



AMOREPACIFIC

2009 Earnings Release

2009 FINANCIAL HIGHLIGHTS

Sales and Profits

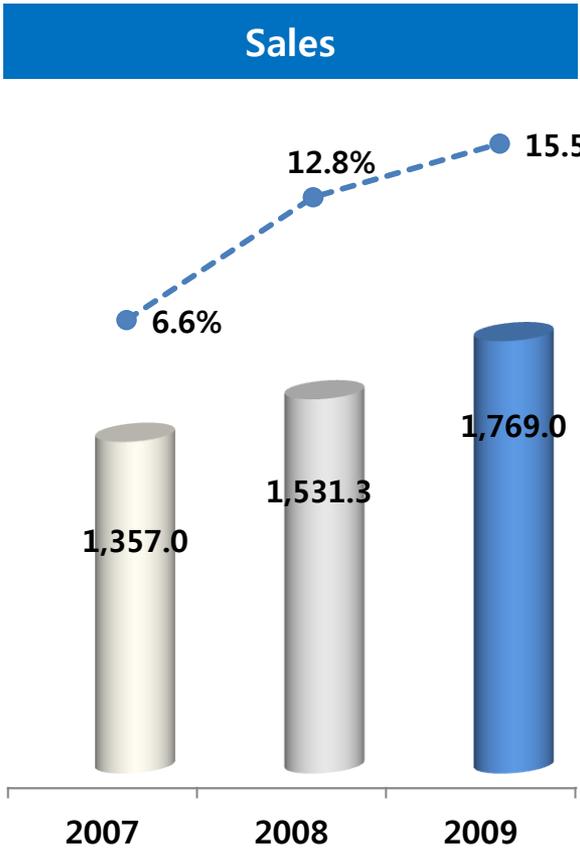
[Unit: KRWbn]

	2008	<i>(Margin)</i>	2009	<i>(Margin)</i>	Y on Y
Sales	1,531.3		1,769.0		15.5%
Gross Profit	1,066.3	<i>(69.6)</i>	1,261.1	<i>(71.3)</i>	18.3%
<u>SG&A Expense</u>	<u>811.1</u>		<u>960.5</u>		<u>18.4%</u>
Operating Profit	255.2	<i>(16.7)</i>	300.6	<i>(17.0)</i>	17.8%
<u>Non-operating Gain/Loss</u>	<u>-10.9</u>		<u>-1.3</u>		<u>88.1%</u>
Income Before Taxes	244.3	<i>(16.0)</i>	299.3	<i>(16.9)</i>	22.5%
Net Profit	170.2	<i>(11.1)</i>	225.9	<i>(12.8)</i>	32.7%

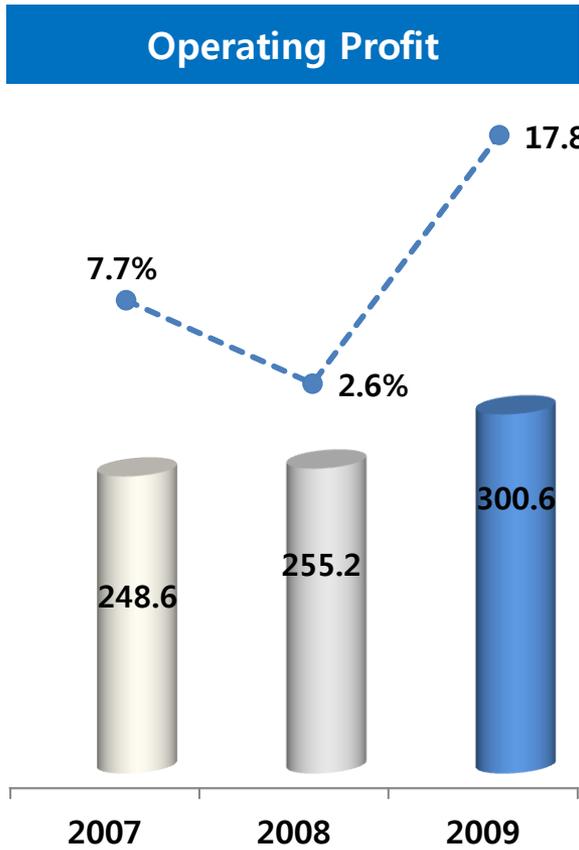
2009 FINANCIAL HIGHLIGHTS

[Unit: KRWbn]

