

# HiteJinro Result for 2012

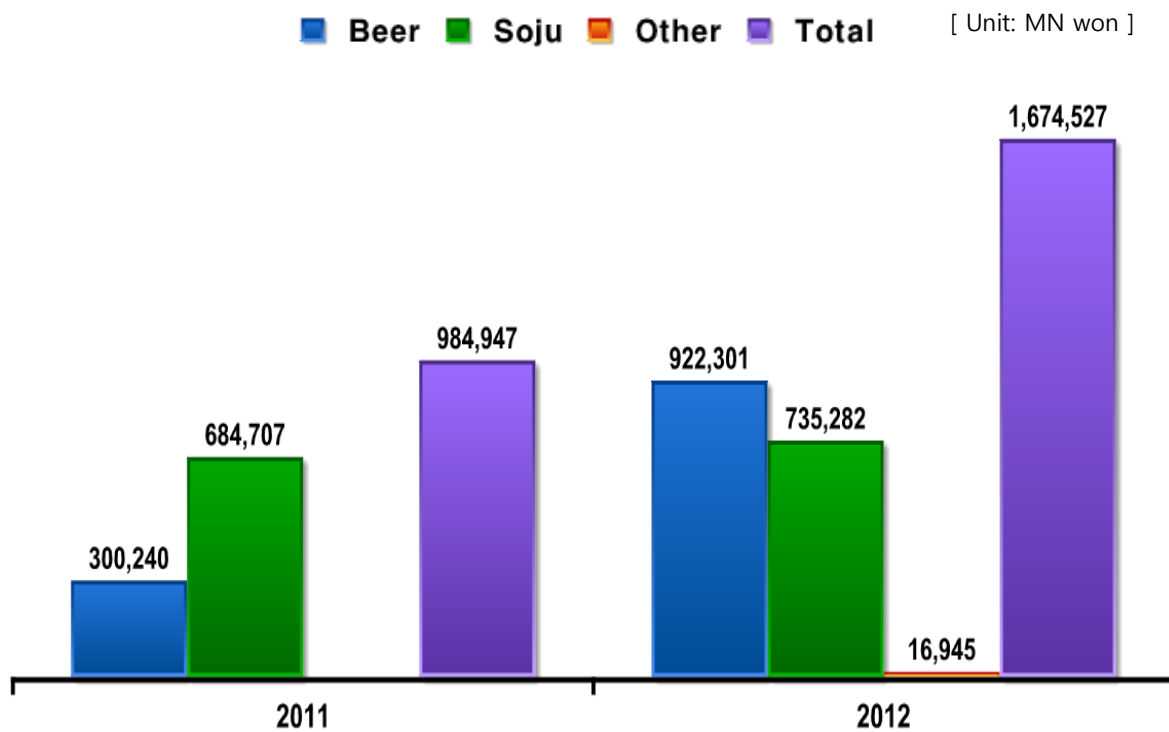
2013.March

※ 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 in 2012]



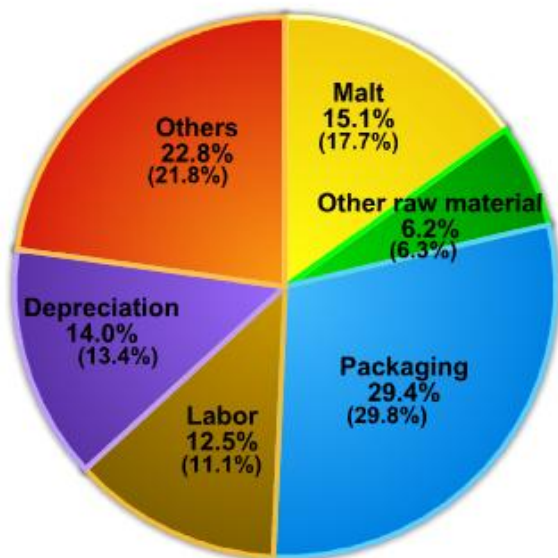
- Increase 689.6bn won yoy
  - ① 2011.09 : Merger between Hite and Jinro
  - ② 2012.07 : Merger between HiteJinro and Hiscot

