

Earnings Release for 1st Quarter of 2014

Investor Relations

The background features a large, vibrant red flower in the center. Surrounding it are various colorful icons including a shopping basket, a lightbulb, a globe, a fork and spoon, a heart, and a gift box. The background is decorated with abstract white and red curved lines and circles.

The data and information stated or implied in the material contain certain forward-looking statements that are subject to known and unknown risks and uncertainties that may cause actual results to differ from those stated or implied.





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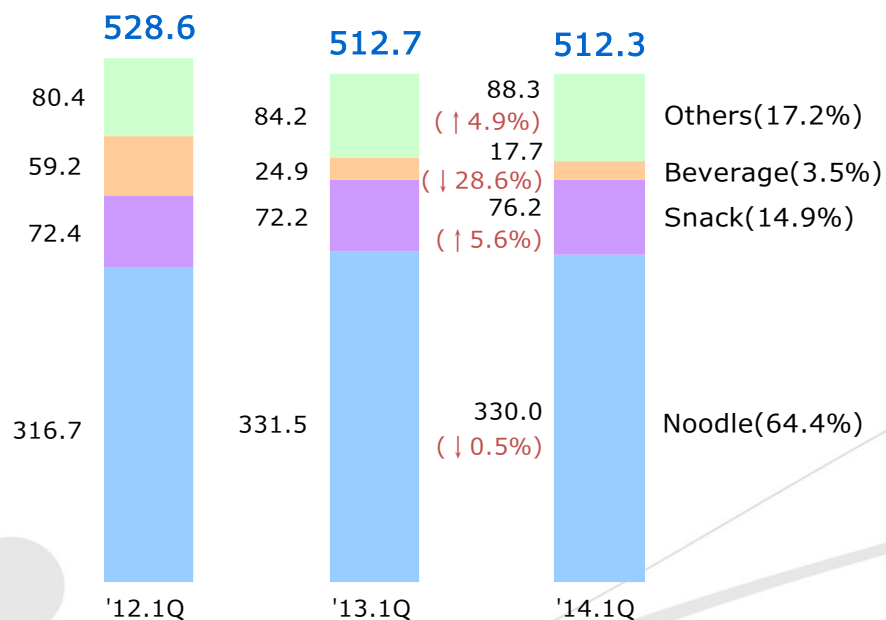
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I. Business Performance in 1st Quarter of '14

