

'07 Business Results & '08 Business Plans


CHAIRMAN



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Investor Relations 2008

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Sales Volume

[Units]

		2007	2006	Growth
CBU	Domestic	60,616	55,947	+8.3%
	Overseas	64,001	60,035	+6.6%
	CBU Total	124,617	115,982	+7.4%
CKD - Vehicle		7,020	3,558	+97.3%
Grand Total		131,637	119,540	+10.1%
KD - Components		4,944	1,656	+198.6%

Overseas Sales Results

[Units]

	2007	2006	%
CBU	64,001	60,035	+6.6%
CKD	7,020	3,558	+97.3%
Total	71,021	63,593	+11.7%

Russia			
CBU	7,125	3,030	135.1%
CKD	6,840	2,820	142.6%

West Europe			
CBU	26,837	38,186	-29.7%

East Europe			
CBU	6,051	2,834	113.5%

China			
CBU	6,051	1,976	206.2%

Middle East & Africa			
CBU	6,154	4,163	47.8%
CKD	-	540	-%

Asia / Pacific			
CBU	3,435	4,444	-22.7%
CKD	180	198	-9.1%

North / Central / South America			
CBU	8,348	5,402	54.5%

Income Statement

[KRW billion]

	2007		2006		Growth
Sales Revenue	3,119.3	100%	2,951.8	100%	5.7%
Cost of Sales	2,532.1	81.2%	2,386.7	80.9%	6.1%
Gross Profit	587.2	18.8%	565.1	19.1%	3.9%
SG&A	543.1	17.4%	537.9	18.2%	0.97%
Operating Income	44.1	1.4%	27.3	0.9%	62.1%
Income before Tax	11.6	0.4%	-57.7	-2.0%	Turn-around
Net Income	11.6	0.4%	-196.0	-6.6%	Turn-around
EBITDA*	238.8	7.7%	248.4	8.4%	

* EBITDA : Operating Income + Depreciation + Amortization

<Even the field audit was completed by auditor, number are not confirmed due to the auditor's internal processes>

Balance Sheet

[KRW billion]

	FY 2007	FY 2006	Changes	
Total Assets	2,417.2	2,351.3	65.9	2.8%
Current Assets	834.8	695.0	139.8	20.1%
Cash & Cash Equivalents*	172.3	138.3	34.0	24.6%
Total Liabilities	1,450.8	1,426.0	24.8	1.7%
Current Liabilities	835.5	900.4	-64.9	-7.2%
Short/Long-Term Debts	607.5	370.3	237.2	64.1%
Equity	966.4	925.3	41.1	4.4%

Debt Ratio	150.1%	154.1%
Current Ratio	99.9%	77.2%
Debt/Asset	25.1%	15.7%
Interest Coverage Ratio	1.4x	0.7x

* Cash & Cash Equivalents = Cash + Short-term Financial Instruments + Available-for-sale securities

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Cash Flows

[KRW billion]

Net Operating Cash Flow $\Delta 116.1$

Net Income	11.6
Depreciation & Amortization	187.3
Decrease in Account Payables	$\Delta 226.8$
Decrease in Accrued Payables	$\Delta 17.3$
Increase in Account Receivables	$\Delta 137.7$
Others	66.8

Net Investment Cash Flow $\Delta 205.6$

Increase in Current Assets	$\Delta 102.5$
Increase in Intangible Assets	$\Delta 48.8$
Others	$\Delta 54.3$

