



CJ CheilJedang IR Presentation

IR Team
CJ CheilJedang Corporation
2011.6



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OVERVIEW [① Vision & Mission]

VISION & MISSION

Vision

To become a global food & bio company with talented people, innovation and speed

Mission

- ◆ Cultivating and securing the finest human resources.
- ◆ Developing next-generation growth engines with new bio/food technologies.
- ◆ Leading the health/convenience market with a deep understanding of customers.
- ◆ Building a creative corporate culture that embraces challenges.

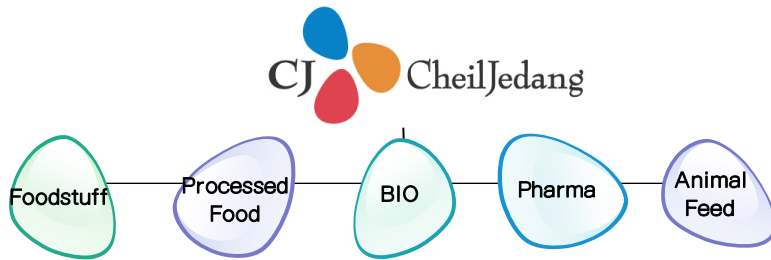
HISTORY

- 1953 CheilJedang Corporation founded
- 1993 Separated from Samsung Group
- 2002 Changed name to CJ Corp.
- 2006 Samho F&G, Hasunjung, Omni acquired
CJ MorningWell, Hanil Pharmaceutical, Haechandle merged
- 2007 Split the company into CJ Corporation and CJ CheilJedang
- 2008 Break ground of Osong Phameceutical plant
CJ & HACL Foodtech JV founded
- 2009 CJ Toyota Tsusho Philippines JV founded
Change of BI to 'Beksul'
- 2010 CJ Global Holdings Ltd. acquired

STOCK

- Issued Shares (As of 2010. 12)
Total number : 14,102,381 shares
Common share : 12,774,948 shares
Preferred share : 1,327,433 shares
- Major Shareholder
: CJ Corp. (4,834,878 shares, 37.85%)

OVERVIEW [②Company Structure & Sales]



Affiliates

Domestic (6)

- Shindongbang CP (99.7%)
- CJ Seafood (46.5%)
- SuperFeed (100.0%)
- CJ MD1 (100.0%)
- Hasunjung (100.0%)
- Shineuido Solar Salt (52.1%)

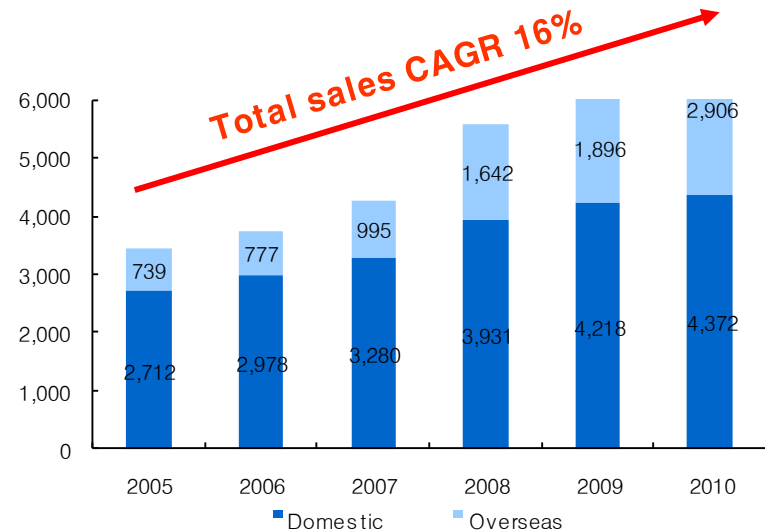
Overseas (19)

- | | | | |
|--|------------------------------|---|-------------------------------------|
| ● Food | ● Bio | ● Feed | ● Others |
| USA
China
Philippines
Australia | China
Brasil
Indonesia | China
Indonesia
India
Vietnam
Philippines | USA
China
Europe
Hong kong |

● CAGR of 16% on the back of robust growth of domestic Business while overseas business expanded steadily

Total sales

Total : 3,451 3,755 4,275 5,573 6,114 7,278



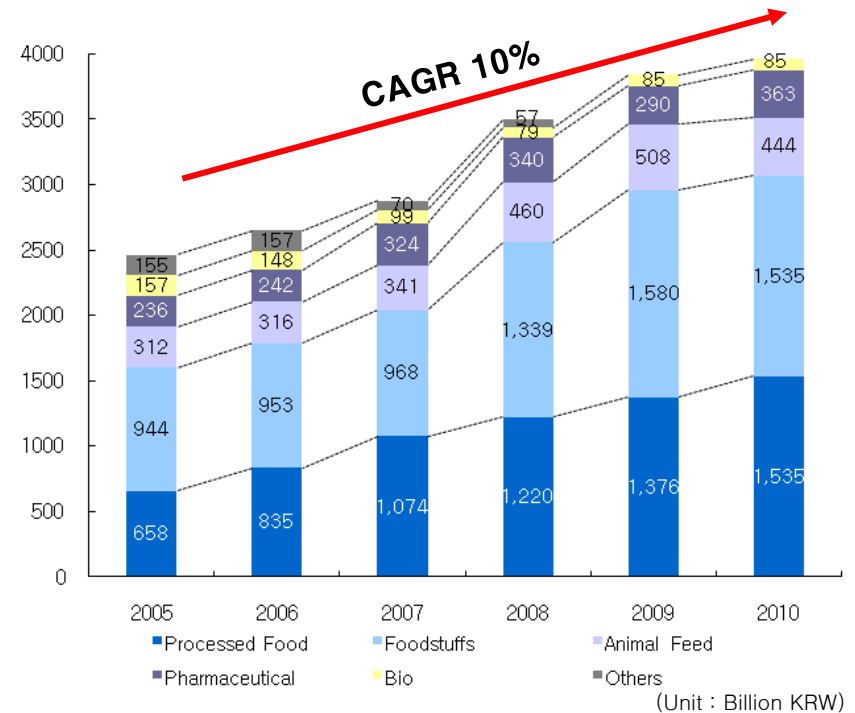
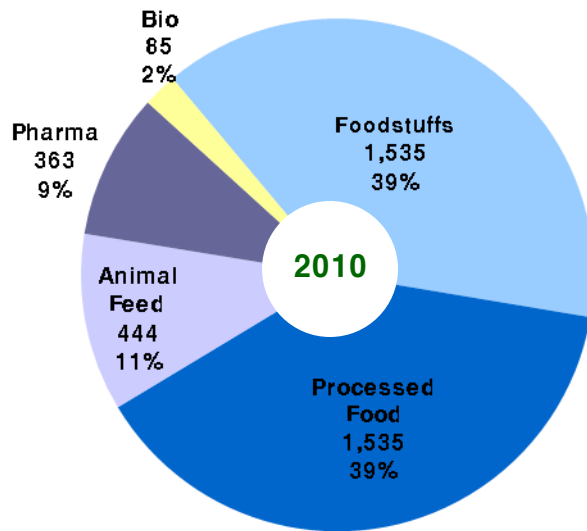
(Combined sales)

