

SsangYong Motor Company
BALANCE SHEETS
AS OF DECEMBER 31, 2003 AND 2002

	Korean Won		Translation into U.S. Dollar	
	2003	2002	2003	2002
	(In thousands)		(In thousands)	
ASSETS				
CURRENT ASSETS :				
Cash and cash equivalents	\ 128,910,039	\ 173,005,645	\$107,622	\$144,436
Short-term financial instruments	66,311,888	49,388,947	55,361	41,233
Trading securities	927,375	861,679	774	719
Trade receivables	216,177,048	230,459,666	180,478	192,403
Short-term loans	2,705,532	1,657,768	2,259	1,384
Other receivables	17,877,710	20,285,154	14,926	16,935
Advanced payments	44,848,861	15,168,316	37,443	12,663
Prepaid expenses	3,948,840	3,679,585	3,297	3,072
Inventories	316,822,038	192,267,397	264,503	160,517
Other current assets	3,770,057	2,242,631	3,148	1,872
	<u>802,299,388</u>	<u>689,016,788</u>	<u>669,811</u>	<u>575,234</u>
NON-CURRENT ASSETS :				
Long-term financial instruments	16,000	14,500	13	12
Long-term other receivables	-	36,495,929	-	30,469
Available-for-sale securities	1,607,739	2,769,134	1,342	2,312
Long-term loans	28,557,986	29,979,290	23,842	25,029
Long-term trade receivables	538,946	174,591	450	146
Guarantee deposits	36,078,901	29,555,708	30,121	24,675
Group severance insurance deposits	6,952,696	6,717,608	5,805	5,608
Advance for employee contribution	5,530,380	4,923,660	4,617	4,111
Deferred tax assets	228,838,866	-	191,049	-
Other investments in properties	1,885,153	-	1,574	-
Property, plant and equipment, net	1,334,148,967	1,330,104,405	1,113,833	1,110,456
Intangible assets	83,209,076	67,695,654	69,468	56,517
	<u>1,727,364,710</u>	<u>1,508,430,479</u>	<u>1,442,114</u>	<u>1,259,335</u>
Total Assets	<u>\ 2,529,664,098</u>	<u>\ 2,197,447,267</u>	<u>\$2,111,925</u>	<u>\$1,834,569</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES :				
Trade payables	\ 374,746,348	\ 390,028,059	\$312,862	\$325,620
Short-term borrowings	17,458,047	100,235,243	14,575	83,683
Other payables	233,023,162	264,820,353	194,543	221,089
Advances from customers	6,084,742	9,727,916	5,080	8,121
Withholdings	25,629,589	41,213,427	21,397	34,408
Accrued expenses	26,314,875	38,355,383	21,969	32,022
Current-portion of long-term debt	118,882,992	91,778,929	99,251	76,623
Accrued warranties and product liabilities	48,583,717	55,515,659	40,561	46,348
Other current liabilities	2,335,082	1,251,545	1,949	1,045
	<u>853,058,554</u>	<u>992,926,514</u>	<u>712,187</u>	<u>828,959</u>
LONG-TERM LIABILITIES :				
Debentures	-	2,494,242	-	2,082
Long-term debt	284,824,102	405,047,180	237,789	338,159
Accrued severance indemnities	142,260,214	133,001,913	118,768	111,039
Long-term accrued warranties and product liabilities	43,492,793	47,577,126	36,311	39,720
Other long-term liabilities	-	50,000	-	42
	<u>470,577,109</u>	<u>588,170,461</u>	<u>392,868</u>	<u>491,042</u>
Total liabilities	<u>1,323,635,663</u>	<u>1,581,096,975</u>	<u>1,105,055</u>	<u>1,320,001</u>
SHAREHOLDERS' EQUITY :				
Capital stock	604,023,100	604,023,100	504,277	504,277
Capital surplus	15,440,281	5,149,844,305	12,891	4,299,419
Retained earning	589,695,819	(5,134,404,024)	492,316	(4,286,529)
Capital adjustments				
Loss on valuation of available-for-sale securities	(3,125,199)	(3,107,523)	(2,609)	(2,594)
Loss on disposal of treasury stock	(5,566)	(5,566)	(5)	(5)
Total Shareholders' Equity	<u>1,206,028,435</u>	<u>616,350,292</u>	<u>1,006,870</u>	<u>514,568</u>
Total Liabilities and Shareholders' Equity	<u>\ 2,529,664,098</u>	<u>\ 2,197,447,267</u>	<u>\$2,111,925</u>	<u>\$1,834,569</u>

