



LOCK & LOCK


2Q13 Earnings Release



7 August 2013



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1. 2Q13 Preliminary Earnings

[Unit: Wmm]	2012	2013	2013	QoQ	YoY
	2Q	1Q	2Q		
Sales	136,430	114,022	134,479	18%	-1%
%	100%	100%	100%		
COGS	73,057	60,175	73,007	21%	0%
%	54%	53%	54%		
Gross Profit	63,373	53,847	61,472	14%	-3%
%	46%	47%	46%		
Operating Profit	20,945	20,001	23,728	19%	13%
%	15%	18%	18%		
Pretax income	20,715	17,221	23,505	36%	13%
%	15%	15%	17%		
Net Profit	16,125	13,427	17,310	29%	7%
%	12%	12%	13%		

※ Based on K-IFRS

1. 2Q13 Preliminary Earnings – Sales & OP Highlights

- Total sales edged down 1% YoY to W134.5bn.
 - China domestic sales jumped 23% YoY to W72.6bn (23% YoY growth in RMB).
 - Southeast Asia regional sales increased 13% YoY to W7.2bn (17% YoY growth in USD).
 - Korea domestic sales decreased 31% YoY to W31.7bn.
- Operating profit rose 13% YoY and 19% QoQ to W23.7bn, yielding 17.6% in margins.
 - Payroll was reduced by W1.5bn from a year ago.
 - Transportation cost and sales commission fell due to sluggish Korea sales.

[Unit: Wmm]	2012	2013	YoY
	2Q	2Q	
Payroll	11,597	10,113	-13%
Advertising	1,203	1,602	33%
Transportation	5,064	4,587	-9%
Rent	4,344	4,383	1%
Sales commission	5,978	5,449	-9%
Others	14,241	11,611	-18%
Operating expenses	42,428	37,743	-11%

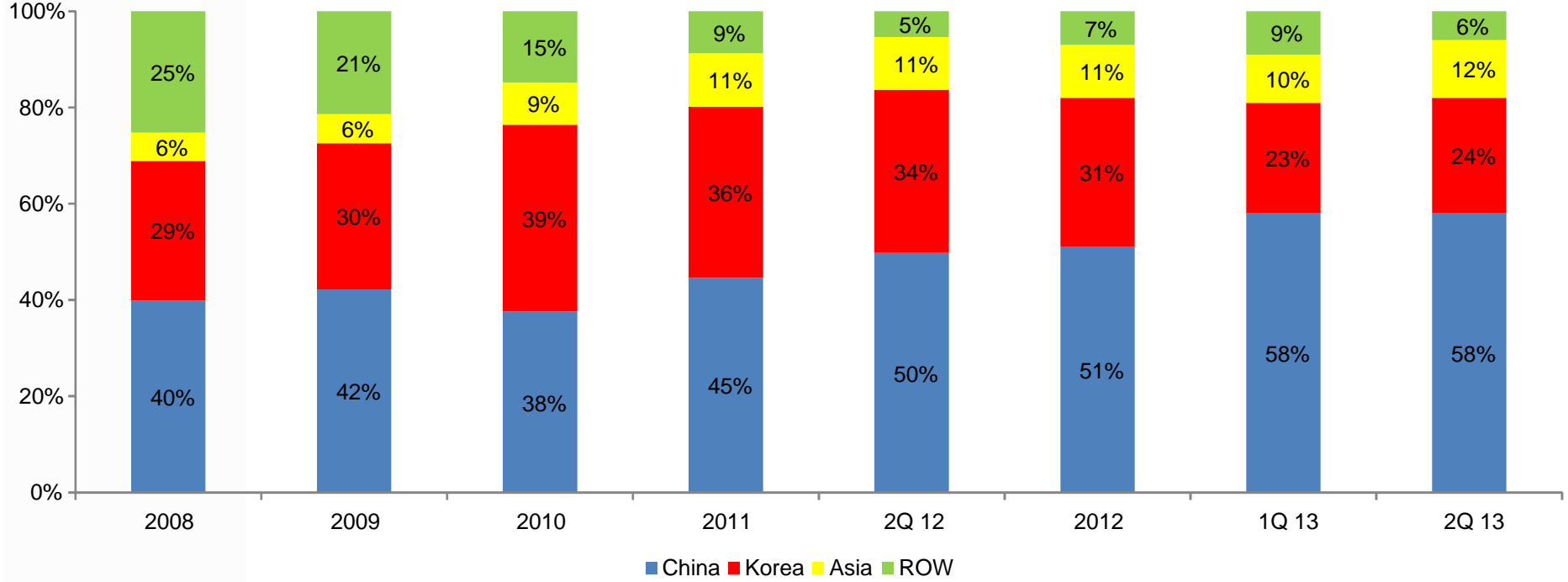
※ Based on K-IFRS

[Unit: Wmm]	2012	2013	YoY
	2Q	2Q	
Other non-operating profit	1,340	3,249	142%
Foreign currency translations gains	0	890	N/A
Foreign currency transactions gains	449	1,534	242%
Others	892	825	-7%
Other non-operating expenses	2,853	3,167	11%
Foreign currency translations loss	843	1,331	58%
Foreign currency transactions loss	656	1,335	103%
Others	1,354	502	-63%
Net other non-operating profit	-1,513	82	N/A

