

# ***2007 Hankook Tire 2nd Quarter Result***

2007 - 7 - 30

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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**

# 01 Korea



- Income statements

[Unit:100 Mil KRW]

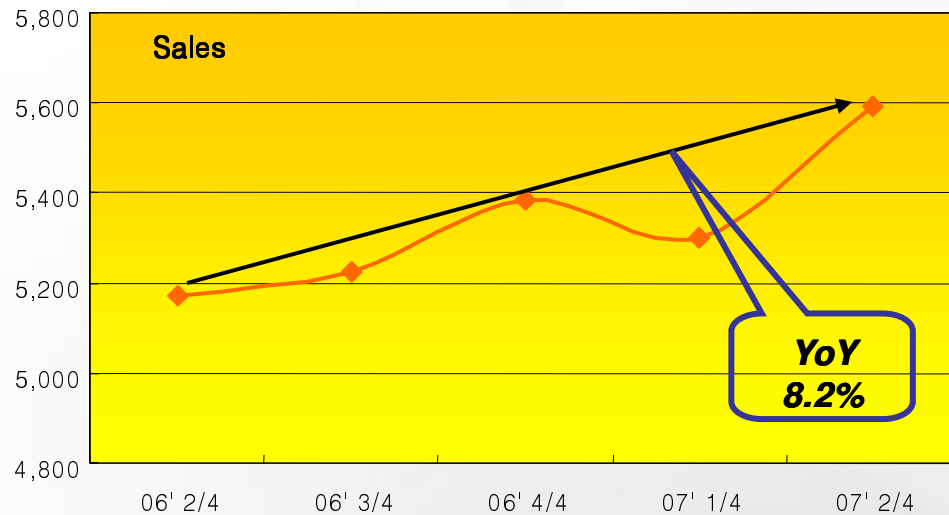
	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,170	100.0	5,300	100.0	5,592	100.0	8.2	5.5
COGS	3,698	71.5	3,654	68.9	3,720	66.5	0.6	1.8
Gross Profit	1,471	28.5	1,646	31.1	1,873	33.5	27.3	13.8
SG&A	993	19.2	941	17.8	1,091	19.5	9.9	16.0
O.P margin	479	9.3	705	13.3	781	14.0	63.3	10.8
Non-operating Income/Loss	116	2.2	- 15	-0.3	90	1.6	-22.3	681.3
Ordinary Profit	594	11.5	690	13.0	871	15.6	46.6	26.4
EBITDA	907	17.5	1,026	19.4	1,148	20.5	26.7	11.9
Depreciation	428	8.3	321	6.1	367	6.6	-14.3	14.3

# 01 Korea

- Sales

[Unit:100 Mil KRW]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
<b>SALES</b>	5,170	100.0	5,300	100.0	5,592	100.0	8.2	5.5
Domestic	1,616	31.3	1,586	29.9	1,745	31.2	8.0	10.0
Export	3,554	68.7	3,714	70.1	3,847	68.8	8.2	3.6
UHPT Sales	711	13.8	747	14.1	753	13.5	5.9	0.8



