

# SHAREHOLDER VALUE

With the global economic recovery in full swing in 2010, stock markets everywhere made sharp gains. KKPC shares far outperformed the KOSPI and other indexes. Our provision of transparent and impartial information on our business position and prospects enabled our shares to achieve a proper valuation during the year as we continued to strive to enhance shareholder value.

## Capital Market Overview

In 2010, a gradual improvement in consumer sentiment and expansionary monetary policies in every country to stimulate economies in the wake of the 2008 global financial crisis helped accelerate the global economic recovery. Exchange rates stabilized and low-interest policies put in place to stimulate the economy continued. Although the KOSPI index fell to 1,561 points in May on fears that the financial crisis that started in Greece would spread across Europe, it recovered in the second half of the year to close up 21.9% at 2,051 points.

## Share Performance

Our shares started the year at KRW 20,650 and initially headed downward as the market focused on uncertainty surrounding the Kumho Asiana Group rather than our corporate value or sales performance. That uncertainty was resolved in March 2010 when Chan-Koo Park was re-appointed chairman and announced that KKPC would separate from the Kumho Asiana Group and transform itself into a specialized chemical group. Shortly afterward,

the market focus quickly shifted to our rapidly improving business results, igniting a sharp rally that propelled our shares up 337.8% to close the year at KRW 90,400. This performance easily outperformed the KOSPI and chemicals indexes, which rose 21.9% and 55.2%, respectively. We are confident that we will once again achieve a record-setting performance in 2011 and that our share value will continue to rise as the markets re-evaluate our true corporate worth.

## IR Initiatives

Our active IR focus is on earning a fair corporate valuation from the market through timely disclosure of business results and pending issues and building relationships of trust with investors to win over quality long-term investors. In 2010, a year in which we signed MOUs with creditor banks related to the company normalization plan, we focused on one-on-one meetings with both local and foreign institutional investors to improve market participant understanding of how Kumho Asiana Group risk had been resolved as well as publicize the improved



business performance of us and our chemical affiliates. In addition to a non-deal roadshow in Korea in November and quarterly conference calls for foreign investors, we participated in an active calendar of conferences and corporate days throughout the year. In the interest of providing fair, transparent, and timely disclosure to all investors, we also continued to expand the scope of information available on our IR website.

### Share Dividend

It is our policy to consistently return a fair and reasonable portion of our profits to our investors. We determine this dividend based on a number of factors, including profit size, future investment plans, and current financial structure. Although the board decided to forego a cash dividend for fiscal 2009 due to a major valuation loss on equity-method investments and a temporary liquidity squeeze, our solid performance and improved outlook enabled it to declare a cash dividend of KRW 1,000 per share for fiscal 2010, 33.3% higher than our 2008 dividend.

### Annual Report Recognition

Our 2009 annual report was recognized by a number of prestigious awards competitions in 2010. We took Silver at the 2010 ARC Awards and Gold at the 2010 Galaxy Awards, both hosted by MerComm. We also took Gold at the 2009 Vision Awards (28th overall) and Platinum at the 2010 Spotlight Awards (26th overall), both hosted by the League of American Communications Professionals (LACP). This strong showing with awards in the four major annual report competitions raised our profile in global capital markets, further enhancing our credibility with the investment community.

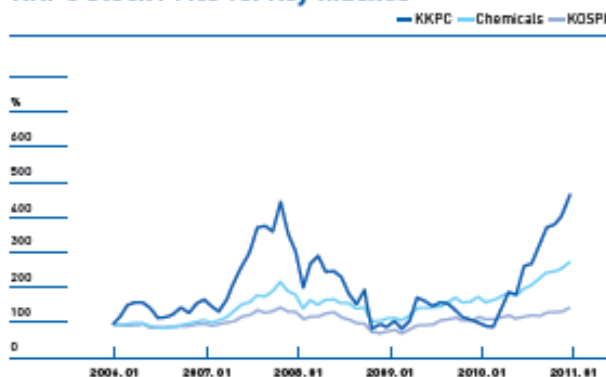
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## Key Figures

	2010	2009
<b>SHARE DATA</b>		
Number of Shares	28,447,933	28,447,933
Common Shares	25,424,447	25,424,447
Preferred Shares	3,023,486	3,023,486
Market Capitalization in KRW Millions	2,378,190	545,635
Credit Rating from Korea Information Service	BBB0	BBB-
<b>PER SHARE DATA (IN KRW)</b>		
Net Income	23,611	-31,003
Book Value	44,389	26,982
Dividend	1,000	-
Share Price		
Year-End	90,400	20,650
High	91,100	40,300
Low	16,100	15,500
<b>SHAREHOLDER STRUCTURE</b>		
Major Shareholders	40.12%	46.84%
Free Float	37.89%	31.17%

## KKPC Stock Price vs. Key Indexes



## KKPC Stock Performance in 2010

