

*2010 Hankook Tire
4th Quarter Result
2011 Business Target*

IR
2011.01.28
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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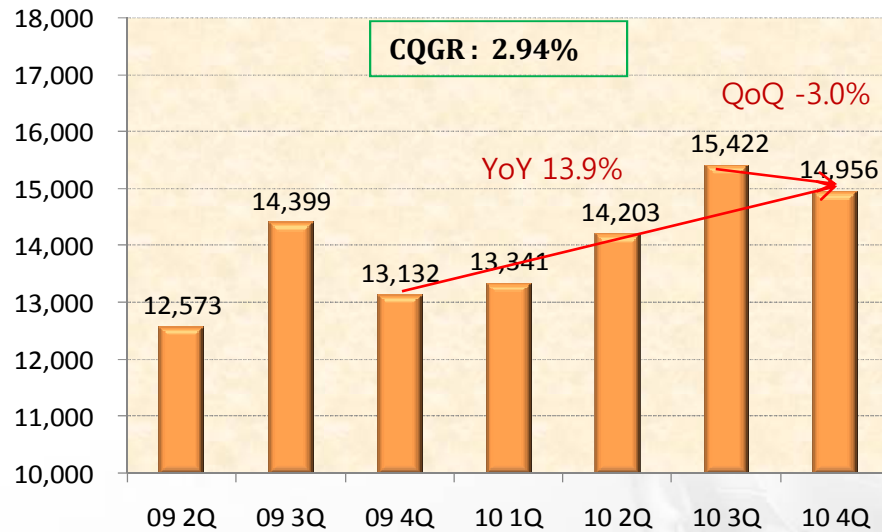
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1. Consolidated Result



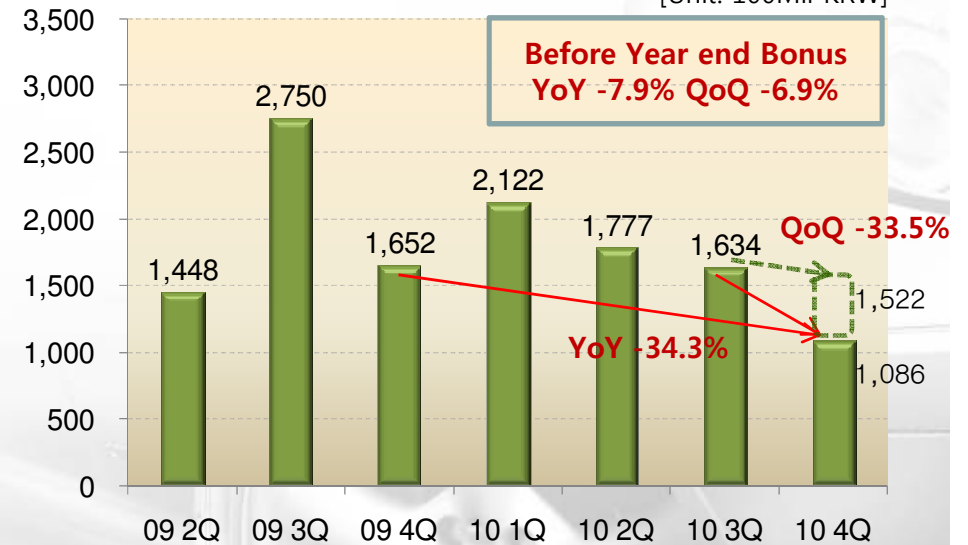
(1) Consolidated Sales and Operating Profit Trend

1) Consolidated Sales



2) Con. Operating Profit

[Unit: 100Mil KRW]



Consolidated Sales : ① Global Sales Volume:

YoY- Volume 8.4% ↑, USD/KRW 5.0% ↓, EUR/KRW 10.6 ↓

QoQ- Volume 4.5% ↑, USD/KRW 5.6% ↓, EUR/KRW 0.6% ↓

② ASP hike: Domestic EU RE 5.6% ↑ QoQ, Domestic China RE 1.7% ↑ QoQ,
Domestic Korea RE-EXP ASP 5.2% ↑ QoQ (Local currency based ASP)

③ CQGR (of last 7 quarters) 2.94%

④ Global Product Inventory slightly increased to 29 days from 28 days in 10 3Q

Consolidated Operating Profit: O.P has been decreased 5.3%p, due to Raw Material Input price hike 38.2% YoY.

