



**Leading
Innovation,
Creating
Tomorrow**

Q2 2014 results

LSIS

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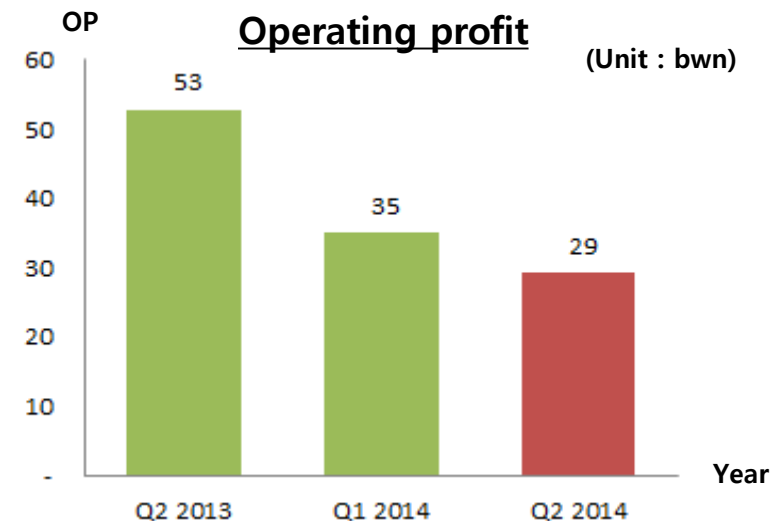
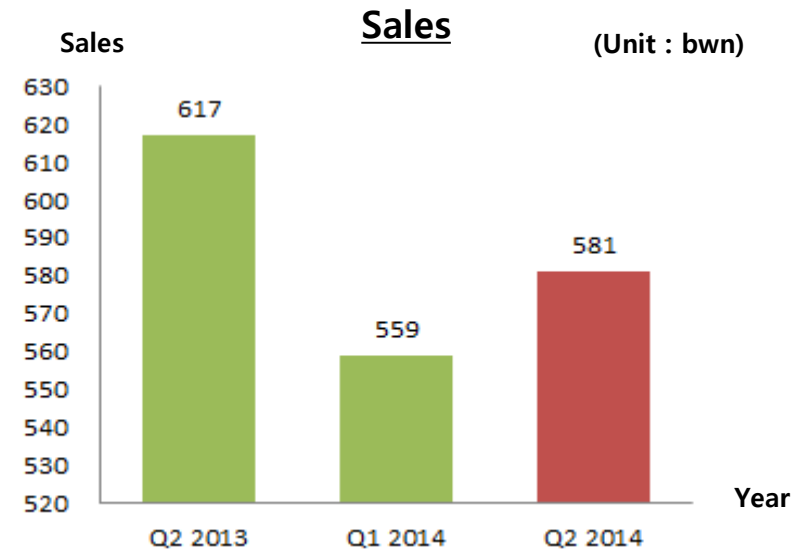
3. Sales breakdown & OP

1. '14 2Q Business results

(1) Income Statement

(Unit : bwn)

Segment	Q2 2013	Q1 2014	Q2 2014	Y-o-Y	Q-o-Q
Sales	617	559	581	△6%	4%
Cost of goods sold	501	458	485	△3%	6%
Gross profit	116	101	97	△17%	△4%
SG&A	63	66	67	6%	2%
Operating profit	53	35	29	△45%	△16%
Profit before tax	28	26	40	45%	53%
Net income	23	21	31	37%	47%



