



# Pacific Corporation

## 1H 2010 Results

**PACIFIC** CORPORATION

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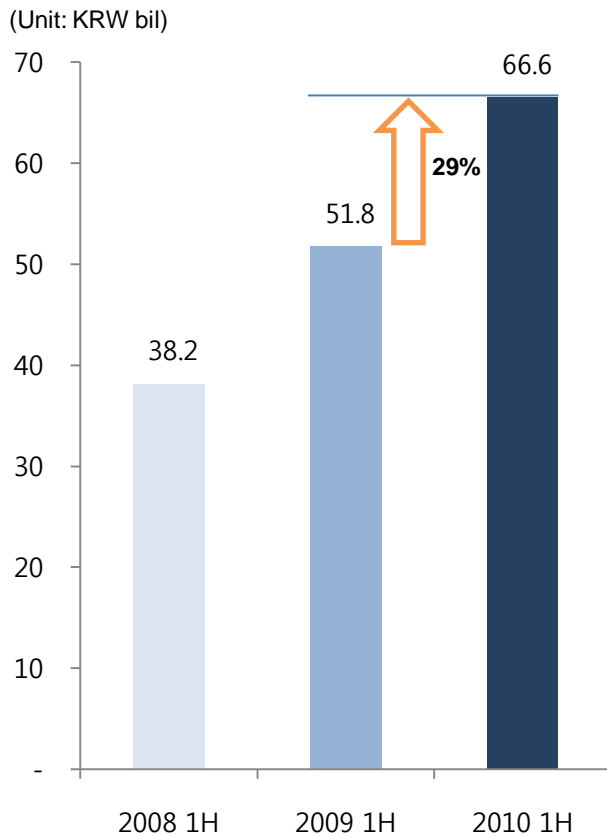
\* As a note, it is suggested to use this material only as a reference, as it contains information and data that are subject to changed without prior notice due to uncertainties, changes in the organization structure, redefinition of accounting policies, etc., and may cause the actual results to differ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



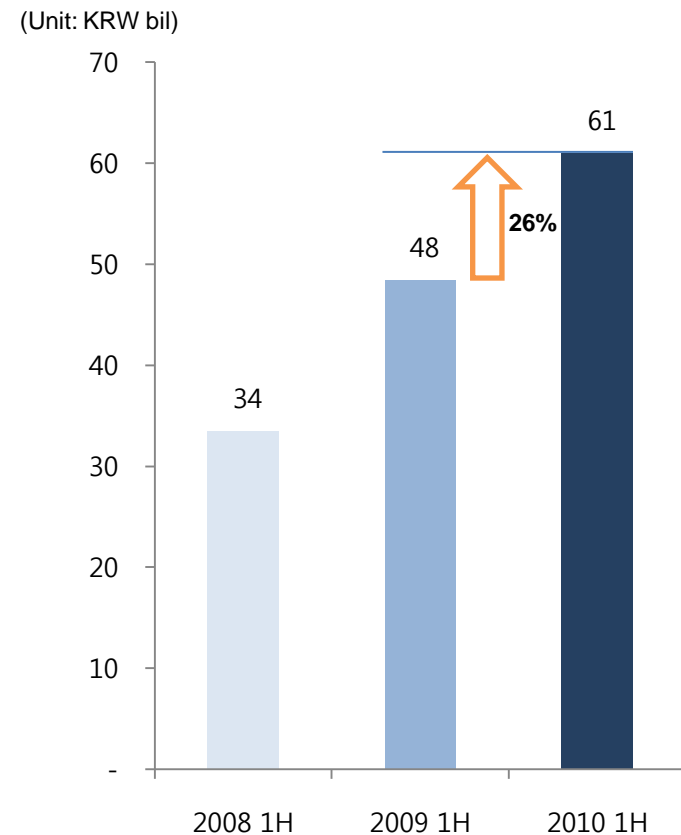
# 1H 2010 Performance Summary

**Pacific Corporation operating revenue grew 29% to 67 billion won for first half of 2010. Operating Income also increased 26% to 61 billion won.**

