KIA MOTORS CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2016 AND 2015

ATTACHMENT: INDEPENDENT ACCOUNTANTS' REVIEW REPORT

KIA MOTORS CORPORATION

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

English Translation of Independent Accountants' Review Report Originally Issued in Korean on May 13, 2016

To the Shareholders and the Board of Directors of
Kia Motors Corporation:

We have reviewed the accompanying condensed consolidated financial statements of Kia Motors Corporation (the "Company")and its subsidiaries. The condensed consolidated financial statements consist of the condensed consolidated statement of financial position as of March 31, 2016, the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months ended March 31, 2016, all expressed in Korean Won, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Independent Accountants' Responsibility

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

We conducted our review in accordance with standards for review of financial statements in the Republic of Korea. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review Conclusion

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

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Others
The accompanying consolidated statements of income, comprehensive income, changes in equity and cash flows for the three months ended March 31, 2015 were reviewed by other accountants whose report thereon dated May 13, 2015, expressed that nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Company are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards 1034, *Interim Financial Reporting*.

The accompanying consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not presented in the accompanying consolidated financial statements, were audited by other auditors in accordance with the Korean Standards on Auditing ("KSAs") and an unqualified opinion was expressed on February 29, 2016. The condensed consolidated statement of financial position as of December 31, 2015, presented as a comparative purpose in the accompanying financial statements does not differ, in all material respects, from the audited consolidated statement of financial position as of December 31, 2015.



May 13, 2016

Notice to Readers

This report is effective as of May 13, 2016, the independent accountants' review report date. Certain subsequent events or circumstances may have occurred between the independent accountants' review report date and the time the independent accountants' review report is read. Such events or circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to the independent accountants' review report.

KIA MOTORS CORPORATION (the “Company”)
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2016 AND 2015

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

Park, Han Woo
Chief Executive Officer
KIA MOTORS CORPORATION

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KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position

As of March 31, 2016 and December 31, 2015

(In millions of won)

	Note		March 31, 2016	December 31, 2015
Assets				
Cash and cash equivalents	25	₩	3,140,100	1,104,928
Short-term financial instruments	25		2,959,736	2,875,137
Short-term available-for-sale financial assets	25		1,315,201	2,872,653
Accounts and notes receivable – trade	11, 25, 26		2,571,280	2,388,911
Accounts and notes receivable – other	25		846,322	696,593
Advance payments			23,546	26,387
Prepaid income taxes			153,598	250,169
Inventories	5		8,293,204	7,695,346
Other current assets	9, 25		334,649	319,386
Non-current assets held for sale	10		-	161,274
Total current assets			19,637,636	18,390,784
Long-term financial instruments	25		193,495	93,352
Long-term available-for-sale financial assets	10, 25		762,642	724,356
Long-term accounts and notes receivable - trade	25		3,187	3,145
Investments in associates and joint ventures	6		11,737,446	10,971,504
Property, plant and equipment	4, 7, 11, 15		13,137,783	13,042,121
Investment property	4		52,343	53,474
Intangible assets	4, 8		2,158,747	2,133,785
Guarantee deposits	25		170,183	171,553
Deferred tax assets			307,288	278,579
Other non-current assets	9, 25		122,745	117,460
Total non-current assets			28,645,859	27,589,329
Total assets		₩	48,283,495	45,980,113

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position, Continued

As of March 31, 2016 and December 31, 2015

(In millions of won)

	Note		March 31, 2016	December 31, 2015
Liabilities				
Accounts and notes payable - trade	25, 26	₩	5,793,413	5,885,651
Short-term borrowings	11, 25		3,316,770	1,512,424
Accounts and notes payable - other	25		1,543,994	2,653,394
Advances received			780,632	590,686
Accrued expenses	25		1,866,046	1,521,078
Income taxes payable			411,059	400,681
Current portion of long-term debt and bonds	11, 25		1,475,592	1,268,666
Provisions - current	14		693,254	698,492
Other current liabilities	12, 25		483,906	48,413
Total current liabilities			16,364,666	14,579,485
Bonds	11, 25		927,198	927,052
Long-term debt	11, 15, 25		2,506,833	2,604,889
Long-term advances received			81,034	76,747
Net defined benefit liabilities	13		445,602	256,341
Provision for other long-term employee benefits			274,557	259,815
Provisions	14		1,862,813	1,691,670
Deferred tax liabilities			1,152,940	1,308,917
Other non-current liabilities	12, 25		70,856	71,166
Total non-current liabilities			7,321,833	7,196,597
Total liabilities			23,686,499	21,776,082
Equity				
Common stock	16		2,139,317	2,139,317
Capital surplus			1,560,650	1,560,650
Retained earnings			21,447,074	21,039,080
Accumulated other comprehensive loss	16		(482,904)	(473,682)
Other equity	16		(67,141)	(59,666)
Other capital item expected to be held for sale			-	(1,668)
Total equity			24,596,996	24,204,031
Total liabilities and equity		₩	48,283,495	45,980,113

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Income

For the three months ended March 31, 2016 and 2015

(In millions of won, except earnings per share information)

	Note		2016	2015
Sales	4, 26	₩	12,649,367	11,177,668
Cost of sales	22, 26		(10,076,226)	(8,999,846)
Gross profit			2,573,141	2,177,822
Selling expenses	18, 22		(1,256,895)	(1,021,687)
General and administrative expenses	18, 22		(682,624)	(644,486)
Operating profit			633,622	511,649
Gain on investments in associates and joint ventures, net	6		348,911	302,409
Finance income	19, 25		96,884	79,332
Finance expenses	19, 25		(70,507)	(62,413)
Other income	20		333,687	262,624
Other expenses	20		(295,893)	(173,982)
Profit before income taxes			1,046,704	919,619
Income tax expense	21		(102,120)	(16,399)
Profit for the period		₩	944,584	903,220
Profit attributable to Owners of the Company			944,584	903,220
Earnings per share				
Basic (and diluted) earnings per share in won	17	₩	2,358	2,237

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2016 and 2015

(In millions of won)

		2016	2015
Profit for the period	₩	944,584	903,220
Other comprehensive income(loss) for the period, net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		(100,837)	(121,920)
Remeasurements of associates		5,272	2,362
Items that will not be reclassified subsequently to profit or loss		(95,565)	(119,558)
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale financial assets		(8,244)	(117,507)
Effective portion of changes in fair value of cash flow hedges		697	6,915
Change in capital adjustments – increase(decrease) in gain of equity method accounted investment		(3,859)	11,923
Change in capital adjustments – increase(decrease) in loss of equity method accounted investment		10,509	(250)
Exchange differences on translating foreign operations		(8,325)	(180,986)
Reclassification of non-current assets as held for sale		1,668	-
Total items that may be reclassified subsequently to profit or loss		(7,554)	(279,905)
Other comprehensive loss for the period, net of tax		(103,119)	(399,463)
Total comprehensive income for the period	₩	841,465	503,757
Comprehensive income attributable to			
Owners of the Company		841,465	503,757

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the three months ended March 31, 2016 and 2015

(In millions of won)

	Attributable to owners of the Company						
	Common stock	**Capital surplus**	**Retained earnings**	**Accumulated other comprehensive loss**	**Other equity**	**Other capital items expected to be held for sale**	**Total**
Balance at January 1, 2015	₩ 2,139,317	1,560,650	18,815,654	(118,301)	86,545	-	22,483,865
Comprehensive income (net of tax):							
Profit for the period	-	-	903,220	-	-	-	903,220
Change in fair value of available-for-sale financial assets	-	-	-	(117,507)	-	-	(117,507)
Effective portion of changes in fair value of cash flow hedges	-	-	-	6,915	-	-	6,915
Change in capital adjustments - increase in gain of equity method accounted investments	-	-	-	11,923	-	-	11,923
Change in capital adjustments - increase in loss of equity method accounted investments	-	-	-	(250)	-	-	(250)
Remeasurements of defined benefit plans	-	-	(121,920)	-	-	-	(121,920)
Remeasurements of associates	-	-	2,362	-	-	-	2,362
Exchange differences on translating foreign operations	-	-	-	(180,986)	-	-	(180,986)
Total comprehensive income (net of tax)	-	-	783,662	(279,905)	-	-	503,757
Transactions with owners and other, recorded directly in equity:							
Payment of cash dividends	-	-	(404,058)	-	-	-	(404,058)
Purchases of treasury stock	-	-	-	-	(146,211)	-	(146,211)
Total transactions with owners and other, recorded directly in equity	-	-	(404,058)	-	(146,211)	-	(550,269)
Balance at March 31, 2015	₩ 2,139,317	1,560,650	19,195,258	(398,206)	(59,666)	-	22,437,353

