

THEHITE.

JINRO

2010 3Q Hite Brewery Result

2010. 11

Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업

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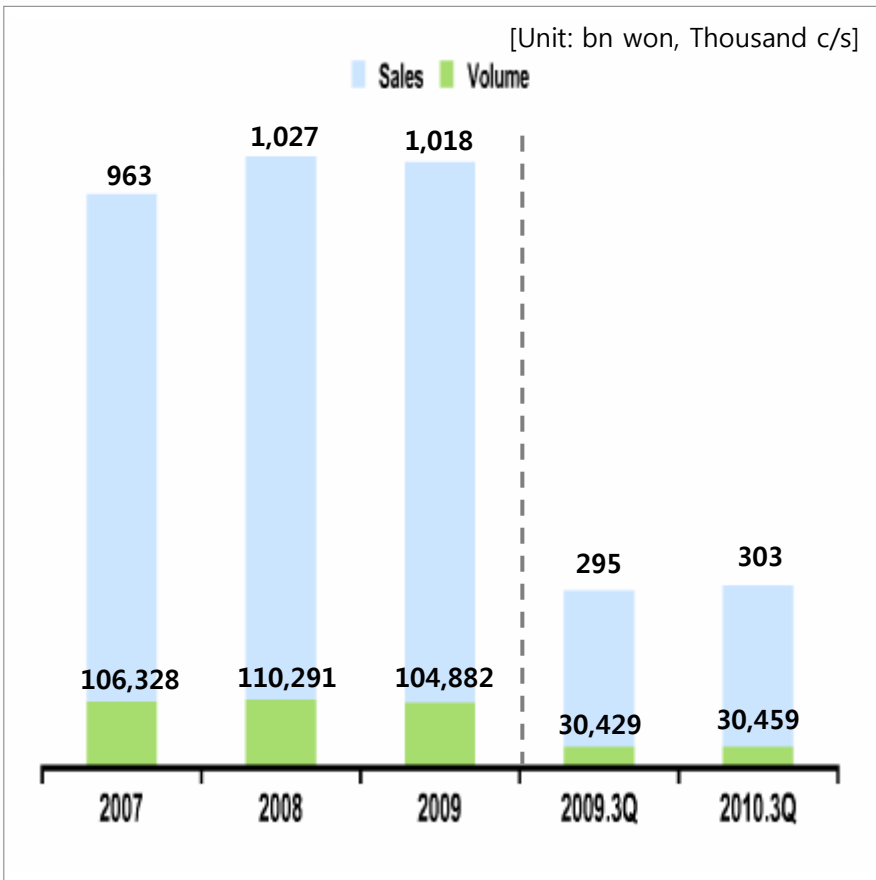
Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업