Net Financing Cash Flow 256.1

Short-term Borrowings	8.6
Convertible Bond Issuance	247.5

Beginning Cash Balance

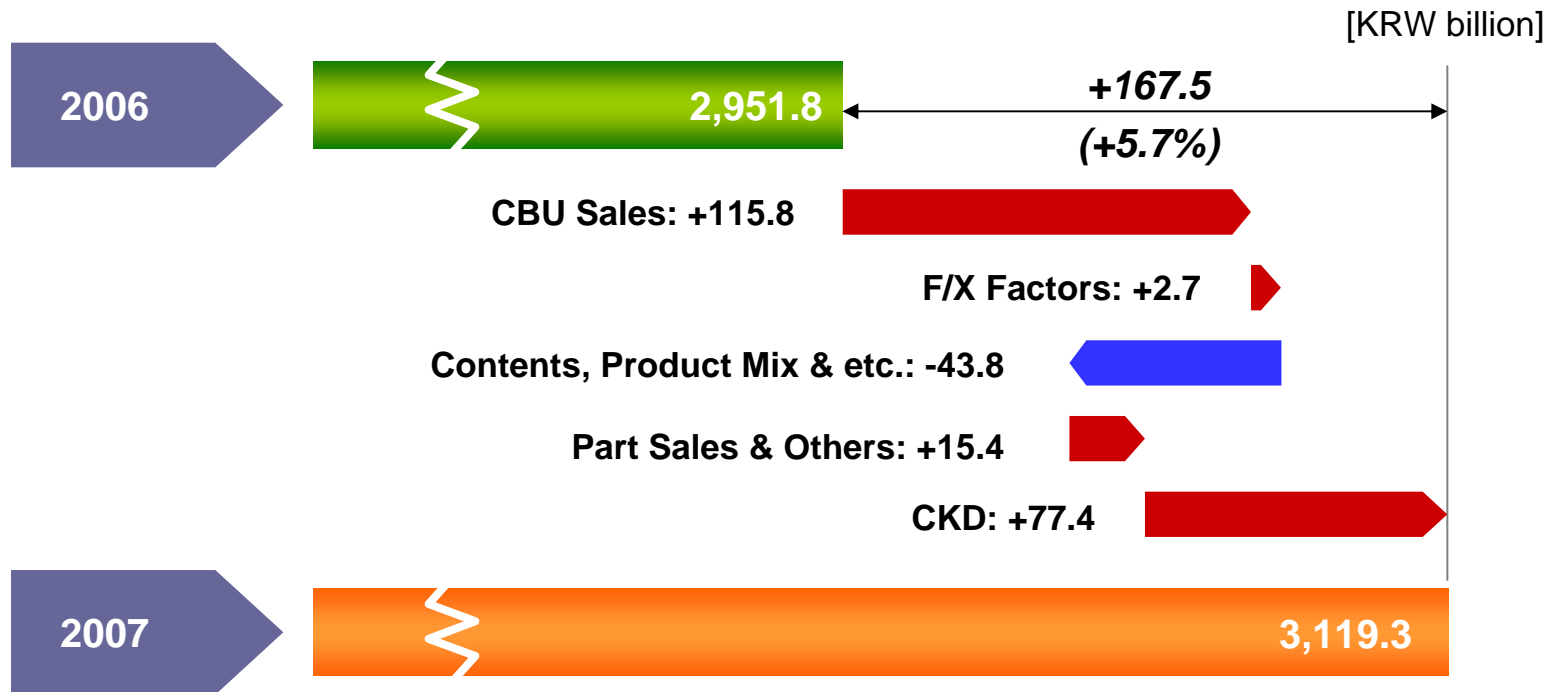
133.7

Net Changes $\Delta 65.6$

Ending Cash Balance

68.1

Sales Revenue Analysis



Positive Influence

- Increase Sales of CBU(+7%) & CKD(+97%)
- Strong Euro (Euro: 1,196 → 1,270 ↑ 6.2%)
- Increase A/S and Parts Sales

