



INVESTOR RELATIONS 2011 1Q

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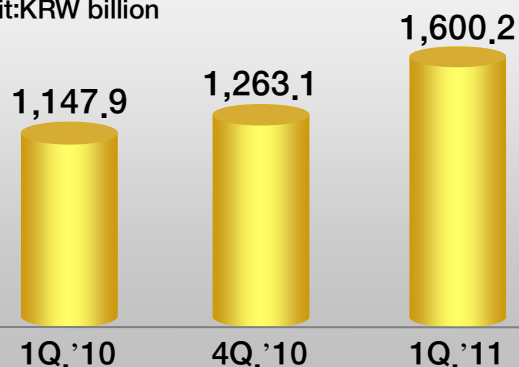
1Q, 2011 Overview

Sales & Operating Income

- Sales increased by 39.4%(YoY) on the previous quarter to 26.7%, KRW 1,600.2 billion.
- Operating Income increased by 128.8%(YoY) on the previous quarter to 78.7%, KRW 286.4 billion.

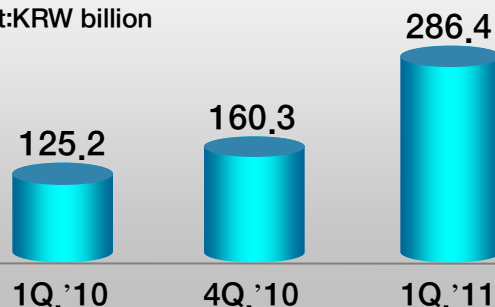
Sales

Unit:KRW billion



Operating Income

Unit:KRW billion



1Q, 2011 Performance

(Unit:KRW billion)

	1Q.'11	4Q.'10	1Q.'10	Change Ratio	
				QoQ	YoY
S a l e s	1,600.2	1,263.1	1,147.9	26.7%	39.4%
[Syn. Rubbers]	787.7	591.0	497.9	33.3%	58.2%
[Syn. Resins]	346.2	316.0	288.3	9.6%	20.1%
[O t h e r s]	466.3	356.1	361.7	30.9%	28.9%
Phenol Derivatives	348.2	294.4	282.9	18.3%	23.1%
Specialty Chemicals	49.4	27.5	32.5	79.6%	52.0%
E n e r g y	41.7	25.2	37.6	65.5%	10.9%
O t h e r s	27.0	9.0	8.7	200.0%	210.3%
Operating Income	286.4	160.3	125.2	78.7%	128.8%
[%]	17.9	12.7	10.9	-	-
Income before Income Taxes	277.8	143.3	109.7	93.9%	153.2%
Net Income	196.2	42.5	83.3	361.6%	135.5%
Gain/Loss on Valuation of Equity Method Investments	15.5	14.6	6.5	6.2%	138.5%

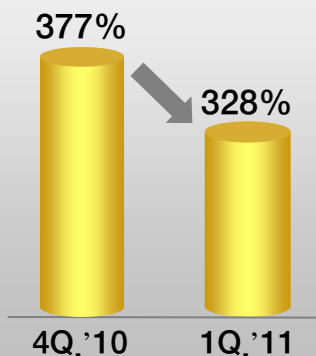
Financial Highlights

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- Decreases in debt to equity ratio due to increase equity following upwards of profit.
- Increases in interest coverage ratio following improvement of sales and operating income.

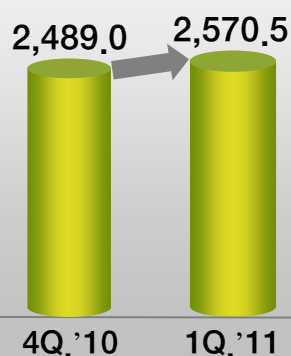
Debt to Equity Ratio

(Unit:%)



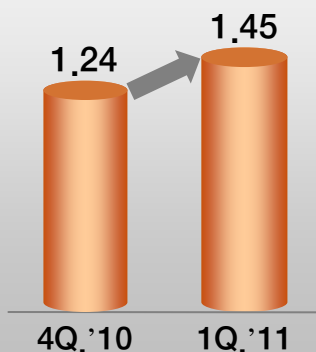
Borrowings

(Unit:KRW billion)



