

2012 Hankook Tire

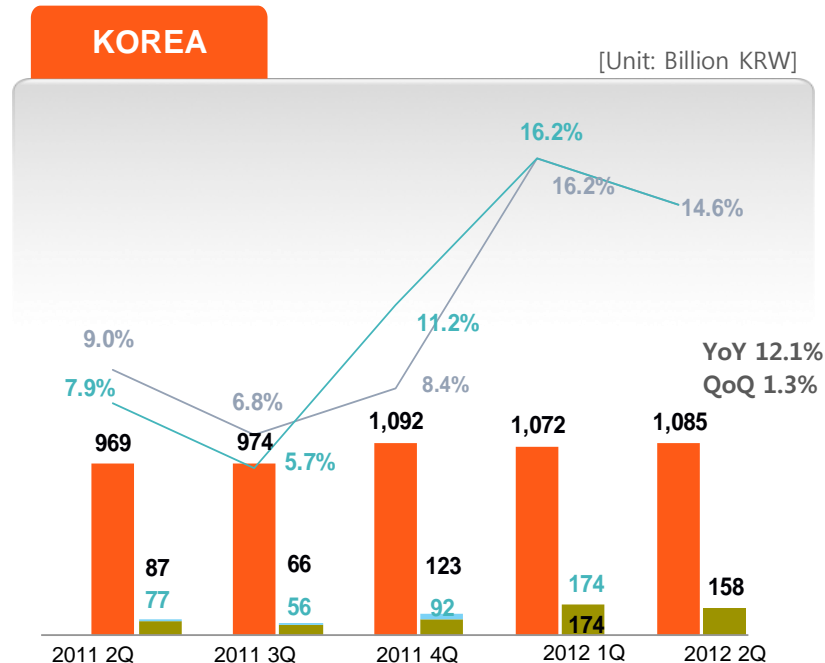
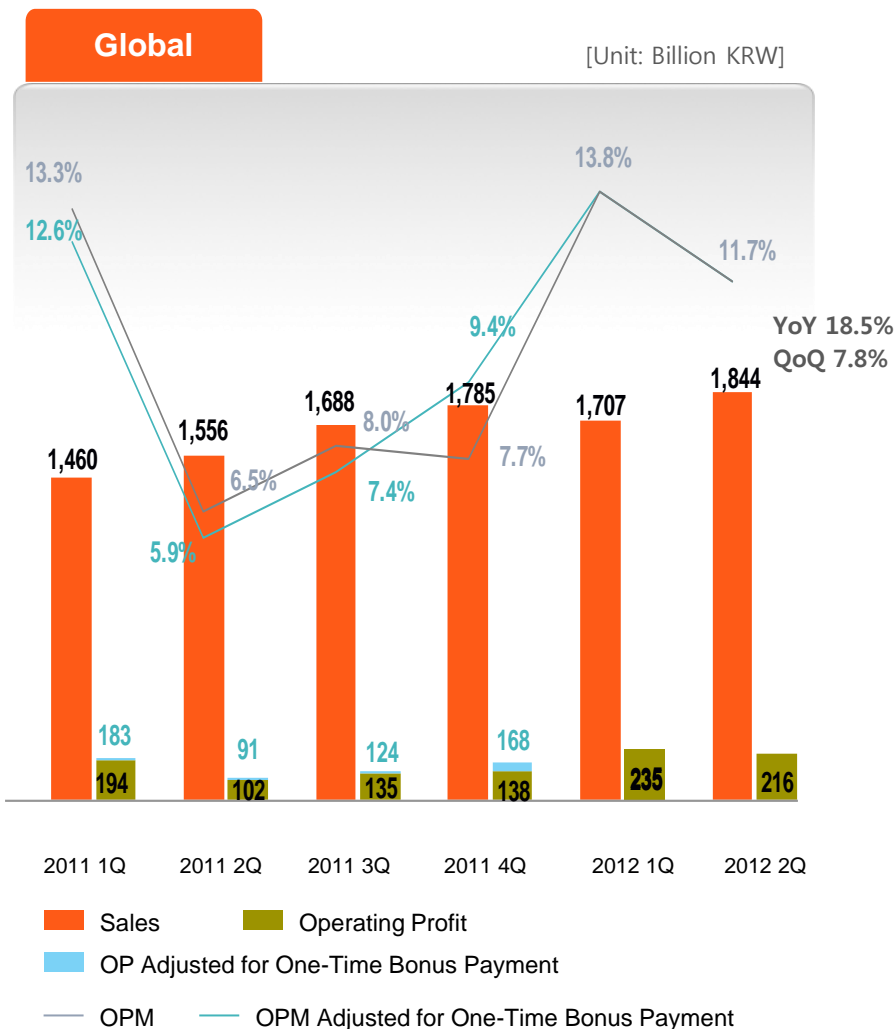
2nd Quarter Result

2012.07.31

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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) Sales and Operating Profit

