



AMOREPACIFIC

2012 Q2 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.

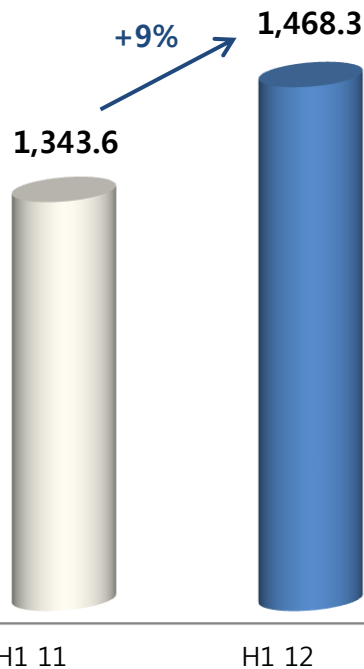
AMOREPACIFIC Corp. has adopted the K-IFRS since 2011.

2012 H1 FINANCIAL HIGHLIGHTS

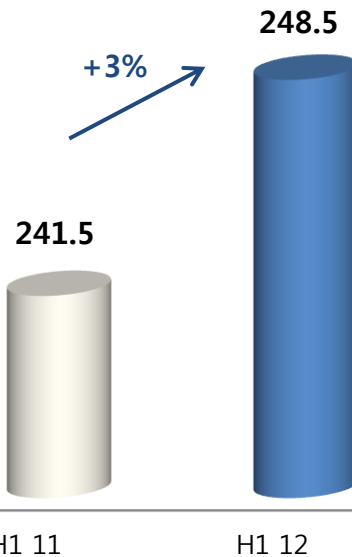
Greatest H1 results, Sales of KRW 1,468.3bn, OP of KRW 248.5bn

- Despite the economic downturn, continued organic growth delivered by competitive brand portfolio and distribution structure
- Greatest H1 sales and profits driven by the strong growth of overseas business

Sales

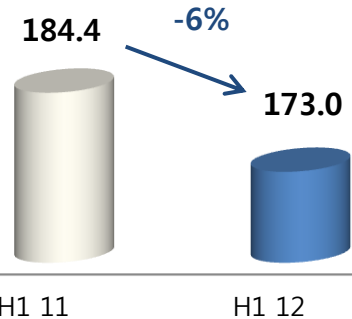


Operating Profit



Net Profit

[KRWbn, %YOY]



2012 Q2 Earnings Summary

Sales up 12% to KRW 726.8bn, OP up 5% to KRW 98.1bn

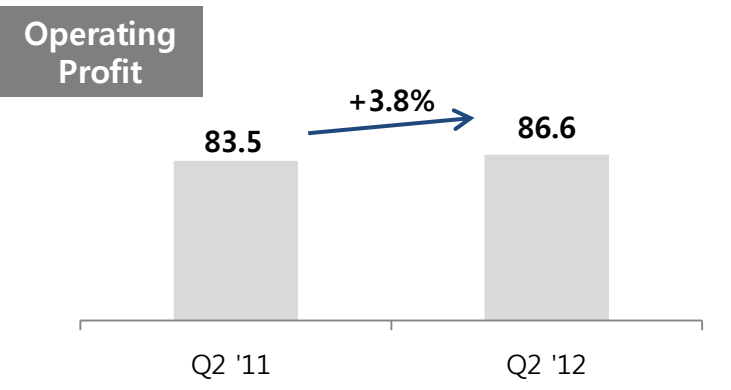
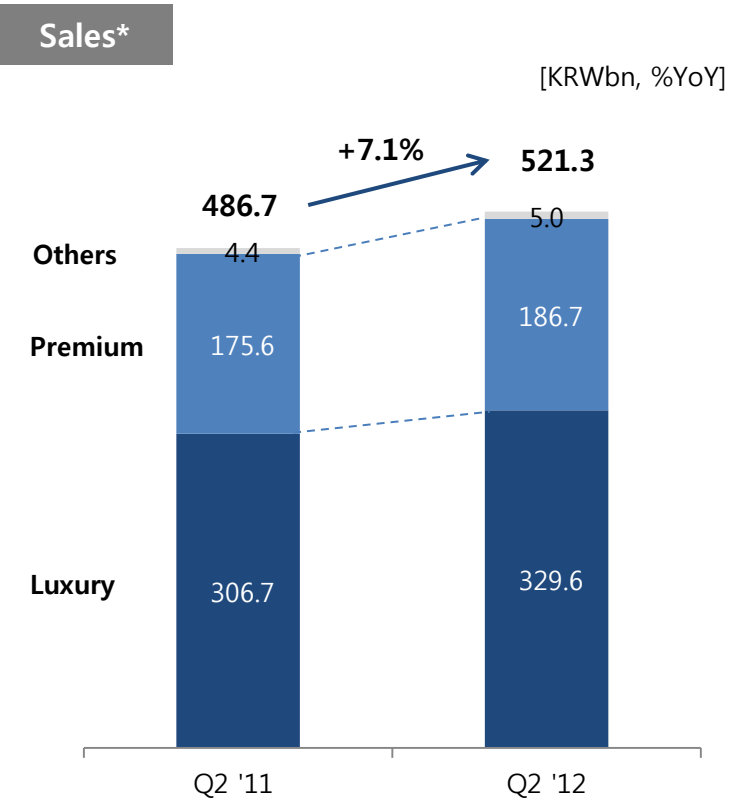
- Continued solid growth throughout all divisions backed by innovative new product launches and active overseas business expansion
- Total company's profit growth driven by improved profitability in overseas business

