

# 2006 ANNUAL REPORT

Kia Motors Slovakia, s.r.o.



**KIA MOTORS**

*The Power to Surprise™*



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# 1. Kia Motors Slovakia

Kia Motors Corporation is one of the world's fastest growing automakers. The company is committed to ensuring that this growth continues across all markets. As a result of strong continued and projected sales and market share growth in Europe, Kia Motors Corporation had decided to build Kia Motors Slovakia plant in Zilina.

On March 18, 2004, Kia, represented by the Chairman of the Hyundai-Kia Automotive Group Mong-Koo Chung, held a signing ceremony with the Slovak Government, represented by the Slovak Prime Minister Mikulas Dzurinda, in Bratislava to officially authorize the construction of its first European automotive plant in Slovakia. Kia Motors Slovakia is 100% owned by Kia Motors Corporation. In addition to supplying top-quality Kia cars for expanding European dealer network, new Kia factory opens doors to new market sectors and helps establish Kia Motors even more securely in the European marketplace.

Ultimate annual capacity of Kia Motors Slovakia plant is 300,000 units. Output is split between cee'd, the C-Segment car, and Sportage with both gasoline and diesel engines. By 2010, Kia anticipates supplying an important deal of its products from Slovakia to cover the European demand. The development of the new Zilina facility together with new Kia headquarters and design centre in central Frankfurt, confirms Kia's commitment to Europe and its determination to become one of the top global automotive producers by 2010.

## 1.1. Kia Motors Slovakia in 2006

While the finalization of the construction of production shops, installation of production technologies, selection of suppliers, recruitment and education of employees were the main priorities for 2005, 2006 continued with the trend of establishing company's production technologies, but also aimed for execution of trial and mass productions, and stabilizing the company's policy.

During the first half of 2006, the company invested a great deal of time in installation of production technologies and testing of the production equipment in order to ensure the highest level of quality in the production process of the company's first-ever European model cee'd. The trial production was successfully launched in June. It was a significant step in preparation for the launch of mass production of the cee'd model at the end of the year.



Kia Motors Slovakia launched a 3,284m long proving ground at the plant site, where manufactured vehicles are tested.

After the trial production, Kia Motors Slovakia began mass producing the 5-door Kia cee'd, a contender for C-segment honours intended for European customers only, in December. The company managed to produce about 5,000 units until the end of the year.

As the installation of production technologies at the plant was progressing in 2006, the company gradually increased a number of employees. Both white-collar and blue-collar employees were hired throughout the year. As of December 31, 2006, Kia Motors Slovakia employed around 1,600 employees. In 2006, more than 1,000 employees joined the company.

Highly qualified employees are the key to success of the Kia Motors Slovakia project and one of the top Kia priorities. Kia has thus invested in training programs where each employee acquires special education and training program based on the position and job description. The company provided education in forms of basic common entry courses, special programs and training for blue-collars in Slovakia as well as abroad. In 2006, over 540 employees participated in a training course with the parent company Kia Motors Corporation in Korea. The aim of the course was to brush up employee's knowledge and skills in their field of expertise.

## 1.2. Facts and Figures

### 2004

March	Chairman Chung and Prime Minister Mikulas Dzurinda sign Investment agreement
April	Groundbreaking ceremony held in Zilina
August	Completion of ground levelling
October	Launch of construction

### 2005

December	Completion of plant construction
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### 2006

January	Installation of production technologies
June	Launch of trial production of vehicles
December	Launch of 5-door cee'd production

<b>Plant Size</b>	Site: 166ha Buildings: 16.3ha	
<b>Capacity</b>	300,000 units per year	
<b>Products</b>	cee'd – 5-door in December 2006	cee'd – 3-door in December 2007
	cee'd – Sporty Wagon in August 2007	Sportage in June 2007
<b>Engine types</b>	Gasoline: 1.4L, 1.6L Diesel: 1.6L, 2.0L	
<b>Production / Sales (2006)</b>	Production : 4,715 vehicles Sales : 3,108 vehicles	



## 2. President's Message

In March 2004, Kia Motors Slovakia concluded an investment agreement with the Slovak Government. Later on, we held a groundbreaking ceremony in April 2004 with an aim to launch the mass production of the first European cee'd model in December 2006. We invested around €1 billion in the construction of automobile production plant with production capacity of 300,000 vehicle units per year.



Kia Motors Slovakia brings a significantly positive impact on the regional economy of Slovakia. The total number of employees recruited by Kia Motors Slovakia itself will reach 3,000 employees and its suppliers will hire additional 5,500 employees. Furthermore, the very important fact is that the rate of localized supplies of parts and components reaches about 70%.

We started our construction works on October 15, 2004. Two months later, on December 7, 2004, we erected the first column of our plant. The Press, Body, Paint and Assembly shops and even unique Engine shop in whole Slovakia were built based on the environment and humanity concept.

As the recruitment of new employees went on, we have been dispatching over 810 of them to the R&D Centre in NamYang and production facilities in Korea for acquiring new technology and cultural experiences. In June of 2006, we started a trial production and during this period our employees were able to achieved all the necessary knowledge and skills in order to build up their self-confidence in quality and productivity.

On December 7, 2006, Kia Motors Slovakia launched the mass production of the first model produced in Slovakia - cee'd. The cee'd has been receiving good reputation from various European media as well as our customers.

I would now like thank everyone for their support in building a production facility that aims to be one of the best automotive plants with high productivity and quality, and which will do its best to be a pride of Slovakia and Kia Motors.

Thank you.

In-Kyu Bae  
President of Kia Motors Slovakia

### 3. Financial Overview

#### 3.1. Income Statement

Tis. SKK

Description		2006	2005	2004
<b>Own work capitalized</b>		<b>3,180,419</b>	<b>304,804</b>	<b>53,158</b>
	Materials, energy	(2,034,800)	(64,037)	(7,271)
	Services	(1,659,534)	(167,383)	(103,392)
<b>Production consumption</b>		<b>(3,694,335)</b>	<b>(231,420)</b>	<b>(110,663)</b>
<b>Added value</b>		<b>(513,916)</b>	<b>73,384</b>	<b>(57,505)</b>
	Personnel expenses	(740,975)	(374,950)	(68,395)
	Depreciation	128,956	(17,065)	(1,748)
	Other Profit/Loss	(286,133)	1,887	(636)
<b>Profit/loss from operations</b>		<b>(1,412,068)</b>	<b>(316,744)</b>	<b>(128,284)</b>
Profit/loss from financial activities		1,050,224	157,271	(15,431)
Deferred Tax		51,066	25,954	24,582
<b>Profit/loss for the accounting period</b>		<b>(310,778)</b>	<b>(133,519)</b>	<b>(119,133)</b>

In compliance with the Decision of the Sole Partner of the Company the loss of the Company for the year 2006 in the amount of tsd. SKK 310,778 remains unsettled.

