

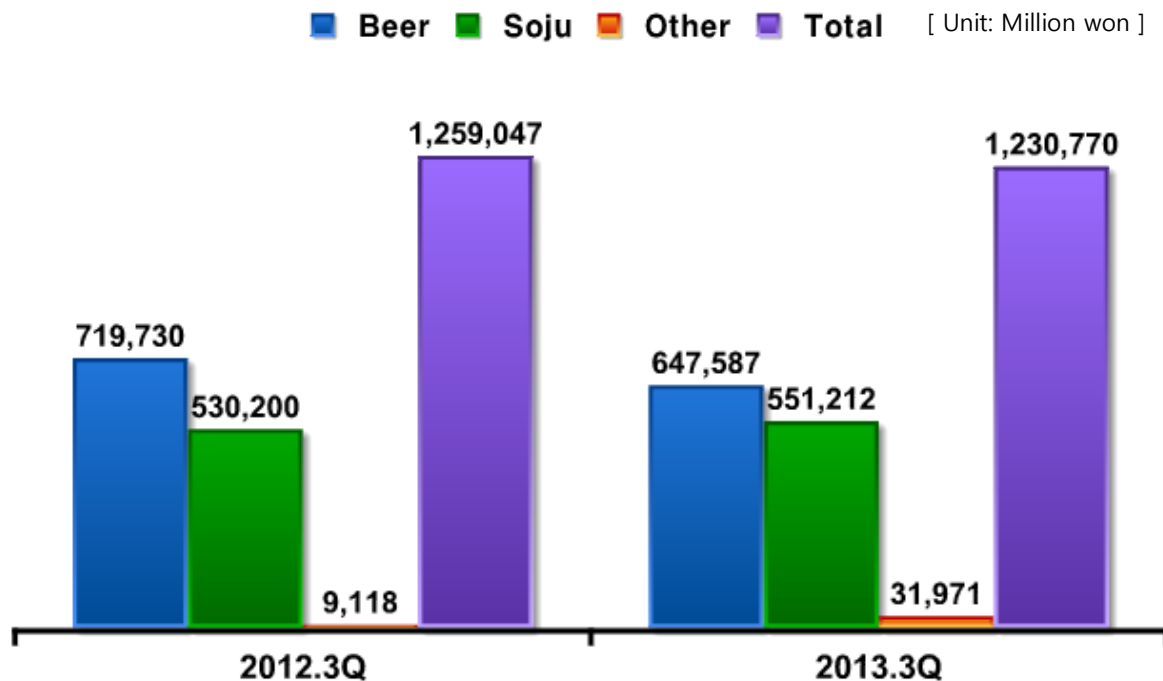
HiteJinro Result for 2013.3Q

2013.November

A decorative graphic at the bottom of the slide consisting of several overlapping, curved bands in shades of blue and purple, creating a wave-like effect.

① Sales

[Sales by each division]

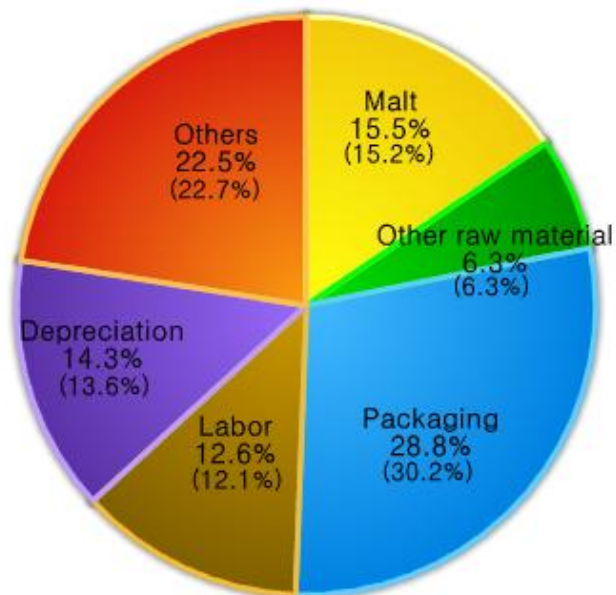


▪ Sales decreased 28bn won (yoy2.2% ↓)

