



**Leading
Innovation,
Creating
Tomorrow**

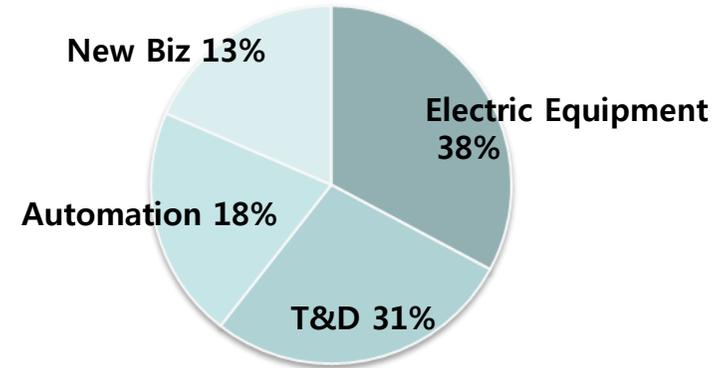
Q1 2013 results



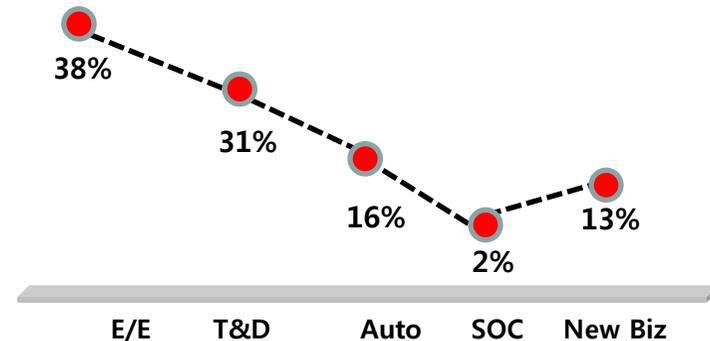
At a Glance (Q1)

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



Sales Breakdown Q1



Primary Product Lineup

Electric Solution	Low/high/ultrahigh voltage, meter, relay, distribution system	
Automation Solution	PLC, inverter (drive), automation system	
New Business	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 2nd 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
Electric	3,183	3,726	2,227	43%	-15%
Domestic	1,938	2,393	1,537	26%	-19%
Overseas	1,245	1,333	690	80%	-7%
Automation	682	756	947	-28%	-10%
Domestic	463	539	715	-35%	-14%
Overseas	219	217	232	-6%	1%
Total	3,865	4,482	3,174	22%	-14%
Domestic	2,401	2,932	2,252	7%	-18%
Overseas	1,464	1,550	922	59%	-6%

