

Samsung Electronics Co., Ltd. and its subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean Won, in thousands of U.S dollars (Note 2.1))

	Notes	For the six-months ended June 30,			
		2011	2010	2011	2010
		KRW	KRW	USD	USD
Cash flows from operating activities					
Profit for the period		6,291,102	8,270,685	5,835,360	7,671,538
Adjustments	23	7,361,716	7,161,807	6,828,417	6,642,990
Changes in operating assets and liabilities	23	(2,858,169)	(5,411,675)	(2,651,117)	(5,019,641)
Cash flows from operating activities		10,794,649	10,020,817	10,012,660	9,294,887
Interest received		379,218	241,236	351,747	223,760
Interest paid		(220,696)	(252,993)	(204,708)	(234,666)
Dividend received		346,374	285,896	321,282	265,185
Income tax paid		(2,388,238)	(1,248,264)	(2,215,229)	(1,157,837)
Net cash generated from operating activities		8,911,307	9,046,692	8,265,752	8,391,329
Cash flows from investing activities					
Net decrease(increase) in short-term financial instruments		2,361,329	(2,158,805)	2,190,269	(2,002,416)
Net decrease in short- term available-for-sale financial assets		512,412	968,848	475,292	898,662
Proceeds from disposal of long-term available-for-sale financial assets		119,713	4,916	111,041	4,560
Acquisition of long-term available-for-sale financial assets		(36,712)	(261,131)	(34,052)	(242,214)
Proceeds from disposal of associates and joint ventures		3,710	20,193	3,441	18,730
Acquisition of associates and joint ventures		(40,000)	-	(37,102)	-
Disposal of property and equipment		172,850	957,224	160,328	887,881
Purchases of property and equipment		(11,174,006)	(9,235,606)	(10,364,536)	(8,566,558)
Disposal of intangible assets		3,174	6,594	2,944	6,116
Purchases of intangible assets		(343,826)	(696,027)	(318,918)	(645,605)
Proceeds from deposits		109,871	220,619	101,912	204,637
Payment for deposits		(177,961)	(232,691)	(165,069)	(215,834)
Cash outflows from business combination		(441,959)	63,470	(409,942)	58,872
Others		(204,015)	206,942	(189,236)	191,951
Net cash used in investing activities		(9,135,420)	(10,135,454)	(8,473,628)	(9,401,218)

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	Notes	For the six-months ended June 30,			
		2011 KRW	2010 KRW	2011 USD	2010 USD
Cash flows from financing activities					
Net proceeds from short-term borrowings		(960,519)	359,362	(890,937)	333,329
Disposal of treasury stock		68,889	91,489	63,899	84,861
Proceeds from long-term borrowings		2,122,441	805,783	1,968,687	747,410
Repayment of long-term borrowings		(718,115)	(127,956)	(666,093)	(118,687)
Payment of dividends		(752,777)	(1,156,654)	(698,244)	(1,072,863)
Others		(8,740)	(17,432)	(8,110)	(16,169)
Net cash used in financing activities		(248,821)	(45,408)	(230,798)	(42,119)
Effect of exchange rate changes		(66,491)	(385,812)	(61,674)	(357,863)
Net decrease in cash and cash equivalents		(539,425)	(1,519,982)	(500,348)	(1,409,871)
Cash and cash equivalents					
Beginning of the year		9,791,419	10,149,930	9,082,106	9,414,646
End of the period		9,251,994	8,629,948	8,581,759	8,004,775

The accompanying notes form an integral part of these consolidated financial statements