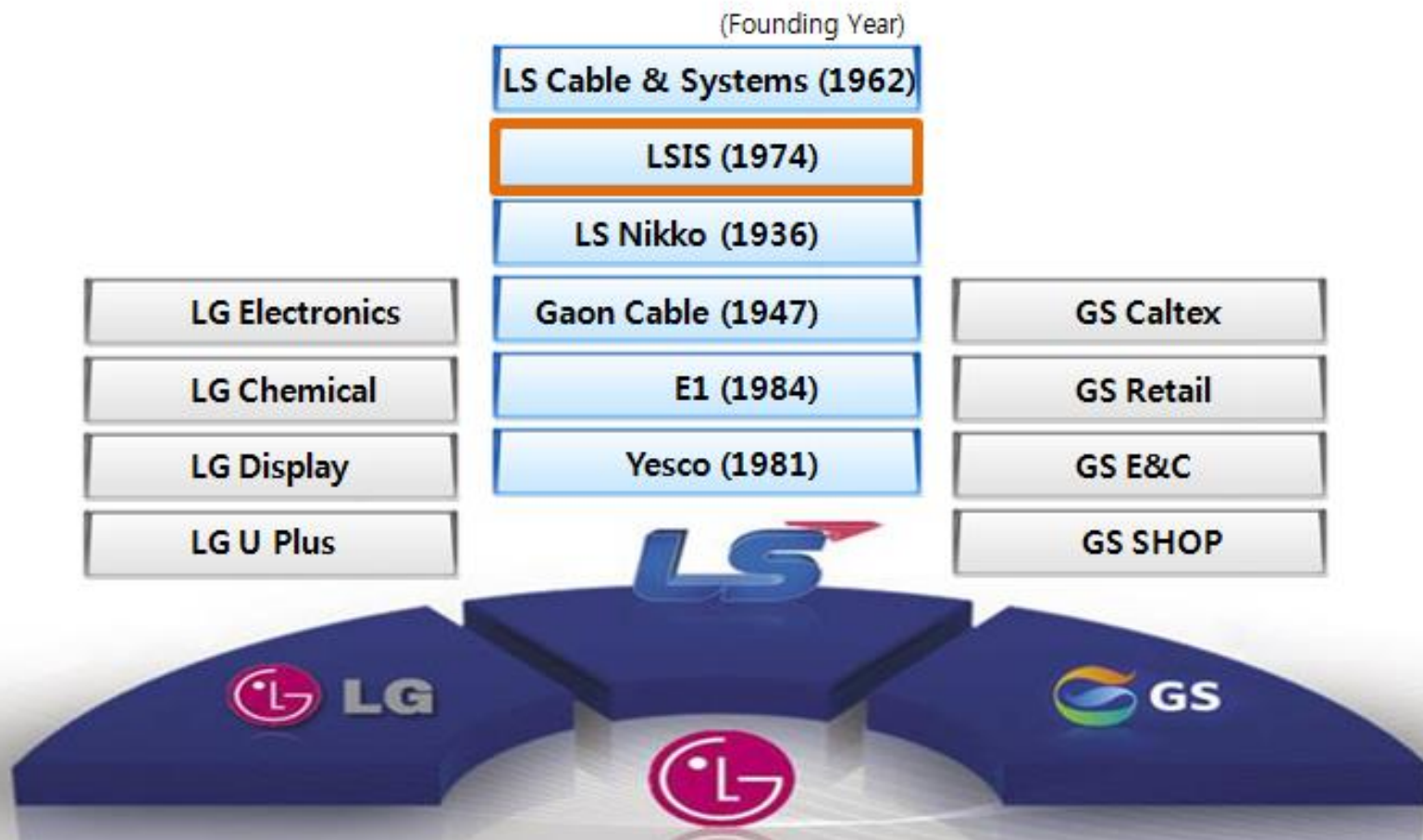




LSIS NDR
Jun 23~27 2014

- LS, a leader of Korea's key industries, ranks 14th among domestic business groups
- LSIS, disaffiliated from LG group in 2003, joined LS Group in 2005



