

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.

Total Results

2Q 15 Total Results

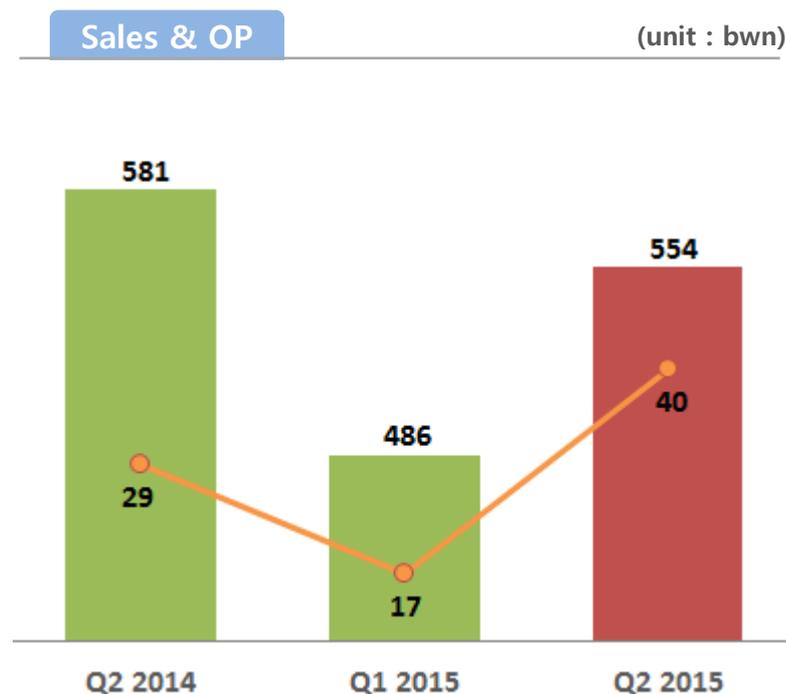
◆ Sales

Q-o-Q 67.5bwn Increased(13.9%), Y-o-Y 27.8bwn Decreased(Δ 4.8%).

◆ Operating Profit

Q-o-Q 22.4bwn Increased(128.7%), Y-o-Y 10.5bwn Increased(35.8%).

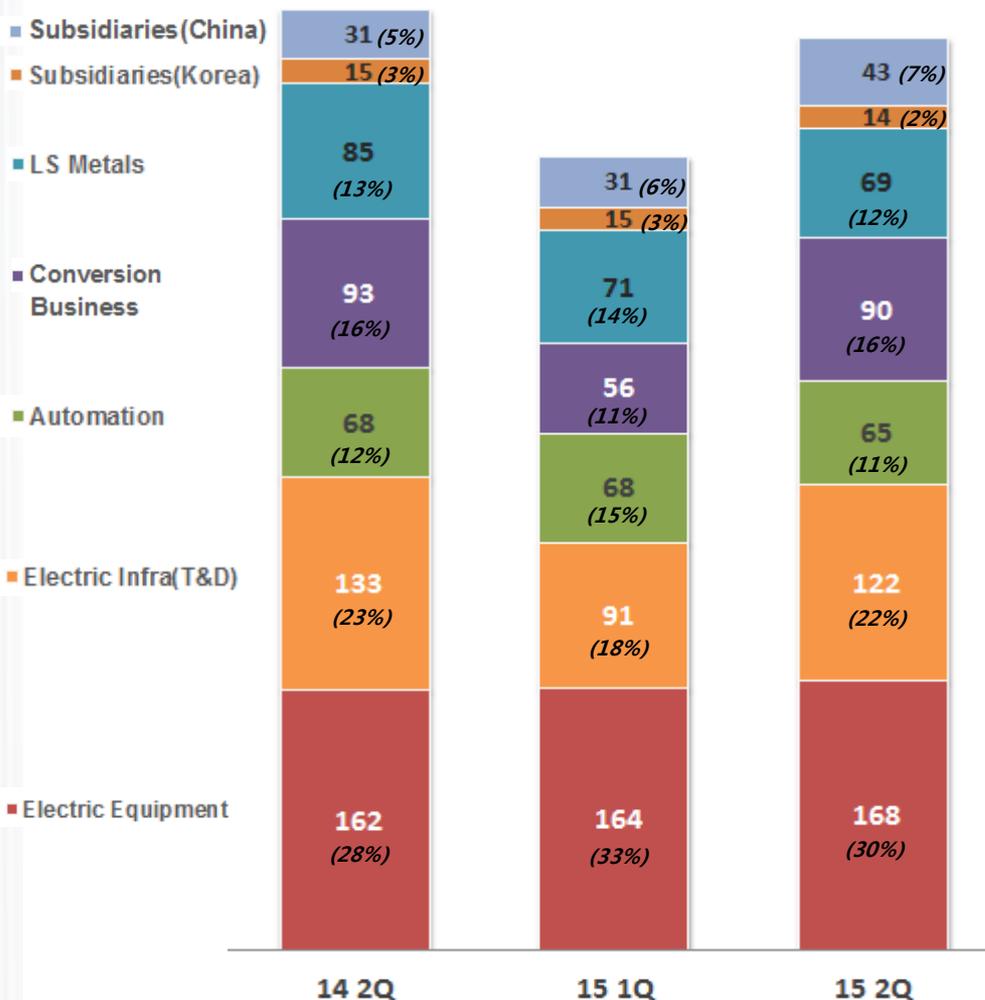
Income Statement			(unit : bwn)		
Segment	Q2 2014	Q1 2015	Q2 2015	Y-o-Y	Q-o-Q
Sales	581	486	554	Δ 4.8%	13.9%
Operating profit	29	17	40	35.8%	128.7%
Profit before tax	40	7	39	Δ 1.7%	447.2%
Net income	31	5	28	Δ 12.1%	450.0%



