

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2015 AND 2014**

ATTACHMENT: INDEPENDENT ACCOUNTANTS' REVIEW REPORT

HYUNDAI MOTOR COMPANY

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

English Translation of Independent Accountants' Review Report Originally Issued in Korean on May 15, 2015

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

We have reviewed the accompanying consolidated financial statements of Hyundai Motor Company (the "Company") and its subsidiaries. The consolidated financial statements consist of the consolidated statement of financial position as of March 31, 2015, the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months ended March 31, 2015 and 2014, respectively, all expressed in Korean Won, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Accountants' Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our reviews.

We conducted our reviews in accordance with standards for review of interim financial statements in the Republic of Korea. 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.

Review Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements of the Company and its subsidiaries are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards 1034, *Interim Financial Reporting*.

Others

We audited the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year ended December 31, 2014 (not presented in the accompanying consolidated financial statements), in accordance with Korean Auditing Standards. We expressed an unqualified opinion in our independent auditors' report dated on March 3, 2015. The consolidated statement of financial position as of December 31, 2014, presented as a comparative purpose in the accompanying financial statements does not differ, in all material respects, from the audited consolidated statement of financial position as of December 31, 2014.

Deloitte Anjin LLC

May 15, 2015

Notice to Readers

This report is effective as of May 15, 2015, the independent accountants' review report date. Certain subsequent events or circumstances may have occurred between the independent accountants' review report date and the time the independent accountants' review report is read. Such events or circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to the independent accountants' review report.

**HYUNDAI MOTOR COMPANY (the “Company”)
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014**

The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.

Kim, Choong Ho
Chief Executive Officer
HYUNDAI MOTOR COMPANY

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2015 AND DECEMBER 31, 2014

ASSETS	NOTES	March 31, 2015	December 31, 2014
(In millions of Korean Won)			
Current assets:			
Cash and cash equivalents	19	₩ 5,913,406	₩ 7,096,513
Short-term financial instruments	19	3,915,179	4,002,506
Other financial assets	5,19	13,385,487	14,884,434
Trade notes and accounts receivable	3,19	3,536,852	3,750,092
Other receivables	4,19	4,940,377	3,722,109
Inventories	6	8,400,745	7,417,239
Current tax assets		43,985	32,869
Financial services receivables	13,19	21,944,015	22,498,584
Non-current assets classified as held for sale	8	47,643	47,643
Other assets	7,19	1,486,794	1,573,695
Total current assets		63,614,483	65,025,684
Non-current assets:			
Long-term financial instruments	19	100,460	99,044
Other financial assets	5,19	2,708,115	2,520,119
Long-term trade notes and accounts receivable	3,19	50,322	51,534
Other receivables	4,19	1,070,134	1,039,157
Property, plant and equipment	9	23,966,318	22,542,259
Investment property	10	319,452	322,207
Intangible assets	11	3,876,409	3,821,656
Investments in joint ventures and associates	12	15,538,860	16,157,334
Deferred tax assets		698,240	649,850
Financial services receivables	13,19	21,534,894	21,496,004
Operating lease assets	14	13,908,250	13,265,616
Other assets	7,19	248,491	234,653
Total non-current assets		84,019,945	82,199,433
Total assets		₩ 147,634,428	₩ 147,225,117

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2015 AND DECEMBER 31, 2014 (CONTINUED)

LIABILITIES AND EQUITY	NOTES	March 31, 2015	December 31, 2014
		(In millions of Korean Won)	
Current liabilities:			
Trade notes and accounts payable	19	₩ 6,893,924	₩ 7,041,529
Other payables	19	3,402,133	4,686,473
Short-term borrowings	15,19	6,042,260	6,845,920
Current portion of long-term debt and debentures	15,19	9,955,328	9,679,498
Income tax payable		804,580	656,201
Provisions	16	1,766,877	1,844,780
Other financial liabilities	17,19	224,670	223,303
Other liabilities	18,19	5,625,199	4,201,969
Total current liabilities		34,714,971	35,179,673
Non-current liabilities:			
Long-term other payables	19	2,372	2,339
Debentures	15,19	31,935,362	30,302,085
Long-term debt	15,19	6,014,492	7,430,429
Net defined benefit liabilities	33	730,874	594,058
Provisions	16	4,935,958	4,882,090
Other financial liabilities	17,19	209,803	210,528
Deferred tax liabilities		3,986,730	4,051,203
Other liabilities	18,19	2,010,437	1,952,147
Total non-current liabilities		49,826,028	49,424,879
Total liabilities		84,540,999	84,604,552
Equity:			
Capital stock	20	1,488,993	1,488,993
Capital surplus	21	4,134,595	4,134,550
Other capital items	22	(1,588,697)	(1,273,752)
Accumulated other comprehensive income	23	(1,651,219)	(1,344,826)
Retained earnings	24	55,682,052	54,649,863
Equity attributable to the owners of the Company		58,065,724	57,654,828
Non-controlling interests		5,027,705	4,965,737
Total equity		63,093,429	62,620,565
Total liabilities and equity		₩ 147,634,428	₩ 147,225,117

(Concluded)

See accompanying notes to consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	NOTES	Three months ended March 31,	
		2015	2014
		(In millions of Korean Won, except per share amounts)	
Sales	25,38	₩ 20,942,756	₩ 21,649,041
Cost of sales	30	16,610,975	16,871,105
Gross profit		4,331,781	4,777,936
Selling and administrative expenses	26,30	2,743,753	2,839,544
Operating income		1,588,028	1,938,392
Gain on investments in joint ventures and associates, net	27	616,188	648,533
Finance income	28	319,068	187,405
Finance expenses	28	211,798	121,731
Other income	29	385,239	277,086
Other expenses	29,30	375,722	236,523
Income before income tax		2,321,003	2,693,162
Income tax expense	32	337,718	665,069
Profit for the period		₩ 1,983,285	₩ 2,028,093
Profit attributable to:			
Owners of the Company		1,908,899	1,928,705
Non-controlling interests		74,386	99,388
Earnings per share attributable to the owners of the Company:	31		
Basic earnings per share:			
Common stock		₩ 7,092	₩ 7,099
1 st preferred stock		₩ 7,103	₩ 7,111
Diluted earnings per share:			
Common stock		₩ 7,092	₩ 7,099
1 st preferred stock		₩ 7,103	₩ 7,111

See accompanying notes to consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Profit for the period	₩ 1,983,285	₩ 2,028,093
Other comprehensive expenses:		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of defined benefit plans	(16,080)	(6,523)
Changes in retained earnings of equity-accounted investees, net	(47,640)	(8,636)
	<u>(63,720)</u>	<u>(15,159)</u>
Items that may be reclassified subsequently to profit or loss:		
Gain(loss) on available-for-sale ("AFS") financial assets, net	119,245	(143,421)
Gain(loss) on valuation of cash flow hedge derivatives net	1,962	(2,004)
Changes in share of earnings of equity-accounted investees, net	(78,423)	(49,184)
Gain(loss) on foreign operations translation, net	(355,667)	79,311
	<u>(312,883)</u>	<u>(115,298)</u>
Total other comprehensive expenses	<u>(376,603)</u>	<u>(130,457)</u>
Total comprehensive income	<u>₩ 1,606,682</u>	<u>₩ 1,897,636</u>
Comprehensive income attributable to:		
Owners of the Company	1,543,710	1,810,915
Non-controlling interests	62,972	86,721
Total comprehensive income	<u>₩ 1,606,682</u>	<u>₩ 1,897,636</u>

See accompanying notes to consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2014	₩ 1,488,993	₩ 4,130,668	₩ (1,128,779)	₩ (834,036)	₩ 48,274,239	₩ 51,931,085	₩ 4,651,704	₩ 56,582,789
Comprehensive income:								
Profit for the period	-	-	-	-	1,928,705	1,928,705	99,388	2,028,093
Gain (loss) on AFS financial assets, net	-	-	-	(143,864)	-	(143,864)	443	(143,421)
Loss on valuation of cash flow hedge derivatives, net	-	-	-	(896)	-	(896)	(1,108)	(2,004)
Changes in valuation of equity-accounted investees, net	-	-	-	(49,015)	(8,636)	(57,651)	(169)	(57,820)
Remeasurements of defined benefit plans	-	-	-	-	(5,839)	(5,839)	(684)	(6,523)
Gain (loss) on foreign operations translation, net	-	-	-	90,460	-	90,460	(11,149)	79,311
Total comprehensive Income	-	-	-	(103,315)	1,914,230	1,810,915	86,721	1,897,636
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(534,409)	(534,409)	(6,056)	(540,465)
Others	-	-	-	-	(1,960)	(1,960)	(274)	(2,234)
Total transactions with owners, recorded directly in equity	-	-	-	-	(536,369)	(536,369)	(6,330)	(542,699)
Balance at March 31, 2014	<u>₩ 1,488,993</u>	<u>₩ 4,130,668</u>	<u>₩ (1,128,779)</u>	<u>₩ (937,351)</u>	<u>₩ 49,652,100</u>	<u>₩ 53,205,631</u>	<u>₩ 4,732,095</u>	<u>₩ 57,937,726</u>

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (CONTINUED)

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2015	₩ 1,488,993	₩ 4,134,550	₩ (1,273,752)	₩ (1,344,826)	₩ 54,649,863	₩ 57,654,828	₩ 4,965,737	₩ 62,620,565
Comprehensive income:								
Profit for the period	-	-	-	-	1,908,899	1,908,899	74,386	1,983,285
Gain on AFS financial assets, net	-	-	-	117,705	-	117,705	1,540	119,245
Gain on valuation of cash flow hedge derivatives, net	-	-	-	1,923	-	1,923	39	1,962
Changes in valuation of equity-accounted investees, net	-	-	-	(78,265)	(47,640)	(125,905)	(158)	(126,063)
Remeasurements of defined benefit plans	-	-	-	-	(11,156)	(11,156)	(4,924)	(16,080)
Loss on foreign operations translation, net	-	-	-	(347,756)	-	(347,756)	(7,911)	(355,667)
Total comprehensive Income	-	-	-	(306,393)	1,850,103	1,543,710	62,972	1,606,682
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(817,317)	(817,317)	(221)	(817,538)
Purchases of treasury stock	-	-	(314,945)	-	-	(314,945)	-	(314,945)
Others	-	45	-	-	(597)	(552)	(783)	(1,335)
Total transactions with owners, recorded directly in equity	-	45	(314,945)	-	(817,914)	(1,132,814)	(1,004)	(1,133,818)
Balance at March 31, 2015	₩ 1,488,993	₩ 4,134,595	₩ (1,588,697)	₩ (1,651,219)	₩ 55,682,052	₩ 58,065,724	₩ 5,027,705	₩ 63,093,429

(Concluded)

See accompanying notes to consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	NOTES	Three months ended March 31,	
		2015	2014
		(In millions of Korean Won)	
Cash flows from operating activities:			
Cash generated from operations:	34		
Profit for the period		₩ 1,983,285	₩ 2,028,093
Adjustments		1,853,088	2,075,236
Changes in operating assets and liabilities		(1,928,823)	(964,231)
		1,907,550	3,139,098
Interest received		202,171	158,800
Interest paid		(340,970)	(326,204)
Dividend received		60,969	14,998
Income tax paid		(355,415)	(498,637)
Net cash provided by operating activities		1,474,305	2,488,055
Cash flows from investing activities:			
Proceeds from withdrawal (purchase) of short-term financial instruments, net		158,255	(80,841)
Proceeds from disposals of other financial assets		1,087,164	11,553
Receipts from other receivables		14,487	13,645
Disposals of long-term financial instruments		768	-
Proceeds from disposals of property, plant and equipment		13,836	14,805
Proceeds from disposals of intangible assets		577	6,852
Proceeds from disposals of investments in subsidiaries		-	151,499
Acquisitions of other financial assets		(69,014)	(18,803)
Increases in other receivables		(13,411)	(19,462)
Purchases of long-term financial instruments		(48,709)	(1,117,602)
Acquisitions of property, plant and equipment		(2,476,777)	(818,096)
Acquisitions of intangible assets		(232,218)	(215,362)
Cash outflows from business combinations		(86,613)	-
Acquisitions of investments in joint ventures and associates		(8,745)	(13,023)
Other cash receipts from investing activities, net		830	2,077
Net cash used in investing activities		(1,659,570)	(2,082,758)

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014 (CONTINUED)

	NOTES	Three months ended March 31,	
		2015	2014
		(In millions of Korean Won)	
Cash flows from financing activities:			
Proceeds from (repayment of) of short-term borrowings, net	₩	291,114	₩ (692,034)
Proceeds from long-term debt and debentures		7,054,010	7,046,206
Repayment of long-term debt and debentures		(7,712,038)	(5,804,261)
Purchases of treasury stock		(314,945)	-
Dividends paid		(48)	(38)
Other cash payments from financing activities, net		(13,302)	(11,334)
Net cash provided by (used in) financing activities		<u>(695,209)</u>	<u>538,539</u>
Effect of exchange rate changes on cash and cash equivalents		(302,633)	(1,752)
Net increase (decrease) in cash and cash equivalents		(1,183,107)	942,084
Cash and cash equivalents, beginning of the period		<u>7,096,513</u>	<u>6,872,430</u>
Cash and cash equivalents, end of the period	₩	<u>5,913,406</u>	₩ <u>7,814,514</u>

(Concluded)

See accompanying notes to consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

1. GENERAL:

Hyundai Motor Company (the “Company” or “Parent Company”) was incorporated in 1967, under the laws of the Republic of Korea. The Company and its subsidiaries (the “Group”) manufactures and distributes motor vehicles and parts, operates vehicle financing and credit card processing, and manufactures trains.

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 Luxembourg Stock Exchange.

As of March 31, 2015, the major shareholders of the Company are Hyundai MOBIS (20.78%) and Chung, Mong Koo (5.17%).

