



Annual Report 2009

HYUNDAI ELEVATOR CO., LTD.

HEAD OFFICE & FACTORY

San 136-1, Ami-ri, Bubal-eup, Icheon-si, Gyeonggi-do 467-734, Korea
Tel : 82-2-3670-0661/0665 Fax : 82-2-3672-8763-4
Homepage : <http://www.hyundaielevator.co.kr>
E-mail : e-biz@hyundaielevator.co.kr

SEOUL OFFICE (INT'L SALES DIV.)

Hyundai Group Bldg., 1-7 Yeonji-dong, Jongno-gu, Seoul 110-754, Korea
Tel : 82-2-3670-0661/0665 Fax : 82-2-3672-8763-4

INTERNATIONAL SALES & SERVICE NETWORK

ALGERIA

Flash Engineering & Trade
03 Rue Saidi Ahmed-Bordj El Kiffan Palace Center, Alger, Algeria
Tel : 213-21-203795 Fax : 213-21-216444

BAHRAIN

Nass International Trading Co. W.L.L.
P.O. Box 669, Ma'ameer Sitra, Kingdom of Bahrain
Tel : 973-3960-9974 Fax : 973-17-702-643

BANGLADESH

Regional Traders Ltd.
Karim Chamber(3rd Floor)99, Motijheel Commercial Area
Dhaka-1000, Bangladesh
Tel : 880-2-956-3122 Fax : 880-2-956-7377

CHINA

Shanghai Hyundai Elevator Manufacturing Co., Ltd.

• Head Office(Factory)

No.182, Zhenxi Nanlu Liantang Zhen, Qingpu-Qu,
Shanghai 201716 China
Tel : 86-21-5981-3981/3990/3961/3971
Fax : 86-21-5981-3982

• Shanghai Office

Room 506, Yuan Zhong Scientific Research Bldg.,
No.1905 Hongmei-Lu, Xuhui-Qu, Shanghai, 200233, China
Tel : 86-21-6485-8600 Fax : 86-21-6485-3511/3512

EGYPT

International Eng. & Trade
10 El Hakam St., Helmyt El Zayton Cairo, Egypt
Tel : 20-2-2241-8542 Fax : 20-2-2639-2672

INDIA

Kinetic Hyundai Elevator & Movement Technologies Ltd.
G-92, D-0 Block, Midc, Chinchwad, Pune-411.019 India
Tel : 91-20-3950-2190/2191 Fax : 91-20-2747-0568

INDONESIA

PT. Superhelindo Jaya
JL. KH. Moch. Mansyur No 19B, Jakarta 10140, Indonesia
Tel : 62-21-631-8444 Fax : 62-21-632-6288

IRAN

Mehfakhr. Flat No. 84 8th Flr. No. 23 Corner of 13th St.
Asadabadi Ave. Tehran Iran
Tel : 98-21-872-6082 Fax : 98-21-855-3741

IRAQ

Bemco Al-Arjoon Company For General Construction Ltd.
Baghdad Karrada Salman Faiq Street
Tar Al-Rasheed Building 3-D Floor
Tel : 964-79-01-336499 Fax : 964-1-7196892

JORDAN

Bseiso Engineering Materials Corp.
P. O. Box 830681 Amman 11183, Jordan
Tel : 962-656-99012 Fax : 962-656-99014

KUWAIT

Deal General Trading & Contracting Co.
P. O. Box 27956 Safat, 13140 Kuwait
Tel : 965-245-7925 Fax : 965-242-3510

MONGOLIA

Tdels Co., Ltd.
Sukhbaatar District 2 Khoroov Ubrmart Center, Room #518
Ulan Bator, Mongolia
Tel : 976-1132-4414 Fax : 976-1132-4414

OMAN

North Ocean Enterprises L.L.C.
P.O.Box 3725, P.C.112, Ruwi, Sultanate Of Oman
Tel : 00968-92864334 Fax : 00968-24498622

