

2011 Hankook Tire

4th Quarter Result

2012.01.31



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



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1. 2011 Business Result

2011 Business Result

※ 2009 K-GAAP
2010, 2011 IFRS

[unit : 100 Mil KRW, %]

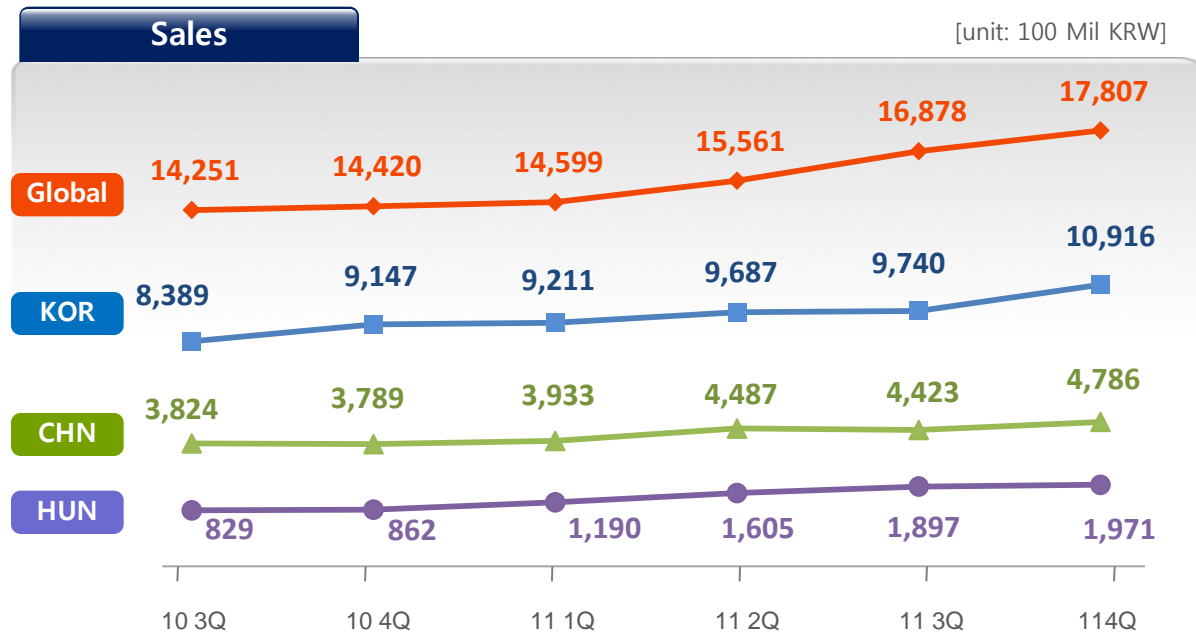
	<u>2009(A)</u>	<u>2010(B)</u>	<u>2011 (C)</u>	<u>C/A(%)</u>	<u>C/B(%)</u>
Sales	48,099	53,639	64,844	134.8%	120.9%
COGS	33,636 <i>(69.9%)</i>	37,131 <i>(69.2%)</i>	47,891 <i>(73.9%)</i>	142.4%	129.0%
Operating Profit	5,493 <i>(11.4%)</i>	6,209 <i>(11.6%)</i>	5,663 <i>(8.7%)</i>	103.1%	91.2%
Ordinary Profit	4,618 <i>(9.6%)</i>	6,119 <i>(11.4%)</i>	4,793 <i>(7.4%)</i>	103.8%	78.3%
EBITDA	9,193 <i>(19.1%)</i>	9,480 <i>(17.7%)</i>	9,351 <i>(14.4%)</i>	101.7%	98.6%

※ 2009 Tire Business Only, 2010, 2011 Consolidated Total

1. 2011 Business Result

(1) Consolidated Sales Trend

(Global/Korea : K-IFRS, CHN/Hungary : Local GAAP)