(1) The Company’s consolidated subsidiaries as of March 31, 2015, are as follows:

Subsidiaries	Nature of the business	Location	Ownership percentage	Indirect ownership
Hyundai Capital Services, Inc.	Financing	Korea	56.47%	
Hyundai Card Co., Ltd. (*)	“	“	36.96%	
Hyundai Rotem Company (Hyundai Rotem) (*)	Manufacturing	“	43.36%	
Hyundai KEFICO Corporation (Hyundai KEFICO)	“	“	100.00%	
Green Air Co., Ltd.	“	“	51.00%	Hyundai Rotem 51.00%
Hyundai Auto Electronics Company Ltd.	R&D	“	60.00%	
Hyundai Partecs Co., Ltd.	Manufacturing	“	56.00%	
Hyundai NGV Tech Co., Ltd.	Engineering	“	53.66%	
Maintrans Company	Services	“	80.00%	Hyundai Rotem 80.00%
Jeonbuk Hyundai Motors FC Co., Ltd.	Football Club	“	100.00%	
Hyundai Motor America (HMA)	Sales	USA	100.00%	
Hyundai Capital America (HCA)	Financing	“	80.00%	HMA 80.00%
Hyundai Motor Manufacturing Alabama, LLC (HMMA)	Manufacturing	“	100.00%	HMA 100.00%
Hyundai Translead, Inc. (HT)	“	“	100.00%	
Stamped Metal American Research Technology, Inc. (SMARTI)	Holding company	“	72.45%	HMA 72.45%
Stamped Metal American Research Technology LLC	Manufacturing	“	100.00%	SMARTI 100.00%
Hyundai America Technical Center, Inc. (HATCI)	R&D	“	100.00%	
Rotem USA Corporation	Manufacturing	“	100.00%	Hyundai Rotem 100.00%
Hyundai Auto Canada Corp. (HACC)	Sales	Canada	100.00%	HMA 100.00%
Hyundai Auto Canada Captive Insurance Inc. (HACCI)	Insurance	“	100.00%	HMA 100.00%
Hyundai Capital Canada Inc. (HCCA)	Financing	“	60.00%	
Hyundai Capital Lease Inc.	“	“	100.00%	HCCA 100.00%
Hyundai Motor India Limited (HMI)	Manufacturing	India	100.00%	
Hyundai Motor India Engineering Private Limited (HMIE)	R&D	“	100.00%	HMI 100.00%
Hyundai Capital India Private Limited (HCI)	Financing	“	100.00%	Hyundai Capital Services 100.00%
Hyundai Motor Japan Co., Ltd. (HMJ)	Sales	Japan	100.00%	
Hyundai Motor Japan R&D Center Inc. (HMJ R&D)	R&D	“	100.00%	

Subsidiaries	Nature of the business	Location	Ownership percentage	Indirect ownership
Beijing Jingxian Motor Safeguard Service Co., Ltd. (BJMSS)	Sales	China	100.00%	
Beijing Jingxianronghua Motor Sale Co., Ltd.	"	"	100.00%	BJMSS 100.00%
Beijing Xinhuaixiaqiyuetong Motor Chain Co., Ltd.	"	"	100.00%	"
Hyundai Millennium (Beijing) Real Estate Development Co., Ltd.	Real estate development	"	99.00%	CMEs 99.00%
Rotem equipments (Beijing) Co., Ltd.	Sales	"	100.00%	Hyundai Rotem 100.00%
KEFICO Automotive Systems (Beijing) Co., Ltd.	Manufacturing	"	100.00%	Hyundai KEFICO 100.00%
KEFICO VIETNAM COMPANY LIMITED	"	Vietnam	100.00%	"
Hyundai Motor Company Australia Pty Limited (HMCA)	Sales	Australia	100.00%	
Hyundai Motor Manufacturing Czech, s.r.o. (HMMC)	Manufacturing	Czech	100.00%	
Hyundai Motor Czech s.r.o (HMCZ)	Sales	"	100.00%	
Hyundai Motor Europe GmbH (HME)	Marketing and sales	Germany	100.00%	
Hyundai Motor Deutschland GmbH (HMD)	Sales	"	100.00%	
Hyundai Motor Europe Technical Center GmbH (HMETC)	R&D	"	100.00%	
Hyundai Motor Sport GmbH (HMSG)	Marketing	"	100.00%	HME 100.00%
Hyundai Capital Europe GmbH	Financing	"	100.00%	Hyundai Capital Services 100.00%
Hyundai Motor Manufacturing Rus LLC (HMMR)	Manufacturing	Russia	70.00%	
Hyundai Motor Commonwealth of Independent States B.V (HMCIS B.V)	Holding company	Netherlands	100.00%	HMMR 1.40%
Hyundai Motor Netherlands B.V. (HMNL)	Sales	"	100.00%	
Hyundai Motor Commonwealth of Independent States (HMCIS)	"	Russia	100.00%	HMCIS B.V 100.00%
Hyundai Capital Services Limited Liability Company	Financing	"	100.00%	Hyundai Capital Europe 100.00%
Hyundai Assan Otomotiv Sanayi Ve Ticaret A.S. (HAOSVT)	Manufacturing	Turkey	83.91%	
Hyundai EURotem Demiryolu Araclarive Ticaret A.S.	"	"	50.50%	Hyundai Rotem 50.50%
Hyundai Motor UK Limited (HMUK)	Sales	UK	100.00%	
Hyundai Motor Company Italy S.r.l (HMCi)	"	Italy	100.00%	
Hyundai Motor Espana. S.L.U. (HMES)	"	Spain	100.00%	
Hyundai Motor France SAS (HMF)	"	France	100.00%	
Hyundai Motor Poland Sp. Zo.O (HMP)	"	Poland	100.00%	
Hyundai Motor DE Mexico S DE RL DE CV (HMM)	"	Mexico	100.00%	HT 0.01%
Hyundai de Mexico, SA DE C.V., (HYMEX)	Manufacturing	"	99.99%	HT 99.99%
Hyundai Rio Vista, Inc.	Real estate development	USA	100.00%	HT 100.00%
Hyundai Motor Brasil Montadora de Automoveis LTDA (HMB)	Manufacturing	Brazil	100.00%	
Hyundai Capital Brasil Servicos De Assistencia Financeira Ltda	Financing	"	100.00%	Hyundai Capital Services 100.00%
Hyundai Rotem Brasil Servicos de Engenharia Ltda.	Sales	"	100.00%	Hyundai Rotem 100.00%
China Millennium Corporations (CMEs)	Holding company	Cayman Islands	59.60%	
KyoboAXA Private Tomorrow Securities Investment Trust No.12	Investment	Korea	100.00%	

Subsidiaries	Nature of the business	Location	Ownership percentage	Indirect ownership
Shinyoung Private Securities Investment Trust WB-1	Investment	Korea	100.00%	
UBS Hana Dynamic Balance Private Investment Trust 1	"	"	100.00%	
Shinhan BNPP Private Corporate Security Investment Trust No.34	"	"	100.00%	
Miraeasset Triumph Private Equity Security Investment Trust No.15	"	"	100.00%	
Autopia Forty-Third ~ Forty-Seventh Asset Securitization Specialty Company (*)	Financing	"	0.90%	Hyundai Capital Services 0.90%
Autopia Forty-Ninth ~ Fifty-Second Asset Securitization Specialty Company (*)	"	"	0.50%	Hyundai Capital Services 0.50%
Autopia Fifty-Fourth ~ Fifty-Fifth Asset Securitization Specialty Company (*)	"	"	0.50%	"
HB the Third Securitization Specialty Company (*)	"	"	0.90%	Hyundai Capital Services 0.90%
HB the Fourth Securitization Specialty Company (*)	"	"	0.31%	Hyundai Capital Services 0.31%
Privia the Third Securitization Specialty Co., Ltd. (*)	"	"	0.90%	Hyundai Card 0.90%
Privia the Fourth ~ Fifth Securitization Specialty Co., Ltd. (*)	"	"	0.50%	Hyundai Card 0.50%
Hyundai CHA Funding Corporation	"	USA	100.00%	HCA 100.00%
Hyundai Lease Titling Trust	"	"	100.00%	"
Hyundai HK Funding, LLC	"	"	100.00%	"
Hyundai HK Funding Two, LLC	"	"	100.00%	"
Hyundai HK Funding Three, LLC	"	"	100.00%	"
Hyundai ABS Funding Corporation	"	"	100.00%	"
HK Real Properties, LLC	"	"	100.00%	"
Hyundai Auto Lease Offering, LLC	"	"	100.00%	"
Hyundai HK Lease, LLC	"	"	100.00%	"
Hyundai Protection Plan, Inc.	Insurance	"	100.00%	"
Hyundai Protection Plan Florida, Inc.	"	"	100.00%	"
Hyundai Capital Insurance Services, LLC	"	"	100.00%	"
Hyundai Capital Insurance Company	"	"	100.00%	"
Power Protect Extended Services, Inc.	"	"	100.00%	"
Power Protect Extended Services Florida, Inc.	"	"	100.00%	"

(*) The Group is considered to have substantial control over the entities by virtue of an agreement with other investors or relationship with structured entities.

(2) Condensed financial position and results of operations of the Company's major consolidated subsidiaries as of and for the three months ended March 31, 2015, are as follows:

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
	(In millions of Korean Won)			
Hyundai Capital Services, Inc. (*)	₩ 22,232,545	₩ 18,716,929	₩ 729,984	₩ 74,584
Hyundai Card Co., Ltd. (*)	12,223,548	9,613,423	641,401	62,167
Hyundai Rotem Company (*)	4,655,845	2,948,866	751,060	(29,745)
Hyundai KEFICO Corporation (*)	996,553	478,683	429,681	20,161
HCA (*)	30,307,707	27,712,759	1,553,100	53,873
HMA	6,466,658	3,807,489	3,818,377	(70,977)
HMMA	3,443,288	1,457,820	1,725,466	63,026
HMMC	3,158,029	1,635,317	1,269,497	98,242
HMI (*)	2,260,548	1,125,248	1,132,193	29,755
HME (*)	1,178,709	1,171,736	1,752,277	1,590

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
		(In millions of Korean Won)		
HAC (*)	931,568	536,499	597,470	(29,055)
HMMR	862,205	507,339	366,176	28,333
HMCA	726,163	533,568	457,706	7,052

(*) Based on the subsidiary's consolidated financial statements.

Condensed financial position and results of operations of the Company's major consolidated subsidiaries as of and for the three months ended March 31, 2014, were as follows:

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
		(In millions of Korean Won)		
Hyundai Capital Services, Inc. (*)	₩ 22,682,237	₩ 19,400,087	₩ 788,949	₩ 30,552
Hyundai Card Co., Ltd. (*)	11,409,131	8,962,325	642,341	82,477
Hyundai Rotem Company (*)	4,569,890	2,780,232	698,388	10,710
Hyundai KEFICO Corporation (*)	895,188	462,102	420,330	19,484
HCA (*)	25,196,096	23,060,861	1,225,484	83,416
HMA	6,836,306	4,337,566	3,994,837	218,570
HMMA	3,404,225	1,805,481	1,821,050	107,412
HMMC	3,339,225	1,619,547	1,451,839	135,494
HMI (*)	2,178,940	1,158,604	1,072,680	41,383
HME (*)	1,210,670	1,161,907	1,681,214	1,467
HAC (*)	927,416	542,438	672,404	(16,470)
HMMR	1,308,940	653,273	622,790	26,828
HMCA	698,166	534,528	492,880	10,441

(*) Based on the subsidiary's consolidated financial statements.

(3) The financial statements of all subsidiaries, which are used in the preparation of the consolidated financial statements, are prepared for the same reporting periods as the Company's.

(4) Summarized cash flows of non-wholly owned subsidiaries that have material non-controlling interests to the Group as of March 31, 2015, are as follows:

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
	(In millions of Korean Won)		
Cash flows from operating activities	₩ 532,505	₩ 694,195	₩ (277,835)
Cash flows from investing activities	(10,804)	(21,503)	(10,543)
Cash flows from financing activities	(406,429)	(284,695)	405,624
Effect of exchange rate changes on cash and cash equivalents	(6)	-	(1,060)
Net increase in cash and cash equivalents	₩ 115,266	₩ 387,997	₩ 116,186

Summarized cash flows of non-wholly owned subsidiaries that had material non-controlling interests to the Group as of March 31, 2014, were as follows:

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
(In millions of Korean Won)			
Cash flows from operating activities	₩ 77,942	₩ 124,456	₩ (211,944)
Cash flows from investing activities	(4,975)	(24,247)	(43,103)
Cash flows from financing activities	336,076	(111,443)	320,408
Effect of exchange rate changes on cash and cash equivalents	(30)	-	1,067
Net increase (decrease) in cash and cash equivalents	₩ 409,013	₩ (11,234)	₩ 66,428

(5) Details of non-wholly owned subsidiaries of the Company that have material non-controlling interests as of March 31, 2015, are as follows:

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
(In millions of Korean Won)			
Ownership percentage of non-controlling interests	43.53%	63.04%	56.64%
Non-controlling interests	₩ 1,530,151	₩ 1,645,520	₩ 1,038,130
Profit attributable to non-controlling interests	32,949	39,193	(16,715)
Dividends paid to non-controlling interests	-	-	174

Details of non-wholly owned subsidiaries of the Company that had material non-controlling interests as of December 31, 2014, were as follows:

Description	Hyundai Capital Services, Inc.	Hyundai Card Co., Ltd.	Hyundai Rotem Company
(In millions of Korean Won)			
Ownership percentage of non-controlling interests	43.53%	63.04%	56.64%
Non-controlling interests	₩ 1,496,716	₩ 1,611,007	₩ 1,056,862
Profit attributable to non-controlling interests	104,053	140,912	(11,870)
Dividends paid to non-controlling interests	-	-	6,984

(6) There have been no subsidiaries newly included in or excluded from consolidation for the three months ended March 31, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Company maintains its official accounting records in Korean Won and prepares its consolidated financial statements in conformity with Korean International Financial Reporting Standards (“K-IFRS”), in Korean language (Hangul). Accordingly, these consolidated financial statements are intended for use by those who are informed about K-IFRS and Korean practices. The accompanying consolidated financial statements have been condensed, restructured and translated into English with certain expanded descriptions from Korean language consolidated financial statements. Certain information included in Korean language consolidated financial statements, but not required for a fair presentation of the Group’s consolidated statements of financial position, income, comprehensive income, changes in equity or cash flows, is not presented in the accompanying consolidated financial statements.

