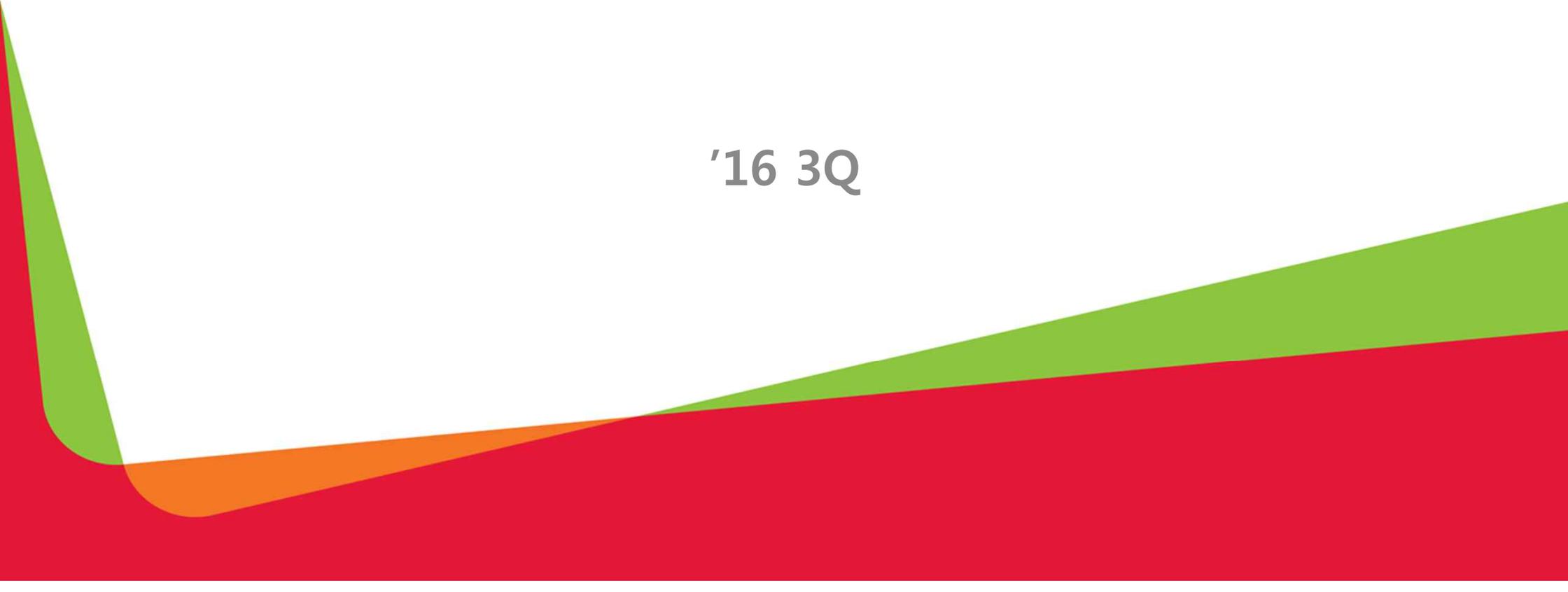


SK Chemicals Investor Relations

'16 3Q

A decorative graphic at the bottom of the slide consists of overlapping, semi-transparent shapes in red, orange, and green. The red shape is the largest and forms the base, with an orange shape on top of it in the lower-left area, and a green shape on top of the orange one, extending towards the right.

Contents

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II. Business Divisions

- Performance Review
- Green Chemicals Biz.
- Life Science Biz.

III. Subsidiaries

IV. Mission & Vision

V. Summary

Disclaimer:

The business results are subject to the K-IFRS(Korea International Financial Reporting Standards) and reported on a consolidated basis.

The forecasts contained herein are based on the Company's current business environment and strategy; and the actual results may differ from those in the forecasts as a result of certain uncertainties, such as changes in the Company's business environment and strategy in the future.

