

# I. Company Overview

## 1. Company Overview

### (1) Name of the Company

『현대글로비스주식회사』 and expressed as 『HYUNDAI GLOVIS Co., Ltd.』 in English.

### (2) Establishment Date of the Company, etc.

The Company was established on Feb. 22, 2001 to pursue the efficiency by integrating logistics of Hyundai · Kia Motors Group. Since then, the Company continues to grow as an automotive-specialized logistics company and was listed on the Korea Exchange on Dec. 26, 2005.

### (3) Address of the Company, etc.

Address : Daerung GangnamTower 12~18F, 826-20 Yeoksam-dong, Gangnam-gu, Seoul

Telephone : 02-2054-7114

Homepage : <http://www.glovis.net>

### (4) Major Businesses

The Company conducts Total Logistics Business and Distribution/Sales Business.

#### [Total Logistics]

Total Logistics is the transport business for the freight consigned by the owner of goods. Total Logistics is again categorized into Korea Logistics and International Logistics by the regions where the logistics activities occur. Korea Logistics is related to the logistics in domestic market whereas International Logistics is for the inbound and outbound logistics.

#### [Distribution/Sales]

The Company's Distribution/Sales has CKD and Merchandise Sales business.

CKD stands for Complete Knock Down and it is an exporting activity of parts in the smallest unit. It is one form of KD transport exporting of semi-finished products, not finished products.

The Company currently provides CKD parts procuring service business to Hyundai Motor Manufacturing Alabama, Czech, Turkey, Russia, Kia Motors Slovakia and Georgia. Besides CKD parts, the Company sells various merchandises, mostly used cars. In Used Car Business, the Company operates used car auction center by wholesale and at present there are two auction centers in Bundang and Sihwa.

\* For more details on major business please refer to 'II. Business Overview.'

## (5) Affiliates

In accordance with Monopoly Regulation and Fair Trade Act and as of this annual report date (June 30, 2011), the Company is an affiliate in Hyundai · Kia Motors Group and there are 61 affiliated companies in Korea (including GLOVIS). For further details on affiliated companies, please refer to 'VI. Board of Directors, Corporate Governance, and Related Companies 4. Affiliated Companies under the Group, etc. A. Affiliated Companies.'

## (6) Credit Rating

Credit ratings evaluated and provided by credit bureaus over the last recent 3 fiscal years as of this 1H report date, are as follows.

- S&P : Corporate Bond, BBB- (negative), Jan. 15, 2009  
Corporate Bond, BBB- (stable), Jan. 27, 2010  
Corporate Bond, BBB (stable), Nov. 4, 2010  
**Corporate Bond, BBB (positive), Jun. 7, 2011**
- Moody's : Corporate Bond, Baa3 (stable), Jun. 18, 2008  
Corporate Bond, Baa3 (negative), Apr. 21, 2009  
Corporate Bond, Baa3 (stable), Nov. 11, 2009  
**Corporate Bond, Baa2 (stable), Sept. 21, 2010**

Definition of each rating provided are as follows.

BBB(Baa) on overseas corporate bond indicates that principle amount payment ability is satisfactory but a potential drop of efficiency exists in future principle amount payment ability depending on economic circumstances and aggravation of surrounding situations.

## 2. Company History

## A. Move and Location of Headquarters

Since the establishment, the Company had been located at 113-25 Wonhyo-ro 4ga Yongsan-gu, Seoul. On Jan. 1, 2007, the Company moved to 825-22 Yeoksam-dong Gangnam-gu, Seoul and on Oct. 1, the Company moved to 826-20 Yeoksam-dong Gangnam-gu, Seoul.

## B. Significant Changes in Corporate Governance

[Year 2005~2006]

The Company maintained one-single CEO structure with CEO Ju Eun Lee since its establishment.

[Year 2007]

On Mar. 9, Myeong Joong Yun inaugurated as CEO organizing separate CEO structure with CEO Ju Eun Lee. On May 4, Chi Woong Kim inaugurated as CEO after CEO Ju Eun Lee resigned.

[Year 2008]

Since CEO Myeong Joong Yun resigned on Jan. 1, the CEO structure was changed to one-single structure with CEO Chi Woong Kim. After CEO Chi Woong Kim resigned, Seung Suk Yang was inaugurated as CEO on Dec. 16.

[Year 2009]

Due to the resignation of CEO Seung Suk Yang, Kyung Sun Lee was inaugurated as a new CEO on Mar. 13, but after CEO Kyung Sun Lee resigned, Kyung Bae Kim was inaugurated as CEO on Jul. 23.

## C. Change of the Company's Name

The Company was established on Feb. 22, 2001 with the name Hankook Logitech Co., Ltd., changed its name to GLOVIS Co., Ltd. on Jun. 20, 2003, and changed it again to HYUNDAI GLOVIS Co., Ltd. by approval of amendments to the Articles of Incorporation at the 10th Annual Shareholders' Meeting on Mar. 11, 2011.

## D. Important Matters related to Business

[Year 2005]

- Established New Overseas Subsidiary : GLOVIS Slovakia, Beijing GLOVIS,  
Jiangsu Yongchang GLOVIS, GLOVIS Australia
- Certified : Standardized Logistics Equipment

- Awarded : Grand Prize for Best Global Management
- Listed on the Korea Exchange

[Year 2006]

- Established New Overseas Subsidiary : GLOVIS Europe, GLOVIS India,  
GLOBAL AUTO PROCESSING SERVICES Inc.
- Awarded : Grand Prizes for Korea Logistics and SCM in Korea

[Year 2007]

- Established New Overseas Subsidiary : GLOVIS Turkey, GLOVIS Czech, GLOVIS Georgia,  
GLOVIS Hong Kong
- Certified : Integrated-Logistics Company, ISO Environmental Management System
- Awarded : Republic of Korea e-Business Award from the Ministry of Commerce, Industry  
and Energy, Trophy for 800 Million dollars of Exports,  
Silver Medal for Industrial Development Contribution

[Year 2008]

- Entered Finished Car Shipping Business
- Contracted 1st and 2nd Long-term Chartering Contracts for Hyundai Steel Raw Material  
Shipping
- Opened Sihwa Used Car Auction Center
- Obtained International Credit Rating (S&P, Moody's)
- Established New Overseas Subsidiary : GLOVIS Russia,  
GLOBAL AUTO PROCESSING SERVICES  
ALABAMA, LLC
- Liquidated Overseas Subsidiary : Jiangsu Yongchang GLOVIS
- Certified : ISO 27001(International Information Security Management System)
- Awarded : The 3rd RFID Industrialization Presidential Award,  
Trophy for 900 Million dollars from Exports

[Year 2009]

- Established New Overseas Subsidiary : GLOVIS Canada,  
GLOBAL AUTO PROCESSING SERVICES  
GEORGIA, LLC
- Awarded : The 17th Korea Logistics Presidential Honor

[Year 2010]

- Established New Overseas Subsidiary : Tianjin GLOVIS  
(Tianjin Glovis Automotive Parts Co., Ltd.)

GLOBAL AUTO PROCESSING SERVICES  
PENNSYLVANIA, LLC

- Liquidated Overseas Subsidiary : GLOVIS Hong Kong
- Credit Rating Upgrade (Moody's) : Baa3 → Baa2
- Credit Rating Upgrade (S&P) : BBB- → BBB
- Awarded : Trophy for 1 Billion dollars from Exports, Asia's Fabulous 50 Companies from Forbes

[Year 2011]

- Established New Overseas Subsidiary : GLOVIS Brazil

### 3. Changes in Capital

#### A. Changes in Capital

The Company had no changes in capital for the recent 5 fiscal years.

### 4. Total Number of Shares

As of now June. 30, 2011, the total number of shares to be issued pursuant to the Company's Articles of Incorporation is 200,000,000 shares of common stock and the total number of issued shares is 37,500,000 shares of common stock. There are no shares issued other than common stocks. Also, the Company did not acquire any treasury stocks nor issued appraisal rights. Therefore the total number of circulating shares is 37,500,000 of common stock.

As of June 30, 2011

(Unit : Shares)

Category		Type of Shares		Remark
		Common Stock	Total	
I. Total number of issuing shares		200,000,000	200,000,000	-
II. Total number of issued shares		37,500,000	37,500,000	-
III. Total number of decreased shares		-	-	-
	1. Capital reduction	-	-	-
	2. Retirement of stock	-	-	-
	3. Repayment of redeemable share	-	-	-

Category		Type of Shares		Remark
		Common Stock	Total	
	4. Others	–	–	–
IV. Total number of issued shares (II–III)		37,500,000	37,500,000	–
V. Total number of treasury Stock		–	–	–
VI. Public Float (IV–V)		37,500,000	37,500,000	–

## 5. Status of Voting Rights

(As of June 30, 2011)

(Unit : Shares)

Category		Number of shares	Remark
Issued and outstanding share(A)	Common stock	37,500,000	–
	Preferred stock	–	–
Shares without voting rights(B)	Common stock	–	–
	Preferred stock	–	–
Shares with limited voting rights pursuant to other acts(C)	Common stock	–	–
	Preferred stock	–	–
Shares with voting rights recovered(D)	Common stock	–	–
	Preferred stock	–	–
Shares with voting rights (E= A – B – C + D)	Common stock	37,500,000	–
	Preferred stock	–	–

## 6. Matters on Dividends, etc.

The Company pays out annual dividend after the resolutions of the Board of Directors and Shareholders Meeting. The Articles of Incorporation of the Company stipulates dividends as below :

### Article 40 Payment of Dividends

- ① Dividends shall be paid to the shareholders or pledgees of shares who are registered in the shareholders registry as of the end of each fiscal year; provided, that profits may be distributed to shareholders once during a fiscal year as interim dividends on a specified date pursuant to the resolution of the Board of Directors.
- ② Dividends may be paid in either cash or shares. Interim dividends shall be paid in cash. Share dividends shall be based on the par value of the shares, and if the Company has issued several types of shares, it can be made in each of the same type of shares.
- ③ The right to claim dividends shall be extinguished if the right is not exercised within five (5) years.
- ④ After the expiration of the period set forth in Paragraph (3) above, unclaimed dividends shall revert to the Company.

Matters on dividend over the last recent 3 fiscal years are as below.

Category		1H of 11th FY	10th FY	9th FY
Face value per share (KRW)		500	500	500
Net income (KRW MN)		145,476	265,594	189,774
Earnings per share (KRW)		3,879	7,083	5,061
Total amount of cash dividend (KRW MN)		–	26,250	22,500
Total amount of share dividend (KRW MN)		–	–	–
Cash dividend payout ratio (%)		–	9.88	11.86
Cash dividend yield ratio (%)	Common stock	–	0.5	0.5
	Preferred stock	–	–	–
Share dividend yield ratio (%)	Common stock	–	–	–
	Preferred stock	–	–	–
Cash dividend per share (%)	Common stock	–	700	600
	Preferred stock	–	–	–
Share dividend per share (Share)	Common stock	–	–	–
	Preferred stock	–	–	–

\* The 10th & 9th FY are based on K-GAAP.

## II. Business Status

### 1. Business Overview

#### (1) Total Logistics Business

##### [Characteristics]

Logistics business relates to the flow of material that makes up the overall economy. The process includes transportation, storage, loading/unloading, packaging, and distribution processing.

According to the data of 2009 corporations' logistics cost from Korea International Trade Association, Korean companies have spent budgets on logistics about 8.37% to total sales revenue in 2009, which kept decreasing since 1997. This shows that Logistics competency of Korea is relatively increasing. The factors of decreasing logistics cost are expansion of social overhead capital, logistics standardization based on infrastructure, logistics automation, government's logistics policy and logistics radical reform by outsourcing.

Logistics cost could be ranked by the usage: storage cost(52.6%), transporting cost (41.9%), packaging(3.4%), unloading charge(1.6%), and information/maintenance fee (0.4%), and by field: sales and distribution cost(69.0%), procurement(20.8%), internal logistics(9.8%), reverse logistics(0.4%).

Logistics business is affected by domestic cargo volume and import/export volume. It is relatively less affected by economic cycle compared to other business because sluggish economy and poor import/export do not usually coincide, and cargo volume is steadily increasing despite the falling prices of products due to increased competition. Seasonal fluctuations are not high but are affected by holidays, recess, and industrial dispute in the customers' company which are causes of decrease in product production.

##### [Growth of the Industry]

With informatization and globalization, customer demands for quick logistics service are increasing and businesses are strengthening core competitiveness through higher logistics efficiency. Thus, the importance of logistics is gradually rising in an economy. As the economic scale and trade volume in the Northeast Asian region is increasing, there



are efforts at national level to foster logistics as a core industry.

#### [Domestic and Overseas Market Conditions]

GLOVIS provides logistics services mainly to company customers. These customers put importance on improving profitability through cost reduction, which is intensifying competition regarding logistics cost among logistics companies. To survive in such a competitive environment, logistics companies are striving to improve process and system. Logistics outsourcing improves competitiveness and efficiency by consigning non-core business and focusing more on core business. Logistics outsourcing is already widespread in developed countries such as Japan and USA, etc. : usage ratio of 3PL in Korea was 48.2% in 2009, lower than that in developed countries, but it is growing rapidly (35.6% in 2005). Customers' financial status acts as a major factor for demand but logistics is less likely to be affected by economic cycle.

#### [Competitiveness of the Company]

As a logistics company in Hyundai · Kia Motors Group, the Company realizes economy of scale by handling large-scale within the Group's freights. By virtue of economy of scale, the Company could obtain price-merit differentiating from other logistics companies and also has been able to draw in 3rd Party freights apart from the Group's. The Company's domestic/overseas network and services such as providing real-time logistics information with self-developed IT systems and implementing them throughout the total logistics process, are also other competitive factors of the Company.

## (2) Distribution/Sales Business

### ① CKD

#### [Characteristics]

CKD business is about providing vehicle parts to overseas manufacturing plants by placing an order, parts-collecting, packaging, loading into a container and marine/air transportation. Reducing logistics cost is a strategically important factor for improving the logistics process continuously, i.e. shortening lead time, establishing JIT (Just-in-Time) system, maintaining packaging quality, standardizing packaging, etc.

Generally, CKD supply reflects time for procurement/packaging/overseas transportation, which explains why it takes about 2 months for an order received from the overseas

assembly plant to completion of production.

#### [Growth of the Industry]

These days, automakers are trying to expand their overseas sales through local production. Especially in the case of Hyundai/Kia Motors, they are growing largely in the global automotive market, establishing local production lines in almost every country. Along with that, CKD business market forecast is favorable.

#### [Competitiveness of the Company]

CKD business of the Company pursues One-Stop Service. The Company raises customer-satisfaction by managing the total process from order-placing, parts-collecting, packaging, marine/air transportation, procuring to local plants by operating local C/C's using Just-in-time and Just-in-Sequence.

Especially, RFID system which the Company implemented to Hyundai Motor Manufacturing Alabama traces the freight in real-time which reduces the abrupt-transport and costs. The Company has been awarded the 3rd RFID Industrialization Presidential Award for this. Moreover, the Company applies its own know-how and new packaging techniques for the safety of long-travelling products, satisfying the overseas assembly plants. In addition, to prepare for any accidents which might occur during the overseas transportation, the Company is insured for cargo.

### ② Used Car Sales

#### [Characteristics]

- Domestic demand : It has been 10 years since the current used car market overtook the new car market and it is forecasted that the used car market will grow further due to the advancement in car production technology, which will lengthen the car-owning period. Likewise, as results of the gradual expansion of used car market, higher replacement rate for new vehicles from quality improvement of cars and increasing number of direct transactions via internet, the used car market managed 1.75 MN cars during 2008, 1.96 MN cars during 2009, 2.73 MN cars in 2010, and about 1.67 MN cars in 1H of 2011.

(Data from Ministry of Land, Transport, and Maritime Affairs)

The ratio for used cars sold through direct transactions and used cars sold through agencies is 42 : 58 as of the end of 1H of 2011.

Widespread use of internet is transforming the market by providing customers with sufficient information, thereby increasing direct transactions.

- Export : The sales has been gradually improving with the increase in exports to new markets including Middle East and East Asia since 2006.

#### [Growth of the Industry]

Used car market is about 1.9 times larger in trading volume than the new car market. However, in case of auctioning in the used car market, which the Company also operates, the auction took up about 2% of the total used car sales in 2010, yet very small in size. However, in Japan, the portion of auction in used car market reaches above 50%. If we consider the used car auction proportion in the advanced automotive market, the mid-long term growth opportunity in the used car auction business in Korea is forecasted to be remarkably high.

#### [Competitiveness of the Company]

Used car auction market is composed of individuals (or companies) who intend to sell their vehicles and used car traders who intend to purchase them. Used car supply is closely related to new car sales trend. Through open competitive bidding and reducing distribution channels and costs, used cars may be sold at higher prices. Also since the process and results are posted online in real-time, transactions are transparent and fair. Moreover, GLOVIS provides convenient One-Stop Service from car assessment acting as a sales agency nominal transfer. Used car traders are highly affected by consumer's sentiment and economic situation as their purchase depends on end customers' demand.

## 2. Major Goods/Services

The Company conducts Total Logistics Business and Distribution/Sales Business.

Total Logistics is to provide transportation service. The Company manages logistics-related

business such as transportation, storage and stevedoring of customers' freight. By the characteristics of business, the Company once again outsources the transportation, storage and other activities, but also directly operates some business like finished car shipping business.

Total Logistics is again categorized into Domestic Logistics and International Logistics for domestic and import/export respectively.

Distribution/Sales has CKD and Used car auction business. Other than those, there is sales business for supplies for new cars and merchandises on spot.

Cumulative sales for major business as of the end of 1H of 2011 are as follows.