※ Based on K-IFRS

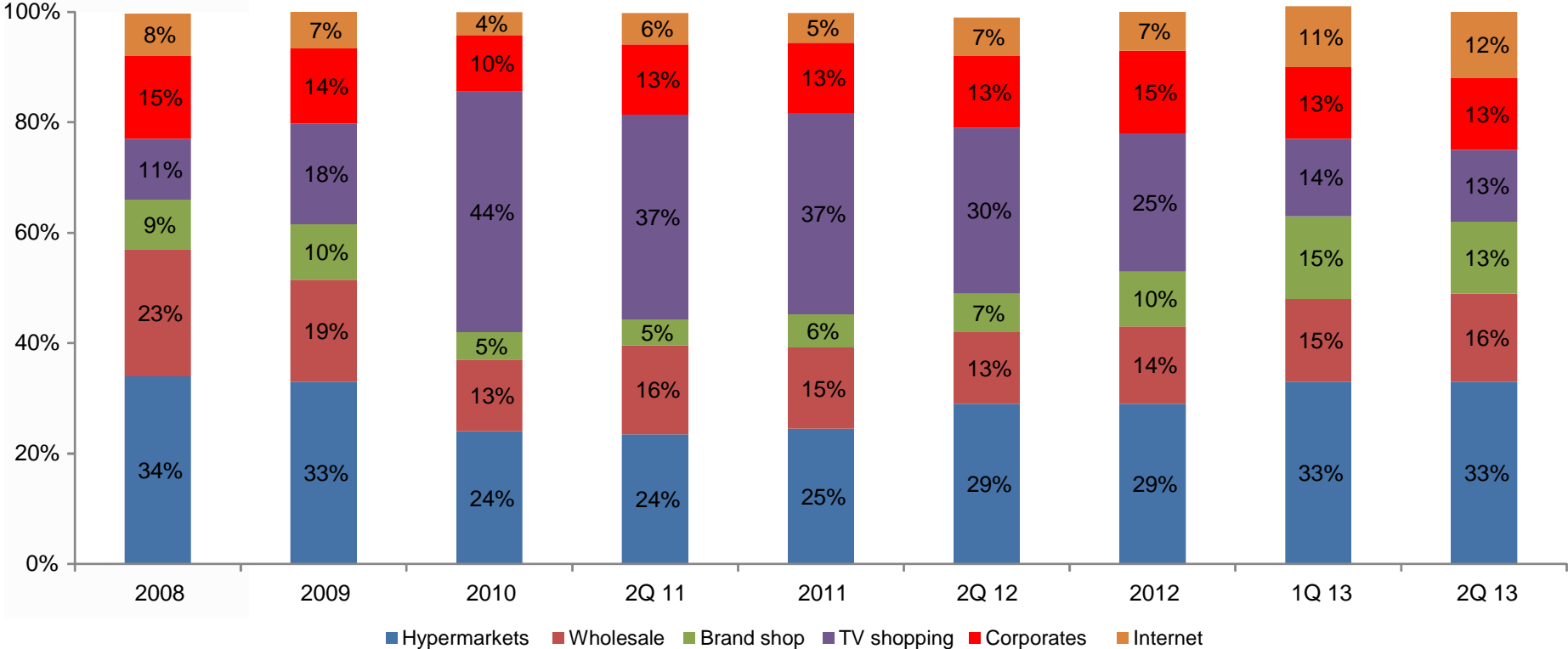
2. Sales Breakdown by Region

Region	2008	2009	2010	2011	2Q 12	2012	1Q 13	2Q 13
China	40%	42%	38%	45%	50%	51%	58%	58%
Korea	29%	30%	39%	36%	34%	31%	23%	24%
Asia	6%	6%	9%	11%	11%	11%	10%	12%
ROW	25%	21%	15%	9%	5%	7%	9%	6%



