

**'Growing Together'**



**Investor Relations**



**Market Environment**



**MODETOUR**

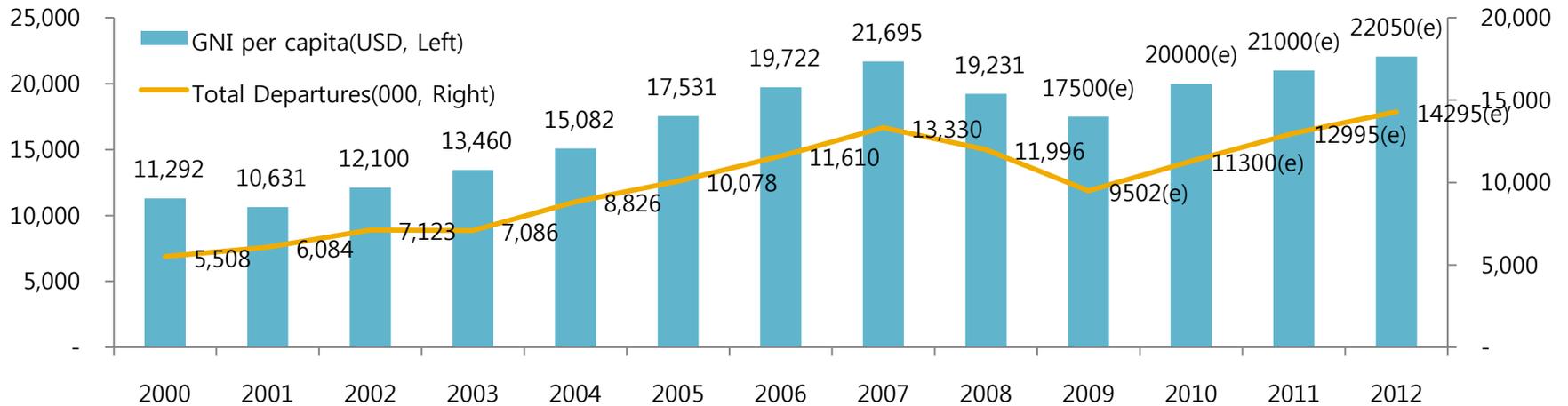


**Key Strategy**



**Appendix**

# Korea's Travel Market



2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012

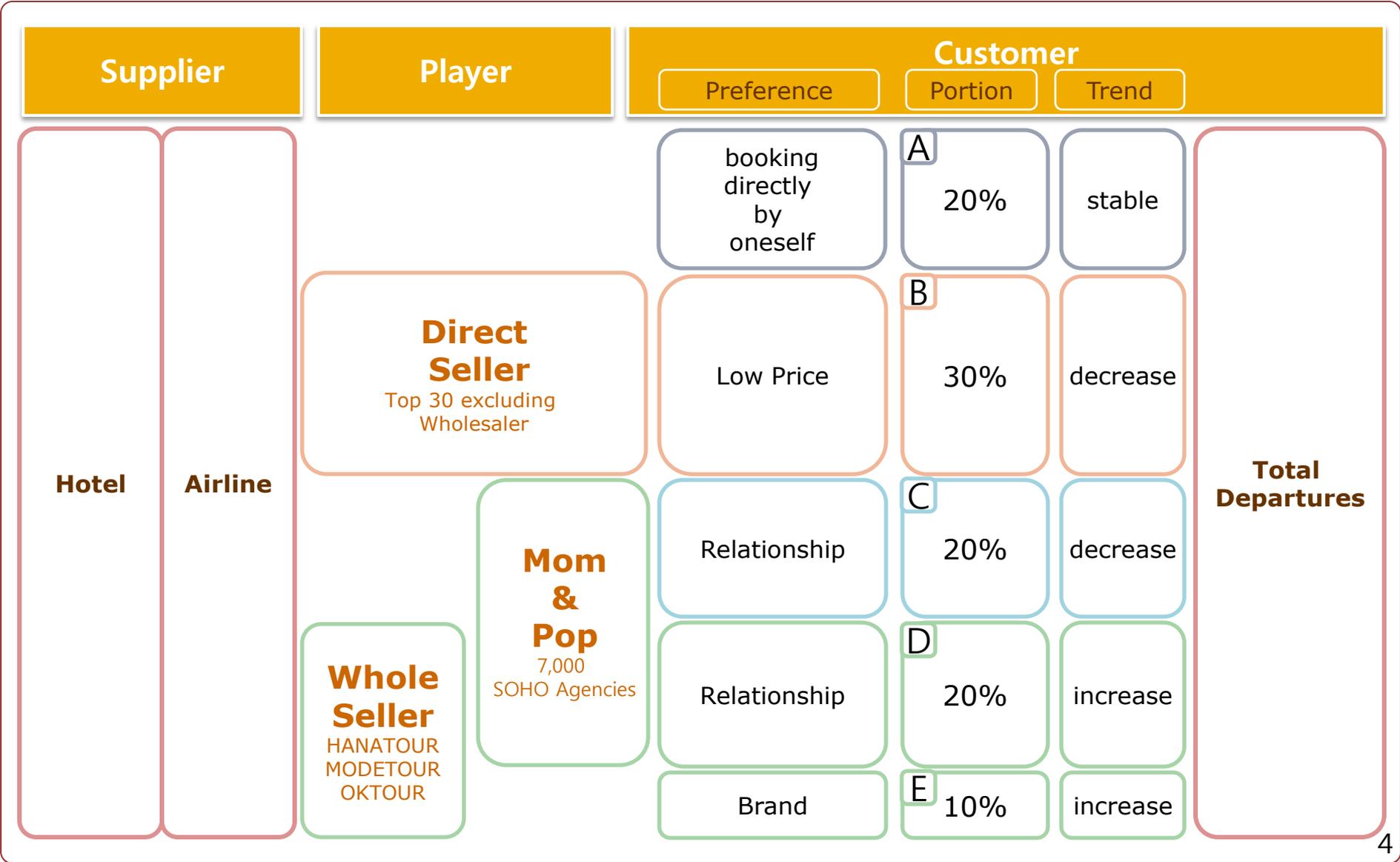
Leisure Time 5-day Workweek Alternative Holidays