(1) Basis of consolidated financial statements preparation

The Group’s condensed consolidated financial statements for the three months ended March 31, 2015 and 2014, respectively, are prepared in accordance with K-IFRS 1034, *Interim Financial Reporting*. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014, which have been prepared in accordance with K-IFRS.

The significant accounting policies used for the preparation of the interim consolidated financial statements are consistent with those applied to the annual consolidated financial statements for the year ended December 31, 2014, except for the adoption effect of the new and revised accounting standards and interpretations described below.

1) New and revised standards that have been applied from the period beginning on January 1, 2015, are as follows:

- K-IFRS 1019 (Amendment): ‘Employee Benefits’

The amendments to K-IFRS 1019 permit to recognize amount of contributions as a reduction in the service cost in which the related service is rendered if the amount of the contributions are independent of the number of years of service.

- Annual Improvements to K-IFRS 2010-2012 Cycle

The amendments to K-IFRS 1102 (i) change the definitions of ‘vesting condition’ and ‘market condition’; and (ii) add definition for ‘performance condition’ and ‘service condition’ which were previously included within the definition of ‘vesting condition’. The amendments to K-IFRS 1103 clarify the classification and measurement of the contingent consideration in business combination. The amendments to K-IFRS 1108 clarify that a reconciliation of the total of the reportable segments’ assets should only be provided if the segment assets are regularly provided to the chief operating decision maker.

- Annual Improvements to K-IFRS 2011-2013 Cycle

The amendments to K-IFRS 1103 clarify the scope of the portfolio exception for measuring the fair values of the group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself. The amendments to K-IFRS 1113 ‘Fair Value Measurement’ and K-IFRS 1040 ‘Investment Property’ exist.

The above mentioned changes in accounting policies did not have any significant effect on the Group’s interim consolidated financial statements.

2) New and revised standards that have been issued but are not yet effective as of March 31, 2015, and that have not been applied earlier by the Group are as follows:

- K-IFRS 1016 (Amendment): 'Property, Plant and Equipment'

The amendments to K-IFRS 1016 prohibit from using a revenue-based depreciation method for items of property, plant and equipments. The amendments to K-IFRS 1016 are effective for the annual periods beginning on or after January 1, 2016.

- K-IFRS 1038 (Amendment): 'Intangible Assets'

The amendments to K-IFRS 1038 rebut presumption that revenue is not an appropriate basis for the amortization of intangible assets, which the presumption can only be rebutted when the intangible asset expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated. The amendments to K-IFRS 1038 are effective for the annual periods beginning on or after January 1, 2016.

- K-IFRS 1111(Amendment): 'Joint Arrangements'

The amendments to K-IFRS 1111 provide guidance on how to account for the acquisition of joint operation that constitutes a business as defined in K-IFRS 1103 'Business Combinations'. A joint operator is also required to disclose the relevant information required by K-IFRS 1103 and other standards for business combinations. The amendments to K-IFRS 1111 are effective for the annual periods beginning on or after January 1, 2016.

The Group does not anticipate that the above mentioned enactments and amendments will have any significant effect on the Group's consolidated financial statements.

(2) New accounting policies that have been applied by the Group about the emission right and emission liability with regard to 'Emission Trading System & Allocation of Emission Rights' from the period beginning on January 1, 2015, are as follows:

The Group classifies the emission right as intangible assets and measures the value of it as zero when government allocates it to the Group for free of charge. When the Group purchases the emission right from the government, the value of emission right is recorded at acquisition cost. Also, the Group measures emission liability as zero if the allowances which are provided for free of charge from the government are equal or larger than the obligation amounts which are calculated based on volume of emission. However, if the obligation amounts arose from emission exceeds the amount of allowances, the emission liability is measured with the best estimation of the expenditure required to settle the present obligation at the end of the reporting period.

(3) Significant accounting judgements and key sources of estimation uncertainties

In the preparation of the Group's interim consolidated financial statements, management is required to apply accounting policies and make judgements, estimation and assumptions affecting the carrying amounts of assets and liabilities, income and expenses. The estimation and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from those estimations. The management's significant judgements about the application of the Group's accounting policies and the main resources of the uncertainty are consistent with those of the annual consolidated financial statements for the year ended December 31, 2014.

3. TRADE NOTES AND ACCOUNTS RECEIVABLE:

(1) Trade notes and accounts receivable as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Trade notes and accounts receivable	₩ 3,593,854	₩ 55,660	₩ 3,808,798	₩ 57,100
Allowance for doubtful accounts	(57,002)	-	(58,706)	-
Present value discount accounts	-	(5,338)	-	(5,566)
	<u>₩ 3,536,852</u>	<u>₩ 50,322</u>	<u>₩ 3,750,092</u>	<u>₩ 51,534</u>

(2) Aging analysis of trade notes and accounts receivables

As of March 31, 2015 and December 31, 2014, total trade notes and accounts receivable that are past due, but not impaired, amount to ₩222,520 million and ₩311,979 million, respectively; of which ₩199,964 million and ₩282,969 million, respectively, are past due less than 90 days, but not impaired. As of March 31, 2015 and December 31, 2014, the impaired trade notes and accounts receivable amount to ₩57,002 million and ₩58,706 million, respectively.

(3) The changes in allowance for doubtful accounts for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Beginning of the period	₩ 58,706	₩ 45,934
Impairment loss	9	10,575
Write-off	(457)	(26)
Effect of foreign exchange differences	(1,256)	125
End of the period	<u>₩ 57,002</u>	<u>₩ 56,608</u>

4. OTHER RECEIVABLES:

Other receivables as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accounts receivable – others	₩ 3,114,362	₩ 748,881	₩ 2,083,571	₩ 719,888
Due from customers for contract work	1,807,202	-	1,617,221	-
Lease and rental deposits	25,717	298,637	28,119	298,401
Deposits	2,967	24,936	2,820	23,998
Others	587	-	93	119
Allowance for doubtful accounts	(10,458)	-	(9,715)	-
Present value discount accounts	-	(2,320)	-	(3,249)
	<u>₩ 4,940,377</u>	<u>₩ 1,070,134</u>	<u>₩ 3,722,109</u>	<u>₩ 1,039,157</u>

5. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
(In millions of Korean Won)				
Financial assets at fair value through profit or loss ("FVTPL")	₩ 13,354,338	₩ -	₩ 14,853,071	₩ 4,652
Derivative assets that are effective hedging instruments	9,945	41,559	13,373	25,629
AFS financial assets	2,911	2,439,578	1,950	2,264,116
Loans	18,293	226,978	16,040	225,722
	<u>₩ 13,385,487</u>	<u>₩ 2,708,115</u>	<u>₩ 14,884,434</u>	<u>₩ 2,520,119</u>

(2) AFS financial assets that are measured at fair value as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015			December 31, 2014
	Acquisition cost	Valuation difference	Book value	Book value
(In millions of Korean Won)				
Debt instruments	₩ 178,658	₩ 6,101	₩ 184,759	₩ 159,347
Equity instruments	1,455,461	802,269	2,257,730	2,106,719
	<u>₩ 1,634,119</u>	<u>₩ 808,370</u>	<u>₩ 2,442,489</u>	<u>₩ 2,266,066</u>

(3) Equity instruments classified into AFS financial assets as of March 31, 2015 and December 31, 2014, consist of the following:

Name of the company	Ownership percentage (%)	March 31, 2015			December 31, 2014
		Acquisition cost	Valuation difference	Book value	Book value
		(In millions of Korean Won)			
Hyundai Steel Co., Ltd.	7.87	₩ 791,681	₩ (122,009)	₩ 669,672	₩ 582,523
Korea Aerospace Industries, Co., Ltd.	10.00	151,086	398,673	549,759	387,951
Hyundai Glovis Co., Ltd.	4.88	210,688	203,104	413,792	533,719
Hyundai Heavy Industries Co., Ltd.	2.88	56,924	210,256	267,180	251,850
Hyundai Oil Refinery Co., Ltd.	4.35	53,734	84,555	138,289	138,289
Hyundai Green Food Co., Ltd.	2.36	15,005	30,111	45,116	43,731
Hyundai Development Company	0.60	9,025	16,625	25,650	17,415
NICE Holdings Co., Ltd.	1.30	3,491	6,292	9,783	7,497
Hyundai Finance Corporation	9.29	9,888	(392)	9,496	10,365
NICE Information Service Co., Ltd.	2.25	3,312	5,457	8,769	6,461
Doosan Capital Co., Ltd.	7.14	10,000	(2,744)	7,256	7,256
KT Corporation	0.09	8,655	(1,693)	6,962	7,503
Hyundai Merchant Marine Co., Ltd.	0.32	9,161	(2,896)	6,265	6,930
Ubivelox Co., Ltd.	5.15	1,710	2,173	3,883	4,070
Hyundai Asan Corporation	1.88	22,500	(20,383)	2,117	2,117
Nesscap, Inc.	3.62	1,997	(1,423)	574	1,199
Others		96,604	(3,437)	93,167	97,843
		₩ 1,455,461	₩ 802,269	₩ 2,257,730	₩ 2,106,719

As of March 31, 2015, the valuation difference between the book value and the acquisition cost of AFS equity instruments includes the cumulative impairment loss of ₩24,968 million.

6. **INVENTORIES:**

Inventories as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	(In millions of Korean Won)			
Finished goods	₩	5,047,720	₩	4,178,587
Merchandise		61,387		108,428
Semi-finished goods		430,769		428,282
Work in progress		412,240		360,888
Raw materials		1,220,334		1,232,731
Supplies		238,191		236,715
Materials in transit		501,931		437,564
Others		488,173		434,044
Total (*)	₩	8,400,745	₩	7,417,239

(*) As of March 31, 2015 and December 31, 2014, valuation allowance in amount of ₩67,998 million and ₩69,434 million, respectively, is included.

7. **OTHER ASSETS:**

Other assets as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accrued income	₩ 393,229	₩ 9,010	₩ 424,478	₩ 10,003
Advanced payments	531,071	-	568,905	-
Prepaid expenses	320,579	229,325	295,665	201,836
Prepaid value added tax and others	241,915	10,156	284,647	22,814
	₩ 1,486,794	₩ 248,491	₩ 1,573,695	₩ 234,653

8. **NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE:**

Non-current assets classified as held for sale as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Vehicles	₩ 47,643	₩ 47,643

The Group has been committed to a plan to sell vehicles that were classified as held for sale as of March 31, 2015 and an active programme to complete the plan has been initiated. The assets will be disposed within 12 months. No impairment loss on the non-current assets classified as held for sale is recognized for the three months ended March 31, 2015.

9. PROPERTY, PLANT AND EQUIPMENT:

(1) The changes in property, plant and equipment ("PP&E") for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Beginning of the period	₩ 22,542,259	₩ 21,462,587
Acquisitions	2,153,892	481,090
Disposals	(12,600)	(15,630)
Depreciation	(473,268)	(460,983)
Others (*)	(243,965)	(53,133)
End of the period	₩ 23,966,318	₩ 21,413,931

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts and acquisitions due to business combination.

(2) The Group had entered into a real estate purchase contract with the Korea Electric Power Corporation for the year ended December 31, 2014 and the amount of the contractual commitment for acquisition of the real estate is ₩5,802,500 million.

10. INVESTMENT PROPERTY:

(1) The changes in investment property for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Beginning of the period	₩ 322,207	₩ 263,984
Transfers	70	72,678
Depreciation	(3,486)	(3,837)
Effect of foreign exchange differences	661	(511)
End of the period	₩ 319,452	₩ 332,314

(2) Income and expenses related to investment property for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Rental income	₩ 12,206	₩ 11,375
Operating and maintenance expenses	5,254	3,772

11. INTANGIBLE ASSETS:

(1) The changes in intangible assets for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Beginning of the period	₩ 3,821,656	₩ 3,129,090
Internal developments and separate acquisitions	225,088	198,238
Disposals	(577)	(4,907)
Amortization	(182,748)	(194,667)
Reversal of impairment loss	-	20
Others (*)	12,990	53,502
End of the period	₩ 3,876,409	₩ 3,181,276

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts and acquisitions due to business combination.

(2) Research and development expenditures for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Development costs	₩ 196,748	₩ 143,745
Research and development (manufacturing cost and administrative expenses)	209,115	239,177
Total (*)	₩ 405,863	₩ 382,922

(*) Amortization of development costs is not included.

(3) Impairment test of goodwill

The recoverable amount of the Group's cash-generating unit ("CGU") is being measured at its value in use based on cash flow projections of financial budgets for the next five years approved by management. Cash flows projection beyond the next five-year period is extrapolated by using the estimated growth rate, which does not exceed the long-term average growth rate of the region and industry to which the CGU belongs. The Group performs an impairment test of goodwill annually and whenever events or changes in circumstances indicate that the goodwill may be impaired.

12. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

(1) Investments in joint ventures and associates as of March 31, 2015 and December 31, 2014, consist of the following:

Name of the company	Nature of the business	Location	March 31, 2015		December 31, 2014
			Ownership Percentage (%)	Book value (In millions of Korean Won)	Book value
Beijing-Hyundai Motor Company (BHMC) (*1)	Manufacturing	China	50.00	₩ 1,489,482	₩ 2,179,636
Beijing Hyundai Qiche Financing Company (BHAF) (*1,3)	Financing	China	53.00	203,446	193,624
Hyundai WIA Automotive Engine (Shandong) Company (WAE)	Manufacturing	China	22.00	181,644	164,090
Hyundai Motor Group China, Ltd. (HMGC) (*1)	Investment	China	50.00	158,206	158,287
Sichuan Hyundai Motor Company (CHMC) (*1)	Manufacturing	China	50.00	141,429	155,573
Kia Motors Corporation	Manufacturing	Korea	33.88	7,464,653	7,482,972
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95	3,124,826	3,130,886
Hyundai WIA Corporation	Manufacturing	Korea	25.35	741,102	707,713
Hyundai Powertech Co., Ltd.	Manufacturing	Korea	37.58	406,105	380,815
Hyundai HYSCO Co., Ltd.	Manufacturing	Korea	29.37	306,587	302,058
Hyundai Dymos Inc.	Manufacturing	Korea	47.27	290,407	289,369
HMC Investment Securities Co., Ltd.	Securities brokerage	Korea	27.49	228,868	225,332
Hyundai Commercial Inc.	Financing	Korea	50.00	197,404	196,471
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00	170,550	170,132
Others				434,151	420,376
				<u>₩ 15,538,860</u>	<u>₩ 16,157,334</u>

(*1) Each of the joint arrangements in which the Group retains joint control is structured through a separate entity and there are no contractual terms according to which the parties retain rights to the assets and obligations for the liabilities relating to the joint arrangement or other relevant facts and circumstances. As a result, the Group considers that the parties that retain joint control in the arrangement have rights to the net assets and classifies the joint arrangements as joint ventures. Also, there are restrictions which require consent from the director who is designated by the other investors, for certain transactions such as payment of dividend.