2Q 15 Sales Breakdown

Breakdown by Business

(unit : bwn)



* Conversion Business includes Trans SOC, Solar, Smart-Grid and EV components.

* Sales of subsidiaries are before the consolidated adjustments.

◆ Headquarters

- Electric Equipment continued stable growth.
- Electric Infra sales recovered by favorable demand in domestic.
- Automation sales slump due to market recession.
- Solar business sales decrease in Japan recovered by favorable demand in domestic.
- Trans SOC new PJT started revenue recognition.

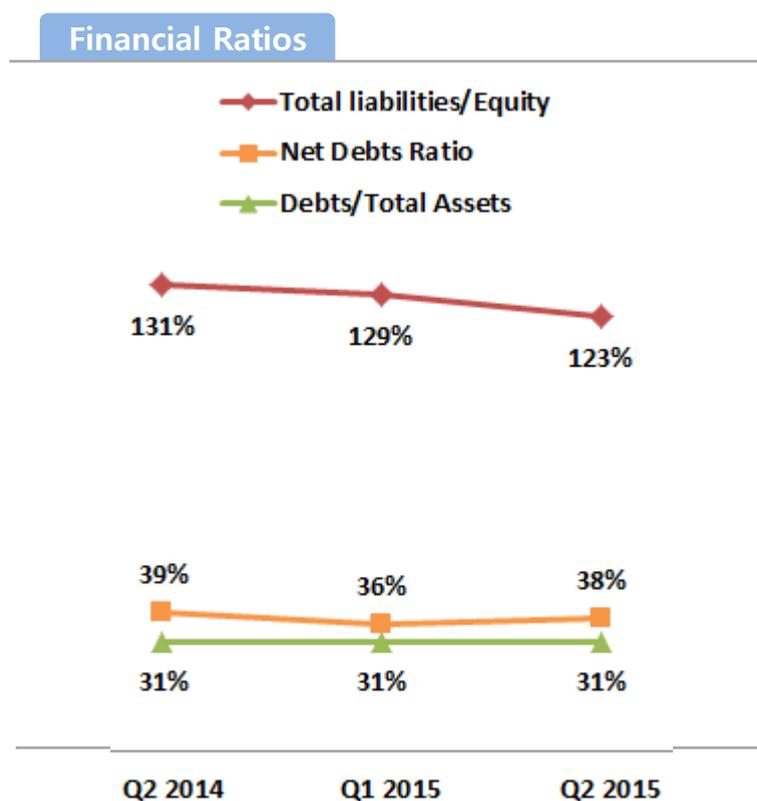
◆ Subsidiaries

- Decrease in LS Metals sales due to PJT delay by oil price decline.
- Demand for renewable high-end market increased.
- Demand for electric infra increased to Korean co.

