

2011 Hankook Tire 1st Quarter Result

IR(English Ver.)
2011.04.20



HANKOOK TIRE
70th ANNIVERSARY

H·LOHAS
a Hankook Tire Commitment

Beyond Business & Growth ; **Sustainability & Culture**



Hankook
driving emotion

The information in this presentation is based upon management forecasts and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources of which was provided by us or which was reviewed by us.

The information in this presentation does not take into account the effects of a possible transaction or transactions involving an actual or potential change of control, which may have significant valuation and other effects.

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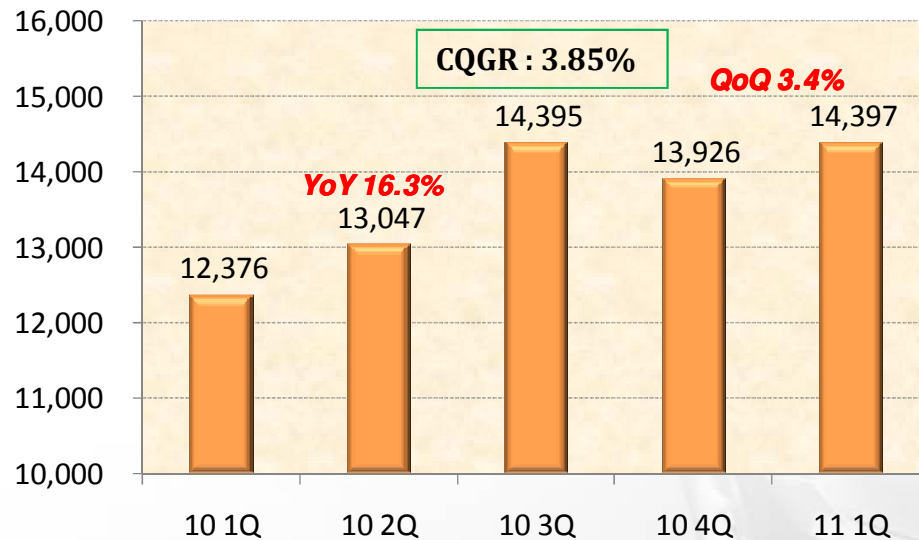
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1. Consolidated Result

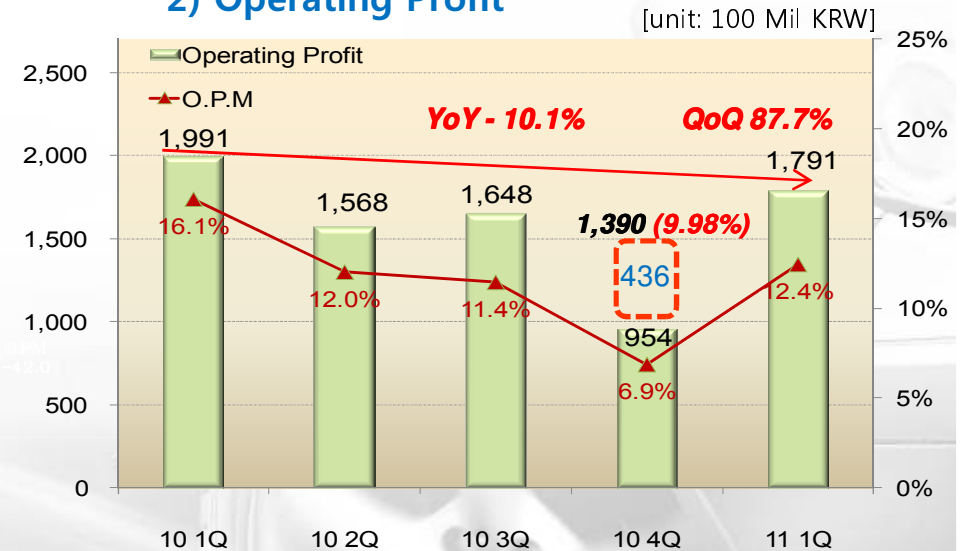


(1) Consolidated Sales and Operating Profit Trend

1) Sales



2) Operating Profit



Sales : Global Sale Volume increasing Ratio: 16.3% up vs. 2010 Y
 CQGR (of last 5 quarters) is 3.85%
 Sales Increasing Ratio vs 2010 Y : Korea : 18% , China 19%, Hungary 59%

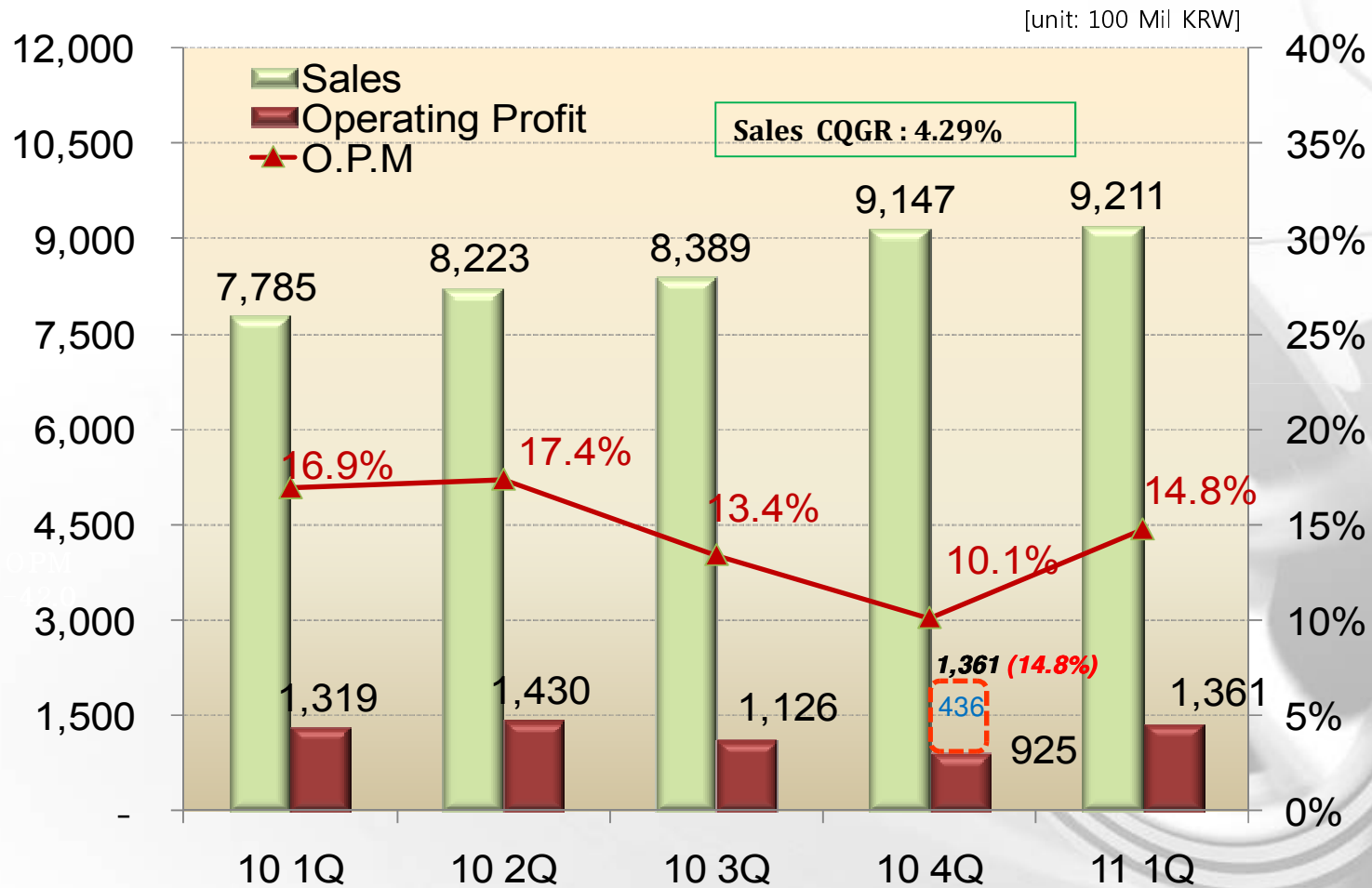
Operating Profit : As increased of Raw Material Cost, O.P.M has been deceased. but HK achieved 12.4% O.P.M
 Hungary Plant has been increased 59% of Sales, 96.7% of Operation margin.

