

‘Growing Together’



Investor Relations



Market Environment



MODETOUR



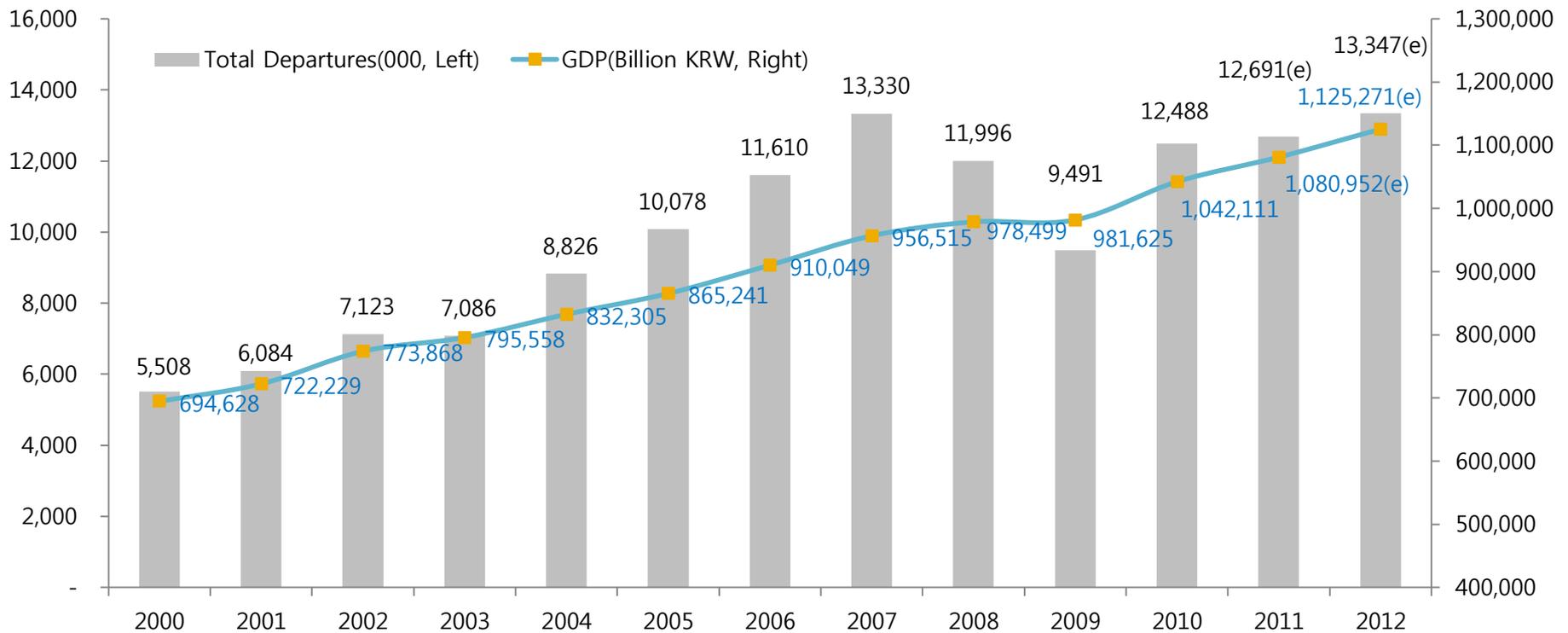
Key Strategy



Appendix

1.6% Growth of Korean Departures in 2011(e), 5.2% Growth in 2012(e)

Yearly Korean Departures and GDP



* No. of Departure: Korea National Tourism Organization(2000~2010), MODETOUR NETWORK(2011~2012)

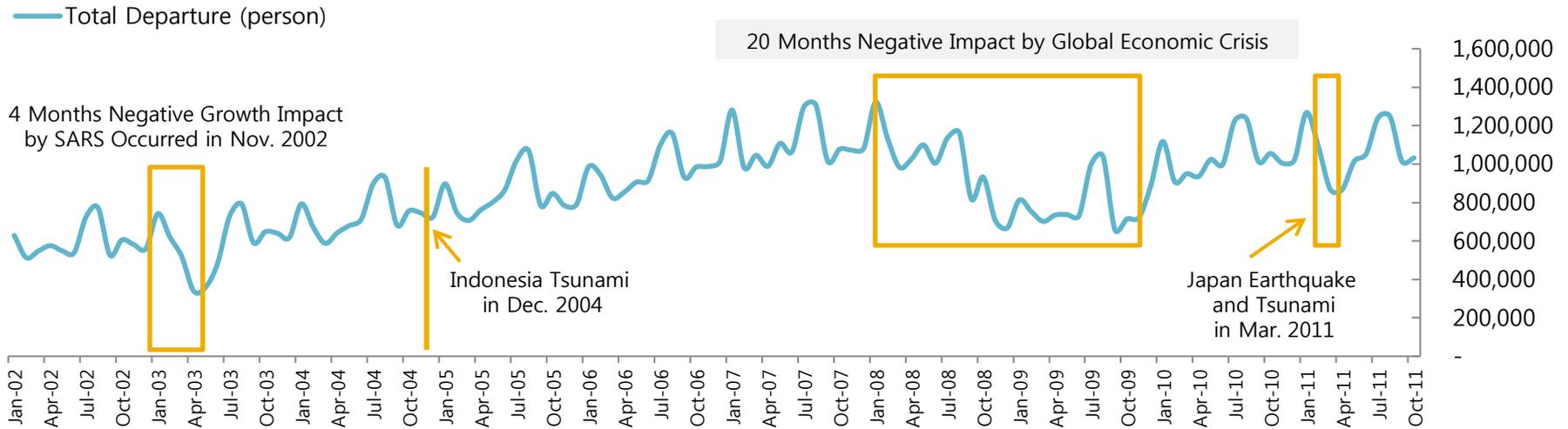
* 2000-2010 GDP: Bank of Korea, 2011-2012 GDP: FnGuide Consensus