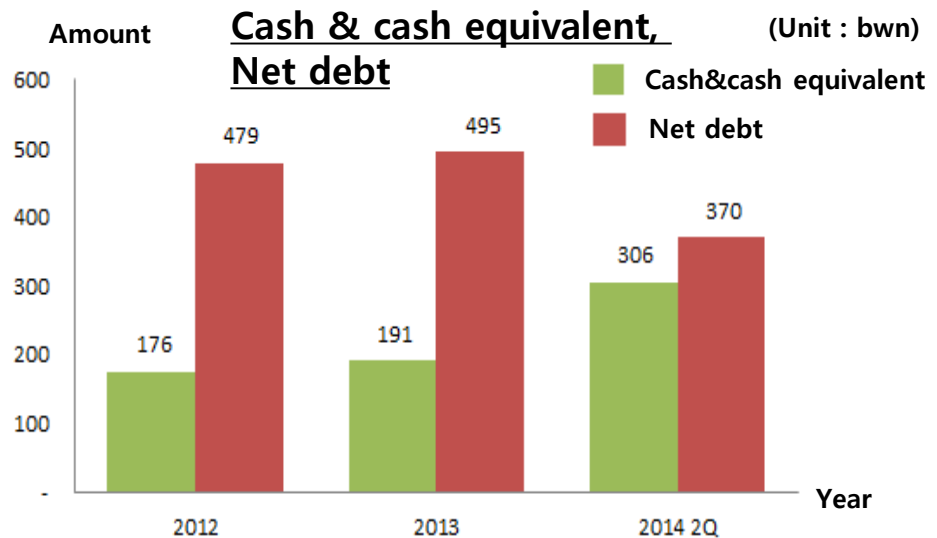
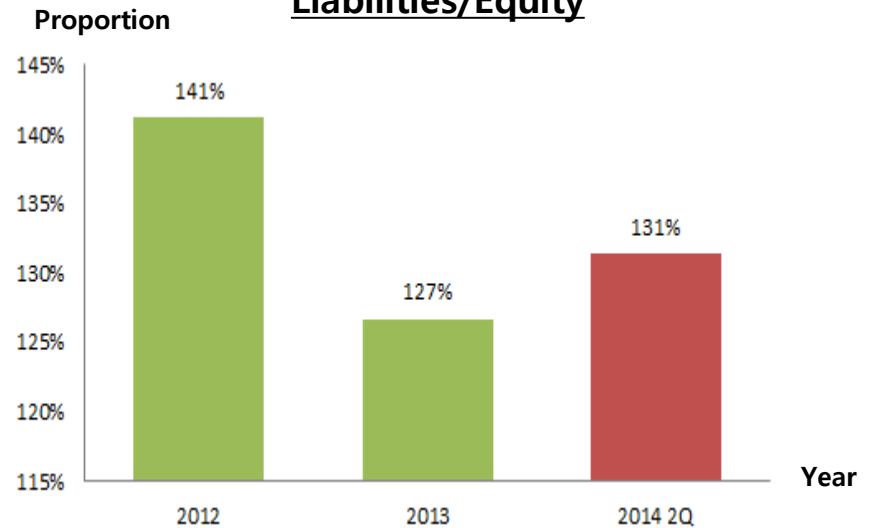
1. '14 2Q Business results

(2) Balance Sheet

(Unit : bwn)

Segment	2012	2013	2014 2Q	Vs. 2013	
Total Asset	2,020	2,101	2,178	77	4%
Current asset	1,157	1,237	1,309	72	6%
Non-current asset	863	864	869	5	1%
Total Liabilities	1,183	1,174	1,237	62	5%
Current liabilities	604	522	706	185	35%
Non-current liabilities	579	653	530	△123	△19%
Equity	838	927	941	14	2%
Debt/ Equity ratio	141%	127%	131%	5%	
Cash & cash equivalent	176	191	306	115	60%
Net debt	479	495	370	△86	△17%