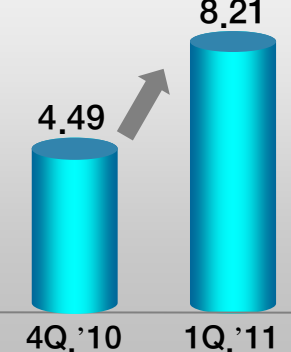
Asset Turnover Ratio

(Unit:Times)



Interest Coverage Ratio

(Unit:Fold)



	Unit	1Q.'11	4Q.'10	1Q.'10	Change Ratio	
					QoQ	YoY
Assets	KRW bil.	4,421.6	4,083.5	3,880.5	8.3%	13.9%
Liabilities	KRW bil.	3,388.5	3,227.8	3,327.1	5.0%	1.8%
Shareholders' Equity		1,033.1	855.7	553.4	20.7%	86.7%
Controlling Interests	KRW bil.	951.7	787.7	511.3	20.8%	86.1%
Non-Controlling Interests		81.4	68.0	42.1	19.7%	93.3%
Debt to Equity Ratio	%	328	377	601	-	-
Borrowings		2,570.5	2,489.0	2,601.9	3.3%	-1.2%
Won-Denominated	KRW bil.	2,019.5	1,958.5	1,998.1	3.1%	1.1%
Foreign Currency-Denominated		551.0	530.5	603.8	3.9%	-8.7%
Asset Turnover Ratio	Times	1.45	1.24	1.18	16.9%	22.9%
Interest Coverage Ratio	Fold	8.21	4.49	3.38	82.9%	142.9%

Performance Results for Synthetic Rubbers

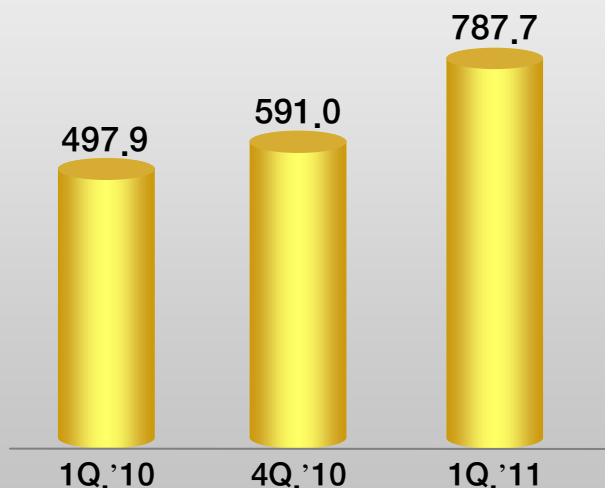
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Synthetic Rubbers

- Sales increased 33.3% to KRW 787.7 billion(49.2% of total sales).
- Sales profit increased due to strong position and in demand from Tire/Non-Tire makers.

Sales

Unit:KRW billion



1Q, 2011 Performance

- Strong position in BD price
 - Decrease in supply from some NCC experiencing trouble and conducting Annual S/D
- BD price changes by region

(Unit:USD/Ton)

	10.'10	11.'10	12.'10	01.'11	02.'11	03.'11
Asia	1,856	2,020	2,060	2,156	2,418	2,668
N. America	1,755	1,874	2,014	2,260	2,370	2,513
Europe	1,545	1,748	1,827	1,949	2,121	2,269

- Strong position in synthetic rubber prices
 - Strong demand from Tire/Non-Tire makers pushed synthetic rubber prices to be upwards
 - Improvement profitability due to spread expansion between BD price and selling price

(Unit:USD/Ton)