(Unit : Billion KRW)

DOMESTIC BUSINESS [Summary]

- CAGR of 10% for last 6 years on the back of rapid growth of Processed food segment in domestic business
- Foodstuffs & Processed food segment are major business segment composing more than 70% of total domestic revenue

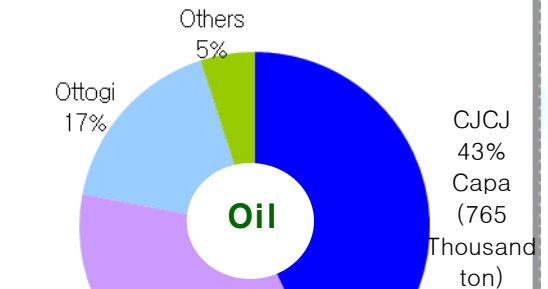
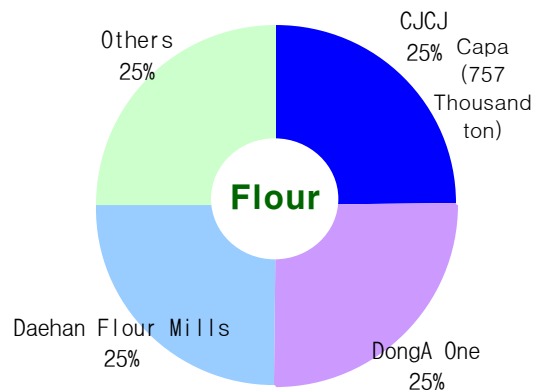
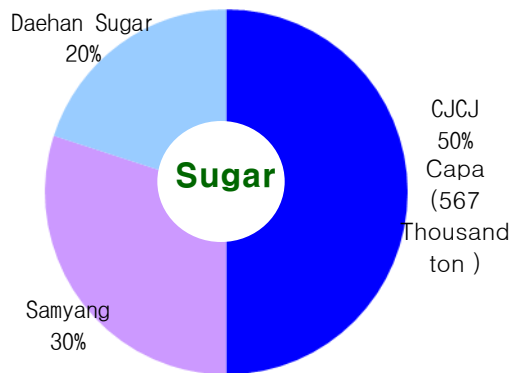
Revenue breakdown



1. DOMESTIC BUSINESS [Foodstuffs①_Basic]

- Foodstuffs business generates stable earnings for the company with strong market leadership
- Constant No.1 M/S of best-known brand 'Beksul'

Market share of main products



(Source: Nielson company korea, 2010 B2C soybean oil)

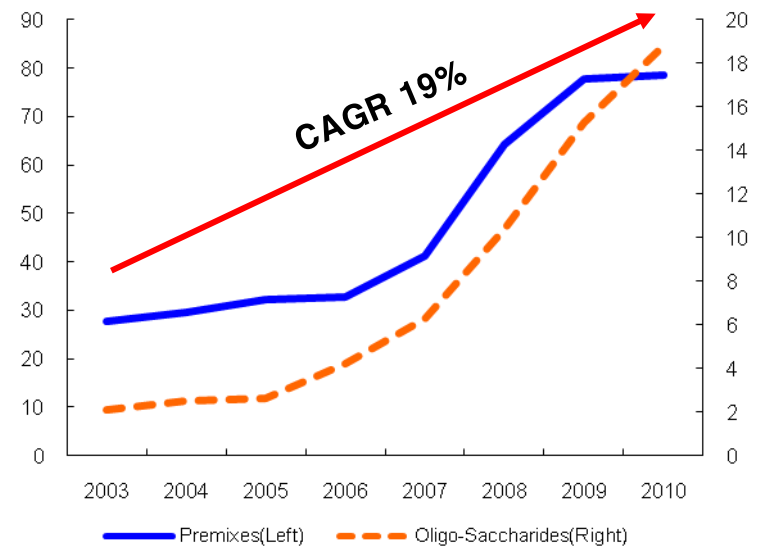
1. DOMESTIC BUSINESS [Foodstuffs②_Premium]

- High growth of CAGR 19% in market of functional products such as home-baking pre-mix and oligosaccharide

Premium products in foodstuff business

- Pre-mix**
 - Flour Mix (Increased demand due to expansion of home-baking trend)
 - Non flour Mix (Diversification of material ex) rice mix)
 - Functional Mix (Mixing of various material for functional use ex) Pre-mix for bakery)
- Oligosaccharide**
 - Sweetner made with fructooligosaccharide a ingredient included in natural food
 - Low calory product made with raw sugar
 - Healthy product including 33% dietary fiber
 - Market expansion with processed product lineup (ex) jam, beverage etc.)