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity, Continued

For the three months ended March 31, 2016 and 2015

(In millions of won)

	Attributable to owners of the Company						
	Common stock	**Capital surplus**	**Retained earnings**	**Accumulated other comprehensive loss**	**Other equity**	**Other capital items expected to be held for sale**	**Total**
Balance at January 1, 2016	₩ 2,139,317	1,560,650	21,039,080	(473,682)	(59,666)	(1,668)	24,204,031
Comprehensive income (net of tax):							
Profit for the period	-	-	944,584	-	-	-	944,584
Change in fair value of available-for-sale financial assets	-	-	-	(8,244)	-	-	(8,244)
Effective portion of changes in fair value of cash flow hedges	-	-	-	697	-	-	697
Change in capital adjustments - decrease in gain of equity method accounted investments	-	-	-	(3,859)	-	-	(3,859)
Change in capital adjustments - increase in loss of equity method accounted investments	-	-	-	10,509	-	-	10,509
Classification of held for sale	-	-	-	-	-	1,668	1,668
Remeasurements of defined benefit plans	-	-	(100,837)	-	-	-	(100,837)
Remeasurements of associates	-	-	5,272	-	-	-	5,272
Exchange differences on translating foreign operations	-	-	-	(8,325)	-	-	(8,325)
Total comprehensive income (net of tax)	-	-	849,019	(9,222)	-	1,668	841,465
Transactions with owners and other, recorded directly in equity:							
Payment of cash dividends	-	-	(441,025)	-	-	-	(441,025)
Purchases of treasury stock	-	-	-	-	(89,020)	-	(89,020)
Disposals of treasury stock	-	-	-	-	81,545	-	81,545
Total transactions with owners and other, recorded directly in equity	-	-	(441,025)	-	(7,475)	-	(448,500)
Balance at March 31, 2016	₩ 2,139,317	1,560,650	21,447,074	(482,904)	(67,141)	-	24,596,996

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the three months ended March 31, 2016 and 2015

(In millions of won)

	Note		2016	2015
Cash flows from operating activities				
Cash generated from operations	23	₩	(72,188)	334,351
Interest received			42,601	60,299
Interest paid			(32,697)	(21,379)
Dividends received			34	1,461
Income tax paid			(145,253)	(98,140)
Net cash provided by(used in) operating activities			(207,503)	276,592
Cash flows from investing activities				
Disposal of short-term financial instruments			4,173	857,520
Disposal of long-term financial instruments			393	-
Disposal of available-for-sale financial assets			1,615,643	130,606
Disposal of property, plant and equipment			15,422	42,520
Disposal of intangible assets			853	720
Cash proceeds from other investing activities			1,423	-
Purchase of short-term financial instruments			(90,018)	(8)
Purchase of long-term financial instruments			(57,997)	(19,644)
Acquisition of available-for-sale financial assets			(1,412)	(7,254)
Acquisition of investments in associates and joint ventures			(604,114)	-
Acquisition of property, plant and equipment			(425,261)	(849,535)
Acquisition of intangible assets			(217,229)	(131,368)
Cash payments from other investing activities			(1)	(261,483)
Net cash provided by(used in) investing activities			241,875	(237,926)
Cash flows from financing activities				
Proceeds from short-term borrowings and long-term debt			2,337,993	236,975
Cash proceeds from other financing activities			637	1,040
Repayment of short-term borrowings and long-term debt			(109,591)	(35,194)
Repayment of bonds			(175,800)	-
Repayment of financial lease liabilities			(1,342)	(1,298)
Purchases of treasury stock			(89,020)	(146,211)
Net cash provided by(used in) financing activities			1,962,877	55,312
Effect of exchange rate changes on cash and cash equivalents			37,923	(170,262)
Net increase(decrease) in cash and cash equivalents			2,035,172	(76,284)
Cash and cash equivalents at January 1			1,104,928	2,478,470
Cash and cash equivalents at March 31		₩	3,140,100	2,402,186

See accompanying notes to consolidated financial statements

For the three months ended March 31, 2016 and 2015

1. General Description of the Company and its subsidiaries

(a) Organization and description of the Company

Kia Motors Corporation (the "Company" or the "Parent Company"), one of the leading motor vehicle manufacturers in Korea, was established in December 1944 under the laws of the Republic of Korea to manufacture and sell a range of passenger cars, recreational vehicles and other commercial vehicles in the domestic and international markets. The Company owns and operates three principal automobile production sites: the Sohari factory, the Hwasung factory and the Kwangju factory.

The shares of the Company have been listed on the Korea Exchange since 1973. As of March 31, 2016, the Company's largest shareholder is Hyundai Motors Company, which holds 33.88 percent of the Company's stock.

The consolidated financial statements of the Group comprise the Company and its subsidiaries (the "Group") and the Group's interest in associates and joint ventures.

(b) Consolidated subsidiaries

Details of consolidated subsidiaries as of March 31, 2016 are summarized as follows:

Subsidiary	Location	Business	Percentage of ownership
Kia Motors America, Inc. (KMA)	U.S.A.	Exclusive importer and distributor of motor vehicles and parts	100.00%
Kia Motors Manufacturing Georgia, Inc. (KMMG)(*1)	U.S.A.	Manufacturing and sale of vehicles and parts	100.00%
Kia Canada Inc. (KCI)(*2)	Canada	Exclusive importer and distributor of motor vehicles and parts	100.00%
Kia Motors Deutschland GmbH (KMD)	Germany	"	100.00%
Kia Motors Europe GmbH (KME)	Germany	Holding company	100.00%
Kia Motors Polska Sp.z.o.o. (KMP)(*3)	Poland	Exclusive importer and distributor of motor vehicles and parts	100.00%
Kia Motors Slovakia s.r.o. (KMS)	Slovakia	Manufacturing and sale of vehicles and parts	100.00%
Kia Motors Sales Slovensko s.r.o. (KMSs)(*4)	Slovakia	Exclusive importer and distributor of motor vehicles and parts	100.00%
Kia Motors Belgium (KMB)(*4)	Belgium	"	100.00%
Kia Motors Czech s.r.o. (KMCZ)(*4)	Czech	"	100.00%
Kia Motors UK Ltd. (KMUK)(*4)	England	"	100.00%
Kia Motors Austria GmbH (KMAS)(*4)	Austria	"	100.00%
Kia Motors Hungary K.f.t (KMH)(*4)	Hungary	"	100.00%
Kia Motors Iberia (KMIB)(*4)	Spain	"	100.00%
Kia Motors Sweden AB (KMSW)(*4)	Sweden	"	100.00%
Kia Motors France SAS (KMF)(*4)	France	"	100.00%
Kia Motors Nederland BV (KMNL)(*4)	Netherlands	"	100.00%
Kia Motors Company Italy S.r.l (KMIT)(*4)	Italy	"	100.00%
Kia Motors Russia LLC (KMR)(*5)	Russia	"	100.00%
Kia Motors Australia Pty Ltd. (KMAU)	Australia	"	100.00%
Kia Motors New Zealand Pty Ltd. (KMNZ)(*6)	New Zealand	"	100.00%
Kia Motors Mexico S.A de C.V. (KMM)(*7)	Mexico	Manufacturing and sale of vehicles and parts	100.00%

1. General Description of the Company and its subsidiaries, Continued

(b) Consolidated subsidiaries, continued

(*1) 100.00% owned by KMA
(*2) 17.47% owned by KMA
(*3) 100.00% owned by KMD
(*4) 100.00% owned by KME
(*5) 80.00% owned by KME and 20.00% owned by KMD
(*6) 100.00% owned by KMAU
(*7) 0.01% owned by KMA

Twenty-two investment trusts other than stated in the note above are separate entities and the entities are consolidated as they are under control of the Company.

(c) Financial information of significant subsidiaries

Financial information of significant subsidiaries (before eliminating intra-group transaction) as of and for the three months ended March 31, 2016 and as of and for the year ended December 31, 2015 are summarized as follows:

(i) Financial information as of and for the three months ended March 31, 2016

(In millions of won)

Company		Total assets	Total liabilities	Sales	Net income (loss)
KMA	₩	6,704,388	5,793,338	3,600,590	176,352
KMMG		2,635,363	1,865,358	2,403,337	54,091
KMS		3,080,081	2,134,622	1,854,331	48,159
KMR		439,662	406,894	408,970	(6,152)

(ii) Financial information as of and for the year ended December 31, 2015

(In millions of won)

Company		Total assets	Total liabilities	Sales	Net income (loss)
KMA	₩	6,522,417	5,581,266	14,493,133	18,575
KMMG		2,451,924	1,534,815	8,764,010	154,419
KMS		2,804,382	1,713,794	6,367,957	263,758
KMR		402,144	365,163	1,959,935	(8,881)

2. Basis of Preparation

(a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS") as prescribed in the Act on External Audit of Corporations in the Republic of Korea.

