

*2009 Hankook Tire  
4th Quarter Result  
2010 Business Target*

IR  
2010.01.15  
English Ver.



 **Hankook**  
driving emotion

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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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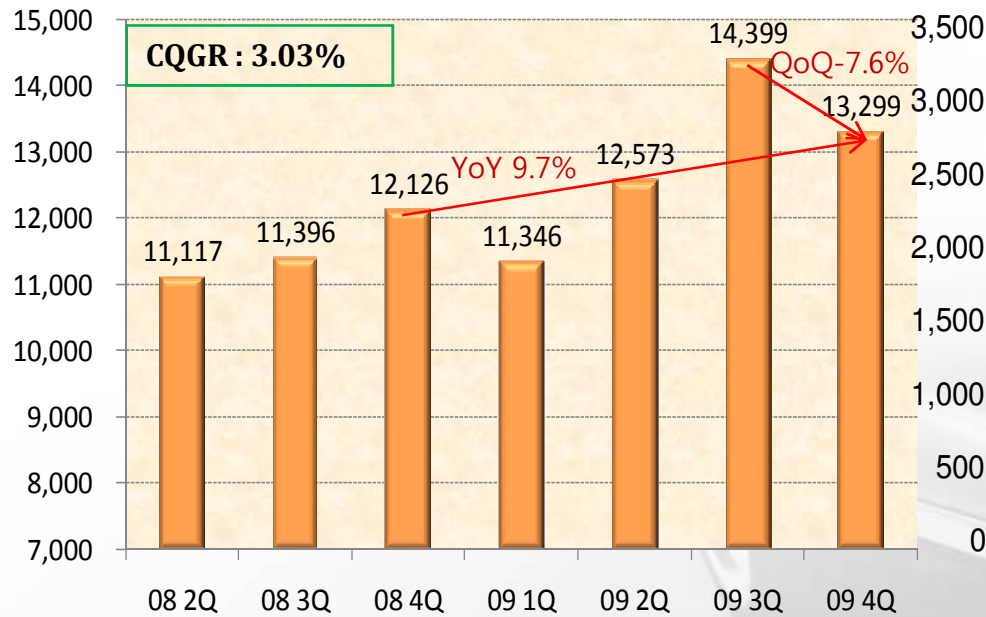
# I. 09 4Q Business Result



