

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 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 balance sheet of Hyundai Motor Company (the "Company") as of March 31, 2009, and the related non-consolidated statements of income, changes in shareholders' equity and cash flows for the three months ended March 31, 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 balance sheet 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 balance sheet as of December 31, 2008, which is comparatively presented, does not differ in material respects from such audited non-consolidated balance sheet.

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.



April 24, 2009

Notice to Readers

This report is effective as of April 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 BALANCE SHEETS

AS OF MARCH 31, 2009 AND DECEMBER 31, 2008

<u>ASSETS</u>	<u>Korean Won</u>		<u>Translation into U.S. Dollars (Note 2)</u>	
	<u>March 31, 2009</u>	<u>December 31, 2008</u>	<u>March 31, 2009</u>	<u>December 31, 2008</u>
	<u>(In millions)</u>		<u>(In thousands)</u>	
Current assets:				
Cash and cash equivalents	₩ 1,881,045	₩ 1,756,546	\$ 1,365,947	\$ 1,275,540
Short-term financial instruments (Note 3)	2,815,684	3,036,232	2,044,647	2,204,801
Short-term investment securities	230,949	220,498	167,707	160,118
Trade notes and accounts receivable, less allowance for doubtful accounts of ₩6,538 million as of March 31, 2009 and ₩6,865 million as of December 31, 2008 (Note 12)	2,158,948	2,513,461	1,567,750	1,825,184
Trade notes and accounts receivable – other	355,525	383,636	258,169	278,583
Inventories (Note 4)	1,870,939	1,809,030	1,358,608	1,313,652
Deferred tax assets (Note 19)	206,281	265,109	149,794	192,513
Derivative assets (Note 22)	14,595	22,536	10,598	16,365
Advances and other current assets	463,240	293,986	336,388	213,481
Total current assets	<u>9,997,206</u>	<u>10,301,034</u>	<u>7,259,608</u>	<u>7,480,237</u>
Non-current assets:				
Long-term investment securities (Notes 5 and 12)	841,675	824,115	611,194	598,442
Investments securities accounted for using the equity method (Notes 6 and 12)	9,872,141	9,249,146	7,168,790	6,716,394
Property, plant and equipment, net of accumulated depreciation of ₩7,219,969 million as of March 31, 2009 and ₩7,032,969 million as of December 31, 2008 (Notes 7 and 12)	9,693,000	9,753,801	7,038,705	7,082,856
Intangibles (Note 8)	1,659,294	1,605,862	1,204,919	1,166,119
Derivative assets (Note 22)	4,727	-	3,433	-
Other assets (Notes 3 and 9)	447,360	433,771	324,856	314,988
Total non-current assets	<u>22,518,197</u>	<u>21,866,695</u>	<u>16,351,897</u>	<u>15,878,799</u>
Total assets	<u>₩ 32,515,403</u>	<u>₩ 32,167,729</u>	<u>\$ 23,611,505</u>	<u>\$ 23,359,036</u>

(Continued)

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED BALANCE SHEETS (CONTINUED)

AS OF MARCH 31, 2009 AND DECEMBER 31, 2008

	Korean Won		Translation into U.S. Dollars (Note 2)	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities:				
Short-term borrowings (Notes 10 and 12)	₩ 1,547,394	₩ 1,386,893	\$ 1,123,661	\$ 1,007,111
Current maturities of long-term debt and debentures (Notes 11 and 12)	300,747	300,742	218,392	218,388
Trade notes and accounts payable	2,545,121	2,443,809	1,848,174	1,774,605
Accounts payable-other	1,233,609	1,496,372	895,802	1,086,611
Accrued warranties (Note 13)	993,980	943,270	721,792	684,968
Income tax payable	247,035	527,310	179,388	382,913
Accrued expenses	360,558	31,701	261,824	23,020
Derivative liabilities (Note 22)	171,904	225,671	124,830	163,874
Withholdings and other current liabilities	481,391	559,321	349,570	406,160
Total current liabilities	<u>7,881,739</u>	<u>7,915,089</u>	<u>5,723,433</u>	<u>5,747,650</u>
Non-current liabilities:				
Long-term debt and debentures, net of current maturities and discount on debentures issued of ₩3,715 million as of March 31, 2009 and ₩3,117 million as of December 31, 2008 (Notes 11 and 12)	1,462,403	1,263,188	1,061,944	917,281
Accrued severance benefits, net of National Pension payments for employees of ₩13,427 million as of March 31, 2009 and ₩14,644 million as of December 31, 2008, and individual Severance insurance deposits of ₩997,570 million as of March 31, 2009 and ₩1,009,175 million as of December 31, 2008	393,122	481,241	285,471	349,460
Long-term accrued warranties (Note 13)	2,550,612	2,532,877	1,852,162	1,839,283
Deferred tax liabilities (Note 19)	137,488	154,910	99,839	112,490
Derivative liabilities (Note 22)	194,714	168,133	141,393	122,092
Total non-current liabilities	<u>4,738,339</u>	<u>4,600,349</u>	<u>3,440,809</u>	<u>3,340,606</u>
Total liabilities	<u>12,620,078</u>	<u>12,515,438</u>	<u>9,164,242</u>	<u>9,088,256</u>
Commitments and contingencies (Note 12)				
Shareholders' equity:				
Capital stock	1,488,993	1,488,993	1,081,253	1,081,253
Capital surplus	5,888,476	5,851,776	4,275,997	4,249,347
Capital adjustments (Note 14)	(720,171)	(719,685)	(522,962)	(522,609)
Accumulated other comprehensive income (Notes 15 and 16)	846,357	612,153	614,594	444,523
Retained earnings (Note 17)	<u>12,391,670</u>	<u>12,419,054</u>	<u>8,998,381</u>	<u>9,018,266</u>
Total shareholders' equity	<u>19,895,325</u>	<u>19,652,291</u>	<u>14,447,263</u>	<u>14,270,780</u>
Total liabilities and shareholders' equity	<u>₩ 32,515,403</u>	<u>₩ 32,167,729</u>	<u>\$ 23,611,505</u>	<u>\$ 23,359,036</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2009 AND 2008

