

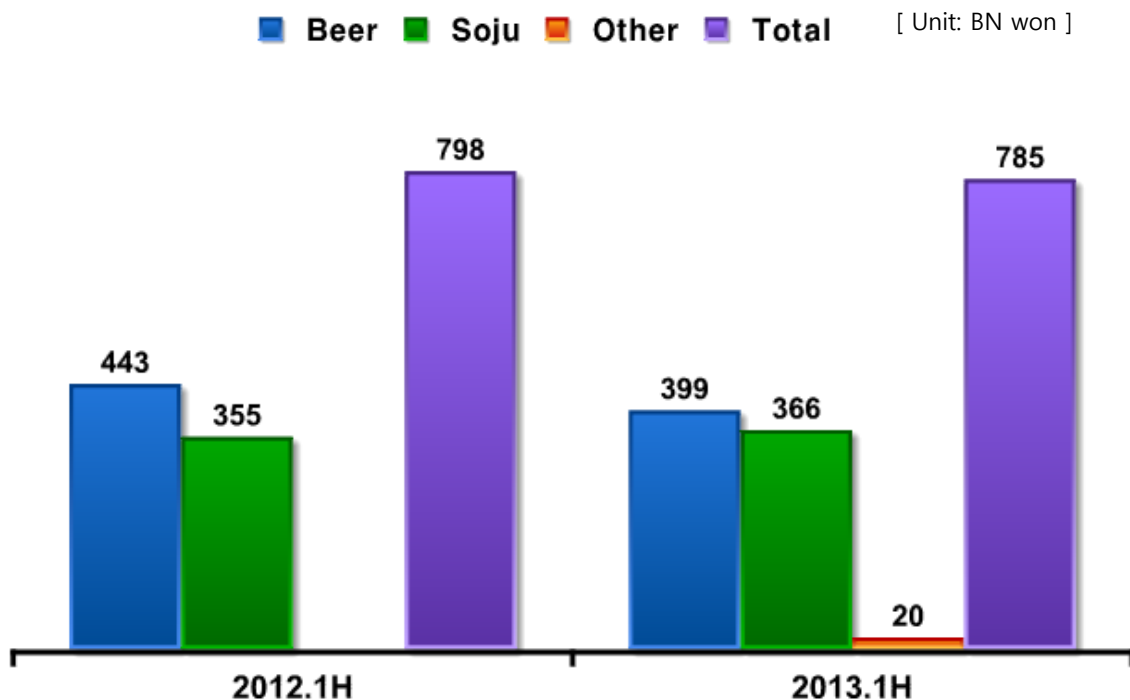
# HiteJinro Result for 2013.1H

2013.August

The bottom half of the slide is decorated with large, overlapping, wavy shapes in various shades of blue and purple, creating a modern, abstract background.

# ① Sales

## [Sales by each division]



▪ Sales decreased 13bn won(yoy1.7% ↓)

① Beer : Decreased 44bn won (9.9% ↓)

- Volume decreased by 13.3%
- 5.9% of price hike (2012.July)

② Soju : 11bn won increased (3.0% ↑)

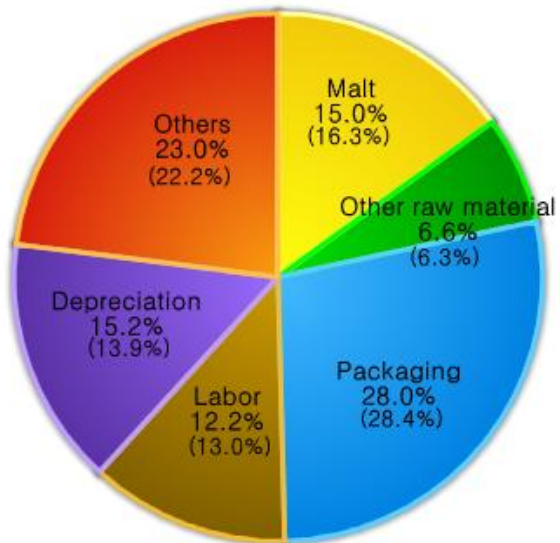
- Volume decreased by 4.5%
- 8.2% of price hike (2012.Dec)

③ Other :