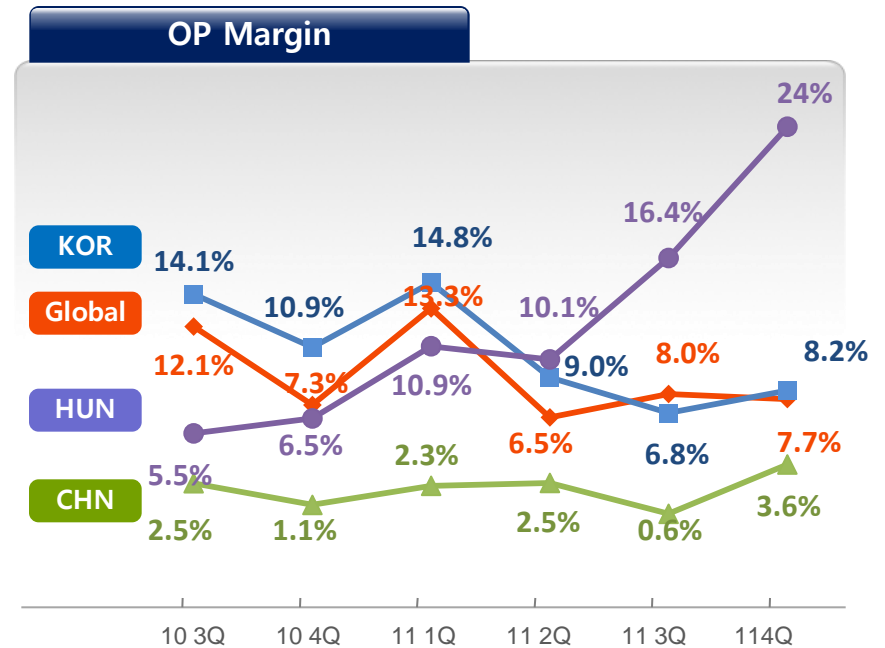
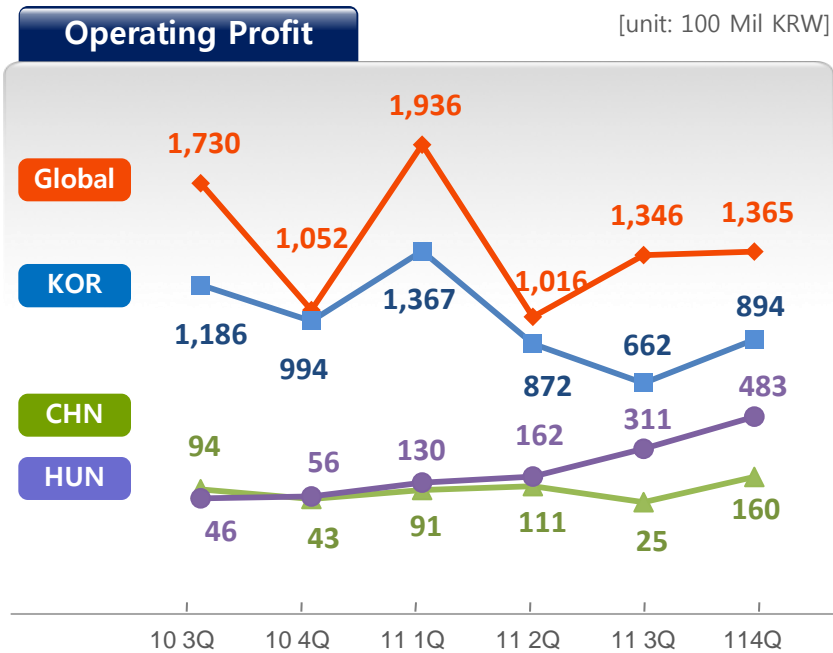


Sales	Global	: QoQ 5.5% ↑, YoY 23.5% ↑
	Korea	: QoQ 12.1% ↑, YoY 19.3% ↑
	China	: QoQ 8.2% ↑, YoY 26.3% ↑
	Hungary	: QoQ 3.9% ↑, YoY 128.5% ↑

1. 2011 Business Result

(2) Consolidated Operating Profit Trend

(Global/Korea : K-IFRS, CHN/Hungary : Local GAAP)



