

KIA Motors At a Glance

Since our foundation in 1944, Kia Motors has maintained impressive growth as a leading Korean automaker. We have developed into a global company that boasts 18 overseas subsidiaries and a distribution network consisting of over 4,000 dealers in 172 countries with combined annual sales volume of over 1.5 million vehicles. Through continuous research & development and investment activities, Kia Motors now possesses a comprehensive product lineup comprising a full range of vehicle types and classes, including passenger cars, commercial vehicles and buses. Kia Motors has solidified our foundation as a competitive player in the global automotive industry by establishing production facilities as well as R&D and design centers in all corners of the globe—from the United States and Japan to China and Europe. Through continued exchanges and interactions with society, Kia Motors endeavors to carry out our responsibilities as a corporate citizen. We strive to achieve sustained growth through greater value creation by making a concerted effort to protect the environment while refraining from actions and behavior that will threaten the world's sustainability. In short, Kia Motors pledges to work even harder to realize human happiness through automobiles.

※ Total sales volume based on total number of units produced in Korea and overseas / Sales revenue based on non-consolidated financial statements / Social contribution based on non-consolidated financial statements (including marketing costs for public awareness campaign)

Total sales volume **1,533,606** units

Global operations **172** countries

Sales revenue **18,416** billion won

Operating profit **1,145** billion won

Business Domain

Passenger cars Morning (Picanto), Pride (Rio), Forte (Cerato), Forte (Cerato) Koup, Lotze (Optima, Magentis), K7 (Cadenza), Opirus (Amanti), Venga, Soul, Carens (Rondo), Carnival (Sedona), Sportage, Sorento R (Sorento), Mohave (Borrego)

Commercial vehicles Bongo III Truck (K-series trucks), New Granbird (commercial bus)

Hybrid vehicles Forte LPi Hybrid

CKD (Complete Knock Down) Automobile components (engines, transmissions, etc.)

Global Network

Sales & Services
Korea Sales _ 20 regional headquarters, 342 regional sales offices, 409 dealerships, 11 shipping offices
 Services _ 20 regional service centers, 243 comprehensive service providers, 563 partial service providers
Overseas Sales _ 172 countries, 4,062 dealers (services & sales)
 Kia Motors America **01** | Kia Canada Inc. **02** | Kia Motors UK **03** | Kia Motors Belgium **04** | Kia Motors France **05** | Kia Motors Germany **06** | Kia Motors Poland **07** | Kia Motors Czech Republic **08** | Kia Motors Central Europe **09** | Kia Motors Spain **10** | Kia China Sales Center **11** | Kia Motors Australia **12** | Kia Motors New Zealand **13** | Kia Motors Russia **14** | Kia Motors Netherlands **15**



Employees in Korea (overseas) **32,616 (9,317)** persons

Social contribution **11** billion won

CO2 emissions reduction **68** kg (10.8% greenhouse gas reduction per vehicle compared to 2008)



Production

Korea Sohari Plant (350,000 units), Hwaseong Plant (580,000 units), Gwangju Plant (420,000 units), Seosan Plant (230,000 units)

Overseas China Plant (430,000 units), Slovakia Plant (300,000 units), Georgia, USA Plant (300,000 units)

Kia Motors Manufacturing Georgia, USA (1,167 employees) **16** | Slovakia Plant / Kia Motors Slovakia, Žilina (2,884 employees) **17** | China Plants I-II, Yancheng (3,604 employees) **18** | Corporate Headquarters, Seoul (Korea: 3 plants, 3 R&D centers, 20 regional service centers, 342 dealerships, 32,616 employees) **19**



R&D

Korea Namyang R&D Center, Mabuk Eco-Technology Research Institute, Central Advanced Research and Engineering Institute

Overseas Technical, design, and R&D centers around the world

Kia Design Center America (Irvine, CA) **20** | Hyundai-Kia America Technical Center (Ann Arbor, MI) **21** | Kia Motors Europe Headquarters / Technical Center Europe / Kia Design Center Europe (Frankfurt, Germany) **22** | Japan R&D Center (Chiba) **23**



Others

Central & South America Regional Headquarters (Miami, USA) **24** | Eastern Europe/CIS Regional Headquarters (Kiev, Ukraine) **25** | Africa & Middle East Regional Headquarters (Dubai, UAE) **26** | Asia-Pacific Regional Headquarters (Sydney, Australia) **27** **10**



