



2011 ANNUAL REPORT

Basic · Challenge · Growth



Daekyo will be a global leading educational service provider by advancing the value of 'Love of Noonnoppi.'

For the past 36 years since its establishment in 1976, Daekyo has molded the children of the Republic of Korea. It has gradually grown into the nation's best educational and cultural service enterprise, emerging as a frontrunner in the field of education.

Daekyo always cherishes the value "Love of Noonnoppi" in its heart as an educational enterprise. In addition, we are aiming for various educational services suitable for a globalized, diversified social structure.

Daekyo has introduced a new form of educational technique called "Noonnoppi" education, creating a new paradigm in the educational industry. Driving such achievements are righteous management that observes theories and principles, knowledge management that maximizes work efficiency, innovation management that always seeks new things, and passion for endless changes and never-say-die spirit through human-centered talent management.

At the same time, the company makes utmost efforts to create a better learning environment by providing systematic, specialized education programs including Noonnoppi educational programs, preschool education program, educational publishing programs, and home school program. In the advent of the global era, the company made aggressive inroads into overseas programs, endeavoring to become a world enterprise that leads global education and culture.



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Love of Noonnoppi

The 'Love of Noonnoppi', core value of Daekyo, pursues honorable customer value by providing customers with the best academic performances. In 2011, with the management policy of customer service innovation, Daekyo promoted 'C-Project' to fulfill its commitment. As a result, the company was able to introduce the Smart MOS (Mobile Office System) for its Noonnoppi business in August 2011 for the first time in the industry, which contributed to offering the best educational services to customers.



Establishment of Fundamentals for Future Growth

The educational environment is rapidly changing in accordance with changes of media environment. To preemptively cope with future market trends to be defined as the convergence of IT and educational content, Daekyo established the Media Business Division in May 2011. In addition, the company laid the foundation for future growth by focusing on the efficiency of management resources and optimization of business portfolio through restructuring subsidiaries.

Financial Highlights

Consolidated Operating Results (Daekyo and its subsidiaries)

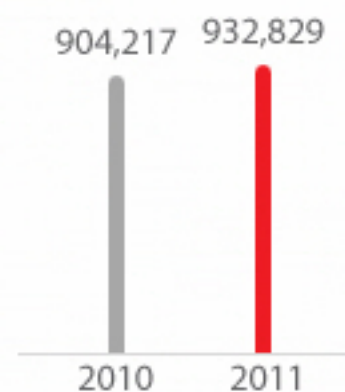
[KRW in millions]	2011	2010
Assets	858,491	910,050
Liabilities	214,709	222,606
Shareholders' equity	643,781	687,444
Sales	932,829	904,217
Growth Profit	165,894	166,326
Operating income	68,879	73,618
Net income	50,428	53,713

Non-consolidated Operating Results (Daekyo)

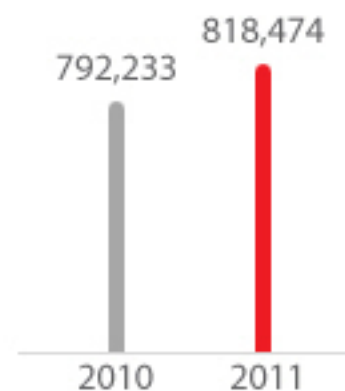
[KRW in millions]	2011	2010
Assets	829,835	884,695
Liabilities	185,178	204,325
Shareholders' equity	644,657	680,370
Sales	818,474	792,233
Growth Profit	151,743	149,545
Operating income	79,348	76,598
Net income	61,114	55,036

Sales

Consolidated
(Unit: KRW in millions)



Nonconsolidated
(Unit: KRW in millions)



Message from the CEOs

Dear Shareholders and Customers,

Thank you for the unwavering support for us during the past year. The domestic education industry experienced tough market conditions in 2011 due to sluggish economy, inflation, and government-led reinforcement of public education and high-intensity restraint on private education. Despite unfavorable market conditions, Daekyo achieved growth both sales and profits in 2011 thanks to the commitment to substantial changes and innovation. In 2012, we will continue to change and innovate ourselves to take a leap forward. Our keywords for the coming year can be summarized as "Fundamentals, Challenges and Growth," under which we have established our management directives for 2012. We will devote ourselves wholeheartedly to achieving these objectives.

Establishing unrivalled leadership based on customer value

We began to innovate our customer services in 2011 to adhere to the basics in managing program subscriptions. In the coming year, we will complete this innovation effort by bolstering our Smart Consulting and Smart Lesson Services, thereby elevating learning effectiveness, the primary customer value. We will add more than 100 Noonnoppi Learning Centers nationwide. They will be made into full-service education centers that provide customers with both diagnostic testing and individual curriculum solutions based on competitive educational content for exceptional self-directed learning.

CEO of Noonnoppi Business Division
Myung-Kyu Park



Message from the CEOs

Aggressively pursuing new businesses for the future

We will secure the educational content and platform that will usher in a smart educational environment by aggressively discovering promising new businesses and investing more in them. Our age group-specific customer services are being expanded from our most important target, elementary and middle school students, to toddlers and preschool children, a segment with high growth potential. We are also preparing to launch a business line targeting senior citizens, thereby remaining in step with the demographic changes in an aging society.

