

Lotte Shopping Co., Ltd.



INVESTOR RELATIONS

25th April 2008

Disclaimer

The information contained in this presentation has not been independently verified. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of Lotte Shopping Co., Ltd.'s financial or trading position or prospects. The information and opinions in this presentation are provided as at the date of this presentation and are subject to change without notice. None of Lotte Shopping nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation.

Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Lotte Shopping, as defined in the safe harbour provisions of the U.S. Private Securities Litigation Reform Act of 1995. Such forward-looking statements can be identified by the use of forward-looking terminology such as “anticipates”, “approximately”, “are expected to”, “believes”, “expects”, “intends”, “may”, “seeks”, “should”, “will”, “will continue”, “would be” or similar expressions or the negative thereof or other variations thereof or comparable terminology. These forward-looking statements include all matters that are not historical facts, and actual results may differ materially. Lotte Shopping undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Financial information presented herein are being reviewed by our independent auditor, and such figures are subject to change.

This presentation does not constitute an offer or invitation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.

The shares of Lotte Shopping have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws.

The following presentation may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever. Any forwarding, reproduction or distribution of this presentation in whole or in part is unauthorized and may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

FY08 1Q Earnings Results

Key Highlights for FY08 1Q

- **Posted solid top line growth: 11.4% yoy**
- **Strong SSS growth in major divisions**
 - Department Store: 3.0%, Discount Store: 6.1%, Supermarket: 6.5%
- **Discount Store sales contribution grew up to nearly 40% for Lotte Shopping**
- **Operating profit to meet the market consensus**
- **Rapid growth in new business**
 - Supermarket : Top-line sales up by 58%
 - KKD : Top-line sales up by 49%
 - Toys R Us store in Guro Lotte Mart : Top class performance in global chain

Lotte Shopping at a Glance

Financial Results

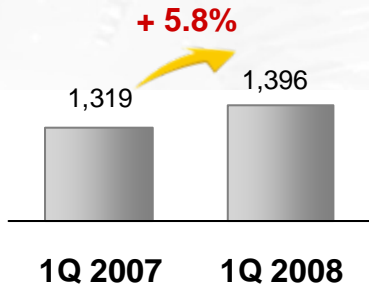
(Unit : KRW bn, %)

	1Q 2007	1Q 2008	2008vs. 2007
Gross Sales	2.4 tr	2.7 tr	+11.4%
Operating Profit	184	205	+11.8%
Profit before tax	232	306	+31.9%
Net Profit	172	227	+31.7%

Department Stores: 'Signs of consumer polarization'

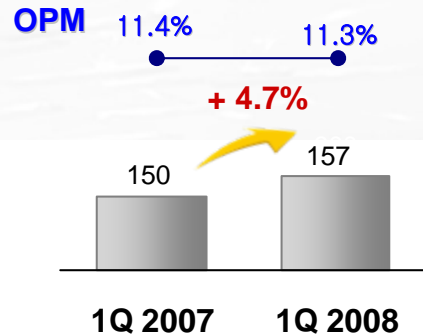
Gross Sales

(Unit: W bn)



Operating Profit

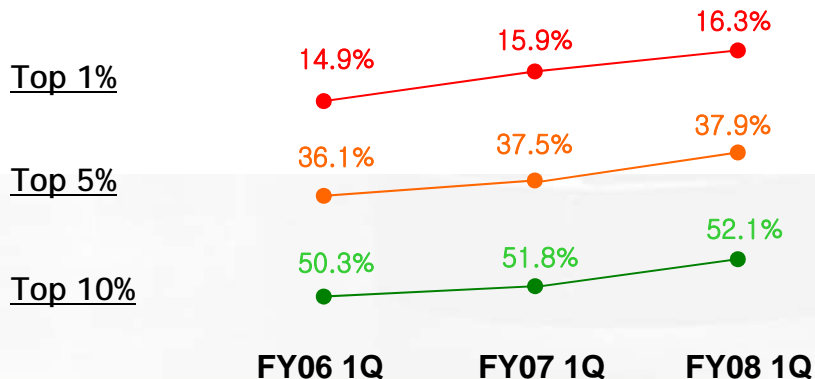
(Unit: W bn)



Key points

- Sales growth (+5.8% yoy) despite negative economic condition such as oil prices, currency, and unstable stock market.
- Strong growth in luxury brand sales (+23.1%)
- Growth in amount of ticket price (+3.3%)
- Improvement in OP but lower OPM due to new store openings
 - OPM of stores opened over 2 years (FY07 1Q 11.7% → FY08 1Q 12.0%)

