2010 Hankook Tire
3rd Quarter Result

IR
2010.10.26
English Ver.

Hankook
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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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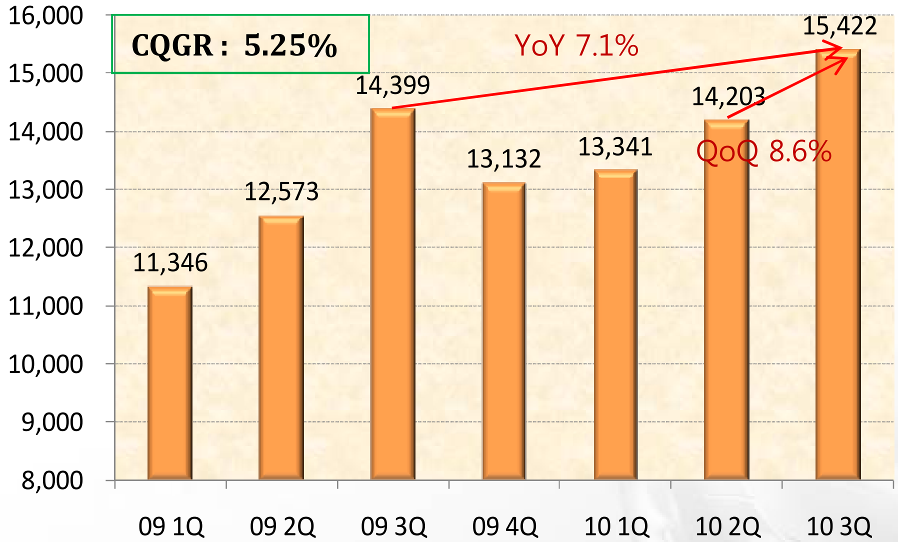
1. Consolidated Result

(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 1.7%↑, USD/KRW 4.8%↓, EUR/KRW 13.7 ↓

QoQ- Volume 2.8%↓, USD/KRW 1.2%↑, EUR/KRW 3.1%↑

② ASP hike: Domestic Korea RE 0.3%↑QoQ, Domestic China RE 0.2%↑QoQ,
Domestic Korea RE-EXP ASP 5.4%↑ QoQ (Local currency based ASP)

③ CQGR (of last 7 quarters) 5.25%

④ Global Product Inventory continued to decrease to 28 days from 31 days in 10 2Q

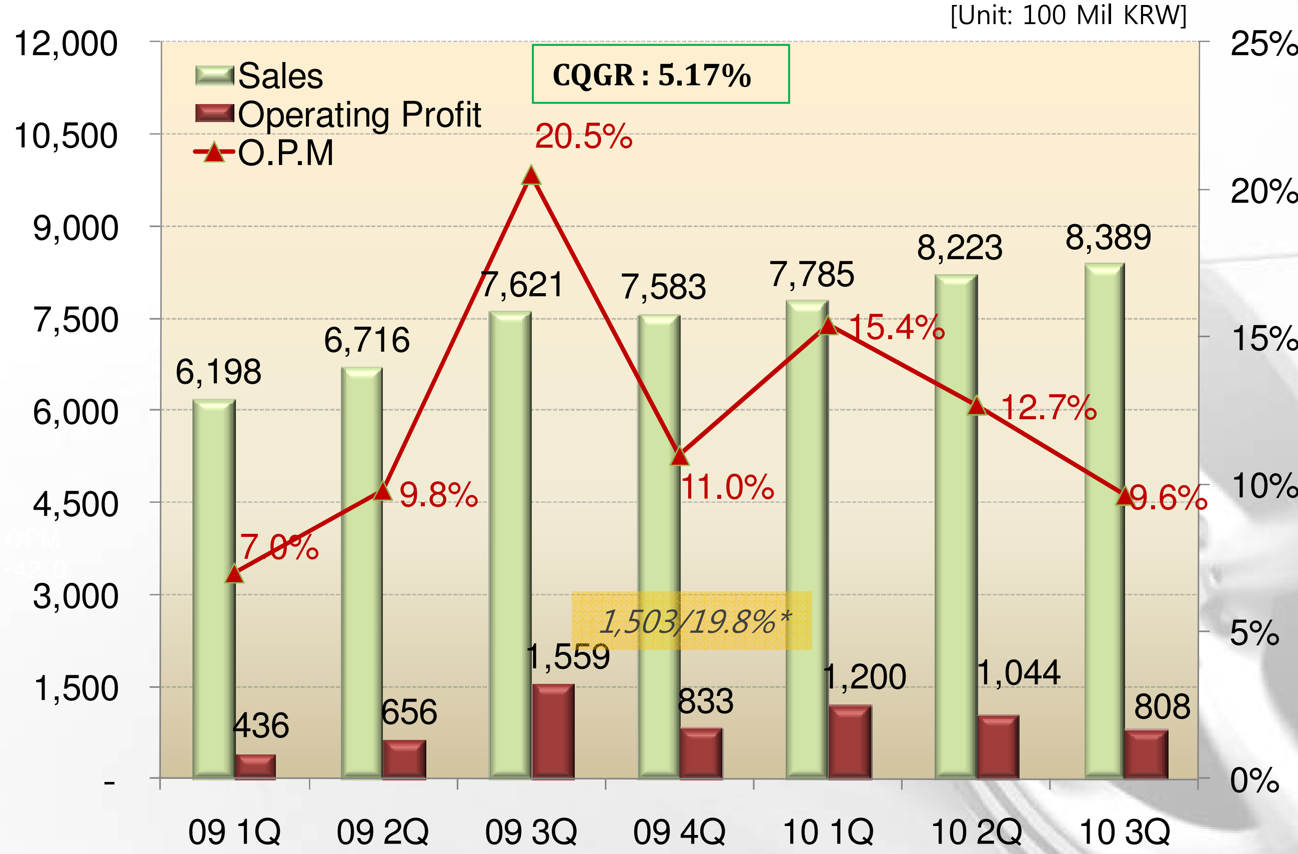
Consolidated Operating Profit: O.P has been decreased 8.8%P, due to Raw Material Input price hike 47% YoY.