- Including period by division

	2011	2012
Soju	Jan~Dec	Jan~Dec
Beer	Sep~Dec	Jan~Dec
Other	-	July~Dec

## ② Cost Breakdown

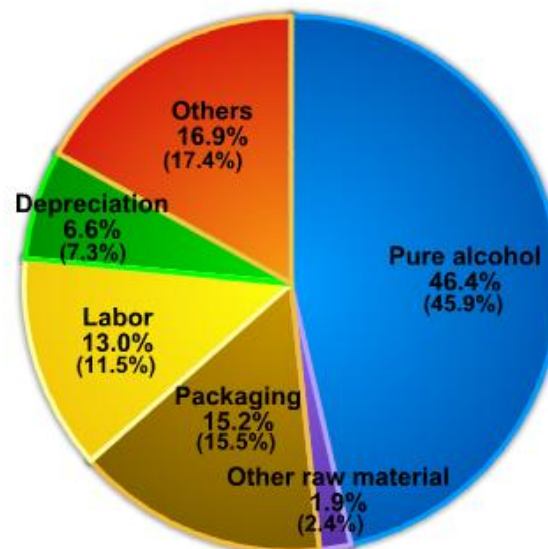
### Beer Division



#### ▪ Malt

- Total cost decreased (91.3bn won → 74.1bn won)
- ① Domestic malt : Volume decreased  
(20,328ton → 3,054ton), about 910,000won/ton  
(Including incidental expenses)
- ② Imported malt : Volume increased  
(102,785ton → 108,652ton), about 660,000won/ton  
(Including incidental expenses)

### Soju Division



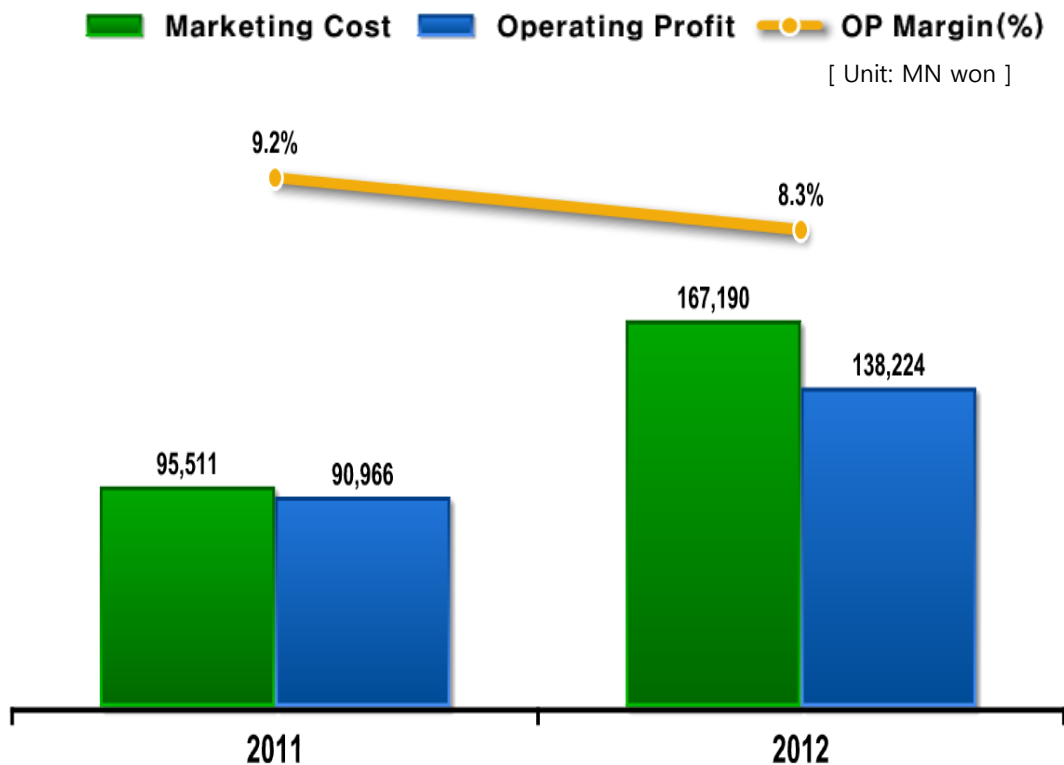
#### ▪ Pure Alcohol

- 2012 : 122,269KL (about 350.000won/drum)
- 2011 : 117,036KL (about 330,000won/drum)

