

# 1Q 2017 Earning Release

26 April, 2017



---

This company has adopted its financial statements under Korean International Financial Reporting Standards(K-IFRS).

This IR presentation has been prepared based on internally audited figures and final figures may change due to the results of independent auditors' review.

---

# 1Q '17 Results

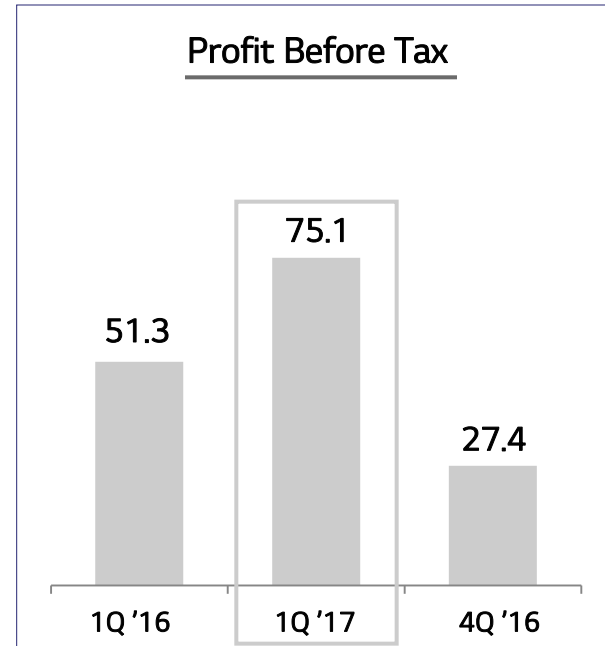
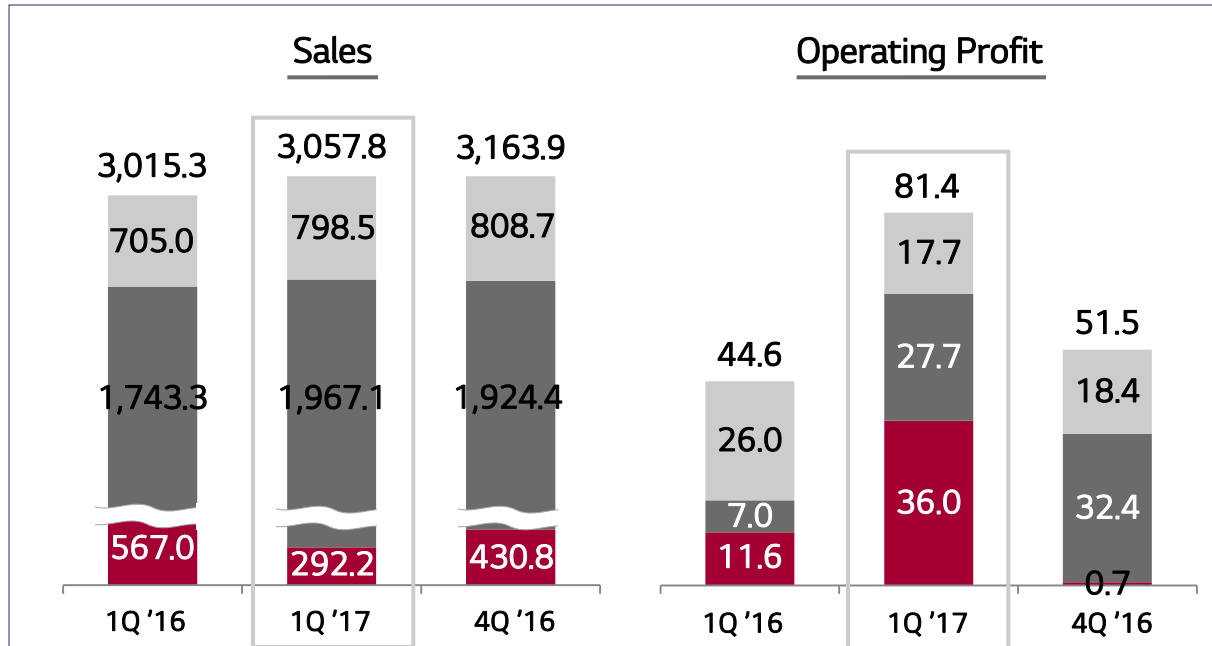
(KRW Bn)	1Q '16	YoY	1Q '17	QoQ	4Q '16
Sales	3,015.3	+1.4%	3,057.8	Δ3.4%	3,163.9
Operating Profit	44.6	+82.5%	81.4	+58.1%	51.5
Profit Before Tax	51.3	+46.4%	75.1	+174.1%	27.4
Net Profit	33.6	+59.8%	53.7	+392.7%	10.9

