

Hanon Systems 2016 Q3 Disclosure

Financial Consolidated Statement Information

Income Statement

	Nine Months Ended	
	Sep 30	
	Q3 2016 (KRW in Billions)	Q3 2015 (KRW in Billions)
Sales	4,202.0	4,097.4
Cost of sales	3,547.1	3,485.7
Gross margin	654.9	611.7
Selling, general and administrative expenses	348.4	372.8
Operating income	306.5	238.9
Other Income/expense	0.4	13.6
Financial income/expense	(19.2)	(17.4)
Equity in net income of non-consolidated affiliates	6.3	10.3
Income before income taxes	294.0	245.5
Provision for income taxes	84.2	74.8
Net income	209.9	170.7
Net income attributable to non-controlling interests	12.3	9.7
Net income Hanon Systems	197.5	161.0

Balance Sheet

	Sep 30, 2016	Dec 31, 2015
	(KRW in Billions)	(KRW in Billions)
Cash and equivalents	386.4	447.1
Accounts receivable, net	842.7	999.1
Inventories, net	420.7	382.2
Property and equipment, net	1,063.8	1,092.7
Equity in net assets of non-consolidated affiliates	92.3	89.2
Intangible assets, net	234.2	207.4
Other assets	556.9	241.7
Total assets	3,597.0	3,459.4
Accounts payable	598.1	724.8
Accrued employee liabilities	75.7	60.2
Debt	566.6	336.5
Other liabilities	524.4	538.5
Hanon Systems shareholders' equity	1,776.9	1,744.7
Non-controlling interests	55.3	54.7
Total liabilities and shareholders' equity	3,597.0	3,459.4

Cash Flow Statement

	Nine Months Ended	
	Sep 30	
	Q3 2016 (KRW in Billions)	Q3 2015 (KRW in Billions)
Net cash provided from operating activities	148.3	281.8
Investing activities		
Capital expenditures	(239.8)	(183.5)
Cash flow by Business consolidation	(31.2)	0.0
Investment in joint ventures	0.0	0.0
Other	23.0	6.3
Net cash used in investing activities	(248.0)	(177.2)
Financing activities		
Short-term debt, net	(61.7)	(7.3)
Long-term debt, net	(3.1)	(1.1)
Dividend	(175.4)	(108.0)
Other	302.7	0.0
Net cash used in financing activities	62.5	(116.4)
Net increase in cash and equivalents	(37.1)	(11.8)
Cash and cash equivalents at the beginning of year	447.1	381.3
Net foreign exchange differences	(23.2)	6.0
Non-current assets held for sale	(0.4)	0.0
Cash and cash equivalents at the end of year	386.4	375.5

The Company maintains its accounting records in Korean won and prepares statutory financial statements in Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea (K-IFRS).