KT&G FY2006 IR Conference

FY2006 4Q and Full Year
Earnings Presentation

KT&G
WWW.KTNG.COM

Contents

* Chapter I. KT&G
  4Q 2006 and Full Year Business Results and 2007 Business Target
* Chapter II. KGC
  4Q 2006 and Full Year Business Results and 2007 Business Target
* Chapter III. Appendix

Chapter 01 KT&G

- ’06 4Q and Full Year Business Results
- 2007 Business Target

KT&G
WWW.KTNG.COM

1 ❄ 2006 Full Year Business Results

KT&G
WWW.KTNG.COM

Sales and Operating Profit increased by 2.4% yoy and 5.4% yoy respectively

(billion sticks, KRW billion)	YoY Results			
	FY06	FY05	Change	% Change
• Sales Volume (Domestic)	93.8 (62.6)	88.6 (60.1)	5.2 (2.5)	5.9%↑ (4.2%↑)
• Net Sales	2,262.7	2,209.3	53.4	2.4%↑
• Operating Profit	713.7	676.9	36.8	5.4%↑
• Net Income	649.7	515.9	133.8	25.9%↑
• Net ASP (won/pack)	592.1	563.3	28.8	5.1%↑

※ Net ASP is based on domestic sales only.

Overall improvement in business performance compared to 2005

↳ Increase in domestic & export sales and expansion of premium sales portion resulted in profitability improvement which exceeded net sales growth

- Net sales 2.4% ↑ yoy < Operating profit 5.4% ↑ yoy

↳ Increased operating profit and non-operating profit resulted in significant rise in net income → Overall improvement in business performance and investment indices

2006 4Q Business Results

4Q Net Sales and Operating Profit decreased by 9.2% yoy and 10.9% yoy respectively

(billion sticks, KRW billion)	YoY Results				% Change	
	'06. 4Q	'05.4Q	Change		vs. 4Q 2005	vs. 3Q 2006
• Sales Volume (Domestic)	25.0 (15.5)	27.3 (17.1)	-2.3 (-1.6)		8.4%↓ (9.4%↓)	4.2%↓ (14.8%↓)
• Net Sales	589.3	649.1	-59.8		9.2%↓	6.6%↓
• Operating Profit	171.0	192.0	-21.0		10.9%↓	24.6%↓
• Net Income	205.1	135.3	69.9		51.6%↑	6.8%↑
• Net ASP (won/pack)	601.5	579.5	22.0		3.8%↑	1.6%↑

※ Net ASP is based on domestic sales only.

Net Sales and Profitability decreased compared to 4Q 2005

- Domestic : Sales volume decreased due to retailers' consumption of surplus inventory
  - 9.4% ↓ vs. '05 4Q , 14.8% ↓ vs. '06 3Q
- Exports : Continued increase of sales volume and improvement in profitability
- Continued expansion of premium sales propelled increase in Net ASP to exceed its annual target
- Decrease in operating profit derived from the decrease in sales; significant increase in net income thanks to higher non-operating profit

1 Sales Overview

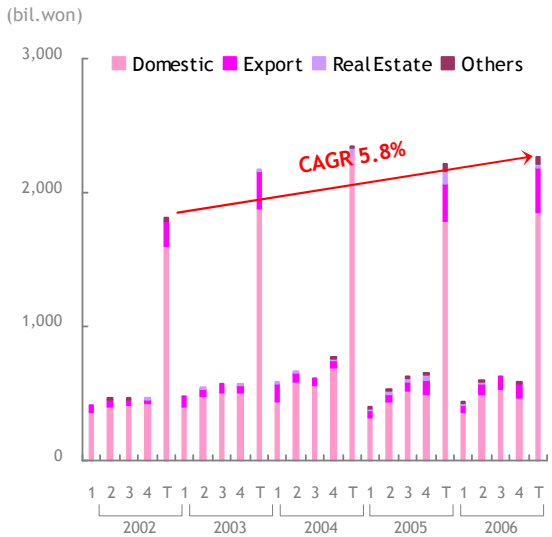
KT&G
WWW.KTNG.COM

4Q Sales decreased 9.2% yoy, Annual sales increased 2.4% yoy

Net Sales Breakdown

Quarterly Results (bil. won)					Accumulative Results (bil. won)			
'06. 4Q	'05. 4Q	Change	% yoy		FY06	FY05	Change	% yoy
570.9	597.8	-26.9	4.5%↓	Cigarette	2,186.6	2,063.3	123.3	6.0%↑
465.7	494.4	-28.7	5.8%↓	- Domestic	1,852.9	1,790.4	62.4	3.5%↑
105.2	103.5	1.8	1.6%↑	- Export	333.8	272.9	60.9	22.3%↑
0.5	37.0	-36.5	98.6%↓	Real Estate	26.8	95.3	-68.5	71.9%↓
17.9	14.2	3.7	26.1%↑	Others	49.2	50.7	-1.5	3.0%↓
589.3	649.1	-59.8	9.2%↓	Total	2,262.7	2,209.3	53.4	2.4%↑

Sales Trend



Reasons for Change

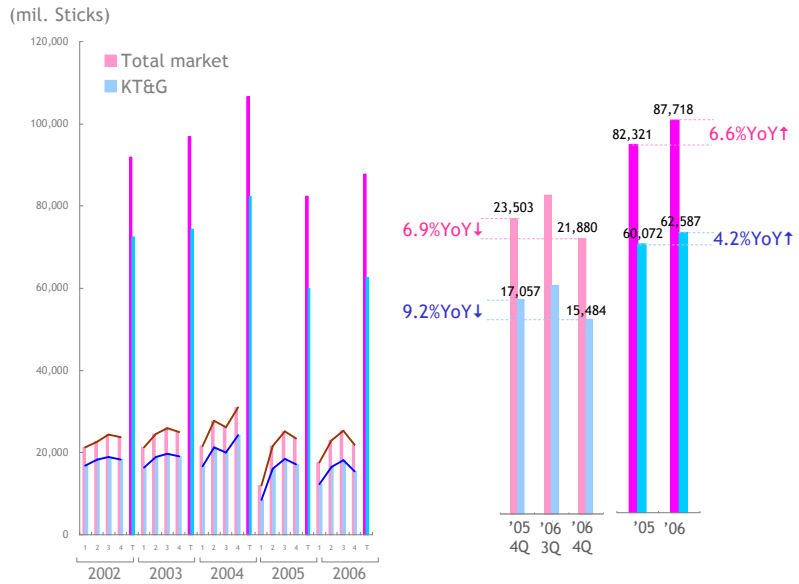
- Annual : Cigarette business in progress, Real estate and others in dull
- 4Q : Despite the continued increase in export, total cigarette sales were weak
  - Retailers' consumption of surplus inventory resulted in sales decline
  - Continued increase in Net ASP owing to continuous expansion of premium sales portion