These condensed consolidated financial statements were prepared in accordance with K-IFRS (No. 1034 *Interim Financial Reporting*) as part of the period covered by the Group's K-IFRS annual financial statements, and do not include all of the disclosures required for full annual financial statements.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with K-IFRS.

(b) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2015.

(c) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of K-IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

3. Summary of Significant Accounting Policies

The significant accounting policies used for the preparation of the consolidated financial statements are consistent with those applied to the annual consolidated financial statements for the year ended December 31, 2015, except for the adoption effect of the new and revised accounting standards and interpretations described below.

(a) New and revised standards that have been applied from the period beginning on January 1, 2016, are as follows:

- K-IFRS 1001 (Amendment): 'Presentation of Financial Statements'
The amendments to K-IFRS 1001 clarify the concept of applying materiality in practice and restrict an entity reducing the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different nautres or functions. The amendments also require separate disclosure of the share of other comprehensive income of associates and joint ventures accounted for using that equity method that will or will not be reclassified subsequently to profit or loss.

- K-IFRS 1016 (Amendment): 'Property, Plant and Equipment'
The amendments to K-IFRS 1016 prohibit from using a revenue-based depreciation method for items of property, plant and equipment.

- K-IFRS 1038 (Amendment): 'Intangible Assets'
The amendments to K-IFRS 1038 rebut presumption that revenue is not an appropriate basis for the amortization of intangible assets, which the presumption can only be rebutted when the intangible asset expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

- K-IFRS 1111 (Amendment): 'Joint Arrangements'
The amendments to K-IFRS 1111 provide guidance on how to account for the acquisition of joint operation that constitues a business as defined in K-IFRS 1103 'Business Combinations'. A joint operator is also required to disclose the relevant information required by K-IFRS 1103 and other standards for business combinations.

- Annual Improvements to K-IFRS 2012-2014 cycle
The Annual Improvements include amendments to a number of K-IFRSs. The amendments introduce specific guidance in K-IFRS 1105 'Non-current Assets Held for Sale and Discontinued Operations' for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), such a change is considered as a continuation of the original plan of disposal not as a change to a plan of sale. Other amendments in the Annual Improvements include K-IFRS 1107 'Financial Instruments: Disclosures', K-IFRS 1019 'Employee Benefits', and K-IFRS 1034 'Interim Financial Reporting'.

4. Geographic and Other Information

The Group is engaged in manufacturing and sales of vehicles and parts, leasing of vehicles and rendering vehicle maintenance services. Due to insignificant leasing income and maintenance services compared to total sales, the revenue from leasing and maintenance services are not disclosed.

(a) The following tables provide information of sales by geographic locations based on the location of customers and non-current assets as of and for the three months ended March 31, 2016:

(In millions of won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 7,806,454	6,518,380	6,648,853	249,218	(8,573,538)	12,649,367
Inter-company sales	(3,675,775)	(1,649,913)	(3,247,811)	(39)	8,573,538	-
Net sales	4,130,679	4,868,467	3,401,042	249,179	-	12,649,367
Property, plant and equipment, intangible assets and other	12,150,529	2,144,327	995,035	3,311	55,671	15,348,873

(b) The following tables provide information of sales by geographic locations based on the location of customers and non-current assets as of and for the three months ended March 31, 2015:

(In millions of won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 7,500,676	5,617,675	5,190,822	180,593	(7,312,098)	11,177,668
Inter-company sales	(3,166,747)	(1,558,633)	(2,586,685)	(33)	7,312,098	-
Net sales	4,333,929	4,059,042	2,604,137	180,560	-	11,177,668
Property, plant and equipment, intangible assets and other	10,245,369	1,281,573	921,870	4,056	54,700	12,507,568

5. Inventories

Inventories as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	March 31, 2016	December 31, 2015
Finished goods	₩ 6,945,810	6,424,987
Merchandise	21,749	21,492
Semi-finished goods	243,683	220,443
Work-in-process	215,796	199,341
Raw materials	380,269	375,326
Supplies	164,880	162,506
Materials-in-transit	321,017	291,251
	₩ 8,293,204	7,695,346

6. Investments in Associates and Joint Ventures

(a) Details of investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are summarized as follows:

Company	Location	Percentage of ownership	Carrying amount (In millions of won)	
			March 31, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.(*1)	Korea	16.88%	₩ 4,237,078	4,167,138
Hyundai Steel Company (*1)	Korea	17.27%	2,595,381	2,578,536
Hyundai Engineering & Construction Co., Ltd.(*1)	Korea	5.23%	797,515	795,122
Hyundai Powertech Co., Ltd.	Korea	37.58%	459,850	433,871
Hyundai Card Co., Ltd.(*1)	Korea	11.48%	291,840	286,326
Hyundai Capital Services, Inc.(*2)	Korea	20.10%	718,593	-
Hyundai Dymos Inc.	Korea	45.37%	318,221	314,692
EUKOR Car Carriers Inc.(*1)	Korea	8.00%	116,682	127,471
Hyundai Engineering Co., Ltd.(*1)	Korea	9.35%	233,578	234,643
Hyundai Partecs Co., Ltd.	Korea	31.00%	22,601	22,446
Hyundai Autoever Systems Co., Ltd.(*1)	Korea	19.37%	60,633	61,339
Donghee Auto Co., Ltd.	Korea	35.10%	16,447	17,377
TRW Steering Co., Ltd.	Korea	29.00%	1,258	1,205
Kia Tigers Co., Ltd.(*3)	Korea	100.00%	1,654	-
Hyundai NGV Co., Ltd.	Korea	24.39%	2,409	2,587
Haevichi Resort Co., Ltd.	Korea	23.24%	39,203	39,667
Hyundai Autron Co., Ltd.	Korea	20.00%	21,935	20,966
Beijing Dymos Transmission Co., Ltd.	China	24.08%	62,601	62,232
China Millennium Corporations	China	30.30%	30,585	29,779
Hyundai Motor Group China, Ltd.	China	30.00%	79,674	78,834
Yanji Kia Motors A/S and Repair(*3)	China	100.00%	2,285	2,528
Hyundai Powertech (Shangdong) Co., Ltd.	China	25.00%	82,485	78,667
Dongfeng Yueda Kia Motors Co., Ltd.(*4)	China	50.00%	814,073	880,820
Hyundai Motor Manufacturing Rus LLC	Russia	30.00%	98,534	93,250
Innocean Worldwide Americas, LLC	U.S.A.	20.00%	366	1,360
Hyundai Information System North America	U.S.A.	30.00%	3,590	3,921
Sewon America, Inc.	U.S.A.	40.00%	10,213	10,212
Hyundai Capital America	U.S.A.	20.00%	576,140	582,225
Hyundai Capital Services UK Ltd.(*4)	U.K.	10.00%	14,255	14,922
Hyundai Capital Canada Inc.	Canada	40.00%	21,306	22,017
Hyundai Capital Services Deutschland GmbH	Germany	20.00%	6,461	7,351
			₩ 11,737,446	10,971,504

6. Investments in Associates and Joint Ventures, Continued

(a) Details of investment in associates and joint ventures as of March 31, 2016 and December 31, 2015 are summarized as follows, continued:

(*1) Though the Group's ownership is below 20%, the Group has significant influence on the financial and operating policy decisions.

(*2) For the three months ended March 31, 2016, the Group acquired shares of Hyundai Capital Services, Inc. at ₩604,114 million and classified the shares as investment in associates.

(*3) Though the Group has 100% of the ownership, equity method is applied because management believes that the difference between consolidation and applying equity method is immaterial.

(*4) The Group classified Dongfeng Yueda Kia motors Co., Ltd. and Hyundai Capital Services UK Ltd. as joint ventures since the Group has the right to the net assets established by contractual agreement.

(b) Fair value of marketable securities of associates as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.	₩	4,090,341	4,049,274
Hyundai Steel Company		1,279,228	1,151,305
Hyundai Engineering & Construction Co., Ltd.		245,812	166,499

(c) Changes in investments in associates and joint ventures for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	10,971,504	10,470,634
Acquisition		604,114	-
Share of profit		348,911	302,409
Share of change in defined benefit plan remeasurements		5,272	2,362
Share of change in other comprehensive income (loss)		6,650	11,673
Dividends(*)		(188,533)	(258,836)
Other		(10,472)	2,187
Balance at March 31	₩	11,737,446	10,530,429

(*) The dividends were mainly from Dongfeng Yueda Kia Motors Co., Ltd., Hyundai Mobis Co., Ltd. and Hyundai Steel Company, amounting to ₩85,279 million, ₩57,495 million and ₩19,584 million for the three months ended March 31, 2016 and from Dongfeng Yueda Kia Motors Co., Ltd., Hyundai Mobis Co., Ltd and Hyundai Steel Company, amounting to ₩172,992 million, ₩49,281 million and ₩17,287 for the three months ended March 31, 2015.

