



Investor Relations

1Q 2013

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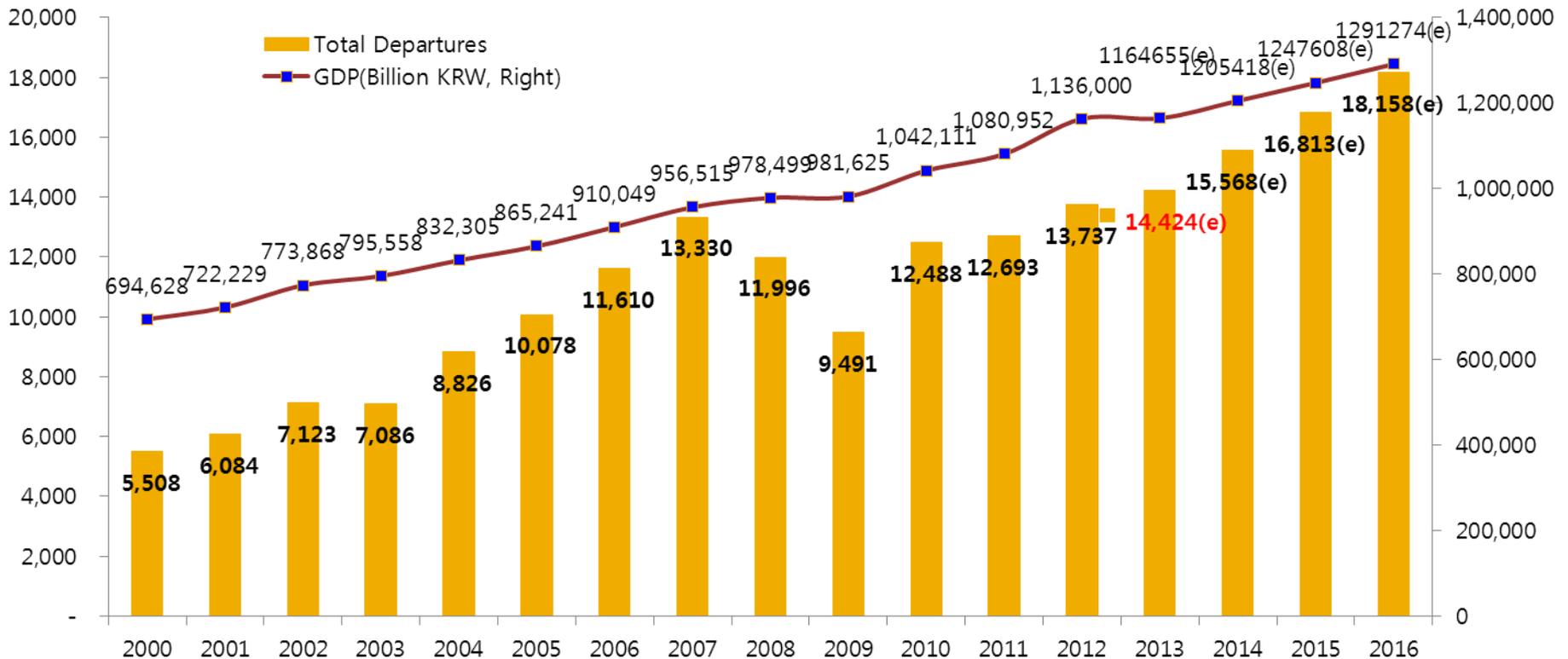


Chapter 1 Outbound

1. Market Environment
2. MODETOUR
3. Key Strategy

8.2% Growth of Korean Departures in 2012, 5% Growth in 2013(e)

Yearly Korean Departures and GDP



* No. of Departure: Korea National Tourism Organization(2000~2011), MODETOUR NETWORK(2012~2016)

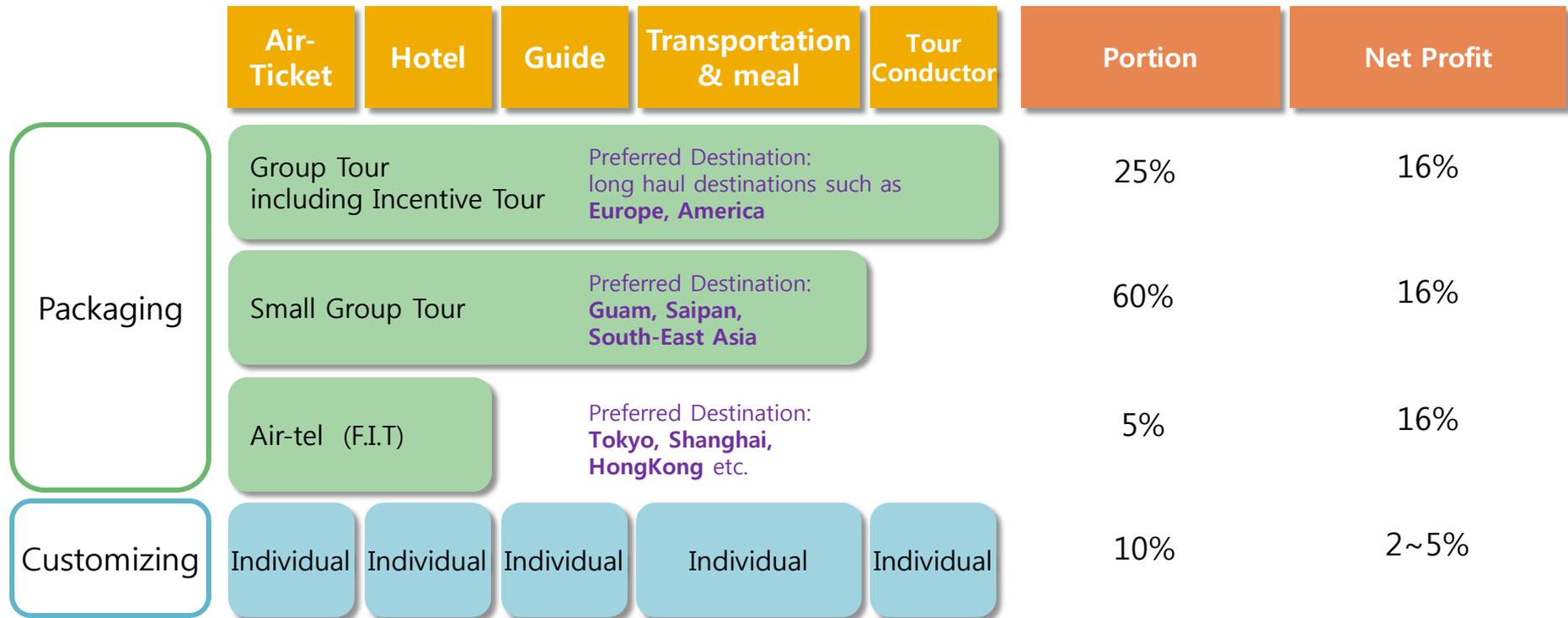
* 2000-2012 GDP: Bank of Korea, 2013-2016 GDP: FnGuide Consensus

