

2012 Hankook Tire

1st Quarter Result

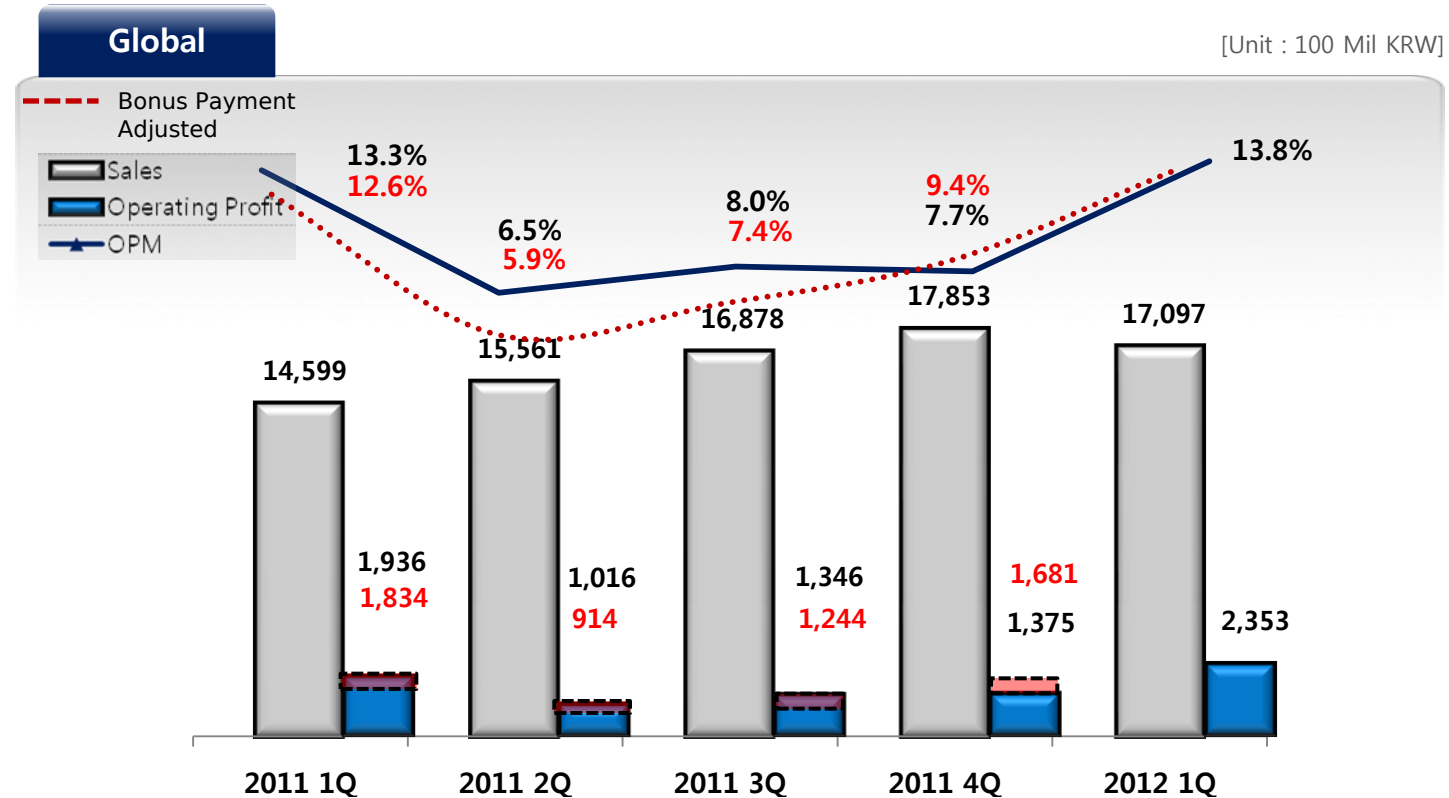
2012.04.30 (En.)

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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.

1. 2012 1Q Business Result

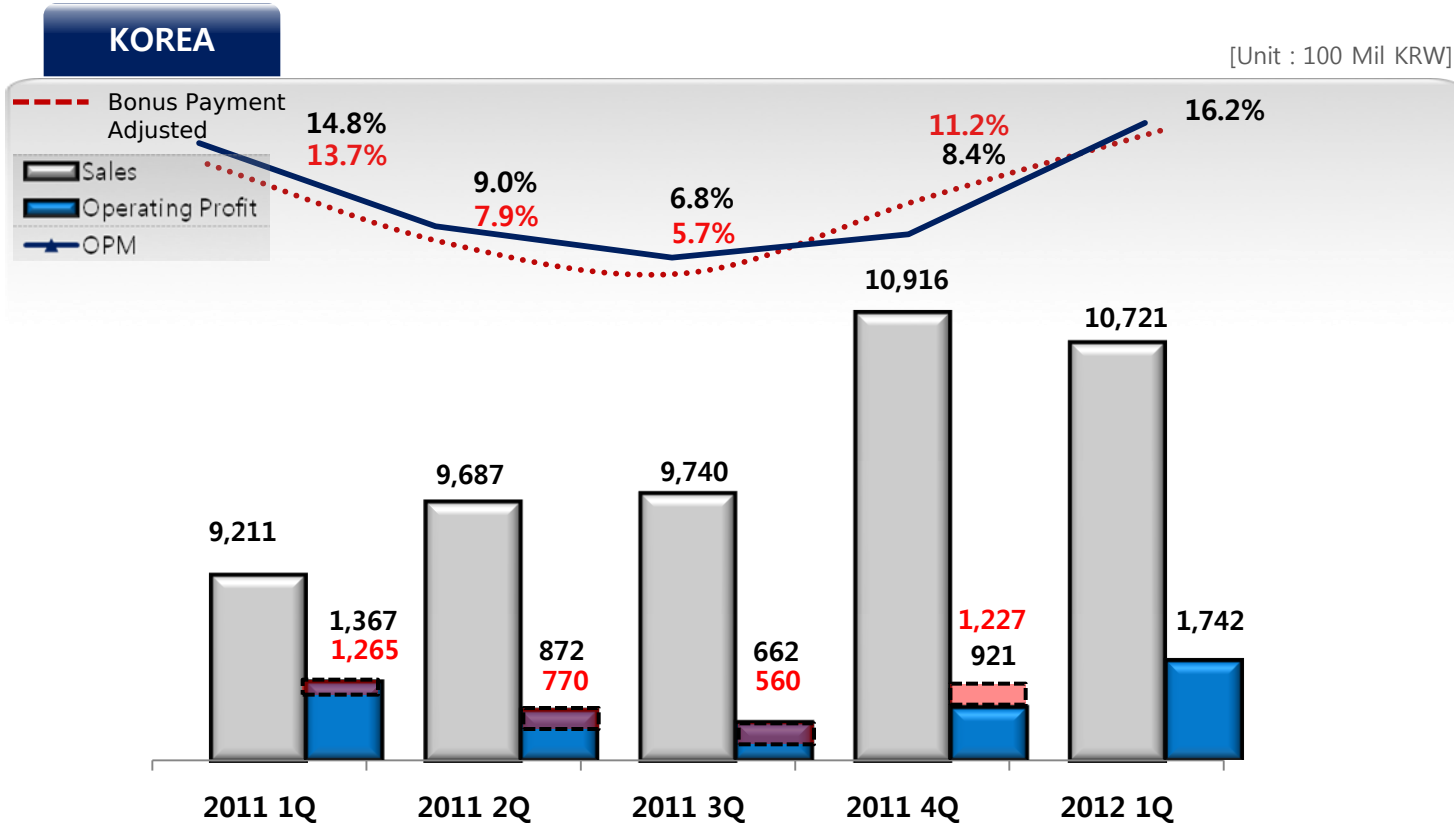
(1) Consolidated Sales and Operating Profit Trend (IFRS)



