



LOCK & LOCK


1Q13 Earnings Release



9 May 2013



Contents

- 
1. 1Q13 Preliminary Earnings
 2. Sales Breakdown by Region
 3. Sales Breakdown by Channel
 4. Sales Breakdown by Product Category
 5. Summary Financials

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1. 1Q13 Preliminary Earnings

[Unit: Wmm]	2012	2012	2013	QoQ	YoY
	1Q	4Q	1Q		
Sales	124,127	118,990	114,022	-4%	-8%
%	100%	100%	100%		
COGS	64,114	67,867	60,175	-11%	-6%
%	52%	57%	53%		
Gross Profit	60,012	51,123	53,847	5%	-10%
%	48%	43%	47%		
Operating Profit	20,572	11,535	20,001	73%	-3%
%	17%	10%	18%		
Pretax income	22,433	12,317	17,221	40%	-23%
%	18%	10%	15%		
Net Profit	17,757	8,796	13,427	53%	-24%
%	14%	7%	12%		

※ Based on K-IFRS

1. 1Q13 Preliminary Earnings – Sales & OP Highlights

- Total sales decreased 8% YoY to W114bn.
 - China domestic sales increased 7% YoY to W63.4bn (10% YoY growth in RMB).
 - Southeast Asia regional sales jumped 13% YoY to W7.2bn (18% YoY growth in USD).
 - Korea domestic sales fell 29% YoY to W26.3bn. Sales through TV shopping remained lackluster.
- Operating profit edged down 3% YoY but surged 73% QoQ to W20bn, yielding 17.5% in margins.
 - Payroll was reduced by W1.5bn from a year ago.
 - Transportation cost and sales commission went down due to weak TV shopping sales in Korea.
- Among other non-operating items, foreign currency translation loss went up by W1.6bn YoY due to FX rate fluctuations.

[Unit: Wmm]	2012	2013	YoY
	1Q	1Q	
Payroll	11,428	9,912	-13%
Advertising	1,022	588	-42%
Transportation	4,181	3,136	-25%
Rent	4,058	3,970	-2%
Sales commission	6,130	4,439	-28%
Others	12,620	11,801	-6%
Operating expenses	39,439	33,846	-14%

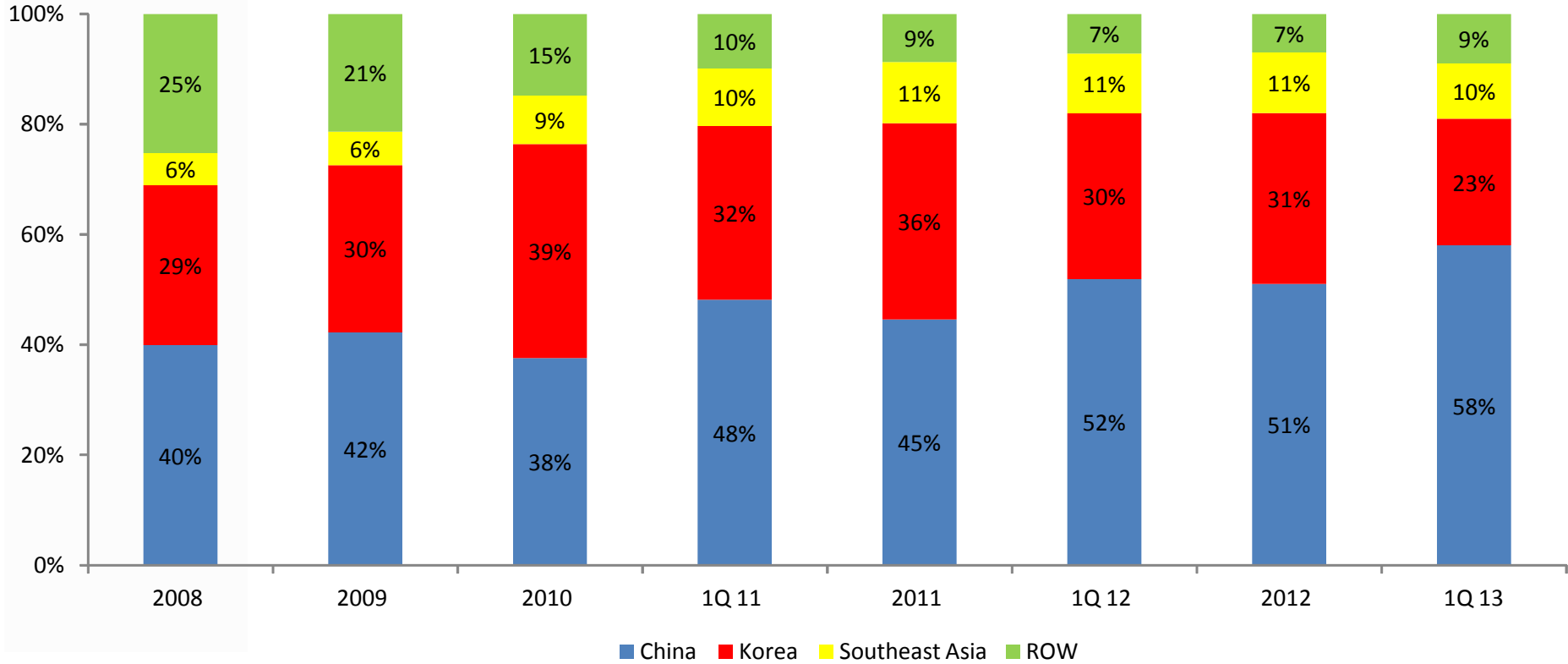
※ Based on K-IFRS

[Unit: Wmm]	2012	2013	YoY
	1Q	1Q	
Other non-operating profit	2,337	2,107	-10%
Foreign currency translations gains	998	810	-19%
Foreign currency transactions gains	1,052	494	-53%
Others	287	804	180%
Other non-operating expenses	1,559	4,373	180%
Foreign currency translations loss	395	1,990	404%
Foreign currency transactions loss	1,072	254	-76%
Others	133	2,129	1505%
Net other non-operating profit	777	-2,265	N/A

