

LOCK & LOCK

4Q 15 Earnings Release

5 Feb 2016

4Q 15 Preliminary Earnings

[Unit: Wmm]	2014	2014	2015	QoQ	YoY
	4Q	3Q	4Q		
Sales	106,178	103,618	109,892	6.1%	3.5%
%	100.0%	100.0%	100.0%		
COGS	60,805	56,362	58,162	3.2%	-4.3%
%	57.3%	54.4%	52.9%		
Gross Profit	45,373	47,256	51,730	9.5%	14.0%
%	42.7%	45.6%	47.1%		
Sg&A Expenses	38,400	40,787	38,565	-5.4%	0.4%
%	36.2%	39.4%	35.1%		
Operating Profit	6,972	6,469	13,165	103.5%	88.8%
%	6.6%	6.2%	12.0%		
Pretax income	6,007	3,298	6,605	100.3%	10.0%
%	5.7%	3.2%	6.0%		
Net Profit	-1,403	1,411	3,836	171.8%	-373.4%
%	-1.3%	1.4%	3.5%		

4Q 15 Preliminary Earnings – Sales & Profit Highlights

- Total sales have been up 3.5% YoY to W109.9bn.
 - China domestic sales increased 3.8% YoY to W52.1bn due to On-line channel sales increased.
On-line sales increased 53.2% YoY(T-Mall single's day, H&C(Thermos) sales increased)
 - Korea domestic sales dropped 8.4% YoY to W28.2bn.(Homeshopping sales decreased)
Korea export sales increased 27.5% YoY to W18.8bn(US QVC Homeshopping sales increased)
 - Southeast Asia regional sales increased 16.4% YoY to W9.9bn.
(Vietnam domestic sales increased 9.3% YoY, Indonesia Domestic sales increased 14.7% YoY)
- Operating profit increased 88.8% YoY to W13.2bn (12.0% OPM)
- Net Other Operating loss increased.
 - L&L Ansung Logistics Center happened loss on disposition of tangible assets W2.6bn.
 - Living & Life(Glass factory) subsidiary happened tangible assets impairment losses W4.2bn.

[Unit: Wmm]	2014	2015	YoY
	4Q	4Q	
Payroll	10,073	11,214	11.3%
Advertising	777	1,744	124.3%
Transportation	3,210	3,230	0.6%
Rent	3,819	3,830	0.3%
Sales Commission	4,860	2,323	-52.2%
Others	15,661	16,223	3.6%
Operating Expenses	38,400	38,565	0.4%

※ Based on K-IFRS

[Unit: Wmm]	2014	2015	YoY
	4Q	4Q	
Other Operating profit	2,523	1,372	-45.6%
Gain on Foreign currency translations	190	-411	-316.6%
Gain Foreign currency transactions	1,730	1,291	-25.3%
Others	604	492	-18.5%
Other Operating loss	3,109	7,894	153.9%
Loss on Foreign currency translations	1,202	-1,585	-231.8%
Loss Foreign currency transactions	898	1,572	75.1%
Others	1,009	7,907	683.7%
Net Other Operating profit	-586	-6,522	1013.5%

※ Based on K-IFRS

Summary Financials – Balance Sheet

[Unit: Wmm]

Descriptions	2015	2014	Increase/ Decrease
Current Assets	367,062	394,679	-27,616
Quick Assets	220,297	241,665	-21,368
Inventories	135,362	133,387	1,975
Other Current Assets	11,403	19,626	-8,223
Non-Current Assets	389,407	403,818	-14,410
Investments	45,172	48,295	-3,123
Property&Equipment	289,815	299,921	-10,105
Intangible Assets	10,060	10,210	-150
Deferred Tax Assets	5,520	8,218	-2,698
Other Non-Current Assets	38,840	37,174	1,666
TOTAL ASSETS	756,470	798,497	-42,027
Current Liabilities	110,896	151,508	-40,612
Non-Current Liabilities	5,644	16,619	-10,974
TOTAL LIABILITIES	116,540	168,126	-51,586
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	-13,583	5,101
Earned Surplus	329,394	324,959	4,435
External Shareholder's Equity	80	57	23
TOTAL EQUITY	639,930	630,370	9,559
TOTAL LIABILITIES & EQUITY	756,470	798,497	-42,027

※ Based on K-IFRS

Summary Financials – Income Statement

[Unit: Wmm]

