

THE HITE.

JINRO

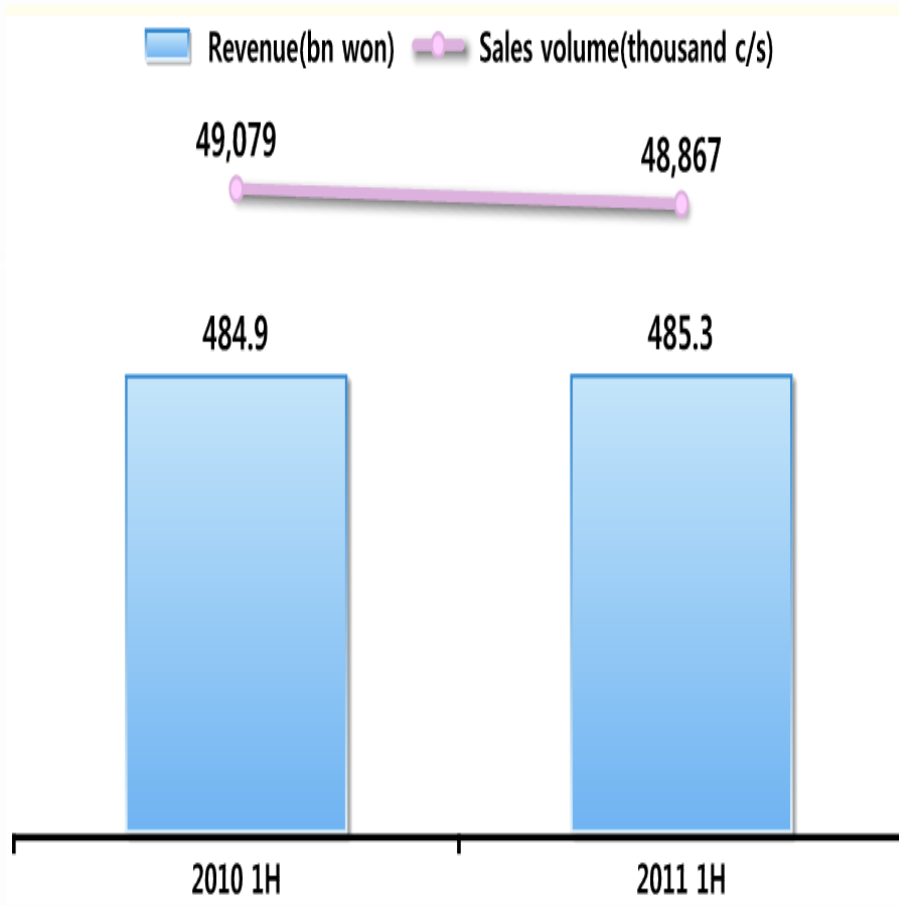
Hite Brewery IR Material

2011. 1H

Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업

Hite Brewery result– Revenue & Sales volume



- Revenue increased about 0.4bn won(0.1%) compared to '10 1H

- ① Sales volume decreased 213 thousand c/s (0.4%)

- ② Total market increased by 9.5%,

- Hite increased by 0.7% based on shipment base

- ③ Brands trend(compared to '10 1H)

- Hite : decreased by 7.3%

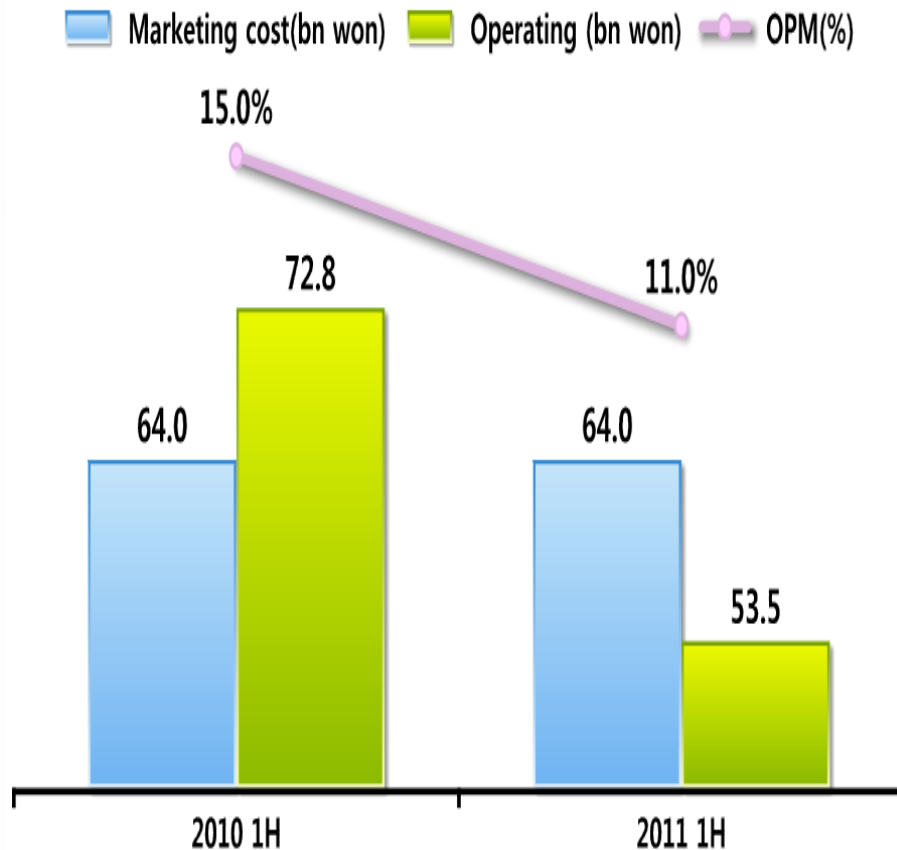
- Max : increased by 5.9%

- Dryfinish-d: Sales volume in 2Q

- increased by 35.8%(compared to '10 4Q),

- 45.8%(compared to '11 1Q)

