

Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업



'11 Jinro 1Q Results



A dynamic splash of blue water is the background of the slide, with water droplets and bubbles scattered throughout. The water flows from the top left towards the bottom right, creating a sense of movement and freshness.

▣ Contents

1. Sales
2. Cost breakdown
3. Operating Profit & Marketing Cost
4. Quarter Profit
5. Stakes of Shareholders
6. Appendix
 - Separate Statement of financial position
 - Separate Income statements
 - Consolidated Statement of financial position
 - Consolidated Income statements

Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업

NOTES

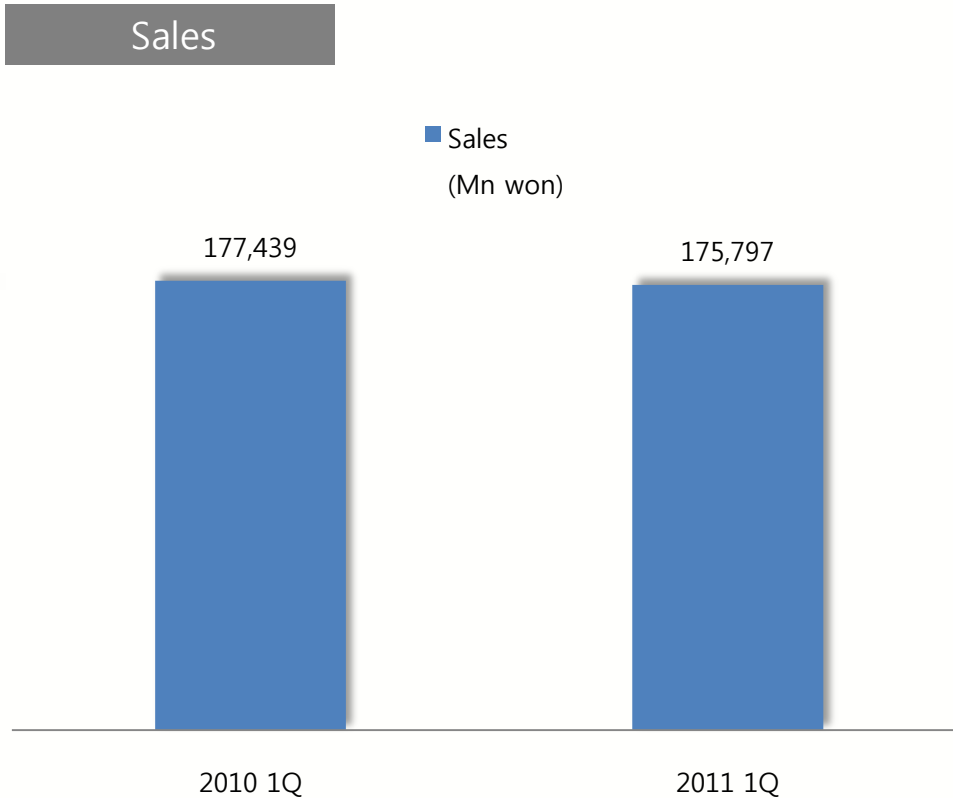
This material is written by financial statements based on IFRS.
Results material is based on Non Consolidated financial statements
and consolidated financial statements is attached by appendix

Leading the Future

창조적인 혁신과 도전으로 미래를 선도하는 기업

1. Sales

■ Sales KW 175.8 bn (-0.9% ,QoQ)



