2008 ANNUAL REPORT

Kia Motors Slovakia, s.r.o.

KIA MOTORS

The Power to Surprise™

Contents

1. Kia Motors Slovakia

On March 18, 2004, KIA Motors Corporation (hereinafter “KMC”), represented by the Chairman of the Hyundai-Kia Automotive Group Mong-Koo Chung, held a signing ceremony with the Slovak Government, represented by the then-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 KMC. In addition to supplying top-quality Kia cars for expanding European dealer network, factory in Slovakia opens doors to new market sectors and helps establish KMC even more securely in the European marketplace.

KMC is a maker of quality vehicles for the young-at-heart. KMC is emerging as one of the world’s elite car companies with focus on the ongoing complete regeneration of its product line-up. KMC also continues to increase its overseas manufacturing capability and in 2008 the company produced a total of 1,395,224 cars.

Ultimate annual capacity of Kia Motors Slovakia plant is 300,000 cars. The output is split between cee’d, the C-segment car, and the SUV model Sportage with both gasoline and diesel engines. Kia anticipates supplying an important deal of our products from Slovakia to cover the European demand. The development of the Zilina facility together with Kia headquarters and design centre in Frankfurt confirms Kia’s commitment to Europe and its determination to position itself as a strong competitor in the European market.

1.1. Kia Motors Slovakia in 2008

Year 2007 presented the first full year of volume production, during which the company smoothly introduced three new models in one year: the SUV model Sportage in June, the family cee’d_sw in July and the three-door sporty pro_cee’d in October.

In 2007, Kia Motors Slovakia aimed attention to stabilization of production of all models. The focus from previous year was in 2008 shifted to maintaining the high level of efficiency and quality. In 2008, Kia Motors Slovakia produced 201,507 cars, which represents a year-on-year increase of 38%. Due to high level of quality, Kia offers a unique 5 to 7-year warranty on both models produced at Kia Motors Slovakia.

With its own engine shop, Kia Motors Slovakia is the only engine producer in Slovakia. Four different types of engines are produced – 1.4L and 1.6L gasoline, and 1.6L and 2.0L diesel. In 2008, a production of 176,126 engines posts a year-on-year jump of 54%.

Kia in Slovakia is the biggest employer in the region with a well established network of local suppliers. Every year Kia aims for higher local to overseas supplier ratio. In 2008, the company succeeded in increasing the percentage to over 80%.

1.2. Facts and Figures

2004

March	Investment Agreement signed
April	Groundbreaking ceremony held in Zilina
August	Completion of ground levelling
October	Launch of construction

2005

December	Completion of plant construction

2006

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

2007

June	Launch of volume production of SUV Sportage
July	Launch of volume production of the family wagon cee'd_sw
September	Production of the 100,000th car
October	Launch of volume production of the three-door sporty pro_cee'd
November	Obtained the international Environmental Management ISO 14001 certificate

2008

March	Production of the 200,000th car
June	Launch of Kia Sportage facelift
July	Establishment of Kia Foundation Fund with Pontis Foundation
September	Production of the 300,000th car
November	Acquired the international Quality Management ISO 9001 certificate

1.3. Employment

For 2008, Kia Motors Slovakia with secured production set a goal to keep the manpower steady and employed around 2,700 people. Highly qualified employees are the key to success of Kia Motors Slovakia. 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 trainings for blue-collars in Slovakia as well as abroad. Over 800 employees in total have participated in training courses with the parent company in Korea. The aim of the course is to brush up employee's knowledge and skills in their field of expertise.

At the beginning of 2007, Kia Motors Slovakia employed more than 1,600 people, whereby at the end of the year around 2,700 employees were working in the company out of which 2,350 people were employed directly in the production and the rest were engineers, technicians and administrative employees. Since March 2007, production has been running in a two-shift operation. Kia offers its employees above standard conditions, which include an interesting social program above standard remuneration, direct bus lines subsidized by the company, discounts for car purchase, or housing allowance.

1.4. Company's impact on environment

At the end of 2007, Kia Motors Slovakia was granted an international Environmental Management ISO 14001 certificate. The responsible behaviour towards environment has always been Kia's priority since the beginning of the investment. Aiming to meet this goal, our plant was designed and built in a way not to pollute environment and contribute to its protection.

At the plant we use the latest technologies and state-of-the-art laboratories, through which we ensure the environment protection. The waste management system has been implemented at each production shop to make sure the proper treatment of hazardous and other wastes. At the paint shop, just water borne paints are utilized and the industrial waste water from the whole plant is treated at our own waste water treatment plant using new procedures. Biological level water treatment is being performed in the sewage tank in Hricov. Each production shop is equipped with a special air system with a forced air circulation which provides direct abstraction of fumes and emissions from production processes.

In 2009, Kia Motors plans to monitor environment behavior also at its major suppliers through performance of external environment audits.

1.5. Quality Management System

A "Quality first "spirit is of top importance to Kia Motors Slovakia. Quality control is assured during the entire production process, from delivery of parts to complete vehicle audit. Quality is checked by specialized teams that work with the latest technologies in laboratories. They focus on the parts quality control, engine quality control and vehicle quality control. A special quality assurance team supervises all activities.

At the end of the production process and quality control, an independent audit is carried out by a special team of our employees. During the audit, which is called the customer audit, randomly selected vehicles are checked from the customer point of view. They get audited according to stricter criteria which ensure top quality and eliminate the risk of claims filed by customers.

In November 2008, the company was entitled with internationally renowned certificate of Quality Management System ISO 9001, which confirms the highest level of quality put in the production process at the plant. Certificate was accredited to the company by an independent certification organisation Det Norske Veritas.

In the year 2009, the company aims not only to sustain but even further to improve the Quality Management System. All planned changes of the system as well as audits of internal processes will be realized in accordance with the revised ISO 9001:2008 norm. For the forthcoming year also control audit of Quality Management System is planned as well as performance of repeated audit, which aim will be to confirm conformities of selected vehicles with homologization. Internal audits of Quality Management System will be performed according to the published plan.

1.6. Corporate Social Responsibility

Kia Motor Slovakia is also a responsible corporate citizen. The company established Kia Foundation Fund with Pontis Foundation in the second half of 2008 with aim to improve the quality of life in the Zilina region. The fund's strategy includes environmental protection, support of marginalized groups and support of mobility. In 2009 Kia Motors Slovakia in cooperation with Pontis Foundation will create an Employee grant program. Thanks to this grant program KMS employees will be able to support some of non-government organizations, contributory organizations, and budgetary organizations in Zilina region.