#### 3.2. Balance Sheet

Tis. SKK

Description	Accounting period			
	2006			2005
	Gross	Correction	Netto	Netto
Non-current assets	26,208,742	147,466	<b>26,061,276</b>	<b>15,106,282</b>
Current assets	5,643,192	226,590	<b>5,643,192</b>	<b>2,418,325</b>
Accruals/deferrals	2,309,608		<b>2,309,608</b>	<b>320,007</b>
<b>Total assets</b>	<b>34,388,132</b>	<b>374,056</b>	<b>34,014,076</b>	<b>17,844,614</b>
Share capital			<b>13,520,837</b>	<b>6,983,145</b>
Net profit/loss of previous year			<b>-252,653</b>	<b>-119,133</b>
Net profit/loss			<b>-310,778</b>	<b>-133,519</b>
<b>Equity</b>			<b>12,957,406</b>	<b>6,730,493</b>
Liabilities			<b>18,286,354</b>	<b>9,918,329</b>
Accruals/deferrals			<b>2,770,316</b>	<b>1,195,792</b>
<b>Liabilities</b>			<b>21,056,670</b>	<b>11,114,121</b>
<b>Equity and liabilities</b>			<b>34,014,076</b>	<b>17,844,614</b>

### 3.3. Non-current Assets

Tis. SKK

Classification	December 2006		
	Acquisition cost	Depreciation	Balance
<b>Intangible Assets</b> (SAP and others)	6,247	2,215	4,032
<b>Tangible Assets</b> (Cars and others)	23,905,780	145,251	23,760,529
<b>Procurement Assets</b> (Construction and others)	2,296,715		2,296,715
<b>TOTAL</b>	<b>26,208,742</b>	<b>147,466</b>	<b>26,061,276</b>

### 3.4. Share Capital

Tis. SKK/EUR

Capital increasing	Amount (EUR)	Contributions of capital		
		Date	EUR – rate	Amount (SKK)
<b>Balance as of 1.1.2006</b>	<b>180,005</b>			<b>6,983,145</b>
1 <sup>st</sup>	30,000	08.03.2006	37.43900	1,123,170
2 <sup>nd</sup>	30,000	07.07.2006	38.39000	1,151,700
3 <sup>rd</sup>	24,033	23.08.2006	37.66000	905,082
4 <sup>th</sup>	40,000	08.11.2006	36.12100	1,444,840
5 <sup>th</sup>	55,000	14.12.2006	34.78000	1,912,900
<b>Balance as of 31.12.2006</b>	<b>363,033</b>			<b>13,520,837</b>

As of December 31, 2006, the contributed capital was in amount of 13,520,837 tsd. SKK and registered share capital in amount of 10,163,097 tsd. SKK.

### 3.5. Bank Loans

Tis. SKK/EUR

Description	Amount (SKK)
Overdrafts	2,654,688
Long-term bank loans	9,897,875
<b>TOTAL</b>	<b>12,552,563</b>



## 4. Yearly Closing

### Notes to the Financial Statements as of 31 December 2006

#### A. INFORMATION ABOUT THE ACCOUNTING ENTITY

##### 1. Entity name and registered office of the Company:

KIA Motors Slovakia s.r.o.  
Mariánske námestie 30/5  
010 01 Žilina

KIA Motors Slovakia s.r.o. (hereinafter referred to as "the Company") was established on 13 February 2004 and was registered in the Commercial Register on 26 February 2004 (Commercial Register of the District Court in Žilina, Section s.r.o., file 15074/L).

##### 2. Principal activities:

The principal activities of the Company comprise:

- production of motor vehicles;
- production of trailers and semi-trailers;
- production and sale of automotive accessories.

##### 3. Number of employees

As at 31 December 2006, the average number of employees of the Company was 1 255 employees, including 55 managers. (31 December 2005: 600, including 48 managers).

##### 4. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 December 2006 have been prepared as ordinary financial statements in accordance with Article 17 (6) of Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2006 to 31 December 2006.

##### 5. Date of approval of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 December 2005 were approved by the shareholder at the Company's general meeting on 10 May 2006.



**B. INFORMATION ABOUT THE ACCOUNTING ENTITY'S BODIES**

President In Kyu Bae

Directors Chang Kyun Han  
In Kyu Bae

Supervisory Board Eui Sun Chung  
Tae Hwan Koo  
Yong Hwan Kim (resigned 8 May 2006)  
Jung Moon Park (appointed 8 May 2006)

**C. INFORMATION ABOUT THE SHAREHOLDER OF THE ACCOUNTING ENTITY**

The shareholder of the Company as at 31 December 2006 was as follows:

	Interest in share capital, including the change in share capital		Voting rights
	TSKK	%	%
KIA Motors Corporation, Seoul (South Korea)	13 520 837	100	100

**D. INFORMATION ABOUT THE CONTROLLING PARTIES**

The Company is consolidated in the financial statements of KIA Motors Corporation, which is the parent company and which is consolidated in the group financial statements of Hyundai Motors Corporation.

**E. INFORMATION ABOUT ACCOUNTING PRINCIPLES AND ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements were prepared using the going concern assumption that the Company will continue in operation for the foreseeable future.

The accounting policies and general accounting principles have been consistently applied by the entity.

**(b) Non-current intangible assets and property, plant and equipment**

Purchased non-current assets are valued at their acquisition cost, which consists of the price at which an asset has been acquired plus costs related to the acquisition (customs duty, transport, assembling costs, insurance etc.).

Self-constructed non-current assets are valued at their conversion cost. Conversion cost includes all direct costs incurred during production or other activities and indirect costs related to production or other activities. The Company capitalized direct labour costs and other additional costs which are related to the construction process. The additional costs include social security costs, professional fees, travelling expenses and other costs which are allocated on a reasonable basis. Under Slovak accounting regulations, as of 1 January 2004, interest related to the acquisition or construction of property, plant and equipment may be capitalized until the date that the assets are put into use. The Company's accounting policy is to capitalize interest related to the acquisition or construction of property, plant and equipment.

