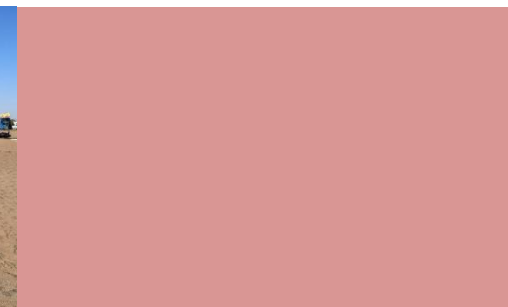


Q3 2017 Business Result



Q3 2017 business result is prepared for investors' consideration only before completion of independent auditors' review. Therefore, parts of contents on this material could be changeable during independent auditors' review.

Contents

- I. YTD Q3 2017 Review**
- II. Market analysis**
- III. Performance analysis**
- IV. Financials**
- Income Statement
- V. Way Forward**

YTD Q3 2017 Review

Market

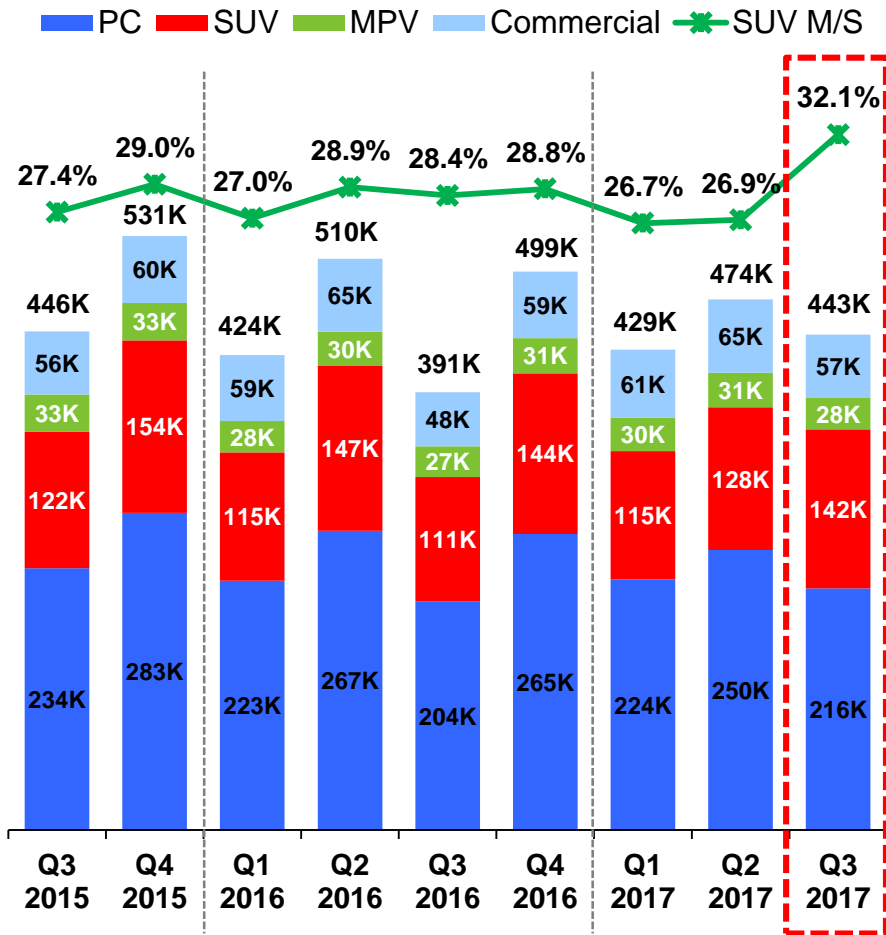
- **Steady SUV market growth in domestic and overseas market**
 - Domestic market
 - Total market : + 1.5%
 - SUV market : +2.9% due to SUV-B & E segment growth
 - Overseas market
 - Growth in Europe & China
- **Strengthening competition in domestic and overseas market**
 - Domestic market
 - Two new models' launch of competitors in SUV-B market
 - Overseas market
 - Intensified competition to emerging markets

