

JINRO

2010 JINRO Results

2010



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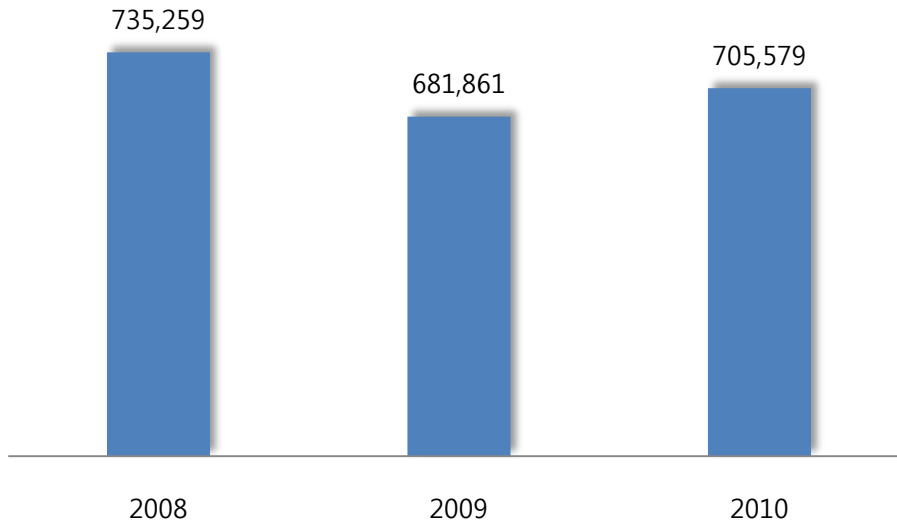
1. Sales & Volume

- Sales on accumulated base 705.6bn(yoy 3.5% increased)

Sales & Volume Trend

Sales (Mn won)

■ Sales
(Mn won)

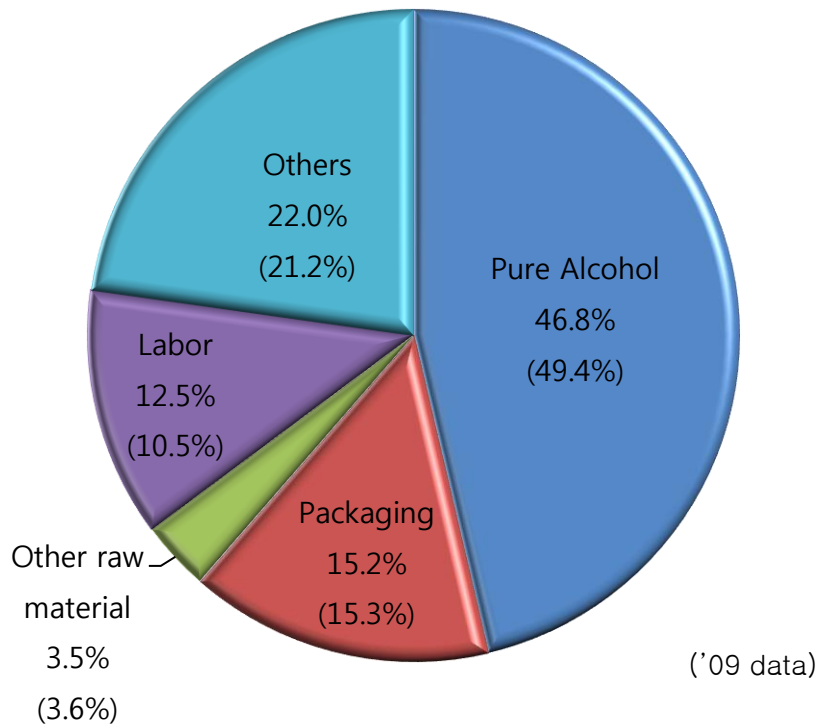


- Sales growth 3.5% yoy
 - Market share growth
 - Product sales 2.5% increase yoy
 - Overseas market sales growth
 - Export growth 54.6% yoy
 - Makgeolli sales growth in Japan

2. Cost breakdown

- Gross profit 293.7bn won, 2.1% decrease yoy
- Gross margin ratio 41.6%, 2.4% decrease yoy