Market Environment



Total Departure	Supplier		Player	Preference	Portion	Trend	
Total Departures	Hotel	Airline		booking directly by oneself	A 23%	stable	
				Direct Seller Top 30 excluding Wholesaler	Low Price	B 27%	decrease
				Mom & Pop 7,000 SOHO Agencies	Relationship	C 20%	decrease
				Whole-saler HANATOUR MODETOUR	Relationship	D 20%	<p>19 22.7 25.8 28.3</p>
					Brand	E 10%	
					2009 2010 2011 2012		

Package Breakdown



Destination		S.E. Asia	China	Europe	S. Pacific	America	Japan
Sales	FY2012	37%	17%	16%	12%	9%	7%
		S.E. Asia	China	Japan	S. Pacific	Europe	America
Volume	FY2012	46%	25%	10%	9%	6%	4%
ASP (KRW)	FY2012	899,202	775,768	2,869,626	1,465,413	2,493,578	719,467
	FY2011	921,462	764,965	2,908,168	1,441,883	2,418,431	863,185

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 2012)

1) 5%, the rest of Sales Revenue, is recognized as Other Sales Revenue of Income Statement.

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

Distribution Channel



Mom&Pop

about 9,000 SOHO Agencies
5,000~6,000 Agencies are relate with MODE

Franchise
(Best Partner)

▪ 2011Y- 777 Best Partners
(622 on/off-line, 50 online, 105 Mart)

2012Y- 805

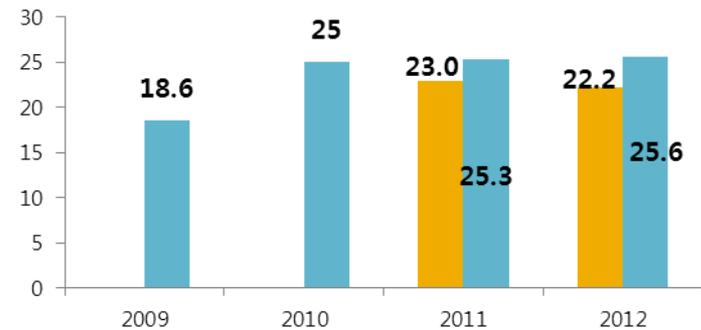
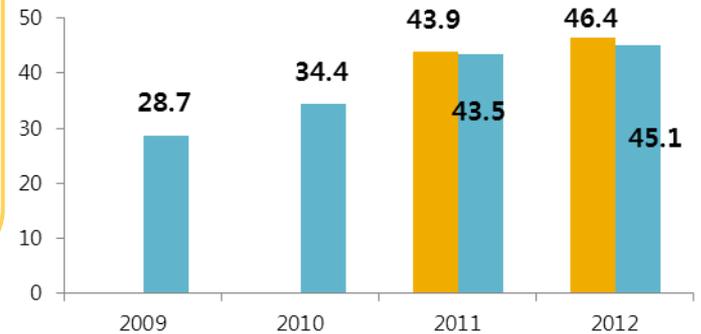
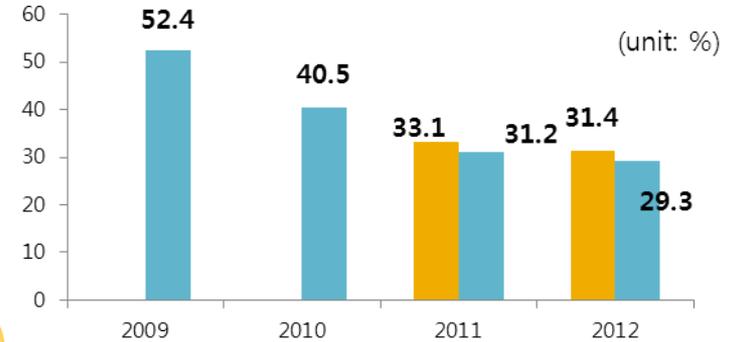
▪ Sales under MODETOUR signboard

Co-marketing

▪ Credit Card , Co, Portal sight etc.