	10.'10	11.'10	12.'10	01.'11	02.'11	03.'11
SBR	2,255	2,480	2,666	2,981	3,297	3,582
BR	2,875	3,153	3,576	3,882	4,088	4,269

* Source: ICIS/PLATTS 2010, 2011

Performance Results for Synthetic Resins

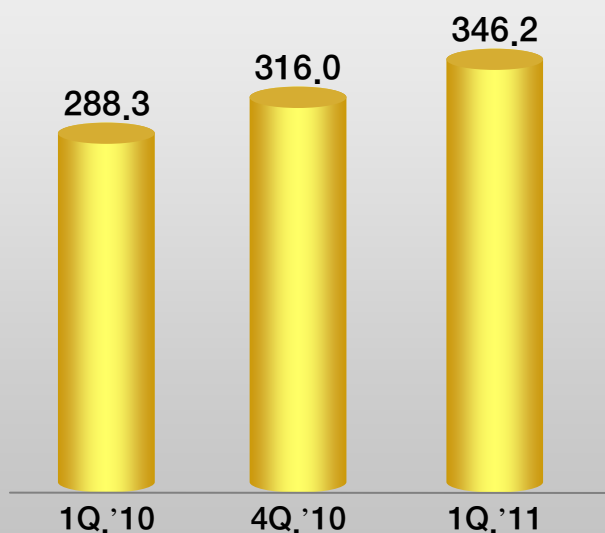
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Synthetic Resins

- Sales increased 9.6% to KRW 346.2 billion(21.6% of total sales).
- Improved profitability due to increase in Downstream demand and sales following strong position in SM prices.

Sales

Unit:KRW billion



1Q, 2011 Performance

- SM price faced weakened continuously due to :
 - SM price weakened due to retrenchment policy in China
- SM price changes

(Unit:USD/Ton, CFR China)

	10.'10	11.'10	12.'10	01.'11	02.'11	03.'11
SM	1,269	1,270	1,318	1,385	1,440	1,393

- Strong position in synthetic resin prices
 - Increase in demand due to higher operation in automobile and home appliances
 - Increase in ABS-related product prices due to raw material (BD/AN) prices upwards

(Unit:USD/Ton)

	10.'10	11.'10	12.'10	01.'11	02.'11	03.'11
PS	1,282	1,374	1,356	1,420	1,450	1,514
ABS	2,003	2,129	2,169	2,223	2,267	2,317

* Source: PLATTS 2010, 2011

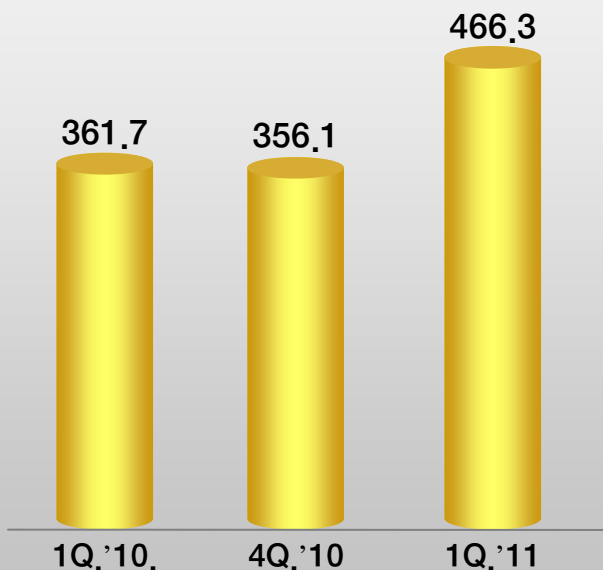
Performance Results for Others

Others

- Sales increased 30.9% to KRW 466.3 billion(29.2% of total sales).
- Phenol Derivatives : PC/Epoxy Resin's demand increases, tightened supply in Asia.

