



Investor Relations

US NDR 3Q 2013

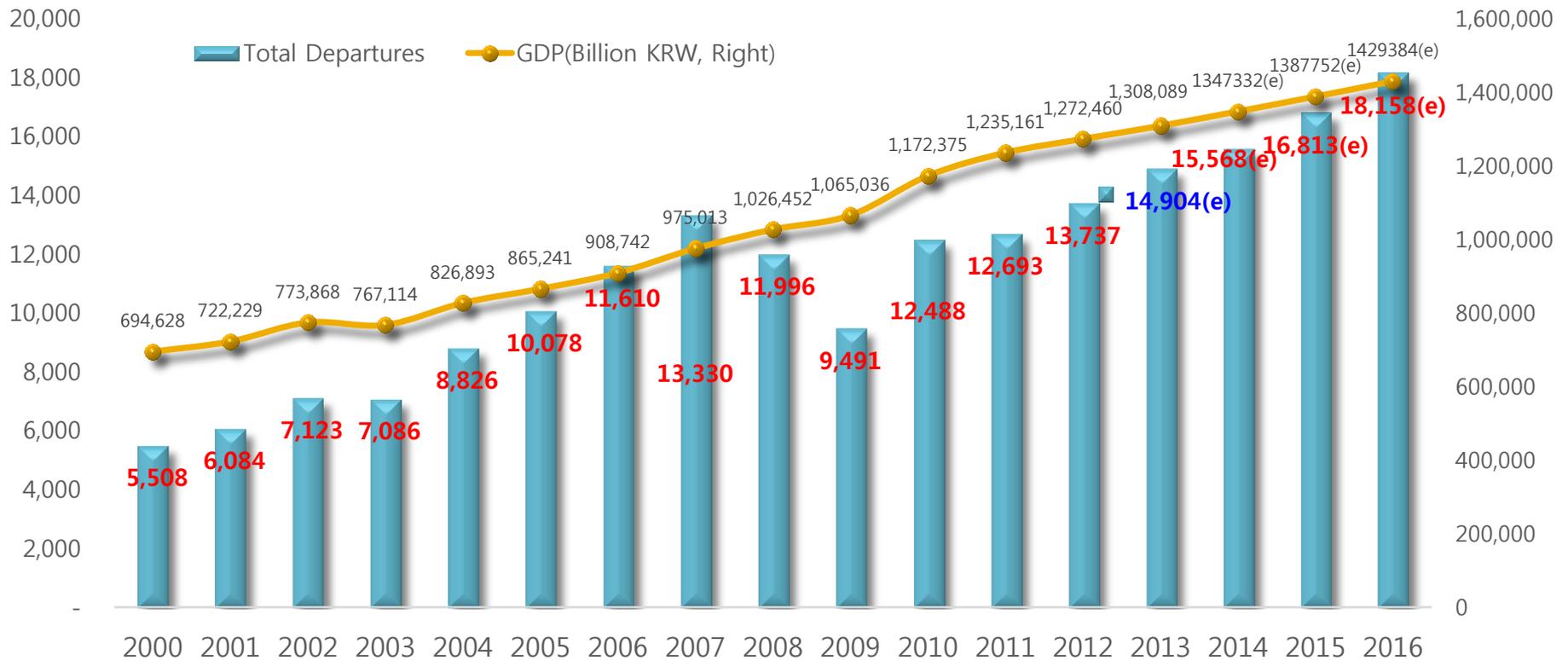


Chapter 1 Outbound

1. Market Environment
2. MODETOUR

8.2% Growth of Korean Departures in 2012, 8.5% Growth in 2013(e)

Yearly Korean Departures and GDP



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

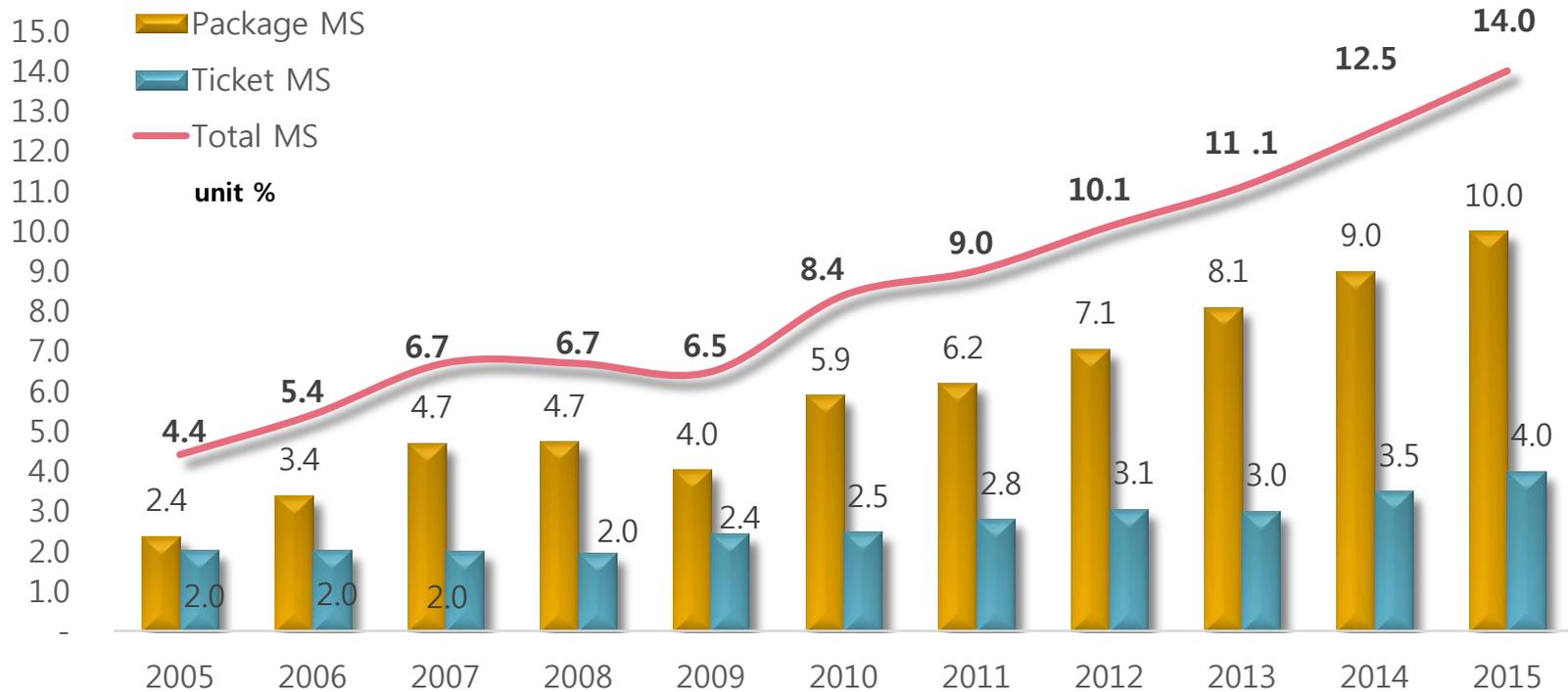
* 2000-2012 GDP: Bank of Korea, 2013-2016 GDP: FnGuide Consensus