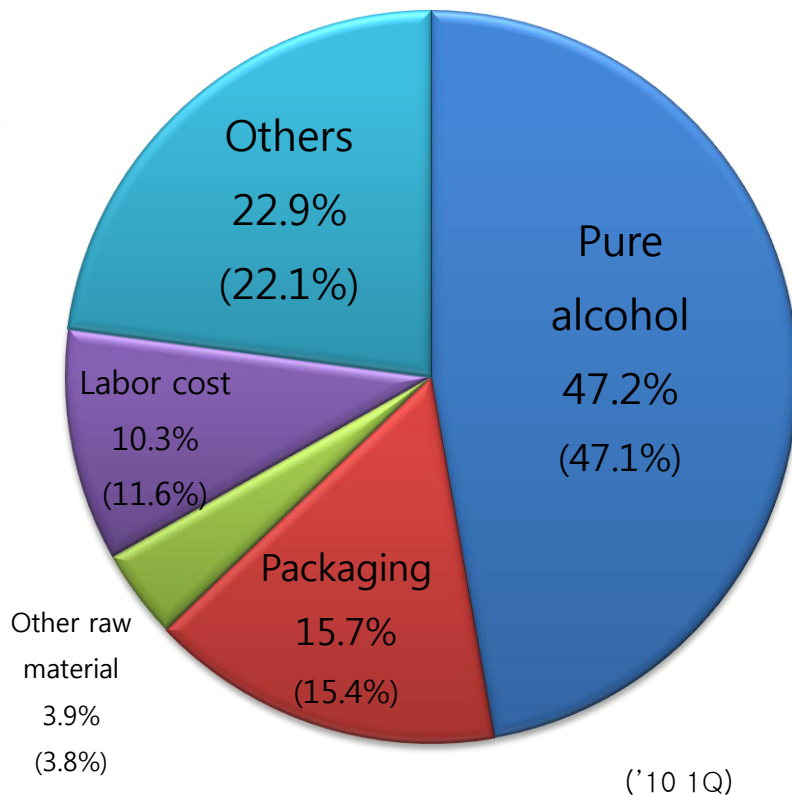
•Cause of sales decline

Because of renewal of Main product,
inventory was exhausted in 4Q'09.
Through High base effect in 1Q'10,
Sales was decreased by 0.9% in
1Q'11

2. Cost breakdown

- **Gross Profit KW 73.9bn (-3.5%, QoQ)**
- **Gross Profit Margin 42.0% (-1.2% QoQ)**

COGS breakdown Trend



• Cause of Gross profit decline

- Due to increase in goods sales, cost increase
- Packaging and others cost increase

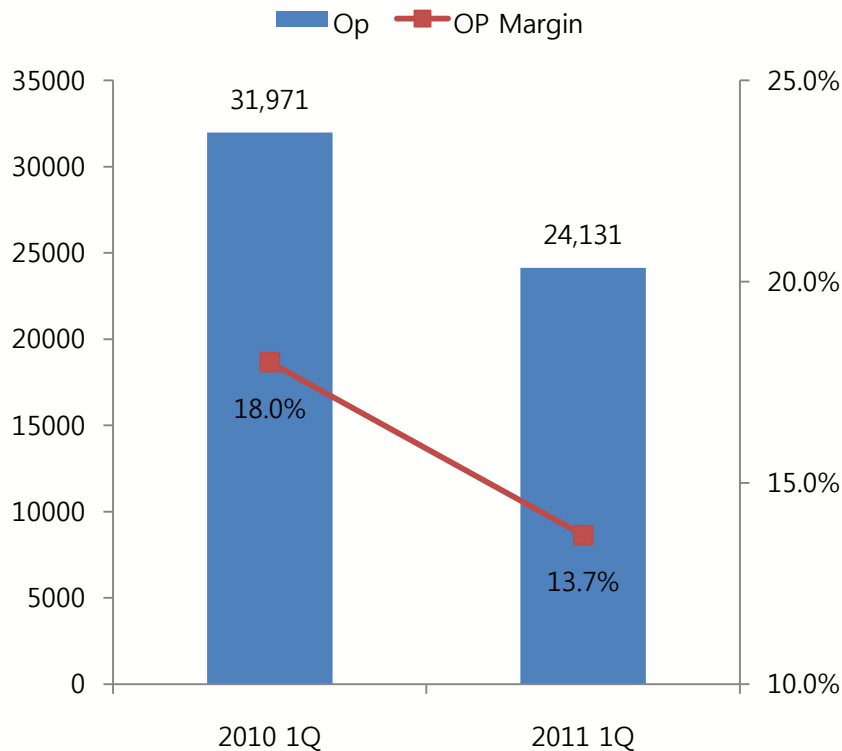
• Major increase & decrease information

- Pure alcohol: 46.7bn (KW +600mn, QoQ)
- Packaging: 15.5bn (KW +400mn, QoQ)
- Labor cost: 10.2bn (KW -1.3bn, QoQ)

