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AMOREPACIFIC
GROUP

AMOREPACIFIC GROUP 1Q 2015 Earnings Release

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AMOREPACIFIC
70 Years of Beauty Creation

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 26.7% to KRW 1,443.8bn, OP up 49.9% to KRW 320.7bn

Sales & OP by Division

KRW bn

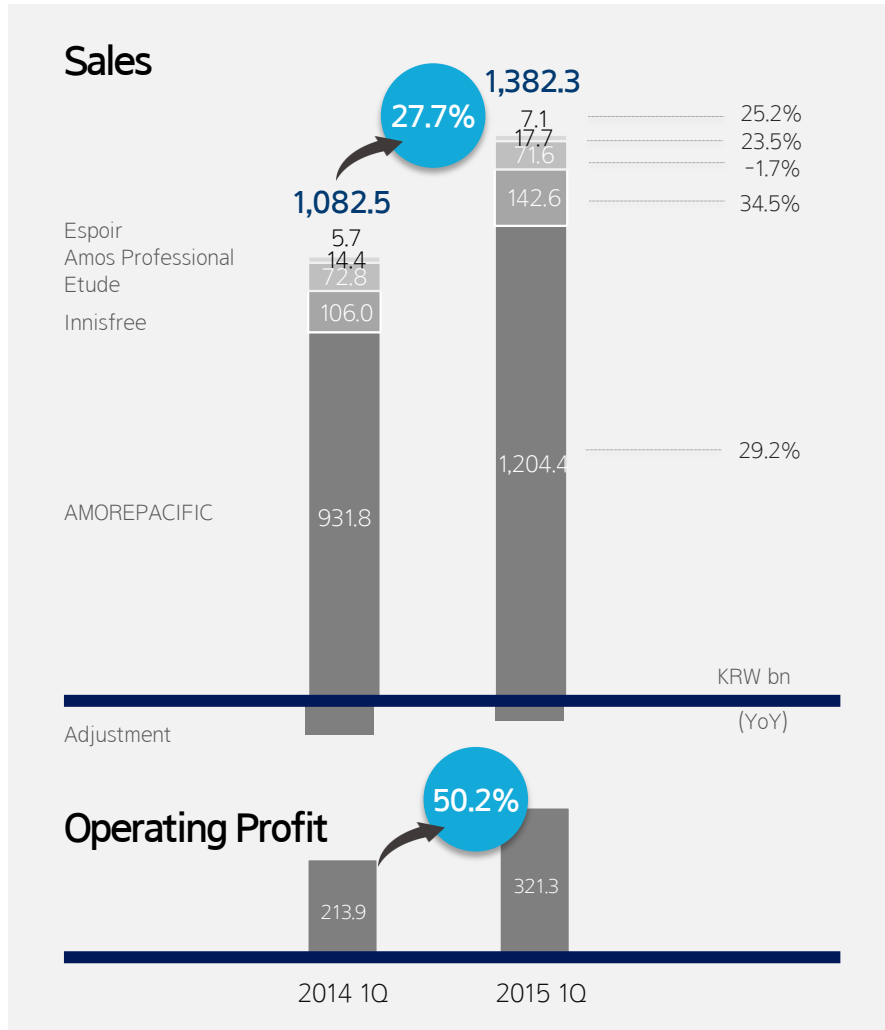
	1Q 2014	% of sales	1Q 2015	% of sales	YoY(%)
Sales	1,139.7	100.0	1,443.8	100.0	26.7
Cosmetics ¹⁾	1,082.5	95.0	1,382.3	95.7	27.7
Non-cosmetics ²⁾	57.2	5.0	61.5	4.3	7.4
	1Q 2014	OPM	1Q 2015	OPM	YoY(%)
Operating Profit	213.9	18.8	320.7	22.2	49.9
Cosmetics	213.8	19.8	321.3	23.2	50.2
Non-cosmetics	0.1	0.1	-0.6	-1.0	Turned to red
Net Profit	190.8	16.7	244.5	16.9	28.1