COGS breakdown Trend

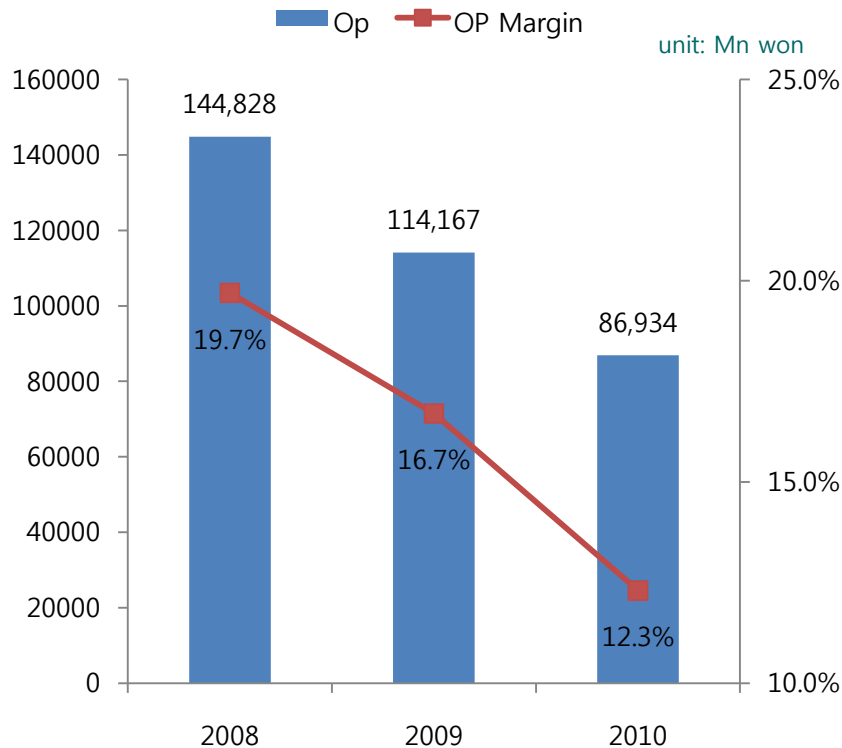


- Pure alcohol cost : 185.4bn won (3.6bn won decrease 3.4% yoy)
- Packaging : 58.4 bn won (2bn won decrease yoy)
- Reason for Gross profit decrease
 - Voluntary resignation cost 13.8bn won
 - Wage increase 10% in 3Q

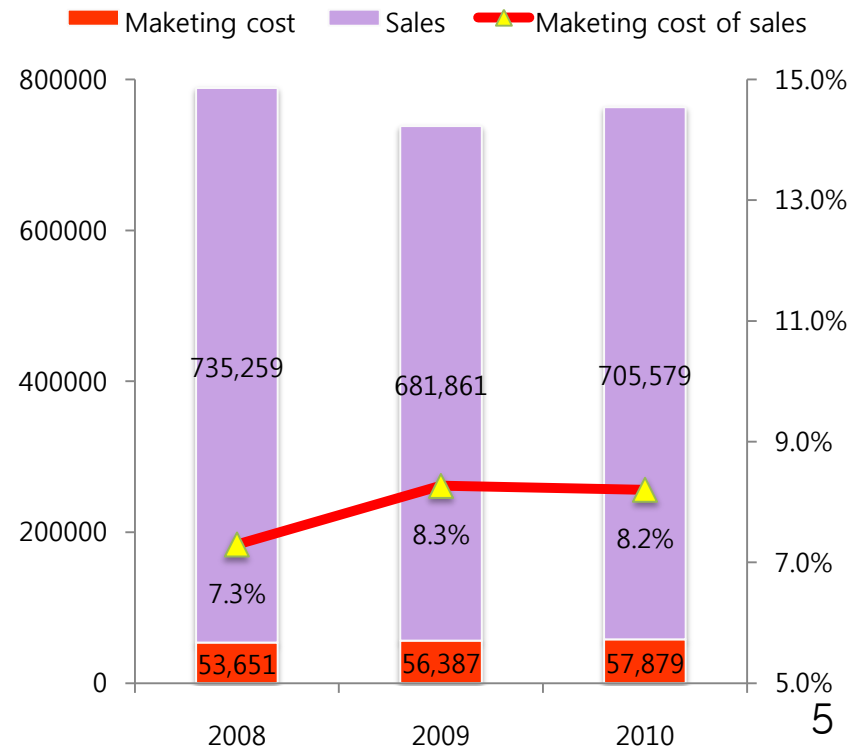
3. Operating profit & Marketing cost

- **Operating Profit : 86.9bn won 23.9% decrease yoy**
 -Due to the increase in wage
- **Marketing cost: 57.9bn won(2.6% increase yoy, 8.2% of sales 0.1% decrease yoy)**

