

2008 Hankook Tire 2008 3rd Quarter Result

2008.10.31



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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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01 ***Korea***

Income Statements

[Unit:100 Mil KRW]

	2007 3Q		2008 2Q		2008 3Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	5,620	100.0	6,687	100.0	6,677	100.0	18.8	-0.1
COGS	3,814	67.9	4,660	69.7	4,974	74.5	30.4	6.8
Gross Profit	1,805	32.1	2,027	30.3	1,703	25.5	-5.7	-16.0
SG&A	1,037	18.4	1,266	18.9	1,165	17.4	12.3	-8.0
O.P margin	769	13.7	761	11.4	539	8.1	-29.9	-29.2
Non-operating Income/Loss	-154	-2.7	27	0.4	-703	-10.5	-	-
Ordinary Profit	614	10.9	788	11.8	-164	-2.5	-	-
EBITDA	1,161	20.7	1,137	17.0	998	14.9	-14.1	-12.2
Depreciation	393	7.0	375	5.6	459	6.9	17.0	22.4

※Averager Exchange rate

	2007 3Q	2008 2Q	2008 3Q
USD	928	1020	1068
EUR	1276	1594	1612

• Sales Breakdown by Region

[Unit:100 Mil KRW]

	2007 3Q		2008 2Q		2008 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Export	3,755	66.8	4,852	72.6	4,841	72.5	28.9	-0.2
N. America	896	15.9	1,338	20.0	1,263	18.9	41.0	-5.6
Europe	1,535	27.3	1,590	23.8	1,359	20.3	-11.5	-14.5
Others	819	14.6	1,246	18.6	1,710	25.6	108.8	37.2
OE Local	505	9.0	678	10.1	509	7.6	0.8	-24.9
Domestic	1,865	33.2	1,835	27.4	1,836	27.5	-1.5	0.1
Total	5,620	100	6,687	100	6,677	100	18.8	-0.1

• UHPT Sales Trend

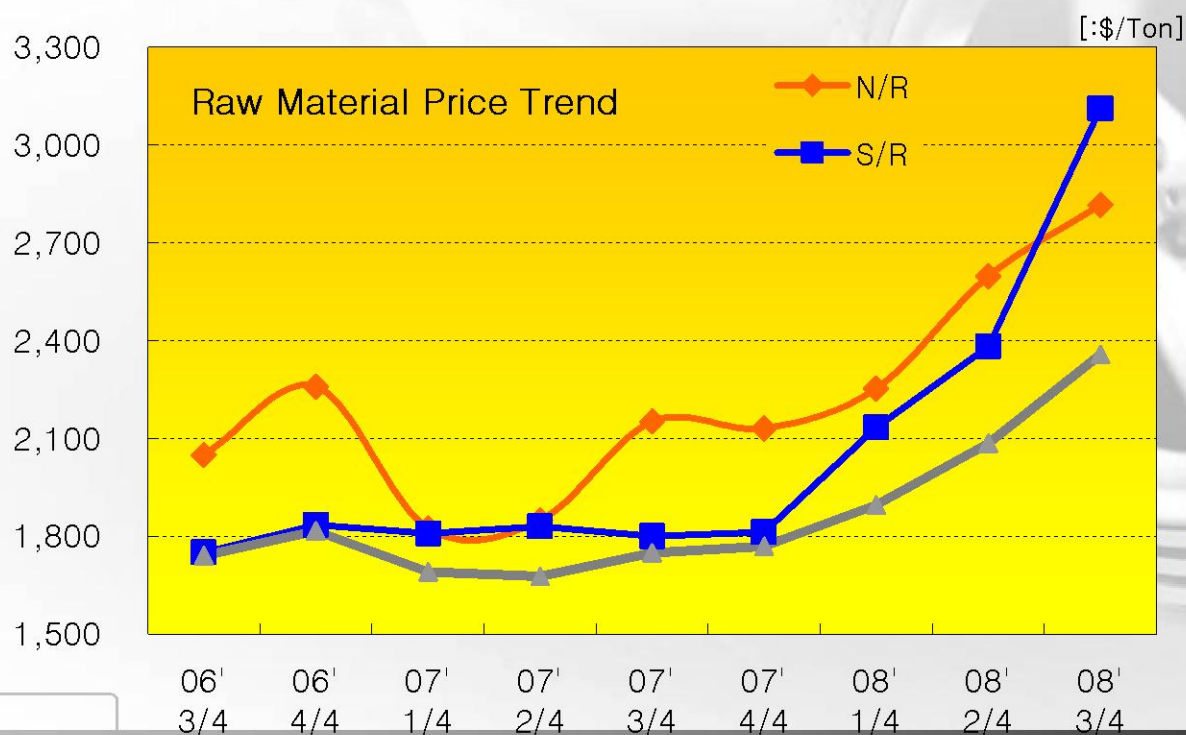
[Unit:100 Mil KRW, 1,000 unit]