※ Based on K-IFRS

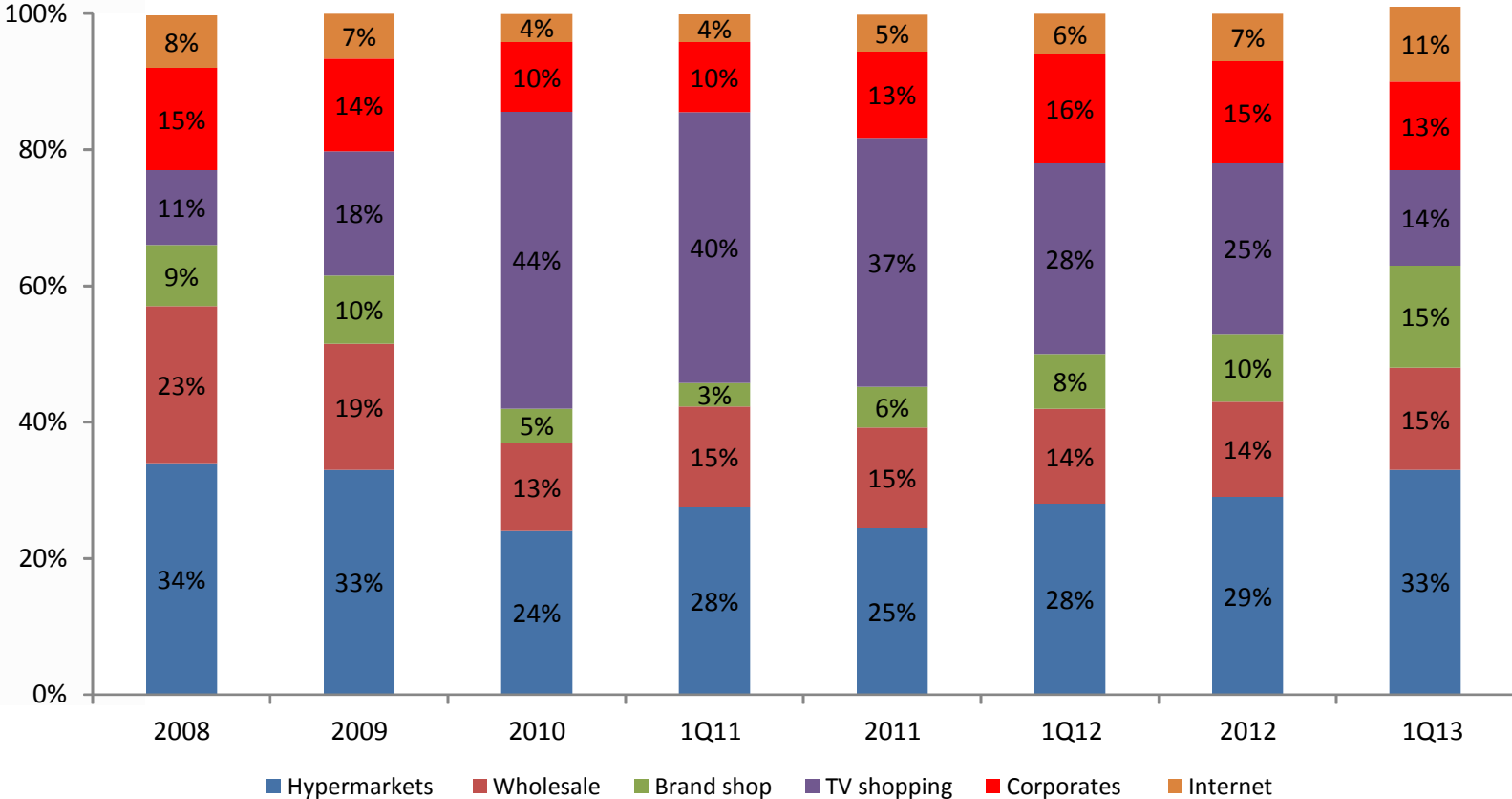
2. Sales Breakdown by Region

Region	2008	2009	2010	1Q 11	2011	1Q 12	2012	1Q 13
China	40%	42%	38%	48%	45%	52%	51%	58%
Korea	29%	30%	39%	32%	36%	30%	31%	23%
Southeast Asia	6%	6%	9%	10%	11%	11%	11%	10%
ROW	25%	21%	15%	10%	9%	7%	7%	9%



