

Noonnoppi Love reaches out to the wider world

DAEKYO Annual Report 2012





Changes & innovation in DAEKYO will continue

in order to secure competence of Noonnoppi, the core business,
and build a base for future growth.

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Strengthen Noonnoppi Competitiveness of Customer Satisfaction.

The company first introduced the 'Smart MOS (Mobile Office System)' in 2011 for its Noonnoppi business in order to create sincere customer values. As a result, optimized learning effects were provided for the customers. Then, the H-Project was conducted in 2012 to focus the field tasks to the viewpoint of customers and consumers. Accordingly, a base which secured competency for customer service was constructed.



Establishment of Fundamentals for Future Growth

The company restructured the business portfolio to build a foundation for the internal management with the intention of raising competence focusing on the core business. In the Overseas Business Division, the new brand 'Eye Level' was launched globally and preparations were made to advance into the overseas market by taking measures such as selecting appropriate products and distinguished learning model.

Financial Highlights 2012

Consolidated Operating Results (Daewoo and its subsidiaries)

[Unit : KRW in billions]

	2012	2011
Assets	814.1	858.5
Liabilities	192.2	214.7
Shareholders' equity	621.9	643.8
Sales	869.5	908.0
Gross Profit	150.9	169.0
Operating income	31.7	61.2
Net income	20.8	50.4

Non-consolidated Operating Results (Daewoo)

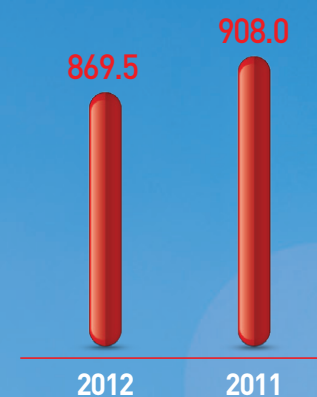
[Unit : KRW in billions]

	2012	2011
Assets	791.8	829.8
Liabilities	158.8	185.2
Shareholders' equity	633.0	644.6
Sales	771.5	793.6
Gross Profit	132.9	154.9
Operating income	40.3	65.4
Net income	31.8	61.1

Sales

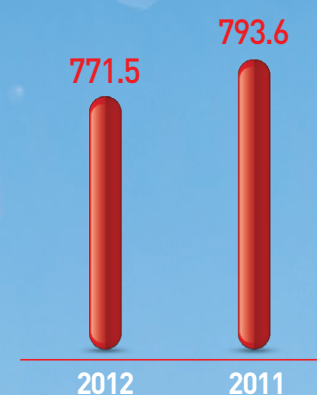
Consolidated

[Unit: KRW in billions]



Non-consolidated

[Unit: KRW in billions]



Message from the Chairman

Ever since Daekyo was first found in 1975, it based on the management philosophy of 'Noonnoppi Love' and 'Noonnoppi Education' to strive for continuous changes and innovation with the purpose of providing new values for our customers.

Amongst the domestic educational services, we first introduced the learning system suitable for different individual and level of abilities, and have created the concept of 'work books' as well as developed the one-on-one home-tutoring system. Additionally, we were the first to open the mobile education service and the Learning Center and have started the systematic smart learning service.

Moreover, in addition to the outer growth, Daekyo is ensuring its internal stability through knowledge and ethical management, and is hoping to become a healthy corporate which can make contributions to the society. Also, the company is preparing ways for the next generation as it continuously provides support for businesses related to education, culture, and physical education.

Now, Daekyo is going to take up the challenge and develop into a continuously growing global company. It will lead the smart education environment to strengthen business competitiveness and strive to make establishment in the overseas market. Through means of providing the best education service, we will work to our best abilities to become a global education cultural company that can contribute to creating abundance in the lives of humanity.

Thank you

Chairman & CEO, Daekyo Group
Young-Joong Kang




Message from the CEO



Despite the unfavorable market situations in 2012, our company focused on changes and innovation with the intention of securing competency for the core business and building a foundation for future growth.

Since we recognized that businesses which do not show growth will no longer be able to compete in the market, our workers realized that in 2013, we have no choice but to fight against the competition. Amongst the rapidly changing management environment, we are hoping to accumulate visible performance of innovative programs that have been propelled till now, and accordingly, we will bring about the 'Turn Around' in true growth.

The Noonnoppi Business Division will actualize the 'Turn Around' of membership.

In order for our company to become a leader in the local market, responsible management system led by branches will be realized, and skilled professional educators will be trained to provide outstanding learning effects to customers, in hopes for Daekyo to take the leap in customer service. Moreover, improvement in productivity of LC channel and propulsion of highly valued smart product innovation will be implemented to move forward in earnings value and strengthen the market dominion.

The Media Business Division will start to make a future growth foundation and turn a profit.

Also, by promoting Sobics publication business into 'Cash Cow', an anticipated turnaround is to be realized in 2013, and our company will build a digital business portfolio and platform which can take the lead in the Smart education market in order to clearly secure a future growth foundation.

