

HiteJinro Result for 2012.3Q

2012.Nov

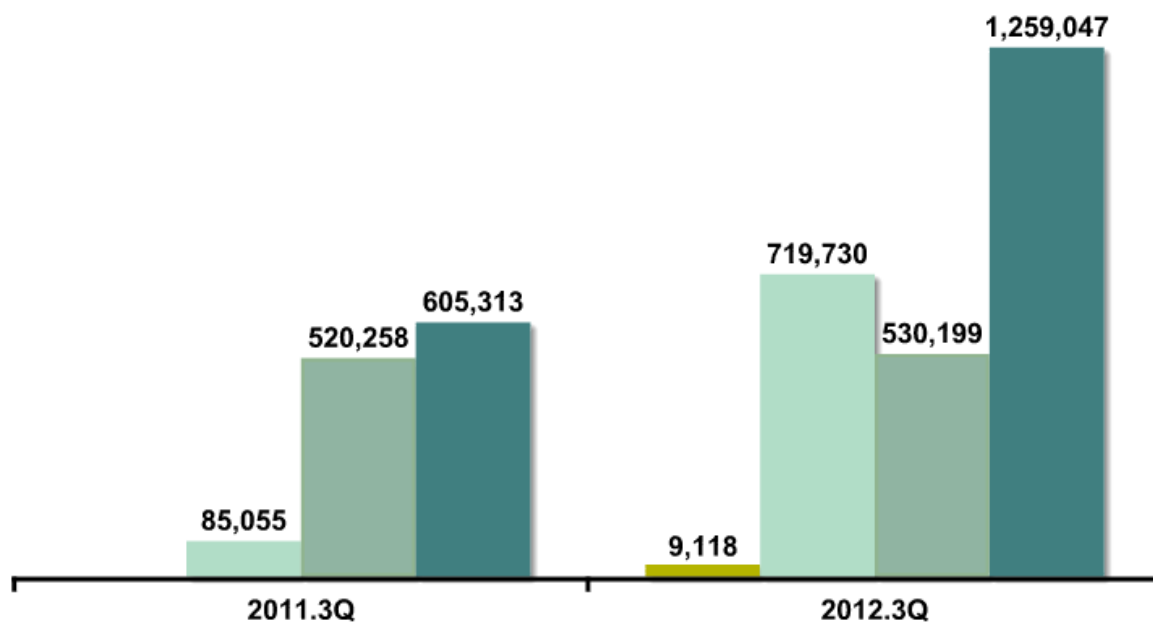
※ This material is based on the public announcement.

You should consider that it is difficult to directly compare with 2011.3Q results due to the merger between Hite and Jinro in 2011.Sep, HiteJinro and Hiscot in 2012.July.

① Sales

[Sales by each division]

■ Other
 ■ Beer
 ■ Soju
 ■ Total
 [Unit: MN won]



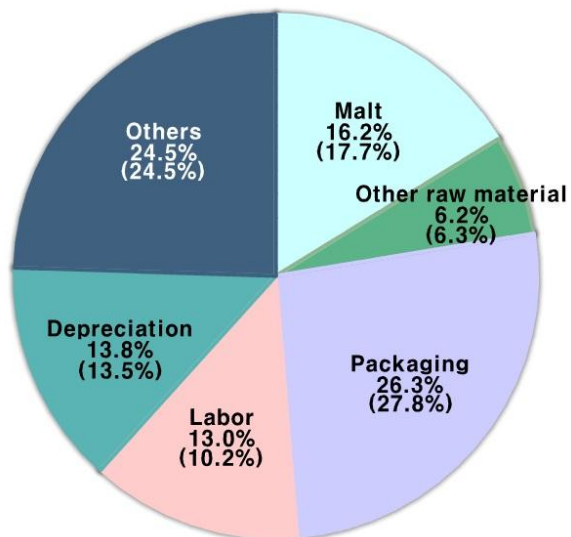
- Increase 653.7bn won yoy
 - ① 2011.09 : Merger between Hite and Jinro
 - ② 2012.07 : Merger between HiteJinro and Hiscot
- Including period by division

	2011.3Q	2012.3Q
Soju	Jan~Sep	Jan~Sep
Beer	Sep	Jan~Sep
Other	-	July~Sep

② Cost Breakdown(2012.1H)

※ Cost breakdown will be updated.