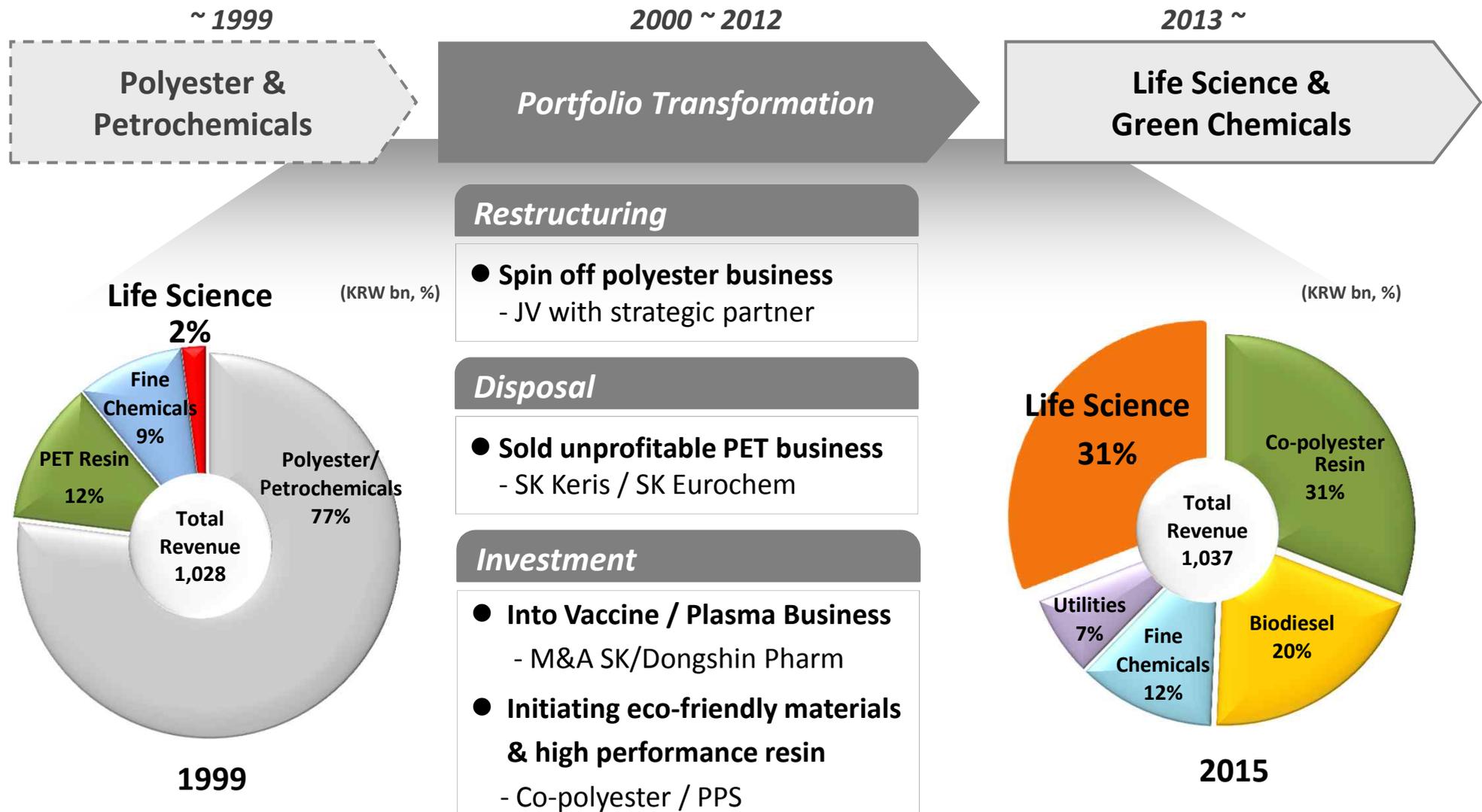
I. Overview



I. Overview

1) Portfolio Transformation

Through continuous change and innovation, SK Chemicals has grown into a Life Science and Green Chemicals company.



I. Overview

2) Restructuring and Investment

Since 2000, SK Chemicals has restructured its portfolio by selling/spinning off businesses with total of 1.7 billion KRW sales revenue, and developing new ones with higher growth potential.

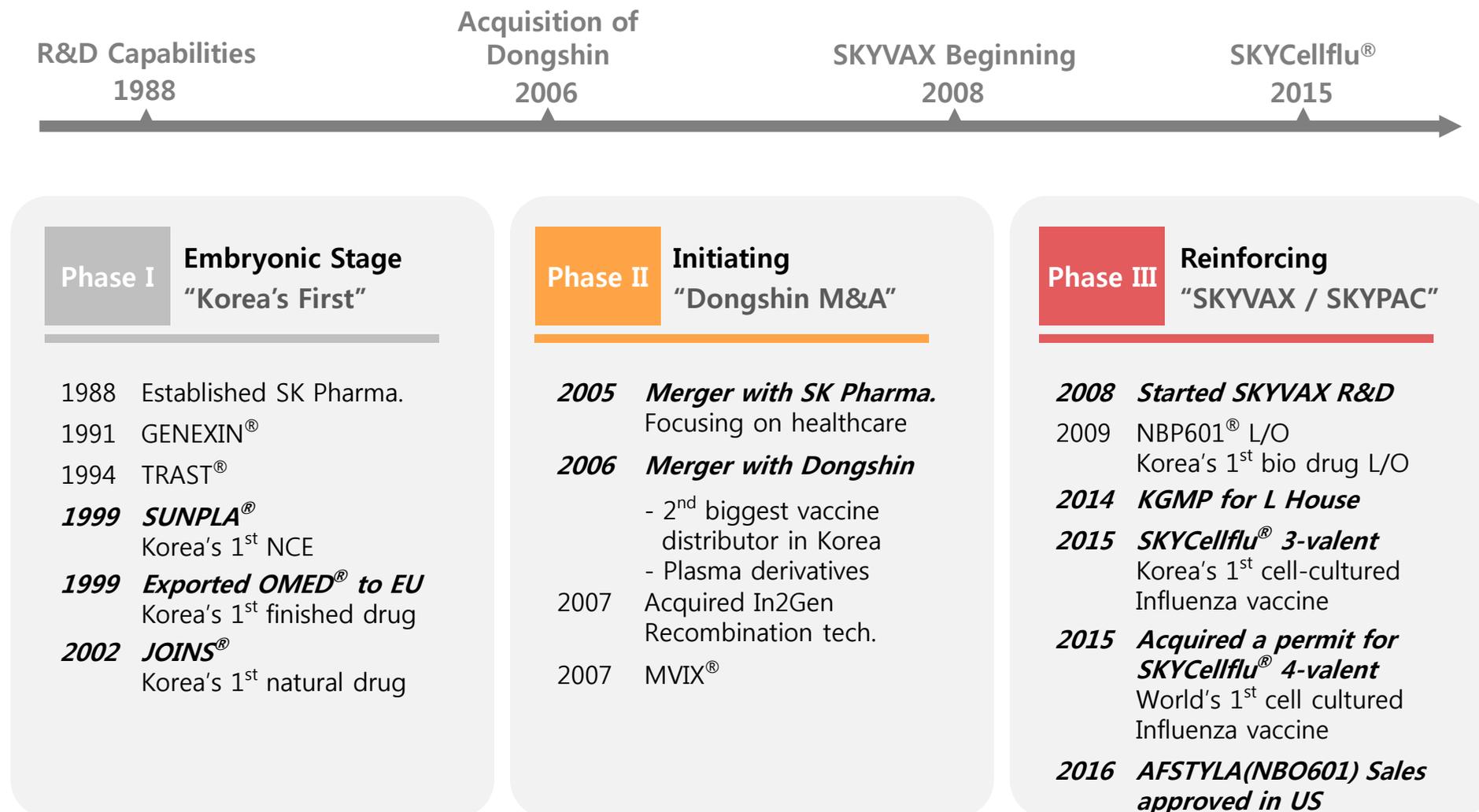
| Restructuring | | |
|----------------------------|--------------|--------------|
| (Unit: KRW bn) | | |
| Biz. | Product | Sales |
| • Yarn/Cotton('00) | - | 337 |
| • Textile('03) | - | 62 |
| • Fiber('07) | IDY | 16 |
| • Petrochemicals('08) | PTA/DMT | 528 |
| • Acetate ('09) | Tow, PU | 164 |
| • Keris / Eurochem('10) | PET chip | 601 |
| • Utis('10) | Polyurethane | 15 |
| Total Sales | | 1,722 |