Descriptions	2015	2014	Increase/ Decrease
Sales	407,085	421,612	-14,526
Cost of Goods Sold	217,450	236,403	-18,953
Gross Profit	189,635	185,208	4,427
Selling and Administrative Expenses	154,308	157,890	-3,582
Operating Income	35,327	27,318	8,009
Other Operating Profit and Loss	-11,496	1,139	10,357
Financial Profit and Loss and the rest	827	-2,167	2,994
Income and Loss Before Income Taxes	24,658	26,290	-1,632
Income Tax Expenses	12,110	11,314	796
Net Income	12,548	14,976	-2,428

※ Based on K-IFRS

Sales Breakdown by Region

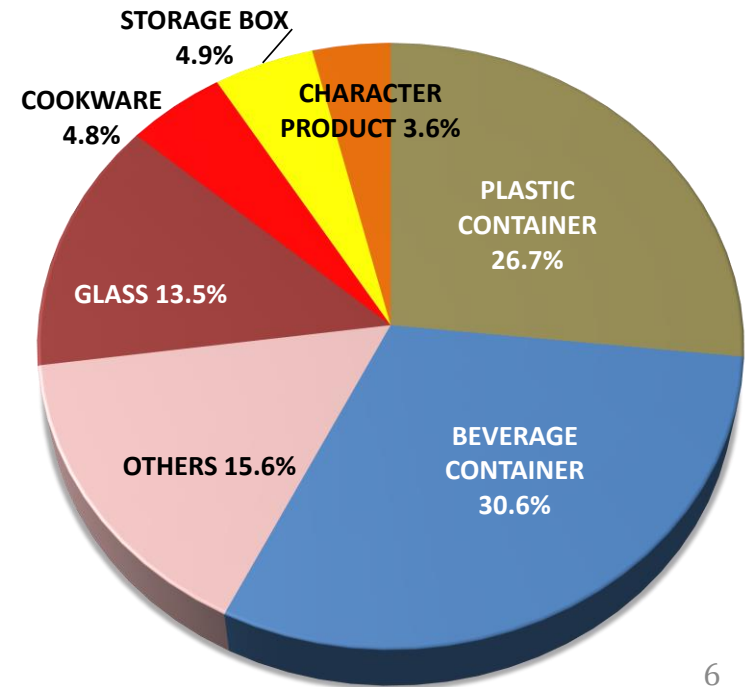
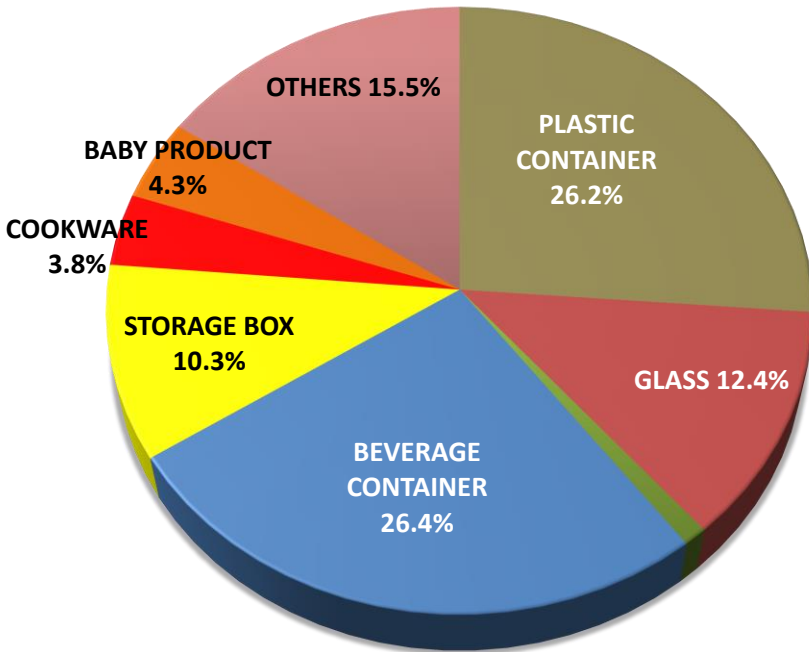
Region	2012	2013	4Q 14	2014	1Q 15	2Q 15	3Q 15	4Q 15	2015
China	51.0%	55.0%	47.0%	45.0%	46.1%	47.4%	45.8%	47.3%	46.7%
Korea	31.0%	26.0%	29.0%	33.0%	30.0%	27.9%	26.4%	25.8%	27.4%
Asia	11.0%	12.0%	17.0%	14.0%	17.0%	19.0%	17.6%	17.3%	17.8%
ROW	7.0%	7.0%	7.0%	8.0%	6.8%	5.7%	10.2%	9.7%	8.2%

