

Investor Relations 2009



# KUMHO ASIANA



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KUMHO ASIANA Investor Relations 2009

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**KUMHO ASIANA GROUP**  
**KUMHO INDUSTRIAL**  
**KUMHO PETROCHEMICAL**  
**ASIANA AIRLINES**  
**KUMHO TIRES**  
**DAEWOO E&C**  
**KOREA EXPRESS**

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# KUMHO ASIANA GROUP

INVESTOR RELATIONS 2009

1. Overview
2. 2008 Business Performance
3. 2009 Business Plan
4. Appendix

• This document is provided for the convenience of investors and contains audited 2008 financial data that may be amended in the case of revision to the audit report.  
• While every care has been taken to ensure the reasonableness of our estimates, 2009 prospects data is based on necessary assumptions and thus may differ from the final reported results.

## Highlights 2008

### Kumho Industrial

- No.1 among the top 20 construction companies with the lowest accident rates (0.06%) in 2007 (Ministry of Labor, July 1)
- Ground breaking of Kumho Asiana Main Tower (August 31) - 8 FL. underground / 27 FL. above ground, Total floor area 18,360 pyeong

### Kumho Petrochemical

- Establishment of sales subsidiary in China for business expansion (June 1)
- Ground breaking of PO/PPG/CS plants in Nanjing, China (June 28) - US \$113M, Annual production capacity PO 80,000 tons, PPG 50,000 tons, CS 100,000 tons
- Establishment of XPS China J/V company - US \$29.2M, XPS Annual production capacity 12,800 tons
- Construction of the 2nd Combined Heat and Power Plant - KRW 216 billion, 500T/H, 119MWH

### Asiana Airlines

- Invested in Air Busan (February) and launched Gimpo-Busan, Busan-Jeju routes (October 27)
- Delisted from KOSDAQ and listed on KOSPI (March 28)
- Launched Paris-Incheon route (March 31)
- Introduced new aircrafts : Total 6 aircrafts introduced inc. A320-200 (Total 68 aircrafts)
- Received 'ATW, Airline of the Year' Award (January 2009)

### Kumho Tires

- Groundbreaking of Binh Duong plant, Vietnam (March 5) - US \$199M, Annual production capacity 3.15 million tires
- Opened the first 'Tire Pro' Flagship store, a retail brand in Shanghai, China (April 11)
- Groundbreaking of TBR plant in Nanjing, China (November 7) - US \$100M, Annual production capacity 0.3 million tires
- Newly built a warehouse in New Jersey (November 17) - Boost sales in Northeast region (Loadage : 0.2 million tires)
- Groundbreaking of Tianjin plant 2nd phase, China (December 31) - US \$453M, annual production capacity 13 million tires

### Daewoo E&C

- No.1 in 2008 Construction Capability Evaluation for three consecutive years (Ministry of Land, Transport and Maritime Affairs, Announced on July 31)
- Underwater construction of tunnel parts for GK Fixed Link (June 17)

### Korea Express

- Became an affiliated company of Kumho Asiana Group (April 1) : Securing a growth engine for the Group transportation/distribution business
- Integrated operations of Korea Integrated Freight Terminal, KECI and Airport Development (May 1)
- Responsible for the Group distribution, Maximizing synergy
- Started inland transportation business in China (October 8) : Shanghai↔Wuxi, Tianjin↔Beijing, Hong Kong↔Shenzhen
- Maximized car rental business synergy through acquisition of business unit of Kumho Rent-A-Car (December 13)

# History

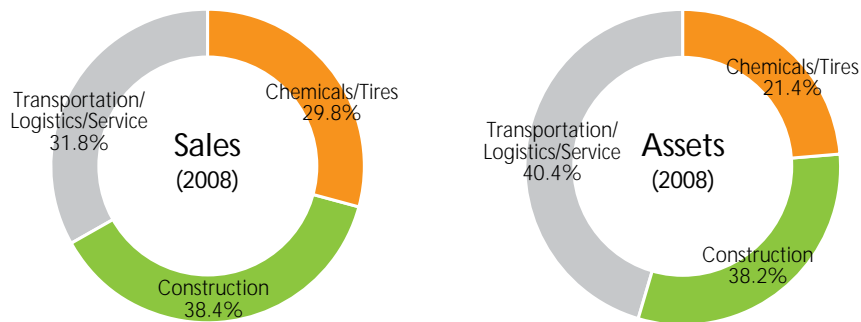
## ■ Group History

2006 ~ Group's 60th Anniversary	<p>2009 • Establish a foundation for stability and growth</p> <p>2008 • Building a foundation for a 500-year period of sustainable growth - Setting up a basis for a takeoff towards general logistics group (Acquisition of Korea Express)</p> <p>2007 • Aiming for the top</p> <p>2006 • Stability and drive for the future (Group's 60th anniversary) - Selection and focus - New growth engines (Acquisition of Daewoo E&amp;C)</p>
2001 ~ 2005 Springboard for Further Growth	<p>2005 • Springboard for further growth (Expansion of tire, construction, transportation and service businesses) Listing Kumho Tires in London and Seoul</p> <p>2004 • Launch of logistics business (KIFT and HIFT become affiliates of the Group)</p> <p>2003 • Restructuring completed - Disposal of divisions and assets, strengthening of business operations - Debt restructuring, improvement in debt ratio</p>
1990 Globalization	<p>1991 • Institution of global management system - J/V established with express bus service providers in China - Establishment of Nanjing Kumho Tires, etc.</p> <p>1990 • Establishment of Kumho Rent-A-Car</p>
1980 Company Reorganization	<p>1988 • Establishment of Asiana Airlines</p> <p>1986 • Establishment of chemical J/V including Kumho Polychem</p> <p>1984 • Completed the first round of restructuring</p>
1970 Period of Growth	<p>1977 • Establishment of Kumho Asiana Cultural Foundation</p> <p>1970 • Establishment of Kumho Petrochemical, entered construction and finance businesses</p>
1960 Setting the Base for Development	<p>1960 • Establishment of Kumho Tires</p>
1946~1950 Establishment of Business	<p>1959 • Establishment of Jookho Academy, an educational foundation</p> <p>1949 • Establishment of Kumho Express</p> <p>1946 • Establishment of Gwangju Taxi Corporation</p>

## Group Overview

### Group Size

- Recording respectable results and maintaining balanced sales volume & assets size for each division

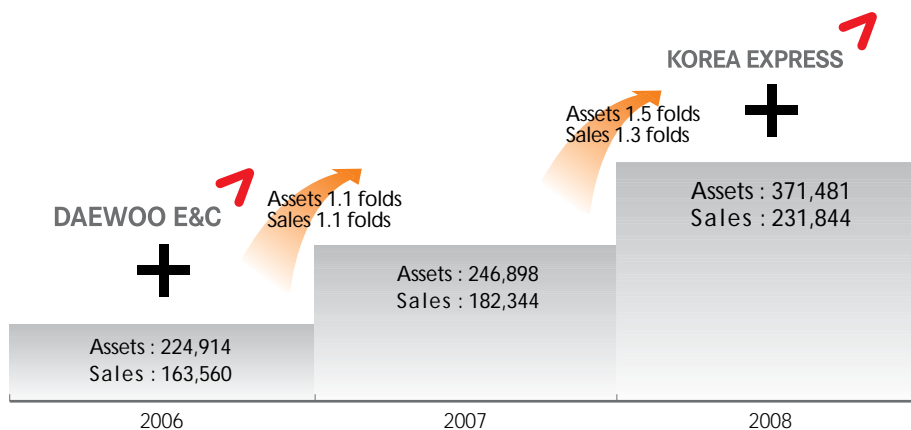


### Major Affiliates by Business

Chemicals/Tires	Construction	Transportation/Logistics/Service
<ul style="list-style-type: none"> <li>Kumho Petrochemical</li> <li>Kumho Tires</li> <li>Kumho P&amp;B Chemicals</li> <li>Kumho Mitsui Chemicals</li> <li>Kumho Polychem</li> </ul>	<ul style="list-style-type: none"> <li>Kumho Industrial (Construction Division)</li> <li>Daewoo E&amp;C</li> <li>Kumho Steel Tech</li> </ul>	<ul style="list-style-type: none"> <li>Kumho Industrial (Express Bus Division)</li> <li>Asiana Airlines</li> <li>Korea Express</li> <li>Asiana IDT</li> <li>AAS Airport</li> <li>Kumho Trading</li> <li>Incheon Airport Energy</li> <li>Kumho Resort</li> </ul>

- Kumho Industrial converted into a holding company : January 1, 2007
- Kumho Asiana Group Affiliates : 48 companies (As of March, 2009)

(Unit : KRW 100 million)



## Group Overview

### Business Profile

Chemicals/Tires	Kumho Petrochemical	Established in 1970, Kumho Petrochemical develops synthetic rubbers, synthetic resins, specialty chemicals, combined heat and power plants and electronic chemicals
	Kumho Tires	Established in 1960, Kumho Tires is the world top 10 tire producer based on continuous investments, R&D activities and a strong overseas network, exporting tires to 180 countries
	Kumho P&B Chemicals	Kumho P&B Chemicals is an overseas J/V company with Nippon Steel Chemical in Japan, producing industrial raw materials such as phenol, acetone, MIBK, BPA, epoxy
Construction	Kumho Industrial (Construction Division)	Established in 1967, the division became one of the top domestic constructors, exhibiting capabilities for 40 years period in various fields such as apartments, civil engineering, architecture, SOC, plants and environmental business
	Daewoo E&C	Established in 1973, Daewoo E&C offers the best technology and quality for diverse industries and living facilities including overseas civil engineering, construction, plant and housing for 30 years period
Transportation/Logistics/Service	Kumho Industrial (Express Bus Division)	Entering the transportation industry in 1946 with only two taxis, Express Bus division is the root of Kumho Asiana, constantly providing transportation service to passengers
	Asiana Airlines	Entering the industry in 1988 as a second civil aviation airline in Korea, Asiana Airlines is a representative of airline industry in Korea and Asia providing convenient schedule and unique service to customers
	Korea Express	Since the foundation, Korea Express is No.1 in logistics business, operating in general logistics businesses such as TPL, stevedoring, international logistics, parcel deliveries and car rentals
	(Kumho) Car Rental Business	Kumho provides superior car rental services based on affiliation with the world largest car rental company, Hertz. In Korea, Kumho currently possesses 39,000 rental cars in 140 networks and is No.1 in car rental business
	Kumho Resort	Kumho Resort, a general leisure company engaged in resort business, operates theme parks, domestic & overseas golf courses and hotel businesses

## Group Overview

### ■ ■ Top-Tier Companies Establishing Market Presence

Company	Field	Ranking	Market Share	Competitors
Daewoo E&C	Construction	1	KRW 8,927.2 billion	Samsung C&T Corp (No.2) KRW 7,733.8 billion
Kumho Industrial (Construction)	Construction	13	KRW 1,933.2 billion	
Construction Total			KRW 10,860.4 billion	
Korea Express	Parcel Delivery	1	160 million parcels	Hyundai Express (No.2), 140 million parcels
	Stevedoring	1	15.1%	Hanjin (No.2) 9.0%
	Transportation	1	34.0%	Dongbu (No.2) 19.9%
	Kumho Rent-A-Car (Authorized Rent Cars)	1	49,316 vehicles (24.5%)	Ajoo Auto Rental (No.2) 32,968 cars
Kumho Petrochemical	Synthetic Rubber (SBR/BR)	1 (World)	70%(Domestic)	LG Chem (No.2) 25.0%
Kumho Industrial (Express Bus)	Transportation	1	39.6%	Dongyang Express (19.3%) Joongang Express (15.6%)
Kumho Polychem	EPDM Rubber	1 (Domestic) 8 (World)	72.3%	SK Energy (35,000MT)
Kumho P&B Chemicals	Phenol	1 (Domestic) 8 (World)	67.0%	LG Chem (No.2) 33.0%
	BPA	1 (Domestic) 7 (World)	34.0%	LG Chem 41.0%
Asiana Airlines	Domestic Air Passenger Transportation	2	32.2%	Korean Air (58.1%), Others (9.6%)
Kumho Tires	OEM	2	40.5%	Hankook Tire
	REM	2	40.8%	Hankook Tire

Ref : 2008 Basis

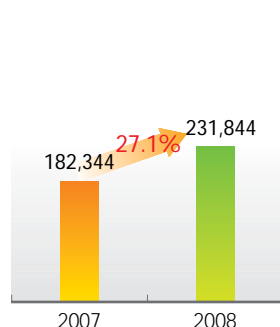


## 2008 Group Performance

Sales KRW 23.2 trillion, operating profit nearly KRW 1 trillion,  
Total assets KRW 37.1 trillion and debt ratio 170.0%

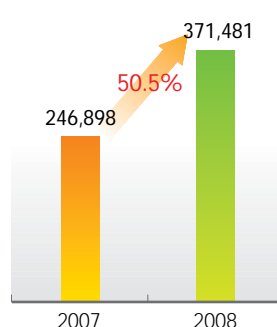
## • Sales

(Unit : KRW 100 million)



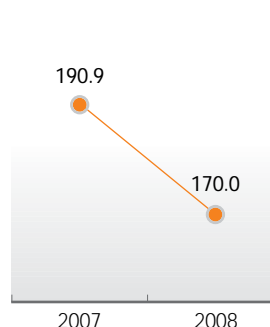
## • Assets

(Unit : KRW 100 million)



## • Debt Ratio

(Unit : %)



## ■ 2008 Group Business Results

(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Sales	182,344	231,844	49,500	27.1%
Gross Profit	29,324	29,738	414	1.4%
Gross Profit Margin	16.1%	12.8%	-3.3%p	
Operating Profit	13,491	9,883	-3,608	-26.7%
Operating Profit Margin	7.4%	4.3%	-3.1%p	
Income before Taxes	17,973	1,747	-16,226	-90.3%
Net Income	12,927	-1,252	-14,179	-109.7%
Current Assets	83,688	136,933	53,245	63.6%
Non-current Assets	163,210	234,547	71,337	43.7%
Total Assets	246,898	371,481	124,583	50.5%
Current Liabilities	76,436	130,048	53,612	70.1%
Non-current Liabilities	85,602	103,832	18,230	21.3%
Total Liabilities	162,038	233,880	71,842	44.3%
Total Shareholders' Equity	84,860	137,601	52,741	62.2%
Debt Ratio	190.9%	170.0%	-20.9%p	

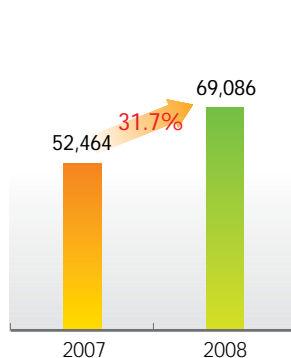
## Business Performance

### Sales Breakdown

- Chemicals/tires sales grew by 31.7% despite fluctuating raw material costs and unstable exchange rates
- Construction sales grew by 14.0% notwithstanding economic slumps
- Transportation/logistics/service sales increased by 42.4% after the acquisition of Korea Express and from expansion of insourcing volumes of affiliates

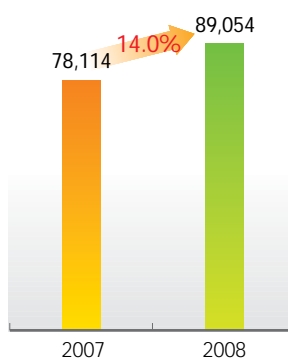
#### • Chemicals/Tires

(Unit : KRW 100 million)



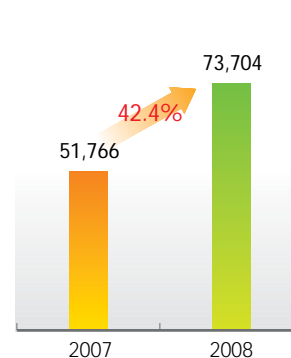
#### • Construction

(Unit : KRW 100 million)



#### • Transportation/Logistics/Service

(Unit : KRW 100 million)



### Operating Profit Breakdown

(Unit : KRW 100 million)

	2007		2008	
	Operating Profit	Operating Profit Margin	Operating Profit	Operating Profit Margin
Chemicals/Tires	3,632	6.9%	3,880	5.6%
Construction	6,758	8.7%	4,816	5.4%
Transportation/Logistics/Service	3,102	6.0%	1,187	1.6%
Total	13,491	7.4%	9,883	4.3%

## 2008 Performance Highlights - Major Affiliates

## ■ Financial Statements Summary - Major Affiliates

(Unit : KRW 100 million)

	Kumho Industrial	Kumho Petrochemical	Asiana Airlines	Kumho Tires	Daewoo E&C	Korea Express
Sales	24,564	31,825	42,615	23,986	65,777	18,283
Gross Profit	2,872	4,799	5,626	4,180	6,785	1,738
Gross Profit Margin	11.7%	15.1%	13.2%	17.4%	10.3%	9.5%
Operating Profit	1,614	2,813	-527	363	3,440	706
Operating Profit Margin	6.6%	8.8%	-1.2%	1.5%	5.2%	3.9%
Income before Taxes	836	-267	-2,646	-2,543	3,953	1,897
Net Income	365	-197	-2,272	-2,004	2,470	1,377
Current Assets	14,755	7,833	7,345	10,524	49,926	37,455
Non-current Assets	28,742	29,315	52,557	20,518	42,495	20,875
Total Assets	43,497	37,148	59,902	31,042	92,421	58,329
Current Liabilities	23,828	11,170	24,115	15,274	36,896	7,770
Non-current Liabilities	7,314	14,347	27,926	6,690	22,699	2,758
Total Liabilities	31,142	25,517	52,041	21,963	59,595	10,528
Total Shareholders' Equity	12,355	11,631	7,861	9,079	32,826	47,801

(Unit : KRW 100 million)

	Kumho P&B Chemicals	Kumho Mitsui Chemicals	Kumho Polychem	Kumho Resort	Other Companies	Group Total
Sales	8,720	2,511	2,045	811	10,708	231,844
Gross Profit	723	325	332	110	2,248	29,738
Gross Profit Margin	8.3%	12.9%	16.2%	13.6%	21.0%	12.8%
Operating Profit	377	170	157	15	755	9,883
Operating Profit Margin	4.3%	6.8%	7.7%	1.9%	7.1%	4.3%
Income before Taxes	3	113	119	-218	500	1,747
Net Income	59	91	97	-202	-1,037	-1,252
Current Assets	2,405	653	553	96	5,389	136,933
Non-current Assets	4,750	2,052	986	5,138	27,119	234,547
Total Assets	7,155	2,706	1,539	5,233	32,508	371,481
Current Liabilities	3,778	626	387	608	5,595	130,048
Non-current Liabilities	1,562	849	418	3,164	16,105	103,832
Total Liabilities	5,341	1,475	805	3,772	21,700	233,880
Total Shareholders' Equity	1,814	1,231	734	1,461	10,809	137,601

Ref : Excluding financial affiliates

## 2009 Group Management Policies and Strategies

### 2009 Group Management Policies

Management Policy : 'Establish a Foundation for Stability and Growth'

#### Stabilize Business Structure

- Improve business structure through 'selection and focus'
- Maximize efficiency of human resources and physical assets
- Carry out new investments through conservative approach

#### Build Sound Financial Structures

- Improve operating profit
- Improve debt ratio and current ratio
- Secure liquidity by various measures including disposal of assets
- Manage risks through a scenario management

#### Promote a Beautiful Company Culture

- Carry out the 7 management tasks associated with being a beautiful company
- Emphasize a promotion of ethical management

### 2009 Business Strategies

#### Chemicals/Tires

- Increase market share and solidify market presence in the synthetic rubber market
- Develop core capability businesses and strengthen competitiveness of businesses in China
- Expand overseas distribution network for tires

#### Construction

- Perform competence focused management and maximize profits
- Create a stable base of growth
- Reinforce risk management for guarantee PF business
- Secure cost competitiveness of overseas business
- Maximize efficiency of personnel/organization

#### Transportation/Logistics/Service

- Optimize management efficiency by improving efficiency of airline-related assets and productivity of personnel
- Expand Korea Express's international logistics business
- Maximize synergy through organizational integration of car rental division

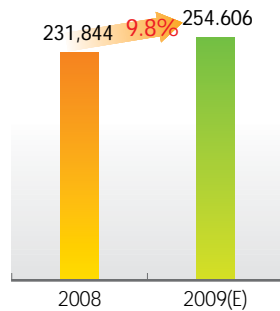
## 2009 Group Business Objective

### 2009 Group Business Objective

Sales KRW 25.5 trillion, operating profit KRW 1.7 trillion,  
Total assets KRW 34.3 trillion and debt ratio 168.2%

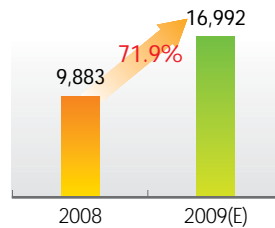
#### • Sales

(Unit : KRW 100 million)



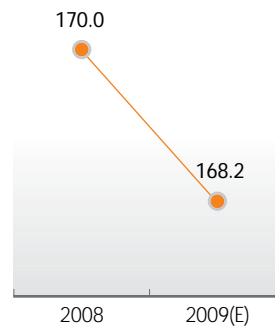
#### • Operating Profit

(Unit : KRW 100 million)



#### • Debt Ratio

(Unit : %)



### 2009 Group Business Plan

(Unit : KRW 100 million)

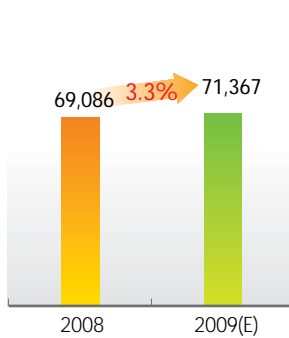
	2008 Results	2009 Plan	Remark	
			Change	Change(%)
Sales	231,844	254,606	22,763	9.8%
Operating Profit	9,883	16,992	7,109	71.9%
Operating Profit Margin	4.3%	6.7%	2.4%p	
Income before Taxes	1,747	13,432	11,685	669.0%
Income before Taxes Ratio	0.8%	5.3%	4.5%p	
Total Assets	371,481	343,156	-28,325	-7.6%
Total Liabilities	233,879	215,187	-18,692	-8.0%
Total Shareholders' Equity	137,601	127,969	-9,632	-7.0%
Debt Ratio	170.0%	168.2%	-1.8%p	

## Business Objective

### Sales Outlook

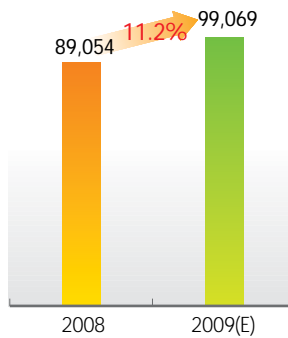
#### Chemicals/Tires

(Unit : KRW 100 million)



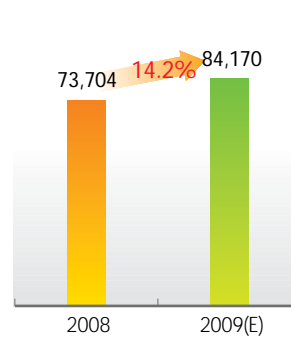
#### Construction

(Unit : KRW 100 million)

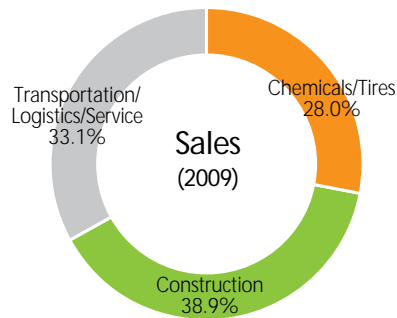


#### Transportation/Logistics/Service

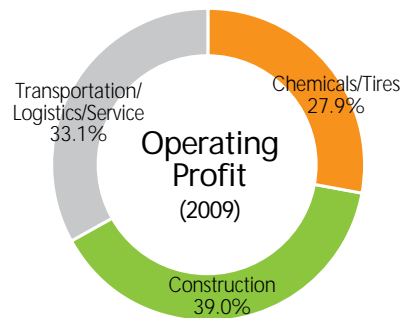
(Unit : KRW 100 million)



#### Sales Target by Operation



#### Operating Profit Target by Operation



### Operating Profit Outlook

(Unit : KRW 100 million)

