

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

(In millions of Korean won, in thousands of U.S. dollars (Note 2.27))

| | Notes | For the years ended December 31, | | | |
|-------------------------------------------------------------------------|-------|----------------------------------|--------------|--------------|--------------|
| | | 2011 KRW | 2010 KRW | 2011 USD | 2010 USD |
| Cash flows from operating activities | | | | | |
| Profit for the year | | 13,734,067 | 16,146,525 | 11,908,495 | 14,000,282 |
| Adjustments | 29 | 16,475,605 | 14,088,323 | 14,285,620 | 12,215,662 |
| Changes in operating assets and liabilities | 29 | (4,057,345) | (5,668,035) | (3,518,031) | (4,914,623) |
| Cash flows from operating activities | | 26,152,327 | 24,566,813 | 22,676,084 | 21,301,321 |
| Interest received | | 755,859 | 457,508 | 655,388 | 396,695 |
| Interest paid | | (641,462) | (582,292) | (556,197) | (504,892) |
| Dividend received | | 628,585 | 1,520,037 | 545,032 | 1,317,989 |
| Income tax paid | | (3,977,408) | (2,135,287) | (3,448,719) | (1,851,458) |
| Net cash generated from Operating activities | | 22,917,901 | 23,826,779 | 19,871,588 | 20,659,655 |
| Cash flows from investing activities | | | | | |
| Net decrease(increase) in short-term financial instruments | | 75,666 | (2,991,820) | 65,608 | (2,594,139) |
| Net decrease in short-term available-for-sale financial assets | | 518,479 | 981,599 | 449,561 | 851,122 |
| Proceeds from disposal of long-term available-for-sale financial assets | | 415,096 | 9,207 | 359,920 | 7,983 |
| Acquisition of long-term available-for-sale financial assets | | (419,678) | (414,978) | (363,893) | (359,818) |
| Proceeds from disposal of associates and joint ventures | | 306,804 | 277,907 | 266,023 | 240,967 |
| Acquisition of associates and joint ventures | | (403,538) | (243) | (349,899) | (211) |
| Disposal of property and equipment | | 379,878 | 1,228,007 | 329,384 | 1,064,777 |
| Purchases of property and equipment | | (21,965,678) | (21,619,244) | (19,045,936) | (18,745,551) |
| Disposal of intangible assets | | 9,703 | 16,620 | 8,413 | 14,411 |
| Purchases of intangible assets | | (663,678) | (1,259,895) | (575,460) | (1,092,426) |
| Proceeds from deposits | | 461,454 | 366,304 | 400,116 | 317,614 |
| Payment for deposits | | (594,067) | (420,986) | (515,102) | (365,027) |
| Cash inflows(outflows) from business combination | | (522,740) | 47,549 | (453,256) | 41,229 |
| Cash inflows from disposal of business | | 925,454 | 179,437 | 802,440 | 155,586 |
| Others | | 364,281 | (384,341) | 315,860 | (333,253) |
| Net cash used in investing activities | | (21,112,564) | (23,984,877) | (18,306,221) | (20,796,736) |

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| Notes | For the years ended December 31, | | | |
|--------------------------------------------------------------|----------------------------------|--------------------|--------------------|--------------------|
| | 2011 KRW | 2010 KRW | 2011 USD | 2010 USD |
| Cash flows from financing activities | | | | |
| Net proceeds from short-term borrowings | 977,315 | 868,156 | 847,407 | 752,758 |
| Disposal of treasury stock | 160,827 | 184,291 | 139,449 | 159,795 |
| Proceeds from debentures and long-term borrowings | 3,925,406 | 1,137,646 | 3,403,630 | 986,427 |
| Repayment of debentures and long-term borrowings | (1,145,167) | (304,074) | (992,948) | (263,656) |
| Payment of dividends | (874,608) | (1,917,637) | (758,353) | (1,662,739) |
| Others | 65,956 | (120,677) | 57,189 | (104,636) |
| Net cash provided by (used in) financing activities | 3,109,729 | (152,295) | 2,696,374 | (132,051) |
| Effect of exchange rate changes on cash and cash equivalents | (14,724) | (48,118) | (12,767) | (41,722) |
| Net increase (decrease) in cash and cash equivalents | 4,900,342 | (358,511) | 4,248,974 | (310,854) |
| Cash and cash equivalents | | | | |
| Beginning of the year | 9,791,419 | 10,149,930 | 8,489,915 | 8,800,769 |
| End of the year | 14,691,761 | 9,791,419 | 12,738,889 | 8,489,915 |

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