CQGR : Compound Quarterly Growth Rate

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

1) Korea

[Unit: 100 Mil KRW]



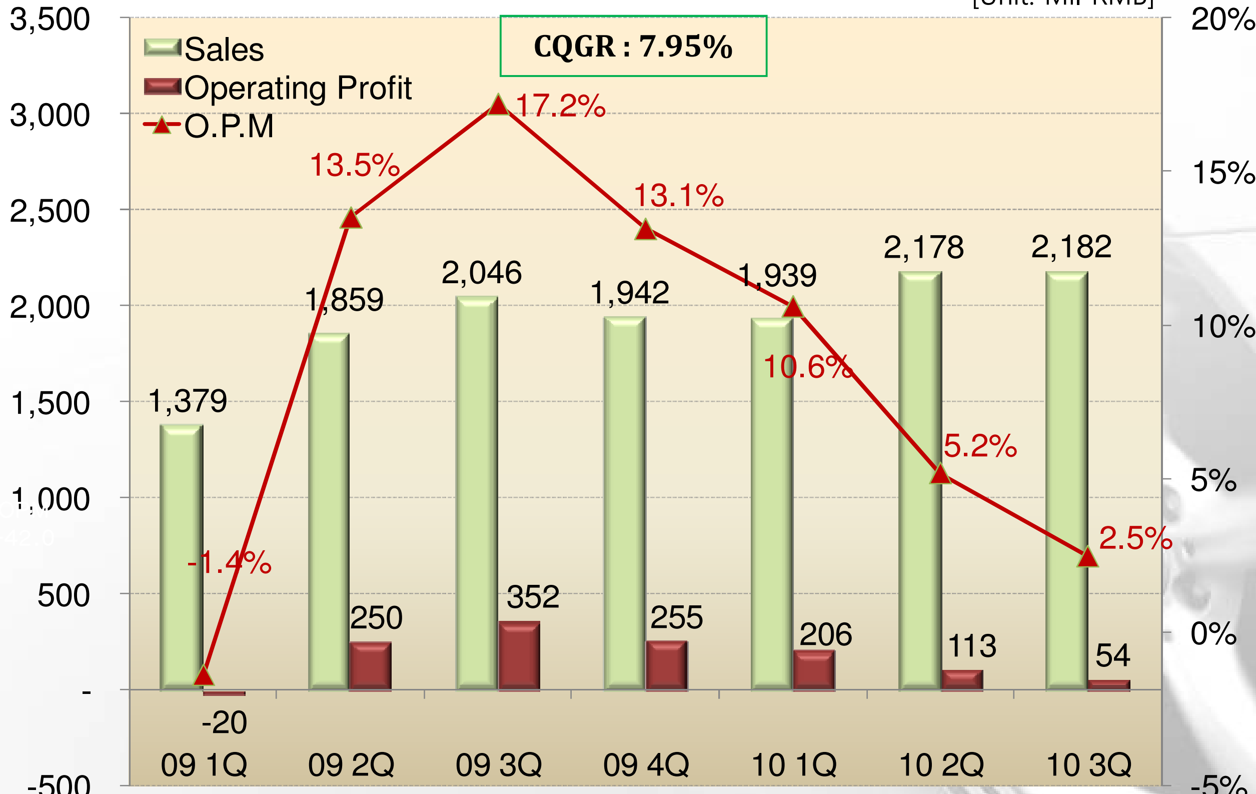
*09 4Q O.P and OPM before Year end bonus KRW150Bil /19.8%**

CQGR : Compound Quarterly Growth Rate

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

2) China

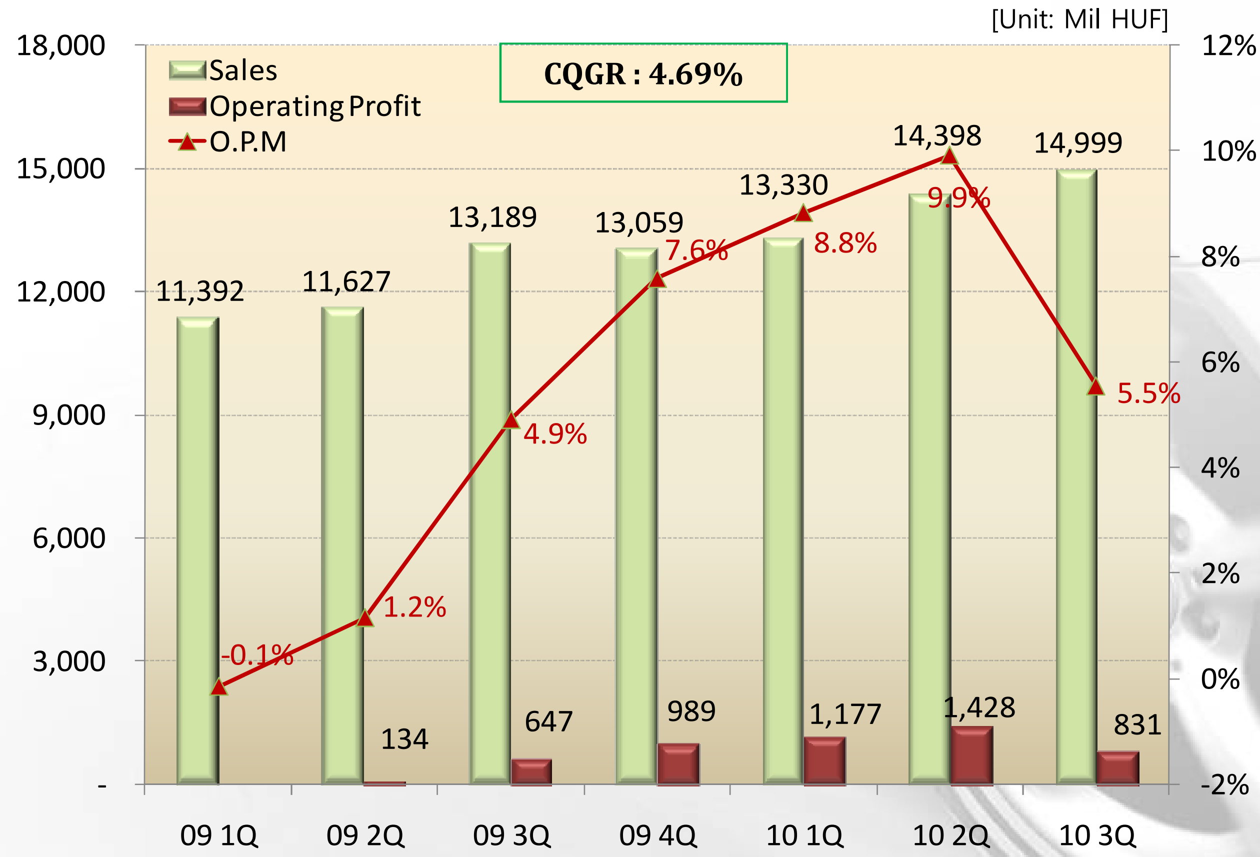
[Unit: Mil RMB]



