

Earnings Release for 3rd Quarter of 2014

Investor Relations



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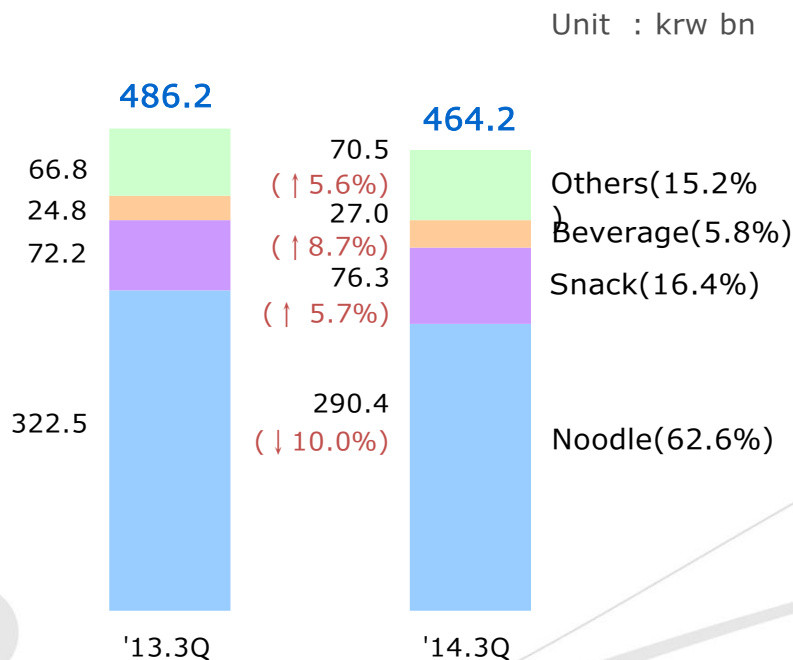
- Noodle Division
- Snack Division
- Beverage Division / Others

Appendix

I. Business Performance in 3rd Quarter of '14

1. Sales(Excluding overseas affiliates)

Sales Break-down



Business Performance in 3rd Quarter of '14

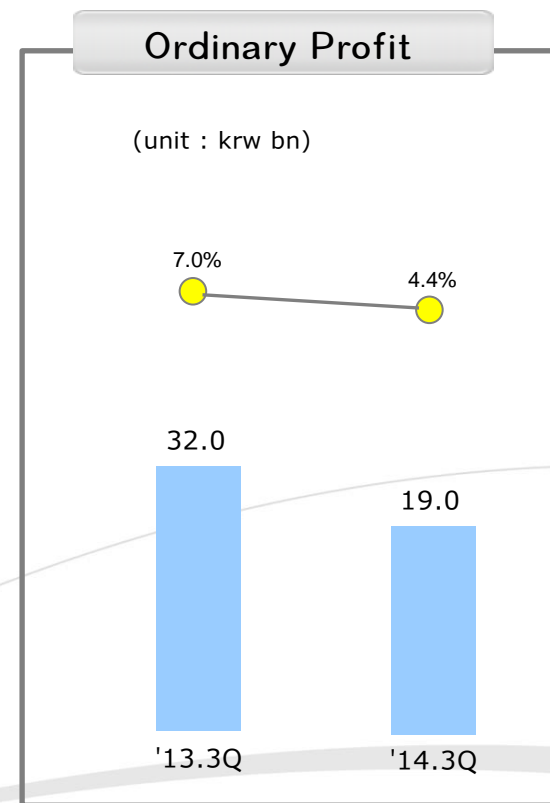
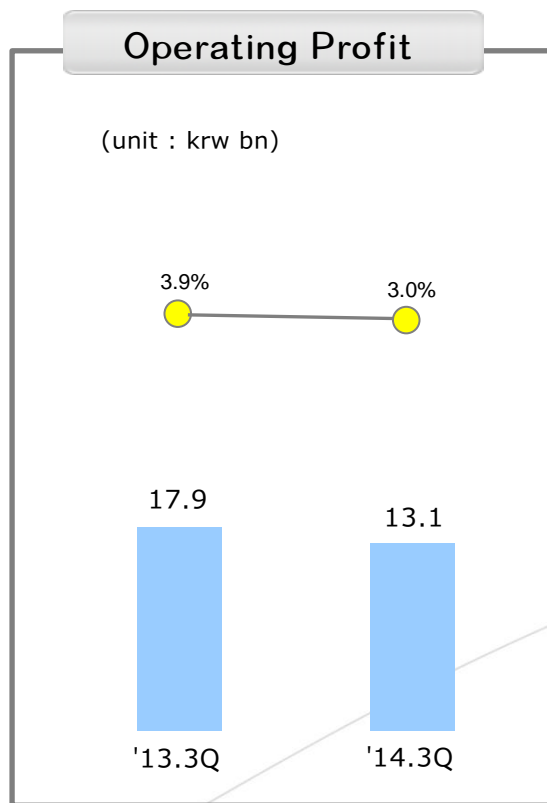
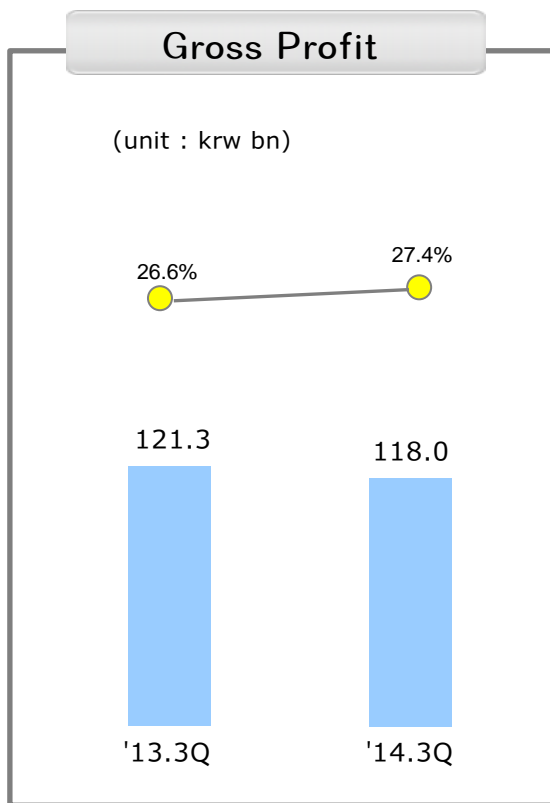
- Overall sales decreased 4.5% year on year
- Noodle
 - Sales decreased due to a decline in volume
- Snack
 - Strong sales of flour based and potato based snacks
- Beverage
 - Sales of beverage increased due to expansion in sales of Baeksan Mountain water
- Others
 - Export sales increased