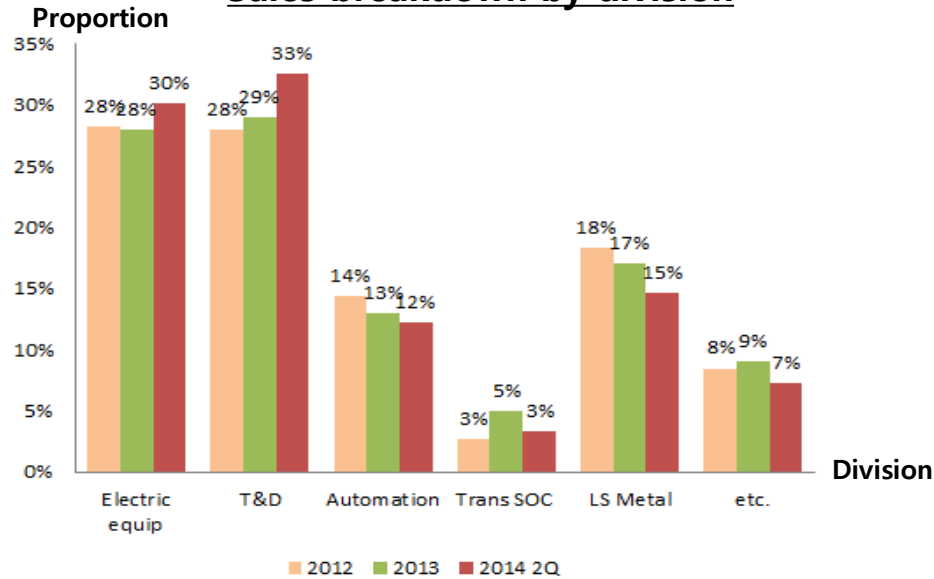
Liabilities/Equity



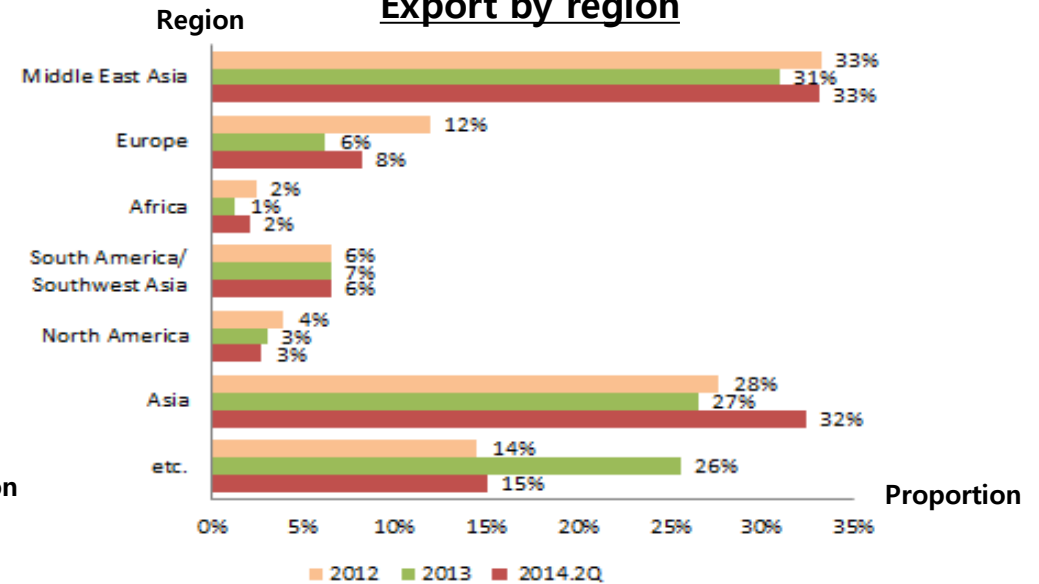
1. '14 2Q Business results

(3) Present condition of Sales

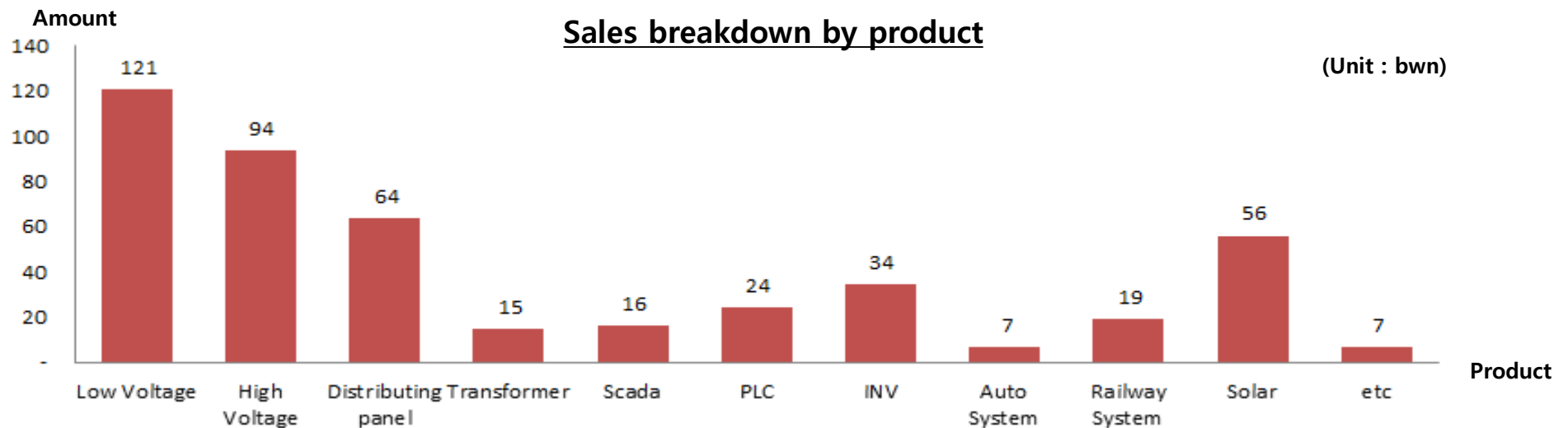
Sales breakdown by division



Export by region



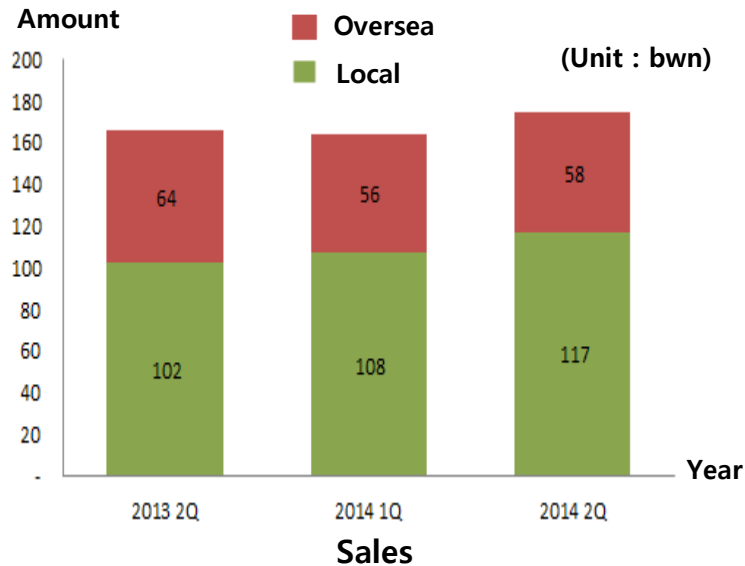
Sales breakdown by product



2. '14 2Q Division Performance

(1) Electric Equip / T&D

Electric Equip



