

One & Only



# Introduction of KOLON



May 10. 2012

**1950s**







# Textile factory





# Textile factory





# Kolon Industries, Inc.

## Gumi Plant for textile, film, industrial materials

Gumi Plant is the main plant of KOLON Industries, Inc. equipped with an integrated manufacturing system from polymerization process to final products. With 40 years of polymer technology and expertise, this large-scale complex has the top-of-the-line production operating system.

Using proprietary technology, Gumi Plant has been producing electronic and advanced chemical materials, such as aramids, as well as PET films, tire cords, long fiber non-wovens, aramids, and light diffuser films for LCDs, and IT chemical products.



# Kolon Industries, Inc.

## Gimcheon Plant for PET film, nylon film

Gimcheon Plant for Chemical division of KOLON Industries, Inc. specializes in manufacturing PET films (optical, industrial, and packaging purposes), nylon films (food packaging, balloons, etc.), and Dry Film Photo-Resist films, and will play an important role in helping shape the future of KOLON Industries, Inc.

Designed using cutting-edge technology, Gimcheon Plant is fully automated and highly competitive by operating new product development and a high-quality, low-cost production system. Its thorough process control to eliminate any substance causing industrial pollution represents the company's environmental efforts.





# Kolon Industries, Inc.

## Yeosu Plant for chemical

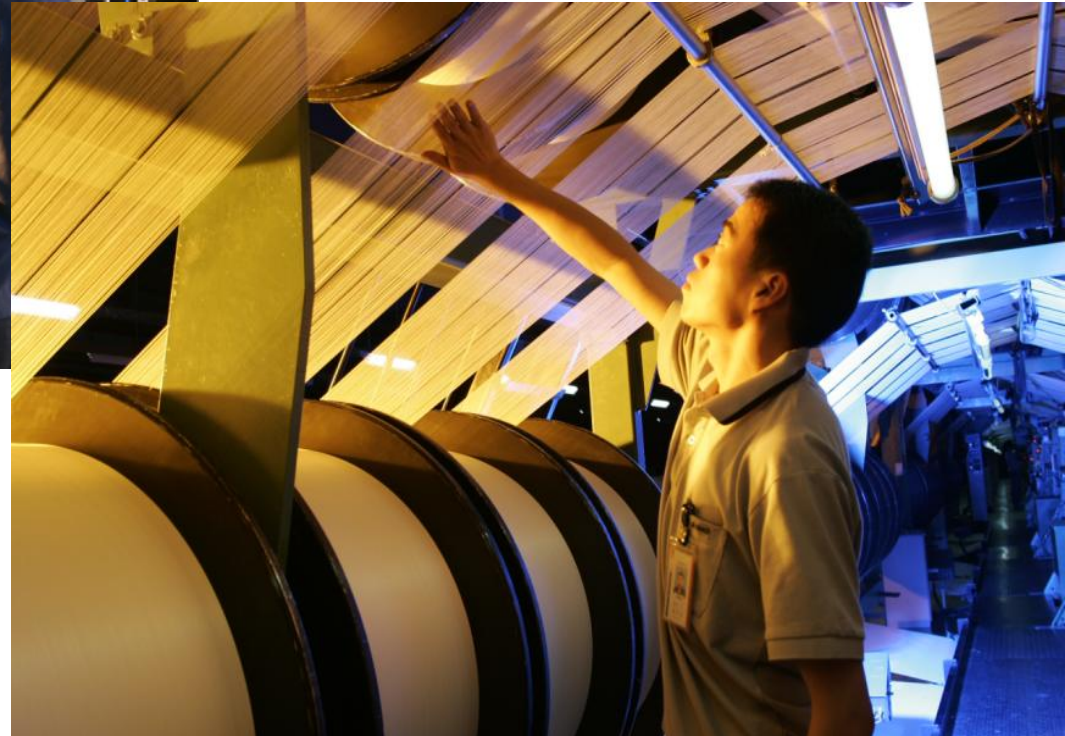
Yeosu Plant of KOLON Industries, Inc. specializes in manufacturing hydrocarbon resins. Founded with the goal of becoming the world's No. 3 hydrocarbon resin manufacturer, Yeosu Plant has a capacity of 50,000 tons and focuses on continuous expansion, creating an efficient production system, and strengthening core capabilities. The plant will help elevate the company's standing in the global chemical industry.





# Kolon Glotech

Main Product – Polypropylene fiber fabrics



The company produces polypropylene fiber fabrics widely used in industry as well as special purpose garments, industrial fabrics for stuffed toys and shoes, base fabrics for fashion apparel and sportswear, silver yarn and other performance fabrics. In addition, Kolon Glotech performs finishing processes on film, microfiber and knitted products.

# Kolon Pharmaceuticals, Inc.

## Deajon Plant & Main Products



Sales of Bicogreen, a constipation remedy, began in 1994 and currently some 45 million tablets are produced and sold each year. The company also supplies Comy Syrup and Comy Tablets, Korea's top selling head cold treatment for children, as well as Brexin analgesics.



# Kolon Life Science

## Gasan Research Institute



An effective cell-mediated gene therapy treatment for orthopedic disease has been developed with TGF- $\beta$  1 (transforming growth-factor-beta), part of the transforming growth factor- $\beta$  family. TGF- $\beta$  1 uses plant-virus based vectors.

The cells are first injected with a dye, and the well-formed therapeutic genetically modified cells are selected and examined for protein quantity and activity. Next, the therapeutic cells are mass produced and injected directly, without surgery, into the area requiring treatment.