The Oversease Business Division will accelerate the growth speed.

We are planning on expanding our franchise through the development of competent overseas local partners, and begin the founding of the new market in order to accomplish the goal of 'Make it double every two years'. By releasing our company's eminent educational contents and notable products to the overseas market, this will be our first year to reenact Noonnoppi's successfully domestic story in the foreign stage.

We will put in our best efforts to become advanced as the top-ranking company in the domestic education field as well as develop into a global education · cultural company that is worthy of receiving respect and affection from customers around the world.

Thank you.

CEO,

Young-Wan Cho

Board of Directors

Chairman of Daekyo Group [Current]
 Chief Director of Bongam Educational Foundation [Current]
 Chief Director of World Youth and Culture Foundation [Current]
 President of Badminton World Federation

Young-Joong Kang
 (Chairman of the Board of Directors)



CEO of Media Business Division 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 Inc.

Young-Wan Cho
 (Inside Director)



CFO & Head of Administration Division at Daekyo [Current]
 COO of Daekyo Holdings [Current]
 CFO of Daekyo D&S
 Hyundai Motors Company

Soo-Wan Park
 (Inside Director)



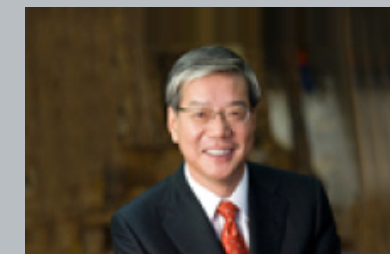
Chief of Noonnoppi Business Division [Current]
 CEO of Daekyo CSA [Current]
 CEO of Daekyo Book Center
 Head of Administration Dep. at Daekyo

Up-Jin Jung
 (Inside Director)



Dong-Man Bae
 (Outside Director, Member of Audit Committee)

Advisor of Cheil Worldwide [Current]
 President of Samsung Social Contribution Committee
 President & CEO of Cheil Worldwide
 Vice President & CEO of S1



Young-Key Hwang
 (Outside Director, Member of Audit Committee)

Advisor of SHIN&KIM [Current]
 Vice Chairman of CHA Hospital Group
 Chairman & CEO of CHA Bio & Diotech
 Chairman of KB Financial Group
 Chairman of Woori Financial Group



Hong-Whoi Cho
 (Outside Director, Member of Audit Committee)

Advisor of Kim & Lee LLC [Current]
 Commissioner of Seoul Regional Tax Office
 Director at Korea Consulate General in New York
 Police Innovation Planning Group of the National Tax Service



Corporate Governance

Duties and Authorities

The Board of Directors, as the supreme decision-making body, deliberates and determines major management activities and related important matters in Daeyo.

Additionally, the Board of Directors frequently monitors the financial situations of the company through management record reports, and leads stable management of Daeyo through the convocation of general shareholders' meeting and significant investments.

The Board of Directors at Daeyo consists of seven 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 supervision of Board of Directors to deliberate professional and in-depth matters.

- **Policy Deliberation Committee**

The Policy Deliberation Committee implements pre-deliberation about policy review that would greatly influence the management of the company as well as the agenda that suppose on the Board of Management.

- **HR Performance Committee**

The HR Performance Committee is responsible for decisive/deliberative matters such as the establishment and control of organizational performance of the company and the HR system for the company and executive members.

- **CS Management Committee**

The CS Management Committee is responsible for making decisions and deliberating matters related to the provision of customer satisfaction.





VISION 2013

Daekyo's vision for 2013 is to advance into a globally acknowledged educational and cultural service provider. In 2013, we plan on building up the visible performance of innovative programs that have been propelled to this day, and reach our dream of bringing about a turn around for true growth.

Ready to put in our best efforts by accumulating the visible innovative performance, we will bring about a realization of **TURN AROUND** for true growth

Business Overview

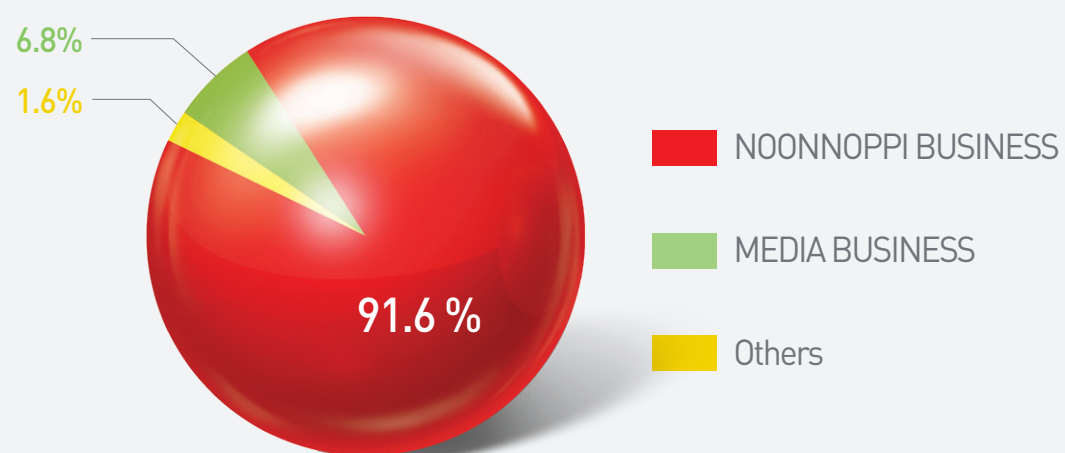
Despite the growth of the Media Business Division and premium workbook products, our sales in 2012 decreased by 2.8% compared to the previous year and resulted in KRW 771.5 billion won due to the depression of Noonnoppi, the core business. The operating income decreased by 38.4% and resulted in 40.3 billion won due to the influence of declining sales and restructuring of business deficit of Media division. Also, the net income decreased by 48.0% compared to the previous year and resulted in 31.8 billion won.