1. Consolidated Result



(2) Korea, China & Hungary Production Subs. Sales and OP Trend

1) Korea (IFRS)



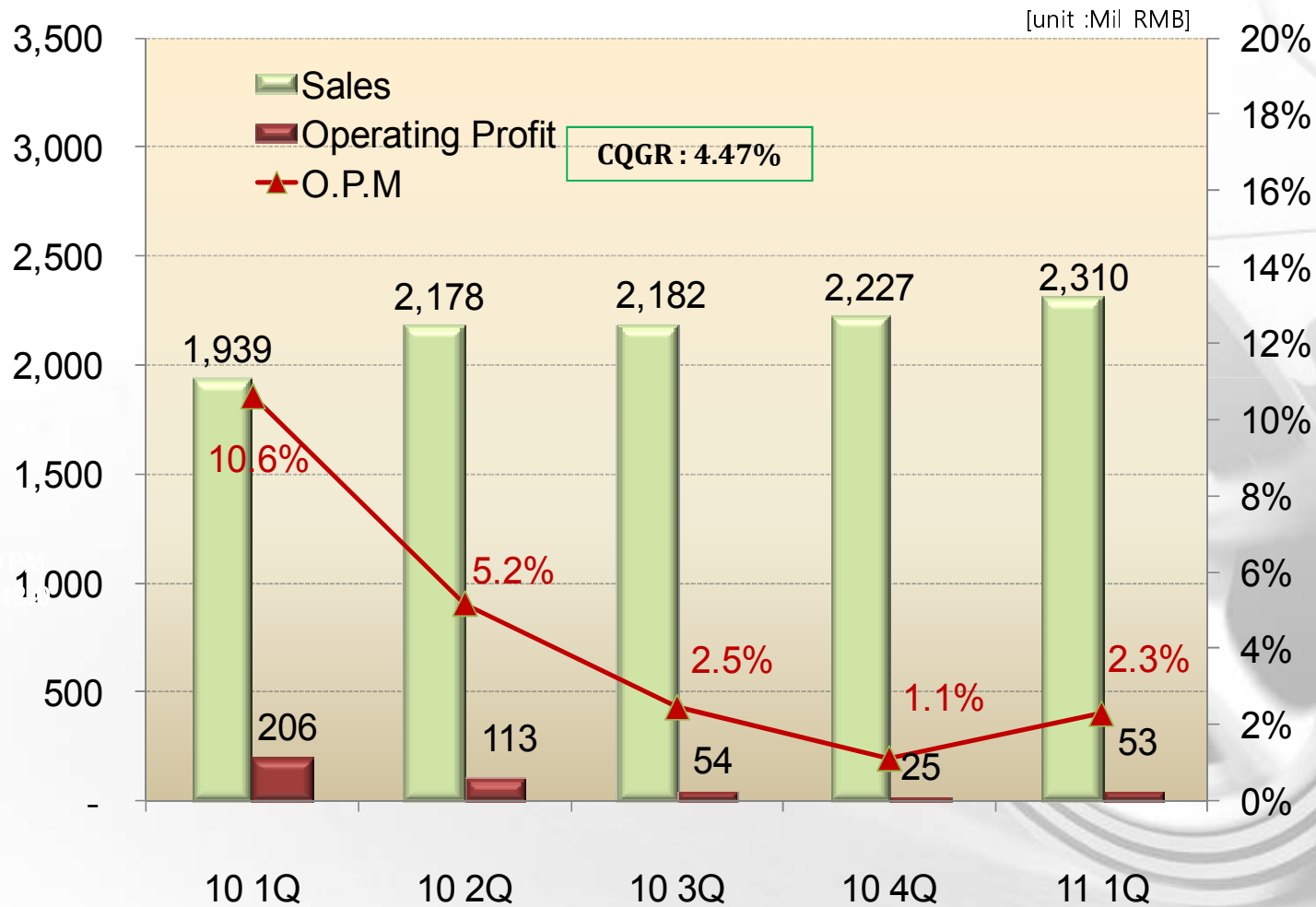
CQGR : Compound Quarterly Growth Rate

1. Consolidated Result



(2) Korea, China & Hungary Production Subs. Sales and OP Trend

2) China (China – GAAP)

