

ASIA  
**No.1**  
CONFECTIONERY  
COMPANY



3<sup>rd</sup> quarter of 2012

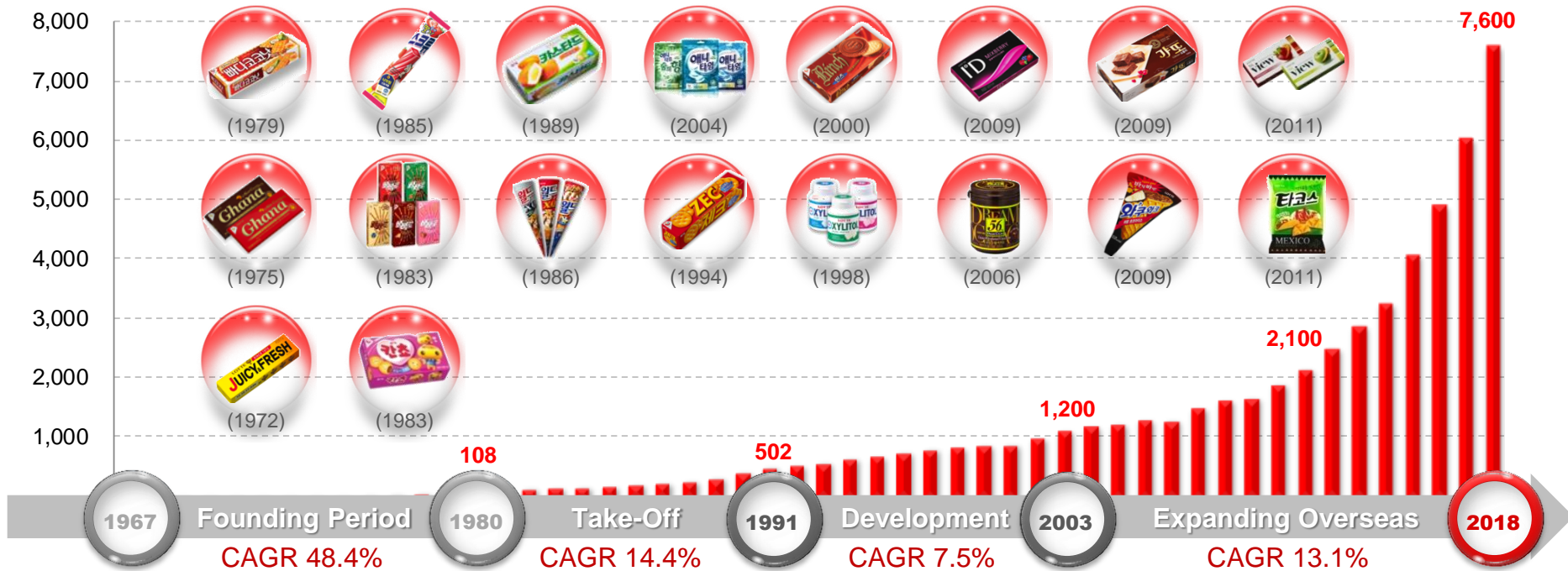
# ***INVESTOR RELATIONS***

ASIA  
**TOP10**  
GLOBAL GROUP

# Company History

Launching mega hit products, our business will sustain its growth trend continuously

(Unit : billion KRW)



## Domestic

- Lotte Confectionery Founded (1967)
- 4 factories Completed (1969~1996)
  - ① Young-deung-po (1969), ② Yang-San (1979), ③ Pyeong-taek (1983), ④ Tae-Jeon (1996)

- Kirin Acquisition (2009)
- 2 Collaborations Signed (1969~1996)
  - ① Pepsico (2006), ② Hershey (2007)

## Overseas

- Lotte Confectionery Founded (1967)
- 6 Acquisitions Made (2004~2011)
  - ① India, Parrys (2004), ② Vietnam, Bibica (2008), ③④ China, Qingdao/Pungcheung (2005, 2008), ⑤ Belgium, Guylian (2008), ⑥ Pakistan, Kolson (2011)

- Subsidiaries Established in 3 Countries (~2011)
  - ① China (~2007), ② Russia (2007), ③ Singapore (2011)
- 3 Choco Pie Factories Completed (2010)
  - ① Vietnam, ② Russia, ③ India

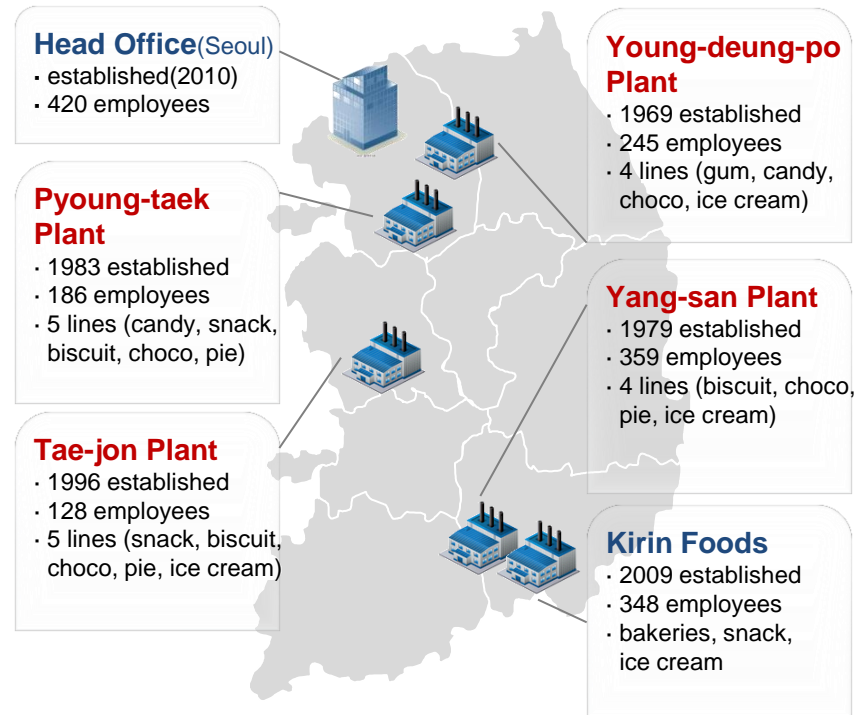
# Overview(Factories & Affiliates)

