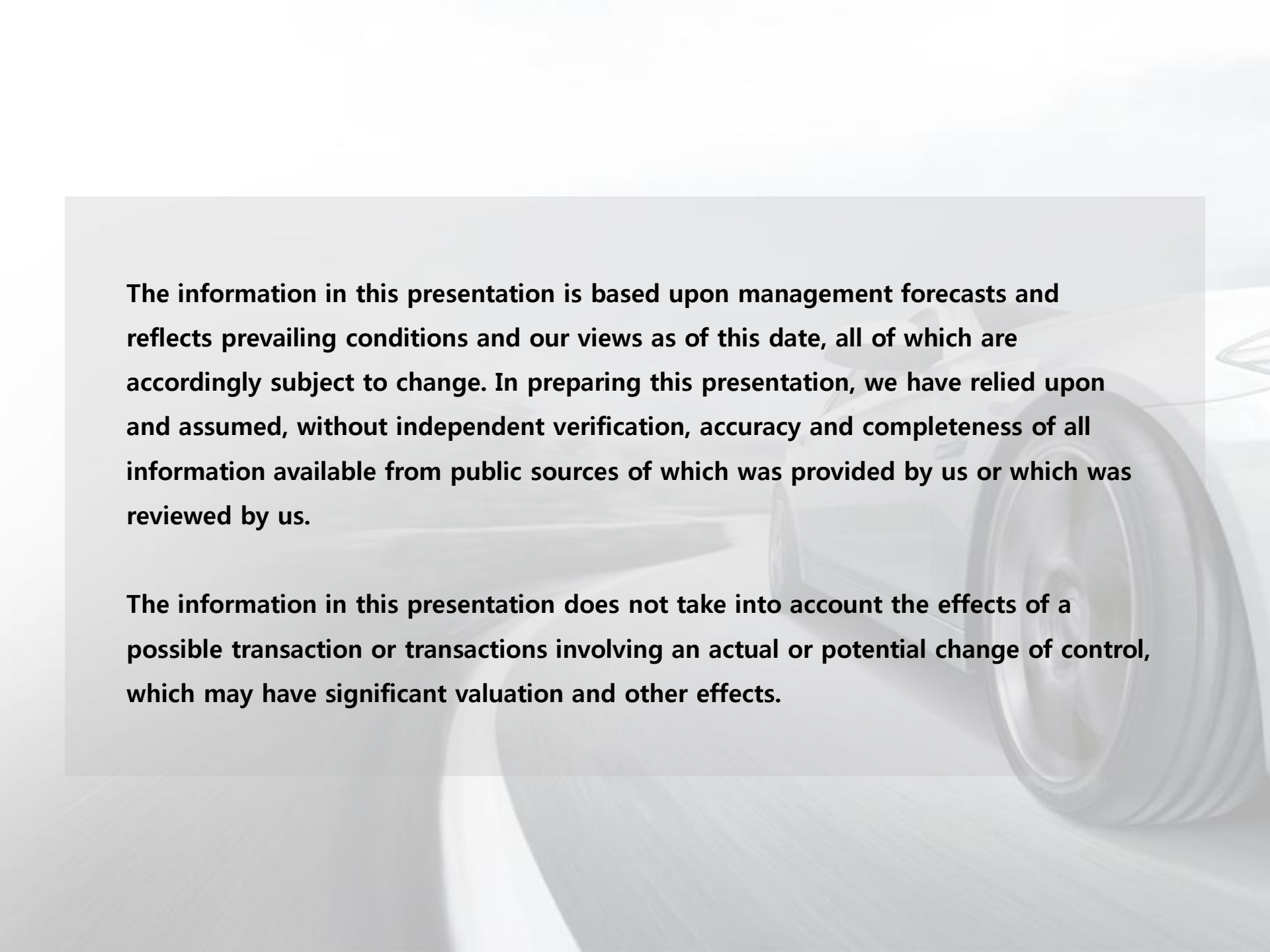


2015 Hankook Tire

3rd Quarter Result

2015. 11. 3



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, 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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2015 3Q Review & Financial Highlights



