



LOCK & LOCK

2Q 15 Earnings Release

7 Aug 2015

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2Q 15 Preliminary Earnings

[Unit: Wmm]	2014	2014	2015	QoQ	YoY
	2Q	1Q	2Q		
Sales	102,842	89,122	104,454	17.2%	1.6%
%	100.0%	100.0%	100.0%		
COGS	54,559	46,217	56,372	22.0%	3.3%
%	53.1%	51.9%	54.0%		
Gross Profit	48,283	42,905	48,082	12.1%	-0.4%
%	46.9%	48.1%	46.0%		
Sg&A Expenses	38,141	36,880	38,413	4.2%	0.7%
%	37.1%	41.4%	36.8%		
Operating Profit	10,142	6,025	9,668	60.5%	-4.7%
%	9.9%	6.8%	9.3%		
Pretax income	8,911	5,542	9,212	66.2%	3.4%
%	8.7%	6.2%	8.8%		
Net Profit	8,621	3,424	3,877	13.2%	-55.0%
%	8.4%	3.8%	3.7%		

2Q 15 Preliminary Earnings – Sales & Profit Highlights

- Total sales have been up 1.6% YoY to W104.5bn.
 - China domestic sales increased 13.7% YoY to W49.5bn due to the Shanghai & Shenzhen sales branch sales increased). On-line sales increased 88.3% YoY, Wholesale & Hypermarket channel sales increased.
 - Korea domestic sales dropped 16.7% YoY to W29.1bn.
 - Southeast Asia regional sales increased 3.7% YoY to W8.1bn(Vietnam domestic sales increased 9.8% YoY)
- Operating profit fell 4.7% YoY to W9.7bn (9.3% OPM) and increased 60.5% QoQ.
 - Overseas wholesaler increased allowance for bad debts 1.3bn(Korea 0.62bn, China 0.63bn)
- Income Tax Expenses: Additional tax expenses to W2.7bn, foreign tax deductions generated 2.7 billion in additional tax change regard to Vietnam Dong Nai corporate dividends to W21.8bn.

[Unit: Wmm]	2014	2015	YoY
	2Q	2Q	
Payroll	9,563	10,673	11.6%
Advertising	718	1,765	145.9%
Transportation	3,263	2,471	-24.3%
Rent	3,881	3,547	-8.6%
Sales Commission	6,672	3,994	-40.1%
Others	14,045	15,963	13.7%
Operating Expenses	38,141	38,413	0.7%

※ Based on K-IFRS

[Unit: Wmm]	2014	2015	YoY
	2Q	2Q	
Other Operating profit	2,906	3,430	18.0%
Gain on Foreign currency translations	1,611	791	-50.9%
Gain Foreign currency transactions	980	2,061	110.2%
Others	315	578	83.4%
Other Operating loss	2,942	4,499	52.9%
Loss on Foreign currency translations	323	2,301	612.2%
Loss Foreign currency transactions	1,226	1,400	14.2%
Others	1,393	797	-42.8%
Net Other Operating profit	-36	-1,069	2907.7%

※ Based on K-IFRS

Summary Financials – Balance Sheet

[Unit: Wmm]

Descriptions	2Q 2015	2014	Increase/ Decrease
Current Assets	349,204	394,679	-45,475
Quick Assets	189,058	241,665	-52,607
Inventories	142,608	133,387	9,221
Other Current Assets	17,538	19,626	-2,088
Non-Current Assets	400,040	403,818	-3,778
Investments	49,177	48,295	881
Property&Equipment	297,840	299,921	-2,081
Intangible Assets	10,040	10,210	-170
Deferred Tax Assets	5,625	8,218	-2,593
Other Non-Current Assets	37,358	37,174	184
TOTAL ASSETS	749,243	798,497	-49,253
Current Liabilities	82,550	151,508	-68,958
Non-Current Liabilities	32,667	16,619	16,048
TOTAL LIABILITIES	115,217	168,126	-52,910
Capital Stock	27,500	27,500	0
Additional Paid-in and Other Capital	314,809	314,809	0
Capital Adjustment	-23,371	-23,371	0
Accumulated Other Comprehensive Income	-9,083	-13,583	4,501
Earned Surplus	324,110	324,959	-849
External Shareholder's Equity	62	57	5
TOTAL EQUITY	634,027	630,370	3,657
TOTAL LIABILITIES & EQUITY	749,243	798,497	-49,253