1 Sales Analysis – Domestic Sales

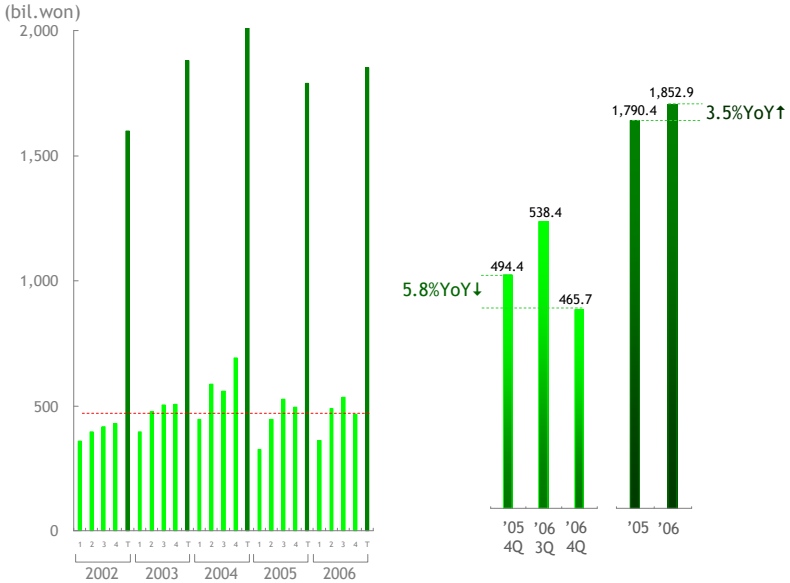
KT&G
WWW.KTNG.COM

4Q domestic tobacco market decreased 6.9% yoy, FY06 market increased 6.6% yoy

4Q volume decreased 9.2% yoy (KT&G)



4Q amount decreased 5.8% yoy (KT&G)



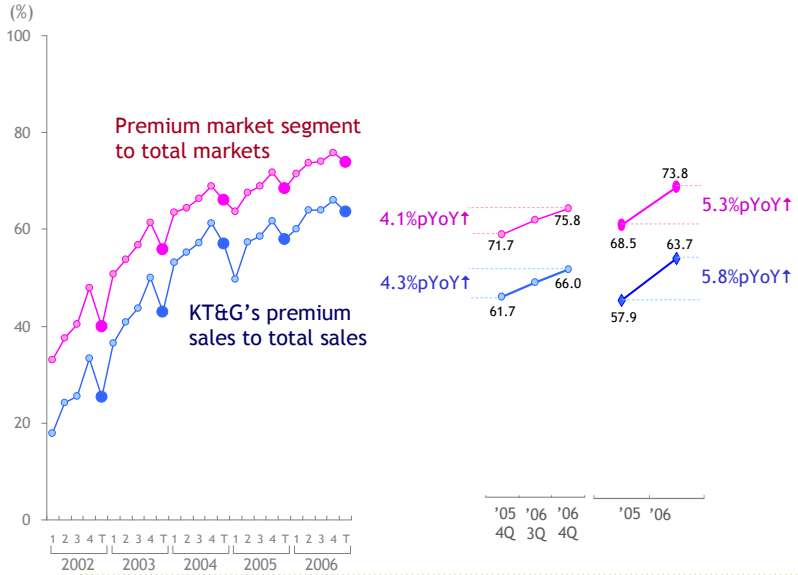
- Total market: FY06 market increased 6.6% to 87.7 bil. sticks
- KT&G: 4Q decreased 9.2% (vs. '05 4Q), Annually increased 4.2% (vs. FY05)
  - 4Q decreased due to total market decline (6.9% ↓) and M/S drop
  - Annual volume increased thanks to market recovery
- 4Q: Down 5.8% yoy to 465.7 billion won
  - Increase of Net ASP slowed down the decline of sales amount derived by decrease of sales volume
- 2006: Up 3.5% yoy owing to sales volume recovery and expansion of premium sales portion

Sales Analysis – Net ASP

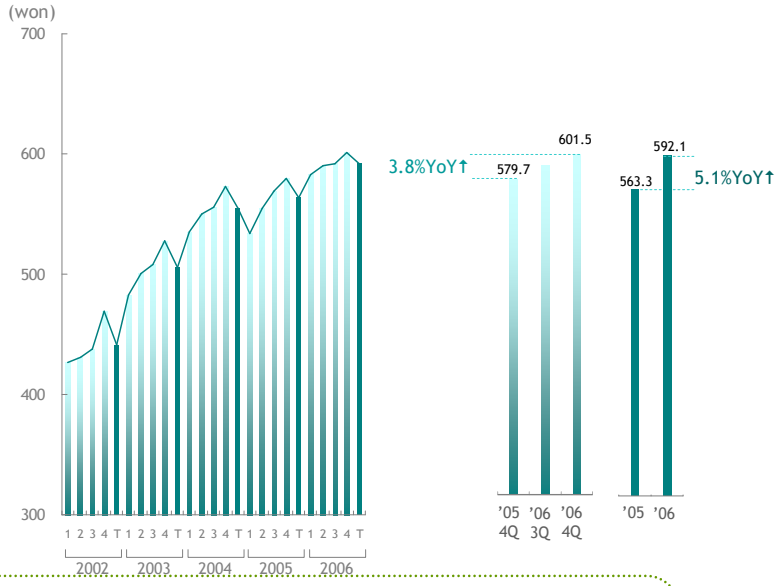
KT&G
WWW.KTNG.COM

Net ASP extending historical high with continued increase in premium sales

KT&G's contribution from premium & low-tar sales exceeded market growth



Historical high net ASP



↳ KT&G led the expansion of premium market
- 4Q: Total market 4.1%p↑ < KT&G 4.3%p↑
- Annual : Total market 5.3%p↑ < KT&G 5.8%p↑
- Drove the increase in sales (volume & amount) & profitability

↳ Portion of low-tar segment within KT&G's sales continued to increase
- 4Q: 48.1% yoy (9.8%p↑)

