

Honam Petrochemical Corp.

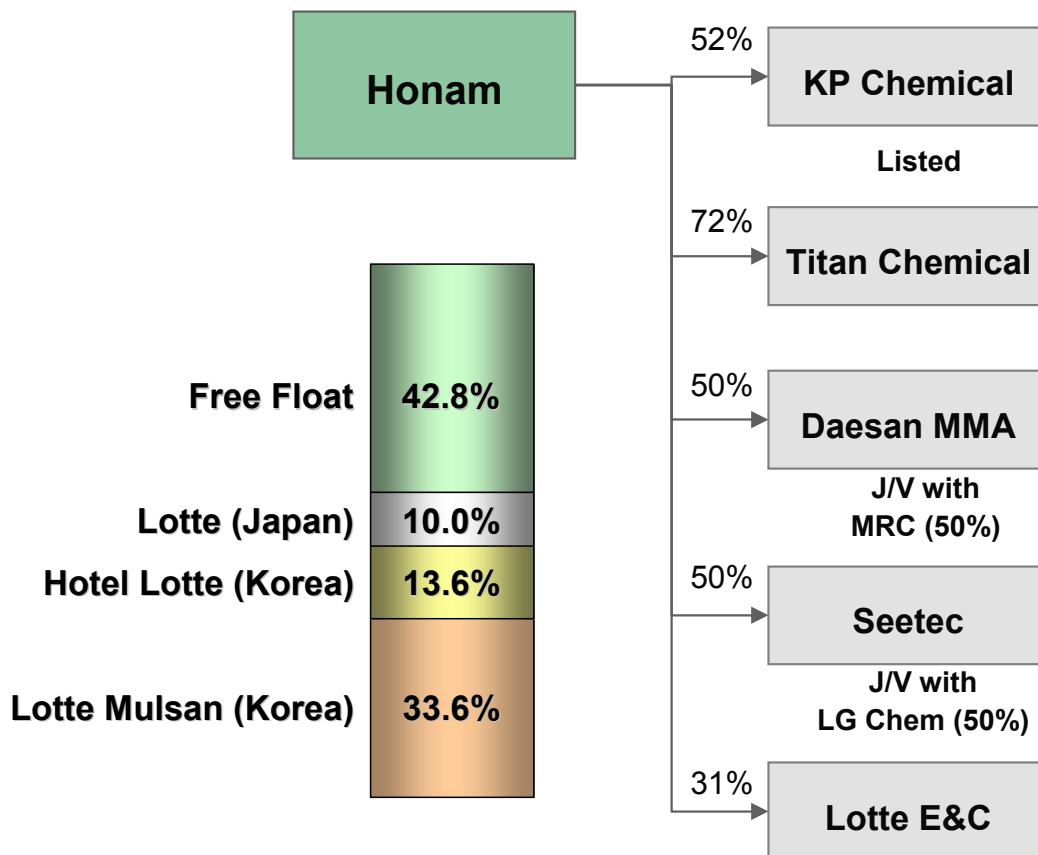
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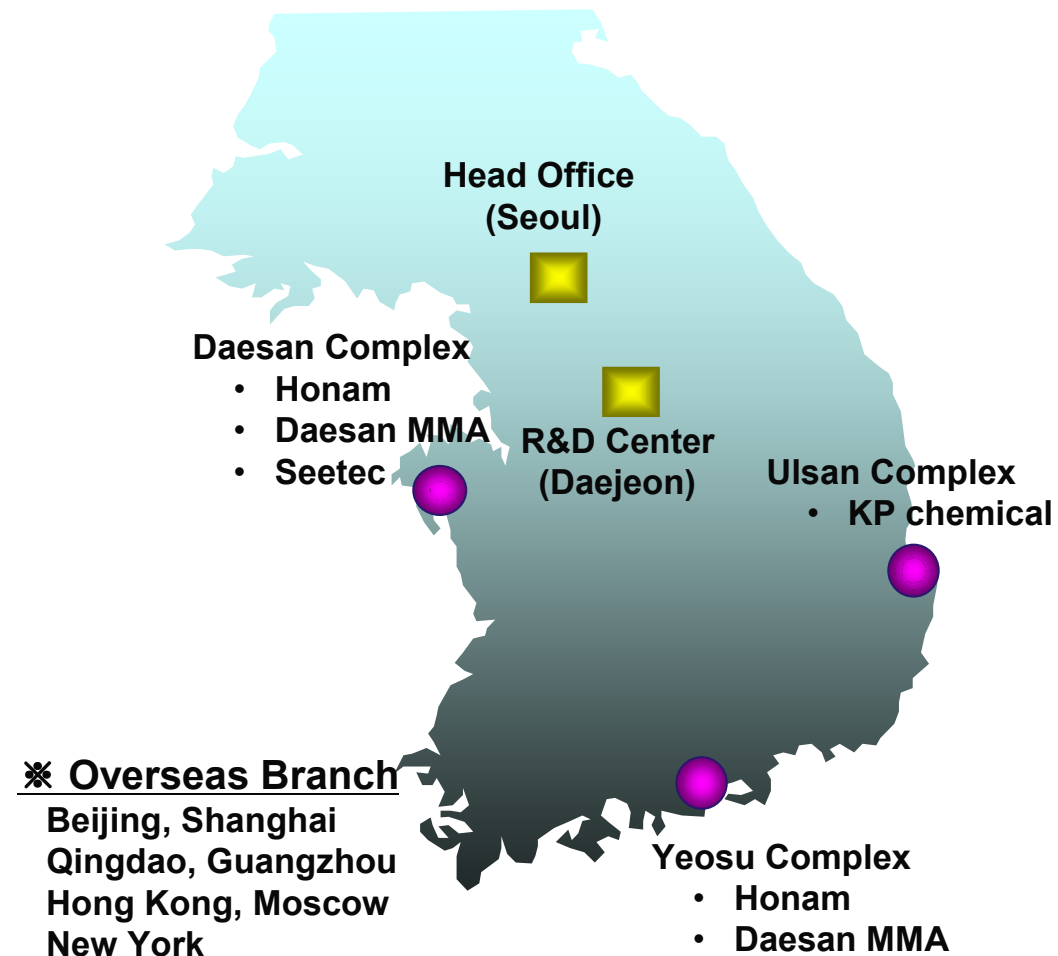
Shareholders, Affiliates & Locations