2Q 15 Financial Position

- ◆ Total Assets 2,202bwn (Q-o-Q 7.4bwn increased, Y-o-Y 24.2bwn increased).
Total Liabilities 1,213bwn (Q-o-Q 21.6bwn decreased, Y-o-Y 23.8bwn decreased).
- ◆ Total liabilities/Equity posted 123%, and other financial ratio maintained healthy favorable status.

Financial Statement			(unit : bwn)		
Segment	Q2 2014	Q1 2015	Q2 2015	Y-o-Y	Q-o-Q
Total Assets	2,178	2,195	2,202	1%	0%
Current Assets	1,309	1,301	1,320	1%	1%
Cash & cash equivalent	306	329	310	1%	△6%
Total Liabilities	1,237	1,234	1,213	△2%	△2%
Debts	676	673	682	1%	1%
Net Debts	370	344	371	1%	8%
Equity	941	960	989	5%	3%



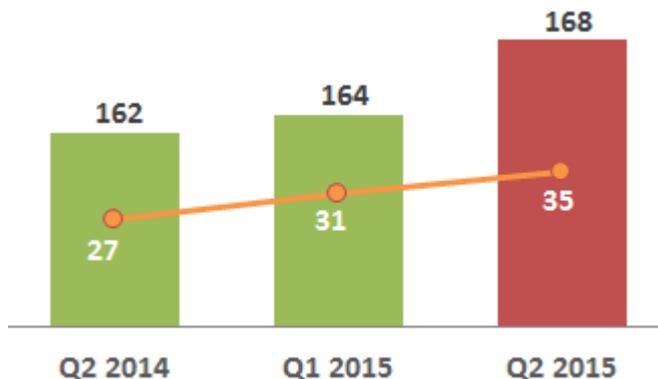
Business Results & Outlook

Electric Equipment

2Q 15 Results

- ◆ Sales Q-o-Q 3% increased, Y-o-Y 4% increased
- ◆ OP Q-o-Q 11% increased, Y-o-Y 28% increased
 - Volume increased in Saudi-Arabia & Iran
 - Expansion from distributor to participating direct PJT
 - Profitability improved by exchange rate and decline of law material price

◆ Sales & OP trends (unit : bwn)



2nd half Outlook

[Market]

- PJT volume increase by facility investment in semiconductor & display
- But, volume increase by distributor is limited

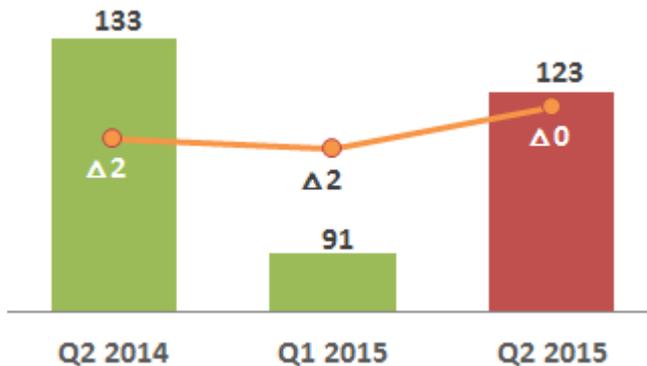
[LSIS]

- Profitability improvement continue due to exchange rate & decline of law material price
- Volume increase in SE Asia by site direct sales
- Continue excavating new agencies in USA

2Q 15 Results

- ◆ Sales Q-o-Q 34% increased, Y-o-Y 8% decreased
- ◆ OP Q-o-Q 94% increased, Y-o-Y 92% increased
- Slump in Iraq region
- Volume increased in domestic market due to facility investment & Capex increase by Kepco

◆ Sales & OP trends (unit : bwn)



2nd half Outlook

[Market]

- Expect new PJT order from Iraq
- New PJT order in domestic decrease Y-o-Y

[LSIS]