Leader in Power Solutions, Automation & Green Business

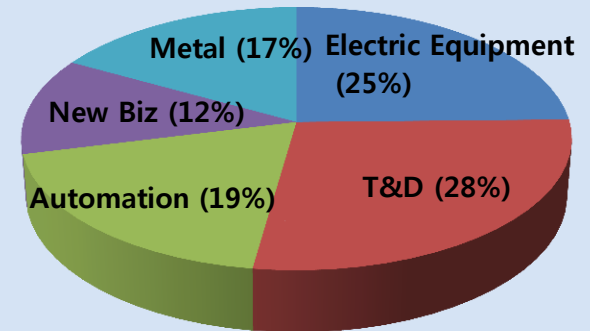
❖ The Leading Company in the Power Distribution & Automation Industry

❖ The first to build a Smart Grid, Green Village and Green Factory

❖ Global top 3 High Voltage relay technology for Automotive

- Founded : 1974
- Sales (2013) : US\$ 2.25 billion
- Employees : 3,500
- Headquarters : LS Tower, Anyang-si, Gyeonggi-do, Korea
- Plants : Cheongju, Cheonan, Busan, Dalian, Wuxi, Hubei, Hanoi
- Overseas subsidiaries : China, Vietnam, Japan, etc.
(8 manufacturing / reselling subsidiaries in total)
- Overseas branches : Japan, Russia, Vietnam, etc.

