



**Leading
Innovation,
Creating
Tomorrow**

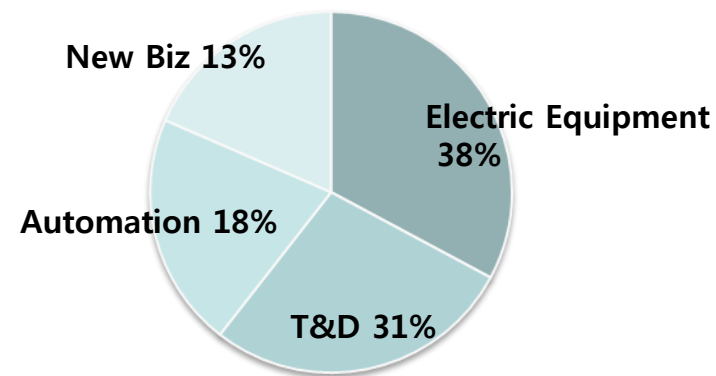
Q2 2013 results

LS IS

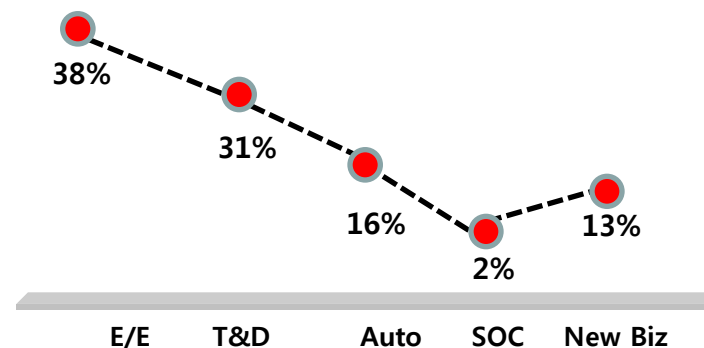
At a Glance (Q1)

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

II. Performance

Consolidated

Won(Bil)	Q2 2013	Q1 2013	Q2 2012	change	
				Y-o-Y	Q-o-Q
Sales	617	529	604	2.2% ↑	16.6% ↑
COGS	501	436	484	3.6% ↑	15.1% ↑
GP	116	94	120	-3.3% ↓	23.8% ↑
S&A Exp	63	61	61	2.9% ↑	3.4% ↑
OP	53	33	56	-6.4% ↓	61.7% ↑
EBT	28	14	46	-39.3% ↓	100.0% ↑
Net Income	23	13	32	-28.0% ↓	80.3% ↑

- 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-STC sales increased yet profitability worsen due to delay in L-STC exports

Won(Bil)	Q2 2013	Q1 2013	Q2 2012	change	
				Y-o-Y	Q-o-Q
Sales	453	387	459	-1.3% ↓	17.1% ↑
COGS	355	305	355	-0.1% ↓	16.3% ↑
GP	98	82	104	-5.4% ↓	20.1% ↑
S&A Exp	48	49	46	3.9% ↑	-2.4% ↓
OP	50	32	57	-12.8% ↓	54.0% ↑
EBT	24	20	47	-48.9% ↓	21.1% ↑
Net Income	20	10	34	-40.9% ↓	105.2% ↑

- 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]

Category			2012	2013	
			2Q	1Q	2Q
Domestic	HQ	HQ Subtotal	273	240	256
		Electric Equip	112	98	102
		T&D	92	87	83
		Automation	61	44	55
		Trans SOC	6	10	14
		RFID	2	2	2
	LS metal	Copper & STS Pipe	33	33	52
	Sub(Korea)*	Servo, PSC, BAS etc	14	13	15
Overseas	HQ	HQ Subtotal	186	146	197
		Electric Equip	60	52	64
		T&D	102	69	98
		Automation	24	20	23
		Trans SOC	0	4	11
		RFID	0	2	2
	LS metal	Copper & STS Pipe	64	74	67
	Sub(China)**		38	27	39
Consolidation adjustment			(4)	(4)	(8)
Total			604	529	617