# Kolon Engineering & Construction Co.

## Apartment – Hanulche at Daegu



105, Chimsan-dong, Buk-gu, Daegu

Oct 2003~Apr 2006 (30 months)

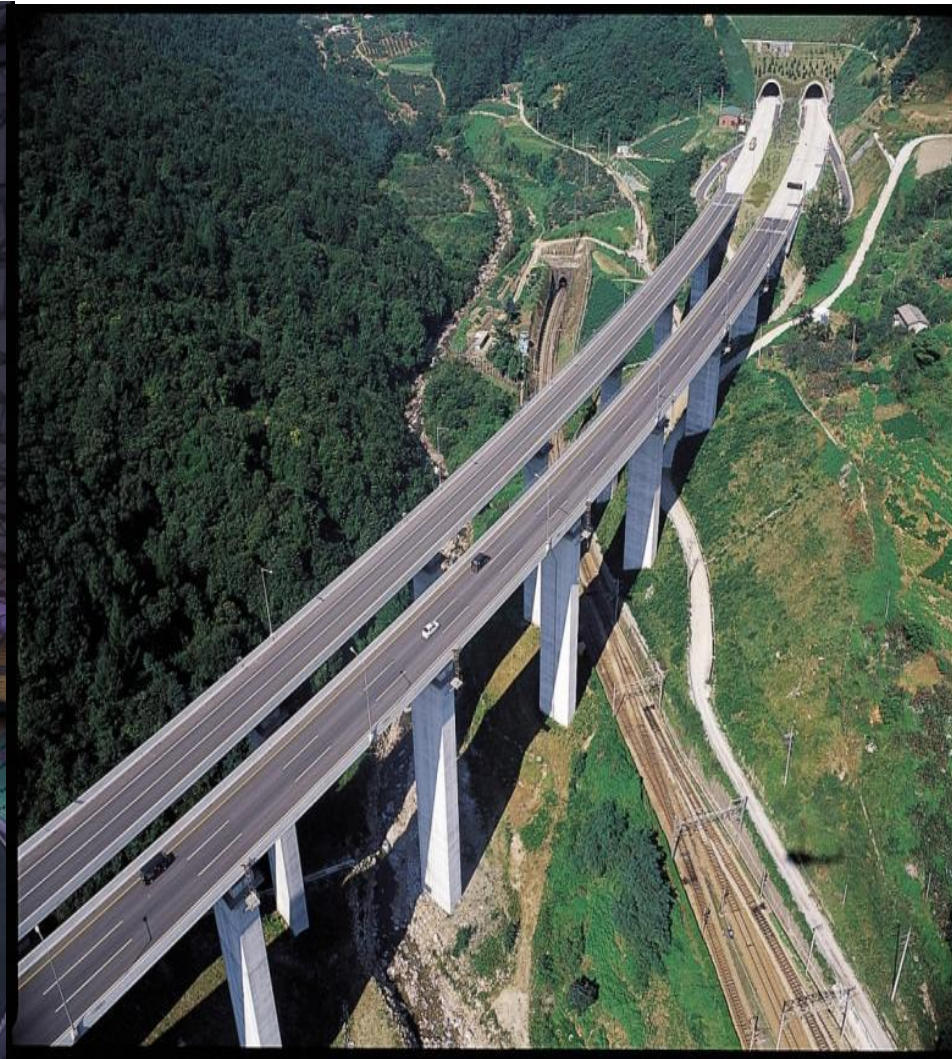
2 basement floors, 15~30 floors 17BL 1,349 households

259,721m<sup>2</sup>



# Kolon Engineering & Construction Co.

Dae-gu worldcup stadium and Chung-Ang highway





# Kolon Engineering & Construction Co.

Dae-jeon wastewater treatment area & Yong-in waste incinerator



- BIO\_CUBE 1set
- Carrier screen 24 sets
- Precipitate removal apparatus 24 sets
- Carrier transfer pump 52 sets
- Diffuser 240 sets
- Performance test technical support 1type



- Incineration facility fabrication and installation and environmental ecological park created
- Work objective: Expansion because the existing living waste incineration capacity was exceeded
- Incineration capacity: 100 tons/day 2 units
- Environmental ecological park, planting, facilities, symbolic plastic structures



# Kolon Engineering & Construction Co.

Ratchaburi Power plant water treatment facility in Thailand





# EFMC(Environmental Facilities Management Corporation)

Total control center operation business





# Kolon Glotech

Automotive distribution business



Kolon Glotech is as a leading producer of materials used inside automobiles and the Korean distributor for BMW. The company produces base fabrics for automotive seat covers, car seat modules, and automotive floor mats. The most advanced technologies and thorough quality control enabled Kolon Glotech to remain the leader in the domestic automotive seat market.