6. Investments in Associates and Joint Ventures, Continued

(d) Financial information of significant associates and joint ventures as of and for the three months ended March 31, 2016 and as of and for the year ended December 31, 2015 are summarized as follows:

(i) Financial information as of and for the three months ended March 31, 2016

(In millions of won)

Company		Total assets	Total liabilities	Sales	Operating income	Net income	Comprehensive income
Hyundai Mobis Co., Ltd.	₩	38,438,770	12,314,576	9,339,501	718,390	795,202	757,559
Hyundai Steel Company		31,707,897	16,102,777	3,743,813	269,186	158,575	156,231
Hyundai Engineering & Construction Co., Ltd.		19,197,468	11,638,083	4,287,904	207,176	127,436	175,620
Dongfeng Yueda Kia Motors Co.,Ltd.(*)		4,783,355	3,121,532	2,270,752	47,643	40,136	40,136

(*) Additional financial information of joint ventures is summarized as follows:

(In millions of won)

Company		Cash and cash equivalents	Financial liabilities	Depreciation	Interest income	Interest expense	Income tax expense
Dongfeng Yueda Kia Motors Co., Ltd.	₩	249,484	648,292	49,602	8,818	12,316	11,288

(ii) Financial information as of and for the year ended December 31, 2015

(In millions of won)

Company		Total assets	Total liabilities	Sales	Operating income	Net income	Comprehensive income
Hyundai Mobis Co., Ltd.	₩	37,774,834	12,098,593	36,019,749	2,934,571	3,040,049	2,975,968
Hyundai Steel Company		31,936,434	16,416,435	16,132,513	1,464,142	739,167	743,947
Hyundai Engineering & Construction Co., Ltd.		19,457,593	11,966,328	19,122,053	986,560	584,027	622,729
Dongfeng Yueda Kia Motors Co.,Ltd.(*)		5,407,950	3,613,647	9,439,043	236,330	181,332	181,332

(*) Additional financial information of joint ventures is summarized as follows:

(In millions of won)

Company		Cash and cash equivalents	Financial liabilities	Depreciation	Interest income	Interest expense	Income tax expense
Dongfeng Yueda Kia Motors Co., Ltd.	₩	198,311	682,698	188,003	26,869	39,612	67,833

6. Investments in Associates and Joint Ventures, Continued

(e) Financial information of significant associates and joint ventures reconciled from the proportionate share in investees' net assets to the balance in the Group's consolidated financial statements as of and for the three months ended March 31, 2016 is summarized as follows:

(In millions of won)

Company		Based on Group's ownership percentage	Goodwill	Intra-group transaction	Other	Ending balance
Hyundai Mobis Co., Ltd.	₩	4,211,341	29,519	(3,782)	-	4,237,078
Hyundai Steel Company		2,648,004	8,277	(60,900)	-	2,595,381
Hyundai Engineering & Construction Co., Ltd.		308,427	284,338	-	204,750	797,515
Dongfeng Yueda Kia Motors Co., Ltd.		830,911	-	(16,838)	-	814,073

(*) Excluded proportionate share of non-controlling interests in net assets of associates and joint ventures.

7. Property, Plant and Equipment

(a) Details of changes in property, plant and equipment for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	13,042,121	10,114,317
Acquisition		389,090	831,933
Disposal		(17,227)	(44,282)
Depreciation for the period		(258,027)	(228,480)
Other		(18,174)	(122,886)
Balance at March 31	₩	13,137,783	10,550,602

The amounts of gain and loss on disposals of property, plant and equipment are ₩ 1,632 million and ₩ 3,437 million, respectively, for the three months ended March 31, 2016.

(b) The capitalized borrowing costs and capitalization interest rate for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Capitalized borrowing costs(*)	₩	4,323	3,801
Capitalization interest rate		1.09%	0.92%

(*) Including borrowing costs that were capitalized in respect of development cost of ₩ 1,125 million for the three months ended March 31, 2016.

8. Intangible Assets

Details of changes in intangible assets for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	2,133,785	1,888,828
Acquisition		147,789	132,766
Disposal		(800)	(720)
Amortization for the period		(121,794)	(113,085)
Reclassification		(54)	-
Other		(179)	(2,067)
Balance at March 31	₩	2,158,747	1,905,722

9. Other Assets

Other assets as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Other current assets:			
Financial asset at fair value through profit or loss	₩	200,211	200,261
Accrued income		58,553	35,820
Prepaid expenses		60,024	70,485
Derivative assets		4,254	2,122
Deposits provided		2,159	2,159
Other		9,448	8,539
	₩	334,649	319,386
Other non-current assets:			
Long-term accounts and notes receivable - other	₩	106,009	100,605
Long-term prepaid expenses		92	89
Long-term advanced payments		11,462	10,632
Finance lease receivables		5,182	6,134
	₩	122,745	117,460

10. Non-current Assets Held for Sale

Non-current assets held for sale as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Investment in associates (*)	₩	-	161,274

(*) On February 5, 2016, the Group contracted a total return swap agreement for the Group transfer 3,062,553 shares of Hyundai Steel Company which were classified as non-current assets held for sale as of December 31, 2015. Consequently, the Group reclassified the shares as available-for-sale financial assets because the shares did not meet the conditions of de-recognition.

11. Borrowings and other

(a) Short-term borrowings

Short-term borrowings as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%)		March 31, 2016	December 31, 2015
Usance bills	Woori Bank and others	0.24~1.21	₩	106,886	103,646
Trade bills(*)	Korea Development Bank and others	0.02~1.31		3,209,884	1,408,778
			₩	3,316,770	1,512,424

(*) The Group is continuously recognizing the carrying amount of the outstanding receivables which the Group provided a credit guarantee of, among the receivables sold to financial institutes and cash received for transfer is recognized as collateral.

11. Borrowings and other, Continued

(b) Long-term debt

Long-term debt in local currency as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%)		March 31, 2016	December 31, 2015
Facility loans	Korea Development Bank	2.47~2.83	₩	360,000	360,000
	Nong Hyup Bank	2.40~3.50		180,000	250,000
	Woori Bank	2.48		200,000	200,000
	Kookmin Bank	2.59		150,000	-
Collateralized securities loans(*)	NH Investment & Securities	1.92		147,287	-
				1,037,287	810,000
Less : current portion of long-term debt				(340,000)	(410,000)
			₩	697,287	400,000

(*) As the Group contracted the total return swap contract regarding transfer of 3,062,553 stocks of Hyundai Steel Co., Ltd. during the current period, the transaction is recognized as collateralized borrowing since the entire transaction did not meet the conditions of de-recognition.

Long-term debt in foreign currencies as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%)		March 31, 2016	December 31, 2015
General loans	Citi Bank Korea and others	1.09~1.96	₩	929,236	975,310
Facility loans and others	Deutsche Bank Slovakia and others	0.15~1.93		1,106,012	988,266
Overseas investment loans	The Export-Import Bank of Korea	1.83		275,687	280,108
	Korea Development Bank	1.86		57,675	58,600
				2,368,610	2,302,284
Less : current portion of long-term debt				(559,064)	(97,395)
			₩	1,809,546	2,204,889

(c) As of March 31, 2016, the Group has pledged its buildings in the amount of ₩ 46,040 million in aggregate as assessed by lenders as collateral for long-term debt.