Financial Highlights

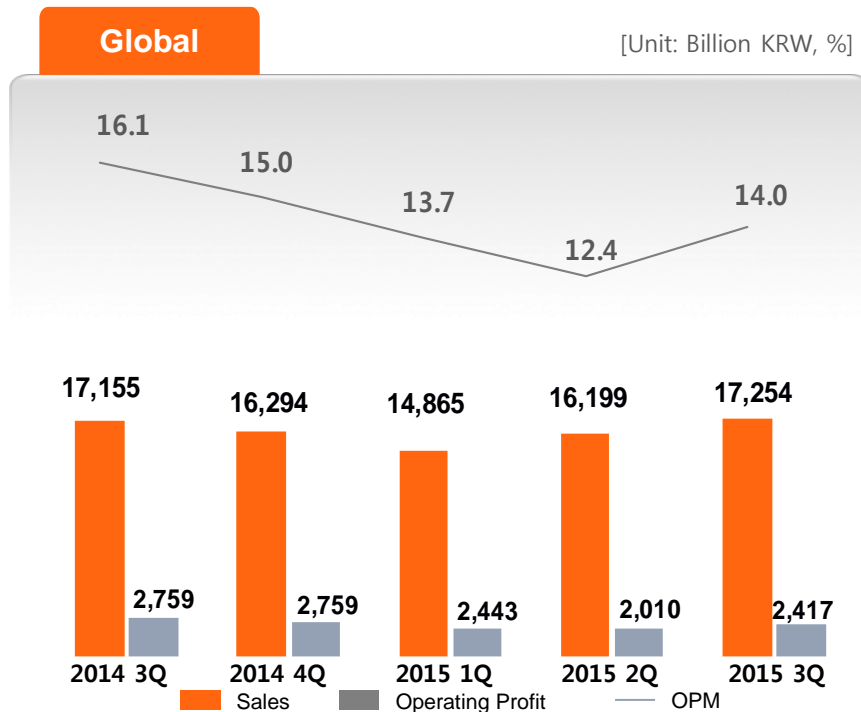
2015 3Q Global Performance (Consolidated)

[unit : Hundred Million KRW, %]

| | 2014 3Q | 2015 2Q | 2015 3Q | QoQ | YoY |
|------------------|-------------------|-------------------|-------------------|-------|--------|
| Sales | 17,154 | 16,199 | 17,254 | 6.5% | 0.6% |
| COGS | 11,019 (64.2%) | 10,374 (64.0%) | 11,062 (64.1%) | 6.6% | 0.4% |
| Operating Profit | 2,759 (16.1%) | 2,010 (12.4%) | 2,417 (14.0%) | 20.2% | -12.4% |
| Ordinary Profit | 2,515 (14.7%) | 1,932 (11.9%) | 2,188 (12.7%) | 13.3% | -13.0% |
| EBITDA | 3,713 (21.6%) | 3,163 (19.5%) | 3,716 (21.5%) | 17.5% | 0.1% |

1) Performance – Global

- **MKT:** Global market shows steady recovery, but competition remains high
- **HKT:** Due to volume growth and favorable F/X, 3Q revenues increased both QoQ and YoY



3Q Review

1. 3Q Results

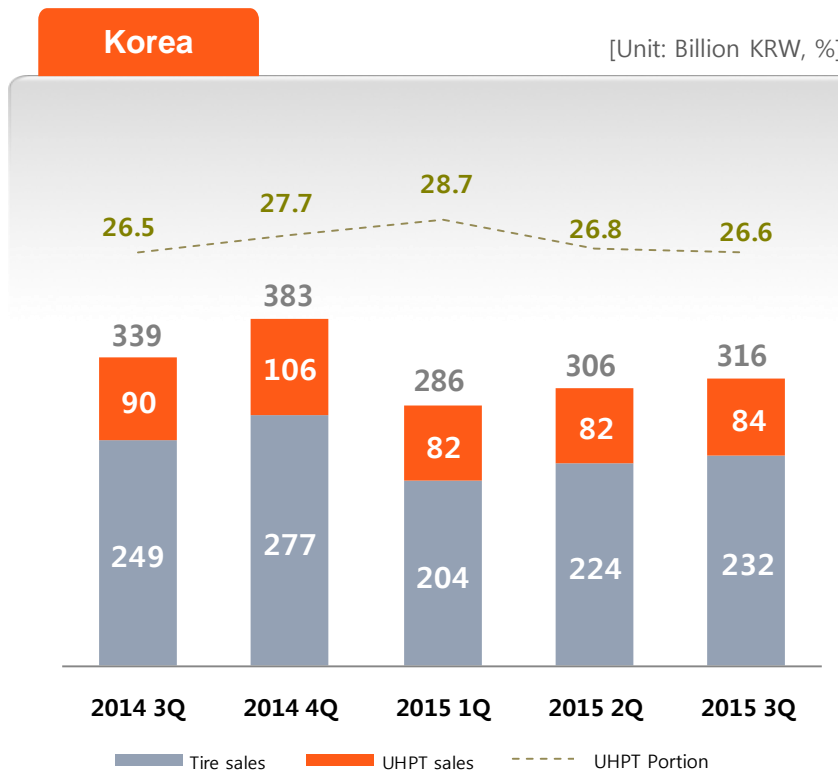
- Sales improvement mainly due to the increased sales in North America and the initiation of winter tire sales in main markets.
- However, the difficult situations in Chinese automotive market brought a decrease in OE sales.

