

Cheil

Fourth Quarter 2015 Earnings Release

January 28th, 2016

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 4Q 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 Operating Income
- 2015 Business Performance
- 2016 Outlook

Financial Summary (K-IFRS consolidated)

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(KRW Billion)

	2015 YTD	2014 YTD	Growth	2015.4Q	2014.4Q	Growth
Revenue (Gross Profit)	948.7	792.9	20%	265.0	225.2	18%
Operating Expense	821.5	666.1	23%	231.2	186.1	24%
Operating Income	127.2	126.8	-	33.8	39.1	△ 14%
Non-operating Expenses and Income	22.3	13.3	68%	12.0	1.4	757%
Income Before Income Taxes	149.5	140.1	7%	45.8	40.5	13%
Net Income	95.9	102.0	△ 6%	26.4	34.8	△ 24%

※ Dividend for the Fiscal Year 2015 (KRW 300/share)

Consolidated Revenue : 2014 YTD KRW 792.9B → 2015 YTD 948.7B (155.8B ↑)
 2014.4Q 225.2B → 2015.4Q 265.0B (39.8B ↑)

- Headquarter : Revenue up 1% to 262.9b YoY (3.6B ↑)
 - Increase in non-samsung business including Amore Pacific and new clients development
- Subsidiaries : Revenue up 29% to 685.8b YoY (152.2B ↑)
 - Strong performance in emerging markets such as China and inorganic growth from Iris

※ Iris revenue : 108.5B

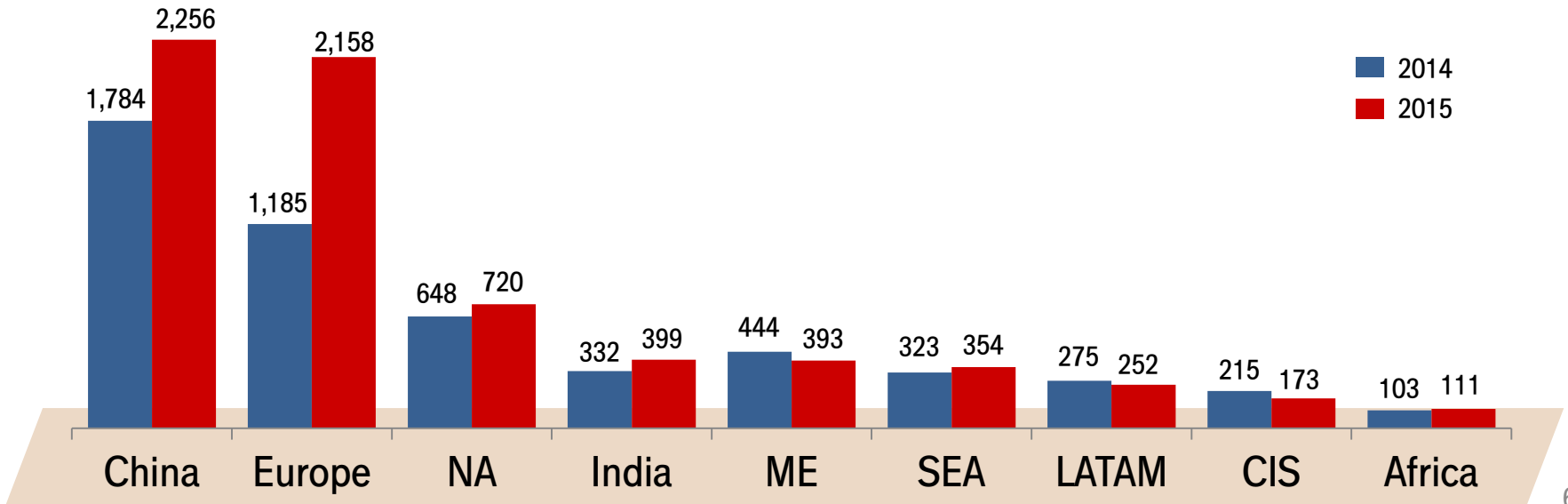
(KRW Billion)

	2015 YTD	2014 YTD	Growth	2015.4Q	2014.4Q	Growth
HQ	262.9	259.3	1%	78.9	75.6	4%
Subsidiaries	685.8	533.6	29%	186.1	149.6	24%
Total	948.7	792.9	20%	265.0	225.2	18%

Overseas % of total revenue : 2014 YTD 67% → 2015 YTD 72%

- Strong growth continued in emerging markets
 - China(26% ↑ YoY), India(20%), Southeast Asia(10%), Africa(8%)
 - ※ Pengtai revenue growth(YoY) : YTD 36% ↑ (161.6b), 4Q 50% ↑
- Europe revenue up 82% including Iris revenue

