

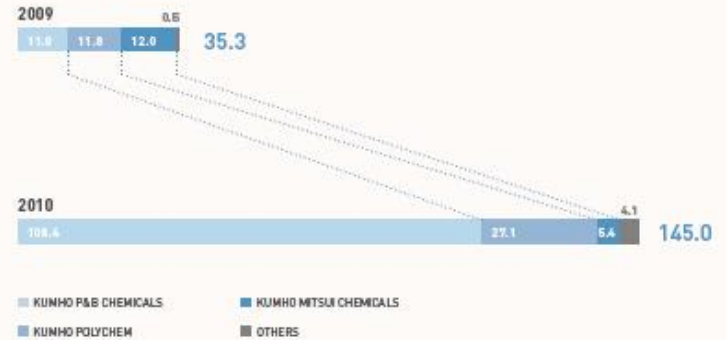
05 RISING GAINS ON VALUATION OF EQUITY-METHOD INVESTMENTS



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GAINS ON VALUATION OF EQUITY-METHOD INVESTMENTS FROM CHEMICAL AFFILIATES

(In KRW billions)



In 2009, we recorded a KRW 733.5 billion loss on valuation of equity-method investments in Kumho Industrial, Kumho Tires, and Asiana Airlines, resulting in the largest net loss in our history. In 2010, we designated equity holdings in most non-chemical affiliates as available-for-sale securities, transforming ourselves into a specialized chemicals group. As a whole, our chemical affiliates—Kumho P&B Chemicals, Kumho Polychem, and Kumho Mitsui Chemicals—improved their performance during the year, increasing our gain on valuation of equity-method investments from KRW 35.3 billion in 2009 to KRW 145 billion in 2010. And we anticipate even greater gains in 2011.