

# HYUNDAI HEAVY INDUSTRIES CO., LTD.

## STATEMENTS OF CASH FLOWS

For the years ended December 31, 2001 and 2000

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
Cash flows from operating activities:				
Net loss	₩ (78,120,821)	₩ (161,533,162)	\$ (58,910)	\$ (121,811)
Items not involving operating cash flows:				
Depreciation	295,070,892	281,780,193	222,510	212,488
Bad debts expense	78,298,674	3,213,386	59,044	2,423
Provision for severance benefits	160,382,897	102,149,015	120,943	77,030
Loss on disposal of marketable securities	-	15,268,130	-	11,514
Loss on valuation of marketable securities	8,495,336	25,159,567	6,406	18,973
Loss on foreign exchange translation	22,371,977	64,365,634	16,871	48,538
Equity in investee loss	217,463,418	314,728,971	163,987	237,334
Loss on disposal of investments	51,306,291	222,869,695	38,690	168,064
Loss on disposal of property, plant and equipment	6,608,181	6,152,864	4,983	4,640
Amortization of development costs	46,698,175	36,081,185	35,215	27,208
Gain on disposal of marketable securities	(5,593,425)	(746)	(4,218)	(1)
Gain on disposal of property, plant and equipment	(1,309,995)	(476,170)	(988)	(359)
Gain on foreign exchange translation	(7,760,312)	(23,851,176)	(5,852)	(17,986)
Gain on disposal of investments	(9,144,221)	(5,150,047)	(6,896)	(3,884)
Others	127,420,977	81,564,881	96,087	61,507
	990,308,865	1,123,855,382	746,782	847,489
Changes in operating assets and liabilities :				
Accounts and notes receivable	41,662,487	129,005,292	31,417	97,282
Decrease in accrued income and other receivables	(72,987,271)	(355,146,110)	(55,039)	(267,812)
Advance payment and prepaid expenses	31,167,475	(59,925,375)	23,503	(45,189)
Inventories	(25,286,802)	(154,324,965)	(19,069)	(116,375)
Accounts and notes payables	119,691,803	106,252,799	90,259	80,124
Advanced from customers	(362,484,526)	269,103,829	(273,346)	202,929
Accrued income tax and deferred income tax credits	(32,497,008)	(232,480,237)	(24,506)	(175,311)
Payment of severance allowance	(60,070,769)	(42,904,916)	(45,299)	(32,354)
Others	(29,392,368)	60,891,778	(22,161)	45,917
	(390,196,979)	(279,527,905)	(294,241)	(210,789)
	521,991,065	682,794,315	393,631	514,889

The accompanying notes are an integral part of these statements.

Continued;

# HYUNDAI HEAVY INDUSTRIES CO., LTD.

## STATEMENTS OF CASH FLOWS, Continued For the years ended December 31, 2001 and 2000

	In Thousands of			
	Korean Won		U.S. Dollars (Note 3)	
	2001	2000	2001	2000
Cash flows from investing activities:				
Disposal of financial instruments	₩ 84,123,483	₩ -	\$ 63,437	\$ -
Disposal of marketable securities	44,706,116	87,209,142	33,712	65,764
Decrease in long-term loans	75,604	68,912,432	57	51,966
Disposal of investment securities	99,947,865	391,758,449	75,370	295,421
Disposal of property, plant and equipment	9,460,148	9,381,908	7,134	7,075
Decrease in other investments	1,004,707	15,426,229	758	11,633
Acquisition of financial instruments	-	(158,936,096)	-	(119,852)
Acquisition of marketable securities	(39,258,991)	(116,549,132)	(29,605)	(87,889)
Acquisition of investment securities	(87,699,916)	(515,492,761)	(66,134)	(388,728)
Increase in long-term loans	(18,709)	-	(14)	-
Acquisition of property, plant and equipment	(172,296,280)	(139,155,300)	(129,927)	(104,936)
Acquisition of other investments	(53,267,536)	(85,111,693)	(40,169)	(64,182)
Increase in construction in-progress	(182,218,421)	(45,629,323)	(137,409)	(34,409)
Expenditures for development costs	(53,084,952)	(47,128,577)	(40,031)	(35,539)
	(348,526,882)	(535,314,722)	(262,821)	(403,676)
Cash flows from financing activities:				
Increase in short-term borrowings	2,193,309,627	1,861,601,173	1,653,955	1,403,817
Issuance of debentures	975,227,744	644,860,006	735,410	486,283
Increase in long-term borrowings	408,664,411	415,353,728	308,170	313,214
Retirement of short-term borrowings	(2,341,265,128)	(1,461,428,484)	(1,765,527)	(1,102,050)
Retirement of current maturities of other long-term liabilities	(996,100,718)	(644,005,490)	(751,151)	(485,639)
Retirement of debentures	(18,862,568)	(20,860,952)	(14,224)	(15,731)
Retirement of long-term borrowings	(275,668,254)	(282,985,090)	(207,879)	(213,396)
Acquisition of treasury stocks	(77,419,906)	(568,576,906)	(58,382)	(428,759)
Payment of dividends	(58,252,346)	(76,000,000)	(43,928)	(57,311)
	(190,367,138)	(132,042,015)	(143,556)	(99,572)
Net increase (decrease) in cash and cash equivalents	(16,902,955)	15,437,578	(12,746)	11,641
Cash and cash equivalents at beginning of the year	53,058,513	37,620,935	40,011	28,370
Cash and cash equivalents at end of the year	₩ 36,155,558	₩ 53,058,513	\$ 27,265	\$ 40,011

The accompanying notes are an integral part of these statements.