

3Q 2017 Earnings Release

HYUNDAI ROBOTICS

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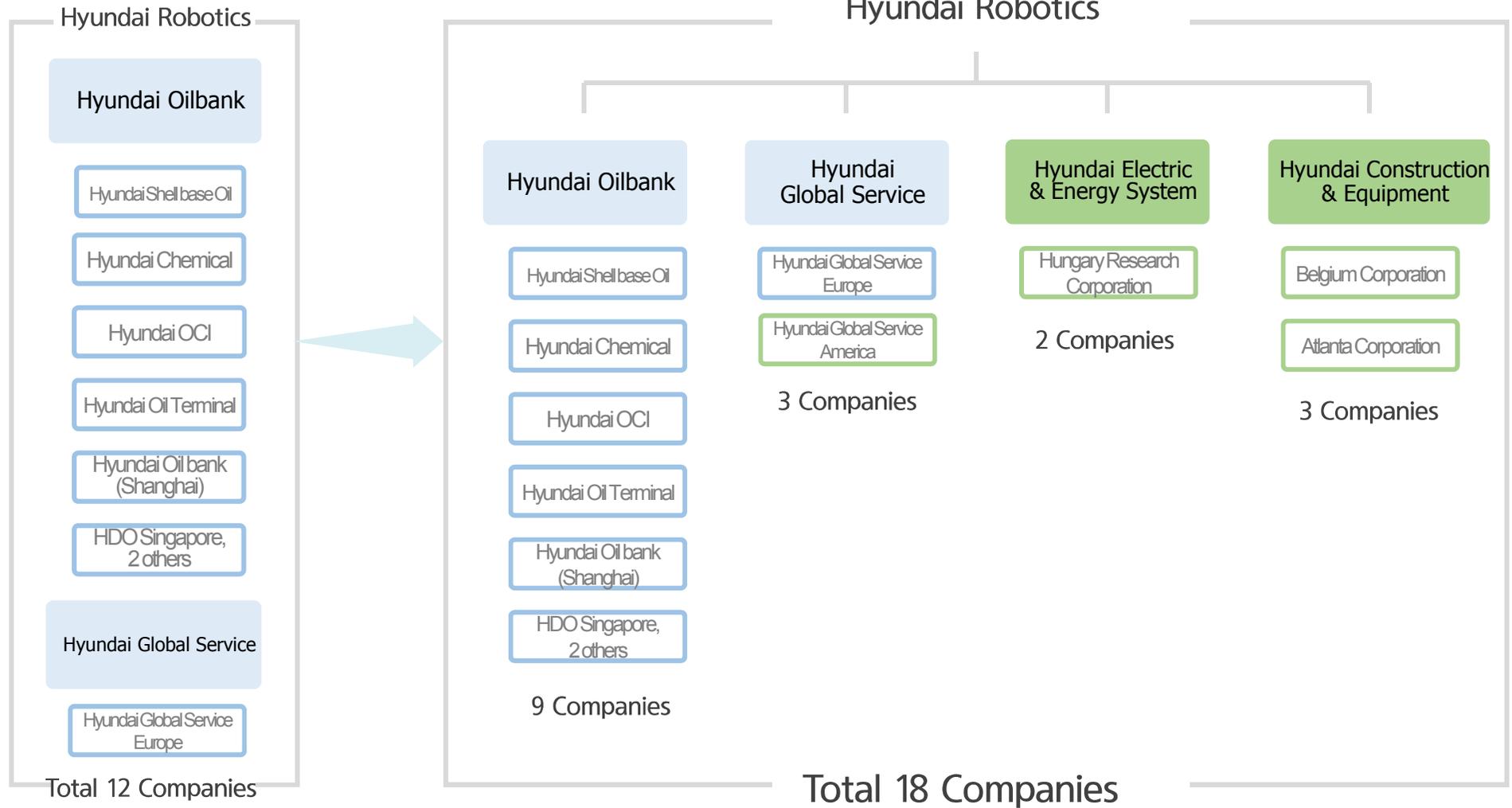
Chapter 1.