2012 Sales by Business Unit

[Daekyo Co., Ltd.]

[Unit: KRW in billions]

Business Division	Sales	%
NOONNOPPI BUSINESS	706.5	91.6%
MEDIA BUSINESS	52.3	6.8%
Others	12.7	1.6%
Total	771.5	100.0%



NOONNOPPI

CAIHONG
chinese

Soluny

SoBics

DAEYO
kids

ggumdal

샘글

DAEYO TEXTBOOKS

Eye Level



Noonnoppi Business Division

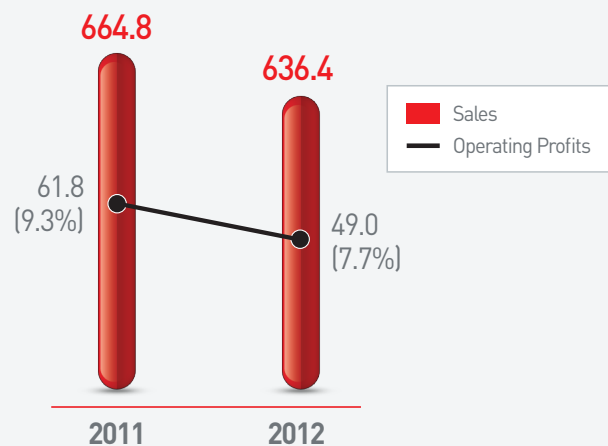
1. Noonnoppi Education

Noonnoppi Education at Daeyo will strengthen the competitiveness of customer satisfaction through the responsible management system of branchies.

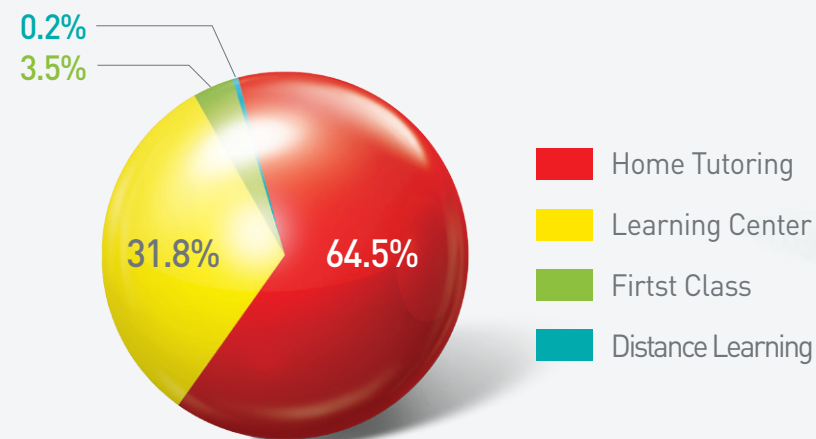
Noonnoppi program is systematically adjusts to individual learning style and personal ability.

We currently hold diverse learning channels that meet the needs of customers such as the home-tutoring system where teachers personally visit the members, Learning Center where members can study Noonnoppi materials in optimized environment, First Class tailored to the school curriculum, and Distance Learning where specialized teachers manage members through the phone. At the end of 2012, a total of 573 Learning Centers are being operated through the nation, and about 300 first classes have been opened.

Sales & Operating Profits [KRW in billions]



Sales by Business Channel



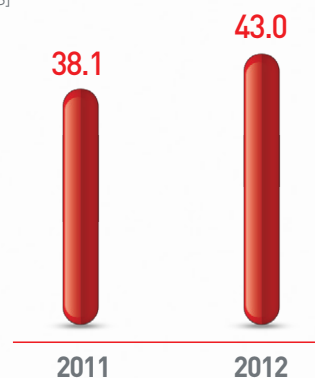
Noonnoppi Business Division

2. CAIHONG



Caihong Chinese is a one-on-one home tutoring program constructed with a professional Chinese instructor providing tutoring services with customized teaching material. The systematic step-by-step education services are offered for age levels ranging from young children to adults, and abilities such as intonation, speaking, reading, and writing are aimed for development. In 2012, remarkable growth was displayed in the sales and operating profits of Caihong Chinese following the increase of new members in high-priced programs such as Biz Chinese and HSK.