Another prepared activity is the voluntary project Our Zilina, throughout which employees of Kia Motors Slovakia as well as other companies from the region devote their free time and help one of the community organizations with the realization of different activities. Besides traditional activities such as treatment and cleaning of parks or public spaces, cleaning, small painting jobs, enhancing interiors, a new feature of the event will be the utilization of experience and know-how of employees of companies in the field of legislation, marketing, communication, computer or personal skills.

1.7. Goals and expansion forecast for years 2009/2010

In the second half of 2009, Kia Motors Slovakia plans to launch volume production of facelift version of the model cee'd. In the same year also adjustment of production devices which will enable the introduction of the third model into the production process in 2010 will be under way.
In the area of human resources policy, a significant effort to keep the employment will be devoted during the period. At the same time a significant role will be made by the effort of increasing qualification of employees in all specialized, managing as well as production positions.

The company has set several aims to achieve for 2009 in the field of environment. One of the most important will be to follow the environmental rules in accordance with the national and European legislation and ISO 14 001 norm, which will be also provided by an increased number of planned internal audits.

The obligation to increase the drinking as well as industrial water consumption will be also significant for the following year. In an effort to increase water protection, pressure to decrease the volume of contaminated water per one produced car will be generated. As in the previous years, reduction of creating hazardous waste throughout production process remains priority for the year 2009.

In terms of quality, company's aim for the year 2009 is not only to sustain, but also improve Quality Management System. This year will be at the same time also the first one throughout which the new concern strategy Global Quality 3-3-5-5 will be applied in practice, which aim is increasing the quality of concern's products as well as increasing the value of Hyundai/Kia from customer's perspective.

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Plant Size	Site: 166ha	
	Buildings: 16.3ha	
Capacity	300,000 cars per year	
Products	cee'd – 5-door in December 2006	pro_cee'd – 3-door in October 2007
	cee'd_sw – Sporty Wagon in July 2007	Sportage in June 2007
Engine Types	Gasoline: 1.4L, 1.6L	
	Diesel: 1.6L, 2.0L	
Production	2008 - 201,507 cars	
	2006 - 2008 – 360,623 cars	

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2. President's Message

In March 2004, Kia Motors Slovakia concluded an investment agreement with the Slovak Government to build its first European car manufacturing plant. Two and a half years later, the plant launched the volume production of its first car - European model Kia cee'd. Year 2008 thus presented the second full year of volume production at our plant. It was also the first year when the number of produced cars exceeded 200,000.

In 2008, we focused on achieving high level of production quality and efficiency, and stabilizing it for the future. Thanks to outstanding manpower and great team work, we reached the average efficiency of 98%, which helped strengthen our production results.

Kia Motors Slovakia brings a significant positive impact on the regional and Slovak economy. Kia in Slovakia is the largest employer in the Zilina region. As such we feel an obligation not only to employ people but also provide them and their families with social securities, and to be actively involved with the development of the region.

Kia appreciates its employees and offers them a high standard of work conditions including interesting social program, incentives, transportation to work and accommodation support. Employees also have an opportunity to educate themselves and to expand their knowledge and experience for further professional growth.

Both Kia cee'd and Kia Sportage gained a number of accolades in 2008. Kia Sportage was named Value for Money Champion and Towcar's Best Budget 4x4 in the UK. Kia cee'd was awarded numerous titles throughout the year such as Best Medium Car and Estate Car of the Year in the UK, Top Selling C-Segment Import Vehicle in Romania, Best Car 2008 and Best Middle Class Segment 2008 in Czech Republic and Fleet Car of the Year in Austria. Model cee'd, as a first Korean automobile ever, advanced to the seven finalists of the prestigious Car Of The Year 2008 competition, where it ended on the amazing fourth place.

We are all very proud of the successes of our Kia cee'd model across Europe but also in its home country – Slovakia. In 2008, cee'd became Kia's most popular car in Slovakia. It also became the third best sold model overall while concluding second in its own C-segment.

I would like sincerely thank all employees and our business partners for their support during another year as our plant aims to become one of the best automotive plants with high productivity and quality. We will do our 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

TSKK

Description	2008	2007
Own work capitalized	**71 237 552**	**55 840 054**
Materials, energy	(54 914 944)	(42 592 056)
Services	(11 769 176)	(8 195 843)
Production consumption	**(66 684 120)**	**(50 787 898)**
Added value	4 553 432	5 052 155
Personnel expenses	(1 543 478)	(1 358 338)
Depreciation	2 710 745	2 070 828
Other Profit/Loss	(4 893 045)	(4 337 200)
Profit/loss from operations	**827 654**	**1 427 445**
Profit/loss from financial activities	1 049 634	(287 983)
Income tax on ordinary activities	(372 714)	(251 154)
Profit/loss for the accounting period	**1 504 574**	**888 308**

The general meeting will decide on the distribution of profit in the amount of TSKK 1 504 575 for the year 2008 accounting period. The proposal presented by the statutory body to the general meeting is as follows:

- contribution to reserve fund in the amount of TSKK 75 229;
- settlement of accumulated losses from previous years 0 TSKK and
- transfer to accumulated profits from previous years 1 429 346 TSKK.

3.2. Balance Sheet

TSKK

Description	Accounting period			
	2008			2007
	Gross	Correction	Netto	Netto
Non-current assets	31 781 783	4 879 328	26 902 455	28 714 469
Current assets	17 533 619	1	17 533 618	20 410 558
Accruals/deferrals	1 536 462	0	1 536 462	1 974 919
Total assets	**50 851 864**	4 879 329	**45 972 535**	**51 099 946**
Share capital			**16 037 945**	**16 037 945**
Net profit/loss of previous year			**280 462**	**-563 431**
Legal Reserve Fund			**44 415**	**0**
Net profit/loss			**1 504 574**	**888 308**
Equity			**17 867 396**	**16 362 822**
Liabilities			**24 527 063**	**31 556 167**
Accruals/deferrals			**3 578 076**	**3 180 957**
Liabilities			**28 105 139**	**34 737 124**
Equity and liabilities			**45 972 535**	**51 099 946**

