

Hanjin Shipping Announces 2008 1st Half Business Results

July 30th, 2008, Seoul, Korea - Hanjin Shipping announced its business results for the first half of 2008 with total sales of KRW 4.24 trillion and operating profit of KRW 207.2 billion.

Total first half sales increased 32.8% compared with the same period last year. The container business posted a 20.3% increase in sales to KRW 3.22 trillion while sales in the bulk business rose 97.3% to KRW 1.23 trillion. As a result, the portion of the bulk business in the company's total sales increased from 16% last year to 24%.

Operating profit of the container business recovered from last year's KRW 3 billion in the red to this year's KRW 52.3 billion in the black. Despite the slowdown in the US economy and slower growth in overall Asia-Europe trade, an increase in the Trans-Pacific Westbound cargo volume and the application of the floating bunker charge led to a positive result.

Moreover, operating profit of the bulk business was up 354.3% from last year's KRW 34.1 billion to KRW 154.9 billion this year thanks to strong dry bulk market and the company's efficient fleet management.

Even though an unprecedented rise in oil prices posed a significant challenge to the business environment, Hanjin Shipping achieved an operating profit of KRW 207.2 billion, up KRW 176.1 billion from last year, as a result of the container business' return to profit and higher profitability of the bulk business.

Net profit rose 166.3% to KRW 46.6 billion YoY with increased valuation of domestic and overseas subsidiaries through equity method despite higher non-cash translation losses including foreign exchange losses on the weakened KRW against USD.

Hanjin Shipping commented "Although we expect the transport cargo volume to grow as we enter the annual peak season, we will concentrate all our efforts in achieving our 2008 targets by rationalizing our services and improving the cost control throughout our organization."

■ **Summary of Business Results for 2008 1st Half**

[Unit: KRW in billions]

Category	2008 1 st Half	2007 1 st Half	Balance Ratio
Sales	4,241.3	3,193.5	32.8%
(Container)	3,218.5	2,675.2	20.3%
(Bulk)	1,022.8	518.3	97.3%
Operating Profit (EBIT)	207.2	31.1	566.2%
(Container)	52.3	-3	Turned Black
(Bulk)	154.9	34.1	354.3%
EBITDA	309.9	110.7	179.9%
Pretax Income	64.9	-8.4	Turned Black
Net Profit	46.6	17.5	166.3%
Container Transport Volume(TEU)	1,762,258	1,838,051	-4.1%
Debt Ratio	152.8%	129.2%	23.6p%

☞ EBIT Earnings Before Interest, and Taxes)

☞ EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)