Sales and Profits

[KRWbn]

	Q2 '11	(%)	Q2 '12	(%)	Y on Y (%)
Sales	651.5	(100.0)	726.8	(100.0)	11.5
Cosmetics (Domestic)	486.7	(74.7)	521.3	(71.7)	7.1
Cosmetics (Overseas)	77.5	(11.9)	109.1	(15.0)	40.9
MC&S	87.3	(13.4)	96.3	(13.3)	10.3
Operating Profit	93.6	(14.4)	98.1	(13.5)	4.9
Cosmetics (Domestic)	83.5	(17.2)	86.6	(16.6)	3.8
Cosmetics (Overseas)	0.8	(1.0)	3.9	(3.6)	378.9
MC&S	9.3	(10.7)	7.6	(7.9)	(18.6)
Consolidated Net Profit	71.7	(11.0)	59.1	(8.1)	(17.6)

2012 Q2 Earnings by Division _ Domestic Cosmetics



Sales of KRW 512.3bn (+7%), OP of KRW 86.6bn (4%)

Despite weakened consumption and trading down trend caused by the recession, innovative new product launches led to continued sales growth within the major distribution channels and earnings recovery

[Luxury] 63% of domestic cosmetics sales, up 7% to KRW 329.6bn

- D2D channel turned around to positive growth driven by innovative new product launches (Hera's UV Mist Cushion, etc) and the increased number of sales agents
- Major brands for Duty-free channel showed robust sales growth and market share gains thanks to the increased purchasing by foreign travelers and counter expansion

[Premium] 36% of domestic cosmetics sales, up 6% to KRW 186.7bn

- Improved store efficiency and continued sales growth in Specialty store channel backed by differentiated operation strategies for different sales districts and a diverse range of innovative products (Hanyul's Optimized Serum, Aritaum's MODI Nail etc)
- Robust sales growth thanks to the added Homeshopping channel broadcasts and solid sales growth in AP mall/ Department store website

