

FY 2008 1st Half Business Result



Sales Volume

Investor Relations
August 12, 2008

['0 units]

		2008 H1	2007 H1	%
CBU	Domestic	21,047	31,158	-33%
	Export	23,145	33,899	-32%
	Sub-total	44,192	65,057	-32%
CKD		5,610	2,250	+149%
Total		49,802	67,307	-26%
KD - Components		7,488	2,448	+206%

Overseas Sales by Region

Investor Relations
August 12, 2008

['0 units]

	2008 H1	2007 H1	%
CBU	23,145	33,899	-32%
CKD	5,610	2,250	149%
Total	28,755	36,149	-21%

Russia			
CBU	3,407	4,894	-30%
CKD	5,400	2,160	150%

West Europe			
CBU	2,980	16,366	-82%

East Europe			
CBU	3,244	2,234	45%

China			
CBU	1,714	3,252	-47%

Middle East & Africa			
CBU	3,794	1,937	96%

Asia / Pacific			
CBU	2,945	1,548	90%
CKD	210	90	133%

North / Central / South America			
CBU	5,061	3,668	38%

Income Statement (YoY)

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[Unit: KRW Billion]

	Cumulative				Changes	
	2008 H1		2007 H1			
Sales Revenue	1,328.8	100%	1,633.2	100%	-304.4	-18.6%
COGS	1,115.3	83.9%	1,316.6	80.6%	-201.2	-15.3%
Gross Profit	213.5	16.1%	316.6	19.4%	-103.1	-32.6%
Selling Exp.	146.6	11.0%	156.0	9.6%	-9.4	-6.0%
Admin. Exp.	126.8	9.5%	120.0	7.3%	6.8	5.7%
Operating Income	-59.9	-4.5%	40.6	2.5%	-100.5	-
Non-Op. Income	103.1	7.8%	40.5	2.5%	62.5	154.2%
Non-Op. Exp.	113.0	8.5%	65.6	4.0%	47.4	72.2%
EBIT	-69.9	-5.3%	15.5	1.0%	-85.3	-
Net Income	-69.9	-5.3%	15.5	1.0%	-85.3	-
EBITDA*	44.1	3.3%	137.6	8.4%	-93.5	-68%

* 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

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[Unit: KRW Billion]

	2008 H1	2008 Q1	FY 2007	Changes from end of 2007	
Total Asset	2,405.2	2,446.6	2,417.2	-12.0	-0.5%
Current Assets	824.2	861.6	834.9	-10.7	-1.3%
Cash & Cash Equivalents	66.7	119.5	68.1	-1.4	-2.1%
Non-Current Assets	1,581.0	1,585.0	1,582.3	-1.3	-0.1%
Total Liabilities	1,508.2	1,514.2	1,450.8	57.4	4.0%
Current Liabilities	1,032.1	883.2	835.5	196.6	23.5%
Non-Current Liabilities	476.1	631.0	615.3	-139.2	-22.6%
Stockholders' Equity	897.0	932.4	966.4	-69.4	-7.2%
Liabilities & Stockholders' Equity	2,405.2	2,446.6	2,417.2	-12.0	-0.5%

Debt Ratio	168.1%	162.4%	150.1%
Current Ratio	79.9%	97.6%	99.9%
Debt / Asset	26.1%	24.5%	25.1%

Cash Flow

Investor Relations
August 12, 2008

[Unit: KRW bil.]