Beer Division



- **Malt**

- Total cost decreased (45.3bn won → 40.2bn won)

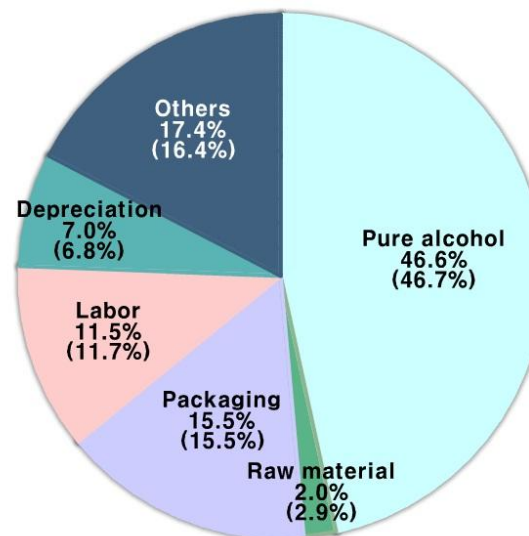
- ① Domestic malt : Volume decreased

- (11,269ton → 1,394ton), unit price 675,000won/ton

- ② Imported malt : Volume increased

- (50,704ton → 70,193ton), unit price 560,000won/ton

Soju Division



- Similar as the same period in the previous year

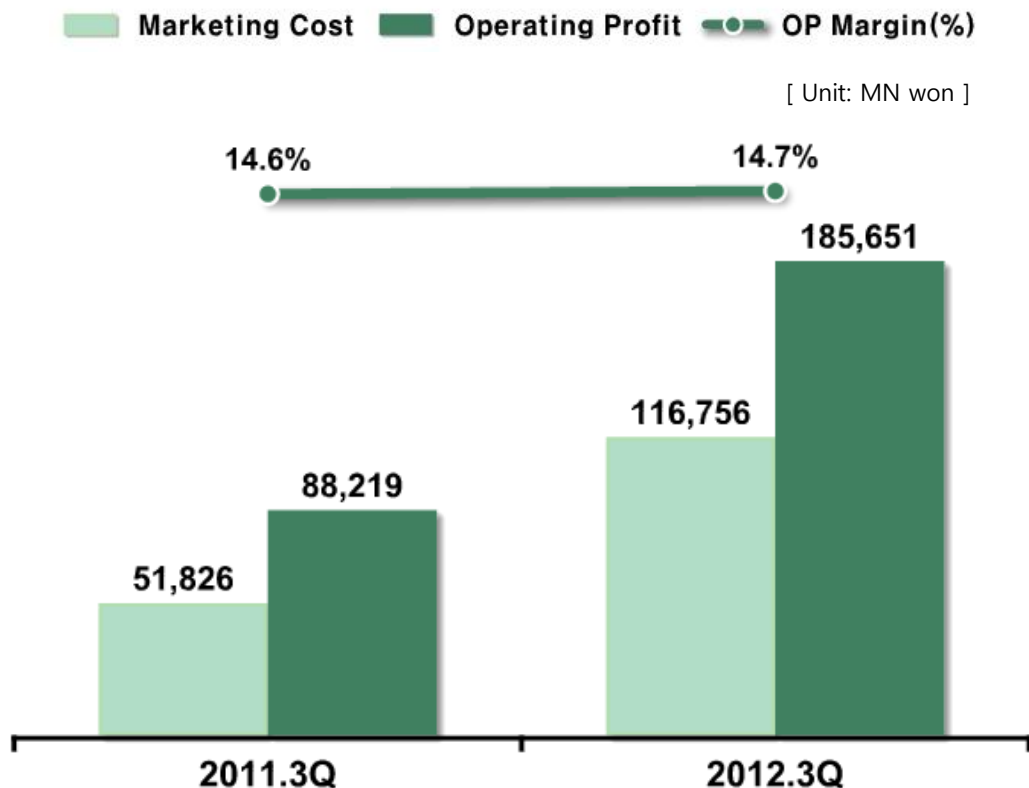
- Pure Alcohol

- 2012. 1H : 60,368KL (330,000won/drum)

