

# GS Retail

Value No.1 GS Retail

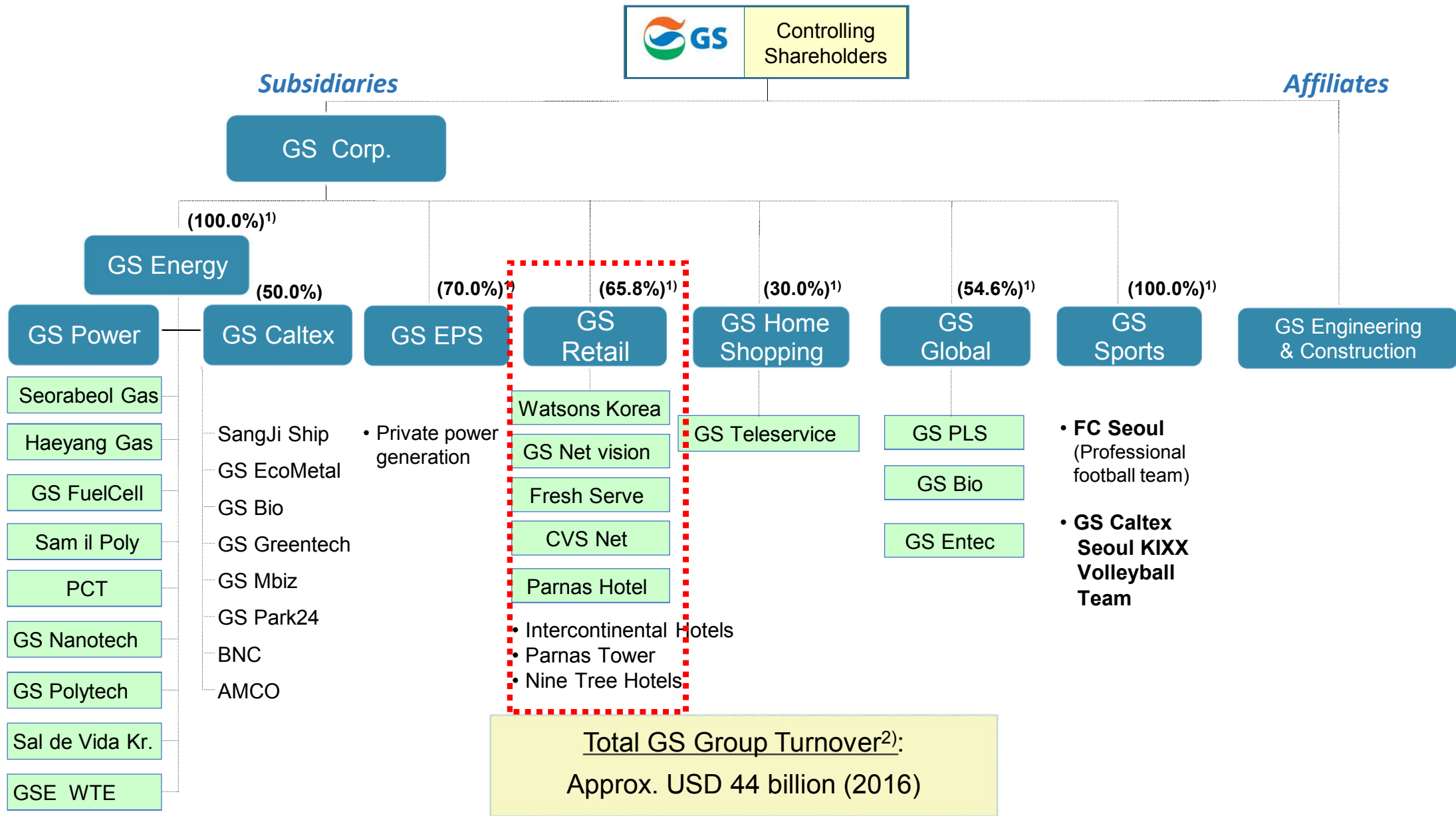


# I. *GS Group*

( [www.gsgroup.co.kr](http://www.gsgroup.co.kr) )



# 1. Affiliated Companies



1) Note: (%) GS Corp's ownership

2) Based on combined financial statement of affiliated companies

※ USD 1 = KRW 1,181.4 (All figures are as of annual average rate of 2016)



## II. *GS Retail*

( [www.gsretail.com](http://www.gsretail.com) )

### Value NO.1

Since its foundation in 1971, GS Retail has been the leading company in the modernization of the domestic retailing industry. By adopting continuous renovations and developments according to the changing needs of customers and society, it is leading the market as a company specializing in general retailing.