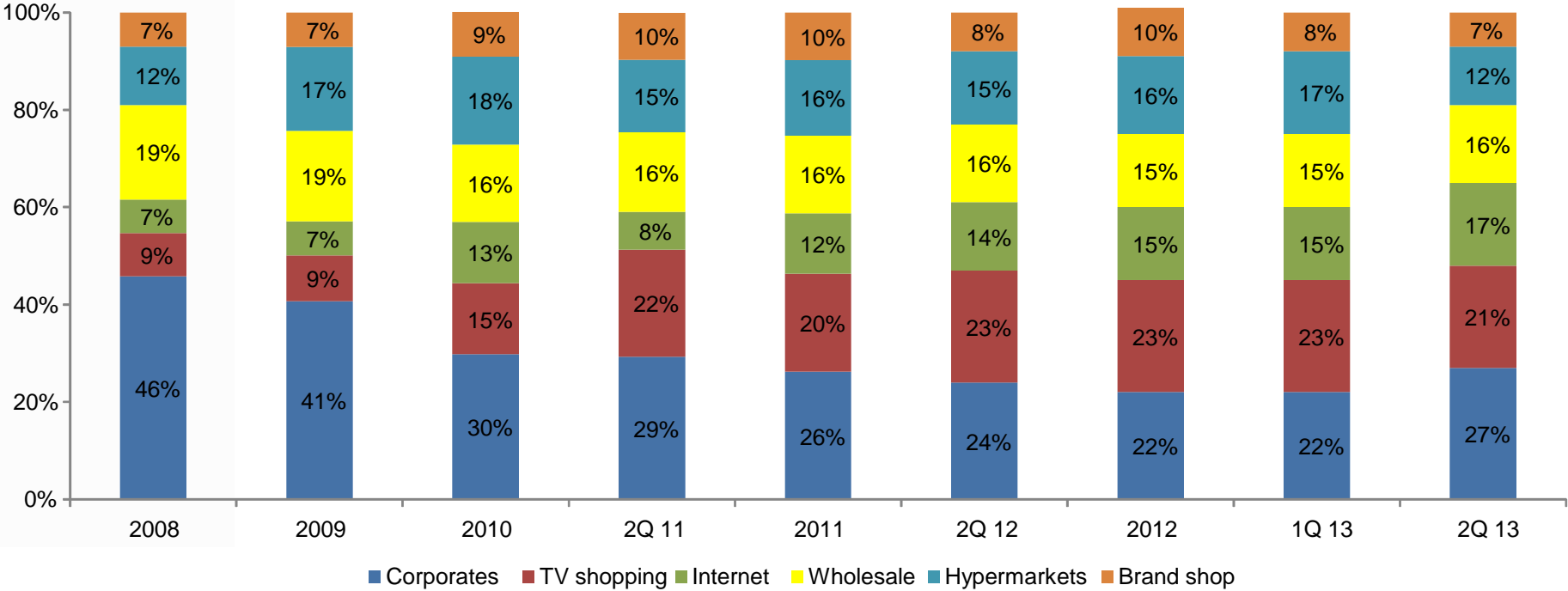
3. Sales Breakdown by Channel – Korea

	2008	2009	2010	2Q 11	2011	2Q 12	2012	1Q 13	2Q 13
Hypermarkets	34%	33%	24%	24%	25%	29%	29%	33%	33%
Wholesale	23%	19%	13%	16%	15%	13%	14%	15%	16%
Brand shop	9%	10%	5%	5%	6%	7%	10%	15%	13%
TV shopping	11%	18%	44%	37%	37%	30%	25%	14%	13%
Corporates	15%	14%	10%	13%	13%	13%	15%	13%	13%
Internet	8%	7%	4%	6%	5%	7%	7%	11%	12%



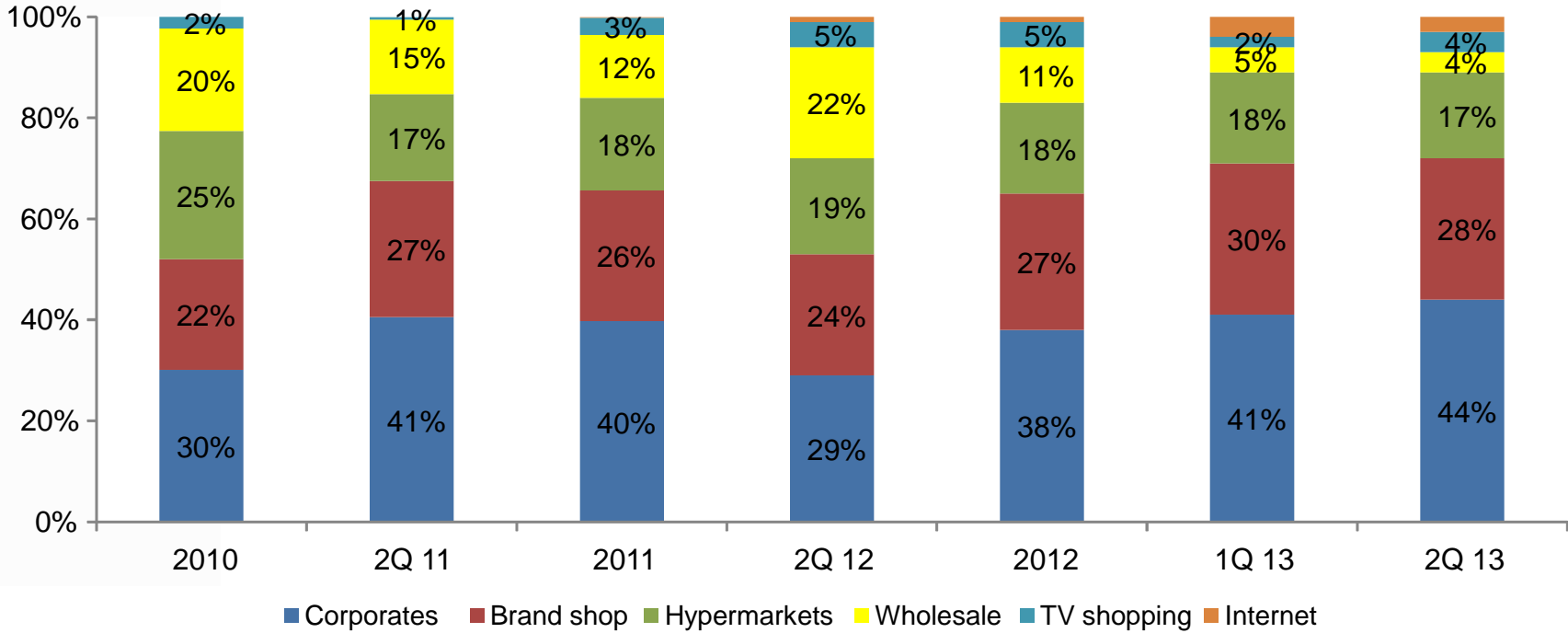
3. Sales Breakdown by Channel – China

	2008	2009	2010	2Q 11	2011	2Q 12	2012	1Q 13	2Q 13
Corporates	46%	41%	30%	29%	26%	24%	22%	22%	27%
TV shopping	9%	9%	15%	22%	20%	23%	23%	23%	21%
Internet	7%	7%	13%	8%	12%	14%	15%	15%	17%
Wholesale	19%	19%	16%	16%	16%	16%	15%	15%	16%
Hypermarkets	12%	17%	18%	15%	16%	15%	16%	17%	12%
Brand shop	7%	7%	9%	10%	10%	8%	10%	8%	7%



