

Hyundai Heavy Industries Co., Ltd.
Non-Consolidated Statements of Cash Flows

For the years ended December 31, 2009 and 2008

(n thousands of Won)

	2009	2008
Cash flows from operating activities		
Net income	₩ 2,146,488,795	2,256,664,845
Adjustments for:		
Depreciation	399,694,162	347,327,963
Accrual for severance benefits	138,734,091	230,151,603
Accrual for allowance for doubtful accounts	48,943,879	35,565,244
Loss on foreign currency translation	61,923,820	117,775,185
Loss on disposition of property, plant and equipment	16,463,892	57,568,485
Equity in net loss of equity method investees	194,614,208	151,574,109
Amortization of development costs	43,937,229	41,423,910
Loss on valuation of foreign exchange forward contracts	3,465,964,718	2,966,525,406
Accrual for foreseeable losses on construction contracts	-	65,158,129
Gain on foreign currency translation	(29,530,267)	(137,571,569)
Equity in net income of equity method investees	(479,596,159)	(771,497,568)
Gain on valuation of foreign exchange forward contracts	(1,123,079,572)	(1,713,371,925)
Gain on reversal of provision	(91,734,801)	(1,421,861)
Others, net	(143,154,232)	(28,132,693)
	<u>4,649,669,763</u>	<u>3,617,739,263</u>
Changes in assets and liabilities:		
Trade accounts and notes receivable	(495,606,386)	(1,724,001,640)
Accounts receivable-other	125,837,400	(16,578,847)
Accrued income	21,236,562	(28,203,930)
Advance payments	(379,742,025)	(552,953,561)
Inventories	303,820,209	(1,144,075,525)
Long-term trade receivable	(44,047,591)	-
Foreign exchange forward contracts	(2,781,147,823)	(990,190,623)
Trade accounts payable	(900,841,316)	854,632,361
Accounts payable-other	(34,330,548)	49,677,150
Advances from customers	(1,545,942,898)	2,459,903,477
Accrued expenses	(23,925,895)	(24,520,129)
Income tax payable	(210,026,183)	1,494,792
Long-term accrued expenses	-	(1,029,342)
Deposits for retirement and severance benefits	57,442,086	(37,269,107)
Payments of retirement and severance benefits	(164,508,686)	(169,062,230)
Deferred income tax assets	99,969,668	(42,217,698)
Deferred income tax liabilities	41,635,138	18,379,478
Provision for product warranties	(12,465,667)	
Others, net	334,983,938	110,987,270
Net cash provided by (used in) operating activities	<u>(957,990,254)</u>	<u>2,382,711,159</u>

See accompanying notes to non-consolidated financial statements

Hyundai Heavy Industries Co., Ltd.
Non-Consolidated Statements of Cash Flows, Continued

For the years ended December 31, 2009 and 2008

(In thousands of Won)

	2009	2008
Cash flows from investing activities		
Withdrawal of short-term financial instruments	₩ 1,687,213,470	2,390,621,000
Disposition of short-term investment securities	102,966,108	2,382,649,007
Withdrawal of short-term loans	30,000,000	-
Disposition of long-term investment securities	54,916,202	13,355,791
Disposition of equity method investments	19,773	70,937
Disposition of long-term financial instruments	11,947,520	2,004,095
Disposition of other non-current assets	24,744,631	4,523,174
Disposition of property, plant and equipment	128,172,881	83,417,532
Acquisition of short-term financial instruments	(119,852,680)	(1,912,945,045)
Acquisition of short-term investment securities	-	(1,960,000,000)
Acquisition of long-term investment securities	(41,682,718)	(136,397,826)
Acquisition of equity method investments	(272,547,011)	(148,056,640)
Acquisition of long-term financial instruments	(43,008)	(6,003,410)
Acquisition of long-term loans	(2,107,387)	-
Acquisition of other non-current assets	(15,975,956)	(35,805,532)
Acquisition of property, plant and equipment	(1,178,859,217)	(1,791,434,120)
Acquisition of intangible assets	(72,139,257)	(69,711,129)
Net cash provided by (used in) investing activities	336,773,351	(1,183,712,166)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,024,861,331	-
Issuance of bonds	298,797,600	-
Increase in long-term borrowings	1,852,037	1,689,006
Repayment of current maturities of short-term borrowings	(1,439,540,723)	-
Repayment of current portion of long-term borrowings and other long-term liabilities	-	(187,640,000)
Payment of cash dividends	(299,667,280)	(466,600,920)
Acquisition of treasury stock	-	(832,711,781)
Net cash provided by (used in) financing activities	586,302,965	(1,485,263,695)
Net decrease in cash and cash equivalents	(34,913,938)	(286,264,702)
Cash and cash equivalents at beginning of year	667,492,156	953,756,858
Cash and cash equivalents at end of year	₩ 632,578,218	667,492,156

See accompanying notes to non-consolidated financial statement