



2007 3Q Results

AMORE PACIFIC
CORPORATION

October 30th, 2007

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 organization structure, redefinition of accounting policies, etc., and may cause the actual results to differ from those stated or implied in this material.

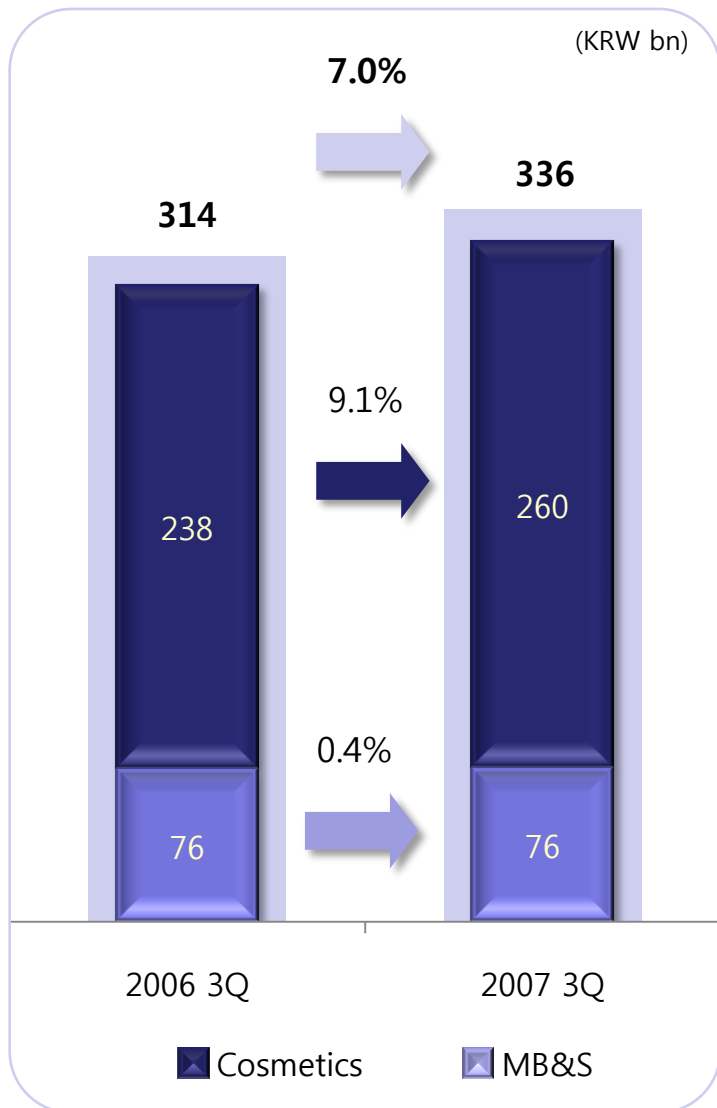
AMOREPACIFIC Corp. is a newly created company after the corporate restructuring in June 2006, and as AMOREPACIFIC Corp. continues the core business of the pre-demerger company, the information in this material is based on such operations, assuming no demerger for ease of comparison with the past data.

Continued market share gain with strong growth across major channels
 Investment into marketing and R&D to strengthen the brands and market position
 China's positive profitability continues with added efforts to build growth drivers based on strong brands

AMOREPACIFIC	Cosmetics	MB&S
Sales KRW 1,040.0 bn 6.7% yoy	Sales KRW 835.0 bn 8.4% yoy	Sales KRW 205.0 bn 0.3% yoy
OP KRW 209.5 bn 1.5% yoy	OP KRW 195.9 bn 2.5% yoy	OP KRW 13.6 bn -11.1% yoy
NP KRW 149.8 bn 1.2% yoy	M/S 35.2% 1.0%p vs end of '06	M/S by Category <ul style="list-style-type: none"> Bodycare 28.1% Toothpaste 20.0% Shampoo 19.2% Green Tea 41.8%

▶ 2007 3Q Sales by Division

▶ Comments



Total sales of KRW 335.7 bn, +7.0% yoy

[Prestige Cosmetics: 53.0% of total sales, +4.6% yoy]

