

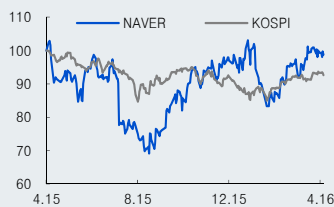
Internet

Results Comment  
April 29, 2016

(Maintain)	<b>Buy</b>
Target Price (12M, W)	<b>900,000</b>
Share Price (04/28/16, W)	659,000
Expected Return	37%

OP (16F, Wbn)	1,191
Consensus OP (16F, Wbn)	985
EPS Growth (16F, %)	57.7
Market EPS Growth (16F, %)	14.5
P/E (16F, x)	26.6
Market P/E (16F, x)	11.1
KOSPI	2,000.93
Market Cap (Wbn)	21,722
Shares Outstanding (mn)	33
Free Float (%)	77.2
Foreign Ownership (%)	57.0
Beta (12M)	0.73
52-Week Low	461,500
52-Week High	687,000

(%)	1M	6M	12M
Absolute	6.8	14.2	-3.9
Relative	5.8	16.6	3.1



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# NAVER

(035420 KS)

## Mobile ad growth to gain further momentum in 2Q16

### 1Q16 review: Mobile ads behind strong results

For 1Q16, NAVER announced consolidated revenue and operating profit of W937.3bn (+26.6% YoY) and W256.8bn (+32.1% YoY), respectively. The strong performance was partly attributable to the loss-making MixRadio being classified as discontinued operations, but the primary factor was mobile ads, which drove faster-than-expected top-line growth.

Mobile accounted for 50% of overall ad revenue in 1Q16, up 15%p YoY from 35% in 1Q15. Including LINE, mobile ad growth continued at a brisk pace, accelerating to 81.4% YoY in 1Q16 (from 61.9% in 2Q15, 74.9% in 3Q15, and 79.6% in 4Q15).

Excluding LINE, mobile ad revenue growth (domestic) gained considerable pace in 1Q16, rising to 85% YoY (from 17.8% in 2Q15, 35.9% in 3Q15, and 60.8% in 4Q15).

### Mobile growth to gain further momentum in 2Q on peak-season effects

The growth rate of mobile ads is sharply steepening. In 2Q16, mobile ad revenue should be further boosted by peak-season effects. In 1Q15, overall ad revenue fell W10.3bn QoQ due to unfavorable seasonality. In 1Q16, however, overall ad revenue increased W25.8bn QoQ, overcoming the typical seasonal decline.

In 2Q15, overall ad revenue expanded W28.7bn QoQ on favorable seasonality, a figure which already included a W3.1bn QoQ decline in LINE's ad revenue (For LINE, 2Q represents a weak season due to differences in Japan's fiscal year). In 2Q16, we forecast NAVER's consolidated revenue and operating profit to jump 25.8% and 42.1% YoY to W982.8bn and W269.4bn, respectively.

### Maintain Buy and Raise TP to W900,000

On Wednesday, Facebook shares soared in after-hours trading following the company's earnings announcement, which showed a surge in mobile ads and improved margins. On the same day, NAVER shares closed slightly lower. Facebook's 1Q16 mobile ad revenue was more than seven times its PC ad revenue. For NAVER, the ratio of mobile to PC ad revenue is 1:1.

Regarding LINE's IPO, we think the listing will take place only when the company deems that it can fetch a market value higher than what the market is expecting. Of note, more than 80% of NAVER shareholders are institutional and foreign investors.

NAVER and Facebook are probably the only two companies in the global peer group where mobile ads are driving positive earnings surprises. Based on 2016 earnings, Facebook is currently trading at a P/E multiple in the mid-30x range, which makes NAVER appear relatively cheap given its mid-20x multiple. We maintain Buy on NAVER and raise our target price to W900,000 (from W820,000), after raising our 2016-17 EPS estimates by 10.9% and 9.7%, respectively.

