



INVESTOR RELATIONS 2010 1Q

- 1Q, 2010 Review
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- Appendices

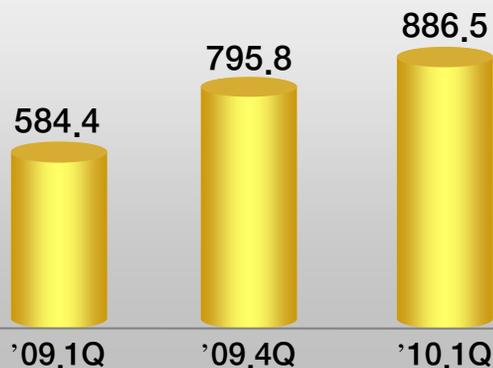
1Q, 2010 Overview

Sales & Operating Income

- Sales rose 11.4% to KRW 886.5 billion and operating income up 192.8% to KRW 65.0 billion.

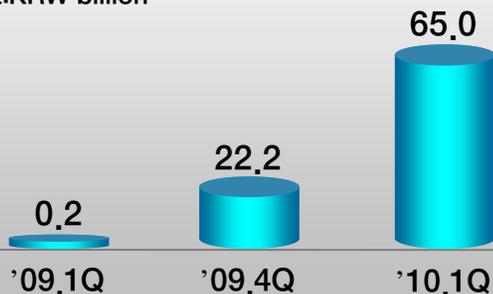
Sales

Unit:KRW billion



Operating Income

Unit:KRW billion



1Q, 2010 Performance

(Unit:KRW billion)

	'10.1Q	'09.4Q	'09.1Q	Change Rate	
				QoQ	YoY
S a l e s	886.5	795.8	584.4	11.4%	51.7%
[Syn. Rubbers]	497.9	437.4	304.4	13.8%	63.6%
[Syn. Resins]	288.4	258.9	217.5	11.4%	32.6%
[O t h e r s]	100.2	99.5	62.5	0.7%	60.3%
Operating Income	65.0	22.2	0.2	192.8%	3150.0%
[%]	7.3	2.8	0.3	-	-
Income before Income Taxes	104.2	-632.0	-171.5	-	-
Net Income	84.1	-424.2	-138.0	-	-
Gain/Loss on Valuation of Equity Method Investments	13.4	-515.1	-141.8	-	-

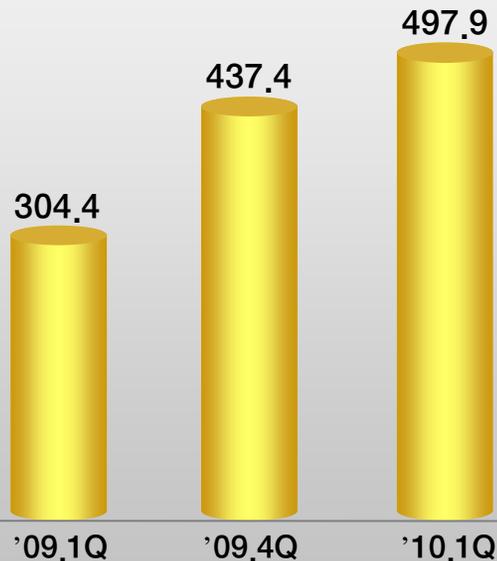
Performance Results for Synthetic Rubbers

Synthetic Rubbers

- Sales increased 13.8% to KRW 497.9 billion(56.2% in total Sales).
- Improvement profitability is based on selling price hikes by a combination of increasing demand of tire makers and Natural Rubber/BD price rising.