- Honam Petrochemical Corp. is the core company of the Lotte Group's Chemical Division.
- Lotte has around 57% of Honam's share

Shareholders & Affiliates

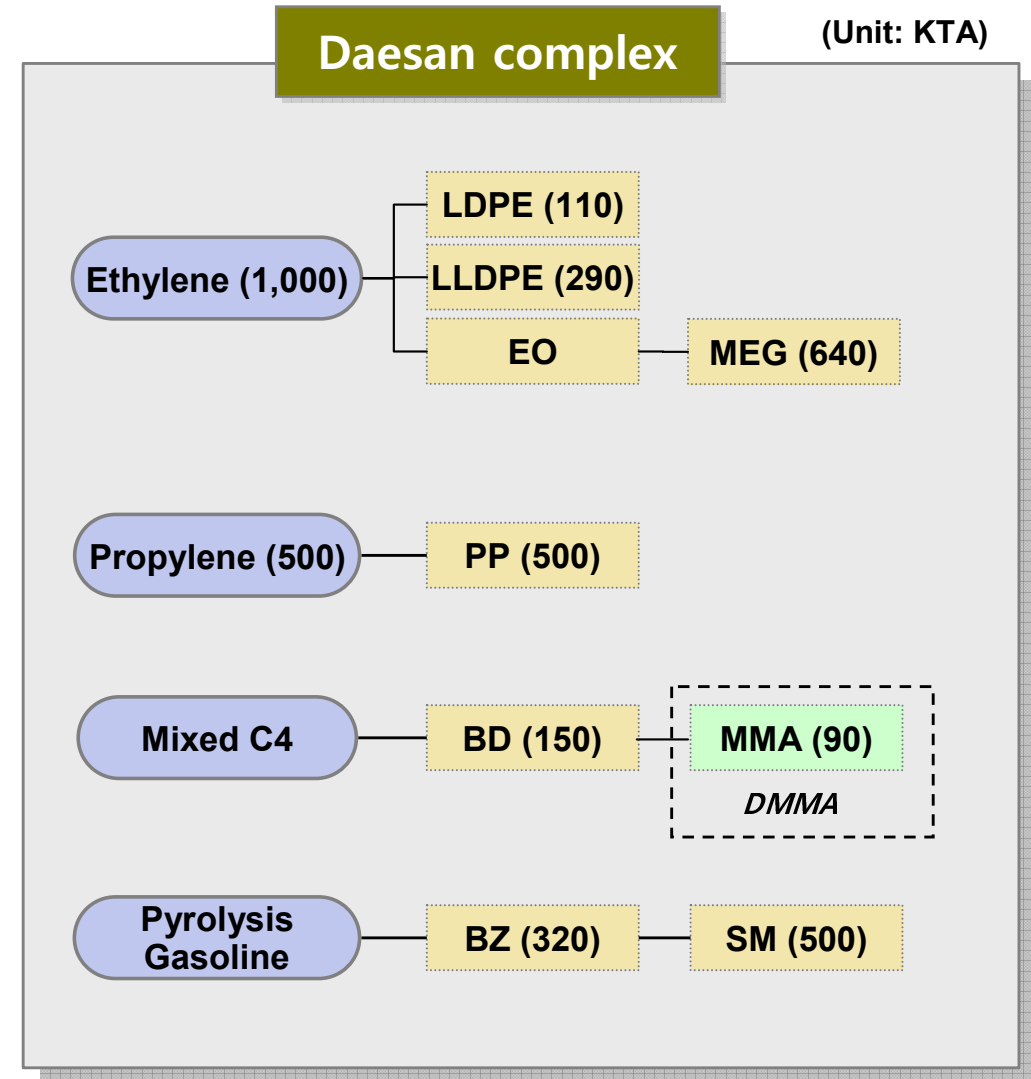
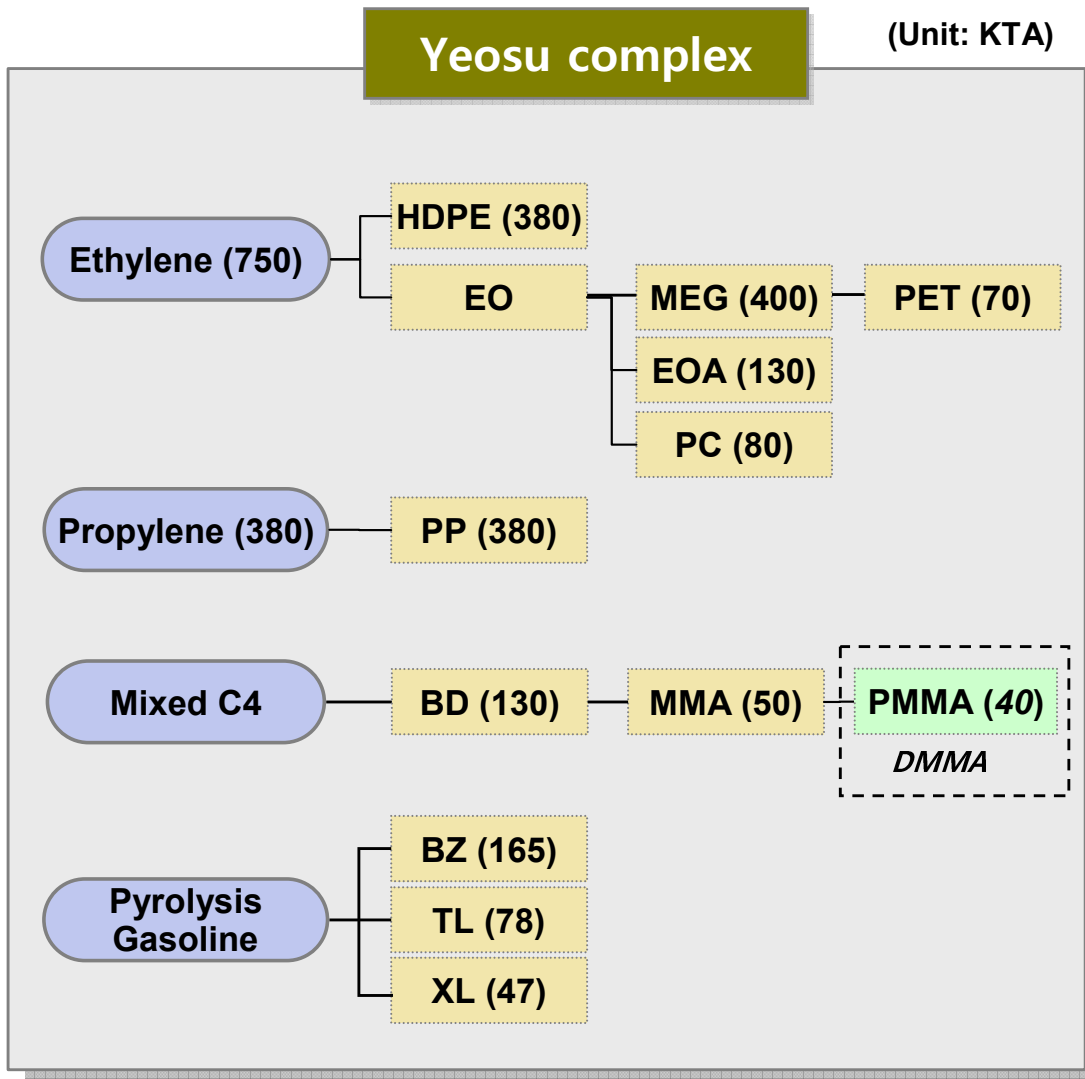