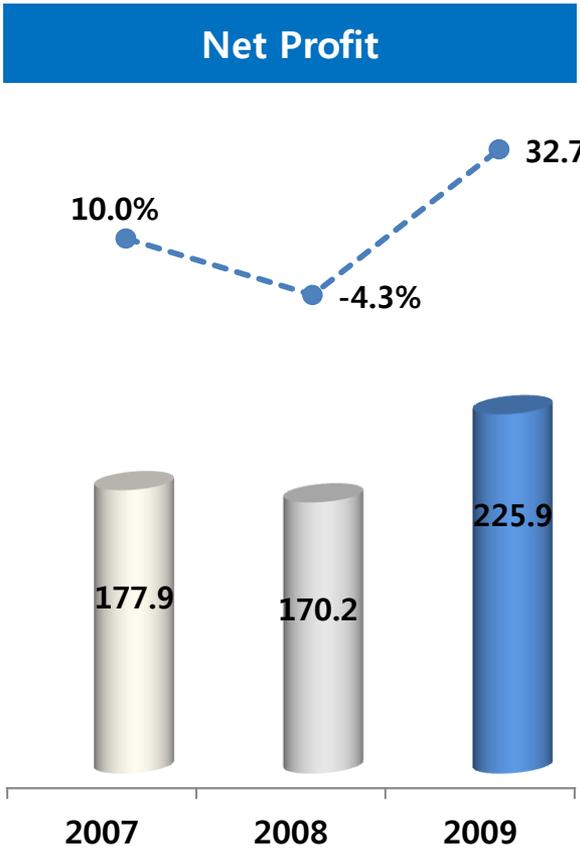
Sales



Operating Profit



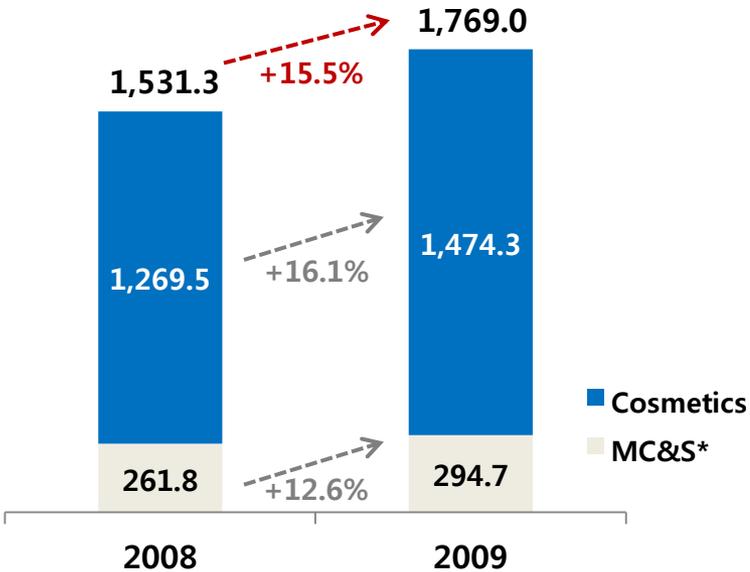
Net Profit



2009 SALES ANALYSIS

Sales by Division

[Unit: KRWbn]



* MC&S (Mass Cosmetics and Sulloc): Personal Care and Green Tea Business

[Cosmetics Sales by Major Channels]

Channel	Vs. Total Sales	YoY Growth
Door to Door	31.7%	6.2%
Department Store	17.2%	19.3%
Specialty Store	15.1%	23.0%
Hypermarket	9.2%	24.9%