- Domestic Logistics : KRW 549.1 BN / 15.8%
- International Logistics : KRW 1,089.7 BN / 31.3%
- CKD : KRW 1,720.3 BN / 49.3%
- Merchandise : KRW 125.9 BN / 3.6%

### 3. Status on Operation Facilities

#### [Logistics Bases]

The Company has 25 logistics bases in Korea and 29 bases overseas.

In Korea, there are 18 auto-related bases including Pyeongtaek Logistics Base for import/export of finished cars, KD Center for CKD part collecting and packaging, C/C (Consolidation Center) for contribution to part-sequence steps in automaking assembly lines. The Company operates auction centers in Bundang and Sihwa for Used car business. Also there are offices for steel transport for Hyundai Steel and Hyundai Hysco.

The details of major logistics bases in Korea are as follows.

(Unit : m<sup>2</sup>, KRW BN)

Description	Location	Owner-ship	Land	Building	Book Value (KRW BN)	Remark
Logistics Stronghold	Pyeongtaek, Gyeonggi	GLOVIS	166,583	9,046	39.5	
Packaging Center	Asan, Chungnam		66,903	37,102	23.0	
Business Office	Dangjin, Chungnam		-	1,126	0.3	
	Buk-gu, Ulsan		4,212	729	1.6	
	Dong-gu, Incheon		9,610	296	5.3	
	Nam-gu, Pohang		14,846	1,453	3.6	

Description	Location	Owner-ship	Land	Building	Book Value (KRW BN)	Remark
Ulsan Center	Nam-gu, Ulsan		-	19,493	6.5	
Auction Center	Gwangju, Gyeonggi		25,369	1,599	30.4	
	Sihwa, Gyeonggi		32,939	3,253	39.0	
Ulsan Modularization Complex	Nam-gu, Ulsan		64,904	37,646	33.7	
Headquarter	Gangnam, Seoul	Lease	-	11,366	-	
Gyeongju Packaging Center	Gyeongju, Gyeongbuk		32,410	15,873		
Business Office	Suncheon, Jeonnam		2,644	-	-	
	Dangjin, Chungnam		22,275	-	-	
Office	Buk-gu, Ulsan		1,332	499	-	
	Seo-gu, Gwangju		-	56	-	
	Hwaseong, Gyeonggi		-	43	-	
	Asan, Chungnam		-	482	-	
	Jung-gu, Busan		-	188	-	
	Seosan, Chungnam			35		
	Jinchun, Chungnam		-	27	-	
	Wanju, Jeonbuk		-	107	-	
	Dalseo-gu, Daegu		-	40	-	
	Changwon, Gyeongnam		-	83	-	
Gwangju CC	Gwangju, Jeonnam		-	17	-	
Gwangju Off-site Packaging Center	Gwangju, Jeonnam		-	5,983	-	
Ulsan Center Land	Nam-gu, Ulsan		39,554	-	-	
Ulsan TP Terminal	Nam-gu, Ulsan		8,265	13	-	
Hwaseong PDI	Hwaseong, Gyeonggi		-	655	-	
Sohari PDI	Gwangmyeong, Gyeonggi		-	352	-	
Ulsan PDI	Buk-gu, Ulsan		-	1,232	-	
Jeonju PDI	Wanju, Jeonbuk		-	93	-	
Asan PDI	Asan, Chungnam		-	142	-	
Wonhyo-ro (IT) Office	Yongsan, Seoul		-	966	-	
Pyeongtaek Port Office	Pyeongtaek, Gyeonggi		27,560	1,377	-	
Vehicle Preparation Center for Hyundai Motor	Hwaseong, etc.		-	915	-	
Vehicle Preparation Center for Kia Motors	Hwaseong, etc.		-	464	-	
Seosan TP Terminal	Seosan, Chungnam		3,374	17	-	
Sohari TP Terminal	Gwangmyeong, Gyeonggi		1,679	-	-	
Jeonju Consignment Office	Wanju, Jeonbuk		-	73	-	
Jeonju PDI Office	Wanju, Jeonbuk		-	56	-	
Jeonju PDI Station	Wanju, Jeonbuk		-	83	-	
KD Off-site Packaging Center(Dangjin)	Dangjin, Chungnam		-	1,662	-	
KD Off-site Packaging Center(Gyeongju) 1	Oe-dong, Gyeongju		-	1,620	-	
KD Off-site Packaging Center(Gyeongju) 2	Oe-dong, Gyeongju		-	1,488	-	

Description	Location	Owner-ship	Land	Building	Book Value (KRW BN)	Remark
Euiwang Warehouse	Euiwang, Gyeonggi		4,568	3,199	-	
Ulsan Port Stevedoring Office	Dong-gu, Ulsan		70	7	-	
Military Logistics Office	Guro, Seoul		-	208	-	
Warehouse for remanufactured Auto part	Yongin, Gyeonggi		-	3,134	-	

Overseas, there are 18 local subsidiaries, 6 branches, and 5 local offices established. Among them, Glovis Alabama, Glovis Slovakia, Glovis Czech, and Glovis Georgia, etc. are closely located to Hyundai/Kia Motors' overseas production plants and are operating Consolidation Centers and so on. GAPS provides services such as final inspection on and loading of im/export cars.

The other overseas subsidiaries are responsible for auto-related logistics in their local areas and when necessary, overseas local branches and offices are established. For the areas where the Company has not entered, the Company has set up logistics network allied with local companies(partner).

#### [CAPEX Plan]

Details on CAPEX plan ongoing as of the end of 1H of 2011 are as below.

(Unit : KRW MN)

Description		Total investment	Investment (until now)	Investment (planned)	Expected effect
			1H of 11th FY	3~4Q of 11th FY	
Logistics	Pure Car Carrier	75,480	1,080	74,400	Increase in revenue and business operation efficiency
	Land, Building	28,898	19,026	9,872	
	Machinery, etc.	23,093	16,065	7,028	
CKD	Land, Building	38,246	16,048	21,838	
	Machinery, etc.	3,420	740	2,680	
IT Investment		10,925	2,873	8,052	
Total		180,062	55,832	123,870	

## 4. Revenue

The revenue of the Company is largely classified into 4 business divisions.

Revenue from logistics in Korea domestic market is Domestic Logistics, revenue from in/outbound logistics of Korea is International Logistics, revenue from sales of CKD parts is CKD, and revenue from sales of used car and other goods is Merchandise.

Details on revenue by each business are as follows.

(Unit : KRW MN)

Business	Revenue type	Domestic/Export	1H of 11th FY	10th FY	9th FY
Domestic Logistics	Domestic Logistics Service	Domestic	549,073	985,004	836,709
		Total	549,073	985,004	836,709
International Logistics	Inbound/Outbound Logistics Service, Shipping Operation	In/Outbound	1,089,652	1,752,003	951,480
		Total	1,089,652	1,752,003	951,480
CKD	CKD Parts Sales	In/Outbound	1,720,329	2,892,552	1,224,427
		Total	1,720,329	2,892,552	1,224,427
Merchandise	Used Car and Other Merchandise Sales	Domestic	125,896	204,424	180,139
		Total	125,896	204,424	180,139
Total		Domestic	674,969	1,189,428	1,016,848
		In/Outbound	2,809,981	4,644,555	2,175,907
		Total	3,484,950	5,833,983	3,192,755

In the logistics business, the Company has business offices and branches in major areas in Korea to react faster and more appropriately to the customers' requirements; also established overseas subsidiaries and offices to operate international logistics.

The Company not only provides logistics outsourcing, but also sets up reasonable logistics strategies and process for the customer's logistics environment, plus, provides One Stop Total Logistics Service with the most advanced logistics information system and logistics technology; therefore maximizing the customers' value, maintaining regular customers, and exploring new customers at the same time.

In the used car business, the Company operates Bundang and Sihwa auction center(offline) and used car trading website "glovisaa.com" (online).

The current used car market has tangled distribution channels, unsatisfied quality-guarantee, and untransparent pricing and quality; therefore losing the customers' interest and trust. So the Company targets "Advancement in distribution where customers can trust and buy/sell their used cars" and provides every product-information, one-on-one service with used car specialists, builds up relationship with the customers differentiating itself from other used car auction businesses. In addition to satisfy the customers' various needs, the Company will expand the channels and value-added services.

Lastly, the Company classifies the major customers of the Company in the view of importance, the parties whose transacting amount exceeds 10% of the total sales.

The major customers for the 1H of 11th FY are Kia Motors, Kia Motors Slovakia, Hyundai Steel, a

and the sales portions are 19.8%, 10.2% and 10.1% respectively.

## 5. Matters other than Business Operation

### A. Market Risk and Risk Management

#### (1) Major Risks

The Company is exposed to such major risks : ① Risk from F/X rate fluctuation, ② Risk from market interest rate fluctuation, and ③ Risk from credit rating change.

##### ① Risk from F/X rate fluctuation

The Company has cash flow in which the sales in foreign currency coming from International Logistics, KD exporting is larger than the costs in foreign currency paid to overseas transportation and parts-purchasing. Therefore, loss on currency translation due to Korean Won strengthening may be the risk from F/X rate fluctuation.

##### ② Risk from market interest rate fluctuation

Non-operating income and expense structure of the Company is as such :  
As the market interest rates (CD, LIBOR, etc.) rise, interest expense of the Company increases but as they decline, then interest income of the Company decreases.  
These fluctuation in non-operating income and expense may be the risk from market interest rates' fluctuation.

##### ③ Risk from credit rating change

The Company obtained credit ratings from the agency, S&P and Moody's in Jun. 2008, and is continuously having credit rating provisions. On Jan. 15 and Apr. 21, 2009, reflecting the depression and uncertain outlooks in global automotive market, the Company maintained its credit ratings (at BBB-/Baa3), but its outlooks temporarily got downgraded from 'Stable' to 'Negative.'  
However, on Nov. 11, 2009, Moody's upgraded the outlook from 'Negative' to 'Stable' and on Sept. 21, 2010, it also upgraded the rating one step to Baa2 due to the improvements in results and liquidity; Moreover, on Jan. 27, 2010, S&P upgraded the outlook from 'Negative' to 'Stable' and on Nov. 4, 2010, it also upgraded the rating one step to BBB due to the improvement in the financial



structure. Recently, on Jun. 7, 2011, due to improvement in brand image and quality, the outlook was upgraded one step again from 'Stable' to 'Positive.'

As so, the up/downgrades in credit rating can occur in the reflection of economic situation, and not in the reflection of the Company's own causes.

## (2) Risk Management Policy

### ① Risk management

The Company manages the risk by trying to minimize uncertain market risks and stabilize financial strength and business management.

#### – Risk from F/X rate fluctuation

For systematic and efficient F/X risk management, the Company consistently exchanges opinions with financial institutions both in Korea and overseas. Moreover, the Company assigned employees for F/X risk management, structuring effective and stable risk managing. The Company is trying to minimize F/X risk by examining hedging strategies and means with changes of market status under the company's standard.

#### – Risk from market interest rate fluctuation

The Company mostly uses fixed-rate financial instruments to manage free cash flow, therefore the adverse effects from rate fluctuation for the time being is limited. Currently hire(ship-chartering) is paid in relation to LIBOR. When LIBOR is raised, then there is a risk of increase in hire. To fix LIBOR and prevent the hire fluctuation risk, the Company will adopt some rate derivatives (hedging interest rate fluctuation)

#### – Risk from credit rating change

In case of change in the Company's credit rating, since there are no financial instrument in use; it is reasonable to say there are no directly effecting risks. However, when making decisions on financial transactions in the future, the credit rating may be a fundamental of multilateral evaluation on the Company, so the Company is putting effort to reduce the risks from credit rating change.

### ② Risk Management Organization

The Company operates the risk management work in 2 divisions : Execution and Confirmation. Firstly, Execution includes financial transacting, researching, gathering and analyzing information on market risks and situation. Secondly, Confirmation includes evaluating financial transactions whether financial matters were fully

considered and contracts were made as agreed, etc.

### (3) Further Steps in Risk Management

The Company will organize the systematic body for better risk management and regularly participate in programs conducted by external institutions to raise risk managing professionalism.

## B. Derivatives Transaction Status

The Company estimates rights and obligations as fair value depending on derivatives contracts, and appropriates them as asset and liabilities. Any gains or losses from estimation is recognized as net income at the point when the incident occurs.

Under contracts, the Company transfers foreign currency to the counterpart (financial institution) on the expiration day, and receives the contract amount in KRW which would be calculated on the F/X rate at time of contract from the counterpart.

As of Jun. 30, 2011, contract amount that has not been paid is USD 43,000,000, EUR 18,000,000, and detail is as shown below.

(Unit: USD 1,000)

Currency	Contract Amount	Strike Price	Expiry Date
USD	43,000	KRW 1,070~1,109	Jul. 4, 2011 ~ Dec. 26, 2011
EUR	18,000	KRW 1,558~1,589	Jul. 15, 2011 ~ Dec. 30, 2011

Since the Company has forward contract on USD and EUR, it gets gain as F/X rate lowers, and loss as F/X rate increases from the rate of contract date. Fair value of derivatives has been reviewed based on evaluation which financial institutions provide at the settling day. In addition, the company estimates this contract for the fair value as of Jun. 30, 2011, and appropriates KRW 369 MN as valuation profit and KRW 92 MN as valuation loss.

## C. Major Management Agreement

Not Applicable

## D. Other Matters for Investment Decision-making

[Intellectual Property Right]

### – GLOVIS

1. Type : Service mark
2. Acquisition Date : Oct. 23, 2004, etc.
3. Title and Details  
Registered the Company's name as a service mark
4. Relevant Law : Trademarks Law
5. Monopolistic, Exclusive Usage Period : 10 years (can renew every 10 years)

### – AutoWise

1. Type : Servicemark
2. Acquisition Date : Feb. 14, 2006, etc.
3. Title and Details  
Registered the Company's used car auction center as a servicemark
4. Relevant Law : Trademarks Law
5. Monopolistic, Exclusive Usage Period : 10 years (can renew every 10 years)

### – Transport Palette

1. Type : Design
2. Acquisition Date : Feb. 27, 2007
3. Title and Details  
Designed the transport palette with stumbled block between the edges of upper frame and supporting frame and registered the new design
4. Relevant Law : Design Law
5. Monopolistic, Exclusive Usage Period : 15 years

### – Upper Frame of Transport Palette

1. Type : Design
2. Acquisition Date : Feb. 27, 2007
3. Title and Details  
Designed the palette's upper frame with stumbled block between the edges and

registered the new design

4. Relevant Law : Design Law

5. Monopolistic, Exclusive Usage Period : 15 years

– Palette convenient for Folding

1. Type : Patent

2. Acquisition Date : Jan. 15, 2008

3. Title and Details

Patented for inventing palette folding

4. Relevant Law : Patent Law

5. Monopolistic, Exclusive Usage Period : 20 years

– Attach spot for RFID on containers

1. Type : Patent

2. Acquisition Date : Jan. 26, 2010

3. Title and Details

Patented for a change on means of RFID on containers

4. Relevant Law : Patent Law

5. Monopolistic, Exclusive Usage Period : 20 years

– Electronic automatical payment status method linked on existing legacy system

1. Type : Patent

2. Acquisition Date : Aug. 17, 2010

3. Title and Details

Patented for an electronic automatical payment status method linked on existing legacy system

4. Relevant Law : Patent Law

5. Monopolistic, Exclusive Usage Period : 20 years

## [Environmental Management]

GLOVIS Co., Ltd. deeply understands the social responsibility, promotes the conservation of the Earth environment, and has established

KS A ISO14001:2004 Environmental Management System in Dec. 2007.

Under the environmental policy of "Minimization of Emission of Contaminants", "Effective Use of Resources and Energy", "Environmental Law Compliance",

the Company set up goals in detail and actions for the preservation of the nature and continuous development. Moreover, the Company follows the governmental policy on reduction of greenhouse gases and will grow as a leading Green-Logistics company.

1. Government's Regulation

- i. Act on Special Measures for the Control of Environmental Offenses
- ii. Clean Air Conservation Act
- iii. Water Quality and Ecosystem Conservation Act
- iv. Clean Air Conservation Act
- v. Other Enforcement Decrees and Regulations related to Environment

2. Regulation Observance

- i. Water Quality : pH,COD,SS,n-H(animals and plants),nH(mineral oil),T-N,T-P,ABS
- ii. Air : Dust, THS

☞ shall control under 70% of the regulation standard

3. Environment Investment Plan

- i. Currently investing for function maintenance and prevention of emission facility to lower environmental damage. (KRW 30 MN per annum)
- ii. Change to environment-friendly transport mode and will review adopting low emission equipment

[Report on Compliance Program (CP) Operation]

– Operation of CP for 1st Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Invited a lecturer for the training  
(for team managers and deputy managers in all teams)  
Conducted programs for new employees
- ② Off-the-Job Training : Attended lectures held by Fair Competition Federation, etc.  
(for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Conducted Prevention Activities from Violation : Intensified Compliance Review
- ③ Published and distributed Compliance handbook

– CP Schedule for 2nd Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Conduct programs for new employees, invite a lecturer, process online education.
- ② Off-the-Job Training : Attend lectures and forums held by Fair Competition Federation, etc.