Nurturing an achievement-oriented organizational culture

We will expand our "Community of Teachers & Students Growing Together" to our subsidiaries and cultivate a forward-looking, ambitious corporate culture. Moreover, as Korea's leading educational services provider, we will commit ourselves to fulfilling CSR, satisfying our customers, contributing to the public good, and upgrading our corporate image.

Our ultimate goal goes beyond our being the best in Korea. We aim to become a global leader in educational services, respected and sought after by customers the world over. Therefore, we are building a standardized management system that imparts the basic value of Nunnoppi and serves as a core competency for our business. This will allow us to advance rapidly into overseas educational markets.

Thank you

CEO of Media Business Division
Young-Wan Cho



Board of Directors

The primary role of our Board of Directors at Daekyo is to oversee how management serves the interests of holders and other stakeholders. Our Board of Directors plays a critical role in ensuring the ongoing integrity, transparency and long-term strength of Daekyo.



Young-Joong Kang

(Chairman of the Board of Directors)

Chairman of Daekyo Group (current)
Chief Director of Bong-ahm Educational Foundation (current)
Chief Director of World Youth and Culture Foundation (current)
President of Badminton World Federation (current)



Jong-Cheon Yoon

(Executive)

CEO of Daekyo D&S (current)
CEO of Gangwon Deep Sea Water (current)
CEO of Daekyo Holdings
CEO of Daekyo



Myung-Kyu Park

(Executive)

CEO of Noonnoppi Business Division at Daekyo (current)
Head of Education Research Center at Daekyo
Head of Education Marketing HQ at Daekyo
Head of Human Resource Development HQ at Daekyo



Ja Song

(Outside Director, Member of Audit Committee)

Chief Director of Myoungji Educational Foundation (current)
Chief Director of Kids & Future Foundation
Director for International Affairs at World Vision
President of Myoungji University



Young-Wan Cho

(Executive)

CEO of Media Business at Daekyo (current)
CEO of CS Division at SK Broadband
Managing Director of Business Management Division at Hanaro Telecom
Head of Management Planning Department at Dacom



Young-Key Hwang

(Outside Director, Member of Audit Committee)

Vice Chairman of CHA Medical Group (current)
Chairman & CEO of CHA Bio & Diotech
Director of Seoul Scholarship Foundation
Chairman of KB Financial Group
Chairman of Woori Financial Group



Soo-Wan Park

(Executive)

Head of Management Support HQ at Daekyo (current)
COO of Daekyo Holdings (current)
CFO of Daekyo D&S (current)
Hyundai Motor Company



Dong-Man Bae

(Outside Director, Member of Audit Committee)

Consultant & Advisor at Cheil Worldwide (current)
President of Samsung Social Contribution Committee
President & CEO of Cheil Worldwide
Vice President & CEO of S1

Corporate Governance

● Duties and Authorities

The Board of Directors, as the supreme decision-making body, deliberates and determines Daekyo's major management activities and related important matters. The Board monitors the company's financial situation by receiving reports on operating performances and takes part in momentous decisions such as the convocation of general shareholders' meeting and significant investments. The Board of Directors at Daekyo consists of eight members including three outside directors.

● Committees

Three sub-committees (Policy Deliberation Committee, HR Performance Committee, and CS Management Committee) are formed and operated under the Board of Directors to deliberate on specific and in-depth matters.

Policy Deliberation Committee

The Policy Deliberation Committee deliberates on policies that would greatly influence the company's management and items proposed to the Management Committee. Innovation plans for Education Research Center and new office establishment plans were reported to the Policy Deliberation Committee.

HR Performance Committee

The HR Performance Committee makes decisions or deliberates on the establishment and control of organizational performance targets as well as HR system for employees and executives.

CS Management Committee

The CS Management Committee is responsible for customer satisfaction matters. In 2011, the Committee deliberated on the results of the employee satisfaction survey and Korea Brand Power Index survey.



Vision 2012

Daekyo's vision is to become a global educational and cultural service provider.

We will achieve KRW1 trillion in sales by focusing on creating more customer value and proactively investing in future growth engines in 2012, taking a step closer to our vision.

"Global Educational and Cultural Service Provider"