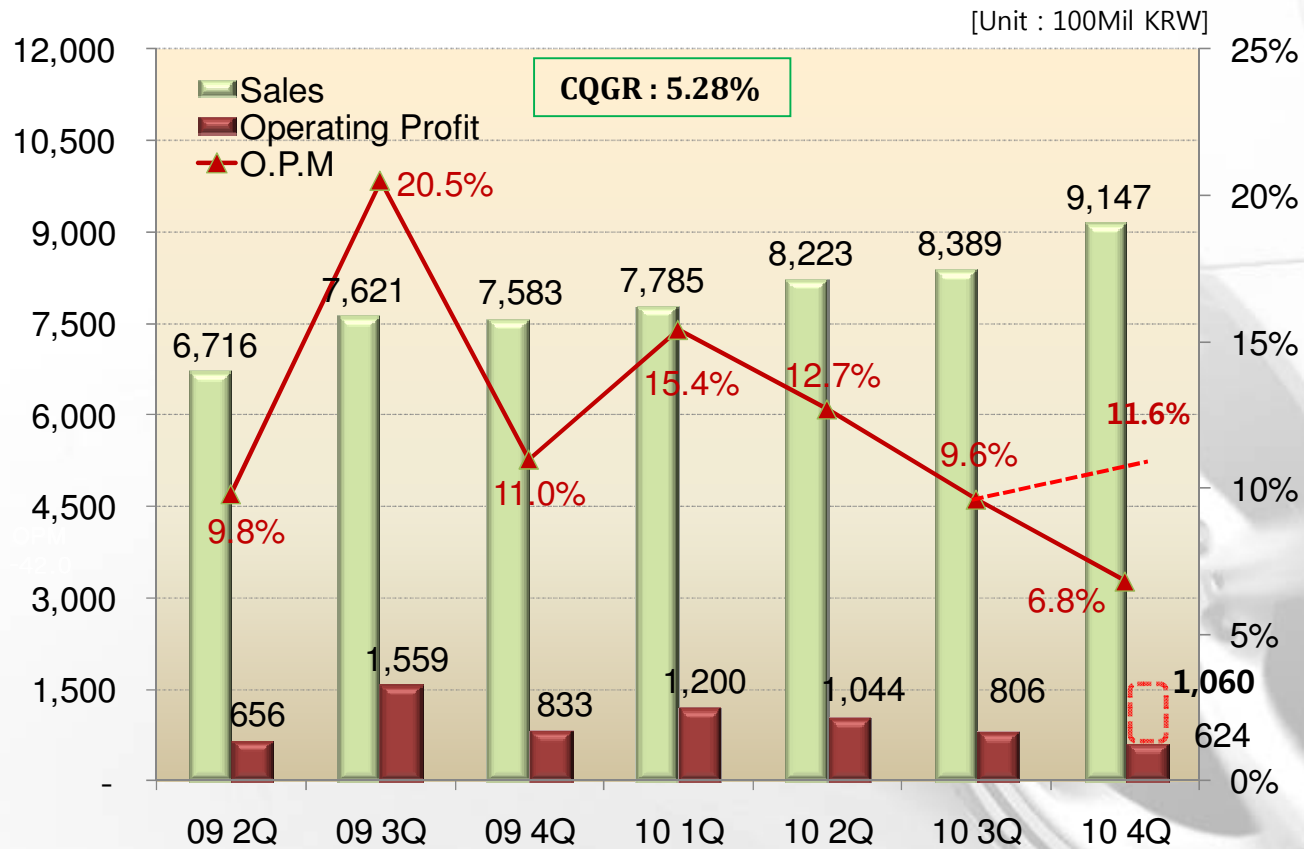


1. Consolidated Result



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

1) Korea



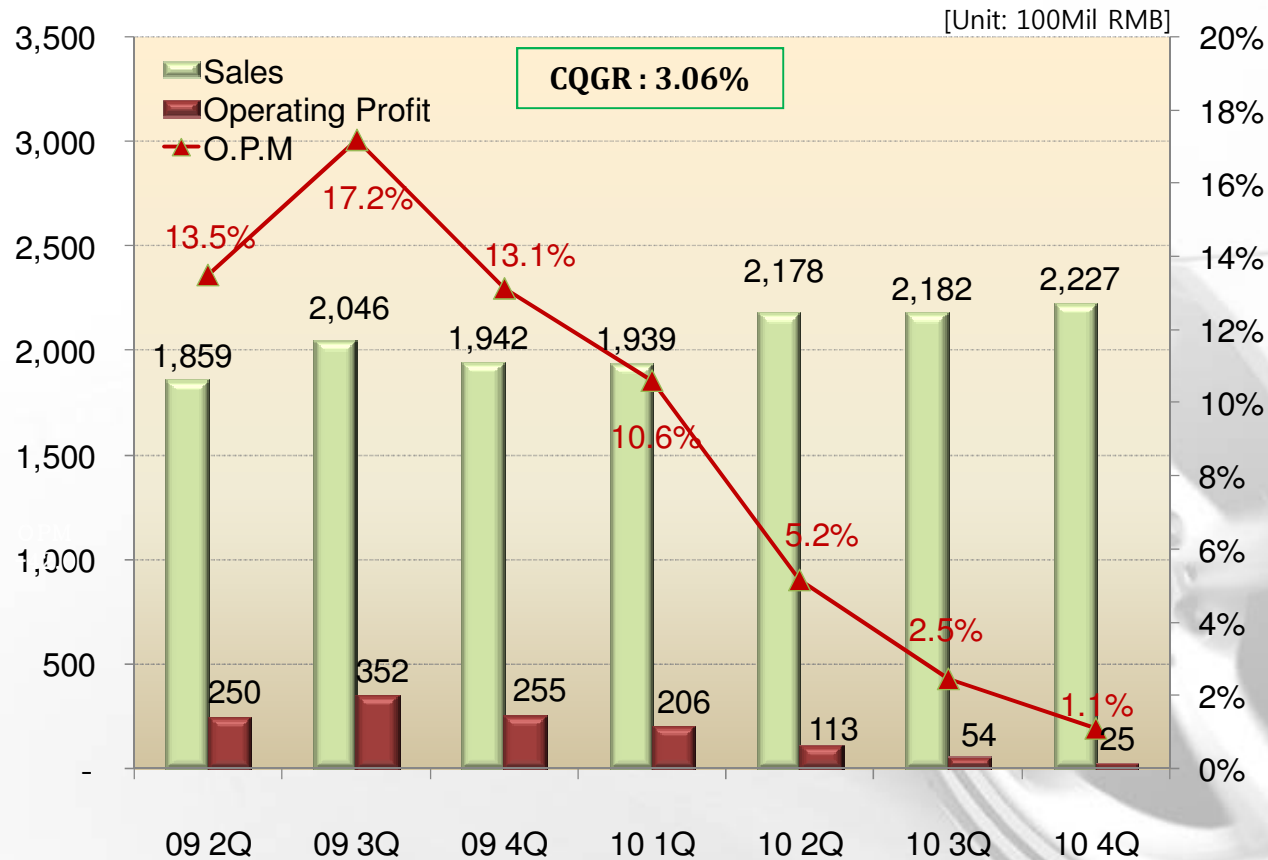
10 4Q O.P and OPM before Year end bonus KRW106Bil /11.6%*