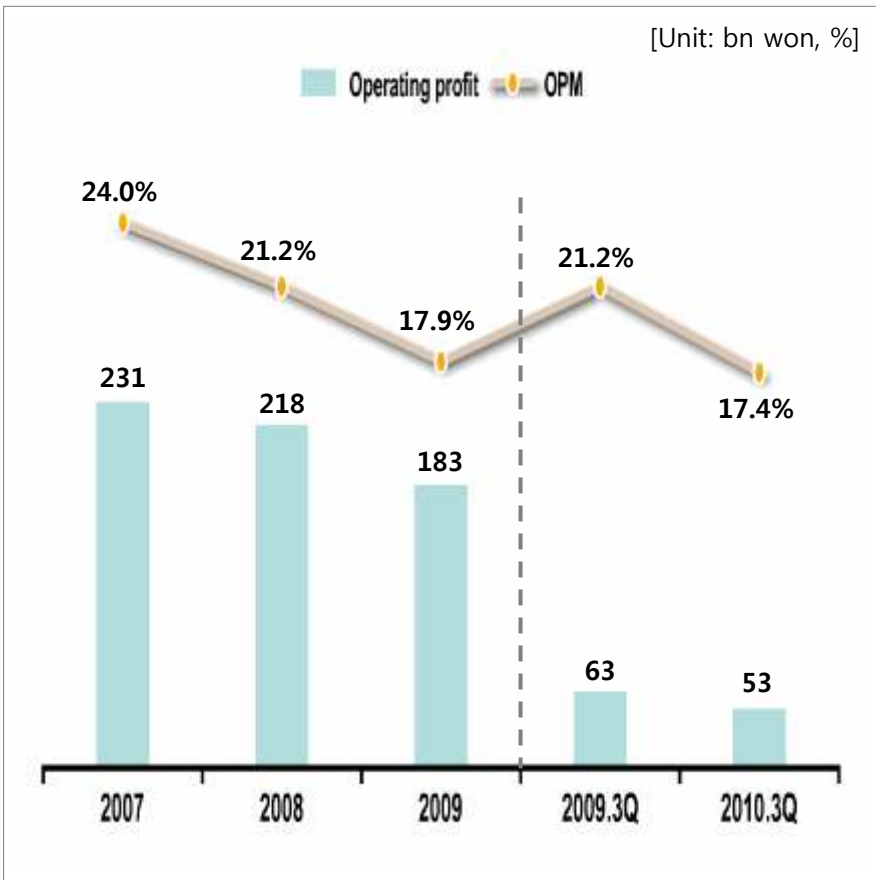
The 3Q results

“Sales increased by 2.9% yoy, operating profit margin increased by 0.6%p compared to 2010 2Q.”

Sales

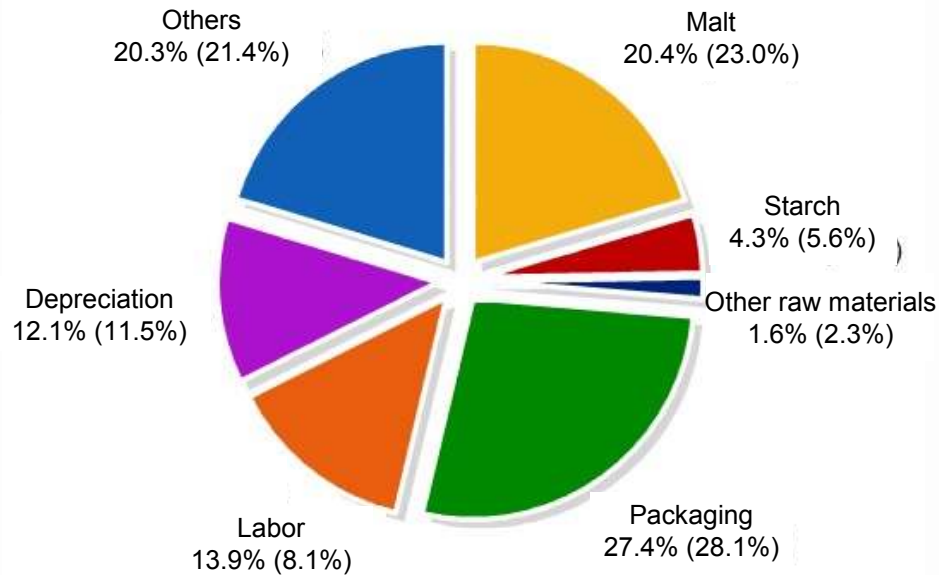


Operating profit



The 3Q results

“Gross profit 303.1bn won, yoy 2.9% increased (Gross profit margin 50.3%)”