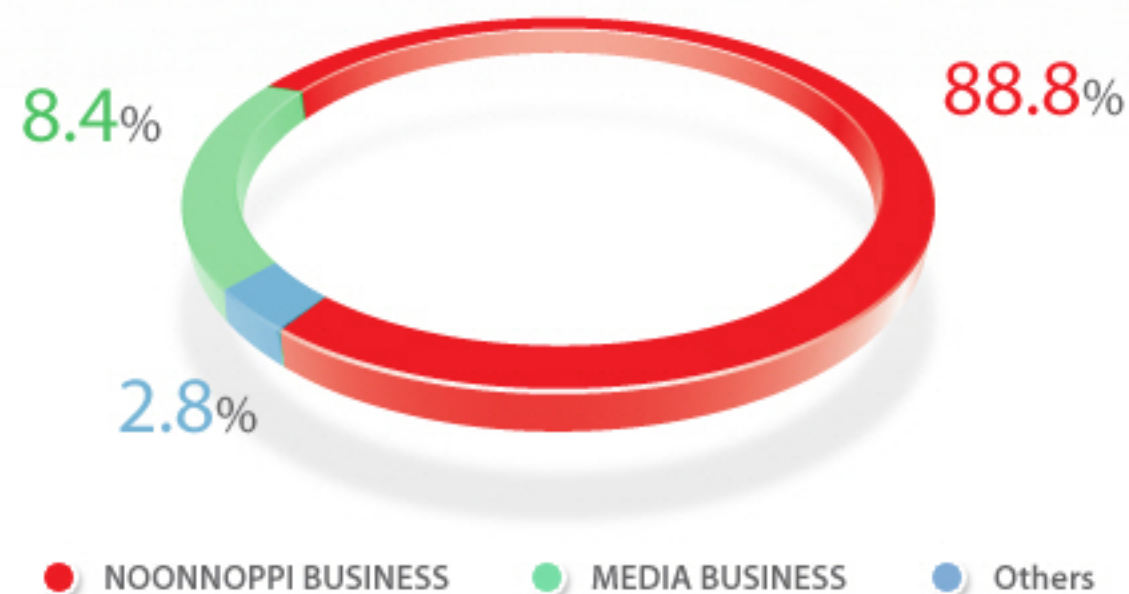
Business Overview

In 2011, our sales increased by 3.3% over the previous year to KRW818.5 billion, and operating profit also rose by 3.6% to KRW79.3 billion thanks to continuous cost reduction efforts and sales growth of Noonnoppi learning centers. Net income was KRW61.1 billion, up 11.0% year-on-year.

Sales Breakdown in 2011

[Daekyo Co., Ltd.]

Business Division	Sales	%
NOONNOPPI BUSINESS	7,271	88.8%
MEDIA BUSINESS	687	8.4%
Others	227	2.8%
Total	8,185	100.0%



Noonnoppi Business Division

Noonnoppi Education

Noonnoppi Education at Daekyo will consolidate its unrivaled No.1 market position by successfully innovating on educational services and advancing learning center system.

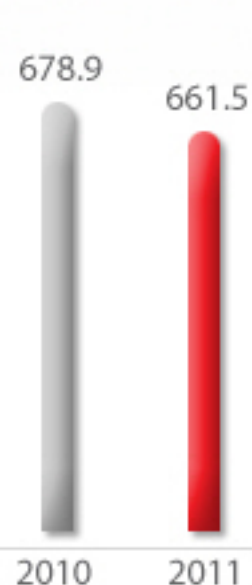


Noonnoppi Education is taking the initiative in developing the domestic learning materials market by expanding the 'Noonnoppi learning center', a self-directed learning space which was created by know-how of Daekyo's 36-year door-to-door educational service experiences and the improvement of Noonnoppi education programs, since 2009.

Our learning center is a distinguished self-initiated learning space where members can study Noonnoppi learning materials in optimized environment and receive individual instructions from Noonnoppi teachers. It contributes to forming right learning habits and systematically building learning abilities for members. At the end of 2011, a total of 522 learning centers are being operated in the nation, and approximately 29% of all Noonnoppi members are using the centers. Sales from Noonnoppi learning centers accounted for 28% in 2011.

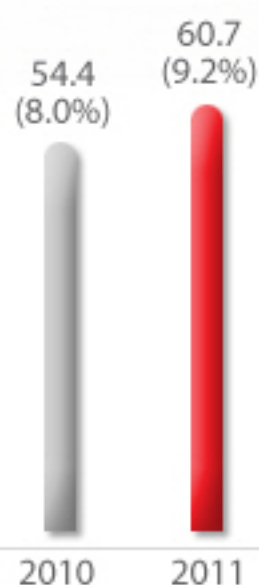
Sales

(Unit: KRW in billions)



Operating Profits

(Unit: KRW in billions)

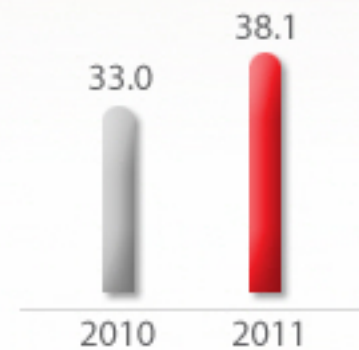


28%



- Home Tutoring
- Learning Center

Sales (Unit: KRW in billions)

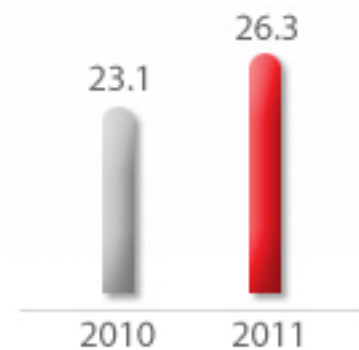


Chinese Education

Caihong Chinese is a one-to-one home tutoring program in which professional Chinese instructors provide tutoring services along with customized teaching materials. The program consists of systematic step-by-step education services covering kids to adults and helping students develop their intonation, listening, speaking, reading and writing. In 2011, sales and operating profit from Caihong Chinese enjoyed remarkable growth thanks to the increase of new members of high-priced programs such as Biz Chinese and HSK.