1. Sales(Excluding overseas affiliates)

Sales Break-down

Unit : krw bn



Business Performance in 1st Quarter of '14

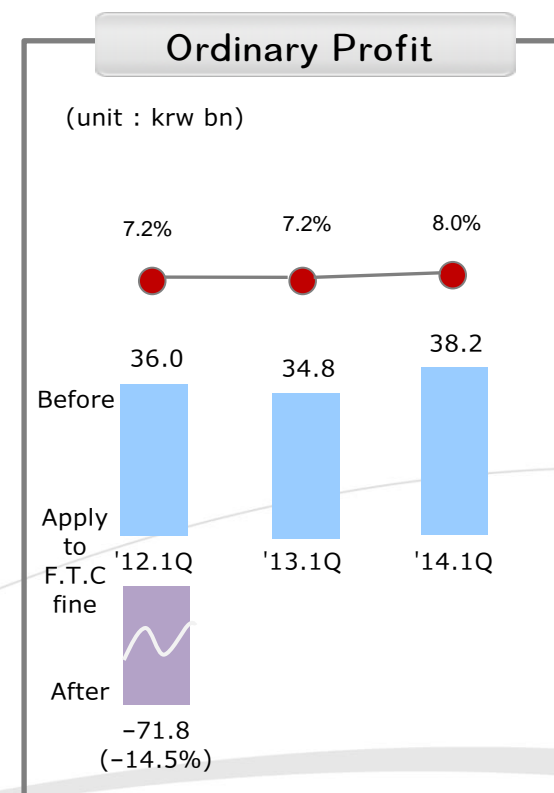
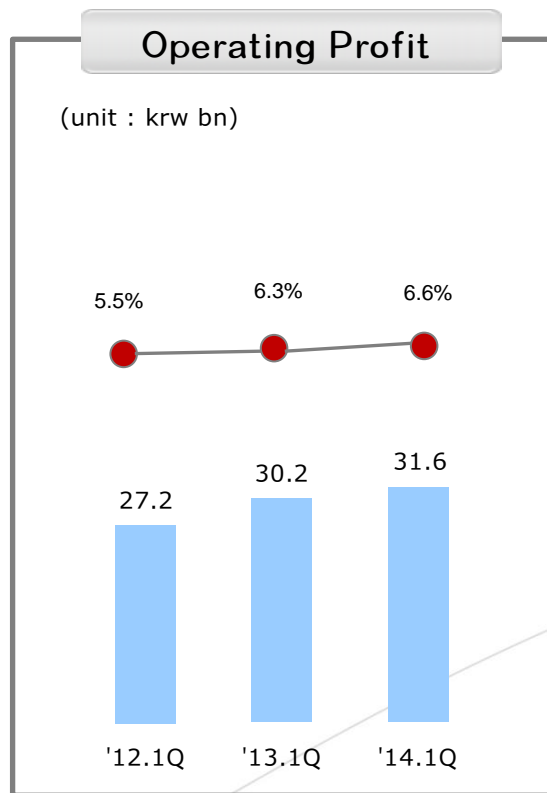
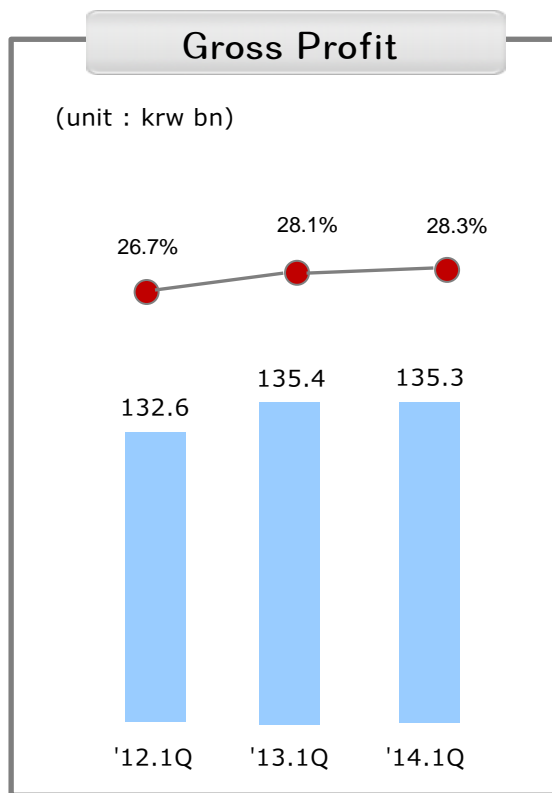
- Overall sales decreased 0.1% year on year
- Noodle
 - Sales decreased due to a decline in volume
- Snack
 - Strong sales of flour based snacks
 - The increase in prices(Feb. '14)
- Beverage
 - Sluggish sales in main brands
- Others
 - Export sales increased

※ Sales are excluding sales commission (liabilities of estimated Return goods, sales rebate).

※ Figures in parenthesis are proportions of each business division.

