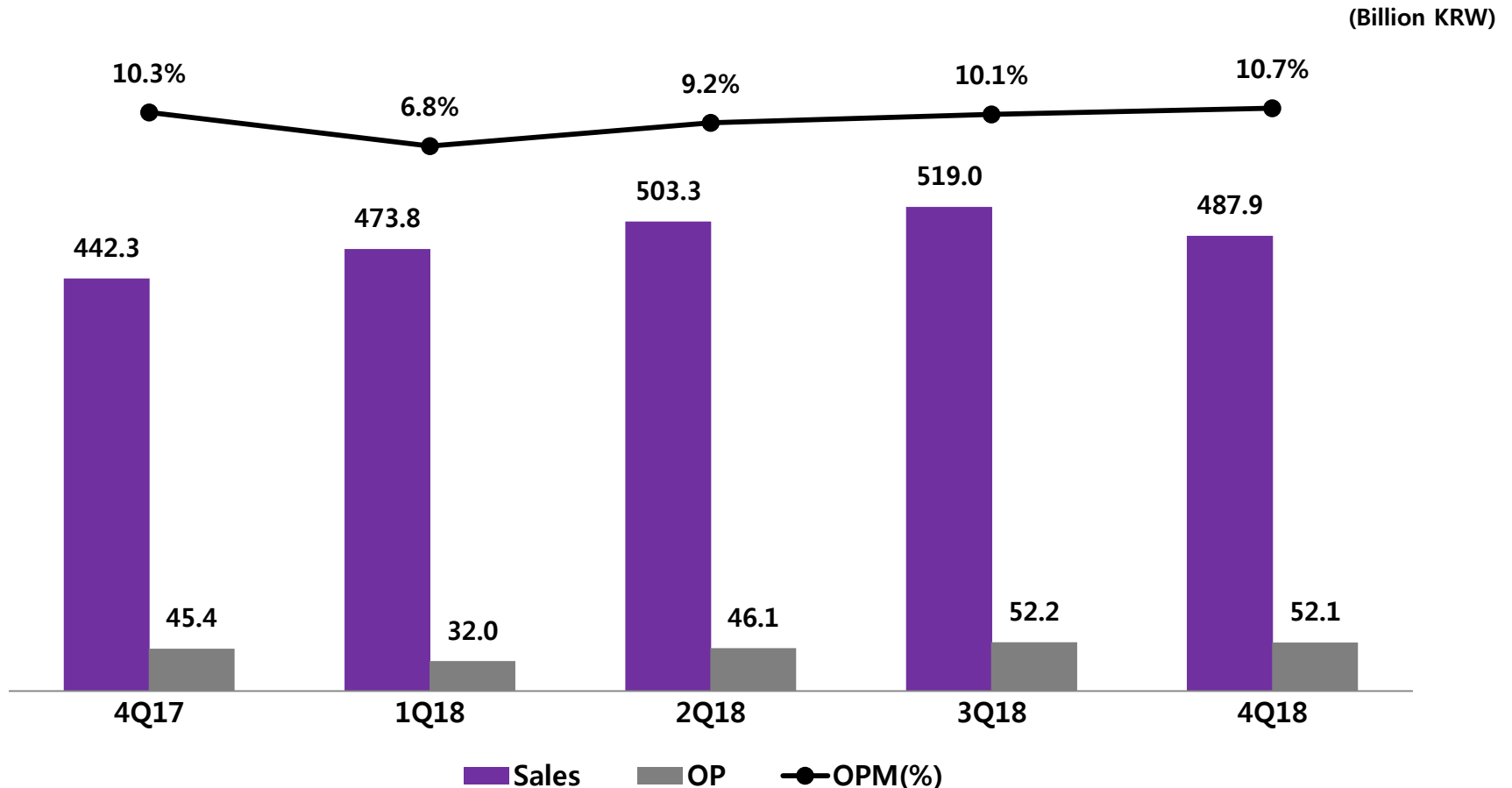


2018 4Q Result



This presentation is consolidated financial result in compliance with K-IFRS with unaudited 4th quarter of 2018 for investors' convenience. Therefore, some parts may change upon the review of independent auditors.

- Global profit recovery on increased sales in North America despite slowing growth in domestic and emerging markets.
- Promoting solid performance by cost savings and expanding marketing activities despite global trade conflicts and burdens of new plant operation.