2013 Sales Breakdown

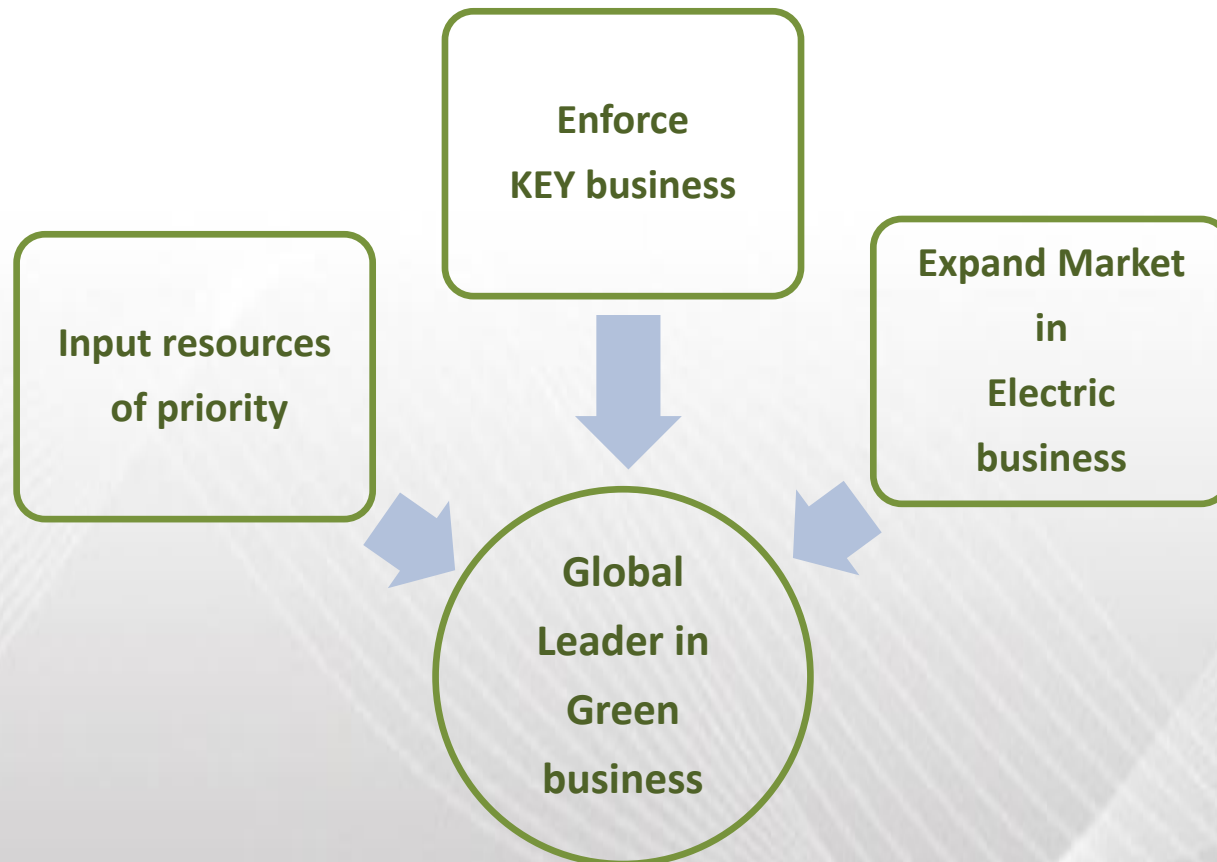


Primary Product Lineup

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

※HVDC : High Voltage Direct Current

- **Input resources of priority in Electric, Automation & NEW core business**
- **Seek substantiality by enforcing core competences in KEY business**
- **Target & Focus on global market in Electric equip & T&D business**

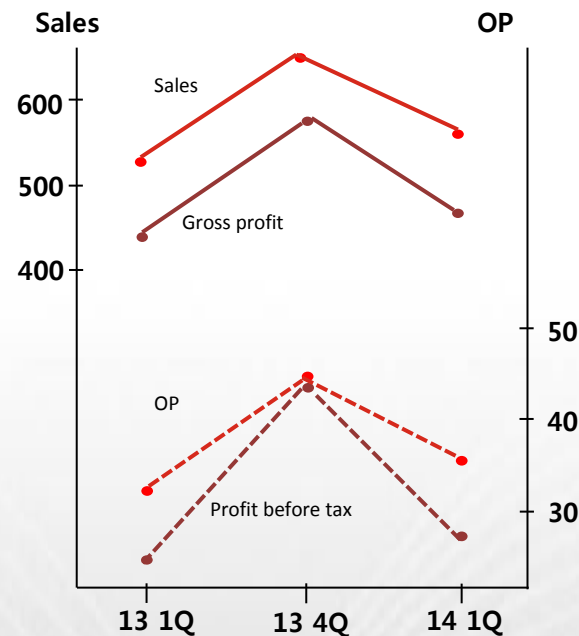


Q1'14 Results (1)

Income Statement

(Wbn)

Segment	Q1 2013	Q4 2013	Q1 2014	Y-o-Y	Q-o-Q
Sales	529	673	559	6%	△17%
Cost of goods sold	435	556	458	5%	△18%
Gross profit	94	117	101	8%	△14%
SG&A	61	70	66	8%	△5%
Operating profit	33	47	35	7%	△26%
Profit before tax	14	46	26	89%	△43%
Net income	13	32	21	67%	△34%



* Sales breakdown by division

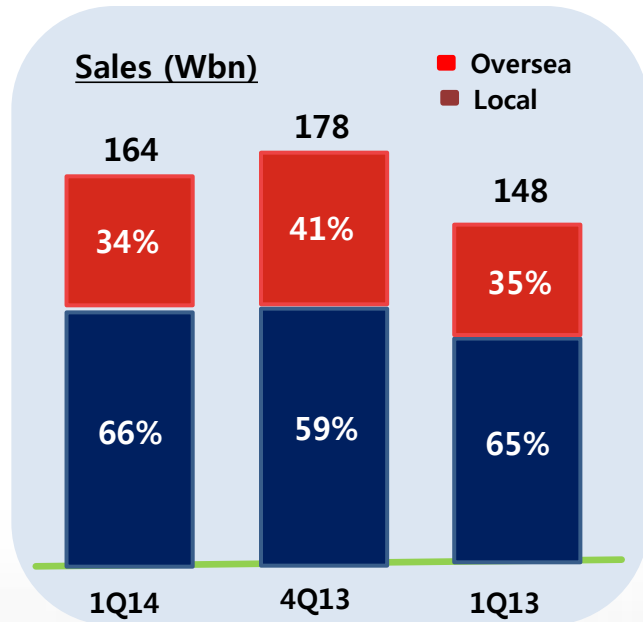
	Electric Equip	T&D	Automation	Transportation SOC	LS Metal	others
2013	28%	29%	13%	5%	17%	9%
1Q14	29%	32%	12%	4%	15%	8%
Change	1%	3%	△1%	△1%	△2%	△1%