2. 4Q Outlook

- Price competition expected to continue throughout the year, but the recovery of mature markets should slow down ASP downtrend and improve product mix

1) Performance – Korea

- **MKT:** Unfavorable market situation; stagnated growth and intense competition continues
- **HKT:** Plans to strengthen competitiveness in Premium market and new OE business



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

3Q Review

1. 3Q Results

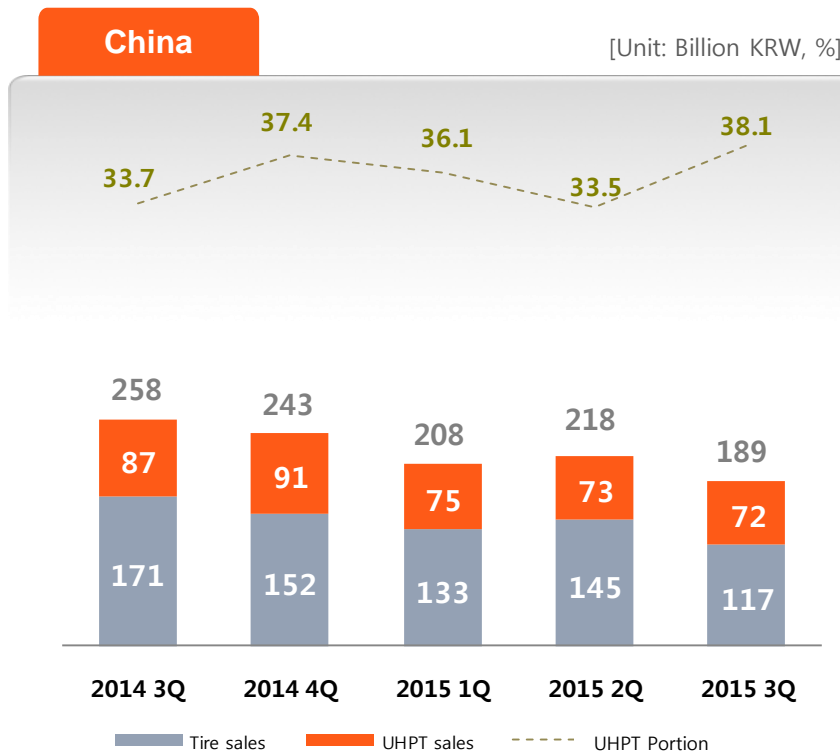
- RE sales down YoY due to the reduced market, but up QoQ with the start of winter tire sales
- New supply to Hyundai's New Avante model and GM's new Spark benefited OE Sales

2. 4Q Outlook

- Market recovery slower than expected
- Introduction of new winter products expected to enhance competitiveness

1) Performance – China

- MKT: Fierce competition continues with aggressive ASP & sales promotion in market
- HKT: RE volume growth offset by decrease of OE sales due to weak automotive market