11. Borrowings and other, Continued

(d) Bonds

Bonds as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Maturity date	Annual interest rate(%)		March 31, 2016	December 31, 2015
Unsecured public debentures	2017.11.24~2022.11.5	2.23~4.18	₩	930,000	930,000
Unsecured foreign debentures	2016.2.25	2.29		-	175,800
Foreign public debentures	2016.6.14	3.63		576,750	586,000
Less : discounts on debentures				(3,024)	(3,477)
				1,503,726	1,688,323
Less : current portion of long-term bonds				(576,528)	(761,271)
			₩	927,198	927,052

12. Other Liabilities

Other liabilities as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Other current liabilities:			
Unearned income	₩	22,267	20,372
Dividends payable		441,048	23
Guarantee received		1,082	840
Finance lease liabilities - current		3,149	4,383
Derivatives liabilities		-	44
Others		16,360	22,751
	₩	483,906	48,413
Other non-current liabilities:			
Leasehold deposits received	₩	15,766	15,104
Long-term unearned income		338	346
Long-term accounts and notes payable - other		2,078	2,110
Long-term accrued expenses		52,387	53,208
Others		287	398
	₩	70,856	71,166

13. Retirement Benefits Plan

(a) Details of defined benefit liabilities as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Present value of defined benefit obligations	₩	2,081,212	1,901,868
Fair value of plan assets		(1,635,610)	(1,645,527)
Net defined benefit liabilities	₩	445,602	256,341

(b) The components of plan assets as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Time deposits and others	₩	1,635,610	1,645,527

(c) The components of retirement benefit costs for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Current service costs	₩	75,053	72,426
Interest costs, net		1,331	2,922
	₩	76,384	75,348

(d) The principal actuarial assumptions(weighted average rate) used related to benefit plans as of March 31, 2016 and 2015 are summarized as follows:

	2016	2015
Discount rate(%)	2.63	2.96
Expected rate of future salary growth(%)	4.00	5.00

(e) Changes in defined benefit obligations for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	1,901,868	1,603,218
Current service costs		75,053	72,426
Interest costs		13,809	14,088
Remeasurements		116,274	139,898
Transfer in(out), net		923	(77)
Benefits paid		(26,715)	(18,103)
Balance at March 31	₩	2,081,212	1,811,450

13. Retirement Benefits Plan, Continued

(f) Changes in plan assets of for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	1,645,527	1,271,212
Return on plan assets		12,478	11,166
Remeasurements		(5,000)	(5,128)
Transfer in, net		383	50
Benefits paid		(17,778)	(8,432)
Balance at March 31	₩	1,635,610	1,268,868

14. Provisions

The Group generally provides warranty to the ultimate consumer for each product sold and accrues warranty expense at the time of sale based on the history of actual claims. Also, the Group records a provision for expenses which may occur due to replacement of parts or voluntary recalls pending as of the end of the reporting period. Other provision is comprised of provision related to loss on lawsuits.

Changes in provisions for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016			2015		
		Provision of warranty for sale	Other provision	Total	Provision of warranty for sale	Other provision	Total
Balance at January 1	₩	2,366,662	23,500	2,390,162	2,037,303	16,067	2,053,370
Provisions made (reversed) during the period		416,295	(3,280)	413,015	282,281	(1,089)	281,192
Provisions used during the period		(259,912)	(79)	(259,991)	(183,597)	(4)	(183,601)
Other increase (decrease)		9,318	3,563	12,881	(69,112)	(926)	(70,038)
Balance at March 31	₩	2,532,363	23,704	2,556,067	2,066,875	14,048	2,080,923
Thereof current	₩	671,735	21,519	693,254	652,431	11,684	664,115
Thereof non-current	₩	1,860,628	2,185	1,862,813	1,414,444	2,364	1,416,808

15. Commitments and Contingencies

(a) The Group provides guarantees for certain customers' financing relating to long-term installment sales. The outstanding amount for which the Group has provided guarantees to the respective financial institutions is ₩ 976 million as of March 31, 2016. These guarantees are covered by insurance contracts in which the Group is the beneficiary of the claim amount if the customer defaults.

(b) As of March 31, 2016, one certificate deposit of W 1,454 million has been provided as collateral to Korea Defense Industry Association ("KDIA") for a performance guarantee on a contract. The Group has provided 1,500 units (carrying amount: W 643 million) of the Korea Defense Industry Association ("KDIA"), which are included in long-term available-for-sale financial assets for a performance guarantee on a contract.

(c) The Group provides guarantees for employees relating to borrowings to acquire shares of the Company. The outstanding amount for which the Group has provided collective guarantees to the Korea Securities Finance Corporation is ₩ 291,941 million as of March 31, 2016. Management is of the opinion that the aforementioned guarantees will not have a material adverse effect on the Group's credit risk since the Group has pledged its acquired shares as collateral for the borrowings.

(d) The Group is involved in several claims, litigations for alleged damages and product liabilities, which arose in the ordinary course of business, as of March 31, 2016. Management is of the opinion that foregoing lawsuits and claims will not have a material adverse effect on the Group's financial position and results of operations since the likelihood of unfavorable outcome is not probable nor can the amounts be reliably estimated. In addition, as of March 31, 2016, the litigation for Ordinary Wage is underway and management cannot reliably estimate the potential impacts, on the Group's financial position, financial performance and cash flows.

(e) In connection with long-term debt guaranteed, amounting to USD 53,333 thousand, by Hyundai Motor America, Inc. and Mobis America, Inc., Kia Motors Manufacturing Georgia, Inc. (KMMG) should pay guarantor fees calculated at a rate of 0.15% per annum on the outstanding debt balance of KMMG which should be paid biannually.

(f) As of March 31, 2016, KMMG entered into an agreement with the West Point Development Authority and Troup Country Development Authority to issue up to USD 2,700,000 thousand of taxable revenue bonds to fund the purchase of building, machinery and equipment.

16. Equity

(a) The number of shares to issue, the number of shares issued and the par value of a share of the Company are 820 million shares, 405,363,347 shares and ₩5,000 as of March 31, 2016, respectively.

The Company retired 22.5 million shares of treasury stock on July 2, 2003 and May 28, 2004. Due to these stock retirements, the aggregate par value of issued shares differs from the common stock amount.

(b) Accumulated other comprehensive income(loss) as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Change in fair value of available-for-sale financial assets	₩	122,080	130,324
Effective portion of changes in fair value of cash flow hedges		1,127	430
Change in capital adjustments - gain of equity method accounted investment		113,199	117,058
Change in capital adjustments - loss of equity method accounted investment		(315,646)	(326,155)
Exchange differences on translating foreign operations		(403,664)	(395,339)
	₩	(482,904)	(473,682)

(c) Other equity as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Gain on retirement of capital stock	₩	119,859	119,859
Other capital surplus		41,921	55,613
Treasury stock		(228,921)	(235,138)
	₩	(67,141)	(59,666)

17. Earnings per Share

Details of earnings per share calculation for the three months ended March 31, 2016 and 2015 are summarized as follows:

(a) Basic earnings per share

(In won, except number of shares)

		2016	2015
Profit attributable to owners of the Company	₩	944,584,309,850	903,219,703,396
Weighted-average number of common shares outstanding(*)		400,624,112	403,788,225
Earnings per share	₩	2,358	2,237

(*) The weighted-average number of common equivalent shares is calculated by averaging outstanding period, and treasury stock is not included in the number of common equivalent shares.

(b) The Group did not compute diluted earnings per common stock for the three months ended March 31, 2016 and 2015, since there are no dilutive items during the period.

18. Selling, General and Administrative Expenses

Details of selling, general and administrative expenses for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Selling expenses:			
Advertising	₩	287,981	208,895
Sales promotion		230,069	211,144
Warranty expenses		416,295	282,281
Freight		66,144	63,469
Overseas marketing and export expenses		256,406	255,898
		1,256,895	1,021,687

(In millions of won)

		2016	2015
General and administrative expenses:			
Salaries	₩	191,140	170,056
Bonus		67,603	75,724
Retirement benefits		21,452	21,403
Other long-term employee benefits		2,035	1,559
Other employee benefits		48,148	43,032
Travel		13,087	11,510
Communications		4,031	4,107
Utilities		6,886	4,762
Taxes and dues		6,110	6,029
Rent		17,691	14,789
Depreciation		23,637	20,163
Amortization		6,577	6,060
Bad debt expenses		(43)	(243)
Repairs and maintenance		4,926	3,325
Insurance premium		4,692	3,194
Entertainment expense		1,981	1,891
Maintenance fee for vehicles		8,606	7,300
Supplies and stationery		3,328	2,088
Information fees		1,145	984
Education and training		9,312	8,215
Commissions and fees		82,926	72,875
Test expenses		152,751	154,280
Others		4,603	11,383
		682,624	644,486
	₩	1,939,519	1,666,173

19. Finance Income and Finance Expenses

Details of finance income and finance expenses for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Finance income			
Interest income	₩	36,482	50,176
Gain on exchange currency transaction		21,601	14,879
Gain on exchange currency translation		31,042	1,154
Dividends income		4,739	5,480
Gain on valuation of derivatives		2,162	3,990
Gain on disposal of available-for-sale financial assets		858	3,382
Gain on valuation of financial assets at fair value through profit or loss		-	271
	₩	96,884	79,332

(In millions of won)

		2016	2015
Finance expenses			
Interest expense	₩	42,499	28,615
Loss on foreign currency transaction		16,213	23,782
Loss on foreign currency translation		11,111	9,451
Loss on valuation of derivatives		684	565
	₩	70,507	62,413

20. Other Income and Expenses

(a) Other income for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Rent	₩	2,840	2,747
Foreign currency transaction gain		166,694	134,559
Foreign currency translation gain		136,094	80,424
Gain on disposals of property, plant and equipment		1,632	5,082
Gain on disposals of intangible assets		53	-
Reversal of allowance for doubtful accounts		6	149
Miscellaneous revenue		26,368	39,663
	₩	333,687	262,624

