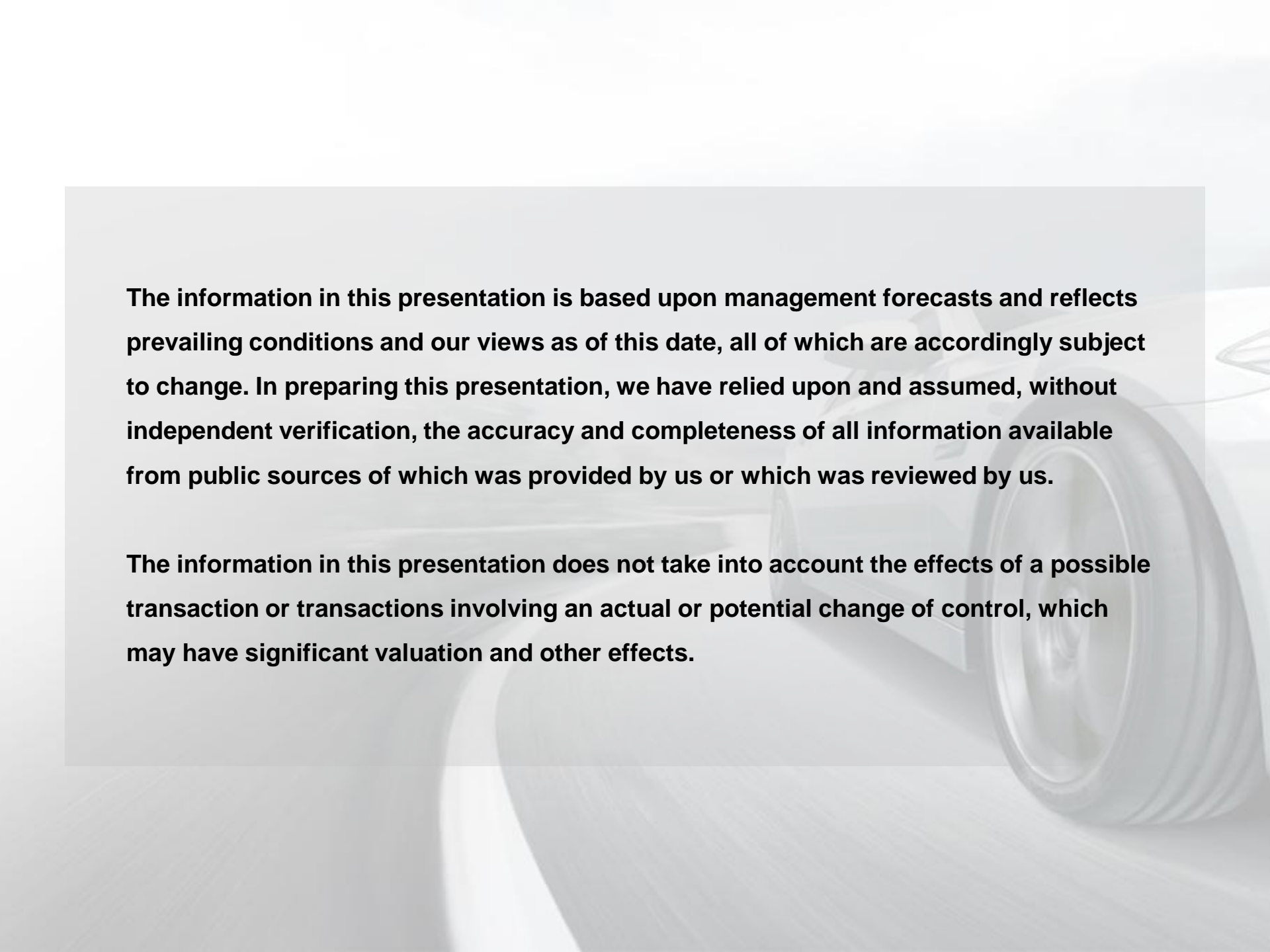


2015 Hankook Tire

2nd Quarter Result

2015. 7. 31



The information in this presentation is based upon management forecasts and reflects prevailing conditions and our views as of this date, all of which are accordingly subject to change. In preparing this presentation, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information available from public sources of which was provided by us or which was reviewed by us.