Net Operating Cash Flow 1.0

Net Income Δ 69.9

Depreciation & Amortization 100.8

Net Changes in Working Capital Δ 41.8

Other 11.9

Net Investment Cash Flow Δ 10.3

Decrease in Current Assets 92.6

Increase in Investment Assets Δ 3.9

Increase in Tangible Assets Δ 58.2

Increase in Intangible Assets Δ 40.8

Net Financing Cash Flow 7.9

Short-term Borrowings 7.9

Beginning Cash Balance

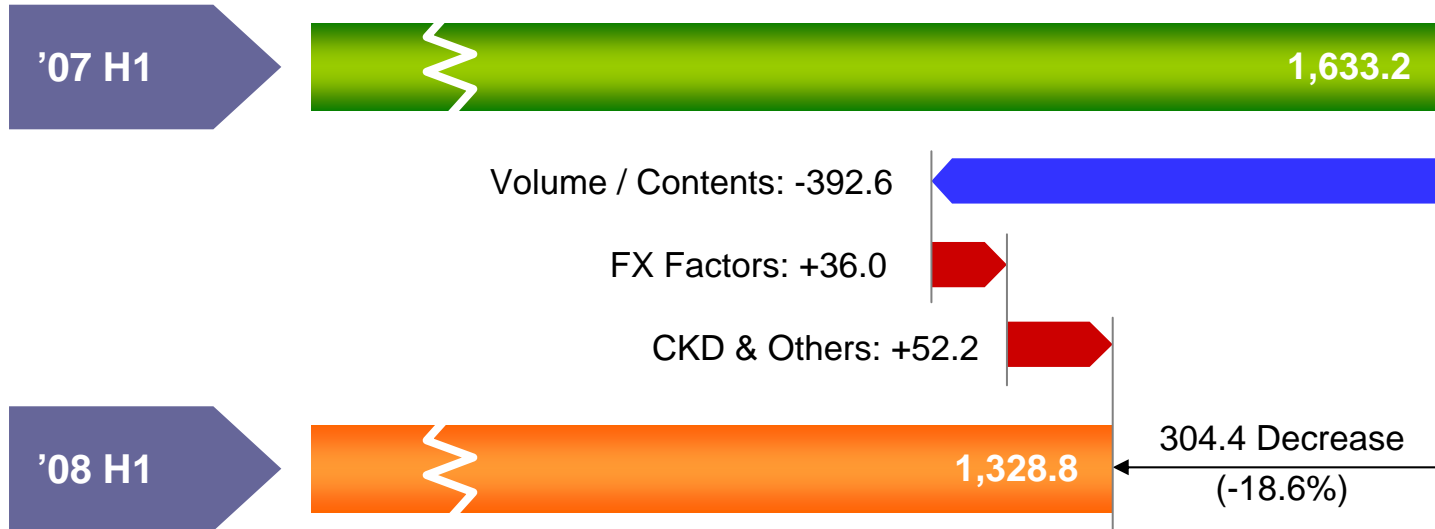
68.1

Net Changes Δ 1.4

Ending Cash Balance

66.7

[Unit: KRW Billion]



Volume / Contents

- Decrease CBU sales (-32%)
- Improve ASP by launching Chairman W

FX Factors

- Strong Euro (1,244 → 1,514, 21.7% ↑)
- Strong USD (935 → 995, 6.5% ↑)