Locations



Products & Capacity _ Honam / DMMA

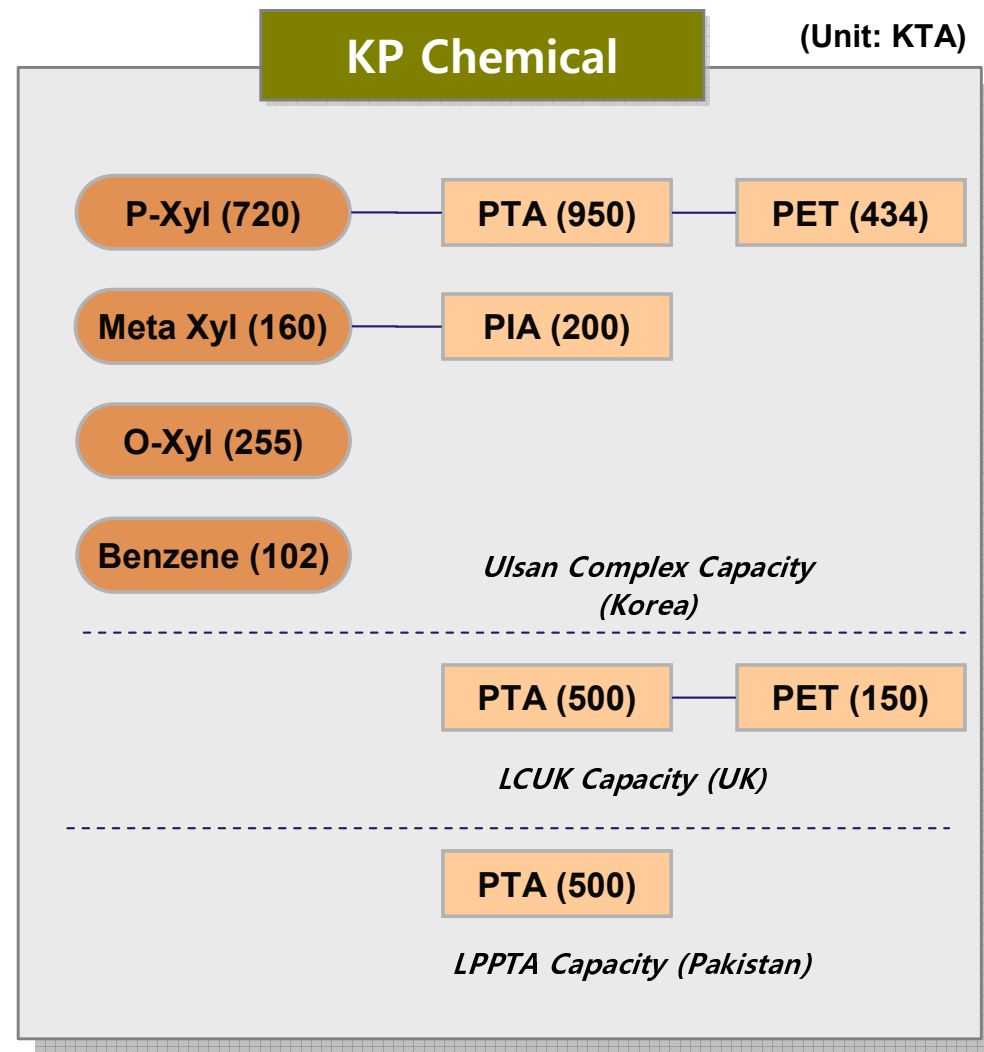
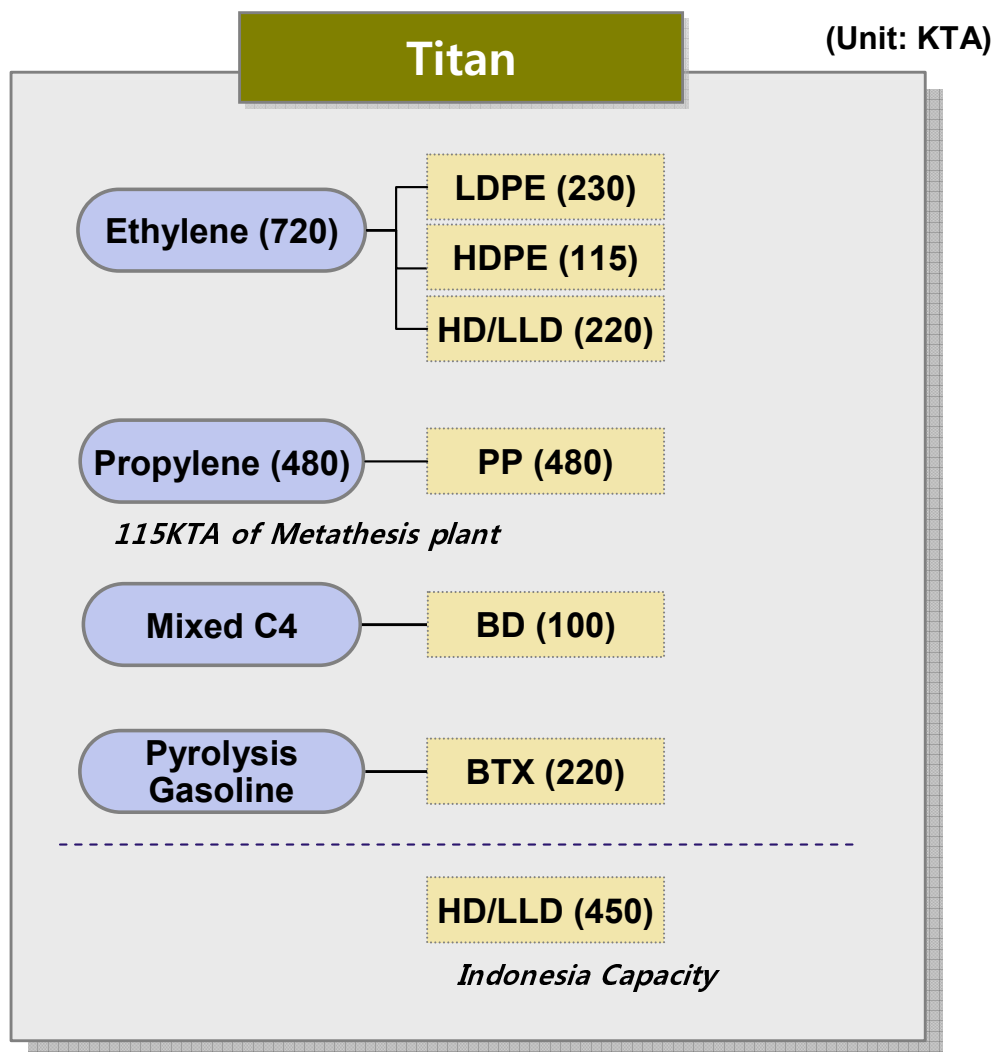
■ Honam has 1,750 KTA of Ethylene capacity and various types of downstream products in Korea



