

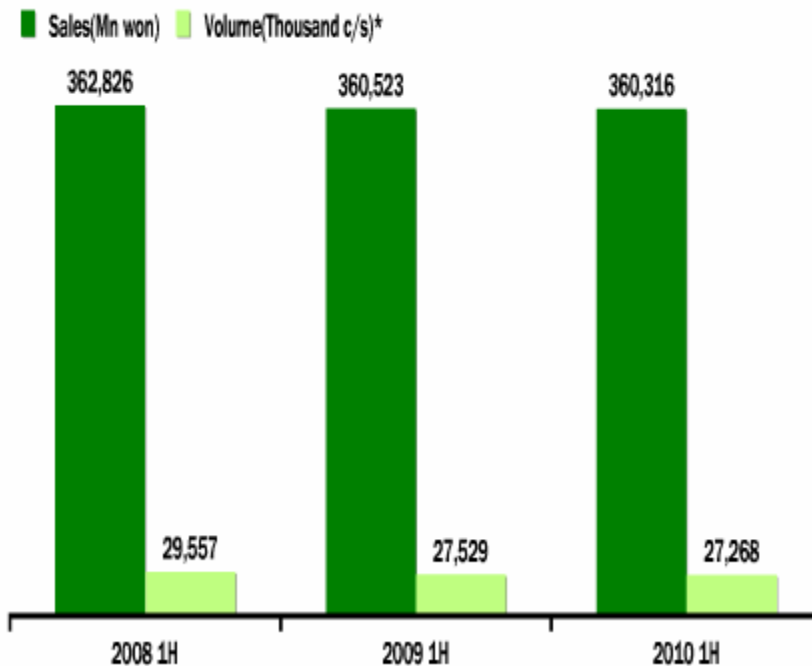


## 2010 1H Jinro result

2010. 08

# 1. Sales & Sales volume

- Sales 360.3bn won (yoy 0.1% decreased), sales volume 0.9% decreased



## • Flat growth

- ① Because of Dec '08 price hike, '09 1Q volume was weak (Low base)
- ② To reduce existing product sales volume increased in 2Q before brand renewal (High base)
- ③ 1Q shipment base M/S 50.1% (compare to '09 1Q 2.2% increased)

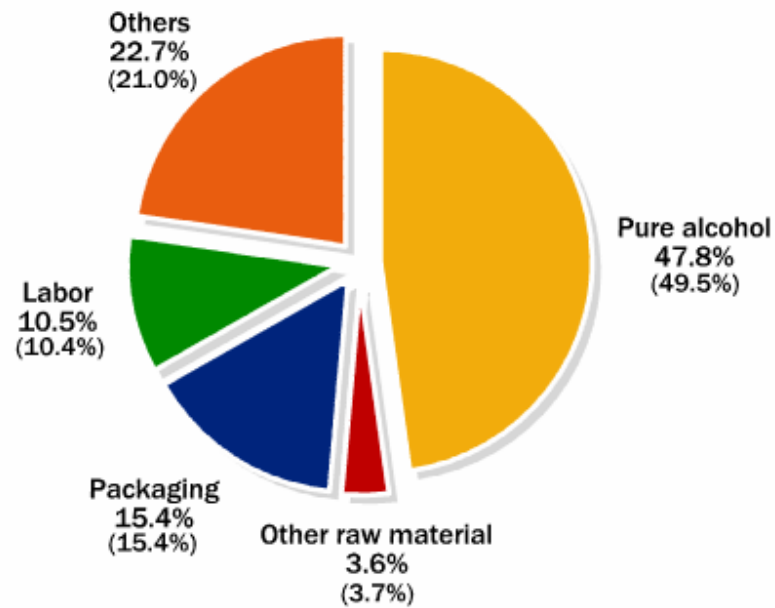
## • Recent price hike

- ① '07 May 4.9%
- ② '08 Dec 5.9%

\* 1H expectation

## 2. Cost breakdown

- Gross profit 155.1bn won, yoy 5.0% decreased (Gross profit margin 43.0%)



- **Main raw material cost reduced**

- Pure alcohol cost roughly 95bn won (yoy 4.8bn won decreased)