※ Average Exchange Rate

	2006 2Q	2007 2Q
USD	977.52	939.26
EUR	1175.99	1231.4

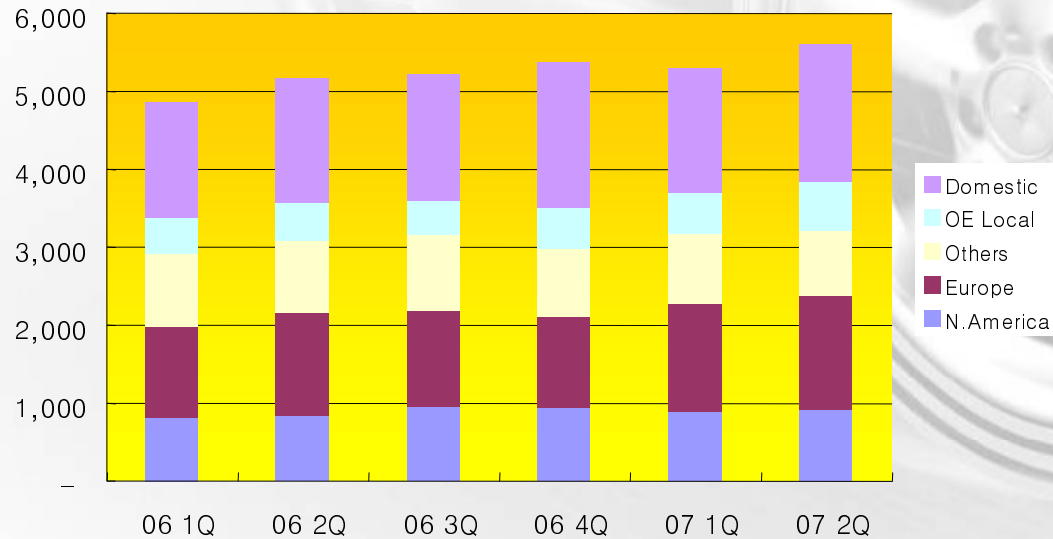
# 01 Korea



- Sales breakdown by Region

[Unit:100 Mil KRW]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt	%	Amt	%	Amt	%		
<b>Export</b>	3,554	69%	3,714	70%	3,847	69%	8.2	3.6
N. America	846	16%	904	17%	911	16%	7.7	0.8
Europe	1,320	26%	1,364	26%	1,456	26%	10.3	6.7
Others	916	18%	901	17%	862	15%	-5.9	-4.4
OE Local	472	9%	544	10%	618	11%	30.9	13.6
<b>Domestic</b>	1,616	31%	1,586	30%	1,745	31%	8.0	10.0
Total	5,170	100%	5,300	100%	5,592	100%	8.2	5.5



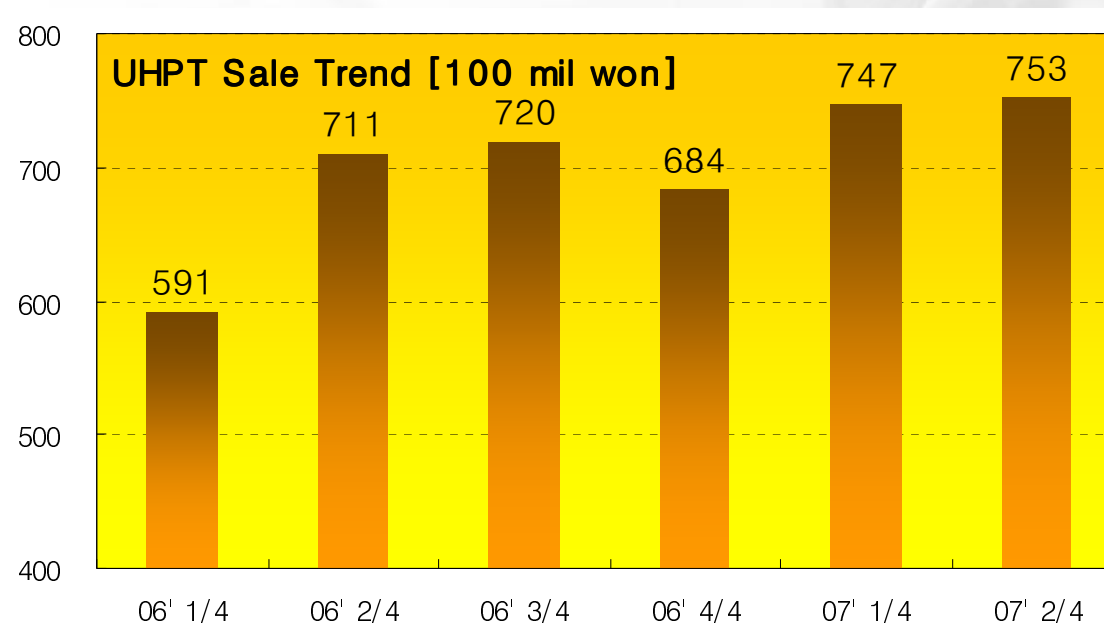
# 01 Korea



- UHPT Sales Trend

[Unit:100 Mil KRW, 000 unit]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,170	100.0	5,300	100.0	5,592	100.0	8.2	5.5
<b>UHPT Sales</b>	711	13.8	747	14.1	753	13.5	5.9	0.8
UHPT Sales Vol.	1,271		1,332		1,271		0.0	-4.6