Open Sky USA('98) Thailand China Japan Canada

Visa Waiver Japan USA

Issue SARS Global Economic Crisis, Oil Price Rise SI Election

# Market Environment





**Market Environment**



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**Key Strategy**



**Appendix**

## Core Competence

### Product Planning Skill

- Designated as the Outstanding Tour Product by the Ministry of Culture, Sports and Tourism
- Designated Four-year Consecutive 'Outstanding Company in Service Quality' by Ministry of Knowledge Economy, the First-ever Record in Travel Industry



### Brand Awareness

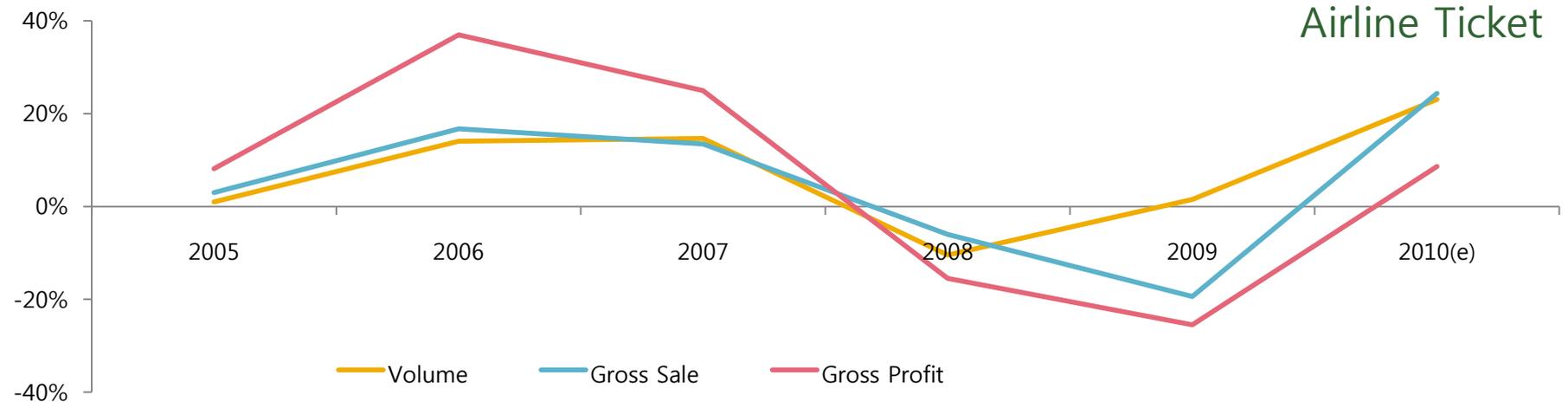
- Secondly Recognized Travel Company
- No. 1 in Customers Satisfaction Survey of Travel Service among the Big 4 Travel Agencies by Korea Consumer Agency



