

THE HITE.

JINRO

Hite-Jinro Ltd
IR material
[Merger]

Apr. 2011

Leading the Future

Leading the future with creativity,
innovation and a spirit of challenge

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Preliminary

Hite-Jinro group has publically announced that Hite-Jinro group sets up a new company named “Hite-Jinro Ltd.” combining Hite Brewery Co., Ltd. (“Hite”) and Jinro Ltd. (“Jinro”) on April 8, 2011.

This merger was electrically decided having the idea that the merger is the best way to improve both companies’ performances and maximize integration synergies. Without any bad side effect from pre-knowledge of merger, we prepared the merger process in absolute secrecy.

We are having a very close relation with the world-class law firm, investment bank and other specialists for the preparation. We fully consider all the benefits and losses of both companies stakeholders.

Considering the biggest synergy realized by this merger, we are very confident to get approvals from related authorities such as FTC and NTS and also an approval from the general shareholders’ meeting.

We can minimize to exercise the appraisal rights of dissenting shareholders with the great expectation of merger synergy.

We are working on PMI for the new company. The vision, strategy and structure of the new company can be communicated in details at the end of April in IR events.

We kindly ask your consistent interest and support.

A decorative graphic at the bottom of the slide featuring a blue water splash and a flowing wave of water.

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Purpose of merger

Maximize integration synergy

- Build high-efficiency organization by merging No.1 beer and soju company, WIN-WIN model for all interested parties by integrating capability.
- To become a global liquor company as a major company in Korea, we will strengthen export markets.

Reasonable timing

- Reasonable timing for merger through sales integration by organic consolidation.
- Expect to become a main momentum for boosting share holders' value with good results.

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- We choose “merger” to maximize value of the company based on integrating capability

Merger effects

Maximize sales integration synergy

- Maximize synergy effect by overcome obstacles of sales integration managed by two separate companies.
- Effective response to the competition and WIN-WIN strategy with clients based on strengthened sales capacity.
- Profits structure can be improved.

Jump up to be a global company

- Strengthening domestic position within time and jumping up to be one of global players by strong expansion plan for overseas markets in gearing improved profit structure.

Get rid of inefficiency

- Overcome inefficiency managed by two companies.
- Increase efficiency through joint marketing.
- Expect to improve the financial structure.

Increase shareholders value

- Through enhancing synergy from sales and marketing, EV will be raised highly against current market capitalization.
- A new company's value will increase value of Hite Holdings as well.

Details & Timetable

1. Method : Jinro Ltd (“Jinro”) merger Hite Brewery Co., Ltd. (“Hite”)

2. Date : September 1, 2011

3. New Company : Hite-Jinro Ltd. (tentative)

4. Details

1) Merger ratio – Jinro common share : Hite common share = 1 : 3.0303911

Jinro preferred share : Hite preferred share = 1 : 3.0303911

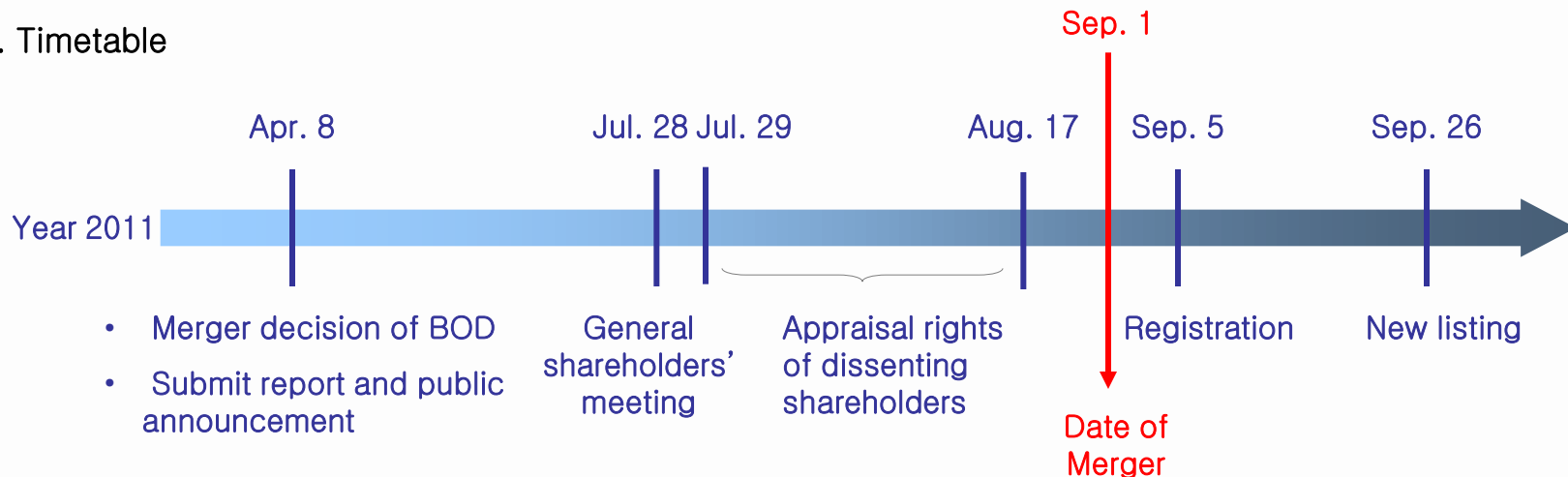
2) Appraisal rights of dissenting shareholders

