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AMOREPACIFIC CORP.

AMOREPACIFIC Corporation 1Q 2015 Earnings Release

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AMOREPACIFIC Corp. has adopted the K-IFRS since 2011.

Sales up 29.2% to KRW 1,204.4bn, OP up 58.2% to KRW 278.0bn

Sales & OP by Division

KRW bn

	1Q 2014	% of sales	1Q 2015	% of sales	YoY(%)
Sales	931.8	100.0%	1,204.4	100.0%	29.2%
Domestic	739.5	79.4%	935.0	77.6%	26.4%
Cosmetics	607.6	65.2%	796.2	66.1%	31.0%
Mass & Sulloc	131.9	14.2%	138.8	11.5%	5.3%
Overseas	192.4	20.6%	269.3	22.4%	40.0%
	1Q 2014	OPM	1Q 2015	OPM	YoY(%)
Operating Profit	175.7	18.9%	278.0	23.1%	58.2%
Domestic	152.0	20.6%	223.5	23.9%	47.0%
Cosmetics	135.5	22.3%	202.1	25.4%	49.2%
Mass & Sulloc	16.6	12.6%	21.4	15.4%	29.3%
Overseas	23.7	12.3%	54.5	20.2%	130.1%
Net Profit	122.9	13.2%	211.5	17.6%	72.0%

Luxury

Door-to-door : Sales growth delivered by improved channel visibility and increased sell-through to customers

- Increased sales of luxury skincare and major make-up products
- Continued quality growth by increased productivity resulting from strengthened sales ladies' capacity

Dep. store : Strengthened market leadership with number one position backed by the differentiated brand portfolio

- Strengthened channel leadership through expanded market share of all major brands such as Sulwhasoo, Hera and Primera
- Increased sales of engine products such as Sulwhasoo Timetreasure line, Hera Signia line and Primera Seed Essence and Watery Cream
- Upgraded CRM programs resulting in increased customer satisfaction and inflow of new customers

Travel retail : Strong sales growth on the back of increased sales to foreign travelers

- Solid domestic growth on the back of increased purchases by Chinese and Korean customers
- Robust overseas growth resulted from enhanced brand awareness in Asia region