samsungcard Home plus E-MART

INTER PARK | TOUR Hanwha LOTTE STB
Travel & Life



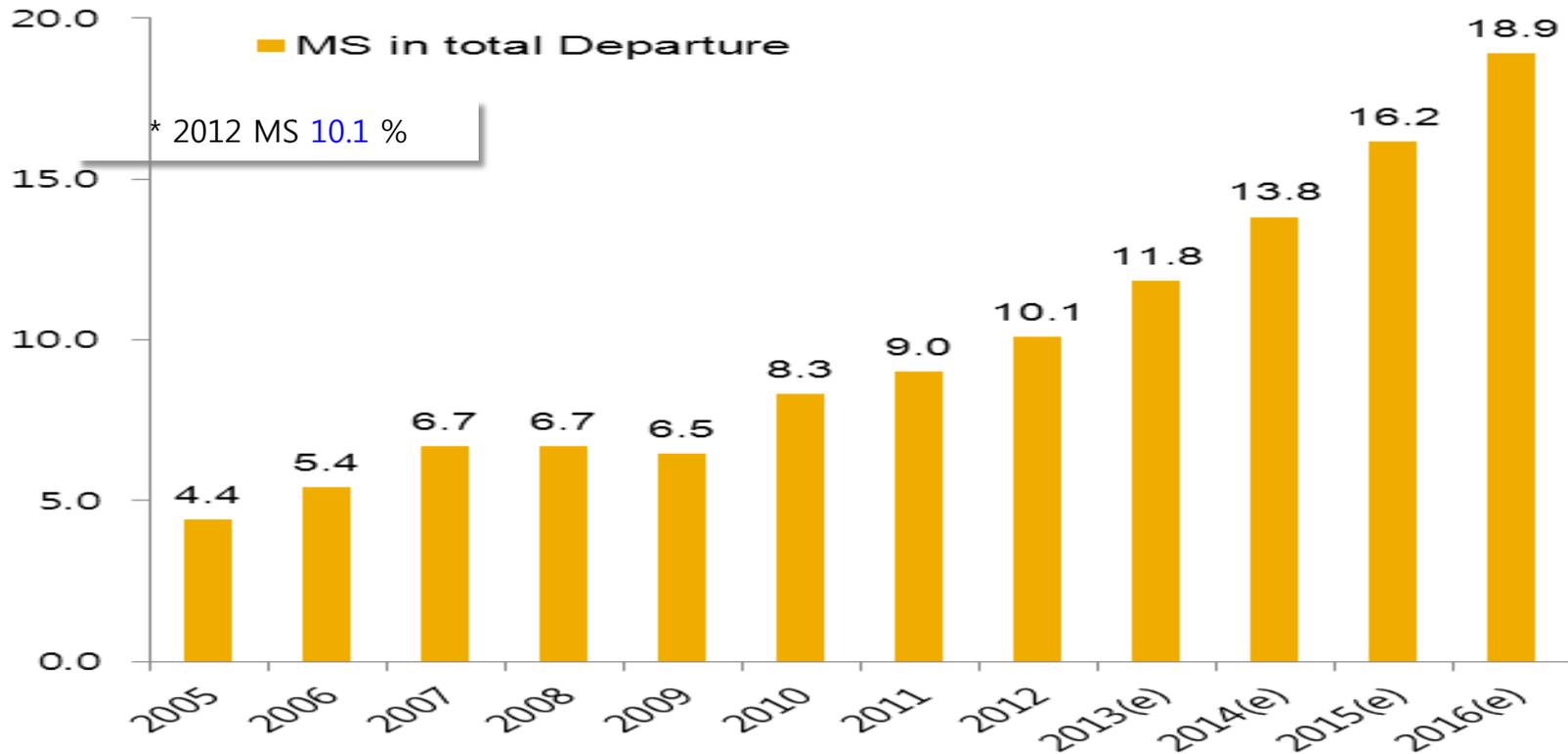
■ Portion of Sales ■ Portion of Volume

Fast Recovery and Noticeable Market Share Growth

MODETOUR's MS in Total Departure

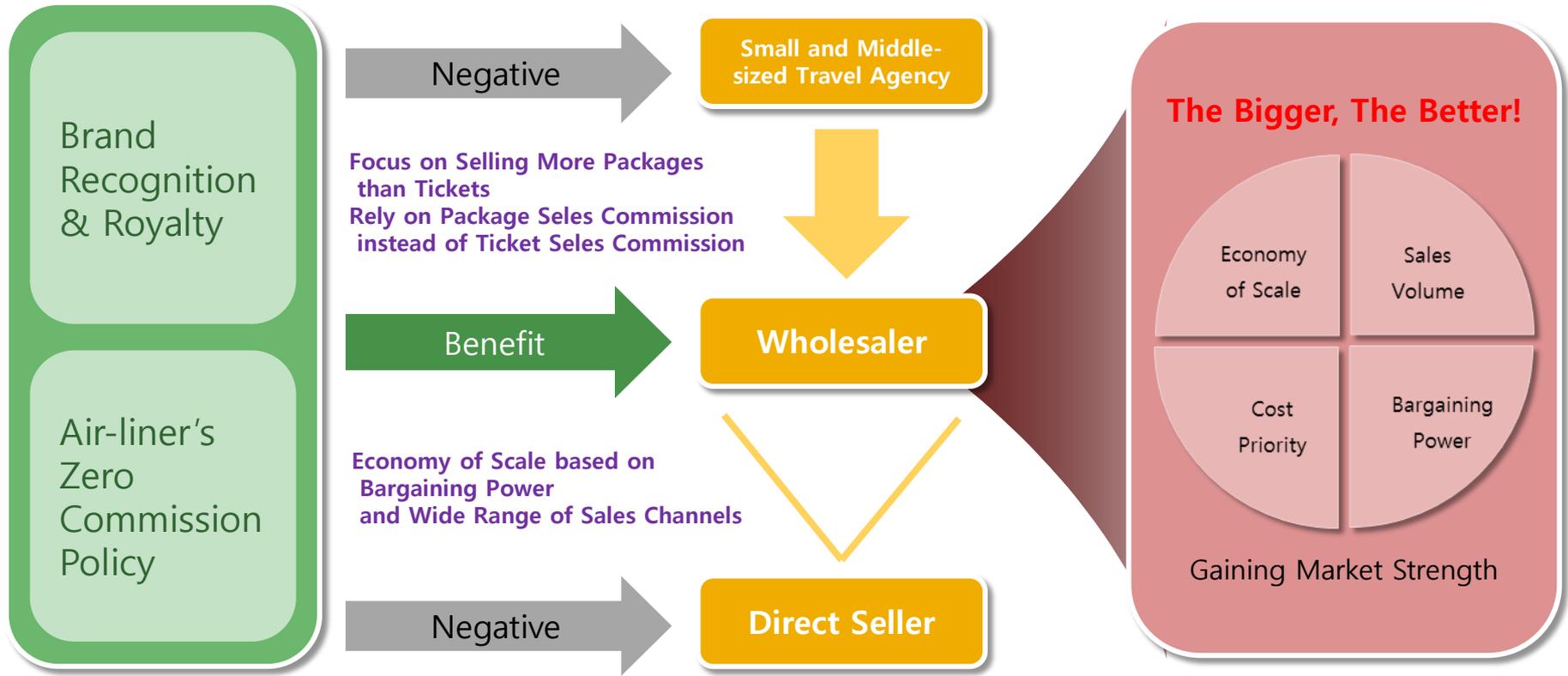
Relative Market Share(Ratio to HANA TOUR)

(Unit: %, PKG+TKT)



* Source: Korea National Tourism Organization, Korea Association of Travel Agents , Except crews science 2012

Market Change



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**

Travel Distributor Based on North East Asia



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(805 in 2012)
& Co-marketing Channel
- Strong Relationship with Mom & Pop Agencies and Skilled Sales People
- 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



Chapter 2 Inbound

1. Market Environment
2. MODETOUR-INTERNATIONAL
3. Key Strategy
4. Hotels

Market Environment



14% Growth of Foreign Visitors in 2012, 15% Growth in 2013(e)

