

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED
JUNE 30, 2009 AND 2008
AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Independent Accountants' Review Report

English Translation of a Report Originally Issued in Korean

To the Shareholders and Board of Directors of
Hyundai Motor Company:

We have reviewed the accompanying non-consolidated statement of financial position of Hyundai Motor Company (the "Company") as of June 30, 2009, the related non-consolidated statements of income for the three months and six months ended June 30, 2009 and 2008, and the related non-consolidated statements of changes in shareholders' equity and cash flows for the six months ended June 30, 2009 and 2008, all expressed in Korean Won. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews.

We conducted our reviews in accordance with the standards for review of interim financial statements in the Republic of Korea. Those standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the financial statements referred to above are not presented fairly, in all material respects, in accordance with accounting principles generally accepted in the Republic of Korea.

We have previously audited, in accordance with auditing standards generally accepted in the Republic of Korea, the non-consolidated statement of financial position of the Company as of December 31, 2008, and the related non-consolidated statements of income, appropriations of retained earnings, changes in shareholders' equity and cash flows for the year then ended (not presented herein) and in our report dated January 23, 2009, we expressed an unqualified opinion on those non-consolidated financial statements. The accompanying statement of financial position as of December 31, 2008, which is comparatively presented, does not differ in material respects from such audited non-consolidated statement of financial position.

Our reviews also comprehended the translation of Korean Won amounts into U.S. Dollar amounts and nothing has come to our attention that cause us to believe that such translation has not been made in conformity with the basis in Note 2. Such U.S. Dollar amounts are presented solely for the convenience of readers outside of Korea.

Accounting principles and review standards and their application in practice vary among countries. The accompanying financial statements are not intended to present the financial position, results of operations, changes in shareholders' equity and cash flows in accordance with accounting principles and practices generally accepted in countries other than the Republic of Korea. In addition, the procedures and practices utilized in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those knowledgeable about Korean accounting procedures and review standards and their application in practice.



July 24, 2009

Notice to Readers

This report is effective as of July 24, 2009, the accountants' review report date. Certain subsequent events or circumstances may have occurred between the accountants' review report date and the time the accountants' review report is read. Such events or circumstances could significantly affect the accompanying financial statements and may result in modifications to the accountants' review report.

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2009 AND DECEMBER 31, 2008

ASSETS	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Current assets:				
Cash and cash equivalents	₩ 1,292,329	₩ 1,756,546	\$ 1,005,938	\$ 1,367,281
Short-term financial instruments (Note 3)	4,022,840	3,036,232	3,131,346	2,363,378
Short-term investment securities (Note 5)	416,960	220,498	324,558	171,634
Trade notes and accounts receivable, less allowance for doubtful accounts of ₩9,343 million as of June 30, 2009 and ₩6,865 million as of December 31, 2008 (Note 13)	2,019,357	2,513,461	1,571,851	1,956,458
Trade notes and accounts receivable – other	453,209	383,636	352,774	298,619
Inventories (Note 4)	1,467,717	1,809,030	1,142,459	1,408,134
Deferred tax assets (Note 20)	90,700	265,109	70,600	206,359
Derivative assets (Note 22)	26,068	22,536	20,291	17,542
Advances and other current assets	300,660	293,986	234,032	228,836
Total current assets	<u>10,089,840</u>	<u>10,301,034</u>	<u>7,853,849</u>	<u>8,018,241</u>
Non-current assets:				
Long-term investment securities (Notes 6 and 13)	847,498	824,115	659,686	641,484
Investments securities accounted for using the equity method (Notes 7 and 13)	9,980,011	9,249,146	7,768,359	7,199,460
Property, plant and equipment, net of accumulated depreciation of ₩7,411,462 million as of June 30, 2009 and ₩7,032,969 million as of December 31, 2008 (Notes 8 and 13)	9,600,462	9,753,801	7,472,921	7,592,279
Intangibles (Note 9)	1,746,956	1,605,862	1,359,816	1,249,990
Derivative assets (Note 22)	2,607	-	2,029	-
Other assets (Notes 3 and 10)	815,584	433,771	634,845	337,644
Total non-current assets	<u>22,993,118</u>	<u>21,866,695</u>	<u>17,897,656</u>	<u>17,020,857</u>
Total assets	<u>₩ 33,082,958</u>	<u>₩ 32,167,729</u>	<u>\$ 25,751,505</u>	<u>\$ 25,039,098</u>

(Continued)

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS OF JUNE 30, 2009 AND DECEMBER 31, 2008

	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings (Notes 11 and 13)	₩ 886,278	₩ 1,386,893	\$ 689,872	\$ 1,079,546
Current maturities of long-term debt and debentures (Notes 12 and 13)	300,752	300,742	234,103	234,095
Trade notes and accounts payable	3,032,829	2,443,809	2,360,729	1,902,241
Accounts payable-other	964,382	1,496,372	750,667	1,164,764
Accrued warranties (Note 14)	935,323	943,270	728,048	734,234
Income tax payable	96,635	527,310	75,220	410,454
Accrued expenses	768,901	31,701	598,506	24,676
Derivative liabilities (Note 22)	53,622	225,671	41,739	175,660
Withholdings and other current liabilities	724,683	559,321	564,087	435,371
Total current liabilities	<u>7,763,405</u>	<u>7,915,089</u>	<u>6,042,971</u>	<u>6,161,041</u>
Non-current liabilities:				
Long-term debt and debentures, net of current maturities and discount on debentures issued of ₩4,186 million as of June 30, 2009 and ₩3,117 million as of December 31, 2008 (Notes 12 and 13)	1,661,740	1,263,188	1,293,485	983,255
Accrued severance benefits, net of National Pension payments for employees of ₩13,043 million as of June 30, 2009 and ₩14,644 million as of December 31, 2008, and individual severance insurance deposits of ₩1,045,097 million as of June 30, 2009 and ₩1,009,175 million as of December 31, 2008	450,300	481,241	350,510	374,594
Long-term accrued warranties (Note 14)	2,395,089	2,532,877	1,864,318	1,971,571
Deferred tax liabilities (Note 20)	78,234	154,910	60,897	120,581
Derivative liabilities (Note 22)	215,745	168,133	167,934	130,873
Total non-current liabilities	<u>4,801,108</u>	<u>4,600,349</u>	<u>3,737,144</u>	<u>3,580,874</u>
Total liabilities	<u>12,564,513</u>	<u>12,515,438</u>	<u>9,780,115</u>	<u>9,741,915</u>
Commitments and contingencies (Note 13)				
Shareholders' equity:				
Capital stock	1,488,993	1,488,993	1,159,020	1,159,020
Capital surplus	5,841,841	5,851,776	4,547,242	4,554,975
Capital adjustments (Note 15)	(720,737)	(719,685)	(561,016)	(560,197)
Accumulated other comprehensive income (Notes 16 and 17)	745,973	612,153	580,659	476,495
Retained earnings (Note 18)	<u>13,162,375</u>	<u>12,419,054</u>	<u>10,245,485</u>	<u>9,666,890</u>
Total shareholders' equity	<u>20,518,445</u>	<u>19,652,291</u>	<u>15,971,390</u>	<u>15,297,183</u>
Total liabilities and shareholders' equity	<u>₩ 33,082,958</u>	<u>₩ 32,167,729</u>	<u>\$ 25,751,505</u>	<u>\$ 25,039,098</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008

	Korean Won				Translation into U. S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions, except per share amounts)				(In thousands, except per share amounts)	
Sales (Note 21 and 23):						
Domestic sales	₩ 4,338,958	₩ 3,510,774	₩ 7,059,806	₩ 6,968,859	\$ 5,495,295	\$ 5,424,503
Export sales	<u>3,740,982</u>	<u>5,595,987</u>	<u>7,052,087</u>	<u>10,335,712</u>	<u>5,489,288</u>	<u>8,045,234</u>
	<u>8,079,940</u>	<u>9,106,761</u>	<u>14,111,893</u>	<u>17,304,571</u>	<u>10,984,583</u>	<u>13,469,737</u>
Cost of sales	<u>6,322,232</u>	<u>7,057,933</u>	<u>11,008,938</u>	<u>13,507,467</u>	<u>8,569,268</u>	<u>10,514,102</u>
Gross profit	1,757,708	2,048,828	3,102,955	3,797,104	2,415,315	2,955,635
Selling and administrative expenses (Notes 21 and 24)	<u>1,100,458</u>	<u>1,386,292</u>	<u>2,291,944</u>	<u>2,605,429</u>	<u>1,784,031</u>	<u>2,028,045</u>
Operating income	<u>657,250</u>	<u>662,536</u>	<u>811,011</u>	<u>1,191,675</u>	<u>631,284</u>	<u>927,590</u>
Other income (expenses), net:						
Interest income, net	5,776	44,231	20,971	92,161	16,324	71,737
Gain (loss) on foreign currency translation, net	14,517	140	6,801	(19,982)	5,294	(15,554)
Loss on foreign exchange transactions, net	(68,112)	(48,019)	(1,766)	(47,302)	(1,375)	(36,819)
Gain on valuation of investment securities accounted for using the equity method, net (Note 7)	285,963	34,747	270,939	95,148	210,897	74,062
Gain (loss) on valuation of derivatives, net (Note 22)	5,089	(12,210)	(201)	(149,929)	(156)	(116,704)
Rental and royalty income	61,092	38,496	138,722	71,633	107,980	55,760
Gain on disposal of investment securities accounted for using the equity method, net (Note 7)	70,252	-	70,252	-	54,684	-
Loss on disposal of trade notes and accounts receivables	(20,753)	(23,573)	(47,207)	(44,901)	(36,746)	(34,951)
Loss on disposal of property, plant and equipment, net	(11,924)	(1,529)	(17,244)	(6,491)	(13,423)	(5,053)
Gain (loss) on disposal of short-term investment securities, net	(139)	1,804	(182)	1,799	(142)	1,400
Loss on disposal of long-term investment securities, net	(2,145)	(46,636)	(2,145)	(46,636)	(1,670)	(36,300)
Other, net	<u>16,782</u>	<u>9,533</u>	<u>39,781</u>	<u>36,401</u>	<u>30,966</u>	<u>28,334</u>
	<u>356,398</u>	<u>(3,016)</u>	<u>478,721</u>	<u>(18,099)</u>	<u>372,633</u>	<u>(14,088)</u>
Income before income tax	1,013,648	659,520	1,289,732	1,173,576	1,003,917	913,502
Income tax expense (Note 20)	<u>201,797</u>	<u>112,589</u>	<u>252,901</u>	<u>233,993</u>	<u>196,856</u>	<u>182,138</u>
Net income	<u>₩ 811,851</u>	<u>₩ 546,931</u>	<u>₩ 1,036,831</u>	<u>₩ 939,583</u>	<u>\$ 807,061</u>	<u>\$ 731,364</u>
Basic earnings per common share (Note 19)	<u>₩ 2,986</u>	<u>₩ 2,013</u>	<u>₩ 3,810</u>	<u>₩ 3,457</u>	<u>\$ 2.97</u>	<u>\$ 2.69</u>
Diluted earnings per common share (Note 19)	<u>₩ 2,986</u>	<u>₩ 2,011</u>	<u>₩ 3,810</u>	<u>₩ 3,453</u>	<u>\$ 2.97</u>	<u>\$ 2.69</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

