

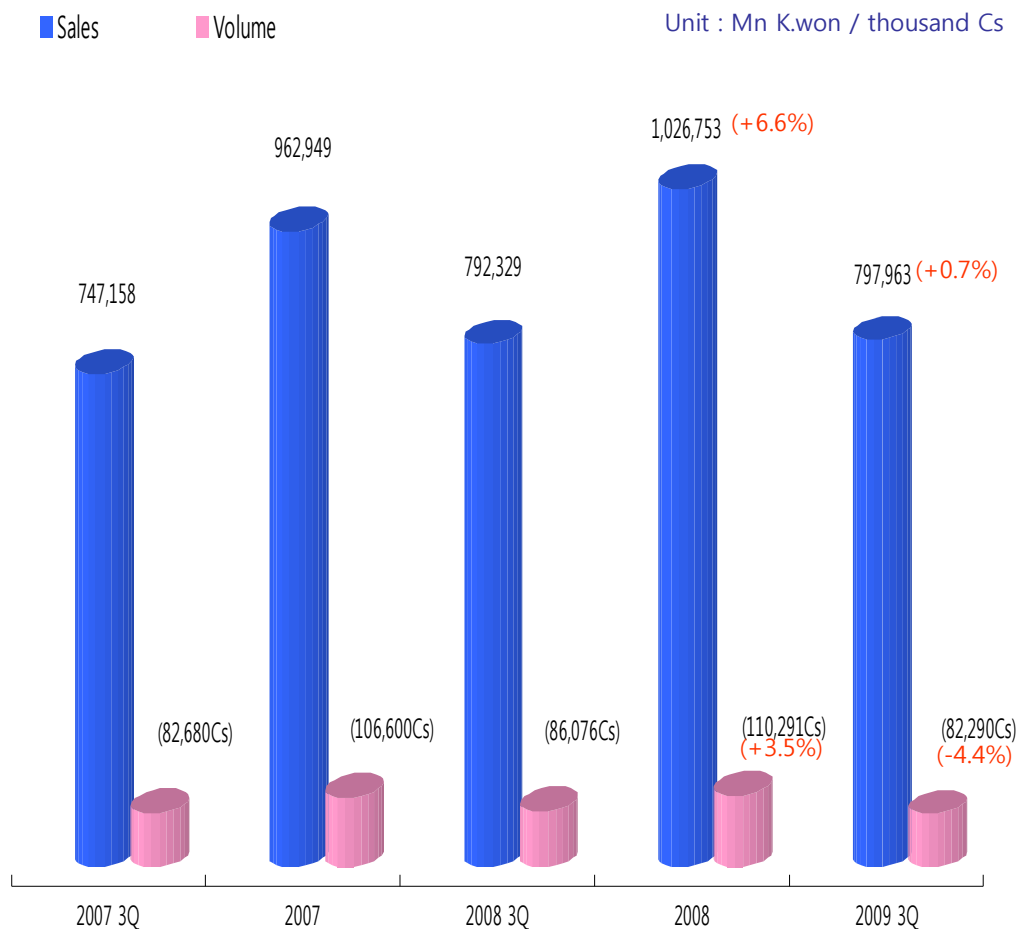


2009 3Q Investor Presentation

2009. 11

Trend in sales growth

■ Sales W294.6bn (yoy -2.7%), accumulated sales W798.0bn (yoy +0.7%)



• Sales decreased 2.7% yoy
(accumulated sales increased 0.7%)

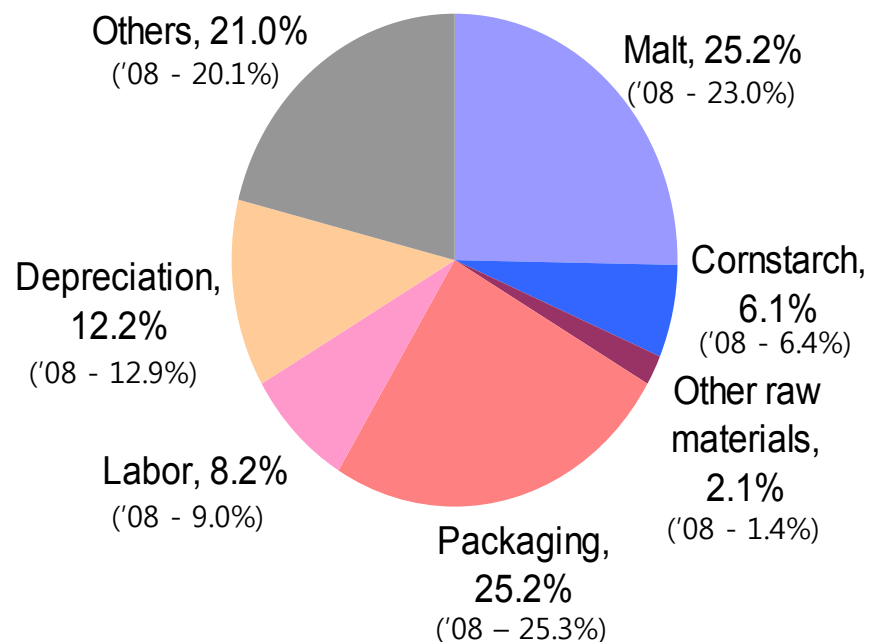
- ① Sales volume decreased 6.2%
(accumulated base -4.4%)
- ② Price hike effect reflected
-Because of price hike in mid July 2008, 3Q has price hike effect
- ③ Export sales and volume increased

Unit : thousand U\$D, thousand c/s

Items	09 3Q	Increase	08 3Q
Volume	15,017	123.3%	6,725
Sales	1,810	42.3%	1,272

Cost breakdown

- Gross profit W153.7bn, yoy -4.1% (accumulated gross profit W414.1bn yoy -1.8%)
- Gross profit margin '08 3Q 52.9% → '09 3Q 52.2% (accumulated gross profit margin 53.2% → 51.9%)



COGS breakdown

• Malt

- Quantity consumed: domestic 19,880ton(19.4%), imported 82,720ton(80.6%)
(domestic 2.4% increased, imported 3% decreased)
- Cost: domestic 31.3bn(31.7%), imported 67.4bn(68.3%)
(domestic 3.2% increased, imported 21.6% decreased)

• Weaker Korean won and import tariff

- Average FX(Jan~Sep): '08 1,012won → '09 1,313won
- Import tariff: '07 10% → '08 0% → '09 1H 8%
→ '09 2H import tariff: 15%

• Starch

- Quantity consumed: 38,134ton (+1,671ton yoy)
- Cost: 24bn (+0.1bn yoy)