※ Based on K-IFRS

Summary Financials – Income Statement

[Unit: Wmm]

Descriptions	1Q 15	1Q 14	Increase/ Decrease
Sales	104,454	102,842	1,612
Cost of Goods Sold	56,372	54,559	1,813
Gross Profit	48,082	48,283	-201
Selling and Administrative Expenses	38,413	38,141	272
Operating Income	9,668	10,142	-473
Other Operating Profit and Loss	-1,069	-36	1,105
Financial Profit and Loss and the rest	612	-1,195	1,807
Income and Loss Before Income Taxes	9,212	8,911	301
Income Tax Expenses	5,335	290	5,045
Net Income	3,877	8,621	-4,743

※ Based on K-IFRS

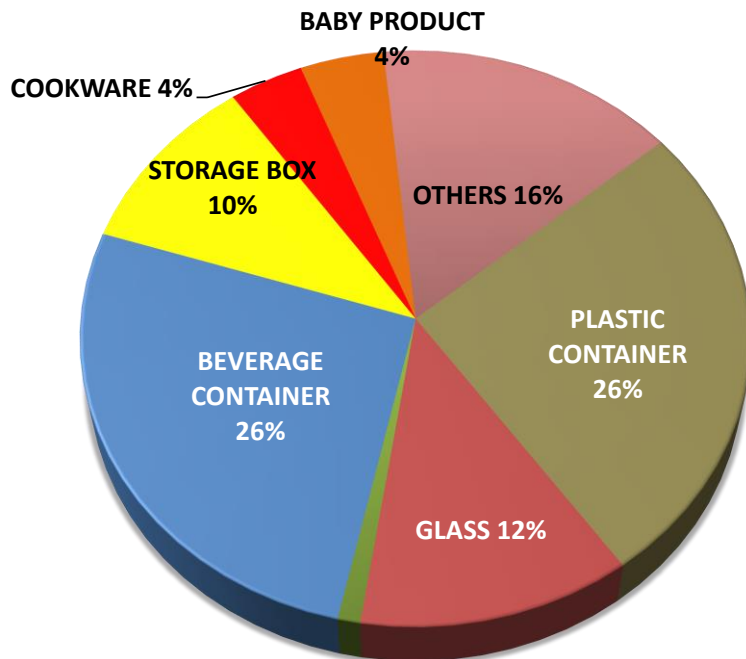
Sales Breakdown by Region

Region	2012	2013	2Q 14	3Q 14	4Q 14	2014	1Q 15	2Q 15
China	51.0%	55.0%	42.3%	44.5%	47.0%	45.0%	46.1%	47.4%
Korea	31.0%	26.0%	34.0%	34.0%	29.0%	33.0%	30.0%	27.9%
Asia	11.0%	12.0%	14.4%	13.8%	17.0%	14.0%	17.0%	19.0%
ROW	7.0%	7.0%	9.0%	7.6%	7.0%	8.0%	6.8%	5.7%