SYMC vehicle sales

- **Total vehicle sales decrease : 4.5%**
 - Dom. : +8.0% with steady sales increase
 - Exp. : -29.0% with continued sluggish sales
 - However, gradual vehicle sales increase due to G4 Rexton export in Aug.
 - Q3 2017 : +41.9% vs. Q2 2017
- **G4 Rexton vehicle sales**
 - Vehicle sales increase after launch in May
 - Total : 6,235 units in Q3 2017
(+100.5% vs. Rexton in Q3 2016)
 - Dom. : 4,572 units in Q3 2017
(+313.4% vs. Rexton in Q3 2016)
- **Tivoli vehicle sales**
 - Dom. (YTD Q3 2017) : +3.9% (yoy)
 - Modest vehicle sales growth in spite of new competitors

Domestic Market Trend

➤ Quarterly market trend (Including imported cars)



※ Unit: vehicles
(Imported cars → PC, SUV, MPV)

▪ Q3 2017 (vs. Q3 2016)

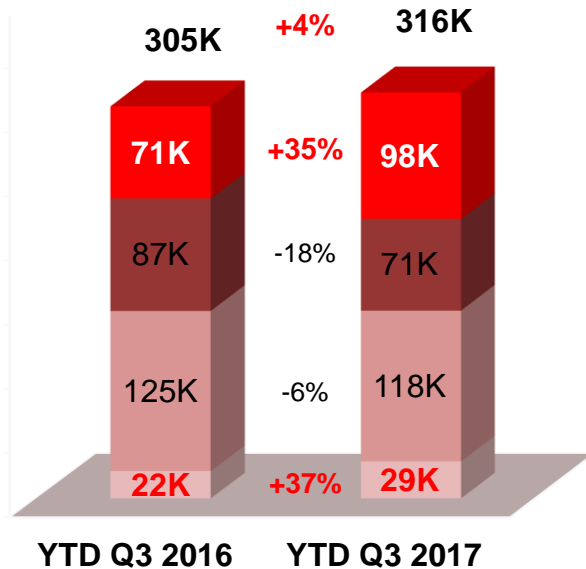
- Total market : +13.2%
(Domestic makers: +13.0%, Imported: +14.4%)
- PC : +5.7%, SUV : +27.8%, MPV : +3.0%
- SUV M/S : 32.1% (+3.7%p vs. Q3 2016)
- SYMC Market share in total market: +0.1%p
Q3 2016 : Q3 2017 = 5.9% : 6.0%

▪ YTD Q3 2017 (vs. YTD Q3 2016)

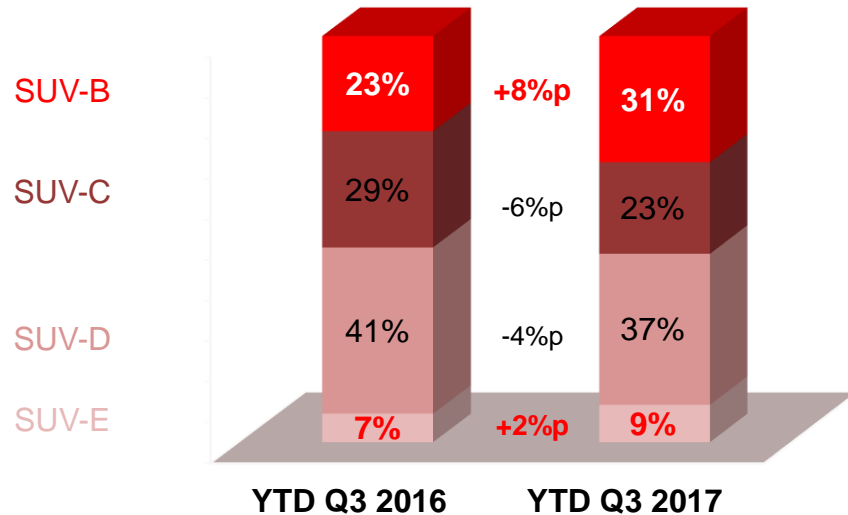
- Total market : +1.5%
(Domestic makers : +1.0%, Imported : +5.1%)
- PC: -0.5%, SUV: +2.9%, MPV: +2.2%
- SYMC Market share in total market: +0.3%p
YTD Q3 2016 : YTD Q3 2017 = 5.6% : 5.9%
- SYMC Market share in SUV market: +1.3%p
YTD Q3 2016 : YTD Q3 2017 = 18.6% : 19.9%