- ① Beer : Decrease 72bn won (10.0% ↓)
 - Volume decreased by 12.3%
 - 5.9% of price hike (2012.July)
- ② Soju : Increase 21bn won (4.0% ↑)
 - Volume decreased by 4.4%
 - 8.2% of price hike (2012.Dec)
- ③ Other :
 - Add the result due to the merger with Hiscot in 2012.July

② Cost Breakdown

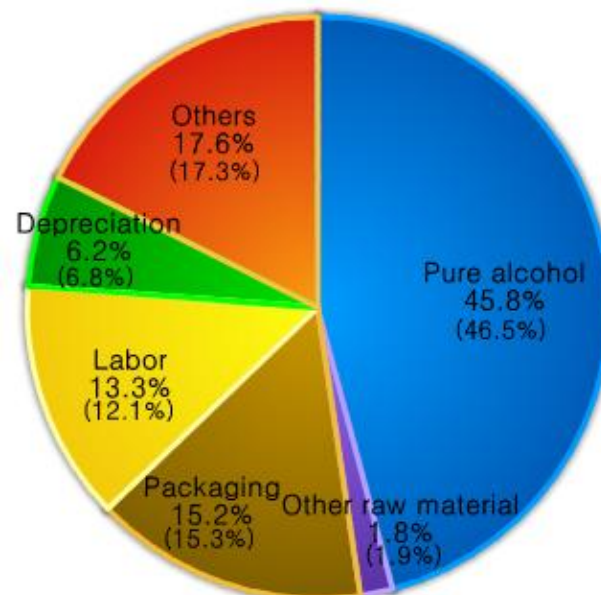
Beer Division



▪ Malt

Unit		Domestic	Import	Total
Volume	'12.3Q	1,394ton	84,377ton	85,771ton
	'13.3Q	0ton	77,148ton	77,148ton
Cost (won)	'12.3Q	1.3bn	56.1bn	57.4bn
	'13.3Q	0	55.6bn	55.6bn