# Kolon Industries, Inc.

Fashion QUA, Kolon Sport, FIK





# The Woo Jeong Hills country club

13<sup>th</sup> hole



# Kolon's Business Structure

## [KOLON INDUSTRIES, INC.]

- Industrial Materials : Tire Cord, Car Airbag, Technical yarn, Aramid, etc.
- Chemicals : Hydrocarbon Resins, Phenol & Epoxy Resin
- Film(Packaging, etc.), Electronic Materials

## [KOLON GLOTECH, INC.]

- Car Seat Fabric, Car Seat Module
- Artificial Turf, P.P. Fiber

## [KOLON LIFE SCIENCE, INC.]

- Pharmaceutical Ingredients, Biocides, Water Treatment Agents

## [KOLON PLASTIC, INC.]

- Engineering Plastics

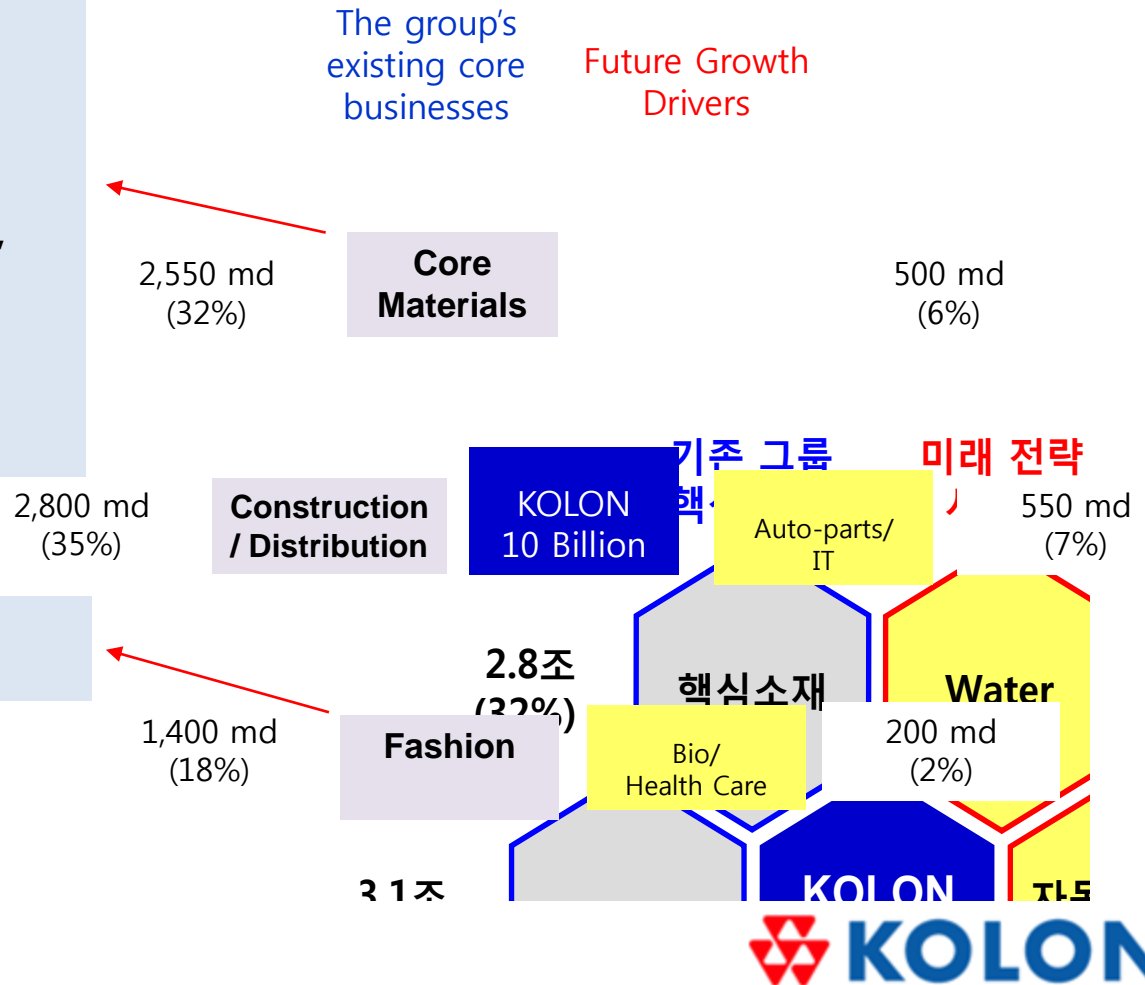
## [KOLON FASHION MATERIAL, INC.]

- Synthetic Yarn & Fabric (Nylon, PET)

## [KOLON INDUSTRIES, INC.]

- Outdoor, Sports, Golf, Casual, etc.