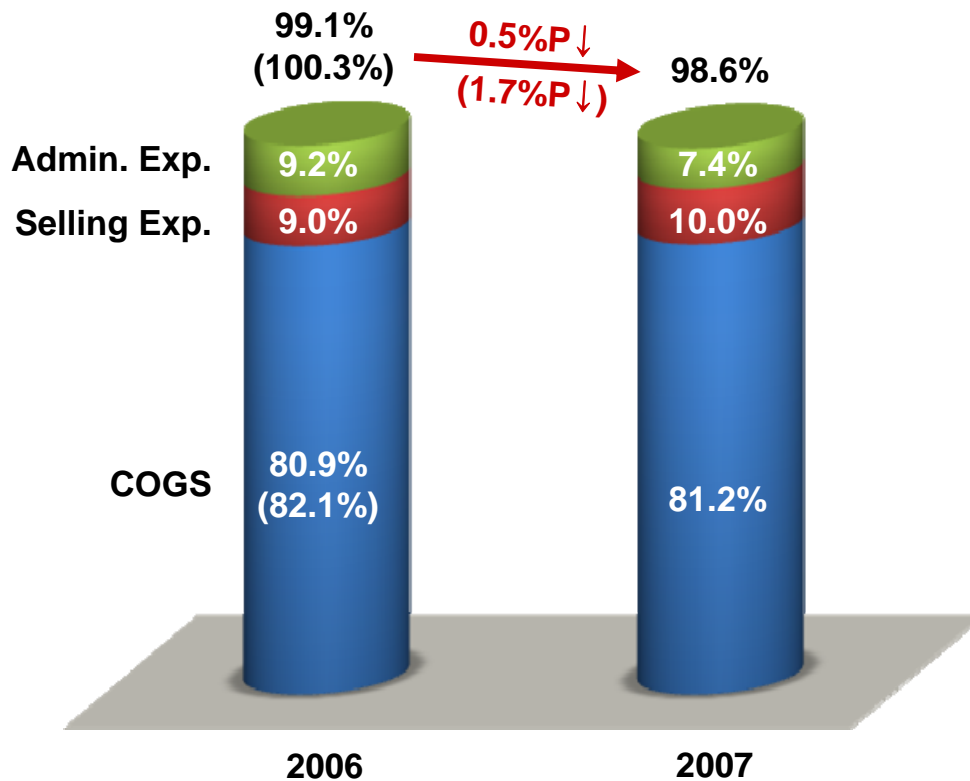
Challenging Factor

- Weak Dollar (USD: 952 → 931 ↓ 2.2%)
- Strong Marketing Activities

COGS, SG&A Analysis

COGS, SG&A

[Based on Sales Revenue]



Positive Influence

- Continued Material Cost Reduction Activity
- Structural Cost Decreased
- Strike-free Labor Relationship

