



Lotte Shopping Co., Ltd.

3Q 2007 Earnings

25th October 2007



Highlights

- Some signs of consumption picking up
- Results in-line with expectations
- Strong growth in Discount Store in sales and margin
- New store openings on schedule
- Successful opening of Lotte Plaza in Moscow

Lotte Shopping at glance

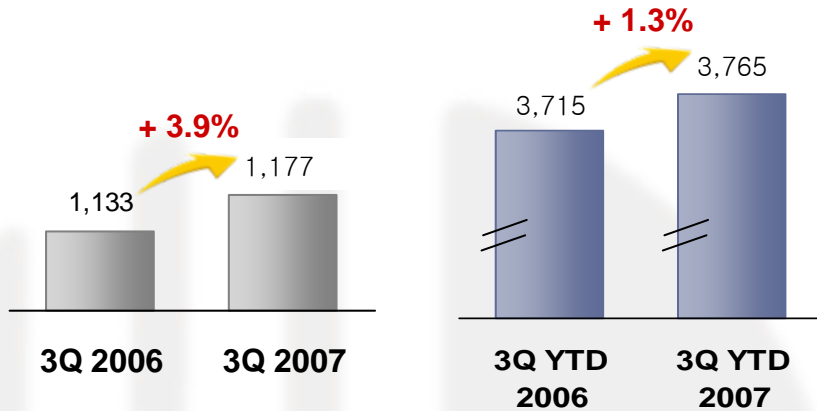
Financial Results

(Unit : KRW bn, %)

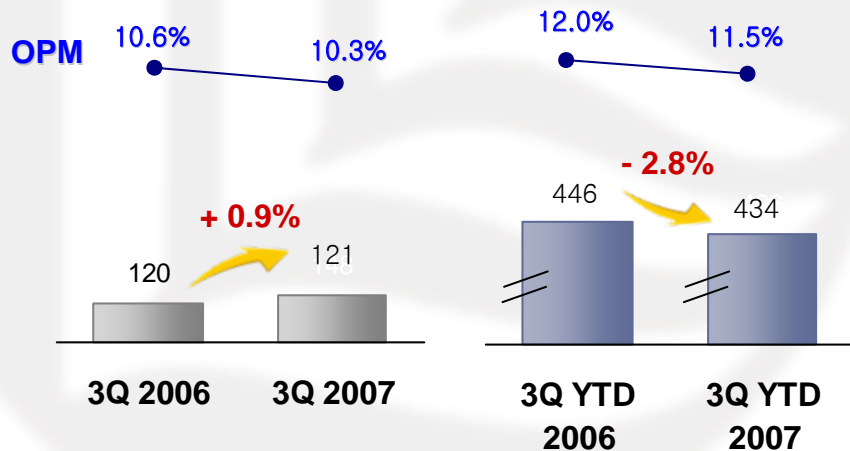
	3Q 2007	3Q 2006	2007 vs. 2006
Gross Sales	2,468	2,180	+13.2%
Operating Profit	168	149	+13.2%
Profit before tax	204	212	-3.9%
Net Profit	151	170	-10.8%

Department Stores - 'in-line performance'

Gross Sales (Unit: W bn)



Operating Profit (Unit: W bn)