More than 10% increase per year

Purpose of tourism arrivals increased by more than 30%

Visiting Korea

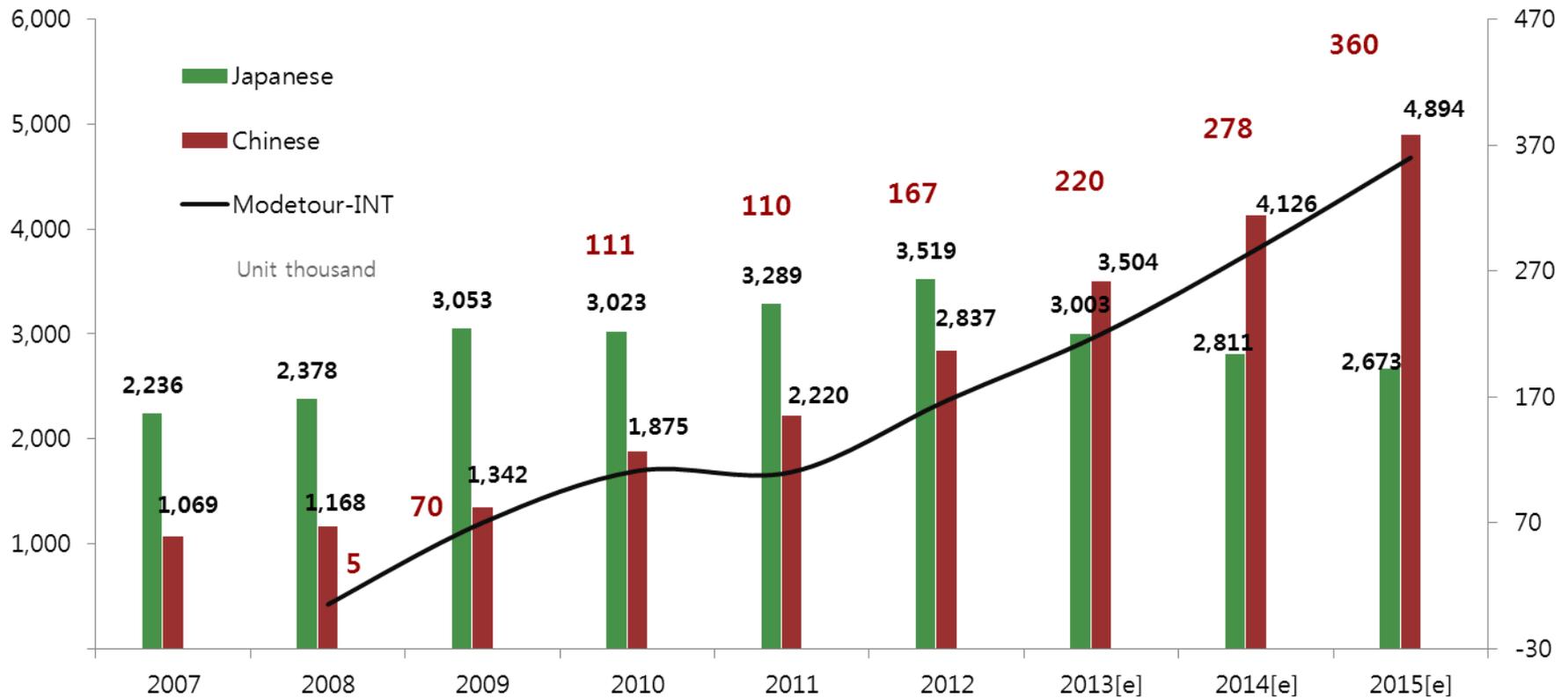


* No. of Arrivals: Korea National Tourism Organization(2000~2012), Modetour-INT (2013~2015)

Market Environment



2012Y Chinese Tourists 27% UP!! Japanese 7% UP
MODETOUR-INBOUND 51% Growth in (Chinese 86% Japanese 38%)



* No. of Arrivals: Korea National Tourism Organization(2000~2012), Modetour-INT (2013~2015)

Market Environment



Total Visitors	Supplier	Player	Distribution Channel	M/S	Trend
Total Visitors	Whole Salers	TOP 10	Branch Relationship Major Wholesaler	18%	Increase
		Others 180	Minor Wholesaler	80%	Decrease
		Modetour INT	Relationship Branch About 30 Agencies On-Line Agency (C-trip)	2%	Increase

MODETOUR-INT



2012Y Ranking of Inbound

Rank		Name (Travel Agents)	Unit			Amount (\$)		
Unit	Amount		2012	2011	YoY	2012	2011	YoY
1	1	HIS	276,280	282,304	-2.1%	51,374,431	46,946,230	9.4%
2	3	HANJIN	217,534	209,743	3.7%	39,479,693	37,497,041	5.3%
3	19	KONEST	172,745	147,485	17.1%	11,552,345	8,345,400	38.4%
4	7	MODETOUR-INT	167,000	110,302	51.4%	32,023,606	22,915,590	39.7%
5	2	JTB	159,156	102,935	54.6%	49,092,407	33,283,949	47.5%
6	13	SEIL	122,655	75,993	61.4%	20,402,204	17,071,320	19.5%
7	6	JEONGOOK	121,607	114,115	6.6%	35,400,166	31,035,353	14.1%
8	16	HANATOUR-ITC	117,870	85,464	37.9%	14,316,843	14,186,654	0.9%
9	8	LOTTE	116,410	122,692	-5.1%	29,915,000	27,403,000	9.2%
10	5	CHEESTOURS	276,280	282,304	-2.1%	51,374,431	46,946,230	9.4%

