

LOCK & LOCK

4Q 16 Earnings Release

9 Feb 2017

4Q 16 Preliminary Earnings

[Unit: Wmm]	2015	2015	2016	QoQ	YoY
	4Q	3Q	4Q		
Sales	109,892	99,394	119,881	20.6%	9.1%
%	100.0%	100.0%	100.0%		
COGS	58,162	50,387	63,808	26.6%	9.7%
%	52.9%	50.7%	53.2%		
Gross Profit	51,730	49,007	56,073	14.4%	8.4%
%	47.1%	49.3%	46.8%		
Sg&A Expenses	38,565	35,270	37,772	7.1%	-2.1%
%	35.1%	35.5%	31.5%		
Operating Profit	13,165	13,737	18,301	33.2%	39.0%
%	12.0%	13.8%	15.3%		
Pretax income	6,605	12,720	26,888	111.4%	307.1%
%	6.0%	12.8%	22.4%		
Net Profit	3,836	6,203	22,377	260.7%	483.4%
%	3.5%	6.2%	18.7%		

4Q 16 Preliminary Earnings – Sales & Profit Highlights

- Total sales have been up 9.1% YoY to W119.9bn.
 - China domestic sales decreased 4.5% YoY to W49.7bn.(Internet channel sales increased 20.8% YoY)
 - Korea domestic sales increased 4.0% YoY to W29.4bn.(Homeshopping sales increased)
 - Korea export sales increased 16.8% YoY to W22.0bn(US QVC Homeshopping sales increased)
 - Southeast Asia regional sales increased 77.1% YoY to W17.6bn.
 - Vietnam domestic sales increased 140.3% YoY due to B2B sales increased.
- Operating profit increased 39.0% YoY to W18.3bn (15.3% OPM)
- Net Other Operating profit increased
 - Indonesia subsidiary happened gains on disposition of tangible assets W7.8bn.(Warehouse)

[Unit: Wmm]	2015	2016	YoY
	4Q	4Q	
Payroll	11,214	11,144	-0.6%
Advertising	1,744	1,305	-25.2%
Transportation	3,230	3,069	-5.0%
Rent	3,830	3,071	-19.8%
Sales Commission	2,323	3,380	45.5%
Others	16,223	15,802	-2.6%
Operating Expenses	38,565	37,772	-2.1%

※ Based on K-IFRS

[Unit: Wmm]	2015	2016	YoY
	4Q	4Q	
Other Operating profit	1,372	11,197	716.4%
Gain on Foreign currency translations	-411	401	-197.5%
Gain Foreign currency transactions	1,291	1,817	40.7%
Others	492	8,979	1725.3%
Other Operating loss	8,183	3,499	-57.2%
Loss on Foreign currency translations	-1,585	239	-115.1%
Loss Foreign currency transactions	1,862	1,291	-30.7%
Others	7,907	1,969	-75.1%
Net Other Operating profit	-6,812	7,698	-213.0%

※ Based on K-IFRS

Summary Financials – Balance Sheet

[Unit: Wmm]

Descriptions	2015	2016	Increase/ Decrease
Current Assets	367,062	386,822	19,760
Quick Assets	220,297	251,575	31,278
Inventories	135,362	120,563	-14,799
Other Current Assets	11,403	14,684	3,281
Non-Current Assets	389,407	364,075	-25,333
Investments	45,172	30,975	-14,198
Property&Equipment	289,815	281,432	-8,383
Intangible Assets	10,060	9,204	-856
Deferred Tax Assets	5,520	3,731	-1,789
Other Non-Current Assets	38,840	38,733	-107
TOTAL ASSETS	756,470	750,897	-5,573
Current Liabilities	110,896	72,225	-38,670
Non-Current Liabilities	5,644	6,681	1,037
TOTAL LIABILITIES	116,540	78,906	-37,634
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	-8,482	-11,958	-3,476
Earned Surplus	329,394	364,619	35,225
External Shareholder's Equity	80	392	312
TOTAL EQUITY	639,930	671,991	32,061
TOTAL LIABILITIES & EQUITY	756,470	750,897	-5,573

※ Based on K-IFRS

Summary Financials – Income Statement

[Unit: Wmm]