Running businesses over 8 geographies worldwide



## Domestic

### Headquarters, Factories(2011)



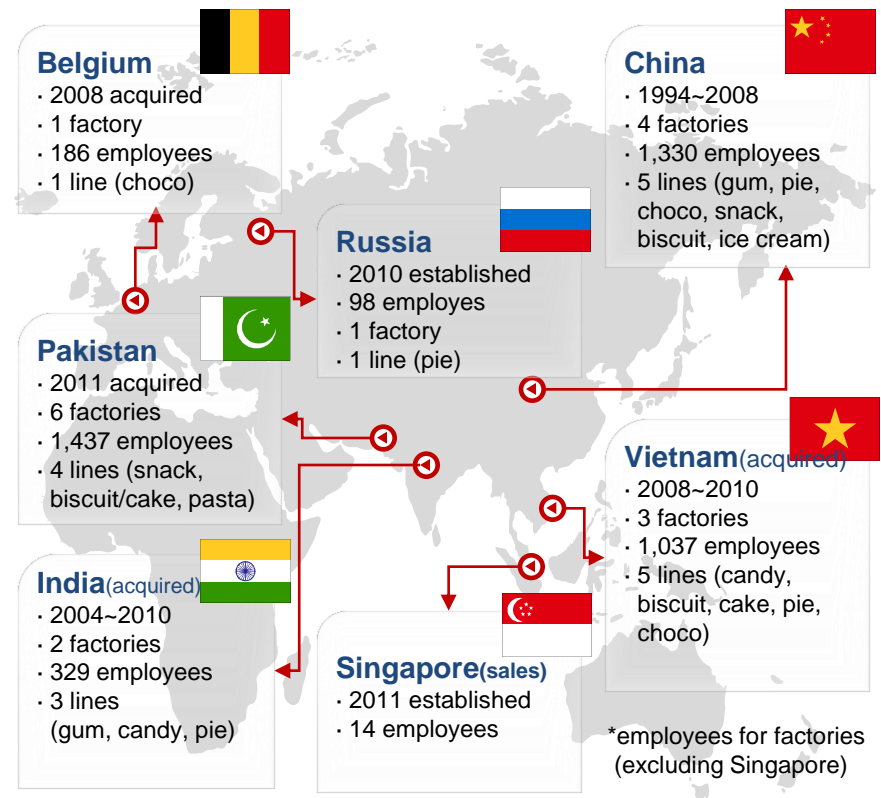
### Sales Branches & Offcies (2011)

- **18 branches** – 8(confectionery), 10(ice cream)
- **132 sales offices** – 82(confectionery), 50(ice cream)



## Overseas

### Factories(2011)



### Subsidiaries (2011)

- **7 countries, 13 subsidiaries**
- China(7), India(1), Pakistan(1), Vietnam(1), Belgium(1), Russia(1), Singapore(1)

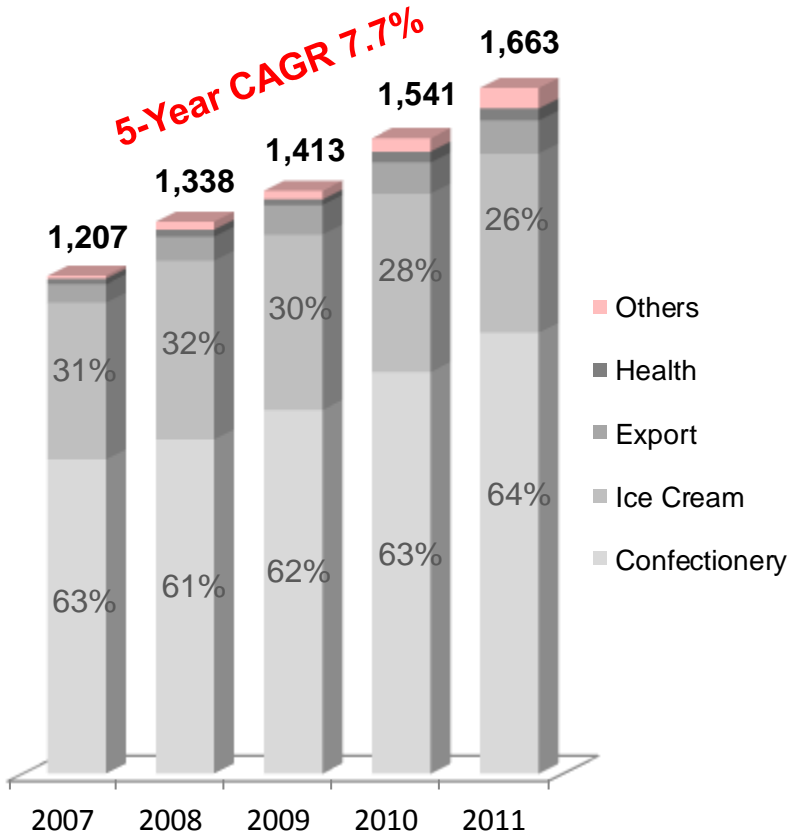
# Domestic Operating Results(Sales)

Earning a reputation for maintaining the No.1 confectionery company in Korea



## Sales Trend\*(by business units)

(Unit : billion KRW)



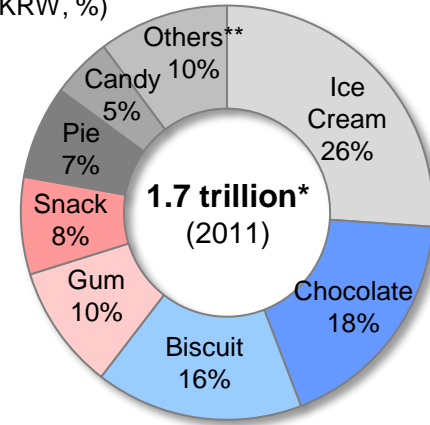
\*Gross sales base (before deducting sales commissions, etc.)  
\*2007~2009 K-GAAP, 2010~2011 K-IFRS



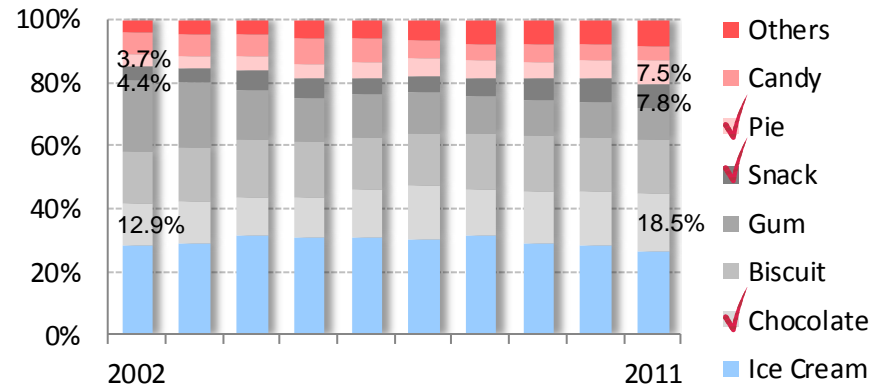
## Sales breakdown(by categories)

### Sales Breakdown(2011)

(Unit : trillion KRW, %)



### Sales Trend by categories(10 years) ✓ high growth



\*Gross sales base (before deducting sales commissions, etc.)  
\*\* Others : exports, health supplement business, etc.