Consolidated Subsidiaries

1. Consolidated subsidiaries

'2Q 2017

'3Q 2017



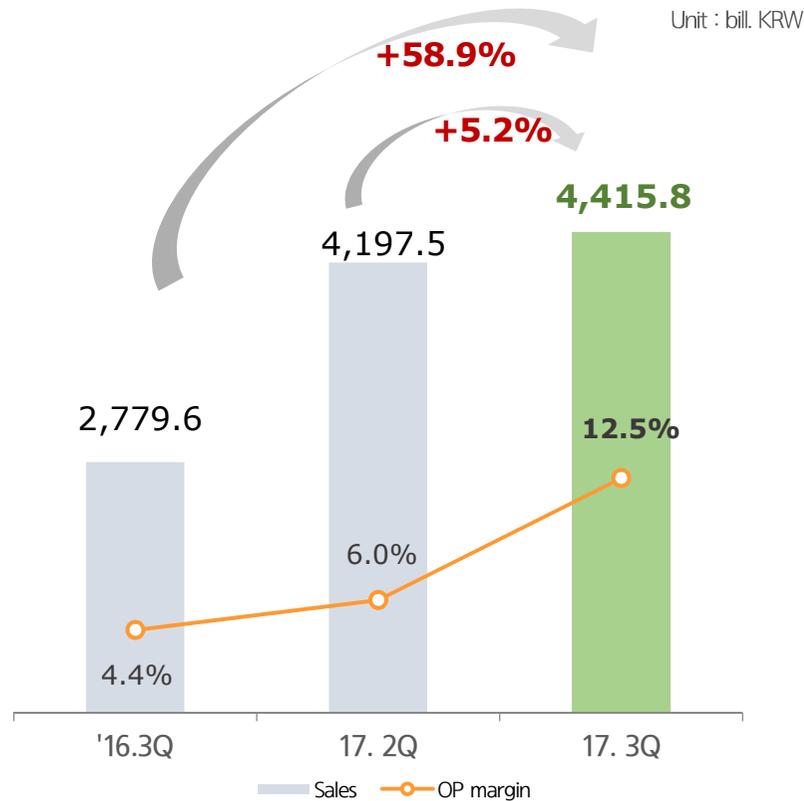
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'3Q 2017 Earnings

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1. 3Q 2017 Consolidated Earnings

3Q 2017 Consolidated Sales & Operating Profit



Sales & Operating Profit Analysis

Sales

- YoY **+58.9%**
 - Significant sales growth in Refinery segment on the back of oil prices rise and operation start up of Hyundai Chemical (+ **612.5 bil KRW**)
 - Hyundai Electric and Hyundai Construction&Equipment are consolidated (+ **764.6 bil KRW**)
- QoQ **+52%**
 - Sales decrease in refinery segment due to regular maintenance
 - Hyundai Electric and Hyundai Construction&Equipment are consolidated

Operating Profit

- YoY **+354.1%**
- QoQ **+119.9%**
 - Significant operating profit increase in refinery segment on the back of favorable market condition
 - Hyundai Electric and Hyundai Construction&Equipment are consolidated

Note 1) '17 3Q. K-IFRS Consolidated

Note 2) The numbers of '16. 3Q have been prepared by the Company as a reference only for investors.

2. Consolidated Earnings by Segment

Hyundai Robotics

3Q 2017 Consolidated Earnings by Segment

Unit : bill. KRW

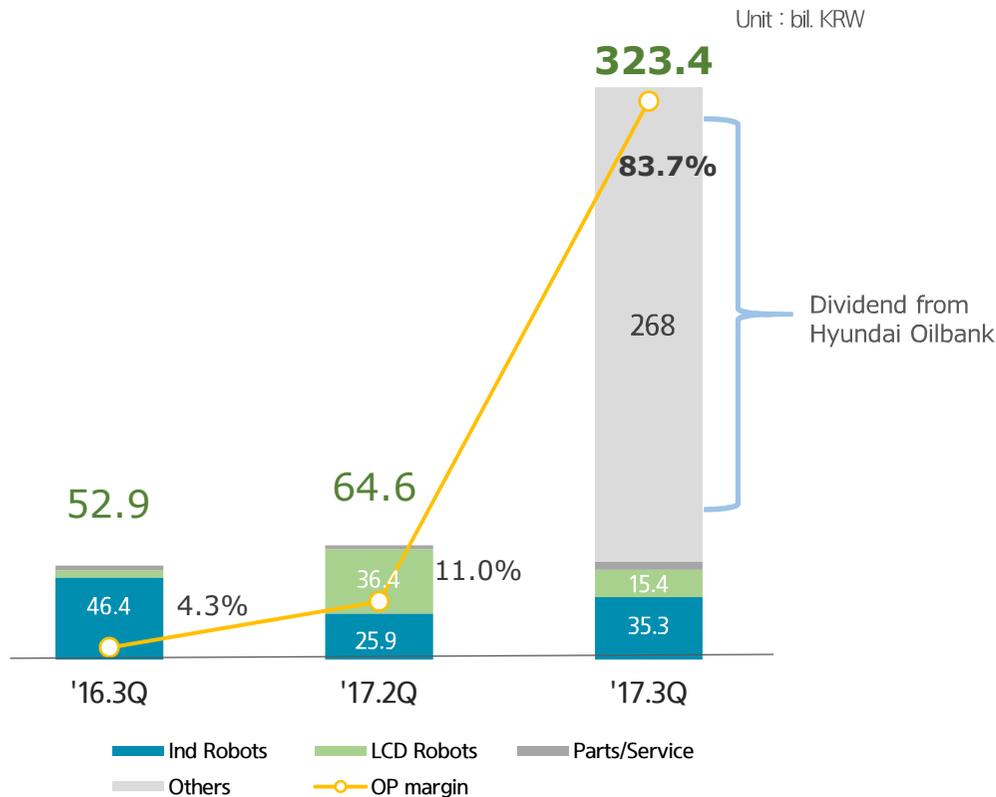
	'17.3Q			'17.2Q			'16.3Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Robotics	323.4	270.6	83.7%	64.6	7.1	11.0%	52.9	2.3	4.3%
Refinery	3,339.2	274.7	8.2%	4,057.6	229.5	5.7%	2,726.7	123.9	4.5%
Electric & Energy System	357.3	30.2	8.4%	-	-	-	-	-	-
Construction & Equipment	407.3	29.5	7.2%	-	-	-	-	-	-
Others & Adjustments	(11.4)	(52.8)	-	75.3	14.5	-	-	-	-
Consolidated Total	4,415.8	552.2	12.5%	4,197.5	251.1	6.0%	2,779.6	121.6	4.4%

