

Cheil

First Quarter 2018 Earnings Release

April 26th, 2018

Cheil Worldwide

The financial information in this document is consolidated earning results based on K-IFRS.

This document is provided for investors' information before Q1 FY 2018 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
- Q1 2018 Business Performance
- 2018 Outlook

(KRW Billion)

	Q1 2017	Q1 2018	Growth(%)
Revenue (Gross Profit)	213.4	235.3	10%
Operating Expense	190.1	209.3	10%
Operating Income	23.3	26.0	12%
Non-operating Expenses and Income	-	1.2	-
Income Before Income Taxes	23.3	27.2	17%
Net Income	16.4	19.3	18%

Consolidated Revenue : Q1 2017 213.4B → Q1 2018 235.3B (21.9B ↑)

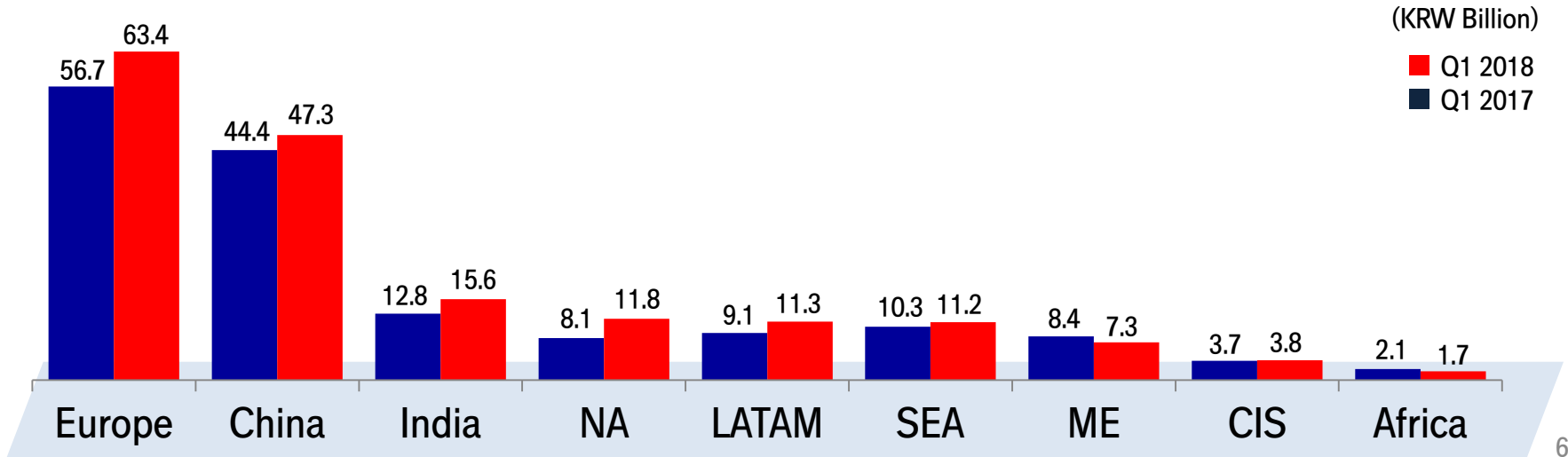
- Headquarter : 7% increase in Revenue to 58.3B (4.0B ↑)
 - Increased in revenue from major clients such as Samsung Life Insurance & KT, additional revenue from new clients POCOG
* PyeongChang Organizing Committee for the 2018 Winter Olympic Games
- Subsidiaries : 11% increase in Revenue to 177.0B (17.9B ↑)
 - Continuous strong performance in Europe & emerging markets, recovery in China & North America

(KRW Billion)

	Q1 2017	Q1 2018	Growth(%)
Headquarter	54.3	58.3	7%
Subsidiaries	159.1	177.0	11%
Total	213.4	235.3	10%

Overseas revenue proportion(%) : Q1 2017 75% → Q1 2018 75%

- Steady performance continued in Europe, India, Latin America and more
 - Europe(12% YoY), India(22%), Latin America(24%), Southeast Asia(9%)
 - ※ Iris 5% ↑
- China & North America maintained positive growth through increase in revenue from both Samsung Electronics and non-Samsung clients
 - China(7% YoY), North America(46%)
 - ※ Pengtai 14% ↑ ※ Mckinney 33%, TBG 90% ↑