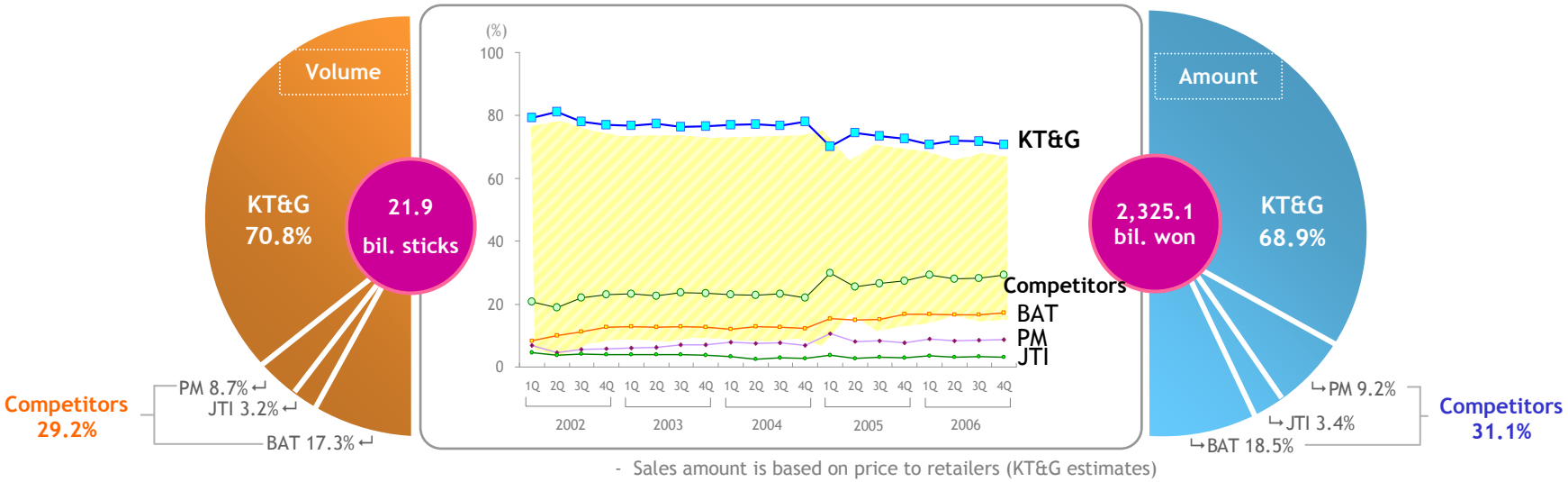
↳ Recorded 592.1won exceeding the annual target
- 4Q: 3.8% ↑ yoy, Annual: 5.1% ↑ yoy
- '06 4Q: Contribution ratio to sales from premium brands increased 4.4%p (66.0%)

↳ Favorable sales owing to ESSE Family & renewal brands

Sales Analysis – Domestic M/S

KT&G's M/S slightly dropped

Quarterly M/S ('06. 4Q)



- Sales amount is based on price to retailers (KT&G estimates)

↳ KT&G : Proceeded marketing activities based on normal selling basis

- 4Q M/S decreased 0.9%p to 70.8% compared to 3Q '05, annual M/S declined 1.6%p to 71.4%

↳ Competitors : Pushed out aggressive marketing focusing on volume increase for the year-end

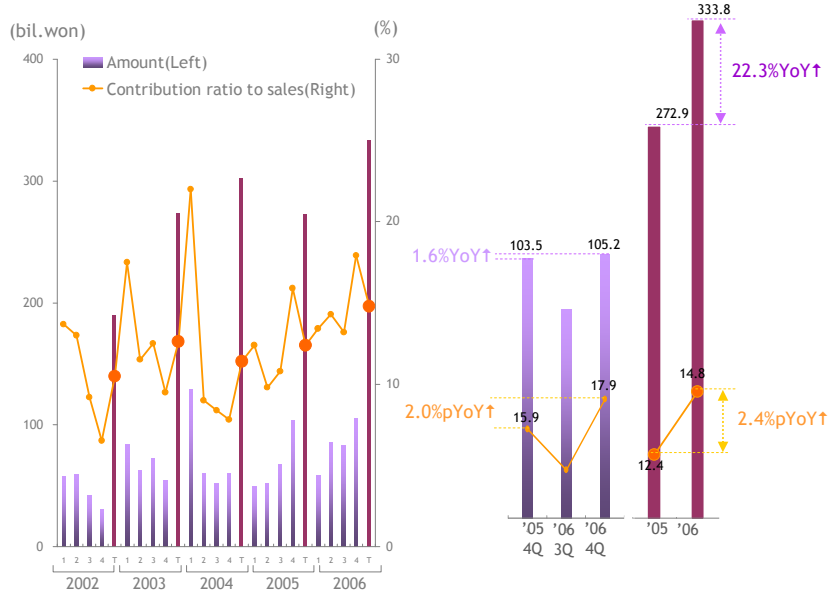
- BAT's M/S slightly increased 0.8%p qoq, other competitors' M/S remained flat compared to 3Q '06

1 Sales Analysis – Exports

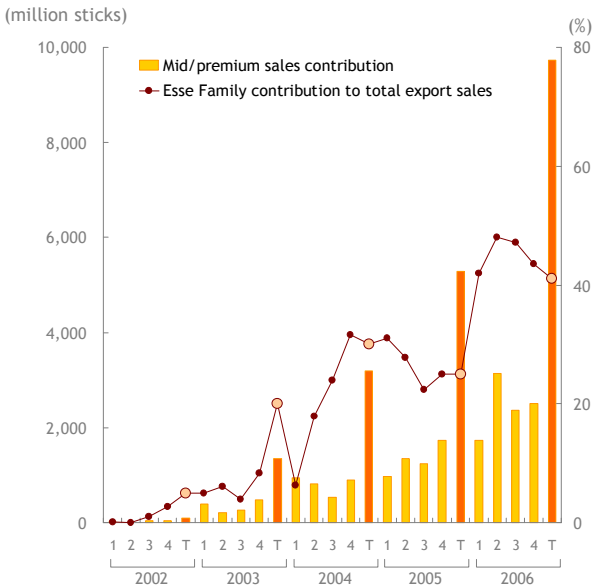
KT&G
WWW.KTNG.COM

Sustained stable sales and turned to profitable trend

Recovered quarterly sales of 100 billion won



Favorable sales of mid/premium segments continued



- Compared with '06 4Q, increased 1.6% to 105.2bil. won
  - Higher premium sales and volume increase thanks to reinforced marketing
  - Annually, FY06 increased 22.3% to 333.8bil. won over FY05
- Gradual increase of contribution ratio to total sales thanks to continued sales increase
  - 4Q: 2.0%p increase(17.9%), Annual: 2.4%p increase(14.8%)
- Expansion of mid/premium sales improved profitability
  - Increased 45% (vs. 4Q 2005) and 83.8% (vs. 2005) respectively
  - ESSE Family sales volume continued to expand (FY06 41%)
- Export sales volume and expansion of profitable sales mix improved profitability