Sales growth of premixes and oligosaccharides



(Unit : Billion KRW)

1. DOMESTIC BUSINESS [Foodstuffs③_New]

- The 2nd jumping up from 2010 launching new foodstuff product in global market
- Continuing competence of growth with enhancing R&D & technical skills

Rice processing business (China)

- **Total Investment** : RMB 210 Mil. (KRW 36 Bil.)
(CJCJ share : 49%, KRW 18 Bil., Average exchange rate during 2010.1~9)
- **Market size**
 - Rice oil : Promoting to be global No.1
(Capa 12,000 ton)
 - Rice protein : Soybean protein (about 1 tril.)
replacement (Capa 1,200 ton)
 - Rice fiber : Extract from by-product of rice-polishing,
world's first (Capa 1,200 ton)
- **Business Instruction**
Production of rice protein and rice oil through joint venture between Beidahuang group (stable supply of rice) and CJ CheilJedang (manufacturing technique)
- **The skill of removing fat in low temperature**
The skill of extracting protein from rice bran
(Patent pending)

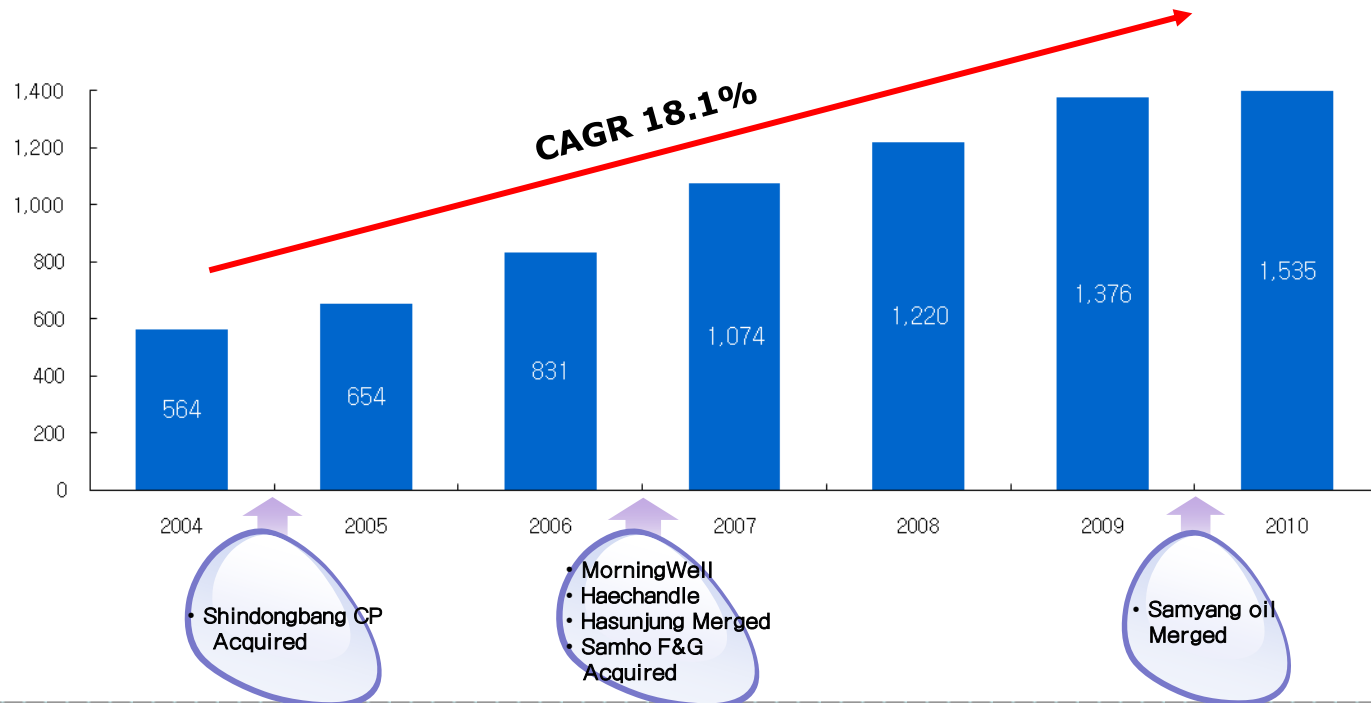
Functional sweetener (Philippines)

- **Total Investment** : USD 54 Mil.
(KRW 43 Bil., Including loan)
(CJCJ share : 45%, KRW 6.2 Bil.)
- **Estimated Market Size**
 - Global Xylitol market : KRW 250 Bil.
 - Substitutable sorbitol market : KRW 1 Tril.
(Estimated Capa 15,000 ton)
- **Business Introduction**
 - Production of Xylose which is a raw material of Xylitol
 - Competitive cost by using coconut shell as a raw material while competitors use oak or corncob
(Patented for manufacturing process)
- **Estimated completion of the plant**
 - 2011.5

2. DOMESTIC BUSINESS [Processed Food①]

- 18% CAGR of processed food due to the change of lifestyle and M&A
- Processed food consists of seasoning, traditional sauces, convenience food, health & diet food, processed meat, Soy, and frozen Food

Sales growth

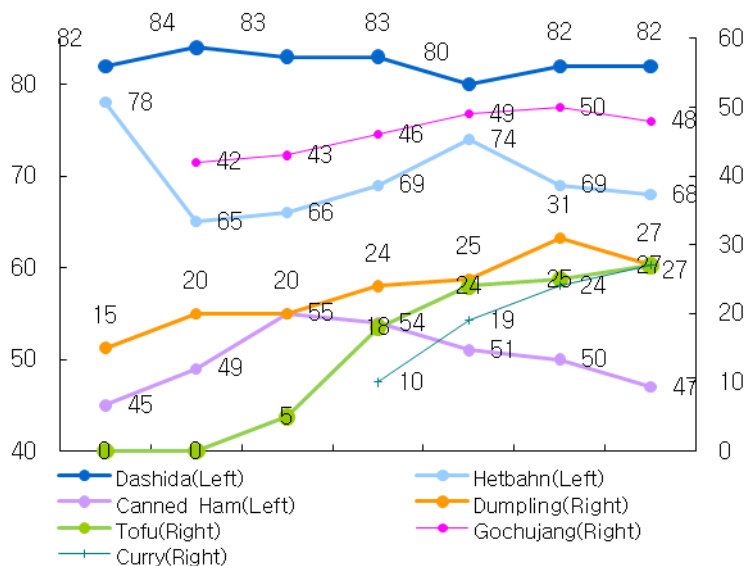


(Unit : Billion KRW)

