

LOTTE SHOPPING CO., LTD

Lotte Department Store, opened its first store in the Northeast Region of China

<The 5th Store in China>

- 'Shenyang Store', the 5th in China, is located in the largest city in the northeast region of China
- Following the department store, theme park and hotel will be completed by 2017
- Opens the first young plaza in China



Lotte Department Store will be opening the Shenyang Store, which is the 5th store in China, in Shenyang City of Liáoníng Province in China on Saturday, May 31. Shenyang store is the 7th overseas department store of Lotte shopping, which is one of the mega projects Lotte is undergoing. The so called 'Lotte World Shenyang (樂天世界瀋陽)' was constructed by 7 subsidiary companies of Lotte Group. Furthermore, Department store and Young Plaza will open at the same time. Lotte Shopping is planning to train the Shenyang Store as the representative department store in the Northeast region of China due to synergies with its subsidiary companies.

Shenyang City, which is the capital of the Liáoníng Province is-, one of the 3 Eastern provinces of China along with the Jilin Province and the Heilongjiang Province. It is the city of historical background of having been the capital city of the Qing Dynasty. It has land size of 12,950km², which is approximately 21 times that of Seoul, with total population of 8.2 million, making it the 3rd largest city in the 3 eastern provinces of China. It has substantially larger population in comparison to 5.3 million in Harbin and 6.7 million in Dalian. Moreover, the city has per capital GDP of US\$ 14,180 (as end of 2013), the highest in the northeast region of China.

The 'Lotte World Shenyang' is the first project carried out by Lotte Group in China with total investment of approximately KRW 3 trillion, the largest investment made in China. The Department Store that includes the Young Plaza and cinema will be opened first, followed by hypermarket in 2015, shopping mall and theme park in 2016. Lastly, the opening of the hotel, office and apartments in 2017 will complete the huge complex, 'Lotte Town in China', with total operating area of 1.16 million m². **This is approximately 1.4 times larger than the Lotte World Tower & Mall (the 2nd Lotte World) currently under construction in Jamsil, Seoul.**

Lotte Department Store in Shenyang will be the largest of all the stores in China including the Tianjin, Weihai and Chengdu stores. The Department Store will be located in Lotte World Shenyang Complex with total floor area of 122,000m² and outlet area of 73,000m²(1 underground floor and 7 above ground level) with the largest number of brand names at about 420 available in the store.

Shenyang Store will operate Young Plaza, which is a specialized center for young fashion, by considering the characteristics of the commercial zone where total of more than 70 schools including 4 universities are aggregated in the core commercial zone with population under the age of 35 accounting for 40% of the total population. The Young Plaza is composed of young fashion brand names including global SPA brand names such as UNIQLO and QDA on three floors-(from the 1st ~ 3rd). Korean brand names that are particularly popular in China such as Teenie Weenie and Basic House, etc. will also be located with particular feature of special IT center of Samsung located on the 1st floor of Young Plaza. Lotte Cinema with the largest size with 16 theaters and 3,000 seats in Shenyang will be situated from the 4th floor to the 7th floor of the Young Plaza.

The main building of the Department Store also targeted the young customers and assertively utilized the popular brand names of Korea in the MD composition. Approximately 2 times the sales outlet floor in comparison to the Zhouzhan(卓展) Department Store, the largest

department store in the same commercial zone, is filled with young fashion brand names and with more than 40 Korean brand names such as MCM and O'2nd opening sales outlets in the Lotte Department Store. In particular, mid-priced cosmetic brands such as the Face Shop and Skin Food will be competing alongside with global cosmetic brands. Also, the opening of sales outlet of Cuckoo, a must-buy shopping items for the Youke(遊客, Chinese tourists) who visit Korea, is very interesting.

In addition, the Shenyang Store is planning to expand Hanryu(Korean Wave) items that are highly popular to the Chinese people for its marketing activities. **Fan signing event by Kim, Su Hyun, an exclusive model of Lotte Department Store, who is enjoying explosive popularity in China with the TV drama, 'You from the stars', will be held on the 31st (Saturday), the date of opening. Moreover, Kim, Su Hyun marketing such as presentation of the opportunity to visit the filming site of the drama as the prize will be implemented assertively.**

Lee, Won Jun, the CEO of Lotte Department Store, stated, "Shenyang Store is a project showing the capabilities of Lotte Group and will become a strategic role model for all the overseas projects in the future." (END)

Attachment 1. Overview of the Shenyang Store

Area	Floor area	122,000m ² (37,000 pyeong)	
	Area of the sales outlets	73,000m ² (22,000 pyeong)	
Floor Layout	Floors	Department Store Bldg.	Young Plaza Bldg.
	7F	F&B	Cinema (16 theaters with total of 3,000 seats)
	6F	Young casual, sports, outdoor	
	5F	Home appliances, home fashion, children and infant goods	
	4F	Men's garments, shoes and golf	F&B, Fancy items
	3F	Women's garments, lingerie	
	2F	Female contemporary and handbags	Young casual, street casual
	1F	Overseas fashion, cosmetics and women's shoes	SPA, accessory
	B1F	Supermarket, food and food court	-

Attachment 2. Current status and the plans for the overseas stores of the Lotte Department Store

	Stores	Country	Date of Opening	Floor Area (pyeong)	Remarks
1	Moscow Store	Russia	2007. 9. 2	23,000m ² (7,000 pyeong)	The first overseas store of Lotte Department Store as the first case in the orient that entered the western market. Located in the composite complex that includes department store, hotel and offices under the name of "Lotte Plaza"
2	Tianjin East road Store (Tianjin Store No. 1)	China	2011. 6. 17	28,400m ² (8,600 pyeong)	The 1 st independent entry into the Chinese market by the Lotte Department Store
3	Tianjin Cultural Center Store (Tianjin Store No. 2)	China	2012. 9. 1	43,000m ² (13,000 pyeong)	Located in the "Galaxy Shopping Center" of the 'Cultural Center', the largest composite cultural center in the Tianjin City
4	Weihai Store	China	2013. 4. 25	27,000m ² (8,000 pyeong),	Located on the Square', the mega-scale composite complex under construction in the largest central commercial district in the Weihai City
5	Avenue Store of the Lotte Shopping	Indonesia	2013. 6. 22	110,000m ² (33,000 pyeong)	Operate both the department store and the shopping mall in the composite complex, 'Ciputra World Jakarta' with hotel, residence and offices
6	Chengdu Global Center Store	China	2013. 8. 28	52,800 m ² (16,000 pyeong)	First to enter the western inland region of China Located in 'New Century Global Center' Project with water park, hotel, arts center (convention center and concert hall), etc.
7	Shenyang Store	China	2014. 5. 31	73,000m ² (22,000 pyeong)	To be located within the 'Lotte China Shenyang Project', which will be composed of theme park, hotel, shopping mall, supermarket and residential facilities Simultaneous opening of the first Young Plaza in China
8	Hanoi Store of the Lotte Center	Vietnam	Scheduled for the latter half of 2014	-	To be located in the 'Lotte Center Hanoi', which is a large-scale composite complex with hotel and offices