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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Financial Highlights

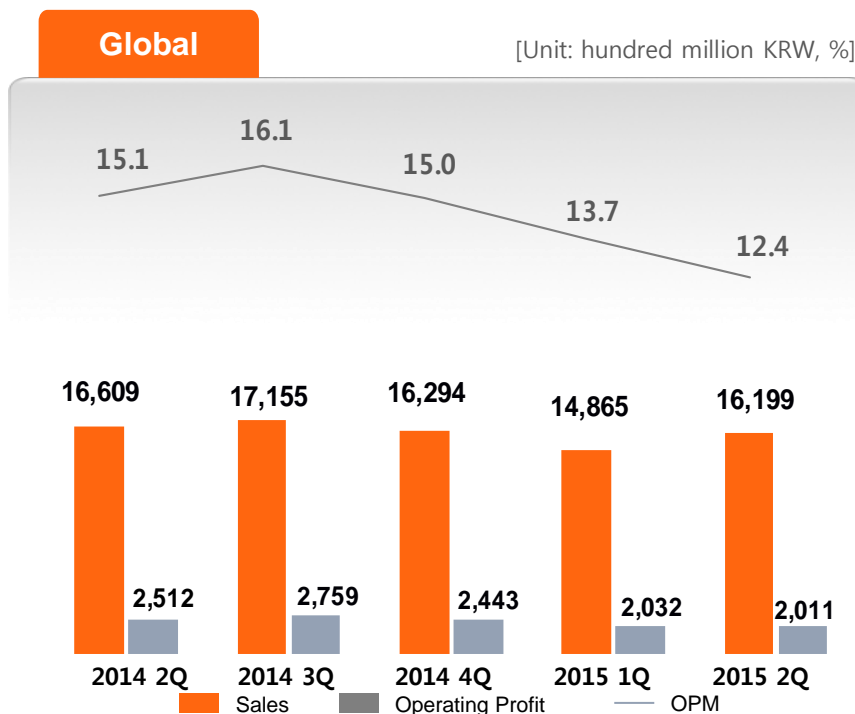
'15. 2Q Global Performance (Consolidated)

[unit : Hundred Million KRW, %]

	2014 2Q	2015 1Q	2015 2Q	QoQ	YoY
Sales	16,609	14,865	16,199	9.0%	-2.5%
COGS	10,659 (64.2%)	9,651 (64.9%)	10,374 (64.0%)	7.5%	-2.7%
Operating Profit	2,512 (15.1%)	2,032 (13.7%)	2,011 (12.4%)	-1.0%	-20.0%
Ordinary Profit	2,337 (14.1%)	1,964 (13.2%)	1,940 (12.0%)	-1.2%	-17.0%
EBITDA	3,661 (22.0%)	3,086 (20.8%)	3,218 (19.9%)	4.3%	-12.1%

1) Performance – Global

- MKT : ASP downtrend slowed down in the midst of strong M/S competition
- HKT : Revenue increased QoQ while decreased YoY due to unfavorable F/X & ASP drop



2Q Review

1. 2Q '15

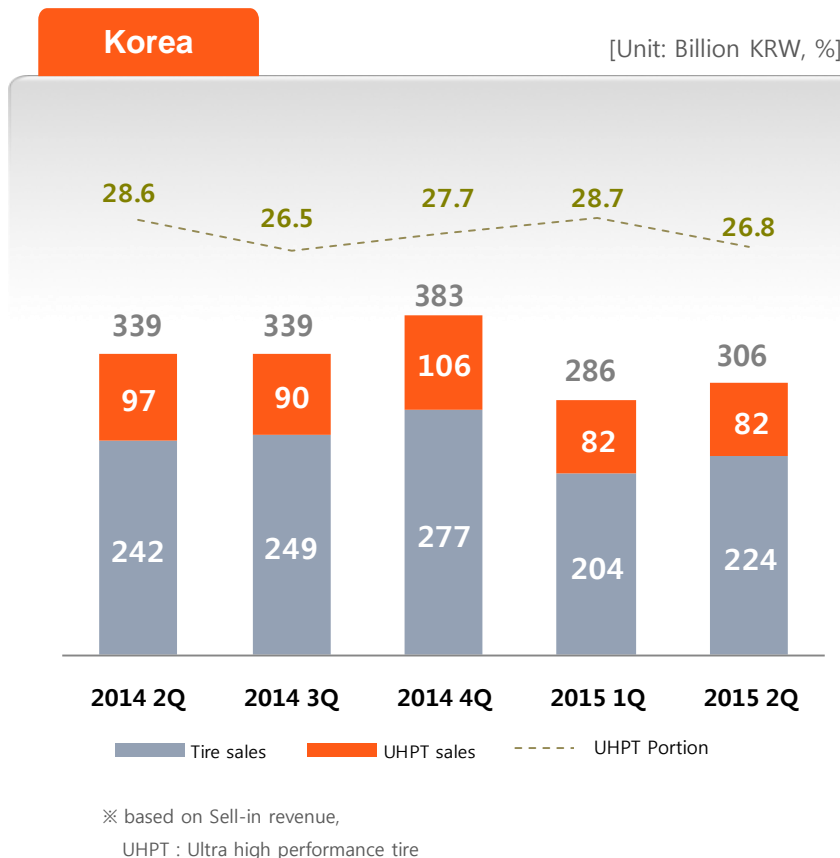
- ✓ RE : Revenue increased YoY & QoQ thanks to meaningful volume increase in US & Europe
- ✓ OE : Sales volume decreased YoY & QoQ due to negative growth in China and Korea despite of growth in Europe & US