Sales

Unit:KRW billion



1Q, 2011 Performance

- Phenol Derivatives
 - Limited supply due to US/Europe's plant trouble
 - Strong prices due to tightened supply in Asia
- Specialty Chemicals
 - Demand for 6PPD grew due to increase demand of Tire makers
 - Selling price up on feedstock(4-ADPA) price rising
 - Established a base for market expansion after winning the Flexsys suit

Main Business Activities

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Strengthened Synthetic Rubber Market Position

- Completion of Expansion : 120,000MT/Y(Yeosu), Jan. 2011
- Total Investment : KRW 171.7 billion
- Total Capa. Of SBR/BR : 823,000MT/Y
- World's No.1 Maker of Synthetic Rubbers Capa.(SBR/BR based)

(Unit:'000 MT)

	Apr. '09	Jan. '11	Note
SBR	481	481	-No.1:KKPC(823)
BR	222	342	-No.2:Lanxess(702)
Total	703	823	-No.3:SINOPEC(694)

Conclusion of MOU for foundation of BD J/V

- Conclusion of MOU with Philippines JGSPC(Mar. 16, 2011)
- Strong position in synthetic rubber through increasing self-sufficiency for synthetic rubber field
- Location : Near NCC Batangas, Philippines

Spurring Building Materials Business

- Capacity : ABS window system(included PVC) 16,000MT/Y
- Total Investment : KRW 22.8 billion
- Completion : Mar. 23, 2011
- Projection to increase sales : KRW 120 billion(2011), KRW 1 trillion(2015)



Outlook

● Synthetic Rubbers

- Strong synthetic rubber prices due to synthetic rubber demand from Tire & Non-Tire makers
- Expanded M/S, sales & operating income following full selling of completion of expansion HBR 12MT/Y
- Maintaining of 1Q profitability through increase in the 2Q sales prices reflecting BD price trend
- Strong BD prices due to increase in demand following new Downstream(LG/Lugang) operation

● Synthetic Resins

- Maintaining 1Q sales trend in the peak season of home appliances(A/C, refrigerator, etc)
- Targeting 1Q profit level through flexible pricing and focusing on high value-added products
- Expecting fluctuation of SM price due to EPS-related Downstream following combustibility regulatory policy in China

● Others

- Phenol Derivatives
 - Maintaining tightened of supply due to Annual S/D and drop of operating ratio following Japanese earthquake
- Specialty Chemicals
 - Improved profitability through continued high rate of operation for expanded sales in new demanders and through increases in sales prices

Income Statement

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(Unit:KRW billion)

	1Q,'11	4Q,'10	1Q,'10	Difference			
				QoQ		YoY	
				Cost	Ratio	Cost	Ratio
Sales	1,600.2	1,263.1	1,147.9	337.1	26.7%	452.3	39.4%
Operating Income	286.4	160.3	125.2	126.1	78.7%	161.2	128.8%
<i>(Operating Margin)</i>	<i>17.9%</i>	<i>12.7%</i>	<i>10.9%</i>	<i>5.2%p</i>	-	<i>7.0%p</i>	-
<i>Net Interest Expense</i>	<i>24.1</i>	<i>31.5</i>	<i>22.1</i>	<i>-7.4</i>	<i>-23.5%</i>	<i>2.0</i>	<i>9.0%</i>
<i>Gain/Loss on Valuation of Equity Method Investments</i>	<i>15.5</i>	<i>14.6</i>	<i>6.5</i>	<i>0.9</i>	<i>6.2%</i>	<i>9.0</i>	<i>138.5%</i>
Income before Income Taxes	277.8	143.3	109.7	134.5	93.9%	168.1	153.2%
<i>(Ordinary Income Margin)</i>	<i>17.4%</i>	<i>11.3%</i>	<i>9.6%</i>	<i>6.1%p</i>	-	<i>7.8%p</i>	-
Net Income	196.2	42.5	83.3	153.7	361.6%	112.9	135.5%
<i>(Net Income Margin)</i>	<i>12.3%</i>	<i>3.4%</i>	<i>7.3%</i>	<i>8.9%p</i>	-	<i>5.0%p</i>	-

Balance Sheet

(Unit:KRW billion)

