

The 53rd Annual Report

(Jan 1, 2014 – Dec 31, 2014)

Ssangyong Motor Company

History of Ssangyong Motors

1954 Jan	Ha Dong-Hwan Motor Workshop was established
1975 May	Initial Public Offering
1976 Sep	Started to produce a variety of special purpose vehicles
1977 Feb	The company name changed to Donga Motor Co., Ltd.
1979 Dec	Completed construction of the Pyungtaek Plant
1984 Dec	Acquired Geohwa Co., Ltd., and participate Jeep production
1985 Aug	Geohwa's Pusan Plant moved to the Pyungtaek site
1986 Nov	Ssangyong Group took over Donga Motor Co., Ltd.
1988 Mar	The company name changed to Ssangyong Motor. Co., Ltd.
1988 Jul	Acquired English automaker Panther Car Co.
1988 Dec	Launched a station wagon type Vehicle "Korando Family"
1991 Feb	Entered into the technical partnership with Mercedes Benz AG for developing light commercial vehicles and diesel engine.
1992 Jun	Established "Central R&D Center"
1992 Oct	Entered into technical partnership with Mercedes Benz AG for developing gasoline engine
1993 Jan	Signed joint capital investment (5%) with Mercedes Benz AG.
1993 Feb	Entered into technical partnership with Mercedes Benz AG for luxury passenger vehicle.
1993 Jul	Launched a wagon type 4WD vehicle "MUSSO"
1993 Nov	Entered into the technical partnership with Mercedes Benz AG for developing large size diesel engines.
1994 Apr	Opened "the After-Sales Service Technical Center" in Daejeon"
1994 Jun	Established "Changwon Engine Plant"
1994 Aug	Started to produce "Korando New Family" vehicle
1995 Jun	Established "Parts Logistics Center" in Choenan, Korea
1995 Jul	Launched a Light Commercial Vehicle "Istana"
1996 Jul	Launched Box style 4WD, "Korando"
1997 Oct	Launched luxury sedan "The Chairman"
1998 Jan	Merged into Daewoo Group
1998 Jun	Launched "New Musso"
1998 Nov	Launched 1999 model year of "Chairman"
1999 Jun	Launched 7-seater model "New Musso"
1999 Dec	Underwent corporate restructuring program
2000 Jan	Established independent sales network
2000 Mar	Released "Chairman [CM500] and [CM400] series"
2000 Apr	Separated from Daewoo Group
	Released 2000 model year of "Korando"
2000 Jun	Launched 2001 model year of "Musso"
2001 Feb	Launched "Musso", "Korando", "Istana" New lineup
2001 Dec	Signed a contract for Normalization of Management
2002 Sep	Launched first SUT in Korea "Musso Sports"
2003 Jan	Sign contract for CKD Business with Shanghai Huizhong Automobile Manufacturing Company (SHAC), China
2003 Sep	Launched "New Chairman"
2003 Dec	Launched "New Rexton"
2004 May	Launched "Rodius"
2004 Sep	Completed construction of Changwon 2nd Plant
2004 Oct	SAIC Motor Corporation Ltd. signed a contract for transfer of creditors' security holdings.
2005 Jan	Became a subsidiary company of SAIC Motor Corporation Ltd.
2005 Feb	Started to provide Telematics service "Everway"
2005 Jun	Launched "Kyrn"
2005 Oct	Launched "Actyon"
2006 Mar	Launched "Rexton II"

2006 Apr	Launched "Actyon Sports"
2006 Dec	Major shareholder has been changed from SAIC Motor Corporation Ltd. to Shanghai Automotive Company Ltd.
2007 Apr	Launched "New Kyron"
2007 Jul	Launched "New Rodius"
2007 Oct	Launched "Rexton II Euro"
2007 Dec	Launched 2008 Year Model of "New Kyron", "Actyon" and "Actyon Sport"
2008 Jan	Launched "Chairman H"
2008 Feb	Launched "Chairman W"
2008 Jul	Established EU Representative office in Spain Launched 2009 model year of Rexton II, New Kyron, Actyon, Actyon Sports Completed the extension work of the "After-Sales Service Technical Center" in Daejeon Actyon won "Energy Winner Award"
2008 Sep	Launched 2009 model year of "Chairman W 3.2"
2008 Nov	Awarded "Safest Warehouse of the Netherlands 2008" in the Netherland
2009 Jan	Launched "Chairman H VIP" Applied for Company Rehabilitation Procedure
2009 Feb	Started Company Rehabilitation Procedure
2009 Dec	Company Rehabilitation plan was approved
2010 Jan	Launched 2010 model year of "Rexton", "Kyron" and "Actyon Sports"
2010 Aug	Launched "Rexton RX4"
2010 Nov	Ssangyong and Mahindra signed definitive agreement on investment – takeover price KRW522.5 billion (Subscription of new stocks – KRW427.1 billion, takeover of corporate bond – KRW95.4 billion)
2011 Feb	Mahindra & Mahindra took over Ssangyong Motor Company Launched "Korando C"
2011 Mar	Completed Company Rehabilitation Procedure
2011 May	Launched "Rexton Out-Door Edition Model"
2011 May	Launched "Chairman H New Classic"
2011 Jul	Launched "New Chairman W"
2012 Jan	Launched "Korando Sports"
2012 Mar	Launched "Rexton Euro V" Launched "Korando C CHIC M/T"
2012 Apr	Launched 2013 Model year of "Chairman H" and "Chairman W"
2012 May	Launched "Rexton W (3 rd generation)"
2012 Jul	Launched "Rodius Euro"
2012 Aug	Launched "Korando Sports Mania (4WD 6 speed M/T)"
2013 Feb	Launched "Korando Turismo"
2013 Apr	Launched "Chairman W Summit"
2013 May	Launched 2014 model year of "Korando Sports"
2013 Jun	Launched "Korando Turismo Chateau"
2013 Aug	Launched "New Korando C"
2013 Dec	Korando brand won "Grand prize in marketing innovation"
2014 Jan	New Korando C won "Korea Green-Car Award"
2014 Apr	Launched new BI of Korando Brand (LUV KORANDO)
2014 Jul	Launched Korando Sports 2015
2014 Dec	Grand Prize in Korea marketing brand
2015 Jan	Launched 2015 SUV (Korando C, Korando Sports, Korando Turismo, Rexton W)

2015 Jan Launched Tivoli gasoline model
2015 Jan Tivoli won "Korea Green-Car Award"

[53rd Annual Shareholders' Meeting]

Opening Remarks

Honorable Shareholders,

I would like to express my deepest appreciation to all of you for attending the 53rd Annual Shareholders Meeting, despite your busy schedule.

