

Solution*Partner*

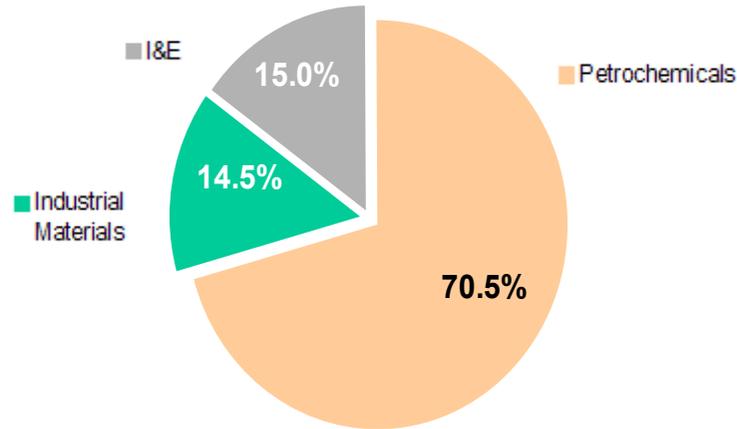
Market Outlook

2008. 7

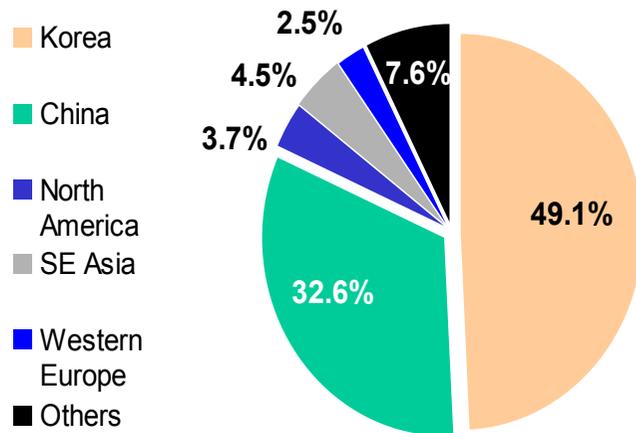


Business Portfolio

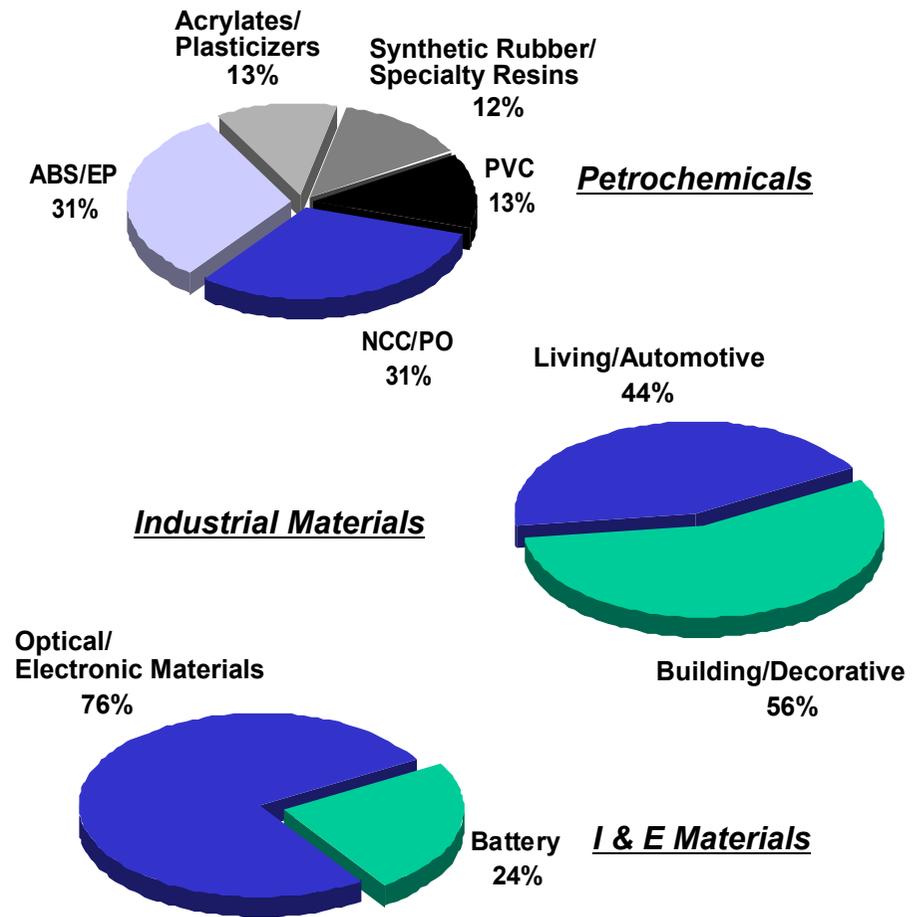
Sales Diversification by Business (1H2008)