CQGR : Compound Quarterly Growth Rate

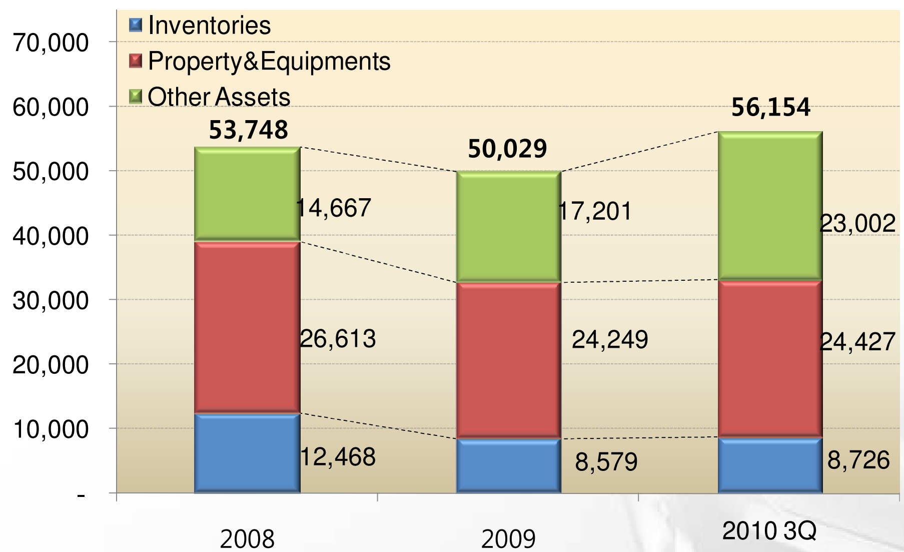
(2) Korea, China & Hungary Production Subs. Sales and OP Trend

3) Hungary



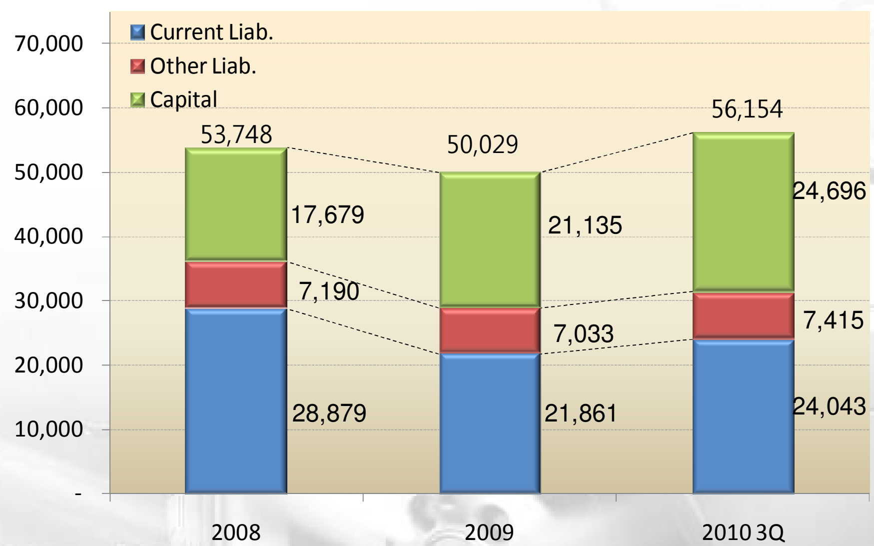
(3) Consolidated B/S

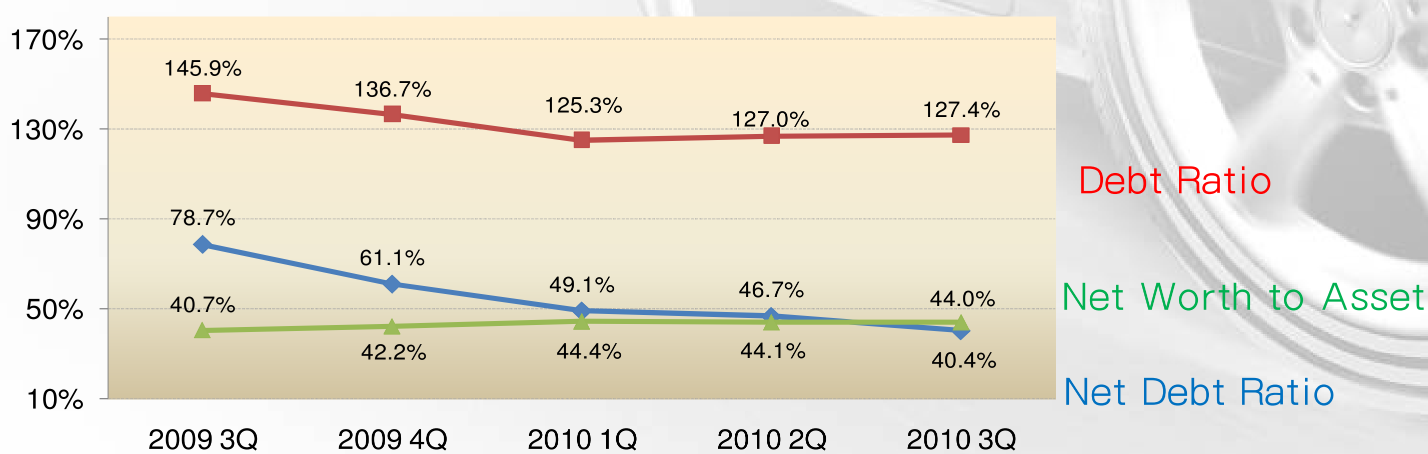
1) Asset



2) Liabilities and Capital

[Unit: 100Mil KRW]



