

# Further INSPIRING YOUR TOMORROW DAEKYO ANNUAL REPORT 2014

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This report contains forward-looking information such as corporate strategies, predictions, goals, plans, and intentions. This information is based on past business performance, current business conditions, and future possibilities, but it may be different from actual results due to varying risk factors and uncertainties.

# We will go even further until we finally reach this world stage

Daekyo envisions the establishment of the next Daekyo to spread all over the world so that more people can realize their dreams through quality education, allowing the company to contribute to more affluent and meaningful lifestyles through true educational services based on its business philosophies and passions.

To ensure that this dream is realized, Daekyo will take a bold leap forward to engage the global community with its youthful energy and challenging spirit.

**Further** 

# We will fly even higher in the pursuit of true growth

Daekyo, through always challenging itself for new endeavors and forward thinking, will achieve true growth by discarding outdated mindsets and utilizing new growth energy.

Based on its youthful passion, empathy, and agility, Daekyo will forge a better and healthier future with vibrant energy.

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Based on the Daekyo Group's four core values of 'Human-centric, Kyohak-sangjang, Back to the Basics, and Future Leaders', Daekyo will foster talented individuals for the next generation.



### Vision

Daekyo is rapidly emerging as a leading company on the world stage by offering high value to customers by providing creative and specialized, well-rounded education services and creating new opportunities.



### **CEO's Message**

Daekyo will achieve true growth by opening up a new educational service market and creating a lively corporate culture filled with new growth energy.

#### Dear Shareholders,

On behalf of all of our employees, I would like to extend my appreciation for your consistent interest and support in Daekyo.

Last year, the Korean economy underwent a serious economic recession resulting from severe economic conditions abroad such as a growth recession in China, low Japanese yen, low domestic consumer spending, and an overall lack of investment. In particular, it was certainly a difficult year for the education market because of the low birth rate, evolving population demographics, and the government's policy on private education reduction.

Even despite these challenging circumstances, Daekyo didn't stop making efforts for bringing about new changes and innovations in order to establish a foundation for dedicated growth and preparations for a bright future.

First of all, the Noonnoppi Business enhanced its value-based marketing activities by focusing on its main areas, extended the successful business models of the Learning Center, and aggressively penetrated into the early childhood education market. In the Caihong business, Daekyo became the world's first profitable corporation that concluded an agreement with the Confucius Institute Headquarters (Hanban) which is an affiliated organization of the Ministry of Education of the People's Republic of China. Through the establishment of the Caihong Confucius Institute, Daekyo successfully extended its business from Chinese education to cultural business.

The Media Business provided differentiated contents in accordance with a variety of market needs and bolstered product competitiveness by focusing on the stabilization and productivity enhancement of Sobics. The Overseas Business expanded the target markets of Eye Level by accelerating its service localization strategies in America, Asia, and China and developing new markets in Kuwait, India, and the UAE. In spite of all the hard efforts, we couldn't overcome difficult market conditions and the sales and business profits somewhat decreased as a result, when compared to the previous year.



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Although the domestic and international business climate seems to be tough this year, Daekyo will do its best to generate outstanding results in 2015 by shedding outdated mindsets and business methods and emerging to become a youthful corporation based on passion, empathy, and agility.

### The Noonnoppi Business will reinforce its core competencies through fundamental innovations in management.

The Noonnoppi Business will maximize business performance by strengthening the management system of local branches and improve added values through innovations in business channels of the Learning Center and home tutoring.

In addition, the Noonnoppi Business will secure its own uniqueness by enhancing the competitiveness of Noonnoppi tutors through specialized instructor fostering programs.

### The Media Business will develop compelling contents that can drive the market and uncover new growth engines.

In addition, it will continue to develop differentiated educational contents and business models for future growth by integrating corporate resources and other businesses. In particular, it will foster its media business quantitatively as well as qualitatively by securing digital contents and infrastructure that will pioneer the smart education market and extend its business organization to center on major strategic regions.

