



The Year Ahead

Global trade and economic growth are projected to continue to be weak in 2013 as the unfolding Eurozone financial crisis and weak consumer confidence continue to take their toll. Although the Korean chemical industry is currently experiencing difficulties due to the global economic slowdown and weak consumption in China, any improvements in the global economic situation are expected to boost both profitability and growth. However, there are significant concerns that demand for petrochemicals in China, a market we have relied on to drive growth due to stagnant demand in Korea, is now facing a structural decline in demand as well as that major petrochemical investments driven by the shale gas boom in the US will result in market oversupply.

Despite the challenging business environment we face, we have set an ambitious target of increasing sales by more than 10% in 2013 as we focus on reinforcing our regained managerial independence following our graduation from the MOU with our creditor banks. Toward this end, we will improve our corporate structure to enable us to better respond to change as we upgrade our research, production, and sales strategies to join our chemical affiliates in making 2013 a watershed year in accelerating progress toward our vision of becoming a global leading chemical group.