



2008 Hankook Tire 2008 2nd Quarter Result

2008.08.01



 **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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01 Korea

- Income Statements

[Unit:100 Mil. KRW]

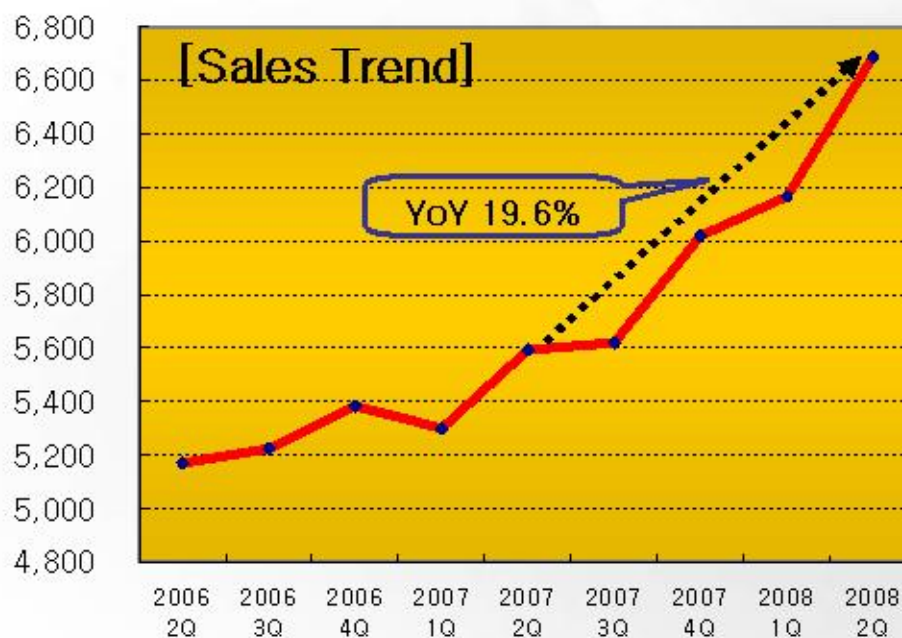
	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,592	100.0	6,165	100.0	6,687	100.0	19.6	8.5
COGS	3,720	66.5	4,213	68.3	4,713	70.5	26.7	11.9
Gross Profit	1,873	33.5	1,951	31.7	1,974	29.5	5.4	1.1
SG&A	1,091	19.5	1,101	17.9	1,266	18.9	16.0	15.0
O.P margin	781	14.0	851	13.8	708	10.6	-9.4	-16.8
Non-operating Income/Loss	24	0.4	-314	-5.1	27	0.4	13.0	-108.6
Ordinary Profit	805	14.4	537	8.7	735	11.0	-8.8	36.9
EBITDA	1,153	20.6	1,182	19.2	1,083	16.2	-6.1	-8.3
Depreciation	372	6.6	331	5.4	375	5.6	1.0	13.5

※ Year-End Special Bonus: 07 29.8 Bil

• Sales Trend

[Unit: 100 Mil KRW]

	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,592	100.0	6,165	100.0	6,687	100.0	19.6	8.5
Domestic	1,745	31.2	1,920	31.1	1,835	27.4	5.1	-4.4
Export	3,847	68.8	4,245	68.9	4,852	72.6	26.1	14.3
UHPT Sales	758	13.6	1,020	16.6	1,126	16.8	48.5	10.3