1. Consolidated Result



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

2) China

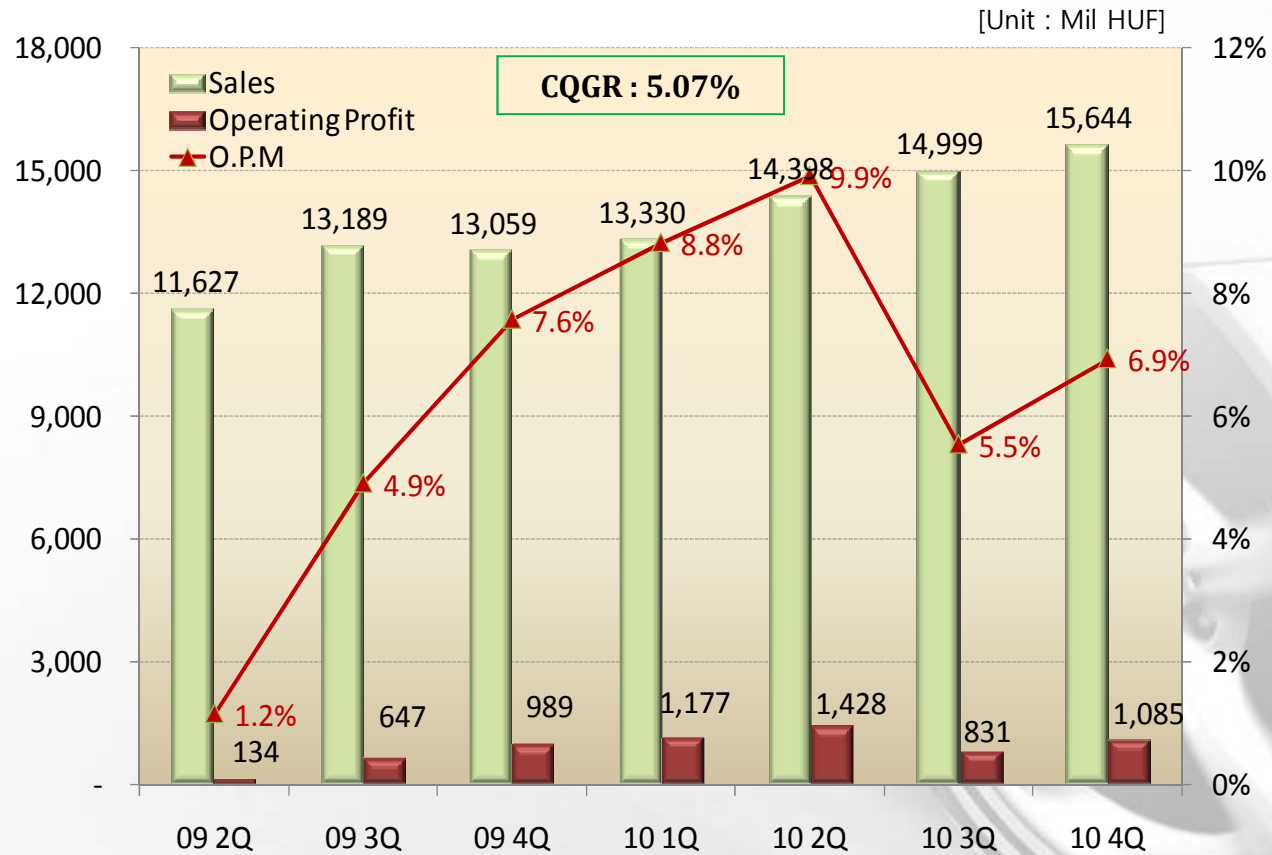


1. Consolidated Result



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

3) Hungary

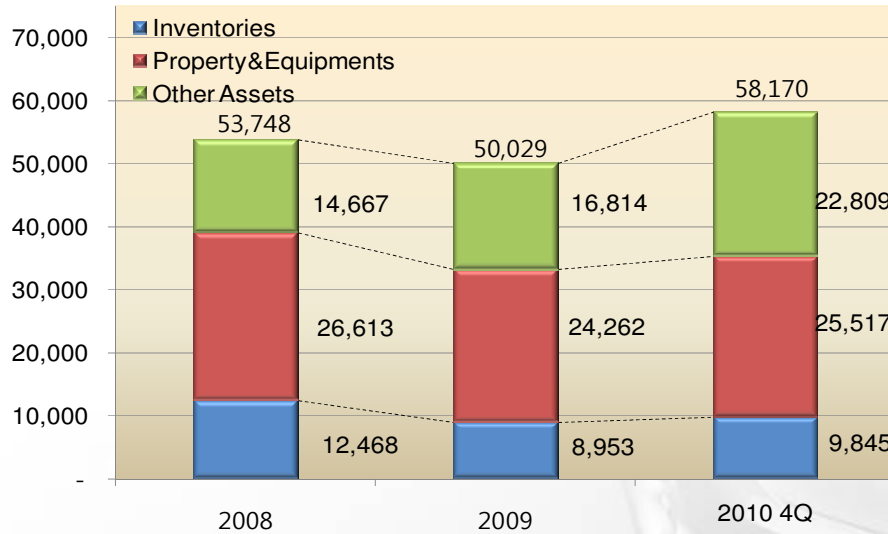


1. Consolidated Result



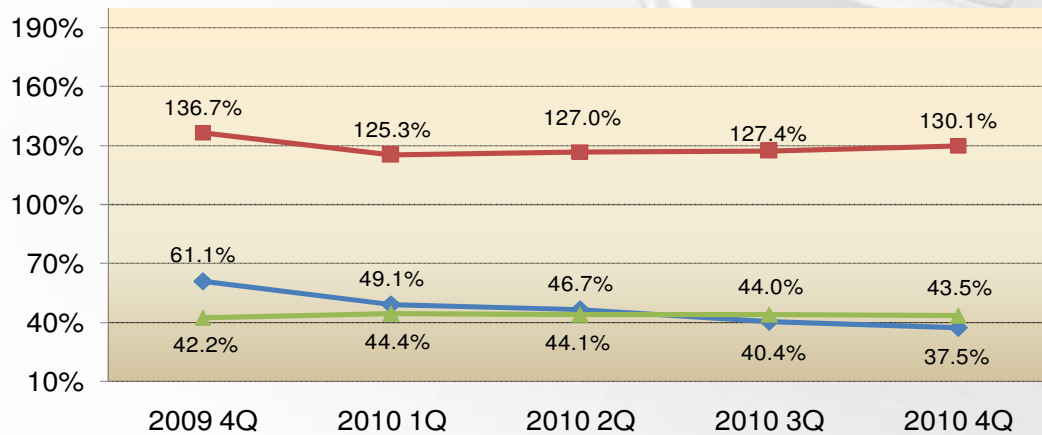
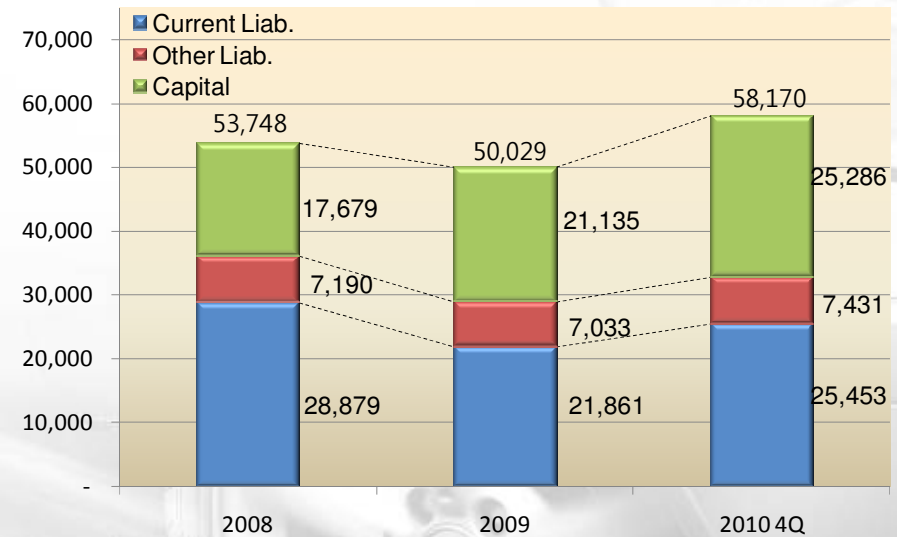
(3) Consolidated B/S

1) Asset



2) Liabilities and Capital

[Unit : 100Mil KRW]