### The Overseas Business will continuously develop new markets and strengthen the competitiveness of business models.

It will achieve market dominance through continuous market expansion in Europe and China. Extending its global franchises in major strategic regions and setting up both online and offline learning models, it will improve the brand value of Eye Level in global markets.

Our corporate vision is to become a highly specialized and well-rounded education company. To grow as a leading company in the global economy, Daekyo will actively pursue fundamental changes and innovations based on its robust strategies and knack for execution. Your sincere advice and encouragement will be highly appreciated. We sincerely hope that all is well with you and your families.

Thank you.

CEO Park Soo-wan

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# **Board of Directors**

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#### Daekyo will improve its corporate values through transparent and responsible management.

As of the end of March 2015, Daekyo's Board of Directors is composed of eight directors including four internal directors, three external directors, and one director not engaged in regular activities. For ensuring efficient management, the Board of Directors operates the Audit Committee, Policy Deliberation Committee, HR Performance Committee, and CS Management Committee. The committees of Daekyo will make efforts to improve corporate values and maximize profits to shareholders through transparent and responsible decision-making over business affairs.



#### Kang Young-joong (Chairman of the Board of Directors)

- Current Chairman of Daekvo Group
- Current Head Director of the educational
- foundation 'Bongam Institute'
- Current President of World Youth and **Culture Foundation**
- Current President of Daekyo Cultural Foundation - Current President of Korea Council of Sport for All



**Bae Dong-man** (External Director, Head of Audit Committee)

- Senior Advisor of Cheil Worldwide Inc. - President of Samsung Social Contribution Committee
- President of Cheil Worldwide Inc.
- Vice-President of S-1 Corp.



Park Soo-wan (Representative & CEO)

- Current Representative & CEO Daekvo Co., Ltd.
- Current CAE of Daekyo Holdings Co., Ltd.
- Chief of Management Support Headquarters of Daekvo
- CFO of Daekyo D&S Co., Ltd.
- Hyundai Motors



**Myeong Dong-seong** 

(External Director, Member of Audit Committee)

- Representative Attorney of Shin & Kim
- Head of Institute of Justice
- Chief Prosecutor of Supreme Prosecutors' Office - Head of Northern Branch of Supreme





**Cho Young-wan** (Representative & CEO)

**Cho Hong-whoi** 

of National Tax Service

of Korea

- Current President of Media Business Division of Daekyo Co., Ltd.
- CS Representative of SK Broadband Inc.
- General Manager of Business Administration Division of Hanaro Telecom Inc.

(External Director, Member of Audit Committee)

- Current Advisor of Bae, Kim & Lee LLC

- Chief of Consulate General of the Republic

- Senior Officer of Innovations & Planning Office

- Head of Seoul Regional Tax Office

- Head of Management & Planning Division of LG Dacom Corp.



Son Tae-won (Internal Director)

- Current General Chief of Overseas Business Division of Daekyo Co., Ltd.
- Chief of Global Advertisement Division
- of Cheil Worldwide Inc.
- General Manager of Cheil Europe Regional HQ



Kwon Sun-woo (Director not Engaged in Regular Activities)

- Current COO of Daekyo Holdings Co., Ltd. - Chief of Management Strategy Office/Financial Strategy Office of Daekyo Holdings Co., Ltd. - Vice-President of SoftForum Co.,Ltd.





# At a glance 2014

#### Corporate Governance

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Daekyo received an A+ at the 2014 Corporate Governance Evaluation of the Korea Corporate Governance Service (CGS), conducted for 694 corporations listed on the securities market. Daekyo was selected as an excellent company with a talent for sustainability management by receiving the highest grade among the target evaluation companies based on its transparent and responsible management.

