

The 54rd Annual Report

(Jan 1, 2015 – Dec 31, 2015)

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 Choeran, 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 "Kyron"
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"
2015 Apr	Tivoli won " Human engineering design grand prix"
2015 Jul	Tivoli diesel won " Energy Winner"
2015 Jul	Launched" KorandoC2.2, Tivoli diesel"
2015 Sep	Launched" Korando Turismo, Rexton W2.2"
2015. Dec	Tivoli won " Safe Car of this year"

[54th Annual Shareholders' Meeting]

Opening Remarks

Honorable Shareholders,

I would like to express my deepest appreciation to you for taking the time out of your busy schedule to attend Ssangyong Motor's 54th Annual General Shareholders' Meeting.

In 2015, due to the success of Tivoli, Ssangyong Motor accomplished meaningful achievements such as an increase in our sales and a profitable quarter among others.

With Tivoli's popularity, the Company's domestic sales posted a new record in twelve years last year showing the highest growth rate in the auto industry and grew for six consecutive years since 2010.

Furthermore, Tivoli became the No. 1 SUV brand in the B-segment and the Company's biggest volume model since the Company's foundation, breaking Rexton's sales record.

With Tivoli, the Company built the basis for sustained growth, which enables us to share our vision and increase confidence in Ssangyong Motor.

Another significant milestone was achieved when the Company resolved the issue of rehiring the dismissed workers, which was an obstacle to the Company's growth during the past six years, through a labor-labor-management dialogue so that it can focus more on a turnaround of the Company.

Above all, by solving the issue, we were able to remove the negative views on the Company and improve our credit standing, which will serve as a basis for a leap forward into the future.

Honorable Shareholders,

This year, Ssangyong Motor will grow with the launch of the Tivoli Air in the growing SUV market.

Tivoli Air, which is another Tivoli made suitable for the Millennial Generation that places an importance on uniqueness and personal lifestyles, will be creating a new market for the small to mid-sized SUVs, leading growth in the market.

In particular, Tivoli Air will be an optimal model to meet the demand for leisure SUV vehicles in the small SUV segment, which is on a growing trend worldwide, and it will be sold under the brand name XLV in overseas markets.

With Tivoli and the newly-launched Tivoli Air, Ssangyong Motor will achieve global sales of approximately over 150,000 units, which is a 7% year-on-year increase.

As Tivoli played a pivotal role in helping the Company grow, the new Tivoli Air will also play a key role in expanding our global sales.

The brand Tivoli will become a representative brand of Ssangyong Motor by selling more than 100,000 units a year. It will contribute to the turnaround of the Company and help the Company achieve its mid- to long-term plan.

To turn this year into a meaningful year in our preparations for a new future, Ssangyong Motor will lay the groundwork for a turnaround, establish a system to flexibly address the global automotive market requirements, focus on system improvement for production efficiency and quality management based on a cooperative relation with our labor union.

Most importantly, to achieve a turnaround this year, we will focus on increasing our profitability, efficiently manage our costs, and strengthen our internal competencies to prepare for the uncertainties in our business environment.

Furthermore, we will continue to maintain and strengthen the productive and cooperative labor-management relations, which has been a basis for normalizing our business operations during the past six years.

Honorable Shareholders,

With Tivoli, Ssangyong was able to prove itself as a strong SUV automaker.

We will continue to actively reflect the market needs in the development of our new product and lead the trend to build up our reputation as a strong SUV player.

Following Tivoli, there will be new products with global competitiveness such as the successor model for the Rexton W and a new luxury pick-up truck, which we will introduce in line with our plan to increase our product competitiveness.

We will focus our resources in the development of new products as it is an investment into the Company's growth engine for the future.

Such efforts will bring us closer to realizing our vision and help the Company become a true global SUV specialized company.

In this regard, I would like to ask you for your support as Ssangyong Motor takes a vigorous step into the future.

I wish all our shareholders and their families good health and happiness.

Thank you.

