



MODE TOUR

MODETOUR NETWORK

Investor Relations

MARKET ENVIRONMENT

about MODETOUR

Key Strategy

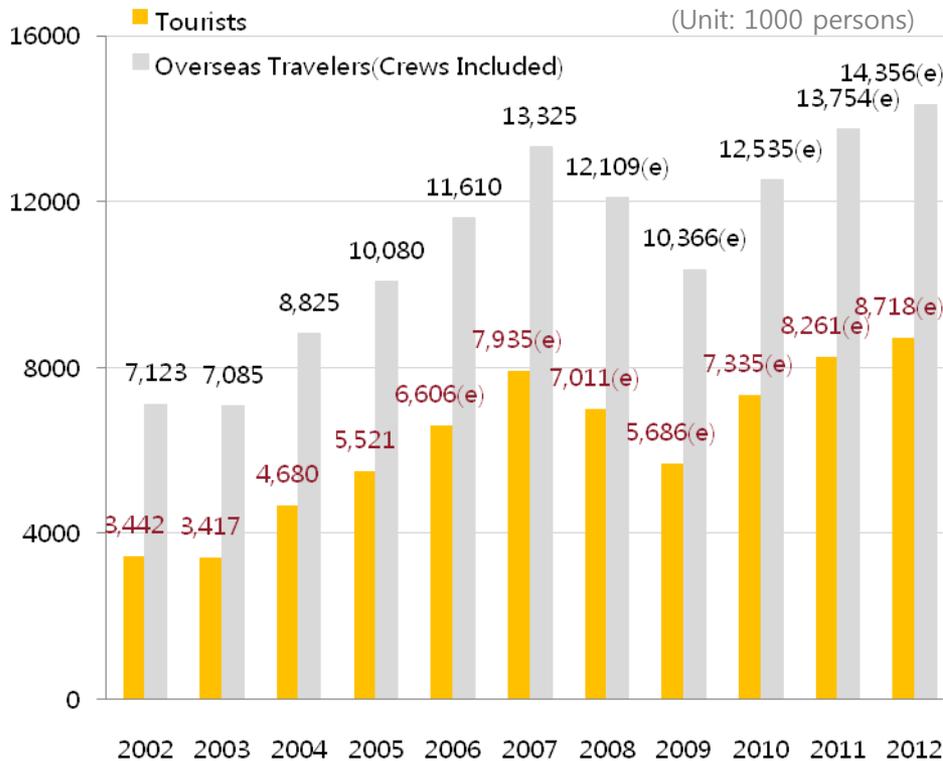
Appendix

Market Environment

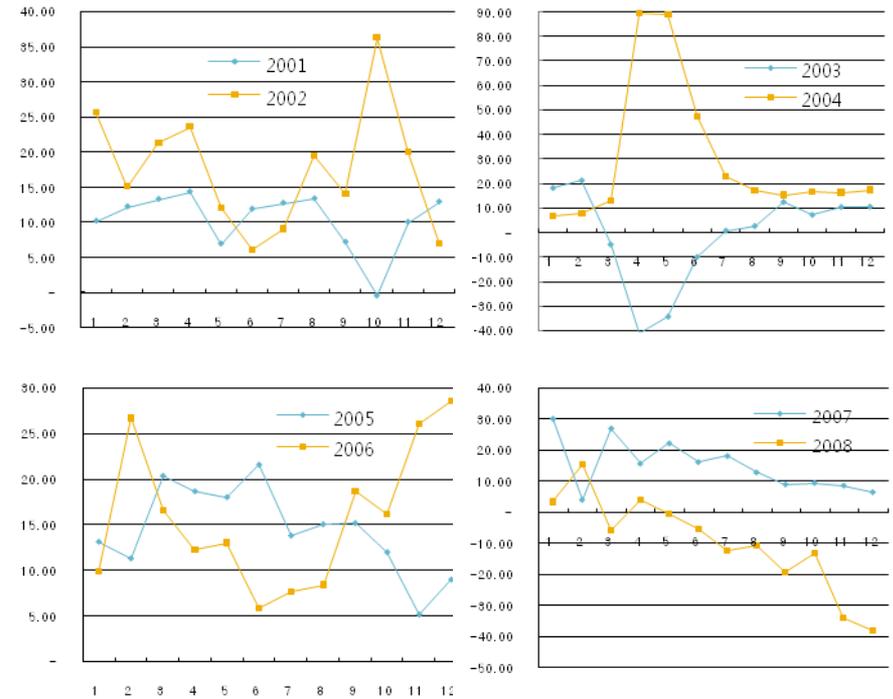


* 2008, 10% Decrease in Overseas Travelers

Yearly Overseas Travelers and Tourists