#### **Caihong Confucius** Institute

Daekyo concluded an agreement for the establishment of a Confucius Institute with the 'Confucius Institute Headquarters', which is an affiliated organization of the Ministry of Education of People's Republic of China in May 2014, and held a signboard hanging ceremony of the 'Caihong Confucius Institute' at Daekyo Tower on September 23, 2014. The 'Caihong Confucius Institute', the world's only Confucius institute founded by a forprofit corporation, will make efforts for active Chinese language and cultural exchanges.

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Daekyo 'Noonnoppi' has been selected as the No. 1 Brand in Elementary Education Service by the '2015 Korea Brand Power Index (K-BPI)' for 17 consecutive years. 'Noonnoppi' was highly evaluated in all evaluation categories including brand awareness, brand preference, and brand loyalty in Elementary Education Service of the 2015 K-BPI. In addition, Noonnoppi has been increasing its market status as Korea's quintessential educational brand through being selected as the No.1 Brand in Early Childhood Education Service for six consecutive years.



# **Financial Highlights**

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#### Consolidated Operating Results (Daekyo and it's subsidiaries)

	2014	2013
Assets	842	842
Liabilities	201	196
Shareholders' Equity	641	647
Sales	811	840
Gross Profit	151	151
Operating income	31	32
Net income	38	32
		in hillions of KDW

in billions of KRW





# **Business Performance**

#### Sales Breakdown in 2014

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Business Division		Sales		
	Noonnoppi Business	652		
Daekyo	Media Business	78	745	
	Others	15		
Subsidiaries	Domestic	62	00	
	Oversease	18		
Other segments and inter-segment trans			-14	
	Total		811	

in billions of KRW



DAEKYO ANNUAL REPORT 2014

### **Business Overview**

Daekyo Co., Ltd. is operating the distinctive, customized one-on-one learning management service Noonnoppi, Chinese language learning program 'Caihong,' book series sales & management brand 'Sobics,' forum-based reading & discussion program 'Soluny,' preschoolers' book brand 'Ggumdal,' kids edutainment channel 'Kids TV,' and overseas education business 'Eye Level.'



### **Noonnoppi Business Division**

The No.1 brand powers of Noonnoppi and Caihong are leading the development of global education and culture based on the 'Noonnoppi Education Philosophy' of understanding at the eye level of learners and respecting individual personalities and abilities.

### NOONN

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'Noonnoppi Education' refers to the customized teaching system providing appropriate levels of home-study materials according to the academic levels of individuals, regardless of the actual school year of the learner. Noonnoppi is providing optimum study results through professional teachers' one-to-one management (mathematics/language), systematic evaluation systems, and 'Smart learning services' which were the first to be introduced in the education industry. In addition to the visiting tutor system, Noonnoppi improves the learning abilities of children through diverse education channels including the Noonnoppi Learning Center for self-initiated study, Yes Class, First Class, and Home Study. After its constant business expansion through the Learning Center in 2014, the number of members at the center greatly increased and Noonnoppi achieved qualitative growth. In addition, Noonnoppi is aggressively targeting the early childhood education market by launching competitive new products that reflects current academic and college-preparatory trends such as I Grammar and introducing Noonnoppi pen products.

### CAIHONG

Caihong helps learners who are starting to study the Chinese language to easily study Chinese intonation, listening, speaking, reading, and writing through the one-to-one visiting tutor program using its own study materials with Chinese instructors. It provides systematic, specialized, and customized study management services with Story Books, Junior, Senior, Biz, and HSK from preschoolers to adults, according to their purposes of study. The number of Caihong members greatly increased in 2014 and the number of greatly benefiting adult members is also gradually growing, thanks to Caihong's various study channels including Caihong Square and Caihong College. By establishing the Caihong Confucius Institute, Caihong is extending its business to include Chinese culture, studying abroad, and evaluations.



### Media Business Division

Daekyo is realizing optimized customer values that encompass all customers from preschoolers to adults in various business areas including publishing, book distribution, reading/essay, and media. Daekyo is pioneering a new digital media era by providing innovative contents and platforms that define market environments.



