

Cheil

First Half 2015 Earnings Release

July 23rd, 2015
Cheil Worldwide

The financial information in this document is consolidated earning results based on K-IFRS.

This document is provided for investors' information before FY 2015 2Q reviewed financial statements are released. The review outcomes may cause some parts of this document to be revised.

This document contains "forward-looking statements" - that is, statements related to future, not past events.

In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", or "will". Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

For us, particular uncertainties which could adversely or positively affect our future results include: the behavior of financial markets, including fluctuations in exchange rates, interest rates and commodity prices; strategic actions including dispositions and acquisitions. These uncertainties may cause our actual results to be materially different from those expressed in this document.

- Financial Summary (K-IFRS consolidated)
- Consolidated Revenue
- Consolidated Income
- 2015.1H Business Performance
- 2015.2H Outlook

Financial Summary (K-IFRS consolidated)

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(KRW billion)

	2015.1H	2014.1H	Growth	2015.2Q	2014.2Q	Growth
Revenue (Gross Profit)	447.1	379.6	18%	241.6	208.2	16%
Operating Expense	380.8	314.8	21%	199.4	164.5	21%
Operating Income	66.3	64.8	2%	42.2	43.7	△3%
Non-operating Expenses and Income	8.7	10.8	△19%	5.5	9.2	△40%
Income Before Income Taxes	75.0	75.6	△1%	47.7	52.9	△10%
Net Income	51.8	50.6	2%	33.8	36.9	△8%

* Income Before Income Taxes 2014.2Q : Reflected sales of Samsung Life securities (KRW 10.4B)

Consolidated Revenue : 2014.1H KRW 379.6B → 2015.1H KRW 447.1B (67.5B ↑)
 2014.2Q KRW 208.2B → 2015.2Q KRW 241.6B (33.4B ↑)

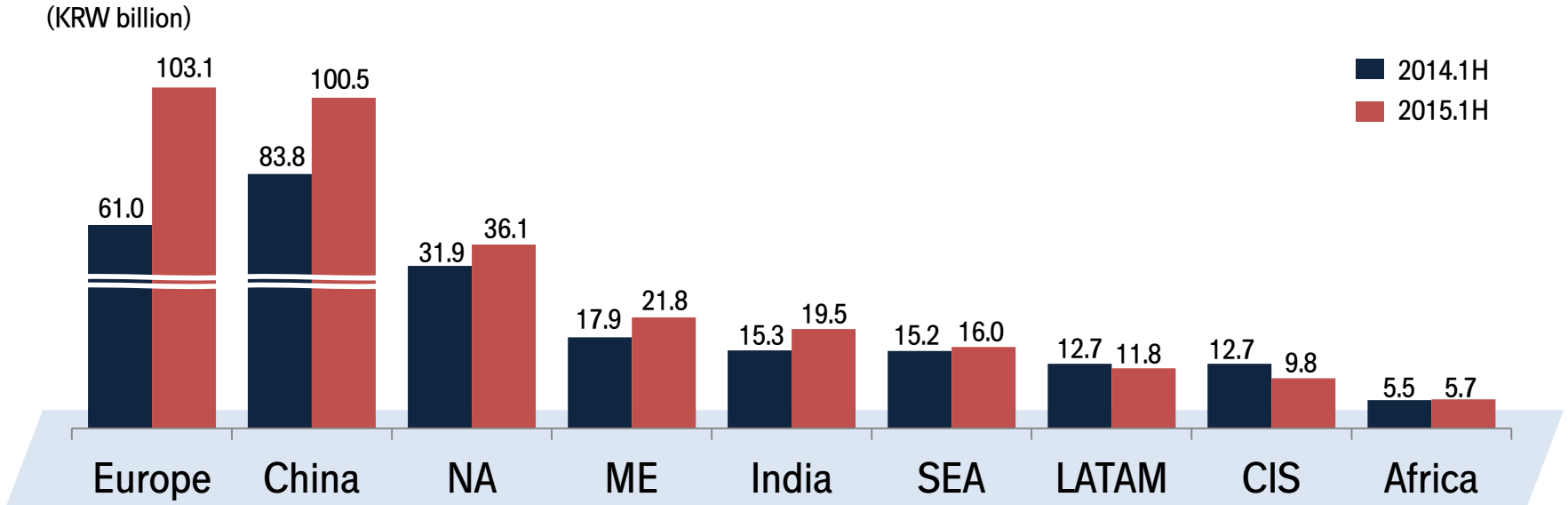
- Headquarter : Revenue down 2% to 120.8b YoY (1.9b ↓)
 - Mainly due to economic downturn under the impact of MERS
- Subsidiaries : Revenue up 27% to 326.3b YoY (69.4b ↑)
 - Strong growth continued in emerging markets including China and India and inorganic revenue from the acquisition of Iris