2. DOMESTIC BUSINESS [Processed Food②]

- Maintaining steadyseller's M/S more than 50% and growing new launched product
- High growth in processed food industry with industrialization of traditional food, increase of working women and the single-person household

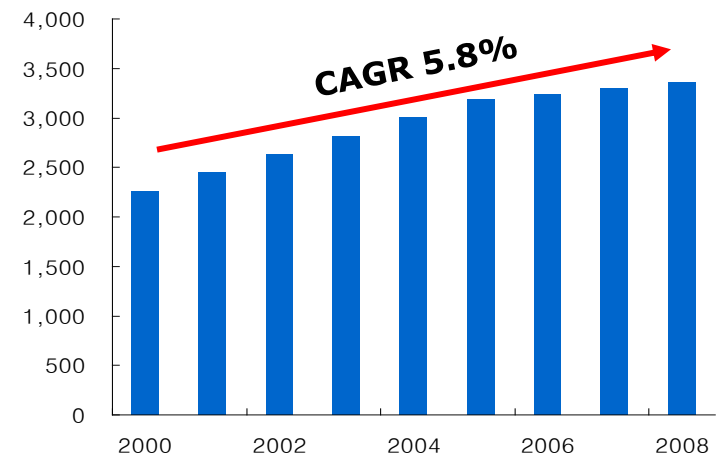
Market share of major products



(Source : Nielson company korea)

(As of 2009. 12, Unit : %)

Single-person household



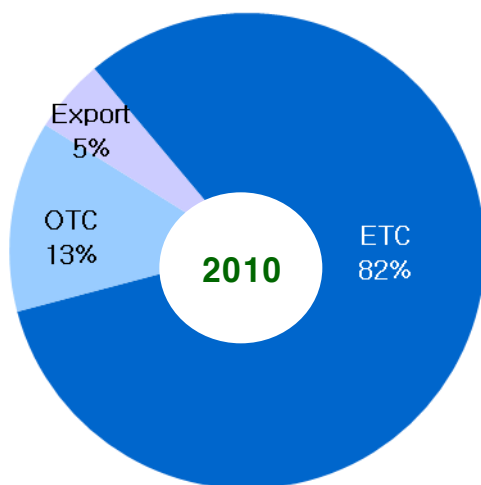
(Source : NSO)

(Unit : 1,000 persons)

3. DOMESTIC BUSINESS [Pharmaceutical①]

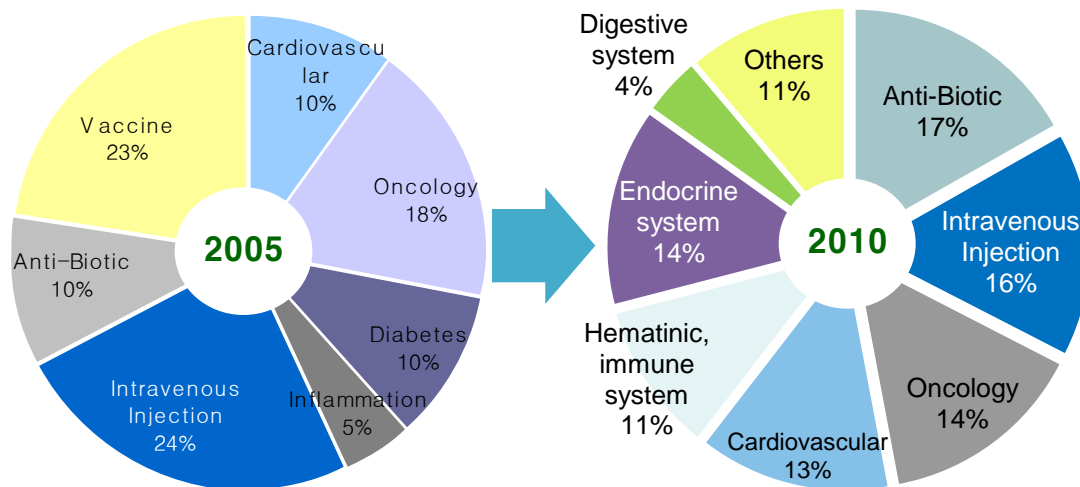
- **Pharmaceutical business focused on generic drugs. 82% of sales comes from ETC drugs followed by OTC drugs 13%, and exports 5%.**
- **Product offerings from Anti-Biotics to oncology**

Sales breakdown



ETC – Ethical
OTC – Over The Counter

Sales breakdown of ETC products



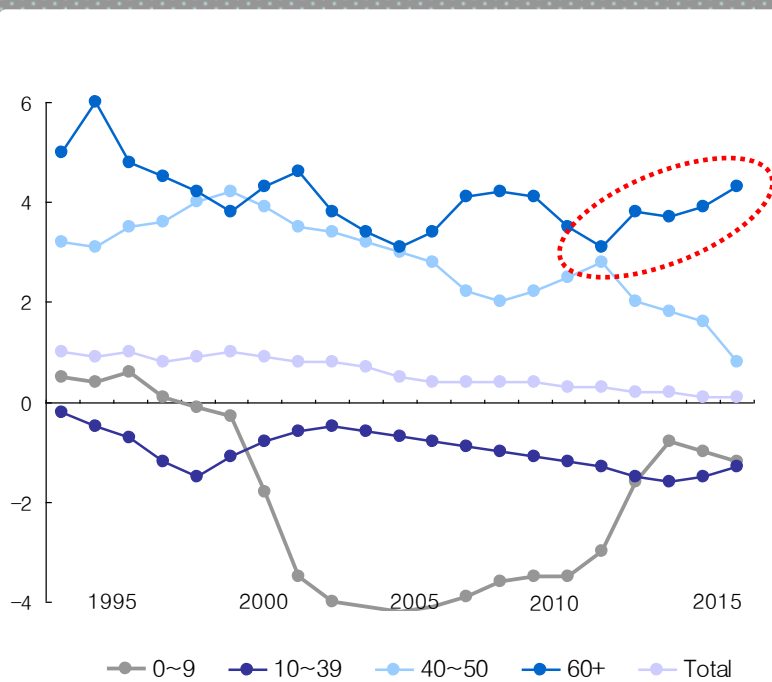
Major products (Sales amount of more than 10 Bil., For 2010)

