

Performance Overview

in USD millions

in KRW billions

For the Year

	2008	2008	2007	2006
Sales	15,870.5	19,957.1	15,533.0	12,554.7
Gross Profit	2,501.1	3,145.1	2,556.9	1,581.3
Operating Income	1,754.4	2,206.2	1,750.7	878.9
Net Income	1,794.6	2,256.7	1,736.1	712.8

At Year-End

Total Assets	20,103.7	25,280.4	16,798.7	12,996.1
Total Liabilities	15,654.2	19,685.2	11,351.0	8,675.3
Total Debt	2.6	3.3	189.0	186.9
Total Stockholders' Equity	4,449.5	5,595.2	5,447.7	4,320.8

Financial Indicators

Liabilities-to-Equity	351.8%	351.8%	208.4%	200.8%
Debt-to-Equity	0.1%	0.1%	3.5%	4.3%
EPS in KRW	USD 29.69	37,340	27,778	11,053
EBITDA	USD 2,065.2 mn	2,597.0	2,142.6	1,257.6
EV/EBITDA (multiple)	4.9x	4.9x	14.1x	6.7x
ROA	8.9%	8.9%	10.3%	5.5%
ROE	40.3%	40.3%	31.9%	16.5%

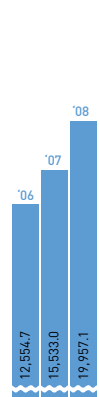
- Won amounts for FY2008 have been translated at KRW 1,257.50 per USD 1.00, the Seoul Money Brokerage Service Ltd. basic rate as of Dec. 31, 2008.
- EBITDA = Operating Income + Depreciation + Amortization
- EV = Total Market Capitalization + Net Debt (Net Debt = Total Debt - Cash & Cash Equivalents - Short Term Financial Instruments - Short Term Investment Securities)

Orders & Backlog

in USD billions

Orders	27.5	25.0	18.7
Backlog	48.3	40.7	31.4

Sales
in KRW billions



Total Assets
in KRW billions

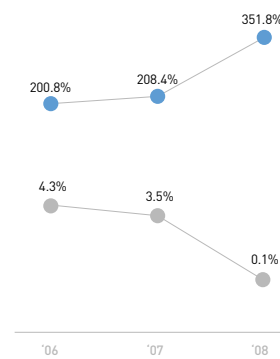


EPS
in KRW



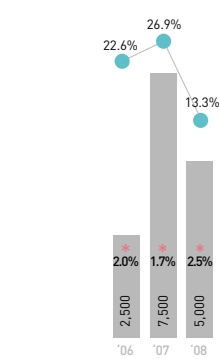
Financial Stability Ratios

● Liabilities-to-Equity ● Debt-to-Equity

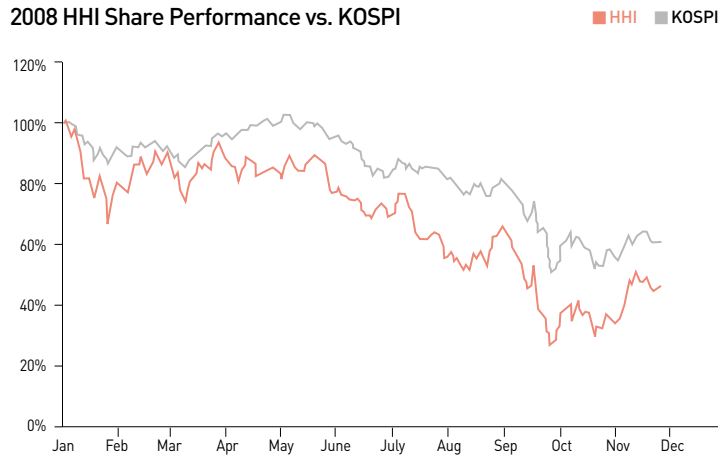


Dividends Per Share in KRW

● Payout Ratio * Dividend Yield
■ Dividends Per Share



2008 HHI Share Performance vs. KOSPI



COMMENTARY

After hitting an all-time high of 2,064.85 in October 2007, Korea's KOSPI stock index steadily declined throughout 2008 as the global financial crisis unfolded. The rapid rise of oil to over USD 145 per barrel, skyrocketing prices for grain, minerals, and other raw materials, bankruptcy concerns about major financial firms and automakers, and a deepening global downturn sent the bourse tumbling to the 1,000-point level in early October, a full 53% off the historic high set a year before. In December, the announcement of economic stimulus packages and cuts in key interest rates buoyed optimism about credit and money market liquidity, lifting the KOSPI to 1,124.47 at year-end, 39% lower than where it started.

