

HYUNDAI CORPORATION
Non-Consolidated Statements of Financial Position
December 31, 2010 and 2009

				Korean Won		U.S. Dollars
						(Note 3)
<i>(in thousands of Korean won)</i>		Notes	2010	2009	2010	
Assets						
Current assets						
Cash and cash equivalents, net		₩	66,562,786	₩	119,573,073	\$ 58,445
Short-term financial instruments	4		40,000,000		6,739,476	35,122
Short-term investments	5		900		900	1
Trade accounts receivable, net	24		337,303,684		202,988,033	296,166
Other accounts receivable, net	24		2,732,549		9,413,049	2,399
Accrued income, net	24		3,807,801		4,112,050	3,343
Advance payments, net	24		20,974,475		35,031,281	18,416
Prepaid expenses			801,242		778,043	704
Guarantee deposits			999,017		989,192	877
Deferred income tax assets	14		105,392		1,955,602	93
Inventories, net			246,575,132		151,601,291	216,503
Firm commitment assets	26		100,372		157,302	88
Derivative assets	26		393,827		537,431	346
Others			827,665		418,630	727
Total current assets			721,184,842		534,295,354	633,229
Long-term financial instruments	4		200,441		148,226	176
Long-term investments	6, 8		8,027,238		9,178,104	7,048
Equity method investments	7, 8		68,916,412		63,956,489	60,511
Investments in petroleum and mineral development projects	8, 24		110,390,994		96,151,571	96,928
Long-term loans receivable, net	8, 24		46,120,661		36,641,305	40,496
Property, plant and equipment, net	9		1,987,295		657,676	1,745
Intangible assets, net	10		44,846,056		44,974,229	39,377
Deposits provided			5,712,514		5,797,199	5,016
Long-term prepaid expenses			1,262,822		4,881,674	1,109
Deferred income tax assets	14		9,452,318		12,097,223	8,300
Total other assets			296,916,751		274,483,696	260,706
Total assets			₩ 1,018,101,593		₩ 808,779,050	\$ 893,935
Liabilities and Shareholders' Equity						
Current liabilities						
Trade accounts and notes payable	24	₩	548,087,307	₩	338,831,405	\$ 481,243
Other accounts payable	24		41,511,578		89,748,522	36,449
Advances from customers	24		68,512,451		27,978,892	60,157
Withholdings	24		509,683		959,418	448
Deposits received	24		366,195		443,014	322
Accrued expenses			3,197,729		1,552,841	2,808
Dividends payable			26,668		26,668	23
Derivative liabilities	26		338,440		181,821	297
Firm commitment liabilities			91,688		-	81
Product warranty liabilities			709,373		877,813	623
Provision for other liabilities			4,420,502		-	3,881
Current portion of long-term liabilities, net of discount ₩ nil (2009 : ₩49,344 thousand)	11, 12		48,010,779		133,631,764	42,155
Total current liabilities			715,782,393		594,232,158	628,487
Debentures, net	11		49,814,035		-	43,739
Long-term borrowings, net	12		56,144,459		65,616,909	49,297
Accrued severance benefits, net	13		2,573,067		2,237,532	2,259
Total liabilities			824,313,954		662,086,599	723,782
Commitments and Contingencies	27					

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		Korean Won		U.S. Dollars	
				(Note 3)	
(in thousands of Korean won)		2010	2009	2010	
Notes					
Shareholders' equity					
Capital stock					
	1	₩ 111,649,010	₩ 111,649,010	\$	98,032
Capital adjustments					
	16	-	(215)		-
		(17)	-		-
		(15,172,088)	(15,172,088)		(13,323)
Accumulated other comprehensive income and expense					
		622,440	4,914		547
Accumulated comprehensive income of equity method investees					
		11,191,725	12,367,859		9,827
Accumulated comprehensive expense of equity method investees					
		(3,550,190)	(4,351,562)		(3,117)
Retained earnings					
		89,046,759	42,194,533		78,187
		193,787,639	146,692,451		170,153
		₩ 1,018,101,593	₩ 808,779,050	\$	893,935

The accompanying notes are an integral part of these financial statements.
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HYUNDAI CORPORATION
Non-Consolidated Statements of Operations
Years ended December 31, 2010 and 2009