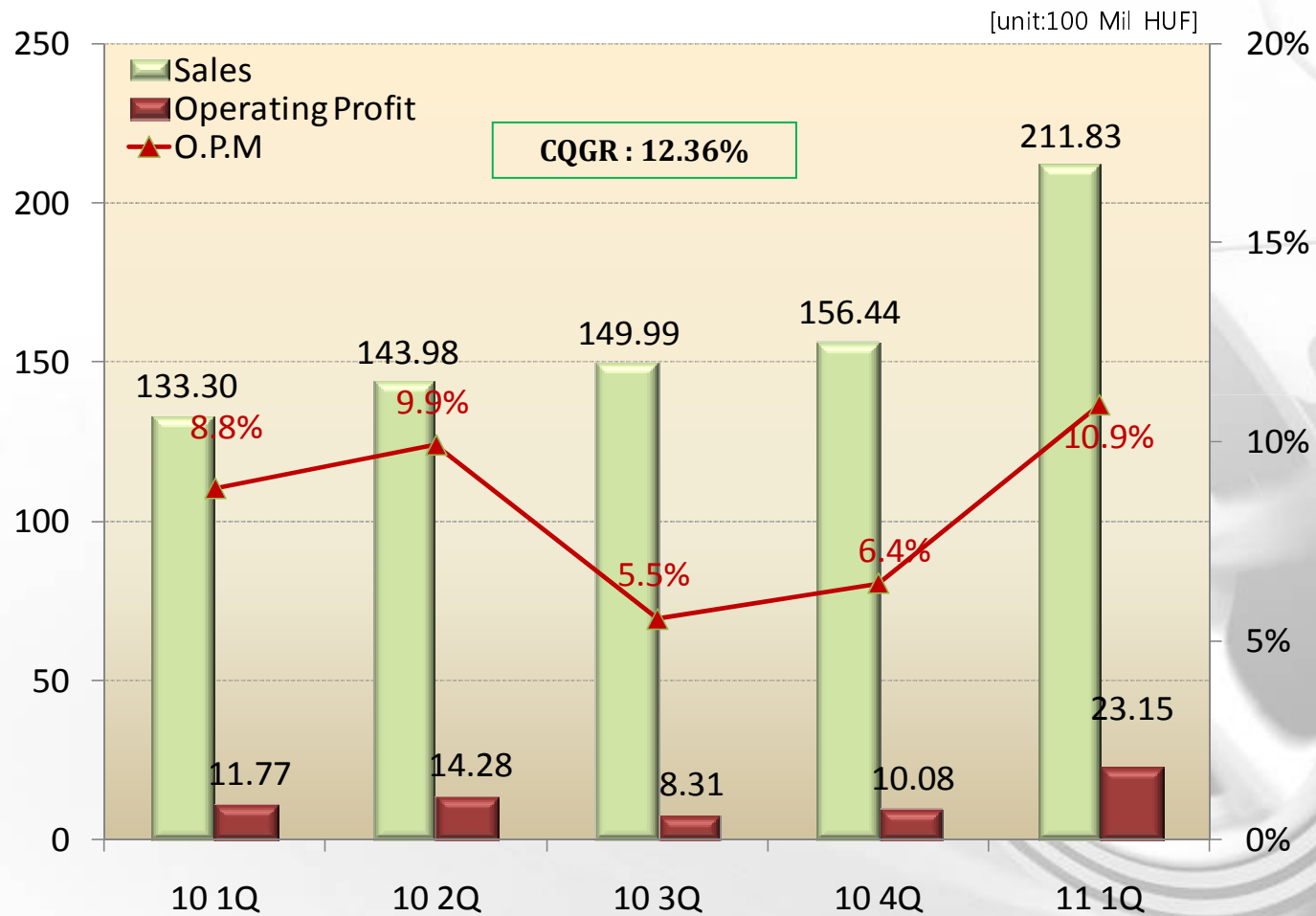


1. Consolidated Result



(2) Korea, China & Hungary Production Subs. Sales and OP Trend

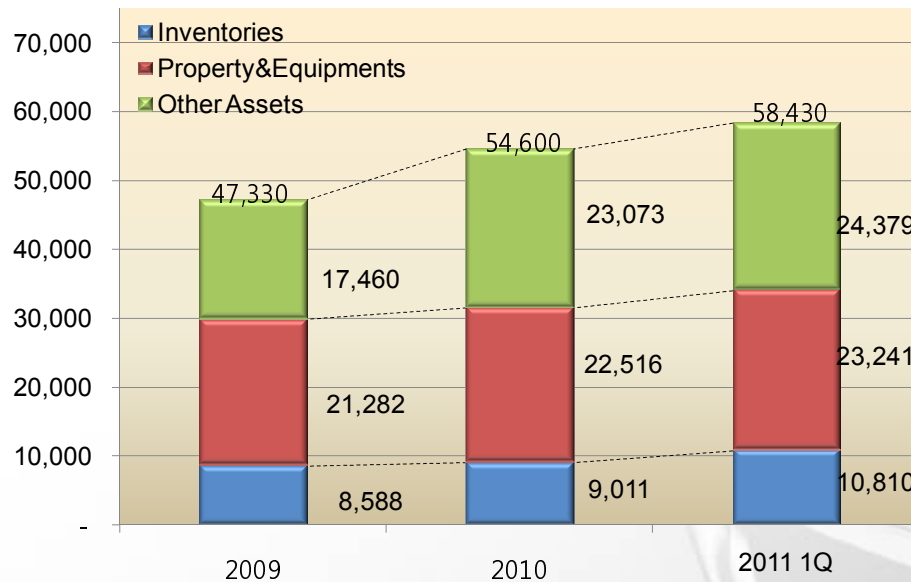
3) Hungary (Hungary –GAAP)



1. Consolidated Result

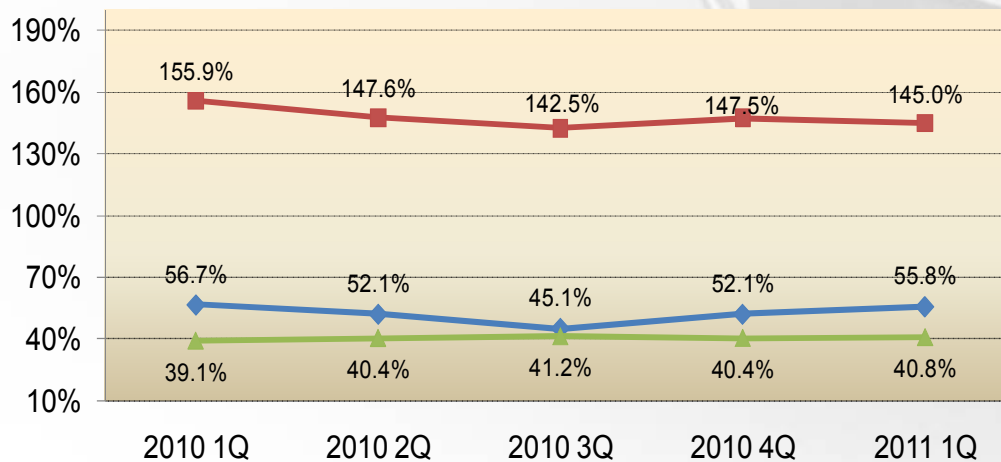
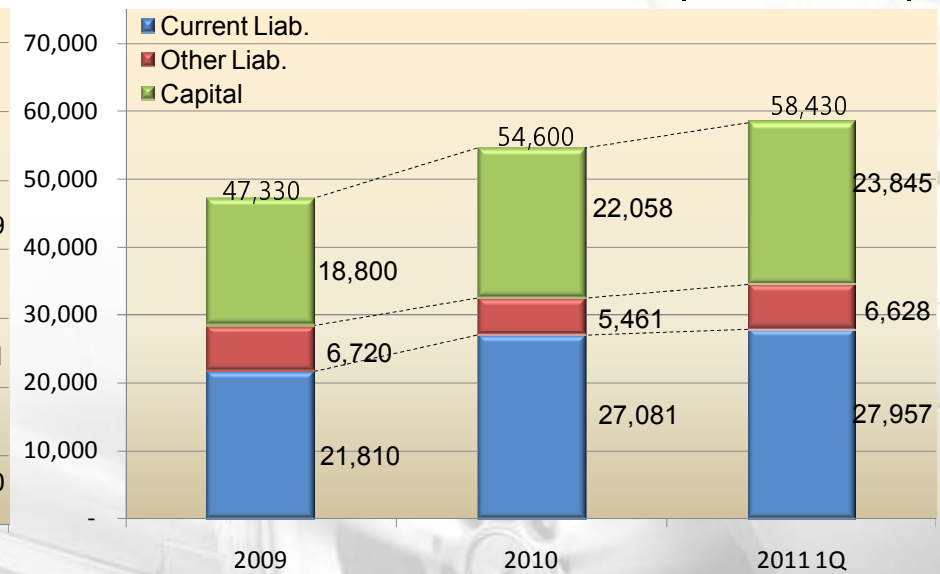
(3) Consolidated B/S

