

AMOREPACIFIC GROUP
2011 Q1 Earnings Release

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 Q1.
For fair comparison, we have disclosed the 2010 numbers based on same standards.**

2011 Q1 Earnings Summary

Sales up 18% to KRW 810.3bn, OP up 12% to KRW 164.5bn

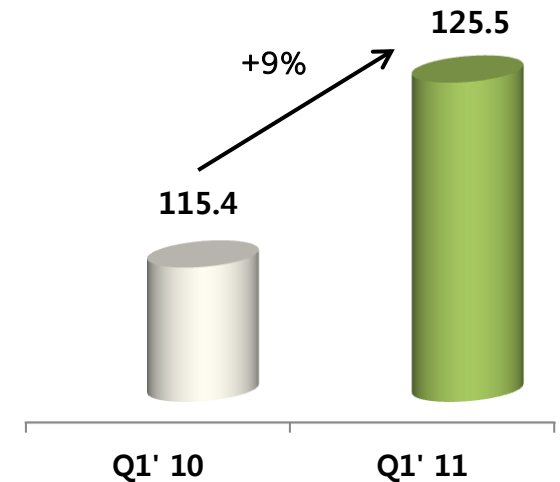
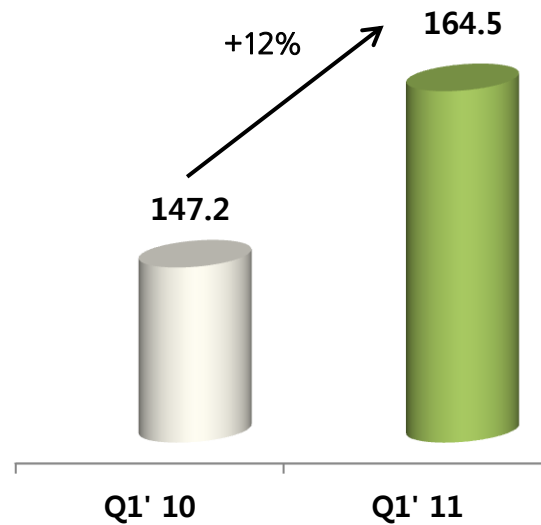
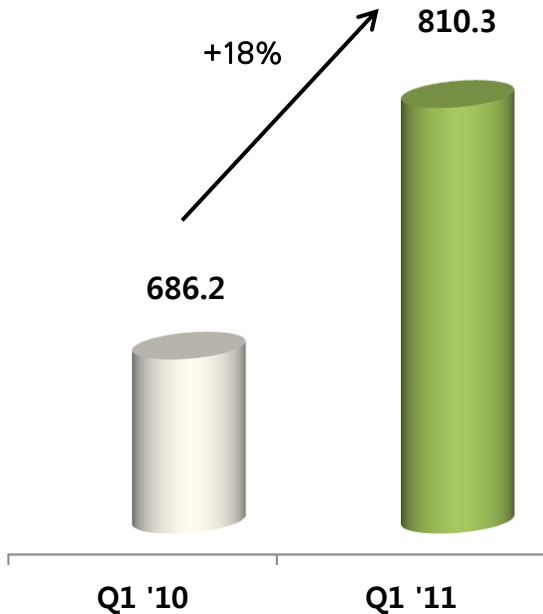
Sales and operating profit growth driven by the strong performance of cosmetics subsidiaries - AMOREPACIFIC, Etude and Innisfree

[KRWbn, %YoY]