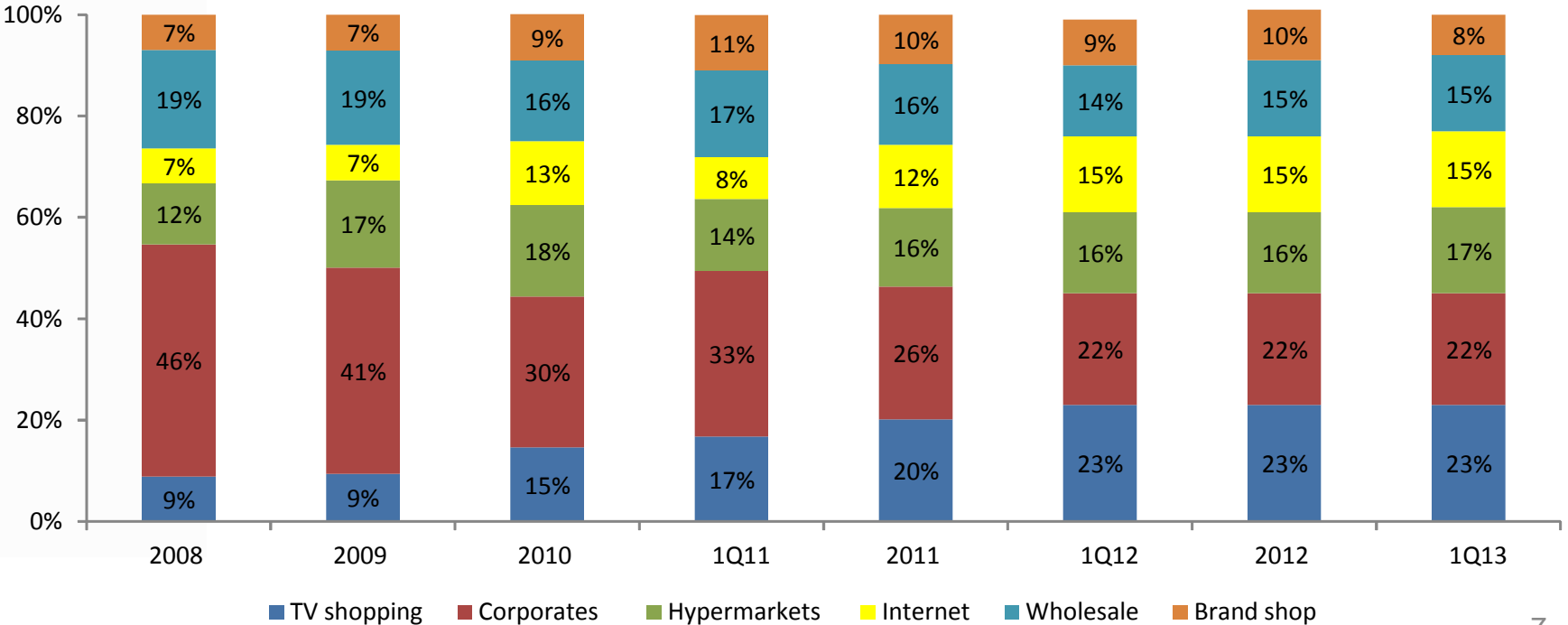
3. Sales Breakdown by Channel – Korea

	2008	2009	2010	1Q11	2011	1Q12	2012	1Q13
Hypermarkets	34%	33%	24%	28%	25%	28%	29%	33%
Wholesale	23%	19%	13%	15%	15%	14%	14%	15%
Brand shop	9%	10%	5%	3%	6%	8%	10%	15%
TV shopping	11%	18%	44%	40%	37%	28%	25%	14%
Corporates	15%	14%	10%	10%	13%	16%	15%	13%
Internet	8%	7%	4%	4%	5%	6%	7%	11%



