

*2008 Hankook Tire
2008 3rd Quarter Result*

2008.10.31

 **HANKOOK**
driving emotion

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2008 3Q Result

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01 Korea

Income Statements

[Unit:100 Mil KRW]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|---------------------------|---------|-------|---------|-------|---------|-------|---------|---------|
| | Amt. | % | Amt. | % | Amt. | % | | |
| Sales | 5,620 | 100.0 | 6,687 | 100.0 | 6,677 | 100.0 | 18.8 | -0.1 |
| COGS | 3,814 | 67.9 | 4,660 | 69.7 | 4,974 | 74.5 | 30.4 | 6.8 |
| Gross Profit | 1,805 | 32.1 | 2,027 | 30.3 | 1,703 | 25.5 | -5.7 | -16.0 |
| SG&A | 1,037 | 18.4 | 1,266 | 18.9 | 1,165 | 17.4 | 12.3 | -8.0 |
| O.P margin | 769 | 13.7 | 761 | 11.4 | 539 | 8.1 | -29.9 | -29.2 |
| Non-operating Income/Loss | -154 | -2.7 | 27 | 0.4 | -703 | -10.5 | - | - |
| Ordinary Profit | 614 | 10.9 | 788 | 11.8 | -164 | -2.5 | - | - |
| EBITDA | 1,161 | 20.7 | 1,137 | 17.0 | 998 | 14.9 | -14.1 | -12.2 |
| Depreciation | 393 | 7.0 | 375 | 5.6 | 459 | 6.9 | 17.0 | 22.4 |

※Averager Exchange rate

| | 2007 3Q | 2008 2Q | 2008 3Q |
|-----|---------|---------|---------|
| USD | 928 | 1020 | 1068 |
| EUR | 1276 | 1594 | 1612 |

- Sales Breakdown by Region

[Unit:100 Mil KRW]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|------------|---------|------|---------|------|---------|------|---------|---------|
| | Amt. | % | Amt. | % | Amt. | % | | |
| Export | 3,755 | 66.8 | 4,852 | 72.6 | 4,841 | 72.5 | 28.9 | -0.2 |
| N. America | 896 | 15.9 | 1,338 | 20.0 | 1,263 | 18.9 | 41.0 | -5.6 |
| Europe | 1,535 | 27.3 | 1,590 | 23.8 | 1,359 | 20.3 | -11.5 | -14.5 |
| Others | 819 | 14.6 | 1,246 | 18.6 | 1,710 | 25.6 | 108.8 | 37.2 |
| OE Local | 505 | 9.0 | 678 | 10.1 | 509 | 7.6 | 0.8 | -24.9 |
| Domestic | 1,865 | 33.2 | 1,835 | 27.4 | 1,836 | 27.5 | -1.5 | 0.1 |
| Total | 5,620 | 100 | 6,687 | 100 | 6,677 | 100 | 18.8 | -0.1 |

