

Independent Auditors' Report

Based on a report originally issued in Korean

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2012 and 2011 and its financial performance and its cash flows for the years then ended in accordance with Korean International Financial Reporting Standards.

Without qualifying our opinion, we draw attention to the following:

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report is for use by those knowledgeable about Korean auditing standards and their application in practice.

As discussed in note 2 (4) to the separate financial statements, the Company adopted the amendment to K-IFRS No. 1001, 'Presentation of Financial Statements' for the year ended December 31, 2012. The amendment requires operating profit (loss), which is calculated by revenue less: 1) cost of goods sold, and 2) selling, general and administrative expenses, to be separately presented on the statements of income. The Company applied this change in accounting policies retrospectively, and accordingly restated the information of the statement of income for the year ended December 31, 2011.

KPMG Samjong Accounting Corp.

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Seoul, Korea

March 11, 2013

This report is effective as of March 11, 2013, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

Separate Statements of Financial Position

As of December 31, 2012 and 2011

In millions of won	2012	2011
Assets		
Property, plant and equipment	₩ 1,556,331	1,473,147
Investment property	625	652
Intangible assets	19,066	26,085
Investments in subsidiaries and associates	377,206	377,206
Available-for-sale financial assets	349,287	361,810
Loans and other receivables	27,563	16,382
Other assets	4,012	1,711
Non-current assets	2,334,090	2,256,993
Inventories	445,929	491,585
Trade receivables	460,636	742,420
Loans and other receivables	42,289	27,694
Cash and cash equivalents	198,202	414,579
Other assets	7,978	8,632
Current assets	1,155,034	1,684,910
Total assets	₩ 3,489,124	3,941,903

Separate Statements of Financial Position

As of December 31, 2012 and 2011

In millions of won	2012	2011
Equity		
Capital	₩ 167,456	167,456
Capital surplus	276,206	276,206
Capital adjustment	-40,066	-40,066
Accumulated other comprehensive income	45,231	22,617
Retained earnings	815,664	780,366
Total equity	1,264,491	1,206,579
Liabilities		
Other payables	3,912	6,592
Long-term accrued expenses	4,139	5,029
Borrowings	1,032,298	289,310
Deferred tax liabilities	8,415	10,107
Liabilities for defined benefit plans	18,092	14,723
Financial guarantee liabilities	2,979	4,226
Non-current liabilities	1,069,835	329,987
Trade payables	214,703	348,007
Other payables	164,605	235,071
Borrowings	744,228	1,805,437
Income tax payables	26,886	11,779
Other liabilities	4,376	5,043
Current liabilities	1,154,798	2,405,337
Total liabilities	2,224,633	2,735,324
Total equity and liabilities	₩ 3,489,124	3,941,903

Separate Statements of Income

For the years ended December 31, 2012 and 2011

In millions of won, except earning per share information	2012	2011 Restated
Revenue	₩ 4,872,725	5,292,119
Cost of sales	4,505,385	4,458,998
Gross profit	367,340	833,121
Selling, general and administrative expenses	152,556	167,333
Results from operating activities	214,784	665,788
Other income	65,433	131,109
Other expenses	108,700	173,351
Finance income	62,397	53,253
Finance costs	133,583	203,664
Profit before income tax	100,331	473,135
Income tax expense	4,215	129,815
Profit for the year	₩ 96,116	343,320
Earnings per share (In won)		
Basic earnings per share	₩ 3,615	16,688
Diluted earnings per share	₩ 3,615	14,127