- **2017** Fully owned Watsons by taking over the remaining 50% stake
- **2016** Opened its first supermarket in abroad(Jakarta, Indonesia)
- **2015** Acquired **‘Parnas Hotel Co.’** from GS E&C
- **2011** Initial public offering\* (floated 32% of old shares)
- **2010** Divested hypermarket and department store units
- **2005** LG Mart Co. changed its name to **GS Retail Co.**
- **2005** De-merger from LG Group and formation of GS Group
- **2004** Established **‘Watsons’**, a JV with A.S. Watson of Hong Kong
- **1996** First **hypermarket store** opened as a division of LG International
- **1992** Department store established as a separate entity
- **1990** First **convenience store** opened under “LG25” brand
- **1974** First **supermarket** opened
- **1971** LG Mart Co., Ltd. was first established

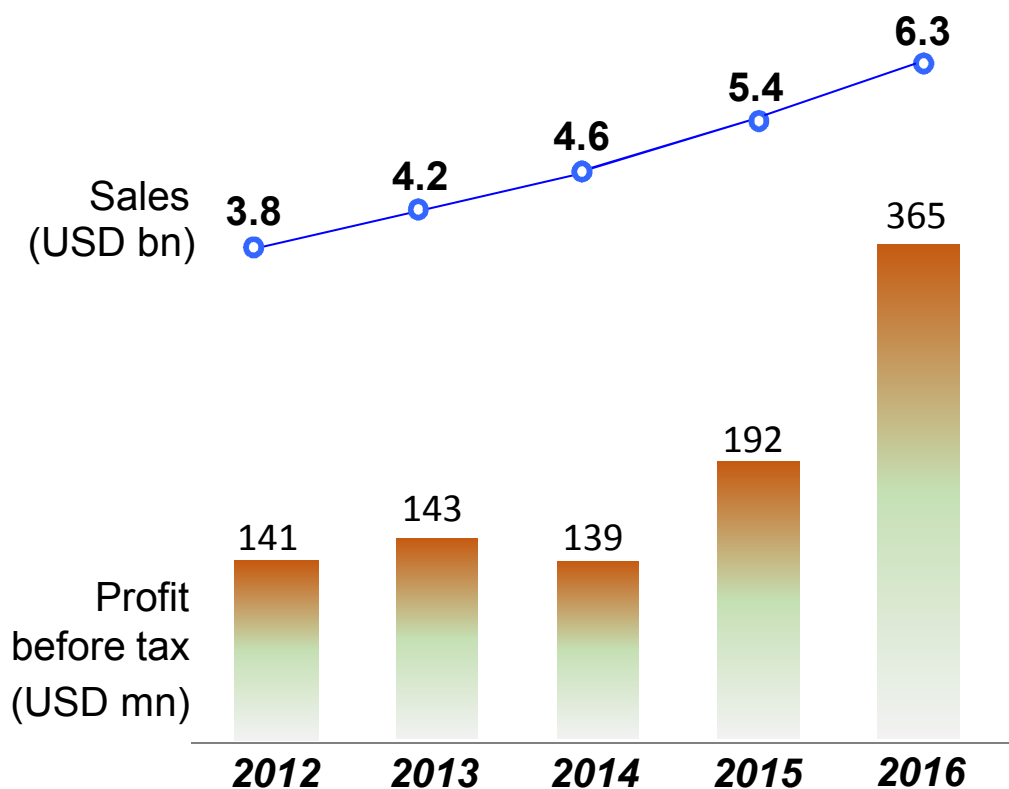
Leading life innovation of customers  
through continuously taking on new challenges



VALUE NO. 1

*Achieved steady & consistent growth.....*

## Corporate Performance



## Summary Financial Statements

(Unit: USD)

<b>Profit &amp; Loss</b>	<b>2015</b>	<b>2016</b>
Sales	5.4 b	6.3 b
Gross Profit	1.1 b	1.2 b
Operating Income	226 m	218 m
Profit before tax	221 m	365 m

<b>Balance Sheet</b>	<b>2015</b>	<b>2016</b>
Current Assets	419 m	649 m
Non Current Assets	3.7 b	3.4 b
Total Assets	4.1 b	4.1 b
Current Liabilities	760 m	1.1 b
Non Current Liabilities	1.5 b	1.0 b
Shareholder's Equity	1.9 b	2.0 b