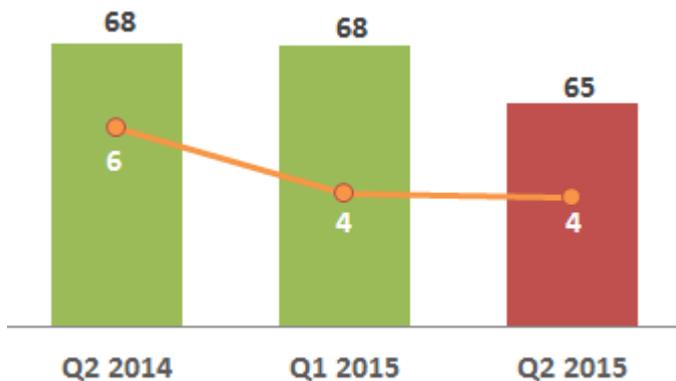
- Oversea sales increase due to new PJT order from Iraq
- Sign the new order from Iraq(50bw)
- Enter new market by references from Iraq (Bangladesh, SE Asia, South America)

Automation

2Q 15 Results

- ◆ Sales Q-o-Q 5% decreased, Y-o-Y 6% decreased
- ◆ OP Q-o-Q 3% decreased, Y-o-Y 41% decreased
- Volume decreased due to slump in facility capex
- Auto-system sales increase

◆ Sales & OP trends (unit : bwn)



2nd half Outlook

[Market]

- Renewable energy facility PJT increase in domestic
- Automation devices demand increase by Smart factory government policy
- Demand increase in India due to favorable investment sentiment in automation facilities

[LSIS]

- Automation devices volume increase by self-direct sales activity
- New renewable energy facility PJT order
- Expand new agencies & business activation by localization strategy in USA & Europe

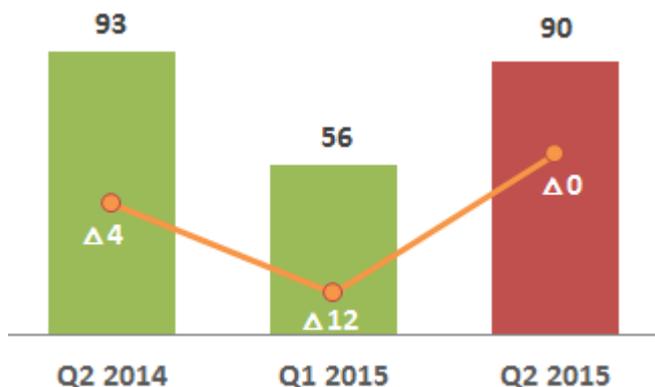
Conversion Business

2Q 15 Results

- ◆ Sales Q-o-Q 60% increased, Y-o-Y 4% decreased
- ◆ OP Q-o-Q 98% increased, Y-o-Y 96% increased
- Revenue recognition from new Trans SOC PJT
- Sales growth in domestic solar business

◆ Sales & OP trends

(unit : bwn)



2nd half Outlook

[Market]

- Expect market expansion by deregulation in floating solar power system
- Expect market expansion by deregulation and government policy on Energy self-reliance Island & Campus Micro-grid

[LSIS]

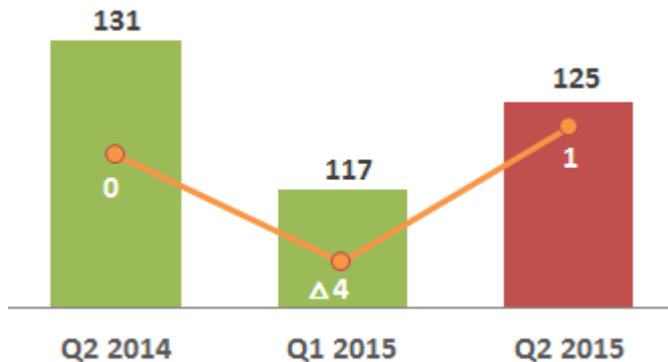
- Sales increase in solar business by providing power solution in domestic
- Join 2nd year Smart-grid Kepco FR PJT
- Seoul nat'l univ. Campus micro-grid PJT/ Energy self-reliance Island(Duk-Juk island) PJT
- Acquisition UL certification in USA for ESS business
- Enter strategic market for Trans SOC business

Subsidiaries

2Q 15 Results

- ◆ Sales Q-o-Q 7% increased, Y-o-Y 5% decreased
- ◆ OP Q-o-Q 126% increased, Y-o-Y 800% increased
 - Renewable energy devices sales growth in China
 - Electric Infra PJT by Korean co. increased in China
 - LS Metals slump due to recession in shipbuilding & plant business

