

2010 Hankook Tire 1st Quarter Result

IR
2010.04.22
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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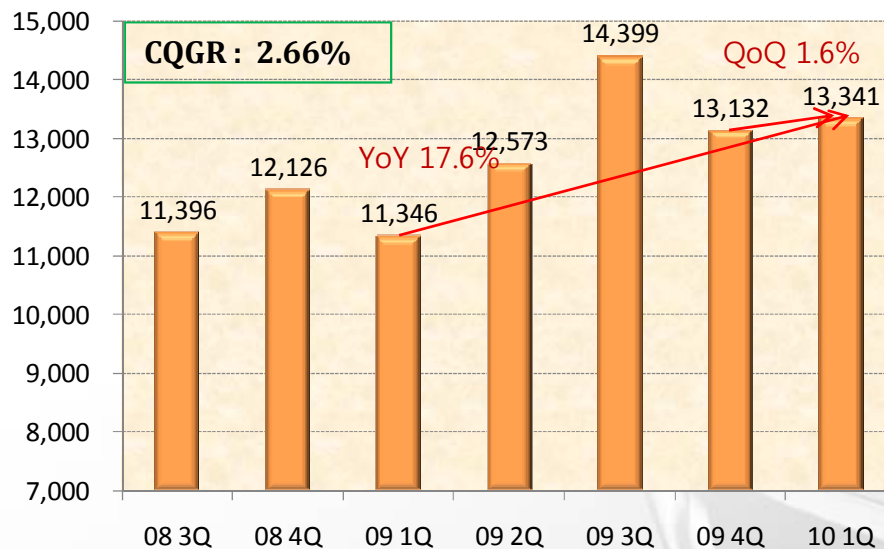
2010 1Q Business Result