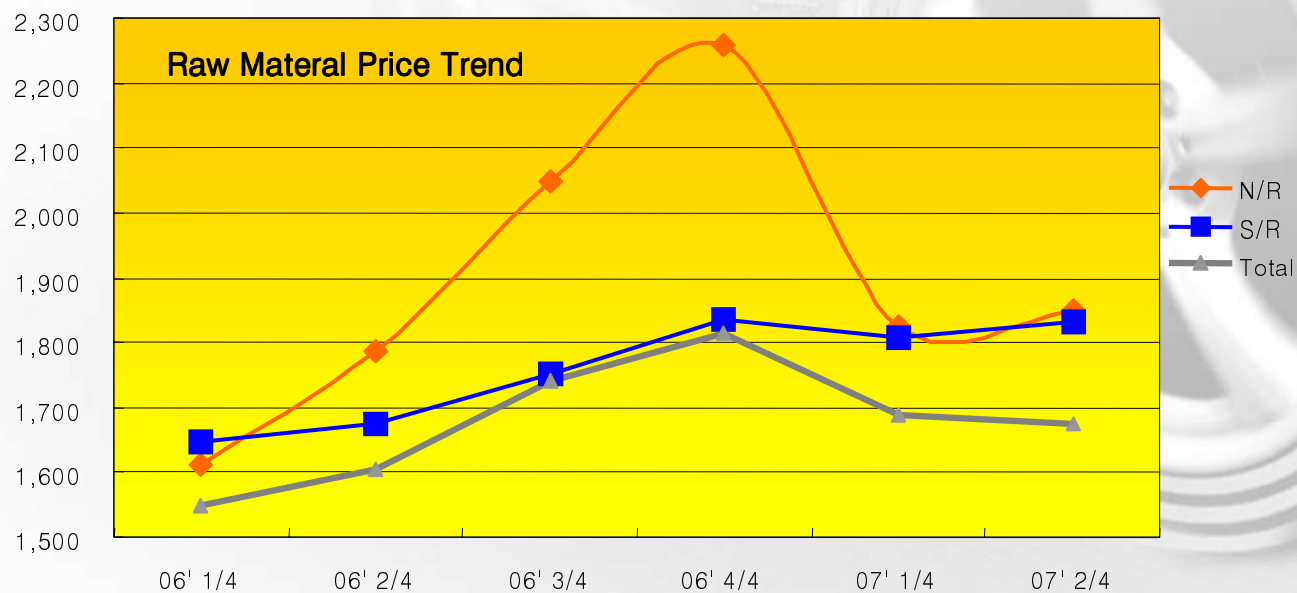




## Raw Material Price Trend

[Unit:USD/ton]

	2006 2Q	2007 1Q	2007 2Q	YoY (%)	QoQ (%)
N/R	1,785	1,824	1,849	3.5	1.4
S/R	1,674	1,808	1,830	9.4	1.2
C/B	820	882	878	7.0	-0.5
T/C	4,430	4,463	4,412	-0.4	-1.1
S/C	2,040	1,942	1,930	-5.4	-0.6
기타	1,590	1,833	1,720	8.2	-6.2
합 계	1,605	1,690	1,676	4.5	-0.8