President & CEO

Johng Sik Choi

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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	1,492	3,162	7	4,661	-
Female	82	5	28	115	-
Total	1,574	3,167	35	4,776	-

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
-	-	-	-	-	-	-

2. Sales Performance

1) Overall outlook

① Domestic market

Sales volume of the domestic automotive market in 2015 recorded 1,598,393 units of sales, showing 8.6% rise YoY. Despite slow economy and aggressive marketing strategies of imported cars, the domestic makers' constant efforts for product development and the government's economic policies played key roles in market expansion.

PC : Increasing demand for RV and imported cars, and the aged models in all sized vehicles, the PC market showed little performance. Despite all the efforts of the domestic makers to overcome these difficulties, the PC market decreased by 3.0% YoY.

RV : RV market in 2015 enjoyed sales boom. New model launches of the domestic makers as well as growing interest for leisure activities went on to market expansion and showed 33.1% of sales increase YoY.

- ♦ SUV: Increased by 33.9% YoY thanks to the successful launch of Tivoli and the introduction of new models of domestic makers.
- ♦ CDV: Increased by 29.6% YoY thanks to the continuous popularity of All New Carnival and Korando Turismo.

SYMC : SYMC sales increased by 44.4% YoY (highest in the industry) thanks to the successful launch of Tivoli Gasoline/Diesel models and consistent sales power of Korando Sports.

(Unit: Vehicle - CBU only)

Classification	2015	2014	2013
Tivoli	45,021	-	-
Rexton W	6,087	7,132	7,608
Korando C	15,677	21,840	19,317
Korando Sports	25,905	28,292	23,435
Chairman H	1	1,117	1,329
Chairman W	1,290	1,580	1,886
Korando Turismo	5,683	9,075	10,395
Total	99,664	69,036	63,970

② Overseas market

Global automotive market showed a slow growth except Europe and the US. Economic downturn got worsened especially in Brazil and Russia, and China, which used to lead the market, was also down in terms of growth rate.

Despite this difficult economic time, SYMC achieved considerable performance by launching Tivoli, the market-leading small SUV. Tivoli was ranked 'The Best Car of the Year' in several European markets and its excellent marketability and competitiveness is widely recognized by our consumers.

SYMC sold 44,877 units, excluding CKD, in 2015. Sales volumes is expected to keep increasing, as Tivoli diesel, which launched in the 2nd half of 2015, was well received and successful in Europe. In 2016, we will boost our sales in overseas market by launching Tivoli long version.

(Unit: Vehicle - CBU only)

Classification	2015	2014	2013
Rexton W	4,360	6,225	7,291
Korando C	9,421	37,863	37,437
Tivoli	18,672	-	-
Korando Sports	8,399	9,427	11,966
Actyon	388	2,683	1,481
Kyron	-	8,880	15,335
Chairman W	15	38	74
Korando Turismo	3,622	5,731	5,156
Total	44,877	70,847	78,740

2) Production performance

(Unit: Vehicle)

Category	54 th	53 rd	Remarks
Passenger car	1,359	2,458	Chairman W, Chairman H
RV	144,274	137,801	Korando C, Korando Sports, Rexton W, Korando Turismo ,Kyron, Actyon,Tivoli
Total	145,633	140,259	

3) Sales performance

(Unit: Mil. KRW, Vehicle)

Category	54 th		53 rd		Remarks
	Volume	Amount	Volume	Amount	
Passenger car	1,306	67,794	2,735	118,211	Chairman H, Chairman W
RV (Including CKD)	143,458	2,954,214	138,312	2,842,865	Korando C, Korando Sports, Korando Turismo, Rexton W, Kyron, Actyon
Others (Parts)		363,548		353,820	
Total	144,764	3,385,556	141,047	3,314,896	

4) Major asset increase and their financing status

(Unit: Mil. KRW)

Investment areas	Amount	Financing details
Land		
Building, Structures	7,645	
Vehicle Transport Equipment	528	
Machines	66,688	
Tools	143,809	
Equipment etc.	5,035	
Total	223,705	

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 2,960,600,000	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.) : 1,694 mil. KRW Revenue(CKD sales) : 379mil. KRW Expenses (PTU etc.) : 1,945 mil. KRW Revenue(with 100% subsidiary of Mahindra & Mahindra Ltd.) : 5,211mil. KRW		

※ The above capital stock is as of Sep 30, 2015.