※ KOREA: Domestic sales application,

Sales Breakdown by Product

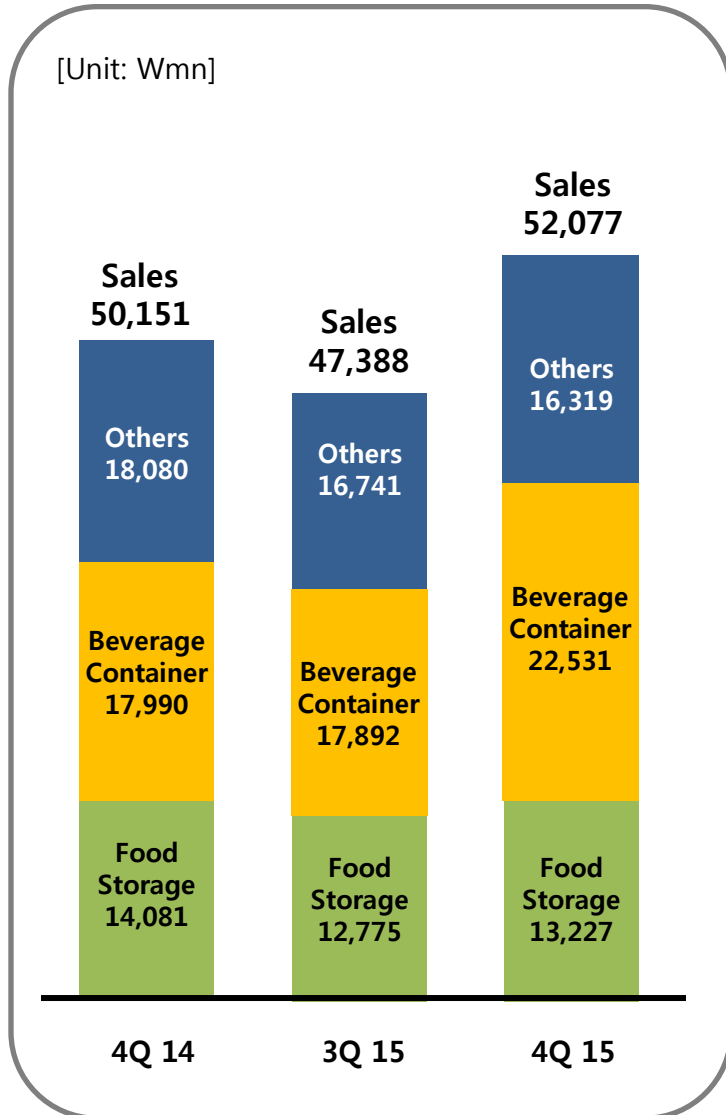
[2014]

[2015]



China – Sales Analysis

Food storage sales decreased 6.1% YoY to W13.2bn and beverage container sales increased 25.2% YoY to W22.5bn, while others (kitchen/ living/cookware) sales have been down 9.7% YoY to W16.3bn.



■ Food storage

Plastic container sales decreased 9.1% YoY to W5.3bn.
Glass container sales decreased 2.9% YoY to W7.9bn.

