

10. ACCRUED SEVERANCE BENEFITS:

Accrued severance benefits as of December 31, 2007 and 2006 are as follows:

	<u>Korean won (In thousands)</u>	
	<u>2007</u>	<u>2006</u>
	₩	₩
Beginning balance	1,135,188,486	1,018,835,792
Severance payment	(143,195,698)	(90,417,659)
Provisions	<u>198,841,279</u>	<u>206,770,353</u>
	1,190,834,067	1,135,188,486
Less: Severance insurance	(1,042,794,852)	(900,139,132)
National pension	<u>(37,173,633)</u>	<u>(41,700,771)</u>
Ending balance	<u>₩ 110,865,582</u>	<u>₩ 193,348,583</u>

Accrued severance benefits are funded approximately 87.6% and 79.3% as of December 31, 2007 and 2006, respectively, through certain insurance plans with Kyobo Life Insurance Co., Ltd. and other insurance companies. The unused portion of severance insurance deposits for these insurance plans is deducted from accrued severance benefits.