	2007 3Q		2008 2Q		2008 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,620	100.0	6,687	100.0	6,677	100.0	18.8	-0.1
UHPT Sales	829	14.8	1,126	16.8	1,048	15.7	26.3	-6.9
UHPT Sales Vol.	1,383		1,709		1,512		23.5	-11.5

Raw Material Price Trend

[Unit:USD/ton]

	2007 3Q	2008 2Q	2008 3Q	YoY (%)	QoQ (%)
N/R	2,152	2,597	2,816	30.9	8.4
S/R	1,799	2,382	3,112	72.9	30.7
C/B	874	1,165	1,333	52.4	14.4
T/C	4,357	4,442	4,552	4.5	2.5
S/C	1,871	1,939	2,082	11.3	7.4
기타	1,757	1,863	1,946	10.8	4.5
W-Average	1,749	2,084	2,358	34.8	13.1



• SG&A, Non-Operating Gain & Loss

[Unit:100 Mil KRW]

	2007 3Q (a)	2008 2Q	2008 3Q (b)	차이 (b-a)
SG&A				
Salaries	247	284	292	45
Ocean Freight	196	259	258	62
Product Warranty Expenses	23	22	13	-9
Employee Benefits	33	32	41	8
Export Sales Expenses	17	19	20	4
Depreciation	82	79	94	12
Advertising Expenses	105	224	108	3
Others	333	347	338	4
Total	1,037	1,266	1,165	128
Non-Operating				
Equity Method gain/loss	-173	-12	-650	-476
Foreign Currency Transaction	0	-66	81	80
Foreign Exchange Transaction	-94	-66	-299	-205
Import Royalty	104	165	172	68
Others	8	5	-7	-16
Total	-154	27	-703	-549

• B/S

[Unit:100 Mil KRW]

	2007		2008 3Q		Variance	
	Amt.	%	Amt.	%	Amt.	%
Assets	23,590	100.0	27,962	100.0	4,372	18.5
Current Assets	6,931	29.4	10,660	38.1	3,728	53.8
Quick Assets	4,404	18.7	6,682	23.9	2,277	51.7
Inventories	2,527	10.7	3,978	14.2	1,451	57.4
Non-current Asset	16,658	70.6	17,302	61.9	644	3.9
Investment Assets	4,679	19.8	5,172	18.5	493	10.5
Property&Equipment	11,922	50.5	12,084	43.2	162	1.4
Intangible Assets	58	0.2	47	0.2	-11	-19.4
Liabilities	6,782	28.7	10,094	36.1	3,312	48.8
Current Liabilities	4,961	21.0	7,731	27.6	2,770	55.8
Non-current Liabil	1,821	7.7	2,363	8.5	542	29.8
Capital	16,808	71.3	17,868	63.9	1,060	6.3
Net Debt	772		1,795		1,023	132.5
Net Debt ratio		4.6%		10.0%		
Debt Ratio		40.3%		56.5%		
Net worth to Assets		71.3%		63.9%		

02 **China**

• Income Statements

[Unit: Mil RMB]

	2007 3Q		2008 2Q		2008 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	1,825.8	100.0	1,957.6	100.0	2,001.9	100.0	9.6	2.3
COGS	1,456.9	79.8	1,620.9	82.8	1,828.6	91.3	25.5	12.8
Gross Profit	368.9	20.2	336.7	17.2	173.3	8.7	-53.0	-48.5
SG&A	305.0	16.7	277.5	14.2	285.4	14.3	-6.5	2.8
O.P margin	63.8	3.5	29.7	1.5	-112.1	-5.6	-	-
Non-operating Income/Loss	-26.6	-1.5	-4.7	-0.2	-70.4	-3.5	-	-
Ordinary Profit	37.2	2.0	25.1	1.3	-182.5	-9.1	-	-
EBITDA	176.0	9.6	161.0	8.2	21.2	1.1	-87.9	-86.8
Depreciation	112.2	6.1	131.2	6.7	133.3	6.7	18.8	1.6