Revenue of 10 billion dollars in 2011 through 6 key business segments



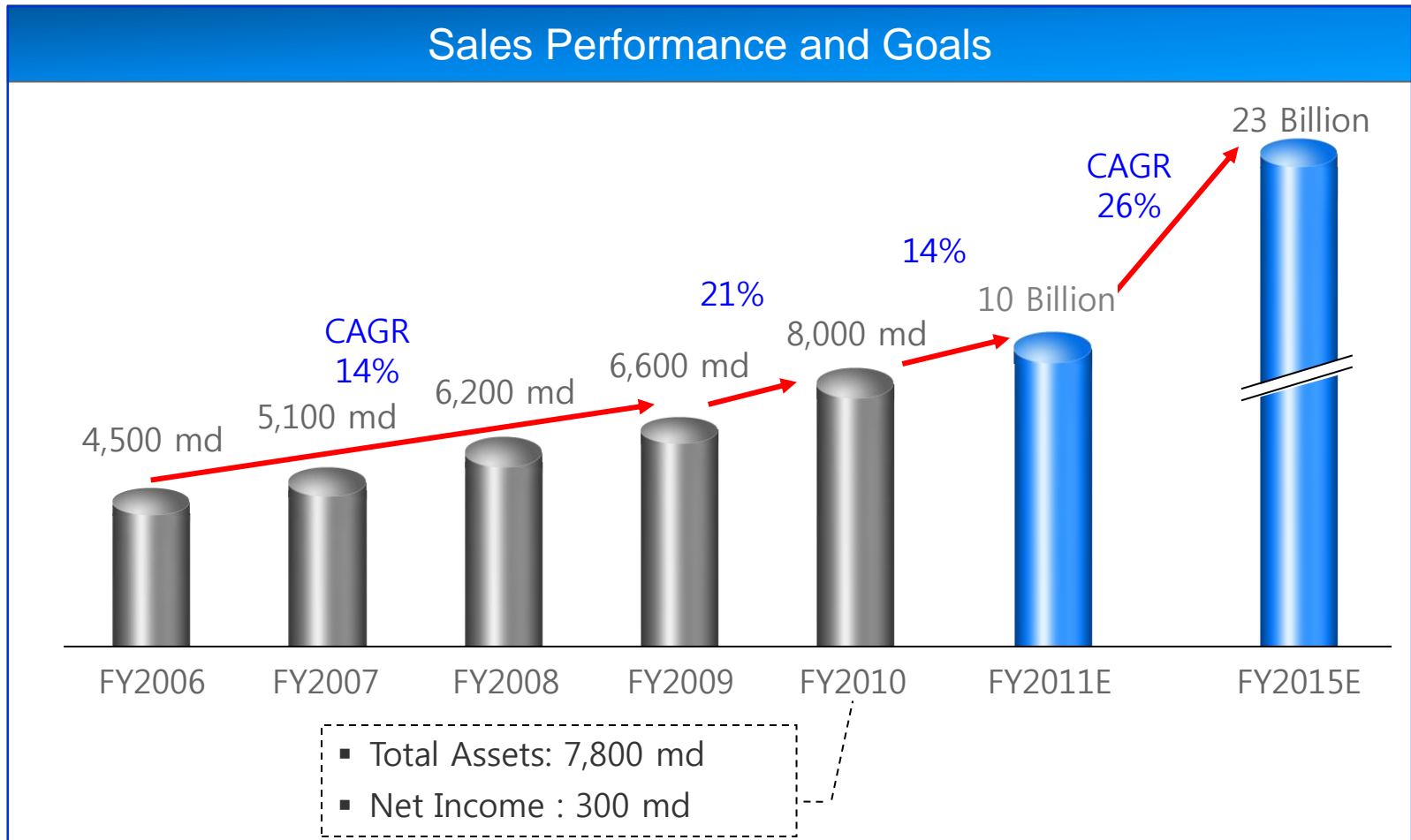
(Exchange rate: 1,100 won/\$)





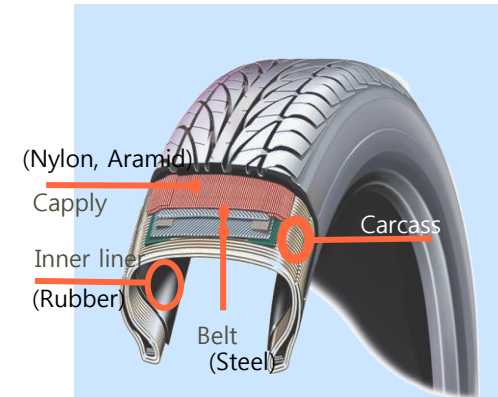
# Kolon's Projected Growth

- With a steady double digit growth each year, the Kolon Group recorded an impressive growth of 21% in 2010
- The group has a projected revenue of 10 Billion and 23 Billion for 2011 and 2015, respectively

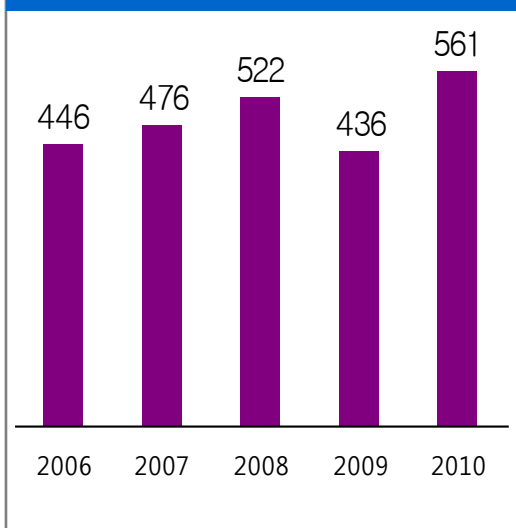


# Major Products - Industrial Materials

Product	Applications	Customers	Competitors
♦ Tire Cord	Tires	Goodyear, Bridgestone, Michelin, Continental, Kumho, Hankook	Hyosung
♦ Car airbag (fabric)	Automobiles	Hyundai Mobis, Autoliv, KSS, S&T Daewoo Ind.	
♦ Technical Yarn	Automobiles	Seatbelt, Tarpaulin and Conveyer belt makers	Hyosung
♦ Aramid	Bulletproof weaves, Automobiles, Cables	Car brake, Gasket and MRG makers Defense industry / Optical fiber cable	Dupont, Teijin