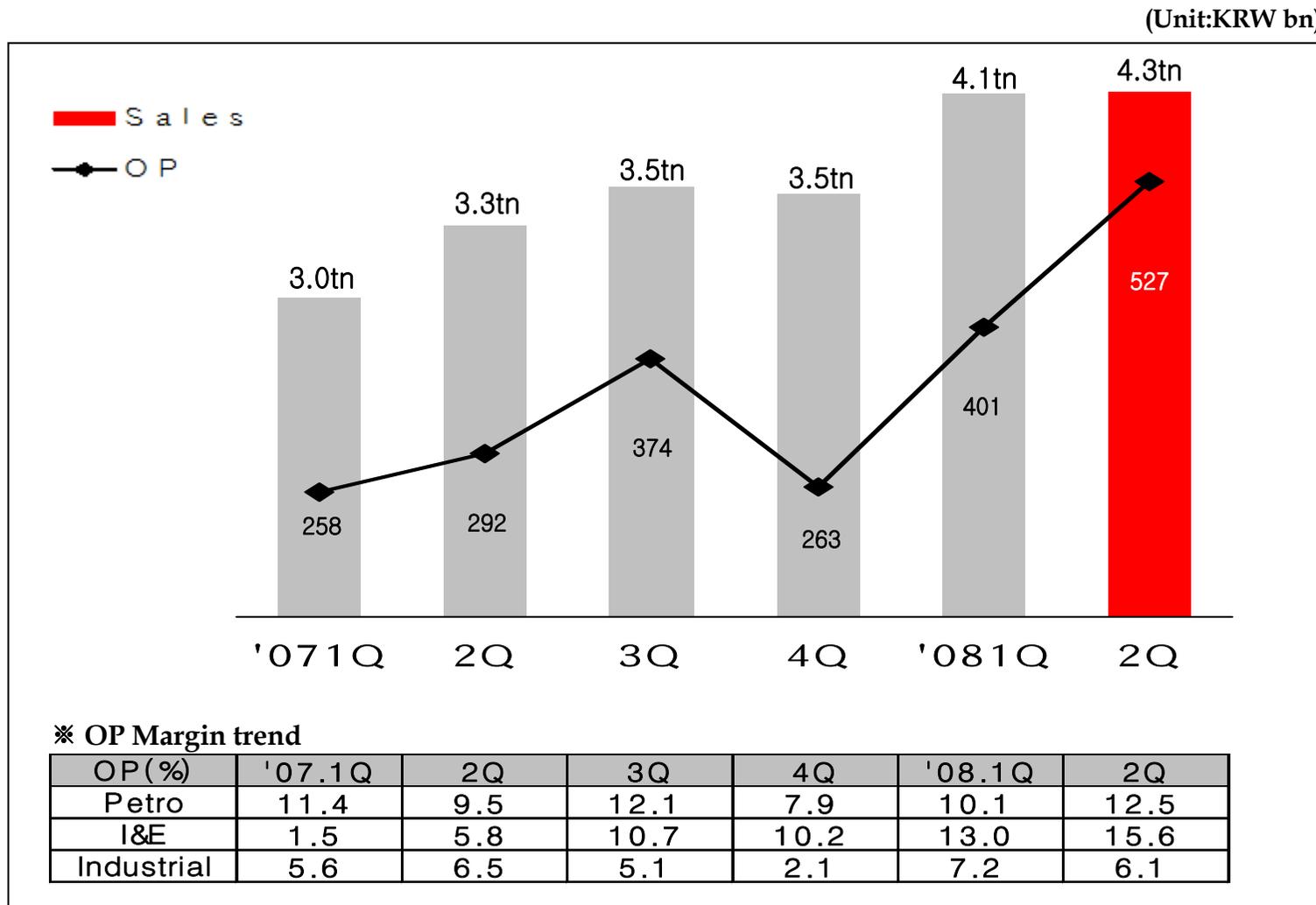
Sales Diversification by Geography (2007)



Product Diversification by Business (1H2008)