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
SY Auto Capital Co., Ltd.	Korea	20,000,000,000(WON)	Sales Finance company of vehicle	2,040,000	51%	Sales Finance company of vehicle

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	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	-	-
Vasudev Tumbe	Vice President	SY Auto Capital Co., Ltd.	Director		
Song, Young Han	Executive Director	SY Auto Capital Co., Ltd.	Director		

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

1) Business Performance – 54th, 53rd, 52nd

(Unit: Mil. KRW)

Title of account	54 th	53 rd	52 nd
	(Jan 1, 2015 – Dec 31, 2015)	(Jan 1, 2014 – Dec 31, 2014)	(Jan 1, 2013 – Dec 31, 2013)
I . Sales	3,385,556	3,314,896	3,475,186
II . Cost of sales	2,868,338	2,867,899	2,980,410
III. Gross profit	517,218	446,997	494,776
IV. Selling and administrative expenses	550,411	524,842	505,389
V . Operating profit (Loss)	(33,193)	(77,845)	(10,613)
VI. Non operating income	31,830	47,614	45,925
VII. Non operating expenses	29,825	54,096	61,686
VIII. Financial income	17,731	50,717	42,212
IX. Financial expenses	45,202	17,026	19,616

X . PBT	(58,659)	(50,636)	(3,778)
XI. Corporate tax	-	-	0
XII. Net income (loss)	(58,659)	(50,636)	(3,778)

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

2) Financial Condition - - 54th, 53rd, 52nd

(Unit: Mil. KRW)

Title of Account	54 th	53 rd	52 nd
	(as of Dec 31, 2015)	(as of Dec 31, 2014)	(as of Dec 31, 2013)
I . Current assets	605,694	594,352	906,981
II . Non - Current assets	1,441,896	1,379,493	1,216,832
Total assets	2,047,590	1,973,845	2,123,813
I . Current liabilities	878,408	821,307	947,558
II . Non - current liabilities	443,373	369,442	286,211
Total liabilities	1,321,781	1,190,749	1,233,769
I . Capital stock	686,100	686,100	686,100
II . Other capital surplus	131,678	129,383	129,384
III . Other capital adjustment	227	(14,167)	26,834
IV . Retained earnings(Deficit)	(92,196)	(18,220)	47,726
Total equity	725,809	783,096	890,044
Total liabilities and equity	2,047,590	1,973,845	2,123,813

※ 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	Choi, Johng Sik	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 Asset Management	4,746,704	3.46%	-	-
Woori Bank (National Pension Service)	3,158,907	2.30%	-	-
ESOA	706,016	0.51%	-	-
Han La Holdings	469,663	0.34%	-	-
Post Office Bank & insurance	358,203	0.26%	-	-

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	-	100%	-	-
Ssangyong European Parts Center BV	SYMC	7,000	100%	-	-
SY Auto Capital Co., Ltd.	SYMC & KB Capital	2,040,000	51%	SY Auto Capital Co., Ltd.	SYMC & KB Capital

* 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
Woori Bank	55,000	0	0.00%	-
Bank of America Merrill Lynch	37,814	0	0.00%	-
Korea Development Bank	30,000	0	0.00%	-
Deutsche Bank	20,166	0	0.00%	-
J.P.Morgan Chase Bank	20,044	0	0.00%	-
Standard Chartered Bank	15,106	0	0.00%	-
Korea Exchange Bank	12,595	0	0.00%	-

10. Important issues after closing date

N/A

11. Other important matters related to Business

1) Business Performance – Consolidated Income Statement (54th, 53rd, 52nd)