3.3. Non-current Assets

TSKK

Classification	December 2008		
	Acquisition cost	Depreciation	Balance
Intangible Assets (SAP and others)	572 615	247 289	325 326
Tangible Assets (Cars and others)	31 053 511	4 632 039	26 421 472
Procurement Assets (Construction and others)	155 657		155 657
TOTAL	**31 781 783**	**4 879 328**	**26 902 455**

3.4. Share Capital

T SKK/EUR

Capital increasing	Amount (EUR)	Contributions of capital		
		Date	EUR – rate	Amount (SKK)
Balance as of 1.1.2008	**433 323**			**16 037 945**
Balance as of 31.12.2008	**433 323**			**16 037 945**

3.5. Bank Loans

T SKK/EUR

Description	Amount (SKK)
Overdrafts	4 143 973
Short-term bank loans	3 255 234
Long-term bank loans	7 374 284
TOTAL	**14 773 491**

4. Yearly Closing

Notes to the Financial Statements as at 31 December 2008

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

In 2008, the average number of employees of the Company was 2 794 employees, including 61 managers (2007: 2 441, including 62 managers).

4. Legal reason for the preparation of the Financial Statements

The Financial Statements of the Company as at 31 December 2008 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 2008 to 31 December 2008.

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

The Financial Statements of the Company as at 31 December 2007 were approved by the shareholder at the Company's general meeting on 2 June 2008.

6. Publication of the Financial Statements for the preceding accounting period

The Financial Statements of the Company as at 31 December 2007 including the annual report and the auditor's report on the audit of the financial statements as at 31 December 2007, were filed in the collection of deeds of the Commercial Register on 12 June 2008. The balance sheet and income statement for the preceding accounting period were published in the commercial bulletin on 12 June 2008.

7. Appointment of the auditor

The general meeting appointed on 12 August 2008 KPMG Slovensko spol. s r.o. as the auditor of the Financial Statements for the period from 1 January 2008 to 31 December 2008.

B. INFORMATION ABOUT THE ACCOUNTING ENTITY'S BODIES

President	In Kyu Bae
Directors	Jong-Pil Kim (appointed 23 April 2008) Woo-Jeong Joo (resigned 22 April 2008) In Kyu Bae
Supervisory Board	Eui Sun Chung Hee-Bong Ahn Hyoung-Keun Lee (appointed 23 April 2008) Yong Hwan Kim (resigned 22 April 2008)

C. INFORMATION ABOUT THE SHAREHOLDER OF THE ACCOUNTING ENTITY

The shareholder of the Company as at 31 December 2008 was as follows:

	Interest in share capital, including the change in share capital		Voting rights
	TSKK	%	%
KIA Motors Corporation, Seoul (South Korea)	16 037 945	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 except for:

- translation of advance payments made and advance payments received in foreign currencies to the Slovak currency as of the Balance Sheet date. This obligation was cancelled by the Amendment to the Act on Accounting valid since 1 January 2008 (refer to point E.k).

(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. Interests directly allocated to acquisition, construction processes or construction of property, plant and equipment are capitalized.

Amortization of non-current intangible assets is based on the expected useful lives of the assets. 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
SAP	6	straight-line	16.6

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 %
Structures	30	straight-line	5
Office equipment	4	straight-line	25
Tools	5	straight-line	20
Moulds	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. Purchased production inventory is valued at standard price, which includes costs related to the acquisition. The cost of non-production inventory is based on the weighted average principle.

Conversion cost includes direct costs (direct material, direct labour, 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.

Assets and liabilities denominated in a foreign currency (except for assets and liabilities denominated in Euro and except for advance payments made and advance payments received) are translated to the Slovak currency at the Balance Sheet date according to the exchange rate announced by the National Bank of Slovakia for this date, and are recorded with an impact on profit or loss.

Advance payments made and advance payments received in foreign currencies are translated to the Slovak currency according to the exchange rate announced by the National Bank of Slovakia as of the date of accounting transaction (see E.a).

(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 1 January 2008 to 31 December 2008 is shown in the table on page 15 and the comparative period is shown on page 16.

As at 31 December 2008 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 2010 and 2011.

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 Company does not record any value adjustments to inventory as at 31 December 2008.

3. Receivables

The movements in the value adjustment to receivables during the accounting period are presented in the table below:

	Balance 31 Dec 2007 TSKK	Additions (increase) TSKK	Decrease (use) TSKK	Reversal TSKK	Balance 31 Dec 2008 TSKK
Trade receivables	-	1	-	-	1
Total	**-**	**1**	**-**	**-**	**1**

The ageing structure of receivables is as follows:

	31 Dec 2008 TSKK	31 Dec 2007 TSKK
Receivables due	11 198 815	8 159 094
Receivables overdue	186 924	2 788 503
Total	**11 385 739**	**10 947 597**

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 2008, except for letter of credit guarantee in amount of TEUR 271 (TSKK 8 155).

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KIA Motors Slovakia s.r.o.

Summary of movements of fixed assets

31 December 2008

Description	Acquisition cost/Conversion cost 1.1.2008	Increases	Decreases	Transfers	31.12.2008	Accumulated depreciation/Value adjustments 1.1.2008	Increases	Decreases	Transfers	31.12.2008	Carrying value 1.1.2008	31.12.2008
	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK
Software	554.410	11.466	-	6.739	572.615	92.269	155.020	-	-	247.289	462.141	325.326
Acquisition of Software	-	-	-	-	-	-	-	-	-	-	-	-
Non-current intangible assets - total	**554.410**	**11.466**	**-**	**6.739**	**572.615**	**92.269**	**155.020**	**-**	**-**	**247.289**	**462.141**	**325.326**
Building and structures	7.821.432	40.713	-	99.057	7.961.202	281.686	264.128	-	-	545.814	7.539.746	7.415.388
Individual movables assets	21.055.011	729.477	(39.351)	1.173.398	22.918.535	1.778.991	2.257.370	(39.351)	-	3.997.010	19.276.020	18.921.525
Other property, plant and equipment	131.361	29.666	(31)	12.779	173.775	35.520	53.727	(31)	-	89.216	95.841	84.559
Acquisition of property, plant and equipment	1.303.432	85.223	-	(1.255.997)	132.658	-	-	-	-	-	1.303.432	132.658
Advance payments made for property, plant and equipment	37.289	21.686	-	(35.976)	22.999	-	-	-	-	-	37.289	22.999
Property, plant and equipment - total	**30.348.525**	**906.765**	**(39.382)**	**(6.739)**	**31.209.169**	**2.096.197**	**2.575.225**	**(39.382)**	**-**	**4.632.040**	**28.252.328**	**26.577.129**
Fixed assets - total	**30.902.935**	**918.231**	**(39.382)**	**-**	**31.781.784**	**2.188.466**	**2.730.245**	**(39.382)**	**-**	**4.879.329**	**28.714.469**	**26.902.455**

KIA Motors Slovakia s.r.o.