2009: Commitment to Performance and Corporate Social Responsibility

Turning crisis into opportunity

As a leading global automaker, Kia Motors continually strives to fulfill our social responsibility while creating and promoting sustainable value. In 2009, our employees managed to turn crisis into opportunity by coming together and working tirelessly amid the global economic downturn. Despite the uncertain business environment, we implemented a production and management strategy that responded effectively to changing market conditions while taking advantage of favorable foreign exchange conditions and industry stimulus policies around the world. As a result, Kia Motors had our best year ever. We raised our domestic market share to the 30 percent-level; won design awards in Korea and abroad; successfully launched new models, including K7 (Cadenza) and Sorento R (Sorento); and recorded record high sales, especially in the newly emerging markets of China and the Middle East. Meanwhile, other global automakers posted double-digit drops in sales and went through intense restructuring, with some even filing for bankruptcy protection. Kia Motors, on the other hand, posted remarkable results, exceeding market expectations by recording an 8% growth in sales while posting 18,416 billion won in sales revenue and 1,145 billion won in operating profit.

"2009 was the most profitable year ever for Kia Motors. We reaffirmed our commitment to fulfilling our social responsibility through the "Social Responsibility Charter." On the environmental front, Kia Motors released the Forte LPi Hybrid, the consummation of 20 years of effort aimed at developing green vehicles, and launched the EcoDynamics environmentally-friendly sub-brand. We pledge to fulfill our responsibilities to our stakeholders by becoming a model enterprise that opens the door to a sustainable future."

Curbing climate change

As an automaker endeavoring to become a leader in green growth, Kia Motors is actively involved in the development of eco-friendly technologies and products. In 2009, we released the Forte LPi Hybrid, the consummation of 20 years of effort aimed at developing green vehicles with high fuel economy and low emissions. We also launched EcoDynamics, our eco-friendly sub-brand, thereby opening a new green chapter in our company's history. With these developments as a stepping stone, we are planning to release the Lotze (Optima) Hybrid equipped with a proprietary hybrid system in 2011. Then in 2012, we will debut our first plug-in vehicle featuring a Flexible Hybrid System (FHS) that is rechargeable at home.

Since 2006, Kia Motors has been building a greenhouse gas management system by compiling an inventory of greenhouse gases and carrying out third party assurance reviews. As of 2008, all production and after-sales service sites in Korea have completed third party assurance reviews. In 2010, we are expanding the scope of the reviews to include our plants in Slovakia and China. By 2011, the Georgia Plant in the United States, which began operations last year, will also be subjected to a review.

The greenhouse gas inventory and the results of the third party assurance reviews have helped us identify the potential level of emissions reduction we can achieve. We have made energy conservation a part of our everyday activities, and have replaced antiquated equipment with high-efficiency equipment and introduced heat recovery systems. In short, we are steadily raising the efficacy of our greenhouse gas reduction efforts. Our goal for 2010 is to set up integrated energy-green house gas emissions management systems at all our Korean and international worksites.

Full-fledged CSR

With the declaration of our commitment to corporate social responsibility (CSR) and the establishment of the Corporate Social Responsibility Committee in 2008, Kia Motors laid the foundation for comprehensive CSR practices.

In 2009, Kia Motors declared the "Social Responsibility Charter" which delineates our CSR pledge to stakeholders, including our employees, partner companies, shareholders, customers and local communities. We will do our utmost to turn the "Social Responsibility Charter" into a fundamental value system and a basis for action shared by all Kia Motors' employees.

Based on our stellar 2009 performance, Kia Motors will endeavor to make even greater progress in 2010. Amidst intensifying competition and a fast-changing business environment, all of us at Kia Motors will put our hearts and souls into making Kia Motors an all-around world-class automaker. 

SUNG-EUN CHUNG

Vice Chairman and CEO

March 2010



Corporate Philosophy and Socially Responsible Management

Kia Motors' business activities are guided by a corporate philosophy that aspires to "create a rich automotive culture for humanity and contribute to the harmony and mutual prosperity of our shareholders, clients and other stakeholders based on a spirit of creative challenge." We have always endeavored to strengthen stakeholder trust and mutual growth. In 2008, we officially designated these efforts as the core pillars of Kia's corporate social responsibility (CSR) and turned our focus to fine tuning our CSR system.