2. 3Q Outlook

- ✓ MKT : Overall sales growth expected despite of continuous ASP competition
- HKT : Expect sales growth boosted by sales momentum in US, OE LTR/TBR biz expansion and improved product mix

1) Performance – Korea

- **MKT** : Competition intensified caused by stagnated market growth
- **HKT** : Focused enhancing product competitiveness by launching new models



2Q Review

1. 2Q '15

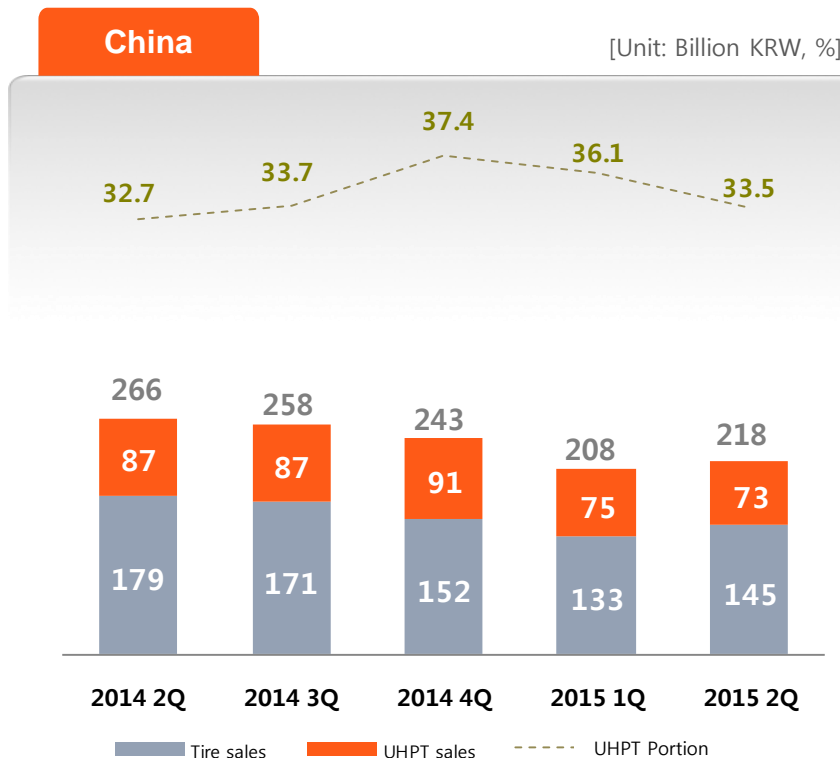
- ✓ **RE** : Sales increased QoQ by launching new products to secure M/S while decreased YoY due to contracted market
- ✓ **OE** : Sales increased OoQ thanks to supply increase to new OE models while decreased YoY due to reduced sales of OE makers

2. 3Q Outlook

- ✓ **MKT** : Continuous volume and ASP competition expected due to slow demand recovery
- ✓ **HKT** : Sales growth expected by supplying new OE models and having various product line ups through HKT dedicated retail networks

1) Performance – China

- **MKT** : Competition intensified due to increased presence of local brand with aggressive ASP & intensified price promotion among makers
- **HKT** : Enhanced market presence by launching second brand & expanding retail networks