Domestic SUV Market Trend

➤ Segment-wise vehicle sales



➤ Segment-wise portion



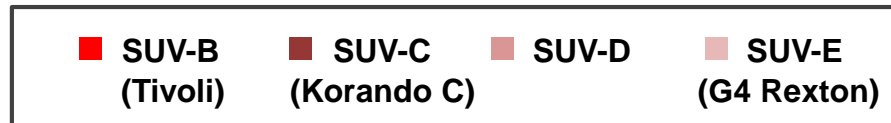
▶ Total SUV market : +3.5%

▶ SUV-B segment : +35.4%

▶ SUV-E segment : +37.3%

▶ SUV-B segment : +8%p

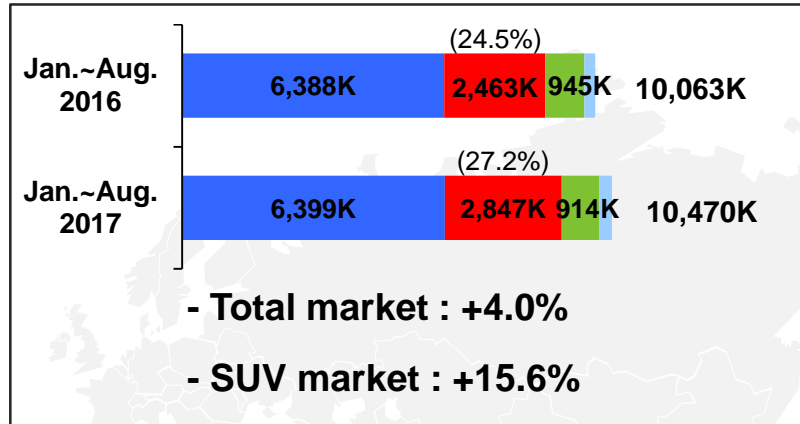
▶ SUV-E segment : +2%p



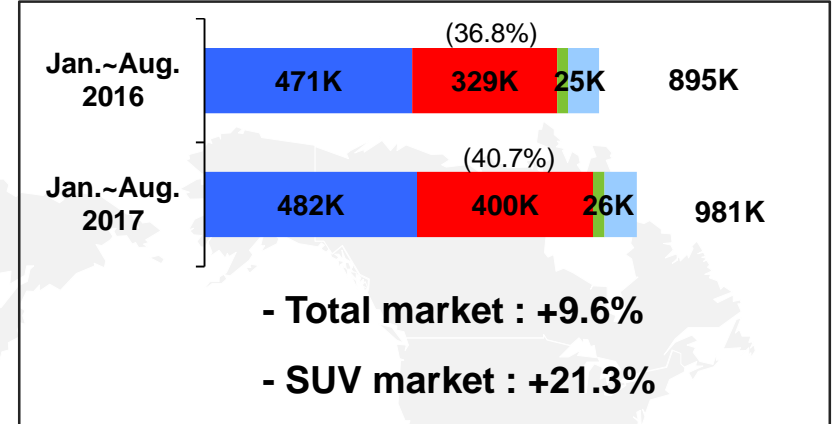
※ Unit : Vehicle, %
 ※ Excluding imported car & pick-up
 ※ () : Example

Overseas Market Trend

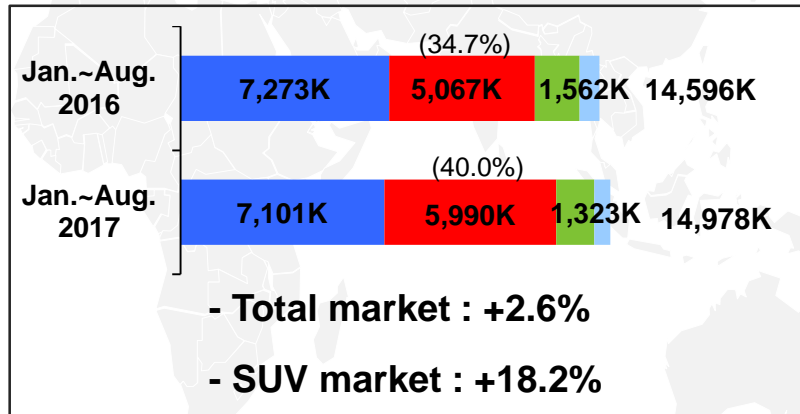
➤ Europe (28 Countries)