■ Beverage container

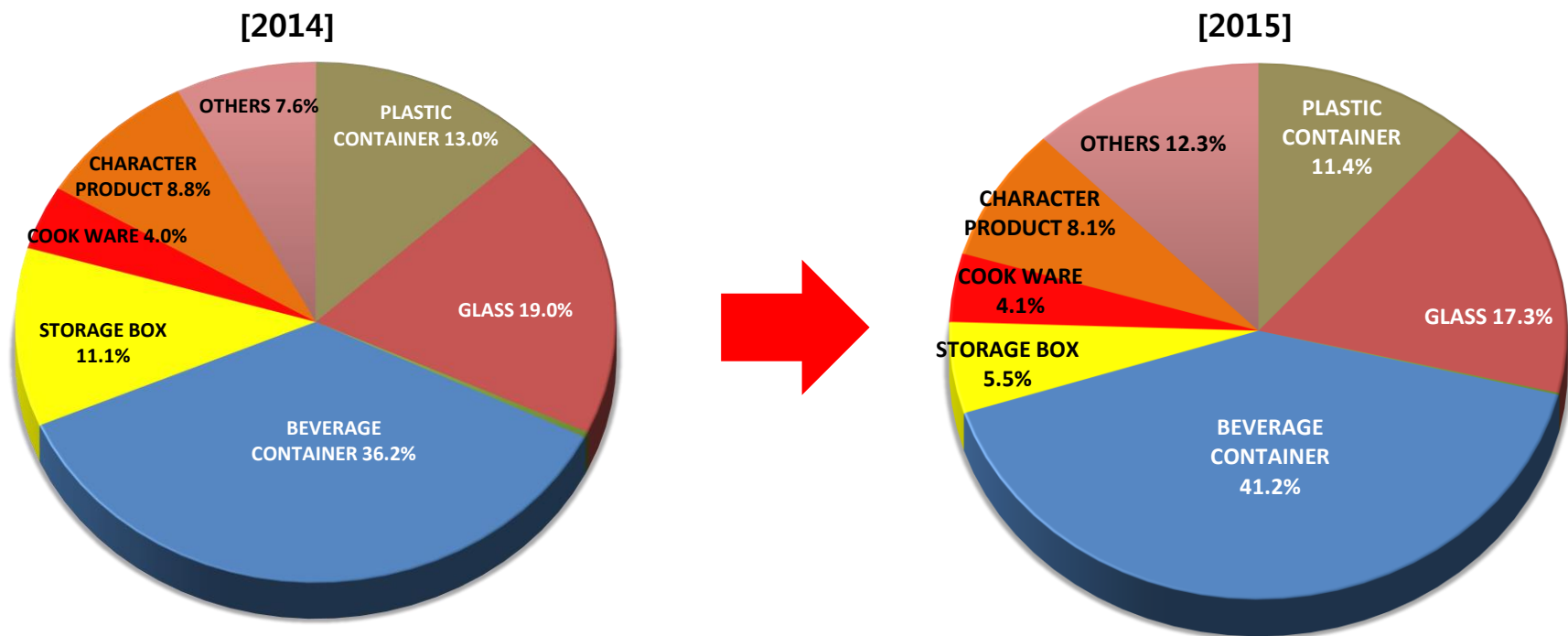
Plastic bottle sales fell 17.0% YoY to W3.2bn.
Thermal bottle sales increased 38.8% YoY to W19.3bn.

(Annual total : increased 32.7% YoY to 45.8bn)

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

Cookware sales increased 175.3% YoY to W2.8bn.
Livingbox sales decreased 37.4% YoY to W2.1bn.
Character product sales decreased 1.8% YoY to W3.3bn.