CAIHONG
chinese

Sales (Unit: KRW in billions)



Small Group-based Discussion Program

Soluny is a premium discussion program for small group that enables students to express their opinions in words and writing. This program consists of various classes for reading, writing, history, economic forum and writing for middle school students. In 2011, sales and profits from Soluny continued to grow thanks to the increase of new members.

Soluny

Daekyo First Class

Daekyo First Class is a new study class system that offers one-on-one education services tailored to school curriculum by specialist teachers. It is also an innovative education program providing systematic customer management and the best education services by scientific check-up and solutions.

DAEKYO FIRSTCLASS

Media Business Division



Pre-school Education/Publishing

SOBICS is Korea's best educational brand that provides more than 40 collections of books for pre-school children and elementary students by door-to-door sale and maintenance service.



Edutainment Program for Children

Daekyo produces and provides interesting and highly informative educational broadcasting programs for children.



Online Bookstore

Daekyo Libro is a large online bookstore that offers more than 3 million domestic and foreign books, music albums, gift items, and electronic books.



Textbook/Reference Book

Daekyo provides well-structured textbooks and reference books aligned with the curriculums for elementary and middle school students.




Publishing

Daekyo delivers interest, impression and valuable information to children by publishing a variety of books at the level of their eyes.



The 'GGUMDAL' is the brand name of books for children published by Daekyo. The name means a snail that turns its dreams into reality in Korean. The contents will help children make their dreams and shape better future.



Overseas Business



The Eye Level is the renewed brand name of the E.nopi for Daekyo's overseas education business that operates learning centers. This business is conducted by local subsidiaries in the US (New York, New Jersey, LA, Chicago, Seattle, Washington, Washington and Atlanta), China (Beijing, Shanghai), Hong Kong, Malaysia, Indonesia and Singapore as well as local franchises in China (Qingdao), Australia, New Zealand, Germany, the Philippines, UK, Thailand, Vietnam and Spain.



Future Educational Research Institute

Daekyo Future Educational Research Institute, established in 1985, has been known as the best R&D institute in the education industry. About 100 R&D professionals and 1,200 external specialists have conducted research and development in education theory, education programs, learning models, education content, education evaluations, and psychological tests. We improve the power and value of education in the knowledge information society through holding a Korea Science Olympiad for Gifted Students for finding gifted students and operating the ACT test.



A large, stylized illustration of a tree with a thick green trunk and a rounded canopy. The canopy is filled with various colored leaves (green, blue, purple, brown) and small green circles. To the left of the tree, there are flowing green lines and more leaves. The background is white with faint, dashed circular lines and small cloud icons. At the bottom, there are small icons of a gift box, a flower, a pinwheel, and a flower.

CSR

(Corporate Social Responsibility)

Daekyo is committed to performing its responsibility as Korea's leading educational service provider. To this end, we invest about 10% of our net profit in nonprofit foundations and a variety of activities for public interest such as sports, art, culture, scholarship and environment every year.

CSR

(Corporate Social Responsibility)

Sharing Love with Communities **Noonnoppi Love Community Service Team**

Our Noonnoppi Love Community Service Team consists of more than 11,000 staff members from 17 branches across the nation. The team members donate a certain amount every month, with which they conduct voluntary works for needy neighbors and social welfare organizations. In 2011, the Company started the 'Noonnoppi Dream Project' to develop and support the talent of children of multicultural families.



Investing in Future Generations **Daekyo Culture Foundation**

The Daekyo Culture Foundation has been working to build healthier families and society by enhancing our educational culture and environment. Our major activities include a variety of scholarship programs and supports for educational and literary activities such as Noonnoppi Awards, Children's Literature Competition, Sculpture Symposium for International Students, Korea's Gifted Children Olympiad, Book Publication for Children and Supports for Multicultural Families, and so on.



Building a Better Future **Joint Social Program with Public Organizations**

Assuming full responsibility as a leading educational enterprise, Daekyo is engaged in supporting Dream Start families along with the Ministry of Health and Welfare. Tailored integrated services covering health, welfare and education are provided to pregnant women and children aged 0 to 12 of underprivileged families.



Protecting Kids on Roads **Safe Kids Korea**

Daekyo and Safe Kids Korea hold the Children's Safety Campaign at crosswalks to promote safety and prevent accidents for children every year.



