



# Annual Report 2012

**HYUNDAI ELEVATOR CO., LTD. and Subsidiary**  
**Consolidated Statements of Financial Position**  
**December 31, 2012 and 2011**

(in thousands of Korean won)

	2012	2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	259,999,022	124,564,776
Short-term financial instruments	-	32,985,027
Held-to-maturity financial assets	326,615	103,755
Trade receivables	161,851,205	186,631,545
Due from customers for contract work	87,565,531	118,253,624
Other receivables	3,475,022	4,025,001
Derivative financial assets	252,453	13,823,401
Inventories	9,779,518	11,527,887
Other financial assets	54,036,124	69,849,517
Other current assets	14,066,016	9,184,176
Income tax receivables	3,497,092	1,686,900
	<u>594,848,598</u>	<u>572,635,609</u>
<b>Non-current assets</b>		
Long-term financial instruments	21,000	18,000
Available-for-sale financial assets	22,844,046	20,579,791
Held-to-maturity financial assets	3,329,130	3,568,205
Investments in jointly controlled entities and associates	378,972,765	510,659,436
Derivative financial assets	11,425,226	4,194,239
Investment property	14,665,741	40,728,120
Property, plant and equipment	82,804,220	105,429,219
Intangible assets	4,512,175	4,512,540
Other financial assets	91,906,762	35,144,263
Other non-current assets	15,254,854	24,488,833
Deferred income tax assets	45,563,187	36,753,906
	<u>671,299,106</u>	<u>786,076,552</u>
<b>Total assets</b>	<u>1,266,147,704</u>	<u>1,358,712,161</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	97,369,659	113,598,094
Other payables	33,738,517	28,892,145
Borrowings and debentures	195,856,419	147,837,699
Derivative financial liabilities	64,609,032	23,667,288
Advances received	5,662,125	4,836,231
Due to customers for contract work	59,200,838	46,097,578
Provisions	9,902,438	8,632,588
Other financial liabilities	1,844	2,655
Other current liabilities	6,640,026	4,670,404
	<u>472,980,898</u>	<u>378,234,682</u>
<b>Non-current liabilities</b>		
Borrowings and debentures	249,362,989	279,384,722
Other payables	340,500	1,813,760
Derivative financial liabilities	126,897,453	144,981,648
Retirement benefit obligations	16,258,580	9,146,017
Long-term employee benefit obligations	3,763,572	3,682,895
	<u>396,623,094</u>	<u>439,009,042</u>
<b>Total liabilities</b>	<u>869,603,992</u>	<u>817,243,724</u>
<b>Equity attributable to owners of the Parent Company</b>		
Paid-in capital		
Capital stock	60,162,565	53,662,565
Capital surplus	442,484,739	361,317,037
Other components of equity	-	(34,107,596)
Accumulated other comprehensive income	9,200,238	(8,135,102)
Retained earnings (accumulated deficit)	(115,304,030)	168,731,333
	<u>396,543,512</u>	<u>541,468,237</u>
<b>Non-controlling interest</b>	200	200
<b>Total equity</b>	<u>396,543,712</u>	<u>541,468,437</u>
<b>Total liabilities and equity</b>	<u>1,266,147,704</u>	<u>1,358,712,161</u>

The accompanying notes are an integral part of these consolidated financial statements.

**HYUNDAI ELEVATOR CO., LTD. and Subsidiary**  
**Consolidated Statements of Comprehensive Income**  
**Years Ended December 31, 2012 and 2011**

