

2011 Hankook Tire

4th Quarter Result

2012.01.31



H•LOHAS
a Hankook Tire Commitment

Beyond Business & Growth ; **Sustainability & Culture**

Hankook
driving emotion

The information in this presentation is based upon management forecasts and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources of which was provided by us or which was reviewed by us.

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. 2011 Business Result

2011 Business Result

※ 2009 K-GAAP
2010, 2011 IFRS

[unit : 100 Mil KRW, %]

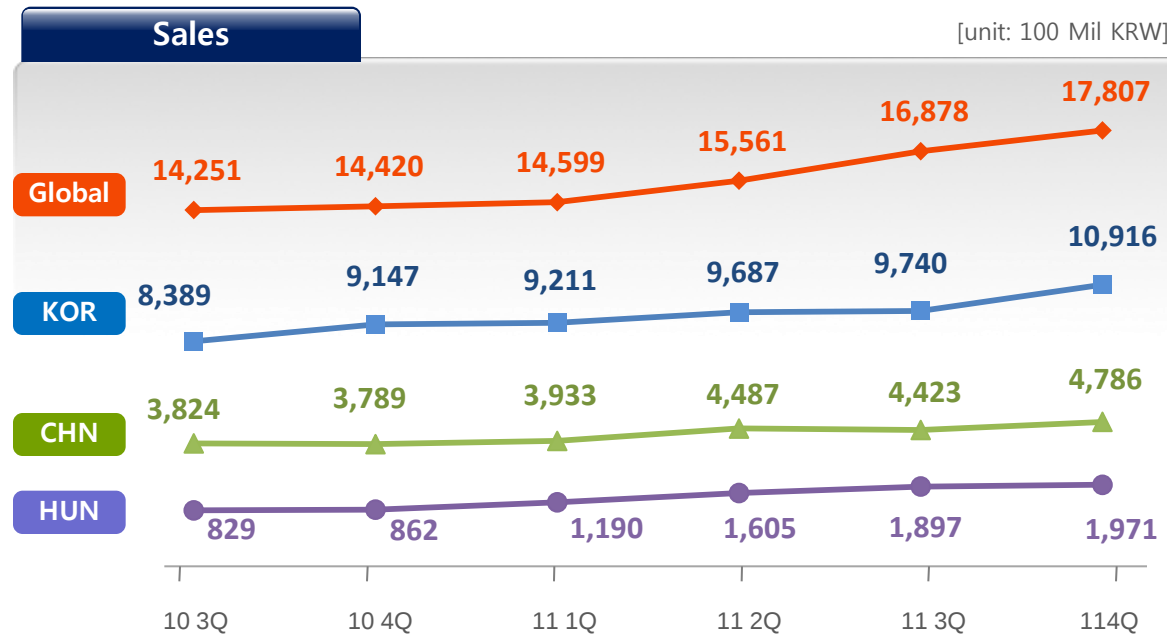
	2009(A)	2010(B)	2011 (C)	C/A(%)	C/B(%)
Sales	48,099	53,639	64,844	134.8%	120.9%
COGS	33,636 (69.9%)	37,131 (69.2%)	47,891 (73.9%)	142.4%	129.0%
Operating Profit	5,493 (11.4%)	6,209 (11.6%)	5,663 (8.7%)	103.1%	91.2%
Ordinary Profit	4,618 (9.6%)	6,119 (11.4%)	4,793 (7.4%)	103.8%	78.3%
EBITDA	9,193 (19.1%)	9,480 (17.7%)	9,351 (14.4%)	101.7%	98.6%

※ 2009 Tire Business Only, 2010, 2011 Consolidated Total

1. 2011 Business Result

(1) Consolidated Sales Trend

(Global/Korea : K-IFRS, CHN/Hungary : Local GAAP)