(*2) As the Group is considered to be able to exercise significant influence by representation on the board of directors of the investee and other reasons, although the total ownership percentage is less than 20%, the investment is accounted for using the equity method.

(*3) As of March 31, 2015, the entity is categorized as a joint venture although the Group's total ownership percentage is a majority share of 53%, because the Group does not have control over the entity by virtue of an agreement with the other investors.

(2) The changes in investments in joint ventures and associates for the three months ended March 31, 2015, are as follows:

Name of the company	Beginning of the period	Acquisitions / (disposals)	Share of profits for the period	Dividends	Others (*)	End of the period
	(In millions of Korean Won)					
BHMC	₩ 2,179,636	₩ -	₩ 205,319	₩ (936,483)	₩ 41,010	₩ 1,489,482
BHAF	193,624	-	8,428	-	1,394	203,446
WAE	164,090	8,745	9,201	(1,447)	1,055	181,644
HMGC	158,287	-	(1,197)	-	1,116	158,206
CHMC	155,573	-	(15,048)	-	904	141,429
Kia Motors Corporation	7,482,972	-	299,485	(137,318)	(180,486)	7,464,653

Name of the company	Beginning of the period	Acquisitions / (disposals)	Share of profits for the period	Dividends	Others (*)	End of the period
(In millions of Korean Won)						
Hyundai Engineering & Construction Co., Ltd.	₩ 3,130,886	₩ -	₩ 11,026	₩ (11,664)	₩ (5,422)	₩ 3,124,826
Hyundai WIA Corporation	707,713	-	35,907	(5,515)	2,997	741,102
Hyundai Powertech Co., Ltd.	380,815	-	26,469	-	(1,179)	406,105
Hyundai HYSCO Co., Ltd.	302,058	-	2,946	(2,010)	3,593	306,587
Hyundai Dymos Inc.	289,369	-	1,600	-	(562)	290,407
HMC Investment Securities Co., Ltd.	225,332	-	3,190	(1,210)	1,556	228,868
Hyundai Commercial Inc.	196,471	-	3,542	(3,850)	1,241	197,404
Eukor Car Carriers Inc.	170,132	-	6,381	(7,920)	1,957	170,550
Others	420,376	-	18,939	(4,180)	(984)	434,151
	₩ 16,157,334	₩ 8,745	₩ 616,188	₩ (1,111,597)	₩ (131,810)	₩ 15,538,860

(*) Others consist of changes in accumulated other comprehensive income and others.

The changes in investments in joint ventures and associates for the three months ended March 31, 2014, were as follows:

Name of the company	Beginning of the period	Acquisitions / (disposals)	Share of profits for the period	Dividends	Others (*)	End of the period
(In millions of Korean Won)						
BHMC	₩ 2,026,337	₩ -	₩ 254,886	₩ -	₩ (25,499)	₩ 2,255,724
HMGC	153,823	-	10,152	-	(1,793)	162,182
CHMC	132,014	13,023	(36)	-	(1,458)	143,543
WAE	129,783	-	3,087	-	2,362	135,232
Kia Motors Corporation	6,748,127	-	294,037	(96,123)	(18,797)	6,927,244
Hyundai Engineering & Construction Co., Ltd.	3,050,804	-	9,083	(11,664)	1,530	3,049,753
Hyundai WIA Corporation	600,284	-	29,300	(3,447)	(2,657)	623,480
Hyundai Powertech Co., Ltd.	335,227	-	14,870	-	1,685	351,782
Hyundai Dymos Inc.	270,535	-	12,428	-	611	283,574
Hyundai HYSCO Co., Ltd.	236,732	-	16,741	(2,010)	(13,872)	237,591
HMC Investment Securities Co., Ltd.	217,218	3,636	2,984	-	(208)	223,630
Eukor Car Carriers Inc.	148,866	-	4,260	(7,919)	1,803	147,010
Hyundai Commercial Inc.	125,806	-	4,541	(5,650)	(13)	124,684
Others	519,439	-	19,888	(9,218)	(30,761)	499,348
	₩ 14,694,995	₩ 16,659	₩ 676,221	₩ (136,031)	₩ (87,067)	₩ 15,164,777

(*) Others consist of changes in accumulated other comprehensive income, changes in ownership percentage, impairment loss on investments in associates and others.

(3) Condensed financial information of the Group's major joint ventures and associates as of and for the three months ended March 31, 2015, is as follows:

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
(In millions of Korean Won)				
BHMC	₩ 7,144,325	₩ 2,809,850	₩ 6,593,137	₩ 328,615
BHAF(*)	2,413,698	-	2,029,932	-
WAE	839,947	897,686	457,388	454,591
HMGC	460,869	327,065	317,614	128,672
CHMC	467,357	616,864	301,610	499,754
Kia Motors Corporation	16,962,962	24,670,348	12,771,515	6,424,442
Hyundai Engineering & Construction Co., Ltd.	13,591,704	4,859,885	8,001,407	3,514,426
Hyundai WIA Corporation	3,413,585	2,624,770	1,749,532	1,353,936
Hyundai Powertech Co., Ltd.	806,603	1,302,530	672,102	354,061
Hyundai HYSCO Co., Ltd.	1,591,535	883,680	960,230	557,222
Hyundai Dymos Inc.	1,085,465	790,252	705,455	546,751
HMC Investment Securities Co., Ltd. (*)	8,133,006	-	7,446,221	-
Hyundai Commercial Inc. (*)	4,996,975	-	4,503,238	-
Eukor Car Carriers Inc.	550,167	2,718,578	410,368	1,439,312

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (expenses)	Total comprehensive income (expenses)
(In millions of Korean Won)				
BHMC	₩ 4,823,471	₩ 417,522	₩ -	₩ 417,522
BHAF(*)	74,196	15,880	-	15,880
WAE	460,700	41,825	-	41,825
HMGC	291,159	1,320	-	1,320
CHMC	30,749	(23,027)	-	(23,027)
Kia Motors Corporation	11,177,668	903,220	(399,463)	503,757
Hyundai Engineering & Construction Co., Ltd.	3,943,209	111,685	(36,322)	75,363
Hyundai WIA Corporation	1,989,336	106,810	454	107,264
Hyundai Powertech Co., Ltd.	887,461	54,975	872	55,847
Hyundai HYSCO Co., Ltd.	1,022,659	17,797	14,738	32,535
Hyundai Dymos Inc.	726,209	16,156	(1,097)	15,059
HMC Investment Securities Co., Ltd. (*)	150,999	11,604	5,659	17,263
Hyundai Commercial Inc. (*)	90,318	9,369	3,735	13,104
Eukor Car Carriers Inc.	606,536	64,937	6,519	71,456

(*) Operating finance business of which total assets (liabilities) are included in current assets (liabilities) as they do not distinguish current and non-current portion in their separate financial statements.

Condensed financial information of the Group's major joint ventures and associates as of and for the three months ended March 31, 2014, was as follows:

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
(In millions of Korean Won)				
BHMC	₩ 6,662,010	₩ 2,554,327	₩ 4,567,070	₩ 90,797
WAE	699,973	767,574	320,306	532,549
HMGC	332,587	147,165	143,740	-
CHMC	316,311	477,846	377,848	129,225
Kia Motors Corporation	14,888,128	23,100,061	11,828,434	5,365,330
Hyundai Engineering & Construction Co., Ltd.	11,242,928	3,650,045	6,581,782	3,037,254

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
(In millions of Korean Won)				
Hyundai WIA Corporation	₩ 2,985,107	₩ 2,117,101	₩ 1,683,354	₩ 1,011,493
Hyundai Powertech Co., Ltd.	894,172	1,227,497	766,374	393,287
Hyundai HYSKO Co., Ltd.	1,646,094	767,332	1,085,898	606,231
Hyundai Dymos Inc.	977,274	803,644	616,355	561,717
HMC Investment Securities Co., Ltd. (*)	5,839,040	-	5,171,308	-
Hyundai Commercial Inc. (*)	4,311,192	-	3,964,475	-
Eukor Car Carriers Inc.	490,325	2,283,409	314,252	1,236,581

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (expenses)	Total comprehensive income (expenses)
(In millions of Korean Won)				
BHMC	₩ 5,250,294	₩ 509,067	₩ -	₩ 509,067
WAE	424,161	31,381	-	31,381
HMGC	433,645	13,453	-	13,453
CHMC	102,246	(74)	-	(74)
Kia Motors Corporation	11,925,823	876,300	(53,180)	823,120
Hyundai Engineering & Construction Co., Ltd.	3,290,554	118,909	9,265	128,174
Hyundai WIA Corporation	1,909,239	110,767	1,889	112,656
Hyundai Powertech Co., Ltd.	844,048	38,795	(129)	38,666
Hyundai HYSKO Co., Ltd.	1,067,317	60,396	(35,052)	25,344
Hyundai Dymos Inc.	635,328	20,935	(25)	20,910
HMC Investment Securities Co., Ltd. (*)	115,555	1,529	(793)	736
Hyundai Commercial Inc. (*)	84,390	7,672	1,922	9,594
Eukor Car Carriers Inc.	623,569	38,263	18,003	56,266

(*) Operating finance business of which total assets (liabilities) are included in current assets (liabilities) as they do not distinguish current and non-current portion in their separate financial statements.

(4) Condensed additional financial information of the Group's major joint ventures as of and for the three months ended March 31, 2015, is as follows:

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHMC	₩ 2,028,412	₩ -	₩ 249,158	₩ 76,222	₩ 6,857	₩ 24,270	₩ 137,030
BHAF(*)	106,807	2,029,932	-	461	71,845	27,425	5,293
HMGC	36,608	118,350	128,672	1,991	68	2,938	580
CHMC	87,686	26,810	499,754	5,483	632	2,361	-

(*) Operating finance business of which total assets (liabilities) are included in current financial liabilities as BHAF does not distinguish current and non-current portion in separate financial statements.

Condensed additional financial information of the Group's major joint ventures as of and for the three months ended March 31, 2014, was as follows:

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHMC	₩ 2,079,551	₩ -	₩ -	₩ 72,524	₩ 6,252	₩ 5,392	₩ 169,689
HMGC	165,890	-	-	503	273	784	4,334
CHMC	99,693	119,769	129,225	1,027	311	23	-

- (5) The aggregate amounts of the Group's share of the joint ventures' and associates', that are not individually material, profit and comprehensive income for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Profit for the period	₩ 18,939	₩ 19,888
Other comprehensive expenses	(984)	(3,069)
Total comprehensive income	₩ 17,955	₩ 16,819

- (6) Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of March 31, 2015, is as follows:

Name of the company	Group's share of net assets	Unrealized loss and others		Carrying amounts
		Goodwill		
		(In millions of Korean Won)		
BHMC	₩ 1,516,212	₩ -	₩ (26,730)	₩ 1,489,482
BHAF	203,446	-	-	203,446
WAE	181,644	-	-	181,644
HMGC	170,824	-	(12,618)	158,206
CHMC	141,429	-	-	141,429
Kia Motors Corporation	7,308,238	197,089	(40,674)	7,464,653
Hyundai Engineering & Construction Co., Ltd (*)	1,987,469	1,137,357	-	3,124,826
Hyundai WIA Corporation	743,986	-	(2,884)	741,102
Hyundai Powertech Co., Ltd.	406,910	-	(805)	406,105
Hyundai HYSCO Co., Ltd.	280,158	27,172	(743)	306,587
Hyundai Dymos Inc.	291,745	-	(1,338)	290,407
HMC Investment Securities Co., Ltd.	188,816	40,052	-	228,868
Hyundai Commercial Inc.	197,404	-	-	197,404
Eukor Car Carriers Inc.	170,288	-	262	170,550

- (*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date, is included in the amount of net assets.

Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of December 31, 2014, was as follows:

Name of the company	Group's share of net assets	Unrealized loss and others		Carrying amounts
		Goodwill		
		(In millions of Korean Won)		
BHMC	₩ 2,202,923	₩ -	₩ (23,287)	₩ 2,179,636
BHAF	193,624	-	-	193,624
WAE	164,090	-	-	164,090
HMGC	169,048	-	(10,761)	158,287
CHMC	155,573	-	-	155,573
Kia Motors Corporation	7,328,393	197,089	(42,510)	7,482,972
Hyundai Engineering & Construction Co., Ltd (*)	1,993,529	1,137,357	-	3,130,886
Hyundai WIA Corporation	710,123	-	(2,410)	707,713
Hyundai Powertech Co., Ltd.	386,574	-	(5,759)	380,815
Hyundai HYSCO Co., Ltd.	275,529	27,172	(643)	302,058
Hyundai Dymos Inc.	290,812	-	(1,443)	289,369
HMC Investment Securities Co., Ltd.	185,280	40,052	-	225,332
Hyundai Commercial Inc.	196,471	-	-	196,471
Eukor Car Carriers Inc.	169,870	-	262	170,132

(*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date, is included in the amount of net assets.