*(in thousands of Korean won, except loss per share amounts)*

	<b>2012</b>	<b>2011</b>
<b>Sales</b>	915,619,507	879,189,143
<b>Cost of sales</b>	790,466,067	791,692,293
<b>Gross profit</b>	<u>125,153,440</u>	<u>87,496,850</u>
Selling, marketing and administrative expenses	<u>75,865,203</u>	<u>60,755,238</u>
<b>Operating profit</b>	49,288,237	26,741,612
Other operating income	7,083,887	7,504,371
Other operating expenses	19,553,259	5,676,808
Gain on disposal of jointly controlled entities and associates	5,259,074	-
Income from jointly controlled entities and associates	2,430,391	-
Loss from jointly controlled entities and associates	(238,452,828)	(126,030,405)
Finance income	25,617,193	9,981,666
Finance expenses	<u>116,169,394</u>	<u>235,777,706</u>
Loss before income tax	(284,496,699)	(323,257,270)
Income tax expense (benefit)	<u>(13,486,620)</u>	<u>(61,975,477)</u>
<b>Loss for the year</b>	<u>(271,010,079)</u>	<u>(261,281,793)</u>
<b>Other comprehensive income (loss)</b>		
Change in value of available-for-sale financial assets	10,408,548	(1,033,318)
Other comprehensive gain (loss) from jointly controlled entities and associates	6,926,793	(41,050,911)
Actuarial gain (loss) on defined benefit liability from associates	649,014	(1,775,645)
Actuarial loss on defined benefit liability	<u>(8,486,156)</u>	<u>(3,365,441)</u>
<b>Other comprehensive income (loss) for the year, net of tax</b>	<u>9,498,199</u>	<u>(47,225,315)</u>
<b>Total comprehensive loss for the year</b>	<u>(261,511,880)</u>	<u>(308,507,108)</u>
<b>Loss for the year attributable to:</b>		
Equity holders of the Parent Company	(271,010,079)	(261,281,793)
Non-controlling interest	-	-
<b>Total comprehensive income (loss) for the year attributable to:</b>		
Equity holders of the Parent Company	(261,511,880)	(308,507,108)
Non-controlling interest	-	-
<b>Loss per share attributable to the equity holders of the Parent Company during the year (in won)</b>	(25,517)	(25,465)

The accompanying notes are an integral part of these consolidated financial statements.

**HYUNDAI ELEVATOR CO., LTD. and Subsidiary**  
**Consolidated Statements of Changes in Equity**  
**Years Ended December 31, 2012 and 2011**

	Attributable to equity holders of the Parent Company						
	Paid-in Capital	Other Components of Equity	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated deficit)	Total	Non-controlling Interest	Total Equity
<i>(in thousands of Korean won)</i>							
<b>Balance at January 1, 2011</b>	127,164,980	(9,092,623)	33,949,127	440,769,937	592,811,421	-	592,811,421
<b>Total comprehensive income</b>							
Loss for the year	-	-	-	(261,281,793)	(261,281,793)	-	(261,281,793)
Change in value of available-for-sale financial assets	-	-	(1,033,318)	-	(1,033,318)	-	(1,033,318)
Other comprehensive loss of jointly controlled entities and associates	-	-	(41,050,911)	-	(41,050,911)	-	(41,050,911)
Actuarial loss on defined benefit liability from associates	-	-	-	(1,775,646)	(1,775,646)	-	(1,775,646)
Actuarial loss on defined benefit liability	-	-	-	(3,365,440)	(3,365,440)	-	(3,365,440)
<b>Total comprehensive loss for the year</b>	-	-	(42,084,229)	(266,422,879)	(308,507,108)	-	(308,507,108)
<b>Transactions with equityholders of the Parent Company</b>							
Dividends	-	-	-	(5,615,725)	(5,615,725)	-	(5,615,725)
Issuance of share capital	287,794,622	-	-	-	287,794,622	-	287,794,622
Capital contribution for incorporation of a subsidiary	-	-	-	-	-	200	200
Acquisition of treasury shares	-	(25,014,973)	-	-	(25,014,973)	-	(25,014,973)
<b>Total transactions with equityholders of the Parent Company</b>	287,794,622	(25,014,973)	-	(5,615,725)	257,163,924	200	257,164,124
<b>Balance at December 31, 2011</b>	414,979,602	(34,107,596)	(8,135,102)	168,731,333	541,468,237	200	541,468,437
<b>Balance at January 1, 2012</b>	414,979,602	(34,107,596)	(8,135,102)	168,731,333	541,468,237	200	541,468,437
<b>Total comprehensive income</b>							
Loss for the year	-	-	-	(271,010,079)	(271,010,079)	-	(271,010,079)
Change in value of available-for-sale financial assets	-	-	10,408,548	-	10,408,548	-	10,408,548
Other comprehensive gain of jointly controlled entities and associates	-	-	6,926,792	-	6,926,792	-	6,926,792
Actuarial loss on defined benefit liability from associates	-	-	-	649,014	649,014	-	649,014
Actuarial loss on defined benefit liability	-	-	-	(8,486,155)	(8,486,155)	-	(8,486,155)
<b>Total comprehensive gains(losses) for the year</b>	-	-	17,335,340	(278,847,220)	(261,511,880)	-	(261,511,880)
<b>Transactions with equityholders of the Parent Company</b>							
Dividends	-	-	-	(5,188,143)	(5,188,143)	-	(5,188,143)
Issuance of share capital	81,939,827	-	-	-	81,939,827	-	81,939,827
Disposal of treasury shares (Note 33)	5,727,875	34,107,596	-	-	39,835,471	-	39,835,471
<b>Total transactions with equityholders of the Parent Company</b>	87,667,702	34,107,596	-	(5,188,143)	116,587,155	-	116,587,155
<b>Balance at December 31, 2012</b>	502,647,304	-	9,200,238	(115,304,030)	396,543,512	200	396,543,712