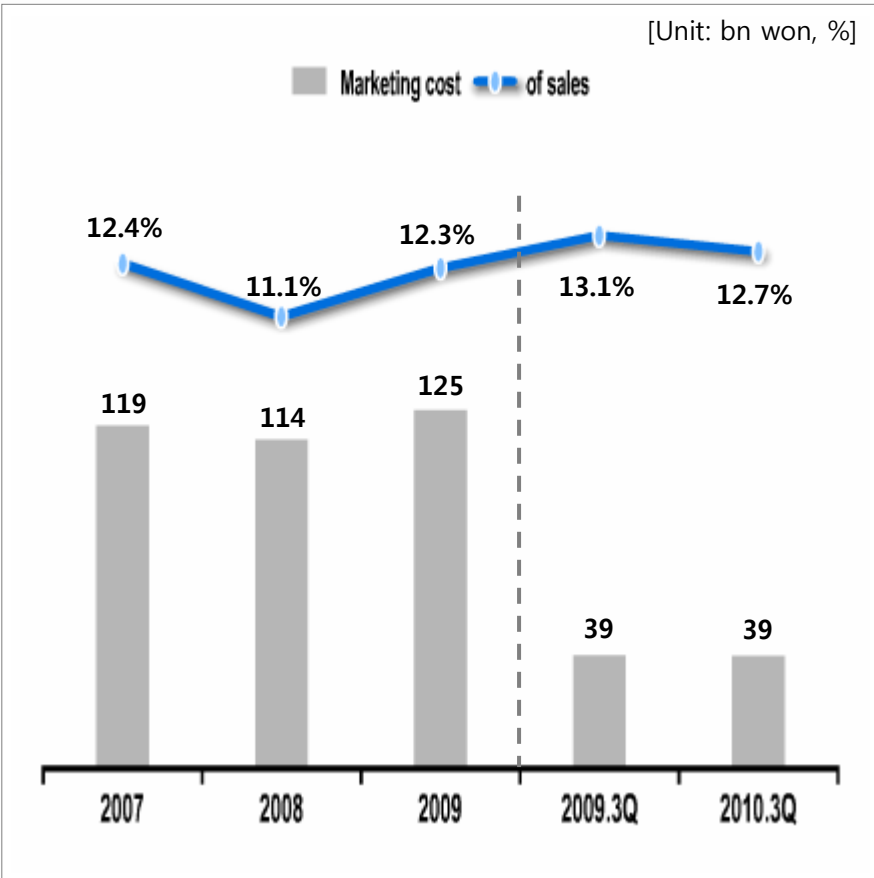
COGS ※ () 2009 3Q

- **Malt**
 - Volume : domestic 7,200 ton (20%), imported 28,656 ton (80%)
 - Cost : domestic 11.9 bn won(33%), imported 176 bn won(67%)
 - Volume 512ton increased, cost 3.9bn won decreased (compared to '09 3Q)
- **Starch**
 - Volume : 11,795ton / Cost : 6.2bn won
 - yoy 1.9bn won decreased
- **Packaging**
 - Cost : 39.7bn won (yoy 1.1bn won decreased)