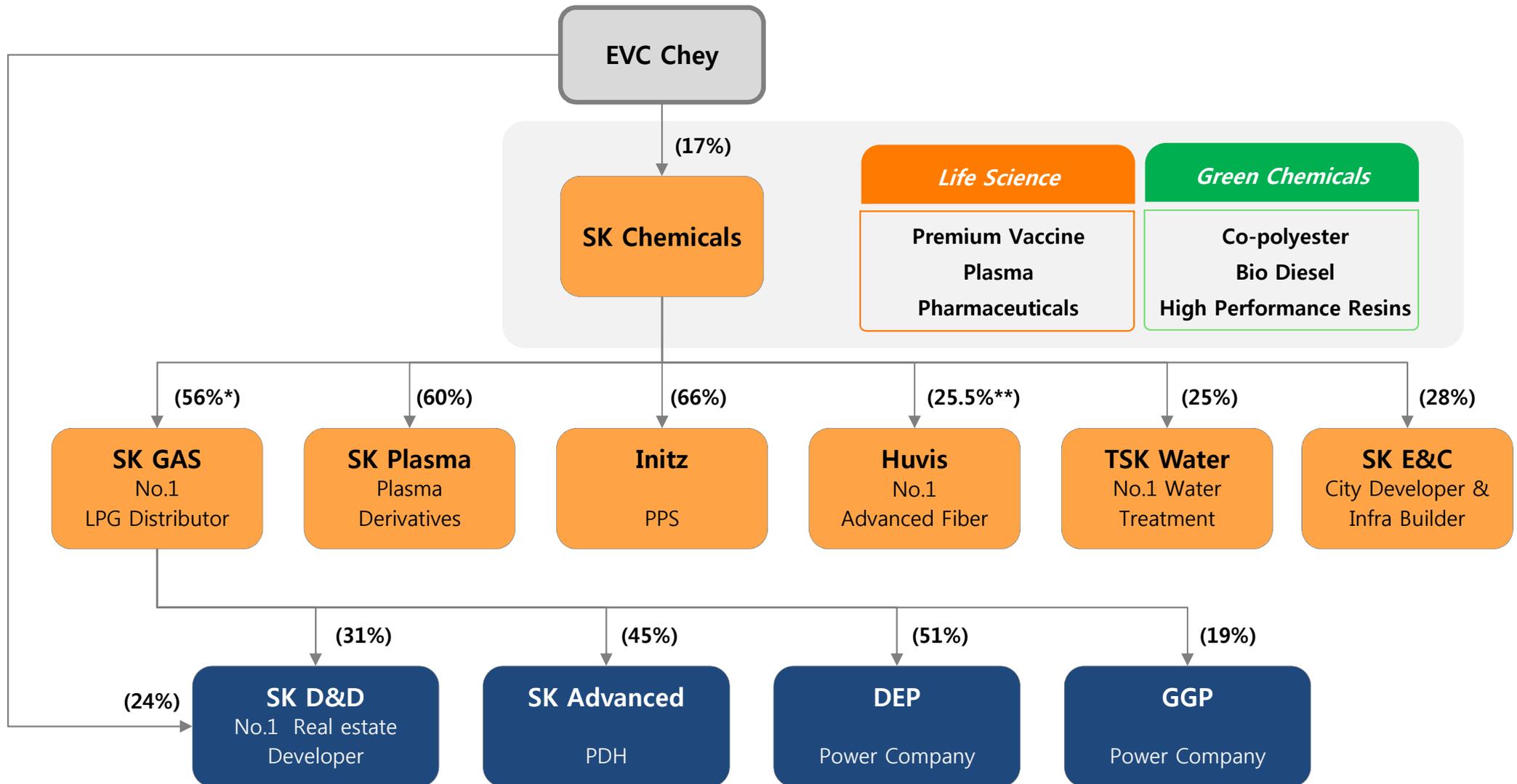
| Investment | | |
|----------------------------------|-------------------|------------|
| (Unit: KRW bn) | | |
| Biz. | Amount | Sales('15) |
| • PETG/CHDM | 154 ¹⁾ | 223 |
| - Expansion Copolyester | | |
| • Initiation Bio diesel business | 31 | 210 |
| • Accelerating Pharma Business | 400 | 319 |
| - M&A SK / Dongshin Pharm. | | |
| - In-house Vaccine development | | |
| • Initiating PPS business | 69 ²⁾ | - |
| Total Amount | | 654 |
| | | 752 |

1) Total amount including latest expansion

2) SK Chemicals' share (Total investment ; 230 KRW bn)

Based on our accumulated technology, We have been focusing on premium vaccine and plasma derivatives after acquiring Dongshin Pharmaceuticals.





* Including SK Syntec's share (10%)

** SK Syntec's share

II. Business Divisions

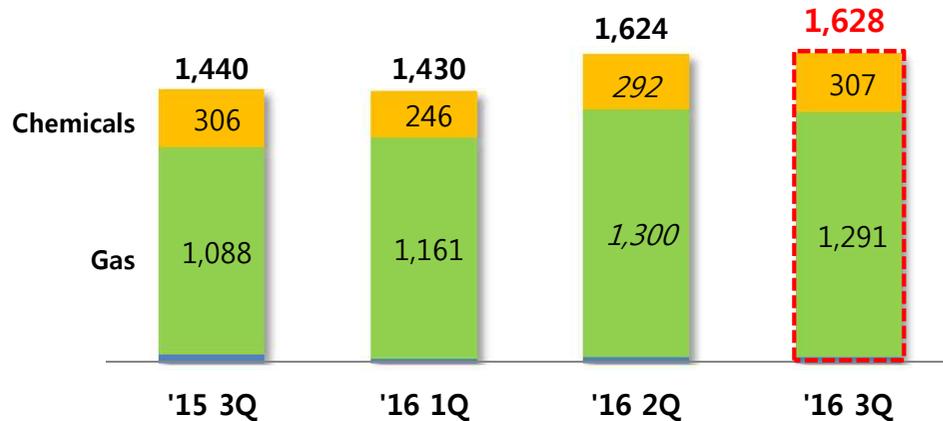


II. Business Divisions

1) Review (Consolidated)