Soju Division



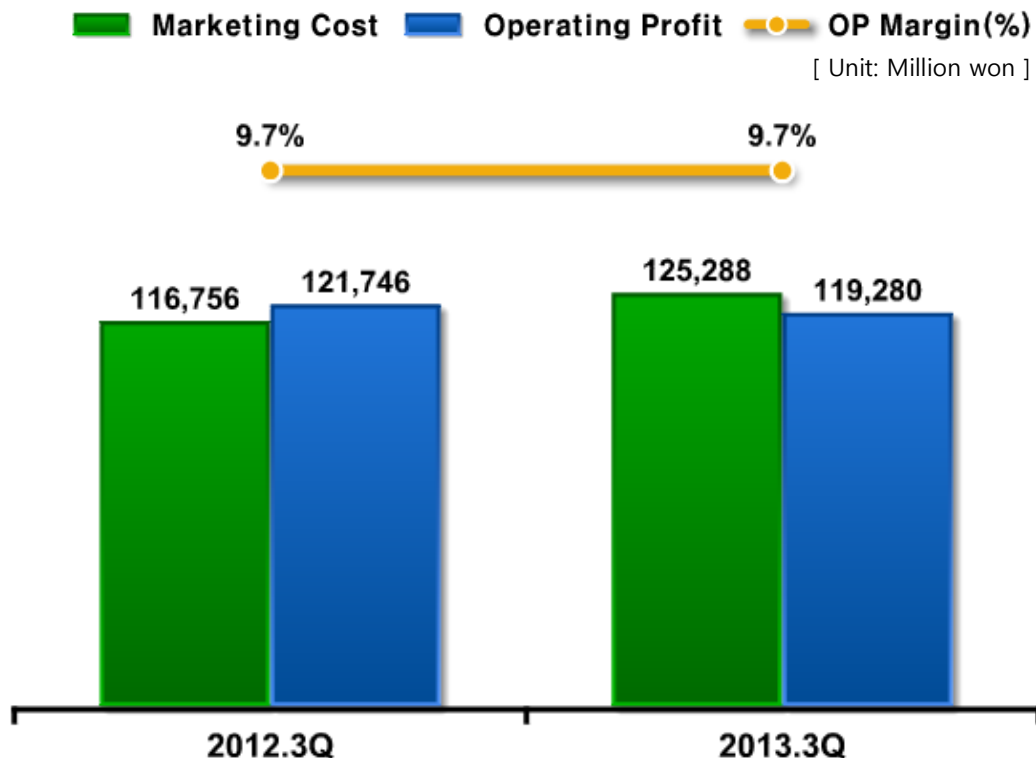
▪ Pure Alcohol

- 2013.3Q: 86,998KL (about 350,000won/drum)
- 2012.3Q: 90,490KL (about 330,000won/drum)

※ () : Result in 2012.3Q

③ Operating Profit

[Operating Profit & Marketing Cost*]



▪ **OP decreased 2.5bn won(yoy 2% ↓)**
OP Margin was same level

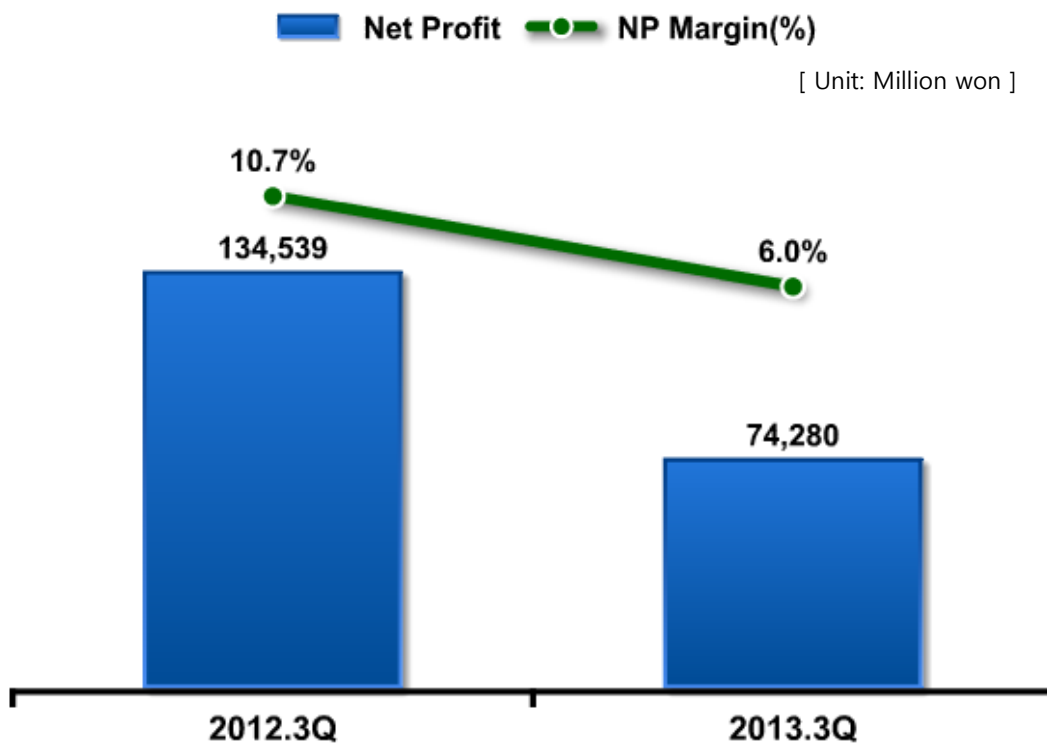
- ① Improve GPM little bit
 - Reflect price hike effect
 - Reduce the tariff for whiskey
- ② Increase SG&A(yoy 0.3% ↑)
 - Post employment benefits were Adjusted due to new personnel management system
 - Bad debt expense reduced due to a decline of trade and other payables (631bn won → 547bn won)