Monthly Growth Rate of Overseas Travelers YoY

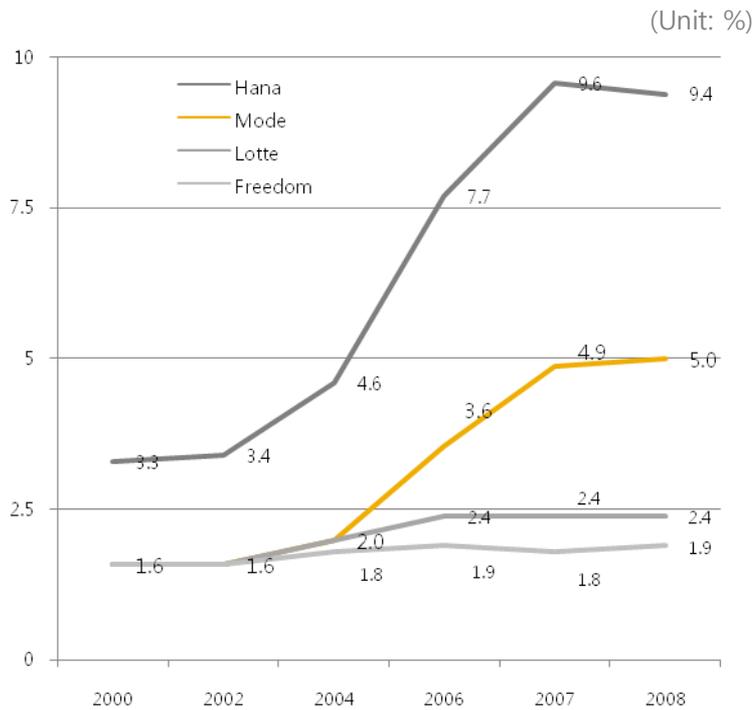


* Source: Korea National Tourism Organization, MODETOUR NETWORK

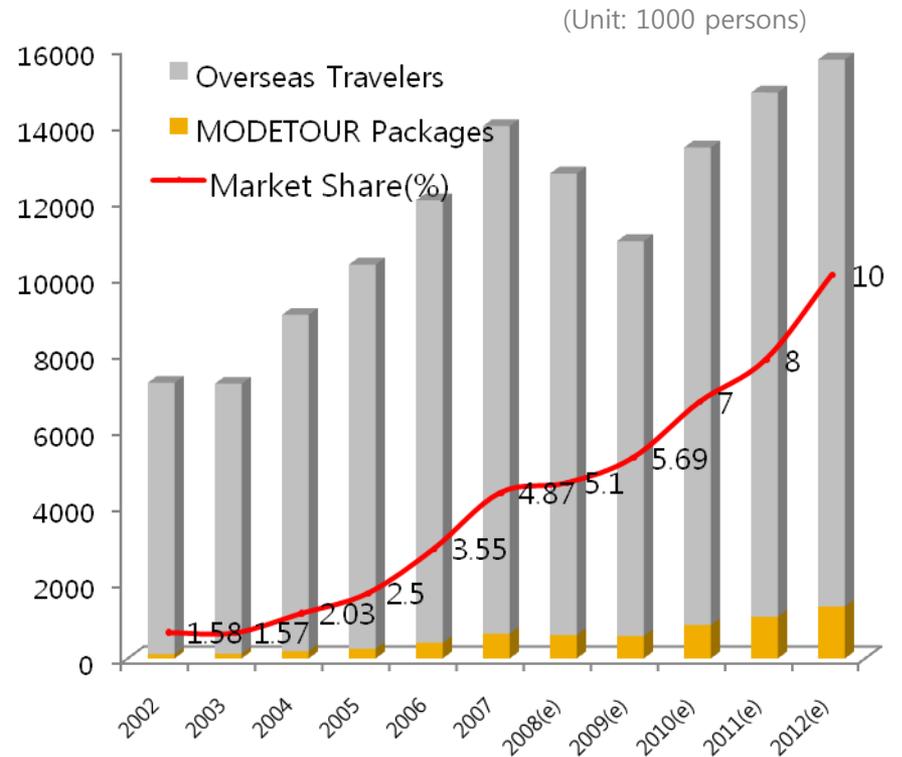
* The number of Overseas Travelers with tour purpose from July 2006 is estimated because of disusing departure card.