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

3Q Review

1. 3Q Results

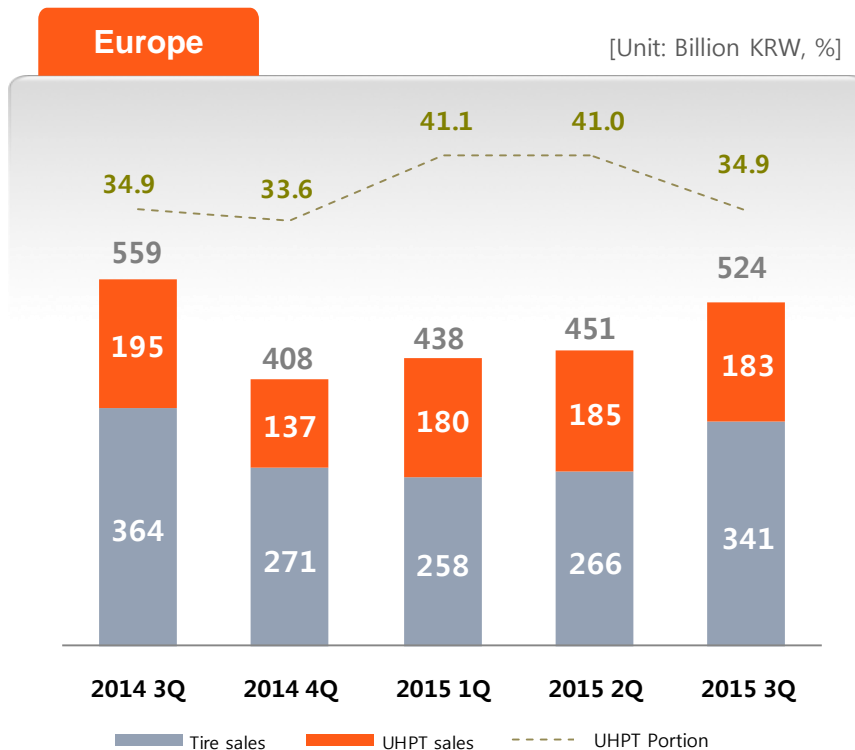
- Despite improved product mix, sales declined as OE sales were effected by the sluggish automotive market

2. 4Q Outlook

- Tax benefits on car purchase anticipates a turnaround of the automotive market
- Will focus more on enhancing retail chains and aggressive sales

1) Performance – Europe

- MKT: Market showing slow recovery compared to 2014, but competition still fierce.
- HKT: Sales up QoQ due to start of winter season and new OE business



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

3Q Review

1. 3Q Results

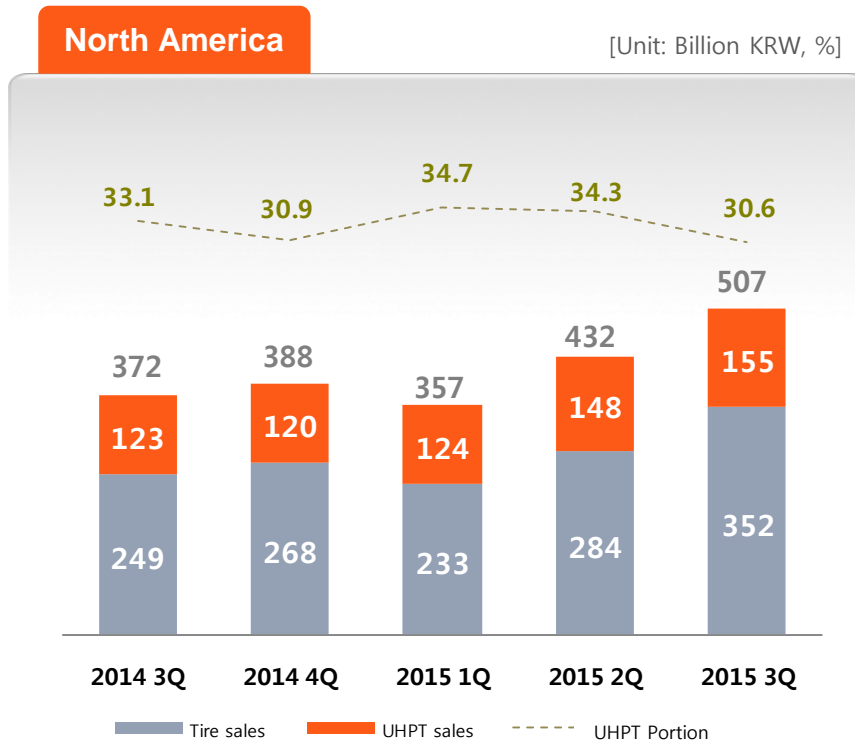
- Start of the winter season and new business with BMW and VW contributed to sales increase.

