

Meeting of Domestic Institutional Investors

Performance during the 1st Qtr of 2005



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01 Income Statement

Unit: million of KRW

	1Q. 04'		4Q. 04'		1Q. 05'		YoY	QoQ
	Amount	%	Amount	%	Amount	%		
Sales	447,552	100%	487,081	100%	475,684	100%	6%	-2%
Domestic	133,083	30%	158,818	33%	131,512	28%	-1%	-17%
Export	314,469	70%	328,263	67%	344,172	72%	9%	5%
COGS	294,000	66%	343,125	70%	320,018	67%	9%	-7%
Gross Profit	153,552	34%	143,956	30%	155,666	33%	1%	8%
SG&A	83,499	19%	113,032	23%	87,296	18%	5%	-23%
Operating Profit	70,053	16%	30,924	6%	68,371	14%	-2%	121%
Non-Operating Profit	26,192	6%	44,559	9%	24,616	5%	-6%	-45%
Non-Operating Expense	21,450	5%	39,743	8%	18,747	4%	-13%	-53%
Recurring Profit	74,795	17%	35,740	7%	74,240	16%	-1%	108%
Net Profit	54,733	12%	19,172	4%	56,665	12%	4%	196%
Depreciation	31,316	7%	50,661	10%	35,867	8%	15%	-29%
EBITDA	101,369	23%	81,585	17%	104,238	22%	3%	28%
UHPT Sales	43,138	10%	53,952	11%	68,783	14%	59%	27%

02 Profit & Loss Analysis

Unit: million of KRW

Class	1Q, 04'(A)	1Q, 05'(B)	B - A	Factors			
				Unit Price	Volume	Foreign Currency	Total
Sales							✓
Tire	407,159	437,298	33,751				
<i>Domestic</i>	109,972	113,202	3,230	45,980	19,312	-31,541	33,751
<i>Export</i>	296,738	327,259	30,521				
Other	40,841	35,223	-5,618				
Total Sales	447,551	475,684	28,133				

Although the product sales were reduced approx. -31,541 millions won due to currency, the unit price and volume were increased, totally increasing the sales about 33,751 millions won compared to the previous year's.

Class	1Q, 04'(A)	1Q, 05'(B)	B - A
Cost of sales	294,000	320,018	✓ 26,018
Gross Margin(%)	65.7	67.3	1.6

- Increased material (volume) 12,802
- Reduced materials' unit price -118
- Other Manufacturing Cost Increased 13,334

