



# Pacific Corporation

## 1Q-3Q 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.

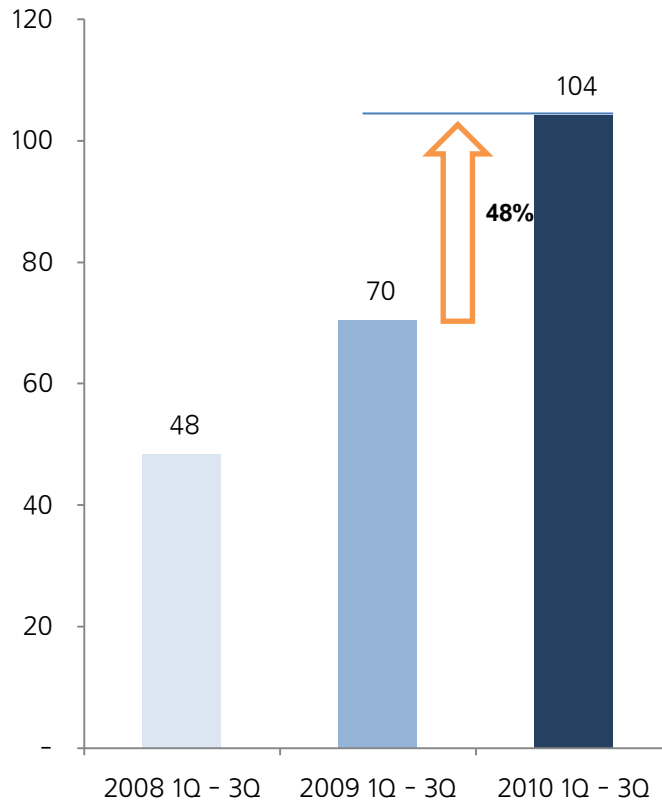


# 1Q-3Q 2010 Performance Summary

**Thanks to the overall subsidiaries sales growth added one subsidiary(Pacific Package), Operating revenue grew 48% to 104 billion won. Operating income also increased 50% to 98 billion won.**

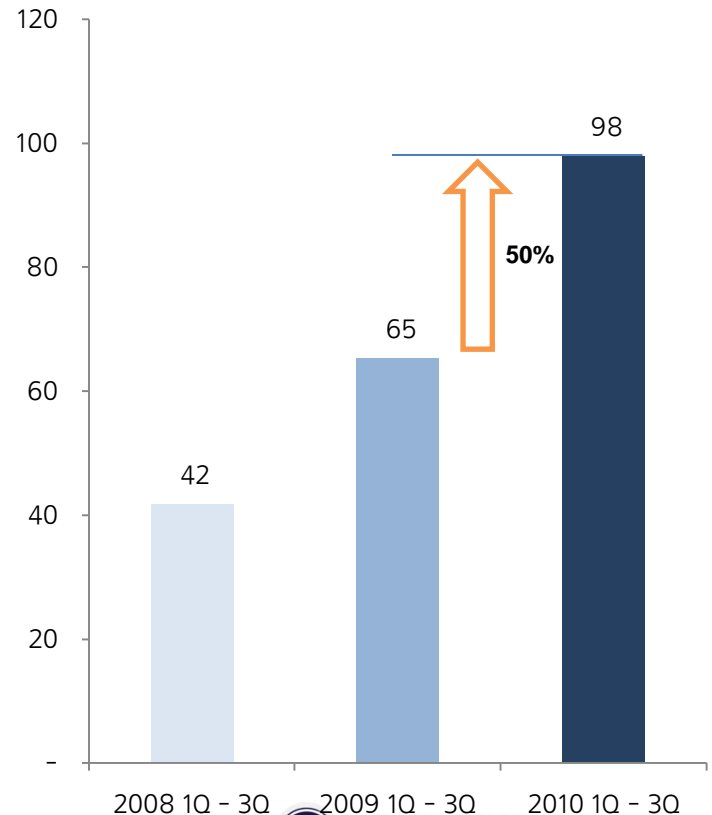
## Operating Revenue

(Unit: KRW bn)



