

‘Growing Together’



Investor Relations



Market Environment



MODETOUR



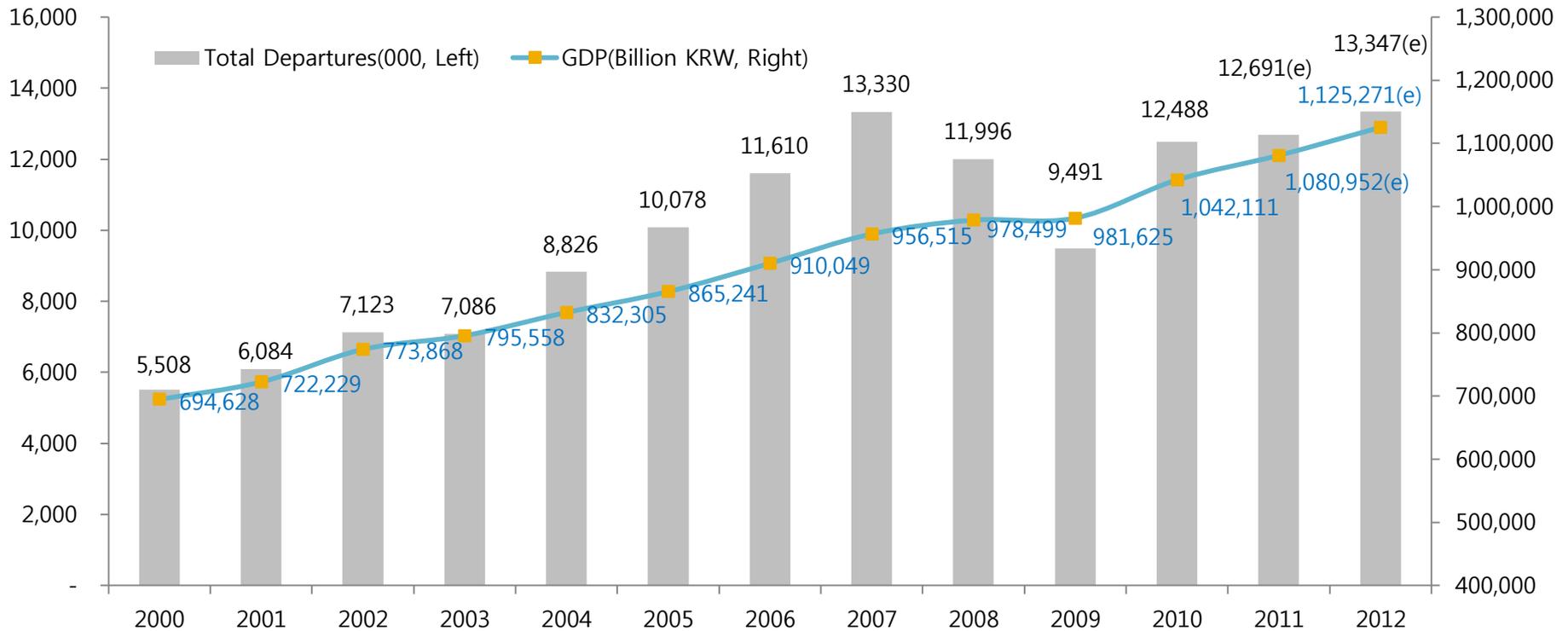
Key Strategy



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)

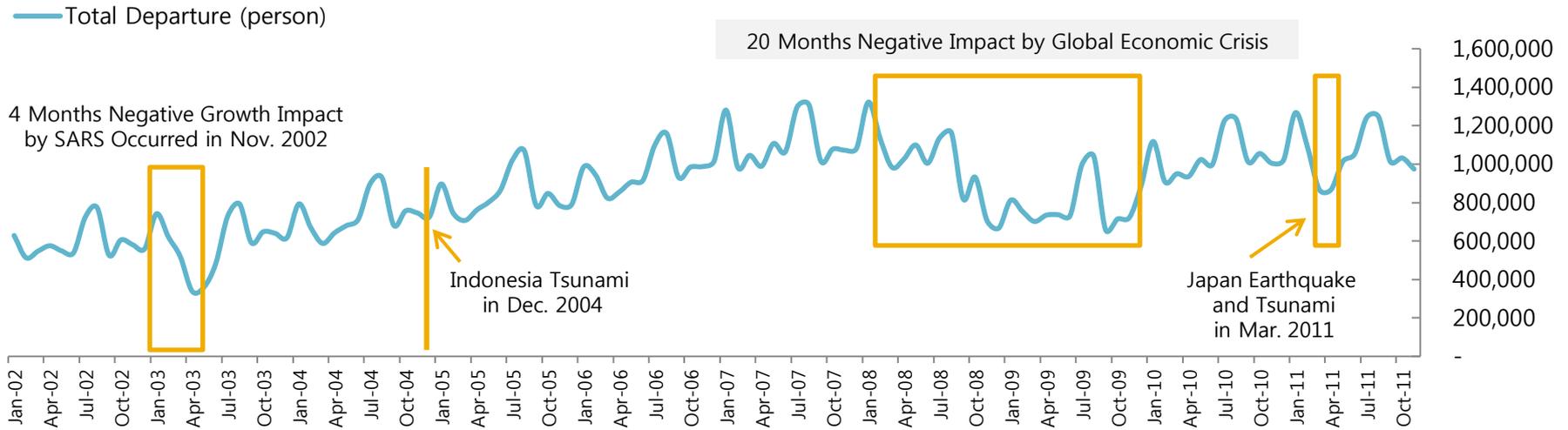
* 2000-2010 GDP: Bank of Korea, 2011-2012 GDP: FnGuide Consensus

