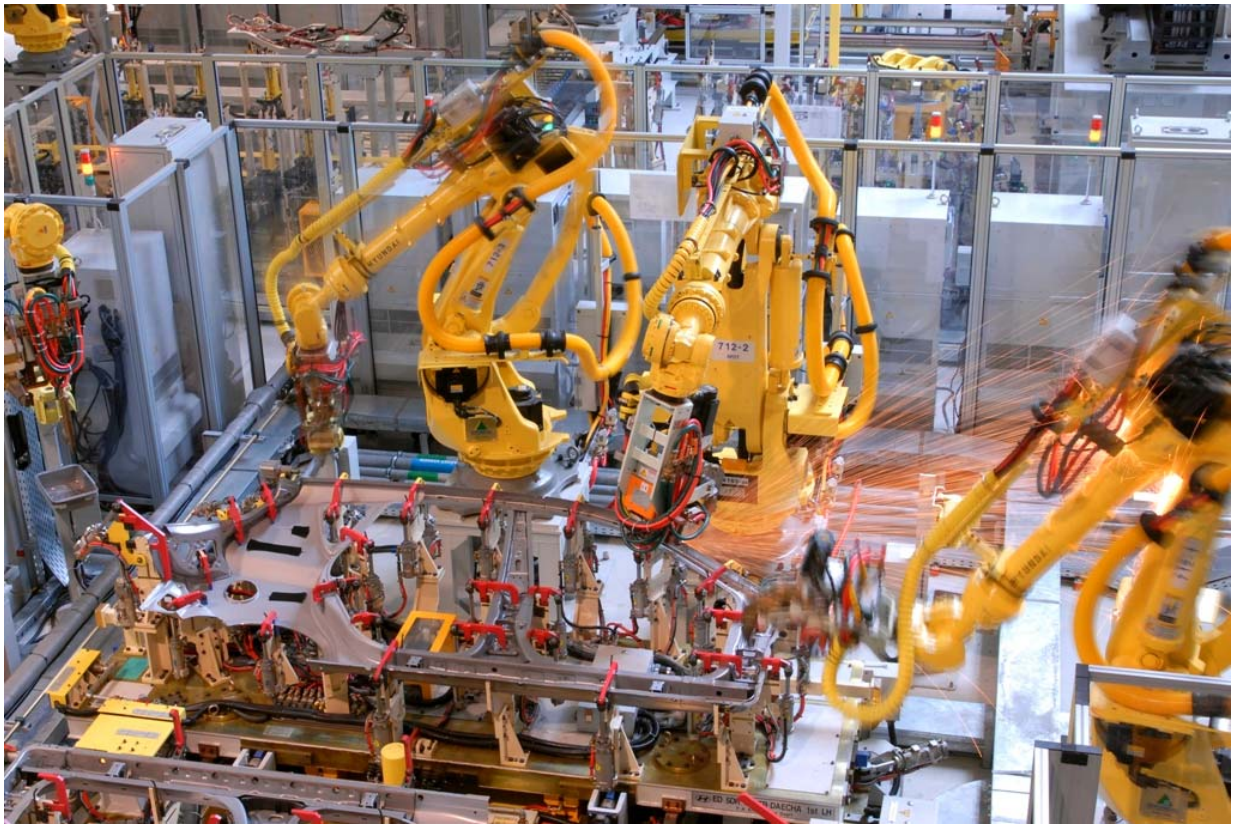


# 2007 ANNUAL REPORT

## Kia Motors Slovakia, s.r.o.





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# 1. Kia Motors Slovakia

Kia Motors Corporation is a maker of the quality cars and the company is committed to follow this trend across all markets. In order to accomplish the set goal, Kia Motors Corporation built Kia Motors Slovakia near 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 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 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 cars. The output is split between cee'd, the C-Segment car, and the SUV model 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 Zilina facility together with 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 2007

Finalization of installation of production technologies, testing of the production equipment and launch of trial production were the priorities of the company in 2006. The goal was to stabilize and secure the highest possible level of quality in the production process of the company's first-ever European model cee'd. The volume production, however, was launched in December of 2007 with the production of the five-door cee'd – a contender in the C-segment – intended for European customers.

Year 2007 presented a first full year of volume production, during which the company smoothly introduced three new versions 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. The production technologies at the plant are all flexible and all models are manufactured on same lines in mixed production. Due to high level of quality, Kia offers a unique 7-year warranty on both models produced at Kia Motors Slovakia. In 2007, the company produced 145,000 cars, while over 144,000 were dispatched. Kia plant is the only one in

Slovakia that has its own engine shop, where four different types of engines are produced – 1.4L and 1.6L gasoline and 1.6L and 2.0L diesel.

As the testing of production technologies and trial production went on, the company gradually increased a number of employees. Both white-collar and blue-collar employees were hired throughout the year. At the beginning of 2007, Kia Motors Slovakia employed around 1,600 employees. At the end of 2007, the amount grew to 2,700 people, of which 2,350 were employed directly in production and rest were engineers, technicians and administration employees. The production ran on two-shift operation since March 2007.