Descriptions	2015	2016	Increase/ Decrease
Sales	407,085	425,064	17,978
Cost of Goods Sold	217,450	220,698	3,248
Gross Profit	189,635	204,365	14,730
Selling and Administrative Expenses	154,308	144,135	-10,173
Operating Income	35,327	60,230	24,903
Other Operating Profit and Loss	-11,786	4,750	16,536
Financial Profit and Loss and the rest	1,116	1,838	722
Income and Loss Before Income Taxes	24,658	66,819	42,161
Income Tax Expenses	12,110	19,843	7,734
Net Income	12,548	46,976	34,427

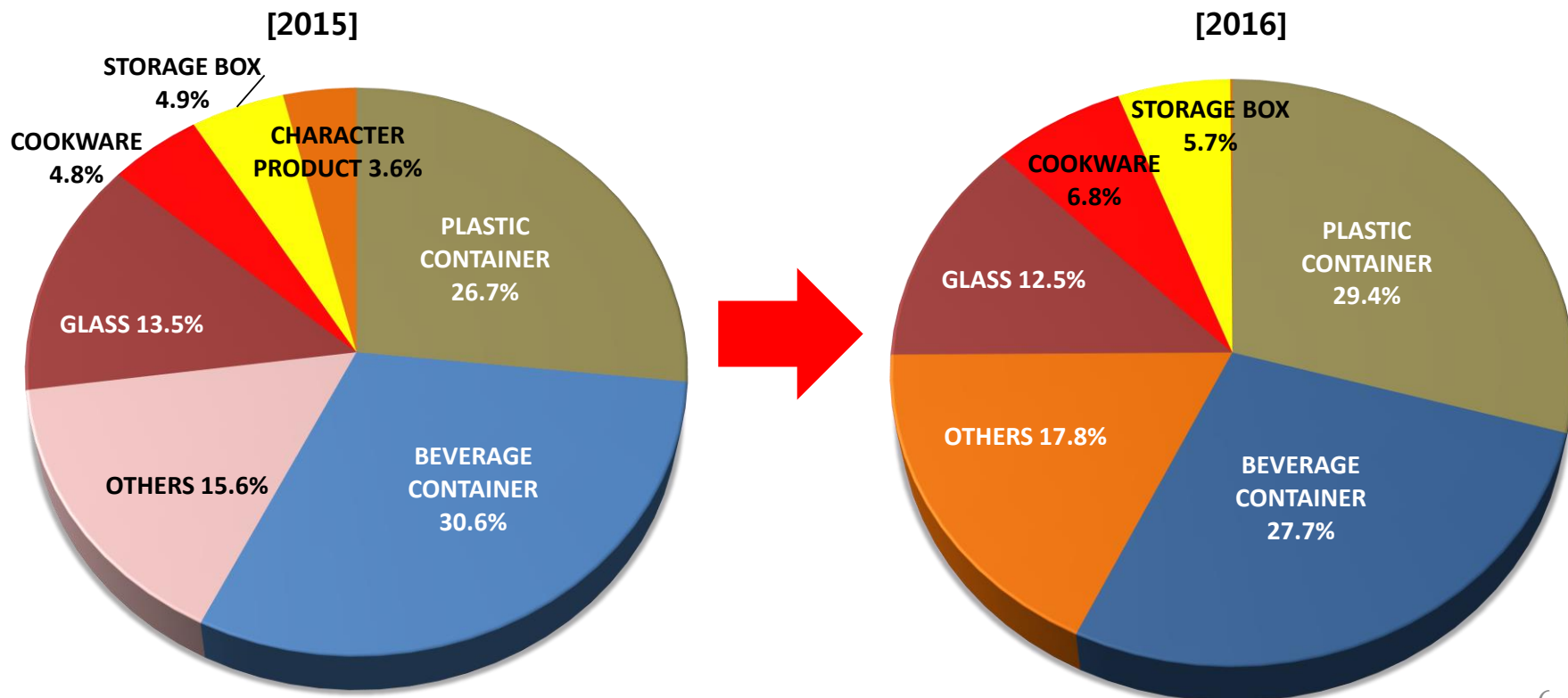
※ Based on K-IFRS

Sales Breakdown by Region

Region	2014	4Q 15	2015	1Q 16	2Q 16	3Q 16	4Q 16	2016
China	45.0%	47.3%	46.7%	41.6%	43.4%	37.1%	41.4%	40.9%
Korea	33.0%	25.8%	27.4%	26.4%	28.9%	29.6%	24.5%	27.2%
Asia	14.0%	17.3%	15.3%	13.6%	15.7%	17.4%	22.9%	17.6%
ROW	8.0%	9.7%	10.7%	18.5%	12.0%	15.9%	11.1%	14.2%