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Conduct Prevention Activities for Violation : Intensify Compliance Review
- ② CEO's Declaration on Fair Competition Compliance and Distribution of the declaration to employees
- ③ Distribute amended Compliance handbook on/offline
- ④ CP Rating (by Korea Fair Competition Federation)
- ⑤ Conduct CP Review

※ Reported the Operation of CP for 1st Half of 2008 and CP Schedule for 2nd Half of 2008 to the Board of Directors : Aug. 14, 2008

– Operation of CP for 2nd Half of 2008

1. Training related to Fair Trade

- ① On-the-Job Training : Conducted online program for new employees
- ② Off-the-Job Training : Attended lectures and forums held by Fair Competition Federation (for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Prevention Activities for Violation : Intensified Compliance Review
- ② Collected and distributed CP-related material

– CP Schedule for 1st Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a lecturer for the training  
Conduct online programs for new employees
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation  
(for Compliance Officers and Employees)

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Arrange Compliance Committee and Restructure the organization for Compliance
- ② CEO's Declaration on Fair Competition Compliance and Distribution of the declaration to employees
- ③ Improve Violation Reporting System

- ④ Conduct CP Review
- ⑤ Conduct Prevention Activities for Violation : Intensify Compliance Review
- ⑥ Collect and distribute CP-related material

※ Reported the Operation of CP for 2nd Half of 2008 and CP Schedule for 1st Half of 2009 to the Board of Directors : Feb. 13, 2009

–Operation of CP for 1st Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Conducted online program for new employees (Feb. 1~28)  
Invited a lecturer for the training (Mar. 25)
- ② Off-the-Job Training : Attended "Session for Fair Trade for Business Group subject to Limitations on Cross-Shareholding" and 4 other sessions

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Amended, announced and distributed Fair Trade Compliance Review Form”
- ③ Conducted CP Review
- ④ Amended and adjusted CP regulation for the Company
- ⑤ Published and distributed Compliance handbook
- ⑥ Collected and distributed CP-related material

– CP Schedule for 2nd Half of 2009

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a lecturer for the training  
Conduct online programs for new employees
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation, etc.

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Conduct Prevention Activities for Violation : Intensify Compliance Review
- ② CEO's Declaration on Fair Competition Compliance and Distribute the declaration to employees
- ③ Distribute and post amended Compliance handbook on/offline
- ④ CP Review
- ⑤ Collect and distribute CP-related material

※ Reported the Operation of CP for 1st Half of 2009 and CP Schedule for 2nd Half of 2009 to

the Board of Directors : Jul. 23, 2009

– Operation of CP for 2nd Half of 2009

1. Training related to Fair Trade

① Attended "Subcontracting and Unfair Trading, Fair Trading" lecture and other 5 forums

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

① Conducted Prevention Activities for Violation : Intensified Compliance Review

② CEO's Declaration on Fair Competition Compliance and distributed relevant materials to all employees

③ Distributed CP manual on/offline and posted CP regulation

④ Designated "Fair Trading Day" for CP activation

※ The CP rating evaluation result for 2009 : Rating "A"

– CP Schedule for 1st Half of 2010

1. Training related to Fair Trade

① On-the-Job Training : Invite a lecturer for the training (for all employees),  
Web-based training (for new employees)

② Off-the-Job Training : Attend lectures held by Fair Competition Federation or other institutions

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

① Arrange Compliance Committee and restructure the organization for Compliance

② Develop violation-reporting system for violating sanction and promote it

③ "Fair Trading Day" every month : Distribute newsletter and review CP Process

④ Improve and intensify In-Advance Compliance Review Process system, etc.

※ Reported the Operation of CP for 2nd Half of 2009 and CP Schedule for 1st Half of 2010 to the Board of Directors : Feb. 11, 2010

– Operation of CP for 1st Half of 2010

1. Training related to Fair Trade

① Attended "Session for Fair Trade for Business Group subject to Limitations on Unfair Intra-group Transactons" and 3 other sessions

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations



- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Developed violation-reporting system for violating sanction and promoted it.
- ③ "Fair Trading Day" every month : Distributed newsletter and reviewed CP Process
- ④ Improved and intensified In-Advance Compliance Review Process system, etc.

-CP Schedule for 2nd Half of 2010

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a lecturer for the training  
Conduct online programs for new employees

- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Conduct Prevention Activities for Violation : Intensify Compliance Review
- ② CEO's Declaration on Fair Competition Compliance and Distribute the declaration to employees
- ③ Amend, publish and distribute Compliance
- ④ "Fair Trading Day" every month : Distribute newsletter and review CP Process

※ Reported the Operation of CP for 1st Half of 2010 and CP Schedule for 2nd Half of 2010 to the Board of Directors : Jul. 23, 2010

- Operation of CP for 2nd Half of 2010

1. Training related to Fair Trade

- ① Attended 5 lectures including "Unfair Intra-group Transactions".

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Intensified In-Advance Compliance Review Process system
- ② Published and distributed Subcontracting manual on/offline
- ③ Attended "International Cartel Prevention Forum" (GUS)
- ④ Conducted impartial subcontracting
- ⑤ "Fair Trading Day" every month

- CP Schedule for 1st Half of 2011

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a lecturer for the training (for all employees),  
Web-based training (for new employees)
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation or other in

situations

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Arrange Compliance Committee and restructure the organization for Compliance
- ② Develop violation-reporting system for violating sanction and promote it
- ③ "Fair Trading Day" every month : Distribute newsletter and review CP Process
- ④ Improve and intensify In-Advance Compliance Review Process system, etc.

※ Reported the Operation of CP for 2nd Half of 2010 and CP Schedule for 1st Half of 2011 to the Board of Directors : Feb. 11, 2011

– Operation of CP for 1st Half of 2011

1. Training related to Fair Trade

- ① Attended 4 lectures including "Session for Basics and Theories of Fair Trade transaction"
- ② Web-based training (for new employees)

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Arranged Compliance Committee and restructured the organization for Compliance
- ② Developed violation-reporting system for violating sanction and promoted it
- ③ "Fair Trading Day" every month : Distributed newsletter and reviewed CP Process
- ④ Materialized a Fair Trade Compliance Electric approval system
- ⑤ CEO's Declaration on Fair Competition Compliance and employees submitted CP declaration written pledge
- ⑥ Amended, published and distributed Compliance

– CP Schedule for 2nd Half of 2011

1. Training related to Fair Trade

- ① On-the-Job Training : Invite a lecturer for the training (for all employees),  
Web-based training (for new employees)
- ② Off-the-Job Training : Attend lectures held by Fair Competition Federation or other institutions

2. In-depth CP Operation and Prevention Activities for Violating Laws and Regulations

- ① Prevention act for Law violation :Improve and intensify In-Advance Compliance Review Process system
- ② Submit written material for CP level grading
- ③ "Fair Trading Day" every month : Distribute newsletter and review CP Process

④ Prepare operation details about "Fair Trading Day" – review CP Process

※ Reported the Operation of CP for 1st Half of 2011 and CP Schedule for 2nd Half of 2011  
to the Board of Directors : Aug. 12, 2011

### III. Finance

#### 1. Summary of Financial Information

##### A. Summary of Non-Consolidated Financial Information

(Unit : KRW MN)

Description	1H of 11th FY	10th FY
[Current Assets]	1,646,460	1,289,143
Quick Assets	1,393,130	1,069,397
Inventories	253,330	219,746
[Non-current Assets]	1,128,531	989,410
Investment and Securities	581,717	487,744
Tangible Assets	496,895	457,015
Intangible Assets	24,866	23,923
Total Assets	2,774,991	2,278,553
[Current Liabilities]	1,265,171	969,481
[Non-Current Liabilities]	183,397	173,443
Total Liabilities	1,448,568	1,142,924
[Capital Stock]	18,750	18,750
[Capital Surplus]	153,619	153,619
[Retained Earnings]	971,055	851,813
[Accumulated Other Comprehensive Income]	182,999	111,448
Total Stockholder's Equity	1,326,423	1,135,629
Sales	3,484,950	5,833,983
Operating Income	166,257	230,413
Net income	145,476	227,888
Earnings per Share(KRW)	3,879	6,077

\* The Company did not have any discontinued operation during the public disclosure period, therefore ongoing business income is not stated.

\* 10th FY's financial information has been composed again by the separate K-IFRS standard.

##### B. Summary of Consolidated Financial Information

(Unit : KRW MN)

Description	10th FY	9th FY	8th FY	7th FY	6th FY
[Current Assets]	1,385,850	1,122,709	790,188	645,885	568,367
• Quick assets	1,161,706	901,012	728,514	526,841	467,685
• Inventories	224,144	221,697	61,674	119,044	100,682
[Non-current Assets]	987,220	784,185	531,607	377,044	257,621
• Investments and Securities	350,105	256,552	144,086	137,050	111,356
• Tangible assets	579,810	488,957	356,973	216,147	124,620
• Intangible assets	12,070	10,475	9,873	7,659	9,281
• Other non-current assets	45,235	28,201	20,675	16,188	12,365
Total Assets	2,373,070	1,906,894	1,321,795	1,022,929	825,988
[Current Liabilities]	1,017,743	855,124	555,839	458,311	349,012
[Non-Current Liabilities]	234,911	216,169	137,048	42,989	37,267
Total Liabilities	1,252,654	1,071,293	692,887	501,300	386,280
[Capital Stock]	18,750	18,750	18,750	18,750	18,750
[Consolidated Capital Surplus]	152,702	153,884	153,740	153,645	153,619
[Consolidated Capital Adjustment]	–	–	–	–	–
[Consolidated Accumulated Other Comprehensive Income]	95,851	52,422	19,492	11,051	5,443
[Consolidated Retained Earnings]	853,113	608,080	435,373	336,925	260,906
[Attributable to Minority Interest]	–	2,465	1,553	1,259	990
Total Stockholder's Equity	1,120,416	835,601	628,908	521,629	439,708
Sales	7,232,715	4,025,925	3,688,303	2,935,153	2,235,024
Operating Income	320,678	194,266	158,084	110,047	71,092
Consolidated Net income	266,248	192,350	117,588	81,939	67,042
Net income of Holding Company	266,178	191,657	117,294	81,670	66,983
Number of Companies included in the consolidated financial information	7	5	4	3	1

\* The consolidated financial statement is based on K-GAAP.

## 2. Summary of Significant Accounting Policies

### A. Accounting Policies applied to Financial Statements

Fiscal year	Changes in accounting policies
1H of 11th FY	The Company's 1H financial statements have been prepared in accordance with K-IFRS standard. This financial statement is based on historical-cost except for the financial instruments mentioned separately by the financial policy. The transfer date to K-IFRS in accordance with SKAS (Statement of Korea Accounting Standards) No. 1101 'K-IFRS (Korean International Financial Reporting Standards)' is Jan. 1, 2010.
10th FY	The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.
9th FY	<p>The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.</p> <p>The Company has adopted the revised SKAS 5 <i>Amendments – Property, Plant and Equipment</i> for the current financial year; the adoption of this revised standard did not have any effect on the Company's financial statements nor principal impact to the Company's disclosures..</p>
8th FY	<p>The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.</p> <p>The Company has adopted the following new and revised KFAS (Korea Financial Accounting Standards), SKAS and KAI (Korea Accounting Institute) Opinion, and for this current fiscal year.</p> <ul style="list-style-type: none"> <li>o KFAS Article 70-2 – <i>Special Exemption to Derivatives Accounting</i></li> <li>o SKAS 8 <i>Amendments – Investment in Securities</i></li> <li>o SKAS 15 <i>Amendments – Investment in Associates</i></li> <li>o SKAS 16 <i>Amendments – Income Taxes</i></li> <li>o KAI Opinion 06-02 <i>Amendments – Accounting for the Recognition of Deferred Income Tax Assets/Liabilities Associated with Investments in Subsidiaries, Branches and Associates, and Interests in Joint Ventures</i></li> </ul> <p>The adoption of these new and revised standards had no effects on the Company's financial statements, and the principal impact to the Company's disclosures are as follows:</p> <ul style="list-style-type: none"> <li>o SKAS 16 <i>Amendments – Income Taxes</i></li> </ul> <p>The revised standard requires an entity to apply revised disclosures which enable users of the financial statements to better understand the components of income taxes reported in the financial statements. These revised disclosures are presented in Note 20.</p>
	The Company's annual financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1 – 23 (except for 14) as well as the Korea Financial Accounting Standards.

Fiscal year	Changes in accounting policies
7th FY	<p>The Company has adopted new SKAS which have become effective for accounting periods beginning on or after Jan. 1, 2007 : SKAS 11 <i>Discontinuing Operations</i>, SKAS 21 <i>Preparation and Presentation of Financial Statements</i>, SKAS 22 <i>Share-based Payments</i>, and SKAS 23 <i>Earnings per Share</i>.</p> <p>The Company has adopted these new standards in its financial statements for the year ended Dec. 31, 2007. Adoption of these new standards did not have any material effect on the Company's financial statements, except for the effects of SKAS 21 as described below.</p> <p>The adoption of SKAS 21 has resulted in the addition of a statement of changes in equity in the 2007 financial statements and reclassification of certain comparative amounts in the 2006 financial statements to conform with the 2007 presentation. These reclassifications have had no effect on the Company's net income and retained earnings as previously reported. A statement of changes in equity is not required to be presented for the comparative 2006 financial statements according to the transitional provision of SKAS 21 on application of retrospective application.</p>

## B. Basis of Significant Accounting Policies

The Company's non-consolidated financial statements have been prepared in accordance with SKAS (Statement of Korea Accounting Standards) No. 1027 and the financial statements have been stated by the accounting estimate based on the direct investment in shares made by the investor of subsidiary and related company's investor, and not by the investor's investment assets based on the net asset and performance reported by the investee. The company has adopted the cost method based on SKAS No. 1027 for the accounting estimate of subsidiary company and related company's investment assets. However, for subsidiary company and related company's investment, it applied SKAS(Statement of Korea Accounting Standards) No.1101(Korean International Financial Reporting Standards First Adoption) using regarded cost price following the book value of the past accounting standard of K-IFRS.

So, in accordance with the past accounting standard, capital surplus and other accumulated comprehensive gain and loss recognized in relation to the application of equity method, has been reclassified into retained earnings. However, net income and loss is recognized at the point when the right to obtain dividend payment from the subsidiary company and related company is confirmed.

## C. Planning for Adoption of K-IFRS and its Effects on Financial Statement

## 1. Preparation for Adoption of K-IFRS

The financial statements in the past were made in accordance with the generally recognized accounting standards in Korea, however, financial statements from the beginning of 2011, were made in accordance with the K-IFRS standard. Therefore the compared financial statement from the former period took Jan. 1, 2010 as the activation date of K-IFRS and was made again by applying SKAS(Statement of Korea Accounting Standards) No.1101(Korean International Financial Reporting Standards First Adoption).

The effects of change from the past accounting standard K-IFRS, and the accounting policy the company has applied on preparing the financial statement with K-IFRS, the company's reported financial position, financial results, and cashflow are explained below.

## 2. Selective application of SKAS(Statement of Korea Accounting Standards) No.1101's exemption clause.

SKAS(Statement of Korea Accounting Standards) No.1101 regulates an exemption clause for companies that are initially adopting K-IFRS from having to apply the present valid K-IFRS for Dec. 31, 2010, which is related to the preparation of financial statement based on the K-IFRS standard, and the selective exemption clause by the company are stated below.

- The Company applied cost method using the book value of the former accounting standard as the production cost on the change date to K-IFRS, for all subsidiary companies and affiliate companies' investment.

- Related to capitalization of the cost price of loan, it has been applied on the cost price of loan related to qualifying asset which capitalization starting date comes after the date of change to K-IFRS.

- The company has chosen the method to gradually disclose the amount from the transfer date requested in SKAS(Statement of Korea Accounting Standards) No.1101 No. 1019 paragraph 120A (16).