	Korean Won						Translation into
							U.S. Dollars
	Capital stock	Capital surplus	Capital adjustments	Accumulative other comprehensive income	Retained earnings	Total amount	Total amount (Note 2)
(In millions)						(In thousands)	
January 1, 2008	₩ 1,486,980	₩ 5,439,915	₩ (718,855)	₩ 548,094	₩ 11,446,497	₩ 18,202,631	\$ 14,168,779
Cumulative effect of changes in accounting policy	-	312,145	-	(350,082)	37,937	-	-
Beginning balance after correction	1,486,980	5,752,060	(718,855)	198,012	11,484,434	18,202,631	14,168,779
Adjustments resulting from revision of the written opinion for applying Accounting Standards No. 06-2	-	-	-	-	12,078	12,078	9,401
Payment of cash dividend	-	-	-	-	(275,996)	(275,996)	(214,833)
Gain on valuation of treasury stock fund	-	-	108	-	-	108	84
Cancellation of stock options	-	57	(57)	-	-	-	-
Loss on valuation of available-for-sale securities, net	-	-	-	(209,362)	-	(209,362)	(162,965)
Loss on valuation of derivatives, net	-	-	-	(158,956)	-	(158,956)	(123,730)
Net income	-	-	-	-	939,583	939,583	731,364
Changes in retained earnings using the equity method	-	69,042	-	708,272	(18,793)	758,521	590,427
June 30, 2008	<u>₩ 1,486,980</u>	<u>₩ 5,821,159</u>	<u>₩ (718,804)</u>	<u>₩ 537,966</u>	<u>₩ 12,141,306</u>	<u>₩ 19,268,607</u>	<u>\$ 14,998,527</u>
January 1, 2009	₩ 1,488,993	₩ 5,851,776	₩ (719,685)	₩ 612,153	₩ 12,419,054	₩ 19,652,291	\$ 15,297,183
Payment of cash dividend	-	-	-	-	(235,715)	(235,715)	(183,479)
Loss on valuation of treasury stock fund	-	-	(1,052)	-	-	(1,052)	(819)
Gain on valuation of available-for-sale securities, net	-	-	-	13,892	-	13,892	10,814
Loss on valuation of derivatives, net	-	-	-	(2,288)	-	(2,288)	(1,781)
Net income	-	-	-	-	1,036,831	1,036,831	807,061
Changes in retained earnings using the equity method	-	(9,935)	-	122,216	(57,795)	54,486	42,411
June 30, 2009	<u>₩ 1,488,993</u>	<u>₩ 5,841,841</u>	<u>₩ (720,737)</u>	<u>₩ 745,973</u>	<u>₩ 13,162,375</u>	<u>₩ 20,518,445</u>	<u>\$ 15,971,390</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-COLSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

	Korean Won		Translation into U. S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Cash flows from operating activities:				
Net income	₩ 1,036,831	₩ 939,583	\$ 807,061	\$ 731,364
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	440,283	439,216	342,713	341,882
Bad debt expense	2,804	-	2,183	-
Amortization of intangibles	242,634	232,210	188,864	180,750
Loss (gain) on foreign currency translation, net	(9,135)	19,982	(7,111)	15,554
Gain on valuation of investment securities accounted for using the equity method, net	(270,939)	(95,148)	(210,897)	(74,062)
Gain on disposal of investment securities accounted for using the equity method, net	(70,252)	-	(54,684)	-
Loss on valuation of derivatives, net	201	149,929	156	116,704
Loss on disposal of trade notes and accounts receivable	47,207	44,901	36,746	34,951
Loss on disposal of property, plant and equipment, net	17,244	6,491	13,423	5,053
Loss (gain) on disposal of short-term investment securities, net	182	(1,799)	142	(1,400)
Loss on disposal of long-term investment securities, net	2,145	46,636	1,670	36,300
Dividends of investment securities accounted for using the equity method	115,600	131,131	89,982	102,071
Provision for severance benefits	142,979	245,199	111,294	190,861
Provision for warranties	73,666	478,165	57,341	372,200
Amortization of discount on debentures	689	409	536	318
Other	(5,528)	(612)	(4,303)	(475)
Changes in operating assets and liabilities:				
Decrease (increase) in trade notes and accounts receivable	429,361	(282,272)	334,211	(219,718)
Increase in trade notes and accounts receivable - other	(79,032)	(7,539)	(61,518)	(5,868)
Decrease (increase) in inventories	276,105	(320,224)	214,918	(249,260)
Increase in advances and other current assets	(35,942)	(132,486)	(27,977)	(103,126)
Decrease in deferred tax assets	178,395	21,000	138,861	16,346
Decrease (increase) in derivative assets	(106,967)	18,861	(83,262)	14,681
Increase in trade notes and accounts payable	590,342	310,556	459,517	241,734
Decrease in accounts payable-other	(532,463)	(354,303)	(414,465)	(275,787)
Decrease in income tax payable	(430,675)	(95,575)	(335,234)	(74,395)
Increase in accrued expenses	737,343	509,529	573,942	396,613
Decrease in deferred tax liabilities	(107,363)	(198,543)	(83,570)	(154,544)
Decrease in derivative liabilities	(132,739)	(53,165)	(103,323)	(41,383)
Increase (decrease) in withholding and other current liabilities	165,814	(158,166)	129,068	(123,115)
Decrease in accrued warranties	(219,401)	(185,625)	(170,780)	(144,489)
Payment of severance benefits	(140,557)	(177,588)	(109,408)	(138,233)
Decrease (increase) in individual severance insurance deposits	(35,922)	20,894	(27,961)	16,264
Other	9,060	6,808	7,051	5,298
	<u>2,331,970</u>	<u>1,558,455</u>	<u>1,815,186</u>	<u>1,213,089</u>

(Continued)

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008

	Korean Won		Translation into U. S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Cash flows from investing activities:				
Cash inflows from investing activities:				
Proceeds from withdrawal of short-term financial instruments	₩ 3,104,977	₩ 1,906,360	\$ 2,416,889	\$ 1,483,895
Proceeds from disposal of short-term investment securities	837	31,945	652	24,866
Proceeds from disposal of long-term investment securities	-	132	-	102
Proceeds from disposal of property, plant and equipment	3,541	6,062	2,756	4,719
Proceeds from disposal of investment securities accounted for using the equity method	47,242	96,248	36,773	74,919
Reduction in other current assets	2,880	2,880	2,242	2,242
Reduction in other assets	110,423	47,446	85,951	36,931
	<u>3,269,900</u>	<u>2,091,073</u>	<u>2,545,263</u>	<u>1,627,674</u>
Cash outflows from investing activities:				
Purchase of short-term financial instruments	(4,091,586)	(2,761,600)	(3,184,857)	(2,149,607)
Acquisition of short-term investment securities	(464)	(146)	(361)	(114)
Acquisition of long-term investment securities	(22,865)	(104,484)	(17,798)	(81,329)
Acquisition of investment securities accounted for using the equity method	(629,500)	(217,646)	(489,998)	(169,414)
Purchase of long-term financial instruments	(360,000)	-	(280,221)	-
Acquisition of property, plant and equipment	(245,938)	(267,526)	(191,436)	(208,240)
Expenditures for development costs	(380,646)	(227,540)	(296,292)	(177,115)
Additions to other assets	(3,159)	(17,134)	(2,458)	(13,337)
	<u>(5,734,158)</u>	<u>(3,596,076)</u>	<u>(4,463,421)</u>	<u>(2,799,156)</u>
	<u>(2,464,258)</u>	<u>(1,505,003)</u>	<u>(1,918,158)</u>	<u>(1,171,482)</u>
Cash flows from financing activities:				
Cash inflows from financing activities:				
Proceeds from short-term borrowings	1,153,969	648,997	898,240	505,174
Proceeds from issuance of debentures	400,000	-	311,357	-
	<u>1,553,969</u>	<u>648,997</u>	<u>1,209,597</u>	<u>505,174</u>
Cash outflows from financing activities:				
Repayment of short-term borrowings	(1,649,804)	(417,182)	(1,284,194)	(324,731)
Repayment of current maturities of long-term debt	(368)	(851)	(286)	(662)
Payment of cash dividends	(235,726)	(276,003)	(183,488)	(214,839)
	<u>(1,885,898)</u>	<u>(694,036)</u>	<u>(1,467,968)</u>	<u>(540,232)</u>
	<u>(331,929)</u>	<u>(45,039)</u>	<u>(258,371)</u>	<u>(35,058)</u>
Net increase (decrease) in cash and cash equivalents	(464,217)	8,413	(361,343)	6,549
Cash and cash equivalents, beginning of period	<u>1,756,546</u>	<u>1,446,065</u>	<u>1,367,281</u>	<u>1,125,605</u>
Cash and cash equivalents, end of period	<u>₩ 1,292,329</u>	<u>₩ 1,454,478</u>	<u>\$ 1,005,938</u>	<u>\$ 1,132,154</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2009 AND 2008

1. THE COMPANY:

Hyundai Motor Company (the "Company") was incorporated in 1967, under the laws of the Republic of Korea, to manufacture and distribute motor vehicles and parts.

The Company owns and operates three principal automobile production bases in Korea: the Ulsan factory, the Asan factory and the Jeonju factory. In addition, the Company has invested in six overseas manufacturing plants including Hyundai Motor Manufacturing Alabama, LLC (HMMA) as well as sixteen overseas sales and R&D subsidiaries including Hyundai Motor America (HMA).

The shares of the Company have been listed on the Korea Stock Exchange since 1974 and the Global Depository Receipts issued by the Company have been listed on the London Stock Exchange and Luxemburg Stock Exchange.

As of June 30, 2009, the major shareholders of the Company are Hyundai MOBIS (14.95%), Hyundai Steel (5.84%) and Chung, Mong Koo (5.17%).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Financial Statement Presentation

The Company maintains its official accounting records in Korean Won and prepares statutory non-consolidated financial statements in the Korean language (Hangul) in conformity with the accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with accounting principles generally accepted in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying financial statements have been condensed, restructured and translated into English with certain expanded descriptions from the Korean language financial statements. Certain information included in the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in shareholders' equity or cash flows, is not presented in the accompanying financial statements.

The accompanying financial statements are stated in Korean Won, the currency of the country in which the Company is incorporated and operates. The translation of Korean Won amounts into U.S. Dollar amounts is included solely for the convenience of readers outside of the Republic of Korea and has been made at the rate of ₩1,284.70 to US\$1.00 at June 30, 2009, the Base Rate announced by Seoul Money Brokerage Service, Ltd. Such translations should not be construed as representations that the Korean Won amounts could be converted into U.S. Dollars at that or any other rate.

The Company prepared its non-consolidated financial statements as of June 30, 2009 in accordance with the Korea Financial Accounting Standards and the Statements of Korea Accounting Standards ("SKAS") No. 1 through No.23, except for No.14.

The significant accounting policies followed by the Company in the preparation of its non-consolidated financial statements as of June 30, 2009 are identical to those as of December 31, 2008.

3. RESTRICTED FINANCIAL INSTRUMENTS:

Deposits with withdrawal restrictions as of June 30, 2009 and December 31, 2008 consist of the following:

	<u>Korean Won</u>		<u>Translation into U.S. Dollars (Note 2)</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>	<u>June 30, 2009</u>	<u>December 31, 2008</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Short-term financial instruments:				
Ordinary deposit	₩ 272	₩ 160	\$ 212	\$ 124
Term deposit	57,568	61,073	44,810	47,539
Other deposit	130,000	-	101,191	-
	<u>187,840</u>	<u>61,233</u>	<u>146,213</u>	<u>47,663</u>
Long-term financial instruments (Note 10):				
Guarantee deposits for checking accounts	37	37	29	29
	<u>₩ 187,877</u>	<u>₩ 61,270</u>	<u>\$ 146,242</u>	<u>\$ 47,692</u>

4. INVENTORIES:

Inventories as of June 30, 2009 and December 31, 2008 consist of the following:

<u>Description</u>	<u>Korean Won</u>		<u>Translation into U.S. Dollars (Note 2)</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>	<u>June 30, 2009</u>	<u>December 31, 2008</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Finished goods and merchandise	₩ 468,622	₩ 572,287	\$ 364,772	\$ 445,464
Semi finished goods and work in process	468,134	541,471	364,392	421,477
Raw materials and supplies	433,992	566,429	337,816	440,904
Materials in transit	96,969	128,843	75,479	100,289
	<u>₩ 1,467,717</u>	<u>₩ 1,809,030</u>	<u>\$ 1,142,459</u>	<u>\$ 1,408,134</u>

5. SHORT-TERM INVESTMENT SECURITIES:

(1) Short-term investment securities as of June 30, 2009 and December 31, 2008 consist of the following:

<u>Description</u>	<u>Korean Won</u>		<u>Translation into U.S. Dollars (Note 2)</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>	<u>June 30, 2009</u>	<u>December 31, 2008</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Available-for-sale securities	₩ 416,960	₩ 220,498	\$ 324,558	\$ 171,634

(2) Available-for-sale securities of short-term investment securities as of June 30, 2009 and December 31, 2008 consist of the following:

<u>Description</u>	<u>Korean Won</u>		<u>Translation into U.S. Dollars (Note 2)</u>	
	<u>June 30, 2009</u>	<u>December 31, 2008</u>	<u>June 30, 2009</u>	<u>December 31, 2008</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Beneficiary certificates	₩ 234,594	₩ 220,164	\$ 182,606	\$ 171,374
Equity securities	182,356	119	141,944	93
Government bonds	10	215	8	167
	<u>₩ 416,960</u>	<u>₩ 220,498</u>	<u>\$ 324,558</u>	<u>\$ 171,634</u>

Equity securities are the common shares of Hyundai MOBIS Co., Ltd (1,635,482 shares) which were acquired by the exchange with the shares of Hyundai Autonet Co., Ltd related to the merger of the two companies. These equity securities are measured at the market value as of the end of the reporting period.

