



Asian Beauty Creator
AMOREPACIFIC

AMOREPACIFIC GROUP

2012 3Q Earnings Release

AMOREPACIFIC IR

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As a note, it is suggested to use this material only as a reference, as it contains information and data that are subject to changes without prior notice due to uncertainties, changes in the organizational structure, redefinition of accounting policies, etc., and may cause the actual results to differ from those stated or implied in this material.

AMOREPACIFIC Group has adopted the K-IFRS since 2011.

1. Earnings Summary

Sales up 14% to KRW 861.1bn, OP up 20% to KRW 113.7bn

- Robust results driven by the strong performance of major cosmetics subsidiaries and accelerated overseas business expansion
- Profit growth driven by improved profitability in cosmetics subsidiaries

Sales and Profits

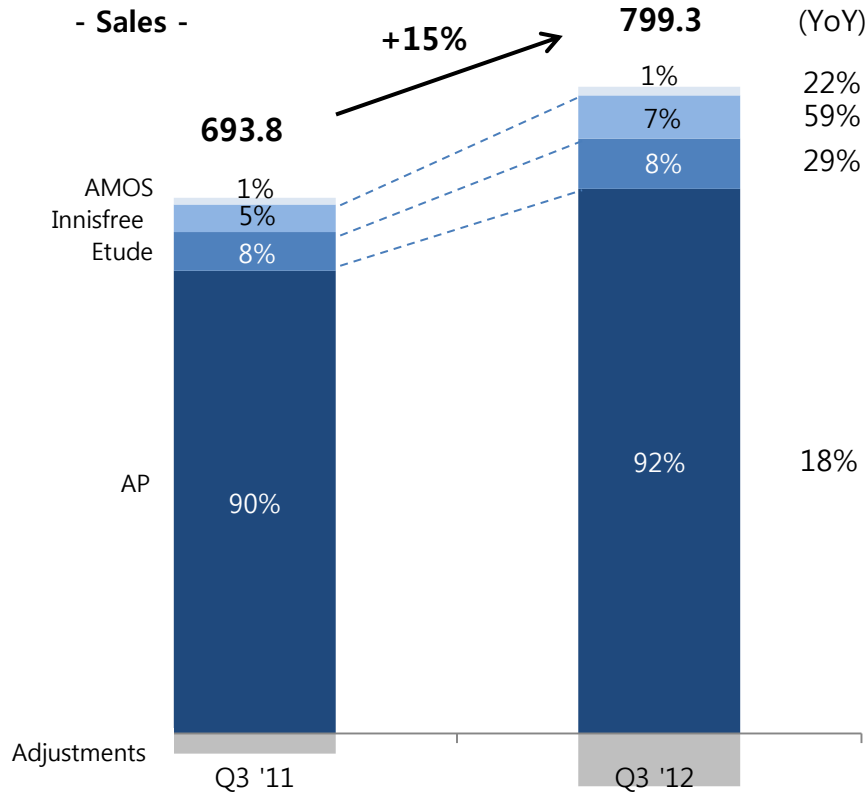
[KRWbn]

	Q3 '11	(%)	Q3 '12	(%)	Y on Y(%)
Sales	754.1	(100.0)	861.1	(100.0)	14.2
Cosmetics*	693.8	(92.0)	799.3	(92.8)	15.2
Non-Cosmetics	60.3	(8.0)	61.8	(7.2)	2.4
Operating Profit	94.6	(12.5)	113.7	(13.2)	20.2
Cosmetics	90.9	(13.1)	107.6	(13.5)	18.4
Non-Cosmetics	3.7	(6.1)	6.1	(9.9)	65.2
Consolidated Net Profit	80.5	(10.7)	85.6	(9.9)	6.3