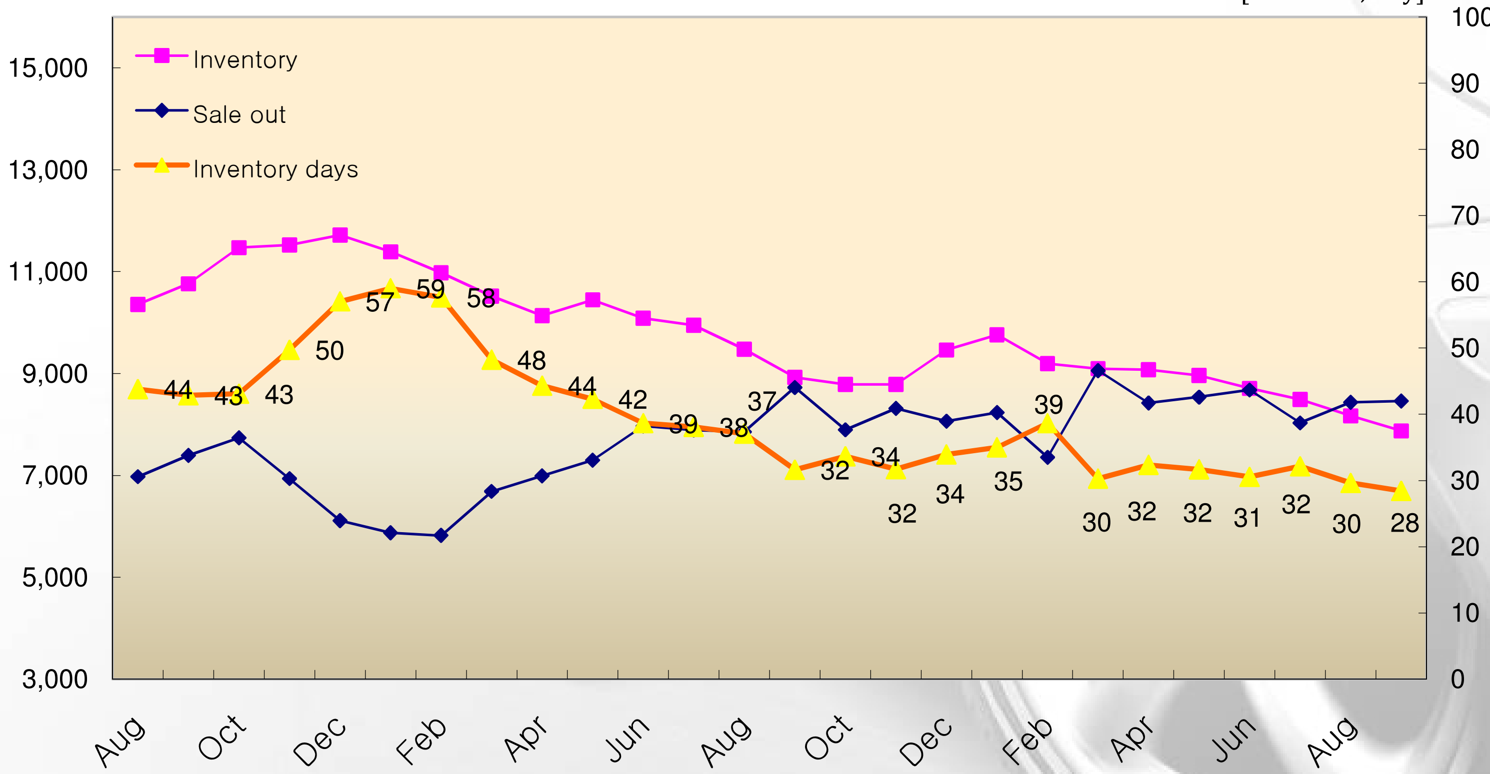


Appendix F/S Con. B/S

(4) Global Product Inventories and Capa. Utilization Rate

1) Global Inventory Index

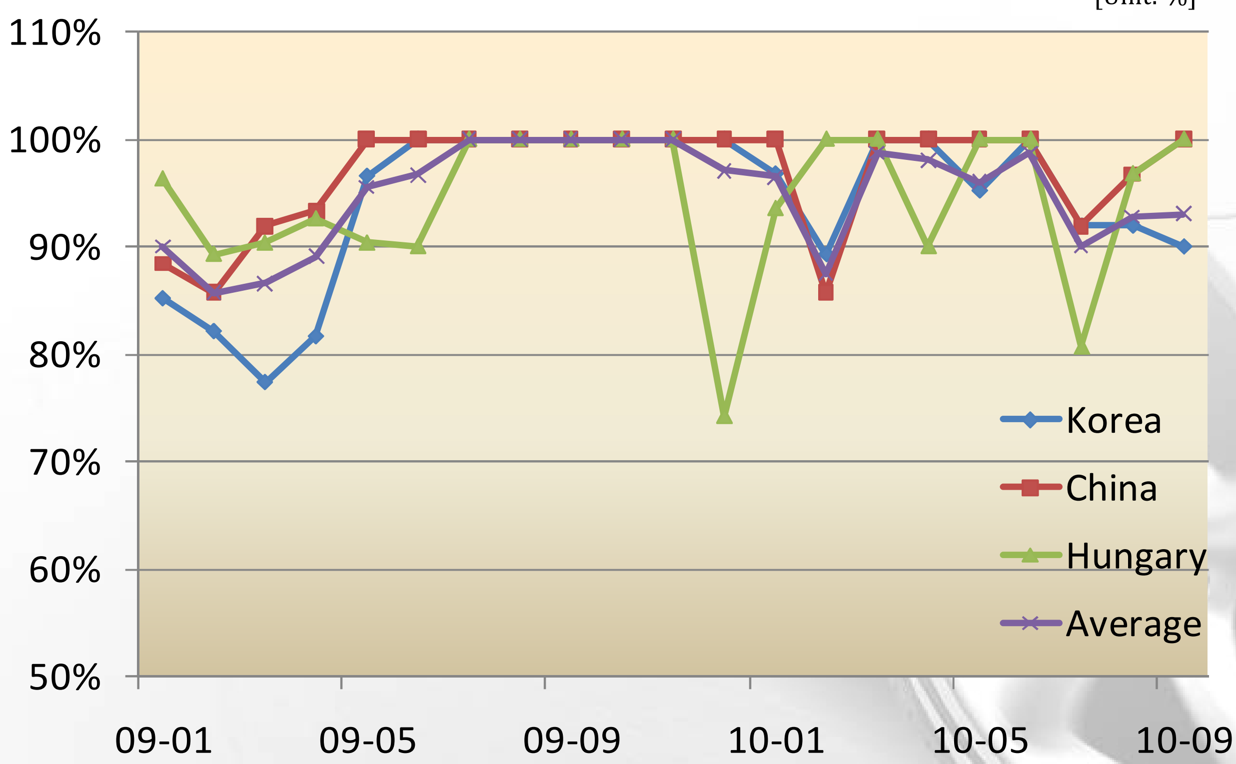
[Unit: '000, Day]



(4) Global Product Inventories and Capa. Utilization Rate

2) Global Capacity Utilization Rate

[Unit: %]



2010 Jul-Aug: Korea and Hungary Plant shut down 4 days for summer vacation .
2010 Sep: Korea plant closed 3days for Choo-Suk vacation (Korean Thanks giving Holiday)

(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	EUR	USD	EUR	Other Currency
Net Cash Flow F/X Position	-183	236	125	-118	94	20	-34	-170	-335	160	146
B/S F/X Position	-116	-33	34	-456	12	3	-1	-200	-573	-221	37
Total Exposures	-299	203	160	-574	106	23	-35	-370	-908	-61	183

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 reduced some amt. of Short USD/KRW position, The short position may be increased again depending on up-coming investment / CAPEX plan

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

Hungary: EUR/HUF stabilizing impact on Hungary Non-O.P Positively.