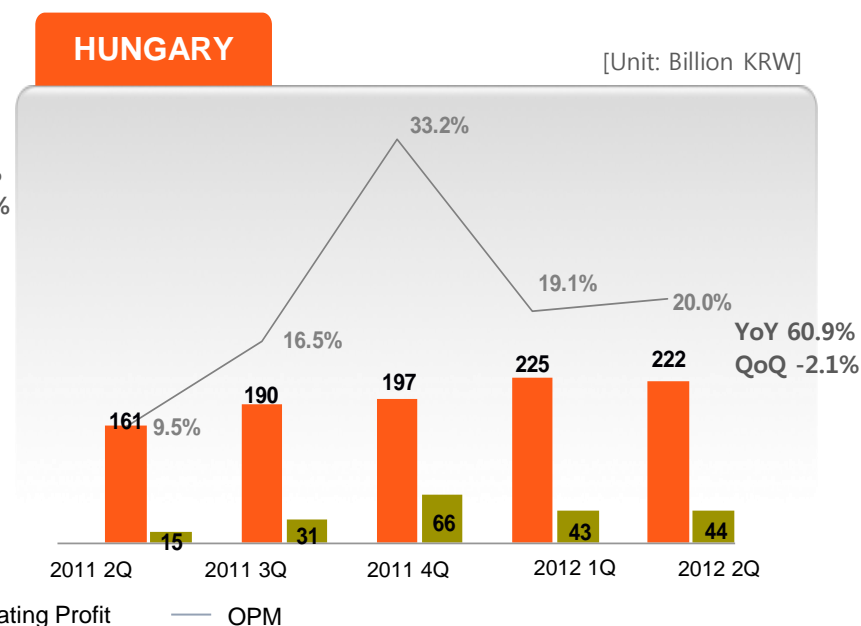
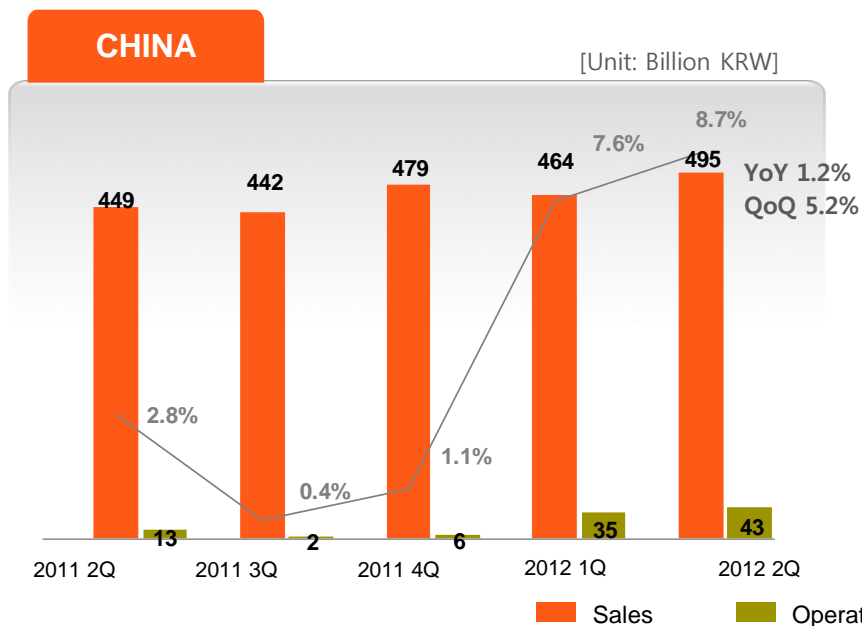


- Despite the economy slowdown, 2Q Sales increased in Korea
- Product mix improvement
- UHPT sales increased 23%↑(YoY), 2.8↑(QoQ)

Quarterly Average FX Rate

	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q	12 2Q
USD/KRW	1,121	1,084	1,082	1,145	1,131	1,152
EUR/KRW	1,532	1,559	1,532	1,543	1,484	1,479

(1) Sales and Operating Profit



- OE Sales increased due to car sales increase.
- Operating margin increased
 - Lower raw materials costs and ASP hikes

Quarterly Average FX Rate

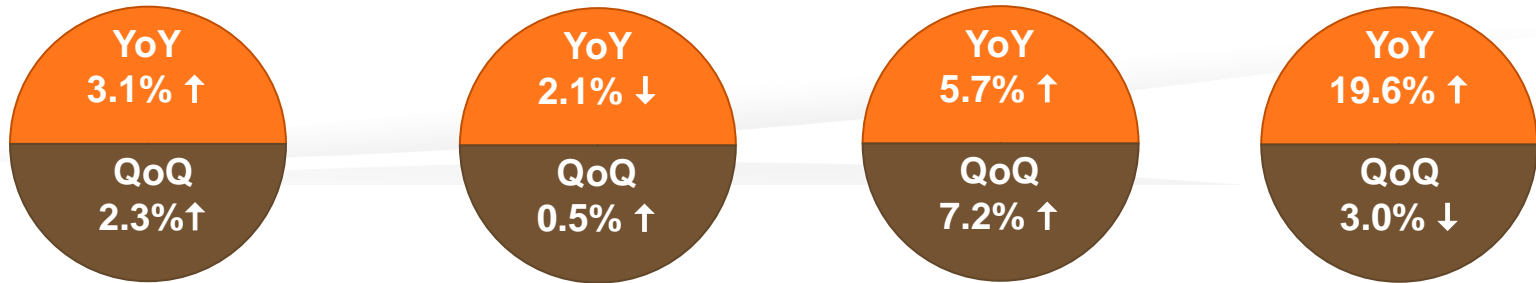
	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q	12 2Q
CNY/KRW	170	167	169	180	179	182
USD/CNY	6.579	6.502	6.410	6.369	6.310	6.331

- Despite the weak demand in the European tire market, 2Q Sales continued to increase in EU Zone
 - Quality goods at a competitive price
 - OE Sales in Eastern Europe increased
- Product mix improvement (focus on premium products)