[OP] up 4% to KRW 86.6bn

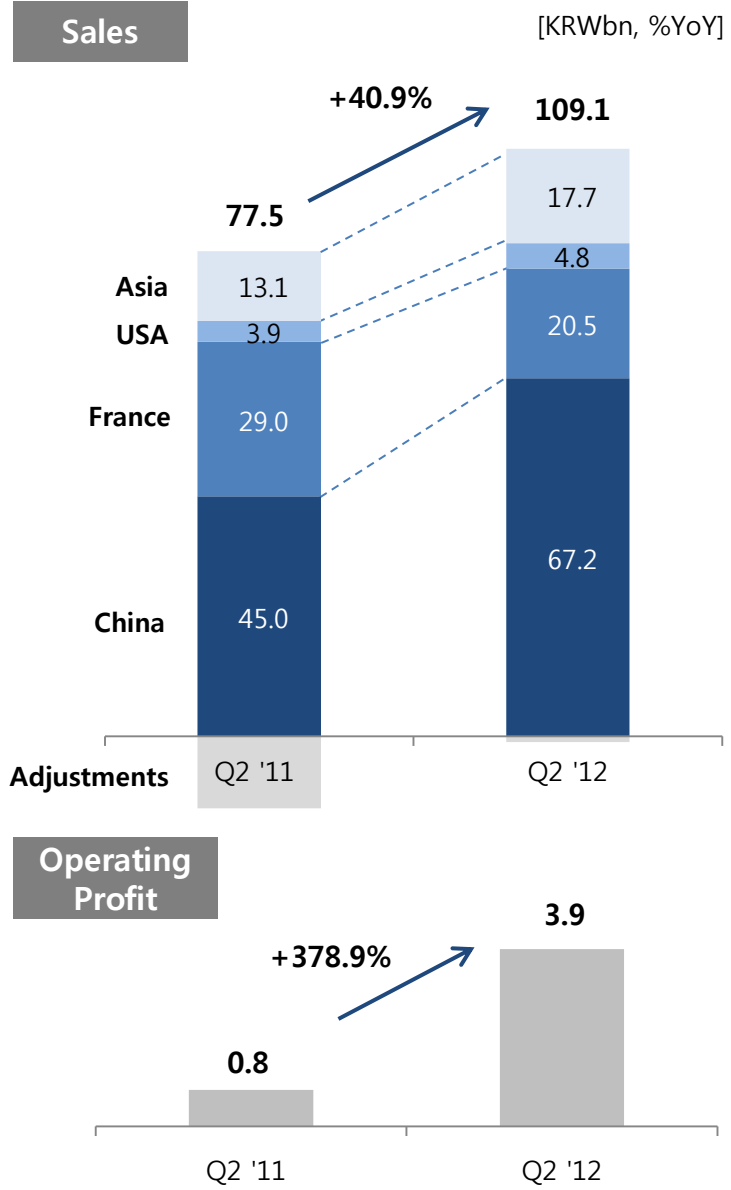
- Despite increased investments, earnings growth recovered through strong sales growth of luxury division
- Increased distribution commissions due to the strong growth of DFS and On-line channels
- A rise in depreciation charges and utilization costs due to the Osan factory and logistics center
- Expanded marketing investments due to the new product launches and brand renewals

[Cosmetics Sales by Major Channels]

Channel	Vs. Total(%)	YoY(%)	Channel	Vs. Total(%)	YoY(%)
D2D	34.2	3.1	Specialty store	16.6	6.7
Dep. store (DFS)	27.0 (11.8)	14.8 (30.3)	Hypermarket	8.4	-1.8
			On-line	10.8	13.1

* 2011 numbers adjusted to reflect the sales recognition change between online and department store channels

2012 Q2 Earnings by Division _ Overseas Cosmetics



Sales of KRW 109.1bn (+41%), OP of KRW 3.9bn (+379%)

Strong overseas sales growth led by China, the core growth market, with astounding sales growth and profitability improvement

[China] 62% of overseas cosmetics sales, up 49% to KRW 67.2bn

- Despite weakened growth of consumer goods industry caused by the slowdown in consumer spending, solid sales growth continued on the back of new brand launching (Innisfree) and channel diversification
- **Laneige:** Robust sales volume growth of hit products such as Water Sleeping Pack resulted in higher sales growth compared to global beauty competitors and strengthened market position
- **Mamonde:** Reinforced brand awareness and strong sales growth driven by counter expansion and channel diversification (Drugstore, On-line and Homeshopping channels)

[France] 19% of overseas cosmetics, down 29% to KRW 20.5bn

- Continued economic recession in Europe led to decreased demands in the retail market for perfumes and exports

[US] 4% of overseas cosmetics, up 23% to KRW 4.8bn

- **AP:** Enlarged customer base through opening new counters in Nordstrom and On-line channels and strong performance in existing channels led to continued sales growth
- **Amore shop:** Extended business to new regions such as China town / Sales growth continued thanks to the improved same store sales growth and profitability

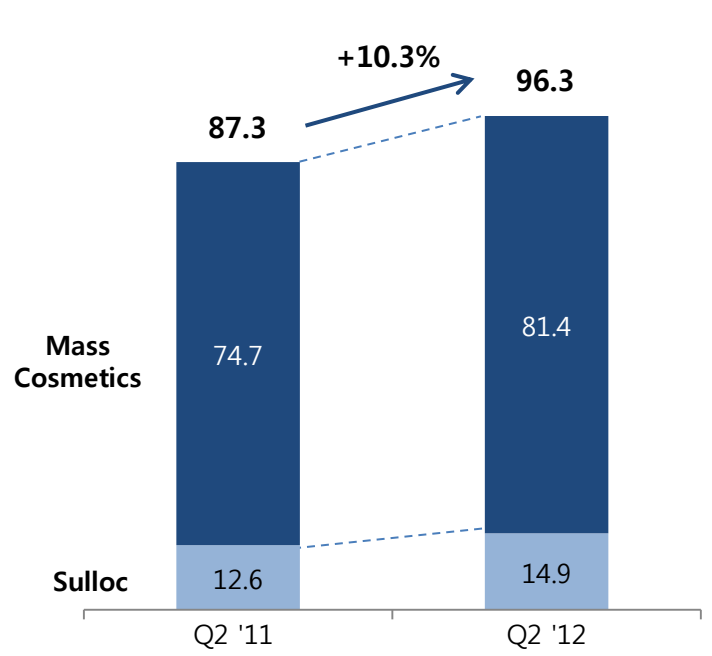
[Other Asia] 16% of overseas cosmetics, up 35% to KRW 17.7bn