FY (Dec)	12/13	12/14	12/15	12/16F	12/17F	12/18F
Revenue (Wbn)	2,312	2,758	3,251	4,049	4,565	4,973
OP (Wbn)	524	758	762	1,191	1,541	1,771
OP margin (%)	22.7	27.5	23.4	29.4	33.8	35.6
NP (Wbn)	1,897	454	519	818	1,043	1,240
EPS (W)	45,425	13,787	15,737	24,811	31,646	37,625
ROE (%)	112.7	27.8	26.5	32.5	30.6	27.5
P/E (x)	15.9	51.6	41.8	26.6	20.8	17.5
P/B (x)	11.3	8.7	6.8	5.5	4.4	3.5

Notes: All figures are based on consolidated K-IFRS; NP refers to net profit attributable to controlling interests  
Source: Company data, Mirae Asset Daewoo Research estimates

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## Earnings and forecasts

**Table 1. Quarterly and annual earnings**

(Wbn, %)

	1Q15	2Q15	3Q15	4Q15	1Q16P	2Q16F	3Q16F	4Q16F	2014	2015	2016F
Revenue	741	781	840	891	937	983	1,020	1,109	2,759	3,254	4,049
Ads	530	559	587	647	673	715	756	827	2,019	2,322	2,970
Content	193	205	234	216	237	240	237	254	687	849	969
Other	18	17	19	28	27	28	27	28	53	83	110
LINE	234	232	281	286	340	343	368	397	759	1,033	1,447
<b>% of revenue</b>											
Ads	71.5	71.5	69.8	72.6	71.8	72.7	74.1	74.6	73.2	71.4	73.4
Content	26.1	26.3	27.9	24.3	25.3	24.5	23.2	23.0	24.9	26.1	23.9
Other	2.4	2.2	2.3	3.2	2.9	2.8	2.7	2.5	1.9	2.5	2.7
LINE	31.6	29.7	33.5	32.0	36.3	34.8	36.1	35.8	27.5	31.8	35.7
Operating expenses	546	592	619	666	680	713	714	749	2,000	2,424	2,857
Operating profit	194	189	221	225	257	269	306	359	758	830	1,191
OP margin (%)	26.2	24.2	26.3	25.3	27.4	27.4	30.0	32.4	27.5	25.5	29.4
Non-operating profit	47	45	32	8	34	35	35	35	96	132	139
Non-operating expenses	17	50	42	30	35	40	45	51	196	139	171
Pretax income	225	185	211	203	256	264	296	343	659	823	1,159
Taxes	89	37	73	30	76	78	88	102	237	229	344
Net profit	135	124	117	141	180	186	208	241	452	517	815
Net margin (%)	18.2	15.9	13.9	15.9	19.2	18.9	20.4	21.8	16.4	15.9	20.1
<b>YoY</b>											
Revenue	18.3	13.9	20.1	19.4	26.6	25.8	21.4	24.4	-3.8	18.0	24.4
Ads	11.1	10.8	17.9	19.7	26.9	28.0	28.8	27.8	15.9	15.0	27.9
Content	46.7	22.0	22.5	10.4	23.1	17.1	1.2	17.6	59.4	23.6	14.2
Other	1.9	31.1	74.7	163.3	52.7	58.6	41.7	-2.3	-53.8	57.6	32.6
LINE	61.4	26.5	35.0	28.9	45.1	47.8	30.7	39.0	67.0	36.2	40.1
Operating expenses	24.3	19.2	21.2	20.5	24.6	20.5	15.3	12.5	12.9	21.2	17.9
Operating profit	4.3	0.2	17.1	16.2	32.1	42.2	38.2	59.6	-30.8	9.5	43.5
Net profit	4.3	215.1	-24.0	9.1	33.9	49.6	78.0	70.6	-76.2	14.4	57.7