Sales [KRW in billions]

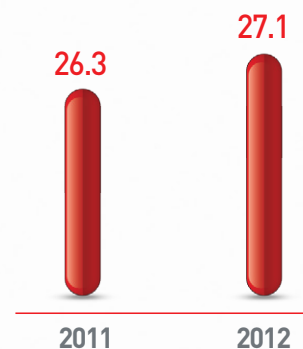


3. SOLUNY



Soluny offers premium small group based discussion programs which enables students to express themselves through speech and writing. This program consists of reading/essays/economic forum/writing for middle school students. A continuous growth has been displayed in the members thanks to the new products of 2012 such as the Debate Forum and the release effect of LC essay for middle school students.

Sales [KRW in billions]





Media Business Division

The Media Business Division is focusing on securement of contents and platform that can lead the smart educational background in accordance to the new changes in the media environment.



SOBICS provides a system in which instructors personally visit customers and provide more than 40 collections of books for pre-school to elementary students, and are operating the systematic theme-integrated program called the 'Integrated Reading' program for the benefit of customers.



Ggum dal prepares a variety of trendy books for each age level ranging from 0 years old to elementary school students based on multi-books which can trigger the development of the five senses through visual and kinesthetic activities,



Daekyo Kids provides general edutainment for children in which interesting and highly beneficial programs are produced and supplied for children.

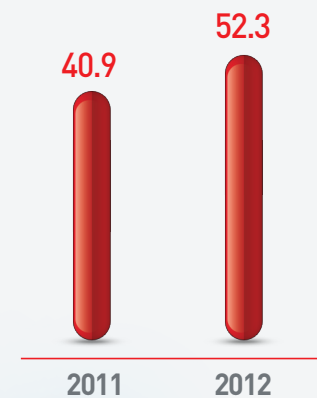


Ssaem kok publishes advanced textbooks and reference books appropriate for the educational curriculum to provide customized educational frame for students in elementary to middle school.

DAEKYO TEXTBOOKS

Daekyo will develop three-dimensional and classroom-friendly textbooks in preparation for the digital textbook era with hopes to make contributions to the development of public education.

Sales of Media Business Division
[KRW in billions]



Overseas Business Division



Eye level is a renowned overseas education business that takes form as a learning center. This business is conducted by local subsidiaries in global districts in the United States (New York, New Jersey, LA, Chicago, Seattle, Dallas, Washington, Atlanta), China (Beijing, Shanghai), Hong Kong, Malaysia, Indonesia, and Singapore. Also, we focus on local franchise in China (Qingdao),

Australia, New Zealand, Germany, Philippines, England, Thailand, Vietnam, and Spain as we claim to advocate the globally integrated education service to make Noonnoppi philosophy known to the world.



CSR

(Corporate Social Responsibility)

Daeyo is committed to performing its roles and responsibility as a respected company. With this purpose in mind, we accumulated 10% of net profit as CSR funded reserve to enable activities that can enhance the corporate image and business connections as well as other activities related to the public interest such as educational nonprofit organizations, sports • arts, culture, scholarships • learning environment for teenagers.



With the aim of growing into a healthy corporate, Daekyo strives to play the role as a social contributor and is taking responsibility by conducting various contributive activities for the society. We are taking the lead in creating a shared world through communication.



CSR

(Corporate Social Responsibility)

“Realizing the meaning of sharing through education”

by basing on humanism and the philosophy of learning and teaching

- **Realization of global sharing:** Establishment of Dream School in Africa, implementing training program for local educators (Daekyo Eyelevel School)
- **Cultivation of Talented Leaders around the world:** Operation of Bong-ahm Academy (Gyeonggi Academy of Foreign Languages)
- **Children Safety Education:** Children's Transportation Safety Campaign (with Safe Kids Korea)

Operation of sports teams and sponsorships to implement a healthy society

- **Balanced Development for Public Sports:** Operation of 'Daekyo Noonnoppi Women's Badminton Team' and 'Goyang Daekyo Noonnoppi Women's Soccer Team'
- **Development of sports athletes:** Sponsorship for Elementary, Middle, High school Soccer league and operation of Little Daekyo FC
- **Support for sports activities:** Sponsorship for various sports competitions

Cultural and arts activities that can support dreams of children who will lead the future

- Investing in cultural, artistic, scholarly, and literary developments for future generations: Daekyo Culture Foundation
- Support for teenagers in developing countries: World Youth and Culture Foundation



Noonnoppi Love Community Service Team which shares love with communities

- Support for multi-cultural activities: 'Noonnoppi Dream Project' which supports the discovery of talents for children from multi-cultural families, sponsorship for Multicultural Badminton Competition
- Sponsorship per district: Regional Sisterhood Affiliation, Matching Trend System