(Unit: Mil.KRW)

Income statement	54 th	53 rd	52 nd
	(Jan 1, 2015 – Dec 31, 2015)	(Jan 1, 2014 – Dec 31, 2014)	(Jan 1, 2013 – Dec 31, 2013)
I . Sales	3,390,065	3,326,589	3,484,871
II . Cost of sales	2,868,750	2,869,466	2,981,953
III . Gross profit	521,315	457,123	502,918
V . Selling and administrative expenses	557,127	534,061	511,866
IV . Operating profit (Loss)	(35,812)	(76,938)	(8,948)
V . Non-operating income	31,871	47,254	46,018
VII . Non-operating expense	29,825	54,098	60,932
VIII . Financial income	17,403	50,130	41,549
IX . Financial expense	45,215	17,042	19,737
X . Joint enterprise profit(loss)	(332)		
XI . PBT	(61,910)	(50,693)	(2,050)
XII . Corporate tax	32	226	348
XIII . Net income (loss)	(61,942)	(50,919)	(2,398)

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

2) Financial condition - Consolidated Statements of Financial Condition
(54th, 53rd, 52nd)

(Unit: Mil. KRW)

Statement of financial position	54 th	53 rd	52 nd
	(As of Dec 31, 2015)	(As of Dec 31, 2014)	(As of Dec 31, 2013)
Assets			
I . Current assets	613,893	603,229	906,394
II. Non-current assets	1,425,305	1,365,203	1,211,231
Total assets	2,039,198	1,968,432	2,117,625
Liabilities	-	-	-
I . Current liabilities	878,770	821,606	947,216
II. Non-current liabilities	443,373	369,442	286,211
Total liabilities	1,322,143	1,191,048	1,233,427
Shareholders' equity	-	-	-
I . Capital stock	686,100	686,100	686,100
II. Other capital surplus	131,678	129,383	129,383
III. Other capital adjustments	1,571	(13,064)	27,521
IV. Retained earnings	(102,294)	(25,035)	41,194
Total Shareholders' equity	717,055	777,384	884,198
Total liabilities and shareholders' equity	2,039,198	1,968,432	2,117,625

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

The Audit Committee's Report

As members of the Audit Committee of Ssangyong Motor Company, we have audited accounting and business of the 54th business year starting from January 1, 2015 to December 31, 2015. 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 16, 2016
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, 2015 and December 31, 2014, 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, 2015, and December 31, 2014, 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, 2015 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 8, 2016
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, 2015 and December 31, 2014, 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, 2015, and December 31, 2014, 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, 2015 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 8, 2016
Jong-Ho Ham
Deloitte Anjin LLC
10, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul

Consolidated Financial Statements

1) Consolidated statements of financial position

54th term (as of 2015.12.31)

53rd term (as of 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
Assets		
I. Current assets	613,893,131,704	603,229,368,132
1. Cash and cash equivalents	197,881,903,860	156,765,307,119
2. Trade receivables	150,989,625,643	155,825,156,587
3. Non-trade receivables	6,452,810,073	18,120,159,877
4. Other current receivables	2,620,029,945	2,814,337,349
5. Derivatives assets	1,707,694,762	1,232,650,000
6. Inventories	247,673,244,137	260,679,203,767
7. Other current assets	6,567,823,284	7,792,553,433
II. Non-current assets	1,425,304,581,581	1,365,202,620,643
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	39,728,011,612	39,605,249,842
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,187,844,822,582	1,173,736,394,354
5. Intangible assets	186,944,584,522	150,915,433,683
6. Deferred income tax assets		19,069,401
7. Join enterprise investment	9,868,177,766	
8. Other non-current assets	352,985,099	360,473,363
Total assets	2,039,197,713,285	1,968,431,988,775
Liabilities		
I. Current Liabilities	878,769,617,825	821,606,065,098
1. Trade payables	432,432,182,499	367,063,797,398
2. Non-trade payables	172,897,876,291	228,492,719,464
3. Short-term borrowings	153,224,546,132	99,540,013,094
4. Derivatives Liability	24,073,997	14,974,250,000
5. Current debentures		
6. Other current payables	32,484,210,527	29,715,325,346
7. Provision for product warranties	56,861,221,537	57,556,475,174

