

# 04 Review of Operations

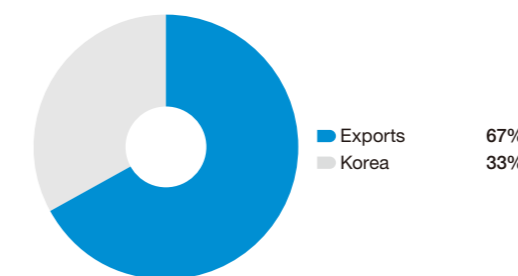
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## 2011 Overview

At KKPC, we once again recorded our best operating performance in our 41-year history in 2011 with sales of KRW 6,457.4 billion and an operating income of KRW 842.2 billion. There were several primary drivers behind this performance. Our synthetic rubbers business had a record-setting year due to significantly higher sales volume as new capacity came online, tight market supply, and a favorable margin spread despite higher butadiene (BD) prices. Our chemical affiliates delivered solid performances for the year, generating valuation gains, while our disposal of holdings in Kumho Industries and Kumho Tire held as available-for-sale securities enabled us to post a record net income based on controlling interest of KRW 505.6 billion for the year.

In 2011, we resolved all remaining risk associated with the Kumho Asiana Group as we executed our company normalization plan in accordance with our MOUs with creditor banks. Both we and our chemical affiliates delivered outstanding business performances. This led capital markets to re-evaluate our shares, helping them climb 85% to close the year at a record KRW 167,500. This rise also pushed our market cap above KRW 5 trillion as we entered the KOSPI 50 for the first time. In May 2011, this share performance earned us a place on the Morgan Stanley Capital International (MSCI) Korea Index. At year-end, 9.94% of our shares were held by investors outside of Korea.

### Sales by Market



### Exports by Region