Amortization of non-current intangible assets is based on the expected useful lives of the assets (up to a maximum of five years from their acquisition according to the Act on Accounting). Amortization commences on the first day of the month following the date the non-current asset was put into use. Low-value non-current intangible assets with an acquisition cost (or conversion cost) of SKK 50 000 or less are written off when the asset is put into use. Estimated useful life, amortization method, and amortization rate are described in the following table:

	Estimated useful life in years	Amortization Method	Annual rate of amortization in %
Software	4	straight-line	25

Depreciation of property, plant and equipment is based on the expected useful lives of the assets. Depreciation commences on the first day of the month following the date the asset was put into use. Low-value non-current tangible assets with an acquisition cost (or conversion cost) of SKK 30 000 or less are written off when the asset is put into use. Land is not depreciated. Estimated useful life, depreciation method, and depreciation rate are described in the table below:

	Estimated useful life in years	Depreciation Method	Annual rate of depreciation in %
Office equipment	4	straight-line	25
Tools	5	straight-line	20
Molds	6	straight-line	16.6
Vehicles	4	straight-line	25
Machines and technologies	15	straight-line	6.7
Fixture	6	straight-line	16.6

**(c) Inventory**

Inventory is valued at the lower of its acquisition cost (purchased inventory), conversion cost (own work capitalized) or its net realizable value.

Acquisition cost includes the price at which inventory has been acquired plus costs related to the acquisition (customs duty, transport, insurance, commissions, discount etc.). Borrowing costs are not capitalized. The cost of inventory is based on the weighted average principle.

Conversion cost includes direct costs (direct material, direct labor, and other direct costs) and part of indirect costs directly related to own work capitalized (production overheads). Production overheads are included in the conversion cost based on the stage of production. Administrative overheads and selling costs are not included in the conversion cost. Borrowing costs are not capitalized.

Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory is written down for any impairment of value.

**(d) Receivables**

Receivables are valued at their nominal value, except for assigned receivables and receivables acquired via a contribution to share capital which are valued at their acquisition cost, including costs related to the acquisition. Receivables are decreased by the write-downs for any amounts expected to be irrecoverable.

**(e) Cash, stamps and vouchers**

Cash, stamps and vouchers are valued at their nominal value. A value adjustment is created for any impairment.

**(f) Prepaid expenses and accrued income**

Prepaid expenses and accrued income are presented in accordance with the matching principle in terms of substance and time.

**(g) Provisions**

Provisions are liabilities of uncertain timing or amount. Provisions are created to cover known risks or losses from business activities. They are valued at the expected amount of the liability.

**(h) Liabilities**

Liabilities are valued at their nominal value, except for assumed liabilities, which are valued at their acquisition cost at the time of their assumption. If reconciliation procedures reveal that the actual amount of liabilities differs from the amount recorded in the accounting books, the actual amount shall be used to value these liabilities in the accounting books and financial statements.

**(i) Deferred taxes**

Deferred taxes (deferred tax assets and deferred tax liabilities) relate to the following:

- a) temporary differences between the carrying value of assets and the carrying value of liabilities presented in the Balance Sheet and their tax base;
- b) tax losses which are possible to carry forward to future periods, being understood as the possibility of deducting these tax losses from the tax base in the future;
- c) unused tax deductions and other tax claims, which are possible to carry forward to future periods.

**(j) Accrued expenses and deferred income**

Accrued expenses and deferred income are presented in accordance with the matching principle in terms of substance and time.

**(k) Foreign currency**

Assets and liabilities denominated in a foreign currency are translated to the Slovak currency according to the exchange rate announced by the National Bank of Slovakia as of the date of the accounting transaction. Foreign currency assets and liabilities are retranslated at the exchange rate at the balance sheet date and recorded with an impact on net/profit loss.

**(l) Revenue**

Revenue from own work and merchandise is net of value added tax. Revenue is also reduced by discounts and reductions (quick payment discounts, bonuses, rebates, and credit notes etc.), irrespective of whether a customer was entitled to discount in advance or whether a discount was agreed subsequently.

**(m) Government grants**

Government grants are recognized in the balance sheet initially as deferred income when there is reasonable assurance that it will be received and that the Company will comply with the conditions attaching to it. Grants that compensate the Company for expenses incurred are recognized as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Company for the cost of an asset are recognized in the income statement as other operating income on a systematic basis over the useful life of the asset.

## F. INFORMATION ABOUT DATA ON THE ASSET SIDE OF THE BALANCE SHEET

### 1. Non-current intangible assets and property, plant and equipment

Information on the movements of non-current intangible assets and property, plant and equipment from 31 December 2005 to 31 December 2006 is shown in the table on page 5.

As at 31 December 2006 legal title to the land parcels on which the production facility is being constructed has not been transferred to the Company as envisaged under the terms of the Investment Agreement dated 5 March 2004, between the Slovak Republic and the Company. Under the terms of the Investment Agreement the Slovak Republic is obligated to provide the Company with all land parcels on which the production facility will be constructed. Despite the Slovak Republic has not met the initial deadline for transferring the land parcels to the Company, the Company understands the Slovak Republic is currently in the process of acquiring the required land parcels and expects to have acquired all required land parcels during 2007. At this time the Company is confident that this delay in the transfer of land parcels by the Slovak Republic will not impose any detrimental impact on the construction of the production facilities.

The Company is not aware of any specific legal claims against it at this time. The Company considers that it has fulfilled all its legal obligations to date, in respect of the construction process.

### 2. Inventory

The movements of a value adjustment during the accounting period are presented in the table below:

	Balance 31 Dec 2005 TSKK	Additions (increase) TSKK	Decrease (use) TSKK	Reversal TSKK	Balance 31 Dec 2006 TSKK
Finished goods	-	226 590	-	-	226 590
<b>Total</b>	-	<b>226 590</b>	-	-	<b>226 590</b>

A value adjustment was created to reflect impairment of inventory. The value of inventory has been impaired as the net realizable value is lower than incurred costs of finished goods.

### 3. Receivables

The ageing structure of receivables is as follows:

	31 Dec 2006 TSKK	31 Dec 2005 TSKK
Receivables due	2 263 374	819 151
Receivables overdue	0	0
<b>Total</b>	<b>2 263 374</b>	<b>819 151</b>

### 4. Financial accounts

Cash on hand, bank accounts, and securities are presented in financial accounts. The bank accounts are at the Company's full disposal as at 31 December 2006.



KIA Motors Slovakia s.r.o.