Debit Ratio

Net Worth to Asset

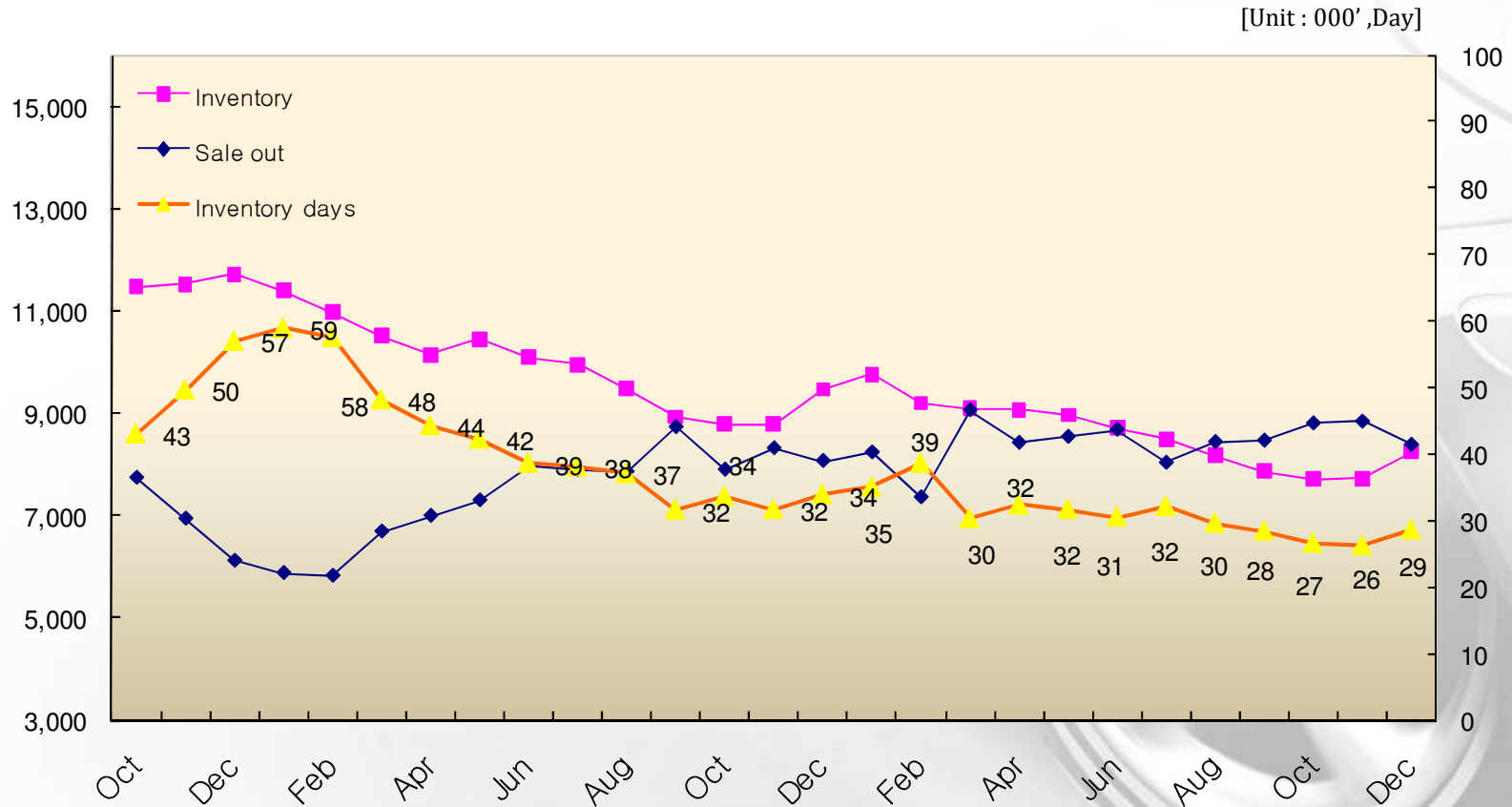
Net Debt Ratio

1. Consolidated Result



(4) Global Product Inventories and Capa. Utilization Rate

1) Global Inventory Index

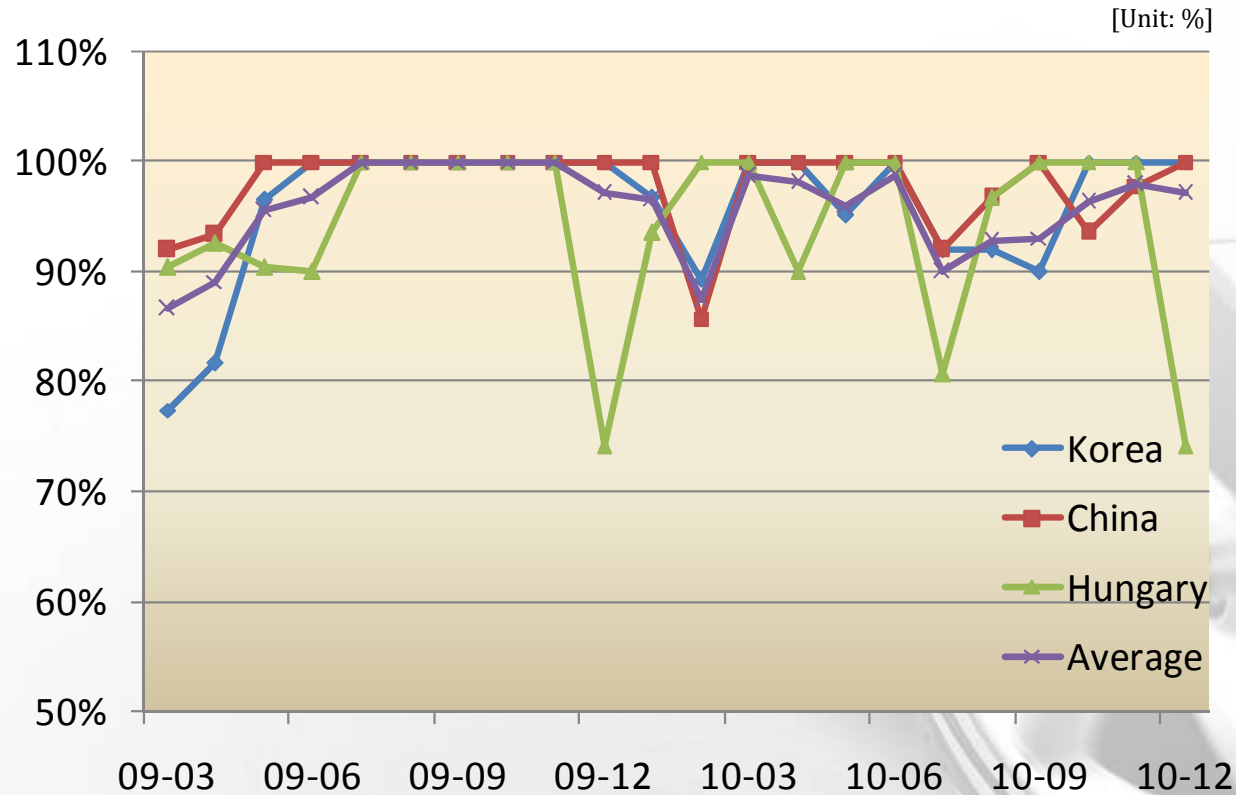


1. Consolidated Result



(4) Global Product Inventories and Capa. Utilization Rate

2) Global Capacity Utilization Rate



China : Closed 2 days for National Celebration Day
Hungary : Closed for 8 days for Christmas Holidays

1. Consolidated Result



(5) F/X Position

[Unit: Mil USD, Mil EUR]

Annual F/X Position	Korea			China			Hungary		Total		
	USD	EUR	Other Currency	USD	EUR	Other Currency	USD	EUR	USD	EUR	Other Currency
Net Cash Flow F/X Position	-359	390	138	-159	70	37	-39	-122	-557	338	176
B/S F/X Position	-113	-20	50	-444	9	3	-3	-207	-560	-218	53
Total Exposures	-472	371	188	-604	79	40	-42	-329	-1,117	120	229

Summing up Hankook Global F/X Position, HK benefiting WEAK USD and STRONG Cross Currency vs KRW. Company may keep current F/X Position structure

Korea increasing some amt. of Short USD/KRW position due to future CAPEX

China operation has prepared "RMB appreciation" rather than weakness. will keep current amt. of USD denominated Loan/Dept for a while.

Hungary: WEAK EUR/HUF impact on Hungary Non-O.P Negatively in Q4.