Business

Subsidiary companies

## Convenience Store



- Sales: US\$ 4.7b  
( 76% of total )
- 11,864 stores

## Supermarket



- Sales: US\$ 1.2b  
( 19% of total )
- 283 stores

## Development & Tenanting

- Sales: US\$ 87m  
( 1% of total )
- Operating rights  
(underground shopping area at 113 subway stations)
- Commercial Complexes  
(Office bldg. arcades, Hospitals, Universities, Bus terminals, Mini-shopping malls)

## Drugstore (Health & beauty)



- Sales: US\$ 12m
- 166 stores

## Hotel



- Sales: US\$ 177m
- Intercontinental hotel  
(2 in Seoul)
- Parnas mall
- Nine Tree biz hotel  
(2 in Seoul)
- Sunflower hotel  
(Haiphong, Vietnam)

- Sales figures were yearly turnover of FY 2016
- # of stores is based on Sept of CY 2017

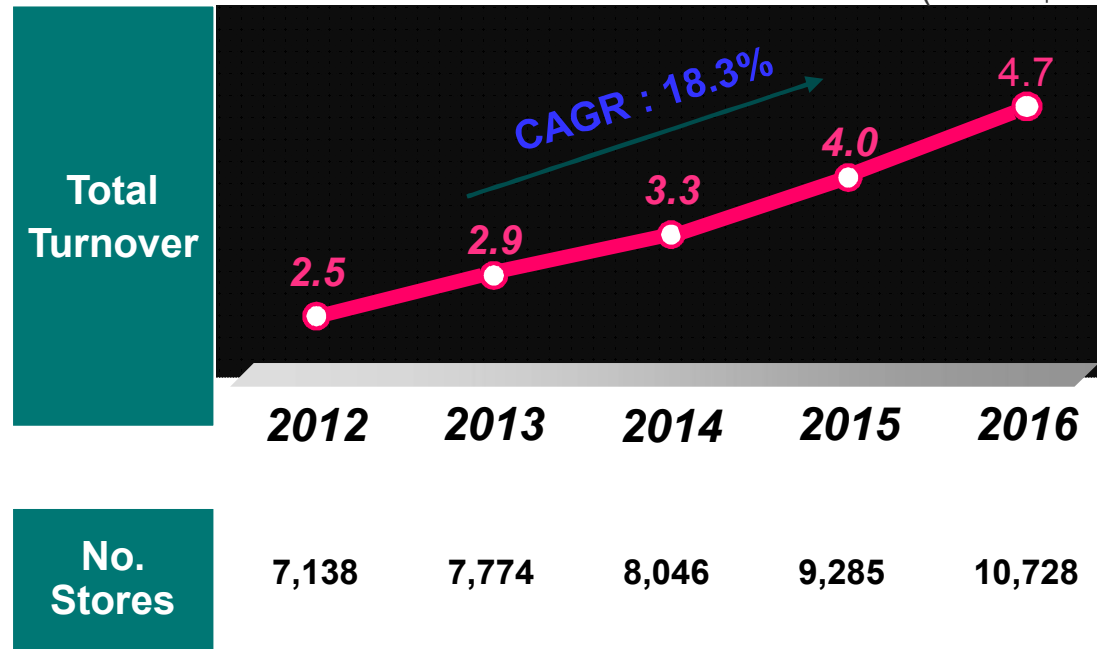
※ USD 1 = KRW 1,181.4 (All figures are as of annual average rate of 2016)



- ✓ Leading CVS chain in Korea
- ✓ Self-developed store brand and operation system (not affiliated to any foreign retail brand)
- ✓ Highest profitability in the Korean CVS industry

## Performance

(Unit: US\$ billion)