Market Environment



Total Departure	Supplier		Player	Preference	Portion	Trend																
Total Departures	Hotel	Airline		booking directly by oneself	A 20%	stable																
			Direct Seller Top 30 excluding Wholesaler	Low Price	B 30%	<table border="1"> <caption>MS Data (2005-2011)</caption> <tr><th>Year</th><td>2005</td><td>2006</td><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>1H 2011</td></tr> <tr><th>MS</th><td>21.7</td><td>25.1</td><td>28.0</td><td>34.8</td><td>40.0</td><td>35.9</td><td>34.5</td></tr> </table>	Year	2005	2006	2007	2008	2009	2010	1H 2011	MS	21.7	25.1	28.0	34.8	40.0	35.9	34.5
			Year	2005	2006	2007	2008	2009	2010	1H 2011												
			MS	21.7	25.1	28.0	34.8	40.0	35.9	34.5												
			Mom & Pop 7,000 SOHO Agencies	Relationship	C 20%	decrease																
Whole-saler HANATOUR MODETOUR	Relationship	D 20%	<table border="1"> <caption>MS Data (2005-2011)</caption> <tr><th>Year</th><td>2005</td><td>2006</td><td>2007</td><td>2008</td><td>2009</td><td>2010</td><td>1H 2011</td></tr> <tr><th>MS</th><td>12.3</td><td>16.7</td><td>19.4</td><td>19.0</td><td>19.0</td><td>22.7</td><td>24.0</td></tr> </table>	Year	2005	2006	2007	2008	2009	2010	1H 2011	MS	12.3	16.7	19.4	19.0	19.0	22.7	24.0			
Year	2005	2006		2007	2008	2009	2010	1H 2011														
MS	12.3	16.7	19.4	19.0	19.0	22.7	24.0															
Brand	E 10%																					

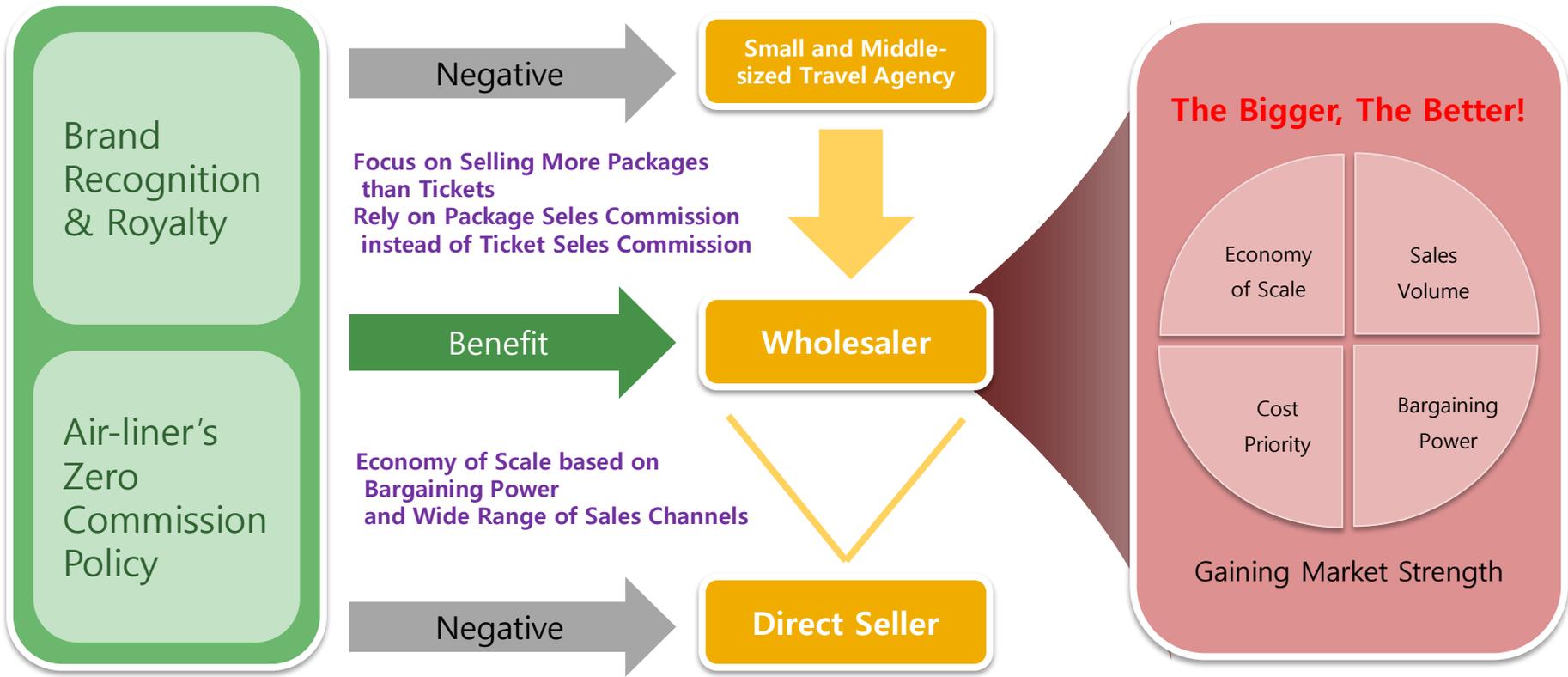
Market Environment



No. of Departure: Korea National Tourism Organization(2000~2011)

Issue	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Leisure Time			5-day Workweek							
Open Sky					Thailand China		Japan	Canada		Spain
Visa Waiver					Japan		USA			
Issue	SARS		Indonesia Tsunami				Global Economic Contraction Oil Price Rise	SI	General Election	Japan Tsunami, Bangkok Flood

Market Change





Market Environment



MODETOUR



Key Strategy



Appendix

Comprehensive Travel Company with 22-year Experience

Organization

Management	name	Field Experience	Division	Ratio	No.	Main Task	
Chairman	Woo, Chong-Woong	37 Years, Founder	Director	1%	5	General Management	
			Travel Package Plan	34%	325	Design Travel Package	
CEO	Hong, Ki-Jung	30 Years, Founder	Sale	Travel Agency	43%	408	Distribution and Reservation Administration
				Online & Corporate	13%	122	Co-marketing Sale & Corporate Business
Vice President	Han, Ok-Min	26 Years, Founder	Back Office & Support	9%	89	Managing Support, Strategy Planning, Administration	
CFO	Yang, Byung-Sun	22 Years	Total Employee	100%	949	-	
Managing Director	Son, Ho-Kwon	22 Years	6 Branch Offices	33 domestic		Business Relations with Mom & Pop Agencies all over the Country	
				Guam, Saipan, London, Paris, Tokyo, Beijing		Customer Service at the Destination	

(end of 3Q 2011)

