

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
	(In Korean won)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	₩346,858,843,746	₩407,539,308,418
Net income	352,411,421,389	816,045,170,020
Adjustments	95,587,296,833	(395,673,617,343)
Changes in operating assets and liabilities	(101,139,874,476)	(12,832,244,259)
Interest received	13,279,936,217	15,775,752,404
Interest paid	(56,124,495,775)	(52,369,678,047)
Dividends received	37,626,886,612	27,571,449,593
Income tax paid	(41,763,039,856)	(163,416,395,174)
Net Cash Provided by Operating Activities	<u>299,878,130,944</u>	<u>235,100,437,194</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflows from investing activities		
Decrease in short-term financial instruments	43,257,977,867	(28,008,185,684)
Decrease in short-term loans	9,160,430,345	(7,035,851,847)
Decrease in long-term financial instruments	56,824,304	21,257,236
Disposal of long-term investment securities	3,218,334,288	27,592,684,351
Decrease in long-term loans	1,329,811,071	1,267,707,438
Disposal of investments in subsidiaries	-	30,536,493,772
Disposal of investments in associates	76,569,859,020	4,573,068,020
Disposal of property, plant and equipment	3,600,959,123	2,733,297,487
Disposal of intangible assets	1,237,851,677	765,120,230
Disposal of investment property	7,009,120,287	237,789,295
Disposal of assets held for sale	-	18,626,500,000
Increase by transfer of operations	-	52,136,819,465
Others	1,358,685,358	549,430,522
Subtotal	<u>146,799,853,340</u>	<u>103,996,130,285</u>
Cash outflows for investing activities		
Increase in long-term financial instruments	180,941,692	3,000,000
Increase in long-term investment securities	941,670,890	396,416,550
Increase in long-term loans	3,017,227,725	1,728,767,080
Purchase of investments in subsidiaries	25,609,281,774	9,231,512,742
Purchase of investments in associates	11,626,565,432	17,075,000,000
Purchase of property, plant and equipment	171,753,807,585	95,151,592,484
Acquisition of intangible assets	25,091,299,602	7,477,891,420
Purchase of investment property	1,518,408,561	1,216,702,191
Decrease by acquisition of operations	192,625,061,853	-
Subtotal	<u>(432,364,265,114)</u>	<u>(132,280,882,467)</u>
Net Cash Used in Investing Activities	<u>(₩285,564,411,774)</u>	<u>(₩28,284,752,182)</u>

(Continued)

DOOSAN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
	(In Korean won)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash inflows from financing activities		
Increase in short-term borrowings	₩ -	₩58,501,006,878
Issuance of bonds	378,241,600,001	158,997,799,996
Increase in long-term borrowings	324,171,601,019	39,794,076,895
Issuance of share capital	2,572,503,000	3,139,890,200
Subtotal	<u>704,985,704,020</u>	<u>260,432,773,969</u>
Cash outflows for financing activities		
Decrease in short-term borrowings	30,097,390,684	-
Repayment of bonds	215,043,582,586	216,686,329,643
Repayment of long-term borrowings	133,474,491,680	197,487,444,044
Acquisition of treasury stock	230,606,369,000	6,632,069,420
Payment of dividends	89,973,378,750	70,651,281,320
Additional acquisition of investments in subsidiaries	-	1,138,000,000
Others	-	336,544,000
Subtotal	<u>(699,195,212,700)</u>	<u>(492,931,668,427)</u>
Net Cash Provided by (Used in) Financing Activities	<u>5,790,491,320</u>	<u>(232,498,894,458)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(737,611,911)</u>	<u>(1,905,676)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	19,366,598,579	(25,685,115,122)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	339,487,816,458	365,172,931,580
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>₩358,854,415,037</u>	<u>₩339,487,816,458</u>

(Concluded)

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