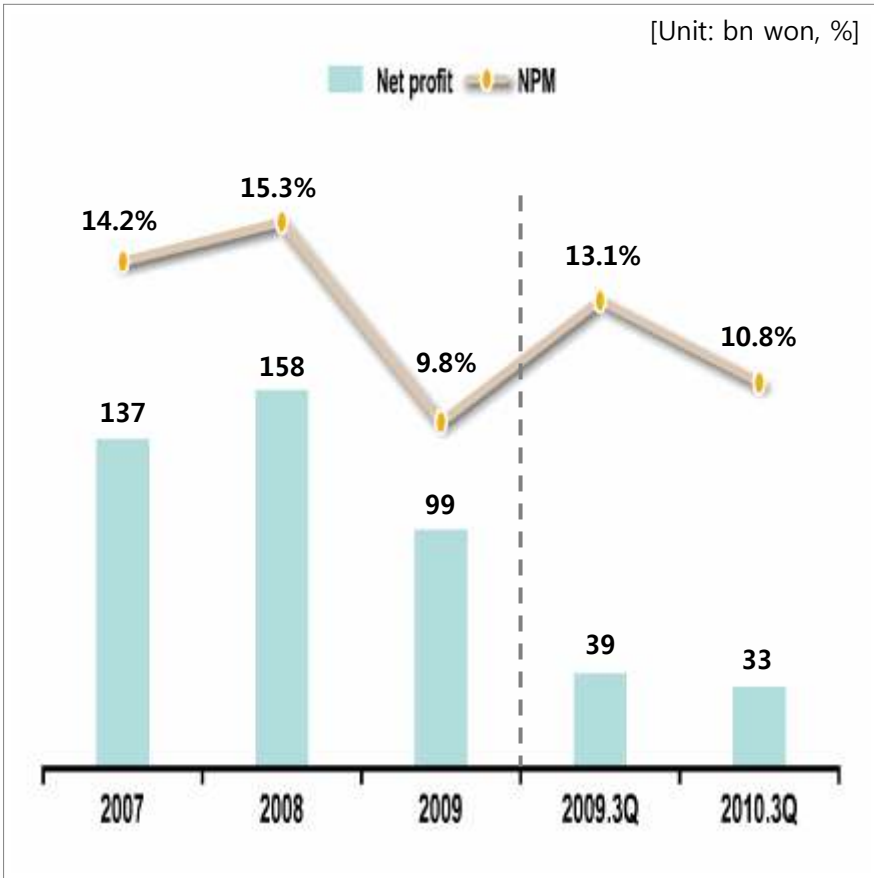
The 3Q results

“Although Marketing cost was similar to 2009 3Q, an increase in labor cost (backdated expenses for wage increase on 3Q) caused a decrease in profit.”