※ K-IFRS Applied

Consolidated Income Statement

(Billion KRW)

	2017 4Q	2018 3Q	2018 4Q	QoQ	YoY
Net Sales	442.3	519.0	487.9	-6.0%	10.3%
Gross Profit	158.0	160.3	126.5	-21.1%	-19.9%
<i>(%)</i>	<i>35.7%</i>	<i>30.9%</i>	<i>25.9%</i>	<i>-5.0%P</i>	<i>-9.8%P</i>
Operating Profit	45.4	52.2	52.1	-0.2%	14.8%
<i>(%)</i>	<i>10.3%</i>	<i>10.1%</i>	<i>10.7%</i>	<i>0.6%P</i>	<i>0.4%P</i>
Ordinary Profit	35.0	39.8	43.6	9.6%	24.5%
<i>(%)</i>	<i>7.9%</i>	<i>7.7%</i>	<i>8.9%</i>	<i>1.3%P</i>	<i>1.0%P</i>
Depreciation	42.9	38.6	38.0	-1.4%	-11.5%
EBITDA	88.3	90.8	90.1	-0.7%	2.0%
<i>(%)</i>	<i>20.0%</i>	<i>17.5%</i>	<i>18.5%</i>	<i>1.0%P</i>	<i>-1.5%P</i>

Consolidated Balance Sheet

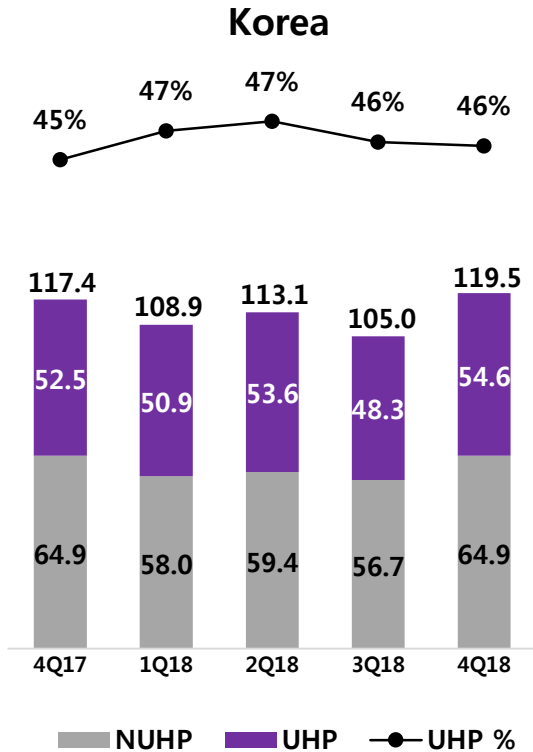
(Billion KRW)

	2017 (B)	2018 4Q (A)	(A)-(B)
Assets	2,794.0	3,242.3	448.3
Current Assets	913.5	985.7	72.2
Quick Assets	642.7	679.9	37.3
Inventories	270.8	305.8	35.0
(Cash and Cash Equivalents)	253.6	268.2	14.6
Non-Current Assets	1,880.5	2,256.6	376.1
Liabilities	1,455.1	1,814.1	359.0
Current Liabilities	648.2	635.0	-13.2
Non-Current Liabilities	806.9	1,179.2	372.3
(Debt)	863.3	1,195.1	331.8
Shareholders' Equity	1,338.9	1,428.2	89.3

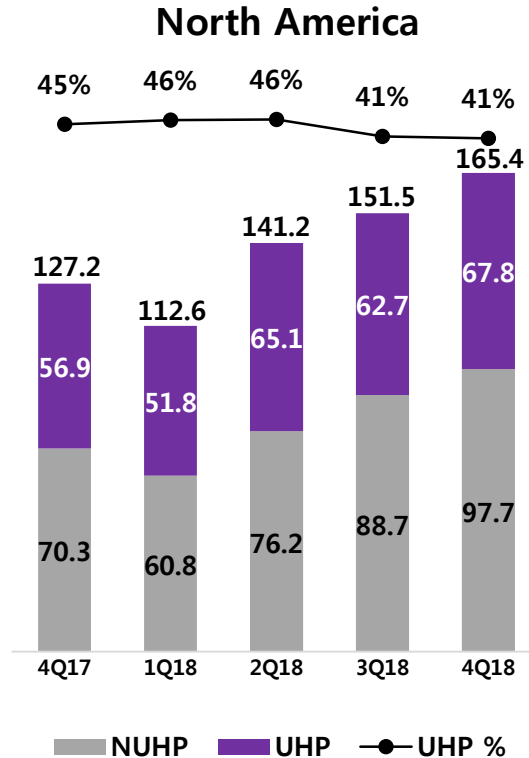
	Net Debt	Net Debt %	Liabilities %	Current Ratio	Equity Ratio
2018 4Q	926.9	64.9%	127.0%	155.2%	44.0%
2017	609.7	45.5%	108.7%	140.9%	47.9%