Notes: All figures are based on consolidated K-IFRS; net profit is attributable to controlling interests

Source: Company data, Mirae Asset Daewoo Research estimates

**Table 2. LINE's quarterly and annual earnings**

(Wbn, %)

	1Q15	2Q15	3Q15	4Q15	1Q16P	2Q16F	3Q16F	4Q16F	2014	2015	2016F
Revenue	234	232	281	286	340	343	368	397	759	1,033	1,447
Games	114	117	125	109	125	124	126	140	292	464	514
Stickers	57	60	73	71	84	85	91	98	209	260	358
Ads	56	53	74	80	96	98	116	129	155	262	438
Other	8	2	10	26	35	36	35	30	102	47	137
<b>% of revenue</b>											
Games	48.7	50.3	44.3	38.1	36.6	36.2	34.2	35.2	38.5	44.9	35.5
Stickers	24.3	25.9	25.9	24.7	24.7	24.7	24.7	24.7	27.6	25.2	24.7
Ads	23.9	22.8	26.2	27.9	28.3	28.5	31.6	32.4	20.4	25.4	30.3
Other	3.2	1.0	3.6	9.2	10.4	10.6	9.5	7.6	13.5	4.5	9.4
<b>YoY</b>											
Revenue	5.7	-1.1	21.4	1.5	19.0	0.7	7.4	8.0	67.0	36.2	40.1
Games	52.6	2.3	6.9	-12.6	14.3	-0.3	1.3	11.3	5.9	58.7	10.8
Sticker	-7.4	5.5	21.4	-2.9	19.0	0.7	7.4	8.0	88.3	24.5	37.6
Ads	18.3	-5.5	39.6	8.0	20.5	1.5	19.0	10.9	171.8	69.4	67.1
Other	-80.3	-68.8	335.1	157.9	33.7	2.5	-3.2	-13.5	922.4	-54.5	193.8

Source: Company data, Mirae Asset Daewoo Research

**Table 3. Earnings comparison of global internet companies**

(Wbn, %)

	Market cap	Revenue			Operating profit			OP margin			Net profit			NP margin			EPS		
		15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F
NAVER	21,722	3,251	3,808	4,283	762	1,020	1,310	23.4	26.8	30.6	519	701	925	16.0	18.4	21.6	17,619	22,069	28,843
Kakao	6,778	932	1,290	1,576	89	200	312	9.5	15.5	19.8	76	140	216	8.1	10.9	13.7	1,269	2,209	3,405
Interpark	645	402	441	476	23	32	40	5.8	7.2	8.3	17	25	31	4.2	5.7	6.5	518	763	943
Alphabet	558,144	84,906	81,507	94,136	21,920	33,687	39,591	25.8	41.3	42.1	18,510	21,658	25,932	21.8	26.6	27.5	26,166	38,535	45,357
Yahoo	39,841	5,625	4,034	4,046	-5,376	227	317	-95.6	5.6	7.8	-4,936	25	230	-87.7	0.6	5.7	-5,254	573	662
Amazon	325,757	121,157	149,483	179,401	2,528	4,694	7,899	2.1	3.1	4.4	675	2,586	4,930	0.6	1.7	2.7	1,449	10,650	16,027
Facebook	354,948	20,299	29,907	39,873	7,048	16,402	21,753	34.7	54.8	54.6	4,154	8,310	12,132	20.5	27.8	30.4	1,483	3,953	5,163
Twitter	11,849	2,511	3,166	3,828	-510	385	387	-20.3	12.2	10.1	-590	-457	-307	-23.5	-14.4	-8.0	-894	596	794
LinkedIn	18,075	3,386	4,212	5,057	-171	666	660	-5.0	15.8	13.1	-188	-296	-91	-5.6	-7.0	-1.8	-1,461	3,693	4,789
Groupon	3,032	3,532	3,456	3,643	-90	-25	42	-2.6	-0.7	1.1	23	-178	-116	0.7	-5.1	-3.2	34	-59	37
Yahoo Japan	29,748	6,293	8,882	9,627	2,170	2,259	2,515	34.5	25.4	26.1	1,655	1,486	1,647	26.3	16.7	17.1	291	261	290
Rakuten	18,391	6,675	8,377	9,459	886	1,349	1,608	13.3	16.1	17.0	416	775	946	6.2	9.3	10.0	302	550	671
Alibaba	218,939	13,055	17,854	23,400	3,963	5,139	7,090	30.4	28.8	30.3	4,156	12,653	6,775	31.8	70.9	29.0	1,770	3,084	3,859
Baidu	74,111	11,958	14,370	17,661	2,102	2,503	3,506	17.6	17.4	19.9	6,064	2,472	3,456	50.7	17.2	19.6	17,365	7,745	10,341
Sohu	1,995	2,193	2,092	2,357	93	8	89	4.3	0.4	3.8	-56	-143	-34	-2.6	-6.9	-1.5	-1,455	-3,127	-503
Sina	3,965	997	1,062	1,230	14	55	113	1.4	5.1	9.2	29	27	59	2.9	2.5	4.8	487	1,093	1,568
Youku	6,028	1,182	1,717	2,195	-284	-216	-68	-24.0	-12.6	-3.1	-307	-203	-	-26.0	-11.8	-	-1,255	-882	-407
Tencent	222,329	18,529	23,817	30,110	6,850	8,988	11,387	37.0	37.7	37.8	5,189	6,855	8,883	28.0	28.8	29.5	558	773	994
Average								5.1	16.7	18.5				4.0	10.7				