Operation	2008		2009(E)	
	Operating Profit	Operating Profit Margin	Operating Profit	Operating Profit Margin
Chemicals/Tires	3,880	5.6%	4,745	6.6%
Construction	4,816	5.4%	6,623	6.7%
Transportation/Logistics/Service	1,187	1.6%	5,624	6.7%
Total	9,883	4.3%	16,992	6.7%

## Mid & Long-Term Vision

### Chemicals/Tires

- Reinforce market presence by setting up the world's first 6PPD 100,000 tons/year production system
- Maximize synergy with Kumho Tires by constructing Butyl Rubber plant
- Improve price position over the main domestic competing tire manufacturer
- Secure world's largest capacity, quality and cost competitiveness for the synthetic rubber business
- Expand new growth engine (chemical)

### Construction

- Continually develop new growth engine including new & renewable energy
- Expand overseas business  
(Focus on overseas market penetration based on strategic locations)
- Maintain balanced business portfolio (Domestic/Overseas)
- Establish competitiveness as an EPC leader overseas  
(Possess EPC specialized organization)

### Transportation/Logistics/Service

- Expand airline transportation networks in the U.S. and become a KOSPI 200 company
- No.1 in major business areas including the container business of Korea Express  
(Reinforce competitiveness of Korea Express's transportation & parcel delivery businesses)
- Expand market share of car rental business
- Expand the long-haul flight sales and solidify freight SCM business

## Creating a Beautiful Company Culture'

A Company that is trusted by the interested parties including customers, shareholders, employees and partner organizations and holds a corporate social responsibility

### "Beautiful Company"

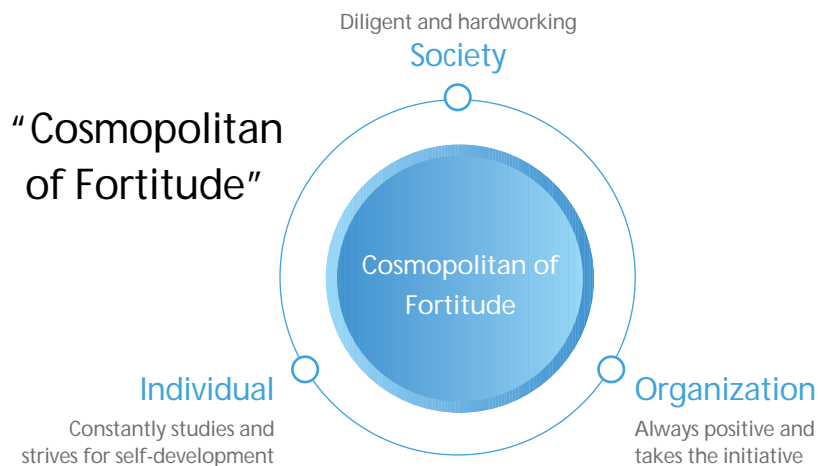
- A Company that is respected by society, lives up to its premises, is sound and trustworthy, fulfills its social responsibilities and contributes to society

### 7 Management Tasks to Become a "Beautiful Company"

1. Developing an irreproachable management system
2. Building strong bonds with partner organizations
3. Serving the handicapped and needy
4. Donating blood
5. Supporting the arts & culture
6. Promoting a culture of understanding and trust between labor and management
7. Ensuring eco-friendly and safe operations

### Kumho Asiana's Valued Employees

- Ethical individuals who apply the highest standards of personal and professional responsibility to their work, and who take pride in building the world's leading value-creating firm





## Affiliates

### Kumho Asiana Group Affiliates

#### Chemicals/Tires

- Kumho Petrochemical
- Kumho Tires
- Kumho P&B Chemicals
- Kumho Mitsui Chemicals
- Kumho Polychem

#### Construction

- Kumho Industrial (Construction Division)
- Daewoo E&C
- Kumho Steel Tech
- Kumho Envirotech
- Bugok Environment
- GK Fixed Link
- Prugio Service
- Ilsan Grand Bridge
- Chungju Boramae
- Kumho Asiana Main Tower
- Southwest Coast Leisure
- Green Anseong Enviro

#### Transportation/Logistics/Service

- Kumho Industrial (Express Bus)
- Asiana Airlines
- Korea Express
- Kumho Rent-A-Car
- Asiana IDT
- Aas Airport
- Kumho Trading
- Incheon Airport Energy
- Kumho Resort
- Air Busan
- Asiana Abacus
- Airport Development
- Kumho Terminal
- Seoul Express Bus Terminal
- Korea Integrated Freight Terminal
- Jungbu Integrated Freight Terminal
- Kumho Songdo Hotel
- Shinsundae Terminal
- P&CT
- Gwangyang Port Terminal
- Korea Express Terminal
- Dongseok Logistics
- Masan Port Wharf
- Busan Gamman Terminal
- B&D
- Ulsan Port
- Incheon Southing Wharf
- KKAT
- China Korea World Logistics
- Songni Express

※ Ref : Domestic affiliates basis, excluding financial affiliates

KUMHO ASIANA 



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## Highlights 2008

### ■ Completion of Kumho Asiana Main Tower



- Opened Kumho Asiana main tower on September 22 (Installed LED on the back of the building to underline the Group's image as a cultural enterprise. The size of LED is 23m in width and 91.9m in height)

### ■ Ground-breaking of Infrastructure Construction for US \$100 Million Artificial Island Development in UAE by Kumho E&C



- Participating in road and infrastructure works for AL Marjan artificial island, the symbol of UAE (Construction period : 18 months)

### ■ Opening of Kring, a New Complex Space for Culture Creation



- Opened the Kring on June 23, a cultural planet for trend setters of the urban center

### ■ Certification of OHSAS18001 Health and Safety Management System by Kumho E&C



- Certified and awarded for 'OHSAS18001 Health and Safety Management System' from certificate authority DNV

### ■ Construction of Tire Factory in Vietnam with a Production Capacity of 3.15 Million Units



- Construction of a tire factory in Vietnam Duong on March 5

### ■ Acquisition of Songrisan Express by Kumho Buslines



- Acquisition of Songrisan Express in April
- Kumho Express's market share increased to 39.5% by combining 92 buses and 14 routes

### ■ Launch of International Route between Vietnam and Cambodia



- Opened a route between Ho Chi Minh in Vietnam and Phnom Penh in Cambodia on August 1 through Kumho Samco Buslines, the first J/V company in Vietnam

## Company Overview

### Company Introduction

- Kumho Industrial is comprised of Construction and Express Bus divisions
  - Kumho E&C
    - Since the foundation in 1967, Kumho E&C acquired core competence in construction and extensive experiences in civil engineering, architecture, plant/environment, housing and other construction related fields for over 40 years
    - Kumho E&C became one of the top engineering and construction companies through continuous growth activities, continually setting its records in sales and orders backlog year after year
  - Kumho Buslines
    - Established in 1946, the Express Bus division maintains No.1 position through safe driving
    - For seven consecutive years, the Ministry of Land, Transport and Maritime Affairs designated Kumho Buslines as a safe transportation provider based on its introduction of the industry's first prevention maintenance system

### Company Profile

CEO	Shin Hoon / Lee Won Tae / Kim Sung San / Lee Yon Goo
Address	1095-4 Songwol-dong, Naju-si, Jeollanam-do
Foundation Date	October 11, 1972
Listing Date	June 26, 1976
Main Business	Construction, Passenger Transportation
Capital Stock	KRW 306.65 billion (End of 2008)
No. of Employees	4,128 (End of 2008)
Homepage	<a href="http://www.kumhoenc.com">www.kumhoenc.com</a> / <a href="http://www.kumhobuslines.co.kr">www.kumhobuslines.co.kr</a>

#### • Kumho E&C

	2006	2007	2008	2009(E)
Sales Rank	13	13	10	9
Order Received Rank	13	11	9	9

#### • Kumho Buslines

	Korea	Overseas
Express Bus	85	142
Direct Bus	110	
Total	195	142

Ref : Number of Routes

# History

## Corporate History

### • Kumho E&C

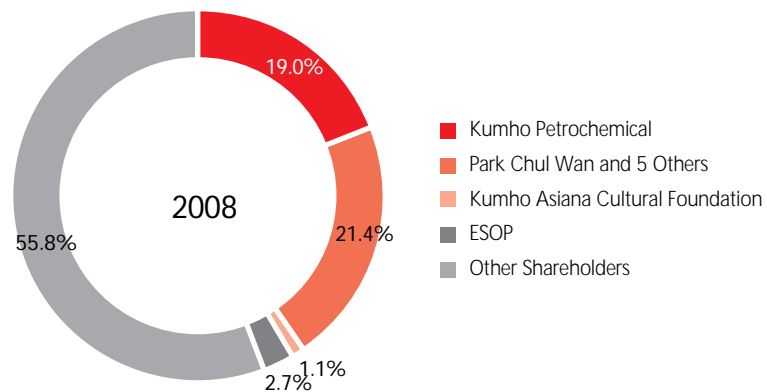
- |             |  |
|-------------|--|
| 2000 ~      | 2008 • Received grand prize for 2008 Apartment of Korea Award<br>2006 • Entered into SPA with respect to acquisition of Daewoo Engineering & Construction<br>• Separation of Kumho Terminal and Kumho Resort<br>2003 • Launched 'Eullim' Brand |
| 1990 ~ 1999 | 1999 • Renamed to Kumho Industrial Co., Ltd.<br>1993 • Renamed to Kumho Construction Co., Ltd.   |
| 1980 ~ 1989 | 1989 • Established Construction Technology R&D Center<br>1984 • Acquired by Gwangju Express Bus Co., Ltd.<br>1982 • Established a local subsidiary in Saudi Arabia   |
| 1967 ~ 1979 | 1978 • Renamed to Kumho Construction Co., Ltd.<br>1973 • Renamed to Cheil Engineering & Construction Co., Ltd.<br>1967 • Established Cheil Construction Co., Ltd.  |

### • Kumho Buslines

- |             |  |
|-------------|--|
| 2000 ~      | 2008 • Operation in Cambodia<br>• Acquisition of Songnisan Buslines<br>2007 • Expansion into Vietnam<br>2006 • Opened U. square<br>2005 • M&A of Kolon Express<br>2002 • Construction and transfer of Giheung Repair Factory |
| 1990 ~ 1999 | 1995 • Expansion into China<br>1992 • Construction and transfer of Gwangcheon-dong Terminal in Gwangju   |
| 1946 ~ 1989 | 1970 • Started express bus operation between Seoul and Daejeon<br>1948 • Establishment of Gwangju Passenger Vehicles Inc.<br>1946 • Establishment of Gwangju Taxi Company  |

## Ownership Structure

### Shareholders



#### • Major Shareholders and Related Parties

(Unit : No. of Shares)

Shareholder	Common Stock	Preferred Stock	Ownership(%)
Kumho Petrochemical	9,254,204	3,969,497	19.0%
Park Chul Wan and 5 Others	10,388,234		21.4%
Kumho Asiana Cultural Foundation	532,799		1.1%
Subtotal	20,175,237	3,969,497	41.5%
ESOP	1,312,808		2.7%
Other Shareholders	27,134,487	8,738,007	55.8%
Total	48,622,532	12,707,504	100.0%

### Investment Securities

(Unit : No. of Shares)

Company	Shares Owned	Ownership(%)
Asiana Airlines	58,688,063	33.5%
Daewoo Engineering & Construction	60,716,522	18.6%
Seoul Express Bus Terminal	1,486,236	38.7%
Kumho Resort	13,209,686	100.0%
Kumho Life Insurance	9,572,664	16.2%
Kumho Terminal	10,000,000	100.0%
Southwest Leisure	180,000	64.3%
Chungju Boramae	353,000	100.0%
Kumho Construction & Engineering(H.K) Ltd.	38,000,000	100.0%

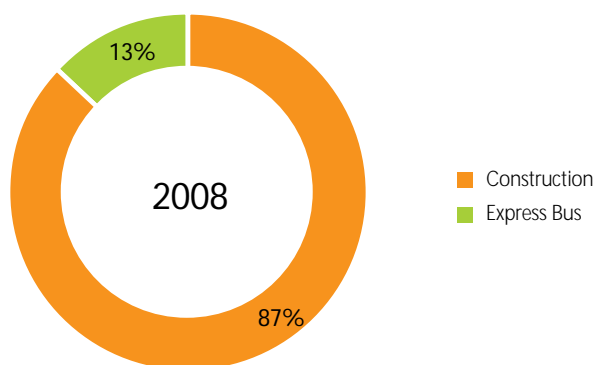
## Business

### Main Business

Business		Main Business
Construction Division	Housing/Development	-Apartments, studios, residential-commercial buildings redevelopment/reconstruction businesses
	Civil Engineering	-Roads, bridges, tunnels, subways, trains, harbors, airports, residential land developments, golf courses, river improvements, park operations
	Architecture	-Lodgings, sales, medical treatments, education, culture, exercise and other purpose facilities constructions
	Plant/Environment	-Power generation, petrochemical, environment and industrial plant construction, water handling, new & renewable energy business
	Overseas	-Overseas constructions (architecture, civil engineering, plant construction)
Express Bus Division	Domestic	-Passenger transport business, bus rental business, automatic lubricator business
	Overseas	-Passenger transport business, terminal business

### Sales Breakdown by Business

- Construction and express bus sales compose 87% and 13% of total sales



Ref : End of 2008

### Business Area

Kumho E&C		Kumho Buslines	
Business Area	Sales(%)	Business Area	Sales(%)
Architecture	27%	Passenger Transportation (Express and direct bus)	98%
Civil Engineering	19%	Bus Rental	1%
Housing/Development	35%	Automatic Lubricator Business	1%
Plant/Environment	10%		
Overseas	9%		

Ref : End of 2008, Kumho E&C sales not including sales related to holding company business unit(2%)



## Business

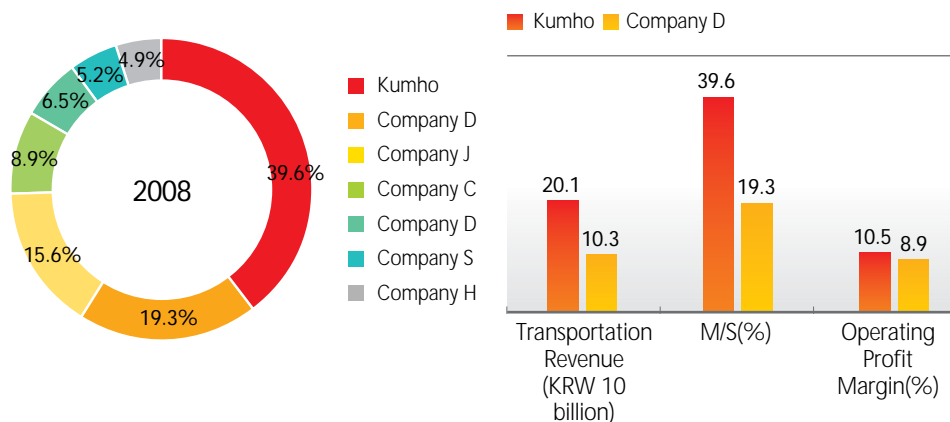
### Market Share

- Kumho E&C : Ranked No.13 in Construction Capability Evaluation for 2008

(Unit : KRW 100 million)

Rank	Company	Est. 2008 Constructi on Capability	Estimated Value of Construction				
			Civil Construction	Civil Engineering	Architecture	Industrial Environment Facilities	Landscape
1	Daewoo Engineering & Construction Co., Ltd.	89,272	41,725	12,732	28,993	11,500	51
2	Samsung C&T Corporation	77,338	51,770	9,345	42,424	3,886	145
3	Hyundai Engineering & Construction Co., Ltd.	69,078	47,499	17,406	30,093	9,599	123
4	GS Engineering & Construction Co., Ltd.	67,358	32,624	7,513	25,111	22,722	79
5	Daelim Industrial co., Ltd.	61,490	27,444	12,045	15,399	10,094	6
6	POSCO Engineering & Construction Co., Ltd.	52,320	30,285	6,404	23,882	3,101	213
7	Hyundai Development Company Co., Ltd.	52,054	19,927	7,124	12,803	253	220
8	Lotte Engineering & Construction Co., Ltd.	44,877	26,591	4,800	21,791	2,147	371
9	SK Engineering & Construction Co., Ltd.	28,988	20,000	7,882	12,118	18,570	136
10	Taisei Engineering & Construction Co., Ltd.	23,251	5,274	4,384	889	0	0
11	Doosan Engineering & Construction Co., Ltd.	21,139	14,772	3,869	10,903	349	3
12	Hanhwa Engineering & Construction Co., Ltd.	20,435	10,594	2,675	7,919	1,997	72
13	Kumho Industrial Co., Ltd.	19,332	14,503	3,386	11,117	890	69
14	Doosan Heavy Industries and Construction Co., Ltd.	19,136	6,076	2,336	3,740	19,126	45
15	Hanjin Heavy Industries and Construction Co., Ltd.	16,960	13,097	9,524	3,573	749	538

- Kumho Buslines : No.1 in Express Bus Business



## 2008 Performance

### 2008 Business Results

#### • Sales

##### - Kumho E&C

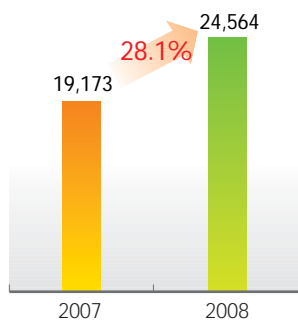
- Recorded the highest growth in the industry through continuous growth of sales and operating profit
- Recorded high growth rate and profitability based on a well-balanced business portfolio despite the global financial crisis
- Secured orders of more than 4 times the 2009 sales amount due to 26% increases in order backlog

##### - Kumho Buslines

- Reinforced safety operation management and customer service through a vehicle control system utilizing CDMA and GPS satellite information
- Expanded markets in Gyeongsangnam-do and Chungcheong-do
- Built a greenhouse gas inventory to pursue 'Low Carbon, Green Growth' vision

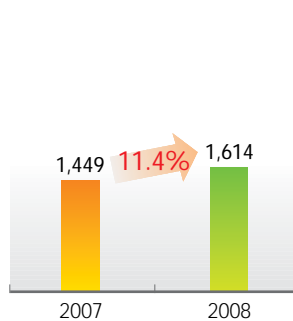
#### • Sales

(Unit : KRW 100 million)



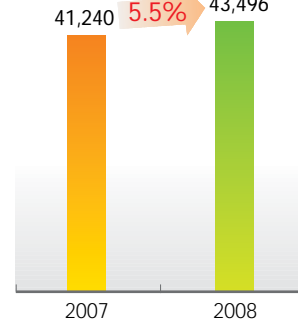
#### • Operating Profit

(Unit : KRW 100 million)



#### • Assets

(Unit : KRW 100 million)



### 2008 Business Performance

(Unit : KRW 100 million)

	2007			2008			Change(%)
	Construction	Express Bus	Total	Construction	Express Bus	Total	
Sales	16,339	2,834	19,173	21,470	3,093	24,564	28.1%
Operating Profit	1,130	320	1,449	1,364	250	1,614	11.4%
Operating Profit Margin	6.9%	11.3%	7.6%	6.4%	8.1%	6.6%	-1.0%p
Income before Taxes	352	397	749	801	35	836	11.6%
Net Income	166	233	399	315	50	365	-8.5%
Total Assets	33,231	8,009	41,240	35,792	7,705	43,497	5.5%
Total Liabilities	27,708	2,469	30,177	28,636	2,506	31,142	3.2%
Total Shareholders' Equity	5,523	5,539	11,063	7,156	5,199	12,355	11.7%

## 2008 Performance

### 2008 Major Orders

(Unit : KRW 100 million)

Orders Received	Total Amount
Cheonwang 4.6 District Apartment Construction	1,010
Al Marjan Island Development Road Works and Infrastructure Works for Peninsula Island 1 and 2	1,013
2nd Phase Dongbaek Yongin-si	2,204
Donuimun New Town 3 District Office	1,391
Yongsan International Business District Development Business	3,599
Express Highway between Gwangmyeong and Seoul	520
Uijeongbu Minrak Building Land Development	384
YMDI-6	360
An Phu Project	3,109
Krang Ponley Water Resources Development Project	240

#### • Orders

(Unit : KRW 100 million)

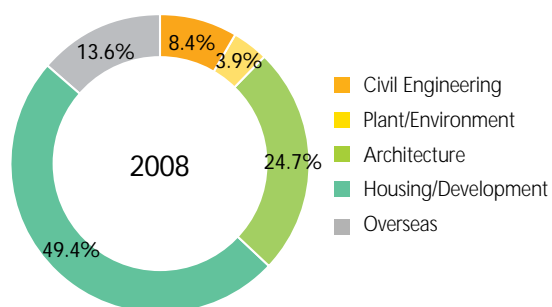
	2007	2008
Civil Engineering	6,354	3,422
Plant/Environment	1,661	1,604
Architecture	4,392	10,113
Housing/Development	26,981	20,201
Overseas	2,208	5,574
Total	41,596	40,914

#### • Order Backlogs

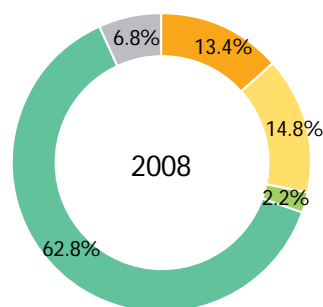
(Unit : KRW 100 million)

	2007	2008
Civil Engineering	13,474	12,906
Plant/Environment	2,506	14,235
Architecture	9,672	2,078
Housing/Development	47,803	60,593
Overseas	3,092	6,560
Total	76,547	96,372

#### • Orders



#### • Order Backlogs



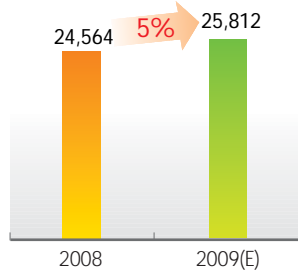
## 2009 Business Objective and Plan

### 2009 Business Objective

- Kumho E&C
  - Build Optimal Business Portfolio
    - Strengthen core competence of current businesses
    - Expand value chain
    - Increase overseas business / Continuous discovery of new businesses
  - Secure Competence for Profit Generation
    - Strengthen risk management system and management standards
    - Strengthen competence for selecting profitable projects
    - Secure cost competitiveness (strengthening initial management, etc.)
- Kumho Buslines
  - Expand market by developing routes and through acquisition
  - Generate stable profits and gain market share in China, Vietnam and other countries
  - Targeting 2009 sales KRW 323.5 billion and operating Profit KRW 47.2 billion

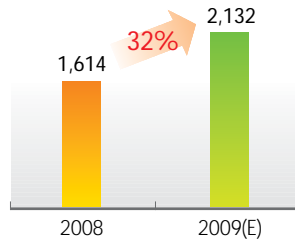
#### • Sales

(Unit : KRW 100 million)



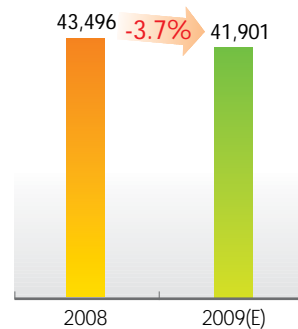
#### • Operating Profit

(Unit : KRW 100 million)



#### • Assets

(Unit : KRW 100 million)



### 2009 Business Plan

(Unit : KRW 100 million)

	2008			2009			Change(%)
	Construction	Express Bus	Total	Construction	Express Bus	Total	
Sales	21,470	3,093	24,563	22,400	3,235	25,635	4.4%
Operating Profit	1,364	250	1,614	1,705	472	2,177	34.9%
Operating Profit Margin	6.4%	8.1%	6.6%	7.6%	14.6%	8.5%	-1.9%p
Total Assets	35,791	7,705	43,496	33,704	8,197	41,901	-3.7%
Total Liabilities	28,636	2,506	31,142	25,810	2,405	28,215	-9.4%
Total Shareholders' Equity	7,156	5,199	12,355	7,894	5,792	13,686	10.8%

## Strategies

### KUMHO E&C

- Reduce Guarantee PF Business
  - Reduce contract and PF guarantee by transferring business and construction rights and by pursuing collaborate construction
- Secure Orders and Profitability
  - Expand public works orders : civil engineering, architecture, overseas
  - Continuously pursue new & renewable energy business
- Secure Cost Competitiveness and Increase Profit
  - Develop profitable projects
  - Reinforce cost innovation activities : design, structure/VE
  - Reinforce initial cost management : strengthen marketing capabilities

### KUMHO BUSLINES

- Continuously Improve Profitability
  - Improve existing routes' profitability structure
  - Strategically preoccupy new routes
  - Expand rental business
- Strengthen Overseas Competitiveness
  - Expand existing routes and increase number of buses
  - Develop international routes

### ■ Strategies by Business Division

- Civil Engineering
  - Increase orders for profitable lowest-cost construction
  - Strengthen Turnkey construction and alternative construction planning and gradually increase market share
  - Increase market share for public works
- Plant
  - Strengthen order capabilities in various key areas including water treatment/transportation pipeline and chemical plant
  - Start green growth and resource circulation businesses such as new & renewable energy business, waste recycling and nuclear power generation
  - Expand business areas through overseas market penetration
- Architecture
  - Maximize capabilities for receiving public contract orders
  - Selection and focus on public works business
- Housing
  - Improve stability of order portfolio (expand redevelopment/reconstruction businesses and develop a business without PF)
  - Create a stable portfolio by transferring orders from guarantee PF business to redevelopment/reconstruction businesses

## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	6,459	9,750	14,755
Non-current Assets	32,409	31,490	28,742
<b>Total Assets</b>	<b>38,868</b>	<b>41,240</b>	<b>43,497</b>
Current Liabilities	10,802	12,750	23,828
Non-current Liabilities	16,667	17,771	7,314
<b>Total Liabilities</b>	<b>27,469</b>	<b>30,521</b>	<b>31,142</b>
Capital Stock	2,667	2,667	3,067
<b>Total Shareholders' Equity</b>	<b>11,400</b>	<b>10,719</b>	<b>12,355</b>

### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	16,286	19,173	24,564
Cost of Goods Sold	14,010	16,627	21,691
Gross Profit	2,276	2,546	2,872
SG&A	1,016	1,156	1,258
<b>Operating Profit</b>	<b>1,260</b>	<b>1,390</b>	<b>1,614</b>
Non-Operating Profit	3,995	1,225	3,582
Non-Operating Expense	2,808	1,866	4,360
Income before Taxes	2,447	749	836
Income Tax	504	349	471
<b>Net Income</b>	<b>1,943</b>	<b>400</b>	<b>365</b>

# KUMHO PETROCHEMICAL

INVESTOR RELATIONS 2009

1. Overview
2. 2008 Business Performance
3. 2009 Business Plan
4. Financial Statements Summary

• This document is provided for the convenience of investors and contains audited 2008 financial data that may be amended in the case of revision to the audit report.  
• While every care has been taken to ensure the reasonableness of our estimates, 2009 prospects data is based on necessary assumptions and thus may differ from the final reported results.



