

# Cheil

## Third Quarter 2015 Earnings Release

October 20th, 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 3Q 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
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- 2015.3Q Business Performance
- 2015 Outlook

# Financial Summary (K-IFRS consolidated)

**Cheil**

(KRW billion)

	2015.3Q YTD	2014.3Q YTD	Growth	2015.3Q	2014.3Q	Growth
<b>Revenue (Gross Profit)</b>	<b>683.7</b>	567.6	21%	<b>236.5</b>	188.1	26%
Operating Expense	590.3	479.9	23%	209.4	165.2	27%
<b>Operating Income</b>	<b>93.4</b>	87.7	7%	<b>27.1</b>	22.9	18%
Non-operating Expenses and Income	10.3	11.9	△13%	1.6	1.1	45%
<b>Income Before Income Taxes</b>	<b>103.7</b>	99.6	4%	<b>28.7</b>	24.0	20%
<b>Net Income</b>	<b>69.5</b>	67.2	3%	<b>17.8</b>	16.6	7%

Consolidated Revenue : 2014.3Q KRW 188.1B → 2015.3Q KRW 236.5B (48.4B ↑)

- Headquarter : Revenue up 4% to 63.2b YoY (2.2b ↑)
  - New clients development and non-samsung business growth in domestic market
- Subsidiaries : Revenue up 36% to 173.3b YoY (46.2b ↑)
  - Strong growth in China and North America and inorganic growth from Iris

\* Cheil acquired Iris in January 2015

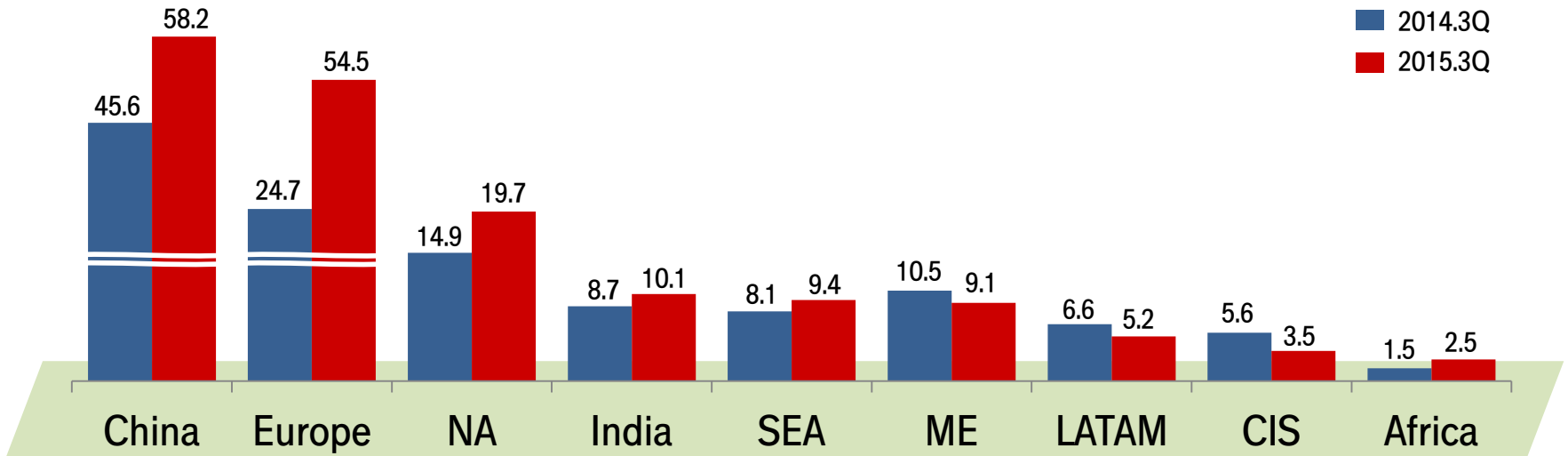
(KRW billion)