1 Profitability Overview

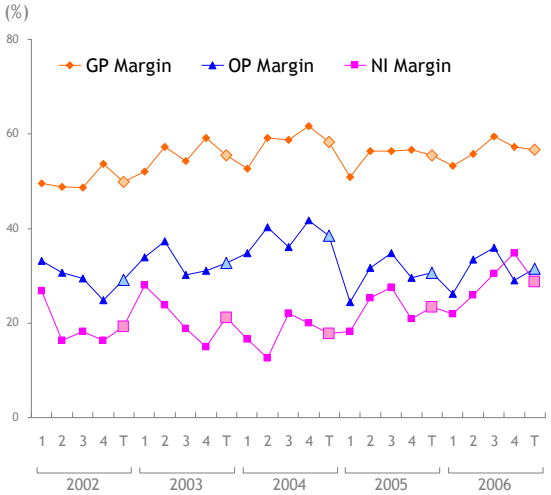
KT&G
WWW.KTNG.COM

OP margin fell 0.6%p yoy, NI margin grew 14.0%p yoy

Profitability Analysis

Quarterly Results				Accumulative Results		
'06. 4Q	'05. 4Q	Change		FY06	FY05	Change
57.2%	56.6%	0.6%p↑	GP Margin	56.7%	55.4%	1.3%p↑
29.0%	29.6%	0.6%p↓	OP Margin	31.5%	30.6%	0.9%p↑
34.8%	20.8%	14.0%p↑	NI Margin	28.7%	23.4%	5.3%p↑

Profitability Trend



Reasons for Change :

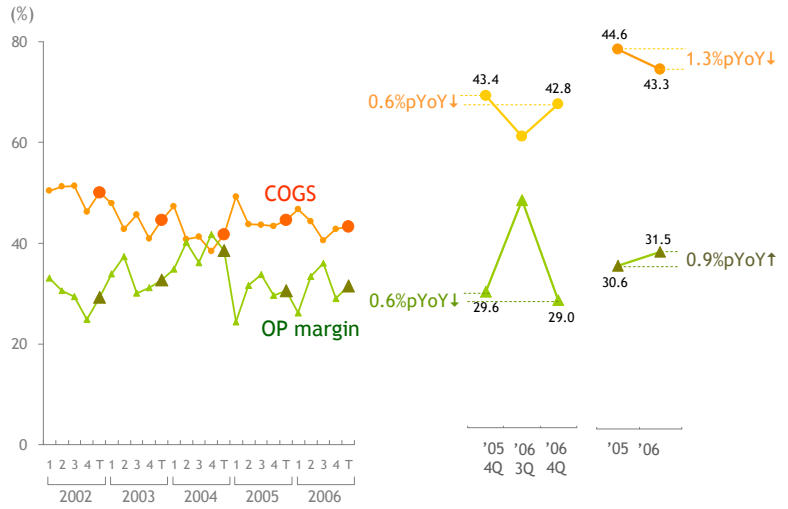
- Annual : Increase in sales & expansion of premium sales portion
- 4Q : GP margin and Net Income margin improved despite the sales decrease
  - Continued expansion of premium products resulted in slight decrease in COGS margin
  - OP margin slightly decreased due to relative increase in SG&A ratio derived by sales decline
  - Net Income margin significantly increased due to the improvement of non-operating balance

1 Profitability Analysis - OP

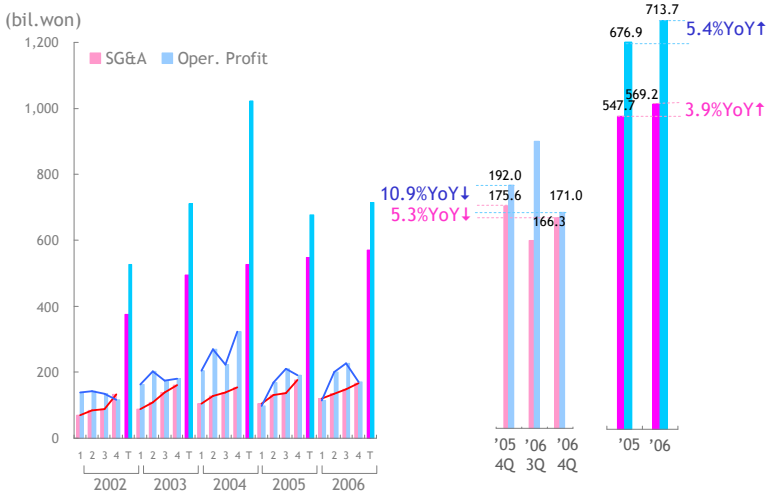
KT&G
WWW.KTNG.COM

OP slightly decreased due to increase in fixed costs ratio derived by sales decline

COGS ratio improved 0.6%p yoy



Operating Profit decreased 10.9% yoy



Gross Profit : 4Q decreased 8.3% yoy to 337.3 bil. won

↳ COGS ratio : 4Q 42.8% (down 0.6%p yoy), Annual 43.3% (down 1.3%p yoy)
- COGS ratio improved derived from the increase of contribution from premium sales and total sales
- 4Q SG&A decreased 5.3% yoy and 4Q SG&A ratio increased 1.1%p yoy due to sales decline

Operating Profit : Decreased 10.9% yoy to 171.0 bil. won

↳ 4Q : Sharp decrease derived by temporary sales decline / Annual : Increased 5.4% yoy (vs. 2005) to 713.7 bil. won

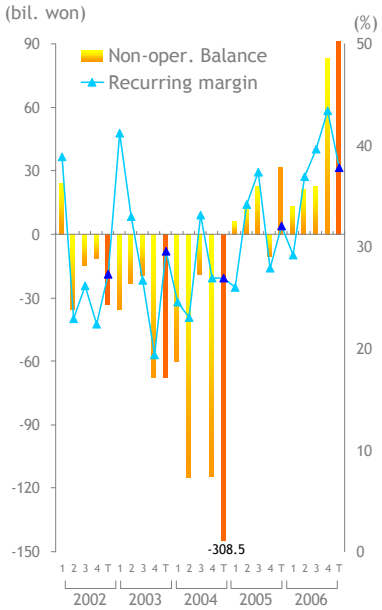
↳ Expected to greatly improve owing to continued improvement in export profitability and gradual domestic sales recovery

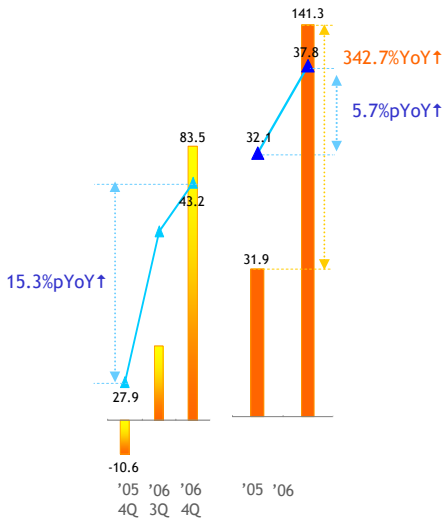
1 Profitability Analysis – Non-OP. & Net Inc.