	1Q.'11	4Q.'10	1Q.'10	Difference	
				QoQ	YoY
1. Current Assets	1,731.4	1,403.1	1,304.8	328.3	426.6
- Cash	173.7	150.8	40.5	22.9	133.2
2. Non-Current Assets	2,690.2	2,680.4	2,575.7	9.8	114.5
Total Assets	4,421.6	4,083.5	3,880.5	338.1	541.1
1. Current Liabilities	2,670.2	2,239.6	2,635.5	430.6	34.7
2. Non-Current Liabilities	718.3	988.2	691.6	-269.9	26.7
■ Interest Bearing Liabilities	2,570.5	2,489.0	2,601.9	81.5	-31.4
- Short-Term Debts	1,892.1	1,536.7	2,029.5	355.4	-137.4
- Long-Term Debts	678.4	952.3	572.4	-273.9	106.0
■ Non-Interest Bearing Liabilities	818.0	738.8	725.2	79.2	92.8
Total Liabilities	3,388.5	3,227.8	3,327.1	160.7	61.4
1. Common & Preferred Stock	142.2	142.2	142.2	-	-
Total Shareholder Equity	1,033.1	855.7	553.4	177.4	479.7
Net Debt Ratio	232.0%	273.2%	462.8%	-41.2%p	-230.8%p
Long-Term Debts to Total Debts Ratio	26.4%	38.3%	22.0%	-11.9%p	4.4%p
Current Ratio	64.8%	62.6%	49.5%	2.2%p	15.3%p
Total Liabilities to Equity Ratio	328.0%	377.2%	601.2%	-49.2%p	-273.2%p

Production Capacity

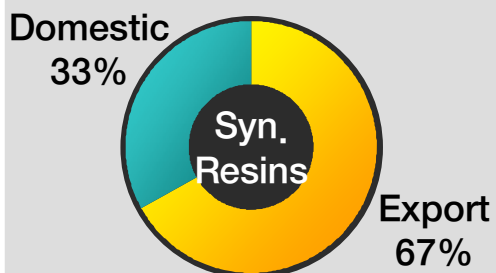
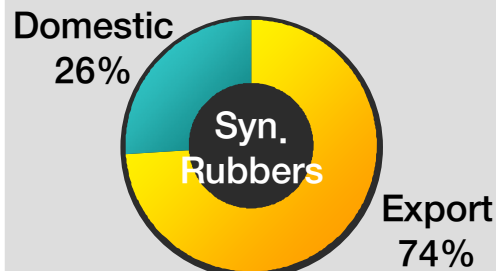
	Product	Capa.	Unit	Note
Synthetic Rubbers	SBR	481,000	MT/Y	Completion of Expansion : 80,000MT/Y(Ulsan), Sept. 2012
	HBR	287,000		Completion of Expansion : 120,000MT/Y(Yeosu), Jan. 2011
	LBR	55,000		
	NBR	50,000		
	HSR	10,000		
	SB Latex	70,000		
	SBS	70,000		
	Total	1,023,000		
Synthetic Resins	PS	227,500	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	
	Electricity	186	MWH	
BD	Ulsan Plant	90,000	MT/Y	
	Yeosu Plant	147,000		
	Total	237,000		