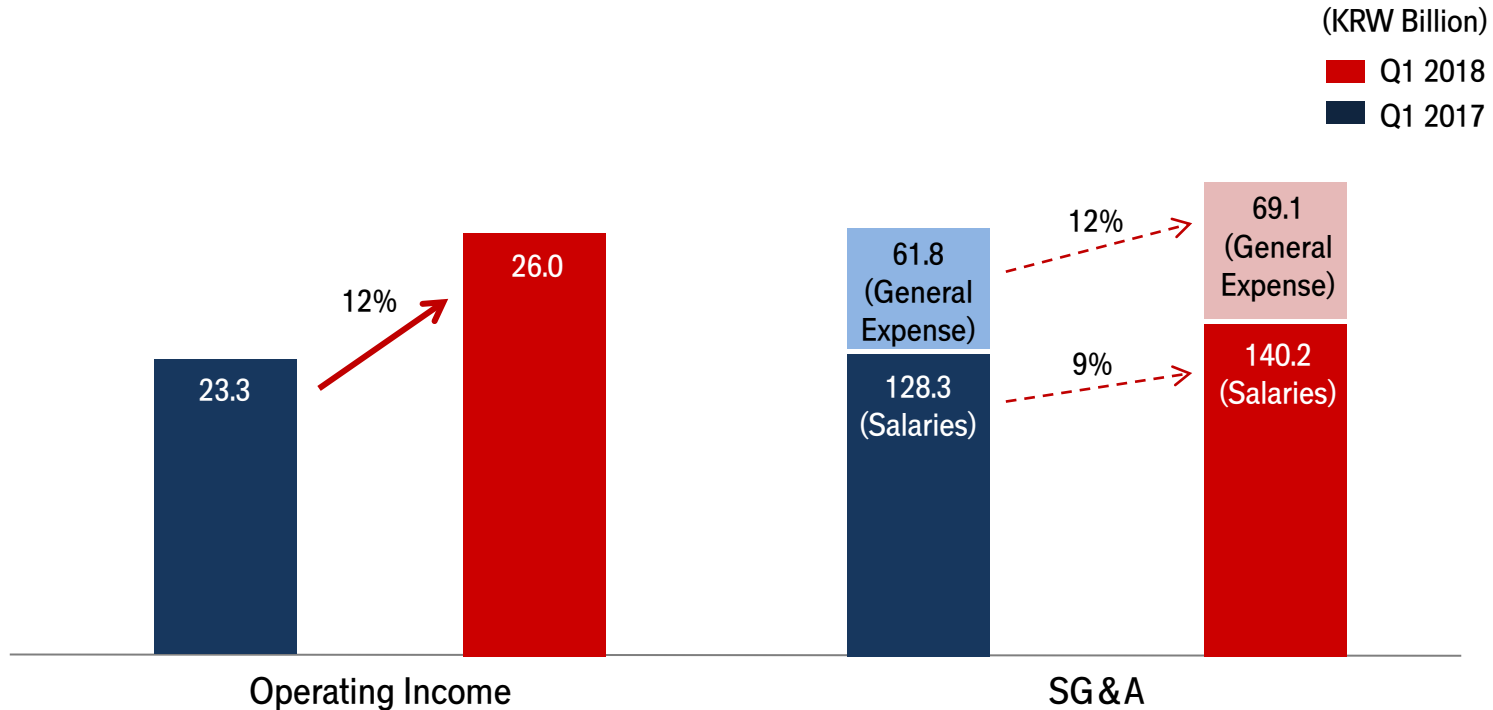
- Non-Samsung clients % : 2017 YTD 31% → Q1 2018 30%
 - Headquarter : 2017 YTD 27% → Q1 2018 30%
 - Subsidiaries : 2017 YTD 33% → Q1 2018 30%

- Digital % of total revenue : 2017 YTD 30% → Q1 2018 32%

	2010	2013	2017	Q1 2018
Digital	19%	23%	30%	32%
BTL	32%	41%	45%	45%
Retail	13%	23%	23%	23%
ATL	49%	36%	25%	23%

