



KIA MOTORS
The Power to Surprise™

News

FOR IMMEDIATE RELEASE

Kia Motors Media Contact:

Michael Choo, International Communications Manager

Tel: +82-2-3464-6574

e-mail: mjc@kia.co.kr

Kia Motors carries out groundbreaking ceremony for manufacturing plant in West Point, Georgia

- Ceremony attended by more than 500 VIPs, including Hyundai-Kia Automotive Group Chairman Mong-Koo Chung and Georgia state governor Sonny Perdue
- New manufacturing plant to be the cornerstone of Kia's plans to more than double sales in North America over the next four years

(SEOUL) October 21, 2006 -- Kia Motors Corporation (KMC) today carried out the groundbreaking ceremony on the site of its first-ever U.S. manufacturing facility in West Point, Troup County, Georgia. The US\$1 billion automotive assembly and manufacturing plant is central to Kia's plans to increase its North American sales (US and Canada) to around 650,000 units by 2010.

The ceremony was attended by over 500 VIPs, both from Korea and the U.S., including Mong-Koo Chung, Chairman of the Hyundai-Kia Automotive Group; Euisun Chung, President & CEO, Kia Motors Corporation; Sonny Perdue, Governor of Georgia; and a number of high ranking Korean government and State of Georgia officials.

Speaking at today's groundbreaking ceremony, Mong-Koo Chung, Hyundai-Kia Automotive Group Chairman, said, "Management and staff at Kia have enthusiastically worked to bring the company to a point where it is today one of the fastest growing players in the global auto sector. Now, the establishment of the U.S. plant will serve as a springboard for us to achieve our ultimate goal of firmly establishing Kia as a truly world-class global automaker."

more

“Kia Motors will do our best to secure jobs and sustain financial growth in the area through transparent management and world-class quality assurance. Kia will strive to become a responsible corporate citizen who contributes to the local community and preservation of the environment,” he added.

Governor Sonny Perdue said, “Today's ceremony marks the beginning of a long-term partnership between Kia Motors and the state of Georgia. We are looking forward to many years of cooperation as Kia's new plant in West Point creates thousands of jobs and sets the standard for the automotive industry.”

The facility in Georgia, named KMMG (Kia Motors Manufacturing Georgia), is scheduled to begin production in 2009 and is expected to produce 300,000 vehicles per year at full capacity. The 224,000-square meter plant will be situated on a site covering 2.6 million square meters.

The plant will employ approximately 2,500 local workers, while 5-6 suppliers have plans to set up operations in Troup County and its environs, creating an additional 2,000 jobs. A total of around 10 suppliers are eventually expected to locate in the vicinity.

Alongside Kia's second manufacturing plant in China scheduled for completion next year and the start of production at its first European facility in Slovakia this November, the U.S. plant will play a critical role in boosting Kia's sales and brand development worldwide, bringing the company's total annual overseas production capacity to around 1 million units.

Kia Motors, along with Hyundai Motor, has dramatically expanded its presence in the North American market in recent years, having invested more than US\$300 million in the region since 2002 in a range of initiatives, including an R&D center in Michigan, a custom-built vehicle proving ground in the Mojave desert, and the largest automotive design studio in California. Furthermore, Kia Motors America is currently constructing a brand new US\$85 million, 22,000 square meter corporate headquarter building in Irvine, California, which is scheduled for completion in December 2006 and occupancy in January 2007. The new facility will also be home to a US\$35 million, 9,400 square meter Kia-exclusive design center to be completed later in 2007.

Following construction of the KMMG facility, Kia will have the capability to localize all areas of its business in the U.S. -- from R&D and production to marketing, sales and after service.

more

Since coming to the North American market, Kia has expanded to a full product line

of vehicles and enjoyed 12 years of consecutive sales increases, including 304,137 vehicles in 2005. For September 2006, Kia has posted a year-on-year sales increase of 6.4% in the U.S. and Canada.

Kia Motors Corporation (www.kiamotors.com or www.kia.com) -- one of the fastest growing automakers in the world -- was founded in 1944 and is Korea's oldest manufacturer of motor vehicles. As part of the Hyundai-Kia Automotive Group, Kia aims to become one of the world's premier automotive brands. Kia's 14 manufacturing and assembly operations in 9 countries produce more than 1.3 million vehicles a year that are sold and serviced through a network of distributors and dealers covering 160 countries. Kia today has over 32,500 employees and annual revenues of almost \$16 billion. It is the major sponsor of the Australian Tennis Open and an official worldwide sponsor of the Davis Cup. From 2007 to 2014, Kia will be an official automotive partner of FIFA -- the governing body of the FIFA World Cup. Kia Motors Corporation's brand slogan -- "The Power to Surprise" -- represents the company's global commitment to surpassing customer expectations through continuous automotive innovation.

#