Market MS



Market-oriented restructuring of large companies

MODETOUR's MS in Total Departure



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

Market Environment

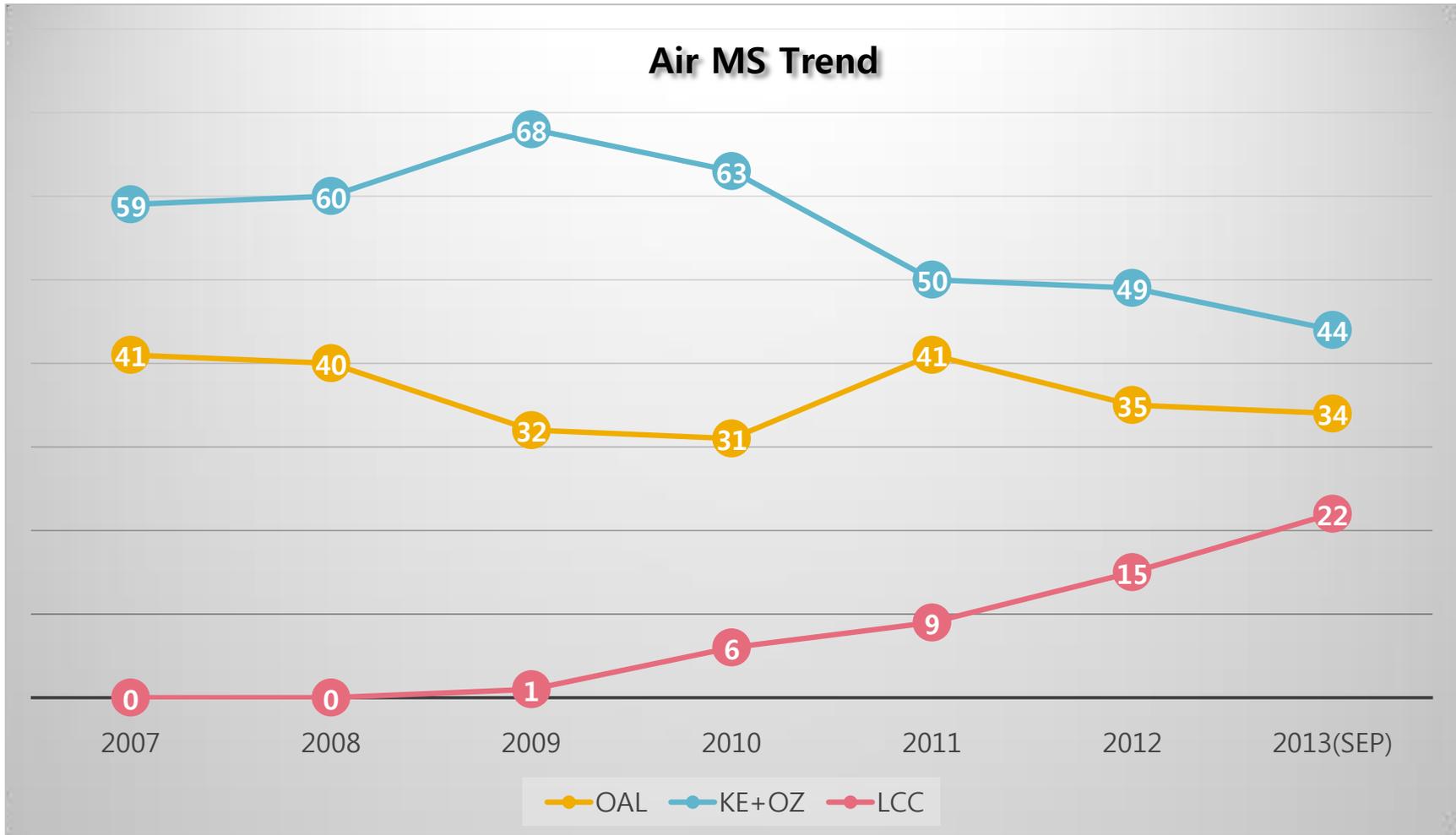


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	1,200,782	1,150,334	1,018,952	1,018,645	1,096,950	1,109,273	1,305,418	1,334,651	1,059,709	1,154,742	1,117,550	1,169,970
2013	1,425,900	1,184,807	1,113,946	1,097,420	1,185,405	1,221,491	1,417,422	1,407,186	1,195,238			
YoY	19%	3%	9%	8%	8%	10%	9%	5%	13%			

Air MS (base on MODE)

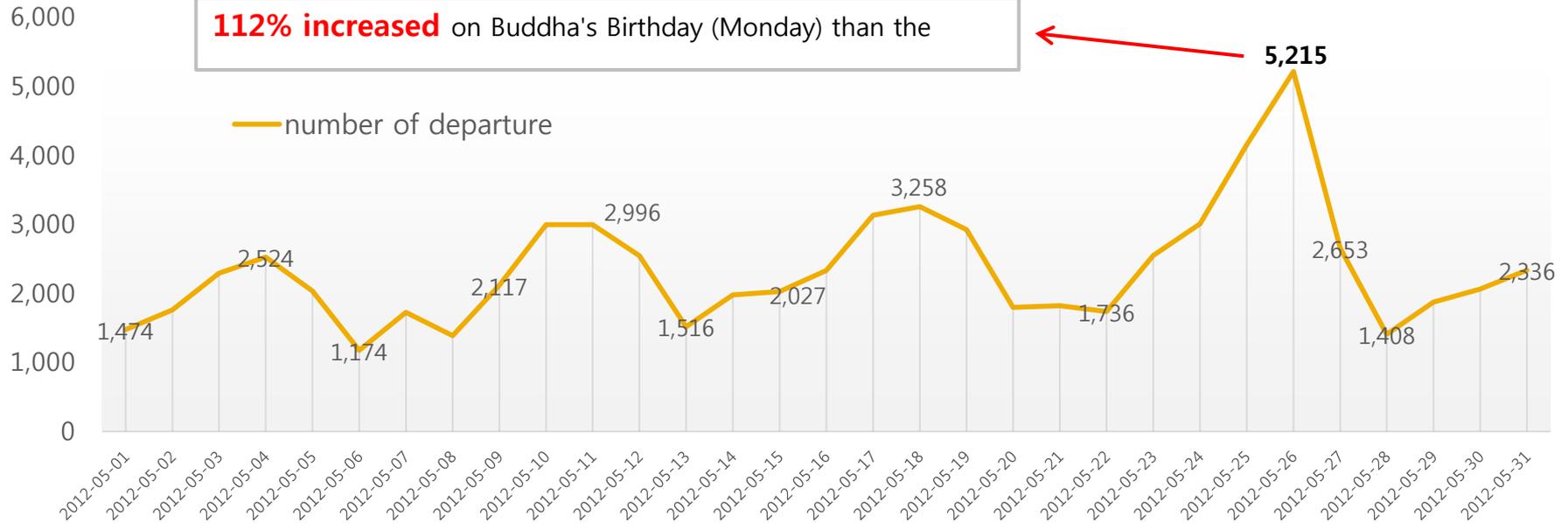


Air MS Trend



2012 Market LCC portion about 8%
2013 Market LCC portion about 10%

Happy Monday Effect 1



	2012	2013	variation
Sunday	53	52	-1
Saturday & Legal Holiday	66	66	0
All Holiday	116	116	0
New Years Holiday	Four days in a row	Three days in a row	-1
Korean Thanks Giving	Three days in a row	Five days in a row	2
Friday	0	2	2
Tuesday	1	1	0
Thursday	1	3	2