Consolidated Sales by Region

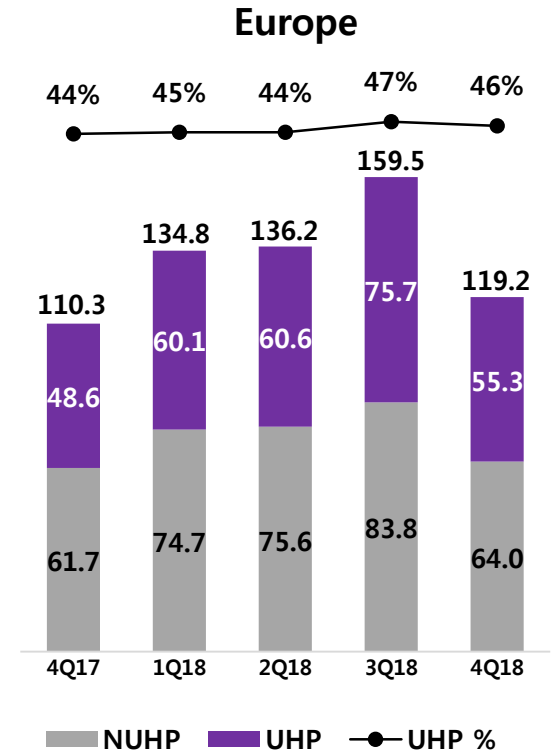
(Billion KRW)



- Limited growth from sluggish domestic demand and continued increase in imported products.
- OE sale increased QoQ & YoY due to extension of individual consumption tax reduction.



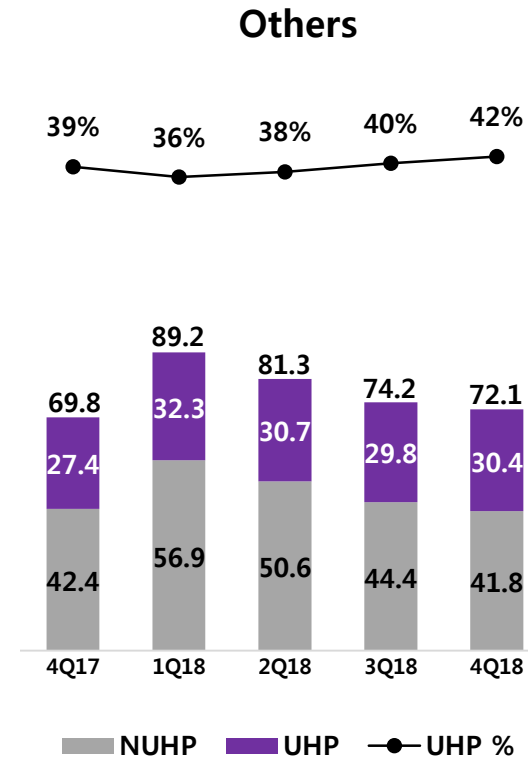
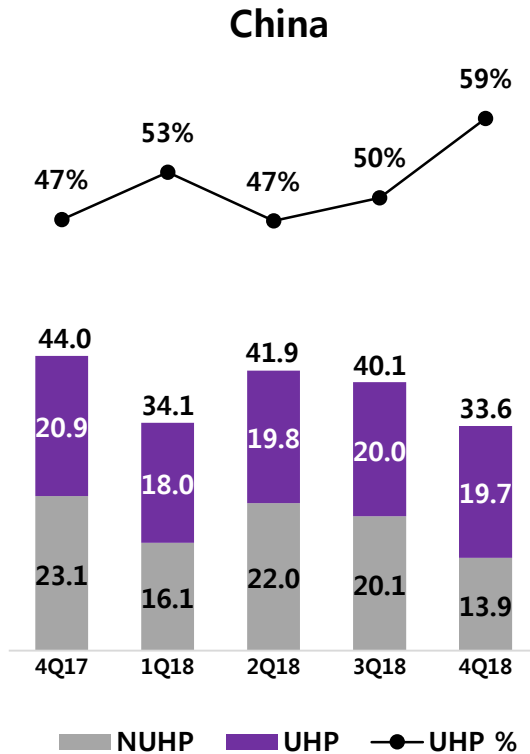
- Sales increased with price hike in 4Q and SUV/LTR mix improvement.
- The economy is expected to remain robust for the time being, but there are risks of interest rate hikes and market distribution restructuring.