Last year, Ssangyong Motor has successfully regained the customers' trust and proved our growth potential by introducing globally attractable lineup based on the stable and amicable labor and management relations despite lots of unfavorable business conditions.

Notwithstanding various unsolved labor issues, SYMC has built mutually beneficial labor and management partnership without labor strike for 5 consecutive years, which is very meaningful.

Above all, sales of SYMC has increased in the domestic market for 5 years in a row, recording sales of more than 140,000 units for 2years only with the facelift model.

SYMC has tried to continuously release new face-lift model which satisfies customer needs and market trend, and to establish brand identity focusing on SUV utilizing the amicable labor and management relations.

Although losses was slightly expanded due to the deteriorated internal and external conditions such as plummeted value of Russian rouble, and expanded application of ordinary wage, we firmly believe that the profits of the company will grow thanks to the sales increase of new car model.

Regaining of customers' trust and the business normalization were largely attributable to the support and interests of all shareholders.

Respected Shareholders!

Ssangyong Motor will put more focus on regaining our reputation as the SUV leader based on the achievement we have made.

And despite the sluggish demand for automobile, the global sales growth in the SUV market will become the great opportunity for SYMC.

SYMC will make the most of this SUV booming this year, and plans to increase sales of SUV by more than 10%.

As the first step towards this goal, Ssangyong Motor launched our strategic model ‘Tivoli’ targeting the global market in January. ‘Tivoli’ is the fruit of our 40-months efforts.

As the representative and first B-segment ‘Best-selling vehicle’ of our company, ‘Tivoli’ will give us opportunities to make turn-around and to achieve mid- long-term goal, recording sales of more than 100,000 units per year.

In particular, ‘Tivoli’ will be the growth engine enabling us to make solid ground as the SUV expert both in name and reality, and to jump again.

Since its debut, ‘Tivoli’ gasoline model is getting positive response in the compact SUV market. We hope that ‘Tivoli’ becomes the winner in the compact SUV market competition driving the future sales increase.

Starting with gasoline version, ‘Tivoli’ will introduce its various lineup including diesel version and the long-body.

As such, Ssangyong Motor will expand our global sales by aggressively responding to the demands in the SUV market both at home and abroad with ‘Tivoli’.

Moreover, in line with the quantitative growth, improvement in the management system and the profitability will be our priority.

Respected Shareholders!

Ssangyong Motor hits the road in the new journey with the launch of 'Tivoli'.

New starts means new opportunity for prosperity of SYMC.

SYMC plans to introduce more than one new model every year to strengthen our product competitiveness and to heighten capacity usage rate to 100% within 3 to 4 years, and 'Tivoli' is the start.

SYMC will try to enhance customer trust by providing high quality customer service, and like this, we will not stop our development.

Your encouragement and support are indispensable for Ssangyong Motor Company to become the 'Most Innovative and Respected Korean Automotive Company'.

Once again, I would like to ask for your continued support and encouragement and wish health and happiness to you and your families.

Thank you very much!

March 24, 2015

C.E.O Yoo-II, Lee

Ssangyong Motor Company

Table of Contents

I . Annual Report

1. Corporate Overview -----	8
2. Sales Performance -----	10
3. Parent Company, Subsidiary Company and Company Combination ----	13
4. Business Performance and Financial Condition for the Past 3 Years ---	14
5. Issues to be Addressed -----	15
6. Board & Audit Committee Composition -----	16
7. Major Shareholder Status -----	16
8. Investment in SYMC and SYMC's Subsidiary Companies -----	17
9. Major Creditors -----	17
10. Important Issues Occurred after Settlement of Accounts -----	17
11. Important Sales Issues -----	18

I . Annual Report

1. Corporate Overview

1) The objective of the company

- (1) Manufacture and sale of various automobiles and parts thereof
- (2) Manufacture and sale of various heavy equipment and parts thereof
- (3) Repair of various automobiles and heavy equipment
- (4) Agency of automobile inspection
- (5) Manufacture of fire-fighting equipment
- (6) Export and import and agency thereof
- (7) Wholesale of automobile parts
- (8) Issue of offer sheets for sale of goods
- (9) Manufacture and production of various engines and related parts
- (10) Agency of automobile registration
- (11) Sales and consignment sale of good imported or exported
- (12) Sale and lease of real estate, equipment and facilities
- (13) Management of automobiles (used car sale; car scrapping agency; automobile lease)
- (14) Manufacture and sale of various molds
- (15) E-commerce and internet-related business
- (16) Various types of valued-added telecommunication business and specially-designated telecommunication business including an automobile information business, and sale and lease business of related equipment
- (17) Other businesses incidental to any of the foregoing

2) Core business

Manufacturing and sales of various automobiles and parts.

3) Plant and other premises

Name	Major Business	Location
Pyeongtaek plant (Main Office)	Manufacture of vehicles	455-12, Dongsak-ro, Pyeongtaek-si, Gyeonggi-do
Changwon plant	Manufacture of engines	10, Gongdan-ro 474beon-gil, Seongsan-gu, Changwon-si, Gyeongsangnam-do
Seoul Service Center and 12 other sites	Maintenance and part sales	243, Gurodong-ro, Guro-gu, Seoul

4) Employees data

Gender	Office workers	Factory workers	Others	Total	Remarks
Male	1,531	3,175	7	4,713	-
Female	85	5	28	118	-
Total	1,616	3,180	35	4,831	-

5) Matters related to shares

① Type and number of issued shares

(Unit: Share, thousand KRW)

Sort of stock	The number of stocks	Amount	% of common stock	Remarks
Common Stock	137,220,096	686,100,480	100%	-

② Changes in capital

(Unit: Share, thousand KRW)

Date	Sort of stock	Increase / Decrease		After Change		Remarks
		Shares	Amount	Shares	Amount of Capital	
2009.12.28	Common	(88,825,632)	(444,128,160)	31,978,988	159,894,940	Reduction of capital

