

KUMHO PETROCHEMICAL CO., LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2012 and 2011

(In millions of won)

	<i>Note</i>	2012	2011
Cash flows from operation activities			
Cash generated from operation activities	32	₩ 341,717	860,227
Interest received		11,335	8,638
Interest paid		(107,455)	(124,533)
Dividends received		25,757	19,154
Income tax paid		(25,874)	(95,075)
Net cash provided by operating activities		245,481	668,411
Cash flows from investing activities			
Cash from sales of short-term loans		-	10,113
Proceeds from sales of short-term financial instruments		22,000	-
Proceeds from sales of long-term financial instruments		1,177	-
Proceeds from sales of available-for-sale financial assets		4,966	51,928
Cash from sales of long-term loans		432	551
Proceeds from sales of property, plant and equipment		449	275
Proceeds from sales of intangible assets		1,485	368
Increase in short-term loans		(210)	(9)
Increase in sales of short-term financial instruments		(21,571)	(5,000)
Increase in sales of long-term financial instruments		(3)	-
Acquisition of available-for-sale financial assets		(1,675)	(61)
Acquisition of investments in associates		(7,117)	(6,963)
Acquisition of property, plant and equipment		(368,760)	(291,083)
Acquisition of intangible assets		(4,296)	(4,368)
Increase in long-term loans		(635)	(666)
Increase in other assets		(17)	-
Net cash used in investing activities		(373,775)	(244,914)
Cash flows from financing activities			
Proceeds from short-term borrowings		2,439,634	1,833,786
Proceeds from issuance of bonds		458,308	99,568
Proceeds from long-term borrowings		472,485	255
Repayments of short-term borrowings		(2,955,485)	(1,731,712)
Repayments of current portion of long-term borrowings		(447,279)	(211,249)
Repayments of bonds		(43,594)	(36,129)
Repayments of long-term borrowings		-	(5,850)
Dividends paid		(55,947)	(23,006)
Capital increase of non-controlling interests involved		-	5,196
Payment of transaction costs related to issuance of shares		-	178
Net cash from used in financing activities		(131,877)	(68,963)
Effect of exchange rate fluctuations on cash held		1,322	(205)
Net increase in cash and cash equivalents		(258,849)	354,329
Cash and cash equivalents at 1 January		505,090	150,761
Cash and cash equivalents at 31 December	₩	246,241	505,090

See accompanying notes to the consolidated financial statements