	09 4Q	10 1Q	10 2Q	10 3Q	10 4Q
USD/KRW	1,172	1,143	1,170	1,179	1,133
EUR/KRW	1,721	1,572	1,481	1,528	1,540
USD/RMB	6.828	6.827	6.824	6.771	6.662
EUR/HUF	271.88	265.22	285.26	276.26	279.33
HUF/KRW	6.331	5.927	5.192	5.530	5.514

※ Notice: This page doesn't show full y 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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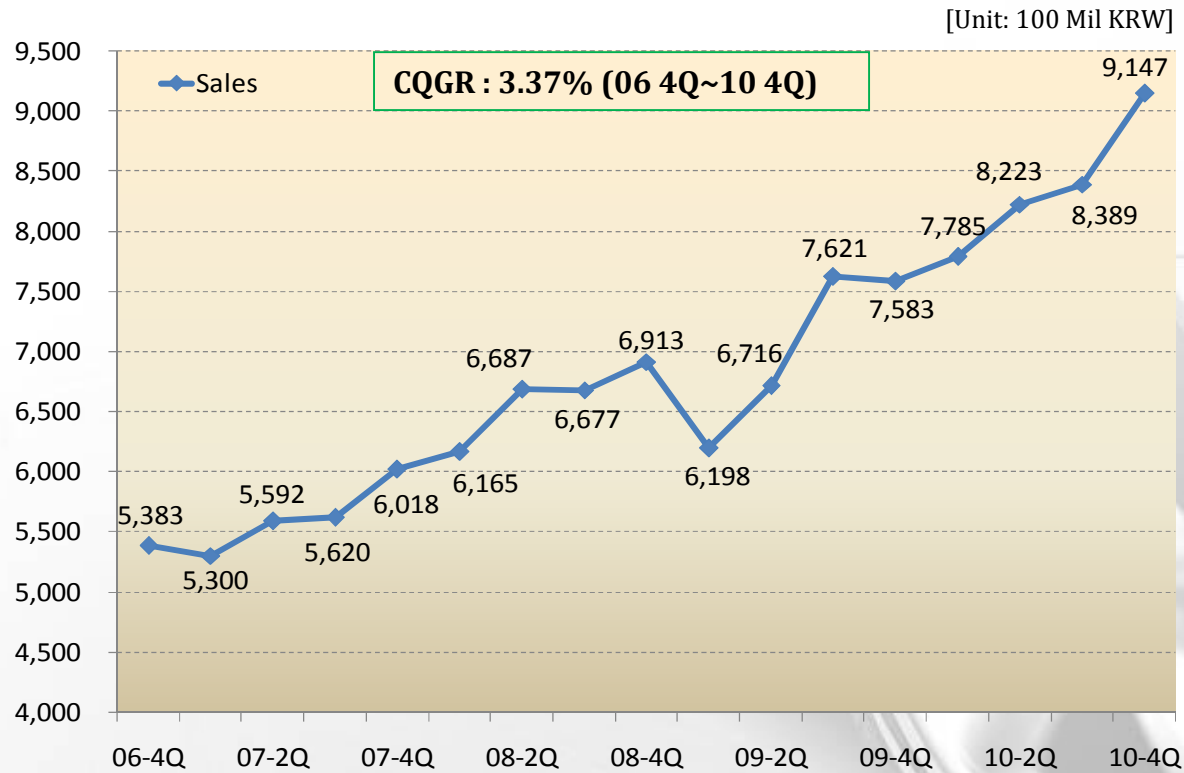
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2. Parent Result



(1) Sales and Operating Profit Trend _ 5 years

1) Parent Sales Trend

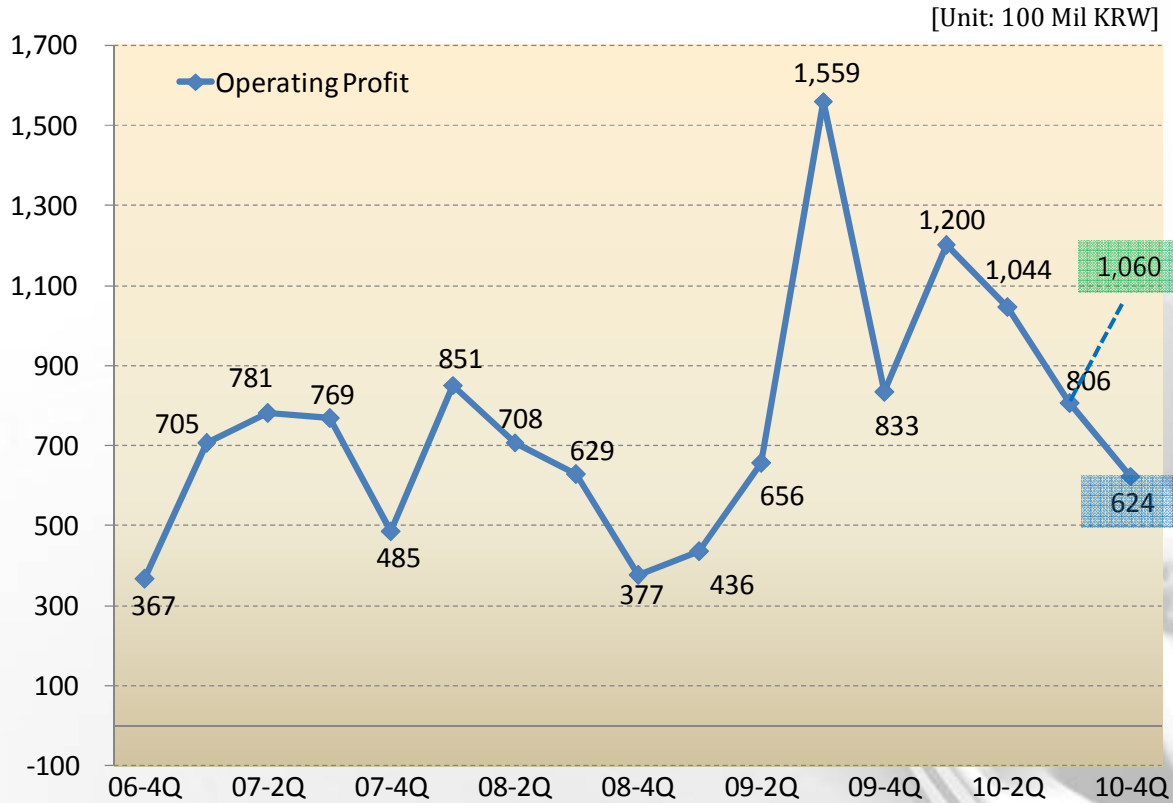


2. Parent Result



(1) Sales and Operating Profit Trend _ 5 years

2) Operating Profit Trend



2. Parent Result



(2) Sales BreakDown

1) Sales BreakDown by Region

[Unit : 100Mil KRW]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Export	4,990	65.8	5,755	68.6	6,057	66.2	21.4	5.2
N. America	1,842	24.3	2,086	24.9	2,278	24.9	23.6	9.2
Europe	1,093	14.4	1,510	18.0	1,253	13.7	14.7	-17.0
Others	1,502	19.8	1,573	18.7	1,822	19.9	21.3	15.8
OE Local	553	7.3	587	7.0	704	7.7	27.3	20.0
Domestic	2,594	34.2	2,633	31.4	3,090	33.8	19.1	17.3
Total	7,583	100	8,389	100	9,147	100	20.6	9.0