2009.12.29	Common	76,431,443	382,157,215	108,410,431	542,052,155	Debt-equity swap
2010.01.18	Common	(72,289,875)	(361,449,375)	36,120,556	180,602,780	Reduction of capital
2010.07.21	Common	417,045	2,085,225	36,537,601	182,688,005	Debt-equity swap
2011.01.04	Common	5,193	25,965	36,542,794	182,713,970	Debt-equity swap
2011.02.09	Common	85,419,047	427,095,235	121,961,841	609,809,205	Paid-in capital increase (to the 3 rd party)
2012.05.19	Common	644,550	3,222,750	122,606,391	613,031,955	Paid-in capital increase (to the 3 rd party)
2012.08.15	Common	68,250	341,250	122,674,641	613,373,205	Paid-in capital increase (to the 3 rd party)
2013.05.23	Common	14,545,455	72,727,275	137,220,096	686,100,480	Paid-in capital increase (to the 3 rd party)

③ General affairs on shares

Closing date	December 31 st		
Period of closing shareholders' registry	January 1 st - January 10 th	Base date	December 31 st
Public notice	SYMC's Website (http://www.smotor.com) or Kukmin IlBo		
Type of share certificates	Eight types : One (1), Five (5), Ten (10), Fifty (50), One Hundred (100), Five Hundred (500), One Thousand (1,000), and Ten Thousand (10,000)		
Agent	Name	Korea Securities Depository	
	Location	23, Yeouinaru-ro 4-gil, Yeongdeungpo-gu, Seoul, Korea	

6) Corporate bond

(Unit: thousand KRW)

Type of bond	Date of issue	Issue amount	Interest rate	Outstanding amount	Repayment date	Payment guaranteed by
The 118 th Non-guaranteed private bond	2011.02.09	95,404,765	7.0%	95,404,765	2014.02.10	-

2. Sales Performance

1) Overall outlook

① Domestic market

Sales volume of domestic automobile market in 2014 increased by 5.8% YoY to 1,463,945 despite sluggish economy and launches of imported cars.

PC : PC market increased by 3.1% YoY due to the sales expansion of Large PC and active roles of automotive makers.

RV : RV market grew by 14.7% YoY with the growing interest for leisure activities and car safety.

- ♦ SUV: recorded 15.1% of growth YoY due to sales expansion of existing models and new launches.
- ♦ CDV: Increased by 12.9% YoY thanks to FMC of Carnival as well as constant sales of Korando Turismo.

SYMC : SYMC recorded 7.9% of growth with Korando Brand strategy despite slow economy and aggressive marketing of imported cars. Summing up, SYMC is successfully showing positive outcome since 2010.

(Unit: Vehicle - CBU only)

Classification	2014	2013	2012
Rexton	7,132	7,608	5,226
Korando C	21,840	19,317	16,685
Korando Sports	28,292	23,435	20,370
Kyron	-	-	1
Chairman H	1,117	1,329	2,013
Chairman W	1,580	1,886	2,434
Korando Turismo	9,075	10,395	971
Total	69,036	63,970	47,700

② Overseas market

Europe market recovered since the second half 2013 thanks to economic recovery in Big 3 markets including Germany, England, and France, and restructuring in Spain. But from the 2nd half 2014, the uncertainties in the emerging markets including the crisis in Ukraine have cast dark cloud over the economic prospect.

Through the aggressive marketing and promotion activities, SYMC has successfully introduced New Korando model in Europe markets since Sept. 2013, and accordingly seen the higher sales growth year on year.

Overall sales in China market has grown by 6.9% to 23.5 million units, and although the overall growth rate has slowed down, sales in SUV market is showing dramatic increase of 39.5% YOY.

Competition among the car makers in same class is getting fiercer as Japanese car manufacturers are recovering their price competitiveness supported by weak yen. Moreover, fuel efficiency affects the customer's purchasing trend, making competition over fuel efficiency more intense.

- Sales of SYMC recorded decrease by 10% to 70,847 units (CKD excluded) in 2014.

In Europe and China, SYMC saw a sales increase of 75% and 93%, respectively, but in Russia, Ukraine and Kazakhstan, SYMC suffered sales sluggishness due to the increased economic uncertainties coupled with political unrest and negative consumer sentiment. SYMC plans to expand its market share in overseas through consistent marketing and promotion support to distributors and successful launch of Tivoli.

(Unit: Vehicle - CBU only)

Classification	2014	2013	2012
Rexton	6,225	7,291	5,703
Korando C	37,863	37,437	32,975
Korando Sports	9,427	11,966	15,458
Actyon	2,683	1,481	2,030
Kyron	8,880	15,335	14,109
Chairman W	38	74	139
Korando Turismo	5,731	5,156	1,139
Total	70,847	78,740	71,553

2) Production performance

(Unit: Vehicle)

Category	53 rd	52 nd	Remarks
Passenger car	2,458	3,431	Chairman W, Chairman H
RV	137,801	140,106	Korando C, Korando Sports, Rodius, Rexton W, Kyron, Actyon, Tivoli
Total	140,259	143,537	

3) Sales performance

(Unit: Mil. KRW, Vehicle)

Category	53 rd		52 nd		Remarks
	Volume	Amount	Volume	Amount	
Passenger car	2,735	118,211	3,289	148,323	Chairman W, Chairman H
RV (Including CKD)	138,312	2,827,087	142,360	2,964,490	Korando C, Korando Sports, Rexton W, Korando Turismo, Kyron, Actyon
Others (Parts)		369,598	-	362,373	
Total	141,047	3,314,896	145,649	3,475,186	

4) Major asset increase and their financing status

(Unit: Mil. KRW)

Investment areas	Amount	Financing details
Land	226	Self-financed
Building, Structures	12,370	
Vehicle Transport Equipment	296	
Machines	76,149	
Tools	26,718	
Equipment etc.	6,762	
Total	122,521	

3. Parent company, subsidiary company and company combinations

1) Parent company status

Parent company name	Mahindra & Mahindra Ltd.		
Parent company address	Gateway Building, Apollo Bunder, Mumbai 400 001, India		
Capital stock	INR 2,953,000,000	Major business areas	Vehicle manufacturing and related business
Number of shares in SYMC	99,964,502 shares	% shareholding	72.85%
Major business with parent company	Revenue (part sales, etc.) : 1,492 mil. KRW Revenue(CKD sales, etc.) : 13,481mil. KRW (with 100% subsidiary of Mahindra & Mahindra Ltd.) Expenses (debenture interests etc.) : 2,541 mil. KRW		

※ The above capital stock is as of Sep 30, 2014.