	09 3Q	09 4Q	10 1Q	10 2Q	10 3Q
USD/KRW	1,236	1,172	1,143	1,170	1,179
EUR/KRW	1,769	1,721	1,572	1,481	1,528
USD/RMB	6.831	6.828	6.827	6.824	6.771
EUR/HUF	271.15	271.88	265.22	285.26	276.26
HUF/KRW	6.524	6.331	5.927	5.192	5.530

※ 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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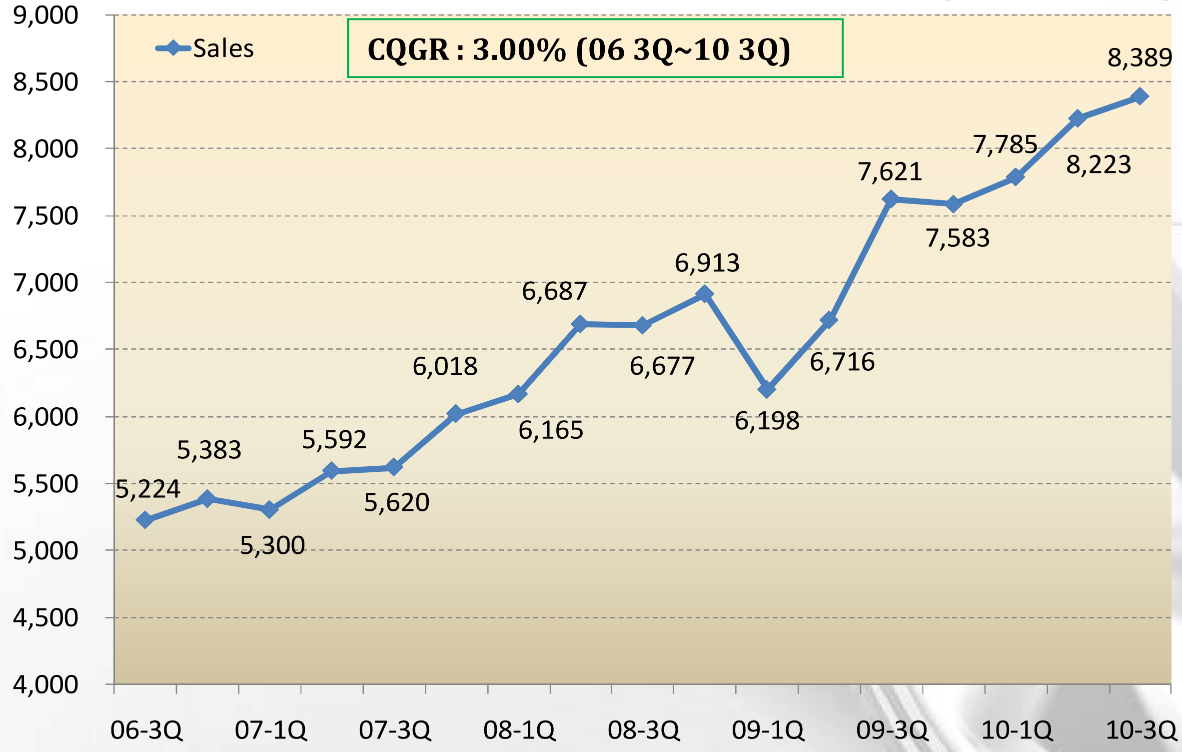
(1) Sales and Operating Profit Trend _ 5years

1) Parent Sales Trend

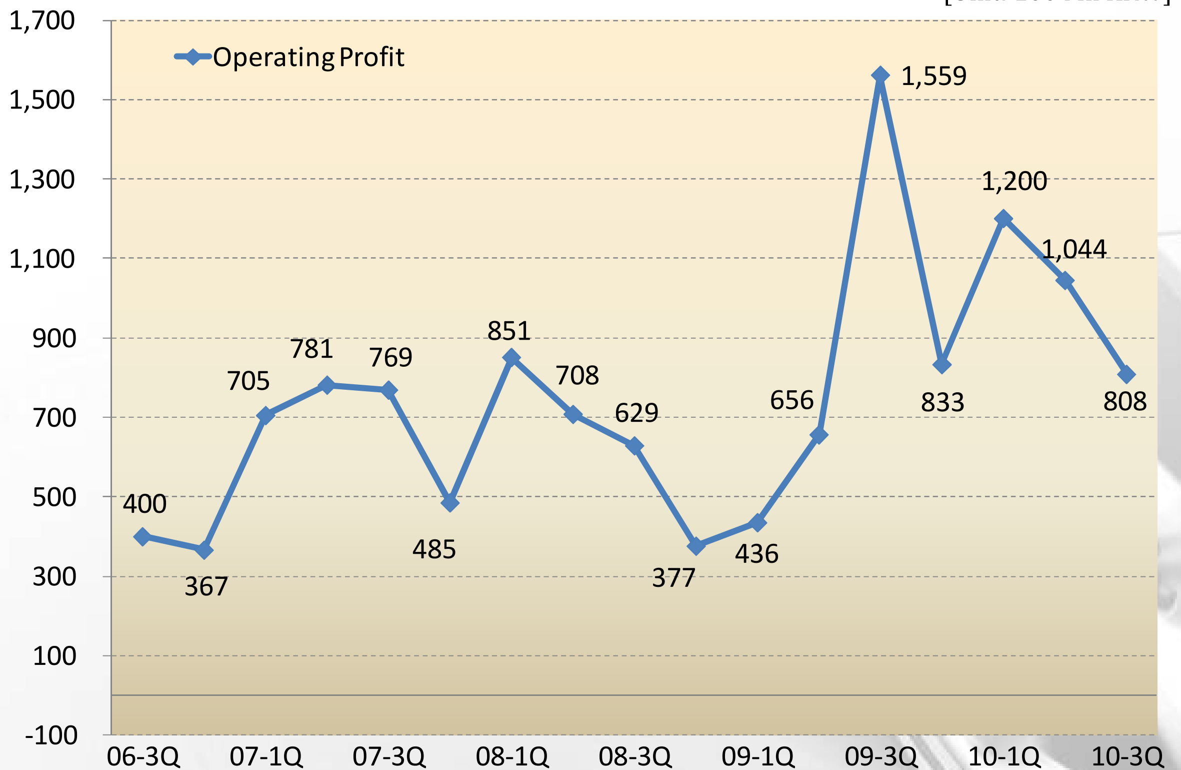
[Unit: 100 Mil KRW]