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

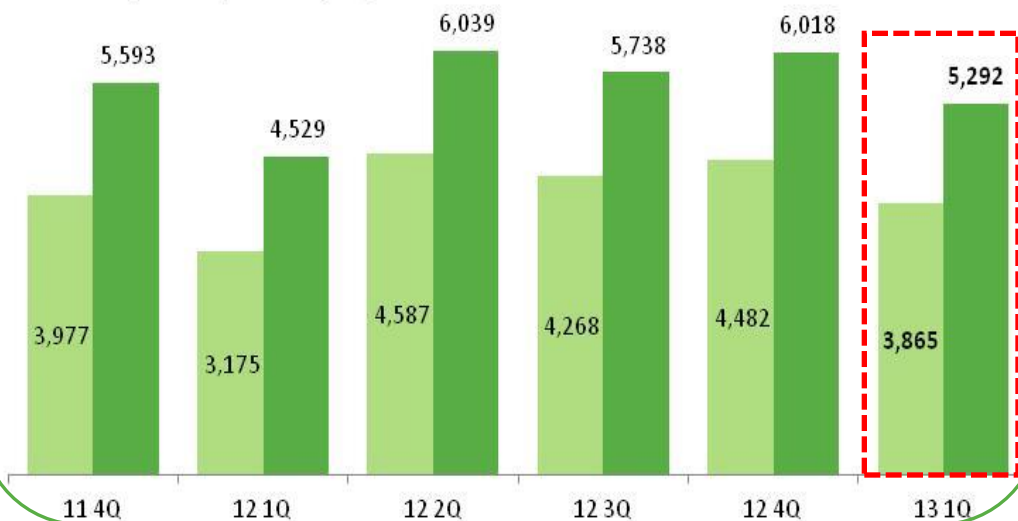
▪ Electric

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

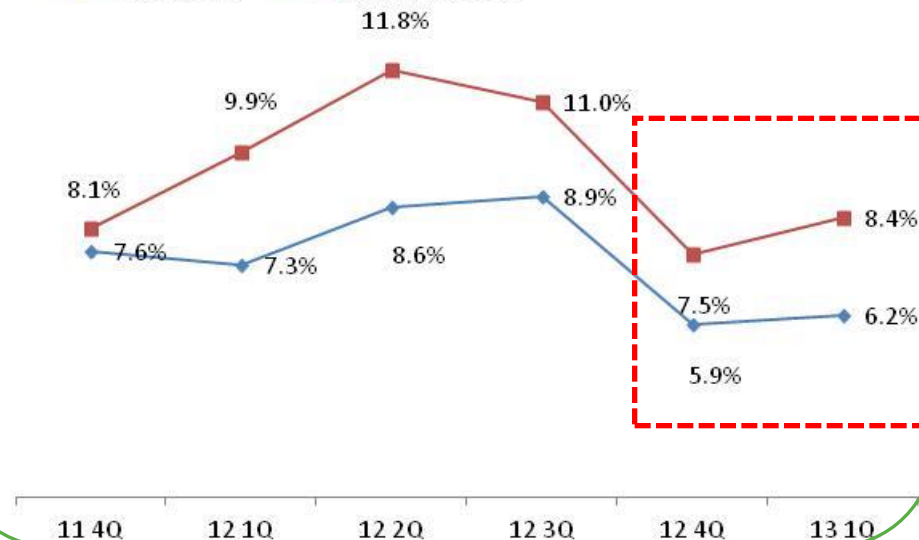
▪ Automation

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

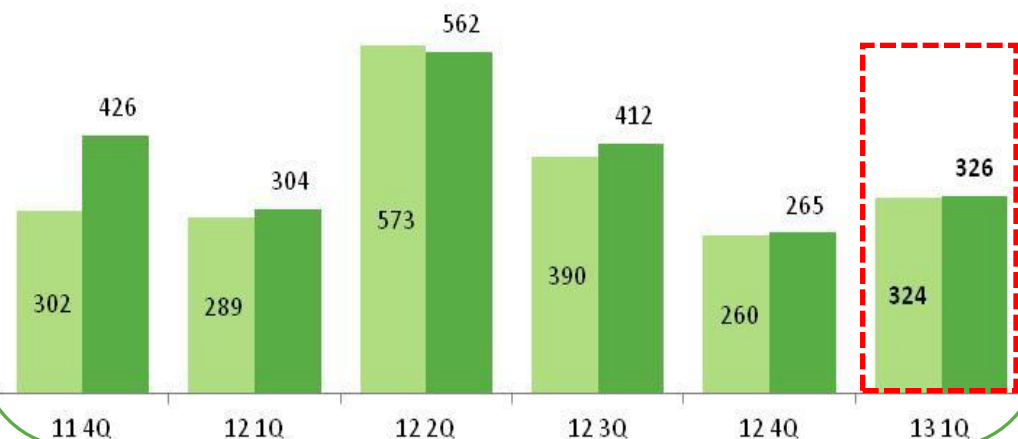
Sales[Non-Con] Sales[Con]



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)