1) Asset



2) Liabilities and Capital

[unit: 100 Mil KRW]



Debt Ratio

Net Debt Ratio

Net Worth To Asset

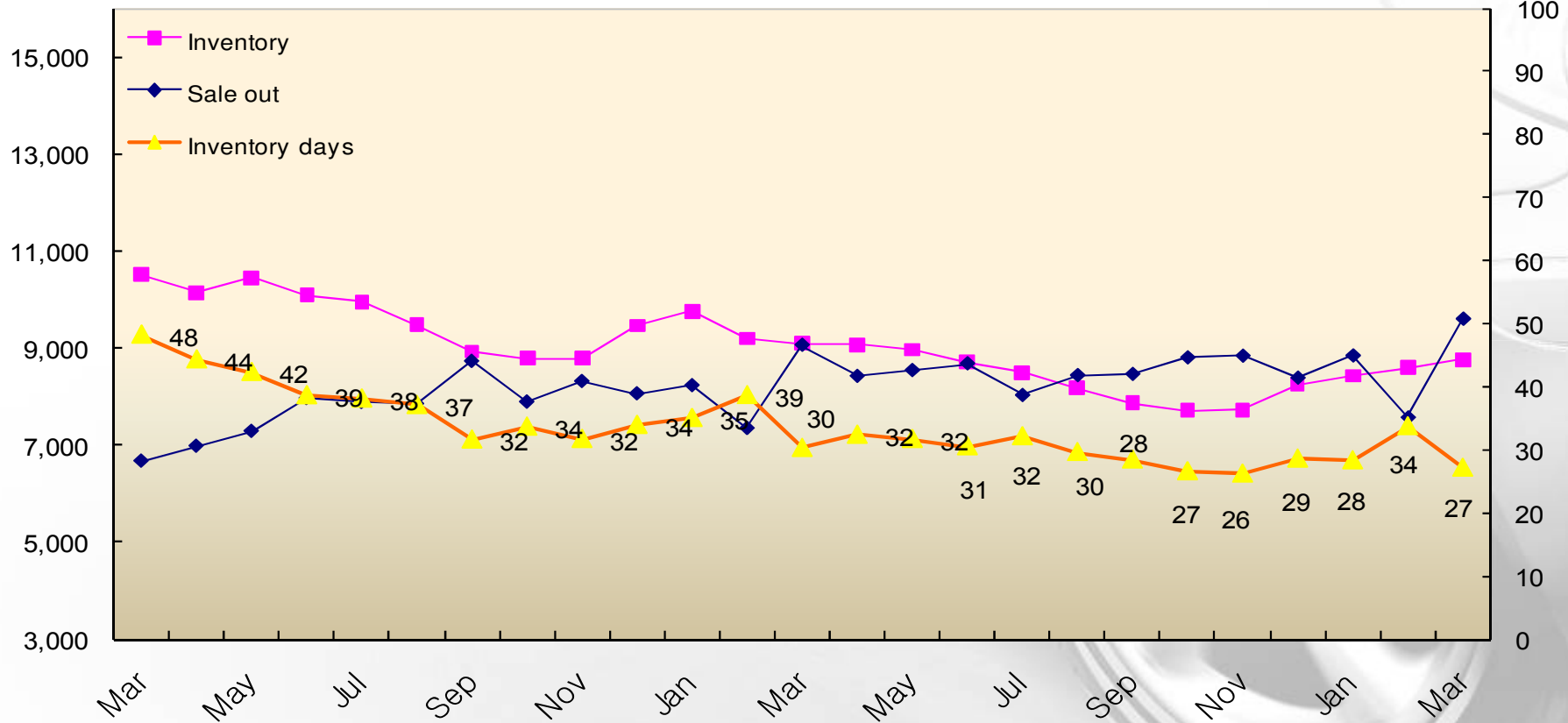
1. Consolidated Result



(4) Global Product Inventories and Capa. Utilization Rate

1) Global Inventory Index

[Unit: '000, Day]