: Epokine (Hematinic), Basen (Diabetes, Endocrine system), Banan (Anti-Biotic), Campto (Oncology), Herben (Cardiovascular) 0.9% Normal saline, 5% Injection of dextrose (Intravenous injection)

3. DOMESTIC BUSINESS [Pharmaceutical②]

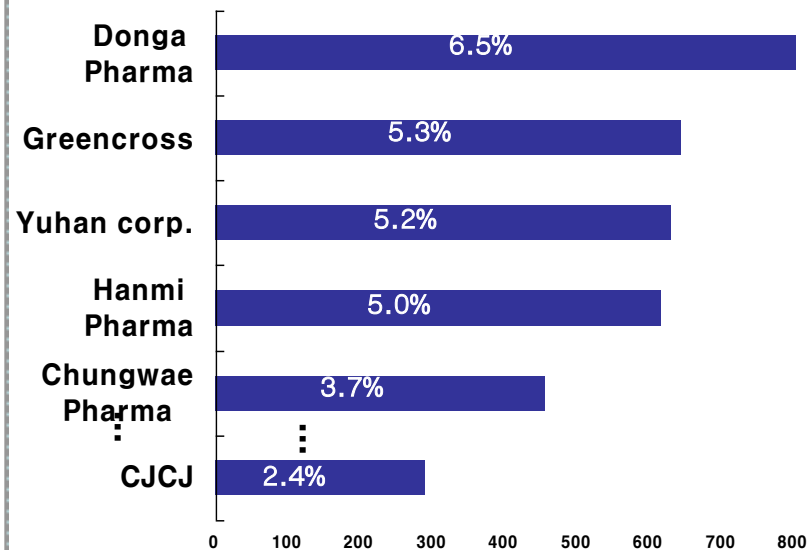
- Increase in demand for chronic disease treatment due to aging population
- Expected to consolidate pharma players expanding market share

Population growth by age group



(Source : NSO)

Sales & market share of major companies

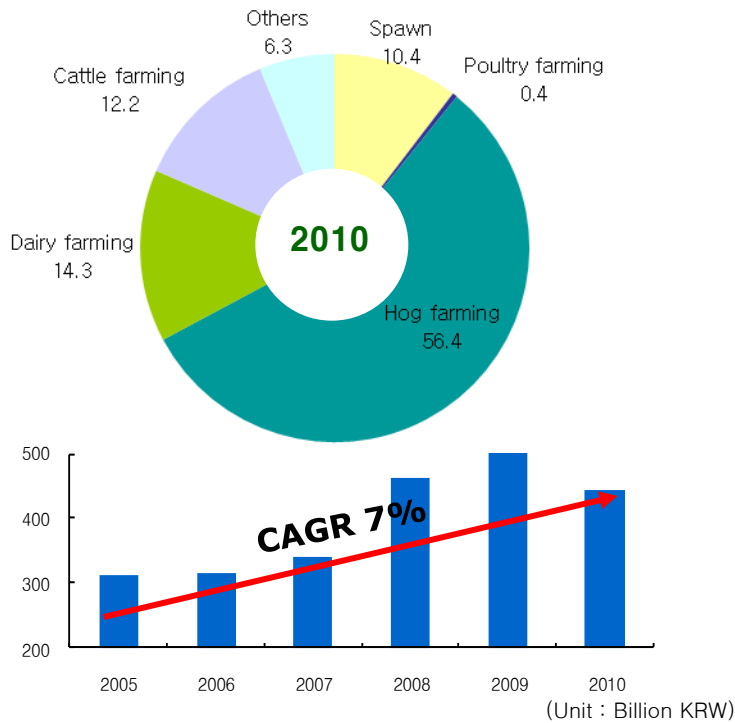


(2009 Sales, Unit : Billion KRW.)

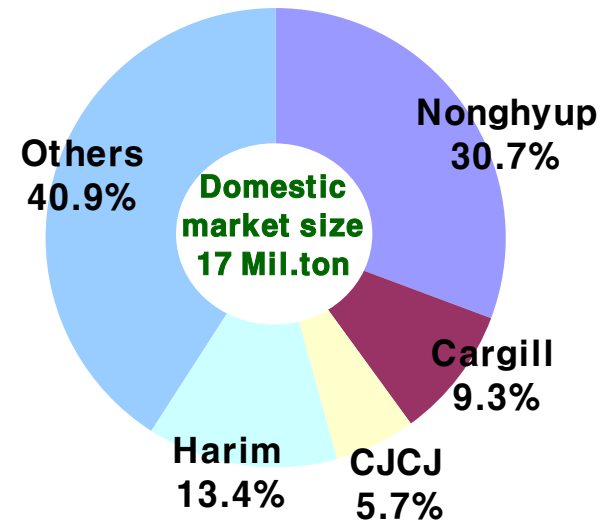
4. DOMESTIC BUSINESS [Animal Feed]