1. Business Performance in 1st Quarter of '14

2. Profitability(Excluding overseas affiliates)



※ K-IFRS applies

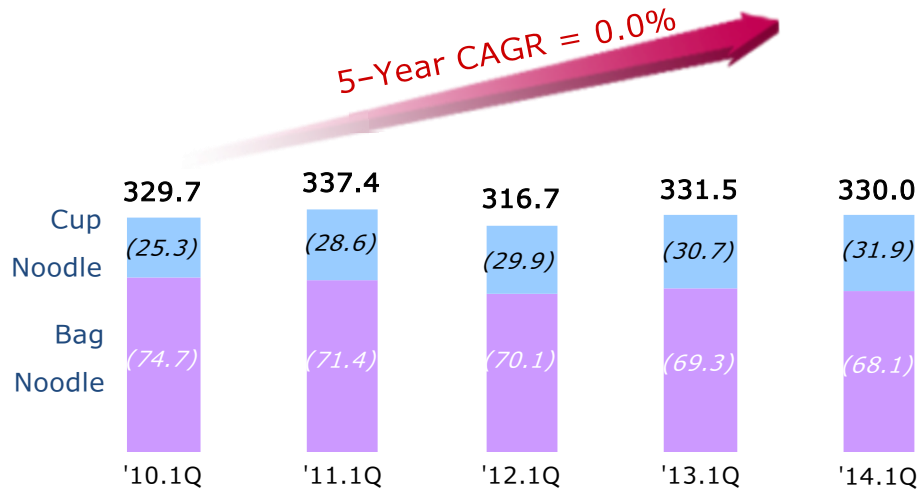
- The mark-up in snacks contributed to increased gross profit margin slightly
- SG&A cost ₩105.2bn(21.8%) → ₩103.6bn(21.7%)
- Transportation and Storage Expenses ₩18.2bn(3.8%) → ₩17.5bn(3.7%)
- Foreign exchange profit -₩3.2bn → -₩0.7bn

II. Performance by Divisions

1. Noodle Division

Sales Trend of Noodle Division

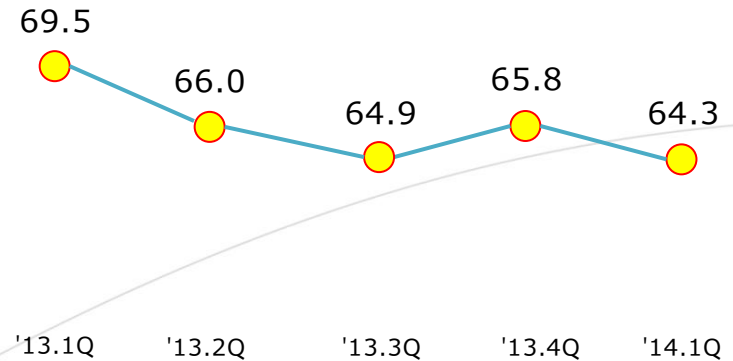
(Unit : krw bn, %)



※ Figures in parenthesis represent total percent data.

The Trend of Nongshim M/S in total Noodle Market

(Unit : %)



※ Figures represent AC. Nielsen RI M/S data.

● Sales decreased by 0.5% year on year

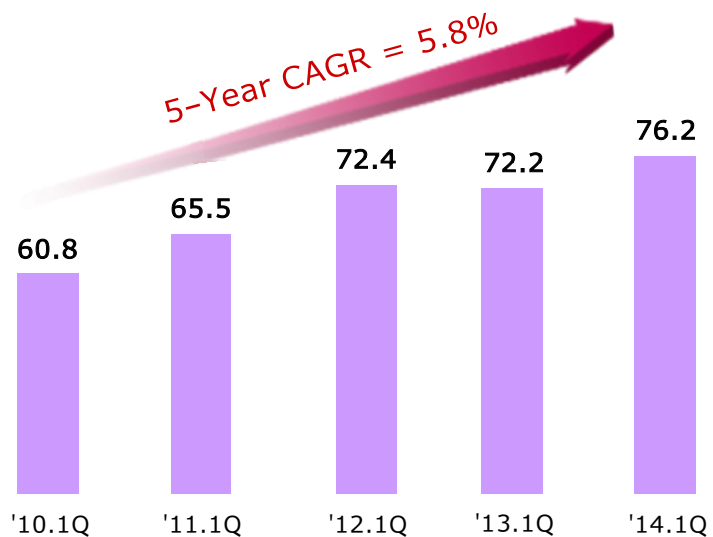
- Sales of pillow-type noodles was weak(↓ 2.3%)
Sales of cup noodles increased by 3.6%
- Sales decline in Chapaggetti

II. Performance by Divisions

2. Snack Division

Sales Trend of Snack Division

(unit: krw bn)