2009 Sales of KRW 1,769.0bn, +16% YoY

[Cosmetics Division] Sales of KRW 1,474.3bn, +16% YoY

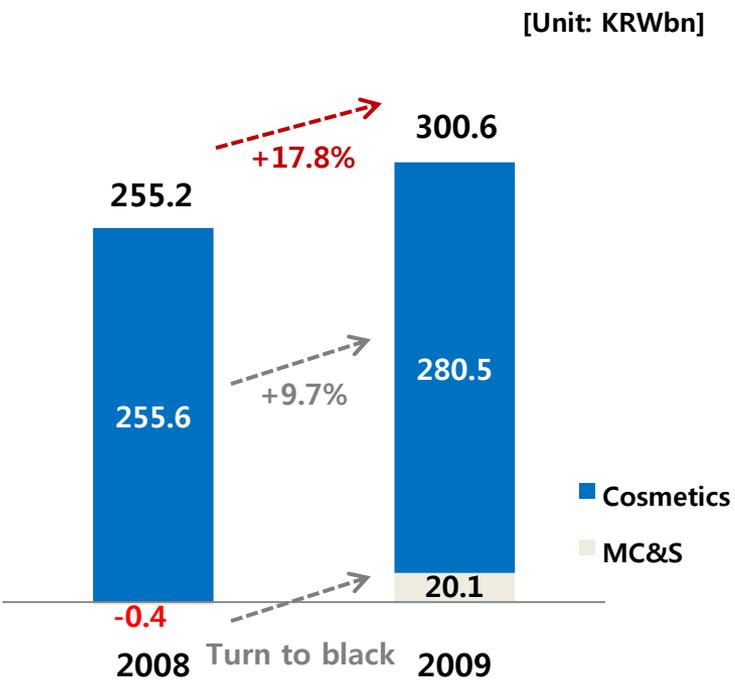
- Preceding investment resulted in strengthened market leadership and robust growth across all channels with advanced channel structures and unique brand power (M/S 34.3% → 35.1%)
- **Luxury Segment: 61% of total cosmetics sales, +10% YoY**
 - Growth continued behind increased sales of premium lines of major brands, 'Sulwhasoo', 'Hera' and 'Amorepacific' ('Sulwhasoo'+20%, 'Amorepacific'+44%)
 - Increased portion of superior counselors and influx of new counselors resulted in robust growth of Door to Door sales
 - Department store sales continued strong growth due to outstanding channel performance and improved service skills
- **Premium Segment: 35% of total cosmetics sales, +29% YoY**
 - Successful settlement and expansion of premium specialty store, 'Aritaum', resulted in enhanced market leadership (1,050 stores)
 - Reinforced premium functional lines of major brands / 'Laneige' brand launched new products that appealed to younger customers settling firmly as a young premium brand in the market
 - 'IOPE'+27%, 'Laneige'+23%, 'Hannule'+103%

[MC&S Division] Sales of KRW 294.7bn, +13% YoY

- 'Mis-en-scene' launched a premium product line and 'Ryoe' became No.1 in the hair loss segment of the shampoo market
- Sulloc sales had a favorable turn in sales behind strengthened line-up of premium products and new product launches
- 'Mis-en-scene'+16%, 'Ryoe'+137%, 'Happy Bath'+26%

2009 PROFITS ANALYSIS

OP by Division



2009 OP of KRW 300.6bn, +18% YoY

[Cosmetics Division]

- Operating profits increased 10% YoY
- Despite the continued investment in brands and distribution channels throughout the year, profits increased due to strong growth in sales
- Profitability enhanced behind stable sales growth of core luxury brands, 'Sulwhasoo' and 'Amorepacific'
- Profitability of major brands such as 'IOPE', 'Laneige' and 'Hannule' improved due to the increased sales portion of functional lines

[MC&S Division]