# 1Q '17 Results

# Earnings Analysis

Resources    Infra & Industrial    Logistics

(KRW Bn)



## Operating Profit

[YoY +36.8]

- Resources +24.4
  - Strong coal price and commercial production of GAM coal mine
  - CPO production increase and strong price
- Infra & Industrial +20.7
  - Increase profit in project management
- Logistics Δ8.3
  - Bearish shipping industry conditions

[QoQ +29.9]

- Resources +35.3
  - Strong coal price and commercial production of GAM coal mine
  - CPO production increase and strong price
- Infra & Industrial Δ4.7
  - Unfavorable forex effects on IT Trading
- Logistics Δ0.7

## Profit Before Tax

[YoY +23.8]

- Operating Profit +36.8
- Commodity futures Δ8.6

[QoQ +47.7]

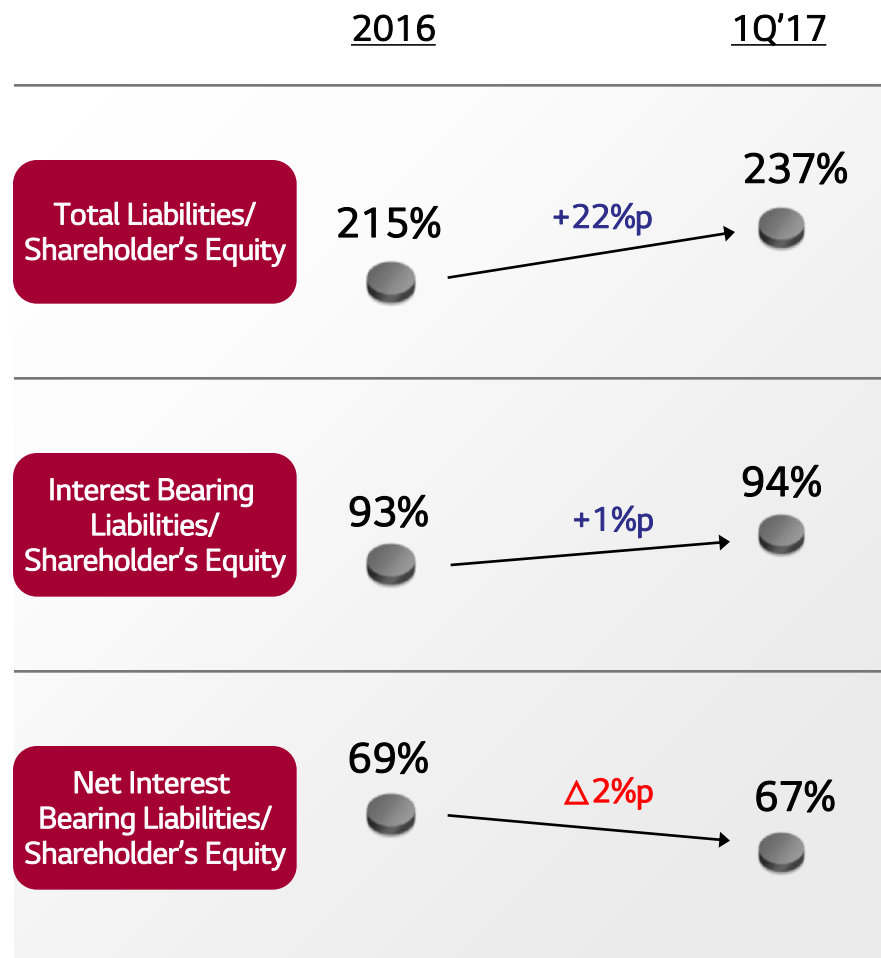
- Operating Profit +29.9
- Increase equity method gain in Resources Business +11.0

# Financial Highlights

## Financial Positions

(KRW Bn)	2016	1Q'17
<b>Assets</b>	5,177.3	5,367.3
Cash & Cash Equivalents	311.2	403.2
Trade Receivables	1,387.3	1,486.1
Inventories	517.3	648.1
Investments/Intangible Assets	1,609.5	1,572.8
Others	1,352.0	1,257.1
<b>Liabilities</b>	3,531.9	3,773.5
Trade Payables	1,383.4	1,651.5
Borrowings	1,528.0	1,496.7
Others	620.5	625.3
<b>Shareholders' Equity</b>	1,645.4	1,593.8
Capital Stock	193.8	193.8
Surplus, etc.	1,451.6	1,400.0
Net Borrowings <sup>1)</sup>	1,135.9	1,064.8