(7) The market price of listed equity securities as of March 31, 2015, is as follows:

Name of the company	Price per share	Total number of shares	Market value
(In millions of Korean Won, except price per share)			
Kia Motors Corporation	₩ 45,200	137,318,251	₩ 6,206,785
Hyundai Engineering & Construction Co., Ltd.	50,400	23,327,400	1,175,701
Hyundai WIA Corporation	141,500	6,893,596	975,444
Hyundai HYSCO Co., Ltd.	63,700	6,698,537	426,697
HMC Investment Securities Co., Ltd.	12,350	8,065,595	99,610

13. FINANCIAL SERVICES RECEIVABLES:

(1) Financial services receivables as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015	December 31, 2014
(In millions of Korean Won)		
Loans	₩ 31,306,965	₩ 31,464,943
Card receivables	10,260,057	10,601,341
Financial lease receivables	2,714,733	2,730,188
Others	18,296	16,755
	44,300,051	44,813,227
Allowance for doubtful accounts	(866,609)	(845,566)
Loan origination fee	54,062	35,682
Present value discount accounts	(8,595)	(8,755)
	₩ 43,478,909	₩ 43,994,588

(2) Aging analysis of financial services receivables

As of March 31, 2015 and December 31, 2014, total financial services receivables that are past due but not impaired are ₩1,403,513 million and ₩1,751,712 million, respectively; all of them are past due less than 90 days. As of March 31, 2015 and December 31, 2014, the impaired financial services receivables amount to ₩484,001 million and ₩513,128 million, respectively.

(3) The changes in allowance for doubtful accounts of financial services receivables for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
(In millions of Korean Won)		
Beginning of the period	₩ 845,566	₩ 823,408
Impairment loss	134,499	157,405
Write-off	(98,339)	(122,824)
Disposals and others	(16,036)	(24,481)
Effect of foreign exchange differences	919	2,330
End of the period	₩ 866,609	₩ 835,838

- (4) Gross investments in financial leases and their present value of minimum lease receipts as of March 31, 2015 and December 31, 2014, are as follows:

Description	March 31, 2015		December 31, 2014	
	Gross investments in financial leases	Present value of minimum lease receipts	Gross investments in financial leases	Present value of minimum lease receipts
	(In millions of Korean Won)			
Not later than one year	₩ 1,281,734	₩ 1,118,548	₩ 1,284,279	₩ 1,117,016
Later than one year and not later than five years	1,724,130	1,592,665	1,743,890	1,609,391
Later than five years	74	74	229	227
	<u>₩ 3,005,938</u>	<u>₩ 2,711,287</u>	<u>₩ 3,028,398</u>	<u>₩ 2,726,634</u>

- (5) Unearned interest income of financial leases as of March 31, 2015 and December 31, 2014, is as follows:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Gross investments in financial lease	₩ 3,005,938	₩ 3,028,398
Net lease investments:		
Present value of minimum lease receipts	2,711,287	2,726,634
Present value of unguaranteed residual value	3,446	3,554
	<u>2,714,733</u>	<u>2,730,188</u>
Unearned interest income	<u>₩ 291,205</u>	<u>₩ 298,210</u>

14. **OPERATING LEASE ASSETS:**

- (1) Operating lease assets as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Acquisition cost	₩ 15,934,659	₩ 15,136,720
Accumulated depreciation	(1,958,108)	(1,804,291)
Accumulated impairment loss	(68,301)	(66,813)
	<u>₩ 13,908,250</u>	<u>₩ 13,265,616</u>

- (2) Future minimum lease receipts related to operating lease assets as of March 31, 2015 and December 31, 2014, are as follows:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Not later than one year	₩ 2,564,886	₩ 2,474,411
Later than one year and not later than five years	2,772,962	2,674,220
Later than five years	3	-
	<u>₩ 5,337,851</u>	<u>₩ 5,148,631</u>

15. **BORROWINGS AND DEBENTURES:**

(1) Short-term borrowings as of March 31, 2015 and December 31, 2014, consist of the following:

Description	Lender	Annual interest rate	March 31, 2015	March 31, 2015	December 31, 2014
		(%)			
(In millions of Korean Won)					
Overdrafts	Citi Bank and others	0.34~1.60	₩	105,668	₩ 189,121
General loans	Kookmin Bank and others	0.40~7.46		1,625,439	3,274,955
Loans on trade receivables collateral	Korea Exchange Bank and others	LIBOR+0.21~0.40		1,292,752	1,100,610
Banker's Usance	Kookmin Bank and others	LIBOR+0.31~0.40		411,789	433,510
Short-term debentures		2.14		39,963	19,997
Commercial paper	Shinhan Bank and others	0.37~2.62		2,566,649	1,827,727
			₩	6,042,260	₩ 6,845,920

(2) Long-term debt as of March 31, 2015 and December 31, 2014, consists of the following:

Description	Lender	Annual interest rate	March 31, 2015	March 31, 2015	December 31, 2014
		(%)			
(In millions of Korean Won)					
General loans	Shinhan Bank and others	0.10~7.46	₩	3,446,534	₩ 3,283,340
Facility loan	Korea Development Bank and others	1.00~5.85		359,604	383,072
Commercial paper	Hana Daetoo Security			-	73,000
Asset-backed securities	JP Morgan and others	0.47~0.72		4,025,205	5,607,169
Others	Woori Bank and others			-	239,260
				7,831,343	9,585,841
Less: present value discounts				124,308	125,375
Less: current maturities				1,692,543	2,030,037
			₩	6,014,492	₩ 7,430,429

(3) Debentures as of March 31, 2015 and December 31, 2014, consist of the following:

Description	Latest maturity date	Annual interest rate	March 31, 2015	March 31, 2015	December 31, 2014
		(%)			
(In millions of Korean Won)					
Guaranteed public debentures	June 8, 2017	3.75~4.50	₩	1,662,556	₩ 1,648,312
Guaranteed private debentures	April 25, 2015	5.68		82,875	82,440
Non-guaranteed public debentures	January 20, 2022	2.07~7.20		21,420,150	21,247,129
Non-guaranteed private debentures	March 19, 2020	1.45~3.63		5,092,130	4,079,019
Asset-backed securities	June 15, 2021	0.18~6.52		12,028,433	10,976,262
				40,286,144	38,033,162
Less: discount on debentures				87,997	81,616
Less: current maturities				8,262,785	7,649,461
			₩	31,935,362	₩ 30,302,085

16. PROVISIONS:

The changes in provisions for the three months ended March 31, 2015, are as follows:

Description	Warranty		Other long-term employee benefits		Others	
	(In millions of Korean Won)					
Beginning of the period	₩	5,613,785	₩	674,397	₩	438,688
Charged		205,200		18,073		80,879
Utilized		(239,883)		(17,227)		(56,557)
Amortization of present value discounts		30,038		-		787
Changes in expected reimbursements by third parties		22,700		-		-
Effect of foreign exchange differences		(50,209)		(42)		(17,794)
End of the period	₩	5,581,631	₩	675,201	₩	446,003

The changes in provisions for the three months ended March 31, 2014, were as follows:

Description	Warranty		Other long-term employee benefits		Others	
	(In millions of Korean Won)					
Beginning of the period	₩	5,871,332	₩	624,836	₩	409,751
Charged		277,419		16,507		117,470
Utilized		(253,042)		(23,144)		(80,384)
Amortization of present value discounts		37,990		-		935
Changes in expected reimbursements by third parties		(4,317)		-		-
Effect of foreign exchange differences		11,565		9		3,903
End of the period	₩	5,940,947	₩	618,208	₩	451,675

17. OTHER FINANCIAL LIABILITIES:

Other financial liabilities as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Financial liabilities at FVTPL	₩ 6,953	₩ 2,494	₩ 10,139	₩ 192
Derivative liabilities that are effective hedging instruments	211,157	207,309	204,438	209,591
Financial lease liabilities	6,560	-	8,726	745
	₩ 224,670	₩ 209,803	₩ 223,303	₩ 210,528

18. OTHER LIABILITIES:

Other liabilities as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Advances received	₩ 458,138	₩ 91,435	₩ 412,851	₩ 87,526
Withholdings	1,031,649	448,273	994,554	460,593
Accrued expenses	2,480,840	-	1,954,263	-
Unearned income	388,917	679,345	402,145	640,578
Accrued dividends	817,562	-	72	-
Due to customers for contract work	331,495	-	290,827	-
Others	116,598	791,384	147,257	763,450
	₩ 5,625,199	₩ 2,010,437	₩ 4,201,969	₩ 1,952,147

19. FINANCIAL INSTRUMENTS:

(1) Categories of financial assets as of March 31, 2015, consist of the following:

Description	Financial assets at FVTPL	Loans and receivables	AFS financial assets	Derivatives designated as hedging instruments	Book value	Fair value
	(In millions of Korean Won)					
Cash and cash equivalents	₩ -	₩ 5,913,406	₩ -	₩ -	₩ 5,913,406	₩ 5,913,406
Short-term and long-term financial instruments	-	4,015,639	-	-	4,015,639	4,015,639
Trade notes and accounts receivable	-	3,587,174	-	-	3,587,174	3,587,174
Other receivables	-	4,203,309	-	-	4,203,309	4,203,309
Other financial assets	13,354,338	245,271	2,442,489	51,504	16,093,602	16,093,602
Other assets	-	402,239	-	-	402,239	402,239
Financial services receivables	-	43,478,909	-	-	43,478,909	45,251,051
	₩ 13,354,338	₩ 61,845,947	₩ 2,442,489	₩ 51,504	₩ 77,694,278	₩ 79,466,420

Categories of financial assets as of December 31, 2014, consisted of the following:

Description	Financial assets at FVTPL	Loans and receivables	AFS financial assets	Derivatives designated as hedging instruments	Book value	Fair value
(In millions of Korean Won)						
Cash and cash equivalents	₩ -	₩ 7,096,513	₩ -	₩ -	₩ 7,096,513	₩ 7,096,513
Short-term and long-term financial instruments	-	4,101,550	-	-	4,101,550	4,101,550
Trade notes and accounts receivable	-	3,801,626	-	-	3,801,626	3,801,626
Other receivables	-	3,143,926	-	-	3,143,926	3,143,926
Other financial assets	14,857,723	241,762	2,266,066	39,002	17,404,553	17,404,553
Other assets	-	434,481	-	-	434,481	434,481
Financial services receivables	-	43,994,588	-	-	43,994,588	44,292,330
	<u>₩ 14,857,723</u>	<u>₩ 62,814,446</u>	<u>₩ 2,266,066</u>	<u>₩ 39,002</u>	<u>₩ 79,977,237</u>	<u>₩ 80,274,979</u>

(2) Categories of financial liabilities as of March 31, 2015, consist of the following:

Description	Financial liabilities at FVTPL	Financial liabilities carried at amortized cost	Derivatives designated as hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 6,893,924	₩ -	₩ 6,893,924	₩ 6,893,924
Other payables	-	3,404,505	-	3,404,505	3,404,505
Borrowings and debentures	-	53,947,442	-	53,947,442	54,904,118
Other financial liabilities	9,447	6,560	418,466	434,473	434,473
Other liabilities	-	3,298,402	-	3,298,402	3,298,402
	<u>₩ 9,447</u>	<u>₩ 67,550,833</u>	<u>₩ 418,466</u>	<u>₩ 67,978,746</u>	<u>₩ 68,935,422</u>

Categories of financial liabilities as of December 31, 2014, consisted of the following:

Description	Financial liabilities at FVTPL	Financial liabilities carried at amortized cost	Derivatives designated as hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 7,041,529	₩ -	₩ 7,041,529	₩ 7,041,529
Other payables	-	4,688,812	-	4,688,812	4,688,812
Borrowings and debentures	-	54,257,932	-	54,257,932	55,033,485
Other financial liabilities	10,331	9,471	414,029	433,831	433,831
Other liabilities	-	1,954,335	-	1,954,335	1,954,335
	<u>₩ 10,331</u>	<u>₩ 67,952,079</u>	<u>₩ 414,029</u>	<u>₩ 68,376,439</u>	<u>₩ 69,151,992</u>

(3) Fair value estimation

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3, based on the degree to which the fair value is observable, as described below:

- Level 1 : Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 : Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 : Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements of financial instruments by fair-value hierarchy levels as of March 31, 2015, are as follows:

Description	March 31, 2015			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets at FVTPL	₩ 120,770	₩ 13,233,568	₩ -	₩ 13,354,338
Derivatives designated as hedging instruments	-	51,504	-	51,504
AFS financial assets	2,032,443	162,911	247,135	2,442,489
	<u>₩ 2,153,213</u>	<u>₩ 13,447,983</u>	<u>₩ 247,135</u>	<u>₩ 15,848,331</u>
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 9,447	₩ -	₩ 9,447
Derivatives designated as hedging instruments	-	418,466	-	418,466
	<u>₩ -</u>	<u>₩ 427,913</u>	<u>₩ -</u>	<u>₩ 427,913</u>

Fair value measurements of financial instruments by fair-value hierarchy levels as of December 31, 2014, were as follows:

Description	December 31, 2014			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets at FVTPL	₩ 106,293	₩ 14,751,430	₩ -	₩ 14,857,723
Derivatives designated as hedging instruments	-	39,002	-	39,002
AFS financial assets	1,877,566	141,017	247,483	2,266,066
	<u>₩ 1,983,859</u>	<u>₩ 14,931,449</u>	<u>₩ 247,483</u>	<u>₩ 17,162,791</u>
Financial liabilities:				
Financial liabilities at FVTPL	₩ -	₩ 10,331	₩ -	₩ 10,331
Derivatives designated as hedging instruments	-	414,029	-	414,029
	<u>₩ -</u>	<u>₩ 424,360</u>	<u>₩ -</u>	<u>₩ 424,360</u>

The changes in financial instruments classified as Level 3 for the three months ended March 31, 2015, are as follows:

Description	Beginning of the period	Purchases	Disposals	Valuation	Transfers	End of the period
(In millions of Korean Won)						
AFS financial assets	₩ 247,483	₩ 330	₩ (98)	₩ (580)	₩ -	₩ 247,135

The changes in financial instruments classified as Level 3 for the three months ended March 31, 2014, were as follows:

Description	Beginning of the period	Purchases	Disposals	Valuation	Transfers	End of the period
(In millions of Korean Won)						
AFS financial assets	₩ 229,342	₩ -	₩ -	₩ (320)	₩ 15,205	₩ 244,227