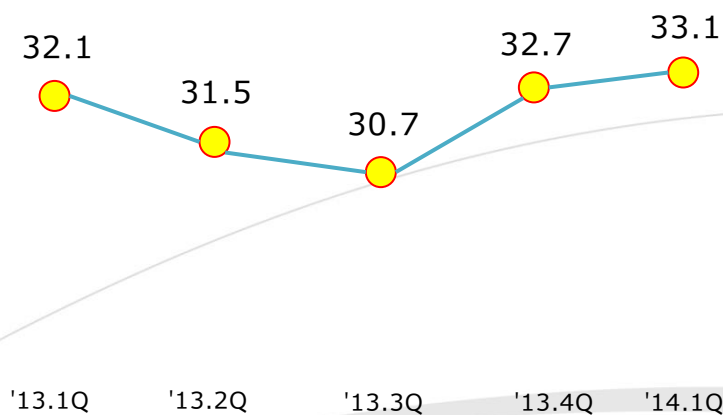


※ Source : Nongshim

● Sales increased by 5.6% year on year

The Trend of Nongshim M/S in total Snack Market

(unit: %)



※ Figures represent AC. Nielsen RI M/S data.

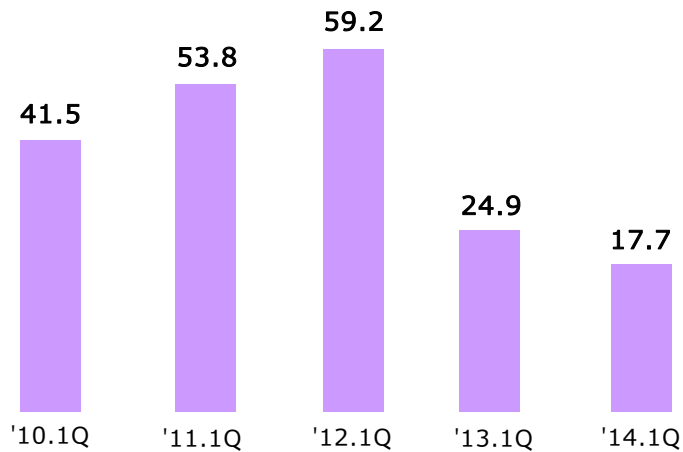
- Sales of flour based snacks increased by 28.9%
- The rise in price on February 2014

II. Performance by Divisions

3. Beverage Division & Others

Sales Trend of Beverage Division

(unit: krw bn)

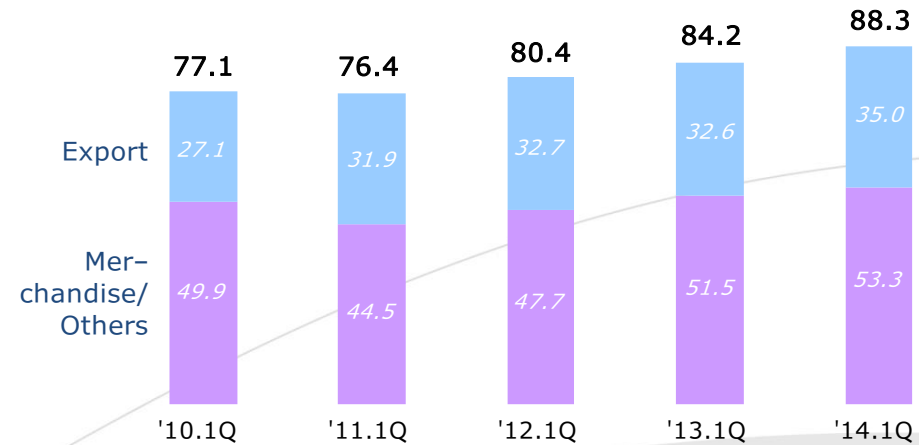


※ Source : Nongshim

- Sales decreased by 28.6% year on year
 - Sales of main items(Welch's, Caprisun) stagnated

Sales Trend of Merchandise & Export

(unit: krw bn)



※ Source : Nongshim

- Sales increased by 4.9% year on year
 - Merchandise/Others(↑ 3.4%) :
Sales rise in Kellogg's cereal(↑ 3.6%)
 - Export(↑ 7.3%) to Europe and South-East Asia increased

Appendix.