The global shipbuilding industry enjoyed robust order growth and top vessel prices through the first half of the year, only to see those prices fall and financing dry up as the financial crisis deepened in the second half. According to Lloyd's Register, total tonnage ordered in 2008 was 86 million gross tons, nearly 50% off its historic high of 170 million gross tons set in 2007. Just as our shares have dramatically grown in value in recent years as the industry has boomed, they also suffered as it contracted in 2008, closing the year 54% below where they started.

Stock Facts

Face Value in KRW

Number of Shares Issued

Total Market Capitalization in KRW billions

Share Price - High in KRW, Closing

- Low in KRW, Closing

- End in KRW, Closing

Foreign Ownership

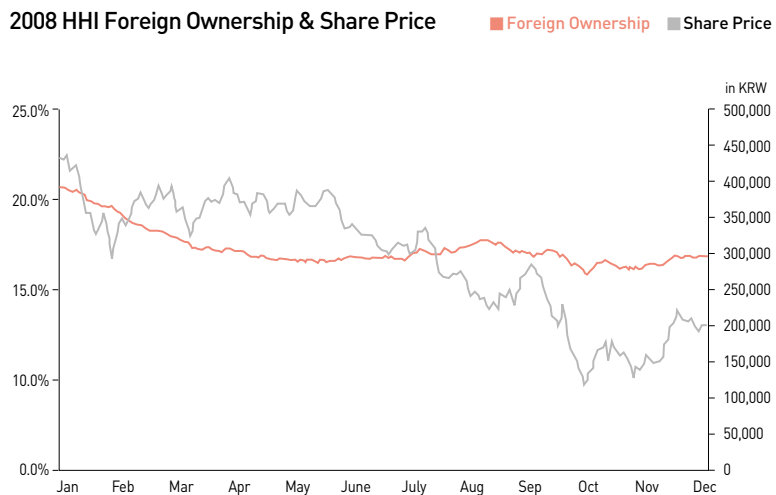
PER - High/Low/End

Dividends Per Share in KRW

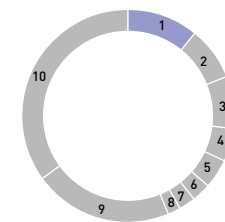
Payout Ratio

	2008	2007	2006
Face Value in KRW	5,000	5,000	5,000
Number of Shares Issued	76,000,000	76,000,000	76,000,000
Total Market Capitalization in KRW billions	15,162	33,630	9,576
Share Price - High in KRW, Closing	409,000	528,000	144,000
- Low in KRW, Closing	103,000	123,500	65,400
- End in KRW, Closing	199,500	288,500	119,000
Foreign Ownership	14.8%	19.5%	22.1%
PER - High/Low/End	11.0x / 2.8x / 15.3x	19.0x / 4.4x / 10.4x	13.0x / 5.9x / 10.8x
Dividends Per Share in KRW	5,000	7,500	2,500
Payout Ratio	13.3%	26.9%	22.6%

2008 HHI Foreign Ownership & Share Price



Shareholder Structure



- 1 Chung Mong-joon: 10.80%
- 2 KCC: 8.15%
- 3 Hyundai Mipo Dockyard: 7.98%
- 4 National Pension Service: 5.01%
- 5 Mirae Asset Investments: 4.50%
- 6 Hyundai Motor Company: 2.88%
- 7 Asan Foundation: 2.53%
- 8 Posco: 1.94%
- 9 Treasury Shares: 21.14%
- 10 Others: 35.07%