- Sales declined slightly
 - Weak global demand and seasonal effect.
- Operating margin remains high
 - Lower raw materials costs and product mix improvements.

1. 2012 1Q Business Result

(1) Consolidated Sales and Operating Profit Trend (IFRS)

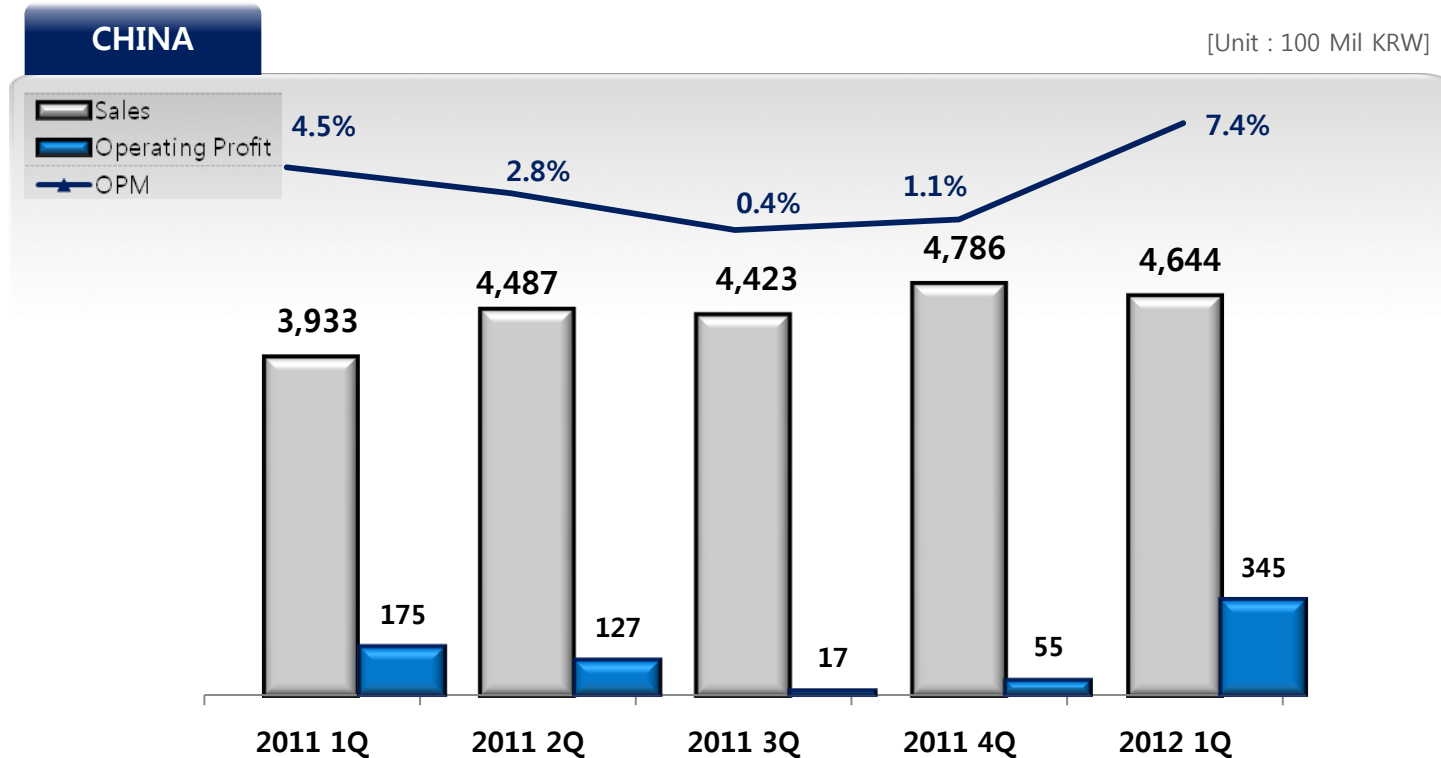


- Weak demand and seasonality caused sales decline.
- Improvements in product mix.
- Gained about 1% more M/S in PCR segment. (QoQ)

	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q
USD/KRW	1,121	1,084	1,082	1,145	1,131
EUR/KRW	1,532	1,559	1,532	1,543	1,484

1. 2012 1Q Business Result

(1) Consolidated Sales and Operating Profit Trend (IFRS)



- **Sales declined slightly**
 - Weak demand, seasonality, and competition issues
- **Operating margin increased**
 - Lower raw materials costs and effect of price hikes