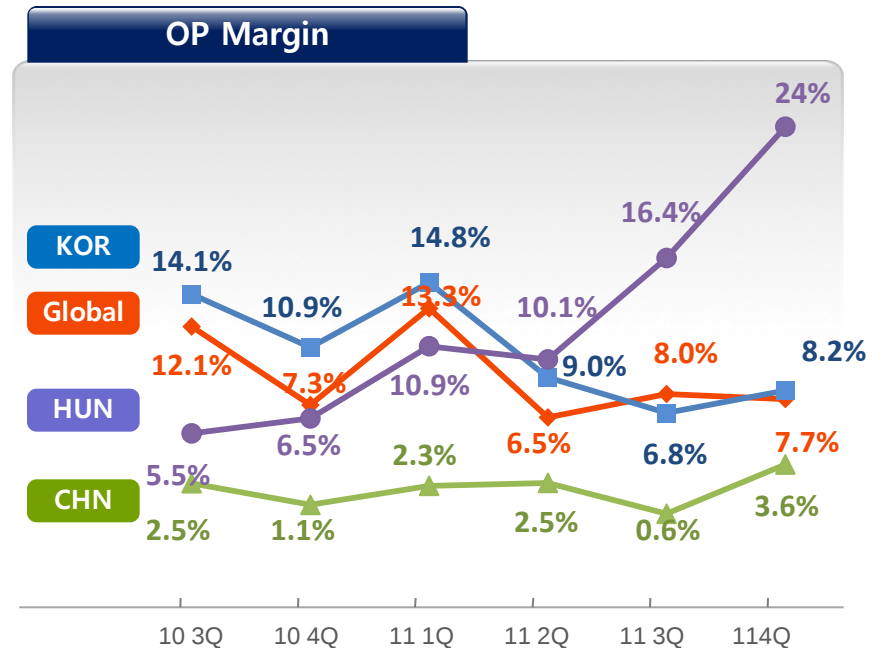
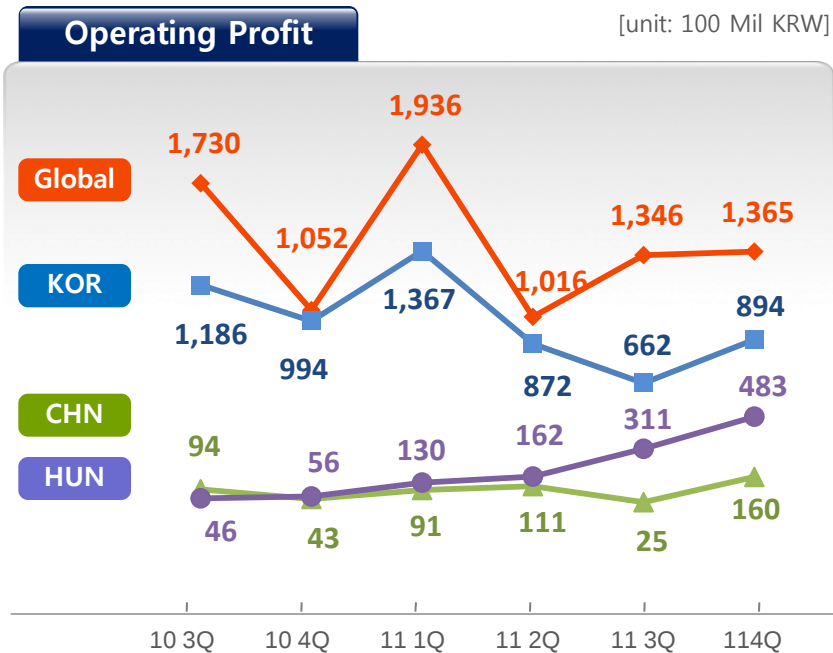
Sales

Global	: QoQ 5.5% ↑, YoY 23.5% ↑
Korea	: QoQ 12.1% ↑, YoY 19.3% ↑
China	: QoQ 8.2% ↑, YoY 26.3% ↑
Hungary	: QoQ 3.9% ↑, YoY 128.5% ↑

1. 2011 Business Result

(2) Consolidated Operating Profit Trend

(Global/Korea : K-IFRS, CHN/Hungary : Local GAAP)