Sales

Unit:KRW billion



Performance Analysis

- BD price advance due to :
 - Trouble and Annual S/D of some NCC and BD makers
 - Growing demand of Downstream(Synthetic Rubber/ABS)
- BD price changes by region

(Unit:USD/Ton)

	'09.10	'09.11	'09.12	'10.01	'10.02	'10.03
Asia	1,422	1,361	1,606	1,875	1,813	1,932
N. America	1,664	1,419	1,301	1,510	1,871	2,188
Europe	1,509	1,383	1,346	1,398	1,638	1,894

- Synthetic Rubber price advance due to :
 - Increasing operating ratio of tire makers and growing demand of China market
 - Selling price hikes due to N/R and BD price rising

(Unit:USD/Ton)

	'09.10	'09.11	'09.12	'10.01	'10.02	'10.03
SBR	1,773	1,640	1,782	2,016	2,006	2,089
BR	2,028	1,900	2,025	2,444	2,494	2,625

* Source: ICIS/PLATTS 2009, 2010

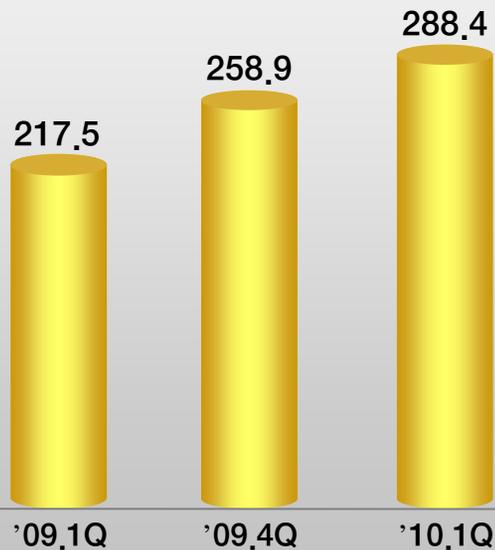
Performance Results for Synthetic Resins

Synthetic Resins

- Sales increased 11.4% to 288.4 billion(32.5% in total Sales).
- Improvement profitability is based on selling price hikes by a combination of increasing demand of downstream and feedstock prices rising.

Sales

Unit:KRW billion



Performance Analysis

- SM price drop and adjust due to :
 - Operation of new plant in China
- SM price changes

(Unit:USD/Ton, CFR China)

	'09.10	'09.11	'09.12	'10.01	'10.02	'10.03
SM	997	1,086	1,197	1,297	1,295	1,250

- Synthetic Resin price advance due to :
 - Increasing demand of Downstream(Home appliances/Cars)
 - ABS-centered selling price hikes due to feedstock prices rising

(Unit:USD/Ton)

	'09.10	'09.11	'09.12	'10.01	'10.02	'10.03
PS	1,115	1,159	1,237	1,425	1,426	1,376
ABS	1,417	1,464	1,543	1,769	1,827	1,871

* Source: PLATTS 2009, 2010

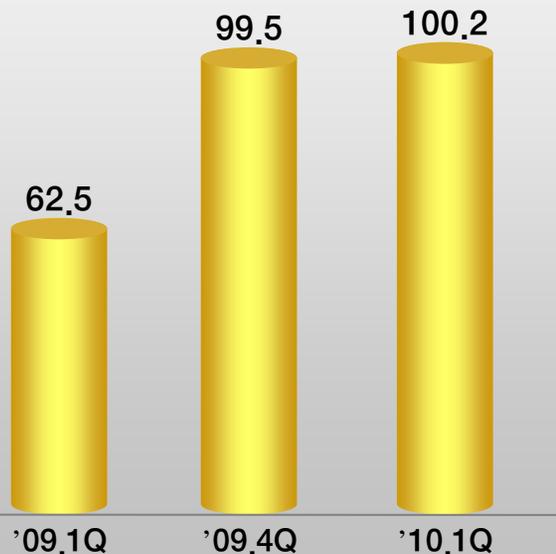
Performance Results for Others

Others

- Sales increased 0.7% to KRW 100.2 billion(11.3% in total Sales).
- Specialty Chemicals : Demand grew due to increasing operating ratio of tire makers, selling prices increased restrictively
- Combined Heat & Power Plants : Sales and operating income grew on higher demand for steam and electricity price hikes amid in winter.