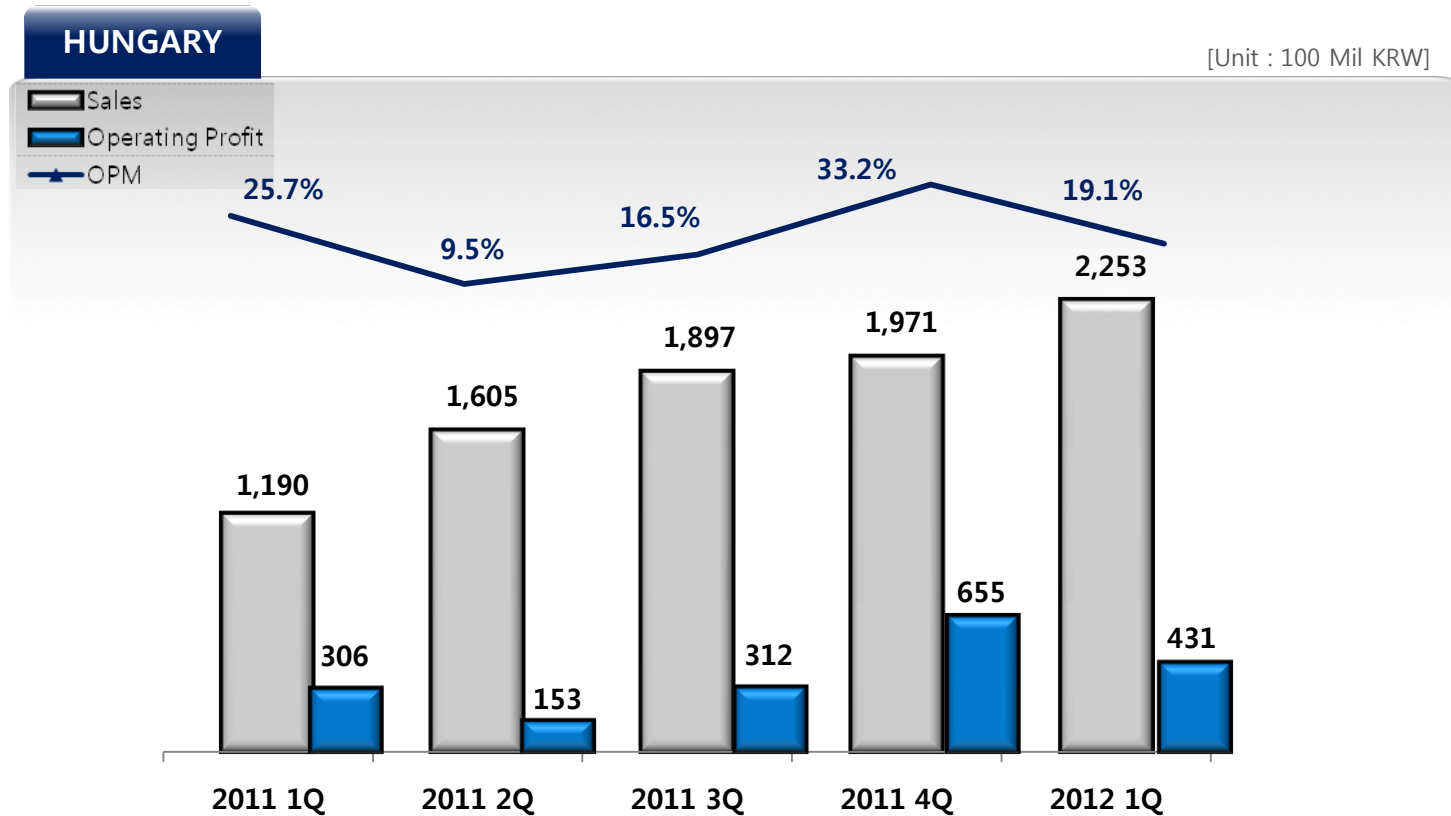
▪ **Chongqing Plant's first production is scheduled in August, and construction completes in June, 2013.**

[Average Exchange Rate]

	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q
CNY/KRW	170	167	169	180	179
USD/CNY	6.579	6.502	6.410	6.369	6.310

1. 2012 1Q Business Result

(1) Consolidated Sales and Operating Profit Trend (IFRS)



■ **Sales increased**

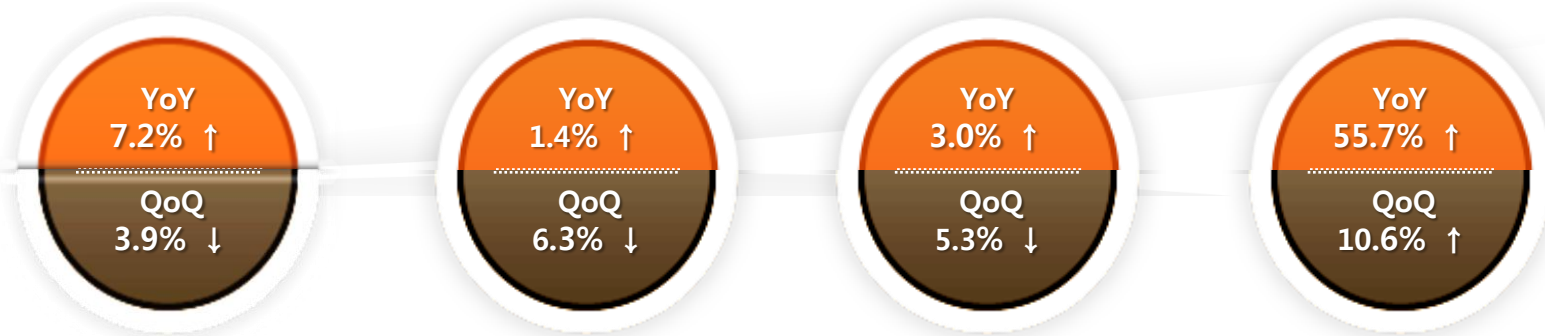
- Successful full ramp up of Hungary Plant.
- Improvements in product mix.
- Increased M/S in RE segment, despite weak demand in European tire market.

[Average Exchange Rate]

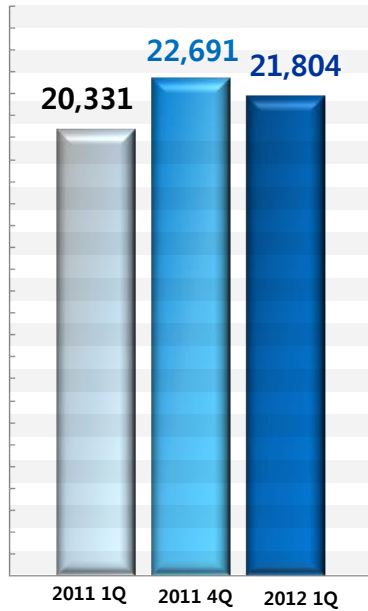
	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q
EUR/HUF	273	266	274	304	297
HUF/KRW	5.62	5.85	5.60	5.08	5.00

1. 2012 1Q Business Result

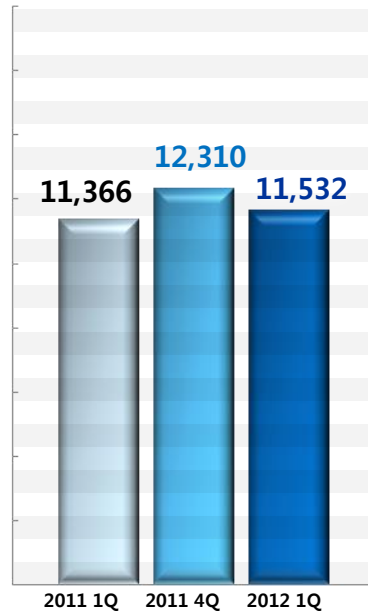
(2) Global Production



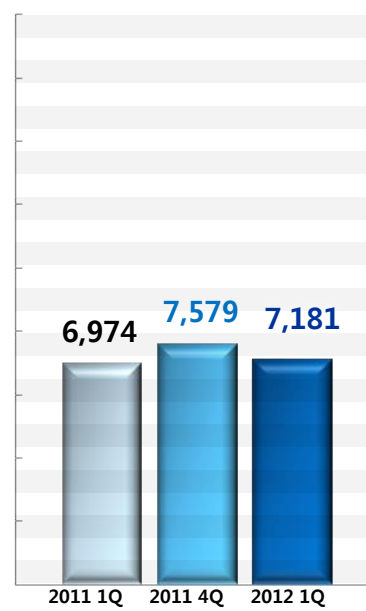
[Unit : '000]