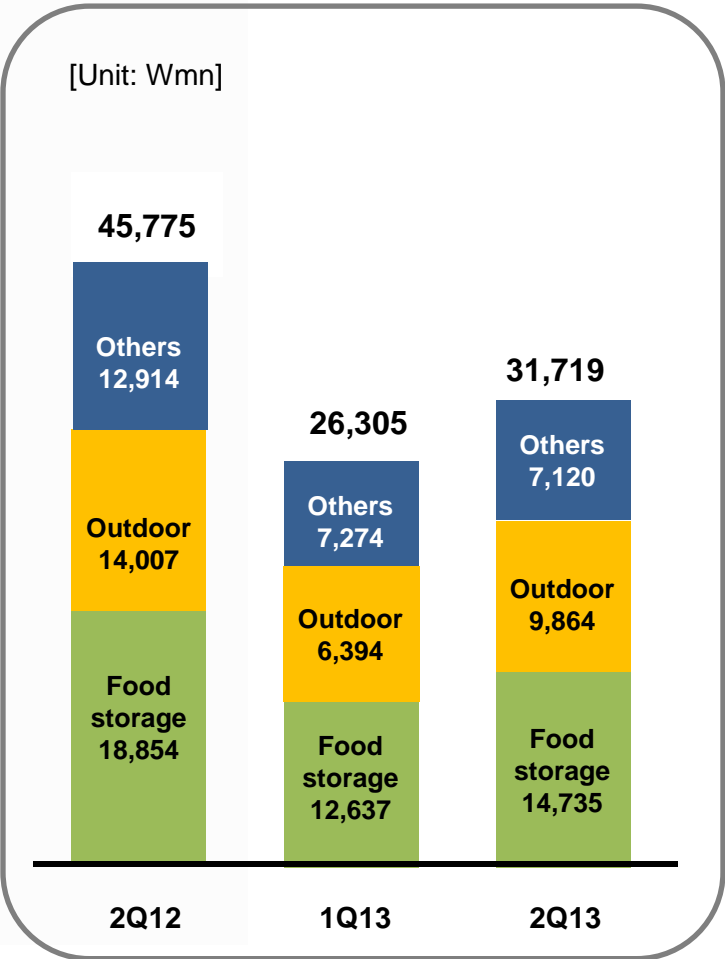
3. Sales Breakdown by Channel – Southeast Asia

	2010	2Q 11	2011	2Q 12	2012	1Q 13	2Q 13
Corporates	30%	41%	40%	29%	38%	41%	44%
Brand shop	22%	27%	26%	24%	27%	30%	28%
Hypermarkets	25%	17%	18%	19%	18%	18%	17%
Wholesale	20%	15%	12%	22%	11%	5%	4%
TV shopping	2%	1%	3%	5%	5%	2%	4%
Internet	0%	0%	0%	1%	1%	4%	3%



4. Sales Breakdown by Product Category – Korea

The sales of food storage container, outdoor and kitchen/living/cookware fell 22% YoY, 29% YoY and 45% YoY to W14.7bn, W9.7bn and W7.1bn, respectively.



■ Food storage containers

Bisfree (premium plastic) sales dropped 30% YoY to W7.2bn.