Title of Account	54th	53rd
8. Other long-term employees benefit obligation	1,960,778,250	1,770,266,505
9. Other current liabilities	28,884,728,592	22,493,218,117
II. Non-current liabilities	443,372,917,928	369,441,957,752
1. Long term borrowings	37,500,000,000	25,000,000,000
2. Other non-current payables	12,612,613,877	3,534,692,633
3. Retirement benefit obligation	292,005,725,485	246,748,389,222
4. Other long-term employees benefit obligation	14,321,821,345	13,849,311,781
5. Provision for long-term product warranties	86,932,757,221	80,309,564,116
6. Other long-term accounts payable		
7. Other long-term liabilities		
Total liabilities	1,322,142,535,753	1,191,048,022,850
Shareholders' equity		
Owner of the company	717,055,177,532	777,383,965,925
I. Capital stock	686,100,480,000	686,100,480,000
II. Other capital surplus	131,678,359,632	129,383,402,292
III. Other capital adjustments	1,570,930,453	(13,065,230,964)
IV. Accumulated deficit (Retained earnings)	(102,294,592,553)	(25,034,685,403)
Non-controlling interests		
Total shareholders' equity	717,055,177,532	777,383,965,925
Total liabilities and shareholders' equity	2,039,197,713,285	1,968,431,988,775

2) Consolidated statements of comprehensive loss

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
I. Sales	3,390,065,197,470	3,326,589,426,392
1. Goods	3,014,054,040,132	2,945,297,418,909
2. Merchandise	350,581,563,776	356,608,144,654
3. Other sales	25,953,387,219	25,246,697,122
4. Sales discounts	(523,793,657)	(562,834,293)
II. Cost of sales	2,868,750,169,376	2,869,465,937,057
1. Goods	2,652,038,473,285	2,649,953,258,256
2. Merchandise	193,322,215,415	200,489,275,582
3. Other costs of sales	23,389,480,676	19,023,403,219
III. Gross profit	521,315,028,094	457,123,489,335
IV. Selling and administrative expenses	557,126,822,189	534,061,074,320
1. Selling expenses	382,646,861,772	365,100,750,310
2. Administrative expenses	174,479,960,417	168,960,324,010
V. Operating income(loss)	(35,811,794,095)	(76,937,584,985)
VI. non-operating income	31,870,877,893	47,254,116,350
VII. non-operating expenses	29,824,782,882	54,097,741,585
VIII. Financial income	17,402,501,531	50,130,408,191
IX. Financial expense	45,215,209,014	17,041,653,171
X. Join venture investment loss	331,822,234	
XI. PBT	(61,910,228,801)	(50,692,455,200)
XII. Corporate tax	31,945,075	226,136,601
XIII. Net income (loss)	(61,942,173,876)	(50,918,591,801)
Owner of the company	(61,942,173,876)	(50,918,591,801)
Non-controlling interests		
XIV. Other comprehensive income(loss)	(681,571,857)	(55,895,306,664)
1. Not to be reclassified as profit or loss in future	(15,317,733,274)	(15,310,234,614)
1) DBO gains/losses	(15,317,733,274)	(15,310,234,614)
2. To be reclassified as profit or loss in future	14,636,161,417	(40,585,072,050)
1) Gain on valuation of derivatives	14,394,640,000	(41,000,980,000)

Title of Account	54th	53rd
2) Gain on overseas operations translation credit	241,521,417	415,907,950
XV. Total comprehensive income (loss)	(62,623,745,733)	(106,813,898,465)
Owner of the company	(62,623,745,733)	(106,813,898,465)
Non-controlling interests		
XVI. Loss per share		
1. Basic and diluted loss per share	(452)	(371)