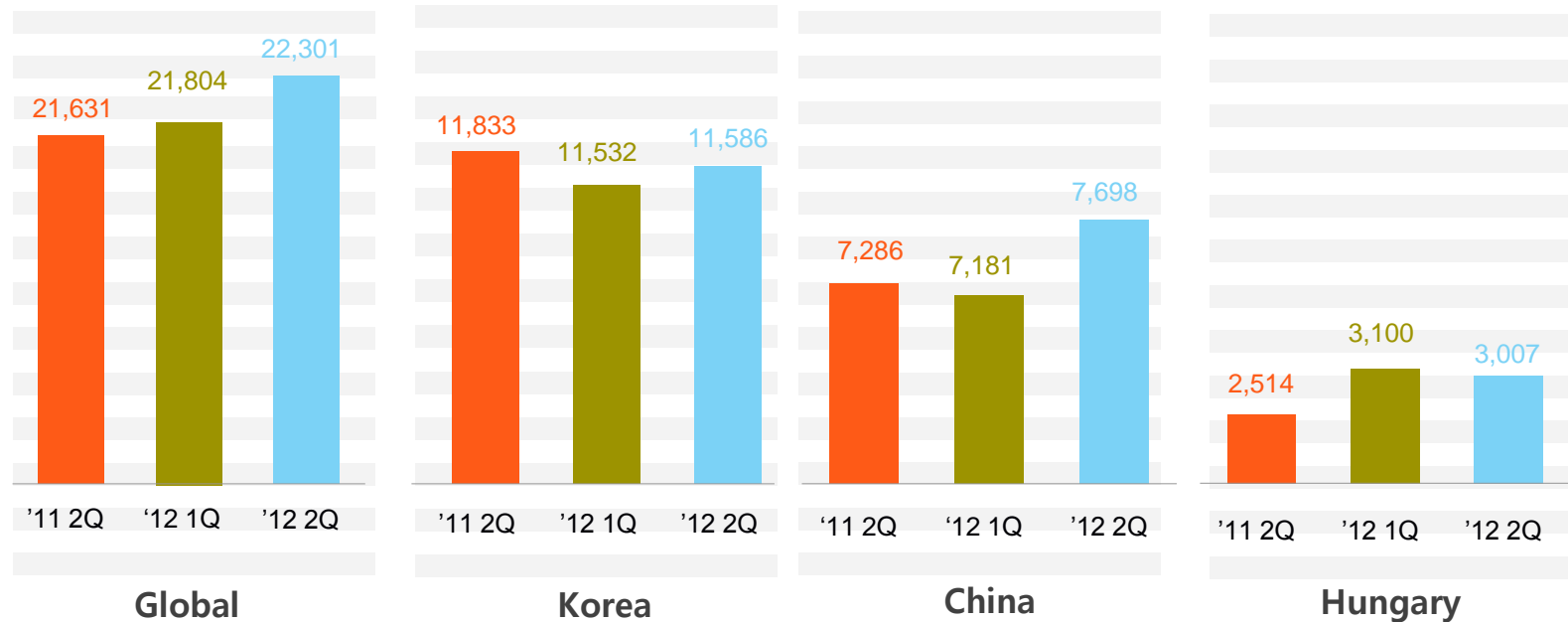
Quarterly Average FX Rate

	11 1Q	11 2Q	11 3Q	11 4Q	12 1Q	12 2Q
EUR/HUF	273	266	274	304	297	294
HUF/KRW	5.62	5.85	5.60	5.08	5.00	5.03

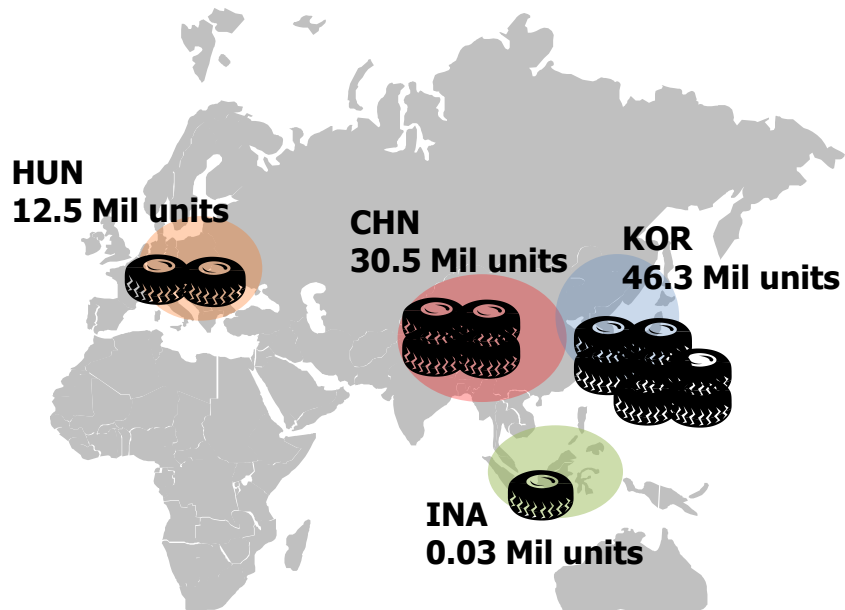
(2) Global Production



[Unit : '000]



Global Production



[단위 : Mil units]

	'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

Production Facilities Under Construction

Chongqing Production Facility

- Daily production capacity of 2,400 TBRs
- Scheduled completion: Jun. 2013
- Scheduled initial production: Aug. 2012



Indonesia Production Facility

- Daily production capacity of 15,000 PCR's
- Scheduled completion: Jul. 2013
- Scheduled initial production: Sep. 2012