Summary of movements of fixed assets

31 December 2006

Description	Acquisition cost/Conversion cost					Accumulated depreciation/Value adjustments					Carrying value	
	31.12.2005	Increases	Decreases	Transfers	31.12.2006	31.12.2005	Increases	Decreases	Transfers	31.12.2006	31.12.2005	31.12.2006
	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK
Software	6 172	0	0	74	6 247	820	1 395	0	0	2 215	5 352	4 032
Acquisition of Software	285 683	316 714	0	-74	602 323	0	0	0	0	0	285 683	602 323
<b>Non-current intangible assets - total</b>	<b>291 855</b>	<b>316 714</b>		<b>0</b>	<b>608 570</b>	<b>820</b>	<b>1 395</b>	<b>0</b>	<b>0</b>	<b>2 215</b>	<b>291 035</b>	<b>606 355</b>
Individual movable assets and sets of movable assets	77 188	2 287 564	434	0	2 364 318	17 887	27 692	0	0	45 579	59 301	2 318 739
Acquisition of property, plant and equipment	14 252 519	7 762 912	0	503 428	22 518 859	0	<b>99 672</b>	0	0	99 672	14 252 519	22 419 187
Advance payments made for property, plant and equipment	503 427	716 997	0	-503 428	716 996	0	0	0	0	0	503 427	716 996
<b>Property, plant and equipment - total</b>	<b>14 833 134</b>	<b>10 767 473</b>	<b>434</b>	<b>0</b>	<b>25 600 173</b>	<b>17 887</b>	<b>127 364</b>	<b>0</b>	<b>0</b>	<b>145 251</b>	<b>14 815 247</b>	<b>25 454 921</b>
<b>Fixed assets - total</b>	<b>15 124 989</b>	<b>11 084 187</b>	<b>434</b>	<b>0</b>	<b>26 208 742</b>	<b>18 707</b>	<b>128 759</b>	<b>0</b>	<b>0</b>	<b>147 466</b>	<b>15 106 282</b>	<b>26 061 276</b>



## 5. Deferred tax asset

The calculation of the deferred tax asset is presented in the table below:

	31.12.2006 TSKK	31.12.2005 TSKK
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
- deductible	330 198	17 269
- taxable	-	-
Tax losses carry forward for future periods	204 547	248 710
Income tax rate (in %)	19	19
<b>Deferred tax assets</b>	<b>101 602</b>	<b>50 536</b>

The change in deferred tax asset is presented in the table below:

	TSKK
Balance as at 31 December 2006	101 602
Balance as at 31 December 2005	50 536
<b>Change</b>	<b>51 066</b>
Including:	
- Recognized as revenue	51 066

## 6. Accruals/deferrals

Accruals/deferrals are shown in the table below:

	31.12.2006 TSKK	31.12.2005 TSKK
Prepaid expenses	2 208 675	320 007
Accrued revenue	100 933	-
<b>Total</b>	<b>2 309 608</b>	<b>320 007</b>

## G. INFORMATION ABOUT DATA ON THE LIABILITIES AND EQUITY SIDE OF THE BALANCE SHEET

### 7. Equity

Information on equity is provided in section C and O.

### 8. Provisions

Provisions are shown in the table below:

	Balance 31.12.2005 TSKK	Creation TSKK	Use TSKK	Reversal TSKK	Balance 31.12.2006 TSKK
Bonuses	-	3 736			3 736
Warranty provision	-	23 946	-	-	23 946
Vacation pay, including social security	604	13 612	10 334		3 882
Interest and guarantee fee	2 653	-	-	(2 653)	-
Audit	-	806	-		806
	<u>3 257</u>	<u>42 100</u>	<u>10 334</u>	<u>(2 653)</u>	<u>32 370</u>

### 9. Liabilities

The structure of liabilities (except for bank loans) according to maturity is shown in the table below:

	31.12.2006 TSKK	31.12.2005 TSKK
Liabilities overdue	-	-
Liabilities due within 1 year	5 697 729	3 368 676
<b>Total current liabilities</b>	<u><b>5 697 729</b></u>	<u><b>3 368 676</b></u>
Liabilities due within 1-5 years	3 692	8 370
Liabilities due over 5 years	-	-
<b>Total non-current liabilities</b>	<u><b>3 692</b></u>	<u><b>8 370</b></u>

### 10. Social fund

The creation and drawing from the social fund during the accounting period are presented in the table below:

	Balance 31.12.2005 TSKK	Creation TSKK	Use TSKK	Balance 31.12.2006 TSKK
Social fund	<u>2 169</u>	<u>5 697</u>	<u>4 174</u>	<u>3 692</u>

According to the Act on the Social Fund, part of the social fund must be created against expenses and part can be created from retained earnings. According to the Act on the Social Fund, the social fund is used to satisfy social, health, recreation, and other needs of employees.

## 11. Bank loans

Bank loans are detailed in the table below:

	Currency	Annual interest %	Maturity	Balance 31.12.2006 TSKK	Balance 31.12.2005 TSKK
Overdrafts	EUR	2,9%-3,05%	2006	2 654 688	3 100 962
Bank loan	EUR	2,76%-3,57%	2010-2015	9 897 875	3 437 064
<b>Total loans</b>				<b>12 552 563</b>	<b>6 538 026</b>

The Company has been provided a term loan facility in the principal amount of TEUR 350 000 by a bank consortium. As at 31 December 2006 the Company has drawn TSKK 9 897 875. A guarantee for the loan has been provided by the parent company KIA Motors Corporation and Euler Hermes.

## 12. Accruals/deferrals

The structure of accruals/deferrals is presented in the table below:

	31.12.2006 TSKK	31.12.2005 TSKK
Deferred revenue	2 756 806	1 194 917
Accrued expenses	13 509	875
<b>Total</b>	<b>2 770 315</b>	<b>1 195 792</b>

## H. INFORMATION ABOUT INCOME

### 13. Revenue from own work and merchandise

Revenue from own work and merchandise according to the individual segments, i.e. types of products and services and main territories, is presented in the table below:

	Kia Ceed 1.4 Gasoline		Kia Ceed 1.6 Gasoline		Kia Ceed 2.0 Gasoline		Kia Ceed 1.6 Diesel		Parts		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK
Europe	457 903	0	324 790	0	2 990	0	375 812	0	4 505	0	1 166 000	0
<b>Total</b>	<b>457 903</b>	<b>0</b>	<b>324 790</b>	<b>0</b>	<b>2 990</b>	<b>0</b>	<b>375 812</b>	<b>0</b>	<b>4 505</b>	<b>0</b>	<b>1 166 000</b>	<b>0</b>

#### 14. Changes in internal inventory

The change in internal inventory presented in the Income State represents an increase in the amount of TSKK 1,111,896. According to the balance sheet, the increase amounts to TSKK 1,307,061 as shown in the table below:

	Balance			Change	
	31 Dec 2006 TSKK	31 Dec 2005 TSKK	31 Dec 2004 TSKK	2006 TSKK	2005 TSKK
Work in progress	162 756	-	-	162 756	-
Semi finished goods	255 354	-	-	255 354	-
Finished goods	888 951	-	-	888 951	-
<b>Total</b>	<b>1 307 061</b>	<b>-</b>	<b>-</b>	<b>1 307 061</b>	<b>-</b>
Creation of a value adjustment				(226 590)	-
Other				31 425	-
<b>Change in the Income Statemet</b>				<b>1 111 896</b>	<b>-</b>

The difference between the balance sheet and the income statement arises because according to Slovak legislation, certain items are not accounted for as a change in inventory but are directly recorded in other expense and income accounts.