KT&G
WWW.KTNG.COM

Ordinary and Net income improved greatly despite decline in operating income

Positive balance on Non-Oper. Side continued to enlarge





Major reasons for change

Positive balance on Non-Oper. side enlarged

- 4Q : surplus of 83.5 bil. won, Annual : surplus of 141.3 bil won
- Main items of Non-Oper. balance (4Q)
  - Non-Oper. Income (142.6 bil. won): Corporate tax refund (56.1 bil. won), Escrow fund return (28.7 bil. won), etc.
  - Non-Oper. Expense (59.1 bil. won) : Donations (48.9 bil. won), etc.

4Q net income increased 51.6% yoy to 205.1 bil. won

- Great improvement of Non-Oper. balance resulted in big increase in both absolute amount and margin of profit
  - 4Q Recurring & Net incomes : Increase of 40.3% yoy and 51.6% yoy, respectively
  - 4Q Recurring & Net margin : Increase of 15.3%p yoy and 14.0%p yoy, respectively
- Major managerial and investment indices greatly improved thanks to the increase in net income

1 2007 Business Target

KT&G
WWW.KTNG.COM

Net sales of 2,502.6 bil. won, Operating profit of 750.0 bil. won

Market Environment and Key Business Strategy

Market Environment

- Stagnant domestic market volume, gradual increase in sales amount
- Continued expansion of premium market
- Export sales increase in both volume and amount

Key Business Strategy

- Execution of Master-Plan
- Targeting domestic M/S of 73% as a top priority
- Proactive roll-out of brand-new and renewal products
- Improvement of export profitability & expansion of new markets

- **Domestic market volume**
  : 86.0 bil. sticks (1.9% ↓ yoy)
- **KT&G's Market share**
  : 73% (1.6%p ↑ yoy)

(Unit : bil. Sticks/bil. won)

	2006 Full Year	2007 Target	Change
Sales volume (Domestic)	93.8 (62.6)	99.5 (62.8)	6.1%↑ (0.3% ↑)
Net Sales	2,262.7	2,502.6	10.6%↑
Operating Profit	713.7	750.0	5.1%↑
Net Income	649.7	620.0	4.6%↓
Net ASP (Domestic)	592.1 (won/pack)	618.5 (won/pack)	4.5%↑

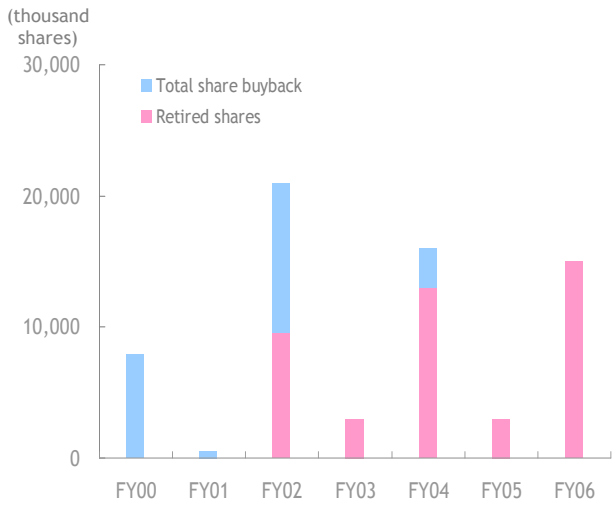
1 Shareholder Value Maximization Policy

KT&G
WWW.KTNG.COM

Maintains shareholder value maximization policy

- **Dividend for 2006 : 2,400 KRW per share**
- **Implementing the Masterplan set last year**
  - Shareholder value maximization policy will be flexibly managed considering market condition and cash flow

Share Repurchase



Major Investment Indices

	FY02	FY03	FY04	FY05	FY06
Outstanding shares (As of Year-end/1,000 shares)	181,443	178,442	165,442	162,442	147,442
Market Cap. (bil. won)	2,975.7	3,693.8	5,120.4	7,318.0	8,330.5
Net Asset per share (won)	11,268	14,741	16,829	21,226	20,657
Net Sales per share (won)	9,959	12,210	16,038	13,600	15,346
EPS (won)	1,915	2,576	3,183	3,497	4,608
PER(x)	8.6	8.0	9.7	12.9	12.3
PBR(x)	1.5	1.4	1.8	2.1	2.7

- Calculation of the market cap is based on the closing price as of the year-end.

Chapter 02 KGC

- 2006 4Q Business Results
- 2007 Business Target

KOREA GINSENG CORP.

2006 4Q Business Results

4Q Sales and OP increased 35.1% yoy and 60.1% yoy respectively

(bil. won)

(bil. Won)	Quarterly Results('05.4Q vs. '06.4Q)				Accumulative Results('05 vs. '06)			
	'06.4Q	'05.4Q	change	% change	FY06	FY05	change	% change
• Sales	108.2	80.1	**28.1**	35.1%↑	430.1	332.0	**98.1**	29.5%↑
• Gross Profit	52.1	40.4	**11.7**	29.0%↑	224.8	169.2	**55.6**	32.9%↑
• Oper. Profit	28.5	17.8	**10.7**	60.1%↑	135.0	109.4	**25.6**	23.4%↑
• Recurring Profit	31.1	15.6	**15.5**	99.4%↑	135.4	102.2	**33.2**	32.5%↑
• Net Income	22.8	10.8	**12.0**	111.1%↑	98.9	72.4	**26.5**	36.6%↑