Notes: Based on Bloomberg consensus as of Apr. 28<sup>th</sup>

Source: Bloomberg, Mirae Asset Daewoo Research

**Table 4. Valuation comparison of global internet companies**

(x, %)

	Market cap	P/E			P/B			P/S			EV/EBITDA			ROE			ROA		
		15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F	15	16F	17F
NAVER	21,722	37.4	29.9	22.8	9.1	7.0	5.4	6.0	5.7	5.1	19.2	17.6	13.9	26.5	27.5	27.8	13.3	15.5	17.1
Kakao	6,778	78.9	45.5	29.5	2.4	2.1	2.0	6.4	5.3	4.3	39.2	23.5	16.5	3.0	5.0	6.8	2.5	3.9	5.2
Interpark	645	37.8	25.7	20.8	3.8	3.4	3.1	1.6	1.5	1.4	20.6	13.5	11.4	10.5	14.1	15.6	3.8	5.6	6.5
Alphabet	558,144	29.6	21.5	18.3	4.0	3.5	2.9	6.3	6.9	6.0	17.6	11.9	10.2	14.2	16.2	16.7	12.0	13.8	14.6
Yahoo	39,841	518.8	73.5	63.5	1.2	1.2	1.2	7.2	9.8	9.8	-	38.8	34.6	-14.4	1.5	1.5	-9.5	0.5	0.8
Amazon	325,757	487.9	65.4	43.5	21.3	16.0	11.1	2.7	2.2	1.8	37.1	20.4	15.4	4.9	18.4	23.9	1.0	4.8	6.4
Facebook	354,948	67.2	31.8	24.3	7.4	5.6	4.5	15.5	12.0	9.0	37.0	18.3	13.8	11.0	17.4	18.7	9.9	17.7	19.0
Twitter	11,849	-	28.6	21.5	2.3	2.3	2.2	4.2	3.8	3.1	-	11.4	9.0	-10.7	-0.1	0.9	-7.2	0.3	1.7
LinkedIn	18,075	-	37.0	28.5	3.5	3.9	3.6	5.1	4.3	3.6	103.0	14.2	11.4	-4.1	9.7	10.4	-2.6	7.1	9.4
Groupon	3,032	-	-	139.7	5.8	7.8	5.8	1.0	0.9	0.8	19.2	16.8	9.6	3.4	0.4	2.5	1.0	-3.0	0.4
Yahoo Japan	29,748	16.5	20.3	18.3	3.3	3.0	2.7	4.3	3.4	3.1	9.2	10.1	9.2	21.9	15.0	15.1	14.6	11.3	11.3
Rakuten	18,391	37.4	22.9	18.8	2.6	2.5	2.2	2.4	2.1	1.9	4.6	2.2	1.9	8.2	11.2	12.1	1.1	2.5	2.5
Alibaba	218,939	54.3	28.9	23.1	5.8	5.7	4.8	13.1	12.4	9.4	37.7	22.5	18.3	39.1	30.1	18.4	21.7	16.6	12.2
Baidu	74,111	13.9	27.8	20.8	5.2	4.3	3.5	6.4	5.2	4.2	27.8	21.2	15.7	51.3	16.5	18.7	27.3	10.2	11.9
Sohu	1,995	1,977	-	-	1.4	1.3	1.2	0.9	1.0	0.9	5.1	7.0	3.8	-3.2	-8.4	-1.5	-1.4	-2.1	-0.2
Sina	3,965	201.3	52.6	36.3	1.4	1.1	1.1	3.4	3.8	3.2	44.7	21.0	12.9	1.1	1.9	2.9	0.6	1.5	2.4
Youku	6,028	-	-	-	4.5	4.7	4.6	5.3	3.7	2.9	-	-	-	-19.8	-17.3	-6.5	-31.5	-21.0	-8.9
Tencent	222,329	43.4	30.7	23.9	10.5	8.2	6.3	12.2	9.4	7.4	26.5	21.8	17.3	28.8	29.3	29.5	12.1	13.6	14.2
Average		257.3	36.1	34.6	5.3	4.6	3.8	5.8	5.2	4.3	29.9	17.2	13.2	9.5	10.5	11.9	3.8	5.5	7.0