- Operating profits turned to black
- Profitability and product mix improved due to increased portion of cosmetics-related and premium products of major brands, "Mis-en-scene", 'Ryoe' and 'Happy Bath'
- Effective cost management: Cost reduced through continuing innovative efforts / SG&A costs cut-down by efficient marketing cost management

[2009 OPM by Division]

[OPM]	2008	2009
Cosmetics	20.1%	19.0%
MC&S	-0.2%	6.8%
Company	16.7%	17.0%

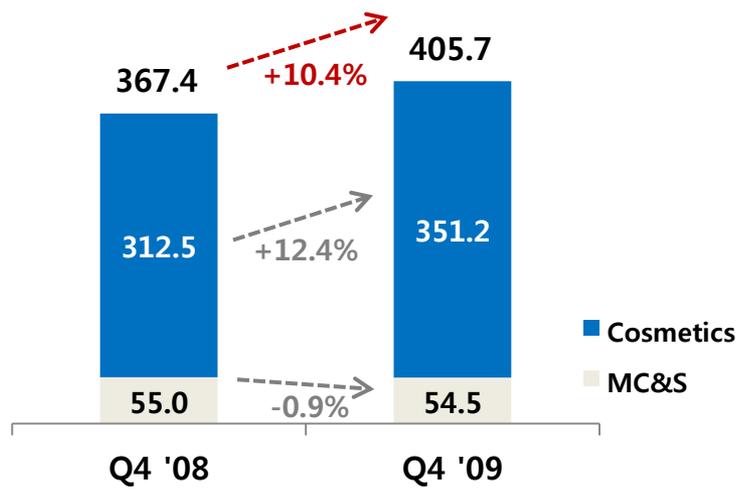
[2009 Major SG&A Expense to Sales]

[vs. Sales]	2008	2009
Personnel	8.7%	8.9%
Marketing	15.2%	15.5%
Commission	15.8%	17.0%
Total SG&A	53.0%	54.3%

2009 Q4 QUARTERLY PERFORMANCE

Sales

[Unit: KRWbn]



Sales of KRW 405.7bn, +10% YoY

[Cosmetics Division] Sales grew 12.4% YoY

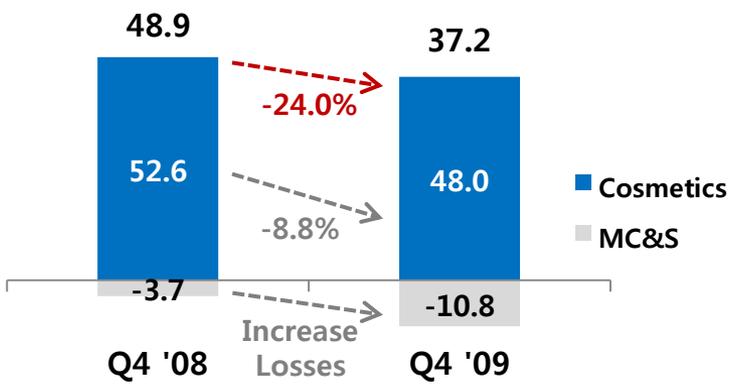
- Department store channel showed strong growth backed by stable sales increase of major luxury brands, 'Sulwhasoo' and 'Amorepacific' and the launch of 'Lirikos' brand (+19%)
- Due to the product mix improvement and new customer influx, Specialty store and Hypermarket channel continued to expand (Aritaum +17%, Hypermarket +20%)
- Online channel displayed sales growth of 44% behind reinforced marketing efforts such as channel-exclusive product launches

[MC&S Division] Sales grew -0.9% YoY

- Sales decreased slightly due to sales returns from the Chusok gift sets

OP

[Unit: KRWbn]



OP of KRW 37.2bn, -24% YoY

[Cosmetics Division]

- Although gross profit margin improved due to increased sales portion of premium products, costs for growth in 2010 such as marketing, advertisement and promotion increased
- 'Aritaum' franchise fee collected in 2008 Q4 was excluded in 2009