(4) Interest income, dividend income and interest expenses by categories of financial instruments for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,					
	2015			2014		
	Interest income	Dividend income	Interest expenses	Interest income	Dividend income	Interest expenses
(In millions of Korean Won)						
Non-financial services:						
Loans and receivables	₩ 60,339	₩ -	₩ -	₩ 145,549	₩ -	₩ -
Financial assets at FVTPL	86,897	-	-	-	-	-
AFS financial assets	333	13,597	-	310	14,592	-
Financial liabilities carried at amortized cost	-	-	49,764	-	-	52,862
	<u>₩ 147,569</u>	<u>₩ 13,597</u>	<u>₩ 49,764</u>	<u>₩ 145,859</u>	<u>₩ 14,592</u>	<u>₩ 52,862</u>
Financial services:						
Loans and receivables	₩ 598,686	₩ -	₩ -	₩ 627,877	₩ -	₩ -
Financial assets at FVTPL	7,582	-	-	1,678	-	-
AFS financial assets	298	-	-	-	-	-
Financial liabilities carried at amortized cost	-	-	325,665	-	-	338,392
	<u>₩ 606,566</u>	<u>₩ -</u>	<u>₩ 325,665</u>	<u>₩ 629,555</u>	<u>₩ -</u>	<u>₩ 338,392</u>

- (5) Financial assets and liabilities subject to offsetting, financial instruments subject to an enforceable master netting arrangement or similar agreement as of March 31, 2015, consist of the following:

Description	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities set off in the consolidated statement of financial position	Net amounts of financial assets and liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position - financial instruments	Related amounts not set off in the statement of financial position - collateral received (pledged)	Net amounts
(In millions of Korean Won)						
Financial assets:						
Trade notes and accounts receivable	₩ 3,704,522	₩ 117,348	₩ 3,587,174	₩ -	₩ -	₩ 3,587,174
Other receivables	4,457,451	254,142	4,203,309	-	-	4,203,309
Financial assets at FVTPL (*)	127,265	-	127,265	-	-	127,265
Derivative assets that are effective hedging instruments	51,504	-	51,504	46,441	-	5,063
	<u>₩ 8,340,742</u>	<u>₩ 371,490</u>	<u>₩ 7,969,252</u>	<u>₩ 46,441</u>	<u>₩ -</u>	<u>₩ 7,922,811</u>
Financial liabilities:						
Trade notes and accounts payable	₩ 7,149,186	₩ 255,262	₩ 6,893,924	₩ -	₩ -	₩ 6,893,924
Other payables	3,520,733	116,228	3,404,505	-	-	3,404,505
Financial liabilities at FVTPL (*)	9,447	-	9,447	-	-	9,447
Derivative liabilities that are effective hedging instruments	418,466	-	418,466	46,441	-	372,025
	<u>₩ 11,097,832</u>	<u>₩ 371,490</u>	<u>₩ 10,726,342</u>	<u>₩ 46,441</u>	<u>₩ -</u>	<u>₩ 10,679,901</u>

- (*) There are no derivative assets and liabilities that can be offset as of March 31, 2015. Therefore, derivative assets and liabilities do not meet the criteria for offsetting in K-IFRS 1032, but the Group has a right of offsetting them in the event of default, insolvency or bankruptcy of the counterparty.

Financial assets and liabilities subject to offsetting, financial instruments subject to an enforceable master netting arrangement or similar agreement as of December 31, 2014, consisted of the following:

Description	Gross amounts of recognized financial assets and liabilities	Gross amounts of recognized financial assets and liabilities set off in the consolidated statement of financial position	Net amounts of financial assets and liabilities presented in the consolidated statement of financial position	Related amounts not set off in the consolidated statement of financial position - financial instruments	Related amounts not set off in the statement of financial position - collateral received (pledged)	Net amounts
(In millions of Korean Won)						
Financial assets:						
Trade notes and accounts receivable	₩ 3,917,901	₩ 116,275	₩ 3,801,626	₩ -	₩ -	₩ 3,801,626
Other receivables	3,421,842	277,916	3,143,926	-	-	3,143,926
Financial assets at FVTPL (*)	66,947	-	66,947	-	-	66,947
Derivative assets that are effective hedging instruments	39,002	-	39,002	28,980	-	10,022
	<u>₩ 7,445,692</u>	<u>₩ 394,191</u>	<u>₩ 7,051,501</u>	<u>₩ 28,980</u>	<u>₩ -</u>	<u>₩ 7,022,521</u>
Financial liabilities:						
Trade notes and accounts payable	₩ 7,319,804	₩ 278,275	₩ 7,041,529	₩ -	₩ -	₩ 7,041,529
Other payables	4,804,728	115,916	4,688,812	-	-	4,688,812
Financial liabilities at FVTPL (*)	10,331	-	10,331	-	-	10,331
Derivative liabilities that are effective hedging instruments	414,029	-	414,029	28,980	-	385,049
	<u>₩ 12,548,892</u>	<u>₩ 394,191</u>	<u>₩ 12,154,701</u>	<u>₩ 28,980</u>	<u>₩ -</u>	<u>₩ 12,125,721</u>

- (*) There were no derivative assets and liabilities that could be offset as of December 31, 2014. Therefore, derivative assets and liabilities did not meet the criteria for offsetting in K-IFRS 1032, but the Group had a right of offsetting them in the event of default, insolvency or bankruptcy of the counterparty.
- (6) The commission income (financial services revenue) arising from financial assets or liabilities other than financial assets or liabilities at FVTPL for the three months ended March 31, 2015 and 2014, are ₩404,613 million and ₩411,736 million, respectively. In addition, the fee expenses (cost of sales from financial services) occurring from financial assets or liabilities other than financial assets or liabilities at FVTPL for the three months ended March 31, 2015 and 2014, are ₩197,945 million and ₩197,358 million, respectively.
- (7) The Group recognizes transfers between levels of the fair-value hierarchy at the date of the event or change in circumstances that caused the transfer. There are no significant transfers between Level 1 and Level 2 for the three months ended March 31, 2015.
- (8) Descriptions of the valuation techniques and the inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair-value hierarchy are as follows:

- Currency forwards and options

Fair value of currency forwards and options is measured based on forward exchange rate quoted in the current market at the end of the reporting period, which has the same remaining period of derivatives to be measured. If the forward exchange rate, which has the same remaining period of currency forward and option, is not quoted in the current market, fair value is measured using estimates of similar period of forward exchange rate by applying interpolation method with quoted forward exchange rates.

As the inputs used to measure fair value of currency forwards and options are supported by observable market data, such as forward exchange rates, the Group classified the estimates of fair value measurements of the currency forwards and options as Level 2 of the fair-value hierarchy.

- Debt instruments including corporate bonds

Fair value of debt instruments including corporate bonds is measured applying discounted cash flow method. The rate used to discount cash flows is determined based on swap rate and credit spreads of debt instruments, which have the similar credit rating and period quoted in the current market with those of debt instruments including corporate bonds that should be measured. The Group classifies fair value measurements of debt instruments including corporate bonds as Level 2 of the fair-value hierarchy since the rate, which has significant effects on fair value of debt instruments including corporate bonds, is based on observable market data.

- Unlisted equity securities

Fair value of unlisted equity securities is measured using discounted cash flow projection, and certain assumptions not based on observable market prices or rate, such as sales growth rate, pre-tax operating income ratio and discount rate based on business plan and circumstance of industry are used to estimate the future cash flow. The weighted-average cost of capital used to discount the future cash flows, is calculated by applying the Capital Asset Pricing Model, using the data of similar listed companies. The Group determines that the effect of estimation and assumptions referred above affecting fair value of unlisted equity securities is significant and classifies fair value measurements of unlisted securities as Level 3 of the fair-value hierarchy.

- (9) The quantitative information about significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair-value hierarchy and the description of relationships of significant unobservable inputs to the fair value are as follows:

Description	Fair value at March 31, 2015 (In millions of Korean Won)	Valuation Techniques	Unobservable inputs	Description of relationship
Unlisted equity securities	₩ 230,462	Discounted cash flow	Sales growth rate Pre-tax operating income ratio Discount rate	If the sales growth rate and the pre-tax operating income ratio rise or the discount rate declines, the fair value increases.

The Group believes that there have been no significant changes in the fair value of financial instruments categorized within Level 3 fair value measurements of the fair value hierarchy since December 31, 2014.

20. CAPITAL STOCK:

The Company's number of shares authorized is 600,000,000 shares. Common stock and preferred stock as of March 31, 2015 and December 31, 2014, consist of the following:

(1) Common stock

Description	March 31, 2015 (In millions of Korean Won)	December 31, 2014 (In millions of Korean Won, except par value)
Issued	220,276,479 shares	220,276,479 shares
Par value	₩ 5,000	₩ 5,000
Capital stock	1,157,982	1,157,982

The Company completed stock retirement of 10,000,000 common shares and 1,320,000 common shares as of March 5, 2001 and May 4, 2004, respectively. Due to these stock retirements, the total face value of outstanding stock differs from the capital stock amount.

(2) Preferred stock

Description	Par value	Issued	Korean Won (In millions of Korean Won)	Dividend rate
1 st preferred stock	₩ 5,000	25,109,982 shares	₩ 125,550	Dividend rate of common stock + 1%
2 nd preferred stock	"	37,613,865 shares	193,069	The lowest stimulated dividend rate : 2%
3 rd preferred stock	"	2,478,299 shares	12,392	The lowest stimulated dividend rate : 1%
Total		65,202,146 shares	₩ 331,011	

As of March 5, 2001, the Company retired 1,000,000 second preferred shares. Due to this stock retirement, the total face value of outstanding stock differs from the capital stock amount. The preferred shares are non-cumulative, participating and non-voting.

21. CAPITAL SURPLUS:

Capital surplus as of March 31, 2015 and December 31, 2014, consists of the following:

Description	March 31, 2015 (In millions of Korean Won)	December 31, 2014 (In millions of Korean Won)
Stock paid-in capital in excess of par value	₩ 3,321,334	₩ 3,321,334
Others	813,261	813,216
	₩ 4,134,595	₩ 4,134,550

22. OTHER CAPITAL ITEMS:

Other capital items consist of treasury stocks purchased for the stabilization of stock price. Number of treasury stocks as of March 31, 2015 and December 31, 2014, are as follows:

Description	March 31, 2015	December 31, 2014
	(Number of shares)	
Common stock	13,209,474	11,632,277
1 st preferred stock	2,202,059	1,993,081
2 nd preferred stock	1,376,138	1,053,727
3 rd preferred stock	24,782	5,660

23. ACCUMULATED OTHER COMPREHENSIVE INCOME:

Accumulated other comprehensive income as of March 31, 2015 and December 31, 2014, consists of the following:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Gain on valuation of AFS financial assets	₩ 723,814	₩ 670,781
Loss on valuation of AFS financial assets	(99,119)	(163,791)
Gain on valuation of cash flow hedge derivatives	2	15
Loss on valuation of cash flow hedge derivatives	(28,442)	(30,378)
Gain on share of the other comprehensive income of equity-accounted investees	211,431	148,672
Loss on share of the other comprehensive income of equity-accounted investees	(536,296)	(395,272)
Loss on foreign operations translation, net	(1,922,609)	(1,574,853)
	<u>₩ (1,651,219)</u>	<u>₩ (1,344,826)</u>

24. RETAINED EARNINGS:

Retained earnings as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Legal reserve (*)	₩ 610,380	₩ 528,648
Discretionary reserve	39,550,647	35,826,647
Unappropriated	15,521,025	18,294,568
	<u>₩ 55,682,052</u>	<u>₩ 54,649,863</u>

(*) The Commercial Code of the Republic of Korea requires the Company to appropriate as a legal reserve, a minimum of 10% of annual cash dividends declared, until such reserve equals 50% of its capital stock issued. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any.

Appraisal gains, amounting to ₩1,852,871 million, derived from asset revaluation by the Asset Revaluation Law of Korea are included in retained earnings. It may be only transferred to capital stock or used to reduce accumulated deficit, if any.

25. SALES:

Sales for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Sales of goods	₩ 18,339,660	₩ 19,130,430
Rendering of services	286,091	302,599
Royalties	36,476	57,899
Financial services revenue	2,210,723	2,097,253
Others	69,806	60,860
	₩ 20,942,756	₩ 21,649,041

26. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Selling expenses:		
Export expenses	₩ 204,213	₩ 253,341
Overseas market expenses	85,377	90,573
Advertisements and sales promotion	466,969	487,451
Sales commissions	142,218	143,490
Expenses for warranties	254,654	332,383
Transportation expenses	61,573	70,826
	1,215,004	1,378,064
Administrative expenses:		
Payroll	640,406	571,244
Post-employment benefits	43,838	36,443
Welfare expenses	102,483	94,491
Service charges	266,128	280,071
Research	167,284	171,650
Others	308,610	307,581
	1,528,749	1,461,480
	₩ 2,743,753	₩ 2,839,544

27. GAIN ON INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

Gain on investments in joint ventures and associates for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Gain on share of earnings of equity-accounted investees, net	₩ 616,188	₩ 676,221
Impairment loss on investments in associates	-	(27,688)
	₩ 616,188	₩ 648,533

28. FINANCE INCOME AND EXPENSES:

(1) Finance income for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Interest income	₩ 147,569	₩ 148,324
Gain on foreign exchange transactions	12,673	5,952
Gain on foreign currency translation	63,760	11,748
Dividend income	13,597	14,592
Income on financial guarantee	346	649
Gain on disposals of AFS financial assets	206	78
Gain on valuation of derivatives	78,666	2,059
Others	2,251	4,003
	<u>₩ 319,068</u>	<u>₩ 187,405</u>

(2) Finance expenses for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Interest expenses	₩ 69,688	₩ 82,000
Loss on foreign exchange transactions	9,571	7,691
Loss on foreign currency translation	129,221	27,653
Loss on disposals of trade notes and accounts receivable	887	774
Loss on valuation of derivatives	2,431	778
Others	-	2,835
	<u>₩ 211,798</u>	<u>₩ 121,731</u>

29. OTHER INCOME AND EXPENSES:

(1) Other income for the three months ended March 31, 2015 and 2014, consists of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Gain on foreign exchange transactions	₩ 131,483	₩ 80,997
Gain on foreign currency translation	117,185	65,213
Gain on disposals of PP&E	4,770	6,239
Gain on disposals of intangible assets	-	2,079
Commission income	18,041	14,061
Rental income	19,143	20,057
Others	94,617	88,440
	<u>₩ 385,239</u>	<u>₩ 277,086</u>

(2) Other expenses for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Loss on foreign exchange transactions	₩ 188,559	₩ 98,677
Loss on foreign currency translation	110,242	58,801
Loss on disposals of PP&E	3,534	7,064
Impairment loss on intangible assets	-	12
Donations	6,951	11,187
Others	66,436	60,782
	₩ 375,722	₩ 236,523

30. EXPENSES BY NATURE:

Expenses by nature for the three months ended March 31, 2015 and 2014, consist of the following:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Changes in inventories	₩ (922,972)	₩ (645,747)
Raw materials and merchandise used	11,860,167	12,258,066
Employee benefits	2,199,005	2,108,274
Depreciation	476,754	464,820
Amortization	182,748	194,667
Others	5,934,748	5,567,092
Total (*)	₩ 19,730,450	₩ 19,947,172

(*) Sum of cost of sales, selling and administrative expenses and other expenses in the consolidated statements of income.