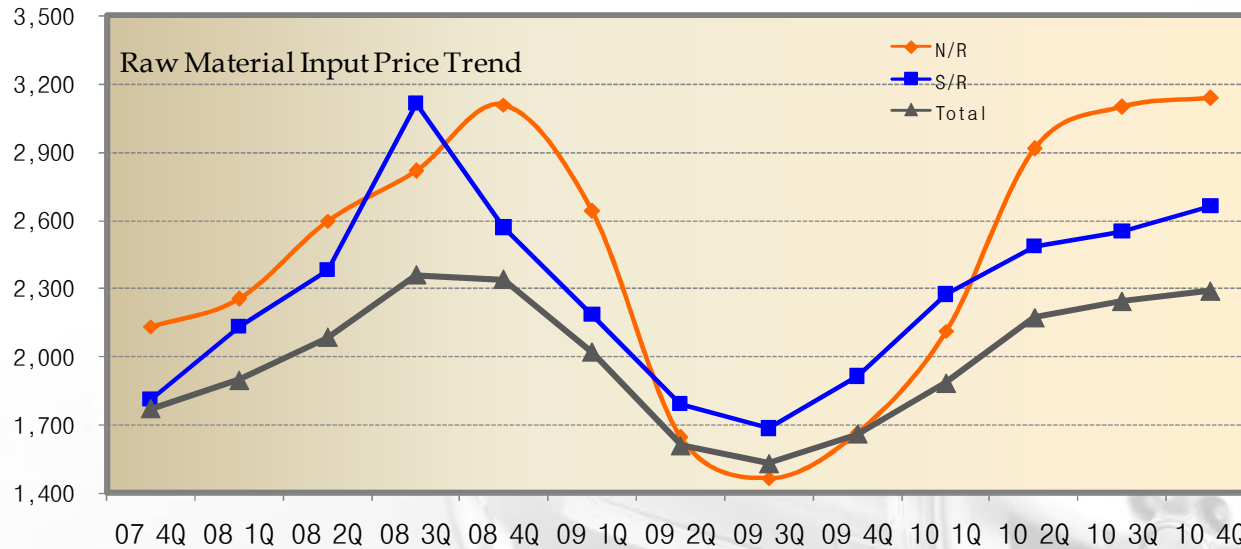
2) UHPT Sales

[Unit: 100Mil KRW , '000]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	7,583	100.0	8,389	100.0	9,147	100.0	20.6	9.0
UHPT Sales	1,366	18.0	1,667	19.9	1,781	19.5	30.4	6.9
Domestic	287	21.0	321	19.2	431	24.2	50.3	34.4
N. America	495	36.2	643	38.6	681	38.2	37.5	5.9
Europe	321	23.5	439	26.3	373	20.9	16.1	- 15.0
Others	263	19.3	264	15.8	296	16.6	12.6	12.1
UHPT Sales Unit	1,964		2,256		2,442		24.3	8.2

2. Parent Result

(3) Raw Material Trend



[Unit :USD/ton]

	09 4Q	10 3Q	10 4Q	YoY(%)	QoQ(%)
N/R	1,669	3,096	3,136	88.0%	1.3%
S/R	1,913	2,552	2,660	39.1%	4.2%
C/B	971	1,121	1,653	70.3%	47.4%
T/C	4,376	4,460	4,552	4.0%	2.1%
S/C	1,909	2,100	2,116	10.9%	0.8%
Others	1,646	1,784	1,817	10.4%	1.9%
Total	1,657	2,245	2,291	38.3%	2.1%

2. Parent Result



(4) Major Equity Method Gain and Loss

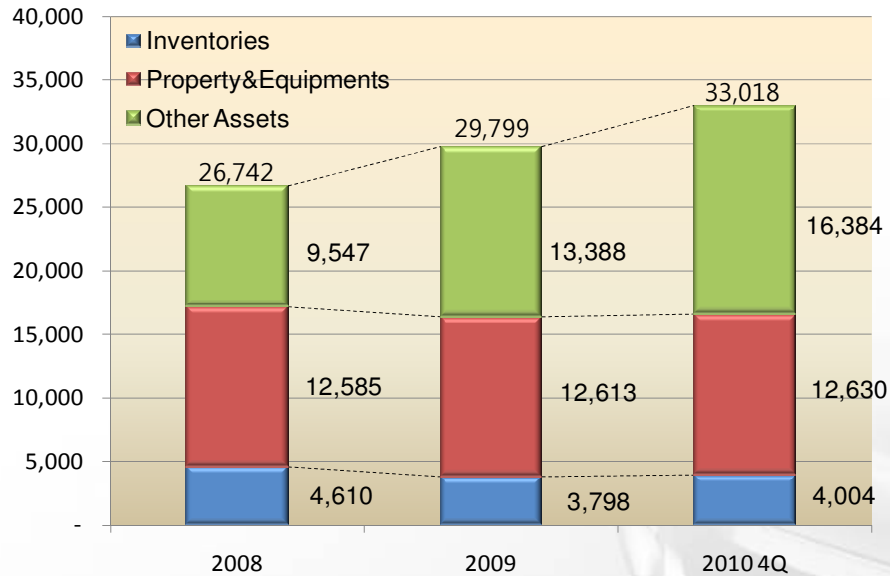
[Unit: 100 mil KRW]

	08 4Q	09 1Q	09 2Q	09 3Q	09 4Q	10 1Q	10 2Q	10 3Q	10 4Q
Tire	-1102	-506	-33	462	46	378	-22	391	-67
China	-698	-374	76	378	41	198	15	26	-136
Euro Holdings(Hungary)	-314	0	-214	-17	-5	89	-82	145	32
Sales Subsidiaries	-90	-132	106	101	10	91	45	219	37
Non-Tire	90	57	34	32	68	43	46	45	34
Total	-1,012	-449	1	494	114	421	24	435	-34