Note1) Only two months of Aug. and Sep. earnings are reflected on the above '17.3Q results of Electric&Energy System and Construction&Equipment since the Hyundai Robotics' acquisition date of the subsidiaries is considered August 1, 2017.

Note2) '16.3Q others : Hyundai Global Service is not included.

3. Sales & Operating Profit Analysis (Robotics)

Sales & Operating Profit



Note1) non-consolidated results of Hyundai Robotics

Sales & Operating Profit Analysis

Sales

- YoY **+511%**
 - Sales increase due to dividend income from Hyundai Oilbank
- QoQ **+401%**
 - Sales increase due to dividend income from Hyundai Oilbank
 - Sales increase in industrial robots due to rise in demand on the back of Hyundai Motor's new facility investment
 - Sales decline in LCD robots due to project order delay

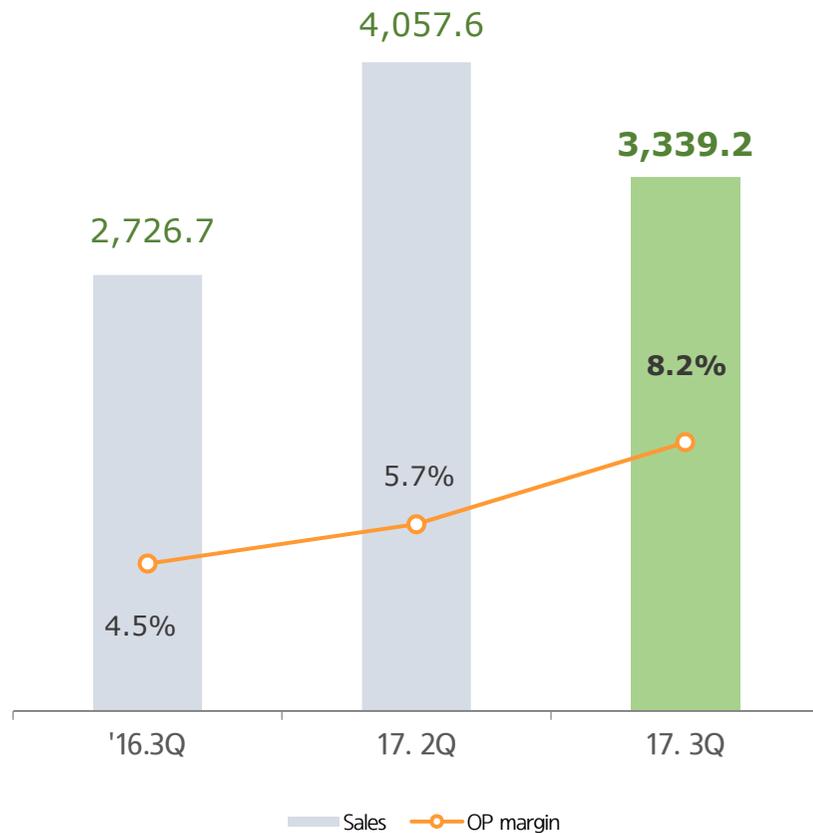
Operating Profit

- YoY **+11,665%**
- QoQ **+3,711%**
 - Operating profit increase due to dividend income from Hyundai Oilbank