- UHPT Sales Trend

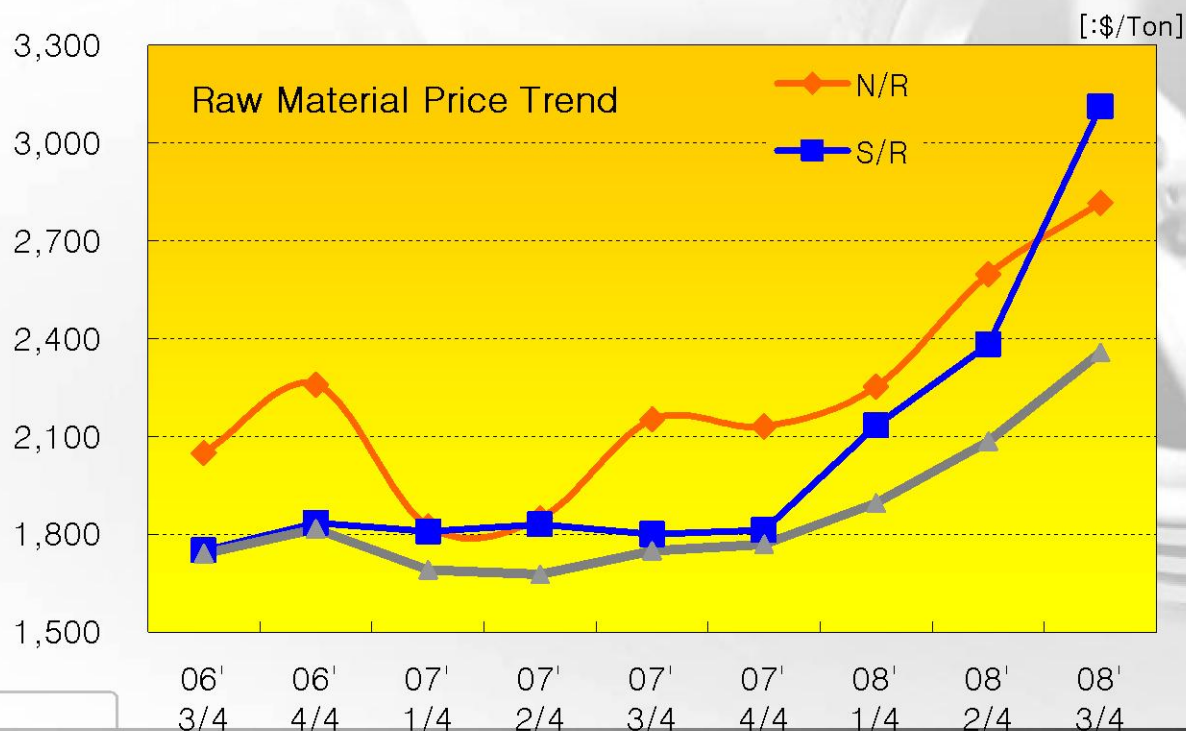
[Unit:100 Mil KRW, 1,000 unit]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|-----------------|---------|-------|---------|-------|---------|-------|---------|---------|
| | Amt. | % | Amt. | % | Amt. | % | | |
| Sales | 5,620 | 100.0 | 6,687 | 100.0 | 6,677 | 100.0 | 18.8 | -0.1 |
| UHPT Sales | 829 | 14.8 | 1,126 | 16.8 | 1,048 | 15.7 | 26.3 | -6.9 |
| UHPT Sales Vol. | 1,383 | | 1,709 | | 1,512 | | 23.5 | -11.5 |

• Raw Material Price Trend

[Unit:USD/ton]

| | 2007 3Q | 2008 2Q | 2008 3Q | YoY (%) | QoQ (%) |
|-----------|---------|---------|---------|---------|---------|
| N/R | 2,152 | 2,597 | 2,816 | 30.9 | 8.4 |
| S/R | 1,799 | 2,382 | 3,112 | 72.9 | 30.7 |
| C/B | 874 | 1,165 | 1,333 | 52.4 | 14.4 |
| T/C | 4,357 | 4,442 | 4,552 | 4.5 | 2.5 |
| S/C | 1,871 | 1,939 | 2,082 | 11.3 | 7.4 |
| 기타 | 1,757 | 1,863 | 1,946 | 10.8 | 4.5 |
| W-Average | 1,749 | 2,084 | 2,358 | 34.8 | 13.1 |



- **SG&A, Non-Operating Gain & Loss**

[Unit:100 Mil KRW]

| | 2007 3Q (a) | 2008 2Q | 2008 3Q (b) | 차이 (b-a) |
|------------------------------|----------------|--------------|----------------|-------------|
| SG&A | | | | |
| Salaries | 247 | 284 | 292 | 45 |
| Ocean Freight | 196 | 259 | 258 | 62 |
| Product Warranty Expenses | 23 | 22 | 13 | -9 |
| Employee Benefits | 33 | 32 | 41 | 8 |
| Export Sales Expenses | 17 | 19 | 20 | 4 |
| Depreciation | 82 | 79 | 94 | 12 |
| Advertising Expenses | 105 | 224 | 108 | 3 |
| Others | 333 | 347 | 338 | 4 |
| Total | 1,037 | 1,266 | 1,165 | 128 |
| Non-Operating | | | | |
| Equity Method gain/loss | -173 | -12 | -650 | -476 |
| Foreign Currency Transaction | 0 | -66 | 81 | 80 |
| Foreign Exchange Transaction | -94 | -66 | -299 | -205 |
| Import Royalty | 104 | 165 | 172 | 68 |
| Others | 8 | 5 | -7 | -16 |
| Total | -154 | 27 | -703 | -549 |