## Sales (Wbn)

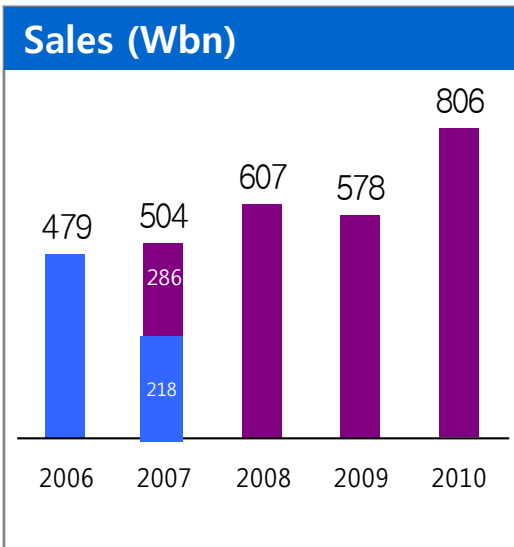


- Tire cord
  - Global top 3 with 13% market share
  - Strong brand recognition in the tire industry
- Airbags, Seatbelts and PET Spunbonds
  - Airbags : 85% market share in Korea.
  - Seatbelts : 60% market share in Korea
  - PET Spunbonds : 60% market share in Korea
  - \* Expansion in China - Tire cord/Airbag plant (2004)
- Aramid
  - Launch of Aramid business in 2005 (4Q)
  - Aramid plant was expanded in Jan. 2010
- Chamude
  - Third largest production capacity in the world
  - Gateway into high-end markets
  - \* Watch cases, Cloth linings for bags
  - \* Car seat covers



# Major Products - Chemical

Product	Applications	Customers	Competitors
♦Hydrocarbon Resins	Adhesives, Paint, Tires, Hot-melt road marking	Henkel, Bostik, H.B.Fuller, 3M, DaeHwa Paint	Exxon, Eastman
♦Phenol & Electronic Epoxy Resins	Electronic materials, Automotive industry, Tires, Paint	Antech, Hempel, Shinsai Shokai, Hyosung, Hankook Tire, Eko International	Kangnam Chem, Kukdo Chem,



※ KOLON Industries acquired KOLON Chemical, now a part of its chemical division, on June 1, 2007

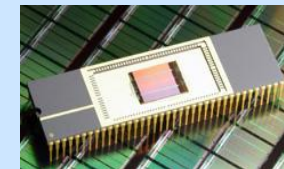
- Hydrocarbon Resins
  - Capa. : 100,000MT/Year (Domestic 70%, Export 30%)  
<Except for by-product : Domestic 30%, Export 70%>
- Phenolic Resins
  - Capa. : 60,000MT/Year (Domestic 55%, Export 45%)
  - Launch of epoxy resins in Dec. 2007(12,000MT/Year)
- GRP Pipe
  - Capa. : 3,000MT/Year (Domestic 100%)
  - Launch of GRP pipe in Dec. 2007



Hydrocarbon Resin



Phenolic Resin



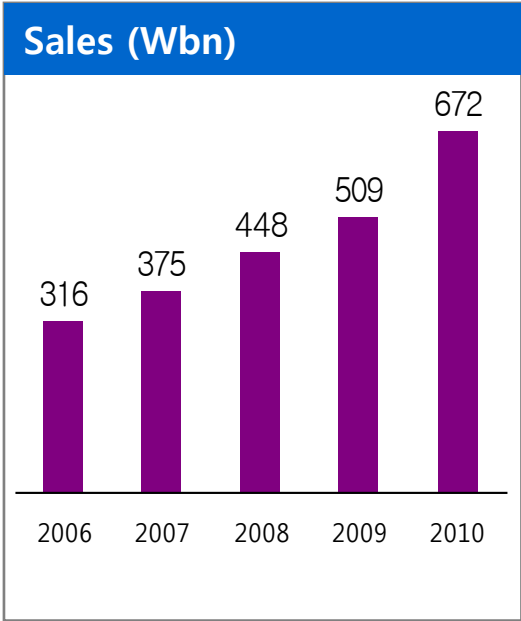
Epoxy Resin



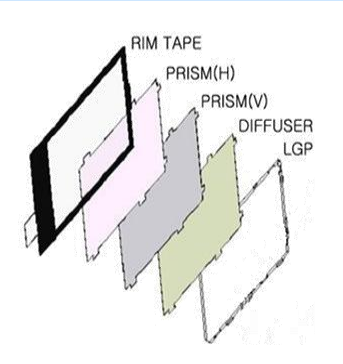
Glass Reinforced Plastic Pipe

# Major Products - Films/Electronic Materials

Film	Product	Applications	Customers	Competitors
Base Film	Packing Film	Food packing Shrinkable film	Youlchon Chem.	SKC, TAMK
	Optical Film	DFR, LDF, Prism Reflection film Release film Solar protect film	Shinwha, SBK, LGE, LGC, LMS, Keiwa, MN-tech NittoDenko, SKC-Haas, Tohcello Toyo Aluminum, Krempel, Coveme	SKC, TAMK
IT materials	DFR	PCB, PDP Semiconductors	3M, SEMCO, Daeduck Elec, LGE, Anam Semicon, Samsung Techwin, Samsung SDI	Asahi, Hitachi
	Prism, etc	TFT-LCD	LGD, SEC	MN-tech



- World-class technology and production capacity
  - \* PET film: 5th in the world (production capacity)
  - \* Nylon film: 3rd in the world
- Investment focused on value-added films for IT industry
  - \* From DFR film to films for LCDs, PDPs and semiconductors
- Launch of optical thick film
  - Optical thick film launched in June. 2006
  - 1 line was expanded in Nov. 2009