Happy Monday Effect 2



Weekend departures (all Ages)

YEAR	Mode Growth(Package)	YOY	Market Growth(YOY)
2010	257,255		
2011(Partial)	277,406	7.8	1.6
2012(full)	314,386	13.3	8.2
2013	289,074	(*	8.9

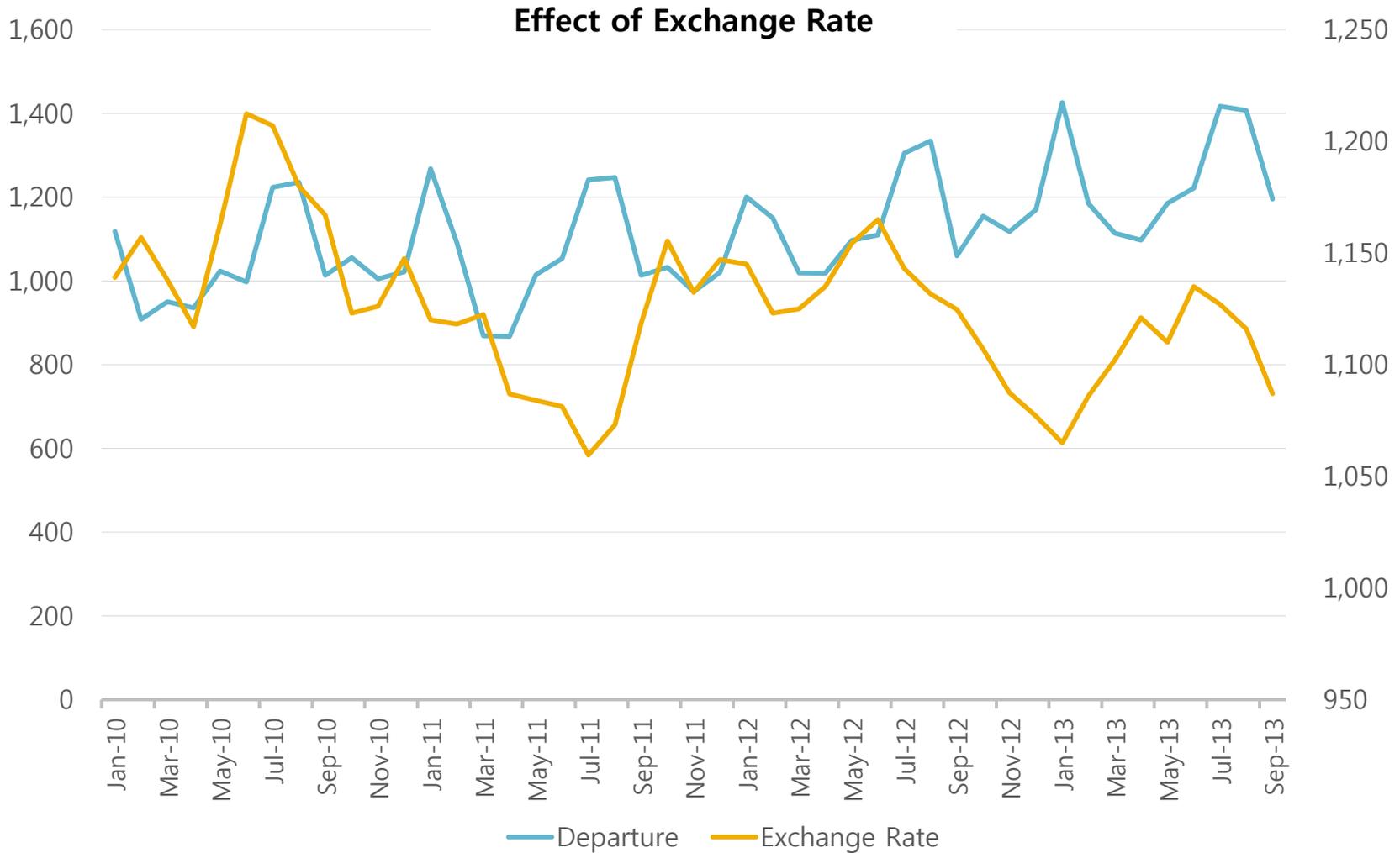
*till 2013Y 9M YoY 10.9%

Weekend departures 7 ~19 Ages (students)

YEAR	Mode Growth(Package)	YOY	Market Growth(YOY)
2010	24,384		
2011(Partial)	27,869	14.3	1.6
2012(full)	31,910	14.5	8.2
2013	29,076	(*	8.9

*till 2013Y 9M YoY 14.2%

Market Environment

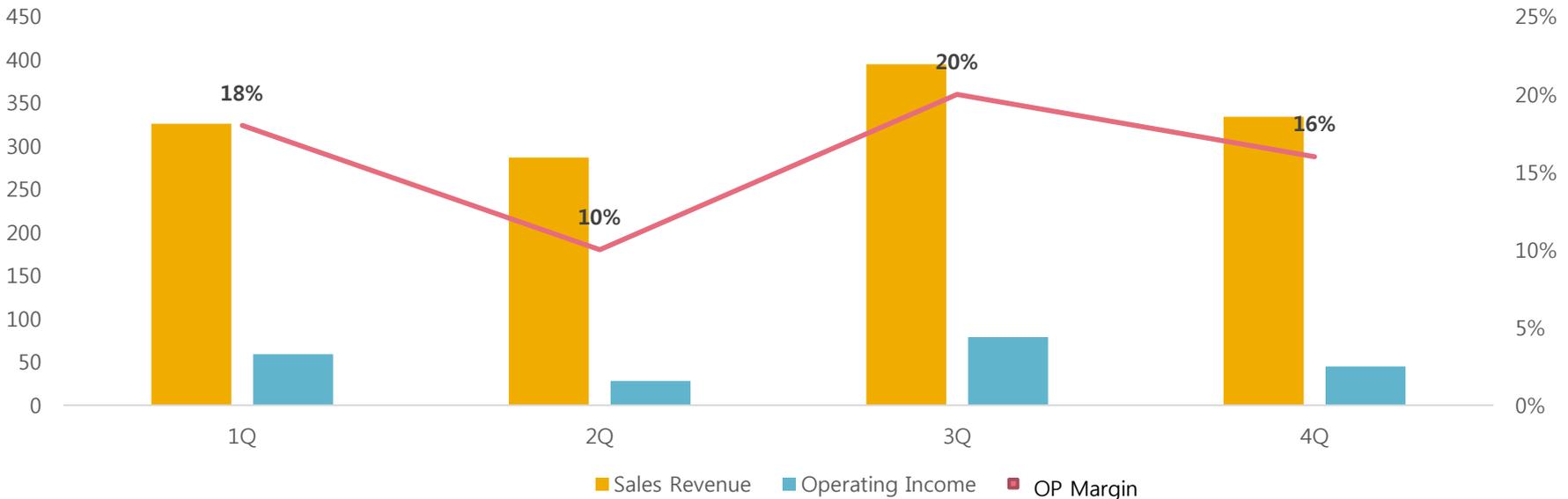


Seasonality (2012FY)