(KRW billion)

	2015.1H	2014.1H	Growth	2015.2Q	2014.2Q	Growth
HQ	120.8	122.7	△ 1.5%	69.2	73.1	△ 5.3%
Subsidiaries	326.3	256.9	27.0%	172.4	135.1	27.6%
Total	447.1	379.6	17.8%	241.6	208.2	16.0%

Overseas % of total revenue : 2014.1H 67% → 2015.1H 73%

- Maintained growth trend in emerging markets such as China and India
- China(20% ↑ YoY), India(28%), Middle East(22%), etc.
- Europe revenue up 69%, together with revenue from the acquisition of Iris



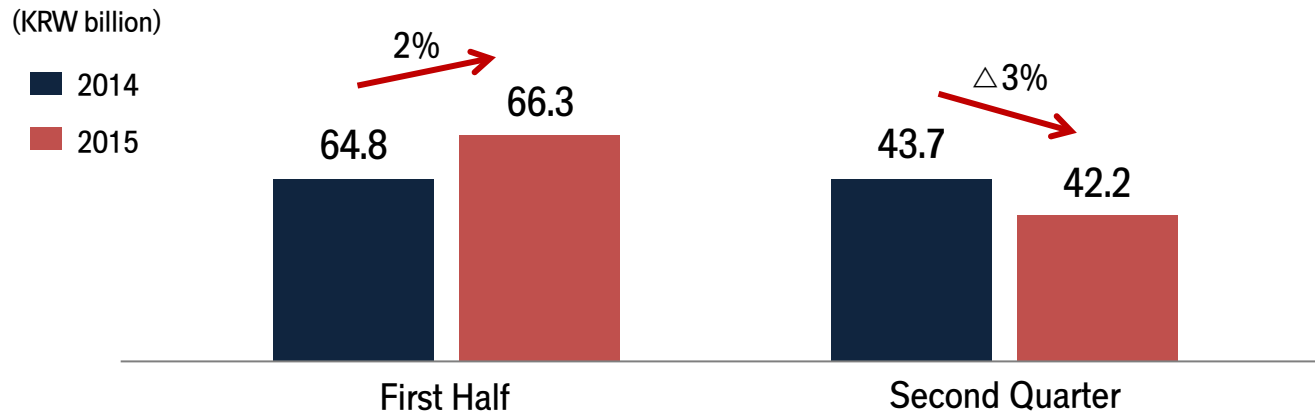
Retail and digital % of total revenue : 2010 32% → 2015.1H 56%

- Retail proportion : 13%(2010) → 29%(2015.1H)
- Digital proportion : 19%(2010) → 27%(2015.1H)

< Digital and Retail % of Consolidated revenue >

	2010	2012	2014	2015.1H
Retail	13%	19%	24%	29%
Digital	19%	21%	25%	27%

- Operating income : 2014.1H KRW 64.8B → 2015.1H KRW 66.3B (1.5B ↑)
2014.2Q KRW 43.7B → 2015.2Q KRW 42.2B (1.5B ↓)
- Operating income was up 2% in the first half 2015 while it was down 3% in the second quarter
 - ※ HQ revenue was down because of poor economic condition under the impact of MERS
 - ※ CIS operating income was down due to local economic environment



New Business Wins

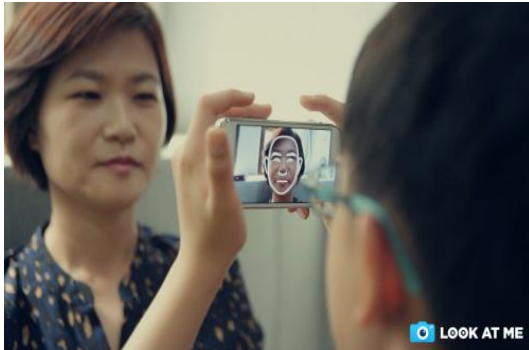
- Domestic : Nepa, Netmarble, Nexon, etc.
- Overseas : Huarun Yibao(China, Digital), PZ Cussons(Global, Integrated), etc.