Growing demand for traditional herbal cosmetics (Sulwhasoo +6% yoy), men's and makeup category showing strong sales growth (Hera men's +18% yoy, Hera makeup +7% yoy)

- ▶ Door to door +2.6% yoy: Increasing weight of strong counselors (46% > 51%), stable growth with YTD growth of +5.2% yoy
- ▶ Department store +13.4% yoy: Expanding counters for Sulwhasoo/Hera and AMOREPACIFIC (total of 65 and 17 counters, respectively), Laneige launches in Lotte department stores (2 counters)

[Mass Cosmetics: 21.5% of total sales, +21.4% yoy]

Enhancing market visibility and strengthening brand control by slimming the distribution network and expanding brand shops, increasing makeup up category sales contribution (Laneige makeup +71% yoy)

- ▶ Specialty store +24.8% yoy: More than +20% same store sales growth by HUE Place(952 stores), continued expansion of Innisfree stores(96 stores)
- ▶ Discount store +17.4% yoy: Focused sales on IOPE, dealing directly with additional 47 stores (total of 222 stores)
- ▶ Online +12.1% yoy: Stabilization of Internet B2C structure

[MB&S: 22.7% of total sales, +0.4% yoy]

- ▶ Mise-en-scene and Happy Bath sales growth of +12%, and +19% respectively
- ▶ Green tea's weak sales continue as the market worsens

▶ 2007 3Q Profits

▶ Comments

Operating profit of KRW 53.7 bn, -5.4% yoy

[GP Margin: +0.4%p yoy]

- ▶ Enhanced distribution structure, increasing sales contribution of high-functional cosmetics and premium personal care products
- ▶ Cosmetics sales contribution increased by +1.5%p (75.8% > 77.3%)

[SG&A: 50.9% of sales, +12.4% yoy]

- ▶ Marketing increased by KRW 0.47 bn (+9.5% yoy) to strengthen brands image and sales
- ▶ Commission increased by KRW 0.83 bn (+24.9% yoy) due to consulting services related to strengthening competencies and developing new growth drivers, slimming of distribution network for mass cosmetics, department store sales growth, etc

(vs Sales)	2007 3Q	2006 3Q
Personnel	9.1%	8.8%
Marketing	16.1%	15.7%
Commission	12.4%	10.6%
TOTAL	50.9%	48.4%

[OP Margin: -2.1%p yoy]

(OPM by Division)	2007 3Q	2006 3Q
Cosmetics	18.5%	20.3%
MB&S	7.4%	11.1%
TOTAL	16.0%	18.1%



[Prestige Cosmetics: Continued growth with introduction of high-functional products and makeup line extension]

- ▶ **Sulwhasoo:** 'Ja-ham' cream introduced, department store M/S enhanced by +0.3%p versus end of '06 to reach 9.3%
- ▶ **Hera:** Makeup category sales increased by +19% yoy with seasonal makeup promotions, Hera men's sales increased by +13% yoy by expanding customer base
- ▶ **AMOREPACIFIC:** Continued expansion of department store counters (4 new counters in '07), strong growth of +63%) yoy
- ▶ **VB Program:** Sales growth of +12% yoy due to strong performance of traditional herbal products



[Mass Cosmetics: Sales growth and enhanced profitability by adding new value-added products and men's products]

- ▶ **Laneige:** Strong growth of +19% yoy (makeup +21% yoy) by introducing new premium makeup line, enhancing brand's image by expanding into the department stores (Lotte, 2 counters)
- ▶ **IOPE:** Strong growth of +28% yoy by increased sales of 'Super Vital' products and expanding its high-functional product line
- ▶ **Innisfree:** Continued store expansion, 96 stores at the end of September