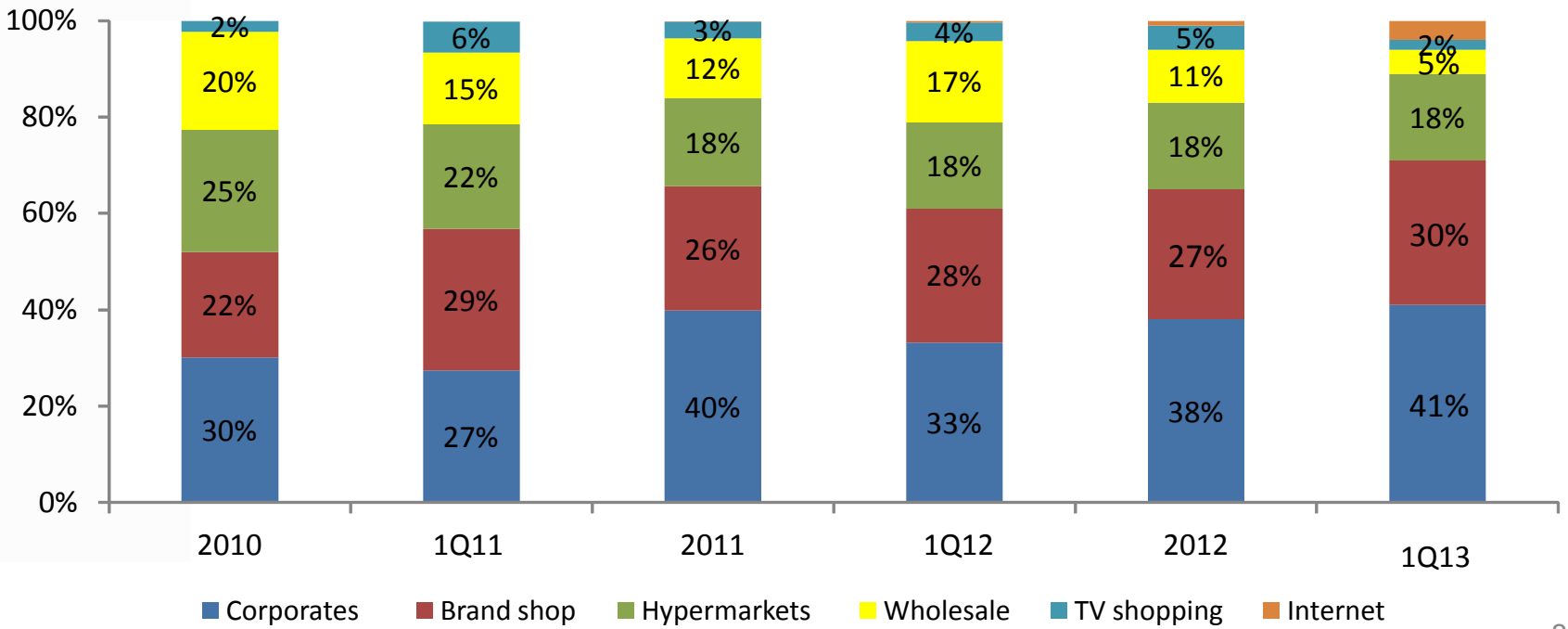
3. Sales Breakdown by Channel – China

	2008	2009	2010	1Q11	2011	1Q12	2012	1Q13
TV shopping	9%	9%	15%	17%	20%	23%	23%	23%
Corporates	46%	41%	30%	33%	26%	22%	22%	22%
Hypermarkets	12%	17%	18%	14%	16%	16%	16%	17%
Internet	7%	7%	13%	8%	12%	15%	15%	15%
Wholesale	19%	19%	16%	17%	16%	14%	15%	15%
Brand shop	7%	7%	9%	11%	10%	9%	10%	8%



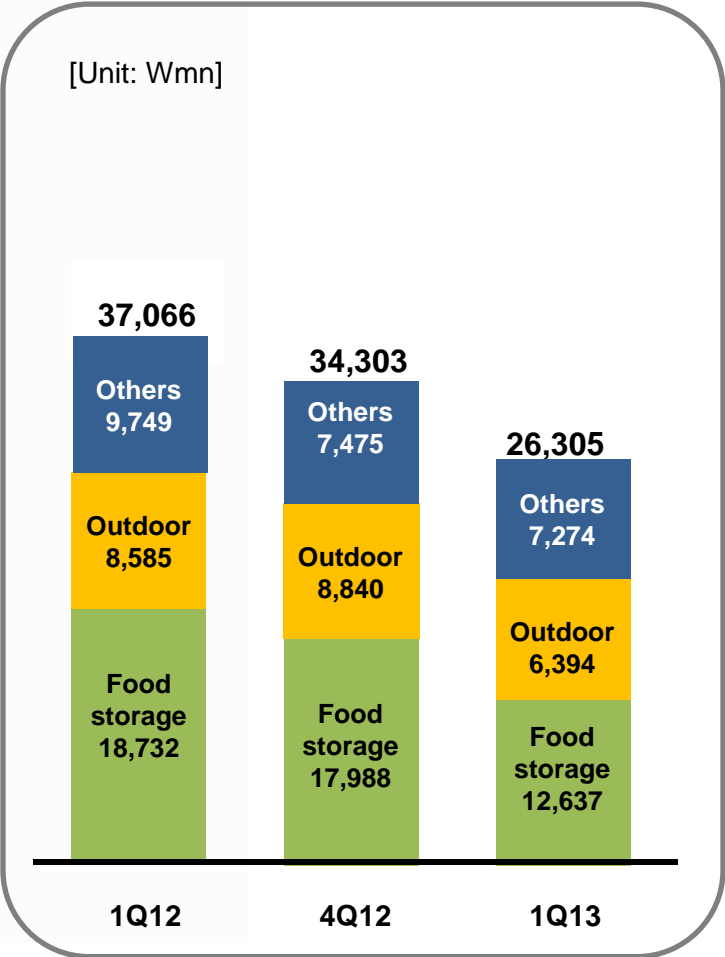
3. Sales Breakdown by Channel – Southeast Asia

	2010	1Q 11	2011	1Q 12	2012	1Q 13
Corporates	30%	27%	40%	33%	38%	41%
Brand shop	22%	29%	26%	28%	27%	30%
Hypermarkets	25%	22%	18%	18%	18%	18%
Wholesale	20%	15%	12%	17%	11%	5%
Internet	0%	0%	0%	0%	1%	4%
TV shopping	2%	6%	3%	4%	5%	2%



4. Sales Breakdown by Product Category – Korea

The sales of food storage container, outdoor and kitchen/living/cookware fell 32% YoY, 25% YoY and 27% YoY to W18bn, W6.4bn and W7.3bn, respectively.



■ Food storage containers

Bisfree (premium plastic) sales dropped 43% YoY to W5.4bn.
Silby (ceramic) sales climbed 13% YoY to W1.7bn.