PAKISTAN

Islamabad Industrial & Trading Corp.
205 Amber Estate Shakra-e-faisal,
Karachi - 75350, Pakistan
Tel : 92-21-432-0601-5 Fax : 92-21-432-0617

PANAMA

Elevadores De Panama S.A.
Via Ricardo J. Alfaro, Diagonal Hospital
S.M. Arcangel Republic of Panama
Tel : 507-230-3166 Fax : 507-230-3187

PHILIPPINES

Hycio Industrial Sales Corp. #81 Kapiligan Cor. Bayani St., Brgy.
Dona Imelda, Quezon City, Philippines
Tel : 63-2-716-0905/0923 Fax : 63-2-714-8896

QATAR

International Eng. & Trade Group Co.
P. O. Box NO.22549 Doha, Qatar
Tel : 97-4-436-6689 Fax : 97-4-556-8842

SAUDI ARABIA

ETA-Electromechanical & Technical Associates,
Al Murjan Tower, 11th Floor, Suite #1104,
Hail Street and Waly Al Ahd Street Intersection,
P. O. Box 6591, Jeddah-21452, Saudi Arabia
Tel : 966-2-652-9000 Fax : 966-2-652-9090

THAILAND

Loxley Public Co., Ltd.
Construction Materials Department
102 Na Ranong Rd, Klongtoey, Bangkok 10110, Thailand
Tel : 66-2-348-8015 Fax : 66-2-240-3127/3128

TURKEY

HMF Makine ve Servis San. ve Tic.A.S.
Esentepe Mah. E5 Yanyol No.15 Kartal - Istanbul
Tel : 90-216-488-8000 Fax : 90-216-488-9191

TUNISIA

Ascenseurs Levage & Manutention(ALM)
Rue Abderrahmen Ibn Aouf Cite Uv4
Bloc 49-1004 Menzeh 6 tunis - Tunisie
Tel : 216-71-236-373 Fax : 216-71-754-361

U.A.E.

Midein Electromechanical L.L.C.
P.O. Box 27469 Abu Dhabi, U.A.E.
Tel : 971-2-443-8181 Fax : 971-2-443-8822

U.S.A.

Bin ham North Ocean Elevators L.L.C.
P.O. Box 81268 Dubai, U.A.E.
Tel : 971-4-294-4475 Fax : 971-4-294-4476

U.S.A.

Park Bros, INC
167 S Fuller AVE L.A. CA 90036 U.S.A.
Tel : 213 - 248 - 2239 E-mail : jinoo77@gmail.com

VENEZUELA

Cozy Life Elemeccanico, C.A
AV. Francisco De Miranda, Edif.Vesubio, Piso Pb,
Local 01, URB. La California Norte, Caracas, Venezuela
Tel : 58-212-232-1166 Fax : 58-212-232-7178

Industry Top for 3 Consecutive years

Since its establishment in 1984, Hyundai Elevator has led the growth of the Korean elevator industry with its steady research and development efforts and high quality products.

Starting with the nation's first elevator without the machine room in 1999, Hyundai Elevator has led the market with its outstanding technology, like applying the high-tech gearless traction machine, which was used mainly in high-speed elevators. It is also used in medium-to-low-speed LUXEN(medium speed gearless elevator) elevators introduced in 2006.

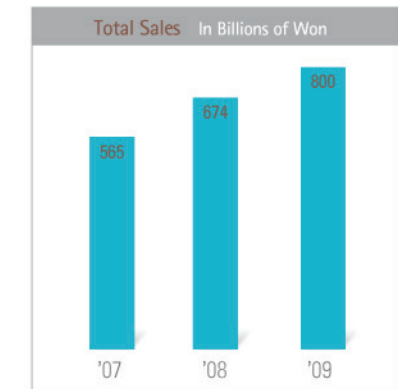
Hyundai Elevator mounts industry top for 3 consecutive years due to YZER(elevator without machine room) brand which took more than 50% of Korea's machine-room-less elevator market and the LUXEN brand was the industry's first to apply the gearless traction machine, which used to be installed in medium-low speed elevators.