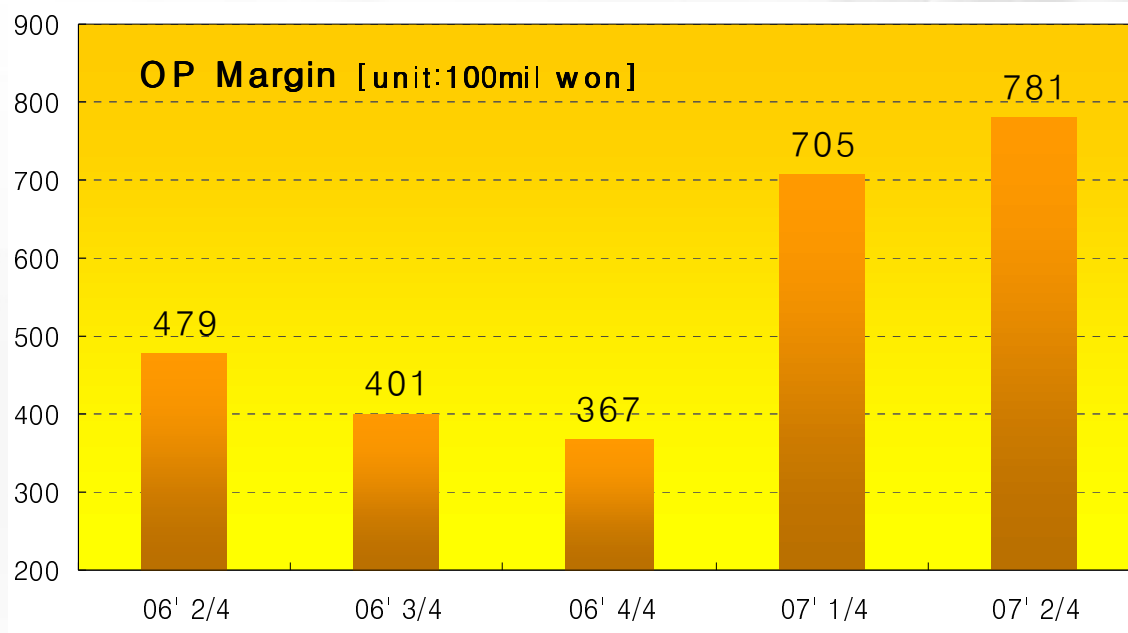
# 01 Korea



- Operating Margin Trend

[Unit:100 Mil KRW]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	5,170	100.0	5,300	100.0	5,592	100.0	8.2	5.5
O.P margin	479	9.3	705	13.3	781	14.0	63.3	10.8
EBITDA	907	17.5	1,026	19.4	1,148	20.5	26.7	11.9
Depreciation	428	8.3	321	6.1	367	6.6	-14.3	14.3



## 01 Korea

- SG&A \_ Non operating income - expenses

[Unit:100 Mil KRW]

	2006 2Q (a)	2007 1Q (c)	2007 2Q (b)	(b-a)
<b>SG&amp;A</b>				
Advertising Expenses	86	83	159	73
Salaries	239	231	259	20
Commission Expenses	59	55	78	18
Ocean Freight	183	186	188	5
Depreciation	77	60	64	-13
Others	349	325	344	-5
<b>Total</b>	<b>993</b>	<b>941</b>	<b>1,091</b>	<b>98</b>
<b>Non-Operating</b>				
Equity Method gain/loss	18	-94	-91	-109
Foreign Currency Transactio	104	-7	47	-57
Import Royalty	75	86	99	24
Import Commission	45	33	34	-12
Others	-126	-33	2	127
<b>Total</b>	<b>116</b>	<b>-15</b>	<b>90</b>	<b>-26</b>

# 01 Korea



- B/S

[Unit:100 Mil KRW]

	2006		2007 2Q	
	금액	%	금액	%
<b>Assets</b>	21,659	100.0	22,985	100.0
Current Assets	5,860	27.1	6,565	28.6
Quick Assets	3,308	15.3	4,038	17.6
Inventories	2,552	11.8	2,527	11.0
Non-current Asset	15,799	72.9	16,420	71.4
Investment Assets	4,077	18.8	4,852	21.1
Property&Equipment	11,555	53.3	11,399	49.6
Intangible Assets	73	0.3	66	0.3
<b>Liabilities</b>	6,431	29.7	6,856	29.8
Current Liabilities	4,968	22.9	4,675	20.3
Non-current Liabilities	1,462	6.8	2,181	9.5
<b>Capital</b>	15,228	70.3	16,129	70.2
Net Debt	2,060		1,556	
Net Debt ratio		13.5%		9.6%
Debt Ratio		42.2%		42.5%
Net worth to Assets		70.3%		70.2%