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%	
			Mom & Pop 7,000 SOHO Agencies	Relationship	C 20%	decrease
			Whole-saler HANATOUR MODETOUR	Relationship	D 20%	
				Brand	E 10%	

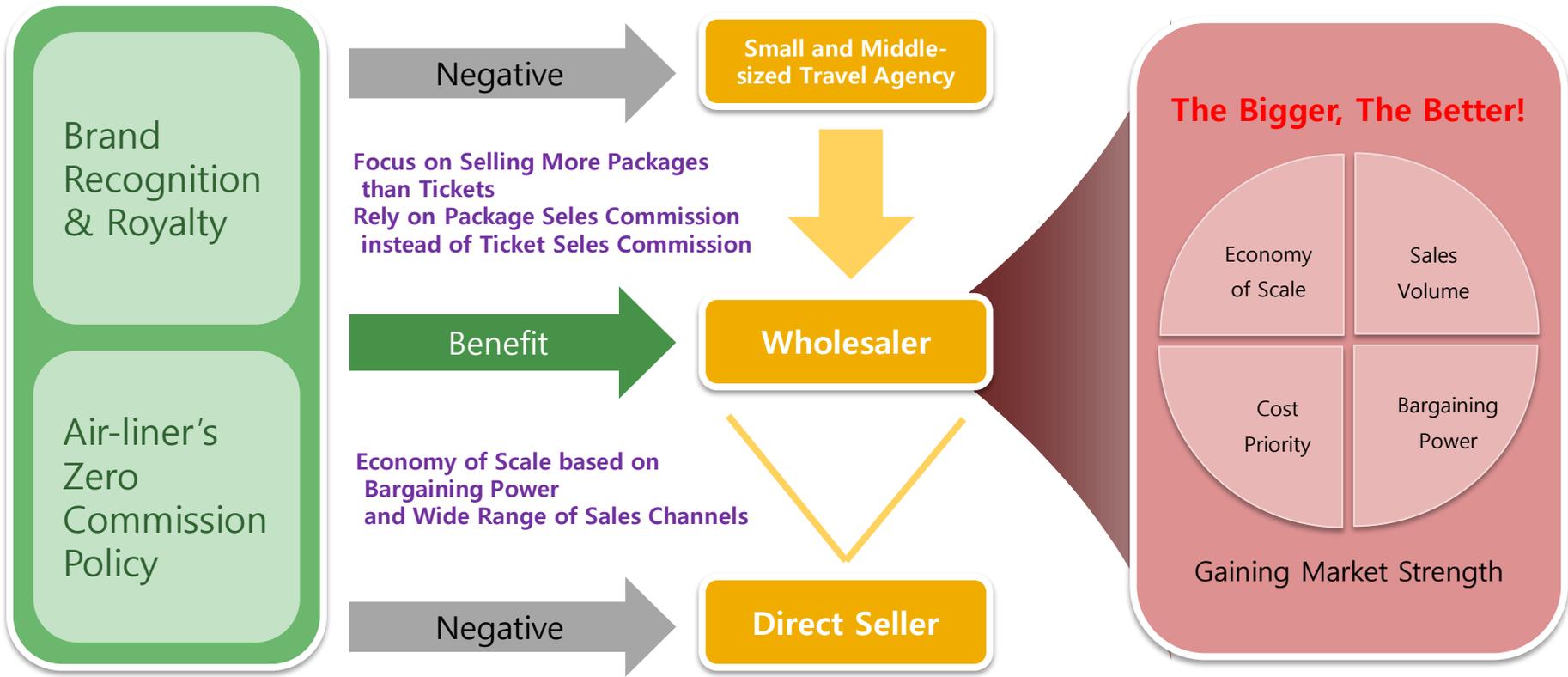
Market Environment



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	0.5%	4	General Management	
			Travel Package Plan	34%	324	Design Travel Package	
CEO	Hong, Ki-Jung	30 Years, Founder	Sale	Travel Agency	45%	426	Distribution and Reservation Administration
				Online & Corporate	12%	118	Co-marketing Sale & Corporate Business
Vice President	Han, Ok-Min	26 Years, Founder	Back Office & Support	9%	84	Managing Support, Strategy Planning, Administration	
			Total Employee	100%	956	-	
CFO	Yang, Byung-Sun	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	

(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 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%	16%
	FIT Foreign Independent Tour Preferred Destination: Guam, Saipan, South-East Asia					15%	20%	16%
	Air-tel Preferred Destination: Tokyo, Shanghai, HongKong etc.					10%	10%	16%
Customizing	Individual	Individual	Individual	Individual	Individual	0%	30%	2~5%

Destination		S.E. Asia	China	Japan	S. Pacific	Europe	America
Volume Portion	FY2011	46%	26%	9%	8%	7%	4%
	FY2010	33%	27%	22%	9%	6%	3%
ASP (KRW)	FY2011	921,462	764,965	863,185	1,443,883	2,908,168	2,418,431
	FY2010	953,000	718,000	853,000	1,332,000	2,894,000	2,481,000