- Sales were down QoQ due to weak seasonality and recovery is anticipated to slow down from demand recovery factors such as Brexit and WLTP.

Consolidated Sales by Region

(Billion KRW)



- Sales declined with the contraction of the auto market due to the termination of sales tax cut and trade conflicts.
- A considerable amount of time needed for the market to be stabilized from bankruptcy of local tire companies and continuous market restructuring.

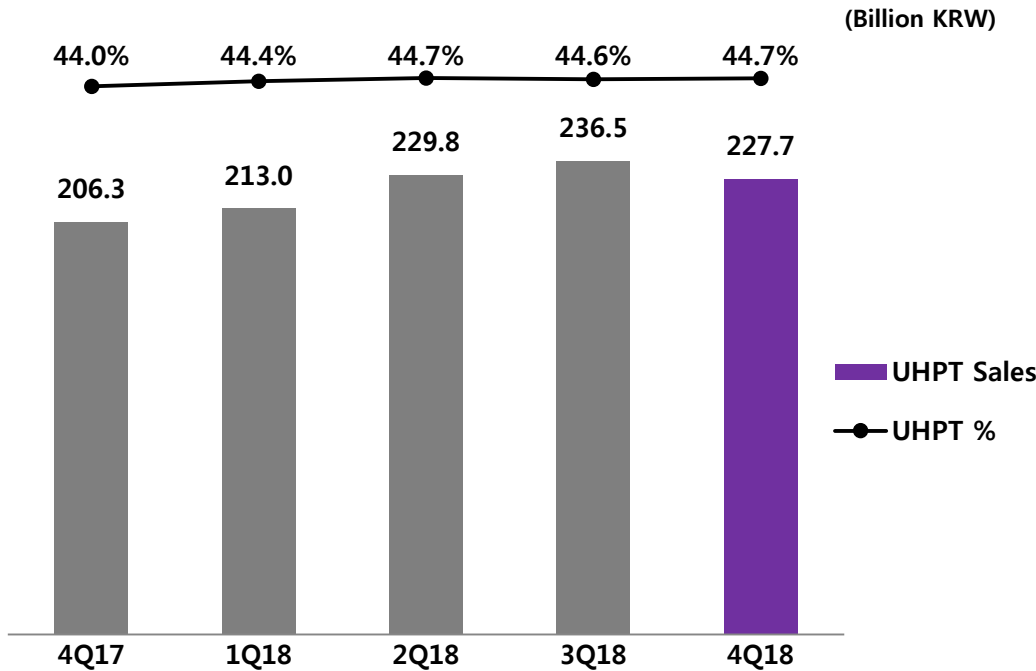
- Economic sanctions on Iran continued. Brazil, Argentina, and other major Latin American economies saw sales drop due to recession and weak local currency.

Consolidated UHPT Sales

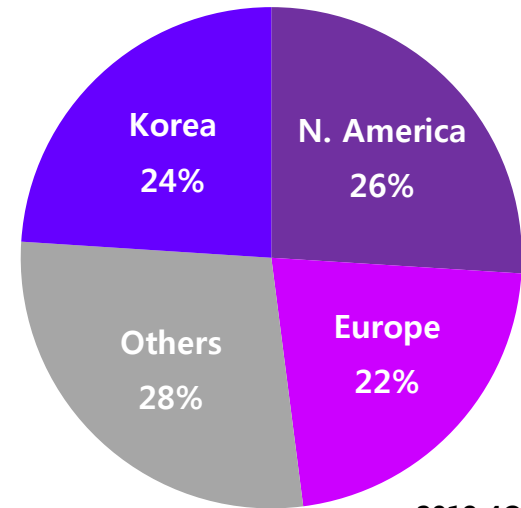
(Billion KRW)