# Domestic Market Trend

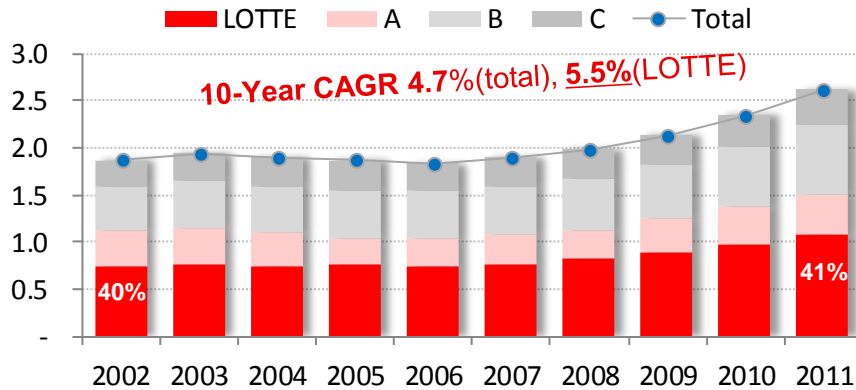
Average sales of 10years surpasses market Index for Confectionery / Ice Cream sector



## 10-year Market Trend\*

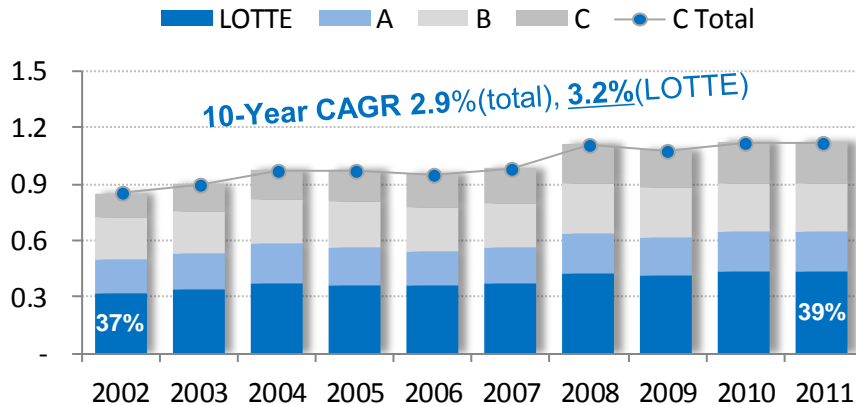
**Confectionery – Lotte as No. 1 player**

(Unit : trillion KRW)



**Ice Cream – Lotte as No. 1 player**

(Unit : trillion KRW)

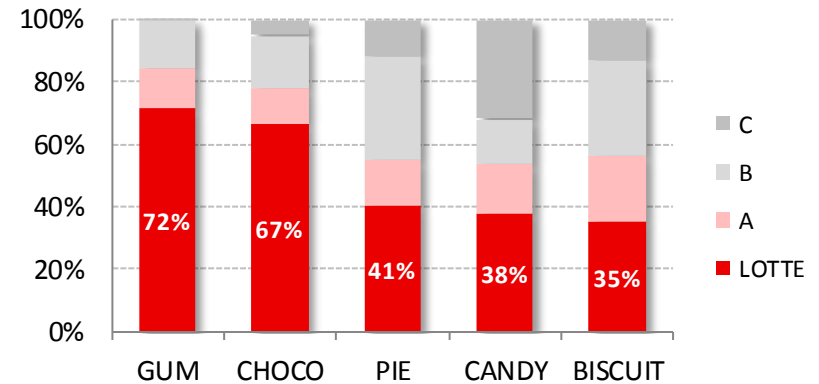


\* Market size & M/S : based on the top 4 companies' sales(gross sales base)



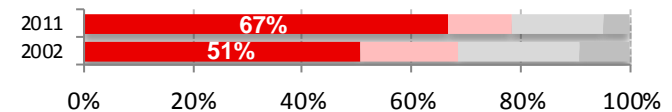
## M/S Trend\*(by categories)

**M/S Trend (2011) – Strong overall category position**

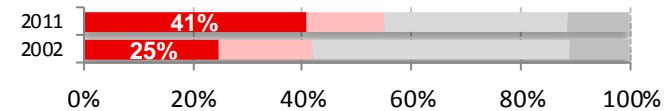


**10-year M/S Trend – Building strong product portfolio**

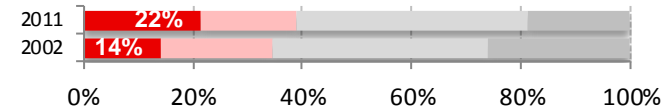
### chocolate



### pie



### snack



# Domestic Business Performance(Profitability)

5yrs operating income and net income increased by 19.5%, 3.9% each

## Profits

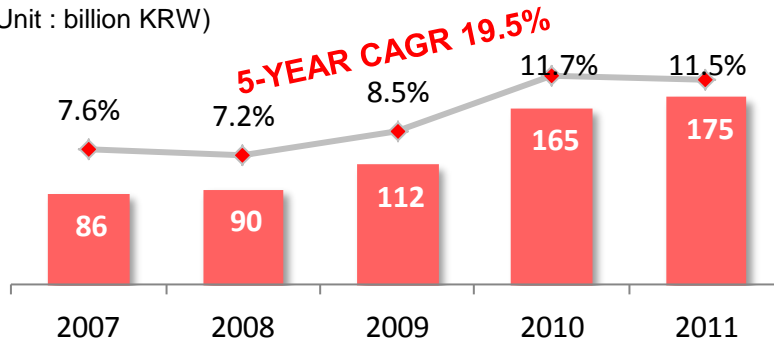
(Unit : billion KRW)	2008	2009	2010	2011	Q1-Q3 2011	Q1-Q3 2012
<b>Net Sales</b>	<b>1,245</b>	<b>1,317</b>	<b>1,412</b>	<b>1,522</b>	<b>1,156</b>	<b>1,174</b>
<b>Gross Profit</b>	<b>484</b>	<b>507</b>	<b>581</b>	<b>608</b>	<b>470</b>	<b>459</b>
<b>Gross Margin</b>	<b>38.9%</b>	<b>38.5%</b>	<b>41.1%</b>	<b>40.0%</b>	<b>40.7%</b>	<b>39.1%</b>
<b>Operating Profit</b>	<b>90</b>	<b>112</b>	<b>165</b>	<b>175</b>	<b>147</b>	<b>117</b>
<b>Operating Margin</b>	<b>7.2%</b>	<b>8.5%</b>	<b>11.7%</b>	<b>11.5%</b>	<b>12.7%</b>	<b>9.9%</b>
<b>Recurring Profit</b>	<b>158</b>	<b>141</b>	<b>158</b>	<b>181</b>	<b>145</b>	<b>135</b>
<b>Recurring Margin</b>	<b>12.7%</b>	<b>10.7%</b>	<b>11.2%</b>	<b>11.9%</b>	<b>12.5%</b>	<b>11.5%</b>
<b>Net Profit</b>	<b>178</b>	<b>96</b>	<b>123</b>	<b>127</b>	<b>110</b>	<b>107</b>
<b>Net Margin</b>	<b>14.3%</b>	<b>7.3%</b>	<b>8.7%</b>	<b>8.4%</b>	<b>9.5%</b>	<b>9.1%</b>

※ K-GAAP applies to 2007~2009 / K-IFRS applies to 2010~

- Gross Profit Change(YoY) : **+4.8% (FY11), -2.4% (3Q12)**
- Operating Profit Change : **+6.2% (FY11), -20.5% (3Q12)**
- Recurring Profit Change : **+14.8% (FY11), -7.0% (3Q12)**
- Net Profit Change : **+3.7% (FY11), -2.7% (3Q12)**

## 5-year Operating Income Trend

(Unit : billion KRW)