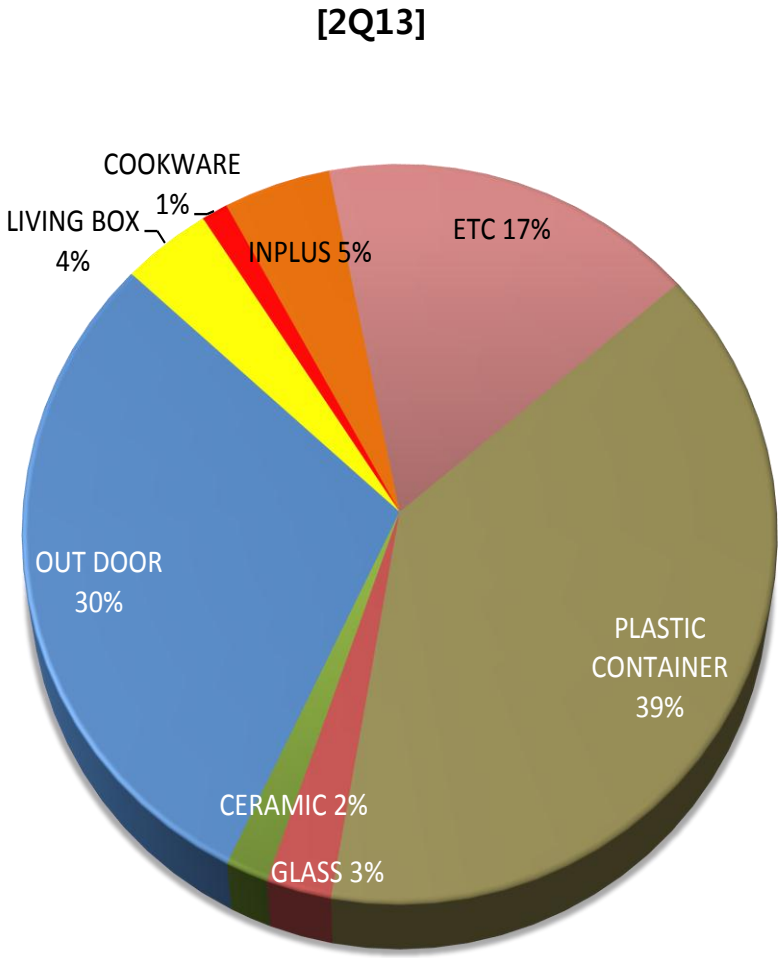
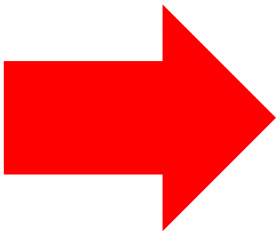
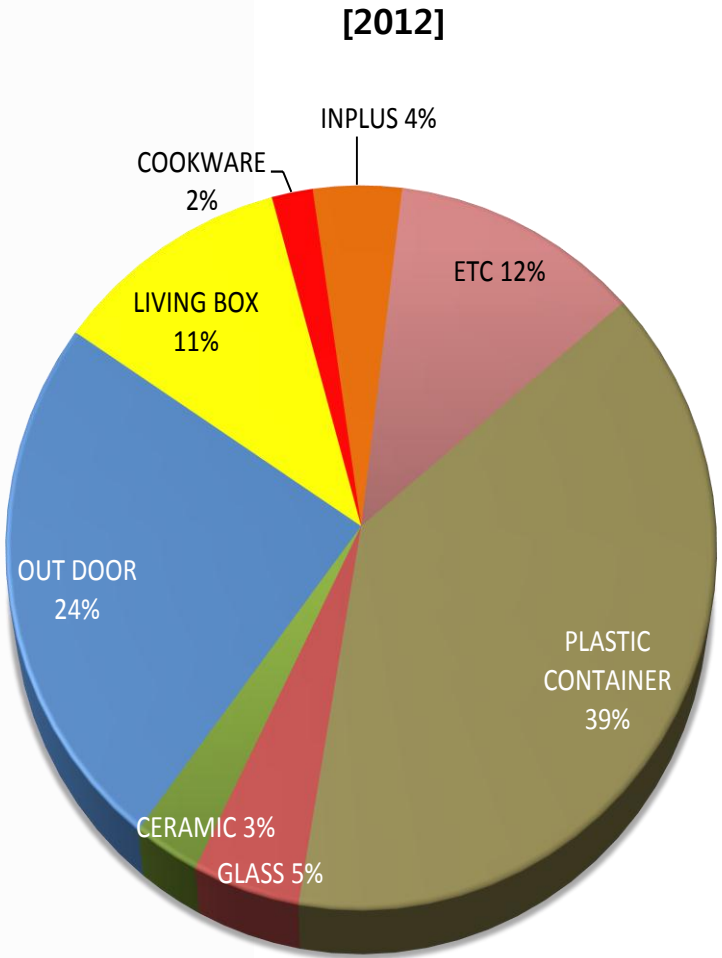
■ Outdoor

Hot&Cool (thermos) sales fell 45% YoY to W2.6bn.

■ Others (kitchen/living/cookware, etc.)

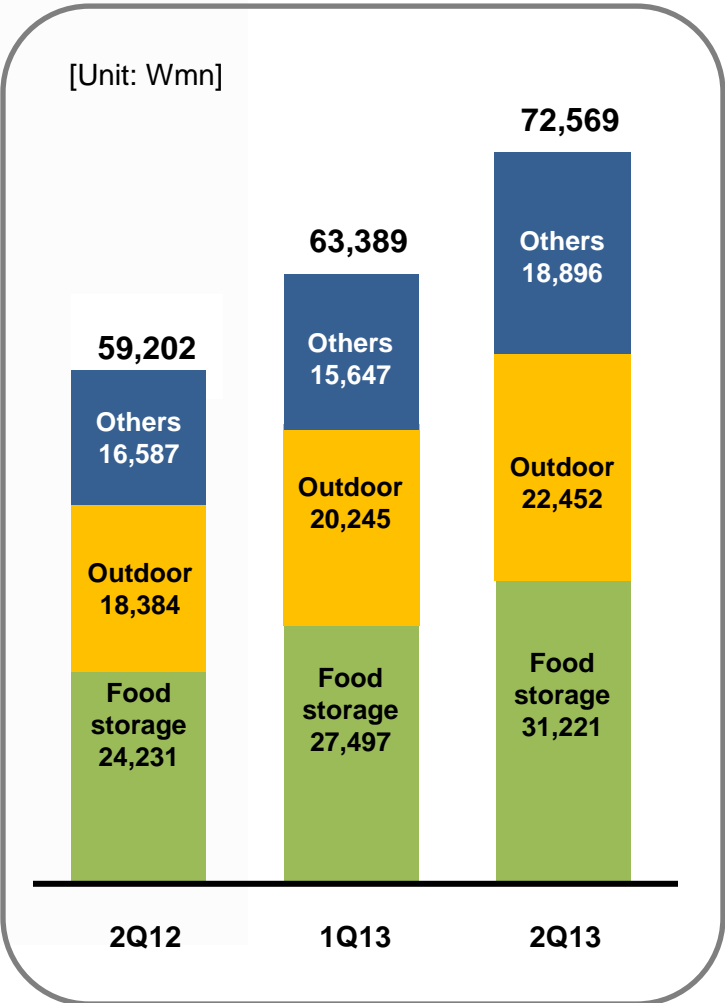
inplus (household goods containers made of plastic) sales grew 11% YoY to W1.6bn.