Expanding competitive advantage with product differentiation based on technology

Sales breakdown



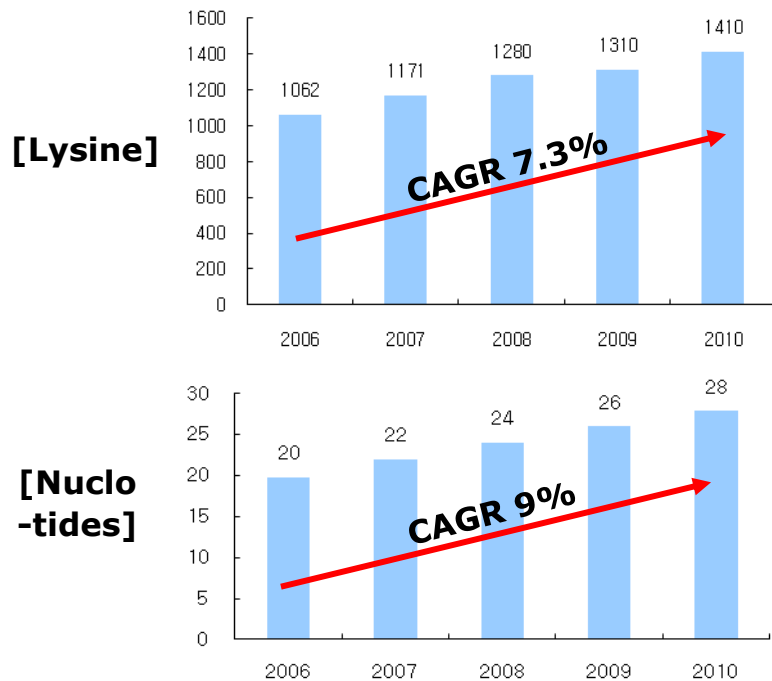
Market share



5. OVERSEAS BUSINESS [Bio①]

- CAGR 9% of Lysine and Nucleotides in global market
- More than 30% sales growth annually for last 6 years

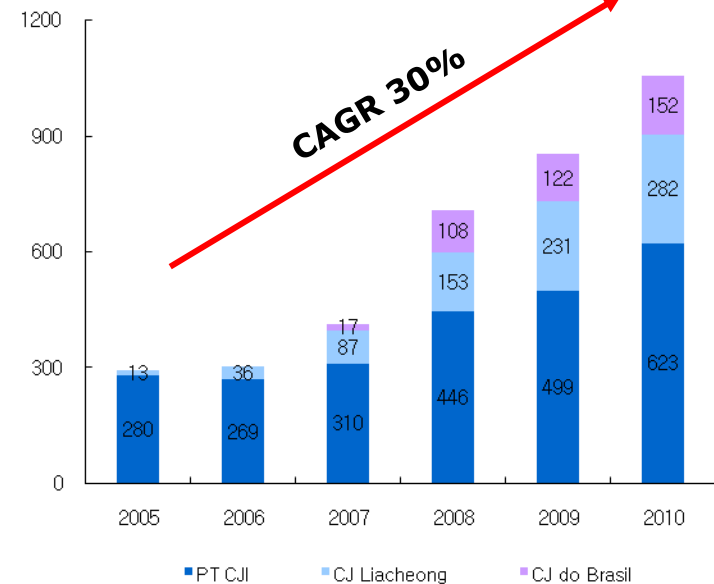
Global demand



(Source: CJCJ Estimates)

(Unit : K tons)

CJ Bio business affiliates sales



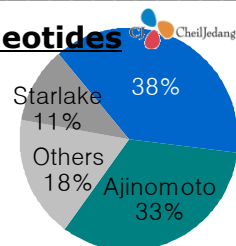
(Unit: Billion KRW)

5. OVERSEAS BUSINESS [Bio②]

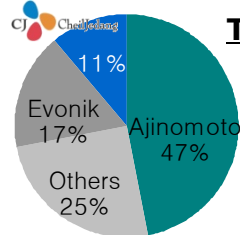
- Reinforcement of existing products' market position based on production capacity expansion and technology development
- Launch of new 'Only one' products such as Bacterio Phage, Methionine

Market share (end of 2010) (Based on volume sold, CJCJ Estimates)

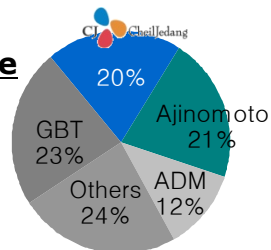
Nucleotides



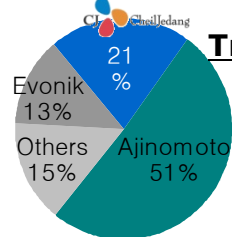
Threonine



Lysine



Tryptophan



Reinforcement of existing products

products	Market Share		Production capacity (ton)	
	2010	2013 (E)	2010	2013(E)
Nucleotides	38%	42%	13,500	24,000
Lysine	21%	30%	320,000	550,000
Threonine	11%	25%	20,000	100,000

- Nuclotides : Solidify No.1 position by widening gap of 10% pt. M/S
- Lysine : To become No.1 M/S based on competitive edge in lower cost
- Threonine : 22% M/S through strengthening of cost structure and sales

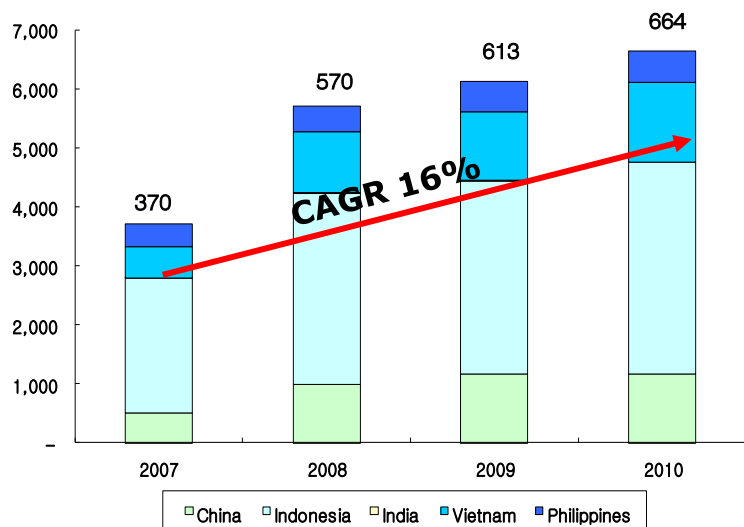
Launch of new products

- **Biotector®** : Global only one product, launched antibiotics replacement targeted for poultry disease 'salmonella'
- **Methionine** : Mostly used in poultry feed to produce by nature-friendly fermentation method instead of current players' chemical method (Feed additive Amino Acids), expected to produce in 1~2 years