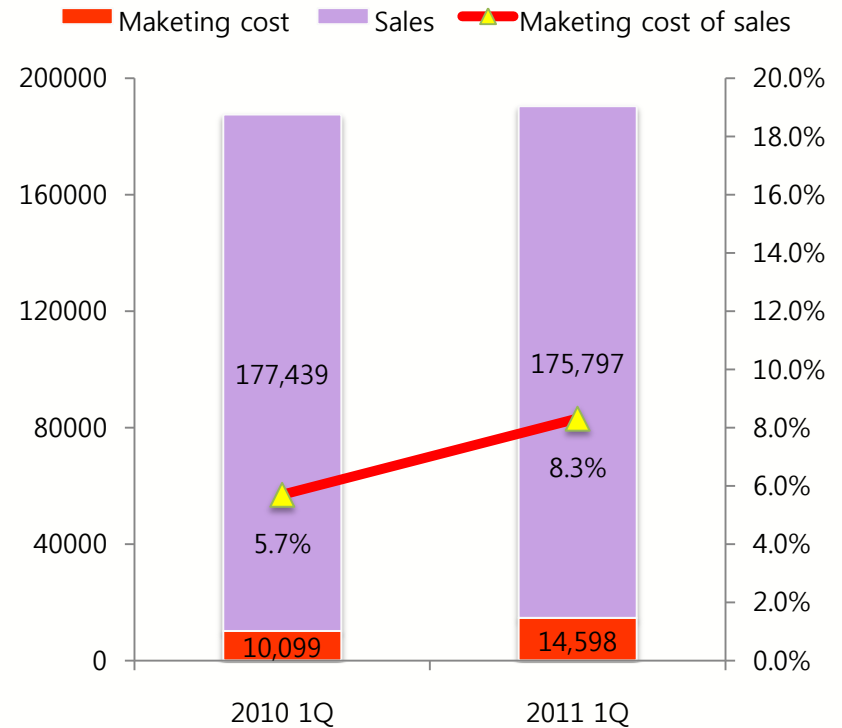
3. Operating Profit & Marketing Cost

- Operating Profit KW 24.1bn (OPM 13.7%, -4.3% QoQ)
- Marketing cost KW 14.6bn (8.3% of Sales-Annual average level, +2.6% QoQ)
 - Due to New Product release 'JULGYOCHAKI', Advertising cost was increased by 55.8% QoQ