## Operating Revenue

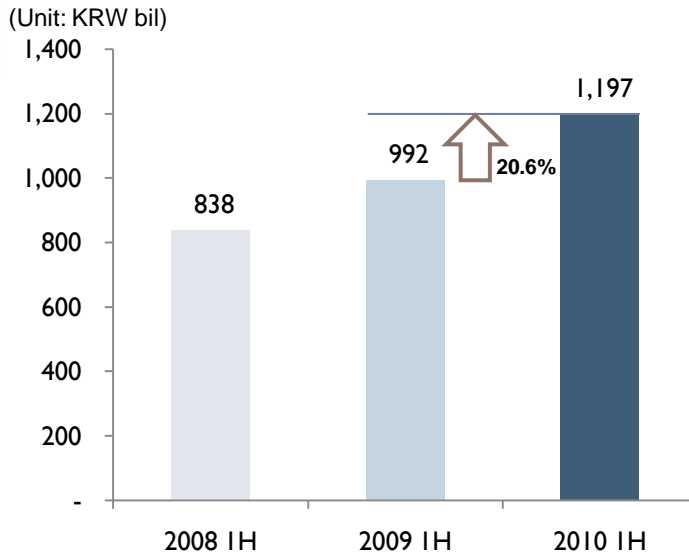


## Operating Profit

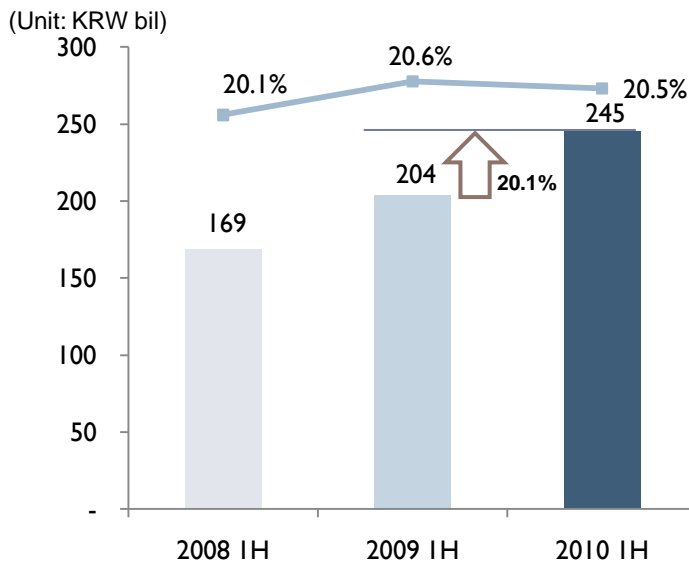


# 1H 2010 Subsidiaries' Performance (Cosmetic Division)

## Sales



## Operating Profit

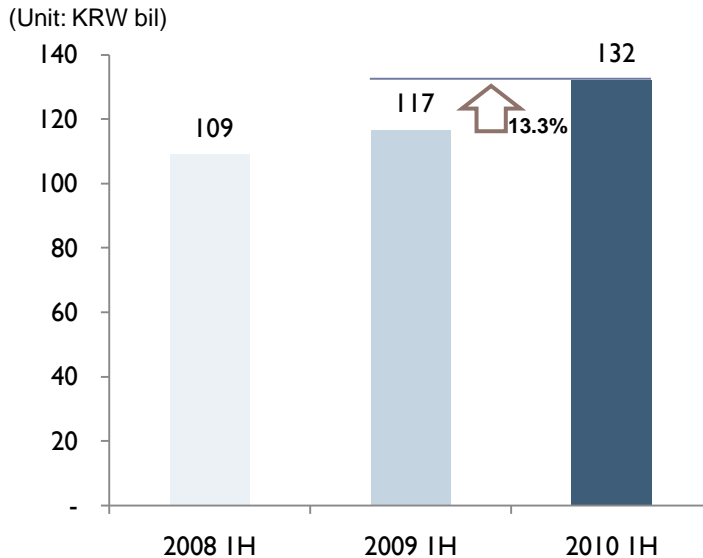


- Sales of Cosmetic division delivered 1,197 billion won in sales with 20.6% growth yoy.
  - **AMOREPACIFIC** grew 16% to 1,064 billion won driven by sales increasing in department channels and unit volume acceleration in ARITAUM channel.
  - Sales from **ETUDE** increased 18% to 78 billion won with sales growth in domestic and overseas market.
  - **INNISFREE** delivered 41 billion won in sales showing sales growth of killer products and unit volume acceleration per store.
  - **AMOS** achieved 15 billion won in sales due to increasing volume of killer products' sales.
- Operating profit grew 20.1% to 245 billion won for first half of 2010 due to increasing volume of premium products sales and TCR policy .
  - Operating profit of **AMOREPACIFIC** grew 19% to 226 billion won increasing sales of luxury and premium product line.
  - **Etude** delivered 9.7 billion won in operating profit with 18% decrease yoy due to the depreciation from first half of 2009's high growth(cf. 2009. 1H 301% yoy)
  - **INNISFREE** delivered 6.3 billion won in operating profit thanks to the operation efficiency.
  - **AMOS** grew 43% to 3.1 billion won in operating profit reducing SG&A expense.

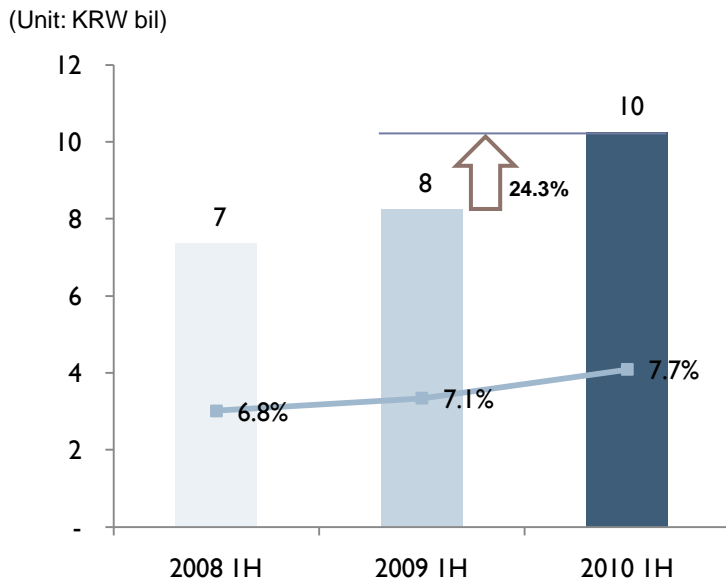


# 1H 2010 Subsidiaries' Performance (Non-Cosmetic Division)

## Sales



## Operating Profit



- **Non-cosmetic division grew 13.3% yoy to 132 billion won in sales.**