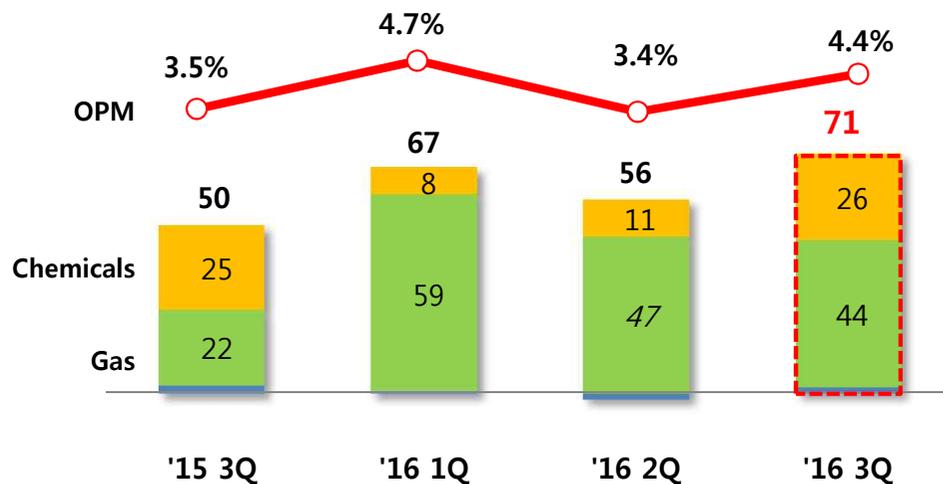
Sales

(Unit: KRW bn)



Operating Profit

(Unit: KRW bn)



□ Sales

- Consolidated revenues increased by 13% mainly due to increase in LPG sales
- LPG gained relative price competitiveness over LNG this year

□ Operating Profit

- Operating profit increased by 42.3% due to favorable market condition and increased sales volume

| (KRW bn, %) | '15 3Q | '16 2Q | '16 3Q | YoY | QoQ |
|-------------------|--------|--------|--------------|--------|--------|
| Sales | 1,440 | 1,624 | 1,628 | +13% | +0% |
| OP | 50 | 56 | 71 | +42% | +27% |
| <i>OPM</i> | 3.5% | 3.4% | 4.4% | +0.9%p | +1.0%p |
| NP | 48 | 59 | 57 | +19% | △3% |

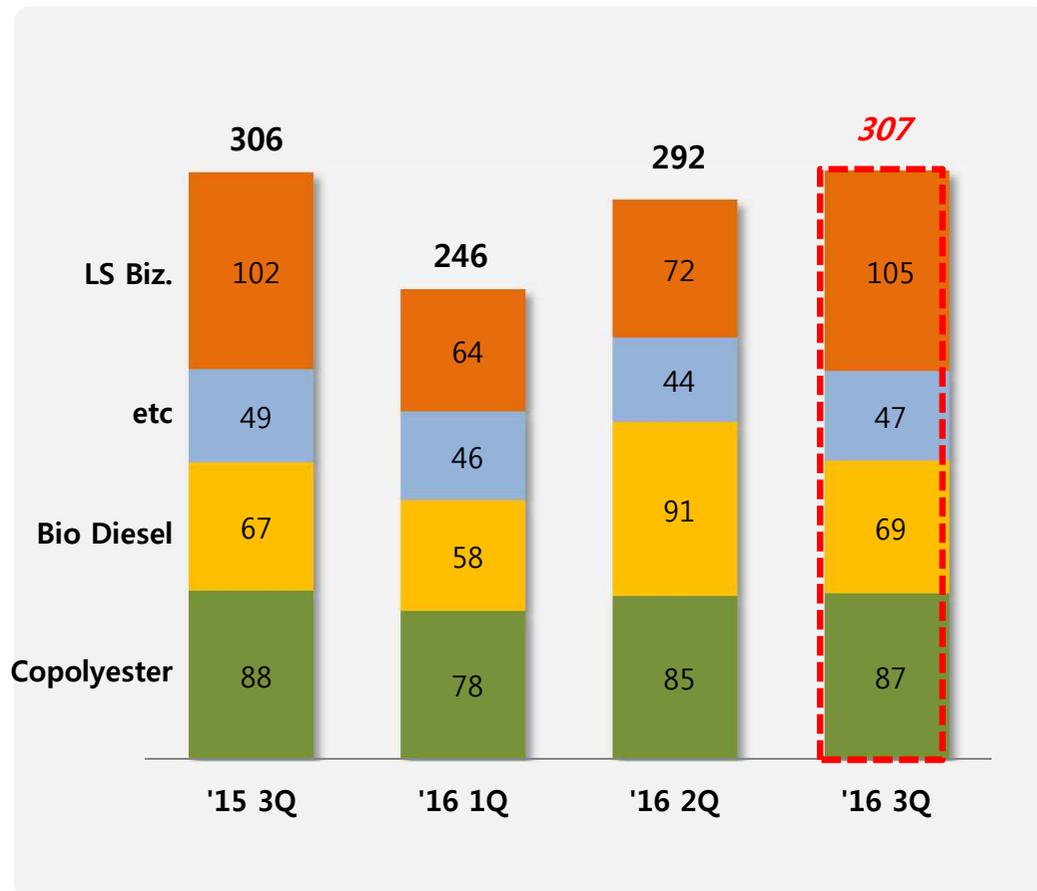
II. Business Divisions

2) Review (Non-consolidated)

- Sales stayed about same as last year due to PET restructuring, F/X, and delayed vaccine sales
- Operating profit grew 1.6% yoy due to inventory write off, and high competition in flu vaccine market
 - Inventory write off in Resin business
 - Excluding one off item, operating profit was up 10.3% from 3Q15