Operating Profit Trend



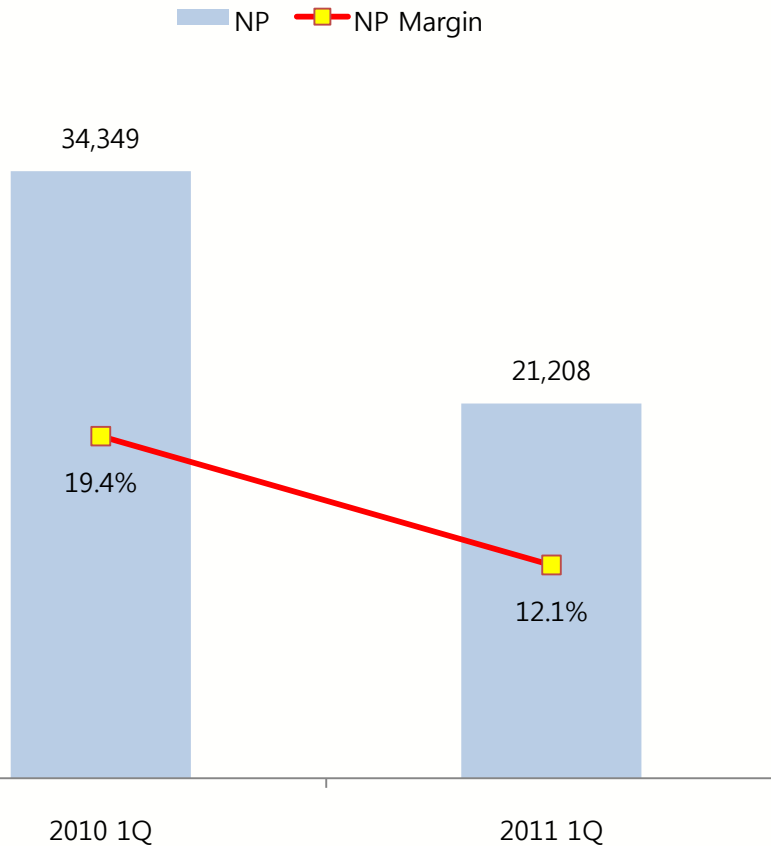
Marketing cost Trend



4. Net Profit

- Net Profit KW 21.2bn (Net profit margin 12.1% , -7.3% QoQ)

Net Profit Trend



•Cause of Net Profit decline

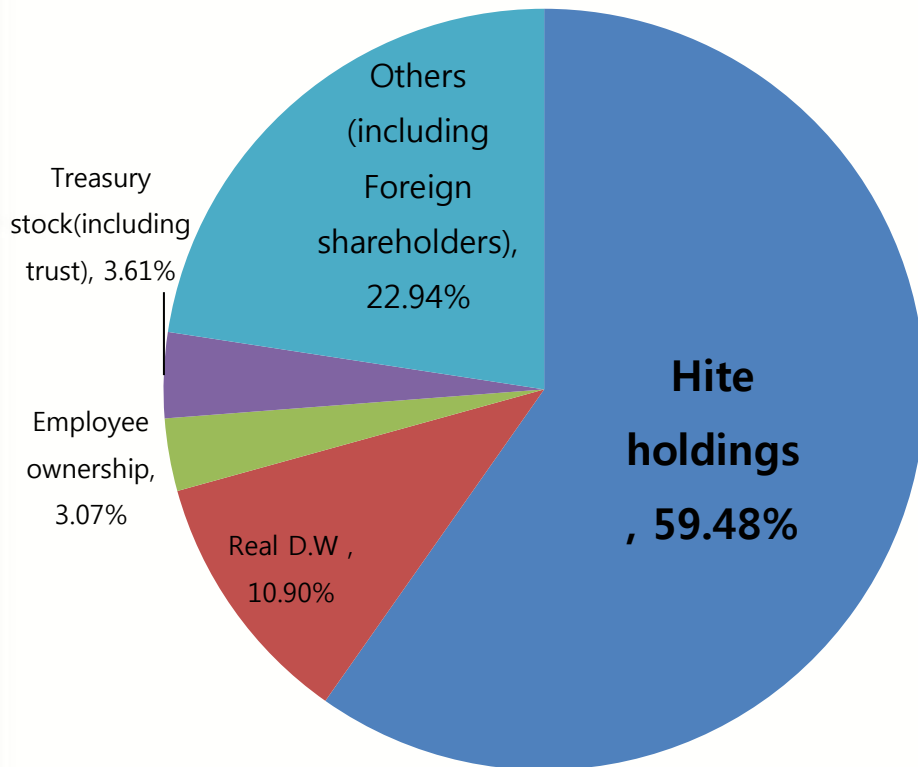
- According to New product release, advertising cost was increased

•Non OP profit & cost

- Dividend profit KW 1bn decrease
- Interest profit KW 900mn decrease
- Donation KW 1.2bn increase

