(Made turn around Y-o-Y, expected to make record-high sales 2013)
- LS Metal
  - Continuing strong sales growth(1Q Sales 107B, OP 0.7B)
- In China
  - Wuxi(1Q Sales 20B, OP 1B)
  - Dailan(1Q Sales 5B, OL 1B)
  - Hubai(1Q Sales 1B, OL 0.6B)