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Premium book series brand 'Sobics' is publishing approximately 50 kinds of book series according to children's development stages and levels, while operating various reading programs to encourage children to read more books. In 2014, Sobics launched new products of integrated themes which are the latest trends in the book series market and strengthened its market foundation by reinforcing its early childhood product portfolio to acquire more young members.



Soluny, the essay and discussion education program of Daekyo, is aiming for small-group discussion education to encourage learners to independently think and present their opinions both verbally and in writing. This program composed of reading, essay writing, history, economics is based on reading and discussion-centric group study. Soluny extended its business foundation to include middle school education in 2014 and is aiming for new growth by launching new theme-integrated products.

### ggumdalo

Ggumdal is a book brand that provides a wide range of educational contents for people of different ages from infants to elementary school students. Ggumdal is developing new forms of compelling content that will drive market growth and increase its market share as it extends its product lineup. In 2014, Ggumdal enhanced its brand power through launching many best-selling products including the animated 'Frozen' series.



Daekyo Kids TV, the Korea's first channel for kids, has been manufacturing and supplying fun and educational contents for children since 1995. Daekyo Kids TV not only provides HD digital content and two-way educational content that is available on a variety of platforms such as cable TV, satellite TV, and internet but is also extending its business to character-based exhibitions and musical shows.



### **Overseas Business Division**

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#### Daekyo's advanced knowhow for educational service is spreading throughout the world.

Eye Level is Daekyo's overseas education business that operates in the form of a learning center. Daekyo is rapidly emerging as a leading educational service brand on the world stage, based on its educational philosophy of 'Noonnoppi (At the eye level of children)' with its local corporations in the US (New York, New Jersey, LA, Chicago, Dallas, Washington, and Atlanta), China (Beijing and Shanghai), Hong Kong, Malaysia, Indonesia, Singapore, and Vietnam, as well as foreign franchises in Australia, New Zealand, Germany, Philippines, UK, Thailand, India, UAE (Dubai), Kuwait, Russia, and Myanmar.



# CSR Corporate Social Responsibility

Daekyo, to carry out its duty and perform its role as a revered company, saves 10% of the net profit during the term as a CSR funded reserve and uses it on public interest activities related to non-profit foundations such as an educational foundation as well as to sports/art culture/adolescent/environment to connect to business and to promote its image. Wider

# **Corporate Social Responsibility**



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#### "We will share a bigger love."

To become an educational service company that carries out its social responsibilities to the fullest, Daekyo is endeavoring to provide talent education for the future generations and share its love for bringing about a better society. Since establishing the Daekyo Cultural Foundation in 1992, Daekyo has been conducting a range of projects concerning scholarships, educational support, academic support, and literature promotion, while taking the initiative in social contribution activities through its Noonnoppi Love Corps and Noonnoppi Family Corps.

In addition, Daekyo is dedicated to supporting sports and cultural activities for the balanced development of national sports and promotion of events for less popular sports through many activities including the formation of a female soccer team.

#### Established 'Daekyo Eye Level School' for children from poor families

With the support of the Noonnoppi Love Corps and the World Youth and Culture Foundation, Daekyo has established a Daekyo Eye Level School in Ho Chi Minh City, Vietnam in March 2014. It is the second Daekyo Eye Level School following the school founded in Kenya, Africa in August 2013. Daekyo extended kindergartens to Binh Chanh, Ho Chi Minh City which is one of poorest neighborhoods of Vietnam and Daekyo's employees and local Eye Level instructors participated in training programs and volunteer work.

Daekyo Eye Level Schools are the hopes of all children who need education. Daekyo is providing opportunities to dream of promising futures by providing basic education to children who gave up their dreams due to poverty, while the company sets out to improve the quality of life of local residents and children through providing education on hygiene. In addition, Daekyo offers delicious and nutritious meals so that children can study for their dreams without hunger.