6. LONG-TERM INVESTMENT SECURITIES:

Long -term investment securities as of June 30, 2009 and December 31, 2008, all of which are classified into available-for-sale securities, consist of the following:

Name of company	Ownership percentage (%)	Korean Won		Translation into U.S. Dollars (Note 2)		
		June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008	
		Acquisition cost	Book value (In millions)	Book value	Book value (In thousands)	
Hyundai Heavy Industries Co., Ltd.	2.88	₩ 56,924	₩ 417,195	₩ 436,905	\$ 324,741	\$ 340,083
Hyundai Oil Refinery Co., Ltd.	4.35	53,314	106,383	106,383	82,808	82,808
Doosan Capital Co., Ltd.	9.99	10,000	24,378	24,378	18,976	18,976
Hyundai Development Company	0.60	9,025	18,158	14,602	14,134	11,366
Hyundai Merchant Marine Co., Ltd.	0.45	9,161	16,944	25,710	13,189	20,012
Hyundai H&S	4.07	15,005	16,685	12,692	12,987	9,879
KT Corporation (*3)	0.09	8,655	8,823	-	6,868	-
ENOVA System	0.90	2,204	168	94	131	73
KT Freetel (*3)	-	-	-	10,482	-	8,160
Treasury Stock Fund (*1)	-	-	6,109	5,443	4,755	4,237
Hyundai Asan Corporation	3.27	22,500	7,053	7,053	5,490	5,490
Hyundai Technology Investment Co., Ltd.	14.97	4,490	4,490	4,490	3,495	3,495
Industry Otomotif Komersial	15.00	4,439	4,439	4,439	3,455	3,455
Kihyup Finance	10.34	3,000	3,000	3,000	2,335	2,335
Kyungnam Credit Information Service Co. Ltd.	13.66	2,500	2,500	2,500	1,946	1,946
NESSCAP Inc.	12.05	1,997	1,997	1,997	1,554	1,554
Hyundai Research Institute	14.90	1,359	1,271	1,271	989	989
The Sign Corporation	11.28	1,200	1,200	1,200	934	934
Heesung PM Tech Corporation	19.90	1,194	1,194	1,194	929	929
Dongbu NTS Co., Ltd.	19.90	1,134	1,134	1,134	883	883
Veloxsoft Inc.	7.14	1,000	1,000	1,000	778	778
Jeonbuk Hyundai Motors FC Co., Ltd. (*2)	100.00	1,000	1,000	-	779	-
Micro Infinity	9.02	607	607	607	472	472
NGVTEK.com (*2)	53.66	571	571	571	444	444
Clean Air Technology Inc.	16.13	500	500	500	389	389
Hankyoreh Plus Inc.	5.43	4,800	284	284	221	221
Carnes Co., Ltd. (*2)	50.00	250	250	250	195	195
Jinil MVC Co., Ltd.	18.00	180	180	180	140	140
ROTIS Inc.	0.19	1,000	8	8	6	6
Beneficiary certificates	-	150,000	162,271	154,504	126,310	120,266
Stock warrants	-	7,620	17,287	-	13,457	-
Debt security	-	14,235	18,601	-	14,480	-
Other	-	2,080	1,818	1,244	1,416	969
			<u>₩ 847,498</u>	<u>₩ 824,115</u>	<u>\$ 659,686</u>	<u>\$ 641,484</u>

(*1) The acquisition cost of Treasury Stock Fund is ₩7,213 million (US\$5,615 thousand) as of June 30, 2009 and December 31, 2008, and the lower of the fair value of treasury stock and investments in those fund amounting to ₩2,252 million (US\$1,753 thousand) and ₩1,200 million (US\$934 thousand) as of June 30, 2009 and December 31, 2008, respectively, are recorded as treasury stock in capital adjustments.

- (*2) In conformity with Financial Accounting Standards in the Republic of Korea, the equity securities of these affiliates were not accounted for using the equity method since the Company believes the changes in the investment value due to the changes in the net assets of the investee, whose individual beginning balance of total assets or paid-in capital at the date of its establishment is less than ₩7,000 million (US\$5,449 thousand), are not material.
- (*3) The shares of KT Corporation were acquired by the exchange with the shares of KT Freetel related to the merger of the two companies in the second quarter of 2009.

As of June 30, 2009 and December 31, 2008, the difference between the book value and the acquisition cost of equity securities consists of impairment loss on long-term investment securities of ₩21,306 million (US\$16,584 thousand) reflected before 2009.

7. INVESTMENT SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD:

- (1) Investment securities accounted for using the equity method as of June 30, 2009 and December 31, 2008 consist of the following:

Affiliated company	Ownership percentage (%)	Korean Won				Translation into U.S. Dollars (Note 2)	
		Acquisition cost	Net equity value	December 31, 2008		June 30, 2009	December 31, 2008
				Book value	Book value		
			(In millions)	(In thousands)	(In thousands)		
Hyundai Motor America	100.00	₩ 1,697,723	₩ 2,127,610	₩1,882,802	₩ 1,711,125	\$ 1,465,558	\$ 1,331,926
Hyundai Motor Manufacturing Czech s.r.o.	100.00	685,390	706,361	705,674	645,066	549,291	502,114
Beijing-Hyundai Motor Company	50.00	397,758	900,528	891,174	825,829	693,683	642,819
Hyundai Motor India	100.00	244,017	866,656	790,596	752,356	615,393	585,628
Hyundai Motor Manufacturing Rus LLC	100.00	225,151	224,080	224,080	153,714	174,422	119,650
Hyundai Motor Japan Co. (*1)	100.00	103,658	(12,072)	-	-	-	-
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S. (*1)	70.00	91,315	(61,949)	-	-	-	-
Hyundai Translead	100.00	80,623	137,483	145,598	149,801	113,332	116,604
Hyundai Motor Company Italy S.r.l	100.00	73,191	30,042	65,565	79,930	51,035	62,217
Hyundai Motor Europe Technical Center GmbH	100.00	53,496	77,676	77,676	75,393	60,462	58,685
China Millennium Corporations	59.60	53,466	35,078	69,200	66,538	53,865	51,793
Hyundai Motor (UK) Ltd. (*1)	100.00	48,084	984	-	-	-	-
Hyundai Auto Czech s.r.o	100.00	46,174	38,595	33,759	39,624	26,278	30,843
WIA Automotive Engine (ShanDong) Company	22.00	43,233	56,163	56,163	42,725	43,717	33,257
Hyundai Motor Poland Sp.zo.o.	100.00	24,139	35,681	46,162	43,607	35,932	33,943
Beijing Mobis Transmission Co., Ltd.	24.08	22,790	49,516	49,516	44,556	38,543	34,682
Hyundai Motor Europe GmbH	100.00	17,529	38,505	38,505	39,315	29,972	30,602
Hyundai Motor Group (China) Ltd.	50.00	15,371	56,447	22,818	5,682	17,761	4,423
Hyundai Motor Company Australia	100.00	12,382	65,822	47,816	43,083	37,220	33,535
Hyundai America Technical Center Inc.	100.00	9,635	35,443	35,443	34,624	27,589	26,951
Hyundai Motor Deutschland GmbH	35.29	11,528	36,115	35,722	22,715	27,806	17,681
Hyundai Motor Norway AS	100.00	5,636	5,166	3,248	1,718	2,528	1,337
Beijing Jinxian Motor Safeguard Service Co., Ltd.	100.00	5,438	8,528	8,528	8,040	6,638	6,258
Hyundai Motor Hungary	100.00	5,415	2,196	2,283	2,283	1,777	1,777
Hyundai Motor Commonwealth of Independent States (*1)	80.00	3,959	(66,686)	-	-	-	-
HMJ R&D Center Inc.	100.00	1,510	3,100	3,100	3,296	2,413	2,566
Kia Motors Corporation	36.23	923,957	1,821,093	1,809,453	1,739,079	1,408,463	1,353,685
Hyundai Capital Service Inc.	56.47	500,325	1,091,179	695,185	577,581	541,126	449,584
Hyundai Card Co., Ltd.	31.52	435,571	432,537	432,543	389,636	336,688	303,289
Hyundai Rotem Company	57.64	254,308	317,574	358,825	317,051	279,306	246,790

Affiliated company	Ownership percentage (%)	Korean Won				Translation into U.S. Dollars (Note 2)	
		Acquisition cost	Net equity value	Book value	Book value	June 30,	December 31,
						2009	2008
		(In millions)	(In thousands)				
Hyundai HYSKO	26.13	₩ 200,768	₩ 267,411	₩ 283,642	₩ 288,484	\$ 220,785	\$ 224,554
Korea Aerospace Industries, Ltd.	20.54	159,800	110,823	110,654	93,452	86,132	72,742
Hyundai Powertech	37.58	135,000	159,079	145,068	144,248	112,920	112,281
HMC Investment Securities Co., Ltd.	26.27	235,276	148,271	189,405	118,919	147,431	92,566
Hyundai Autonet Co., Ltd. (*3)	-	-	-	-	111,823	-	87,042
Dymos Inc.	47.27	68,872	134,325	131,150	130,405	102,086	101,506
Hyundai Commercial Inc.	50.00	50,000	43,577	42,716	36,468	33,250	28,386
WIA Corporation	39.46	34,357	246,862	225,459	198,997	175,495	154,898
Korea Economy Daily	20.55	29,973	24,500	27,089	27,145	21,086	21,129
Eukor Car Carriers Inc. (*2)	12.00	29,347	75,658	68,027	60,388	52,952	47,006
Partecs Co., Ltd.	56.00	22,400	22,655	22,655	22,829	17,634	17,770
KEFICO Corporation	50.00	20,911	120,895	119,259	121,240	92,830	94,372
HMC Win-Win Fund	60.00	18,000	18,298	18,298	18,000	14,243	14,011
Autoever Systems Corp.	29.90	5,947	27,023	27,023	24,004	21,034	18,685
Haevichi Country Club Co., Ltd. (*1)	30.00	4,500	(10,765)	-	-	-	-
M & Soft Co., Ltd	31.84	3,925	10,796	10,878	10,211	8,467	7,948
Iljin Bearing Co., Ltd.	20.00	826	16,746	16,747	16,843	13,036	13,110
Daesung Automotive Co., Ltd.	20.00	400	10,506	10,507	11,323	8,180	8,815
		<u>₩ 7,113,074</u>	<u>₩ 10,486,111</u>	<u>₩ 9,980,011</u>	<u>₩ 9,249,146</u>	<u>\$ 7,768,359</u>	<u>\$ 7,199,460</u>

(*1) Use of the equity method was discontinued since the value of investments is less than zero due to accumulated deficit.

(*2) The total ownership percentage combining the ownership which Kia Motors Corp. holds is more than 20% and the Company is considered to be able to exercise significant influence over the operating and financial policies.

(*3) Hyundai Autonet Co., Ltd. merged with Hyundai Mobis Co., Ltd. in 2009. Consequently, the Company holds the equity of Hyundai Mobis Co., Ltd. in exchange for the equity of Hyundai Autonet Co., Ltd.