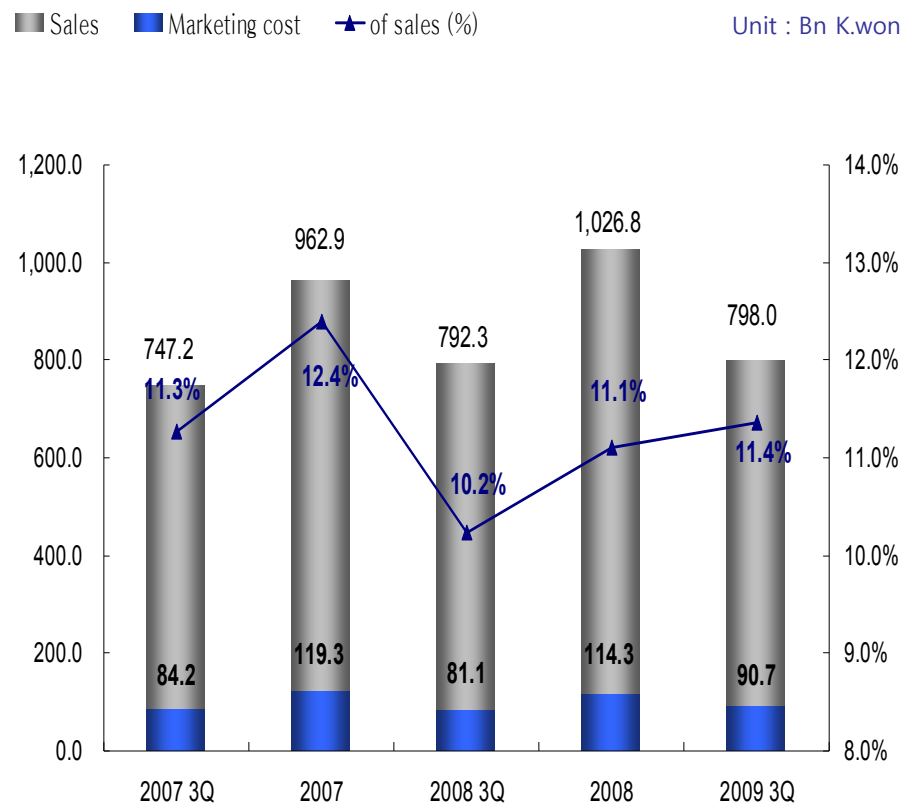
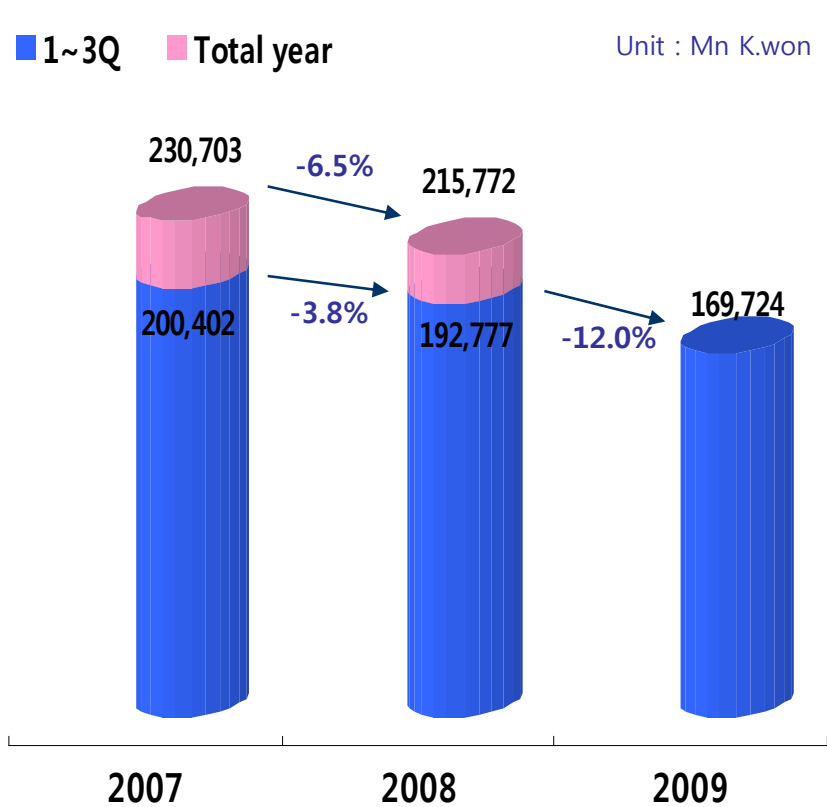
• Packaging

- Cost: 98.4bn (+4.2bn yoy)

※ Can : +3.3bn, PET : -0.1bn, bottle related : +1bn

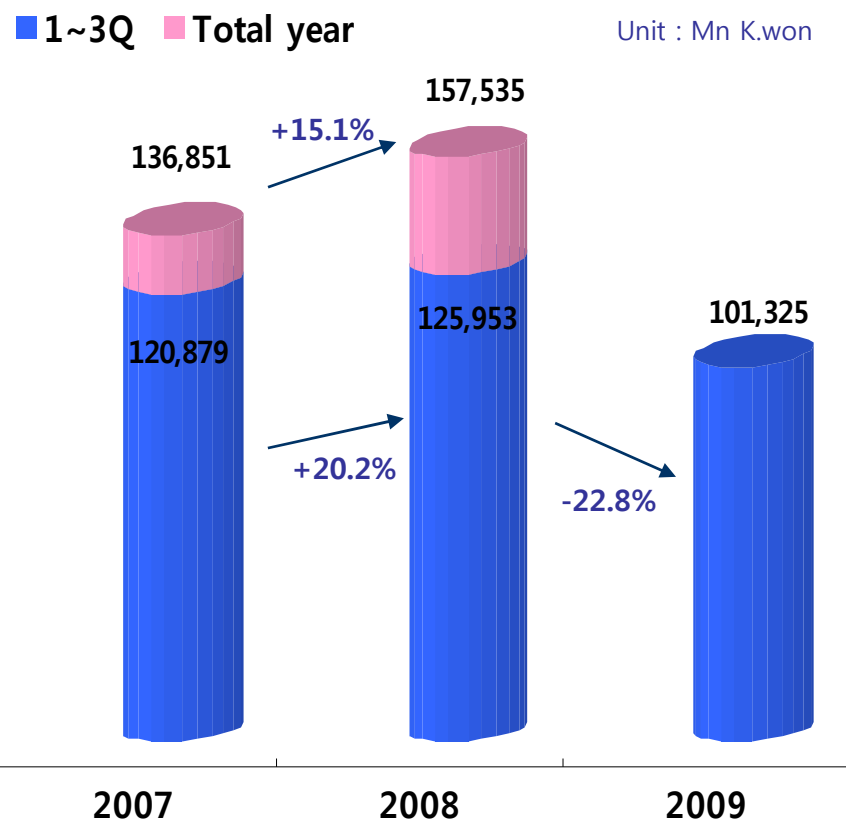
Operating profit and marketing strategy

- Operating profit : W62.5bn (yoy 17.6% decreased, operating profit margin 21.2% → yoy -3.8%p)
- Royalty cost : W9.6bn (payment start from 2008 2H)
- Marketing cost : 11.4% of sales (increased W9.7bn yoy)



Earnings improvement

- Net profit 38.6bn, yoy -13.6% (accumulated 101.3bn, yoy -19.6%)
- Equity method gain of Jinro: included to Hite holdings since '08 2H
- Interest expenses : 42.4bn (yoy 30bn decreased)



• Subsidiary's equity method gain

'08 3Q equity method gain : W23.2bn

'09 3Q equity method gain : W0.3bn (Only Hiscot)

※ **Included to Hite holdings since 2008 2H**

• Interest expenses decreased

End of '08 3Q Interest bearing debt: W780bn

Interest expenses: 72bn

End of '09 3Q Interest bearing debt: **W950bn**

Interest expenses: 42.4bn

- bond: 580bn / short-term: 370bn

※ Interest bearing debt divided when company split
(Hite brewery W860bn, Hite holdings W290bn)