The carmaker near Zilina also contributed to the quality of education at secondary vocational schools and universities. Besides the technical equipment, Kia provided the students with the opportunity to carry out their compulsory vocational studies right at individual production shops of the plant. Since 2006, Kia Motors Slovakia has donated 39 Kia cee'd vehicles, 11 Kia Sportage units, 54 engines, 10 car bodies, 18 front and rear suspensions and 13 cockpits to schools for educational purposes.

At the end of 2007, Kia Motors Slovakia was granted an international Environmental Management ISO 14001 certificate from the independent certification organisation Det Norske Veritas. The responsible behaviour towards environment has always been Kia's priority since the beginning of the investment.

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 trainings for blue-collars in Slovakia as well as abroad. By the end of 2007, over 800 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 volume production

### 2007

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



<b>Plant Size</b>	Site: 166ha	
	Buildings: 16,3ha	
<b>Capacity</b>	300,000 cars per year	
<b>Products</b>	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
<b>Engine types</b>	Gasoline: 1.4L, 1.6L	
	Diesel: 1.6L, 2.0L	
<b>Production</b>	145,097 cars	



## 2. President's Message



In March 2004, Kia Motors Slovakia concluded an investment agreement with the Slovak Government. A month later, we held a groundbreaking ceremony with aim to launch the volume production of the first European model cee'd in December 2006. Year 2007 thus represented the first full year of volume production at our plant. Kia Motors invested around €1 billion in the construction of car manufacturing plant with production capacity of 300,000 vehicles per year.

Kia Motors Slovakia brings a significant positive impact on the regional and Slovak economy. The total number of employees recruited by Kia Motors Slovakia itself will exceed 3,000 while our suppliers will hire additional 5,500 employees. Furthermore, it is substantial that our rate of localized supplies of parts and components reaches about 75%.

At the end of 2007, Kia Motors Slovakia employed over 2,700 people, of which 2,350 worked directly in production and the rest were engineers, technicians and administration employees. Kia offers its employees a high standard of work conditions including interesting social program, incentives, free transportation to work and accommodation support. Employees also had an opportunity to educate themselves and to further expand their knowledge and experience.

The volume production was launched in December 2006 with production of five-door cee'd. The SUV model Sportage was smoothly introduced in June 2007 and not even a month later, a production of family wagon cee'd\_sw began. The last version to be kicked off in October of 2007 was the sporty three-door pro\_cee'd.

Model Kia cee'd gained good reputation among automotive experts as well as customers across Europe. One of the biggest accomplishments was the Euro NCAP safety rating where cee'd was awarded a 5-star safety rating in the latest Euro NCAP crash test results. The cee'd safety ratings – 5 stars for adult protection, 4 stars for child protection and 2 stars for pedestrian protection – place it among the C-segment's safest cars. Besides that the 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 very proud of the successes of our Kia cee'd model. In Slovakia, it became the Kia's best sold model. In 2007, Kia cee'd came second in its C-segment and overall became the third most sold model in Slovakia.

I would like thank all employees and our business partners for their support during the first year of volume production at our plant that 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	2007	2006	2005
<b>Own work capitalized</b>	<b>55 840 054</b>	<b>3 180 420</b>	<b>304 804</b>
Materials, energy	(42 592 056)	(2 261 390)	(64 037)
Services	(8 195 843)	(1 660 340)	(167 383)
<b>Production consumption</b>	<b>(50 787 898)</b>	<b>(3 921 730)</b>	<b>(231 420)</b>
<b>Added value</b>	<b>5 052 155</b>	<b>(741 310)</b>	<b>73 384</b>
Personnel expenses	(1 358 338)	(747 991)	(374 950)
Depreciation	2 070 828	128 956	(17 065)
Other Profit/Loss	(4 337 200)	(51 721)	1 887
<b>Profit/loss from operations</b>	<b>1 427 445</b>	<b>(1 412 066)</b>	<b>(316 744)</b>
Profit/loss from financial activities	(287 983)	1 050 224	157 271
Income tax on ordinary activities	(251 154)	51 066	25 954
<b>Profit/loss for the accounting period</b>	<b>888 308</b>	<b>(310 778)</b>	<b>(133 519)</b>

The general meeting will decide on the distribution of profit in the amount of TSKK 888 308 for the year 2007 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 44 415;
- settlement of accumulated losses from previous years 563 431 TSKK and
- transfer to accumulated profits from previous years 281 462 TSKK.