4. Sales & Operating Profit Analysis (Refinery)

Sales & Operating Profit

Unit : bil. KRW



Note) Consolidated results of Hyundai Oilbank

Sales & Operating Profit Analysis

Sales

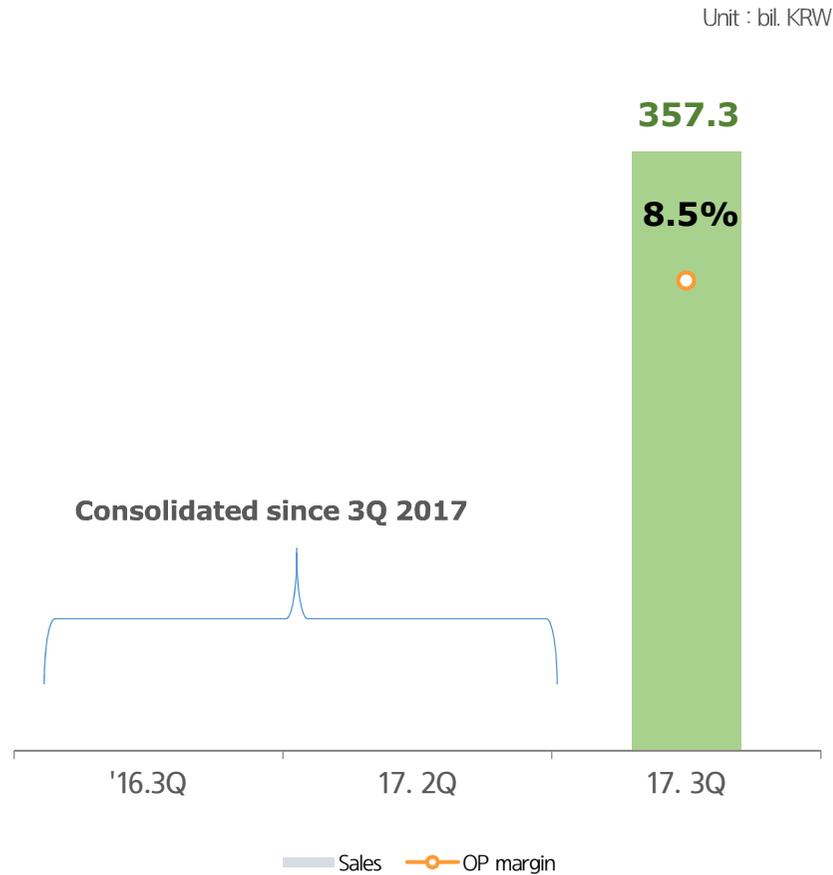
- YoY +22.5 %
- QoQ -17.7%
- Sales decrease due to regular maintenance performed in 3Q 2017

Operating Profit

- YoY +121.7%
- QoQ +19.7%
- Operating profit increase due to favorable refinery market condition and operation start up of Hyundai Chemical

5. Sales & Operating Profit Analysis (Electric & Energy System)

Sales & Operating Profit



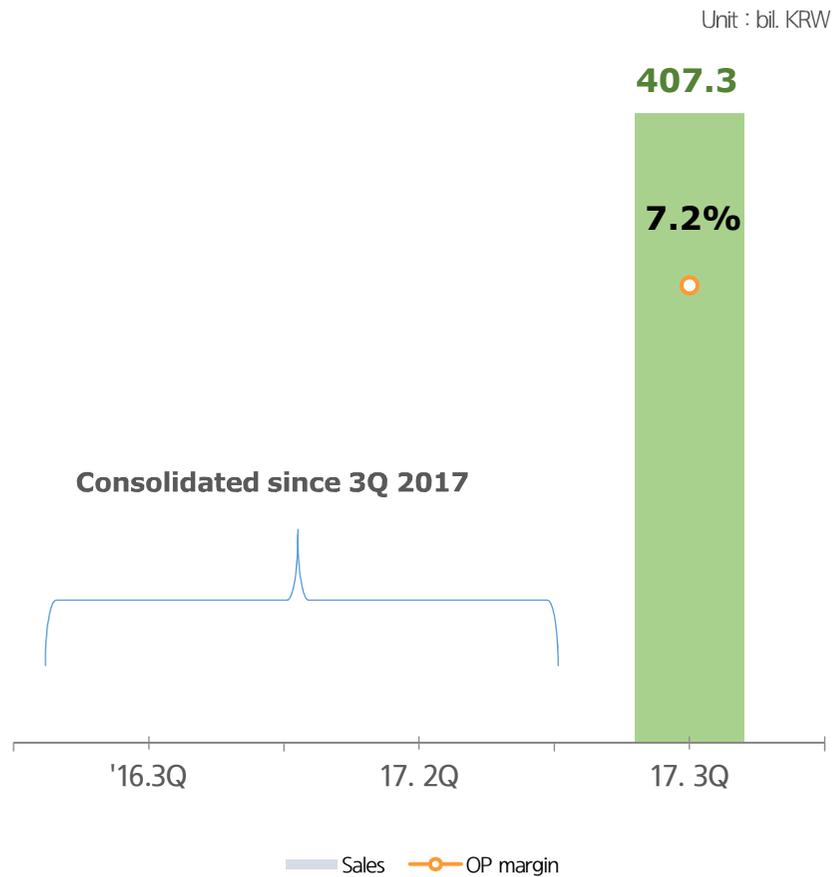
Note) Consolidated results of Hyundai Electric & Energy System