(unit: 100 mil)

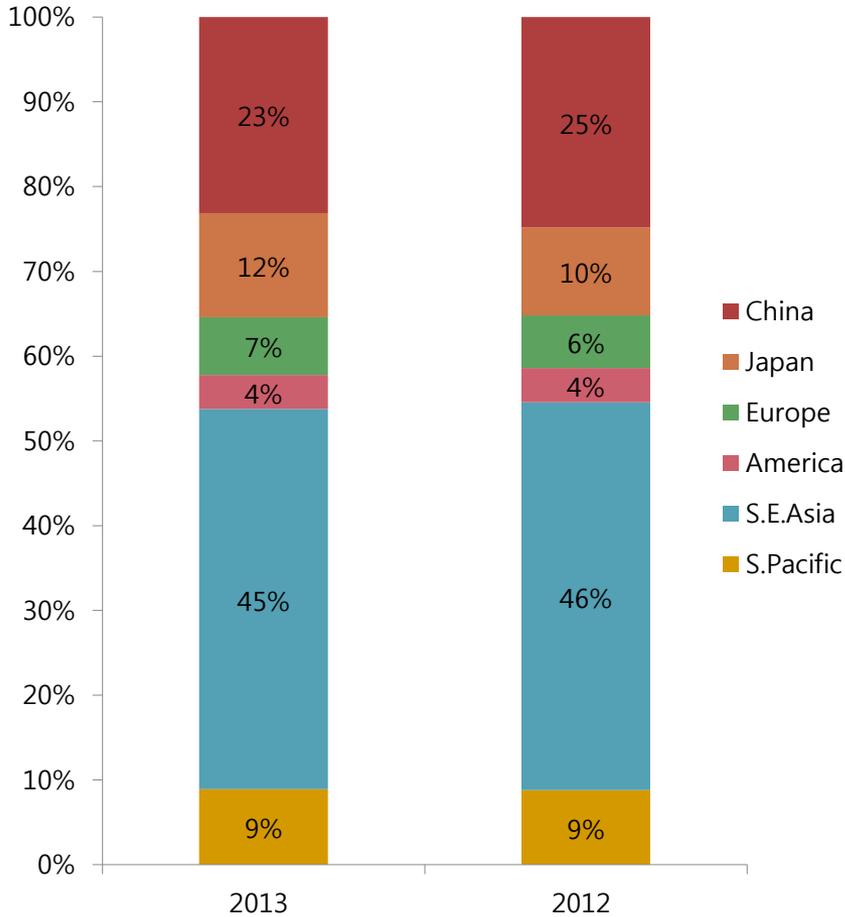
	1Q	2Q	3Q	4Q	2012FY
Sales Revenue	326	287	395	334	1,340
Expenses	267	258	316	281	1,122
Operating Income	59	28	79	45	211
Ratio of OP	28% (Peak Season)	13%	37% (Peak Season)	21%	-
OP Margin	18%	10%	20%	13%	16%



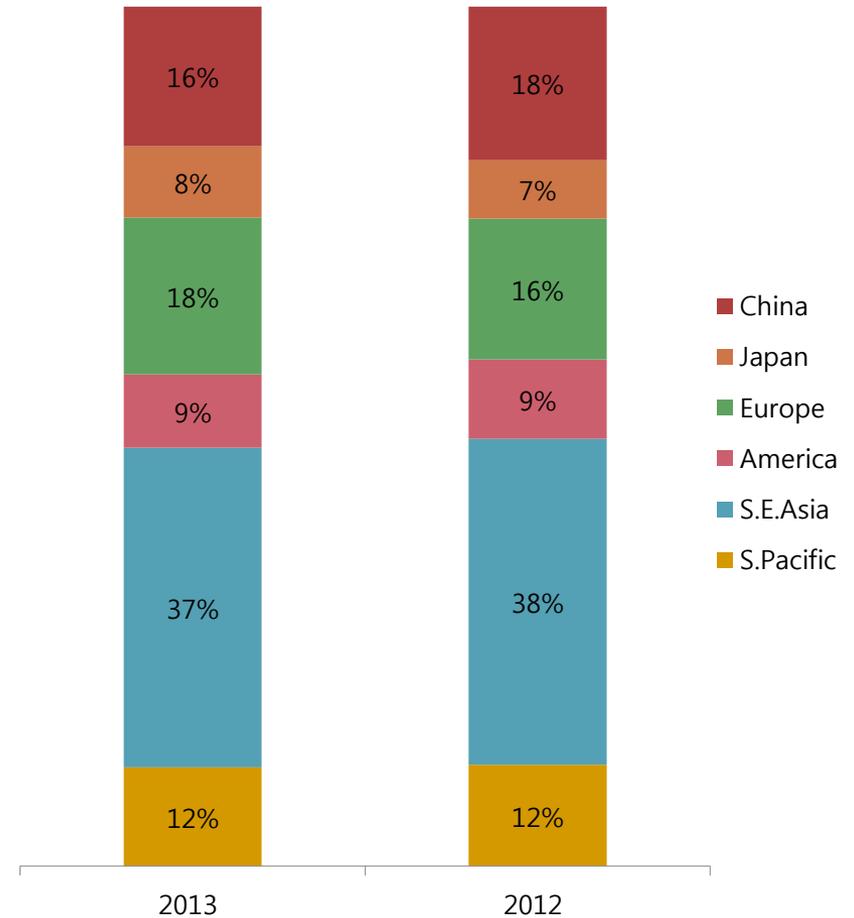
Quarterly Proportion of Travel Packages for Destinations (till OCT)