※ based on Sell-in revenue,
UHPT : Ultra high performance tire

2Q Review

1. 2Q '15

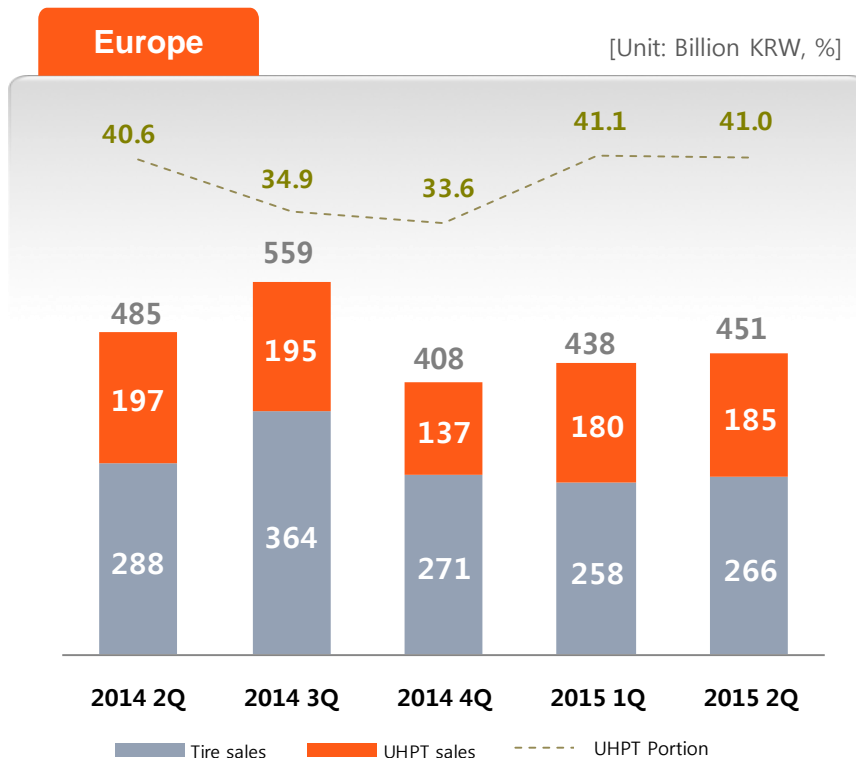
- ✓ **RE** : Sales volume increased YoY & QoQ through successful launch of second brand, Laufenn
- ✓ **OE** : Sales decreased YoY & QoQ impacted by reduced sales of local OE makers

2. 3Q Outlook

- ✓ **MKT** : Continuous ASP competition expected among local and foreign makers
- ✓ **HKT** : Developing new sales networks will continue while focusing on restructuring and stabilizing current retail networks

1) Performance – Europe

- MKT : Low growth continued in the midst of demand recovery YoY
- HKT : Volume increased YoY through strategic price adaption & OE expansion