※ KOREA: The only Domestic sales application

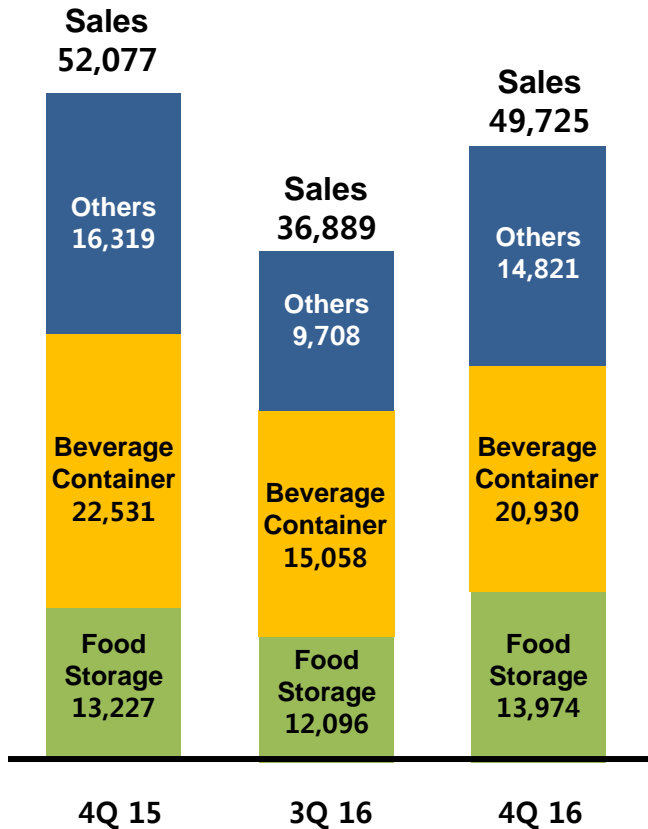
Sales Breakdown by Product



China – Sales Analysis

Food storage sales increased 5.6% YoY to W14.0bn and beverage container sales decreased 7.1% YoY to W20.9bn, while others (kitchen/ living/cookware) sales have been down 10.2% YoY to W14.8bn.

[Unit: Wmn]



■ Food storage

Plastic container sales increased 21.6% YoY to W6.4bn.

Glass container sales decreased 6.1% YoY to W7.5bn.

■ Beverage container

Plastic bottle sales fell 57.0% YoY to W1.6bn.

Thermal bottle sales decreased 0.7% YoY to W19.3bn.