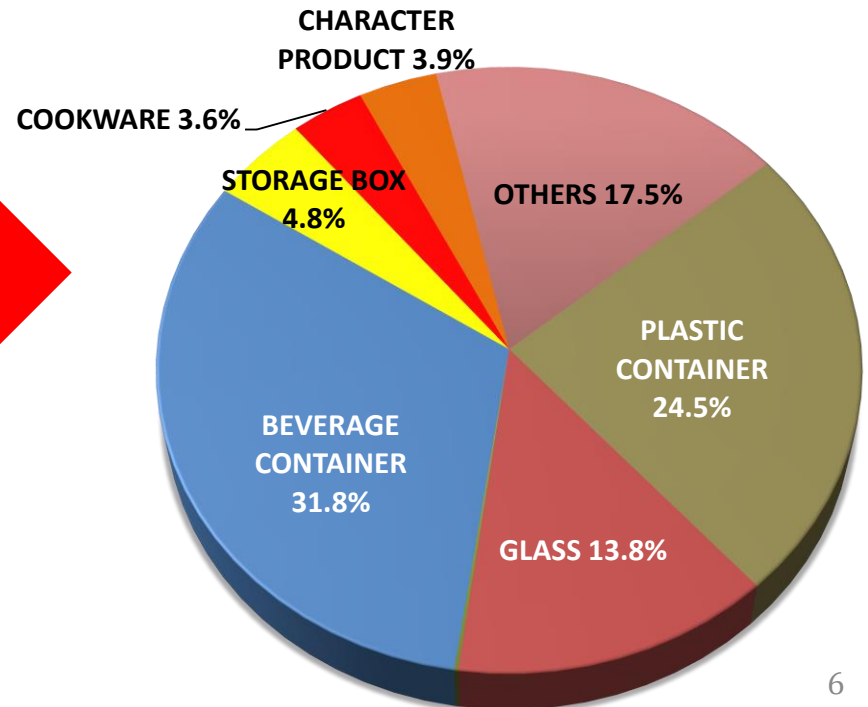
※ KOREA: Domestic sales application,

Sales Breakdown by Product

[2014]

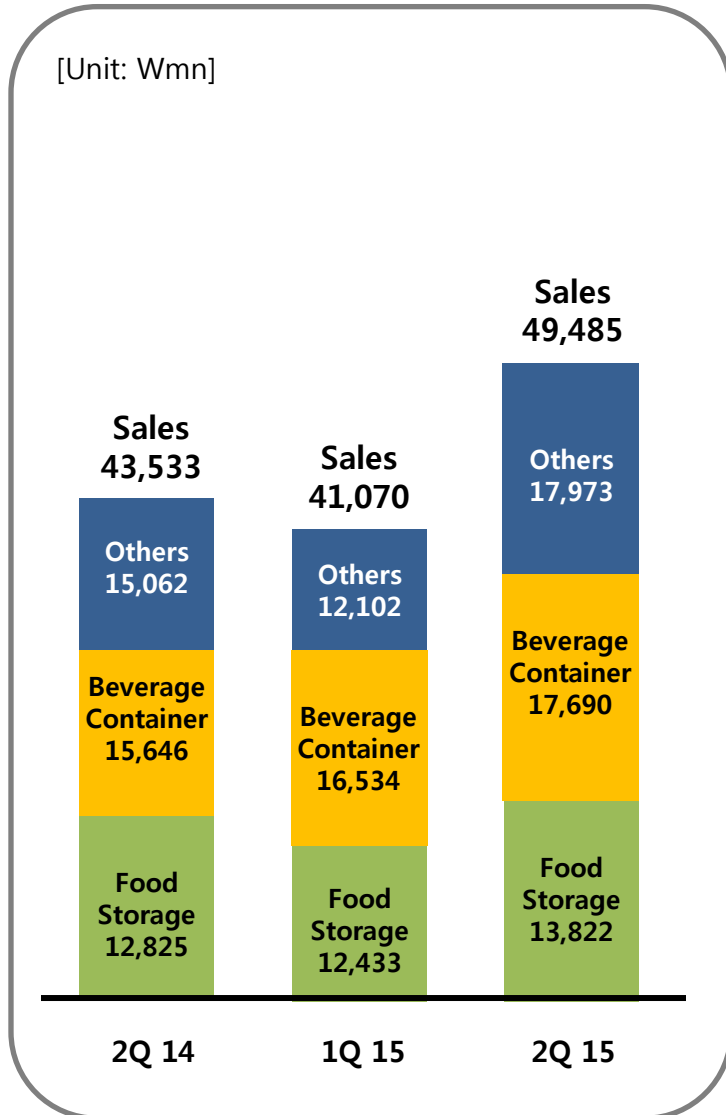


[2Q 2015]