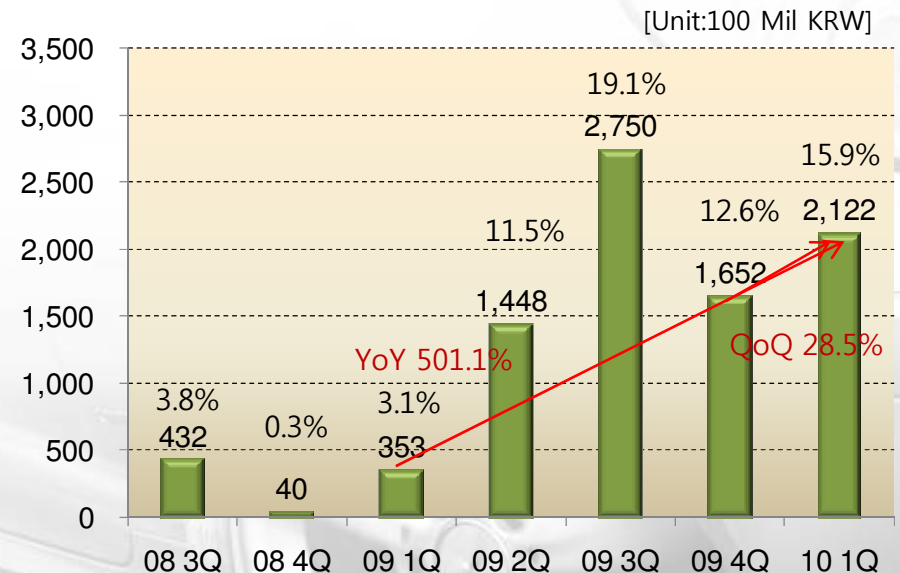
1. Consolidated Result

(1) Consolidated Sales and Operating Profit Trend

1) Sales



2) Operating Profit



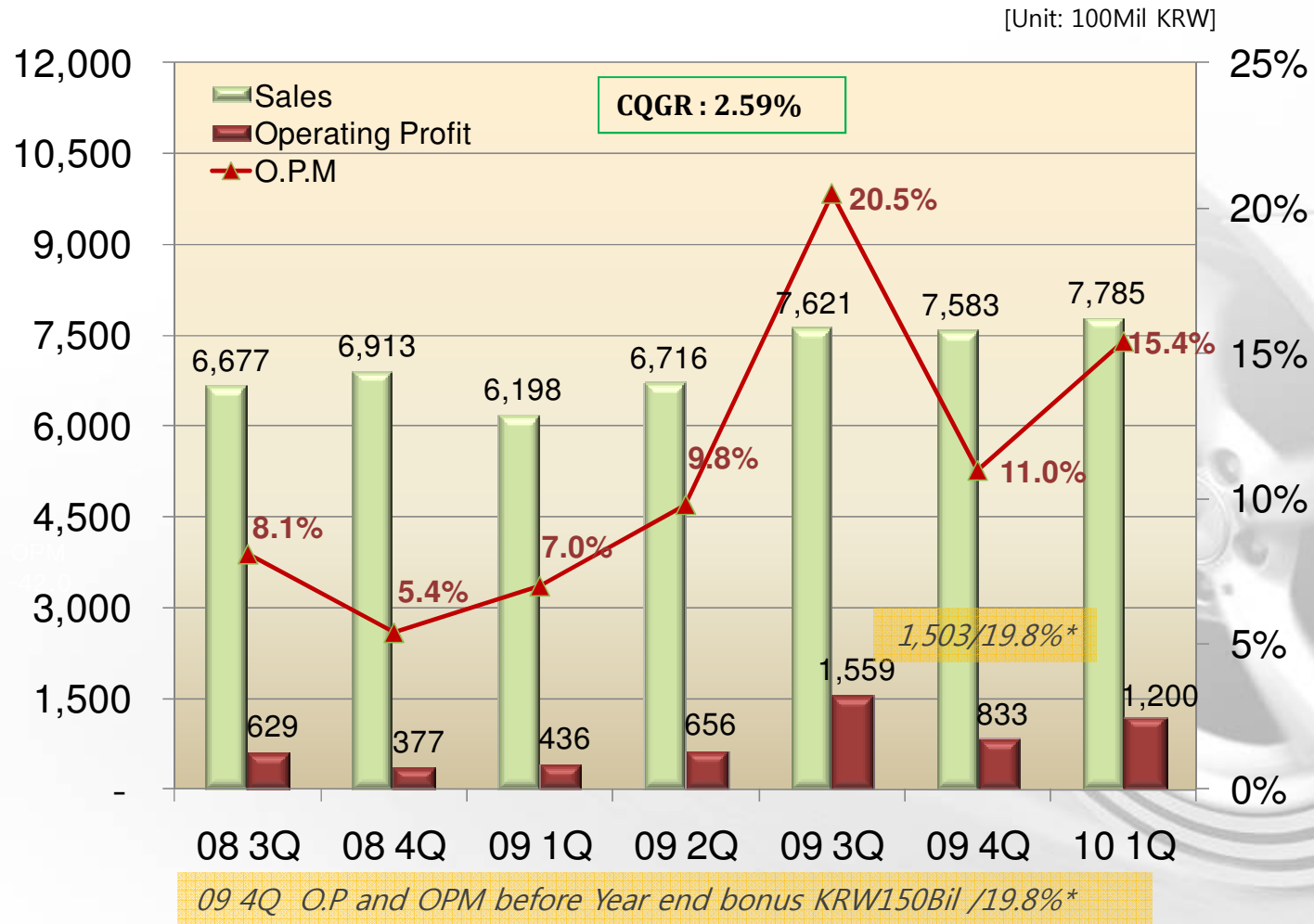
2010 1Q Business Result



1. Consolidated Result

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

1) Korea



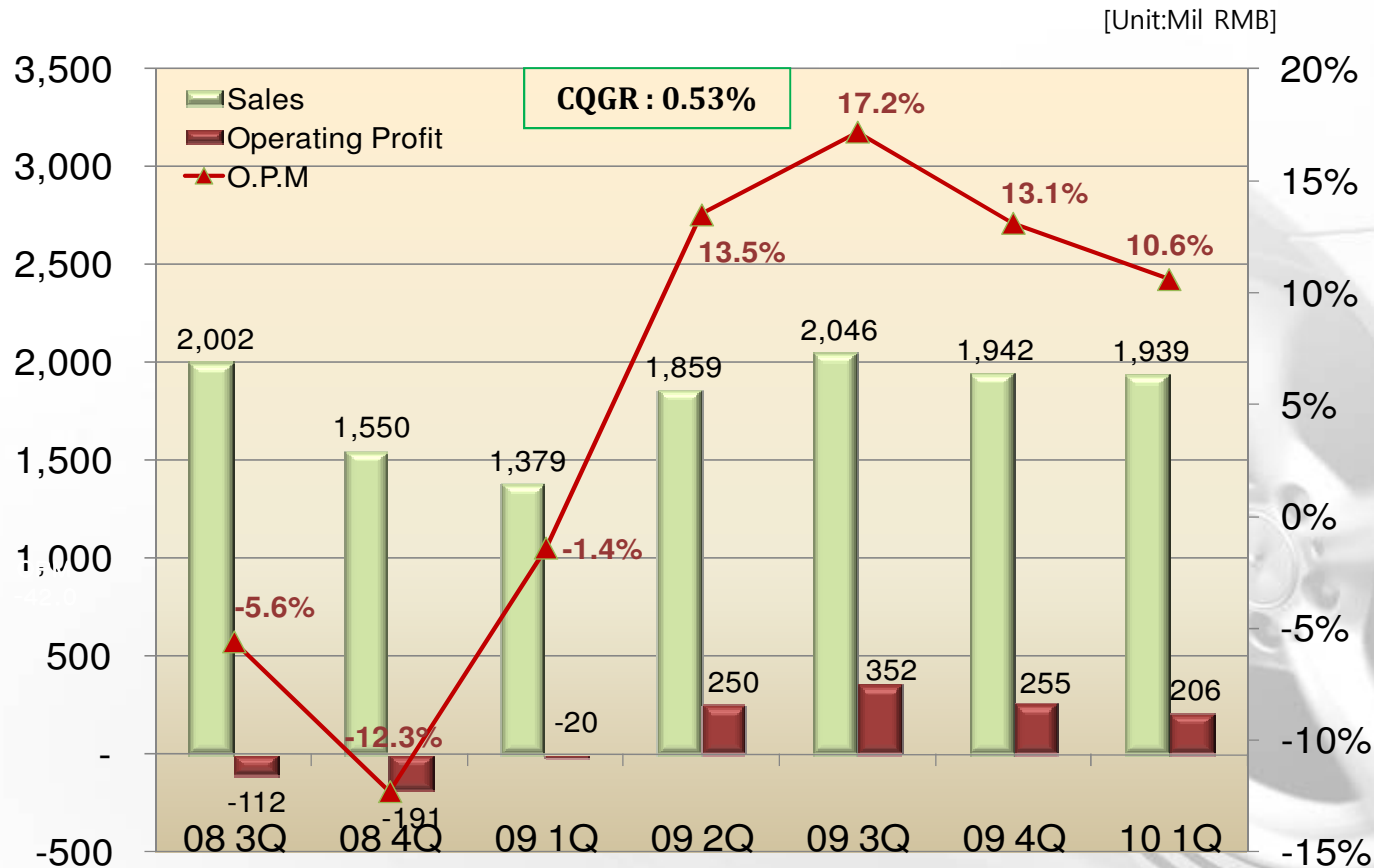
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1. Consolidated Result

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

2) China



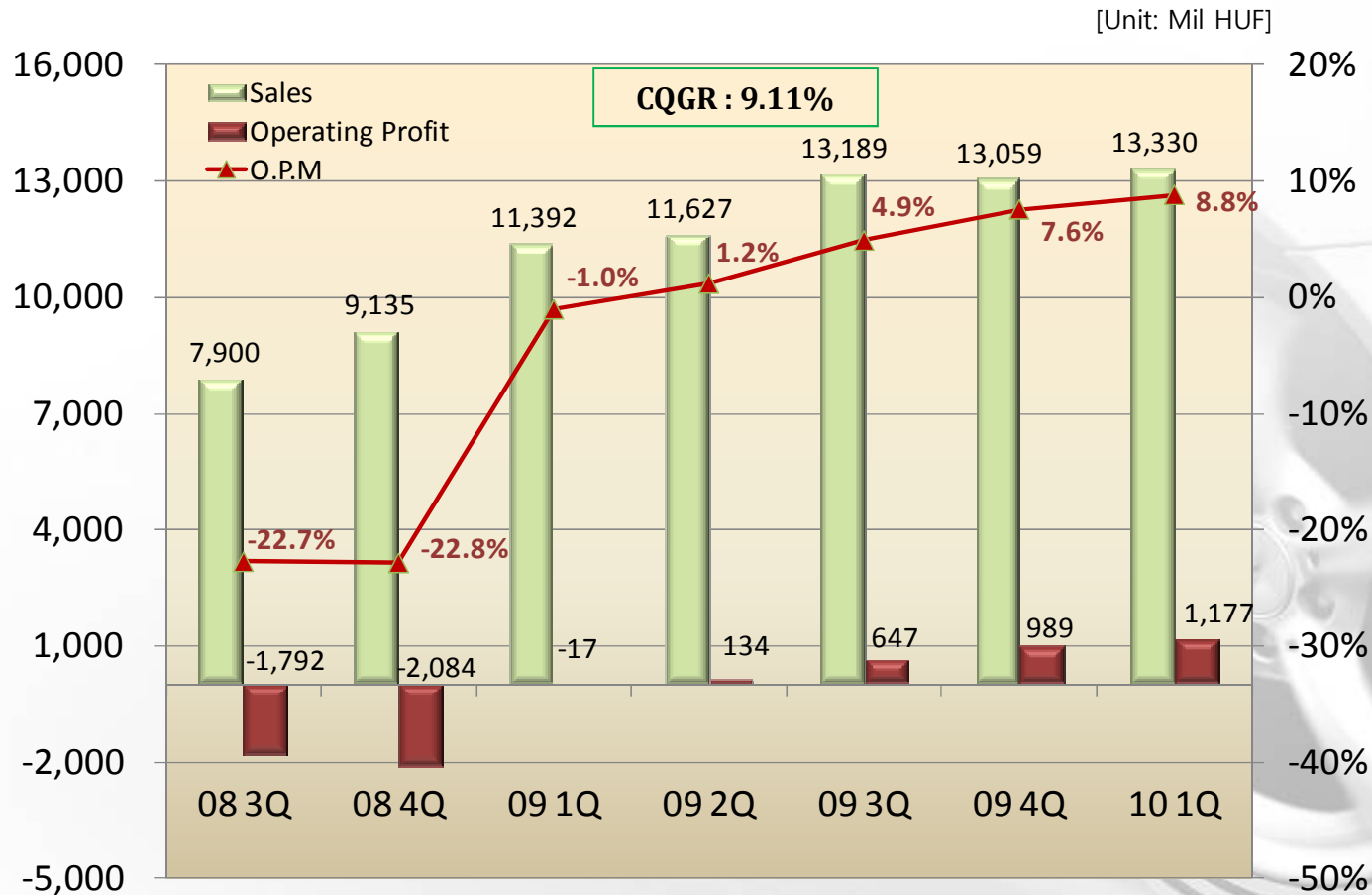
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1. Consolidated Result