* As of Nov. 2010

Products & Capacity _ Titan / KP Chemical

- Titan has its Naphtha Cracker in Malaysia and PE capacity in Indonesia
- KP Chemical has its production facilities in Korea, United Kingdom and Pakistan

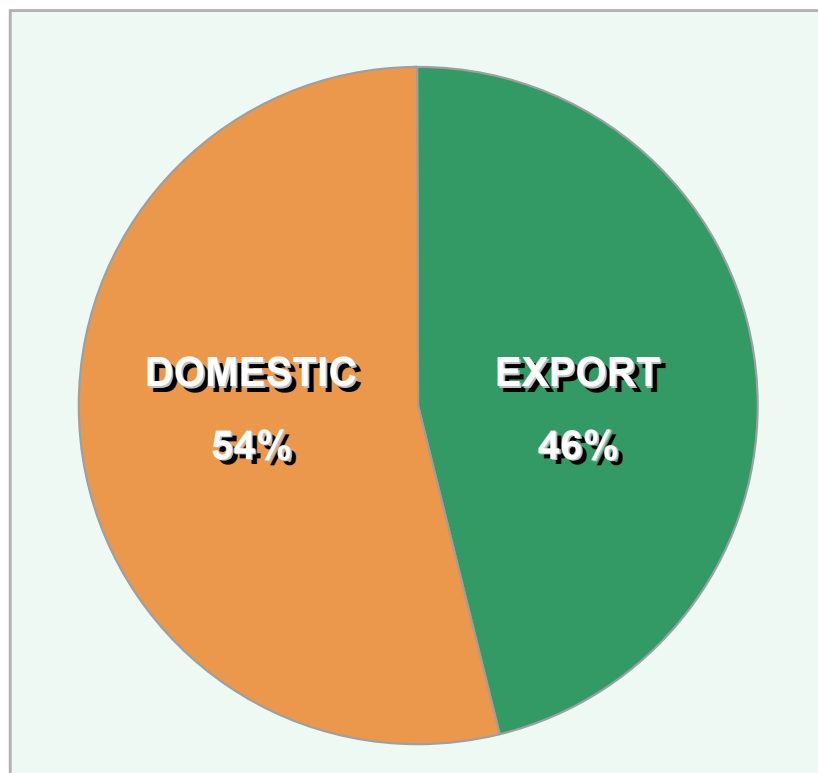


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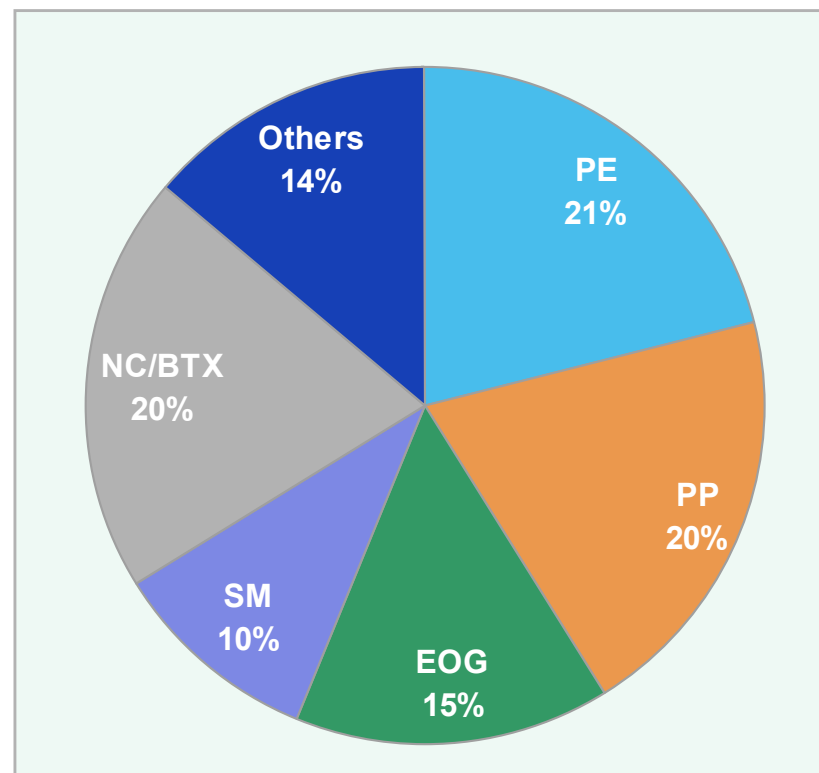
Sales Breakdown_ year 2009

- Around 46% of Honam sales are exported to the overseas market.
- PE, PP, MEG, and SM account for around 65% of the sales.