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

※ Figures in parenthesis are proportions of each business division.

I. Business Performance in 3rd Quarter of '14

2. Profitability(Excluding overseas affiliates)



※ K-IFRS applies

• The drop in sales contributed to decreased gross profit

- SG&A cost ₩103.3bn(22.7%) → ₩104.8bn(24.3%)
 - Advertisement ₩13.6bn(3.0%) → ₩13.2bn(3.1%)
 - Samples ₩5.0bn(1.1%) → ₩6.6bn(1.5%)

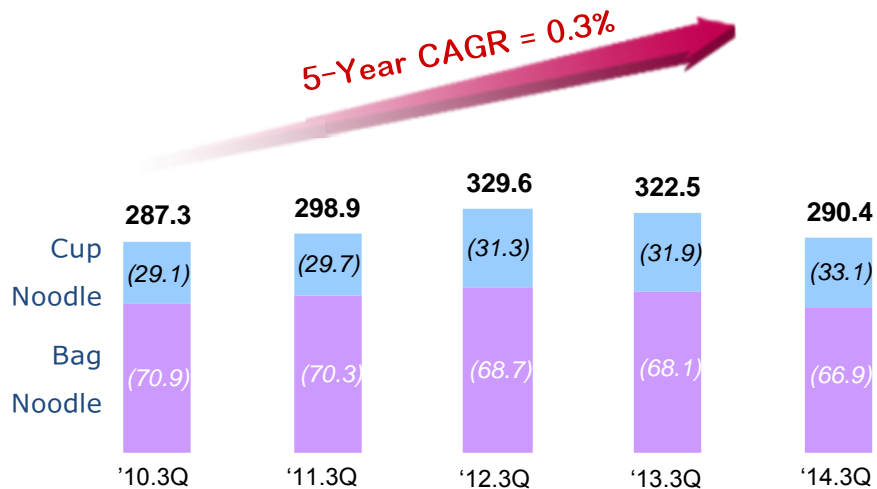
• Foreign exchange profit ₩7.1bn → -₩1.4bn

II. Performance by Divisions

1. Noodle Division

Sales Trend of Noodle Division

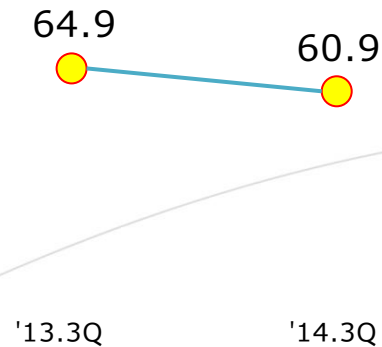
(Unit : krw bn, %)