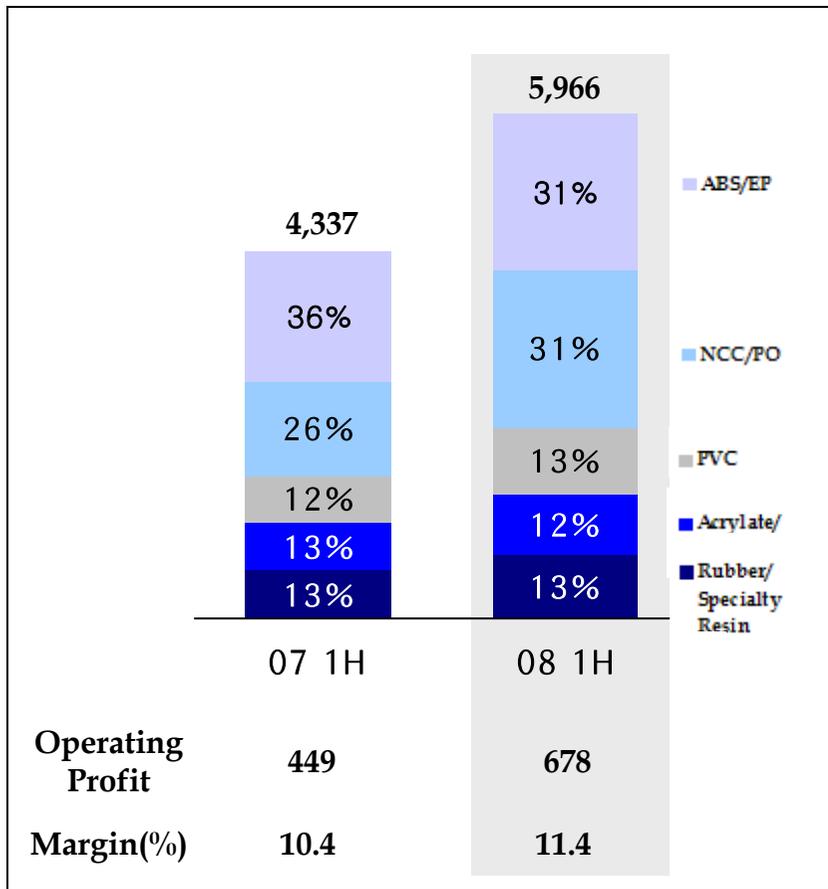


Quarterly Business Results (consolidated)



Business results

(Unit:KRW bn)



Analysis

• Analysis

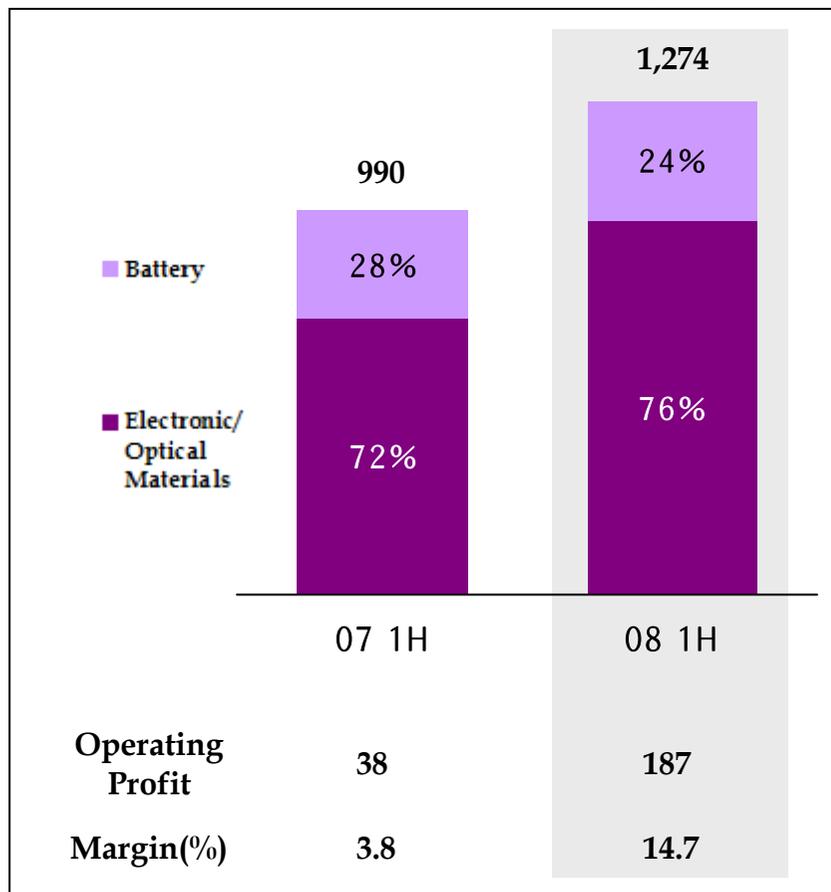
- ▣ PO : Successful pass-through of mounting input cost (naphtha) to ASP given tight supply condition
- ▣ ABS/PVC : Rapid margin improvement leveraged to upcycle
- ▣ Synthetic rubber / Oxo-Alcohol : continued strong margin momentum
- ▣ Continued merger synergies and benefited from productivity improvement