(b) Other expenses for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Foreign currency transaction loss	₩	135,088	110,832
Foreign currency translation loss		139,345	49,391
Loss on disposal of accounts and notes receivable - trade		153	123
Donation		5,081	2,855
Loss on disposals of property, plant and equipment		3,437	6,844
Loss on disposals of non-current assets held for sale		8,590	-
Miscellaneous losses		4,199	3,937
	₩	295,893	173,982

21. Income Tax Expense

The components of income tax expense for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Income tax currently payable	₩	252,203	176,373
Changes in deferred taxes due to temporary differences		(184,686)	(234,206)
Changes in deferred taxes due to item directly charged to equity		34,603	74,232
Total income tax expense	₩	102,120	16,399
Effective tax rate		9.76%	1.78%

22. Classification of Expenses by Nature

Details of expenses by nature for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Change in inventories	₩	(568,092)	(761,386)
Raw material and merchandise consumed		9,047,282	8,240,808
Employee benefits		1,032,483	1,006,365
Other employee benefits		197,700	174,095
Depreciation and amortization		380,120	341,840
Overseas marketing and export expenses		256,406	255,898
Sales promotion		230,242	211,316
Warranty expenses		416,295	282,281
Commissions and fees		258,188	228,158
Test expenses		172,761	171,677
Advertising		287,981	208,895
Freight		68,897	67,879
Rent		18,167	15,277
Utilities		82,359	89,037
Repairs and maintenance		26,576	22,165
Others		108,380	111,714
	₩	12,015,745	10,666,019

For the three months ended March 31, 2016 and 2015

23. Cash Flows

(a) Details of cash generated from operations for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Profit for the period	₩	944,584	903,220
Adjustments for:			
Retirement benefits		76,384	75,348
Depreciation		258,326	228,755
Amortization		121,794	113,085
Warranty expenses		416,295	282,281
Income tax expense		102,120	16,399
Gain on investment in associates and joint ventures, net		(348,911)	(302,409)
Interest expense(income), net		6,017	(21,561)
Dividends income		(4,739)	(5,479)
Gain on foreign currency translations, net		(16,680)	(22,736)
Loss on disposal of property, plant and equipment, net		1,805	1,762
Others		35,182	(56,839)
	₩	647,593	308,606

(In millions of won)

		2016	2015
Changes in assets and liabilities:			
Decrease(increase) in accounts and notes receivable - trade	₩	(294,886)	4,472
Decrease(increase) in accounts and notes receivable - other		40,621	(17,545)
Increase in inventories		(624,776)	(698,126)
Decrease in accounts and notes payable - trade		(93,556)	(17,401)
Increase in advances received		189,946	25,637
Decrease in accounts and notes payable - other		(916,532)	(2,662)
Increase in accrued expenses		331,296	55,998
Payment of retirement benefits		(26,715)	(18,103)
Change of net defined benefit liability		18,318	8,305
Payment of warranty expenses		(259,912)	(183,597)
Change of other assets and liabilities		(28,169)	(34,453)
		(1,664,365)	(877,475)
Cash generated from operations	₩	(72,188)	334,351

23. Cash Flows, Continued

(b) Significant non-cash investing and financing activities for the three months ended March 31, 2016 and 2015 are follows:

(In millions of won)

		2016	2015
Change in accounts and notes payable – other in connection to acquisition of property, plant and equipment	₩	(39,369)	(20,331)
Change in accounts and notes payable – other in connection to acquisition of intangible assets		(70,565)	326
Reclassification from non-current assets held for sale to available-for-sale financial assets		154,352	-

24. Finance Risk Management

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (comprised of foreign exchange risk and interest rate risk). The treasury department monitors and manages the financial risk arising from the Group's underlying operations in accordance with the risk management policies and procedures authorized by the board of directors.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has transacted with customers after evaluating on their credit rating and has their collaterals to control customers on default.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Management believes the Group maintains adequate sources of liquidity to settle short-term financial liabilities. In addition, based on periodic analysis of expected cash outflows, the Group also considers other alternatives, including seeking additional external financing or disposition of financial instruments for investment purpose, to mitigate liquidity risk.

(c) Market risk

Market risk is the risk of fluctuations in fair value of financial instrument and future cash flow by changes of market price. The purpose for managing market price is to optimize profits, while manage and control on exposure to market risk within acceptable limits.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from high proportion of export in sales amount, which is denominated in foreign currencies. The Group's primary exposure is to the US dollar and Euro and the Group manages to minimize financial risk on fluctuations in foreign exchange in order to stabilize operating activities. The Group consistently evaluates on various foreign exchange risk according to the Group's own guideline for foreign exchange and transaction policy. If necessarily, the Group may enter into foreign currency forwards contracts to hedge its foreign currency risk and strictly limit on speculative transaction.

24. Finance Risk Management, Continued

(ii) Interest rate risk

The Group's asset and liability is exposed to interest rate risk on deposits and loans. In order to minimize actual Interest cost, the Group continuously monitors current status of market interest rate, makes a prediction on market data and reviews on method for borrowing and joining financial instruments on deposit. Also, the Group's management monitors the level of interest rates and maintains the balance of borrowings at variable rates and fixed rates.

(d) Management of capital risk

The fundamental goal of capital management is to maintain on financial structure. As for this to be maintained, the Group uses debt ratio as indicator of capital management. The debt ratio is calculated as total liability divided by total equity.

25. Risk Management of Financial Instruments

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets means maximum exposure in respect of credit risk. The maximum exposure as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Cash and cash equivalents(*)	₩	3,139,786	1,104,622
Short-term financial instruments		2,959,736	2,875,137
Short-term available-for-sale financial assets		1,315,197	2,872,648
Accounts and notes receivable – trade		2,571,280	2,388,911
Accounts and notes receivable – other		846,322	696,593
Other current assets		274,625	248,901
Long-term financial instruments		193,495	93,352
Long-term available-for-sale financial assets		126,321	225,049
Long-term accounts and notes receivable - trade		3,187	3,145
Guarantee deposits		170,183	171,553
Other non-current assets		111,191	106,739
	₩	11,711,323	10,786,650

(*) Cash on hand is excluded.

25. Risk Management of Financial Instruments, Continued

(a) Credit and counterparty risk, continued

(ii) Loss on impairment

The aging information based on carrying amount of trade accounts and notes receivable as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016	December 31, 2015
Not overdue	₩	1,814,060	1,877,388
Past due less than 3 months		653,389	439,863
Past due 4 ~ 6 months		92,811	47,742
Past due 7 ~ 12 months		10,620	26,305
Past due over 12 months		100,793	97,714
	₩	2,671,673	2,489,012

Changes in allowance for doubtful trade accounts and notes receivable for the three months ended March 31, 2016 and for the year ended December 31, 2015 are summarized as follows:

(In millions of won)

		2016	2015
Beginning balance	₩	96,956	98,663
Collection of written-off amount		27	128
Write-off		(23)	(245)
Allowance for doubtful accounts		(43)	(646)
Others		289	(944)
Ending balance	₩	97,206	96,956

25. Risk Management of Financial Instruments, Continued

(b) Liquidity risk

(i) Aggregate maturities of the Group's financial liabilities, including estimated interest, as of March 31, 2016 are summarized as follows:

(In millions of won)

		Within 1 year	1~5 years	Over 5 years	Total
Accounts and notes payable - trade	₩	5,793,413	-	-	5,793,413
Accounts and notes payable - other		1,433,670	-	-	1,433,670
Accrued expenses		1,488,130	-	-	1,488,130
Bonds		605,051	625,448	392,543	1,623,042
Borrowings		4,294,612	2,178,026	424,880	6,897,518
Financial lease liabilities		3,195	-	-	3,195
Other current liabilities		442,130	-	-	442,130
Other non-current liabilities		-	70,518	-	70,518
	₩	14,060,201	2,873,992	817,423	17,751,616

(c) Foreign exchange risk

The Group's capital and income (loss) would have been increased or decreased, if the foreign exchange rates against USD and EUR were fluctuant. The Group assumes that interest rate fluctuates 10% at March 31, 2016 and December 31, 2015. Also, the Group assumes that others variables such as interest rate are not changed by sensitive analysis. The Group analyzed by the same method as used for last period and details for the effect on income before taxes are summarized as follows:

(In millions of won)

		2016		2015	
		10% Up	10% Down	10% Up	10% Down
USD	₩	(403,136)	403,136	(236,585)	236,585
EUR		(30,437)	30,437	(17,671)	17,671

(d) Interest rate risk

Sensitivity analysis of interest expenses and interests income for the year from changes of interests rate for the three months ended March 31, 2016 and for the year ended December 31, 2015 are summarized as follows:

(In millions of won)

		2016		2015	
		100bp Up	100bp Down	100bp Up	100bp Down
Interest income	₩	33,400	(33,400)	13,049	(13,049)
Interest expense		21,566	(21,566)	23,206	(23,206)

25. Risk Management of Financial Instruments, Continued

(e) Fair value

(i) Fair value and carrying amount

Details of fair value and carrying amount of financial assets and liabilities by category as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016		December 31, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss:					
Financial assets at fair value through profit or loss	₩	200,211	200,211	200,261	200,261
Loans and receivables:					
Cash and cash equivalents	₩	3,140,100	3,140,100	1,104,928	1,104,928
Short-term financial instruments		2,959,736	2,959,736	2,875,137	2,875,137
Accounts and notes receivable – trade		2,571,280	2,571,280	2,388,911	2,388,911
Accounts and note receivable – other		846,322	846,322	696,593	696,593
Long-term accounts and notes receivable - trade		3,187	3,187	3,145	3,145
Other financial assets		545,029	545,029	418,162	418,162
	₩	10,065,654	10,065,654	7,486,876	7,486,876
Available-for-sale financial assets:					
Short-term available-for-sale financial assets	₩	1,315,201	1,315,201	2,872,653	2,872,653
Long-term available-for-sale financial assets		762,642	762,642	724,356	724,356
	₩	2,077,843	2,077,843	3,597,009	3,597,009
Financial derivatives assets:					
Currency option (risk hedge)	₩	4,254	4,254	2,122	2,122

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(i) Fair value and carrying amount, continued

Details of fair value and carrying amount of financial assets and liabilities by category as of March 31, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		March 31, 2016		December 31, 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
Liabilities recognized by amortized cost:					
Accounts and notes payable - trade	₩	5,793,413	5,793,413	5,885,651	5,885,651
Accounts and notes payable - other		1,433,670	1,433,670	1,723,046	1,723,046
Bonds		1,503,727	1,527,973	1,688,323	1,714,458
Borrowings		6,722,667	6,692,986	4,624,708	4,594,641
Financial lease liabilities		3,149	3,149	4,383	4,383
Other financial liabilities		2,000,776	2,000,776	1,438,190	1,438,190
	₩	17,457,402	17,451,967	15,364,301	15,360,369
Financial derivatives liabilities:					
Currency option (risk hedge)	₩	-	-	44	44

The Group measured the fair value of financial instruments as follows:

- The fair value of available-for-sale financial assets traded within the market is measured at the closing bid price quoted at the end of the reporting period.

- The fair value of the derivatives is the present value of the difference between contractual forward price and future forward price discounted during the remaining period of the contract, from present to contractual maturity.

Except for the financial assets and liabilities above, the fair value of current receivables is close to their carrying amounts. In addition, the fair value of other financial instruments is determined as the present value of estimated future cash flows discounted at the current market interest rate. As of March 31, 2015, there isn't any significant business climate and economic environment changes affecting the fair value of financial assets and liabilities.

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(ii) Fair value hierarchy

Fair value measurement classified by fair value hierarchy as of March 31, 2016 are summarized as follows:

(In millions of won)

	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss:				
Financial assets at fair value though profit or loss ₩	-	200,211	-	200,211
Available-for-sale financial assets:				
Marketable securities	560,093	-	-	560,093
Derivative financial assets:				
Currency option (risk hedge)	-	4,254	-	4,254

(*)There were no significant transfers between levels 1, 2, and 3.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

The valuation techniques and the unobservable inputs used in measuring Level 2 fair values as of March 31, 2015 are summarized as follows:

(In millions of won)

	Fair value	Valuation methods	Inputs
Financial assets at fair value through profit or loss ₩	200,211	DCF model	Discount rate(*)
Hedging derivative financial assets	4,254		

(*)The expected net cash flows are discounted using a risk-adjusted discount rate based on government bonds

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(iii) Financial instruments not measured at fair value, and for which fair value is disclosed

Financial instruments recognized by amortized cost, but presented as fair value classified by fair value hierarchy as of March 31, 2016 are summarized as follows:

(In millions of won)

		Level 1	Level2	Level3	Total
Bonds and borrowings	₩	-	-	8,220,959	8,220,959

The Group has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair values.

The valuation techniques and the significant unobservable inputs used in measuring Level 3 fair values as of March 31, 2016 are summarized as follows:

(In millions of won)

		Fair value	Valuation methods	Significant unobservable input
Bonds and borrowings	₩	8,220,959	DCF model	Discount rate

(f) Income and expense by financial instruments category for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016			2015		
		Finance income	Finance expense	Other comprehensive income	Finance income	Finance expense	Other comprehensive income
Loans and receivables	₩	56,951	6,794	-	64,116	28,922	-
Financial assets at fair value though profit or loss		-	-	-	271	-	-
Available-for-sale financial assets		6,729	-	(8,244)	9,801	-	(117,507)
Liabilities measured at amortized cost		31,042	63,029	-	1,154	32,926	-
Derivative financial instruments		2,162	684	697	3,990	565	6,915
	₩	96,884	70,507	(7,547)	79,332	62,413	(110,592)

For the three months ended March 31, 2016 and 2015

26. Transactions and Balances with Related Companies

(a) Significant transactions

(i) Significant transactions which occurred in the normal course of business with related companies for the three months ended March 31, 2016 are summarized as follows:

(In millions of won)

			Revenues			Expenses		
Relation	**Company**		**Sales**	**Other**	**Total**	**Purchases**	**Other**	**Total**
Significant influence (To the Group)	Hyundai Motors Company	₩	33,470	6,940	40,410	115,792	76,405	192,197
Associates	Hyundai Capital Services Inc.		70,690	58	70,748	77	11,394	11,471
	Hyundai Mobis Co., Ltd.		16,943	690	17,633	1,077,069	452	1,077,521
‘’	Hyundai Powertech Co., Ltd.		1,002	647	1,649	117,624	270	117,894
‘’	Hyundai Dymos Inc.		1,653	72	1,725	121,780	23	121,803
‘’	Hyundai Engineering Co., Ltd.		-	54	54	-	38,420	38,420
‘’	Hyundai Steel Company		3,205	19	3,224	19,246	-	19,246
‘’	EUKOR Car Carriers Inc.		-	129	129	-	66,498	66,498
‘’	Donghee Auto Co., Ltd.		-	-	-	34,083	25	34,108
‘’	Hyundai Motor Group China., Ltd.		8,526	-	8,526	-	1,956	1,956
‘’	Dongfeng Yueda Kia Motors Co., Ltd.		106,893	2,670	109,563	-	19	19
‘’	Hyundai Motor Manufacturing Russia LLC		-	-	-	153,026	-	153,026
‘’	Mobis Alabama, LLC		868	7,156	8,024	579,835	5,308	585,143
‘’	Mobis Parts America, LLC		156	-	156	124,817	-	124,817
‘’	Mobis Slovakia s.r.o.		13,883	2,005	15,888	430,649	559	431,208
‘’	Powertech America, Inc.		-	729	729	123,397	-	123,397
‘’	Sewon America, Inc.		-	602	602	86,487	-	86,487
	Other		1,072	1,819	2,891	334,278	95,923	430,201
Other related companies								
	Hyundai Glovis Co., Ltd.		27,881	3,257	31,138	590,310	119,225	709,535
‘’	Hyundai WIA Corporation		114	1,033	1,147	591,441	14	591,455
‘’	Hyundai Motor America		559,007	-	559,007	-	8,050	8,050
‘’	Hyundai Motor Manufacturing Czech s.r.o.		210,192	1,385	211,577	31,128	295	31,423
‘’	Hyundai Motor Manufacturing Alabama,LLC		-	1,788	1,788	205,913	308	206,221
‘’	Hyundai Auto Canada Corp.		175,892	-	175,892	-	3,217	3,217
‘’	Other		8,236	1,916	10,152	398,729	135,982	534,711
		₩	1,239,683	32,969	1,272,652	5,135,681	564,343	5,700,024

For the three months ended March 31, 2016 and 2015

26. Transactions and Balances with Related Companies, Continued

(a) Significant transactions, continued

(ii) Significant transactions which occurred in the normal course of business with related companies for the three months ended March 31, 2015 are summarized as follows:

(In millions of won)