Notes: Based on Bloomberg consensus as of Apr. 28<sup>th</sup>

Source: Bloomberg, Mirae Asset Daewoo Research

## NAVER (035420 KS/Buy/TP: W900,000)

**Comprehensive Income Statement (Summarized)**

(Wbn)	12/15	12/16F	12/17F	12/18F
<b>Revenue</b>	<b>3,251</b>	<b>4,049</b>	<b>4,565</b>	<b>4,973</b>
<b>Cost of Sales</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Gross Profit</b>	<b>3,251</b>	<b>4,049</b>	<b>4,565</b>	<b>4,973</b>
<b>SG&amp;A Expenses</b>	<b>2,489</b>	<b>2,857</b>	<b>3,025</b>	<b>3,202</b>
<b>Operating Profit (Adj)</b>	<b>762</b>	<b>1,191</b>	<b>1,541</b>	<b>1,771</b>
<b>Operating Profit</b>	<b>762</b>	<b>1,191</b>	<b>1,541</b>	<b>1,771</b>
<b>Non-Operating Profit</b>	<b>-54</b>	<b>-25</b>	<b>-45</b>	<b>-25</b>
Net Financial Income	22	34	51	71
Net Gain from Inv in Associates	-2	2	1	1
Pretax Profit	708	1,166	1,496	1,746
Income Tax	191	351	457	510
Profit from Continuing Operations	517	815	1,040	1,236
Profit from Discontinued Operations	0	0	0	0
<b>Net Profit</b>	<b>517</b>	<b>815</b>	<b>1,040</b>	<b>1,236</b>
Controlling Interests	519	818	1,043	1,240
Non-Controlling Interests	-2	-3	-4	-4
<b>Total Comprehensive Profit</b>	<b>554</b>	<b>815</b>	<b>1,040</b>	<b>1,236</b>
Controlling Interests	556	817	1,043	1,240
Non-Controlling Interests	-2	-2	-3	-4
EBITDA	918	1,318	1,644	1,855
FCF (Free Cash Flow)	736	1,177	1,324	1,472
EBITDA Margin (%)	28.2	32.6	36.0	37.3
Operating Profit Margin (%)	23.4	29.4	33.8	35.6
Net Profit Margin (%)	16.0	20.2	22.8	24.9

