

Hanon Systems 2016 Q3 Disclosure

Hanon systems

The accompanying financial statements are expressed in Korean won, and for solely for the convenience of the reader, have been translated into United States dollars at the rate of Korea Exchange Bank's US dollars quarter ending exchange rates for the Income Statements, Cash Flow Statements and Balance Sheets. Such translation should not be construed as a representation that the Korean won amounts can actually be converted into United States dollars at the exchange rate used for the purpose of such translation.

	Nine Months Ended	
	Sep 30	
	Q3 2016	Q3 2015
	Hanon	Hanon
	(USD in Millions)	(USD in Millions)
Sales	\$ 3,617.4	\$ 3,650.5
Cost of sales	3,053.6	3,105.5
Gross margin	563.8	545.0
Selling, general and administrative expenses	299.9	332.1
Operating income	263.9	212.8
Other Income/expense	0.3	12.1
Financial income/expense	(16.5)	(15.5)
Equity in net income of non-consolidated affiliates	5.4	9.2
Income before income taxes	253.1	218.7
Provision for income taxes	72.5	66.6
Net income	180.7	152.1
Net income attributable to non-controlling interests	10.6	8.6
Net income Hanon	\$ 170.0	\$ 143.4

	Sep 30, 2016	Dec 31, 2015
	Hanon	Hanon
	(USD in Millions)	(USD in Millions)
Cash and equivalents	\$ 352.5	\$ 381.5
Accounts receivable, net	768.7	852.5
Inventories, net	383.7	326.1
Property and equipment, net	970.4	932.3
Equity in net assets of non-consolidated affiliates	84.2	76.1
Intangible assets, net	213.6	177.0
Other assets	508.0	206.2
Total assets	\$ 3,281.0	\$ 2,951.7
Accounts payable	\$ 545.6	\$ 618.4
Accrued employee liabilities	69.1	51.4
Debt	516.8	287.1
Other liabilities	478.3	459.5
Hanon shareholders' equity	1,620.8	1,488.7
Non-controlling interests	50.4	46.7
Total liabilities and shareholders' equity	\$ 3,281.0	\$ 2,951.7

	Nine Months Ended	
	Q3 2016	Q3 2015
	Hanon	Hanon
	(USD in Millions)	(USD in Millions)
Net cash provided from operating activities (I)	\$ 127.7	\$ 251.1
Investing activities		
Acquisition of property, plant, and equipment, net	(155.0)	(138.8)
Acquisition of intangible assets, net	(51.5)	(24.7)
Other	(7.0)	5.6
Net cash used in investing activities (II)	(213.5)	(157.9)
Financing activities		
Short-term debt, net	(53.1)	(6.5)
Long-term debt, net	(2.7)	(1.0)
Dividend	(151.0)	(96.2)
Other	260.6	-
Net cash used in financing activities (III)	53.8	(103.7)
Increase(Decrease) in cash and equivalents (I+ II + III)	(31.9)	(10.5)