6. OVERSEAS BUSINESS [Animal Feed]

- CJ Global Holdings Limited has 15 subsidiary companies in five-nation of Asia
- Globalization focused on China and Vietnam

Sales of Overseas Animal Feed Affiliates



(Aggregating of sales amount)

(Unit : Billion KRW)

Global Market

- Global market size : 710 mil Ton (\$30,647mil., 350Tril.)
- No. 12 in Asian market, No. 37 in Global market

NO	Company	Headquarters	Production (Mil.tons)	Aisa Company Ranking
1	Charoen Pokphand (CP Group)	Thailand	22.1	1
2	Cargill/Agribands	USA	17.1	
3	New Hope Group	China	13.0	2
4	Land O'Lake Purina	USA	11.6	
5	Brasil Foods	Brasil	10.2	
6	Tyson Foods	USA	10.1	
7	Nutreco	Netherlands	9.0	
8	Zen-noh Co-operative	Japan	7.4	3
9	East Hope Group	China	6.1	4
10	AB Agri	UK	4.7	
...				
31	Seara	Brasil	2.4	
32	For Farmers	Netherlands	2.3	
33	Marubeni-Nisshin	Japan	2.3	8
34	Mitsubishi-Nosan	Japan	2.3	9
35	BOCM Pauls	UK	2.2	
36	San Miguel	Philippines	2.1	10
37	* CJ Cheil Jedang	Korea	2.0	12
38	Chubu	Japan	2.0	11
39	Kyodo Feed	Japan	1.8	13
40	Nutrea	France	1.8	

7. OVERSEAS BUSINESS [Food]

CHINA (Sales KRW 102.9 Bil.)

- **CJ Qingdao Food** (Sales KRW 56.2Bil.)
 - Seasoning based on chicken, Sauce, & Processed food (curry)
- **CJ Beijing Beverage** (Sales KRW 12.1Bil.)
 - CJ Qingdao Food OEM products manufacturing
- **CJ Ershang CJ Food** (Sales KRW 25.3Bil.)
 - Tofu & soybean based products
 - Joint Venture with Chinese Ershang Group
 - Distribution in Beijing (76% M/S of packaged tofu in Beijing)
- **CJ & HAACL Foodtech** (Sales KRW 9.3Bil.)
 - Rice protein, rice fiber and rice oil
 - Joint Venture with Beidahuang group (stable supply of rice)

(As of 2009)

USA (Sales KRW 41.3 Bil.)

- **CJ Omni. Inc.** (Sales KRW 41.3Bil.)
 - Dumpling and noodle
 - Expansion from Korean-American to local American market

(As of 2009)

8. NON CORE ASSETS

Samsung life insurance

- **Shares in possession**
 - Total 4,591,510 shares (2.3% stake)
 - **Book Value (acquisition cost)**
 - KRW 80.9 per share (Total KRW 370 Mil.)
 - **Market Price (as of Oct. 1st)**
 - KRW 102,500 per share
- **Total Value : KRW 471 Bil.**

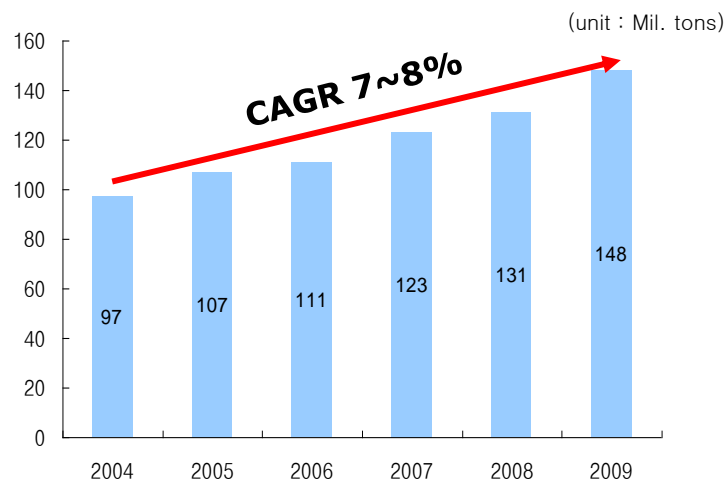
Real estate

- **Gimpo Plant (Gayang-dong)**
 - On the process of approving the purpose of 'residential and commercial complex'
 - R&D center and warehouse in use
 - Area : 99,174 m²
 - Book Value : KRW 510 Bil.
 - **Yeongdeungpo flour Plant**
 - flour manufacturing
 - Area : 33,058 m²
 - Book Value : KRW 165 Bil.
- **Total Value : KRW 676 Bil.**
- * Book value = land + building
- As of 2010, Revaluated in 2009

APPENDIX 1) BIO BUSINESS MARKET IN CHINA

- High Growth in China market due to meat demand and commercialized farms increase
- To become No.1 market share based on production capacity expansion and cost competitiveness