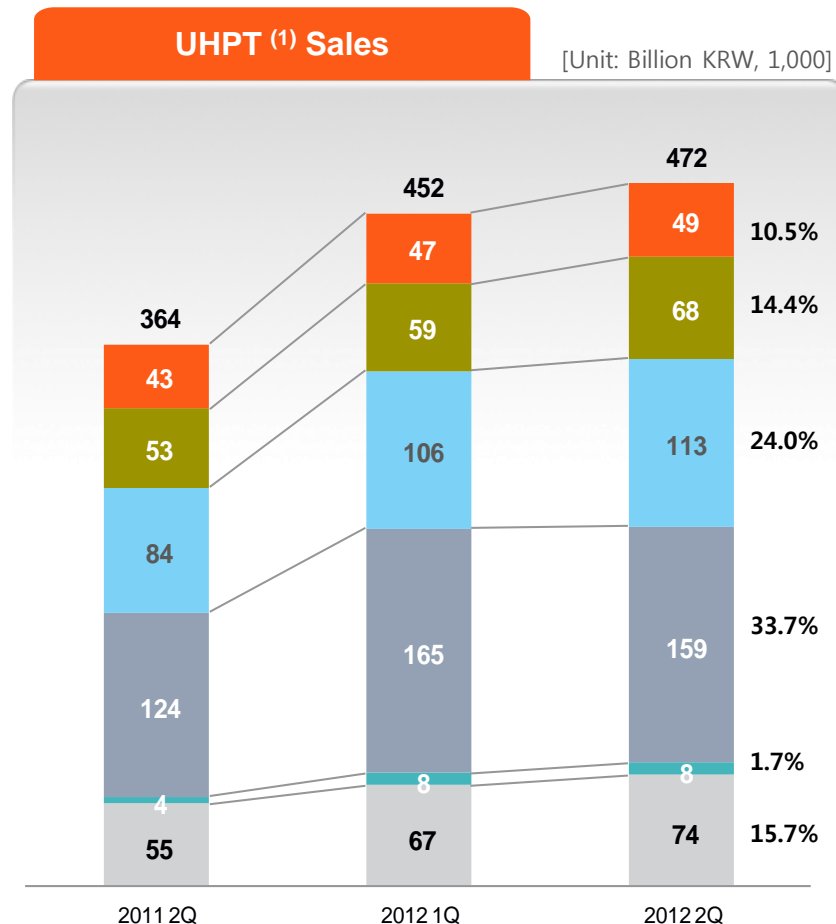
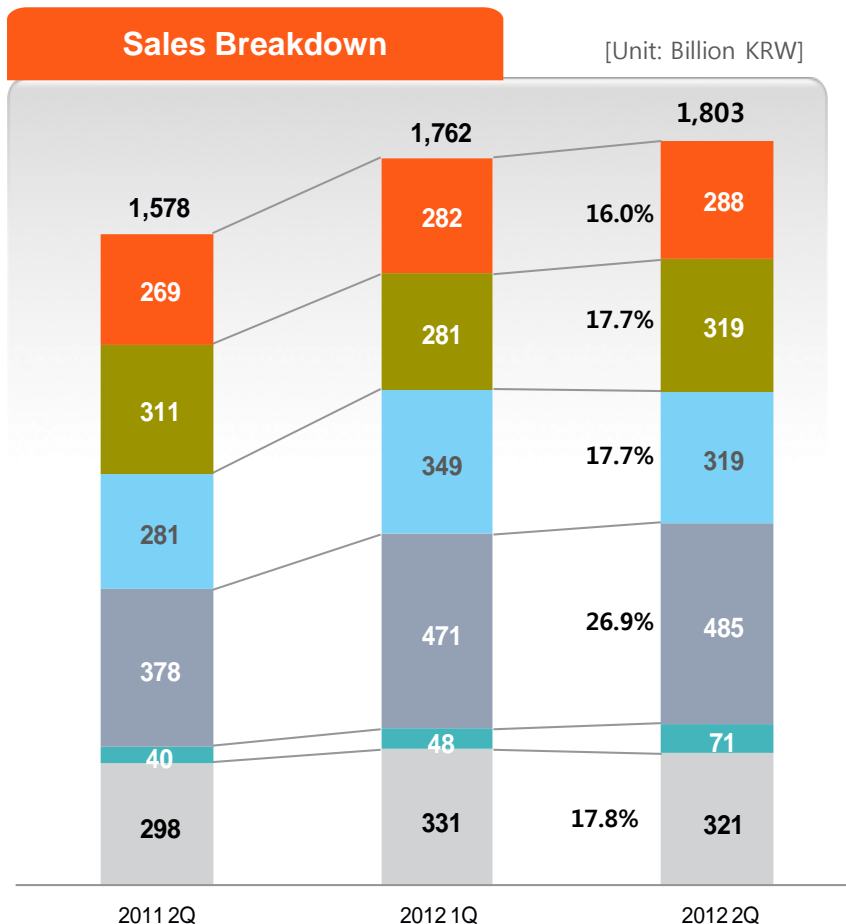


■ OE (Original Equipment) Business Outlook

- Expanded the client portfolio of global automobile manufacturers, on the back of the technological excellence proven through Hyundai / Kia Motors
- Promoted sales in the RE (Replacement Equipment) business and increased brand value by expanding the client portfolio to premium automobile manufacturers



(3) Global Sales Breakdown / UHPT (1) Sales



■ Korea
 ■ China
 ■ N. America
 ■ EUR
 ■ Russia
 ■ Others

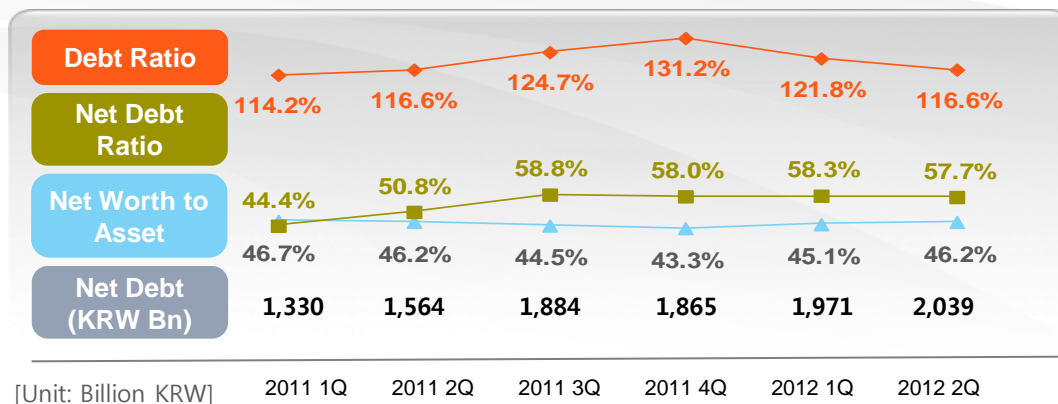
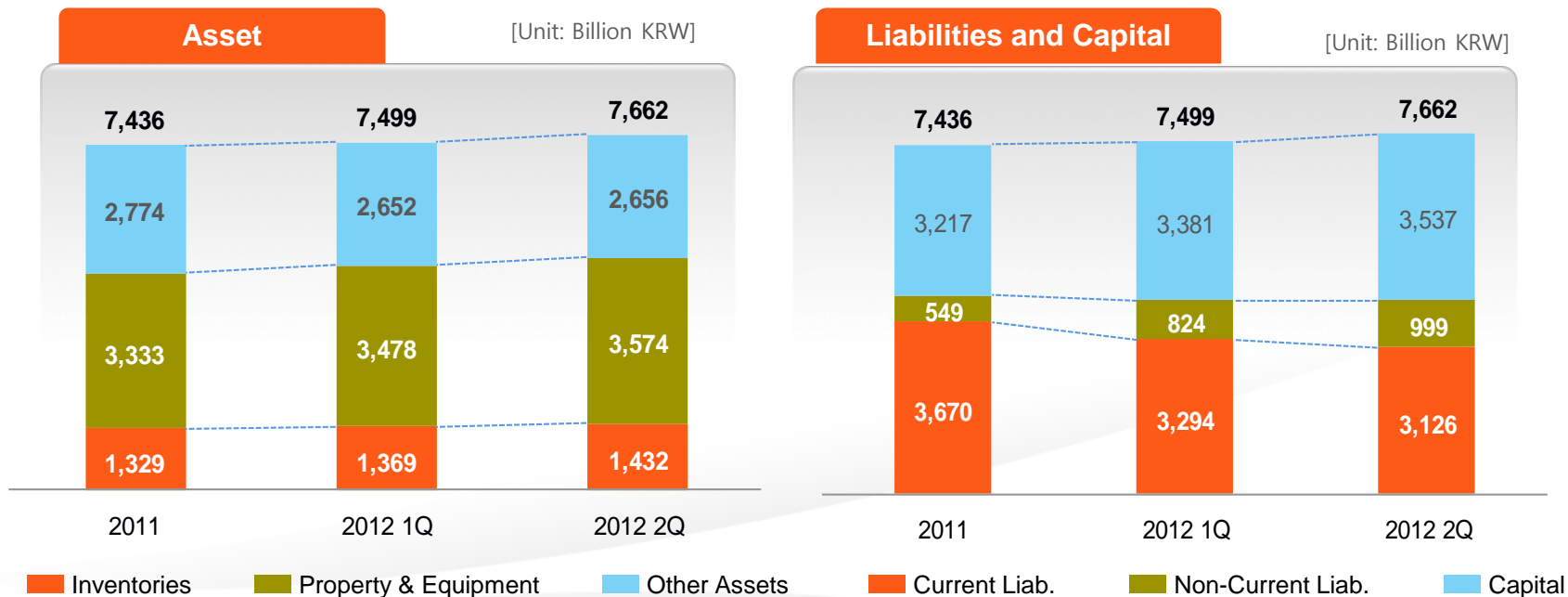
The sales and units were calculated by aggregating units sold by each production facility