Sales

Unit:KRW billion



Performance Analysis

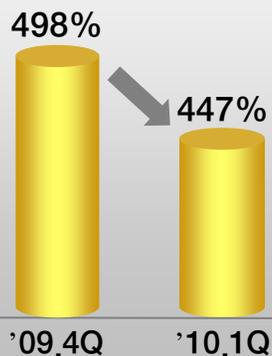
- Specialty Chemicals
 - Demand for 6PPD grew due to increasing operating ratio of tire makers.
 - Selling prices increased restrictively by cost competition.
- Combined Heat & Power Plants
 - Sales grew on higher demand for steam by increasing users' operating ratio.
 - Sales and operating income were improved due to electricity price hikes amid in winter and reducing manufacturing costs.

Financial Highlights

- Borrowings decreased by both repaying long-term debt and falling of exchange rate.
- Asset turnover ratio and interest coverage ratio both improved on increased sales and operating income.

Debt to Equity Ratio

(Unit:%)



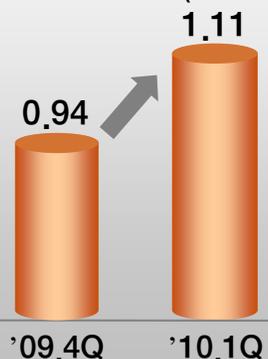
Borrowings

(Unit:KRW billion)



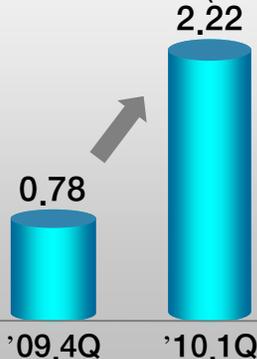
Asset Turnover Ratio

(Unit:Times)



Interest Coverage Ratio

(Unit:Fold)



	Unit	'10.1Q	'09.4Q	'09.1Q	Change Rate	
					QoQ	YoY
Assets	KRW bil.	3,165.6	3,199.9	3,607.2	-1.1%	-12.2%
Liabilities	KRW bil.	2,586.8	2,664.8	2,556.1	-2.9%	1.2%
Shareholders' Equity	KRW bil.	578.8	535.1	1,051.1	8.2%	-44.9%
Debt to Equity Ratio	%	447	498	243	-	-
Borrowings		2,114.5	2,230.7	2,018.1	-5.2%	4.8%
Won-denominated	KRW bil.	1,785.3	1,897.0	1,726.4	-5.9%	3.4%
Foreign currency-denominated		329.2	333.7	291.7	-1.3%	12.9%
Asset Turnover Ratio	Times	1.11	0.94	0.64	18.1%	73.4%
Interest Coverage Ratio	Fold	2.22	0.78	0.08	184.6%	2675.0%

Outlook

● Synthetic Rubbers

- Demand of synthetic rubbers will increase
 - Operating ratio rising of tire makers in China and India
 - Economic recovery in N. America and Europe
- Reasonably priced supply of BD feedstock is a key to profitability for 2Q.
- BD price will maintained strongly due to increasing demand of Downstream

● Synthetic Resins

- Expecting improvement on sales through closely tracking seasonal demand and special influenced by Shanghai EXPO / 2010 World Cup.
- SM price is forecast to steady as new supply of China(CSPC/ZRCC).
- Profitability will improve through selling price rising continuously due to raw materials price rising and focusing sales of high value-added products.