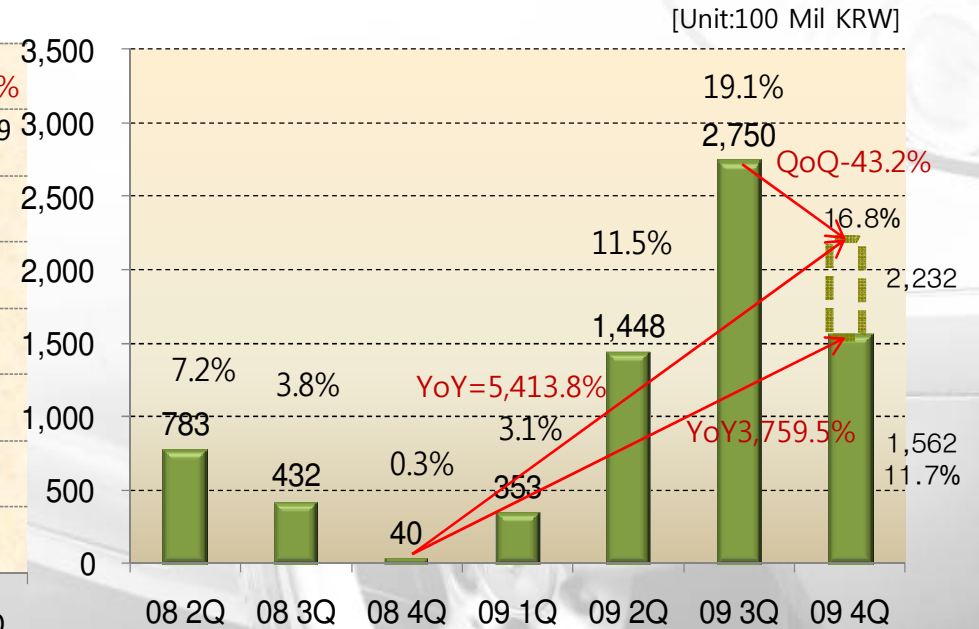
## 1. Consolidated Result

### (1) Consolidated Sales and Operating Profit Trend

#### 1) Sales



#### 2) Operating Profit



CQGR : Compound Quarterly Growth Rate

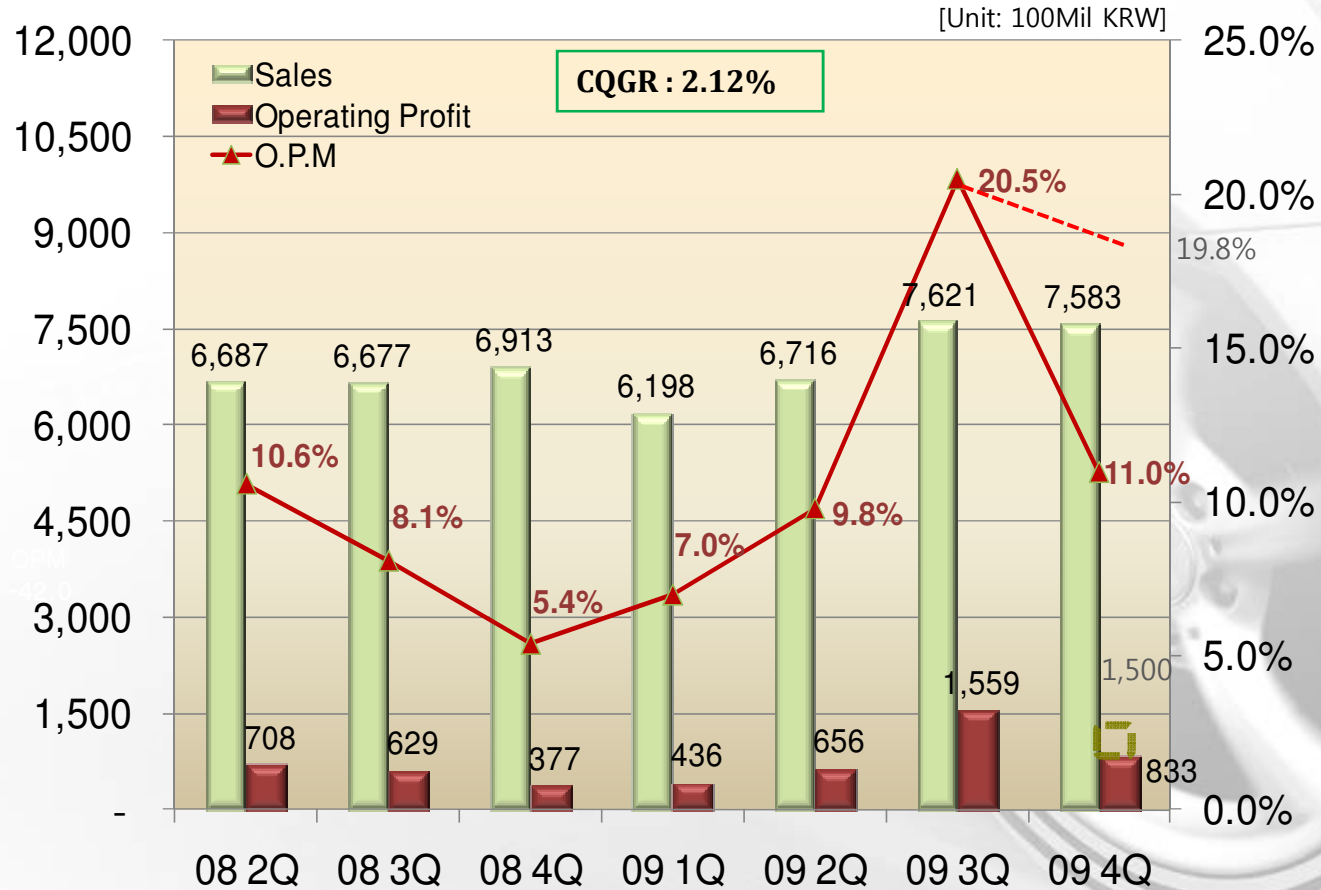
# I. 09 4Q Business Result



## 1. Consolidated Result

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

#### 1) Korea



CQGR : Compound Quarterly Growth Rate

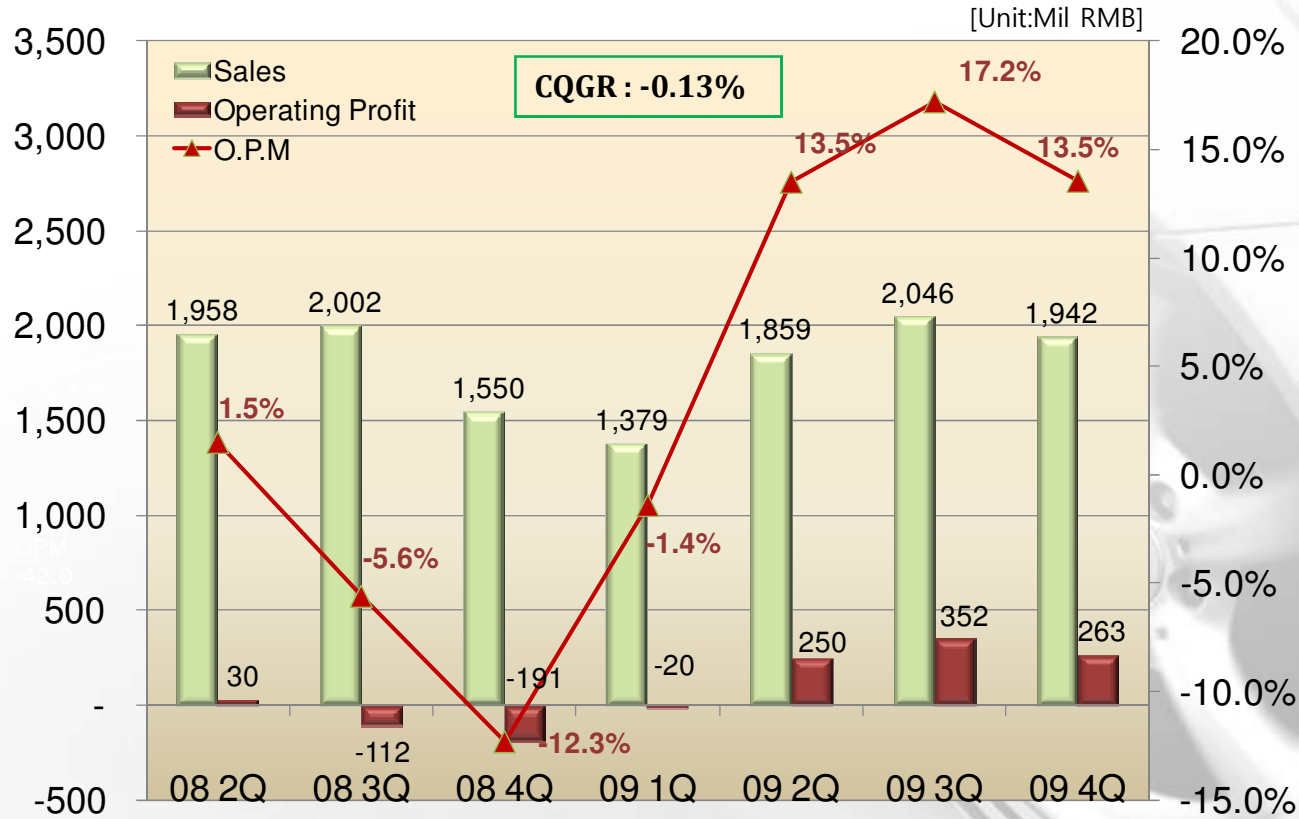
# I. 09 4Q Business Result



## 1. Consolidated Result

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

#### 2) China



CQGR : Compound Quarterly Growth Rate

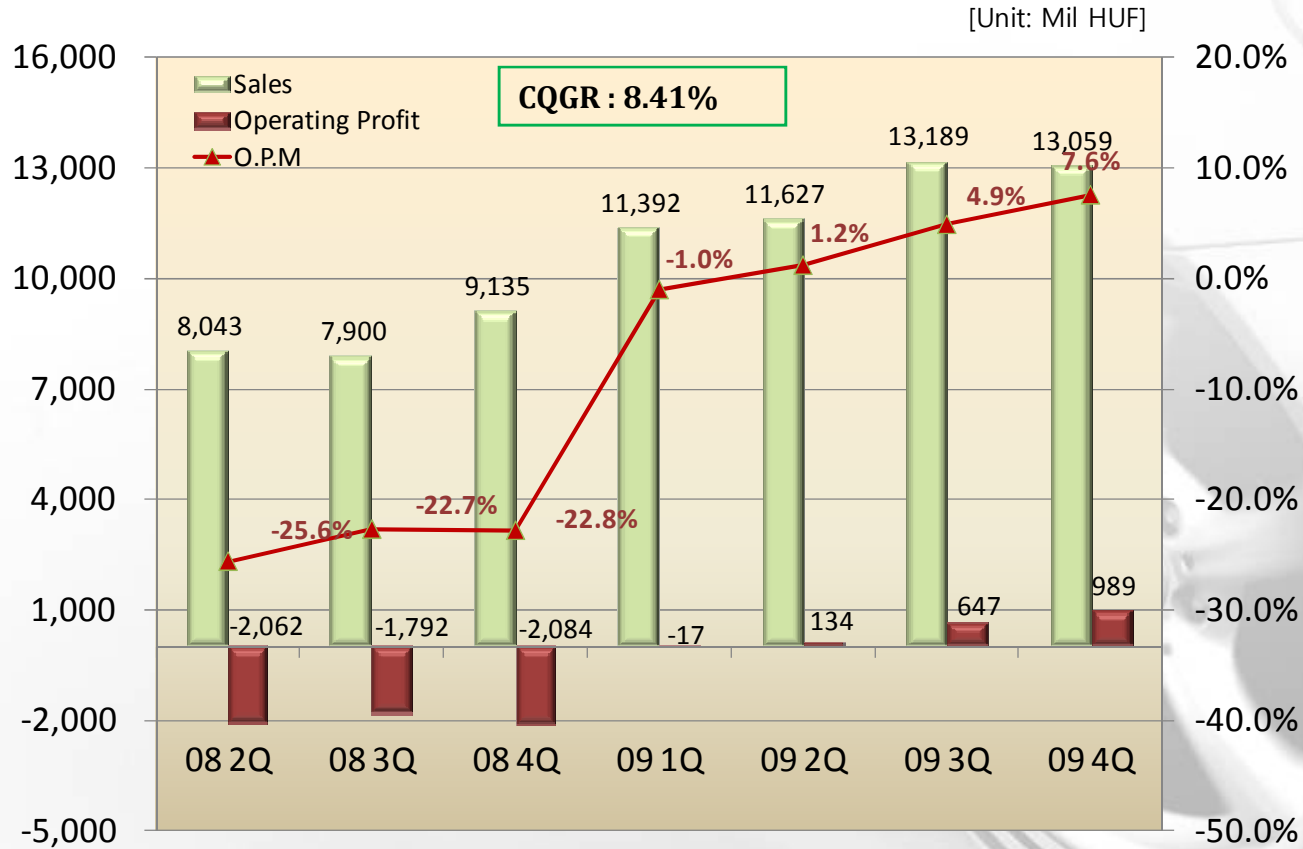
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## 1. Consolidated Result