Sales Status

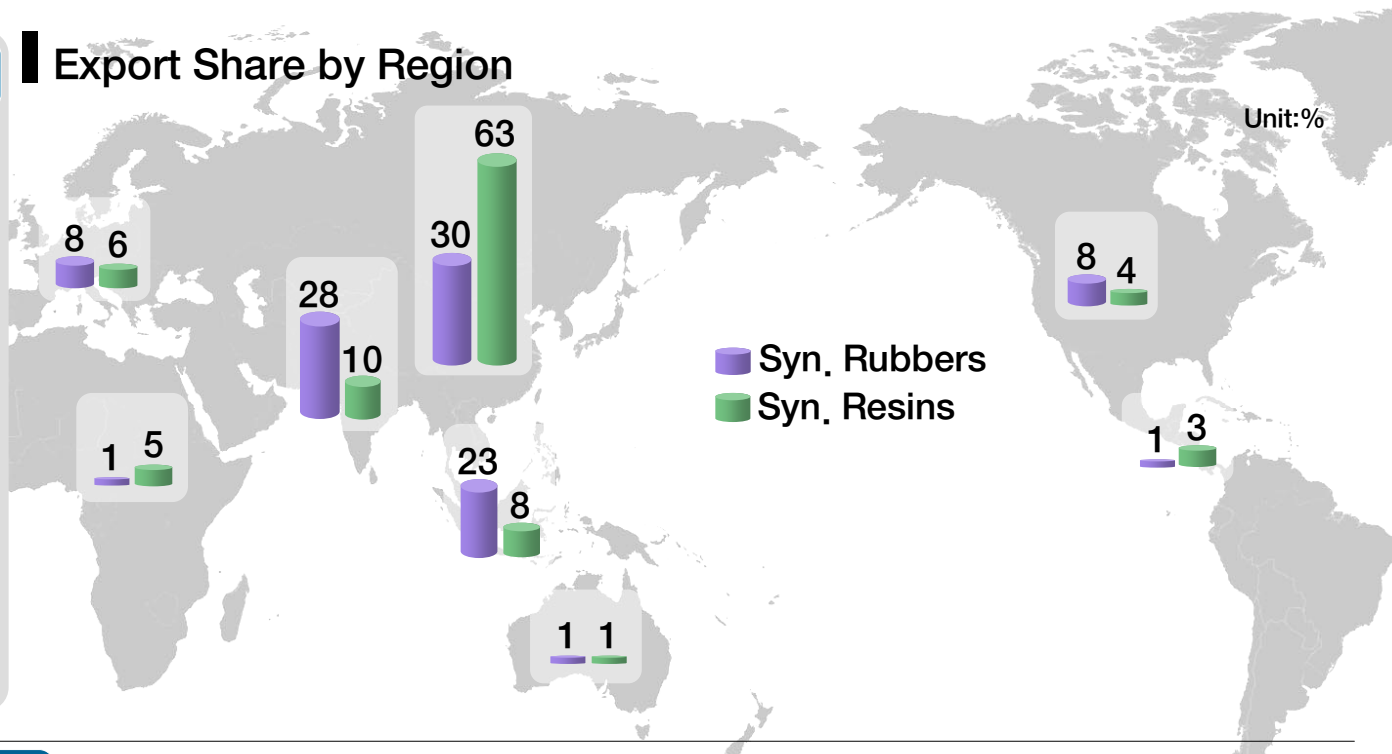
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Sales by Region & Application

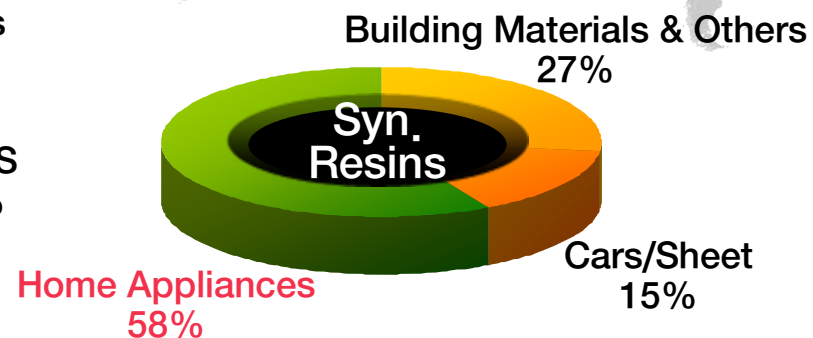
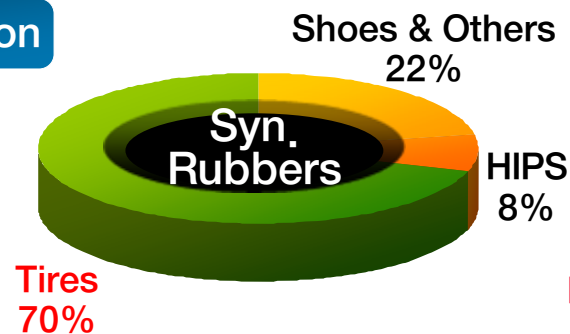
1Q.'11 Sales Breakdown



