

**DOOSAN CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
	(Korean won)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	₩262,378,913,051	₩232,298,744,300
Expenses not involving cash payments:		
Equity in loss of associates	284,604,904	166,934,019,214
Severance indemnities	15,726,813,611	12,085,678,768
Share-based payment	2,747,497,432	1,975,158,790
Depreciation	29,519,632,801	30,937,117,151
Amortization	12,296,190,710	9,697,281,490
Discount on bonds payable	344,834,843	411,920,284
Foreign currency translation loss	2,020,628,379	4,558,878,138
Loss on disposal of accounts receivable	1,103,782,083	5,315,675,003
Other bad debt expenses	-	19,016,258
Loss on disposal of investment assets	-	36,953,679
Loss on disposal of property, plant and equipment	316,180,713	2,643,624,060
Loss on impairment of property, plant and equipment	20,066,138	1,081,710,562
Loss on impairment of intangible assets	-	48,628,508
Loss on retirement of bonds	86,144,729	227,597,969
Contribution to provision for product warranties	1,666,129,735	-
Sub-total	66,132,506,078	235,973,259,874
Income not involving cash receipts:		
Equity in income of associates	149,345,943,623	41,510,922,444
Recovery of losses on valuation of inventories	7,632,807,447	105,388,626
Foreign currency translation gain	2,051,824,631	2,108,341,560
Reversal of allowance for doubtful accounts	359,221,673	782,658,488
Gain on disposal of available-for-sale securities	545,662,073	1,559,680,455
Recovery of loss on impairment on long-term investment securities	-	10,347,716
Gains on disposal of investments	604,914,937	-
Gain on disposal of property, plant and equipment	15,262,141,071	376,439,179,615
Recovery of loss on impairment of property, plant, and equipment	41,294,049	2,241,931,585
Gain on valuation of derivatives	1,434,586,576	1,738,122,418
Gains on disposal of businesssegment	30,042,500,000	-
Sub-total	(207,320,896,080)	(426,496,572,907)

(Continued)

**DOOSAN CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
	(Korean won)	
Changes in assets and liabilities related to operating activities:		
Accounts receivable – trade	(₩67,302,586,588)	(₩26,322,986,507)
Accounts receivable – other	24,478,585,772	(11,182,598,275)
Accrued income	277,839,563	40,565,976,684
Advanced payments	(3,430,127,255)	2,628,469,464
Prepaid expenses	494,244,798	(301,300,988)
Derivative assets	542,879,627	8,112,988,029
Current deferred income tax assets	7,636,715,969	(2,642,251,760)
Other current assets	(2,798,396,211)	(1,508,225,900)
Inventories	4,159,384,687	26,638,445,044
Long-term accounts receivable – trade	-	209,972,091
Long-term prepaid expenses	-	6,980,781
Accounts payable – trade	70,001,204,161	(4,308,046,560)
Accounts payable – other	14,821,286,351	(12,126,845,326)
Advances received	(7,898,297,521)	(66,189,993)
Unearned revenue	(393,076)	(37,139,389)
Withholdings	913,344,730	(65,913,431,997)
Accrued expenses	15,718,240,149	4,594,186,085
Income tax payable	(107,266,288,202)	93,287,171,656
Guarantee deposits received	(84,764,200)	584,527,477
Derivative liabilities	-	(6,430,686,815)
Provision for product warranties	(720,972,930)	-
Reserve for returned goods	(578,555,621)	(311,589,228)
Other current liabilities	(14,489,007)	(22,915,573)
Accrued severance benefits transferred from affiliated companies	(51,990,520)	1,119,907,152
Payment of severance indemnities	(9,348,032,921)	(30,165,078,319)
Contribution to National Pension Fund	37,574,800	269,985,200
Severance insurance deposit	(4,283,963,587)	1,978,436,210
Non-current deferred income tax liabilities	13,433,591,735	(59,741,818,083)
Other non-current liabilities	822,639,797	4,528,959,598
Dividend receipts	24,509,473,500	23,464,174,500
 Sub-total	 (25,931,852,000)	 (13,090,924,742)
 Net Cash Provided by Operating Activities	 95,258,671,049	 28,684,506,525

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**DOOSAN CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
	(Korean won)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash inflows from investing activities:		
Withdrawal of short-term financial instruments	₩11,023,933,308	₩212,945,000,435
Collection of short-term loans	1,120,000,000	-
Disposal of long-term investment securities	19,576,756,930	17,730,165,239
Disposal of equity method investment securities	-	154,744,437,830
Collection of long-term loans	-	928,450,858
Decrease in guarantee deposits	8,469,753,211	1,354,814,454
Decrease in other non-current assets	842,726,365	500,697,137
Disposal of property, plant and equipment	19,923,278,940	8,604,889,231
Increase in government subsidy	222,395,629	-
Disposal of business segment	52,136,819,465	564,439,529,026
Sub-total	113,315,663,848	961,247,984,210
Cash outflows for investing activities:		
Acquisition of short-term financial instruments	43,371,178,992	221,027,198,363
Extension of short-term loans	345,880,000	1,085,000,000
Acquisition of long-term investment securities	-	1,148,813,103
Acquisition of equity method investment securities	30,894,040,000	407,017,424,865
Extension of long-term loans	245,122,493	962,965,313
Increase in guarantee deposits	3,814,560,929	3,181,454,108
Increase in other non-current assets	-	488,330,662
Acquisition of property, plant and equipment	132,381,659,714	27,387,355,040
Acquisition of intangible assets	776,216,632	365,683,002
Sub-total	(211,828,658,760)	(662,664,224,456)
Net Cash Provided by(used in) Investing Activities	(98,512,994,912)	298,583,759,754

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**DOOSAN CORPORATION**  
**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	2010	2009
	(Korean won)	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash inflows from financing activities:		
Proceeds from short-term borrowings	₩4,493,721,660	₩168,351,829,329
Issuance of bonds	99,505,399,996	199,298,449,999
Proceeds from long-term borrowings	20,000,000,000	-
Proceed from issuance of common stock	2,958,321,199	4,780,965,000
Increase in capital stock subscribed	181,569,000	-
Sub-total	127,139,011,855	372,431,244,328
Cash outflows for financing activities :		
Repayment of short-term borrowings	7,301,108,259	274,251,728,993
Payment of current portion of ABS liabilities	-	2,940,000,000
Repayment of current portion of bonds	50,000,000,000	255,927,597,969
Repayment of current portion of long-term borrowings	29,953,121,188	74,154,600,000
Repayment of bonds	3,078,410,589	-
Repayment of long-term borrowings	1,880,000,000	-
Decrease in guarantee deposits received	29,027,600	7,750,720
Acquisition of treasury stock	6,632,069,420	3,187,017,673
Payment of dividends	58,336,460,600	35,780,519,650
Sub-total	(157,210,197,656)	(646,249,215,005)
Net Cash Used in Financing Activities	(30,071,185,801)	(273,817,970,677)
<b>INCREASE IN OTHER CASH AND CASH EQUIVALENTS (MERGER)</b>	59,715,876,684	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	26,390,367,020	53,450,295,602
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	188,582,474,454	135,132,178,852
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (Note 32)</b>	₩214,972,841,474	₩188,582,474,454

See accompanying notes to non-consolidated financial statements.