## COGS / SG&A

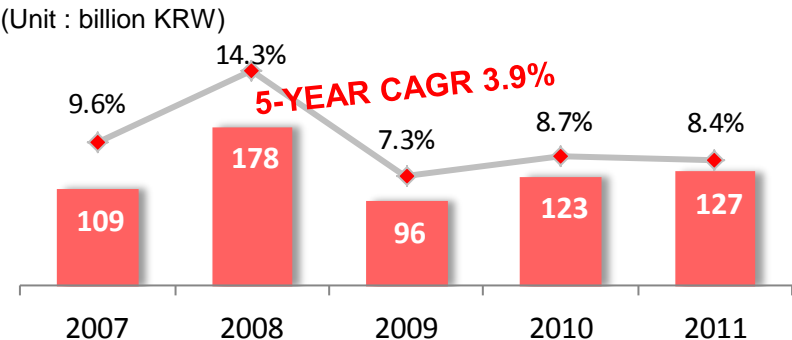
(Unit : billion KRW)	2008	2009	2010	2011	Q1-Q3 2011	Q1-Q3 2012
<b>Net Sales</b>	<b>1,245</b>	<b>1,317</b>	<b>1,412</b>	<b>1,522</b>	<b>1,156</b>	<b>1,174</b>
<b>Cost of Goods Sold</b>	<b>761</b>	<b>810</b>	<b>831</b>	<b>914</b>	<b>686</b>	<b>715</b>
<b>as % of Net Sales</b>	<b>61.1%</b>	<b>61.5%</b>	<b>58.9%</b>	<b>60.0%</b>	<b>59.3%</b>	<b>60.9%</b>
<b>SG&amp;A Expenses</b>	<b>394</b>	<b>395</b>	<b>413</b>	<b>438</b>	<b>327</b>	<b>345</b>
<b>as % of Net Sales</b>	<b>31.7%</b>	<b>30.0%</b>	<b>29.3%</b>	<b>28.8%</b>	<b>28.3%</b>	<b>29.3%</b>

※ K-GAAP applies to 2007~2009 / K-IFRS applies to 2010~

- COGS Change(YoY) : **+9.9% (FY11), +4.2% (3Q12)**
- SG&A Change : **+6.0% (FY11), +5.3% (3Q12)**

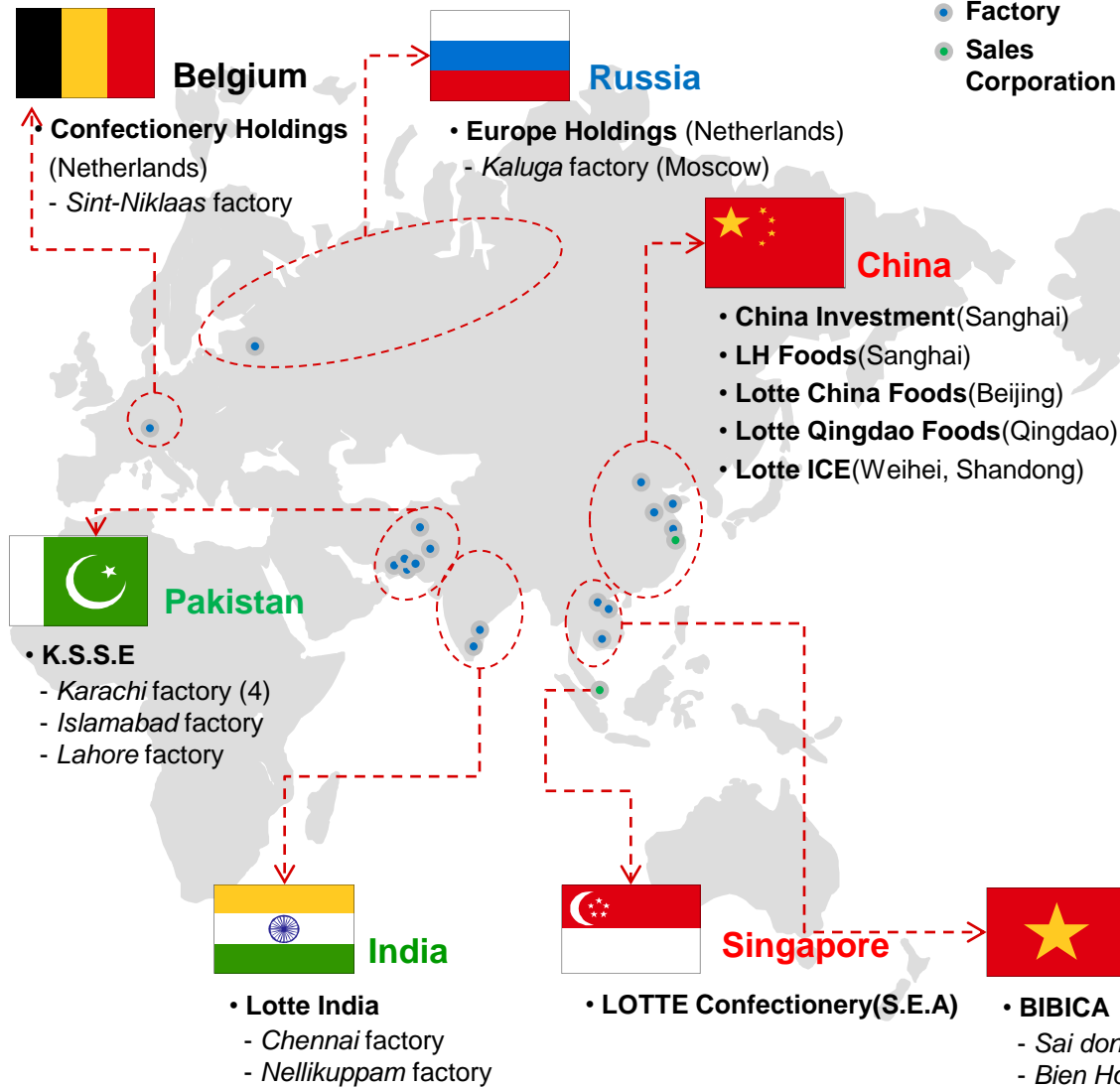
## 5-year Net Income Trend

(Unit : billion KRW)

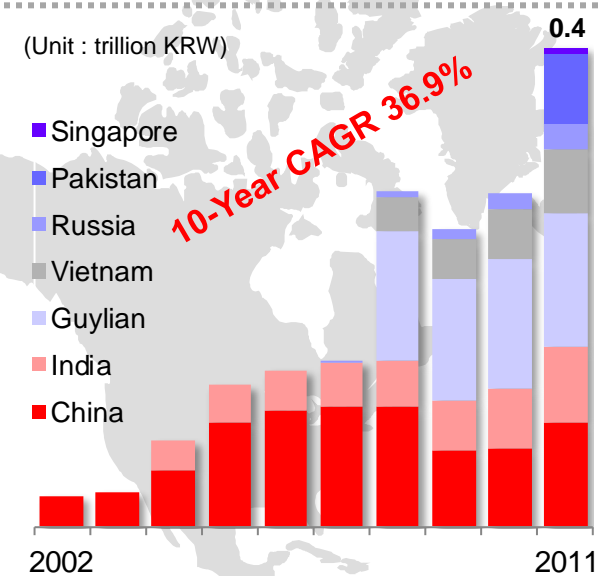


# Overseas Business Expansion (overview)

Expanded through M&A and green field investment in 7 countries → **CAGR 36.9%**



## Major Overseas Sales Trend\*



\*The sum of overseas subsidiaries' sales which are under Lotte confectionery's management (including equity method subsidiaries' sales)