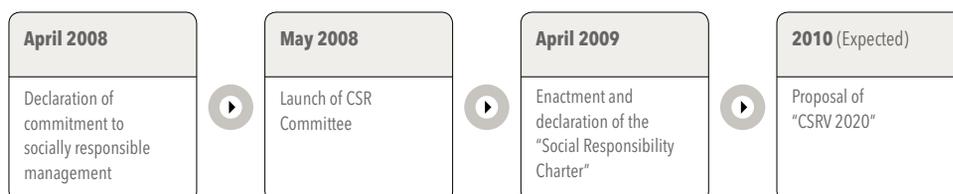
For Kia Motors, CSR is not merely a facet of our business; it is a core value and a driving force that encompasses the full range of who we are and what we do—from our corporate philosophy and policies to our mid- to long-term business strategies. Through socially responsible management, Kia Motors aims to delineate our vision and role vis-à-vis our employees, partner companies, shareholders, customers, local communities and humanity at large. We strive to faithfully carry out our responsibilities to the economy, society and future generations. We endeavor to realize sustainable and shared growth with all our stakeholders by actively practicing CSR in a manner that meets global standards.

CSR system and activities

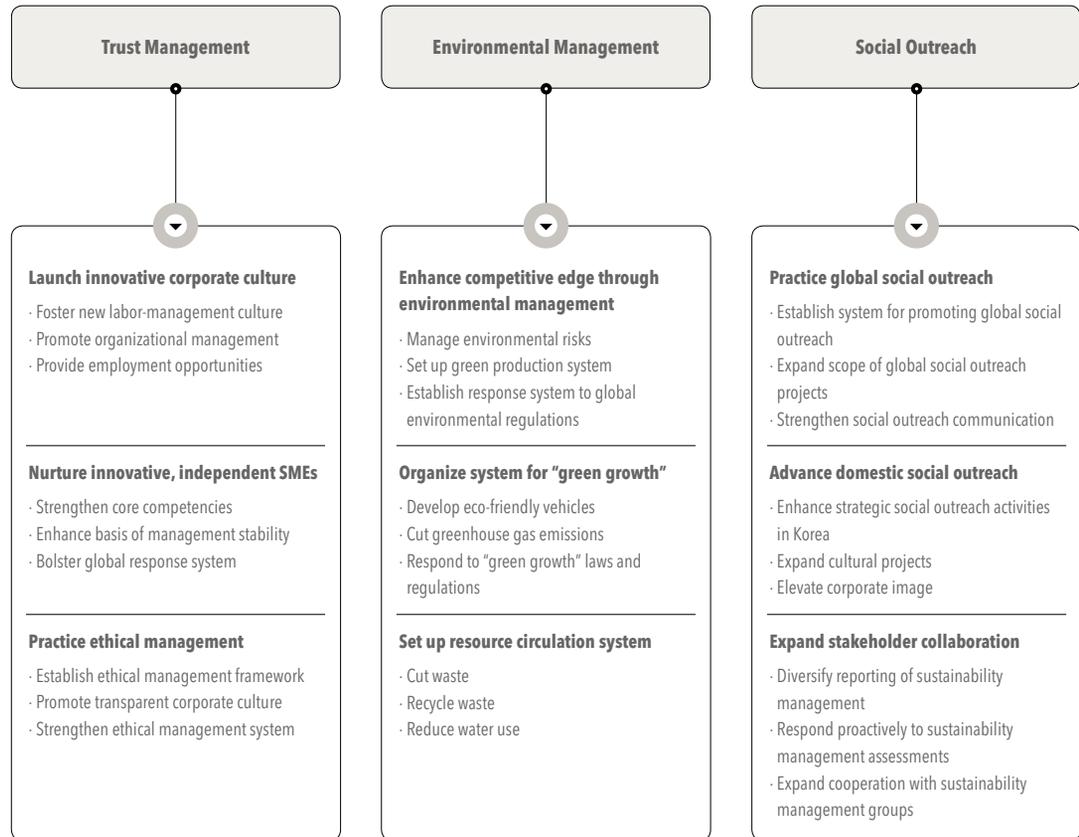
In April 2008, Kia Motors officially declared our commitment to socially responsible management. We systematized our ongoing CSR efforts, designating trust management, environmental management and social outreach as core objectives and establishing the enterprise-wide Corporate Social Responsibility Committee. A year later, in April 2009, we declared the "Social Responsibility Charter," which outlines our vision and role vis-à-vis our stakeholders. The purpose of the charter is to detail the CSR future we envision and to propose the general direction of our CSR efforts.