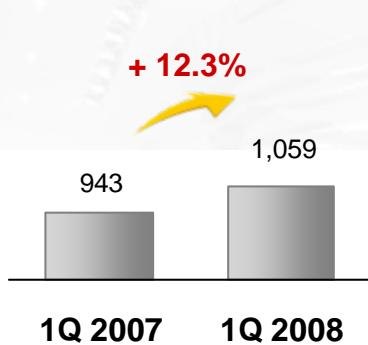
Sales Contribution by Consumer Segments



Discount Stores: 'Growth in sales and margins'

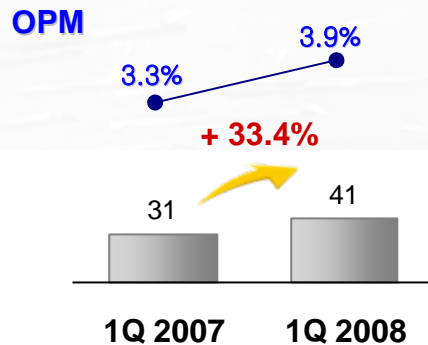
Gross Sales

(Unit: W bn)

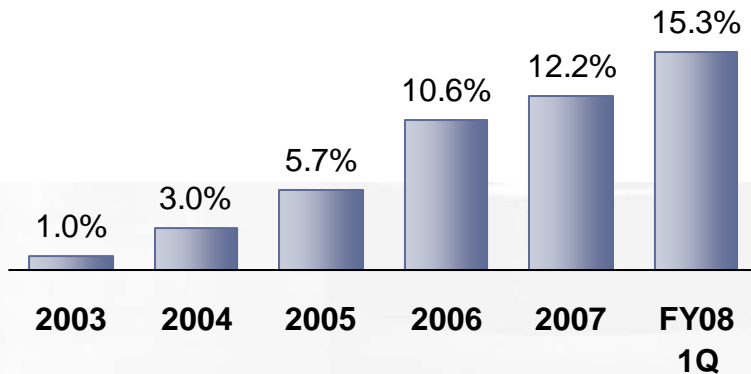


Operating Profit

(Unit: W bn)



Private Brands sales contribution



Key points

- Higher sales growth (+12.3% yoy) than competitors.
- Strong performance from existing stores (SSS +6.1% YOY)
- Growth in GP margin driven by distribution center (+0.2%p) and increase of PB sales(+0.3%p)
- Soaring OP margin for stores operated over 2 years : (FY07 1Q 4.1% → FY08 1Q 5.4%)

Other Business Division Results: 'Adding Revenue from Diversified Business'

 Lotte Shopping Co., Ltd.

Lotte Super

“On the way to become the leader ”

- Top line soared by +58% and posted OP margin of 2.4%
- Economy of scale in action through last year's acquisition
- Opened 3 additional stores and 82 stores in operation YTD.

Lotte Card

“Continued Strong Growth”

- Revenue and transaction volume up significantly, driven by increase brand power of Lotte Card
- Number of card holders increased to 7.9M in 1Q versus 7.7M at end of 2007
- Last years provision issue cleared
- 1Q provision down -9% yoy

Lotte Homeshopping

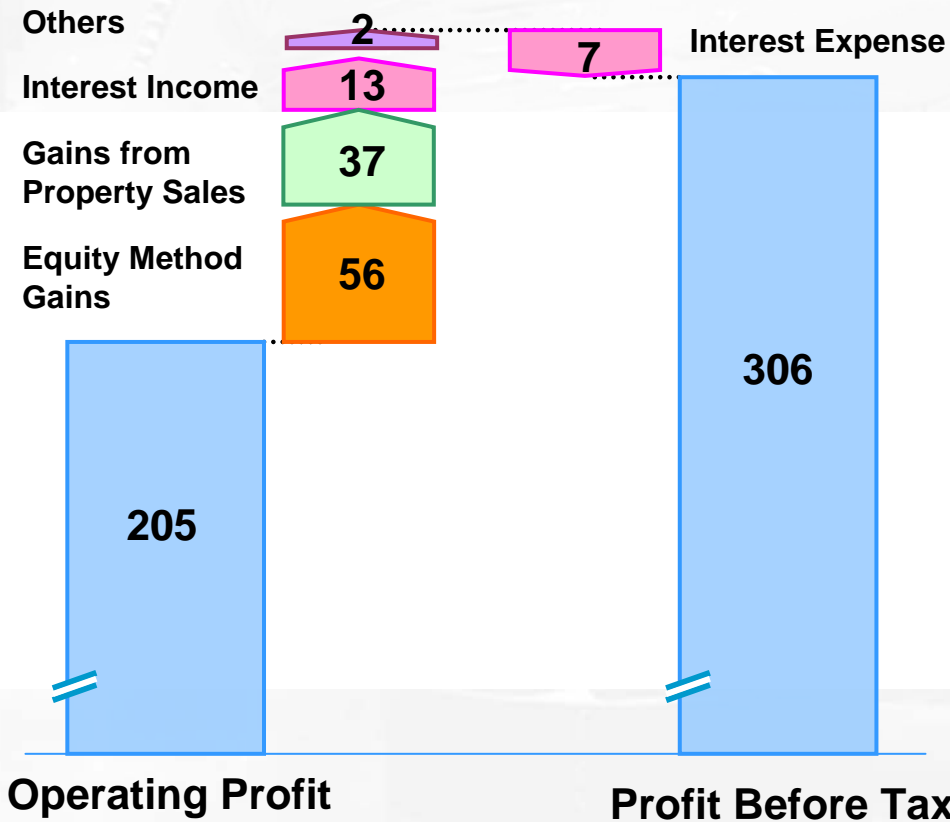
“Strengthening Lotte Synergy”