Notes

1. Ultra High Performance Tire

UHPT Sales/ Total Sales	23.1%	25.6%	26.2%
UHPT (‘000 units)	5,067	5,647	5,881

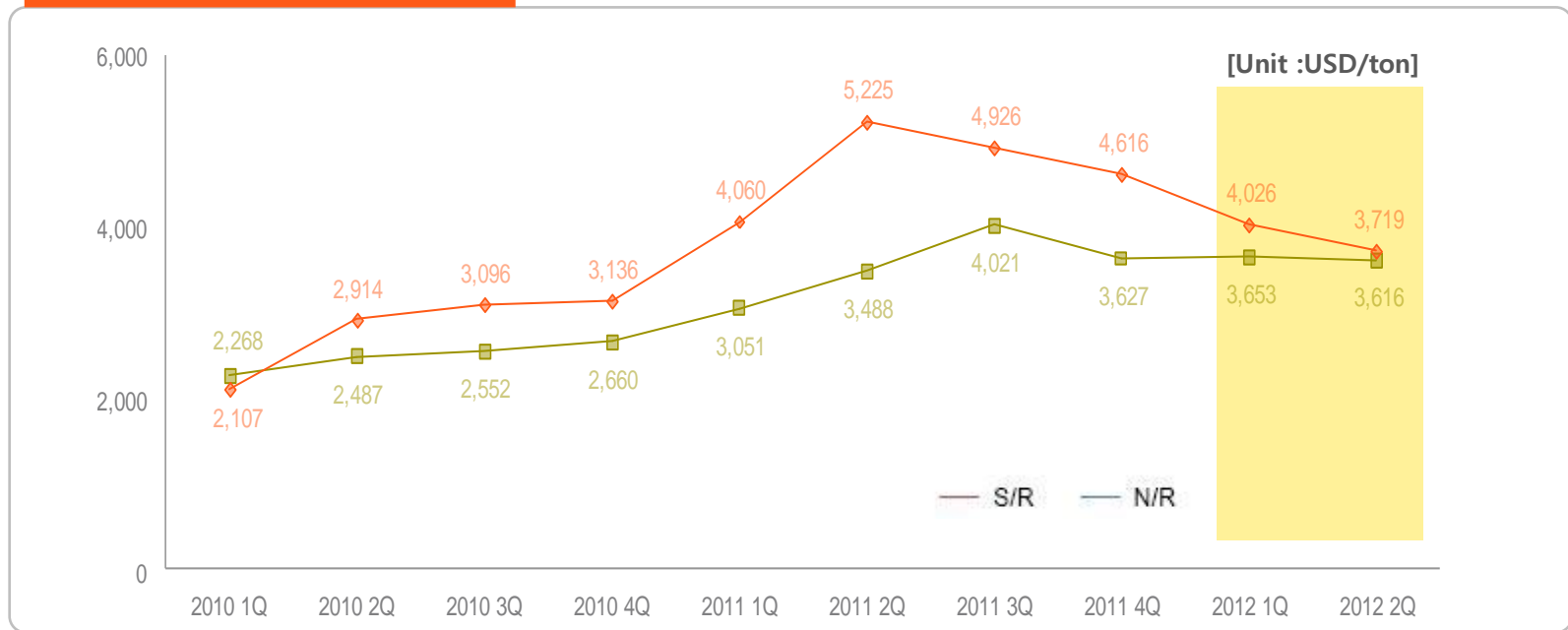
(4) Consolidated Balance Sheet



(5) Raw Material Cost

- N/R spot prices have been stabilized and are expected to fall due to weak demand in China and India
- S/R prices are expected to increase due to shortfall of recent Butadiene supply

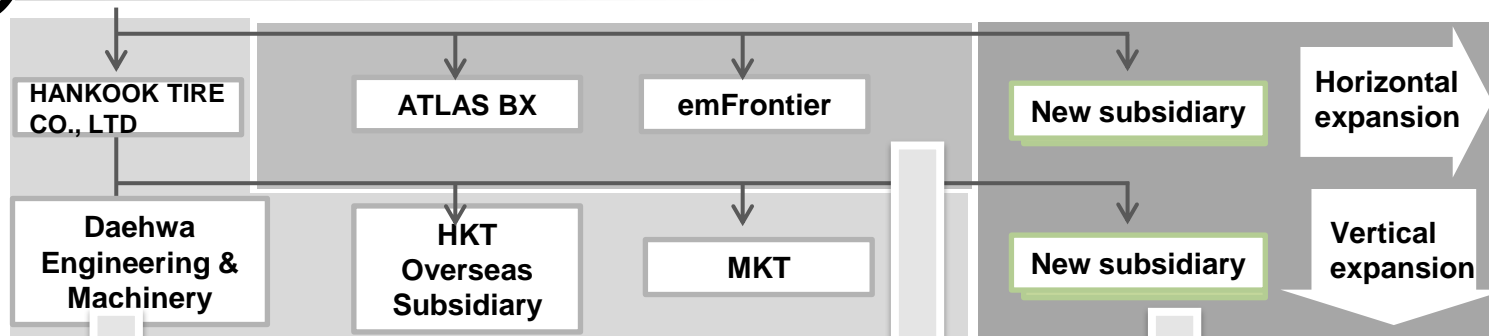
Raw Material Cost Trend



Subsidiaries level-up strategy



HANKOOK TIRE WORLDWIDE CO., LTD



1. Tire Subsidiary

- Level-up the infrastructure of our subsidiaries
- Keep our subsidiaries competitive in the market
 - Expand our investment in our subsidiaries
 - Actively seek for new businesses