Sales & Operating Profit Analysis

Sales	<ul style="list-style-type: none"> · Sales 357.3 bil KRW - Only Aug. and Sep. 2017 earnings are reflected in '17 3Q (Considered acquisition date : Aug 1, 2017)
Operating Profit	<ul style="list-style-type: none"> · OP : 30.2 bil KRW · OP margin : 8.5%

6. Sales & Operating Profit Analysis (Construction & Equipment)

Sales & Operating Profit



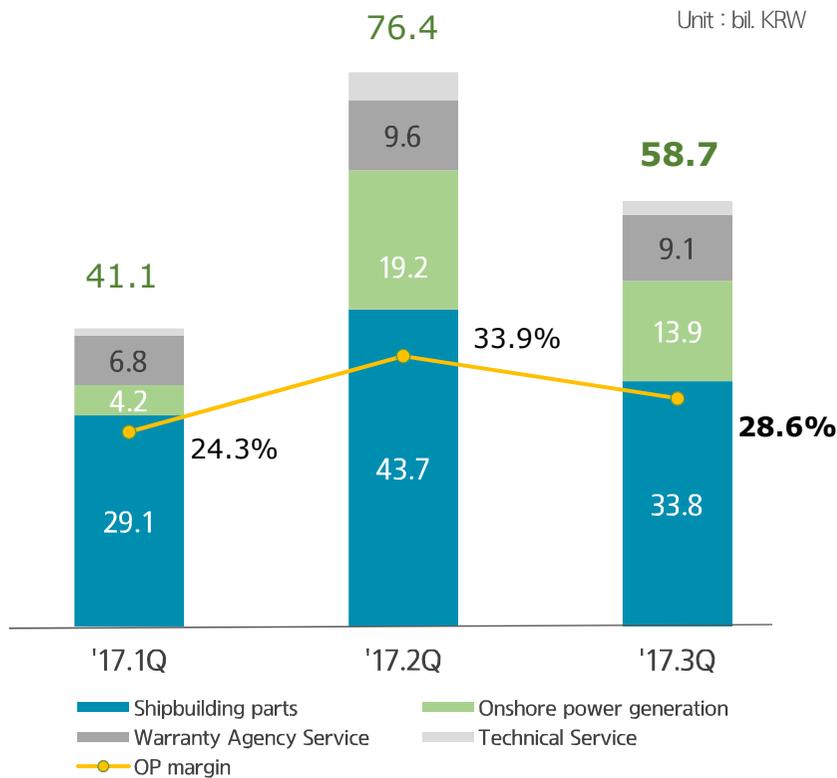
Note) Consolidated results of Hyundai Construction & Equipment

Sales & Operating Profit Analysis

Sales	<ul style="list-style-type: none"> • Sales 407.3 bil. KRW - Only Aug. and Sep. 2017 earnings are reflected in '17 3Q (Considered acquisition date : Aug 1, 2017)
Operating Profit	<ul style="list-style-type: none"> • OP : 29.5 bil • OP margin : 7.2%

7. Sales & Operating Profit Analysis (Hyundai Global Service)

Sales & Operating Profit



Sales & Operating Profit Analysis

Sales

- QoQ **-23.1%**
- Sales decline in shipbuilding parts due to the seasonal factor
- Sales decline in onshore power generation due to delayed parts supply