◆ Sales & OP trends (unit : bwn)



2nd half Outlook

[Market]

- Cooper pipe market expansion to seasonality
- Investment in renewable energy market continue to growth in China

[LSIS]

- LS Metals profitability improve by cost structure TFT activity
- Wind force & Solar system business continue to growth in China
- New water treatment PJT order
- Electric Infra PJT by Korean co. increase in China

Appendix 1-1) Income Statement

(unit : bwn)

	'14.2Q	'15.1Q	'15.2Q	QoQ	YoY
Sales	581	486	553	14%	△5%
Costs of Sales	485	400	444	11%	△8%
Gross Profit	97	86	109	27%	13%
(%)	(17%)	(18%)	(20%)	-	-
SG&A	67	69	69	1%	3%
Operating Profit	29	17	40	129%	36%
(%)	(5%)	(4%)	(7%)	-	-
Non-OP and Loss	11	△10	△0.4	△96%	△104%
Profit before tax	40	7	39	449%	△2%
Corporation tax	9	2	11	389%	21%
Net Income	31	5	28	449%	△12%
(%)	(5%)	(1%)	(5%)	-	-
EBITDA Margin	12%	7%	12%	-	-

Appendix 1-2) Statement of Financial position

(unit : bwn)

	'14.2Q	'15.1Q	'15.2Q	QoQ	YoY
Total Assets	2,178	2,195	2,202	0%	1%
Current Assets	1,309	1,301	1,320	1%	1%
Cash&Cash Equivalents	306	329	310	△6%	1%
Inventories	166	156	169	8%	2%
Other Current Assets	836	816	841	3%	1%
Non-Current Assets	869	894	882	△1%	1%
Tangible Assets	655	676	667	△1%	2%
Intangible Assets	146	138	140	2%	△4%
Other Non-Current Assets	67	80	74	△6%	10%
Total Liabilities	1,237	1,234	1,213	△2%	△2%
Current Liabilities	706	668	577	△14%	△18%
Short-term borrowings	204	151	100	△34%	△51%
Non-Current Liabilities	530	566	636	12%	20%
Long-term borrowings	472	522	582	11%	23%
Equity	941	960	989	3%	5%

Current Ratio	185%	195%	229%	34%p	44%p
Equity/Total Assets	43%	44%	45%	1%p	2%p
Total Liabilities/Equity	131%	129%	123%	△6%p	△9%p
Net debts Ratio	39%	36%	38%	2%p	△2%p

Appendix 1-3) Statements of Cash Flows

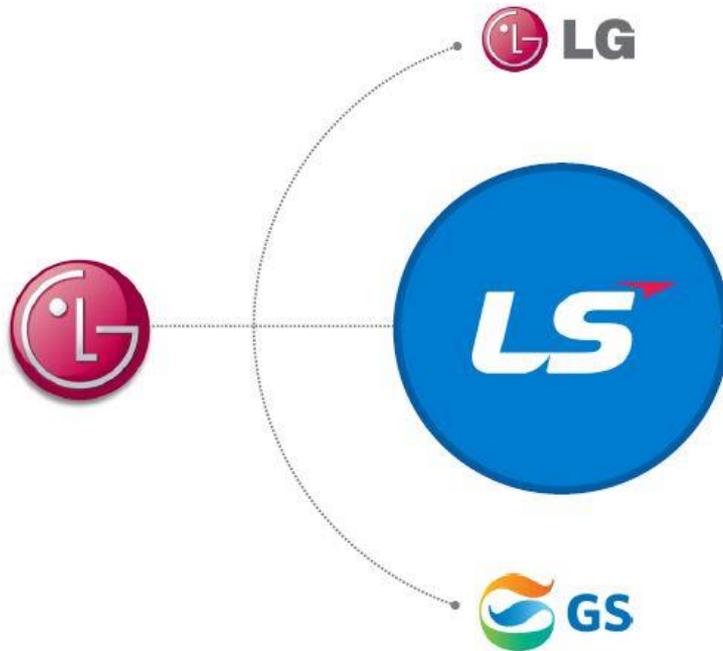
(unit : bwn)

	'14.06	'14.12	'15.06
Cash and cash equivalents at the beginning of year	191	191	332
Cash Flows From Operating Activities	159	163	138
Cash Flows From Investing Activities	△3	△65	△47
Capex	△19	△69	△45
R&D	△9	△15	△7
Others	25	20	6
Cash Flows From Financing Activities	△41	43	△114
Cash and cash equivalents at the end of year	306	332	310

Growing into a World's Best from the Nation's First!