**Cash Flows (Summarized)**

(Wbn)	12/15	12/16F	12/17F	12/18F
Cash Flows from Op Activities	856	1,177	1,324	1,472
Net Profit	517	815	1,040	1,236
Non-Cash Income and Expense	512	450	543	557
Depreciation	143	116	94	77
Amortization	13	11	9	7
Others	356	323	440	473
Chg in Working Capital	63	221	139	110
Chg in AR & Other Receivables	-72	-100	-64	-51
Chg in Inventories	0	-4	-2	-2
Chg in AP & Other Payables	53	0	0	0
<b>Income Tax Paid</b>	<b>-268</b>	<b>-351</b>	<b>-457</b>	<b>-510</b>
Cash Flows from Inv Activities	-791	-400	-288	-233
Chg in PP&E	-118	0	0	0
Chg in Intangible Assets	-15	0	0	0
Chg in Financial Assets	-654	-398	-258	-203
<b>Others</b>	<b>-4</b>	<b>-2</b>	<b>-30</b>	<b>-30</b>
Cash Flows from Fin Activities	6	-137	-44	-52
Chg in Financial Liabilities	212	-105	0	0
Chg in Equity	0	0	0	0
Dividends Paid	-23	-32	-44	-52
<b>Others</b>	<b>-183</b>	<b>0</b>	<b>0</b>	<b>0</b>
Increase (Decrease) in Cash	91	612	970	1,166
Beginning Balance	723	813	1,426	2,396
<b>Ending Balance</b>	<b>813</b>	<b>1,426</b>	<b>2,396</b>	<b>3,561</b>

Source: Company data, Mirae Asset Daewoo Research estimates

**Statement of Financial Condition (Summarized)**

(Wbn)	12/15	12/16F	12/17F	12/18F
<b>Current Assets</b>	<b>2,639</b>	<b>3,692</b>	<b>4,951</b>	<b>6,345</b>
Cash and Cash Equivalents	813	1,426	2,396	3,561
AR & Other Receivables	519	639	720	785
Inventories	16	19	22	24
Other Current Assets	1,291	1,608	1,813	1,975
<b>Non-Current Assets</b>	<b>1,747</b>	<b>1,728</b>	<b>1,694</b>	<b>1,666</b>
Investments in Associates	65	81	91	99
Property, Plant and Equipment	864	748	654	577
Intangible Assets	103	92	83	76
<b>Total Assets</b>	<b>4,386</b>	<b>5,419</b>	<b>6,645</b>	<b>8,010</b>
<b>Current Liabilities</b>	<b>1,684</b>	<b>1,865</b>	<b>2,050</b>	<b>2,196</b>
AP & Other Payables	373	465	524	571
Short-Term Financial Liabilities	518	413	413	0
Other Current Liabilities	793	987	1,113	1,625
<b>Non-Current Liabilities</b>	<b>433</b>	<b>502</b>	<b>547</b>	<b>582</b>
Long-Term Financial Liabilities	150	150	150	0
Other Non-Current Liabilities	283	352	397	582
<b>Total Liabilities</b>	<b>2,116</b>	<b>2,367</b>	<b>2,597</b>	<b>2,779</b>
<b>Controlling Interests</b>	<b>2,125</b>	<b>2,911</b>	<b>3,909</b>	<b>5,097</b>
Capital Stock	16	16	16	16
Capital Surplus	133	133	133	133
Retained Earnings	3,069	3,855	4,855	6,042
<b>Non-Controlling Interests</b>	<b>145</b>	<b>142</b>	<b>139</b>	<b>135</b>
<b>Stockholders' Equity</b>	<b>2,270</b>	<b>3,053</b>	<b>4,048</b>	<b>5,232</b>