Operating Profit

Global : QoQ 1.4% ↑, YoY 29.7% ↑

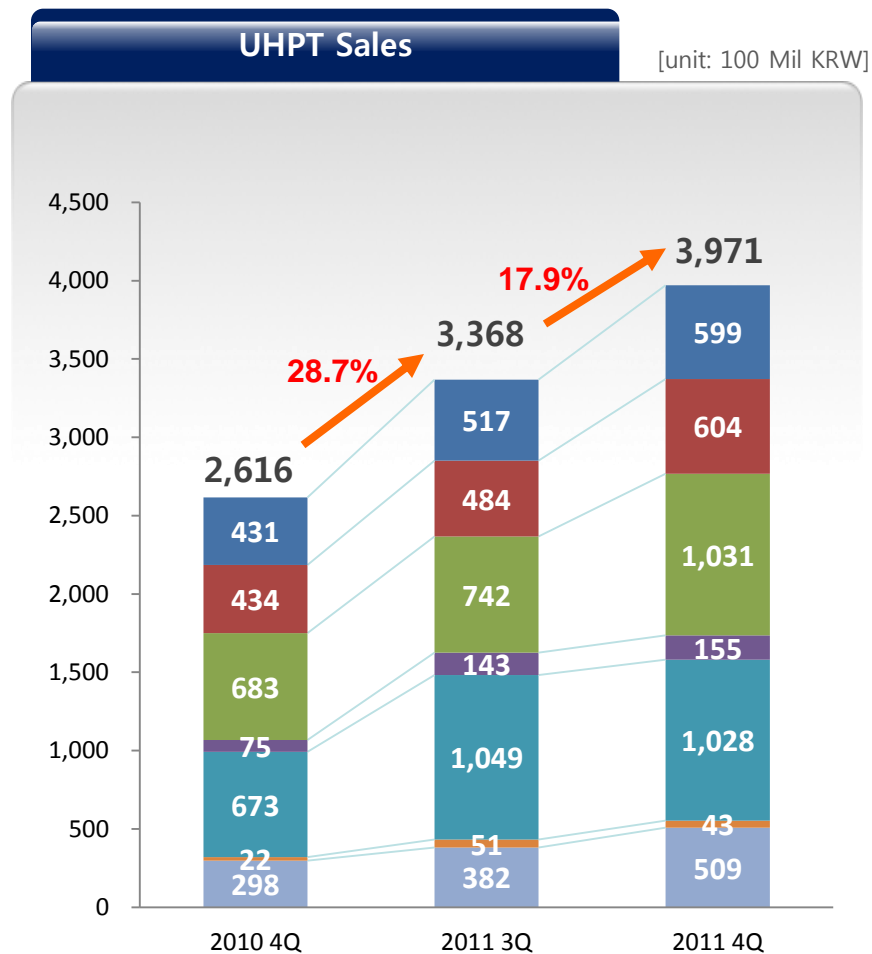
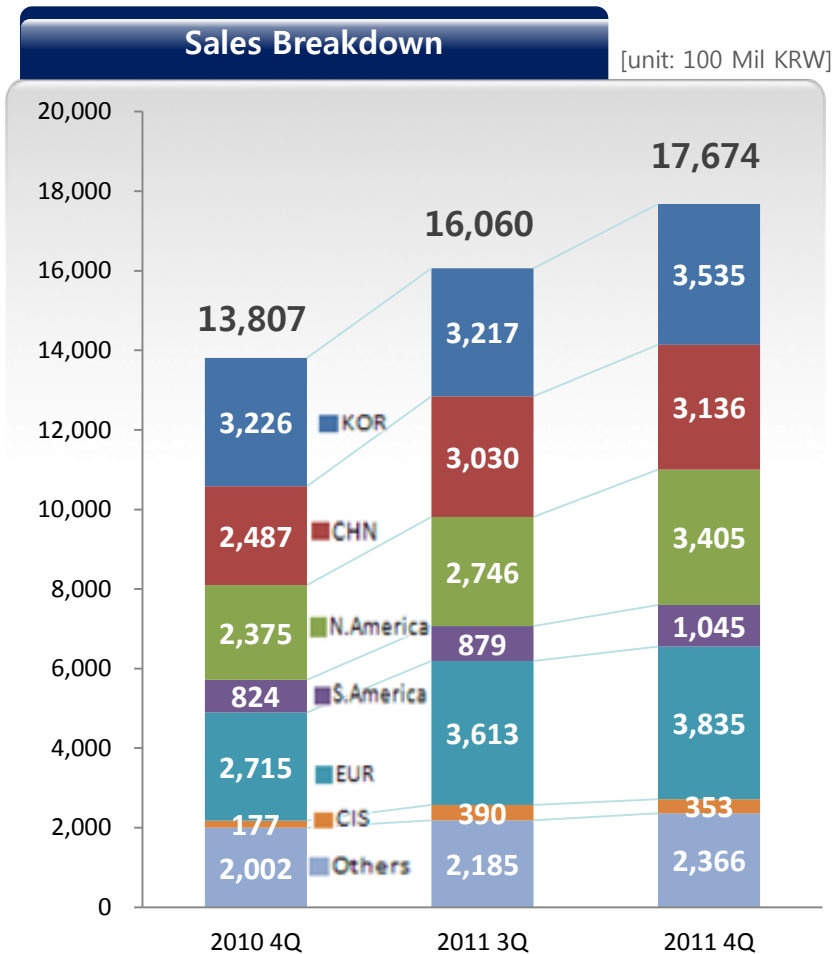
Korea : QoQ 35% ↑, YoY 10% ↓