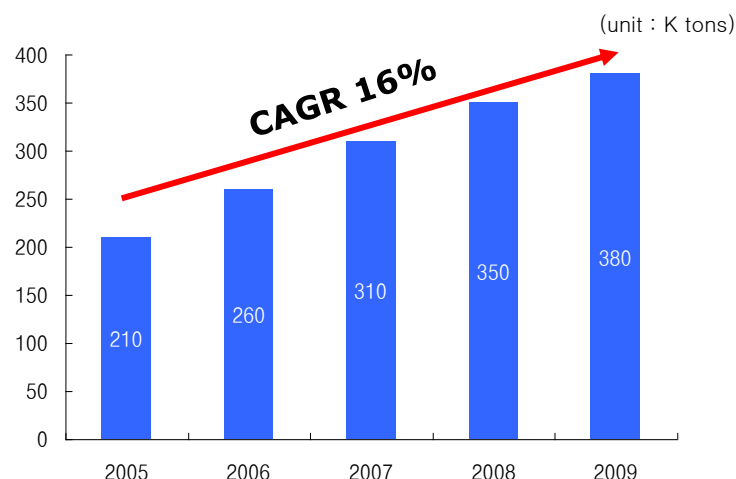
Chinese feed market



- Half pigs of the world are raised in China
- Chinese feed market is growing 7~8% annually based on increase of meat demand and commercialized farms while global feed market is showing low growth of 2% annually

(Source: CJCJ Estimates)

Chinese lysine market



- Chinese lysine demand is increasing by 16% due to high feed market growth and increasing number of commercialized farms while global market growth is 8%

(Source: CJCJ Estimates)

APPENDIX 2) PROFIT OF MAJOR AFFILIATES

Major Affiliates

(Unit : Billion KRW)

	Affiliates	Business	Stake (%)	Sales			Equity Method Gain/Loss		
				2008	2009	2010	2008	2009	2010
Domestic Food business	Shindongbang CP	Starch Sugar	99.7	98.8	121.8	139.3	-35.8	0.1	5.2
	Hasunjung	Fishery (fish sauce)	100.0	43.9	28.7	34.7	-1.1	-4.5	-1.2
	CJ Seafood	Fishery (fish cake)	46.5	99.9	100.6	111.1	-1.2	1.0	0.9
	Super Feed	Animal Feed	100.0	52.3	39.4	30.8	-5.5	-1.5	-2.3
Overseas Food business	Annie Chun's	Processed Food (noodles, soup, microwaveable rice)	100.0	15.2	19.7	-*	-2.5	-5.4	-
	CJ Omni	Frozen Food	87.1	10.0	15.8	41.3	-0.5	0.7	-0.9
	Beijing Earshang CJ Food	Tofu	49.0	24.0	27.5	25.3	0	0.2	-0.3
	CJ Beijing Beverage	Condiments	100.0	9.2	10.0	12.1	0	-5.4	-1.0
	CJ Qingdao Food	Condiments	100.0	44.2	53.7	56.3	-1.8	-5.3	0.4
Overseas Bio business	PT CJI	Lysine, Nucleotides, MSG	100.0	446.3	499.4	622.5	14.9	42.7	90.7
	CJ Liaocheng Biotech	Lysine, Nucleotides	100.0	153.3	231.5	261.7	28.1	36.7	48.5
	CJ do Brasil	Lysine	100.0	107.8	120.6	-**	-23.0	-8.6	-10.2
	Liaocheng Lantian	Electric power supply	100.0	20.4	32.7	32.4	-4.5	6.4	3.9
Others				953.1	973.7	1,947.5	6.6	9.6	11.5
SUM				2,078.4	2,275.1	3,315.0	-26.3	66.7	144.8

*Annie Chun's was merged into CJ

**CJ do Brasil was merged into CJ America

APPENDIX 3) INDEXES

Indexes

(Multiple)

	2000	2001	2002	2003	2004	2005	2006	2007**	2008	2009	2010
PER*	12.3	21.8	10.2	10.0	12.9	18.1	21.0	N/A	88.9	12.9	12.0
PBR	0.7	1.1	1.0	1.2	1.3	2.1	2.6	5.8	1.6	1.6	1.0
ROE	4.6%	4.4%	8.6%	12.5%	10.2%	8.8%	9.0%	N/A	2.2%	20.0%	11%
Debt Ratio	136%	122%	103%	82%	67%	89%	105%	211%	136%	121%	75%
Net-Gearing Ratio	110%	95%	67%	54%	38%	62%	75%	141%	83%	55%	28%

* Including preferred shares

** Split from CJ Corp., CJ CheilJedang was established on September 1, 2007.

Indexes before 2007 are CJ Corp.'s for comparison.

PER, ROE of 2007 are excluded because CJ CheilJedang operated for 4 months in 2007.

*** 1H 2010 Business results (non-annualization)

APPENDIX 4) BALANCE SHEET

Balance Sheet

(Unit : Billion KRW)

	2007	2008	2009	2010
Current Assets	631.3	977.8	1,108.9	1,346.9
Fixed Assets	1,566.0	2,774.5	2,919.7	3,646.9
Investment Assets	471.0	606.8	652.0	1,325.9
Tangible Assets	1,026.5	2,097.3	2,193.1	2,235.5
Total Assets	2,197.3	3,752.3	4,028.6	4,993.7
Current Liabilities	1,162.1	1,390.7	1,339.3	1,437.4
Non-current Liabilities	327.9	772.4	862.3	702.4
Total Liabilities	1,490.1	2,163.1	2,201.6	2,139.8
Debt Ratio	210.7%	136.1%	120.5%	74.9%
Total Borrowings	1,008.9	1,336.3	1,410.5	1,057.6
Total Equity	707.2	1,589.3	1,827.0	2,854.0

* Land revaluation in 2008

APPENDIX 5) INCOME STATEMENTS

Income Statements

(Unit : Billion KRW)

	2008		2009		2010	
	Amount	% of sales	Amount	% of sales	Amount	% of sales
Sales	3,494.9	100.0	3,838.7	100.0	3,962.7	100.0
Gross Profit	1,109.2	31.7	1,131.6	29.5	1,168.2	29.5
SG&A	847.5	24.2	869.7	22.7	961.4	24.3
Operating Profit	261.6	7.5	261.9	6.8	206.8	5.2
Ordinary Profit	42.8	1.2	328.6	8.6	838.4	21.2
Net Income	25.4	0.7	272.1	7.1	686.5	17.3