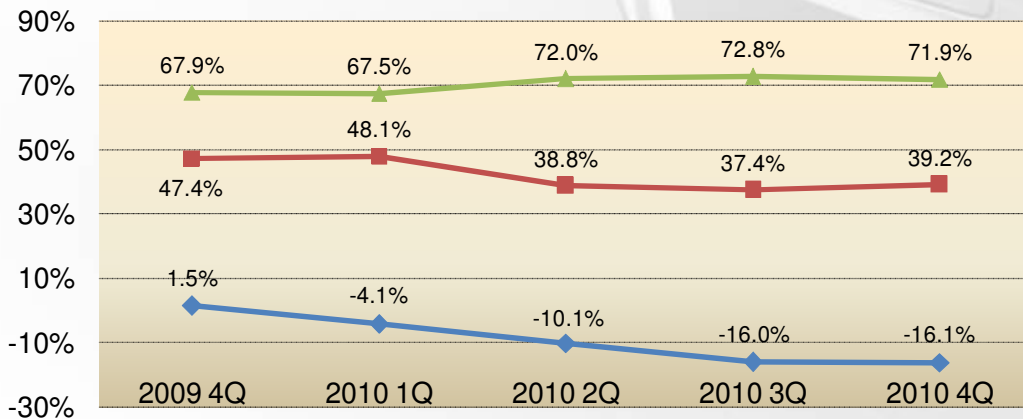
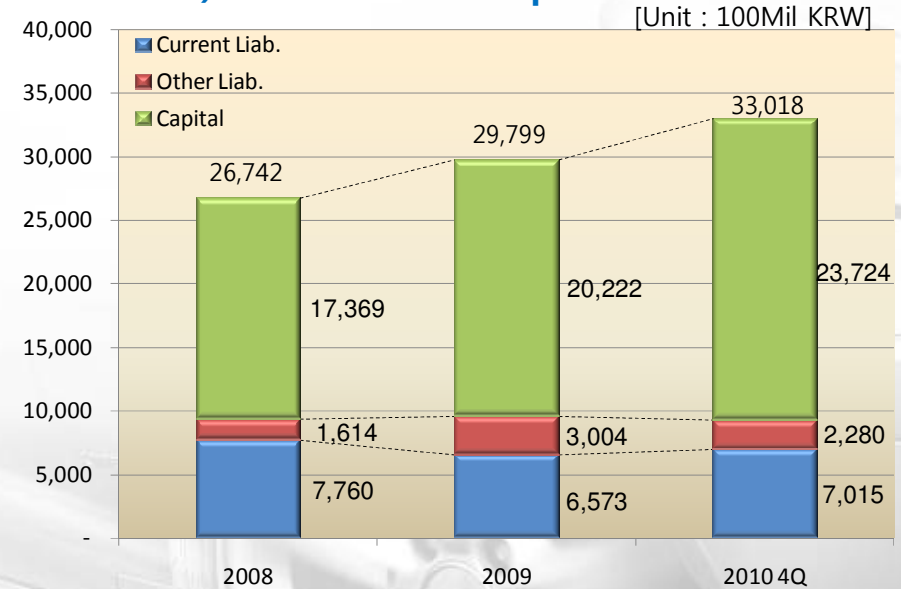
2. Parent Result

(5) Parent B/S Trend

1) Asset



2) Liabilities and Capital



Net Worth to Asset

Debit Ratio

Net Debt Ratio

2010 4Q Net Cash 382Bil KRW

Appendix F/S Parent. B/S

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3. Current Issue



Raw Material

N/R: A lot of raining in SE countries influenced by La Nina caused weak production as well as strong raw material price (1/21 Thai Local Price US\$ \$5,346/Ton, C/L \$5,115/Ton). Demands from Tire Makers and bull market situations leads speculators to the commodity market

S/R: Asian Butadiene price in USD 2,085/Ton, after the Asian market price fluctuating, U.S and EU market price is unstable as well.

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2011 Business Target



1. Global Target

(1) Global (Tire Business Only)

[Unit : 100Mil KRW]

	2010		2011		YoY (%)	
	Amt.	%	Amt.	%		
Sales	53,652	100.0	60,603	100.0		13.0
COGS	37,730	70.3	42,409	70.0		12.4
Gross Profit	15,921	29.7	18,194	30.0		14.3
SG&A	10,063	18.8	11,082	18.3		10.1
O.P Margin	5,858	10.9	7,112	11.7		21.4
EBITDA	9,330	17.4	10,812	17.8		15.9
Depreciation	3,472	6.5	3,700	6.1		6.6

(2) Korea

[Unit : 100Mil KRW]

	2010		2011		YoY (%)	
	Amt.	%	Amt.	%		
Sales	33,544	100.0	37,171	100.0		10.8
COGS	23,904	71.3	26,061	70.1		9.0
Gross Profit	9,640	28.7	11,111	29.9		15.3
SG&A	5,965	17.8	6,605	17.8		10.7
O.P Margin	3,675	11.0	4,506	12.1		22.6
EBITDA	5,492	16.4	6,375	17.2		16.1
Depreciation	1,817	5.4	1,869	5.0		2.9

2011 Business Target



1. Global Target

(3) China

[Unit : 100Mil KRW]

	2010		2011		YoY (%)
	Amt.	%	Amt.	%	
Sales	8,526	100.0	10,150	100.0	19.0
COGS	6,805	79.8	8,058	79.4	18.4
Gross Profit	1,721	20.2	2,092	20.6	21.5
SG&A	1,324	15.5	1,450	14.3	9.5
O.P Margin	397	4.7	642	6.3	61.6
EBITDA	926	10.9	1,181	11.6	27.6
Depreciation	528	6.2	539	5.3	2.0

(4) Hungary

[Unit : 100Mil KRW]

	2010		2011		YoY (%)
	Amt.	%	Amt.	%	
Sales	58,371	100.0	102,822	100.0	76.2
COGS	46,550	79.7	81,616	79.4	75.3
Gross Profit	11,821	20.3	21,205	20.6	79.4
SG&A	7,299	12.5	12,654	12.3	73.4
O.P Margin	4,521	7.7	8,551	8.3	89.2
EBITDA	14,594	25.0	25,110	24.4	72.1
Depreciation	10,073	17.3	16,559	16.1	64.4

2011 Business Target



2. Global Target _ Planning Assumption

(1) F/X

	2010	2011	YoY (%)
USD/KRW	1,154.59	1,050.00	-9.1
EUR/USD	1.32	1.26	-4.5
EUR/KRW	1,528.17	1,323.00	-13.4
USD/RMB	6.77	6.60	-2.5
EUR/HUF	276.13	275.00	-0.4

(2) Sales Unit / Working Day

[단위: '000, Day]

	2010	2011	YoY (%)
Korea	46,005	47,200	2.6
China	28,732	29,506	2.7
Hungary	5,923	9,796	65.4
Total	80,660	86,502	7.2
Target Workday			
Korea	352	351	-0.1
China	355	352	-0.7
Hungary	345	345	0.0

2. Global Target _ Planning Assumption

(3) Raw Material Price

[단위:USD/Ton]

	2010	2011	YoY (%)
N/R	2,826	3,900	38.0
S/R	2,497	2,643	5.9
C/B	1,204	1,179	-2.1
T/C	4,443	4,509	1.5
S/C	2,044	2,130	4.2
Etc.	1,772	1,848	4.3
W-Average P	2,152	2,512	16.8

(4) Capex

[100Mil KRW]

		2010	2011	YoY (%)
Korea	Expansion	798	823	3.1
	Maintenance	1,255	2,391	90.4
	Subtotal	2,054	3,214	56.5
China	Expansion	485	1,879	287.6
	Maintenance	588	655	11.3
	Subtotal	1,073	2,534	136.1
Hungary	Expansion	2,143	1,254	-41.5
	Maintenance	80	92	14.5
	Subtotal	2,223	1,346	-39.5
Indonesia Expansion		-	1,418	-
Total		5,350	8,512	59.1