2. 4Q Outlook

- Full fledged winter season upcoming
- Plan to accurately respond to market price situation

1) Performance – North America

- **MKT:** With the finalization of the Chinese tire AD/CVD, South East Asian imports increased
- **HKT:** Sales escalation with favorable market situations and the increase of SUV/LTR sales



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

3Q Review

1. 3Q Results

- Volume growth lead by increased SUV/LTR sales
- OE supply to Ford F-150 and Toyota also beneficial

2. 4Q Outlook

- Aim to achieve higher growth than the market
- Improvements in product mix and increased sales of Laufenn products are expected

2) Strategy : Sustainable Growth

**Distribution
Channel**

Market coverage increase through global retail downstream

Brand

Becoming a Top Player satisfying customers with multi-brands

Quality

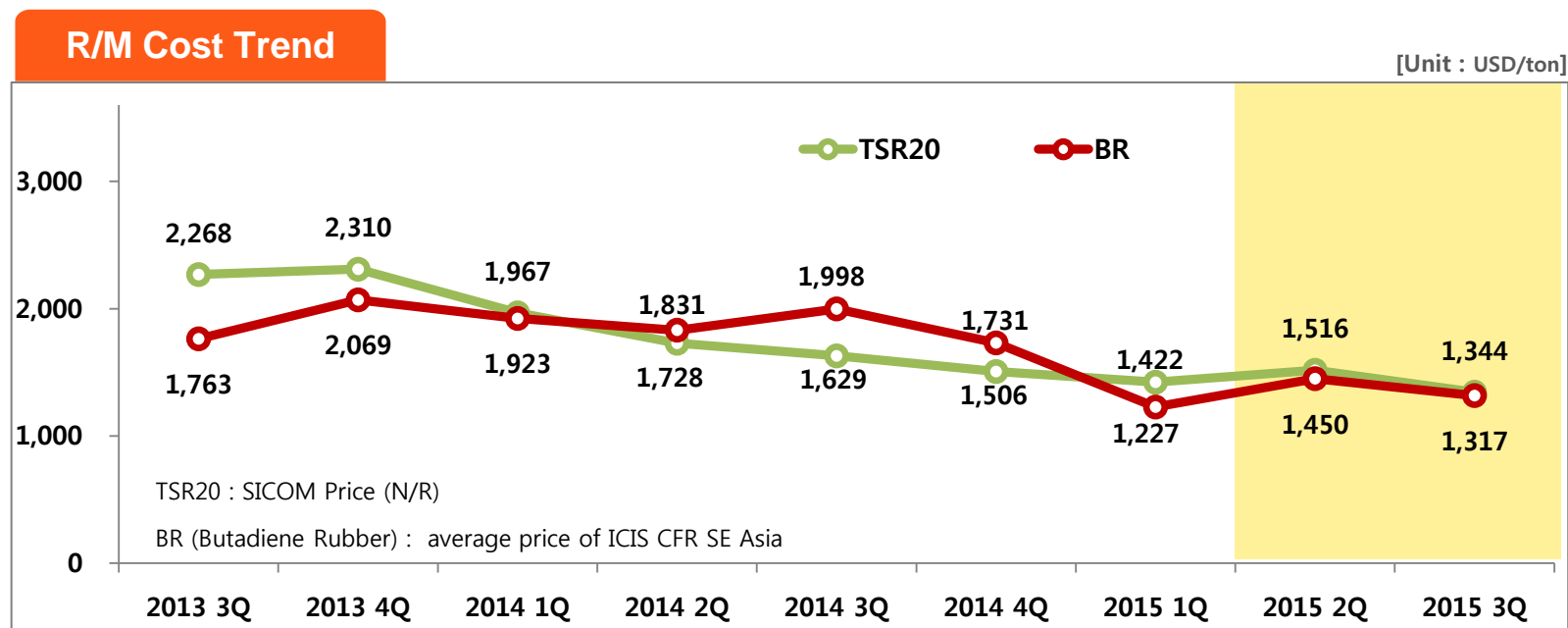
Performance optimization by pursuing Global One Quality