● Others

- Specialty Chemicals
 - Expansion of new contracts through active sales to major tire makers and utilization of existing synthetic rubber operation network
- Combined Heat & Power Plants
 - Profitability is forecasted to continue for 2Q due to increasing demand of steam and electricity price

Income Statement

(Unit:KRW billion)

	'10.1Q	'09.4Q	'09.1Q	Change			
				QoQ		YoY	
				Cost	Rate	Cost	Rate
Sales	886.5	795.8	584.4	90.7	11.4%	302.1	51.7%
Operating Income	65.0	22.2	0.2	42.8	192.8%	63.0	3150.0%
<i>(Operating Margin)</i>	<i>7.3%</i>	<i>2.8%</i>	<i>0.3%</i>	<i>4.5%p</i>	-	<i>7.0%p</i>	-
<i>Net Interest Expense</i>	<i>29.2</i>	<i>28.5</i>	<i>23.6</i>	<i>0.7</i>	<i>2.5%</i>	<i>5.6</i>	<i>23.7%</i>
<i>Gain/Loss on Valuation of Equity Method Investments</i>	<i>13.4</i>	<i>-515.1</i>	<i>-141.8</i>	<i>528.5</i>	-	<i>155.2</i>	-
Income before Income Taxes	104.2	-632.0	-171.5	736.2	-	275.7	-
<i>(Ordinary Income Margin)</i>	<i>11.8%</i>	<i>-79.4%</i>	<i>-29.3%</i>	<i>91.2%p</i>	-	<i>41.1%p</i>	-
Net Income	84.1	-424.2	-138.0	508.3	-	222.1	-
<i>(Net Income Margin)</i>	<i>9.5%</i>	<i>-53.3%</i>	<i>-23.6%</i>	<i>62.8%p</i>	-	<i>33.1%p</i>	-

Balance Sheet

(Unit:KRW billion)

	'10.1Q	'09.4Q	'09.1Q	Change	
				QoQ	YoY
1. Current Assets	870.9	775.8	702.0	95.1	168.9
- Cash	4.8	77.2	60.6	-72.4	-55.8
2. Non-Current Assets	2,294.7	2,424.1	2,905.3	-129.4	-610.6
Total Assets	3,165.6	3,199.9	3,607.3	-34.3	-441.7
1. Current Liabilities	2,105.6	2,058.8	1,393.8	46.8	711.8
2. Non-Current Liabilities	481.2	606.0	1,162.3	-124.8	-681.1
■ Interest Bearing Liabilities	2,114.5	2,230.7	2,018.1	-116.2	96.4
- Short-Term Debts	1,664.7	1,645.6	970.5	19.1	694.2
- Long-Term Debts	449.8	585.1	1,047.6	-135.3	-597.8
■ Non-Interest Bearing Liabilities	472.3	434.1	538.0	38.2	-65.7
Total Liabilities	2,586.8	2,664.8	2,556.1	-78.0	30.7
1. Common & Preferred Stock	142.2	142.2	142.2	-	-
Total Shareholder Equity	578.8	535.1	1,051.2	43.7	-472.4
Net Debt Ratio	66.6%	67.3%	54.3%	-0.7%p	12.4%
Long-Term Debts to Total Debts Ratio	21.3%	26.2%	51.9%	-5.0%p	-30.6%
Current Ratio	41.4%	37.7%	50.4%	3.7%p	-9.0%
Total Liabilities to Equity Ratio	446.9%	498.0%	243.2%	-51.1%p	203.8%

Cash Flow

(Unit:KRW billion)

	'10.1Q	'09.4Q	'09.1Q	Change Cost	
				QoQ	YoY
Cash flow from operating activities	26.7	-67.3	116.7	94.0	-90.0
- Net Income	84.1	-424.2	-138.0	508.3	222.1
- Depreciation/Retirement allowance	28.6	32.7	22.3	-4.1	6.3
- Others	-86.0	324.2	232.4	-410.2	-318.4
Cash flow from investing activities	9.9	-107.1	-95.9	117.0	105.8
- Tangible assets	-19.8	22.4	-90.7	-42.2	70.9
- Others	29.7	-129.5	-5.2	159.2	34.9
Cash flow from financing activities	-109.0	182.1	27.7	-291.1	-136.7
- Borrowings	-109.0	182.1	27.7	-291.1	-136.7
- Treasury stock/Dividends	-	-	-	-	-
- Others	-	-	-	-	-
Net Cash Flow	-72.4	7.7	48.5	-80.1	-120.9