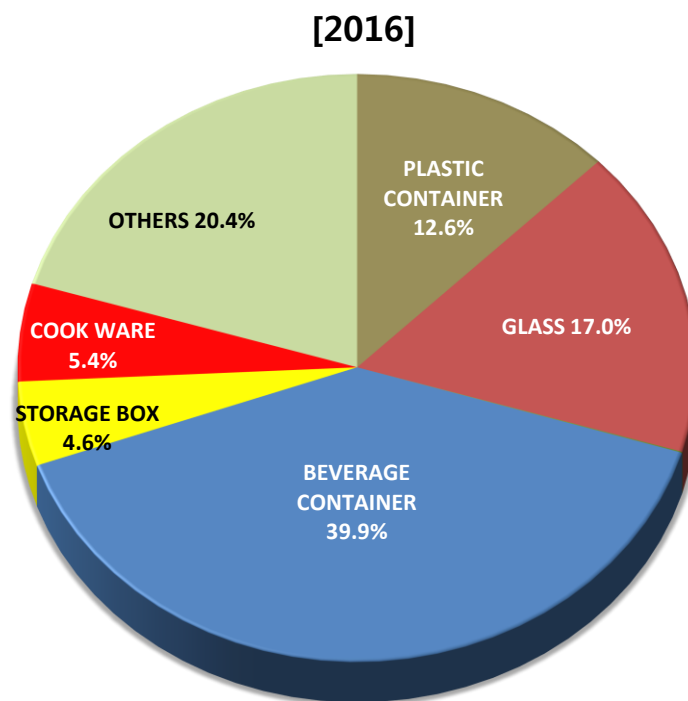
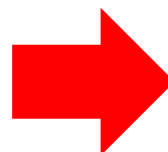
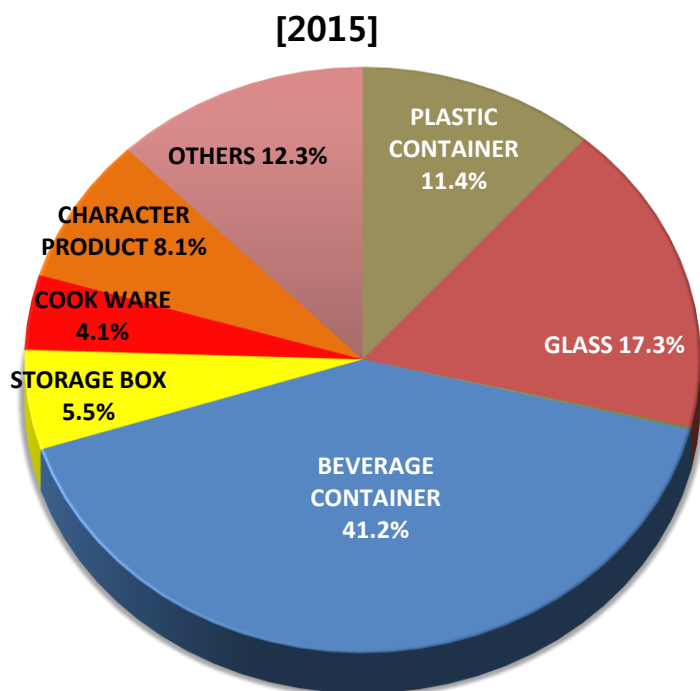
(Annual total : increased 5.8% YoY to 48.5bn)

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

Cookware sales decreased 7.4% YoY to W2.6bn.

Livingbox sales decreased 7.9% YoY to W2.0bn.