Sales by Distribution Channel



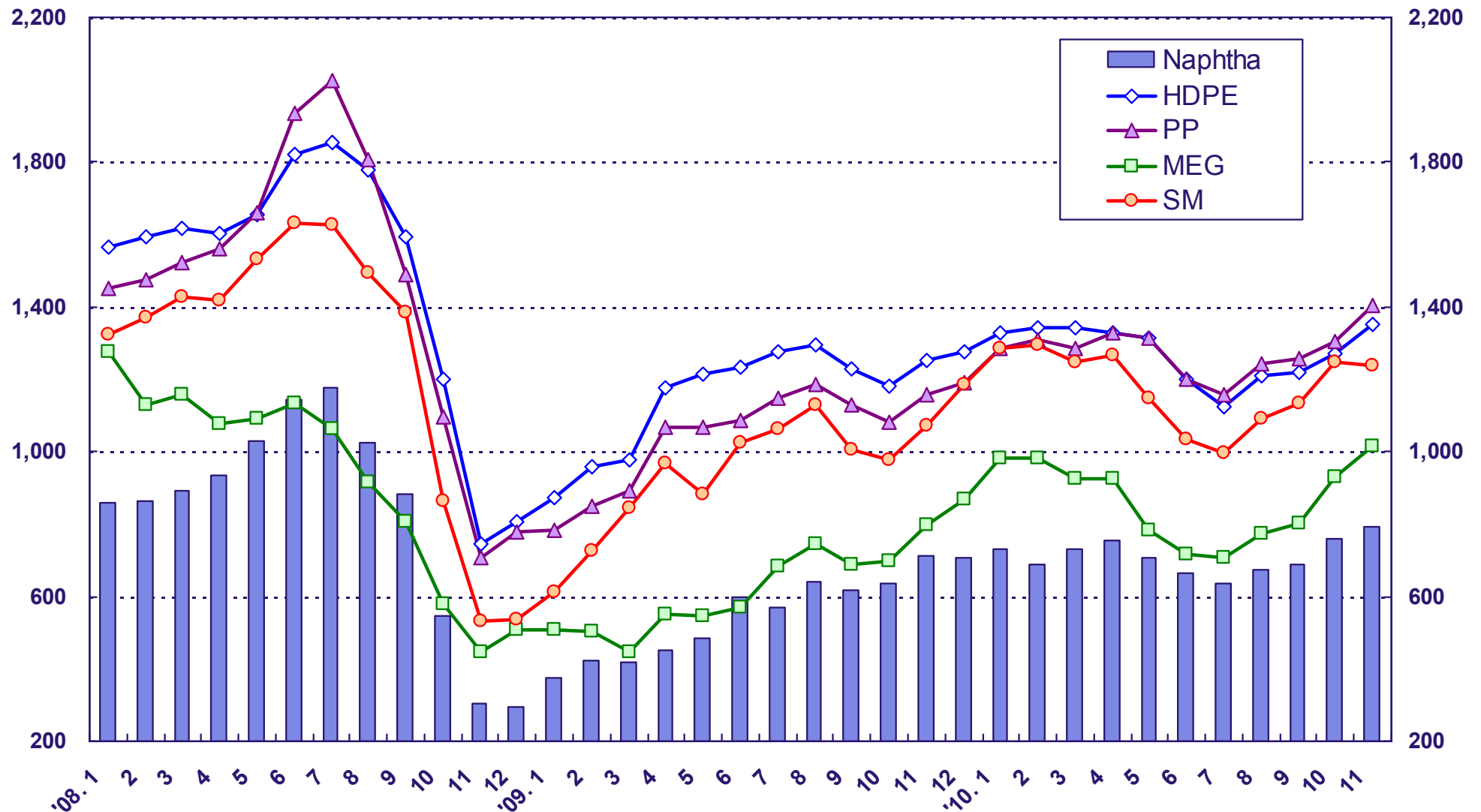
Sales by Product



- PE : HDPE, LDPE(EVA), LLDPE
- NC/BTX : C2, C3, M-C4, TBA, BTX
- Others : BD, PC, EOA, PET, MMA, POP

Market Situation

Price trends of Feedstock & Products (\$/ton)



Financial Review _ Non-consolidated

- Honam runs in the most stable financial structure among the Korean petrochemical companies

[Unit: Billion Won]

I/S		'10 3Q	2009	2008
	Revenue	5,396	5,970	3,098
	Operating Profit	648	718	90
	NP before Tax	796	853	▲71
	Net Profit	614	797	▲45
	(Depreciation)	152	234	73
	EBITDA	800	952	163

[Unit: Billion Won]

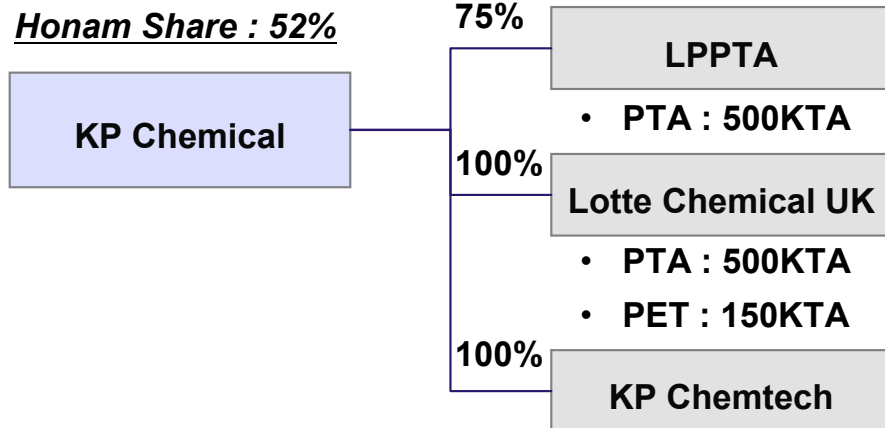
B/S		'10 3Q	2009	2008
	Asset	6,061	5,677	3,551
	Liabilities	1,775	1,952	747
	Equity	4,286	3,725	2,804
	Liability/Equity	41%	52%	27%
	Cash & Cash Equ.	1,215	1,113	355
	Debt	729	812	293