			Revenues			Expenses		
Relation	**Company**		**Sales**	**Other**	**Total**	**Purchases**	**Other**	**Total**
Significant influence (To the Group)	Hyundai Motors Company	₩	27,650	4,640	32,290	137,711	72,867	210,578
Associates	Hyundai Mobis Co., Ltd.		12,822	769	13,591	1,063,946	502	1,064,448
‘’	Hyundai Powertech Co., Ltd.		568	1	569	102,680	298	102,978
‘’	Hyundai Dymos Inc.		-	107	107	100,794	18	100,812
‘’	EUKOR Car Carriers Inc.		-	140	140	-	101,966	101,966
‘’	Donghee Auto Co., Ltd.		24	-	24	49,397	13	49,410
‘’	Hyundai Engineering Co., Ltd.		-	37	37	-	25,635	25,635
‘’	Hyundai Steel Company		-	24	24	20,207	-	20,207
‘’	Hyundai Motor Group China., Ltd.		128,769	-	128,769	-	3,905	3,905
‘’	Dongfeng Yueda Kia Motors Co., Ltd.		77,227	10,619	87,846	291	86	377
‘’	Hyundai Motor Manufacturing Russia LLC		-	2,262	2,262	143,816	-	143,816
‘’	Mobis Alabama, LLC		833	3,411	4,244	505,591	1,702	507,293
‘’	Mobis Parts America, LLC		150	-	150	105,682	-	105,682
‘’	Mobis Slovakia s.r.o.		9,252	1,417	10,669	336,464	162	336,626
‘’	Powertech America, Inc.		11	560	571	117,135	-	117,135
‘’	Sewon America, Inc.		-	1	1	72,880	3,113	75,993
	Other		818	444	1,262	120,821	60,675	181,496
Other related companies								
	Hyundai Glovis Co., Ltd.		43,080	3,134	46,214	529,369	106,915	636,284
‘’	Hyundai WIA Corporation		1,143	1,502	2,645	716,625	6,379	723,004
‘’	Hyundai Capital Services Inc.		40,294	105	40,399	41	6,857	6,898
‘’	Hyundai Motor America		491,205	-	491,205	-	10,354	10,354
‘’	Hyundai Motor Manufacturing Czech s.r.o.		158,383	1,391	159,774	30,265	94	30,359
‘’	Hyundai Motor Manufacturing Alabama,LLC		-	1,923	1,923	152,889	648	153,537
‘’	Hyundai Auto Canada Corp.		176,708	-	176,708	-	6,900	6,900
‘’	Other		5,793	432	6,225	279,250	121,036	400,286
		₩	1,174,730	32,919	1,207,649	4,585,854	530,125	5,115,979

26. Transactions and Balances with Related Companies, Continued

(b) Account balances

(i) Account balances with related companies as of March 31, 2016 summarized as follows:

(In millions of won)

			Receivables			Payables		
Relation	**Company**		**Trade**	**Other**	**Total**	**Trade**	**Other**	**Total**
Significant influence (To the Group)	Hyundai Motors Company	₩	39,512	34,615	74,127	152,683	271,989	424,672
Associates	Hyundai Capital Services Inc.		35,420	23	35,443	-	3,947	3,947
	Hyundai Mobis Co., Ltd.		6,041	64,434	70,475	1,007,531	5,215	1,012,746
‘’	Hyundai Powertech Co., Ltd.		17	1,707	1,724	91,559	2,558	94,117
‘’	Hyundai Dymos Inc.		-	4,676	4,676	91,985	1,716	93,701
	Hyundai Engineering Co., Ltd.		-	8,538	8,538	-	39,770	39,770
	Hyundai Steel Company		-	23,222	23,222	16,740	-	16,740
‘’	EUKOR Car Carriers Inc.		-	9,695	9,695	-	11,673	11,673
‘’	Donghee Auto Co., Ltd.		-	-	-	18,491	1	18,492
‘’	Hyundai Motor Group China., Ltd.		323,595	8	323,603	-	685	685
‘’	Dongfeng Yueda Kia Motors Co., Ltd.		36,710	92,097	128,807	-	646	646
‘’	Hyundai Motor Manufacturing Russia LLC		303	-	303	75,841	-	75,841
‘’	Mobis Alabama, LLC		194	4,167	4,361	196,459	280	196,739
‘’	Mobis Parts America, LLC		150	-	150	45,343	-	45,343
‘’	Mobis Slovakia s.r.o.		-	-	-	175,506	-	175,506
‘’	Powertech America, Inc.		-	189	189	39,837	-	39,837
‘’	Sewon America, Inc.		-	-	-	29,203	-	29,203
	Other		12,719	9,124	21,843	240,199	81,353	321,552
Other related companies								
	Hyundai Glovis Co., Ltd.		2,901	2,648	5,549	501,012	31,982	532,994
‘’	Hyundai WIA Corporation		1	6,426	6,427	442,507	19,413	461,920
‘’	Hyundai Motor America		189,944	-	189,944	-	3,690	3,690
‘’	Hyundai Motor Manufacturing Czech s.r.o.		57,776	481	58,257	-	3,223	3,223
‘’	Hyundai Motor Manufacturing Alabama,LLC		-	1,233	1,233	76,005	591	76,596
‘’	Hyundai Auto Canada Corp.		71,050	-	71,050	-	1,640	1,640
‘’	Other		6,388	7,572	13,960	117,588	82,866	200,454
		₩	782,721	270,855	1,053,576	3,318,489	563,238	3,881,727

26. Transactions and Balances with Related Companies, Continued

(b) Account balances, Continued

(ii) Account balances with related companies as of December 31, 2015 summarized as follows:

(In millions of won)

			Receivables			Payables		
Relation	**Company**		**Trade**	**Other**	**Total**	**Trade**	**Other**	**Total**
Significant influence (To the Group)	Hyundai Motors Company	₩	46,068	34,638	80,706	146,999	330,781	477,780
Associates	Hyundai Mobis Co., Ltd.		3,614	451	4,065	926,580	1,540	928,120
‘’	Hyundai Powertech Co., Ltd.		-	11,410	11,410	75,553	880	76,433
	Hyundai Dymos Inc.		-	3,206	3,206	84,029	1,528	85,557
	Hyundai Engineering Co., Ltd.		-	18	18	-	52,776	52,776
	Hyundai Steel Company		10	108	118	23,277	-	23,277
‘’	EUKOR Car Carriers Inc.		-	25	25	-	23,332	23,332
‘’	Donghee Auto Co., Ltd.		1	-	1	22,010	4	22,014
	Hyundai Motor Group China Ltd.		382,288	-	382,288	-	588	588
	Dongfeng Yueda Kia Motors Co., Ltd.		30,054	2,154	32,208	-	638	638
	Hyundai Motor Manufacturing Russia LLC		253	4,032	4,285	84,761	-	84,761
‘’	Mobis Alabama, LLC		-	1,061	1,061	152,487	-	152,487
	Mobis Parts America, LLC		167	-	167	42,617	-	42,617
‘’	Mobis Slovakia s.r.o.		-	-	-	168,901	-	168,901
‘’	Powertech America, Inc.		-	182	182	33,722	-	33,722
‘’	Sewon America, Inc.		-	-	-	21,997	-	21,997
‘’	Other		8,906	6,336	15,242	237,888	101,592	339,480
Other related companies	Hyundai Glovis Co., Ltd.		15,621	2,693	18,314	487,845	36,788	524,633
	Hyundai WIA Corporation		-	6,166	6,166	534,859	17,055	551,914
‘’	Hyundai Capital Services Inc.		38,412	27	38,439	-	3,840	3,840
‘’	Hyundai Motor America		170,253	-	170,253	-	5,197	5,197
‘’	Hyundai Motor Manufacturing Czech s.r.o.		54,231	1,580	55,811	-	4,457	4,457
‘’	Hyundai Motor Manufacturing Alabama,LLC		-	280	280	48,257	299	48,556
	Hyundai Auto Canada Corp.		35,608	-	35,608	-	1,458	1,458
‘’	Other		14,770	350	15,120	134,999	120,394	255,393
		₩	800,256	74,717	874,973	3,226,781	703,147	3,929,928

The Group holds financial instruments of ₩ 600,000 million in HMC Investment Securities Co., Ltd, its related company, and makes contributions to Hyundai Life Insurance Co., Ltd for employee benefit plan in connection with severance and retirement benefits which totaled ₩ 122,002 million as of March 31, 2016.

26. Transactions and Balances with Related Companies, Continued

(c) Significant transactions which occurred in funding with related companies for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Investment in capital for other related companies	₩	-	7,155

(d) Executive compensation of the Company for each of the following categories for the three months ended March 31, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Compensation			
Salaries	₩	12,049	10,691
Retirement benefits		3,667	3,344
Total	₩	15,716	14,035

27. Subsequent Event

The Company issued the $700 million dollar-denominated global bond at April 21, 2016. Details are summarized as follows:

(In millions of won)

	Maturity date	Coupon rate(%)		Amount
US$400 million worth of five-year global bonds	2021.4.21	2.63	₩	452,920
US$300 million worth of ten-year global bonds	2026.4.21	3.25		339,690