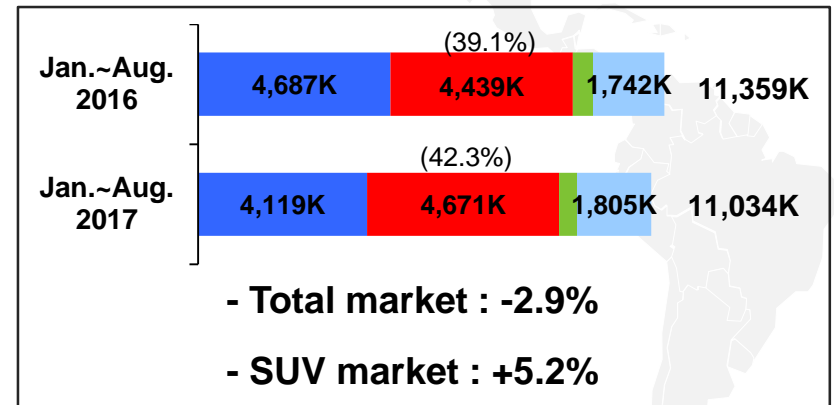
➤ Russia



➤ China



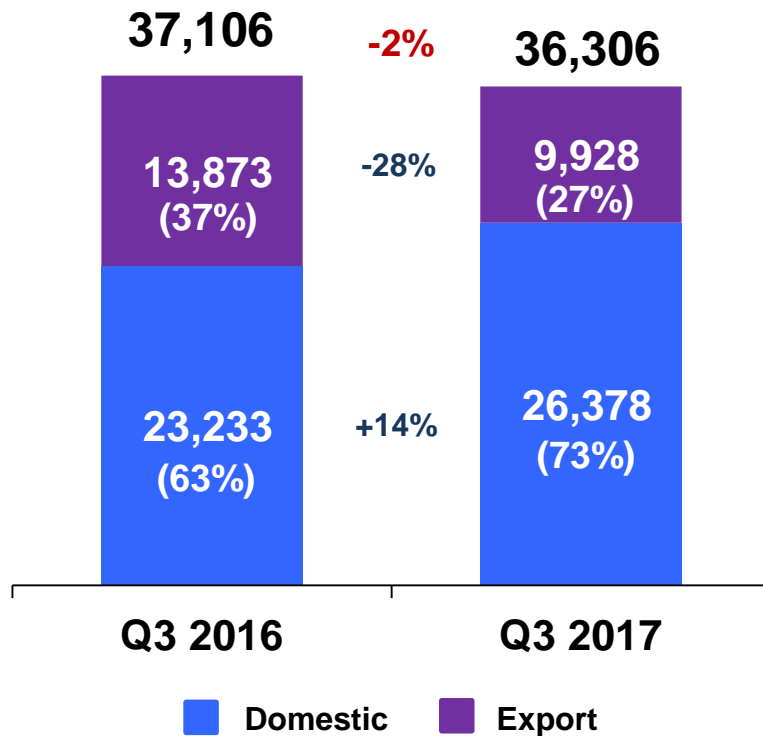
➤ USA



- ※ Unit : Vehicle
- ※ Source : Automotive News, Makrlines
- ※ Excluding commercial vehicles
- ※ () : SUV portion out of total market



SYMC Sales Volume in Q3 2017



※ Unit: vehicle (including CKD)

➤ Sales volume decrease

- Total Sales : -800 units (-2%)
 - Domestic : +3,145 units (+14%)
 - Export : -3,945 units (-28%)