* Major Travel Companies' Dominant Growth

Big 4's Package Market Share in Overseas Travelers

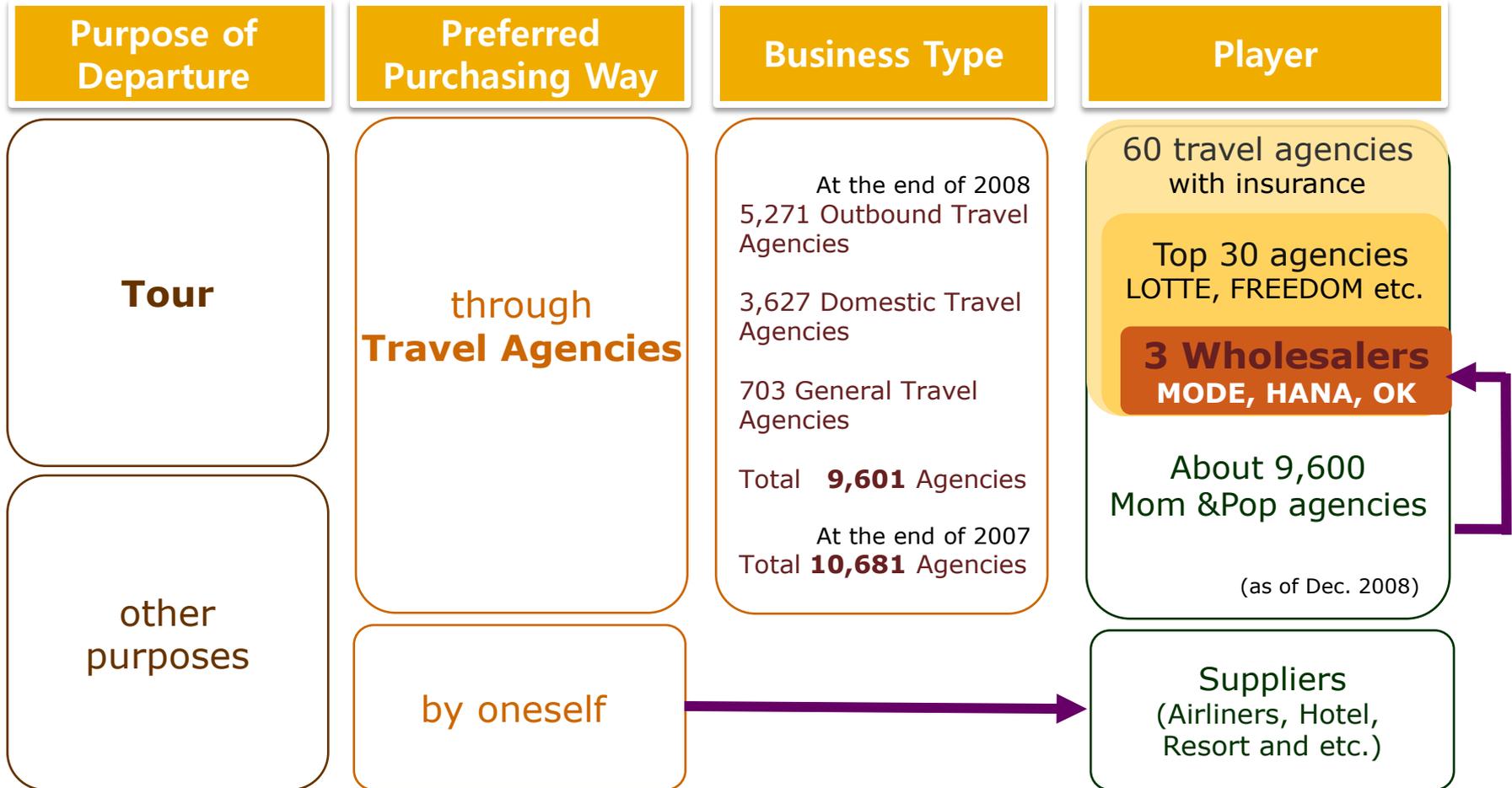


Modetour's MS in Overseas Travelers



* Source: Korea National Tourism Organization, KATA, MODETOUR NETWORK

* Market Segmentation



Travelers' Needs

- Group Tour → F.I.T.
- Sightseeing → Leisure and Theme

Market Volume Increasing

- US Visa Waiver Program
- Expanding Open Sky Agreement & Developing Various Destination
- Rising Income & Increasing Leisure Expense
- Aging Population
- Changing Life-style with More Leisure Time
- Increasing Air-seat supply
- Changing Commission Policy of Airlines
- Currency Effect (weak KRW)
- Sensitive Consumer for External Environment

Internal Innovation

- Productive Group: the Most Suitable Group for Developing Market
- Rational Decision: Rapid Decision and Responsibility, Clarifying Authority
- Empowerment
 - Incentive System Settlement
 - Changing Compensation System

Market Reformation

- Unbalanced Supply and Demand
 - Cost-Reducing → Strong Competition
 - Changed Market Participant and Competition
- Economy of Scale, Brand Loyalty, Planning Diverse Travel Packages, Preoccupying New Market → Gaining Growth and Competitiveness
- Priority in Cost, Gaining Market Strength
 - Jump to Be an Oligopoly

Market Environment

about MODETOUR

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Appendix

* Comprehensive Travel Company with 19-year Experience

Company Profile

CEO	Woo, Chong-woong
Capital	KRW 4.2 billion
Number of Employees	Employees: 895 (as of 2008)
Established on	February 14, 1989
Homepage	http://www.modetour.com
Address	Baeknam B/D #188-3 Euljiro-1-ga, Jung-gu, Seoul, Korea
Major Businesses	Travel Package Sale Airplane Ticket Sale