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#### "Daekyo shares its happiness through healthy communication."

Daekyo's social contribution activities are largely divided into education, arts/culture, sports, and support for children from disadvantaged social groups. Daekyo is actively working to share its resources through various projects such as the scholarship project for children in need, Eye Level Schools in Africa and Vietnam, Noonnoppi Education Awards for genuine teachers, and event promotion project for less popular sports.

#### [Social Contribution Activities]

#### Education

- Daekyo Cultural Foundation
- World Youth and Culture
  Foundation
- Bongam Institute (Gyeonggi
- Academy of Foreign Languages)
- Noonnoppi Education Awards
- Daekyo Eye Level School
- Korea Olympiad for Gifted Students
- Children's Safety Education Campaign
- Educational Talent Donation

### **2** Support for Disadvantaged Social Groups

- Children Protection Service 'Dream Start'
- National Multicultural Family Support
- Center
- Children's Recognition Ability
- Improvement Service
- Vision Formation & Support Service
  for Children
- Support for Education of Children from Low-Income Families
- Multicultural Family Support Programs, etc.

#### Arts & Culture

- Noonnoppi's Children's Literature Award
- Daekyo International College & Graduate School Student Sculpture Symposium
- National Chorus of Korea
- Daekyo Eye Level Children's Choir

#### 4 Sports

- Daekyo Sports Club
- Goyang Daekyo Women's Football Club
  Sponsorship for various sports
- competitions
- (Daekyo Noonnoppi Elementary/Middle/ High School Soccer League)

#### Olunteer Group

- Noonnoppi Love Corps
- Noonnoppi Family Corps
- Company-Rural Area Sisterhood Campaign



# **Daekyo Group Structure**



## Affiliates



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1	Daekyo Holdings	Daekyo Group's holding company 'Daekyo Holdings' is focusing on new growth and investment businesses of the next generation. Based on the independent management systems of its subsidiaries, Daekyo Holdings is reinforcing management transparency and professionalism while enhancing the effects of business synergy.
I	Daekyo D&S	Daekyo D&S is providing leisure and recreational services such as premium golf courses, food and beverage business based on differentiated quality and services, and healing and leisure development.
1	Daekyo CNS	Daekyo CNS provides comprehensive IT services such as information system integration/management, IT consulting, and infrastructure services in various fields including education, distribution, finance, and public services.
	Gangwon Deep Sea Water	Gangwon Deep Sea Water is developing/providing a wide range of products that utilizes deep sea water and is extending its business to thalassotherapy (seawater therapy), bio foods, and environmental businesses.
1	Daekyo Edupia	Daekyo Edupia operates the e-learning website 'Gongbuwarac' for elementary, middle, and high school students, the self-initiated learning center 'G Camp', the project-centric problem solving program 'Future Kids', and the mathematics institute 'Fermat'.
1	Daekyo Educamp	Daekyo Educamp is a company that outsources education services which provide differentiated educational programs and dispatches excellent teachers to early childhood education institutes and after-school classes all over the country.
I	Daekyo Book Center	Daekyo Book Center is a new conceptual large-scale bookstore brand for all family members. Daekyo Book Center creates family-friendly culture through various shows 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, 2014 and 2013