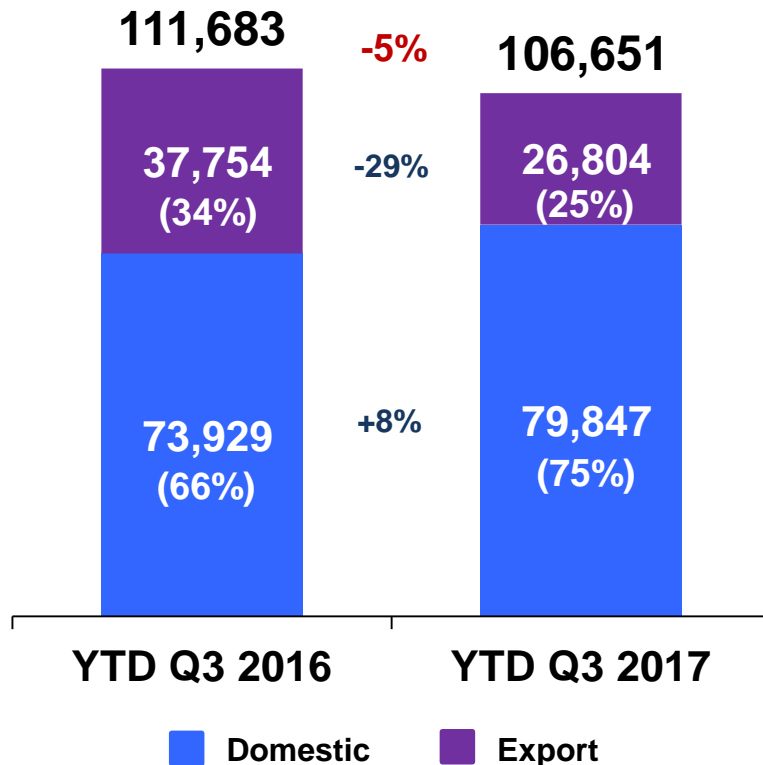
➤ Domestic portion increase : +10%p

- Q3 2016 : Q3 2017 = 63% : 73%

➤ G4 Rexton

- A leading SUV model in domestic SUV-E segment (Market share of 47% in Q3 2017)
- Q3 2017 Total 6,235 units : +100% (vs. Q3 2016)

SYMC Sales Volume in YTD Q3 2017



※ Unit: vehicle (including CKD)

➤ Sales volume decrease

- Total Sales : -5,032 units (-5%)
 - Domestic : +5,918 units (+8%)
 - Export : -10,950 units (-29%)

➤ Domestic portion increase : +9%p

- YTD Q3 2016 : YTD Q3 2017 = 66% : 75%

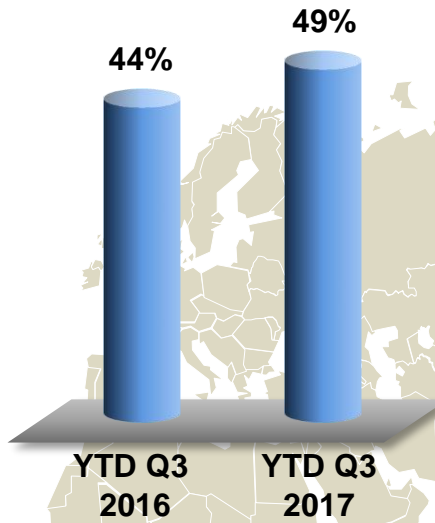
➤ Modest Tivoli sales growth in domestic market

- YTD Q3 2017 : 42,387 units (+4% YoY)

Region-wise Export Portion in YTD Q3 2017

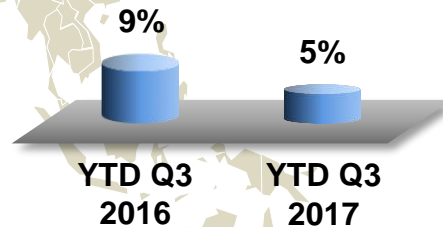
※ % out of export sales volume (Including CKD)