Sales Structure		Gross Sales	Gross Profit	Proportion	Income Statement		
 Packaging	Package	Local Service Fee		32%			
		Air Fare		52%			
		Profit	Net Margin	8.5%	15%	Package Sale	83%
			Distribution Expense	6.5%			
		Profit (air commission)	Net Margin	1%	Ticket Sale	5%	
 Customizing	Air-ticket	Profit (air commission)	Net Margin	2%	4%	Ticket Sale	7%
			Distribution Expense	2%			
		Fare		96%			

1)

(as of 2011)

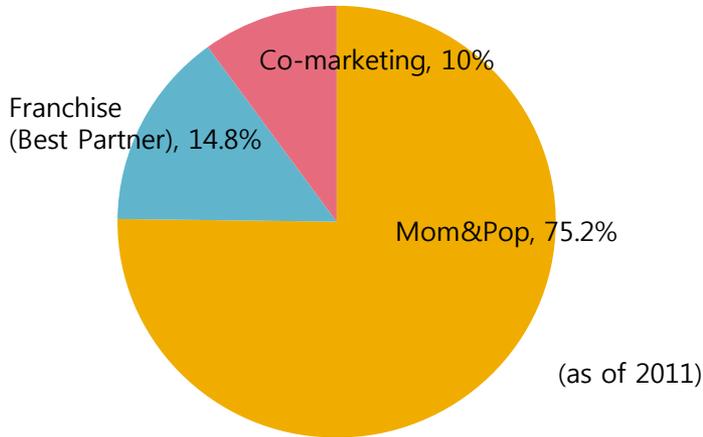
1) 5%, the rest of Gross Profit, is recognized as Other Gross Profit of Income Statement.

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

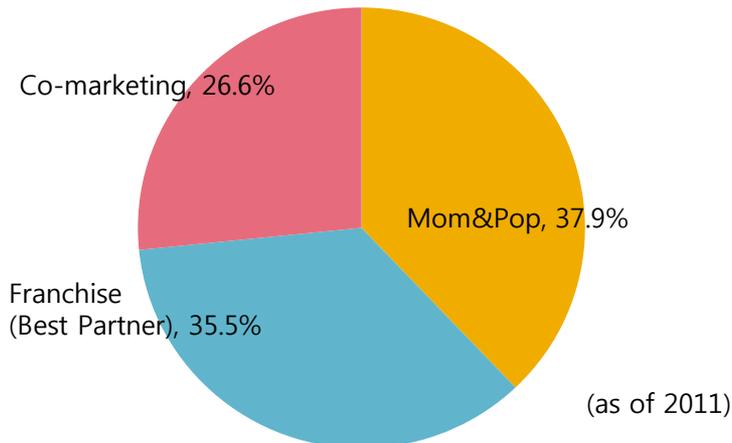
Distribution Channel



Number of Retailers

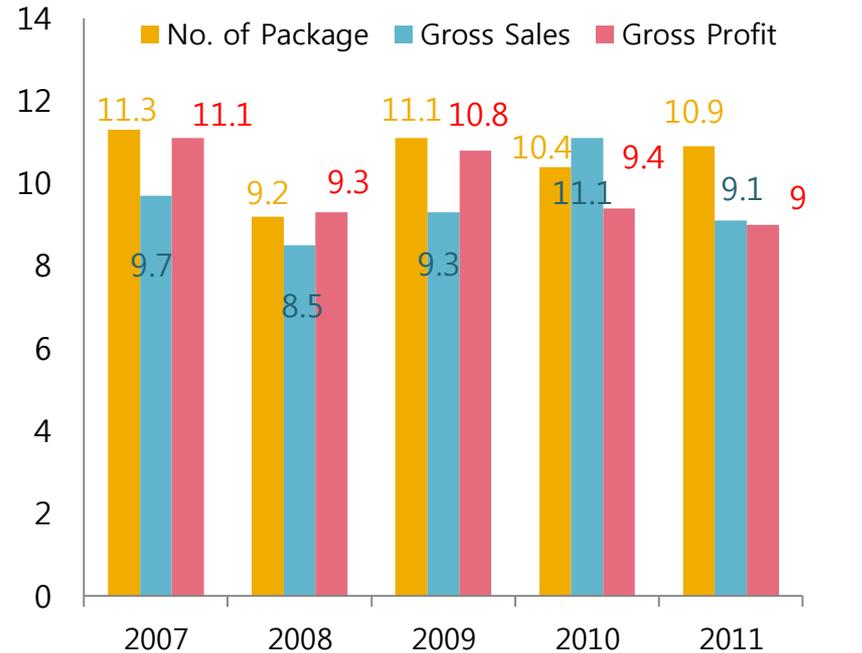


Package Proportion



MODETOUR.com Online Proportion

(unit: %)