Operating Profit Trend



Marketing cost Trend

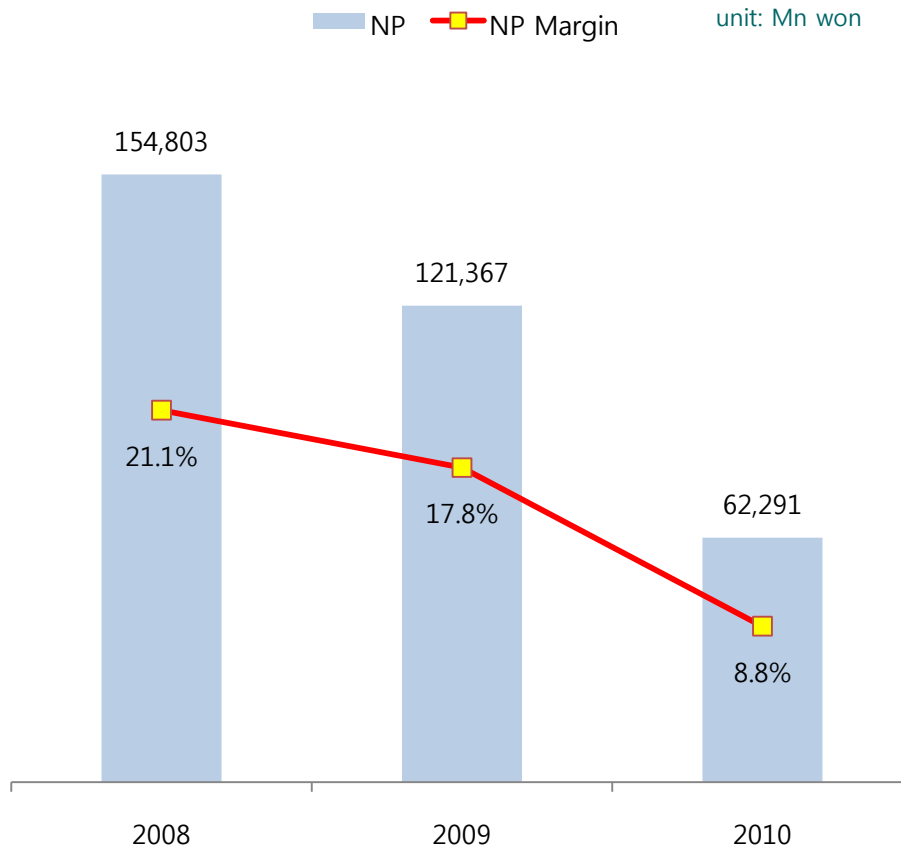


4. Net profit

■ Net Profit in 2010 62.3bn won (48.9% decrease yoy)

- Due to the deferred tax asset 186.9bn won adjustment, corporate tax 47.9bn won appropriated to income sheet(non-cash incurring)