32 Nationwide Network

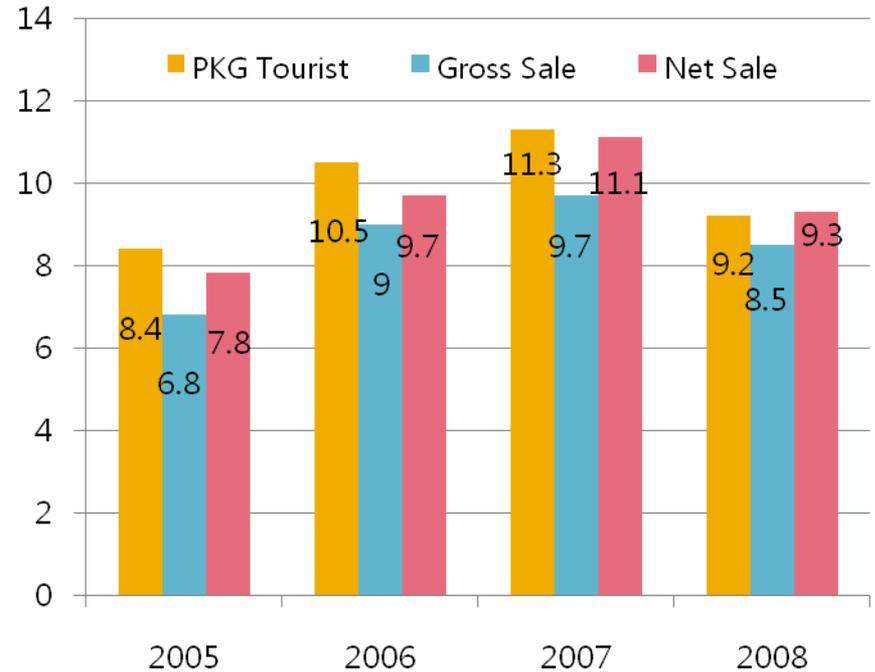
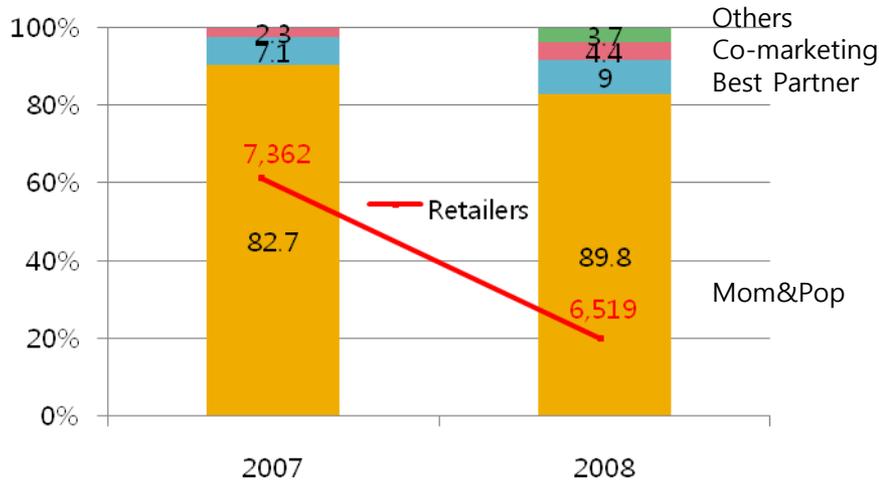


Central Region Team	Offices in Metropolitan Area
<ul style="list-style-type: none"> 춘천지점 	Gangnam, Gangseo, Northern Regional, Samsung, Bundaing, Shinchon, Jongno, Gwanghwamun and Yeongdeungpo
Regional Branches/Offices	
<ul style="list-style-type: none"> 천안지점 청주지점 대전지점 대구지점 전주지점 울산 창원지점 부산지점 광주지점 순천지점 	Branches: Gwangju, Busan, Daejeon, Daegu, Chuncheon, Cheonan, Incheon, Cheongju, Jeonju, Changwon, Suwon, Bucheon, Ilsan, Anyang, Ulsan, Suncheon, Gang-Neung, Jinju, Pyeong Taek, Jeju, Gumi Office: Incheon Airport
Guam, Saipan, London, Paris	