(2) The changes in investment securities accounted for using the equity method for the six months ended June 30, 2009 are as follows:

Affiliated company	Korean Won					Translation into U.S. Dollars (Note 2)	
	Beginning of period	Acquisition / Disposition	Gain (loss) on valuation	Other changes (*)	End of period	End of period	
						(In thousands)	(In thousands)
Hyundai Motor America	₩ 1,711,125	₩ 370,412	₩ (220,710)	₩ 21,975	₩ 1,882,802	\$ 1,465,558	
Hyundai Motor Manufacturing Czech s.r.o.	645,066	105,978	(69,161)	23,791	705,674	549,291	
Beijing-Hyundai Motor Company	825,829	-	132,234	(66,889)	891,174	693,683	
Hyundai Motor India	752,356	-	22,920	15,320	790,596	615,393	
Hyundai Motor Manufacturing Rus LLC	153,714	70,050	4,861	(4,545)	224,080	174,422	
Hyundai Translead	149,801	-	(7,605)	3,402	145,598	113,332	
Hyundai Motor Company Italy S.r.l	79,930	-	(8,842)	(5,523)	65,565	51,035	
Hyundai Motor Europe Technical Center GmbH	75,393	-	873	1,410	77,676	60,462	
China Millennium Corporations	66,538	-	1,362	1,300	69,200	53,865	
Hyundai Auto Czech s.r.o	39,624	-	(7,007)	1,142	33,759	26,278	
WIA Automotive Engine (ShanDong) Company	42,725	14,743	(1,792)	487	56,163	43,717	
Hyundai Motor Poland Sp.zo.o.	43,607	-	5,037	(2,482)	46,162	35,932	
Beijing Mobis Transmission Co., Ltd.	44,556	-	4,217	743	49,516	38,543	
Hyundai Motor Europe GmbH	39,315	-	(1,533)	723	38,505	29,972	
Hyundai Motor Group (China) Ltd.	5,682	-	34,397	(17,261)	22,818	17,761	
Hyundai Motor Company Australia	43,083	-	(5,776)	10,509	47,816	37,220	
Hyundai America Technical Center Inc.	34,624	-	73	746	35,443	27,589	
Hyundai Motor Deutschland GmbH	22,715	4,766	7,849	392	35,722	27,806	
Hyundai Motor Norway AS	1,718	-	860	670	3,248	2,528	

Affiliated company	Korean Won					Translation into U.S. Dollars (Note 2)	
	Beginning of period	Acquisition / Disposition	Gain (loss) on valuation	Other changes (*)	End of period	End of period	
	(In millions)					(In thousands)	
Beijing Jinxian Motor Safeguard Service Co., Ltd.	₩ 8,040	₩ -	₩ 407	₩ 81	₩ 8,528	\$	6,638
Hyundai Motor Hungary	2,283	-	-	-	2,283		1,777
HMJ R&D Center Inc.	3,296	-	(63)	(133)	3,100		2,413
Kia Motors Corporation	1,739,079	-	179,395	(109,021)	1,809,453		1,408,463
Hyundai Capital Service Inc.	577,581	-	98,982	18,622	695,185		541,126
Hyundai Card Co., Ltd.	389,636	-	39,188	3,719	432,543		336,688
Hyundai Rotem Company	317,051	-	12,035	29,739	358,825		279,306
Hyundai HYSCO	288,484	-	(3,575)	(1,267)	283,642		220,785
Korea Aerospace Industries, Ltd.	93,452	-	17,202	-	110,654		86,132
Hyundai Powertech	144,248	-	3,025	(2,205)	145,068		112,920
HMC Investment Securities Co., Ltd.	118,919	63,551	4,897	2,038	189,405		147,431
Hyundai Autonet Co., Ltd.	111,823	-	(3,017)	(108,806)	-		-
Dymos Inc.	130,405	-	1,261	(516)	131,150		102,086
Hyundai Commercial Inc.	36,468	-	5,849	399	42,716		33,250
WIA Corporation	198,997	-	9,406	17,056	225,459		175,495
Korea Economy Daily	27,145	-	211	(267)	27,089		21,086
Eukor Car Carriers Inc.	60,388	-	3,097	4,542	68,027		52,952
Partecs Co., Ltd.	22,829	-	(174)	-	22,655		17,634
KEFICO Corporation	121,240	-	6,501	(8,482)	119,259		92,830
HMC Win-Win Fund	18,000	-	298	-	18,298		14,243
Autoever Systems Corp.	24,004	-	2,882	137	27,023		21,034
M & Soft Co., Ltd.	10,211	-	787	(121)	10,878		8,467
Iljin Bearing Co., Ltd.	16,843	-	129	(225)	16,747		13,036
Daesung Automotive Co., Ltd.	11,323	-	(40)	(776)	10,507		8,180
	<u>₩ 9,249,146</u>	<u>₩ 629,500</u>	<u>₩ 270,939</u>	<u>₩ (169,576)</u>	<u>₩ 9,980,011</u>	<u>\$</u>	<u>7,768,359</u>

(*) Other changes consist of the decrease by ₩115,600 million (US\$89,982 thousand) due to receipt of the dividends, decrease of capital surplus by ₩59,048 million (US\$45,962 thousand), decrease of retained earnings by ₩38,708 million (US\$30,130 thousand), increase of accumulated other comprehensive income by ₩154,249 million (US\$120,066 thousand), decrease by ₩2,015 million (US\$1,568 thousand) due to decrease in ownership percentage caused by uneven capital increase and decrease by ₩108,454 million (US\$84,420 thousand) due to transfer from investment securities accounted for using the equity method to short-term investment securities.

Investment securities accounted for using the equity method as of June 30, 2009 and December 31, 2008 are valued based on the financial statements of the investees as of the same period end date, respectively, which were neither audited nor reviewed by an external auditor.

(3) Condensed financial information of the affiliates as of and for the six months ended June 30, 2009 is as follows:

Affiliated company	Korean Won				Translation into U.S. Dollars (Note 2)			
	Assets	Liabilities	Sales	Net income (loss)	Assets	Liabilities	Sales	Net income (loss)
	(In millions)				(In thousands)			
Hyundai Motor America	₩13,990,036	₩ 11,862,426	₩ 5,579,535	₩ (99,775)	\$10,889,730	\$ 9,233,616	\$ 4,343,065	\$ (77,664)
Hyundai Motor Manufacturing Czech, s.r.o.	1,863,346	1,156,985	856,023	(49,025)	1,450,413	900,588	666,321	(38,161)
Beijing-Hyundai Motor Company	3,860,824	2,059,769	4,193,067	252,062	3,005,234	1,603,307	3,263,849	196,203
Hyundai Motor India	2,949,415	2,082,759	2,313,630	43,588	2,295,801	1,621,203	1,800,911	33,929
Hyundai Motor Manufacturing Rus LLC	252,650	28,570	647	4,151	196,661	22,239	504	3,231
Hyundai Motor Japan Co.	16,140	28,212	18,283	(1,454)	12,563	21,960	14,231	(1,132)
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	477,799	566,298	506,101	(40,360)	371,915	440,802	393,945	(31,416)
Hyundai Translead	283,649	146,166	98,554	(7,352)	220,790	113,774	76,714	(5,723)

Affiliated company	Korean Won				Translation into U.S. Dollars (Note 2)			
	Assets	Liabilities	Sales	Net income (loss)	Assets	Liabilities	Sales	Net income (loss)
	(In millions)				(In thousands)			
Hyundai Motor Company Italy S.r.l	₩ 399,365	₩ 369,323	₩ 363,759	₩ (342)	\$ 310,862	\$ 287,478	\$ 283,147	\$ (266)
Hyundai Motor Europe Technical Center GmbH	162,981	85,305	49,926	873	126,863	66,401	38,862	680
China Millennium Corporations	133,215	74,360	14,464	4,073	103,693	57,881	11,259	3,170
Hyundai Motor (UK) Ltd.	268,546	267,562	364,637	354	209,034	208,268	283,830	276
Hyundai Auto Czech s.r.o	80,843	42,248	163,590	(2,425)	62,928	32,885	127,337	(1,888)
WIA Automotive Engine (ShanDong) Company	450,406	195,119	48,660	(8,145)	350,592	151,879	37,877	(6,340)
Hyundai Motor Poland Sp.zo.o.	147,441	111,760	103,326	(293)	114,767	86,993	80,428	(228)
Beijing Mobis Transmission Co., Ltd.	326,436	120,797	186,178	17,512	254,095	94,027	144,919	13,631
Hyundai Motor Europe GmbH	109,444	70,939	147,954	652	85,190	55,218	115,166	508
Hyundai Motor Group (China) Ltd.	419,597	306,704	731,011	33,776	326,611	238,736	569,013	26,291
Hyundai Motor Company Australia	403,688	337,866	638,224	4,560	314,227	262,992	496,788	3,549
Hyundai America Technical Center Inc.	48,390	12,947	68,596	1,909	37,666	10,078	53,395	1,486
Hyundai Motor Deutschland GmbH	250,208	147,881	905,936	11,335	194,760	115,109	705,173	8,823
Hyundai Motor Norway AS	32,876	27,710	51,236	1,047	25,590	21,569	39,882	815
Beijing Jinxian Motor Safeguard Service Co., Ltd.	3,866	1,670	-	-	3,009	1,300	-	-
Hyundai Motor Hungary	33,050	24,522	54,017	390	25,726	19,088	42,046	304
Hyundai Motor Commonwealth of Independent States	944,678	1,028,036	538,338	(47,266)	735,330	800,215	419,038	(36,791)
HMJ R&D Center Inc.	8,560	5,460	8,304	41	6,663	4,250	6,464	32
Kia Motors Corporation	15,812,830	9,470,410	8,178,831	444,468	12,308,578	7,371,690	6,366,335	345,970
Hyundai Capital Service Inc.	15,124,083	13,191,934	1,494,663	246,275	11,772,463	10,268,494	1,163,433	191,698
Hyundai Card Co., Ltd.	6,159,206	4,786,769	867,224	118,394	4,794,276	3,725,982	675,040	92,157
Hyundai Rotem Company	2,907,700	2,356,700	1,453,800	47,628	2,263,330	1,834,436	1,131,626	37,073
Hyundai HYSOCO	2,830,199	1,806,711	2,083,685	(11,078)	2,203,004	1,406,329	1,621,923	(8,623)
Korea Aerospace Industries, Ltd.	1,256,600	725,200	609,400	76,800	978,127	564,490	474,352	59,780
Hyundai Powertech Co., Ltd.	1,416,845	993,495	511,369	2,912	1,102,861	773,328	398,045	2,267
HMC Investment Securities Co., Ltd.	2,347,175	1,782,700	128,379	22,345	1,827,022	1,387,639	99,929	17,393
Dymos Inc.	859,524	575,353	384,936	3,868	669,046	447,850	299,631	3,011
Hyundai Commercial Inc.	1,379,497	1,292,344	73,490	11,474	1,073,789	1,005,950	57,204	8,931
World Industries Ace Corporation	2,154,668	1,529,106	1,399,046	19,578	1,677,176	1,190,244	1,089,006	15,239
The Korea Economic Daily	188,500	69,300	55,600	940	146,727	53,943	43,279	732
Eukor Car Carriers Inc.	2,466,368	1,835,882	1,020,788	49,282	1,919,801	1,429,036	794,573	38,361
Partecs Co., Ltd.	94,706	54,251	11,719	(200)	73,718	42,229	9,122	(156)
KEFICO	427,934	186,145	322,520	8,165	333,100	144,894	251,047	6,356
HMC Win-Win Fund	30,496	-	656	431	23,738	-	511	335
Autoever Systems Corporation	219,685	129,307	234,068	9,384	171,001	100,652	182,197	7,304
Haevichi Country Club Co., Ltd.	225,963	261,847	3,966	(2,987)	175,888	203,820	3,087	(2,325)
M & Soft	40,018	6,106	17,997	2,435	31,150	4,753	14,009	1,895
Ijin Bearing Co., Ltd.	111,236	27,505	75,811	211	86,585	21,410	59,011	164
Daesung Automotive Co., Ltd.	72,456	19,928	27,745	1,211	56,399	15,512	21,596	943

- (4) Significant unrealized profits (losses) that occurred in transactions with investees as of June 30, 2009 are as follows:

Transaction type	Korean Won				Translation into
	Beginning of period	Increase	Decrease	End of period	U.S. Dollars (Note 2)
	(In millions)				(In thousands)
Inventories	₩ 348,628	₩ 482,987	₩ (348,628)	₩ 482,987	\$ 375,953
Property	372,894	101,160	(66,727)	407,327	317,060
Accrued warranties	(100,919)	(95,152)	100,919	(95,152)	(74,065)
	<u>₩ 620,603</u>	<u>₩ 488,995</u>	<u>₩ (314,436)</u>	<u>₩ 795,162</u>	<u>\$ 618,948</u>

- (5) The significant differences of accounting treatments between the Company and investees for similar transactions and accounting events are adjusted. Such adjustments of the difference of accounting treatments increased the gain on valuation of investment securities accounted for using the equity method included in current operations by ₩3,168 million (US\$2,466 thousand) and ₩5,705 million (US\$4,441 thousand) for the six months ended June 30, 2009 and 2008, respectively.
- (6) The unamortized (or unreversed) balance of goodwill and negative goodwill as of June 30, 2009 is ₩215,983 million (US\$168,119 thousand) and ₩43,541 million (US\$33,892 thousand), respectively. In addition, the unamortized (or unreversed) balance of goodwill and negative goodwill as of December 31, 2008 is ₩327,808 million (US\$255,163 thousand) and ₩42,993 million (US\$33,465 thousand), respectively.
- (7) The market price of listed equity securities as of June 30, 2009 is as follows:

Affiliated company	Korean Won			Translation into
	Price per share	Number of shares	Market value	U.S. Dollars (Note 2)
	(In millions, except price per share)			(In thousands)
Kia Motors Corporation	₩ 12,600	134,285,491	₩ 1,691,997	\$ 1,317,037
Hyundai HYSCO	11,200	20,954,188	234,687	182,678
HMC Investment Securities Co., Ltd.	24,900	7,705,980	191,879	149,357

- (8) The cumulative losses not recognized by the Company due to the suspension of the valuation of equity securities using the equity method as of June 30, 2009 and December 31, 2008 are ₩353,297 million (US\$275,004 thousand) and ₩462,311 million (US\$359,859 thousand), respectively.

8. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipments as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Korean Won		Translation into	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Buildings and structures	₩ 4,030,756	₩ 3,946,264	\$ 3,137,508	\$ 3,071,740
Machinery and equipment	6,334,418	6,224,713	4,930,659	4,845,266
Vehicles	156,758	87,279	122,019	67,937
Dies, molds and tools	3,245,173	3,113,471	2,526,016	2,423,500
Other equipment	<u>818,942</u>	<u>776,445</u>	<u>637,458</u>	<u>604,378</u>
	14,586,047	14,148,172	11,353,660	11,012,821
Less: accumulated depreciation	<u>7,411,462</u>	<u>7,032,969</u>	<u>5,769,022</u>	<u>5,474,406</u>
	7,174,585	7,115,203	5,584,638	5,538,415
Land	1,975,179	1,960,740	1,537,463	1,526,224
Construction in progress	<u>450,698</u>	<u>677,858</u>	<u>350,820</u>	<u>527,640</u>
	<u>₩ 9,600,462</u>	<u>₩ 9,753,801</u>	<u>\$ 7,472,921</u>	<u>\$ 7,592,279</u>

The changes in property, plant and equipment for the six months ended June 30, 2009 are as follows:

Description	Korean Won							Translation into U. S. Dollars (Note 2)	
	Beginning of period	Acquisition	Transfer	Disposal	Depreciation	Other changes(*)	End of period	End of period	
	(In millions)							(In thousands)	
Land	₩ 1,960,740	₩ -	₩ 14,808	₩ (369)	₩ -	₩ -	₩ 1,975,179	\$ 1,537,463	
Buildings and structures	2,910,670	-	84,502	(7)	(61,218)	-	2,933,947	2,283,760	
Machinery and equipment	3,168,975	-	157,518	(15,046)	(216,495)	-	3,094,952	2,409,085	
Vehicles	36,807	-	73,931	(1,823)	(5,898)	-	103,017	80,188	
Dies, molds and tools	757,961	-	147,102	(3,273)	(116,752)	-	785,038	611,067	
Other equipment	240,790	-	57,364	(603)	(39,920)	-	257,631	200,538	
Construction in progress	677,858	245,938	(535,225)	-	-	62,127	450,698	350,820	
Total	<u>₩ 9,753,801</u>	<u>₩ 245,938</u>	<u>₩ -</u>	<u>₩ (21,121)</u>	<u>₩ (440,283)</u>	<u>₩ 62,127</u>	<u>₩ 9,600,462</u>	<u>\$ 7,472,921</u>	

(*) Other changes consist of decrease in transfer of ₩3,082 million (US\$2,399 thousand) from construction in progress to industrial property rights and increase in transfer of ₩65,209 million (US\$50,758 thousand) from inventories to construction in progress.

As of June 30, 2009, a substantial portion of the Company's property, plant and equipment is pledged as collateral for various loans up to a maximum of ₩1,030,716 million (US\$802,301 thousand) (see Note 13).

9. INTANGIBLES:

Intangibles as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Korean Won				Translation into U.S. Dollars (Note 2)			
	June 30, 2009		December 31, 2008		June 30, 2009		December 31, 2008	
	Acquisition cost	Accumulated amortization	Accumulated impairment	Book value	Book value	Book value	Book value	
	(In millions)				(In thousands)			
Industrial property rights	₩ 64,187	₩ 49,018	₩ -	₩ 15,169	₩ 15,307	\$ 11,807	\$ 11,915	
Development costs	3,904,709	2,160,045	20,793	1,723,871	1,582,086	1,341,847	1,231,483	
Other	38,650	30,734	-	7,916	8,469	6,162	6,592	
	<u>₩4,007,546</u>	<u>₩ 2,239,797</u>	<u>₩ 20,793</u>	<u>₩ 1,746,956</u>	<u>₩ 1,605,862</u>	<u>\$ 1,359,816</u>	<u>\$ 1,249,990</u>	

The changes in intangibles for the six months ended June 30, 2009 are as follows:

Description	Korean Won				Translation into U.S. Dollars (Note 2)	
	Industrial property rights	Development costs	Other	Total	Total	
	(In millions)				(In thousands)	
Beginning of period	₩ 15,307	₩ 1,582,086	₩ 8,469	₩ 1,605,862	\$ 1,249,990	
Addition: Expenditures	3,082	380,646	-	383,728	298,690	
Deduction: Amortization	3,220	238,861	553	242,634	188,864	
End of period	<u>₩ 15,169</u>	<u>₩ 1,723,871</u>	<u>₩ 7,916</u>	<u>₩ 1,746,956</u>	<u>\$ 1,359,816</u>	

Research and development expenditures for the three months and six months ended June 30, 2009 and 2008 are as follows:

Description	Korean Won				Translation into U. S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions)				(In thousands)	
Development costs	₩ 209,419	₩ 108,787	₩ 380,646	₩ 227,540	\$ 296,292	\$ 177,115
Ordinary development (manufacturing cost)	9,751	20,635	19,277	40,410	15,005	31,455
Research costs (SG&A)	<u>65,582</u>	<u>103,355</u>	<u>125,008</u>	<u>192,691</u>	<u>97,305</u>	<u>149,989</u>
	<u>₩ 284,752</u>	<u>₩ 232,777</u>	<u>₩ 524,931</u>	<u>₩ 460,641</u>	<u>\$ 408,602</u>	<u>\$ 358,559</u>

10. OTHER ASSETS:

Other assets as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Long-term financial instruments (Note 3)	₩ 360,037	₩ 37	\$ 280,250	\$ 29
Long-term notes and accounts receivable, less unamortized present value discount of ₩9,374 million as of June 30, 2009 and ₩6,535 million as of December 31, 2008	38,627	26,329	30,067	20,494
Long-term other accounts receivable	89,535	79,724	69,693	62,057
Long-term loans	3,297	3,539	2,566	2,755
Lease and rental deposits	200,001	202,043	155,679	157,269
Long-term deposits	<u>124,087</u>	<u>122,099</u>	<u>96,590</u>	<u>95,040</u>
	<u>₩ 815,584</u>	<u>₩ 433,771</u>	<u>\$ 634,845</u>	<u>\$ 337,644</u>

11. SHORT-TERM BORROWINGS:

Short-term borrowings as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Annual interest rate	Korean Won		Translation into U. S. Dollars (Note 2)	
		June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
		(In millions)		(In thousands)	
Overdrafts	4.87~5.96	₩ -	₩ 159	\$ -	\$ 124
General loans	7.60	-	150,000	-	116,759
Trust loans	7.60	50,000	200,000	38,920	155,677
Discount of bills	2.41~7.94	508,400	481,500	395,734	374,796
Banker's Usance	Libor + 2.5~4.0	<u>327,878</u>	<u>555,234</u>	<u>255,218</u>	<u>432,190</u>
		<u>₩ 886,278</u>	<u>₩ 1,386,893</u>	<u>\$ 689,872</u>	<u>\$ 1,079,546</u>

12. LONG-TERM DEBT AND DEBENTURES:

Long-term debt as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Annual interest rate (%)	Korean Won		Translation into U.S. Dollars (Note 2)	
		June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
		(In millions)		(In thousands)	
Debentures	3.75~7.56	₩ 1,950,000	₩ 1,550,000	\$ 1,517,864	\$ 1,206,507
Local currency loans:					
General loans	3.00~5.00	<u>16,678</u>	<u>17,047</u>	<u>12,982</u>	<u>13,269</u>
		1,966,678	1,567,047	1,530,846	1,219,776
Less: current maturities		<u>300,752</u>	<u>300,742</u>	<u>234,103</u>	<u>234,095</u>
		<u>₩ 1,665,926</u>	<u>₩ 1,266,305</u>	<u>\$ 1,296,743</u>	<u>\$ 985,681</u>

Debentures as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Maturity	Interest rate (%)	Korean Won		Translation into U.S. Dollars (Note 2)	
			June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
		(%)	(In millions)		(In thousands)	
Non-guaranteed debentures	Nov 29, 2009 ~ June 17, 2014	3.75~7.56	₩ 1,950,000	₩ 1,550,000	\$ 1,517,864	\$ 1,206,507
Less: discount on debentures			<u>4,186</u>	<u>3,117</u>	<u>3,258</u>	<u>2,426</u>
			<u>₩ 1,945,814</u>	<u>₩ 1,546,883</u>	<u>\$ 1,514,606</u>	<u>\$ 1,204,081</u>

The maturity of long-term debt and debentures as of June 30, 2009 is as follows:

Description	Korean Won			Translation into U.S. Dollars (Note 2)
	Debentures	Local currency loans	Total	Total
		(In millions)		(In thousands)
July 1, 2010 ~ June 30, 2011	₩ 300,000	₩ 1,322	₩ 301,322	\$ 234,547
July 1, 2011 ~ June 30, 2012	1,050,000	1,650	1,051,650	818,596
July 1, 2012 ~ June 30, 2013	200,000	1,902	201,902	157,159
Thereafter	<u>100,000</u>	<u>11,052</u>	<u>111,052</u>	<u>86,441</u>
	1,650,000	15,926	1,665,926	1,296,743
Less: discount on debentures	<u>4,186</u>	-	<u>4,186</u>	<u>3,258</u>
	<u>₩ 1,645,814</u>	<u>₩ 15,926</u>	<u>₩ 1,661,740</u>	<u>\$ 1,293,485</u>

13. COMMITMENTS AND CONTINGENCIES:

- (1) The Company is contingently liable for guarantees of indebtedness, primarily for the following affiliates (including foreign subsidiaries), as of June 30, 2009:

Description	Korean Won (In millions)	Translation into U.S. Dollars (Note 2) (In thousands)
Hyundai Capital Service, Inc.	₩ 725,533	\$ 564,749
Hyundai Merchant Marine Co., Ltd.	226,942	176,650
Hyundai-Rotem Company	318,520	247,933
Hyundai Motor America	250,517	195,000
Hyundai Motor Manufacturing Alabama LLC	679,774	529,131
Hyundai Auto Canada Corporation	18,639	14,508
Hyundai Capital America(Formerly, HMFC)	1,113,544	866,774
Hyundai Motor India	321,175	250,000
Hyundai Motor Europe GmbH	55,847	43,471
Hyundai Motor Europe Technical Center GmbH	90,466	70,418
Hyundai Motor Manufacturing Czech s.r.o.	868,469	676,009
Hyundai Motor UK Limited.	42,581	33,145
Hyundai Motor Japan Co.	40,088	31,204
HMJ R&D Center Inc.	7,350	5,721
Hyundai Motor Poland Sp.zo.o.	18,093	14,083
Hyundai Translead	98,922	77,000
Smart Alabama LLC	154,164	120,000
Hyundai America Technical Center Inc.	25,694	20,000
Beijing Jingxian Motor Safeguard Service Co., Ltd.	2,569	2,000
Beijing Hines Millennium Real Estate Development Co., Ltd.	19,453	15,142
UTS	308,328	240,000
	₩ 5,386,668	\$ 4,192,938

- (2) As of June 30, 2009, 213,466 shares of Kia Motors Corporation, 150 investment certificates of Machinery Financial Cooperative in long-term investment securities and investment securities accounted for using the equity method, 2 blank promissory notes, 1 check amounting to ₩2,624 million (US\$2,043 thousand) and property, plant and equipment (See Note 8) are pledged as collateral for short-term borrowings, long-term debt and other payables.
- (3) The Company uses a customer financing system related to a long-term installment sales system and has provided guarantees of ₩88,158 million (US\$68,621 thousand) to the banks concerned as of June 30, 2009. These guarantees are all covered by insurance contracts, which regulate a customer and the Company as a contractor and a beneficiary, respectively.
- (4) The Company signed lease financial agreements with Commercial Inc. and Hyundai Capital Service Inc. to promote sales of buses. According to the agreements, the Company has a joint responsibility to the guarantee limit of the lease user's liability stipulated in the agreement. As of June 30, 2009, the amount of guarantee is ₩55,228 million (US\$42,989 thousand). In addition, the Company is obliged to pay the lease fee and dispose of leased assets within certain period in case the lease users are bankrupt or long overdue.
- (5) As of June 30, 2009, the outstanding balance of accounts receivable discounted with recourse amounts to ₩2,982,279 million (US\$2,321,382 thousand), including accounts receivable from export sales.
- (6) The Company accrues estimated product liabilities expenses and carries the products and completed operations liability insurance in order to cover the potential loss, which may occur due to the lawsuits related to its operation such as product liabilities. The Company expects that the resolution of pending cases against the Company as of June 30, 2009 will not have any material effect on its financial position.
- (7) In 2006, the Company sold 10,658,367 shares of Hyundai Rotem to MSPE Metro Investment AB and entered into a shareholders' agreement. MSPE Metro Investment AB is entitled to put option to sell those shares back to the Company in certain events (as defined) in accordance with the agreement.

14. ACCRUED WARRANTIES:

The changes in accrued warranties in current and long-term liabilities for the six months ended June 30, 2009 and 2008 are as follows:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Beginning of period	₩ 3,476,147	₩ 3,077,212	\$ 2,705,805	\$ 2,395,276
Accrual	73,666	478,165	57,341	372,200
Use	(219,401)	(185,625)	(170,780)	(144,489)
End of period	<u>₩ 3,330,412</u>	<u>₩ 3,369,752</u>	<u>\$ 2,592,366</u>	<u>\$ 2,622,987</u>

15. CAPITAL ADJUSTMENTS:

Capital adjustments as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Treasury stock	<u>₩ (720,737)</u>	<u>₩ (719,685)</u>	<u>\$ (561,016)</u>	<u>\$ (560,197)</u>

For the stabilization of stock price, the Company has treasury stock consisting of 11,001,350 common shares and 2,950,960 preferred shares with a carrying value of ₩720,737 million (US\$561,016 thousand) as of June 30, 2009, and 11,031,741 common shares and 2,950,960 preferred shares with a carrying value of ₩719,685 million (US\$560,197 thousand) as of December 31, 2008, which were acquired directly or indirectly through the Treasury Stock Fund and Trust Cash Fund.

16. ACCUMULATED OTHER COMPREHENSIVE INCOME:

Accumulated other comprehensive income as of June 30, 2009 and December 31, 2008 consists of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Gain on valuation of available-for-sale securities, net	₩ 379,461	₩ 365,569	\$ 295,369	\$ 284,556
Gain on valuation of investment securities accounted for using the equity method, net	544,197	421,980	423,599	328,466
Loss on valuation of derivatives, net	(177,685)	(175,396)	(138,309)	(136,527)
	<u>₩ 745,973</u>	<u>₩ 612,153</u>	<u>\$ 580,659</u>	<u>\$ 476,495</u>

17. STATEMENTS OF COMPREHENSIVE INCOME:

Statements of comprehensive income for the three months and six months ended June 30, 2009 and 2008 consist of the following:

Description	Korean Won				Translation into U.S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions)				(In thousands)	
Net income	₩ 811,851	₩ 546,931	₩ 1,036,831	₩ 939,583	\$ 807,061	\$ 731,364
Cumulative effect of implementing a new accounting policy	-	-	-	12,078	-	9,402
Gain (loss) on valuation of available-for-sale securities, net of deferred tax effect of ₩3,918 million and ₩79,413 million for the six months ended June 30, 2009 and 2008, respectively	9,390	(36,192)	13,892	(209,362)	10,813	(162,966)
Gain (loss) on valuation of investment securities accounted for using the equity method, net of deferred tax effect of ₩32,032 million and ₩118,470 million for the six months ended June 30, 2009 and 2008, respectively	(120,368)	328,968	122,216	708,272	95,132	551,313
Gain (loss) on valuation of derivatives, net of deferred tax effect of ₩326 million and ₩60,294 million for the six months ended June 30, 2009 and 2008, respectively	10,594	(52,656)	(2,288)	(158,956)	(1,781)	(123,730)
Comprehensive income	<u>₩ 711,467</u>	<u>₩ 787,051</u>	<u>₩ 1,170,651</u>	<u>₩ 1,291,615</u>	<u>\$ 911,225</u>	<u>\$ 1,005,383</u>

18. RETAINED EARNINGS:

Retained earnings as of June 30, 2009 and December 31, 2008 consist of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	June 30, 2009	December 31, 2008	June 30, 2009	December 31, 2008
	(In millions)		(In thousands)	
Appropriated:				
Legal reserve	₩ 302,170	₩ 278,570	\$ 235,207	\$ 216,837
Reserve for business rationalization	545,800	545,800	424,846	424,846
Reserve for improvement of financial structure	98,947	98,947	77,020	77,020
Reserve for overseas market development	48,800	48,800	37,986	37,986
Reserve for technology development	11,183,100	10,193,100	8,704,834	7,934,225
	12,178,817	11,165,217	9,479,893	8,690,914
Before appropriations	983,558	1,253,837	765,592	975,976
	<u>₩ 13,162,375</u>	<u>₩ 12,419,054</u>	<u>\$ 10,245,485</u>	<u>\$ 9,666,890</u>

The Korean Commercial Code requires the Company to appropriate, as a legal reserve, a minimum of 10 percent of annual cash dividends declared, until such reserve equals 50 percent of its capital stock issued. The Regulation on Issues and Disclosures of the Securities for listed companies requires the Company to appropriate, as a reserve for improvement of financial structure, an amount equal to at least 50 percent of the net gain on disposal of property, plant and equipment and 10 percent of net income for each year until the Company's net worth equals 30 percent of total assets. These reserves are not available for the payment of cash dividends, but may be transferred to capital stock or may be used to reduce any accumulated deficit.

The reserves for business rationalization, overseas market development, technological development and research and manpower development are voluntary reserves, which are available for the payment of dividends.

Appropriations of retained earnings for the year ended December 31, 2008 were approved at the shareholders' meeting on March 13, 2009 and the appropriations including the cash dividends of ₩235,726 million (US\$183,488 thousand) are reflected in retained earnings on that date.

19. EARNINGS PER COMMON SHARE:

Basic earnings per common share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is computed by dividing diluted net income, which is adjusted by adding back the after-tax amount of expenses related to diluted securities, by the weighted average number of common shares and diluted securities outstanding during the period.

Basic earnings per common share for the three months and six months ended June 30, 2009 and 2008 is computed as follows:

	Korean Won				Translation into U.S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions, except per share amounts)				(In thousands, except per share amounts)	
Net income	₩ 811,851	₩ 546,931	₩1,036,831	₩ 939,583	\$ 807,061	\$ 731,364
Expected dividends on preferred stock	<u>(187,101)</u>	<u>(126,562)</u>	<u>(239,639)</u>	<u>(217,692)</u>	<u>(186,533)</u>	<u>(169,450)</u>
Net income available to common share	624,750	420,369	797,192	721,891	620,528	561,914
Weighted average number of common shares outstanding (*)	<u>209,244,738</u>	<u>208,802,067</u>	<u>209,244,738</u>	<u>208,802,067</u>	<u>209,244,738</u>	<u>208,802,067</u>
Basic earnings per common share	<u>₩ 2,986</u>	<u>₩ 2,013</u>	<u>₩ 3,810</u>	<u>₩ 3,457</u>	<u>\$ 2,97</u>	<u>\$ 2,69</u>

(*) Weighted average number of common shares outstanding includes transactions pertaining to disposal of treasury shares and exercise of stock option.

The Company does not compute diluted earnings per common share for the three months and six months ended June 30, 2009 because there is no item related to dilution. Diluted earnings per common share for the three months and six months ended June 30, 2008 is computed as follows:

	Korean Won		Translation into U.S. Dollars (Note 2)	
	Three months	Six months	Six months	
	2008	2008	2008	
	(In millions, except per share amounts)		(In thousands, except per share amounts)	
Net income available to common share	₩ 420,369	₩ 721,891	\$ 561,914	
Expenses related to diluted securities	-	-	-	
Net income available to diluted common share	420,369	721,891	561,914	
Weighted average number of common shares and diluted securities outstanding	<u>209,073,101</u>	<u>209,048,720</u>	<u>209,048,720</u>	
Diluted earnings per common share	<u>₩ 2,011</u>	<u>₩ 3,453</u>	<u>\$ 2,69</u>	

20. INCOME TAX EXPENSE AND DEFERRED INCOME TAX ASSETS:

Income tax expense for the six months ended June 30, 2009 and 2008 consists of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Income tax currently payable	₩ 181,868	₩ 409,105	\$ 141,565	\$ 318,444
Changes in deferred taxes due to:				
Temporary differences	97,733	(177,013)	76,075	(137,785)
Items directly charged to equity	(26,700)	1,901	(20,784)	1,479
Income tax expense	<u>₩ 252,901</u>	<u>₩ 233,993</u>	<u>\$ 196,856</u>	<u>\$ 182,138</u>

For the six months ended June 30, 2009 and 2008, the differences between income before tax in financial accounting and income tax expense pursuant to Corporate Income Tax Law of Korea are as follows:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Income before income tax	₩ 1,289,732	₩ 1,173,576	\$ 1,003,917	\$ 913,502
Income tax expenses calculated at current applicable tax rates of 24.2% in 2009 and 27.5% in 2008.	312,089	322,720	242,928	251,203
Adjustments:				
Non-taxable income	(1,595)	(15,162)	(1,242)	(11,802)
Disallowed expenses	5,491	4,907	4,274	3,820
Tax credits	(81,397)	(79,453)	(63,359)	(61,846)
Tax effects of temporary differences	(27,721)	7,880	(21,578)	6,134
Other	46,034	(6,899)	35,833	(5,371)
Income tax expense	<u>₩ 252,901</u>	<u>₩ 233,993</u>	<u>\$ 196,856</u>	<u>\$ 182,138</u>

21. RELATED PARTY TRANSACTIONS:

(1) The consolidated subsidiaries as of June 30, 2009 are as follows:

<u>Description</u>	<u>Subsidiaries</u>
Domestic subsidiaries	Kia Motors Corporation, Hyundai HYSCO, Hyundai Capital Service Inc., Hyundai Card Co., Ltd., KEFICO, Hyundai Powertech Co., Ltd., World Industries Ace Corporation, Dymos Inc., Automobile Industrial Ace Corporation, Hyundai-Rotem Company, Haevichi Resort Co., Ltd., METIA Co., Ltd., M.Seat, Autoever Systems Corporation, Partecs Company, Ltd., M & Soft, KIA Tigers Co., Ltd., N.G.V, Haevichi Country Club Ltd. and Hyundai Commercial Inc.
Foreign subsidiaries	Hyundai Motor India (HMI), Hyundai Motor America (HMA), Hyundai Motor Japan Co. (HMJ), Hyundai Motor Poland Sp.Zo.O (HMP), Hyundai Motor Europe GmbH (HME), Hyundai Motor Company Australia (HMCA), Hyundai Motor (UK) Ltd. (HMUK), Hyundai Motor Norway AS (HMN), Hyundai Motor Hungary (HMH), Hyundai Translead, Inc. (HT), Hyundai America Technical Center Inc.(HATCI), Hyundai Motor Europe Technical Center GmbH (HMETC), Beijing Mobis Transmission Co., Ltd. (BMT), Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.,(HAOSVT), Hyundai Motor Group (China) Ltd. (HMGC), Beijing Jingxian Motor Safeguard Service Co., Ltd. (BJMSS), Hyundai Motor Manufacturing Alabama, LLC, (HMMA), Hyundai Capital America (HCA, Formerly, HMFC), Hyundai Auto Canada Corporation (HACC), Hyundai Auto Canada Corporation Captive Insurance Incorporation, (HACCII), Hyundai Motor Japan R&D Center Inc. (HMJ R&D), HACC Inc., World Marketing Group LLC (WMG), Hyundai de Mexico, S.A. de C.V. (HYMEX), Stampted Metal America Research Technology Inc., (SMARTI), Stampted Metal America Research Technology LLC, China Millenium Corporations (CMEs), Beijing Hines, Millennium Real Estate Development, Hyundai Motor Manufacturing Czech s.r.o. (HMMC), Hyundai Information System North America LLC (HISNA), Hyundai Motor Commonwealth of Independent States(HMCIS), KIA Motors America Inc. (KMA), KIA Japan Co., Ltd. (KJC), KIA Motors Deutschland GmbH (KMD), KIA Canada, Inc.(KCI), KIA Motors Polska Sp.z.o.o. (KMP), KIA Motors Europe GmbH (KME), Kia Motors Slovakia S.r.o. (KMS), Kia Motors Slovensko s.r.o. (KMSS), KIA Motors Belgium N.V. (KMBI), KIA Motors Czech s.r.o. (KMCZ), KIA Motors (UK) Ltd. (KMUK), KIA Motors Austria GmbH (KMAS), KIA Motors Hungary Kft (KMH), Kia Motors Iberia (KMIB), Kia Motors Sweden AB (KMSW), Kia Automobiles France (KMF), Kia Motors Australia Pty Ltd (KMAU), Dong Feng Yueda Kia Motors, Yanji Kia Motors A/S and Repair, Hyundai Pipe of America, Inc., Hysco America Co. Inc., Hysco Slovakia s.r.o., Beijing Hyundai Hysco Steel Process Co, Ltd., Jiangsu Hyundai Hysco Steel Process Co., Ltd., Hysco Steel India, Ltd., Hyundai-Kia Machine America Corp. (HKMA), Hyundai-Kia Machine Europe GmbH (HKME), Wia Automotive Parts, WIA Automotive Engine (ShanDong) Company, Dymos Czech Republic s.r.o., Rotem Equipments (Beijing) Co., Ltd., EUROTEM, Autoever Systems India Private Limited, Autoever Systems China Co., Ltd., Hyundai Electronics (Tianjin) Co., Ltd., Rio Vista, Rotem USA Corporation, Kia Motors New Zealand Ltd (KMNZ), Wia Trade Corporation, Kia Motors Manufacturing Georgia, Inc. (KMMG), Hyundai Motor India Engineering (HMIE), Autoever Systems Europe GmbH, HYSCO Czech s.r.o., Hyundai Motor Manufacturing Rus LLC (HMMR), Hyundai Auto Czech s.r.o. (HMCZ) and Hyundai Motor Company Italy S.r.l (HMCI)

(2) Significant transactions with subsidiaries and affiliates for the six months ended June 30, 2009 are as follows:

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Sales/proceeds	Purchases/expense	Sales/proceeds	Purchases/expense
	(In millions)		(In thousands)	
Subsidiaries:				
Kia Motors Corporation	₩ 139,894	₩ 74,022	\$ 108,892	\$ 57,618
Hyundai Capital Service Inc.	409,773	26,118	318,964	20,330
Hyundai Commercial Inc.	162,184	-	126,243	-
World Industries Ace Corporation	84,153	115,251	65,504	89,710
Hyundai HYSCO	5,546	120,896	4,317	94,104
Hyundai Powertech Co., Ltd.	4,006	188,863	3,118	147,009
Hyundai-Rotem Company	1,135	690	883	537
METIA Co., Ltd.	545	19,820	424	15,428
Haevichi Resort Co., Ltd.	453	4,377	353	3,407
Automobile Industrial Ace	361	574	281	447
M&Soft	291	437	227	340
Hyundai Card Co., Ltd.	251	48,098	195	37,439
Dymos Inc.	217	190,118	169	147,986
HMC Investment Securities Co., Ltd.	154	-	120	-
KEFICO	140	143,145	109	111,423
Haevichi Country Club., Ltd.	126	328	98	255
Autoever Systems Corporation	105	71,680	82	55,795
Hyundai Autonet Co., Ltd. (*)	139	41,795	108	32,533
M.SEAT	4	-	3	-
Partecs Company Ltd	2	6,087	2	4,738
Carnes Company Ltd.	1	2,566	1	1,997
N.G.V	1	3,942	1	3,068
Hyundai Motor America	1,507,402	94,007	1,173,349	73,174
Hyundai Auto Canada Corporation	724,792	14,229	564,172	11,076
Hyundai Motor Company Australia	403,786	-	314,304	-
Hyundai Motor India	312,847	3,320	243,518	2,584
Hyundai Motor Group (China) Ltd.	283,682	-	220,816	-
Hyundai Motor Commonwealth of Independent States	201,760	-	157,048	-
HAOSVT	123,547	971	96,168	756
Hyundai Motor Europe GmbH	119,841	-	93,283	-
Hyundai Motor Manufacturing Alabama, LLC	74,979	338	58,363	263
Hyundai Motor Manufacturing Czech	65,981	-	51,359	-
Hyundai Motor Poland Sp. Zo.O	13,295	1,819	10,349	1,416
Hyundai Auto Czech s.r.o.	9,143	-	7,117	-
Hyundai Motor Japan Co.	6,092	483	4,742	376
Hyundai Motor Norway AS	2,083	477	1,621	371
Hyundai Capital America	1,482	-	1,154	-
Stampeted Metal America Research Technology Inc.	220	-	171	-
Hyundai Translead, Inc.	151	-	118	-
Hyundai Motor Europe Technical Center	115	25,864	90	20,132
Hyundai Motor UK Ltd	61	-	47	-
Hyundai America Technical Center Inc.	32	39,923	24	31,076
Other	23	3,676	17	2,862
Affiliates:				
Hyundai MOBIS Co., Ltd.	190,639	1,473,081	148,392	1,146,634
Hyundai Steel Company	1,296	580	1,009	452
Beijing-Hyundai Motor Company	227,063	2,211	176,744	1,721
EUKOR Car Carriers, Inc.	516	293,818	402	228,706
HMJ R&D Center Inc.	5	5,916	4	4,605
Iljin Bearing Co., Ltd.	-	7,043	-	5,482
The Korea Economic Daily	-	456	-	356

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Sales/proceeds	Purchases/expense	Sales/proceeds	Purchases/expense
	(In millions)		(In thousands)	
Others :				
Glovis Co., Ltd.	₩ 3,252	₩ 131,333	\$ 2,531	\$ 102,229
Asset Management Co., Ltd.	980	64,321	763	50,067
IHL Corp.	260	32,365	202	25,193
BNG Steel Co., Ltd.	62	18,993	48	14,784
Innocean Worldwide, Inc.	11	16,979	9	13,216
Wistco Co., Ltd.	4	29,893	3	23,268
Samwoo Co., Ltd.	-	98,840	-	76,937
	<u>₩ 5,084,883</u>	<u>₩ 3,419,743</u>	<u>\$ 3,958,031</u>	<u>\$ 2,661,900</u>

(*) Due to the merger with Hyundai MOBIS Co., the company become disaffiliated. The transaction amounts shown above only cover the term while being affiliated in accordance with SKAS No.20.

(3) Significant transactions with subsidiaries and affiliates for the three months ended June 30, 2009 are as follows:

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Sales/proceeds	Purchases/expense	Sales/proceeds	Purchases/expense
	(In millions)		(In thousands)	
Subsidiaries:				
Kia Motors Corporation	₩ 73,531	₩ 41,519	\$ 57,236	\$ 32,318
Hyundai Capital Service Inc.	280,283	17,586	218,170	13,689
Hyundai Commercial Inc.	155,366	-	120,936	-
World Industries Ace Corporation	50,919	67,680	39,635	52,682
Hyundai HYSCO	3,157	62,635	2,457	48,755
Hyundai Powertech Co., Ltd.	2,575	127,509	2,004	99,252
Hyundai-Rotem Company	739	539	575	420
METIA Co., Ltd.	276	11,548	215	8,989
Haevichi Resort Co., Ltd.	46	2,366	36	1,842
Automobile Industrial Ace	361	506	281	394
M&Soft	222	301	173	234
Hyundai Card Co., Ltd.	69	30,837	54	24,003
Dymos Inc.	113	116,342	88	90,560
HMC Investment Securities Co., Ltd.	153	-	119	-
KEFICO	16	77,957	12	60,681
Haevichi Country Club., Ltd.	123	328	96	255
Autoever Systems Corporation	59	42,845	46	33,350
Hyundai Autonet Co., Ltd. (*)	89	26,426	69	20,570
M.SEAT	1	-	1	-
Partecs Company Ltd.	1	3,722	1	2,897
Carnes Company Ltd.	1	1,619	1	1,260
N.G.V	1	2,276	1	1,772
Hyundai Motor America	792,592	94,007	616,947	73,174
Hyundai Auto Canada Corporation	384,492	14,229	299,285	11,076
Hyundai Motor Company Australia	236,822	-	184,340	-
Hyundai Motor India	175,395	3,090	136,526	2,405
Hyundai Motor Group (China) Ltd.	150,336	-	117,020	-
Hyundai Motor Commonwealth of Independent States	17,287	-	13,456	-
HAOSVT	69,926	971	54,430	756
Hyundai Motor Europe GmbH	34,664	-	26,982	-
Hyundai Motor Manufacturing Alabama, LLC	23,698	-	18,446	-
Hyundai Motor Manufacturing Czech s.r.o.	16,741	-	13,031	-

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Sales/proceeds	Purchases/expense	Sales/proceeds	Purchases/expense
	(In millions)		(In thousands)	
Hyundai Motor Poland Sp. Zo.O	₩ 3,675	₩ 1,819	\$ 2,861	\$ 1,416
Hyundai Auto Czech s.r.o.	5,585	-	4,347	-
Hyundai Motor Japan Co.	898	96	699	75
Hyundai Motor Norway AS	1,219	477	949	371
Hyundai Capital America	796	-	620	-
Stampted Metal America Research Technology Inc.	134	-	104	-
Hyundai Translead, Inc.	65	-	51	-
Hyundai Motor Europe Technical Center	60	13,547	47	10,545
Hyundai Motor UK Ltd.	24	-	19	-
Hyundai America Technical Center Inc.	9	19,353	7	15,064
Other	13	3,677	10	2,863
Affiliates:				
Hyundai MOBIS Co., Ltd.	155,599	838,075	121,117	652,351
Hyundai Steel Company	646	332	503	258
Beijing-Hyundai Motor Company	131,190	474	102,117	369
EUKOR Car Carriers, Inc.	-	103,963	-	80,924
HMJ R&D Center Inc.	1	2,787	1	2,169
Iljin Bearing Co., Ltd.	-	3,534	-	2,751
The Korea Economic Daily	-	198	-	154
Others:				
Glovis Co., Ltd.	2,078	74,167	1,617	57,731
Asset Management Co., Ltd.	477	33,449	371	26,036
IHL Corp.	3	19,388	2	15,091
BNG Steel Co., Ltd.	61	10,341	47	8,049
Innocean Worldwide, Inc.	1	8,316	1	6,473
Wistco Co., Ltd.	2	16,159	2	12,578
Samwoo Co., Ltd.	-	49,565	-	38,581
	<u>₩ 2,772,590</u>	<u>₩ 1,946,555</u>	<u>\$ 2,158,161</u>	<u>\$ 1,515,183</u>

(*) Due to the merger with Hyundai MOBIS Co., the company become disaffiliated. The transaction amounts shown above only cover the term while being affiliated in accordance with SKAS No.20.