#### 3.2. Balance Sheet

TSKK

Description	Accounting period			
	2007			2006
	Gross	Correction	Netto	Netto
Non-current assets	30 902 935	2 188 466	28 714 469	<b>26 061 276</b>
Current assets	20 410 558	0	20 410 558	<b>5 643 193</b>
Accruals/deferrals	1 974 919	0	1 974 919	<b>2 309 608</b>
<b>Total assets</b>	<b>53 288 412</b>	<b>2 188 466</b>	<b>51 099 946</b>	<b>34 014 077</b>
Share capital			<b>16 037 945</b>	<b>13 520 837</b>
Net profit/loss of previous year			<b>-563 431</b>	<b>-252 653</b>
Net profit/loss			<b>888 308</b>	<b>-310 776</b>
<b>Equity</b>			<b>16 362 822</b>	<b>12 957 408</b>
Liabilities			<b>31 556 167</b>	<b>18 286 354</b>
Accruals/deferrals			<b>3 180 957</b>	<b>2 770 315</b>
<b>Liabilities</b>			<b>34 737 124</b>	<b>21 056 669</b>
<b>Equity and liabilities</b>			<b>51 099 946</b>	<b>34 014 077</b>



**3.3. Non-current Assets**

TSKK

Classification	December 2006		
	Acquisition cost	Depreciation	Balance
<b>Intangible Assets</b> (SAP and others)	554 410	92 269	
<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**

T SKK/EUR

Capital increasing	Amount (EUR)	Contributions of capital		
		Date	EUR – rate	Amount (SKK)
<b>Balance as of 1.1.2007</b>	<b>359 038</b>			<b>13 520 837</b>
1.	30 000	19.03.2007	33,95900	1 018 770
2.	15 000	21.05.2007	33,75200	506 280
3.	29 285	01.10.2007	33,8760	992 058
<b>Balance as of 31.12.2007</b>	<b>363 033</b>			<b>16 037 945</b>

**3.5. Bank Loans**

T SKK/EUR

Description	Amount (SKK)
Overdrafts	5 133 196
Short-term bank loans	5 025 463
Long-term bank loans	9 588 122
<b>TOTAL</b>	<b>19 746 781</b>

## 4. Yearly Closing

### Notes to the Financial Statements as at 31 December 2007

#### 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 2007, the average number of employees of the Company was 2 441 employees, including 62 managers (2006: 1 255, including 55 managers).

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

The Financial Statements of the Company as at 31 December 2007 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 2007 to 31 December 2007.

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

The Financial Statements of the Company as at 31 December 2006 were approved by the shareholder at the Company's general meeting on 21 May 2007.

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

President	In Kyu Bae
Directors	Chang Kyun Han (resigned 12 February 2007) Woo-Jeong Joo (appointed 12 February 2007) In Kyu Bae
Supervisory Board	Eui Sun Chung Yong Hwan Kim (appointed 12 February 2007) Hee-Bong Ahn (appointed 23 March 2007) Jung Moon Park (resigned 12 February 2007) Chi-Woong Kim (resigned 23 March 2007)

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

The shareholder of the Company as at 31 December 2007 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 accounting for value adjustments and provisions, which has been changed since 1 January 2007 by the relevant legal regulations.

In this respect, the structure of the income statements has been changed since 1 January 2007. Data for the preceding accounting period (from 1 January 2006 to 31 December 2006) recognized in the income statements have been properly adjusted without any impact on the profit and loss and the equity of 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. 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
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. 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. 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 2006 to 31 December 2007 is shown in the table on page 5.

As at 31 December 2007 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 2008.

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 2006 TSKK	Additions (increase) TSKK	Decrease (use) TSKK	Reversal TSKK	Balance 31 Dec 2007 TSKK
Finished goods	226 590	-	226 590	-	-
<b>Total</b>	<b>226 590</b>	<b>-</b>	<b>226 590</b>	<b>-</b>	<b>-</b>

**3. Receivables**

The ageing structure of receivables is as follows:

	31 Dec 2007 TSKK	31 Dec 2006 TSKK
Receivables due	8 159 094	2 263 374
Receivables overdue	2 788 503	-
<b>Total</b>	<b>10 947 597</b>	<b>2 263 374</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 2007, except for letter of credit guarantee in amount of TEUR 347 (TSKK 11 660).

KIA Motors Slovakia s.r.o.