CKD & Others

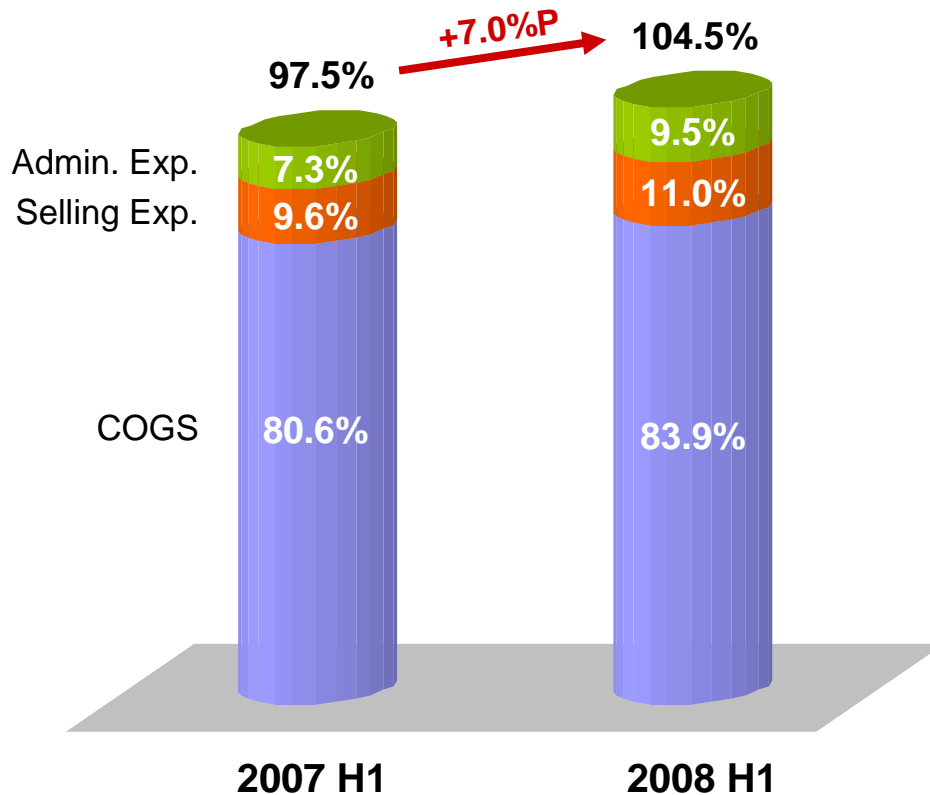
- Increase CKD export (+249%)
- Increase KD export (+182%)

COGS, SG&A Analysis

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August 12, 2008

COGS, SG&A

[Based on Sales Revenue]



Positive Influence

- Continues Cost Reduction Activity
- Structural Cost Improvement
- Launching Profitable Model