Hite brewery financial statement

Income statement

Items	Unit: K/ Mln				Unit: K/ Mln									
	2009 3Q	In/decrease	Ratio	2008 3Q	Ratio	2007 3Q	Ratio	2009 Jan-Sep	In/decrease	Ratio	2008 Jan-Sep	Ratio	2007 Jan-Sep	Ratio
Sales	294,637	-2.7%	100.0%	302,960	100.0%	289,852	100.0%	797,963	0.7%	100.0%	792,329	100.0%	747,158	100.0%
(Volume thousand)	(30,429C)	-6.2%		(32,430C)		(31,860C)		(82,290C)	-4.4%		(86,076C)		(82,680C)	
COGS	140,980	-1.3%	47.8%	142,773	47.1%	128,766	44.4%	383,870	1.6%	48.1%	370,602	46.8%	333,673	44.7%
Gross profit	153,657	-4.1%	52.2%	160,186	52.9%	161,087	55.6%	414,093	-1.8%	51.9%	421,728	53.2%	413,485	55.3%
SG&A	91,183	8.0%	30.9%	84,397	27.9%	79,808	27.6%	244,369	-6.7%	30.6%	228,951	28.0%	213,083	28.5%
Marketing expenses	38,611	-4.2%	13.1%	27,161	9.0%	31,709	10.9%	90,779	11.0%	11.4%	81,102	10.2%	84,199	11.3%
Operating profit	62,474	-17.6%	21.2%	75,789	25.0%	81,189	28.0%	169,724	-12.0%	21.3%	192,777	24.3%	200,402	26.8%
Non-operating profit	23,904	-135.8%	8.1%	10,136	3.3%	8,775	3.0%	36,870	-21.3%	4.6%	-46,840	5.9%	16,877	2.3%
(Equity method gain)	252	#DIV/0!	0.1%	-	0.0%	(6,205)	-2.1%	(252)	-98.9%	0.0%	(23,225)	2.9%	(8,178)	1.1%
Non-operating loss	37,135	69.4%	12.6%	21,919	7.2%	15,062	5.2%	76,023	24.6%	9.5%	61,006	7.7%	45,898	6.2%
(Interest expense)	(14,229)	9.7%	4.8%	(12,967)	4.3%	(13,259)	4.6%	(42,419)	-41.1%	5.3%	(72,017)	9.1%	(40,927)	5.5%
Recurring profit	49,243	-23.1%	16.7%	64,006	21.1%	74,902	25.8%	130,571	-26.9%	16.4%	178,610	22.5%	171,381	22.9%
Special gain	-			-		-	0.0%	-			-		-	
Special loss	-			-		-	0.0%	-			-		-	
Profit before tax	49,243	-23.1%	16.7%	64,006	21.1%	74,902	25.8%	130,571	-26.9%	16.4%	178,610	22.5%	171,381	22.9%
Corporate tax	10,679	-44.8%	3.6%	19,361	6.4%	21,670	7.5%	29,247	-44.5%	3.7%	52,656	6.6%	50,502	6.8%
Net profit	38,564	-13.6%	13.1%	44,645	14.7%	53,232	18.4%	101,325	-19.6%	12.7%	125,953	15.9%	120,879	16.2%

Hite brewery financial statement

Income statement

Unit: KW Mn

Items	2008	In/decrease	Ratio	2007	Ratio	2006	Ratio
Sales	1,026,753	6.6%	100.0%	962,949	100.0%	892,863	100.0%
(Volume thousand)	(110,291Cs)	3.5%		(106,600Cs)		(102,483Cs)	
COGS	490,309	12.6%	47.8%	435,472	45.2%	417,726	46.8%
Gross profit	536,444	1.7%	52.2%	527,477	54.8%	475,137	53.2%
SG&A	320,672	8.1%	31.2%	296,774	30.8%	273,593	30.6%
Marketing expenses	114,302	-4.2%	11.1%	119,327	12.4%	111,196	12.5%
Operating profit	215,772	-6.5%	21.0%	230,703	24.0%	201,544	22.6%
Non-operating profit	79,535	142.4%	7.7%	32,813	3.4%	88,445	9.9%
(Equity method gain)	(37,181)	179.8%	3.6%	(13,288)	1.4%	(9,551)	1.1%
Non-operating loss	92,302	35.3%	9.0%	68,224	7.1%	148,591	16.6%
(Interest expense)	(67,355)	24.2%	6.6%	(54,244)	5.6%	(68,688)	7.7%
Recurring profit	203,005	3.9%	19.8%	195,292	20.3%	141,398	15.8%
Special gain	-			-		-	
Special loss	-			-		-	
Profit before tax	203,005	3.9%	19.8%	195,292	20.3%	141,398	15.8%
Corporate tax	45,471	-22.2%	4.4%	58,441	6.1%	48,497	5.4%
Net profit	157,534	15.1%	15.3%	136,851	14.2%	92,901	10.4%

Hite brewery financial statement

Balance sheet

Unit: KW Mn

Items	2009 3Q	In/decrease	Ratio	2008	2007
Assets	2,122,988	13.5%	100.0%	1,870,356	2,766,797
1. Current Asset	573,165	16.8%	27.0%	490,910	488,038
(1) Cash and receivables	469,686	18.6%	22.1%	395,958	416,613
(2) Inventories	103,478	9.0%	4.9%	94,952	71,425
2. Non-current Asssets	1,549,823	12.4%	73.0%	1,379,446	2,278,759
(1) Investment	40,073	268.9%	1.9%	10,863	961,278
(2) Property, Land & Equipment	1,438,044	11.7%	67.7%	1,287,243	1,246,210
(3) Goodwill, Industrial propey rights	0	#DIV/0!	0.0%	0	544
(4) Other non-current Assets	71,706	-11.8%	3.4%	81,341	70,727
Liabilities	1,428,664	14.0%	67.3%	1,252,838	1,444,363
1. Current Liabilities	1,143,338	31.0%	53.9%	872,549	1,093,863
2. Non-current Liabilities	285,327	-25.0%	13.4%	380,289	350,500
Shareholders' equity	694,323	12.4%	32.7%	617,518	1,322,435
1. Shareholders' Equity	49,684	2.0%	2.3%	48,711	110,205
2. Capital surplus	516,747	0.0%	24.3%	516,751	636,861
3. Capital adjustment	-1,072	33.0%	-0.1%	-806	-100,584
4. Unappropriated retained earnings	128	834.3%	0.0%	14	13,159
5. Retained earnings	128,836	143.8%	6.1%	52,848	662,794

