3Q 2015 Business Result

October 29th, 2015

LOTTE CHEMICAL

Disclaimer

The financial information in this document are consolidated earnings results based on K-IFRS. The previous earnings results have also been stated in compliance with K-IFRS.

The business results for the third quarter of 2015 currently under audit review are presented here for investors' convenience. Hence, please be advised that some of their contents may be altered in the course of audit. The actual results may differ from those included in this release due to a variety of factors. Lotte Chemical undertakes no obligation to update or revise the preliminary provided in this release. Also, this material is not legally binding for any of investors' investment result.

Forecasts and projections contained in this material are based on current business environments and management's strategies, and they may differ from the actual results upon changes and unaccounted variables.

Table of Contents

3Q 2015 Business Results : Income Statement

(Unit: Bil ₩)

Classification	2015.3Q (E)	2015.2Q	QoQ	2014.3Q	YoY
Revenue	3,035	3,179	-4.5%	3,708	-18.2%
Operating Profit (%)	484 (16.0%)	640 (20.1%)	-24.3%	142 (3.8%)	240.7%
Pre-tax Income (%)	402 (13.2%)	626 (19.7%)	-35.7%	141 (3.8%)	184.3%
Net Income (%)	250 (8.2%)	460 (14.5%)	-45.6%	101 (2.7%)	148.5%

3Q 2015 Business Results : Financial Position

Financial Position

(Unit: Bil ₩)

Classification	2015.3Q (E)	'2014	Change
Asset	**11,350**	**10,323**	**10.0%**
Cash and Equivalents*	2,822	1,263	123.5%
Liabilities	**3,899**	**3,854**	**1.2%**
Borrowings	2,596	2,604	-0.3%
Shareholder's Equity	**7,451**	**6,469**	**15.2%**

EBITDA	**1,667** (18.5%)	**860** (5.8%)	

Financial Ratios

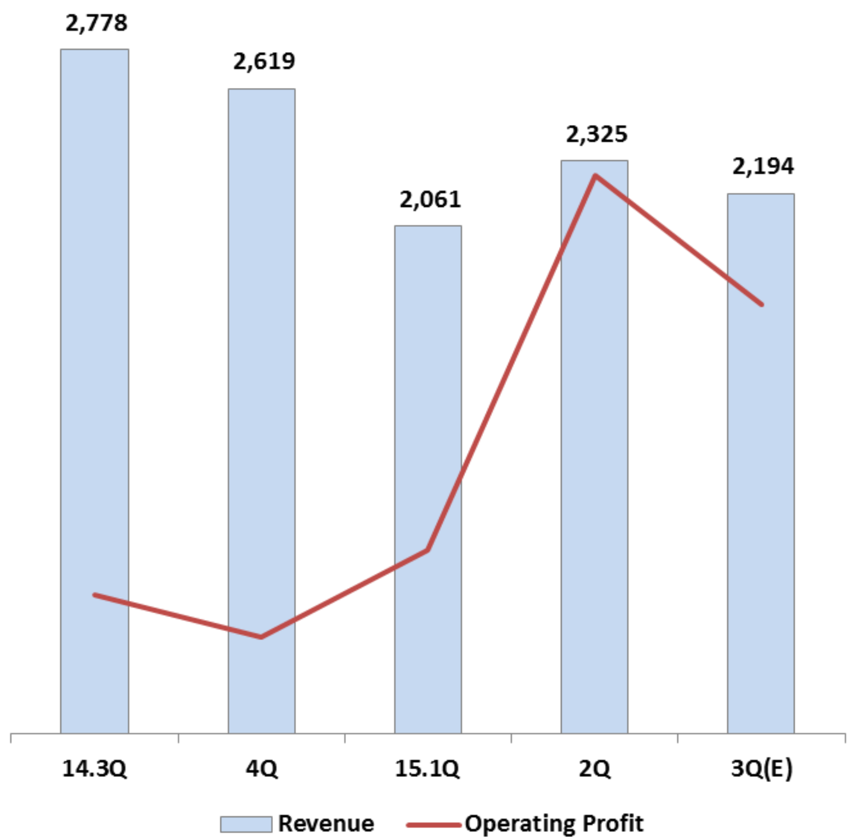
(Unit: Bil ₩)

Classification	2015.3Q (E)	'2014	Change
Total Liabilities/ Equity (%)	**52.3**	**59.6**	**-7.3**
ROE (%)	**16.0**	**2.3**	**13.7**
ROA (%)	**10.2**	**1.4**	**8.8**

*For the purpose of calculating Net debt position, cash and equivalent is the addition of cash and short-term financial instrument.