Production Capacity

Production Capacity

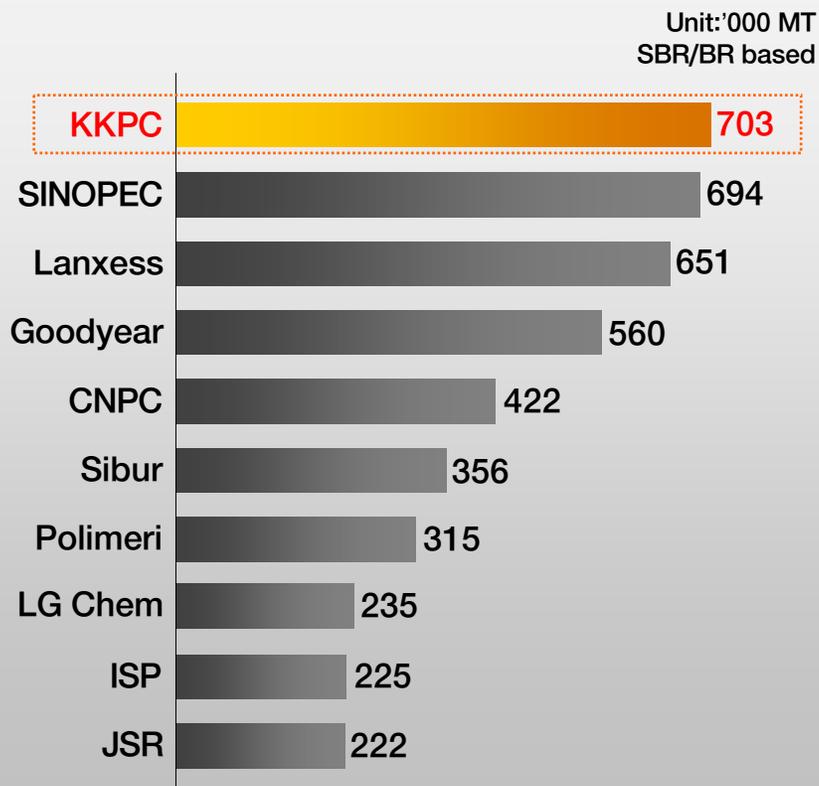
	Product	Capa.	Unit	Note
Synthetic Rubbers	SBR	481,000	MT/Y	Completion of Expansion : 110,000MT/Y(Ulsan), April 2009
	HBR	167,000		Completion of Expansion : 120,000MT/Y(Yeosu), End of 2010
	LBR	55,000		
	NBR	50,000		
	HSR	10,000		
	SB Latex	70,000		
	SBS	70,000		
	Total	903,000		
Synthetic Resins	PS	227,500	MT/Y	
	ABS	250,000		
	EPS	73,800		
	PPG	52,000		
	Total	603,300		
Specialty Chemicals	Antioxidants	79,300	MT/Y	
Combined Heat & Power Plants	Steam	1,130	T/H	Completion of Construction : Steam 500T/H & Electricity 119MWH, April 2009
	Electricity	186	MWH	
BD	Ulsan Plant	90,000	MT/Y	
	Yeosu Plant	147,000		
	Total	237,000		