On the heels of the "Social Responsibility Charter," a system of principles and ideals for all Kia Motors' employees, Kia Motors plans to lay the groundwork for "Corporate Social Responsibility Vision 2020" in 2010. "CRSV 2020" will be a detailed proposal concerning our approach to the prospects of climate change. 

Milestones



Core Objectives of Socially Responsible Management



Social Responsibility Charter

Based on our corporate culture of respect and trust, Kia Motors declares the "Social Responsibility Charter" in order to fulfill our responsibilities as a global citizen and share our core values with our stakeholders.

Kia Motors is committed to and practices trust management, environmental management and social outreach, which are the guiding principles of our business activities. We regard the fulfillment of our corporate social responsibility to be a long-term and ongoing growth principle and affirm that this principle applies to all our employees, partner companies, shareholders, customers, local communities and humanity at large.

We promote our employees' self-realization and foster a win-win relationship with our partner companies.

- Based on a corporate culture of respect, we advance reasonable labor-management relations.
- Our employees are committed to and practice volunteerism and environmental friendliness.
- We contribute to enhancing our partner companies' global competitiveness by promoting win-win collaboration and green partnerships.

We raise shareholder value and strive to win their hearts and trust.

- We bolster our shareholders' rights and gains by creating economic and social value.
- We protect our customers' personal information and raise customer satisfaction with our quality products and services.
- We incorporate the opinions of our shareholders and customers in all our business activities and share with them the value of sustainable growth.

We contribute to the shared prosperity of humanity as a member of the global community.

- We share and give back to communities through diverse social outreach activities.
- We abide by global environmental laws, regulations and agreements, and actively participate in environmental protection efforts.
- We enhance mutual understanding and contribute to the growth of the global community through active cultural exchanges.

Corporate Governance and the Board of Directors

Kia Motors' business operations are founded on an institutional framework that enables the evenhanded coordination and regulation of the interests of its managers, shareholders and employees. We strive to secure the transparency and soundness of our corporate management control system. Kia Motors' management system comprises the Board of Directors and its committees. The committees under the Board of Directors include the Audit Committee and the Board Nominating Committee, which are responsible for conveying the opinions of outside stakeholders and overseeing the company's business activities; and the Ethics Committee, which was established to monitor internal transparency and the progress in ethical management.



Board of Directors

The Board of Directors is at the center of Kia Motors' efforts to expand accountability management and raise management transparency. The Board of Directors, appointed through the General Shareholders' Meeting, is the top decision-making body that promotes shareholder and stakeholder interests. It is also responsible for supervising and making decisions on major business activities under the goal of achieving long-term growth. The Board of Directors consists of four inside directors and five outside directors. The Board holds regular meetings and special meetings (as needed) to vote on key issues in consideration of our shareholders' opinions gathered from the General Shareholders' Meeting and IR activities and in consideration of our employee recommendations. In order to enhance professionalism and efficiency, there are three committees organized under the Board of Directors: Audit Committee, Nominating Committee and Ethics Committee. In 2009, the Board of Directors convened 10 times and voted on the following issues: appointment of the Chairperson of the Board and CEO, issuance of corporate bonds and approval of an overseas subsidiary's debt guarantee. The average attendance rate of outside directors at both regular and special meetings was 90%. Presently, the CEO of Kia Motors is also serving as the chairperson of the Board of Directors. This is due to the distinctive characteristics of the auto industry and the rapidly changing business environment. The automotive business requires large investments, and quick decision-making is crucial given the short product cycle. Moreover, sudden changes in market conditions sometimes demand fast decision-making. With the CEO also serving as the chairperson of the Board, decisions can be made quickly and responsibly to respond to unexpected changes in the business environment. Measures will be devised to deal with the possibility that such an arrangement may undermine the independence of the Board. External and internal board members receive a base annual salary by position level as approved by the General Shareholders' Meeting as well as bonuses linked to corporate business performance. In 2009, the General Shareholders' Meeting set the compensation limit at 10 billion won. The actual payout was 3 billion won.