Export Share by Region

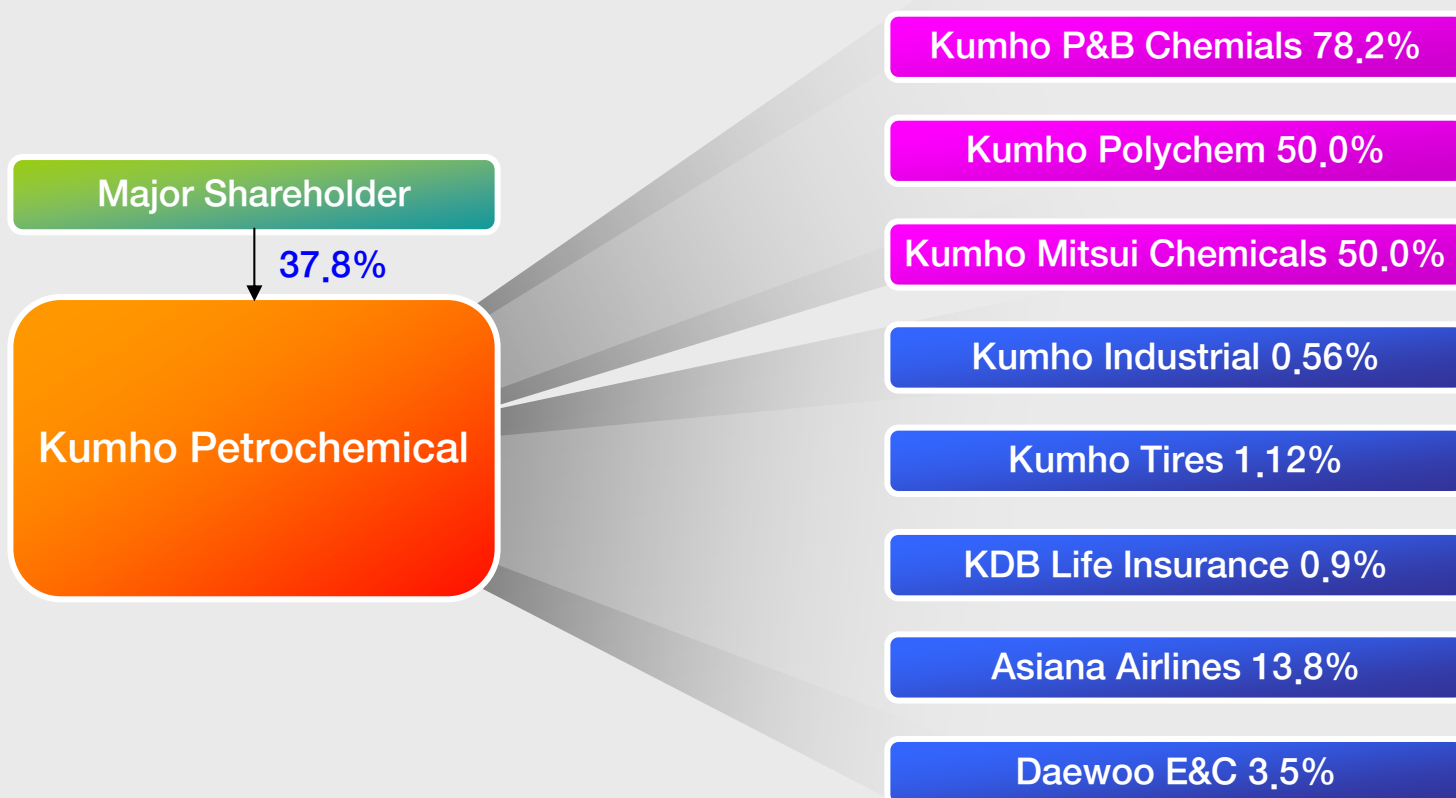


Sales Share by Application



Investments in affiliates

※ As of 07 June 2011,
Based on common shares



Q & A