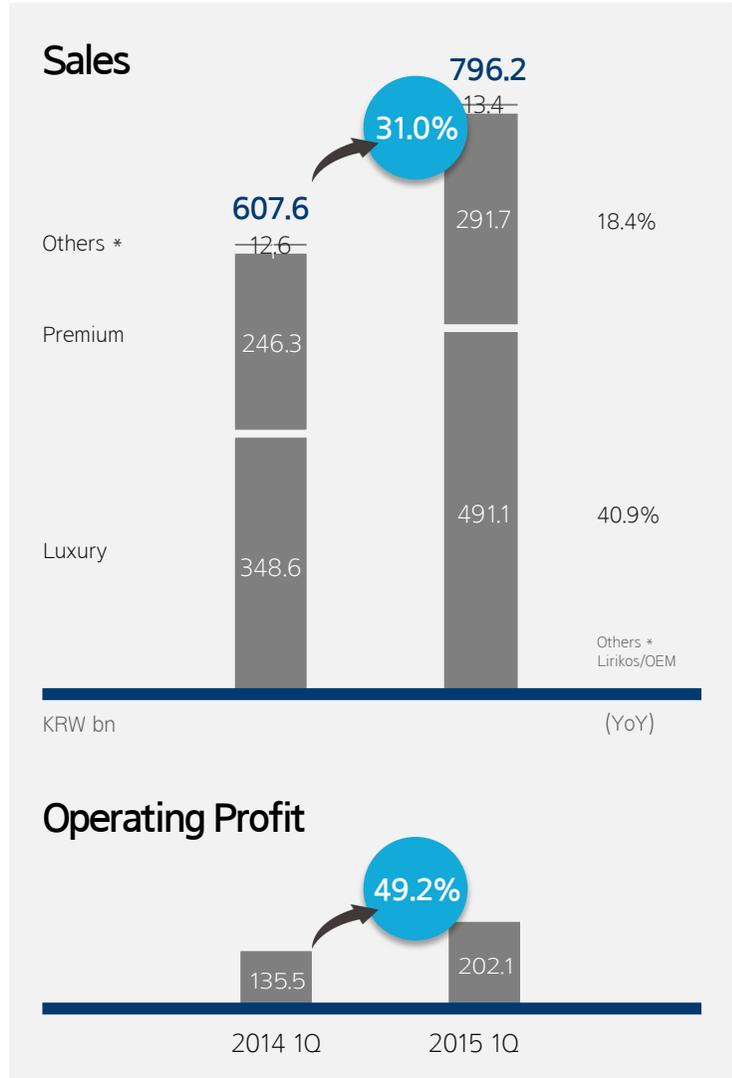
Premium

Aritaum : Strong growth on the back of the reinforced competitiveness of products and channels

- Solid sales growth on the back of new product launches and upgrades of major brands
- Increased sales of hit products such as IOPE Air Cushion, Laneige Original Essence, Mamonde First Energy Serum and Hayul Rice Essential Skin
- Provided a pleasurable purchasing experience and reinforced customer loyalty resulting from better store environment and customer service

Digital : Solid growth delivered by differentiated brand power and diversified product category

- Robust growth of TV-shopping channel behind by increased sales of major brands such as Lirikos, Mamonde and Verite
- Diversified Ecommerce platform backed by strengthened competitiveness of Mcommerce and APmall



Mass

Achieved profitable growth delivered by increased sales of premium products

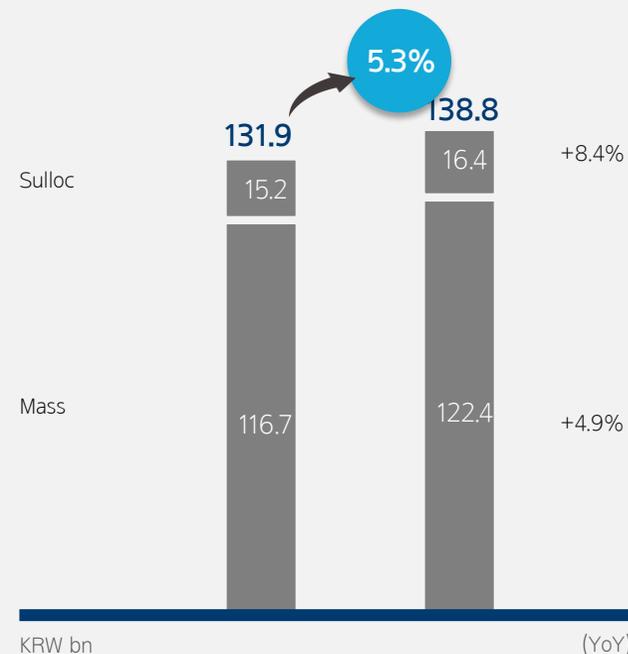
- Solid growth of premium products in hair tonic(hair), facial(body) and tartar control(oral) categories
- Responded to new customer demands through perfume line upgrades in hair and body care categories (Mise-en-scene Perfume Florist Edition, Happy Bath Perfume Body Wash)

Sulloc

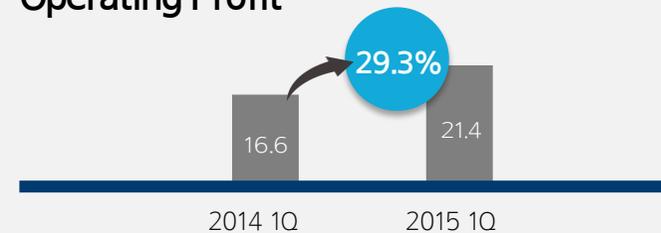
Robust quality growth delivered by enhanced brand awareness and product attractiveness

- Strengthened brand story through diversified contents for brand experience(Sampling event, Tea class, O'sulloc Tea Stone, etc)
- Increased customer satisfaction and inflow of new customers resulted from new stores and upgraded store environment
- Diversified premium products originating from Jeju Island, Increased contribution of value-added products