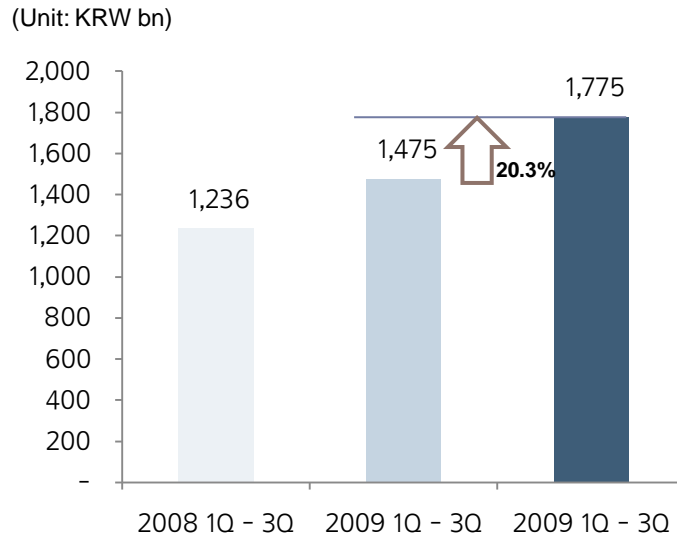
## Operating Income

(Unit: KRW bn)

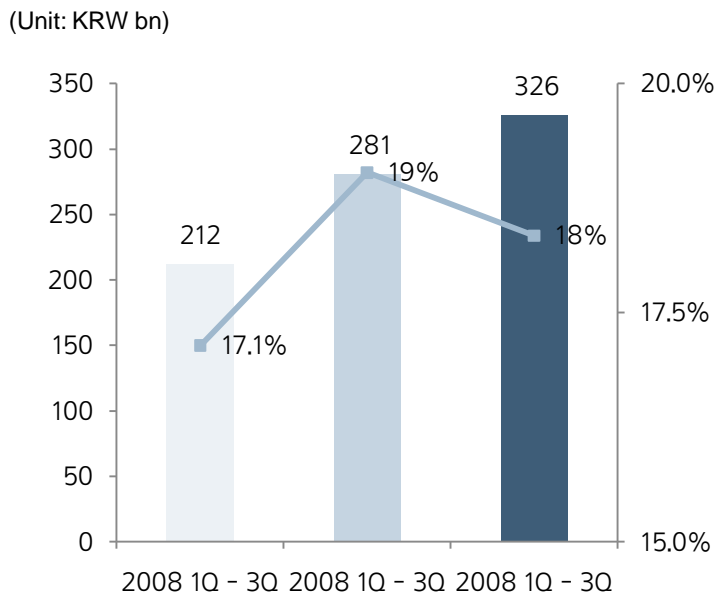


# 1Q-3Q 2010 Subsidiaries' Performance (Cosmetic Division)

## Sales



## Operating Profit



- Sales of Cosmetic division delivered 1,775 billion won in sales with 20.3% growth yoy.

- **AMOREPACIFIC** grew 16% to 1,579 billion won driven by sales increasing in department, ARITAUM, and online channels with premium products sales increasing in MC&S business unit.
- **ETUDE** reached 113 billion sales with 20% sales growth yoy due to both domestic market and overseas.
- **INNISFREE** delivered 61 billion won in sales with 32% sales growth yoy thanks to successful new product launching and increasing stores.
- **AMOS Professional** grew 39% to 22 billion won remain as No.1 professional haircare merchandiser in Korea.

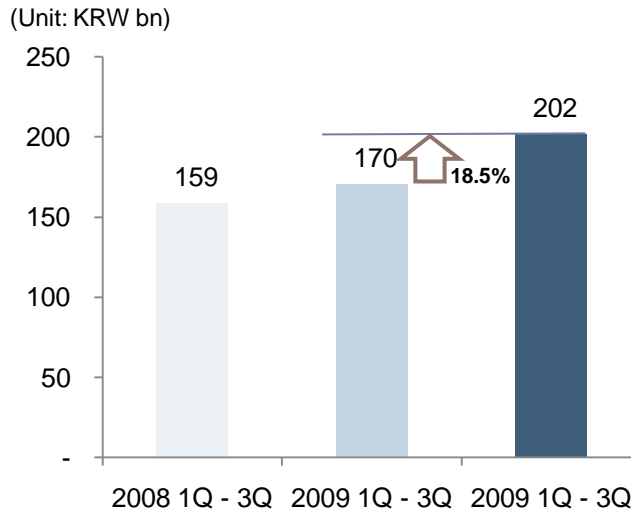
- Operating profit grew 16% to 326 billion won with increasing sales volume of premium products and TCR policy.

- **AMOREPACIFIC** reached 301 billion won with increasing sales of Luxury and premium brands.
- **ETUDE** delivered 12 billion won with 11% of operating profit ratio.
- **INNISFREE** grew 127% to 8 billion won due to the high increasing sales and TCR policy
- **AMOS Professional** delivered 5 billion won in operating profit.