Working with public institutions to create a happy world

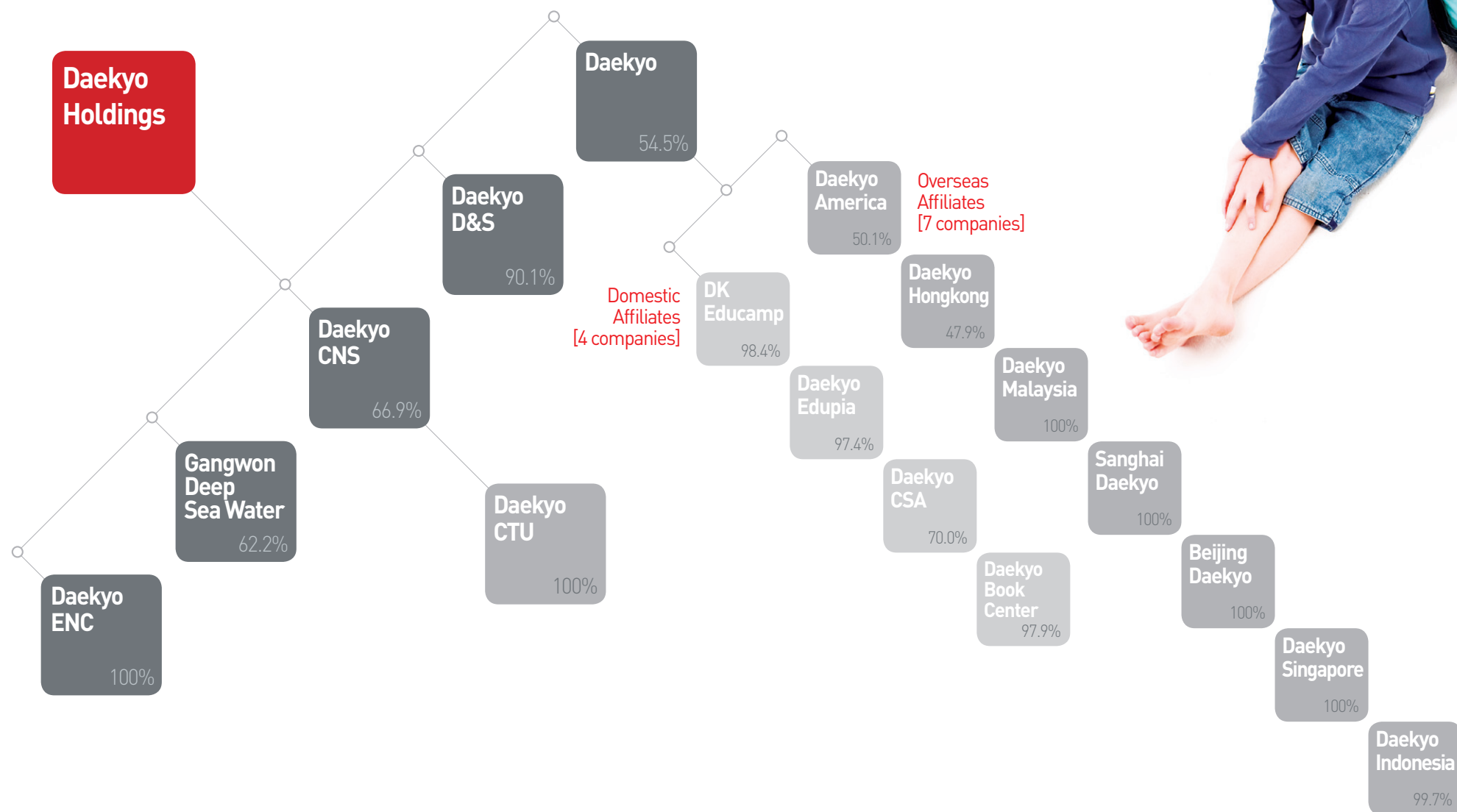
- Cooperating with the Ministry of Health and Welfare for sponsorship of Dream Start and service for enhancement in children's cognitive abilities
- Sponsorship for nationwide multicultural family support center, supportive services for language development



CSR
(Corporate Social Responsibility)

Daekyo Group Structure

[%] : Ownership



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.

DK Educamp

DK Educamp provides infant educational institutions and elementary and middle schools in the nation with 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 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 'Daekyo Gongbuwarac', and off-line services are provided through self-initiated learning centers 'G Camp', 'Future Kids', and 'Fermat'.