Impressive Creativity Proven at Global Awards

- Cannes Lions : Gold 1, Silver 5, Bronze 6
- One Show : Gold 2, Silver 1, Bronze 3, Merit 3
- AdFest(13 awards), D&AD(9), Consumer's Choice Advertising Award(9), etc.

< Award Winners >



<Samsung Electronics, Look at Me>

•Cannes Gold, One Show Gold And more



< Samsung Electronics, Center Stage >

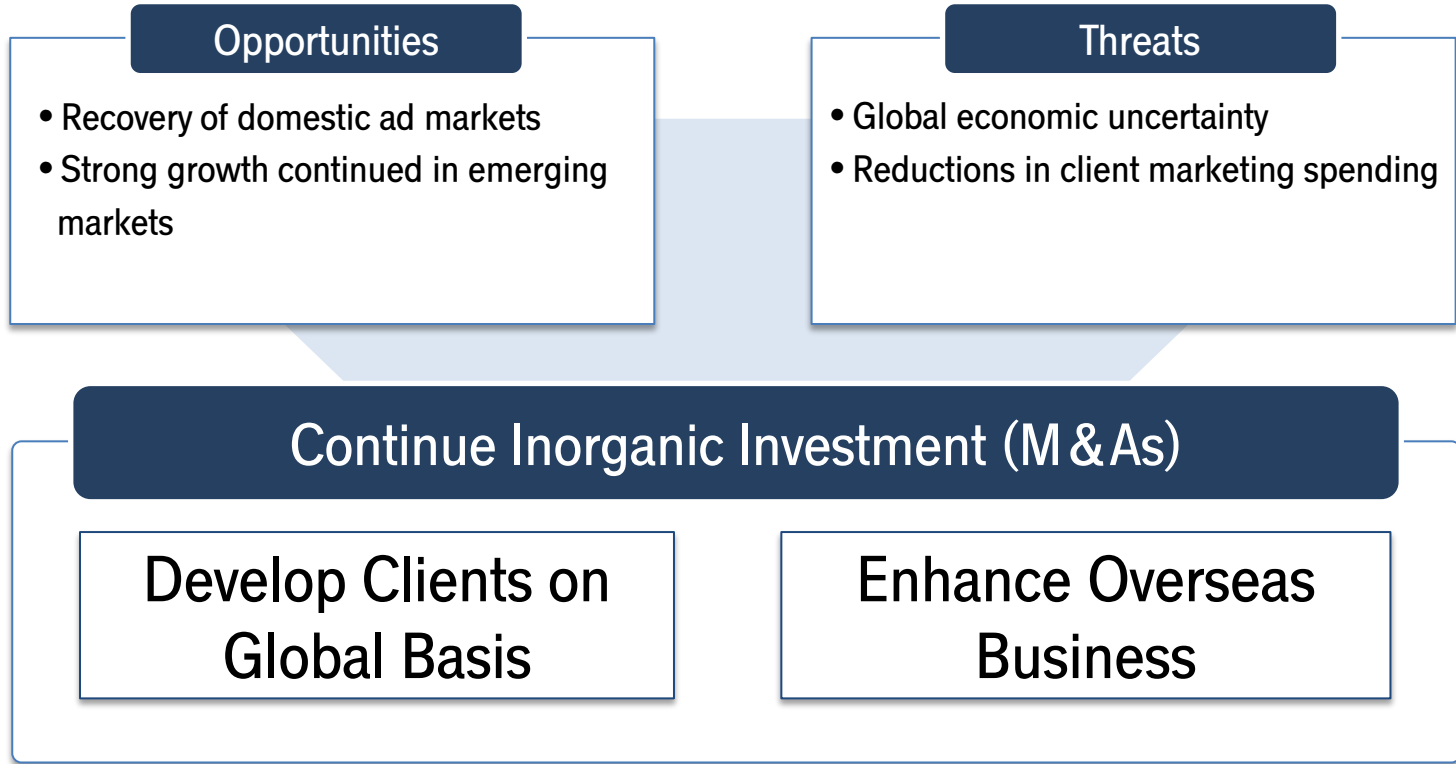
* Cannes : Bronze(Design)



< Dream Touch For All >

* Cannes : Bronze(Mobile)

2015 Revenue Growth Forecast : 20% up compared to 2014



Thank you