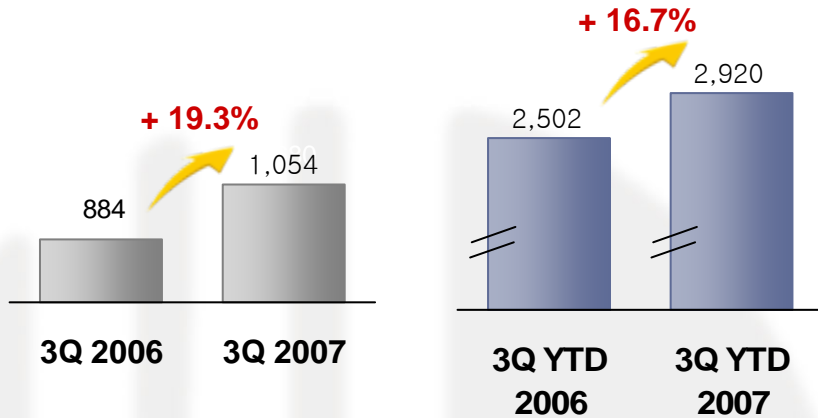


Key points

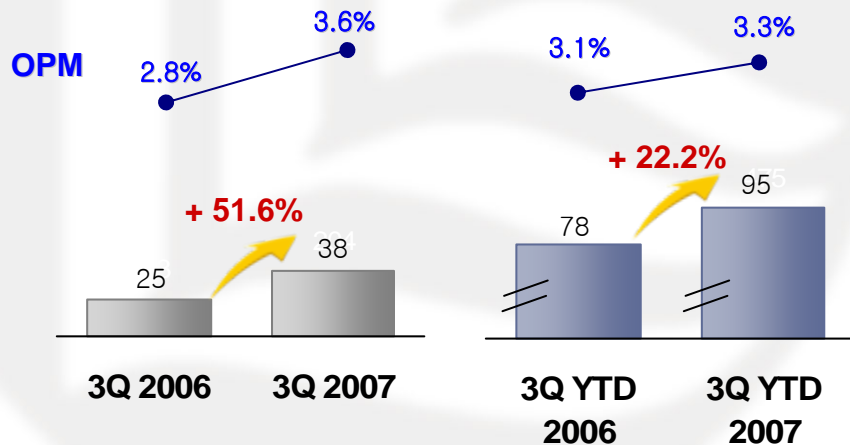
- Some signs of consumption pick-up
- Sales per customer up year to date
- Further progress on marketing saving
- Successful open Daegu Young Plaza
- Centum City Store to open on schedule
- 2 day closure during Chusok holiday
- Depreciation impact on operating margins result of new openings

Discount Store - 'Strong sales and profit'

Gross Sales (Unit: W bn)



Operating Profit (Unit: W bn)



Key Points

- Q3 Gross Sales up 19.3%
- Q3 operating margin 3.6%
- Strong performance over the Chusok holiday period
- 2 new stores opened (total of 54 stores)
- PB brand sales hit 12.4%
- Osan Distribution centre on plan
- 3 stores additional at year end, on track for 100 stores by year 2011

Other business Divisions and Subsidiaries - 'growing well'

Lotte Super

"Solid profit driven"

- Operating margin increased to 2%
- New stores performing well
- Opened 5 new stores

Lotte Card

"Strong Growth"

- Revenue and transaction volume up, driven by increase in cash advance and card loan
- Membership program becoming established
- However, relatively lower profit due to..
 - 1) increase in provision
 - 2) depreciation cost for investment in IT
 - 3) corporate tax

Lotte Homeshopping

"Rapid sales growth, leverage in Lotte brand"

- Slight top-line sales growth
- Increased market share
- Strengthening "Lotte" brand name in on-line market

Outlook for 4Q (Main Business Divisions)

Lotte Department Store

“ Still dominant player ”

- Maintain as dominant player by help of recovery on consumption
- Centum City Store to open in December



Centum City Store
(scheduled to opened Dec. 2007)

Lotte Discount Store

“Picking up efficiency”

- Osan distribution center opens in October
- 3 New stores coming
- Focus on ‘Lean management’



Osan Distribution Center
(opens Oct. 2007)

Lotte Super

“Maintain profit ”

- Continued efficiency gains expected from...
 - 1) increase in PB sales
 - 2) reinforcing fresh food
- 80 Stores in operation by end of year



Visual of Lotte Super

3Q Summary

- Confident of achieving FY07 guidance
- Strong quarterly performance
- Perceptible improvement in consumer confidence
- New stores opened on schedule
- High increase in operating margin on Discount Store division
- Osan distribution center nearing completion
- Successful overseas expansion with opening of Moscow store: along with China and Vietnam on track

Appendix

(Unit: KRW bn)

Lotte Shopping

	2006					
	1Q	2Q	3Q	1~3Q	4Q	Total
Gross sales	2,254	2,243	2,180	6,677	2,617	9,294
Gross profit	642	646	618	1,906	766	2,672
Operating profit	188	196	149	533	217	749
(%)	8.3%	8.8%	6.8%	8.0%	8.3%	8.1%
EBITDA	244	260	217	721	287	1,012
Profit before tax	248	208	212	668	318	986
Net profit	180	148	170	498	242	740

	2007			
	1Q	2Q	3Q	YTD
Gross sales	2,429	2,376	2,468	7,273
Gross profit	697	696	705	2,098
Operating profit	184	192	168	544
(%)	7.6%	8.1%	6.8%	7.5%
EBITDA	250	265	245	760
Profit before tax	232	240	204	676
Net profit	172	179	151	503

Lotte Department Store

	2006					
	1Q	2Q	3Q	1~3Q	4Q	Total
Gross sales	1,310	1,272	1,133	3,715	1,568	5,283
Gross profit	420	419	368	1,206	520	1,726
Operating profit	155	172	120	446	198	644
(%)	11.8%	13.5%	10.6%	12.0%	12.6%	12.2%
EBITDA	185	205	154	543	233	777

	2007			
	1Q	2Q	3Q	YTD
Gross sales	1,319	1,269	1,177	3,765
Gross profit	430	424	384	1,238
Operating profit	150	163	121	434
(%)	11.4%	12.8%	10.3%	11.5%
EBITDA	182	197	157	536

Lotte Mart

	2006					
	1Q	2Q	3Q	1~3Q	4Q	Total
Gross sales	794	824	884	2,502	884	3,386
Gross profit	176	180	196	552	194	747
Operating profit	31	22	25	78	20	98
(%)	3.9%	2.7%	2.8%	3.1%	2.2%	2.9%
EBITDA	51	46	52	149	48	198

	2007			
	1Q	2Q	3Q	YTD
Gross sales	943	922	1,054	2,920
Gross profit	212	212	244	668
Operating profit	31	27	38	95
(%)	3.3%	2.9%	3.6%	3.3%
EBITDA	59	57	70	186

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