	Korean Won		Translation into U. S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions, except per share amounts)		(In thousands, except per share amounts)	
Sales (Notes 20 and 23):				
Domestic sales	₩ 2,720,848	₩ 3,458,086	\$ 1,975,781	\$ 2,511,137
Export sales	<u>3,311,105</u>	<u>4,739,725</u>	<u>2,404,404</u>	<u>3,441,816</u>
	<u>6,031,953</u>	<u>8,197,811</u>	<u>4,380,185</u>	<u>5,952,953</u>
Cost of sales	<u>4,686,706</u>	<u>6,449,535</u>	<u>3,403,316</u>	<u>4,683,418</u>
Gross profit	1,345,247	1,748,276	976,869	1,269,535
Selling and administrative expenses (Notes 20 and 24)	<u>1,191,486</u>	<u>1,219,137</u>	<u>865,214</u>	<u>885,293</u>
Operating income	<u>153,761</u>	<u>529,139</u>	<u>111,655</u>	<u>384,242</u>
Other income (expenses), net:				
Interest income, net	15,195	47,930	11,034	34,805
Loss on foreign currency translation, net	(6,676)	(42,214)	(4,848)	(30,654)
Gain on foreign exchange transactions, net	84,538	22,809	61,388	16,563
Gain (loss) on valuation of investment securities accounted for using the equity method, net (Note 6)	(15,024)	60,401	(10,910)	43,861
Loss on valuation of derivatives, net (Note 22)	(24,522)	(137,719)	(17,807)	(100,007)
Rental and royalty income	77,630	33,137	56,372	24,063
Loss on disposal of trade notes and accounts receivable	(26,454)	(21,328)	(19,210)	(15,488)
Loss on disposal of property, plant and equipment, net	(5,320)	(4,962)	(3,863)	(3,603)
Loss on disposal of short-term investment securities, net	(43)	(5)	(31)	(4)
Other, net	<u>22,999</u>	<u>26,868</u>	<u>16,702</u>	<u>19,511</u>
	<u>122,323</u>	<u>(15,083)</u>	<u>88,827</u>	<u>(10,953)</u>
Income before income tax	276,084	514,056	200,482	373,289
Income tax expense (Note 19)	<u>51,104</u>	<u>121,404</u>	<u>37,110</u>	<u>88,159</u>
Net income	<u>₩ 224,980</u>	<u>₩ 392,652</u>	<u>\$ 163,372</u>	<u>\$ 285,130</u>
Basic earnings per common share (Note 18)	<u>₩ 824</u>	<u>₩ 1,443</u>	<u>\$ 0.60</u>	<u>\$ 1.05</u>
Diluted earnings per common share (Note 18)	<u>₩ 824</u>	<u>₩ 1,442</u>	<u>\$ 0.60</u>	<u>\$ 1.05</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 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 thousands)
							(In millions)
January 1, 2008	₩ 1,486,980	₩ 5,439,915	₩ (718,855)	₩ 548,094	₩ 11,446,497	₩ 18,202,631	\$ 13,218,089
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	13,218,089
Adjustments resulting from revision of the written opinion for applying Accounting Standards No. 06-2	-	-	-	-	12,078	12,078	8,771
Payment of cash dividend	-	-	-	-	(275,996)	(275,996)	(200,418)
Loss on valuation of treasury stock fund	-	-	(157)	-	-	(157)	(114)
Cancellation of stock options	-	57	(57)	-	-	-	-
Loss on valuation of available-for-sale securities, net	-	-	-	(173,171)	-	(173,171)	(125,750)
Loss on valuation of derivatives, net	-	-	-	(106,300)	-	(106,300)	(77,192)
Net income	-	-	-	-	392,652	392,652	285,130
Changes in retained earnings using the equity method	-	68,816	-	379,304	1,762	449,882	326,688
March 31, 2008	<u>₩ 1,486,980</u>	<u>₩ 5,820,933</u>	<u>₩ (719,069)</u>	<u>₩ 297,845</u>	<u>₩ 11,614,930</u>	<u>₩ 18,501,619</u>	<u>\$ 13,435,204</u>
January 1, 2009	₩ 1,488,993	₩ 5,851,776	₩ (719,685)	₩ 612,153	₩ 12,419,054	₩ 19,652,291	\$ 14,270,780
Payment of cash dividend	-	-	-	-	(235,715)	(235,715)	(171,168)
Loss on valuation of treasury stock fund	-	-	(486)	-	-	(486)	(353)
Gain on valuation of available-for-sale securities, net	-	-	-	4,502	-	4,502	3,269
Loss on valuation of derivatives, net	-	-	-	(12,882)	-	(12,882)	(9,354)
Net income	-	-	-	-	224,980	224,980	163,372
Changes in retained earnings using the equity method	-	36,700	-	242,584	(16,649)	262,635	190,717
March 31, 2009	<u>₩ 1,488,993</u>	<u>₩ 5,888,476</u>	<u>₩ (720,171)</u>	<u>₩ 846,357</u>	<u>₩ 12,391,670</u>	<u>₩ 19,895,325</u>	<u>\$ 14,447,263</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NON-COLSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 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	₩ 224,980	₩ 392,652	\$ 163,372	\$ 285,130
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	217,275	219,500	157,777	159,393
Amortization of intangibles	119,057	118,653	86,455	86,161
Loss (gain) on foreign currency translation, net	(15,212)	42,214	(11,046)	30,654
Loss (gain) on valuation of investment securities accounted for using the equity method, net	15,024	(60,401)	10,910	(43,861)
Loss on valuation of derivatives, net	24,522	137,719	17,807	100,007
Loss on disposal of trade notes and accounts receivable	26,454	21,328	19,210	15,488
Loss on disposal of property, plant and equipment, net	5,320	4,962	3,863	3,603
Loss on disposal of short-term investment securities	43	5	31	4
Dividends of investment securities accounted for using the equity method	10,963	357	7,961	259
Provision for severance benefits	2,907	122,424	2,111	88,900
Provision for warranties	171,599	225,884	124,609	164,029
Amortization of discount on debentures	304	204	221	148
Other	(1,462)	23	(1,061)	16
Changes in operating assets and liabilities:				
Decrease in trade notes and accounts receivable	340,587	257,378	247,322	186,899
Decrease in trade notes and accounts receivable-other	19,475	32,398	14,142	23,526
Increase in inventories	(96,113)	(198,075)	(69,794)	(143,835)
Decrease in deferred tax assets	55,170	69,010	40,062	50,113
Decrease in derivative assets	8,892	10,459	6,457	7,595
Increase in advances and other current assets	(171,200)	(115,755)	(124,319)	(84,057)
Increase in trade notes and accounts payable	103,919	164,882	75,462	119,731
Decrease in accounts payable-other	(498,476)	(193,726)	(361,975)	(140,677)
Decrease in income tax payable	(280,275)	(120,607)	(203,526)	(87,580)
Increase in accrued expenses	328,493	187,518	238,540	136,169
Decrease in deferred tax liabilities	(89,086)	(139,688)	(64,691)	(101,436)
Decrease in derivative liabilities	(73,306)	(24,759)	(53,232)	(17,979)
Decrease in withholding and other current liabilities	(78,625)	(101,777)	(57,095)	(73,907)
Decrease in accrued warranties	(103,154)	(86,993)	(74,907)	(63,171)
Payment of severance benefits	(103,992)	(112,062)	(75,515)	(81,375)
Decrease in individual severance insurance deposits	11,605	50,298	8,427	36,524
Other	3,559	3,257	2,585	2,364
	<u>179,247</u>	<u>907,282</u>	<u>130,163</u>	<u>658,835</u>

(Continued)

HYUNDAI MOTOR COMPANY

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE THREE MONTHS ENDED MARCH 31, 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	₩ 940,682	₩ 1,109,110	\$ 683,089	\$ 805,395
Proceeds from disposal of short-term investment securities	625	32	454	23
Proceeds from disposal of property, plant and equipment	2,376	4,777	1,725	3,469
Proceeds from disposal of investment securities accounted for using the equity method	47,242	93,367	34,305	67,800
Reduction in other current assets	1,440	1,440	1,046	1,046
Reduction in other assets	168	129	122	94
	<u>992,533</u>	<u>1,208,855</u>	<u>720,741</u>	<u>877,827</u>
Cash outflows from investing activities:				
Purchase of short-term financial instruments	(720,133)	(1,696,708)	(522,934)	(1,232,088)
Acquisition of short-term investment securities	(464)	(37)	(337)	(27)
Acquisition of long-term investment securities	(22,865)	(104,484)	(16,604)	(75,872)
Acquisition of investment securities accounted for using the equity method	(356,496)	(140,908)	(258,874)	(102,322)
Acquisition of property, plant and equipment	(131,229)	(93,914)	(95,294)	(68,197)
Expenditures for development costs	(171,227)	(118,753)	(124,339)	(86,234)
Additions to other assets	(381)	(13,108)	(276)	(9,519)
	<u>(1,402,795)</u>	<u>(2,167,912)</u>	<u>(1,018,658)</u>	<u>(1,574,259)</u>
	<u>(410,262)</u>	<u>(959,057)</u>	<u>(297,917)</u>	<u>(696,432)</u>
Cash flows from financing activities:				
Cash inflows from financing activities:				
Proceeds from short-term borrowings	813,434	435,381	590,686	316,158
Proceeds from issuance of debentures	200,000	-	145,233	-
	<u>1,013,434</u>	<u>435,381</u>	<u>735,919</u>	<u>316,158</u>
Cash outflows from financing activities:				
Repayment of short-term borrowings	(656,835)	(213,552)	(476,970)	(155,074)
Repayment of current maturities of long-term debt	(182)	(424)	(132)	(308)
Repayment of debentures	(903)	-	(656)	-
	<u>(657,920)</u>	<u>(213,976)</u>	<u>(477,758)</u>	<u>(155,382)</u>
	<u>355,514</u>	<u>221,405</u>	<u>258,161</u>	<u>160,776</u>
Net increase in cash and cash equivalents	124,499	169,630	90,407	123,179
Cash and cash equivalents, beginning of period	<u>1,756,546</u>	<u>1,446,065</u>	<u>1,275,540</u>	<u>1,050,080</u>
Cash and cash equivalents, end of period	<u>₩ 1,881,045</u>	<u>₩ 1,615,695</u>	<u>\$ 1,365,947</u>	<u>\$ 1,173,259</u>

See accompanying notes to non-consolidated financial statements.

HYUNDAI MOTOR COMPANY

NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 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 Exchange since 1974 and the Global Depositary Receipts issued by the Company have been listed on the London Stock Exchange and Luxemburg Stock Exchange.

As of March 31, 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 ₩1,377.10 to US\$1.00 at March 31, 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 March 31, 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 March 31, 2009 are identical to those as of December 31, 2008.

Reclassification of Accounts

The Company reclassified some accounts in the prior financial statements according to the Company's current financial statements for comparability purposes. This reclassification does not affect the reported net income or net assets in the prior financial statements.