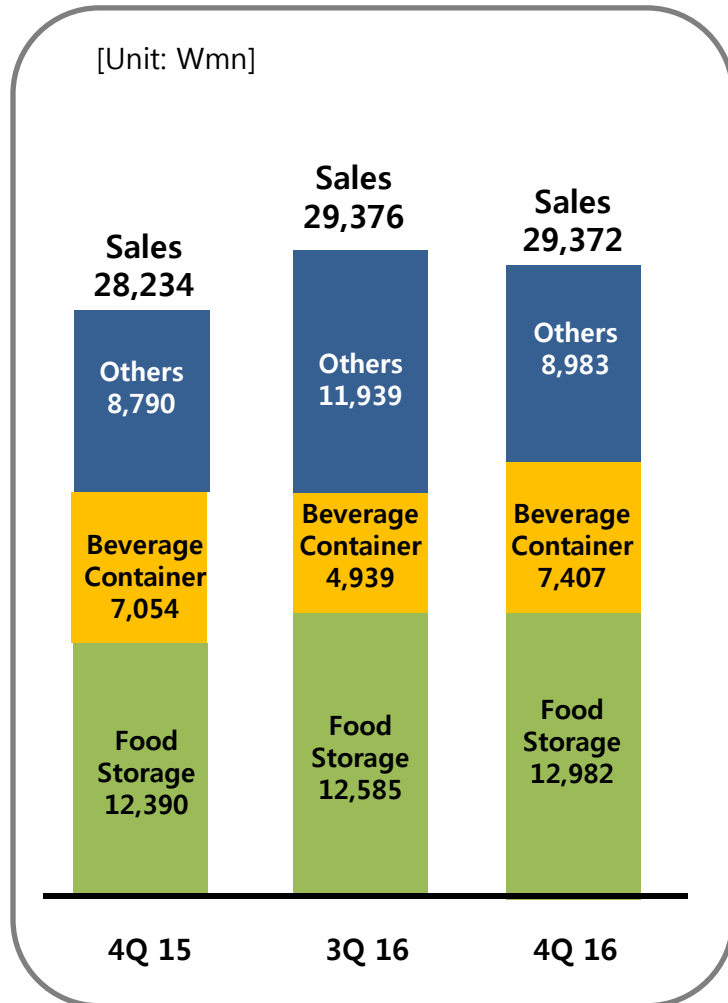
China – Sales by Product & Channel



Division	2014	4Q 15	2015	1Q 16	2Q 16	3Q 16	4Q 16	2016
TV shopping	21.0%	4.4%	7.3%	3.8%	3.8%	3.4%	1.6%	3.1%
Special(B2B)	18.0%	13.6%	15.9%	16.3%	13.7%	13.0%	13.3%	14.0%
Internet	19.0%	38.5%	31.8%	32.6%	31.4%	35.1%	45.2%	36.5%
Wholesale	20.0%	15.7%	20.0%	16.2%	16.8%	16.6%	14.4%	15.9%
Hyper markets	11.0%	11.5%	13.6%	15.3%	13.4%	15.2%	11.4%	13.7%
Brand shop	11.0%	16.3%	11.4%	15.8%	20.9%	16.7%	14.2%	16.8%

Korea – Sales Analysis

Food storage sales increased 4.8% YoY to W13.0bn and beverage container sales increased 5.0% YoY to W7.4bn. others (kitchen/living/cookware) sales increased 2.2% YoY to 9.0bn.



■ Food storage

Plastic container sales increased 6.8% YoY to W4.5bn.

Premium plastic container sales increased 4.9% YoY to W3.6bn.

Glass container sales decreased 14.3% YoY to W1.9bn.

■ Beverage containers

Thermal bottle sales increased 13.8% YoY to W4.7bn.

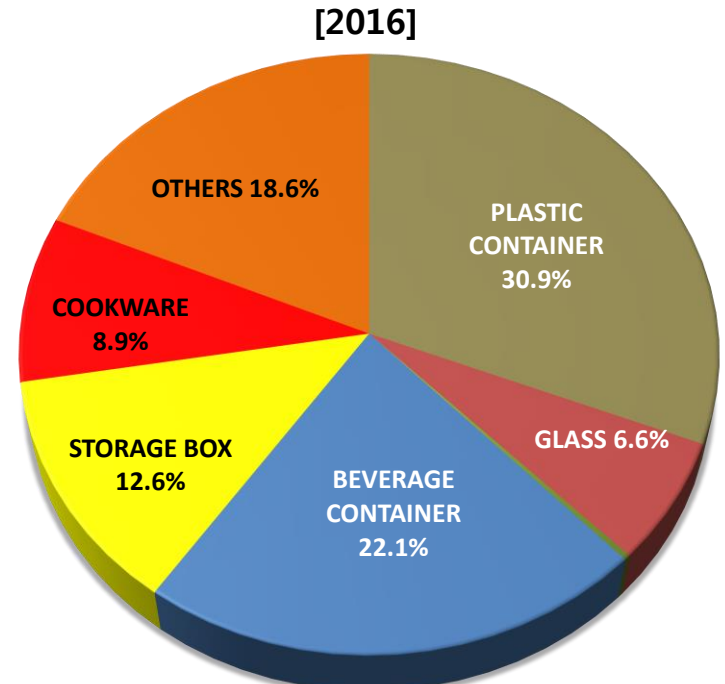
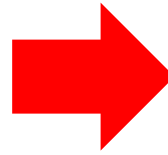
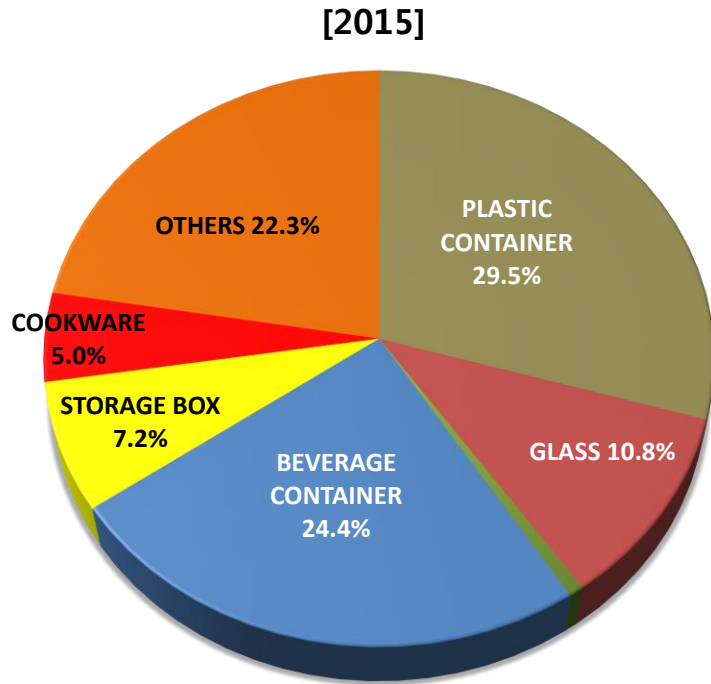
■ Others (kitchen / living / cookware, etc.)