Summary of movements of fixed assets

31 December 2007

Description	Acquisition cost/Conversion cost					Accumulated depreciation/Value adjustments					Carrying value	
	31.12.2006	Increases	Decreases	Transfers	31.12.2007	31.12.2006	Increases	Decreases	Transfers	31.12.2007	31.12.2006	31.12.2007
	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK	TSKK
Software	6 247	0	0	548 163	554 410	2 215	90 054	0	0	92 269	4 032	462 141
Acquisition of Software	602 323	0	0	-602 323	0	0	0	0	0	0	602 323	0
<b>Non-current intangible assets - total</b>	<b>608 570</b>	<b>0</b>		<b>(54 160)</b>	<b>554 410</b>	<b>2 215</b>	<b>90 054</b>	<b>0</b>	<b>0</b>	<b>92 269</b>	<b>606 355</b>	<b>462 141</b>
Individual movable assets and sets of movable assets	2 364 318	4 280 538	48 179	22 411 127	29 007 803	45 579	1 999 125	48 179	99 672	2 096 197	2 318 739	26 911 606
Acquisition of property, plant and equipment	22 518 859	461 833		(21 677 260)	1 303 432	99 672	0	0	(99 672)	(0)	22 419 187	1 303 432
Advance payments made for property, plant and equipment	716 996	0	0	-679 707	37 289	0	0	0	0	0	716 996	37 289
<b>Property, plant and equipment - total</b>	<b>25 600 172</b>	<b>4 742 371</b>	<b>48 179</b>	<b>54 160</b>	<b>30 348 524</b>	<b>145 251</b>	<b>1 999 125</b>	<b>48 179</b>	<b>0</b>	<b>2 096 197</b>	<b>25 454 921</b>	<b>28 252 327</b>
<b>Fixed assets - total</b>	<b>26 208 742</b>	<b>4 742 371</b>	<b>48 179</b>	<b>0</b>	<b>30 902 935</b>	<b>147 466</b>	<b>2 089 179</b>	<b>48 179</b>	<b>0</b>	<b>2 188 466</b>	<b>26 061 276</b>	<b>28 714 469</b>



## 5. Deferred tax asset, deferred tax liability

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

	31 Dec 2007 TSKK	31 Dec 2006 TSKK
Temporary differences between the carrying value of assets and the carrying value of liabilities and their tax base		
- deductible	1 081 054	330 198
- taxable	(1 757 536)	-
Tax losses carry forward for future periods	-	204 547
Total of temporary differences	(676 482)	534 745
Income tax rate (in %)	19	19
<b>Deferred tax assets</b>	<b>(128 532)</b>	<b>101 602</b>

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

	TSKK
Balance as at 31 December 2007	(128 532)
Balance as at 31 December 2006	101 602
<b>Change</b>	<b>(230 134)</b>
Including:	
- Recognized as revenue	(230 134)

## 6. Accruals/deferrals

Accruals/deferrals are shown in the table below:

	31 Dec 2007 TSKK	31 Dec 2006 TSKK
Prepaid expenses - prepaid interests	172 320	9 152
Prepaid expenses - ECA fees	225 347	283 221
Prepaid expenses - prepaid royalties	1 552 760	1 916 302
Accrued revenue	24 492	100 933
<b>Total</b>	<b>1 974 919</b>	<b>2 309 608</b>

**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 2006 TSKK	Creation TSKK	Use TSKK	Reversal TSKK	Balance 31 Dec 2007 TSKK
Bonuses	3 736	-	3 736	-	-
Warranty provision	23 946	1 094 526	37 418	-	1 081 054
Vacation pay, including social security	3 882	10 616	-	-	14 498
Other short term provisions	806	7 824	806	-	7 824
	<b>32 370</b>	<b>1 112 966</b>	<b>41 960</b>	<b>-</b>	<b>1 103 376</b>

**3. Liabilities**

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

	31 Dec 2007 TSKK	31 Dec 2006 TSKK
Liabilities overdue	-	-
Liabilities due within 1 year	10 572 669	5 697 729
<b>Total current liabilities</b>	<b>10 572 669</b>	<b>5 697 729</b>
Liabilities due within 1-5 years	133 341	3 692
Liabilities due over 5 years	-	-
<b>Total non-current liabilities</b>	<b>133 341</b>	<b>3 692</b>

**4. Social fund**

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

	Balance 31 Dec 2006 TSKK	Creation TSKK	Use TSKK	Balance 31 Dec 2007 TSKK
Social fund	3 692	11 243	10 126	4 809

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.

## 5. Bank loans

Bank loans are detailed in the table below:

	Currency	Annual interest %	Maturity	Balance 31 Dec 2007 TSKK	Balance 31 Dec 2006 TSKK
Overdrafts	EUR	4.05 - 4.44%	2007	5 133 196	2 654 688
Bank loan - short -term	EUR	5.07 - 5.59%	2007	5 025 463	-
Bank loan - long-term	EUR	Euribor + 0.15 - 0.4%	2007-2012	9 588 122	9 897 875
<b>Total loans</b>				<b>19 746 781</b>	<b>12 552 563</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 2007 the Company has drawn TSKK 10,950,858 (TEUR 40 554 is short term part of loan due in 2008). A guarantee for the loan has been provided by the parent company KIA Motors Corporation.