- Add the result due to the merger with Hiscot in 2012.July

## ② Cost Breakdown

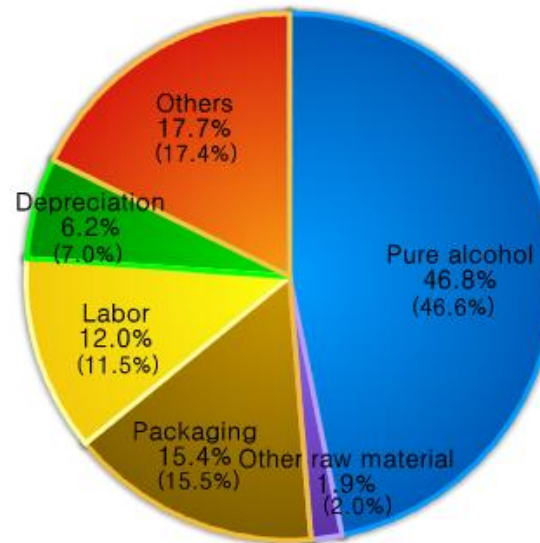
### Beer Division



#### ▪ Malt

Unit		Domestic	Import	Total
Volume	'12.1H	979ton	58,470ton	59,449ton
	'13.1H	0ton	49,137ton	49,137ton
Cost (won)	'12.1H	0.9bn	39.2bn	40.2bn
	'13.1H	0	33.6bn	33.6bn

### Soju Division



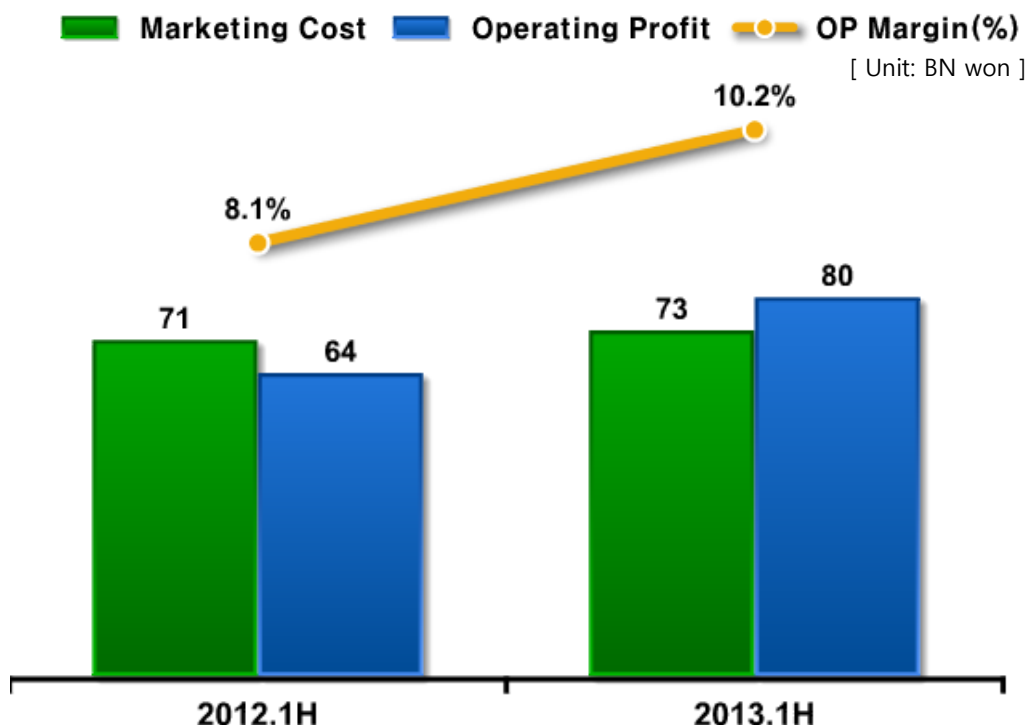
#### ▪ Pure Alcohol

- 2013.1H: 58,696KL (about 350,000won/drum)
- 2012.1H: 60,368KL (about 330,000won/drum)