\*Overseas sales of the pages 6-9 are based on the following foreign exchange rates  
 → ① China 150KRW/CNY, ② Guylian 1,600KRW/EUR,  
 ③ India 25KRW/INR, ④ Vietnam 0.0586KRW/VND,  
 ⑤ Russia 38KRW/RUB . ⑥ Pakistan 15 KRW/PKR

# Overseas Business Overview (China, Guylian)

Increasing brand equity through intensive distribution in T1 cities(China)

Expanding sales in emerging markets using Lotte global sales network(Guylian)

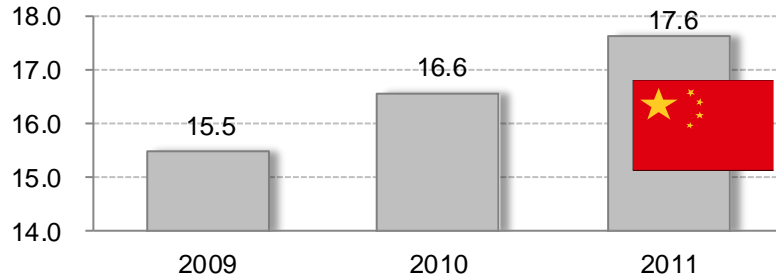


## China

### Market Trend\*

(Unit : trillion KRW)

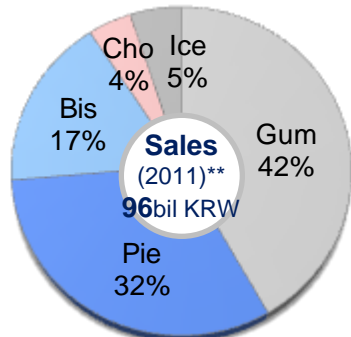
**3-Year CAGR 6.4%**



### Business Overview

#### - Sales Mix

: Gum > Pie > Biscuit



- **Growth Driver** : Biscuit, Pie

#### - Core Products



- **T1 cities**(Beijing/Sanghai)
- **Core brands**  
- Koala's March, Chocopie, Xylitol, ID, Pepero
- **Optimizing marketing mix**

\*market trend data : Euro Monitor

\*\*sales(China) : ① local sales(Confectionery + Ice Cream), ② export sales

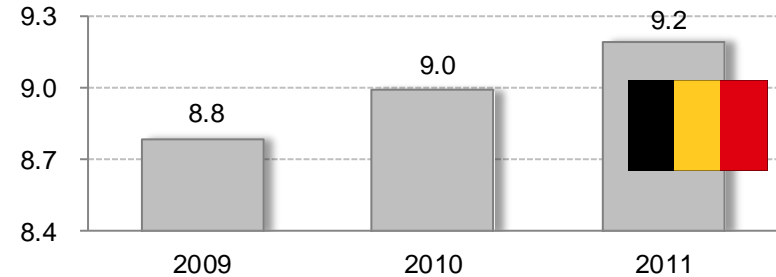


## Guylian

### Market Trend\*

(Unit : trillion KRW)

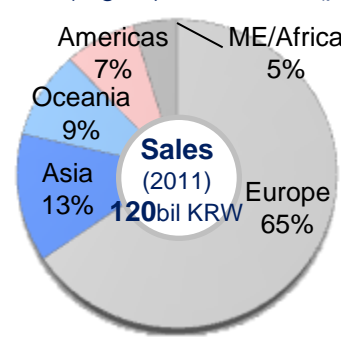
**3-Year CAGR 2.4%**



### Business Overview

#### - Sales Mix

: Asia(region), Gift boxes(product)



- **Growth Driver**

: emerging markets(Asia etc.)

#### - Core Products



- **Season excellence**
- **Rolling out products across international**
- **Making best of Lotte sales network worldwide**

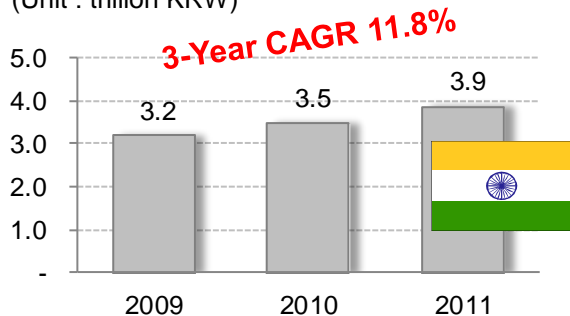
# Overseas Business Overview(China, Guylian)

## Choco Pie sales expansion(India, Russia, Vietnam), while fostering strong, local brands

### India

#### Market Trend\*

(Unit : trillion KRW)



#### Business Overview

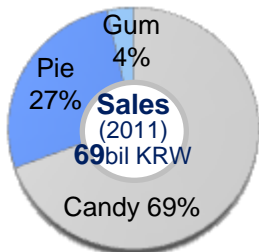


• Sales Mix : Candy > Pie > Gum

• Core Products



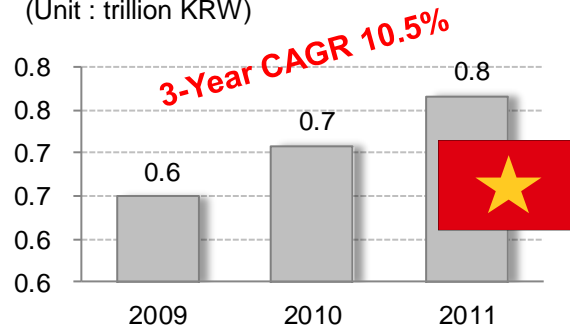
• M/S\*(2011)  
- Candy 9.6%



### Vietnam

#### Market Trend\*

(Unit : trillion KRW)



#### Business Overview

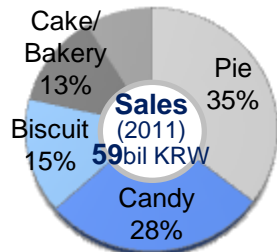


• Sales Mix : Candy > Cake > Biscuit > Pie

• Core Products



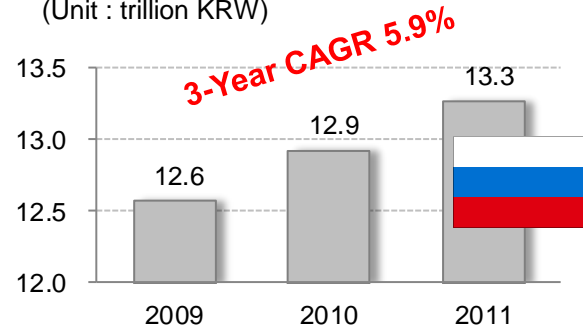
• M/S\*(2011)  
- Gum 24.7%,  
Candy 20.4%,  
Biscuit / Pie 8.7%



### Russia

#### Market Trend\*

(Unit : trillion KRW)

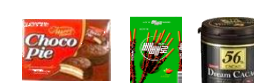


#### Business Overview

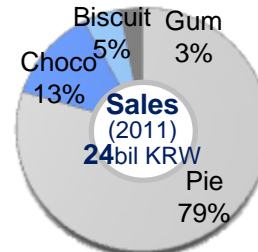


• Sales Mix : Pie > Chocolate > Biscuit > Gum

• Core Products



• M/S expansion(Choco Pie)\*\*\*  
- 34%(2010)  
→ 42%(2011)  
→ 51%(2012 March)