## 6. Accruals/deferrals

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

	31 Dec 2007 TSKK	31 Dec 2006 TSKK
Deferred revenue - grants for fixed assets	3 166 365	2 756 806
Accrued expenses - other	14 592	13 509
<b>Total</b>	<b>3 180 957</b>	<b>2 770 315</b>

## H. INFORMATION ABOUT INCOME

### 1. 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:

	Slovakia		EU		Other		Total	
	2007 TSKK	2006 TSKK	2007 TSKK	2006 TSKK	2007 TSKK	2006 TSKK	2007 TSKK	2006 TSKK
Revenue from own work	1 121 249	36 999	46 169 002	1 120 511	6 972 884	8 490	54 263 135	1 166 000
<b>Total</b>	<b>1 121 249</b>	<b>36 999</b>	<b>46 169 002</b>	<b>1 120 511</b>	<b>6 972 884</b>	<b>8 490</b>	<b>54 263 135</b>	<b>1 166 000</b>

### 2. Changes in internal inventory

The change in internal inventory presented in the Income State represents an increase in the amount of TSKK 1 555 853. According to the balance sheet, the increase amounts to TSKK 210 426 as shown in the table below:

	Balance			Change	
	31 Dec 2007 TSKK	31 Dec 2006 TSKK	31 Dec 2005 TSKK	2007 TSKK	2006 TSKK
Work in progress	141 871	162 756	-	(20 885)	162 756
Semi finished goods					
Finished goods	271 392	255 354	-	16 038	255 354
Total	877 634	662 361	-	215 273	888 951
	<u>1 290 897</u>	<u>1 080 471</u>	<u>-</u>	<u>210 426</u>	<u>1 307 061</u>
Reversal of a value adjustment				226 590	(226 590)
Price variances accounting				1 118 837	31 425
Change in the Income Statement				<u>1 555 853</u>	<u>1 111 896</u>

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.

### 3. Capitalized costs

Capitalized costs are presented in the table below:

	2007 TSKK	2006 TSKK
Self-constructed property, plant and equipment consists of:		
Capitalized self-constructed cars	21 106	-
Wages and salaries and social contribution	-	468 991
Travel expenses	-	6 023
Energy	-	217 942
Other	-	209 568
<b>Total</b>	<b>21 106</b>	<b>902 524</b>

### 4. Other operating income

Other operating incomes are presented in the table below:

	2007 TSKK	2006 TSKK
Revenues from sale of receivables	31 460 304	-
Revenues from sale of licence for sale of spare components	647 523	-
Government grants	416 121	286 233
Sale of scrap	120 620	-
Royalty fees received for using of licence for sale of spare components	85 093	-
Other	279 308	58 545
<b>Total</b>	<b>33 008 969</b>	<b>344 778</b>

### 5. Exchange rate gains

Exchange rate gains are presented in the table below:

	2007 TSKK	2006 TSKK
Realized exchange rate gains	1 017 948	306 771
Unrealized exchange rate gains	660 374	963 897
<b>Total</b>	<b>1 678 322</b>	<b>1 270 668</b>

## I. INFORMATION ABOUT EXPENSES

### 1. Costs of services provided

Costs of services provided are presented in the table below:

	2007 TSKK	2006 TSKK
Subcontractors - production	4 751 922	160 581
Transport - export	1 143 075	25 163
Royalty - licence fees	768 017	45 243
Subcontractors - logistics	669 475	235 711
Subcontractors - car assembly	223 762	586
Education of employees	216 361	631 017
Cleaning services	30 776	6 671
Repair and maintenance	40 326	4 618
Travel expenses	17 273	37 196
Representation and entertainment	61 332	17 034
Transport of employees	22 379	1 833
Insurance	15 642	456
Waste disposal	11 608	2 904
Rental	10 918	3 222
Advertising expenses	3 799	404 628
Other (below TSKK 10 000)	209 178	83 477
<b>Total</b>	<b>8 195 843</b>	<b>1 660 340</b>

### 2. Other operating expenses

Other operating expenses are presented in the table below:

	2007 TSKK	2006 TSKK
Nominal value of receivables sold	31 460 304	-
Provision for guarantee repair	1 063 134	23 946
Other	279 483	71 440
<b>Total</b>	<b>32 802 921</b>	<b>95 386</b>

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:

	2007 TSKK	2006 TSKK
Realized exchange rate losses	1 140 674	147 471
Unrealized exchange rate losses	53 019	23 981
<b>Total</b>	<b>1 193 693</b>	<b>171 452</b>



## J. INFORMATION ABOUT INCOME TAXES

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

	2007			2006		
	Tax base TSKK	Tax TSKK	Tax %	Tax base TSKK	Tax TSKK	Tax %
Loss before tax	1 139 463			(361 844)		100,00 %
At theoretical tax rate 19%		216 498	19,00 %		(68 750)	19,00 %
Tax non-deductible expenses	1 206 434	229 222	20,12 %	441 106	83 810	(23,16)%
Income not subject to tax	(2 057 522)	(390 929)	(34,31)%	(28 840)	(5 480)	1,51 %
Tax losses available to carry forward to the future	<u>(177 742)</u>	<u>(33 771)</u>	<u>9,33 %</u>	<u>(50 422)</u>	<u>(9 580)</u>	<u>2,65 %</u>
Tax base	110 633 0	21 020 0	14,14% 0	- 0	- 0	0,00%
<b>Current tax</b>		<u>21 020</u>	<u>1,84%</u>		-	<u>0,00%</u>
Deferred tax asset		<u>230 134</u>	<u>20,20%</u>		<u>51 066</u>	<u>(14,11)%</u>
<b>Total reported tax</b>		<u><b>251 154</b></u>	<u><b>22,04%</b></u>		<u><b>51 066</b></u>	<u><b>(14,11)%</b></u>