## Highlights 2008

### ■ Laid a Foundation for the No.1 Position in the Synthetic Rubber : SBR & BR Expansion



- Expanded Capacity : SBR 110,000 tons (Ulsan), BR 120,000 tons (Yeosu)
- Completion Date : SBR (April 2009), BR (June 2010)
- Total Investment : KRW 264 billion
- Became the world's no1 manufacturer (SBR/BR basis)
  - SBR Total 481,000 tons/year, BR Total 342,000 tons/year

### ■ Reinforced Market Presence of the Specialty Chemicals : Completed 6PPD Expansion



- Expanded Capacity : 6PPD 26,000 tons
- Completion Date : September 2008
- Total Investment : KRW 25.2 billion
- Secured No.1 production capacity for 6PPD
  - 6 PPD Total 70,000 tons/year

### ■ Energy Business Expansion : Construction of the 2nd Combined Heat and Power Plant



- Expanded energy business and secured stable utilities
- Production Capacity : 500T/H, 119MWH
- Location : Yeosu National Industry Complex
- Total Investment : KRW 216 billion
- Planned business operation in April 2009

### ■ Established XPS Joint Venture Company in China



- Taking the leading position in the high-end XP market in Dongbei, China
- Product Type & Production Capacity : XPS 12,800 tons/year
- Business Form : J/V - KKPC 80%, Shenyang Chemical Industry 20%
- Location : Shenyang Chemical Industry Park, China
- Total Investment : US \$29.2 million - Capital US \$11.6 million, Liabilities US \$17.6 million



## Highlights 2008

### ■ Received the Tower of US \$2 Billion Export Award



- Received the 'Tower of US \$2 billion Export Award' on the 45th Trade Day
- Export volume doubled, 3 years after receiving the 'Tower of US \$1 Billion Export Award' in 2005
- KKPC is the first within the Kumho Asiana Group to receive the award

### ■ Established a Sales Subsidiary in China



- Purpose of Establishment
  - Build a base for the business expansion in the China market
  - Contribute to the maximization of sales and profitability
  - Promote product sales for chemical affiliates and joint venture corporation in China
- Corporation Title : Kumho Petrochemical Shanghai Co., Ltd.
- Corporation Business Starting Date : June 1 2008

### ■ Completion Ceremony for PO/PPG/CS Nanjing Plant in China



- Product Type & Production Capacity : PO 80,000 tons/year, PPG 50,000 tons/year, CS 100,000 tons/year
- Business Form : J/V (KKPC 50%, GPRO 50%)
- Location : Nanjing Chemical Industry Park, China
- Amount Invested : US \$113 million - Capital US \$35 million, Liabilities US \$78 million
- Completion Ceremony Date : June 28 2008

## Company Overview

### Company Introduction

- KKPC is the leading company in the petrochemical industry through endless innovation and R&D activities
- Five main business areas: synthetic rubbers, synthetic resins, specialty chemicals, combined heat and power generation and electronic chemicals
- KKPC built world class production bases such as synthetic rubber plants (Ulsan, Yeosu), a synthetic resin plant (Ulsan), a specialty chemicals plant (Yeosu) and an electronic chemicals plant (Asan) while setting the global standards through Daejeon R&D Center and Asan Laboratory

### Company Profile

CEO	Park Sam Koo / Kee Ock
Address	Kumho Asiana Main Tower #115, Shinmunno 1-ga, Jongno-gu, Seoul
Foundation Date	December 28, 1970
Listing Date	January 20, 1988
Main Business	Petrochemical Production Inc. Synthetic Rubbers, Synthetic Resins, Etc.
Capital Stock	KRW 142.2 billion (End of 2008)
No. of Employees	1,014 (End of 2008)
Homepage	<a href="http://www.kkpc.com/">http://www.kkpc.com/</a>

### Plant and R&D Center

- Ulsan Plant (Synthetic Rubbers)
  - 680 Sanggye-dong, Nam-gu, Ulsan
  - Main Products : SBR, NBR, HSR, LATEX
- Ulsan Plant (Synthetic Resins)
  - 45-25 Seongam-dong, Nam-gu, Ulsan
  - Main Products : PS, ABS, EPS, PPG, Etc.
- Yeosu Plant (Synthetic Rubbers)
  - 287-1 Pyeongyeo-dong, Yeosu, Jeollanam-do
  - Main Products : BR, SBS, SSB, Etc.
- Yeosu Plant (Specialty Chemicals)
  - 356 Hwachi-dong, Yeosu, Jeollanam-do
  - Main Products : Vulcanization Accelerator, Antioxidant
- Electronic Chemicals Plant
  - 604 Namseong-ri, Sinchang-myeon, Asan, Chungcheongnam-do
  - Main Products : Developer, Stripper, Etc.
- R&D Center
  - 57-1 Hwaam-dong 1ga, Yuseong-gu, Daejeon



## Company Overview

### ■ Production Capacity

Type	Product / Plant	Capa.	Unit	Remark
Synthetic Rubbers	SBR	371,000	MT/Y	Completed 110,000MT/Y expansion on April 2009
	HBR	167,000		Planning 120,000MT/Y expansion on June 2010
	LBR	55,000		-
	NBR	50,000		-
	HSR	10,000		-
	SB Latex	70,000		-
	SBS	70,000		-
	Subtotal	793,000		-
Synthetic Resins	PS	227,500	MT/Y	-
	ABS	250,000		-
	EPS	73,800		-
	PPG	52,000		-
	Subtotal	603,300		-
Specialty Chemicals	Antioxidants	79,300	MT/Y	-
Combined Heat and Power Generation	Steam	630	T/H	Completed Steam 500T/H and Electricity 119MWH construction on April 2009
	Electricity	67	MWH	
BD	Ulsan	90,000	MT/Y	-
	Yeosu	147,000		-
	Subtotal	237,000		-

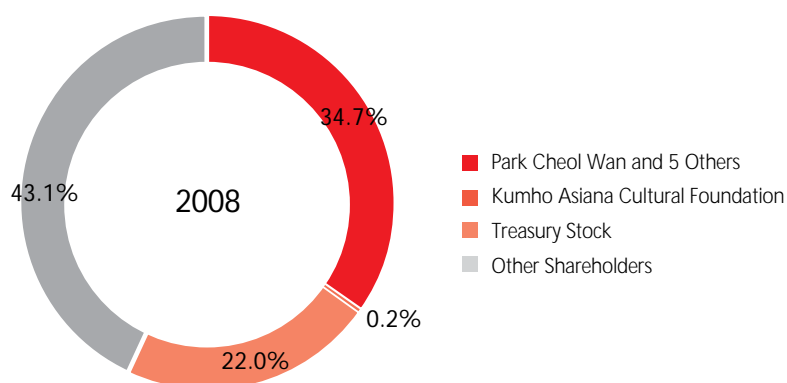
# History

## Corporate History

2000 ~	<ul style="list-style-type: none"> <li>2008 • Received US\$2 Billion Export Tower Award (Ministry of Knowledge Economy)</li> <li>• Won 'Grand Prize' in the National Productivity Award (Ministry of Knowledge Economy)</li> <li>• Completion of Nanjing Kumho GPRO Chemical Co., Ltd.</li> <li>• Started operations of Kumho Petrochemical Shanghai Co., Ltd.</li> <li>2006 • Designated as an 'Environmentally Friendly Company' (Ministry of Environment)</li> <li>2005 • Received US\$1 Billion Export Tower Award (Ministry of Commerce, Industry, and Energy)</li> <li>2002 • Acquisition of the chemical business division of Kumho Development, Inc. (rubber chemicals)</li> <li>2001 • Merged with Kumho Chemicals, Inc.</li> <li>2000 • Established Shanghai Kumho Sunny Plastics Co., Ltd.</li> </ul>
1990 ~ 1999	<ul style="list-style-type: none"> <li>1998 • Completion of Asan Electronic Chemicals Plant</li> <li>1997 • Completion of Yeosu Combined Heat and Power Plant</li> <li>1996 • Acquired ISO 14001 certification</li> <li>1993 • Acquired ISO 9001 certification</li> <li>1992 • Completion of BD Plant (Ulsan 50,000 tons)</li> </ul>
1980 ~ 1989	<ul style="list-style-type: none"> <li>1987 • Listed on the Korea Stock Exchange</li> <li>1985 • Established Kumho Petrochemical Research Center</li> <li>1984 • Completion of SB-LATEX Plant (Ulsan)</li> <li>1980 • Completion of BR Plant (Yeosu, 25,000 tons)</li> </ul>
1970 ~ 1979	<ul style="list-style-type: none"> <li>1979 • Completion of BD Plant (Yeosu, 50,000 tons)</li> <li>1973 • Launched sales</li> <li>• Completion of SBR Plant (Ulsan, 25,000 tons)</li> <li>1970 • Establishment of Korea Synthetic Rubber Industries Co., Ltd.</li> </ul>

## Ownership Structure

### Shareholders



### • Major Shareholders and Related Parties

(Unit : No. of Shares)

Shareholder	Common Stock	Preferred Stock	Ownership(%)
Park Cheol Wan and 5 Others	8,815,736	83,251	34.7%
Kumho Asiana Cultural Foundation	55,000	-	0.2%
Subtotal	8,870,736	83,251	34.9%
Treasury Stock	5,592,528	-	22.0%
Other Shareholders	10,961,183	2,940,235	43.1%
Total	25,424,447	3,023,486	100.0%

### Investment Securities

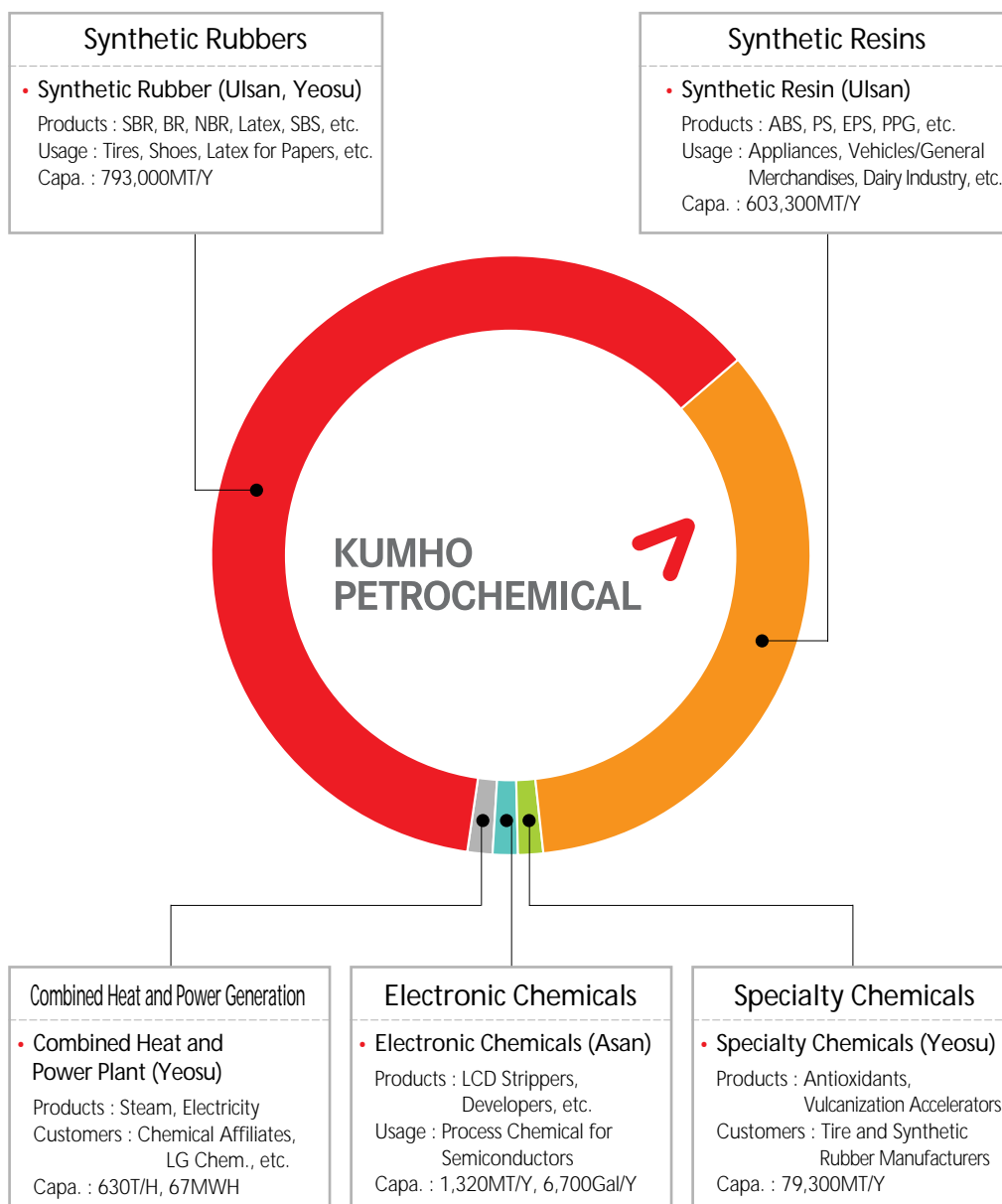
(Unit : No. of Shares)

Company Name	Shares Owned	Ownership(%)
Kumho Industrial	13,223,701	21.6%
Kumho Tires	32,864,880	47.0%
Asiana Airlines	24,593,400	14.0%
Daewoo E&C	14,621,622	4.5%
Kumho Mitsui Chemicals	1,750,000	50.0%
Kumho Life Insurance	14,119,410	23.8%
Kumho Polychem	2,150,000	50.0%
Kumho P&B Chemicals	22,476,000	78.2%

\*Kumho Industrial 13,233,701 shares (Common Stock : 9,254,204 shares / Preferred Stock : 3,969,497 shares)

# Business

## Main Business



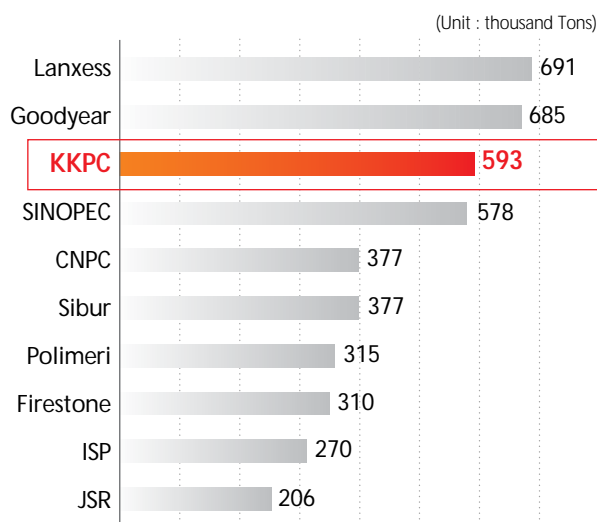
## Business Status

### Market Share

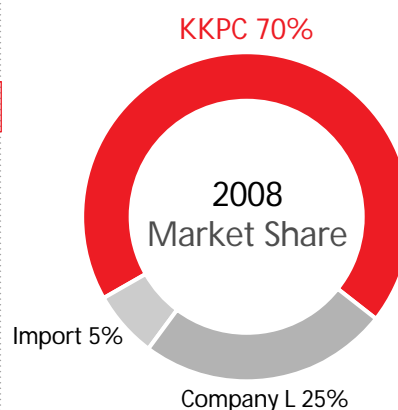
#### • Synthetic Rubbers

- Achieving globalization by continuously expanding production capacity
- Secured the world's third largest production capacity for the main products of the synthetic rubber business, SBR and BR, by the end of 2008
- KKPC's world market share will reach the 10% mark after the completion of SBR 110,000 tons expansion on April 2009, solidifying the Company's position as the global leading company

#### • World SBR/BR Production Capacity (2008)



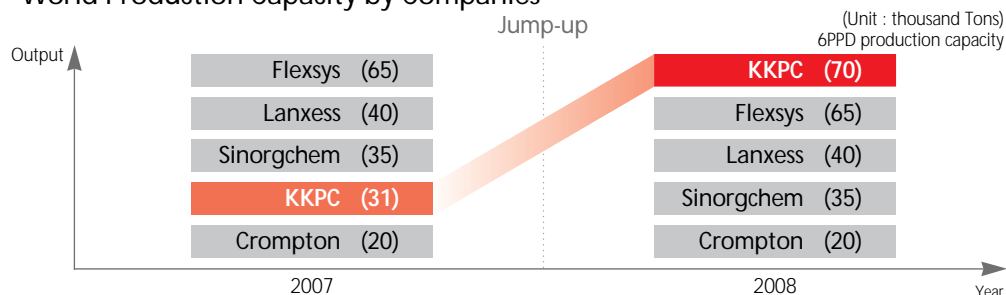
#### • Domestic Synthetic Rubber Market Share



#### • Specialty Chemicals

- KKPC's production capacity was the fourth largest in 2007, but the Company was able to secure the world's highest production capacity by completing 70,000 tons expansion in September 2008 through the continuous implementation of capacity expansion strategy
- KKPC is pursuing globalization by gaining competitive edge through a vertical integration of tires, synthetic rubbers and specialty chemicals

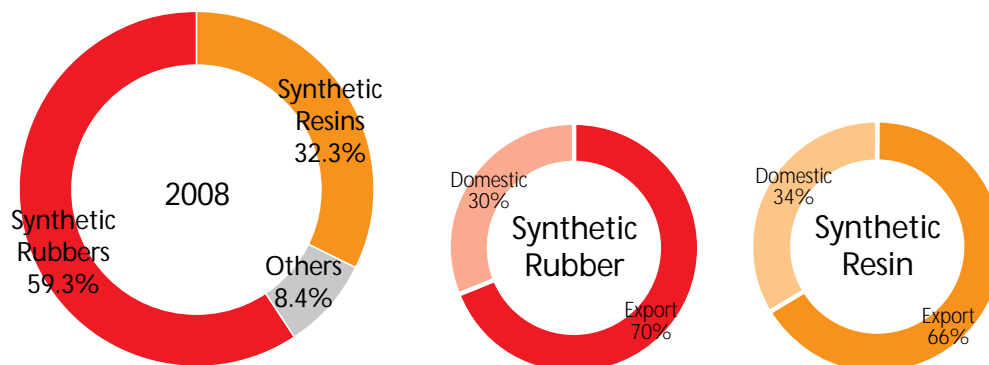
#### • World Production Capacity by Companies