※ Quarterly Performance

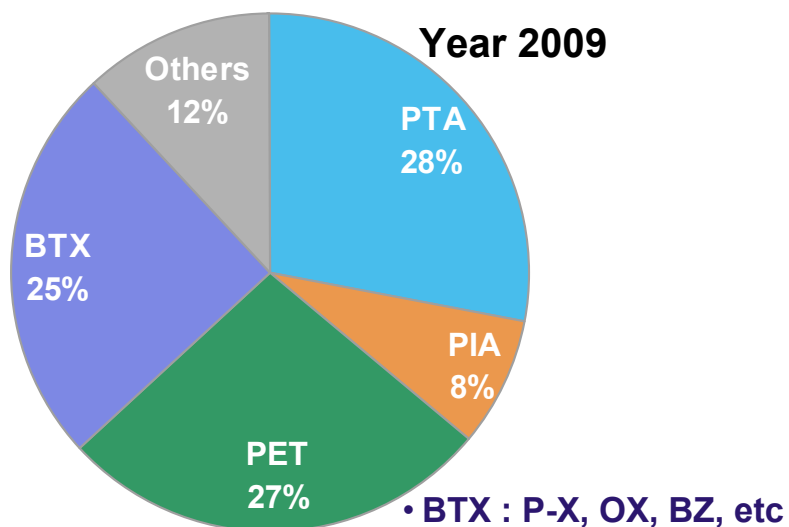
	2010			2009				2008			
	3Q	2Q	1Q	4Q	3Q	2Q	1Q	4Q	3Q	2Q	1Q
Revenue	1,751	1,842	1,803	1,630	1,650	1,456	1,234	655	887	819	738
Operating Profit	185	216	246	115	224	225	154	▲86	47	64	66
EBITDA	236	267	297	173	282	285	212	▲64	64	80	83

Affiliate Companies _ KP Chemical

KP & Its Affiliates



Sales by Product



[Unit: Billion Won]

I/S

	2010 3Q	2009	2008
Revenue	1,760	2,107	2,094
Operating Profit	87	158	▲9
NP before Tax	144	207	▲35
Net Profit	112	164	▲4
(Depreciation)	63	87	95
EBITDA	150	245	86

B/S

	2010 3Q	2009	2008
Asset	1,240	1,229	889
Liabilities	317	402	253
Equity	923	826	637
Liability/Equity	34%	49%	40%
Cash & Cash Equ.	242	291	141
Debt	0	0	0

Consolidated Financials & Other Affiliates

- From 2011, Honam will release the quarterly consolidated financial reports according to the Korean regulation.

[Unit: Billion Won]

I/S

	2009	2008
Revenue	8,596	7,565
Operating Profit	989	28
Net Profit before Tax	1,048	▲68
Net Profit	890	▲40
(Depreciation)	312	326
EBITDA	1,301	258

B/S

	2009	2008
Asset	6,593	5,125
Liabilities	2,437	2,013
Equity	4,155	3,112

Other Important Affiliates

[Unit: Billion Won]

Company	Share	Sales / Net Profit (2009)	Remark
Daesan MMA	50.0%	219 / 4	<ul style="list-style-type: none"> ■ MMA/PMMA business ■ MRC 50%
Seetec	50.0%	407 / ▲20	<ul style="list-style-type: none"> ■ Utility supply to Daesan Plant ■ LG chem 50%
Lotte E&C	31.2%	3,992 / 110	<ul style="list-style-type: none"> ■ Construction company

※ KP Chemical and 7 other affiliate companies.

Titan Acquisition_Acquisition Rationale Overview

- The acquisition is an unique opportunity for Honam to pursue its strategic objectives while delivering compelling value to Titan



Enables Honam to be a true global Petrochemical Player in the long term



Allows to expand presence in other regions particularly in Southeast Asia



Allows to become an immediate top Petrochemical Player in the Asia Pacific Region



★ Titan manufacturing facilities

Country	Population (1,000)	Ethylene Capa (MM tones)
Malaysia	25,700	1.78
Indonesia	234,700	0.55
Thailand	63,000	2.4
Singapore	4,700	1.97
Vietnam	85,260	0
Philippines	88,700	0
Bangladeshi	153,550	0
Others*	68,600	0
Total	724,210	6.7

* Others : Myanmar, Laos, Cambodia

Product	Pre-Transaction Rank (Asia)	Post-Transaction Rank (Asia)
Ethylene	4	2
PE	6	1
PP	6	2