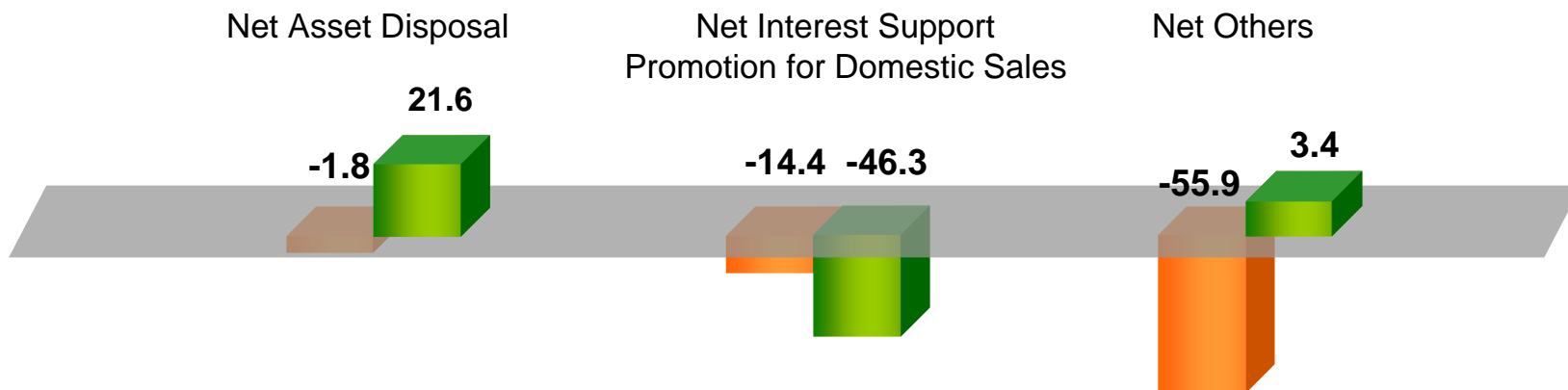
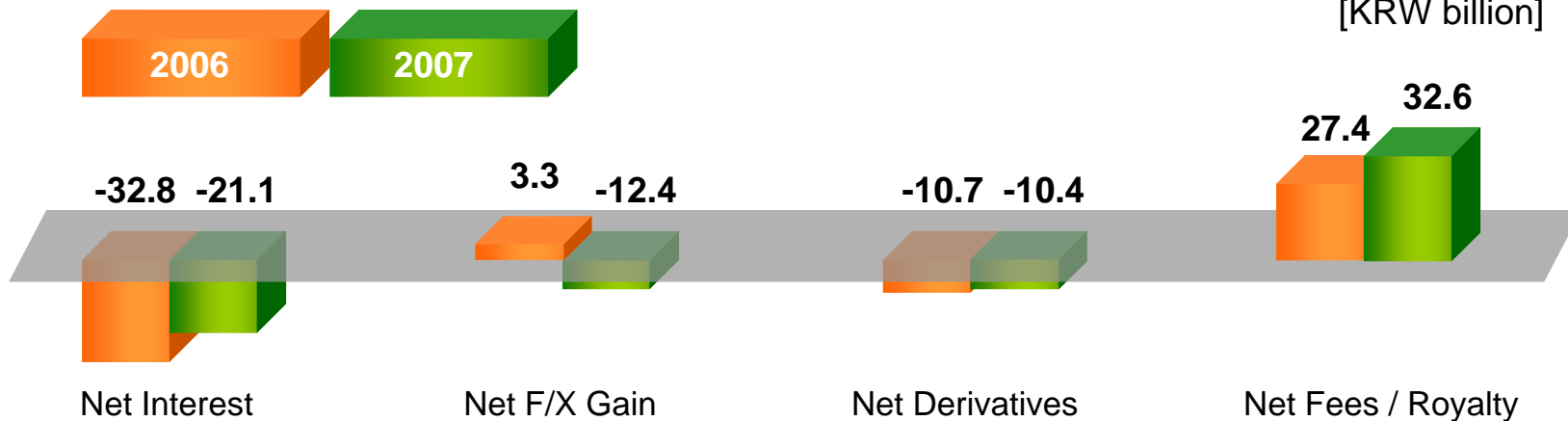
Challenging Factor

- Labor Economics / Efficiencies
- Investment in network strengthening, and improved awareness/demand generation activities

* (): Considering Labor Strike cost (KRW 36 bil., 1.2%)

Net Non-Operating Income/Expense

[KRW billion]



