

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
	(In Korean won)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	₩387,203,646,434	₩346,858,843,746
Net income	109,803,056,275	352,411,421,389
Adjustments	245,430,136,550	95,587,296,833
Changes in operating assets and liabilities	31,970,453,609	(101,139,874,476)
Interest received	13,264,942,785	13,279,936,217
Interest paid	(74,073,206,075)	(56,124,495,775)
Dividends received	35,394,044,430	37,626,886,612
Income tax paid	(79,008,590,383)	(41,763,039,856)
Net Cash Provided by Operating Activities	<u>282,780,837,191</u>	<u>299,878,130,944</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities		
Decrease in short-term financial instruments	-	43,257,977,867
Decrease in short-term loans	1,220,458,331	9,160,430,345
Decrease in long-term financial instruments	1,369,773,633	56,824,304
Disposal of long-term investment securities	841,991,814	3,218,334,288
Decrease in long-term loans	1,960,507,017	1,329,811,071
Disposal of investments in associates	10,248,678,400	76,569,859,020
Disposal of property, plant and equipment	16,507,864,435	3,600,959,123
Disposal of intangible assets	1,568,430,565	1,237,851,677
Disposal of investment property	3,546,000,000	7,009,120,287
Increase by business transfer	101,175,043,963	-
Business combinations	196,314,942	-
Others	229,337,037	1,358,685,358
Subtotal	<u>138,864,400,137</u>	<u>146,799,853,340</u>
 Cash outflows for investing activities		
Increase in short-term financial instruments	10,670,685,536	-
Acquisition of short-term investment securities	9,390,706,584	-
Increase in long-term financial instruments	3,000,000	180,941,692
Acquisition of long-term investment securities	7,267,259,000	941,670,890
Increase in long-term loans	3,328,351,330	3,017,227,725
Purchase of investments in subsidiaries	-	25,609,281,774
Purchase of investments in associates	12,272,220,949	11,626,565,432
Purchase of property, plant and equipment	134,042,621,251	171,753,807,585
Acquisition of intangible assets	26,570,146,643	25,091,299,602
Purchase of investment property	529,780,603	1,518,408,561
Decrease by acquisition of operations	-	192,625,061,853
Others	10,000,000	-
Subtotal	<u>(204,084,771,896)</u>	<u>(432,364,265,114)</u>
Net Cash Used in Investing Activities	<u>₩(65,220,371,759)</u>	<u>₩(285,564,411,774)</u>

(Continued)

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
	(In Korean won)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities		
Increase in short-term borrowings	₩30,498,269,468	₩ -
Issuance of bonds	99,490,700,000	378,241,600,001
Increase in long-term borrowings	221,006,943,100	324,171,601,019
Exercise of share option	1,012,954,000	2,572,503,000
Others	146,883,500	-
Subtotal	<u>352,155,750,068</u>	<u>704,985,704,020</u>
Cash outflows for financing activities		
Repayment in short-term borrowings	-	30,097,390,684
Repayment of bonds	136,962,384,436	215,043,582,586
Repayment of long-term borrowings	128,551,674,900	133,474,491,680
Acquisition of treasury stock	47,030,599,185	230,606,369,000
Payment of dividends	82,277,575,420	89,973,378,750
Additional acquisition of investments in subsidiaries	81,000,022,568	-
Equity spin-off	6,558,940,000	-
Subtotal	<u>(482,381,196,509)</u>	<u>(699,195,212,700)</u>
Net Cash (Used in) Provided by Financing Activities	<u>(130,225,446,441)</u>	<u>5,790,491,320</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(2,106,485)</u>	<u>(737,611,911)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	87,332,912,506	19,366,598,579
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	358,854,415,037	339,487,816,458
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>₩446,187,327,543</u>	<u>₩358,854,415,037</u>

(Concluded)

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