Compared to '05 4Q

↳ Sales : Increased 35.1% to 108.2bil. won

↳ OP: Up 60.1% to 28.5 bil. won

Compared to FY05

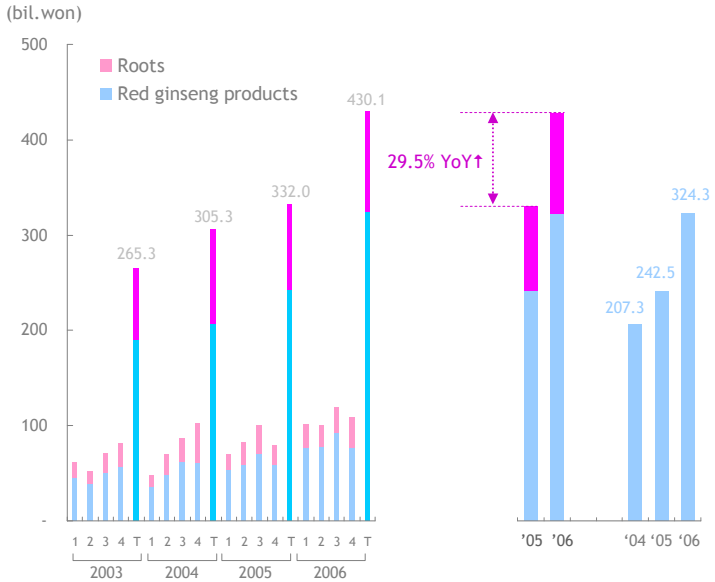
↳ Sales : Increased 29.5% to 430.1 bil. won

OP : Up 23.4% to 135.0 bil. won

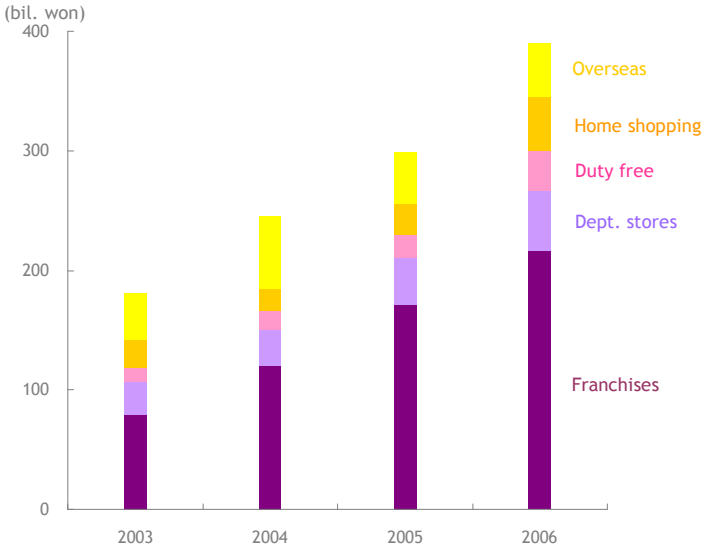
- Strengthening sales network and timely launching of new health-functional products
- Increasing sales portion of profitable products

Accelerating trend of sales growth

Increasing sales trend



Sales Breakdown by Network



↳ Accelerating sales growth
- '03~'06 CAGR 17.5% ↑ '05 vs.'06 : 29.5% ↑

↳ Increased sales portion of red ginseng products implemented by strategic adjustment of product portfolio
- '04 67.9% → '05 73.0% → '06 75.4%
  (207.3bil.) (242.5bil.) (324.3bil.)

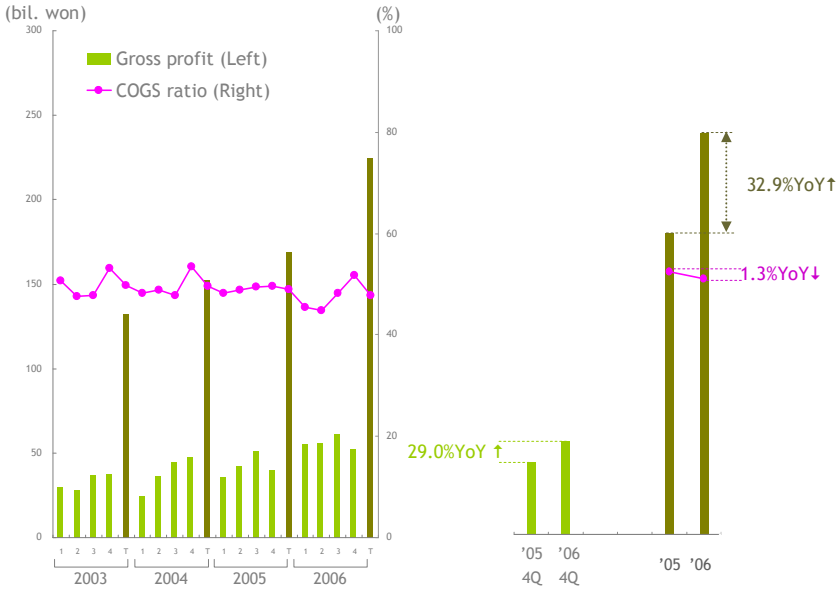
↳ Sales increase in main distribution channels incl. franchises
- '05 230.3bil. won → '06 299.6bil. (30.1% ↑, 77.8% of domestic sales)
  * No. of franchises / department stores / duty free shops : '05 (497) → '06 (549)

↳ Sales increased in home shopping
- '05 25.3bil. won → '06 44.9bil.(77.5% ↑, 11.7% of domestic sales)
  * Turned to directly managed system & secured 5 distributors incl. CJ, Woori home shopping, etc.

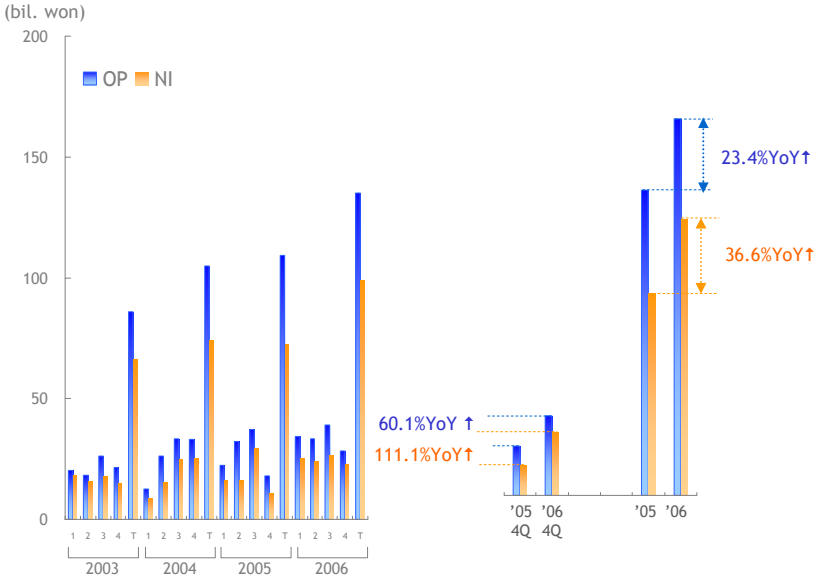
KOREA GINSENG CORP.