Hyundai Elevator also posted market share of 40 percent in the domestic market in the last year. Ten elevators - including two with a speed of 8m/sec, four that move 7m/sec and two at 6m/sec - were exported to Venezuela's government complex in the capital city of Caracas.

Hyundai Elevator plans to jump into the overseas markets with our know-how, technology, and confidence. The construction of the test tower will also help us complete the development of a 18m/sec elevator and 10m/sec double - deck elevator, thereby providing Hyundai Elevator technology to gain the recognition as the world's fifth largest elevator company. At the same time, it will further strengthen other top-rated business divisions, such as platform screen doors, a variety of multi-level parking and automated material handling systems.



Financial Highlights



Description	2009		2008	
	Thousand of Korean Won	U.S. Dollars	Thousand of Korean Won	U.S. Dollars
Sales	₩800,109,040	\$ 626,848,198	₩673,848,379	\$ 611,150,454
Operating Income	37,192,598	29,138,670	26,423,818	23,965,226
Net Income	△209,111,351	△163,829,012	29,776,960	27,006,376
Total Assets	1,009,696,016	864,761,918	1,204,686,606	958,001,277
Stockholders' Equity	440,293,330	377,092,609	612,568,585	487,132,075
Earnings Per Share	△30.0		4.2	3.8
Dividend Per Share	0.8		0.5	

Message from the President



“
We will drive our overall efforts to take a great leap upward to achieve the leading global company position in the elevator and escalator industry.
”

Dear Shareholders:

It's with great pleasure that I present to you the overall corporate achievements made by Hyundai Elevator Co., Ltd. during 2009 as well as our business plans for 2010.

Last year we, Hyundai Elevator, took a big stride towards becoming a global leader by building the world's tallest elevator test tower, Hyundai Asan Tower.

As a result, total turnover during 2009 was 800.1 billion won, a 19% increase compared with the previous year, and net operating income was 37.2 billion won, a 41% increase over the previous year.

We have set our 2010 target turnover at 887 billion won, an increase of 11% compared with the last year.

To achieve this, we will carry out three specific business plans: enlarging of the global market share, strengthening of advanced/eco-friendly technology capabilities, and improvement focused on the effectiveness in management system.

In particular, by maximizing product competitiveness in successfully developing the world's fastest speed 18m/sec class ultra-high speed elevator and the 10m/sec double-deck elevator, we will drive our overall efforts to take a great leap upward to achieve the leading global company position in the elevator and escalator industry.

As always, we ask for your continued interest and support.

Thank you.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'J. C. Song', written over a white background.

J. C. Song
President & Representative Director

Report of Independent Auditors

To the Shareholders and Board of Directors of HYUNDAI ELEVATOR CO., LTD.

We have audited the accompanying non-consolidated statements of financial position of HYUNDAI ELEVATOR CO., LTD. (the "Company") as of December 31, 2009 and 2008, and the related non-consolidated statements of operations, appropriations of retained earnings, changes in shareholders' equity and cash flows for the years then ended, expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of Hyundai Merchant Marine Co., Ltd., the investment in which is reflected in the accompanying financial statements using the equity-method of accounting. The investment in that equity-method investee amounts to ₩450,302 million (2008: ₩595,559 million) as of December 31, 2009, and the related loss on valuation of equity-method investment amounts to ₩188,656 million (2008: gain of ₩78,233 million) for the year ended December 31, 2009. These statements were audited by other auditors whose report has been furnished us and our opinion, insofar as it relates to the amounts included for the equity-method investee, is based solely on the report of the other auditors.

We conducted our audits in conformity with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of other auditor provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of HYUNDAI ELEVATOR CO., LTD. as of December 31, 2009 and 2008, and the results of its operations, the changes in its retained earnings, the changes in its shareholders' equity and its cash flows for the years then ended in conformity with accounting principles generally accepted in the Republic of Korea.

Accounting principles and auditing standards and their application in practice vary among countries.

The accompanying financial statements are not intended to present the financial position, results of operations, changes in retained earnings, shareholders' equity and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those who are informed about Korean accounting principles or auditing standards and their application in practice.

