



LOTTE CONFECTIONERY

2007 BUSINESS REPORT

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MESSAGE FROM THE CEO



MESSAGE FROM THE CEO

Dear Shareholders and Investors,

- We thank you for your continued interest in
and support for Lotte Confectionery -



Dear Shareholders and Investors,
Welcome to Lotte Confectionery.

Lotte Confectionery, a continuously growing global enterprise and a leader in the Confectionery industry

Lotte Confectionery, the mother company of Lotte Group, has maintained its place as the industry leader for the past two decades since its establishment in 1967, through various marketing strategies and advanced distribution methods, and we have contributed to the development and globalization of the domestic food industry with our "Quality First" corporate philosophy.

We were the first company in the industry to have annual sales of over KRW 1 trillion for four consecutive years from 2002, and have developed into a global food company that exports to over 70 countries.

We enjoy the largest market share in Korea for chewing gum, candy, biscuits, chocolate and ice cream. Lotte Confectionery's chewing gum and chocolate, which are made with the best ingredients and manufacturing technology, have also been recognized for their good quality by foreign countries, and overseas sales are growing every year.

In addition, we have also been producing remarkable results in terms of expanding our business scope with brands such as Natuur, a premium ice cream brand, and Health-1, a health food brand. We have also been utilizing our outstanding marketing expertise to produce hit products every year, and our comprehensive brand management has led to the retention of several long-term hit brands.

'Your palate's sweetheart' - Lotte Confectionery

Lotte Confectionery plans to focus on developing high-value products such as healthy foods while continuing to look after our main existing brands. We also plan to accelerate our efforts to advance into and expand our overseas markets, especially in emerging markets such as China, India, Vietnam and Russia. We are committed to a responsible role as a leader in the food industry, and will continuously strive to become a globally loved food company.

'Let's Change! Get Chance!'

We will strive to become 'your palate's sweetheart' and establish a renaissance in Lotte Confectionery by constantly changing and challenging ourselves. We ask for your unchanging support and interest so that we may make our dreams come true. We all wish you health and happiness.

CEO Kim Sang-hoo