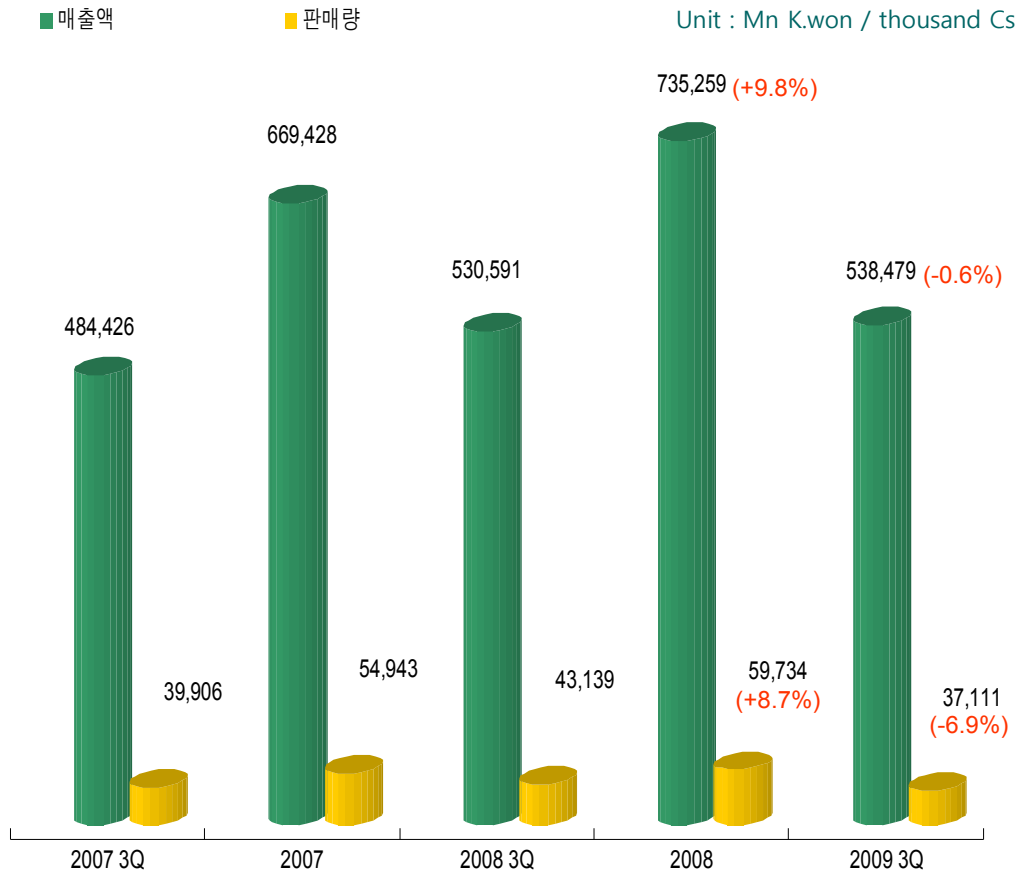
Statement of cashflows

Unit: KW Mn

Items	2009 1~3Q	In/decrease	2008 3Q	2008 3~4Q
Cash flow from operating activities	25,647	-61.6%	66,833	179,169
1. Net profit	101,325	127.0%	44,645	52,848
2. Adjustment to reconcile net profit to net cash provided by operating activities	94,656	200.9%	31,459	56,436
(Depreciation)	53,055	206.9%	17,289	36,158
3. Loss from net profit provided by non cash items	(14,465)	87.4%	(7,720)	(13,676)
(Equity method gain)	252	#DIV/0!	0	0
(Gain from asset disposal)	783	846.7%	83	2,845
4. Increase (Decrease) in liabilities	(155,868)	9950.2%	(1,551)	83,560
(Accounts and notes payable trade)	(46,434)	311.3%	(11,289)	12,674
Cash flow from investing activities	(209,104)	439.3%	(38,775)	(80,868)
1. Cash in-flow from investing activities	912	164.2%	345	4,490
2. Cash out-flow from investing activities	(210,016)	436.8%	(39,121)	(85,358)
Cash flow from financing activities	204,161	-1305.8%	(16,931)	(106,534)
1. Cash in-flow from financing activities	283,707	32.7%	213,874	264,748
2. Cash out-flow from financing activities	(79,546)	-65.5%	(230,806)	(371,282)
Net increase in cash	20,705	86.1%	11,126	(8,233)
Cash at beginning of year	23,551	-25.9%	31,784	31,784
Cash at end of year	44,256	3.1%	42,910	23,551

진로 경영실적 - 1. 매출

■ Sales W178bn(yoy 6.1% increased), accumulated sales W538.5bn(yoy 1.5% increased)



- 매출액 1.5% 증가
(3분기 누적 매출액 6.1% 증가)
 - ① 판매량(7, 8월) 8.3% 증가
(8월 누적 시 3.4% 감소)
 - ② 2008년 12월 가격인상 5.9% 반영
- 판매량 감소 원인
 - ① 전체 소주시장 1.4% 감소(소비침체)
 - ② 가격인상 시기의 차이로 인한 가수요 효과 발생 (진로 - 2008년 12월, 경쟁사 - 2009년 1월)

진로 경영실적 - 2. 원가

- 매출총이익 793억원, 전년 대비 11.3% 증가 (누적 매출총이익 2,425억원, 전년 대비 2% 증가)
- 매출총이익율 '08 3분기 42.5% → '09년 3분기 44.6% (3분기 누적 44.8% → 45.0%)

(‘08년 20.3%)

(‘08년 49.3%)

(‘08년 11.2%)

(‘08년 15.6%)

(‘08년 3.6%)

제조원가 구성

- 제조원가 중 주정이 49.5%

- 2007년 주정가 인상률 3.5%
- 2008년 주정가 인상률 11.5%

- 주정의 유통경로

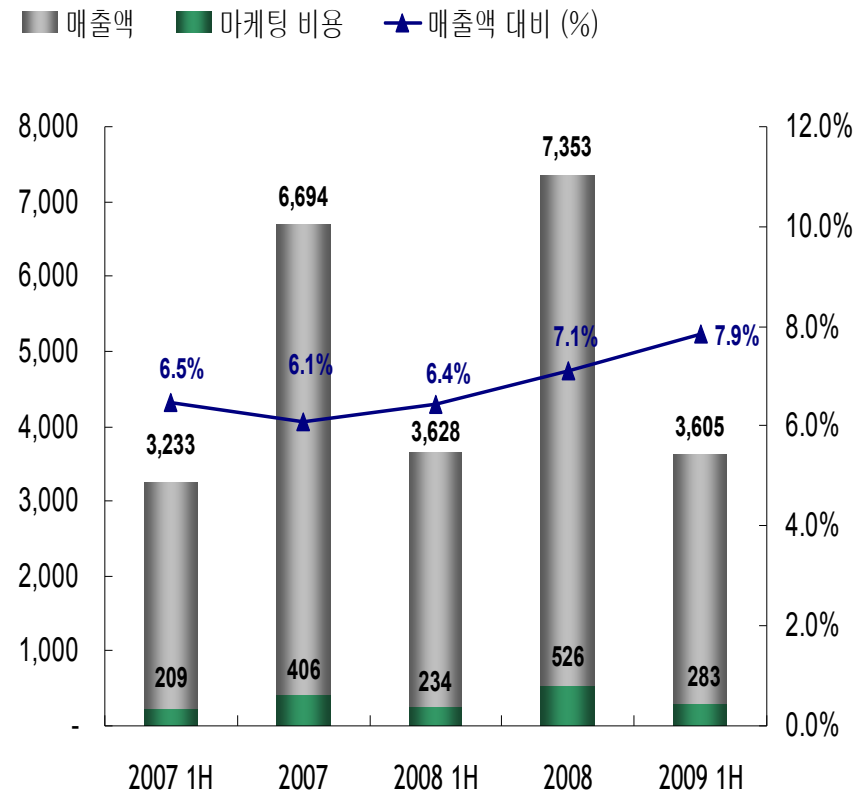
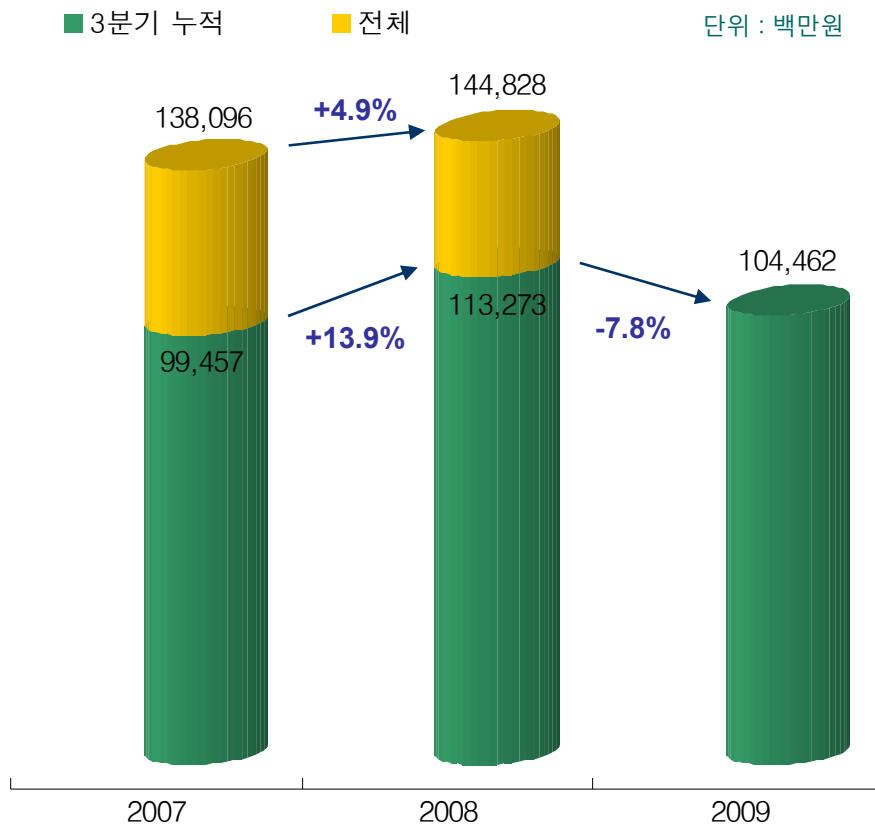
주정회사(10개) → 대한주정판매 → 소주회사

- 진로는 이천공장에서 가까운 진로발효의 주정을 주로 공급받고 있음.