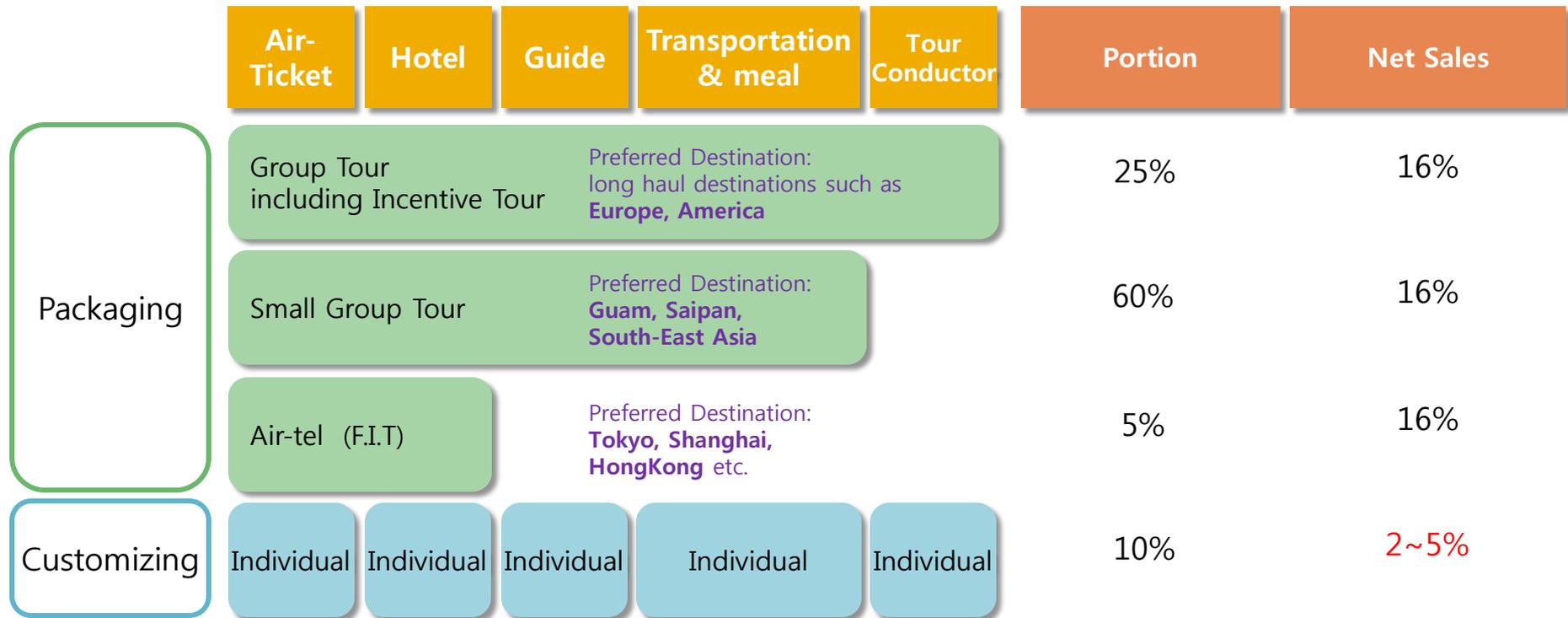
Number of Departure



Sales Revenue



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%			

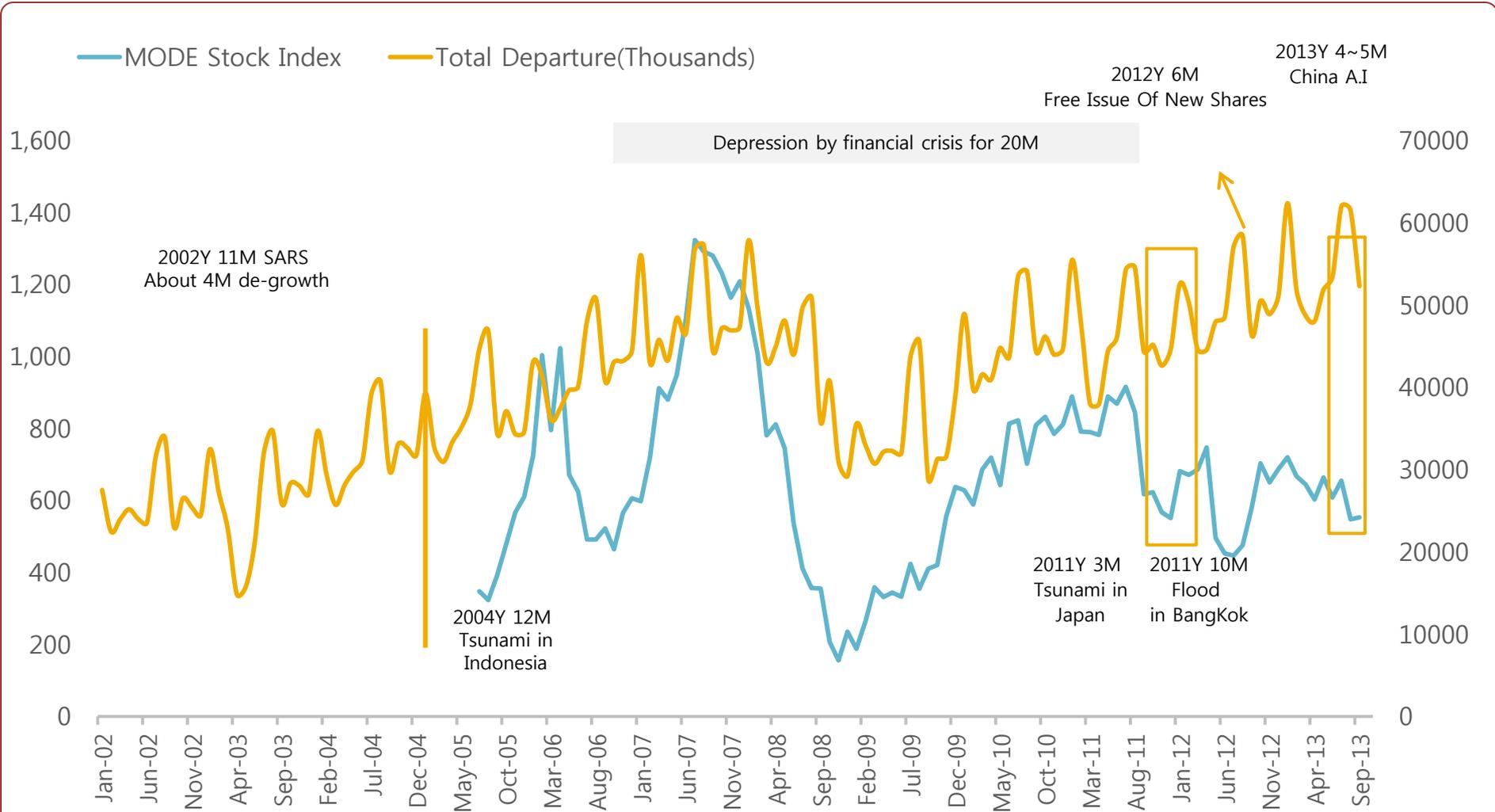
1)

(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.

Market Environment



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

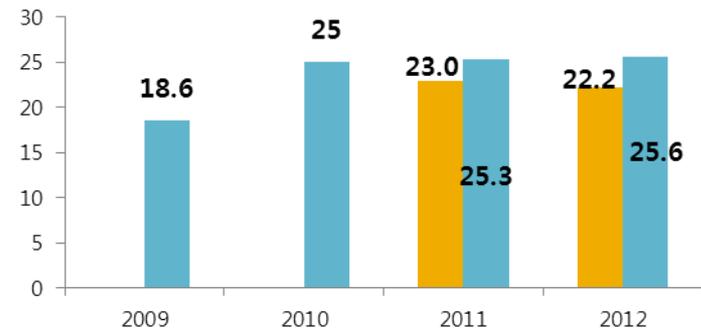
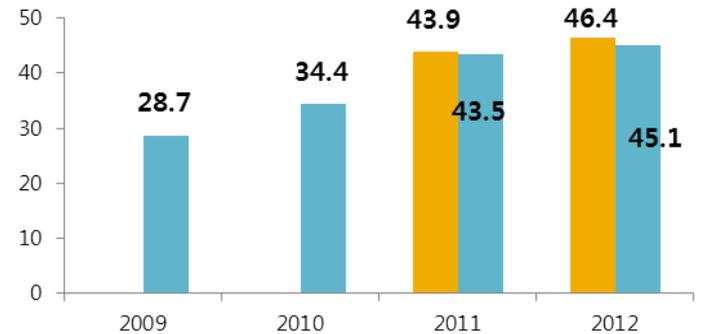
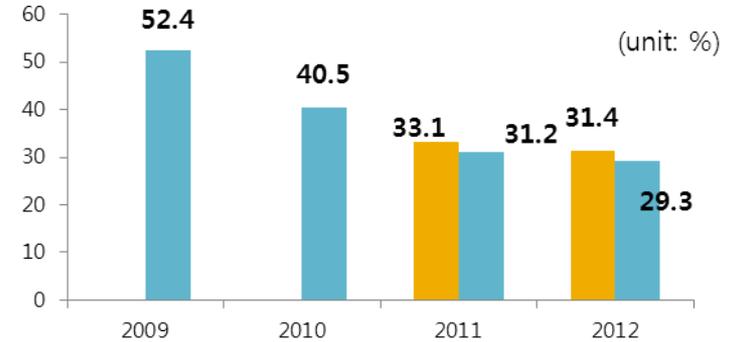
- Sales under MODETOUR signboard

