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## **SKC builds capacity to produce 300,000 tons of PET film by 2015**

SKC said it has completed a mid-term plan for the film business to build the capacity to produce 300,000 tons of PET film and preoccupy future markets. SKC sees sales of PET film, its flagship product, continuing to grow more than 17 percent per year, and new utility of PET film continuing to be developed. As such, the Company is pursuing a strategy to strengthen its market dominance through aggressive expansion of PET film production lines, and to reinforce its competitiveness in the future market by boosting its R&D. President Park Jang-seok said PET film is a material that has evolved in tune with industrial development, and which is an material essential to the growth of the display and solar energy industry; he also pointed out that the film constitutes an eco-friendly, green material with ample growth potential, noting that the Company will make aggressive investment over the next five years to secure growth in the film business.

To build facilities to produce 300,000 tons

Production facilities for 300,000 tons of output translate into eight production lines, which represent a 160,000-ton expansion from the current output level. The Company will construct production lines preferably at SKC's Jincheon Plant, and at overseas production bases, including those in China and Southeast Asia. Production lines exclusively for displays are expected to upgrade to the next level the quality of SKC's film for display devices. The design of two production lines to be installed next year has been finalized, and related investment plans will be submitted to the Board of Directors meeting. As such, these facilities will likely be installed beginning next year. Also, if the Company adds two more lines by 2012, and another three by 2015, it will be able to produce an extra 160,000 tons of film, and thus secure collective output of 300,000 tons

through its eight production lines by 2015.

To preoccupy future markets by reinforcing R&D on eco-friendly/new utility products

SKC plans to reinforce its R&D for the development of materials in the eco-friendly, renewable energy sectors, develop new applications for PET films, create different types of film that use a new polymer resin, and thereby explore new business areas of high value-added products. By so doing, the Company aims to not only boost its technological competitiveness but also to preoccupy future markets for specialty PET film.

By integrating new technologies such as nanolayer and high barriers with the electrical, optical and mechanical characteristics of PET film, the Company will seek to develop new applications, including films for replacing glasses, flexible displays, LED reflectors, and metal substitutes. Also, it plans to accelerate the drive to develop new film adopting new materials, including eco-friendly ones, and thereby develop bio-disposable, highly functional films, as well as a film using green polymer, that are produced by collecting carbon dioxide. By so doing, similar to the way it developed EVA sheets, which are used in solar cells, and fluoride film, the Company plans to further speed up the development of new material films, and thus secure technological competitiveness in the future materials market.

To expand world's top market share in displays, solar cells, and eco-friendly specialty packaging film fields

While quantitatively expanding the production of films for displays, solar cells, and eco-friendly specialty packaging, in which the Company tops the global market share, SKC plans to pursue the specialization of production for respective production lines according to phases of facilities expansion, and thus establish a production system for one product per line, so as to further boost its top international competitiveness in productivity as well as quality. Through these efforts, the Company expects it will be able to further increase its global market share in the markets for films for displays, solar cells, and eco-friendly specialty packaging.

To pursue customer optimization through construction of global production, marketing system

The PET film business is a materials industry, and the trends in the industries to which PET film is supplied, as well as the optimization of materials during the production process, are the most important elements of competitiveness in the business. Since Korea has controlled more than 50 percent of the global market in the display film field, it previously sufficed for the Company to produce and sell domestically. But the Chinese display film market has been growing robustly in recent years. In the solar cell film market, the U.S., China and European markets are spearheading global growth, while countries are reinforcing legal regulations for eco-friendliness. As such, the Company plans to establish and implement a global strategy that is optimized in line with the demands of customers by region and product.

By banking on its capacity, which it has accumulated through the operation of a local production plant in the U.S. for more than 10 years, SKC plans to expand local production and marketing of films for solar cells and eco-friendly specialty packaging in the North America and EU region. For the Chinese and Southeast Asian markets, the Company will implement a strategy for market entry in tune with the growth pace of the solar cell and display markets. Notably, through the new mid-term plan, the Company is expected to establish a solid foundation to be able to grow to become the global No. 1 film maker over the world's major players, including those in the U.S.