		Korean Won		U.S. Dollars (Note 3)
		2010	2009	2010
<i>(in thousands of Korean won, except per share amounts)</i>				
	Notes			
Sales	24, 25	₩ 3,633,796,316	₩ 2,577,548,511	\$ 3,190,619
Cost of sales	18, 24	3,522,432,885	2,464,628,195	3,092,838
		111,363,431	112,920,316	97,782
Selling and administrative expenses	19	57,248,612	51,076,599	50,267
		54,114,819	61,843,717	47,515
Non-operating income				
Interest income		5,946,443	3,410,400	5,221
Dividend income	8	12,521,446	11,938,467	10,994
Gain on foreign currency transactions		84,095,283	91,491,760	73,839
Gain on foreign currency translation	15	9,273,354	16,368,177	8,142
Gain on disposal of property, plant and equipment		46,868	1,252	41
Gain on valuation of equity-method investments	7	21,458,578	23,350,015	18,841
Gain on derivative transactions		8,717,688	9,676,416	7,654
Gain on valuation of derivatives	26	393,827	537,431	346
Gain valuation of firm commitment	26	100,372	157,302	88
Reversal of allowance for doubtful accounts		3,046,499	5,614,568	2,675
Gain on disposal of long-term investments		366,010	34,943	321
Reversal of loss on impairment of long-term investments	6	-	587,999	-
Others		1,963,811	915,678	1,724
		147,930,179	164,084,408	129,889
Non-operating expenses				
Interest expense		6,962,186	9,583,023	6,113
Loss on foreign currency transactions		81,153,941	95,543,507	71,256
Loss on foreign currency translation	15	11,374,533	18,970,032	9,987
Donations		614,406	814	539
Loss on disposal of long-term investments		1,078	2	1
Loss on valuation of equity-method investments	7	25,783,237	61,313,662	22,639
Loss on derivative transactions		6,061,690	5,134,329	5,322
Loss on valuation of derivatives	26	338,440	181,821	297
Loss on valuation of firm commitment	26	91,688	-	81
Loss on disposal of trade accounts and notes receivable		13,297,563	13,942,381	11,676
Loss on disposal of property, plant and equipment		194	169	-
Loss on impairment of long-term investments		1,067,869	478,628	938
Others		4,250,702	62,351,210	3,732
		150,997,527	267,499,578	132,582
Income before income tax expense		51,047,471	(41,571,453)	44,822
Income tax expense	14	4,195,245	10,990,608	3,684
Net income (loss)		₩ 46,852,226	₩ (52,562,061)	\$ 41,138
Basic (diluted) earnings (loss) per share	22	₩ 2,098	₩ (2,354)	\$ 2

The accompanying notes are an integral part of these financial statements.
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HYUNDAI CORPORATION

Statements of Appropriation of Retained Earnings

Years ended December 31, 2010 and 2009

(Dates of Appropriation: March 11, 2011, and March 5, 2010 for the years ended December 31, 2010 and 2009, respectively)

<i>(in thousands of Korean won)</i>	Korean Won		U.S. Dollars
	2010	2009	(Note 3) 2010
Retained earnings before appropriation			
Unappropriated retained earnings carried over from prior year	₩ 42,194,533	₩ 94,756,594	\$ 37,048
Net income	46,852,226	(52,562,061)	41,138
	<u>89,046,759</u>	<u>42,194,533</u>	<u>78,187</u>
Appropriation of retained earnings			
Loss on disposition of treasury stock	17	-	1
Legal reserve	558,245	-	490
Cash dividends			
Dividends (ratio) per share			
Common Stock: ₩250 (5%) in 2010 and Nil in 2009	5,582,451	-	4,902
	<u>5,582,451</u>	<u>-</u>	<u>4,902</u>
Unappropriated retained earnings carried forward to subsequent year	<u>₩ 82,906,046</u>	<u>₩ 42,194,533</u>	<u>\$ 72,795</u>

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HYUNDAI CORPORATION
Non-Consolidated Statements of Changes in Shareholders' Equity
Years ended December 31, 2010 and 2009