China – Sales Analysis

Food storage sales increased 7.8% YoY to W13.8bn and beverage container sales increased 13.1% YoY to W17.7bn, while others (kitchen/ living/cookware) sales have been up 19.3% YoY to W18.0bn.



■ Food storage

Plastic container sales increased 20.5% YoY to W5.5bn.

Glass container sales increased 0.7% YoY to W8.3bn.

■ Beverage container

Plastic bottle sales fell 0.3% YoY to W10.3bn.

Thermal bottle sales increased 26.6% YoY to W6.6bn.

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

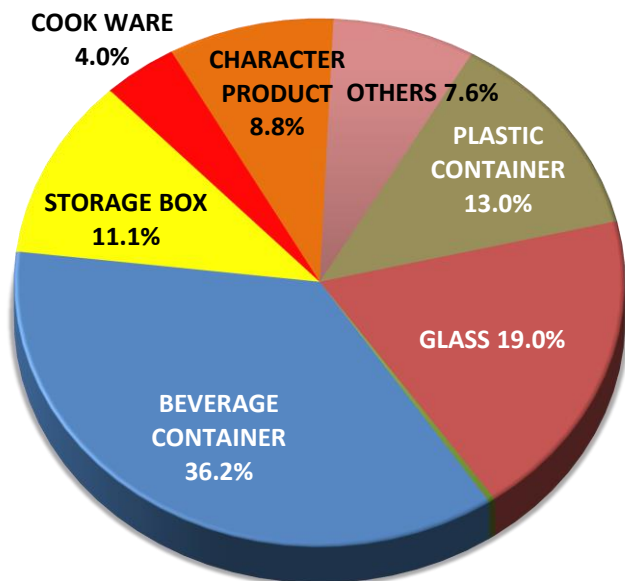
Character product sales increased 101.9% YoY to W3.6bn.

Cookware sales increased 78.8% YoY to W1.6bn.

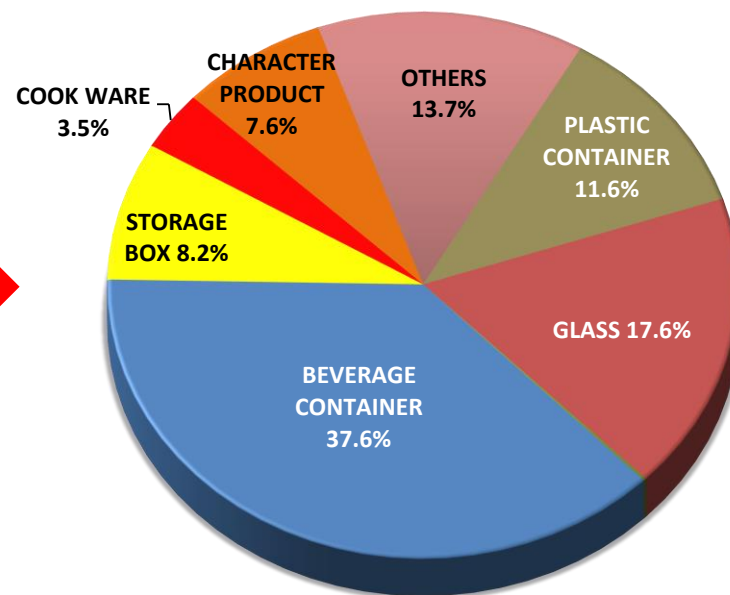
Livingbox sales decreased 20.9% YoY to W3.9bn.