W. Europe

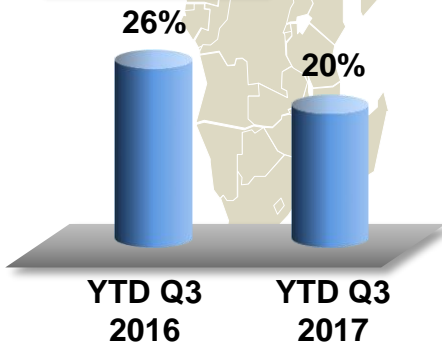


Asia Pacific

※ Including: China

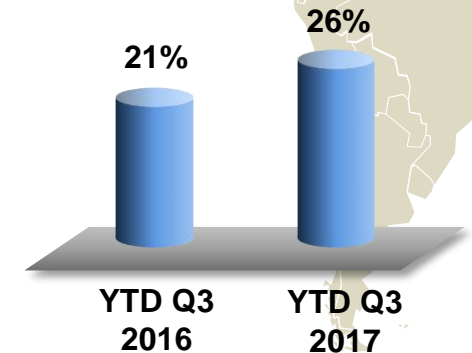


Others



※ Others: ME, AF, E. Europe

South America



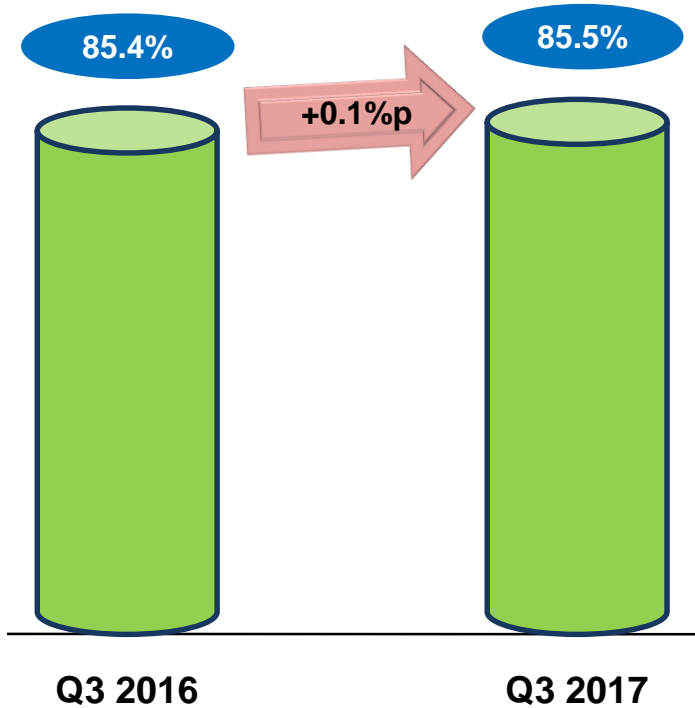
Income Statement(Consolidated) / Q3 2017

(Unit: billion krw)

Category	Q3 2016	Q3 2017	Change	Change(%)
Sales	850.8	900.7	49.9	5.9%
Cost of sales	726.9	769.8	42.9	5.9%
Gross Profit	123.9	130.9	7.0	5.7%
SG&A	131.2	148.3	17.1	13.1%
Operating Profit	-7.3	-17.4	-10.1	-
OP margin %	-0.9%	-1.9%	-1.0%p	-
PAT	18.3	-17.7	-36.0	-

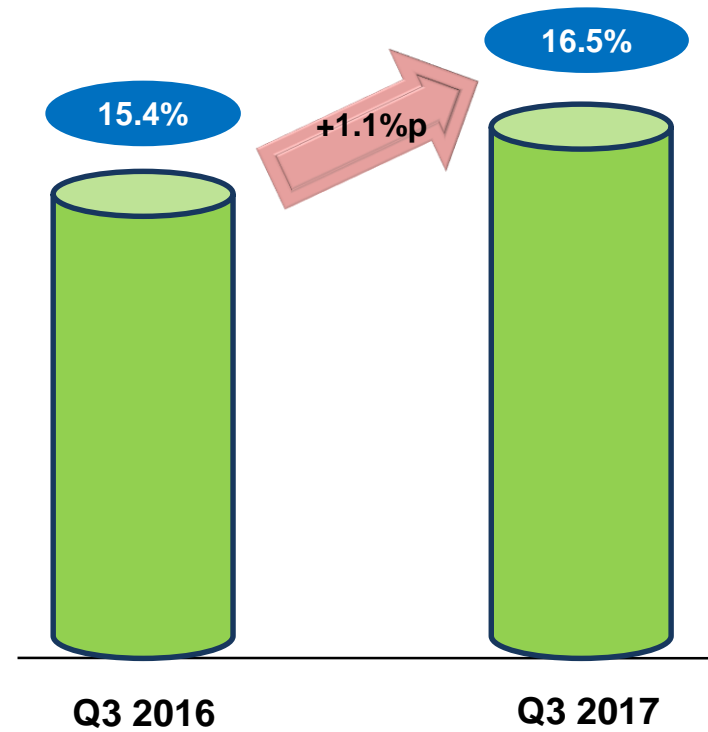
Operating Costs / Q3 2017

Cost of sales (%)



※ (Cost of Sales/Sales)*100

SG&A expense (%)