3. RESTRICTED FINANCIAL INSTRUMENTS:

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

	Korean Won		Translation into U.S. Dollars (Note 2)	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Short-term financial instruments:				
Ordinary deposit	₩ 442	₩ 160	\$ 321	\$ 116
Term deposit	<u>370,242</u>	<u>61,073</u>	<u>268,856</u>	<u>44,349</u>
	<u>370,684</u>	<u>61,233</u>	<u>269,177</u>	<u>44,465</u>
Long-term financial instruments (Note 10):				
Guarantee deposits for checking accounts	<u>37</u>	<u>37</u>	<u>27</u>	<u>27</u>
	<u>₩ 370,721</u>	<u>₩ 61,270</u>	<u>\$ 269,204</u>	<u>\$ 44,492</u>

4. INVENTORIES:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Finished goods and merchandise	₩ 677,324	₩ 572,287	\$ 491,848	\$ 415,574
Semi finished goods and work in process	506,055	541,471	367,479	393,197
Raw materials and supplies	581,342	566,429	422,149	411,320
Materials in transit	<u>106,218</u>	<u>128,843</u>	<u>77,132</u>	<u>93,561</u>
	<u>₩ 1,870,939</u>	<u>₩ 1,809,030</u>	<u>\$ 1,358,608</u>	<u>\$ 1,313,652</u>

5. LONG-TERM INVESTMENT SECURITIES:

Long -term investment securities as of March 31, 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)	
		March 31, 2009	December 31, 2008	March 31, 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	₩ 428,145	₩ 436,905	\$ 310,903
Hyundai Oil Refinery Co., Ltd.	4.35	53,314	106,383	106,383	77,251
Hyundai Merchant Marine Co., Ltd.	0.45	9,161	18,677	25,710	13,563
Doosan Capital Co., Ltd.	9.99	10,000	24,378	24,378	17,702
Hyundai Development Company	0.60	9,025	15,143	14,602	10,996
Hyundai H&S	4.07	15,005	13,500	12,692	9,803
KT Freetel	0.18	10,800	9,247	10,482	6,715
Hyundai Asan Corporation	4.61	22,500	7,053	7,053	5,122
Treasury Stock Fund (*1)	-	-	5,100	5,443	3,703
Hyundai Technology Investment Co., Ltd.	14.97	4,490	4,490	4,490	3,260
Industry Otomotif Komersial	15.00	4,439	4,439	4,439	3,223
Kihyup Finance	10.34	3,000	3,000	3,000	2,178

Name of company	Ownership percentage (%)	Korean Won				Translation into U.S. Dollars (Note 2)	
		March 31, 2009		December 31, 2008		March 31, 2009	December 31, 2008
		Acquisition cost	Book value (In millions)	Book value	Book value	Book value (In thousands)	Book value
Kyungnam Credit Information Service Co., Ltd.	13.66	₩ 2,500	₩ 2,500	₩ 2,500	\$ 1,815	\$ 1,815	
NESSCAP Inc.	12.05	1,997	1,997	1,997	1,450	1,450	
Hyundai Research Institute	14.90	1,359	1,271	1,271	923	923	
The Sign Corporation	11.28	1,200	1,200	1,200	871	871	
Heesung PM Tech Corporation	19.90	1,194	1,194	1,194	867	867	
Dongbu NTS Co., Ltd.	19.90	1,134	1,134	1,134	823	823	
Veloxsoft Inc.	7.14	1,000	1,000	1,000	726	726	
Micro Infinity	9.02	608	608	607	442	441	
NGVTEK.com (*2)	53.66	571	571	571	415	415	
Clean Air Technology Inc.	16.13	500	500	500	363	363	
Hankyoreh Plus Inc.	5.43	4,800	284	284	206	206	
Carnes Co., Ltd. (*2)	50.00	250	250	250	182	182	
Jinil MVC Co., Ltd.	18.00	180	180	180	131	131	
ROTIS Inc.	0.19	1,000	8	8	7	7	
ENOVA System	0.90	2,204	249	94	182	68	
Jeonbuk Hyundai Motors FC Co., Ltd. (*2)	100.00	1,000	1,000	-	726	-	
Beneficiary certificates	-	150,000	158,881	154,504	115,374	112,195	
Stock warrants	-	20,865	27,051	-	19,643	-	
Other	-	2,505	2,242	1,244	1,629	904	
			<u>₩ 841,675</u>	<u>₩ 824,115</u>	<u>\$ 611,194</u>	<u>\$ 598,442</u>	

(*1) The acquisition cost of Treasury Stock Fund is ₩7,213 million (US\$5,238 thousand) as of March 31, 2009 and December 31, 2008, and the lower of the fair value of treasury stock and investments in those fund amounting to ₩1,686 million (US\$1,224 thousand) and ₩1,200 million (US\$871 thousand) as of March 31, 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\$5,083 thousand), are not material.

As of March 31, 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\$15,472 thousand) reflected before 2009.

6. INVESTMENT SECURITIES ACCOUNTED FOR USING THE EQUITY METHOD:

(1) Investment securities accounted for using the equity method as of March 31, 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	March 31, 2009	December 31, 2008
			Book value	Book value	Book value	Book value	
			(In millions)	(In thousands)			
Hyundai Motor America	100.00	₩ 1,683,807	₩ 2,293,340	₩2,129,140	₩ 1,711,125	\$ 1,546,104	\$ 1,242,557
Hyundai Motor Manufacturing Czech, Ltd.	100.00	579,412	584,507	583,791	645,066	423,928	468,423
Beijing Hyundai Motor Company	50.00	397,758	966,586	948,445	825,829	688,726	599,687
Hyundai Motor India	100.00	244,017	837,716	749,088	752,356	543,960	546,334
Hyundai Motor Manufacturing Rus LLC	100.00	155,101	153,253	153,212	153,714	111,257	111,622
Hyundai Motor Japan Co. (*1)	100.00	103,658	(11,930)	-	-	-	-
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S. (*1)	70.00	91,315	(60,913)	-	-	-	-
Hyundai Translead	100.00	80,623	151,193	159,502	149,801	115,825	108,780
Hyundai Motor Company Italy S.r.l	100.00	73,191	26,724	61,247	79,930	44,475	58,042
Hyundai Motor Europe Technical Center GmbH	100.00	53,496	77,037	77,037	75,393	55,941	54,748
China Millennium Corporations	59.60	53,466	36,487	70,218	66,538	50,990	48,317
Hyundai Motor (UK) Ltd. (*1)	100.00	48,084	(1,312)	-	-	-	-
Hyundai Auto Czech s.r.o	100.00	46,174	33,899	30,653	39,624	22,259	28,774
WIA Automotive Engine (ShanDong) Company	22.00	28,490	46,054	46,054	42,725	33,443	31,025
Hyundai Motor Poland Sp.zo.o.	100.00	24,139	34,063	43,705	43,607	31,737	31,666
Beijing Mobis Transmission Co., Ltd.	24.08	22,790	50,246	50,246	44,556	36,487	32,355
Hyundai Motor Europe GmbH	100.00	17,529	38,215	38,215	39,315	27,750	28,549
Hyundai Motor Group China Ltd.	50.00	15,371	70,467	4,684	5,682	3,401	4,126
Hyundai Motor Company Australia	100.00	12,382	55,453	52,066	43,083	37,808	31,285
Hyundai America Technical Center Inc.	100.00	9,635	37,017	37,017	34,624	26,880	25,143
Hyundai Motor Deutschland GmbH	30.00	6,761	26,697	26,241	22,715	19,055	16,495
Hyundai Motor Norway AS	100.00	5,636	5,562	1,364	1,718	990	1,248
Beijing Jinxian Motor Safeguard Service Co., Ltd.	100.00	5,438	9,173	9,248	8,040	6,716	5,838
Hyundai Motor Hungary	100.00	5,415	2,192	2,283	2,283	1,658	1,658
Hyundai Motor Commonwealth of Independent States (*1)	80.00	3,959	(35,637)	-	-	-	-
HMJ R&D Center Inc.	100.00	1,510	3,289	3,289	3,296	2,388	2,393
Kia Motors Corporation	38.67	923,957	1,729,892	1,780,542	1,739,079	1,292,965	1,262,856
Hyundai Capital Service Inc.	56.47	500,325	983,079	628,523	577,581	456,411	419,418
Hyundai Card Co., Ltd.	31.52	435,571	410,167	410,173	389,636	297,853	282,940
Hyundai Rotem Company	57.64	254,308	295,255	337,357	317,051	244,976	230,231
Hyundai HYSCO	26.13	200,768	259,619	276,200	288,484	200,566	209,487
Korea Aerospace Industries, Ltd.	20.54	159,800	104,710	104,538	93,452	75,912	67,861
Hyundai Powertech	37.58	135,000	150,887	136,445	144,248	99,081	104,748
HMC Investment Securities Co., Ltd.	27.43	125,115	78,150	121,665	118,919	88,349	86,355
Hyundai Autonet Co., Ltd. (*2)	16.77	118,554	68,359	109,116	111,823	79,236	81,202
Dymos Inc.	47.27	68,872	131,463	128,267	130,405	93,143	94,695
Hyundai Commercial Inc.	50.00	50,000	37,436	36,520	36,468	26,519	26,482
WIA Corporation	39.46	34,357	235,580	213,767	198,997	155,230	144,504
Korea Economy Daily	20.55	29,973	23,924	26,576	27,145	19,299	19,712
Eukor Car Carriers Inc. (*2)	12.00	29,347	74,767	66,994	60,388	48,649	43,852
Partecs Co., Ltd.	56.00	22,400	22,626	22,626	22,829	16,430	16,578
KEFICO Corporation	50.00	20,911	117,600	115,933	121,240	84,186	88,040
HMC Win-Win Fund	60.00	18,000	18,156	18,156	18,000	13,184	13,071
Autoever Systems Corp.	29.90	5,947	25,096	25,096	24,004	18,224	17,431
Haevichi Country Club Co., Ltd. (*1)	30.00	4,500	(35,387)	-	-	-	-
M & Soft Co., Ltd	31.84	3,925	10,106	10,188	10,211	7,398	7,415

