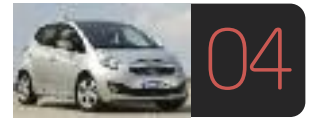
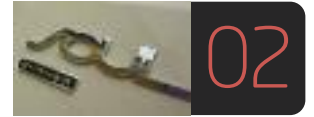




KIA MOTORS

NOVEMBER 2009 - PRESS INFORMATION



The only way is up

Kia is well on the way to improving the perception of its brand. The next job is to address aspiration. Making Kia a name that people aspire to.

That's the view of Kia Motors UK managing director Michael Cole, just a few weeks into his role following former chief Paul Philpott's move to Frankfurt to head-up the South Korean company's European operation.

"Sales are going very well this year given the economic climate," says Michael. "We enjoyed a record month in September thanks in part to the Government's vehicle scrappage scheme, which has helped sales across the industry.

"But that's only part of the story. There have been a number of other contributory factors including improved products, great quality and after sales care and good, motivated dealers.

"The market overall was running around 15 per cent ahead in September and without the scrappage scheme that could well have been 15 per cent down. Beyond our scrappage sales our core market share is growing and our retail sales particularly are moving forward.

"This is because the brand perception is improving. People can still see that we offer value for money but there is now much more than that in terms of the quality of our cars. Soul has sent out a whole new message and shows that Kia is funky and dynamic. cee'd, built in Europe and with its seven year warranty, has

been significant for us over the past few years and we have just rolled out the face-lifted model and have received great feedback.

"We want to raise the perception of the brand further still and will continue reassuring people that Kia is a solid, reliable purchase. We can give customers a number of rational reasons for buying a Kia, the next step is aspiration - making them really want to buy into the brand.

"The dealers are with us all the way on this and the stronger the brand perception, the easier it is to attract really good dealers to the network. We were delighted that we've moved up to third in the Dealer Attitude survey, from number 17 just two years ago. It's recognition by the network that we are pushing the brand forward in a way that they like and in a way that's good for their business."

More new product is on the way with the Venga MPV and new Sorento SUV being rolled out from January. "This will be the next step in a product offensive that will see Soul as our oldest model by 2012 - and we only launched that model this year," added Michael.

What are his hopes for the brand over the next three years? "I would like to see Kia with a market share of around three per cent in the UK



Michael Cole - Kia Motors UK managing director

by 2012. We should end this year at just over two per cent so we are looking at growth of 50 per cent over the next couple of years.

"At the moment sales are more biased towards retail so we need to do some work on fleet business to help us reach that three per cent. That said, we won't be looking at the short-term market or daily rentals. We would prefer to get on user-chooser lists and we have a great story for fleets with cars such as the ecodynamic cee'd with low CO2 emissions and seven-year warranty.

"I am not looking for a 50-50 split between retail and fleet but I would like to see fleet sales account for around 35-40 per cent of our business."

Kia rolls out new special editions

With a successful roll out of the funky Soul model earlier this year, Kia Motors UK has followed up with the introduction of top-spec Soul 'Originals' models.

As promised at launch, the Originals collection features 'character' models that will be refreshed periodically every 9-12 months, showcasing equipment features and styles available on Soul which customers can match to their lifestyles and personalities.

The beginning of October saw the launch of the all-new 'Tempest' Original, which replaces the outgoing 'Samba' model. The Tempest features standard metallic paintwork in Titanium Silver with black high-gloss bumper inserts and door mirrors, and is fitted with unique black 18" alloy wheels. Completing the look inside is the modern 'Soul-Shine' black seat trim with metallic centre fascia and chrome accents on the dashboard and instrument clusters.

Other key features include the Advanced Reversing Camera system with Electrochromic Rearview Mirror, as available on its sister model Shaker, and an upgraded audio system which features a dash-top centre speaker, rear sub-woofer and external amplifier.

Available in 1.6 petrol and diesel versions, the Tempest introduces a four-speed automatic transmission on diesel - the first time automatic has been offered on any Original model. Tempest starts at just £12,845 for the petrol, add £1,000 to



upgrade to the diesel and another £1,000 for the auto.

There are other minor model year changes to the rest of the Soul range being introduced as running changes. The entry grade '1' trim now gains driver's seat height adjust as standard.

Metallic centre fascia highlights and chrome accents have been improved in appearance and made brighter, and are now offered as standard on the Soul 2 grade as well as all Originals. Also the lidded storage tray in the upper dash has been redesigned for improved functionality and usage.

