



AMOREPACIFIC GROUP

2011 Earnings Release

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**AMOREPACIFIC GROUP has adopted the K-IFRS since 2011 1Q.
For fair comparison, we have disclosed the 2010 numbers based on same standards.**

2011 Earnings Summary

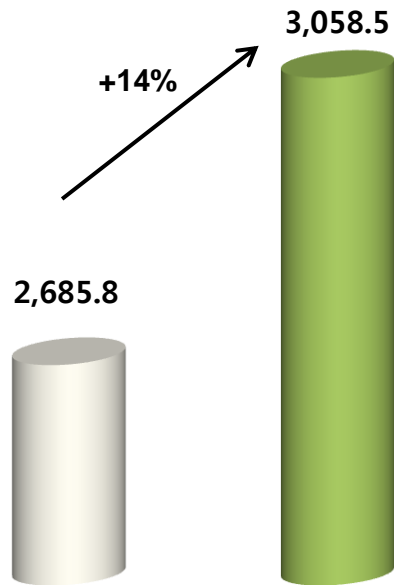
Sales up 14% to KRW 3,058.5bn, OP up 6% to KRW 434.7bn

Sales recorded KRW 3tn, Greatest results delivered by the solid performance of cosmetics subsidiaries - AMOREPACIFIC, Etude and Innisfree

Despite the economic downturn, investments expanded to secure the mid to long term growth momentum for the core business

[KRWbn / %YoY]