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

MODETOUR-INT

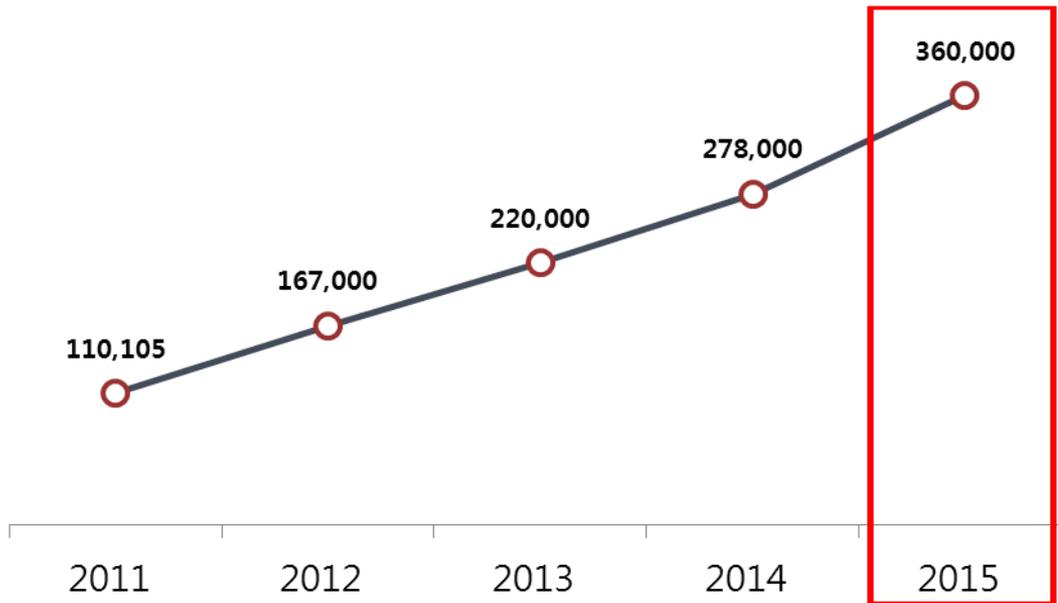


No 1 of Chinese inbound Market , No 1 of Growth Rate , No 1 of Trust money Growth Rate

name	Unit			Amount (\$)			Ranking of Earning
	Group Tour Visitor			Receipts			
	2012 (FY)	2011(FY)	2010(FY)	2012 (FY)	2011(FY)	2010(FY)	2012
MODETOUR-INT	69,021	34,615	31,527	8,839,366	5,884,550	4,700,405	1
DAEWON	54,176	18,859	5,868	8,362,084	1,009,315	581,225	2
JTB	46,957	3,224	186	6,121,983	42,145	9,124	3
HWABANG	35,917	-	-	5,963,505	-	-	4
LOTTE	39,883	42,145	9,124	4,851,000	2,665,000	1,433,242	5
HANATOUR-ITC	65,685	39,399	38,802	4,597,535	3,507,599	3,864,268	6

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

Key Strategy



about 30,000 unit / Each Month
Value Chain



Business Expansion

- Hotel(Room)
- Shopping(Brand Shop)
- Transportation(Bus)
- Restaurant(Meal)



Bargaining Power



OP ↑ **M/S** ↑

Hotels



JEJU ROBERO HOTEL



SECTION	CONTENT
LOCATION	JEJU (AIRPORT)
CLASS	BUSINESS
ROOMS	113
O C C	90~95%
STAKE	100% (8.5BILLION ₩)

AVENTREE HOTEL JONGRO



SECTION	CONTENT
LOCATION	SEOUL (CENTER)
CLASS	BUSINESS
ROOMS	155
O C C	70~75%
STAKE	13.5% (2.2 BILLION ₩)

MODETOUR-INT (Distribution Channel)



China

- Branch in Beijing
- 30 Agencies (My tour)
- On-Line Agency (C-trip)

Japan

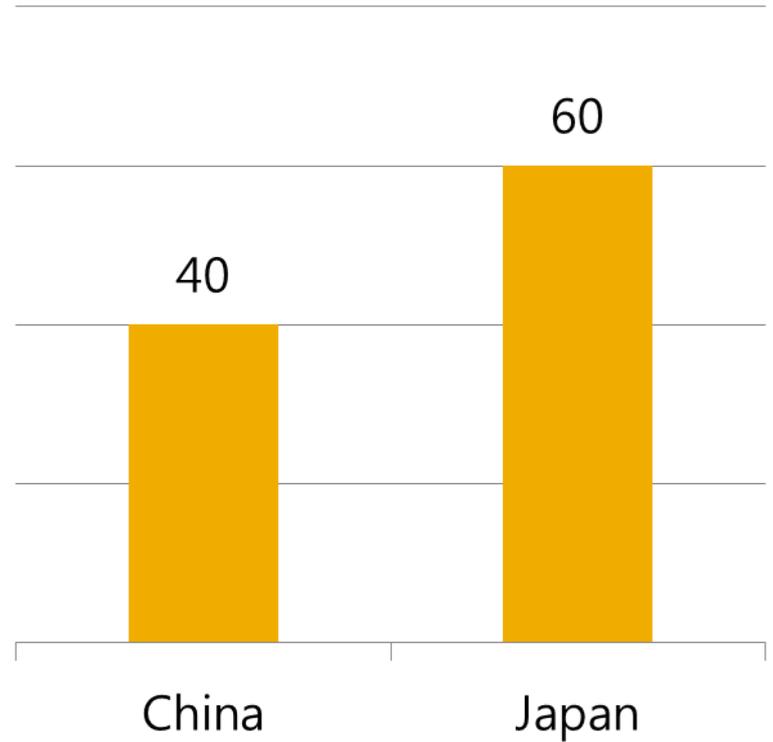
- Tokyo Branch
- 60 Agency (HIS)
- On-Line Agency (KONEST)