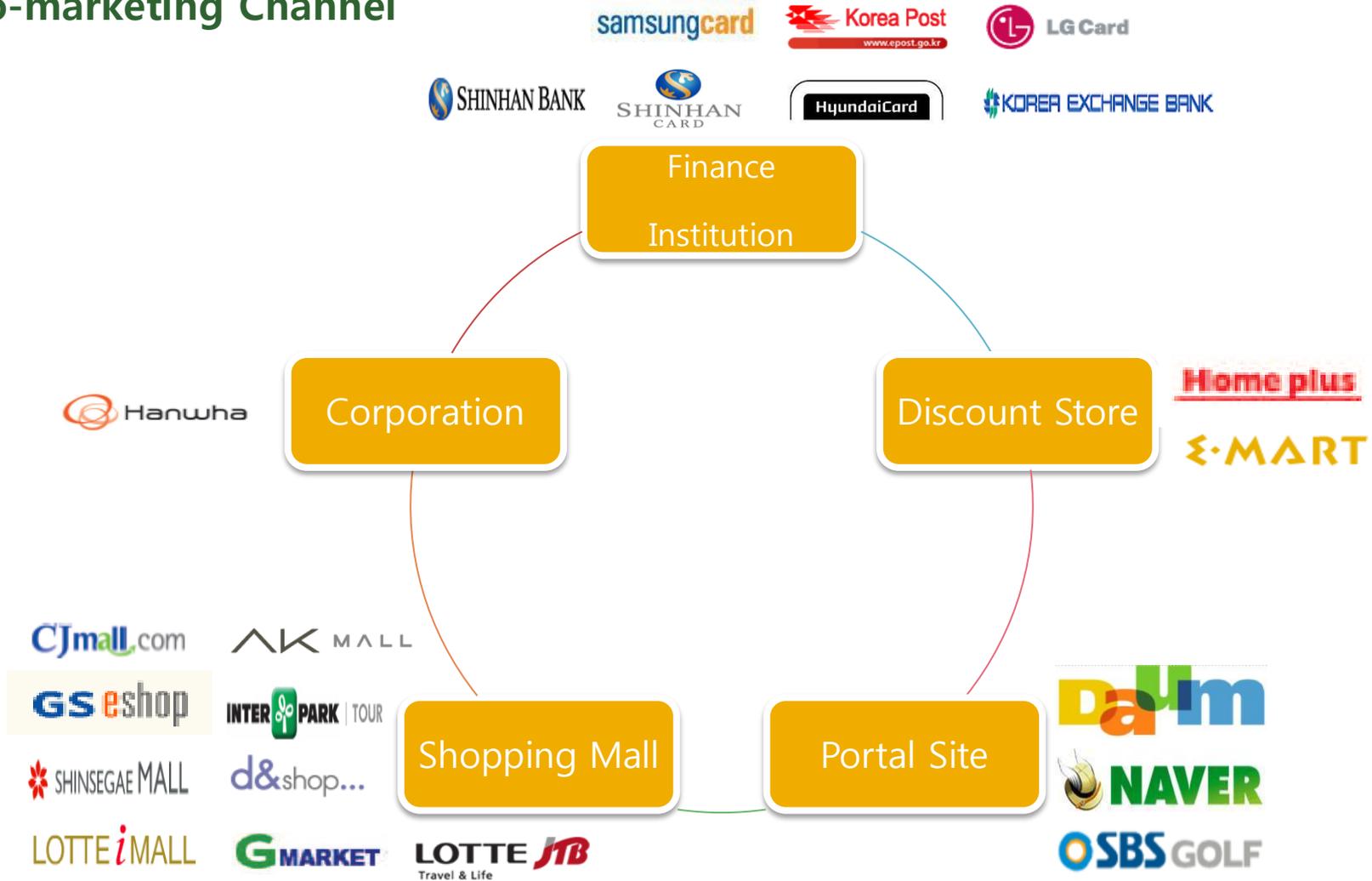


* On-line customers are people who visit modetour.com and make a reservation through MODETOUR web site. Customers from on-line cooperative channels such as shopping malls and web-portals are not included.