Market Position

Synthetic Rubbers & Specialty Chemicals

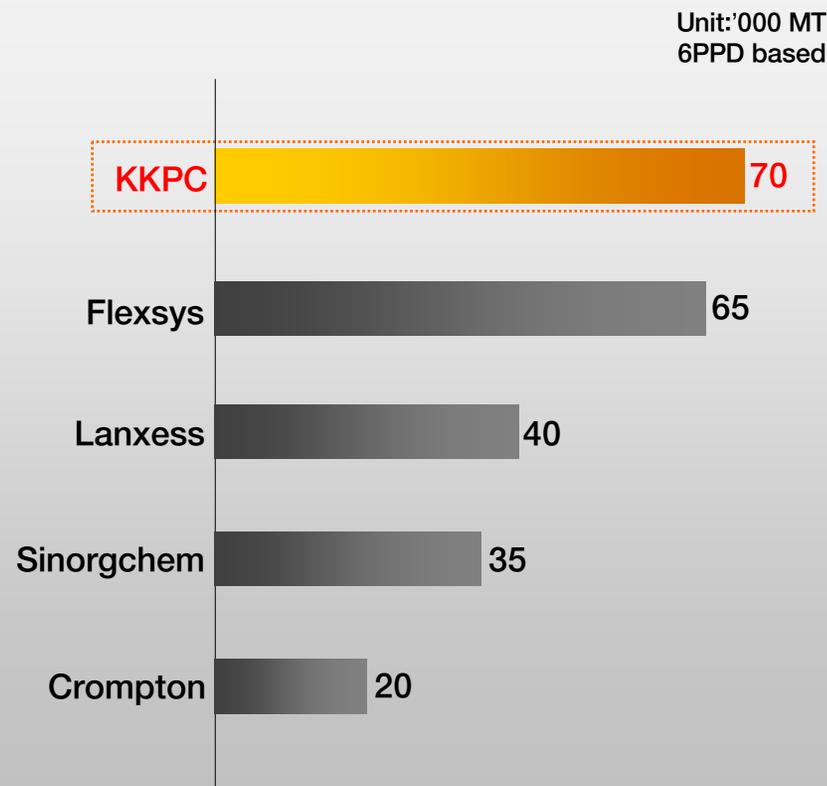
- Synthetic Rubbers : KKPC raising to an industry-leading (April 2009)
→ Moving share of global market into over 10%
- Specialty Chemicals : KKPC boosting capacity to an industry-high (Sept. 2008, 6PPD 70,000MT)

Capa. of Synthetic Rubbers (Dec. 2009)



※ Source : IISRP 2009, except SSBR

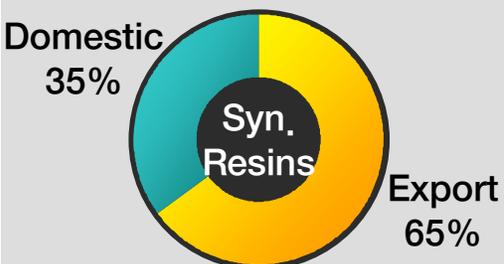
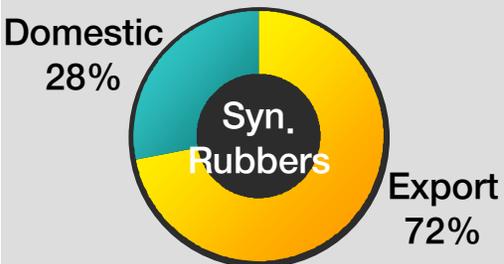
Capa. of Specialty Chemicals (Dec. 2009)