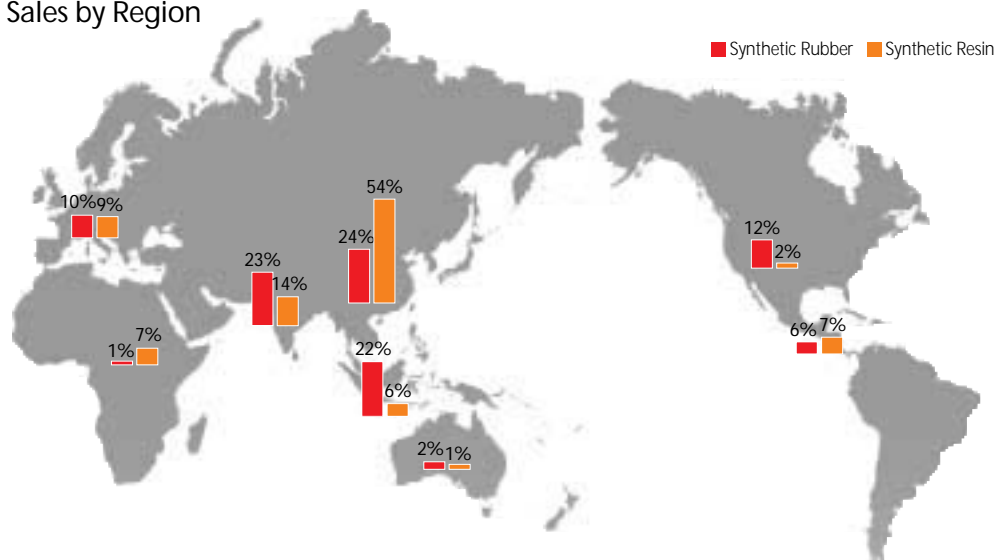
# Business

## Sales by Region/Application

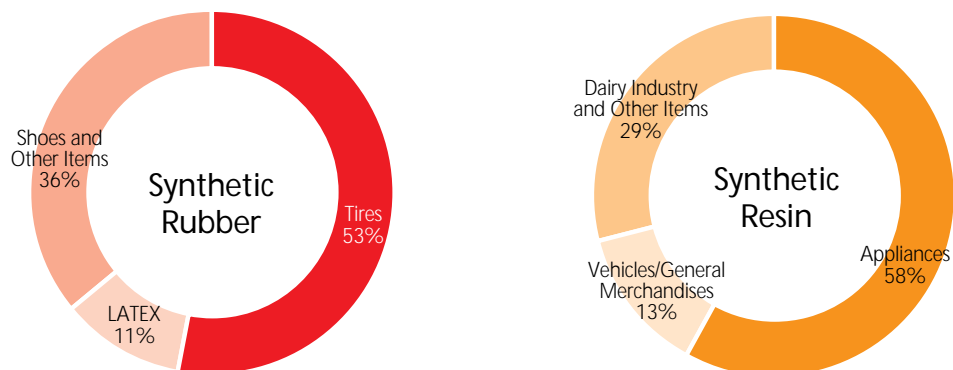
### • 2008 Sales Breakdown



### • Sales by Region



### • Sales by Application

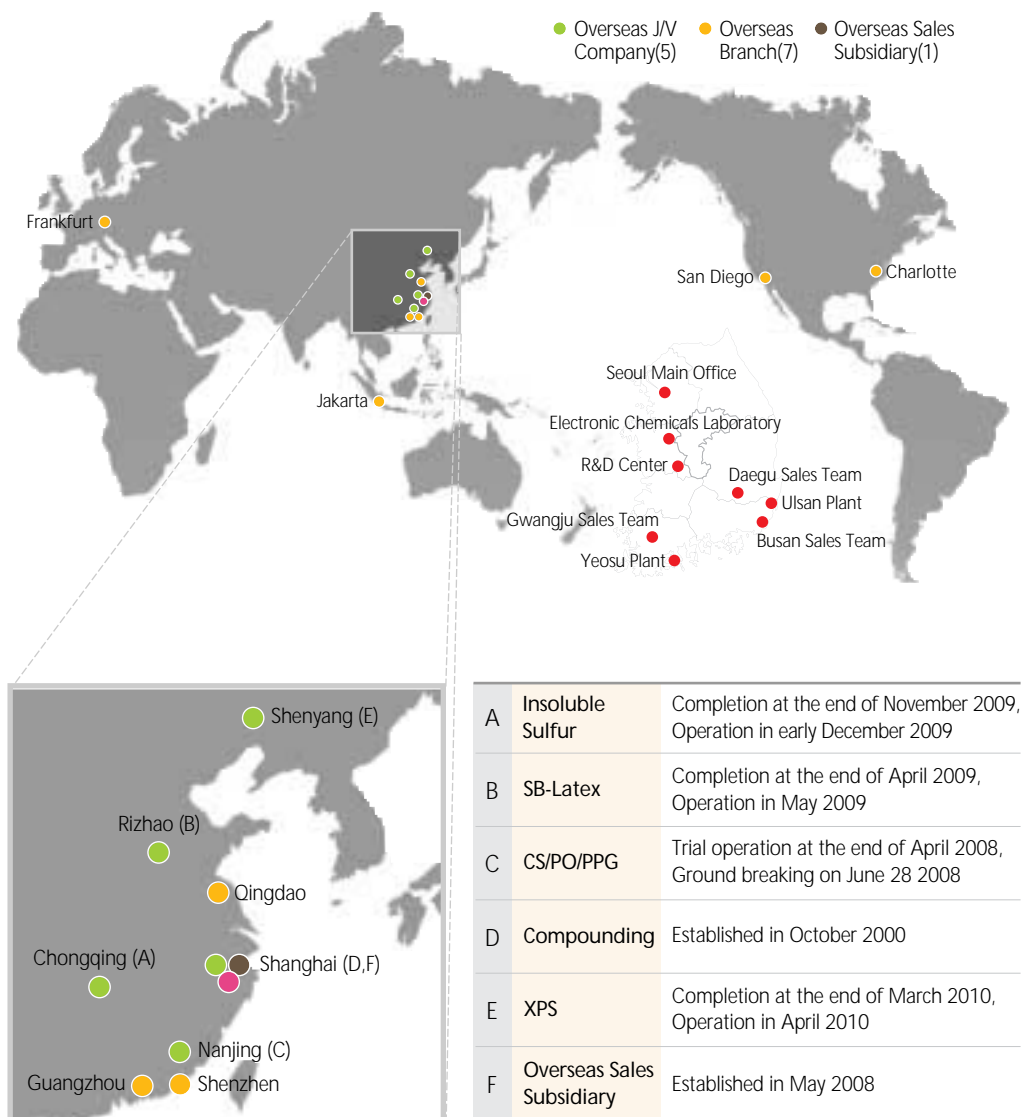




## Business Status

### Global Network

- KKPC established 5 J/V companies in China to gain market share by expanding production sites and to increase its business domain
- KKPC is operating 7 overseas contact offices, managing Europe, Southeast Asia, China and North America to strengthen overseas competitiveness through a marketing strategy focusing on the local market
- KKPC established overseas sales subsidiary, the first step towards the globalization. The Company plans to expand overseas sales branch to enter emerging nations such as India and Southeast Asia

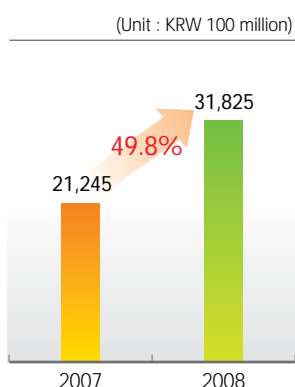


## 2008 Performance

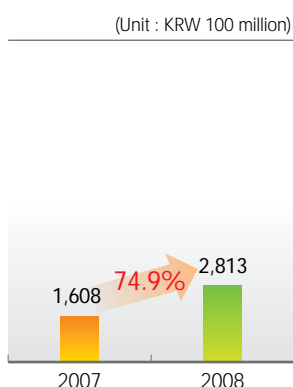
## ■ 2008 Business Results

- KKPC recorded the highest earnings since the foundation despite highly volatile fluctuation of raw material prices and decreased demand from the global economic slowdown
- Sales grew by 49.8% from the same period last year recording KRW 3,182.5 billion and operating income increased by 74.9% compared to last year recording KRW 281.3 billion. The improvements were made possible by continuously cutting costs based on 'Full Production Full Sales' strategy, selling products with high profitability and by penetrating new market

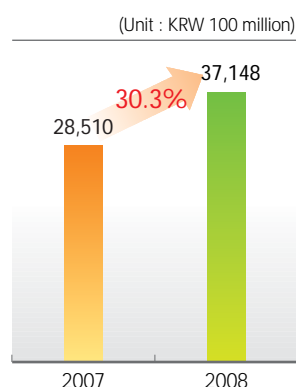
## • Sales



## • Operating Income



## • Assets



## ■ 2008 Business Performance

(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Sales	21,245	31,825	10,580	49.8%
Synthetic Rubbers	10,957	18,860	7,903	72.1%
Synthetic Resins	8,778	10,277	1,499	17.1%
Others	1,510	2,688	1,178	78.0%
Operating Profit	1,608	2,813	1,205	74.9%
Operating Profit Margin	7.6%	8.8%	1.2%p	
Income before Taxes	1,773	-267	-2,040	-115.1%
Net Income	1,344	-197	-1,541	-114.7%
Gains and Losses on Valuation of Equity Method Securities	983	-1,691	-2,674	-272.0%
Total Assets	28,510	37,148	8,638	30.3%
Total Liabilities	19,850	25,517	5,667	28.5%
Total Shareholders' Equity	8,659	11,631	2,972	34.3%

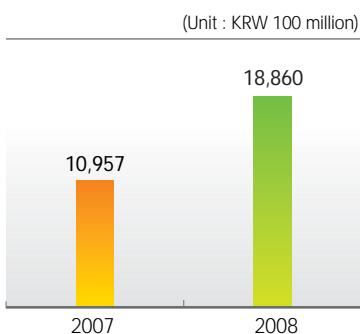
## 2008 Performance

### ■ Performance by Business

#### • Synthetic Rubbers

- Sales rose to KRW 1,886 billion, a 72.1% growth from 2007. The synthetic rubber sales consisted 59.3% of total sales
- Profitability improved until 3Q from higher sales price due to a tight supply & demand and a strong BD price, but the margin declined in 4Q from lower sales price due to a sharp decline in BD price and less demands

##### Sales



##### BD Price Changes by Region

(Unit : USD/Ton)

Region	1Q	2Q	3Q	4Q
Asia	1,763	2,218	3,150	1,093
North America	1,503	1,983	2,973	1,465
Europe	1,347	1,721	2,350	1,574

##### Synthetic Rubber Sales Price Changes

(Unit : USD/Ton)

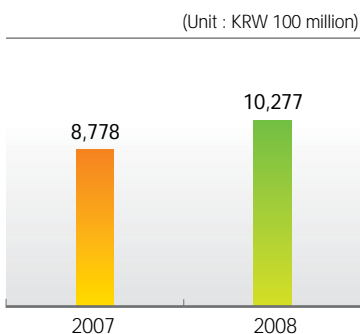
Type	1Q	2Q	3Q	4Q
SBR	2,026	2,357	3,020	1,891
BR	2,686	3,238	3,763	2,253

Data : ICIS 2008

#### • Synthetic Resins

- Sales totaled KRW 1,027.7 billion, a 17.1% growth from 2007. The synthetic resin sales consisted 32.3% of total sales
- Profitability improved gradually until 3Q due to a strong seasonality and a higher sales price from increases in raw material costs, but the profitability declined in 4Q due to a decline in orders from less demands and a sharp drop in SM price

##### Sales



##### Main Raw Material SM Price Changes

(Unit : USD/Ton, CFR China basis)

Type	1Q	2Q	3Q	4Q
SM	1,388	1,548	1,520	681

##### Synthetic Resin Sales Price Changes

(Unit : USD/Ton)

Type	1Q	2Q	3Q	4Q
PS	1,436	1,600	1,657	923
ABS	1,754	1,961	2,116	1,417

Data : PLATTS 2008

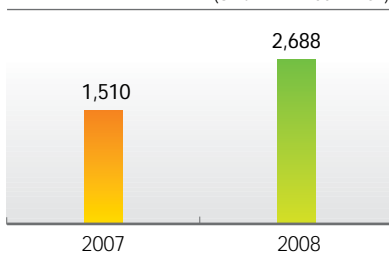
## 2008 Performance

- Others (Specialty Chemicals/Combined Heat and Power Generation)

Sales totaled KRW 268.8 billion, a 78.0% growth from 2007 consisting 8.4% of total sales

## Sales

(Unit : KRW 100 million)



- Specialty Chemicals

- Profitability improved with a price rise due to tight supplies of 6PPD and a price hike of main raw material 4-ADPA
- Sales growth from active sales in North America and Europe by winning Flexsys lawsuit
- Reinforced market domination by securing No.1 production capacity through 6PPD 7,000 tons expansion

- Combined Heat and Power Generation

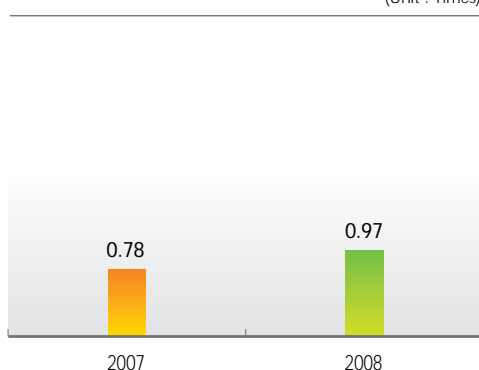
- Sales growth from higher steam price due to increases in oil price
- Operating income declined from adjustments to operating ratio due to decreases in affiliates demands

## Financial Structure

Total debts increased in 2008 as a result of continuous expansion/overseas investments and higher exchange rates. Nevertheless, KKPC realized its best business performance in 2008, improving its financial structure by recording higher interest coverage ratio

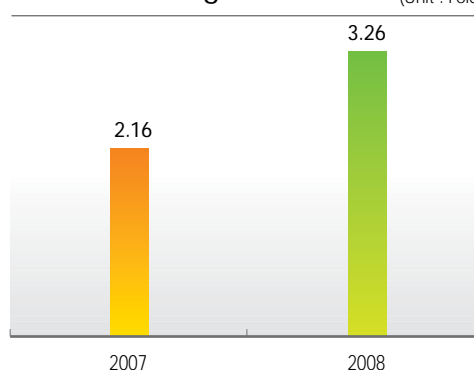
- Asset Turnover Ratio

(Unit : Times)



- Interest Coverage Ratio

(Unit : Fold)



(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Debt Ratio	229%	219%	-10%p	
Asset Turnover Ratio (Times)	0.78	0.97	0.19	24.4%
Interest Coverage Ratio (Fold)	2.16	3.26	1.10	50.9%

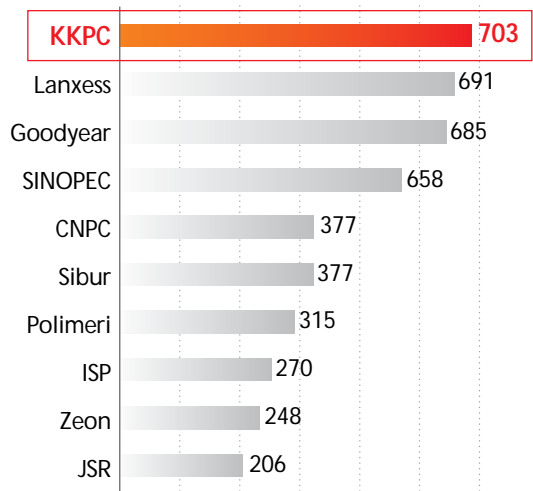
## 2009 Business Objective Plan

### 2009 Business Objective

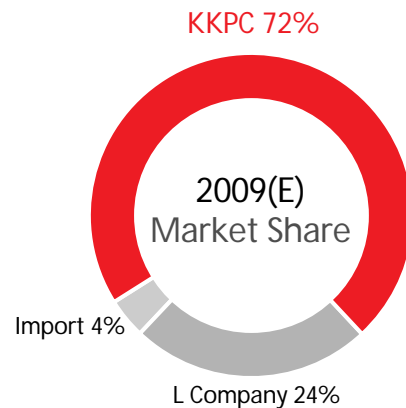
- KKPC set 2009 business target lower than the last year's figure as the growth rate for the demand of synthetic rubber, the main business of KKPC, is expected to slow down from a decline in tire production
- The synthetic rubber industry is challenged with a declining profitability, leading to restructuring. KKPC plans to overcome the challenges and gain market share by closely monitoring the market trend.

#### World SBR/BR Production Capacity (2009)

(Unit : thousand Tons)



#### Domestic Synthetic Rubber Market Share



### 2009 Business Plan

(Unit : KRW 100 million)

	2008 Performance	2009 Plan	Remark	
			Change	Change(%)
Sales	31,825	29,562	-2,263	-7.1%
Synthetic Rubbers	18,860	14,306	-4,554	-24.1%
Synthetic Resins	10,277	9,448	-829	-8.1%
Others	2,688	5,808	3,120	116.1%
Operating Profit	2,813	2,110	-703	-25.0%
Operating Profit Margin	8.8%	7.1%	-1.7%p	
Total Assets	37,148	34,554	-2,594	-7.0%
Total Liabilities	25,517	24,385	-1,132	-4.4%
Total Shareholders' Equity	11,631	10,169	-1,462	-12.6%
Debt Ratio	219.4%	239.8%	20.4%p	

## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	4,618	4,891	7,833
Non-current Assets	21,528	23,619	29,315
<b>Total Assets</b>	<b>26,146</b>	<b>28,510</b>	<b>37,148</b>
Current Liabilities	7,951	7,129	11,170
Non-current Liabilities	10,466	12,721	14,347
<b>Total Liabilities</b>	<b>18,417</b>	<b>19,850</b>	<b>25,517</b>
Capital Stock	1,422	1,422	1,422
<b>Total Shareholders' Equity</b>	<b>7,729</b>	<b>8,660</b>	<b>11,631</b>

### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	17,530	21,245	31,825
Cost of Goods Sold	15,417	18,124	27,026
Gross Profit	2,113	3,121	4,799
SG&A	1,244	1,514	1,986
<b>Operating Profit</b>	<b>869</b>	<b>1,608</b>	<b>2,813</b>
Non-Operating Profit	1,305	1,565	2,705
Non-Operating Expense	1,048	1,400	5,784
Income before Taxes	1,126	1,773	-267
Income Tax	329	429	-69
<b>Net Income</b>	<b>797</b>	<b>1,344</b>	<b>-197</b>

# ASIANA AIRLINES

INVESTOR RELATIONS 2009

1. Overview
2. 2008 Business Performance
3. 2009 Business Plan
4. Financial Statements Summary

• This document is provided for the convenience of investors and contains audited 2008 financial data that may be amended in the case of revision to the audit report.  
• While every care has been taken to ensure the reasonableness of our estimates, 2009 prospects data is based on necessary assumptions and thus may differ from the final reported results.

## Highlights 2008

### ■ Delisted from KOSDAQ and Listed on KOSPI



- Asiana Airlines listed on KOSPI to increase credibility after being listed on KOSDAQ for 8 years since December 1999 (March 2008)

### ■ Launched Paris-Incheon Route



- Asiana Airlines secured three major bases in Europe to provide high quality service, strengthening networks for long-haul routes (March 2008)

### ■ Selected New Generation Aircrafts



- Asiana Airlines strives to maximize customer satisfaction with modernization plan to gradually introduce a total of 30 new generation aircrafts beginning from 2016. New generation aircrafts are environment friendly, highly efficient, safe and equipped with the most advanced cabin equipments (July 2008)

### ■ Inaugural Flight of Air Busan



- Through an investment in a local airline Air Busan, Asiana Airlines plans to enter low cost carrier market, opening a route between Busan-Gimpo on October and a Busan-Jeju route on December (July 2008)

### ■ Certified for the Business Sites Greenhouse Gas Emissions as the First in the Industry



- Asiana Airlines operated 'Environmental Management System' since 1995 and obtained ISO14001 in 1996 as the first in the industry. Recently, the Company received the Presidential Award for 2008 National Environmental Management and obtained the industry's first model certification of carbon record for the air transportation followed by the business site certification (December 2008)

### ■ Introduced a Total of 6 New Aircrafts including A320-200 (Total 68 Aircrafts)



- Four A320(March, May and October), One A321(March), One B777(November) in 2008



## Company Overview

### Company Introduction

- Receiving the '2009 Airline of the Year' Award, Asiana Airlines is a representative of the Airlines industry in Korea, providing international and domestic air transportation services
- A member of Star Alliance, the world's first and the largest airline alliance
- Customer satisfaction is the management principle of Asiana Airlines, striving to provide the best safety and service. Currently, the Company operates 13 domestic routes for 12 Korean cities and 82 international routes linking 66 cities in 20 different countries

### Company Profile

CEO	Park Sam Koo / Park Chan Beop / Yun Yeong Du
Address	47 Osae-dong, Kangseo-gu, Seoul
Foundation Date	February 17, 1988
Listing Date	KOSPI: March 28, 2008 (KOSDAQ : December 24, 1999)
Main Business	Air Transportation (Passengers and Cargos)
Capital Stock	KRW 875.9 billion (End of 2008)
No. of Employees	8,265 (End of 2008)
Homepage	<a href="http://flyasiana.com">http://flyasiana.com</a>

### Major Awards

- 'Airline of the Year' Award (February 2009)
  - Throughout 60 years of Korea air transportation history, Asiana Airlines is the first domestic airline and the fifth among Asian airlines to receive 'ATW, Airline of the Year' Award, gaining recognition as the world's best airline and heightening the status of the domestic airline industry



- The World Airline Star Ranking Five Star Airline, Skytrax (2 consecutive years)
- No.1 for Best Onboard Service & Flight Attendants 2007, Global Traveler Magazine (4 consecutive years)
- Best Flight Attendant in the World and Best In-Flight Service 2007, Business Traveler (2 consecutive years)

## Company Overview

### Fleets

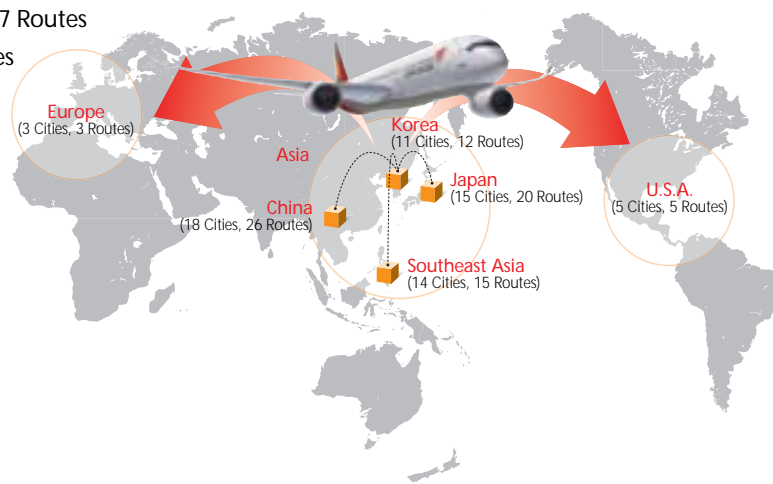
Type	Total	Operating Lease	Financial Lease	Owned
Passenger	59	36	14	9
Freighter	9	2	4	3
Total	68	38	18	12

### Aircraft Types

Type	2008	2009(E)	Change
B737	7	5	-2
A320/321	24	24	-
Narrow Body	31	29	-2
B767	7	7	-
A330	6	8	+2
B777	10	10	-
B747	5	5	-
Wide Body	28	30	+2
Freighter	9	8	-1
Total	68	67	-1

### Routes

- Domestic : 11 Cities, 12 Routes
- International : 62 Cities, 77 Routes
- Cargo : 21 Cities, 21 Routes



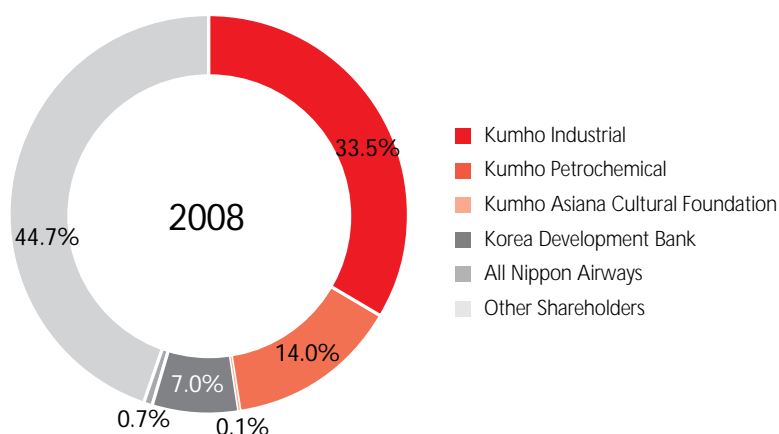
# History

## Corporate History

- |             |  |
|-------------|--|
| 2004 ~      | <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">2008</div> <ul style="list-style-type: none"> <li>• Newly added Paris route (Incheon- Charles De Gaulle )</li> <li>• Expansion into Japanese domestic routes (8 total)</li> <li>• Contract with Euro Star, Integrated Transportation Agreement</li> <li>• Introduction of new mileage system</li> <li>• Added Air Busan Busan-Gimpo route</li> <li>• Added Air Busan Busan-Jeju route</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">2007</div> <ul style="list-style-type: none"> <li>• Expansion of code share with ANA (all Korea-Japan routes)</li> <li>• Expansion of code share with Air China (all Korea-China routes)</li> <li>• Code share agreement with LOT Polish Airlines</li> <li>• Capital alliance with ANA</li> <li>• Started code share with US Airlines (all Korea-U.S. routes)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">2006</div> <ul style="list-style-type: none"> <li>• Started code share with Qatar Airlines</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">2005</div> <ul style="list-style-type: none"> <li>• Received World's Best Cabin Staff 2005 Award from Skytrax.</li> </ul> </div>   |
| 1998 ~ 2003 | <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">2003</div> <ul style="list-style-type: none"> <li>• Officially joined Star Alliance</li> <li>• Started code share with Thai Airways (Bangkok-Incheon route)</li> <li>• Signed an official sponsor contract for Korea Football Association</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">2002</div> <ul style="list-style-type: none"> <li>• Asiana i-Club members reached 2 million</li> <li>• Received the 1st Korea Green Management Grand Award (enterprise area)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">2000</div> <ul style="list-style-type: none"> <li>• Made the first historic Flight to North (Seoul-Pyeongyang)</li> <li>• Serviced Seoul-Haneda (Tokyo) route in collaboration with ANA</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1999</div> <ul style="list-style-type: none"> <li>• Listed on KOSDAQ</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1998</div> <ul style="list-style-type: none"> <li>• Transferred the main office (From Hoehyeon-dong to Osae-dong, Asiana Town)</li> <li>• Operated the first presidential plane</li> </ul> </div>   |
| 1997 ~ 1988 | <div style="display: flex; align-items: flex-start;"> <div style="margin-right: 10px;">1997</div> <ul style="list-style-type: none"> <li>• Signed a marketing alliance with American Airlines</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1995</div> <ul style="list-style-type: none"> <li>• Opened the first European route (Brussels-Vienna)</li> <li>• Opened the first Australian route (Seoul - Cairns)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1994</div> <ul style="list-style-type: none"> <li>• Opened the first Russian route (Seoul - Khabarovsk)</li> <li>• Started a code share agreement with Northwest Airlines</li> <li>• Obtained ISO 9002 Quality Certificate (all areas)</li> <li>• Opened the first Chinese route (Seoul - Beijing, Seoul - Shanghai)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1991</div> <ul style="list-style-type: none"> <li>• Appointment of Park Sam Koo as the new CEO</li> <li>• Started the first U.S. route (Seoul - L.A.)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1990</div> <ul style="list-style-type: none"> <li>• Started the first Korea-Japan flight (Seoul - Tokyo)</li> <li>• Started the first Southeast Asian International flight (Seoul - Hong Kong)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1989</div> <ul style="list-style-type: none"> <li>• Operated the first charter flight (Seoul - Sendai)</li> </ul> </div> <div style="display: flex; align-items: flex-start; margin-top: 5px;"> <div style="margin-right: 10px;">1988</div> <ul style="list-style-type: none"> <li>• Establishment of Asiana Airlines Inc.</li> <li>• Inaugurated the first domestic flight (Seoul - Busan, Seoul - Gwangju)</li> </ul> </div> |