31. EARNINGS PER COMMON STOCK AND PREFERRED STOCK:

Basic earnings per common stock and preferred stock are computed by dividing profit available to common stock and preferred stock by the weighted-average number of common stock and preferred stock outstanding during the period. The Group did not compute diluted earnings per common stock for the three months ended March 31, 2015 and 2014, since there were no dilutive items during the period.

Basic earnings per common stock and preferred stock for the three months ended March 31, 2015 and 2014, are computed as follows:

Description	March 31, 2015			March 31, 2014		
	Profit available to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit available to share	Weighted-average number of shares outstanding (*1)	Basic earnings per share
	(In millions of Korean Won, except per share amounts)					
Common stock	₩ 1,470,289	207,303,929	₩ 7,092	₩ 1,485,562	209,269,769	₩ 7,099
1 st Preferred stock (*2)	162,945	22,941,700	7,103	164,690	23,159,022	7,111
2 nd Preferred stock	258,214	36,286,499	7,116	260,829	36,613,865	7,124
3 rd Preferred stock	17,451	2,456,498	7,104	17,624	2,478,299	7,111

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in K-IFRS 1033 'Earnings per Share'.

32. INCOME TAX EXPENSE:

Income tax expense is computed by adjusting from income tax currently payable to adjustments recognized in the current period in relation to prior periods, changes in deferred taxes due to temporary differences, income tax expense in relation to items not recognized as profit or loss and others. The average effective tax rates (income tax expense divided by income before income tax) for the three months ended March 31, 2015 and 2014, are 14.6% and 24.7%, respectively.

33. RETIREMENT BENEFIT PLAN:

- (1) Expenses recognized in relation to defined contribution plans for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Paid in cash	₩ 1,328	₩ 1,227
Recognized liability	392	333
	₩ 1,720	₩ 1,560

- (2) The significant actuarial assumptions used by the Group as of March 31, 2015 and December 31, 2014, are as follows:

Description	March 31, 2015	December 31, 2014
Discount rate	3.55%	3.62%
Rate of expected future salary increase	5.03%	5.01%

- (3) The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of March 31, 2015 and December 31, 2014, consist of the following:

Description	March 31, 2015		December 31, 2014	
	(In millions of Korean Won)			
Present value of defined benefit obligations	₩	4,194,071	₩	4,065,742
Fair value of plan assets		(3,463,197)		(3,471,803)
	₩	730,874	₩	593,939
Net defined benefit liabilities		730,874		594,058
Net defined benefit assets		-		(119)

(4) Changes in net defined benefit liabilities for the three months ended March 31, 2015, are as follows:

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities	
	(In millions of Korean Won)					
Beginning of the period	₩	4,065,742	₩	(3,471,803)	₩	593,939
Current service cost		132,590		-		132,590
Interest expenses (income)		35,251		(29,169)		6,082
		4,233,583		(3,500,972)		732,611
Remeasurements:						
Return on plan assets		-		(3,030)		(3,030)
Actuarial gains arising from changes in financial assumptions		22,983		-		22,983
		22,983		(3,030)		19,953
Contributions		-		(2,279)		(2,279)
Benefits paid		(64,898)		44,032		(20,866)
Transfers in (out)		164		121		285
Effect of foreign exchange differences and others		2,239		(1,069)		1,170
End of the period	₩	4,194,071	₩	(3,463,197)	₩	730,874

Changes in net defined benefit assets and liabilities for the three months ended March 31, 2014, were as follows:

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities	
	(In millions of Korean Won)					
Beginning of the period	₩	3,131,966	₩	(2,749,943)	₩	382,023
Current service cost		114,113		-		114,113
Interest expenses (income)		34,234		(30,561)		3,673
		3,280,313		(2,780,504)		499,809
Remeasurements:						
Return on plan assets		-		(2,257)		(2,257)
Actuarial gains arising from changes in financial assumptions		12,672		-		12,672
		12,672		(2,257)		10,415
Contributions		-		(2,611)		(2,611)
Benefits paid		(78,114)		59,308		(18,806)
Transfers in (out)		(356)		182		(174)
Effect of foreign exchange differences and others		5,319		(2,241)		3,078
End of the period	₩	3,219,834	₩	(2,728,123)	₩	491,711

(5) The fair value of the plan assets as of March 31, 2015 and December 31, 2014, consists of the following:

Description	March 31, 2015		December 31, 2014	
	(In millions of Korean Won)			
Insurance instruments	₩	3,216,151	₩	3,230,405
Debt instruments		104,719		102,734
Others		142,327		138,664
	₩	3,463,197	₩	3,471,803

34. CASH GENERATED FROM OPERATIONS:

Cash generated from operations for the three months ended March 31, 2015 and 2014, is as follows:

Description	Three months ended March 31,	
	2015	2014
	(In millions of Korean Won)	
Profit for the period	₩ 1,983,285	₩ 2,028,093
Adjustments:		
Post-employment benefits	138,672	117,786
Depreciation	476,754	464,820
Amortization of intangible assets	182,748	194,667
Provision for warranties	205,200	277,419
Income tax expense	337,718	665,069
Loss on foreign currency translation, net	58,518	9,493
Loss (gain) on disposals of PP&E, net	(1,236)	825
Interest income, net	(77,881)	(66,324)
Gain on share of earnings of equity-accounted investees, net	(616,188)	(676,221)
Cost of sales from financial services, net	1,114,959	1,010,117
Others	33,824	77,585
	<u>1,853,088</u>	<u>2,075,236</u>
Changes in operating assets and liabilities:		
Decrease (increase) in trade notes and accounts receivable	(69,150)	85,244
Decrease (increase) in other receivables	(134,374)	574,933
Decrease in other financial assets	547,421	134,941
Increase in inventories	(1,155,640)	(678,415)
Decrease in other assets	9,937	22,851
Increase in trade notes and accounts payable	276,280	542,680
Decrease in other payables	(937,899)	(1,127,918)
Increase in other liabilities	643,822	733,608
Decrease in other financial liabilities	(3,875)	(12,740)
Changes in net defined benefit liabilities	(1,994)	(2,785)
Payment of severance benefits	(20,866)	(18,806)
Decrease in provisions	(313,667)	(356,570)
Changes in financial services receivables	390,659	(2,664)
Increase in operating lease assets	(1,171,177)	(934,872)
Others	11,700	76,282
	<u>(1,928,823)</u>	<u>(964,231)</u>
Cash generated from operations	<u>₩ 1,907,550</u>	<u>₩ 3,139,098</u>

35. RISK MANAGEMENT:**(1) Capital risk management**

The Group manages its capital to maintain an optimal capital structure for maximizing profit of its shareholder and reducing the cost of capital. Debt to equity ratio calculated as total liabilities divided by total equity is used as an index to manage the Group's capital. The overall capital risk management policy is consistent with that of the prior period. Debt to equity ratios as of March 31, 2015 and December 31, 2014, are as follows:

Description	March 31, 2015	December 31, 2014
	(In millions of Korean Won)	
Total liabilities	₩ 84,540,999	₩ 84,604,552
Total equity	63,093,429	62,620,565
Debt-to-equity ratio	134.0%	135.1%

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk related to its financial instruments. The purpose of risk management of the Group is to identify potential risks related to financial performance and reduce, eliminate and evade those risks to an acceptable level of risks to the Group. Overall, the Group's financial risk management policy is consistent with the prior period policy.

1) Market risk

The Group is mainly exposed to financial risks arising from changes in foreign exchange rates and interest rates. Accordingly, the Group uses financial derivative contracts to hedge and to manage its interest rate risk and foreign currency risk.

a) Foreign exchange risk management

The Group is exposed to various foreign exchange risks by making transactions in foreign currencies. The Group is mainly exposed to foreign exchange risk in USD, EUR and JPY.

The Group manages foreign exchange risk by matching the inflow and the outflow of foreign currencies according to each currency and maturity, and by adjusting the foreign currency settlement date based on its exchange rate forecast. The Group uses foreign exchange derivatives; such as currency forward, currency swap, and currency option; as hedging instruments. However, speculative foreign exchange trade on derivative financial instruments is prohibited.

The Group's sensitivity to a 5% change in exchange rate of the functional currency against each foreign currency on income before income tax as of March 31, 2015, would be as follows:

Foreign Currency	Foreign Exchange Rate Sensitivity	
	Increase by 5%	Decrease by 5%
	(In millions of Korean Won)	
USD	₩ 12,487	₩ (12,487)
EUR	2,582	(2,582)
JPY	(5,558)	5,558

The sensitivity analysis includes the Group's monetary assets, liabilities and derivative assets, liabilities but excludes items of income statements such as changes of sales and cost of sales due to exchange rate fluctuation.

b) Interest rate risk management

The Group has borrowings with fixed or variable interest rates. Also, the Group is exposed to interest rate risk arising from financial instruments with variable interest rates. To manage the interest rate risk, the Group maintains an appropriate balance between borrowings with fixed and variable interest rates for short-term borrowings and has a policy to borrow funds with fixed interest rates to avoid the future cash flow fluctuation risk for long-term debt if possible. The Group manages its interest rate risk through regular assessments of the change in markets conditions and the adjustments in nature of its interest rates.

The Group's sensitivity to a 1% change in interest rates on income before income tax as of March 31, 2015, would be as follows:

Accounts	Interest Rate Sensitivity	
	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)	
Cash and cash equivalents	₩ 13,776	₩ (13,776)
Financial assets at FVTPL	(6,987)	7,218
Short-term and long-term financial instruments	2,657	(2,657)
Borrowings and debentures	(62,128)	62,128

The Company's subsidiaries, Hyundai Card Co., Ltd. and Hyundai Capital Services, Inc., that are operating financial business, are managing interest rate risk by utilizing value at risk (VaR). VaR is defined as a threshold value which is a statistical estimate of the maximum potential loss based on normal distribution. As of March 31, 2015 and December 31, 2014, the amounts of interest rate risk measured at VaR are ₩90,935 million and ₩119,847 million, respectively.

c) Equity price risk

The Group is exposed to market price fluctuation risk arising from equity instruments. As of March 31, 2015, the amounts of held for trading equity instruments and AFS equity instruments measured at fair value are ₩120,770 million and ₩2,257,730 million, respectively.

2) Credit risk

The Group is exposed to credit risk when a counterparty defaults on its contractual obligation resulting in a financial loss for the Group. The Group operates a policy to transact with counterparties who only meet a certain level of credit rating which was evaluated based on the counterparty's financial conditions, default history, and other factors. The credit risk in the liquid funds and derivative financial instruments is limited as the Group transacts only with financial institutions with high credit-ratings assigned by international credit-rating agencies. Except for the guarantee of indebtedness discussed in Note 37, the book value of financial assets in the consolidated financial statements represents the maximum amounts of exposure to credit risk.

3) Liquidity risk

The Group manages liquidity risk based on maturity profile of its funding. The Group analyses and reviews actual cash outflow and its budget to match the maturity of its financial liabilities to that of its financial assets.

Due to the inherent nature of the industry, the Group requires continuous R&D investment and is sensitive to economic fluctuations. The Group minimizes its credit risk in cash equivalents by investing in risk-free assets. In addition, the Group has agreements in place with financial institutions with respect to trade financing and overdraft to mitigate any significant unexpected market deterioration. The Group, also, continues to strengthen its credit rates to secure a stable financing capability.

The Group's maturity analysis of its non-derivative liabilities according to their remaining contract period before expiration as of March 31, 2015, is as follows:

Description	Remaining contract period				Total			
	Not later than one year	Later than one year and not later than	Later than					
		five years	five years					
(In millions of Korean Won)								
Non interest-bearing liabilities	₩	13,594,459	₩	1,638	₩	734	₩	13,596,831
Interest-bearing liabilities		17,135,584		38,543,230		1,174,631		56,853,445
Financial guarantee		1,010,748		171,385		26,731		1,208,864

The maturity analysis is based on the non-discounted cash flows and the earliest maturity date at which payments, i.e. both principal and interest, should be made.

(3) Derivative instrument

The Group enters into derivative instrument contracts such as forwards, options and swaps to hedge its exposure to changes in foreign exchange rate.

As of March 31, 2015 and December 31, 2014, the Group deferred a net loss of ₩28,440 million and ₩30,363 million, respectively, in accumulated other comprehensive loss, on its effective cash flow hedging instruments.

The longest period in which the forecasted transactions are expected to occur is within 43 months as of March 31, 2015.

For the three months ended March 31, 2015 and 2014, the Group recognized a net income of ₩77,814 million and a net loss of ₩110,598 million in profit or loss (before tax), respectively, which resulted from the ineffective portion of its cash flow hedging instruments and changes in the valuation of its other non-hedging derivative instruments.

36. RELATED-PARTY TRANSACTIONS:

The transactions and balances of receivables and payables within the Group are wholly eliminated in the preparation of consolidated financial statements of the Group.