Divisional Results & Outlook : Lotte Chemical (Parents)

Quarterly Earnings Trend (Unit: W bn)



	14.3Q	4Q	15.1Q	2Q	3Q(E)
Operating Profit	131	92	174	529	407
OP (%)	4.7	3.5	8.5	22.7	18.5

3Q Earnings Review

- Despite oil price drop, high profitability maintained based on strong spreads and strong dollar

PE/PP	High profitability maintained throughout high utilization rate of downstream, low inventory level and supply tightness of ethylene
MEG	Profitability declined due to the volatile international economies, lower utilization of Chinese polyester makers and higher inventory level
SM	Despite falling SM prices, profitability maintained due to decreased in feedstock prices
PTA/PET	Turned to deficit due to oil price drop and oversupply issue

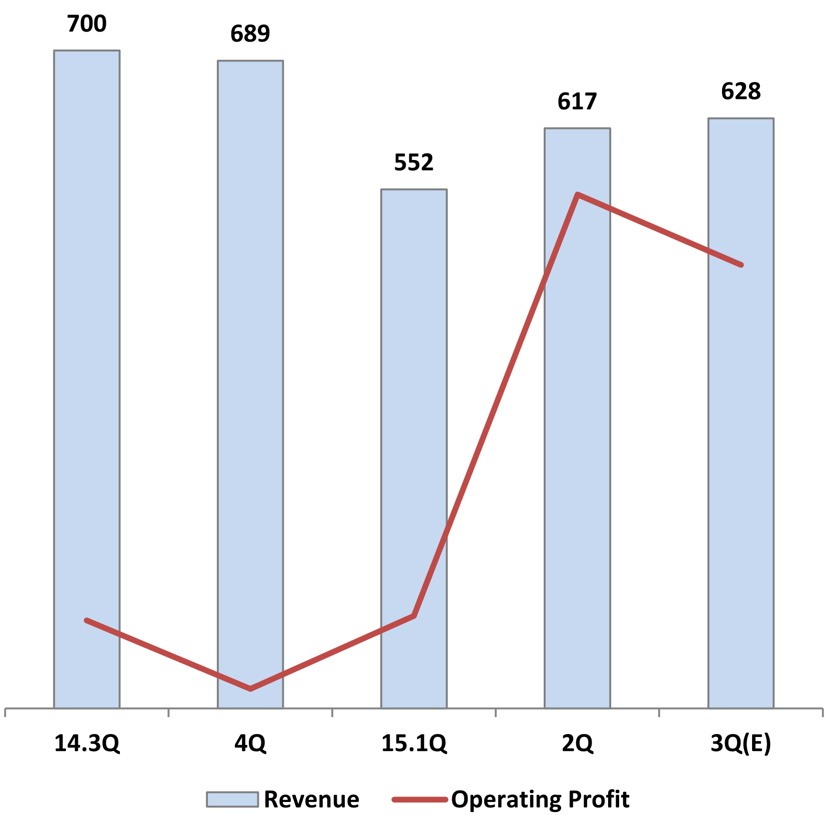
4Q Outlook

- Despite weak seasonality, stable product spread is expected due to the low feedstock costs
- Incur opportunity cost due to the Daesan's turnaround

LOTTE CHEMICAL

Divisional Results & Outlook : LC Titan

Quarterly Earnings Trend (Unit: W bn)



	14.3Q	4Q	15.1Q	2Q	3Q(E)
Operating Profit	12	-5	13	118	100
OP (%)	1.7	-0.7	2.4	19.1	15.9

3Q Earnings Review

- Despite oil price drop, high profitability maintained based on strong spreads and strong dollar

PE/PP

- High profitability maintained throughout high utilization rate of downstream, low inventory level and supply tightness of ethylene

BZ

- Profitability decreased due to weakened buying interests in the Chinese economy slowdown, low oil price, and new supply inflows

BD

- Profitability declined due to the continued oversupply and weak tire demand

4Q Outlook

- Despite weak seasonality, stable product spread is expected due to the low feedstock costs