- B/S

[Unit:100 Mil KRW]

| | 2007 | | 2008 3Q | | Variance | |
|---------------------|--------|-------|---------|-------|----------|-------|
| | Amt. | % | Amt. | % | Amt. | % |
| Assets | 23,590 | 100.0 | 27,962 | 100.0 | 4,372 | 18.5 |
| Current Assets | 6,931 | 29.4 | 10,660 | 38.1 | 3,728 | 53.8 |
| Quick Assets | 4,404 | 18.7 | 6,682 | 23.9 | 2,277 | 51.7 |
| Inventories | 2,527 | 10.7 | 3,978 | 14.2 | 1,451 | 57.4 |
| Non-current Asset | 16,658 | 70.6 | 17,302 | 61.9 | 644 | 3.9 |
| Investment Assets | 4,679 | 19.8 | 5,172 | 18.5 | 493 | 10.5 |
| Property&Equipment | 11,922 | 50.5 | 12,084 | 43.2 | 162 | 1.4 |
| Intangible Assets | 58 | 0.2 | 47 | 0.2 | -11 | -19.4 |
| Liabilities | 6,782 | 28.7 | 10,094 | 36.1 | 3,312 | 48.8 |
| Current Liabilities | 4,961 | 21.0 | 7,731 | 27.6 | 2,770 | 55.8 |
| Non-current Liabil | 1,821 | 7.7 | 2,363 | 8.5 | 542 | 29.8 |
| Capital | 16,808 | 71.3 | 17,868 | 63.9 | 1,060 | 6.3 |
| Net Debt | 772 | | 1,795 | | 1,023 | 132.5 |
| Net Debt ratio | | 4.6% | | 10.0% | | |
| Debt Ratio | | 40.3% | | 56.5% | | |
| Net worth to Assets | | 71.3% | | 63.9% | | |



02 China

- Income Statements

[Unit: Mil RMB]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|---------------------------|---------|-------|---------|-------|---------|-------|---------|---------|
| | Amt. | % | Amt. | % | Amt. | % | | |
| Sales | 1,825.8 | 100.0 | 1,957.6 | 100.0 | 2,001.9 | 100.0 | 9.6 | 2.3 |
| COGS | 1,456.9 | 79.8 | 1,620.9 | 82.8 | 1,828.6 | 91.3 | 25.5 | 12.8 |
| Gross Profit | 368.9 | 20.2 | 336.7 | 17.2 | 173.3 | 8.7 | -53.0 | -48.5 |
| SG&A | 305.0 | 16.7 | 277.5 | 14.2 | 285.4 | 14.3 | -6.5 | 2.8 |
| O.P margin | 63.8 | 3.5 | 29.7 | 1.5 | -112.1 | -5.6 | - | - |
| Non-operating Income/Loss | -26.6 | -1.5 | -4.7 | -0.2 | -70.4 | -3.5 | - | - |
| Ordinary Profit | 37.2 | 2.0 | 25.1 | 1.3 | -182.5 | -9.1 | - | - |
| EBITDA | 176.0 | 9.6 | 161.0 | 8.2 | 21.2 | 1.1 | -87.9 | -86.8 |
| Depreciation | 112.2 | 6.1 | 131.2 | 6.7 | 133.3 | 6.7 | 18.8 | 1.6 |

* China GAAP

*RMB Average Ex-rate

| | 2007 3Q | 2008 2Q | 2008 3Q |
|---------|---------|---------|---------|
| USD/RMB | 7.56 | 6.96 | 6.84 |

- SG&A, Non-Operating Gain & Loss

[Unit: Mil RMB]

| | 2007 3Q (a) | 2008 3Q (b) | 차이 (b-a) |
|--|----------------|----------------|-------------|
| SG&A | 305.0 | 285.4 | -19.7 |
| Salaries | 23.4 | 30.9 | 7.5 |
| Sales Promotion | 18.6 | 0.0 | -18.6 |
| Royalty Expense | 69.4 | 75.2 | 5.8 |
| Cunsulting | 13.3 | 12.2 | -1.1 |
| Export Commission | 29.7 | 30.8 | 1.1 |
| Depreciation | 14.7 | 15.3 | 0.6 |
| Domestic Transportation Cost | 39.3 | 37.7 | -1.6 |
| Advertising Expenses | 26.1 | 11.5 | -14.5 |
| Others | 70.6 | 71.8 | 1.3 |
| Non-Operating Gain & Loss | -26.6 | -70.4 | -43.8 |
| Non-operating income | 83.9 | 58.3 | -25.5 |
| Foreign currency translation gain/loss | 53.2 | 24.9 | -28.3 |
| Others | 30.7 | 33.4 | 2.8 |
| Non-operating expenses | 110.4 | 128.7 | 18.3 |
| Interest expense | 69.3 | 64.2 | -5.1 |
| others | 41.2 | 64.6 | 23.4 |