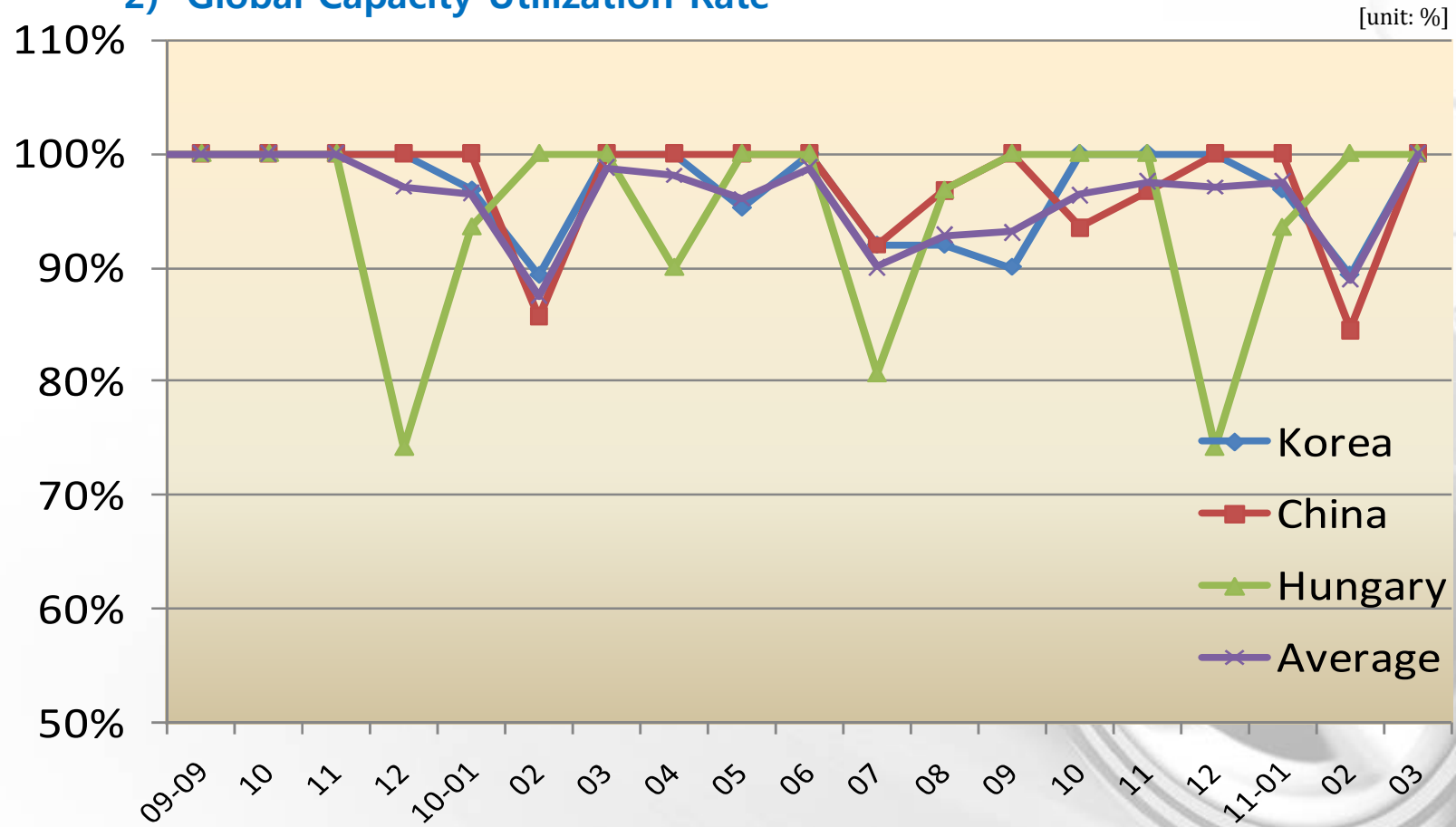


1. Consolidated Result



(4) Global Product Inventories and Capa. Utilization Rate

2) Global Capacity Utilization Rate



Utilization rate : Operation date / Calendar date

1. Consolidated Result



(5) F/X Position

[Unit: Mil USD, Mil EUR]

Annual F/X Position	Korea			China			Hungary			Total		
	Currency	USD	EUR	Other Currency	USD	EUR	Other Currency	USD	EUR	Other Currency	USD	EUR
Net Cash Flow F/X Position	-363	334	227	-128	51	9	-41	25	-5	-532	410	231
B/S F/X Position	-280	12	53	-406	7	-1	-6	-276	0	-691	-256	52
Total Exposures	-643	346	279	-533	58	8	-47	-250	-5	-1,223	154	283

	09 4Q	10 1Q	10 2Q	10 3Q	10 4Q	11 1Q
USD/KRW	1,172	1,143	1,170	1,179	1,133	1,121
EUR/KRW	1,721	1,572	1,481	1,528	1,540	1,532
USD/CNY	6.828	6.827	6.824	6.771	6.662	6.579
EUR/HUF	271.88	265.22	285.26	276.26	279.3	272.65
HUF/KRW	6.331	5.927	5.192	5.530	5.514	5.619

※ Notice: This page doesn't show fully consolidated company result.

The chart shows cash flows from Korea, China and Hungary production bases excluding non-tire segment and overseas sales subsidiaries.

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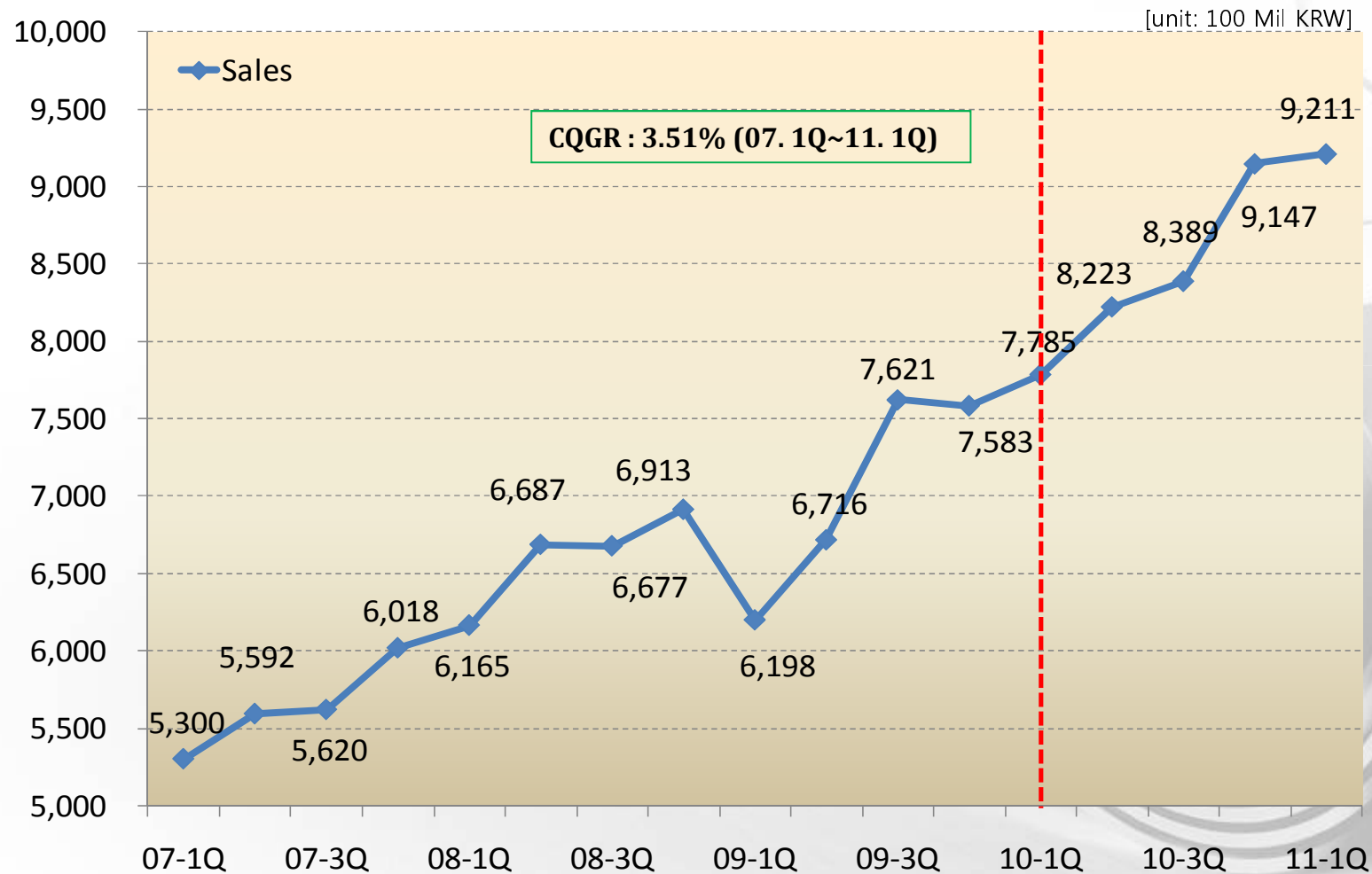
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2. Parent Result