- Continued solid growth through aggressive store expansion in Southeast Asia region
- Inflow of new customers and enhanced same store sales driven by strong sales growth of hit products for Laneige brand (Malaysia +83%, Singapore +39% Taiwan 17%)
- Strong sales growth in Japan behind by additional stores expansion and improved same store sales performance of Etude brand, Launch into new channel such as Homeshopping (Japan +38%)

2012 Q2 Earnings by Division _ MC&S

Sales

[KRWbn, %YoY]



Sales of KRW 96.3bn (+10%), OP of KRW 7.6bn (-19%)

Despite the regulation on Hypermarket channel and tough competition, strengthened market leadership driven by a variety of functional product launches and extended presence in new channels

[MC] 85% of MC&S sales, up 9% to KRW 81.4bn

- Differentiated brands supported by enlarged functional product lines (Median's Sensitive Tooth Care Toothpaste / Whitening Care Toothbrush, Mis-en-scene's Hello Bubble Foam Color) led to continued steady sales growth
- Strengthened market leadership on the strengths of distribution channel diversification (Convenience store, SSM, etc.)

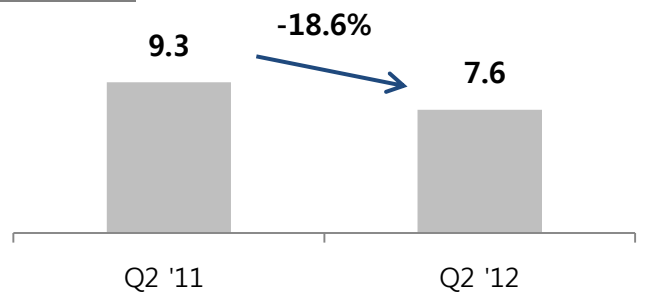
[Sulloc] 15% of MC&S sales, up 18% to KRW 14.9bn

- Rapid sales growth behind by reinforced 'Jeju' brand storytelling, expanded Sulloc experiences for customers, functional product launches (Powdered tea, Plus line, etc.) and enlarged proportion in luxury channels (Dep. store, Tea house)

[OP] down 19% to KRW 7.6bn

- Increased promotion expenses due to the intense competition in distribution channels
- Lower profitability caused by increased marketing investments on entering into new category (baby line) and launching new products

Operating Profit



[Major Brands Performance]

Brand	Performance
Mis-en-scene	+11%
Median	+25%
Happy Bath	+19%
Sulloc	+18%

2012 Q2 Financial Summary

► Income Statement

[KRWbn]	Q2 2011		Q2 2012	
		%		%
Sales	651.5	100.0	726.8	100.0
Gross Profit	465.5	71.5	520.8	71.7
SG&A Expense	371.9	57.1	422.7	58.2
Operating Profit	93.6	14.4	98.1	13.5
Non-operating Profit/Expense	-0.1		-10.6	
Income Before Taxes	93.5	14.4	87.5	12.0
Consolidated Net Profit	71.7	11.0	59.1	8.1

► Statements of Financial Position

[KRWbn]	2011. 12	2012.6
Assets	2,815.4	2,981.5
Current assets	7,53.7	1,047.4
Non-current assets	2,061.7	1,934.1
Liabilities	677.1	719.0
Current liabilities	426.0	455.2
Non-current liabilities	251.1	263.8
Shareholder's Equity	2,138.3	2,262.5
Capital stock	34.5	34.5
Additional paid-in capital	712.7	712.7
Capital surplus	7.7	7.8
Other components of equity	-1.8	-1.8
Accumulated other comprehensive income	-2.4	-6.3
Retained earnings	1,377.4	1,504.9
Non-controlling interest	10.2	10.7



AMORE PACIFIC
CORPORATION

http://www.amorepacific.com/invest/data_result_01.jsp

H/Q: 181, 2ga Hangang-Ro Yongsan-Gu Seoul, Korea 140-777

TEL: +822 709 5104 / FAX: +822 709 5339 / Email: IR@amorepacific.com