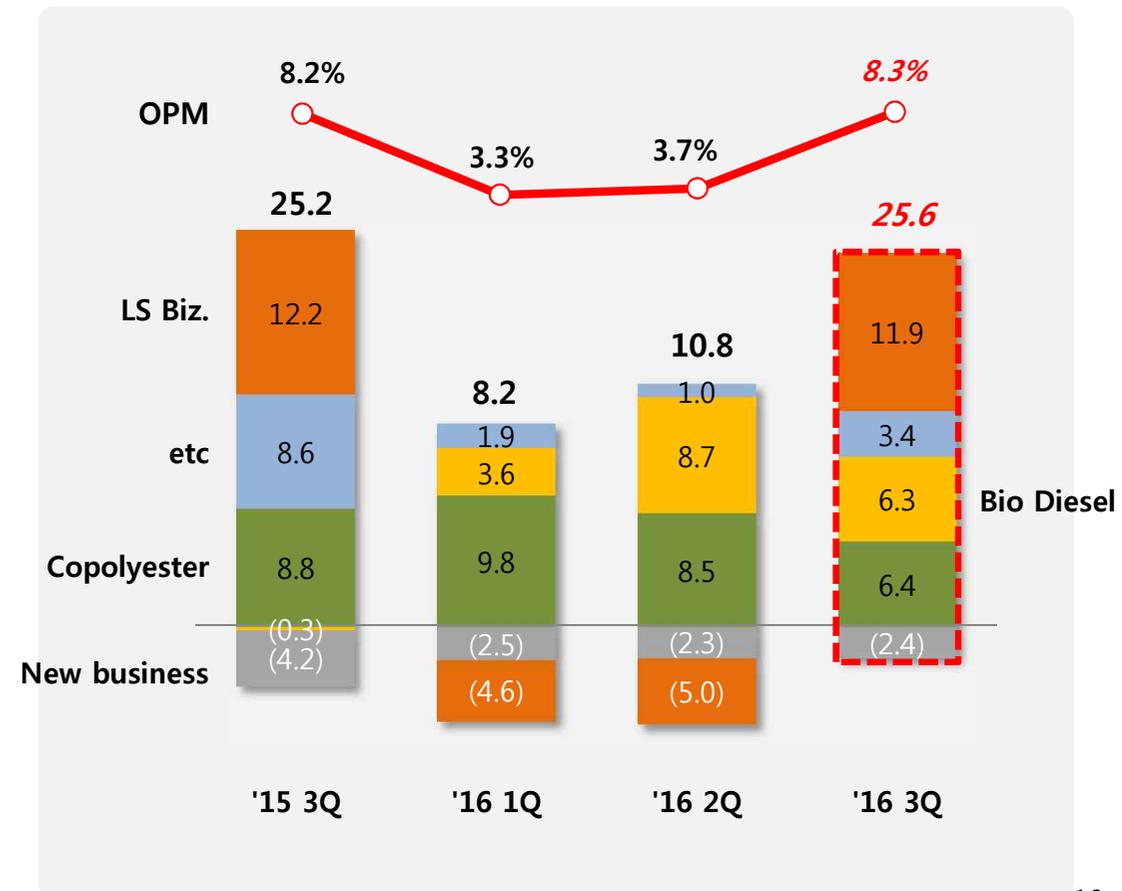
□ Sales

(Unit: KRW bn)



□ Operating Profit

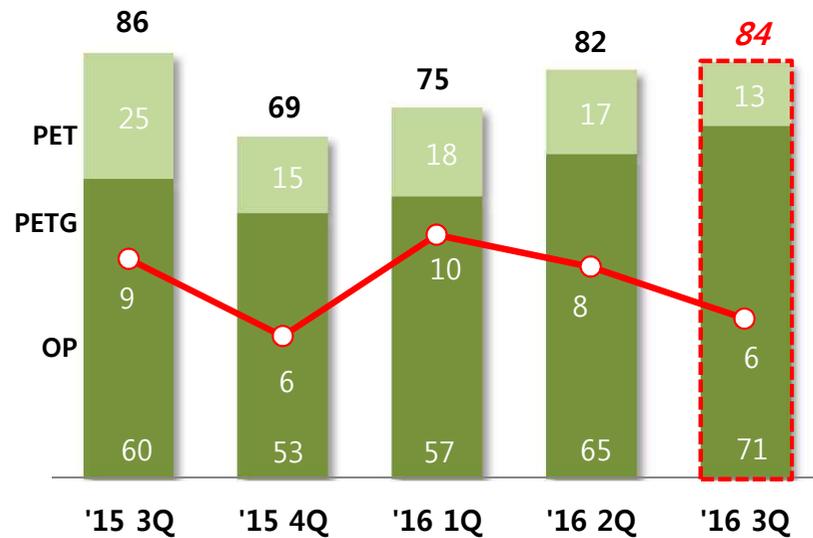
(Unit: KRW bn)



Performance

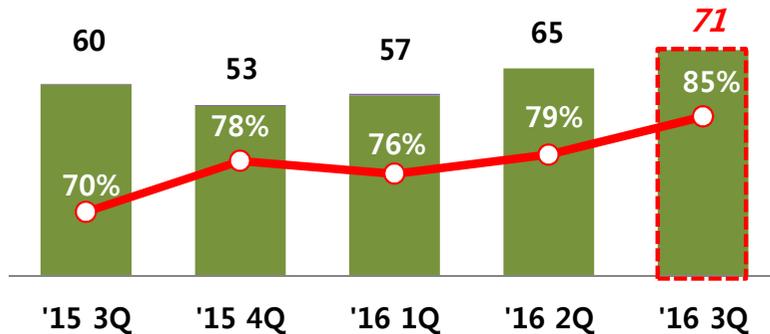
Quarterly Review

(Unit: KRW bn)



PETG sales ratio

(Unit: KRW bn)



Review/Guidance

• '16 3Q

- PETG sales grew 18% yoy. (P: -9%, Q: +28%)
- Maximum production (over 10k ton/month)
- Solid demand growth driven from China(Cosmetics container) and EU(special film)
- Continued restructuring on PET business (sales down to 13bn Krw/Quarter)
- Inventory write off(2 bn Krw)