Operating Profit

Global : QoQ 1.4% ↑, YoY 29.7% ↑

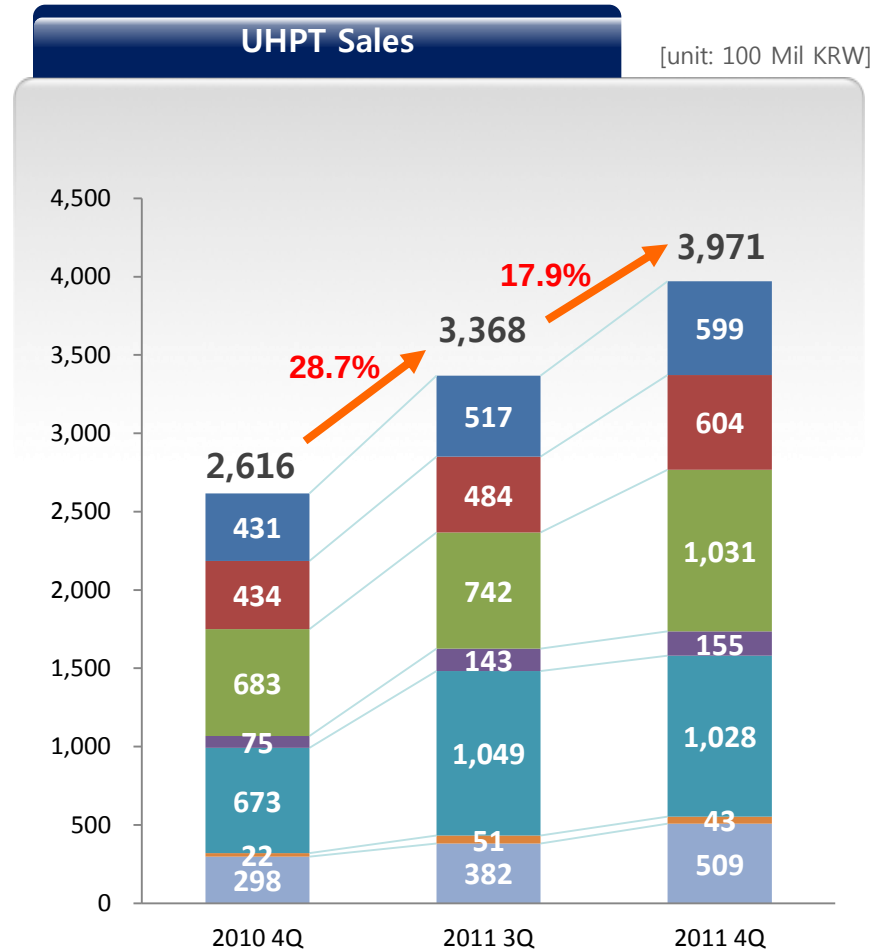
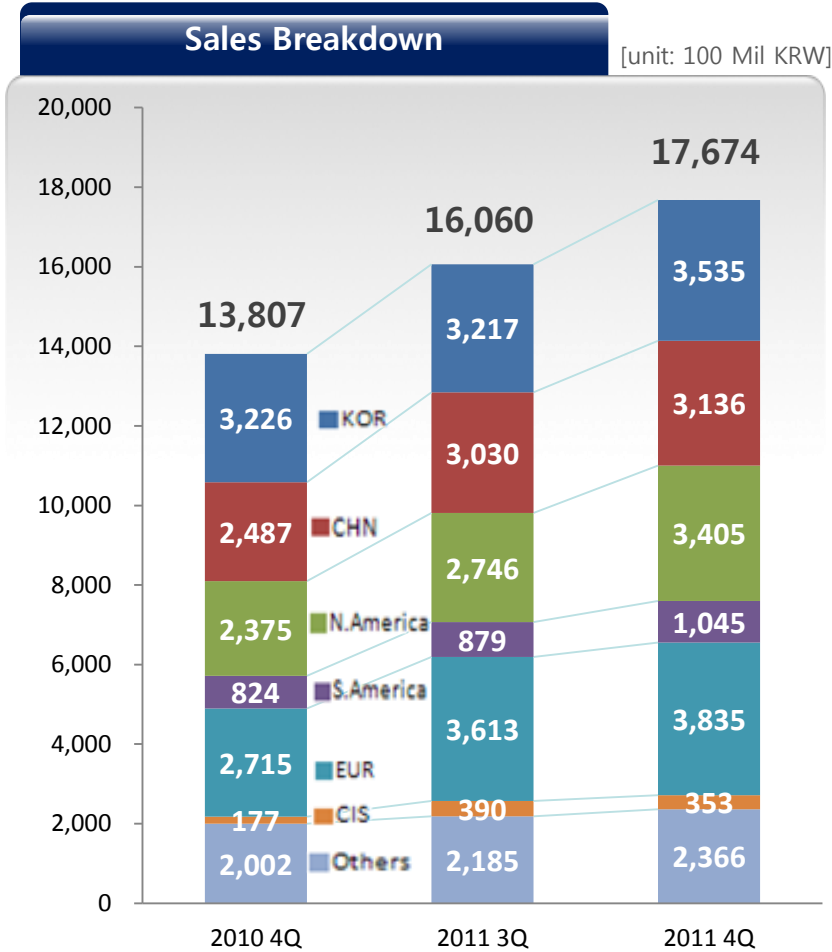
Korea : QoQ 35% ↑, YoY 10% ↓