Summary of movements of fixed assets

31 December 2007

Description	Acquisition cost/Conversion cost 1.1.2007	Increases	Decreases	Transfers	31.12.2007	Accumulated depreciation/Value adjustments 1.1.2007	Increases	Decreases	Transfers	31.12.2007	Carrying value 1.1.2007	31.12.2007
	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK
Software	6.247	-	-	548.163	554.410	2.215	90.054	-	-	92.269	4.032	462.141
Acquisition of Software	602.323	-	-	(602.323)	-	-	-	-	-	-	602.323	-
Non-current intangible assets - total	**608.570**	**-**	**-**	**(54.160)**	**554.410**	**2.215**	**90.054**	**-**	**-**	**92.269**	**606.355**	**462.141**
Building and structures	-	-	-	7.821.432	7.821.432	-	281.686	-	-	281.686	-	7.539.746
Individual movables assets	2.364.318	-	(48.179)	18.738.872	21.055.011	45.579	1.585.561	48.179	99.672	1.778.991	2.318.739	19.276.020
Other property, plant and equipment	-	-	-	131.361	131.361	-	35.520	-	-	35.520	-	95.841
Acquisition of property, plant and equipment	22.518.859	4.742.371	-	(25.957.798)	1.303.432	99.672	-	-	(99.672)	-	22.419.187	1.303.432
Advance payments made for property, plant and equipment	716.996	-	-	(679.707)	37.289	-	-	-	-	-	716.996	37.289
Property, plant and equipment - total	**25.600.173**	**4.742.371**	**(48.179)**	**54.160**	**30.348.525**	**145.251**	**1.902.767**	**48.179**	**-**	**2.096.197**	**25.454.922**	**28.252.328**
Fixed assets - total	**26.208.743**	**4.742.371**	**(48.179)**	**-**	**30.902.935**	**147.466**	**1.992.821**	**48.179**	**-**	**2.188.466**	**26.061.277**	**28.714.469**

5. Accruals/deferrals

Accruals/deferrals are shown in the table below:

	31 Dec 2008 TSKK	31 Dec 2007 TSKK
Prepaid expenses - prepaid interests	106 760	172 320
Prepaid expenses - loan transaction costs	167 490	225 347
Prepaid expenses - prepaid royalties	1 244 348	1 552 760
Accrued revenue	17 864	24 492
Total	**1 536 462**	**1 974 919**

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

1. Equity

Information on equity is provided in section C and O.

2. Provisions

Provisions are shown in the table below:

	Balance 31 Dec 2007 TSKK	Creation TSKK	Use TSKK	Reversal TSKK	Balance 31 Dec 2008 TSKK
Bonuses	-	7 638	-	-	7 638
Warranty provision	1 081 054	1 301 484	359 301	-	2 023 237
Vacation pay, including social security	14 498	10 263	14 498	-	10 263
Other short term provisions	7 824	5 572	7 824	-	5 572
	1 103 376	**1 324 957**	**381 623**	**-**	**2 046 710**

Warranty provision:
The Company provides a warranty coverage period of five years on it's Cee'd and Sportage models. In addition, for vehicles sold in the European Union and other selected countries an additional two years warranty coverage period is provided on engines and transmissions. All warranty coverage periods are subject to a maximum mileage of 150 000 kilometers. Future warranty costs are impacted by a number of uncertainties that include, but are not limited to, the Cee'd is a new model which was first produced in 2006 and the period of the warranty coverage is above that provided by the KIA Group previously. Management believes that the total warranty provision is adequate based on currently available information. However, the timings of such cash outflows are by their nature uncertain and the best estimates are shown in note 21. Such changes that arise could impact the provisions recognized in the balance sheet in future periods.

Other provisions:
The Company expects to use other provisions in 2009.

3. Liabilities

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

	31 Dec 2008 TSKK	31 Dec 2007 TSKK
Liabilities overdue	-	-
Liabilities due within 1 year	7 179 211	10 572 669
Total current liabilities	**7 179 211**	**10 572 669**
Liabilities due within 1-5 years	527 651	133 341
Liabilities due over 5 years	-	-
Total non-current liabilities	**527 651**	**133 341**

4. Deferred tax liability

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

	31 Dec 2008 TSKK	31 Dec 2007 TSKK
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
- deductible	2 023 236	1 081 054
- taxable	(4 818 567)	(1 757 536)
Tax losses carry forward for future periods	46 558	0
Total of temporary differences	(2 748 773)	(676 482)
Income tax rate (in %)	19	19
Deferred tax assets	**(522 267)**	**(128 532)**

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

	TSKK
Balance as at 31 December 2008	(522 267)
Balance as at 31 December 2007	(128 532)
Change	**393 735**
Including:	
- Recognized as an expense	393 735
- Reversalof 2007 corporate income tax	(21 021)
- Income tax recorded on line 48 of the income statement	372 714

5. Social fund

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

	Balance 31 Dec 2007 TSKK	Creation TSKK	Use TSKK	Balance 31 Dec 2008 TSKK
Social fund	4 809	1 652	1 077	5 384

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.

6. Bank loans

Bank loans are detailed in the table below:

	Currency	Annual interest %	Maturity	Balance 31 Dec 2008 TSKK	Balance 31 Dec 2007 TSKK
Overdrafts	EUR	3,24-4,61%	2009	4 143 973	5 133 196
Bank loan - short -term	EUR	6.39-6.56%	2009	3 255 234	5 025 463
Bank loan - long-term	EUR	Euribor + 0.15 - 0.4%	2010-2015	7 374 284	9 588 122
Total loans				**14 773 491**	**19 746 781**

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 2008 the carrying amount of the long term investment loan amounted to TSKK 8,596,012 (TEUR 285,337). The short term part of this loan due in 2009 in the amount of TSKK 1,221,730 (TEUR 40,554) is recorded in line 114 as a short term bank loan. A guarantee for the loan has been provided by the parent company KIA Motors Corporation.