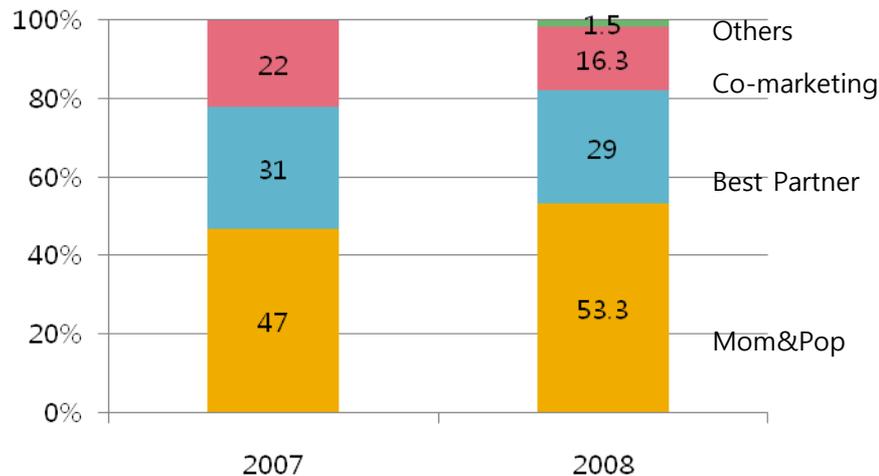
Distribution Channel



* Number of Retailers of Each Channel * MODETOUR.COM



* PKG Proportion of Each Channel

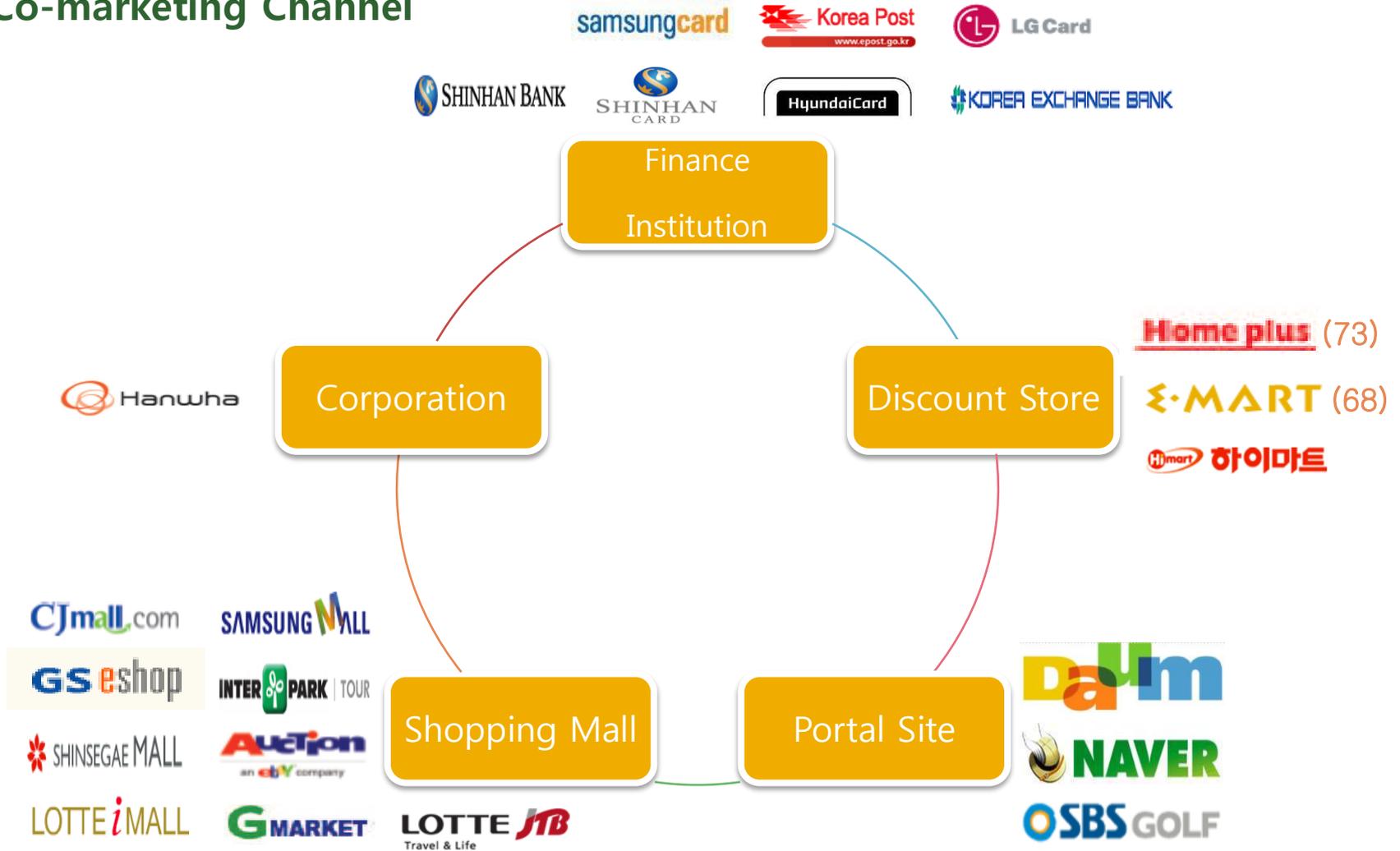


* On-line customers are people who visit modetour.com and make a reservation through MODETOUR web site. Customers from on-line cooperative channels such as shopping malls and web-portals are not included.

Distribution Channel



* Co-marketing Channel



Wholesaler's Tour Planning Work Flow



Market Research (Develop new destination)