# Major Products – Car Seat Fabric, Car Seat Module

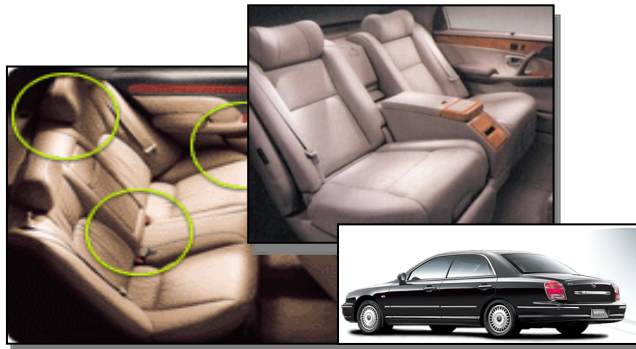
## Automotive Materials

### ● Car Seat Fabric

- Manufacturing Car Seat Fabric which boost the all-time Number one in Market Share(40%) in Korea
- Application Car Models: middle and high class models of all motor companies in Korea
- In a process to supply for Big 3 Companies (Ford, Chrysler, GM)



### ● Car Seat Module



- Producing the best quality genuine and artificial leather car seat covering for the domestic automobile Industry
- Occupying Over 65% in domestic market and having manufacturing facilities in China enable us to business with global company
- Application Models : most of domestic high class cars of all motor companies

# Major Products – Artificial Turf, P.P. Fiber

## ● Artificial Turf

- Introducing the first artificial turf in Korea with the brand name 'KONY GREEN'
- Occupying over 60% percent of market share acquired quality approval from the Federal Internationale de Football Association (FIFA) and International Hockey Federation (FIH)
- Designated as the official turf by Korea Football Association
- Making significant achievement in Korean Market and also good progress in overseas market



A baseball field in Daegu, Korea



A football field in Pusan, Korea

## ● P.P. Fiber

- One of the big 3 Polypropylene staple makers
  - Making P.P. staple fiber for hygienic non-woven fabric, Car mat, carpet and filter
- As the only one in Asia having technology to make long-spin staple, has over 50 percent occupancy in entire Asian market (export occupies over 70%)
- Provides high quality fiber which is light, highly soft and strong
- Utilizing its leading technology, has been focusing on expanding its international presence in the P.P Fiber industry



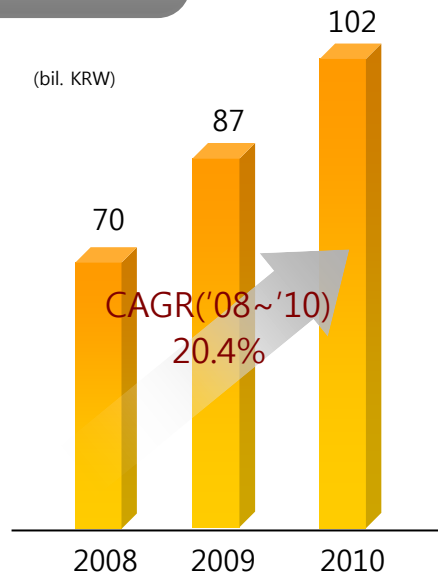


# Major Products – KOLON LIFE SCIENCE, INC.

Main Product	Applications	Customers	Competitors
◆ Active Pharmaceutical Ingredients	Medical drugs	Yoshindo, SPI, Nisshin, GSK	
◆ Biocides	Dandruff control & ship bottom paint	Unilever, Janssen, Jotun	Arch
◆ Water Treatment Agents	Purification of urban sewage water and industrial waste water	Public Procurement Service, EFMC	S&F

## Sales

(bil. KRW)



### Pharmaceutical Business

- Operating profit to sales ratio 20% (2010)
- Originator CMO Biz was launched (2010.4Q)



### Eco-friendly Material Business

- 1st Supplier for Unilever (Biocides)
- Launched biocides to EU regulation market



### Water Solution Business

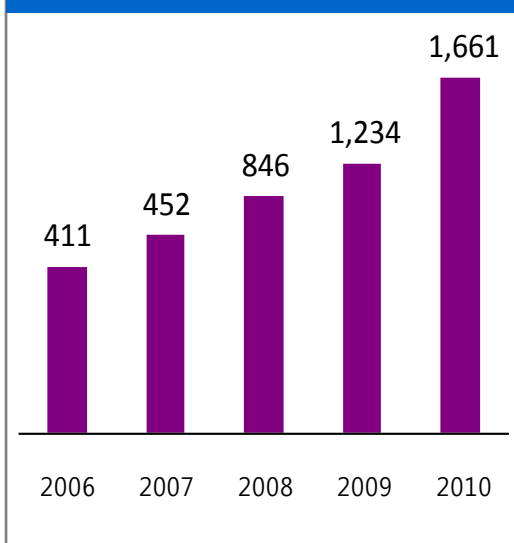
- The new plant for Emulsion & Biocide was completed in Gimcheon (2011.2Q)

# Major Products – Engineering Plastics

Product	Applications	Customers	Competitors
♦ KOCETAL® - POM	Automobiles E & E, Living materials	<b>AUTOMOTIVE</b> -Bosch , Coavis , Hyundai mobis -Mahle donghyun filter system, Delphi	<b>BASF</b> <b>Dupont</b> <b>Korea engineering plastics</b> <b>Rhodia</b> <b>LG chem</b> <b>Samyang</b> <b>Cheil industries</b>
♦ KOPA®- PA6,PA66	Automobiles E & E, Living materials	-Denso, Autoliv, Mando, Inzi -Halla climate controll	
♦ SPESIN® - PBT	Automobiles E & E	<b>ELECTRIC &amp; ELECTRONIC</b> -Hewlett-packard, FCI	
♦ KOPEL®-TPC-ET	Automobiles Living materials	-Molex, Tyco -Dongyang mechatronic -Daeyoung	
♦ KOPET®- PET	E & E		
♦ KOPPS® - PPS	Automobiles E & E		