7. Accruals/deferrals

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

	31 Dec 2008 TSKK	31 Dec 2007 TSKK
Deferred revenue - government grants for fixed assets	3 558 634	3 166 365
Accrued expenses - other	19 442	14 592
Total	**3 578 076**	**3 180 957**

H. INFORMATION ABOUT INCOME

1. Revenue from own work and merchandise

Revenue from own work and merchandise according to main territories, is presented in the table below:

	Slovakia 2008 TSKK	Slovakia 2007 TSKK	EU 2008 TSKK	EU 2007 TSKK	Other 2008 TSKK	Other 2007 TSKK	Total 2008 TSKK	Total 2007 TSKK
Revenue from own work	1 489 592	1 121 249	46 799 161	46 169 002	18 855 399	6 972 884	67 144 152	54 263 135
Total	**1 489 592**	**1 121 249**	**46 799 161**	**46 169 002**	**18 855 399**	**6 972 884**	**67 144 152**	**54 263 135**

2. Changes in internal inventory

The change in internal inventory presented in the Income Statement represents an increase in the amount of TSKK 4,060,924. According to the balance sheet, the increase amounts to TSKK 15,802 as shown in the table below:

	Balance			Change	
	31 Dec 2008	31 Dec 2007	31 Dec 2006	2008	2007
	TSKK	TSKK	TSKK	TSKK	TSKK
Work in progress	123 489	141 871	162 756	(18 382)	(20 885)
Semi finished goods	324 888	271 392	255 354	53 496	16 038
Finished goods	858 322	877 634	662 361	(19 312)	215 273
Total	1 306 699	1 290 897	1 080 471	15 802	210 426
Reversal of a value adjustment					226 590
Price variances accounting				4 045 122	1 118 837
Change in the Income Statement				**4 060 924**	**1 555 853**

The difference between the balance sheet and the income statement arises because the Company accounts price and other variances to acquired inventories and produced inventories as changes in inventories.

3. Capitalized costs

Capitalized costs are presented in the table below:

	2008	2007
	TSKK	TSKK
Self-constructed property, plant and equipment:		
Capitalizeed self-contructed cars	32 476	21 106
Total	**32 476**	**21 106**

4. Other operating income

Other operating incomes are presented in the table below:

	2008	2007
	TSKK	TSKK
Revenues from sale of receivables	33 194 101	31 460 304
Revenues from sale of licence for sale of spare components	1 383 389	647 523
Government grants	522 861	416 121
Sale of scrap	203 192	120 620
Royalty income on lincence for spare components business	-	85 093
Other	128 600	279 308
Total	**35 432 143**	**33 008 969**

5. Exchange rate gains

Exchange rate gains are presented in the table below:

	2008	2007
	TSKK	TSKK
Realized exchange rate gains	1 942 180	1 017 948
Unrealized exchange rate gains	1 637 861	660 375
Total	**3 580 041**	**1 678 323**

I. INFORMATION ABOUT EXPENSES

1. Costs of services provided

Costs of services provided are presented in the table below:

	2008 TSKK	2007 TSKK
Subcontractors - production	5 550 889	4 751 922
Marketing services	1 768 388	3 799
Transport - export	1 733 712	1 143 075
Royalty - licence fees	979 152	768 017
Subcontractors - logistics	745 040	669 475
Subcontractors - car assembly	513 410	223 762
Transport of employees	71 515	22 379
Repair and maintenance	62 127	40 326
Education of employees	47 443	216 361
Cleaning services	41 133	30 776
Representation and entertainment	29 572	61 332
Insurance	17 432	15 642
Travel expenses	16 902	17 273
Waste disposal	14 984	11 608
Rental	10 915	10 918
Other (below TSKK 10 000)	166 562	209 178
Total	**11 769 176**	**8 195 843**

2. Other operating expenses

Other operating expenses are presented in the table below:

	2008 TSKK	2007 TSKK
Nominal value of receivables sold	33 194 101	31 460 304
Provision for guarantee repair	1 301 484	1 063 134
Other	78 176	279 483
Total	**34 573 761**	**32 802 921**

Since 2007 the Company has been selling part of its trade receivables to several financial institutions. Nominal value of receivables sold is accounted as other operating expense and is described in point H.4. Fees related to these transactions are booked as financial costs.

3. Exchange rate losses

Exchange rate losses are presented in the table below:

	2008 TSKK	2007 TSKK
Realized exchange rate losses	1 574 133	1 140 674
Unrealized exchange rate losses	72 991	53 019
Total	**1 647 124**	**1 193 693**

J. INFORMATION ABOUT INCOME TAXES

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

	2008			2007		
	Tax base TSKK	Tax TSKK	Tax %	Tax base TSKK	Tax TSKK	Tax %
Loss before tax	1 877 289		100,00 %	1 139 463		100,00 %
At theoretical tax rate 19%		356 685	19,00 %		216 498	19,00 %
Tax non-deductible expenses	1 172 955	222 861	11,87 %	1 206 434	229 222	20,12 %
Income not subject to tax	(1 814 565)	(344 767)	(18,37)%	(2 057 522)	(390 929)	(34,31)%
Tax losses available to carry forward to the future	(1 235 679)	(234 779)	-12,51 %	(177 742)	(33 771)	(2,96)%
Tax base	0	0	0,00%	110 633	21 020	1,84%
Current tax		0	0,00%		21 020	1,84%
Deferred tax asset		372 714	19,85%		230 134	20,20 %
Total reported tax		**372 714**	**19,85%**		**251 154**	**22,04 %**

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

1. Contingent liabilities

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.

As at 31 December 2008 the Company records open purchase orders in the amount of TSKK 107,091 for various investment projects as new engine shop, improvement of the body shop, investments relating to production of new car model.