Core Competence

Product Planning Skill

- Timely Securing Air-seats and Aggressive Charter Business
- Productive Employees with Average 5.5 Years of Package Product Planning Experience

Brand Awareness

- Ranked Second Brand in Korean Travel Market since 2007
- Improving Service Quality – Named 'KS-SQI, Korean Standard-Service Quality Index' in 2010 and 2011.
- Named 100 Brand 2nd and 3th Quarter in 2011 by Brand Stock

Distribution Channel

- Strong Relationship with Mom & Pop Agencies and Skilled Sales People
- Stable Distribution
 - Franchise - Best Partner
 - Co-Marketing Channel

Package Breakdown

	Air-Ticket	Hotel	Guide	Transportation & meal	Tour Conductor	Price Competition against Customizing	Portion	Gross Profit Margin
Packaging	Group Tour including Incentive Tour Preferred Destination: long haul destinations such as Europe, America					20%	40%	18%
	FIT Foreign Independent Tour Preferred Destination: Guam, Saipan, South-East Asia					15%	20%	18%
	Air-tel Preferred Destination: Tokyo, Shanghai, HongKong etc.					10%	10%	18%
Customizing	Individual	Individual	Individual	Individual	Individual	0%	30%	2~5%

Destination		S.E. Asia	China	Japan	S. Pacific	Europe	America
Volume Portion	3Q2011	45%	26%	10%	8%	7%	4%
	FY2010	33%	27%	22%	9%	6%	3%
ASP (KRW)	3Q2011	917,886	766,276	879,860	1,430,028	2,965,421	2,461,173
	FY2010	953,000	718,000	853,000	1,332,000	2,894,000	2,481,000

Sales Structure

Sales Structure		Gross Sales	Gross Profit	Proportion	Income Statement		
 Packaging	Package	Local Service Fee		37%			
		Air Fare		45%			
		Profit	Net Margin	8%	15%	Package Sale	80%
			Distribution Expense	7%			
		Profit (air commission)	Net Margin	3%		Ticket Sale	12%
 Customizing	Air-ticket	Profit (air commission)	Net Margin	2%	5%	Ticket Sale	8%
			Distribution Expense	3%			
		Fare		95%			

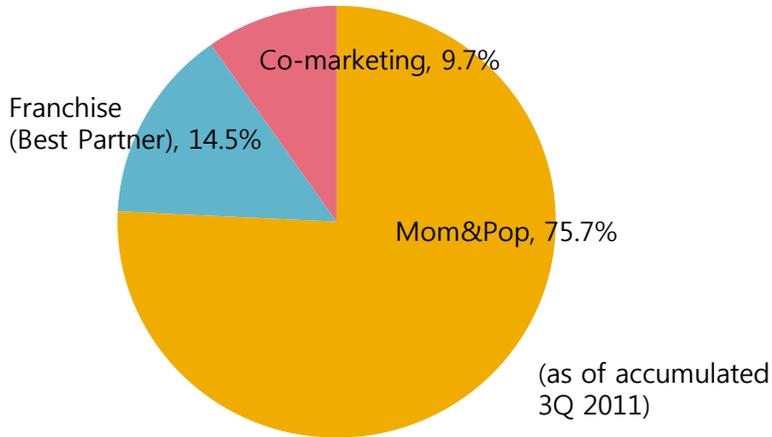
(as of 2010)