- 2011. 1H : 61,488KL (330,000won/drum)

③ Operating Profit

[Operating Profit & Marketing Cost*]

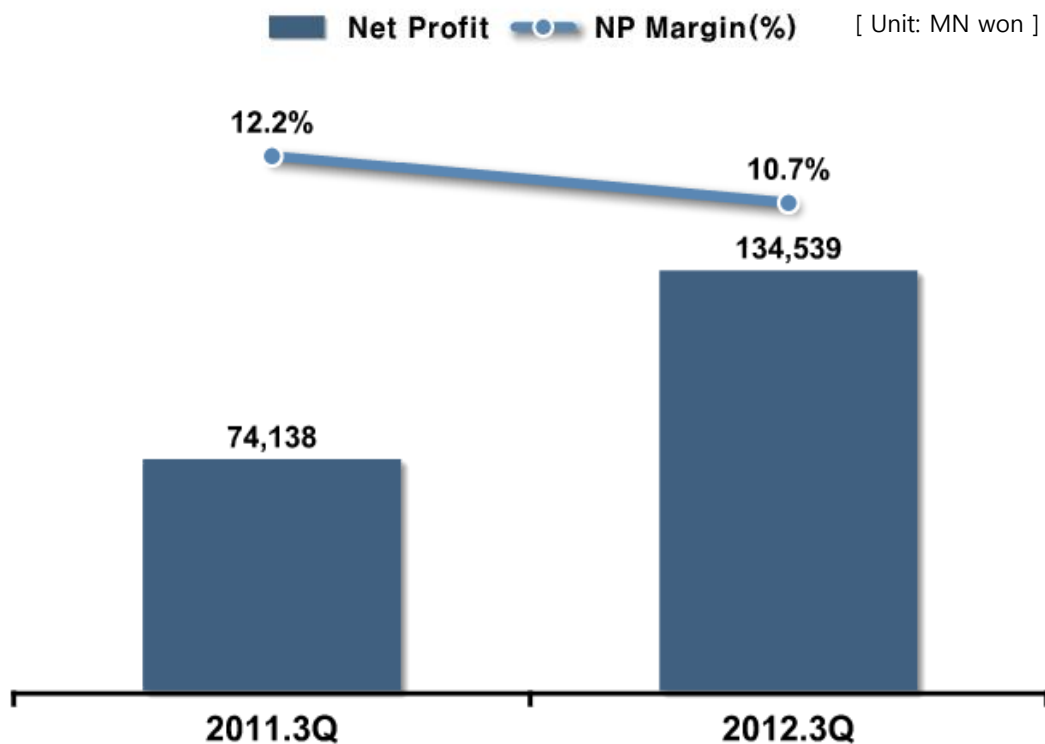


- OP increased 97.4bn won(110% yoy), OP Margin increased by 0.1%p
- Main issues of an increase in SG&A
 - ① Rental expense of head office in Seocho - 2.4bn won (Full year: 9.6bn won)
 - ② Payment of incentive for a wage freeze - 4.6bn won
- Marketing cost : 116.8bn won
 - ① Increased 64.9bn won yoy
 - ② 9.3% of Sales
 - ③ 27.2% of SG&A

* Marketing cost = Advertising + Market research + Sales promotions + Market development + Overseas market development

④ Net Profit

[Net Profit]



- NP increased 60.4bn won(81% yoy) , NP Margin decreased by 1.5%p
- Causes of an increase in NP
 - Operating profit growth
 - Dividends from affiliates
- Causes of a decrease in NP Margin
 - Increase in finance costs due to Interest expense, Loss on derivative transactions