- Stable growth is intact despite the construction sector slump and low growth in Korea economy due to Smartgrid sales growth

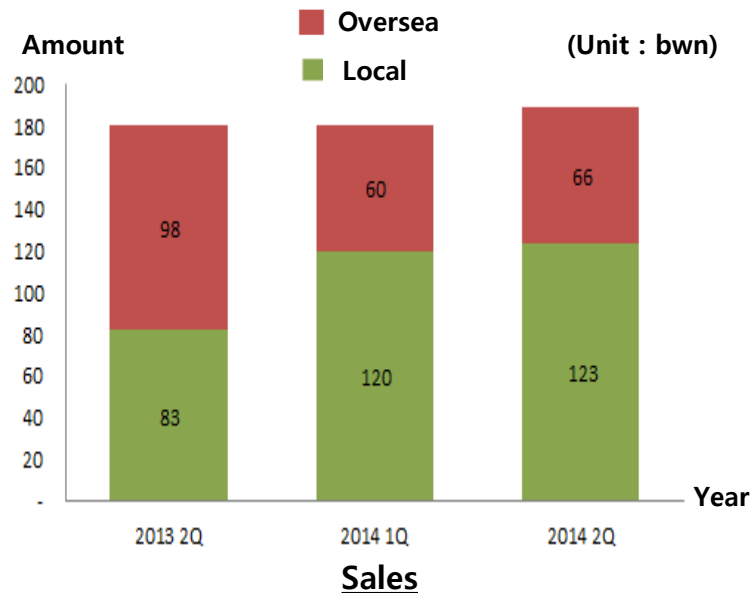
[Local]

- Sales increased by Smartgrid, despite price competition in private market due to volume decrease in government supply
- PJT delayed by weak corporate investment sentiment

[Oversea]

- Received the order Smartgrid AMI PJT(2014.05)
- Established sales channel as we finished acquiring UL certification and development of product in North America