China : QoQ 13.5 bil KRW ↑, YoY 11.8 bil KRW ↑

Hungary : QoQ 17.2 bil KRW ↑, YoY 42.7 bil KRW ↑

1. 2011 Business Result

(3) Global Sales Breakdown / UHPT Sales



UHPT Sales/Total Sales

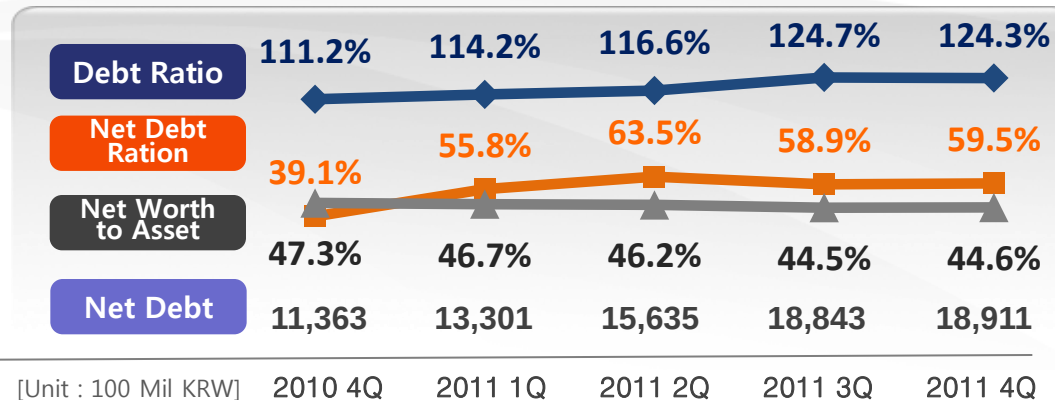
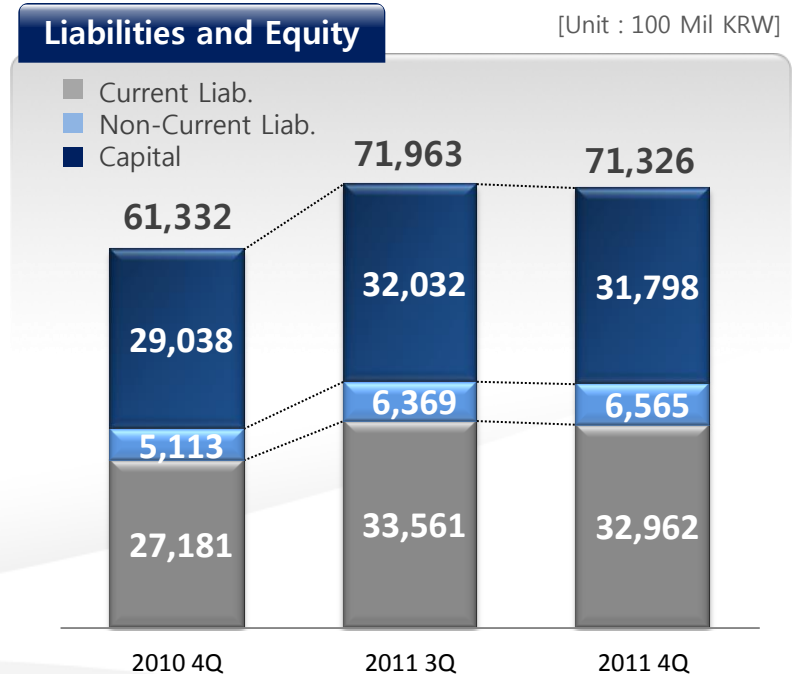
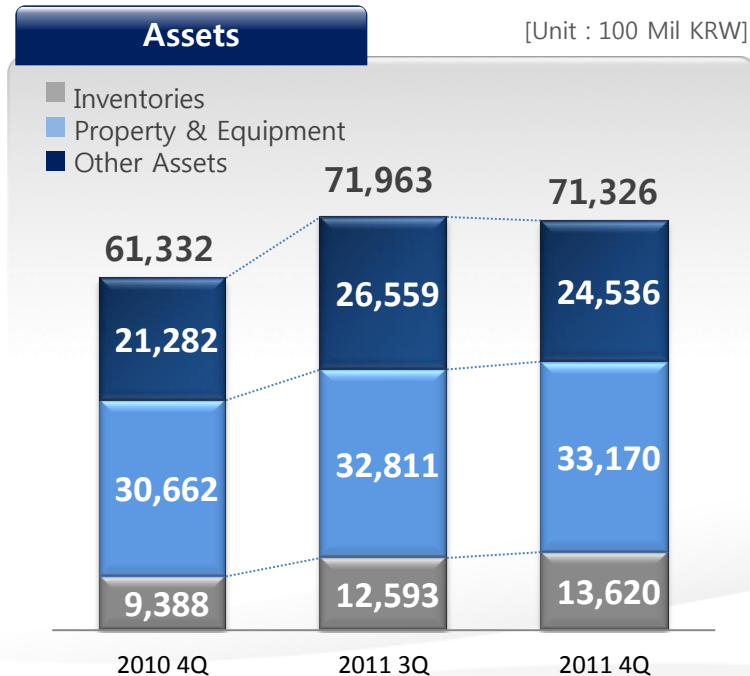
18.9%