## Financial Ratios



1) Net Borrowings = Borrowings - (Cash & Cash Equivalents + Short term financial instrument)

# Balance Sheet (K-IFRS Consolidated)

(KRW Bn)

Items	2016				2017
	1Q	2Q	3Q	4Q	1Q
<b>Assets</b>	<b>5,196.6</b>	<b>5,205.1</b>	<b>5,150.6</b>	<b>5,177.3</b>	<b>5,367.3</b>
<b>Current Assets</b>	<b>2,822.3</b>	<b>2,725.7</b>	<b>2,751.6</b>	<b>2,672.0</b>	<b>2,906.5</b>
Cash & Cash Equivalents	430.3	466.7	342.3	311.2	403.2
Trade Receivables	1,441.3	1,335.1	1,408.0	1,387.3	1,486.1
Inventories	622.0	679.3	600.7	517.3	648.1
Other Current Assets	328.7	244.6	400.6	456.2	369.1
<b>Non-Current Assets</b>	<b>2,374.2</b>	<b>2,479.4</b>	<b>2,399.0</b>	<b>2,505.3</b>	<b>2,460.8</b>
Tangible Assets	536.4	546.8	533.4	551.7	530.5
Investments	658.0	703.7	664.2	664.3	647.6
Intangible Assets	906.4	928.6	898.6	945.3	925.2
Other Non-Current Assets	273.4	300.3	302.8	344.0	357.5
<b>Liabilities</b>	<b>3,595.1</b>	<b>3,574.1</b>	<b>3,589.8</b>	<b>3,531.9</b>	<b>3,773.5</b>
<b>Current Liabilities</b>	<b>2,468.5</b>	<b>2,204.6</b>	<b>2,190.4</b>	<b>2,098.3</b>	<b>2,372.6</b>
Trade Payables	1,472.3	1,474.9	1,460.8	1,383.4	1,651.5
Short-term Borrowings	357.2	269.3	212.3	197.2	160.3
Current Portion of Bonds and Long-Term Borrowings	227.2	77.9	34.2	34.1	72.2
Other Current Liabilities	411.8	382.5	483.1	483.6	488.6
<b>Non-Current Liabilities</b>	<b>1,126.6</b>	<b>1,369.5</b>	<b>1,399.4</b>	<b>1,433.6</b>	<b>1,400.9</b>
Bonds Payables	309.2	309.2	428.8	428.9	389.1
Long-term Borrowings	675.4	915.9	826.8	867.7	875.1
Other Non-Current Liabilities	142.0	144.4	143.8	137.0	136.7
<b>Equity</b>	<b>1,601.5</b>	<b>1,631.0</b>	<b>1,560.8</b>	<b>1,645.4</b>	<b>1,593.8</b>

# Income Statement (K-IFRS Consolidated)

(KRW Bn)

Items	2016					2017
	1Q	2Q	3Q	4Q	Total	1Q
Sales	3,015.3	2,845.6	2,941.9	3,163.9	11,966.7	3,057.8
Cost of Sales	2,829.0	2,647.5	2,777.6	2,966.7	11,220.8	2,847.4
Gross Profit	186.3	198.1	164.3	197.2	745.9	210.5
SG&A Expenses	141.7	141.7	142.7	145.7	571.8	129.0
Operating Profit	44.6	56.4	21.6	51.5	174.1	81.5
Non-Operating Profit	6.7	(14.3)	(9.2)	(24.1)	(40.9)	(6.3)
Finance Income/Costs	(8.7)	(8.0)	(8.0)	(5.9)	(30.6)	(12.2)
Gain(loss) of Equity Method	(0.3)	8.9	0.8	(6.4)	3.0	4.7
Other Income and Expenses	15.8	(15.3)	(2.0)	(11.8)	(13.3)	1.1
Profit Before Tax	51.3	42.0	12.4	27.4	1,332.2	75.1
Income Tax	17.7	11.4	2.8	16.5	48.4	21.4
Net Income	33.6	30.6	9.6	10.9	84.8	53.7
Owners of the Parent	23.7	24.0	5.7	4.8	58.2	45.7
Non-Controlling Interests	9.9	6.6	3.9	6.1	26.6	8.0