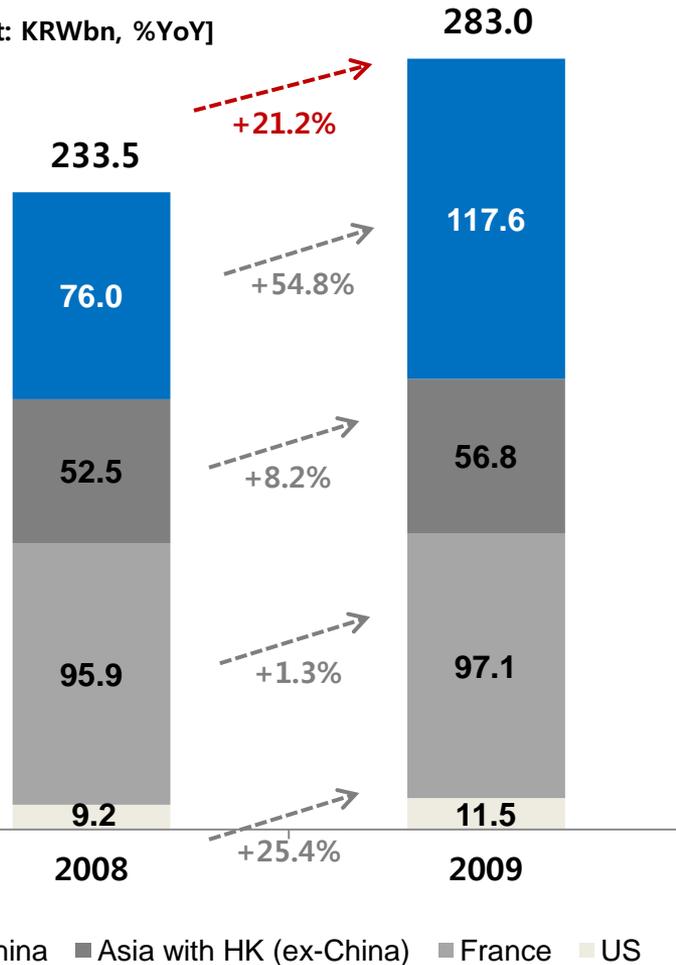
[MC&S Division]

- Losses increased due to sales returns from the Chusok gift sets and green tea discard

2009 OVERSEAS BUSINESS ANALYSIS

Sales by Region

[Unit: KRWbn, %YoY]



※ The numbers are subject to changes without prior notice due to uncertainties

2009 Sales of KRW 283.0bn, +21% YoY

[China] 42% of overseas sales, +55% YoY

- Strong growth in sales and profits continued
(Net Profit of KRW 13.3bn, +179%)
 - 'Laneige' brand continued stable and profitable growth through enhanced customer marketing and new product launches
 - 'Mamonde' brand sales surged through aggressive counter expansion and same store sales growth / Turned profitable based on cost improvement

[Asia Ex-China] 20% of overseas sales, +8% YoY

- Enhanced brand recognition of 'Laneige' as a result of the brand renewal and new product launches
- Reinforced premium marketing through the 'Sulwhasoo' spa launch in Hong Kong
- Expansion of the ASEAN duty-free business resulted in enhanced brand recognition and sales increase
- Sales increased in major Asian markets (Taiwan +10%, Hong Kong +12%, Malaysia +81%)

[France] 34% of overseas sales, +1% YoY

- Perfume sales had a favorable turn in H2 due to the launch of a new product ('Si Lolita') and loss volume decreased backed by efficient management of costs

[US] 4% of overseas sales, +25% YoY

- Despite the economic depression, sales continued to grow due to sales increase in specialty stores (Amore Shops)