(1) Sales and Operating Profit Trend _ 5years

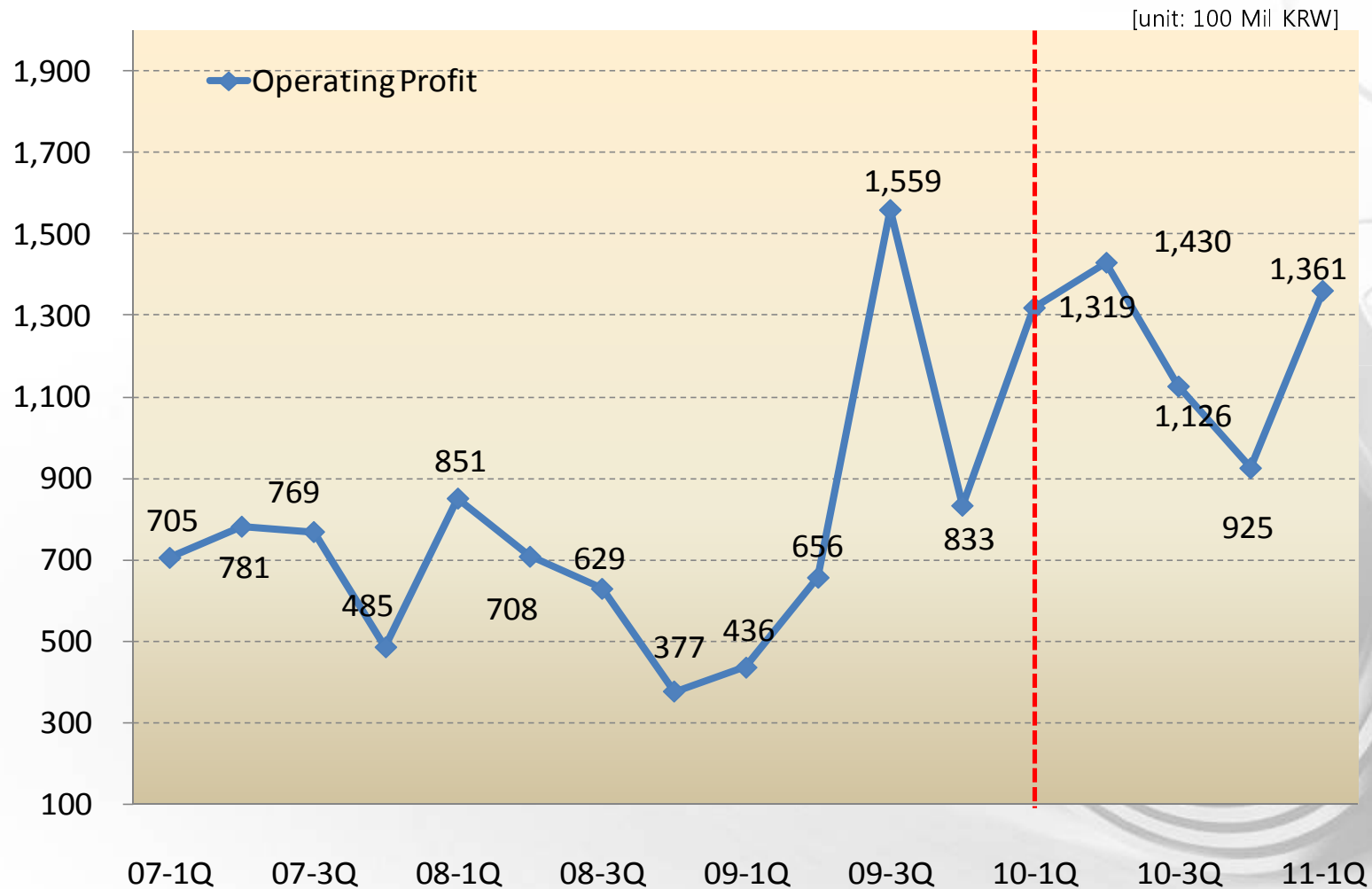
1) Sales Trend (~ '09 K-GAAP, '10 IFRS)



2. Parent Result

(1) Sales and Operating Profit Trend _ 5years

1) Operating Profit Trend (~ '09 K-GAAP, '10 IFRS)



2. Parent Result



1) Sales Breakdown by Region

[unit: 100 Mil KRW]

	2010 1Q		2010 4Q		2011 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Export	5,351	68.7	6,057	66.2	6,507	70.6	21.6	7.4
N.America	1,890	24.3	2,278	24.9	2,397	26.0	26.8	5.2
Europe	1,395	17.9	1,253	13.7	1,448	15.7	3.8	15.6
Others	1,576	20.2	1,822	19.9	1,975	21.4	25.3	8.4
OE Local	490	6.3	704	7.7	687	7.5	40.0	-2.5
Domestics	2,434	31.3	3,090	33.8	2,704	29.4	11.1	-12.5
Total	7,785	100	9,147	100	9,211	100	18.3	0.7

2) UHPT Sales

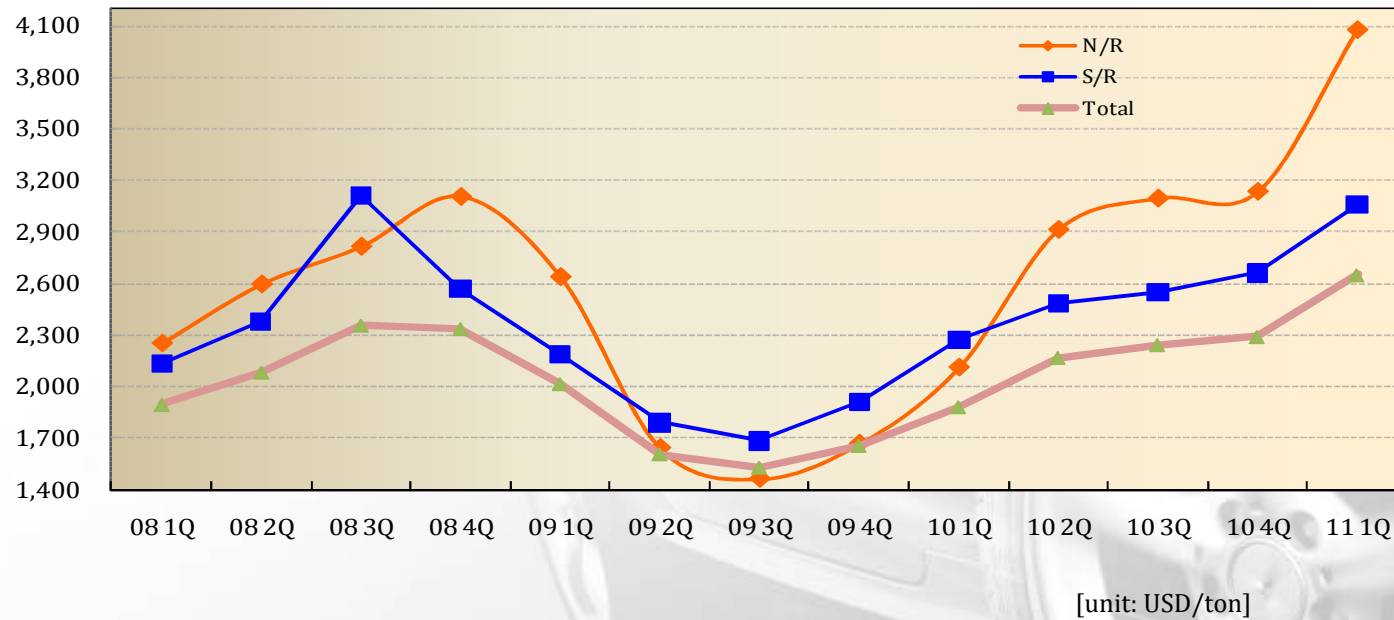
[unit: 100 Mil KRW, 000]