Plastic organizer box sales decreased 25.7% YoY to W1.5bn.

Cookware sales increased 15.3% YoY to W2.7bn.

(Annual total : increased 73.5% YoY to 10.3bn)

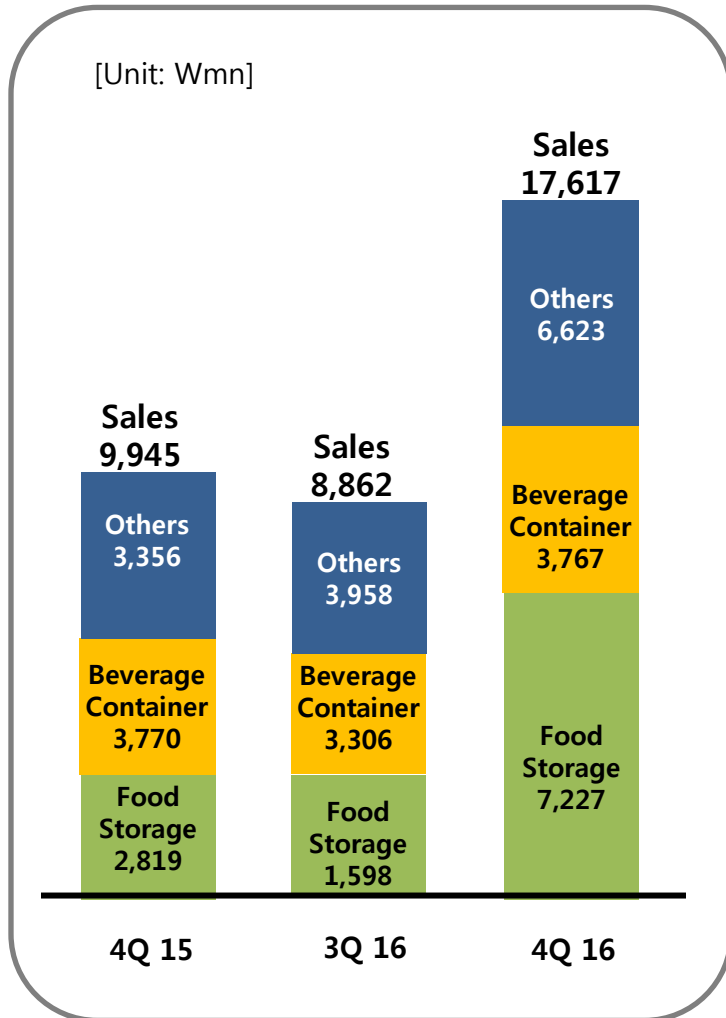
Korea – Sales by Product & Channel



Division	2014	4Q 15	2015	1Q 16	2Q 16	3Q 16	4Q 16	2016
Hyper markets	27.9%	30.6%	30.0%	27.3%	31.2%	24.1%	24.0%	26.6%
TV shopping	20.8%	7.1%	12.0%	12.6%	10.4%	19.9%	9.5%	13.1%
Wholesale	15.3%	14.9%	16.1%	15.2%	12.3%	14.0%	14.3%	13.9%
Special(B2B)	11.3%	14.9%	12.4%	13.7%	9.9%	13.4%	15.2%	13.0%
Brand shop	9.9%	13.3%	13.3%	13.1%	18.1%	10.8%	19.0%	15.3%
Internet	13.4%	19.2%	16.2%	18.1%	18.1%	17.8%	18.0%	18.0%

Southeast Asia – Sales Analysis

Food storage sales increased 156.4% YoY to W7.2bn, beverage container sales decreased 0.1% to YoY W3.8bn, others(kitchen/living/cookware) sales increased 97.3% YoY to W6.6bn.



■ Food storage

Plastic container sales decreased 17.8% YoY to W1.4bn.