\*Market trend, M/S : Euro Monitor  
(Vietnam M/S : Bibica & Lotte Vietnam)

\*\*Vietnam sale : Bibica(excluding Lotte Vietnam)

\*\*\* Russia M/S : Nielsen data

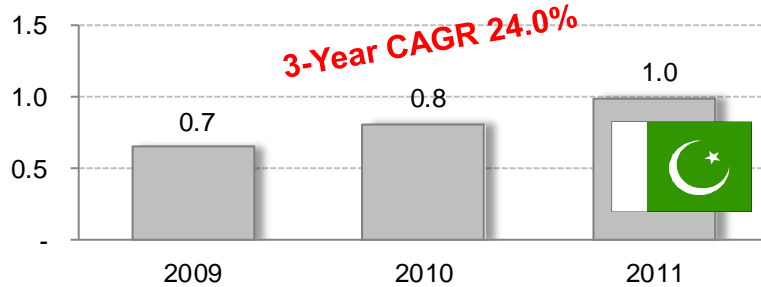
# Overseas Business Overview(Pakistan, Others)

Building stronger product portfolio(Pakistan), Seizing opportunities for S.E.A(Singapore)

## Pakistan

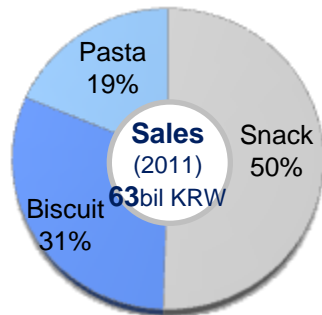
### Market Trend

(Unit : trillion KRW)



### Business Overview

- Sales Mix : Snack > Biscuit > Pasta



- Core Products



- M/S(2011)

- Total 6.9%, Snack 10.7%(No.2)
- Gum 9.2%, Biscuit / Pie 4.3%

Expanding *Kolson's* core brand & introducing *Lotte's* successful products → stronger portfolio

※ Market trend, M/S : Euro Monitor

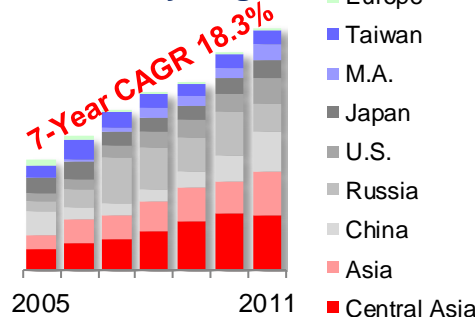
## South East Asia / Others

### South East Asia operations



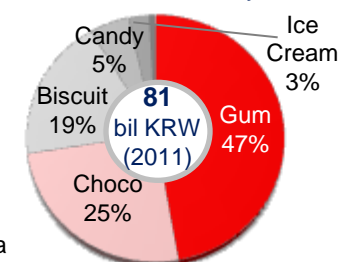
### Export Sales Mix

- Sales by Region



- Sales by Product

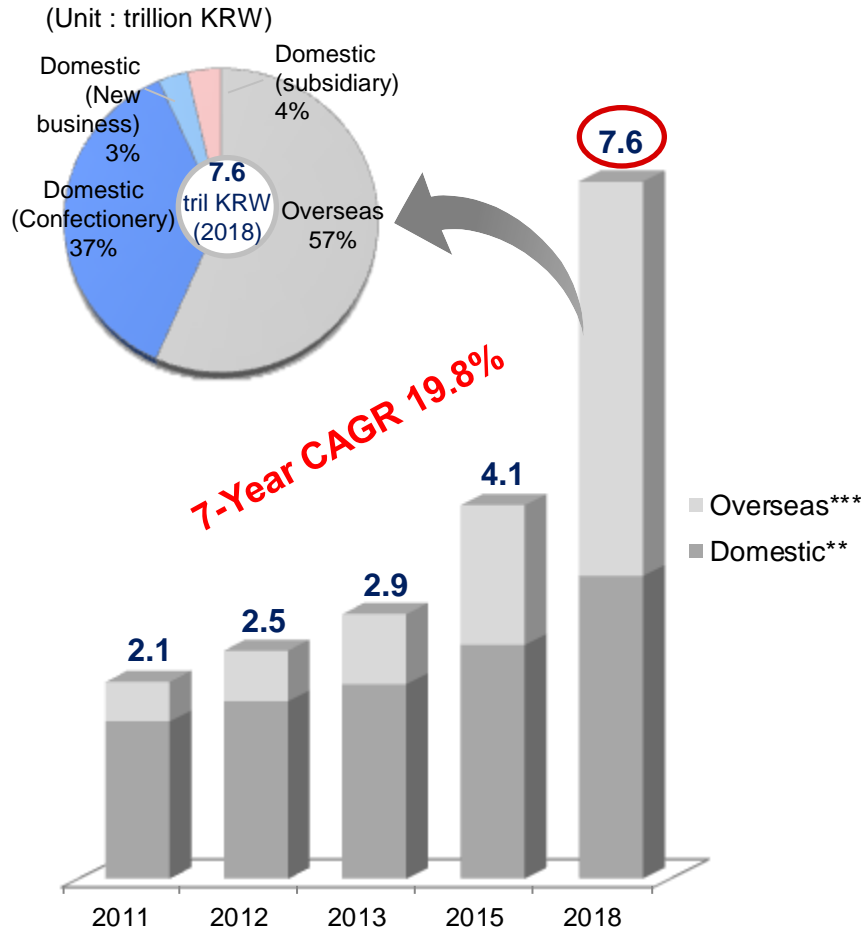
Gum > Chocolate > Biscuit(mix)  
 Ice Cream > Candy > Gum(growth)



# Vision 2018 project & strategies

Strengthening existing business, Accelerating overseas expansion, Creating new growth engine  
→ We will achieve our vision to become **ASIA No. 1 confectionery company** in 2018

## VISION 2018\*



\*Gross sales base (before deducting sales commissions, etc.)

\*\*Domestic sales : including Kirin Foods

\*\*\*Overseas sales : sum of the major 7 countries business sales

## Key Strategy

Domestic

- **Increasing core products sales**  
(promotion/product mix optimization)
- **New products to meet consumer needs**  
- Premium brand launch / Target segmentation
- **Collaborations with global brands strengthening our competitiveness**  
- Brand extension (Hershey / Fitoray)  
- Rolling out another brands (Chocolate / Snack)

New biz

- **Developing a new growth engine utilizing existing Infra** (M&A, JV, collaborations)
- **Expanding health oriented food business through synergy between Confectionery & Health business**  
- stronger brand portfolio & channel mix (online)

Overseas

- **Existing business revitalization**  
(customized strategy, catering to different markets)  
- intensive distribution in T1 cities (China)  
- growth poles strategy (India)  
- sales network expansion (Russia, Vietnam)  
- premium products introduction (Pakistan)
- **Promising local company acquisition**
- **Coverage expansion in emerging markets**  
(ASEAN, Middle East, etc.)