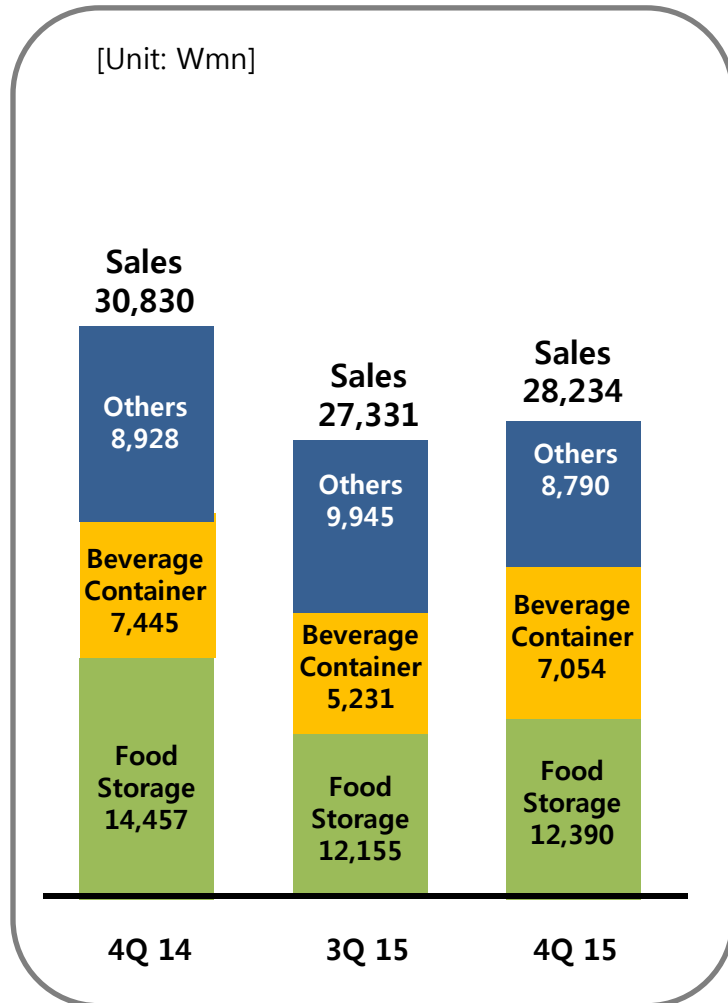
China – Sales by Product & Channel



Division	2013	4Q 14	2014	1Q 15	2Q 15	3Q 15	4Q 15	2015
TV shopping	22.0%	14.0%	21.0%	9.6%	9.6%	6.5%	4.4%	7.3%
Special(B2B)	23.0%	16.0%	18.0%	17.1%	16.1%	17.6%	13.6%	15.9%
Internet	17.0%	23.0%	19.0%	28.6%	32.7%	25.1%	38.5%	31.8%
Wholesale	16.0%	20.0%	20.0%	23.2%	23.2%	19.2%	15.7%	20.0%
Hyper markets	15.0%	10.0%	11.0%	14.4%	12.0%	17.2%	11.5%	13.6%
Brand shop	7.0%	17.0%	11.0%	7.0%	6.3%	14.4%	16.3%	11.4%

Korea – Sales Analysis

Food storage sales fell 14.3% YoY to W12.4bn and beverage container sales decreased 5.3% YoY to W7.1bn. others (kitchen/living/cookware) sales dropped 1.5% YoY to 8.8bn.



■ Food storage

Plastic container sales decreased 9.2% YoY to W4.2bn.

Premium plastic container sales decreased 18.6% YoY to W3.4bn.

Glass container sales decreased 8.6% YoY to W2.2bn.

■ Beverage containers

Thermal bottle sales increased 1.1% YoY to W4.1bn.

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

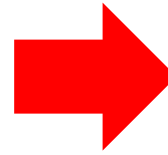
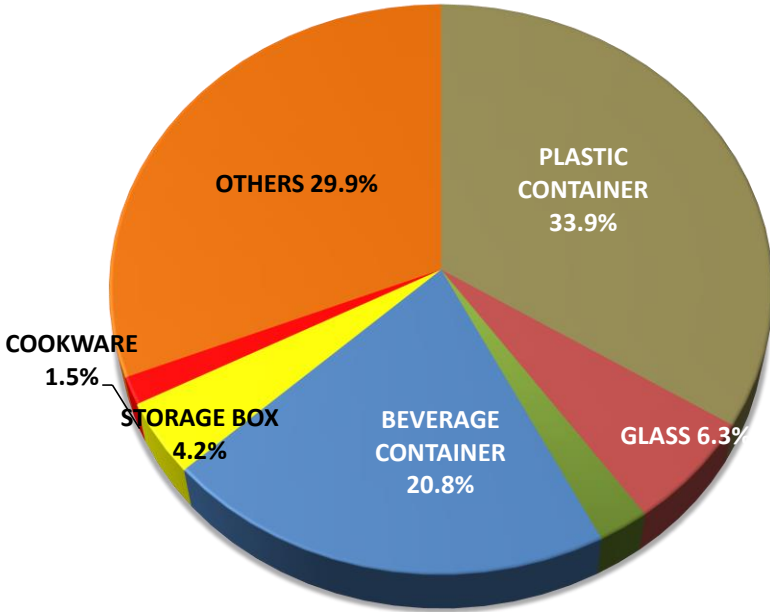
Plastic organizer box sales increased 32.1% YoY to W2.1bn.

Cookware sales increased 442.9% YoY to W2.2bn.