Co-marketing

- Credit Card , Co, Portal sight etc.

samsungcard Home plus E-MART

INTER PARK | TOUR Hanwha LOTTE STB
Travel & Life



Chapter 2 Inbound

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

Market Environment



14% Growth of Foreign Visitors in 2012, 9% Growth in 2013(e)

More than 10% increase 2014

Purpose of tourism arrivals increased by more than 30%

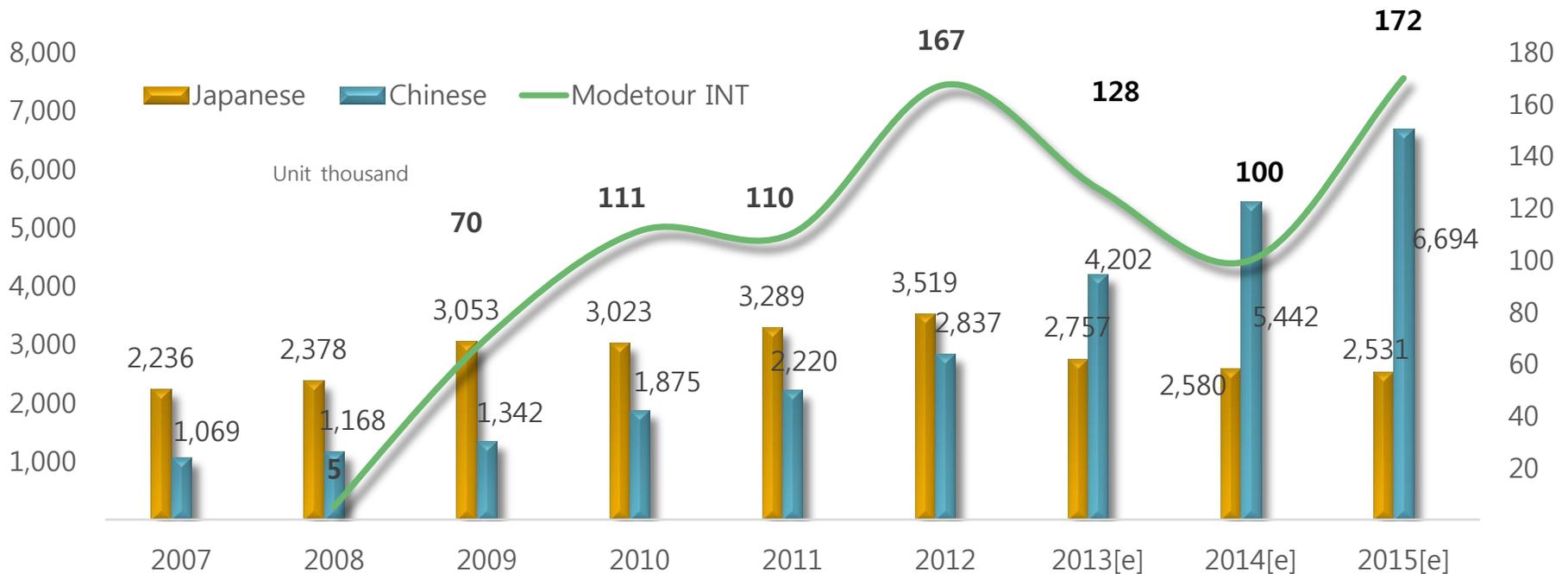


* No. of Arrivals: Korea National Tourism Organization(2000~2012), Modetour-INT (2013~2015)

Market Environment



2013Y(E) Chinese Tourists 48% UP!! Japanese -20% DOWN



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

MODETOUR-INT 2013 (till Jul)



2013Y Ranking of Inbound(till Jul)

Rank		Name (Travel Agents)	Amount (\$)			Unit		
Amount	Unit		2013	2012	YoY	2013	2012	YoY
1	6	JTB	20,957,583	31,605,823	-33.7%	70,923	102,374	-30.7%
2	1	HIS	18,709,692	30,965,042	-39.6%	146,033	173,092	-15.6%
3	3	MODETOUR-INT	14,945,200	19,000,106	-21.3%	85,594	103,325	-17.2%
4	2	HANJIN	12,975,743	22,910,355	-43.4%	87,558	133,227	-34.3%
5	8	SEHAN	10,819,046	13,813,983	-21.7%	60,919	65,807	-7.4%
6	10	JEONGOOK	9,616,537	22,020,330	-56.3%	46,723	75,430	-38.1%
7	12	ROOKKOREA	9,018,102	9,267,260	-2.7%	37,693	44,256	-14.8%
8	13	SEBANG	8,697,830	15,564,986	-44.1%	36,712	61,973	-40.8%
9	7	LOTTETOUR	8,343,400	17,661,000	-52.8%	66,953	76,620	-12.6%
10	19	CHEESTOURS	7,845,909	25,183,887	-68.8%	29,031	75,682	-61.6%
11	5	HANATOUR-ITC	6,975,859	9,300,127	-25.0%	72,254	63,658	13.5%

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

MODETOUR-INT 2012FY



2012Y Ranking of Inbound

Rank		Name (Travel Agents)	Amount (\$)			Unit		
Amount	Unit		2012	2011	YoY	2012	2011	YoY
1	1	HIS	51,374,431	46,946,230	9.40%	276,280	282,304	-2.10%
2	5	JTB	49,092,407	33,283,949	47.50%	159,156	102,935	54.60%
3	2	HANJIN	39,479,693	37,497,041	5.30%	217,534	209,743	3.70%
5	10	CHEESTOURS	51,374,431	46,946,230	9.40%	276,280	282,304	-2.10%
6	7	JEONGOOK	35,400,166	31,035,353	14.10%	121,607	114,115	6.60%
7	4	MODETOUR-INT	32,023,606	22,915,590	39.70%	167,000	110,302	51.40%
8	9	LOTTE	29,915,000	27,403,000	9.20%	116,410	122,692	-5.10%
13	6	SEIL	20,402,204	17,071,320	19.50%	122,655	75,993	61.40%
16	8	HANATOUR-ITC	14,316,843	14,186,654	0.90%	117,870	85,464	37.90%
19	3	KONEST	11,552,345	8,345,400	38.40%	172,745	147,485	17.10%