※ based on Sell-in revenue,
UHPT : Ultra high performance tire

2Q Review

1. 2Q '15

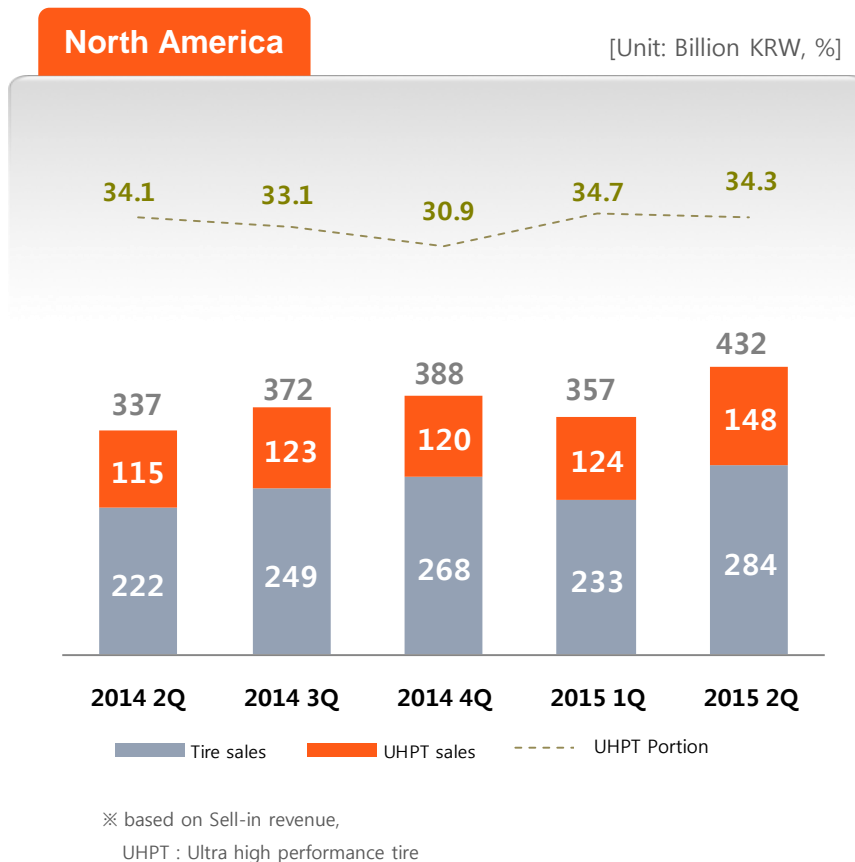
- ✓ RE : Volume increased YoY by help of flexible price policy
- ✓ OE : Volume increased YoY thanks to biz expansion with premium car makers

2. 3Q Outlook

- ✓ MKT : Expect continuous ASP competition due to M/S expansion plan among makers
- ✓ HKT : Plan to overcome ASP competition through continuous investment in brand enhancement

1) Performance – North America

- MKT : Imported tires from China reduced mainly due to A/D effect
- HKT : M/S increased QoQ thanks to sales increase around LTR seg. Helped by market recovery & low oil price



2Q Review

1. 2Q '15

- ✓ RE : Sales increased YoY & QoQ thanks to high growth in premium & LTR segment
- ✓ OE : Sales increased YoY & QoQ by help of increased car sales in NA

2. 3Q Outlook

- ✓ MKT : Expect imports increase from SEA & Europe due to decreased imports from China
- ✓ HKT : - Plan to enroll on time countermeasure plan to fully take advantage of A/D & CVD action
- Expect increased M/S by expanding Laufenn sales & developing new retailers