Affiliated company	Ownership percentage (%)	Korean Won				Translation into U.S. Dollars (Note 2)	
		Acquisition cost	Net equity value	March 31, 2009		December 31, 2008	
				Book value	Book value	Book value	Book value
			(In millions)	(In thousands)	(In thousands)	(In thousands)	
Iljin Bearing Co., Ltd.	20.00	₩ 826	₩ 16,341	₩ 16,340	₩ 16,843	\$ 11,867	\$ 12,230
Daesung Automotive Co., Ltd.	20.00	400	10,377	10,374	11,323	7,534	8,221
		<u>₩ 6,912,013</u>	<u>₩ 10,197,581</u>	<u>₩ 9,872,141</u>	<u>₩ 9,249,146</u>	<u>\$ 7,168,790</u>	<u>\$ 6,716,394</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.

(2) The changes in investment securities accounted for using the equity method for the three months ended March 31, 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 millions)	(In thousands)
Hyundai Motor America	₩ 1,711,125	₩ 356,496	₩ (105,404)	₩ 166,923	₩ 2,129,140	\$ 1,546,104	
Hyundai Motor Manufacturing Czech, Ltd.	645,066	-	(55,746)	(5,529)	583,791		423,928
Beijing Hyundai Motor Company	825,829	-	36,360	86,256	948,445		688,726
Hyundai Motor India	752,356	-	(24,889)	21,621	749,088		543,960
Hyundai Motor Manufacturing Rus LLC	153,714	-	7,714	(8,216)	153,212		111,257
Hyundai Translead	149,801	-	(3,819)	13,520	159,502		115,825
Hyundai Motor Company Italy S.r.l	79,930	-	(13,398)	(5,285)	61,247		44,475
Hyundai Motor Europe Technical Center GmbH	75,393	-	(62)	1,706	77,037		55,941
China Millennium Corporations	66,538	-	757	2,923	70,218		50,990
Hyundai Auto Czech s.r.o	39,624	-	(8,643)	(328)	30,653		22,259
WIA Automotive Engine (ShanDong) Company	42,725	-	(815)	4,144	46,054		33,443
Hyundai Motor Poland Sp.zo.o.	43,607	-	3,724	(3,626)	43,705		31,737
Beijing Mobis Transmission Co., Ltd.	44,556	-	1,522	4,168	50,246		36,487
Hyundai Motor Europe GmbH	39,315	-	(2,016)	916	38,215		27,750
Hyundai Motor Group China Ltd.	5,682	-	(7,389)	6,391	4,684		3,401
Hyundai Motor Company Australia	43,083	-	4,869	4,114	52,066		37,808
Hyundai America Technical Center Inc.	34,624	-	(921)	3,314	37,017		26,880
Hyundai Motor Deutschland GmbH	22,715	-	3,042	484	26,241		19,055
Hyundai Motor Norway AS	1,718	-	(1,084)	730	1,364		990
Beijing Jinxian Motor Safeguard Service Co., Ltd.	8,040	-	460	748	9,248		6,716
Hyundai Motor Hungary	2,283	-	-	-	2,283		1,658
HMJ R&D Center Inc.	3,296	-	(60)	53	3,289		2,388
Kia Motors Corporation	1,739,079	-	53,420	(11,957)	1,780,542		1,292,965
Hyundai Capital Service Inc.	577,581	-	85,108	(34,166)	628,523		456,411
Hyundai Card Co., Ltd.	389,636	-	21,168	(631)	410,173		297,853
Hyundai Rotem Company	317,051	-	(4,963)	25,269	337,357		244,976
Hyundai HYSCO	288,484	-	(12,111)	(173)	276,200		200,566
Korea Aerospace Industries, Ltd.	93,452	-	11,086	-	104,538		75,912
Hyundai Powertech	144,248	-	(5,467)	(2,336)	136,445		99,081
HMC Investment Securities Co., Ltd.	118,919	-	1,350	1,396	121,665		88,349
Hyundai Autonet Co., Ltd.	111,823	-	(2,857)	150	109,116		79,236
Dymos Inc.	130,405	-	(1,622)	(516)	128,267		93,143
Hyundai Commercial Inc.	36,468	-	1,486	(1,434)	36,520		26,519
WIA Corporation	198,997	-	651	14,119	213,767		155,230
Korea Economy Daily	27,145	-	(302)	(267)	26,576		19,299

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)	
Eukor Car Carriers Inc.	₩ 60,388	₩ -	₩ 120	₩ 6,486	₩ 66,994	\$	48,649
Partecs Co., Ltd.	22,829	-	(203)	-	22,626		16,430
KEFICO Corporation	121,240	-	3,072	(8,379)	115,933		84,186
HMC Win-Win Fund	18,000	-	156	-	18,156		13,184
Autoever Systems Corp.	24,004	-	1,024	68	25,096		18,224
M & Soft Co., Ltd.	10,211	-	105	(128)	10,188		7,399
Iljin Bearing Co., Ltd.	16,843	-	(277)	(225)	16,341		11,867
Daesung Automotive Co., Ltd.	11,323	-	(170)	(780)	10,373		7,533
	<u>₩ 9,249,146</u>	<u>₩ 356,496</u>	<u>₩ (15,024)</u>	<u>₩ 281,523</u>	<u>₩ 9,872,141</u>	<u>\$</u>	<u>7,168,790</u>

(*) Other changes consist of the decrease by ₩10,963 million (US\$7,961 thousand) due to receipt of the dividends, increase of capital surplus by ₩886 million (US\$643 thousand), decrease of retained earnings by ₩20,306 million (US\$14,745 thousand) and increase of accumulated other comprehensive income by ₩311,906 million (US\$226,495 thousand).

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

(3) Condensed financial information of the affiliates as of and for the three months ended March 31, 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	₩15,008,953	₩12,715,613	₩ 2,618,645	₩ (30,111)	\$10,898,957	\$ 9,233,616	\$ 1,901,565	\$ 21,866
Hyundai Motor Manufacturing Czech, Ltd.	1,736,708	1,152,200	385,995	(35,331)	1,261,134	836,686	280,296	(25,656)
Beijing Hyundai Motor Company	3,638,189	1,705,016	1,845,256	75,435	2,641,921	1,238,121	1,339,958	54,778
Hyundai Motor India	3,104,176	2,266,460	1,098,056	8,145	2,254,140	1,645,821	797,368	5,915
Hyundai Motor Manufacturing Rus LLC	160,615	7,363	490	6,988	116,633	5,347	356	5,074
Hyundai Motor Japan Co.	21,553	33,482	11,156	(641)	15,651	24,313	8,101	(465)
Hyundai Assan Otomotive Sannayi Ve Ticaret A.S.	491,386	578,404	198,547	(34,112)	356,827	420,016	144,178	(24,771)
Hyundai Translead	298,338	147,144	55,840	(3,767)	216,642	106,851	40,549	(2,735)
Hyundai Motor Company Italy S.r.l	335,013	308,289	140,559	(3,831)	243,274	223,868	102,069	(2,782)
Hyundai Motor Europe Technical Center GmbH	164,308	87,271	24,660	(62)	119,315	63,373	17,907	(45)
China Millennium Corporations	141,899	80,679	7,688	2,132	103,042	58,586	5,583	1,548
Hyundai Motor (UK) Ltd.	275,856	277,168	153,801	(1,929)	200,317	201,269	111,685	(1,401)
Hyundai Auto Czech s.r.o	155,404	121,505	75,898	(5,605)	112,849	88,233	55,114	(4,070)
WIA Automotive Engine (ShanDong) Company	393,813	184,479	9,928	(3,706)	285,973	133,962	7,209	(2,691)
Hyundai Motor Poland Sp.zo.o.	168,605	134,542	61,615	(804)	122,435	97,700	44,743	(584)
Beijing Mobis Transmission Co., Ltd.	302,167	93,496	85,859	6,323	219,423	67,893	62,348	4,592
Hyundai Motor Europe GmbH	149,844	111,629	103,474	220	108,811	81,061	75,139	160
Hyundai Motor Group China Ltd.	480,849	339,915	338,234	14,514	349,175	246,834	245,613	10,540
Hyundai Motor Company Australia	270,902	215,449	244,936	594	196,719	156,451	177,864	431