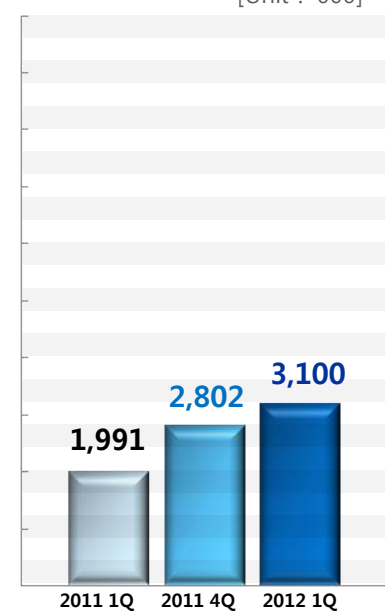
Global



Korea



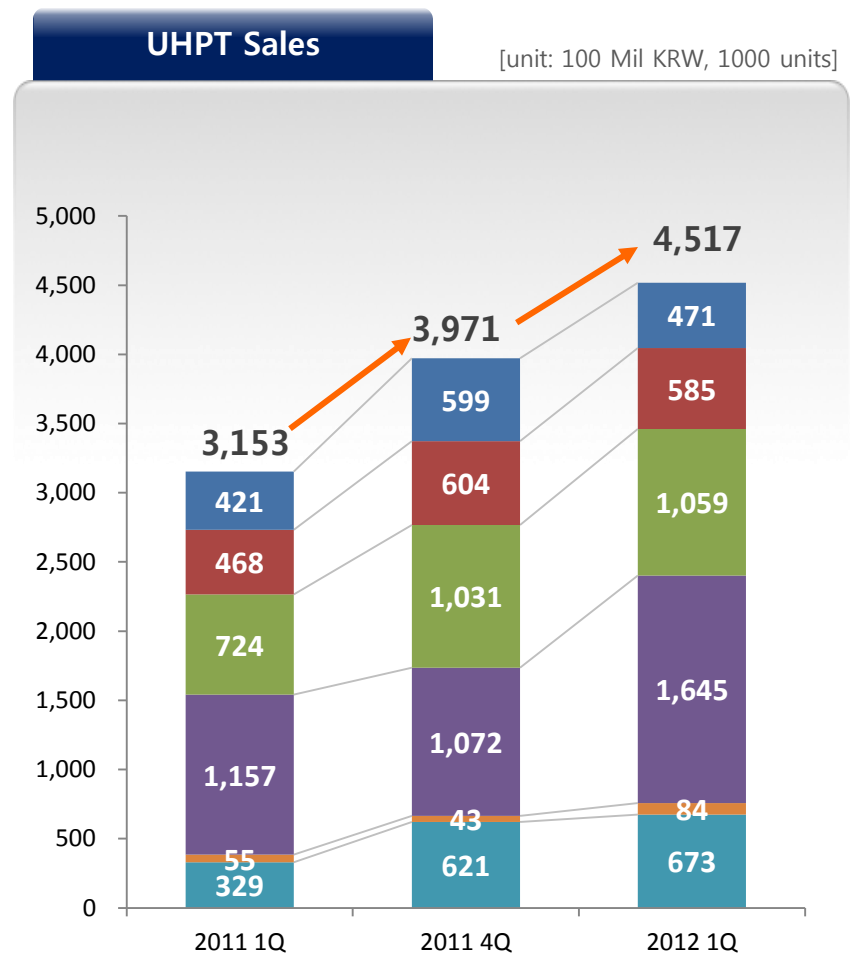
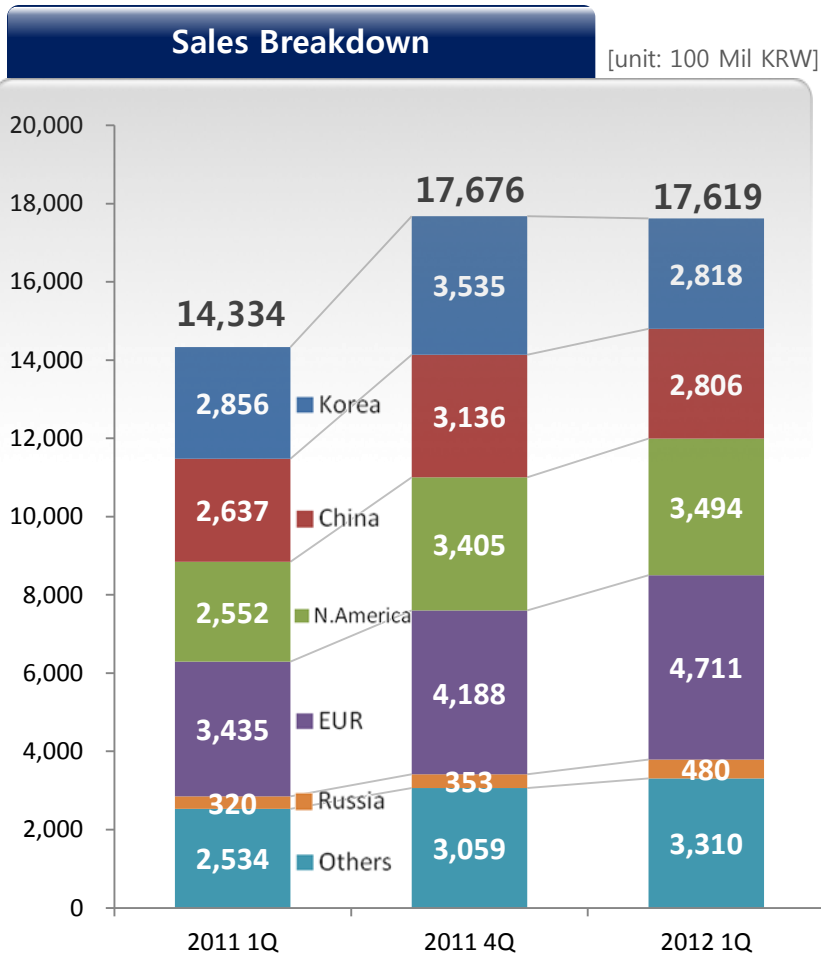
China