E-South Asia

- Singapore , Thailand , Philippine etc.
- 7 Agencies

Taiwan

- 7 Agencies



< 2012Y Portion for Arrivals >

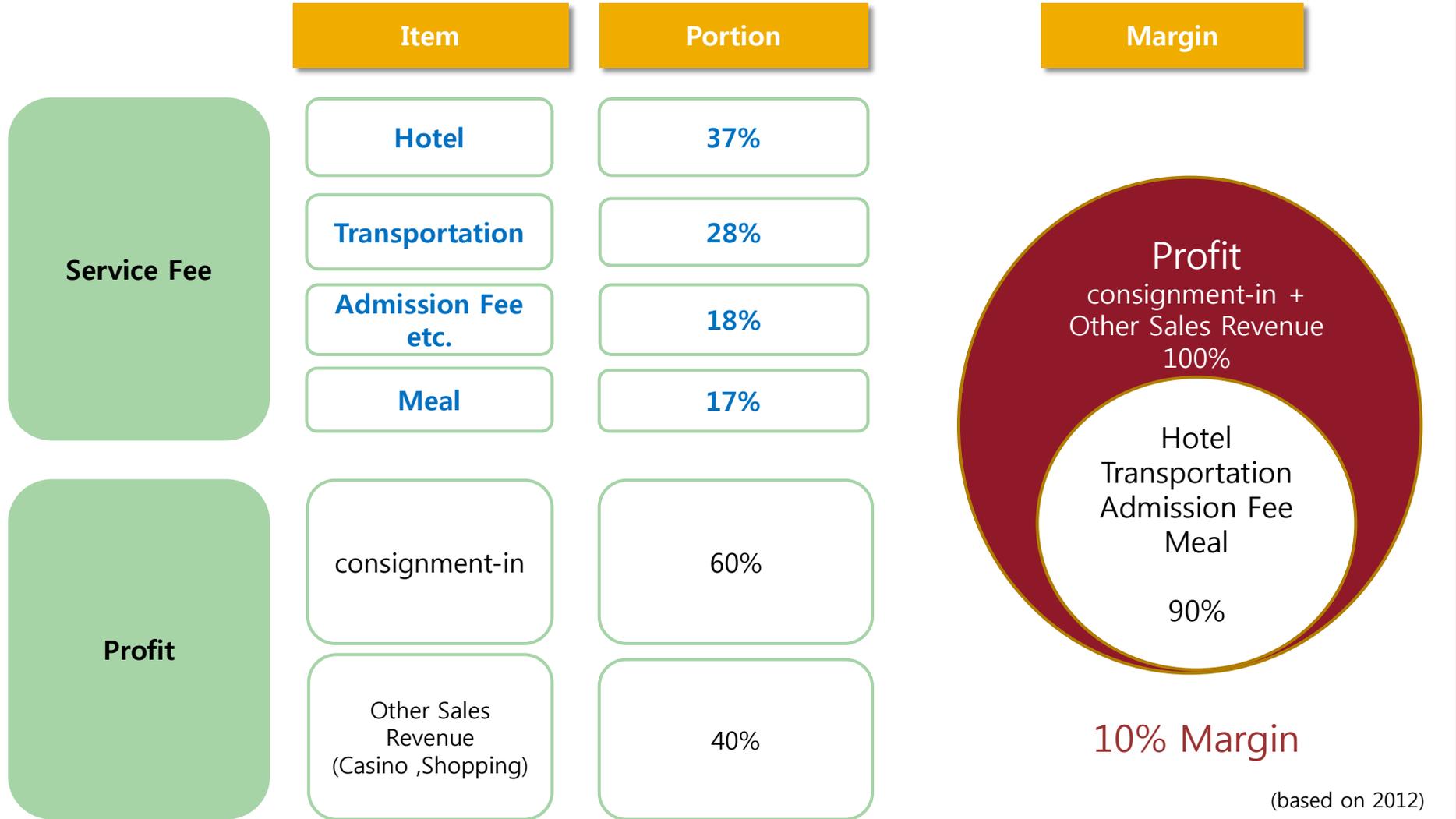
(Based in 2012)

MODETOUR-INT



	Service	Proportion	Strategy	Gross Profit Margin
Package	Tourism, Theme-Tourism, Experiential Tourism etc.	75%	Increase	10%
Incentive	Educational Travel, Seminar , Medical Tour	12%	Increase	15%
M.I.C.E	Meeting , Incentive , Conference , Exhibition	8%	Increase	20%
F.I.T	Rent a Car, Pass, Hotel , Day Tour , Air-Ticket	5%	Increase	5%

MODETOUR-INT (Package Breakdown)



(based on 2012)



Chapter 3 Others

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

(2012)

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.

Mode Tourism Development (April 2012)

- 100% Subsidiary with 0.9 Billion Won
- Synergy with MODETOUR International's Inbound Business and Expanding domestic Online Hotel for F.I.T.
- Management Outsourcing of Robero Hotel

Cruise International (May 2010)

88.24% Subsidiary with 1.5 Billion Won

- The Biggest Korean GSA, PSA of 10 International Luxury, Premium, Mass Cruises Line such as Silversea, Regent, Crystal (Luxury class)
Oceania, Holland America (Premium class), Costa and etc.
- Long-term revenue model emerging cruise markets
- Developing Diversified High-end Product

Subsidiary

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

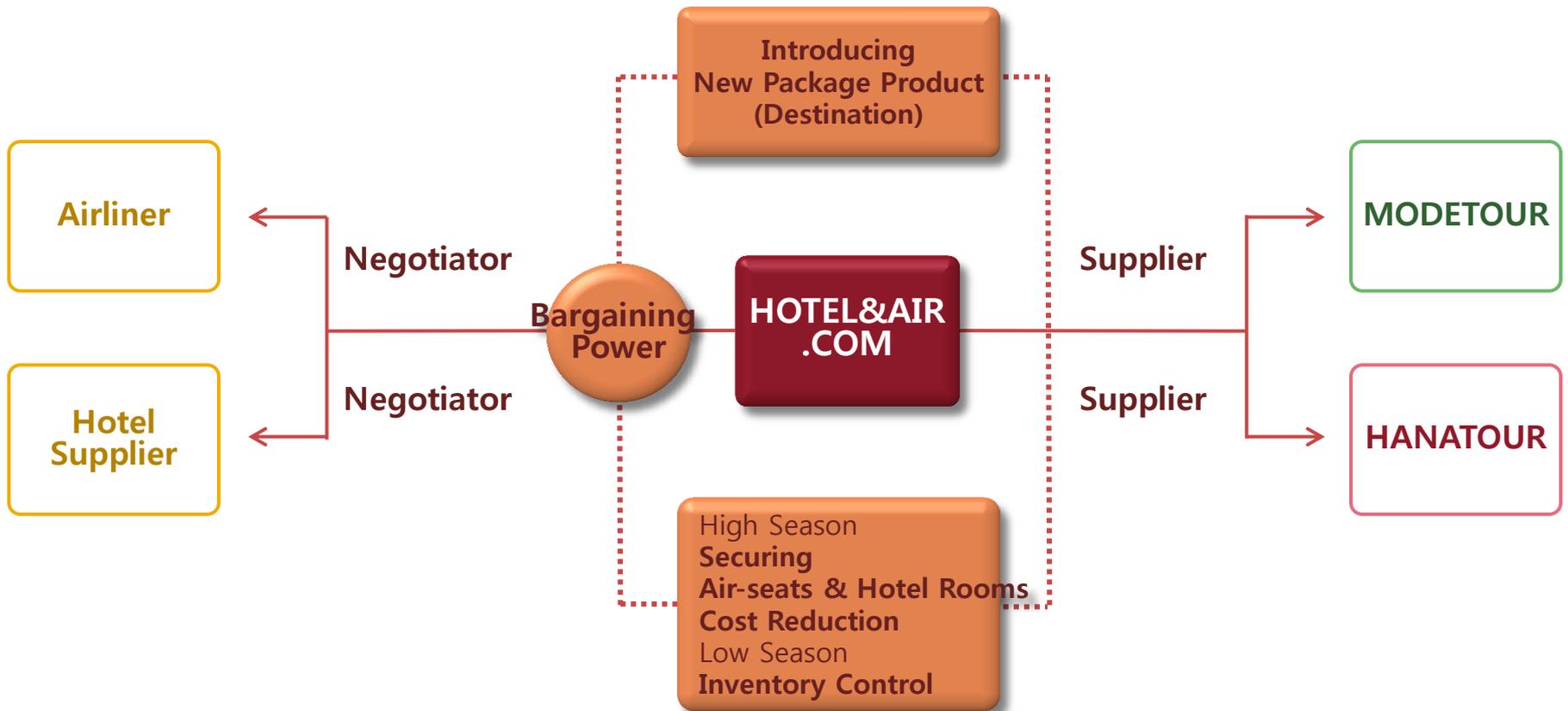
- Online Hotel Reservation - Targeting Korean Domestic Travelers Preferring Hotel, Entering Camping Car Business in 2011
- Package Competitiveness, Easy Reservation System, Rich Contents, Various Contribution Channel and MODETOUR's Brand Power
- Synergy with MODETOUR International's Inbound Business and Expanding Overseas Online Hotel for F.I.T.