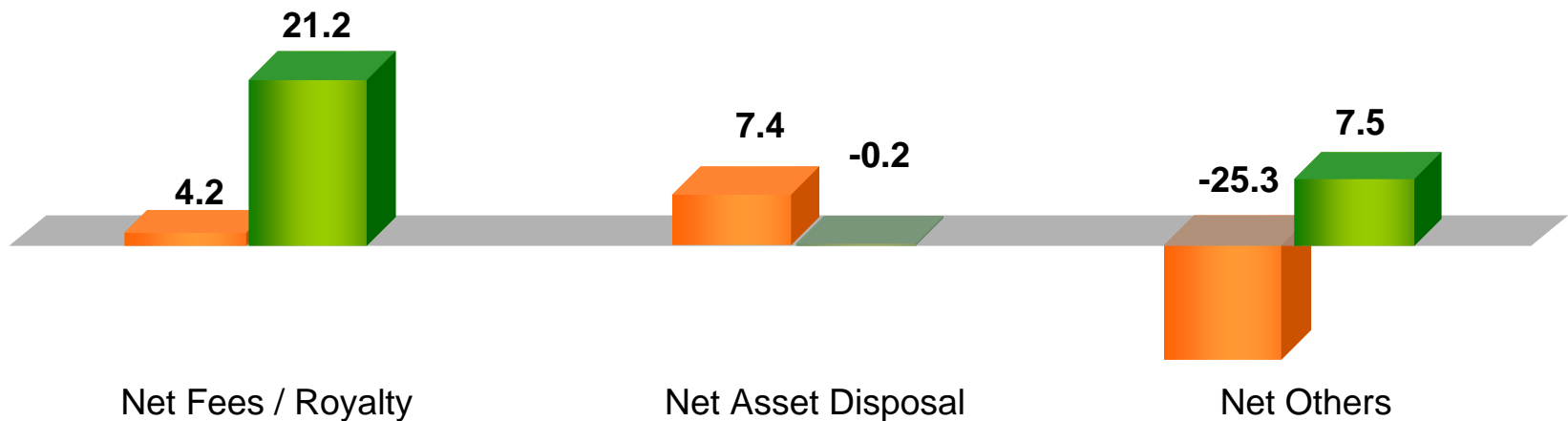
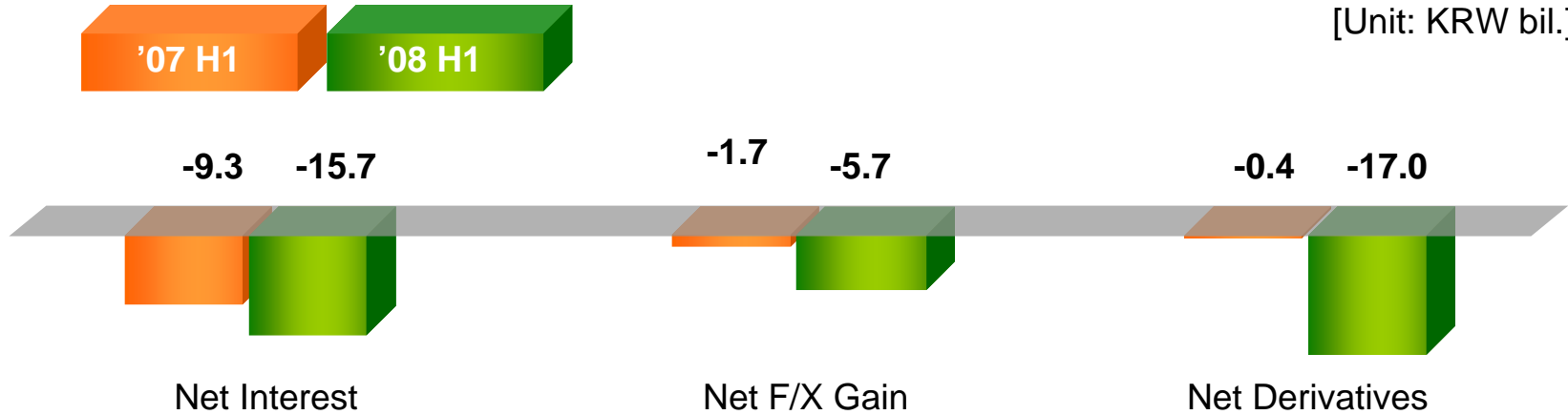
Challenging Factor

- Increase % of Fixed Cost due to sales revenue decreases
- Increase New Car Launching-related Promotion Cost
- Increase Wage and Raw Material Costs

Net Non-Operating Income/Expense

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[Unit: KRW bil.]





Appendix: Sales & P/L – Quarterly

Investor Relations
August 12, 2008

[Unit: KRW bil.]

	'08 2Q	%	'08 1Q	%	QoQ	'07 2Q	%	YoY
CBU Sales	1,916.2	100%	2,503.0	100%	-23.4%	3,173.1	100%	-39.6%
Domestic	833.9	43.5%	1,270.8	50.8%	-34.4%	1,620.1	51.1%	-48.5%
Export	1,082.3	56.5%	1,232.2	49.2%	-12.2%	1,553.0	48.9%	-30.3%
Revenue	651.1	100%	677.6	100%	-3.9%	799.3	100%	-18.5%
Gross Profit	102.6	15.8%	110.9	16.4%	-7.5%	147.9	18.5%	-30.6%
Selling Exp.	68.4	10.5%	78.1	11.5%	-12.4%	78.2	9.8%	-12.5%
Admin. Exp.	66.5	10.2%	60.3	8.9%	10.3%	57.0	7.1%	16.7%
Op. Income	-32.3	-5.0%	-27.6	-4.1%	17.0%	12.7	1.6%	-
EBIT	-35.6	-5.5%	-34.2	-5.0%	4.1%	6.3	0.8%	-
Net Income	-35.6	-5.5%	-34.2	-5.0%	4.1%	6.3	0.8%	-