3. The capital gap adjustment that has occurred due to the transfer to K-IFRS

Detail for adjustment in capital gap as of Jan. 1, 2010(current transfer date) is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
Asset			
I .Current Asset			
Cash and Cash Equivalents	242,037,853	–	242,037,853
Other Current Financial Assets	–	–	–
Trade Receivable	392,905,523	139,601,269	532,506,792
Other Receivable	9,099,960	81,921	9,181,881
Inventory Assets	221,195,704	–	221,195,704
Appropriate Assets	2,420,506	–	2,420,506
Other Current Assets	8,870,756	–	8,870,756
Deferred Income Taxes Current Assets	8,913,186	(8,913,186)	–
Total of Current Assets	885,443,488	130,770,004	1,016,213,492
II .Non-Current Assets			
Other Long-term Receivables	1,873,930	–	1,873,930
Other Non-current Financial Assets	8,500	–	8,500
Available for Sale Financial Assets	134,149,917	33,412,463	167,562,380
Investment in Affiliated Corporation	235,626,751	(136,129,822)	99,496,929
Investment in Subsidiaries	–	123,204,478	123,204,478
Property, Plant and Equipment	371,207,205	1,497,251	372,704,456
Intangible Assets	9,054,165	12,904,873	21,959,038
Appropriate Assets	10,775,380	–	10,775,380
Other non-current Assets	12,904,873	(12,904,873)	–
Total of Non-current Assets	775,600,721	21,984,370	797,585,091
Total Asset	1,661,044,209	152,754,374	1,813,798,583
Stockholders Equity & Liabilities			

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
Liabilities			
I .Current Liabilities			
Trade Payable	405,277,779	–	405,277,779
Other Payable	62,486,719	–	62,486,719
Short-term Debt	–	246,253,187	246,253,187
Other Current Financial Liabilities	19,076,389	–	19,076,389
Payable Income Taxes	16,119,358	–	16,119,358
Appropriate Liabilities	3,025,633	–	3,025,633
Other Current Liabilities	121,085,154	(111,268,862)	9,816,292
Total of Current Liabilities	627,071,032	134,984,325	762,055,357
II .Non-current Liabilities			
Other Long-term Payables	–	317,170	317,170
Other Non-current Financial Liabilities	127,794,848	–	127,794,848
Deferred Income Taxes Liabilities	59,650,216	(34,910,706)	24,739,510
Severance Payment Liabilities	2,369,022	(279,111)	2,089,911
Appropriate Liabilities	13,469,224	–	13,469,224
Total of Non-current Liabilities	203,283,310	(34,872,647)	168,410,663
Total Liabilities	830,354,342	100,111,678	930,466,020
I . Paid-in Capital and Reserves			
Capital Stock	18,750,000	–	18,750,000
Capital Surplus	153,618,863	–	153,618,863
Accumulated Other Comprehensive Income	52,422,583	15,983,087	68,405,670
Retained Earnings	605,898,421	36,659,609	642,558,030
Total Stockholders Equity	830,689,867	52,642,696	883,332,563
Total Liabilities and Stockholders Equity	1,661,044,209	152,754,374	1,813,798,583

Detail for adjustment in capital gap as of Jun. 30, 2010(current date) is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
Asset			
I .Current Asset			
Cash and Cash Equivalents	292,905,843	–	292,905,843
Other Current Financial Assets	328,145	–	328,145
Trade Receivable	412,133,058	334,896,851	747,029,909
Other Receivable	8,116,066	337,466	8,453,532
Inventory Assets	231,443,295	–	231,443,295
Appropriate Assets	3,591,709	–	3,591,709
Other Current Assets	16,110,757	–	16,110,757
Deferred Income Taxes Current Assets	13,853,952	(13,853,952)	–
Total of Current Assets	978,482,825	321,380,365	1,299,863,190
II .Non-Current Assets			
Other Long-term Receivables	1,958,228	–	1,958,228
Other Non-current Financial Assets	8,500	–	8,500
Available for Sale Financial Assets	151,387,633	48,175,889	199,563,522
Investment in Affiliated Corporation	274,312,974	(174,816,045)	99,496,929
Investment in Subsidiaries	–	124,774,376	124,774,376
Property, Plant and Equipment	423,395,172	2,827,765	426,222,937
Intangible Assets	9,426,197	12,904,873	22,331,070
Appropriate Assets	14,075,114	–	14,075,114
Other non-current Assets	12,904,873	(12,904,873)	–
Total of Non-current Assets	887,468,691	961,985	888,430,676
Total Asset	1,865,951,516	322,342,350	2,188,293,866
Stockholders Equity & Liabilities			
Liabilities			

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
I .Current Liabilities			
Trade Payable	452,067,285	–	452,067,285
Other Payable	86,983,827		86,983,827
Short-term Debt	–	450,848,915	450,848,915
Other Current Financial Liabilities	21,418,659	–	21,418,659
Payable Income Taxes	21,513,460	–	21,513,460
Appropriate Liabilities	4,489,636	–	4,489,636
Other Current Liabilities	129,219,680	(122,242,651)	6,977,029
Total of Current Liabilities	715,692,547	328,606,264	1,044,298,811
II .Non-current Liabilities			
Other Long-term Payables	–	558,092	558,092
Other Non-current Financial Liabilities	121,150,618	–	121,150,618
Deferred Income Taxes Liabilities	71,311,659	(44,426,037)	26,885,622
Severance Payment Liabilities	3,955,558	(999,061)	2,956,497
Appropriate Liabilities	17,593,893	–	17,593,893
Total of Non-current Liabilities	214,011,728	(44,867,006)	169,144,722
Total Liabilities	929,704,275	283,739,258	1,213,443,533
I . Paid-in Capital and Reserves			
Capital Stock	18,750,000	–	18,750,000
Capital Surplus	153,618,863	–	153,618,863
Accumulated Other Comprehensive Income	70,166,852	23,199,799	93,366,651
Retained Earnings	693,711,526	15,403,293	709,114,819
Total Stockholders Equity	936,247,241	38,603,092	974,850,333
Total Liabilities and Stockholders Equity	1,865,951,516	322,342,350	2,188,293,866

Detail for adjustment in capital gap as of Dec. 31, 2010(current date) is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
Asset			
I .Current Asset			
Cash and Cash Equivalents	286,361,600	–	286,361,600
Other Current Financial Assets	143,968	–	143,968
Trade Receivable	362,820,621	382,400,864	745,221,485
Other Receivable	20,652,065	296,528	20,948,593
Inventory Assets	219,746,284	–	219,746,284
Appropriate Assets	4,670,565	–	4,670,565
Other Current Assets	12,050,899	–	12,050,899
Deferred Income Taxes Current Assets	6,868,078	(6,868,078)	–
Total of Current Assets	913,314,080	375,829,314	1,289,143,394
II .Non-Current Assets			
Other Long-term Receivables	3,098,613	–	3,098,613
Other Non-current Financial Assets	39,392	(30,892)	8,500
Available for Sale Financial Assets	202,250,340	60,948,124	263,198,464
Investment in Affiliated Corporation	308,191,639	(208,694,710)	99,496,929
Investment in Subsidiaries	–	125,039,336	125,039,336
Property, Plant and Equipment	453,601,873	3,413,210	457,015,083
Intangible Assets	11,018,172	12,904,873	23,923,045
Appropriate Assets	17,629,545	–	17,629,545
Other non-current Assets	12,904,873	(12,904,873)	–
Total of Non-current Assets	1,008,734,447	(19,324,932)	989,409,515
Total Asset	1,922,048,527	356,504,382	2,278,552,909
Stockholders Equity & Liabilities			
Liabilities			

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
I .Current Liabilities			
Trade Payable	308,429,507	–	308,429,507
Other Payable	75,982,291	–	75,982,291
Short-term Debt	–	526,291,770	526,291,770
Other Current Financial Liabilities	19,097,362	–	19,097,362
Payable Income Taxes	21,912,814	–	21,912,814
Appropriate Liabilities	5,838,206	–	5,838,206
Other Current Liabilities	161,313,330	(149,384,642)	11,928,688
Total of Current Liabilities	592,573,510	376,907,128	969,480,638
II .Non-current Liabilities			
Other Long-term Payables	–	394,204	394,205
Other Non-current Financial Liabilities	103,107,610	–	103,107,610
Deferred Income Taxes Liabilities	86,720,591	(39,403,962)	47,316,629
Severance Payment Liabilites	–	587,724	587,724
Appropriate Liabilities	22,036,931	–	22,036,931
Total of Non-current Liabilities	211,865,132	(38,422,034)	173,443,099
Total Liabilities	804,438,642	338,485,094	1,142,923,737
I . Paid-in Capital and Reserves			
Capital Stock	18,750,000	–	18,750,000
Capital Surplus	153,618,863	–	153,618,863
Accumulated Other Comprehensive Income	96,515,036	14,932,643	111,447,679
Retained Earnings	849,642,505	2,170,125	851,812,630
Other Capital	(916,519)	916,519	–
Total Stockholders Equity	1,117,609,885	18,019,287	1,135,629,172
Total Liabilities and Stockholders Equity	1,922,048,527	356,504,381	2,278,552,909



4. Adjustment in gap of accumulated profit & loss due to the transfer to K-IFRS standard.  
Detail for adjustment in accumulated profit & loss gap compared with the former year which is 1H 2010 is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
I . Sales Revenue	2,767,301,008	–	2,767,301,008
II . Costs of Goods and Services Sold	2,549,639,707	(809,859)	2,548,829,848
III. Gross Profit	217,661,301	809,859	218,471,160
IV. Selling and Administrative Expenses	116,091,714	(455,105)	115,636,609
V . Other Income	63,467,682	2,473,765	65,941,447
VI. Other Expenses	68,986,991	–	68,986,991
VII. Operating Income	96,050,278	3,738,729	99,789,007
VIII. Finance Income	4,474,935	10,707,852	15,182,787
IX. Finance Expense	6,764,721	–	6,764,721
X . Equity Method Gain	42,344,445	(42,344,445)	–
XI. Income Loss Before Income Taxes Expenses	136,104,937	(27,897,864)	108,207,073
XII. Income Taxes Expenses	25,767,263	(6,616,979)	19,150,284
XIII. Net Income	110,337,674	(21,280,885)	89,056,789
Gains on Valuation of Available for Sale Financial Assets	18,428,707	6,532,274	24,960,981
Gain on Valuation of Investment Stock using Equity Method	(684,439)	684,439	–
Retained Earnings using Equity Method	(24,569)	24,569	–
XIV.Total Comprehensive Income	128,057,373	(14,039,603)	114,017,770



Detail for adjustment in accumulated profit & loss gap compared with the former year's 1Q 2010 is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
I . Sales Revenue	1,511,073,469	–	1,511,073,469
II . Costs of Goods and Services Sold	1,396,615,710	(359,065)	1,396,256,645
III. Gross Profit	114,457,759	359,065	114,816,824
IV. Selling and Administrative Expenses	64,254,920	247,642	64,502,562
V . Other Income	37,077,685	2,362,192	39,439,877
VI. Other Expenses	46,485,464	597,521	47,082,985
VII. Operating Income	40,795,060	1,876,094	42,671,154
VIII. Finance Income	1,569,442	4,349,070	5,918,512
IX. Finance Expense	3,730,104	–	3,730,104
X . Equity Method Gain	23,562,611	(23,562,611)	–
XI. Income Loss Before Income Taxes Expenses	62,197,009	(17,337,447)	44,859,562
XII. Income Taxes Expenses	9,335,000	(3,510,856)	5,824,144
XIII. Net Income	52,862,009	(13,826,591)	39,035,418
Gains on Valuation of Available for Sale Financial Assets	9,178,786	4,974,953	34,153,739
Gain on Valuation of Investment Stock using Equity Method	4,811,072	(4,811,072)	–
Retained Earnings using Equity Method	–	–	–
XIV.Total Comprehensive Income	86,851,867	(13,662,710)	73,189,157

Detail for adjustment in accumulated profit & loss gap compared with the former year end(FY end) as of Dec. 31, 2010 is as follows.

(Unit: KRW 1,000)

Account	Past Accounting Standard	Effect of K-IFRS Transfer	K-IFRS
I. Sales Revenue	5,833,982,934	–	5,833,982,934
II. Costs of Goods and Services Sold	5,353,827,170	(1,976,634)	5,351,850,536
III. Gross Profit	480,155,764	1,976,634	482,132,398
IV. Selling and Administrative Expenses	253,262,112	(1,542,716)	251,719,396
V. Other Income	117,010,613	16,508,781	133,519,394
VI. Other Expenses	91,454,341	–	91,454,341
VII. Operating Income	252,449,924	20,028,131	272,478,055
VIII. Finance Income	8,553,558	16,376,934	24,930,492
IX. Finance Expense	13,042,034	–	13,042,034
X. Equity Method Gain	74,821,556	(74,821,556)	–
XI. Income Loss Before Income Taxes Expenses	322,783,004	(38,416,491)	284,366,513
XII. Income Taxes Expenses	57,189,209	(5,934,402)	51,254,807
XIII. Net Income	265,593,795	(32,482,089)	233,111,706
Gains on Valuation of Available for Sale Financial Assets	58,101,619	(11,682,373)	46,419,246
Gain on Valuation of Investment Stock using Equity Method	(14,009,166)	14,009,166	–
Retained Earnings using Equity Method	650,289	(650,289)	–
XIV.Total Comprehensive Income	310,336,537	(30,805,585)	279,530,952

## IV. Auditor's Opinion, etc.

### 1. External Auditor(Certified Public Accountant)'s Opinion, etc.

Ernst & Young had conducted Reviews for 1H of 11th FY, 1H of 10th FYs and Audits for the 10th and 9th FY and the below is the details of the conducts.

#### A. External Auditor

1H of 11th FY	1H of 10th FY	10th FY	9th FY
Ernst & Young	Ernst & Young	Ernst & Young	Ernst & Young

#### B. External Auditor's (or Reviewer's) Opinion

Description	1H of 11th FY	1H of 10th FY	10th FY	9th FY
Opinion	No proof of SKAS violation in the process of preparation	No proof of SKAS violation in the process of preparation	Qualified	Qualified

#### C. Audit Credit

The audit services with the Company and Ernst&Young are as follows.

(Unit : KRW MN, hrs)

Fiscal year	Auditor	Details	Compensation	Total service time
11th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	240	2,640
10th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	210	2,160
9th	Ernst & Young	Quarter/half period review, individual/consolidated audit contracts	170	2,112

(Note) Credit contract above is based on a 1-year compensation contract and VAT is not included.

The total service hour for 11th FY contract has not yet been realized as of the submission date of this report and the audit is still in process, therefore no entry has been made..

#### D. Non-audit Contract with External Auditor

The audit services with the Company and Ernst&Young are as follows

(Unit : KRW MN)

Fiscal year	Contract date	Service details	Service period	Compensation	Remark
11th	Apr. 20, 2011	Preparation of English Auditor's Report (11th FY)	–	40	
10th	Apr. 23, 2010	Preparation of English Auditor's Report (10th FY)	Mar. 14, 2011 ~ Apr. 30, 2011	40	
9th	Mar. 26, 2009	Preparation of English Auditor's Report (9th FY)	Mar. 15, 2010 ~ May 20, 2010	30	

(Note) The compensations above do not include VAT.

The service period of 11th Auditor's Report in English has been planned, not occurred, therefore not stated.

## 2. Internal Control over Financial Reporting (ICFR)

ICFR is not provided quarterly.

## V. Directors' Diagnosis and Analysis on Business

Directors' Diagnosis and Analysis on Business is not provided quarterly.

## VI. Board of Directors, Corporate Governance, and Related Companies

### 1. Board of Directors Overview

#### A. Composition of the Board of Directors

As of Jun. 30, 2011, the Board of Directors of the Company is composed of 3 standing directors (including CEO), 3 non-standing directors, 2 outside directors, and 1 standing auditor.

Since the Company's total assets for the previous fiscal year was less than KRW 2TN, the Company has no obligation of organizing Audit Committee. As of now, the Company does not have any committees (no Audit Committee) in the Board of Directors.

※ The profiles of the members of Board of Directors are stated in 'VIII. Executives and Employees, etc.

1. Executives and Employees A. Executives (1) Registered Executives'.

#### B. Major Resolution of the Board of Directors

Meetings	Date of BoD	Agenda	Approval/ Objection	Outside Director	
				Jeong Soo Lee (Attendance : 100.0%)	Sang Kon Ma (Attendance : 100.0%)
				Pro and con	
1st Extraordinary BoD Meeting	Jan. 27, 2011	① Approval of the 10th (Jan. 1, 2010~Dec. 31, 2010) financial statement	Approved	Approved	Approved
1st Regular BoD Meeting	Feb. 11, 2011	① Convening of the 10th Regular Annual General Meeting of Shareholders 1) Date: Mar. 11, 2011 (Fri) at 10:00 a.m. 2) Venue: Auditorium of Yeoksam1 Culture Center at 829-20 Yeoksam-dong, Gangnam-gu, Seoul 3) Agenda: - Approval of the 10th financial statement, income statement, statement of retained earning appropriation(proposed) - Partial Adjustment of Articles of Incorporation - Appointment of Directors - Appointment of Auditor - Approval of Remuneration Ceiling for Director(s) - Approval of Remuneration Ceiling for Auditor	Approved	Approved	Approved
		② Decision on cash dividend 1) Dividend per share: KRW 700 (140% of face value dividend ratio) 2) Total dividend amount: KRW 26,250 MN 3) Dividend date: Dec. 31, 2010	Approved	Approved	Approved
		③ Approval for Large-scale Intra-group Transaction	Approved	Approved	Approved
2nd Extraordinary BoD Meeting	May 6, 2011	① GLOVIS Performance for 1st Quarter of 2011	Approved	Approved	Approved
2nd Regular BoD Meeting	May 20, 2011	① Investment in Establishment of Ulsan KD Center ② Approval for Large-scale Intra-group Transaction ③ Approval for BOD member to hold Concurrent Position	Approved Approved Approved	Approved Approved Approved	Approved Approved Approved

## C. Independence of Director

Director	Nominated by	Duty	Transaction with the Company	Relationship with Majority Shareholders
Kyung Bae Kim	BoD	CEO	-	-
Hyung Ho Kim	BoD	Head of Logistics Business Division	-	-
Je Seo Park	BoD	Head of Accounting & Finance Group	-	-
Jung Dae Lee	BoD	Business in general	-	-
Yong Bae Lee	BoD	Business in general	-	-
Sang Kon Ma	BoD	Logistics related advice, etc.	-	-

Jeong Soo Lee	BoD	Legal advice, etc.	-	-
Jan Eyvin Wang	BoD	Logistics related advice, etc.	-	-

## 2. Audit System

### A. Personal Data of Auditor

The Company has no audit committee(arranged by outside director) established, but has one standing statutory auditor who was appointed at the general shareholders meeting. As of the report's submission date, auditor of the Company is Steinar Forberg.

Personal data of Steinar Foreberg is as follows.

- ① Birth : Jun. 3, 1947, Norway
- ② Education : Norwegian School of Business and Administration (1982)
- ③ Major Experience
  - CFO of Eukor Car Carriers Inc. (2002~2005)
  - Senior Consultant of HANSA MANAGEMENT Group (2001~2002)
  - Secretary General, Norwegian Sea Rescur Company (1998~2000)

### B. Independence of Auditor's Role

The Company has established in the Articles of Incorporation to provide the auditor more accessibility to the Company's information.

- ① Article 27 paragraph 3 : At any time, the auditor may inspect or reproduce the accounting records and documents and request the Directors to provide a business report or investigate the Company's affairs and financial status.
- ② Article 27 paragraph 4 : The auditor may attend meetings of the Board of Directors and express his opinions.
- ③ Article 27 paragraph 7 : The auditor may request the Company's subsidiary to report the details of the operation, if deemed necessary for performance of his duties. In such a case, if the subsidiary fails to immediately report the details or if it is necessary to confirm the contents of the report, the auditor may investigate the subsidiary's business operation and financial status. Moreover, an arm to support the auditor is organized in Finance Team for the auditor to reach the information at desired time period.