21.0%

22.5%

1. 2011 Business Result

(4) Consolidated B/S



1. 2011 Business Result

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2. 2012 Business Target

[unit: 100 Mil KRW,%]

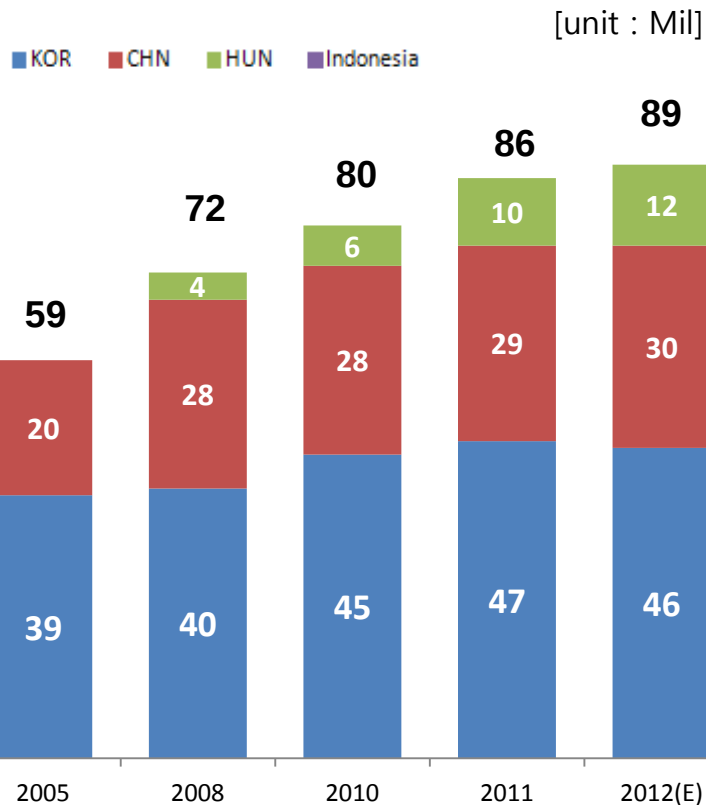
Global	2011 (A)	2012 Target(B)	YoY
Sales	64,844	72,328	11.5%
COGS	47,890	51,866	8.3%
COGS(%)	73.9%	71.7%	
Gross Profit	16,953	20,462	20.7%
SG&A	11,290	12,280	8.7%
Operating Profit	5,663	8,182	44.5%
OP(%)	8.7%	11.3%	
Depreciation	3,689	3,974	7.7%
EBITDA	9,351	12,156	30.0%
EBITDA(%)	14.4%	16.8%	

* 2011 Consolidated Total, 2012(E) Tire Business Only.

2. 2012 Business Target

- Capacity grew 1.5x from 2005 levels, due to the China and Hungary's plant expansions.
- China's 3rd plant and Indonesia plant will start to produce on September, 2012.
- The annual production capacity is over **89 million** units.