- Solid top-line sales growth (FY08 1Q : +29%, YOY)
- Increased market share (FY07 4Q 13.6% → FY08 1Q 15.1%)
- Strengthening Lotte brand name in on-line market and entered into catalogue sales

Non-Operating Profit Analysis

Non-Operating Profit

(Unit: W bn)



Equity Method Gains Break Down

(Unit: W bn)

Lotte Stationary	5
Lotte Card	46
Homeshopping	- 4
Others	9
Total	56

Gains from Property Sales

(Sales & Leaseback on 3 Lotte Mart stores)

(Unit: W bn)

Proceeds from Sales & Leaseback	220
- Book Value of the Property	183
Gain	37

Forecast on major division

- Department Store
 - Star City to open in 3Q
 - Beijing store to open in July
 - Stores in refurbishment
- Discount Store
 - Efficiency driven by distribution center and PB sales

<Distribution Center Effect>

	'07	'08 1Q	'08E
GP effect	-	+0.2%p	+0.4%p
Through put ratio	46.3%	50.4%	56.0%

<PB Sales Effect>

	'07	'08 1Q	'08E
GP effect	-	+0.3%p	+0.2%p
PB sales portion	12.2%	15.3%	14.5%

- Launching Outlet Mall Business (Gwangju, Gimhae)
 - Lotte's new challenge for new retail format
 - Enhance strong partnership with vendors by clearing season-off inventory

Appendix

Income Statement

Lotte Shopping Co., Ltd.

(Unit: KRW bn)

Lotte Shopping

	2006				
	1Q	2Q	3Q	4Q	YTD
Gross sales	2,254	2,243	2,180	2,617	9,294
Gross profit	642	646	618	766	2,672
Operating profit	188	196	149	217	749
(%)	8.3%	8.8%	6.8%	8.3%	8.1%
EBITDA	245	260	217	291	1,012
Profit before tax	248	208	212	318	986
Net profit	180	148	170	242	740

	2007					2008
	1Q	2Q	3Q	4Q	YTD	1Q
Gross sales	2,429	2,376	2,468	2,812	10,085	2,705
Gross profit	697	696	705	825	2,923	788
Operating profit	184	192	168	213	757	205
(%)	7.6%	8.1%	6.8%	7.6%	7.5%	7.6%
EBITDA	250	265	245	299	1,059	275
Profit before tax	232	240	204	279	955	306
Net profit	172	179	151	187	690	227

Lotte Department Store

	2006				
	1Q	2Q	3Q	4Q	YTD
Gross sales	1,310	1,272	1,133	1,568	5,283
Gross profit	420	419	368	520	1,726
Operating profit	155	172	120	198	644
(%)	11.8%	13.5%	10.6%	12.6%	12.2%
EBITDA	185	205	154	234	777

	2007					2008
	1Q	2Q	3Q	4Q	YTD	1Q
Gross sales	1,319	1,269	1,177	1,609	5,374	1,396
Gross profit	430	424	384	534	1,772	457
Operating profit	150	163	121	212	646	157
(%)	11.4%	12.8%	10.3%	13.2%	12.0%	11.3%
EBITDA	182	197	157	251	786	190

Lotte Mart

	2006				
	1Q	2Q	3Q	4Q	YTD
Gross sales	794	824	884	884	3,386
Gross profit	176	180	196	194	747
Operating profit	31	22	25	20	98
(%)	3.9%	2.7%	2.8%	2.2%	2.9%
EBITDA	52	46	52	49	198

	2007					2008
	1Q	2Q	3Q	4Q	YTD	1Q
Gross sales	943	922	1,054	968	3,888	1,059
Gross profit	212	212	244	219	887	250
Operating profit	31	27	38	9	105	41
(%)	3.3%	2.9%	3.6%	1.0%	2.7%	3.9%
EBITDA	59	57	70	46	232	72

Thank You



Lotte Shopping Investor Relations