Distribution Channel

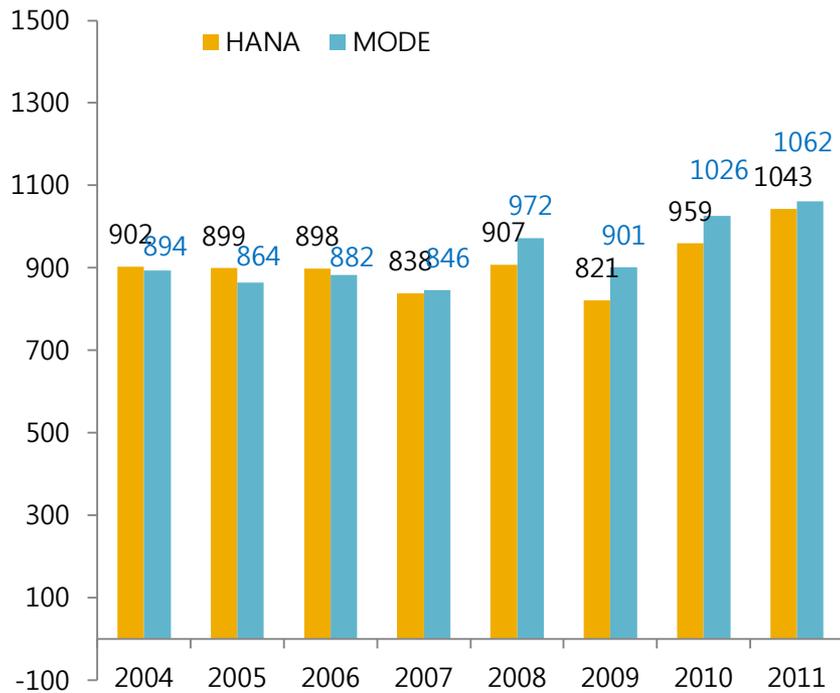


Co-marketing Channel

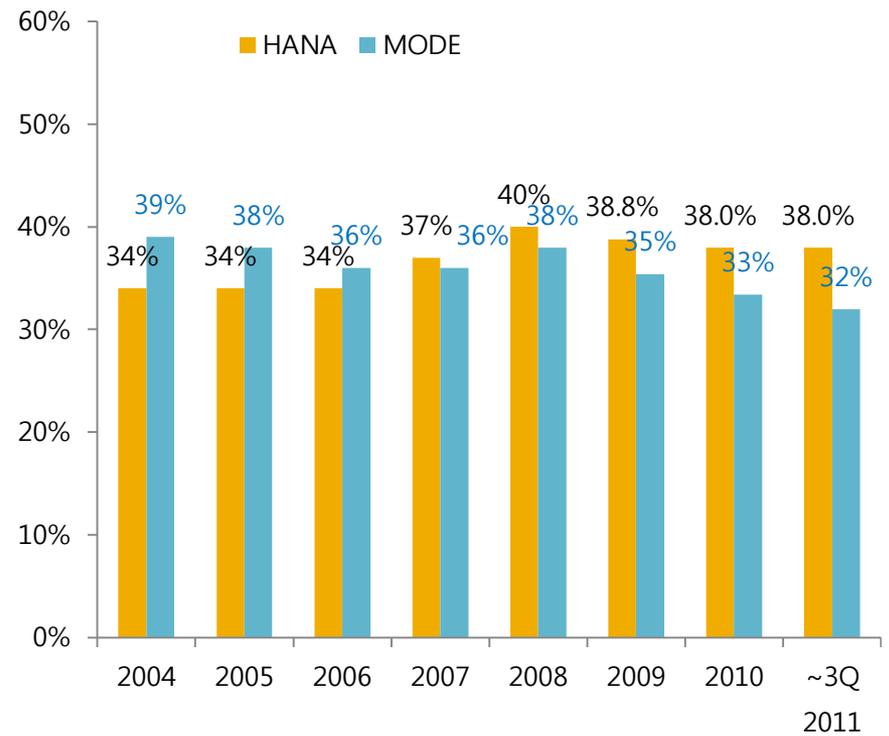


Average Selling Price

(Unit: 000KRW)



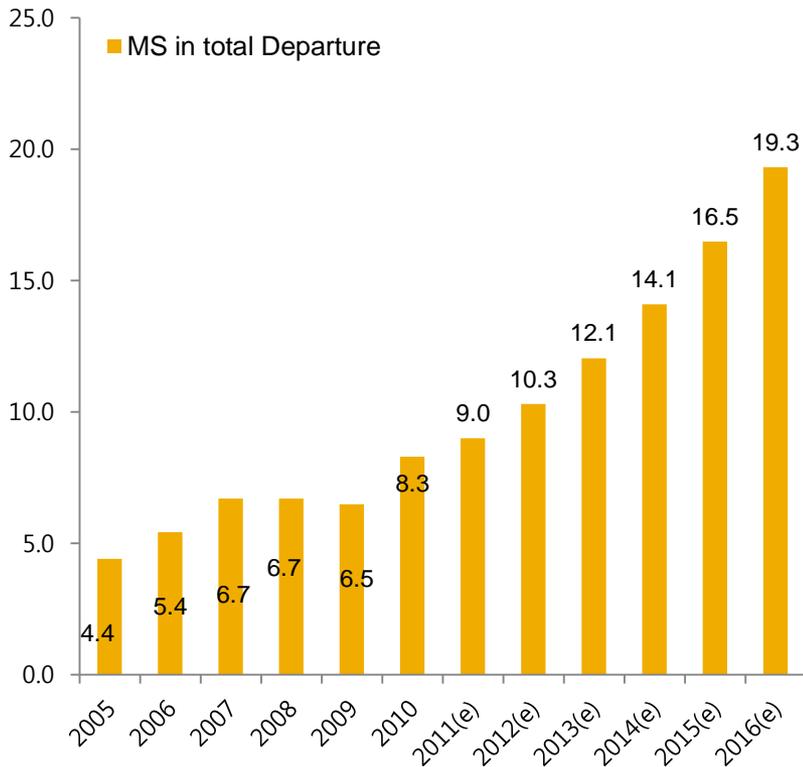
Agent Commission Ratio to GP



Fast Recovery and Noticeable Market Share Growth

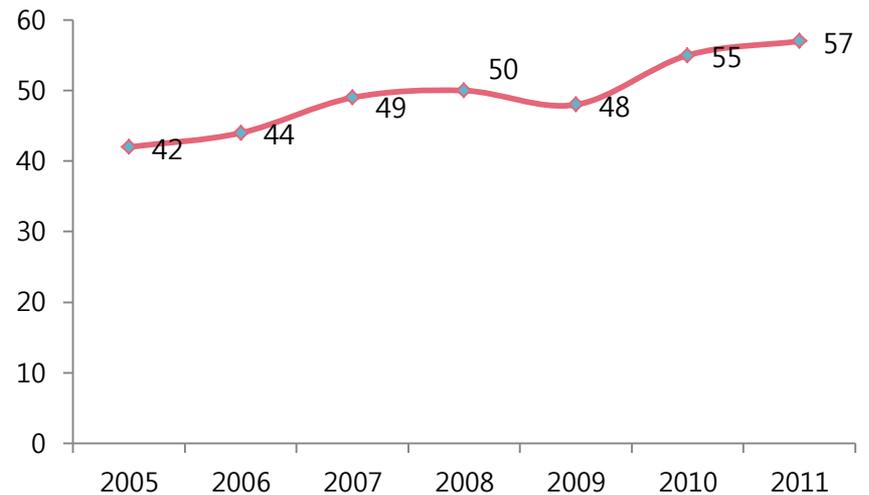
MODETOUR's MS in Total Departure

(Unit: %, PKG+TKT)