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

#### 3) Hungary





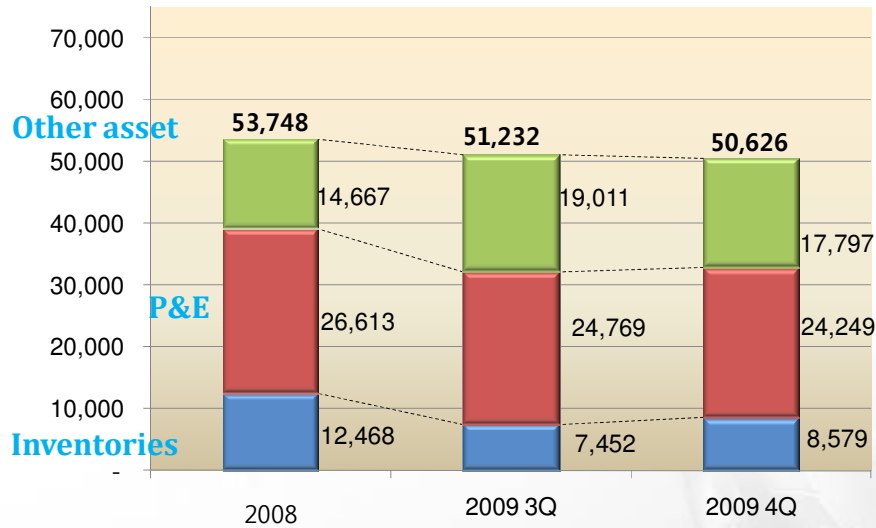
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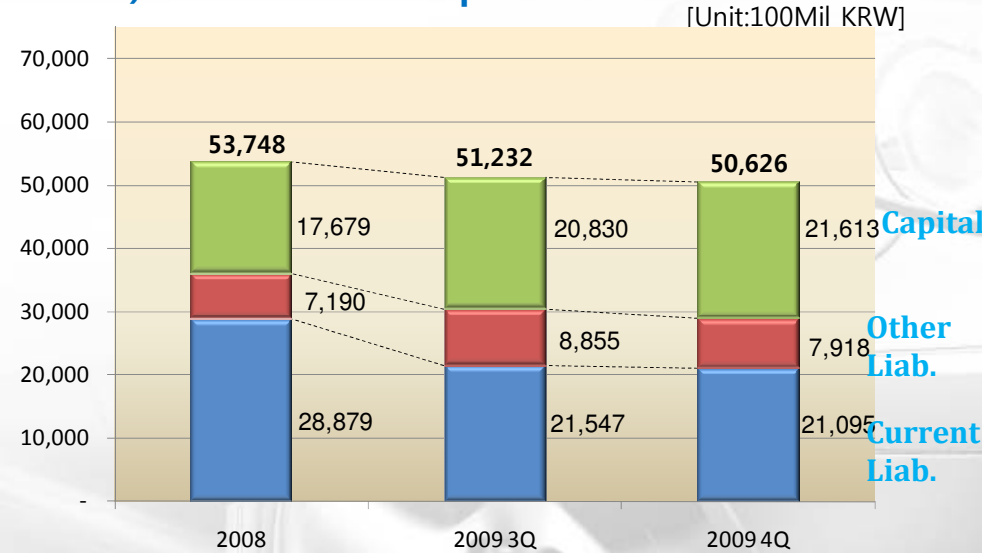
## 1. Consolidated Result

### (3) Consolidated B/S

#### 1) Asset



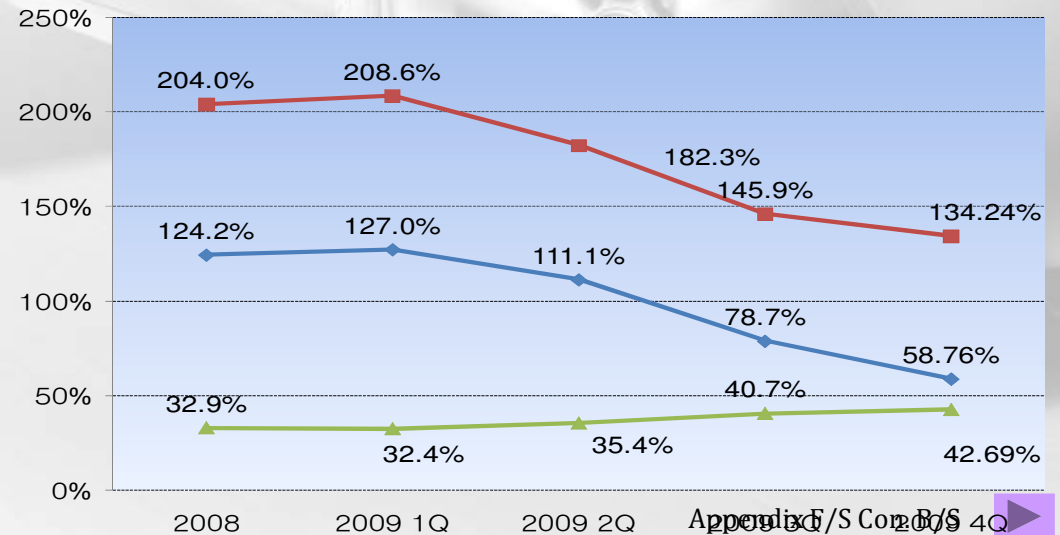
#### 2) Liabilities and Capital



#### Net Debt Ratio

#### Debt Ratio

#### Net Worth to Asset



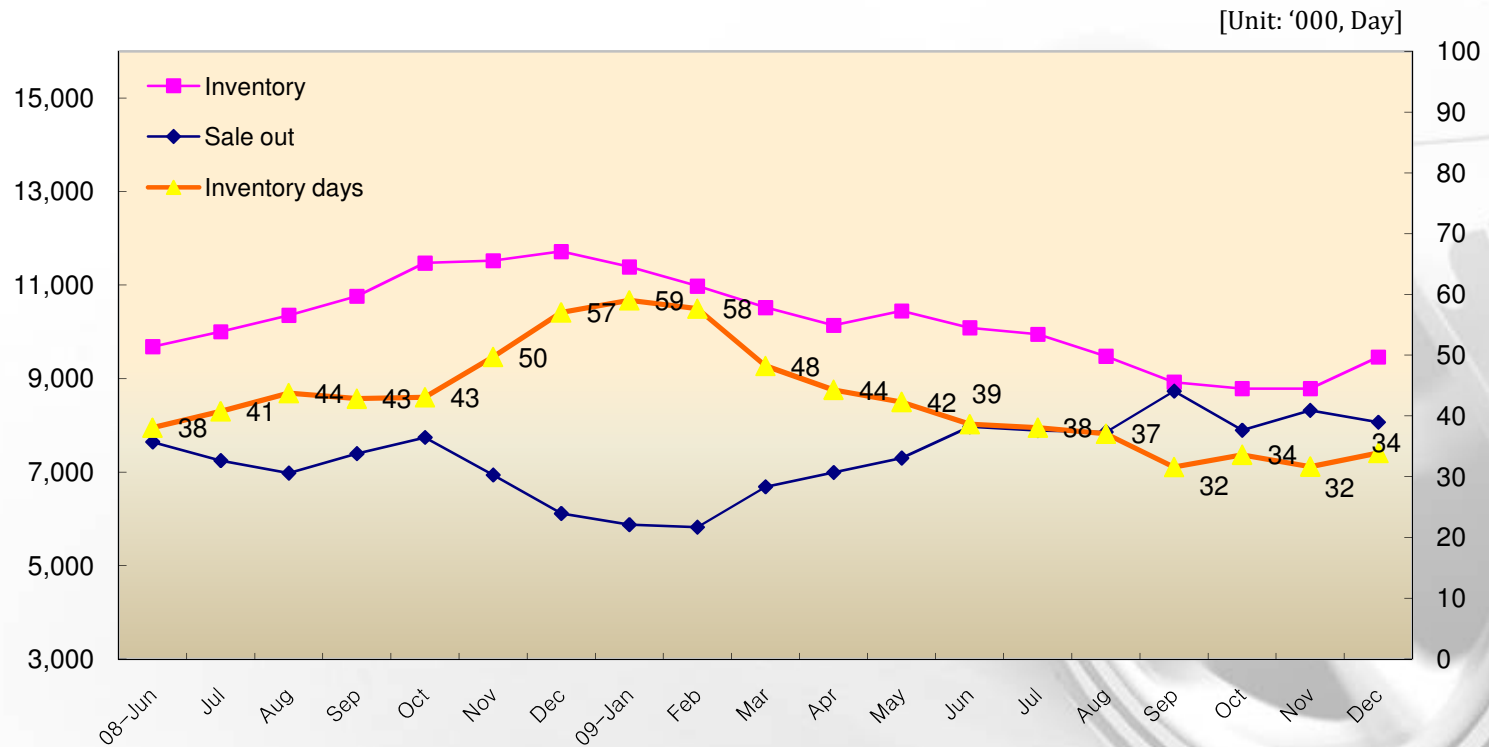
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## 1. Consolidated Result