T&D



- Made operating loss due to the won appreciation
- Growth in sales due to the solar business expansion

[Local]

- Received the first order from HVDC PJT (2014.05)
- Large volume PJT schedule delayed due to the construction sector slump, sales increased by solar business

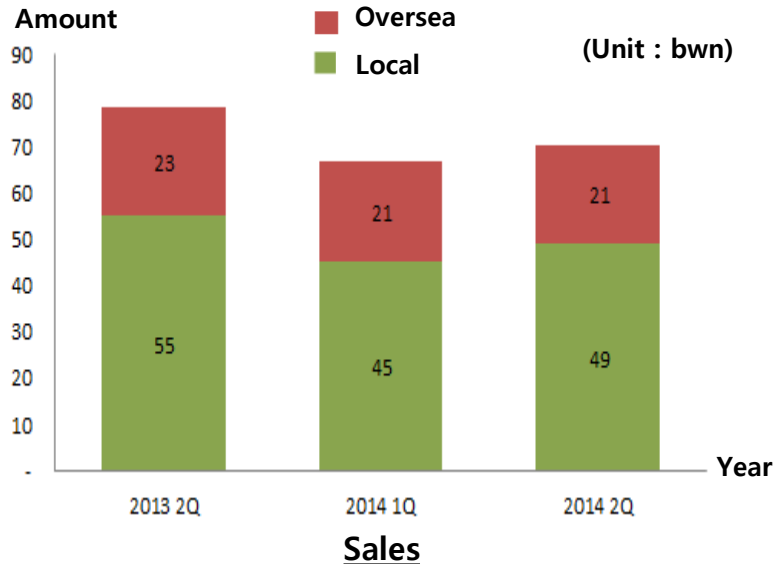
[Oversea]

- A few PJT construction delay in Iraq due to the civil war
- Prepared entrance into T&D market in Nepal, Sri Lanka and Nigeria.

2. '14 2Q Division Performance

(2) Automation / Trans S.O.C

Auto- mation



- Sales decreased Y o Y due to weak corporate investment sentiment
- Expanded sales channel in North America and sales increased in Iran

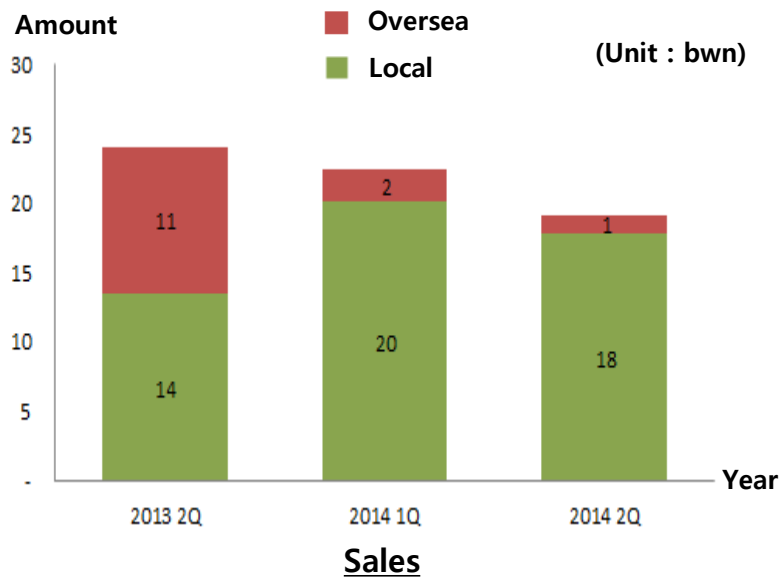
[국내]

- Thanks to industrial IT system revenue

[해외]

- Progressed water pipe network system PJT in Vietnam and Indonesia
- Several PJT preparing in EV business for 48V mild hybrid vehicle market

Trans S.O.C



- Sales from Honam KTX and Bangladesh project is intact

- Total sales from Honam KTX 121 bwn (2Q 14bwn)
- Total sales from Bangladesh PJT 32 bwn(2Q 1.4bwn)

- Preparing the following biddings in local

- Suseo – Pyeongtaek high-speed railroad
- Sosa-Wonsi railroad
- Osung, Busan and Daegu