※ China GAAP

※RMB Average Ex-rate

	2007 3Q	2008 2Q	2008 3Q
USD/RMB	7.56	6.96	6.84

• SG&A, Non-Operating Gain & Loss

[Unit: Mil RMB]

	2007 3Q (a)	2008 3Q (b)	차이 (b-a)
SG&A	305.0	285.4	-19.7
Salaries	23.4	30.9	7.5
Sales Promotion	18.6	0.0	-18.6
Royalty Expense	69.4	75.2	5.8
Cunsulting	13.3	12.2	-1.1
Export Commission	29.7	30.8	1.1
Depreciation	14.7	15.3	0.6
Domestic Transportation Cost	39.3	37.7	-1.6
Advertising Expenses	26.1	11.5	-14.5
Others	70.6	71.8	1.3
Non-Operating Gain & Loss	-26.6	-70.4	-43.8
Non-operating income	83.9	58.3	-25.5
Foreign currency translation gain/loss	53.2	24.9	-28.3
Others	30.7	33.4	2.8
Non-operating expenses	110.4	128.7	18.3
Interest expense	69.3	64.2	-5.1
others	41.2	64.6	23.4

03 ***Hungary***

Income Statements

[Unit: Mil HUF]

	2007 3Q		2008 2Q		2008 3Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	1,319	100.0	8,043	100.0	7,900	100.0	499.0	-1.8
COGS	2,882	218.5	8,883	110.4	8,557	108.3	196.9	-3.7
Gross Profit	-1,563	-118.5	-840	-10.4	-657	-8.3	-	-
SG&A	511	38.7	1,222	15.2	1,135	14.4	122.3	-7.1
O.P margin	-2,074	-157.2	-2,062	-25.6	-1,792	-22.7	-	-
Non-operating Income/Loss	-367	-27.8	4,239	52.7	-2,384	-30.2	-	-
Ordinary Profit	-2,440	-185.0	2,177	27.1	-4,176	-52.9	-	-
EBITDA	-2,073	-157.2	211	2.6	564	7.1	27.2	167.5
Depreciation	0.4	0.0	2,273	28.3	2,357	29.8	-	3.7

※Hungary GAAP

2008.9.30 HUF/KRW=7.025

※Hungary Local Ex-rate

	2008 1Q	2008 2Q	2008 3Q
EUR/HUF	260.24	236.86	242.11

04 ***Consolidated***

Income Statements

[단위: 억원]

	2007 3Q		2008 2Q		2008 3Q		YoY	QoQ
	금액	%	금액	%	금액	%	(%)	(%)
매 출 액	9,193	100.0	11,117	100.0	11,396	100.0	24.0	2.5
매 출 원 가	6,707	73.0	8,228	74.0	8,817	77.4	31.5	7.2
매출 총 이익	2,486	27.0	2,889	26.0	2,579	22.6	3.8	-10.7
판매 관리비	1,709	18.6	2,099	18.9	2,153	18.9	26.0	2.6
영 업 이 익	778	8.5	790	7.1	426	3.7	-45.2	-46.1
영업외 손익	-183	-2.0	107	1.0	-467	-4.1	-	-
경 상 이 익	595	6.5	898	8.1	-41	-0.4	-	-

• Balance Sheet

[Unit:100 Mil KRW]

	2007		2008 3Q		Variance	
	Amt.	%	Amt.	%	Amt.	%
Assets	41,293	100.0	47,280	100.0	5,987	14.5
Current Assets	16,174	39.2	19,375	41.0	3,202	19.8
Quick Assets	9,270	22.4	9,765	20.7	495	5.3
Inventories	6,903	16.7	9,610	20.3	2,707	39.2
Non-current Asset	25,119	60.8	27,905	59.0	2,786	11.1
Investment Assets	1,096	2.7	1,180	2.5	84	7.7
Property&Equipment	23,828	57.7	26,519	56.1	2,691	11.3
Intangible Assets	195	0.5	206	0.4	11	5.7
Liabilities	24,199	58.6	29,050	61.4	4,851	20.0
Current Liabilities	17,770	43.0	20,035	42.4	2,264	12.7
Non-current Liabil	6,429	15.6	9,015	19.1	2,586	40.2
Capital	17,093	41.4	18,231	38.6	1,137	6.7
Net Debt	9,578		14,469		4,891	51.1
Net Debt ratio		56.0%		79.4%		
Debt Ratio		141.6%		159.3%		
Net worth to Assets		41.4%		38.6%		

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