Seoul, Korea
March 11, 2010

Samil PricewaterhouseCoopers
LS Yongsan Tower, 191,
Hangangno 2-ga, Yongsan-gu, Seoul 140-702, Korea
(Yongsan P.O Box 266, 140-600)
www.samil.com

This report is effective as of March 11, 2010, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying non-consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Statements of Income

(Years ended December 31, 2009 and 2008)

Description	2009		2008	
	Thousand of Korean Won	U.S. Dollars	Thousand of Korean Won	U.S. Dollars
1. Sales	₩800,109,040	\$ 626,848,198	₩673,848,379	\$ 611,150,454
2. Cost of sales	710,660,671	556,769,564	604,062,898	547,858,132
3. Gross income	89,448,369	70,078,634	69,785,481	63,292,322
4. Selling and general administrative expenses	52,255,771	40,939,965	43,361,663	39,327,096
5. Operating Income	37,192,598	29,138,670	26,423,818	23,965,226
6. Non-operating income	14,445,502	11,317,379	99,632,392	90,362,140
7. Non-operating losses	306,634,927	240,234,195	120,911,270	109,661,135
8. Income before income taxes	△254,996,827	△199,778,147	5,144,940	4,666,231
9. Income tax expenses	△45,885,476	△35,949,135	△24,632,020	△22,340,145
10. Net Income	₩△209,111,351	\$ △163,829,012	₩29,776,960	\$ 27,006,376

Note : Amounts in Korean won have been translated into U.S. dollars, solely for the reader's convenience. The exchange rates used for conversion were ₩1,276⁴⁰ and ₩1,102³³ per U.S. dollar in 2009 and 2008 respectively, which were the average exchange rates of the Bank of Korea on those years.

Balance Sheets

(Years ended December 31, 2009 and 2008)

Description	2009		2008	
	Thousand of Korean Won	U.S. Dollars	Thousand of Korean Won	U.S. Dollars
Assets				
I . Current assets				
1. Quick assets	₩323,524,611	\$ 277,085,141	₩371,287,689	\$ 295,258,600
2. Inventories	8,696,714	7,448,368	9,539,206	7,585,850
(Total current assets)	332,221,325	284,533,509	380,826,895	302,844,450
II . Non-current assets				
1. Investments	500,066,179	428,285,525	701,290,375	557,686,183
2. Tangible assets	145,352,982	124,488,679	90,354,999	71,852,882
3. Intangible assets	2,458	2,105	3,610	2,871
4. Other	32,053,072	27,452,100	32,210,726	25,614,891
(Total non-current assets)	677,474,691	580,228,410	823,859,711	655,156,827
Total Assets	1,009,696,016	864,761,918	1,204,686,606	958,001,277
Liabilities				
I . Current liabilities	305,145,336	261,344,070	412,463,436	328,002,733
II . Long-term liabilities	264,257,350	226,325,240	179,654,585	142,866,469
(Total liabilities)	569,402,686	487,669,310	592,118,021	470,869,202
Stockholder's equity				
I . Capital stock	35,662,565	30,543,478	35,662,565	28,359,893
II . Capital surplus	96,025,207	82,241,527	96,025,207	76,361,993
III . Treasury stock	△9,092,623	△7,787,447	△9,092,623	△7,230,714
IV . Accumulated other comprehensive income and expenses	88,612,418	75,892,787	48,266,494	38,382,898
V . Retained earnings	229,085,763	196,202,264	441,706,942	351,258,005
(Total stockholders' equity)	440,293,330	377,092,609	612,568,585	487,132,075
Total liabilities & stockholders' equity	₩1,009,696,016	\$ 864,761,918	₩1,204,686,606	\$ 958,001,277

Note : Amounts in Korean won have been translated into U.S. dollars, solely for the reader's convenience. The exchange rates used for conversion were ₩1,167⁰⁰ and ₩1,257⁰⁰ per U.S. dollar in 2009 and 2008 respectively, which were the exchange rates of the Bank of Korea on December 31, 2009 and 2008.