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 America Technical Center Inc.	₩ 53,915	₩ 16,898	₩ 37,333	₩ 995	\$ 39,151	\$ 12,271	\$ 27,110	\$ 723
Hyundai Motor Deutschland GmbH	375,035	286,047	402,712	2,319	272,337	207,717	292,435	1,684
Hyundai Motor Norway AS	38,972	33,410	24,062	376	28,300	24,261	17,473	273
Beijing Jinxian Motor Safeguard Service Co., Ltd.	31,268	22,096	24,361	442	22,706	16,045	17,690	321
Hyundai Motor Hungary	3,866	1,674	-	-	2,807	1,216	-	-
Hyundai Motor Commonwealth of Independent States	1,008,041	1,052,587	285,367	(9,073)	732,003	764,350	207,223	(6,588)
HMJ R&D Center Inc.	9,051	5,761	4,447	52	6,573	4,183	3,229	38
Kia Motors Corporation	14,364,025	9,891,130	3,502,451	97,380	10,430,633	7,182,579	2,543,353	70,714
Hyundai Capital Service Inc.	15,439,655	13,698,917	1,051,315	148,335	11,211,717	9,947,656	763,427	107,715
Hyundai Card Co., Ltd.	5,885,159	4,583,702	454,089	61,216	4,273,589	3,328,518	329,743	44,453
Hyundai Rotem Company	2,669,239	2,156,964	673,100	16,676	1,938,304	1,566,309	488,781	12,110
Hyundai HYSKO	2,964,123	1,970,456	910,359	(45,087)	2,152,438	1,430,874	661,070	(32,741)
Korea Aerospace Industries, Ltd.	1,087,089	616,000	326,600	49,300	789,405	447,317	237,165	35,800
Hyundai Powertech Co., Ltd.	1,341,292	939,743	177,339	(18,540)	973,998	682,407	128,777	(13,463)
HMC Investment Securities Co., Ltd.	1,207,143	922,194	61,096	7,355	876,583	669,664	44,366	5,341
Hyundai Autonet Co., Ltd.	672,353	264,706	230,760	(15,338)	488,238	192,220	167,570	(11,138)
Dymos Inc.	843,031	564,913	150,512	(2,185)	612,178	410,219	109,296	(1,587)
Hyundai Commercial Inc.	1,240,730	1,165,858	39,824	2,861	900,973	846,604	28,919	2,078
World Industries Ace Corporation	2,200,673	1,603,701	624,802	(1,569)	1,598,049	1,164,549	453,709	(1,139)
The Korea Economic Daily	188,200	71,800	25,500	(1,900)	136,664	52,139	18,517	(1,380)
Eukor Car Carriers Inc.	2,551,523	1,928,462	553,779	25,662	1,852,823	1,400,379	402,134	18,635
Partecs Co., Ltd.	94,432	54,029	5,146	(252)	68,573	39,234	3,737	(183)
KEFICO	411,323	176,123	132,942	1,371	298,688	127,894	96,538	996
HMC Win-Win Fund	30,260	-	340	196	21,974	-	247	142
Autoever Systems Corporation	181,457	97,524	94,551	3,172	131,767	70,818	68,660	2,303
Haevichi Country Club Co., Ltd.	225,980	261,367	711	(2,489)	164,098	189,795	516	(1,807)
M & Soft	37,889	6,146	7,846	289	27,514	4,463	5,697	210
Iljin Bearing Co., Ltd.	115,540	33,835	33,813	(1,816)	83,901	24,570	24,554	(1,319)
Daesung Automotive Co., Ltd.	70,042	18,165	9,746	559	50,862	13,191	7,077	406

(4) Significant unrealized profits that occurred in transactions with investees as of March 31, 2009 are as follows:

Transaction type	Korean Won				Translation into U.S. Dollars (Note 2)	
	Beginning of period	Increase	Decrease	End of period	End of period	
	(In millions)				(In thousands)	
Inventories	₩ 348,628	₩ 409,710	₩ (348,628)	₩ 409,710	\$	297,517
Property	372,894	28,200	(32,123)	368,971		267,933
Accrued warranties	(100,919)	(89,731)	100,919	(89,731)		(65,159)
	<u>₩ 620,603</u>	<u>₩ 348,179</u>	<u>₩ (279,832)</u>	<u>₩ 688,950</u>	<u>\$</u>	<u>500,291</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 ₩1,584 million (US\$1,150 thousand) and ₩2,853 million (US\$2,072 thousand) for the three months ended March 31, 2009 and 2008, respectively.
- (6) The unamortized (or unreversed) balance of goodwill and negative goodwill as of March 31, 2009 is ₩322,137 million (US\$233,924 thousand) and ₩42,143 million (US\$30,603 thousand), respectively. In addition, the unamortized (or unreversed) balance of goodwill and negative goodwill as of December 31, 2008 is ₩327,808 million (US\$238,042 thousand) and ₩42,993 million (US\$31,220 thousand), respectively.
- (7) The market price of listed equity securities as of March 31, 2009 is as follows:

Affiliated company	Korean Won			Translation into U.S. Dollars (Note 2)	
	Price per share	Number of shares	Market value	Market value	
	(In millions, except price per share)			(In thousands)	
Kia Motors Corporation	₩ 8,530	134,285,491	₩ 1,145,455	\$	831,788
Hyundai HYSKO	7,350	20,954,188	154,013		111,839
HMC Investment Securities Co., Ltd.	22,000	4,343,504	95,557		69,390
Hyundai Autonet Co., Ltd.	3,300	38,870,000	128,271		93,146

- (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 March 31, 2009 and December 31, 2008 are ₩369,014 million (US\$267,965 thousand) and ₩462,311 million (US\$335,713 thousand), respectively.

7. PROPERTY, PLANT AND EQUIPMENT:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Buildings and structures	₩ 4,009,276	₩ 3,946,264	\$ 2,911,391	\$ 2,865,634
Machinery and equipment	6,237,089	6,224,713	4,529,147	4,520,160
Vehicles	89,019	87,279	64,642	63,379
Dies, molds and tools	3,211,929	3,113,471	2,332,386	2,260,890
Other equipment	786,183	776,445	570,898	563,826
	14,333,496	14,148,172	10,408,464	10,273,889
Less: accumulated depreciation	7,219,969	7,032,969	5,242,879	5,107,087
	7,113,527	7,115,203	5,165,585	5,166,802
Land	1,961,065	1,960,740	1,424,054	1,423,818
Construction in progress	618,408	677,858	449,066	492,236
	<u>₩ 9,693,000</u>	<u>₩ 9,753,801</u>	<u>\$ 7,038,705</u>	<u>\$ 7,082,856</u>

The changes in property, plant and equipment for the three months ended March 31, 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	₩ -	₩ 402	₩ (77)	₩ -	₩ -	₩ 1,961,065	\$ 1,424,054	
Buildings and structures	2,910,670	-	63,022	(6)	(30,632)	-	2,943,054	2,137,139	
Machinery and equipment	3,168,975	-	25,606	(2,701)	(107,307)	-	3,084,573	2,239,905	
Vehicles	36,807	-	3,362	(708)	(2,401)	-	37,060	26,913	
Dies, molds and tools	757,961	-	109,898	(3,111)	(57,073)	-	807,675	586,504	
Other equipment	240,790	-	20,608	(371)	(19,862)	-	241,165	175,125	
Construction in progress	677,858	131,229	(222,898)	(722)	-	32,941	618,408	449,065	
Total	<u>₩ 9,753,801</u>	<u>₩ 131,229</u>	<u>₩ -</u>	<u>₩ (7,696)</u>	<u>₩ (217,275)</u>	<u>₩ 32,941</u>	<u>₩ 9,693,000</u>	<u>\$ 7,038,705</u>	

(*) Other changes consist of decrease in transfer of ₩1,263 million (US\$917 thousand) from construction in progress to industrial property rights and increase in transfer of ₩34,204 million (US\$24,838 thousand) from inventories to construction in progress.

As of March 31, 2009, a substantial portion of the Company's property, plant and equipment is pledged as collateral for various loans up to a maximum of ₩1,057,120 million (US\$767,642 thousand) (See Note 11).

