

Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.3))

| | | For the three months ended March 31, | | | |
|--|--------------|---|------------------|--------------------|------------------|
| | Notes | 2016 | 2015 | 2016 | 2015 |
| | | KRW | KRW | USD | USD |
| Cash flows from operating activities | | | | | |
| Profit for the period | | 5,252,803 | 4,625,815 | 4,370,581 | 3,848,898 |
| Adjustments | 23 | 7,804,125 | 6,322,246 | 6,493,400 | 5,260,407 |
| Changes in assets and liabilities arising from operating activities | 23 | (2,293,099) | (4,896,326) | (1,907,967) | (4,073,974) |
| Cash flows from operating activities | | 10,763,829 | 6,051,735 | 8,956,014 | 5,035,331 |
| Interest received | | 407,560 | 652,650 | 339,109 | 543,036 |
| Interest paid | | (122,036) | (195,903) | (101,540) | (163,001) |
| Dividends received | | 38,124 | 52,868 | 31,721 | 43,989 |
| Income tax paid | | (2,369,187) | (1,439,358) | (1,971,275) | (1,197,614) |
| Net cash generated from operating activities | | 8,718,290 | 5,121,992 | 7,254,029 | 4,261,741 |
| Cash flows from investing activities | | | | | |
| Net decrease in short-term financial instruments | | 1,689,647 | 6,855,215 | 1,405,866 | 5,703,862 |
| Proceeds from disposal of short-term available-for-sale financial assets | | 650,743 | 747,688 | 541,449 | 622,112 |
| Acquisition of short-term available-for-sale financial assets | | (1,939,684) | - | (1,613,909) | - |
| Proceeds from disposal of long-term financial instruments | | 500,001 | 786,479 | 416,024 | 654,388 |
| Acquisition of long-term financial instruments | | (13,486) | (132,269) | (11,221) | (110,054) |
| Proceeds from disposal of long-term available-for-sale financial assets | | 253,940 | 26,596 | 211,290 | 22,129 |
| Acquisition of long-term available-for-sale financial assets | | (12,513) | (54,283) | (10,411) | (45,166) |
| Proceeds from disposal of associates and joint ventures | | 1,536,832 | 1,099 | 1,278,717 | 914 |
| Acquisition of associates and joint ventures | | (4,848) | (66,700) | (4,034) | (55,498) |
| Disposal of property, plant and equipment | | 29,891 | 94,075 | 24,871 | 78,275 |
| Purchases of property, plant and equipment | | (4,736,465) | (7,762,203) | (3,940,962) | (6,458,519) |
| Disposal of intangible assets | | 483 | 94 | 402 | 78 |
| Purchases of intangible assets | | (350,010) | (419,918) | (291,225) | (349,392) |
| Cash outflows from business combinations | | - | (411,445) | - | (342,342) |
| Others | | 4,804 | 107,350 | 3,997 | 89,320 |
| Net cash used in investing activities | | (2,390,665) | (228,222) | (1,989,146) | (189,893) |

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

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(In millions of Korean won, in thousands of US dollars (Note 2.3))

| | For the three months ended March 31, | | | |
|--|---|--------------------|--------------------|--------------------|
| Notes | 2016 | 2015 | 2016 | 2015 |
| | KRW | KRW | USD | USD |
| Cash flows from financing activities | | | | |
| Net increase(decrease) in short-term borrowings | (1,451,895) | 32,578 | (1,208,045) | 27,106 |
| Acquisition of treasury stock | (2,898,148) | (1,323,059) | (2,411,396) | (1,100,847) |
| Proceeds from long-term borrowings and debentures | 114,705 | - | 95,440 | - |
| Repayment of long-term borrowings and debentures | (28,367) | (1,306,568) | (23,603) | (1,087,126) |
| Payment of dividends | (3,921) | (457) | (3,262) | (380) |
| Net increase(decrease) in non-controlling interests | 6,057 | (27,040) | 5,040 | (22,499) |
| Net cash used in financing activities | (4,261,569) | (2,624,546) | (3,545,826) | (2,183,746) |
| Effect of exchange rate changes on cash and cash equivalents | 66,956 | (714,107) | 55,711 | (594,171) |
| Net increase in cash and cash equivalents | 2,133,012 | 1,555,117 | 1,774,768 | 1,293,931 |
| Cash and cash equivalents | | | | |
| Beginning of the period | 22,636,744 | 16,840,766 | 18,834,839 | 14,012,310 |
| End of the period | 24,769,756 | 18,395,883 | 20,609,607 | 15,306,241 |

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