## Ownership Structure

### Shareholders



#### • Major Shareholders and Related Parties

(Unit : No. of Shares)

Shareholder	Shares Owned	Ownership(%)
Kumho Industrial	58,688,063	33.5%
Kumho Petrochemical	24,593,400	14.0%
Kumho Asiana Cultural Foundation	145,340	0.1%
Subtotal	83,426,803	47.6%
Korea Development Bank	12,200,000	7.0%
All Nippon Airways	1,220,000	0.7%
Other Shareholders	78,323,940	44.7%
Total	175,170,743	100.0%

### Investment Securities

(Unit : No. of Shares)

Company Name	Shares Owned	Ownership(%)
Korea Express	9,624,000	23.9%
Asiana IDT	1,000,000	100.0%
Air Busan	4,600,000	46.0%
Daewoo E&C	9,138,514	2.8%
Asiana Airport Development	3,206,600	100.0%
Asiana Abacus	160,000	80.0%

## Business

### ■ Main Business

#### • Domestic Passenger

- Overall profitability is improving as a result of a higher leisure demand from the introduction of five working days a week, route restructuring from the entrance of low cost carriers and continually increased aircraft utilization

#### • International Passenger

- For long-haul flights, Asiana heightened profitability by providing premium service to business travelers
- For short-haul flights characterized with fierce price competition from open-sky, Asiana focused on cost reductions and flight utilizations improvement
- For the Southeast Asian and CIS routes, Asiana maintained competitive edge over the competitors by creating leisure demand through a new market penetration

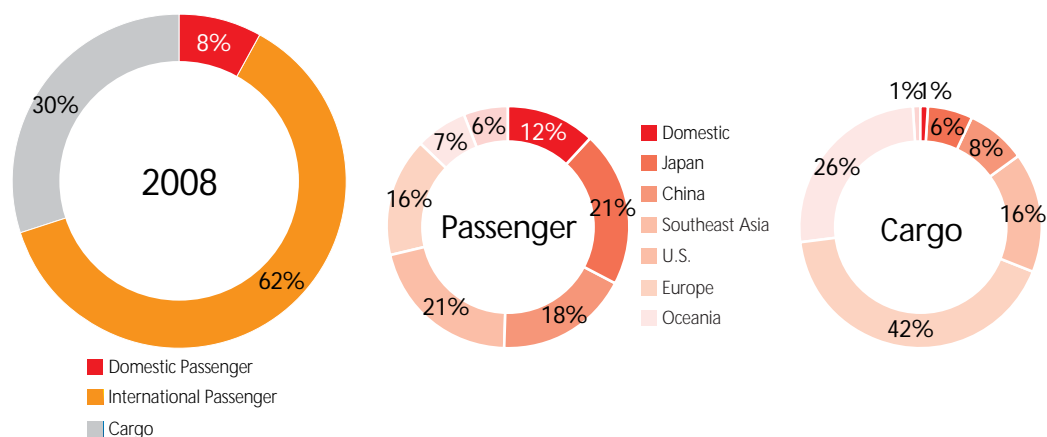
#### • Cargo

- For air cargos, the proportion of semiconductors, handsets, computers and other IT related goods exports consisted more than 70%
- As the FTA between Korea-U.S. and Korea-EU provides a great opportunity for the cargo business, Asiana reinforced customer oriented marketing and a global partnership to secure stable demands

### ■ Market Share

Type	Asiana Airlines	Korean Air	Others
Domestic Passenger	32.5%	57.8%	9.7%
International Passenger	24.2%	37.2%	38.6%
International Cargo	22.2%	53.8%	24.1%

### ■ Sales Breakdown by Businesses

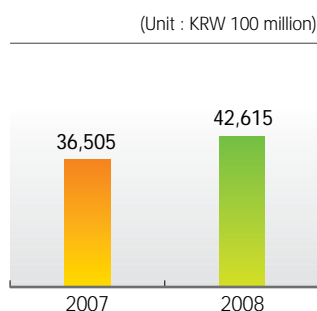


## 2008 Performance

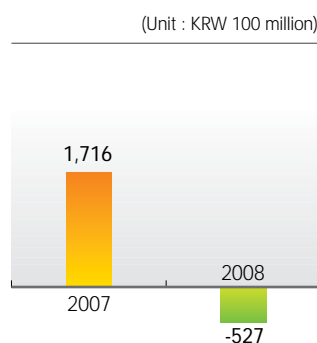
### 2008 Business Results

- Despite less demands for air transportation, 2008 sales grew sharply, amounting to KRW 4,261.5 billion due to higher fare price and the growth of overseas revenue from weak KRW.
- Overall volume of traffics increased 4.5% year-on-year due to a strong demand in international passenger routes, but a drop in cargo L/F from sharp decline in IT related goods exports in the wake of global economic downturn led to operating loss.
- Profitability improved as oil price dropped beginning from the second half of 2008, but net income turned in red due to higher expenses from won depreciation, higher fuel cost(56.1% year-on-year) from the increased jet fuel price, higher interest expenses, and loss on currency(KRW 247.4 billion) from weak KRW, in spite of partial hedging.

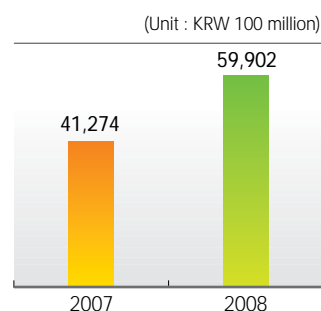
## • Sales



## • Operating Profit



## • Assets



### 2008 Business Performance

(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Sales	36,505	42,615	6,110	16.7%
Operating Profit	1,716	-527	-2,243	In Deficit
Operating Profit Margin	4.7%	-1.2%	-5.9%p	
Income before Taxes	1,145	-2,646	-3,791	In Deficit
Net Income	1,063	-2,272	-3,334	In Deficit
Total Assets	41,274	59,902	18,629	45.1%
Total Liabilities	30,233	52,041	21,809	72.1%
Total Shareholders' Equity	11,041	7,861	-3,180	-28.8%
Passenger L/F	70.6%	66.6%	-4.0%p	
ASK (million Km)	31,827	34,421	8.1%	
RPK (million Km)	23,482	24,521	4.4%	
Passenger Yield (KRW)	91.8	110.8	20.7%	
Cargo L/F	80.9%	70.7%	-10.2%p	
ATK (million Km)	4,452	4,302	-3.4%	
RTK (million Km)	3,577	3,340	-6.6%	
Cargo Yield (KRW)	278.4	356.9	28.2%	

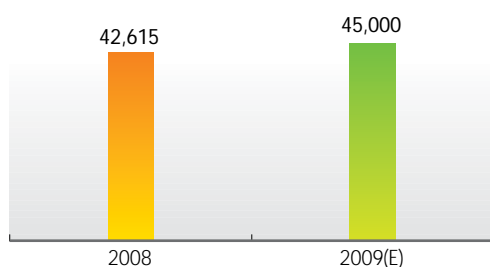
## 2009 Business Objective and Plan

### 2009 Business Objective

- Targeting Sales of KRW 4.5 trillion, a 5.6% growth year-on-year and generating operating profit of KRW 280 billion
- Asiana Airlines expects to benefit from the recovery of demands, burdens on fuel surcharge, stable exchange rates and economic recovery in the second half. The Company plans to increase demands from the countries with strong currencies including Japan and China.
- Overall interest expense is expected to go down due to decrease in debts by the cash inflow from the capital reduction of Korea Express. Asiana plans to create a synergy between affiliates and develop new routes

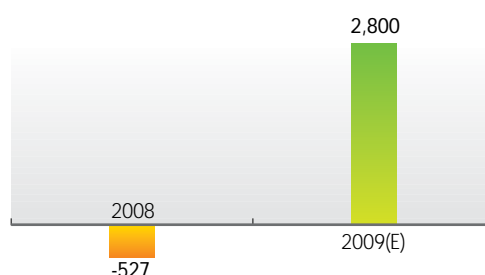
#### • Sales

(Unit : KRW 100 million)



#### • Operating Profit

(Unit : KRW 100 million)



### 2009 Business Plan

(Unit : KRW 100 million)

	2008 Performance	2009 Plan	Remark	
			Change	Change(%)
Sales	42,615	45,000	2,385	5.6%
Operating Profit	-527	2,800	3,327	631.3%
Operating Profit Margin	-1.2%	6.2%	7.5%p	
Total Assets	59,902	52,348	-7,554	-12.6%
Total Liabilities	52,041	42,012	-10,029	-19.2%
Total Shareholders' Equity	7,861	10,336	2,475	31.4%

## Strategies



### ■ Strategic Operation of Fleets

- Introduce strategic fleets : Increase the number of Wide-Body to strengthen mid to long-haul routes
- Simplification and efficient operation of fleets : Improve flight processes and continuously develop cost-efficient routes

### ■ Enhance the Competitiveness of Routes

- Stabilize revenue structure, increasing volume of sales in long-haul routes by extending the U.S. Network (Expect increased revenue on U.S. routes from the U.S. visa exemption)
- Improve profitability of short to mid haul routes
  - Strengthen the Golden Triangle Route (Korea, China, Japan)
  - Open profitable routes for Japan/China areas
- Increase code-sharing and strategic cooperation with the Northeast Asia Star Alliance members

### ■ Improve Competitiveness of the Business

- Build a stable sales portfolio such as increasing volume of sales in international passenger (increase demands from the countries with strong currencies such as Japan, China, etc.)
- Enhance service linking with car rental and home-delivery system of Korea Express
- Expand mileage partnership and increase convenience of mileage use
- Reduce cargo flights by returning freighters and attract regular shipment in international cargo



## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	6,089	6,561	7,345
Non-current Assets	32,279	34,712	52,557
<b>Total Assets</b>	<b>38,368</b>	<b>41,274</b>	<b>59,902</b>
Current Liabilities	10,399	12,092	24,115
Non-current Liabilities	17,808	18,141	27,926
<b>Total Liabilities</b>	<b>28,206</b>	<b>30,233</b>	<b>52,041</b>
Capital Stock	8,759	8,759	8,759
<b>Total Shareholders' Equity</b>	<b>10,162</b>	<b>11,041</b>	<b>7,861</b>

### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	34,515	36,505	42,615
Cost of Goods Sold	27,767	29,284	36,989
Gross Profit	6,748	7,221	5,626
SG&A	5,478	5,505	6,153
<b>Operating Profit</b>	<b>1,270</b>	<b>1,716</b>	<b>-527</b>
Non-Operating Profit	2,756	1,695	6,242
Non-Operating Expense	2,618	2,266	8,361
Income before Taxes	1,407	1,145	-2,646
Income Tax	101	82	-374
<b>Net Income</b>	<b>1,306</b>	<b>1,063</b>	<b>-2,272</b>

KUMHO ASIANA 



## KUMHO TIRES

INVESTOR RELATIONS 2009

1. Overview
2. 2008 Business Performance
3. 2009 Business Plan
4. Financial Statements Summary

## Highlights 2008

### ■ Global Expansion



#### Accelerate Overseas Expansion for Low Cost Production

- Completed Nanjing TBR Plant in China (US\$100M, Annual Capacity of 0.3 million tires)
- Completed Tianjin Plant in China (US\$436M, Annual Capacity of 13 million tires)
- Completed Vietnam Plant (Binh Duong Province, US\$199M, Annual Capacity of 3.15 million tires)
- Established New Warehouse in New Jersey, USA

### ■ Eco-Friendly Company



#### Possess environment-friendly technology

- Contributed to lower carbon emission
- Enhanced corporate image as environment-Friendly company

### ■ Global Market Penetration by Establishing Overseas Distribution Networks



#### Strengthen marketing in China by Launching 'TIRE PRO', an exclusive flagship retail shop in Shanghai, China

- Promising outlook for expansion of global distribution network of Kumho Tires
- Presented new concept of tire shop to meet Customer's Needs

## Company Overview

### Company Introduction

- Established in 1960, Kumho Tires is a representative of the Korean tire industry, and since the founding almost half a century ago, has driven a growth of global tire industry. As a Korean flagship tire brand and the world's 10th largest tire company, Kumho Tires produces almost 64 million tires annually.
- Recognized as one of the fastest growing tire company, based on technology leadership and global competitiveness, Kumho Tires has 8 tire plants, 4 R&D centers, 8 overseas sales corporations, 15 overseas branches & offices around the world.

### Company Profile

CEO	Kim, Jong Ho
Address	555 Sochon-dong, Gwangsan-gu, Gwangju, Korea
Foundation Date	September 5, 1960
Listing Date	February 17, 2005

Main Business	Tire Sales & Manufacturing
Capital Stock	KRW 350 billion (End of 2008)
No. of Employees	5,511 (End of 2008)
Homepage	www.kumhotire.com

### Business Infrastructure (Plants)



**Gwangju Plant (Korea)**  
 - Capacity : 14 (million tires/year)  
 - Area : 415,341m<sup>2</sup>



**Pyeongtaek Plant (Korea)**  
 - Capacity : 2.1 (million tires/year)  
 - Area : 43,863m<sup>2</sup>



**Gokseong Plant (Korea)**  
 - Capacity : 15 (million tires/year)  
 - Area : 550,606m<sup>2</sup>



**Vietnam Plant**  
 - Capacity : 3.15 (million tires/year)  
 - Area : 315,000m<sup>2</sup>



**Nanjing Plant (China)**  
 - Capacity : 14 (million tires/year)  
 - Area : 187,900m<sup>2</sup>



**Tianjin Plant (China)**  
 - Capacity : 13 (million tires/year)  
 - Size : 310,105m<sup>2</sup>



**Changchun Plant (China)**  
 - Capacity : 3.15 (million tires/year)  
 - Size : 226,015m<sup>2</sup>



**Nanjing TBR Plant (China)**  
 - Capacity : 0.3 (million tires/year)  
 - Area : 300,000m<sup>2</sup>

### Research Centers

- KRDC (Kumho Tire Research & Development Center) : Develop tires for Domestic & Global market. Central research center
- KCTC (Kumho Tire China Technical Center) : Develop High Performance Tires for China & European markets, Provide technical support for Plants in China Collect & Analyze information on new tires / market trends / new technology for China market
- KATC (Kumho Tire America Technical Center) : Develop RE tires for the U.S. market, Collect & Analyze information on new tires / market trends / new technology for the U.S. market, Support overseas sales
- KETC (Kumho Tire Europe Technical Center) : Develop High Performance Tires for Europe market, Collect & Analyze information on new tires / market trends / new technology for Europe market, Support overseas sales

Foundation	Date	Location	Area
KRDC	1981	Gwangju, Korea	Main Building : 14,876m <sup>2</sup> / Test Complex : 6,612m <sup>2</sup> / Pilot Plant : 8,265m <sup>2</sup> / Proving Ground : 247,935m <sup>2</sup> (Gokseong)
KCTC	2006	Tianjin, China	Lot 22,050m <sup>2</sup> , Building 10,909m <sup>2</sup>
KATC	1990	Akron, Ohio, USA	1,841m <sup>2</sup>
KETC	1997	Birmingham, England	529m <sup>2</sup>



## History

## Corporate History

2000 ~



- 2008** • Supplied more than 2 million OE tires to global premium carmakers
- Ranked No.1 in Customer Survey of Tire Satisfaction by Tire Rack, USA
- Ranked No.1 in Rotation Resistances & Noise Control for All-season Tire (Solus Vier) by Auto Bild, German Magazine
- Received the most 'Environment-Friendly Certification' in Korea
- Supplied OE tires to Kogel, Germany
- Selected as one of the top 3 products by Consumer Reports(U.S.)
- Completion of Nanjing TBR Tire Plant in China
- 2007** • Signed Sponsorship with the U.K.'s Manchester United Football Club
- Completion of Changchun Plant in China
- Became the First Korean Company to Supply OE Tires to Daimler-Benz
- 2006** • Established Kumho Tire China Co., Inc., a Sales subsidiary
- Completion of Tianjin Plant in China & Kumho Tires' China Technology Center (KCTC)
- 2005** • Awarded for Export Achievement of USD 1billion
- 2004** • Selected as the Advanced Technology Research Center of the Year by Korea's Ministry of Commerce, Industry & Energy
- 2003** • Completion of APU Plant in Pyungtaek, Korea
- 2002** • First company in the world to develop 26/28 Inch tires
- 2000** • Selected as Official Tire Supplier for F3 Motor Race

1990 ~  
1999

- 1999** • Developed Run-Flat Tires and Automated Production Unit (APU)
- 1996** • Changed Corporate Name to Kumho Tire Co., Inc.

1980 ~  
1989

- 1989** • Completion of Gwangju Plant
- 1981** • Established Kumho Tires' R&D Center (KRDC) in Gwangju, Korea

1970 ~  
1979

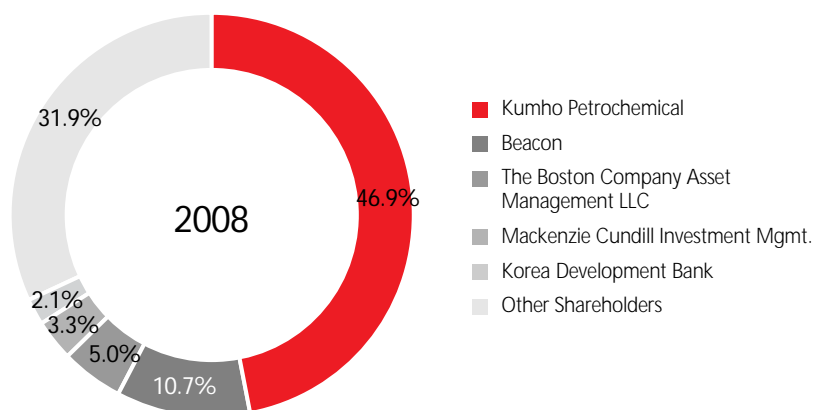
- 1976** • Became Korea's First Tire Company to Produce More Than 1 Million Tires
- 1974** • Completion of Gwangju Plant

1960 ~  
1969

- 1965** • First exports (Thailand)
- 1960** • Establishment of Samyang Tires

## Ownership Structure

### Shareholders



### Major Shareholders and Related Parties

(Unit : No. of Shares)

Major Shareholder	Shares Owned	Ownership(%)
Kumho Petrochemical	32,864,880	46.9%
Subtotal	32,864,880	46.9%
Beacon	7,500,000	10.7%
The Boston Company Asset	3,497,092	5.0%
Mackenzie Cundill Investment	2,327,254	3.3%
Korea Development Bank	1,500,000	2.1%
Other Shareholders	22,310,774	31.9%
Total	70,000,000	100.0%

### Major Overseas Subsidiaries

Subsidiary	Parent Ownership(%)	Main Business
Kumho Tire U.S.A., Inc.	100%	Tire sales
Kumho Tyre U.K., Ltd.	100%	Tire sales
Kumho Tire Europe GmbH	100%	Tire sales
Kumho Tire Japan, Inc.	100%	Tire sales
Kumho Tire Canada, Inc.	100%	Tire sales
Kumho Tyre Australia Pty, Ltd.	100%	Tire sales
Kumho Tire France, S.A.S	100%	Tire sales
Kumho Tire (H.K.), Co., Ltd.	100%	Holding Company of entities in China & Vietnam
Nanjing Kumho Tire Co., Ltd.	Subsidiary of Kumho Tire (H.K.), Co., Ltd.	Tire Sales & Manufacturing
Kumho Tire (Tianjin) Co., Inc.	Subsidiary of Kumho Tire (H.K.), Co., Ltd.	Tire Sales & Manufacturing
Kumho Tire (Changchun) Co., Inc.	Subsidiary of Kumho Tire (H.K.), Co., Ltd.	Tire Sales & Manufacturing
Kumho Tire (Vietnam) Co., Inc.	Subsidiary of Kumho Tire (H.K.), Co., Ltd.	Tire Sales & Manufacturing
Kumho Tire China Co., Inc.	Subsidiary of Kumho Tire (H.K.), Co., Ltd.	Tire sales
Kumho Tire Georgia, Inc.	Subsidiary of Kumho Tire U.S.A., Inc.	Tire Sales & Manufacturing

## Business

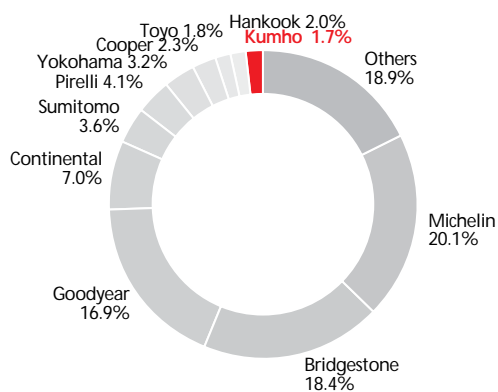
### ■ Main Business

- Ultra High Performance Tire (UHP)
  - Target for high performance and high powered automobiles
  - Improved high speed turning, braking power and stability
- Run-flat Tire
  - The 1st to introduce in Korea (Development & Commercialization)
  - Only six tire manufacturers worldwide developed successfully (Growing Demand expected in Premium OE and RE Market)
- ECSTA X-Speed
  - Speed up to 360km/h, stable handling and braking power
  - Target for high-end sport cars
  - One of two companies in the world to develop internally
- Aviation Tire
  - 18 different specification tires for 12 Types of Fighter jets
  - Increase competitive edge in the global Civil Aviation tire market

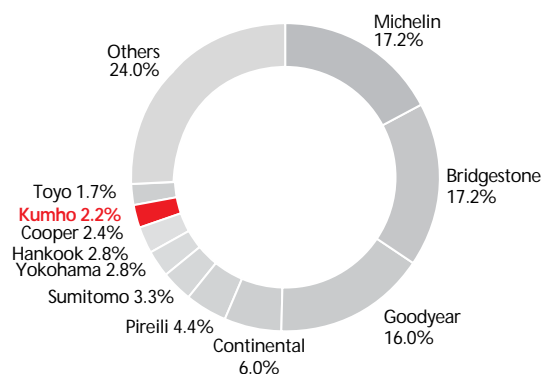
### ■ Market Share

- Global market share increased to 2.2% in 2007 from 1.7% in 2003
- Kumho fared better than domestic competitor, Hankook Tires, in the U.S. tire market (HP/UHP tires)
- In the Korean market for replacement tires (RE) and new tires (OE), Kumho Tires and Hankook Tire hold market share of around 80% (End of 2008)