- **Reason for 1H GPM decreased**

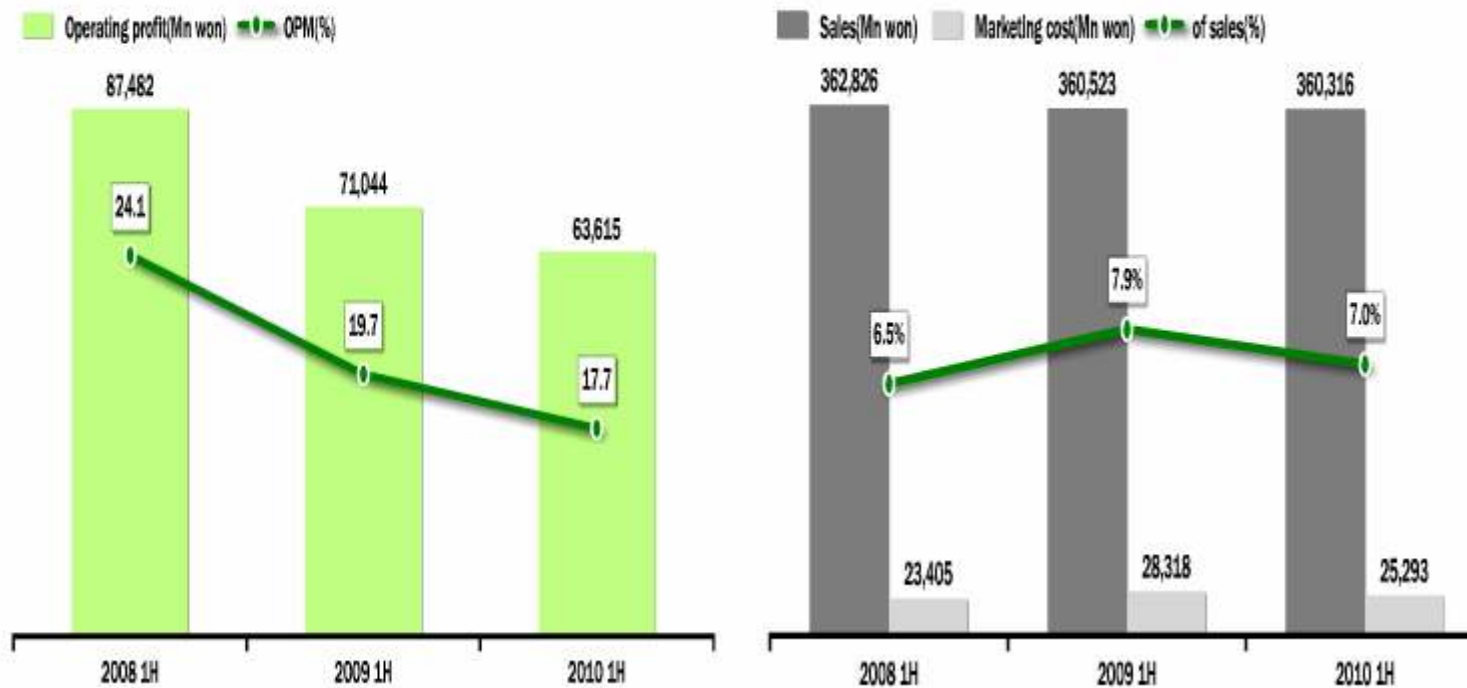
- Production amount reduction caused increase of fixed cost per unit, and commission and depreciation increased

COGS breakdown

※ ( ) 2009 1H

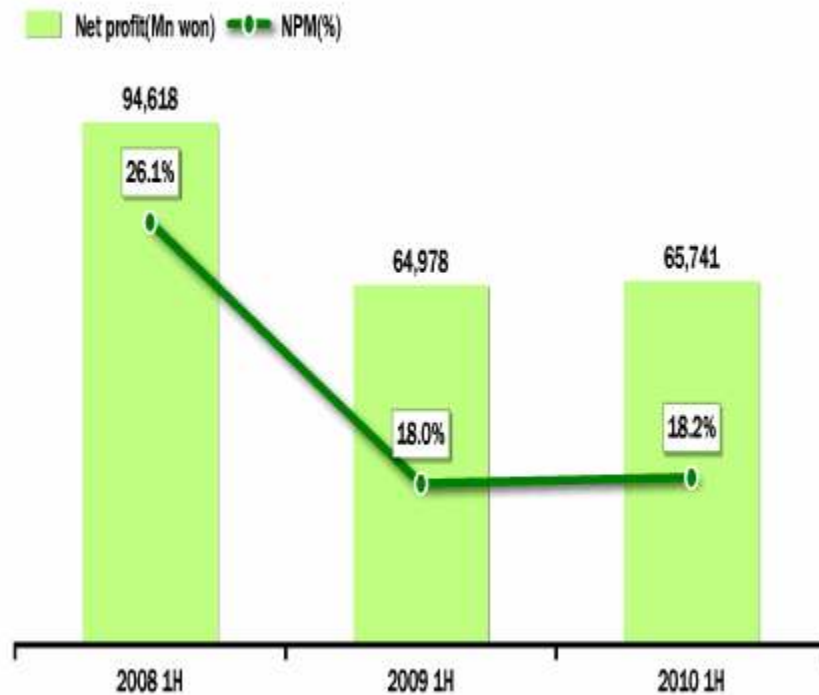
### 3. Operating profit & Marketing cost

- Operating profit : 63.6bn won (yoy 10.5% decreased, Operating profit Margin 17.7%)
- Marketing cost : 25.3bn won, of sales 7.0%  
(yoy 3bn won decreased, high marketing cost in '09 because of renewal & promotion)



