

2010 OVERVIEW

At KKPC, we recorded our best operating performance of our 40-year history in 2010 with sales of KRW 3,886.3 billion and an operating profit of KRW 359.6 billion. This performance was driven by the record-setting operating results of our synthetic rubbers business, which benefitted from higher demand and prices due to tighter supply as the global tire industry increased its operating ratio. Our synthetic resins business also increased profitability by improving process efficiency and meeting increased demand as the home appliance and auto industry operating ratios rose and the 2010 World Cup in South Africa and the 2010 Guangzhou Asian Games were held. Our chemical affiliates also enjoyed an upturn, providing a valuation gain, while the sale of Kumho Life Insurance and a capital reduction and debt-equity swap at Kumho Industrial

and Kumho Tires generated income from the disposal of investment assets, enabling us to post a record net income of KRW 471.4 billion for the year.

In 2010, we also accelerated improvements to our financial structure to execute our company normalization plan in accordance with MOUs signed with creditor banks and announced our intention to separate from the Kumho Asiana Group, resolving remaining group-related risk. This allowed capital markets to shift their focus to the outstanding business performances of us and our chemical affiliates, boosting our shares 338% to close the year at KRW 90,400 with a market cap of over KRW 2 trillion as we joined the KOSPI 100 for the first time.

Sales by Market



Exports by Region