Sales

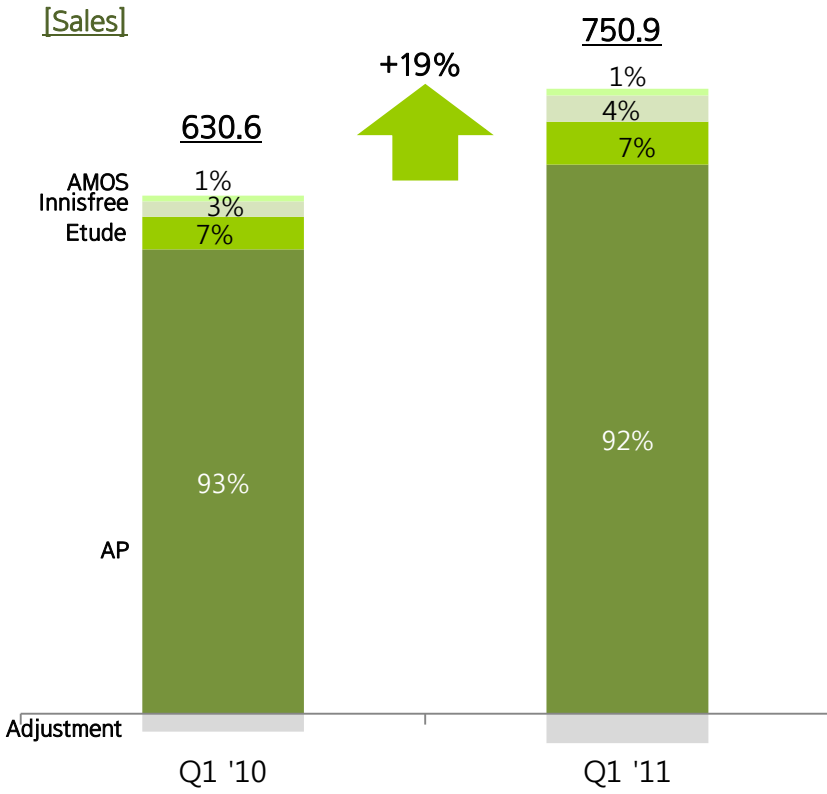
Operating Profit

Net Profit



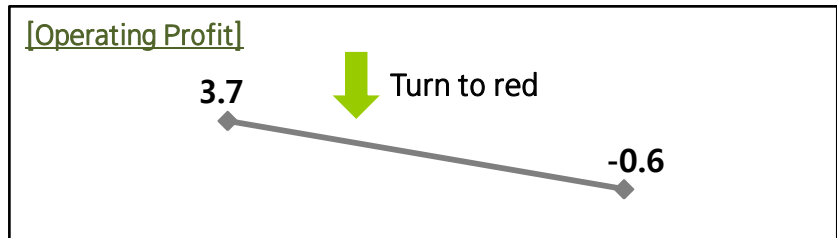
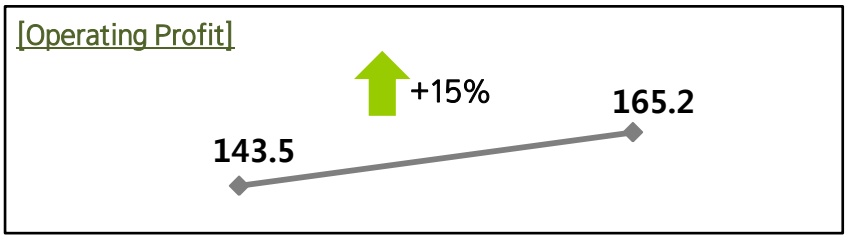
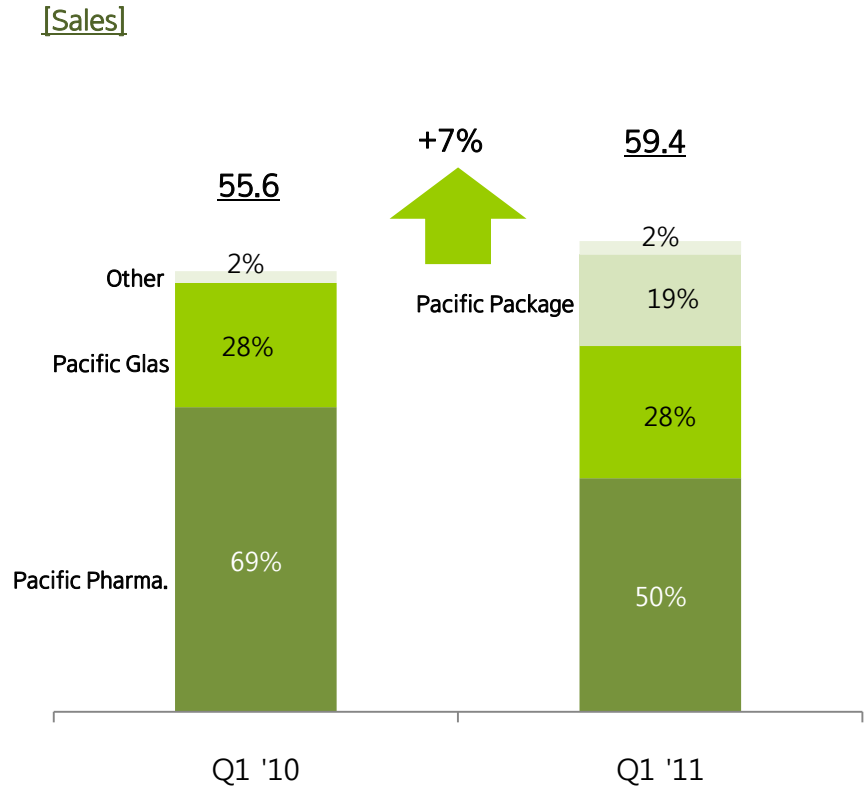
2011 Q1 Earnings Summary