2009 FINANCIAL SUMMARY

► Income Statement

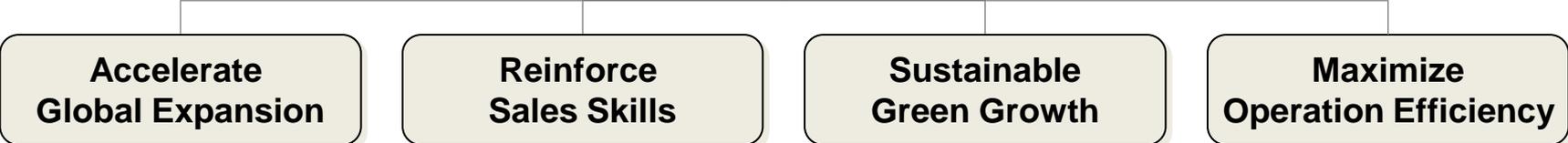
[KRWbn]	2008		2009	
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Operating Profit	255.2	16.7	300.6	17.0
Non-operating Profit	35.2		33.3	
Non-operating Expense	46.1		34.6	
Income Before Taxes	244.3	16.0	299.3	16.9
Net Profit	170.2	11.1	225.9	12.8

► Balance Sheet

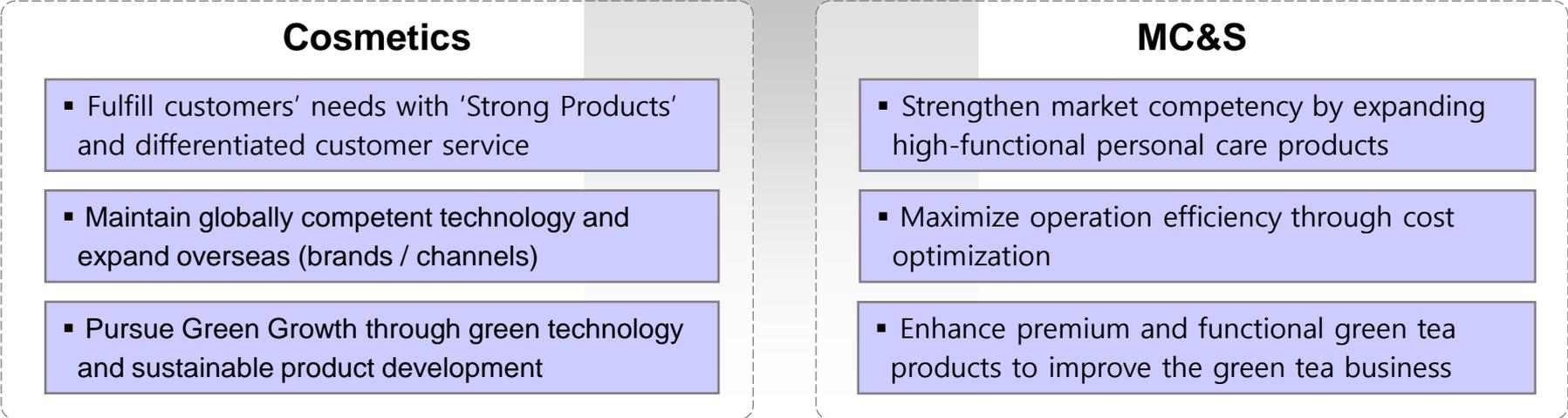
[KRWbn]	2008. 12	2009. 12
Asset	1,455.2	1,664.0
Current Asset	445.1	550.3
Non-current Asset	1,010.0	1,113.8
Liability	339.9	364.3
Current Liability	199.4	217.2
Non-current Liability	140.4	147.1
Shareholder's Equity	1,115.3	1,299.7
Capital	34.5	34.5
Capital Reserve	712.7	712.7
Capital Adjustment	-1.4	-1.8
Accumulated Other Inclusive Gain and Loss	30.9	24.4
Retained Earnings	338.6	529.9

2010 AMOREPACIFIC OUTLOOK

Management Policy for 2010 'FINDING POTENTIAL DEMAND'



Targeting Sales Growth of 10%+ and OP Growth of 10%+ for 2010





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