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 13,479 (2007: TSKK 15,772) 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:

	2008	2007
Transactions with the parent company and other group companies - puchases	TSKK	TSKK
Purchases of assets, raw material and services from KIA Motors Corporation	8 423 364	4 258 266
Royalties, including accruals/deferrals of KIA Motors Corporation	664 436	413 733
Purchases of assets, raw material and services - others	28 264 065	33 534 705
Total	**37 351 865**	**38 206 704**

	2008	2007
Transactions with the parent company and other group companies - sales	TSKK	TSKK
Sales of finished to KIA Motors Corporation	43 483	7 556
Sales of semifinished goods to KIA Motors Corporation	15 294	206 104
Sales of finished goods - others	44 239 186	46 212 008
Sales of semifinished goods - others	532 037	15 179
Sales of license for spare parts sale and related royalties	1 383 389	732 623
Interest	544 810	232 309
Other sales	2 382 957	281 656
Total	**49 141 156**	**47 687 435**

In 2008, the Company provided short-term loans in the amount of TSKK 1,810,799 (TEUR 60,000) to a related party.
Selected assets and liabilities arising from related-party transactions are presented in the table below:

	2008 TSKK	2007 TSKK
Current receivables - KIA Motors Corporation	290	206 399
Currenty receivables - other entities	4 659 475	5 804 976
Short-term bank loan including interest	1 810 799	1 673 709
Total	**6 470 564**	**7 685 084**

	2008 TSKK	2007 TSKK
Current liabilities - KIA Motors Corporation	3 150 564	2 565 240
Current liabilities - other entities	1 888 485	4 967 162
Total	**5 039 049**	**7 532 402**

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

Effective from 2009 the Company will prepare its financial statements exclusively under to International Financial Reporting Standards in accordance with Article 17a of Slovak Act on Accounting.

Starting from 1 January 2009 the Slovak Republic has become part of the Eurozone and the Slovak koruna (SKK) has been replaced by the Euro (EUR) as the new currency. Consequently beginning on this date, the Company has converted its accounting records to EUR, and the financial statements for 2009 and in the following years will be presented in EUR as well. Comparative data will be recalculated using the conversion exchange rate of 30.1260 SKK/EUR.

O. INFORMATION ON EQUITY

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

	Balance 31 Dec 2007 TSKK	Increases TSKK	Decreases TSKK	Transfers TSKK	Balance 31 Dec 2008 TSKK
Share capital	16 037 945	-	-	-	16 037 945
Legal reserve fund	-	-	-	44 415	44 415
Retained earnings from prior years	-	-	-	280 462	280 462
Accumulated losses from prior years	(563 431)	-	-	563 431	-
Current year result	888 308	1 504 574	-	(888 308)	1 504 574
	16 362 822	**1 504 574**	**-**	**-**	**17 867 396**

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

	Balance 31 Dec 2006 TSKK	Increases TSKK	Decreases TSKK	Transfers TSKK	Balance 31 Dec 2007 TSKK
Share capital	10 163 097	-	-	5 874 848	16 037 945
Changes to share capital	3 357 740	2 517 108	-	(5 874 848)	-
Retained earnings from prior years	-	-	-	-	-
Accumulated losses from prior years	(252 654)	-	-	(310 777)	(563 431)
Current year result	(310 777)	888 308	-	310 777	888 308
	12 957 406	**3 405 416**	**-**	**-**	**16 362 822**

The general meeting will decide on the distribution of profit in the amount of TSKK 1,504,575 for the year 2008 accounting period. The proposal presented by the statutory body to the general meeting is as follows:

- contribution to reserve fund in the amount of TSKK 75,229;
- transfer to accumulated profits from previous years TSKK 1,429,346.

P. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2008

	2008 TSKK	2007 TSKK
Cash flows from operating activities		
Cash generated from operations	4 135 580	(2 819 644)
Interest paid	(882 031)	(268 651)
Interest received	531	22 926
Warranty claims	(207 783)	(36 475)
Income tax paid	(1 309)	4 528
Net cash outflow from operating activities	**3 044 988**	**(3 097 316)**
Cash flows from investing activities		
Purchase of non-current assets	(918 231)	(4 742 371)
Subsides received for non-curent assets acquisition	793 222	395 500
Income from sale of non-current assets	18 482	17 377
Interests on intercompany loan received	116 995	-
Intercompany credit advanced	(310 000)	(1 680 150)
Net cash outflow from investing activities	**(299 532)**	**(6 009 644)**
Cash flows from financing activities		
Proceeds from issuance of share capital	-	2 517 108
Interest paid	(585 218)	(441 077)
Repayment of short-term loan	(1 254 089)	-
Proceeds from short-term loans	-	3 662 727
Proceeds from investment loans	-	2 053 392
Repayment of investment loans	(1 225 441)	(715 546)
Net cash inflow from financing activities	**(3 064 748)**	**7 076 604**
Net decrease in cash and cash equivalents	(319 292)	(2 030 356)
Cash and cash equivalents at the beginning of period	(4 096 663)	(2 066 307)
Exchange rate differences relating to cash and cash equivalents	531 184	-
Cash and cash equivalents at the end of period	**(3 884 771)**	**(4 096 663)**

Cash generated from operations

	2008 TSKK	2007 TSKK
Net profit (before interest, tax and extraordinary items)	**2 684 978**	**1 826 264**
Adjustments for non-monetary transactions:		
Depreciation and value adjustments to non-current assets	2 710 745	2 070 828
Value adjustment to inventories	-	(226 590)
Value adjustment to receivables	1	-
Provisions	1 151 117	1 107 481
Loss on sale of non-current assets	823	974
Unrealized exchange rate losses	163 641	53 019
Unrealized exchange rate gains	(2 035 662)	(660 374)
Release of subsidy for non-current asset	(408 652)	(257 065)
Operating profit before working capital changes	4 266 991	3 914 537
Changes in working capital:		
Increase in trade and other receivables (including accruals/deferrals of assets)	691 573	(7 172 570)
Increase in inventories	2 537 751	(5 318 400)
Increase in liabilities (including accruals/deferrals of liabilities)	(3 360 735)	5 756 789
	(131 411)	(6 734 181)
Cash generated from operations	**4 135 580**	**(2 819 644)**

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.