Colour availability has been revised on the Soul '2' mid-grade. With the deletion of Samba from the line-up, the vivid Tornado Red paintwork is now made available on all '2' models, while the metallic Cocktail Orange is no longer offered.

The beginning of October also saw an increase in pricing to the Soul range, with the

range now starting from £10,775 OTR.

Kia has also introduced some special editions to spice up its Picanto and Rio models - the range-topping Graphite models.

The new 1.1 Picanto Graphite manual features Titanium Silver metallic paint finish - at no extra charge - and is priced at £8,495 OTR - see chart for full specification.

The Rio Graphite takes full advantage of key changes made to the model for its recent facelift with the addition of integrated mirror indicators - available for the first time on this model. Other key items include alloy pedals, new 15-inch alloy wheels, front fogs, metallic centre fascia, leather steering wheel and gear knob.

The 'Graphite' is available only in Titanium Silver - a new metallic colour for Rio - at no extra charge. Available in the 1.4 petrol and 1.5 CRDi manual engines pricing is £9,395 for the petrol and £10,395 for the diesel.

1.1 PICANTO GRAPHITE - KEY SPECIFICATIONS

| | |
|--|--|
| Air conditioning | Body coloured mirrors, handles and bumpers |
| Remote central locking with alarm | Tachometer and digital clock |
| New folding key | Factory fit audio |
| 14" alloy wheels | Leather steering wheel and gear knob |
| Front electric windows | Power steering |
| Black cloth seat trim | Tilt adjustable steering |
| Twin airbags | Spoiler |
| Silver centre fascia and hand brake button | AUX/USB with iPod compatibility |
| Two-tone lower bumpers | Metallic Titanium Silver paint - no extra cost |
| Body coloured side mouldings | |
| Driver's seat height adjust | |

RIO GRAPHITE - KEY SPECIFICATIONS

| | |
|--|--|
| Air conditioning | Body coloured mirrors, handles and bumpers |
| Remote central locking with alarm | Mirror indicators |
| New folding key | Eco-shift indicator |
| 15" alloy wheels | Leather steering wheel and gear knob |
| Front and rear electric windows | Height adjust front seatbelts |
| 6 airbags | New Grey/black cloth seats |
| Front fogs | Body coloured side mouldings |
| Metallic centre fascia and hand brake button | Metallic Titanium Silver paint - no extra cost |
| Alloy medals | |
| Driver's seat height adjust | |

Picanto is a scrappage scheme favourite

There's little doubt that the government's vehicle scrappage scheme has given a boost to flagging car sales and Kia Motors UK has been among the winners with some 19,322 orders taken up to mid-October.

Website *motoring.co.uk* says that 70 per cent of the cars bought under the scrappage scheme have been additional sales which wouldn't have happened in 2009 if the programme was not in place. The website's statistics show over half a million searches for cars eligible under the scrappage scheme alone - with the Kia Picanto coming out as the favourite.

Top 10 cars searched for under the scrappage scheme from April to date

| | | |
|----|----------|--------------|
| 1 | Kia | Picanto |
| 2 | Fiat | Panda |
| 3 | Hyundai | i10 |
| 4 | Toyota | Aygo |
| 5 | VW | Fox |
| 6 | VW | Polo |
| 7 | Fiat | Grande Punto |
| 8 | Ford | Fiesta |
| 9 | Vauxhall | Corsa |
| 10 | Peugeot | 107 |

Data provided by *Motoring.co.uk*.
Correct as of 28th September 2009

Motoring.co.uk said that the scrappage scheme is good news for everyone involved: "Consumers benefit by having access to new cars at good prices, the government benefits, as the scrappage scheme is largely self-funding through VAT payments. The environment benefits because the average CO₂ emissions of cars bought under the scheme in the UK is 15 per cent lower than the pre-scrappage market average.

"The average car scrapped under the scheme is over 12 years old with an estimated CO₂ emission 30 per cent higher than its replacement. Local dealers and manufacturers also benefit because this scheme has been critical in maintaining their viability."

Kia's marketing programmes co-ordinator Claire Williams said that Picanto had



Kia Picanto comes out as favourite buy under the scrappage scheme

accounted for around 60 per cent of the company's sales under the scrappage scheme with Rio accounting for 23 per cent, cee'd 10 per cent, Soul 3.5 per cent and Carens 2.5 per cent.