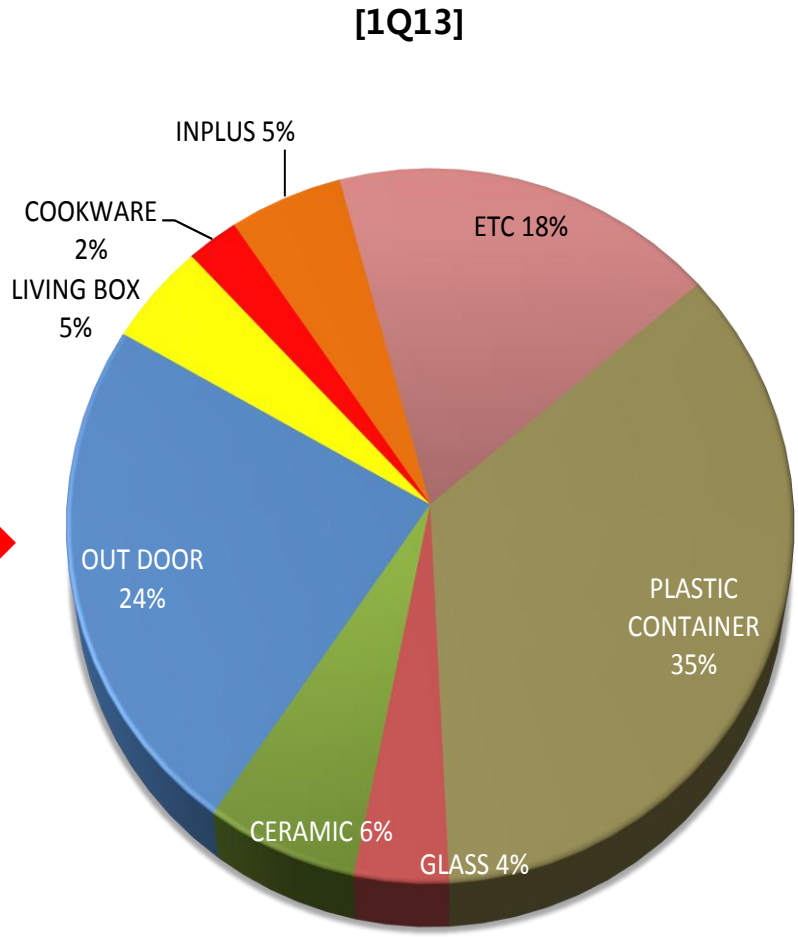
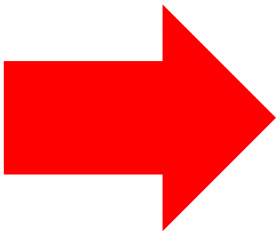
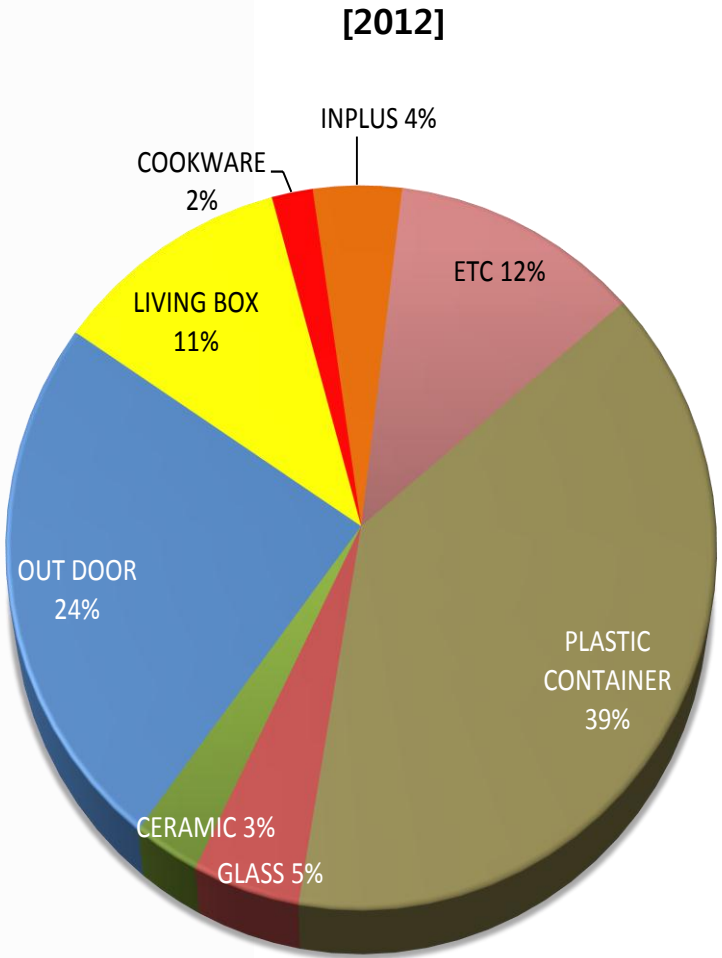
■ Outdoor

Hot&Cool (thermos) sales fell 24% YoY to W2.1bn.

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

Living Box (household goods containers made of fabric) sales slipped 78% YoY to W1.3bn.