(in thousands of Korean won)

	Capital stock	Capital adjustment	Accumulated other comprehensive Income and expense	Retained earnings	Total	U.S. Dollars (Note 3)
Balance as of January 1, 2009	₩ 111,649,010	₩ (9,048,440)	₩ 4,714,862	₩ 94,756,594	₩ 202,072,026	\$ 177,427
Net loss	-	-	-	(52,562,061)	(52,562,061)	(46,152)
Increase in capital adjustment	-	(6,123,863)	-	-	(6,123,863)	(5,377)
Gain on valuation of long-term investments	-	-	4,914	-	4,914	4
Changes in equity method investees with accumulated comprehensive income	-	-	1,549,330	-	1,549,330	1,360
Changes in equity method investees with accumulated comprehensive expense	-	-	1,752,105	-	1,752,105	1,538
Balances as of December 31, 2009	₩ 111,649,010	₩ (15,172,303)	₩ 8,021,211	₩ 42,194,533	₩ 146,692,451	\$ 128,802
Balance as of January 1, 2010	₩ 111,649,010	₩ (15,172,303)	₩ 8,021,211	₩ 42,194,533	₩ 146,692,451	\$ 128,802
Net income	-	-	-	46,852,226	46,852,226	41,138
Disposal of treasury stock	-	198	-	-	198	
Gain on valuation of long-term investments	-	-	617,526	-	617,526	542
Changes in equity method investees with accumulated comprehensive income	-	-	(1,176,134)	-	(1,176,134)	(1,033)
Changes in equity method investees with accumulated comprehensive expense	-	-	801,372	-	801,372	704
Balances as of December 31, 2010	₩ 111,649,010	₩ (15,172,105)	₩ 8,263,975	₩ 89,046,759	₩ 193,787,639	\$ 170,153

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HYUNDAI CORPORATION
Non-Consolidated Statements of Cash Flows
Years ended December 31, 2010 and 2009

	Korean Won		U.S. Dollars (Note 3)
	2010	2009	2010
<i>(in thousands of Korean won)</i>			
Cash flows from operating activities			
Net income (loss)	₩ 46,852,226	₩ (52,562,061)	\$ 41,138
Adjustments to reconcile net income (loss)			
to net cash provided by operating activities			
Depreciation	258,632	389,114	227
Amortization of intangible assets	3,706,165	3,037,401	3,254
Provision for severance benefits	2,134,386	1,740,091	1,874
Bad debts expense	-	1,950,387	-
Interest expense	63,579	105,551	56
Loss on valuation of equity-method investments	25,783,237	61,313,662	22,639
Loss on disposal of long-term investments	1,078	2	1
Loss on impairment of long-term investments	1,067,869	478,628	938
Loss on disposal of property, plant and equipment	194	169	-
Loss on valuation of derivatives	338,440	181,821	297
Loss on valuation of firm commitment	91,688	-	81
Loss on foreign currency translation	11,374,533	18,965,792	9,987
Loss on disposal of			-
trade accounts and notes receivable	13,297,563	13,942,381	11,676
Gain on disposal of long-term investments	(366,010)	(34,943)	(321)
Reversal of loss on impairment of			
long-term investments	-	(587,999)	-
Gain on valuation of equity-method investments	(21,458,578)	(23,350,015)	(18,841)
Gain on disposal of property, plant and equipment	(46,868)	(1,252)	(41)
Gain on valuation of derivatives	(393,827)	(537,431)	(346)
Gain on valuation of firm commitment	(100,372)	(157,302)	(88)
Gain on foreign currency translation	(9,273,354)	(16,366,840)	(8,142)
Reversal of allowance for doubtful accounts	(3,046,499)	(5,614,568)	(2,675)
	<u>23,431,856</u>	<u>55,454,649</u>	<u>20,576</u>

HYUNDAI CORPORATION
Non-Consolidated Statements of Cash Flows
Years ended December 31, 2010 and 2009