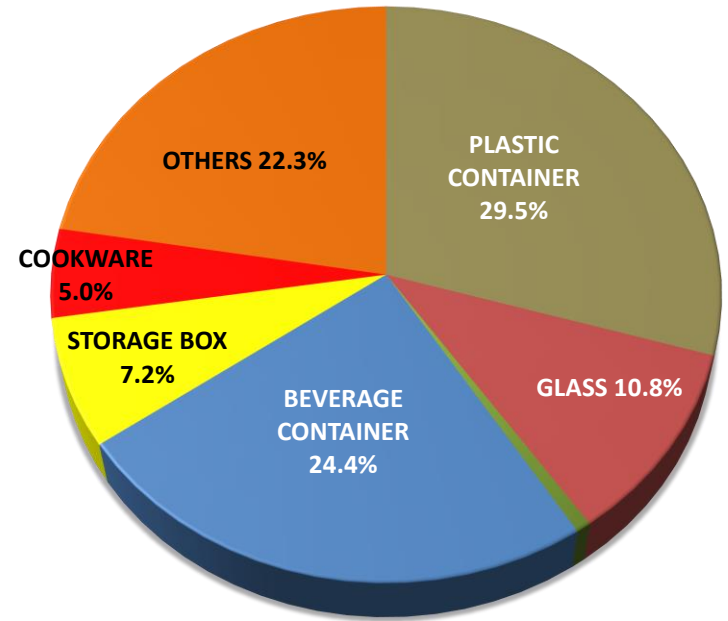
(Cookware brand "Hard & Light" increased 4Q.14 W60mn => 4Q.15 W1.4bn)

Korea – Sales by Product & Channel

[2014]



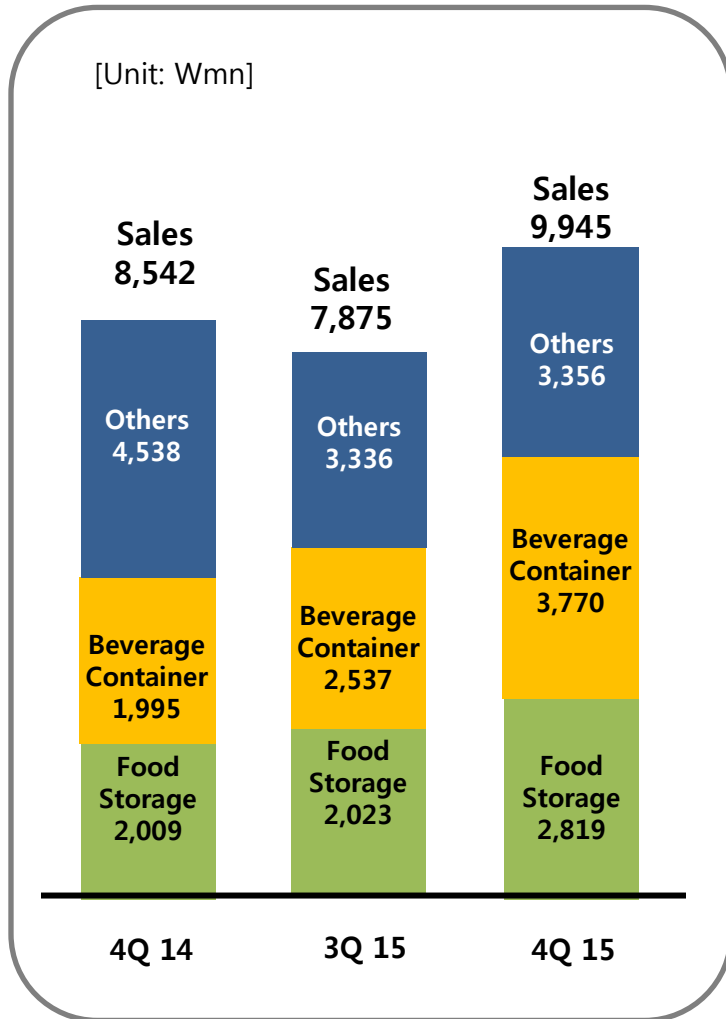
[2015]



Division	2013	4Q 14	2014	1Q 15	2Q 15	3Q 15	4Q 15	2015
Hyper markets	30.0%	28.0%	27.9%	31.4%	30.2%	27.9%	30.6%	30.0%
TV shopping	18.0%	10.9%	20.8%	11.2%	15.4%	14.3%	7.1%	12.0%
Wholesale	15.0%	18.5%	15.3%	15.9%	18.3%	15.4%	14.9%	16.1%
Special(B2B)	14.0%	16.1%	11.3%	14.1%	10.6%	10.0%	14.9%	12.4%
Brand shop	12.0%	10.9%	9.9%	12.6%	11.4%	16.0%	13.3%	13.3%
Internet	11.0%	14.6%	13.4%	14.7%	14.1%	16.3%	19.2%	16.2%

Southeast Asia – Sales Analysis

Food storage sales increased 40.3% YoY to W2.8bn, beverage container sales increased 88.9% to YoY W3.8bn, others (kitchen/living/cookware) sales decreased 26.0% YoY to W3.4bn.