#### 15. Capitalized costs

Capitalized costs are presented in the table below:

	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
	TSKK	TSKK
Self-constructed property, plant and equipment consists of:		
Wages and social security contributions	468 991	288 384
Energy costs	217 942	0
Travel expenses	6 023	14 694
Other	209 568	1 727
<b>Total</b>	<b>902 524</b>	<b>304 805</b>

#### 16. Exchange rate gains

Exchange rate gains are presented in the table below:

	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
	TSKK	TSKK
Realized exchange rate gains	306 771	260 033
Unrealized exchange rate gains	963 897	22 431
<b>Total</b>	<b>1 270 668</b>	<b>282 464</b>

## I. INFORMATION ABOUT EXPENSES

### 17. Costs of services provided

Costs of services provided are presented in the table below:

	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
	TSKK	TSKK
Education of employees	631 050	59 129
Advertising expenses	404 628	6 711
Subcontractors	396 877	0
Royalty	45 243	0
Travel expenses	37 196	28 486
Tax, accounting and law advisory	25 928	26 767
Transport	25 163	0
Representation and entertainment	17 034	9 560
Security services	12 779	3 500
Telecommunication and internet services	9 991	8 387
Repair and maintenance	4 618	3 077
Other	49 028	21 765
<b>Total</b>	<b>1 659 535</b>	<b>167 382</b>

### 18. Exchange rate losses

Exchange rate losses are presented in the table below:

	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
	TSKK	TSKK
Realized exchange rate losses	147 471	125 334
Unrealized exchange rate losses	23 981	11 489
<b>Total</b>	<b>171 452</b>	<b>136 823</b>

## J. INFORMATION ABOUT INCOME TAXES

A reconciliation of the effective income tax rate is shown in the table below:

	2006			2005		
	Tax base TSKK	Tax TSKK	Tax %	Tax base TSKK	Tax TSKK	Tax %
Loss before tax	-361 842		100,00 %	-159 473		100,00%
At theoretical tax rate 19%		-68 750	19,00 %		-30 300	19,00%
Tax non-deductible expenses	441 106	83 810	-23,16 %	22 783	4 329	-2,71%
Income not subject to tax	-28 840	-5 480	1,51 %	-	-	-
Tax losses available to carry forward to the future	-50 424	-9 581	2,65 %	136 690	25 971	-16,29%
thereof:						
deductible temporary differences	0	0	0,00%	-3 491	-663	0,42%
tax losses carry forward for future periods	-50 424	-9 581	2,65%	140 181	26 634	-16,70%
<b>Current tax</b>		-	-		-	-
Deferred tax asset		51 066	2,65 %		25 954	-16,29%
<b>Total reported tax</b>		<b>51 066</b>	<b>2,65%</b>		<b>25 954</b>	<b>-16,29%</b>

Items included in deferred tax are presented in the table below:

	1.1.2006 - 31.12.2006 TSKK	1.1.2005 - 31.12.2005 TSKK
Total deferred tax assets recognized in the current accounting period with respect to tax loss carry-forward, unused tax deductions and other tax claims, and temporary differences from previous accounting periods with respect to which a deferred tax asset was not recognized in the previous accounting periods.	51 066	25 954

**K. INFORMATION ON OFF-BALANCE SHEET ASSETS AND OFF-BALANCE SHEET LIABILITIES**

**19. Contingent liabilities**

The Company has the following contingent liabilities, which are not recorded in balance sheet accounts:

- Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

**20. Commitments**

Commitments, which are not recorded in the balance sheet accounts, are as follows:

- In 2004, the Company entered into contracts to construct the production facility. Of this amount, MSKK 596 and MSKK 13 684 were incurred during the period ended 31 December 2006 and 31 December 2005, respectively. The remainder is expected to be settled in 2007. The Company is entitled to receive State Aid if certain conditions are fulfilled. This State Aid is summarized in detail in the Investment Agreement.

**L. INFORMATION ON INCOME AND EMOLUMENTS OF MEMBERS OF THE STATUTORY BODIES, SUPERVISORY BODIES, AND OTHER BODIES OF THE ACCOUNTING ENTITY**

Gross payments to members of the Company's statutory bodies for their activities for the Company during the accounting period amounted to TSKK 20 598 (2005: TSKK 18 598) and there were no gross payments to the supervisory bodies of the Company.

**M. INFORMATION ABOUT THE ACCOUNTING ENTITY'S TRANSACTIONS WITH RELATED PARTIES**

The Company carried out the following transactions with related parties during the accounting period:

	1.1.2006 - 31.12.2006	1.1.2005 - 31.12.2005
<b>Transactions with the parent company and other group companies:</b>	TSKK	TSKK
Purchases of property, plant and equipment, raw material	2 455 463	1 480 682
Purchases of services from other group companies	0	234 595
Purchases of services from parent company	305 773	1 028 755
<b>Total</b>	<b>2 761 236</b>	<b>2 744 032</b>

Selected assets and liabilities arising from related-party transactions are presented in the table below:

	31.12.2006	31.12.2005
	TSKK	TSKK
Current receivables - KIA Motors Corporation	275	
Current receivables - others	1 364 876	
<b>Total</b>	<b>1 365 151</b>	<b>0</b>

	31.12.2006	31.12.2005
	TSKK	TSKK
Current liabilities - KIA Motors Corporation	323 914	306 862
Current liabilities - others	2 039 011	196 967
<b>Total</b>	<b>2 362 925</b>	<b>503 829</b>

**N. INFORMATION ON EVENTS OCCURRING BETWEEN THE BALANCE SHEET DATE AND THE DATE OF PREPARATION OF FINANCIAL STATEMENTS**

The following events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 December 2006:

- Increase in Share capital of TSKK 1,912,900 was registered in the Trade register on 17 January 2007.



## O. INFORMATION ON EQUITY

The movements of equity during the accounting period are presented in the table below:

	Balance 31.12.2005 TSKK	Increases TSKK	Decreases TSKK	Transfers TSKK	Balance 31.12.2006 TSKK
Share capital	6 604 895	3 179 952	-	378 250	10 163 097
Change in share capital	378 250	3 357 740	-	(378 250)	3 357 740
Net profit (loss) of previous years					
Accumulated losses from previous years	(119 134)	-	-	(133 519)	(252 653)
Net loss of the current accounting period	(133 519)	(310 776)	-	133 519	(310 776)
<b>Total</b>	<b>6 730 492</b>	<b>6 226 916</b>	<b>-</b>	<b>-</b>	<b>12 957 408</b>

The account of Change in share capital was transferred to the account of Share capital after the registration process was completed to the Commercial Register.