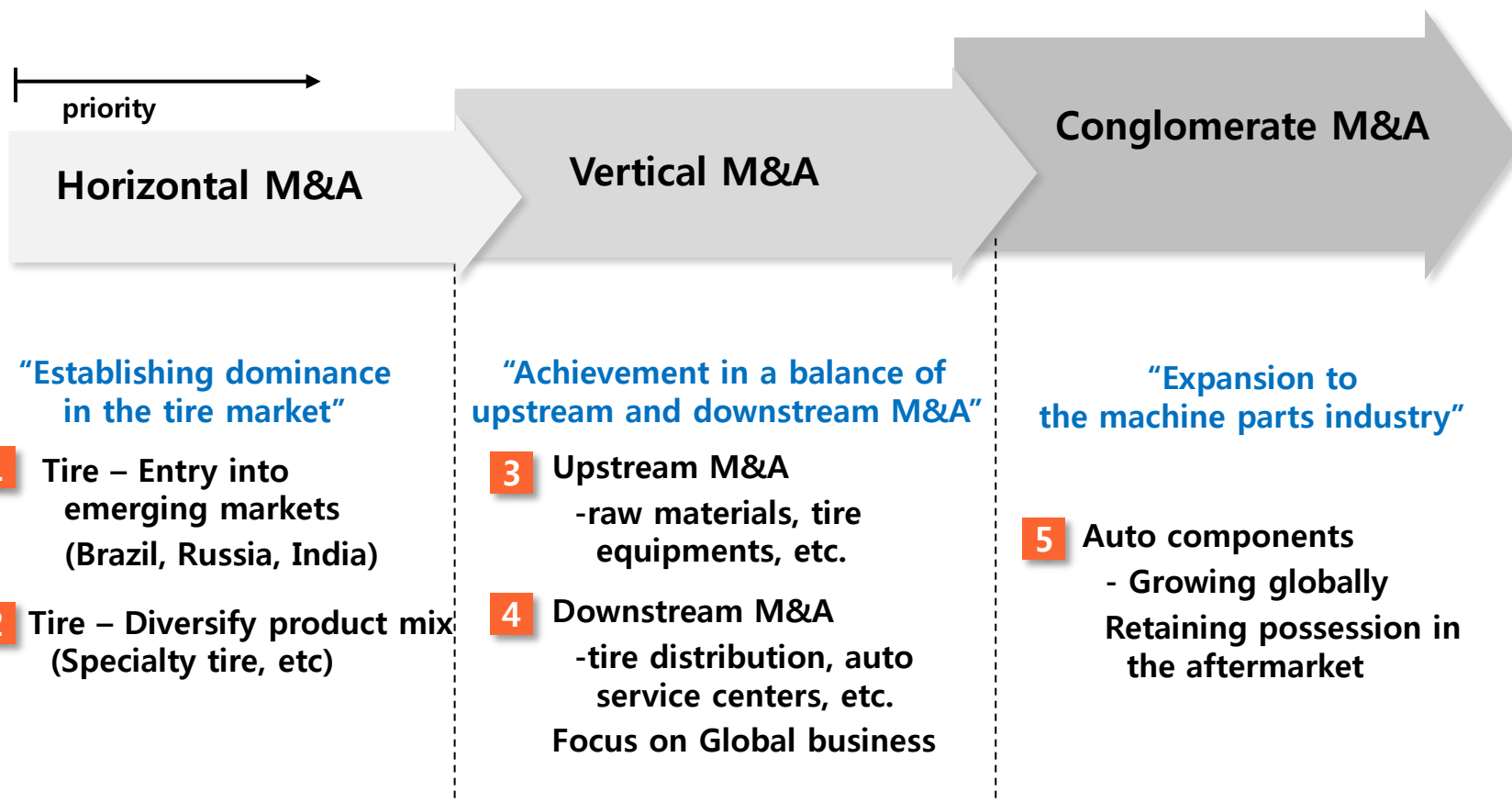
2. Non-Tire Subsidiary

- Establish medium to long term visions
- New business promotions
 - Promote new businesses in order to obtain continuous, substantial growth

3. New subsidiary

- Integrate another company after purchase
 - Aim to successfully integrate the new subsidiary into our culture
- Seek synergy with our existing affiliates
 - Vertical and horizontal expansion

■ Holding Company's M&A Strategy



■ Spin-off Milestones



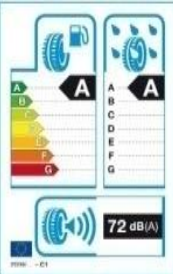
❖ Spin-off Details

Details	Date
Announcement date of closure of shareholders register	25 April 2012
Closing period of shareholders register	1 June 2012 ~ 11 June 2012
Notice for convocation of a general meeting	12 July 2012
Announcement date of tenders for existing shares	30 July 2012
Period for tendering existing shares	31 July 2012 ~ 31 August 2012
Period of trading suspension	30 August 2012 ~ 3 October 2012
Scheduled date of change listing	4 October 2012
Scheduled date of resume listing	4 October 2012

- The organization meeting and the shareholders meeting following the spin-off will be replaced by the resolution and announcement by the BoD

■ Labeling System

- Since the introduction of labeling system, a differentiated product lineup with high quality is to be a critical factor in marketing strategy
 - ➔ Increase brand value and maximize profitability by enhancing the product quality

	Tire Labeling Regulation	Hankook Tire's Current Status
<p>Europe</p> 	<ul style="list-style-type: none"> ■ To be applied from 1 Nov, 2012 (only for tires produced after 1 Jul, 2012) ■ Required Items: RR / Wet Grip / Noise ■ Class: A ~ G for each category 	<ul style="list-style-type: none"> ■ Enhanced the level of brand value based on competitive ratings in comparison with other major players in the industry ■ Secured technical competitive strength in comparison with other low price tire producers ■ Certified by the EU Tire Label Tests ■ Develop highly competitive products to be recognized by EU Tire Labeling Regulation