3) Consolidated statements of changes in shareholders' equity

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(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	Gain from sales of treasury stock	others				
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)
Actuary of defined benefit									(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)
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
Balance at Jan 1, 2015	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
Net loss									(61,942,173,876)		
Actuary of defined benefit									(15,317,733,274)		
Acquisition of treasury stock					1,189,820,000						
Gain on valuation of derivatives											
Overseas operations translation credit								14,636,161,417			
Gain from sales of treasury stock						1,105,137,340					
Others											
Balance at Dec 31, 2015	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409		1,105,137,340		1,570,930,453	(102,294,592,553)		717,055,177,532

4) Consolidated statements of cash flows

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
I. Net cash provided by operating activities	201,547,228,533	68,153,165,582
1. Cash flows from operating activities	201,798,160,082	65,817,326,043
(1) Net loss	(61,942,173,876)	(50,918,591,801)
(2) Adjustments	217,574,021,485	182,927,510,685
(3) Changes in net working capital	46,166,312,473	(66,191,592,841)
2. Interests received	3,281,173,895	6,170,137,812
3. Interests paid	(3,532,372,711)	(3,631,001,100)
4. Dividend income received	11,000,000	11,000,000
5. Corporate income tax	(10,732,733)	(214,297,173)
II. Net cash provided by investing activities	(227,994,580,002)	(257,545,793,903)
1. Cash inflows from investing activities	8,668,107,056	1,983,997,144
(1) Decrease in other receivables	7,836,121,065	
(2) Disposal of property, plant and equipment	718,827,344	1,394,112,144
(3) Disposal of intangible assets		587,760,000
(4) Disposal of subsidiary company stocks		
(5) Decrease in other assets	113,158,647	2,125,000
2. Cash outflows from investing activities	(236,662,687,058)	(259,529,791,047)
(1) Increase in other receivables	8,493,404,205	3,151,174,246
(2) Acquisition of property, plant and equipment	151,095,940,246	183,675,339,056
(3) Acquisition of intangible assets	66,873,342,607	72,703,277,745
(4) Acquisition of sub & joint venture stocks	10,200,000,000	
III. Net cash provided by financing activities	67,528,400,147	(21,359,571,782)
1. Cash inflows from financing activities	72,528,400,147	74,045,193,218
(1) Increase in borrowings	70,163,042,023	73,998,948,993
(2) Capital increase with consideration	70,400,784	46,244,225
(3) Government grant	2,294,957,340	
2. Cash outflows from financing activities	(5,000,000,000)	(95,404,765,000)
(1) Redemption of borrowings	5,000,000,000	95,404,765,000
(2) Stock issuance cost		
IV. Effect of exchange rate changes on cash and cash equivalents	35,548,064	726,675,112
V. Net increase in cash and cash equivalents	41,116,596,741	(210,025,524,991)
VI. Cash and cash equivalents at the beginning of the period	156,765,307,119	366,790,832,110

Title of Account	54 th	53 rd
VII. Cash and cash equivalents at the end of the period	197,881,903,860	156,765,307,119

Separate Financial Statements

1) Statements of financial position

54th term (as of 2015.12.31)