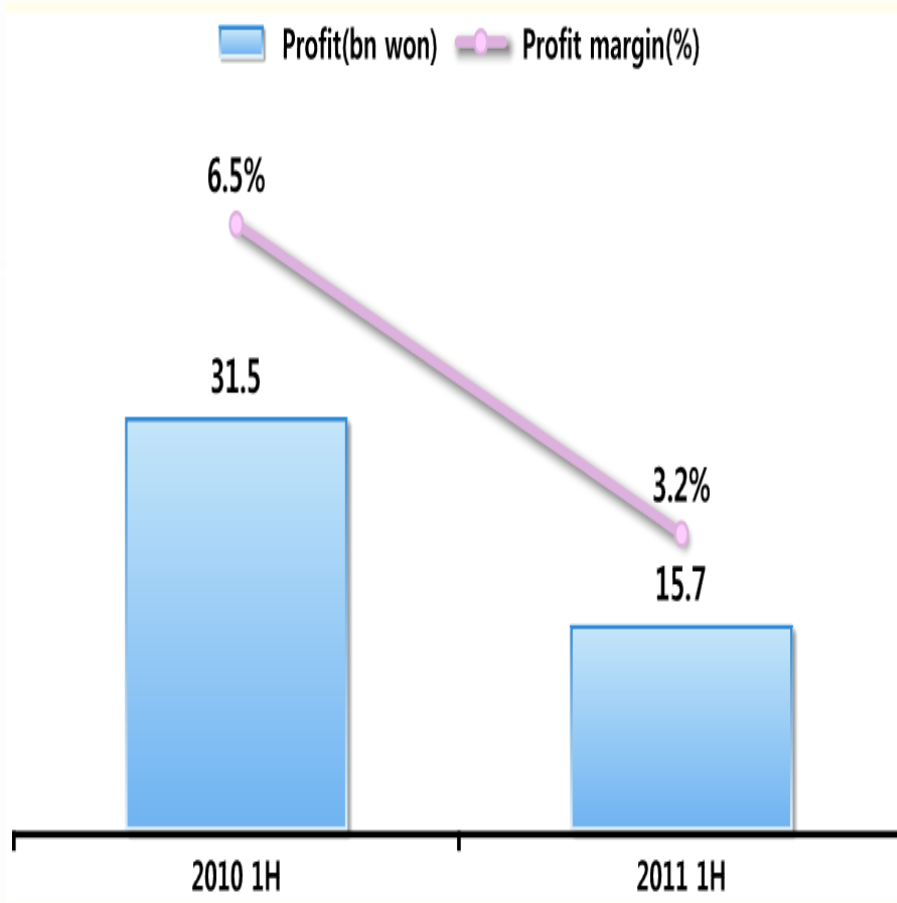
Hite Brewery result – Marketing cost & Operating income



- **Operating profit decreased 19.3bn won (26.4%), operating profit margin decreased 4.0%p**

- ① GPM decreased from 50.5% to 48.7% because contract price of imported malt increased ('10 2Q \$387 → '11 2Q \$564), and labor cost increased as well.
- ② Operating profit decreased due to a decrease in GPM and an increase in COGS
 - Marketing cost was similar to '10 1H
 - A salary and service fee increased 7.4 bn won due to a wage hike in 2010

Hite Brewery result – Profit



• **Profit decreased 15.8bn won, decreased by 50.1% (profit margin decreased 3.3%p)**

- ① Finance profit & cost and non-operating expense decreased. Non-operating revenue slightly increased
 - A decrease in gain on disposition of tangible tangible assets and derivative transactions
 - A decrease in Loss on foreign exchanged and foreign exchange etc
- ② Ratio of company tax increased due to high entertaining expense

Hite Brewery Condensed Financial Statements

Statement of financial position

[Unit: Mn won]	1H 2011	2010
Current assets	582,530	535,496
Cash and cash equivalents	19,911	24,312
Trade and other current receivables	433,515	389,937
Other current financial assets	465	745
Inventories	92,750	89,701
Other current non-financial assets	35,889	30,801
Non-current assets	1,740,016	1,748,355
Long-term trade and other non-current receivables, gross	19,979	17,873
Non-current available-for-sale financial assets	2,056	2,115
Investments in subsidiaries	28,943	28,943
Other non-current financial assets	44,244	42,503
Investment property	75,509	76,873
Property, plant and equipment	1,558,644	1,569,577
Intangible assets other than goodwill	10,640	10,471
Total assets	2,322,546	2,283,851
Current liabilities	1,073,256	1,114,839
Non-current liabilities	383,734	294,303
Total liabilities	1,456,990	1,409,142
Issued capital	49,684	49,684
Capital surplus	516,747	516,747
Treasury shares	-1,072	-1,072
Elements of other stockholder's equity	-14	-14
Reserves	145,000	99,400
Retained earnings	155,210	209,964
Total equity	865,556	874,709

Statement of comprehensive income

[Unit: Mn won]	1H 2011	1H 2010
Revenue	485,342	484,915
Cost of sales	248,869	240,150
Gross profit	236,473	244,764
SG&A	181,960	171,537
Other income	691	867
Other expense	1,677	1,342
Operating income	53,527	72,751
Finance income	4,038	14,726
Finance costs	30,786	39,613
Other gains	1,849	1,308
Other losses	2,379	3,700
Profit(loss) before tax	26,250	45,473
Income tax expense	10,558	14,007
Profit	15,691	31,465