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

3) Hungary



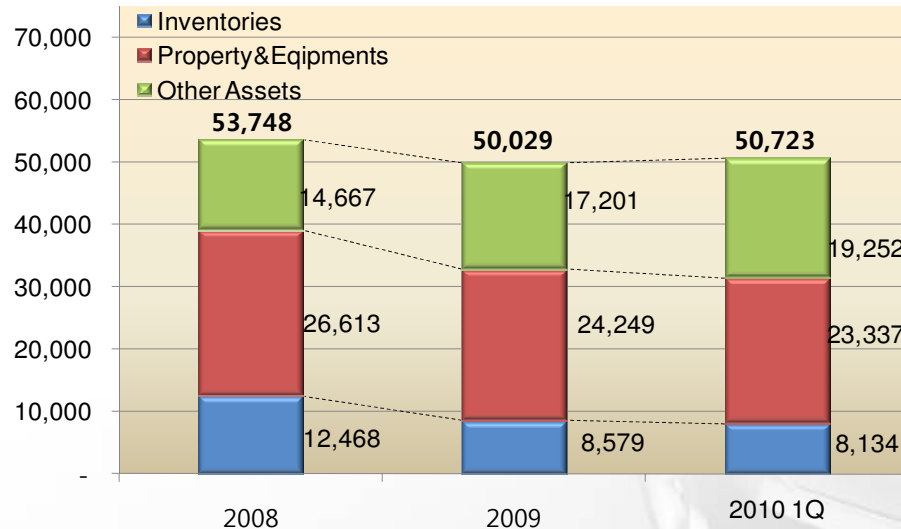
25% increased Sales Volume increased(YoY) and Full Utilization rate improved OPM 7.6%p

2010 1Q Business Result



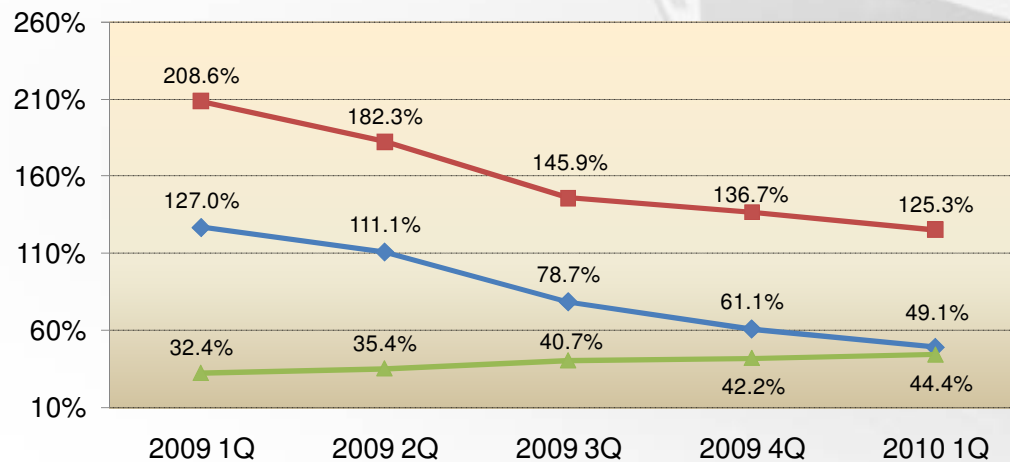
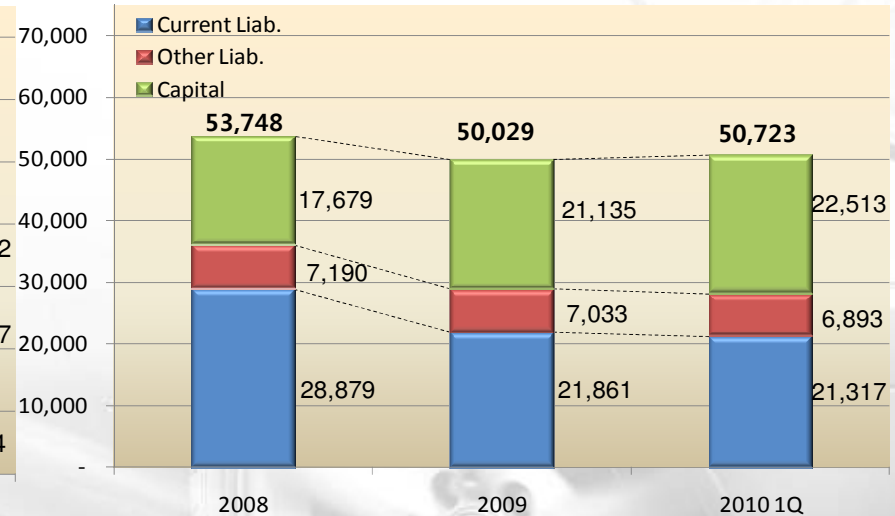
1. Consolidated Result (3) Consolidated B/S