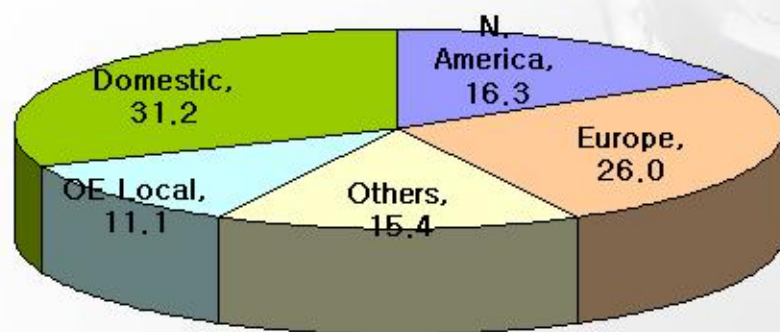
※Averager Ex-rate

	2007 2Q	2008 1Q	2008 2Q
USD	928	958	1020
EUR	1252	1443	1595

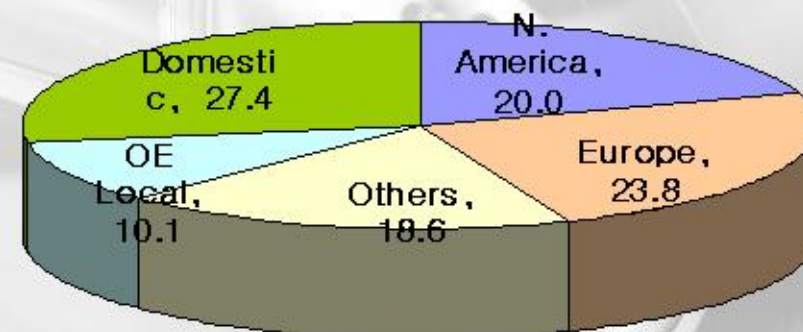
- Sales Breakdown by Region

[Unit:100 Mil KRW]

	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	금액	%	금액	%	금액	%		
Export	3,847	68.8	4,245	68.9	4,852	72.6	26.1	14.3
N. America	911	16.3	1,240	20.1	1,338	20.0	46.8	7.9
Europe	1,456	26.0	1,398	22.7	1,590	23.8	9.2	13.7
Others	862	15.4	1,047	17.0	1,246	18.6	44.6	19.0
OE Local	618	11.1	560	9.1	678	10.1	9.7	21.2
Domestic	1,745	31.2	1,920	31.1	1,835	27.4	5.1	-4.4
Total	5,592	100	6,165	100	6,687	100	19.6	8.5