Glass container sales increased 510.5% YoY to W5.6bn.

■ Beverage container

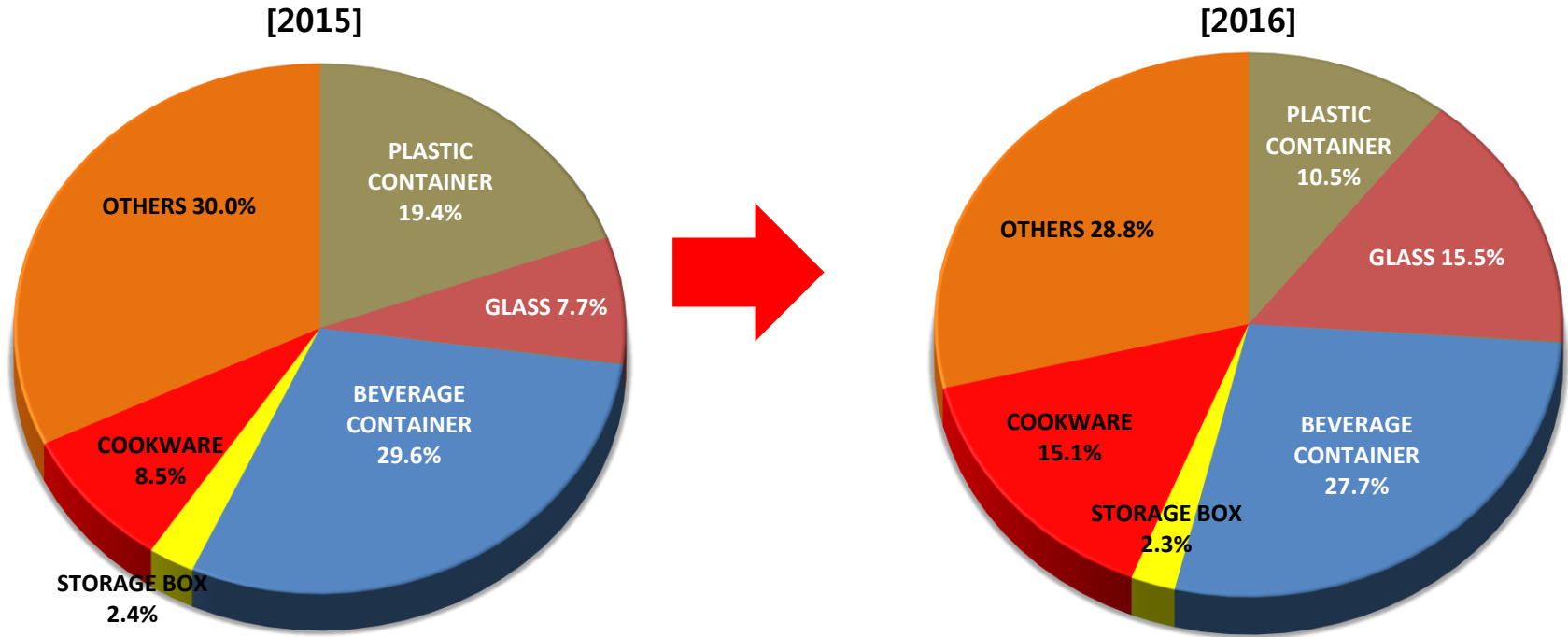
Plastic bottle sales decreased 52.6% YoY to W0.9bn.

Thermal bottle sales increased 28.6% YoY to W1.4bn.

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

Cookware sales increased 394.3% YoY to W3.7bn.

Southeast Asia – Sales by Product & Channel



Division	2014	4Q 15	2015	1Q 16	2Q 16	3Q 16	4Q 16	2016
Special(B2B)	45.6%	49.2%	41.3%	34.1%	46.2%	28.8%	64.8%	48.5%
Brand shop	24.6%	33.1%	36.3%	34.3%	26.3%	32.6%	12.9%	23.3%
Hyper markets	12.5%	8.5%	9.5%	13.0%	16.2%	23.4%	14.0%	16.1%
Wholesale	12.7%	6.8%	10.0%	15.2%	9.1%	11.6%	5.2%	9.0%
TV shopping	3.4%	1.9%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Internet	1.2%	0.5%	0.6%	3.3%	2.2%	3.6%	3.0%	3.0%