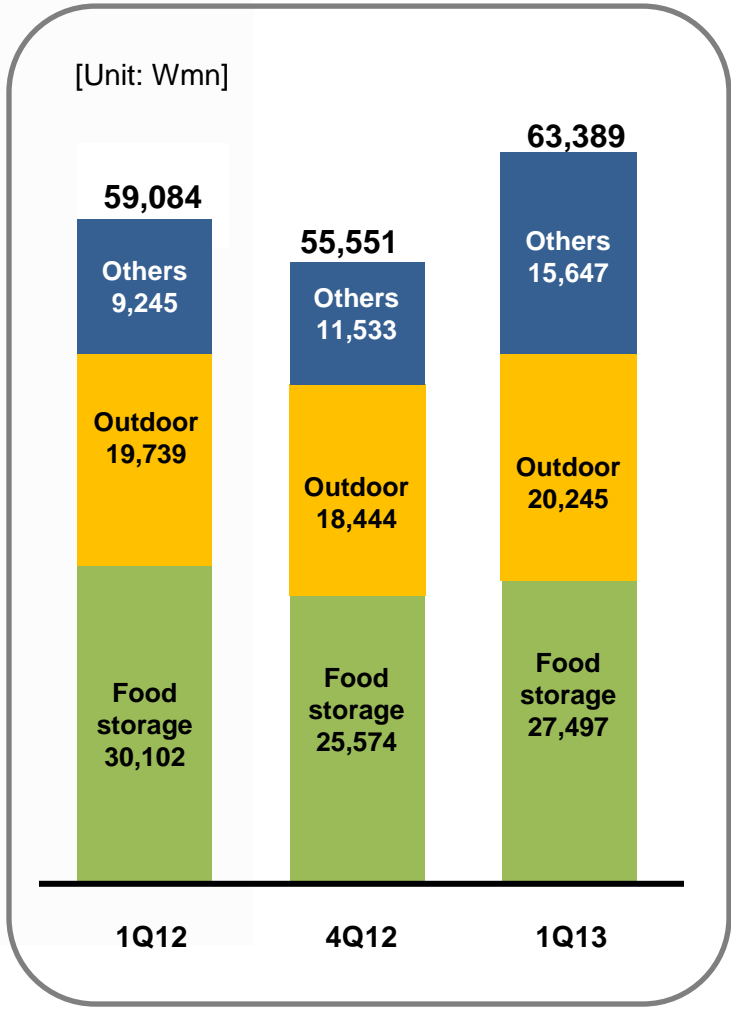
4. Sales Breakdown by Product Category – Korea



※ Based on 2013 Korea domestic sales

4. Sales Breakdown by Product Category – China

Food storage container sales fell 9% YoY to W27.5bn, while the sales of outdoor and kitchen/living/cookware grew 3% YoY and 69% YoY to W20.2bn and W15.6bn, respectively.



- Food storage containers**
 Glass container sales edged down 6% YoY to W15.3bn.

- Outdoor**
Hot&Cool (thermos) sales rose 4% YoY to W8.4bn.

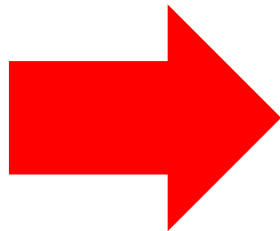
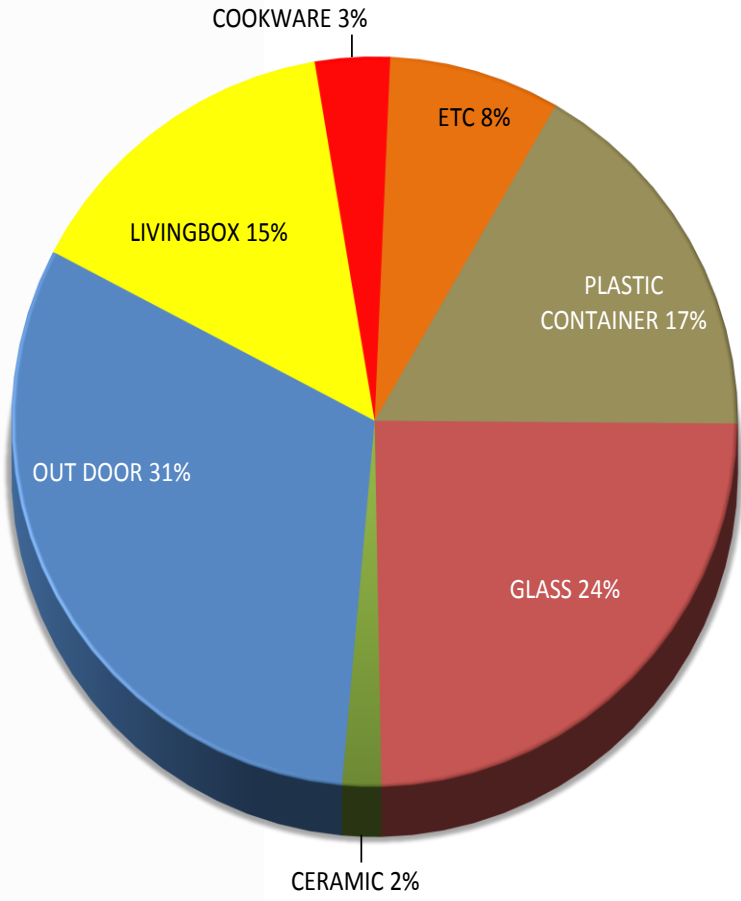
- Others (kitchen/living/cookware, etc.)**
Living Box (household goods containers made of fabric) sales dipped by 5% YoY to W8.2bn.

- Cookplus* (cookware) sales rose 69% YoY to W3.5bn on penetration into hypermarkets.

