

Balance Sheet

As of 31 December 2009

Beautifulstore foundation

	2009		2008(unaudited)	
	(In korean won)		(In korean won)	
Asset				
I. Current Asset		11,713,921,719		8,846,159,211
(1) Quick Assets		10,946,506,475		8,077,788,080
1. Cash and cash equivalent(Note3)	4,158,226,303		4,856,809,853	
2. Short-term financial instruments(Note4)	5,185,024,222		1,637,354,557	
3. Available-for-sale securities	1,147,562,557		1,262,668,863	
4. Account Recievables	345,103,150		214,883,340	
Allowance for bad debt	- 6,809,324		- 5,433,275	
5. Accrued income	42,639,063		1,197,425	
6. Other account receivables	3,500,101		29,493,898	
Allowance for bad debt	- 34,450		-	
7. Advances	10,949,060		11,912,834	
8. Prepaid expenses	60,345,793		66,434,415	
9. Prepaid corporation tax			2,466,170	
(2) Inventory		767,415,244		768,371,131
1. Goods	528,594,168		626,647,901	
2. Product	50,779,370		58,776,897	
3. Raw material	188,041,706		78,489,860	
4. Goods in transit	-		4,456,473	
(2) 재고자산		4,470,247,048		4,097,201,483
1. 저장품	-	-	-	-
II. Non-current assets		4,470,247,048		4,097,201,483
(1) Tangible assets(Note6)		1,633,566,531		1,636,915,608
1. Structure	1,564,803,898		1,175,247,305	
Accumulated depreciation	- 520,763,478		- 154,110,260	
2. Vehicles	520,772,407		483,705,099	
Accumulated depreciation	- 220,969,286		- 71,856,960	
3. Furniture and fixture	458,443,439		250,359,697	
Accumulated depreciation	- 168,720,449		- 46,429,273	

"Accompanying notes are part of financial statements"

Continued ;

Balance Sheet

As of 31 December 2009

Beautifulstore foundation

과목	2009		2008(unaudited)	
	(In korean won)		(In korean won)	
(2) Intangible assets(Note7)		128,310,497		154,099,575
1. Business guarantee deposit	109,231,523		130,530,049	
2. Patent right	2,414,754		2,300,940	
3. Trademark rights	602,886		763,253	
4. Software	16,061,334		20,505,333	
(3) Other non-current assets(note 8)		2,708,370,020		2,306,186,300
1. Lease deposit	2,701,212,000		2,302,010,000	
2. Guarantee deposit	7,158,020		4,176,300	
Asset total		16,184,168,767		12,943,360,694
Liabilities				
I. Current liabilities		1,262,869,930		1,018,967,940
1. Account payables	16,757,395		-	
2. Other account payables	809,695,649		627,627,306	
3. Withholdings	104,809,602		55,681,792	
4. Withheld value added tax	300,829,701		236,725,410	
5. Advance received	1,964,995		33,631,030	
6. Accrued corporation tax	28,812,588		65,302,402	
II. Other non-current assets		1,239,388,000		931,452,672
1. Long-term borrowings	58,000,000		40,000,000	
2. Allowance for severance benefit(note9)	1,181,388,000		891,452,672	
Liability total		2,502,257,930		1,950,420,612
Capital				
I. Paid-in capital		9,420,571,686		9,410,813,116
1. Fund	9,420,571,686		9,410,813,116	
II. Retained earnings		4,261,339,151		1,582,126,966
1. Unappropriated retained earnings	4,051,339,151		1,582,126,966	
2. Reserve for distribution	210,000,000		-	
Equity total		13,681,910,837		10,992,940,082
		16,184,168,767		12,943,360,694

"Accompanying notes are part of financial statements"

Statement of operation

For the year ended 31 December, 2009

Beautifulstore foundation

	2009		2008(unaudited)	
	(In korean won)		(In korean won)	
[Changes in general capital]				
I. Sales(note 13 and 17)		23,146,059,049		10,708,633,046
(1) Sales-Commercial business	16,011,399,611		6,678,593,205	
1. Sales on donated goods	13,625,571,583		6,063,108,020	
2. Sales on other service	11,818,182		1,355,454	
3. Sales on fair trade goods	158,881,160		68,001,654	
4. Sales on product	2,086,784,567		546,128,077	
5. Other sales	128,432,056		-	
6. Other adjustment	- 87,937		-	
(2) Revenues from inherent business	7,134,659,438		4,030,039,841	
1. Donation	1,509,970,765		512,810,107	
2. Non-cash donation	826,195,217		155,511,528	
3. Donation for operation support	341,705,479		425,280,243	
4. Donation for encashment center	1,240,243,584		453,579,652	
5. Sales on non-cash donation	3,150,048,393		2,481,758,311	
6. Other donation	66,496,000		1,100,000	
II. Cost of sales-commercial business		4,602,414,558		2,105,657,919
1. Cost of sales-goods	3,455,384,361		1,910,849,379	
Beginning inventory	626,647,901		-	
Purchase for the period	4,696,109,118		3,103,340,104	
Transferred from other account	36,811,880		-	
Transferred to other account	1,375,590,370		565,842,824	
Closing inventory	528,594,168		626,647,901	
2. Cost of sales-product	1,147,030,197		194,808,540	
Beginning inventory	58,776,897		-	
Purchase for the period	1,189,524,891		365,068,842	
Transferred from other account	141,286		2,700,000	
Transferred to other account	50,633,507		114,183,405	
Closing inventory	50,779,370		58,776,897	
III. Distribution cost		16,026,625,248		7,618,701,561
1. Inherent business distribution(note 1)	4,825,271,210		2,643,042,365	
2. Selling and administrative expanses	11,201,354,038		4,975,659,196	
IV. Business profit(note 11)		2,517,019,243		984,273,566
1. Profit from revenue-making business	207,631,015		- 402,723,910	