Leading company in the industrial electric, electronics, materials and energy field following its separation from LG in 2003

LS History



Management Philosophy

Greater value together!

LSpartnership®



LS is a faithful and reliable business partner
Collaboration with LS people leads to greater success

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

Founded	1974
Sales	2.12billion(USD)
Employees	3,500
Headquarters	LS Tower, Gyeonggi-do, Korea
Plants	Total 8 Plants
Overseas subsidiaries	China, Vietnam, Japan, etc.
Overseas branches	USA, Europe, Russia, Vietnam, etc.

(As of 2014)



1. A History of Challenging the Future (1970's ~ 2007)

1970's '74 Jul. Established Goldstar Instrument & Electrical Co., Ltd

1980's '87 Mar. Established Goldstar Industrial Systems Co., Ltd.



2007 Feb. Opened Marketing Subsidiary in Dubai

2005 Mar. Renamed from LG to LS Industrial Systems
Sep. Constructed the Electric & Automation equipment factory in Wuxi, China

2003 Nov. Disaffiliated from LG Group, joined LS Group

2001 Jun. Constructed Dalian factory

2000 Sep. Established high-voltage testing agency

1990's '94 Jul. Listed Goldstar Industrial Systems on the Korea Stock Exchange

'95 Feb. Renamed from Goldstar to LG Industrial Systems (LGIS)

'95 Sep. LGIS merged Goldstar I&E & Goldstar Mechanical & Electrical

'99 Apr. LGIS merged LG Metal

'99 Aug. Sold copper smelting, Vending Machine, Elevator & Escalator unit

2. Shifting the strategy to growth paradigm (2007 ~ 2012)

- 2008**
- Apr. Relocated its headquarters to Anyang LS Tower
 - Sep. Received the Korea Best Company Award (Electricity & Cable industry category)
 - Oct. LS Industrial Systems(currently LSIS) Opened R&D Center in Shanghai, China



- 2012**
- May. completed a EV Relay factory in Cheongju, Korea
 - Jun. Awarded the Best Korean Company Grand Award
 - Dec. Selected as one of the Top 100 Global Innovators by Thompson Reuters
 - Dec. US and Chinese patent acquired for smart meter technology

- 2011**
- Oct. Completed the Busan HVDC Plant
 - Nov. Included in the Fortune Korea's 500 Fastest Growing Companies
 - Nov. Selected as one of the Top 100 Global Innovators by Thompson Reuters



- 2009**
- Mar. Published the Green Business Vision
 - Oct. Share in Mecapion acquired
 - Oct. European sales corporation established



- 2010**
- Jan. LS Power Semitech J/V established
 - Feb. LS Sauter established
 - Apr. LS Metal spun off from LSIS and newly established LS Metal
 - Apr. Construction of Busan plant completed
 - May. LS Hogae Electric established in China
 - May. LS Industrial Systems(currently LSIS) got the largest number of Green Certification as the first company in Korea
 - Jul. LS Industrial Systems(currently LSIS) opened R&D Center in Beijing, China

3. Challenging for the future of Smart Energy (2013 ~ 2015)

- 2013**
- Apr. Awarded the Great Place to Work Award for 2 consecutive years
 - May. MOU with China's Dongfang Group for developing green automobile parts
 - May. Concluded contract for the transfer of HVDC technology, and partnered with KAPES and Alstom
 - Jun. Awarded the Best Korean Company Grand Award
 - Oct. Selected as one of the Top 100 Global Innovators by Thompson Reuters
 - Nov. Awarded the 39th Korea National Quality Grand Award
 - Dec. Won the 500 million Trade Tower Award

- 2015**
- Jan. Declared value-based management
 - Mar. Newly constructed R&D campus in Anyang



- 2014**
- Jan. Launched new strategic automation product lines for A&D
 - May. LSIS Vice Chairman Ja-kyun Koo Received Gold Tower Order of Industrial Service Merit
 - May. Won the World's Largest Order for Smart Grid Project in Iraq
 - Jun. Awarded the Best Korean Company Grand Award for 7 consecutive years
 - Jul. Marked the 40th anniversary of the foundation
 - Sep. Ranked number one in the Korean Standard – Quality Excellence Index for 2 consecutive years
 - Nov. Selected as one of the Top 100 Global Innovators by Thompson Reuters

We guarantee all our customers a safe and affluent life and a happy future by supplying them with convenient smart energy.