# Appendix – Summary Financial Statements (Separate)



## Income Statement

(Unit : Billion KRW)	2010	2011	1Q-3Q 2011	1Q-3Q 2012
<b>Net Sales</b>	<b>1,412</b>	<b>1,522</b>	<b>1,156</b>	<b>1,174</b>
Growth rate ( % )	-	7.8%	-	1.5%
<b>COGS</b>	<b>831</b>	<b>914</b>	<b>686</b>	<b>715</b>
<b>Gross Profit</b>	<b>581</b>	<b>608</b>	<b>470</b>	<b>459</b>
GP Margin ( % )	41.1%	40.0%	40.7%	39.1%
<b>SG&amp;A</b>	<b>413</b>	<b>438</b>	<b>327</b>	<b>345</b>
SG&A ( % )	29.3%	28.8%	28.3%	29.3%
<b>Operating Profit</b>	<b>165</b>	<b>175</b>	<b>147</b>	<b>117</b>
OP Margin ( % )	11.7%	11.5%	12.7%	9.9%
<b>Recurring Profit</b>	<b>158</b>	<b>181</b>	<b>145</b>	<b>135</b>
RP Margin ( % )	11.2%	11.9%	12.5%	11.5%
<b>Net Income</b>	<b>123</b>	<b>127</b>	<b>110</b>	<b>107</b>
Net Margin ( % )	8.7%	8.4%	9.5%	9.1%
<b>EPS (Won)</b>	<b>87,170</b>	<b>90,382</b>	<b>78,190</b>	<b>76,033</b>

※ K-IFRS applies to 2010~



## Balance Sheet

(Unit : Billion KRW)	4Q 2011	3Q 2012
<b>Current Assets</b>	<b>587</b>	<b>606</b>
Cash/Cash equivalents	139	150
Receivables	181	236
Inventories	148	150
<b>Non-liquid Assets</b>	<b>3,146</b>	<b>3,137</b>
Investment & other assets	2,182	2,169
Tangible assets	965	968
<b>Total Assets</b>	<b>3,733</b>	<b>3,743</b>
Payables	202	194
Other Liabilities	966	907
<b>Total Liabilities</b>	<b>1,168</b>	<b>1,101</b>
Paid-in capital	7	7
Capital surplus	13	13
Retained earnings	1,543	1,644
Capital adjustment & Accumulated other comprehensive income	1,002	978
<b>Total Shareholder's Equity</b>	<b>2,565</b>	<b>2,642</b>
<b>D/E Ratio(%)</b>	<b>45.5%</b>	<b>41.7%</b>

# Appendix – Summary Financial Statements(consolidated)



## Income Statement

(Unit : Billion KRW)	2010	2011	1Q-3Q 2011	1Q-3Q 2012
<b>Net Sales</b>	1,651	1,854	1,385	1,403
Growth rate ( % )	-	12.3%	-	1.3%
<b>COGS</b>	979	1,140	840	885
<b>Gross Profit</b>	672	714	544	518
GP Margin (%)	40.7%	38.5%	39.3%	36.9%
<b>SG&amp;A</b>	504	541	397	406
SG&A (%)	30.5%	29.2%	28.7%	28.9%
<b>Operating Profit</b>	171	179	152	116
OP Margin (%)	10.4%	9.7%	11.0%	8.3%
<b>Recurring Profit</b>	131	158	127	138
RP Margin (%)	7.9%	8.5%	9.2%	9.8%
<b>Net Income</b>	94	100	86	104
Net Margin (%)	5.7%	5.4%	6.2%	7.4%
<b>EPS (Won)</b>	66,461	69,402	60,977	72,712

※ K-IFRS applies to 2010~



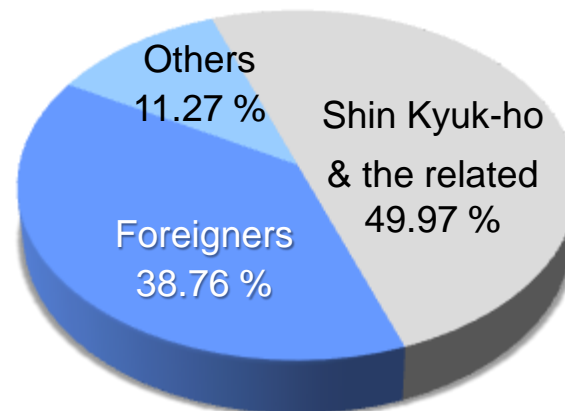
## Balance Sheet

(Unit : Billion KRW)	4Q 2011	3Q 2012
<b>Current Assets</b>	741	794
Cash/Cash equivalents	183	219
Receivables	247	286
Inventories	181	195
<b>Non-liquid Assets</b>	3,160	3,146
Investment & other assets	1,929	1,896
Tangible assets	1,232	1,250
<b>Total Assets</b>	3,901	3,940
Payables	260	241
Other Liabilities	1,026	1,010
<b>Total Liabilities</b>	1,286	1,251
Paid-in capital	7	7
Capital surplus	13	11
Retained earnings	1,537	1,634
Capital adjustment & Accumulated other comprehensive income	1,058	1,037
<b>Total Shareholder's Equity</b>	2,615	2,689
<b>D/E Ratio(%)</b>	49.2%	46.5%

## Principal Shareholder Status

Shareholder	Ownership (%)
Lotte Aluminum	15.29
Lotte Scholarship Foundation	8.69
Shin, Kyuk Ho	6.83
Shin, Dong Bin	4.88

※ Lotte Confectionery Shareholder's List (End of June 2011)



## Dividend / Payout Ratio

	2007	2008	2009	2010	2011
Share Price (₩million)	1,690,000	1,305,000	1,289,000	1,508,000	1,707,000
Cash Dividend (₩million)	4,222	4,222	4,926	5,630	5,630
Dividend Rate (Dividend/face value)	60.0%	60.0%	70.0%	80.0%	80.0%
Dividend Per Share	3,000	3,000	3,500	4,000	4,000
Dividend Yield (DPS/Share Price)	0.2%	0.2%	0.3%	0.3%	0.2%
Payout Ratio (Dividend/Net Profit)	3.9%	2.4%	5.2%	4.6%	4.4%

# Appendix – Shares in Related Companies

(KRW mil., the end of September 2012)