13 February 2009
Date

Jong-Pil Kim
Signature of the statutory body

KIA MOTORS
The Power to Surprise™

Balance sheet (in thousands Sk)

Desig-nation a	ASSETS b	Line No. c	Current accounting period 1 Gross-part 1	Correction-part 2	2 Net	Preceding accounting period 3 Net
	Total assets line 002 + line 003 + line 032 + line 062	**001**	50.851.864	4.879.329	45.972.535	51.099.946
A.	**Receivables related to unpaid share capital (353)**	**002**	0	0	0	0
B.	**Non-current assets line 004 + line 013 + line 023**	**003**	31.781.783	4.879.328	26.902.455	28.714.469
B.I.	**Non-current intangible assets - total (lines 005 to 012)**	**004**	572.615	247.289	325.326	462.141
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	572.615	247.289	325.326	462.141
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	0	0	0	0
8.	Advance payments made for non-current intangible assets (051) - 095A	012	0	0	0	0
B.II.	**Property, plant and equipment - total (lines 014 to 022)**	**013**	31.209.168	4.632.039	26.577.129	28.252.328
B.II.1.	Land (031) - 092A	014	0	0	0	0
2.	Structures (021) - /081, 092A/	015	7.961.202	545.814	7.415.388	7.539.746
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	016	22.918.534	3.997.009	18.921.525	19.276.020
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	173.775	89.216	84.559	95.841
7.	Acquisition of property, plant and equipment (042) - 094	020	132.658	0	132.658	1.303.432
8.	Advance payments made for property, plant and equipment (052) - 095A	021	22.999	0	22.999	37.289
9.	Value adjustment to acquired assets (+/- 097) +/- 098	022	0	0	0	0

B.III.	**Non-current financial assets - total (lines 024 to 031)**	**023**	0	0	0	0
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
C.	**Current assets line 033 + line 041 + line 048 + line 056**	**032**	17.533.619	1	17.533.618	20.410.558
C.I.	**Inventory - total (lines 034 to 040)**	**033**	5.888.677	0	5.888.677	8.426.428
C.I.1.	Raw material (112, 119, 11X) - /191, 19X/	034	4.581.978	0	4.581.978	7.135.531
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	035	448.377	0	448.377	413.263
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	858.322	0	858.322	877.634
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
C.II.	**Non-current receivables - total (lines 042 to 047)**	**041**	0	0	0	0
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	0	0	0	0

C.III.	**Current receivables - total (lines 049 to 055)**	**048**	11.385.740	1	11.385.739	10.947.597
C.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	049	7.417.982	1	7.417.981	7.459.067
2.	Receivables from a subsidiary and a parent (351A) - 391A	050	0	0	0	0
3.	Other intercompany receivables (351A) - 391A	051	1.810.799	0	1.810.799	1.673.709
4.	Receivables from participants, members, and association (354A, 355A, 358A, 35XA, 398A) - 391A	052	0	0	0	0
5.	Social security (336) - 391A	053	0	0	0	0
6.	Tax assets (341, 342, 343, 345, 346, 347) - 391A	054	2.062.998	0	2.062.998	1.801.118
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	055	93.961	0	93.961	13.703
C.IV.	**Financial accounts - total (lines 057 to 061)**	**056**	259.202	0	259.202	1.036.533
C.IV.1.	Cash on hand (211, 213, 21X)	057	1.476	0	1.476	1.343
2.	Bank accounts (221A, 22X +/-261)	058	257.726	0	257.726	1.035.190
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 (259,314A) - 291	061	0	0	0	0
D.	**Accruals/deferrals - line 063 and line 064**	**062**	1.536.462	0	1.536.462	1.974.919
D.1.	Prepaid expenses (381, 382)	063	1.518.598	0	1.518.598	1.950.427
2.	Accrued income (385)	064	17.864	0	17.864	24.492

Desig-nation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period 4	Preceding accounting period 5
	Total equity and liabilities line 066 + line 086 + line 116	**065**	45.972.535	51.099.946
A.	**Equity line 067 + line 071 + line 078 + line 082 + line 085**	**066**	17.867.396	16.362.822
A.I.	**Share capital - total (lines 068 to 070)**	**067**	16.037.945	16.037.945
A.I.1.	Share capital (411 or +/- 491)	068	16.037.945	16.037.945
2.	Own shares and own ownership interests (/-/252)	069	0	0
3.	Change in share capital +/- 419	070	0	0
A.II.	**Capital funds - total (lines 072 to 077)**	**071**	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
A.III.	**Funds created from profit - total (lines 079 to 081)**	**078**	44.415	0
A.III.1.	Legal reserve fund (421)	079	44.415	0
2.	Non-distributable fund (422)	080	0	0
3.	Statutory funds and other funds (423, 427, 42X)	081	0	0
A.IV.	**Net profit/loss of previous years line 083 and line 084**	**082**	280.462	-563.431
A.IV.1.	Retained earnings from previous years (428)	083	280.462	0
2.	Accumulated losses from previous years (/-/429)	084	0	-563.431
A.V.	**Net profit/loss for the accounting period /+-/ line 001 - (line 067 + line 071 + line 078 + line 082 + line 086 + line 116)**	**085**	1.504.574	888.308
B.	**Liabilities line 87 + line 91 + line 102 + line 112**	**086**	24.527.063	31.556.167
B.I.	**Provisions - total (lines 088 to 090)**	**087**	2.046.710	1.103.376
B.I.1.	Legal provisions (451A)	088	0	0
2.	Other long-term provisions (459 A, 45XA)	089	1.647.491	957.966
3.	Short-term provisions (323, 32X, 451A, 459A, 45XA)	090	399.219	145.410

B.II.	**Non-current liabilities - total (lines 092 to 101)**	**091**	527.651	133.341
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	5.384	4.809
9.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100	0	0
10.	Deferred tax liability (481A)	101	522.267	128.532
B.III.	**Current liabilities - total (lines 103 to 111)**	**102**	7.179.211	10.572.669
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	6.897.729	10.310.236
2.	Unbilled supplies (326, 476A)	104	118.466	135.172
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	54.618	47.713
7.	Liabilities related to social security (336, 479A)	109	35.644	39.156
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	110	6.683	37.261
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	66.071	3.131
B.IV.	**Bank loans and financial assistance - total (lines 113 to 115)**	**112**	14.773.491	19.746.781
B.IV.1.	Long-term bank loans (461A, 46XA)	113	7.374.283	9.588.122
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	7.399.208	10.158.659
3.	Short-term financial assistance (241, 249, 24X, 473A,/-/255A)	115	0	0
C.	**Accruals/deferrals - total (lines 117 and 118)**	**116**	3.578.076	3.180.957
C.1.	Accrued expenses (383)	117	19.442	14.592
2.	Deferred income (384)	118	3.558.634	3.166.365

Income statement (In thousands Sk)