(1) Sales and Operating Profit Trend _ 5years

2) Operating Profit Trend

[Unit: 100 Mil KRW]



(2) Sales Breakdown

1) Sales Breakdown by Region

[Unit: 100Mil KRW]

	2009 3Q		2010 2Q		2010 3Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Export	5,173	67.9	5,863	71.3	5,755	68.6	11.3	-1.8
N. America	1,601	21.0	2,158	26.2	2,086	24.9	30.3	-3.4
Europe	1,497	19.6	1,325	16.1	1,510	18.0	0.9	14.0
Others	1,624	21.3	1,769	21.5	1,573	18.7	-3.2	-11.1
OE Local	452	5.9	611	7.4	587	7.0	29.9	-3.9
Domestic	2,448	32.1	2,360	28.7	2,634	31.4	7.6	11.6
Total	7,621	100	8,223	100	8,389	100	10.1	2.0

2) UHPT Sales

[Unit: 100 Mil KRW,'000]

	2009 3Q		2010 3Q		2010 3Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	7,621	100.0	8,223	100.0	8,389	100.0	10.1	2.0
UHPT Sales	1,238	16.3	1,545	18.8	1,667	19.9	34.6	7.9
Domestic	234	18.9	314	20.3	321	19.2	37.0	2.0
N. America	386	31.1	587	38.0	643	38.6	66.7	9.6
Europe	401	32.3	376	24.3	439	26.3	9.6	16.6
Others	218	17.6	268	17.3	264	15.8	21.2	-1.3
UHPT Sales Unit	1,723		2,191		2,256		27.1	3.0

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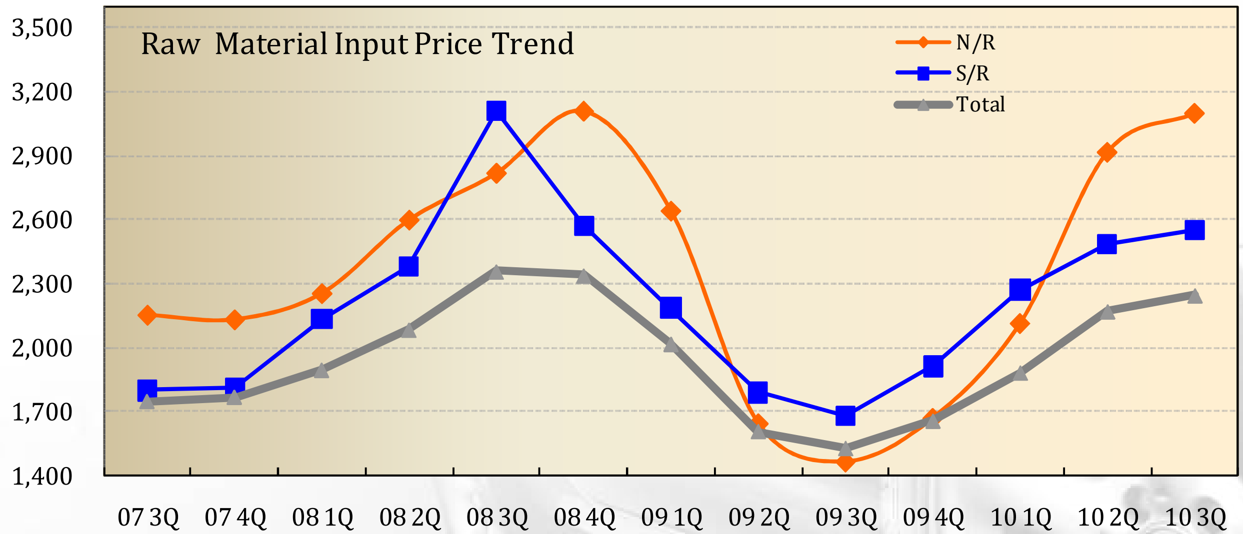
(3) Raw Material Trend



[Unit:USD/ton]

	2009 3Q	2010 2Q	2010 3Q	YoY (%)	QoQ (%)
N/R	1,465	2,914	3,096	111.3	6.2
S/R	1,683	2,487	2,552	51.6	2.6
C/B	910	1,113	1,121	23.2	0.7
T/C	4,345	4,366	4,460	2.6	2.1
S/C	1,915	2,035	2,100	9.6	3.2
Others	1,599	1,761	1,784	11.5	1.3
W.Average	1,529	2,170	2,245	46.9	3.5

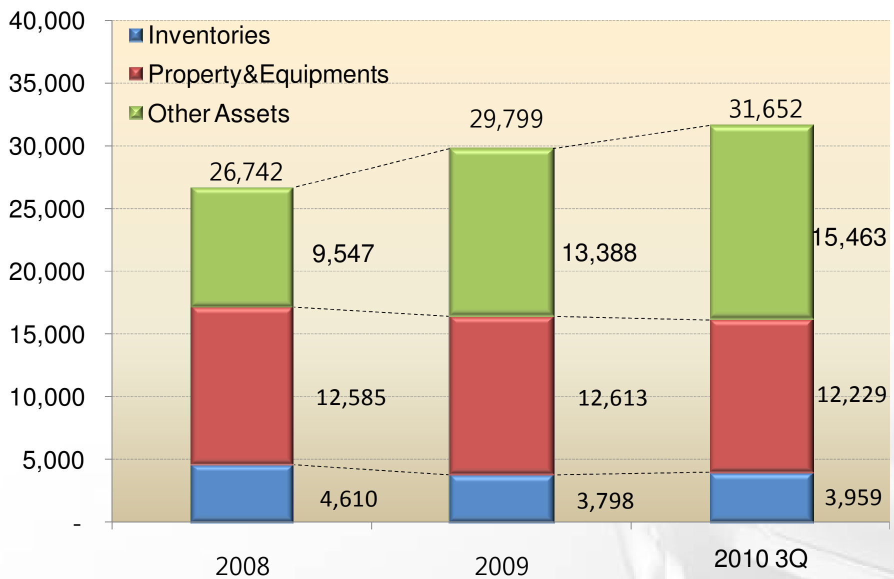
(4) Major Equity Method Gain and Loss

[Unit: 100 mil KRW]