	2017 4Q	2018 3Q	2018 4Q	QoQ	YoY
UHPT Sales	197.5	236.5	227.7	-3.7%	15.3%
% / Net Sales	44.2%	44.6%	44.7%	0.1%P	0.4%P
% / Total Volume	40.1%	39.8%	40.5%	0.6%P	0.3%P

※ Sum of each corporation's shipment



UHPT Sales by Region



2018 4Q KRW-based

Consolidated Operating Expenses

(Billion KRW)

	2017 4Q	2018 3Q	2018 4Q	QoQ	YoY
Freight & Logistic Expense	27.3	12.3	3.6	-70.8%	-86.9%
SG&A Expenses	85.3	95.8	70.8	-26.1%	-17.0%
- Salaries	21.0	28.5	19.6	-31.0%	-6.4%
- R&D	16.8	17.1	19.8	15.6%	17.9%
- Advertising	13.5	13.2	12.5	-5.6%	-7.5%
- Others	34.0	37.0	18.9	-49.0%	-44.5%
Other Income & Expenses	1.8	-4.4	0.7	115.9%	-60.5%

Consolidated Financial Income & Expenses

(Billion KRW)

	2017 4Q	2018 3Q	2018 4Q	QoQ	YoY
Financial Income & Expenses	-12.1	-8.0	-9.2	-14.6%	24.3%
- Interest	-3.2	-3.2	-3.7	-15.5%	-15.2%
- Foreign Currency Transaction	0.2	1.6	-4.2	-359.2%	-2,700%
- Foreign Currency Translation	-8.4	-7.3	5.6	176.4%	167.0%
- Others	-0.7	0.9	-6.9	-872.1%	-874.1%

Consolidated Income Statement

(Billion KRW)

	2013	(%)	2014	(%)	2015	(%)	2016	(%)	2017	(%)	2018	(%)
Net Sales	1,728.2	100.0	1,758.8	100.0	1,837.5	100.0	1,894.7	100.0	1,964.8	100.0	1,984.0	100.0
Cost of Goods Sold	1,239.2	71.7	1,197.8	68.1	1,218.5	66.3	1,207.9	63.8	1,327.6	67.6	1,422.2	71.7
Gross Profit	489.0	28.3	561.0	31.9	619.0	33.7	686.8	36.2	637.2	32.4	561.8	28.3
SG&A	312.2	18.1	352.5	20.0	394.1	21.4	438.8	23.2	451.8	23.0	379.3	19.1
Operation Profit	176.8	10.2	208.6	11.9	224.9	12.2	248.0	13.1	185.4	9.4	182.4	9.2
Non-Operating Income	60.7	3.5	61.0	3.5	57.5	3.1	64.9	3.4	64.5	3.3	55.9	2.8
Non-Operating Expenses	82.4	4.8	101.7	5.8	115.1	6.3	94.5	5.0	85.7	4.4	86.0	4.3
Ordinary Profit	161.4	9.3	164.1	9.3	164.8	9.0	216.5	11.4	166.7	8.5	148.6	7.5
Income Taxes	37.5	2.2	34.2	1.9	37.7	2.1	40.6	2.1	41.3	2.1	45.1	2.3
Net Income	124.0	7.2	129.8	7.4	127.1	6.9	176.0	9.3	125.4	6.4	103.5	5.2

※ K-IFRS Applied

Consolidated Balance Sheet

(Billion KRW)

	2013	2014	2015	2016	2017	2018
Asset	2,299.8	2,527.3	2,580.9	2,617.9	2,794.0	3,242.3
Current Assets	735.0	730.0	800.7	833.7	913.5	985.7
Quick Assets	471.6	478.5	549.1	582.3	642.7	679.9
Inventories	263.4	251.5	251.6	251.4	270.8	305.8
Non-Current Assets	1,564.8	1,797.3	1,781.3	1,784.2	1,880.5	2,256.6
Investment Assets	48.9	46.6	28.3	53.3	37.3	46.0
Property & Equipment	1,482.2	1,702.4	1,692.0	1,647.2	1,765.7	2,126.4
Intangible Assets	7.9	13.1	14.0	15.2	19.1	17.7
Liabilities	1,502.7	1,594.0	1,546.8	1,415.1	1,455.1	1,814.1
Current Liabilities	695.0	579.6	580.5	559.9	648.2	635.0
Non-Current Liabilities	807.7	1,014.3	966.3	855.2	806.9	1,179.2
Capital	680.6	797.0	1,034.0	1,202.7	1,338.9	1,428.2

Thank You