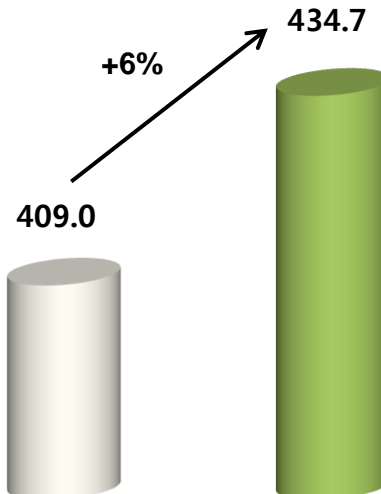
Sales



2010

2011

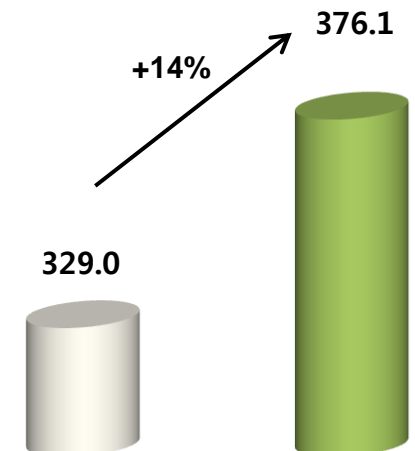
Operating Profit



2010

2011

Net Profit

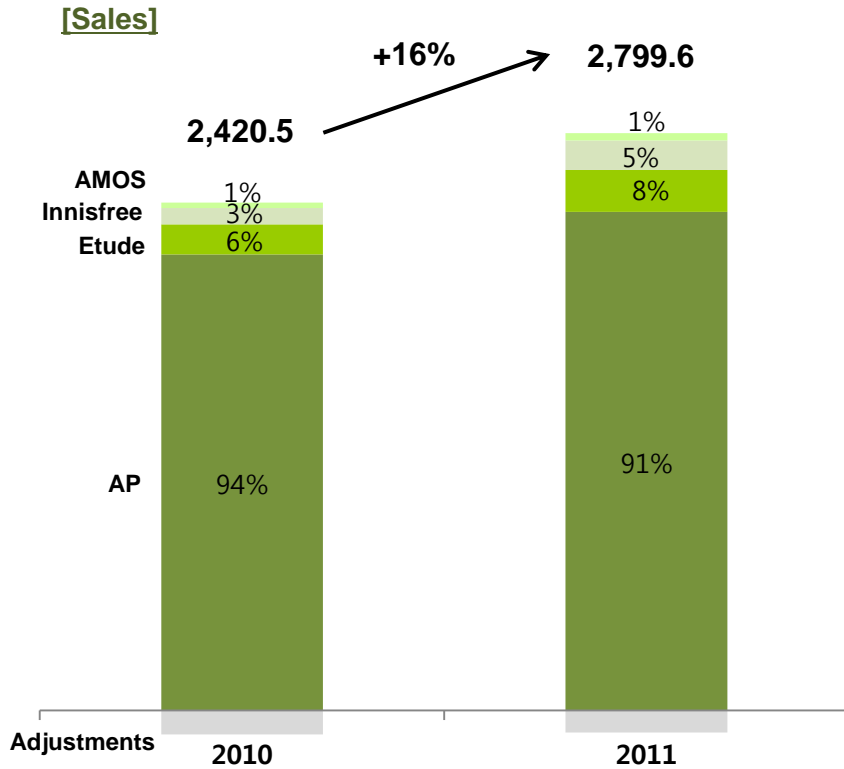


2010

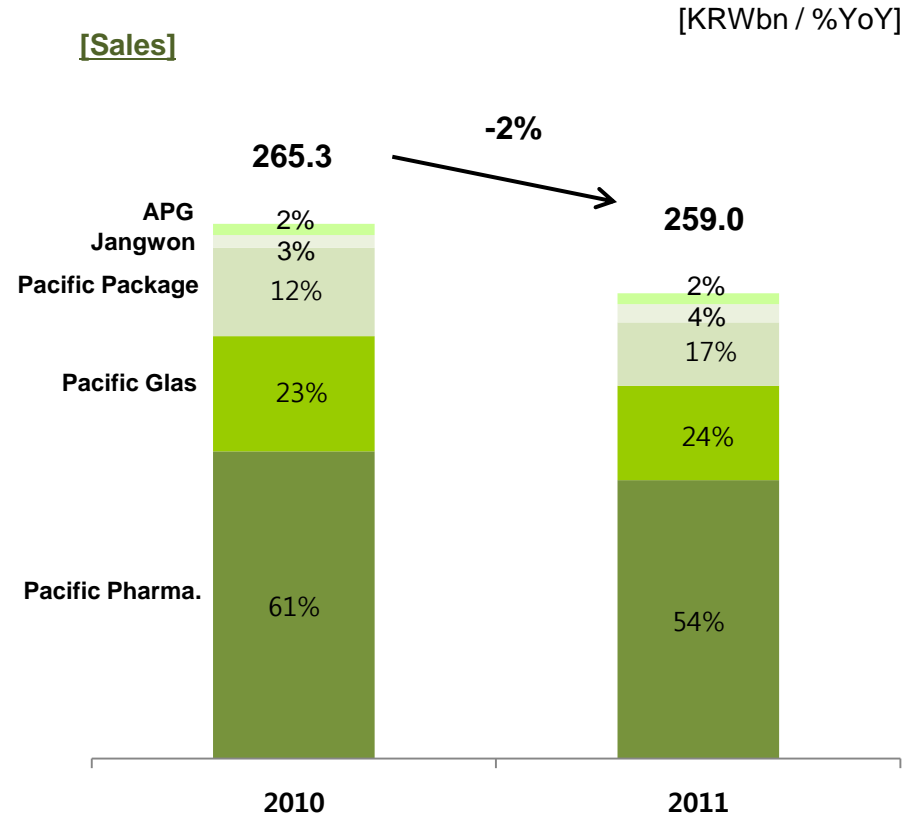
2011

2011 Earnings Summary

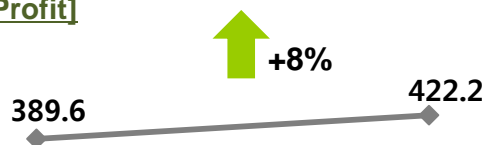
Cosmetics Business



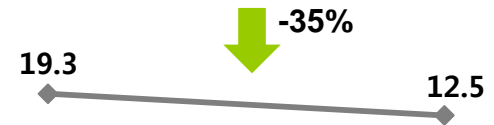
Non-cosmetics Business



[Operating Profit]



[Operating Profit]



2011 Earnings_Cosmetics

[KRWbn]

	AMOREPACIFIC _Consolidated		Etude	
	2010	2011	2010	2011
Sales	2,272.3	2,554.7	155.6	214.8
GP	1,572.2	1,780.1	88.9	126.8
SG&A	1,207.7	1,407.2	75.2	107.2
OP	364.5	372.9	13.7	19.6

	Innisfree		AMOS Professional	
	2010	2011	2010	2011
Sales	82.9	140.5	27.7	34.8
GP	55.2	97.1	13.7	18.6
SG&A	48.7	78.3	8.4	10.9
OP	6.5	18.8	5.2	7.7

