



AMOREPACIFIC
GROUP

AMOREPACIFIC GROUP 1Q 2014 Earnings Release

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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.

Sales up 16.3% to KRW 1,139.7bn, OP up 23.1 to KRW 2,13.9bn

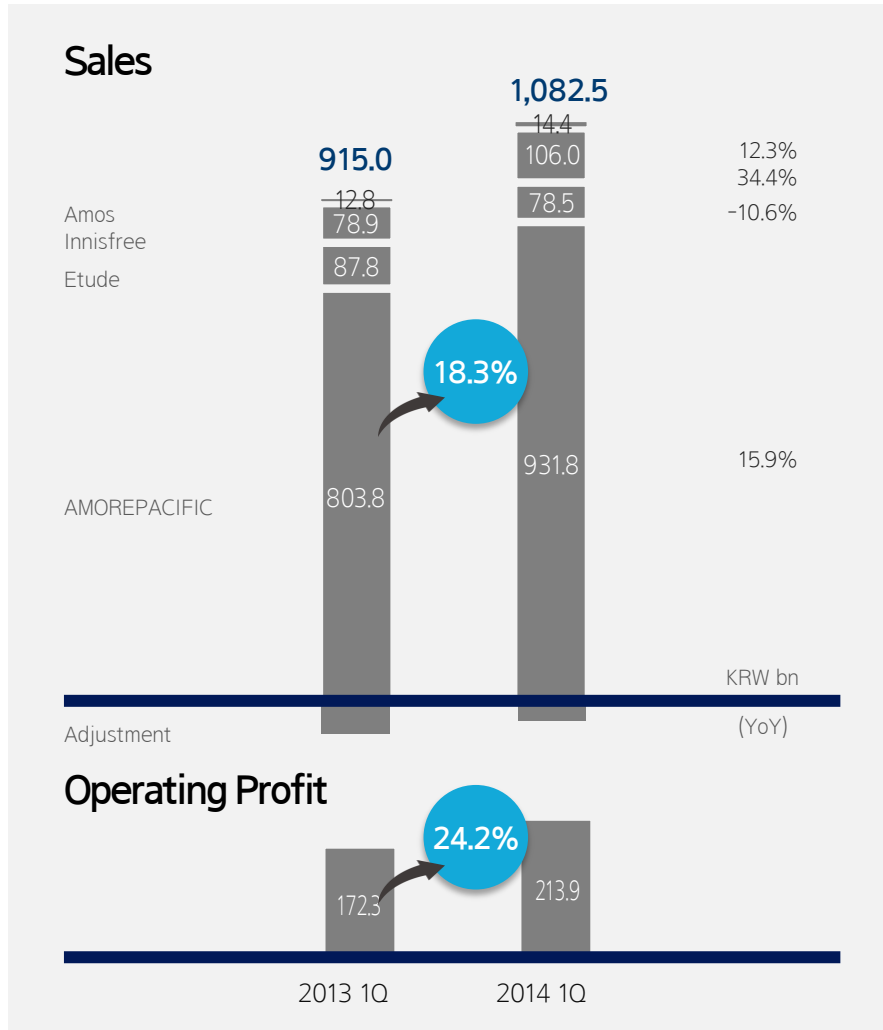
Sales & OP by Division

	2013 1Q	% of sales	2014 1Q	% of sales	YoY(%)
Sales	980.2	100.0	1,139.7	100.0	16.3
Cosmetics ¹⁾	915.0	93.3	1,082.5	95.0	18.3
Non-cosmetics ²⁾	65.2	6.7	57.2	5.0	-12.2
	2013 1Q	OPM	2014 1Q	OPM	YoY(%)
Operating Profit	173.7	17.7	213.9	18.8	23.1
Cosmetics	172.3	18.8	213.9	19.8	24.2
Non-cosmetics	1.5	2.3	0.1	0.1	-95.0
Net Profit	117.0	11.9	190.8	16.7	63.1

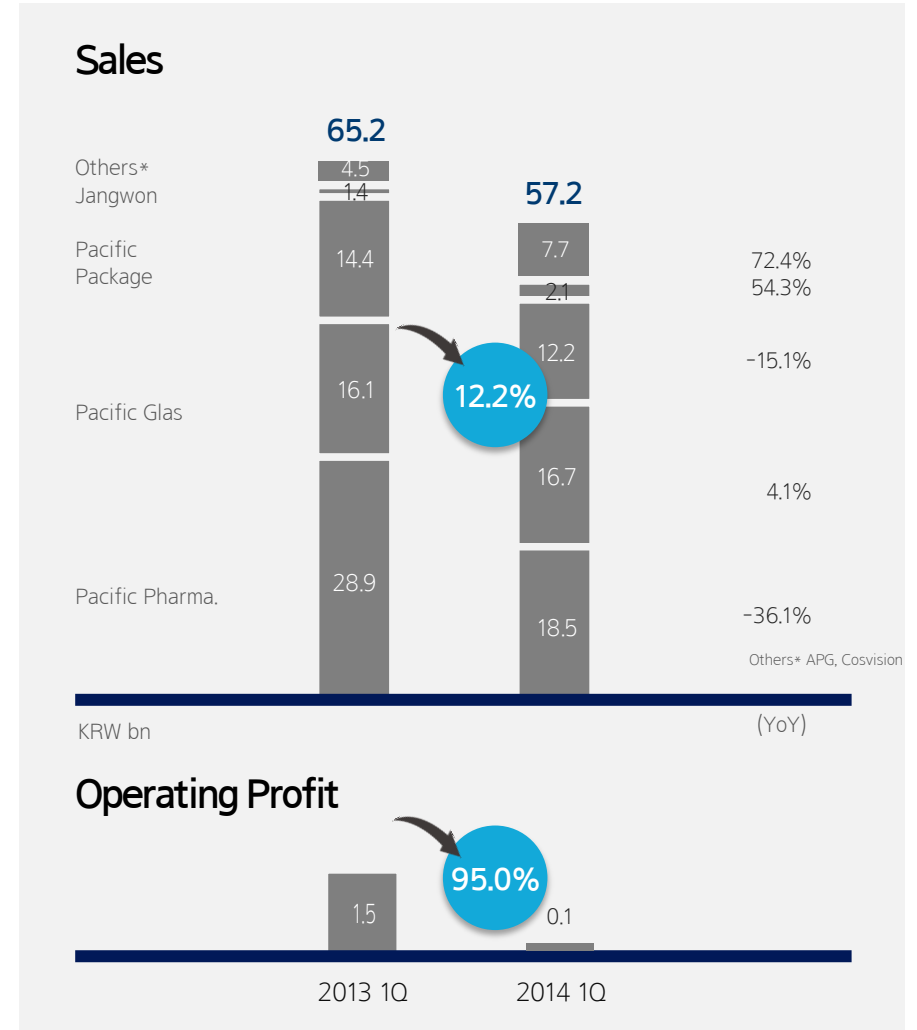
1) Cosmetics: AMOREPACIFIC, Etude, Innisfree, Amos Professional, Adjustment