<i>(in thousands of Korean won)</i>	Korean Won		U.S. Dollars
	2010	2009	(Note 3)
			2010
Changes in operating assets and liabilities			
Increase in inventories	₩ (94,973,840)	₩ (70,027,397)	\$ (81,341)
Increase in trade accounts and notes receivable	(169,446,003)	(23,565,244)	(145,123)
Decrease in deferred tax assets	4,195,245	10,991,994	3,593
Decrease in derivatives assets	537,431	2,510,209	460
Decrease in firm commitment asset	157,302	-	135
Decrease (Increase) in other accounts receivable	6,256,450	(9,062,077)	5,358
Decrease in accrued income	209,950	256,411	180
Decrease in advance payments	14,056,806	11,808,184	12,039
Decrease (Increase) in prepaid expenses	189,073	(61,876)	162
Decrease (Increase) in guarantee deposits	(11,683)	310,329	(10)
Decrease in long-term prepaid expenses	3,406,579	228,450	2,918
Increase in trade accounts and notes payable	212,211,274	77,949,660	181,750
Payment of severance benefits	(2,583,714)	(980,579)	(2,213)
Increase in provision for severance benefits	2,154,967	-	1,846
Decrease in deposits for severance benefits	(1,383,916)	(1,283,554)	(1,185)
Decrease in contribution to National Pension Plan	13,810	13,087	12
Increase (Decrease) in product warranty liabilities	(168,440)	877,813	(144)
Decrease in derivatives liabilities	(181,821)	(21,689)	(156)
Increase (Decrease) in other accounts payable	(47,115,285)	71,397,070	(40,352)
Increase (Decrease) in advances from customers	40,533,559	(20,680,539)	34,715
Increase (Decrease) in withholdings	(449,735)	279,443	(385)
Increase (Decrease) in deposits received	(76,819)	85,483	(66)
Increase (Decrease) in accrued expenses	1,644,888	(1,832,091)	1,409
Others	15,788,718	19,160,969	13,522
	<u>(15,035,204)</u>	<u>68,354,056</u>	<u>(12,876)</u>
Net cash provided by operating activities	<u>55,248,878</u>	<u>71,246,644</u>	<u>48,838</u>

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<i>(in thousands of Korean won)</i>	Korean Won		U.S. Dollars
	2010	2009	(Note 3)
			2010
Cash flows from investing activities			
Proceeds from disposal of short-term financial instruments	₩ -	₩ 10,503,814	\$ -
Proceeds from disposal of short-term investments	900	18,910	1
Proceeds from disposal of long-term investments	1,238,730	44,037	1,061
Collection of long-term loans	63,801	-	55
Proceeds from disposal of property, plant and equipment	65,333	1,252	56
Decrease in deposits provided	2,112,228	-	1,809
Increase in short-term financial instruments	(33,260,524)	-	(28,486)
Acquisition of long-term financial instruments	(52,215)	(57,620)	(45)
Acquisition of long-term investments	-	(2,336,800)	-
Acquisition of equity-method investments	(406,210)	(36,159,900)	(348)
Increase in investments in petroleum and mineral development projects	(16,857,991)	(19,801)	(14,438)
Long-term loans provided	(10,993,301)	(13,573)	(9,415)
Acquisition of property, plant and equipment	(776,087)	(177,405)	(665)
Acquisition of intangible assets	(4,408,815)	(72,433)	(3,776)
Increase in deposits provided	(2,040,399)	(205,534)	(1,748)
Net cash provided by (used in) investing activities	<u>(65,314,550)</u>	<u>(28,475,053)</u>	<u>(55,939)</u>
Cash flows from financing activities			
Issuance of debentures	49,799,800	52,427,520	42,651
Issuance of long-term borrowings	2,348,000	655,998	2,011
Disposal of treasury stocks	198	-	1
Payment of debentures	-	(1,815,371)	-
Payment of long-term borrowings	(95,092,613)	(52,480,000)	(81,443)
Net cash provided by financing activities	<u>(42,944,615)</u>	<u>(1,211,853)</u>	<u>(36,780)</u>
Net increase (decrease) in cash and cash equivalents	(53,010,287)	41,559,738	(43,881)
Cash and cash equivalents			
Beginning of the year	119,573,073	78,013,335	102,409
End of the year	<u>₩ 66,562,786</u>	<u>₩ 119,573,073</u>	<u>\$ 58,528</u>

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