1) Cosmetics: AMOREPACIFIC, Innisfree, Etude, Amos Professional, Espoir and adjustment

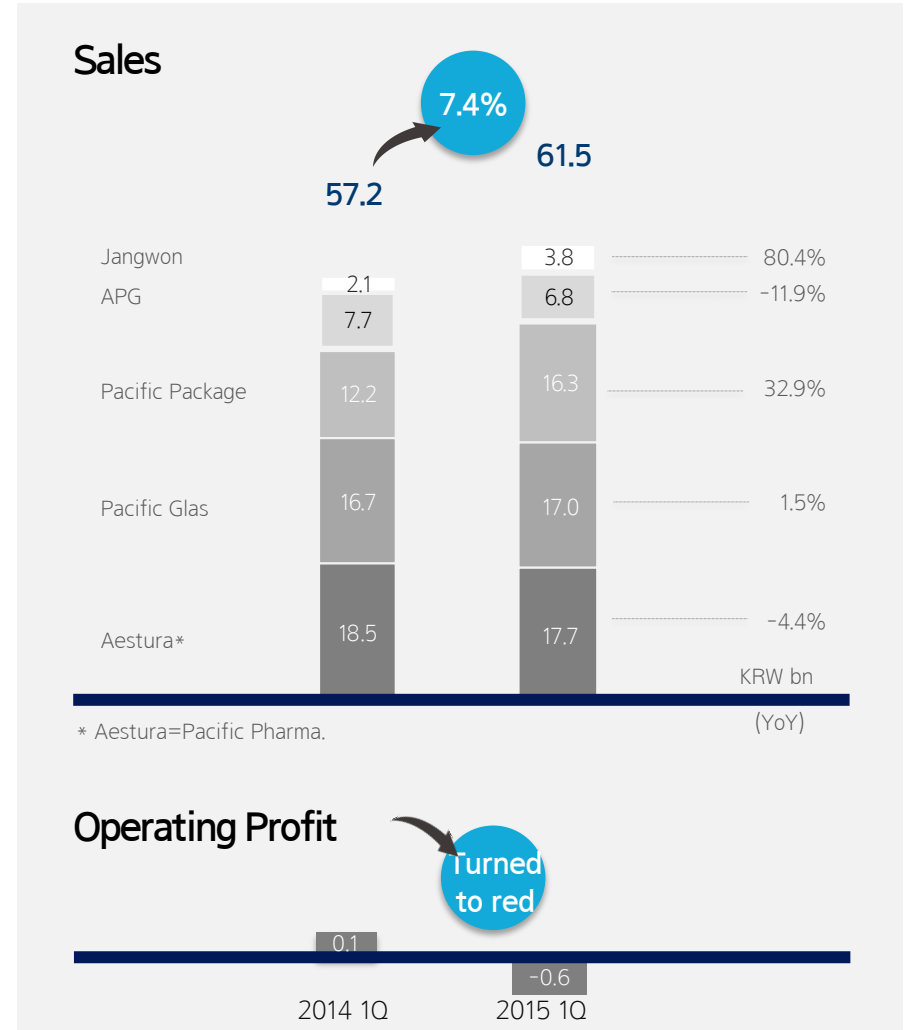
2) Non-cosmetics: Aestura*, Pacific Glas, Pacific Package, Jangwon Industry and APG

* Aestura=Pacific Pharma.