Desig-nation	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, 505A)	02	0	0
+	Trade margin line 01- line 02	03	0	0
II.	Production line 05 + line 06 + line 07	04	71.237.552	55.840.054
II.1.	Revenue from the sale of own products and services (601, 602)	05	67.144.152	54.263.135
2.	Changes in internal inventory (+/- account group 61)	06	4.060.924	1.555.813
3.	Own work capitalized (account group 62)	07	32.476	21.106
B.	Production line 09 + line 10	08	66.684.120	50.787.898
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	54.914.944	42.592.056
2.	Services (account group 51)	10	11.769.176	8.195.843
+	Added value line 03 + line 04 -line 08	11	4.553.432	5.052.155
C.	Personnel expenses total (lines 13 to 16)	12	1.543.478	1.358.338
C.1.	Wages and salaries (521, 522)	13	1.173.071	1.062.115
2.	Remuneration of board members of company or cooperative (523)	14	0	0
3.	Social security expenses (524, 525, 526)	15	329.036	258.890
4.	Social expenses (527, 528)	16	41.371	37.333
D.	Taxes and fees (account group 53)	17	20.237	2.282
E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551,553)	18	2.710.745	2.070.828
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	5.074.294	4.217.804

F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20	5.383.994	4.617.114
IV.	Other operating income (644, 645, 646, 648, 655, 657)	21	35.432.143	33.008.969
G.	Other operating expenses (543, 544, 545, 546,547, 548, 549, 555, 557)	22	34.573.761	32.802.921
V.	Transfer of operating income (-) (697)	23	0	0
H.	Transfer of operating expenses (-) (597)	24	0	0
*	**Profit/loss from operations line 11 - line 12 - line 17 - line 18 + line 19 - line 20 + line 21 - line 22 + (-line 23) - (-line 24)**	**25**	827.654	1.427.445
VI.	Revenue from the sale of securities and shares (661)	26	0	0
I.	Securities and shares sold (561)	27	0	0
VII.	Income from non-current financial assets line 29 + line 30 + line 31	28	0	0
VII.1	Income from securities and ownership interests in a subsidiary and in a company where significant influence is held (665A)	29	0	0
2.	Income from other long-term securities and shares (665A)	30	0	0
3.	Income from other non-current financial assets (665A)	31	0	0
VIII.	Income from current financial assets (666)	32	0	0
J.	Expenses related to current financial assets (566)	33	0	0
IX.	Gains on revaluation of securities and income from derivative transactions (664, 667)	34	0	0
K.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	35	0	0
L.	Creation and reversal of value adjustments to financial assets +/- 565	36	0	0
X.	Interest income (662)	37	659.560	256.967
M.	Interest expense (562)	38	1.467.249	943.769
XI.	Exchange rate gains (663)	39	3.580.041	1.678.323
N.	Exchange rate losses (563)	40	1.647.124	1.193.693
XII.	Other income from financial activities (668)	41	0	6

O.	Other expenses related to financial activities (568, 569)	42	75.594	85.817
XIII.	Transfer of financial income (-) (698)	43	0	0
P.	Transfer of financial expenses (-) (598)	44	0	0
*	**Profit/loss from financial activities line 26 - line 27 + line 28 + line 32 -line 33 + line 34 - line 35 - line 36 + line 37 - line 38 + line 39 - line 40 + line 41 - line 42 +(-line 43) - (-line 44)**	**45**	1.049.634	-287.983
R.	Income tax on ordinary activities line 47+ line 48	46	372.714	251.154
R.1.	- current (591,595)	47	0	21.020
2.	- deferred (+/-592)	48	372.714	230.134
**	**Profit/loss from ordinary activities line 25 + line 45 - line 46**	**49**	1.504.574	888.308
XIV.	Extraordinary income (account group 68)	50	0	0
S.	Extraordinary expenses (account group 58)	51	0	0
T.	Income tax on extraordinary activities line 53 + line 54	52	0	0
T.1.	- current (593)	53	0	0
2.	- deferred (+/- 594)	54	0	0
*	**Profit/loss from extraordinary activities line 50 - line 51 - line 52**	**55**	0	0
U.	Transfer of net profit/net loss shares to partners (+/-596)	56	0	0
***	**Profit/loss for the accounting period (+/-) [line 49 + line 55 - line 56]**	**57**	1.504.574	888.308

KIA MOTORS
The Power to Surprise™

KPMG

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Report on Audit of Consistency

of the annual report with the financial statements pursuant to Article 23 (5) of Act No. 540/2007 Coll. on Auditors, Audit and Oversight of Audit

To the Owner and Management of KIA Motors Slovakia, s.r.o.

We have audited the financial statements of the company Kia Motors Slovakia, s.r.o. as of 31 December 2008, presented on pages 8 – 34 of the annual report. We have issued an independent auditor's report on the financial statements on 13 February 2009 with the following wording:

Independent Auditor's Report

To the Owner and Management of KIA Motors Slovakia, s.r.o.

We have audited the accompanying financial statements of KIA Motors Slovakia, s.r.o. ("the Company"), which comprise the balance sheet as at 31 December 2008, the income statement for the year then ended, and the notes to the financial statements.

Management's Responsibility for the Financial Statements

Management as represented by the statutory body is responsible for the preparation and fair presentation of these financial statements in accordance with the Slovak Act on Accounting. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2008 and its financial performance for the year then ended in accordance with the Slovak Act on Accounting.

13 February 2009
Bratislava, Slovak Republic

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

Responsible auditor:
Ľuboš Vančo
Licence SKAU No. 745

Supplementary auditor's report on the audit of the consistency of the annual report with the financial statements

We have audited the consistency of the annual report with the financial statements in accordance with the Act on Accounting.

The accuracy of the annual report is the responsibility of the company's management. Our responsibility is to audit the consistency of the annual report with the financial statements, based on which we are required to issue an appendix to the auditor's report on the consistency of the annual report with the financial statements.

We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the information presented in the annual report, subject to presentation in the financial statements, is consistent, in all material respects, with the relevant financial statements.

We have reviewed the consistency of the information presented in the annual report on pages 1 - 7 with the information presented in the financial statements as of 31 December 2008. We have not audited any data or information other than the accounting information obtained from the financial statements and accounting books. We believe that the audit performed provides a sufficient and appropriate basis for our opinion.

In our opinion, the accounting information presented in the annual report is consistent, in all material respects, with the financial statements as of 31 December 2008, presented on pages 8 – 34 of the annual report.

Date: 28 April 2009
Bratislava, Slovak Republic

Slovenská komora audítorov SKAU Č. licencie 96 KPMG Slovensko spol. s r.o.

Audit firm:
KPMG Slovensko spol. s r. o.
License SKAU No. 96

Responsible auditor:
Ľuboš Vančo
License SKAU No. 745