주정의 원료 : 정부미, 타피오카, 옥수수, 고구마

진로 경영실적 - 3. 영업이익 & 마케팅비용

- 영업이익 : 334억원 (yoy 29.6% 증가, 영업이익률 18.8% → 전년 동기간 대비 3.4%p 상승)
- 시장점유율('09년 8월말 누계) : 50.1% (가격인상 시기에 따른 일부 M/S 감소 발생 - '09년 1월)
- 마케팅 비용 : 매출액대비 7.6% (진로 제이 리뉴얼 및 경품행사 진행에 따른 비용 증가)

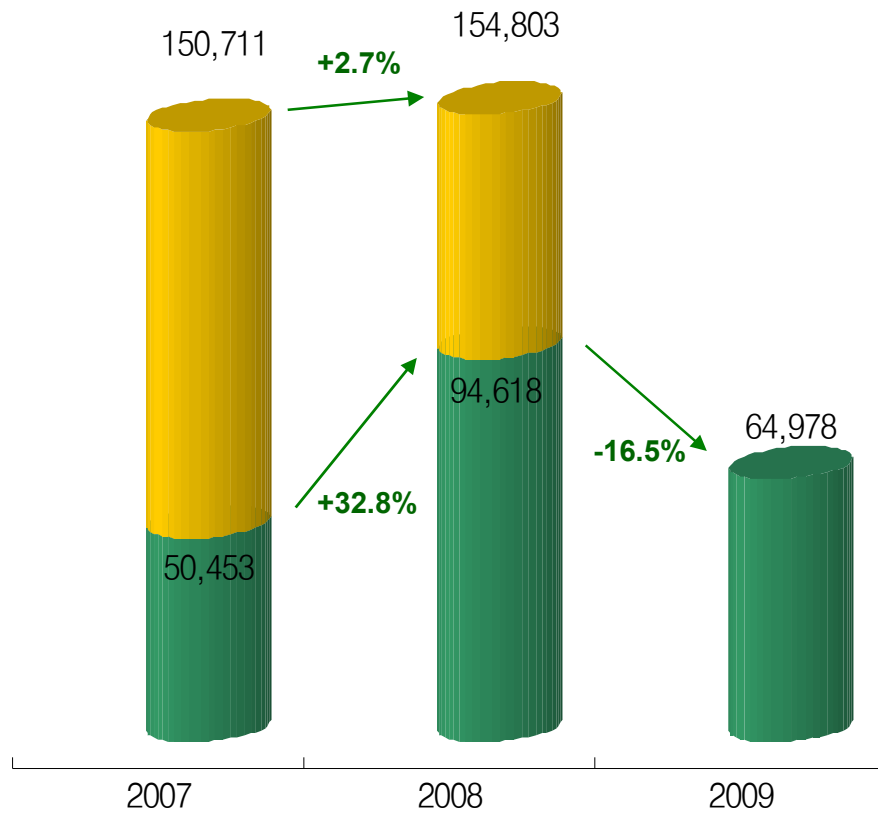


진로 경영실적 - 4. 당기순이익

- 당기순이익 294억원, 전년 동기간 대비 59.5% 증가 (누적 순이익 944억원, 전년 동기간 대비 16.5% 감소)

■ 3분기 누적 ■ 전체

단위 : 백만원



- 영업이익 164억원 감소

- 전년 동기 대비 이자비용 35억원 감소

2007년말 이자 지급성 부채 : 4,500억원

2008년 상반기말 이자 지급성 부채 : 3,800억원

2009년 상반기말 이자 지급성 부채 : 3,000억원

- 법인세 없음 (약 2011년까지)

진로 요약 재무제표 (손익계산서)

손익계산서

구분	단위: 억만원				단위: 억만원									
	2009 3Q	증감	구성비	2008 3Q	구성비	2007 3Q	구성비	2009 3Q 누적	증감	구성비	2008 3Q 누적	구성비	2007 3Q 누적	구성비
매출액	177,955	6.1%	100.0%	167,765	100.0%	161,158	100.0%	538,479	1.5%	100.0%	530,591	100.0%	484,426	100.0%
판매량	#DU/기							#DU/기						
매출원가	96,641	2.2%	55.4%	96,491	57.5%	89,050	55.3%	295,934	1.1%	55.0%	292,806	55.2%	272,994	56.4%
매출총이익	79,315	11.3%	44.6%	71,274	42.5%	72,109	44.7%	242,545	2.0%	45.0%	237,785	44.8%	211,432	43.6%
판매비와일반관리비	45,896	0.9%	25.8%	45,483	27.1%	36,822	22.8%	138,083	10.0%	25.6%	124,511	23.5%	111,975	23.1%
(마케팅비용)	(12,840)	6.5%	7.2%	(12,051)	7.2%	(8,945)	5.6%	(41,158)	16.1%	7.6%	(35,457)	6.7%	(29,861)	6.2%
영업이익	33,419	29.6%	18.8%	25,792	15.4%	35,286	21.9%	104,462	-7.8%	19.4%	113,273	21.3%	99,457	20.5%
영업외수익	6,706	92.8%	3.8%	3,479	2.1%	15,024	9.3%	31,433	-36.6%	5.8%	49,559	9.3%	47,135	9.7%
영업외비용	10,706	-1.2%	6.0%	10,831	6.5%	15,647	9.7%	32,502	-34.0%	6.0%	42,747	8.1%	61,476	12.7%
(이자비용)	(3,786)	-27.9%	2.1%	(5,250)	3.1%	(8,163)	5.1%	(13,434)	-27.1%	2.5%	(18,418)	3.5%	(25,256)	5.2%
경상이익	29,419	59.5%	16.5%	18,440	11.0%	34,663	21.5%	103,393	-13.9%	19.2%	120,085	22.6%	85,116	17.6%
특별이익	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
특별손실	-	-	-	-	-	-	0.0%	-	-	-	-	-	-	-
법인세차감전순이익	29,419	59.5%	16.5%	18,440	11.0%	34,663	21.5%	103,393	-13.9%	19.2%	120,085	22.6%	85,116	17.6%
법인세동	-	#DU/기	0.0%	-	0.0%	-	0.0%	8,996	28.0%	1.7%	7,028	1.3%	-	0.0%
당기순이익	29,419	59.5%	16.5%	18,440	11.0%	34,663	21.5%	94,397	-16.5%	17.5%	113,057	21.3%	85,116	17.6%

진로 요약 재무제표 (손익계산서)

손익계산서

단위:백만원

구분	2008	증감	구성비	2007	구성비	2006	구성비
매출액	735,259	9.8%	100.0%	669,428	100.0%	700,794	100.0%
판매량	(59,734천Cs)	8.7%		(54,943천Cs)		(56,723천Cs)	
매출원가	408,710	9.4%	55.6%	373,593	55.8%	389,020	55.5%
매출총이익	326,549	10.4%	44.4%	295,835	44.2%	311,774	44.5%
판매비와일반관리비	181,721	15.2%	24.7%	157,739	23.6%	188,869	27.0%
(마케팅비용)	(52,555)	29.3%	7.1%	(40,635)	6.1%	(65,660)	9.4%
영업이익	144,828	4.9%	19.7%	138,096	20.6%	122,905	17.5%
영업외수익	72,825	-20.3%	9.9%	91,369	13.6%	115,137	16.4%
영업외비용	68,848	-15.9%	9.4%	81,899	12.2%	185,456	26.5%
(이자비용)	(24,023)	-29.7%	3.3%	(34,175)	5.1%	(56,904)	8.1%
경상이익	148,805	0.8%	20.2%	147,566	22.0%	52,586	7.5%
특별이익	-			-		-	
특별손실	-			-		-	
법인세차감전순이익	148,805	0.8%	20.2%	147,566	22.0%	52,586	7.5%
법인세등	- 5,998	90.7%	-0.8%	3,145	-0.5%	63,364	-9.0%
당기순이익	154,803	2.7%	21.1%	150,711	22.5%	115,950	16.5%

진로 요약 재무제표 (대차대조표, 현금흐름표)