Balanced Development of Public Sports **Sports Activities**

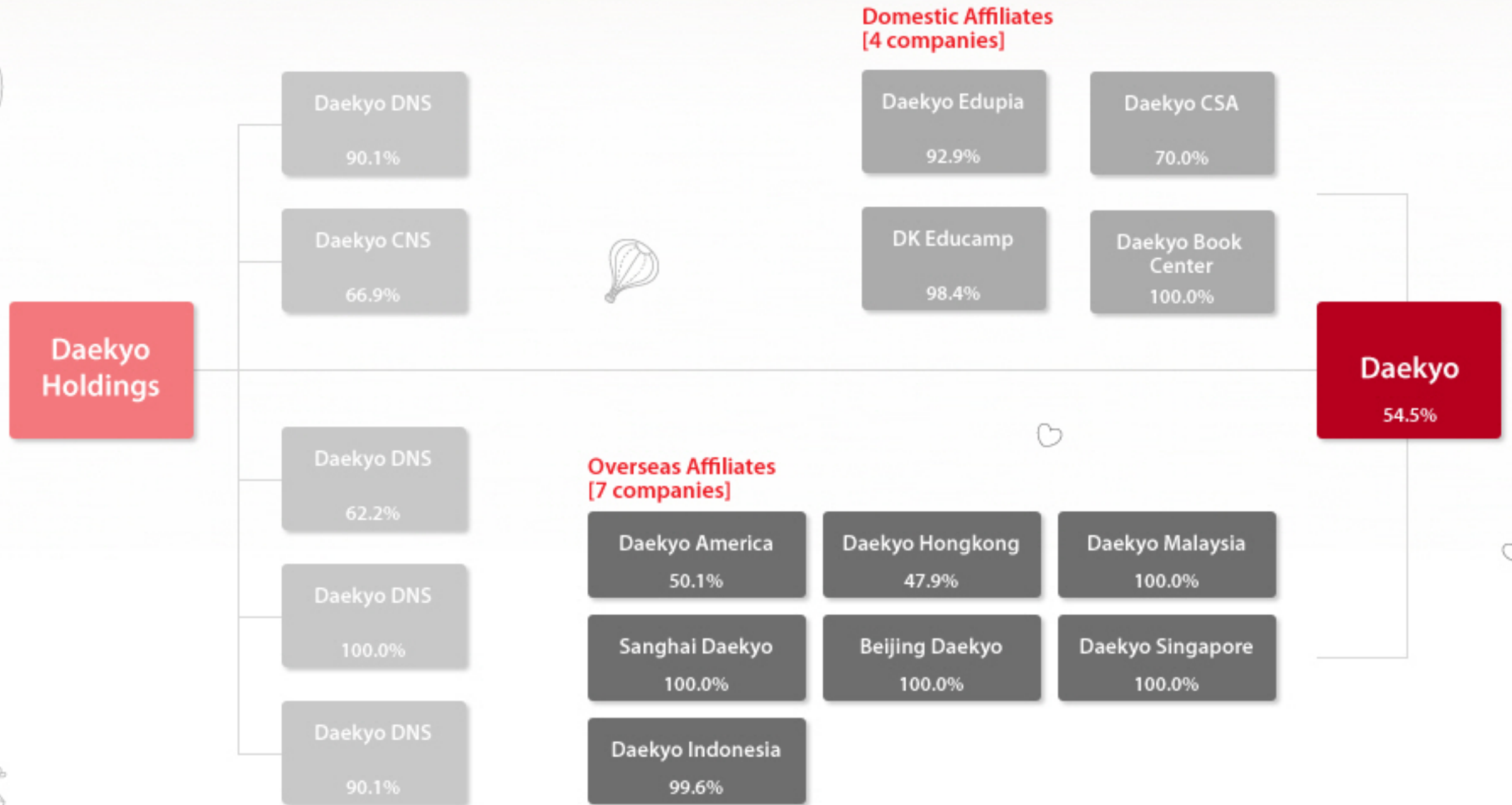
Daekyo is operating 'Daekyo Noonnoppi Women's Badminton Team' and 'Goyang Daekyo Noonnoppi Women's Soccer Team'. Along with the social trend to nurture soccer players with academic background, Daekyo excites a variety of responsible activities such as sponsoring primary, middle and high school soccer leagues, providing free educational and clinic services to primary school girl players, and nurturing youth soccer clubs multicultural family children.



Daekyo Group Structure

(%) : Ownership

As of the end of 1st quarter in 2012





Affiliates

Daekyo Holdings

Daekyo Holding is the holding company of Daekyo group. Its major business includes the efficient investments in subsidiaries, and development, investment, merger & acquisition of promising new businesses.



Daekyo D&S

Daekyo D&S is a company specializing in real-estate development and asset management. The company is expanding its business areas from building management into the operation of golf courses.

Daekyo CNS

Daekyo CNS provides comprehensive IT services such as system integration (SI), system management (SM), IT consulting and IT infra services. Daekyo CNS provides comprehensive IT services such as system integration (SI), system management (SM), IT consulting and IT infra services.

Gangwon Deep Sea Water

Gangwon Deep Sea Water is engaging in research, development, manufacturing and sales of deep sea water products and considering Therasophia (sea water treatment facility) business.

Daekyo ENC

Daekyo ENC pursues the creation of eco-friendly cultural spaces with various composite leisure facilities, and is developing a leisure spot that can be loved by people from all over the world.

Daekyo Edupia

Daekyo Edupia provides integrated on-/off-line educational services for elementary and middle school students. The on-line services are offered through the e-learning website 'Gongbuwarac', and off-line services are provided through self-initiated learning centers 'G Camp', 'Future Kids', and 'Fermat'.