Hungary

1. 2012 1Q Business Result

(3) Global Sales Breakdown / UHPT Sales

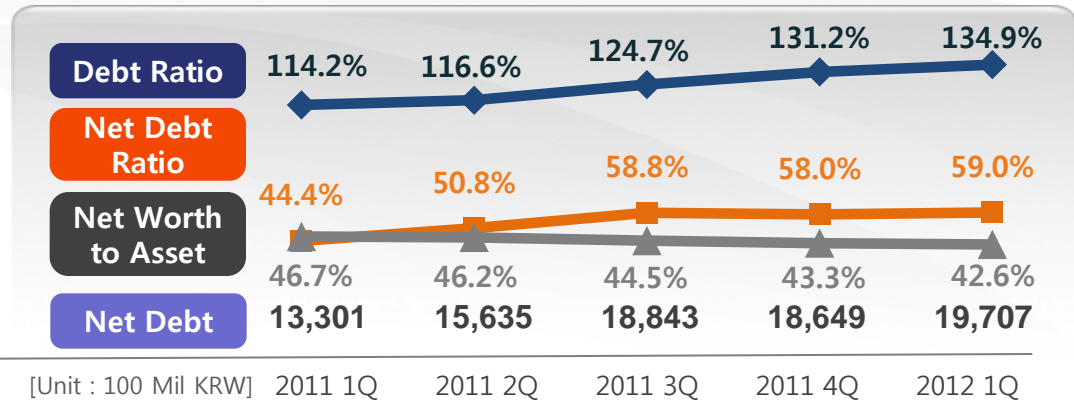
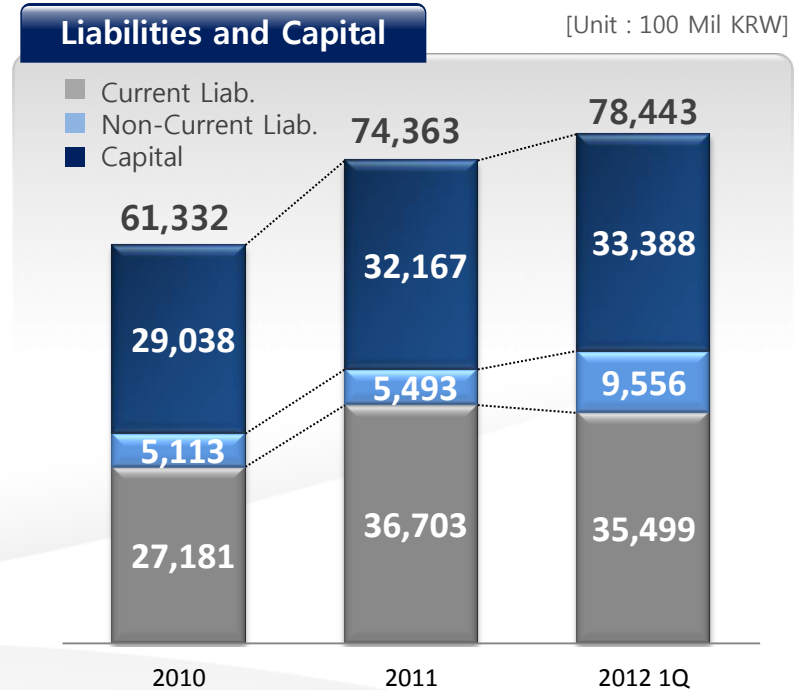
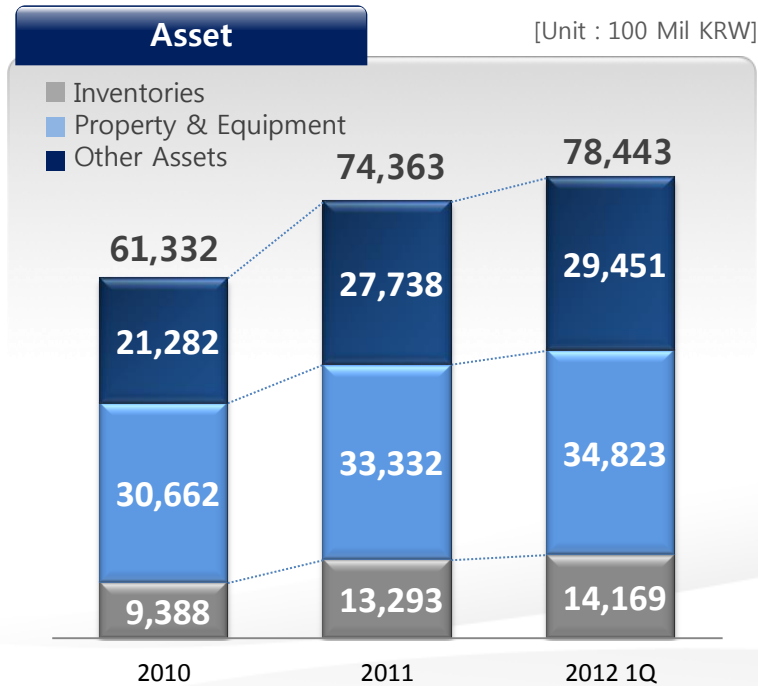


The sales and units were totaled up by production region standard.

	2011 1Q	2011 4Q	2012 1Q
UHPT Sales/Total Sales	22.0%	22.5%	25.6%
UHPT units	4,413	5,164	5,647