※ ( ) : 2012.1H Result

# ③ Operating Profit

## [Operating Profit & Marketing Cost\*]



▪ **OP increased 16bn won(yoy 25% ↑)**  
**OP Margin increased by 2.1%p**

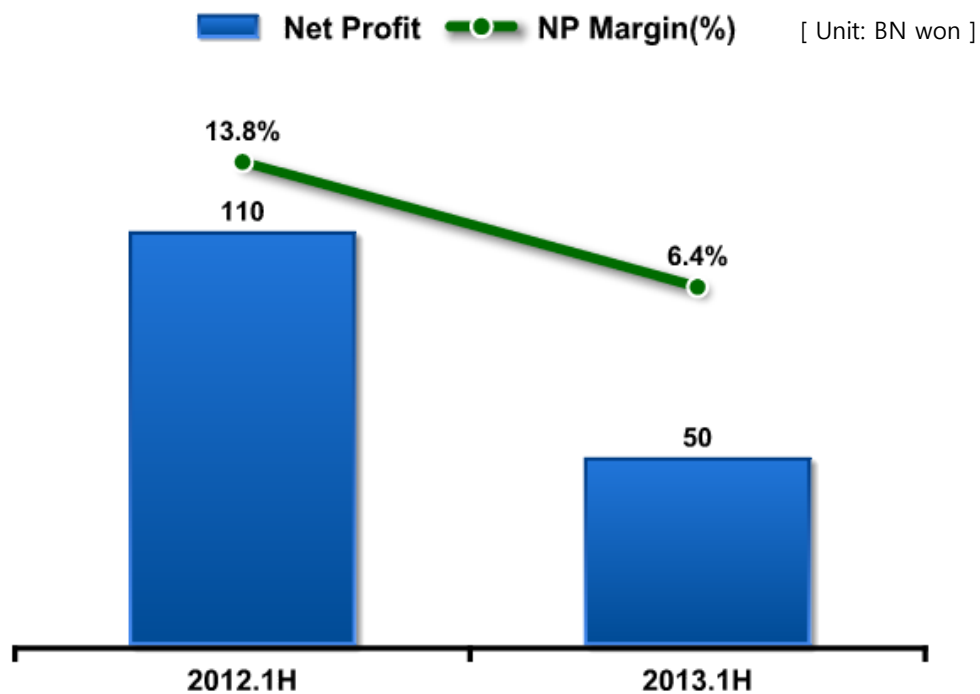
- ① Improve GPM
  - Reflect price hike effect
  - Reduce the cost of malt
- ② Decrease SG&A
  - Salaries: Change the date of retroactive pay ('12: 2Q→'13: 3Q(E))
  - Service contract: Decrease temporary workers by 7.4%
  - Commission: Decrease one-off cost regarding asset disposal(8bn won)

▪ **Marketing cost 73bn won**

(bn won)	'12.1H	'13.1H	Variation
Beer	47.4	42.5	10% ↓
Soju	24.0	27.7	15% ↑
Other	-	3.0	100% ↑

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

## ④ Net Profit



- **NP decreased 60bn won (yoy 54.6% ↓) , NP Margin decreased by 7.4%p**
- **Reason for a decrease in NP**
  - Other gains from asset disposal in the first half of last year
    - ① Current head office in Seo-cho (Gain on disposition: 32bn won)
    - ② 30% shares of PRKI (Gain on disposition: 41bn won)