1) Asset



2) Liabilities and Capital

[Unit:100Mil KRW]



Debt Ratio

Net Debt Ratio

Net Worth to Asset

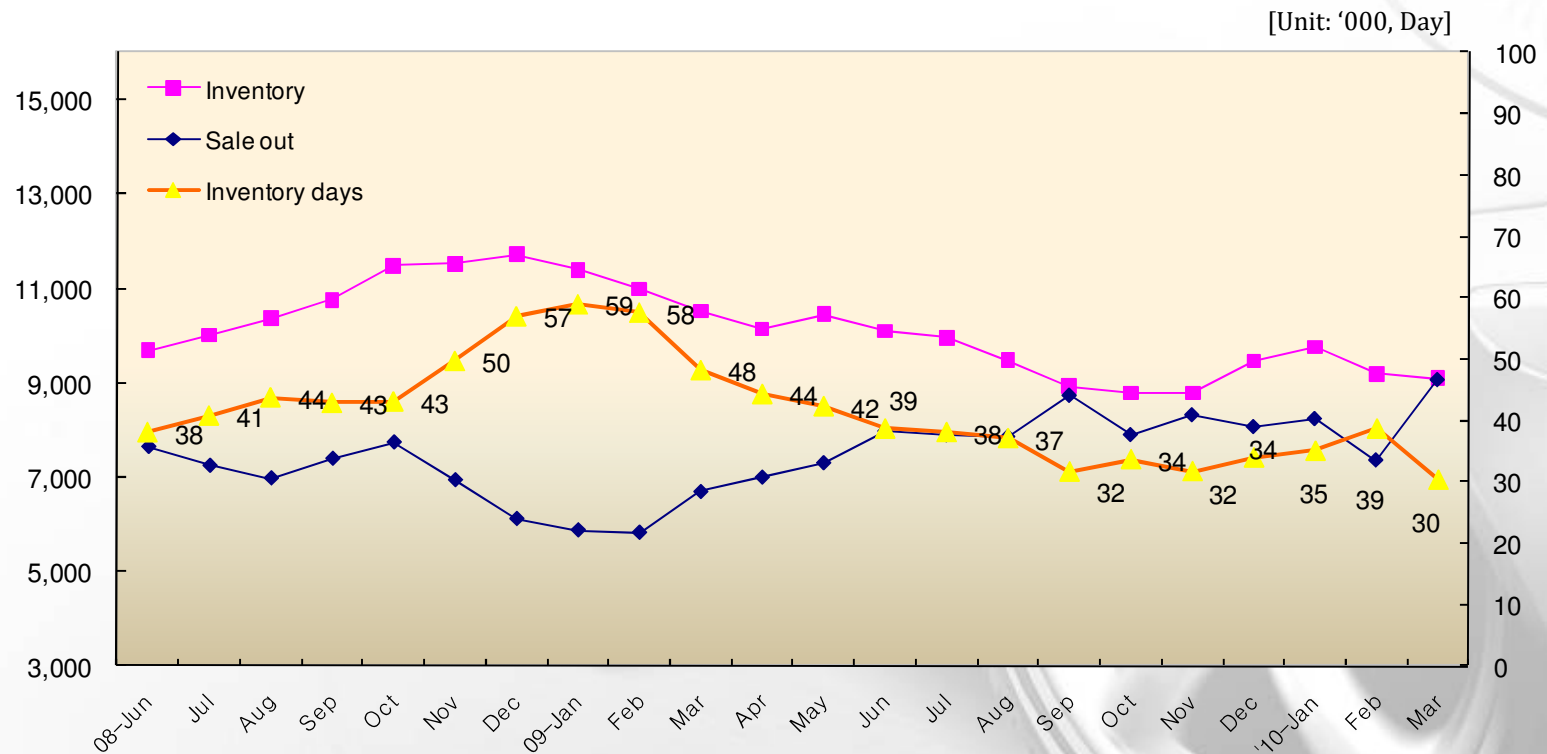
2010 1Q Business Result



1. Consolidated Result

(4) Global Product Inventories and Capa. Utilization Rate

1) Global Inventory Index



Inventory stock has been decreased 300K unit in Q1 vs 09 Q4

Global Inventory picked at Jan. 09 with 11.7Mil Unit.

Sale-Out Volume has been increased to 9.06Mil Unit at Mar. 10. (it's historical high record)