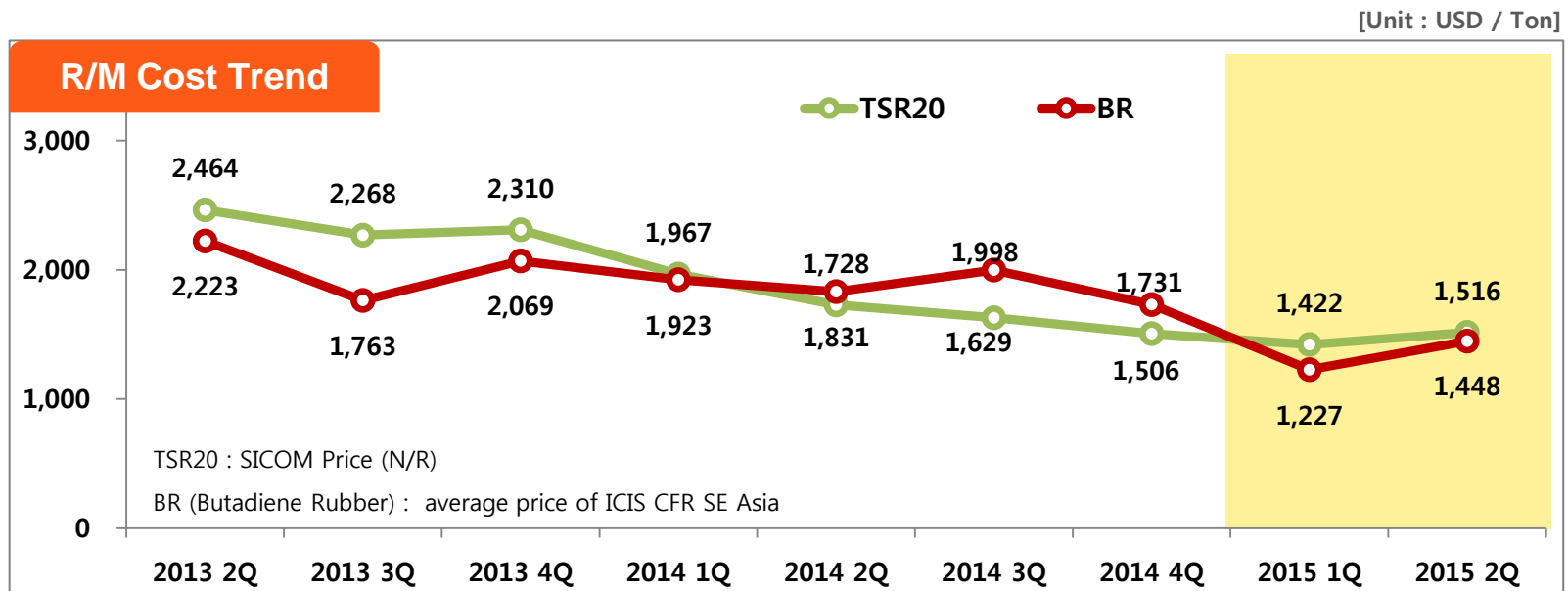
2) Stability : Raw Material Cost

■ N/R

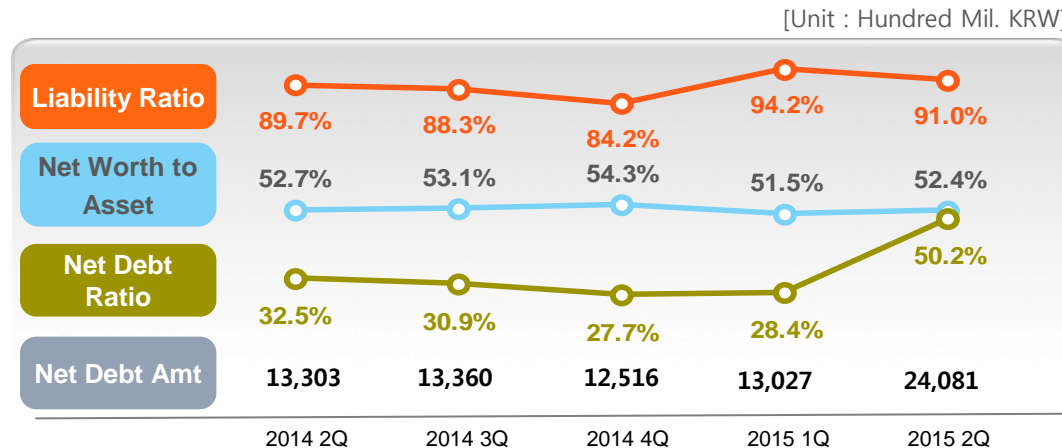
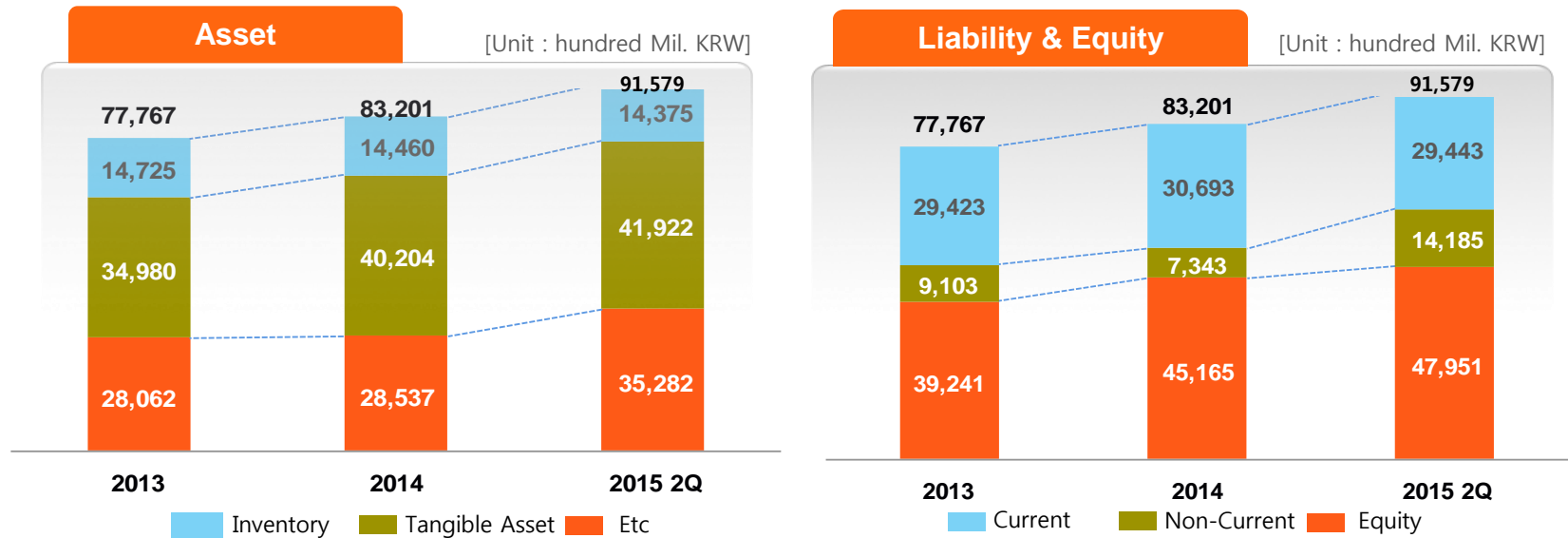
- NR price kept falling due to weak demand in China and over supply from South East Asia
- Expect slight price recovery from 2H of '15 thanks to economy recovery in US and demand increase in China