Marketing cost



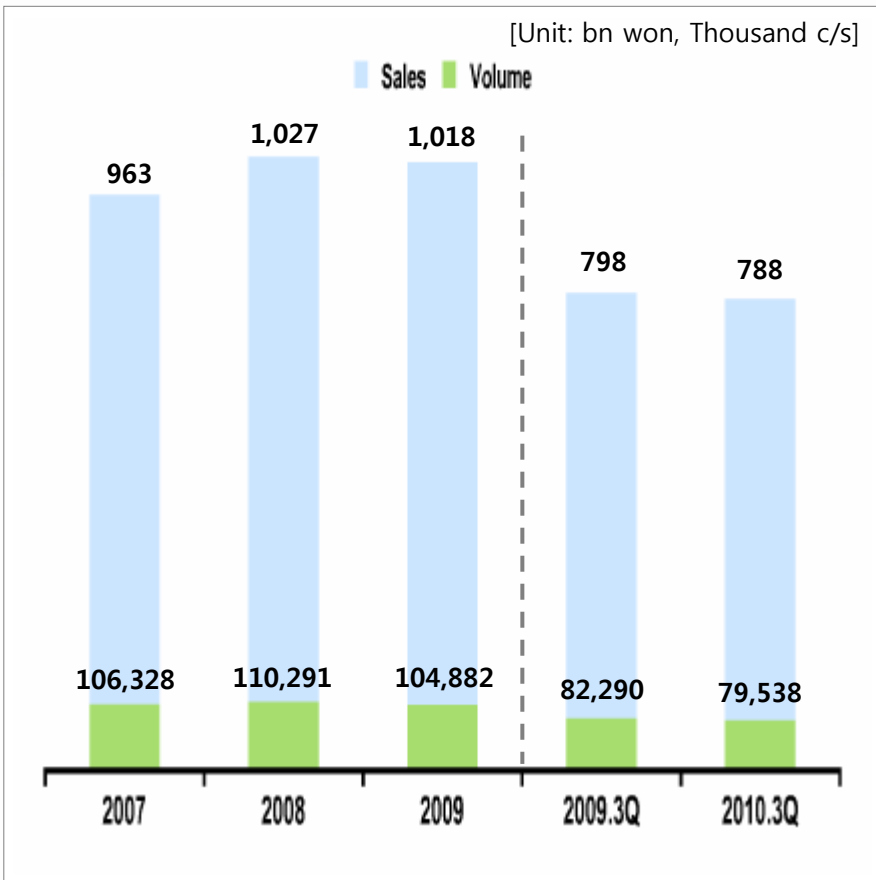
Net profit



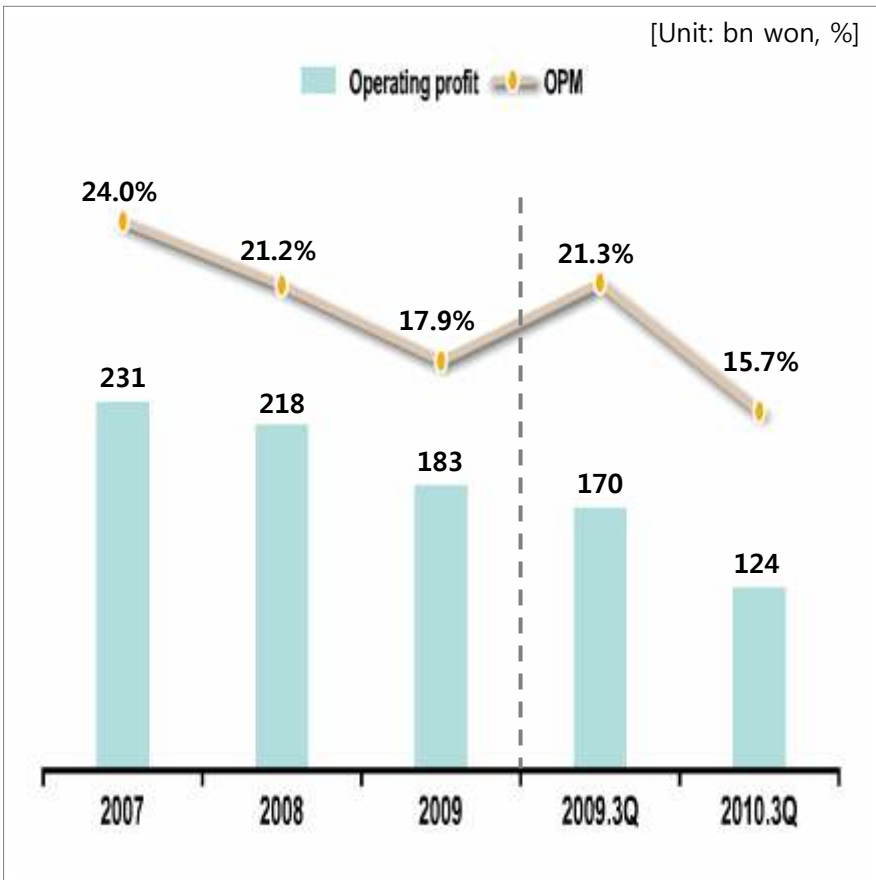
The 3Q results (accumulated base)

“Sales in 3Q decreased by 1.3% yoy on accumulated base, operating profit margin increased by 1.1%p compared to 2010 1H.”