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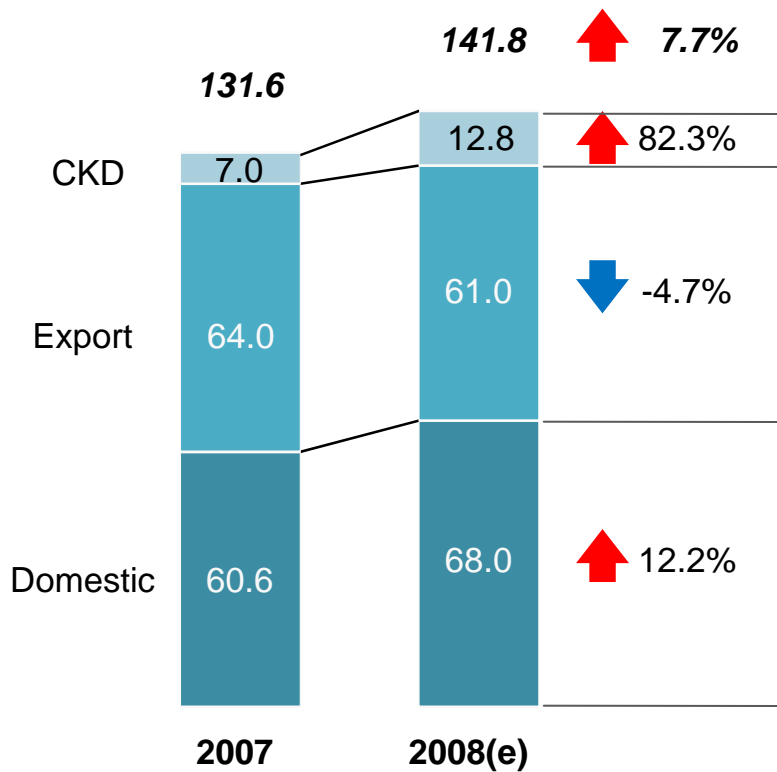
- Sales Plan
- Profit Target



Sales / Revenue

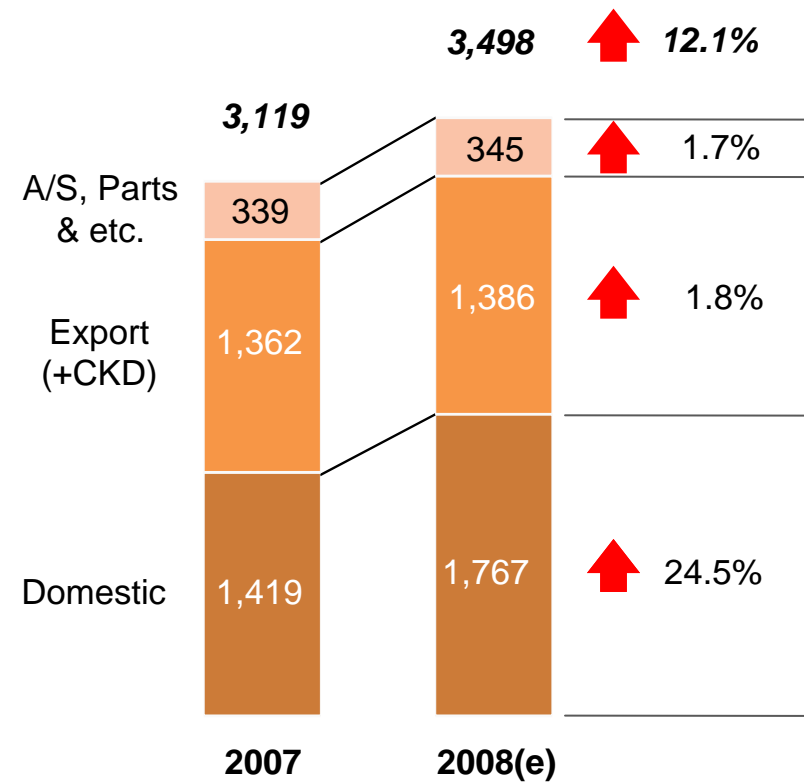
Sales

[Units]