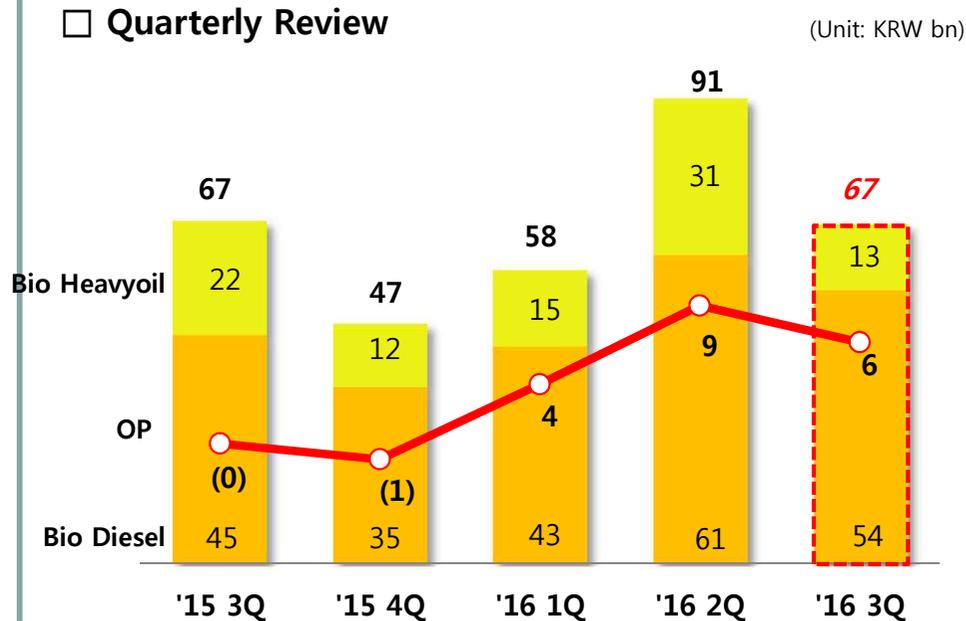
• '16 4Q Outlook

- Slight sales decrease due to seasonality and further restructuring in PET sales

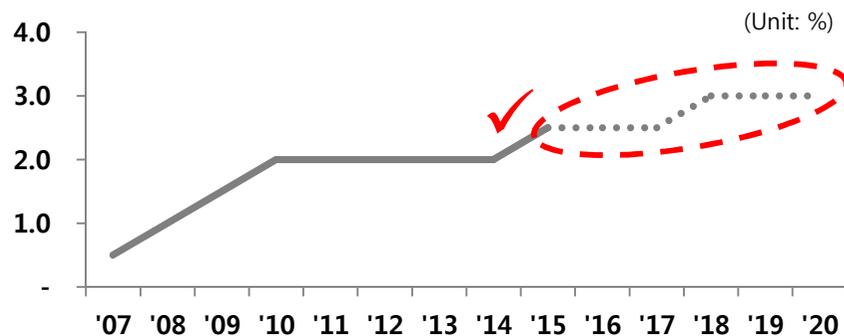
※ Application

- Food / Cosmetic Container, Electronic devices, etc.

Performance



Mixing Ratio Trend



Review/Guidance

• '16 3Q

- Biz environment remained stable from 2Q16
- Cost competitiveness improved by using cheaper raw materials
- Sales in bio heavy oil decreased due to quarterly demand fluctuation of power plants
- Profitability stayed strong

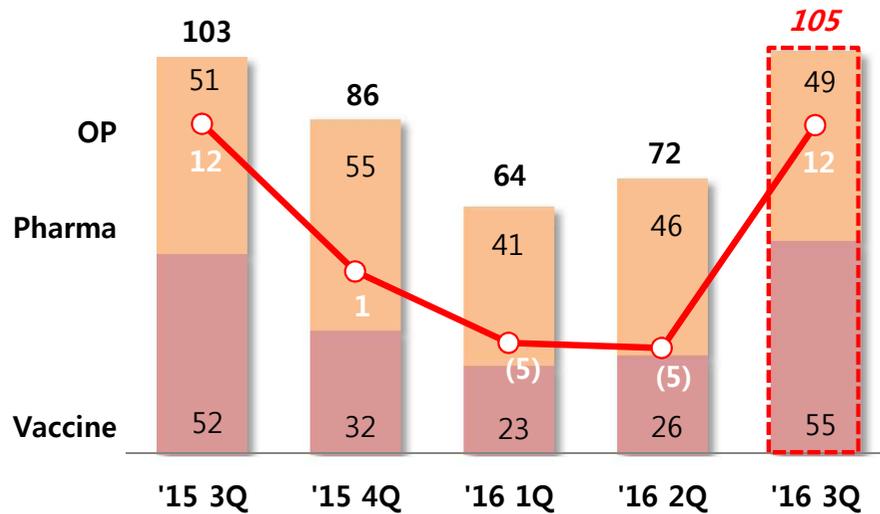
• '16 4Q Outlook

- Sales volume is to slow due to seasonality (High raw material price and advanced demand in 1H16)
- Profitability is expected to remain above last year

Performance

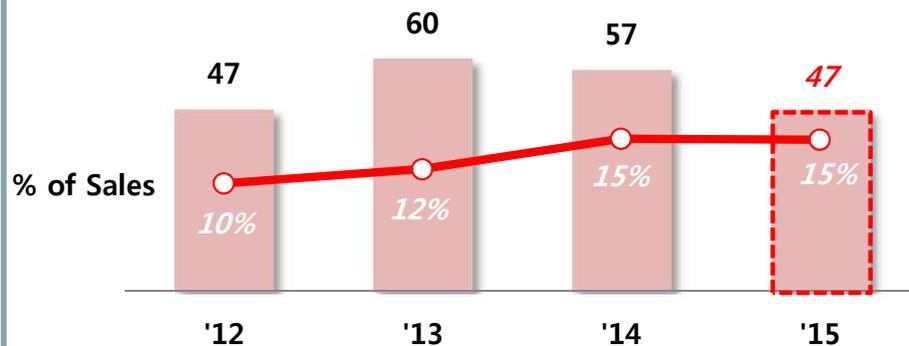
Quarterly Review

(Unit: KRW bn)