### (4) Global Product Inventories and Capa. Utilization Rate

#### 1) Global Inventory Index



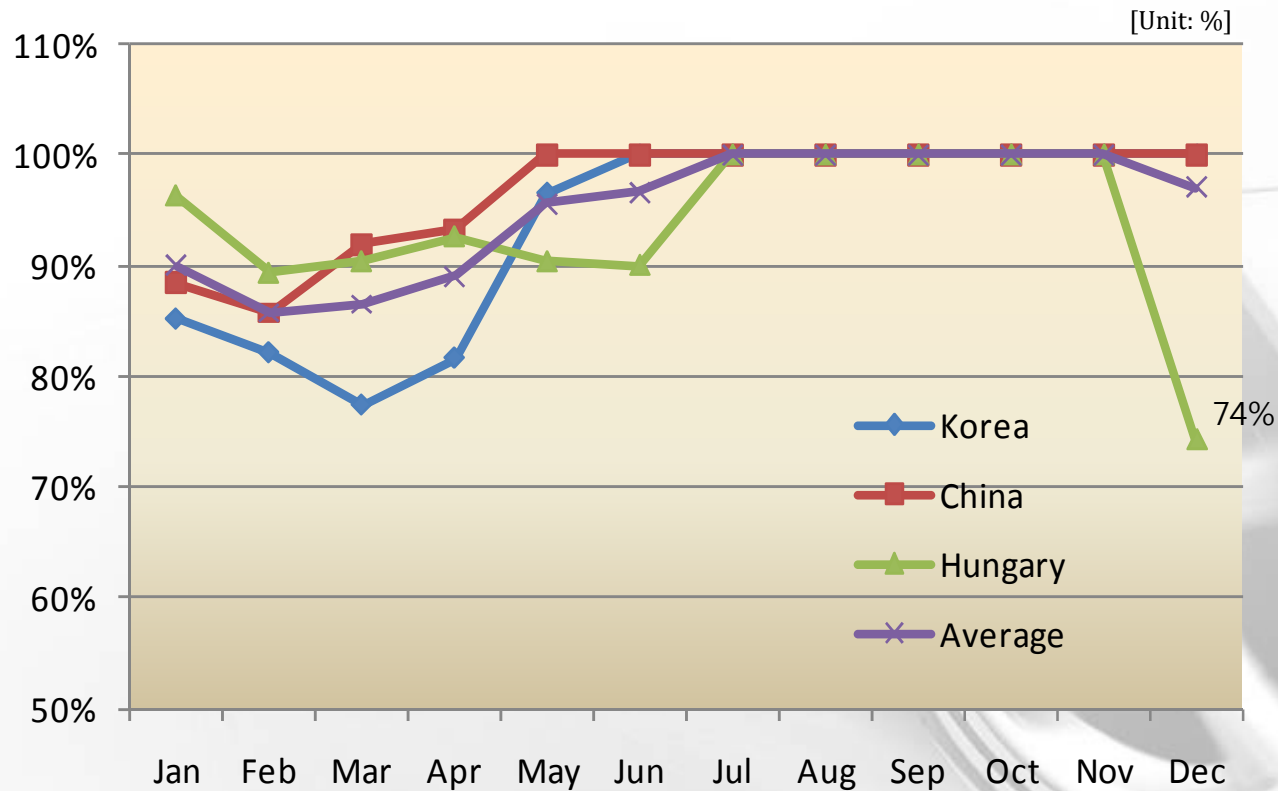
# I. 09 4Q Business Result



## 1. Consolidated Result

### (4) Global Product Inventories and Capa. Utilization Rate

#### 2) Global Capacity Utilization Rate



Hungary shut down its plant 7 days for Christmas Holiday season

# I. 09 4Q Business Result



## 1. Consolidated Result

### (5) F/X Position

[Unit: Mil USD, EUR]

Annual F/X Exposures		Korea			China			Hungary	
		USD	EUR	ETC	USD	EUR	ETC	USD	EUR
Exposures Amt.	in Cash Flow	38.9	202.9	132.0	83.3	39.6	37.9	-7.3	-49.8
	in Balance Sheet	-90.1	-42.3	28.8	-399.4	14.8	16.8	-4.4	-129.8
	Total Exposures	-51.2	160.5	160.9	-316.1	54.5	54.7	-11.7	-179.6

	08 4Q	09 1Q	09 2Q	09 3Q	09 4Q
USD/RMB	6.834	6.836	6.830	6.831	6.828
USD/KRW	1,371	1,413	1,289	1,236	1,172
EUR/KRW	1,812	1,838	1,766	1,769	1,721
EUR/HUF	263.55	293.89	285.25	271.15	271.88
HUF/KRW	6.875	6.254	6.191	6.524	6.331

※ Notice: This page doesn't show full y consolidated company result.  
The chart shows cash flows from Korea, China and Hungary production basis excluding non-tire segment and overseas sales subsidiaries