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

## Brief Statement of Financial Position

Item (Unit : won)	2013.1H	Variation	Ratio	2012
<b>Assets</b>	<b>3,466,119,962,563</b>	<b>0.04%</b>	<b>100.00%</b>	<b>3,464,862,522,835</b>
<b>1. Current assets</b>	<b>696,958,117,866</b>	<b>6.77%</b>	<b>20.11%</b>	<b>652,782,686,658</b>
(1) Cash and cash equivalents	6,587,782,664	-28.11%	0.19%	9,163,861,663
(2) Trade and other current receivables	508,218,323,547	2.79%	14.66%	494,427,670,832
(3) Other current financial assets	374,865,026	-76.30%	0.01%	1,581,783,621
(4) Other current assets	61,602,463,354	74.83%	1.78%	35,234,810,803
(5) Inventories	120,174,683,275	6.94%	3.47%	112,374,559,739
<b>2. Non-current assets</b>	<b>2,769,161,844,697</b>	<b>-1.53%</b>	<b>79.89%</b>	<b>2,812,079,836,177</b>
(1) Trade and other current receivables	87,739,282,800	0.82%	2.53%	87,025,241,009
(2) Other non-current financial assets	47,570,869,676	-7.32%	1.37%	51,327,947,240
(3) Non-current available-for-sale financial assets	7,436,539,722	3.00%	0.21%	7,220,207,148
(4) Investments in subsidiaries	267,267,601,859	0.27%	7.71%	266,551,415,629
(5) Tangible assets	2,086,002,140,460	-0.86%	60.18%	2,104,075,805,011
(6) Intangible assets	196,542,579,844	-1.63%	5.67%	199,800,399,906
(7) Investment property	15,243,350,440	-0.17%	0.44%	15,269,381,224
(8) Deferred tax asset	61,359,479,896	-24.07%	1.77%	80,809,439,010
<b>Liabilities</b>	<b>2,094,203,449,731</b>	<b>1.75%</b>	<b>60.42%</b>	<b>2,058,277,213,080</b>
<b>1. Current liabilities</b>	<b>1,430,650,393,380</b>	<b>-0.52%</b>	<b>41.28%</b>	<b>1,438,143,187,637</b>
<b>2. Non-current liabilities</b>	<b>663,553,056,351</b>	<b>7.00%</b>	<b>19.14%</b>	<b>620,134,025,443</b>
<b>Equity</b>	<b>1,371,916,512,832</b>	<b>-2.46%</b>	<b>39.58%</b>	<b>1,406,585,309,755</b>
<b>1. Issued capital</b>	<b>365,562,745,000</b>	<b>0.00%</b>	<b>10.55%</b>	<b>365,562,745,000</b>
<b>2. Capital surplus</b>	<b>694,063,051,715</b>	<b>0.00%</b>	<b>20.02%</b>	<b>694,063,051,715</b>
<b>3. Elements of other stockholder's equity</b>	<b>-64,888,307,837</b>	<b>-11.57%</b>	<b>-1.87%</b>	<b>-73,380,248,458</b>
<b>4. Retained earnings</b>	<b>377,179,023,954</b>	<b>-10.27%</b>	<b>10.88%</b>	<b>420,339,761,498</b>

# ⑤ Financial Statement : Consolidated Statement of Financial Position

## Brief Income Statement

Item (Unit : won)	2013.1H	Variation	Ratio	2012
<b>Assets</b>	<b>3,512,150,906,384</b>	<b>-0.19%</b>	<b>100.00%</b>	<b>3,518,666,190,307</b>
<b>1. Current assets</b>	<b>849,895,053,562</b>	<b>4.67%</b>	<b>24.20%</b>	<b>811,948,777,383</b>
(1) Cash and cash equivalents	74,209,965,647	-4.23%	2.11%	77,484,443,501
(2) Trade and other current receivables	571,635,027,157	1.43%	16.28%	563,580,115,138
(3) Other current financial assets	1,477,228,767	-60.39%	0.04%	3,729,683,014
(4) Other current assets	63,481,064,433	60.93%	1.81%	39,446,778,534
(5) Inventories	139,091,767,558	8.91%	3.96%	127,707,757,196
<b>2. Non-current assets</b>	<b>2,662,255,852,822</b>	<b>-1.64%</b>	<b>75.80%</b>	<b>2,706,717,412,924</b>
(1) Trade and other current receivables	87,915,551,760	0.74%	2.50%	87,267,243,725
(2) Other non-current financial assets	50,738,263,923	-3.48%	1.44%	52,568,534,760
(3) Non-current available-for-sale financial assets	41,764,237,134	-2.43%	1.19%	42,804,854,304
(4) Tangible assets	2,170,133,539,201	-0.81%	61.79%	2,187,835,805,536
(5) Intangible assets	217,488,161,194	-1.54%	6.19%	220,888,679,611
(6) Investment property	15,466,406,519	-0.19%	0.44%	15,495,767,451
(7) Deferred tax asset	78,642,301,542	-21.18%	2.24%	99,771,911,421
(8) Other non-current assets	107,391,549	26.92%	0.00%	84,616,116
<b>Liabilities</b>	<b>2,157,950,737,410</b>	<b>2.29%</b>	<b>61.44%</b>	<b>2,109,594,358,429</b>
<b>1. Current liabilities</b>	<b>1,475,982,305,498</b>	<b>0.21%</b>	<b>42.03%</b>	<b>1,472,925,280,393</b>
<b>2. Non-current liabilities</b>	<b>681,968,431,912</b>	<b>7.12%</b>	<b>19.42%</b>	<b>636,669,078,036</b>
<b>Equity</b>	<b>1,354,200,168,974</b>	<b>-3.89%</b>	<b>38.56%</b>	<b>1,409,071,831,878</b>
<b>1. Equity attributable to owners of parent</b>	<b>1,353,676,916,132</b>	<b>-3.90%</b>	<b>38.54%</b>	<b>1,408,573,748,611</b>
(1) Issued capital	365,562,745,000	0.00%	10.41%	365,562,745,000
(2) Capital surplus	710,136,940,074	0.00%	20.22%	710,136,940,074
(3) Treasury stock	-122,693,569,784	0.00%	-3.49%	-122,693,569,784
(4) Other equity	21,134,057,859	-23.39%	0.60%	27,586,727,695
(5) Surplus reserve	41,600,000,000	25.68%	1.18%	33,100,000,000
(6) Retained earnings	337,936,742,983	-14.42%	9.62%	394,880,905,626
<b>2. Non-controlling interests</b>	<b>523,252,842</b>	<b>5.05%</b>	<b>0.01%</b>	<b>498,083,267</b>