Revenue

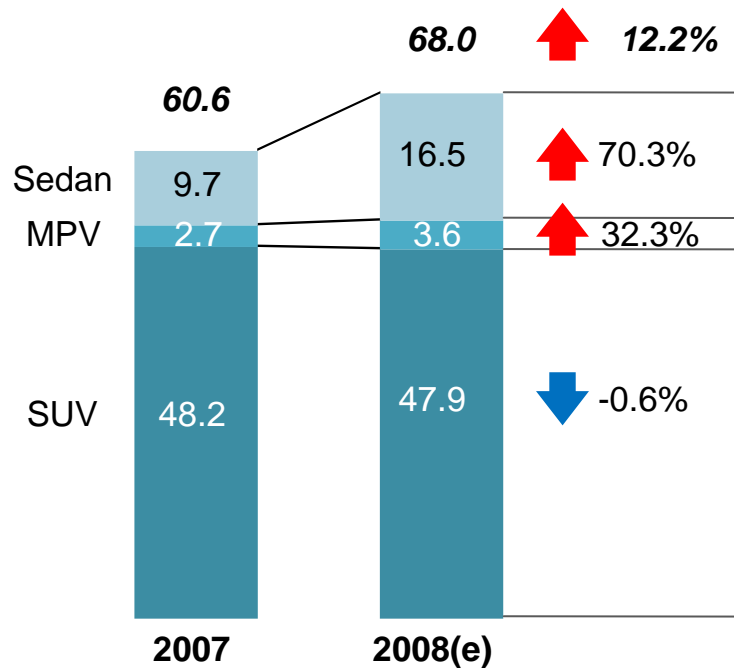
[KRW Billions]



Domestic / Export Sales

Domestic Sales

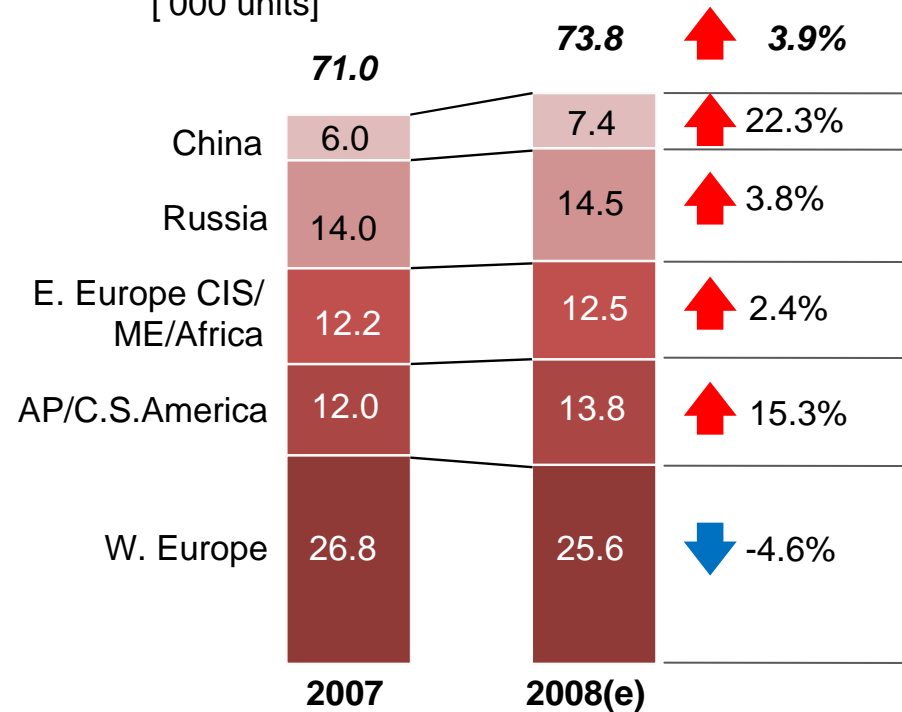
[‘000 units]



- Launching Chairman W & Repositioning Chairman H
- Style & Product Features Improvement
- Strong Marketing Activities