※ 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 10.0% year on year

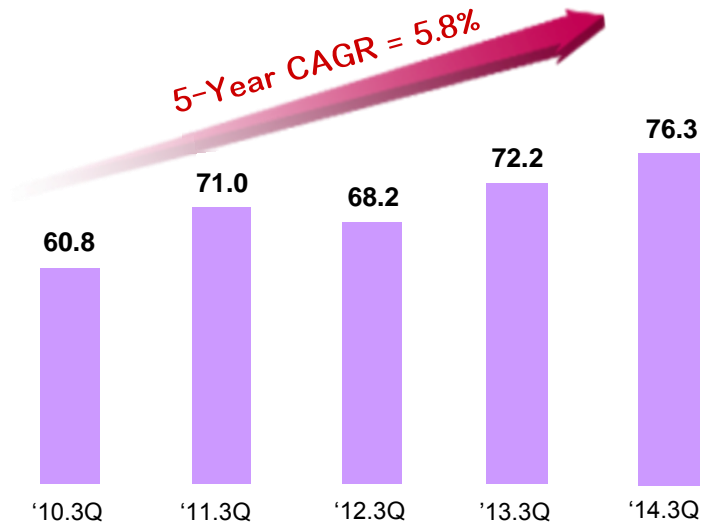
- Sales decreased due to a decline in volume and market share
- Weak sales of pillow type noodles and cup type noodles

II. Performance by Divisions

2. Snack Division

Sales Trend of Snack Division

(unit: krw bn)

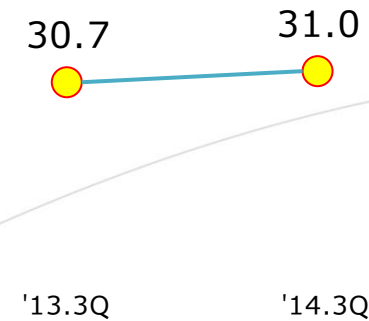


※ Source : Nongshim

● Sales increased by 5.7% year on year

The Trend of Nongshim M/S in total Snack Market

(unit: %)



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

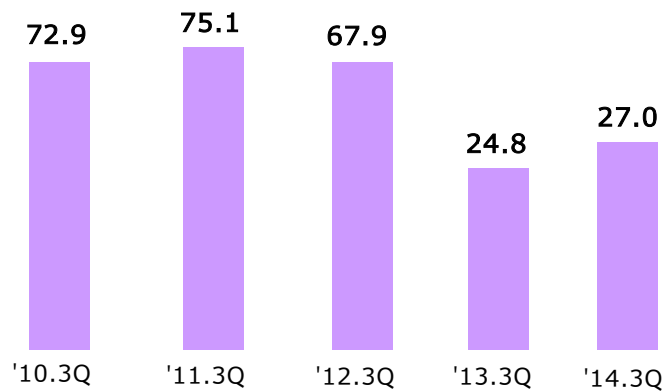
- Sales of potato snacks was strong(↑ 10.8%)
Sales of wheat snacks increased by 4.1%
- The increase in prices(Feb. '14)

II. Performance by Divisions

3. Beverage Division & Others

Sales Trend of Beverage Division

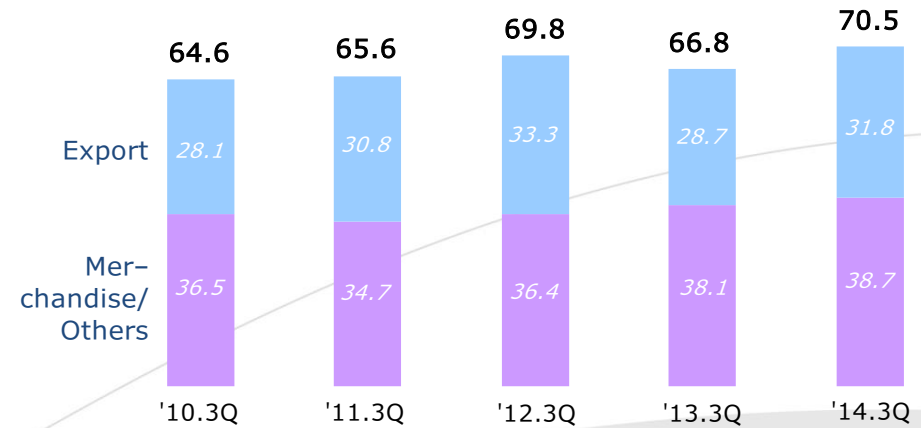
(unit: krw bn)