Q1'14 Results (2)

Balance Sheet

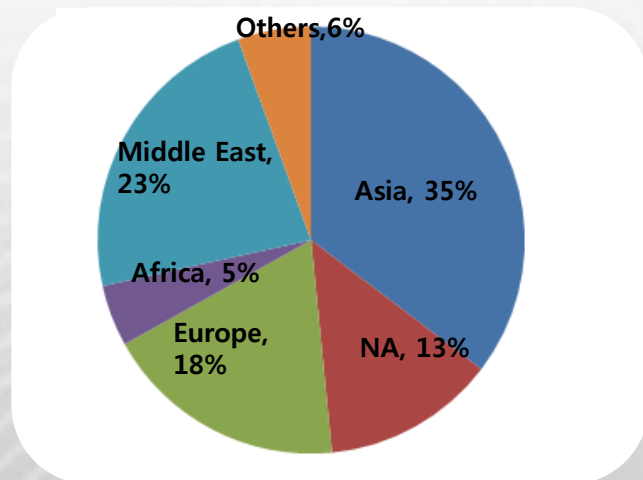
Segment	2012	2013	2014 1Q	vs. 2013		Key indicators
Total assets	2,020	2,101	2,162	60	3%	<div><div><div>Liabilities/Equity</div><div><div></div><div></div></div><div>127%136%</div></div></div>
Current assets	1,157	1,237	1,296	58	5%	
Non-current assets	863	864	866	2	0%	
Total liabilities	1,183	1,174	1,247	72	6%	<div><div><div>Net Debt/Equity</div><div><div></div><div></div></div><div>55%47%</div></div></div>
Current liabilities	604	522	654	132	25%	
Non-current liabilities	579	653	593	△60	△9%	
Equity	838	927	915	△12	△1%	<div><div><div></div><div>End of 13'End of 14.01Q</div></div></div>
Debt/Equity ratio	141%	127%	136%	10%		
Cash & cash equivalents	176	191	257	65	34%	
Net debt	479	495	431	△64	△13%	

Electric Power Equipment – Q1 Results & Market Outlook

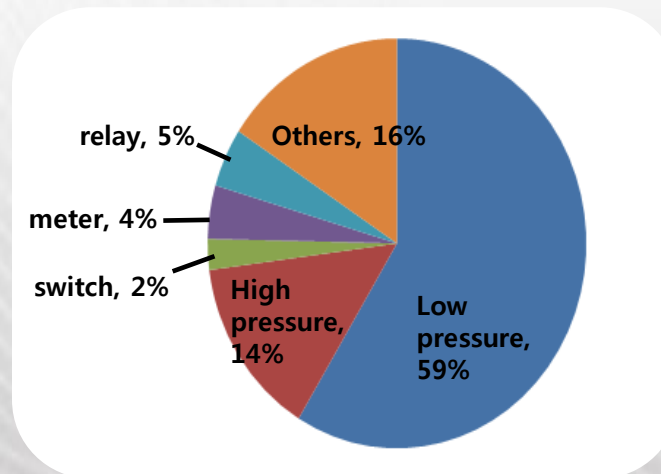


- Stable growth is intact despite construction sector slump and low growth in Korea
- Realize revenue from converting equipment to package biz and smart grid biz (Iraq DCC)
- 2Q14 outlook
 - Expect market growth based on electricity fee hike by government
 - Expedite market expansion by expanding North America sales channel
 - Market expansion to Saudi Arabia and Qatar