Committees

Audit Committee The Audit Committee consists of three outside directors. It is stipulated that the Chairperson of the Audit Committee must be an outside director. Kia Motors' Audit Committee is comprised entirely of outside directors, thereby ensuring

its transparency and independence. The major responsibility of the Audit Committee is monitoring the transparency and fairness of Kia Motors' accounting and business practices. It has the authority to demand sales-related reports from the Board of Directors and examine Kia Motors' financial standing. To facilitate the auditing activities of the Audit Committee, Kia Motors has in place an internal system that provides the Audit Committee members easy access to necessary information.

Board Nominating Committee The Board Nominating Committee consists of four directors. It is stipulated that at least one half of the Board Nominating Committee must comprise outside directors. In accordance with this mandate, the Board Nominating Committee is composed of two inside directors and two outside directors. It has the authority to recommend candidates for outside directors at the General Shareholders' Meeting.

Ethics Committee The purpose of the Ethics Committee is to evaluate the transparency of internal transactions and the company's progress in ethical management. As such, it is stipulated that the Ethics Committee consist solely of outside directors. It is currently composed of five outside directors. The Ethics Committee assesses the transactions between affiliated persons as stipulated by the Monopoly Regulations and Fair Trade Law (FTL) and the Capital Market and Financial Investment Business Act (CMFA). It also monitors Kia Motors' program for voluntary compliance with fair trade regulations, major policies related to ethical management and social outreach programs, and the enactment, revision and implementation of ethics codes and regulations. 

Board of Directors

(as of Dec. 31, 2009)

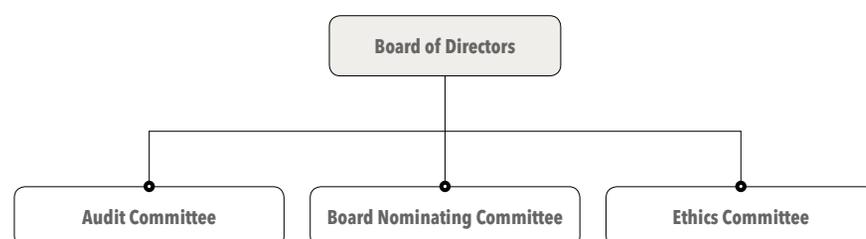
	Name	Position(s)
Internal directors	정성은	Chairperson of the Board of Directors, Chairperson of the Board Nominating Committee
	서영중	
	정의선	Member of the Board Nominating Committee
	이재록	
External directors	홍현국	Chairperson of the Audit Committee, Member of the Ethics Committee
	조동성	Member of the Audit Committee, Member of the Board Nominating Committee, Member of the Ethics Committee
	신건수	Member of the Board Nominating Committee, Chairperson of the Ethics Committee
	이두희	Member of the Audit Committee, Member of the Ethics Committee
	박영수	Member of the Ethics Committee

Major shareholders

(as of Dec. 31, 2009)

Shareholder	No. of shares	Holdings ratio
Hyundai Motor	134,285,491	34.58%
Employee stock ownership	13,583,939	3.50%
Private investors (excluding employee stock ownership)	85,303,754	21.96%
Foreign investors	75,928,170	19.55%
Others (financial institutions, etc.)	79,269,694	20.41%
Total	388,371,048	100.00%

Board of Directors and its Committees



Fostering Dialogue and Engagement

For Kia Motors, sustainability management is not simply one area of business management. Rather, we believe it should be a means by which we can get closer to our stakeholders by fostering dialogue and engagement. This stems from our belief that earnest communication and trust-building with our stakeholders give us the strength to confidently navigate into a future filled with uncertainties. This sustainability report, too, is a channel for engaging our stakeholders in dialogue. Kia Motors wants to become even more accessible to an even greater number of our stakeholders. To this end, we continue to expand our communication channels and pledge to listen to what our stakeholders have to say while translating their opinions into action for a better tomorrow.