# ⑤ Financial Statement : Non-consolidated Income Statement

## Brief Income Statement

Item (Unit : won)	2013.1H			2012.1H	
	Value	Ratio	Variation	Value	Ratio
<b>Sales</b>	784,565,968,891	100.00%	-1.68%	797,937,493,400	100.00%
<b>Cost of Sales</b>	437,803,623,995	55.80%	-4.82%	459,963,655,546	57.64%
<b>Gross Profit</b>	346,762,344,896	44.20%	2.60%	337,973,837,854	42.36%
<b>SG&amp;A</b>	266,433,510,228	33.96%	-2.65%	273,673,097,027	34.30%
<b>Operating Income</b>	80,328,834,668	10.24%	24.93%	64,300,740,827	8.06%
Other gains	4,225,925,461	0.54%	-94.96%	83,897,732,352	10.51%
Other expense	8,617,548,266	1.10%	-40.77%	14,549,952,840	1.82%
Finance income	23,277,713,178	2.97%	-41.10%	39,521,516,856	4.95%
Finance costs	30,683,491,185	3.91%	-16.84%	36,896,377,888	4.62%
Profit(loss) before tax	68,531,433,856	8.73%	-49.71%	136,273,659,307	17.08%
Income tax expense	18,474,031,800	2.35%	-28.72%	25,916,532,502	3.25%
<b>Net Profits</b>	50,057,402,056	6.38%	-54.64%	110,357,126,805	13.83%



# ⑤ Financial Statement : Consolidated Income Statement

## Brief Statement of Financial Position

Item (Unit : won)	2013.1H			2012.1Q	
	Value	Ratio	Variation	Value	Ratio
<b>Sales</b>	<b>913,823,085,842</b>	<b>100.00%</b>	<b>-6.80%</b>	<b>980,537,424,043</b>	<b>100.00%</b>
<b>Cost of Sales</b>	<b>515,158,187,421</b>	<b>56.37%</b>	<b>-9.47%</b>	<b>569,054,783,402</b>	<b>58.03%</b>
<b>Gross Profit</b>	<b>398,664,898,421</b>	<b>43.63%</b>	<b>-3.12%</b>	<b>411,482,640,641</b>	<b>41.97%</b>
<b>SG&amp;A</b>	<b>307,601,306,029</b>	<b>33.66%</b>	<b>-7.66%</b>	<b>333,115,739,705</b>	<b>33.97%</b>
<b>Operating Income</b>	<b>91,063,592,392</b>	<b>9.97%</b>	<b>16.20%</b>	<b>78,366,900,936</b>	<b>7.99%</b>
Other gains	5,663,724,614	0.62%	-91.93%	70,190,236,167	7.16%
Other expense	9,347,691,416	1.02%	-39.48%	15,445,019,961	1.58%
Finance income	3,221,294,459	0.35%	58.02%	2,038,539,065	0.21%
Finance costs	30,739,386,562	3.36%	-18.16%	37,559,209,486	3.83%
Equity method income	-	-	-	2,108,212,800	0.22%
Profit(loss) before tax	59,861,533,487	6.55%	-39.96%	99,699,659,521	10.17%
Income tax expense	23,868,535,063	2.61%	-16.05%	28,431,470,686	2.90%
<b>Net Profits</b>	<b>35,992,998,424</b>	<b>3.94%</b>	<b>-49.50%</b>	<b>71,268,188,835</b>	<b>7.27%</b>