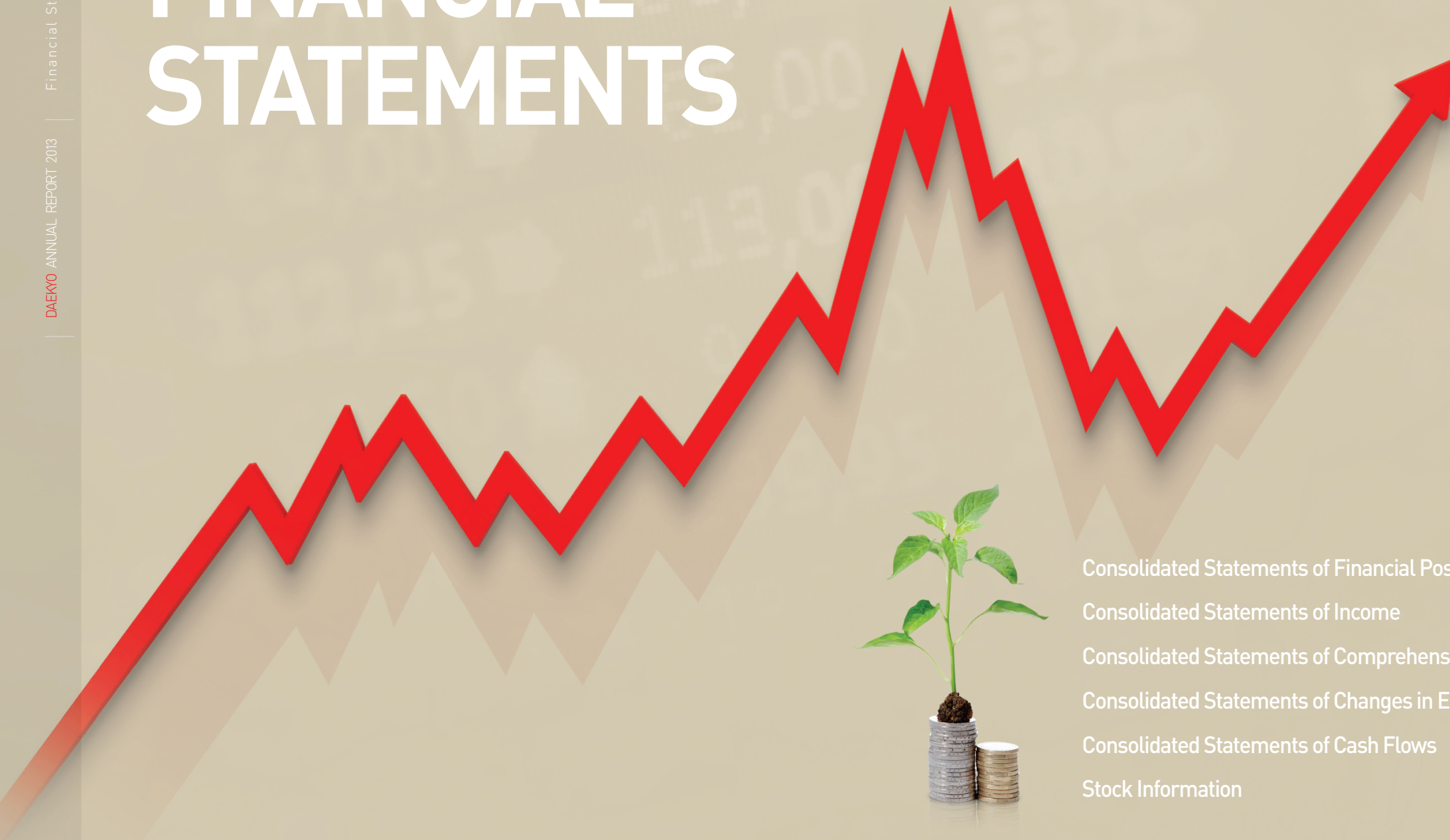
Daekyo CSA

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.

FINANCIAL STATEMENTS



Consolidated Statements of Financial Position

Consolidated Statements of Income

Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Equity

Consolidated Statements of Cash Flows

Stock Information

Consolidated Statements of Financial Position

(Daekyo Co., Ltd. and Subsidiaries)

December 31, 2012 and 2011

(in Korean won)	2012	2011
Assets		
Current assets		
Cash and cash equivalents	38,604,012,540	49,874,764,951
Financial deposits	9,322,951,126	13,005,550,690
Trade receivables	40,079,039,627	46,084,564,978
Other receivables	41,548,039,125	40,243,966,145
Financial assets at fair value through profit or loss	57,548,068,785	54,443,258,815
Available-for-sale-financial assets	81,611,056,374	86,932,387,897
Inventories	24,161,843,707	32,429,947,423
Other current assets	9,285,733,466	11,467,982,545
	302,160,744,750	334,482,423,444
Non-current assets		
Financial deposits	305,062,981	5,221,302
Long-term other receivables	21,430,025,285	19,219,742,706
Available-for-sale financial assets	165,510,215,304	182,333,570,240
Investments in associates	2,395,226,005	466,016,413
Property, plant and equipment	147,787,114,662	149,928,005,281
Investment property	90,558,212,739	72,082,141,743
Intangible assets	83,557,928,606	98,160,462,494
Other non-current assets	408,609,492	1,812,984,797
	511,952,395,074	524,008,144,976
Total assets	814,113,139,824	858,490,568,420

Consolidated Statements of Financial Position

(Daekyo Co., Ltd. and Subsidiaries)