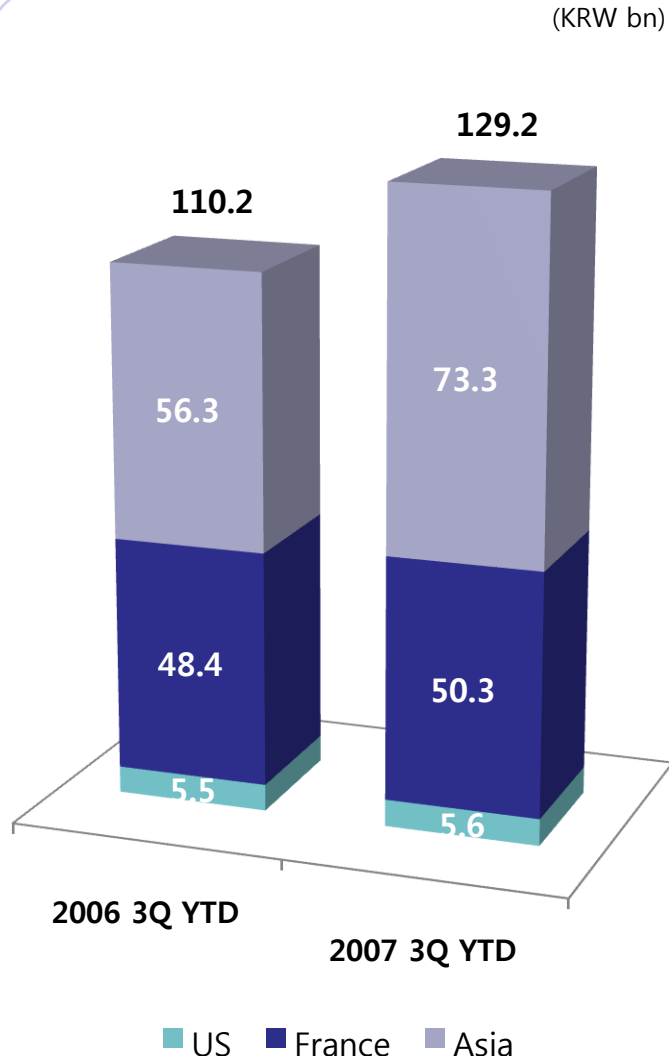
[MB&S: Expanding M/S and enhancing brand image]

- ▶ New product launches led the sales growth of Mise-en-scene (+9% yoy), Happy Bath (+16%), and Median (+14% yoy)

▶ YTD Sales by Region

▶ Comments

2007 3Q YTD sales of KRW 129.2 bn, +17.2% yoy



[China: 36.9% of total overseas, +39.9% yoy]

- ▶ Laneige: Sales growth of +26% yoy while enhancing brand image at 120 department store counters
- ▶ Mamonde: Sales growth of +132% yoy by aggressive expansion in department stores and specialty stores (89 department store counters, 805 specialty stores)
- ▶ Laneige, Mamonde, Lolita Lempicka expanded into Sephora, a premium specialty chain (24 stores)
- ▶ With the turnaround in the first half, profitability continues to enhance with NP of KRW 2 bn

[Asia ex-China: 19.9% of total overseas, +15.2% yoy]

- ▶ Singapore, Hong Kong, and Thailand showing strong sales growth of +24.5% yoy, +22.4% yoy, +33.8% yoy, respectively
- ▶ Laneige's premium makeup line launched in Hong Kong and Taiwan

[France: 38.9% of total overseas, +3.8% yoy]

- ▶ +17.8% sales growth in 3Q turns the YTD sales growth into positive

[US: 4.3% of total overseas, +1.9% yoy]

- ▶ AMOREPACIFIC brand's store expansion continues through Nieman Marcus with +29% of sales growth

※ The Chinese performance figures are based on simple sum up of the 3 Chinese affiliates

▶ Profit & Loss

(KRW bn)	2007 3Q		2006 3Q	
		%		%
Sales	335.7	100.0	313.8	100.0
Gross profit	224.5	66.9	208.7	66.5
Operating profit	53.7	16.0	56.7	18.1
Non-operating income	7.0		5.1	
Non-operating expense	9.4		9.0	
Recurring profit	51.3	15.3	52.8	16.8
Net profit	35.7	10.6	36.5	11.6

▶ Balance Sheet

(KRW bn)	2007.9	2007.6
Asset	1,240.8	1,200.0
Current asset	417.7	421.9
Non-current asset	823.1	778.1
Liability	324.5	319.1
Current liability	182.8	181.7
Non-current liability	141.7	137.4
Shareholder's equity	916.3	880.9
Capital	34.5	34.5
Capital reserve	712.7	712.7
Capital adjustment	-5.7	-5.4
Retained earnings	174.8	139.1



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