
LOTTE SHOPPING CO., LTD

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Lotte Shopping, Opens Department Store and Hypermarket in Hanoi

- Grand opening of the "Lotte Center Hanoi", a composite complex composed of department store, mart and hotel, etc. on September 2
- It is the first entry of the department store into the Vietnam market... Realization of first FULL-LINE department store offering extensive range of products from luxurious items to household appliances
- The hypermarket is the 2nd outlet in Hanoi and the 8th outlet in Vietnam being opened... Focusing on the strategy of offering high quality products in accordance with the characteristics of the commercial zone in the new city

Lotte Shopping is opening the department store and the mart simultaneously in Hanoi, the capital city of Vietnam on September 2 (Tuesday). Lotte Department Store and Lotte Mart are being opened as the main commercial facilities within the 'Lotte Center Hanoi', with the landmark of the 65-story ultrahigh rise building. The Hanoi Center outlet of the Lotte Department Store is the 8th overseas outlet and the 4th overseas outlet in terms of the countries into which the department store had entered following Russia, China and Indonesia. Meanwhile, the Hanoi Center outlet of the Lotte Mart is the 2nd outlet in Hanoi, following the opening of the Dong Da outlet in last March, and is the 8th outlet in Vietnam.

Hanoi, into which the Lotte Shopping is expanding its operation, is the center of politics and economy in Vietnam with total population of approximately 7 million. Although the GDP per capita of Hanoi is US\$ 2,500, 1/10 of that of Korea, it has been achieving continuous annual growth rate

in the range of 5%~6%. It is a relatively young city with population under the age of 40 years accounting for approximately 70% of the total population. Recently, there has been a highly noticeable trend of increased consumption revolving around the youth sectors of the society. In particular, the district in which the 'Lotte Center Hanoi' is situated is the core commercial district with active development of new urban center. It is characterized by dense aggregation of apartment buildings and is assessed as the strategic point of transportation.

Lotte Shopping will be the first to introduce the FULL-LINE distribution channel that encompasses extensive range of items from food to luxury items and household appliances in Vietnam. Although this is generalized in Korea, it is still rare and unfamiliar to find full range of products being offered at a single location in Vietnam. **The Lotte Mart with total floor area of 2,800 m² will be located on the 1st underground floor, while the Lotte Department Store will occupy 6 floors from the 1st to the 6th above ground floors to offer extensive range of products including luxurious overseas brand names, general merchandise, women's and men's fashion items, sports and household appliances, with the exception of food items.** The Department Store has total floor area of 27,000 m² and will feature presence of 277 brand names.

The Lotte Department Store has increased the proportion of contemporary product range and F&B in order to focus on the younger customers with strong tendency towards consumption. Women's Contemporary Zone and Men's Contemporary Zone are situated on the 2nd and the 4th floor, respectively, while the Jean Casuals are located on the 3rd floor to create characteristic layout of the sales outlets that is appropriate for the younger clients. Extensive range of F&B outlets are located throughout the complex including high class international restaurants offering Korean, Chinese and Japanese cuisines situated on the 6th floor, while coffee shop (1st floor), bakery (2nd floor) and book café (4th floor) are scattered for the convenience in shopping by younger customers.

In addition, household appliance center with products from Samsung and LG will be situated for the first time in this commercial zone and the largest sales outlet for cosmetic products including the brand names such as Lancome, Sulwhasoo and Ohui, etc. in Hanoi will be composed. In addition, a total of 33 Korean brand names including Yezac, Herrbon, School Food, Juno Hair and Angel-in-us, etc. will be aggressively establish their presence in the Vietnamese market on the strength of the wave of Hanryu.

Lotte Mart will also be operated by differentiating its product range with focus mainly on imported high class products that are appropriate for the commercial zone. The proportion of the imported meat and certified agricultural products will be expanded for the fresh food. Moreover, bakery section that considered the local French food culture was reinforced with high class packed products. A separate processed food zone was composed for the imported ham, sausage and cheese from Europe, and highly renowned overseas brand names such as Häagen-Dazs and Perrier, etc. are also offered. Differentiation was pursued for the sales outlet for wine and whiskey through implementation of shop-in-shop format.

Lotte Shopping, for the first time in the distribution industry in Korea, has firmly established base distribution network that extends from Ho Chi Minh to Hanoi within 5 years of entering into the Vietnamese market by the Lotte Mart, and has established foundation for aggressive marking in Vietnam in the future through the entry of the 1st Department Store in Vietnam.

On the 2nd, the day of the Grand Opening of the Hanoi Outlet, various events utilizing Hanryu including the fan signing ceremony by a highly popular Hanryu Star, Girl's Generation, are schedule. Moreover, Korean style presentation of gift vouchers will be held for the first time for the distribution industry in Vietnam.

Lee, Won Jun, CEO of Lotte Shopping, stated that, “we anticipate that the simultaneous opening of the department store and the mart will further upgrade the consumptive life of the local customers, and Lotte Shopping will establish itself as the best loved distribution company not only in Hanoi but also throughout Vietnam.”