	2015.3Q YTD	2014.3Q YTD	Growth	2015.3Q	2014.3Q	Growth
HQ	184.1	183.7	0.2%	63.2	61.0	4%
Subsidiaries	499.6	383.9	30%	173.3	127.1	36%
Total	683.7	567.6	20%	236.5	188.1	26%

Overseas % of total revenue : 2014.3Q 68% → 2015.3Q 73%

- Strong growth in China, North America and more
  - China(28% ↑ YoY), North America(32%), India(16%), Southeast Asia(16%), etc
- Europe revenue up 121% along with inorganic growth from Iris

(KRW billion)

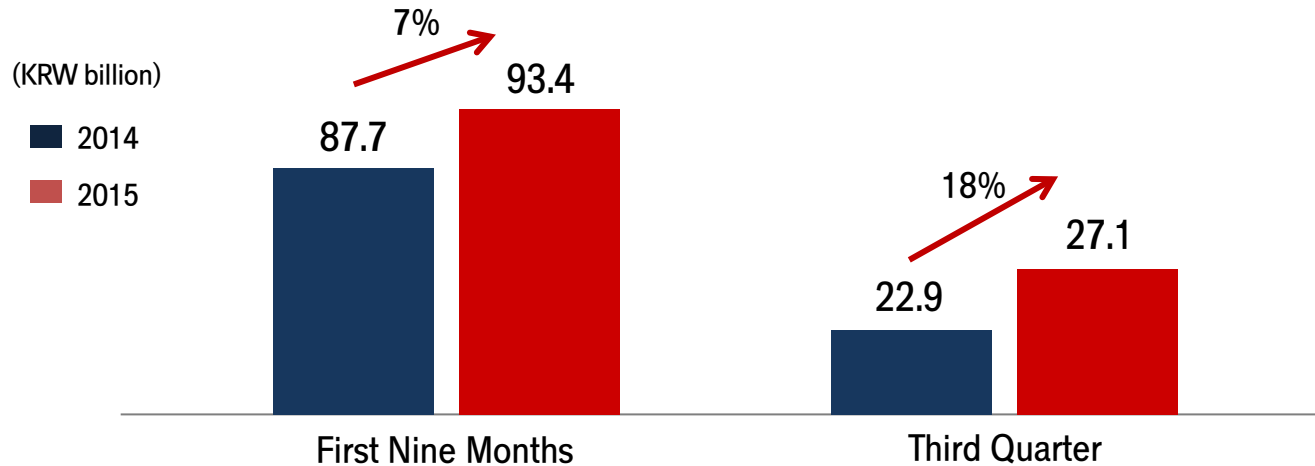


- Non-samsung clients % of total revenue : 2014 24% → 2015.3Q YTD 35%
  - Headquarter : 2014 27% → 2015.3Q YTD 29%
  - Subsidiaries : 2014 22% → 2015.3Q YTD 37%
  
- Retail and digital % of total revenue : 2014 49% → 2015.3Q YTD 55%
  - Retail : 2014 24% → 2015.3Q YTD 26%
  - Digital : 2014 25% → 2015.3Q YTD 29%

□ Operating income : 2014.3Q KRW 22.9B → 2015.3Q KRW 27.1B (4.2B ↑)

- Operating income was up 18% in the third quarter

※ Mainly due to growth from acquisition of Iris and increase in revenue from China, North America, and India





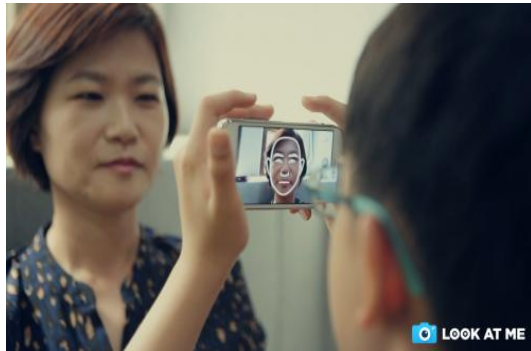
- Overseas : Etihad Airways(ME, Digital), JD.com(China, ATL/Digital), Taobao(China, ATL), etc
- Domestic : SBI Savings Bank, Auction(eBay Korea), Orient Golf Yamaha, etc