December 31, 2012 and 2011

(in Korean won)	2012	2011
Liabilities		
Current liabilities		
Trade payables	10,195,505,884	11,494,751,890
Derivative financial instruments	-	63,441,493
Other payables	67,399,278,670	79,684,259,251
Borrowings	23,274,150,019	20,540,247,051
Income tax payable	5,151,477,094	12,523,249,808
Provisions	493,666,331	415,346,041
Other current liabilities	58,487,258,347	49,180,819,487
	165,001,336,345	173,902,115,021
Non-current liabilities		
Other payables	3,379,390,583	5,609,012,724
Borrowings	891,174,021	936,214,082
Retirement benefit obligations	4,071,156,664	9,573,443,087
Deferred income tax liabilities	18,840,534,464	24,688,606,527
	27,182,255,732	40,807,276,420
Total liabilities	192,183,592,077	214,709,391,441
Equity attributable to owners of the Parent		
Capital stock	52,064,920,000	52,064,920,000
Capital surplus	68,919,275,425	69,422,725,682
Other components of equity	(54,890,574,087)	(47,569,505,865)
Accumulated other comprehensive income	76,774,703,864	88,482,807,653
Retained earnings	472,739,016,936	475,330,769,940
	615,607,342,138	637,731,717,410
Non-controlling interest		
Non-controlling interest	6,322,205,609	6,049,459,569
Total equity	621,929,547,747	643,781,176,979
Total liabilities and equity	814,113,139,824	858,490,568,420

Consolidated Statements of Income

(Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2012 and 2011

(in Korean won)	2012	2011
Net Sales	869,494,013,911	908,020,301,084
Cost of sales	718,594,395,558	738,988,928,010
Gross profit	150,899,618,353	169,031,373,074
Selling and administrative expenses	119,244,641,391	107,880,070,540
Operating income	31,654,976,962	61,151,302,534
Other income	35,446,688,746	28,706,368,802
Other expenses	25,785,593,784	15,520,735,504
Share of loss of associates	171,650,218	263,000,141
Financial income	2,171,101,449	2,216,300,190
Financial expenses	903,701,563	924,981,589
Profit before income tax	42,411,821,592	75,365,254,292
Income tax expense	12,840,893,988	20,799,935,443
Profit for the year from continuing operations	29,570,927,604	54,565,318,849
Discontinued operations		
Loss for the year from discontinued operations	(8,803,232,809)	(4,137,363,340)
Profit for the year	20,767,694,795	50,427,955,509
Profit for the year attributable to:		
Equity holders of the Parent Company	22,933,324,738	52,684,208,520
Non-controlling interests	(2,165,629,943)	(2,256,253,011)
Earnings per share from continuing operations attributable to the equity holders of the Parent Company during the year:		
Basic earnings per share for ordinary shares	338	605
Basic earnings per share for preferred shares	347	613
Loss per share from discontinued operations attributable to the equity holders of the Parent Company during the year:		
Basic loss per share for ordinary shares	(94)	(44)
Basic loss per share for preferred shares	(94)	(44)

Consolidated Statements of Comprehensive Income

(Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2012 and 2011

(in Korean won)	2012	2011
Profit for the year	20,767,694,795	50,427,955,509
Other comprehensive income, net of tax:		
Gain(loss) on valuation of available-for-sale financial assets	(11,117,380,656)	(67,434,137,344)
Actuarial loss on retirement benefit obligations	(1,037,122,857)	(3,209,012,578)
Currency translation differences	(979,533,905)	207,733,175
Other comprehensive loss for the year, net of tax	(13,134,037,418)	(70,435,416,747)
Total comprehensive income(loss) for the year	7,633,657,377	(20,007,461,238)
Comprehensive income (loss) for the year attributable to:		
Equity holders of the Parent Company	10,216,205,637	(17,732,397,542)
Non-controlling interest	(2,582,548,260)	(2,275,063,696)

Consolidated Statements of Changes in Equity

(Daekyo Co., Ltd. and Subsidiaries)

Years Ended December 31, 2012 and 2011

(in Korean won)	Attributable to equity holders of the Parent Company					Non-controlling Interest	Total Equity
	Capital Stock	Capital Surplus	Other Components of Equity	Accumulated Other Comprehensive Income(loss)	Retained Earnings		
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
Balance at January 1, 2012	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
Comprehensive income (loss)							
Profit for the year	-	-	-	-	22,933,324,738	(2,165,629,943)	20,767,694,795
Gain(loss) on valuation of available-for-sale financial assets	-	-	-	(11,117,380,656)	-	-	(11,117,380,656)
Actuarial loss on retirement benefit obligations	-	-	-	-	(1,009,015,312)	(28,107,545)	(1,037,122,857)
Currency translation differences	-	-	-	(590,723,133)	-	(388,810,772)	(979,533,905)
Transactions with equity holders of the Parent Company:							
Dividends	-	-	-	-	(14,233,557,340)	-	(14,233,557,340)
Interim dividends	-	-	-	-	(10,282,505,090)	-	(10,282,505,090)
Dividends of subsidiaries	-	-	-	-	-	(117,941,130)	(117,941,130)
Issuance of stocks of subsidiaries	-	(750,553,330)	-	-	-	2,973,235,430	2,222,682,100
Acquisition of treasury stock	-	-	(9,755,776,800)	-	-	-	(9,755,776,800)
Disposal of treasury stock	-	247,103,073	2,580,291,476	-	-	-	2,827,394,549
Stock options	-	-	(145,582,898)	-	-	-	(145,582,898)
Balance at December 31, 2012	52,064,920,000	68,919,275,425	(54,890,574,087)	76,774,703,864	472,739,016,936	6,322,205,609	621,929,547,747