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

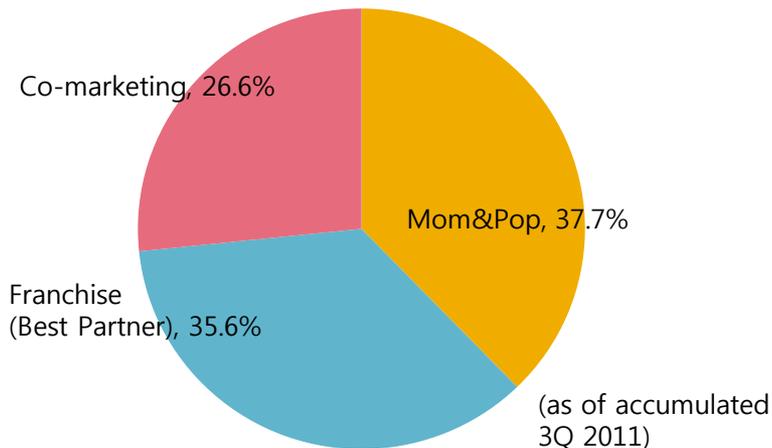
Distribution Channel



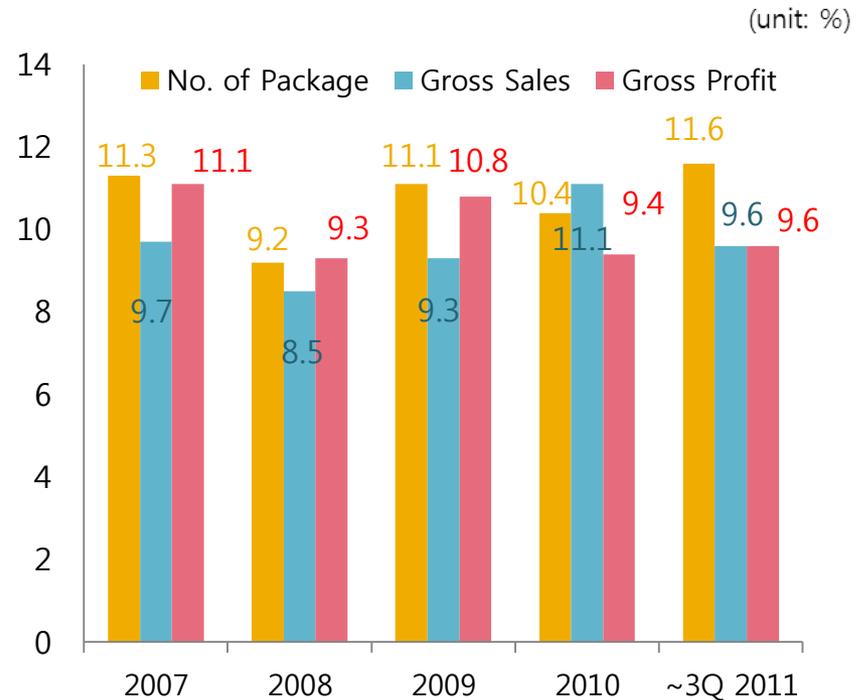
Number of Retailers



Package Proportion



MODETOUR.com Online Proportion

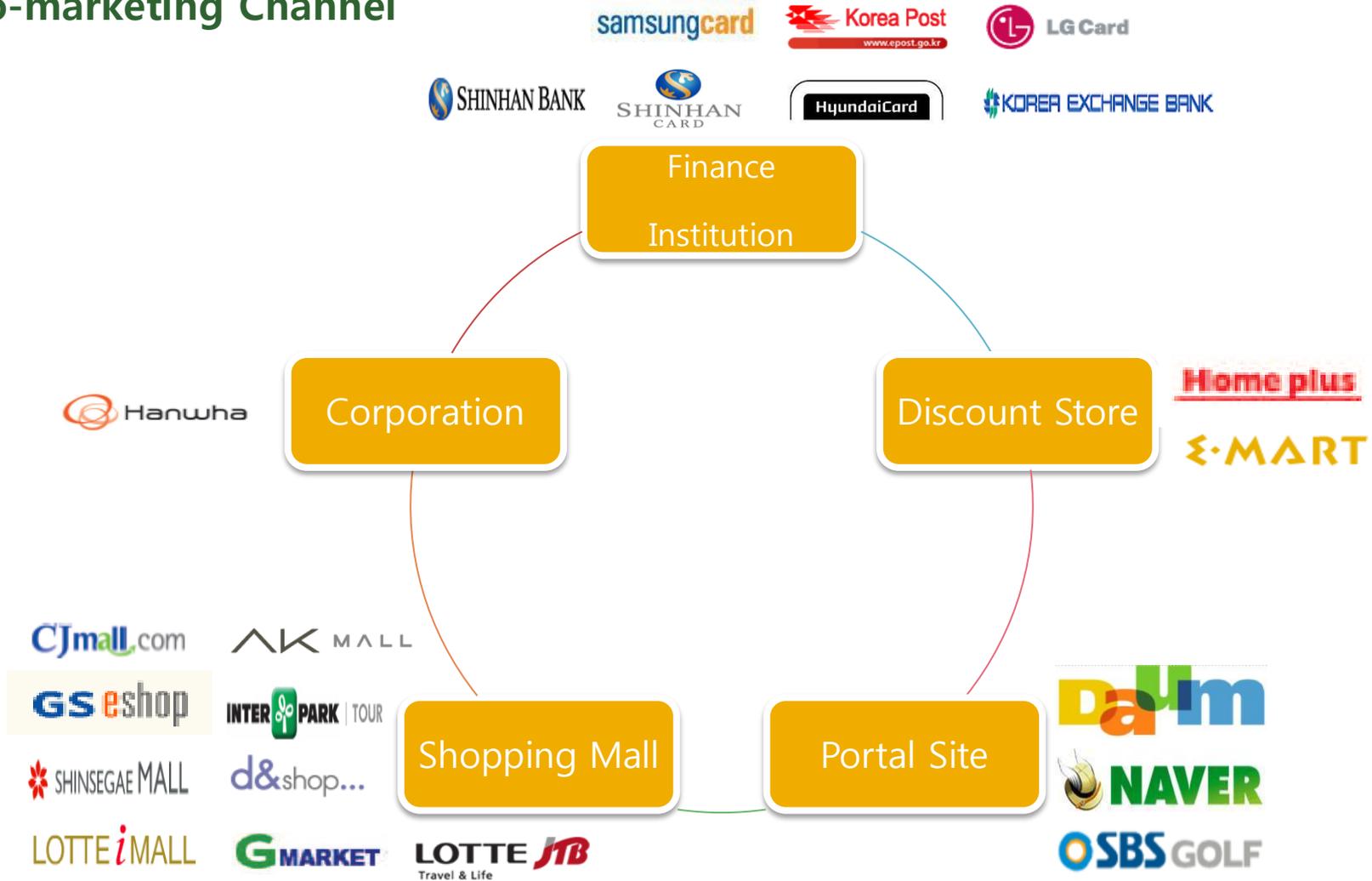


* On-line customers are people who visit modetour.com and make a reservation through MODETOUR web site. Customers from on-line cooperative channels such as shopping malls and web-portals are not included.