※ The labeling classification and application date vary for each country and tire group

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Appendix. F/S – Consolidated B/S

[unit : 100 Mil KRW]

	TOTAL		B-A	
	2011(A)	2012 2Q(B)		
Current Assets	37,766	37,117	-649	-1.7%
Cash and Cash Equivalents	9,326	8,672	-654	-7.0%
Non-Current Assets	36,597	39,500	2,903	7.9%
Tangible Assets	33,332	35,737	2,405	7.2%
Assets	74,364	76,617	2,253	3.0%
Current Liabilities	36,703	31,260	-5,443	-14.8%
Short-term borrowings	23,448	19,479	-3,969	-16.9%
Non-current Liabilities	5,493	9,993	4,500	81.9%
Long-term borrowings	4,527	8,861	4,334	95.7%
Liabilities	42,197	41,252	-945	-2.2%
Shareholder's Equity	32,167	35,365	3,198	9.9%
1. Borrowings	27,975	28,340	365	1.3%
2. Net Debt	18,649	20,393	1,744	9.4%
3. Debt Ratio	131.18%	116.65%	-14.53%	-11.1%
4. Net worth to assets	43.26%	46.16%	2.90%	6.7%

[unit : 100 Mil KRW]

	2011(A)	2012 2Q(B)	B-A	
Current Assets	22,875	25,640	2,765	12.1%
Cash and Cash Equivalents	5,508	5,193	-315	-5.7%
Accounts Receivable	9,506	11,981	2,475	26.0%
Other Receivable	533	430	-103	-19.3%
Inventories	5,068	4,433	-635	-12.5%
Non-Current Assets	22,674	22,981	307	1.4%
Tangible Assets	14,307	14,264	-43	-0.3%
Assets	45,549	48,621	3,072	6.7%
Current Liabilities	17,162	16,140	-1,022	-6.0%
Accounts Payable	3,175	2,903	-272	-8.6%
Non-trade Payables	2,102	1,923	-179	-8.5%
Short-term borrowings	10,212	8,724	-1,488	-14.6%
Non-Current Liabilities	712	2,483	1,771	248.7%
Bonds Payable	0	1,494	1,494	
Long-term borrowings	8	8	0	0.0%
projected Benefit obligation	79	250	171	216.5%
Liabilities	17,874	18,622	748	4.2%
Shareholder's Equity	27,675	29,998	2,323	8.4%
1. Borrowings	10,220	10,226	6	0.1%
2. Net Debt	4,712	5,033	321	6.8%
3. Debt Ratio	64.59%	62.08%	-2.51%	-3.9%
4. Net worth to assets	60.76%	61.70%	0.94%	1.5%

[unit : Mil RMB]

	2011(A)	2012 2Q(B)	B-A	
Current Assets	6,788	7,763	975	14.4%
Cash and Cash Equivalents	797	740	-58	-7.2%
Accounts Receivable	4,381	4,959	577	13.2%
Other Receivable	172	161	-11	-6.5%
Inventories	1,377	1,629	252	18.3%
Non-Current Assets	8,452	8,880	428	5.1%
Tangible Assets	6,814	7,205	392	5.7%
Assets	15,240	16,643	1,403	9.2%
Current Liabilities	8,530	9,722	1,192	14.0%
Accounts Payable	3,202	3,860	658	20.6%
Non-trade Payables	667	146	-521	-78.2%
Short-term borrowings	4,512	5,158	645	14.3%
Non-Current Liabilities	1,175	1,163	-12	-1.0%
Long-term borrowings	1,175	1,163	-12	-1.0%
Liabilities	9,705	10,885	1,180	12.2%
Shareholder's Equity	5,535	5,758	223	4.0%
1. Borrowings	5,688	6,321	633	11.1%
2. Net Debt	4,891	5,581	691	14.1%
3. Debt Ratio	175.33%	189.03%	13.70%	7.8%
4. Net worth to assets	36.32%	34.60%	-1.72%	-4.7%

Appendix. F/S – Hungary B/S

[unit : Mil HUF]

	2011(A)	2012 2Q(B)	B-A	
Current Assets	114,529	136,388	21,860	19.1%
Cash and Cash Equivalents	523	375	-148	-28.3%
Accounts Receivable	48,636	63,712	15,076	31.0%
Other Receivable	90	102	13	14.1%
Inventories	28,359	29,895	1,536	5.4%
Non-Current Assets	109,962	104,625	-5,338	-4.9%
Tangible Assets	109,923	104,578	-5,346	-4.9%
Assets	224,491	241,013	16,522	7.4%
Current Liabilities	145,900	118,473	-27,427	-18.8%
Accounts Payable	12,416	7,069	-5,347	-43.1%
Non-trade Payables	3,451	3,387	-65	-1.9%
Short-term borrowings	85,943	51,408	-34,535	-40.2%
Non-Current Liabilities	47,707	66,291	18,584	39.0%
Long-term borrowings	47,707	66,291	18,584	39.0%
Liabilities	193,607	184,764	-8,843	-4.6%
Shareholder's Equity	30,884	56,249	25,365	82.1%
1. Borrowings	12,416	7,069	-5,347	-43.1%
2. Net Debt	11,893	6,693	-5,199	-43.7%
3. Debt Ratio	626.87%	328.47%	-298.40%	-47.6%
4. Net worth to assets	13.76%	23.34%	9.58%	69.6%

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



[unit : 100 Mil KRW]

	2011 2Q		2012 1Q		2012 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	15,561	100.0%	17,097	100.0%	18,436	100.0%	18.5%	7.8%
COGS	11,720	75.3%	12,004	70.2%	12,917	70.1%	10.2%	7.6%
Gross Profit	3,841	24.7%	5,094	29.8%	5,519	29.9%	43.7%	8.3%
SG&A	2,825	18.2%	2,741	16.0%	3,364	18.2%	19.1%	22.7%
O.P Margin	1,016	6.5%	2,353	13.8%	2,155	11.7%	-	-8.4%
Non Operating	122	0.8%	206	1.2%	-50	-0.3%	-	-
Income Before Income Tax	1,138	7.3%	2,559	15.0%	2,105	11.4%	85.0%	-17.7%
E B I T D A	1,932	12.4%	3,319	19.4%	3,111	16.9%	61.0%	-6.3%
Depreciation	916	5.9%	966	5.7%	956	5.2%	4.4%	-1.0%