Consolidated Statements of Cash Flows

(Daekyo Co., Ltd. and Subsidiaries)

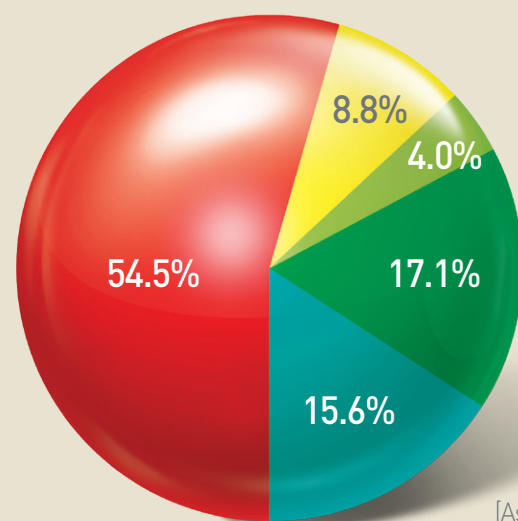
Years Ended December 31, 2012 and 2011

(in Korean won)	2012	2011
Cash flows from operating activities		
Cash generated from operations	73,638,742,227	51,229,165,707
Dividends received	3,785,229,641	3,681,384,890
Interest received	1,849,769,014	1,731,857,371
Interest paid	(1,562,254,298)	(724,575,333)
Income tax paid	(19,466,202,457)	(15,530,279,309)
Net cash generated from operating activities	58,245,284,127	40,387,553,326
Cash flows from investing activities		
Decrease in short-term financial deposits	8,986,217,938	8,564,890,076
Proceeds from disposal of available-for-sale financial assets	74,647,692,485	78,756,267,472
Decrease in other receivables	15,168,847,763	42,360,618,467
Proceeds from disposal of property, plant and equipment	50,776,444	111,536,433
Increase in derivative financial instruments	-	1,238,190,000
Grants from governments	120,000,000	-
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	(5,806,646,045)	(3,357,573,924)
Acquisition of available-for-sale financial assets	(49,172,416,117)	(81,809,849,432)
Increase in other receivables	(16,808,746,331)	(34,779,377,457)
Acquisition of investments in associates	(2,400,000,000)	(4,994,000,000)
Acquisition of property, plant and equipment	(28,949,751,738)	(18,153,637,501)
Acquisition of investment property	(2,907,896,148)	(39,600,000)
Acquisition of intangible assets	(35,307,368,180)	(24,760,838,667)
Acquisition of other assets	-	(15,287,930,966)
Decrease in cash and cash equivalents due to business combination	-	(2,078,936,240)
Net cash used in investing activities	(42,379,289,929)	(53,945,795,679)

(in Korean won)	2012	2011
Cash flows from financing activities		
Disposal of treasury stock	1,727,152,949	1,496,563,173
Issuance of stocks of subsidiaries	2,218,039,256	992,493,956
Proceeds from borrowings	7,289,177,859	14,282,681,000
Acquisition of treasury stock	(9,755,776,800)	(3,237,050,970)
Dividends paid	(24,635,179,705)	(22,668,595,670)
Repayments of borrowings	(3,456,107,215)	(6,640,787,839)
Net cash used in financing activities	(26,612,693,656)	(15,774,696,350)
Net decrease in cash and cash equivalents	(10,746,699,458)	(29,332,938,703)
Cash and cash equivalents at the beginning of year	49,874,764,951	79,113,231,187
Exchange gains(losses) on cash and cash equivalents	(524,052,953)	94,472,467
Cash and cash equivalents at the end of year	38,604,012,540	49,874,764,951

Stock Information

Shareholders Structure (Common Stock)



[As of Dec.31, 2012]

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

Major Investment Indices

(Common Stock, Non-Consolidated)

[KRW]	2012	2011
No. of shares	84,702,850	84,702,850
Share price (H/L)*	7,270 / 5,500	7,250 / 4,835
EPS	658	552
PER(H/L)*	19.4 / 14.6	10.0 / 6.7
PBR(H/L)*	0.9 / 0.7	0.9 / 0.6
Dividends	210	260
Payout Ratio	61.9%	40.2%

*Highest / Lowest