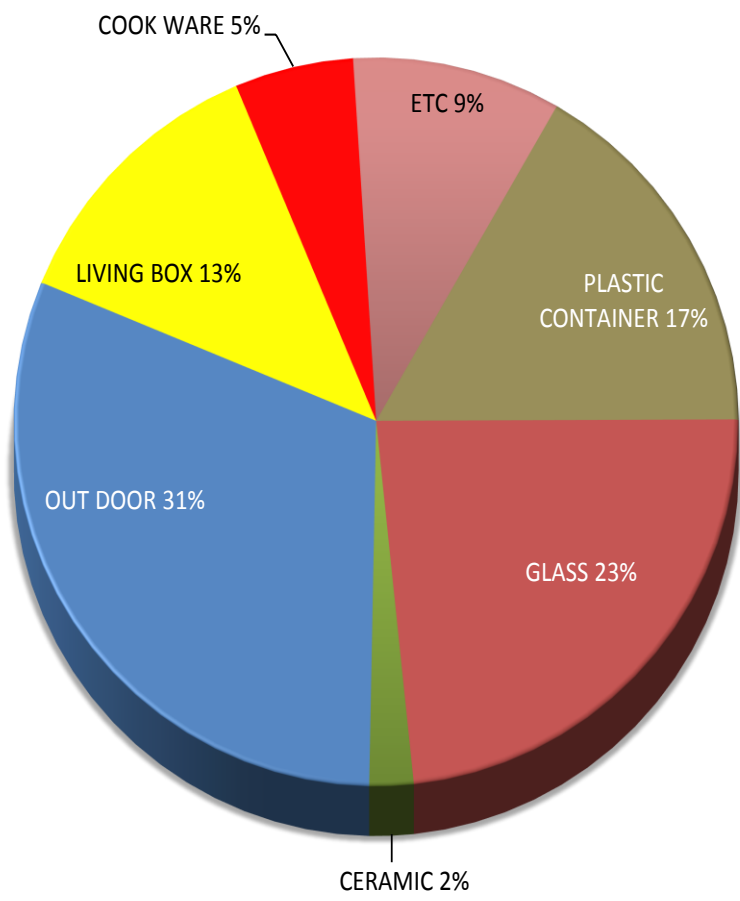
- ※ Baby products were launched in late March, thereby making little contribution to 1Q13 sales. Positive impact is expected from 2Q13.

4. Sales Breakdown by Product Category – China

[2012]

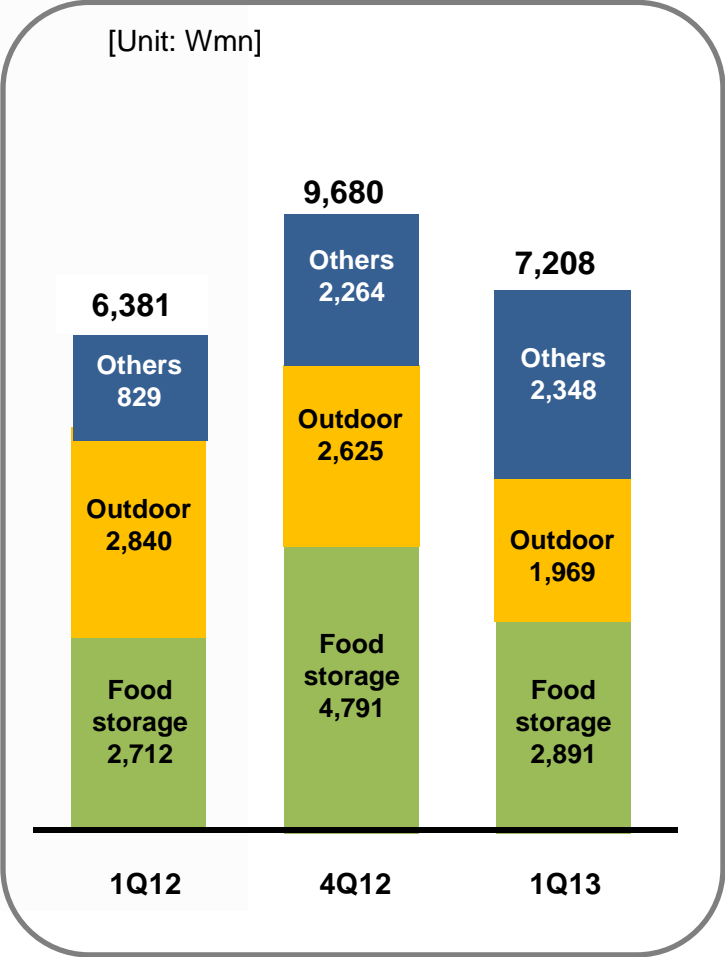


[1Q13]



4. Sales Breakdown by Product Category – Southeast Asia

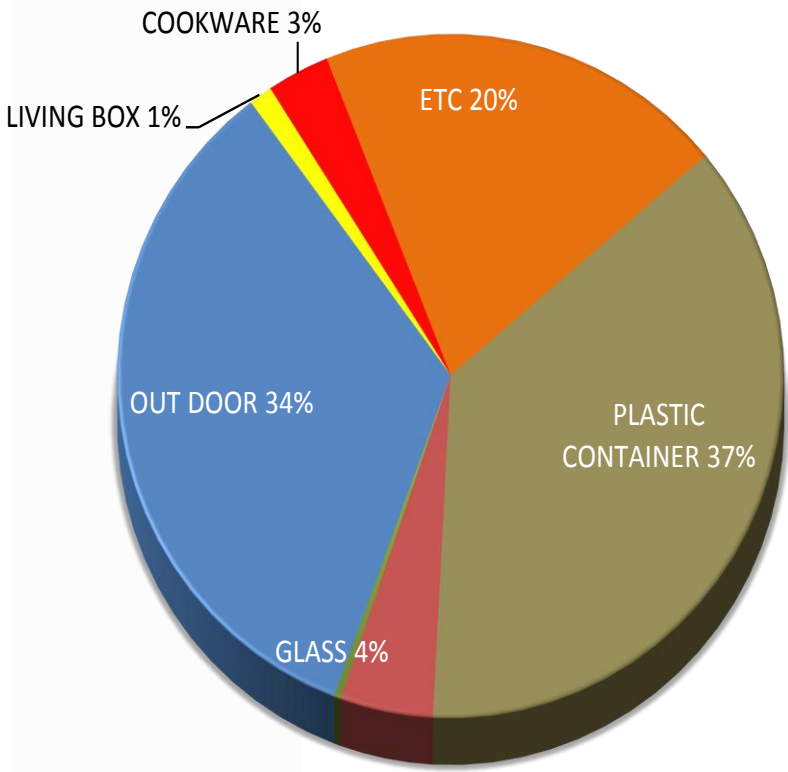
Food storage container sales grew 7% YoY to W2.9bn, while outdoor sales fell 31% YoY to W2bn. The sales of kitchen/living/cookware soared 183% YoY to W2.3bn.