⑤ Financial Statement - Statement of Financial Position

Brief Statement of Financial Position

Item (Unit : won)	2012. 3Q	Variation	Ratio	2011
Assets	3,563,654,982,303	3.7%	100.0%	3,435,692,574,147
1. Current assets	735,429,955,677	-5.6%	20.6%	778,902,121,546
(1) Cash and cash equivalents	37,160,557,844	-20.1%	1.0%	46,518,332,718
(2) Trade and other current receivables	532,714,247,837	26.1%	14.9%	422,470,747,436
(3) Other current financial assets	1,894,201,037	-49.1%	0.1%	3,724,741,814
(4) Other current assets	47,284,017,299	-7.6%	1.3%	51,187,197,520
(5) Inventories	116,376,931,660	-11.0%	3.3%	130,795,433,483
(6) Non-current assets for disposal	0	-100.0%	0.0%	124,205,668,575
2. Non-current assets	2,828,225,026,626	6.5%	79.4%	2,656,790,452,601
(1) Trade and other current receivables	98,180,140,721	180.7%	2.8%	34,979,712,678
(2) Other non-current financial assets	56,075,989,632	3.7%	1.6%	54,052,765,576
(3) Non-current available-for-sale financial assets	3,582,181,898	-2.5%	0.1%	3,672,265,698
(4) Investments in subsidiaries	266,551,415,629	-17.6%	7.5%	323,427,954,741
(5) Tangible assets	2,100,630,641,795	1.0%	58.9%	2,080,653,573,133
(6) Intangible assets	202,230,449,826	718.0%	5.7%	24,721,066,913
(7) Investment property	26,068,402,358	-16.7%	0.7%	31,298,918,422
(8) Deferred tax asset	74,905,804,767	-28.0%	2.1%	103,984,195,440
Liabilities	2,137,721,190,019	4.1%	60.0%	2,053,536,517,771
1. Current liabilities	1,619,123,497,953	11.8%	45.4%	1,448,392,570,026
2. Non-current liabilities	518,597,692,066	-14.3%	14.6%	605,143,947,745
Equity	1,425,933,792,284	3.2%	40.0%	1,382,156,056,376
1. Issued capital	365,562,745,000	0.0%	10.3%	365,562,745,000
2. Capital surplus	694,063,051,715	-1.2%	19.5%	702,537,887,337
3. Elements of other stockholder's equity	-106,491,569,378	0.1%	-3.0%	-106,423,285,857
4. Retained earnings	472,799,564,947	12.4%	13.3%	420,478,709,896

⑤ Financial Statement - Income Statement

Brief Income Statement

Item (Unit : won)	2012. 3Q			2011. 3Q	
	Value	Ratio	Variation	Value	Ratio
Sales	1,259,047,241,572	100.0%	108.00%	605,313,335,880	100.0%
Cost of Sales	707,638,097,693	56.2%	100.75%	352,488,451,485	58.2%
Gross Profit	551,409,143,879	43.8%	118.10%	252,824,884,395	41.8%
SG&A	429,663,602,742	34.1%	139.57%	179,345,978,955	29.6%
Other gains	85,304,441,496	6.8%	222.53%	26,448,919,212	4.4%
Other expense	21,398,659,146	1.7%	82.75%	11,708,938,403	1.9%
Operating Income	185,651,323,487	14.7%	110.44%	88,218,886,249	14.6%
Finance income	43,098,420,488	3.4%	55.75%	27,671,711,295	4.6%
Finance costs	57,272,816,757	4.5%	131.84%	24,704,011,755	4.1%
Profit(loss) before tax	171,476,927,218	13.6%	88.05%	91,186,585,789	15.1%
Income tax expense	36,937,932,567	2.9%	116.66%	17,048,966,019	2.8%
Net Profits	134,538,994,651	10.7%	81.47%	74,137,619,770	12.2%