1. 2012 1Q Business Result

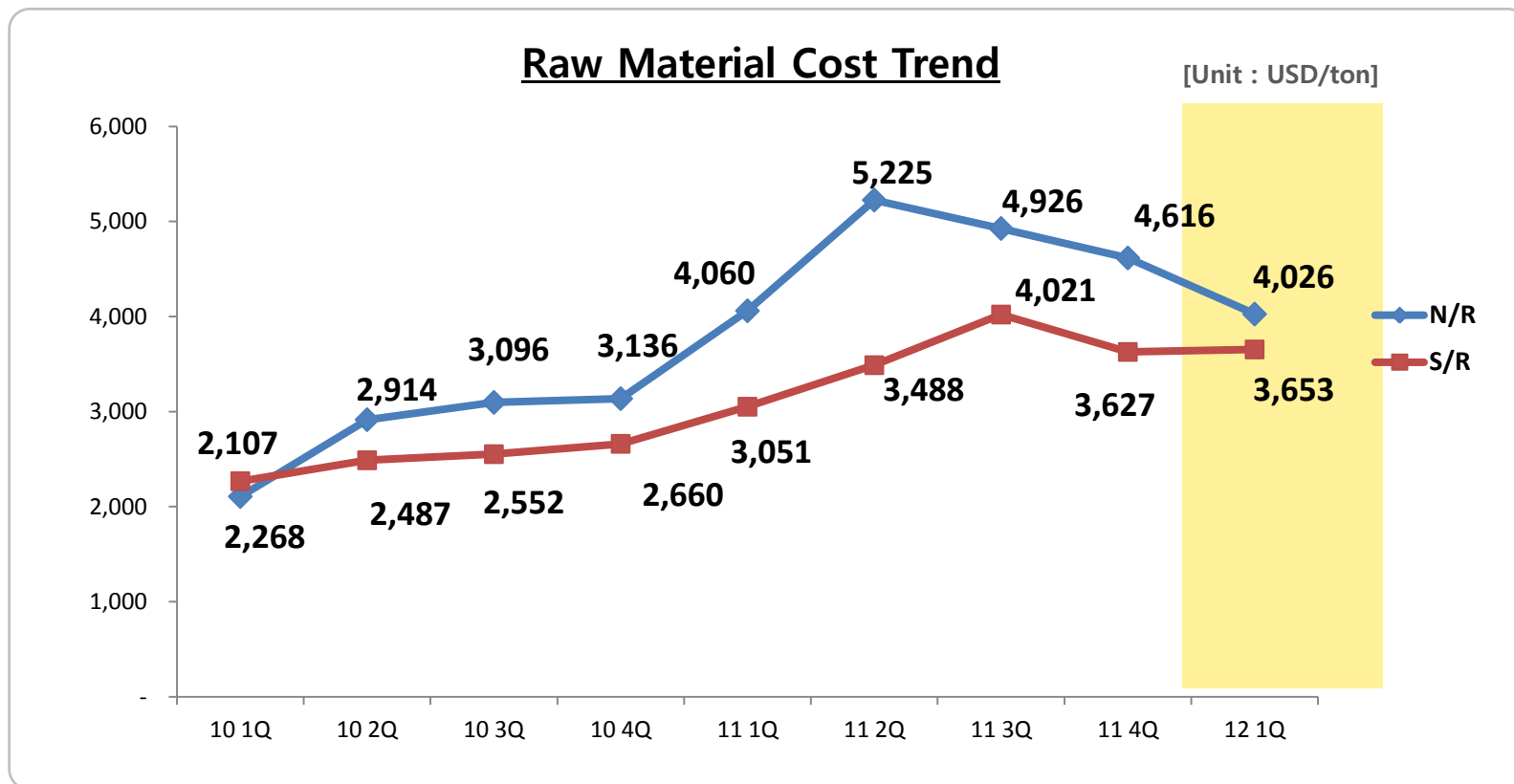
(4) Consolidated B/S



[Unit : 100 Mil KRW]

(5) Raw Material Cost

- Recent N/R spot prices stabilized.
- Butadiene plant utilization is still low, need to check on global tire production trend and the stability in production of S/R continuously.



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

2. Spin-off and Restructuring

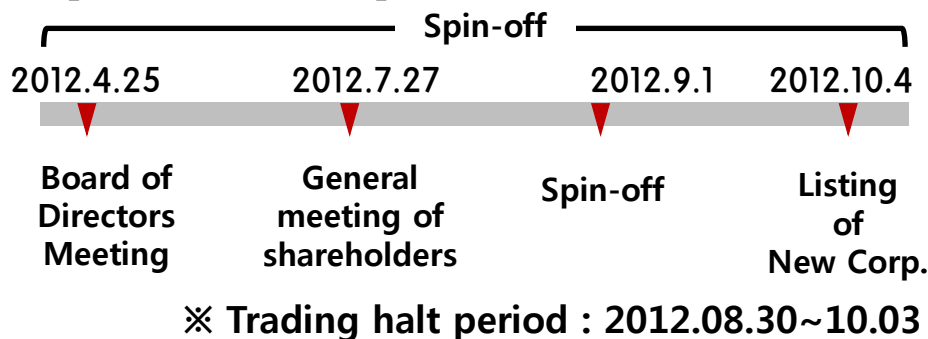
1) Why Spin-off?

- Needs for new business portfolios other than tire industry.
- Independent and responsible management in each subsidiary level.
- Setting up a "Fire wall" between Investment Corp. and Operation Corp.

Investment Company

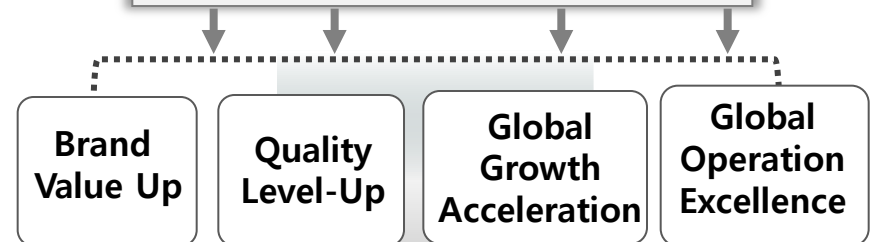
- Business Control Tower in Group.
- Searching Strategic M&A opportunities.
- Providing Shared Service to Subsidiaries.
- Maintaining Financial Soundness.

[Time Schedule]



Operation Company

"Innovative Operation based on Proactive Culture"

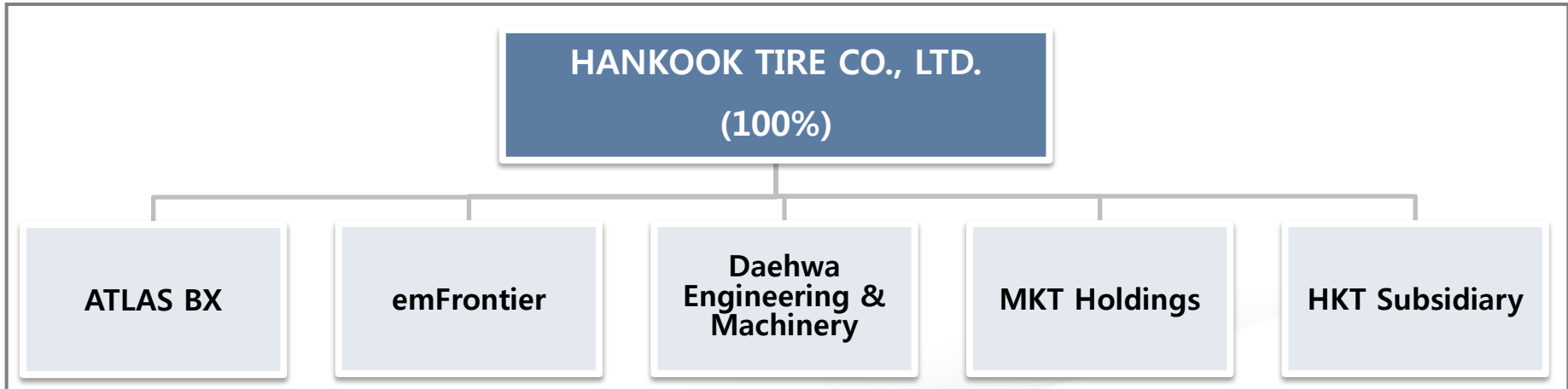


Scale	Profitability	Production
5	1	1
Top 5 Global Tire Company	No.1 Profitability	100 million in Global Production