Relative Market Share(Ratio to HANA TOUR)

(Unit: %, PKG only)



YEAR	2005	2006	2007	2008	2009	2010	2011
RMS	42%	44%	49%	50%	48%	55%	57%

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



Market Environment



MODETOUR



Key Strategy



Appendix

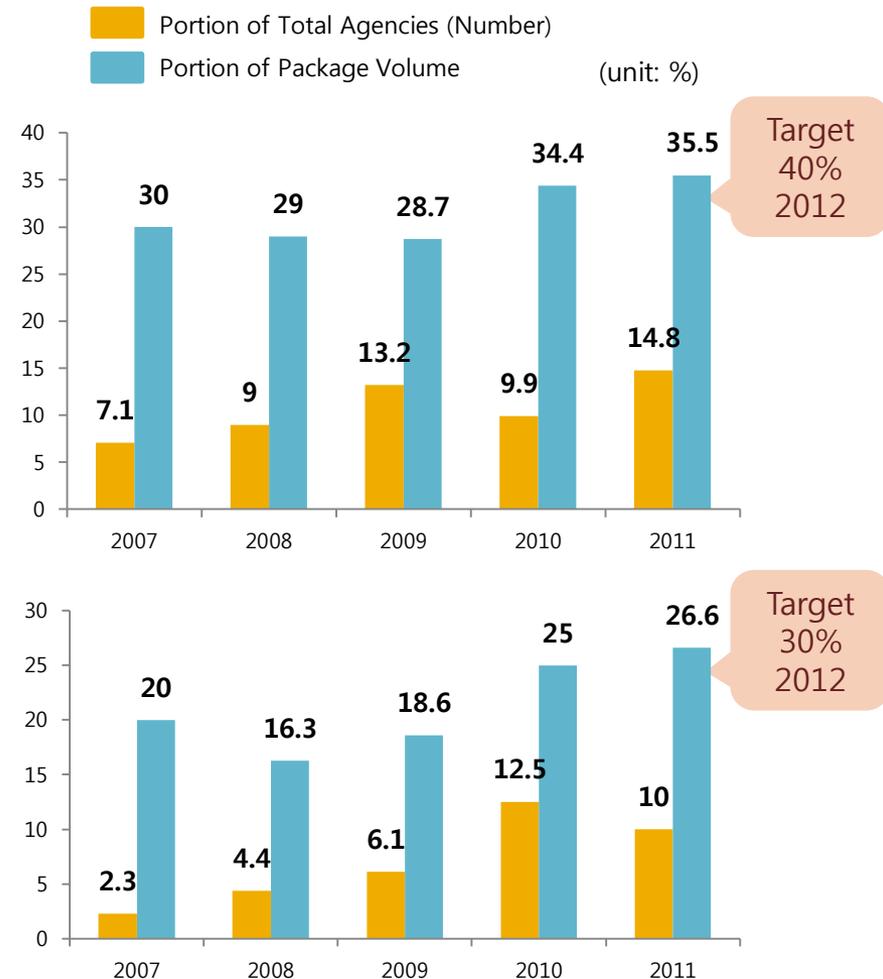
1. Expansion of Sales Capacity

Franchise Business 'Best Partner'

- 780 Best Partners with High loyalty (900 in 2012)
 - 650 on/off-line BP, 25 on-line BP, 105 discounted stores
- 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



* Volume and No. of 105 discounted store registered as Best Partner are included in co-marketing channel on this page.

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 2011)

TourTainment (Nov. 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 (Sep. 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 (Jun. 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 (May 2010)