OE Business

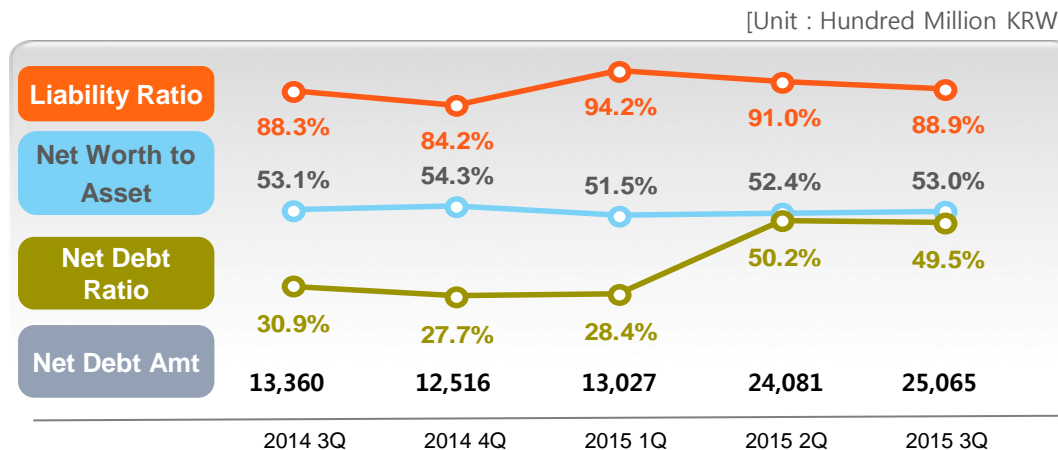
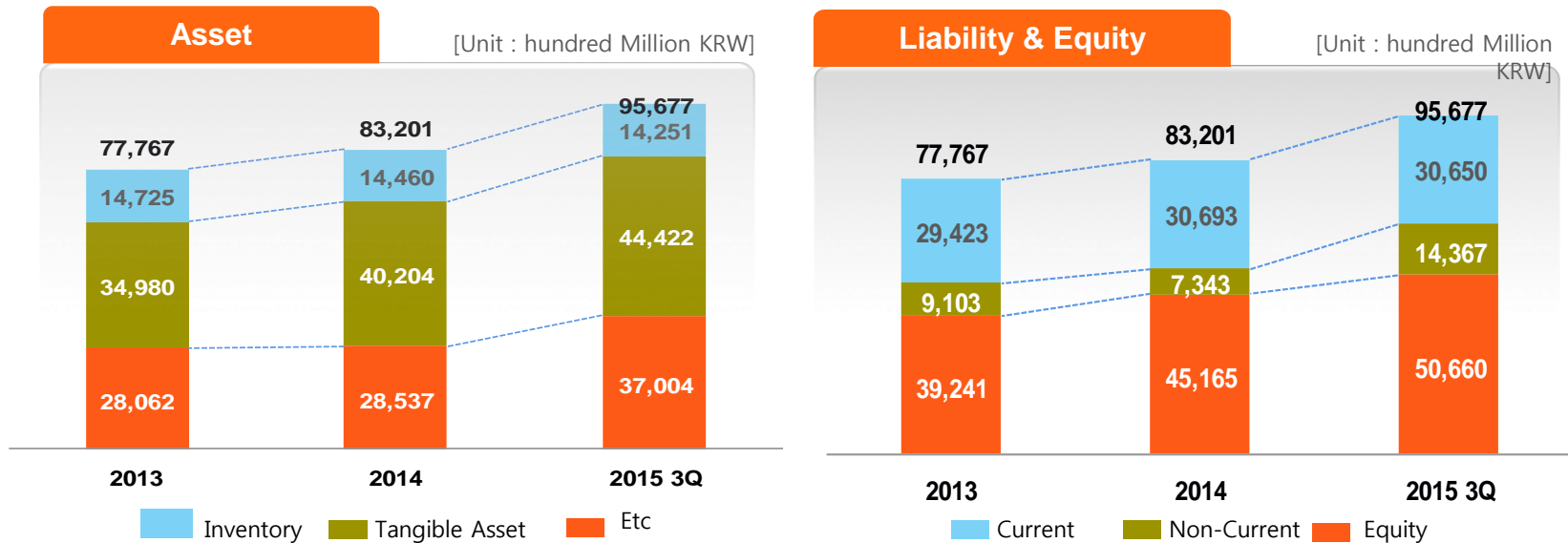
Stable growth with balanced portfolio