- **PACIFIC PHARMA** grew 5% to 91 billion won under the depressed market by the illegal rebate practice inspection of Korean government etc.
- **JANGWON** delivered 5.6 billion won under ongoing depressed green tea market in Korea.
- **PACIFICGLAS** achieved 29 billion won in sales with 19% growth yoy increasing domestic and overseas sales.
- **PACIFIC PACKAGE** was incorporated to Pacific Corporation in May 1<sup>st</sup>, 2010 and delivered 8 billion won in sales for two months.

- **Non-cosmetic division grew 24.3% to 10 billion won in operating profit.**

- **PACIFIC PHARMA** delivered 6.8 billion won in operating profit with 11% growth yoy improving sales promotion efficiency.
- **JANGWON** achieved 20% growth yoy in operating profit saving COGS by TCR activity even under sales decrease.
- **PACIFICGLAS** grew 75% to 2.6 billion won thanks to sales increase of high margin channel (exportation).
- **PACIFIC PACKAGE** delivered 0.1 billion won in operating profit for two months (from May to June)



# 2010년 상반기 자회사 요약 손익계산서

(Unit: KRW mil)

Cosmetic Division	AMOREPACIFIC		ETUDE		AMOS		INNISFREE*
	2009 1H	2010 1H	2009 1H	2010 1H	2009 1H	2010 1H	2010 1H
Sales	915,265	1,063,998	65,497	77,472	11,661	14,800	40,667
Gross Profit	651,843	786,856	42,109	46,924	6,336	8,144	29,696
%	71%	74%	64%	61%	54%	55%	73%
SG&A	461,895	561,146	30,279	37,178	4,143	5,006	23,368
Operating Profit	189,948	225,710	11,830	9,746	2,194	3,138	6,328
%	21%	21%	18%	13%	19%	21%	16%
Net Income	144,564	179,755	8,939	7,650	1,802	2,544	4,788
%	16%	17%	14%	10%	15%	17%	12%