[in Korean won]	2014	2013
Assets		
Current assets		
Cash and cash equivalents	107,436,922,494	104,846,553,211
Financial deposits	4,460,077,102	11,479,330,091
Trade receivables	32,354,566,164	35,968,389,587
Other receivables	42,077,355,755	46,620,463,670
Financial assets at fair value through profit or loss	61,782,813,425	21,460,842,325
Available-for-sale financial assets	50,822,709,345	38,671,635,292
Inventories	24,853,766,537	23,149,811,700
Other current assets	3,821,585,076	5,716,001,322
	327,609,795,898	287,913,027,198
Non-current assets		
Financial deposits	49,905,000	303,000,000
Long-term other receivables	14,140,561,232	12,846,374,009
Available-for-sale financial assets	167,799,548,598	195,998,283,359
Investments in associates	2,354,150,553	2,385,454,747
Property, plant and equipment	153,237,631,588	141,487,519,919
Investment property	115,806,845,658	125,024,075,697
Intangible assets	60,720,977,706	75,452,258,810
Net defined benefit assets	-	396,404,967
Other non-current assets	457,908,403	484,885,524
	514,567,528,738	554,378,257,032
Total assets	842,177,324,636	842,291,284,230





[in Korean won]	2014	2013
Liabilities		
Current liabilities		
Trade payables	11,082,111,382	9,706,668,910
Other payables	68,624,097,291	68,854,106,421
Derivative financial liabilities	87,417,822	-
Borrowings	35,586,859,814	28,507,225,446
Income tax payable	11,212,686,609	10,777,083,978
Provisions	582,417,205	558,651,378
Other current liabilities	56,264,257,943	53,688,275,284
	183,439,848,066	172,092,011,417
Non-current liabilities		
Other payables	13,857,875,300	9,705,640,718
Borrowings	41,818,782	117,618,471
Net defined benefit liability	2,411,413,095	-
Deferred income tax liabilities	1,598,363,019	13,828,530,026
	17,909,470,196	23,651,789,215
Total liabilities	201,349,318,262	195,743,800,632
Equity attributable to owners of the Parent		
Capital stock	52,064,920,000	52,064,920,000
Capital surplus	69,921,480,844	69,626,473,529
Other components of equity	(66,434,186,074)	(60,803,172,427)
Accumulated other comprehensive income	63,356,763,492	87,265,353,428
Retained earnings	510,023,812,830	490,317,798,983
	628,932,791,092	638,471,373,513
Non-controlling interest		
Non-controlling interest	11,895,215,282	8,076,110,085
Total equity	640,828,006,374	646,547,483,598
Total liabilities and equity	842,177,324,636	842,291,284,230

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### **Consolidated Statements of**

### **Income** [Daekyo Co., Ltd. and Subsidiaries]





### Consolidated Statements of Comprehensive Income [Daekyo Co., Ltd. and Subsidiaries]



[in Korean won]	2014	2013
Profit for the year	38,224,763,692	32,222,638,816
Other comprehensive income(loss), net of tax:		
Items that will not be reclassified to profit or loss		
Remeasurements of the net defined benefit liability	(2,325,454,037)	1,334,745,193
Items that may be reclassified subsequently to profit or loss		
Gain(loss) on valuation of available-for-sale financial assets	(22,915,042,065)	10,620,300,640
Currency translation differences	329,927,037	(92,073,699)
Other comprehensive income (loss) for the year, net of tax	(24,910,569,065)	11,862,972,134
Total comprehensive income for the year	13,314,194,627	44,085,610,950
Comprehensive income (loss) for the year attributable to:		
Equity holders of the Parent Company	14,195,498,861	47,132,116,438
Non-controlling interest	(881,304,234)	(3,046,505,488)