8. INTANGIBLES:

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

Description	Korean Won				Translation into U.S. Dollars (Note 2)			
	March 31, 2009		December 31, 2008		March 31, 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	₩ 62,368	₩ 47,362	₩ -	₩ 15,006	₩ 15,307	\$ 10,897	\$ 11,115	
Development costs	3,695,290	2,038,401	20,793	1,636,096	1,582,086	1,188,073	1,148,853	
Other	38,650	30,458	-	8,192	8,469	5,949	6,151	
	<u>₩3,796,308</u>	<u>₩ 2,116,221</u>	<u>₩ 20,793</u>	<u>₩ 1,659,294</u>	<u>₩ 1,605,862</u>	<u>\$ 1,204,919</u>	<u>\$ 1,166,119</u>	

The changes in intangibles for the three months ended March 31, 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	\$ 1,166,119	
Addition: Expenditures	1,263	171,227	-	172,490	125,255	
Deduction: Amortization	1,564	117,217	277	119,057	86,455	
End of period	<u>₩ 15,006</u>	<u>₩ 1,636,096</u>	<u>₩ 8,192</u>	<u>₩ 1,659,294</u>	<u>\$ 1,204,919</u>	

Research and development expenditures for the three months ended March 31, 2009 and 2008 are as follows:

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Development costs	₩ 171,227	₩ 118,753	\$ 124,339	\$ 86,234
Ordinary development (manufacturing cost)	9,526	19,775	6,917	14,360
Research costs (SG&A)	<u>59,426</u>	<u>89,336</u>	<u>43,153</u>	<u>64,873</u>
	<u>₩ 240,179</u>	<u>₩ 227,864</u>	<u>\$ 174,409</u>	<u>\$ 165,467</u>

9. OTHER ASSETS:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March, 31 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Long-term financial instruments (Note 3)	₩ 37	₩ 37	\$ 27	\$ 27
Long-term notes and accounts receivable, less unamortized present value discount of ₩7,338 million as of March 31, 2009 and ₩6,535 million as of December 31, 2008	29,430	26,329	21,371	19,119
Long-term other accounts receivable	89,997	79,724	65,353	57,893
Long-term loans	3,488	3,539	2,532	2,570
Lease and rental deposits	202,312	202,043	146,912	146,716
Long-term deposits	<u>122,096</u>	<u>122,099</u>	<u>88,661</u>	<u>88,663</u>
	<u>₩ 447,360</u>	<u>₩ 433,771</u>	<u>\$ 324,856</u>	<u>\$ 314,988</u>

10. SHORT-TERM BORROWINGS:

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

Description	Annual interest rate March, 31 2009 (%)	Korean Won		Translation into U. S. Dollars (Note 2)	
		March, 31 2009	December 31, 2008	March 31, 2009	December 31, 2008
		(In millions)		(In thousands)	
Overdrafts	4.87 ~ 5.96	₩ 237,592	₩ 159	\$ 172,531	\$ 115
General loans	7.60	150,000	150,000	108,925	108,925
Trust loans	7.18 ~ 7.67	200,000	200,000	145,233	145,233
Discount of bills	2.45 ~ 7.94	575,400	481,500	417,834	349,648
Banker's Usance	Libor+0.7~3.5	<u>384,402</u>	<u>555,234</u>	<u>279,138</u>	<u>403,190</u>
		<u>₩ 1,547,394</u>	<u>₩ 1,386,893</u>	<u>\$ 1,123,661</u>	<u>\$ 1,007,111</u>

11. LONG-TERM DEBT AND DEBENTURES:

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

Description	Annual interest rate (%)	Korean Won		Translation into U.S. Dollars (Note 2)	
		March, 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
		(In millions)		(In thousands)	
Debentures	3.75~7.56	₩ 1,750,000	₩ 1,550,000	\$ 1,270,786	\$ 1,125,554
Local currency loans:					
General loans	3.00~5.00	₩ 16,865	₩ 17,047	\$ 12,247	\$ 12,379
		1,766,865	1,567,047	1,283,033	1,137,933
Less: current maturities		300,747	300,742	218,391	218,388
		<u>₩ 1,466,118</u>	<u>₩ 1,266,305</u>	<u>\$ 1,064,642</u>	<u>\$ 919,545</u>

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

Description	Maturity	Interest rate (%)	Korean Won		Translation into U.S. Dollars (Note 2)	
			March, 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
			(In thousands)		(In thousands)	
Non-guaranteed debentures	Nov 29, 2009 ~ Mar 5, 2013	3.75~7.56	₩ 1,750,000	₩ 1,550,000	\$ 1,270,786	\$ 1,125,554
Less: discount on debentures			3,715	3,117	2,698	2,264
			<u>₩ 1,746,285</u>	<u>₩ 1,546,883</u>	<u>\$ 1,268,088</u>	<u>\$ 1,123,290</u>

The maturity of long-term debt and debentures as of March 31, 2009 is as follows:

Description	Debentures	Korean Won		Total	Translation into U.S. Dollars (Note 2)	
		Local currency loans			Total	
		(In millions)		(In thousands)		
April 1, 2010 ~ March 31, 2011	₩ 300,000	₩ 1,157	₩ 301,157	\$ 218,689		
April 1, 2011 ~ March 31, 2012	650,000	1,544	651,544	473,128		
April 1, 2012 ~ March 31, 2013	500,000	1,882	501,882	364,448		
Thereafter	-	11,535	11,535	8,377		
	1,450,000	16,118	1,466,118	1,064,642		
Less: discount on debentures	3,715	-	3,715	2,698		
	<u>₩ 1,446,285</u>	<u>₩ 16,118</u>	<u>₩ 1,462,403</u>	<u>\$ 1,061,944</u>		

12. COMMITMENTS AND CONTINGENCIES:

- (1) The Company is contingently liable for guarantees of indebtedness, primarily for the following affiliates (including foreign subsidiaries), as of March 31, 2009.

Description	Korean Won (In millions)	Translation into U.S. Dollars (Note 2) (In thousands)
Hyundai Capital Service, Inc.	₩ 777,715	\$ 564,748
Hyundai Merchant Marine Co., Ltd.	243,265	176,650
Hyundai Rotem Company	314,909	228,675
Hyundai Motor America	413,130	300,000
Hyundai Motor Manufacturing Alabama LLC	718,266	521,579
Hyundai Auto Canada Corp.	18,313	13,298
Hyundai Motor Finance Company	900,623	654,000
Hyundai Motor India	344,275	250,000
Hyundai Motor Europe GmbH	34,511	25,061
Hyundai Motor Europe Technical Center GmbH	90,820	65,950
Hyundai Motor Manufacturing Czech, Ltd.	672,064	488,028
Hyundai Motor UK Limited.	39,275	28,520
Hyundai Motor Japan Co.	42,444	30,821
HMJ R&D Center Inc.	7,781	5,650
Hyundai Motor Poland Sp.zo.o.	9,082	6,596
Hyundai Translead	108,791	79,000
Smart Alabama LLC	165,252	120,000
Hyundai America Technical Center Inc.	27,542	20,000
Beijing Jingxian Motor Safeguard Service Co., Ltd.	2,754	2,000
Mobis Transmission Co., Ltd.	20,852	15,143
UTS	330,504	240,000
	₩ 5,282,168	\$ 3,835,719

- (2) As of March 31, 2009, 213,466 shares of Kia Motors Corporation, and 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\$1,905 thousand) and property, plant and equipment (See Note 7) 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 ₩71,594 million (US\$51,989 thousand) to the banks concerned as of March 31, 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 Hyundai 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 March 31, 2009, the amount of guarantee is ₩62,951 million (US\$45,713 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 March 31, 2009, the outstanding balance of accounts receivable discounted with recourse amounts to ₩3,022,928 million (US\$2,195,141 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 March 31, 2009 will not have any material effect on its financial position.
- (7) In 2006, the Company sold 10,658,367 shares of Hyundai Rotem Company 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.

13. ACCRUED WARRANTIES:

The changes in accrued warranties in current and long-term liabilities for the three months ended March 31, 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	\$ 2,524,252	\$ 2,234,559
Accrual	171,599	225,884	124,609	164,029
Use	(103,154)	(86,993)	(74,907)	(63,171)
End of period	<u>₩ 3,544,592</u>	<u>₩ 3,216,103</u>	<u>\$ 2,573,954</u>	<u>\$ 2,335,417</u>

14. CAPITAL ADJUSTMENTS:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March, 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Treasury stock	₩ (720,171)	₩ (719,685)	\$ (522,962)	\$ (522,609)

For the stabilization of stock price, the Company has treasury stock consisting of 11,031,741 common shares and 2,950,960 preferred shares with a carrying value of ₩720,171 million (US\$522,962 thousand) as of March 31, 2009, and 11,031,741 common shares and 2,950,960 preferred shares with a carrying value of ₩719,685 million (US\$522,609 thousand) as of December 31, 2008, which were acquired directly or indirectly through the Treasury Stock Fund and Trust Cash Fund.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Gain on valuation of available-for-sale securities, net	₩ 370,071	₩ 365,569	\$ 268,732	\$ 265,463
Gain on valuation of investment securities accounted for using the equity method, net	664,564	421,980	482,582	306,427
Loss on valuation of derivatives, net	(188,278)	(175,396)	(136,720)	(127,367)
	<u>₩ 846,357</u>	<u>₩ 612,153</u>	<u>\$ 614,594</u>	<u>\$ 444,523</u>

16. STATEMENTS OF COMPREHENSIVE INCOME:

Statements of comprehensive income for the three months ended March 31, 2009 and 2008 consist of the following:

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Net income	₩ 224,980	₩ 392,652	\$ 163,372	\$ 285,130
Cumulative effect of implementing a new accounting policy	-	12,078	-	8,770
Other comprehensive income (loss):				
Gain (loss) on valuation of available-for-sale securities, net of deferred tax effect of ₩1,270 million and ₩65,686 million as of March 31, 2009 and 2008, respectively	4,502	(173,171)	3,269	(125,750)
Gain on valuation of investment securities accounted for using the equity method, net of deferred tax effect of ₩69,322 million and ₩24,009 million as of March 31, 2009 and 2008, respectively.	242,584	379,304	176,156	275,437
Loss on valuation of derivatives, net of deferred tax effect of ₩3,040 million and ₩40,321 million as of March 31, 2009 and 2008, respectively.	(12,882)	(106,300)	(9,354)	(77,192)
Comprehensive income	<u>₩ 459,184</u>	<u>₩ 504,563</u>	<u>\$ 333,443</u>	<u>\$ 366,395</u>

17. RETAINED EARNINGS:

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

Description	Korean Won		Translation into U.S. Dollars (Note 2)	
	March, 31, 2009	December 31, 2008	March 31, 2009	December 31, 2008
	(In millions)		(In thousands)	
Appropriated:				
Legal reserve	₩ 302,170	₩ 278,570	\$ 219,425	\$ 202,287
Reserve for business rationalization	545,800	545,800	396,340	396,340
Reserve for improvement of financial structure	98,947	98,947	71,852	71,852
Reserve for overseas market development	48,800	48,800	35,437	35,437
Reserve for technology development	6,553,100	6,113,100	4,758,623	4,439,111
Reserve for research and manpower development	4,630,000	4,080,000	3,362,138	2,962,748
	12,178,817	11,165,217	8,843,815	8,107,775
Before appropriations	212,853	1,253,837	154,566	910,491
	<u>₩ 12,391,670</u>	<u>₩ 12,419,054</u>	<u>\$ 8,998,381</u>	<u>\$ 9,018,266</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 ₩235,715 million (US\$171,168 thousand) are reflected in retained earnings on that date.

18. 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 ended March 31, 2009 and 2008 is computed as follows:

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions, except per share amounts)		(In thousands, except per share amounts)	
Net income	₩ 224,980	₩ 392,652	\$ 163,372	\$ 285,130
Expected dividends on preferred stock	(52,538)	(91,130)	(38,151)	(66,175)
Net income available to common share	172,442	301,522	125,221	218,955
Weighted average number of common shares outstanding (*)	209,244,738	208,923,735	209,244,738	208,923,735
Basic earnings per common share	₩ 824	₩ 1,443	\$ 0.60	\$ 1.05

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

Diluted earnings per common share for three months ended March 31, 2009 is not computed as there is no dilutive effect. Diluted earnings per common share for the three months ended March 31, 2008 is computed as follows:

	Korean Won	Translation into U.S. Dollars (Note 2)
	2008	2008
	(In millions, except per share amounts)	(In thousands, except per share amounts)
Net income available to common share	₩ 301,522	\$ 218,954
Expenses related to diluted securities	-	-
Net income available to diluted common share	301,522	218,954
Weighted average number of common shares and diluted securities outstanding	209,170,388	209,170,388
Diluted earnings per common share	₩ 1,442	\$ 1.05

19. INCOME TAX EXPENSE AND DEFERRED INCOME TAX ASSETS:

Income tax expense for the three months ended March 31, 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	₩ 85,021	₩ 192,082	\$ 61,739	\$ 139,483
Changes in deferred taxes due to:				
Temporary differences	41,406	(134,748)	30,068	(97,849)
Items directly charged to equity	(75,323)	64,070	(54,697)	46,525
Income tax expense	<u>₩ 51,104</u>	<u>₩ 121,404</u>	<u>\$ 37,110</u>	<u>\$ 88,159</u>

For the three months ended March 31, 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	₩ 276,084	₩ 514,056	\$ 200,482	\$ 373,289
Income tax expenses calculated at current applicable tax rates of 24.2% in 2009 and 27.5% in 2008.	66,788	141,352	48,499	102,645
Adjustments:				
Non-taxable income	(1,595)	(15,160)	(1,158)	(11,009)
Disallowed expenses	41	2,332	30	1,693
Tax credits	(41,168)	(52,931)	(29,895)	(38,437)
Tax effects of temporary differences	(3,429)	52,680	(2,490)	38,254
Other	30,467	(6,869)	22,124	(4,987)
Income tax expense	<u>₩ 51,104</u>	<u>₩ 121,404</u>	<u>\$ 37,110</u>	<u>\$ 88,159</u>

20. RELATED PARTY TRANSACTIONS:

(1) The consolidated subsidiaries as of March 31, 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, Hyundai Autonet Co., Ltd. Partecs Co., 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 Motor Finance Company (HMFC), Hyundai Auto Canada 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, Ltd. (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 Autonet Pontus America, Hyundai Electronics (Tianjin) Co., Ltd., Rio Vista, Rotem USA Corporation, Kia Motors New Zealand Ltd. (KMNZ), Wia Trade Corporation, Hyundai Auto Canada Corp. (HACC), 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 three months ended March 31, 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	₩ 66,363	₩ 32,503	\$ 48,190	\$ 23,602
Hyundai Capital Service Inc.	129,490	8,532	94,031	6,196
World Industries Ace Corporation	33,234	47,571	24,133	34,544
Hyundai Commercial Inc	6,818	-	4,951	-
Hyundai HYSCO	2,389	58,261	1,735	42,307
Hyundai Powertech Co., Ltd.	1,431	61,354	1,039	44,553
Haevichi Resort Co., Ltd.	407	2,011	296	1,460
METIA Co., Ltd.	269	8,272	195	6,007
Hyundai Card Co., Ltd.	182	17,261	132	12,534
Autoever Systems Corporation	46	28,835	33	20,939
Hyundai Autonet Co., Ltd.	50	15,369	36	11,160
Partecs Co., Ltd.	1	2,365	1	1,717
Hyundai Rotem Company	396	151	288	110
N.G.V	-	1,666	-	1,210
KEFICO	124	65,188	90	47,337
Dymos Inc.	104	73,776	76	53,573
Automobile Industrial Ace Corporation	-	68	-	49
Carnes Co., Ltd.	-	947	-	688
Hyundai Motor America	714,810	58,524	519,069	42,498
Hyundai Auto Canada Corp.	340,300	7,285	247,113	5,290
Hyundai Motor Commonwealth of Independent States	184,473	-	133,958	-
Hyundai Motor Company Australia	166,964	-	121,243	-
Hyundai Motor India	133,346	-	96,831	-
Hyundai Motor Group (China) Ltd.	137,452	230	99,813	167
Hyundai Motor Europe GmbH	85,177	-	61,852	-
Hyundai Motor Manufacturing Czech, Ltd.	77,477	-	56,261	-
HAOSVT	53,621	971	38,938	705
Hyundai Motor Manufacturing Alabama, LLC	51,281	338	37,238	245
Hyundai Motor Poland Sp. Zo.O	9,620	1,819	6,986	1,321
Hyundai Motor Japan Co	5,194	387	3,772	281
Hyundai Auto Czech s.r.o	3,558	-	2,584	-
Hyundai Motor Norway AS	863	477	627	346
Hyundai America Technical Center Inc.	23	20,570	17	14,937
Hyundai Motor Europe Technical Center GmbH	55	12,317	40	8,944
Others	980	2,742	712	1,991
Affiliates:				
Hyundai MOBIS Co., Ltd.	35,041	635,006	25,446	461,118
Hyundai Steel Company	650	248	472	180
Beijing Hyundai Motor Company	109,705	1,737	79,664	1,261
EUKOR Car Carriers, Inc.	516	189,855	375	137,866
Iljin Bearing Co., Ltd.	-	3,509	-	2,548
HMJ R&D Center Inc.	4	3,129	3	2,272
Others	1	258	1	187
Others (*):				
Glovis Co., Ltd.	1,175	57,166	853	41,512
Asset Management Co., Ltd.	502	30,872	364	22,418
IHL Corp.	257	12,977	186	9,423

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Sales/proceeds	Purchases/expense	Sales/proceeds	Purchases/expense
	(In millions)		(In thousands)	
Innocean Worldwide, Inc.	₩ 10	₩ 8,663	\$ 6	\$ 6,292
Wisco Co., Ltd.	2	13,734	1	9,974
BNG Steel Co., Ltd.	1	8,652	1	6,284
Samwoo Co., Ltd.	-	49,275	-	35,783
	<u>₩ 2,354,362</u>	<u>₩ 1,544,871</u>	<u>\$ 1,709,652</u>	<u>\$ 1,121,829</u>