Cosmetics



Non-cosmetics



AMOREPACIFIC: Sales +29%, OP +58%

Domestic Cosmetics

- (Luxury) Strengthened market leadership in Dep. store backed by the differentiated brand portfolio, Door-to-door sales growth delivered by improved channel visibility and increased sell-through to customers, Strong travel retail growth delivered by increased sales to foreign travelers
- (Premium) Solid growth of Aritaum and Digital channels resulted from differentiated brand power and reinforced competitiveness of products and channels

Mass & Sulloc

- (Mass) Achieved profitable growth delivered by increased sales of premium products
- (Sulloc) Robust quality growth delivered by enhanced brand awareness and product attractiveness

Overseas business

- (Growth markets) Profitable growth delivered by enhanced brand recognition and diversified channel portfolio
- (Developed markets) Despite decreased sales in France, improved profitability backed by increased sales in the US and Japan and efficient cost management

Innisfree: Sales +35%, OP +46%

- Solid same store sales growth backed by increased sales of major products(Green tea Seed Serum, Jeju Volcanic, It's Real Squeeze Mask) and launch of new lines(Jeju Sparking Mineral line, Cauliflower Mushroom Vital line)
- Diversified promotional events such as Green Tea Heritage Journey and Green Tea Beauty Class resulted in enhanced brand awareness and increased customer footfall
- Increased export and travel retail sales behind by strengthened brand power in the overseas markets

Etude: Sales -2%, OP -51%

- Slightly decreased sales caused by intensive restructuring of channels to strengthen brand power
- Expanded marketing investment for new product launches(Blur Cream, Liquid Lips) and upgrades for major products

	AMOREPACIFIC _ Consolidated	
	1Q 2014	1Q 2015
Sales	931.8	1,204.4
GP	676.6	908.2
SG&A expenses	500.9	630.3
OP	175.7	278.0
	Innisfree	
Sales	106.0	142.6
GP	76.9	100.1
SG&A expenses	52.8	64.8
OP	24.2	35.4
	Etude	
Sales	72.8	71.6
GP	42.6	40.2
SG&A expenses	35.4	36.7
OP	7.1	3.5

KRW bn

Amos Professional: Sales +24%, OP +15%

- Solid growth backed by increased sales of hair tonics, perms, cleansing and conditioner categories
- Increased commissions caused by strong growth from travel retail

Espoir: Sales +25%, Decreased losses

- Robust growth delivered by new store openings and solid travel retail sales
- Strengthened positioning as a professional makeup brand

Aestura (Pacific Pharma.): Sales -4%, OP -1%

- Decreased sales resulted from the transfer of pharmaceutical business
- Major medical beauty brands such as Cleviel, Artefill and ATObARRIER delivered solid double digit growth

	Amos Professional	
	1Q 2014	1Q 2015
Sales	14.4	17.7
GP	7.8	9.8
SG&A expenses	3.6	5.0
OP	4.2	4.8
	Espoir	
Sales	5.7	7.1
GP	4.4	5.4
SG&A expenses	5.7	6.5
OP	-1.3	-1.2
	Aestura	
Sales	18.5	17.7
GP	5.7	4.2
SG&A expenses	7.0	5.5
OP	-1.3	-1.3

KRW bn

Income Statement

KRW bn

	1Q 2014		1Q 2015	
Sales	1,139.7	100.0%	1,443.8	100.0%
Gross Profit	819.8	71.9%	1,070.9	74.2%
SG&A expenses	605.9	53.2%	750.2	52.0%
Operating Profit	213.9	18.8%	320.7	22.2%
Non-operating Profit/Expenses	37.2		6.2	
Profit before tax	251.1	22.0%	326.9	22.6%
Consolidated net income	190.8	16.7%	244.5	16.9%

Statements of Financial Position

KRW bn

	2014.12	2015.03
Assets	5,499.7	5,792.6
Current assets	2,098.1	2,356.9
Non-current assets	3,401.6	3,435.7
Liabilities	1,176.3	1,295.4
Current liabilities	798.4	914.1
Non-current liabilities	377.9	381.4
Shareholder's Equity	4,323.4	4,497.2
Capital stock	44.5	44.5
Additional paid-in capital	673.0	673.0
Capital surplus	22.6	22.6
Other components of equity	(146.5)	(146.5)
Accumulated other comprehensive income	(4.4)	(1.8)
Retained earnings	1,728.7	1,796.1
Non-controlling interest	2,005.5	2,109.3



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