Export by region (1Q 14)

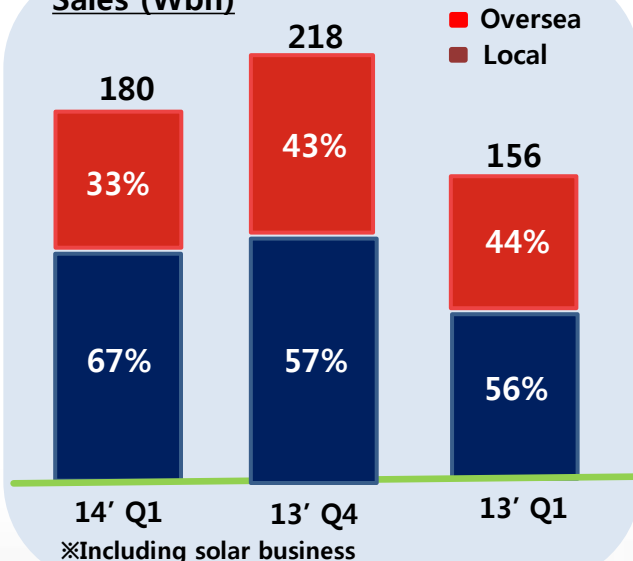


Sales breakdown by product (1Q 14)



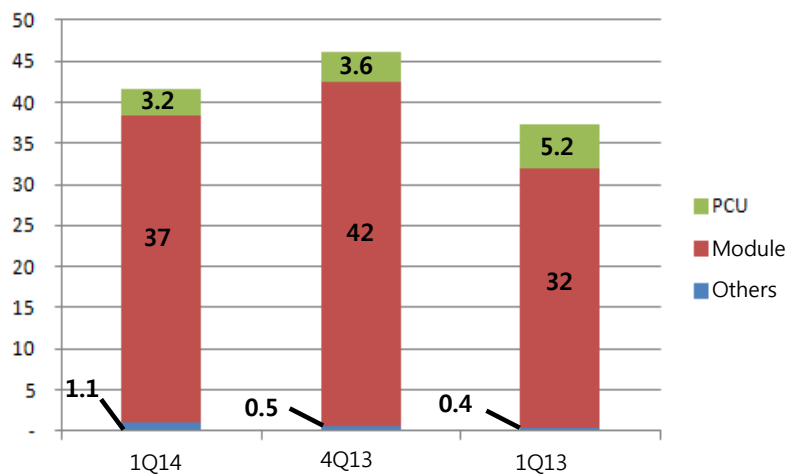
T&D (Electric power system) – Q1 Results & Market Outlook

Sales (Wbn)

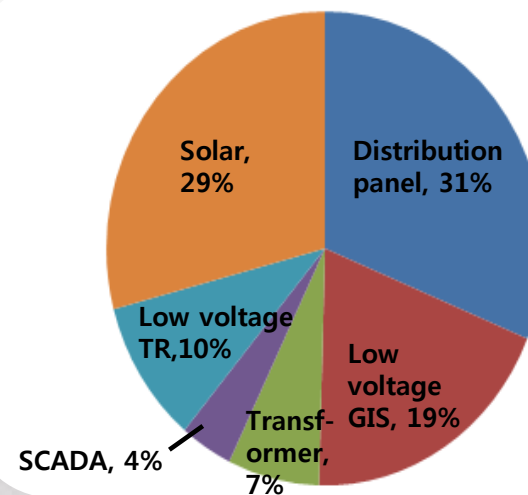


- Sales increased by 15% despite low seasonality
- Concerns on sales and order delay exist
but overseas sales (including Iraq), volume stays same
- 2Q14 outlook
 - First order from HVDC PJT(2014.5)
 - Continuous sales increase based on increased solar demand in Korea
 - Participate in GCC bidding based on Iraq biz