※ ( ) : Result in 2011

### ③ Operating Profit

#### [Operating Profit & Marketing Cost\* in 2012]

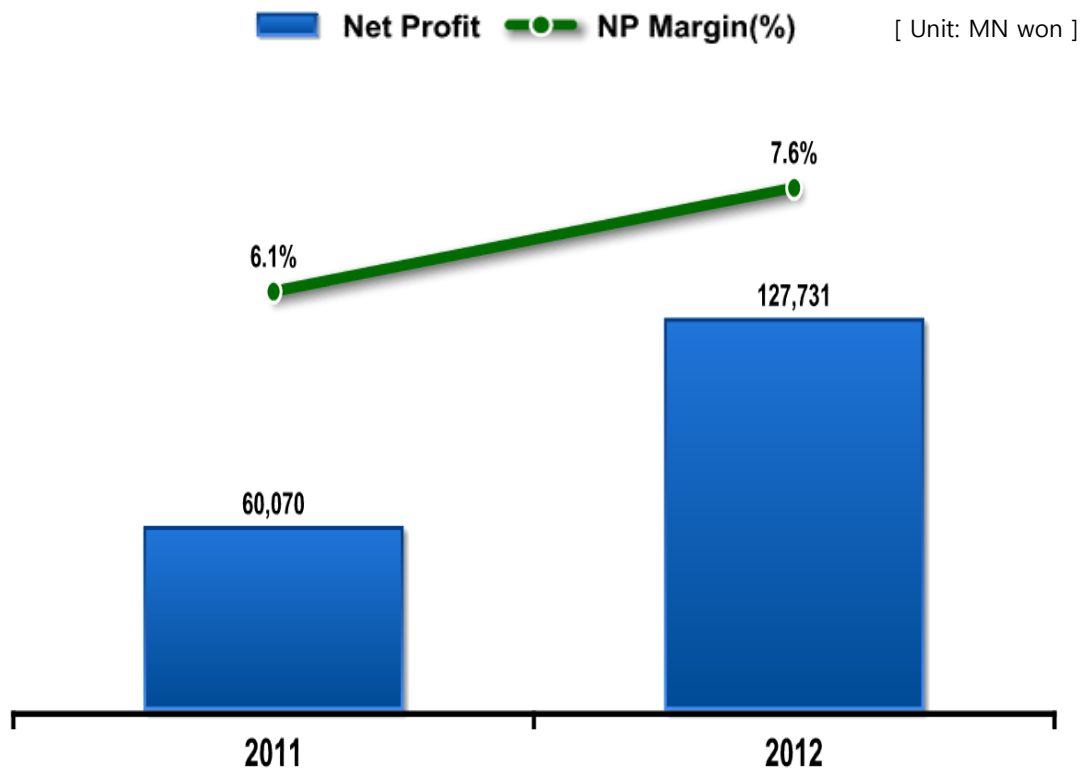


- OP increased 47.3bn won(52% yoy), OP Margin decreased by 0.9%p
- Reason for a decrease in OPM
  - Rent of head office in Seocho
  - One-off cost due to voluntary retirement
- Marketing cost: 167.2bn won
  - ① Increase 71.7bn won yoy (Change of the period due to merger)
  - ② Reduce 27.5bn won compared to total marketing cost in 2011 through cost reduction of common cost after merger between Hite and Jinro
  - ③ 28.2% of SG&A

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

## ④ Net Profit

[Net Profit in 2012]



- NP increased 67.7bn won(112.6% yoy), NP Margin increased by 1.5%p
- Reason for an increase in NP
  - Reflect one-off disposable credit (Head office in Seocho, stake of PRKI)
  - Increase dividend from affiliates