* Intercompany transaction is included in Cosmetics subsidiaries

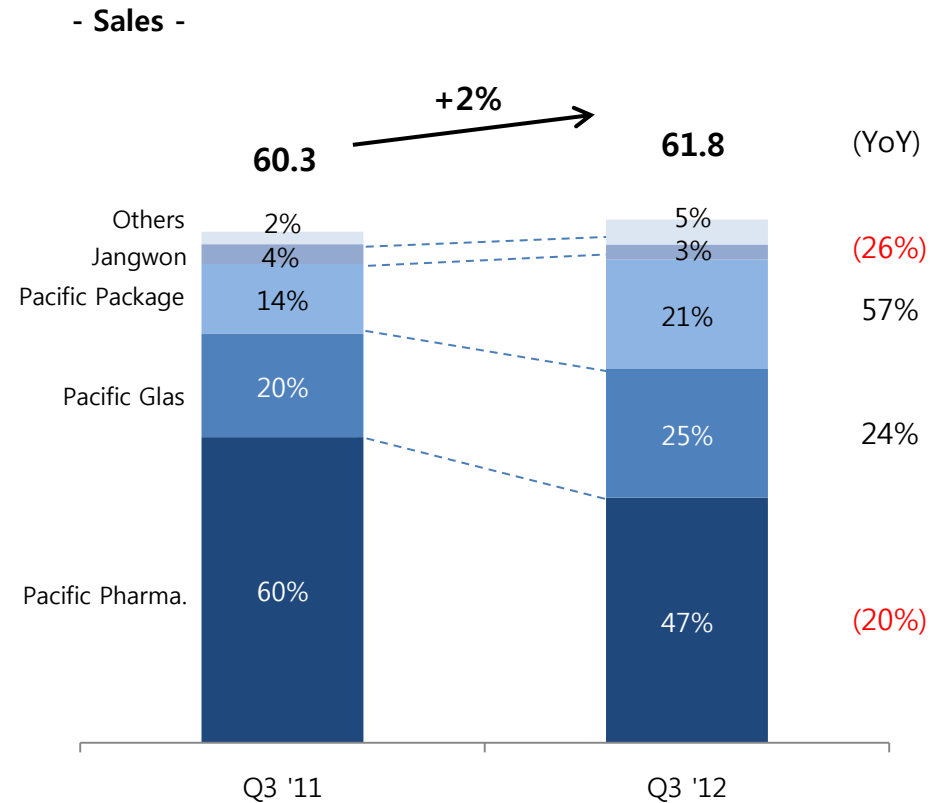
2. Earnings by Subsidiary (1/3)

- Cosmetics -

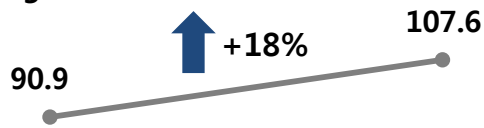


- Non-cosmetics -

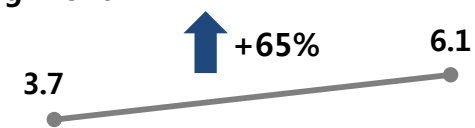
[KRWbn, %YoY]



- Operating Profit -



- Operating Profit -



* Intercompany transaction is included in Cosmetics subsidiaries

2. Earnings by Subsidiary _ Cosmetics (2/3)

[KRWbn]	AMOREPACIFIC _Consolidated		Etude	
	Q3 '11	Q3 '12	Q3 '11	Q3 '12
Sales	622.8	733.3	52.4	67.3
GP	423.2	504.2	31.3	38.9
SG&A	346.6	414.1	27.5	34.3
OP	76.6	90.1	3.8	4.6

[KRWbn]	Innisfree		AMOS Professional	
	Q3 '11	Q3 '12	Q3 '11	Q3 '12
Sales	36.8	58.5	9.3	11.3
GP	25.7	41.6	5.0	6.2
SG&A	19.6	31.6	2.7	3.3
OP	6.1	10.0	2.3	2.9

[AMOREPACIFIC] Sales +18%, OP +18%

- Continued solid growth throughout all divisions backed by strong sales of new products and active overseas business expansion / Increased profit driven by domestic cosmetics and MC&S

[Growth by Division] Domestic cosmetics +13%, Overseas cosmetics +41%, MC&S (Personal care & green tea) +19%