**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.

**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 15 772 (2006: TSKK 20 598) 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:

	2007	2006
<b>Transactions with the parent company and other group companies - purchases</b>	<b>TSKK</b>	<b>TSKK</b>
Purchases of assets, raw material and services from KIA Motors Corporation	4 258 266	1 818 757
Royalties, including accruals/deferrals of KIA Motors Corporation	413 733	1 946 197
Purchases of assets, raw material and services - others	33 534 705	4 952 713
<b>Total</b>	<b>38 206 704</b>	<b>8 717 667</b>

	2007	2006
<b>Transactions with the parent company and other group companies - sales</b>	<b>TSKK</b>	<b>TSKK</b>
Sales of finished to KIA Motors Corporation	7 556	8 419
Sales of semifinished goods to KIA Motors Corporation	206 104	-
Sales of finished goods - others	46 212 008	1 153 076
Sales of semifinished goods - others	15 179	4 505
Sales of license for spare parts sale and related royalties	732 623	-
Interest	232 309	-
Other sales	281 656	16 613
<b>Total</b>	<b>47 687 435</b>	<b>1 182 613</b>

In 2007, a short-term loan in amount of TSKK 1 673 709 (TEUR 50 000) was provided to related parties by the Company.

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

	2007 TSKK	2006 TSKK
Current receivables - KIA Motors Corporation	206 399	8 419
Current receivables - others	5 804 976	1 377 090
Short-term bank loan	1 673 709	-
<b>Total</b>	<b>7 685 084</b>	<b>1 385 509</b>

	2007 TSKK	2006 TSKK
Current liabilities - KIA Motors Corporation	2 565 240	300 775
Current liabilities - others	4 967 162	2 119 381
<b>Total</b>	<b>7 532 402</b>	<b>2 420 156</b>

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

No events with a material impact on the true and fair presentation of facts subject to the bookkeeping occurred after 31 December 2007.

#### O. INFORMATION ON EQUITY

The movements of equity during the 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					
Share capital	10 163 097	-	-	5 874 848	16 037 945
Change in share capital	3 357 740	2 517 108	-	(5 874 848)	-
Net profit (loss) of previous years					
Accumulated losses from previous years	(252 653)	-	-	(310 777)	(563 430)
Net profit of the current accounting period	(310 776)	888 308	-	310 776	888 308
<b>Total</b>	<b>12 957 407</b>	<b>3 405 416</b>	<b>-</b>	<b>-</b>	<b>16 362 822</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.

The general meeting will decide on the distribution of profit in the amount of TSKK 888 308 for the year 2007 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 44 415;
- settlement of accumulated losses from previous years 563 431 TSKK and
- transfer to accumulated profits from previous years 281 462 TSKK.



**P. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2007**

	2007 TSKK	2006 TSKK
<b>Cash flows from operating activities</b>		
Cash generated from operations	(2 856 119)	(2 675 340)
Interest paid	(268 651)	(72 161)
Interest received	22 926	32 439
Income tax paid	4 528	(2 977)
<b>Net cash outflow from operating activities</b>	<b>(3 097 316)</b>	<b>(2 718 039)</b>
<b>Cash flows from investing activities</b>		
Purchase of non-current assets	(4 742 371)	(10 913 205)
Subsides received for non-current assets acquisition	395 500	-
Income from sale of non-current assets	17 377	551
Intercompany credit advanced	(1 680 150)	-
<b>Net cash outflow from investing activities</b>	<b>(6 009 644)</b>	<b>(10 912 654)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	2 517 108	6 537 692
Interest paid	(441 077)	-
Proceeds from short-term loans	3 662 727	-
Proceeds from ECA loans	2 053 392	(6 201)
Repayment of ECA loans	(715 546)	6 550 811
<b>Net cash inflow from financing activities</b>	<b>7 076 604</b>	<b>13 082 302</b>
Net decrease in cash and cash equivalents	(2 030 356)	(548 391)
Cash and cash equivalents at the beginning of period	(2 066 307)	(1 517 916)
<b>Cash and cash equivalents at the end of period</b>	<b>(4 096 663)</b>	<b>(2 066 307)</b>



**Cash generated from operations**

	2007 TSKK	2006 TSKK
<b>Net profit (before interest, tax and extraordinary items)</b>	<b>1 826 264</b>	<b>(322 120)</b>
Adjustments for non-monetary transactions:		
Depreciation and value adjustments to non-current assets	2 070 828	128 956
Value adjustment to inventories	(226 590)	226 590
Provisions	1 071 006	29 113
Loss on sale of non-current assets	974	36
Unrealized exchange rate losses	53 019	23 981
Unrealized exchange rate gains	(660 374)	(963 897)
Release of subsidy for non-current asset	(257 065)	-
Operating profit before working capital changes	<u>3 878 062</u>	<u>(877 341)</u>
Changes in working capital:		
Increase in trade and other receivables (including accruals/deferrals of assets)	(7 172 570)	(3 403 762)
Increase in inventories	(5 318 400)	(3 091 900)
Increase in liabilities (including accruals/deferrals of liabilities)	5 756 789	4 697 663
	<u>(6 734 181)</u>	<u>(1 797 999)</u>
<b>Cash generated from operations</b>	<b><u>(2 856 119)</u></b>	<b><u>(2 675 340)</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.