China – Sales by Product & Channel

[2014]



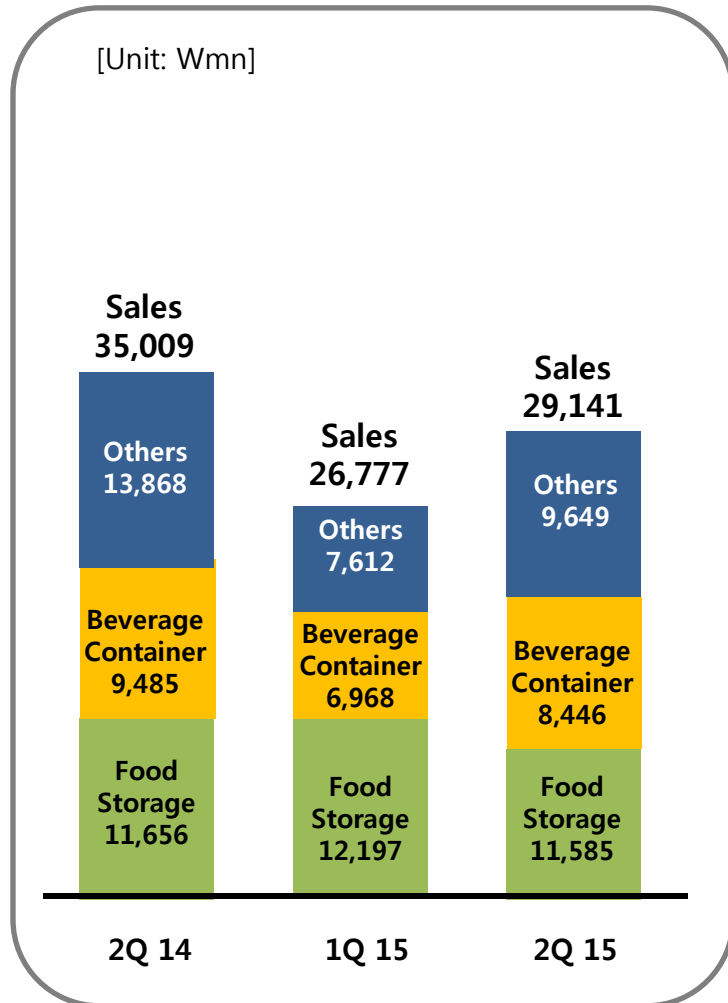
[2Q 2015]



Division	2013	1Q 14	2Q 14	3Q 14	4Q 14	2014	1Q 15	2Q 15
TV shopping	22.0%	21.0%	27.0%	23.0%	14.0%	21.0%	9.6%	9.6%
Special(B2B)	23.0%	19.0%	22.0%	17.0%	16.0%	18.0%	17.1%	16.1%
Internet	17.0%	18.0%	16.0%	18.0%	23.0%	19.0%	28.6%	32.7%
Wholesale	16.0%	18.0%	18.0%	22.0%	20.0%	20.0%	23.2%	23.2%
Hyper markets	15.0%	15.0%	8.0%	12.0%	10.0%	11.0%	14.4%	12.0%
Brand shop	7.0%	9.0%	9.0%	8.0%	17.0%	11.0%	7.0%	6.3%

Korea – Sales Analysis

Food storage sales fell 0.6% YoY to W11.6bn and beverage container sales decreased 10.9% YoY to W8.4bn. others (kitchen/living/cookware) sales dropped 30.4% YoY to 9.6bn.



■ Food storage

Plastic container sales decreased 37.8% YoY to W1.6bn.

Premium plastic container sales decreased 13.7% YoY to W3.0bn.

Glass sales increased 206.7% YoY to W3.2bn.

■ Beverage containers

Thermal bottle sales decreased 10.7% YoY to W2.2bn.