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

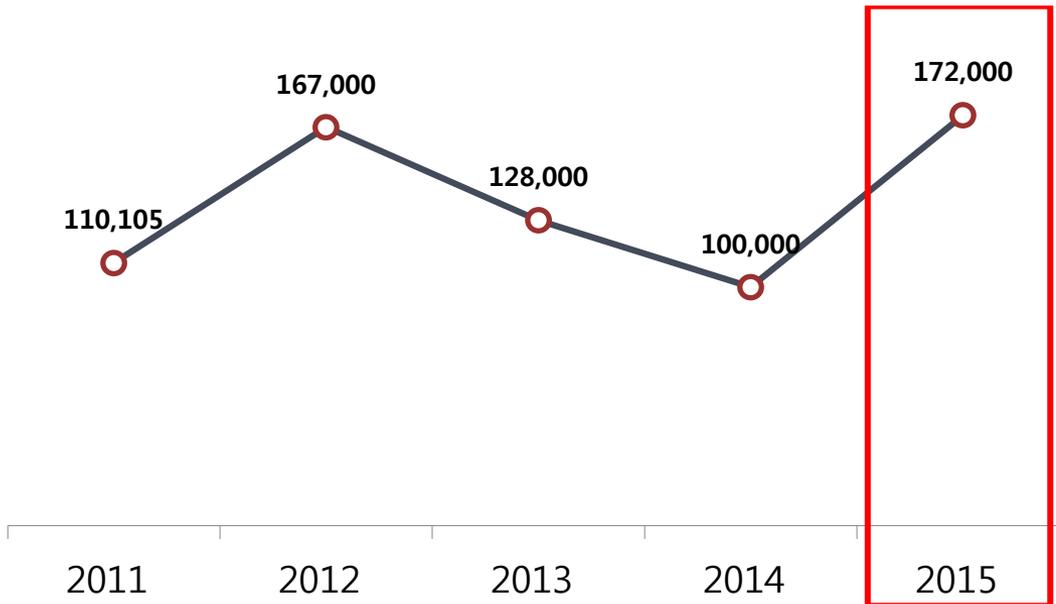
Source: Korea National Tourism Organization, Korea Association of Travel Agents

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

Key Strategy



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 ₩)



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

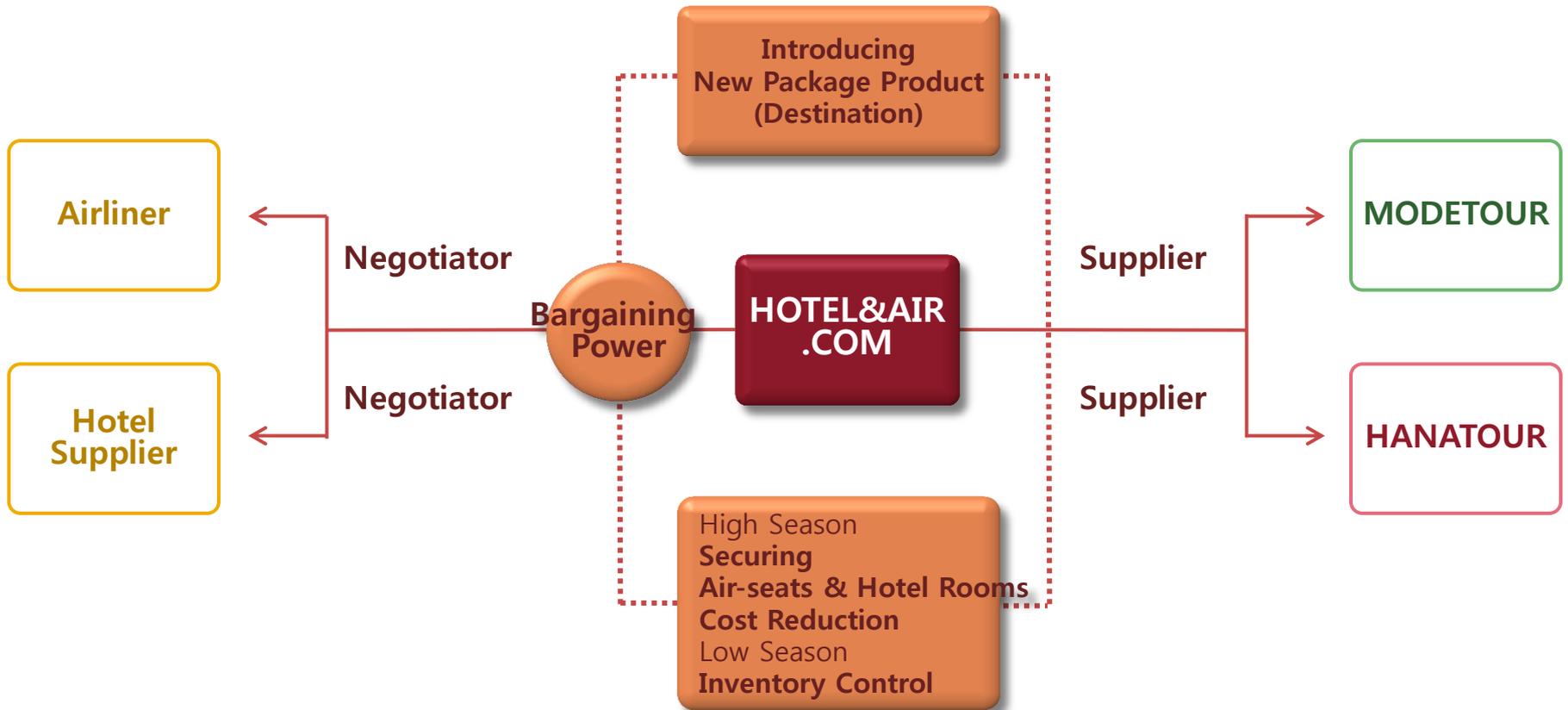
- Online Hotel Reservation - Targeting Korean Domestic Travelers Preferring Hotel, Entering Camping Car Business in 2011
- Package Competitiveness, Easy Reservation System, Rich Contents, Various Contribution Channel and MODETOUR's Brand Power
- Synergy with MODETOUR International's Inbound Business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

Key Strategy



Hotel & Air.com (Jul. 2011)

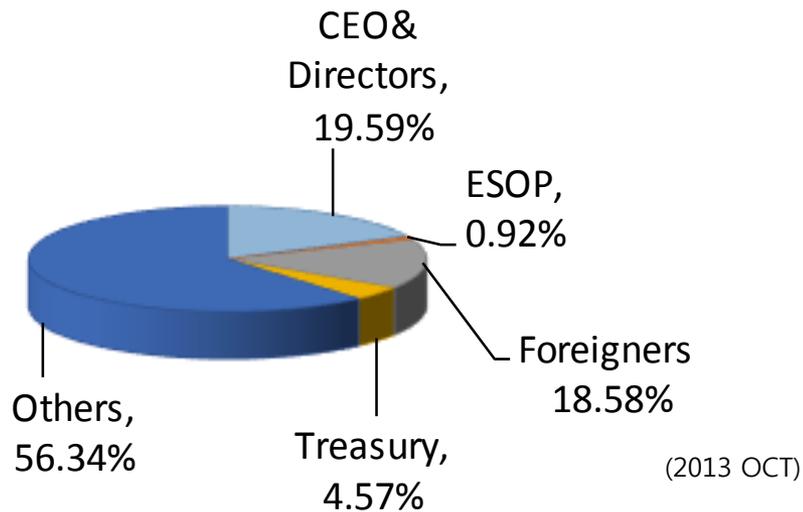
50% Subsidiary with 15 billion KRW and 50% Stake owned by HANATOUR