2) Subsidiary company status

(Unit: Share)

Subsidiary company				Relationship with SYMC		
Company name	Location	Capital	Core business areas	Number of shares owned	% of shares owned	Business relations with SYMC
Ssangyong (Shanghai) Automotive Co. Ltd.	China	30,000,000 (CNY)	Sale of vehicles and vehicle parts	No Stock issued	100%	-
Ssangyong European Parts Center BV	Netherlands	700,000 (EUR)	Sale of vehicle parts	7,000	100%	Import & sale of vehicle parts

3) Concurrent posts in parent or subsidiary companies

Directors		Concurrent office			
Name	Position in SYMC	Company	Position in concurrent office	Responsible area	Remarks
Choi, Johng Sik	Vice President	Ssangyong(Shanghai) Automotive Co., Ltd.	Representative Director	-	-
Chung, Yong Won	Managing Director	Ssangyong(Shanghai) Automotive Co., Ltd.	Director	-	-
Lee, Jong Dae	Assistant Managing Director	Ssangyong European Parts Center BV	Director	-	-

4. Business performance and financial condition for the past 3 years

1) Business Performance - 53rd, 52nd, 51st

(Unit: Mil. KRW)

Title of account	53 rd	52 nd	51 st
	(Jan 1, 2014 – Dec 31, 2014)	(Jan 1, 2013 – Dec 31, 2013)	(Jan 1, 2012 – Dec 31, 2012)
I. Sales	3,314,896	3,475,186	2,863,806
II. Cost of sales	2,867,899	2,980,410	2,526,440
III. Gross profit	446,997	494,776	337,366
IV. Selling and administrative expenses	524,842	505,389	436,438
V. Operating profit (Loss)	(77,845)	(10,613)	(99,072)
VI. Non operating income	47,614	45,925	44,266
VII. Non operating expenses	54,096	61,686	62,808
VIII. Financial income	50,717	42,212	26,245
IX. Financial expenses	17,025	19,616	14,700
X. PBT	(50,636)	(3,778)	(106,069)
XI. Corporate tax	0	0	0
XII. Net income (loss)	(50,636)	(3,778)	(106,069)

※ Above financial statements are drawn up based on K-IFRS(Separate).

2) Financial Condition - - 53rd, 52nd, 51st

(Unit: Mil. KRW)

Title of Account	53 rd	52 nd	51 st
	(as of Dec 31, 2014)	(as of Dec 31, 2013)	(as of Dec 31, 2012)
I . Current assets	594,352	906,981	713,917
II . Non - Current assets	1,379,493	1,216,832	1,143,700
Total assets	1,973,845	2,123,813	1,857,617
I . Current liabilities	821,307	947,558	688,899
II . Non - current liabilities	369,442	286,211	361,006
Total liabilities	1,190,749	1,233,769	1,049,905
I . Capital stock	686,100	686,100	613,373
II . Other capital surplus	129,383	129,384	122,585
III . Other capital adjustment	(14,167)	26,834	19,000
IV . Retained earnings(Deficit)	(18,220)	47,726	52,754
Total equity	783,096	890,044	807,712
Total liabilities and equity	1,973,845	2,123,813	1,857,617

※ Above financial statements are drawn up based on K-IFRS(Separate).

5. Issues to be addressed

N/A

6. Board & Audit Committee status

Full time/Part time	Name	Position	Responsible area/ Major role	Transaction with company	Remarks
Full time	Lee, Yoo -Il	President and C.E.O. (Director)	-	None	-
Part time	Pawan Kumar Goenka	Director	Chairman of Board	None	-
Part time	Rajeev Dubey	Director	-	None	-
Part time	Suh, Yoon Suk	Member of audit committee (Outside director)	Chairman of audit committee	None	-
Part time	Kim, Ki Hwan	Member of audit committee (Outside director)	-	None	-
Part time	Dominic DiMarco	Member of audit committee (Outside director)	-	None	-
Part time	Chang, Dae Ryun	Member of audit committee (Outside director)	-	None	-

7. Major shareholder status

(Unit: Share)

Name of shareholders	Number of shares owned	Percentage of shares	Business relations with SYMC	Remarks
Mahindra & Mahindra Ltd.	99,964,502	72.85%	Part sales etc.	Largest shareholder
KB 자산운용	3,088,885	2.25%	-	
National Pension Service	3,074,903	2.24%	-	
ESOA	711,116	0.52%	-	
Woori Bank	696,408	0.51%	-	

8. Investment in other companies by SYMC and its subsidiaries (solely or collectively)

(Unit: Share)

Name of other company*	Investment company	Investment in other companies		Other companies' investment in SYMC	
		Number of shares owned	Percentage of shares owned (%)	Number of shares owned	Percentage of shares (%)
Ssangyong (Shanghai) Automotive Co., Ltd.	SYMC	No stock issued	100%	-	-
Ssangyong European Parts Center BV	SYMC	7,000	100%	-	-

* The companies where SYMC has more than 10% of total shares.

9. Major creditors

(Unit: Mil. KRW, Share)

Creditor name	Credit amount	Number of shares owned	Percentage of shares owned	Remarks
Bank of America Merrill Lynch	39,154	0	0.00%	-
Korea Development Bank	30,000	0	0.00%	-
Woori Bank	30,000	0	0.00%	-
J.P.Morgan Chase Bank	14,685	0	0.00%	-
Korea Exchange Bank	10,701	0	0.00%	-

10. Important issues after closing date

N/A

11. Other important matters related to Business

1) Business Performance – Consolidated Income Statement (53rd, 52nd, 51st)

(Unit: Mil.KRW)

Income statement	53 rd	52 nd	51 st
	(Jan 1, 2014 – Dec 31, 2014)	(Jan 1, 2013 – Dec 31, 2013)	(Jan 1, 2012 – Dec 31, 2012)
I . Sales	3,326,589	3,484,871	2,874,146
II . Cost of sales	2,869,466	2,981,953	2,529,547
III . Gross profit	457,123	502,918	344,599
V . Selling and administrative expenses	534,061	511,866	442,719
IV . Operating profit (Loss)	(76,938)	(8,948)	(98,121)
V . Non-operating income	47,254	46,019	43,779
VII . Non-operating expense	54,098	60,932	63,091
VIII . Financial income	50,130	41,549	26,268
IX . Financial expense	17,041	19,737	14,715
X . PBT	(50,693)	(2,050)	(105,880)
XI . Corporate tax	226	348	47
XII . Net income (loss)	(50,919)	(2,398)	(105,927)

※ Above financial statements are drawn up based on the K-IFRS.