- (1) For the three months ended March 31, 2015, significant transactions arising from operations between the Group and related parties or affiliates by the Monopoly Regulation And Fair Trade Act of the Republic of Korea (“the Act”) are as follows:

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company	Hyundai MOBIS Co., Ltd.	₩ 217,022	₩ 1,995	₩ 1,111,786	₩ 2,418
	Mobis Alabama, LLC	5,308	6,746	326,064	121
	Mobis Automotive Czech s.r.o.	6	94	271,361	-
	Mobis India, Ltd.	3,910	4,532	205,528	299
	Mobis Parts America, LLC	4,736	1,667	146,824	450
	Mobis Parts Europe N.V.	1,859	2,266	63,333	6
	Mobis Brasil Fabricacao De Auto Pecas Ltda	835	-	66,262	-
	Mobis Module CIS, LLC	-	70	33,675	-
	Others	8,961	43,742	156,488	6,592
		234,072	74,083	30,411	43,189
Joint ventures and associates	Kia Motors Corporation				
	Kia Motors Manufacturing Georgia, Inc.	162,262	303	667,919	98
	Kia Motors Russia LLC	143,816	-	-	946
	Kia Motors Slovakia s.r.o.	30,305	6,008	158,837	91
	BHMC	266,859	15,236	13	-
	HMGC	74,725	-	463	802
	Hyundai WIA Corporation	67,040	345	251,356	220
	Hyundai HYSCO Co., Ltd.	1,237	421	2,905	-
	Others	122,627	8,576	731,111	395,321
Other related parties		818	5	-	-
Affiliates by the Act		248,528	9,324	1,172,569	390,565

For the three months ended March 31, 2014, significant transactions arising from operations between the Group and related parties or affiliates by the Act were as follows:

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company	Hyundai MOBIS Co., Ltd.	₩ 215,395	₩ 2,567	₩ 1,149,281	₩ 11,036
	Mobis Alabama, LLC	4,785	7,938	318,793	4,223
	Mobis Automotive Czech s.r.o.	2	116	313,031	-
	Mobis India, Ltd.	4,882	4,157	172,378	212
	Mobis Parts America, LLC	6,047	1,064	131,787	342
	Mobis Parts Europe N.V.	1,320	92	48,442	-
	Mobis Brasil Fabricacao De Auto Pecas Ltda	473	-	71,272	-
	Mobis Module CIS, LLC	-	123	56,109	1
	Others	3,959	184	96,662	3,343
Joint ventures and associates	Kia Motors Corporation	227,243	57,440	49,079	63,839
	Kia Motors Manufacturing Georgia, Inc.	180,215	467	606,603	-
	Kia Motors Russia LLC	231,074	-	-	899
	Kia Motors Slovakia s.r.o.	34,852	5,106	156,472	210
	BHMC	256,163	10,196	189	-
	HMGC	63,688	-	263	1,681
	Hyundai WIA Corporation	38,789	162	196,934	880
	Hyundai HYSCO Co., Ltd.	1,552	455	19,650	-
	Others	97,740	7,130	684,046	340,780
Other related parties		698	96	182,374	107,729
Affiliates by the Act		157,418	19,499	1,065,347	423,774

(2) As of March 31, 2015, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows:

Description		Receivables		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company	Hyundai MOBIS Co., Ltd.	₩ 186,850	₩ 24,885	₩ 779,138	₩ 274,001
	Hyundai Life Insurance Co., Ltd.	1,721	131,617	42	641
	Mobis Alabama, LLC	72	1,904	110,301	-
	Mobis Automotive Czech s.r.o.	37	288	116,170	-
	Mobis India, Ltd.	297	16,284	108,864	-
	Mobis Parts America, LLC	966	221,584	54,644	-
	Mobis Parts Europe N.V.	387	1,250	27,980	3,449
	Mobis Module CIS, LLC	-	31	16,940	-
	Others	9,399	48,267	78,330	3,852
Joint ventures and associates	Kia Motors Corporation	245,682	250,816	30,576	102,853
	Kia Motors Manufacturing Georgia, Inc.	72,140	14,623	243,123	1
	Kia Motors Russia LLC	72,809	28	-	3,166
	Kia Motors Slovakia s.r.o.	10,737	3,303	56,747	6,921
	Kia Motors America, Inc.	-	55,326	69	3
	BHMC	235,292	923,452	-	64
	HMGC	43,693	47	-	937
	Hyundai WIA Corporation	70,133	19,322	141,691	45,642
	Hyundai HYSCO Co., Ltd.	4,876	3,345	11,222	5,028
	Others	231,900	49,491	412,314	435,465
Other related parties		315	-	-	-
Affiliates by the Act		266,253	19,388	712,920	271,667

As of December 31, 2014, significant balances related to the transactions between the Group and related parties or affiliates by the Act were as follows:

Description		Receivables		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company	Hyundai MOBIS Co., Ltd.	₩ 168,950	₩ 29,282	₩ 833,602	₩ 173,338
	Hyundai Life Insurance Co., Ltd.	1,950	115,470	67	175
	Mobis Alabama, LLC	48	1,762	102,683	-
	Mobis Automotive Czech s.r.o.	41	283	93,474	-
	Mobis India, Ltd.	402	11,457	95,819	-
	Mobis Parts America, LLC	1,920	220,276	45,899	139
	Mobis Parts Europe N.V.	349	513	32,315	-
	Mobis Module CIS, LLC	-	31	17,969	19
	Others	6,993	325	68,526	2,726
Joint ventures and associates	Kia Motors Corporation	242,152	246,721	32,124	90,703
	Kia Motors Manufacturing Georgia, Inc.	41,110	13,442	239,148	516
	Kia Motors Russia LLC	67,015	23	1	328
	Kia Motors Slovakia s.r.o.	6,827	3,057	44,177	9,490
	Kia Motors America, Inc.	-	105,747	91	20
	BHMC	196,521	27,554	1,056	16
	HMGC	30,573	304	-	1,718
	Hyundai WIA Corporation	71,864	13,978	163,315	47,409
	Hyundai HYSCO Co., Ltd.	5,799	2,109	8,617	4,587
	Others	212,461	31,943	397,362	487,761
Other related parties		1,218	6,468	14,610	149,694
Affiliates by the Act		153,052	6,101	674,701	188,167

- (3) Significant fund transactions and equity contribution transactions for the three months ended March 31, 2015, between the Group and related parties are as follows:

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
(In thousands of U.S. Dollars)					(In millions of Korean won)
Joint ventures and associates	\$ -	\$ -	\$ -	\$ -	₩ 8,745

Significant fund transactions and equity contribution transactions for the three months ended March 31, 2014, between the Group and related parties were as follows:

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
(In thousands of U.S. Dollars)					(In millions of Korean won)
Joint ventures and associates	\$ -	\$ -	\$ -	\$ 85	₩ 16,659

- (4) Compensation of registered and unregistered directors, who are considered to be the key management personnel for the three months ended March 31, 2015 and 2014, are as follows:

Description	Three months ended March 31,	
	2015	2014
(In millions of Korean Won)		
Short-term employee salaries	₩ 43,316	₩ 42,190
Post-employment benefits	9,394	9,808
Other long-term benefits	99	110
	₩ 52,809	₩ 52,108

37. COMMITMENTS AND CONTINGENCIES:

- (1) As of March 31, 2015, the debt guarantees provided by the Group, excluding the ones provided to the Company's subsidiaries, are as follows:

Description	Domestic	Overseas (*)
	(In millions of Korean Won)	
To associates	₩ -	₩ 82,794
To others	127,064	1,021,973
	<u>₩ 127,064</u>	<u>₩ 1,104,767</u>

(*) The guarantee amounts in foreign currency are translated into Korean Won using the Base Rate announced by Seoul Money Brokerage Services, Ltd. as of March 31, 2015.

- (2) As of March 31, 2015, the Group is involved in domestic and foreign lawsuits as a defendant. In addition, the Group is involved in lawsuits for product liabilities and others. The Group obtains insurance for potential losses which may result from product liabilities and other lawsuits. Meanwhile, as of March 31, 2015, the Group is currently involved in lawsuits for ordinary wage, which involves disputes over whether certain elements of remuneration are included in the earnings used for the purposes of calculating overtime, allowances for unused annual paid leave and retirement benefits, and unable to estimate the outcome or the potential consolidated financial impact.
- (3) As of March 31, 2015, a substantial portion of the Group's PP&E is pledged as collateral for various loans up to ₩889,825 million. In addition, the Group pledged certain bank deposits, checks, promissory notes and investment securities, including 213,466 shares of Kia Motors Corporation, as collateral to financial institutions and others. Certain receivables held by the Company's foreign subsidiaries, such as financial services receivables are pledged as collateral for their borrowings.
- (4) Hyundai Capital Services, Inc., a subsidiary of the Company, has Revolving Credit Facility Agreements with the following financial institutions.

1) Credit Facility Agreement

Hyundai Capital Services, Inc. entered into a Credit Facility Agreement with GE Capital European Funding & CO (the "GE Capital") on January 9, 2015. The credit line of the agreement is Euro worth of USD 600 million as of March 31, 2015. The agreement expires at January 5, 2018.

2) Revolving Credit Facility

Hyundai Capital Services, Inc. has a Revolving Credit Facility Agreement which credit line is USD 200 million, EUR 10 million and ₩1,795,000 million with Kookmin Bank and 20 other financial institutions, as of March 31, 2015.

- (5) Hyundai Card Co., Ltd, a subsidiary of the Company, has a Revolving Credit Facility Agreement which credit line is ₩460,000 million with Kookmin Bank and 6 other financial institutions, as of March 31, 2015.

38. SEGMENT INFORMATION:

- (1) The Group has a vehicle segment, a finance segment and other segments. The vehicle segment is engaged in the manufacturing and sale of motor vehicles. The finance segment operates vehicle financing, credit card processing and other financing activities. Other segments include the R&D, train manufacturing and other activities, which cannot be classified in the vehicle segment or in the finance segment.
- (2) Sales and operating income by operating segments for the three months ended March 31, 2015 and 2014, are as follows:

For the three months ended March 31, 2015					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total sales	₩ 24,688,674	₩ 2,943,855	₩ 1,732,266	₩ (8,422,039)	₩ 20,942,756
Inter-company sales	(8,153,724)	(59,318)	(208,997)	8,422,039	-
Net sales	16,534,950	2,884,537	1,523,269	-	20,942,756
Operating income	1,208,234	263,750	35,048	80,996	1,588,028

For the three months ended March 31, 2014					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total sales	₩ 26,165,767	₩ 2,655,792	₩ 1,566,578	₩ (8,739,096)	₩ 21,649,041
Inter-company sales	(8,446,464)	(49,222)	(243,410)	8,739,096	-
Net sales	17,719,303	2,606,570	1,323,168	-	21,649,041
Operating income	1,451,634	316,160	60,984	109,614	1,938,392

- (3) Assets and liabilities by operating segments as of March 31, 2015 and December 31, 2014, are as follows:

As of March 31, 2015					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 86,549,105	₩ 65,406,347	₩ 7,265,496	₩ (11,586,520)	₩ 147,634,428
Total liabilities	30,293,413	56,091,854	4,393,879	(6,238,147)	84,540,999
Borrowings and debentures	4,219,692	48,761,441	2,472,813	(1,506,504)	53,947,442

As of December 31, 2014					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 85,791,905	₩ 65,894,361	₩ 7,035,554	₩ (11,496,703)	₩ 147,225,117
Total liabilities	30,424,220	56,783,188	4,162,456	(6,765,312)	84,604,552
Borrowings and debentures	4,393,547	49,644,731	2,142,616	(1,922,962)	54,257,932

- (4) Sales by region where the Group's entities are located in for the three months ended March 31, 2015 and 2014, are as follows:

For the three months ended March 31, 2015							
	Korea	North America	Asia	Europe	Others	Consolidation adjustments	Total
(In millions of Korean Won)							
Total sales	₩ 13,158,388	₩ 8,054,193	₩ 1,621,469	₩ 5,968,676	₩ 562,069	₩ (8,422,039)	₩ 20,942,756
Inter-company sales	(3,485,296)	(1,668,578)	(94,628)	(3,173,487)	(50)	8,422,039	-
Net sales	9,673,092	6,385,615	1,526,841	2,795,189	562,019	-	20,942,756
For the three months ended March 31, 2014							
	Korea	North America	Asia	Europe	Others	Consolidation adjustments	Total
(In millions of Korean Won)							
Total sales	₩ 13,672,113	₩ 7,952,603	₩ 1,593,433	₩ 6,624,112	₩ 545,876	₩ (8,739,096)	₩ 21,649,041
Inter-company sales	(3,729,787)	(1,717,292)	(141,504)	(3,150,508)	(5)	8,739,096	-
Net sales	9,942,326	6,235,311	1,451,929	3,473,604	545,871	-	21,649,041

- (5) Non-current assets by region where the Group's entities are located in as of March 31, 2015 and December 31, 2014 are as follows:

	March 31, 2015	December 31, 2014
(In millions of Korean Won)		
Korea	₩ 22,791,372	₩ 21,109,314
North America	2,179,387	2,174,461
Asia	1,205,020	1,129,741
Europe	1,746,329	1,952,153
Others	322,760	399,453
	28,244,868	26,765,122
Consolidation adjustments	(82,689)	(79,000)
Total (*)	₩ 28,162,179	₩ 26,686,122

(*) Sum of PP&E, intangible assets and investment property.

- (6) There is no single external customer who represents 10% or more of the Group's revenue for the three months ended March 31, 2015 and 2014.

39. CONSTRUCTION CONTRACTS:

Cost, income and loss and claimed construction from construction in progress as of March 31, 2015 and December 31, 2014 are as follows:

Description	March 31, 2015	December 31, 2014
(In millions of Korean Won)		
Accumulated accrual cost	₩ 7,908,283	₩ 7,427,961
Accumulated income	893,161	1,071,348
Accumulated construction in process	8,801,444	8,499,309
Progress billing	(7,325,737)	(7,172,915)
Due from customers	1,807,202	1,617,221
Due to customers	(331,495)	(290,827)

40. BUSINESS COMBINATIONS:

(1) HMNL, a subsidiary of the Company, acquired the business sector of Greenib Car B.V. as of January 2, 2015.

1) Considerations for acquisition and the fair value of the assets acquired and liabilities assumed at the acquisition date are as follows:

Description	Amounts	
	(In millions of Korean Won)	
Considerations transferred	₩	86,613
Assets acquired and liabilities assumed:		
Current assets		80,881
Non-current assets		2,344
Current liabilities		(5,923)
Fair value of identifiable net assets		77,302
Goodwill	₩	9,311

2) Sales of ₩44,614 million and net loss of ₩1,133 million arising after the acquisition date are included in the consolidated statement of income. Contractual gross amounts for receivables are ₩1,913 million at the acquisition date and the Group expects to collect full amounts.