MODETOUR Shareholders



Shareholders

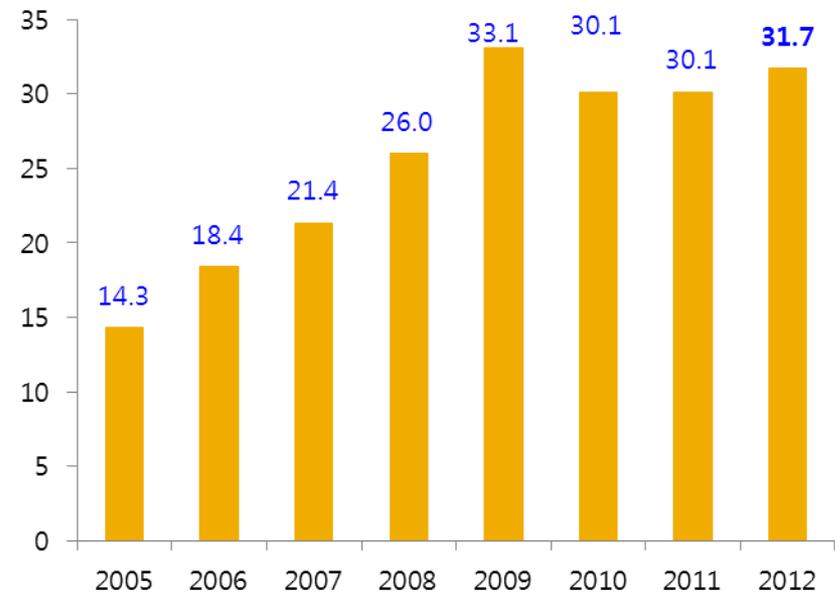


principal stockholder

Korea National Pension (8.83%)

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	

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 3Q 2013 (K-IFRS)



(Unit: KRW)

	2013						2012			
	3Q	Ratio to GP&OI	YoY	accumulated	Ratio to GP&OI	YoY	3Q	Ratio to GP&OI	accumulated	Ratio to GP&OI
Sales Revenue	43,270,511,429	100.0%	10.4%	109,088,032,077	100.0%	8.9%	39,188,492,632	100.0%	100,173,672,081	100.0%
Ticket	2,317,744,539	5.4%	-25.2%	7,069,219,931	6.5%	-22.6%	3,097,019,439	9.6%	9,134,644,722	9.6%
Package	38,666,279,807	89.4%	12.7%	94,977,618,647	87.1%	10.8%	34,304,093,224	84.6%	85,700,569,214	84.6%
Others	2,286,487,083	5.3%	27.9%	7,041,193,499	6.5%	31.9%	1,787,379,969	5.7%	5,338,458,145	5.7%
SG&A Expenses	34,460,024,366	79.6%	9.2%	92,850,850,562	85.1%	10.8%	31,543,258,935	81.8%	83,776,358,144	81.8%
Labor	10,381,842,497	24.0%	10.7%	30,415,701,784	27.9%	13.4%	9,378,276,267	27.2%	26,819,041,792	53.6%
Depreciation Cost	211,480,816	0.5%	0.3%	600,583,343	0.6%	2.1%	210,747,240	0.9%	588,502,820	1.6%
Agent Commission	15,558,267,900	36.0%	15.3%	38,927,167,501	35.7%	14.5%	13,489,375,932	36.9%	34,000,262,690	79.1%
Advertising Expenses	1,305,879,581	3.0%	-0.3%	3,891,643,613	3.6%	10.0%	1,309,721,393	3.3%	3,539,140,122	6.9%
Other SG&A Expenses	7,002,553,572	16.2%	-2.1%	19,015,754,321	17.4%	1.0%	7,155,138,103	10.5%	18,829,410,720	19.4%
Operating Income(Loss)	8,810,487,063	20.4%	15.2%	16,237,181,515	14.9%	-1.0%	7,645,233,697	8.7%	16,397,313,937	26.9%
Non operating Income	1,139,000,347	2.6%	34.4%	2,740,049,576	2.5%	20.5%	847,692,035	2.3%	2,273,487,010	4.4%
Non operating Expense	113,507,878	0.3%	12.7%	520,359,763	0.5%	41.6%	100,707,723	1.7%	367,607,594	2.0%
Income before Taxes	9,835,979,532	22.7%	17.2%	18,456,871,328	16.9%	3.0%	8,392,218,009	9.3%	17,923,193,353	29.3%
Taxes	2,458,994,883	5.7%	30.4%	4,424,748,480	4.1%	9.6%	1,885,454,998	2.1%	4,037,346,726	6.6%
Net Income(Loss)	7,376,984,649	17.0%	13.4%	14,032,122,848	12.9%	1.1%	6,506,763,011	7.1%	13,885,846,627	22.7%

Summarized Financial Statement



Balance Sheet

(Unit: million KRW)

	K-IFRS			K-GAAP		
	2013 2Q	2012	2011	2010	2009	2008
Current Asset	112,029	108,133	104,349	113,524	78,441	47,801
Non-Current Asset	35,126	35,195	24,679	10,566	7,720	26,957
Total Asset	147,155	143,328	129,028	124,090	86,161	74,758
Current Liabilities	55,347	51,839	48,418	51,865	31,111	21,810
Non-Current Liabilities	11,463	9,550	9,479	6,375	4,809	3,760
Total Liabilities	66,811	57,897	57,897	58,240	35,921	25,570
Capital Stock	6,300	6,300	4,200	4,200	4,200	4,200
Capital Surplus	27,764	30,033	30,033	30,033	30,033	30,033
Capital Adjustment	-13,172	(10,744)	(8,081)	(8,081)	(8,081)	(8,081)
Accumulated Other Comprehensive Income	59,300	-	-	-	-	-
Other equity interest	152	152	152			
Total Stock Holders Equity	80,344	71,131	71,131	65,849	50,241	49,188

Summarized Financial Statement (K-GAPP)



Income Statement

(Unit: million KRW)

		2013 3Q accumulate	2012	2011	2010	2009	2008	2007
Sales Revenue	Air-ticket	7,069	11,929	14,225	22,874	19,361	25,974	30,735
	Package	94,978	113,150	99,455	88,875	38,814	53,811	60,014
	Others	7,041	7,708	7,366	5,337	3,200	3,480	3,601
	Total	109,088	132,787	121,046	117,086	61,375	83,265	94,351
SG&A Expense		92,851	111,636	104,410	97,658	61,139	82,347	80,036
Operating Profit		16,237	21,151	16,636	19,427	236	918	14,315
Non-operating Income		2,740	1,299	1,660	4,146	3,391	4,411	3,462
Non-operating Expense		520	2,018	1,767	2,756	2,130	4,074	1,899
Net Income before Taxes		18,457	22,450	18,296	20,818	1,497	1,255	15,878
Income Taxes		4,425	5,190	5,040	4,807	283	636	4,510
Net Income		14,032	17,260	13,256	16,011	1,214	619	11,367
Earnings Per Share(KRW)		550	1411	1,083	1,852	151	75	1,360



Thank You

MODETOUR NETWORK Inc.