SsangYong Motor Company
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	Korean Won		Translation into U.S. Dollar	
	2003	2002	2003	2002
	(In thousands, except per share amounts)		(In thousands, except per share amounts)	
SALES	\ 3,281,451,843	\ 3,417,339,191	\$2,739,566	\$2,853,012
COST OF SALES	<u>2,475,695,548</u>	<u>2,589,560,592</u>	<u>2,066,869</u>	<u>2,161,930</u>
GROSS PROFIT	805,756,295	827,777,599	672,697	691,082
SELLING AND ADMINISTRATIVE EXPENSES	<u>516,179,828</u>	<u>509,411,234</u>	<u>430,940</u>	<u>425,289</u>
OPERATING INCOME	<u>289,576,467</u>	<u>318,366,365</u>	<u>241,757</u>	<u>265,793</u>
OTHER INCOME (EXPENSES) :				
Interest income	16,920,237	12,905,625	14,126	10,774
Interest expense	(49,234,300)	(68,470,185)	(41,104)	(57,163)
Reversal of allowance for doubtful accounts (bad debt expense), net	115,040,929	(1,666,441)	96,044	(1,391)
Loss on disposal of trading securities	(6,647)	(16,261)	(6)	(14)
Gain (loss) on valuation of trading securities, net	58,711	(78,643)	49	(66)
Loss on valuation of inventories	(2,664,428)	(1,172,425)	(2,224)	(979)
Gain (loss) on disposal of investment	(3,622,180)	2,587	(3,024)	2
Loss on disposal of property, plant and equipment, net	(4,734,678)	(1,361,797)	(3,953)	(1,137)
Impairment loss on property, plant and equipment, net	(12,293,449)	(4,832,552)	(10,263)	(4,034)
Gain (loss) on foreign currency transactions, net	(4,639,726)	4,286,574	(3,874)	3,579
Loss on foreign currency translations, net	(5,752,169)	(4,854,078)	(4,802)	(4,052)
Product warranty expenses	-	(7,951,748)	-	(6,639)
Reparation for product warranty expenses	11,364,446	16,983,956	9,488	14,179
Loss on futures transactions, net	-	(32,764)	-	(27)
Depreciation expense on assets not in use	(251,442)	(466,450)	(210)	(389)
Fees earned	5,497,202	2,101,650	4,589	1,755
Gain on liabilities exempted	5,594,966	-	4,671	-
Donations	(1,066,969)	(3,114,137)	(891)	(2,600)
Others, net	(4,557,349)	11,870,580	(3,805)	9,910
	<u>65,653,154</u>	<u>(45,866,509)</u>	<u>54,811</u>	<u>(38,292)</u>
ORDINARY INCOME (LOSS)	355,229,621	272,499,856	296,568	227,501
EXTRAORDINARY INCOME (LOSS)				
Gain on liabilities exempted	5,627,332	47,788,979	4,698	39,897
Gain on insurance settlement	-	89,465	-	75
Gain on asset contributed	-	46,728	-	39
	<u>5,627,332</u>	<u>47,925,172</u>	<u>4,698</u>	<u>40,011</u>
INCOME BEFORE INCOME TAX	360,856,953	320,425,028	301,266	267,512
INCOME TAX BENEFITS	<u>(228,838,866)</u>	<u>-</u>	<u>(191,050)</u>	<u>-</u>
NET INCOME	<u>\ 589,695,819</u>	<u>\ 320,425,028</u>	<u>\$492,316</u>	<u>\$267,512</u>
ORDINARY INCOME (LOSS) PER SHARE	<u>\ 4,849</u>	<u>\ 2,485</u>	<u>\$4</u>	<u>\$2</u>
EARNINGS PER SHARE	<u>\ 4,881</u>	<u>\ 2,922</u>	<u>\$4</u>	<u>\$2</u>