2) Financial condition - Consolidated Statements of Financial Condition
(53rd, 52nd, 51st)

(Unit: Mil. KRW)

Statement of financial position	53 rd	52 nd	51 st
	(As of Dec 31, 2014)	(As of Dec 31, 2013)	(As of Dec 31, 2012)
Assets			
I . Current assets	603,229	906,394	711,273
II . Non-current assets	1,365,203	1,211,232	1,139,218
Total assets	1,968,432	2,117,626	1,850,490
Liabilities			
I . Current liabilities	821,606	947,216	688,821
II . Non-current liabilities	369,442	286,211	361,006
Total liabilities	1,191,048	1,233,427	1,049,828
Shareholders' equity			
I . Capital stock	686,100	686,100	613,373
II . Other capital surplus	129,383	129,383	122,585
III . Other capital adjustments	(13,064)	27,521	19,862
IV . Retained earnings	(25,035)	41,194	44,842
Total Shareholders' equity	777,384	884,198	800,663
Total liabilities and shareholders' equity	1,968,432	2,117,625	1,850,490

※ Above financial statements are drawn up based on the K-IFRS.

The Audit Committee's Report

As members of the Audit Committee of Ssangyong Motor Company, we have audited accounting and business of the 53rd business year starting from January 1, 2014 to December 31, 2014. Hereby we report the result of the audit as follows.

1. Outline of the Audit Methods

(1) Financial Audits

For financial audits, we looked through finance-related books and documents, reviewed financial statements, consolidated financial statements and attached specifications. Upon necessary, we conducted an investigation using comparison, inspection, observation and inquiry and other proper auditing procedures.

(2) Audits on Business

For audits on business, we attended the BOD meetings and other important meetings. We were briefed on sales by BOD when it is required. We looked into documents regarding important business matters and closely examined the contents of documents. We conducted audits using proper auditing method.

2. Issues Related to Filling in separate Statement of Financial Position, consolidated Statement of Financial Position, separate Statement of Comprehensive Income, consolidated Statement of Comprehensive Income

In the separate Statement of Financial Position, consolidated Statement of Financial Position, separate Statement of Comprehensive Income, consolidated Statement of Comprehensive Income, the company's asset and status of profits and losses are being filled in properly, according to the law and articles of incorporation.

3. Issues Related to Statement of appropriation of deficit

The Statement of appropriation of deficit is being filled in properly given the company's property status and other situations, according to the law and articles of incorporation.

4. Issues related to Annual Report

Annual report demonstrates company's situations accurately according to the law and the articles of incorporation.

Feb 11, 2015
Ssangyong Motor Company

Chairman of the Audit Committee Suh, Yoon Suk
Member of the Audit Committee Kim, Ki Hwan
Member of the Audit Committee DiMarco, Dominic
Member of the Audit Committee Chang, Dae-Ryun

Independent Auditors' Report (Consolidated)

**To the Shareholders and Board of Directors of
Ssangyong Motor Company:**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ssangyong Motor Company (the "Company") and its subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2014 and December 31, 2013, respectively, and the consolidated statements of comprehensive income, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows, all expressed in Korean won, for the years ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with Korean Standards on Auditing ("KSAs"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of December 31, 2014, and December 31, 2013, respectively, and its financial performance and its cash flows for the years then ended in accordance with K-IFRS.

Others

We conducted our audit of consolidated financial statements of the Company and its subsidiaries as of December 31, 2013 in accordance with the former KSAs, known as auditing standards generally accepted in Korea.

Our audit also comprehended the translation of Korean Won amounts into Indian rupee amounts and, in our opinion, such translation has been made in conformity with the basis in Note 2. Such Indian rupee amounts are presented solely for the convenience of readers.

March 9, 2015
Jong-Ho Ham
Deloitte Anjin LLC
10, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

Independent Auditors' Report (Separate)

To the Shareholders and Board of Directors of

Ssangyong Motor Company:

Report on the Financial Statements

We have audited the accompanying separate financial statements of Ssangyong Motor Company (the "Company"), which comprise the separate statements of financial position as of December 31, 2014 and December 31, 2013, respectively, and the separate statements of comprehensive income, separate statements of changes in stockholders' equity and separate statements of cash flows, for the years ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these separate 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 separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with Korean Standards on Auditing ("KSAs"). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2014, and December 31, 2013, respectively and its financial performance and its cash flows for the years then ended in accordance with K-IFRS.

Others

We conducted our audit of separate financial statements of the Company as of December 31, 2013 in accordance with the former KSAs, known as auditing standards generally accepted in Korea.

Our audit also comprehended the translation of Korean Won amounts into Indian rupee amounts and, in our opinion, such translation has been made in conformity with the basis in Note 2. Such Indian rupee amounts are presented solely for the convenience of readers

March 9, 2015
Jong-Ho Ham
Deloitte Anjin LLC
10, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

Consolidated Financial Statements

1) Consolidated statements of financial position

53rd term (as of 2014.12.31)

52nd term (as of 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
Assets		
I. Current assets	603,229,368,132	906,393,544,516
1. Cash and cash equivalents	156,765,307,119	366,790,832,110
2. Trade receivables	155,825,156,587	190,215,388,980
3. Non-trade receivables	18,120,159,877	29,273,645,690
4. Other current receivables	2,814,337,349	2,995,717,274
5. Derivatives assets	1,232,650,000	28,984,560,000
6. Inventories	260,679,203,767	280,900,829,463
7. Other current assets	7,792,553,433	7,232,570,999
II. Non-current assets	1,365,202,620,643	1,211,231,941,690
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	39,605,249,842	36,570,295,107
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,173,736,394,354	1,084,153,627,334
5. Intangible assets	150,915,433,683	89,527,262,495
6. Deferred income tax assets	19,069,401	57,406,628
7. Other non-current assets	360,473,363	357,350,126
Total assets	1,968,431,988,775	2,117,625,486,206
Liabilities		
I. Current Liabilities	821,606,065,098	947,216,238,478
1. Trade payables	367,063,797,398	456,011,417,762
2. Non-trade payables	228,492,719,464	246,656,612,222
3. Short-term borrowings	99,540,013,094	51,608,036,226
4. Derivatives liability	14,974,250,000	-
5. Current debentures	-	95,404,765,000
6. Other current payables	29,715,325,346	20,352,992,827
7. Provision for product warranties	57,556,475,174	48,780,981,608
8. Other long-term employees benefit obligation	1,770,266,505	1,648,815,000

