Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.4))

<table>
<thead>
<tr>
<th>For the six months ended June 30,</th>
<th>Notes</th>
<th>2018 KRW</th>
<th>2017 KRW</th>
<th>2018 USD</th>
<th>2017 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>24</td>
<td>22,731,956</td>
<td>18,738,205</td>
<td>21,137,359</td>
<td>17,423,761</td>
</tr>
<tr>
<td>Adjustments</td>
<td></td>
<td>21,907,443</td>
<td>16,849,218</td>
<td>20,370,683</td>
<td>15,667,282</td>
</tr>
<tr>
<td>Changes in assets and liabilities arising from operating activities</td>
<td>24</td>
<td>(8,341,423)</td>
<td>(8,852,117)</td>
<td>(7,756,290)</td>
<td>(8,231,161)</td>
</tr>
<tr>
<td><strong>Cash generated from operations</strong></td>
<td></td>
<td>36,297,976</td>
<td>26,735,306</td>
<td>33,751,752</td>
<td>24,859,882</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td>779,529</td>
<td>855,926</td>
<td>724,847</td>
<td>795,885</td>
</tr>
<tr>
<td>Interest paid</td>
<td></td>
<td>(208,024)</td>
<td>(234,578)</td>
<td>(193,432)</td>
<td>(218,123)</td>
</tr>
<tr>
<td>Dividends received</td>
<td></td>
<td>156,669</td>
<td>116,632</td>
<td>145,679</td>
<td>108,451</td>
</tr>
<tr>
<td>Income tax paid</td>
<td></td>
<td>(7,972,024)</td>
<td>(4,449,853)</td>
<td>(7,412,804)</td>
<td>(4,137,706)</td>
</tr>
<tr>
<td><strong>Net cash inflow from operating activities</strong></td>
<td></td>
<td>29,054,126</td>
<td>23,023,433</td>
<td>27,016,042</td>
<td>21,408,389</td>
</tr>
</tbody>
</table>

| **Cash flows from investing activities** |       |           |           |          |          |
| Net decrease in short-term financial instruments |       | 1,212,089 | 14,228,691 | 1,127,064 | 13,230,579 |
| Disposal of short-term available-for-sale financial assets |       | - | 141,491 | - | 131,566 |
| Acquisition of short-term financial assets at amortized cost |       | (617,411) | - | (574,101) | - |
| Disposal of long-term financial instruments |       | 116,265 | 18,427 | 108,109 | 17,134 |
| Acquisition of long-term financial instruments |       | (1,571,571) | (632,632) | (1,461,329) | (588,254) |
| Disposal of long-term available-for-sale financial assets |       | - | 158,960 | - | 147,809 |
| Acquisition of long-term available-for-sale financial assets |       | - | (149,752) | - | (139,247) |
| Acquisition of financial assets at amortized cost |       | (158,716) | - | (147,582) | - |
| Disposal of financial assets at fair value through other comprehensive income |       | 2,230 | - | 2,074 | - |
| Acquisition of financial assets at fair value through other comprehensive income |       | (317,963) | - | (295,659) | - |
| Disposal of financial assets at fair value through profit or loss |       | 33,536 | - | 31,184 | - |
| Acquisition of financial assets at fair value through profit or loss |       | (78,004) | - | (72,532) | - |
| Disposal of investment in associates and joint ventures |       | 148 | 356,087 | 138 | 331,108 |
| Acquisition of investment in associates and joint ventures |       | (17,137) | (12,850) | (15,935) | (11,949) |
| Disposal of property, plant and equipment |       | 318,599 | 74,551 | 296,250 | 69,321 |
| Acquisition of property, plant and equipment |       | (18,102,717) | (21,144,265) | (16,832,851) | (19,661,041) |
| Disposal of intangible assets |       | 10,004 | 889 | 9,302 | 827 |
| Acquisition of intangible assets |       | (477,055) | (410,758) | (443,591) | (381,944) |
| Cash outflow from business combinations |       | (19,140) | (8,624,973) | (17,797) | (8,019,950) |
| Other |       | 111,768 | (106,588) | 103,927 | (99,110) |
| **Net cash outflow from investing activities** |       | (19,555,075) | (16,102,722) | (18,183,329) | (14,973,151) |

The above interim consolidated statements of cash flows should be read in conjunction with the accompanying notes.
Samsung Electronics Co., Ltd. and its subsidiaries

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.4))

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<tr>
<th>Notes</th>
<th>For the six months ended June 30, 2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KRW</td>
<td>KRW</td>
<td>USD</td>
<td>USD</td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net decrease (increase) in short-term borrowings</td>
<td>(2,845,304)</td>
<td>289,091</td>
<td>(2,645,712)</td>
<td>268,812</td>
</tr>
<tr>
<td>Acquisition of treasury stock</td>
<td>(875,111)</td>
<td>(4,214,232)</td>
<td>(813,724)</td>
<td>(3,918,613)</td>
</tr>
<tr>
<td>Proceeds from long-term borrowings and debentures</td>
<td>3,410</td>
<td>692,445</td>
<td>3,171</td>
<td>643,871</td>
</tr>
<tr>
<td>Repayment of long-term borrowings and debentures</td>
<td>(267,750)</td>
<td>(1,121,754)</td>
<td>(248,968)</td>
<td>(1,043,065)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(5,338,747)</td>
<td>(4,823,973)</td>
<td>(4,964,245)</td>
<td>(4,485,582)</td>
</tr>
<tr>
<td>Net increase in non-controlling interests</td>
<td>3,056</td>
<td>7,017</td>
<td>2,841</td>
<td>6,525</td>
</tr>
<tr>
<td>Net cash outflow from financing activities</td>
<td>(9,320,446)</td>
<td>(9,171,406)</td>
<td>(8,666,637)</td>
<td>(8,528,052)</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>638,487</td>
<td>(853,661)</td>
<td>593,699</td>
<td>(793,778)</td>
</tr>
<tr>
<td>Net increase (decrease) in cash and cash equivalents</td>
<td>817,092</td>
<td>(3,104,356)</td>
<td>759,775</td>
<td>(2,886,592)</td>
</tr>
</tbody>
</table>

Cash and cash equivalents

| Beginning of the period | 30,545,130 | 32,111,442 | 28,402,455 | 29,858,894 |
| End of the period | 31,362,222 | 29,007,086 | 29,162,230 | 26,972,302 |

The above interim consolidated statements of cash flows should be read in conjunction with the accompanying notes.