- Domestic business – Cosmetics: Strong sales growth delivered by increased purchasing by foreign travelers, new products launches ('IOPE' Bio Essence, etc) and hit products (Cushion category) / MC&S: Strengthened channel leadership and increased market share throughout all categories
- Overseas business - Strong growth in China and Asean markets / Setting up a base for profitable growth through business expansion in US and Japan

[Etude] Sales +29%, OP +23%

- Strong sales of hit products such as 'Pearl BB' and 'Missing U hand cream' and store expansion resulted in enlarged customer base
- Exports to Japan increased behind continued store expansion

[Innisfree] Sales +59%, OP +65%

- Gained market share and increased sales thanks to store expansion and new product launches realizing Jeju brand concept (Tangerine Blossom Perfumed line, etc)
- Improved profitability driven by decreased COGS through enhanced product mix
- Increased exports thanks to store expansion and volume growth

[AMOS Professional] Sales +22%, OP +27%

- Gained market share thanks to the solid sales growth throughout all product categories (M/S: 25.9%→31.8%)
- Profitability improved driven by strong volume growth offsetting marketing costs

2. Earnings by Subsidiary _ Non-Cosmetics (3/3)

[KRWbn]	Pacific Pharma.		Pacific Glas	
	Q3 '11	Q3 '12	Q3 '11	Q3 '12
Sales	36.1	29.0	12.2	15.2
GP	15.2	15.2	1.8	2.4
SG&A	12.0	11.2	1.2	1.2
OP	3.2	4.0	0.5	1.2

[KRWbn]	Pacific Package		Jangwon Industry	
	Q3 '11	Q3 '12	Q3 '11	Q3 '12
Sales	8.2	12.9	2.4	1.7
GP	1.0	2.3	0.7	0.5
SG&A	0.8	1.1	0.5	0.4
OP	0.2	1.2	0.2	0.1

[Pacific Pharma.] Sales -20%, OP +25%

- Despite increased volume growth in Medical beauty division, price cut on medicines resulted in decreased sales
- Operating profit increased behind TCR activities such as promotion costs reduction and job cuts

[Pacific Glas] Sales +24%, OP +124%

- Strong growth backed by robust sales of affiliates such as AP, Etude and Innisfree
- Sales growth accelerated because of the low comparison base in '11 due to relocation of the Osan factory and logistics center

[Pacific Package] Sales +57%, OP +655%

- Sales growth accelerated because of the low comparison base in '11 due to relocation of the Osan factory and logistics center
- Profitability improved temporarily due to time lag related to cost recognition of introducing IT equipment
- Operating profit increased and the ratio of cost of sales decreased through TCR activities

[Jangwon Industry] Sales -26%, OP -80%

- Weaker growth due to decreased sales to AP and non-affiliates
- Decreased operating profit due to a rise in organic fertilizers price and expenses related to converting to agricultural corporation

3. Financial Summary

Income Statement

[KRWbn]	Q3 2011		Q3 2012	
		%		%
Sales	754.1	100.0	861.1	100.0
Gross Profit	505.8	67.1	610.1	70.8
SG&A expenses	411.2	54.5	496.4	57.6
Operating profit	94.6	12.5	113.7	13.2
Non-operating Profit/Expenses	12.0		5.1	
Profit before tax	106.6	14.1	118.8	13.8
Consolidated net income	80.5	10.7	85.6	9.9

Statements of Financial Position

[KRWbn]	2011. 12	2012.9
Assets	4,254.9	4,511.5
Current assets	1,341.2	1,622.8
Non-current assets	2,913.7	2,888.7
Liabilities	897.3	890.9
Current liabilities	550.2	541.3
Non-current liabilities	347.1	349.6
Shareholder's Equity	3,357.6	3,620.6
Capital stock	44.5	44.5
Additional paid-in capital	673.1	673.1
Capital surplus	7.4	7.4
Other components of equity	-134.1	-134.5
Accumulated other comprehensive income	1.8	0.2
Retained earnings	1,258.2	1,381.7
Non-controlling interest	1,506.8	1,648.3