## Sales (Wbn)



- Sales network in over 90 countries around the globe including Europe, USA and Japan also have domestic branches with lots of experience.  
- Capa. : 52,000T/Year (Domestic 60%, Export 40%)
- The best EP specialized company in Korea with diverse product portfolio including PA, POM, PBT out of the 5 major EPs and TPC-ET, PET and PPS.
- Investment focused on development of environment-friendly material and high-strength ultra light material demanded by weight reduction of vehicle

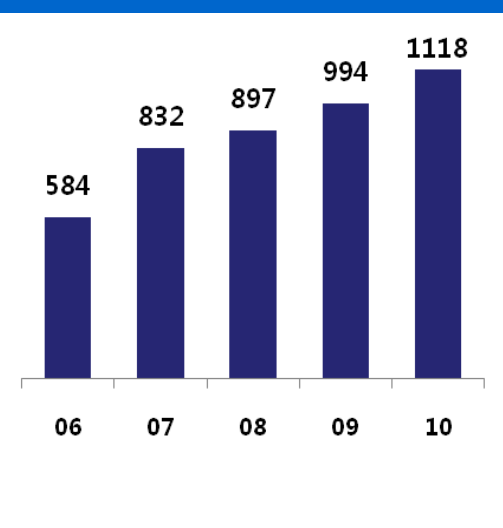




# Major Products - Fashion

	Brand	Segment	Competitors
Outdoor & Sports	KOLON Sport	Outdoor	The North Face, K2, Columbia, Black Yak
	Head	Sports	Fila, EXR, K-Swiss, Puma
Golf & Casual	Elord, Jack Nicklaus	Golf	Wolsey, Daks, Bean Pole-golf, Superior, Renoma, Munsingwear
	Henry Cotton's John Vavatos, Series;	TD casual	Hazzys, Bean Pole, Lacoste, Club Monaco, Ben Sherman, CP
Men's	Cambridge, Manstar Customellow GGIO II, Brenwood, TSH	Men's Formal	Galaxy, Rogatis, Maestro, Indian, TNGT
Women's	QUA, Sandro	Young casual Contemporary	Leshop, Soup, Plastic Island Jillstuart, Vanessabruno
Distribution	Luxury brands	-	-

## Sales (Wbn)



- Leading fashion company
  - \* Well balanced brand portfolio
  - \* Various distribution channels
    - 990 Dept., 420 Agency, 60Direct, 54 Outlet
- Focused on "Sports" & "Men's Wear"
  - \* Outdoor & Sports has shown consistent high growth (averaged 19% YoY)
  - \* Sales from KOLON Sport, Head, and Jack Nicklaus Acc.ount for more than 60% of total sales
  - \* Buyout Cambridge.co in 2007
  - \* Has hot brands like Series; & Customellow



# Fashion Brands

	KOREA	CHINA
Domestic Brands		
Imported Brands		
Licensed Brands		
Publication Rights		