• Outlook

- ▣ Resilient profitability is expected to continue on the back of tight supply and demand balance in overall products amid oil price hike

Business results

(Unit:KRW bn)



Analysis

• Analysis

■ Electronics & opticals

- Continued strong demand in LCD
- Improved profitability on account of internal cost saving activity

■ Battery

- Cylindrical : continued supply shortage driven by high demand in notebook PC
- Prismatic : penetrating into global top handset makers in line with rising demand

• Outlook

■ Electronics& opticals

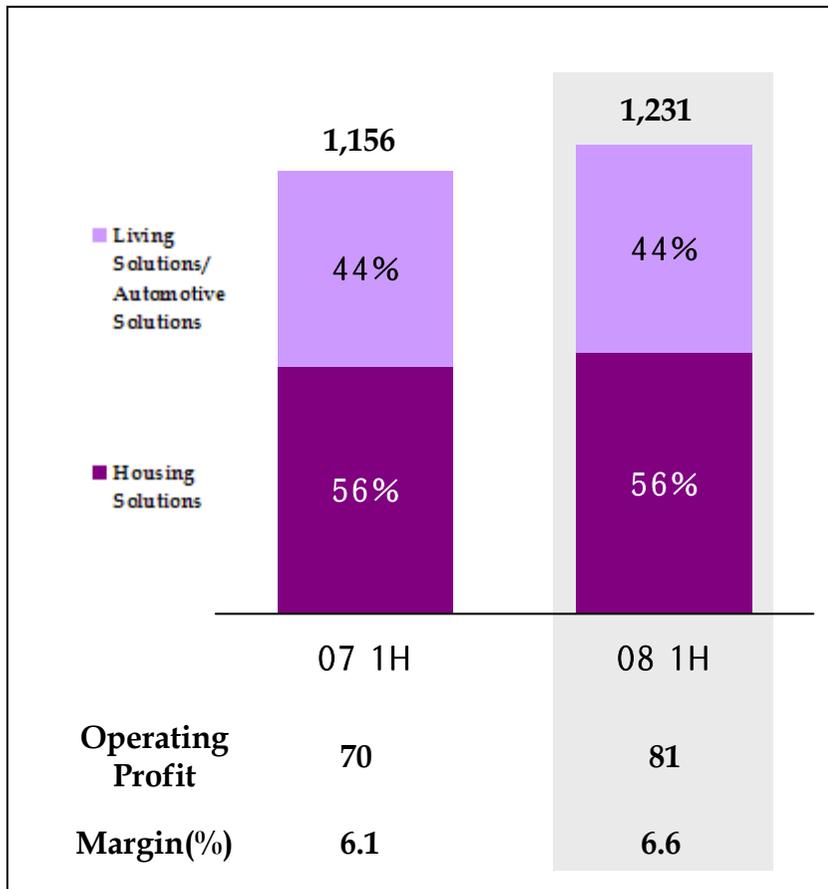
- Continued profit with volume increase in 2H
- Substantial increase in sales of polarizer towards LCD TV in Taiwan market

■ Battery

- Cylindrical :Incremental earnings from capacity expansion
- Prismatic : higher utilization rates in line with increasing shipments to top tier

Business results

(Unit:KRW bn)



Analysis

• Analysis

■ Sales

- Domestic : Sales volume increase driven by seasonally strong demand
- Overseas : Sales increase in Window frame and Hi-Macs (artificial marble)

■ Operating profit

- Raw material and overhead costs hike (PVC)
- Insufficient ASP pass-through due to weak housing market

• Outlook

■ Current housing market environment is expected to continue

- Aim to maintain 1H operating profit level by expanding high value added product portion and ASP increase