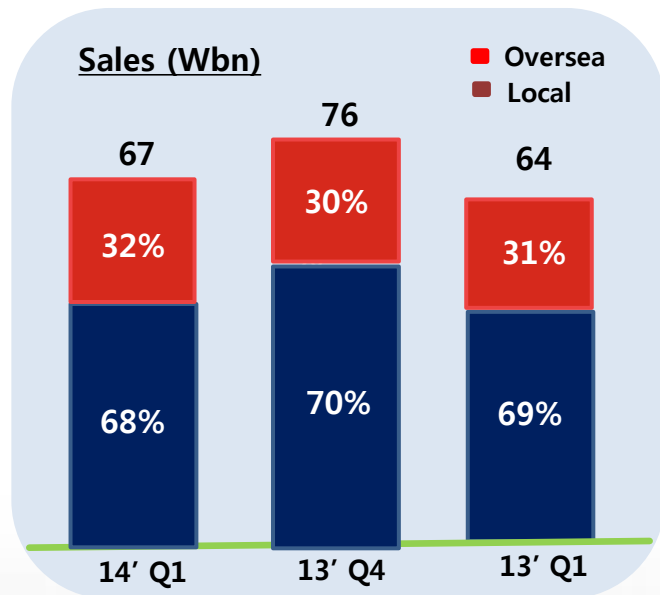
Solar business sales trend (Wbn)



Sales breakdown by product (as of 1Q14)