22 February 2008  
Date

Woo-Jeong Joo  
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

TSKK

Designation a	ASSETS b	Line No. c	Current accounting period			Preceding accounting period
			Gross	Correction	Net	Netto
			1	2	3	4
	Total assets line 002 + line 003 + line 032 + line 062	<b>001</b>	53 288 412	2 188 466	51 099 946	34 014 077
<b>A.</b>	Receivables related to unpaid share capital (353)	<b>002</b>			0	
<b>B.</b>	Non-current assets line 004 + line 013 + line 023	<b>003</b>	30 902 935	2 188 466	28 714 469	26 061 276
<b>B.I.</b>	Non-current intangible assets - total (lines 005 to 012)	<b>004</b>	554 410	92 269	462 141	606 355
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	554 410	92 269	462 141	4 032
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	602 323
8.	Advance payments made for non-current intangible assets (051) - 095A	012	0	0	0	0
<b>B.II.</b>	Property, plant and equipment - total (lines 014 to 022)	<b>013</b>	30 348 525	2 096 197	28 252 328	25 454 921
B.II.1.	Land (031) - 092A	014	0	0	0	0
2.	Structures (021) - /081, 092A/	015	7 821 432	281 686	7 539 746	7 743 026
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	016	21 055 011	1 778 991	19 276 020	15 938 474
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	131 361	35 520	95 841	79 029
7.	Acquisition of property, plant and equipment (042) - 094	020	1 303 432	0	1 303 432	977 396

8.	Advance payments made for property, plant and equipment (052) - 095A	021	37 289	0	37 289	716 996
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>20 410 558</b>	<b>0</b>	<b>20 410 558</b>	<b>5 643 193</b>
<b>C.I.</b>	<b>Inventory - total (lines 034 to 040)</b>	<b>033</b>	<b>8 426 428</b>	<b>0</b>	<b>8 426 428</b>	<b>2 881 438</b>
C.I.1.	Raw material (112, 119, 11X) - /191, 19X/	034	7 135 531	0	7 135 531	1 800 967
2.	Work in progress and semi-finished products (121, 122, 12X) - /192, 193, 19X/	035	413 263	0	413 263	418 110
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	877 634	0	877 634	662 361
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>0</b>	<b>0</b>	<b>0</b>	<b>101 602</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	0	0	0	101 602
<b>C.III.</b>	<b>Current receivables - total (lines 049 to 055)</b>	<b>048</b>	10 947 597	0	10 947 597	2 161 772
C.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	049	7 459 067	0	7 459 067	1 614 850
2.	Receivables from a subsidiary and a parent (351A) - 391A	050	0	0	0	0
3.	Other intercompany receivables (351A) - 391A	051	1 673 709	0	1 673 709	0
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	1 801 118	0	1 801 118	528 542
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	055	13 703	0	13 703	18 380
<b>C.IV.</b>	<b>Financial accounts - total (lines 057 to 061)</b>	<b>056</b>	1 036 533	0	1 036 533	498 381
C.IV.1.	Cash on hand (211, 213, 21X)	057	1343	0	1343	228
2.	Bank accounts (221A, 22X +/-261)	058	1 036 450	0	1 036 450	498 153
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
<b>D.</b>	<b>Accruals/deferrals - line 063 and line 064</b>	<b>062</b>	1 974 919	0	1 974 919	2 309 608
D.1.	Prepaid expenses (381, 382)	063	1 950 427	0	1 950 427	2 208 675
2.	Accrued income (385)	064	24 492	0	24 492	100 933

Designation a	LIABILITIES AND EQUITY b	Line No. c	Current accounting period	Preceding accounting period
			5	6
	Total equity and liabilities line 066 + line 086 + line 116	<b>065</b>	51 099 946	34 014 077
<b>A.</b>	<b>Equity line 067 + line 071 + line 078 + line 082 + line 085</b>	<b>066</b>	16 362 822	12 957 408
<b>A.I.</b>	<b>Share capital - total (lines 068 to 070)</b>	<b>067</b>	16 037 945	13 520 837
A.I.1.	Share capital (411 or +/- 491)	068	16 037 945	10 163 097
2.	Own shares and own ownership interests (/-/252)	069	0	0
3.	Change in share capital +/- 419	070	0	3 357 740
<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>	-563 431	-252 653
A.IV.1.	Retained earnings from previous years (428)	083	0	0
2.	Accumulated losses from previous years (/-/429)	084	-563 431	-252 653
<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>	888 308	-310 776
<b>B.</b>	<b>Liabilities line 87 + line 91 + line 102 + line 112</b>	<b>086</b>	31 556 167	18 286 354
<b>B.I.</b>	<b>Provisions - total (lines 088 to 090)</b>	<b>087</b>	1 103 376	32 370
B.I.1.	Legal provisions (451A)	088	0	0
2.	Other long-term provisions (459 A, 45XA)	089	957 966	20 525
3.	Short-term provisions (323, 32X, 451A, 459A, 45XA)	090	145 410	11 845