대차대조표

단위:백만원

구 분	2009 3Q	증감	구성비	2008	2007
자 산	1,265,336	-4.1%	100.0%	1,319,219	1,310,207
1. 유동자산	308,105	-13.8%	24.3%	357,416	319,863
(1) 당좌자산	277,339	-17.2%	21.9%	334,758	294,426
(2) 재고자산	30,766	35.8%	2.4%	22,658	25,437
2. 고정자산	957,231	-0.5%	75.7%	961,803	990,343
(1) 투자자산	336,347	0.4%	26.6%	334,979	399,309
(2) 유형자산	358,657	2.2%	28.3%	350,853	333,990
(3) 무형자산	1,231	-3.0%	0.1%	1,270	1,019
(4) 기타비유동자산	260,996	-5.0%	20.6%	274,701	256,025
부 채	698,879	-17.2%	55.2%	844,435	1,015,691
1. 유동부채	617,402	-7.2%	48.8%	665,502	814,982
2. 고정부채	81,477	-54.5%	6.4%	178,933	200,709
자 본	566,458	19.3%	44.8%	474,784	294,516
1. 자본금	215,000	0.0%	17.0%	215,000	215,000
2. 자본잉여금	619	0.0%	0.0%	619	4,297
3. 자본조정	-16	0.0%	0.0%	-16	-16
4. 기타포괄손익누계액	15,406	-15.0%	1.2%	18,129	-11,014
5. 이익잉여금	335,448	39.2%	26.5%	241,051	86,248

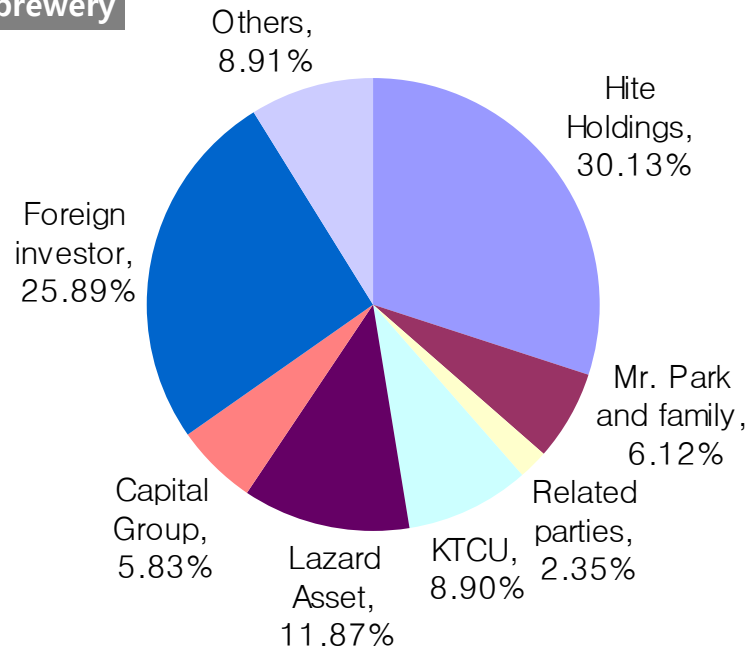
현금흐름표

단위:백만원

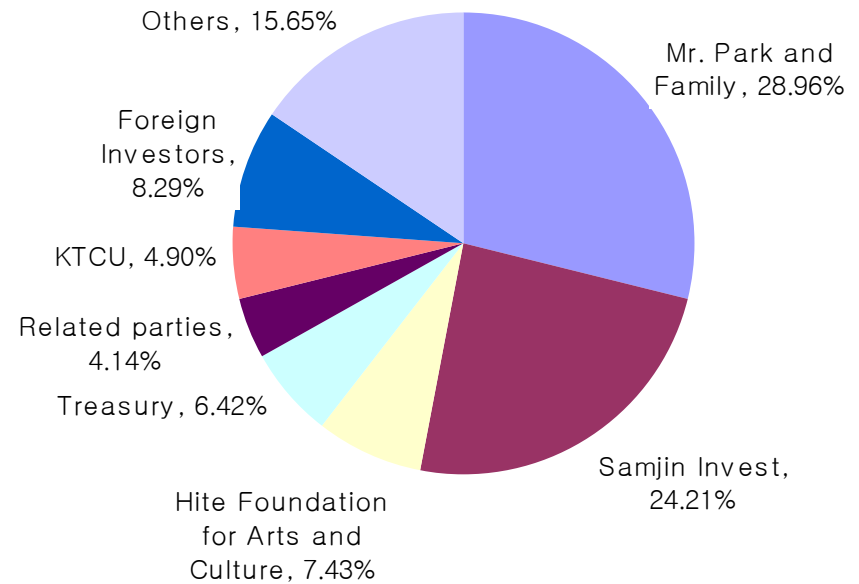
구 분	2009 3Q	증감	2008 3Q	2008
영업활동으로 인한 현금흐름	(58,910)	512.9%	(9,611)	165,582
1. 당기순이익	94,397	-16.5%	113,057	154,803
2. 현금의 유출이 없는 비용 등의 가산 (감가상각비)	43,012	-2.0%	43,902	62,972
	18,871	16.8%	16,160	21,170
3. 현금의 유입이 없는 수익 등의 차감 (지분법 이익)	(26,549)	-21.6%	(33,866)	(47,711)
	25,223	85.2%	13,619	22,502
	173	-99.0%	18,048	18,223
4. 영업활동으로 인한 자산부채의 변동 (매출채권)	(169,769)	27.9%	(132,705)	(4,482)
	(36,021)	842.0%	(3,824)	(16,751)
투자활동으로 인한 현금흐름	(23,189)	40.3%	(16,529)	74,074
1. 투자활동으로 인한 현금유입액	26,137	-41.1%	44,396	176,373
2. 투자활동으로 인한 현금유출액	(49,326)	-19.0%	(60,924)	(102,299)
재무활동으로 인한 현금흐름	(23,090)	-37.5%	(36,950)	(189,030)
1. 재무활동으로 인한 현금유입액	150,000	-63.7%	413,352	381,764
2. 재무활동으로 인한 현금유출액	(173,090)	-61.6%	(450,302)	(570,794)
현금의 증가	(105,189)	66.7%	(63,090)	50,626
기초의 현금	194,891	35.1%	144,265	144,265
기말의 현금	89,701	10.5%	81,175	194,891

Equity status of Hite brewery & holdings (End of Sep. 2009)

Hite brewery



Hite holdings



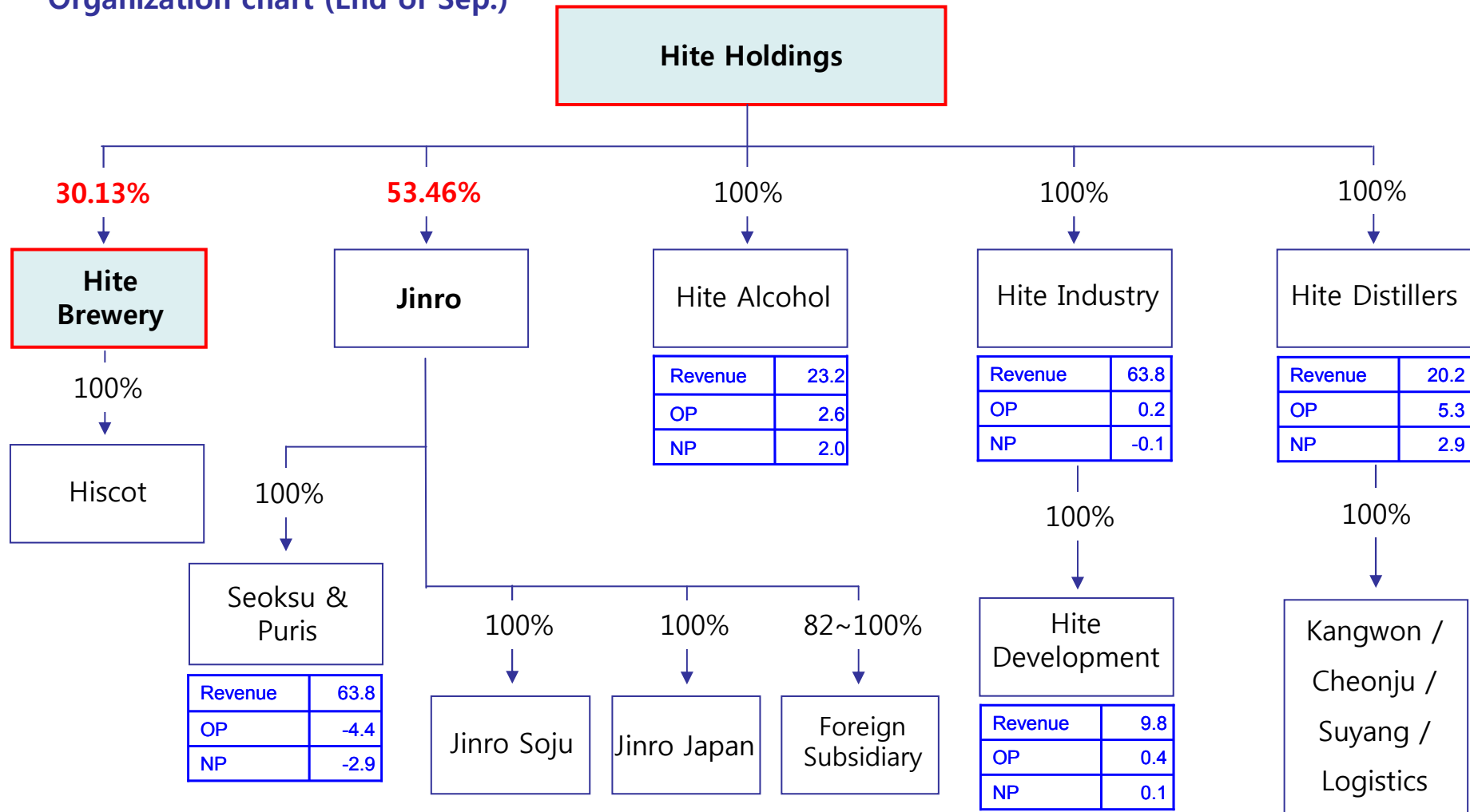
- ✓ Number of total shares : 9,936,853 shares
(common 9,563,918 / preferred 372,935)
- ✓ Hite holdings owns 30.13%
- ✓ Major shareholder & friendly shares 8.65%
- ✓ Lazard Asset 11.87%, Capital Group 5.83%
- ✓ KTCU owns 8.90%