2. Inherent business profit(note 10)	2,309,388,228		1,386,997,476	
V. Non-operating income		430,851,929		627,974,784
1. Interest	291,501,403		77,333,735	
2. Gain on foreign currency exchange	18,720,809		3,503,843	
3. Gain on foreign currency translation	34,588		-	
4. Subsidies	13,358,000		458,057,570	
5. Other income	107,237,129		89,079,636	
VI. Non-operating loss		268,658,987		30,121,384
1. Loss on foreign currency exchange	27,722,008		-	
2. Donation	1,498,252		525,710	
3. Loss on foreign currency translation	24,271,905		7,782,164	
4. Loss on inventory	30,420		-	
5. Other loss	9,565,354		467,588	
6. Miscellaneous loss	1,441,120		-	
7. Loss on legal procedure	83,585,100		-	
8. Repayment to donator	51,072,988		-	
9. Corporation tax	69,471,840		21,345,922	
VIII. Increase in unrestricted net asset		2,679,212,185		1,582,126,966

"Accompanying notes are part of financial statements"

Continued ;

Statement of operation

For the year ended 31 December, 2009

Beautifulstore foundation

	2009		2008(unaudited)	
	(In korean won)		(In korean won)	
I. Beginning balance of net asset		2,082,126,966		500,000,000
1. Paid-in capital	500,000,000		500,000,000	
2. Retained earnings	1,582,126,966		-	
II. Closing balance of net asset		3,179,212,185		2,082,126,966
1. Paid-in capital	500,000,000		500,000,000	
2. Retained earnings	2,679,212,185		1,582,126,966	
III. Increase in restricted net asset		1,097,085,219		1,582,126,966
[ Changes in net asset ]				
I. Beginning balance of net asset		2,082,126,966		500,000,000
1. Paid-in capital	500,000,000		500,000,000	

2. Retained earnings	1,582,126,966		-	
3. Reserve for distribution	-		-	
II. Closing balance of net asset		4,761,339,151		2,082,126,966
1. Paid-in capital	500,000,000		500,000,000	
2. Retained earnings	4,051,339,151		1,582,126,966	
3. Reserve for distribution	210,000,000		-	
III. Increase in net asset		2,679,212,185		1,582,126,966

"Accompanying notes are part of financial statements"

The Beautiful Store

Statements of Cash flows

For the year ended 31 December, 2009

Beautifulstore foundation

		2009	
		(In Korean won)	
I.	Cash flows from operation		3,753,360,710
1.	Cash inflows from operation	23,011,234,598	
	revenue making business	15,885,702,479	
	Inherent business	7,125,532,119	
2.	Cash outflows from operation	19,503,682,350	
	revenue making business	14,636,777,075	
	Inherent business	4,866,905,275	
3.	Non-operating cash inflows	430,851,929	
	Interest	291,501,403	
	Gain on foreign currency exchange	18,720,809	
	Gain on foreign currency translation	34,588	
	Subsidies	13,358,000	
	Other income	107,237,129	
4.	Non-operating cash outflows	185,043,467	
	Loss on foreign currency exchange	27,722,008	
	Donation	1,498,252	
	Loss on foreign currency translation	24,271,905	
	Other loss	9,565,354	
	Miscellaneous loss	1,441,120	
	Repayment to donator	51,072,988	
	Corporation tax	69,471,840	

"Accompanying notes are part of financial statements"

현금흐름표

For the year ended 31 December, 2009

Beautifulstore foundation

		2009	
		(In Korean won)	
II.	Cashflows from investment activities		- 4,479,702,830
1.	Cash inflows from investment activities	118,939,438	
	Disposition of available-for-sale securities	115,106,306	
	Disposition of structure	2,948,166	
	Disposition of furniture and fixture	884,966	

2.	Cash outflows from investment activities	4,598,642,268	
	Acquisition of Short-term financial instruments	3,547,669,665	
	Acquisition of Structure	393,768,258	
	Acquisition of Vehicles	37,067,308	
	Acquisition of Furniture and fixture	209,466,637	
	Acquisition of Business guarantee deposit	7,800,000	
	Acquisition of Patent rights	646,680	
	Acquisition of Software	40,000	
	Acquisition of lease deposit	399,202,000	
	Acquisition of guarantee deposit	2,981,720	
III.	Cashflows from financing activities		27,758,570
1.	Cash inflows from financing activities	27,758,570	
	Increase in long-term borrowings	18,000,000	
	Increase in paid-in capital	9,758,570	
2.	Cash outflows from financing activities		
IV.	Increase(decrease) in cash and cash equivalents		- 698,583,550
	( I + II)		
V.	Cash and cash equivalents at the beginning of the year		4,856,809,853
VI.	Cash and cash equivalents at the end of the year		4,158,226,303

"Accompanying notes are part of financial statements"