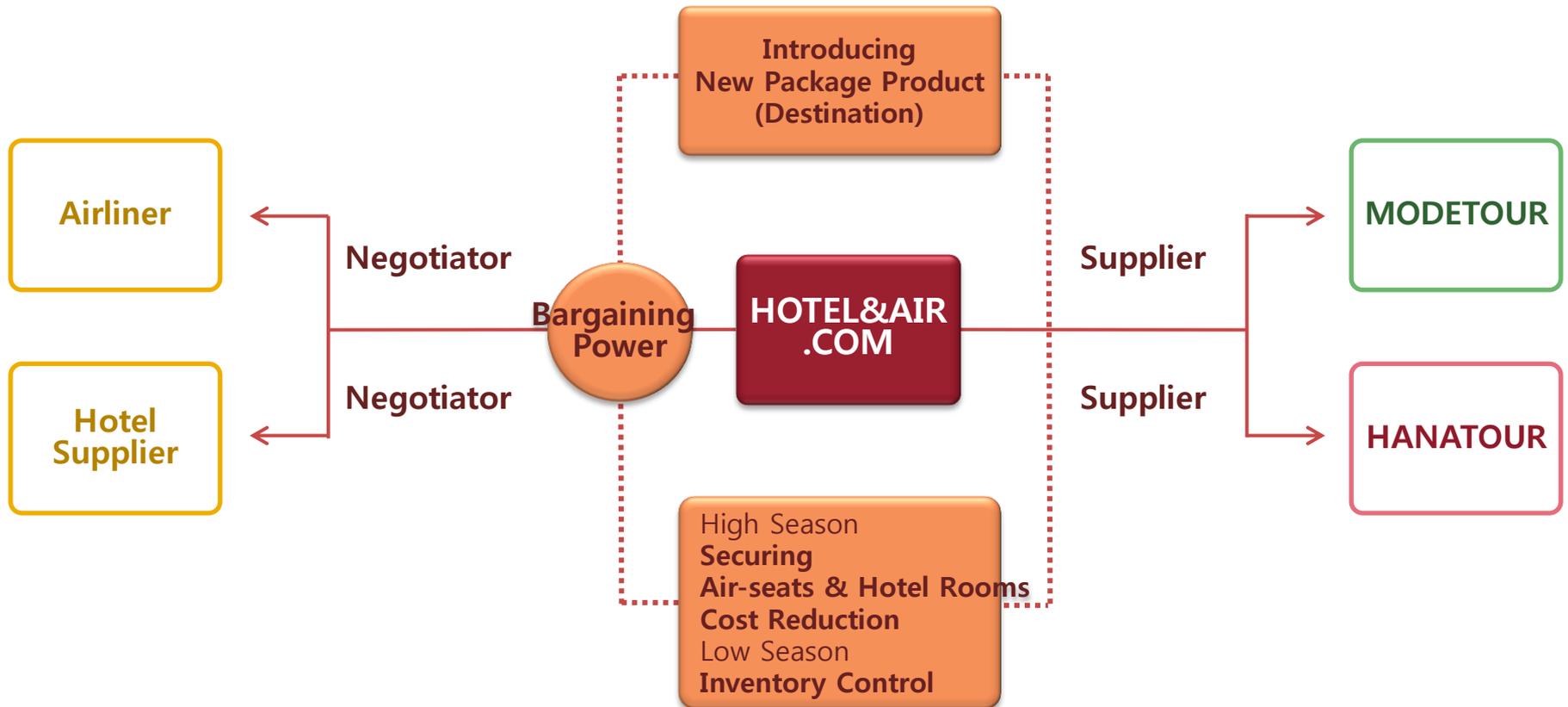
- 59.17% Subsidiary with 1 Billion Won
- The Biggest Korean GSA of 10 International Luxury Premium Cruises such as Costa Cruises, Carnival Cruise Lines, Silversea Cruises, and etc.
 - Penetrating and Strengthening Newly Rising Cruise Market with Expert Members
 - Developing Diversified High-end Product

Key Strategy



Hotel & Air.com (Jul. 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

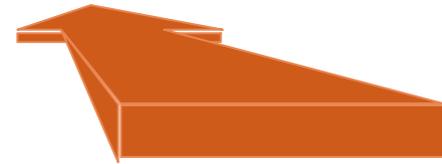
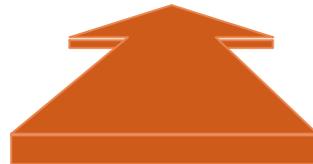
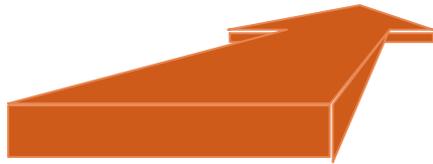
Expanding
Distribution Channel

Increasing
Market Share

- Developing New Channel
- Strengthening Loyalty in Wholesale Field
- Expanding Franchise(780 in '11, Targeting 900 in 2012)
& Co-marketing Channel
- Activating On-line Business

- Strengthening Brand Recognition
 - Target Number 1 Brand in Korea
- 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