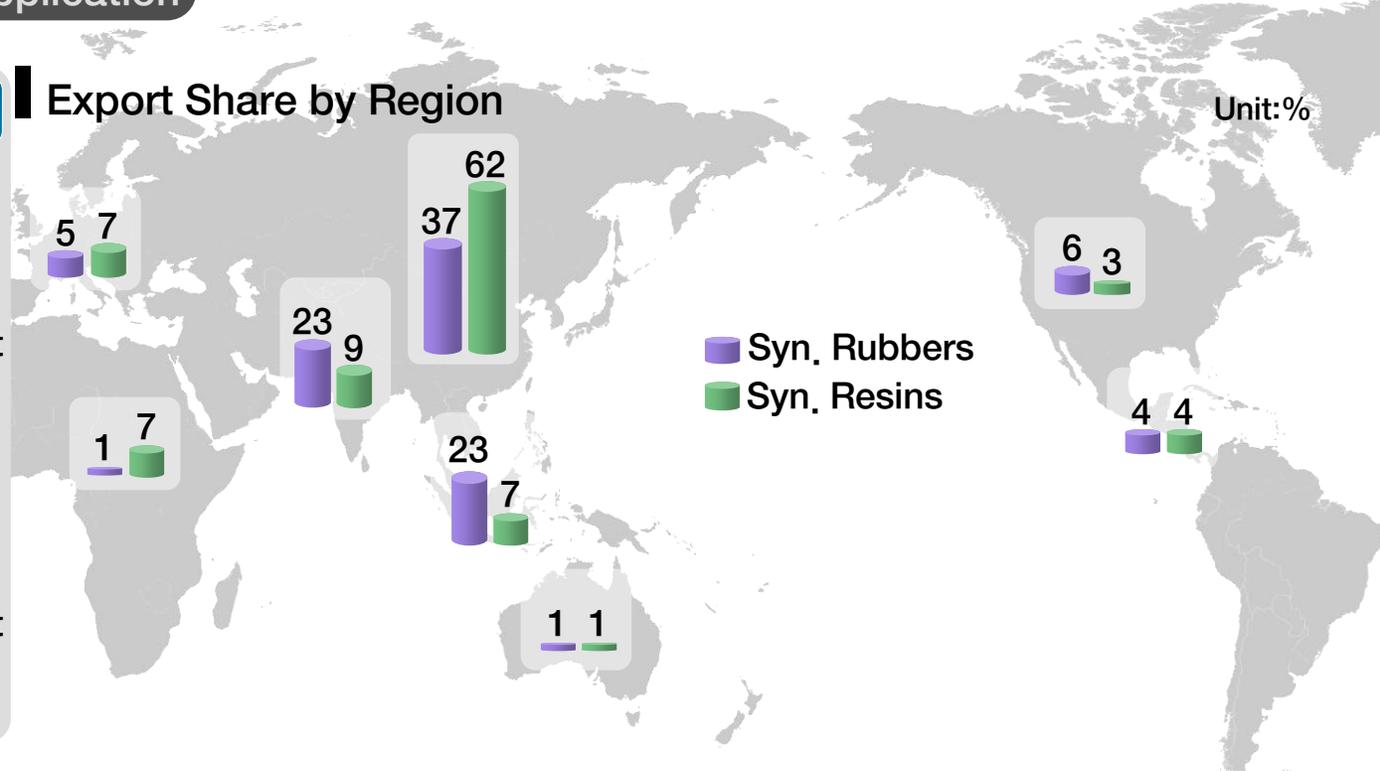
Sales Status

Sales by Region & Application

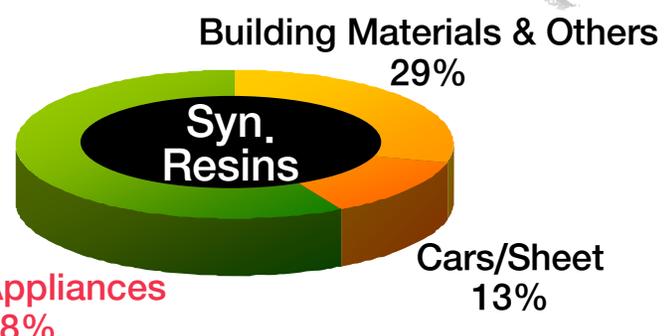
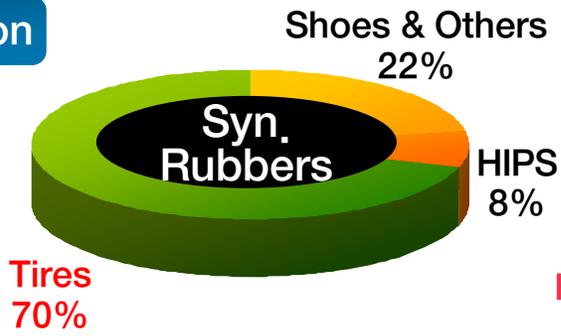
'10,1Q Sales Breakdown