China : QoQ 13.5 bil KRW ↑, YoY 11.8 bil KRW ↑

Hungary : QoQ 17.2 bil KRW ↑, YoY 42.7 bil KRW ↑

1. 2011 Business Result

(3) Global Sales Breakdown / UHPT Sales



UHPT Sales/Total Sales

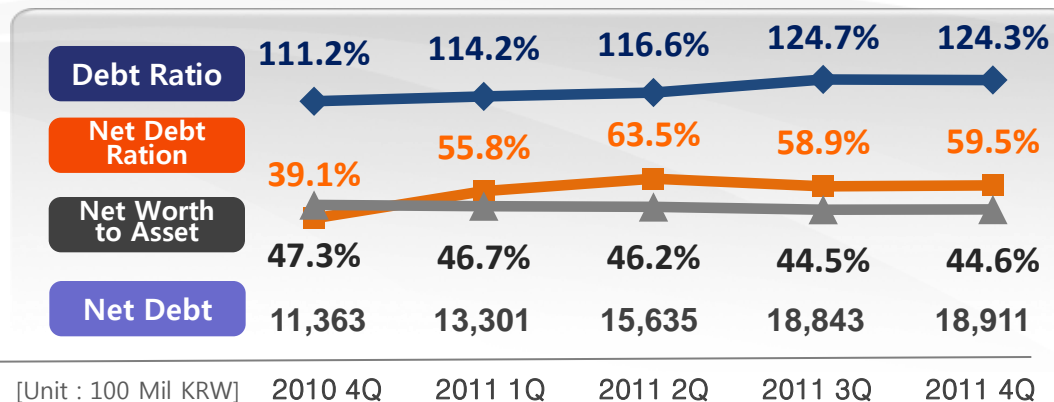
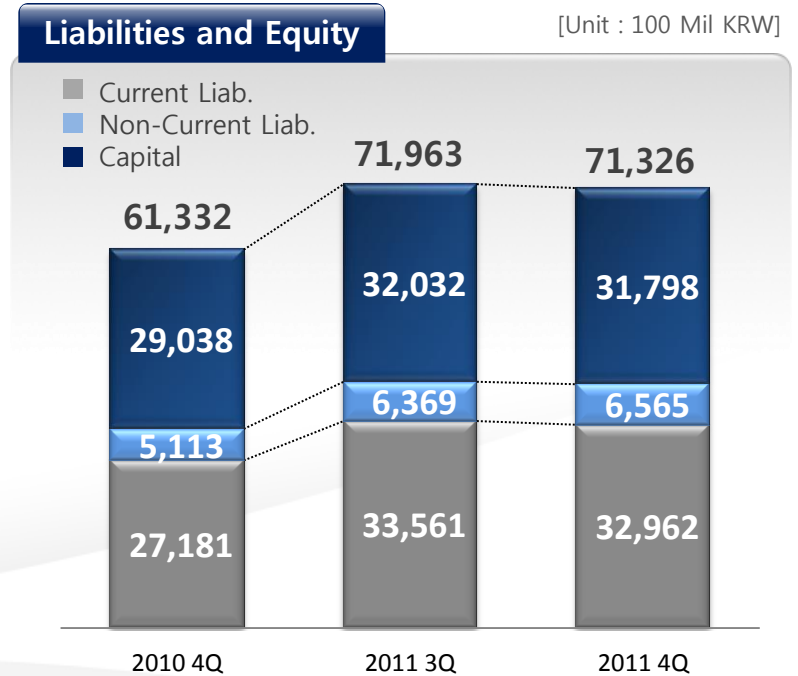
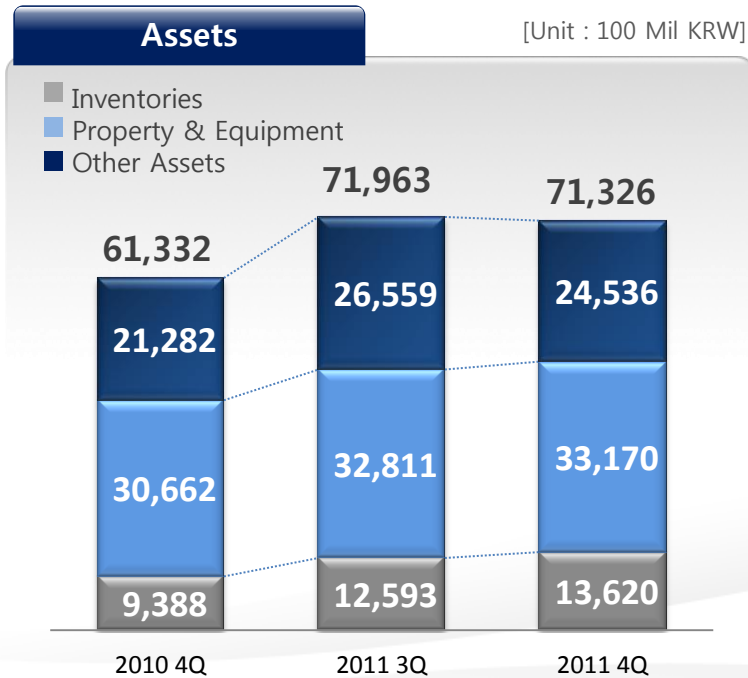
18.9%