Sales



Operating Profit



Growth markets

China: Profitable growth delivered by enhanced brand recognition and diversified channel portfolio

- (Laneige) Strong growth resulted from increased demands for hit product such as Water Sleeping Mask and BB Cushion and solid sales within Dep. Store and Digital channels
- (Sulwhasoo & Innisfree) Robust sales growth with profitability improvement delivered by strengthened brand awareness and boosted store efficiency
- (Mamonde) Recovered sales per door and profitability backed by store renovation, new product launches and channel realignment

Asia(ex China & Japan): Solid growth behind by strengthened brand recognition and new stores openings

- (Laneige) Solid growth across all channels such as Dep. Store and Roadshop backed by increased sales of engine products
- (Sulwhasoo & Innisfree) Robust growth delivered by sales per door improvement and new store openings

Developed markets

US: Continued strong growth with profitability improvement delivered by increased sales across all channels

- Increased attention to AMOREPACIFIC and Sulwhasoo brands resulted in sales growth throughout all channels such as Dep. Store, SEPHORA and Online
- Increased sales in Aritaum* delivered by launch of new products and increased sales of hit products of major brands
- Improved profitability contributed by strong sales growth of Laneige that continued in Target stores

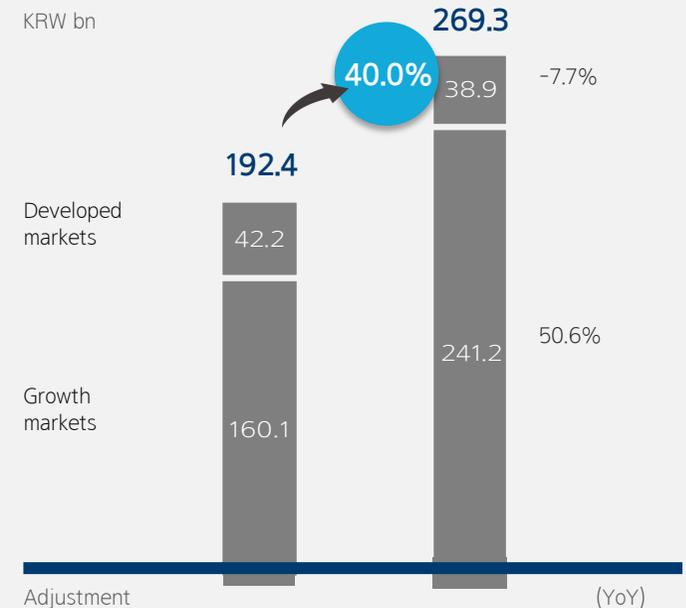
France: Despite decreased domestic and export sales, improved profitability on the back of channel realignment and efficient cost management

Japan: Increased sales of major brands such as Etude and IOPE, Enhanced brand attractiveness behind by reinforced digital marketing activities

* Aritaum = Amore shop

Sales

KRW bn



Operating Profit



Income Statement

KRW bn

	2014 1Q		2015 1Q	
Sales	931.8	100.0%	1,204.4	100.0%
Gross Profit	676.6	72.6%	908.2	75.4%
SG&A expenses	500.9	53.8%	630.3	52.3%
Operating Profit	175.7	18.9%	278.0	23.1%
Non-operating Profit/Expenses	(12.2)		3.4	
Profit before tax	163.5	17.5%	281.4	23.4%
Consolidated net income	122.9	13.2%	211.5	17.6%

Statements of Financial Position

KRW bn

	2014.12	2015.03
	Assets	3,854.6
Current assets	1,427.3	1,657.1
Non-current assets	2,427.3	2,456.0
Liabilities	976.3	1,088.6
Current liabilities	651.1	790.0
Non-current liabilities	325.1	298.6
Shareholder's Equity	2,878.3	3,024.5
Capital stock	34.5	34.5
Additional paid-in capital	712.7	712.7
Capital surplus	7.8	7.8
Other components of equity	(19.5)	(19.5)
Accumulated other comprehensive income	(13.1)	(15.4)
Retained earnings	2,136.4	2,281.8
Non-controlling interest	19.6	22.6



AMORE PACIFIC
70 Years of Beauty Creation