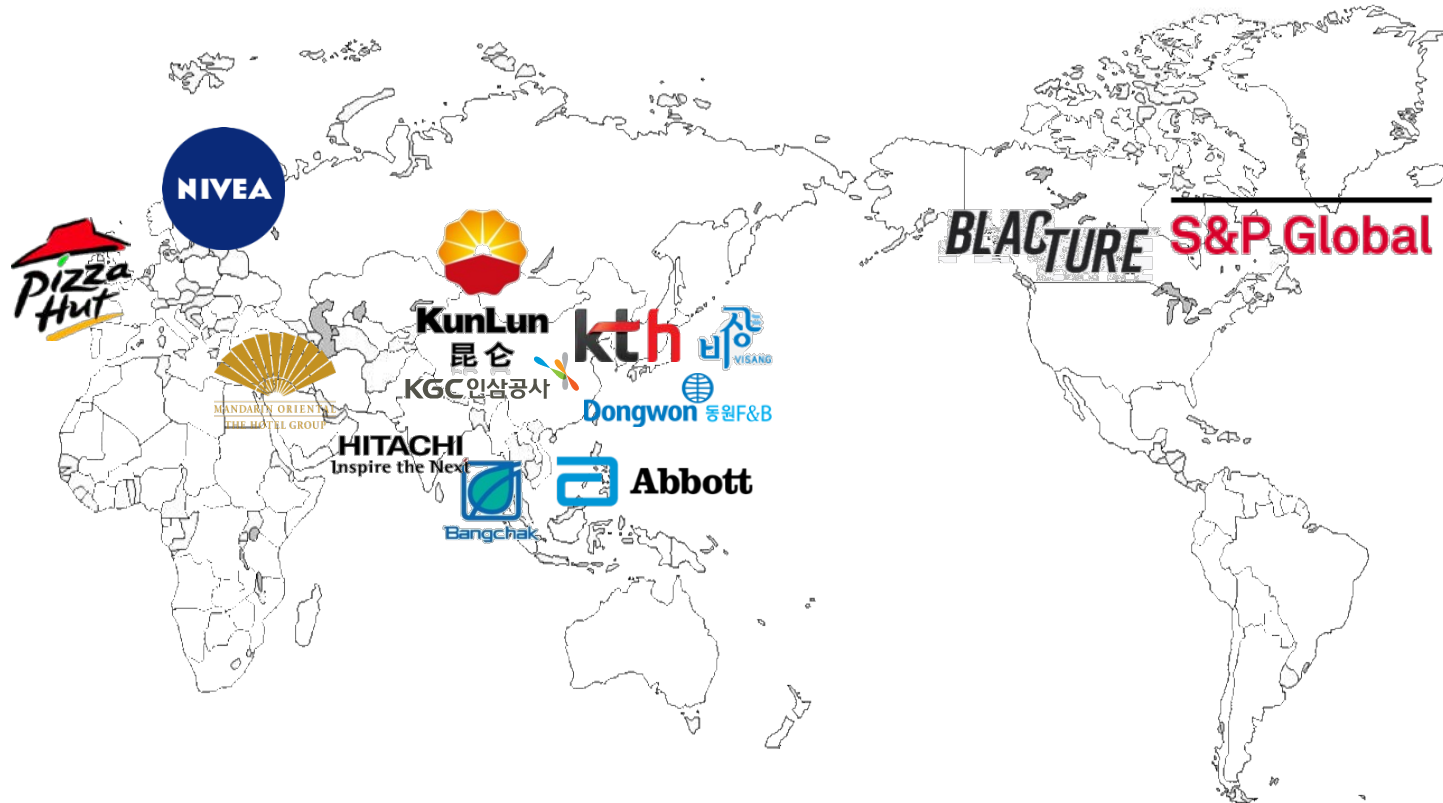
Consolidated Operating Income : Q1 2017 23.3B → Q1 2018 26.0B (2.7B ↑)

- Operating income enhanced along with revenue growth, despite increased in salaries from HQ and Cheil branches



- Kunlun, Cheongkwanjang(China), Pizza Hut(UK), Bangchak(Thailand) and more

< Q1 2018 New Clients >



- Various awards wins : AdFest(14), Consumer's Choice Ad Awards(9), etc
- Significant role as general producer of Opening and Closing ceremonies during 2018 PyeongChang Olympic
- New office in Peru : Enhanced business in Latin America



< Award winner : Stop Downloadkill >
* AdFest Gold, etc



< Opening & Closing ceremonies of
2018 PyeongChang Olympic >



< Peru office launched in February >

“Enhance Fundamentals and Grow Further as a Global Leader”

Resume Top-line Growth

- Maintain steady recovery in North America/China
- Expand major client business and develop new clients

Improve Profitability

- Strengthen subsidiaries and project management
- Enhance efficiency through process innovation

Build Future Business

- Corporate-led M&As
- Local M&As : 2 or more deals within the year

Enhance Shareholders Value

- Enhance shareholders value

Opportunities

- Economic recovery in both advanced/emerging markets
- Recovery of ad market with global sports events

Threats

- Delayed recovery of China/domestic market
- Clients' continuous pursuit of marketing budget efficiency

Thank you