### Distribution Channel

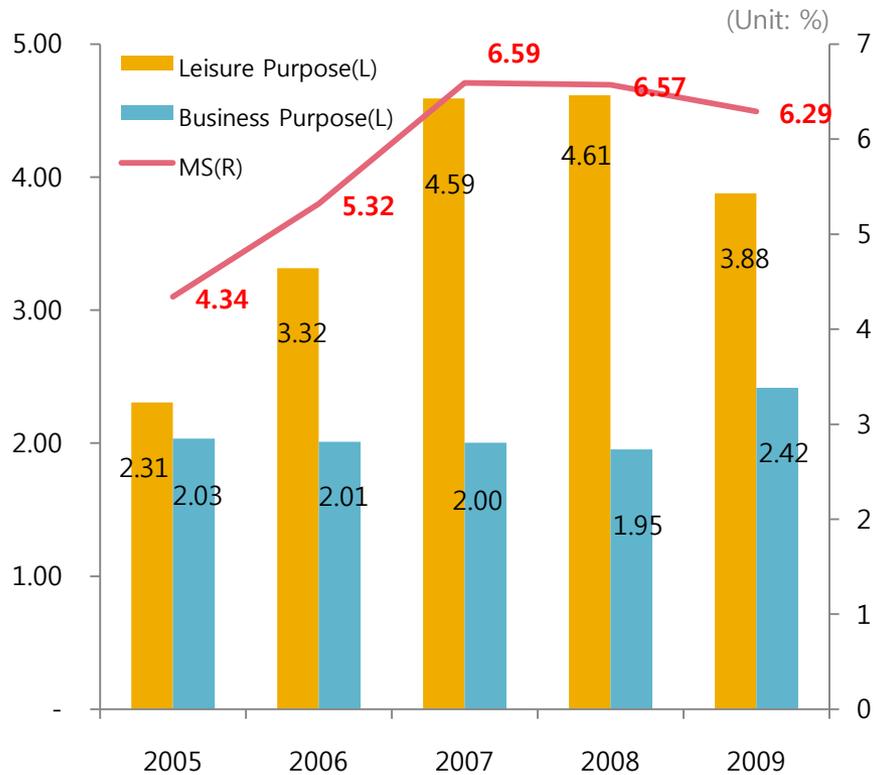
- Skilled Sales People
- Stable Distribution Channel
  - Traditional Wholesale Channel
  - Franchise – Best Partner
  - Co-Marketing Channel