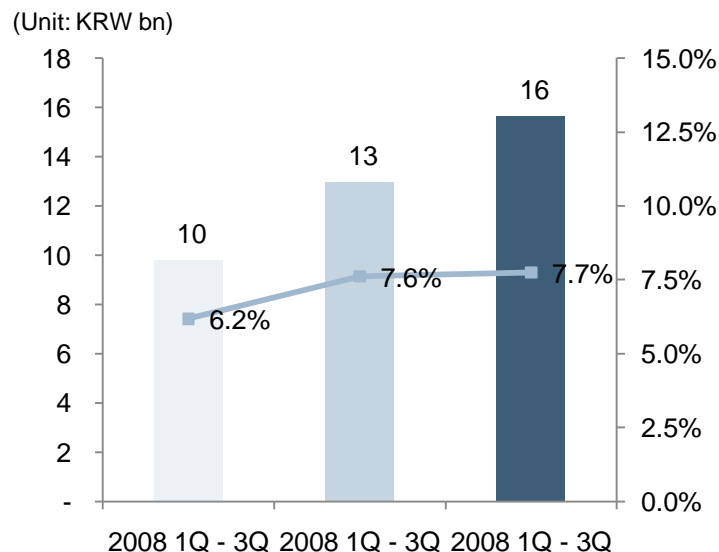


# 1Q-3Q 2010 Subsidiaries' Performance (Non-Cosmetic Division)

## Sales



## Operating Profit



- **Non-cosmetic division grew 18.5% yoy to 202 billion won in sales.**

- **PACIFIC PHARMA** grew 5% yoy to 133 billion won under the depressed market by the illegal rebate practice inspection of Korean government etc.
- **JANGWON** grew 1% yoy to 7 billion won under the saturated green tea market.
- **PACIFICGLAS** delivered 44 billion in sales with 16% growth rate yoy due to sales increasing both in domestic and overseas markets.
- **PACIFICPACKAGE** delivered 18 billion won in sales after being incorporated in May, 2010 to Pacific group.

- **Operating profit of non-cosmetic division reached to 16 billion won with 20.4% growth yoy. The operating profit ratio for 1Q-3Q 2010 was 7.7%.**

- **PACIFIC PHARMA** delivered 10 billion won in operating profit.
- **JANGWON** grew 5% yoy to 0.7 billion won in operating profit due to the TCR activity.
- **PACIFICGLAS** reached 4 billion won with 8% growth yoy in operating profit thanks to the increasing high margin product sales.
- **PACIFICPACKAGE** delivered 1.2 billion won in operating profit for 5 months.



# Subsidiaries' Condensed Income Statement (1Q-3Q 2010)

(Unit: KRW mil)

| Cosmetic Division | AMOREPACIFIC |            | ETUDE      |            | AMOS Professional |            | INNISFREE  |
|-------------------|--------------|------------|------------|------------|-------------------|------------|------------|
|                   | 2009 1Q-3Q   | 2010 1Q-3Q | 2009 1Q-3Q | 2010 1Q-3Q | 2009 1Q-3Q        | 2010 1Q-3Q | 2010 1Q-3Q |
| Sales             | 1,363,264    | 1,578,916  | 94,246     | 113,247    | 17,885            | 22,228     | 61,012     |
| Gross Profit      | 964,273      | 1,150,368  | 59,830     | 68,428     | 9,842             | 12,150     | 44,043     |
| %                 | 71%          | 73%        | 63%        | 60%        | 55%               | 55%        | 72%        |
| SG&A              | 700,866      | 849,713    | 45,821     | 56,081     | 6,501             | 7,479      | 36,085     |
| Operating Profit  | 263,407      | 300,655    | 14,009     | 12,347     | 3,341             | 4,671      | 7,959      |
| %                 | 19%          | 19%        | 15%        | 11%        | 19%               | 21%        | 13%        |
| Net Income        | 195,760      | 272,303    | 10,485     | 9,316      | 2,759             | 3,827      | 6,061      |
| %                 | 14%          | 17%        | 11%        | 8%         | 15%               | 17%        | 10%        |

(Unit: KRW mil)

| Non-Cosmetic Division | PACIFIC PHARMA |            | JANGWON    |            | PACIFIC GLAS |            | PACIFIC PACKAGE |
|-----------------------|----------------|------------|------------|------------|--------------|------------|-----------------|
|                       | 2009 1Q-3Q     | 2010 1Q-3Q | 2009 1Q-3Q | 2010 1Q-3Q | 2009 1Q-3Q   | 2010 1Q-3Q | 2010 1Q-3Q      |
| Sales                 | 125,744        | 132,509    | 7,161      | 7,258      | 37,543       | 43,655     | 18,438          |
| Gross Profit          | 64,660         | 65,126     | 1,729      | 2,185      | 5,169        | 7,339      | 2,349           |
| %                     | 51%            | 49%        | 24%        | 30%        | 14%          | 17%        | 13%             |
| SG&A                  | 54,377         | 55,439     | 1,226      | 1,426      | 2,974        | 3,377      | 1,122           |
| Operating Profit      | 10,283         | 9,687      | 503        | 758        | 2,195        | 3,962      | 1,227           |
| %                     | 8%             | 7%         | 7%         | 10%        | 6%           | 9%         | 7%              |
| Net Income            | 7,379          | 6,830      | 632        | 789        | 1,862        | 3,166      | 1,075           |
| %                     | 6%             | 5%         | 9%         | 11%        | 5%           | 7%         | 6%              |