Key Strategy

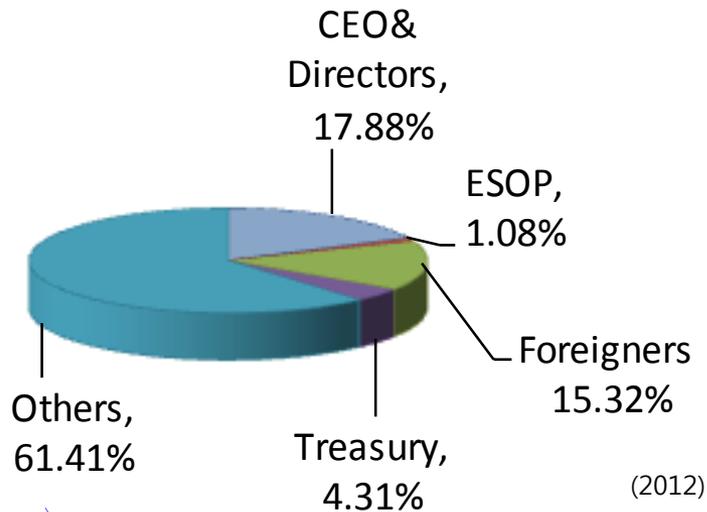


Hotel & Air.com (Jul. 2011)

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



Shareholders

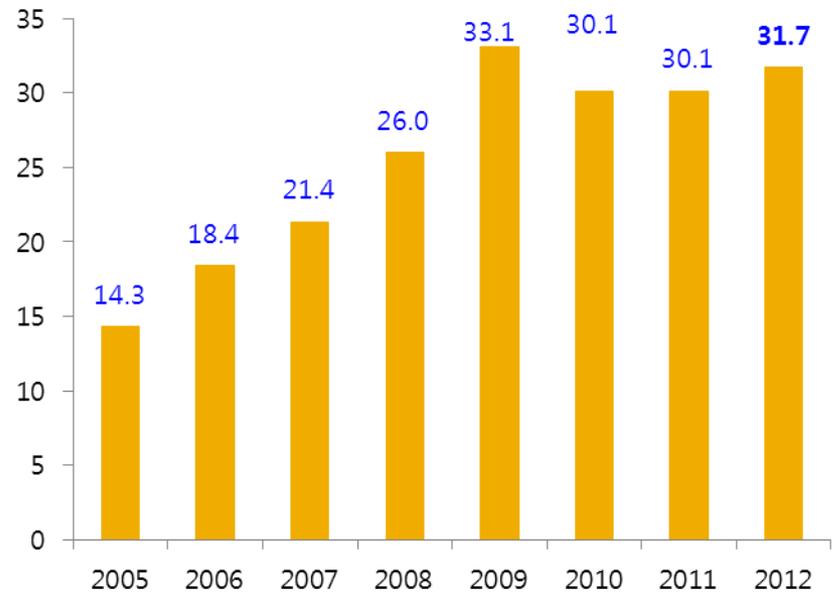


principal stockholder

Samsung Asset Management	(8.45%)
Korea National Pension	(7.82%)
Truston	(5.58%)
Ashmore EMM	(5.35%)
BNP Paribas	(5.08%)
Allianz	(4.47%)

Dividend Ratio

(Unit: %)



Comprehensive Travel Company with 24-year Experience

Organization

Management	name	Field Experience	Division	Ratio	No.	Main Task	
Chairman	Woo, Chong-Woong	39 Years, Founder	Director	0.5%	6	General Management	
			Travel Package Plan	34%	341	Design Travel Package	
CEO	Hong, Ki-Jung	32 Years, Founder	Sale	Travel Agency	45%	348	Distribution and Reservation Administration
				Online & Corporate	12%	127	Co-marketing Sale & Corporate Business
Vice President	Han, Ok-Min	28 Years, Founder	Back Office & Support	9%	114	Managing Support, Marketing, Strategy Planning, Administration	
			Total Employee	100%	936	-	
CFO	Yang, Byung-Sun	24 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	

(2012)

Key Financial Ratio



Growth (%)

	FY12	FY11	FY10	FY09
Growth Rate of Sales	9.7	3.6	90.77	-26.29
Growth Rate of Assets	11.1	4.49	44.02	15.25
Growth Rate of Net Income	30.2	-11	1,219.23	-94.56

Profitability (%)

	FY12	FY11	FY10	FY09
Ratio of Operating Profit to Net Sales	15.76	13.11	16.59	0.38
Ratio of Net Income to Net Sales	13.00	10.85	13.67	1.98
ROE	21.06	25.53	27.58	2.44

Stability (%)