4. Sales Breakdown by Product Category – Korea



4. Sales Breakdown by Product Category – China

Food storage container sales grew 29% YoY to W31.2bn, outdoor 22% YoY to W22.5bn, and kitchen/living/cookware 14% YoY to W18.9bn.



- Food storage containers

Glass storage container sales increased 18% YoY to W15.7bn.

Plastic storage container sales jumped 50% YoY to W15.1bn on continuous shipment growth to large corporate customers.
- Outdoor

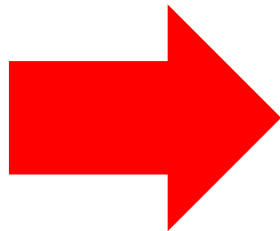
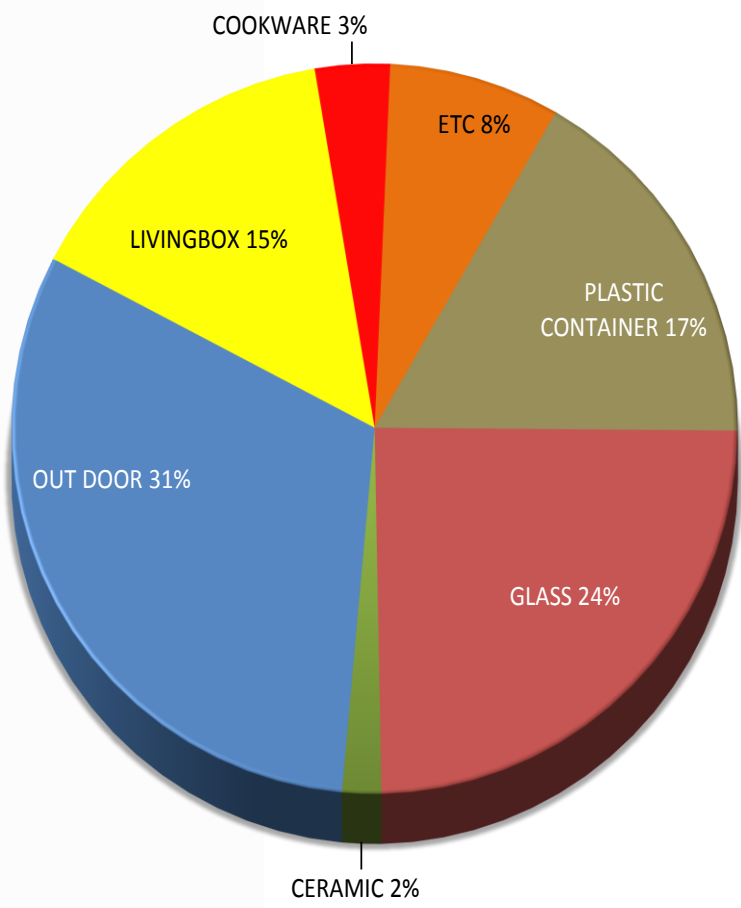
Aqua (regular plastic water bottle) sales increased 15% YoY to W16.4bn on strong seasonal demand.

Hot&Cool (thermos) sales rose 68% YoY to W6bn on easing supply and new model releases.
- Others (kitchen/living/cookware, etc.)

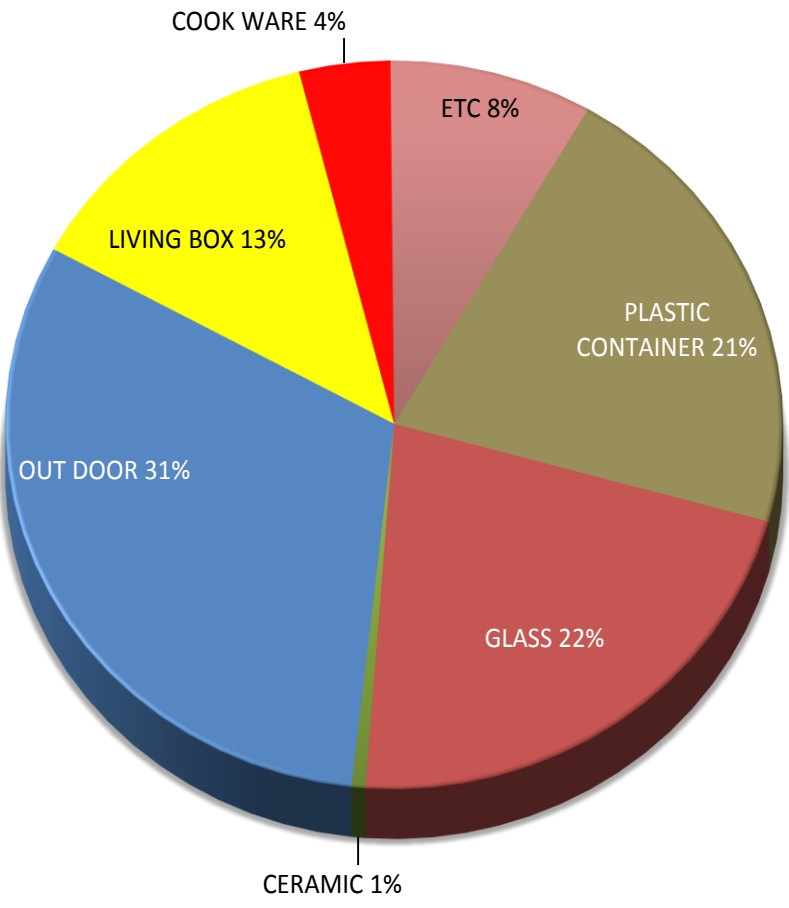
Cookplus (cookware) sales rose 67% YoY to W2.7bn as sales continued to remain brisk across all distribution channels.