Investment Plan

On-Going Investment

Project	Investment Cost (Billion Won)	Capacity (KTA)	Location	Mechanical Completion
Uzbek Project (JV, 24.5% share)	338mil USD (Total 3,890mil USD)	HDPE 390 PP 80	Uzbekistan	2015.9
C5 Project	140	IPM 28 DCPD 25 PIP 42	Yeosu, Korea	2016.2H
Condensate Splitter (JV, 40% share)	192 (Total 1,200)	Petroleum 2,000 M-X 1,200 Light Naphtha 1,000 BZ 500	Seosan, Korea	2016.2H
Specialized Rubber (JV, 50%+1 share)	141 (Total 702)	SSBR 100 EPDM 100	Yeosu, Korea	2017.1H
Malaysia LC Titan NC revamping	300	Ethylene 90 Propylene 160 BTX 100	Malaysia	2017.2H
US ECC & MEG Project (JV)	Total 2,900	Ethylene 1,000 (90%) EG 700 (70%)	USA	2018.2H

APPENDIX

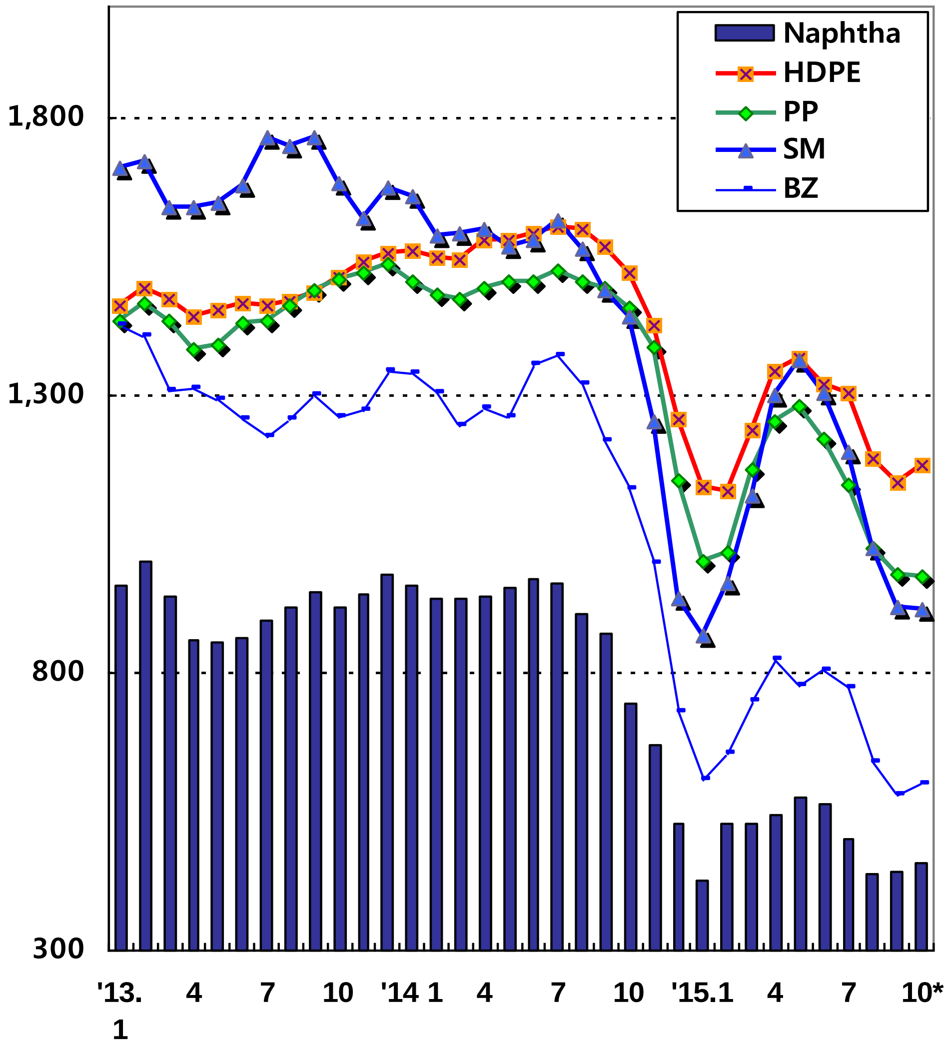
Appendix : Quarterly Performance

(Unit: Bil ₩)

Classification	2014					2015				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q (E)	4Q	Total
Revenue	3,873	3,782	3,708	3,495	14,859	2,800	3,179	3,035		9,013
Operating Profit	68	84	142	56	351	178	640	484		1,302
Pre-tax Income	70	66	141	-0	277	167	626	402		1,194
Net Income	48	52	101	-57	144	120	460	250		830

Appendix : Market Situation

HDPE/PP/SM Price Trend (Unit: U$/MT)



*Shows average prices from October 1st to October 23rd, 2015

MEG/PTA/BD Price Trend (Unit: U$/MT)