## P. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2006

Cash generated from operations	-2 675 340	244 941
Interest paid	-72 161	-3 788
Interest received	32 439	16 198
Income tax paid	-2 977	-1 790
Cash flow before extraordinary items	-2 718 039	255 561
<b>Net cash outflow from operating activities</b>	<b>(2 718 039)</b>	<b>255 561</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(10 913 205)	-10 755 258
Income from sale of non-current assets	551	
<b>Net cash outflow from investing activities</b>	<b>(10 912 654)</b>	<b>(10 755 258)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	6 537 692	5 208 475
Repayment of non-current liabilities	-	-
Proceeds of non-current liabilities	(6 201)	6 201
Proceeds from loans	6 014 537	6 538 026
<b>Net cash inflow from financing activities</b>	<b>12 546 028</b>	<b>11 752 702</b>
Net increase in cash and cash equivalents	(1 084 665)	1 253 005
Cash and cash equivalents at the beginning of period	1 583 046	330 041
<b>Cash and cash equivalents at the end of period</b>	<b>498 381</b>	<b>1 583 046</b>

## Cash generated from operations

	1.1.2006 - 31.12.2006 TSKK	1.1.2005 - 31.12.2005 TSKK
<b>Net loss (before interest, tax and extraordinary items)</b>	<b>(322 120)</b>	<b>-171 883</b>
Adjustments for non-monetary transactions:		
Depreciation and value adjustments to non-current assets	128 956	17 065
Value adjustment to inventories	226 590	0
Unrealized exchange rate losses	23 981	3 174
Unrealized exchange rate gains	(963 897)	11 489
Provisions	29 113	-22 431
Loss on sale of non-current assets	36	-
Operating profit before working capital changes	<u>(877 341)</u>	<u>(162 586)</u>
Changes in working capital:		
Decrease in trade and other receivables (including accruals/deferrals of assets)	(3 403 762)	-895 627
Increase in inventories	(3 091 900)	-16 128
Decrease in liabilities (including accruals/deferrals of liabilities)	4 697 663	1 319 282
<b>Cash generated from operations</b>	<b><u>(2 675 340)</u></b>	<b><u>244 941</u></b>

## Cash

Cash is defined as cash on hand, equivalents of cash on hand, cash in current bank accounts, overdraft facility, and part of the balance of the cash in transit account tied to the transfer between the current account and petty cash or between two bank accounts.

## Cash equivalents

Cash equivalents are defined as current financial assets that are readily convertible to a known amount of cash, which, as of the balance sheet date, do not entail the risk that their value will change considerably during the next three months, e.g. term deposits in bank accounts with a maximum of a three-month notice, liquid securities held for trading, and priority shares acquired by the accounting entity, which are due within three months of the balance sheet date.

.....31 March 2007.....  
Date

.....  
Signature of the statutory body



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Translation of the Letter in relation to Annual Report of KIA Motors Slovakia s.r.o

Originally prepared in Slovak language

KIA Motors Slovakia s.r.o  
Mariánske námestie 30/5  
010 01 Žilina

Annual Report

Based on our audit performed in accordance with the Act on Accounting No. 431/2004 including the subsequent amendments, § 20 of the Act on Auditors and the Slovak Chamber of Auditors No. 466/2002 and in accordance with International Standards on Auditing we conclude that the information contained in the Annual report of KIA Motors Slovakia s.r.o for the year ended 31 December 2006 is in compliance with the statutory financial statements and that these financial are complete and agree with those financial statements, which we audited.

Based on the above stated we agree that the auditors' report on the accompanying statutory financial statements can be included in the Annual Report.

31 March 2007  
Bratislava, Slovak Republic

Auditing company:  
KPMG Slovensko spol s.r.o  
License SKAU No. 96

Responsible auditor  
Ing. Ľuboš Vančo  
License SKAU No. 745

## Balance Sheet

Designation	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			Gross 1	Correction 2	Net 3	Net 4
	<b>Total assets line 002 + line 003 + line 032 + line 062</b>	<b>001</b>	34 388 133	374 056	34 014 077	17 844 614
A.	Receivables related to unpaid share capital (353)	002	0	0	0	0
B.	<b>Non-current assets line 004 + line 013 + line 023</b>	<b>003</b>	26 208 742	147 466	26 061 276	15 106 282
B.I.	<b>Non-current intangible assets - total (lines 005 to 012)</b>	<b>004</b>	608 570	2 215	606 355	291 035
B.I.1.	Incorporation expenses (011) - /071, 091A/	005	0	0	0	0
2.	Capitalized development costs (012) - /072, 091A/	006	0	0	0	0
3.	Software (013)-/073, 091A/	007	6 247	2 215	4 032	5 352
4.	Valuable rights (014) - /074, 091A/	008	0	0	0	0
5.	Goodwill (015) - /075, 091A/	009	0	0	0	0
6.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	010	0	0	0	0
7.	Acquisition of non-current intangible assets (041) - 093	011	602 323	0	602 323	285 683
8.	Advance payments made for non-current intangible assets (051) - 095A	012	0	0	0	0
B.II.	<b>Property, plant and equipment - total (lines 014 to 022)</b>	<b>013</b>	25 600 172	145 251	25 454 921	14 815 247
B.II.1.	Land (031) - 092A	014	0	0	0	0
2.	Structures (021) - /081, 092A/	015	0	0	0	0
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	016	2 283 292	43 582	2 239 710	59 301
4.	Perennial crops (025) - /085, 092A/	017	0	0	0	0
5.	Livestock (026) - /086,092A/	018	0	0	0	0
6.	Other property, plant and equipment (029, 02X, 032) - /089, 08X, 092A/	019	81 026	1 997	79 029	0
7.	Acquisition of property, plant and equipment (042) - 094	020	22 518 858	99 672	22 419 186	14 252 519