Mission

FUTURING SMART ENERGY

Vision 2020



Strategy

- Boosting Our Market Position as a Power Solutions Provider
- Leading New Markets through Convergence and Combination
- Expansion of Global Markets
- Securing Operational Excellence

Core Value



Collaboration

Execution

Creativity

Integrity

Appendix 3) Business Introduction

◆ Electric Infra



◆ Electric Equipment



Appendix 3) Business Introduction

◆Automation



The Automation section features four circular callouts. The first callout on the left shows a stack of PLC (Programmable Logic Controller) units. The second callout shows a collection of AC Drive units. The third callout shows three HMI (Human-Machine Interface) touchscreens displaying various data and control panels. The fourth callout on the right shows a Servo motor and its corresponding drive unit.

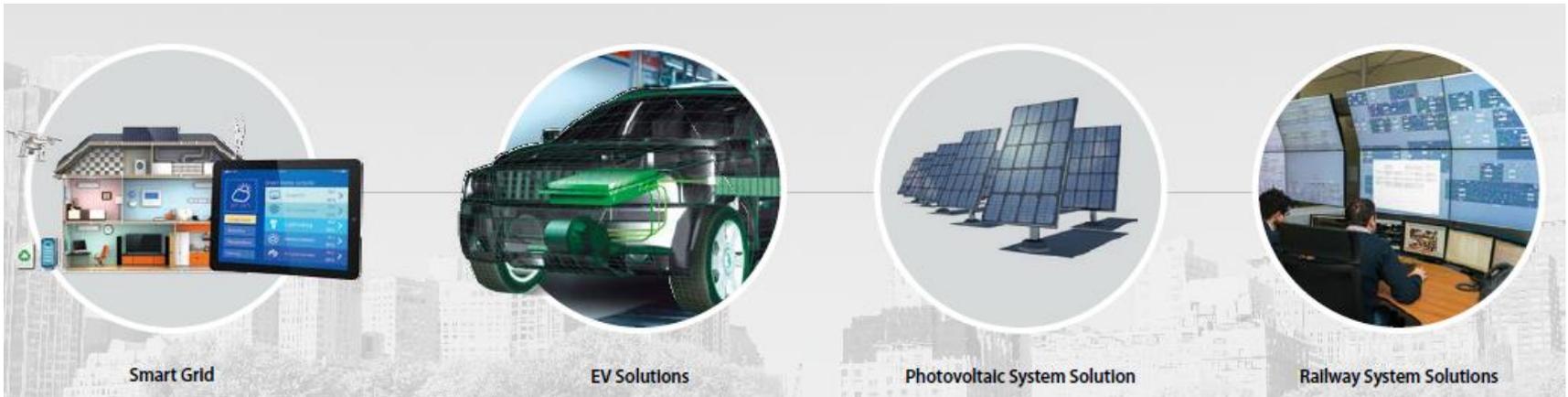
PLC
A universal controller that is programmed to operate machinery in a set sequence and conditions which has a wide range of applications from large-scale automation equipment at factories and plants to car-wash machines, golf ranges and general usages

AC Drive
A control device that saves energy consumption by controlling motor through power supply frequency variation

HMI
Allow users to easily check the status of various production equipment through the touch screen and to take necessary measures immediately

Servo
A device to help users precisely control when manipulating equipment location required by the system and operating specific speed and torque (Servo Motor/Servo Drive)

◆Smart Green Business



The Smart Green Business section features four circular callouts. The first callout on the left shows a Smart Grid interface with a house and a tablet displaying energy data. The second callout shows a green EV (Electric Vehicle) with a battery pack highlighted. The third callout shows a Photovoltaic System Solution with solar panels. The fourth callout on the right shows a Railway System Solutions control room with multiple monitors.

Smart Grid

EV Solutions

Photovoltaic System Solution

Railway System Solutions