## 02 China

- Income Statements

[unit: '000 RMB]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	1,447,470	100.0	1,566,047	100.0	1,784,127	100.0	23.3	13.9
COGS	1,100,689	76.0	1,291,710	82.5	1,419,917	79.6	29.0	9.9
Gross Profit	346,781	24.0	274,337	17.5	364,210	20.4	5.0	32.8
SG&A	229,277	15.8	250,948	16.0	307,843	17.3	34.3	22.7
O.P margin	117,503	8.1	23,389	1.5	56,367	3.2	-52.0	141.0
Non-operating Income/Loss	-50,285	-3.5	-37,242	-2.4	-16,370	-0.9	67.4	56.0
Ordinary Profit	67,218	4.6	-13,853	-0.9	39,996	2.2	-40.5	388.7
EBITDA	200,138	13.8	125,505	8.0	160,037	9.0	-20.0	27.5
Depreciation	82,635	5.7	102,116	6.5	103,670	5.8	25.5	1.5

- SG&A \_ Non operating income - expenses

[unit: '000 RMB]

	2006 2Q (a)	2007 2Q (b)	(b-a)
<b>SG&amp;A</b>			
Salaries	15,135	23,254	8,119
Sales Promotion	–	32,539	32,539
Royalty Expense	57,168	66,799	9,631
Export Commission	18,843	27,410	8,567
Depreciation	11,017	13,823	2,806
Domestic Transportation Cost	24,454	29,246	4,791
Consulting	13,201	15,468	2,267
Advertising Expenses	19,011	20,684	1,672
Insurance	162	1,515	1,353
Others	70,286	77,106	6,819
<b>Total</b>	<b>229,277</b>	<b>307,843</b>	<b>78,566</b>
<b>Non-Operating Gain &amp; Loss</b>			
<b>Non-operating income</b>	<b>36,740</b>	<b>82,469</b>	<b>45,729</b>
Foreign currency translation gain/loss	29,948	64,042	34,095
Others	6,793	18,427	11,634
<b>Non-operating expenses</b>	<b>87,026</b>	<b>98,840</b>	<b>11,814</b>
Interest expense	49,810	65,040	15,230
others	37,216	33,800	–3,416
<b>Total</b>	<b>– 50,285</b>	<b>– 16,371</b>	<b>33,915</b>



## 03 Consolidated



## 03 Consolidated



- Income Statements

[Unit:100 Mil KRW]

	2006 2Q		2007 1Q		2007 2Q		YoY (%)	QoQ (%)
	Amt	%	Amt	%	Amt	%		
Sales	7,827	100.0	8,424	100.0	8,720	100.0	11.4	3.5
COGS	5,513	75.0	6,069	76.6	6,052	76.4	9.8	-0.3
Gross Profit	2,314	31.5	2,355	29.7	2,668	33.7	15.3	13.3
SG&A	1,577	21.5	1,586	20.0	1,858	23.4	17.8	17.1
O.P margin	737	10.0	769	9.7	810	10.2	9.9	5.4
Non-operating Income/Loss	-106	-1.4	-145	-1.8	109	1.4	203.3	175.7
Ordinary Profit	631	8.6	624	7.9	920	11.6	45.7	47.3

## 03 Consolidated



- B/S

[Unit:100 Mil KRW]

	2006		2007 1Q	
	Amt	%	Amt	%
<b>Assets</b>	35,683	100.0	36,529	100.0
Current Assets	14,689	41.2	13,719	37.6
Quick Assets	8,663	24.3	8,058	22.1
Inventories	6,026	16.9	5,661	15.5
Non-current Asset	20,994	58.8	22,810	62.4
Investment Assets	390	1.1	1,142	3.1
Property&Equipment	19,762	55.4	20,923	57.3
Intangible Assets	218	0.6	192	0.5
<b>Liabilities</b>	20,021	56.1	19,884	54.4
Current Liabilities	15,188	42.6	13,462	36.9
Non-current Liabilit	4,833	13.5	6,422	17.6
<b>Capital</b>	15,662	43.9	16,645	45.6
Debt Ratio		127.8%		119.5%
Net worth to Assets		43.9%		45.6%



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