### C. Auditor's Major Activities

The auditor of the Company attended all Board of Directors Meetings convened in 2011.

In particular, at the 1st regular BoD Meeting on Feb. 11, 2011 the auditor reported on the operation of Internal Control over Financial Reporting for the 2nd half of 2010.

The auditor reports to the BoD twice a year.

The followings are the major activities of the auditor in the Board of Directors Meeting.

Meetings	Date of BOD	Agenda	Approval/ Objection
1st Extraordinary BoD Meeting	Jan. 27, 2011	① Approval of the 10th (Jan. 1, 2010~Dec. 31, 2010) financial statement	Approved
1st Regular BoD Meeting	Feb. 11, 2011	① Convening of the 10th Regular Annual General Meeting of Shareholders 1) Date: Mar. 11, 2011 (Fri) at 10:00 a.m. 2) Venue: Auditorium of Yeoksam1 Culture Center at 829-20 Yeoksam-dong, Gangnam-gu, Seoul 3) Agenda: - Approval of the 10th financial statement, income statement, statement of retained earning appropriation(proposed) - Partial Adjustment of Articles of Incorporation - Appointment of Directors - Appointment of Auditor - Approval of Remuneration Ceiling for Director(s) - Approval of Remuneration Ceiling for Auditor	Approved
		② Decision on cash dividend 1) Dividend per share: KRW 700 (140% of face value dividend ratio) 2) Total dividend amount: KRW 26,250 MN 3) Dividend date: Dec. 31, 2010	Approved
		③ Approval for Large-scale Intra-group Transaction	Approved
2nd Extraordinary BoD Meeting	May 06, 2011	① GLOVIS Performance for 1st Quarter of 2011	Approved
2nd Regular BoD Meeting	May 20, 2011	① Investment in Establishment of Ulsan KD Center	Approved
		② Approval for Large-scale Intra-group Transaction	Approved
		③ Approval for BOD member to hold Concurrent Position	Approved

## 3. Shareholders' Voting Right

### A. Voting System

Since the establishment on Feb. 22, 2001, the Company has adopted written voting system pursuant to Article 17-2 of the Articles of Incorporation for shareholders' voting rights.

- ① Shareholders may exercise their voting rights in writing without attending the General Meeting of the Shareholders.
- ② The Company shall attach the necessary document and reference materials

necessary to exercise voting rights with the notice convening the General Meeting of the Shareholders.

- ③ Shareholders who desire to exercise their voting rights in writing shall submit materials necessary to exercise voting rights in writing by the day prior to the General Meeting of the Shareholders.

## 4. Affiliated Companies under the Group, etc.

### A. Affiliated Companies

- (1) Name of the Group which the Company belongs to : Hyundai Motor Group

In accordance with Monopoly Regulation and Fair Trade Act and as of this quarterly report date (Jun. 30, 2011), the Company is an affiliate in Hyundai Motor Group and there are 61 affiliated companies in Korea (including GLOVIS), 10 of them are listed companies and 51 of them are non-listed companies.

Domestic companies in Hyundai · Kia Motors Group are subject to the restrictions on cross-shareholding and loan-guarantees under Monopoly Regulation and Fair Trade Act.

- (2) Domestic Affiliated Companies

Industry	No. of companies	Listed on the securities market	Unlisted
Vehicle manufacturing and sales	2	Hyundai Motor KIA Motors	—
Vehicle parts manufacturing	12	Hyundai Mobis Hyundai Wia	Hyundai Dymos KEFICO Hyundai Powertech Hyundai WISCO Hyundai Metia IHL Hyundai MSEAT Hyundai PARTECS WIA Magna Powertrain HL Green Power
Steel manufacturing	4	Hyundai Steel Hyundai Hysco BNG Steel	Samwoo
Securities	1	HMC Investment Securities	—
Logistics	1	Hyundai GLOVIS	—
Credit sales financing and Installment financing	3	—	Hyundai Capital Hyundai Commercial Hyundai Card
IT business	3	—	Hyundai AutoEver Hyundai MnSoft Hyundai C&I
Vehicle core technology development	2	—	Hyundai NGV Hyundai Carnes

Train manufacturing and sales	3	-	Hyundai ROTEM Seoul Metro Line 9 Maintrans
Construction	4	Hyundai E&C	Hyundai AMCO Kyungin Canal 2nd Youngdong Highway
Construction technology, Engineering and Other scientific technique service	2	-	Hyundai Engineering Hyundai Architects & Engineers Associates
Steel frame structure production & Installation	1	-	Hyundai Engineering & Steel Industry
Real estate business	4		Busan Finance Center AMC Songdo Landmark City Hato R&C Hyundai City
Sewage, waste water and night Soil Disposal	4		Seosan Cheongcheon Ulsan Cheongcheon Ulju Cheongcheon Jinju Cheongcheon
Advertisement agency	1	-	Innocean
Industrial gas manufacturing and sales	1	-	Greenair
Electric, Gas, Steam and air control supply	2	-	Busan JungKwan Energy Hyundai Energy
Cultivating crop and stock raising compound farming	1	-	Hyundai Farm Land & Development
Landscaping and forestation, etc.	2	-	Seorim Development Seorim Environment Technology
Metal product wholesale	1	-	Hyundai Material
Service, golf club	2	-	Haevichi Hotel and Resort Haevichi Country Club
Book publishing and manufacturing	1	-	Jongro Hakpyeong
Educational Service	2	-	Entrance examination educational reseacher Hyundai E&C Education
Sports Club Operation	2	-	KIA Tigers Jeonbuk Hyundai Motors FC
Total	61	10	51

### (3) Equity-Holding Distribution Table of Domestic Affiliated Companies

[As of Jun. 30, 2011]

(단위 : %)

Subsidiary Investor	Hyun- dal Motor	KIA Motors	Hyun- dal Steel	Hyun- dal MOBIS	Hyun- dal E&C	Hyun- dal Hysco	Hyun- dal Rotem	Hyun- dal WIA	Hyun- dal Glovis	Hyun- dal Powerte ch	Hyun- dal AMCO	Hyun- dal Dymos	Hyun- dal Enginee ring	Kepico	Seoul Metro Line 9	Hyun- dal BNG Steel	Hyun- dal E&C Steel In dustry	Hyun- dal City
Hyundai Motor		33.65			20.95	26.13	57.64	33.33	4.88	37.58		47.27		50.00				
KIA Motors			21.29	16.88	5.24	13.91		17.67		37.58	19.99	45.37						

Subsidiary Investor	Hyun- dai Motor	KIA Motors	Hyun- dai Steel	Hyun- dai MOBIS	Hyun- dai E&C	Hyun- dai Hysco	Hyun- dai Rotem	Hyun- dai WIA	Hyun- dai Glovis	Hyun- dai Powerte ch	Hyun- dai AMCO	Hyun- dai Dymos	Hyun- dai Enginee ring	Kepico	Seoul Metro Line 9	Hyun- dai BNG Steel	Hyun- dai E&C Steel In dustry	Hyun- dai City
Hyundai MOBIS	20.78				8.73					24.85	19.99							
Hyundai Steel				5.66												41.12		
Hyundai GLOVIS				0.67							24.96							
Hyundai Dymos																		
Hyundai Metia																		
Hyundai AMCO																		
Hyundai WIA												5.12						
Hyundai ROTEM															25.00			
Hyundai Commercial																		
Seorim Development																		
Hyundai E&C													72.55		7.64		99.92	100.00
Hyundai E&C Steel Industry																		
Hyundai Engineering																		

Subsidiary Investor	Haevi- chi Hotel and Resort	Hyun- dai Auto ever	Hyun- dai Wisco	Green- air	Hyun- dai Metia	Haevi- chi Coun- try Club	Busan J ung Kw an Ener- gy	Hyun- dai IHL	Hyun- dai Mseat	Hyun- dai Energy	Ulsan C heongc heon	Hyun- dai Partecs	Hyun- dai Mnsoft	Songdo Landm ark City	Jinju Ch eongch eon	HL Green P ower	Hyun- dai Farm Land & Devel opment	WIA Magna Power-t rain
Hyundai Motor		29.90				30.00						56.00	31.84					
KIA Motors	40.00	20.00				15.00						31.00						
Hyundai MOBIS	10.00	20.00				15.00		90.00				13.00	25.67			51.00		
Hyundai Steel																		
Hyundai GLOVIS	5.00																	
Hyundai Dymos					48.53				99.81									
Hyundai Metia			38.63															
Hyundai AMCO						40.00												
Hyundai WIA	17.00				50.94													50.00
Hyundai ROTEM				51.00														
Hyundai Commercial																		
Seorim Development																		
Hyundai E&C							56.76			49.00	4.50			40.38	6.00		72.00	
Hyundai E&C Steel Industry																		

Subsidiary Investor	Haevi- chi Hotel and Resort	Hyun- dai Auto ever	Hyun- dai Wisco	Green- air	Hyun- dai Metia	Haevi- chi Coun- try Club	Busan J ung Kw an Ener- gy	Hyun- dai IHL	Hyun- dai Mseat	Hyun- dai Energy	Ulsan C heongc heon	Hyun- dai Partecs	Hyun- dai Mnsoft	Songdo Landm ark City	Jinju Ch eongch eon	HL Green P ower	Hyun-d ai Farm Land & Devel opment	WIA Magna Power-t rain
Hyundai Engineering																		

  

Subsidiary Investor	Hatol R &C	Seosan Cheon gcheon	Hyun-d ai C&I	2nd Yo ungdon g High way	Hyun-d ai Archi tects & Engine ers As sociate s	Seorim En- vri- onment Tech- nology	Hyun- dai NGV	Uiju Ch eongch eon	KIA Tig ers	Main- trans	Jeong buk Hyun dai Motors FC	Busan Financ e Cent er AMC	Hyun-d ai Carn es	Hyun-d ai E&C Educati on	Kyungil n Canal	Hyun-d ai Capit al	Hyun-d ai Card	Hyun-d ai Com mercial	HMC Invest ment Securi ties
Hyundai Motor							53.66				100.00		100.00			56.47	31.52	50.00	26.27
KIA Motors							24.39		100.00								11.48		3.68
Hyundai MOBIS																			15.76
Hyundai Steel																	5.44		
Hyundai GLOVIS																			
Hyundai Dymos																			
Hyundai Metia																			
Hyundai AMCO												5.45							3.68
Hyundai WIA																			
Hyundai ROTEM										80.00									
Hyundai Commercial																	5.54		
Seorim Development						75.00													
Hyundai E&C	51.00	30.00	70.00	40.00	63.44			27.61				16.38		66.67	52.32				
Hyundai E&C Steel Industry			10.00																
Hyundai Engineering			20.00																

\* The table above is based on common stock.

\* The table above is based on 'Business Group Subject to Limitations on Cross-Shareholding' of Fair Trade Commission.

#### (4) Equity-Holding Distribution Table of the Company's Overseas Subsidiaries

The Company, GLOVIS America, GAPS (its subsidiaries) and Beijing GLOVIS have equities in overseas subsidiaries and they are performing businesses which correspond to the local businesses of Hyundai Motor Group.

The followings are the details of major overseas local subsidiaries.

(Unit : 1,000 in local currency)

Subsidiary	Sales	Major business
GLOVIS America	\$276,144	Port processing and TP transportation for finished car, Container forwarding
GLOVIS Alabama	\$45,629	Consolidation Center operation, Parts(vendors') transportation, Equipment Distribution
GLOVIS Georgia	\$19,508	Consolidation Center operation, Tire/Wheel operation, Parts(vendors') transportation
GAPS	\$5,158	Port processing for finished car
GAPS ALABAMA, LLC	\$10,876	Vehicle Processsing Center operation
GAPS GEORGIA, LLC	\$9,900	Vehicle Processsing Center operation
GAPS PENNSYLVANIA, LLC	\$6,785	Port processing for finished car
GLOVIS Europe	€ 116,642	TP transportation of finished car, Container forwarding
GLOVIS Slovakia	€ 18,597	Consolidation Center operation, Tire Wheel operation, Vehicle Processsing Center operation, Parts(vendors') transportation
GLOVIS Czech	CZK 371,706	Consolidation Center operation, Tire Wheel operation, Vehicle Processsing Center operation, Parts(vendors') transportation
GLOVIS Turkey	YTL 25,341	TP transportation of finished car, Container forwarding, Parts(vendors') transportation, Consolidation Center operation
Beijing GLOVIS	RMB 418,452	TP transportation of finished car, Container forwarding, Parts(vendors') transportation
Tianjin GLOVIS	RMB 129,099	Global-sourcing Parts Procuring
GLOVIS India	Rs 5,142,637	TP transportation of finished car, Container forwarding, Container Freight Station operation, CKD packaging
GLOVIS Australia	AUD 16,994	TP transportation of finished car
GLOVIS Russia	Rub 1,618,239	TP transportation for finished car, Container forwarding
GLOVIS Canada	CAD 67,852	Port processing and TP transportation for finished car
GLOVIS Brazil	\$0	Consolidation Center operation, Tire Wheel operation, Vehicle Processsing Center operation, Parts(vendors') transportation, TP transportation for finished car

Next is equity-holding distribution table of overseas local subsidiaries.

[As of Jun. 30, 2011]

(Unit : %)

Subsidiary Investor	GLOVIS America	GLOVIS Alabama	GLOVIS Georgia	GAPS	GAPS Alabama LLC	GAPS Georgia LLC	GAPS Penn-sylvania LLC	GLOVIS Europe	GLOVIS Slovakia	GLOVIS Czech	GLOVIS Turkey	Beijing GLOVIS	Tianjin GLOVIS	GLOVIS India	GLOVIS Aus-tralia	GLOVIS Russia	GLOVIS Canada	GLOVIS Brazil
Hyundai GLOVIS	100	-	-	-	-	-	-	100	100	100	100	100	-	100	100	100	-	100
GLOVIS America	-	100	75	100	-	-	-	-	-	-	-	-	-	-	-	-	100	-
GLOVIS Alabama	-	-	25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GAPS	-	-	-	-	100	100	100	-	-	-	-	-	-	-	-	-	-	-
Beijing GLOVIS	-	-	-	-	-	-	-	-	-	-	-	-	100	-	-	-	-	-

## B. Investment in Companies

(As of Jun. 30, 2011)

(Unit : Shares, KRW 1,000, %)

Company	Initial Acquisition Date	Purpose of investment	Initial Acquisition Amount	Balance at beginning			Increase(Decrease)			Balance at Ending			Financial status for the recent fiscal year	
				Shares	Holding ratio	Book value	Acquisition(Disposal)		Evaluated P&L	Shares	Holding ratio	Book value	Total assets	Net income
							Shares	Amount						
Hyundai AMCO (unlisted)	Oct. 02, 2002	Participation in management	2,850,000	4,992,425	24.96%	99,496,929	0	0	0	4,992,425	24.96%	99,496,929	918,280,420	63,648,720
Hyundai Mobis (Listed)	Jul. 01, 2009	Merged Hyundai Autonet	72,520,377	656,293	0.67%	186,715,358	0	0	28,220,599	656,293	0.67%	214,935,957	13,863,837,000	2,423,295,000
Hyundai Green Food (Listed)	Jul. 01, 2010	Participation in management	41,293,513	4,554,065	5.05%	51,233,231	0	0	4,326,362	4,554,065	5.05%	55,559,593	1,270,252,096	79,308,507
Luco (Unlisted)	Jun. 20, 2007	Participation in management	100,000	10,000	16.67%	100,000	0	0	0	10,000	16.67%	100,000	100,000	-
Haevichi Hotel and Resort (Unlisted)	Jun. 27, 2003	Participation in management	3,470,450	155,000	5.00%	0	0	0	0	155,000	5.00%	0	320,387,744	11,694,503
Hyundai A&I (unlisted)	Jul. 01, 2008	Hyundai Food System stock split	14,319,370	39,000	16.20%	24,949,875	0	0	429,946	39,000	16.20%	25,379,821	152,104,088	5,091,235
Hyundai Green Development (unlisted)	Dec. 21, 2009	Efficiency of management	200,000	40,000	4.00%	200,000	0	0	0	40,000	4.00%	200,000	200,000	-
GLOVIS America (unlisted)	Dec. 02, 2002	Participation in management	1,213,400	16,000	100.00%	75,710,693	0	0	0	16,000	100.00%	75,710,693	331,289,731	29,510,043
GLOVIS Slovakia (unlisted)	Apr. 07, 2005	Participation in management	4,922,658	-	100.00%	15,375,621	0	0	0	0	100.00%	15,375,621	27,742,906	3,828,698
Beijing GLOVIS (unlisted)	Aug. 12, 2005	Participation in management	1,335,379	-	100.00%	5,468,026	0	0	0	0	100.00%	5,468,026	33,089,436	4,318,545
GLOVIS Europe (unlisted)	Jan. 23, 2006	Participation in management	965,910	-	100.00%	12,241,526	0	0	0	0	100.00%	12,241,526	88,557,709	12,237,460
GLOVIS Czech (unlisted)	Jul. 05, 2007	Participation in management	4,475,470	-	100.00%	7,104,285	0	0	0	0	100.00%	7,104,285	33,372,320	3,460,972
GLOVIS India (unlisted)	Apr. 06, 2006	Participation in management	605,821	-	100.00%	4,800,146	0	0	0	0	100.00%	4,800,146	38,536,339	1,069,416
GLOVIS Russia (unlisted)	Jul. 14, 2008	Participation in management	638,132	-	100.00%	3,423,428	0	0	0	0	100.00%	3,423,428	29,285,888	1,801,491
GLOVIS Australia (unlisted)	Jan. 13, 2006	Participation in management	454,769	-	100.00%	454,769	0	0	0	0	100.00%	454,769	4,965,691	161,658
GLOVIS Turkey (unlisted)	Jun. 25, 2007	Participation in management	460,842	-	100.00%	460,842	0	0	0	0	100.00%	460,842	8,216,454	2,927,486
GLOVIS Brazil (unlisted)	Feb. 28, 2011	Participation in management	234,603	-	-	0	0	234,603	0	0	100.00%	234,603	234,603	-
Dangjin Port (unlisted)	May 31, 2011	Efficiency of management	389,995	-	-	-	77,999	389,995	0	77,999	13.00%	389,995	-	-
Total				-	-	487,734,729	-	624,598	32,976,907	-	-	521,336,234	17,120,452,425	2,642,353,734

※ The above financial statment is for the recent fiscal year as the of end 2010.