Cosmetics Business



Non-Cosmetics Business

[KRWbn, %YoY]



2011 Q1 Earnings by Division _ Cosmetics

[KRWbn]

	AMOREPACIFIC _Consolidated		Etude	
	Q1 '10	Q1 '11	Q1 '10	Q1 '11
Sales	585.0	692.1	41.1	53.7
GP	403.9	479.6	23.0	31.9
SG&A	270.4	331.6	18.2	24.2
OP	133.5	148.0	4.8	7.6

AMOREPACIFIC Sales +18%. OP +11%

- Strong growth across all divisions
- [Growth by Division] Luxury cosmetics +18%, Premium cosmetics +14%, Overseas +17%, MC&S +23%
- Continued investments to back mid to long term growth

Etude Sales +31%. OP +58%

- Achieved strong growth in both the domestic and overseas markets as a result of aggressive marketing efforts
- Domestic customers +46%, Foreign customers +35%
- Profitability improved backed by product mix change and profit growth accelerated thanks to the economy of scale

	Innisfree		AMOS Professional	
	Q1 '10	Q1 '11	Q1 '10	Q1 '11
Sales	19.4	33.1	7.2	8.5
GP	13.3	23.3	3.7	4.5
SG&A	8.4	16.7	1.9	2.2
OP	4.8	6.7	1.8	2.3

Innisfree Sales +71%. OP +38%

- Strong performance from the new products “eco make-up” and “eco-science”
- Sales surged as a result of increase number of stores and same store sales growth
- GP margin improved due to the product mix change but SG&A cost increased as a result of aggressive advertisement

AMOS Professional Sales +17%. OP +31%

- Strong growth across all divisions (Permer, Conditioner, etc.)
- M/S increased : Dec '10 21.5% → Mar '11 24.4%
- Profitability improved backed by product mix change

2011 Q1 Earnings by Division _ Non-Cosmetics

[KRWbn]

	Pacific Pharma.		Pacific Glas	
	Q1 '10	Q1 '11	Q1 '10	Q1 '11
Sales	38.4	29.5	15.7	16.7
GP	19.2	12.2	2.7	2.7
SG&A	16.0	14.2	1.1	1.1
OP	3.1	-2.0	1.6	1.5

Pacific Pharma. Sales -27%. OP Turn to red

- Restructuring to a Medical Beauty company
- Sales fell and costs increased as a result of the restructuring process such as reorganization and inventory disposal
- Profits expected to recover in 2H

Pacific Glas Sales +7%. OP -7%

- OP saw a slight fall due to the raw material price hike

	Pacific Package		Jangwon Industry	
	Q1 '10	Q1 '11	Q1 '10	Q1 '11
Sales	N/A	11.5	0.2	0.4
GP		1.3	0	0.1
SG&A		0.8	0.4	0.5
OP		0.5	-0.4	-0.4

Pacific Package

- Stake acquired in May 2010
- Profitability weakened due to the raw material price hike

Jangwon Industry Sales +134%. OP Losses continued

- Sales to affiliates and non-affiliates showed stable growth

2011 Q1 Financial Summary

► Income Statement

[KRWbn]	Q1 2010		Q1 2011	
	K-IFRS	%	K-IFRS	%
Sales	686.2	100.0	810.3	100.0
Gross Profit	463.5	67.5	554.9	68.5
SG&A Expense	316.3	46.1	390.4	48.2
Operating Profit	147.2	21.5	164.5	20.3
Non-operating Profit/Expense	4.1		6.1	
Income Before Taxes	151.3	22.1	170.6	21.1
Consolidated Net Profit	115.4	16.8	125.5	15.5

► Balance Sheet

[KRWbn]	2010. 12 K-IFRS	2011. 3 K-IFRS
Asset	3,801.9	3,973.4
Current Asset	1,262.4	1,376.4
Non-current Asset	2,539.4	2,597.0
Liability	761.1	855.9
Current Liability	463.1	549.4
Non-current Liability	297.9	306.5
Shareholder's Equity	3,040.8	3,117.5
Capital	44.5	44.5
Capital Reserve	680.5	680.5
Capital Adjustment	-134.1	-134.1
Accumulated Other Inclusive Gain and Loss	5.9	1.7
Retained Earnings	1,128.7	1,164.0
Non-Controlling interest	1,315.4	1,361.0