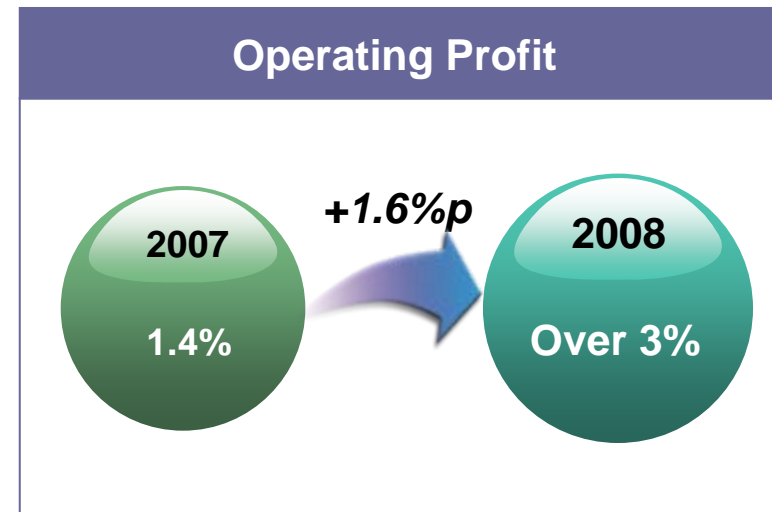
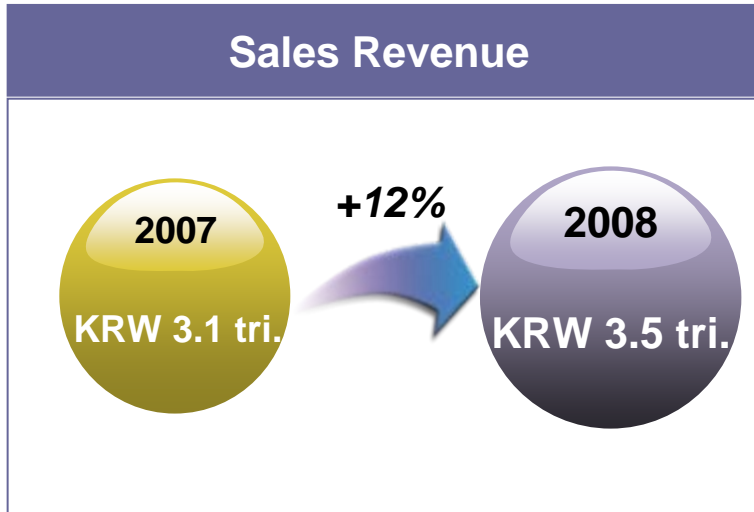
Export Sales (with CKD)

[‘000 units]



- Full Year Oversea Sales of New Kyrion
- Launching Year Model & Strong Promotion
- Sales Increase in China & Asia Pacific Region
- Strong Sales Marketing in West Europe

Profit Target



Investment	Around 8% Investment to Revenue
<ul style="list-style-type: none">● Investment Cost Sharing with SAIC Group● Invest 70% of total investment on Product Development Projects● Strengthen Financial Stability through Cash Flow Management	



Launch, Feb. 27, 2008

Appendix: Financial Summary

[Units, KRW billion]

	2007 4Q		2007 3Q		QoQ	2006 4Q		YoY
CBU Sales	28,983	100%	30,577	100%	-5.2%	33,616	100%	-13.8%
Domestic	13,948	48.1%	15,510	50.7%	-10.1%	13,246	39.4%	5.3%
Export	15,035	51.9%	15,067	49.3%	-0.2%	20,370	60.6%	-26.2%
CKD-Vehicle	3,480		1,290		169.8%	1,770		96.6%
KD-Component	2,064		432		378.0%	1,008		104.8%
Revenue	740.6	100%	745.5	100%	-0.7%	844.5	100%	-12.3%
Gross Profit	123.5	16.7%	147.1	19.7%	-16.0%	164.3	19.5%	-24.8%
Operating Income	-13.0	-1.8%	16.5	2.3%		20.3	2.4%	
Non-Op. Income	61.8	8.3%	28.5	3.8%	117%	16.1	1.9%	283%
Non-Op. Expense	53.9	7.3%	43.8	5.8%	23.1%	30.5	3.6%	76.7%
Income before Tax	-5.1	-0.7%	1.2	0.2%		5.9	0.7%	
Net Income	-5.1	-0.7%	1.2	0.2%		-130.6	-15.5%	

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