21.0%

22.5%

1. 2011 Business Result

(4) Consolidated B/S



[Unit : 100 Mil KRW]

1. 2011 Business Result

2. 2012 Business Target

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2. 2012 Business Target

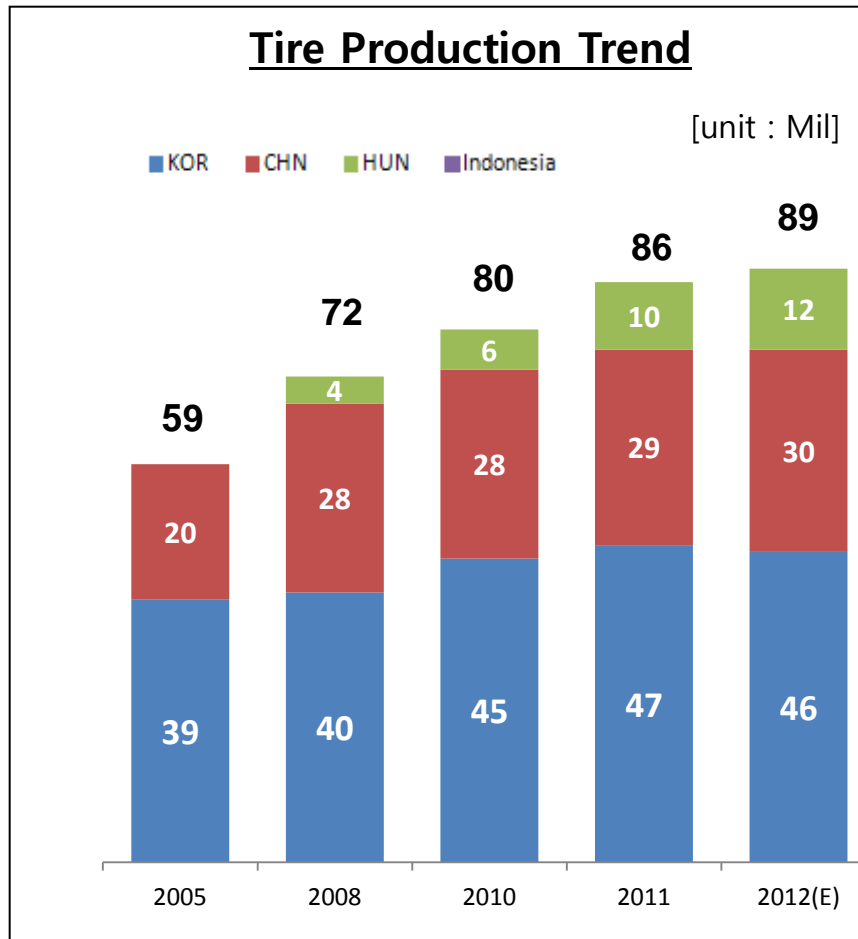
[unit: 100 Mil KRW,%]

Global	2011 (A)	2012 Target(B)	YoY
Sales	64,844	72,328	11.5%
COGS	47,890	51,866	8.3%
COGS(%)	73.9%	71.7%	
Gross Profit	16,953	20,462	20.7%
SG&A	11,290	12,280	8.7%
Operating Profit	5,663	8,182	44.5%
OP(%)	8.7%	11.3%	
Depreciation	3,689	3,974	7.7%
EBITDA	9,351	12,156	30.0%
EBITDA(%)	14.4%	16.8%	

* 2011 Consolidated Total, 2012(E) Tire Business Only.

2. 2012 Business Target

- Capacity grew 1.5x from 2005 levels, due to the China and Hungary's plant expansions.
- China's 3rd plant and Indonesia plant will start to produce on September, 2012.
- The annual production capacity is over **89 million** units.