Title of Account	53rd	52nd
9. Other current liabilities	22,493,218,117	26,752,617,833
II. Non-current liabilities	369,441,957,752	286,211,383,338
1. Long-term borrowing	25,000,000,000	-
2. Other non-current payables	3,534,692,633	20,223,465,051
3. Retirement benefit obligation	246,748,389,222	174,656,118,271
4. Other long-term employees benefit obligation	13,849,311,781	14,632,801,038
5. Provision for long-term product warranties	80,309,564,116	76,698,998,978
Total liabilities	1,191,048,022,850	1,233,427,621,816
Shareholders' equity		
Owner of the company	777,383,965,925	884,197,864,390
I. Capital stock	686,100,480,000	686,100,480,000
II. Other capital surplus	129,383,402,292	129,383,402,292
III. Other capital adjustments	(13,065,230,964)	27,519,841,086
IV. Deficit (Retained earnings)	(25,034,685,403)	41,194,141,012
Non-controlling interests	-	-
Total shareholders' equity	777,383,965,925	884,197,864,390
Total liabilities and shareholders' equity	1,968,431,988,775	2,117,625,486,206

2) Consolidated statements of comprehensive loss

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
I. Sales	3,326,589,426,392	3,484,870,545,733
1. Goods	2,945,297,418,909	3,053,604,697,122
2. Merchandise	356,608,144,654	409,756,801,172
3. Other sales	25,246,697,122	22,233,460,161
4. Sales discounts	(562,834,293)	(724,412,722)
II. Cost of sales	2,869,465,937,057	2,981,952,738,640
1. Goods	2,649,953,258,256	2,718,918,191,540
2. Merchandise	200,489,275,582	248,140,761,198
3. Other costs of sales	19,023,403,219	14,893,785,902
III. Gross profit	457,123,489,335	502,917,807,093
IV. Selling and administrative expenses	534,061,074,320	511,865,561,297
1. Selling expenses	365,100,750,310	347,265,441,400
2. Administrative expenses	168,960,324,010	164,600,119,897
V. Operating profit(loss)	(76,937,584,985)	(8,947,754,204)
VI. Non-operating income	47,254,116,350	46,018,555,966
VII. Non-operating expenses	54,097,741,585	60,932,284,996
VIII. Financial income	50,130,408,191	41,548,771,175
IX. Financial expense	17,041,653,171	19,736,906,359
X. PBT	(50,692,455,200)	(2,049,618,418)
XI. Corporate tax	226,136,601	348,172,693
XII. Net income (loss)	(50,918,591,801)	(2,397,791,111)
Owner of the company	(50,918,591,801)	(2,397,791,111)
Non-controlling interests	-	-
XIII. Other comprehensive income(loss)	(55,895,306,664)	6,407,237,677
1. Not to be reclassified as profit or loss in future	(15,310,234,614)	(1,250,363,331)
1) DBO gains/losses	(15,310,234,614)	(1,250,363,331)
2. To be reclassified as profit or loss in future	(40,585,072,050)	7,657,601,008
1) Gain on valuation of derivatives	(41,000,980,000)	7,833,930,000
2) Gain on overseas operations translation credit	415,907,950	(176,328,992)

Title of Account	52 nd	51 st
XIV. Total comprehensive income (loss)	(106,813,898,465)	4,009,446,566
Owner of the company	(106,813,898,465)	4,009,446,566
Non-controlling interests	-	-
XV. Loss per share		
1. Basic and diluted loss per share	(371)	(18)

3) Consolidated statements of changes in shareholders' equity

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus					Other Capital adjustments	(Deficit) Retained earnings	Non-controlling interests	Total
		Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Treasury stock	others				
Balance at Jan 1, 2013	613,373,205,000	4,545,756,239	120,351,580,276	931,508,409	-	(3,243,869,212)	19,862,240,078	44,842,295,454	-	800,662,716,244
Net loss	-	-	-	-	-	-	-	(2,397,791,111)	-	(2,397,791,111)
DBO gains/losses	-	-	-	-	-	-	-	(1,250,363,331)	-	(1,250,363,331)
Capital increase with consideration	72,727,275,000	7,272,727,500	-	-	-	-	-	-	-	80,000,002,500
Stock issuance costs	-	(365,770,920)	-	-	-	-	-	-	-	(365,770,920)
Acquisition of treasury stocks	-	-	-	-	(108,530,000)	-	-	-	-	(108,530,000)
Gain on valuation of derivatives	-	-	-	-	-	-	7,833,930,000	-	-	7,833,930,000
Overseas operations translation credit	-	-	-	-	-	-	(176,328,992)	-	-	(176,328,992)
Balance at Dec 31, 2013	686,100,480,000	11,452,712,819	120,351,580,276	931,508,409	(108,530,000)	(3,243,869,212)	27,519,841,086	41,194,141,012	-	884,197,864,390
Balance at Jan 1, 2014	686,100,480,000	11,452,712,819	120,351,580,276	931,508,409	(108,530,000)	(3,243,869,212)	27,519,841,086	41,194,141,012	-	884,197,864,390
Net loss	-	-	-	-	-	-	-	(50,918,591,801)	-	(50,918,591,801)
DBO gains/losses	-	-	-	-	-	-	-	(15,310,234,614)	-	(15,310,234,614)
Acquisition of treasury stocks	-	-	-	-	(1,081,290,000)	-	-	-	-	(1,081,290,000)
Gain on valuation of derivatives	-	-	-	-	-	-	(41,000,980,000)	-	-	(41,000,980,000)
Overseas operations translation credit	-	-	-	-	-	-	415,907,950	-	-	415,907,950
Others	-	-	(2,162,579,212)	-	-	3,243,869,212	-	-	-	1,081,290,000
Balance at Dec 31, 2014	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409	(1,189,820,000)	-	(13,065,230,964)	(25,034,685,403)	-	777,383,965,925