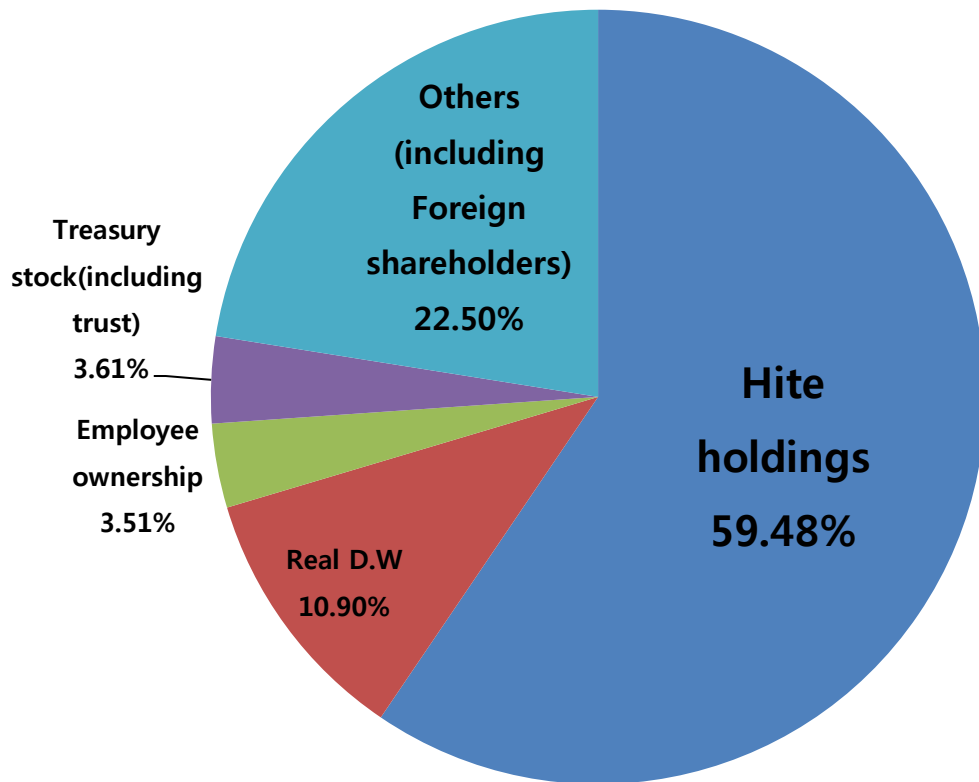
Net Profit Trend



- Cause of net profit decrease
 - Voluntary resignation cost 13.8bn won
 - Wage increase
 - Due to the deferred tax asset 186.9bn won adjustment in 2005, corporate tax 47.9bn won appropriated to income sheet (non-cash incurring)
- Cause of none op revenue and expense variation
 - Equity method income 39.4bn won (7.8bn won increase yoy)
 - Valuation gains on investment in equity securities 3bn won
 - Interest cost decrease 16.1bn won (1.3bn won decrease yoy)

Equity status of Jinro (all of the issued stocks in 2010)

Jinro Equity



Total Stocks: 40,500,000

- Equity share 40,495,303
- Preferred share 4,697

- ✓ Hite holdings 59.48%
- ✓ Real D.W 10.90%
- ✓ Employee ownership 3.51%
- ✓ Treasury stock 3.61%
- ✓ Others (Institution & Private) 22.50%
 - ✓ (including Foreign stakes 6.61%)

Financial Statement(Balance Statement)

Balance statement

(Unit : Mn won)

Items	2010	In/Decrease	Ratio	2009	2008
Assets	1,356,198	-3.3%	100.0%	1,402,468	1,319,219
1. Current Assets	250,708	-2.1%	18.5%	256,196	357,416
(1) Cash and receivables	217,587	-2.8%	16.0%	223,748	334,758
(2) Inventories	33,121	2.1%	2.4%	32,448	22,658
2. Non-current Assets	1,105,490	-3.6%	81.5%	1,146,272	961,803
(1) Investment	331,573	-4.0%	24.4%	345,542	334,979
(2) Property, Land & Equipment	618,337	0.4%	45.6%	615,636	350,853
(3) Goodwill, Industrial property rights	1,528	8.1%	0.1%	1,413	1,270
(4) Other non-current Assets	154,052	-16.1%	11.4%	183,681	274,701
Liabilities	735,408	12.0%	54.2%	656,414	844,435
1. Current Liabilities	563,688	-0.8%	41.6%	568,090	665,502
2. Non-current Liabilities	171,720	94.4%	12.7%	88,324	178,933
Shareholders' Equity	620,790	-16.8%	45.8%	746,055	474,784
1. Shareholders' Equity	215,000	0.0%	15.9%	215,000	215,000
2. Capital surplus	619	0.0%	0.0%	619	619
3. Capital adjustment	-60,005	30.5%	-4.4%	-45,979	-16
4. Unappropriated retained earnings	214,885	0.4%	15.8%	213,997	18,129
5. Retained losses	250,291	-30.9%	18.5%	362,418	241,051

Financial statement(Income Statement)

Income statement

(Unit: Mn won, Thousand c/s)

ITEM	2010	In/Decrease	Ratio	2009	Ratio
Sales	705,579	3.5%	100.0%	681,861	100.0%
COGS	411,862	7.9%	58.4%	381,870	56.0%
Gross profit	293,717	-2.1%	41.6%	299,991	44.0%
SG&A	206,783	11.3%	29.3%	185,824	27.3%
(Marketing expenses)	(57,879)	2.6%	8.2%	(56,387)	8.3%
Operating profit	86,934	-23.9%	12.3%	114,167	16.7%
Non-operating profit	60,507	-30.2%	8.6%	86,721	12.7%
Gain valuation using equity method of accounting	(39,415)	20.4%	5.6%	(31,655)	4.6%
Non-operating loss	37,253	-37.1%	5.3%	59,239	8.7%
(Interest expense)	(16,104)	-7.6%	2.3%	(17,432)	2.6%
Profit before tax	110,188	-22.2%	15.6%	141,649	20.8%
Corporate tax	47,897	136.2%	6.8%	20,282	3.0%
Net profit	62,291	-48.7%	8.8%	121,367	17.8%