*Cooperation*  
*with ICD*

# Leasing/ Ijara



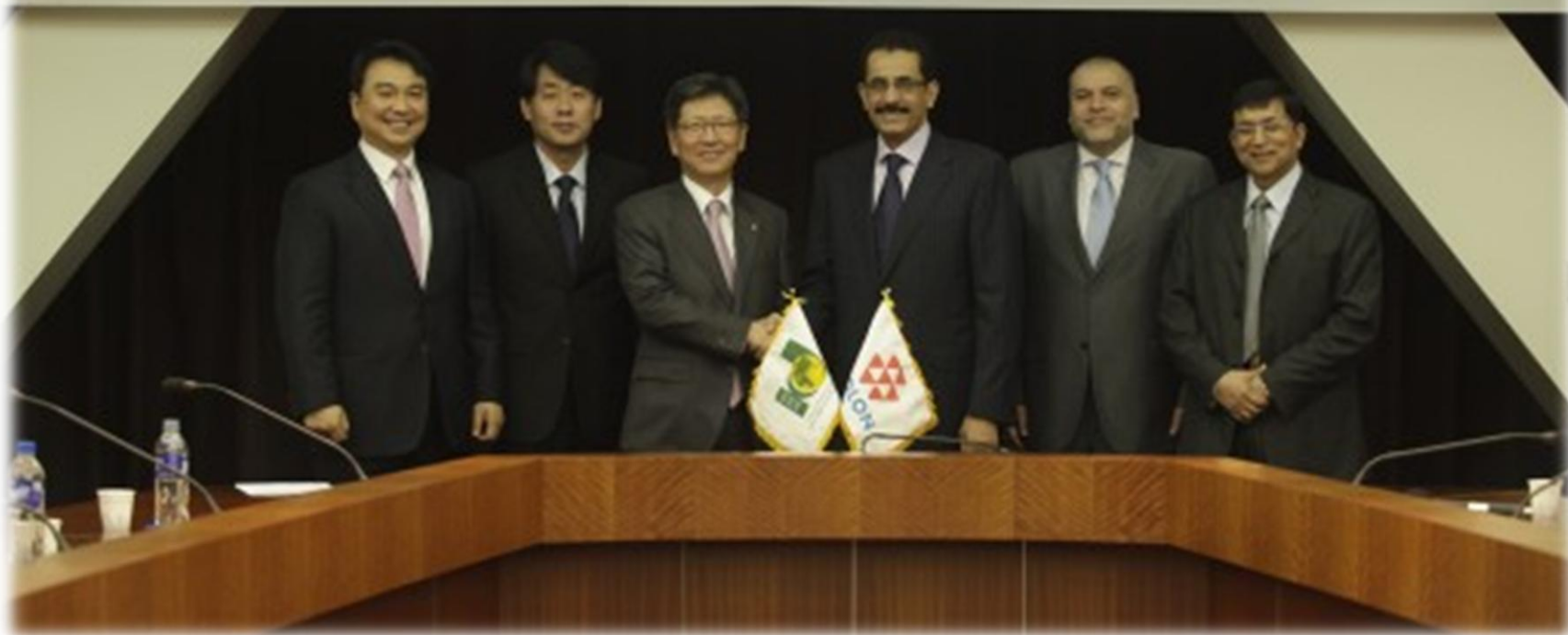


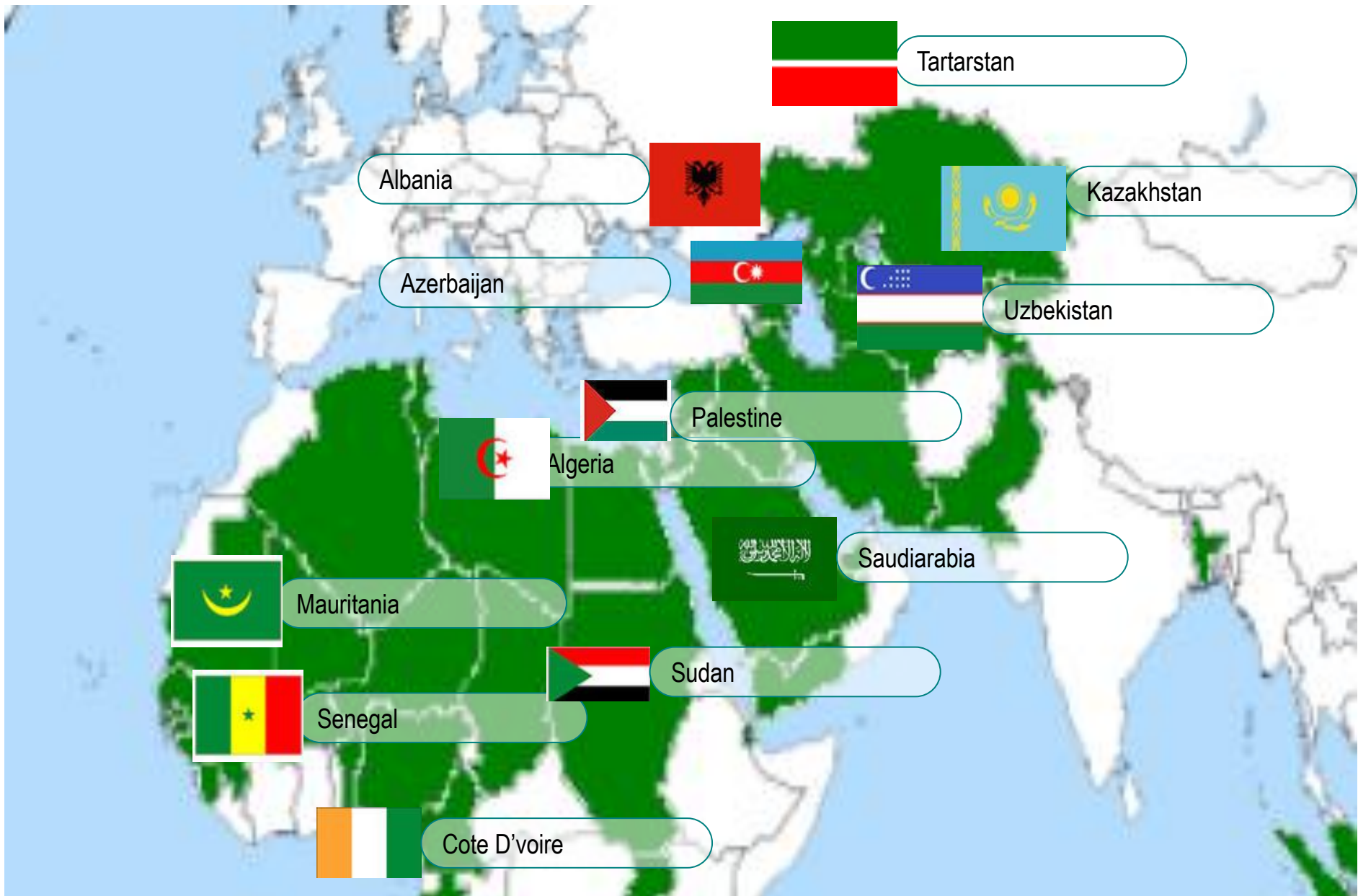


# Strategic Partnership for Islamic Leasing (Ijara)

MOU Signing Ceremony

1st November, 2011 Seoul Korea





Tartarstan

Albania



Kazakhstan

Azerbaijan



Uzbekistan



Palestine



Algeria



Saudi Arabia



Mauritania



Sudan



Senegal



Cote D'voire



# Pharmaceutical Project



**The Vital Superfood**  
속이 폭찬 100% 비타민의 활력, The Vital 슈퍼푸드

*Real 100%*  
비타민 함유 영양성분 권장량에 100% 함유

**KOLON PHARMACEUTICALS, INC.**





# Strategic Partnership for Pharmaceuticals in Africa

MOU Signing Ceremony





# Pharmaceutical Project



# Africa Rice Project









# *Africa Rice Project*

*As we did*





CNG  
CNG







*CNG is green*





# Building Blue Silk Road with CNG



CNG car rally