5. Equity status of Jinro(all of the issued stocks until March 31)

Jinro



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 3.07%
- ✓ Treasury stocks 3.61%
- ✓ Others (Institution & Private) 22.94%
 - ✓ (including Foreign stakes 7.71%)

Separate financial statements

Statement of financial position

Unit : Mn won

| Items | 2011 1Q | In/Decrease | Ratio | 2010 1Q |
|---|------------------|--------------|---------------|------------------|
| Total assets | 1,308,111 | -0.6% | 100.0% | 1,315,765 |
| 1. Current assets | 210,585 | -4.1% | 16.1% | 219,662 |
| (1) Cash and cash equivalents | 76,576 | -5.2% | 5.9% | 80,760 |
| (2) Trade and other current receivables | 82,466 | -8.9% | 6.3% | 90,507 |
| (3) Other current financial assets | 521 | 17.9% | 0.0% | 442 |
| (4) Other current assets | 17,290 | 16.6% | 1.3% | 14,832 |
| (5) Inventories | 33,733 | 1.8% | 2.6% | 33,121 |
| 2. Non-current assets | 1,097,526 | 0.1% | 83.9% | 1,096,103 |
| (1) Other non-current financial assets | 36,298 | 2.6% | 2.8% | 35,391 |
| (2) Non-current available-for-sale financial assets | 5,515 | 5.3% | 0.4% | 5,239 |
| (3) Investments in subsidiaries | 294,452 | 2.4% | 22.5% | 287,467 |
| (4) Property, plant and equipment | 549,978 | -0.2% | 42.0% | 550,861 |
| (5) Intangible asset | 3,805 | -1.6% | 0.3% | 3,865 |
| (6) Investment property | 67,351 | -0.2% | 5.1% | 67,476 |
| (7) Deferred tax assets | 140,127 | -3.9% | 10.7% | 145,804 |
| Total liabilities | 763,242 | 4.0% | 58.3% | 733,764 |
| 1. Current liabilities | 511,495 | -9.5% | 39.1% | 565,037 |
| (1) Short-term borrowings | 192,457 | -28.9% | 14.7% | 270,555 |
| (2) Trade and other current payables | 184,974 | -2.6% | 14.1% | 190,000 |
| (3) Other current financial liabilities | 131,322 | 29.3% | 10.0% | 101,571 |
| (5) Other current financial liabilities | 2,742 | -5.8% | 0.2% | 2,910 |
| 2. Non-current liabilities | 251,747 | 49.2% | 19.2% | 168,727 |
| (1) Long-term borrowings, gross | 229,229 | 53.3% | 17.5% | 149,501 |
| (2) Present value of defined benefit obligation | 22,518 | 17.1% | 1.7% | 19,226 |
| Total equity | 544,869 | -6.4% | 41.7% | 582,001 |
| 1. Issued capital | 215,000 | 0.0% | 16.4% | 215,000 |
| 2. Other equity interest | (57,319) | -0.4% | 4.4% | (57,534) |
| 5. Retained earnings | 387,188 | -8.8% | 29.6% | 424,535 |