## 4. Net profit

- Net profit 65.7bn won (yoy 1.2% increased)



- **Equity method gains increased**

- 1H equity method gains 21.2bn won
- yoy 2.7bn won increased

- **Interest expenses decreased**

- Interest expenses 7.7bn won (Avr. rate 4.5%)
- yoy 1.9bn won decreased
- Total interest bearing debt 340bn won

- **Corporate tax reflected**

- 1H corporate tax rate : 16.8%

## 5. Financial statement (Income statement)

Unit : Mn won, Thousand c/s

Items	2010 1H	In/decrease	Ratio	2009 1H	Ratio	2008 1H	Ratio
<b>Sales</b>	<b>360,316</b>	<b>-0.1%</b>	<b>100.0%</b>	<b>360,523</b>	<b>100.0%</b>	<b>362,826</b>	<b>100.0%</b>
(Sales Volume)*	(27,268 Tc/s)	-0.9%		(27,529 Tc/s)		(29,557 Tc/s)	
COGS	205,219	4.0%	57.0%	197,293	54.7%	196,316	54.1%
<b>Gross profit</b>	<b>155,097</b>	<b>-5.0%</b>	<b>43.0%</b>	<b>163,230</b>	<b>45.3%</b>	<b>166,511</b>	<b>45.9%</b>
SG&A	91,482	-0.8%	25.4%	92,186	25.6%	79,029	21.8%
(Marketing expenses)	(25,292)	-10.7%	7.0%	(28,318)	7.9%	(23,405)	6.5%
<b>Operating profit</b>	<b>63,615</b>	<b>-10.5%</b>	<b>17.7%</b>	<b>71,044</b>	<b>19.7%</b>	<b>87,482</b>	<b>24.1%</b>
Non-operating profit	33,574	35.8%	9.3%	24,726	6.9%	46,080	12.7%
(Equity method gains)	(21,160)	14.5%	5.9%	(18,488)	5.1%	(10,699)	2.9%
Non-operating loss	18,132	-16.8%	5.0%	21,796	6.0%	31,916	8.8%
(Interest expenses)	(7,744)	-19.7%	2.1%	(9,648)	2.7%	(13,168)	3.6%
<b>Recurring profit</b>	<b>79,058</b>	<b>6.9%</b>	<b>21.9%</b>	<b>73,974</b>	<b>20.5%</b>	<b>101,646</b>	<b>28.0%</b>
Special Gain	-	-	-	-	-	-	-
Special loss	-	-	-	-	-	-	-
<b>Profit before tax</b>	<b>79,058</b>	<b>6.9%</b>	<b>21.9%</b>	<b>73,974</b>	<b>20.5%</b>	<b>101,646</b>	<b>28.0%</b>
Corporate tax	13,317	48.0%	3.7%	8,996	2.5%	7,028	1.9%
<b>Net profit</b>	<b>65,741</b>	<b>1.2%</b>	<b>18.2%</b>	<b>64,978</b>	<b>18.0%</b>	<b>94,618</b>	<b>26.1%</b>

\* 1H expectation

## 5. Financial statement (Balance sheet)

Unit : Mn won

Items	2010 1H	In/decrease	Ratio	2009	2008
<b>Assets</b>	<b>1,356,049</b>	<b>-3.3%</b>	<b>100.0%</b>	<b>1,402,469</b>	<b>1,319,219</b>
1. Current Assets	257,131	0.4%	19.0%	256,196	357,416
(1) Cash and receivables	225,407	0.7%	16.6%	223,748	334,758
(2) Inventories	31,724	-2.2%	2.3%	32,448	22,658
2. Non-current Assets	1,098,919	-4.1%	81.0%	1,146,273	961,803
(1) Investment	311,638	-9.8%	23.0%	345,542	334,979
(2) Property, Land & Equipment	608,269	-1.2%	44.9%	615,636	350,853
(3) Goodwill, Industrial property rights	1,246	-11.9%	0.1%	1,413	1,270
(4) Other non-current Assets	177,767	-3.2%	13.1%	183,681	274,701
<b>Liabilities</b>	<b>691,856</b>	<b>5.4%</b>	<b>51.0%</b>	<b>656,415</b>	<b>844,435</b>
1. Current Liabilities	499,590	-12.1%	36.8%	568,091	665,502
2. Non-current Liabilities	192,265	117.7%	14.2%	88,324	178,933
<b>Shareholders' Equity</b>	<b>664,194</b>	<b>-11.0%</b>	<b>49.0%</b>	<b>746,054</b>	<b>474,784</b>
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	-73,073	58.9%	-5.4%	-45,979	-16
4. Unappropriated retained earnings	212,841	-0.5%	15.7%	213,996	18,129
5. Retained losses	308,808	-14.8%	22.8%	362,418	241,051