Premium plastic bottle sales decreased 13.6% YoY to W3.5bn.

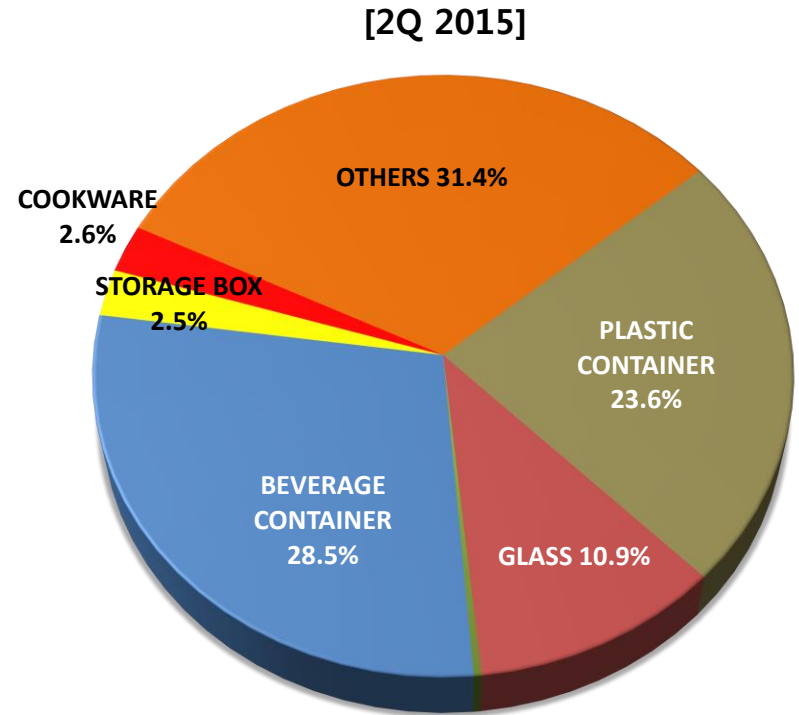
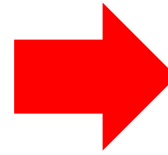
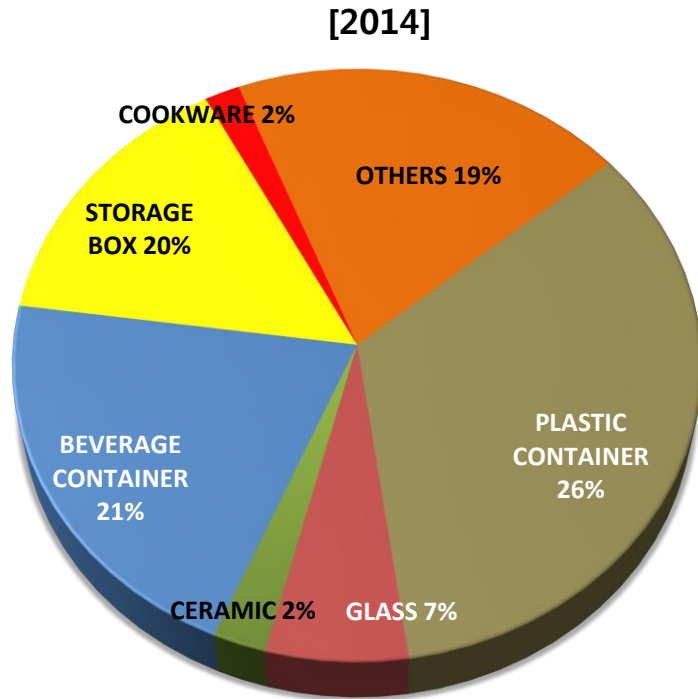
■ Others (kitchen/living/cookware, etc.)

Plastic organizer box sales decreased 41.6% YoY to W3.0bn.

Fabric organizer box sales down 60.1% YoY to W0.7bn.

Cookware sales increased 111.4% YoY to W0.8bn.