Appendix. F/S – Korea I/S (IFRS)

[unit : 100 Mil KRW]

	2011 2Q		2012 1Q		2012 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	9,687	100.0%	10,721	100.0%	10,857	100.0%	12.1%	1.3%
COGS	7,640	78.9%	7,914	73.8%	7,741	71.3%	1.3%	-2.2%
Gross Profit	2,047	21.1%	2,807	26.2%	3,116	28.7%	52.2%	11.0%
SG&A	1,175	12.1%	1,066	9.9%	1,538	14.2%	30.9%	44.3%
O.P Margin	872	9.0%	1,742	16.2%	1,578	14.5%	81.0%	-9.4%
Non Operating	0	0.0%	0	0.0%	-33	-0.3%	-	-
Income Before Income Tax	872	9.0%	1,741	16.2%	1,545	14.2%	77.3%	-11.3%
E B I T D A	1,330	13.7%	2,217	20.7%	2,049	18.9%	54.1%	-7.6%
Depreciation	458	4.7%	475	4.4%	471	4.3%	2.8%	-0.8%

Appendix. F/S – China I/S (IFRS)

[unit : 100 Mil RMB]

	2011 2Q		2012 1Q		2012 2Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	26.91	100.0%	25.90	100.0%	27.23	100.0%	1.2%	5.2%
COGS	22.62	84.1%	20.00	77.2%	20.49	75.2%	-9.4%	2.4%
Gross Profit	4.29	15.9%	5.90	22.8%	6.75	24.8%	57.3%	14.3%
SG&A	3.62	13.5%	3.94	15.2%	4.02	14.8%	10.9%	2.1%
Other Income	0.97	3.6%	1.12	4.3%	1.24	4.6%	-	10.5%
Other Expense	0.88	3.3%	1.17	4.5%	1.59	5.8%	81.7%	36.4%
O.P Margin	0.76	2.8%	1.92	7.4%	2.38	8.7%	-	23.7%
Non Operating	-0.42	-1.6%	-0.68	-2.6%	-0.72	2.6%	-	-
Income Before Income Tax	0.34	1.3%	1.25	4.8%	1.66	6.1%	-	33.5%
E B I T D A	2.11	7.9%	3.32	12.8%	3.79	13.9%	79.5%	14.2%
Depreciation	1.35	5.0%	1.40	5.4%	1.42	5.2%	4.7%	1.2%

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

[unit : 100 Mil RMB]

	2011 2Q		2012 1Q		2012 2Q		YoY (%)	QoQ (%)
	Amt.	%	Amt.	%	Amt.	%		
Sales	26.91	100.0%	25.90	100.0%	27.23	100.0%	1.2%	5.2%
COGS	22.62	84.1%	20.00	77.2%	20.49	75.2%	-9.4%	2.4%
Gross Profit	4.29	15.9%	5.90	22.8%	6.75	24.8%	57.3%	14.3%
SG&A	3.62	13.5%	3.94	15.2%	4.02	14.8%	10.9%	2.1%
O.P Margin	0.67	2.5%	1.97	7.6%	2.73	10.0%	-	38.8%
Non Operating	-0.33	-1.2%	-0.72	-2.8%	-1.07	-3.9%	-	47.8%
Income Before Income Tax	0.34	1.3%	1.25	4.8%	1.66	6.1%	-	33.5%
E B I T D A	2.02	7.5%	3.36	13.0%	4.14	15.2%	105.2%	23.2%
Depreciation	1.35	5.0%	1.40	5.4%	1.42	5.2%	4.7%	1.2%

Appendix. F/S – Hungary I/S (IFRS)

[unit : 100 Mil HUF]

	2011 2Q		2012 1Q		2012 2Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	274.34	100.0%	450.67	100.0%	441.33	100.0%	60.9%	-2.1%
COGS	216.01	78.7%	307.21	68.2%	299.30	67.8%	38.6%	-2.6%
Gross Profit	58.33	21.3%	143.46	31.8%	142.03	32.2%	-	-1.0%
SG&A	30.59	11.2%	42.21	9.4%	49.14	11.1%	60.6%	16.4%
Other Income	6.99	2.5%	19.96	4.4%	22.30	5.1%	-	11.7%
Other Expense	8.58	3.1%	35.00	7.8%	26.96	6.1%	-	-23.0%
O.P Margin	26.15	9.5%	86.22	19.1%	88.23	20.0%	-	2.3%
Finance Income	8.94	3.3%	85.17	18.9%	42.61	9.7%	-	-50.0%
Finance Costs	5.52	2.0%	28.21	6.3%	20.34	4.6%	-	-27.9%
Income Before Income Tax	29.56	10.8%	143.17	31.8%	110.50	25.0%	-	-22.8%
E B I T D A	66.38	24.2%	129.90	28.8%	133.20	30.2%	100.7%	2.5%
Depreciation	40.23	14.7%	43.69	9.7%	44.97	10.2%	11.8%	2.9%

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



[unit : 100 Mil HUF]

	2011 2Q		2012 1Q		2012 2Q		YoY (%)	QoQ (%)
	Amt	%	Amt	%	Amt	%		
Sales	274.34	100.0%	450.67	100.0%	441.33	100.0%	60.9%	-2.1%
COGS	216.01	78.7%	307.20	68.2%	299.30	67.8%	38.6%	-2.6%
Gross Profit	58.33	21.3%	143.47	31.8%	142.03	32.2%	-	-1.0%
SG&A	30.59	11.2%	42.21	9.4%	45.79	10.4%	49.7%	8.5%
O.P Margin	27.74	10.1%	101.26	22.5%	96.24	21.8%	-	-5.0%
Non Operating	-7.22	-2.6%	36.48	8.1%	8.20	1.9%	-	-
Income Before Income Tax	20.51	7.5%	137.74	30.6%	104.44	23.7%	-	-
E B I T D A	67.97	24.8%	144.94	32.2%	141.21	32.0%	-	-2.6%
Depreciation	40.23	14.7%	43.68	9.7%	44.97	10.2%	11.8%	3.0%