▪ **Marketing cost 125 bn won**

(bn won)	'12.3Q	'13.3Q	Variation
Beer	78.6	79.7	1.5%
Soju	37.3	39.6	6.3%
Other	0.9	5.9	533.2%

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

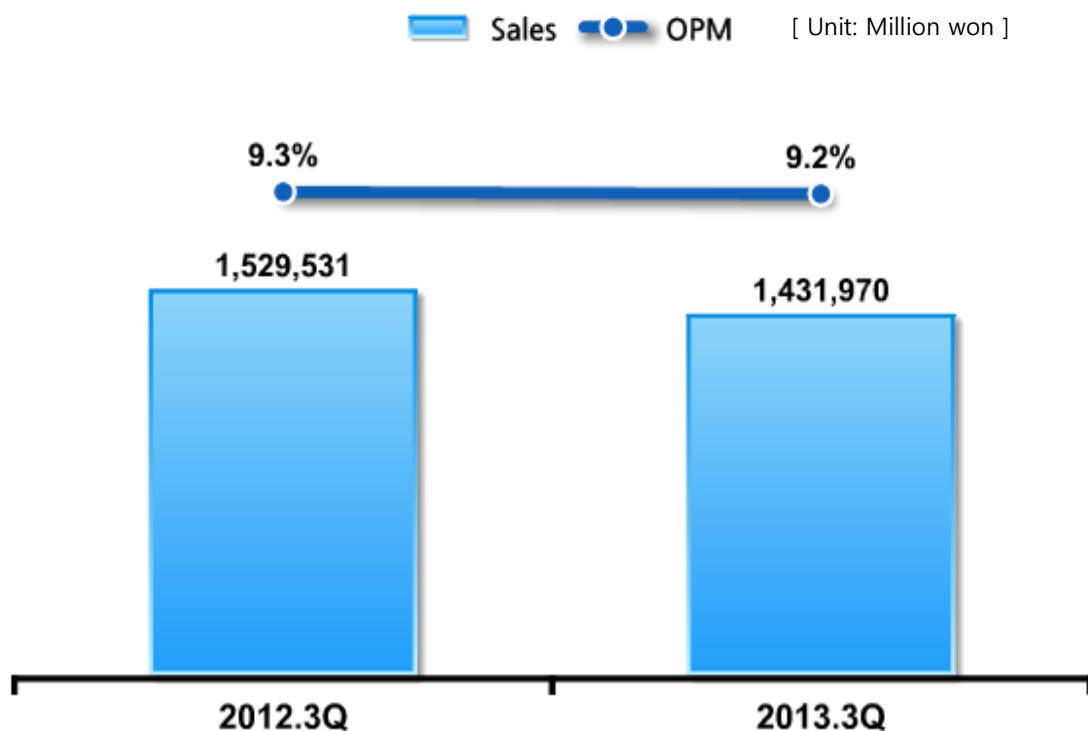
④ Net Profit



- **NP decreased 60.3bn won (yoy 44.8% ↓) , NP Margin decreased by 4.7%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 Consolidated Result

[Sales, Operating Profit]



▪ Results of major subsidiaries

- Sales and OP decreased by 6.4%, 7.4%

- ① Decrease sales of some subsidiaries related to Japan due to the weak Yen
- ② Constantly grow exports to China

(bn won)		'12.3Q	'13.3Q	Variation
Jinro INC	Sales	230.0	166.7	-28%
	NP	4.6	3.8	-19%
Jinro soju	Sales	40.5	35.3	-13%
	NP	10.2	4.0	-61%
China Branch	Sales	9.0	12.9	44%
	NP	0.7	0.7	0%