Separate financial statements

Income statement

Unit: Mn won

| ITEM | 2011 1Q | In/Decrease | Ratio | 2010 1Q | Ratio |
|---|----------------|---------------|---------------|----------------|---------------|
| Sales | 175,797 | -0.9% | 100.0% | 177,439 | 100.0% |
| Cost of sales | 101,919 | 1.1% | 58.0% | 100,850 | 56.8% |
| Gross profit | 73,878 | -3.5% | 42.0% | 76,589 | 43.2% |
| SG&A | 47,521 | 11.3% | 27.0% | 42,689 | 24.1% |
| (Marketing cost) | (14,598) | 44.5% | 8.3% | (10,099) | 5.7% |
| Other gains (losses) | 351 | -88.4% | 0.2% | 3,027 | 1.7% |
| Other expense | (2,577) | -48.0% | 1.5% | (4,956) | 2.8% |
| Operating Income(Loss) | 24,131 | -24.5% | 13.7% | 31,971 | 18.0% |
| Finance income | 8,228 | -18.7% | 4.7% | 10,123 | 5.7% |
| Finance costs | (4,361) | 11.6% | 2.5% | (3,906) | 2.2% |
| Other gains (losses) | (1,173) | 2627.9% | 0.7% | 43 | 0.0% |
| Finance income | 32,359 | -23.1% | 31.7% | 42,094 | 41.7% |
| Profit (loss) before tax | 26,824 | -29.8% | 15.3% | 38,230 | 21.5% |
| Income tax expense | (5,616) | 44.7% | 3.2% | (3,881) | 2.2% |
| Quaterly net income | 21,208 | -38.3% | 12.1% | 34,349 | 19.4% |
| Other comprehensive income | 215 | 760.0% | 0.1% | 25 | 0.0% |
| Gain on valuation of available-for-sale financial | 215 | 760.0% | 0.1% | 25 | 0.0% |
| Total comprehensive income | 21,423 | -37.7% | 12.2% | 34,374 | 19.4% |
| Earnings per share | 543won | | | 829won | |

Consolidated financial statements

Statement of financial position

Consolidated financial statements include Connect subsidiaries of Jinro Japn Inc, Jinro Soju, Seoksu&Puris, JGC, The Hite-Jinro Group China, Jinro America Inc and Jinro RUS Food co.

Unit : Mn won

| Items | 2011 1Q | In/Decrease | Ratio | 2010 1Q |
|---|------------------|--------------|---------------|------------------|
| Total assets | 1,385,311 | -2.6% | 100.0% | 1,422,228 |
| 1. Current assets | 379,564 | -8.2% | 27.4% | 413,441 |
| (1) Cash and cash equivalents | 157,332 | 0.3% | 11.4% | 156,837 |
| (2) Trade and other current receivables | 141,636 | -24.0% | 10.2% | 186,419 |
| (3) Other current financial assets | 631 | 71.0% | 0.0% | 369 |
| (4) Other current assets | 18,868 | 15.6% | 1.4% | 16,320 |
| (5) Inventories | 61,097 | 14.2% | 4.4% | 53,497 |
| 2. Non-current assets | 1,005,747 | -0.3% | 72.6% | 1,008,787 |
| (1) Other non-current financial assets | 36,513 | -2.7% | 2.6% | 37,530 |
| (2) Non-current available-for-sale financial assets | 60,791 | -4.9% | 4.4% | 63,910 |
| (3) Investments in subsidiaries | 34,503 | 8.1% | 2.5% | 31,906 |
| (4) Property, plant and equipment | 638,482 | 1.2% | 46.1% | 631,142 |
| (5) Intangible asset | 10,502 | 111.9% | 0.8% | 4,955 |
| (6) Investment property | 60,752 | -10.1% | 4.4% | 67,553 |
| (7) Deferred tax assets | 164,158 | -4.4% | 11.8% | 171,746 |
| (8) Other non-current assets | 47 | 6.8% | 0.0% | 44 |
| Total liabilities | 817,466 | 1.4% | 59.0% | 806,349 |
| 1. Current liabilities | 546,005 | -11.7% | 39.4% | 618,288 |
| (1) Short-term borrowings | 193,357 | -28.5% | 14.0% | 270,555 |
| (2) Trade and other current payables | 209,212 | -17.1% | 15.1% | 252,386 |
| (3) Other current financial liabilities | 132,476 | 61.0% | 9.6% | 82,265 |
| (4) Payments of Income taxes payable | 5,566 | -28.7% | 0.4% | 7,807 |
| (5) Other current financial liabilities | 5,393 | 2.3% | 0.4% | 5,274 |
| 2. Non-current liabilities | 271,461 | 44.3% | 19.6% | 188,061 |
| (1) Long-term borrowings, gross | 229,537 | 53.5% | 16.6% | 149,581 |
| (2) Present value of defined benefit obligation | 28,862 | 14.1% | 2.1% | 25,288 |
| (3) Other non-financial liabilities | 9,576 | -3.9% | 0.7% | 9,968 |
| (4) Deferred tax liabilities | 3,486 | 8.1% | 0.3% | 3,224 |
| Total equity | 567,845 | -7.8% | 41.0% | 615,879 |
| 1. Equity attributable to owners of parent | 567,490 | -7.8% | 41.0% | 615,563 |
| (1) Issued capital | 215,000 | 0.0% | 15.5% | 215,000 |
| (2) Other equity interest | (35,380) | 36.9% | -2.6% | (25,840) |
| (3) Retained earnings | 387,869 | -9.0% | 28.0% | 426,403 |
| 2. Non-controlling interests | 355 | 12.3% | 0.0% | 316 |