- ✓ Number of total shares : 23,677,575 shares
(common 23,206,765 / preferred 470,810)
- ✓ Capital increased (+11,378,723 shares)
- ✓ Major shareholder & friendly shares
47.63% → 71.16%
- ✓ KTCU owns 4.90%, Foreign investor 8.29%

Hite holdings structure

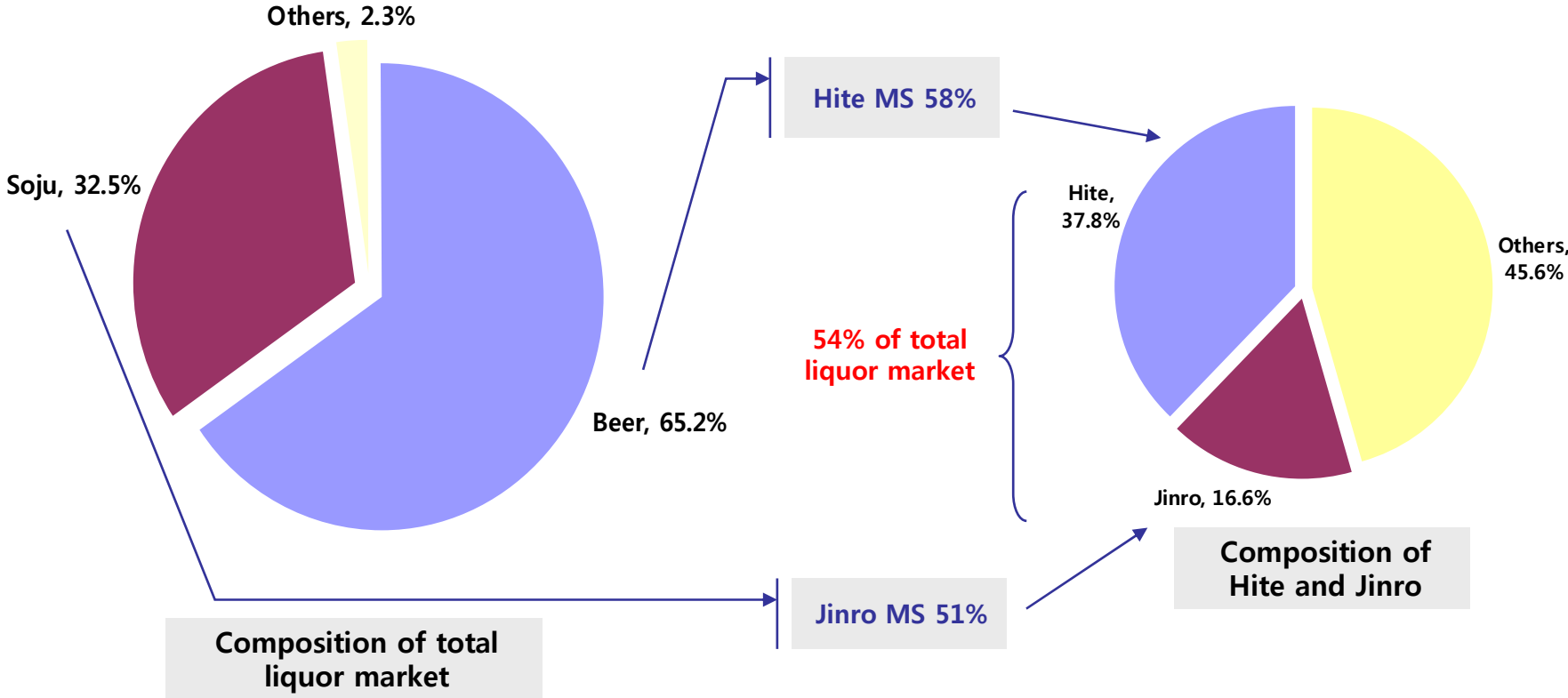


Organization chart (End of Sep.)