## YoY Growth Rate after IPO

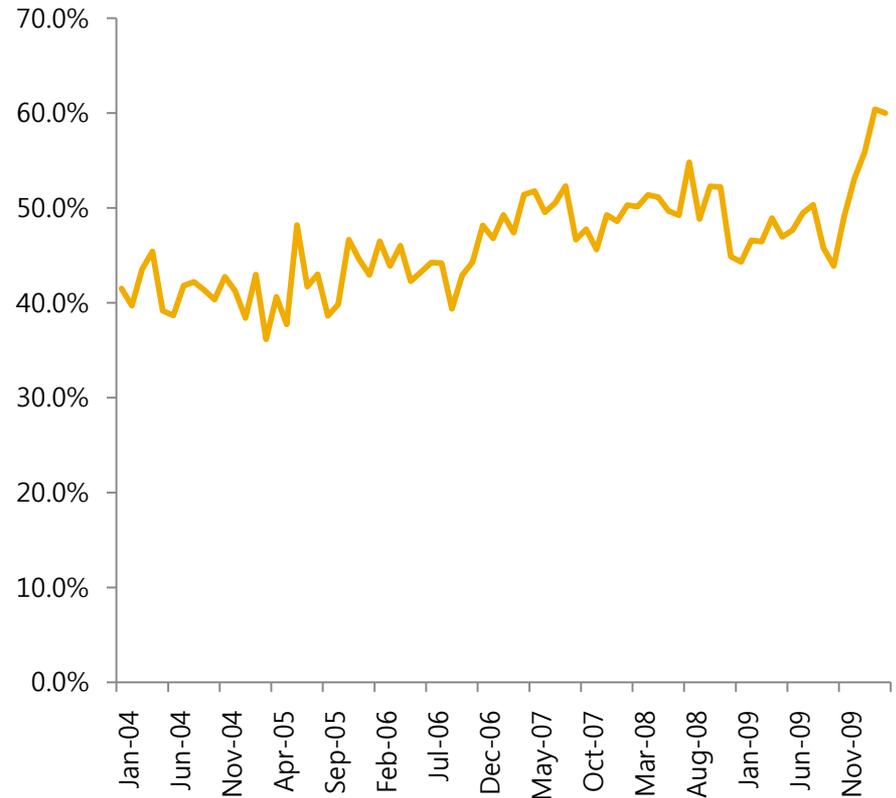


## Market Share, Overseas Package Basis

### MODETOUR's MS in Total Departure



### Relative Market Share



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

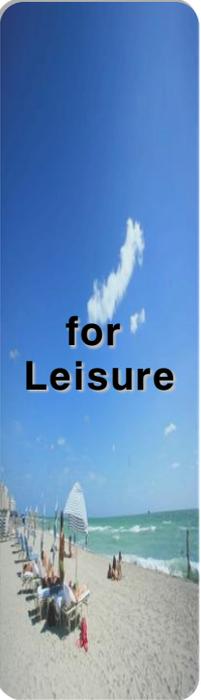
## Package Breakdown

	Air-Ticket	Hotel	Guide	Transportation & meal	Tour Conductor	Price Competition against Customizing	Portion	Gross Profit Margin
<b>Packaging</b>	Group Tour (including Incentive Tour)					20%	40%	14%
	Foreign Independent Tour (F.I.T.)					15%	20%	14%
	Air-tel					10%	10%	14%
<b>Customizing</b>	Individual	Individual	Individual	Individual	Individual	0%	30%	2~5%

Destination	S.E. Asia	China	Japan	S. Pacific	Europe	America
Volume Portion	45.7%	20.3%	15.1%	12.1%	5.2%	1.5%
ASP(000KW)	822,000	552,000	784,000	1,158,000	2,667,000	2,056,000

# Sales Structure



		Gross Sale	Gross Profit	Proportion	Income Statement	
 <p><b>for Leisure</b></p>	<p><b>Package</b></p>	Local Service Fee		34%		
		Air Fare		48%		
		Profit	Net Margin	10%	14%	Package Sale
			Distribution Expense	4%		
	Profit (air commission)		4%	Ticket Sale		
 <p><b>for Business</b></p>	<p><b>Air ticket or Hotel</b></p>	Profit (air commission)	Net Margin	1%	5%	
			Distribution Expense	4%		
		Fare		95%		

(as of 2009)

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

# Distribution Channel



		Portions	
		Channel	Volume
Mom & Pop Agencies	<ul style="list-style-type: none"> <li>Traditional Sales Channel</li> <li>Approximately 7,000 Travel Agencies in Korea</li> <li>5,000~6,000 Mom &amp; Pop Agencies Registered</li> </ul>	85%	55%
Franchise	<ul style="list-style-type: none"> <li>550 Best Partners with High loyalty</li> <li>Naming MODETOUR's Pro-Retail Agency</li> <li>Supporting Improving Sales Activities</li> <li>Linked with MODETOUR's Website</li> </ul>	9%	26%
Co-marketing	<ul style="list-style-type: none"> <li>Expanding to Financial Institution, Portal Site, Shopping mall, Discount Store, Corporation etc.</li> </ul> <p> </p> <ul style="list-style-type: none"> <li>Stable Expansion Accumulating Cooperative Business Know-how</li> </ul>	5%	19%

(end of 2009)



**Market Environment**



**MODETOUR**



**Key Strategy**

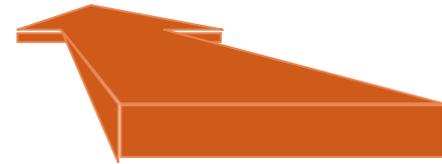
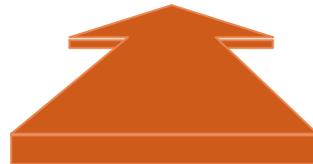