(KRW Billion)



- Non-samsung clients % of total revenue : 2014 YTD 24% → 2015 YTD 35%
 - Headquarter : 2014 27% → 2015 28%
 - Subsidiaries : 2014 22% → 2015 37%

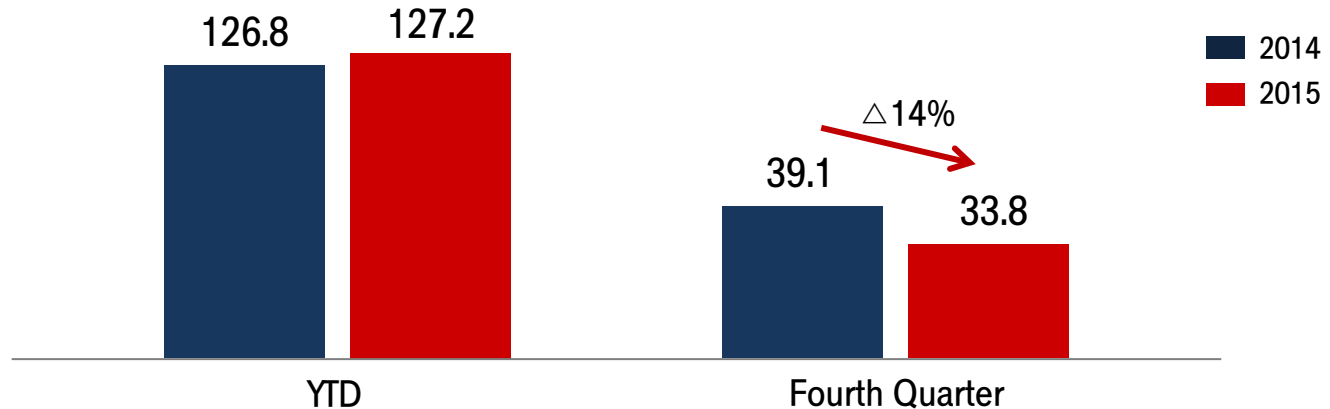
- Retail and digital % of total revenue : 2014 YTD 49% → 2015 YTD 53%
 - Digital : 2014 25% → 2015 28%
 - Retail : 2014 24% → 2015 25%

Operating income : 2014 YTD KRW 126.8B → 2015 YTD 127.2b (0.4B ↑)
2014.4Q 39.1B → 2015.4Q 33.8b (5.3B ↓)

- Operating income stayed flat due to revenue decrease in some region such as CIS, Middle East and Latin America exposed to local economic downturn

※ 2015.4Q Operating income was down mainly due to poor local economic condition under the impact of Paris terror attack and low performance in Middle East

(KRW Billion)



□ 2015 New Clients



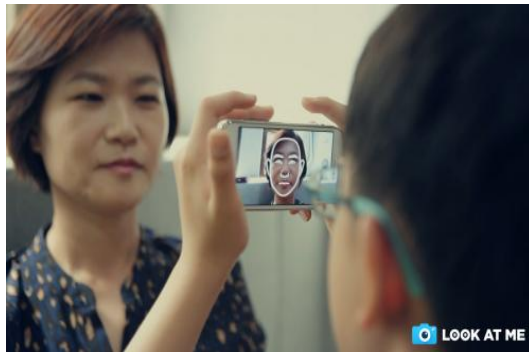
□ 2015 New Branches

- Chile, Ghana, Wuhan(China), Xian(China)
- Global Network : 51 Offices in 42 Countries as of Dec 31st, 2015

Outstanding Performance at Global Awards

- Cannes Lions (12) : Gold 1, Silver 5, Bronze 6
- Spikes Asia (19) : Grand Prix 2, Gold 3, Silver 8, etc
- Others : AdFest(13), One Show(9), Clio(4), D&AD(9), etc

< Award Winners >



<Samsung Electronics, Look at Me>

•Cannes, Spikes and more



<Friends of Nature, Rebirth After Reading>

* Clio, One Show



< Taikang Insurance, Taikang Moment >

* AdFest

Revenue Goal : Organic growth(5%+) plus Inorganic growth (M & As)



Environment

- Economic Environment : Continuous uncertainty
- Ad Spending Market : Overall 5% growth
- Competitors : Wide spread of M & As / Rise of Chinese agencies

Growth Strategy

- ① New Markets : More investment in emerging markets including India and China
- ② New Business : Expansion in new media, E-commerce, and B2B business

M&A

- Focus on Emerging markets(Region) + New channel(Service)

Thank you