



## Press Release

February 16, 2012 (Thursday)

# **Ssangyong Motor achieves highest sales growth rate of 38.2% in the auto industry for 2011**

- **Ssangyong achieved its largest sales since 2008, posting the largest export figures ever**
- **Automaker posted growth rate of 38.2% year-on-year, the highest in the auto industry**
- **Ssangyong reaffirms its commitment to realizing its aggressive managerial goals this year by launching advanced models**

Ssangyong Motor(President & CEO Lee Yoo-il; [www.smotor.com](http://www.smotor.com)), part of the US\$14.4 billion Mahindra Group, announced the company's management performance figures for 2011 on Feb. 16, 2012. These include 113,001 in unit sales including CKD; KRW 2 trillion 773 billion in revenue; operational loss of KRW 153.3 billion; and net loss of KRW 112.4 billion.

The company's domestic sales for 2011 stood at 38,651 and 74,350 in exports (including CKD), totaling 113,001, a 38.2 percent growth year-on-year, which is the highest in the auto industry. Domestic sales rose by 19.1 percent compared with 0.6% growth in the industry and 2.1% decrease in Ssangyong's competitive market. Export sales posted the biggest ever growth rate of 50.8 percent.

This record sales figure is highest in three years since the 2008 number of 92,665 units. The company posted KRW 2 trillion 773 billion in revenue, a 32 percent increase year-on-year.

The success of Korando C, the small sized CUV launched in February last year, is most notable. The Korando C played a major role as the company's strategic model, taking up 36 percent of Ssangyong's entire sales, posting 40,612 unit sales in total, 10,615 units domestically and 29,997 units in export.

Such external growth was made possible thanks to active development of overseas markets together with the launch of Korando C. It is a very meaningful achievement as it has positive implications for Ssangyong's growth potential in the global market.

In terms of profit and loss, the company posted a KRW 112.4 billion net loss despite the sales growth. Such loss can be attributed to various adverse but unavoidable factors such as a significant rise in material cost, with one key reason for this being an increase in global commodity prices, the restoration of employee benefits and an increase in wages for employees after completion of the rehabilitation process. The loss was also exacerbated by an increase in revenue expenditure on development and launch of new products required to build up the product pipeline of the Company.

However, Ssangyong explained that these results are not comparable to the last year since the company was under receivership during last year. Further, the last year's figure includes an extraordinary gain on disposal of tangible assets totaling KRW 135.7 billion.

Ssangyong's financial soundness greatly improved with the debt adjustment effect made through a debt-equity-swap and the repayment of debt through M&A as well as through better working capital management. The company's debt ratio, which is an important corporate soundness index, improved significantly from 179.3 percent as of the end of the previous year to 97.1 percent at the end of 2011.

Ssangyong reaffirmed its commitment to push through with aggressive innovation in all areas of the business based on its mid- to long-term development strategy of recovering its competitiveness and realizing management normalization as soon as possible.

To manage potential market volatility in 2012, Ssangyong management has plans to aggressively reduce all costs and develop new models. The automaker will also carry out unique marketing strategies and expand its presence in emerging economies.

Lee Yoo-il, the CEO of Ssangyong Motor, commented, "The company continued its remarkable momentum last year, with the highest volumes since 2008, amid global economic recession and a sluggish domestic economy thanks to our continuous efforts in developing overseas markets," adding "The economic outlook for this year is expected to be difficult. However, we will achieve our active aggressive management goal this year through the successful launch of advanced models including the Korando Sports, which is currently leading our sales recovery."

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■ Sales Volume of 2011

(figs in nos)

Description		2011	2010	Year-on-Year
	Total	113,001	81,747	38.2%
	Domestic	38,651	32,459	19.1%
	Export	74,350	49,288	50.8%
	(CKD )	(720)	(1,532)	(-53%)

■ Profit & Loss and Financial Statements of 2011

(figs in KRW billion)

Description		2011	2010	Year-on-Year
Profit & Loss	Sales revenue	2,773.1	2,101.4	32.0%
	Operating income(Loss)	-153.3	17.5	-
	Income before income taxes(Loss)	-112.4	-26.2	-
	Net income(Loss)	-112.4	-26.2	-
Financial Statements	Total of assets	1,799.7	1,728.8	4.1%
	Total of liability	886.5	1,109.9	-20.1%
	Capital	913.2	618.9	47.6%
Debt ratio		97.1%	179.3%	-