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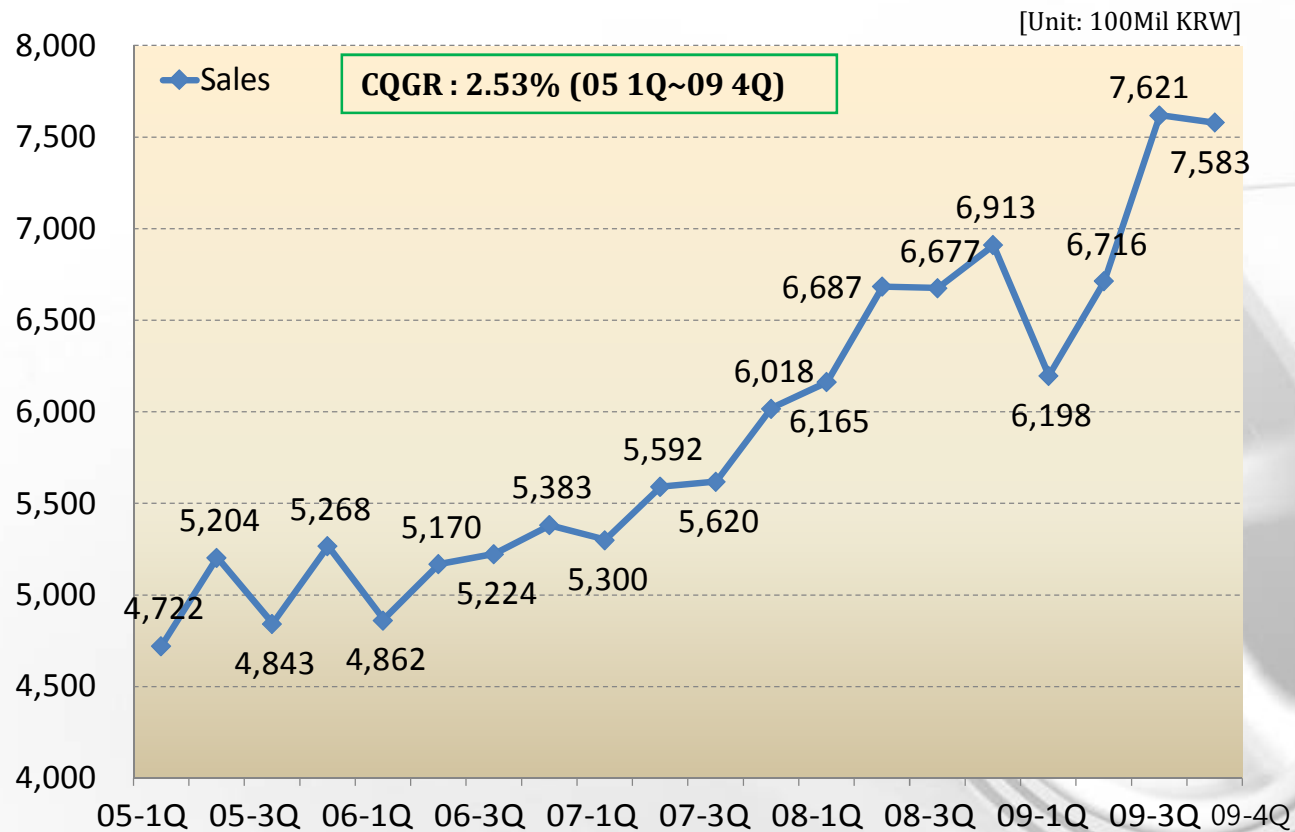
# I. 09 4Q Business Result



## 2. Parent Result

### (1) Sales and Operating Profit Trend \_ 5years

#### 1) Sales Trend



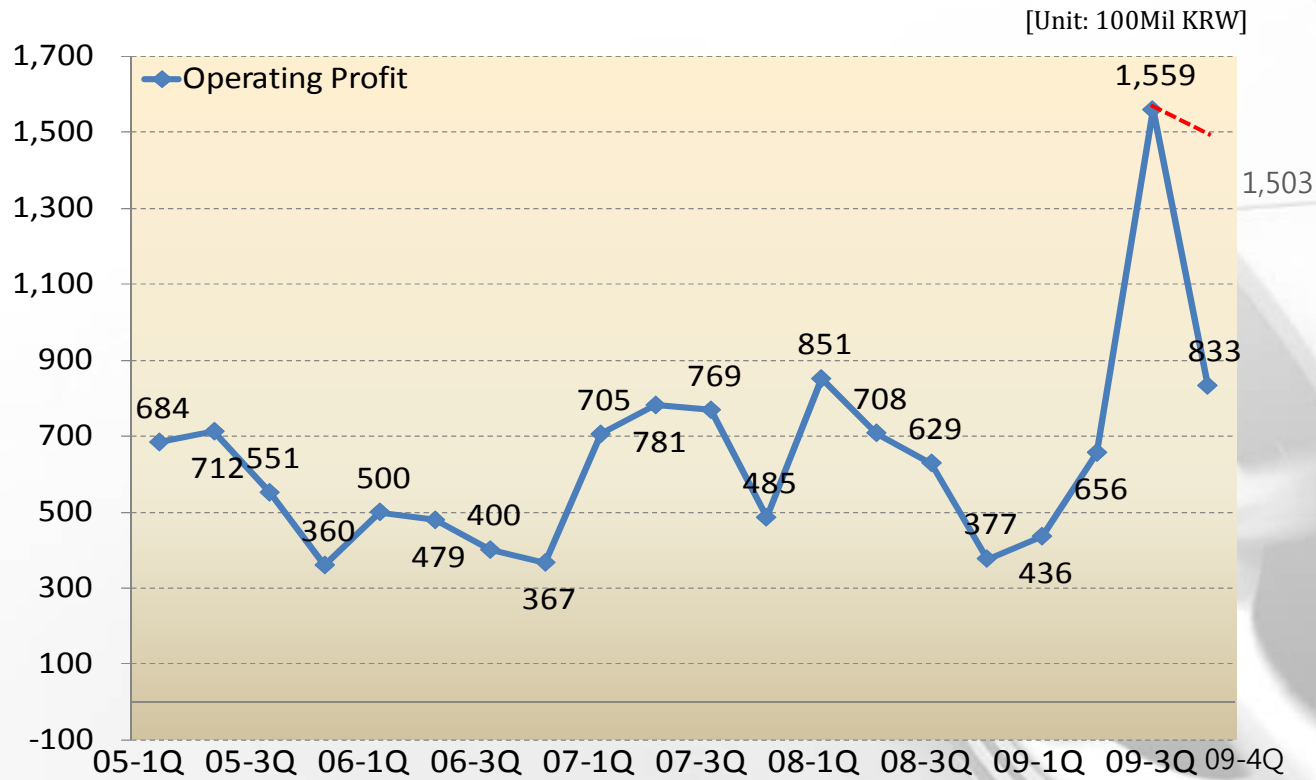
# I. 09 4Q Business Result



## 2. Parent Result

### (1) Sales and Operating Profit Trend \_ 5years

#### 2) Operating Profit Trend



# I. 09 4Q Business Result



## 2. Parent Result

### 1) Sales Breakdown by Region

[Unit:100Mil KRW]

	2008 4Q		2009 3Q		2009 4Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
<b>Export</b>	4,959	71.7	5,173	67.9	4,990	65.8	0.6	-3.5
N. America	1,271	18.4	1,601	21.0	1,842	24.3	45.0	15.1
Europe	1,159	16.8	1,497	19.6	1,093	14.4	-5.7	-27.0
Others	1,902	27.5	1,624	21.3	1,502	19.8	-21.0	-7.5
OE Local	627	9.1	452	5.9	553	7.3	-11.8	22.5
<b>Domestic</b>	1,954	28.3	2,448	32.1	2,594	34.2	32.7	6.0
<b>Total</b>	6,913	100	7,621	100	7,583	100	9.7	-0.5

### 2) UHPT Sales

[Unit:100 Mil KRW, '000unit]