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

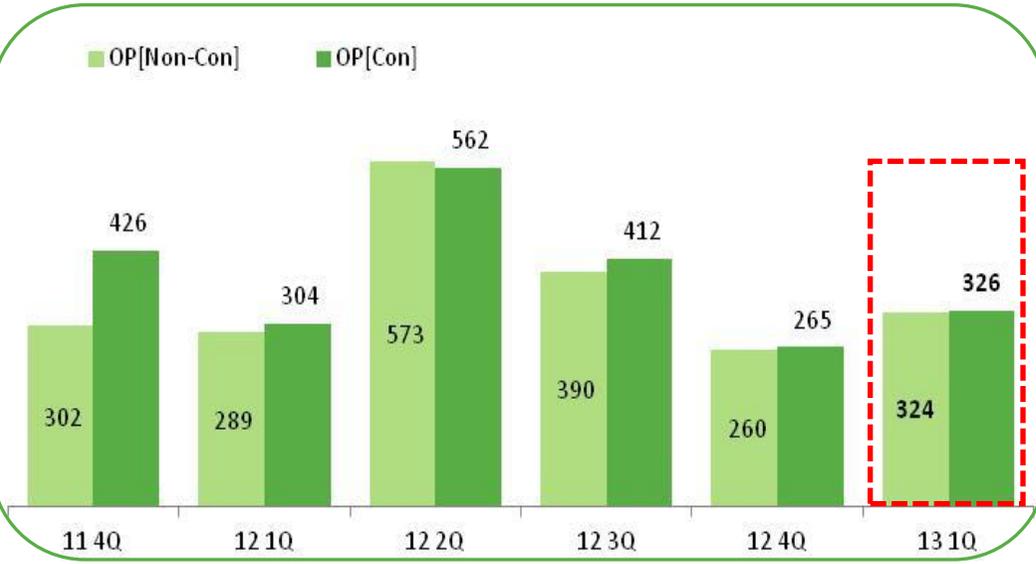
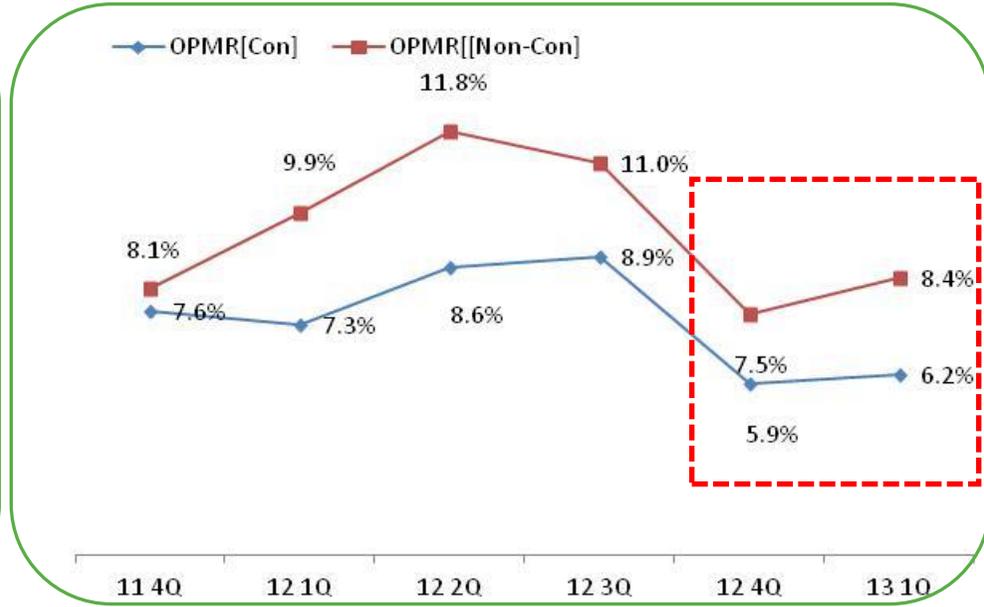
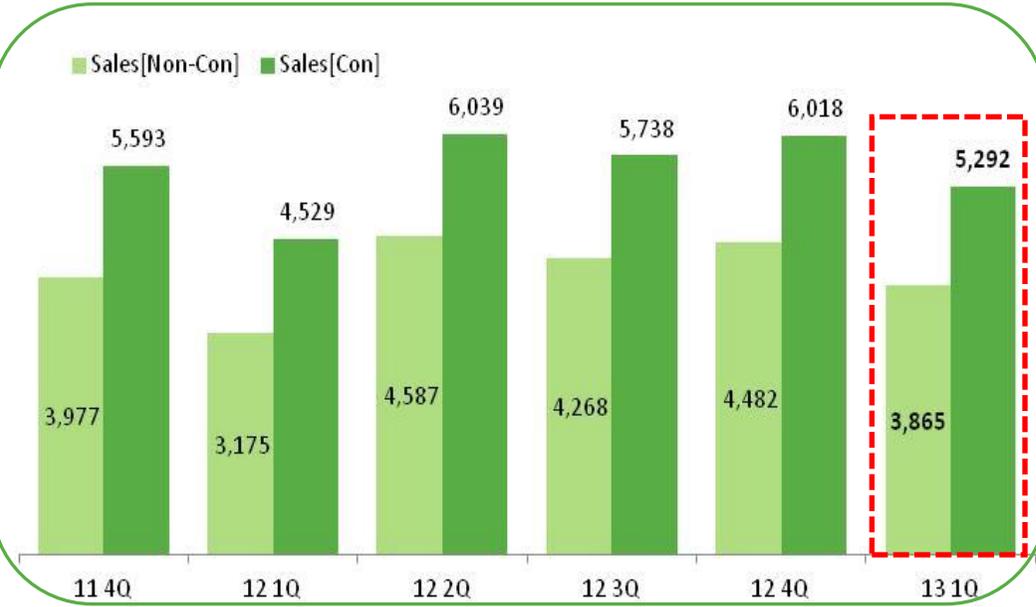
OVERSEAS

▪ **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



- 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)