4) Consolidated statements of cash flows

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
I. Net cash provided by operating activities	68,153,165,582	274,110,456,674
1. Cash flows from operating activities	65,817,326,043	275,496,311,996
(1) Net loss	(50,918,591,801)	(2,397,791,111)
(2) Adjustments	182,927,510,685	203,678,679,643
(3) Changes in net working capital	(66,191,592,841)	74,215,423,464
2. Interests received	6,170,137,812	7,273,866,074
3. Interests paid	(3,631,001,100)	(8,734,750,822)
4. Dividend income received	11,000,000	382,461,928
5. Corporate income tax	(214,297,173)	(307,432,502)
II. Net cash provided by investing activities	(257,545,793,903)	(212,070,515,791)
1. Cash inflows from investing activities	1,983,997,144	2,845,926,691
(1) Decrease in other receivables	-	2,268,420,171
(2) Disposal of property, plant and equipment	1,394,112,144	540,245,278
(3) Disposal of intangible assets	587,760,000	-
(4) Decrease in other assets	2,125,000	37,261,242
2. Cash outflows from investing activities	(259,529,791,047)	(214,916,442,482)
(1) Increase in other receivables	3,151,174,246	4,970,361,508
(2) Acquisition of property, plant and equipment	183,675,339,056	152,334,264,274
(3) Acquisition of intangible assets	72,703,277,745	57,611,816,700
III. Net cash provided by financing activities	(21,359,571,782)	101,389,188,381
1. Cash inflows from financing activities	74,045,193,218	101,754,959,301
(1) Increase in borrowings	73,998,948,993	21,754,956,801
(2) Capital increase with consideration	-	80,000,002,500
(3) Government grant	46,244,225	-
2. Cash outflows from financing activities	(95,404,765,000)	(365,770,920)
(1) Redemption of borrowings	95,404,765,000	-
(2) Stock issuance cost	-	365,770,920
IV. Effect of exchange rate changes on cash and cash equivalents	726,675,112	(304,839,211)
V. Net increase in cash and cash equivalents	(210,025,524,991)	163,124,290,053
VI. Cash and cash equivalents at the beginning of the period	366,790,832,110	203,666,542,057
VII. Cash and cash equivalents at the end of the period	156,765,307,119	366,790,832,110

Separate Financial Statements

1) Statements of financial position

53rd term (as of 2014.12.31)

52nd term (as of 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
Assets		
I. Current assets	594,352,735,900	906,980,424,254
1. Cash and cash equivalents	149,091,232,392	359,712,081,518
2. Trade receivables	157,682,037,979	199,574,555,618
3. Non-trade receivables	18,341,033,142	31,504,236,831
4. Other current receivables	2,766,808,468	2,988,666,629
5. Derivatives assets	1,232,650,000	28,984,560,000
6. Inventories	257,522,706,161	277,070,948,294
7. Other current assets	7,716,267,758	7,145,375,364
II. Non-current assets	1,379,492,936,412	1,216,832,376,722
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	48,163,338,590	36,564,470,067
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,173,658,634,624	1,084,035,359,223
5. Intangible assets	150,915,433,683	89,480,141,154
6. Investments in subsidiaries	5,829,056,152	5,829,056,152
7. Other non-current assets	360,473,363	357,350,126
Total assets	1,973,845,672,312	2,123,812,800,976
Liabilities		
I. Current Liabilities	821,307,196,754	947,557,892,016
1. Trade payables	367,047,418,392	455,995,938,218
2. Non-trade payables	228,240,408,721	247,048,241,772
3. Short-term borrowings	99,540,013,094	51,608,036,226
4. Derivatives liability	14,974,250,000	-
5. Current debentures	-	95,404,765,000
6. Other current payables	29,715,325,346	20,352,992,827
7. Provision for product warranties	57,556,475,174	48,780,981,608
8. Current other long-term employees benefit obligation	1,770,266,505	1,648,815,000

Title of Account	53rd	52nd
9. Other current liabilities	22,463,039,522	26,718,121,365
II. Non-current liabilities	369,441,957,752	286,211,383,338
1. Long term borrowing	25,000,000,000	-
2. Other non-current payables	3,534,692,633	20,223,465,051
3. Retirement benefit obligation	246,748,389,222	174,656,118,271
4. Other long-term employees benefit obligation	13,849,311,781	14,632,801,038
5. Provision for long-term product warranties	80,309,564,116	76,698,998,978
Total liabilities	1,190,749,154,506	1,233,769,275,354
Shareholders' equity		
I. Capital stock	686,100,480,000	686,100,480,000
II. Other capital surplus	129,383,402,292	129,383,402,292
III. Other capital adjustments	(14,167,300,000)	26,833,680,000
IV. Retained earnings	(18,220,064,486)	47,725,963,330
Total shareholders' equity	783,096,517,806	890,043,525,622
Total liabilities and shareholders' equity	1,973,845,672,312	2,123,812,800,976

2) Statements of comprehensive loss

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
I. Sales	3,314,895,562,083	3,475,185,982,885
1. Goods	2,945,297,418,909	3,053,604,697,122
2. Merchandise	352,218,450,532	403,879,482,807
3. Other sales	17,942,526,935	18,426,215,678
4. Sales discounts	(562,834,293)	(724,412,722)
II. Cost of sales	2,867,898,569,834	2,980,409,594,835
1. Goods	2,649,953,258,256	2,718,918,191,540
2. Merchandise	200,114,890,464	246,606,056,656
3. Other costs of sales	17,830,421,114	14,885,346,639
III. Gross profit	446,996,992,249	494,776,388,050
IV. Selling and administrative expenses	524,842,381,824	505,389,333,205
1. Selling expenses	360,149,049,850	345,473,214,381
2. Administrative expenses	164,693,331,974	159,916,118,824
V. Operating income(loss)	(77,845,389,575)	(10,612,945,155)
VI. Non-operating income	47,614,037,731	45,925,200,562
VII. Non-operating expenses	54,096,404,357	61,686,539,781
VIII. Financial income	50,717,416,510	42,211,867,172
IX. Financial expenses	17,025,453,511	19,615,627,540
X. PBT	(50,635,793,202)	(3,778,044,742)
XI. Corporate tax	-	-
XII. Net income (loss)	(50,635,793,202)	(3,778,044,742)
XIII. Other comprehensive income(loss)	(56,311,214,614)	6,583,566,669
1. Not to be reclassified as profit or loss in future	(15,310,234,614)	(1,250,363,331)
1) DBO gains/losses	(15,310,234,614)	(1,250,363,331)
2. To be reclassified as profit or loss in future	(41,000,980,000)	7,833,930,000
1) Gain on valuation of derivatives	(41,000,980,000)	7,833,930,000
XIV. Total comprehensive income (loss)	(106,947,007,816)	2,805,521,927
XV. Loss per share		
1. Basic and diluted loss per share	(369)	(29)