#### • 2003 World Tire Market Share



#### • 2007 World Tire Market Share

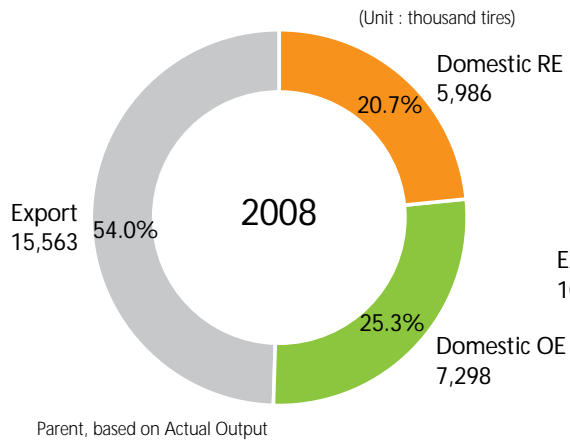




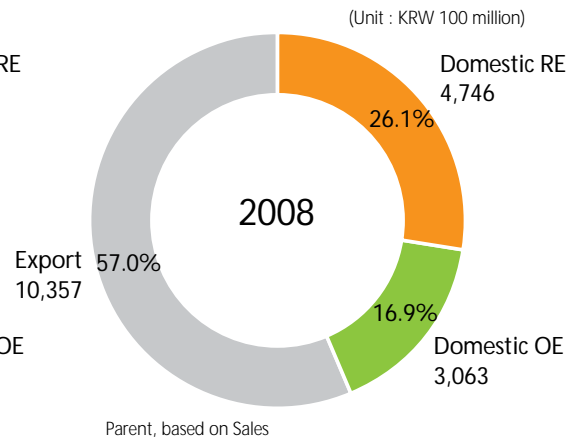
# Business

## Sales By Region / Product Type

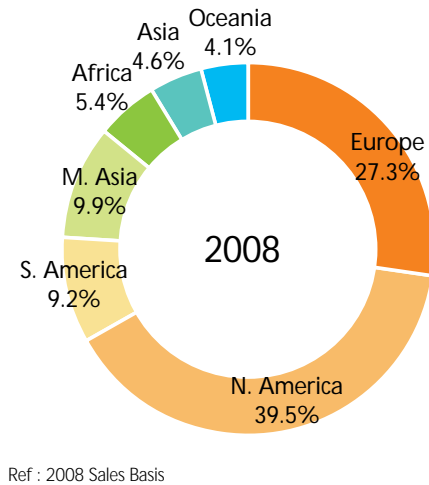
### • Volume



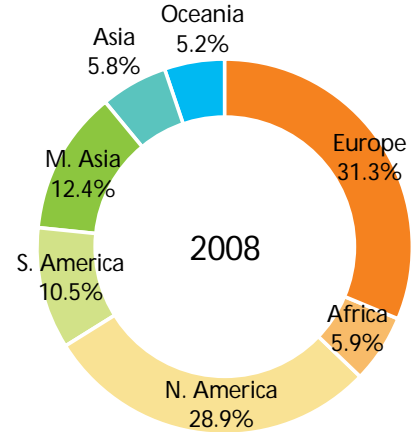
### • Amount



### • Export Sales



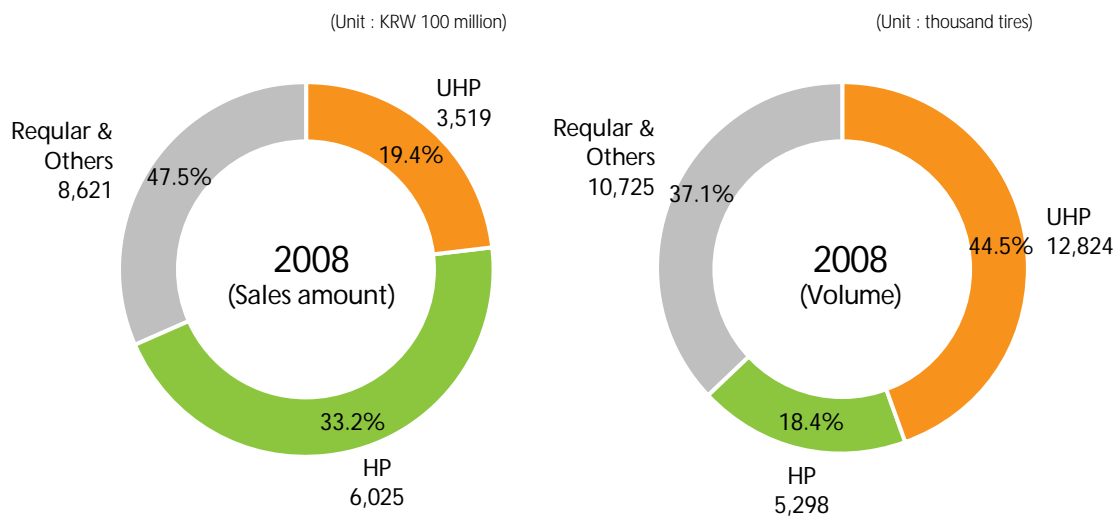
### • Export Sales (Parent Company Only)



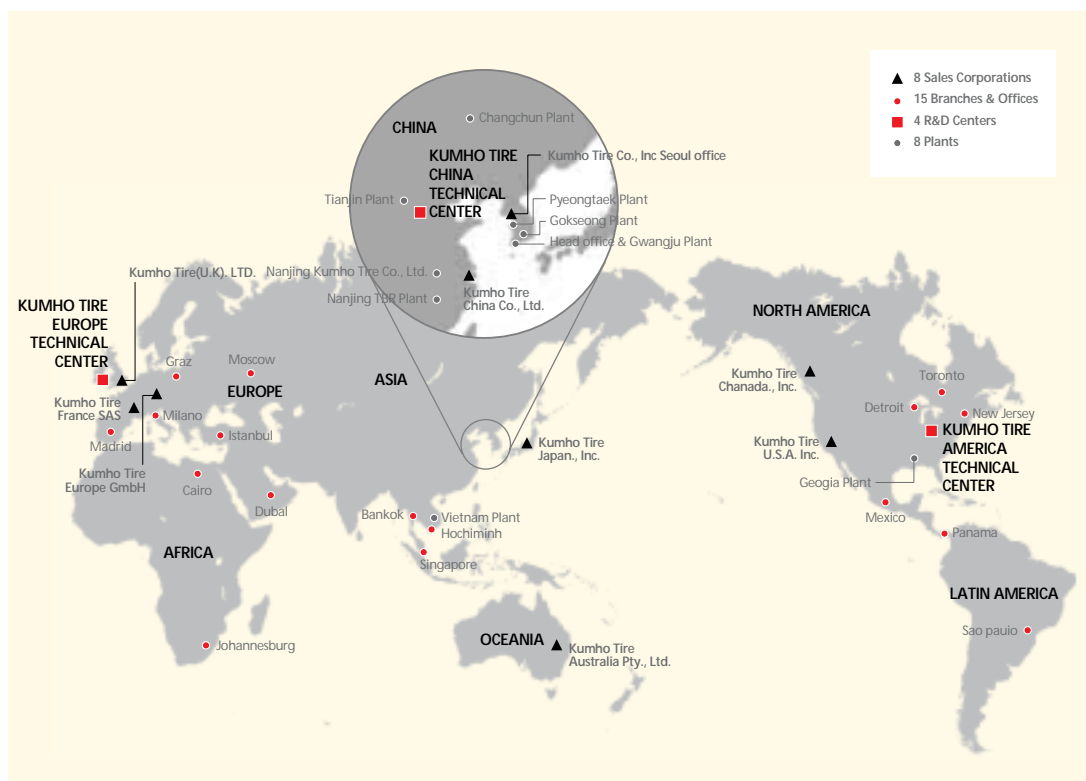
\*\* Parent Company Exports :  
Tires produced in Gwangju, Gokseong and Pyeongtaek Plants in Korea

# Business

## • Sales Breakdown by Products (Parent Company Only)



## ■ Sales Networks



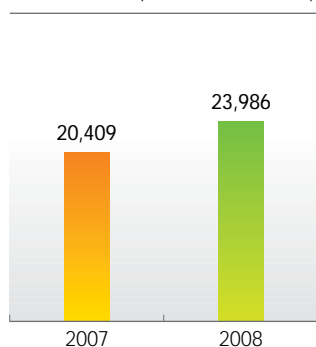
## 2008 Performance

### 2008 Business Results

- Overall exports dwindled from lower automobile sales due to high oil price and global economic slowdown. Nevertheless, total sales grew 17.5% year-on-year amounting to KRW 2,398.6 billion attributed to better performance in the Middle East and S. America
- Operating profit fell to KRW 36.3 billion, 68% down from the previous year mainly from high raw material costs
- Net losses increased from equity losses on investment and foreign currency translation losses
- overseas facility investment and a decline in account receivables resulting from poor performance by automobile manufacturers led to the rise in debt to equity ratio
- Total assets rose by KRW 632 billion from the increase in inventory and CAPEX spending

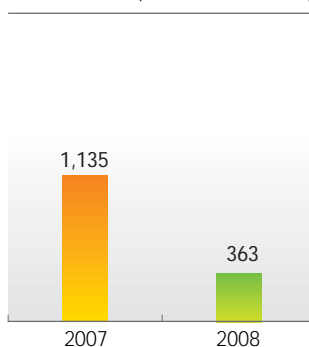
#### • Sales

(Unit : KRW 100 million)



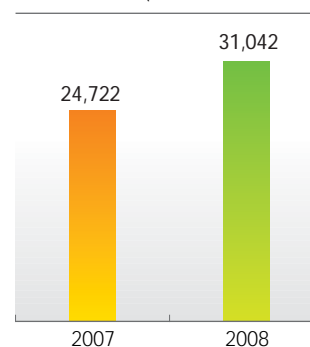
#### • Operating Profit

(Unit : KRW 100 million)



#### • Assets

(Unit : KRW 100 million)



### 2008 Business Performance

(Unit : KRW 100 million)

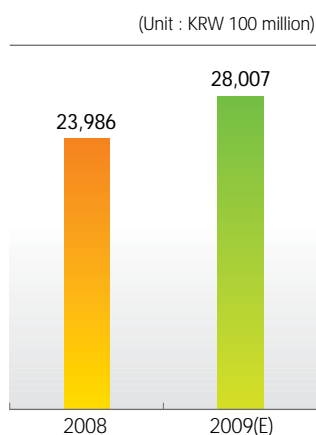
	2007	2008	Remark	
			Change	Change(%)
Sales	20,409	23,986	3,577	17.5%
[Finished Goods]	17,278	18,166	888	5.1%
[Merchandises]	2,705	5,191	2,486	91.9%
[Others]	426	629	203	47.7%
Operating Profit	1,135	363	-772	-68.0%
Operating Profit Margin	5.5%	1.5%	-4.0%p	-
Income before Taxes	-255	-2,543	-2,288	Increase in Loss
Net Income	-236	-2,004	-1,768	Increase in Loss
Total Assets	24,722	31,042	6,320	25.6%
Total Liabilities	16,009	21,963	5,954	37.2%
Total Shareholders' Equity	8,713	9,079	366	4.2%

## 2009 Business Objective and Plan

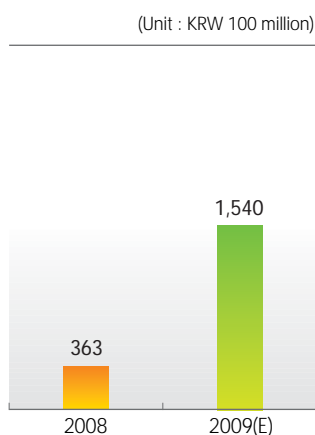
### 2009 Business Objective

- Respond to the tire industry stagnation due to restructuring in auto industry, weak consumer confidence from delay in economic recovery and high oil price
- Cash Flow-based management by cost reduction & securing liquidity, Quality improvement through continuous investment in R&D, Stronger sales & marketing activities in growing competition
- Sales increase by building strong global sales networks & sales forces (esp. China, Middle East & South America)
- Improve operating profit based on stabilizing raw material costs
- Reduced losses in non-operating items

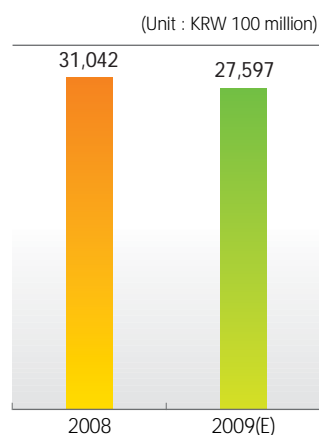
#### • Sales



#### • Operating Profit



#### • Assets



### 2009 Business Plan

(Unit : KRW 100 million)

	2008 Performance	2009 Plan	Remark	
			Change	Change(%)
Sales	23,986	28,007	4,021	16.8%
Operating Profit	363	1,540	1,177	324.2%
Operating Profit Margin	1.5%	5.5%	4.0%p	
Total Assets	31,042	27,597	-3,445	-11.1%
Total Liabilities	21,963	20,066	-1,897	-8.6%
Total Shareholders' Equity	9,079	7,530	-1,549	-17.1%

## Strategies



## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	5,927	6,911	10,524
Non-current Assets	18,171	17,811	20,518
<b>Total Assets</b>	<b>24,098</b>	<b>24,722</b>	<b>31,042</b>
Current Liabilities	8,232	7,191	15,274
Non-current Liabilities	6,767	8,819	6,690
<b>Total Liabilities</b>	<b>14,999</b>	<b>16,009</b>	<b>21,963</b>
Capital Stock	3,500	3,500	3,500
<b>Total Shareholders' Equity</b>	<b>9,099</b>	<b>8,713</b>	<b>9,079</b>

### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	18,138	20,409	23,986
Cost of Goods Sold	14,626	16,051	19,806
Gross Profit	3,512	4,359	4,180
SG&A	2,709	3,224	3,817
<b>Operating Profit</b>	<b>803</b>	<b>1,135</b>	<b>363</b>
Non-Operating Profit	456	557	1,689
Non-Operating Expense	1,238	1,946	4,594
Income before Taxes	21	-255	-2,543
Income Tax	11	-19	-540
<b>Net Income</b>	<b>10</b>	<b>-236</b>	<b>-2,004</b>



# DAEWOO E&C

INVESTOR RELATIONS 2009

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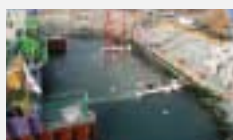
## Highlights 2008

### No.1 in Construction Capability Evaluation for Three Consecutive Years



Designation as a company with No.1 construction capability confirms Daewoo E&C's status as the best construction company in Korea

### Underwater Construction of Tunnel Parts for GK Fixed Link



Daewoo E&C successfully constructed Korea's first and the world's largest (180m) immersed tunnel body parts

### Successful Acquisition of Korea Express



As a primary negotiator for acquisition of Korea Express, Daewoo E&C secured future growth engine through synergy creation

### Selected as Preferred Negotiating Partner for Sosa-Wonsi Double Track Subway



The Ministry of Land, Transport and Maritime Affairs selected Daewoo E&C as preferred negotiating partner for a private investment business, Sosa-Wonsi double track subway

### Contract to Build a Plant in Algeria, US \$600 Million Equivalent



Daewoo E&C entered into a contract with an Oman & Algeria J/V company for Algeria Oman Fertilizer Project

### Prugio Receiving 8 'GD Marks'



Prugio received 8 GD (Good Design) marks in 8 categories for excellent design quality



## Company Overview

### ■ Company Introduction

- Daewoo E&C is an unmatched leader in the construction business, ranking no.1 in construction capability evaluation for three consecutive years. Based on superior technology and marketing ability, Daewoo E&C is reinforcing core competence of each business division, solidifying its position as the leading construction company

### ■ Company Profile

CEO	Park Sam Koo / Seo Jong-uk
Address	Sinmunno 1-ga, Jongno-gu, Seoul
Foundation Date	November 1, 1973
Listing Date	March 23, 2001

Main Business	Civil Engineering, Architecture, Plant, Housing, Overseas
Capital Stock	KRW 1,628.5 billion (End of 2008)
No. of Employees	3,688 (End of 2008)
Homepage	www.dwconst.co.kr

### ■ No.1 in Construction Capability Evaluation for Three Consecutive Years

(Unit : KRW 100 million)

	2004	2005	2006	2007	2008
Daewoo	3	2 (54,609)	1 (67,300)	1 (76,635)	1 (89,272)
Samsung	1	1 (59,360)	2 (62,100)	2 (68,153)	2 (77,338)
GS	6	5 (43,505)	4 (54,200)	3 (61,602)	4 (61,358)
Hyundai	2	3 (53,713)	3 (54,800)	4 (61,189)	3 (69,078)
Daelim	5	4 (47,319)	5 (53,000)	5 (54,025)	5 (61,490)

Ref) Evaluation of construction capability : Measures the size of one construction project each company is able to carry out in currency. The criteria are based on the last year's performance results, management capability and technological competency, among other criteria.

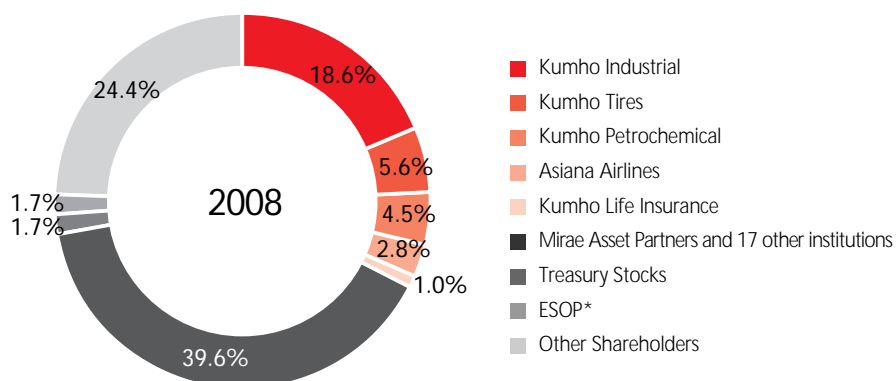
# History

## Corporate History

2000 ~	2008	<ul style="list-style-type: none"> <li>No.1 in construction capability evaluation for three consecutive years</li> <li>Entered into SPA with respect to the acquisition of Korea Express</li> </ul>
	2007	<ul style="list-style-type: none"> <li>Won 'Grand Prize' in the 3rd Korea Civil Constructions Award</li> <li>No.1 in construction capability evaluation for two consecutive years</li> </ul>
	2006	<ul style="list-style-type: none"> <li>Became an affiliate of Kumho Asiana Group</li> <li>No.1 in 2006 construction capability evaluation - selected as the best Korean construction company</li> </ul>
	2005	<ul style="list-style-type: none"> <li>Won 'Grand Prize' in the 1st Korean Civil Constructions Award (National Museum of Korea)</li> <li>Won 'Grand Prize' in 2005 Korea Environmental Award (Ecomedia, etc.)</li> </ul>
	2004	<ul style="list-style-type: none"> <li>Ground Breaking of privately-financed Busan-Geoje Fixed Link project (Immersed tunnel, 2004~)</li> <li>Ground Breaking of Sihwa Lake Tidal Power Plant (World's largest, 2004~2009)</li> </ul>
	2003	<ul style="list-style-type: none"> <li>Completion of corporate restructuring (implemented by creditor banks)</li> <li>Announced a new brand of Daewoo Apartment, PRUGIO</li> </ul>
	2002	<ul style="list-style-type: none"> <li>Received the 20th Construction Award from the City of Seoul</li> <li>Won the Gold Prize for the 9th Korea Nuclear Technology Award (Ministry of Science and Technology)</li> </ul>
	2001	<ul style="list-style-type: none"> <li>Won 'Grand Prize' in Knowledge Management Award from KMA</li> </ul>
	2000	<ul style="list-style-type: none"> <li>Daewoo E&amp;C established as an independent corporate entity</li> </ul>
1990 ~ 1999	1999	<ul style="list-style-type: none"> <li>Constructed Korea's longest tunnel (Relocation of railroad for Yeongdong line, Mt. Dongbaek-dongye Section, 1999~2007)</li> </ul>
	1995	<ul style="list-style-type: none"> <li>Ground Breaking of Malaysia Telecom Tower</li> <li>Opened Korea's first future residence pavilion, Human Space</li> </ul>
	1994	<ul style="list-style-type: none"> <li>Entered China market (Construction of cement plant in Shandong, China)</li> <li>Obtained the industry's first ISO9000 Quality Certification (Plant)</li> </ul>
	1993	<ul style="list-style-type: none"> <li>Entered Laos construction market with Houay Ho Hydroelectric Power Plant Project (1993~1997)</li> </ul>
	1992	<ul style="list-style-type: none"> <li>Constructed Pakistan Express Highway (1992~1997)</li> <li>Awarded construction contract for Wolsong Nuclear Power Plant Units 3 and 4</li> </ul>
1970 ~ 1989	1988	<ul style="list-style-type: none"> <li>First Korean company to enter the US construction market (Seattle retirement communities for the elderly, 1988~2003)</li> </ul>
	1985	<ul style="list-style-type: none"> <li>Began construction of the Korea's first cogeneration plant (Mok-dong Cogeneration Plant, 1985~1987)</li> </ul>
	1984	<ul style="list-style-type: none"> <li>Awarded US\$4 billion Overseas Construction Monument (Selected by ENR as No.15 among the world construction companies0)</li> </ul>
	1983	<ul style="list-style-type: none"> <li>Established the industry's first R&amp;D center for construction technology</li> </ul>
	1979	<ul style="list-style-type: none"> <li>Began Korea's first Turnkey construction (Daejeon, 1979~1984)</li> </ul>
	1978	<ul style="list-style-type: none"> <li>Entered Libya market (Garinius Medical School, 1978~1982)</li> <li>Construction of Dongjak Grand Bridge (1978~1984)</li> </ul>
	1976	<ul style="list-style-type: none"> <li>Obtained permit for overseas construction</li> <li>First Korean company to enter Ecuador market, South America</li> </ul>
	1973	<ul style="list-style-type: none"> <li>Establishment of Daewoo Construction Co., Ltd.</li> </ul>

## Ownership Structure

### Shareholders



#### • Major Shareholders and Related Parties

(Unit : No. of Shares)

Shareholder	Shares Owned	Ownership(%)
Kumho Industrial	60,716,522	18.6%
Kumho Tires	18,277,029	5.6%
Kumho Petrochemical	14,621,622	4.5%
Asiana Airlines	9,138,514	2.8%
Kumho Life Insurance	3,250,105	1.0%
Subtotal	106,003,792	32.5%
Mirae Asset Partners and 17 other institutions	129,069,288	39.6%
Treasury Stocks	5,671,231	1.7%
ESOP*	5,590,582	1.7%
Other Shareholders	79,383,943	24.4%
Total	325,718,836	100.0%

\* ESOP : Employee Stock Ownership Plan

### Investment Securities

(Unit : No. of Shares)

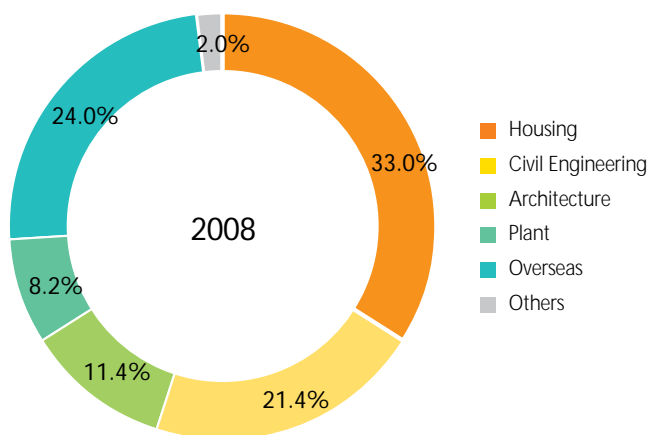
Company	Shares Owned	Ownership(%)
Korea Express	9,624,000	24.0%
Kumho Steel Tech	4,740,000	100.0%
GK Fixed Link	37,366,000	43.5%

## Business

### ■ Main Business

Business	Main Business
Housing	Apartments, luxurious villas, studios, residential-commercial buildings, redevelopment/reconstruction businesses
Civil Engineering	Roads, bridges, tunnels, subways, railroads, depots, sewage disposal facilities, harbors & marine facilities construction
Architectural Works	Operations, lodgings, sales, medical treatments, education, culture, exercise and other purpose facilities construction
Plant	Power generation, petrochemical, environment and industrial plant construction
Overseas Market	Overseas constructions (architecture, civil engineering, plant construction)
Others	Real estate rental and merchandise sales

### ■ Sales Breakdown by Businesses



### ■ Number of Construction Sites

	Domestic	Overseas	Total
Civil Engineering	165	8	173
Architecture	72	9	81
Housing	103	-	103
Plant	36	19	55

※ Ref : Based on business sites with sales(2008)

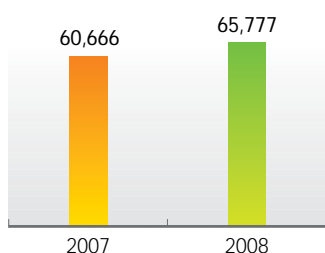
## 2008 Performance

## ■ 2008 Business Results

- Achieved steady sales growth through a stable business portfolio
- Operating profit did not meet initial target due to a declining profitability(plant division, etc.), unstable business environment, higher raw material costs, increase in the number of unsold apartments and lower margin from civil engineering
- Despite slight decline in housing sales from economic slowdown, overseas earnings improved based on excellent business performances at home and abroad
- Total accumulated orders received passed US \$30 billion mark in 2008 since expanding into overseas construction market 33 years ago