4. Sales Breakdown by Product Category – China

[2012]

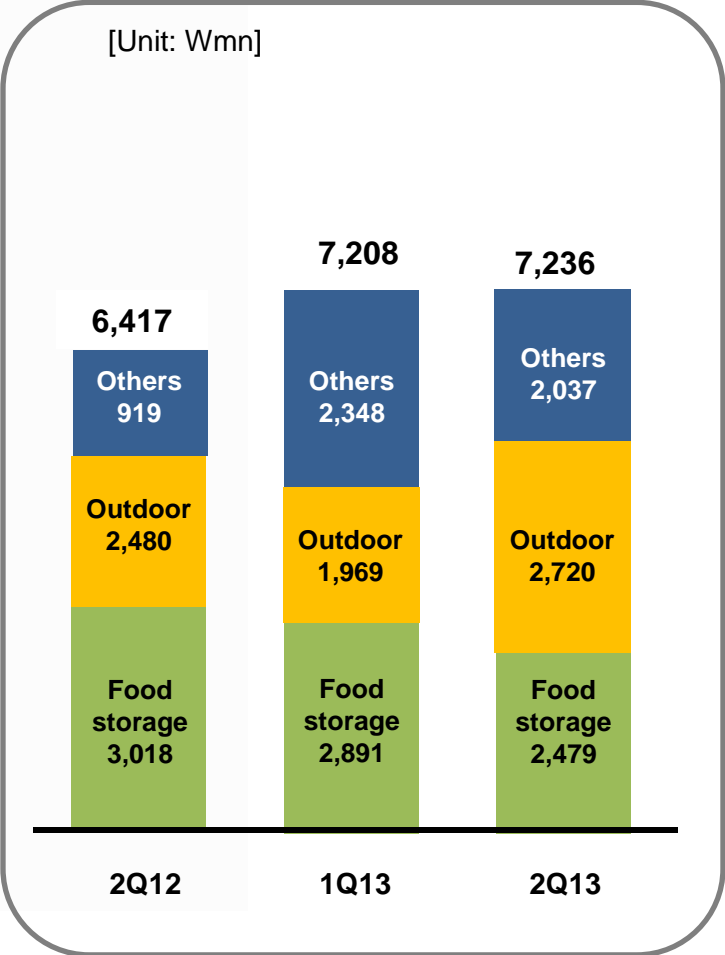


[2Q13]



4. Sales Breakdown by Product Category – Southeast Asia

Food storage container sales fell 18% YoY to W2.5bn, while the sales of outdoor and kitchen/living/cookware grew 10% YoY and 122% YoY to W2.7bn and W2bn, respectively.



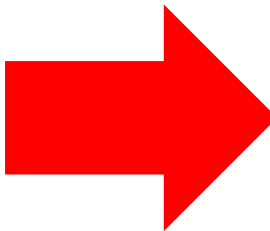
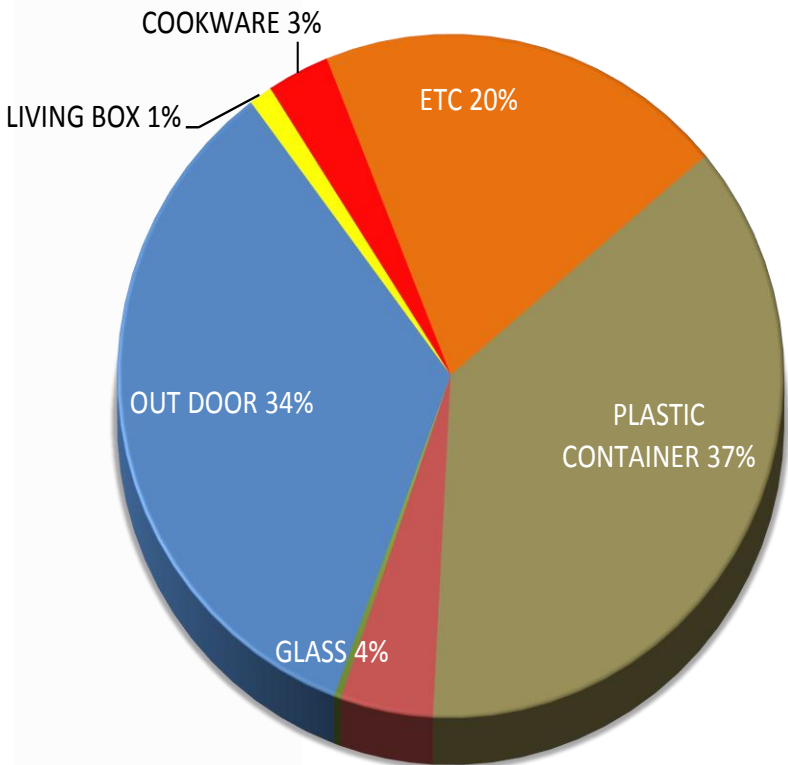
- Food storage containers**
 Food storage container sales were weak due to sluggish hypermarket sales.