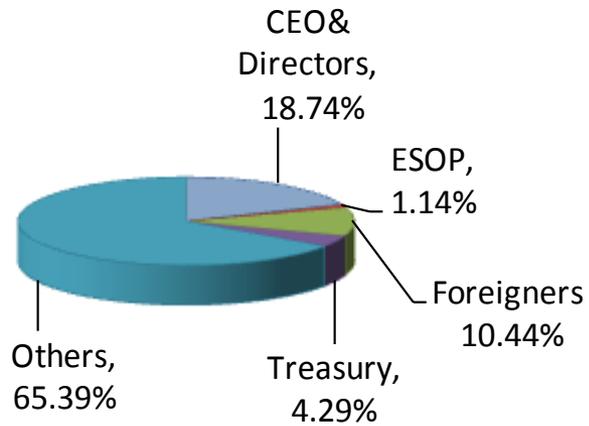


Appendix

MODETOUR Shareholders

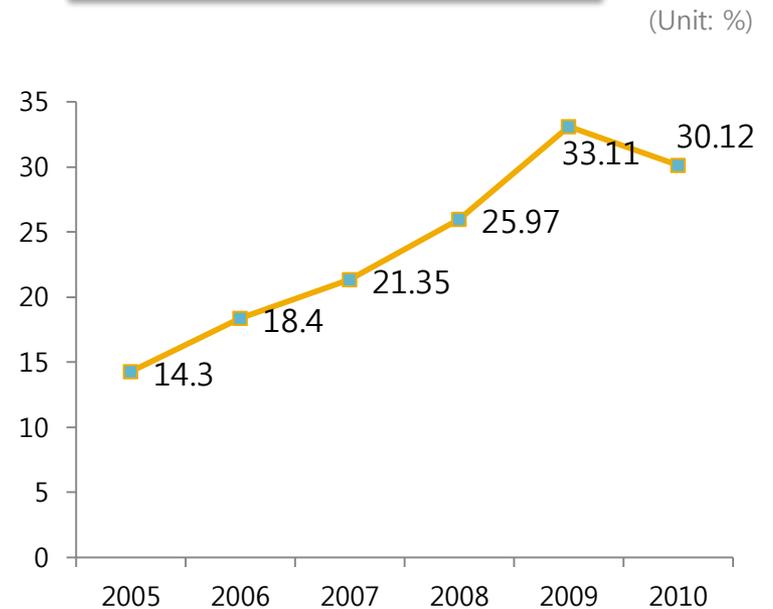


Shareholders



(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 2011 (K-IFRS)



	2011						2010				(Unit: KRW)
	4Q	Ratio to GP&OI	YoY	FY 2011	Ratio to GP&OI	YoY	4Q	Ratio to GP&OI	FY 2010	Ratio to GP&OI	
Gross Profit & Other Income	25,775,983,880	100%	-13.5%	122,406,323,166	100%	2.8%	29,783,404,006	100%	119,118,881,423	100%	
Gross Profit	25,025,562,997		-14.5%	121,010,665,302		3.4%	29,286,302,625		117,085,648,116		
Ticket	2,871,823,122	11.1%	-55.4%	14,231,531,631	11.6%	-37.8%	6,432,793,121	21.6%	22,874,191,272	19.2%	
Package	19,878,579,354	77.1%	-6.0%	99,372,848,899	81.2%	11.8%	21,140,005,841	71.0%	88,874,747,090	74.6%	
Others	2,275,160,521	8.8%	32.8%	7,406,284,772	6.1%	38.8%	1,713,503,663	5.8%	5,336,709,754	4.5%	
Other Income	750,420,883	2.9%	51.0%	1,395,657,864	1.1%	-31.4%	497,101,381	1.7%	2,033,233,307	1.7%	
SG&A Expenses	25,025,809,251	97.1%	-10.6%	105,419,703,083	86.1%	5.0%	27,984,368,563	94.0%	100,413,936,080	84.3%	
Labor	9,127,694,919	35.4%	-20.1%	35,310,152,269	28.8%	4.9%	11,429,825,800	38.4%	33,673,768,161	28.3%	
Depreciation Cost	338,149,070	1.3%	43.3%	1,157,341,930	0.9%	42.0%	235,973,217	0.8%	815,015,907	0.7%	
Agent Commission	8,213,692,866	31.9%	-15.9%	40,226,436,459	32.9%	2.8%	9,766,235,604	32.8%	39,145,333,855	32.9%	
Other Commission	2,832,686,182	11.0%	37.1%	10,526,350,344	8.6%	13.6%	2,065,408,251	6.9%	9,263,840,827	7.8%	
Advertising	819,844,775	3.2%	-30.3%	4,268,729,218	3.5%	7.6%	1,176,649,774	4.0%	3,966,414,481	3.3%	
Other Expenses	3,693,741,439	14.3%	11.6%	13,930,692,863	11.4%	2.8%	3,310,275,917	11.1%	13,549,562,849	11.4%	
Operating Income(Loss)	750,174,629	2.9%	-58.3%	16,986,620,083	13.9%	-9.2%	1,799,035,443	6.0%	18,704,945,343	15.7%	
Net Finance Income(Loss)	523,249,342			2,224,971,736			530,082,713		2,112,585,043		
Finance Income	523,249,342			2,224,971,736			530,082,713		2,112,585,043		
Income before Taxes	1,273,423,971			19,211,591,819			2,329,118,156		20,817,530,386		
Income Taxes Expenses	656,140,330			5,329,685,316			2,764,806,924		4,806,971,564		
Net Income(Loss)	617,283,641	2.4%	241.7%	13,881,906,503	11.3%	-13.3%	(435,688,768)	-1.5%	16,010,558,822	13.4%	

* The financial result of 2011 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)

		2011	2010	2009	2008	2007	2006
Gross Profit	Air-ticket	14,232	22,874	19,361	25,974	30,735	24,598
	Package	99,373	88,875	38,814	53,811	60,014	39,909
	Others	7,406	5,337	3,200	3,480	3,601	1,875
	Total	121,011	117,086	61,375	83,265	94,351	66,383
SG&A Expense		104,622	97,658	61,139	82,347	80,036	56,628
Operating Profit		16,388	19,427	236	918	14,315	9,754
Non-operating Income		3,621	4,146	3,391	4,411	3,462	1,945
Non-operating Expense		797	2,756	2,130	4,074	1,899	268
Net Income before Taxes		19,212	20,818	1,497	1,255	15,878	11,431
Income Taxes		5,330	4,807	283	636	4,510	3,257
Net Income		13,882	16,011	1,214	619	11,367	8,174
Earnings Per Share		1,727	1,991	151	75	1,360	1,058

* The financial result of 2011 is not audited by external auditor so it can be revised after the external audit.



Thank You

MODETOUR NETWORK Inc.