Channels for dialogue and engagement

Kia Motors is developing diverse communication channels to expand stakeholder communication and participation. We strive to incorporate our stakeholders' opinions in our business activities and continue to create even more channels for enhanced stakeholder engagement and dialogue. We are creating more opportunities for face-to-face encounters with our stakeholders in Korea and abroad through test drive events, conferences, invitational events for customers and dealers, motor shows and new model launch events. In 2009, we were able to meet with around 7,000 stakeholders around the world. Our annual sustainability reports comprise yet another means of dialogue. Kia Motors is contemplating ways to include direct stakeholder participation in the creation of our sustainability reports.

Communication channels

Stakeholders	Communication channels
Customers	Motor shows and new model launch events, test drive events, sports sponsorships, customer service, customer satisfaction surveys, clubs, website, online communication channels (Kia Motors global Facebook page, Kia BUZZ, Funkia), reports (annual report/sustainability report/Community Relations White Paper)
Shareholders and investors	General Shareholders' Meeting, investment road shows, websites, reports
Employees	Labor-Management Council, Employment Stability Committee, Next Generation Committee, company magazine and newsletter for employees, online communication channels (intranet, knowledge community), Employee Counseling Center, reports
Partner companies	Programs for dealers (seminars, dealer contests, by-invitation-only dealer events), dealership contests, seminars and training programs, procurement web portal (VAATZ), procurement headquarters' suggestion box, reports
Society	Social outreach activities, campaigns, website, exchanges between worksites and local communities (regular meetings, public's open access to Kia plants), corporate information channels (website, reports)

Stakeholder survey

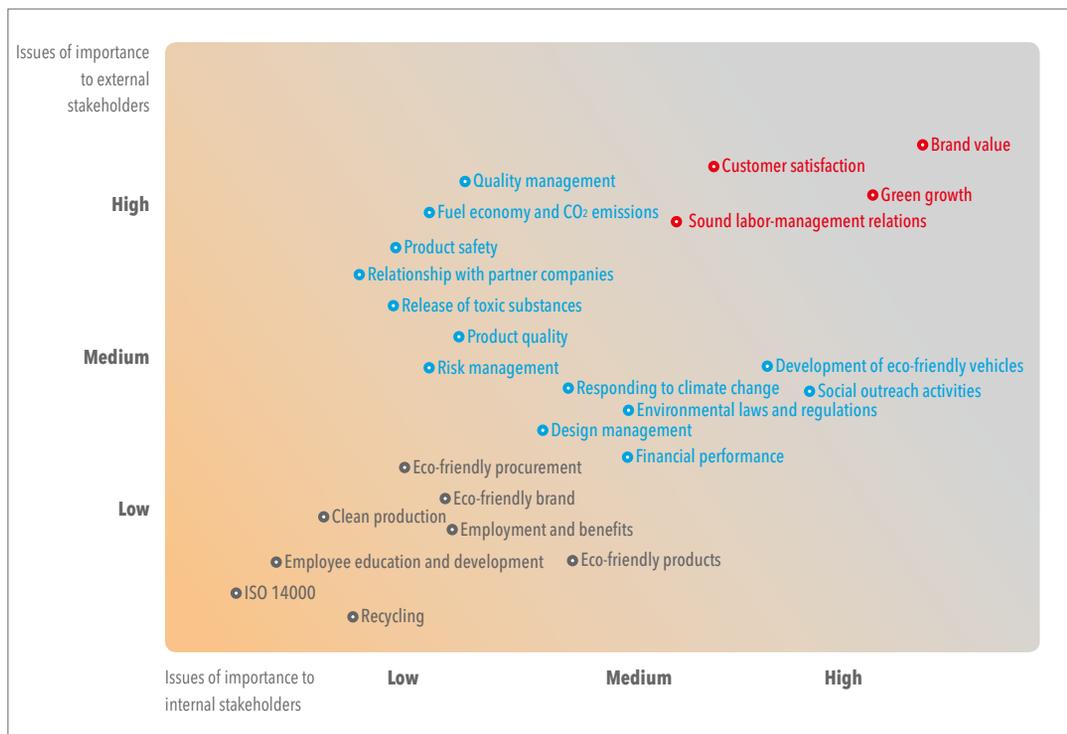
In preparing *Sustainability Magazine 2010*, Kia Motors undertook a survey to identify our stakeholders' areas of interests and to use the results as reference for drafting this report. Our employees and external stakeholders participated in the survey. External participants included NGOs, local communities (Gwangju local communities, beneficiaries of Kia Motors' social outreach activities), investors (rating and investment institutions), government and partner companies (primary partners).