R&D cost

(Unit: KRW bn)



Review/Guidance

• '16 3Q

- In-house quadrivalent cell cultured flu vaccine sales started (World's 1st)
- Higher competition in vaccine market than anticipated
- Continuous SG&A expenses control

• '16 4Q Outlook

- Running royalty expected as CSL started sales of AFSTYLA(NBP601) in US
- Approval of zoster vaccine is currently in process
- R&D expenses should remain in our target level (15% to sales)

II. Business Divisions_LS Biz.

2) Hemophilia Therapy(NBP601)

□ NBP601

• Overview

- The First and Only Recombinant Factor VIII Single Chain Therapy for Hemophilia A
- Long-lasting protection (twice weekly prophylaxis)

• License Out

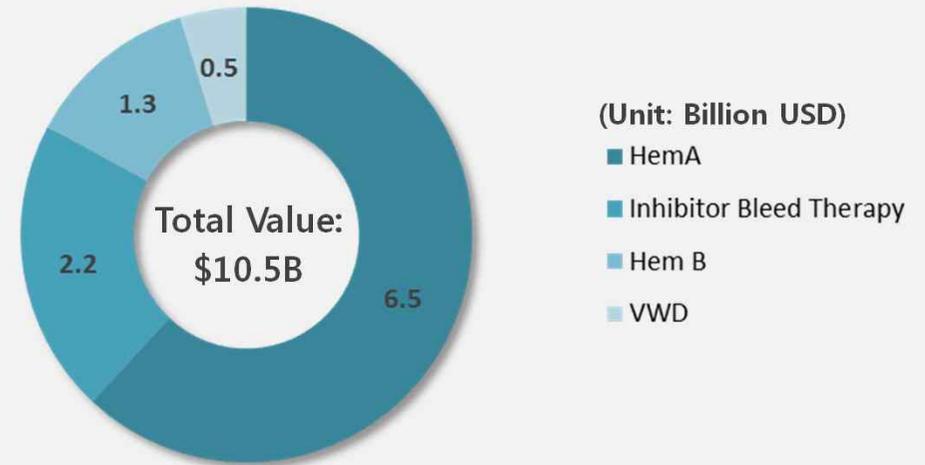
- Licensed out to CSL in 2009 at preclinical stage and accomplished global clinical test
- Adult and pediatric indications approved in US in May
- Application submitted to the European authorities in Dec 15
- Running Royalty expected after 2H 16

• About CSL



(Ref : CSL Annual Report)

□ Hemophilia Global Market



※ Market shifting to 4th generation product

| Product name | Stage | Maker |
|------------------------|-----------------|--------------------|
| AFSTYLA(NBP601) | Approved | CSL Behring |
| Eloctate | Approved | Biogen Idec |
| N8-GP | Clinical II/III | Novo Nordisk |
| BAX 855 | Approved | Baxter |
| BAY 94-9027 | Clinical I | Bayer |

□ Collaboration with Sanofi Pasteur

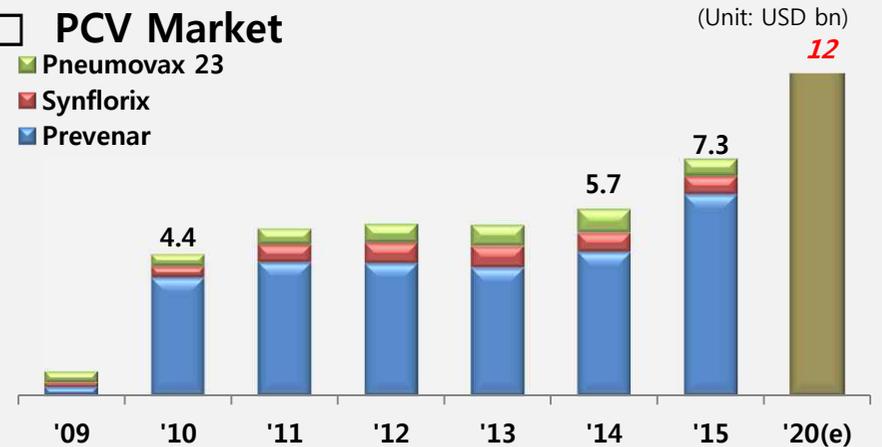


- **Strategic business alliance for co-development of next generation innovative pneumococcal vaccine**
- **Collaboration** on R&D, Clinical, Production, Commercialization
- **Production** in An-dong vaccine facility in Korea for global distribution

Monumental event that displays the technology & Infrastructure of SK Chemicals are globally competitive

□ PCV Market

- Pneumovax 23
- Synflorix
- Prevenar



World pneumococcal vaccine market (Bn USD), Source: Pfizer, Merck, GSK

□ Constantly growing market

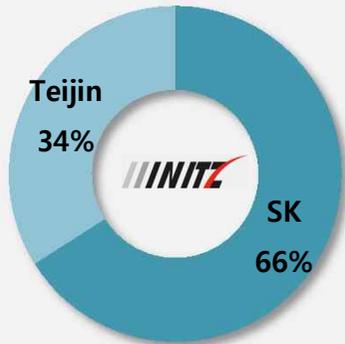
- Market demand is boosted by aging population and expected to grow to \$12.1B by 2020
- Considering the Prevenar case, we expect meaningful market share after launching SKYPAC

A Quantum jump & Opportunity to become a global vaccine company

III. Subsidiaries



□ Governance Structure



- JV for PPS production
- Capacity: 12,000 ton
- Stock Capitalization
 - SK : 62bn KRW
 - Teijin : 45bn KRW

□ Polyphenylene sulfide (PPS)