① Exercise price – Jinro common : 35,164 Kwon, Preferred : 15,420 Kwon

Hite common : 106,507 Kwon, Preferred : 46,730 Kwon

② Period : With 20days after the general shareholders’ meeting (Jul. 29 ~ Aug. 17, 2011)

5. Timetable



Summerized balance sheet (e)

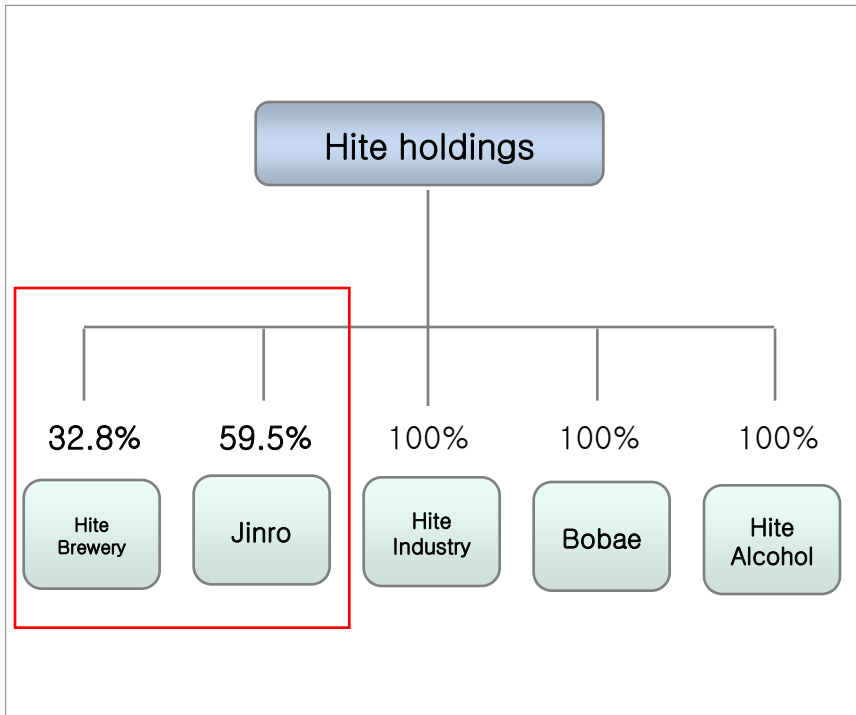
Unit : bn Kwon

Item	Before merger		After merger
	Jinro	Hite brewery	Hite-Jinro
Current assets	250.7	531.9	782.6
Quick assets	217.6	442.2	659.8
Inventories	33.1	89.7	122.8
Non-current assets	1,105.5	1,752.4	2,857.9
Investments	331.6	35.0	366.6
Pland, property and equipment	618.3	1,646.5	2,264.8
Intangible assets	1.5	0.0	1.5
Others	154.1	70.9	225.0
Total assets	1,356.2	2,284.3	3,640.5
Current liabilities	563.7	1,110.0	1,673.6
Non-current liabilities	171.7	289.8	461.5
Total liabilities	735.4	1,399.7	2,135.2
Paid-in capital	215.0	49.7	264.7
Additional paid-in capital	0.6	516.7	517.4
Capital adjustment	-6.0	-1.1	-61.1
Accumulated other comprehensive income	214.9	149.3	364.2
Retained earnings	250.3	169.9	420.2
Shareholders' equity	620.8	884.6	1,505.3

Comment1) based on balance sheet as of Dec 31, 2010. It can be different at the date of merger.

Ownership structure (e)

Current



After merger