※ (SG&A expenses/Sales)*100

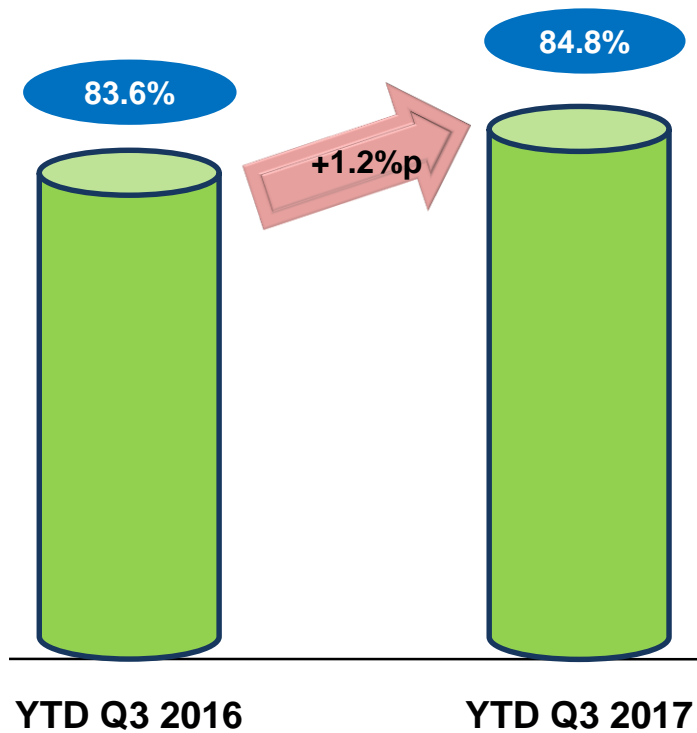
Income Statement(Consolidated) / YTD Q3 2017

(Unit: billion krw)

Category	YTD Q3 2016	YTD Q3 2017	Change	Change(%)
Sales	2,627.9	2,592.5	-35.4	-1.3%
Cost of sales	2,196.4	2,198.1	1.7	0.1%
Gross Profit	431.5	394.4	-37.1	-8.6%
SG&A	411.5	434.0	22.5	5.5%
Operating Profit	20.0	-39.5	-59.5	-
OP margin %	0.8%	-1.5%	-2.3%p	-
PAT	38.7	-35.6	-74.3	-

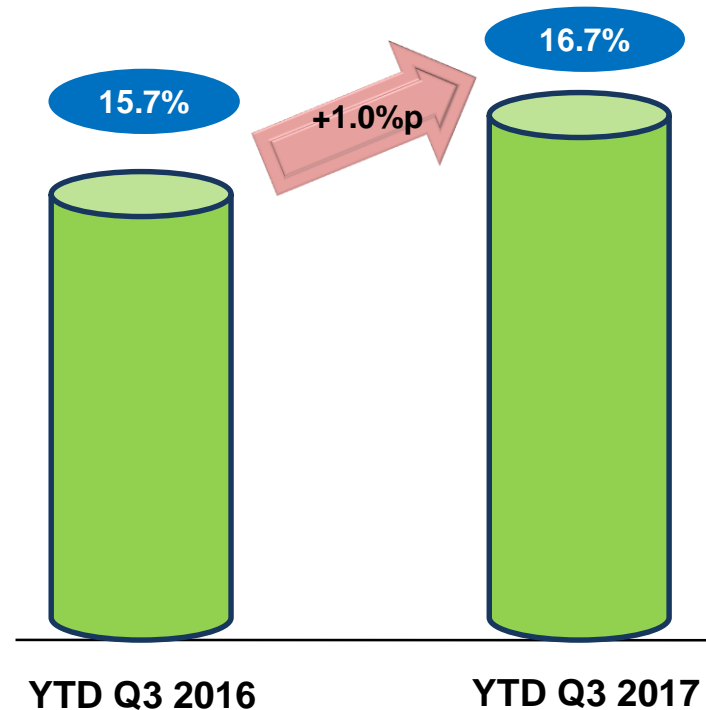
Operating Costs / YTD Q3 2017

Cost of sales (%)



※ (Cost of Sales/Sales)*100

SG&A expense (%)



※ (SG&A expenses/Sales)*100

Way Forward

➤ Focus on sales increase

- Domestic : Steady vehicle sales growth
- Export : Penetration into new markets

➤ New model launch plan

- 2018 : KorandoSports FMC
- 2019 : Korando C FMC

➤ Synergy with M&M

- Collaboration of engine & platform development

➤ Cost management

- Capacity rate increase
- F/X risk management
- SY Auto capital

➤ Electric vehicle development

- 2019 or 2020 launch

**Profitability
priority**