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



**PACIFIC** CORPORATION

# 2010 1Q–3Q Financial Statements

(Unit: KRW mil)

| Income Statement            | 2009<br>1Q – 3Q | 2010<br>1Q – 3Q | Balance Sheet                          | Dec. 31 <sup>st</sup> . 2009 | Sep. 30. 2010    |
|-----------------------------|-----------------|-----------------|--|------------------------------|------------------|
| <b>Operating Revenue</b>    | <b>70,413</b>   | <b>104,128</b>  | <b>Asset</b>                           | <b>1,501,455</b>             | <b>1,587,652</b> |
| Equity income on Investment | 66,388          | 99,928          | Current Asset                          | 296,351                      | 282,861          |
| <b>Operating Expense</b>    | <b>5,136</b>    | <b>6,330</b>    | Non-Current Asset                      | 1,205,104                    | 1,304,791        |
| Equity Loss on Investment   | 40              | 321             | <b>Liability</b>                       | <b>104,894</b>               | <b>105,367</b>   |
| SG&A                        | 3,488           | 4,342           | Current Liability                      | 2,402                        | 1,576            |
| <b>Operating Profit</b>     | <b>65,276</b>   | <b>97,798</b>   | Non-Current Liability                  | 102,492                      | 103,791          |
| Non-Operating Income        | 11,922          | 8,150           | <b>Equity</b>                          | <b>1,396,561</b>             | <b>1,482,284</b> |
| Non-Operating Expense       | 630             | 26              | Capital                                | 44,451                       | 44,451           |
| Earning Before Tax          | 76,568          | 105,922         | Capital Surplus                        | 848,820                      | 848,820          |
| <b>Net Income</b>           | <b>73,716</b>   | <b>101,238</b>  | Capital Adjustment                     | -134,739                     | -134,739         |
|                             |                 |                 | Accumulated Other Comprehensive Income | 16,526                       | 14,359           |
|                             |                 |                 | Retained Earning                       | 621,501                      | 709,393          |



# 2010 1Q–3Q Financial Statements(Consolidated)\*

(Unit: KRW mil)

| Income Statement          | 2009<br>1Q – 3Q  | 2010<br>1Q – 3Q  | Balance Sheet                          | Dec. 31 <sup>st</sup> . 2009 | Sep. 30. 2010    |
|---------------------------|------------------|------------------|--|------------------------------|------------------|
| <b>Sales</b>              | <b>1,702,476</b> | <b>2,022,873</b> | <b>Asset</b>                           | <b>2,983,647</b>             | <b>3,237,904</b> |
| <b>Gross Profit</b>       | <b>1,200,333</b> | <b>1,454,509</b> | Current Asset                          | 1,093,266                    | 1,196,644        |
| SG&A                      | 919,409          | 1,125,258        | Non-Current Asset                      | 1,890,381                    | 2,041,260        |
| <b>Operating Profit</b>   | <b>280,923</b>   | <b>329,251</b>   | <b>Liability</b>                       | <b>615,985</b>               | <b>632,296</b>   |
| Non-Operating Income      | 31,796           | 31,534           | Current Liability                      | 332,766                      | 333,535          |
| Non-Operating Expense     | 32,943           | 26,262           | Non-Current Liability                  | 283,219                      | 298,761          |
| <b>Earning Before Tax</b> | <b>279,777</b>   | <b>334,524</b>   | <b>Equity</b>                          | <b>2,367,662</b>             | <b>2,605,609</b> |
| <b>Net Income</b>         | <b>205,797</b>   | <b>277,849</b>   | Capital                                | 44,451                       | 44,451           |
|                           |                  |                  | Capital Surplus                        | 850,790                      | 850,780          |
|                           |                  |                  | Capital Adjustment                     | -133,665                     | -133,685         |
|                           |                  |                  | Accumulated Other Comprehensive Income | 13,483                       | 11,420           |
|                           |                  |                  | Retained Earning                       | 621,501                      | 711,430          |
|                           |                  |                  | Minority Interest                      | 971,101                      | 1,121,213        |

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