(*) Affiliated companies of the Company according to the Monopoly Regulation and Fair Trade Act

(3) Significant outstanding balances as of March 31, 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	₩ 70,204	₩ 40,110	\$ 50,980	\$ 29,126
Hyundai Capital Service Inc.	5,472	2,541	3,974	1,845
World Industries Ace Corporation	39,540	53,091	28,713	38,553
Hyundai Commercial Inc	16,428	-	11,929	-
Hyundai HYSKO	2,115	68,665	1,536	49,862
Hyundai Powertech Co., Ltd.	6,459	68,988	4,690	50,097
Haevichi Resort Co., Ltd.	30,067	1,077	21,834	782
METIA Co., Ltd.	126	10,762	91	7,815
Hyundai Card Co., Ltd.	25,768	140,866	18,712	102,292
Autoever Systems Corporation	25	47,800	18	34,711
Hyundai Autonet Co., Ltd.	87	30,234	63	21,955
Partecs Co., Ltd.	-	3,695	-	2,683
Hyundai Rotem Company	53	18,718	38	13,592
N.G.V	19	5,535	14	4,019
KEFICO	8,824	58,831	6,408	42,721
Dymos Inc.	3,061	100,718	2,223	73,138
Hyundai Motor America	51,659	14,837	37,513	10,774
Hyundai Auto Canada Corp.	51,444	2,264	37,357	1,644
Hyundai Motor Commonwealth of Independent States	63,389	-	46,031	-
Hyundai Motor Company Australia	38,590	145	28,023	105
Hyundai Motor India	60,497	3,010	43,931	2,186
Hyundai Motor Group (China) Ltd.	30,796	-	22,363	-
Hyundai Motor Europe GmbH	24,009	-	17,434	-
Hyundai Motor Manufacturing Czech, Ltd.	93,234	-	67,703	-
HAOSVT	20,602	269	14,960	195
Hyundai Motor Manufacturing Alabama, LLC	25,388	-	18,436	-
Hyundai Motor Poland Sp. Zo.O	2,591	-	1,881	-
Hyundai Auto Czech s.r.o	1,156	-	839	-
Hyundai America Technical Center Inc.	18	19,717	13	14,318
Hyundai Motor Europe Technical Center GmbH	12	11,921	9	8,657
Hyundai Motor Company Italy S.r.l	-	458	-	333
Others	760	1,083	552	786
Affiliates:				
Hyundai MOBIS Co., Ltd.	23,128	616,239	16,795	447,490
Hyundai Steel Company	589	271	428	197

The companies	Korean Won		Translation into U.S. Dollars (Note 2)	
	Receivables	Payables	Receivables	Payables
	(In millions)		(In thousands)	
Affiliated:				
Beijing Hyundai Motor Company	₩ 35,686	₩ 1,461	₩ 25,914	₩ 1,061
EUKOR Car Carriers, Inc.	13	62,701	9	45,531
HMJ R&D Center Inc.	1	3,129	1	2,272
Others	175	3,204	127	2,327
Others(*):				
Glovis Co., Ltd.	544	40,551	395	29,447
Asset Management Co., Ltd.	529	50,630	384	36,766
IHL Corp.	21	13,683	15	9,936
Innocean Worldwide, Inc.	1	31,595	1	22,943
Wisco Co., Ltd.	653	20,037	474	14,550
BNG Steel Co., Ltd.	6	9,517	4	6,911
Samwoo Co., Ltd.	307	60,661	223	44,050
Others	4,139	44	3,005	31
	<u>₩ 738,185</u>	<u>₩ 1,619,058</u>	<u>\$ 536,043</u>	<u>\$ 1,175,701</u>

(*) Affiliated companies of the Company according to the Monopoly Regulation and Fair Trade Act

(4) Compensations for registered directors and unregistered directors of the Company for the three months ended March 31, 2009 are as follows:

Description	Korean Won	Translation into U.S. Dollars (Note 2)
	(In millions)	(In thousands)
Short-term salaries	₩ 11,207	\$ 8,138
Severance benefits	1,607	1,167
	<u>₩ 12,814</u>	<u>\$ 9,305</u>

21. FOREIGN CURRENCY DENOMINATED ASSETS AND LIABILITIES:

The assets and liabilities denominated in foreign currencies as of March 31, 2008 and December 31, 2007 are summarized below.

	Foreign currencies				Korean Won			
	March 31, 2009		December 31, 2008		March 31, 2009		December 31, 2008	
	(In thousands)				(In millions)			
Assets	US\$	1,007,181	US\$	984,640	₩	1,386,989	₩	1,238,184
	JP ¥	40,085	JP ¥	360,566		567		5,026
	GBP	713	GBP	2,179		1,400		3,960
	CAD	47,575	CAD	23,240		51,922		24,131
	EUR	205,989	EUR	294,476		374,156		523,053
	AUD	41,381	AUD	22,261		38,782		19,367
	AED	125,819	AED	174,194		47,173		59,635
						<u>₩ 1,900,989</u>		<u>₩ 1,873,356</u>
Liabilities	US\$	183,343	US\$	262,397	₩	252,482	₩	329,964
	JP ¥	14,247,340	JP ¥	18,626,978		201,571		259,640
	GBP	3,654	GBP	11,584		7,176		21,055
	CAD	6,652	CAD	5,252		7,260		5,453
	AUD	5,509	AUD	13,812		5,163		12,017
	EUR	135,197	EUR	253,847		245,571		450,889

	Foreign currencies				Korean Won			
	March 31,		December 31,		March 31,		December 31,	
	2009		2008		2009		2008	
	(In thousands)				(In millions)			
Liabilities	SGD	1	SGD	1	₩	1	₩	1
	CHF	188	CHF	326		225		388
	DKK	1	DKK	6		1		2
	SEK	68	SEK	1		11		1
	AED	2,415	AED	70		905		24
	HKD	11	HKD	-		2		-
					₩	<u>720,368</u>	₩	<u>1,079,434</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 March 31, 2009 and December 31, 2008, the Company deferred the net loss of ₩242,435 million (US\$176,047 thousand) and ₩226,514 million (US\$164,486 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 32 months from March 31, 2009. Of the net gain on valuation recorded as accumulated other comprehensive loss as of March 31, 2009 amounting to ₩49,812 million (US\$36,172 thousand) is expected to be realized and charged to current operations within one year from March 31, 2009.

For the three months ended March 31, 2009 and 2008, the Company recognized the net loss of ₩24,522 million (US\$17,807 thousand) and ₩137,719 million (US\$100,007 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 ended March 31, 2009 and 2008 are as follows:

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Domestic sales	₩ 2,720,848	₩ 3,458,086	\$ 1,975,781	\$ 2,511,137
Export sales - Vehicle products				
North America	1,054,613	871,779	765,822	633,054
Europe	328,024	1,158,625	238,199	841,351
South America	375,827	555,266	272,912	403,214
Asia & Pacific	421,434	406,735	306,030	295,356
Middle Asia & Africa	813,869	745,673	591,002	541,481
	<u>2,993,767</u>	<u>3,738,078</u>	<u>2,173,965</u>	<u>2,714,456</u>
Export sales - Other	<u>317,338</u>	<u>1,001,647</u>	<u>230,439</u>	<u>727,360</u>
Export sales	<u>3,311,105</u>	<u>4,739,725</u>	<u>2,404,404</u>	<u>3,441,816</u>
Total sales	₩ <u>6,031,953</u>	₩ <u>8,197,811</u>	\$ <u>4,380,185</u>	\$ <u>5,952,953</u>

24. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three months ended March 31, 2009 and 2008 are as follows:

	Korean Won		Translation into U.S. Dollars (Note 2)	
	2009	2008	2009	2008
	(In millions)		(In thousands)	
Salary-related costs	₩ 304,980	₩ 304,273	\$ 221,465	\$ 220,952
Export-related costs	171,327	206,865	124,411	150,218
Sales promotion and advertisements	235,029	113,002	170,670	82,058
Sales commissions	104,020	122,043	75,536	88,623
Sales warranties	192,448	244,978	139,749	177,894
Taxes and dues	2,374	9,244	1,724	6,713
Communications	4,847	4,766	3,520	3,461
Utilities	6,777	7,169	4,921	5,206
Freight and warehousing	20,833	21,486	15,128	15,602
Rent	4,178	3,790	3,034	2,752
Travel	17,328	19,071	12,583	13,849
Service charges	40,398	43,908	29,336	31,884
Maintenance	2,300	3,167	1,670	2,300
Supplies	2,747	2,959	1,995	2,149
Research	59,426	89,336	43,153	64,873
Depreciation	18,730	17,971	13,601	13,050
Amortization	1,841	2,119	1,337	1,539
Other	1,903	2,990	1,381	2,170
	<u>₩ 1,191,486</u>	<u>₩ 1,219,137</u>	<u>\$ 865,214</u>	<u>\$ 885,293</u>

25. 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.