## VII. Matters on Shareholders

### 1. Major Shareholders

#### A. Major Shareholders and Affiliated Persons

Major Shareholders are Eui Sun Chung, the Vice Chairman of Hyundai Motor, Mong Koo Chung, the Chairman of Hyundai · Kia Motors Group and the relative of ES Chung, Hyundai Motor Company and Haevichi Social Contribution Committee, the non-profit foundation. Also there are Wilh. Wilhelmsen ASA as a co-shareholder and its 100% subsidiary, Wihelmsen Lines AS.

Hyundai Motor Company was established in 1967 and its major businesses include manufacturing and sales of vehicles and parts. Its total assets as of the end of 1H of 2011 are KRW 102,455 BN.

Haevichi Social Contribution Committee, non-profit foundation, supports to provide cultural activities to the neglected groups of society. As of the end of 2010, total assets are KRW 200,383 BN and the CEO is Lee, Hee-Beom (major career : Minister of Commerce, Industry, and Energy). Recently, the Committee has been conducting 'Haevichi Sunny School' at branch schools in sub-urban areas for cultural-art activities.

Wilh. Wilhelmsen ASA is a Norwegian shipping company and its assets are USD 1,273 MN as of the end of 1H of 2011. WW ASA's group CEO is Jan Eyvin Wang.

WW ASA has marine network established throughout Northeastern Europe and has subsidiaries in the field of shipping and logistics business.

Wilh. Wilhelmsen ASA and the Company reached a strategic partnership in 2004. Both companies maximize synergy effects in all business areas with the advanced logistics measures, and sharing logistics infrastructure, etc..

Wilhelmsen Lines AS is 100% owned by Wilh. Wilhelmsen ASA, manages veichle-related transportation business, and its current total assets as of the end of 1H of 2011 are USD 1,826 MN.



## B. Major Shareholders' Shares

The shareholding status of major shareholders and related parties as of Jun. 30, 2011 is as below.

(As of Jun. 30, 2011)

(Unit : Shares, %)

Name	Relationship	Type of shares	Holding shares(Ratio)				Remark
			Beginning		Ending		
			Shares	Equity ratio	Shares	Equity ratio	
Eui Sun Chung	Majority Shareholder	Common stock	11,954,460	31.88	11,954,460	31.88	present) Vice Chairman of Hyundai Motor - BA in Business Administration in Korea University - MBA in University of San Francisco
Mong Koo Chung	Relative	Common stock	7,610,139	20.29	6,790,898	18.11	present) CEO and Chairman of Hyundai Motor - BS in Engineering Management in Hanyang Univeristy - Honorary Doctorate in Business Management in Korea University
Hyundai Motor	Affiliate	Common stock	1,011,698	2.70	1,830,939	4.88	Business in auto manufacturing, sales, repairs, etc.
Haevichi Social Contribution Committee	Foundation	Common stock	512,821	1.37	512,821	1.37	Business in cultural, art development for welfare of the neglected social groups
Wilh. Wilhelmsen ASA	Co-shareholder	Common stock	4,701,082	12.53	4,701,082	12.53	Vehicle-related Transportation
Wilhelmsen Lines AS	Others	Common stock	937,500	2.50	937,500	2.50	Vehicle-related Transportation
Total		Common stock	26,727,700	71.27	26,727,700	71.27	-
		Preferred stock	0	0	0	0	
		Others	0	0	0	0	

Changes on Shareholding had occurred as below.

(As of Jun. 30, 2011)

(Unit : Shares, %)

Date of Change	Majority Shareholder	Holding Shares	Equity ratio	Remark
Mar. 04, 2011	Mong Koo Chung	6,790,898	18.11	
Mar. 04, 2011	Hyundai Motor	1,830,939	4.88	

## 2. Shareholder Distribution

### A. Status of shareholders over 5%

(As of Jun. 30, 2011)

(Unit : Shares)

Description	Name	Holding Shares	Equity ratio	Remark
Shareholder over 5% of total shares	Eui Sun Chung	11,954,460	31.88%	
	Mong Koo Chung	6,790,898	18.11%	
	Wilh. Wilhelmsen ASA	4,701,082	12.53%	
	National Pension Service	1,876,227	5.00%	
Employee Ownership		–	–	

\* The shareholding status of the National Pension Service is based on the disclosure of the National Pension Service made in Jun. 29, 2011.

### B. Status of Minor shareholders

(As of Jun. 30, 2011)

(Unit : Shares)

Description	Shareholder		Holding Shares		Remark
	Number of holder	Ratio	Holding Shares	Ratio	
Minor Shareholders	27,061	99.97%	8,903,730	23.74%	–
Total	27,070	100%	37,500,000	100%	–

## 3. General Affairs on Shares

Preemptive Rights on the Articles of Incorporation	<p>Article 9 (Preemptive Rights)</p> <p>(1) The Company's shareholders shall have the preemptive right to subscribe for new shares in proportion to their respective shareholding ratios.</p> <p>(2) Notwithstanding the provision of Paragraph (1), the Company may allocate new shares to persons other than the existing shareholders in the following cases:</p> <p>(a) Where new shares are issued by initial public offering or where underwriters are made to underwrite new shares in accordance with the Securities and Exchange Act ("SEA") within the limit of 20/100 of the total issued and outstanding shares as of after the initial public offering;</p> <p>(b) Where the Company issues new shares preferentially to the members of the Employee Stock Ownership Association, in accordance with Article 165-7 of the SEA;</p> <p>(c) Where new shares are issued by general public offering pursuant to approval of the board of directors in accordance with the SEA within the limit of 10/100 of the total issued and outstanding shares as of after the general public offering; and</p>
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	(d) Where new shares represented by depositary receipt ("DR") are issued in accordance with the SEA, within the limit of 10/100 of the total issued and outstanding shares as of after the DR issuance. (3) In the event new shares are issued in accordance with Paragraph (2) above, the type, number and price of the shares will be determined through the resolution of the Board of Directors. (4) If any shares are not subscribed for by a shareholder or if fractional shares result from the allocation of new shares, the shares which have not been subscribed for or allocated shall be disposed of in accordance with a resolution of the Board of Directors.		
Closing Date	Dec. 31	Annual General Shareholders' Meeting	within 3 months after closing date
Closing period of Shareholders' List	Jan. 1 ~Jan. 31		
Type of Share Certificate	one, five, ten, fifty, one hundred, five hundred, one thousand, ten thousand (8 types)		
Stock Transfer Agent	Hanabank, Securities Agency Business		
Shareholders' Privilege	N/A	Relevant newspaper for announcements	① Korea Economic Daily ② Mae'il Business Newspaper, Munhwailbo (If Korea Economic Daily is unavailable)

## 4. Share Price and Performance

It is transportation/storage type in KOSPI in the securities market where the Company's common stocks are traded. Please refer to the table below for the performance of the Company's share price and trading volume for the recent 6 months.

(Unit : KRW, Shares)

Category		Jan. 2011	Feb.	Mar.	Apr.	May	Jun.
Common stock	Highest	165,500	157,000	157,500	162,000	157,000	172,000
	Lowest	151,000	139,500	132,000	143,500	147,000	149,500
	Average	160,214	145,382	143,568	151,381	151,025	160,643
	Largest daily trading volume	429,332	206,788	758,892	602,516	224,731	466,324
	Smallest daily trading volume	58,622	36,233	59,113	80,346	61,433	43,643
	Monthly trading volume	2,547,494	1,647,666	4,737,956	4,760,119	2,096,830	2,788,892

\* The share prices(highest, lowest, average) above are based on the ending prices.

## VIII. Executives and Employees, etc.

### 1. Executives and Employees

#### A. Executives

##### (1) Registered Executives

There are 9 registered executives in total including 8 directors(2 are outside directors) and 1 standing auditor. Details are stated below.

(As of Jun. 30, 2011)

(Unit : Shares)

Name	Date of birth	Title	Registered/ Non-registered	Standing/ Non-standing	Duty	Major career	Holding Shares		Period of Service	Expiration date
							Common Stock	Pre-ferred Stock		
Kyung Bae Kim	Sept. 30, 1964	Vice President	Registered	Standing	CEO, Chairman	former) Senior Managing Director of Hyundai Motor - BA in Business Administration at Yonsei University	-	-	May. 27, 2009 ~	Jul. 23, 2012
Hyung Ho Kim	Nov. 4, 1958	Senior Managing Director	Registered	Standing	Head of Logistics Business Div.	former) CEO of UPS PlateService Korea - BA in Business Administration at Yonsei University	-	-	Oct. 07, 2009 ~	Mar. 12, 2013
Je Seo Park	Jul. 1, 1958	Managing Director	Registered	Standing	Head of Accounting & Finance Group	former) General Manager of Hyundai Motor - BA in Economics at Daegu University	-	-	Feb. 15, 2007 ~	Mar. 14, 2011
Jung Dae Lee	Oct. 27, 1955	Director	Registered	Non-standing	Member of BoD	present) Vice Chairman of Hyundai Motor former) President of Hyundai Motor - BA in Business Administration at Chungnam University	-	-	-	Mar. 11, 2014
Yong Bae Lee	Apr. 8, 1961	Director	Registered	Non-standing	Member of BoD	present) Senior Managing Director of Hyundai Motor former) Managing Director of Hyundai Motor - MA in Business Administration at Kyunghee University	-	-	-	Mar. 11, 2014
Sang Kon Ma	May 25, 1940	Outside Director	Registered	Non-standing	Member of BoD	present) CEO of Hyopwoon Shipping former) Chairman of International Shipping Agency Association of Korea - BS in Nautical Science at Korea Maritime University	-	-	-	Jun. 11, 2013
Jeong Soo Lee	Apr. 5, 1950	Outside Director	Registered	Non-standing	Member of BoD	present) Lawyer of Kim & Chang former) Head of Public Security Department of Supreme Prosecutor's Office - LLB at Korea University	-	-	-	Mar. 13, 2012
Jan Eyvin Wang	Aug. 1, 1956	Director	Registered	Non-standing	Member of BoD	present) CEO of Wih.Wilhelmsen ASA former) CEO of Eukor Car Carriers Inc.	-	-	-	Jun. 11, 2013

Name	Date of birth	Title	Registered/Non-registered	Standing/Non-standing	Duty	Major career	Holding Shares		Period of Service	Expiration date
							Common Stock	Preferred Stock		
						- BA in Business Administration at Heriot-Watt University				
Steinar Forberg	Jun. 3, 1947	Auditor	Registered	Standing	Auditor	former) Advisor of HANSA MANAGEMENT Group former) CFO of Eukor Car Carriers, Inc. - BA in Economics and Business at Norewegian School	-	-	Jan. 01, 2005 ~	Mar. 11, 2014
Geon Young Jeong	May 10, 1954	Managing Director	Non-registered	Standing	Head of Distribution Business Div.	former) Director of Hyundai Mobis - BA in Political Science at Sogang University	-	-	Jan. 01, 2007 ~	-
Jong Jin Kim	Mar. 23, 1956	Managing Director	Non-registered	Standing	CEO of Beijing GLOVIS	former) General Manager of Hyundai Motor - BA in Accounting at Kyungsoo University	10,000	-	Jul. 04, 2005~	-
Jin Ok Kim	Mar. 27, 1963	Director	Non-registered	Standing	Head of Ocean Shipping Group	former) Vice President of VWL Europe - BS in Nautical Science at Korea Maritime University	-	-	Dec. 15, 2008 ~	-
Seon Chae Hwang	Sept. 15, 1958	Director	Non-registered	Standing	Head of IT Group	former) Director Equivalent of AutoEverSystems - BS in Computer Science at University of Florida	-	-	Sept. 01, 2007 ~	-
Jae Hoon Jang	Aug. 3, 1964	Director	Non-registered	Standing	Strategy & Planning division	former) CEO of Sejin FRS - Master in Business Administration at Boston University			Feb. 01, 2011 ~	
Nam Jeong Song	Oct. 5, 1957	Director	Non-registered	Standing	Head of KD Business Group	former) General Deputy Manager of Hyundai Motor - BS in Mechanical Engineering in Busan University	2,000	-	Feb. 15, 2007 ~	-
Chul Soo Chung	Mar. 17, 1955	Director	Non-registered	Standing	Head of Domestic Logistics Group	former) General Manager of Hyundai Merchant Marine - BA in Business Commerce at Yeungnam University	-	-	Jun. 01, 2007 ~	-
Myeong Seob Han	Apr. 2, 1961	Director	Non-registered	Standing	Head of Logistics Sales Group	former) General Deputy Manager of Hyundai Motor - BS in Mechanical Engineering at Korea University	-	-	Feb. 15, 2007 ~	-
Seung Yong Sung	Feb. 12, 1961	Director Equivalent	Non-registered	Standing	CEO of GLOVIS Georgia	former) General Deputy Manager of Kia Motors - BS in Chemistry at Sogang University	7,800	-	Jan. 01, 2008 ~	-
Geon Yong Lee	Apr. 8, 1960	Director Equivalent	Non-registered	Standing	Head of Sales Supporting Group	former) General Manager of Kia Motors - BS in Production Engineering at Hanyang University	-	-	Jun. 01, 2009 ~	-
Byung Ho Jeon	Apr. 5, 1964	Director Equivalent	Non-registered	Standing	Head of Business Supporting Group	former) General Manager of Kia Motors - BS in Business Administration at Kyunghee University	-	-	Jun. 01, 2009 ~	-
Jin Woo Jeong	Dec. 10, 1965	Director Equivalent	Non-registered	Standing	Head of Business Strategy & Planning Group	former) General Manager of Hyundai Mobis - MA in Economics at Seoul National University	-	-	Jun. 01, 2009 ~	-
Chan Joo Cho	Aug. 8, 1959	Director Equivalent	Non-registered	Standing	CEO of GLOVIS Russia	former) General Manager of Hyundai Motor - BS in Material Engineering at Hanyang University	-	-	Jan. 01, 2010 ~	-
	Oct. 7,	Director	Non-		CEO of GLOVIS	former) General Manager of Kia Motors			Jan. 01, 2010	

Name	Date of birth	Title	Registered/ Non-registered	Standing/ Non-standing	Duty	Major career	Holding Shares		Period of Service	Expiration date
							Common Stock	Pre-ferred Stock		
Hyung Jun Koo	1959	Equivalent	registered	Standing	Alabama	- BS in Industrial Engineering at Konkuk University	-	-	~	-
Hi Byoung Park	Apr. 27, 1961	Director Equivalent	Non-registered	Standing	Head of Overseas Logistics Group	former) Deputy General Manager of Hyundai Motor - BA in Business Administration at Korea University	-	-	Jan. 01, 2010 ~	-
Min Joo	Aug. 1, 1958	Director Equivalent	Non-registered	Standing	CEO of GLOVIS India	former) Deputy General Manager of Kia Motors - BS in Mechanical Engineering at Inha University	-	-	Jun. 23, 2010 ~	-
Keum Jong Lim	Nov. 27, 1962	Director Equivalent	Non-registered	Standing	CEO of GLOVIS Turkey	former) Deputy General Manager of Dongseo dynasty - BS in Mechanical Engineering at Sungkyunkwan University	1,260	-	Jan. 01, 2011 ~	-

\* Changes after closing date(Jun. 30, 2011)

- Aug. 4, 2011: Non-standing director Yong Bae Lee (Senior Managing Director→ Vice President)

- Aug. 8, 2011: Change in Non-registered Director (Director Equivalent Byung Ho Jeon transferred out, Director Equivalent Wan Sik Jeong Transferred in)

## B. Employees

Status of Employees(excluding registered/non-registered executives) is as below.

(As of Jun. 30, 2011)

(Unit: KRW)

Description	Gender	Number of employees				Average year of continuous service	Total amount of annual wage	Average wage per person	Remark
		Regular	Contract	Others	Total				
DomesticLogistics	Male	156	-	-	156	-	-	-	-
Domestic Logistics	Female	3	-	-	3	-	-	-	-
International Logistics	Male	103	-	-	103	-	-	-	-
International Logistics	Female	34	-	-	34	-	-	-	-
CKD	Male	91	-	-	91	-	-	-	-
CKD	Female	7	-	-	7	-	-	-	-
Merchandise	Male	50	-	-	50	-	-	-	-
Merchandise	Female	6	-	-	6	-	-	-	-
Business Support	Male	107	-	-	107	-	-	-	-
Business Support	Female	16	-	-	16	-	-	-	-
Total		573	-	-	573	3.85yrs	13,457,817,750	23,163,198	-

\* The number of employees above includes the ones in office(excluding the executives) as of the end of current fiscal year.

\* The Business Support above includes Finance, Accounting, HR, Planning, etc. which supports the business operation.

\* Average year of continuous service, total amount of annual wage and average wage per person were calculated by the total number of employees instead of using partial number of them.

\* The total amount of annual wage above is the total wage that has been distributed during 1H of 2011.