(Unit: KRW mil)

Non-Cosmetic Division	PACIFIC PHARMA		JANGWON		PACIFIC GLAS		PACIFIC PACKAGE*
	2009 1H	2010 1H	2009 1H	2010 1H	2009 1H	2010 1H	2010 May~June
Sales	86,472	90,591	5,878	5,586	24,307	29,020	6,969
Gross Profit	43,405	44,396	1,422	1,692	3,429	4,766	573
%	50%	49%	24%	30%	14%	16%	8%
SG&A	37,270	37,607	794	935	1,953	2,185	458
Operating Profit	6,135	6,790	629	757	1,477	2,581	115
%	7%	7%	11%	14%	6%	9%	2%
Net Income	4,289	5,296	648	706	1,336	2,146	180
%	5%	6%	11%	13%	5%	7%	3%

\* INNISFREE was incorporated to Pacific Corporation on January 1<sup>st</sup>, 2010, Pacific Package was incorporated in May 1<sup>st</sup>, 2010.



# 1H 2010 Financial Statements

(Unit: KRW mil)

Income Statement	1H 2009	1H 2010	Balance Sheet	Dec. 31 <sup>st</sup> , 2009	June. 30 <sup>st</sup> , 2010
<b>Operating Revenue</b>	<b>51,785</b>	<b>66,554</b>	<b>Asset</b>	<b>1,501,455</b>	<b>1,549,835</b>
Equity income on Investment	49,085	63,782	Current Asset	296,351	283,690
<b>Operating Expense</b>	<b>3,384</b>	<b>5,593</b>	Non-Current Asset	<b>1,205,104</b>	<b>1,266,145</b>
Equity Loss on investment	134	1,659	<b>Liability</b>	104,894	103,983
SG&A	2,216	2,840	Current Liability	2,402	2,701
<b>Operating Profit</b>	<b>48,401</b>	<b>60,961</b>	Non-Current Liability	102,492	101,283
Non-Operating Profit	9,397	6,212	<b>Equity</b>	<b>1,396,561</b>	<b>1,445,852</b>
Non-Operating Profit	610	19	Capital	44,451	44,451
Earning before Tax	57,188	67,155	Capital Surplus	848,820	848,820
<b>Net Income</b>	<b>55,433</b>	<b>65,148</b>	Capital Adjustment	-134,739	-134,739
			Accumulated Other Comprehensive Income	16,526	14,016
			Retained Earning	621,501	673,303



# 1H 2010 Financial Statements(Consolidated)\*

(Unit: KRW mil)

Income Statement	1H 2009	1H 2010
<b>Sales</b>	<b>1,137,518</b>	<b>1,354,859</b>
<b>Gross Profit</b>	<b>807,285</b>	<b>980,424</b>
SG&A	608,105	744,684
<b>Operating Profit</b>	<b>199,180</b>	<b>235,739</b>
Non-Operating Profit	23,547	26,038
Non-Operating Profit	17,117	21,931
Earning before Tax	205,610	239,846
<b>Net Income</b>	<b>152,675</b>	<b>178,581</b>

Balance Sheet	Dec. 31 <sup>st</sup> , 2009	June. 30 <sup>st</sup> , 2010
<b>Asset</b>	<b>2,983,647</b>	<b>3,181,869</b>
Current Asset	1,093,266	1,187,634
Non-Current Asset	1,890,381	1,994,235
<b>Liability</b>	<b>615,985</b>	<b>678,360</b>
Current Liability	332,766	393,484
Non-Current Liability	283,219	284,876
<b>Equity</b>	<b>2,367,662</b>	<b>2,503,509</b>
Capital	44,451	44,451
Capital Surplus	850,790	850,777
Capital Adjustment	-133,665	-135,693
Accumulated Other Comprehensive Income	13,483	11,066
Retained Earning	621,501	675,252

\* The consolidated financial statements include Pacific Corporation and its controlled subsidiaries with Foreign affiliates in China and France. Intercompany transactions are eliminated.