DK Educamp

DK Educamp provides infant educational institutions and differentiated specialty and aptitude programs and excellent teachers for their afterschool classes. A variety of camp and performance programs as well as music programs for family are also provided.


Daekyo CSA

Daekyo CSA, as a specialized consulting company, provides HR-related services including check & consultation, development of HR program and manual, lecture, operation of training institute and outsourcing of talented persons.



Daekyo Book Center

Daekyo Book Center is a ultra-large bookstore with the function of family-friendly cultural center. It not only sells books but also provide a variety of entertainment performances and events for children.



Consolidated Statements of Financial Position (Daekyo Co., Ltd. and Subsidiaries)

December 31, 2011 and 2010, and January 1, 2010

(in Korean won)

	December 31, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets			
Cash and cash equivalents	49,874,764,951	79,113,231,187	62,952,154,133
Financial deposits	13,005,550,690	18,713,825,627	12,893,787,775
Trade receivables	46,084,564,978	36,802,516,150	39,530,847,462
Other receivables	40,243,966,145	41,289,050,638	27,694,986,290
Financial assets at fair value through profit or loss	54,443,258,815	27,557,608,817	13,415,506,515
Available-for-sale financial assets	86,932,387,897	74,555,072,154	71,045,835,189
Inventories	32,429,947,423	27,333,516,254	26,966,254,980
Other current assets	11,467,982,545	8,796,757,177	9,412,858,326
	334,482,423,444	314,161,578,004	263,912,230,670
Non-current assets			
Financial deposits	5,221,302	5,193,567	23,000,000
Long-term other receivables	19,219,742,706	26,667,017,782	44,676,688,565
Available-for-sale financial assets	182,333,570,240	255,398,549,700	218,050,257,800
Investments in associates	466,016,413	729,016,553	729,016,554
Property, plant and equipment	149,928,005,281	129,294,273,292	120,910,326,662
Investment property	72,082,141,743	87,613,068,651	89,417,985,355
Intangible assets	98,160,462,494	90,964,672,812	91,662,103,384
Other non-current assets	1,812,984,797	5,217,125,663	687,015,401
	524,008,144,976	595,888,918,020	566,156,393,721
Total assets	858,490,568,420	910,050,496,024	830,068,624,391

Consolidated Statements of Financial Position (Daekyo Co., Ltd. and Subsidiaries)

December 31, 2011 and 2010, and January 1, 2010

(in Korean won)

	December 31, 2011	December 31, 2010	January 1, 2010
Liabilities			
Current liabilities			
Trade payables	11,494,751,890	10,668,949,328	12,972,074,119
Derivative financial instruments	63,441,493	-	-
Other payables	79,684,259,251	68,712,757,697	71,012,453,080
Borrowings	20,540,247,051	12,444,418,867	8,416,500,944
Income tax payable	12,523,249,808	7,788,306,055	14,895,445,674
Provisions	415,346,041	372,884,520	2,447,150,742
Other current liabilities	49,180,819,487	56,566,628,156	56,981,514,072
	173,902,115,021	156,553,944,623	166,725,138,631
Non-current liabilities			
Other payables	5,609,012,724	15,271,423,835	13,557,360,071
Borrowings	936,214,082	958,988,036	1,041,075,388
Retirement benefit obligations	9,573,443,087	7,265,958,436	7,481,040,050
Deferred income tax liabilities	24,688,606,527	42,556,095,686	29,805,010,424
	40,807,276,420	66,052,465,993	51,884,485,933
Total liabilities	214,709,391,441	222,606,410,616	218,609,624,564
Equity attributable to owners of the Parent			
Capital stock	52,064,920,000	52,064,920,000	52,064,920,000
Capital surplus	69,422,725,682	70,497,421,063	70,606,087,492
Other components of equity	(47,569,505,865)	(46,764,696,794)	(50,257,291,428)
Accumulated other comprehensive income	88,482,807,653	155,749,194,225	121,618,214,489
Retained earnings	475,330,769,940	448,465,376,580	413,021,972,273
	637,731,717,410	680,012,215,074	607,053,902,826
Non-controlling interest			
Non-controlling interest	6,049,459,569	7,431,870,334	4,405,097,001
Total equity	643,781,176,979	687,444,085,408	611,458,999,827
Total liabilities and equity	858,490,568,420	910,050,496,024	830,068,624,391

Consolidated Statements of Income (Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2011 and 2010

(in Korean won)

	2011	2010
Net Sales	932,828,728,504	904,217,159,462
Cost of sales	766,934,623,859	737,890,805,747
Gross profit	165,894,104,645	166,326,353,715
Selling and administrative expenses	109,764,631,047	97,926,416,589
Other operating income	28,714,978,609	23,459,008,085
Other operating expenses	15,965,779,356	18,241,297,049
Operating income	68,878,672,851	73,617,648,162
Loss from associates	263,000,141	-
Financial income	2,216,300,190	2,101,241,329
Financial expenses	924,981,589	733,587,116
Profit before income tax	69,906,991,311	74,985,302,375
Income tax expense	19,479,035,802	21,271,954,734
Profit for the year	50,427,955,509	53,713,347,641
Profit attributable to:		
Equity holders of the Parent Company	52,684,208,520	54,722,614,216
Non-controlling interests	(2,256,253,011)	(1,009,266,575)
Earnings per share attributable to the equity holders of the Parent Company during the year:		
Basic earnings per share for ordinary shares	561	583
Basic earnings per share for preferred shares	569	602