* 2008 financial figures , Unit : KW bn

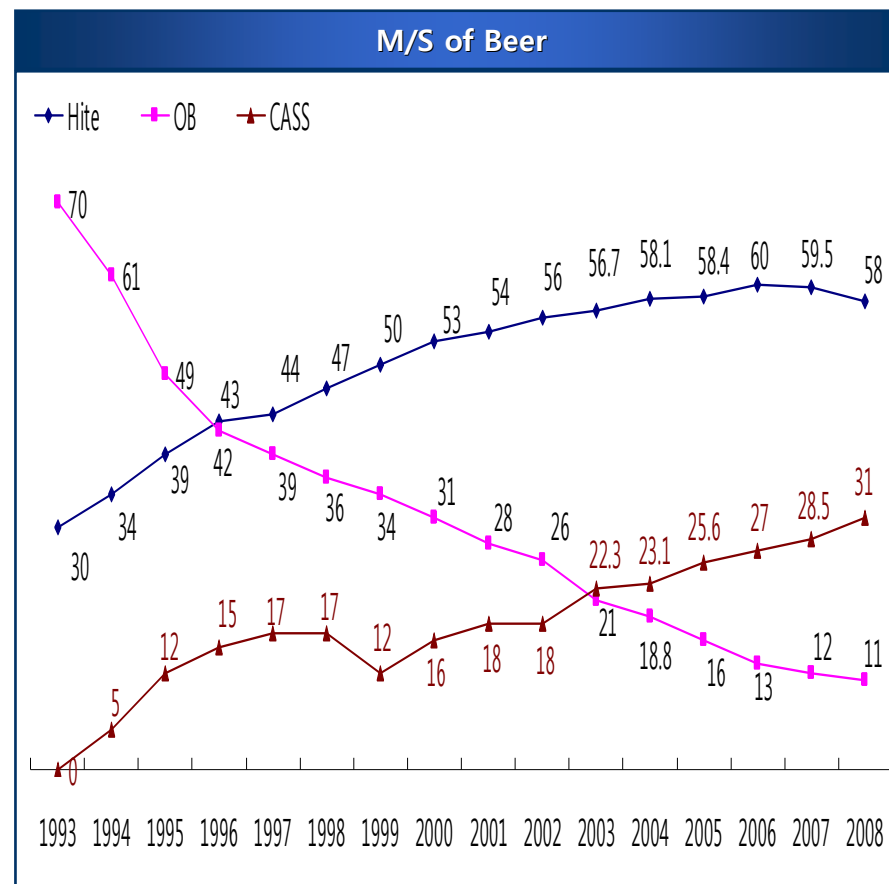
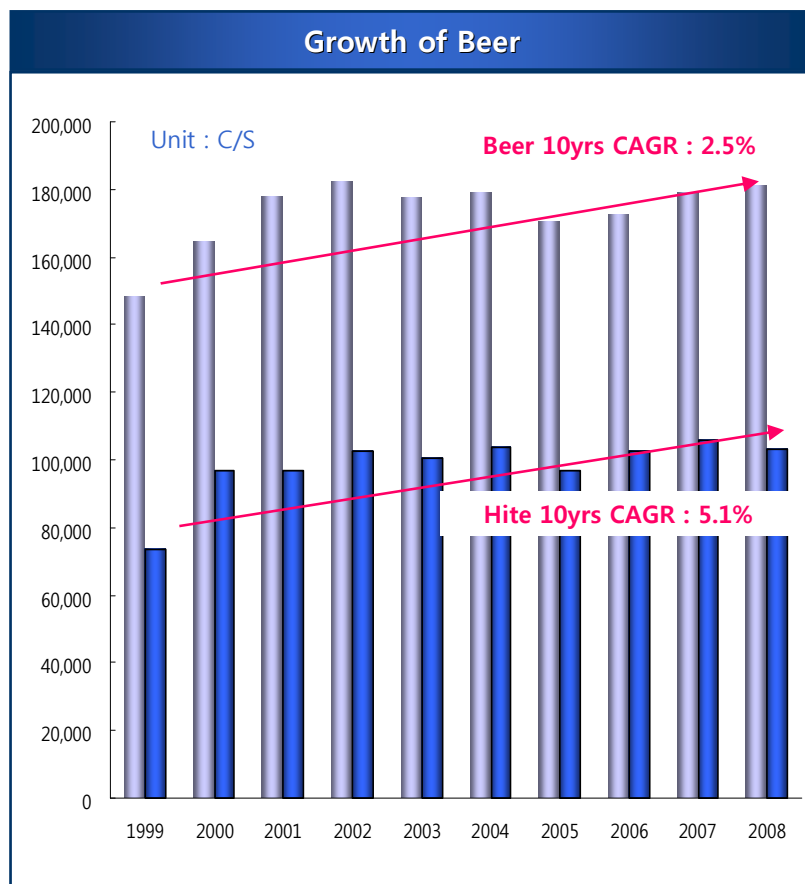
Total liquor market



※Based on delivery numbers from Korea Alcohol & Liquor Industry Association 2008

Growth potential (Beer)

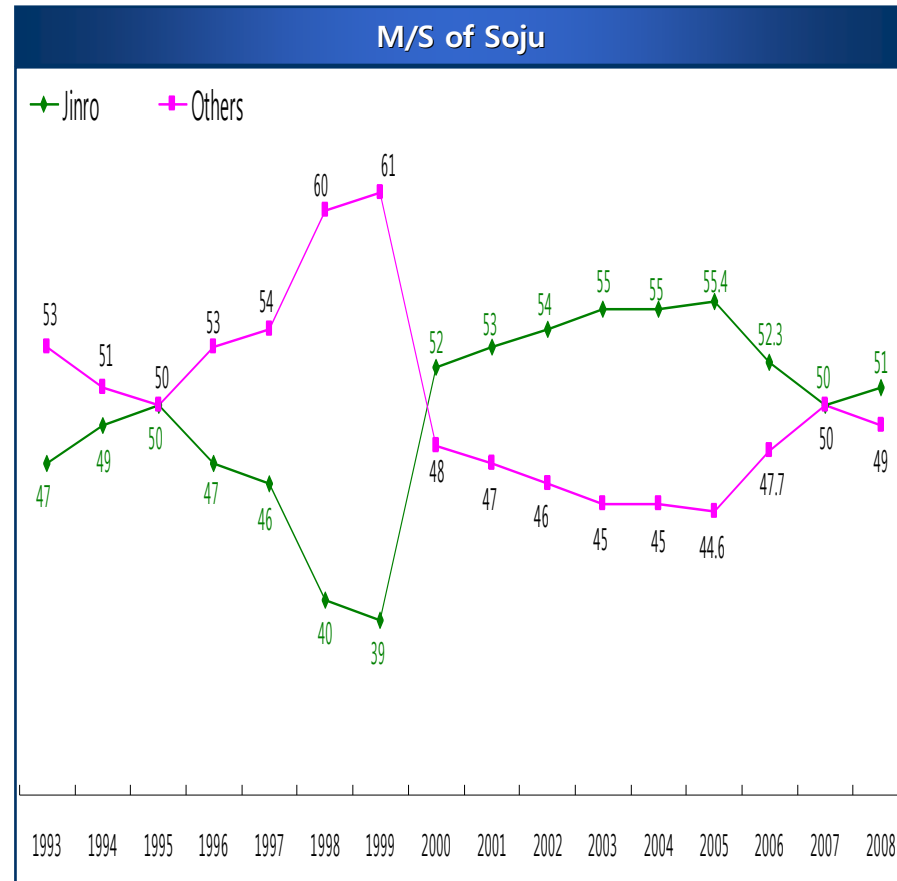
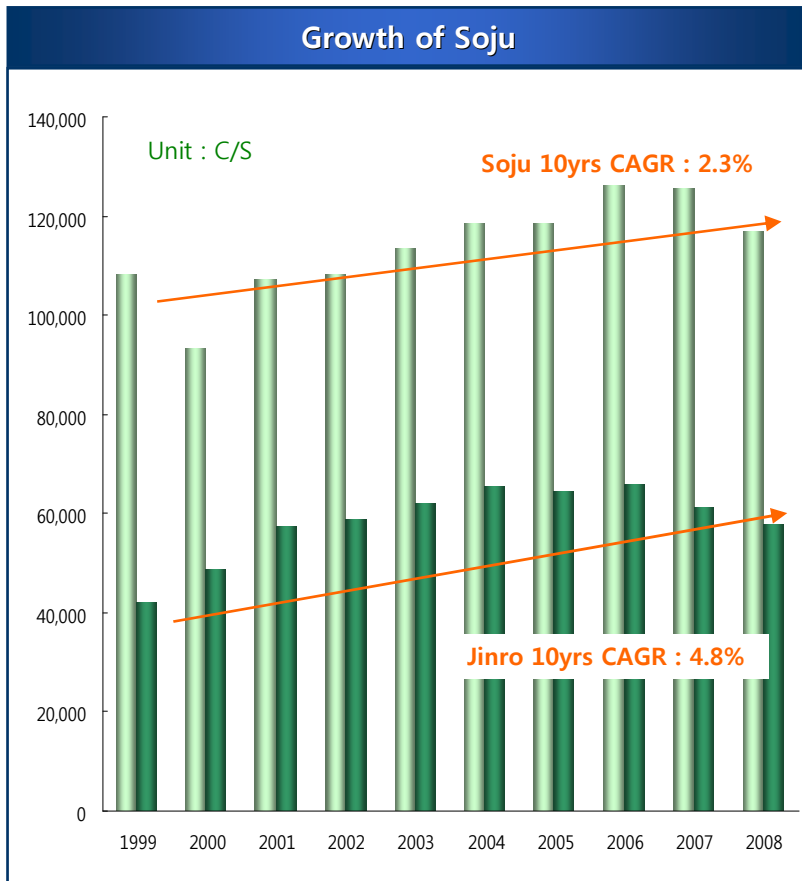
- In whole liquor market, Beer is occupying 65%.
- CAGR of Beer is about 2.5%.



※Based on delivery numbers from Korea Alcohol & Liquor Industry Association 2008

Growth potential (Soju)

- In whole liquor market, Soju is occupying 32%.
- CAGR of Soju is about 2.3%.



※Based on delivery numbers from Korea Alcohol & Liquor Industry Association 2008

Trend of malt price