# ⑤ Financial Statement : Non-consolidated Statement of Financial Position

## Brief Statement of Financial Position

Item (Unit : won)	2012	Variation	Ratio	2011
<b>Assets</b>	<b>3,464,862,522,835</b>	<b>0.8%</b>	<b>100.0%</b>	<b>3,435,692,574,147</b>
<b>1. Current assets</b>	<b>652,782,686,658</b>	<b>-16.2%</b>	<b>18.8%</b>	<b>778,902,121,546</b>
(1) Cash and cash equivalents	9,163,861,663	-80.3%	0.3%	46,518,332,718
(2) Trade and other current receivables	494,427,670,832	17.0%	14.3%	422,470,747,436
(3) Other current financial assets	1,581,783,621	-57.5%	0.0%	3,724,741,814
(4) Other current assets	35,234,810,803	-31.2%	1.0%	51,187,197,520
(5) Inventories	112,374,559,739	-14.1%	3.2%	130,795,433,483
(6) Non-current assets for disposal	0	-100.0%	0.0%	124,205,668,575
<b>2. Non-current assets</b>	<b>2,812,079,836,177</b>	<b>5.8%</b>	<b>81.2%</b>	<b>2,656,790,452,601</b>
(1) Trade and other current receivables	87,025,241,009	148.8%	2.5%	34,979,712,678
(2) Other non-current financial assets	54,951,037,240	1.7%	1.6%	54,052,765,576
(3) Non-current available-for-sale financial assets	3,597,117,148	-2.0%	0.1%	3,672,265,698
(4) Investments in subsidiaries	266,551,415,629	-17.6%	7.7%	323,427,954,741
(5) Tangible assets	2,104,075,805,011	1.1%	60.7%	2,080,653,573,133
(6) Intangible assets	199,800,399,906	708.2%	5.8%	24,721,066,913
(7) Investment property	15,269,381,224	-51.2%	0.4%	31,298,918,422
(8) Deferred tax asset	80,809,439,010	-22.3%	2.3%	103,984,195,440
(9) Other non-current assets	0	0.0%	0.0%	0
<b>Liabilities</b>	<b>2,058,277,213,080</b>	<b>0.2%</b>	<b>59.4%</b>	<b>2,053,536,517,771</b>
<b>1. Current liabilities</b>	<b>1,438,143,187,637</b>	<b>-0.7%</b>	<b>41.5%</b>	<b>1,448,392,570,026</b>
<b>2. Non-current liabilities</b>	<b>620,134,025,443</b>	<b>2.5%</b>	<b>17.9%</b>	<b>605,143,947,745</b>
<b>Equity</b>	<b>1,406,585,309,755</b>	<b>1.8%</b>	<b>40.6%</b>	<b>1,382,156,056,376</b>
<b>1. Issued capital</b>	<b>365,562,745,000</b>	<b>0.0%</b>	<b>10.6%</b>	<b>365,562,745,000</b>
<b>2. Capital surplus</b>	<b>694,063,051,715</b>	<b>-1.2%</b>	<b>20.0%</b>	<b>702,537,887,337</b>
<b>3. Elements of other stockholder's equity</b>	<b>-106,423,285,857</b>	<b>0.0%</b>	<b>-3.1%</b>	<b>-106,423,285,857</b>
<b>4. Retained earnings</b>	<b>453,439,761,498</b>	<b>7.8%</b>	<b>13.1%</b>	<b>420,478,709,896</b>

# ⑤ Financial Statement : Consolidated Statement of Financial Position

## Brief Income Statement

Item (Unit : won)	2012	Variation	Ratio	2011
<b>Assets</b>	<b>3,518,666,190,307</b>	<b>-1.5%</b>	<b>100.0%</b>	<b>3,573,282,814,433</b>
<b>1. Current assets</b>	<b>811,948,777,383</b>	<b>-21.2%</b>	<b>23.1%</b>	<b>1,030,882,873,819</b>
(1) Cash and cash equivalents	77,484,443,501	-45.3%	2.2%	141,716,673,726
(2) Trade and other current receivables	563,580,115,138	5.4%	16.0%	534,542,549,758
(3) Other current financial assets	3,729,683,014	-3.6%	0.1%	3,868,138,855
(4) Other current assets	39,446,778,534	-31.1%	1.1%	57,252,515,064
(5) Inventories	127,707,757,196	-23.7%	3.6%	167,349,922,341
(6) Non-current assets for disposal	0	-100.0%	0.0%	126,153,074,075
<b>2. Non-current assets</b>	<b>2,706,717,412,924</b>	<b>6.5%</b>	<b>76.9%</b>	<b>2,542,399,940,614</b>
(1) Trade and other current receivables	87,267,243,725	147.4%	2.5%	35,277,979,339
(2) Other non-current financial assets	56,275,119,760	0.5%	1.6%	55,992,045,094
(3) Non-current available-for-sale financial assets	39,098,269,304	7.9%	1.1%	36,222,037,491
(4) Investments in subsidiaries	0	-100.0%	0.0%	41,177,259,000
(5) Tangible assets	2,187,835,805,536	0.4%	62.2%	2,179,988,220,522
(6) Intangible assets	220,888,679,611	370.3%	6.3%	46,968,552,347
(7) Investment property	15,495,767,451	-23.2%	0.4%	20,171,884,128
(8) Deferred tax asset	99,771,911,421	-21.2%	2.8%	126,545,177,957
(9) Other non-current assets	84,616,116	49.0%	0.0%	56784736
<b>Liabilities</b>	<b>2,109,594,358,429</b>	<b>-4.3%</b>	<b>58.5%</b>	<b>2,150,023,339,506</b>
<b>1. Current liabilities</b>	<b>1,472,925,280,393</b>	<b>-3.6%</b>	<b>41.9%</b>	<b>1,528,640,585,770</b>
<b>2. Non-current liabilities</b>	<b>636,669,078,036</b>	<b>2.5%</b>	<b>18.1%</b>	<b>621,382,753,736</b>
<b>Equity</b>	<b>1,409,071,831,878</b>	<b>-1.0%</b>	<b>40.0%</b>	<b>1,423,259,474,927</b>
<b>1. Equity attributable to owners of parent</b>	<b>1,408,573,748,611</b>	<b>-1.0%</b>	<b>40.0%</b>	<b>1,422,853,708,095</b>
(1) Issued capital	365,562,745,000	0.0%	10.4%	365,562,745,000
(2) Capital surplus	710,136,940,074	0.0%	20.2%	710,136,940,074
(3) Elements of other stockholder's equity	-95,106,842,089	27.0%	-2.7%	-74,883,954,597
(4) Retained earnings	427,980,905,626	1.4%	12.2%	422,037,977,618
<b>4. Non-controlling interests</b>	<b>498,083,267</b>	<b>22.8%</b>	<b>0.0%</b>	<b>405,766,832</b>