	08 3Q	08 4Q	09 1Q	09 2Q	09 3Q	09 4Q	10 1Q	10 2Q	10 3Q
Tire	**-673**	**-1,102**	**-506**	**-33**	**462**	**46**	**378**	**-22**	**390**
China	-282	-698	-374	76	378	41	198	15	26
Euro Holdings(Hungary)	-381	-314	0	-214	-17	-5	89	-82	145
Sales Subsidiaies	-9	-90	-132	106	101	10	91	45	219
Non-Tire	**23**	**90**	**57**	**34**	**32**	**68**	**43**	**46**	**45**
Total	**-650**	**-1,012**	**-449**	**1**	**494**	**114**	**421**	**24**	**435**

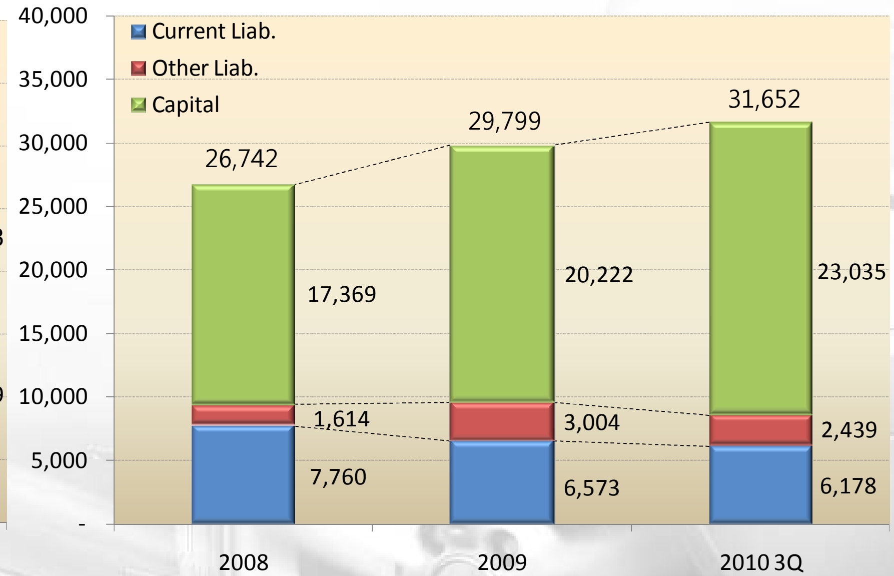
(3) Parent B/S Trend

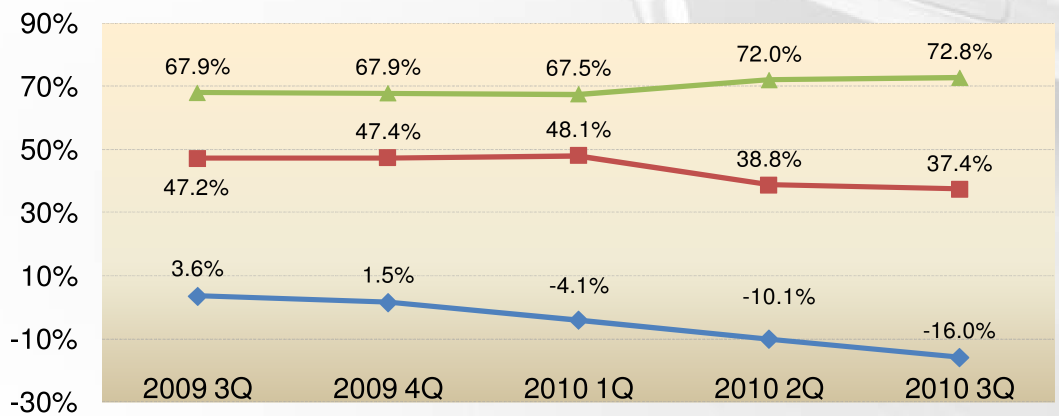
1) Asset



2) Liabilities and Capital

[Unit: 100 Mil KRW]





Net Worth to Asset

Debt Ratio

Net Debt Ratio

2010 3Q Net Cash 367 Bil KRW

Appendix F/S Parent. B/S

Contents

2010 3Q Business Result

(1) Raw Material Price

N/R:
5% reduced production level due to the 2009's low N/R price in unclear economy and lot of raining in SE countries influenced by La Nina make N/R producers and dealers expect tight supply
Despite this situation, we expect N/R production to grow by around 6% in 2010 (LMC)
Forecast 2010 N/R supply deficit as over100,000 tones in 2010
(Global demand assumption:9.9MTon)
Forecast 2011 N/R supply deficit might be eased to over 70,000 tones by LMC

Current N/R price is USD 3,921/Ton as of 25th Oct 2010 12:00.

N/R price had shown a strong correlation with crude oil prices in recent years, but through the course of 2009, this correlation has weakened.

S/R: Current Butadiene price USD1,780/Ton (2Q price was around 2,000/Ton)
In China, with tire production increasing 24% in the year to August 2010, S/R demand has increased strongly. This demand has largely been met by increased local production, which rose by 13% over the same period.

(2) Product Price Increase

Last month, Company announced 6.5% price increase plan to U.S market as of 1st Nov. for all Line-Up.
Following U.S, each regional market sales dept. will increase prices during 2010 4Q and 2011 1Q.
Regional price hike will be applied differently depending on market conditions.

Contents

1. Korea I/S

[Unit: 100 Mil KRW]

	2009 3Q		2010 2Q		2010 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	7,621	100.0	8,223	100.0	8,389	100.0	10.1	2.0
COGS	4,890	64.2	5,785	70.3	6,061	72.2	23.9	4.8
Gross Profit	2,731	35.8	2,438	29.7	2,328	27.8	-14.7	-4.5
SG&A	1,171	15.4	1,394	17.0	1,520	18.1	29.8	9.0
O.P margin	1,559	20.5	1,044	12.7	808	9.6	-48.2	-22.6
Non-operating	796	10.4	199	2.4	719	8.6	-9.6	261.2
Ordinary Profit	2,355	30.9	1,243	15.1	1,527	18.2	-35.1	22.9
EBITDA	1,987	26.1	1,467	17.8	1,258	15.0	-36.7	-14.3
Depreciation	428	5.6	423	5.1	450	5.4	5.0	6.3

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

[Unit:100 Mil KRW]