	FY12	FY11	FY10	FY09
Liabilities Ratio	74.92	81.39	88.44	71.50
Debt Dependence Ratio	-	-	-	-
Current Ratio	208.59	215.50	218.88	252.13

Activity

	FY12	FY11	FY10	FY09
Turnover Ratio of Assets	0.98	0.95	1.11	0.76
Receivables Turnover	7.13	10.45	9.47	8.30

Result of 1Q 2013 (K-IFRS)



	2013						(Unit: KRW)				2012
	1Q	Ratio to GP&OI	YoY	Accumulated	Ratio to GP&OI	YoY	1Q	Ratio to GP&OI	Accumulated	Ratio to GP&OI	
Sales Revenue & Other Income	36,612,586,435	100	10.3%	36,612,586,435	100	10.3%	33,191,837,481	100	33,191,837,481	100	
Sales Revenue	35,896,534,084	98.0%	10.4%	35,896,534,084	98.0%	10.4%	32,518,220,018	98.0%	32,518,220,018	98.0%	
Ticket	2,922,333,537	8.0%	-6.8%	2,922,333,537	8.0%	-6.8%	3,136,696,438	9.5%	3,136,696,438	9.5%	
Package	30,487,552,284	83.3%	10.8%	30,487,552,284	83.3%	10.8%	27,524,694,281	82.9%	27,524,694,281	82.9%	
Others	2,486,648,263	6.8%	33.9%	2,486,648,263	6.8%	33.9%	1,856,829,299	5.6%	1,856,829,299	5.6%	
Other Income	716,052,351	2.0%	6.3%	716,052,351	2.0%	6.3%	673,617,463	2.0%	673,617,463	2.0%	
SG&A Expenses	30,277,990,936	82.7%	13.9%	30,277,990,936	82.7%	13.9%	26,588,307,721	80.1%	26,588,307,721	80.1%	
Labor	10,071,019,844	27.5%	17.0%	10,071,019,844	27.5%	17.0%	8,242,885,678	24.8%	8,242,885,678	24.8%	
Depreciation Cost	336,706,597	0.9%	49.9%	336,706,597	0.9%	49.9%	224,545,939	0.7%	224,545,939	0.7%	
Agent Commission	12,722,051,277	34.7%	16.4%	12,722,051,277	34.7%	16.4%	10,931,566,888	32.9%	10,931,566,888	32.9%	
Other Commission	2,749,811,967	7.5%	-0.7%	2,749,811,967	7.5%	-0.7%	2,769,328,766	8.3%	2,769,328,766	8.3%	
Advertising	1,145,373,244	3.1%	-0.2%	1,145,373,244	3.1%	-0.2%	1,147,632,004	3.5%	1,147,632,004	3.5%	
Other Expenses	3,679,764,377	10.1%	12.5%	3,679,764,377	10.1%	12.5%	3,272,348,446	9.9%	3,272,348,446	9.9%	
Operating Income(Loss)	5,618,543,148	15.3%	-5.3%	5,618,543,148	15.3%	-5.3%	5,929,912,297	17.9%	5,929,912,297	17.9%	
Net Finance Income(Loss)	477,543,114	1.3%	-21.3%	477,543,114	1.3%	-21.3%	606,772,185	1.8%	606,772,185	1.8%	
Finance Income	56,272,274	0.2%	8.0%	56,272,274	0.2%	8.0%	52,116,287	0.2%	52,116,287	0.2%	
Income before Taxes	6,166,792,345	16.8%	-5.3%	6,166,792,345	16.8%	-5.3%	6,512,476,129	19.6%	6,512,476,129	19.6%	
Income Taxes Expenses	1,422,606,678	3.9%	-2.3%	1,422,606,678	3.9%	-2.3%	1,455,519,263	4.4%	1,455,519,263	4.4%	
Net Income(Loss)	4,744,185,667	13.0%	-6.2%	4,744,185,667	13.0%	-6.2%	5,056,956,866	15.2%	5,056,956,866	15.2%	

Summarized Financial Statement



Balance Sheet

(Unit: million KRW)

	K-IFRS			K-GAAP		
	2012	2011	2009	2008	2007	2006
Current Asset	108,133	104,349	78,441	47,801	89,439	50,494
Non-Current Asset	35,195	24,679	7,720	26,957	8,006	20,275
Total Asset	143,328	129,028	86,161	74,758	97,445	70,770
Current Liabilities	51,839	48,418	31,111	21,810	36,024	20,508
Non-Current Liabilities	9,550	9,479	4,809	3,760	3,786	2,268
Total Liabilities	57,897	57,897	35,921	25,570	39,810	22,776
Capital Stock	6,300	4,200	4,200	4,200	4,200	4,200
Capital Surplus	30,033	30,033	30,033	30,033	30,033	29,880
Capital Adjustment	(10,744)	(8,081)	(8,081)	(8,081)	(1,448)	(1,064)
Accumulated Other Comprehensive Income	-	-	-	-	7	-
Retained Earnings	58,465	45,994	24,088	23,035	24,843	14,926
Other equity interest	152	(863)				
Total Stock Holders Equity	71,131	71,131	50,241	49,188	57,635	47,993

Summarized Financial Statement (K-GAPP)



Income Statement

(Unit: million KRW)

		2013 1Q	2012	2011	2010	2009	2008	2007
Sales Revenue	Air-ticket	2,922	11,929	14,225	22,874	19,361	25,974	30,735
	Package	30,488	113,150	99,455	88,875	38,814	53,811	60,014
	Others	2,487	7,708	7,365	5,337	3,200	3,480	3,601
	Total	35,897	132,787	121,045	117,086	61,375	83,265	94,351
SG&A Expense		30,278	111,636	106,177	97,658	61,139	82,347	80,036
Operating Profit		5,619	21,151	16,024	19,427	236	918	14,315
Non-operating Income		716	1,299	3,427	4,146	3,391	4,411	3,462
Non-operating Expense		168	2,018	1,767	2,756	2,130	4,074	1,899
Net Income before Taxes		6,167	22,450	18,295	20,818	1,497	1,255	15,878
Income Taxes		1,423	5,190	5,039	4,807	283	636	4,510
Net Income		4,744	17,260	13,255	16,011	1,214	619	11,367
Earnings Per Share(KRW)		391	1411	1,649	1,852	151	75	1,360



Thank You

MODETOUR NETWORK Inc.