[AMOREPACIFIC] Sales +12% , OP +2%

- Despite the economic recession, balanced distribution portfolio and differentiated brand power resulted in strong growth [Sales growth of major divisions] Luxury segment +10%, Premium segment +10% overseas business +23% MC&S (Personal care and green tea) +15%
- Dep. Store, On-line and Specialty store channels led sales growth of domestic cosmetics business/ China continued robust sales growth on the back of strengthened brand recognition and increased number of stores leading the overseas sales
- Increased investments to secure the mid to long term growth: Costs relating to the completion of and relocation to the new factory and logistics center/Increased consulting fees, expanded investments in securing global talent and acquisition of the French perfume brand

[Etude] Sales +38%, OP +43%

- Reinforced brand recognition behind enhanced brand storytelling and products innovation/ Strengthened market leadership and increased M/S delivered by continued store expansion and same store sales growth (M/S 2.2% → 2.7%)
- Expanded overseas business thanks to the strengthened local marketing activities in ASEAN markets and brand launching in Japanese market
- Improved profitability due to the efficient costs management

[Innisfree] Sales +70% , OP +188%

- Expanded sales of hit products realizing natural brand concept such as 'Green tea', 'Olive' and 'Jeju volcanic' lines/ Strong sales growth delivered by increased sales per store and store expansion
- Increased profitability thanks to the enhanced marketing efficiency on the back of better product mix , cost reduction and expanded customer communication through new media (OPM 7.9% → 13.4%)

[AMOS Professional] Sales +26%, OP +47%

- Solid sales growth of major products such as Permer, Dyer and Conditioner resulted in increased M/S (M/S 21.5% → 25.9%)
- Profitability improved thanks to the improved product mix through increased sales of premium products

2011 Earnings _ Non-Cosmetics

[KRWbn]

	Pacific Pharma.		Pacific Glas	
	2010	2011	2010	2011
Sales	160.9	139.5	59.7	61.1
GP	76.7	58.8	9.7	8.8
SG&A	64.2	52.9	4.6	4.5
OP	12.5	5.9	5.1	4.2

[Pacific Pharma.] Sales -13% , OP -53%

- Restructuring to a Medical Beauty company
- Sales fell and costs increased as a result of the restructuring process such as reorganization and inventory disposal

[Pacific Glas] Sales +2% , OP -17%

- Sales to affiliates weakened due to decreased orders behind relocation to AMOREPACIFIC's new factory in Osan
- OP decreased due to the raw material price hike

[Pacific Package] Sales +41% , OP +11%

- Sales continued stable growth due to strong performance of cosmetics affiliates and expanded exports to overseas markets such as America, Europe, Japan and the Middle East

	Pacific Package		Jangwon Industry	
	2010	2011	2010	2011
Sales	30.9	43.6	8.2	9.2
GP	4.7	6.3	2.9	2.9
SG&A	2.1	3.5	2.0	2.1
OP	2.5	2.8	0.8	0.9

[Jangwon Industry] Sales +12% , OP +6%

- Robust sales growth achieved thanks to the increased sales to both affiliates and other business partners through continuous entrance into new counters
- Accelerated creating new markets such as Europe and North America through public relations like overseas exhibitions

2011 Financial Summary

► Income Statement

[KRWbn]	2010		2011		Growth
	K-IFRS	%	K-IFRS	%	
Sales	2,685.8	100.0	3,058.5	100.0	372.7
Gross Profit	1,822.3	67.8	2,097.9	68.6	275.6
SG&A Expense	1,413.4	52.6	1,663.2	54.4	249.9
Operating Profit	408.9	15.2	434.7	14.2	25.7
Non-operating Profit/Expense	15.4		76.0		60.7
Income before Taxes	424.3	15.8	510.8	16.7	86.5
Consolidated Net Profit	329.0	12.2	376.1	12.3	47.1

► Statement of Financial Position

[KRWbn]	2010. 12 K-IFRS	2011. 12 K-IFRS	Growth
Asset	3,828.1	4,254.9	426.8
Current Asset	1,267.1	1,341.2	74.1
Non-current Asset	2,561.0	2,913.7	352.7
Liability	787.1	897.3	110.2
Current Liability	467.6	550.2	82.6
Non-current Liability	319.5	347.1	27.7
Shareholder's Equity	3,041.0	3,357.6	316.6
Capital	44.5	44.5	0
Capital Reserve	680.5	680.5	0
Capital Adjustment	-134.1	-134.1	0
Accumulated other Inclusive Gain and Loss	5.9	1.8	-4.1
Retained Earnings	1,128.9	1,258.2	129.3
Non-controlling interest	1,315.4	1,506.8	191.4