Distribution Channel

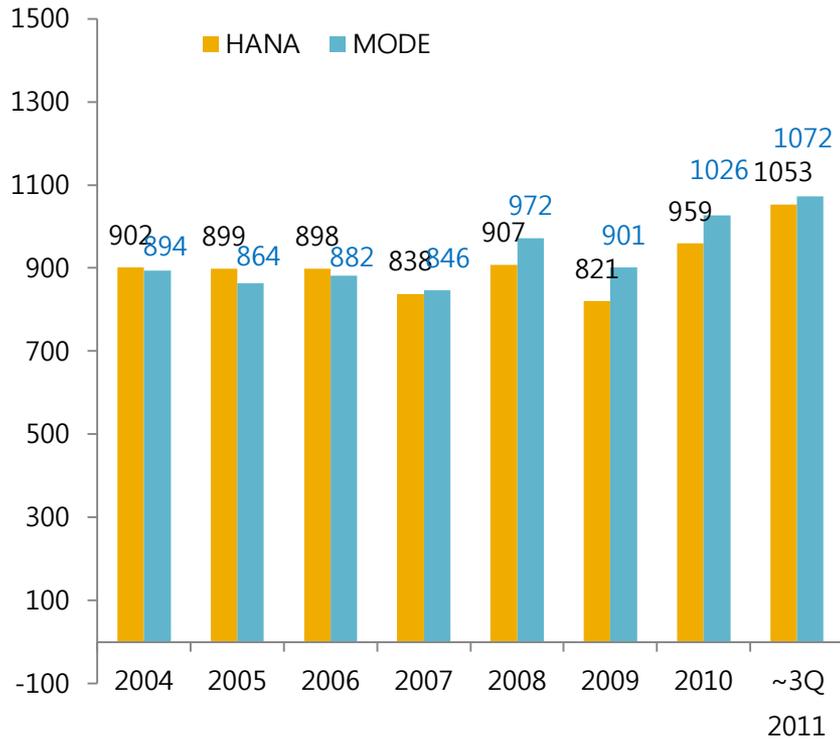


Co-marketing Channel

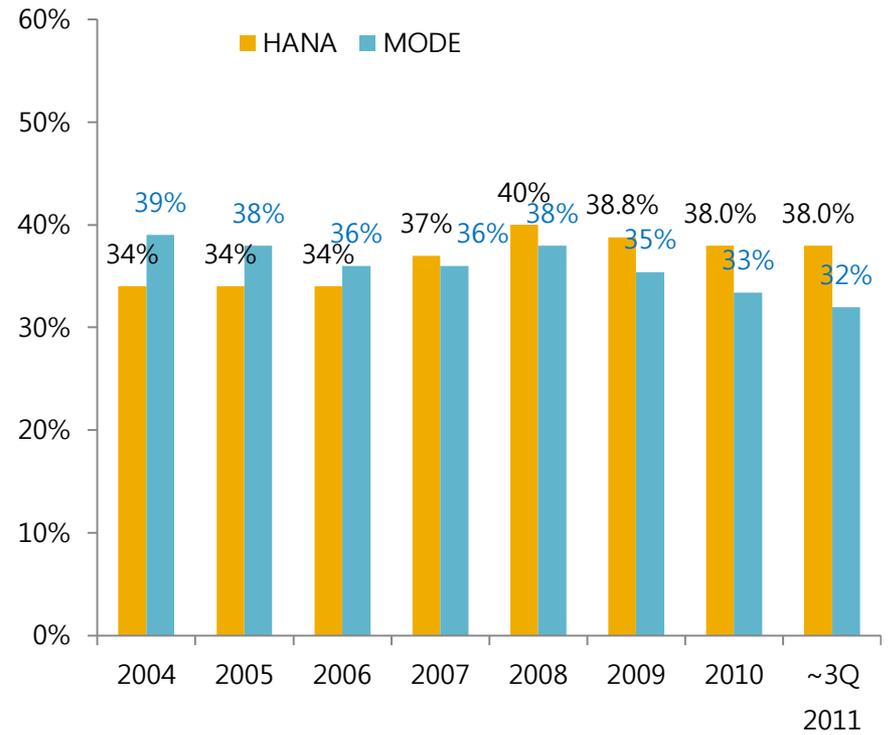


Average Selling Price

(Unit: 000KRW)



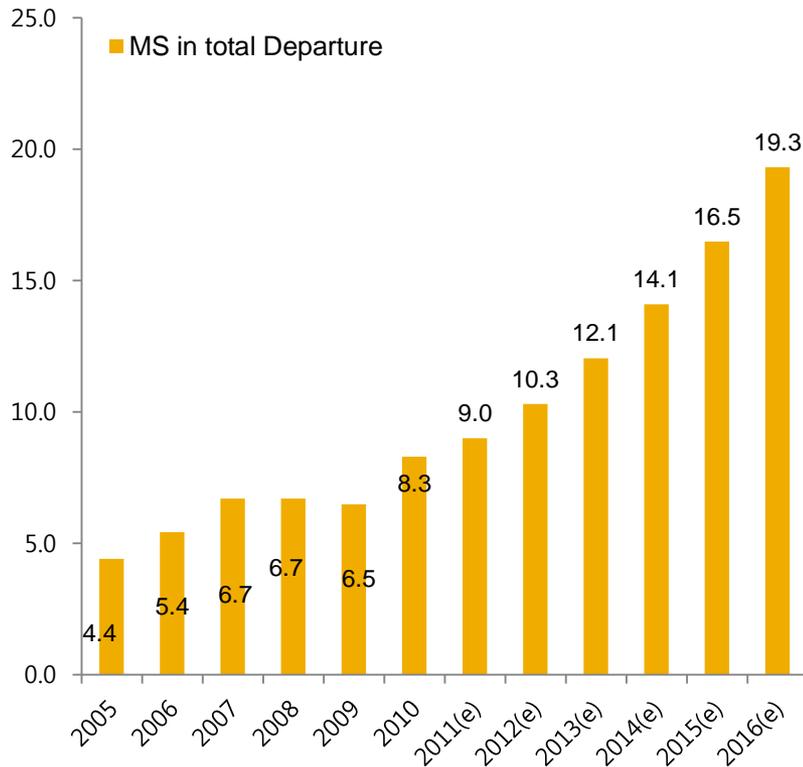
Agent Commission Ratio to GP



Fast Recovery and Noticeable Market Share Growth

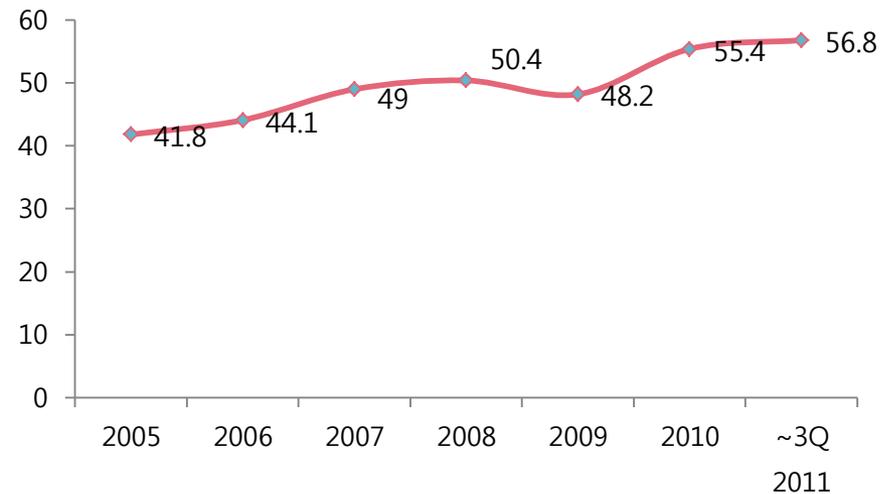
MODETOUR's MS in Total Departure

(Unit: %, PKG+TKT)



Relative Market Share(Ratio to HANA TOUR)

(Unit: %, PKG only)



YEAR	2005	2006	2007	2008	2009	2010	~3Q 2011
RMS	41.8%	44.1%	49.0%	50.4%	48.2%	55.4%	56.8%

* Source: Korea National Tourism Organization, Korea Association of Travel Agents