**Appendix**

# 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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**Appendix**



## Chairman

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

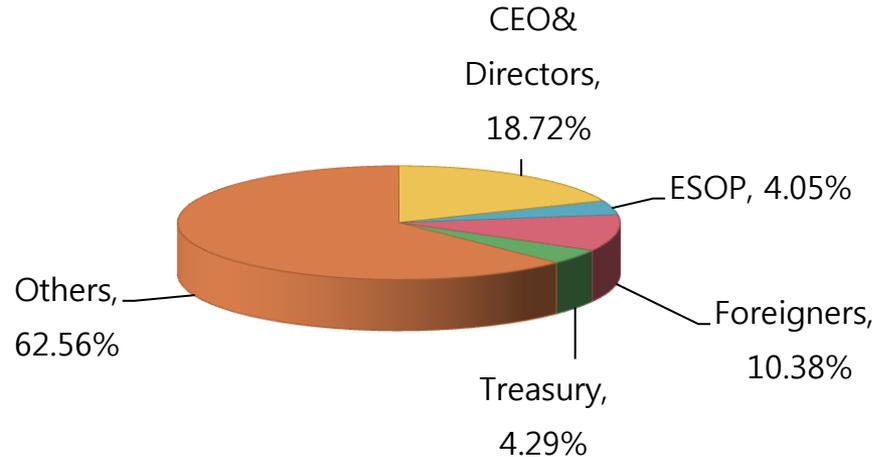
## CEO

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

## Vice President

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

## Shareholders



(at the end 2009)

## 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

## MODETOUR International (06-2008)

83.33% Subsidiary 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)

88.89% 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 (%)

	FY09	FY08	FY07	FY06
Growth Rate of Sales	-26.29	-11.75	42.13	70.76
Growth Rate of Assets	15.25	-23.28	37.69	166.57
Growth Rate of Net Income	96.04	-94.56	39.07	178.86

## Profitability (%)

	FY09	FY08	FY07	FY06
Ratio of Operating Profit to Net Sales	0.38	1.10	15.17	14.69
Ratio of Net Income to Net Sales	1.98	0.74	12.05	12.31
ROE	2.44	1.16	21.52	26.11

## Stability (%)

	FY09	FY08	FY07	FY06
Liabilities Ratio	71.50	51.99	69.07	47.46
Debt Dependence Ratio	-	-	-	-
Current Ratio	252.13	219.17	248.28	246.21

## Activity

	FY09	FY08	FY07	FY06
Turnover Ratio of Assets	0.76	0.97	1.12	1.36
Receivables Turnover	8.30	12.23	12.59	17.29

# Summarized Financial Statement



## Balance Sheet

(Unit: million KRW)

	2009	2008	2007	2006	2005
Current Asset	78,441	47,801	89,439	50,494	16,646
Non-Current Asset	7,720	26,957	8,006	20,275	9,902
<b>Total Asset</b>	<b>86,161</b>	<b>74,758</b>	<b>97,445</b>	<b>70,770</b>	<b>26,548</b>
Current Liabilities	31,111	21,810	36,024	20,508	10,450
Non-Current Liabilities	4,809	3,760	3,786	2,268	1,480
<b>Total Liabilities</b>	<b>35,921</b>	<b>25,570</b>	<b>39,810</b>	<b>22,776</b>	<b>11,931</b>
Capital Stock	4,200	4,200	4,200	4,200	2,100
Capital Surplus	30,033	30,033	30,033	29,880	5,294
Capital Adjustment	(8,080)	(8,080)	(1,448)	(1,064)	-
Accumulated Other Comprehensive Income	-	-	7	-	-
Retained Earnings	24,088	23,035	24,843	14,926	7,223
<b>Total Stock Holders Equity</b>	<b>50,241</b>	<b>49,188</b>	<b>57,635</b>	<b>47,993</b>	<b>14,616</b>

# Summarized Financial Statement



## Income Statement

(Unit: million KRW)

		2009	2008	2007	2006	2005
Gross Profit	Air-ticket	19,361	25,974	30,735	24,598	17,952
	Package	38,814	53,811	60,014	39,909	19,352
	Additional Revenue	3,200	3,480	3,601	1,875	1,568
	Total	61,375	83,265	94,351	66,383	38,874
SG&A Expense		61,139	82,347	80,036	56,628	35,675
Operating Profit		236	918	14,315	9,754	3,198
Non-operating Income		3,391	4,411	3,462	1,945	941
Non-operating Expense		2,130	4,074	1,899	268	87
Net Income before Taxes		1,497	1,255	15,878	11,431	4,052
Income Taxes		283	636	4,510	3,257	1,121
Net Income		1,214	619	11,367	8,174	2,931



# Thank You

**MODETOUR NETWORK Inc.**