Consolidated Statements of Comprehensive Income (Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2011 and 2010

(in Korean won)

	2011	2010
Profit for the year	50,427,955,509	53,713,347,641
Other comprehensive income:		
Gain(loss) on valuation of available-for-sale financial assets	(67,434,137,344)	34,154,841,387
Actuarial loss on retirement benefit obligations	(3,209,012,578)	(1,427,452,911)
Currency translation differences	207,733,175	(135,763,633)
Other comprehensive income(loss) for the year, net of tax	(70,435,416,747)	32,591,624,843
Total comprehensive income(loss) for the year	(20,007,461,238)	86,304,972,484
Comprehensive income (loss) for the year attributable to:		
Equity holders of the Parent Company	(17,732,397,542)	87,443,089,193
Non-controlling interest	(2,275,063,696)	(1,138,116,709)

Consolidated Statements of Changes in Equity (Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2011 and 2010

(in Korean won)

Attributable to equity holders of the Parent Company

	Capital Stock	Capital Surplus	Other components of Equity	Accumulated Other Comprehensive Income(loss)	Retained Earnings	Non- controlling Interest	Total Equity
Balance at January 1, 2010	52,064,920,000	70,606,087,492	(50,257,291,428)	121,618,214,489	413,021,972,273	4,405,097,001	611,458,999,827
Comprehensive income (loss)							
Profit for the year	-	-	-	-	54,722,614,216	(1,009,266,575)	53,713,347,641
Gain(loss) on valuation of available-for-sale financial assets	-	-	-	34,154,841,387	-	-	34,154,841,387
Actuarial loss on retirement benefit obligations	-	-	-	-	(1,410,504,759)	(16,948,152)	(1,427,452,911)
Currency translation differences	-	-	-	(23,861,651)	-	(111,901,982)	(135,763,633)
Transactions with equity holders of the Parent Company :							
Dividends	-	-	-	-	(9,469,026,470)	-	(9,469,026,470)
Interim dividends	-	-	-	-	(8,399,678,680)	-	(8,399,678,680)
Issuance of stocks of subsidiaries	-	(295,886,734)	-	-	-	4,164,890,042	3,869,003,308
Acquisition of treasury stock	-	-	(1,973,176,104)	-	-	-	(1,973,176,104)
Disposal of treasury stock	-	187,220,305	6,637,167,027	-	-	-	6,824,387,332
Stock options	-	-	(1,171,396,289)	-	-	-	(1,171,396,289)
Balance at December 31, 2010	52,064,920,000	70,497,421,063	(46,764,696,794)	155,749,194,225	448,465,376,580	7,431,870,334	687,444,085,408
Balance at January 1, 2011	52,064,920,000	70,497,421,063	(46,764,696,794)	155,749,194,225	448,465,376,580	7,431,870,334	687,444,085,408
Comprehensive income (loss)							
Profit for the year	-	-	-	-	52,684,208,520	(2,256,253,011)	50,427,955,509
Gain(loss) on valuation of available-for-sale financial assets	-	-	-	(67,434,137,344)	-	-	(67,434,137,344)
Actuarial loss on retirement benefit obligations	-	-	-	-	(3,150,219,490)	(58,793,088)	(3,209,012,578)
Currency translation differences	-	-	-	167,750,772	-	39,982,403	207,733,175
Transactions with equity holders of the Parent Company:							
Dividends	-	-	-	-	(12,365,603,850)	-	(12,365,603,850)
Interim dividends	-	-	-	-	(10,302,991,820)	-	(10,302,991,820)
Issuance of stocks of subsidiaries	-	(1,708,359,407)	-	-	-	892,652,931	(815,706,476)
Acquisition of treasury stock	-	-	(3,237,050,970)	-	-	-	(3,237,050,970)
Disposal of treasury stock	-	633,664,026	2,775,142,464	-	-	-	3,408,806,490
Stock options	-	-	(342,900,565)	-	-	-	(342,900,565)
Balance at December 31, 2011	52,064,920,000	69,422,725,682	(47,569,505,865)	88,482,807,653	475,330,769,940	6,049,459,569	643,781,176,979

Consolidated Statements of Cash Flows (Daekyo Co., Ltd. and Subsidiaries)