03 Hungary

Income Statements

[Unit: Mil HUF]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|---------------------------|---------|--------|---------|-------|---------|-------|---------|---------|
| | Amt. | % | Amt. | % | Amt. | % | | |
| Sales | 1,319 | 100.0 | 8,043 | 100.0 | 7,900 | 100.0 | 499.0 | -1.8 |
| COGS | 2,882 | 218.5 | 8,883 | 110.4 | 8,557 | 108.3 | 196.9 | -3.7 |
| Gross Profit | -1,563 | -118.5 | -840 | -10.4 | -657 | -8.3 | - | - |
| SG&A | 511 | 38.7 | 1,222 | 15.2 | 1,135 | 14.4 | 122.3 | -7.1 |
| O.P margin | -2,074 | -157.2 | -2,062 | -25.6 | -1,792 | -22.7 | - | - |
| Non-operating Income/Loss | -367 | -27.8 | 4,239 | 52.7 | -2,384 | -30.2 | - | - |
| Ordinary Profit | -2,440 | -185.0 | 2,177 | 27.1 | -4,176 | -52.9 | - | - |
| EBITDA | -2,073 | -157.2 | 211 | 2.6 | 564 | 7.1 | 27.2 | 167.5 |
| Depreciation | 0.4 | 0.0 | 2,273 | 28.3 | 2,357 | 29.8 | - | 3.7 |

※ Hungary GAAP

2008.9.30 HUF/KRW=7.025

※ Hungary Local Ex-rate

| | 2008 1Q | 2008 2Q | 2008 3Q |
|---------|---------|---------|---------|
| EUR/HUF | 260.24 | 236.86 | 242.11 |



04 Consolidated

Income Statements

[단위: 억원]

| | 2007 3Q | | 2008 2Q | | 2008 3Q | | YoY (%) | QoQ (%) |
|-------|---------|-------|---------|-------|---------|-------|---------|---------|
| | 금액 | % | 금액 | % | 금액 | % | | |
| 매출액 | 9,193 | 100.0 | 11,117 | 100.0 | 11,396 | 100.0 | 24.0 | 2.5 |
| 매출원가 | 6,707 | 73.0 | 8,228 | 74.0 | 8,817 | 77.4 | 31.5 | 7.2 |
| 매출총이익 | 2,486 | 27.0 | 2,889 | 26.0 | 2,579 | 22.6 | 3.8 | -10.7 |
| 판매관리비 | 1,709 | 18.6 | 2,099 | 18.9 | 2,153 | 18.9 | 26.0 | 2.6 |
| 영업이익 | 778 | 8.5 | 790 | 7.1 | 426 | 3.7 | -45.2 | -46.1 |
| 영업외손익 | -183 | -2.0 | 107 | 1.0 | -467 | -4.1 | - | - |
| 경상이익 | 595 | 6.5 | 898 | 8.1 | -41 | -0.4 | - | - |

- Balance Sheet

[Unit:100 Mil KRW]

| | 2007 | | 2008 3Q | | Variance | |
|---------------------|--------|--------|---------|--------|----------|------|
| | Amt. | % | Amt. | % | Amt. | % |
| Assets | 41,293 | 100.0 | 47,280 | 100.0 | 5,987 | 14.5 |
| Current Assets | 16,174 | 39.2 | 19,375 | 41.0 | 3,202 | 19.8 |
| Quick Assets | 9,270 | 22.4 | 9,765 | 20.7 | 495 | 5.3 |
| Inventories | 6,903 | 16.7 | 9,610 | 20.3 | 2,707 | 39.2 |
| Non-current Asset | 25,119 | 60.8 | 27,905 | 59.0 | 2,786 | 11.1 |
| Investment Assets | 1,096 | 2.7 | 1,180 | 2.5 | 84 | 7.7 |
| Property&Equipment | 23,828 | 57.7 | 26,519 | 56.1 | 2,691 | 11.3 |
| Intangible Assets | 195 | 0.5 | 206 | 0.4 | 11 | 5.7 |
| Liabilities | 24,199 | 58.6 | 29,050 | 61.4 | 4,851 | 20.0 |
| Current Liabilities | 17,770 | 43.0 | 20,035 | 42.4 | 2,264 | 12.7 |
| Non-current Liabil | 6,429 | 15.6 | 9,015 | 19.1 | 2,586 | 40.2 |
| Capital | 17,093 | 41.4 | 18,231 | 38.6 | 1,137 | 6.7 |
| Net Debt | 9,578 | | 14,469 | | 4,891 | 51.1 |
| Net Debt ratio | | 56.0% | | 79.4% | | |
| Debt Ratio | | 141.6% | | 159.3% | | |
| Net worth to Assets | | 41.4% | | 38.6% | | |



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