Total 26,018

02 Profit & Loss Analysis

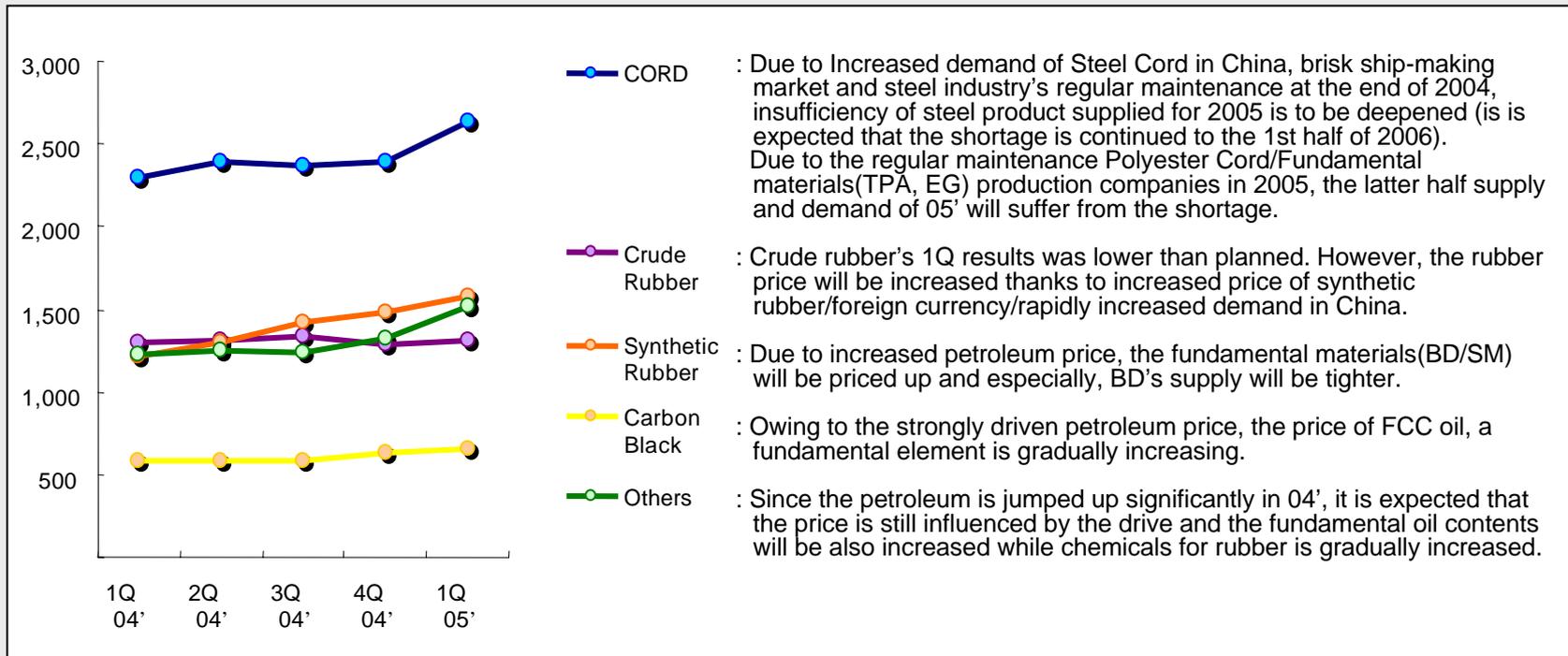
Class	04.1/4(A)	05.1/4(B)	B - A	Factor	
Selling & administrative expense	83,499	87,296	✓ 3,797	● R&D (increase)	2,046
				● Shipping, Transportation increase)	1,090
				● other (increase)	661
				Sub-total	3,797
Non-operating revenue	26,192	24,616	✓ -1,576	● F.C. Translation Gain (decrease)	-8,989
				● Equity Gain (Increase)	5,865
				● F.C. Transaction Gain (increase)	1,721
				● Other (Decrease)	-173
				Sub-total	-1,576
Non-operating expense	21,450	18,747	✓ -2,703	● F.C. Forward Transaction loss (decrease)	-3,136
				● F.C. Translation Loss (Decrease)	-2,467
				● Interest (decrease)	-1,703
				● Impairment loss on A.F.S Securities (decrease)	-1,074
				● Equity Loss (Increase)	-6,043
				● Others (Decrease)	-366
				Sub-total	-2,703

03 Balance sheets

Unit: million of KRW

	1Q 04		4Q 04		1Q 05		YoY	QoQ
	Amount	%	Amount	%	Amount	%		
Current Asset	509,364	27%	451,103	24%	475,204	25%	-7%	5%
Cash & Cash Equivalent	93,466	5%	13,509	1%	25,969	1%	-72%	92%
Non - Current Asset	1,367,251	73%	1,438,502	76%	1,462,290	75%	7%	2%
Total Asset	1,876,615	100%	1,889,605	100%	1,937,494	100%	3%	3%
Current Liability	643,014	34%	599,546	32%	652,158	34%	1%	9%
Non - Current Liability	121,720	6%	97,460	5%	66,942	3%	-45%	-31%
Total Liability	764,734	41%	697,006	37%	719,100	37%	-6%	3%
Shareholder's Equity	1,111,881	59%	1,192,599	63%	1,218,393	63%	10%	2%
Total Liability and Equity	1,876,615	100%	1,889,605	100%	1,937,494	100%	3%	3%
Net Debt	297,209		224,423		216,456		-27%	-4%
Net Debt Ratio	27%		19%		18%			
Debt to Equity Ration	69%		58%		59%			
Equity to Asset Ration	59%		63%		63%			

	1Q, 2004	2Q, 2004	3Q, 2004	4Q, 2004	1Q, 2005	YoY	QoQ
CORD	2,293	2,391	2,366	2,393	2,641	15%	10%
Natural Rubber	1,304	1,313	1,335	1,284	1,314	1%	2%
Synthetic Rubber	1,211	1,299	1,422	1,488	1,585	31%	7%
Carbon Black	585	588	587	632	652	11%	3%
Others	1,225	1,256	1,242	1,326	1,524	24%	15%



Unit: Thousand of USD

	1Q. 04'	4Q. 04'	1Q. 05'	YoY	QoQ
Sales	101,381	108,598	117,667	16%	8%
Gross Profit	27,256	31,252	34,339	26%	10%
Operating Profit	14,570	14,139	18,423	26%	30%
OP Margin	14.4%	13.0%	15.7%		
Recurring Profit	13,054	12,690	14,327	10%	13%
RP Margin	12.9%	11.7%	12.2%		

Thank You.



Hankook