

Consolidated Statements of Cash Flows

For the years ended December 31, 2011 and 2010

| In millions of won | 2011 | 2010 (Unaudited) |
|--|--------------------|---------------------|
| Cash flows from operating activities | | |
| Cash generated from operating activities | ₩ 861,329 | 588,048 |
| Interest received | 8,638 | 5,319 |
| Interest paid | (124,533) | (132,352) |
| Dividends received | 19,154 | 9,847 |
| Income tax paid | (95,075) | (25,826) |
| Net cash provided by operating activities | 669,513 | 445,036 |
| Cash flows from investing activities | | |
| Proceeds from sales of long-term financial instruments | - | 2 |
| Cash from sales of short-term loans | 10,114 | 405 |
| Cash from sales of long-term loans | 551 | 837 |
| Proceeds from sales of long-term deposits | 1,129 | 220 |
| Proceeds from sales of available-for-sale financial assets | 51,928 | 2,633 |
| Proceeds from sales of investments in associates | - | 183,595 |
| Proceeds from sales of property, plant and equipment | 275 | 29 |
| Proceeds from sales of intangible assets | 368 | 5,718 |
| Increase in sales of short-term financial instruments | (5,000) | - |
| Increase in sales of long-term financial instruments | - | (1,142) |
| Increase in short-term loans | (9) | (3,488) |
| Increase in long-term loans | (666) | (1,240) |
| Increase in long-term deposits | (2,231) | (1,438) |
| Acquisition of available-for-sale financial assets | (61) | (62,609) |
| Acquisition of investments in associates | (6,963) | (1,444) |
| Acquisition of property, plant and equipment | (291,083) | (230,306) |
| Acquisition of intangible assets | (4,368) | (7,178) |
| Net cash used in investing activities | ₩ (246,016) | (115,406) |

| In millions of won | 2011 | 2010 (Unaudited) |
|--|------------------|---------------------|
| Cash flows from financing activities | | |
| Proceeds from short-term borrowings | ₩ 1,833,786 | 1,891,387 |
| Proceeds from long-term borrowings | 255 | 211,131 |
| Proceeds from issuance of bonds | 99,568 | 532,947 |
| Repayments of short-term borrowings | (1,731,712) | (2,033,230) |
| Repayments of long-term borrowings | (5,850) | (8,589) |
| Repayments of bonds | (36,129) | (174,820) |
| Repayments of current portion of long-term borrowings | (211,249) | (704,591) |
| Dividends paid | (23,006) | - |
| Capital increase of non-controlling interests involved | 5,196 | 525 |
| Payment of transaction costs related to issuance of shares | 178 | 19 |
| Net cash from (used) in financing activities | (68,963) | (285,221) |
| Effect of exchange rate fluctuations on cash held | (205) | 261 |
| Net increase in cash and cash equivalents | 354,329 | 44,670 |
| Cash and cash equivalents at 1 January | 150,761 | 106,091 |
| Cash and cash equivalents at 31 December | ₩ 505,090 | 150,761 |