2012 Production Plan

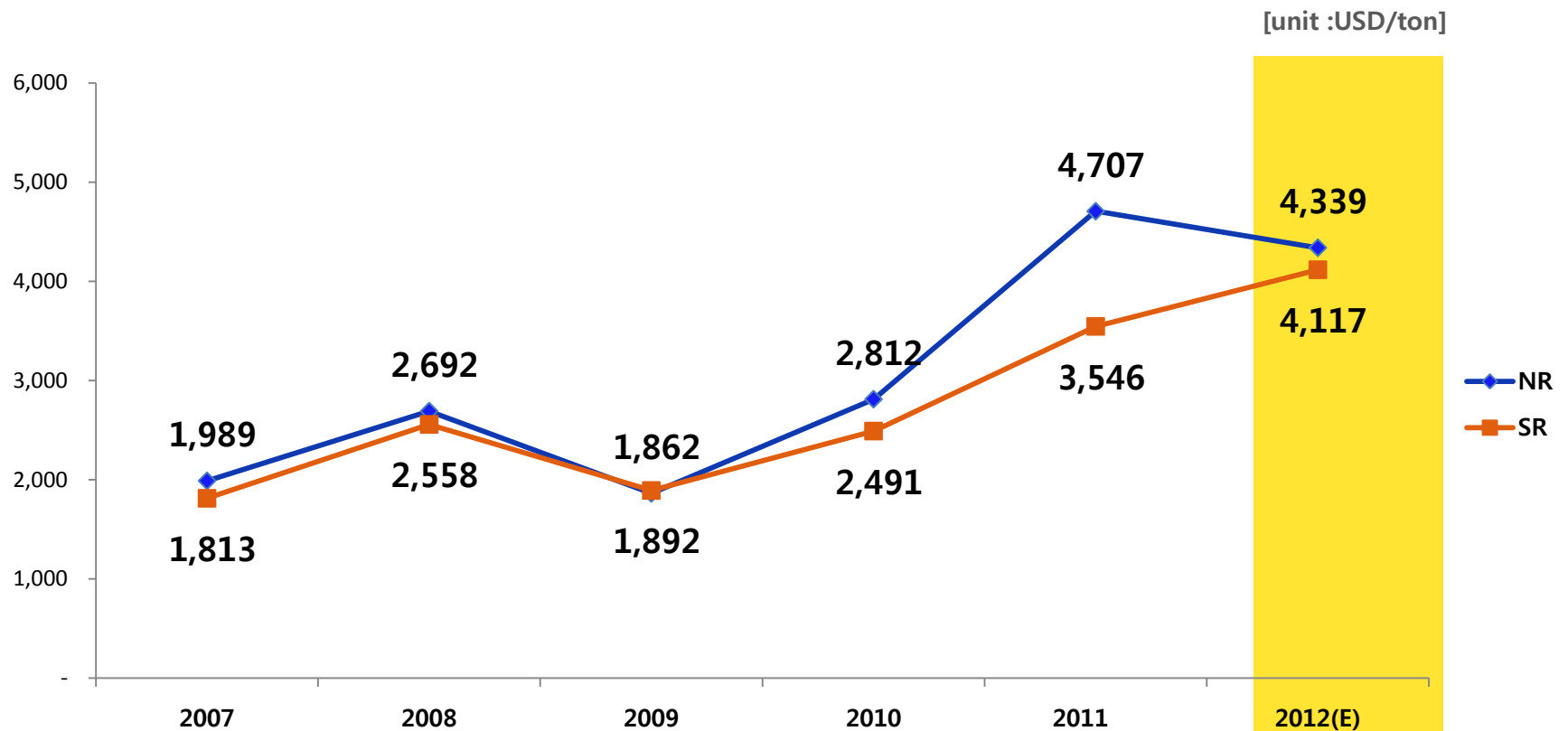
[unit : Mil, %]

	'10 Act	'11Act	'12 Plan
KOR	45.45	46.70	46.28
CHN	28.34	28.98	30.51
HUN	5.91	10.09	12.51
Indonesia			0.03
TOT	79.70	85.77	89.33

2. 2012 Business Target

- Raw Material Cost (2011) : \$4,707/ton(NR) (YoY 67% ↑), \$3,546/ton(SR) (YoY 42% ↑)
- Expected Raw Material Cost (2012) : **\$4,339/ton(NR), \$4,117/ton(SR)**

Raw material cost plan



※ Korea plant's input cost (NR, SR) [excluding sub-cost]

End of The Document

Appendix. F/S – Korea B/S

[unit : Mil KRW]

	2010	2011	Diff.	%
Current Assets	1,972,541	2,284,321	311,780	15.8%
Non- Current Assets	2,080,157	2,267,321	187,164	9.0%
Total Assets	4,052,698	4,551,642	498,944	12.3%
Current Liabilities	1,216,999	1,670,899	453,900	37.3%
Non-Current Liabilities	256,591	82,750	-173,841	-67.8%
(Borrowings)	(720,208)	(1,021,970)	(301,762)	41.9%
Total Liabilities	1,473,590	1,753,649	280,059	19.0%
(Capital Stock)	(76,095)	(76,095)	(0)	0.0%
Shareholders' Equity	2,579,107	2,797,993	218,886	8.5%
Total Liabilities and Shareholders' Equity	4,052,698	4,551,642	498,944	12.3%
Debt Ratio	57.1%	62.7%	5.6%	
Net Worth to Asset	63.6%	61.5%	-2.1%	

Appendix. F/S – China B/S

[unit : K RMB]