※ Source : Nongshim

Sales Trend of Merchandise & Export

(unit: krw bn)



※ Source : Nongshim

- Sales increased by 8.7% year on year
 - The strong sales of Baeksan Mountain water

- Sales increased by 5.6% year on year
 - Merchandise/Others(↑ 1.7%) :
Sales rise in Chupa Chups & Pringles products
 - Export(↑ 10.7%) to U.S.A and Oceania increased

Appendix.

1. Summary of Financial Statements(Excluding overseas affiliates)

Balance Sheet

(unit: krw bn, %)

Account	'11	'12	'13	'14.1H	'14.3Q
Total Assets	2,170.4	2,093.4	2,129.9	2,100.8	2,105.1
Cash/Deposits	493.0	435.4	480.9	438.9	453.1
Trade Receivables	158.2	157.8	155.6	142.4	140.1
Inventories	128.5	120.8	129.4	128.5	132.6
Investment	198.2	198.0	258.3	291.1	291.1
Tangible Assets	930.4	923.2	885.6	879.5	872.6
Total Liabilities	692.1	652.4	622.7	573.8	563.9
Trade Payables	313.9	277.2	280.2	247.0	230.3
Short-term Borrowings	101.0	85.7	73.9	40.6	50.4
Long-term Borrowings					
Total shareholders' equity	1,478.3	1,441.0	1,507.2	1,527.0	1,541.2
Shareholders' equity	30.4	30.4	30.4	30.4	30.4
D/E Ratio	46.8	45.3	41.3	37.6	36.6
Net Cash	392.0	349.7	407.0	398.3	402.7
BPS(₩)	243,040	236,906	247,785	251,037	253,377

※ K-IFRS applies

Income Statement

(unit: krw bn, %)

Account	'13	'13.1Q	'13.2Q	'13.3Q	'14.1Q	'14.2Q	'14.3Q	
Sales	Ramyun	1,322.8	331.5	310.8	322.5	330.0	291.8	290.4
	Snack	290.9	72.2	71.7	72.2	76.2	77.5	76.3
	Beverage	91.5	24.9	25.8	24.8	17.7	25.1	27.0
	Others	295.8	84.2	70.3	66.8	88.3	71.4	70.5
	Total	2,001.0	512.7	478.6	486.2	512.3	465.7	464.2
Gross profit	513.4	135.4	120.6	121.3	135.3	117.0	118.0	
Operating Income	92.1	30.2	12.8	17.9	31.6	10.3	13.1	
Ordinary Income	122.8	34.8	16.3	32.0	38.2	18.8	19.0	
Net Income	92.6	26.2	12.3	24.0	28.9	14.0	14.2	
Sales growth rate *	-4.5%	-2.9%	-5.1%	-9.1%	-0.7%	-2.9%	-5.2%	
Rp growth rate *	260.8%		-26.3%	-22.8%	10.0%	15.3%	-40.7%	
Op Margin	4.9%	6.3%	2.9%	3.9%	6.6%	2.4%	3.0%	
Rp Margin	6.6%	7.2%	3.7%	7.0%	8.0%	4.4%	4.4%	
EPS (₩)	16,016							
ROE (%)	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)

	'14.3Q	FY2013
Assets	2,180.4	2,215.4
Current Assets	885.6	918.3
Non-current Assets	1,294.9	1,297.1
Liabilities	633.4	698.7
Current Liabilities	512.4	587.4
Non-current Liabilities	121.0	111.3
Equity	1,547.1	1,516.7
Controlling Interest	1,529.2	1,499.1
- Share Capital	30.4	30.4
- Share Premium	123.7	123.7
- Other Reserves	(88.5)	(84.9)
- Retained Earnings	1,463.6	1,429.9
Minority Interest	17.9	17.5

Income Statement

(unit: krw bn)

	'14.3Q	'13.3Q
Sales	488.1	507.8
Cost of Sales	(348.5)	(368.9)
Gross Profit	139.6	138.9
SG&A	(124.3)	(121.7)
Operating Profit	15.3	17.2
- Other Income	4.5	4.7
- Other Costs	(1.3)	(1.3)
- Finance Income	2.6	11.3
- Finance Costs	(1.4)	(1.7)
Profit before Income Tax	19.8	30.1
Net Profit	15.1	23.1