⑥ Financial Statement : Non-consolidated Statement of Financial Position

Brief Statement of Financial Position

Item (Unit : won)	2013.3Q	Variation	Ratio	2012
Assets	3,409,657,584,813	-1.59%	100.00%	3,464,862,522,835
1. Current assets	669,082,944,054	2.50%	19.62%	652,782,686,658
(1) Cash and cash equivalents	9,612,275,432	4.89%	0.28%	9,163,861,663
(2) Trade and other current receivables	481,134,506,806	-2.69%	14.11%	494,427,670,832
(3) Other current financial assets	390,105,587	-75.34%	0.01%	1,581,783,621
(4) Other current assets	58,161,258,010	65.07%	1.71%	35,234,810,803
(5) Inventories	119,784,798,219	6.59%	3.51%	112,374,559,739
2. Non-current assets	2,740,574,640,759	-2.54%	80.38%	2,812,079,836,177
(1) Trade and other current receivables	65,800,310,401	-24.39%	1.93%	87,025,241,009
(2) Other non-current financial assets	48,848,538,911	-4.83%	1.43%	51,327,947,240
(3) Non-current available-for-sale financial assets	7,271,749,572	0.71%	0.21%	7,220,207,148
(4) Investments in subsidiaries	267,267,601,859	0.27%	7.84%	266,551,415,629
(5) Tangible assets	2,082,229,089,015	-1.04%	61.07%	2,104,075,805,011
(6) Intangible assets	195,256,036,968	-2.27%	5.73%	199,800,399,906
(7) Investment property	15,230,335,048	-0.26%	0.45%	15,269,381,224
(8) Deferred tax asset	58,670,978,985	-27.40%	1.72%	80,809,439,010
Liabilities	2,013,556,404,841	-2.17%	59.05%	2,058,277,213,080
1. Current liabilities	1,328,631,073,446	-7.61%	38.97%	1,438,143,187,637
2. Non-current liabilities	684,925,331,395	10.45%	20.09%	620,134,025,443
Equity	1,396,101,179,972	-0.75%	40.95%	1,406,585,309,755
1. Issued capital	365,562,745,000	0.00%	10.72%	365,562,745,000
2. Capital surplus	694,063,051,715	0.00%	20.36%	694,063,051,715
3. Elements of other stockholder's equity	-64,925,984,340	-11.52%	-1.90%	-73,380,248,458
4. Retained earnings	401,401,367,597	-4.51%	11.77%	420,339,761,498

⑥ Financial Statement : Consolidated Statement of Financial Position

Brief Income Statement

Item (Unit : won)	2013.3Q	Variation	Ratio	2012
Assets	3,436,233,150,620	-2.34%	100.00%	3,518,666,190,307
1. Current assets	802,036,158,613	-1.22%	23.34%	811,948,777,383
(1) Cash and cash equivalents	75,081,978,493	-3.10%	2.19%	77,484,443,501
(2) Trade and other current receivables	527,766,660,341	-6.35%	15.36%	563,580,115,138
(3) Other current financial assets	439,058,399	-88.23%	0.01%	3,729,683,014
(4) Other current assets	59,833,377,635	51.68%	1.74%	39,446,778,534
(5) Inventories	138,915,083,745	8.78%	4.04%	127,707,757,196
2. Non-current assets	2,634,196,992,007	-2.68%	76.66%	2,706,717,412,924
(1) Trade and other current receivables	65,943,712,483	-24.43%	1.92%	87,267,243,725
(2) Other non-current financial assets	51,912,197,843	-1.25%	1.51%	52,568,534,760
(3) Non-current available-for-sale financial assets	43,466,076,794	1.54%	1.26%	42,804,854,304
(4) Tangible assets	2,165,691,418,307	-1.01%	63.03%	2,187,835,805,536
(5) Intangible assets	216,118,125,228	-2.16%	6.29%	220,888,679,611
(6) Investment property	15,451,726,053	-0.28%	0.45%	15,495,767,451
(7) Deferred tax asset	75,506,507,755	-24.32%	2.20%	99,771,911,421
(8) Other non-current assets	107,227,544	26.72%	0.00%	84,616,116
Liabilities	2,070,588,142,219	-1.85%	60.26%	2,109,594,358,429
1. Current liabilities	1,366,917,615,690	-7.20%	39.78%	1,472,925,280,393
2. Non-current liabilities	703,670,526,529	10.52%	20.48%	636,669,078,036
Equity	1,365,645,008,401	-3.08%	39.74%	1,409,071,831,878
1. Equity attributable to owners of parent	1,365,114,978,859	-3.09%	39.73%	1,408,573,748,611
(1) Issued capital	365,562,745,000	0.00%	10.64%	365,562,745,000
(2) Capital surplus	710,136,940,074	0.00%	20.67%	710,136,940,074
(3) Treasury stock	-122,693,569,784	0.00%	-3.57%	-122,693,569,784
(4) Other equity	17,010,842,352	-38.34%	0.50%	27,586,727,695
(5) Surplus reserve	41,600,000,000	25.68%	1.21%	33,100,000,000
(6) Retained earnings	353,498,021,217	-10.48%	10.29%	394,880,905,626
2. Non-controlling interests	530,029,542	6.41%	0.02%	498,083,267