	2010	2011	Diff.	%
Current Assets	4,677,256	6,938,732	2,261,476	48.4%
Non- Current Assets	7,657,592	8,273,908	616,316	8.0%
Total Assets	12,334,848	15,212,640	2,877,792	23.3%
Current Liabilities	7,401,313	8,516,788	1,115,475	15.1%
Non-Current Liabilities	16,657	1,175,218	1,158,561	6955.4%
(Borrowings)	(4,448,094)	(5,876,599)	(1,428,505)	32.1%
Total Liabilities	7,417,970	9,692,006	2,274,036	30.7%
(Capital Stock)	(3,246,557)	(3,756,773)	(510,216)	15.7%
Shareholders' Equity	4,916,878	5,520,634	603,756	12.3%
Total Liabilities and Shareholders' Equity	12,334,848	15,212,640	2,877,792	23.3%
Debt Ratio	150.9%	175.6%	24.7%	
Net Worth to Asset	39.9%	36.3%	-3.6%	

Appendix. F/S – Hungary B/S

[unit : K HUF]

	2010	2011	Diff.	%
Current Assets	56,700,224	114,528,822	57,828,598	102.0%
Non- Current Assets	103,385,982	109,962,255	6,576,273	6.4%
Total Assets	160,086,206	224,491,077	64,404,871	40.2%
Current Liabilities	91,536,919	145,897,802	54,360,883	59.4%
Non-Current Liabilities	46,230,687	47,706,600	1,475,913	3.2%
(Borrowings)	(99,489,244)	(133,650,025)	(34,160,781)	34.3%
Total Liabilities	137,767,607	193,604,402	55,836,795	40.5%
(Capital Stock)	(11,087,730)	(11,087,730)	(0)	0.0%
Shareholders' Equity	22,318,599	30,886,675	8,568,075	38.4%
Total Liabilities and Shareholders' Equity	160,086,206	224,491,077	64,404,871	40.2%
Debt Ratio	617.3%	626.8%	9.5%	
Net Worth to Asset	13.9%	13.8%	-0.2%	

Appendix. F/S – Consolidated B/S (IFRS)

[unit: 100 Mil KRW]

	2010		2011 3Q		2011 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Assets	61,332	100.0%	71,963	100.0%	71,326	100.0%	9,994	16.3
Current Assets	28,422	46.3%	36,634	50.9%	35,086	49.2%	6,664	23.4
Quick Assets	19,034	31.0%	24,041	33.4%	21,466	30.1%	2,432	12.8
Inventories	9,388	15.3%	12,593	17.5%	13,620	19.1%	4,232	45.1
Non-current Assets	32,910	53.7%	35,329	49.1%	36,239	50.8%	3,329	10.1
Investment Assets	1,868	3.0%	2,133	3.0%	2,425	3.4%	557	29.8
Property&Equipment	30,662	50.0%	32,811	45.6%	33,170	46.5%	2,508	8.2
Intangible Assets	380	0.6%	385	0.5%	644	0.9%	264	69.4
Liabilities	32,294	52.7%	39,931	55.5%	39,528	55.4%	7,234	22.4
Current Liabilities	27,181	44.3%	33,561	46.6%	32,962	46.2%	5,781	21.3
Non-Current Liabilities	5,113	8.3%	6,369	8.9%	6,565	9.2%	1,452	28.4
Shareholders' Equity	29,038	47.3%	32,032	44.5%	31,798	44.6%	2,760	9.5
Net debt	11,363		18,843		18,911		7,548	66.4
Net debt Ratio		39.1%		58.8%		59.5%		
Debt Ratio		111.2%		124.7%		124.3%		
Net Worth to Assets		47.3%		44.5%		44.6%		

Appendix. F/S – Korea B/S (IFRS)

[unit : 100 mil KRW]

	2010		2011 3Q		2011 4Q		Diff.	
	AMT.	%	AMT.	%	AMT.	%	AMT.	%
Assets	40,527	100.0%	45,063	100.0%	45,516	100.0%	4,989	12.3
Current Assets	19,725	48.7%	23,086	51.2%	22,843	50.2%	3,118	15.8
Quick Assets	15,750	38.9%	18,203	40.4%	17,801	39.1%	2,051	13.0
Inventories	3,975	9.8%	4,883	10.8%	5,042	11.1%	1,067	26.8
Non-current Assets	20,802	51.3%	21,976	48.8%	22,673	49.8%	1,871	9.0
Investment Assets	6,513	16.1%	7,717	17.1%	8,207	18.0%	1,694	26.0
Property&Equipment	14,139	34.9%	14,113	31.3%	14,315	31.5%	176	1.2
Intangible Assets	150	0.4%	146	0.3%	151	0.3%	1	0.7
Liabilities	14,736	36.4%	17,602	39.1%	17,536	38.5%	2,800	19.0
Current Liabilities	12,170	30.0%	16,413	36.4%	16,709	36.7%	4,539	37.3
Non-Current Liabilities	2,566	6.3%	1,189	2.6%	828	1.8%	-1,739	-67.8
Shareholders' Equity	25,791	63.6%	27,461	60.9%	27,980	61.5%	2,189	8.5
Net debt	1,386		4,021		3,626		2,240	161.6
Net debt Ratio		5.4%		14.6%		13.0%		
Debt Ratio		57.1%		64.1%		62.7%		
Net Worth to Assets		63.6%		60.9%		61.5%		