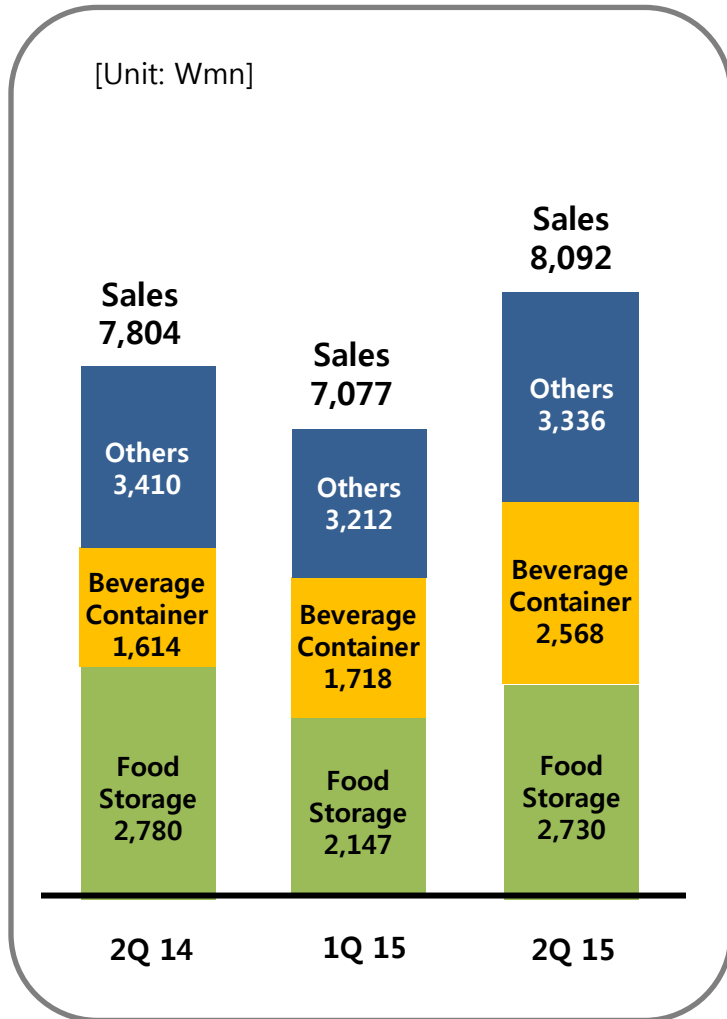
Korea – Sales by Product & Channel



Division	2013	1Q 14	2Q 14	3Q 14	4Q 14	2014	1Q 15	2Q 15
Hyper markets	30.0%	24.0%	31.4%	28.7%	28.0%	27.9%	31.4%	30.2%
TV shopping	18.0%	30.0%	18.3%	21.6%	10.9%	20.8%	11.2%	15.4%
Wholesale	15.0%	12.0%	17.1%	15.0%	18.5%	15.3%	15.9%	18.3%
Special(B2B)	14.0%	12.0%	8.5%	9.1%	16.1%	11.3%	14.1%	10.6%
Brand shop	12.0%	9.0%	8.3%	11.8%	10.9%	9.9%	12.6%	11.4%
Internet	11.0%	12.0%	15.1%	12.8%	14.6%	13.4%	14.7%	14.1%

Southeast Asia – Sales Analysis

Food storage sales decreased 1.8% YoY to W2.7bn, beverage container sales increased 59.1% to YoY W2.6bn, others (kitchen/living/cookware) sales decreased 2.2% YoY to W3.3bn.



■ Food storage

Plastic container sales increased 50.8% YoY to W1.7bn.

■ Beverage container

Plastic bottle sales increased 109.7% YoY to W1.4bn.

Thermal bottle sales increased 60.7% YoY to W0.7bn.