53rd term (as of 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
Assets		
I. Current assets	605,693,863,337	594,352,735,900
1. Cash and cash equivalents	192,773,290,414	149,091,232,392
2. Trade receivables	151,755,651,700	157,682,037,979
3. Non-trade receivables	6,716,048,126	18,341,033,142
4. Other current receivables	2,572,505,080	2,766,808,468
5. Derivatives assets	1,707,694,762	1,232,650,000
6. Inventories	243,631,535,824	257,522,706,161
7. Other current assets	6,537,137,431	7,716,267,758
II. Non-current assets	1,441,896,619,827	1,379,492,936,412
1. Non-current financial instruments	6,000,000	6,000,000
2. Other non-current receivables	50,222,268,256	48,163,338,590
3. Non-current available for sale financial assets	560,000,000	560,000,000
4. Property, plant and equipment	1,187,781,725,798	1,173,658,634,624
5. Intangible assets	186,944,584,522	150,915,433,683
6. Investments in subsidiaries	16,029,056,152	5,829,056,152
7. Other non-current assets	352,985,099	360,473,363
Total assets	2,047,590,483,164	1,973,845,672,312
Liabilities		
I. Current Liabilities	878,408,363,253	821,307,196,754
1. Trade payables	432,415,648,781	367,047,418,392
2. Non-trade payables	172,582,354,735	228,240,408,721
3. Short-term borrowings	153,224,546,132	99,540,013,094
4. Derivative liability	24,073,997	14,974,250,000
5. Current debentures		
6. Other current payables	32,484,210,527	29,715,325,346
7. Provision for product warranties	56,861,221,537	57,556,475,174
8. Current other long-term employees benefit obligation	1,960,778,250	1,770,266,505

Title of Account	54th	53rd
9. Other current liabilities	28,855,529,294	22,463,039,522
II. Non-current liabilities	443,372,917,928	369,441,957,752
1. Long term borrowings	37,500,000,000	25,000,000,000
2. Other non-current payables	12,612,613,877	3,534,692,633
3. Other long-term liabilities		
4. Retirement benefit obligation	292,005,725,485	246,748,389,222
5. Other long-term employees benefit obligation	14,321,821,345	13,849,311,781
6. Provision for long-term product warranties	86,932,757,221	80,309,564,116
Total liabilities	1,321,781,281,181	1,190,749,154,506
Shareholders' equity		
I. Capital stock	686,100,480,000	686,100,480,000
II. Other capital surplus	131,678,359,632	129,383,402,292
III. Other capital adjustments	227,340,000	(14,167,300,000)
IV. Retained earnings (accumulated deficit)	(92,196,977,649)	(18,220,064,486)
Total shareholders' equity	725,809,201,983	783,096,517,806
Total liabilities and shareholders' equity	2,047,590,483,164	1,973,845,672,312

2) Statements of comprehensive loss

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
I. Sales	3,385,555,598,276	3,314,895,562,083
1. Goods	3,014,054,040,132	2,945,297,418,909
2. Merchandise	348,189,336,648	352,218,450,532
3. Other sales	23,836,015,153	17,942,526,935
4. Sales discounts	(523,793,657)	(562,834,293)
II. Cost of sales	2,868,337,736,419	2,867,898,569,834
1. Goods	2,652,038,473,285	2,649,953,258,256
2. Merchandise	194,951,192,602	200,114,890,464
3. Other costs of sales	21,348,070,532	17,830,421,114
III. Gross profit	517,217,861,857	446,996,992,249
IV. Selling and administrative expenses	550,410,785,278	524,842,381,824
1. Selling expenses	379,860,810,431	360,149,049,850
2. Administrative expenses	170,549,974,847	164,693,331,974
V. Operating profit(loss)	(33,192,923,421)	(77,845,389,575)
VI. Non-operating income	31,829,987,950	47,614,037,731
VII. Non-operating expenses	29,824,657,210	54,096,404,357
VIII. Financial income	17,730,731,850	50,717,416,510
IX. Financial expenses	45,202,319,058	17,025,453,511
X. PBT	(58,659,179,889)	(50,635,793,202)
XI. Corporate tax		
XII. Net income (loss)	(58,659,179,889)	(50,635,793,202)
XIII. Other comprehensive income(loss)	(923,093,274)	(56,311,214,614)
1. Not to be reclassified as profit or loss in future	(15,317,733,274)	(15,310,234,614)
1) DBO gains/losses	(15,317,733,274)	(15,310,234,614)
2. To be reclassified as profit or loss in future	14,394,640,000	(41,000,980,000)
1) Gain on valuation of derivatives	14,394,640,000	(41,000,980,000)
XIV. Total comprehensive income (loss)	(59,582,273,163)	(106,947,007,816)
XV. Loss per share		
1. Basic and diluted loss per share	(428)	(369)