Market Environment



MODETOUR



Key Strategy



Appendix

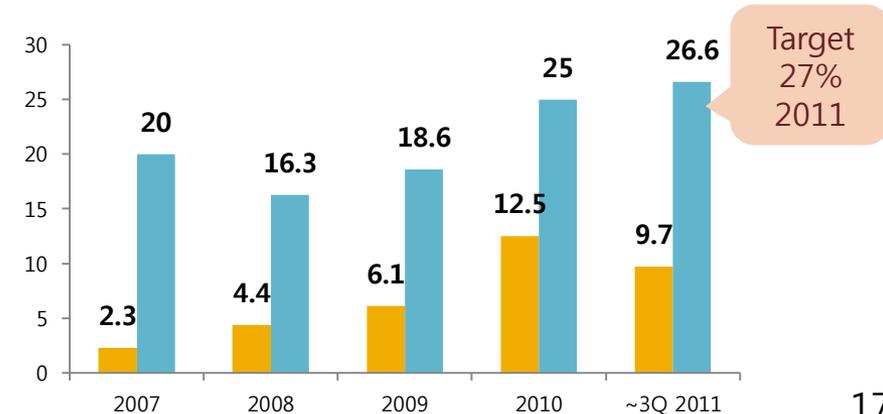
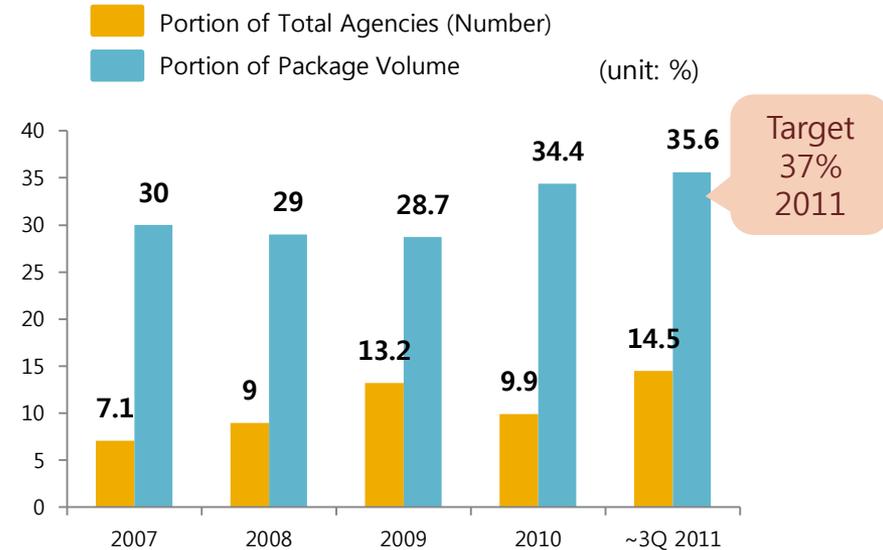
1. Expansion of Sales Capacity

Franchise Business 'Best Partner'

- 750 Best Partners with High loyalty (800 in 2011)
- Naming MODETOUR's PRO Retail Agency
- Offering MODE CRS and 'Travel Planner' program
- Supporting sales activities
 - Service Training
 - Study Tour for understanding products
- Being linked with MODETOUR's web site
- Offering subsidy when achieving one's sales goal
- Operating own call center
- Promoting cooperatively

Co-marketing Business

- Tie-up Business → Expanding alliance sales channels to finance company, portal website, shopping mall, discounted store, etc.
- Stable expansion of business field by accumulating cooperative business know-how



2. Diversification of Business

- M&A with company having competitiveness and specialized in a specific fields such as Backpacking, Cruise, Inbound, etc.
- Positive charter business and long term lease of resort
- Developing new travel destination and gaining semi-exclusive selling right
- Enhancing VVIP package sale

Subsidiary

(end of 2010)

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 H&D (09-2008)

- 80% Subsidiary with 0.8 Billion Won
- Online Hotel Reservation - Targeting Korean Domestic Travelers Preferring Hotel, Entering Camping Car Business in 2011
 - 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.

MODETOUR International (06-2008)

- 67.50% Subsidiary with 1 Billion Won
19% Stake owned by Hotel Shilla investing in 2010
- Penetrating Inbound Travel Business based on China Market
 - Expanding Market to South-East Asia and Japan with 'Hanryu', the waves of Korean culture.

Cruise International (05-2010)

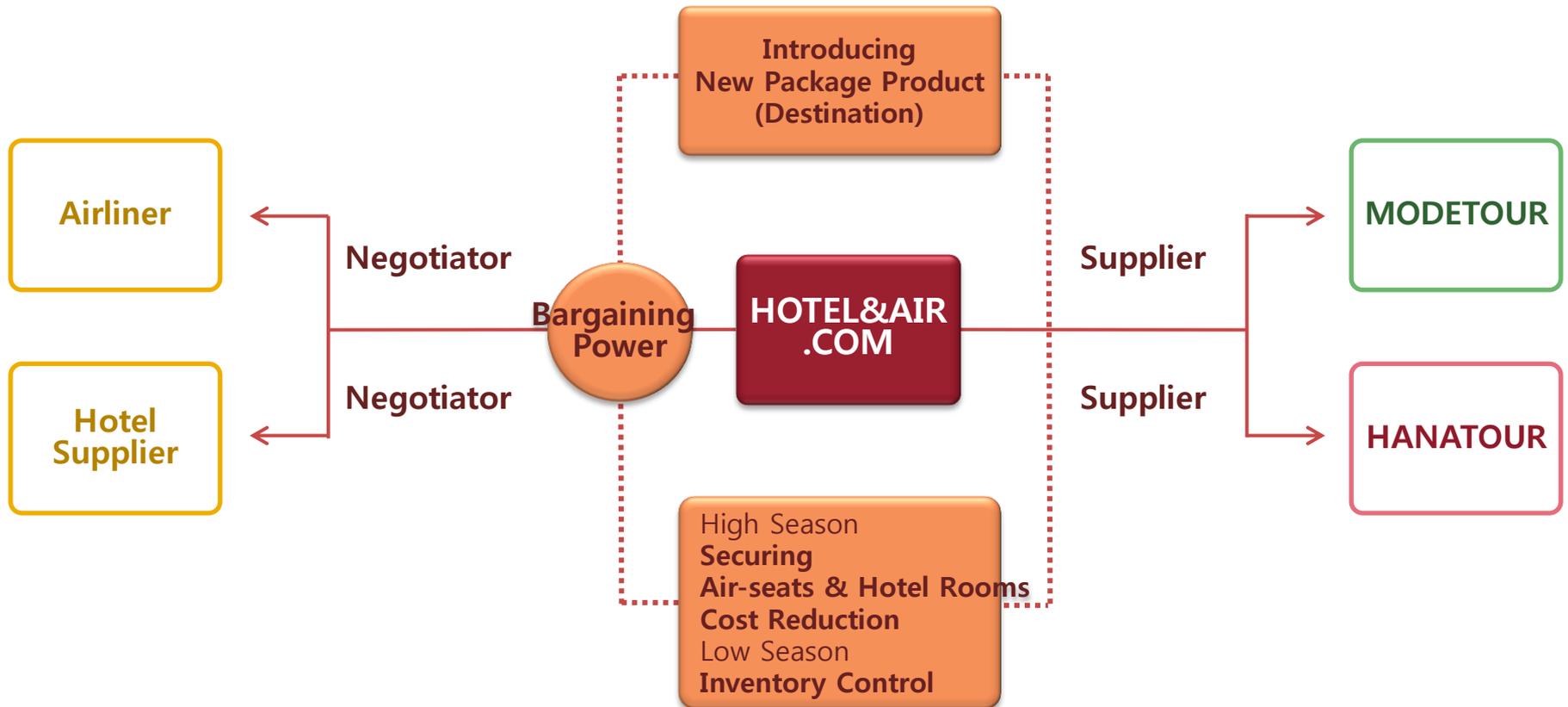
- 59.17% Subsidiary with 1 Billion Won
- The Biggest Korean GSA of 10 International Luxury Premium Cruises such as Costa Cruises, Carnival Cruise Lines, Silversea Cruises, and etc.
 - Penetrating and Strengthening Newly Rising Cruise Market with Expert Members
 - Developing Diversified High-end Product