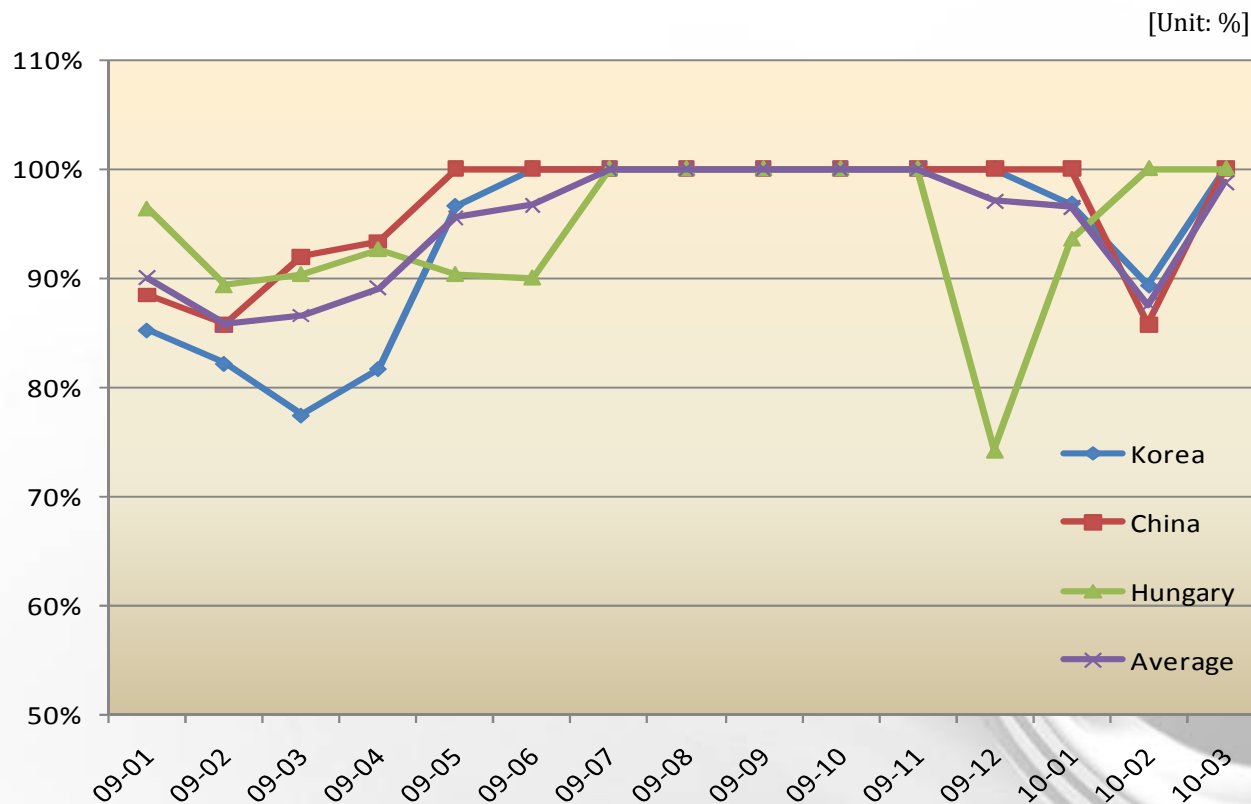
2010 1Q Business Result



1. Consolidated Result

(4) Global Product Inventories and Capa. Utilization Rate

2) Global Capacity Utilization Rate



Due to Chinese New Year holiday, Korea & China plants utilization rate drop to mid 80% temporarily in Feb. 2010.

2010 1Q Business Result



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	Other Currency	USD	EUR	Other Currency
Cash Flow F/X Position	-421	404	159	-84	117	23	-45	-165	-550	357	182
B/S F/X Position	-54	-47	31	-393	23	9	0	-281	-447	-305	39
Total Exposures	-475	357	189	-477	140	32	-45	-446	-998	52	221

	09 1Q	09 2Q	09 3Q	09 4Q	10 1Q
USD/KRW	1,413	1,289	1,236	1,172	1,143
EUR/KRW	1,838	1,766	1,769	1,721	1,572
USD/RMB	6.836	6.830	6.831	6.828	6.827
EUR/HUF	293.89	285.25	271.15	271.88	265.22
HUF/KRW	6.254	6.191	6.524	6.331	5.927

※ 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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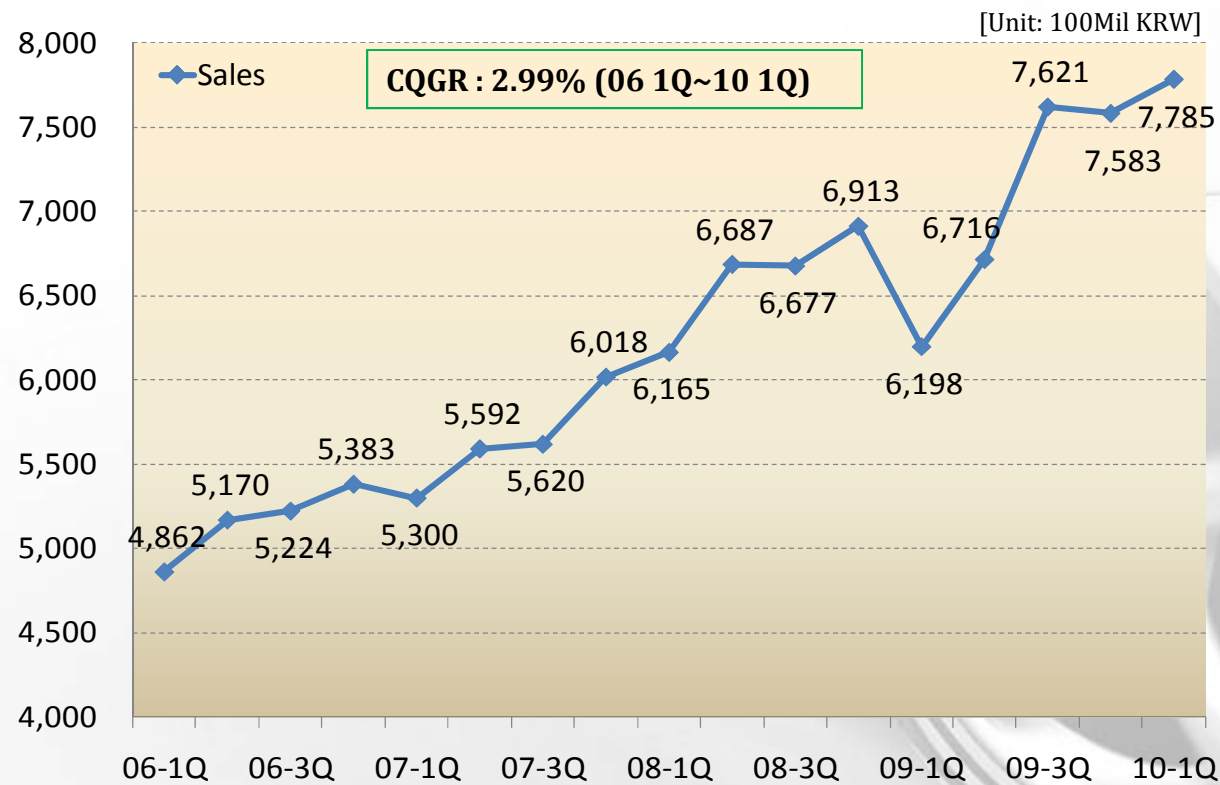
2010 1Q Business Result