**Forecasts/Valuations (Summarized)**

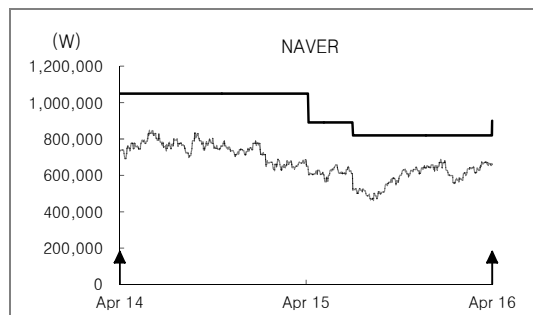
	12/15	12/16F	12/17F	12/18F
P/E (x)	41.8	26.6	20.8	17.5
P/CF (x)	21.1	17.2	13.7	12.1
P/B (x)	6.8	5.5	4.4	3.5
EV/EBITDA (x)	22.3	14.8	11.1	9.1
EPS (W)	15,737	24,811	31,646	37,625
CFPS (W)	31,232	38,372	47,999	54,391
BPS (W)	96,527	120,364	150,683	186,717
DPS (W)	1,100	1,500	1,800	2,200
Payout ratio (%)	6.2	5.4	5.0	5.2
Dividend Yield (%)	0.2	0.2	0.3	0.3
Revenue Growth (%)	17.9	24.5	12.7	8.9
EBITDA Growth (%)	1.8	43.6	24.7	12.8
Operating Profit Growth (%)	0.5	56.3	29.4	14.9
EPS Growth (%)	14.1	57.7	27.5	18.9
Accounts Receivable Turnover (x)	9.0	8.9	8.5	8.4
Inventory Turnover (x)				
Accounts Payable Turnover (x)	0.0	0.0	0.0	0.0
ROA (%)	13.3	16.6	17.2	16.9
ROE (%)	26.5	32.5	30.6	27.5
ROIC (%)	92.1	213.1	657.8	-15,559
Liability to Equity Ratio (%)	93.2	77.5	64.1	53.1
Current Ratio (%)	156.8	198.0	241.5	288.9
Net Debt to Equity Ratio (%)				
Interest Coverage Ratio (x)				

# APPENDIX 1

## Important Disclosures & Disclaimers

### 2-Year Rating and Target Price History

Company (Code)	Date	Rating	Target Price
NAVER(035420)	04/28/2016	Buy	900,000
	07/30/2015	Buy	820,000
	05/04/2015	Buy	890,000
	03/28/2014	Buy	1,050,000



### Stock Ratings

Buy : Relative performance of 20% or greater  
 Trading Buy : Relative performance of 10% or greater, but with volatility  
 Hold : Relative performance of -10% and 10%  
 Sell : Relative performance of -10%

### Industry Ratings

Overweight : Fundamentals are favorable or improving  
 Neutral : Fundamentals are steady without any material changes  
 Underweight : Fundamentals are unfavorable or worsening

Ratings and Target Price History (Share price (—), Target price (■), Not covered (□), Buy (▲), Trading Buy (■), Hold (●), Sell (◆))

\* Our investment rating is a guide to the relative return of the stock versus the market over the next 12 months.

\* Although it is not part of the official ratings at Daewoo Securities, we may call a trading opportunity in case there is a technical or short-term material development.

\* The target price was determined by the research analyst through valuation methods discussed in this report, in part based on the analyst's estimate of future earnings.

\* The achievement of the target price may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

### Equity Ratings Distribution

Buy	Trading Buy	Hold	Sell
68.29%	17.56%	14.15%	0.00%

\* Based on recommendations in the last 12-months (as of March 31, 2016)

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