## 2. Remuneration for Executives, etc.

The executives(registered) are paid based on the remuneration ceiling approved at the General Shareholders Meeting. Since the auditor of the Company is a foreigner, the Company pays the remuneration in USD which was also approved at the General Shareholders Meeting.

Also, the Company has not provided any stock option to the executives.

Remuneration for executives is shown as below.

### 1. Amount approved at the Shareholder's Meeting

(Unit : KRW 1 MN)

Description	number of persons	Amount approved at the shareholders meeting	Remark
Registered Director	6	5,000	–
Outside Director	2	–	Included in the remuneration ceiling of registered director
Auditor	1	600	Unit : 1,000 USD

- \* The unit for amount of remuneration ceiling approved at the shareholders meeting for auditor above is in USD 1,000.
- \* When giving approval for remuneration ceiling, the Company does not classify Outside director's separately. Therefore, the Registered Director remuneration above comprehensively includes outside directors also.

### 2. Distributed Amount

(Unit : KRW 1 MN)

Classification	number of persons	Total amount	Average amount per 1 person	Total fair value of stock option	Remark
Registered Director	6	467	78	–	–
Non-standing Director	2	40	20	–	–
Member of the Auditing Committee or Audit	1	250	250	–	Unit : USD
Total	9	507	98	–	Total payment for Audit : 250,000 USD

- \* The unit for amount of remuneration for auditor above is in 1,000 USD.

## IX. Transaction with Shareholders

### 1. Credit Provision to Large Shareholders

#### A. Debt Guarantee

The Company provides debt guarantee for the Company's overseas subsidiaries when they receive loan from domestic and international financial institutions for smooth funding and cost minimization.

The followings are the details of the guarantee.

[As of Jun. 30, 2011]

(Unit : USD, EUR, AUD)

Receiving party	Detail	Agreed date	Purpose	Guarantee amount	Condition			Approval
					Lender	Maturity date	Commission fee	
GLOVIS America	Facility fund	May 28, 2011	Guarantee for C/C construction	USD 8,700,000	The Export-Import Bank of Korea	May 27, 2012	0.15%/year of principal	BoD
GLOVIS Georgia	Loan with ceiling	Sept. 18, 2010	Guarantee for C/C construction	USD 19,000,000	CITI Bank	Sept. 17, 2011		BoD
		Apr. 15, 2011	Guarantee for C/C construction	USD 10,000,000	Hana Bank	Apr. 14, 2012		BoD
GLOVIS Slovakia	Loan with ceiling	Jun. 30, 2011	Guarantee for Tire/wheel line investment capital	EUR 5,000,000	CITI Bank	Jun. 30, 2012		BoD
GLOVIS Czech	Loan with ceiling	Feb. 25, 2011	Operation of subsidiary	EUR 11,000,000	CITI Bank	Feb. 24, 2012		BoD
GLOVIS Turkey	Loan with ceiling	Mar. 20, 2011	Operation of subsidiary	EUR 300,000	CITI Bank	Mar. 20, 2012		BoD
GLOVIS Australia	Loan with ceiling	May 25, 2011	Operation of subsidiary	AUD 1,000,000	CITI Bank	May 25, 2012		BoD
GLOVIS Russia	Loan with ceiling	Jul. 28, 2010	Guarantee for C/C facility	USD 19,000,000	CITI Bank	Jul. 28, 2011		BoD
GLOVIS India *	Loan with ceiling	Jul. 12, 2010	Guarantee for D/A Discount Ceiling	USD 40,000,000	SC First Bank	Jul. 11, 2011		BoD
GLOVIS India *	Loan with ceiling	Jul. 12, 2010	Guarantee for D/A Discount Ceiling	USD 40,000,000	CITI Bank	Jul. 11, 2011		BoD
GLOVIS India	Facility fund	Feb. 18, 2009	Guarantee for D/A Discount Ceiling	USD 8,200,000	SC First Bank	Feb. 17, 2012		BoD

\* The guarantees for local D/A discount ceiling were approved by the BoD 3 times, align with the business progress of India local subsidiary and the contents are as follows.

Apr. 23, 2010 BoD : Approved local D/A discount ceiling for USD 15,000,000 with CITI Bank

May 14, 2010 BoD : Additionally approved local D/A discount ceiling for USD 25,000,000 and USD 10,000,000 with SC First Bank

Jun. 11, 2010 BoD : Additionally approved local D/A discount ceiling for USD 30,000,000 with SC First Bank

\* D/A discount ceiling is not about one-time borrowing, it is setting up a D/A discount ceiling amount with local financial institutions for discounting accounts receivables related to business; therefore it is different from an ordinary borrowing.



For the logistics related to overseas production and sales, the Company establishes and operates overseas subsidiaries. Overseas subsidiaries need facility investment funds (for C/C or VPC, etc.) or initial operating funds for their own businesses. However, the subsidiaries which initiated their business not long ago, have difficulties in individual funding; therefore, GLOVIS Korea provides payment guarantees to support their smooth funding-flow.

There is no case of GLOVIS Korea paying the debt for overseas subsidiary among the ones it has guaranteed.

## 2. Asset Transfer/Acquisition with Large Shareholders, etc.

### A. Equity Investment and Disposition

The Company is making capital investment in its overseas subsidiary when necessary. In the 1H of 2011, investment in a new overseas subsidiary, GLOVIS BRAZIL, was made. Please refer to the following table for details.

(Unit : KRW 1,000)

Company	Relationship	Equity investment and disposition transaction					Remark
		Type of investment	Details				
			Beginning	Increase	Decrease	Ending	
GLOVIS Brazil	Affiliate (Subsidiary)	Investment securities	-	234,603	-	234,603	Initial Capital investment
Total			-	234,603	-	234,603	

\* The amount above is based on acquisition cost

### B. Security Purchase and Sale

For its efficient short-term cash management, the Company has RePurchase transactions with its affiliated company, HMC Investment Securities. As the Company reports to the public before the end of every quarter, the transacting amount ceiling is KRW 50 BN cumulative.

(Unit : KRW MN)

Transacting Party	Relationship	Transaction object	Purpose	Condition	Transaction date	Type		Cumulative	P&L	BoD
						Purchase	Sale			
HMC Investment	Affiliated company	R.P., Money Mark	Short-term cash man	Deposit/withdraw at any time	Initial balance	-	-	40,000	-	Approved ceiling (KRW 50 BN)
					Jan. 14, 2011	40,000	40,000	40,000	41	
					Jan. 18, 2011	40,000	40,000	40,000	12	
					Feb. 24, 2011	40,000	40,000	40,000	114	
					Mar. 15, 2011	40,000	40,000	40,000	59	
					Mar. 25, 2011	10,000	10,000	40,000	8	

Transacting Party	Relationship	Transaction object	Purpose	Condition	Transaction date	Type		Cumulative	P&L	BoD
						Purchase	Sale			
Securities		et Trust	agement		Apr. 15, 2011	40,000	40,000	40,000	97	
					Jun. 13, 2011	40,000	40,000	40,000	200	
					Jun. 15, 2011	40,000	40,000	40,000	7	
					Jun. 21, 2011	40,000	40,000	40,000	22	
Total						330,000	330,000	40,000	560	

### 3. Business Transaction with Large Shareholders

#### A. Transaction amounting 5% or more of the Sales

During 1H of 2011, the Company had business transactions with Kia Motors amounting to KRW 609,141 MN and KRW 303,207 MN with Hyundai Motors from the selling of overseas transportation and TP transportation services of finished cars. With Hyundai Steel, the Company had transaction of KRW 353,347 MN for transportation of main and substitute raw materials.

The amounts exceed 5% of the total sales of the recent fiscal year.

#### B. Long-Term Service Agreement

There is no change or conclusion of a 1 year long-term supply contract under the standard amount which exceeds 5% of the total sales of the recent fiscal year of this first half.

## X. Other Matters

### 1. Progress and Changes in Issues Disclosed

Not applicable

### 2. Summary of Minutes of the Annual General Shareholders' Meeting

The major agendas and resolutions at the shareholders meeting convened during the period for public disclosure(Jan. 1, 2009 ~ submission date of 1H report) are as follows.

Date of meeting	Agenda	Resolution
The 8th Annual General Meeting of Shareholders (Mar. 13, 2009)	<ul style="list-style-type: none"> <li>○ Agenda 1 Approval of 8th Balance sheet, P&amp;L Sheet, (proposed) Appropriation of Retained Earnings</li> <li>○ Agenda 2 Partial Amendments to Articles of Incorporation</li> <li>○ Agenda 3 Appointment of Directors</li> <li>○ Agenda 4 Approval of Remuneration Ceiling for Directors</li> <li>○ Agenda 5 Approval of Remuneration Ceiling for Auditor</li> </ul>	<ul style="list-style-type: none"> <li>- Approved as proposed</li> <li>- Approved as proposed</li> <li>- Approved as proposed (appointed Kwang Sun Lee, Jeong Soo Lee, Sjur Galtung)</li> <li>- Approved as proposed (amount : KRW 5 BN)</li> <li>- Approved as proposed (amount : USD 500,000)</li> </ul>
Extraordinary Shareholders Meeting (Jul. 23, 2009)	<ul style="list-style-type: none"> <li>○ Agenda 1 Appointment of Director</li> </ul>	<ul style="list-style-type: none"> <li>- Approved as proposed (appointed Kyung Bae Kim, Bong Choon Jang)</li> </ul>
The 9th Annual General Meeting of Shareholders (Mar. 12, 2010)	<ul style="list-style-type: none"> <li>○ Agenda 1 Approval of 9th Balance sheet, P&amp;L Sheet, (proposed) Appropriation of Retained Earnings</li> <li>○ Agenda 2 Appointment of Directors</li> <li>○ Agenda 3 Approval of Remuneration Ceiling for Directors</li> <li>○ Agenda 4 Approval of Remuneration Ceiling for Auditor</li> </ul>	<ul style="list-style-type: none"> <li>- Approved as proposed</li> <li>- Approved as proposed (appointed Hyung Ho Kim)</li> <li>- Approved as proposed (amount : KRW 5 BN)</li> <li>- Approved as proposed (amount : USD 500,000)</li> </ul>
Extraordinary Shareholders Meeting (Jun. 11, 2010)	<ul style="list-style-type: none"> <li>○ Agenda 1 Appointment of Directors</li> </ul>	<ul style="list-style-type: none"> <li>- Approved as proposed (appointed Sang Kon Ma, Jan Eyvin Wang)</li> </ul>
The 10th Annual General Meeting of Shareholders (Mar. 11, 2011)	<ul style="list-style-type: none"> <li>○ Agenda 1 Approval of 10th Balance sheet, P&amp;L Sheet, (proposed) Appropriation of Retained Earnings</li> <li>○ Agenda 2 Partial Amendments to the Articles of Incorporation</li> <li>○ Agenda 3 Appointment of Director(s)</li> <li>○ Agenda 4 Appointment of Auditor</li> <li>○ Agenda 5 Approval for Remuneration Ceiling for Director(s)</li> <li>○ Agenda 6 Approval for Remuneration Ceiling for Auditor</li> </ul>	<ul style="list-style-type: none"> <li>- Approved as proposed</li> <li>- Approved as proposed (Change of Company Name, Addition of New Business)</li> <li>- Approved as proposed (appointed Jung Dae Lee, Yong Bae Lee, Je Seo Park)</li> <li>- Approved as proposed (appointed Steinar Forberg)</li> <li>- Approved as proposed (amount : KRW 5 BN)</li> <li>- Approved as proposed (amount : USD 600,000)</li> </ul>

### 3. Major Lawsuit, etc.

#### (1) Fair Trade Commission's action for nullity in corrective order etc.

##### 1. Parties to the case

Plaintiff : Hyundai Motor Co., Ltd., Kia Motors Co., Ltd., Hyundai Mobis Co., Ltd.,  
GLOVIS Co., Ltd., Hyundai Steel Co., Ltd.

Defendant: Representative of Fair Trade Chairman, Ho Yeol Jeong

##### 2. Contents of the case

Claiming for cancellation of corrective order and imposed fine on the five companies.

##### 3. Progress

Nov. 23, 2007, petition registered,  
date of defendant's pleading submission (Jan. 16, 2008)  
Plaintiff's written opinion submission (Jan. 21, 2008)  
date of 1st pleading (Apr. 30, 2008),  
date of 2nd pleading (Oct. 8, 2008), date of 3rd pleading (Dec. 10, 2008),  
date of 4th pleading (Jan. 21, 2009), date of 5th pleading (Mar. 11, 2009),  
date of 6th pleading (Apr. 22, 2009), date of 7th pleading (May 27, 2009),  
date of 8th pleading (Jun 24, 2009), date of 9th pleading (Jul. 15, 2009),  
date of High Court Adjudgement (Aug. 19, 2009),  
date of appeal to the Supreme Court (Sep. 14, 2009)

##### 4. Effects on business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

#### (2) Countersuit against Fair Trade Commission's Decision

##### 1. Parties to the case

Plaintiff: Hyundai Motor Co., Ltd., Kia Motors Co., Ltd.,  
Hyundai Mobis Co., Ltd., GLOVIS Co., Ltd., Hyundai Steel Company

Defendant: Fair Trade Commission Chairman Ho-Yeol, Jeong

##### 2. Contents of the case

Countersuit to claim cancellation of ruling and fines imposed to 5 affiliated companies  
in the Group including GLOVIS.

##### 3. Progress

Nov. 23, 2007, registered, defendant submitted a defense (Jan. 16, 2008),  
Plaintiff submitted letter (Jan. 21, 2008), date for 1st pleading (Apr. 30, 2008),

date for 2nd pleading (Oct. 8, 2008), date for 3rd pleading (Dec. 10, 2008)  
date for 4th pleading (Jan. 21, 2009), date for 5th pleading (Mar. 11, 2009)  
date for 6th pleading (Apr. 22, 2009), date for 7th pleading (May 27, 2009),  
date for 8th pleading (Jun. 24, 2009), date for 9th pleading (Jul. 15, 2009),  
date for decision of High Court (Aug. 19, 2009),  
and date for appeal to Supreme Court (Sept. 14, 2009)

4. Effects on business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

(2) Claim for transportation expense

1. Parties to the case

Plaintiff : LogisOKplus Co., Ltd.

Defendant: GLOVIS Co., Ltd.

2. Contents of the case

Claiming for transportation cost which the Company offset the amount as damages

3. Progress

Sept. 20, 2010, registered, date of the Company's document submission (Nov. 03, 2011)

date of 1st pleading (Jan. 18, 2011), date of 2nd pleading (May 20, 2011)

4. Effects to business operation and finance of the Company

Business operation: none

Finance: possibilities of miscellaneous losses

## 4. Debt Guarantee Status

The Company provides debt guarantee for the Company's overseas subsidiaries when they receive loan from domestic and international financial institutions for smooth funding and cost minimization.

The followings are the details of the guarantee.

Receiving party	Relationship	Creditor	Term of Guarantee	Transactions			
				Beginning period	Increase	Decrease	Ending period
GLOVIS America	Overseas Subsidiary	Korea Export-Import Bank	May 28, 2011 ~ May 28, 2012	USD 8,700,000	-	-	USD 8,700,000
GLOVIS Georgia	Overseas Subsidiary	CITI Bank	Sept. 18, 2010 ~ Sept 17, 2011	USD 19,000,000	-	-	USD 19,000,000
		Hana Bank	Apr. 15, 2011 ~ Apr. 14, 2012	USD 10,000,000			USD 10,000,000
GLOVIS Slovakia	Overseas Subsidiary	CITI Bank	Jun. 30, 2011~ Jun. 30, 2012	EUR 5,000,000	-	-	EUR 5,000,000
GLOVIS Czech	Overseas	CITI Bank	Feb. 25, 2011 ~ Feb. 24, 2012	EUR 11,000,000	-	-	EUR 11,000,000

Receiving party	Relationship	Creditor	Term of Guarantee	Transactions			
				Beginning period	Increase	Decrease	Ending period
	Subsidiary						
GLOVIS India	Overseas Subsidiary	SC First Bank	Feb. 16, 2009 ~ Feb. 17, 2012	USD 8,200,000		–	USD 8,200,000
GLOVIS India *	Overseas Subsidiary	SC First Bank	Jul. 12, 2010 ~ Jul. 12, 2011	USD 40,000,000		–	USD 40,000,000
GLOVIS India *	Overseas Subsidiary	CITI Bank	Jul. 12, 2010 ~ Jul. 11, 2011	USD 40,000,000		–	USD 40,000,000
GLOVIS Turkey	Overseas Subsidiary	CITI Bank	Mar. 20, 2011 ~ Mar. 20, 2012	EUR 300,000		–	EUR 300,000
GLOVIS Australia	Overseas Subsidiary	CITI Bank	May 25, 2011 ~ May 25, 2012	AUD 1,000,000			AUD 1,000,000
GLOVIS Russia	Overseas Subsidiary	CITI Bank	Jul. 28, 2010 ~ Jul. 28, 2011	USD 19,000,000			USD 19,000,000
Total				USD 144,900,000 EUR 16,300,000 AUD 1,000,000	–	–	USD 144,900,000 EUR 16,300,000 AUD 1,000,000

\* The guarantees for local D/A discount ceiling were approved by the BoD 3 times, align with the business progress of India local subsidiary and the contents are as follows.

Apr. 23, 2010 BoD : Approved local D/A discount ceiling for USD 15,000,000 with CITI Bank

May 14, 2010 BoD : Additionally approved local D/A discount ceiling for USD 25,000,000 and USD 10,000,000 with SC First Bank

Jun. 11, 2010 BoD : Additionally approved local D/A discount ceiling for USD 30,000,000 with SC First Bank

\* D/A discount ceiling is not about one-time borrowing, it is setting up a D/A discount ceiling amount with local financial institutions for discounting accounts receivables related to business; therefore it is different from an ordinary borrowing.