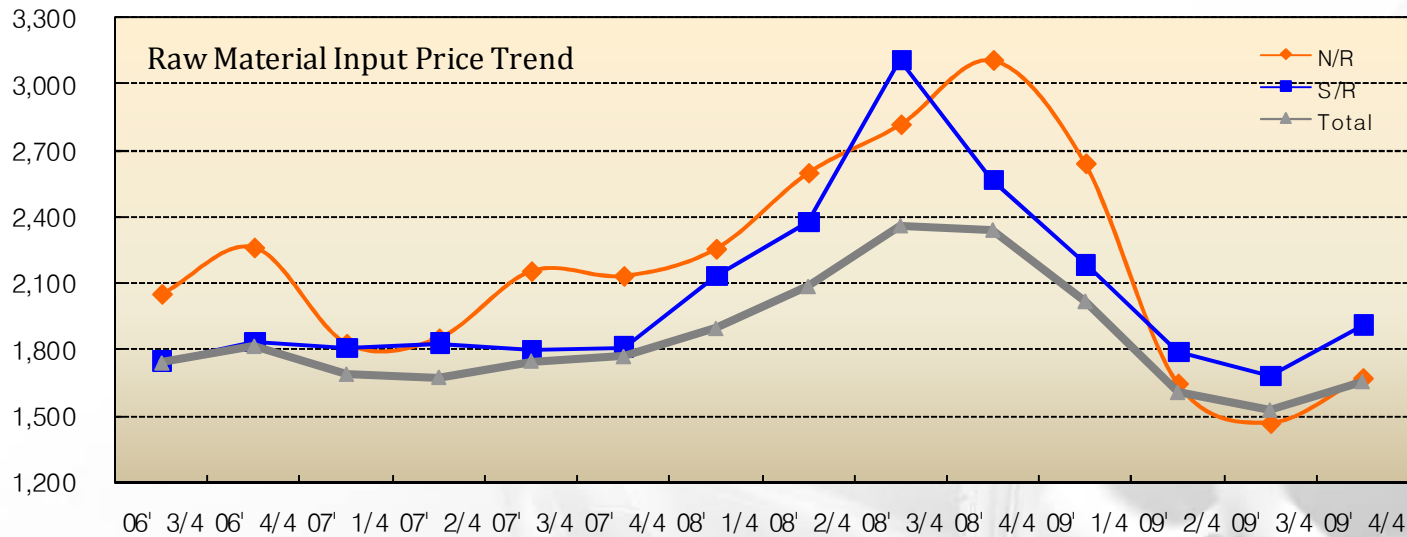
	2008 4Q		2009 3Q		2009 4Q		YoY	QoQ
	AMT.	%	AMT.	%	AMT.	%	(%)	(%)
Sales	6,913	100.0	7,621	100.0	7,583	100.0	9.7	-0.5
<b>UHPT Sales</b>	965	14.0	1,238	16.3	1,366	18.0	41.6	10.3
Domestic	160	16.6	234	18.9	287	21.0	79.2	22.5
N.America	295	30.6	386	31.1	495	36.2	67.9	28.4
Europe	300	31.1	401	32.3	321	23.5	6.9	-19.8
Others	210	21.7	218	17.6	263	19.3	25.5	20.7
UHPT Sales Unit	1,220		1,723		1,964		60.9	14.0



# I. 09 4Q Business Result



## 2. Parent Result \_ Raw Material Price



[단위:USD/ton]

	2008 4Q	2009 3Q	2009 4Q	YoY (%)	QoQ (%)
N/R	3,107	1,465	1,669	-46.3	13.9
S/R	2,568	1,683	1,913	-25.5	13.7
C/B	1,285	910	971	-24.5	6.6
T/C	4,573	4,345	4,376	-4.3	0.7
S/C	2,238	1,915	1,909	-14.7	-0.3
기타	1,980	1,599	1,646	-16.9	2.9
합 계	2,338	1,529	1,657	-29.1	8.4

# I. 09 4Q Business Result



## 2. Parent Sales \_ Major Equity Method Gain and Loss

[100 mil KRW]

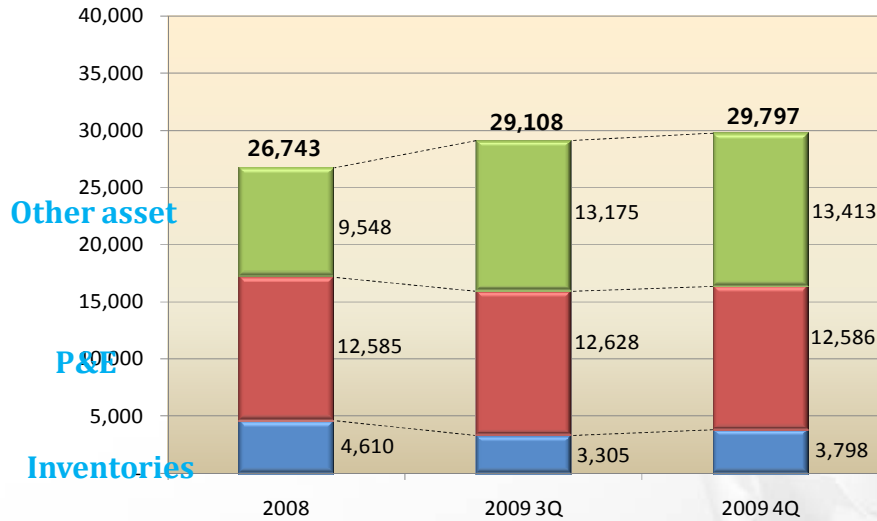
	08 1Q	08 2Q	08 3Q	08 4Q	09 1Q	09 2Q	09 3Q	09 4Q
<b>Tire</b>	<b>-363</b>	<b>-64</b>	<b>-673</b>	<b>-1,081</b>	<b>-507</b>	<b>-36</b>	<b>466</b>	<b>74</b>
China	89	-58	-282	-674	-355	76	378	122
Euro Holdings(Hungary)	-382	1	-381	-304	0	-227	-5	-5
Sales Subsidiaries	-70	-8	-9	-103	-151	115	92	-42
<b>Non-Tire</b>	<b>36</b>	<b>53</b>	<b>23</b>	<b>80</b>	<b>48</b>	<b>35</b>	<b>31</b>	<b>19</b>
<b>Total</b>	<b>-291</b>	<b>-12</b>	<b>-650</b>	<b>-1,002</b>	<b>-449</b>	<b>-2</b>	<b>497</b>	<b>94</b>