Information Gathering

Tour Planning

Blocking
Air Seats

Blocking
Hotel Rooms

Land
Arrangement

Pricing

Brochure Designing

Retail agency or
Co-marketing channel

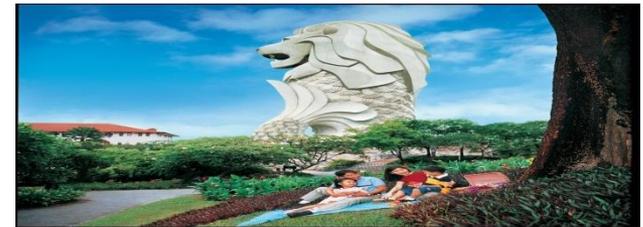
MODETOUR.com

End-customer

Travel Package Type



Full Package with Escort from Korea

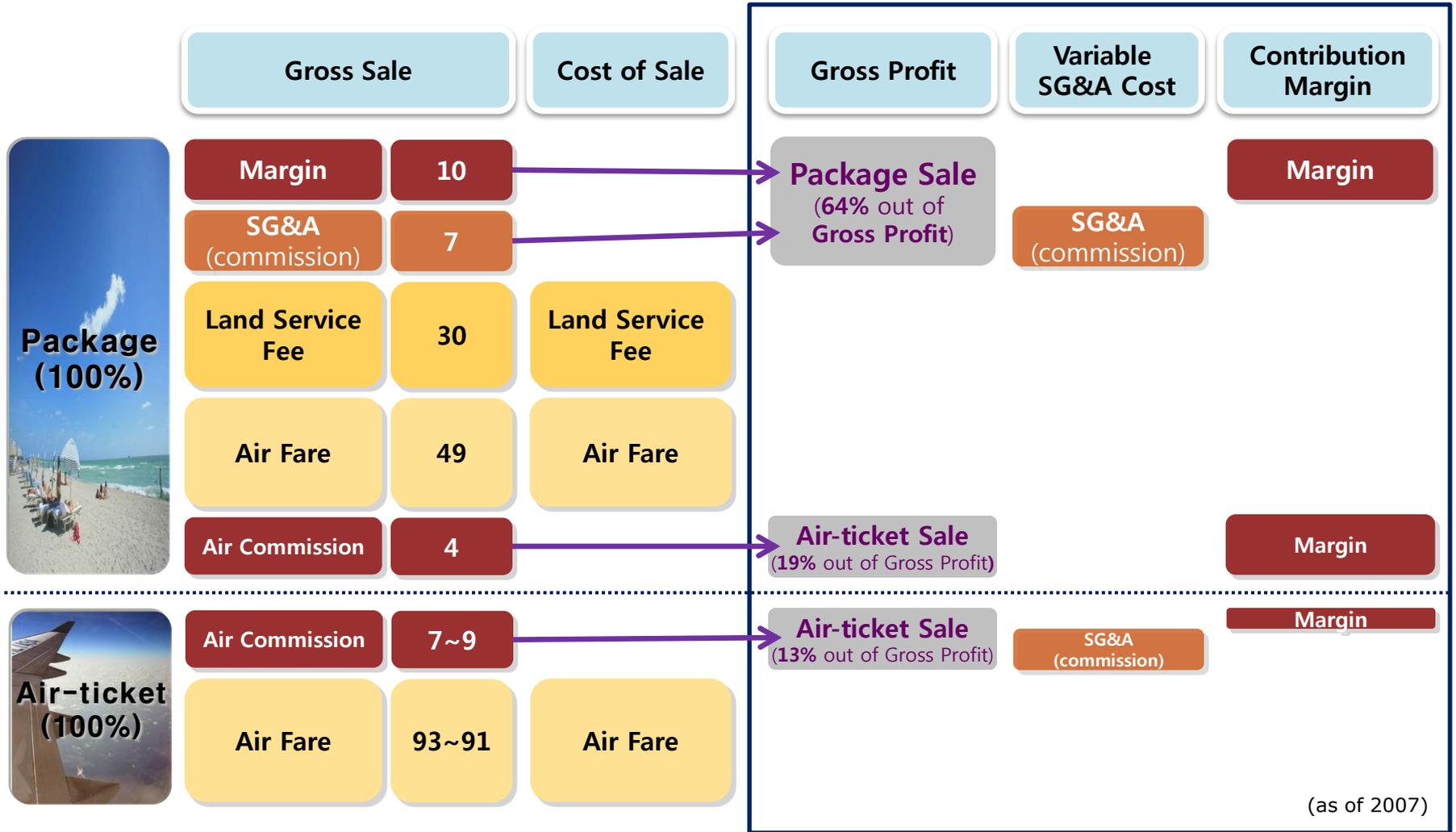


Full Package with Escort at the Destination



Package tour without Escort

Sales Structure



* According to the business relations, Revenue and Commission reported on financial statement can be changed.

Business Result



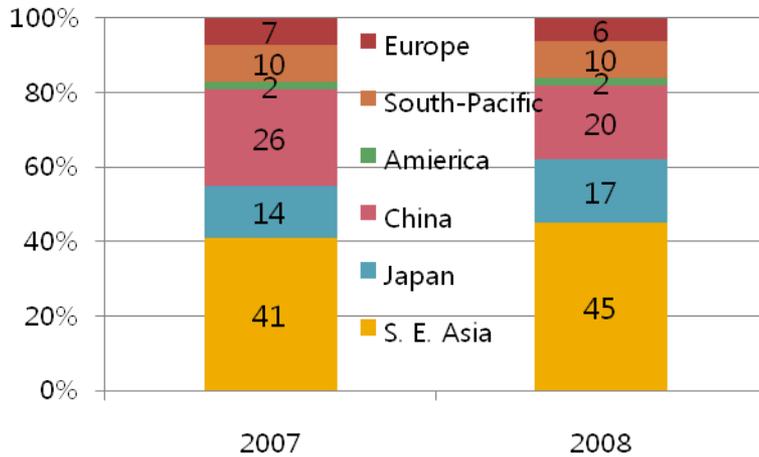
(Unit: Million KRW)

