

Hanon Systems 2016 Q4 Disclosure

Financial Consolidated Statement Information

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.

Income Statement

	For the years ended	
	Dec 31	
	2016	2015
	(USD in Millions)	(USD in Millions)
Sales	\$ 4,719.7	\$ 4,599.2
Cost of sales	3,975.8	3,886.6
Gross profit	743.9	712.6
Selling, general and administrative expenses	394.1	415.0
Operating profit	349.8	297.6
Other non-operating income/expenses	5.0	(8.1)
Financial income/expenses	(18.2)	(13.7)
Share of profit in associates	7.4	10.3
Profit before income taxes	344.0	286.1
Income tax expense	92.6	84.7
Net income	251.4	201.4
Profit for the year attributable to:		
Equity holders of the parent company	\$ 241.80	\$ 190.70
Non-controlling interest	9.6	10.7

Balance Sheet

	Dec 31	Dec 31
	2016	2015
	(USD in Millions)	(USD in Millions)
Cash and cash equivalents	\$ 351.8	\$ 370.0
Trade receivables	770.3	826.7
Inventories	355.6	316.3
Investments in associates	78.6	73.8
Property, plant and equipment	974.8	904.2
Intangible assets	289.9	171.6
Other assets	372.8	200.0
Total assets	\$ 3,193.8	\$ 2,862.6
Trade payables	\$ 579.5	\$ 599.8
Net defined benefit liabilities	49.8	49.8
Debt	534.7	331.9
Other liabilities	470.1	392.1
Total liabilities	\$ 1,634.1	\$ 1,373.6
Equity attributable to owners of the Parent company	1,512.3	1,443.7
Non-controlling interests	47.4	45.3
Total stockholders' equity	\$ 1,559.7	\$ 1,489.0
Total liabilities and equity	\$ 3,193.8	\$ 2,862.6

Cash Flow Statement

	For the years ended	
	Dec 31	
	2016	2015
	(USD in Millions)	(USD in Millions)
Net cash inflow from operating activities	\$ 322.1	\$ 370.3
Investing activities		
Acquisition of property, plant, and equipment	(206.6)	(187.8)
Acquisition of intangible assets	(70.9)	(33.8)
Cash outflow from business consolidation	(101.9)	-
Other	5.5	9.8
Net cash outflow from investing activities	(373.9)	(211.8)
Financing activities		
Net decrease of borrowings	(42.3)	(3.1)
Proceeds from issuance of bond	247.4	-
Dividends paid	(151.9)	(85.7)
Dividends paid to non-controlling interests	(16.3)	(3.6)
Other	3.1	-
Net cash inflow (outflow) from financing activities	40.0	(92.4)
Net increase (decrease) in cash and equivalents	(11.8)	66.1
Cash and cash equivalents at the beginning of year	370.0	315.5
Net foreign exchange differences	(4.4)	(11.6)
Non-current assets held for sale	(2.0)	-
Cash and cash equivalents at the end of year	351.8	370.0