Continued increase of Gross Profit and profitabilty

4Q Gross Profit increased yoy



Increasing trend in profits



- Continued increasing trend of gross profit
  - '05 4Q: 40.4bil. won → '06 4Q: 52.1bil. won(29.0% ↑)
  - '05: 169.2bil. won → '06: 224.8bil. won(32.9% ↑)
- COGS ratio decreased due to the increased sales portion of red ginseng products
  - '05 49.0% → '06 47.7%(1.3%p ↓)

- '06 4Q OP recorded 28.5bil. won(60.1% ↑ vs. '05 4Q)
  '06 4Q Net income recorded 22.8bil. (111.1% ↑ vs. '05 4Q)
- '06 OP was 135.0bil. won(23.4% ↑ vs. '05)
  '06 Net income was 98.9bil. won(36.6% ↑ vs. '05)

2007 Business Target

Sales of 520.0 bil. won, Operating profit of 160.0 bil. won

Market Environment and Key Business Strategy

Market Environment

➢ **Continued growth of health-functional food market**

- KGC : Target growth of 21%

➢ **Growing fierce competition in health-functional food market**

- Conglomerates and other competitors actively enter red ginseng market
  - * Expanding franchises specializing in health food
- More new products roll-out in line with 'well-being' trend

Key Business Strategy

➢ **Reinforce dominant position in red ginseng market**

- Strengthen CRM and promote marketing targeting new customers
- Strengthen 'Cheong-Kwan-Jang' brand (Prestige target marketing, etc.)

➢ **Establish a solid foundation for export**

- Intensive penetration into Chino-cultural markets
- Strategic alliance with local distribution network
- Develop health-functional food business model and relevant brands

➢ **Set-up a foothold of health-functional food business**

➢ **Reinforce R&D capacity to develop new ingredients and products**

✓ Establish foundation for 1 tril. won Sales by 2010

✓ Achieve business target

2007 Business Target

(Unit : bil. Won)	2006 Full Year	2007 Target	Change
Sales	430.1	520.0	20.9%↑
Oper. Profit	135.0	160.0	18.5%↑

Chapter 03 Appendix

- ✳ KT&G - Summarized Balance Sheet
- ✳ KT&G - Summarized Income Statements
- ✳ KCG - Summarized Financial Statements

3 KT&G - Summarized Balance Sheet

KOREA GINSENG CORP.

(billion won)	FY01	FY02	FY03	FY04	FY05	FY06
Current Assets	1,865.8	1,703.9	1,746.8	2,002.0	2,032.9	1,602.7
Quick Assets	476.0	268.4	347.6	740.4	907.1	586.2
- Cash, Short-term Financial Instruments, Trading Securities	245.3	90.9	126.5	464.5	574.1	166.9
- Accounts Receivable	50.5	118.8	152.9	225.2	241.3	263.2
Inventory	1,389.7	1,435.4	1,399.1	1,261,6	1,125.8	1,016.5
Fixed Assets	1,804.8	2,062.4	2,140.3	1,883.0	1,931.5	2,065.6
Investment Assets	811.4	922.8	972.1	666.1	692.4	719.4
Tangible Assets	991.5	1,137.7	1,165.7	1,214.8	1,236.7	1,344.2
Intangible Assets	1.8	2.0	2.5	2.1	2.5	2.1
Total Assets	**3,670.5**	**3,766.3**	**3,887.0**	**3,885.0**	**3,964.4**	**3,668.4**
Current Liabilities	696.8	742.9	487.0	535.3	301.1	345.8
Short-term Debts	-	290.0	-	-	-	-
Convertible Bonds	-	-	-	20.1	-	-
Long-term Liabilities	357.8	871.4	584.7	135.5	215.3	276.8
Convertible Bonds	311.3	819.9	488.6	-	-	-
Total Liabilities	**1,054.6**	**1,614.3**	**1,071.7**	**670.8**	**516.4**	**622.6**
Capital Stock	955.0	955.0	955.0	955.0	955.0	955.0
Capital Surplus	0.3	1.5	81.1	277.3	300.0	335.4
Retained Earnings	2,112.5	2,291.9	2,517.0	2,355.7	2,519.3	2,061.5
Capital Adjustment	-451.8	-1,096.3	-737.8	-373.7	-326.3	-306.1
Total Shareholders' Equity	**2,615.9**	**2,152.1**	**2,815.3**	**3,214.2**	**3,448.0**	**3,045.8**
Total Liabilities and Shareholders' Equity	**3,670.5**	**3,766.3**	**3,887.0**	**3,885.0**	**3,964.4**	**3,668.4**

3 KT&G - Summarized Income Statements

KOREA GINSENG CORP.