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1. Korea I/S

[Unit: 100 Mil KRW]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	7,583	100	8,389	100	9,147	100	21	9
COGS	5,163	68.1	6,060	72.2	6,710	73.4	30.0	10.7
Gross Profit	2,420	31.9	2,328	27.8	2,437	26.6	0.7	4.7
SG&A	1,587	20.9	1,522	18.1	1,813	19.8	14.3	19.2
O.P margin	833	11	806	10	624	7	-25	-23
Non-operating	438	5.8	721	8.6	252	2.8	-42.4	-65.0
Ordinary Profit	1,271	16.8	1,527	18.2	876	9.6	-31.1	-42.6
EBITDA	1,355	17.9	1,258	15.0	1,173	12.8	-13.4	-6.7
Depreciation	522	6.9	450	5.4	549	6.0	5.2	22.2

2. Korea I/S _ SG&A / Non OP Gain and Loss Detail

[Unit : 100Mil KRW]

	2009 4Q (a)	2010 3Q	2010 4Q (b)	Diff. (b-a)
SG&A				
Salaries	477	365	470	-7.44
Ocean Freight	182	345	334	151.91
Product Warranty Expenses	50	13	31	-18.88
Employee Benefits	33	47	56	23.22
Export Sales Expenses	23	22	24	0.26
Depreciation	96	89	120	23.35
Advertising Expenses	273	248	335	62.60
Others	454	391	445	-8.97
Total	1,587	1,520	1,813	226.06
Non-Operating				
Equith Methods gain/loss	94	435	-34	-127
Foreign Currency Transaction	48	-28	35	-13
Foreigh Exchange Transaction	-3	66	-31	-28
Import Royalty	202	216	231	29
Others	66	30	51	-15
Total	407	719	252	-155

3. China I/S

[Unit: Mil RMB]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	2,046	100	2,182	100	2,227	100	9	2
COGS	1,395	70.9	1,784	81.8	1,858	83.4	33.1	4.1
Gross Profit	651	29.1	398	18.2	369	16.6	-43.3	-7.3
SG&A	299	15.6	344	15.8	344	15.4	15.0	-0.1
O.P margin	352	14	54	2	25	1	-93	-53
Non-operating	-79	-6.2	-14	-0.7	73	3.3	-	-
Ordinary Profit	273	7.4	39	1.8	-48	-2.2	-	-
EBITDA	482	20.5	186	8.5	161	7.2	-66.7	-13.8
Depreciation	130	7.0	132	6.1	136	6.1	3.9	2.3

4. China I/S _ SG&A / Non OP Gain and Loss Detail

[Unit:Mil RMB]

	20094Q (a)	20103Q	20104Q (b)	Diff. (b-a)
SG&A	302	344	344	42
Salaries	29	32	31	2
Sales Promotion	0	0	0	0
Royalty Expense	71	82	84	13
Counsulting	12	16	16	4
Export Commission	18	17	22	4
Depreciation	14	14	14	0
Domestic Transportatior	46	51	54	8
Advertising Expenses	17	32	24	7
Others	95	100	99	4
Non-Operating Gain &Loss	-205	-14	-73	132
Non-operating income	47	175	141	94
Foreign currency transla	20	106	72	52
Others	27	69	69	42
Non-operating expenses	252	190	214	-38
Interest expense	35	42	42	7
others	217	148	172	-45

5. Hungary I/S

[Unit: Mil HUF]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	13,189	100	14,999	100	15,644	100	19	4
COGS	10,815	82.0	12,303	82.0	12,739	81.4	17.8	3.5
Gross Profit	2,374	18.0	2,695	18.0	2,905	18.6	22.4	7.8
SG&A	1,727	13.1	1,864	12.4	1,820	11.6	5.4	-2.4
O.P margin	647	5	831	6	1,085	7	68	31
Non-operating	-154	-1.2	1,581	10.5	-1,003	-6.4	-	-
Ordinary Profit	493	3.7	2,412	16.1	82	0.5	-83.3	-96.6
EBITDA	3,063	23.2	3,335	22.2	3,719	23.8	21.4	11.5
Depreciation	2,416	18.3	2,504	16.7	2,708	17.3	12.1	8.2

6. Consolidated I/S

[Unit: 100 Mil KRW]

	2009 4Q		2010 3Q		2010 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	13,132	100	15,422	100	14,956	100	14	-3
COGS	8,947	68.1	11,167	72.4	10,967	73.3	22.6	-1.8
Gross Profit	4,186	31.9	4,255	27.6	3,990	26.7	-4.7	-6.2
SG&A	2,534	19.3	2,621	17.0	2,904	19.4	14.6	10.8
O.P margin	1,652	13	1,634	11	1,086	7	-34	-34
Non-operating	-270	-2.1	179	1.2	-50	-0.3	-	-
Ordinary Profit	1,381	10.5	1,813	11.8	1,036	6.9	-25.0	-42.8
EBITDA	2,557	19.5	2,532	16.4	2,122	14.2	-17.0	-16.2
Depreciation	905	6.9	898	5.8	1,036	6.9	14.4	15.3

7. Korea B/S

[Unit:100 Mil KRW]

	End of 2009		2010 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	29,799	100.0	33,018	100.0	3,220	10.8
Current Assets	12,533	42.1	14,599	44.2	2,066	16.5
Quick Assets	8,736	29.3	10,595	32.1	1,860	21.3
Inventories	3,798	12.7	4,004	12.1	206	5.4
Non-current Asset	17,265	57.9	18,419	55.8	1,154	6.7
Investment Assets	4,548	15.3	5,690	17.2	1,142	25.1
Property&Equipment	12,613	42.3	12,630	38.3	18	0.1
Intangible Assets	105	0.4	99	0.3	-6	-6.0
Liabilites	9,577	32.1	9,294	28.1	-282	-2.9
Current Liabilities	6,573	22.1	7,015	21.2	442	6.7
Non-current Liabilities	3,004	10.1	2,280	6.9	-724	-24.1
Capital	20,222	67.9	23,724	71.9	3,502	17.3
Net Cash(Debt)	(307)		3,815		4,122	-1343.4
Net Debt ratio		-1.5%		16.1%		
Debt Ratio		47.4%		39.2%		
Net worth to Assets		67.9%		71.9%		

8. Consolidated B/S

[Unit:100 Mil KRW]

	End of 2009		2010 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	50,029	100.0	58,170	100.0	8,141	16.3
Current Assets	23,682	47.3	30,578	52.6	6,896	29.1
Quick Assets	14,728	29.4	20,733	35.6	6,005	40.8
Inventories	8,953	17.9	9,845	16.9	892	10.0
Non-current Asset	26,348	52.7	27,593	47.4	1,245	4.7
Investment Assets	1,847	3.7	1,738	3.0	-109	-5.9
Property&Equipment	24,262	48.5	25,517	43.9	1,255	5.2
Intangible Assets	239	0.5	337	0.6	99	41.3
Liabilites	28,894	57.8	32,885	56.5	3,990	13.8
Current Liabilities	21,861	43.7	25,453	43.8	3,592	16.4
Non-current Liabilities	7,033	14.1	7,431	12.8	398	5.7
Capital	21,135	42.2	25,286	43.5	4,151	19.6
Net Cash(Debt)	(12,906)		(9,493)		3,413	-26.4
Net Debt ratio		-61.1%		-37.5%		
Debt Ratio		136.7%		130.1%		
Net worth to Assets		42.2%		43.5%		