	FY 2007	Ratio to GP	FY 2008	Ratio to GP	YoY
Package Tourists	649,510		600,737		
Gross Profit	94,351	100%	83,265	100%	-11.7%
Package	60,014	63.6%	53,811	66.1%	-10.3%
Air-ticket	30,735	32.6%	25,974	30.2%	-15.5%
Additional Revenue	3,601	3.8%	3,480	3.7%	-3.4%
SG&A Expense	80,036		82,347		2.9%
Labor	21,802	23.1%	25,792	28.0%	18.3%
Advertising	7,774	8.2%	6,045	7.6%	-22.2%
Agent COMM.	34,724	36.8%	32,274	36.8%	0.6%
Other COMM.	6,175	6.5%	6,691	8.8%	8.3%
Others	9,561	10.1%	11,545	12.5%	20.7%
Operating Income	14,315		918	6.4%	(93.6%)
O.P. Margin	15.2%		1.1%		
Net Income	11,367		619		(94.5%)
N.I. Margin	12.0%		0.7%		

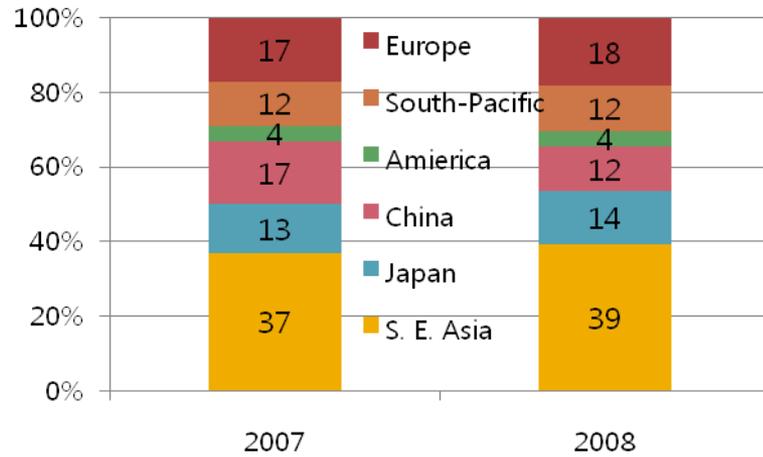
Destination Breakdown



* PKG Proportions by Destination(%)



* Gross Sale Proportions by Destination(%)



* PKG and ASP	FY 2007				FY 2008			
	PKG (persons)	YoY(%)	ASP (KRW)	YoY(%)	PKG (persons)	YoY(%)	ASP (KRW)	YoY(%)
S.E. Asia	232,091	32	741,124	5	213,207	-8	866,709	17
Japan	76,457	61	775,687	8	82,397	8	814,577	5
China	142,411	142	563,097	-8	97,056	-32	598,319	6
America	10,118	30	2,018,543	0	8,579	-15	2,247,362	11
S. Pacific	46,512	52	1,180,826	4	46,276	-1	1,242,095	5
Europe	32,318	32	2,460,949	7	30,894	-4	2,684,171	9
Total	649,510	58	824,000	-3.5	115,257	-7.5	945,829	15

Market Environment

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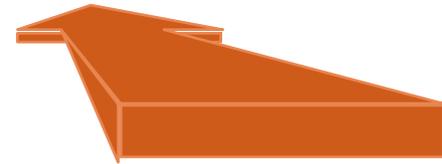
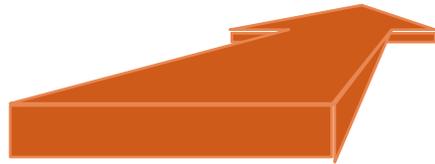
KEY STRATEGY

Appendix

Korean Travel Market Leader



Travel Distributor Based on North East Asia



Tour Operator

- * International Networking
- * Local Operating Competitiveness
- * Various Travel Package Producing Skill
- * Most Suited Local Service
- * Network Communication

Supplier

- * Exclusive Sales Right for the Key destinations
- * Transport Business (Air, Car, Ship etc.)
- * Hotel Chain Business (Partial Ownership, Leasing, Outsourcing, Chain Business etc.)

Global M&A volume up

- * Local Outbound Travel Agent
- * Niche Market Player
- * Joint Venture
- * Synergy Effect from Other Tourism business

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Chairman

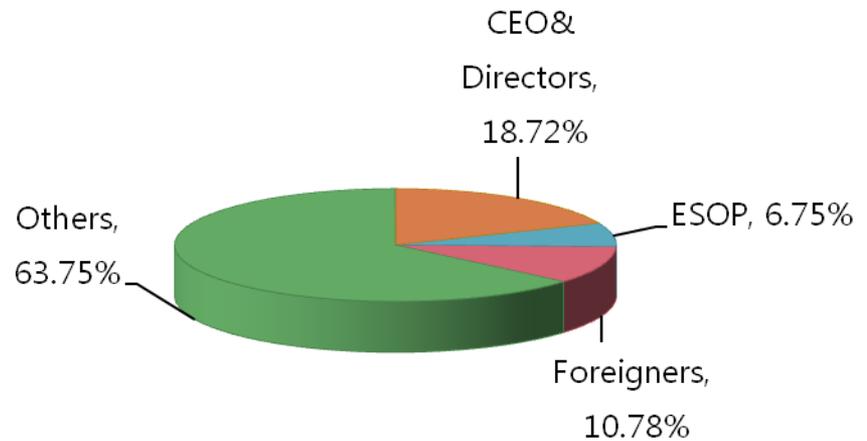
- Name: Woo, Chong-woong
- Career Background
 - Koryeo Tour
 - Director, Seoul Fencing Association, Korea Sports Council