Operating Profit

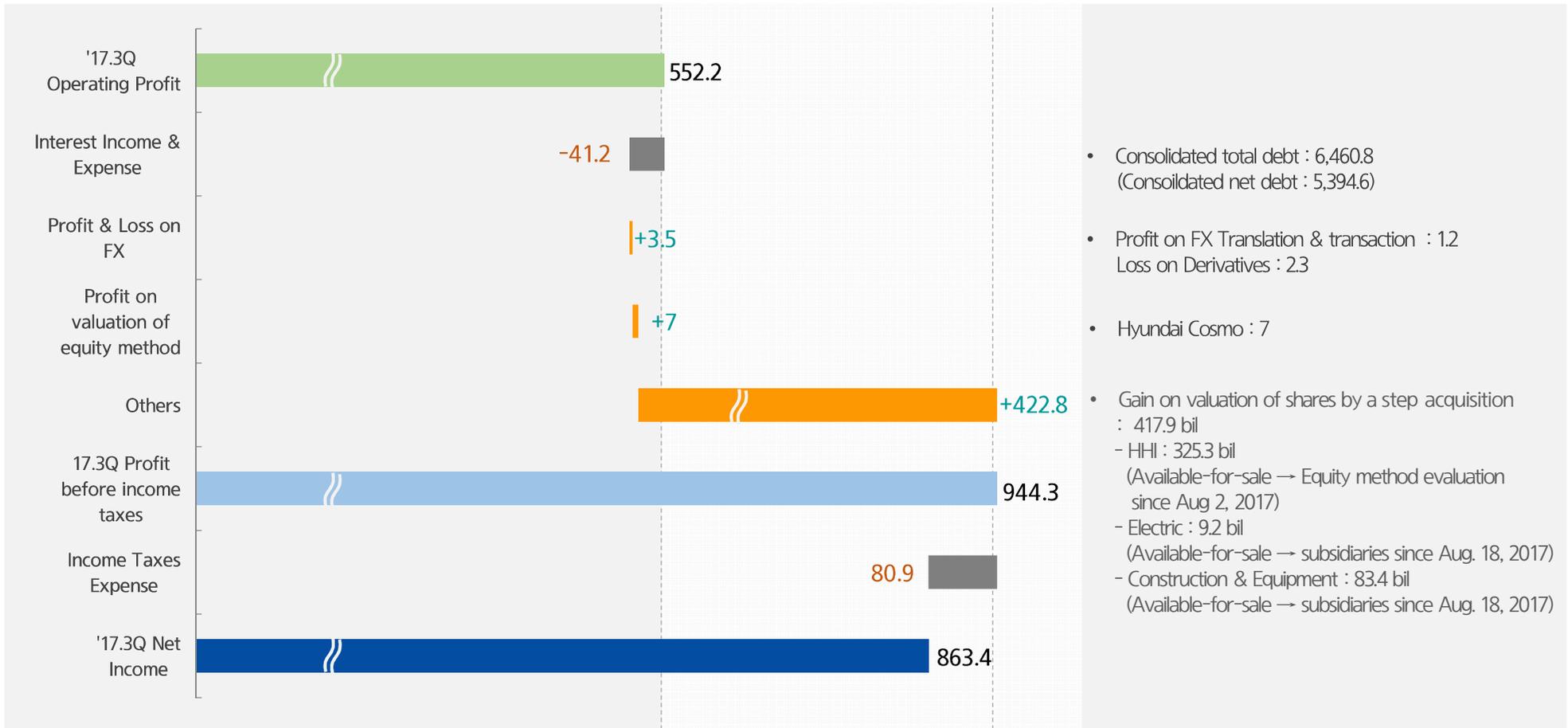
- QoQ **-35.1%**
- Profit decline due to drop in sales

Note 1) Non Consolidated results of Hyundai Global Service
 Note 2) '16 3Q numbers are not provided since it was established in Dec.2016

8. Net Income, Non operating Profit & Loss

Net Income , Non Operating Profit & Loss

Unit: bil. KRW



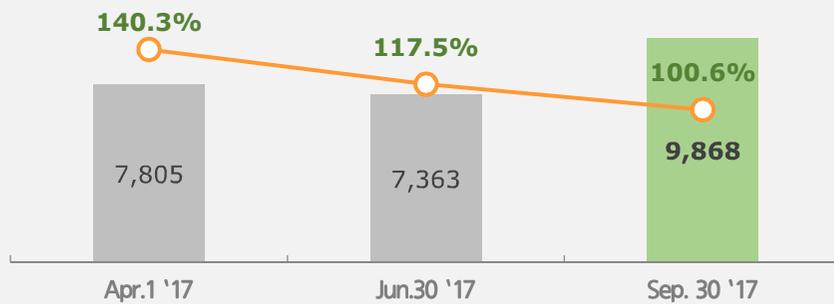
9. Financial Ratio

Consolidated Financial Ratio

- Liabilities-to-Equity Ratio 100.6%**

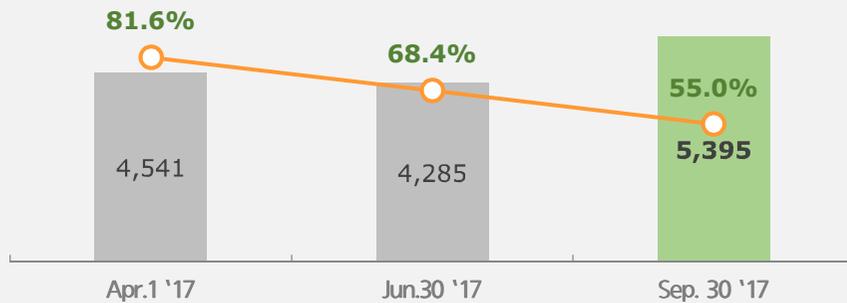
(Unit : bil. KRW)

- Increment in total amount of capital
(Increased capital amount by rights offering : 2,033 bil. KRW)