■ S/R

- S/R price showed upward trend in the wake of BR price spike since '15. 2Q
- Expect slowdown of S/R price due to stable BD supply & demand



2) Stability : Balance Sheet (Consolidated)



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Appendix. F/S – Consolidated B/S

[hundred million KRW]

	2014		2015 2Q		Diff.	
	Amt.	%	Amt.	%	Amt.	%
Assets	83,201	100.0%	91,579	100.0%	8,378	10.1%
Current Assets	38,798	46.6%	34,240	37.4%	-4,558	-11.7%
cashable assets	11,720	14.1%	6,378	7.0%	-5,342	-45.6%
Accounts receivable	12,069	14.5%	13,011	14.2%	942	7.8%
Inventories	14,460	17.4%	14,375	15.7%	-85	-0.6%
Non-current Assets	44,403	53.4%	57,339	62.6%	12,936	29.1%
Tangible assets	40,204	48.3%	41,922	45.8%	1,718	4.3%
Liabilities	38,036	45.7%	43,629	47.6%	5,593	14.7%
Current Liabilities	30,693	36.9%	29,443	32.2%	-1,250	-4.1%
Non-Current Liabilities	7,343	8.8%	14,186	15.5%	6,843	93.2%
Shareholders' Equity	45,165	54.3%	47,951	52.4%	2,786	6.2%
Debt	24,236		30,458			
Net debt	12,516		24,081			
Liability Ratio		84.2%		91.0%		
Net Worth to Assets		54.3%		52.4%		
Net Debt Ratio		27.7%		50.2%		

Appendix. F/S – Consolidated I/S

[Hundred million KRW]

	2014 2Q		2015 1Q		2015 2Q		YoY	QoQ
	Amt.	%	Amt.	%	Amt.	%	(%)	(%)
Sales	16,609	100.0%	14,865	100.0%	16,199	100.0%	-2.5%	9.0%
COGS	10,659	64.2%	9,651	64.9%	10,374	64.0%	-2.7%	7.5%
Gross Profit	5,950	35.8%	5,214	35.1%	5,825	36.0%	-2.1%	11.7%
SG&A	3,438	20.7%	3,182	21.4%	3,814	23.5%	10.9%	19.9%
Operating Profit	2,512	15.1%	2,032	13.7%	2,011	12.4%	-19.9%	-1.0%
Other Revenue	633	3.8%	816	5.5%	356	2.2%	-43.8%	-56.4%
Other Expense	495	3.0%	824	5.5%	298	1.8%	-39.8%	-63.8%
Financial Revenue	142	0.9%	273	1.8%	315	1.9%	121.8%	15.4%
Financial Expense	455	2.7%	333	2.2%	444	2.7%	-2.4%	33.3%
Income Before Income Tax	2,337	14.1%	1,964	13.2%	1,940	12.0%	-17.0%	-1.2%
E B I T D A	3,625	21.8%	3,086	20.8%	3,218	19.9%	-11.2%	4.3%
Depreciation	1,113	6.7%	1,054	7.1%	1,207	7.5%	8.4%	14.5%