2007 1Q

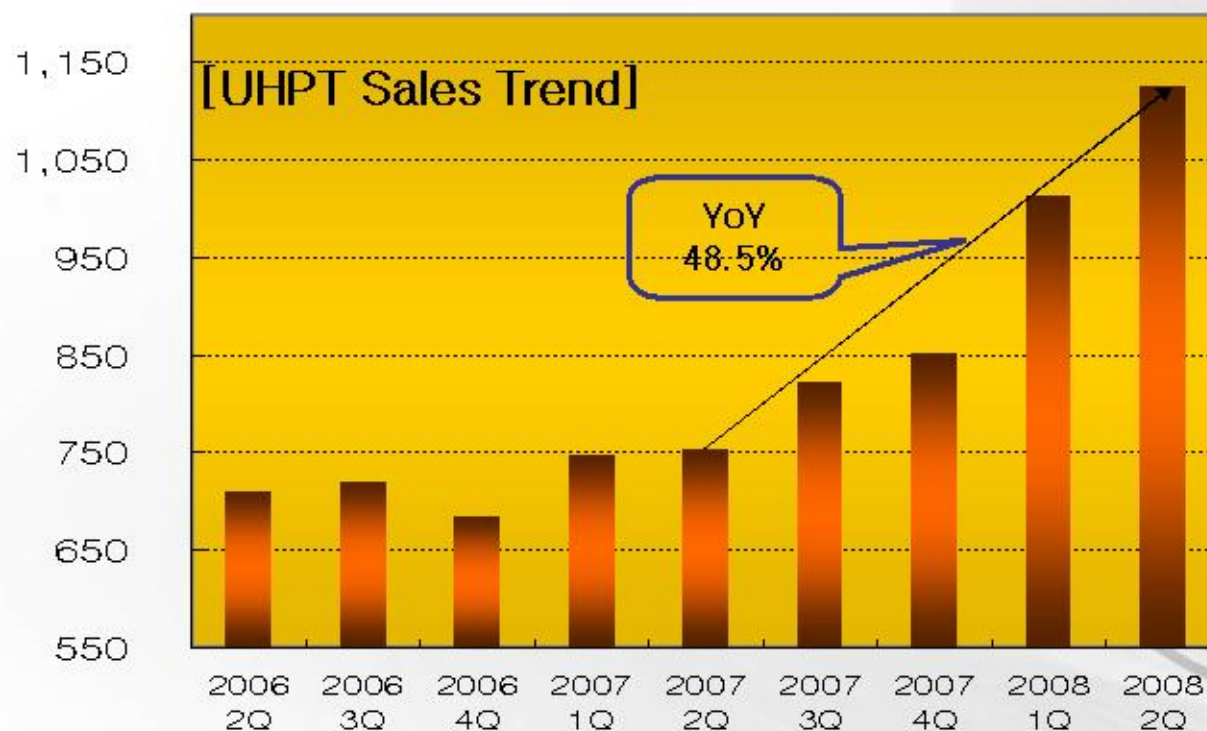


2008 1Q

- UHPT Sales Trend

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

	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,592	100.0	6,165	100.0	6,687	100.0	19.6	8.5
UHPT Sales	758	13.6	1,020	16.6	1,126	16.8	48.5	10.3
UHPT Sales Vol.	1,271		1,687		1,709		32.7	1.3



- Raw Material Price Trend

[Unit:USD/ton]

	2007 2Q	2008 1Q	2008 2Q	YoY (%)	QoQ (%)
N/R	1,849	2,253	2,597	40.5	15.3
S/R	1,830	2,133	2,382	30.1	11.6
C/B	878	1,077	1,165	32.7	8.1
T/C	4,412	4,470	4,442	0.7	-0.6
S/C	1,930	1,894	1,939	0.5	2.4
Others	1,720	1,713	1,863	8.3	8.7
Total	1,676	1,896	2,084	24.3	9.9



- SG&A, Non-Operating Gain & Loss

[Unit:100 Mil KRW]

	2007 2Q (a)	2008 1Q	2008 2Q (b)	(b-a)
SG&A				
Salaries	259	259	284	25
Ocean Freight	188	238	259	71
Product Warranty Expens	22	9	22	0
Employee Benefits	27	34	32	5
Export Sales Expenses	18	21	19	1
Depreciation	69	75	79	10
Advertising Expenses	159	106	224	65
Others	350	360	347	-3
Total	1,091	1,101	1,266	175
Non-Operating				
Equity Method gain/loss	-81	-327	-12	69
Foreign Currency Transac	6	68	-66	-72
Foreign Exchange Transac	14	-208	-66	-80
Import Royalty	99	140	165	66
Others	-15	13	5	20
Total	24	-314	27	3

- B/S

[Unit: 100 Mil KRW]

	2007		2008 2Q		2008 2Q	
	Amt.	%	Amt.	%	Amt.	%
Assets	23,590	100.0	25,208	100.0	1,618	6.9
Current Assets	6,931	29.4	8,022	31.8	1,090	15.7
Quick Assets	4,404	18.7	5,156	20.5	752	17.1
Inventories	2,527	10.7	2,866	11.4	339	13.4
Non-current Asset	16,658	70.6	17,186	68.2	528	3.2
Investment Assets	4,679	19.8	5,347	21.2	668	14.3
Property&Equipment	11,922	50.5	11,790	46.8	-132	-1.1
Intangible Assets	58	0.2	49	0.2	-9	-15.0
Liabilities	6,782	28.7	7,493	29.7	712	10.5
Current Liabilities	4,961	21.0	5,252	20.8	291	5.9
Non-current Liabilities	1,821	7.7	2,242	8.9	420	23.1
Capital	16,808	71.3	17,714	70.3	906	5.4
Net Debt	772		1,440		668	86.5
Net Debt ratio		4.6%		8.1%		
Debt Ratio		40.3%		42.3%		
Net worth to Assets		71.3%		70.3%		



02 China

Income Statements

[Unit: Mil RMB]

	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	1,784.1	100.0	1,867.5	100.0	1,957.6	100.0	9.7	4.8
COGS	1,419.9	79.6	1,552.8	83.1	1,620.9	82.8	14.2	4.4
Gross Profit	364.2	20.4	314.7	16.9	336.7	17.2	-7.5	7.0
SG&A	307.8	17.3	257.6	13.8	307.0	15.7	-0.3	19.2
O.P margin	56.4	3.2	57.1	3.1	29.7	1.5	-47.2	-47.9
Non-operating Income/Loss	16.4	0.9	46.6	2.5	-4.7	-0.2	-	-
Ordinary Profit	72.7	4.1	103.7	5.6	25.1	1.3	-65.5	-75.8
EBITDA	160.0	9.0	177.1	9.5	161.0	8.2	0.6	-9.1
Depreciation	103.7	5.8	120.0	6.4	131.2	6.7	26.6	9.3