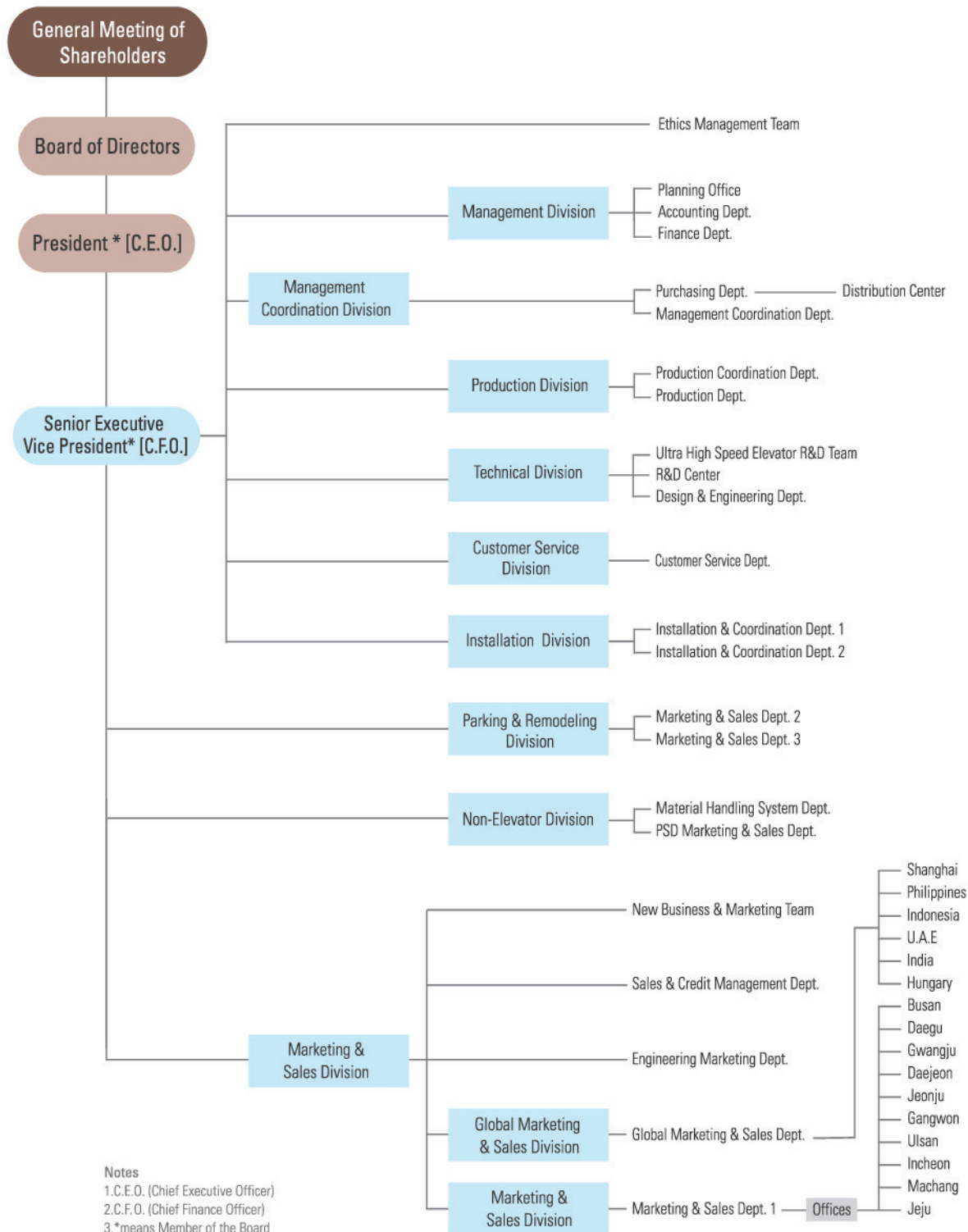
Statements of Appropriations of Retained Earnings