1. Summary of Financial Statements(Excluding overseas affiliates)

Balance Sheet

(unit: krw bn, %)

Account	'10	'11	'12	'13	'14.1Q
Total Assets	2,113.6	2,170.4	2,093.4	2,129.9	2,166.4
Cash/Deposits	497.9	493.0	435.4	480.9	510.6
Trade Receivables	147.0	158.2	157.8	155.6	171.4
Inventories	103.5	128.5	120.8	129.4	120.8
Investment	181.3	198.2	198.0	258.3	258.6
Tangible Assets	933.9	930.4	923.2	885.6	883.2
Total Liabilities	675.3	692.1	652.4	622.7	653.4
Trade Payables	307.3	313.9	277.2	280.2	266.6
Short-term Borrowings	58.9	101.0	85.7	73.9	77.0
Long-term Borrowings					
Total shareholders' equity	1,438.3	1,478.3	1,441.0	1,507.2	1,513.0
Shareholders' equity	30.4	30.4	30.4	30.4	30.4
D/E Ratio	47.0	46.8	45.3	41.3	43.2
Net Cash	439.0	392.0	349.7	407.0	433.6
BPS(₩)	236,456	243,040	236,906	247,785	248,739

※ K-IFRS applies

Income Statement

(unit: krw bn, %)

Account	'11	'12	'13	'13.1Q	'14.1Q
Sales					
Ramyun	1,290.3	1,278.8	1,322.8	331.5	330.0
Snack	273.3	276.5	290.9	72.2	76.2
Beverage	251.1	258.4	91.5	24.9	17.7
Others	278.7	282.0	295.8	84.2	88.3
Total	2,093.4	2,095.7	2,001.0	512.7	512.3
Gross profit	506.9	524.1	513.4	135.4	135.3
Operating Income	98.2	101.8	92.1	30.2	31.6
Ordinary Income	127.9	34.0	122.8	34.8	38.2
Net Income	86.2	0.2	92.6	26.2	28.9
Sales growth rate *	4.2%	-0.6%	-4.5%	-2.9%	-0.7%
Rp growth rate *	-27.7%	-73.4%	260.8%		10.0%
Op Margin	5.0%	5.2%	4.9%	6.3%	6.6%
Rp Margin	6.5%	1.7%	6.6%	7.2%	8.0%
EPS (₩)	14,902	36	16,016		
ROE (%)	5.9	0.0	6.1		

※ *compared to previous year
Sales are excluding sales commission (liabilities of estimated Return goods, sales rebate)
K-IFRS applies

Appendix.

2. Summary of Financial Statements(Including overseas affiliates)

Balance Sheet

(unit: krw bn)

	'14.1Q	FY2013
Assets	2,247.7	2,215.4
Current Assets	956.2	918.3
Non-current Assets	1,291.6	1,297.1
Liabilities	726.3	698.7
Current Liabilities	614.2	587.4
Non-current Liabilities	112.1	111.3
Equity	1,521.4	1,516.7
Controlling Interest	1,504.3	1,499.1
- Share Capital	30.4	30.4
- Share Premium	123.7	123.7
- Other Reserves	(85.8)	(84.9)
- Retained Earnings	1,436.0	1,429.9
Minority Interest	17.1	17.5

Income Statement

(unit: krw bn)

	'14.1Q	'13.1Q
Sales	542.3	532.0
Cost of Sales	(384.6)	(379.7)
Gross Profit	157.7	152.3
SG&A	(124.4)	(121.9)
Operating Profit	33.3	30.4
- Other Income	4.7	4.1
- Other Costs	(1.3)	(0.8)
- Finance Income	4.5	5.0
- Finance Costs	(2.4)	(4.8)
Profit before Income Tax	38.8	33.9
Net Profit	29.0	24.8