3) Stability : Raw Material Price Trend

- N/R
 - Price remains weak with increased production from South East Asia and decreased demand in China
 - Yet with US delaying the raise of interest rates and expectations of the Chinese government to launch economy stimuli may trigger a gradual upturn in price
- S/R
 - Signs of S/R price rally. Global BR(Butadiene) supply-demand balance expected to recover.
 - Steam crackers will decrease operation rate starting November, and maintenance shut down upcoming



3) Stability : Balance Sheet (Consolidated)



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Appendix. F/S – Consolidated B/S

[Hundred million KRW]

| | 2014 | | 2015 3Q | | Diff. | |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Amt. | % | Amt. | % | Amt. | % |
| Assets | 83,201 | 100.0% | 95,677 | 100.0% | 12,476 | 15.0% |
| Current Assets | 38,798 | 46.6% | 35,228 | 36.8% | -3,570 | -9.2% |
| cashable assets | 11,720 | 14.1% | 6,141 | 6.4% | -5,579 | -47.6% |
| Accounts receivable | 12,069 | 14.5% | 14,109 | 14.7% | 2,040 | 16.9% |
| Inventories | 14,460 | 17.4% | 14,251 | 14.9% | -209 | -1.4% |
| Non-current Assets | 44,403 | 53.4% | 60,449 | 63.2% | 16,046 | 36.1% |
| Tangible assets | 40,204 | 48.3% | 44,422 | 46.4% | 4,218 | 10.5% |
| Liabilities | 38,036 | 45.7% | 45,017 | 47.1% | 6,981 | 18.4% |
| Current Liabilities | 30,693 | 36.9% | 30,650 | 32.0% | -43 | -0.1% |
| Non-Current Liabilities | 7,343 | 8.8% | 14,367 | 15.0% | 7,024 | 95.7% |
| Shareholders' Equity | 45,165 | 54.3% | 50,660 | 52.9% | 5,495 | 12.2% |
| Debt | 24,236 | | 31,207 | | | |
| Net debt | 12,516 | | 25,065 | | | |
| Liability Ratio | | 84.2% | | 88.9% | | |
| Net Worth to Assets | | 54.3% | | 52.9% | | |
| Net Debt Ratio | | 27.7% | | 49.5% | | |

Appendix. F/S – Consolidated I/S

[Hundred million KRW]

| | 2014 3Q | | 2015 2Q | | 2015 3Q | | YoY | QoQ |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | Amt. | % | Amt. | % | Amt. | % | (%) | (%) |
| Sales | 17,155 | 100.0% | 16,199 | 100.0% | 17,254 | 100.0% | 0.6% | 6.5% |
| COGS | 11,019 | 64.2% | 10,374 | 64.0% | 11,062 | 64.1% | 0.4% | 6.6% |
| Gross Profit | 6,136 | 35.8% | 5,825 | 36.0% | 6,191 | 35.9% | 0.9% | 6.3% |
| SG&A | 3,377 | 19.7% | 3,815 | 23.6% | 3,774 | 21.9% | 11.8% | -1.1% |
| Operating Profit | 2,759 | 16.1% | 2,010 | 12.4% | 2,417 | 14.0% | -12.4% | 20.2% |
| Other Revenue | 516 | 3.0% | 387 | 2.4% | 831 | 4.8% | 61.0% | -% |
| Other Expense | 714 | 4.2% | 406 | 2.5% | 637 | 3.7% | -10.7% | 57.0% |
| Financial Revenue | 192 | 1.1% | 398 | 2.5% | 340 | 2.0% | 120.2% | 6.2% |
| Financial Expense | 238 | 1.4% | 457 | 2.8% | 763 | 4.4% | 220.6% | 66.9% |
| Income Before Income Tax | 2,515 | 14.7% | 1,932 | 11.9% | 2,188 | 12.7% | -13.0% | 13.3% |
| E B I T D A | 3,713 | 21.6% | 3,163 | 19.5% | 3,716 | 21.5% | 0.1% | 17.5% |
| Depreciation | 954 | 5.6% | 1,153 | 7.1% | 1,299 | 7.5% | 36.2% | 12.7% |