Of the almost 16,000 scrappage sales, 98.8 per cent have been conquests from other brands with Fords accounting for almost 20 per cent of the total with around 3,260 vehicles. There have also been more than 2,200 Vauxhalls and around 725 Volkswagens.

There have been some interesting scrappage cars as well: some 370 German luxury brand models including 140 BMWs, 130 Mercedes and 100 Audis, four Porsches, two Daimlers, two Cadillacs and even an old Zastava - or Yugo as was!

The extension to the programme announced by the government at the end of September was also welcomed by Kia Motors (UK) Ltd.

Managing director Michael Cole said: "With VAT expected to rise from the current rate of 15 per cent, an extension to the scrappage scheme will help to soften the blow to automotive business in the UK and help maintain momentum across the motor industry. It will also keep footfall high in dealerships across the UK, hopefully protecting jobs and dealers."

The scrappage scheme has certainly been a hit with Kia dealers. Stephen Slattery, chairman of the dealer forum, who runs Rayrigg in Windemere, said: "You can't escape



the fact that the core retail market would have dropped disastrously without the scheme.

"Kia has allowed its dealers to allow scrappage vehicles to be counted towards our targets and we would never have been able to hit these without the scheme.

"On the back of this, many dealers have had a record year. We are also delighted that the scheme has been extended both in terms of money available and the age limit for qualifying vehicles.

"V-registration vehicles now qualify and that means potentially another half a million vehicles are eligible. It means we can now go back to people who found they were previously just a few months outside the age limit."

Kia orders taken up to mid-October

| | | |
|--------------------|---------------|-------------|
| Picanto | 12,320 | 63.76 |
| Rio | 4,240 | 21.94 |
| Soul | 466 | 2.41 |
| cee'd | 1,532 | 7.93 |
| Magentis | 2 | 0.01 |
| Carens | 184 | 0.95 |
| Sedona | 24 | 0.12 |
| Sportage | 401 | 2.08 |
| Sorento | 153 | 0.79 |
| Grand Total | 19,322 | 100% |

Kia Venga is coming

Kia Motors UK is filling an important gap in its model range with the arrival of the Venga B-segment MPV early next year following its global debut at the 2009 Frankfurt Motor Show.

Like the cee'd, there is a very European look to the model and like the Soul launched earlier this year, there is very British feel to it as well, thanks to the members of the Fourth estate!

Senior press officer Jon Walsh said: "We took a group of journalists out to drive the car ahead of launch and there were some comments on the

handling and steering, particularly for British roads.

"The R&D team in Germany saw a real benefit in working on the car's set-up in the UK first - on the basis that if the cars handled on British roads they would be fine elsewhere in Europe."

The Venga then spent some time with UK engineers - the same engineers who worked on the Soul. Jon added: "The Venga spent a long period in the UK being set-up before it was unveiled at Frankfurt."

Engineers worked on the springs and dampers as well as the steering software to fine tune the handling of the car.

The Venga will be manufactured in Europe

and will be backed by two warranties: Kia's unique seven-year 100,000 mile warranty, plus a 12-year anti-perforation warranty.

Benny Oeyen, Director Marketing & Product Planning, Kia Motors Europe, said: "Venga will certainly deliver all the practicality and versatility that a European family could require. It will also provide them

with the most stylish transport this segment has ever seen.

On the road, its performance and agility will surpass the class norm."

The 4,068mm-long Kia Venga features an unusually long wheelbase for its class - 2,615mm - and a 1600mm high roofline to maximise cabin space. Skilful packaging ensures that the Venga redefines its MPV category by offering levels of interior space typical of a larger C-segment vehicle, but within a B-segment footprint.

Benny added: "The B-segment MPV is still a 'young' concept, and although demand for this type of vehicle shrank during the past two years, we believe that two main factors



will reverse that trend. Firstly, the economic climate will encourage consumers to down-size. Secondly, exciting new products from several manufacturers will re-ignite interest in the whole segment and with new Venga, Kia will be positioned to maximise its sales growth and sector share."

Venga will have a choice of two 1.4-litre petrol and diesel engines plus a 1.6-litre petrol automatic. The diesel engine will be available with Kia's Intelligent Stop and Go (ISG) technology and will comply with Euro 5 emission standards. ISG equipped models will have a CO₂ rating from just 117g/km (1.4-litre U2 engine).

