

15. CAPITAL ADJUSTMENTS:

As of December 31, 2005 and 2004, capital adjustments are as follows:

	Korean won (In thousands)	
	2005	2004
Gain on valuation of short-term and long-term investment securities (Note 5)	₩ 95,814,155	₩ (1,901,580)
Gain on valuation of investment securities accounted for using the equity method (Note 6)	82,766,836	40,880,035
Loss on valuation of investment securities accounted for using the equity method (Note 6)	(15,203,288)	-
Gain on valuation of financial derivatives (Note 11)	122,471,810	208,564,969
Treasury stock	(351,821,818)	(351,821,818)
	<u>₩ (65,972,305)</u>	<u>₩ (104,278,394)</u>

The Company has been operating special money in trust for treasury stock amounting to ₩705,000 million since January 2000 for the purpose of stabilizing the share price of the Company, and disposed 11,631,580 shares of treasury stock in October 2003. The acquisition cost of treasury stock amounting to ₩351,821,818 thousand (11,506,544 shares of treasury stock) was recorded as capital adjustments as of December 31, 2005.