Key Strategy



Hotel & Air.com (07-2011)

40% Subsidiary with 12 billion KRW and 60% Stake owned by HANATOUR
CEO: Ho-kwon Son from MODETOUR



3. Brand Marketing

- Strategic marketing for building loyalty and positioning brand image
- Various sales supporting activities through PPL, CF, CM, Billboard, Best Partner retailers
- CRM for returning customers → Enhancing and improving ability of customer satisfaction team
- Co-marketing business → Collecting marketing networks and sales channels (web portals, mart, etc.)

-ing

PLAN

Marketing Tool:

**Billboard, PPL,
Newspaper Advertising,
Key-word**

**Mileage Travel Card
(credit card)
Subway Station, Bus**

Strengthening the ability of Customer Satisfaction Team **Various CRM Activities**

Korean Travel Market Leader



- Enhance Administration Process
- Securing Human Resources and Personnel Management
- Building Performance-oriented Corporate Culture

- Entering New Business
- Investing Overseas Main Destination
- Expanding Global Network

Internal Management
Innovation

Securing Growth Engine

Expanding
Distribution Channel

Increasing
Market Share

- Developing New Channel
- Strengthening Loyalty in Wholesale Field
- Expanding Franchise(700 in '10, Targeting 800 in 2011)
& Co-marketing Channel
- Activating On-line Business

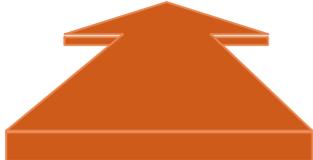
- Strengthening Brand Recognition
 - Target Number 1 Brand in Korea by 2012
- Priority in Cost & Gaining Price Competitiveness
- Target Marketing for Each Business Channel
- Raising Bargaining Power
 - Securing Air-seats and On-site Services
- Strengthening Service Competitiveness

Travel Distributor Based on North East Asia



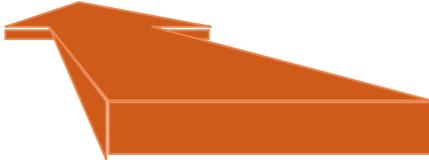
Tour Operator

- * 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



Market Environment



MODETOUR

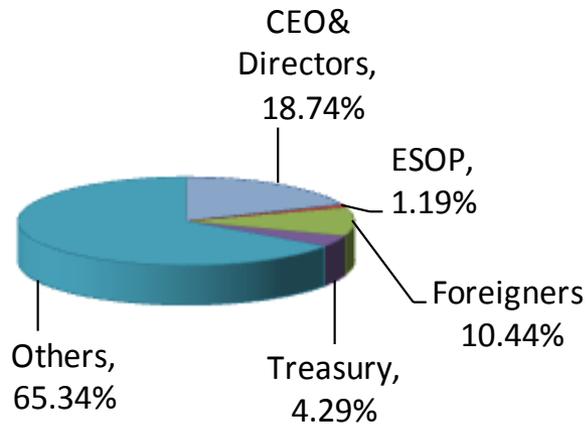


Key Strategy



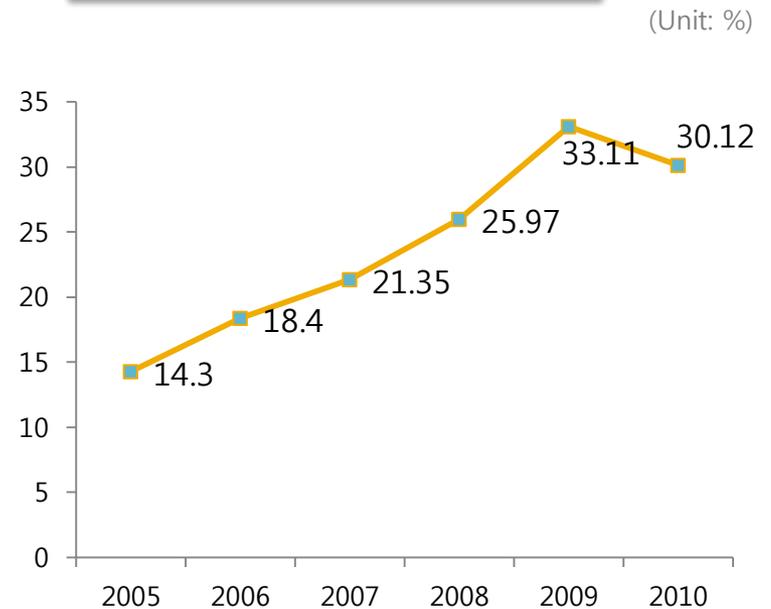
Appendix

Shareholders



(end of 3Q 2011)

Dividend Ratio



Key Financial Ratio



Growth (%)