Appendix. F/S – Consolidated I/S (IFRS)



[unit : 100 Mil KRW]

	2010 4Q		2011 3Q		2011 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	14,420	100.0%	16,878	100.0%	17,807	100.0%	23.5	5.5
COGS	10,322	71.6%	12,599	74.6%	13,138	73.8%	27.3	4.3
Gross Profit	4,098	28.4%	4,279	25.4%	4,669	26.2%	13.9	9.1
SG&A	3,046	21.1%	2,933	17.4%	3,304	18.6%	8.5	12.7
O.P Margin	1,052	7.3%	1,346	8.0%	1,365	7.7%	29.7	1.4
Non Operating	-16	-0.1%	-660	-3.9%	-343	-1.9%	-	-
Income Before Income Tax	1,036	7.2%	686	4.1%	1,022	5.7%	-1.4	48.9
E B I T D A	1,788	12.4%	2,216	13.1%	2,364	13.3%	32.2	6.7
Dpreciation	736	5.1%	870	5.2%	999	5.6%	35.7	14.8

Appendix. F/S – Korea I/S (IFRS)

[unit : 100 Mil KRW]

	2010 4Q		2011 3Q		2011 4Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	9,147	63.4%	9,740	57.7%	10,916	100.0%	19.3	12.1
COGS	6,655	46.2%	7,600	45.0%	8,332	76.3%	25.2	9.6
Gross Profit	2,492	17.3%	2,140	12.7%	2,584	23.7%	3.7	20.8
SG&A	1,498	10.4%	1,478	8.8%	1,690	15.5%	12.8	14.4
O.P Margin	994	6.9%	662	3.9%	894	8.2%	-10.0	35.0
Non Operating	-23	-0.2%	-138	-0.8%	101	0.9%	-	-
Income Before Income Tax	971	6.7%	524	3.1%	996	9.1%	2.6	89.8
E B I T D A	1,446	10.0%	1,118	6.6%	1,384	12.7%	-4.3	23.8
Dpreciation	452	3.1%	456	2.7%	490	4.5%	8.4	7.5

[unit: 100 mil RMB]

	2010 4Q		2011 3Q		2011 4Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	22.27	100.0%	26.22	100.0%	26.59	100.0%	19.4	1.4
COGS	18.58	83.4%	22.26	84.9%	21.62	81.3%	16.4	-2.9
Gross Profit	3.69	16.6%	3.96	15.1%	4.85	18.2%	31.3	22.3
SG&A	3.44	15.4%	3.81	14.5%	3.96	14.9%	15.0	3.8
Operating Profit	0.25	1.1%	0.15	0.6%	0.89	3.3%	255.6	492.9
Non Operating	-0.73	-3.3%	-0.32	-1.2%	-1.13	-4.3%	-	-
Income Before Income Tax	-0.48	-2.2%	-0.17	-0.7%	-0.24	-0.9%	-	-
E B I T D A	1.61	7.2%	1.52	5.8%	2.30	8.6%	43.1	51.6
Depreciation	1.36	6.1%	1.37	5.2%	1.41	5.3%	3.9	3.1

Appendix. F/S – Hungary I/S

[unit: 100 Mil HUF]

	2010 4Q		2011 3Q		2011 4Q		YoY	QoQ
	AMT.	%	AMT.	%	AMT.	%	(%)	(%)
Sales	156.41	100.0%	339.04	100.0%	388.00	100.0%	148.1	14.4
COGS	128.10	81.9%	249.07	73.5%	254.00	65.5%	98.3	2.0
Gross Profit	28.31	18.1%	89.98	26.5%	134.00	34.5%	373.3	48.9
SG&A	18.20	11.6%	34.45	10.2%	39.00	10.1%	114.3	13.2
Operating Profit	10.11	6.5%	55.52	16.4%	95.00	24.5%	839.5	71.1
Non Operating	-10.27	-6.6%	-88.28	-26.0%	-66.00	-17.0%	-	-
Income Before Income Tax	-0.16	-0.1%	-32.75	-9.7%	29.00	7.5%	-	-
E B I T D A	37.18	23.8%	94.80	28.0%	139.00	35.8%	273.8	46.6
Depreciation	27.07	17.3%	39.28	11.6%	43.00	11.1%	58.8	9.5