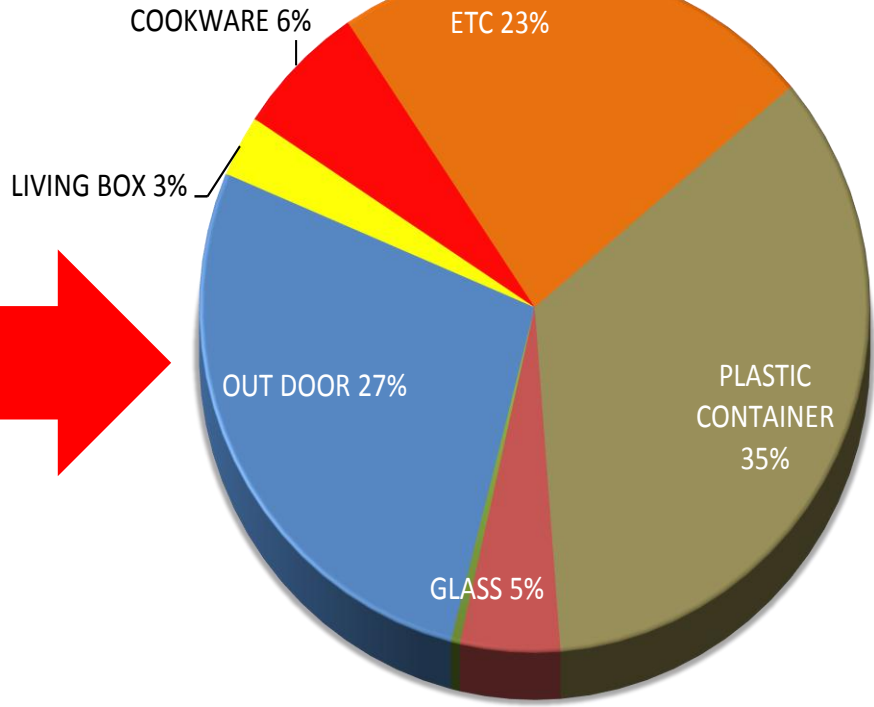
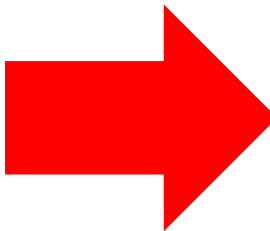
- Food storage containers
Plastic and glass container sales to corporate customers were slightly stronger than a year ago.
- Others (kitchen/living/cookware, etc.)
Upbeat sales of cookware and *Living Box* (household goods containers made of fabric) to corporate customers and through brand shops drove this category's growth.

4. Sales Breakdown by Product Category – Southeast Asia

[2012]



[1Q13]



5. Summary Financials – Balance Sheet

[Unit: Wmn]

Descriptions	1Q 13	2012	Increase/ Decrease
Current Assets	438,463	405,478	32,984
Quick Assets	311,745	279,854	31,891
Inventories	108,729	107,596	1,133
Other Current Assets	17,988	18,028	-40
Non-Current Assets	356,302	352,427	3,875
Investments	12,222	12,475	-253
Property&Equipment	290,921	286,873	4,048
Intangible Assets	14,058	14,240	-182
Deferred Tax Assets	4,586	5,398	-813
Other Non-Current Assets	34,515	33,440	1,075
TOTAL ASSETS	794,765	757,905	36,859
Current Liabilities	154,640	142,128	12,513
Non-Current Liabilities	30,694	30,805	-111
TOTAL LIABILITIES	185,334	172,932	12,402
Capital Stock	27,500	27,500	0
Additional Paid-in and Other Capital	314,809	314,809	0
Capital Adjustment	-19,177	-19,116	-61
Accumulated Other Comprehensive Income	658	-14,770	15,428
Earned Surplus	285,486	276,405	9,080
External Shareholder's Equity	155	145	11
TOTAL EQUITY	609,431	584,973	24,457
TOTAL LIABILITIES & EQUITY	794,765	757,905	36,859

※ Based on K-IFRS

5. Summary Financials – Income Statement

[Unit: Wmn]

Descriptions	1Q 13	1Q 12	Increase/ Decrease
Sales	114,022	124,127	-10,105
Cost of Goods Sold	60,175	64,114	-3,939
Gross Profit	53,847	60,013	-6,166
Selling and Administrative Expenses	33,846	39,440	-5,594
Operating Income	20,001	20,573	-572
Other Operating Profit and Loss	-2,265	737	1,529
Financial Profit and Loss and the rest	-516	1,124	-1,639
Income and Loss Before Income Taxes	17,220	22,433	-5,213
Income Tax Expenses	3,793	4,676	-883
Net Income	13,427	17,757	-4,329

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