

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008

(in millions of Korean won)

	2009	2008
Cash flows from operating activities		
Net income	₩ 1,507,131	₩ 1,002,585
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	433,814	423,241
Provision for severance benefits	55,672	64,433
(Gain) loss on foreign currency translation, net	(52,330)	179,613
Loss on disposal of trade accounts receivable	42,444	39,642
Gain (loss) on valuation of equity-method investments, net	(136,564)	15,327
(Gain) loss on transactions of derivative instruments, net	(7,948)	(63,293)
Loss (gain) on valuation of derivative instruments, net	21,758	(48,807)
Loss on disposal of property, plant and equipment, net	31,725	13,229
Impairment loss on property, plant and equipment	47,565	18
Impairment loss on intangible assets	16,948	186
Reversal of negative goodwill	(39,170)	(39,170)
Others, net	22,369	1,661
	436,283	586,080
Changes in operating assets and liabilities		
Increase in trade accounts and notes receivable	(393,548)	(211,554)
Decrease (increase) in inventories	91,024	(348,301)
Dividends received	8,282	54,185
Insurance settlements received	-	76,836
(Increase) decrease in other accounts receivable	(11,326)	12,478
(Increase) decrease in accrued income	(1,660)	934
Decrease (increase) in advance payments	5,575	(6,052)
Decrease (increase) in prepaid expenses	5,140	(6,663)
Decrease (increase) in deferred income tax assets	10,695	(15,318)
Decrease (increase) in other current assets	559	(943)
Increase (decrease) in trade accounts and notes payable	471,189	(210,510)
Increase (decrease) in other accounts payable	156,471	(11,934)
Increase in accrued expenses	13,691	16,296
(Decrease) increase in income tax payable	(181,646)	119,979
Increase in provision for warranty reserve	3,512	-
Decrease in other current liabilities	(3,858)	(4,144)
Accrued severance benefits transferred from associated	446	610
Increase (decrease) in deferred income tax liabilities	39,464	(19,173)
Payment of severance benefits	(39,641)	(66,281)
Others, net	(8,820)	(151)
	165,549	(619,706)
Net cash provided by operating activities	2,108,963	968,959

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2009 AND 2008

(in millions of Korean won)

	2009	2008
Cash flows from investing activities		
Disposal (acquisition) of short-term investments, net	₩ 48,300	₩ (41,891)
Disposal of property, plant and equipment	11,549	28,230
Decrease in derivative instrument transaction debit, net	40,250	64,328
Acquisition of property, plant and equipment	(942,753)	(773,356)
Acquisition of equity-method investments	(75,004)	(21,667)
Acquisition of intangible assets, net	(15,811)	(41,640)
Others, net	3,391	(78)
Net cash used in investing activities	(930,078)	(786,074)
Cash flows from financing activities		
Repayment of current maturities of long-term debts	(575,693)	(366,887)
Issuance of debentures	298,653	144,588
Payment of dividends	(209,192)	(166,995)
Proceeds from long-term debts, net	(7)	92,156
(Acquisition) disposal of treasury stock	(2,293)	21,513
Others, net	12,947	(398)
Net cash used in financing activities	(475,585)	(276,023)
Cash flows from spin-off (Note 19)	(214,015)	-
Net increase (decrease) in cash and cash equivalents	489,285	(93,138)
Cash and cash equivalents		
Beginning of the year	373,300	466,438
End of the year	₩ 862,585	₩ 373,300

* The accompanying notes are an integral part of these non-consolidated financial statements.