(billion won)	1Q	2Q	3Q	4Q	FY04	1Q	2Q	3Q	4Q	FY 05	1Q	2Q	3Q	4Q	FY06
Net Sales	589.7	673.0	618.7	772.0	2,653.4	396.4	532.4	631.5	649.1	2,209.3	440.6	602.0	630.8	589.3	2,262.7
- Cigarette	575.6	648.0	610.8	753.2	2,587.5	374.4	497.8	593.2	597.8	2,063.3	419.9	574.0	621.8	570.9	2,186.6
- Real Estate	11.4	20.1	5.2	12.5	49.2	13.7	23.5	21.1	37.0	95.3	10.7	15.7	-	0.5	26.8
- Other	2.6	4.9	2.8	6.3	16.6	8.2	11.1	17.1	14.3	50.7	9.9	12.3	9.0	17.9	49.2
COGS	278.7	274.5	255.7	296.3	1,105.2	195.1	232.7	275.5	281.4	984.7	205.6	266.9	255.4	252.0	979.8
- Cigarette	271.7	257.1	242.8	288.5	1,060.2	154.0	216.2	254.3	265.1	889.5	179.4	239.1	242.7	235.6	896.9
- Other	7.0	17.4	12.9	7.8	45.0	41.1	16.5	21.3	16.2	95.1	26.1	27.7	12.7	16.3	82.9
- Depreciation	16.0	14.9	16.9	17.2	65.1	17.1	16.8	17.3	17.3	68.4	17.9	17.6	18.2	19.4	73.1
Gross Profit	311.0	398.5	363.1	475.6	1,548.2	201.3	299.7	356.0	367.7	1,224.6	235.0	335.2	375.4	337.3	1,282.9
SG&A	105.9	127.6	139.5	153.5	526.6	104.5	131.4	136.4	175.6	547.7	119.9	134.5	148.5	166.3	569.2
- Depreciation	8.5	9.7	9.3	10.8	38.4	9.8	10.0	10.6	12.1	42.5	11.2	12.0	11.4	13.4	48.1
Operating Income	205.1	270.9	223.5	322.1	1,021.6	96.8	168.3	219.5	192.0	676.9	115.1	200.7	226.9	171.0	713.7
Non-Oper. Income	33.1	46.4	45.7	46.1	169.7	28.8	47.4	54.1	23.8	153.1	41.5	63.2	47.4	142.6	294.7
- Interest Income	8.9	9.2	10.0	9.9	38.4	5.2	6.6	8.8	10.0	30.6	9.7	10.5	11.9	8.3	40.4
- Foreign Currency Transaction Gain	0.7	1.4	0.3	1.1	2.7	0.5	0.8	1.0	0.5	2.9	0.4	0.3	1.2	0.4	2.3
- Foreign Currency Translation Gain	0.3	-	-	-	0.2	-	0.8	0.1	-0.9	0.1	-	0.9	-	-0.9	-
Non-Oper. Expense	93.0	161.7	64.6	160.5	478.2	22.5	33.6	31.4	34.4	121.2	28.0	41.9	24.4	59.1	153.4
- Interest Expense	5.5	3.8	2.2	0.2	11.6	0.3	-	-	-	0.3	-	-	-	-0.1	-
- Foreign Currency Transaction Loss	1.5	1.9	0.8	19.2	23.2	1.5	1.7	0.3	0.9	4.4	27.1	2.2	1.5	1.2	7.6
- Foreign Currency Translation Loss	9.2	-	0.6	-3.1	6.0	0.7	-	-	1.0	1.7	1.4	0.2	1.5	0.3	3.4
Ordinary Income	145.2	155.6	204.5	207.7	713.1	103.1	182.1	242.2	181.4	708.8	128.6	222.0	249.8	254.5	855.0
Corporate Tax	47.7	71.0	68.6	53.5	240.8	30.8	47.6	68.4	46.2	192.9	32.1	65.9	57.8	49.4	205.3
Net Income	97.4	84.7	135.9	154.3	472.3	72.3	134.5	173.8	135.3	515.9	96.5	156.1	192.0	205.1	649.7

3 KGC Summarized Financial Statements

KOREA GINSENG CORP.

Summarized Balance Sheet

(billion won)	FY01	FY02	FY03	FY04	FY05	FY06
Current Assets	194.7	231.5	244.0	253.8	251.8	342.4
- Quick Assets	70.7	100.1	85.9	86.3	62.7	92.6
- Inventory	124.0	131.4	158.1	167.5	189.1	249.8
Non-Current Assets	88.5	94.2	102.6	120.8	143.0	165.9
- Investment Assets	44.6	50.8	61.3	74.3	94.2	103.6
- Tangible Assets	43.7	43.1	40.7	45.6	48.0	61.6
- Intangible Assets	0.3	0.3	0.6	1.0	0.8	0.7
Total Assets	**283.2**	**325.7**	**346.6**	**374.6**	**394.8**	**508.3**
- Current Liabilities	25.9	16.3	30.7	32.8	28.9	40.8
- Long-term Liabilities	4.0	18.8	8.9	10.7	12.8	16.0
Total Liabilities	**29.9**	**35.1**	**39.6**	**43.5**	**41.7**	**56.8**
- Capital Stock	214.9	214.9	164.9	114.9	64.9	64.9
- Retained Earnings	38.4	75.7	142.1	216.2	288.6	387.5
- Capital Adjustment	-	-	-	-	-0.4	-0.9
Total Shareholders' Equity	**253.3**	**290.6**	**307.0**	**331.1**	**353.0**	**451.5**
Total Liabilities and Shareholders' Equity	**283.2**	**325.7**	**346.6**	**374.6**	**394.8**	**508.3**

Summarized Income Statement

(bil. won, %))	1Q	2Q	3Q	4Q	FY04	1Q	2Q	3Q	4Q	FY05	1Q	2Q	3Q	4Q	FY06
Net Sales	47.4	70.2	85.8	101.9	305.3	68.9	82.8	100.2	80.1	332.0	101.8	101.2	119.0	108.2	430.1
- Red Ginseng	11.2	21.5	24.5	40.8	98.0	15.5	23.2	30.3	20.5	89.5	25.1	22.7	26.5	31.6	105.8
- Processed Products	36.2	48.6	61.4	61.1	207.3	53.4	59.6	69.9	59.6	242.5	76.6	78.5	92.5	76.6	324.3
(%)	(76.4)	(69.2)	(71.6)	(60.0)	(67.9)	(77.5)	(72.0)	(69.8)	(74.4)	(73.0)	(75.2)	(77.6)	(77.7)	(70.9)	(75.4)
COGS	22.9	34.2	41.1	54.5	152.7	33.2	40.4	49.6	39.6	162.8	46.4	45.3	57.5	56.1	205.3
Gross Profit	24.5	36.0	44.7	47.4	152.6	35.8	42.4	50.6	40.4	169.2	55.4	55.8	61.5	52.1	224.8
SG&A	11.9	9.9	11.5	14.3	47.6	13.4	10.4	13.4	22.6	59.8	21.2	22.5	22.5	23.6	89.8
Oper. Inc.	12.7	26.0	33.2	33.1	105.0	22.4	32.0	37.2	17.8	109.4	34.2	33.3	39.0	28.5	135.0
Non-Oper. Inc.	0.7	0.7	1.1	4.4	6.9	1.2	0.6	5.2	1.6	8.6	0.9	1.3	1.7	2.7	6.6
Non-Oper. Exp.	1.1	4.9	-	1.6	7.6	1.3	10.7	-	3.9	15.9	0.5	0.8	4.9	-	6.2
Ord. Inc.	12.3	21.8	34.3	35.9	104.3	22.2	21.9	42.5	15.6	102.2	34.7	33.7	35.8	31.2	135.4
Net Inc.	8.7	15.2	24.9	25.3	74.1	16.1	16.0	29.5	10.8	72.4	25.3	24.4	26.4	22.8	98.9

Korea Tomorrow & Global KT&G

▶ Address : Kosmo Tower #1904, Dae-chi-Dong, Gang-nam-Gu
Seoul City, Korea
▶ Web Site : http://www.ktng.com