Tire Production Trend



2012 Production Plan

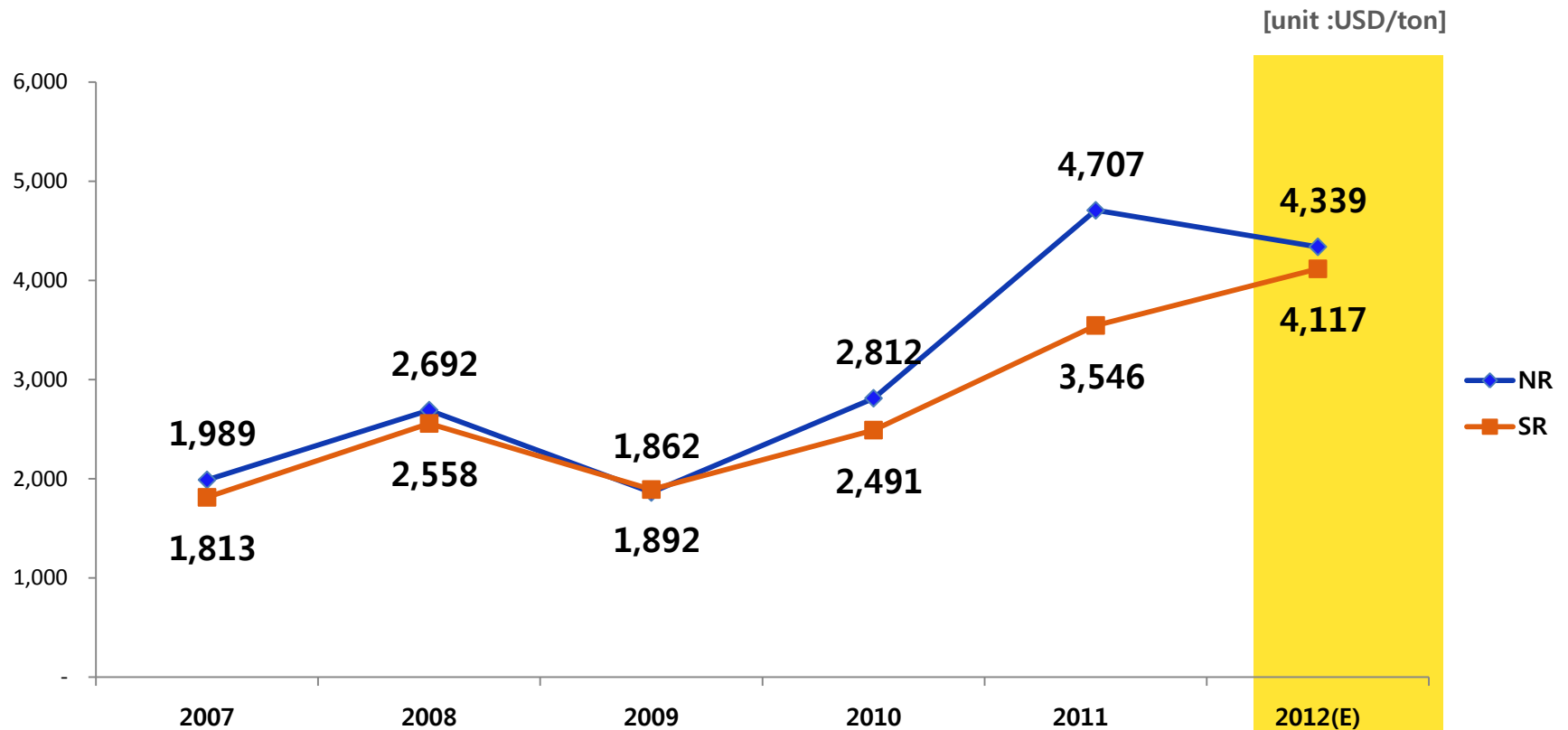
[unit : Mil, %]

	'10 Act	'11Act	'12 Plan
KOR	45.45	46.70	46.28
CHN	28.34	28.98	30.51
HUN	5.91	10.09	12.51
Indonesia			0.03
TOT	79.70	85.77	89.33

2. 2012 Business Target

- Raw Material Cost (2011) : \$4,707/ton(NR) (YoY 67% ↑), \$3,546/ton(SR) (YoY 42% ↑)
- Expected Raw Material Cost (2012) : **\$4,339/ton(NR), \$4,117/ton(SR)**

Raw material cost plan



※ Korea plant's input cost (NR, SR) [excluding sub-cost]

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Appendix. F/S – Korea B/S

[unit : Mil KRW]

	2010	2011	Diff.	%
Current Assets	1,972,541	2,284,321	311,780	15.8%
Non- Current Assets	2,080,157	2,267,321	187,164	9.0%
Total Assets	4,052,698	4,551,642	498,944	12.3%
Current Liabilities	1,216,999	1,670,899	453,900	37.3%
Non-Current Liabilities	256,591	82,750	-173,841	-67.8%
(Borrowings)	(720,208)	(1,021,970)	(301,762)	41.9%
Total Liabilities	1,473,590	1,753,649	280,059	19.0%
(Capital Stock)	(76,095)	(76,095)	(0)	0.0%
Shareholders' Equity	2,579,107	2,797,993	218,886	8.5%
Total Liabilities and Shareholders' Equity	4,052,698	4,551,642	498,944	12.3%
Debt Ratio	57.1%	62.7%	5.6%	
Net Worth to Asset	63.6%	61.5%	-2.1%	

Appendix. F/S – China B/S

[unit : K RMB]