The accompanying notes are an integral part of these consolidated financial statements.

# HYUNDAI ELEVATOR CO., LTD. and Subsidiary

## Consolidated Statements of Cash Flows

Years Ended December 31, 2012 and 2011

<i>(in thousands of Korean won)</i>	<b>2012</b>	<b>2011</b>
<b>Cash flows from operating activities</b>		
Cash generated from operations	115,459,640	(37,086,350)
Interest received	8,511,723	5,893,406
Interest paid	(23,190,768)	(24,450,000)
Dividends received	412,781	17,059,078
Income tax paid	(1,813,808)	(7,996,388)
<b>Net cash generated from (used in) operating activities</b>	<u>99,379,568</u>	<u>(46,580,254)</u>
<b>Cash flows from investing activities</b>		
Decrease in short-term financial instruments	32,985,027	-
Decrease in available-for-sale financial assets	39,287	1,506,834
Decrease in held-to-maturity financial instruments	103,755	148,380
Proceeds from disposal of guarantee deposits	31,454,862	5,307,558
Proceeds from disposal of investment property	26,228,670	303,875
Proceeds from disposal of derivative financial assets	9,030,923	893,579
Proceeds from disposal of property, plant and equipment	19,959,664	384,479
Increase in short-term financial instruments	-	(32,985,027)
Increase in held-to-maturity financial instruments	(87,540)	(111,965)
Increase in available-for-sale financial assets	(505,100)	(914,000)
Acquisition of long-term financial instruments	(3,000)	-
Acquisition of associates	(89,174,952)	(46,323,436)
Increase in guarantee deposits	(59,945,153)	(58,443,970)
Acquisition of investment property	(431,987)	(474,658)
Acquisition of property, plant and equipment	(3,945,437)	(4,624,242)
Acquisition of intangible assets	-	(875,403)
Increase in long-term loans	(11,720,000)	-
Decrease of derivative financial liabilities	(53,561,594)	(27,058,389)
<b>Net cash used in investing activities</b>	<u>(99,572,575)</u>	<u>(163,266,385)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	9,000,000	21,965,919
Issuance of debentures	149,435,500	99,605,600
Issuance of share capital	81,939,828	287,794,622
Capital contribution for incorporation	-	200
Disposal of treasury shares	41,451,025	-
Dividends paid	(5,188,954)	(5,615,564)
Repayments of borrowings	(21,010,917)	(116,264,558)
Repayments of debentures	(120,000,000)	(100,000,000)
Acquisition of treasury shares	-	(25,014,973)
<b>Net cash generated from financing activities</b>	<u>135,626,482</u>	<u>162,471,246</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	135,433,475	(47,375,393)
Cash and cash equivalents at the beginning of the year	124,564,776	171,963,636
Exchange losses on cash and cash equivalents	771	(23,467)
<b>Cash and cash equivalents at the end of the year</b>	<u>259,999,022</u>	<u>124,564,776</u>

The accompanying notes are an integral part of these consolidated financial statements.