2. Parent Result

(1) Sales and Operating Profit Trend _ 5years

1) Sales Trend



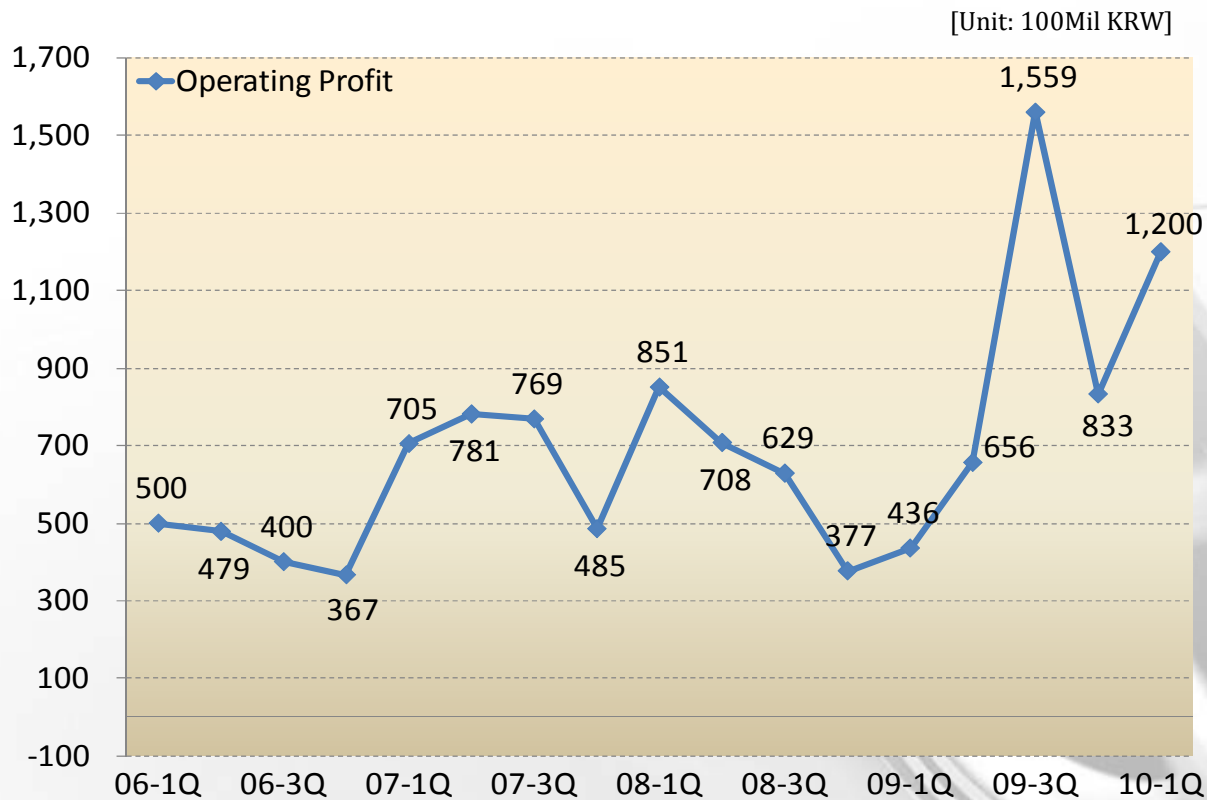
2010 1Q Business Result



2. Parent Result

(1) Sales and Operating Profit Trend _ 5years

2) Operating Profit Trend



2010 1Q Business Result



2. Parent Result

1) Sales Breakdown by Region

[Unit:100Mil KRW]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Export	4,556	73.5	4,990	65.8	5,351	68.7	17.4	7.2
N. America	1,523	24.6	1,842	24.3	1,890	24.3	24.1	2.6
Europe	1,262	20.4	1,093	14.4	1,395	17.9	10.5	27.6
Others	1,418	22.9	1,502	19.8	1,576	20.2	11.2	4.9
OE Local	353	5.7	553	7.3	490	6.3	38.9	-11.3
Domestic	1,642	26.5	2,594	34.2	2,434	31.3	48.2	-6.1
Total	6,198	100	7,583	100	7,785	100	25.6	2.7

2) UHPT Sales

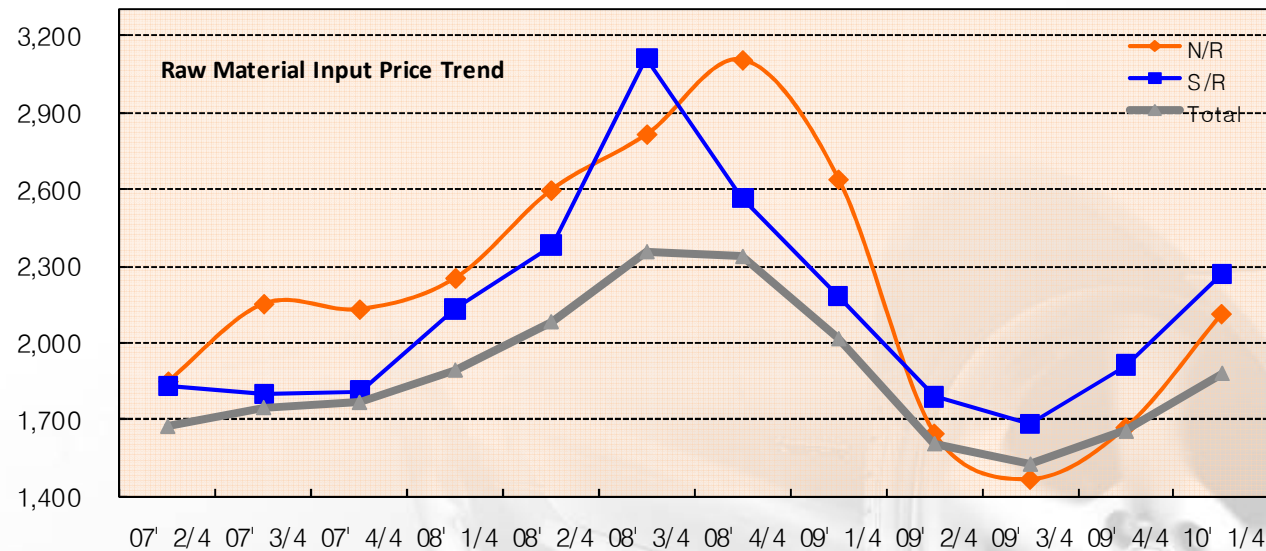
[Unit:100 Mil KRW, '000unit]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	6,913	100.0	7,621	100.0	7,583	100.0	9.7	-0.5
UHPT Sales	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

2010 1Q Business Result



2. Parent Result _ Raw Material Price



[Unit:USD/ton]

	2009 1Q	2009 4Q	2010 1Q	YoY (%)	QoQ (%)
N/R	2,639	1,669	2,113	-19.9	26.6
S/R	2,186	1,913	2,272	3.9	18.7
C/B	954	971	1,043	9.3	7.5
T/C	4,518	4,376	4,383	-3.0	0.2
S/C	2,119	1,909	1,921	-9.4	0.6
Etc.	1,781	1,646	1,720	-3.4	4.5
W-Average	2,018	1,657	1,883	-6.7	13.6

2010 1Q Business Result



2. Parent Sales _ Major Equity Method Gain and Loss

[Unit: 100 mil KRW]