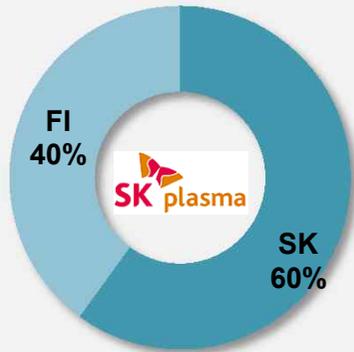
- Excellent thermal and chemical resistance
- Good electrical insulating properties
- Dimensional stability to 260°C
- Automotive lightweight materials
- Competitiveness cost + Eco-friendly process
 - **Cost 25% ↓, Non-Chlorine process**
- Securing stable sales market through "Pre-marketing"
- Commercial operation in 2H16

□ Applications

- Electricity**
 - CD/DVD Pick up, Bobbin, Connectors
- Automotive**
 - Pump impeller, Generator parts, etc
- Film**
 - Bag filter, High-performance fiber



□ Governance Structure



- Spin-off from SK Chemicals in '15 and attracted financial investment(100 KRW bn)
- Plasma derived products
- SK 60% : FI 40%

□ Business Outline

- New plant is in construction (600kl/year)
 - Value engineering applied to maximize cost efficiency and bio-safety
 - Located in Andong city of Korea
 - Commercially operational from third quarter of 2018
- Strict government regulation (KFDA, GMP) makes high barriers for new entrants
- Duopoly market in Korea
- Emerging market is continuously growing

□ Guidance

- Expanding product line to construct solid product portfolio
- Focus and expand to overseas market especially in emerging countries

□ Product Portfolio

| Product | Ingredient | Indication |
|--------------------|-----------------|------------------------|
| Albumin | Albumin | ▪ Neutralize of poison |
| AT-III | AT-III | ▪ Anti thrombosis |
| Liv-Gamma | IVIG | ▪ Immunoglobulin |
| Tetabulin | TIG | ▪ Tetanus Therapy |
| Factor VIII | Factor VIII | ▪ Hemophilia A Therapy |
| Hep.B IG | Hep.B IG (HBIG) | ▪ Hepatitis B Therapy |

IV. Mission & Vision



IV. Mission & Vision

□ Mission

*“We care for the future
Healthcare, Earthcare”*

We enhance human health
and protect the environment

□ Vision

**“To become a global leader in the industry
of *eco-friendly materials*
and *total healthcare solutions*”**

Life Science

**“Global Total Healthcare
Solution Provider”**

- Premium Vaccines
- Plasma Derivatives
- Pharmaceuticals

Green Chemicals

**“Eco-friendly Material
Solution Provider”**

- Co-polyester
- Bio Fuel
- PPS Resins

V. Summary



V. Summary

1) Past Five Years

2000 ~

Restructuring & Investment

- '00 : Established HUVIS(Spun off polyester business)
- '05 : M&A SK/Dongshin Pharm Spun of SK Petrochemicals
- '08 : Sold off SK Petrochemicals

2008 ~

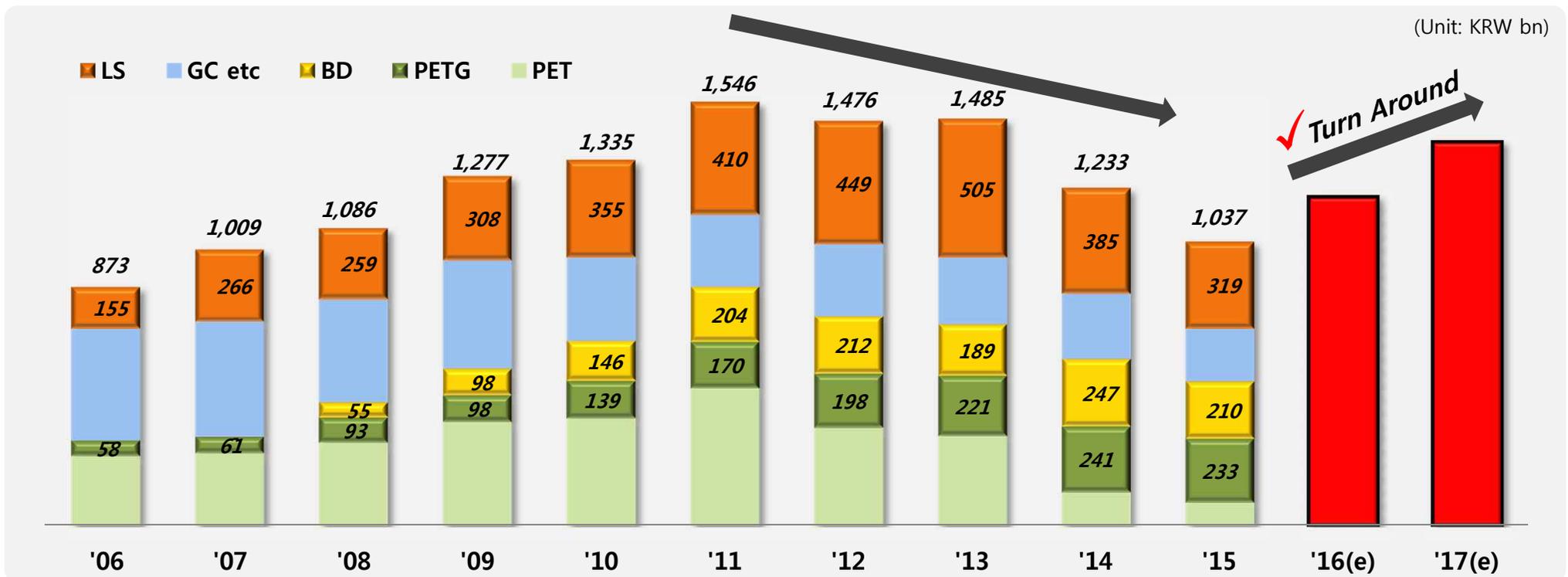
Accelerating Investment

- '08 : Initiating Vaccine development/ Bio diesel business
- '09 : NBP601 L/O (to CSL)
- '12 : PETG capacity increasing
- '14 : L House KGMP

2015~

Realization of Investment

- '14 : Next PCV collaboration (/w Sanofi)
- '15 : Cell flu 3 valent (Korea 1st)
- '16 : Cell flu 4 valent (World's 1st) Approved U.S. FDA NBP601



End of Documents