⑥ Financial Statement : Non-consolidated Income Statement

Brief Income Statement

Item (Unit : won)	2013.3Q			2012.3Q	
	Value	Ratio	Variation	Value	Ratio
Sales	1,230,770,208,820	100.00%	-2.25%	1,259,047,241,572	100.00%
Cost of Sales	680,597,813,482	55.30%	-3.82%	707,638,097,693	56.20%
Gross Profit	550,172,395,338	44.70%	-0.22%	551,409,143,879	43.80%
SG&A	430,891,966,317	35.01%	0.29%	429,663,602,742	34.13%
Operating Income	119,280,429,021	9.69%	-2.02%	121,745,541,137	9.67%
Other gains	5,890,486,992	0.48%	-93.09%	85,304,441,496	6.78%
Other expense	14,055,486,762	1.14%	-34.32%	21,398,659,146	1.70%
Finance income	33,265,893,007	2.70%	-22.81%	43,098,420,488	3.42%
Finance costs	44,097,678,283	3.58%	-23.00%	57,272,816,757	4.55%
Profit(loss) before tax	100,283,643,975	8.15%	-41.52%	171,476,927,218	13.62%
Income tax expense	26,003,898,276	2.11%	-29.60%	36,937,932,567	2.93%
Net Profits	74,279,745,699	6.04%	-44.79%	134,538,994,651	10.69%

⑥ Financial Statement : Consolidated Income Statement

Brief Statement of Financial Position

Item (Unit : won)	2013.3Q			2012.3Q	
	Value	Ratio	Variation	Value	Ratio
Sales	1,431,969,708,085	100.00%	-6.38%	1,529,530,716,674	100.00%
Cost of Sales	805,782,916,049	56.27%	-7.53%	871,371,073,709	56.97%
Gross Profit	626,186,792,036	43.73%	-4.86%	658,159,642,965	43.03%
SG&A	494,495,745,585	34.53%	-4.17%	515,997,082,616	33.74%
Operating Income	131,691,046,451	9.20%	-7.37%	142,162,560,349	9.29%
Other gains	8,042,054,484	0.56%	-88.97%	72,882,329,997	4.77%
Other expense	15,500,613,448	1.08%	-30.94%	22,445,606,503	1.47%
Finance income	3,475,089,052	0.24%	-42.10%	6,002,330,837	0.39%
Finance costs	44,182,558,687	3.09%	-23.99%	58,125,724,060	3.80%
Equity method income	-	-	-	2,108,212,800	0.14%
Profit(loss) before tax	83,525,017,852	5.83%	-41.42%	142,584,103,420	9.32%
Income tax expense	31,936,767,265	2.23%	-23.07%	41,512,734,800	2.71%
Net Profits	51,588,250,587	3.60%	-48.96%	101,071,368,620	6.61%