“Venga will certainly deliver all the practicality and versatility that a European family could require.”

The Venga's interior



The Venga's all-glass panoramic sunroof





KIA MOTORS

Environmental work brings other development benefits

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Opening doors often brings surprises and, for engineers toiling away to develop more environmentally-friendly vehicles for tomorrow's motorists, it sometimes brings challenges.

At Kia's massive Namyang Research and Development facility in South Korea the commitment to build the world's first liquefied petroleum gas-powered hybrid engine also meant that other issues had to be dealt with and providing a fuel-efficient transmission led to the company developing its first, independent Continuously Variable Transmission (CVT).

CVTs are not new but they are becoming considerably more essential as they allow the new breed of low-emission engine technologies to function more efficiently in all aspects of usage - especially in polluted cities where the reduction of exhaust gases is particularly important.

Mr Soo-Jin Hong of Hyundai-Kia's Research and Development Planning Team explained: "As we developed the Kia Forte LPI

Hybrid it was clear that to maximise fuel efficiency we needed to use a CVT because its infinite number of gear ratios allowed us to optimise fuel consumption according to driving conditions.

"And because of packaging issues a traditional transmission would have increased the overall length of the powertrain. Using the CVT allowed

us to delete the torque converter of a traditional automatic transmission because we were able to utilise a starter clutch with a direct control solenoid valve to allow precise pressure control. All of this contributes

additional reduction in fuel consumption," he added

In general use the CVT contributes a seven per cent fuel efficiency gain compared to standard four-speed automatics and the calibration of the

CVT allows for a smoother shift feel.

Mr Hong also explained that the engineers chose to use a single-mass flywheel and one clutch - rather than the more normal dual-mass flywheel and two clutches in order to reduce cost, length and weight. The additional benefit was that by careful tuning of the set-up the engineers were able to deliver a better response and performance.

The end result is not just an extremely efficient hybrid vehicle that will soon be available on the Korean domestic market where LPG is a much more widely available fuel than here in the UK but according to Mr Hong, a world-class CVT available to

Kia for use in other vehicles.

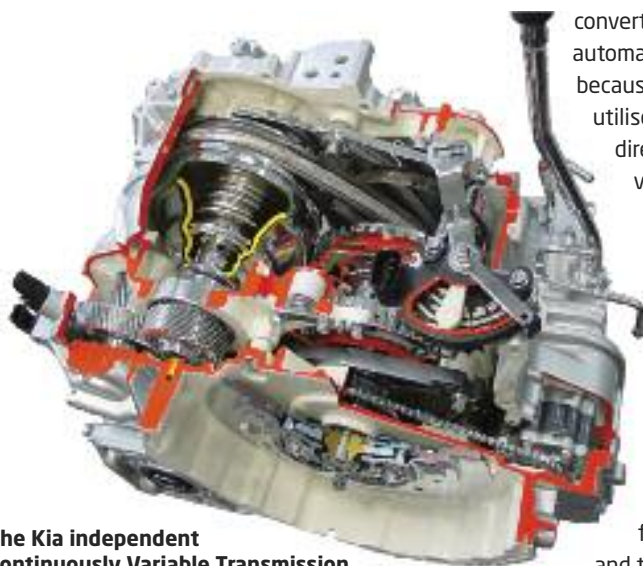
He commented: "For other vehicles some modification would be required. In the hybrid vehicle we have an additional electric motor

available and that means we can use the starter clutch without changes to the final drive ratio.

"To use the CVT in non-hybrid vehicles we would have to add a torque converter in order to deliver acceptable uphill and start-up performance. But this development means that as our range of hybrid vehicles continues to develop we already have our own independent technology that we can apply to those future models."

Developed over three years the CVT is not immediately expected to feature in Kia's current line-up but it will allow the engineers at Namyang to deliver a range of future hybrid options that will perform in line with current automotive standards.

“The end result is not just an extremely efficient hybrid vehicle but a world-class CVT available to Kia for use in other vehicles.”



The Kia independent Continuously Variable Transmission

TECHNICAL DETAILS:

| | | |
|-----------------|----------------------------|-------|
| CVT Type | Metal V-belt CVT | |
| Start-up Device | Multi-disc wet clutch | |
| Oil Pump | Chain-driven external gear | |
| Ratios | Low | 2.369 |
| | High | 0.427 |
| | Final | 4.910 |
| Axial Distance | Primary-Secondary 156mm | |