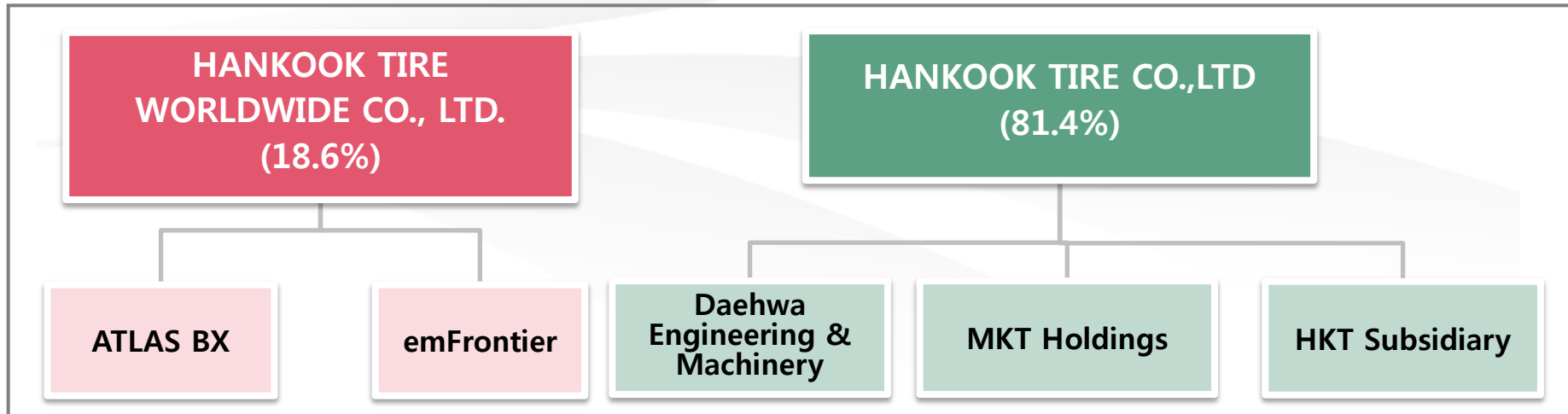
2. Spin-off and Restructuring

2) Organizational Structure

❖ Before



❖ After



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Appendix. F/S – Consolidated B/S

[unit: 100 Mil KRW]

	2010		2011		2012 1Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Assets	61,332	100.0%	74,363	100.0%	78,443	100.0%	4,080	5.5
Current Assets	28,422	46.3%	37,766	50.8%	40,930	52.2%	3,164	8.4
Quick Assets	19,034	31.0%	24,473	32.9%	26,761	34.1%	2,288	9.3
Inventories	9,388	15.3%	13,293	17.9%	14,169	18.1%	876	6.6
Non-current Assets	32,910	53.7%	36,597	49.2%	37,512	47.8%	915	2.5
Investment Assets	1,868	3.0%	2,327	3.1%	2,050	2.6%	-277	-11.9
Property&Equipment	30,662	50.0%	33,332	44.8%	34,823	44.4%	1,491	4.5
Intangible Assets	380	0.6%	938	1.3%	639	0.8%	-299	-31.9
Liabilities	32,294	52.7%	42,196	56.7%	45,055	57.4%	2,859	6.8
Current Liabilities	27,181	44.3%	36,703	49.4%	35,499	45.3%	-1,204	-3.3
Non-Current Liabilities	5,113	8.3%	5,493	7.4%	9,556	12.2%	4,063	74.0
Shareholders' Equity	29,038	47.3%	32,167	43.3%	33,388	42.6%	1,221	3.8
Net debt	11,363		18,649		19,707			
Net debt Ratio		39.1%		58.0%		59.0%		
Debt Ratio		111.2%		131.2%		134.9%		
Net Worth to Assets		47.3%		43.3%		42.6%		

Appendix. F/S – Korea B/S

[Unit : 100 Mil KRW]

	2011 4Q	2012 1Q	Diff.	
Current Assets	2,287,455	2,490,069	202,615	8.9%
Cash and Cash Equivalents	550,789	481,332	-69,457	-12.6%
Non-current Assets	2,267,397	2,304,768	37,371	1.6%
Tangible Assets	1,430,679	1,427,162	-3,517	-0.2%
Others	836,718	877,606	40,888	4.9%
Assets	4,554,852	4,794,838	239,986	5.3%
Current Liabilities	1,716,163	1,681,755	-34,408	-2.0%
Short-term Borrowings	1,021,170	845,074	-176,096	-17.2%
Non-Current Liabilities	71,228	229,218	157,990	221.8%
Long-term Borrowings	800	150,154	149,354	18,669%
Liabilities	1,787,391	1,910,974	123,582	6.9%
Shareholders' Equity	2,767,460	2,883,864	116,404	4.2%
Net debt	471,180	513,895	42,715	9.07%
Debt Ratio	64.59%	66.26%	1.68%	2.60%
Net Worth to Assets	60.76%	60.15%	-0.61%	-1.01%

Appendix. F/S – China B/S

[Unit : 100 Mil RMB]

	2011 4Q	2012 1Q	Diff.	
Current Assets	6,939	7,647	708	10.2%
Cash and Cash Equivalents	809	1,192	383	47.4%
Non-current Assets	8,299	8,594	295	3.6%
Tangible Assets	6,661	6,947	286	4.3%
Others	1,638	1,646	8	0.5%
Assets	15,238	16,241	1,002	6.6%
Current Liabilities	8,525	9,462	937	11.0%
Short-term Borrowings	4,701	5,131	429	9.1%
Non-Current Liabilities	1,175	1,158	-18	-1.5%
Long-term Borrowings	1,175	1,158	-18	-1.5%
Liabilities	9,700	10,620	920	9.5%
Shareholders' Equity	5,538	5,621	83	1.5%
Net debt	5,068	5,097	29	0.56%
Debt Ratio	175.15%	188.94%	13.78%	7.87%
Net Worth to Assets	36.34%	34.61%	-1.73%	-4.77%

Appendix. F/S – Hungary B/S

[Unit : 100 Mil HUF]

	2011 4Q	2012 1Q	Diff.	
Current Assets	114,529	129,022	14,494	12.7%
Cash and Cash Equivalents	523	501	-22	-4.1%
Non-current Assets	109,962	107,754	-2,208	-2.0%
Tangible Assets	109,923	107,705	-2,218	-2.0%
Others	39	49	10	25.60%
Assets	224,491	236,776	12,285	5.5%
Current Liabilities	145,900	123,586	-22,314	-15.3%
Short-term Borrowings	85,943	56,163	-29,780	-34.7%
Non-Current Liabilities	47,707	67,988	20,281	42.5%
Long-term Borrowings	47,707	67,988	20,281	42.5%
Liabilities	193,607	191,574	-2,032	-1.0%
Shareholders' Equity	30,884	45,202	14,317	46.4%
Net debt	133,127	123,650	-9,477	-7.12%
Debt Ratio	626.87%	423.82%	-203.05%	-32.39%
Net Worth to Assets	13.76%	19.09%	5.33%	38.74%

