

**Samsung Electronics Co., Ltd. and its subsidiaries**

**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

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

|   |              | <b>For the six-months ended June 30,</b> |              |              |              |
|---|--------------|--|--------------|--------------|--------------|
|   | <b>Notes</b> | <b>2014</b>                              | <b>2013</b>  | <b>2014</b>  | <b>2013</b>  |
| <b>Cash flows from operating activities</b>                               |              | KRW                                      | KRW          | USD          | USD          |
| Profit for the period   |              | 13,825,222                               | 14,928,752   | 13,628,965   | 14,716,830   |
| Adjustments   | 23           | 11,442,741                               | 12,276,969   | 11,280,305   | 12,102,690   |
| Changes in assets and liabilities arising from operating activities       | 23           | (1,877,559)                              | (2,349,434)  | (1,850,906)  | (2,316,082)  |
| Cash flows from operating activities                                      |              | 23,390,404                               | 24,856,287   | 23,058,364   | 24,503,438   |
| Interest received   |              | 711,648                                  | 464,986      | 701,546      | 458,385      |
| Interest paid   |              | (218,750)                                | (230,983)    | (215,646)    | (227,704)    |
| Dividend received   |              | 1,428,764                                | 262,730      | 1,408,482    | 259,000      |
| Income tax paid   |              | (4,184,614)                              | (3,935,076)  | (4,125,211)  | (3,879,215)  |
| <b>Net cash generated from operating activities</b>                       |              | 21,127,452                               | 21,417,944   | 20,827,535   | 21,113,904   |
| <b>Cash flows from investing activities</b>                               |              |  |              |              |              |
| Net increase in short-term financial instruments                          |              | (5,204,979)                              | (10,023,279) | (5,131,091)  | (9,880,993)  |
| Net (increase) decrease in short-term available-for-sale financial assets |              | (457,203)                                | 17,411       | (450,713)    | 17,164       |
| Proceeds from disposal of long-term available-for-sale financial assets   |              | 147,449                                  | 9,794        | 145,356      | 9,655        |
| