FUTURING SMART ENERGY

Q1 2015 Results

LS IS

Disclaimer

This presentation material is prepared for investors' reference, based on data that have not been filed with the financial supervisory commission.

Actual business performance may not necessarily be consistent with the projections herein, as a result of unexpected changes in the market environment and other conditions.

The financial information in this document are consolidated earnings results based on K-IFRS.

Contents

Sales : Declined 21% Q-o-Q, Declined 13% Y-o-Y.

Operating Profit : Declined 66% Q-o-Q, Declined 51% Y-o-Y.

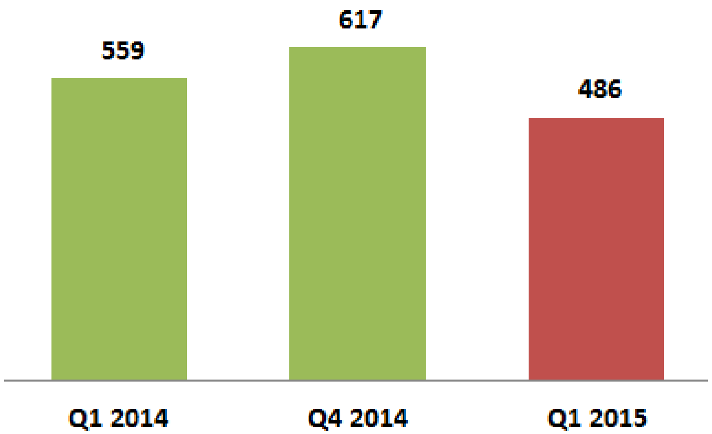
▮Income Statement

(Unit : bwn)

Segment	Q1 2014	Q4 2014	Q1 2015	Y-o-Y	Q-o-Q
Sales	559	617	486	△13.0%	△21.2%
Cost of goods sold	458	496	400	△12.6%	△19.3%
Gross profit	101	121	86	△14.9%	△28.9%
SG&A	66	70	69	4.0%	△1.4%
Operating profit	35	51	17	△50.5%	△65.9%
Profit before tax	26	35	7	△72.6%	△79.5%
Net income	21	14	5	△76.5%	△64.1%

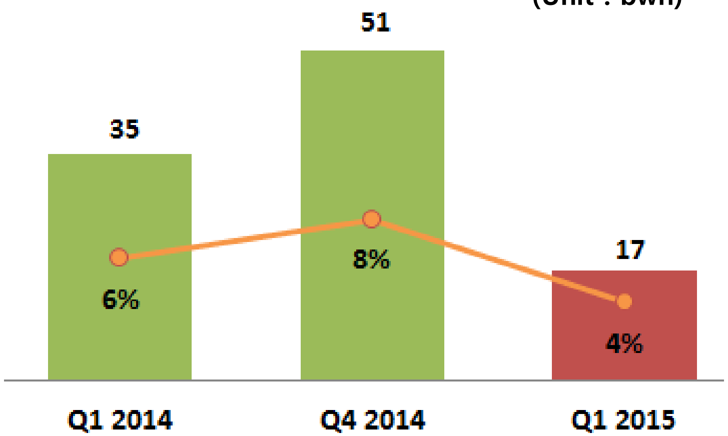
▮ Sales

(Unit : bwn)



▮ OP & Profit Margin

(Unit : bwn)



(2-1) Sales breakdown by business

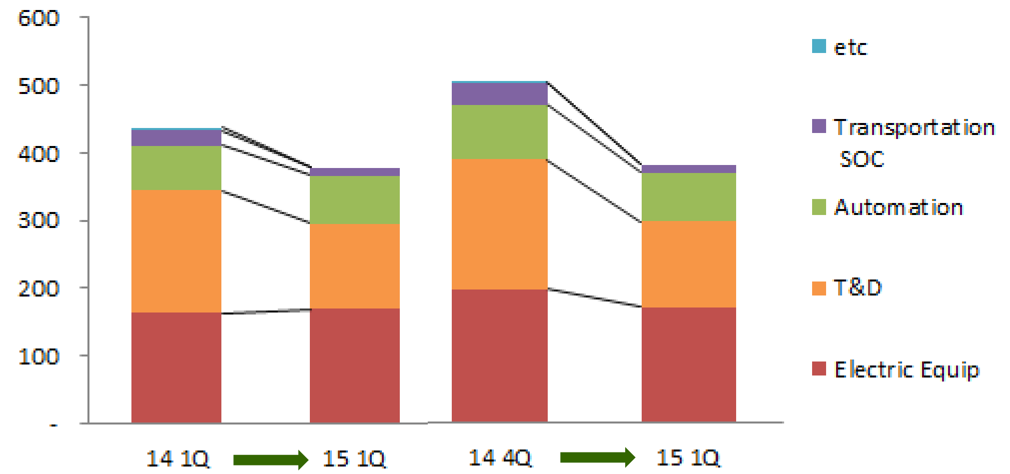
■ Sales by business(Head-quarter)

(Unit : bwn)

Segment	Q1 2014	Q4 2014	Q1 2015	Y-o-Y	Q-o-Q
Electric Equip.	164	196	169	3%	△14%
T&D	180	189	126	△30%	△33%
Auto-mation	67	82	71	7%	△13%
Trans. SOC	22	32	12	△45%	△62%
Etc*	3	1	-	-	-
Total	437	501	379	△13%	△24%

*RFID

(Unit : bwn)



■ Sales by business(Subsidiaries)

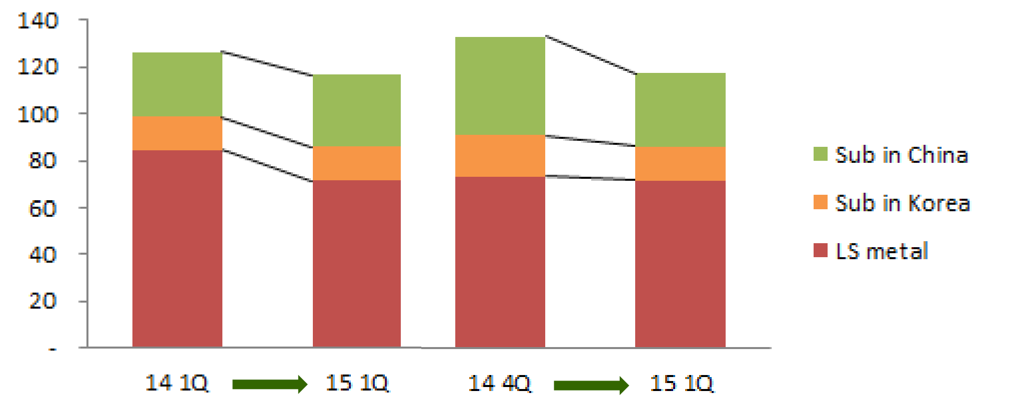
(Unit : bwn)

Segment	Q1 2014	Q4 2014	Q1 2015	Y-o-Y	Q-o-Q
LS metal	85	73	71	△16%	△3%
Subs in Korea*	14	17	15	4%	△17%
Subs in China**	28	42	31	11%	△26%
Total	127	132	117	△8%	△12%

*LS Metals, LS Sauter, LS Mecapion

**LSIS Wuxi, LSIS Dalian, LSIS Hubai

(Unit : bwn)

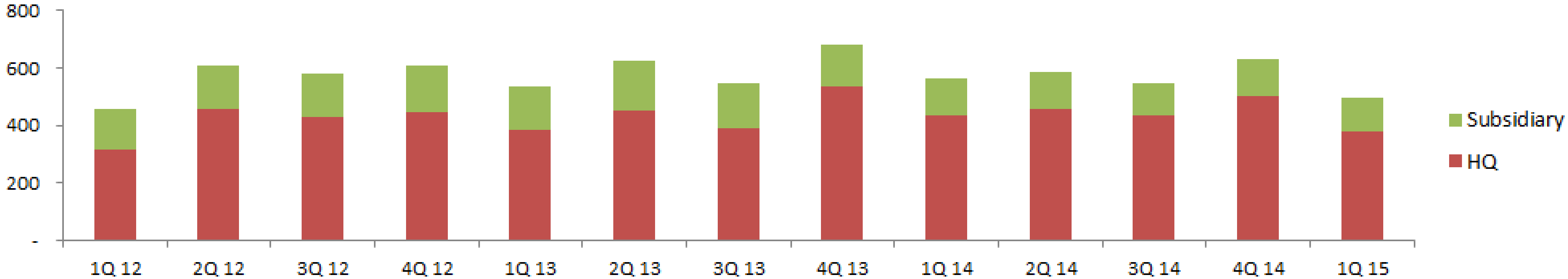


(2-2) Consolidated sales & oversea sales trends

■ Consolidated sales trends

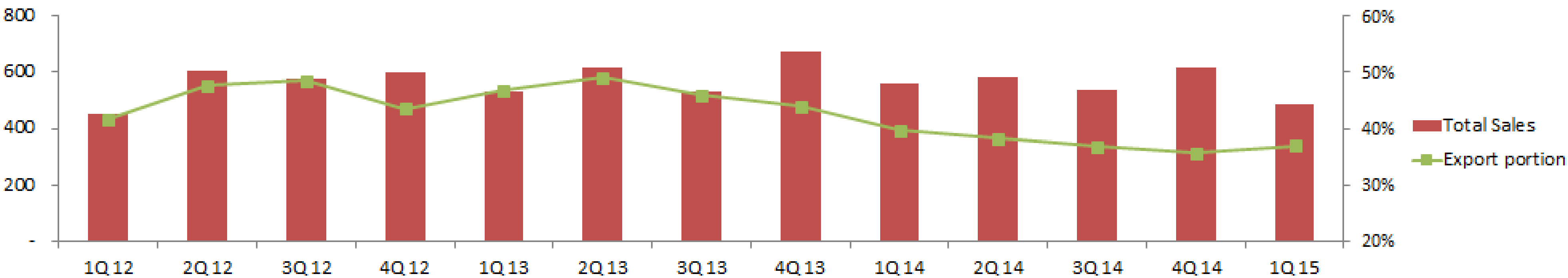
(Unit : bwn)

Segment	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15
HQ	317	459	427	448	387	453	392	535	437	457	434	501	379
Subsidiaries	139	149	153	158	147	173	153	147	127	131	112	132	117
Consolidated Adjustment	△3	△4	△6	△5	△4	△8	△13	△9	△5	△7	△9	△16	△10
Total	453	604	574	602	529	617	532	673	559	581	537	617	486



■ Oversea sales trends

(Unit : bwn, %)

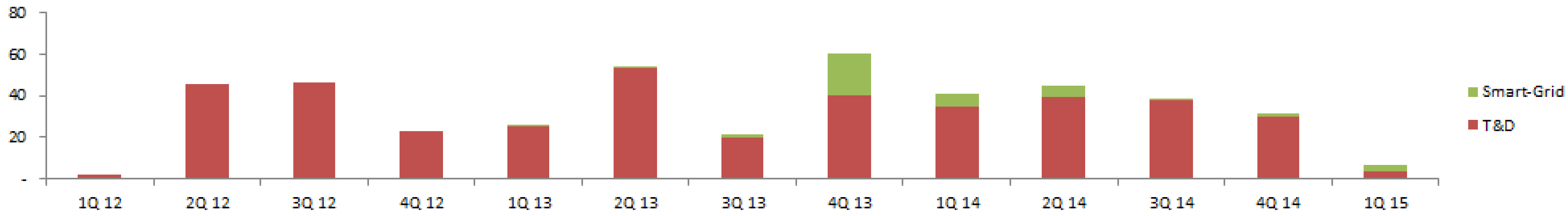


(2-3) Iraq region trends & Product sales

■ Iraq region sales trends

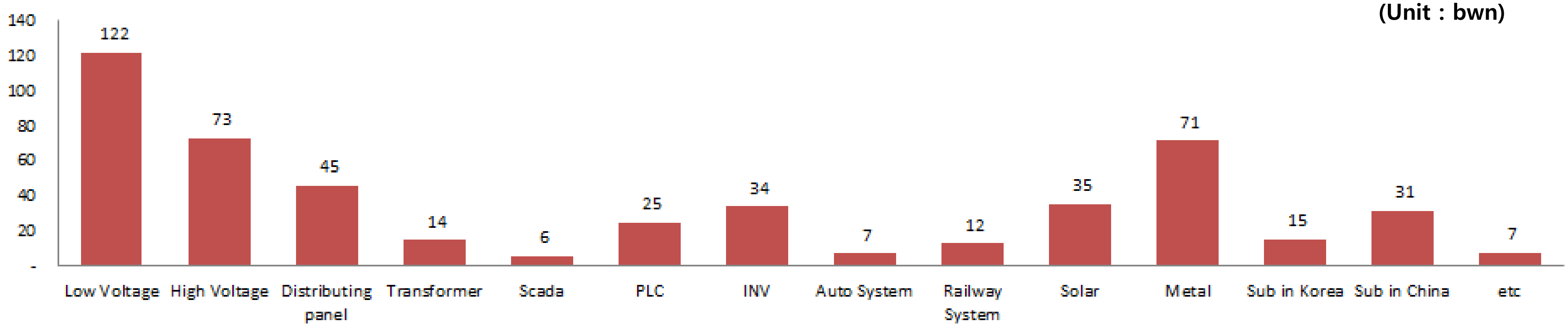
(Unit : bwn)

Segment	1Q 12	2Q 12	3Q 12	4Q 12	1Q 13	2Q 13	3Q 13	4Q 13	1Q 14	2Q 14	3Q 14	4Q 14	1Q 15
T&D	2	46	46	23	25	54	20	40	35	39	38	30	4
Smart-Grid	-	-	-	-	-	-	2	21	6	6	-	2	3
Total	2	46	46	23	25	54	22	61	41	45	38	32	7



■ Sales by products

(Unit : bwn)



(3) Operating Profit status

OP by business

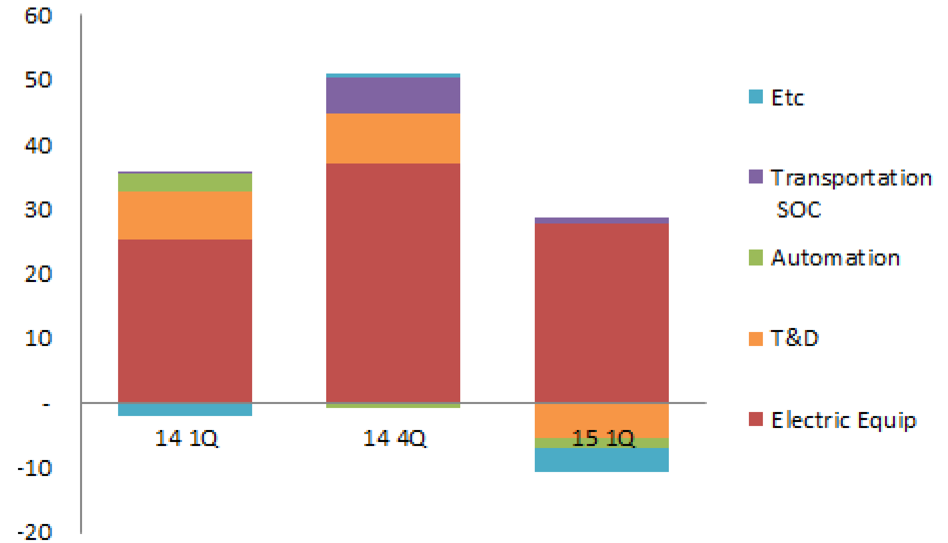
(Unit : bwn)

Segment	Q1 2014	Q4 2014	Q1 2015	Y-o-Y	Q-o-Q
Electric Equip.	25	37	28	11%	△25%
T&D	8	8	△5	△171%	△170%
Auto-mation	3	△1	△2	△158%	△81%
Trans. SOC	0	6	1	109%	△87%
Etc*	△2	△1	△4	△84%	△683%
Total	35	51	17	△52%	△67%

*RFID & Subsidiaries
(LS Metals, LS Mecapion, LS Sauter, LSIS Wuxi, LSIS Dalian, LSIS Hubai)

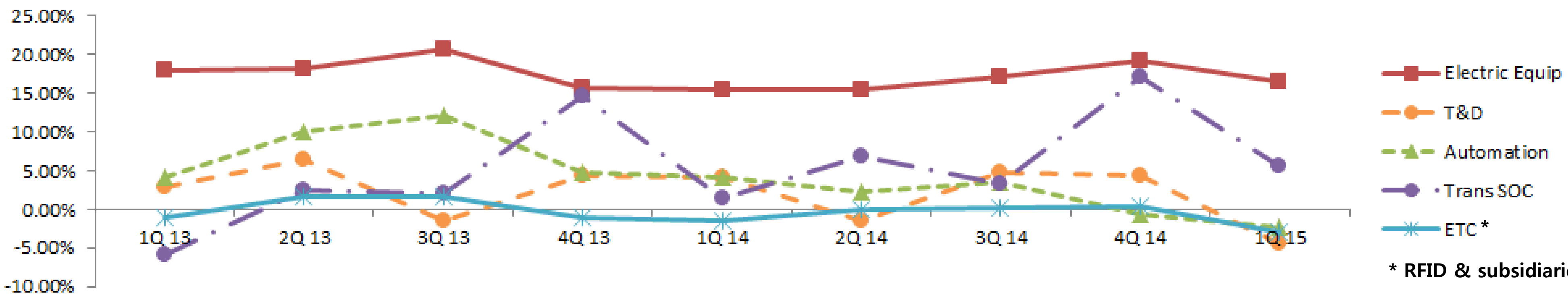
OP trend by business

(Unit : bwn)



Margin ratio trend

(Unit : %)



* RFID & subsidiaries

1. '15 1Q Results Overview

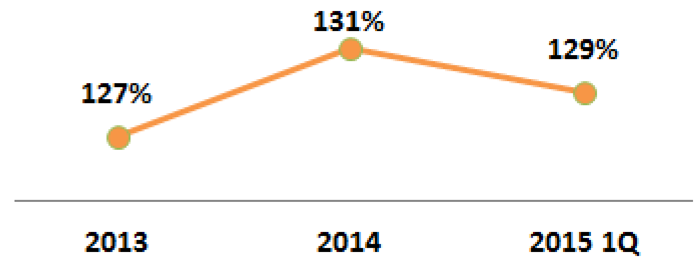
(4) Financial position

■ Financial statement

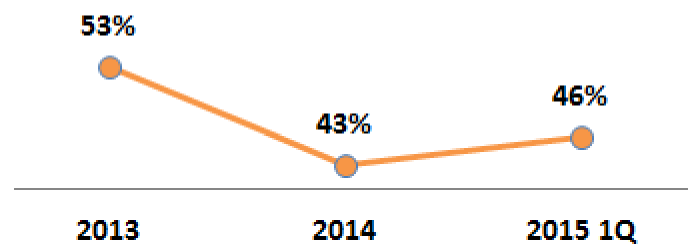
(Unit : bwn)

Segment	2013	2014	2015 1Q	Vs. 2014	
Total Asset	2,101	2,294	2,195	△99	△4%
Current asset	1,237	1,403	1,301	△102	△7%
Non-current asset	864	891	894	3	0%
Total Liabilities	1,174	1,301	1,234	△67	△5%
Current liabilities	522	737	668	△69	△9%
Non-current liabilities	653	563	566	3	1%
Equity	927	993	961	△32	△3%
Debt/ Equity ratio	127%	131%	129%	-	-
Cash & cash equivalent	191	332	329	△3	△1%
Net debt	495	423	439	16	4%

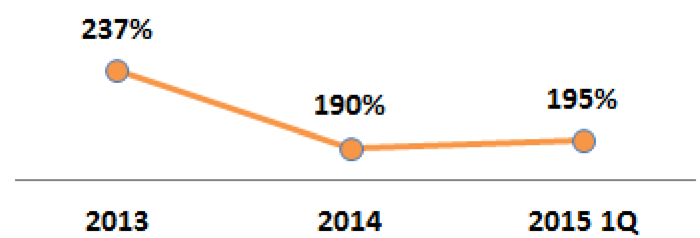
■ Liabilities/Equity



■ Net Debt/Equity



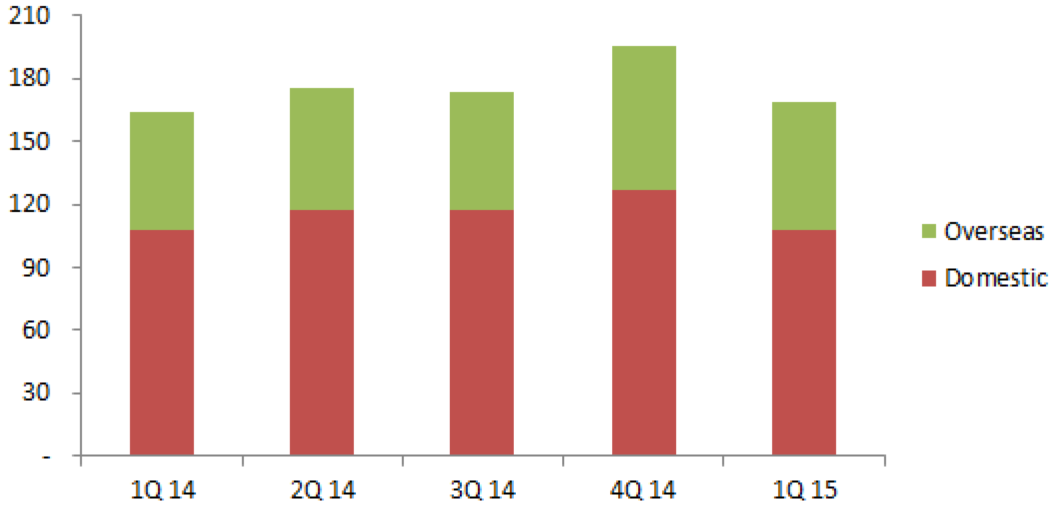
■ Current asset/Current liabilities



Electric Equip

Electric equip sales trends

(Unit : bwn)



Review & Outlook

- **Sales increased due to oversea sales growth**

[Domestic]

- Strengthen direct business to construction co.

- Prepare EV-bus PJT in Je-Ju Island.

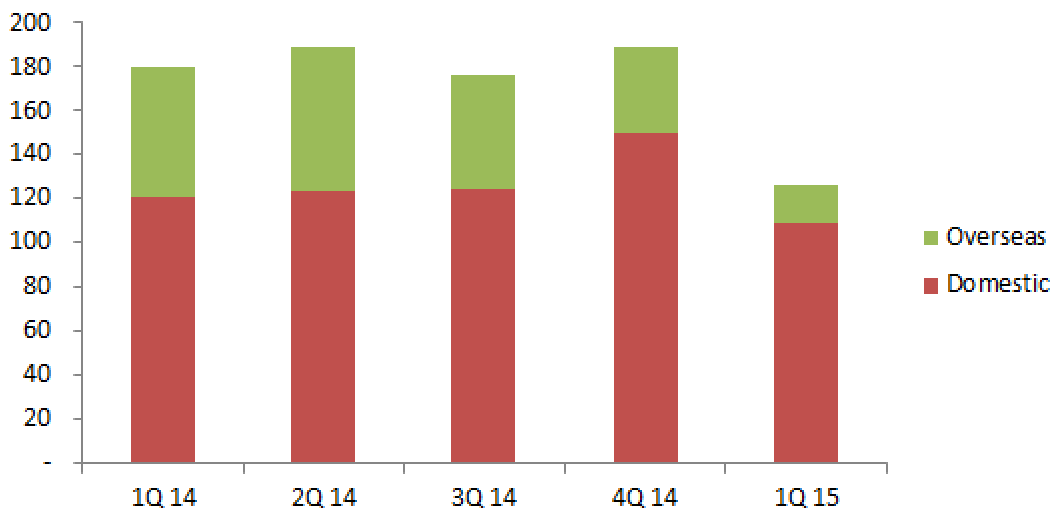
[Oversea]

- AMI PJT revenue recognition started

T&D

T&D sales trends

(Unit : bwn)



Review & Outlook

- **Sales decreased due to delay in Iraq PJT**

[Domestic]

- Thanks to solar business

- Backlog increased from government supply

[Oversea]

- Sales & OP decreased due to delay in Iraq PJT

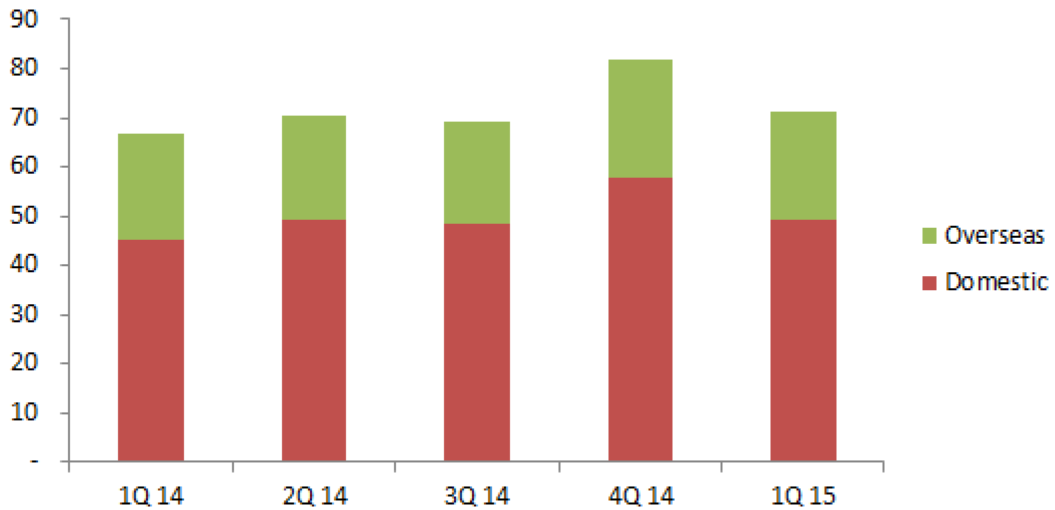
- Expect new PJTs in the first-half of the yaer

(2) Automation / Trans S.O.C

Auto-mation

Automation sales trends

(Unit : bwn)



Review & Outlook

- **Sales increased due to system business**

[Domestic]

- Growth in System business
- Expect benefits by smart factory policy

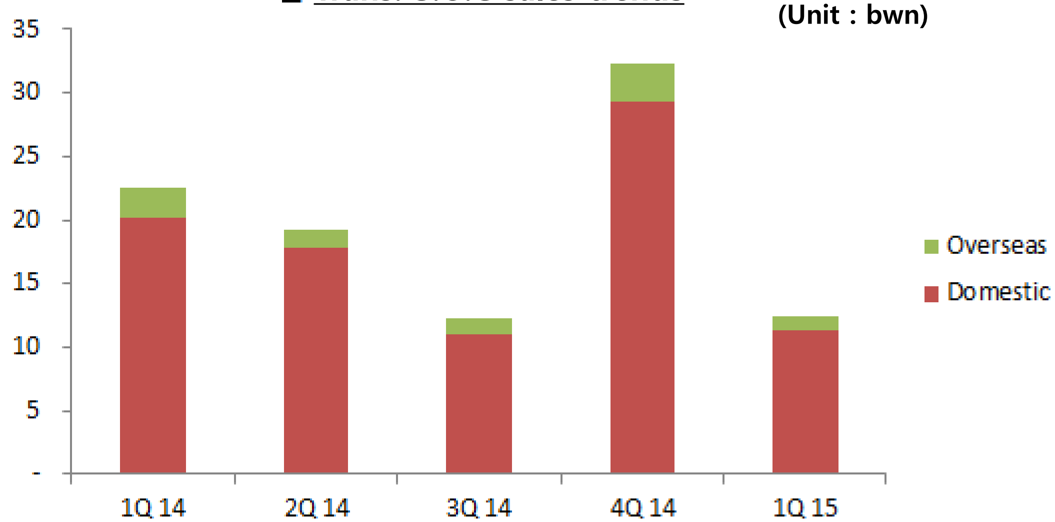
[Oversea]

- Maximize the synergy by strengthen the System solution

Trans S.O.C

Trans. S.O.C sales trends

(Unit : bwn)



Review & Outlook

- **Sales decreased due to PJT delay**

[Domestic]

- Suseo-Pyeongtaek PJT revenue recognition begin
- Expand wide area rail-way system business

[Oversea]

- New PJT delayed in Taiwan, Thailand, Bangladesh

3. Sales Breakdown & OP

(Unit : bwn)

Category			2013						2014						2015	
			1Q	2Q	3Q	4Q	Total	YoY(%)	1Q	2Q	3Q	4Q	Total	YoY(%)	1Q	YoY(%)
Domestic	HQ	**HQ Subtotal**	240.1	255.6	244.2	334.8	1,074.7	3%	295.5	309.2	302.7	364.9	1,272.3	9%	277.1	-6%
		Electric Equip	97.5	102.1	102.6	105.1	407.3	-1%	107.5	117.3	117.3	126.8	468.8	21%	107.8	0%
		T&D	86.8	82.5	65.1	124.9	359.3	9%	120.3	123.5	124.3	149.8	518.0	20%	108.8	-10%
		Automation	44.1	55.1	56.2	53.2	208.6	-10%	45.3	49.1	48.5	57.9	200.7	9%	49.1	8%
		Trans SOC	9.5	13.5	18.2	48.9	90.1	54%	20.1	17.8	11.0	29.3	78.3	-40%	11.4	-43%
		etc	2.2	2.4	2.1	2.7	9.4	-20%	2.3	1.5	1.6	1.1	6.5	-59%	-	-
	LS metal	Copper & STS Pipe	33.1	51.6	38.6	36.7	160.0	14%	32.2	41.8	32.6	30.5	137.1	-17%	24.6	-24%
	Sub(Korea)*	Servo, PSC, BAS etc	13.1	15.4	17.5	14.9	60.9	18%	13.9	15.0	12.1	17.4	58.4	17%	14.5	4%
Overseas	HQ	**HQ Subtotal**	146.4	197.0	147.7	200.1	691.2	13%	141.5	147.4	130.8	135.7	555.4	-32%	101.8	-28%
		Electric Equip	52.4	63.7	55.7	73.0	244.8	10%	56.5	57.9	55.9	69.3	239.6	-5%	61.2	8%
		T&D	68.7	97.7	65.4	93.8	325.6	10%	60.0	65.6	52.1	39.5	217.2	-58%	17.3	-71%
		Automation	19.5	23.4	20.1	23.0	86.0	-4%	21.5	21.5	20.9	23.8	87.7	3%	22.3	4%
		Trans SOC	4.0	10.6	5.0	8.6	28.2	3929%	2.4	1.4	1.2	3.0	7.9	-65%	1.0	-58%
		etc	1.8	1.6	1.5	1.7	6.6	78%	1.1	1.1	0.7	0.1	3.0	-94%	-	-
	LS metal	Copper & STS Pipe	73.8	67.4	43.8	52.5	237.5	-11%	52.3	43.2	30.7	42.5	168.7	-19%	46.5	-11%
	Sub(China)**		27.0	38.6	52.9	43.3	161.8	17%	28.1	31.3	36.4	41.9	137.7	-3%	31.1	11%
Consolidation adjustment for Sales			-4.3	-8.3	-12.5	-9.0	-34.1	-	-4.7	-6.6	-8.6	-15.8	-35.7	-	-9.7	-
Total			**529.2**	**617.3**	**532.1**	**673.0**	**2,351.6**	**5%**	**558.8**	**581.3**	**536.8**	**617.1**	**2,293.9**	**-8%**	**486.0**	**-13%**

Category			2013 1Q	2013 2Q	2013 3Q	2013 4Q	2013 Total	2013 YoY(%)	2014 1Q	2014 2Q	2014 3Q	2014 4Q	2014 Total	2014 YoY(%)	2015 1Q	2015 YoY(%)
HQ	**Electric Equip**	Sales	149.9	165.8	158.3	178.1	652.1	3%	164.0	175.1	173.2	196.0	708.4	10%	169.0	3%
		OP	26.8	30.0	32.6	27.7	117.1	5%	25.2	27.1	29.8	37.1	119.2	34%	27.9	11%
	T&D	Sales	155.5	180.2	130.5	218.7	684.9	10%	180.4	189.1	176.4	189.3	735.2	-13%	126.1	-30%
		OP	4.6	11.8	-1.9	9.5	24.0	23%	7.6	-2.9	8.6	7.8	21.1	-18%	-5.5	-171%
	Automation	Sales	63.6	78.5	76.3	76.2	294.6	-8%	66.8	70.5	69.4	81.7	288.4	7%	71.4	7%
		OP	2.6	7.9	9.3	3.6	23.4	-6%	2.7	1.6	2.5	-0.9	6.0	-124%	-1.6	-158%
	Transportation SOC	Sales	13.5	24.1	23.2	57.5	118.3	100%	22.5	19.2	12.2	32.3	86.2	-44%	12.4	-45%
		OP	-0.8	0.6	0.5	8.4	8.7	422%	0.3	1.3	0.4	5.5	7.5	-34%	0.7	109%
	etc	Sales	4.0	4.0	3.6	4.4	16.0	4%	3.4	2.6	2.3	1.2	9.5	-73%	-	-
		OP	-0.8	-0.4	-1.5	-0.3	-3.0	-76%	0.4	0.4	0.2	0.2	1.2	-180%	-	-
		Sales	386.5	452.6	391.9	534.9	1,765.9	7%	437.0	456.6	433.6	500.6	1,827.7	-6%	379.0	-13%
		OP	32.4	49.9	39.0	48.9	170.2	13%	36.3	27.4	41.5	49.8	155.0	2%	21.5	-41%
Subsidiary	**LS metal**	Sales	107.0	119.0	82.4	89.0	397.4	-3%	84.5	85.0	63.3	73.0	305.8	-18%	71.1	-16%
		OP	0.7	2.5	-1.3	-0.3	1.6	-72%	-1.4	-1.1	-1.4	-0.5	-4.4	67%	-4.7	237%
	Sub in Korea*	Sales	13.1	15.4	17.5	14.9	60.9	18%	13.9	15.0	12.1	17.4	58.4	17%	14.5	4%
		OP	-1.6	-1.1	-1.1	1.4	-2.4	71%	-0.3	-0.1	-0.7	-0.1	-1.2	-107%	1.2	-491%
	Sub in China**	Sales	27.0	38.6	52.9	43.3	161.7	17%	28.1	31.3	36.4	41.9	137.7	-3%	31.1	11%
		OP	-0.6	1.5	4.9	-2.8	3.0	200%	-0.2	1.2	2.3	1.2	4.5	-143%	0.0	-100%
Consolidation adjustment for OP			1.8	-0.1	0.9	0.0	2.6	-	0.7	1.9	0.5	0.5	3.6	-	-0.9	-
Total		**Sales**	**529.3**	**617.3**	**532.2**	**673.1**	**2,351.8**	**5%**	**558.8**	**581.3**	**536.8**	**617.1**	**2,293.9**	**-8%**	**486.0**	**-13%**
		OP***	**32.6**	**52.7**	**42.4**	**47.2**	**174.9**	**13%**	**35.1**	**29.3**	**42.2**	**50.9**	**157.5**	**8%**	**17.1**	**-51%**