	2010	2011	Diff.	%
Current Assets	4,677,256	6,938,732	2,261,476	48.4%
Non- Current Assets	7,657,592	8,273,908	616,316	8.0%
Total Assets	12,334,848	15,212,640	2,877,792	23.3%
Current Liabilities	7,401,313	8,516,788	1,115,475	15.1%
Non-Current Liabilities	16,657	1,175,218	1,158,561	6955.4%
(Borrowings)	(4,448,094)	(5,876,599)	(1,428,505)	32.1%
Total Liabilities	7,417,970	9,692,006	2,274,036	30.7%
(Capital Stock)	(3,246,557)	(3,756,773)	(510,216)	15.7%
Shareholders' Equity	4,916,878	5,520,634	603,756	12.3%
Total Liabilities and Shareholders' Equity	12,334,848	15,212,640	2,877,792	23.3%
Debt Ratio	150.9%	175.6%	24.7%	
Net Worth to Asset	39.9%	36.3%	-3.6%	

Appendix. F/S – Hungary B/S

[unit : K HUF]

	2010	2011	Diff.	%
Current Assets	56,700,224	114,528,822	57,828,598	102.0%
Non- Current Assets	103,385,982	109,962,255	6,576,273	6.4%
Total Assets	160,086,206	224,491,077	64,404,871	40.2%
Current Liabilities	91,536,919	145,897,802	54,360,883	59.4%
Non-Current Liabilities	46,230,687	47,706,600	1,475,913	3.2%
(Borrowings)	(99,489,244)	(133,650,025)	(34,160,781)	34.3%
Total Liabilities	137,767,607	193,604,402	55,836,795	40.5%
(Capital Stock)	(11,087,730)	(11,087,730)	(0)	0.0%
Shareholders' Equity	22,318,599	30,886,675	8,568,075	38.4%
Total Liabilities and Shareholders' Equity	160,086,206	224,491,077	64,404,871	40.2%
Debt Ratio	617.3%	626.8%	9.5%	
Net Worth to Asset	13.9%	13.8%	-0.2%	

Appendix. F/S – Consolidated B/S (IFRS)

[unit: 100 Mil KRW]

	2010		2011 3Q		2011 4Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Assets	61,332	100.0%	71,963	100.0%	71,326	100.0%	9,994	16.3
Current Assets	28,422	46.3%	36,634	50.9%	35,086	49.2%	6,664	23.4
Quick Assets	19,034	31.0%	24,041	33.4%	21,466	30.1%	2,432	12.8
Inventories	9,388	15.3%	12,593	17.5%	13,620	19.1%	4,232	45.1
Non-current Assets	32,910	53.7%	35,329	49.1%	36,239	50.8%	3,329	10.1
Investment Assets	1,868	3.0%	2,133	3.0%	2,425	3.4%	557	29.8
Property&Equipment	30,662	50.0%	32,811	45.6%	33,170	46.5%	2,508	8.2
Intangible Assets	380	0.6%	385	0.5%	644	0.9%	264	69.4
Liabilities	32,294	52.7%	39,931	55.5%	39,528	55.4%	7,234	22.4
Current Liabilities	27,181	44.3%	33,561	46.6%	32,962	46.2%	5,781	21.3
Non-Current Liabilities	5,113	8.3%	6,369	8.9%	6,565	9.2%	1,452	28.4
Shareholders' Equity	29,038	47.3%	32,032	44.5%	31,798	44.6%	2,760	9.5
Net debt	11,363		18,843		18,911		7,548	66.4
Net debt Ratio		39.1%		58.8%		59.5%		
Debt Ratio		111.2%		124.7%		124.3%		
Net Worth to Assets		47.3%		44.5%		44.6%		

Appendix. F/S – Korea B/S (IFRS)

[unit : 100 mil KRW]

	2010		2011 3Q		2011 4Q		Diff.	
	AMT.	%	AMT.	%	AMT.	%	AMT.	%
Assets	40,527	100.0%	45,063	100.0%	45,516	100.0%	4,989	12.3
Current Assets	19,725	48.7%	23,086	51.2%	22,843	50.2%	3,118	15.8
Quick Assets	15,750	38.9%	18,203	40.4%	17,801	39.1%	2,051	13.0
Inventories	3,975	9.8%	4,883	10.8%	5,042	11.1%	1,067	26.8
Non-current Assets	20,802	51.3%	21,976	48.8%	22,673	49.8%	1,871	9.0
Investment Assets	6,513	16.1%	7,717	17.1%	8,207	18.0%	1,694	26.0
Property&Equipment	14,139	34.9%	14,113	31.3%	14,315	31.5%	176	1.2
Intangible Assets	150	0.4%	146	0.3%	151	0.3%	1	0.7
Liabilities	14,736	36.4%	17,602	39.1%	17,536	38.5%	2,800	19.0
Current Liabilities	12,170	30.0%	16,413	36.4%	16,709	36.7%	4,539	37.3
Non-Current Liabilities	2,566	6.3%	1,189	2.6%	828	1.8%	-1,739	-67.8
Shareholders' Equity	25,791	63.6%	27,461	60.9%	27,980	61.5%	2,189	8.5
Net debt	1,386		4,021		3,626		2,240	161.6
Net debt Ratio		5.4%		14.6%		13.0%		
Debt Ratio		57.1%		64.1%		62.7%		
Net Worth to Assets		63.6%		60.9%		61.5%		