※RMB Average Ex-rate

※ China GAAP

	2007 2Q	2008 1Q	2008 2Q
USD/RMB	7.68	7.18	6.96

- SG&A, Non-Operating Gain & Loss

[Unit: Mil RMB]

	2007 2Q (a)	2008 2Q (b)	(b-a)
SG&A	307.8	307.0	-0.8
Salaries	23.3	30.2	7.0
Sales Promotion	32.5	-29.5	-62.0
Royalty Expense	66.8	77.5	10.7
Consulting	15.5	12.5	-3.0
Export Commission	27.4	28.5	1.1
Depreciation	13.8	14.5	0.7
Domestic Transportation Cost	36.3	40.5	4.2
Advertising Expenses	20.3	28.4	8.2
Others	72.0	104.3	32.3
Total	307.8	277.5	-0.8
Non-Operating Gain & Loss	-16.4	-4.7	11.7
Non-operating income	77.9	149.4	71.4
Foreign currency translation gain/loss	57.6	80.8	23.1
Others	20.3	68.6	48.3
Non-operating expenses	94.3	154.0	59.7
Interest expense	65.0	66.5	1.5
others	29.3	87.5	58.3



03 Hungary

03 Hungary

- Income Statements

[Unit: Mil HUF]

	2008 1Q		2008 2Q		QoQ
	금액	%	금액	%	%
Sales	6,092	100.0	8,043	100.0	32.0
COGS	7,536	123.7	8,883	110.4	17.9
Gross Profit	-1,444	-23.7	-840	-10.4	-
SG&A	1,113	18.3	1,222	15.2	9.8
O.P margin	-2,557	-42.0	-2,062	-25.6	-
Non-operating Income/Loss	-2,544	-41.8	4,239	52.7	-
Ordinary Profit	-5,101	-83.7	2,177	27.1	-
EBITDA	-305	-5.0	211	2.6	-
Depreciation	2,251	37.0	2,273	28.3	0.9

2008. 4. 24 HUF/KRW=6.83

※ Hungary GAAP

	2008 1Q	2008 2Q
EUR/HUF	260.24	236.86



04 Consolidated

04 Consolidated

- Income Statements

[Unit: 100 Mil KRW]

	2007 2Q		2008 1Q		2008 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	8,720	100.0	9,973	100.0	11,117	100.0	27.5	11.5
COGS	6,052	69.4	7,396	74.2	8,228	74.0	36.0	11.3
Gross Profit	2,668	30.6	2,577	25.8	2,889	26.0	8.3	12.1
SG&A	1,858	21.3	1,836	18.4	2,099	18.9	13.0	14.3
O.P margin	810	9.3	740	7.4	790	7.1	-2.4	6.7
Non-operating Income/Loss	109	1.3	-207	-2.1	107	1.0	-2.0	-
Ordinary Profit	920	10.5	533	5.3	898	8.1	-2.4	68.4

- B/S

[Unit:100 Mil KRW]

	2007		2008 2Q		2008 2Q	
	Amt.	%	Amt.	%	Amt.	%
Assets	41,293	100.0	45,555	100.0	4,263	10.3
Current Assets	16,174	39.2	18,728	41.1	2,555	15.8
Quick Assets	9,270	22.4	10,569	23.2	1,299	14.0
Inventories	6,903	16.7	8,159	17.9	1,256	18.2
Non-current Asset	25,119	60.8	26,827	58.9	1,708	6.8
Investment Assets	1,096	2.7	1,123	2.5	27	2.5
Property&Equipment	23,828	57.7	25,511	56.0	1,682	7.1
Intangible Assets	195	0.5	193	0.4	-2	-0.9
Liabilities	24,199	58.6	27,353	60.0	3,153	13.0
Current Liabilities	17,770	43.0	18,915	41.5	1,145	6.4
Non-current Liabili	6,429	15.6	8,438	18.5	2,008	31.2
Capital	17,093	41.4	18,203	40.0	1,109	6.5
Net Debt	9,578		10,841		1,263	13.2
Net Debt ratio		56.0%		59.6%		
Debt Ratio		141.6%		150.3%		
Net worth to Assets		41.4%		40.0%		



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