## Numerous Global Awards Wins

- Spikes Asia(19 awards) : Grand Prix 2, Gold 3, Silver 8 and more
- Clio : Silver 2, Bronze 2
- Ad Stars : Silver 4, Bronze 2

### < Award Winners >



<Samsung Electronics, Look at Me>

\* Spikes Asia, Clio and more



<Friends of Nature, Rebirth After Reading>

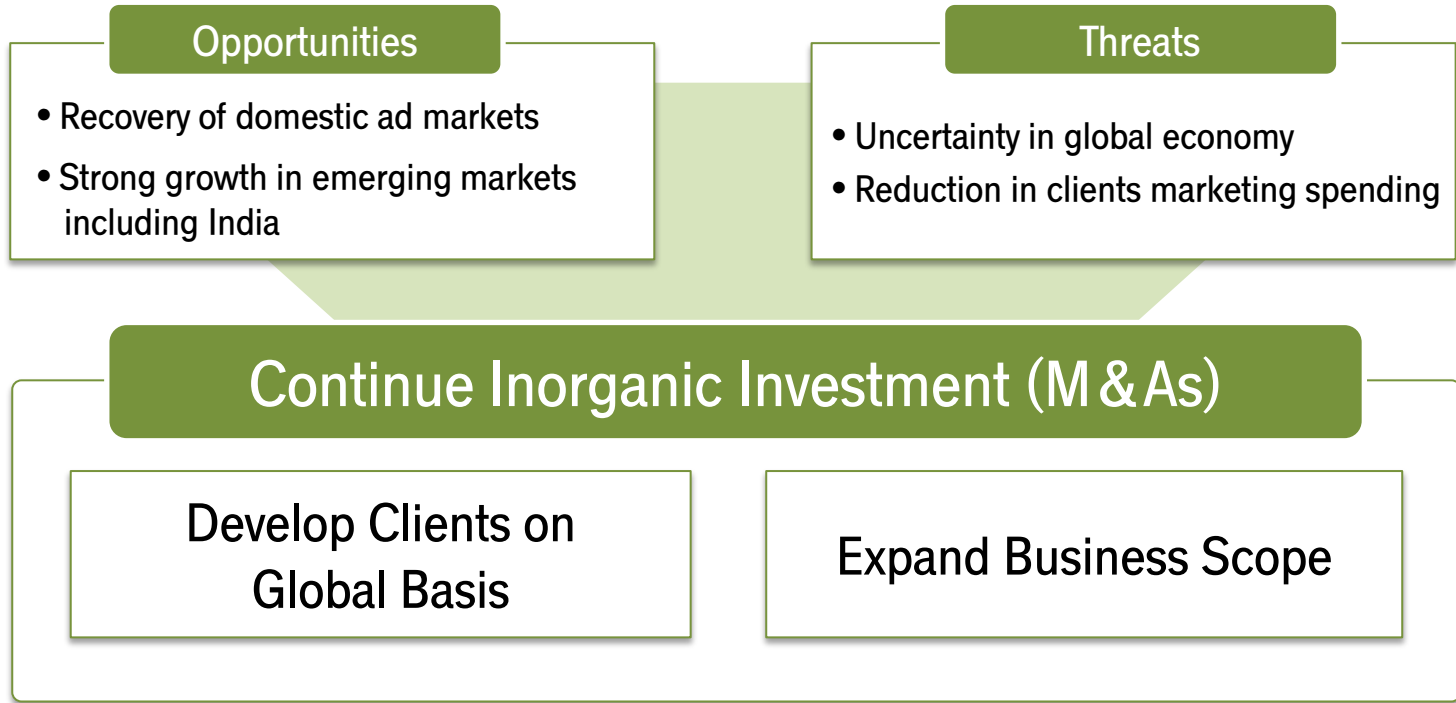
\* Clio, One Show



< CHHANV FOUNDATION, Donate a Face >

\* Spikes Asia

## 2015 Revenue Growth Forecast : 20% up compared to 2014



**Thank you**