# I. 09 4Q Business Result



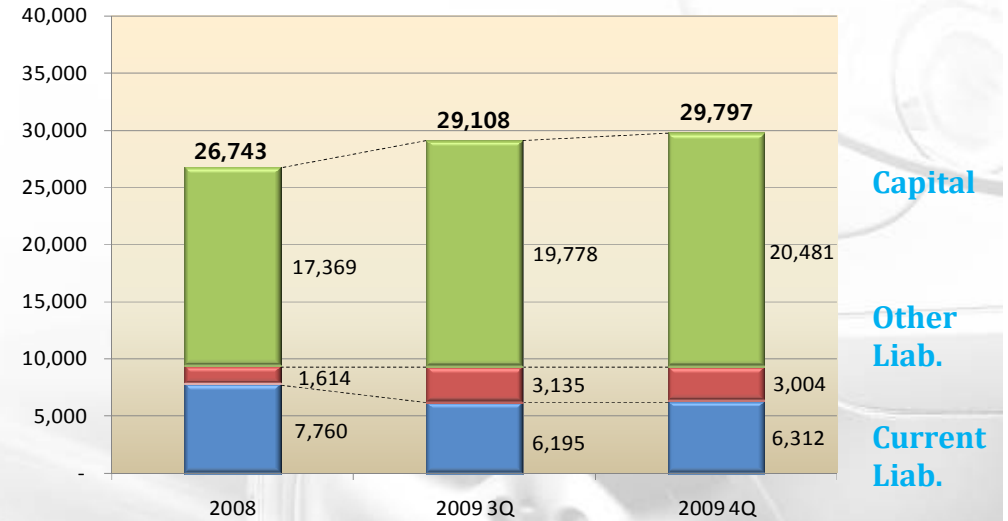
## 2. Parent Result \_ Parent B/S

### 1) Asset



### 2) Liabilities and Capital

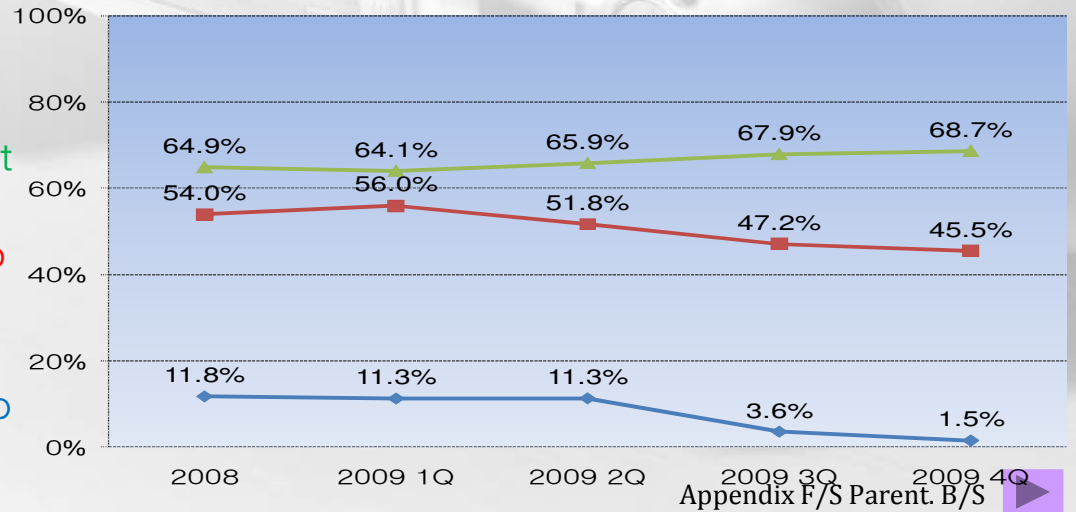
[Unit: 100Mil KRW]



Net Worth to Asset

Debt Ratio

Net Debt Ratio



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## 3. Current Issues

### (1) Raw Material Price soaring

Current Natural Rubber spot price is soaring above USD3,000/Ton. Comparing to the lowest market price in 2009, N/R price has been doubled already.

According to internal research report and industry news, reasons why N/R price is strong are (1) N/R producing official bodies/countries including Thailand are attempting to stabilize its price through intervening N/R market after early 2009 (2) Unusual seasonality-Wintering lasted much longer than usual in the early this year (3) Economy began to recover and it might lead higher demand on commercial vehicles.

In Asian market, Synthetic Rubber price came up to USD1,358/Ton currently. It is relatively stable. 2008 average S/R price was USD2,074/Ton.

By the way, strong demand from China may be a tailwind to boost further price hike

Our planning assumption for 2010 average input price is 19.8% higher than 2009 price.

### (2) Hiking up Product Price

Nov. 2009~ Mar 2010, Company expects to raise average product price as much as 5.1% globally.

2010 global price hike target: Total 11% (USD term)

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## II. 2010 Business Target



### 1. Global Target

#### (1) Global (Tire Business Only)

[Unit: 100Mil KRW]

	2009		2010		YoY (%)
	Amt.	%	Amt.	%	
Sales	48,099	100.0	50,954	100.0	5.9
COGS	33,636	69.9	35,199	69.1	4.6
Gross Profit	14,463	30.1	15,755	30.9	8.9
SG&A	8,970	18.6	10,252	20.1	14.3
O.P margin	5,493	11.4	5,502	10.8	0.2
EBITDA	9,193	19.1	9,195	18.0	0.0
Depreciation	3,700	7.7	3,693	7.2	-0.2

#### (2) Korea (Tire Business Only)

[Unit: 100Mil KRW]

	2009		2010		YoY (%)
	Amt.	%	Amt.	%	
Sales	28,119	100.0	31,831	100.0	13.2
COGS	19,630	69.8	22,255	69.9	13.4
Gross Profit	8,488	30.2	9,576	30.1	12.8
SG&A	5,004	17.8	5,581	17.5	11.5
O.P margin	3,484	12.4	3,995	12.6	14.7
EBITDA	5,185	18.4	5,839	18.3	12.6
Depreciation	1,701	6.1	1,844	5.8	8.4

## II. 2010 Business Target



### 1. Global Target

#### (3) China (Tire Business Only)

[Unit: Mil RMB]

	2009		2010		YoY (%)
	Amt.	%	Amt.	%	
Sales	7,248	100.0	8,315	100.0	14.7
COGS	5,264	72.6	6,462	77.7	22.7
Gross Profit	1,983	27.4	1,854	22.3	-6.5
SG&A	1,110	15.3	1,269	15.3	14.3
O.P margin	873	12.0	584	7.0	-33.1
EBITDA	1,388	19.1	1,112	13.4	-19.8
Depreciation	514	7.1	528	6.4	2.7

#### (4) Hungary (Tire Business Only)

[Unit: Mil HUF]

	2009		2010		YoY (%)
	Amt.	%	Amt.	%	
Sales	48,550	100.0	51,836	100.0	6.8
COGS	40,447	83.3	45,550	87.9	12.6
Gross Profit	8,104	16.7	6,286	12.1	-22.4
SG&A	6,933	14.3	7,177	13.8	3.5
O.P margin	1,171	2.4	-891	-1.7	-176.1
EBITDA	10,771	22.2	10,032	19.4	-6.9
Depreciation	9,600	19.8	10,923	21.1	13.8



## II. 2010 Business Target



### 2. Global Target \_ Planning Assumption

#### (1) F/X

	2009	2010	YoY (%)
USD/KRW	1,278.78	1,100.00	-14.0
EUR/USD	1.39	1.44	3.6
EUR/KRW	1,722.45	1,584.00	-8.0
USD/RMB	6.83	6.75	-1.2
EUR/HUF	280.45	265.00	-5.5

#### (2) Sales Unit / Working Day

	2009	2010	YoY (%)
	[Unit: '000, Day]		
Korea	38,732	45,692	18.0
China	25,836	28,260	9.4
Hungary	5,218	5,662	8.5
<b>Total</b>	<b>69,786</b>	<b>79,614</b>	<b>14.1</b>
Target Workday			
Korea	328	351	7.2
China	341	352	3.4
Hungary	326	345	5.8

## II. 2010 Business Target



### 2. Global Target \_ Planning Assumption

#### (3) Raw Material Price

[Unit:USD/Ton]

	2009	2010	YoY (%)
N/R	1,883	2,448	30.0
S/R	1,895	2,443	28.9
C/B	995	1,199	20.5
T/C	4,568	4,673	2.3
S/C	1,989	2,099	5.5
Etc.	1,740	1,952	12.2
<b>W-Average P</b>	<b>1,755</b>	<b>2,102</b>	<b>19.8</b>

#### (4) Capex

[Unit: 100Mil KRW]

		2009	2010	YoY (%)
Korea	Expansion	1,142	564	-50.7
	Maintenance	1,032	1,886	82.7
	Sub Total	2,174	2,449	12.6
China	Expansion	46	286	522.1
	Maintenance	417	711	70.5
	Sub Total	463	997	115.3
Hungary	Expansion	168	2,770	1544.2
	Maintenance	163	174	6.7
	Sub Total	332	2,944	787.6
<b>Total</b>		<b>2,969</b>	<b>6,390</b>	<b>115.2</b>

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## 1. Korea I/S

[Unit: 100 Mil KRW]

	2008 4Q		2009 3Q		2009 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	6,913	100.0	7,621	100.0	7,583	100.0	9.7	-0.5
COGS	5,144	74.4	4,890	64.2	5,163	68.1	0.4	5.6
Gross Profit	1,769	25.6	2,731	35.8	2,420	31.9	36.8	-11.4
SG&A	1,393	20.1	1,171	15.4	1,587	20.9	14.0	35.5
O.P margin	377	5.4	1,559	20.5	833	11.0	121.1	-46.6
Non-operating	-822	-11.9	795	10.4	407	5.4	-	-48.8
Ordinary Profit	-445	-6.4	2,355	30.9	1,240	16.4	-	-47.3
EBITDA	840	12.1	2,783	36.5	1,355	17.9	61.3	-51.3
Depreciation	463	6.7	428	5.6	522	6.9	12.7	21.9