Sales

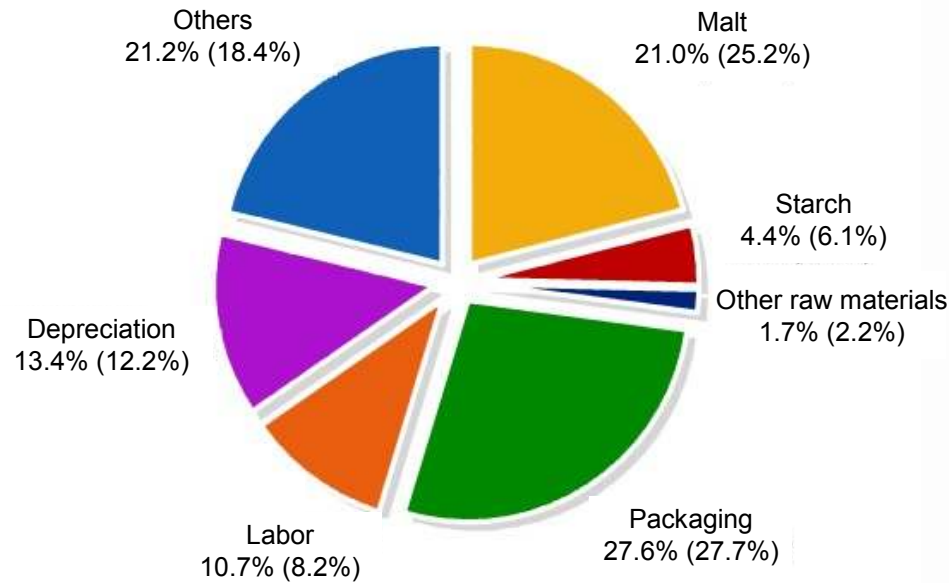


Operating Profit



The 3Q results (accumulated base)

“Gross profit 788bn won, yoy 1.2% decreased (Gross profit margin 50.4%)”



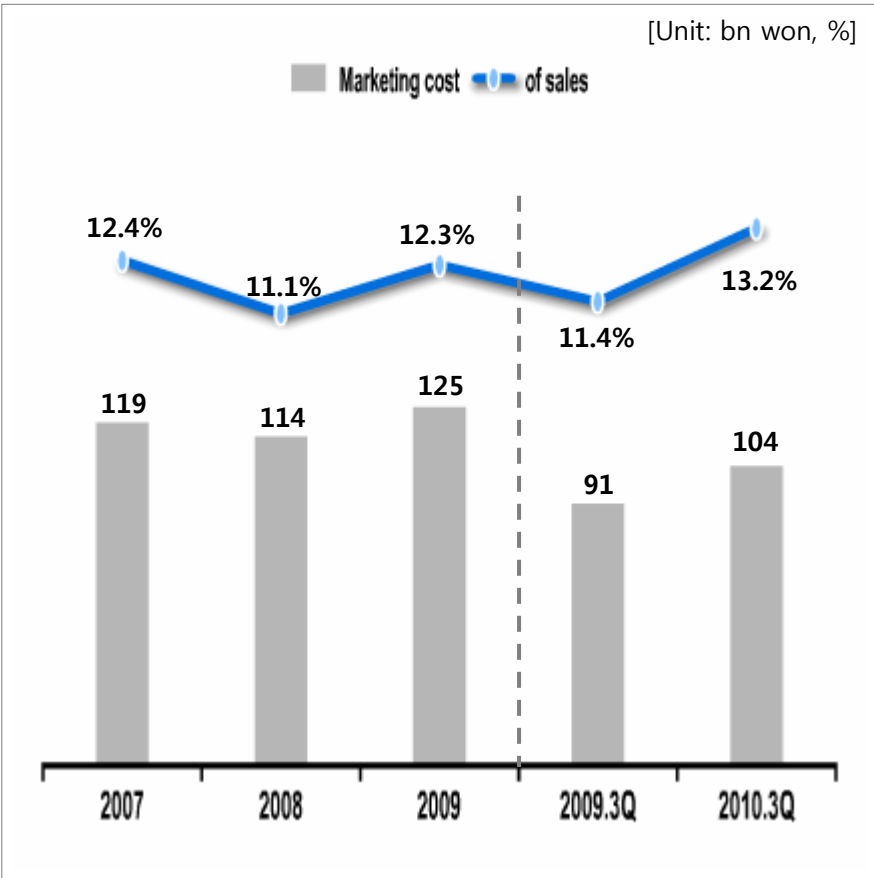
COGS ※ () 2010 3Q (accumulated base)

- **Malt**
 - Volume : domestic 18,929 ton (19%), imported 80,076 ton (81%)
 - Cost : domestic 30.1bn won (37%), imported 52.1bn won(63%)
 - 3,595ton , cost 16.5bn won decreased (compared to '09 3Q-accumulated base)
- **Starch**
 - Volume : 32,418ton / Cost : 17.4bn won
 - yoy 6.6bn won decreased
- **Packaging**
 - Cost : 108.4bn won (yoy 0.2bn won increased)