CEO

- Name: Hong, Ki-chung
- Career Background
 - Koryeo Tour
 - Board of Director of Korea Association of Travel Agents

- Senior Managing Director: Han Ok-min
- Managing Director & CFO: Son Ho-kwon
- Managing Director: Yang Byeong-seon
- Outside: Lee Hyuck Ki, Kim Chi Nyeon
- Auditor: Lee Sang-guk

Shareholders



(as of Feb. 28th, 2009)

Subsidiary



TourTainment

(11-2006)

Joint Establishment with OLIVE NINE and MBC
The Largest Shareholder with a 50.00% Stake
at Price of 0.4 Billion Won

- Coordinating Overseas Location for Filming Drama & Movie with Air-tickets, Lodging and Local Limousine Services, etc.
- Introducing Travel Products Related with the Locations

FREEMODE Inc.

(01-2007)

a 100% Subsidiary of MODETOUR with 1 Billion Won
Targeting F.I.T. Market

- a Variety of Contents Reorganized by Specialists
- Dynamic Packages
- Developing Booking Engine

Interpark Tour

(03-2007)

Acquired a 20% Stake
at Price of 3 Billion Won

- 2.9 Million Unique Visitors
- Securing Online Distribution Channel
- Reducing Inventory Risk from Airline Seats

MODETOUR International

(06-2008)

a 100% Subsidiary of MODETOUR
with 1 Billion Won

- Penetrating Inbound Travel Business based on China Market
- Expanding Market to South-East Asia and Japan with 'Hanryu', the waves of Korean culture.

MODETOUR H&D

(09-2008)

a 100% Subsidiary with 0.8 Billion Won

- Online Hotel Reservation - Targeting Korean Domestic Travelers Preferring Hotel
- Package Competitiveness, Easy Reservation System, Rich Contents, Various Contribution Channel and Modetour's Brand Power
- Synergy with Modetour International's Inbound Business and Expanding Overseas Online Hotel for F.I.T.

Key Financial Ratio



Growth (%)

	FY08	FY07	FY06	FY05
Growth Rate of Sales	-11.75	42.13	70.76	22.91
Growth Rate of Assets	-23.28	37.69	166.57	124.05
Growth Rate of Net Income	-94.56	39.07	178.86	2.47

Profitability (%)

	FY08	FY07	FY06	FY05
Ratio of Operating Profit to Net Sales	1.10	15.17	14.69	8.23
Ratio of Net Income to Net Sales	0.74	12.05	12.31	7.54
ROE	1.16	21.52	26.11	28.45

Stability (%)

	FY08	FY07	FY06	FY05
Liabilities Ratio	51.99	69.07	47.46	81.62
Debt Dependence Ratio	-	-	-	-
Current Ratio	219.17	248.28	246.21	159.29

Activity

	FY08	FY07	FY06	FY05
Turnover Ratio of Assets	0.97	1.12	1.36	2.02
Receivables Turnover	21.16	9.75	12.5	16.4

Summarized Financial Statement



Balance Sheet

(Unit: million KRW)

	2008	2007	2006	2005
Current Asset	47,801	89,439	50,494	16,646
Non-Current Asset	26,957	8,006	20,275	9,902
Total Asset	74,758	97,445	70,770	26,548
Current Liabilities	21,810	36,024	20,508	10,450
Non-Current Liabilities	3,760	3,786	2,268	1,480
Total Liabilities	25,570	39,810	22,776	11,931
Capital Stock	4,200	4,200	4,200	2,100
Capital Surplus	30,033	30,033	29,880	5,294
Retained Earnings	23,035	24,843	14,926	7,223
Total Stock Holders Equity	49,188	57,635	47,993	14,616

Summarized Financial Statement



Income Statement

(Unit: million KRW)

		2008	2007	2006	2005
Gross Profit	Air-ticket	25,974	30,735	24,598	17,952
	Package	53,811	60,014	39,909	19,352
	Additional Revenue	3,480	3,601	1,875	1,568
	Total	83,265	94,351	66,383	38,874
SG&A Expense		82,347	80,036	56,628	35,675
Operating Profit		918	14,315	9,754	3,198
Non-operating Income		4,411	3,462	1,945	941
Non-operating Expense		4,074	1,899	268	87
Net Income before Taxes		1,255	15,878	11,431	4,052
Income Taxes		636	4,510	3,257	1,121
Net Income		619	11,367	8,174	2,931



Thank You

MODETOUR NETWORK Inc.