Appendix. F/S – Consolidated I/S (IFRS)

[unit : 100 Mil KRW]

	2010 4Q		2011 3Q		2011 4Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	14,420	100.0%	16,878	100.0%	17,807	100.0%	23.5	5.5
COGS	10,322	71.6%	12,599	74.6%	13,138	73.8%	27.3	4.3
Gross Profit	4,098	28.4%	4,279	25.4%	4,669	26.2%	13.9	9.1
SG&A	3,046	21.1%	2,933	17.4%	3,304	18.6%	8.5	12.7
O.P Margin	1,052	7.3%	1,346	8.0%	1,365	7.7%	29.7	1.4
Non Operating	-16	-0.1%	-660	-3.9%	-343	-1.9%	-	-
Income Before Income Tax	1,036	7.2%	686	4.1%	1,022	5.7%	-1.4	48.9
E B I T D A	1,788	12.4%	2,216	13.1%	2,364	13.3%	32.2	6.7
Dpreciation	736	5.1%	870	5.2%	999	5.6%	35.7	14.8

Appendix. F/S – Korea I/S (IFRS)

[unit : 100 Mil KRW]

	2010 4Q		2011 3Q		2011 4Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	9,147	63.4%	9,740	57.7%	10,916	100.0%	19.3	12.1
COGS	6,655	46.2%	7,600	45.0%	8,332	76.3%	25.2	9.6
Gross Profit	2,492	17.3%	2,140	12.7%	2,584	23.7%	3.7	20.8
SG&A	1,498	10.4%	1,478	8.8%	1,690	15.5%	12.8	14.4
O.P Margin	994	6.9%	662	3.9%	894	8.2%	-10.0	35.0
Non Operating	-23	-0.2%	-138	-0.8%	101	0.9%	-	-
Income Before Income Tax	971	6.7%	524	3.1%	996	9.1%	2.6	89.8
E B I T D A	1,446	10.0%	1,118	6.6%	1,384	12.7%	-4.3	23.8
Dpreciation	452	3.1%	456	2.7%	490	4.5%	8.4	7.5

[unit: 100 mil RMB]

	2010 4Q		2011 3Q		2011 4Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	22.27	100.0%	26.22	100.0%	26.59	100.0%	19.4	1.4
COGS	18.58	83.4%	22.26	84.9%	21.62	81.3%	16.4	-2.9
Gross Profit	3.69	16.6%	3.96	15.1%	4.85	18.2%	31.3	22.3
SG&A	3.44	15.4%	3.81	14.5%	3.96	14.9%	15.0	3.8
Operating Profit	0.25	1.1%	0.15	0.6%	0.89	3.3%	255.6	492.9
Non Operating	-0.73	-3.3%	-0.32	-1.2%	-1.13	-4.3%	-	-
Income Before Income Tax	-0.48	-2.2%	-0.17	-0.7%	-0.24	-0.9%	-	-
E B I T D A	1.61	7.2%	1.52	5.8%	2.30	8.6%	43.1	51.6
Depreciation	1.36	6.1%	1.37	5.2%	1.41	5.3%	3.9	3.1

Appendix. F/S – Hungary I/S

[unit: 100 Mil HUF]

	2010 4Q		2011 3Q		2011 4Q		YoY (%)	QoQ (%)
	AMT.	%	AMT.	%	AMT.	%		
Sales	156.41	100.0%	339.04	100.0%	388.00	100.0%	148.1	14.4
COGS	128.10	81.9%	249.07	73.5%	254.00	65.5%	98.3	2.0
Gross Profit	28.31	18.1%	89.98	26.5%	134.00	34.5%	373.3	48.9
SG&A	18.20	11.6%	34.45	10.2%	39.00	10.1%	114.3	13.2
Operating Profit	10.11	6.5%	55.52	16.4%	95.00	24.5%	839.5	71.1
Non Operating	-10.27	-6.6%	-88.28	-26.0%	-66.00	-17.0%	-	-
Income Before Income Tax	-0.16	-0.1%	-32.75	-9.7%	29.00	7.5%	-	-
E B I T D A	37.18	23.8%	94.80	28.0%	139.00	35.8%	273.8	46.6
Depreciation	27.07	17.3%	39.28	11.6%	43.00	11.1%	58.8	9.5