■ Food storage

Plastic container sales increased 76.4% YoY to W1.7bn.
Glass container sales increased 51.1% YoY to W0.9bn.

■ Beverage container

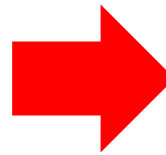
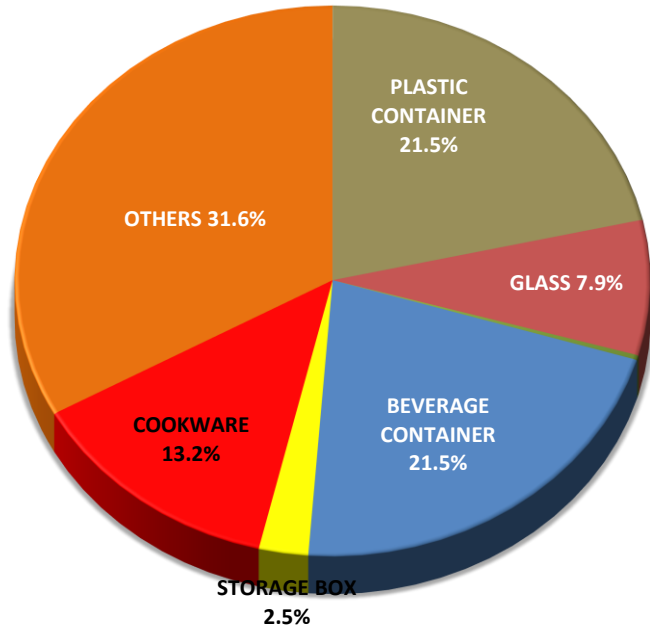
Plastic bottle sales increased 108.8% YoY to W1.9bn.
Thermal bottle sales increased 52.9% YoY to W1.1bn.

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

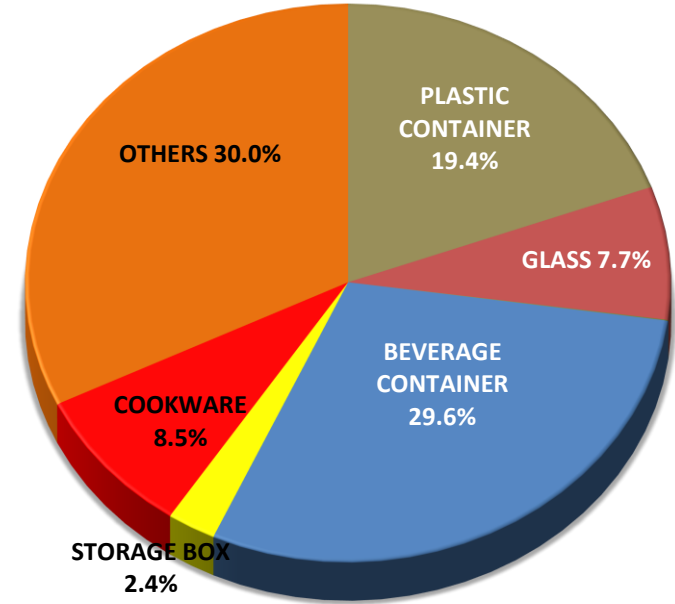
Plastic organizer box sales increased 132.6% YoY to W0.2bn.

Southeast Asia – Sales by Product & Channel

[2014]



[2015]



Division	2013	4Q 14	2014	1Q 15	2Q 15	3Q 15	4Q 15	2015
Special(B2B)	45.0%	50.1%	45.6%	33.3%	39.9%	39.4%	49.2%	41.3%
Brand shop	26.0%	24.8%	24.6%	42.0%	36.1%	35.7%	33.1%	36.3%
Hyper markets	15.0%	9.7%	12.5%	9.9%	9.0%	10.9%	8.5%	9.5%
Wholesale	7.0%	12.6%	12.7%	12.4%	11.0%	11.0%	6.8%	10.0%
TV shopping	4.0%	2.1%	3.4%	1.6%	3.3%	2.5%	1.9%	2.3%
Internet	3.0%	0.7%	1.2%	0.9%	0.7%	0.5%	0.5%	0.6%