



Press Release

July 22, 2011 (Friday)

SYMC records the highest half-year sales since 2007

- **Ssangyong Motor sold a total of 55,873 vehicles (including CKD shipments) in the first half of 2011, recording a 53% increase over the same period of last year. Of these, 20,246 vehicles were sold in South Korea and 35,627 vehicles (including CKD shipments) were exported.**
- **This high growth resulted principally from the robust demand for the Korando C, improved impetus from the distribution network as well as improved demand conditions in some export markets.**
- **Ssangyong expects to maintain the momentum during the second half of the year on the strength of recent launches of new models.**

Ssangyong Motor Company, (President & CEO Lee Yoo-il; www.smotor.com), part of the US\$12.5 billion Mahindra Group, announced on July 22 that the company revenues for the first half of calendar 2011 was KRW 1,349.2 billion, a growth of 43% over the corresponding period of last year. Ssangyong Motor sold a total of 55,873 vehicles (including CKD shipments) in the first half of 2011, recording a 53% increase over the same period of last year. Of these, 20,246 vehicles were sold in South Korea and 35,627 vehicles (including CKD shipments) were exported. This is the highest level of sales volume achieved in a half year period since 2007.

The sales volume in the second quarter of 2011 was 31,132 vehicles, a growth of 45% over the corresponding period of the previous year. This was the highest quarterly sales volume achievement since the third quarter of 2007 and the highest export volumes since the fourth quarter of calendar 2006. Revenues in the second quarter were at KRW 729 billion, a growth of 35%. The volume growth was attributed by the Company to the successful launch of Korando C in South Korea and continued strong demand for it and other models in export markets. Improved impetus from the Company's distribution network as well as improved demand conditions in some key export markets were other reasons for this stellar growth. The Company has also achieved the highest level of export volumes in a quarter in the second quarter of 2011.

The Company exited court receivership in March 2011 and in order to recognize the contribution of its employees' efforts it provided a one-time bonus and signed a new wage agreement thereby increasing salaries and wages from April 2011. Increased material costs due to the sharp increase in commodity prices and the appreciation of the South Korean Won against the US Dollar along with the employee related cost increases resulted in an operating loss of KRW 75.3 billion in the first half of calendar 2011, against the operating loss of KRW 48.1 billion over the same period of the previous year. Higher revenue expenditure for new product development and costs related to launch of new products also contributed to this increase in loss. However, the second quarter operating loss was KRW 33.4 billion, an improvement over the operating loss of KRW 41.9 billion in the first quarter.

Due to the adoption of IFRS in Korea, certain accounting changes were adopted. This led to the Company recognizing an additional gain of KRW 46.0 billion on account of debt forgiveness. This reduced the net loss during the first half of calendar 2011 to KRW 32.3 billion. This additional gain was recognized in the first quarter and the restatement resulted in the Company now reflecting a net income of KRW 2.6 billion in the first quarter of calendar 2011 against the pre-restatement net loss of KRW 43.4 billion.

Having exited receivership in March, post acquisition by Mahindra & Mahindra Ltd., through a court supervised restructuring process, the Company has witnessed renewed momentum with sales volume exceeding 10,000 vehicles for four consecutive months since March 2011. With the support of its new majority shareholder, the Company is working on a revitalisation plan with a strong focus on cost reduction whilst focusing on new product development and market expansion.

“Our sales volume and revenue growth in the first half of this year, coming on the back of a high base last year is heartening and demonstrates the renewed enthusiasm within the Company as well as the faith in the brand posed by customers” said Mr. Lee Yoo-il, President and CEO of Ssangyong Motor Company. “We still have a lot of hard work ahead of us to return to profitability, but this growth momentum has enabled us to regain vigour and vitality and we are determined to achieve a financial turnaround.” he added. <End>

Sales Volume in first half of 2011

figs in nos

	2011		2010		% variance	
	Q2	1H	Q2	1H	Q2	1H
Domestic	10,272	20,246	8,360	14,953	23%	35%
Exports	20,860	35,627	13,137	21,559	59%	65%
Total	31,132	55,873	21,497	36,512	45%	53%

Profit & Loss and Financial Statements for the first half of 2011

figs in KRW billion

	2011		2010	
	Q2	1H	Q2	1H
Sales Revenue	729	1,349	538	944
Operating Profit/(Loss)	(33)	(75)	(15)	(48)
Ordinary Income	(35)	(32)	(29)	(66)
Net Income/(Loss)	(35)	(32)	(29)	(66)