	2008 3Q (a)	2009 2Q	2009 3Q (b)	Diff. (b-a)
SG&A				
Salaries	273	306	365	93
Ocean Freight	184	316	345	161
Product Warranty Expenses	20	15	13	-7
Employee Benefits	37	43	47	9
Export Sales Expenses	22	22	22	0
Depreciation	91	83	89	-2
Advertising Expenses	155	209	248	93
Others	390	400	391	2
Total	**1,171**	**1,395**	**1,520**	**349**
Non-Operating				
Equity Method gain/loss	494	24	435	-59
Foreign Currency Transaction	22	43	-28	-50
Foreign Exchange Transaction	51	-87	66	14
Import Royalty	213	212	216	3
Others	15	6	30	15
Total	**795**	**199**	**719**	**-76**

3. China I/S

[Unit: Mil RMB]

	2009 3Q Amt.	2009 3Q %	2010 2Q Amt.	2010 2Q %	2010 3Q Amt.	2010 3Q %	YoY (%)	QoQ (%)
Sales	2,046	100.0	2,178	100.0	2,182	100.0	6.6	0.2
COGS	1,395	68.2	1,717	78.8	1,784	81.8	27.8	3.9
Gross Profit	651	31.8	461	21.2	398	18.2	-38.8	-13.6
SG&A	299	14.6	348	16.0	344	15.8	15.2	-1.1
O.P margin	352	17.2	113	5.2	54	2.5	-84.7	-52.3
Non-operating	-79	-3.8	-82	-3.8	-15	-0.7	-	-
Ordinary Profit	273	13.4	31	1.4	39	1.8	-85.6	27.8
EBITDA	482	23.6	243	11.2	186	8.5	-61.4	-23.5
Depreciation	130	6.4	131	6.0	132	6.1	1.6	1.4

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

[Unit: Mil RMB]

	2008 3Q (a)	2009 2Q	2009 3Q (b)	Diff. (b-a)
SG&A	**299**	**348**	**344**	**45**
Salaries	27	30	32	5
Sales Promotion	0	0	0	0
Royalty Expense	77	82	82	5
Cunsulting	16	15	16	0
Export Commission	23	24	17	-6
Depreciation	14	14	14	1
Domestic Transportation Cost	44	49	51	7
Advertising Expenses	13	41	32	19
Others	86	92	100	15
Non-Operating Gain &Loss	**-79**	**-82**	**-14**	**64**
Non-operating income	45	82	175	130
Foreign currency translation	22	62	106	84
Others	23	20	69	46
Non-operating expenses	124	164	190	66
Interest expense	59	41	42	-17
others	65	123	148	83

5. Hungary I/S

[Unit: Mil HUF]

	2009 3Q		2010 2Q		2010 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	13,189	100.0	14,398	100.0	14,999	100.0	13.7	4.2
COGS	10,815	82.0	11,101	77.1	12,304	82.0	13.8	10.8
Gross Profit	2,374	18.0	3,297	22.9	2,695	18.0	13.5	-18.3
SG&A	1,727	13.1	1,870	13.0	1,864	12.4	7.9	-0.3
O.P margin	647	4.9	1,428	9.9	831	5.5	28.5	-41.8
Non-operating	-154	-1.2	-3,360	-23.3	1,581	10.5	-	-
Ordinary Profit	493	3.7	-1,932	-13.4	2,412	16.1	389.7	-
EBITDA	3,063	23.2	3,884	27.0	3,335	22.2	8.9	-14.1
Depreciation	2,416	18.3	2,456	17.1	2,504	16.7	3.6	1.9

6. Consolidated I/S

[Unit: 100 Mil KRW]

	2009 3Q		2010 2Q		2010 3Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	14,399	100.0	14,203	100.0	15,422	100.0	7.1	8.6
COGS	9,558	66.4	9,929	69.9	11,167	72.4	16.8	12.5
Gross Profit	4,842	33.6	4,274	30.1	4,255	27.6	-12.1	-0.4
SG&A	2,092	14.5	2,497	17.6	2,621	17.0	25.3	5.0
O.P margin	2,750	19.1	1,777	12.5	1,634	10.6	-40.6	-8.0
Non-operating	-11	-0.1	-324	-2.3	179	1.2	-	-
Ordinary Profit	2,738	19.0	1,453	10.2	1,813	11.8	-33.8	24.8
EBITDA	3,757	26.1	2,621	18.5	2,532	16.4	-32.6	-3.4
Depreciation	1,007	7.0	844	5.9	898	5.8	-10.8	6.4

7. Parent B/S

[Unit:100 Mil KRW]

	End of 2009		2010 3Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	29,799	100.0	31,652	100.0	1,853	6.2
Current Assets	12,533	42.1	13,880	43.9	1,347	10.7
Quick Assets	8,736	29.3	9,921	31.3	1,185	13.6
Inventories	3,798	12.7	3,959	12.5	161	4.2
Non-current Asset	17,265	57.9	17,772	56.1	506	2.9
Investment Assets	4,669	15.7	5,450	17.2	781	16.7
Property&Equipment	12,586	42.2	12,229	38.6	-357	-2.8
Intanible Assets	11	0.0	93	0.3	83	783.8
Liabilites	9,577	32.1	8,617	27.2	-960	-10.0
Current Liabilities	6,573	22.1	6,178	19.5	-395	-6.0
Non-current Liabilities	3,004	10.1	2,439	7.7	-565	-18.8
Capital	20,222	67.9	23,035	72.8	2,813	13.9
Net Cash(Debt)	*(307)*		*3,674*		3,981	-1297.5
Net Debt ratio		*-1.5%*		*16.0%*		
Debt Ratio		*47.4%*		*37.4%*		
Net worth to Assets		*67.9%*		*72.8%*		

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8. Consolidated B/S

[Unit:100 Mil KRW]

	End of 2009		2010 3Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	50,029	100.0	56,154	100.0	6,125	12.2
Current Assets	23,682	47.3	29,712	52.9	6,031	25.5
Quick Assets	15,102	30.2	20,986	37.4	5,884	39.0
Inventories	8,579	17.1	8,726	15.5	146	1.7
Non-current Asset	26,348	52.7	26,442	47.1	94	0.4
Investment Assets	1,857	3.7	1,696	3.0	-161	-8.7
Property&Equipment	24,249	48.5	24,427	43.5	178	0.7
Intanible Assets	241	0.5	319	0.6	77	32.1
Liabilites	28,894	57.8	31,458	56.0	2,564	8.9
Current Liabilities	21,861	43.7	24,043	42.8	2,182	10.0
Non-current Liabilities	7,033	14.1	7,415	13.2	382	5.4
Capital	21,135	42.2	24,696	44.0	3,561	16.8
Net Cash(Debt)	*(12,906)*		*(9,984)*		2,922	-22.6
Net Debt ratio		-61.1%		-40.4%		
Debt Ratio		136.7%		127.4%		
Net worth to Assets		42.2%		44.0%		

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