The survey results have been organized into the table below. We have endeavored to include a detailed coverage of our activities pertaining to our stakeholders' areas of interest in this sustainability report. We will continue to strive to incorporate our stakeholder feedback in our business activities to create a Kia Motors that is the fruit of collaboration with our stakeholders.

The survey showed that stakeholders' key areas of interest are as follows: progress and goals of sustainability management, management leadership, sound labor-management relationship, customer satisfaction, eco-friendly activities, product development strategies, and HEV development. **M**



Materiality Assessment Results



* 277 internal and external stakeholders participated in the survey. Through a materiality assessment, 4 core issues (red) and 13 important issues (blue) were identified.

Global Challenges, and Opportunities

As a business expands its global market presence, it is faced not only with more opportunities but also new challenges. A growing business seeks not only to engage billions of potential customers but must also take on added responsibilities. Kia Motors has focused on and responded proactively to the opportunities and challenges presented by internal and external factors impacting our business environment. Our responses demonstrate our understanding of the issues that require our involvement and how we go about fulfilling our responsibilities. Through MOVE, we inform our stakeholders about how we handle the challenges and opportunities that come our way.

Responding to the present, preparing for the future

Kia Motors understands that our response to present challenges is bound to affect us in the near future, so we put a lot of thought and care into devising possible solutions. In the meantime, we also work tirelessly to identify future issues of concern and interest. In other words, Kia Motors' risk management system is comprehensive. We formulate responses for today's challenges while also making preparations for the future by predicting tomorrow's business environment, market conditions and environmental trends.

The global challenges we face

Climate change, which has given rise to the concept of sustainable mobility, is both the greatest challenge as well as the greatest opportunity the auto industry is facing. Over the past century, the automobile—a personal possession and mode of transport—was defined by state-of-art technologies that provide safety and convenience and by attractive designs that appeal to individual sensibilities. However, such these conceptions have been made obsolete by the overwhelming force of climate change. Now, the greatest goal of an automobile is the realization of sustainable mobility, which rests on minimizing environmental impact, safeguarding human health and passing down the convenience of mobility we have enjoyed to the next generation.

With climate change, environmental and safety regulations have become increasingly stringent, demanding faster-than-ever technological advances. In the meantime, the global economic crisis is expected to be drawn out and emerging markets are projected to take center stage in the automotive industry. Accordingly, the industry is expected to realign itself around fuel-efficient vehicles, not just for environmental but also for economic reasons. In the post-crisis global economic landscape, raw material prices and the Korean won are expected to appreciate. A significant portion of Kia Motors' sales revenue comes from exports. Hence, a strong won would weaken our export competitiveness and increase the potential for foreign-exchange-related losses. In the meantime, higher raw materials prices would upset the supply-demand balance, which in turn, would negatively impact our business environment.

Kia Motors has a market presence in 172 countries. Our overseas plants alone have a combined production capacity of 1 million units. We have around 40,000 employees worldwide. Accordingly, globalization and localization as well as employment stability and the nurturing of talented recruits are important issues for Kia Motors. Despite market uncertainties, we must maintain our workforce while creating new jobs and contributing to local and national economies. We must recruit, nurture and retain talented workers for the benefit of our employees and the company at large. We must provide products that appeal to universal as well as local sensibilities. We must expand our global market presence while also fulfilling our responsibilities to each local community in which we find ourselves. These are the challenges confronting Kia Motors.

The purpose of MOVE is to provide more in-depth coverage of these challenges and how Kia Motors is responding to them. Through MOVE, we hope to get feedback from our stakeholders about where we stand and where we should be headed. 

“MOVE presents Kia Motors' responses to and plans for the following: climate change, tougher environmental and safety regulations, the changing market conditions after the 2008-2009 global economic crisis, projected appreciation of the won and raw material prices, globalization and localization, and employment stability and the nurturing of a talented workforce.”



Climate change (The need for and significance of sustainable mobility)



Globalization vs. localization



Tougher environmental and safety regulations



Expected changes after the global economic crisis (long-term growth forecast/realignment of the automotive market)



Employment stability and nurturing a talented workforce



Appreciation of the Korean won and raw material prices (deteriorating export price competitiveness, foreign-exchange-related losses and supply-demand imbalance)