3) Statement of appropriation of deficit

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

Expected appropriation date: Mar. 24, 2015

Finalized disposition date: Mar.26, 2014

(Unit : KRW)

Title of Account	53 rd	52 nd
I. Unappropriated earned surplus	(18,220,064,486)	47,725,963,330
1. Unappropriated earned surplus carried forward from the prior year (Unappropriated deficit)	47,725,963,330	52,754,371,403
2. Net loss	(50,635,793,202)	(3,778,044,742)
3. DBO gains/losses	(15,310,234,614)	(1,250,363,331)
II. Appropriation of retained earning	-	-
III. Unappropriated earned surplus to be carried forward to the next year	(18,220,064,486)	47,725,963,330

4) Statements of changes in shareholders' equity

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	Capital stock	Other Capital Surplus					Other Capital adjustments	(Deficit) Retained earnings	Total
		Paid-in capital in excess of par	Gain on capital reduction	Debt to be swapped for equity	Treasury stock	others			
Balance at Jan 1, 2013	613,373,205,000	4,545,756,239	120,351,580,276	931,508,409	-	(3,243,869,212)	18,999,750,000	52,754,371,403	807,712,302,115
Net loss	-	-	-	-	-	-	-	(3,778,044,742)	(3,778,044,742)
DBO gains/losses	-	-	-	-	-	-	-	(1,250,363,331)	(1,250,363,331)
Capital increase with consideration	72,727,275,000	7,272,727,500	-	-	-	-	-	-	80,000,002,500
Stock issuance costs	-	(365,770,920)	-	-	-	-	-	-	(365,770,920)
Acquisition of treasury stocks	-	-	-	-	(108,530,000)	-	-	-	(108,530,000)
Gain on valuation of derivatives	-	-	-	-	-	-	7,833,930,000	-	7,833,930,000
Balance at Dec 31, 2013	686,100,480,000	11,452,712,819	120,351,580,276	931,508,409	(108,530,000)	(3,243,869,212)	26,833,680,000	47,725,963,330	890,043,525,622
Balance at Jan 1, 2014	686,100,480,000	11,452,712,819	120,351,580,276	931,508,409	(108,530,000)	(3,243,869,212)	26,833,680,000	47,725,963,330	890,043,525,622
Net loss	-	-	-	-	-	-	-	(50,635,793,202)	(50,635,793,202)
DBO gains/losses	-	-	-	-	-	-	-	(15,310,234,614)	(15,310,234,614)
Acquisition of treasury stock	-	-	-	-	(1,081,290,000)	-	-	-	(1,081,290,000)
Gain on valuation of derivatives	-	-	-	-	-	-	(41,000,980,000)	-	(41,000,980,000)
Others	-	-	(2,162,579,212)	-	-	3,243,869,212	-	-	1,081,290,000
Balance at Dec 31, 2014	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409	(1,189,820,000)	-	(14,167,300,000)	(18,220,064,486)	783,096,517,806

5) Statements of cash flows

53rd term (2014.01.01 - 2014.12.31)

52nd term (2013.01.01 - 2013.12.31)

(Unit : KRW)

Title of Account	53 rd	52 nd
I. Net cash provided by operating activities	68,302,093,251	275,127,956,495
1. Cash flows from operating activities	65,140,991,046	275,499,439,133
(1) Net loss	(50,635,793,202)	(3,778,044,742)
(2) Adjustments	182,028,912,410	203,175,971,562
(3) Changes in net working capital	(66,252,128,162)	76,101,512,313
2. Interests received	6,041,292,529	7,249,544,154
3. Interests paid	(3,618,200,260)	(8,721,307,194)
4. Dividend income received	738,009,936	1,100,280,402
II. Net cash provided by investing activities	(257,563,370,595)	(214,309,661,055)
1. Cash inflows from investing activities	1,954,458,467	4,560,748,884
(1) Decrease in other receivables	-	2,268,420,171
(2) Disposal of property, plant and equipment	1,364,573,467	495,195,224
(3) Disposal of intangible assets	587,760,000	-
(4) Disposal of investments on subsidiary	-	1,759,872,247
(5) Decrease in other assets	2,125,000	37,261,242
2. Cash outflows from investing activities	(259,517,829,062)	(218,870,409,939)
(1) Increase in other receivables	3,151,174,246	4,970,361,508
(2) Acquisition of property, plant and equipment	183,663,377,071	152,239,551,757
(3) Acquisition of intangible assets	72,703,277,745	57,611,816,700
(4) Acquisition of investments on subsidiary	-	4,048,679,974
III. Net cash provided by financing activities	(21,359,571,782)	101,389,188,381
1. Cash inflows from financing activities	74,045,193,218	101,754,959,301
(1) Increase in borrowings	73,998,948,993	21,754,956,801
(2) Government grant	46,244,225	-
(3) Capital increase with consideration	-	80,000,002,500
2. Cash outflows from financing activities	(95,404,765,000)	(365,770,920)
(1) Redemption of borrowings	95,404,765,000	-
(2) Stock issuance cost	-	365,770,920
IV. Effect of exchange rate changes on cash and cash equivalents	-	(265,257,392)
V. Net increase(decrease) in cash and cash equivalents	(210,620,849,126)	161,942,226,429
VI. Cash and cash equivalents at the beginning of the period	359,712,081,518	197,769,855,089
VII. Cash and cash equivalents at the end of the period	149,091,232,392	359,712,081,518