Product	Pre-Transaction Capa (MM ton)	Post-Transaction Capa (MM ton)
Ethylene	1.75	2.47
PE	0.78	1.80
PP	0.88	1.36

* Comparison amongst privately held companies only

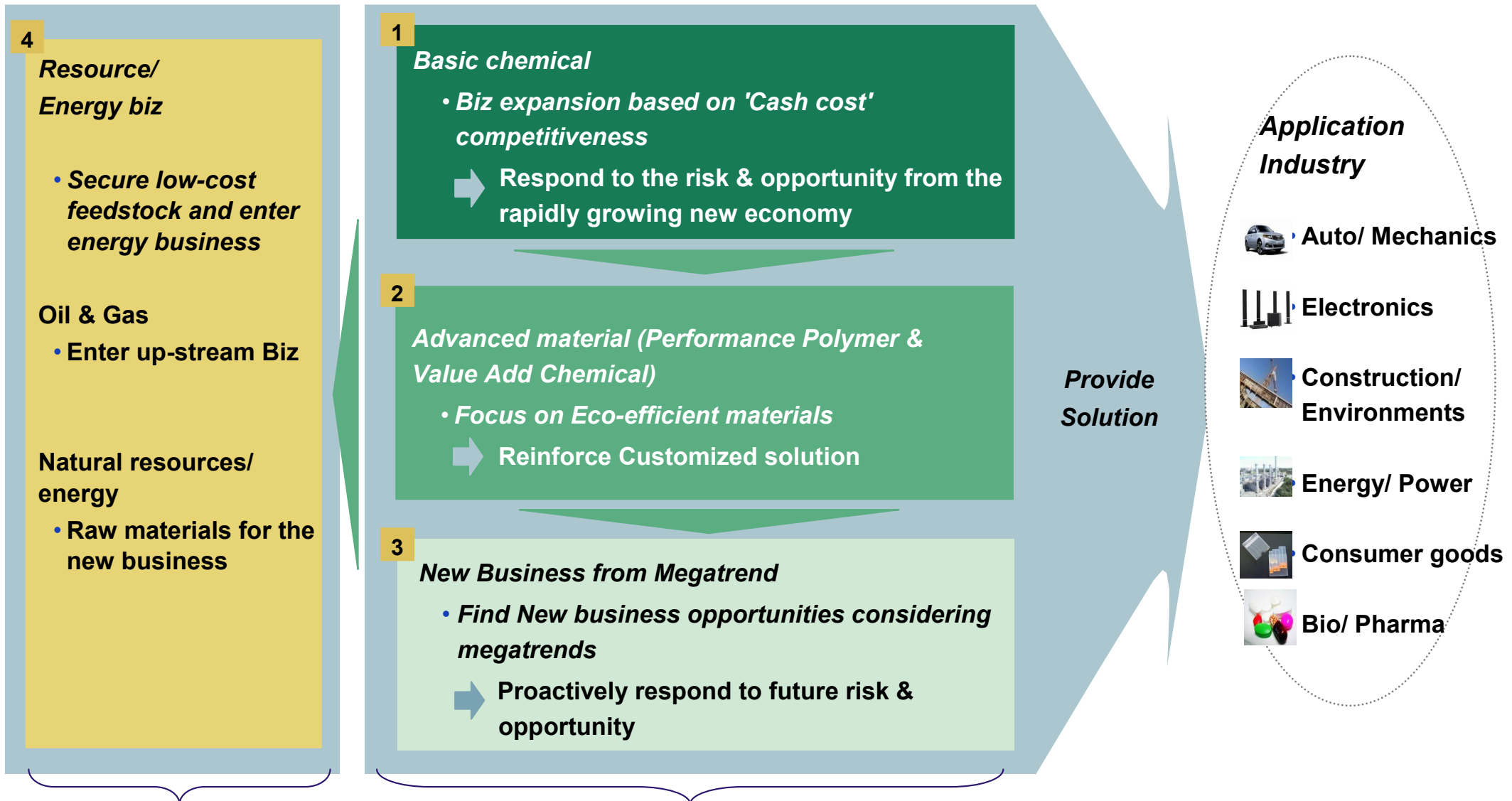
Investment Plan

On-Going Investment

Project	Investment Cost (Billion won)	Capacity (KTA)	Location	Mechanical Completion
Titan Acquisition	1,500	Ethylene 720 PE 1,000 PP 480 BD 100	Malaysia Indonesia	2010. November (completed)
BD/BN-1 Plant	150	130 / 24	Yeosu	2010. 4Q (completed)
3 rd EOA Plant	32	50	Yeosu	2010. 4Q (completed)
NCC expansion	520	Ethylene 250 HDPE 250 PP 200	Yeosu	2012. 1H
GE/HPEO	54	GE(Glycol Ether) 50 HPEO 100	Daesan	2012
PET film	90	PET film (Optical) 20	Ulsan	2012
EO/ETA Plant	165	EO 100 ETA 50	China	2012
Uzbek Project	96mil USD	Ethylene 400 HDPE 380 PP 80	Uzbekistan	2015

Vision 2018 Aspiration

■ 'Top tier Asian Chemical company' with the revenue target of 40 trillion won.



Opportunistic

Core Biz