- Outdoor**
Hot&Cool (thermos) sales increased on brisk sales from internet and wholesale channels.

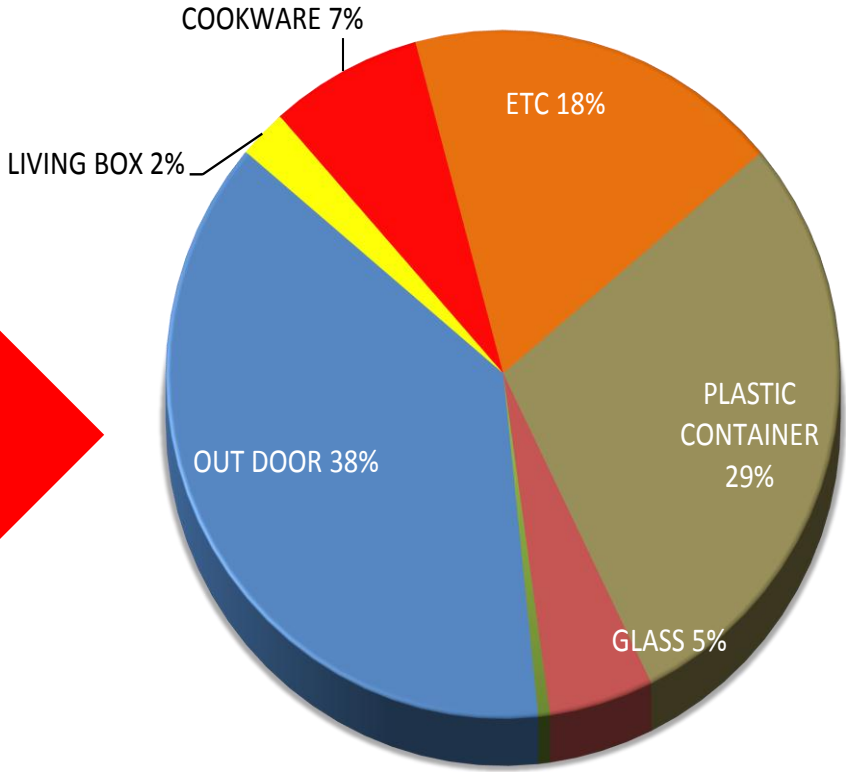
- Others (kitchen/living/cookware, etc.)**
 Cookware and *Living Box* (household goods containers made of fabric) sales saw a strong growth on upbeat sales from corporate customers and brand shops.

4. Sales Breakdown by Product Category – Southeast Asia

[2012]



[2Q13]



5. Summary Financials – Balance Sheet

[Unit: Wmn]

Descriptions	1H 13	2012	Increase/ Decrease
Current Assets	441,219	405,478	35,741
Quick Assets	295,539	279,854	15,685
Inventories	125,681	107,596	18,085
Other Current Assets	19,999	18,028	1,971
Non-Current Assets	384,015	352,427	31,588
Investments	25,893	12,475	13,417
Property&Equipment	302,909	286,873	16,036
Intangible Assets	14,229	14,240	-11
Deferred Tax Assets	5,630	5,398	232
Other Non-Current Assets	35,355	33,440	1,914
TOTAL ASSETS	825,234	757,905	67,329
Current Liabilities	154,367	142,128	12,239
Non-Current Liabilities	33,213	30,805	2,408
TOTAL LIABILITIES	187,580	172,932	14,648
Capital Stock	27,500	27,500	0
Additional Paid-in and Other Capital	314,809	314,809	0
Capital Adjustment	-23,978	-19,116	-4,862
Accumulated Other Comprehensive Income	16,396	-14,770	31,166
Earned Surplus	302,781	276,405	26,376
External Shareholder's Equity	145	145	1
TOTAL EQUITY	637,654	584,973	52,680
TOTAL LIABILITIES & EQUITY	825,233	757,905	67,328

※ Based on K-IFRS

5. Summary Financials – Income Statement

Descriptions	[Unit: Wmn]		
	2Q 13	2Q 12	Increase/ Decrease
Sales	134,479	136,430	-1,951
Cost of Goods Sold	73,007	73,057	-50
Gross Profit	61,472	63,373	-1,901
Selling and Administrative Expenses	37,743	42,417	-4,674
Operating Income	23,729	20,945	2,784
Other Operating Profit and Loss	82	-943	861
Financial Profit and Loss and the rest	-306	703	-1,009
Income and Loss Before Income Taxes	23,505	20,716	2,789
Income Tax Expenses	6,194	4,590	1,604
Net Income	17,311	16,126	1,185

※ Based on revised K-IFRS accounting which classifies other operating profit and loss as non-operating items.