	2010 1Q		2010 4Q		2011 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	7,785	100.0	9,147	100.0	9,211	100.0	18.3	0.7
UHPT Sales	1,467	18.8	1,781	19.5	2,036	22.1	38.7	14.3
Domestics	280	19.1	431	24.2	436	21.4	55.7	1.2
N. America	502	34.2	681	38.2	723	35.5	44.0	6.2
Europe	471	32.1	373	20.9	527	25.9	11.9	41.3
Others	214	14.6	296	16.6	350	17.2	63.6	18.2
UHPT Sales Unit	2,076		2,442		2,584		24.5	5.8

2. Parent Result

(3) Raw Material Price

1) Raw Material Input Price Trend

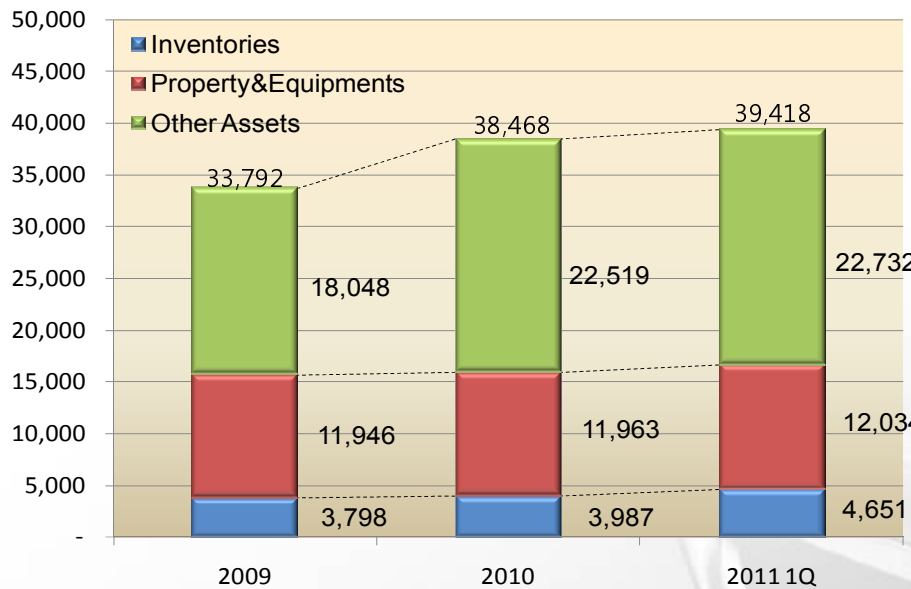


	2010 1Q	2010 4Q	2011 1Q	YoY (%)	QoQ (%)
N/R	2,113	3,136	4,078	93.0	30.0
S/R	2,272	2,660	3,056	34.5	14.9
C/B	1,043	1,123	1,171	12.2	4.3
T/C	4,383	4,552	4,711	7.5	3.5
S/C	1,921	2,116	2,123	10.5	0.3
Others	1,720	1,817	1,864	8.4	2.6
Total	1,883	2,291	2,651	40.8	15.7

2. Parent Result

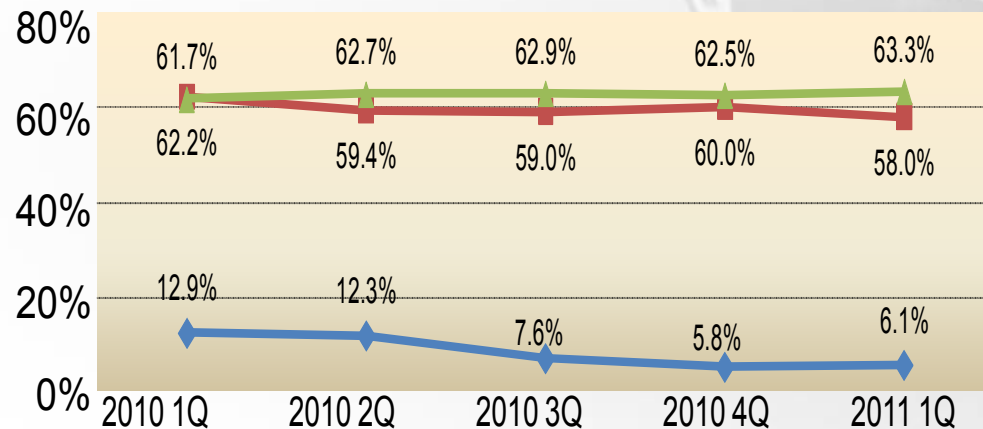
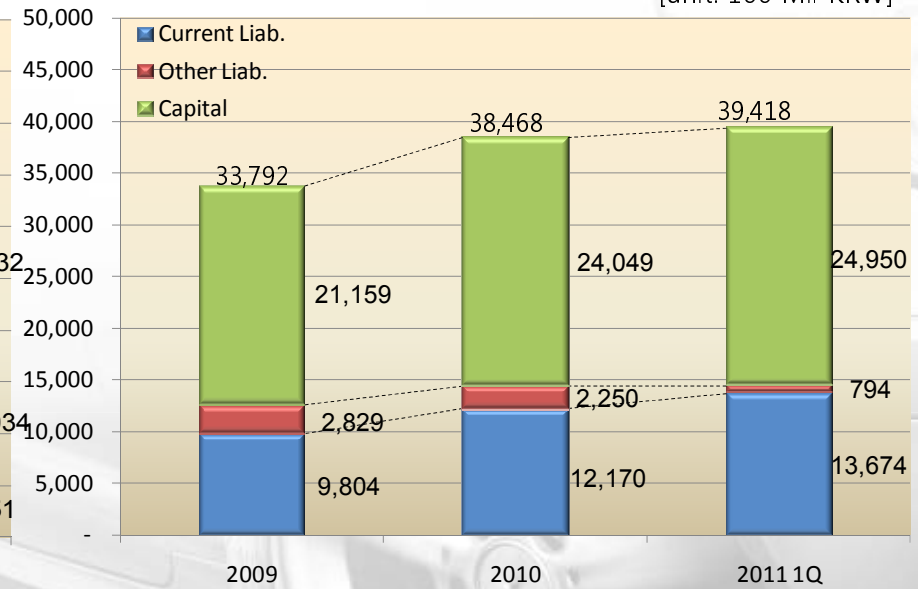
(4) Parent B/S (IFRS)

1) Asset



2) Liabilities and Capital

[unit: 100 Mil KRW]



Net Worth To Asset

Debt Ratio

Net Debt Ratio

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(1) Raw Material Spot Price Surge

According to SICOM, Current Natural Rubber spot price is in USD 4,800/Ton after peaked USD 5,750/Ton at Feb 2011.