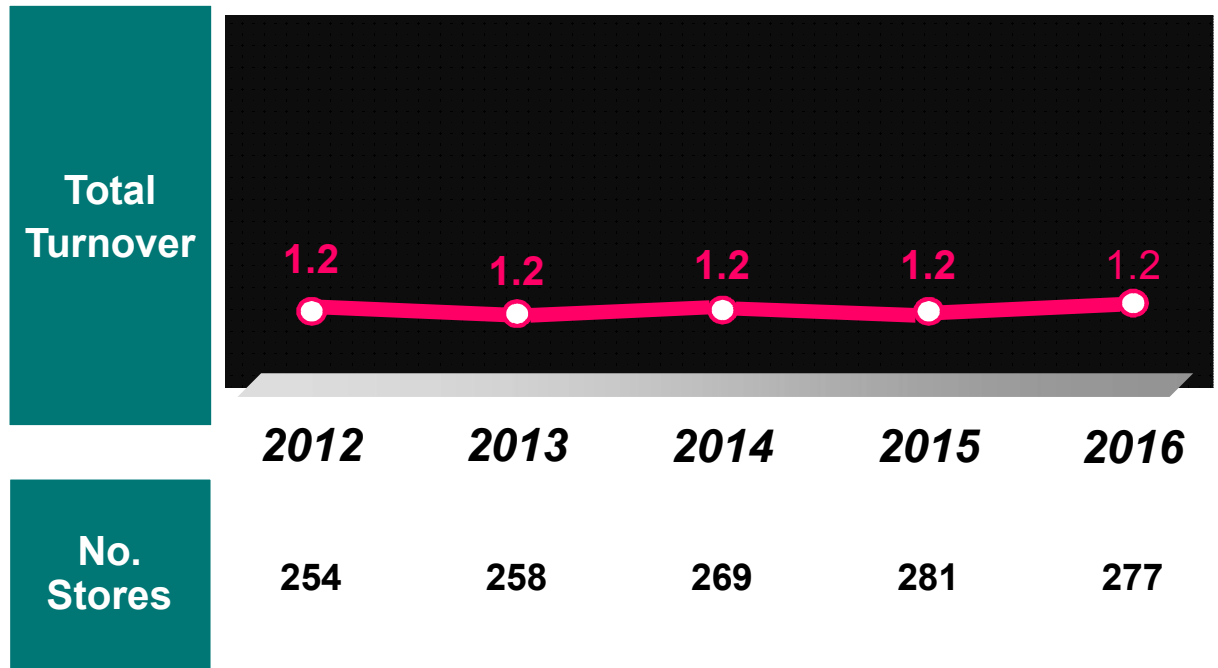




- ✓ 600 to 1,500 square meters in selling space
- ✓ Opened in Jakarta (Oct, 2016)
- ✓ Launched new type of daily delivery, so called **GSfresh**  
: daily-order base fresh delivery at dawn

## Performance

(Unit: US\$ billion)



※ USD 1 = KRW 1,181.4 (All figures are as of annual average rate of 2016)

# watsons



- ✓ Launched *Watsons Korea* on a 50:50 partnership investment with Hong Kong- based *A.S Watson group* in 2004. Watsons provides a wide selection of cosmetics and personal care products, as well as healthcare supplements and some stores having pharmaceuticals. It is positioned to cater to the needs of younger female consumers.
- ✓ GS Retail **fully owned *Watsons Korea*** by taking additional 50% stake from *A.S Watson Group* in Feb 2017 to create a synergy effect with other retail businesses.



### Luxury hotel & office tower



- **GRAND IC hotel** : 1988 open / 2014 Remodeling / 517 rooms
- **COEX IC hotel** : 1999 open / 656 rooms / duty-free shop
- **PARNAS tower** : 2016 open / luxury office tower / 38 floors
- **PARNAS mall** : premium shopping mall located in basement of GRAND IC hotel and linked to Metro station.

### Business hotel



- **Nine Tree Hotel**
  - Open: Dec. 2012
  - 144 rooms and 8 tenants
  - Located in city Centre
  - Second Nine Tree hotel under construction nearby

### Overseas



- **Sunflower International Village**
  - Location : Van Cao St. Ngo Quyen., Hai Phong City, Viet Nam
  - Over 180 units, high quality serviced apartment
  - Facilities : swimming pool, tennis court, golf range, fitness club

- ✓ Developing, master leasing, and tenancing mini-shopping malls in suburban areas, shopping & F&B spaces in commercial facilities & universities, tenancing operations at subway line stations.



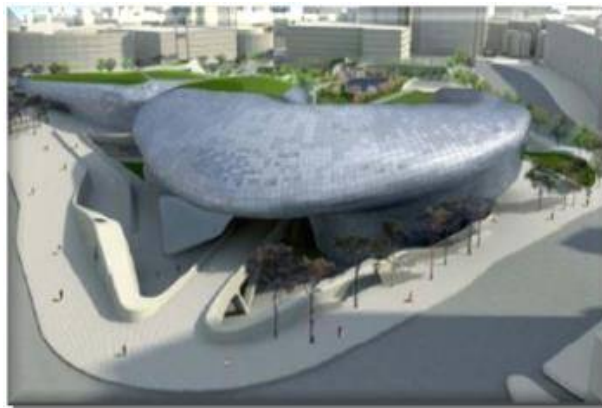
- Name: **Kyung-hee Plaza**
- Total size : 2,900m<sup>2</sup> ( B2~F3)
- F&B Facilities, etc.