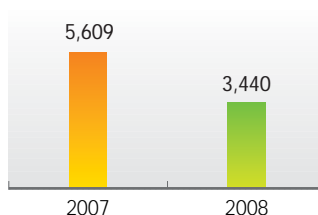
## • Sales

(Unit : KRW 100 million)



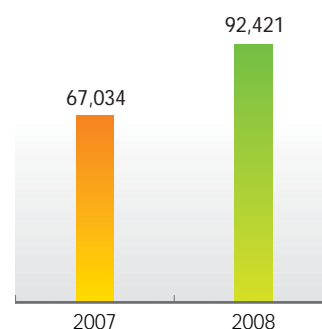
## • Operating Profit

(Unit : KRW 100 million)



## • Assets

(Unit : KRW 100 million)



## ■ 2008 Business Performance

(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Sales	60,666	65,777	5,111	8.4%
Housing	23,886	21,730	-2,156	-9.0%
Civil Engineering	13,499	14,085	586	4.3%
Architecture	6,570	7,519	949	14.4%
Plant	4,559	5,423	864	19.0%
Overseas	9,879	15,788	5,912	59.9%
Others	2,276	1,232	-1,044	-45.9%
Operating Profit	5,609	3,440	-2,169	-38.7%
Operating Profit Margin	9.2%	5.2%	-4.0%p	
Income before Taxes	13,168	3,953	-9,215	-70.0%
Net Income	9,380	2,470	-6,910	-73.7%
Total Assets	67,034	92,421	25,386	37.9%
Total Liabilities	36,421	59,595	23,174	63.6%
Total Shareholders' Equity	30,613	32,826	2,213	7.2%

## 2008 Performance

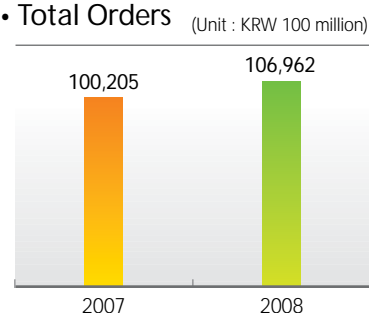
## ■ 2008 Major Orders

(Unit : KRW 100 million)		(Unit : KRW 100 million)	
Orders Received	Total Amount	Orders Received	Total Amount
Sosa/Wonsi Railroad BTL (Main Line)	2,917	Wangsip-ri New Town 3 District	2,443
Incheon Yeonsu-dong Residential-commercial Building	1,781	Kumho Petrochemical SDR 14th Expansion Construction	953
#22, 23 Tank Pyeongtaek Production Base	1,358	Arzew Fertilizer Plant in Algeria	6,263
Remodeling for 10 Haan-dong Gwangmyeong-si	2,795	Voughzoul New Town in Algeria	2,986

## • Orders

	(Unit : KRW 100 million)	
	2007	2008
Housing	44,665	48,540
Civil Engineering	18,290	19,581
Plant	7,204	6,846
Architecture	13,925	16,926
Overseas	16,121	15,070

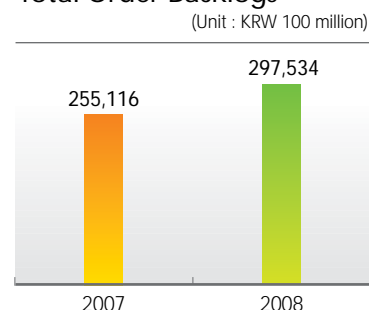
## • Total Orders



## • Order Backlogs

	(Unit : KRW 100 million)	
	2007	2008
Housing	127,390	154,199
Civil Engineering	55,914	61,411
Plant	13,238	14,661
Architecture	23,813	33,220
Overseas	34,760	34,042

## • Total Order Backlogs



## • Major Overseas Orders Received Status

- Daewoo E&C maximized profit by promoting domestic & foreign construction business and overseas projects based on a well-balanced portfolio as well as expanding overseas business in countries such as Algeria and Saudi Arabia
- Daewoo E&C overcame unstable business condition by securing new growth engine through the acquisition of Korea Express and by creating synergy within Kumho Asiana Group such as taking orders and entering overseas construction business with affiliates

(Unit : KRW 100 million)		
Client	Project	Project Amount
General Electricity Company of Libya	Misurata Combined Cycle Power Plant	6,222
Qatar Petroleum	Nakilat ship Repair Yard	7,645
El-Djazairia El-Omania Lil Asmida SpA	Arzew Fertilizer Plant	7,854
Algeria Ministry of National Land Development Environment and Tourism	Boughzoul New Town	3,204

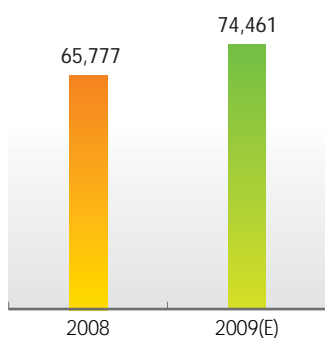
## 2009 Business Objective and Plan

### 2009 Business Objective

- Achieve sales of KRW 7,446.1 billion and operating profit of KRW 444.6 billion
- Realize steady growth by expanding overseas development works
- Achieve a 6% operating profit margin by improving profitability through cost reduction
- Build a well-balanced business portfolio (Domestic/Overseas)
- Establish strategies to enter global EPC business
- Establish a plan for securing new growth engines (Green Growth Business, etc.)
- Focus competence on securing cost competitiveness for the overseas plant business

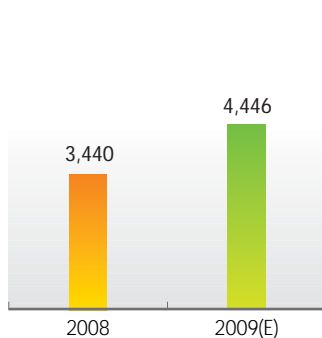
#### • Sales

(Unit : KRW 100 million)



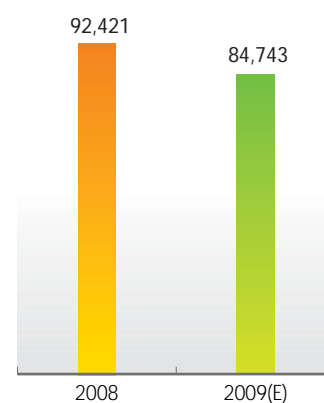
#### • Operating Profit

(Unit : KRW 100 million)



#### • Assets

(Unit : KRW 100 million)



### 2009 Business Plan

(Unit : KRW 100 million)

	2008 Performance	2009 Plan	Remark	
			Change	Change(%)
Sales	65,777	74,461	8,684	13.2%
Operating Profit	3,440	4,446	1,006	29.2%
Operating Profit Margin	5.2%	6.0%	0.8%p	
Total Assets	92,421	84,743	-7,678	-8.3%
Total Liabilities	59,595	49,089	-10,506	-17.6%
Total Shareholders' Equity	32,826	35,654	2,828	8.6%

## 2009 Business Objective and Plan

### ■ 2009 Plan for Orders Received

- Order backlogs expected to increase by 2 folds due to new orders from the company's main businesses, a large scale power generation and LNG Project
- Secure new orders from turn-key and alternative project market through 'selection and focus'

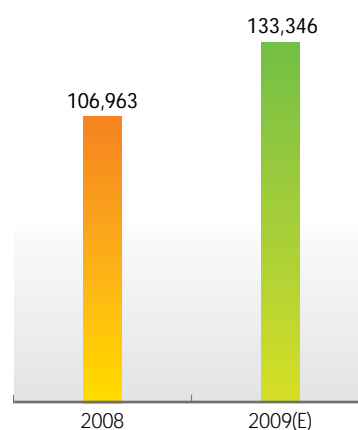
#### • New Orders

(Unit : KRW 100 million)

	2008	2009 (E)
Housing	48,540	39,830
Civil Engineering	19,581	19,508
Plant	6,846	7,360
Architecture	16,926	13,570
Overseas	15,069	53,078

#### • Total New Orders

(Unit : KRW 100 million)



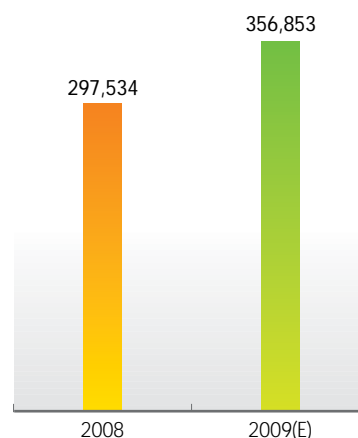
#### • Order Backlogs

(Unit : KRW 100 million)

	2008	2009 (E)
Housing	154,199	174,499
Civil Engineering	61,411	66,427
Plant	14,661	14,757
Architecture	33,220	37,007
Overseas	34,042	64,163

#### • Total Order Backlogs

(Unit : KRW 100 million)





## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	40,648	49,102	49,926
Non-current Assets	20,199	17,932	42,495
<b>Total Assets</b>	<b>60,847</b>	<b>67,034</b>	<b>92,421</b>
Current Liabilities	22,405	26,262	36,896
Non-current Liabilities	10,704	10,160	22,699
<b>Total Liabilities</b>	<b>33,109</b>	<b>36,421</b>	<b>59,595</b>
Capital Stock	16,965	16,286	16,286
<b>Total Shareholders' Equity</b>	<b>27,738</b>	<b>30,613</b>	<b>32,826</b>

### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	57,291	60,666	65,777
Cost of Goods Sold	48,336	52,032	58,992
Gross Profit	8,955	8,634	6,785
SG&A	2,667	3,025	3,345
<b>Operating Profit</b>	<b>6,288</b>	<b>5,609</b>	<b>3,440</b>
Non-Operating Profit	3,671	9,482	6,312
Non-Operating Expense	3,652	1,923	5,799
Income before Taxes	6,307	13,168	3,953
Income Tax	1,924	3,788	1,483
<b>Net Income</b>	<b>4,383</b>	<b>9,380</b>	<b>2,470</b>

KUMHO ASIANA 



## KOREA EXPRESS

INVESTOR RELATIONS 2009

1. Overview
2. 2008 Business Performance
3. 2009 Business Plan
4. Financial Statements Summary

• This document is provided for the convenience of investors and contains audited 2008 financial data that may be amended in the case of revision to the audit report.  
• While every care has been taken to ensure the reasonableness of our estimates, 2009 prospects data is based on necessary assumptions and thus may differ from the final reported results.

## Highlights 2008

### ■ Became an Affiliated Company of Kumho Asiana Group



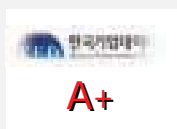
- Korea Express is taking a leap to become the largest global integrated logistics company by maximizing synergy with Kumho Asiana Group
- Global network, securing insourcing volume at the Group

### ■ No.1 in Parcel Delivery Business



- Korea Express delivered 158 million parcels took the No.1 spot in parcel delivery business in 2008 after taking the top position in 2007

### ■ Credit Rating Upgraded to A+



- Korea Express is the first logistics company to receive a credit rating of A+ from Korea Enterprise Data, securing bidding advantage for new orders

### ■ Busan Gamman Terminal Selected as the Best Terminal



- Korea Express Gamman Terminal became the best terminal for two consecutive years upon the result of 2008 First Half Productivity Evaluation conducted by Busan Port Authority

### ■ Entered China Inland Transportation Business



- Korea Express is the first Korean company to engage in a logistics business in China
- Shanghai ↔ Wuxi, Tianjin ↔ Beijing, Hong Kong ↔ Shenzhen
- Plans to operate 500 vehicles

### ■ Acquired Business Unit of Kumho Rent-A-Car



- Korea Express recorded higher sales revenues due to increases in number of cars owned from the acquisition of car rental service business unit of Kumho Rent-A-Car
- Market Share Growth (4.9% -> 24.5%) (Kumho Rent-A-Car 19.6%, Korea Express Rent-A-Car 4.9%)

### ■ Combined the Group's Logistics Network



- Korea Express combined the Group's logistics network through an integration of logistics function within affiliates
- Korea Express, Korea Integrated Freight Terminal, Asiana Airport Development
- Merger between Korea Express and KECI (September 2008)

## Company Overview

### Company Introduction

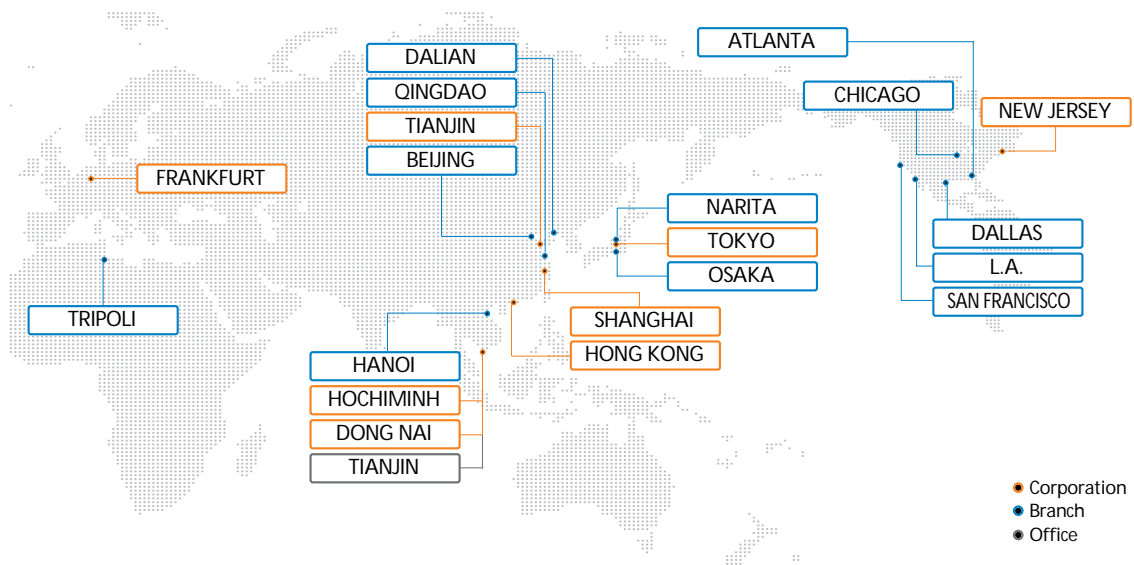
- Korea Express is the logistics service provider within Kumho Asiana Group, engaging in various logistics and car rental business such as inland transportation, harbor transportation, parcel delivery and forwarding
- The Company operates 40 nationwide branches, 500 agencies and 200 international networks that closely link major international cities

### Company Profile

CEO	Park Sam Koo / Lee Kook Dong / Rhee Sam Sup
Address	58-12 Korea Express Building, Seosomun-dong, Chung-ku, Seoul
Foundation Date	November 15, 1930
Listing Date	July 2, 1956

Main Business	Logistics, Car Rental
Capital Stock	KRW 200.9 billion (End of 2008)
No. of Employees	5,064 (End of 2008)
Homepage	<a href="http://www.korex.co.kr">www.korex.co.kr</a>

### Business Networks



## Company Overview

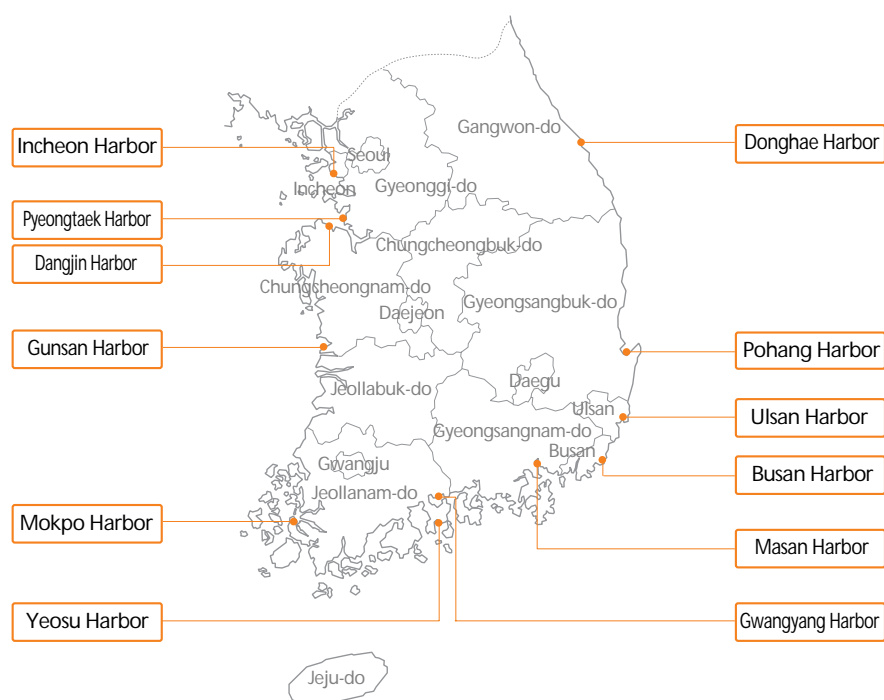
### Equipments / Facilities Status

#### • Equipments Status

	Transportation Equipments				Parcel Delivery (unit)	Rental Cars (unit)	Ships (unit)	Others
	Freighters (unit)	Tractors (unit)	Heavy Machineries (unit)	Total				
Owned	2,649	3,263	2,111	8,023	4,296	49,316	6	1,091

#### • Port Cargo Handling

Harbors	Berth Length (m)	Number of Berth (unit)	Korea Express Exclusive Use (unit)	Harbors	Berth Length (m)	Number of Berth (unit)	Number of Berth (unit)
Busan Harbor	3,340	14	3	Masan Harbor	1,050	5	2
Gwangyang Harbor	1,400	4	4	Donghae Harbor	660	3	-
Incheon Harbor	3,010	13	7	Mokpo Harbor	460	2	2
Ulsan Harbor	1,857	9	9	Yeosu Harbor	135	1	1
Gunsan Harbor	2,217	11	9	Pyeongtaek Dangjin Harbor	2,560	10	7
Pohang Harbor	1,448	6	2	Total	18,137	78	46



## Company Overview

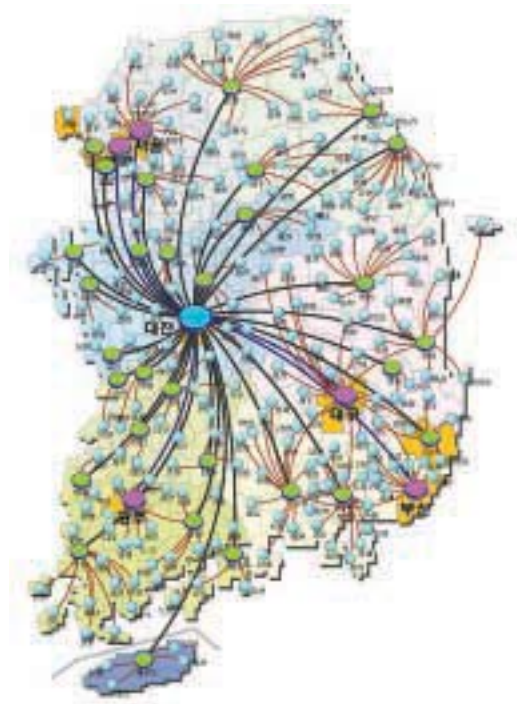
### • Major Logistics Center

(unit : m<sup>2</sup>)

	Area	Distribution Center	Remark
Gunpo Integrated Freight Terminal	730,219	529,776	Metropolitan Area Terminal
Yangsan Integrated Freight Terminal	312,148	154,216	Yeongnam Area Terminal
Jangseong Integrated Freight Terminal	520,782	204,509	Honam Area Terminal
Joongbu Integrated Freight Terminal	480,735	77,789	Joongbu Area Terminal
Daejeon Parcel Delivery Terminal I	61,444	34,336	Daejeon Eupnae-dong
Daejeon Parcel Delivery Terminal II	69,251	9,916	Daejeon Munpyeong-dong
GM Daewoo KD Center	48,291	48,291	Joint Operation
Gasam-dong Parcel Delivery Service Sub Terminal	9,916	13,138	To be completed by July 2009
Busan Cold Storage Warehouse	10,720	23,926	Cold Storage

### • Parcel Delivery Operation Network

Parcel Delivery Operation Status	
Parcel Delivery Terminals	60 Terminals
Parcel Delivery Post Center	300 Centers
Parcel Delivery Shops	10,000 Shops
Terminal Size	450,000m <sup>2</sup>
No. of Parcel Delivery Vehicles	4,296





# History

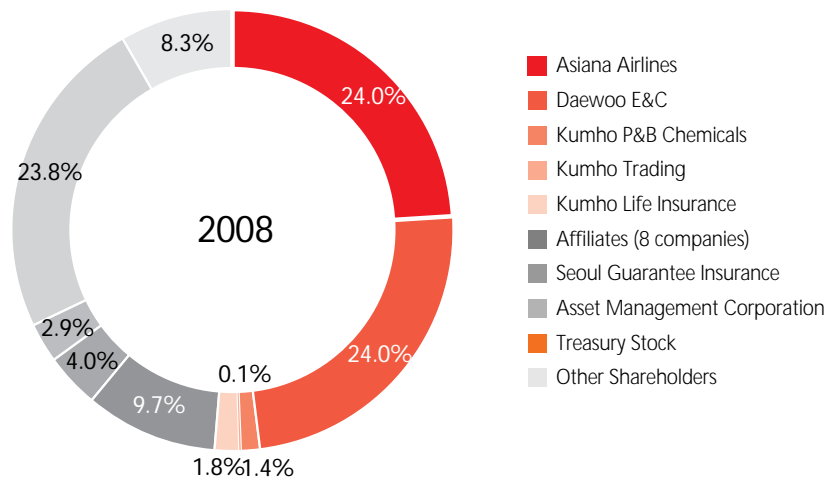
## Corporate History

2000 ~	<ul style="list-style-type: none"> <li>2008 • Started inland logistics business in China</li> <li>• Became an affiliated company of Kumho Asiana Group</li> <li>2007 • Established CNK World Logistics</li> <li>• Established Korea Express Tianjin Co., Ltd.</li> <li>2006 • Obtained operation rights for terminal 4 berths on phase 3-1 Gwangyang, Korea</li> <li>2005 • Obtained PAC (Provisional Acceptance Certificate) for the Libya Great Man-Made River Project</li> <li>• Obtained ISO9001:2000 certificate for the Libya Great Man-Made River Project (construction)</li> <li>2004 • Accepted the Libya Great Man-Made River Project</li> <li>• Obtained Certificate of Excellent Service Quality (parcel delivery)</li> <li>2003 • Transported the first civilian commodities through an inland route between North and South (tiles for Yeongtong Temple restoration)</li> <li>• Transported and stevedored supplies to North Korea including KEDO supplies and fertilizers for a total of 3 times</li> <li>2002 • Distributed supplies for the South-North Korea Talks including the 5th dispersed family reunion event for a total of 10 times</li> <li>• Selected as the official logistics company for Busan Asian Game &amp; 2002 Korea-Japan World Cup</li> <li>2001 • Transported and stevedored supplies to North Korea</li> <li>2000 • Severed ties with Dongah Construction</li> <li>• Transported and stevedored support goods for North Korea including KEDO light water reactor related goods</li> </ul>
1990 ~ 1999	<ul style="list-style-type: none"> <li>1999 • Changed business name from KE Special Delivery to KE Parcel Delivery</li> <li>1997 • Transported and stevedored supplies (fertilizers) to North Korea</li> <li>1995 • Obtained ISO 9002 International Quality certificate (inland transport, stevedoring, parcel delivery, car rental)</li> <li>1992 • Participated in the construction of the 2nd phase of the Libya Great Man-Made River Project</li> </ul>
1930 ~ 1989	<ul style="list-style-type: none"> <li>1988 • Selected as the official logistics company for the 1988 Seoul Olympics</li> <li>1986 • Selected as the official logistics company for the 1986 Asian Games</li> <li>1983 • Participated in the construction of the 1st phase of the Libya Great Man-Made River Project</li> <li>1968 • Privatized from the government-managed company (as an affiliate of Dongah Group)</li> <li>1965 • Established KE International Logistics</li> <li>1963 • Changed company name to Korea Express Co., Ltd.</li> <li>1956 • Stock listed</li> <li>1930 • Establishment of Chosun Rice Warehousing Co., Ltd.</li> </ul>