## 2. Korea IS\_SG&A / Non OP Gain and Loss Detail

[Unit:100 Mil KRW]

	2008 4Q (a)	2009 3Q	2009 4Q (b)	Diff. (b-a)
<b>SG&amp;A</b>				
Salaries	272	273	477	206
Ocean Freight	250	184	182	-69
Product Warranty Expense	66	20	50	-16
Employee Benefits	40	37	33	-7
Export Sales Expenses	20	22	23	4
Depreciation	94	84	96	2
Advertising Expenses	221	155	273	51
Others	430	397	454	23
<b>Total</b>	<b>1,393</b>	<b>1,171</b>	<b>1,587</b>	<b>195</b>
<b>Non-Operating</b>				
Equity Method gain/loss	-1,012	494	94	1,106
Foreign Currency Transac	-386	22	48	435
Foreign Exchange Transac	397	51	-3	-400
Import Royalty	234	213	202	-31
Others	-54	15	66	119
<b>Total</b>	<b>-822</b>	<b>795</b>	<b>407</b>	<b>1,229</b>

## 3. China I/S

[Unit: Mil RMB]

	2008 4Q		2009 3Q		2009 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	1,550	100.0	2,046	100.0	1,942	100.0	25.3	-5.1
COGS	1,465	94.5	1,395	68.2	1,386	71.3	-5.4	-0.7
Gross Profit	85	5.5	651	31.8	557	28.7	554.2	-14.5
SG&A	275	17.8	299	14.6	294	15.1	6.7	-1.7
O.P margin	-190	-12.3	352	17.2	263	13.5	-	-25.3
Non-operating	-156	-10.1	-79	-3.8	-197	-10.1	-	-
Ordinary Profit	-347	-22.4	273	13.4	66	3.4	-	-75.7
EBITDA	-56	-3.6	482	23.6	395	20.4	-	-18.0
Depreciation	134	8.6	130	6.4	132	6.8	-0.9	1.6

## 4. China IS\_SG&A / Non OP Gain and Loss Detail

[Unit:Mil RMB]

	2008 4Q (b)	2009 3Q	2009 4Q (b)	Diff. (b-a)
<b>SG&amp;A</b>	275.3	299.0	293.8	11.7
Salaries	21.1	26.8	28.6	-11.9
Sales Promotion	0.0	0.0	0.0	18.5
Royalty Expense	59.2	77.1	73.7	-6.2
Cunsulting	10.4	15.8	13.7	1.8
Export Commission	25.0	23.2	18.2	-8.2
Depreciation	15.3	13.5	14.3	-0.9
Domestic Transportation	34.6	43.9	46.0	-1.0
Advertising Expenses	8.9	13.0	16.5	-1.4
Others	100.8	85.7	82.8	21.0
<b>Non-Operating Gain &amp; Loss</b>	-156.3	-78.6	-196.7	-109.9
<b>Non-operating income</b>	79.4	45.1	45.3	-107.9
Foreign currency translation gain/loss	8.8	21.7	19.7	-57.5
Others	70.6	23.3	25.5	-50.5
<b>Non-operating expenses</b>	235.7	123.7	241.9	1.9
Interest expense	78.6	58.5	34.8	3.4
others	157.1	65.2	207.1	-1.5

## 5. Hungary I/S

[Unit: Mil HUF]

	2008 4Q		2009 3Q		2009 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	9,135	100.0	13,189	100.0	13,059	100.0	43.0	-1.0
COGS	9,748	106.7	10,815	82.0	10,377	79.5	6.5	-4.1
Gross Profit	-613	-6.7	2,374	18.0	2,682	20.5	-	13.0
SG&A	1,471	16.1	1,727	13.1	1,693	13.0	15.0	-2.0
O.P margin	-2,084	-22.8	647	4.9	989	7.6	-	53.0
Non-operating	-6,555	-71.8	-154	-1.2	-369	-2.8	-	139.7
Ordinary Profit	-8,640	-94.6	493	3.7	620	4.7	-	25.9
EBITDA	318	3.5	3,063	23.2	3,434	26.3	980.5	12.1
Depreciation	2,402	26.3	2,416	18.3	2,445	18.7	1.8	1.2



## 6. Consolidated I/S

[Unit: 100 Mil KRW]

	2008 4Q		2009 3Q		2009 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	12,126	100.0	14,399	100.0	13,299	100.0	9.7	-7.6
COGS	9,594	79.1	9,558	66.4	9,017	67.8	-6.0	-5.7
Gross Profit	2,532	20.9	4,842	33.6	4,282	32.2	69.1	-11.6
SG&A	2,492	20.5	2,092	14.5	2,720	20.4	9.1	30.0
O.P margin	40	0.3	2,750	19.1	1,562	11.7	-	-43.2
Non-operating	-708	-5.8	-11	-0.1	-217	-1.6	-	-
Ordinary Profit	-667	-5.5	2,738	19.0	1,345	10.1	-	-50.9
EBITDA	1,265	10.4	3,757	26.1	2,514	18.9	98.7	-33.1
Depreciation	1,224	10.1	1,007	7.0	951	7.2	-22.3	-5.6

## 7. Korea B/S

[Unit:100 Mil KRW]

	End of 2008		2009 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
<b>Assets</b>	26,742	100.0	29,797	100.0	3,054	11.4
Current Assets	10,016	37.5	12,583	42.2	2,566	25.6
Quick Assets	5,406	20.2	8,785	29.5	3,379	62.5
Inventories	4,610	17.2	3,798	12.7	-813	-17.6
Non-current Asset	16,726	62.5	17,214	57.8	488	2.9
Investment Assets	4,085	15.3	4,618	15.5	532	13.0
Property&Equipment	12,447	46.5	12,586	42.2	140	1.1
Intangible Assets	55	0.2	11	0.0	-45	-81.0
<b>Liabilities</b>	9,374	35.1	9,316	31.3	-58	-0.6
Current Liabilities	7,760	29.0	6,312	21.2	-1,448	-18.7
Non-current Liabilities	1,614	6.0	3,004	10.1	1,390	86.1
<b>Capital</b>	17,369	64.9	20,481	68.7	3,112	17.9
Net Debt	2,049		307		-1,742	-85.0
Net Debt ratio		11.8%		1.5%		
Debt Ratio		54.0%		45.5%		
Net worth to Assets		64.9%		68.7%		

## 8. Consolidated B/S

[Unit:100 Mil KRW]

	End of 2008		2009 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
<b>Assets</b>	53,748	100.0	50,626	100.0	-3,122	-5.8
Current Assets	25,347	47.2	24,392	48.2	-955	-3.8
Quick Assets	12,879	24.0	15,812	31.2	2,933	22.8
Inventories	12,468	23.2	8,579	16.9	-3,888	-31.2
Non-current Asset	28,401	52.8	26,234	51.8	-2,167	-7.6
Investment Assets	1,579	2.9	1,744	3.4	164	10.4
Property&Equipment	26,613	49.5	24,249	47.9	-2,364	-8.9
Intangible Assets	208	0.4	241	0.5	33	15.8
<b>Liabilities</b>	36,069	67.1	29,013	57.3	-7,056	-19.6
Current Liabilities	28,879	53.7	21,095	41.7	-7,784	-27.0
Non-current Liabilities	7,190	13.4	7,918	15.6	728	10.1
<b>Capital</b>	17,679	32.9	21,613	42.7	3,934	22.3
Net Debt	21,949		12,699		-9,251	-42.1
Net Debt ratio		124.2%		58.8%		
Debt Ratio		204.0%		134.2%		
Net worth to Assets		32.9%		42.7%		

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