Consolidated financial statements

Income statement

Consolidated financial statements include Connect subsidiaries of Jinro Japn Inc, Jinro Soju, Seoksu&Puris, JGC, The Hite-Jinro Group China, Jinro America Inc and Jinro RUS Food co.

Unit : Mn won

| ITEM | 2011 1Q | In/Decrease | Ratio | 2010 1Q | Ratio |
|--|----------------|----------------|---------------|----------------|---------------|
| Sales | 244,493 | 0.8% | 100.0% | 242,636 | 100.0% |
| Cost of sales | (144,102) | 4.0% | -58.9% | (138,599) | -57.1% |
| Gross profit | 100,391 | -3.5% | 41.1% | 104,036 | 42.9% |
| SG&A | (67,546) | 9.3% | -27.6% | (61,820) | -25.5% |
| (Marketing cost) | (18,733) | 19.9% | -7.7% | (15,624) | -6.4% |
| Other gains (losses) | 800 | -76.4% | 0.3% | 3,383 | 1.4% |
| Other expense | (3,031) | -44.2% | -1.2% | (5,430) | -2.2% |
| Operating Income(Loss) | 30,614 | -23.8% | 12.5% | 40,169 | 16.6% |
| Finance income | 695 | -55.1% | 0.3% | 1,548 | 0.6% |
| Finance costs | (4,364) | 11.6% | -1.8% | (3,910) | -1.6% |
| Other gains | 2,599 | 17.3% | 1.1% | 2,216 | 0.9% |
| Other expense | (1,237) | -947.3% | -0.5% | 146 | 0.1% |
| Profit (loss) before tax | 28,308 | -29.5% | 11.6% | 40,169 | 16.6% |
| Income tax expense | (8,262) | -12.0% | -3.4% | (9,389) | -3.9% |
| Quaterly net income | 20,047 | -34.9% | 8.2% | 30,779 | 12.7% |
| Other comprehensive income(loss) | (9,526) | -2.1% | -3.9% | (9,732) | -4.0% |
| Loss on valuation of available-for-sale financial | (2,294) | -54.4% | -0.9% | (5,033) | -2.1% |
| Loss on overseas operations translation | (7,231) | 53.9% | -3.0% | (4,698) | -1.9% |
| Total comprehensive income(loss) | 10,521 | -50.0% | 4.3% | 21,048 | 8.7% |
| Profit, attributable to | 20,047 | -34.9% | 8.2% | 30,779 | 12.7% |
| Proprietor's equity | 20,021 | -34.9% | 8.2% | 30,770 | 12.7% |
| non-controlling equities | 26 | 160.0% | 0.0% | 10 | 0.0% |
| Attributable to total comprehensive income | (9,526) | -2.1% | -3.9% | (9,732) | -4.0% |
| Profit, attributable to owners of parent | (9,539) | -2.0% | -3.9% | (9,729) | -4.0% |
| Profit, attributable to non-controlling interests | 13 | -533.3% | 0.0% | (3) | 0.0% |
| Basic earnings per share | 543won | | | 829won | |