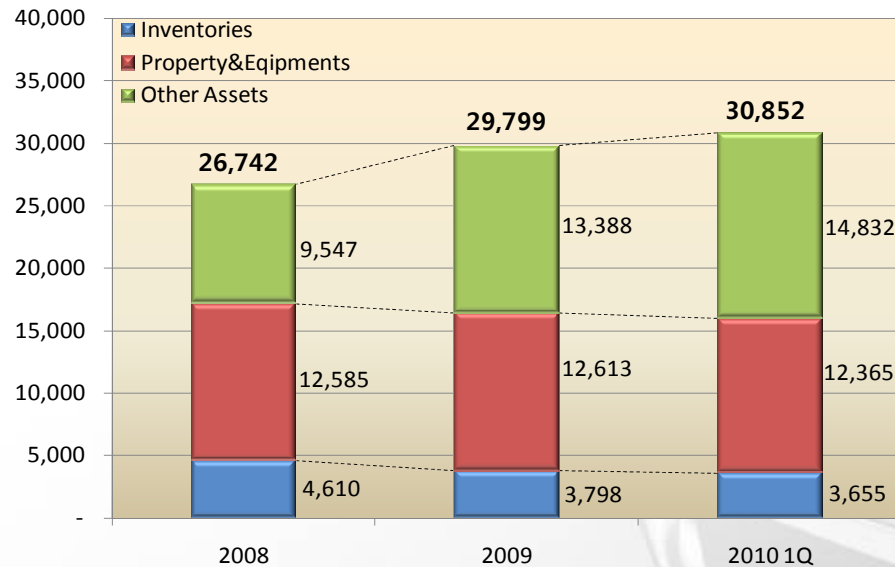
	08 1Q	08 2Q	08 3Q	08 4Q	09 1Q	09 2Q	09 3Q	09 4Q	10 1Q
Tire	-363	-64	-673	-1,102	-506	-33	462	46	384
China	89	-58	-282	-698	-374	76	378	41	199
Euro Holdings(Hungary)	-382	1	-381	-314	0	-214	-17	-5	99
Sales Subsidiaries	-70	-8	-9	-90	-132	106	101	10	86
Non-Tire	36	53	23	90	57	34	32	68	40
Total	-327	-12	-650	-1,012	-449	1	494	114	424

2010 1Q Business Result

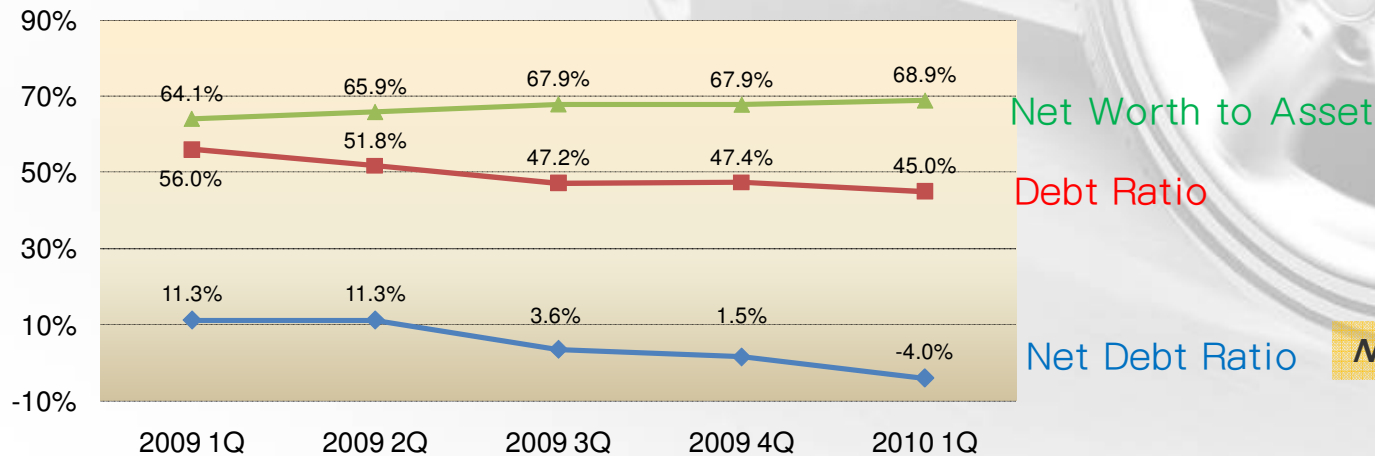
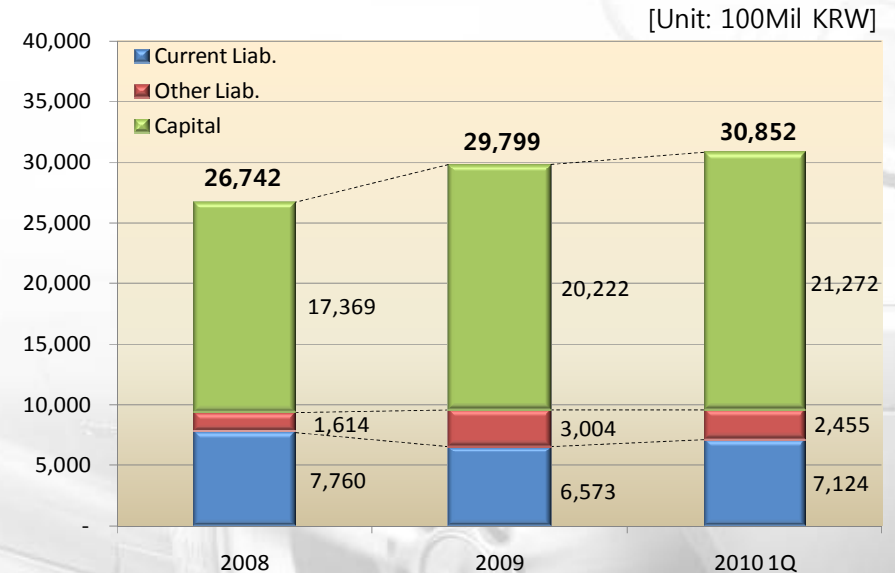


2. Parent Result _ Parent B/S

1) Asset



2) Liabilities and Capital



Net Cash KRW 84 bil

Appendix F/S Parent. B/S

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3. Current Issues

(1) Raw Material Spot Price Surge

According to SICOM, Current Natural Rubber spot price is in USD 3,320/Ton after peaked USD 3,400/ton at April 20th 2010.

Reasons of current strong N/R price:

- ① Seasonality – Wintering season (usually 1Q) and
- ② Low production rate - Dry weather in Southern China and Vietnam
- ③ Increasing Demand with economy recovery

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

Synthetic Rubber –Butadiene price in Asian Market reached about USD 2,000/ton.

(2) Product price hike

1Q 2010 product price trend:

Korean Domestic Re Market 5.7% ↑, China Domestic 3.8% ↑,
Global Market 1.5% ↑ (Include F/X impact)

Within Q2, Company expect additional 5% price hike for Global market. (HQ Guide line))

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1. Korea I/S

[Unit: 100 Mil KRW]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	6,198	100.0	7,583	100.0	7,785	100.0	25.6	2.7
COGS	4,719	76.1	5,163	68.1	5,292	68.0	12.2	2.5
Gross Profit	1,479	23.9	2,420	31.9	2,493	32.0	68.5	3.0
SG&A	1,044	16.8	1,587	20.9	1,293	16.6	23.8	-18.5
O.P margin	435	7.0	833	11.0	1,200	15.4	175.6	44.0
Non-operating	-479	-7.7	438	5.8	688	8.8	-	57.1
Ordinary Profit	-43	-0.7	1,271	16.8	1,888	24.2	-	48.5
EBITDA	789	12.7	1,355	17.9	1,602	20.6	103.1	18.2
Depreciation	353	5.7	522	6.9	403	5.2	13.9	-22.9