2) Non-cosmetics: Pacific Pharma., Pacific Glas, Pacific Package, Janwon Industry, Others(APG, Cosvision)

Cosmetics



Non-cosmetics



AMOREPACIFIC: Sales +16%, OP +25%

Domestic Cosmetics

- (Luxury) Robust travel retail growth on the back of increased sales to foreign travelers/Strengthened market leadership in Dep. store backed by the differentiated brand portfolio
- (Premium) Solid growth of Aritaum and Digital channels behind by reinforced product category and retailing power

Mass & Sulloc

- (Mass) Decreased sales due to the extended application of mandatory two-day-off policy and economic downturn/Strengthened market leadership on the back of the strong performance of functional products
- (Sulloc) Enhanced brand awareness of OSULLOC and increased premium business resulted in profitability improvement

Overseas business

- (Growth markets) Robust profitable growth delivered by increased sales of hit products and diversified channel portfolio
- (Developed markets) Continued sales growth and efficient cost management led to decreased losses

Etude: Sales -11%, OP -48%

- Despite the strong growth of travel retail channel backed by the increased no. of foreign travelers, overall sales decreased due to weaker sales of major domestic channels caused by reduced discount policy and cuts in transaction with overseas agents
- Profit decreased due to declined sales and increased commission caused by strong growth of travel retail

Innisfree: Sales +34%, OP +43%

- Solid growth delivered by renewal of major hit products(Green tea line) and launch of new products(Jeju Orchid, Creamy tint lip mousse, Smart Foundation, etc.)
- Increased export sales on the back of accelerated overseas business/Strong growth of travel retail behind by increased no. of foreign travelers
- Improved profitability delivered by increased sales per door and reduced discount policy

	AMOREPACIFIC _ Consolidated	
	2013 1Q	2014 1Q
Sales	803.8	931.8
GP	569.3	676.6
SG&A expenses	429.1	500.9
OP	140.2	175.7
	Etude	
Sales	87.8	78.5
GP	50.4	46.9
SG&A expenses	39.2	41.1
OP	11.2	5.8
	Innisfree	
Sales	78.9	106.0
GP	55.6	76.9
SG&A expenses	38.7	52.8
OP	16.9	24.2

Amos Professional: Sales +12%, OP +10%

- Increased sales of major products such as Colorgenic and Curling essence led to strong growth of hair conditioner and colorant categories

Pacific Pharma.: Sales -36%, OP -110%

- Decreased sales and OP resulted from the transfer of pharmaceutical business
- Decreased profit due to the increased expenses to transform into a Medical Beauty company

Pacific Glas: Sales +4%, OP Turned to red

- Despite the decreased sales to affiliates, overall sales grew backed by increased export sales
- OP turned to red due to the increased COGS caused by expansion of production facilities

	Amos Professional	
	2013 1Q	2014 1Q
Sales	12.8	14.4
GP	7.0	7.8
SG&A expenses	3.2	3.6
OP	3.8	4.2
	Pacific Pharma.	
Sales	28.9	18.5
GP	11.1	5.7
SG&A expenses	11.7	7.0
OP	-0.6	-1.3
	Pacific Glas	
Sales	16.1	16.7
GP	1.5	0.8
SG&A expenses	1.3	1.5
OP	0.2	-0.7

KRW bn

Income Statement

KRW bn

	2013 1Q		2014 1Q	
Sales	980.2	100.0%	1,139.7	100.0%
Gross Profit	696.8	71.1%	819.8	71.9%
SG&A expenses	523.0	53.4%	605.9	53.2%
Operating Profit	173.7	17.7%	213.9	18.8%
Non-operating Profit/Expenses	-10.1		37.2	
Profit before tax	163.6	16.7%	251.1	22.0%
Consolidated net income	117.0	11.9%	190.8	16.7%

Statements of Financial Position

KRW bn

	2013.12	2014.03
	Assets	4,921.9
Current assets	1,552.2	1,733.2
Non-current assets	3,369.6	3,401.2
Liabilities	1,012.9	1,083.7
Current liabilities	644.3	709.9
Non-current liabilities	368.6	373.9
Shareholder's Equity	3,908.9	4,050.6
Capital stock	44.5	44.5
Additional paid-in capital	673.0	673.0
Capital surplus	22.6	22.6
Other components of equity	-140.8	-140.8
Accumulated other comprehensive income	-7.3	-8.6
Retained earnings	1,533.7	1,614.8
Non-controlling interest	1,783.3	1,845.1