Reasons of current strong N/R price:

- Ⓐ Seasonality – Wintering season (usually 1Q) and
- Ⓑ Low production rate – flood in Thailand
- Ⓒ Increasing Demand with economy recovery and Hedge Fund's speculation Demand.

As wintering eases through the course of April and assuming some return to the normal weather, Supply can return in earnest.

Also Expected Earning Profit from Hedge Fund, rubber price will receive Down pressure.

Synthetic Rubber –Butadiene price in Asian Market reached about USD 3,500/ton.

(2) Product price hike

As Raw Material Cost go hike, we consider price hike continuously.

- 1Q 6.7% of Price Hike in North America, we announced 6~7% price hike for 2Q
- We wil adjust price hike differently to global economic situation.

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[unit:100 Mil KRW]

	2010 1Q		2011 1Q		YoY (%)
	AMT.	%	AMT.	%	
Sales	7,785	100.0	9,211	100.0	18.3
COGS	4,924	63.2	6,787	73.7	37.8
Gross Profit	2,861	36.7	2,424	26.3	-15.3
SG&A	1,542	19.8	1,063	11.5	-31.1
O.P margin	1,319	16.9	1,361	14.8	3.2
Non-Operating	561	7.2	83	0.9	-85.2
Ordinary Profit	1,880	24.1	1,444	15.7	-23.2
E B I T D A	1,721	22.1	1,733	18.8	0.7
Depreciation	402	5.2	372	4.0	-7.5

[unit: Mil RMB]

	2010 1Q		2010 4Q		2011 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	1,939	100.0	2,227	100.0	2,310	100.0	19.1	3.7
COGS	1,446	74.6	1,858	83.4	1,923	83.2	33.0	3.5
Gross Profit	493	25.4	369	16.6	387	16.8	-21.5	4.9
SG&A	287	14.8	344	15.4	334	14.5	16.4	-2.9
O.P margin	206	10.6	25	1.1	53	2.3	-74.3	112.0
Non-Operating	-61	-3.1	-73	-3.3	0.9	0.0	-	-
Ordinary Profit	145	7.5	-48	-2.2	52	2.3	-	-
E B I T D A	336	17.3	161	7.2	187	8.1	-44.3	16.1
Depreciation	130	6.7	136	6.1	133	5.8	2.0	-2.2

Appendix F/S – Hungary I/S



[unit: Mil HUF]

	2010 1Q		2010 4Q		2011 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	13,330	100.0	15,644	100.0	21,183	100.0	58.9	35.4
COGS	10,390	77.9	12,816	81.9	16,286	76.9	56.7	27.1
Gross Profit	2,922	21.9	2,828	18.1	4,897	23.1	67.6	73.2
SG&A	1,746	13.1	1,820	11.6	2,583	12.2	47.9	41.9
O.P margin	1,177	8.8	1,008	6.4	2,315	10.9	96.7	129.7
Non-Operating	589	4.4	-1,003	-6.4	2,512	11.9	-	-
Ordinary Profit	1,765	13.2	5	0.0	4,826	22.8	-	-
E B I T D A	3,581	26.9	3,716	23.8	5,466	25.8	52.6	47.1
Depreciation	2,405	18.0	2,708	17.3	3,152	14.9	31.1	16.4

Appendix F/S – Consolidated I/S



[unit: 100 Mil KRW]

	2010 1Q		2010 4Q		2011 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	12,376	100.0	13,926	100.0	14,397	100.0	16.3	3.4
COGS	8,185	56.8	10,242	72.1	10,284	66.7	25.6	0.4
Gross Profit	4,191	29.1	3,684	25.9	4,112	26.7	-1.9	11.6
SG&A	2,200	15.3	2,730	19.2	2,376	15.4	8.0	-13.0
O.P margin	1,991	13.8	954	6.7	1,791	11.6	-10.0	87.7
Non-Operating	-524	-3.6	-117	-0.8	268	-1.7	-	-
Ordinary Profit	2,045	14.2	837	5.9	2,005	13.0	-2.0	139.5
E B I T D A	2,788	19.4	1,951	13.7	2,608	16.9	-6.5	33.7
Depreciation	797	5.5	997	7.0	817	5.3	2.5	-18.1

[unit: 100 Mil KRW]

	2010		2011 1Q		Diff.	
	AMT.	%	AMT.	%	AMT.	%
Assets	54,600	100.0	58,430	100.0	3,830	7.0
Current Assets	28,317	51.9	31,346	53.6	3,029	10.7
Quick Assets	19,306	35.4	20,536	35.1	1,230	6.4
Inventories	9,011	16.5	10,810	18.5	1,799	20.0
Non-current Asset	26,283	48.1	27,084	46.4	801	3.0
Investment Assets	3,389	6.2	3,479	6.0	90	2.7
Property&Equipment	22,516	41.2	23,240	39.8	724	3.2
Intangible Assets	378	0.7	365	0.6	-13	-3.4
Liabilities	32,542	59.6	34,585	59.2	2,043	6.3
Current Liabilities	27,081	49.6	27,957	47.8	876	3.2
Non-current Liabilities	5,461	10.0	6,628	11.3	1,167	21.4
Capital	22,058	40.4	23,845	40.8	1,787	8.1
Net Debt	11,065		13,301		2,236	20.2
Net Debt ratio		50.2%		55.8%		
Debt Ratio		147.5%		145.0%		
Net worth to Assets		40.4%		40.8%		

[unit: 100 Mil KRW]

	2010		2011 1Q		Diff.	
	AMT.	%	AMT.	%	AMT.	%
Assets	38,468	100.0	39,418	100.0	950	2.5
Current Assets	19,738	51.3	20,145	51.1	407	2.1
Quick Assets	15,751	40.9	15,493	39.3	-258	-1.6
Inventories	3,987	10.4	4,651	11.8	664	16.7
Non-current Asset	18,731	48.7	19,273	48.9	542	2.9
Investment Assets	6,618	17.2	7,095	18.0	477	7.2
Property&Equipment	11,963	31.1	12,034	30.5	71	0.6
Intangible Assets	150	0.4	144	0.4	-6	-4.0
Liabilities	14,420	37.5	14,468	36.7	48	0.3
Current Liabilities	12,170	31.6	13,674	34.7	1,504	12.4
Non-current Liabilities	2,250	5.8	794	2.0	-1,456	-64.7
Capital	24,049	62.5	24,950	63.3	901	3.7
Net Cash(Debt)	(1,386)		(1,531)		-145	
Net Debt ratio		-5.8%		-6.1%		
Debt Ratio		60.0%		58.0%		
Net worth to Assets		62.5%		63.3%		

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