8.	Advance payments made for property, plant and equipment (052) - 095A	021	716 996	0	716 996	503 427
9.	Value adjustment to acquired assets (+/- 097) +/- 098	022	0	0	0	0
<b>B.III.</b>	<b>Non-current financial assets - total (lines 024 to 031)</b>	<b>023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B.III.1	Shares and ownership interests in a subsidiary (061) - 096A	024	0	0	0	0
2.	Shares and ownership interests with significant influence over enterprises (062) - 096A	025	0	0	0	0
3.	Other long-term shares and ownership interests (063, 065) - 096A	026	0	0	0	0
4.	Intercompany loans (066A) - 096A	027	0	0	0	0
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	028	0	0	0	0
6.	Loans with maturity up to one year (066A, 067A, 06XA) - 096A	029	0	0	0	0
7.	Acquisition of non-current financial assets (043) - 096A	030	0	0	0	0
8.	Advance payments made for non-current financial assets (053) - 095A	031	0	0	0	0
<b>C.</b>	<b>Current assets line 033 + line 041 + line 048 + line 056</b>	<b>032</b>	<b>5 869 783</b>	<b>226 590</b>	<b>5 643 193</b>	<b>2 418 325</b>
<b>C.I.</b>	<b>Inventory - total (lines 034 to 040)</b>	<b>033</b>	<b>3 108 028</b>	<b>226 590</b>	<b>2 881 438</b>	<b>16 128</b>
C.I.1.	Raw material (112, 119, 11X) - /191, 19X/	034	1 800 967	0	1 800 967	16 128
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	035	418 110	0	418 110	0
3.	Construction contracts where the expected time of completion exceeds one year 12X-192A	036	0	0	0	0
4.	Finished goods (123) - 194	037	888 951	226 590	662 361	0
5.	Animals (124) - 195	038	0	0	0	0
6.	Merchandise (132, 13X, 139) - /196, 19X/	039	0	0	0	0
7.	Advance payments made for inventory (314A) - 391A	040	0	0	0	0
<b>C.II.</b>	<b>Non-current receivables - total (lines 042 to 047)</b>	<b>041</b>	<b>101 602</b>	<b>0</b>	<b>101 602</b>	<b>50 536</b>
C.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	042	0	0	0	0
2.	Receivables from a subsidiary and a parent (351A) - 391A	043	0	0	0	0
3.	Other intercompany receivables (351A) - 391A	044	0	0	0	0
4.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - 391A	045	0	0	0	0

5.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	046	0	0	0	0
6.	Deferred tax asset ( 481 A)	047	101 602	0	101 602	50 536
<b>C.III.</b>	<b>Current receivables - total (lines 049 to 055)</b>	<b>048</b>	<b>2 161 772</b>	<b>0</b>	<b>2 161 772</b>	<b>768 615</b>
C.III.1	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	049	1 614 850	0	1 614 850	341
2.	Receivables from a subsidiary and a parent (351A) - 391A	050	0	0	0	0
3.	Other intercompany receivables (351A) - 391A	051	0	0	0	0
4.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA) - 391A	052	0	0	0	0
5.	Social security (336) - 391A	053	0	0	0	0
6.	Tax assets (341, 342, 343, 345) - 391A	054	528 542	0	528 542	759 487
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	055	18 380	0	18 380	8 787
<b>C.IV.</b>	<b>Financial accounts - total (lines 057 to 061)</b>	<b>056</b>	<b>498 381</b>	<b>0</b>	<b>498 381</b>	<b>1 583 046</b>
C.IV.1	Cash on hand (211, 213, 21X)	057	228	0	228	378 832
2.	Bank accounts (221A, 22X +/-261)	058	498 153	0	498 153	1 204 214
3.	Bank accounts with notice period exceeding one year 22XA	059	0	0	0	0
4.	Current financial assets (251, 253, 256, 257, 25X) - /291, 29X)	060	0	0	0	0
5.	Acquisition of current financial assets (259) - 291	061	0	0	0	0
<b>D.</b>	<b>Accruals/deferrals - line 063 and line 064</b>	<b>062</b>	<b>2 309 608</b>	<b>0</b>	<b>2 309 608</b>	<b>320 007</b>
D.1.	Prepaid expenses (381, 382)	063	2 208 675	0	2 208 675	320 007
2.	Accrued income (385)	064	100 933	0	100 933	0
	<b>Control number - total ( lines 001 to 064)</b>	<b>888</b>	<b>135 242 924</b>	<b>1 496 224</b>	<b>133 746 700</b>	<b>71 058 449</b>

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 5	Preceding accounting period 6
	<b>Total equity and liabilities line 066 + line 086 + line 116</b>	<b>065</b>	34 014 077	17 844 614
<b>A.</b>	<b>Equity line 067 + line 071 + line 078 + line 082 + line 085</b>	<b>066</b>	12 957 408	6 730 493
<b>A.I.</b>	<b>Share capital - total (lines 068 to 070)</b>	<b>067</b>	13 520 837	6 983 145
A.I.1.	Share capital (411 or +/- 491)	068	10 163 097	6 604 895
2.	Own shares and own ownership interests (/-/252)	069	0	0
3.	Change in share capital +/- 419	070	3 357 740	378 250
<b>A.II.</b>	<b>Capital funds - total (lines 072 to 077)</b>	<b>071</b>	0	0
A.II.1.	Share premium (412)	072	0	0
2.	Other capital funds (413)	073	0	0
3.	Legal reserve fund (Non-distributable fund) from capital contributions (417, 418)	074	0	0
4.	Differences from revaluation of assets and liabilities (+/- 414)	075	0	0
5.	Investment revaluation reserves (+/- 415)	076	0	0
6.	Differences from revaluation in the event of merger, amalgamation into a separate accounting entity or demerger (+/- 416)	077	0	0
<b>A.III.</b>	<b>Funds created from profit - total (lines 079 to 081)</b>	<b>078</b>	0	0
A.III.1.	Legal reserve fund (421)	079	0	0
2.	Non-distributable fund (422)	080	0	0
3.	Statutory funds and other funds (423, 427, 42X)	081	0	0
<b>A.IV.</b>	<b>Net profit/loss of previous years line 083 and line 084</b>	<b>082</b>	-252 653	-119 133
A.IV.1.	Retained earnings from previous years (428)	083	0	0
2.	Accumulated losses from previous years (/-/429)	084	-252 653	-119 133
<b>A.V.</b>	<b>Net profit/loss for the accounting period +/- line 001 - (line 067 + line 071 + line 078 + line 082 + line 086 + line 116)</b>	<b>085</b>	-310 776	-133 519
<b>B.</b>	<b>Liabilities line 87 + line 91 + line 102 + line 112</b>	<b>086</b>	18 286 354	9 918 329
<b>B.I.</b>	<b>Provisions - total (lines 088 to 090)</b>	<b>087</b>	32 370	3 257
B.I.1.	Legal provisions (451A)	088	0	0
2.	Other long-term provisions (459 A, 45XA)	089	20 525	0
3.	Short-term provisions (323, 32X, 451A, 459A, 45XA)	090	11 845	3 257