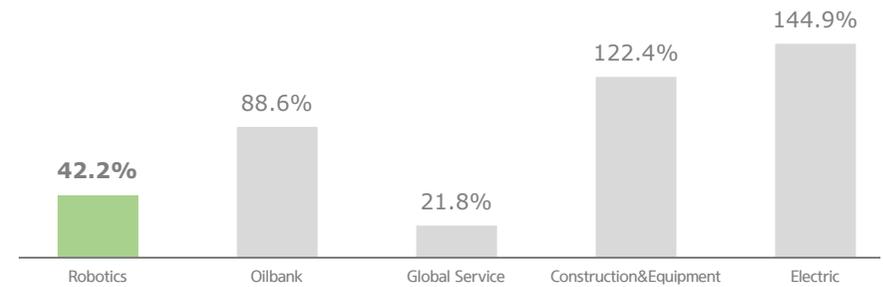
- Net Debt-to-Equity Ratio 55.0%**

(Unit : bil. KRW)



Liabilities-to-Debt & Debt-to-Equity Ratio

- Liabilities-to-Equity Ratio**



- Net Debt-to-Equity Ratio**

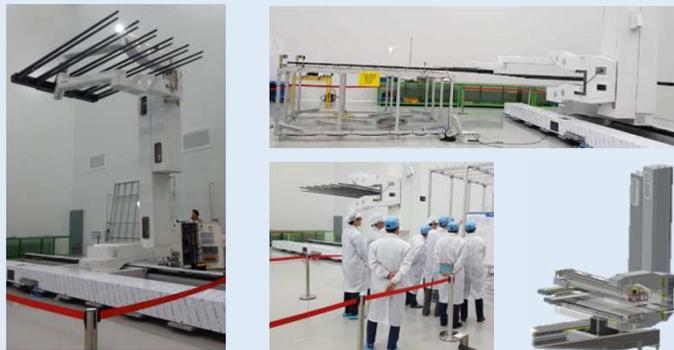
Unit : bil. KRW



10. Investment Highlights (Robotics)

01

Robot sales increase expected due to the expansion of new investment in 10.5th/11th generation by LCD makers

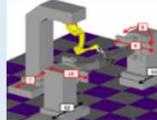


- Two types of robots, glass transfer and panel transfer, will be delivered to Chinese panel makers from the first half of 2018
- As domestic and overseas 10.5th/11th generation investment continues, related sales will be increased in 2018
- Robot sales in the display industry will be expanded by responding to various requests by customers and smartening the transfer robot

02

Developed new automation System with customer to establish a Basis for new market.

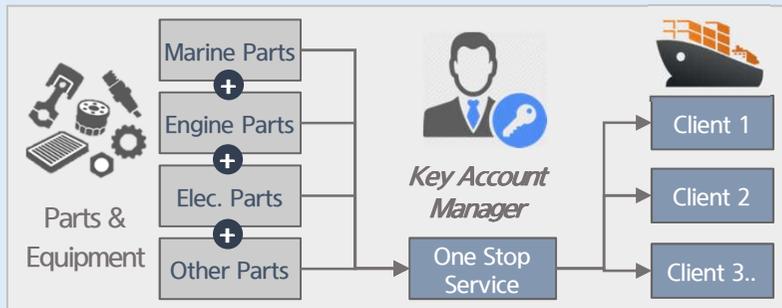
- We developed dedicated automation packages consisting of Robot , Tool, Software and Peripheral devices.
- Price of automation package is about three times higher than that of robot alone.

	[System]	[Major Customer]	[Current Situation]
	Robot Sealing Control System	Automotive Supplier	- Development Completed - Ready for Production
	Construction Equipment Welding System	Construction Equipment Manufacture	- Development Completed - Ready for Production
	Zinc production process Automation	Zinc, Steel Industry	- In use of 3 pilot line - expand automation line
	High speed Palletizing System	Food Industry	- In use of 3 pilot line - expand automation line

We will pursue continuous growth through distinctive technology competitiveness based on customer demand

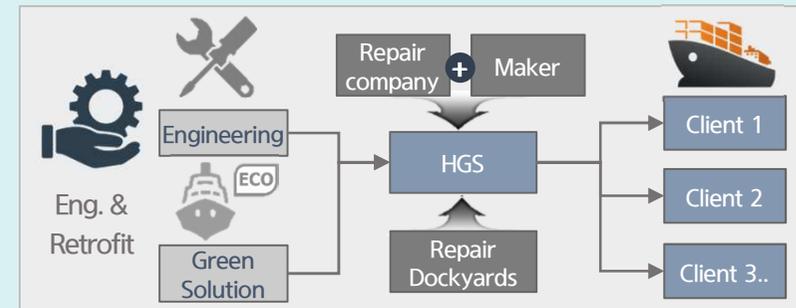
10. Investment Highlights(Global Service)