2. Korea SG&A, Non Operating Gain and Loss Detail

[Unit:100 Mil KRW]

	2009 1Q (a)	2009 4Q	2010 1Q (b)	Diff. (b-a)
SG&A				
Salaries	261	477	313	52
Ocean Freight	197	182	267	70
Product Warranty Expense	15	49	13	-2
Employee Benefits	35	33	42	8
Export Sales Expenses	19	23	22	3
Depreciation	65	96	70	5
Advertising Expenses	103	273	158	55
Others	350	454	408	58
Total	1,044	1,587	1,293	249
Non-Operating				
Equity Method gain/loss	-449	114	424	874
Foreign Currency Transac	-175	48	-60	115
Foreign Exchange Transac	11	-3	61	51
Import Royalty	178	211	163	-14
Others	-42	67	99	141
Total	-479	438	688	1,167

3. China I/S

[Unit: Mil RMB]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	1,379	100.0	1,942	100.0	1,939	100.0	40.6	-0.2
COGS	1,170	84.8	1,385	71.3	1,446	74.6	23.6	4.4
Gross Profit	209	15.2	557	28.7	493	25.4	135.5	-11.4
SG&A	229	16.6	302	15.5	287	14.8	25.3	-4.8
O.P margin	-20	-1.4	255	13.1	206	10.6	-	-19.3
Non-operating	-126	-9.1	-205	-10.6	-61	-3.1	-	-
Ordinary Profit	-146	-10.6	50	2.6	145	7.5	-	191.5
EBITDA	113	8.2	387	19.9	336	17.3	-	-13.4
Depreciation	133	9.6	132	6.8	130	6.7	-2.1	-1.9

4. China SG&A, Non Operating Gain and Loss Detail

[Unit:Mil RMB]

	2009 1Q (a)	2009 4Q	2010 1Q (b)	Diff. (b-a)
SG&A	229	302	287	58
Salaries	23	29	28	5
Sales Promotion	0	0	0	0
Royalty Expense	55	71	69	15
Cunsulting	12	12	12	1
Export Commission	18	18	23	4
Depreciation	15	14	14	-1
Domestic Transportatior	29	46	44	15
Advertising Expenses	13	17	16	3
Others	66	95	82	16
Non-Operating Gain &	-126	-205	-61	65
Non-operating income	27	47	73	45
Foreign currency transla	6	20	36	30
Others	21	27	37	16
Non-operating expenses	153	252	134	-19
Interest expense	85	35	39	-46
others	68	217	94	27

5. Hungary I/S

[Unit: Mil HUF]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	11,392	100.0	13,059	100.0	13,330	100.0	17.0	2.1
COGS	9,805	86.1	10,377	79.5	10,407	78.1	6.1	0.3
Gross Profit	1,587	13.9	2,682	20.5	2,923	21.9	-	9.0
SG&A	1,604	14.1	1,693	13.0	1,746	13.1	8.8	3.1
O.P margin	-17	-0.1	989	7.6	1,177	8.8	-	18.9
Non-operating	-12,063	-105.9	-369	-2.8	588	4.4	-	-259.4
Ordinary Profit	-12,079	-106.0	620	4.7	1,765	13.2	-	184.6
EBITDA	2,327	20.4	3,434	26.3	3,581	26.9	53.9	4.3
Depreciation	2,344	20.6	2,445	18.7	2,405	18.0	2.6	-1.6

6. Consolidated I/S

[Unit: 100 Mil KRW]

	2009 1Q		2009 4Q		2010 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	11,346	100.0	13,132	100.0	13,341	100.0	17.6	1.6
COGS	8,925	78.7	8,947	68.1	8,965	67.2	0.5	0.2
Gross Profit	2,421	21.3	4,186	31.9	4,376	32.8	80.7	4.5
SG&A	2,068	18.2	2,534	19.3	2,254	16.9	9.0	-11.1
O.P margin	353	3.1	1,652	12.6	2,122	15.9	-	28.5
Non-operating	-1,201	-10.6	-270	-2.1	69	0.5	-	-
Ordinary Profit	-848	-7.5	1,381	10.5	2,191	16.4	-	58.6
EBITDA	1,306	11.5	2,557	19.5	2,944	22.1	125.5	15.2
Depreciation	953	8.4	905	6.9	823	6.2	-13.6	-9.1

7. Parent B/S

[Unit:100 Mil KRW]

	End of 2009		2010 1Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	29,799	100.0	30,852	100.0	1,053	3.5
Current Assets	12,533	42.1	13,378	43.4	845	6.7
Quick Assets	8,736	29.3	9,723	31.5	988	11.3
Inventories	3,798	12.7	3,655	11.8	-143	-3.8
Non-current Asset	17,265	57.9	17,474	56.6	208	1.2
Investment Assets	4,669	15.7	5,005	16.2	336	7.2
Property&Equipment	12,586	42.2	12,365	40.1	-221	-1.8
Intanible Assets	11	0.0	104	0.3	93	887.0
Liabilites	9,577	32.1	9,580	31.1	3	0.0
Current Liabilities	6,573	22.1	7,124	23.1	552	8.4
Non-current Liabilities	3,004	10.1	2,455	8.0	-549	-18.3
Capital	20,222	67.9	21,272	68.9	1,050	5.2
Net Cash(Debt)	(307)		848		1,155	-376.3
Net Debt ratio		-1.5%		4.0%		
Debt Ratio		47.4%		45.0%		
Net worth to Assets		67.9%		68.9%		

8. Consolidated B/S

[Unit:100 Mil KRW]

	End of 2009		2010 1Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	50,029	100.0	50,723	100.0	694	1.4
Current Assets	23,682	47.3	25,408	50.1	1,726	7.3
Quick Assets	15,102	30.2	17,273	34.1	2,171	14.4
Inventories	8,579	17.1	8,134	16.0	-445	-5.2
Non-current Asset	26,348	52.7	25,316	49.9	-1,032	-3.9
Investment Assets	1,857	3.7	1,741	3.4	-116	-6.3
Property&Equipment	24,249	48.5	23,337	46.0	-912	-3.8
Intangible Assets	241	0.5	238	0.5	-4	-1.6
Liabilities	28,894	57.8	28,210	55.6	-684	-2.4
Current Liabilities	21,861	43.7	21,317	42.0	-544	-2.5
Non-current Liabilities	7,033	14.1	6,893	13.6	-140	-2.0
Capital	21,135	42.2	22,513	44.4	1,378	6.5
Net Cash(Debt)	12,906		(11,064)		-23,969	-185.7
Net Debt ratio		61.1%		-49.1%		
Debt Ratio		136.7%		125.3%		
Net worth to Assets		42.2%		44.4%		

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