(4) Significant outstanding balances as of June 30, 2009 are as follows:

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Receivables	Payables	Receivables	Payables
	(In millions)		(In thousands)	
Subsidiaries:				
Kia Motors Corporation	₩ 123,041	₩ 93,091	\$ 95,774	\$ 72,461
Hyundai Capital Service Inc.	35,984	2,643	28,010	2,057
Hyundai Commercial Inc.	9,398	-	7,315	-
World Industries Ace Corporation	47,507	72,862	36,979	56,715
Hyundai HYSCO	2,681	58,666	2,087	45,665
Hyundai Powertech Co., Ltd.	1,638	141,669	1,275	110,274
Hyundai-Rotem Company	355	18,719	276	14,571
METIA Co., Ltd.	16	9,740	12	7,582
Haevichi Resort Co., Ltd.	31,959	1,507	24,877	1,173
Automobile Industrial Ace	61	222	47	173
M&Soft	278	443	216	345
Hyundai Card Co., Ltd.	32,874	25,726	25,589	20,025
Dymos Inc.	3,031	128,021	2,359	99,651
HMC Investment Securities Co., Ltd.	106	2,862	83	2,228
KEFICO	629	68,393	490	53,237
Haevichi Country Club., Ltd.	-	352	-	274
Autoever Systems Corporation	65	45,427	51	35,360
M.SEAT	1	-	1	-
Partecs Company Ltd.	-	4,171	-	3,247
N.G.V	21	3,793	16	2,952
Hyundai Motor America	84,836	12,528	66,036	9,752
Hyundai Auto Canada Corporation	41,960	-	32,661	-
Hyundai Motor Company Australia	73,502	180	57,213	140
Hyundai Motor India	38,949	247	30,318	192
Hyundai Motor Group (China) Ltd.	44,489	-	34,630	-
Hyundai Motor Commonwealth of Independent States	18,211	-	14,175	-
HAOSVT	70,229	288	54,666	224
Hyundai Motor Europe GmbH	6,658	-	5,183	-
Hyundai Motor Manufacturing Alabama, LLC	34,877	75	27,148	58
Hyundai Motor Manufacturing Czech s.r.o.	76,900	400	59,858	311
Hyundai Motor Poland Sp. Zo.O	1,099	-	855	-
Hyundai Auto Czech s.r.o.	598	63	465	49
Hyundai Motor Japan Co.	117	435	91	339
Hyundai Motor Norway AS	263	194	205	151
Hyundai Capital America	37	-	29	-
Stampeted Metal America Research Technology Inc.	104	-	81	-
Hyundai Motor Europe Technical Center	46	-	36	-
Hyundai Motor UK Ltd	2,248	-	1,750	-
Hyundai America Technical Center Inc.	9	-	7	-
Other	5,656	924	4,402	718
Affiliates:				
Hyundai MOBIS Co., Ltd.	103,298	856,442	80,406	666,647
Hyundai Steel Company	814	241	634	188
Beijing-Hyundai Motor Company	47,535	795	37,001	619
EUKOR Car Carriers, Inc.	17	41,020	13	31,930
Iljin Bearing Co., Ltd.	7	1,588	5	1,236

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Receivables	Payables	Receivables	Payables
	(In millions)		(In thousands)	
Others:				
Glovis Co., Ltd.	408	51,140	318	39,807
Asset Management Co., Ltd.	₩ 408	₩ 42,690	\$ 318	\$ 33,230
IHL Corp.	308	16,787	240	13,067
BNG Steel Co., Ltd.	28	7,855	22	6,114
Innocean Worldwide, Inc.	9	39,561	7	30,794
Wistco Co., Ltd.	359	17,471	279	13,599
Samwoo Co., Ltd.	1	39,433	1	30,694
	<u>₩ 943,625</u>	<u>₩ 1,808,664</u>	<u>\$ 734,510</u>	<u>\$ 1,407,849</u>

- (5) Compensations for registered directors and unregistered directors of the Company for the six months ended June 30, 2009 are as follows:

Description	Korean Won	Translation into U.S. Dollars (Note 2)
	(In millions)	(In thousands)
Short-term salaries	₩ 22,591	\$ 17,585
Severance benefits	8,107	6,310
	<u>₩ 30,698</u>	<u>\$ 23,895</u>

22. DERIVATIVE INSTRUMENTS:

The Company entered into derivative instrument contracts including forwards, options and swaps to hedge the exposure to changes in foreign exchange rate. As of June 30, 2009 and December 31, 2008, the Company deferred the net loss of ₩228,476 million (US\$177,844 thousand) and ₩226,514 million (US\$176,317 thousand), respectively, on valuation of the effective portion of derivative instruments for cash flow hedging purposes from forecasted exports as accumulated other comprehensive income (loss). The longest period in which the forecasted transactions are expected to occur is within 29 months from June 30, 2009. Of the net loss on valuation recorded as accumulated other comprehensive loss as of June 30, 2009 amounting to ₩18,530 million (US\$14,424 thousand) is expected to be realized and charged to current operations within one year from June 30, 2009.

For the six months ended June 30, 2009 and 2008, the Company recognized the net loss of ₩201 million (US\$156 thousand) and ₩149,929 million (US\$116,704 thousand), respectively, on valuation of the ineffective portion of such instruments and the other derivative instruments in current operations.

23. REGIONAL SALES INFORMATION:

Sales by region for the three months and six months ended June 30, 2009 and 2008 are as follows:

	Korean Won				Translation into U.S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions)				(In thousands)	
Domestic sales	<u>₩ 4,338,958</u>	<u>₩ 3,510,774</u>	<u>₩ 7,059,806</u>	<u>₩ 6,968,859</u>	<u>\$ 5,495,295</u>	<u>\$ 5,424,503</u>
Export sales - Vehicle products						
North America	1,176,960	1,094,166	2,231,573	1,965,946	1,737,038	1,530,276
Europe	129,033	1,362,359	457,057	2,520,984	355,770	1,962,314
South America	543,173	580,608	919,000	1,135,874	715,342	884,155
Asia & Pacific	566,317	434,411	987,751	841,146	768,858	654,741
Middle Asia & Africa	<u>752,740</u>	<u>904,138</u>	<u>1,566,609</u>	<u>1,649,811</u>	<u>1,219,436</u>	<u>1,284,199</u>
	3,168,223	4,375,682	6,161,990	8,113,761	4,796,444	6,315,685
Export sales - Other	<u>572,759</u>	<u>1,220,305</u>	<u>890,097</u>	<u>2,221,951</u>	<u>692,844</u>	<u>1,729,549</u>
Export sales	<u>3,740,982</u>	<u>5,595,987</u>	<u>7,052,087</u>	<u>10,335,712</u>	<u>5,489,288</u>	<u>8,045,234</u>
Total sales	<u>₩ 8,079,940</u>	<u>₩ 9,106,761</u>	<u>₩ 14,111,893</u>	<u>₩ 17,304,571</u>	<u>\$ 10,984,583</u>	<u>\$ 13,469,737</u>

24. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three months and six months ended June 30, 2009 and 2008 are as follows:

	Korean Won				Translation into U.S. Dollars (Note 2)	
	Three months		Six months		Six months	
	2009	2008	2009	2008	2009	2008
	(In millions)				(In thousands)	
Salary-related costs	₩ 313,553	₩ 297,911	₩ 618,533	₩ 602,184	\$ 481,461	\$ 468,735
Export costs	147,954	269,969	319,281	476,834	248,526	371,164
Sales promotion and advertisements	341,888	179,410	576,917	292,412	449,067	227,611
Sales commissions	160,557	120,837	264,577	242,880	205,945	189,056
Sales warranties	24,278	273,682	118,793	518,660	92,468	403,721
Sales warranties adjustment for interim period	(97,933)	-	-	-	-	-
Taxes and dues	3,704	7,305	6,078	16,549	4,731	12,882
Communications	4,881	4,728	9,728	9,494	7,571	7,390
Utilities	4,185	4,005	10,962	11,174	8,533	8,698
Freight and warehousing	27,272	21,144	48,105	42,630	37,445	33,183
Rent	4,031	3,829	8,209	7,619	6,390	5,931
Travel	21,310	18,729	38,638	37,800	30,075	29,423
Service charges	45,068	51,315	85,466	95,223	66,526	74,121
Maintenance	3,410	4,480	5,710	7,647	4,445	5,952
Supplies	2,634	2,796	5,381	5,755	4,189	4,480
Research	65,582	103,355	125,008	192,691	97,305	149,989
Depreciation	20,173	17,901	38,903	35,872	30,282	27,922
Amortization	1,932	2,118	3,773	4,237	2,937	3,298
Bad debt	2,804	-	2,804	-	2,183	-
Other	3,175	2,778	5,078	5,768	3,952	4,489
	<u>₩ 1,100,458</u>	<u>₩ 1,386,292</u>	<u>₩ 2,291,944</u>	<u>₩ 2,605,429</u>	<u>\$ 1,784,031</u>	<u>\$ 2,028,045</u>

25. FOREIGN CURRENCY DENOMINATED ASSETS AND LIABILITIES:

The assets and liabilities denominated in foreign currencies as of June 30, 2009 and December 31, 2008 are summarized below.

	Foreign currencies				Korean Won			
	June 30, 2009		December 31, 2008		June 30, 2009		December 31, 2008	
	(In thousands)				(In millions)			
Assets	US\$	807,876	US\$	984,640	₩	1,037,879	₩	1,238,184
	JP ¥	186,523	JP ¥	360,566		2,492		5,026
	GBP	1,057	GBP	2,179		2,250		3,960
	CAD	37,644	CAD	23,240		41,813		24,131
	EUR	163,156	EUR	294,476		295,200		523,053
	AUD	71,670	AUD	22,261		74,530		19,367
	AED	77,846	AED	174,194		27,231		59,635
						<u>₩</u>	<u>1,481,395</u>	<u>₩</u>
Liabilities	US\$	163,532	US\$	262,397	₩	210,089	₩	329,964
	JP ¥	14,387,255	JP ¥	18,626,978		192,254		259,640
	GBP	1,288	GBP	11,584		2,742		21,055
	CAD	3,222	CAD	5,252		3,579		5,453
	AUD	4,482	AUD	13,812		4,661		12,017
	EUR	133,218	EUR	253,847		241,032		450,889
	SGD	-	SGD	1		-		1
	CHF	402	CHF	326		477		388
	DKK	1	DKK	6		-		2
	SEK	132	SEK	1		22		1
	AED	150	AED	70		53		24
	NOK	2	NOK	-		-		-
						<u>₩</u>	<u>654,909</u>	<u>₩</u>

26. ADOPTION OF THE KOREAN INTERNATIONAL FINANCIAL REPORTING STANDARDS:

The Company has the plan to adopt the Korean International Financial Reporting Standards (the “K-IFRS”) for preparing its financial statements from January 1, 2011. The Company formed a task force team and has been analyzing the impacts of adoption of the K-IFRS. In addition, the Company holds internal or external training sessions for related employees, and the implementation plan and progress status are reported to the management on a regular basis.