Export Share by Region

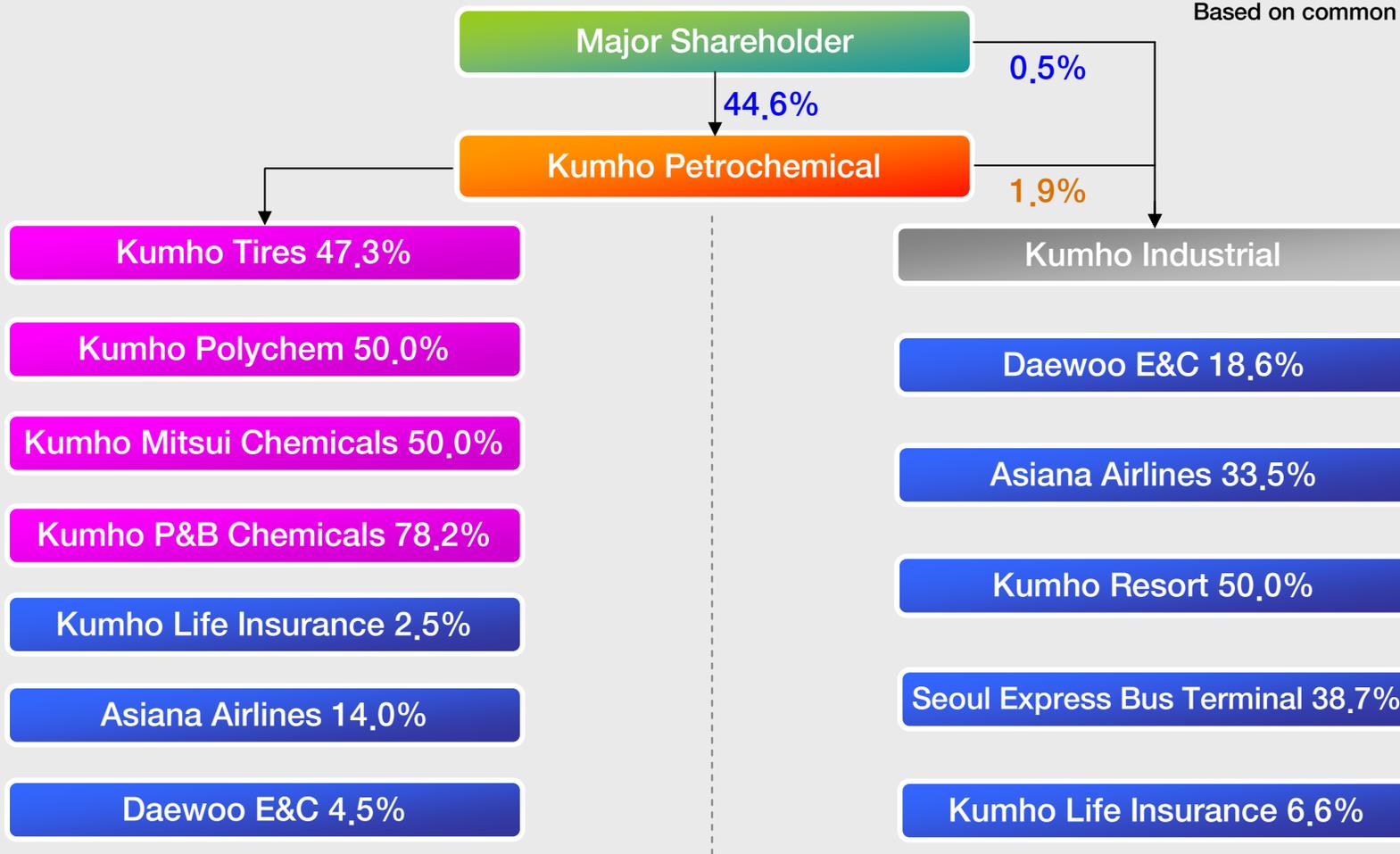


Sales Share by Application



Ownership Structure

※ As of 17 May, 2010,
Based on common shares



Q & A