<b>B.II.</b>	<b>Non-current liabilities - total (lines 092 to 101)</b>	<b>091</b>	3 692	8 370
B.II.1.	Non-current trade liabilities (479A)	092	0	0
2.	Unbilled long-term supplies (476A)	093	0	0
3.	Non-current liabilities to a subsidiary and a parent (471A)	094	0	0
4.	Other non-current intercompany liabilities (471A)	095	0	0
5.	Long-term advance payments received (475A)	096	0	0
6.	Long-term bills of exchange to be paid (478A)	097	0	0
7.	Bonds issued (473A/-/255A)	098	0	0
8.	Liabilities related to social fund (472)	099	3 692	2 169
9.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100	0	6 201
10.	Deferred tax liability (481A)	101	0	0
<b>B.III.</b>	<b>Current liabilities - total (lines 103 to 111)</b>	<b>102</b>	5 697 729	3 368 676
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	4 123 807	3 277 765
2.	Unbilled supplies (326, 476A)	104	1 002 371	15 680
3.	Liabilities to a subsidiary and a parent (361A, 471A)	105	0	0
4.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	106	0	0
5.	Liabilities to partners and association (364, 365, 366, 367, 368, 398A, 478A, 479A)	107	0	0
6.	Liabilities to employees (331,333,33X,479A)	108	29 292	9 415
7.	Liabilities related to social security (336, 479A)	109	17 148	6 500
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	110	484 207	52 696
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	40 904	6 620
<b>B.IV.</b>	<b>Bank loans and financial assistance - total (lines 113 to 115)</b>	<b>112</b>	12 552 563	6 538 026
B.IV.1.	Long-term bank loans (461A, 46XA)	113	9 897 875	3 437 064
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	2 654 688	3 100 962
3.	Short-term financial assistance (241, 249, 24X, 473A,-/255A)	115	0	0
<b>C.</b>	<b>Accruals/deferrals - total (lines 117 and 118)</b>	<b>116</b>	2 770 315	1 195 792
C.1.	Accrued expenses (383)	117	13 509	875
2.	Deferred income (384)	118	2 756 806	1 194 917
	<b>Control number - total (lines 065 to 118)</b>	<b>999</b>	133 596 769	70 316 183



## Income Statement

Designation	Text	Line No.	Actual data	
			Current accounting period	Preceding accounting period
a	b	c	1	2
I.	Revenue from the sale of merchandise (604)	01	0	0
A.	Cost of merchandise sold ( 504)	02	0	0
+	Trade margin line 01- line 02	03	0	0
II.	Production line 05 + line 06 + line 07	04	3 180 420	304 804
II.1.	Revenue from the sale of own products and services (601, 602)	05	1 166 000	0
2.	Changes in internal inventory (+/- account group 61)	06	1 111 896	0
3.	Own work capitalized (account group 62)	07	902 524	304 804
B.	Production line 09 + line 10	08	3 694 335	231 419
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	09	2 034 800	64 037
2.	Services (account group 51)	10	1 659 535	167 382
+	Added value line 03 + line 04 -line 08	11	-513 915	73 385
C.	Personnel expenses total (lines 13 to 16)	12	740 976	374 950
C.1.	Wages and salaries (521, 522)	13	610 778	341 492
2.	Remuneration of board members of company or cooperative (523)	14	0	0
3.	Social security expenses (524, 525, 526)	15	111 462	29 539
4.	Social expenses (527, 528)	16	18 736	3 919
D.	Taxes and fees (account group 53)	17	1 346	685
E.	Amortization of non-current intangible assets and depreciation of property, plant and equipment (551)	18	29 284	17 065
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	445 982	0
F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20	487 837	0
IV.	Use and reversal of provisions against operating income and accounting for complex deferred expenses (652, 654, 655)	21	10 334	83
G.	Creation of provisions for operations and accounting for complex deferred expenses (552, 554, 555)	22	42 100	604
V.	Use and reversal of value adjustments against operating income (657, 658, 659)	23	0	0

H.	Creation of value adjustments against operating expenses (557,558,559)	24	326 262	0
VI.	Other operating income (644, 645, 646, 648)	25	344 778	7 854
I.	Other operating expenses (543 to 546, 548, 549)	26	71 440	4 762
VII.	Transfer of operating income (-) (697)	27	0	0
J.	Transfer of operating expenses (-) (597)	28	0	0
*	<b>Profit/loss from operations line 11 - line 12 - line 17 - line 18 + line 19 - line 20 + line 21 - line 22 + line 23 - line 24 + line 25 - line 26 + (-line 27) - (-line 28)</b>	<b>29</b>	<b>-1 412 066</b>	<b>-316 744</b>
VIII.	Revenue from the sale of securities and shares (661)	30	0	0
K.	Securities and shares sold (561)	31	0	0
IX.	Income from non-current financial assets line 33 + line 34 + line 35	32	0	0
IX.1.	Income from securities and ownership interests in a subsidiary and in a company where significant influence is held (665A)	33	0	0
2.	Income from other long-term securities and shares (665A)	34	0	0
3.	Income from other non-current financial assets (665A)	35	0	0
X.	Income from current financial assets (666)	36	0	0
L.	Expenses related to current financial assets (566)	37	0	0
XI.	Gains on revaluation of securities and income from derivative transactions (664, 667)	38	0	0
M.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	39	0	0
XII.	Interest income (662)	40	32 439	16 198
N.	Interest expense (562)	41	72 161	3 788
XIII.	Exchange rate gains (663)	42	1 270 668	282 464
O.	Exchange rate losses (563)	43	171 452	136 823
XIV.	Other income from financial activities (668)	44	0	0
P.	Other expenses related to financial activities (568, 569)	45	9 270	780
XV.	Use and reversal of provisions against income from financial activities (674)	46	0	0
Q.	Creation of provisions for financial activities (574)	47	0	0
XVI.	Use and reversal of value adjustments against income from financial activities (679)	48	0	0
R.	Creation of value adjustments against expenses related to financial activities (579)	49	0	0
XVII.	Transfer of financial income (-) (698)	50	0	0
S.	Transfer of financial expenses (-) (598)	51	0	0

*	<b>Profit/loss from financial activities line 30 - line 31 + line 32 + line 36 -line 37 + line 38 - line 39 + line 40 - line 41 + line 42 - line 43 + line 44 - line 45 + line 46 - line 47 + line 48 - line 49 + (- line 50) - (- line 51)</b>	<b>52</b>	1 050 224	157 271
T.	Income tax on ordinary activities line 54+ line 55	53	-51 066	-25 954
T.1.	- current (591,595)	54	0	0
2.	- deferred (+/-592)	55	-51 066	-25 954
**	<b>Profit/loss from ordinary activities line 29 + line 52 - line 53</b>	<b>56</b>	-310 776	-133 519
XVIII.	Extraordinary income (account group 68)	57	0	0
U.	Extraordinary expenses (account group 58)	58	0	0
V.	Income tax on extraordinary activities line 60 + line 61	59	0	0
V.1.	- current (593)	60	0	0
2.	- deferred (+/- 594)	61	0	0
*	<b>Profit/loss from extraordinary activities line 57 - line 58 - line 59</b>	<b>62</b>	0	0
Z.	Transfer of net profit/net loss shares to partners (+/-596)	63	0	0
***	<b>Profit/loss for the accounting period (+/-) line 56 + line 62 - line 63</b>	<b>64</b>	-310 776	-133 519
	<b>Control number total (lines 01 to 64)</b>	<b>99</b>	16 947 373	1 888 418