4) Statements of changes in shareholders' equity

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(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	Gain from sales of treasury stock	other capital surplus			
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)
Actuary of defined benefit					(1,081,290,000)				(15,310,234,614)	(16,391,524,614)
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
Balance at Jan 1, 2015	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
Net loss									(58,659,179,889)	(58,659,179,889)
Actuary of defined benefit									(15,317,733,274)	(15,317,733,274)
Dispose of treasury stock					1,189,820,000					1,189,820,000
Gain on valuation of derivatives								14,394,640,000		14,394,640,000
Gain of treasury stock						1,105,137,340				1,105,137,340
Balance at Dec 31, 2014	686,100,480,000	11,452,712,819	118,189,001,064	931,508,409		1,105,137,340		227,340,000	(92,196,977,649)	725,809,201,983

5) Statements of cash flows

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

(Unit : KRW)

Title of Account	54 th	53 rd
I. Net cash provided by operating activities	204,142,602,828	68,302,093,251
1. Cash flows from operating activities	204,031,272,016	65,140,991,046
(1) Net loss	(58,659,179,889)	(50,635,793,202)
(2) Adjustments	216,863,010,056	182,028,912,410
(3) Changes in net working capital	45,827,441,849	(66,252,128,162)
2. Interests received	3,151,629,466	6,041,292,529
3. Interests paid	(3,520,527,415)	(3,618,200,260)
4. Dividend income received	480,228,761	738,009,936
II. Net cash provided by investing activities	(227,988,944,953)	(257,563,370,595)
1. Cash inflows from investing activities	8,668,107,055	1,954,458,467
(1) Decrease in other receivables	7,836,121,065	
(2) Disposal of property, plant and equipment	831,985,990	1,364,573,467
(3) Disposal of intangible assets		587,760,000
(4) Disposal of investments on subsidiary		
(5) Decrease in other assets		2,125,000
2. Cash outflows from investing activities	(236,657,052,008)	(259,517,829,062)
(1) Increase in other receivables	8,493,404,205	3,151,174,246
(2) Acquisition of property, plant and equipment	151,090,305,196	183,663,377,071
(3) Acquisition of intangible assets	66,873,342,607	72,703,277,745
(4) Acquisition of investments on subsidiary	10,200,000,000	
III. Net cash provided by financing activities	67,528,400,147	(21,359,571,782)
1. Cash inflows from financing activities	72,528,400,147	74,045,193,218
(1) Increase in borrowings	70,163,042,023	73,998,948,993
(2) Government Grant	70,400,784	46,244,225
(3) Capital increase with consideration	2,294,957,340	
2. Cash outflows from financing activities	(5,000,000,000)	(95,404,765,000)
(1) Redemption of borrowings	5,000,000,000	95,404,765,000
(2) Stock issuance cost		
IV. Effect of exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	43,682,058,022	(210,620,849,126)
VI. Cash and cash equivalents at the beginning of the period	149,091,232,392	359,712,081,518
VII. Cash and cash equivalents at the end of the period	192,773,290,414	149,091,232,392

5) Statement of appropriation of deficit

54th term (2015.01.01 - 2015.12.31)

53rd term (2014.01.01 - 2014.12.31)

Expected appropriation date: Mar. 23, 2016

Finalized disposition date: Mar.24, 2015

(Unit : KRW)

Title of Account	54 th	53 rd
I. Unappropriated earned surplus	(92,196,977,649)	(18,220,064,486)
1. Unappropriated earned surplus carried forward from the prior year (Unappropriated deficit)	(18,220,064,486)	47,725,963,330
2. Net loss	(58,659,179,889)	(50,635,793,202)
3. DBO gains/losses	(15,317,733,274)	(15,310,234,614)
II. Appropriation of retained earning		
III. Unappropriated earned surplus to be carried forward to the next year	(92,196,977,649)	(18,220,064,486)