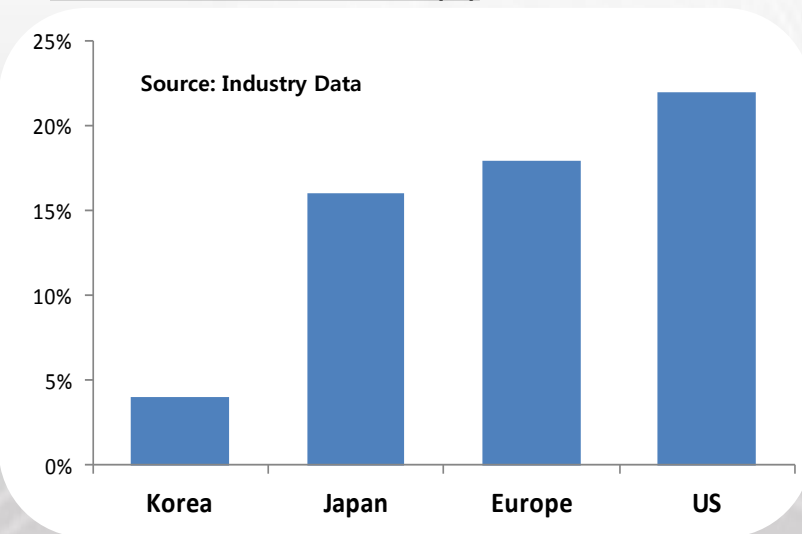


Automation – Q1 Results & Market Outlook

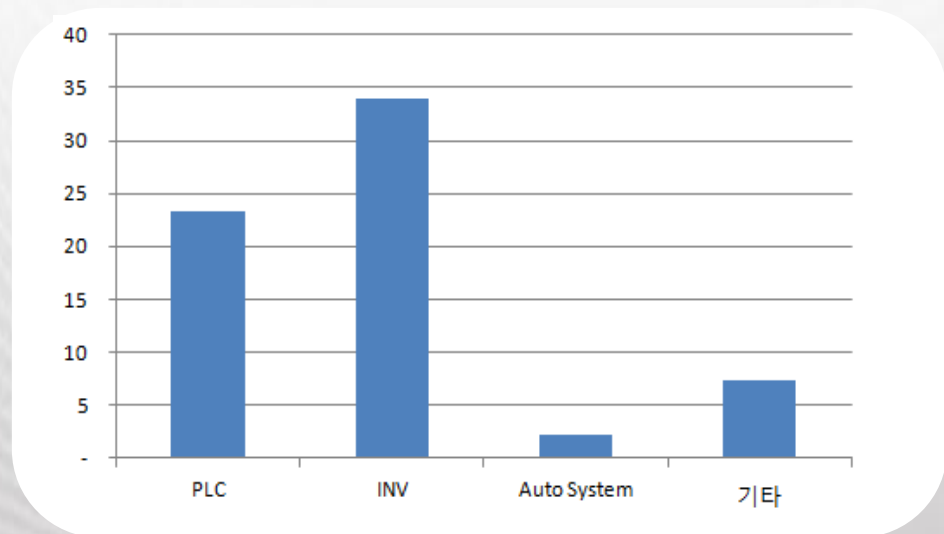


- Sales increased YoY despite weak corporate investment sentiment
- Prepared entrance into large-size power generation(system orders) and energy/environment (high voltage inverter) markets
- 2Q14 outlook
 - Strengthen sales activities for orders in energy environment market (paper, cement, waste heating, etc.)
 - Expect growth based on increase in inverter demand led by policy supporting high-efficient energy

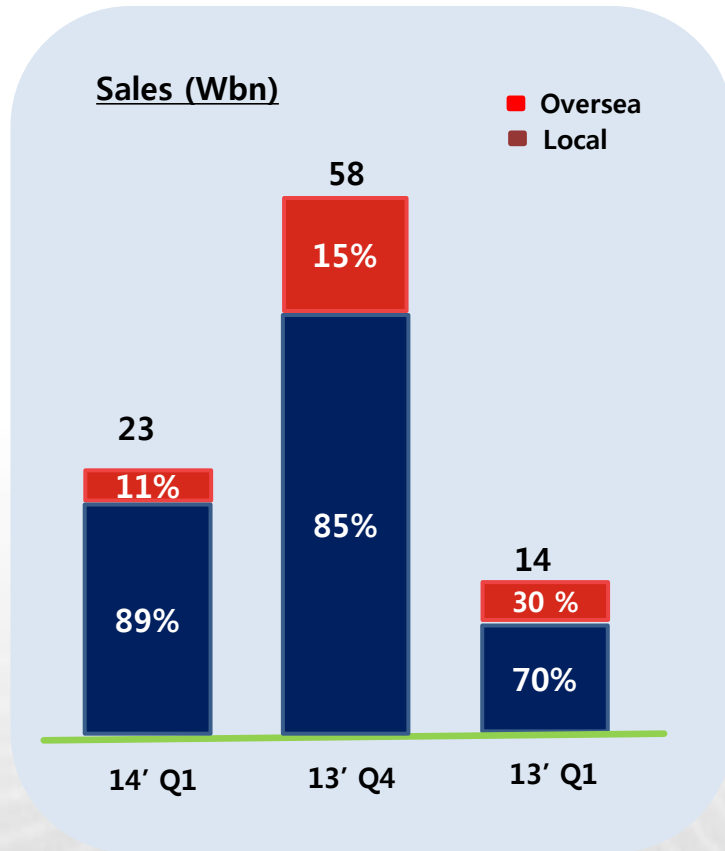
Inverter installment rate (%)



Sales breakdown by product (as of 1Q14)



Transportation SOC – Q1 Results & Market Outlook



- **sales from Honam KTX and Bangladesh project is intact**

- Total sales from Honam KTX W117bn (W19bn in 1Q14)

- Bangladesh project sales W30.7bn (W0.9bn in 1Q14)

- **2Q14 outlook**

- Korea : Suseo – Pyeongtaek high-speed railroad, Incheon

International Airport, etc.

- Overseas : Participate bidding in Singapore, Thailand, Taiwan, Indonesia PJT, Initiating orders for signaling system

Company-wide order backlog

(Wbn)

Segment	Local/Overseas	2011 end	2012 end	2013 end	2014 Q1
T & D	Local	162	199	249	311
	Overseas	258	300	276	305
Transport SOC	Local	171	302	276	249
	Overseas	21	40	12	16
Other	-	194	246	233	111
Total	-	807	1,087	1,046	991