<b>B.II.</b>	<b>Non-current liabilities - total (lines 092 to 101)</b>	<b>091</b>	133 341	3 692
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	4 809	3 692
9.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100	0	0
10.	Deferred tax liability (481A)	101	128 532	0
<b>B.III.</b>	<b>Current liabilities - total (lines 103 to 111)</b>	<b>102</b>	10 572 669	5 697 729
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	10 310 236	4 123 807
2.	Unbilled supplies (326, 476A)	104	135 172	1 002 371
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	47 713	29 292
7.	Liabilities related to social security (336, 479A)	109	39 156	17 148
8.	Tax liabilities and subsidies (341, 342, 343, 345, 346, 347, 34X)	110	37 261	484 207
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	3 131	40 904
<b>B.IV.</b>	<b>Bank loans and financial assistance - total (lines 113 to 115)</b>	<b>112</b>	19 746 781	12 552 563
B.IV.1.	Long-term bank loans (461A, 46XA)	113	9 588 122	9 897 875
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	10 158 659	2 654 688
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>	3 180 957	2 770 315
C.1.	Accrued expenses (383)	117	14 592	13 509
2.	Deferred income (384)	118	3 166 365	2 756 806



## Income statement

TSKK

Designation a	Text b	Line No. c	Actual data	
			Current accounting period 1	Preceding accounting period 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	55 840 054	3 180 420
II.1.	Revenue from the sale of own products and services (601, 602)	05	54 263 135	1 166 000
2.	Changes in internal inventory (+/- account group 61)	06	1 555 813	1 111 896
3.	Own work capitalized (account group 62)	07	21 106	902 524
B.	Production line 09 + line 10	08	50 787 898	3 921 730
B.1.	Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503, 505A)	09	42 592 056	2 261 390
2.	Services (account group 51)	10	8 195 843	1 660 340
+	Added value line 03 + line 04 -line 08	11	5 052 155	-741 310
C.	Personnel expenses total (lines 13 to 16)	12	1 358 338	747 991
C.1.	Wages and salaries (521, 522)	13	1 062 115	616 624
2.	Remuneration of board members of company or cooperative (523)	14	0	0
3.	Social security expenses (524, 525, 526)	15	258 890	112 631
4.	Social expenses (527, 528)	16	37 333	18 736
D.	Taxes and fees (account group 53)	17	2 282	1 346

E.	Amortization and value adjustments to non-current intangible assets and depreciation and value adjustments to property, plant and equipment (551,553)	18	2 070 828	128 956
III.	Revenue from the sale of non-current assets and raw materials (641, 642)	19	4 217 804	445 982
F.	Carrying value of non-current assets sold and raw materials sold (541, 542)	20	4 617 114	487 837
IV.	Other operating income (644, 645, 646, 648, 655, 657)	21	33 008 969	344 778
G.	Other operating expenses (543, 544, 545, 546, 547, 548, 549, 555, 557)	22	32 802 921	95 386
V.	Transfer of operating income (-) (697)	23	0	0
H.	Transfer of operating expenses (-) (597)	24	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)</b>	<b>25</b>	<b>1 427 445</b>	<b>-1 412 066</b>
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	256 967	32 439

M.	Interest expense (562)	38	943 769	72 161
XI.	Exchange rate gains (663)	39	1 678 323	1 270 668
N.	Exchange rate losses (563)	40	1 193 693	171 452
XII.	Other income from financial activities (668)	41	6	0
O.	Other expenses related to financial activities (568, 569)	42	85 817	9 270
XIII.	Transfer of financial income (-) (698)	43	0	0
P.	Transfer of financial expenses (-) (598)	44	0	0
*	<b>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)</b>	<b>45</b>	<b>-287 983</b>	<b>1 050 224</b>
R.	Income tax on ordinary activities line 47+ line 48	46	251 154	-51 066
R.1	- current (591,595)	47	21 020	0
2.	- deferred (+/-592)	48	230 134	-51 066
**	<b>Profit/loss from ordinary activities line 25 + line 45 - line 46</b>	<b>49</b>	<b>888 308</b>	<b>-310 776</b>
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
*	<b>Profit/loss from extraordinary activities line 50 - line 51 - line 52</b>	<b>55</b>	<b>0</b>	<b>0</b>
U.	Transfer of net profit/net loss shares to partners (+/-596)	56	0	0
***	<b>Profit/loss for the accounting period (+/-) [line 49 + line 55 - line 56]</b>	<b>57</b>	<b>888 308</b>	<b>-310 776</b>