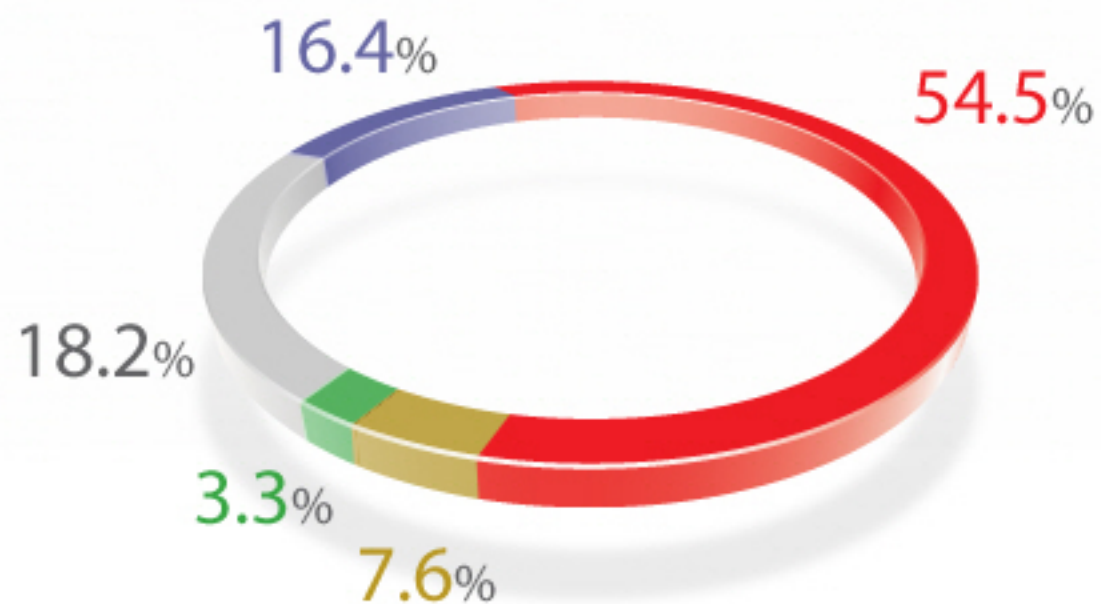
Years Ended December 31, 2011 and 2010

(in Korean won)

	2011	2010
Cash flows from operating activities		
Cash generated from operations	51,229,165,707	85,374,930,801
Dividends received	3,681,384,890	2,022,928,583
Interest received	1,731,857,371	2,114,940,330
Interest paid	(724,575,333)	(576,949,380)
Income tax paid	(15,530,279,309)	(24,341,733,885)
Net cash generated from operating activities	40,387,553,326	64,594,116,449
Cash flows from investing activities		
Decrease in short-term financial deposits	8,564,890,076	6,979,572,583
Proceeds from disposal of available-for-sale financial assets	78,756,267,472	51,299,750,198
Decrease in other receivables	42,360,618,467	23,034,659,639
Proceeds from disposal of property, plant and equipment	111,536,433	210,712,315
Increase in derivative financial instruments	1,238,190,000	-
Increase in cash and cash equivalents due to business combination and changes in scope of subsidiaries	284,446,060	-
Increase in long-term financial deposits	(3,357,573,924)	(12,864,409,428)
Acquisition of available-for-sale financial assets	(81,809,849,432)	(31,604,312,710)
Increase in other receivables	(34,779,377,457)	(15,861,748,969)
Acquisition of investments in associates	(4,994,000,000)	-
Acquisition of property, plant and equipment	(18,153,637,501)	(18,118,307,486)
Acquisition of investment property	(39,600,000)	-
Acquisition of intangible assets	(24,760,838,667)	(21,087,530,663)
Acquisition of other assets	(15,287,930,966)	(16,626,692,086)
Decrease in cash and cash equivalents due to business combination	(2,078,936,240)	(2,240,000,000)
Net cash used in investing activities	(53,945,795,679)	(36,878,306,607)
Cash flows from financing activities		
Disposal of treasury stock	1,496,563,173	1,932,981,670
Issuance of stocks of subsidiaries	992,493,956	3,886,706,956
Proceeds from borrowings	14,282,681,000	5,799,829,550
Acquisition of treasury stock	(3,237,050,970)	(1,973,176,104)
Dividends paid	(22,668,595,670)	(17,868,705,150)
Repayments of borrowings	(6,640,787,839)	(3,364,677,209)
Net cash used in financing activities	(15,774,696,350)	(11,587,040,287)
Net increase (decrease) in cash and cash equivalents	(29,332,938,703)	16,128,769,555
Cash and cash equivalents at the beginning of year	79,113,231,187	62,952,154,133
Exchange gains on cash and cash equivalents	94,472,467	32,307,499
Cash and cash equivalents at the end of year	49,874,764,951	79,113,231,187

Stock Information

Shareholders Structure (Common Stock)



- Daekyo Holdings
- Young-Joong Kang
- Others
- Treasury Shares
- Foreign Investors

Major Investment Indices (Common Stock, Non-Consolidated)

(KRW, multiple, share)	2011	2010
No. of shares	84,702,850	84,702,850
Share price (H/L)*	7,250/ 4,835	6,580/ 4,740
EPS	658	552
PER(H/L)*	11.0/ 7.3	11.9/ 8.6
PBR(H/L)*	1.2/ 0.8	1.0/ 0.7
Dividends	260	220
Payout Ratio	40.2%	42.0%

* Highest/Lowest