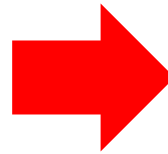
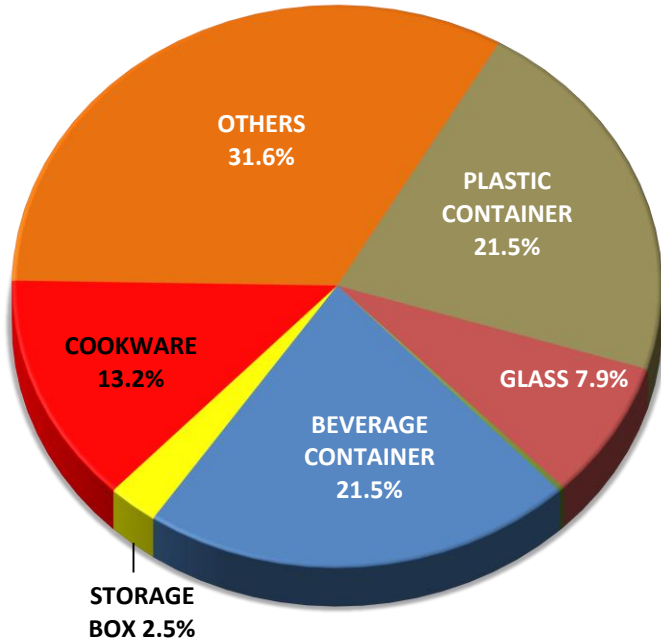
■ Others (kitchen/living/cookware, etc.)

Cookware sales increased 47.4% YoY to W0.5bn.

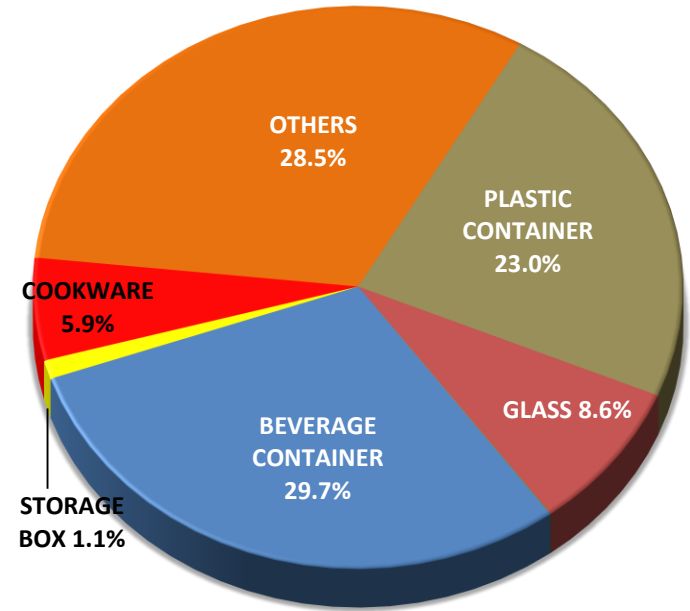
Plastic organizer box sales increased 179.3% YoY to W0.2bn.

Southeast Asia – Sales by Product & Channel

[2014]



[2Q 2015]



Division	2013	1Q 14	2Q 14	3Q 14	4Q 14	2014	1Q 15	2Q 15
Special(B2B)	45.0%	44.0%	50.0%	37.7%	50.1%	45.6%	33.3%	39.9%
Brand shop	26.0%	26.0%	20.0%	27.9%	24.8%	24.6%	42.0%	36.1%
Hyper markets	15.0%	13.0%	14.0%	12.9%	9.7%	12.5%	9.9%	9.0%
Wholesale	7.0%	11.0%	11.0%	17.2%	12.6%	12.7%	12.4%	11.0%
TV shopping	4.0%	4.0%	3.0%	3.5%	2.1%	3.4%	1.6%	3.3%
Internet	3.0%	2.0%	2.0%	0.9%	0.7%	1.2%	0.9%	0.7%