## ⑤ Financial Statement : Non-consolidated Income Statement

### Brief Income Statement

Item (Unit : won)	2012			2011	
	Value	Ratio	Variation	Value	Ratio
<b>Sales</b>	<b>1,674,527,255,056</b>	<b>100.0%</b>	<b>70.0%</b>	<b>984,947,019,188</b>	<b>100.0%</b>
<b>Cost of Sales</b>	<b>944,325,723,183</b>	<b>56.4%</b>	<b>65.1%</b>	<b>571,883,979,791</b>	<b>58.1%</b>
<b>Gross Profit</b>	<b>730,201,531,873</b>	<b>43.6%</b>	<b>76.8%</b>	<b>413,063,039,397</b>	<b>41.9%</b>
<b>SG&amp;A</b>	<b>591,977,541,663</b>	<b>35.4%</b>	<b>83.8%</b>	<b>322,096,657,859</b>	<b>32.7%</b>
<b>Operating Income</b>	<b>138,223,990,210</b>	<b>8.3%</b>	<b>52.0%</b>	<b>90,966,381,538</b>	<b>9.2%</b>
Other gains	80,983,231,085	4.8%	221.9%	25,159,670,397	2.6%
Other expense	27,102,350,442	1.6%	71.7%	15,784,814,908	1.6%
Finance income	42,652,592,002	2.5%	59.8%	26,686,544,924	2.7%
Finance costs	76,733,385,947	4.6%	84.8%	41,517,627,191	4.2%
Profit(loss) before tax	158,024,076,908	9.4%	84.8%	85,510,154,760	8.7%
Income tax expense	30,292,688,991	1.8%	19.1%	25,439,664,953	2.6%
<b>Net Profits</b>	<b>127,731,387,917</b>	<b>7.6%</b>	<b>112.6%</b>	<b>60,070,489,807</b>	<b>6.1%</b>



# ⑤ Financial Statement : Consolidated Income Statement

## Brief Statement of Financial Position

Item (Unit : won)	2012			2011	
	Value	Ratio	Variation	Value	Ratio
<b>Sales</b>	<b>2,034,625,756,891</b>	<b>100.0%</b>	<b>48.1%</b>	<b>1,373,664,295,632</b>	<b>100.0%</b>
<b>Cost of Sales</b>	<b>1,162,926,787,947</b>	<b>57.2%</b>	<b>42.9%</b>	<b>813,937,482,134</b>	<b>59.3%</b>
<b>Gross Profit</b>	<b>871,698,968,944</b>	<b>42.8%</b>	<b>55.7%</b>	<b>559,726,813,498</b>	<b>40.7%</b>
<b>SG&amp;A</b>	<b>704,543,941,122</b>	<b>34.6%</b>	<b>62.1%</b>	<b>434,731,231,530</b>	<b>31.6%</b>
<b>Operating Income</b>	<b>167,155,027,822</b>	<b>8.2%</b>	<b>33.7%</b>	<b>124,995,581,968</b>	<b>9.1%</b>
Other gains	68,402,523,888	3.4%	123.1%	30,665,932,071	2.2%
Other expense	28,727,605,969	1.4%	52.1%	18,891,507,440	1.4%
Finance income	5,909,931,962	0.3%	-32.5%	8,757,924,368	0.6%
Finance costs	77,861,941,925	3.8%	84.3%	42,236,845,466	3.1%
Investment returns	2,108,212,800	0.1%	-79.1%	10,086,572,052	0.7%
Investment costs	0.0%	0.0%	100.0%	2,476,255,662	0.2%
Profit(loss) before tax	136,986,148,578	6.7%	23.5%	110,901,401,891	8.1%
Income tax expense	33,449,953,450	1.6%	-17.7%	40,658,855,636	3.0%
<b>Net Profits</b>	<b>103,536,195,128</b>	<b>5.1%</b>	<b>47.4%</b>	<b>70,242,546,255</b>	<b>5.1%</b>