	FY10	FY09	FY08	FY07
Growth Rate of Sales	90.77	-26.29	-11.75	42.13
Growth Rate of Assets	44.02	15.25	-23.28	37.69
Growth Rate of Net Income	1219.23	96.04	-94.56	39.07

Profitability (%)

	FY10	FY09	FY08	FY07
Ratio of Operating Profit to Net Sales	16.59	0.38	1.10	15.17
Ratio of Net Income to Net Sales	13.67	1.98	0.74	12.05
ROE	27.58	2.44	1.16	21.52

Stability (%)

	FY10	FY09	FY08	FY07
Liabilities Ratio	88.44	71.50	51.99	69.07
Debt Dependence Ratio	-	-	-	-
Current Ratio	218.88	252.13	219.17	248.28

Activity

	FY10	FY09	FY08	FY07
Turnover Ratio of Assets	1.11	0.76	0.97	1.12
Receivables Turnover	9.47	8.30	12.23	12.59

Result of 3Q 2011 (K-IFRS)



	2011						2010				(Unit: KRW)
	3Q	Ratio to GP&OI	YoY	3Q accumulated	Ratio to GP&OI	YoY	3Q	Ratio to GP&OI	3Q accumulated	Ratio to GP&OI	
Gross Profit & Other Income	36,492,525,218	100%	-0.5%	96,630,339,286	100%	9.1%	36,686,287,681	100%	88,544,731,208	100%	
Gross Profit	36,339,683,324		-0.3%	95,985,102,305		9.3%	36,466,418,562		87,799,343,972		
Ticket	3,114,404,627	8.5%	-48.3%	11,359,708,509	11.8%	-30.9%	6,028,280,374	16.4%	16,441,398,151	18.6%	
Package	31,482,604,971	86.3%	8.0%	79,494,269,545	82.3%	17.4%	29,148,093,200	79.5%	67,734,741,249	76.5%	
Others	1,742,673,726	4.8%	35.1%	5,131,124,251	5.3%	41.6%	1,290,044,988	3.5%	3,623,207,610	4.1%	
Other Income	152,841,894	0.4%	-30.5%	645,236,981	0.7%	-13.4%	219,869,119	0.6%	745,387,236	0.8%	
SG&A Expenses	30,191,506,668	82.7%	3.7%	80,393,911,647	83.2%	12.0%	28,992,634,393	79.0%	71,656,599,408	80.9%	
Labor	9,804,937,061	26.9%	15.7%	26,182,358,350	27.1%	18.7%	8,354,020,990	22.8%	21,934,867,475	24.8%	
Depreciation Cost	314,006,000	0.9%	38.0%	819,192,860	0.8%	41.5%	227,513,790	0.6%	579,042,690	0.7%	
Agent Commission	12,295,940,498	33.7%	-1.5%	32,012,743,593	33.1%	9.0%	12,478,606,528	34.0%	29,379,098,251	33.2%	
Other Commission	3,127,248,888	8.6%	10.1%	7,693,664,162	8.0%	8.9%	2,840,868,804	7.7%	7,064,450,620	8.0%	
Advertising	1,066,938,571	2.9%	-15.7%	3,448,884,443	3.6%	23.6%	1,265,995,826	3.5%	2,789,764,707	3.2%	
Other Expenses	3,582,435,650	9.8%	-6.4%	10,237,068,239	10.6%	3.3%	3,825,628,455	10.4%	9,909,375,665	11.2%	
Operating Income(Loss)	6,301,018,550	17.3%	-16.8%	16,236,427,639	16.8%	-3.2%	7,693,653,288	21.0%	16,888,131,800	19.1%	
Net Finance Income(Loss)	571,007,505			1,701,722,394			541,588,418		1,587,438,905		
Finance Income	571,007,505			1,701,722,394			541,588,418		1,587,438,905		
Income before Taxes	6,872,026,055			17,938,150,033			8,235,241,706		18,475,570,705		
Income Taxes Expenses	1,681,800,675			4,673,544,987			2,013,850,107		4,503,344,609		
Net Income(Loss)	5,190,225,380	14.2%	-15.3%	13,264,605,046	13.7%	-4.4%	6,221,391,599	17.0%	13,972,226,096	15.8%	

* The financial result of 3Q is not audited by external auditor so it can be revised after the external audit.

Summarized Financial Statement



Balance Sheet

(Unit: million KRW)

	K-IFRS	K-GAAP				
	3Q2011	2010	2009	2008	2007	2006
Current Asset	104,327	113,524	78,441	47,801	89,439	50,494
Non-Current Asset	24,029	10,566	7,720	26,957	8,006	20,275
Total Asset	128,356	124,090	86,161	74,758	97,445	70,770
Current Liabilities	48,039	51,865	31,111	21,810	36,024	20,508
Non-Current Liabilities	8,755	6,375	4,809	3,760	3,786	2,268
Total Liabilities	56,795	58,240	35,921	25,570	39,810	22,776
Capital Stock	4,200	4,200	4,200	4,200	4,200	4,200
Capital Surplus	29,881	30,033	30,033	30,033	30,033	29,880
Capital Adjustment	(8,081)	(8,081)	(8,081)	(8,081)	(1,448)	(1,064)
Accumulated Other Comprehensive Income	-	-	-	-	7	-
Retained Earnings	46,154	39,697	24,088	23,035	24,843	14,926
Other equity interest	(593)					
Total Stock Holders Equity	71,561	65,849	50,241	49,188	57,635	47,993

* The financial result of 3Q is not audited by external auditor so it can be revised after the external audit.

Summarized Financial Statement (K-GAPP)



Income Statement

(Unit: million KRW)

		2010	2009	2008	2007	2006
Gross Profit	Air-ticket	22,874	19,361	25,974	30,735	24,598
	Package	88,875	38,814	53,811	60,014	39,909
	Others	5,337	3,200	3,480	3,601	1,875
	Total	117,086	61,375	83,265	94,351	66,383
SG&A Expense		97,658	61,139	82,347	80,036	56,628
Operating Profit		19,427	236	918	14,315	9,754
Non-operating Income		4,146	3,391	4,411	3,462	1,945
Non-operating Expense		2,756	2,130	4,074	1,899	268
Net Income before Taxes		20,818	1,497	1,255	15,878	11,431
Income Taxes		4,807	283	636	4,510	3,257
Net Income		16,011	1,214	619	11,367	8,174
Earnings Per Share		1,991	151	75	1,360	1,058



Thank You

MODETOUR NETWORK Inc.