### Consolidated Statements of Changes in Equity [Daekyo Co., Ltd. and Subsidiaries]



[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, 2013	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
Comprehensive income (loss)							
Profit for the year	-	-	-	-	35,304,614,129	(3,081,975,313)	32,222,638,816
Gain(loss) on valuation of							
available-for-sale financial assets	-	-	-	10,603,038,307	-	17,262,333	10,620,300,640
Remeasurement of net defined							
benefit liability	-	-	-	-	1,336,852,745	(2,107,552)	1,334,745,193
Currency translation differences	-	-	-	(112,388,743)	-	20,315,044	(92,073,699)
Transactions with equity holders							
of the Parent Company:							
Dividends	-	-	-	-	(9,415,857,270)	-	(9,415,857,270)
Interim dividends	-	-	-	-	(10,171,129,650)	-	(10,171,129,650)
Dividends of subsidiaries	-	-	-	-	-	(76,695,500)	(76,695,500)
Issuance of stocks of subsidiaries	-	(547,828)	-	-	-	4,877,105,464	4,876,557,636
Changes in scope of consolidation	-	-	-	-	524,302,093	-	524,302,093
Acquisition of treasury stock	-	-	(9,376,722,400)	-	-	-	(9,376,722,400)
Disposal of treasury stock	-	707,745,932	3,613,252,396	-	-	-	4,320,998,328
Stock options		-	(149,128,336)	-	-		(149,128,336)
Balance at December 31, 2013	52,064,920,000	69,626,473,529	(60,803,172,427)	87,265,353,428	490,317,798,983	8,076,110,085	646,547,483,598



[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, 2014	52,064,920,000	69,626,473,529	(60,803,172,427)	87,265,353,428	490,317,798,983	8,076,110,085	646,547,483,598
Comprehensive income (loss)							
Profit for the year	-	-	-	-	40,425,843,515	(2,201,079,823)	38,224,763,692
Gain(loss) on valuation of							
available-for-sale financial assets	-	-	-	(24,087,178,230)	-	1,172,136,165	(22,915,042,065)
Remeasurement of net defined							
benefit liability	-	-	-	-	(2,321,754,718)	(3,699,319)	(2,325,454,037)
Currency translation differences	-	-	-	178,588,294	-	151,338,743	329,927,037
Transactions with equity holders							
of the Parent Company:							
Dividends	-	-	-	-	(9,313,199,150)	-	(9,313,199,150)
Interim dividends	-	-	-	-	(9,084,875,800)	-	(9,084,875,800)
Dividends of subsidiaries	-	-	-	-	-	(248,207,785)	(248,207,785)
Issuance of stocks of subsidiaries	-	(5,669,614)	-	-	-	4,948,617,216	4,942,947,602
Acquisition of treasury stock	-	-	(7,553,900,825)	-	-	-	(7,553,900,825)
Disposal of treasury stock	-	300,676,929	1,620,825,854	-	-	-	1,921,502,783
Stock options	-	-	302,061,324	-	-	-	302,061,324
Balance at December 31, 2014	52,064,920,000	69,921,480,844	(66,434,186,074)	63,356,763,492	510,023,812,830	11,895,215,282	640,828,006,374

### Consolidated Statements of Cash Flows [Daekyo Co., Ltd. and Subsidiaries]







[in Korean won]	2014	2013
Cash flows from financing activities		
Disposal of treasury stock	1,001,054,341	3,749,520,973
Issuance of stocks of subsidiaries	4,942,947,602	4,876,557,636
Proceeds from borrowings	6,100,241,415	6,051,494,157
Acquisition of treasury stock	(7,553,900,825)	(9,376,722,400)
Dividends paid	(18,646,282,735)	(19,663,682,420)
Repayments of borrowings	(14,180,606)	(1,305,824,507)
Net cash used in financing activities	(14,170,120,808)	(15,668,656,561)
Net increase in cash and cash equivalents	2,341,916,780	66,533,358,815
Cash and cash equivalents at the beginning of year	104,846,553,211	38,604,012,540
Exchange gains(losses) on cash and cash equivalents	248,452,503	(290,818,144)
Cash and cash equivalents at the end of year	107,436,922,494	104,846,553,211



# Stock Information

#### Shareholders Structure (Common Stock)



#### Major Investment Indices (Common Stock, Non-Consolidated) (share, KRW, multiple) 2014 2013 No. of shares 84,702,850 84,702,850 Share price 7,040 7,300 EPS 559 455 PER 12.59 16.04 PBR 0.90 0.93 Dividends 230 210 Payout Ratio 41.3% 46.3%

\*As at the end of the year