(Years ended December 31, 2009 and 2008)

Description	2009		2008	
	Thousand of Korean Won	U.S. Dollars	Thousand of Korean Won	U.S. Dollars
I . Retained earnings before appropriations				
1. Unappropriated retained earnings carried over from prior years	₩378,907,114	\$ 324,517,912	₩349,324,315	\$ 277,792,696
2. Net income	△209,111,351	△179,095,025	29,776,960	23,679,491
(Sub total)	169,795,763	145,422,887	379,101,275	301,472,187
II . Transfers from discretionary reserve	3,000,000	2,569,373	3,666,667	2,915,838
III . Appropriations of retained earnings				
1. Legal reserve	562,000	481,329	351,000	279,125
2. Dividends	5,615,725	4,809,631	3,509,828	2,791,116
Cash dividend -Dividend ratio(16%) in 2009, (10%) in 2008				
3. Research and human resource development	3,000,000	2,569,373		
(Sub total)	9,177,725	7,860,333	3,860,828	3,070,241
IV . Unappropriated retained earnings carried forward to subsequent year	₩163,618,038	\$ 140,131,927	₩378,907,114	\$ 301,317,784

Note : Amounts in Korean won have been translated into U.S. dollars, solely for the reader's convenience. The exchange rates used for conversion were ₩1,167⁰⁰ and ₩1,257⁰⁰ per U.S. dollar in 2009 and 2008 respectively, which were the exchange rates of the Bank of Korea on December 31, 2009 and 2008.

Organization



Corporate Profile

A. Main Products

- Elevators
- Escalators
- Moving Walks
- Material Handling Systems
- Auto Parking Systems
- Platform Screen Doors

B. Capital Structure

Authorized Capital : Won 100,000,000,000
 Paid-in Capital : Won 35,662,565,000

C. Brief History

- May 1984** Hyundai Elevator Co., Ltd. established.
 Technical License Agreement signed by Hyundai and Westinghouse to manufacture various kinds of elevators and escalators.
- Sep 1989** Termination of joint venture with Westinghouse
- Dec 1991** Certificated ISO 9001 certification from DNV
- Aug 1993** Established joint venture in Shanghai, China
- Jul 1996** Listed on the Korea Stock Exchange
- Dec 1996** Certificated After Service Certification from the Ministry of Trade and Commerce
- Apr 1997** Certificated ISO 14001 environmental certification from DNV
- Mar 1998** Certificated ISO 9001 and ISO 14001 certification from DNV for the Auto Parking Systems and Material Handling Systems.
- Aug 1999** Certificated CE Mark from DNV
- Jul 2001** Certificated CE mark for elevators from DNV
- Dec 2004** Certificated ISO 9001 and ISO 14001 Certification from DNV for Platform Screen Doors
- Feb 2005** Selected one of the most admired companies from the Federation of Korean Industries and the Seoul Economic Daily
- Oct 2006** Certificated Korea Productivity Award from Korea Productivity Center
- Dec 2007** Certificated New Excellent Technology for the capacitor-less inverter control for driving elevator from the Ministry of Science and Technology
- Dec 2008** Korean excellent service quality company certification is certificated by the Ministry of Knowledge Economy
- Apr 2009** Produced 100,000 elevators and escalators
- Apr 2009** The world's tallest(205m) high-speed elevator test tower was constructed



Hyundai Asan Tower
 The World's Highest Elevator Test Tower (Hyundai Asan Tower) stands in Icheon, Korea

D. Corporate Information

- Date of Establishment : May 23, 1984
- Head Office : San 136-1, Ami-ri, Bubal-eup, Ichon-shi, Gyeonggi-do 467-734, Korea
- TEL : 82-2-3670-0661/0665
- Fiscal Year End : December 31st.
- Number of Employees : 1,209
- The Total Number of Outstanding Capital Stocks
 Par value : ₩5,000
 Authorized Number of Shares : 7,132,513 shares
- Total Assets : ₩1,009,696,016 (In thousands) , U.S. \$ 864,761,918