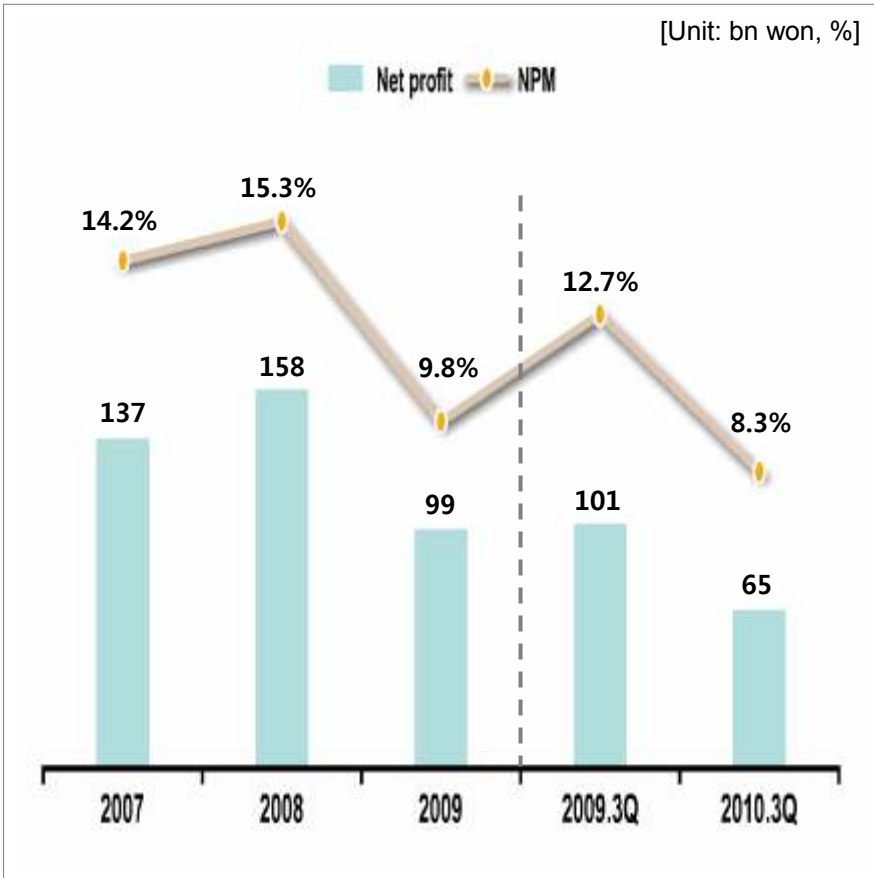
The 3Q results (accumulated base)

“Because of increases in marketing cost and labor cost (backdated expenses for wage increase on 3Q), 3Q profit decreased on accumulated base.

Marketing cost



Net profit



Financial Statements

Balance sheet

[Unit: bn won]	2008	2009	2010.3Q
Current Assets	491	525	581
Cash and receivables	396	417	480
Inventories	95	108	101
Non-current Assets	1,379	1,742	1,758
Investment	11	31	51
Property, Land & Equipment	1,287	1,643	1,635
Other non-current Assets	81	68	72
Assets	1,870	2,267	2,339
Current Liabilities	873	1,103	1,150
Non-current Liabilities	380	323	304
Liabilities	1,253	1,426	1,453
Shareholder' Equity	49	50	50
Capital Surplus	517	517	517
Capital adjustment	-1	-1	-1
Unappreciated retained earnings	0	149	156
Retained losses	53	127	165
Shareholders' Equity	618	842	886

Income statement

[Unit: bn won]	2008	2009	2009.3Q	2010.3Q
Sales	537	1,018	798	788
COGS	263	500	384	391
Gross profit	275	518	414	397
SG&A	174	335	244	274
Operating profit	101	183	170	124
Non-operating profit	20	41	37	30
Non-operating loss	42	95	76	62
Recurring profit	80	128	131	91
Corporate tax	26	29	29	26
Net profit	53	99	101	65