\* Please refer to 'IX. Transaction with Shareholders 1. Credit Provision to Large Shareholders A. Debt Guarantee' for further information.

## 5. Other Contingent Liabilities

Not applicable

## 6. Details on Raised Capital Usage

(Unit: KRW)

Category	IPO	Amount	Plans for raised capital	Actual use of raised capital
–	–	–	–	–

Not applicable

# XI. Financial Statements, etc.

## 1. Separate Financial Statement

### A. Statement of Financial Position

1H end of 11th FY      As of Jun. 30, 2011  
 End of 10th FY        As of Dec. 31, 2010  
 Beginning of 10th FY   As of Jan. 01, 2010

(Unit : KRW)

Accounts	1H end of 11th FY	End of 10th FY	Beginning of 10th FY
Assets			
1. Current Assets	1,646,460,280,410	1,289,143,392,828	1,016,213,492,141
Cash and Cash Equivalents	411,278,848,672	286,361,600,316	
Other Current Financial Assets	512,477,395	143,968,418	
Trade Receivable	931,664,782,896	745,221,484,355	
Other Receivable	25,056,810,830	20,948,592,021	
Inventory Assets	253,330,600,752	219,746,283,526	
Appropriate Assets	5,469,047,021	4,670,564,831	
Other Current Assets	19,147,712,844	12,050,899,361	
2. Non-current Assets	1,128,530,858,252	989,409,515,291	797,585,091,285
Other Long-term Receivables	3,680,956,200	3,098,613,200	
Other Non-current Financial Assets	8,500,000	8,500,000	
Available for Sale Financial Assets	355,321,025,429	263,198,464,290	
Investment in Affiliated Corporation	99,496,928,824	99,496,928,824	
Investment in Subsidiaries	126,890,189,308	125,039,336,108	
Property, Plant and Equipment	496,894,717,045	457,015,083,399	
Intangible Assets	24,866,027,267	23,923,044,966	
Appropriate Assets	21,372,514,179	17,629,544,504	
Total Assets	2,774,991,138,662	2,278,552,908,119	1,813,798,583,426
Liabilities			
1. Current Liabilities	1,265,170,765,510	969,480,638,337	762,055,356,950
Trade Payable	539,412,406,439	308,429,507,251	
Other Payable	81,971,705,168	75,982,290,896	
Short-term Debt	531,445,500,532	526,291,769,803	
Other Current Financial Liabilities	18,548,081,490	19,097,362,203	
Payable Income Taxes	37,638,153,385	21,912,814,367	



Accounts	1H end of 11th FY	End of 10th FY	Beginning of 10th FY
Appropriate Liabilities	6,836,308,776	5,838,206,039	
Other Current Liabilities	49,318,609,720	11,928,687,778	
2. Non-current Liabilities	183,396,954,285	173,443,097,957	168,410,663,021
Other Long-term Payables	402,635,801	394,204,930	
Other Non-current Financial Liabilities	87,055,941,077	103,107,610,028	
Deferred Income Taxes Non-current Liabilities	67,052,523,789	47,316,628,771	
Severance Payment Liabilities	2,170,210,897	587,723,598	
Appropriate Liabilities	26,715,642,721	22,036,930,630	
Total Liabilities	1,448,567,719,795	1,142,923,736,294	930,466,019,971
Stockholders Equity			
1. Paid-in Capital and Reserves			
Capital Stock	18,750,000,000	18,750,000,000	18,750,000,000
Capital Surplus	153,618,863,259	153,618,863,259	153,618,863,259
Accumulated Other Comprehensive Income	182,999,080,615	111,447,679,027	68,405,670,255
Retained Earnings	971,055,474,993	851,812,629,539	642,558,029,941
Total Stockholders Equity	1,326,423,418,867	1,135,629,171,825	883,332,563,455
Total Liabilities and Stockholders Equity	2,774,991,138,662	2,278,552,908,119	1,813,798,583,426

## B. Statement of Income

1H of 11th FY Jan. 1, 2011 ~ Jun. 30, 2011

1H of 10th FY Jan. 1, 2010 ~ Jun. 30, 2010

(Unit : KRW)

Accounts	1H of 11th FY		1H of 10th FY	
	3 months	accumulated	3 months	accumulated
1. Sales Revenue	1,856,627,326,918	3,484,950,368,348	1,511,073,469,319	2,767,301,008,497
2. Costs of Goods and Services Sold	1,705,937,646,291	3,198,743,189,071	1,396,256,645,538	2,548,829,848,258
3. Gross Profit	150,689,680,627	286,207,179,277	114,816,823,781	218,471,160,239
4. Selling and Administrative Expenses	69,918,730,478	132,849,610,141	64,502,561,484	115,636,608,845
5. Other Income	26,694,888,559	49,123,537,916	39,439,876,862	65,941,447,151
6. Other Expenses	17,791,311,578	36,224,512,385	47,082,985,661	68,986,991,639
7. Operating Income	89,674,527,130	166,256,594,667	42,671,153,498	99,789,006,906
8. Finance Income	5,897,896,005	21,753,184,088	5,918,511,965	15,182,786,840
9. Finance Expense	1,910,247,786	4,554,563,838	3,730,103,267	6,764,720,544
10. Income Loss Before Income Taxes Expenses	93,662,175,349	183,455,214,917	44,859,562,196	108,207,073,202
11. Income Taxes Expenses	18,926,205,023	37,979,578,801	5,824,144,378	19,150,284,268
12. Net Income	74,735,970,326	145,475,636,116	39,035,417,818	89,056,788,934

Accounts	1H of 11th FY		1H of 10th FY	
	3 months	accumulated	3 months	accumulated
13. Earnings or Losses Per Share				
Basic Earnings Per Share	1,993	3,879	1,041	2,375

## C. Statement of comprehensive income

1H of 11th FY Jan. 1, 2011 ~ Jun. 30, 2011

1H of 10th FY Jan. 1, 2010 ~ Dec. 31, 2010

(Unit : KRW)

Accounts	1H of 11th FY		1H of 10th FY	
	3 months	accumulated	3 months	accumulated
1. Net Income	74,735,970,326	145,475,636,116	39,035,417,818	89,056,788,934
2. Other Comprehensive Income	45,838,398,343	71,568,610,926	34,153,738,580	24,960,981,008
Gains on Valuation of Available Sale Assets	58,755,659,359	91,732,566,139	43,786,844,334	32,001,257,703
Actuarial Gains	11,518,004	22,063,254		
Other Comprehensive Income, Loss and related Income Taxes Effects	(12,928,779,020)	(20,186,018,467)	(9,633,105,754)	(7,040,276,695)
3. Total Comprehensive Income	120,574,368,669	217,044,247,042	73,189,156,398	114,017,769,942

## D. Statement of Changes in Equity

1H of 11th FY Jan. 1, 2011 ~ Jun. 30, 2011

1H of 10th FY Jan. 1, 2010 ~ Jun. 30, 2010

(Unit : KRW)

Accounts	Capital Stock	Capital Surplus	Accumulated Other Comprehensive Income and Loss	Retained Earnings	Total Stockholders Equity
2010.01.01 (beginning)	18,750,000,000	153,618,863,259	68,405,670,255	642,558,029,941	883,332,563,455
Total Comprehensive Income and Loss					
Net Income				89,056,788,934	89,056,788,934
Evaluation on Available for Sale Financial Assets			24,960,981,008		24,960,981,008
Actuarial Gains and Losses					
Transaction with Shareholders directly included in Total Stockholders Equity					
Annual Dividend				(22,500,000,000)	(22,500,000,000)
Jun. 30, 2010 (end)	18,750,000,000	153,618,863,259	93,366,651,263	709,114,818,875	974,850,333,397
Jan. 01, 2011 (beginning)	18,750,000,000	153,618,863,259	111,447,679,027	851,812,629,539	1,135,629,171,825
Total Comprehensive Income and Loss					
Net Income				145,475,636,116	145,475,636,116
Evaluation of Available for Sale Financial Assets			71,551,401,588		71,551,401,588
Actuarial Gains and Losses				17,209,338	17,209,338
Transaction with Shareholders directly included in Total Stockholders Equity					
Annual Dividend				(26,250,000,000)	(26,250,000,000)
Jun. 30, 2011 (end)	18,750,000,000	153,618,863,259	182,999,080,615	971,055,474,993	1,326,423,418,867

## E. Statement of Cash Flows

1H of 11th FY Jan. 1, 2011 ~ Jun. 30, 2011

1H of 10th FY Jan. 1, 2010 ~ Jun. 30, 2010

(Unit : KRW)

Accounts	1H of 11th FY	1H of 10th FY
Cash Flows from Operating Activities		
1.Net Income	145,475,636,116	89,056,788,934
2.Additions of Expenses of Non-Cash Transactions		
Income Taxes Expense	37,979,578,801	19,150,284,268
Finance Income	(4,930,098,838)	(3,654,568,734)
Finance Expense	4,554,563,838	6,764,720,544
Retirement and Severance Benefits	16,823,085,250	11,528,218,106
Long-Term Employee Benefits	1,651,004,839	1,204,364,260
Depreciation	8,430,871	240,922,167
Dividend Income	(13,193,334,283)	(11,076,021,667)
Losses on Sale of Available for Sale Securities		116,810
Losses on Foreign Currency Translation	2,759,487,297	8,994,468,938
Amortization of Intangible Assets	2,044,444,330	1,638,626,520
Loss from Allowance for Bad Debt	2,535,399,495	1,702,897,156
Loss on Disposition of Tangible Assets	6,499,322	
Impairment Losses in Tangible Assets	570,813,386	
Losses on Valuations of Derivatives	91,612,148	1,465,412,588
Gains on Foreign Currency Translation	(8,586,645,854)	(4,362,575,220)
Reversal of Provision for Product Warranties	(3,367,586,269)	(1,615,063,291)
Gains on Disposition of Tangible Assets	(38,208,500)	(12,595,946)
Reversal of Impairment Losses in Tangible Assets		960,931,838
Reversal of Allowance for Doubtful Accounts		(2,278,220,357)
Gains on Valuations of Derivatives	368,508,977	328,145,134
Sub-Total	31,281,034,922	27,497,516,292
3.Working Capital Adjustments		
Increase in Receivables and Other Receivables	(189,450,128,552)	(213,081,207,202)
Decrease in Other Receivables (Increase)	(4,232,081,349)	(531,279,615)
Increase in Inventory	(33,584,317,226)	(10,247,590,522)
Increase in Other Current Assets	(6,796,253,125)	(7,175,923,292)
Increase in Trade Payables	231,565,149,446	46,289,631,318
Increase in Other Payables	2,613,740,161	19,561,190,873
Decrease in Other Current Liabilities	37,389,921,942	(2,871,714,424)
Decrease in Payable Income Taxes	(1,479,193,443)	(4,102,724,946)

Accounts	1H of 11th FY	1H of 10th FY
Decrease in Deferred Income Taxes	(450,123,449)	(4,545,179,825)
Decrease in Retirement and Severance Benefit	(46,454,286)	(337,779,184)
Increase in Provisions for Product Warranties for non-current Liabilities	4,502,949,232	2,732,797,575
Sub-Total	40,033,209,351	(165,041,770,122)
4.Interest Acquisition	4,709,076,612	2,715,865,123
5.Interest Payment	(1,217,119,825)	(2,270,545,866)
6.Dividend Acquisition	16,666,591,250	11,605,408,106
7.Return of Income Taxes	(20,775,046,340)	(18,207,892,040)
Net Cash Flow from Operating Activities	216,173,382,086	(54,644,629,573)
II. Cash Flow from Investing Activities		
Acquisition of Other Long-term Recievables	(582,343,000)	(84,298,000)
Acquisition of Available for Sale Financial Assets	(389,995,000)	
Acquisition of Subsidiary Company Shares	(1,850,853,200)	(1,569,898,433)
Disposal of Property, Plant, and Equipment	38,400,000	13,092,403
Acquisition of Property, Plant, and Equipment	(54,385,571,848)	(65,438,819,434)
Acquisition of Intangible Assets	(2,252,326,920)	(205,906,000)
Net Cash Flows from Investing Activities	(59,422,689,968)	(67,285,829,464)
III. Cash Flows from Financing Activities		
Increase in Deposits	105,142,813	437,004,300
Increase in Short-term Debt	5,064,539,917	204,595,729,275
Dividend Payment	(26,250,000,000)	(22,500,000,000)
Repayment Current Long-term Payables	(10,742,135,550)	(10,745,587,431)
Net Cash Flows from Financing Activities	(31,822,452,820)	171,787,146,144
IV. Increase or Decrease in Cash and Cash Equivalents (I+II+III)	124,928,239,298	49,856,687,107
V. Foreign Currency Exchange Effect on Cash and Cash Equivalent	(10,990,942)	1,011,302,892
VI. Cash and Cash Equivalent at Beginning	286,361,600,316	242,037,852,626
VII. Cash and Cash Equivalent at End	411,278,848,672	292,905,842,625

\* For annotation on financial statements please refer to the attached review report on financial statement.

## 2. Accounting Information

### A. Allowance for Doubtful Accounts (Bad Debt Expense)

#### (1) Allowance for Doubtful Accounts by Accounts

(Unit : KRW)

Category	Title of account	Total bond	Amount of allowance for doubtful accounts	Ratio of allowance for doubtful accounts
1H of 11th FY	Trade receivables	933,444,626,419	1,779,843,523	0.19%
	Other receivables	25,003,142,662	86,081,200	0.34%
	Total	958,447,769,081	1,865,924,723	0.19%
10th FY	Trade receivables	745,744,745,679	523,261,324	0.07%
	Other receivables	23,103,138,747	2,373,834,226	10.27%
	Total	768,847,884,426	2,897,095,550	0.38%
9th FY	Trade receivables	533,046,989,450	540,197,159	0.10%
	Other receivables	12,115,219,206	3,070,015,235	25.34%
	Total	545,162,208,656	3,610,212,394	0.66%

#### (2) Changes in Allowance for Doubtful Accounts

(Unit : KRW)

Description	1H of 11th FY	10th FY	9th FY
1. Total Allowance for bad debts outstanding at beginning of period	2,897,095,550	3,610,212,394	No 9th FY balance due to IFRS application
2. Net doubtful account expense (①－②±③)	3,566,570,322		
① Accounts receivable written off	3,566,570,322		
② Recovery of doubtful account			
③ Other fluctuations			
3. Bad debt expense appropriation(reversal)	2,535,399,495	-713,116,844	
4. Total Allowance for bad debts outstanding at end of period	1,865,924,723	2,897,095,550	

### (3) Policy of Allowance for Doubtful Accounts related to Trade Receivable

GLOVIS has estimated allowance for bad debt by collective damage review which goes by the method of applying individual damage review and ratio of bad debt experience to receivables at the end of current term through analysis of individual receivables based on the K-IFRS standard.

Individual damage review has set bad debt which has gone through the process of requesting provisional attachment as 100% in case the reimbursement ability seems significantly low due to bankruptcy of customers.

Collective damage review has set ratio of bad debt experience through (Actual amount of Bad debt occurrence ÷ receivables at the end of former term) .

### (4) The Balance of Trade Receivables as of the end of this current year

(Unit : KRW)

Category		Less than 6 months	6 months ~ 1 year	1 year ~ 3 years	Over 3 years	Total
Amount	General persons	66,890,491,847	268,038,743	643,697,613		67,802,228,203
	Specially related	865,411,032,187	231,366,029			865,642,398,216
	Total	932,301,524,034	499,404,772	643,697,613		933,444,626,419
Distribution ratio		99.88%	0.05%	0.07%	0.00%	100.00%

## B. Inventory Possession and Actual Inspection of Inventory

### (1) Status of Inventory Possession by Business Sector for the recent 3 years

The business in which the Company has inventories is Distribution/Sales that includes CKD and Merchandise sales. In CKD, the inventories are the parts-in-transport before they get to be input to overseas production plants. The inventory possession as of Jun. 30, 2011 is as follows.

(Unit : KRW)

Category	Title of account	Inventory	1H of 11th FY	10th FY	9th FY
CKD	Merchandise	CKD Parts	218,296,830,897	201,399,527,090	212,402,255,536
Merchandise Sales	Merchandise	Used car	7,843,669,785	1,584,869,021	2,354,626,737
	Merchandise	Supplies			
	Merchandise	Steel			
	Merchandise	Others	309,285,410		
	Stored goods	Merchandise-others	26,880,814,660	16,761,887,415	6,438,822,133
Total			253,330,600,752	219,746,283,526	221,195,704,406
Inventory distribution ratio in total assets (%) [Total inventory ÷ total asset× 100]			9.13%	9.64%	12.20%
Inventory turnover [Yearly converted sales cost÷			14.21 times	12.86 times	No cost for 9thFY IFRS



Category	Title of account	Inventory	1H of 11th FY	10th FY	9th FY
		{(beginning inventory + ending inventory) ÷ 2}			standard

## (2) Actual Inspection of Inventory

### ① Inspection Date

The Company conducted inspection of inventory on Dec. 31, 2010 and Jan. 3, 2011

for financial statements of 2010. The gap of balance between inspection date and financial position statement date were checked on inventory fluctuation table.

### ② Participation of specialists or auditors in the Inspection

- Storage facilities in the firm: a certified public accountant of Ernst&Young Accounting Corporation, external auditor of the 10th fiscal year, attended the inspection
- Outsourced storage facilities: took a note of confirmation for the storage facilities

The company conducts inventory inspection once a year at year end, so, there was no inventory inspection in the 2nd quarter.

## XII. Appendix

Not applicable

## 【 Expert's Confirmation 】

### 1. Expert's Confirmation

Not applicable

### 2. Relations with Expert

Not applicable