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



[unit : 100 Mil KRW]

	2011 1Q		2011 4Q		2012 1Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	14,599	100.0%	17,853	100.0%	17,097	100.0%	17.1	-4.2
COGS	10,434	71.5%	13,386	75.0%	12,004	70.2%	15.0	-10.3
Gross Profit	4,165	28.5%	4,466	25.0%	5,094	29.8%	22.3	14.1
SG&A	2,229	15.3%	3,091	17.3%	2,741	16.0%	23.0	-11.3
O.P Margin	1,936	13.3%	1,375	7.7%	2,353	13.8%	21.5	71.1
Non Operating	12	0.1%	-350	-2.0%	206	1.2%	-	-
Income Before Income Tax	1,948	13.3%	1,025	5.7%	2,559	15.0%	31.4	149.7
E B I T D A	2,753	18.9%	2,323	13.0%	3,319	19.4%	20.6	42.9
Depreciation	817	5.6%	948	5.3%	966	5.7%	18.2	1.9

Appendix. F/S – Korea I/S (IFRS)

[unit : 100 Mil KRW]

	2011 1Q		2011 4Q		2012 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	9,211	63.1%	10,916	100.0%	10,721	100.0%	16.4	-1.8
COGS	6,813	46.7%	8,315	76.2%	7,914	73.8%	16.2	-4.8
Gross Profit	2,398	16.4%	2,602	23.8%	2,807	26.2%	17.1	7.9
SG&A	1,031	7.1%	1,681	15.4%	1,066	9.9%	3.4	-36.6
O.P Margin	1,367	9.4%	921	8.4%	1,742	16.2%	27.4	89.1
Non Operating	-11	-0.1%	101	0.9%	3	0.0%	-	-
Income Before Income Tax	1,356	9.3%	1,022	9.4%	1,745	16.3%	28.7	70.7
E B I T D A	1,816	12.4%	1,404	12.9%	2,223	20.7%	22.4	58.3
Depreciation	449	3.1%	483	4.4%	482	4.5%	7.3	-0.2

Appendix. F/S – China I/S (IFRS)

[unit : 100 Mil RMB]

	2011 1Q		2011 4Q		2012 1Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	23.10	100.0%	26.59	100.0%	25.90	100.0%	12.1	-2.6
COGS	19.23	83.3%	21.74	81.8%	20.00	77.2%	4.0	-8.0
Gross Profit	3.87	16.7%	4.85	18.2%	5.90	22.8%	52.5	21.8
SG&A	3.34	14.4%	3.96	14.9%	3.94	15.2%	17.9	-0.5
Other Income	1.05	4.5%	0.12	0.5%	1.12	4.3%	7.1	829.6
Other Expense	0.55	2.4%	0.71	2.7%	1.17	4.5%	111.0	65.0
O.P Margin	1.03	4.5%	0.30	1.1%	1.92	7.4%	-	-
Finance Income	0.72	3.1%	1.62	6.1%	0.60	2.3%	-	-
Finance Costs	1.23	5.3%	2.17	8.2%	1.28	5.0%	-	-
Income Before Income Tax	0.52	2.3%	-0.24	-0.9%	1.25	4.8%	-	-
E B I T D A	2.36	10.2%	1.71	6.4%	3.32	12.8%	40.6	-
Depreciation	1.33	5.8%	1.41	5.3%	1.40	5.4%	4.9	-

Appendix. F/S – China I/S (Local GAAP)



[unit : 100 Mil RMB]

	2011 1Q		2011 4Q		2012 1Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	23.10	100.0%	26.59	100.0%	25.90	100.0%	12.1	-2.6
COGS	19.23	83.3%	21.74	81.8%	20.00	76.8%	4.0	-8.0
Gross Profit	3.87	16.7%	4.85	18.2%	5.90	22.8%	52.5	21.8
SG&A	3.34	14.4%	3.96	14.9%	3.94	15.2%	17.9	-0.5
O.P Margin	0.53	2.3%	0.89	3.3%	1.97	7.6%	269.6	-
Non Operating	-0.01	0.0%	-1.13	-4.3%	-0.72	2.8%	-	-
Income Before Income Tax	0.52	2.3%	-0.24	-0.9%	1.25	4.8%	-	-
E B I T D A	1.87	8.1%	2.30	8.6%	3.36	13.0%	80.4	46.4
Depreciation	1.33	5.8%	1.41	5.3%	1.40	5.4%	4.9	-0.6

Appendix. F/S – Hungary I/S (IFRS)

[unit : 100 Mil HUF]

	2011 1Q		2011 4Q		2012 1Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	211.83	100.0%	387.80	100.0%	450.67	100.0%	112.7	16.2
COGS	162.86	76.9%	253.70	65.4%	307.21	68.2%	88.6	21.1
Gross Profit	48.97	23.1%	134.09	34.6%	143.46	31.8%	192.9	7.0
SG&A	25.83	12.2%	38.59	10.0%	42.21	9.4%	63.4	9.4
Other Income	45.84	21.6%	44.59	11.5%	19.96	4.4%	-56.5	-55.2
Other Expense	14.48	6.8%	11.19	2.9%	35.00	7.8%	141.7	212.7
O.P Margin	54.51	25.7%	128.90	33.2%	86.22	19.1%	58.2	-33.1
Finance Income	-2.00	-0.9%	0.79	0.2%	85.17	18.9%	-	-
Finance Costs	4.06	1.9%	94.54	24.4%	28.21	6.3%	-	-
Income Before Income Tax	48.44	22.9%	35.15	9.1%	143.17	31.8%	-	-
E B I T D A	86.03	40.6%	172.29	44.4%	129.90	28.8%	51.0	-24.6
Depreciation	31.52	14.9%	43.40	11.2%	43.69	9.7%	38.6	0.7

Appendix. F/S – Hungary I/S (Local GAAP)

[unit : 100 Mil HUF]

	2011 1Q		2011 4Q		2012 1Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
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COGS	162.86	76.9%	253.70	65.4%	307.2	68.2%	88.6	21.1
Gross Profit	48.97	23.1%	134.10	34.6%	143.47	31.8%	192.9	7.0
SG&A	25.83	12.2%	38.59	10.0%	42.21	9.4%	63.4	9.4
O.P Margin	23.15	10.9%	95.51	24.6%	101.26	22.5%	337.5	6.0
Non Operating	25.12	11.9%	-65.86	-17.0%	36.48	8.1%	-	-
Income Before Income Tax	48.26	22.8%	29.65	7.6%	137.74	30.6%	-	-
			0.00	0.0%				
E B I T D A	54.46	25.7%	138.51	35.7%	144.93	32.2%	166.1	4.6
Depreciation	31.32	14.8%	43.00	11.1%	43.68	9.7%	39.5	1.6