- Preparing the biddings in Bangladesh and Thailand

3. Sales Breakdown & OP

Category			2013						2014	
			1Q	2Q	3Q	4Q	Total	YoY(%)	1Q	2Q
Domestic	HQ	HQ Subtotal	240.1	255.6	244.2	334.8	1,074.7	3%	295.5	309.2
		Electric Equip	97.5	102.1	102.6	105.1	407.3	-1%	107.5	117.3
		T&D	86.8	82.5	65.1	124.9	359.3	9%	120.3	123.5
		Automation	44.1	55.1	56.2	53.2	208.6	-10%	45.3	49.1
		Trans SOC	9.5	13.5	18.2	48.9	90.1	54%	20.1	17.8
		RFID	2.2	2.4	2.1	2.7	9.4	-20%	2.3	1.5
	LS metal	Copper & STS Pipe	33.1	51.6	38.6	36.7	160.0	14%	32.2	41.8
	Sub(Korea)*	Servo, PSC, BAS etc	13.1	15.4	17.5	14.9	60.9	18%	13.9	15.0
Overseas	HQ	HQ Subtotal	146.4	197.0	147.7	200.1	691.2	13%	141.5	147.4
		Electric Equip	52.4	63.7	55.7	73.0	244.8	10%	56.5	57.9
		T&D	68.7	97.7	65.4	93.8	325.6	10%	60.0	65.6
		Automation	19.5	23.4	20.1	23.0	86.0	-4%	21.5	21.5
		Trans SOC	4.0	10.6	5.0	8.6	28.2	3929%	2.4	1.4
		RFID	1.8	1.6	1.5	1.7	6.6	78%	1.1	1.1
	LS metal	Copper & STS Pipe	73.8	67.4	43.8	52.5	237.5	-11%	52.3	43.2
	Sub(China)**		27.0	38.6	52.9	43.3	161.8	17%	28.1	31.3
Consolidation adjustment for Sales			-4.3	-8.3	-12.5	-9.0	-34.1	-	-4.7	-6.6
Total			529.2	617.3	532.1	673.0	2,351.6	5%	558.8	581.3
HQ	Electric Equip	Sales	149.9	165.8	158.3	178.1	652.1	3%	164.0	175.1
		OP	26.8	30.0	32.6	27.7	117.1	5%	25.2	27.1
	T&D	Sales	155.5	180.2	130.5	218.7	684.9	10%	180.4	189.1
		OP	4.6	11.8	-1.9	9.5	24.0	23%	7.6	-2.9
	Automation	Sales	63.6	78.5	76.3	76.2	294.6	-8%	66.8	70.5
		OP	2.6	7.9	9.3	3.6	23.4	-6%	2.7	1.6
	Transportation SOC	Sales	13.5	24.1	23.2	57.5	118.3	100%	22.5	19.2
		OP	-0.8	0.6	0.5	8.4	8.7	422%	0.3	1.3
	RFID	Sales	4.0	4.0	3.6	4.4	16.0	4%	3.4	2.6
		OP	-0.8	-0.4	-1.5	-0.3	-3.0	-76%	0.4	0.4
		Sales	386.5	452.6	391.9	534.9	1,765.9	7%	437.0	456.6
		OP	32.4	49.9	39.0	48.9	170.2	13%	36.3	27.4
Subsidiary	LS metal	Sales	107.0	119.0	82.4	89.0	397.4	-3%	84.5	85.0
		OP	0.7	2.5	-1.3	-0.3	1.6	-72%	-1.4	-1.1
	Sub in Korea*	Sales	13.1	15.4	17.5	14.9	60.9	18%	13.9	15.0
		OP	-1.6	-1.1	-1.1	1.4	-2.4	71%	-0.3	-0.1
	Sub in China**	Sales	27.0	38.6	52.9	43.3	161.7	17%	28.1	31.3
		OP	-0.6	1.5	4.9	-2.8	3.0	200%	-0.2	1.2
Consolidation adjustment for OP			1.8	-0.1	0.9	0.0	2.6	-	0.7	1.9
Total		Sales	529.3	617.3	532.2	673.1	2,351.8	5%	558.8	581.3
		OP***	32.6	52.7	42.4	47.2	174.9	13%	35.1	29.3

(Unit : bwn)