01 Sales increase expected by unification of parts and equipment supply channel (One Stop Service)



- Supply various parts and equipment in package units by unifying sales channel (Key Account Manager)
- Establish differentiated Supply Chain Management system and reinforce customer-focused sales by expanding overseas sales & logistics center
- Apply efficient stock management system through Big-Data Solution → Highly focus on delivery time competitiveness

02 Expand service business toward Dry Docking market and concentrate on the Green Solution business



- Target Dry Docking service market where large-scale maintenance needs occur (Establish cooperative relationship with domestic and overseas repair dockyards, repair companies, makers, and etc.)
- Increased demand of Green Solution(BWTS & Scrubber retrofit) due to adoption of stricter environmental regulation regarding ballast water and SOx emission → Promote turn-key service business based on our engineering capabilities

Expand Service Business Area Based on Differentiated Service Items and Engineering Capabilities

Appendix

1. Sales & Operating Profit of Hyundai Robotics & Subsidiaries
2. Consolidated Financial Statement of Hyundai Robotics

1. Sales & Operating Profit of Hyundai Robotics & Subsidiaries

Hyundai Robotics

3Q 2017 Non-Consolidated Sales & Operating Profit

Unit : bil. KRW

구 분	'17.3Q			'17.2Q			'16.3Q		
	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin	Sales	Operating Profit	OP Margin
Hyundai Robotics	323.4	270.6	83.7%	64.6	7.1	11.0%	55.4	2.3	4.2%
Hyundai Oilbank	2,758.5	185.0	6.7%	3,426.7	130.4	3.8%	2,664.2	94.5	3.5%
Hyundai Chemical	775.3	54.4	7.0%	819.1	52.3	6.4%	-	-1.7	-
Hyundai Shell base Oil	173.7	32.8	18.9%	181.2	41.0	22.6%	130.4	26.7	20.5%
Hyundai Global Service	58.7	16.8	28.6%	76.4	25.9	33.9%	-	-	-
Hyundai Electric & Energy system	357.3	30.0	8.4%	-	-	-	-	-	-
Hyundai Construction & Equipment	386.2	26.0	6.7%	-	-	-	-	-	-

Note1) Non-consolidated results

Note2) Hyundai Robotics results includes dividend Income of 268 bil. KRW from Hyundai Oilbank

Note3) Only two months of Aug. and Sep. earnings are reflected on the above '17.3Q results of Hyundai Electric&Energy System and Hyundai Construction&Equipment since the Hyundai Robotics' acquisition date of the subsidiaries is considered August 1, 2017.

2. Consolidated Financial Statement of Hyundai Robotics

Hyundai Robotics

'Consolidated Income Statement

Unit : bil. KRW

	'17.3Q			'17.2Q	'16.3Q
		QoQ	YoY		
Sales	4,415.8	5.2%	58.9%	4,197.5	2,779.6
Cost of Sales	3,655.1	-4.8%	42.5%	3,837.4	2,564.1
Gross Profit	760.7	111.2%	253.0%	360.1	215.5
Operating Income	552.2	119.9%	354.1%	251.1	121.6
OP Margin	12.5%	6.5%p	8.1%p	6.0%	4.4%
Non Operating Income& Loss	392.1	-	1,985.6%	-45.2	18.8
Profit Before Income Taxes	944.3	358.6%	573.5%	205.9	140.2
Income Taxes	80.9	-	165.2%	-189.2	30.5
Net Income	863.4	118.5%	687.1%	395.1	109.7
Profit attributable to owners of company	798.9	124.9%	758.1%	355.3	93.1
Profit attributable to non-controlling interest	64.5	62.1%	288.6%	39.8	16.6

'Consolidated Fincancial Position

Unit : bil. KRW

구분	'17.4.1	'17.6.30	'17. 9.30
Current Assets	4,284	4,041.3	6,806.6
(Cash & Cash Equivalents)	580.2	752.3	1,066.2
Non-current Assets	9,083.2	9,588.7	12,865.4
Total Assets	13,367.2	13,630	19,672
Current Liabilities	4,942.9	4,574.1	6,003.3
(Short-term borrowings)	2,769.2	2,632.3	3,130.3
Non-Current Liabilites	2,862.1	2,789.2	3,864.3
(Long-term borrowings)	2,351.5	2,405.3	3,330.5
Total Liabilities	7,805	7,363.3	9,867.6
Paid-in Capital	60.2	60.2	81.4
Others	4,511.5	4,829.8	6,483.6
Retained Earnings	0	349	1,146.6
Non-controlling interests	990.5	1,027.7	2,092.8
Total Shareholder's Equity	5,562.2	6,266.7	9,804.4
Total Liabilites and Equity	13,367.2	13,630	19,672

Note : '17.3Q, '17. 2Q results are K-IFRS Consolidated. Same period of last year ('16.3Q)numbers have been prepared by the Company as a reference only for investors.



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