## Ownership Structure

### Shareholders



### Major Shareholders and Related Parties

(Unit : No. of Shares)

Shareholder	Shares Owned	Ownership(%)
Asiana Airlines	9,624,000	24.0%
Daewoo E&C	9,624,000	24.0%
Kumho P&B Chemicals	584,795	1.4%
Kumho Trading	47,065	0.1%
Kumho Life Insurance	737,784	1.8%
Subtotal	20,617,644	51.3%
Strategic Alliances (8 companies)	3,877,188	9.7%
Seoul Guarantee Insurance	1,609,135	4.0%
Korea Asset Management Corporation	1,182,542	2.9%
Treasury Stock	9,546,670	23.8%
Other Shareholders	3,343,545	8.3%
Total	40,176,724	100.0%

### Investment Securities

(Unit : No. of Shares)

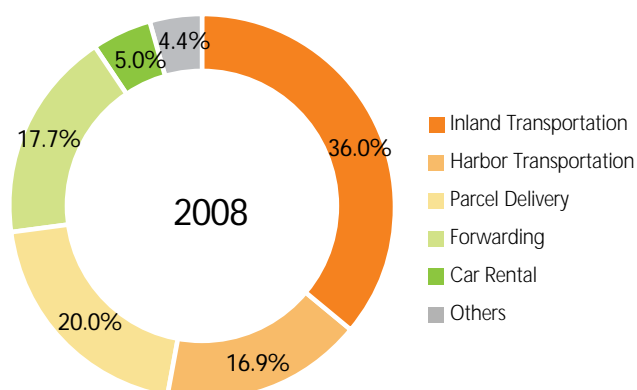
Company Name	Shares Owned	Ownership(%)
Korea Integrated Freight Terminal	8,392,622	84.8%
Korea Express Terminal	46,632	80.0%
B&D	578,340	75.0%
Ulsan Port Operation	5,154	51.5%

## Business

### ■ Main Business

Inland Transportation	<ul style="list-style-type: none"> <li>Offering a wide range of dependable transportation service from inland, railroad to heavy freight to customers on their preferred time and place based on complex network and operation know-know</li> <li>Based on TPL (Third Party Logistics) partnership with customers, Korea Express maximized profitability by rendering broad logistics operation service in every stage of the global supply chain including resource supply distribution, in-factory production distribution, sales distribution and international distributions</li> </ul>
Harbor Transportation	<ul style="list-style-type: none"> <li>Stevedoring in 22 harbors out of 28 harbors in Korea and constructing &amp; operating harbors with private capitals, the first in Korea</li> <li>Increasing investments for the modernization of the major harbors' facilities &amp; machines in Busan, Incheon, Donghae, Gwangyang, Pyeongtaek and other harbors, contributing to the development of international trade in Korea</li> </ul>
Parcel Delivery	<ul style="list-style-type: none"> <li>Taking the initiative for implementing hi-tech solution in the parcel delivery industry by building the industry's first parcel delivery information system as well as holding No.1 market share by providing stable services through the Korea's largest terminal built in Hub &amp; Spoke method</li> <li>Offering high quality service by operating the only directly managed organization in Korea as well as providing superior quality service being selected as the No.1 company in the first NCSI evaluation for the parcel delivery category</li> </ul>
Forwarding	<ul style="list-style-type: none"> <li>Active marketing by securing competitiveness from the acquisition of KECL, a company specializing in forwarding and capitalize on the group insourcing volume</li> </ul>
Car Rental	<ul style="list-style-type: none"> <li>Profit generation by strengthening both sales capacity and operation efficiency and taking advantage of No.1 brand power in the industry and 25% market share through the acquisition of Kumho Rent-A-Car</li> </ul>

### ■ Sales Breakdown



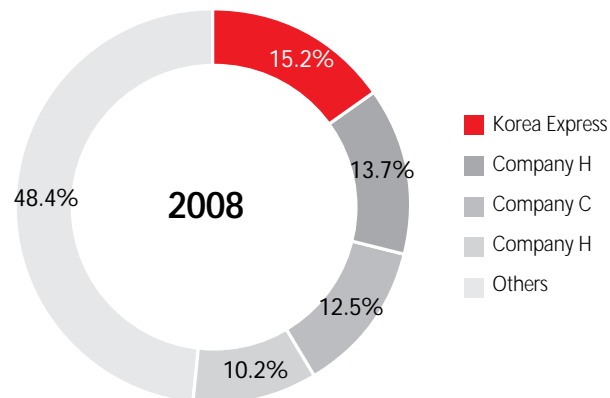
Ref : Based on Korea Express 2008 sales

## Business

### Market Share

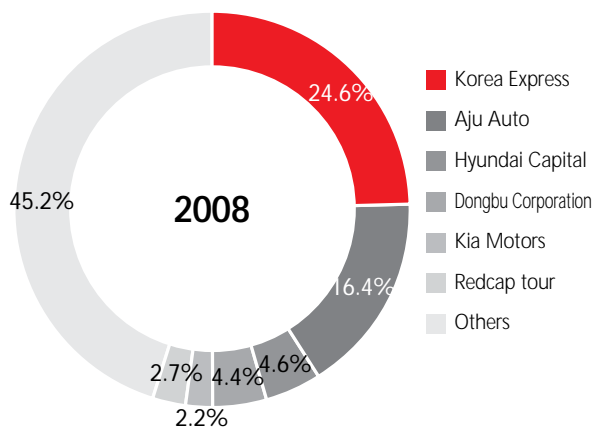
No.1 in parcel delivery industry for 2008 (KRW 365.6 billion),  
Holding No.1 position through the group synergy and continuous investments

#### • Parcel Delivery Market Share

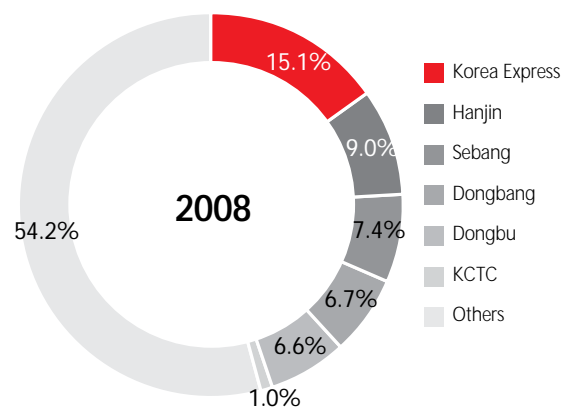


Source : EBN Industrial News report

#### • Car Rental Market Share



#### • Harbor Stevedoring Market Share (based on revenue from stevedoring)



Excluding containers from Busan & Gwangyang Ports

## 2008 Performance

### 2008 Business Results

#### • Inland Transportation

Despite rising costs from the soaring oil price, total sales grew by KRW 108.4 billion from the previous year. Korea Express recorded respectable gross profit by strengthening highly profitable heavy freight transportation business, building a collaboration system with a large enterprise 2PL, expanding insourcing for the Kumho Asiana Group affiliates and exchanging superannuated vehicles with low profitability

#### • Harbor Transportation / Forwarding

Sales grew by KRW 332.2 billion from the previous year through aggressive sales activities such as expanding transshipment cargos for Gamman harbor in Busan through MSC's 13,800 TEU extra-large sized container vessels, CMA for Gwangyang harbor and securing transshipments in Ningbo Harbor by MSC. In addition, Korea Express benefited from increases in insourcing shipments to the Kumho Asiana Group affiliates

#### • Parcel Delivery

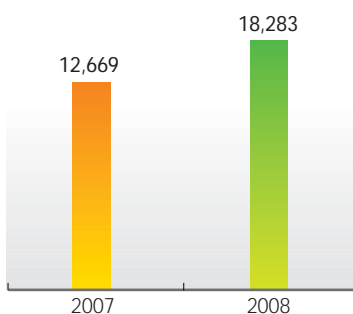
Sales grew by KRW 72.5 billion from the previous year and recorded higher gross profit by gaining M/S. Korea Express secured No.1 position by newly constructing a metropolitan area sub-terminal in Gasan-dong Seoul, expanding infrastructure investments and securing large orders from Lotte Home Shopping. The Company recorded annual delivered shipments of 160 million units

#### • Car Rental

Korea Express faced fierce competition due to changes in bidding practices by the customers and a price-cuts among the competitors. Nevertheless, total sales grew by KRW 32 billion from the previous year and generated profits by capturing niche markets including insurance rentals and sporting events

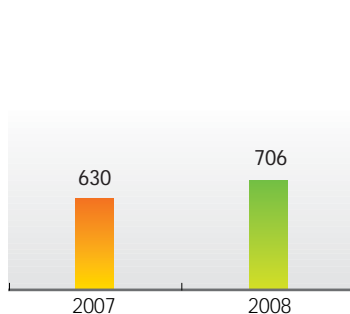
#### • Sales

(Unit : KRW 100 million)



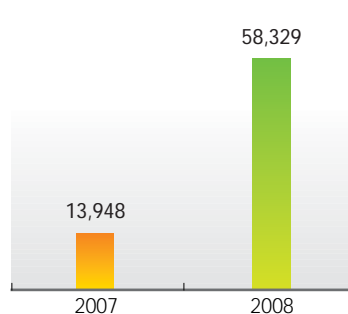
#### • Operating Profit

(Unit : KRW 100 million)



#### • Assets

(Unit : KRW 100 million)



## 2008 Performance

### 2008 Business Results

(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Sales	12,669	18,283	5,614	44.3%
Operating Profit	630	706	76	12.1%
Operating Profit Margin	5.0%	3.9%	-1.1%p	
Income before Taxes	912	1,897	985	108.0%
Net Income	760	1,377	617	81.2%
Total Assets	13,948	58,329	44,381	318.2%
Total Liabilities	7,119	10,528	3,409	47.9%
Total Shareholders' Equity	6,829	47,801	40,972	600.0%

- The Company was challenged with dwindling sales from reduced orders by the large-scale customers such as GM Daewoo, POSCO, Nonghyup, etc. and declining import & export traffics from the global economic crisis as well as less support goods for North Korea. However, sales grew by KRW 18 billion due to the growth of the group insourcing volume (Kumho Tires, Kumho Petrochemical) and the acquisition of Kumho Rent-A-Car
- Overall profitability slightly declined due to increase in expenses related to restructuring

### Sales Breakdown by Businesses

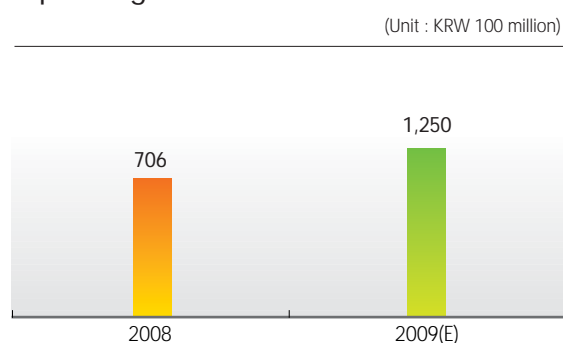
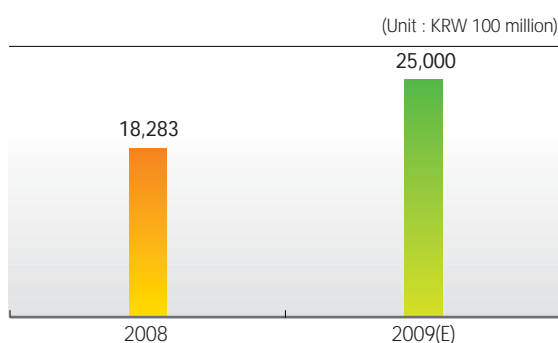
(Unit : KRW 100 million)

	2007	2008	Remark	
			Change	Change(%)
Inland Transportation	5,494	6,578	1,084	19.7%
Harbor Transportation	3,012	3,091	79	2.6%
Parcel Delivery	2,931	3,656	725	24.7%
Forwarding		3,243	3,243	
Car Rental	596	916	320	53.7%
Others	636	799	163	25.6%
Total	12,669	18,283	5,614	44.3%

## 2009 Business Objective and Plan

### 2009 Business Objective

- **Inland Transportation**  
Improve profitability by reinforcing highly profitable heavy freight transportation business, increasing sales by focusing on target industries and increasing sales of highly profitable heavy freight transportation business and increasing operation efficiency
- **Harbor Transportation / Forwarding**  
To secure the future growth engine, continuously reinforce external competitiveness by expanding harbor stevedoring market share through acquisition of stevedoring rights in Pohang, Incheon, Gunsan, Ulsan and Donghae exclusive wharf developments
- **Parcel Delivery**  
To reinforce market presence through continuous increase of market share, develop infrastructure bases by newly constructing Gasan-dong terminal in Seoul and HUB terminal in Daejeon
- **Car Rental**  
Gain market share and improve competitiveness through the acquisition of Kumho Rent-A-Car (Current market share 24.6%)
- **Overseas Business**  
Develop a foundation for international parcels delivery business linking global logistics network / Participate in the harbor development abroad to strengthen global operation / Become the global leader in logistics industry by engaging in distribution business in China and Germany and by increasing strategic alliance with multinational corporations
- **Sales**
- **Operating Profit**



### 2009 Business Plan

(Unit : KRW 100 million)

	2008 Performance	2009 Plan	Remark	
			Change	Change(%)
Sales	18,283	25,000	6,717	36.7%
Operating Profit	706	1,250	544	77.1%
Operating Profit Margin	3.9%	5.0%	1.1%p	
Total Assets	58,329	31,735	-26,594	-45.6%
Total Liabilities	10,528	12,466	1,938	18.4%
Total Shareholders' Equity	47,801	19,269	-28,532	-59.7%

## Financial Statements Summary

### Balance Sheet

(Unit : KRW 100 million)

	2006	2007	2008
Current Assets	3,552	3,143	37,454
Non-current Assets	9,995	10,805	20,875
<b>Total Assets</b>	<b>13,547</b>	<b>13,948</b>	<b>58,329</b>
Current Liabilities	2,634	2,581	7,770
Non-current Liabilities	4,853	4,538	2,758
<b>Total Liabilities</b>	<b>7,486</b>	<b>7,119</b>	<b>10,528</b>
Capital Stock	799	799	2,009
<b>Total Shareholders' Equity</b>	<b>6,061</b>	<b>6,829</b>	<b>47,801</b>

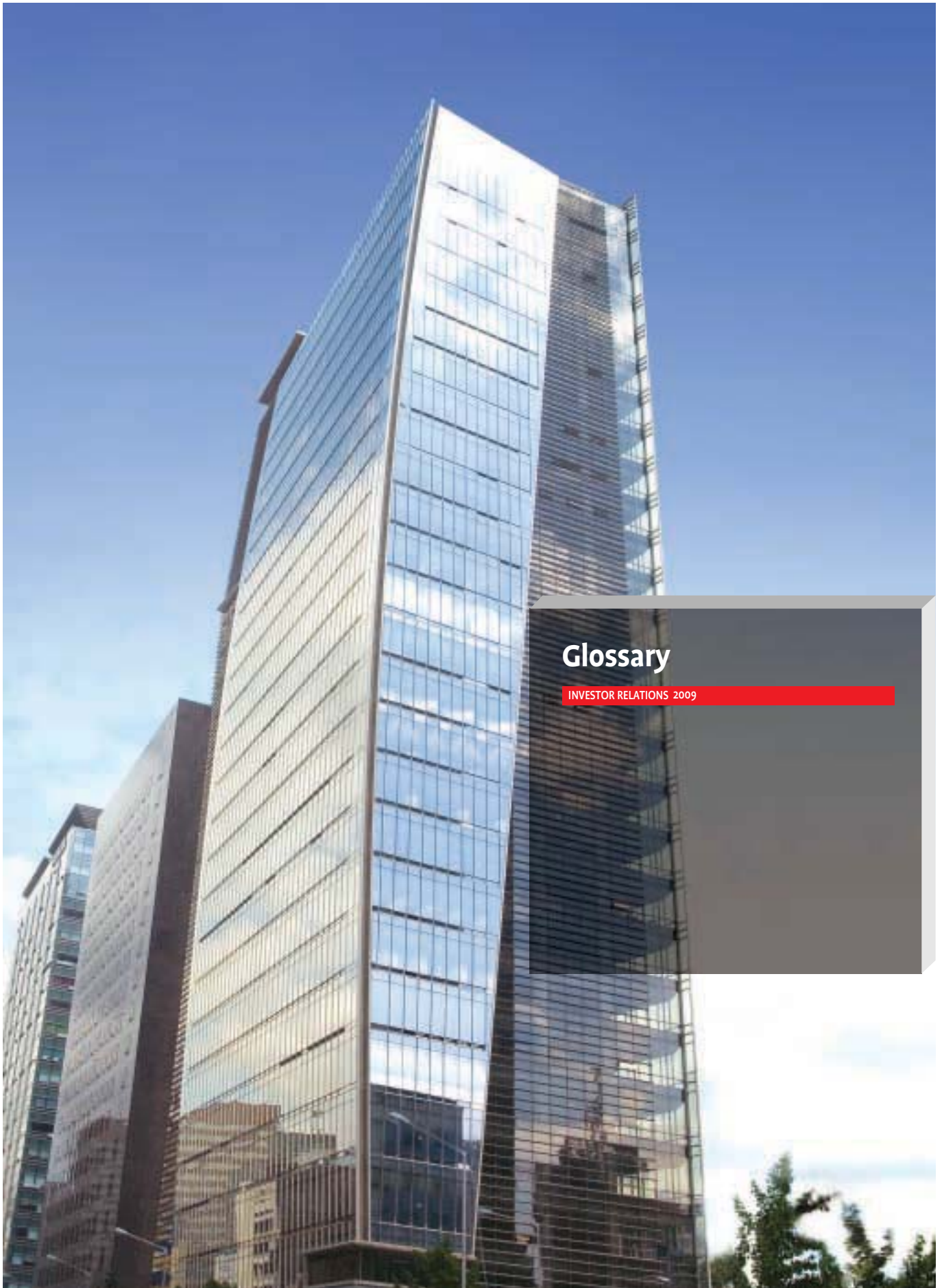
### Income Statements

(Unit : KRW 100 million)

	2006	2007	2008
Sales	11,703	12,669	18,283
Cost of Goods Sold	10,398	11,292	16,545
Gross Profit	1,305	1,377	1,738
SG&A	704	747	1,032
<b>Operating Profit</b>	<b>601</b>	<b>630</b>	<b>706</b>
Non-Operating Profit	509	906	2,137
Non-Operating Expense	4,805	624	945
Income before Taxes	-3,694	912	1,897
Income Tax	-252	152	520
<b>Net Income</b>	<b>-3,443</b>	<b>760</b>	<b>1,377</b>

KUMHO ASIANA 





## Glossary

INVESTOR RELATIONS 2009

- This document is provided for the convenience of investors and contains audited 2008 financial data that may be amended in the case of revision to the audit report.
- While every care has been taken to ensure the reasonableness of our estimates, 2009 prospects data is based on necessary assumptions and thus may differ from the final reported results.

# Glossary

## Kumho Industrial

Abbreviation	Full Name	Description
DNV	Det Norske Veritas	Norway International Certificate Authority
OHSAS18001	Occupational Health and Safety Management System	Safety Health Management System

## Kumho Petrochemical

Abbreviation	Full Name	Description
ABS	Acrylonitrile Butadiene Styrene	A synthetic resin with excellent secondary processing properties such as gluing, coating, evaporation, etc. Used in vehicle components, cosmetic containers, electronic products and toys
BD	Butadiene	A monomer in the production of synthetic rubber
BR	Butadiene Rubber	A raw material for synthetic rubbers, tires, belts and others, which are made through a polymerization process of Butadiene
CS	Caustic Soda	An ingredient used widely for making detergents, fibers, pulps, papers, foods, etc.
EPS	Expandable Polystyrene	An ingredient for expanded polystyrene which are used in a variety of ways such as packing cushioning materials, heat insulators, fish carrying boxes, cup containers, buoys, etc.
GPRO	Jiangsu GPRO Group	Jiangsu GPRO Group
HSR	High Styrene Resin Masterbatch	Act as a plasticizer in high temperatures during a rubber compound process, raising processing property and possess excellent abrasion & tearing resistances and flexible characteristics. Used in industrial products such as highly hardened shoe soles, sponges, cars, etc.
KKPC	Kumho Petrochemical Co., Ltd.	Abbreviation for Korea Kumho Petrochemical Co., Ltd. The word 'Korea' had been removed after a change in CI, but KKPC is still used as the abbreviation is popular within the industry
NBR	Acrylonitrile Butadiene Rubber	A type of rubber products with a similar processing property as SBR and possess an excellent resistance property against oil, abrasion and aging. Mostly used in productions of oil seals, gaskets, oil resistant hoses, conveyor belts, printing rolls, top rolls for textile, etc.
PO	Propylene Oxide	The main ingredient for PPG production
6PPD	Phenyl-p-Phenylenediamine	A chemical substance used for preventing oxidation of rubber compounds and at the same time raises abrasion resistance, necessary for processing raw materials for tires. Also widely used in other rubber related industries
PPG	Polypropylene Glycol	Possess excellent properties such as insulation, adhesive, light-weight, shock-absorb, easy production and others, being widely used by itself and with other raw materials. Semi-rigid foam is used for its shock-absorption characteristics. Utilized in heat insulators for refrigerators, interior materials for vehicles, roads, etc.
PS	Polystyrene	A synthetic resin used in toys, cosmetic containers, small containers, lactic-acid fermented drink containers, electronic products, etc.
SBR	Styrene Butadiene Rubber	A most widely used synthetic rubber. Possess excellent abrasion & heat resistances in comparison to natural rubber and also possess a property of matter which can be widely used in many different ways

## Glossary

Abbreviation	Full Name	Description
SBS	Styrene Butadiene Styrene	Used for thermoplastic elastic bodies, shoes, asphalt modifiers and adhesives with high elasticity and excellent resistance against transformation
SSBR	Solution Styrene Butadiene Rubber	Possess an excellent processing property, a viscoelastic property and a low temperature property in comparison to SBR . Used for the productions of high performance tires, shoes, etc.
XPS	Extruded Polystyrene Foam	A high-end construction material with excellent insulation and compressive strength. Used for building interior & exterior walls, surface insulation, and refrigeration/cold storage insulations

### Asiana Airlines

Abbreviation	Full Name	Description
APU	Automated Production Unit	Automated production plant
ATW	Air Transport World	A magazine covering the airline industry
CIS	Commonwealth of Independent States	United independent states
LOT	LOT Polish Airlines	LOT Poland Airlines
SCM	Supply Chain Management	

### Kumho Tires

Abbreviation	Full Name	Description
APU	Automated Production Unit	Automated production plant
ASP	Average Sales Price	Average sales price
KATC	Kumho Tire America Technical Center	A technical center located in America
KCTC	Kumho Tire China Technical Center	A technical center located in China
KETC	Kumho Tire Europe Technical Center	A technical center located in Europe
KRDC	Kumho Tire Research and Development Center	Development center located in Gwangju, Korea
OE	Original Equipment	A market for new vehicles
RE	Replacement Equipment	A market for replacements
TBR	Truck Bus Radial	Truck Bus Radial

# Glossary

## Daewoo E&C

Abbreviation	Full Name	Description
BTL	Build-Transfer-Lease	A private investment financing business
ENR	Engineering News Record	US magazine covering the construction industry
EPC	Engineering, Procurement, Construction	Engineering, procurement, construction
GK Marine Road	GK Marine Road	A fixed link between Geoje and Gadeokdo, Korea
SBR	Emulsion Styrene Butadiene Rubber	
VE	Value Engineering	

## Korea Express

Abbreviation	Full Name	Description
KEDO	Korea Peninsula Energy Development Organization	Korea Peninsula Energy Development Organization
PAC	Provisional Acceptance Certificate	Provisional Acceptance Certificate : Regarding the Libya Waterway Project, this certificate attests a completion of the construction prior to receiving FAC (Final Acceptance Certificate)
TPL	Third Party Logistics	<b>First Party Logistics</b> : Logistics carried out by the company <b>Second Party Logistics</b> : Logistics carried out outside of the company with a separate logistics subsidiary <b>Third Party Logistics</b> : Logistics carried out outside of the company by specialized logistics companies

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