	Company	Shares	%	Book Value	Category / Location of Business	Remark
Domestic (affiliated)	Kirin Foods	195,800	100.0	98,076	Chewing gum, Confectioneries, Ice cream	*Consolidated Subsidiaries
	Lotte Giants	6,000	30.0	6,547	Professional Baseball Team	*Equity Method Affiliates
	Lotte Shopping	2,474,543	8.5	791,854	Department Store	
	Lotte Chilsung Beverage(common)	145,237	11.7	200,282	Carbonated Drinks, Juice, Liquor	
	Lotte Chilsung Beverage(preferred)	9,660	8.1	3,101	Carbonated Drinks, Juice, Liquor	
	Lotte Samkang	123,226	9.8	70,362	Cooking Oils, Ice Cream	
	Korea Seven	5,977,672	16.6	93,843	Convenience Store	
	Lotteria	65,374	13.6	72,622	Fast-food Restaurant Franchise	
	Lotte Station Building	319,200	8.9	65,170	Department Store	*Available-for-Sale Securities
	Lotte Data Communication Company	52,376	6.1	37,320	Computer Software & Parts/Peripherals Business	(Excluding Debt Securities)
	Lotte Logistics	66,308	4.6	7,692	Distribution/Logistics Management & Consulting	
	Lotte.com	523,548	11.3	5,538	On-line Shopping Mall	
	Lotte Trading	12,187	1.4	4,237	International Trading Business	
Domestic (unaffiliated)	Others	4,858,359	-	30,302	Lotte Asset Management, Korea Fuji Film, etc.	
	BS Financial Group	5,536,479	2.9	66,438		
	Shinhan Financial Group	458,111	0.1	17,385		
	Others	4,668	-	3,440	Cosmo Investment Management, etc.	
<b>Sub Total</b>		<b>20,828,748</b>		<b>1,574,209</b>		
Overseas	Lotte India Co., Ltd.	9,404,693	98.4	10,079	Inida	
	Lotte Food Holding Co., Ltd.	95,000,000	100.0	93,172	China	*Consolidated Subsidiaries
	Lotte Qingdao Foods Co., Ltd.	-	100.0	22,713	China	
	Lotte Ice (Shandong) Co., Ltd.	-	71.4	8,759	China	
	Lotte China Foods Co., Ltd.	-	53.6	37,608	China	*Equity Method→Consolidated (by capital increase)
	Lotte (China) Investment Co., Ltd.	-	54.8	6,461	China (holding company)	
	Lotte Confectionery Holdings B.V.	56,100,000	51.0	74,418	Netherlands (including 8 subsidiaries consolidated)	
	K.S.S.E., Ltd.	54,117,647	69.5	18,304	Pakistan (including 1 subsidiary consolidated)	*Consolidated Subsidiaries
	Lotte Confectionery (S.E.A) Pte., Ltd.	-	100.0	6,875	Singapore	
	LH Foods Co., Ltd.	-	51.0	46,470	China (Joint Venture with Hershey Company)	
	Lotte Packaging(Beijing) Co., Ltd.	-	25.0	5,837	China	
	Lotte Europe Holdings B.V.	182,186	30.8	96,106	Netherlands	
	BIBICA CORPORATION	5,953,000	38.6	14,185	Vietnam	*Equity Method Affiliates
	Lotte Vietnam Co., Ltd.	-	36.8	4,771	Vietnam	
	Lotte Taiwan Co., Ltd.	20,300,000	50.0	7,519	Taiwan	
	Lotte Confectionery Pilipinas Co.	1,000,000	40.0	635	Philippines Sales corporation	
	Lotte Malaysia Sdn. Bhd	8,000,000	40.0	1,109	Malaysia Sales corporation	
	Lotte Shanghai Foods., Ltd.	-	10.0	11,732	China	
	Lotte Huabang(Beijing) Beverage Co., Ltd.	-	6.0	2,293	China	*Available-for-Sale Securities
Lotte(China) Management	-	10.0	891	China		
PT, Lotte Indonesia	8,910	7.6	642	Indonesia		
<b>Sub Total</b>		<b>250,066,436</b>		<b>470,579</b>		
<b>Total</b>		<b>270,895,184</b>		<b>2,044,788</b>		

# Appendix – Subsidiaries, Associates and Joint Ventures

## Summary of Relevant Information of Subsidiaries, Associates and Joint Ventures (1-3Q 2012)

	Subsidiaries	Ownership	Location	Category	Sales	Net Income	(unit : million KRW) Share of loss/ profit of associates
	Lotte Food Holding Co., Ltd.	100.0	China	Subsidiaries	-	-863	
	Lotte Qingdao Foods Co., Ltd.	100.0	China	Subsidiaries	12,034	-64	
	Lotte Ice (Shandong) Co., Ltd.	71.4	China	Subsidiaries	3,864	-1,351	
	Kirin Foods Co., Ltd.	100.0	Korea	Subsidiaries	58,336	-9,756	
	Lotte India Co., Ltd.	98.4	India	Subsidiaries	46,783	245	
	K.S. SULEMANJI ESMAILJI & SONS (Private) Limited	69.5	Pakistan	Subsidiaries	47,454	773	
	Lotte Confectionery Holdings B.V.*	51.0	Netherlands	Subsidiaries	73,618	4,915	
	Lotte Confectionery (S.E.A) Pte., Ltd.	100.0	Singapore	Subsidiaries	2,271	-803	
	LH Foods Co., Ltd.	51.0	China	Associates	52,382	-1,878	-862
	Lotte (China) Investment Co., Ltd.**	54.8	China	Associates	46,870	-18,998	-
	Lotte China Foods Co., Ltd.**	53.6	China	Associates	36,711	-2,579	-1,130
	Lotte Packaging(Beijing) Co., Ltd. <input checked="" type="checkbox"/>	25.0	China	Associates	13,383	-706	-360
	BIBICA CORPORATION	38.6	Vietnam	Associates	33,926	-311	463
	Lotte Vietnam Co., Ltd. <input checked="" type="checkbox"/>	36.8	Vietnam	Associates	21,346	-285	-107
	Lotte Taiwan Co., Ltd. <input checked="" type="checkbox"/>	50.0	Taiwan	Associates	16,596	390	333
	Lotte Confectionery Pilipinas Co. <input checked="" type="checkbox"/>	40.0	Philippines	Associates	1,929	-1,425	-939
	Lotte Malaysia Sdn. Bhd <input checked="" type="checkbox"/>	40.0	Malaysia	Associates	1,026	-865	-445
	Lotte Europe Holdings B.V.**	30.8	Netherlands	Associates	111,566	1,182	-1,622
	Lotte Giants <input checked="" type="checkbox"/>	30.0	Korea	Associates	38,915	14,523	4,328
	<b>Total</b>				<b>619,010</b>	<b>-17,856</b>	<b>-341</b>
	<b>Consolidated</b>				<b>244,360</b>	<b>-6,904</b>	<b>-341</b>
	<b>Unconsolidated</b>				<b>374,650</b>	<b>-10,952</b>	<b>-</b>

\*Guylian(Belgium), \*\*holding company in Russia,  subsidiaries not under Lotte Confectionery's management

\*\*\*Food Holding capital increase(at the end of 3Q 2012) → two associates in China will be consolidated for the 4Q 2012

## Major Overseas % of Ownership Status (3Q 2012)

Location	Subsidiaries/Associates/Joint Ventures	Ownership	Relevant information
China	Lotte Food Holding Co., Ltd.	100.0	
	Lotte Qingdao Foods Co., Ltd.	100.0	
	Lotte Ice (Shandong) Co., Ltd.	71.4	Lotte Samkang 18.6, Peungcheung Foods 6.6
	LH Foods Co., Ltd.	51.0	Hershey Company 49.0
	Lotte (China) Investment Co., Ltd.	54.8	Lotte Chilsung 24.8%, Lotte Japan 20.4%
	Lotte China Foods Co., Ltd.	53.6	Lotte Japan 46.4
	Lotte Packaging(Beijing) Co., Ltd.	25.0	
India	Lotte India Co., Ltd.	98.4	other shareholders 1.6
Vietnam	BIBICA CORPORATION	38.6	
	Lotte Vietnam Co., Ltd.	36.8	Lotte Japan 63.2
Pakistan	K.S. SULEMANJI ESMAILJI & SONS (Private) Limited	69.5	existing shareholders 30.5
Russia	Lotte Europe Holdings B.V.	30.8	Lotte Shopping 32.6, Lotte Japan 12.7
Guylian	Lotte Confectionery Holdings B.V.	51.0	Lotte Japan etc. 49.0
Singapore	Lotte Confectionery (S.E.A) Pte., Ltd.	100.0	