- Name: **Gwang-Gyo Complex**  
(Under construction)
- Total size : 198,000m<sup>2</sup> ( B7~F16)
- Office, Dept. Store, etc.



- Name: **Gu-Ro, G Valley**
- Total size : 100,000m<sup>2</sup> ( B4~F20)
- Office, Hotel, F&B Facilities, etc.



- Name: **Dongdaemun Design Plaza**
- Total size : 3,500m<sup>2</sup> ( B1)
- Art exhibition, commercial facilities



- Name: **Novelina**
- Total size : 10,000m<sup>2</sup> ( B1~F6)
- Mini-shopping mall



- **Subway station malls (113 stations)**
- Master of lease and tenancing in retail area



Attachment

## GS Retail’s Private Brand YOU US

- Reasonable Price
- Trustworthy Quality
- Enhancing Value of Life



## Brand Name “YOU US”

you : Customer

us :

Customer  
&  
GS Retail

## Brand’s Meaning

- With hope to always provide quality products to customers
- YOURS

GS리테일 대표 PB브랜드

youus  
GS Retail



## "YOU US" Strategy

- Better Quality than National Brand Products
- Strengthen Product Competitiveness with High Quality PB Products to Fulfill Various Customers' Needs

### 'Quality Classification'



Premium Gold



#### Premium Gold

- Equal with Specialty Stores
- Above Premium NB Products



Premium



#### Premium

- Equal with Premium NB Products



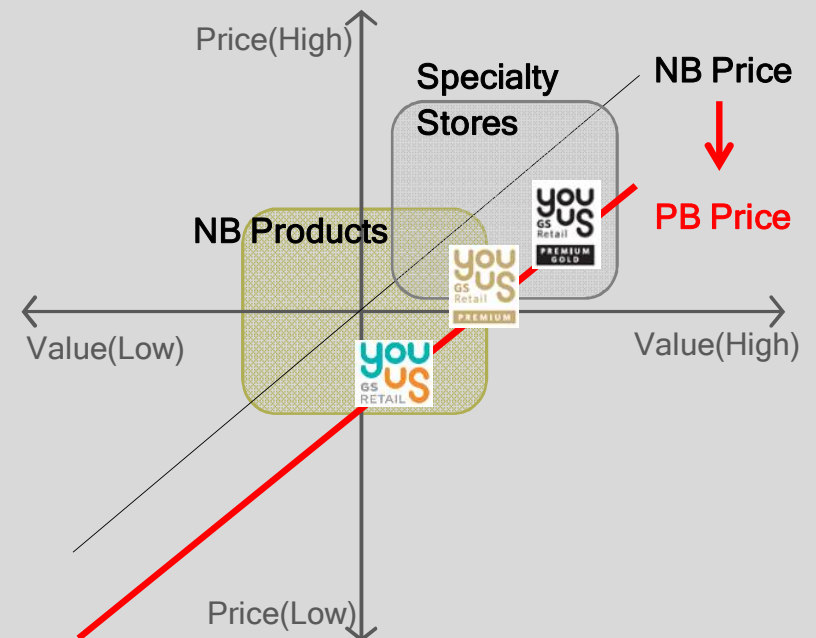
Main Stream



#### MainStream

- Equal with Standard NB Products

### 'Price Level'



## Noodles

No.1  
Cup Noodle  
in CVS



Omori Kimchi Stew Noodle Series



## Snacks



Steady Seller Snacks



Trendy & New Flavored Popcorn



Jelly



## Drinks



## Ice Cream



Comparison with No.1 National Brand Products

National Brand

YOUUS

<p>Retail: \$1 Monthly Sales: \$580,000</p>		<p>VS</p>		<p>Retail: \$1.5 Monthly Sales: \$860,000</p>
<p>Retail: \$1 Monthly Sales: \$870,000</p>		<p>VS</p>		<p>Retail: \$1.5 Monthly Sales: \$1mil.</p>
<p>Retail: \$1.5 Monthly Sales: \$460,000 Sales Volume: 340,000</p>		<p>VS</p>		<p>Retail: \$1 Monthly Sales: \$380,000 Sales Volume: 430,000</p>







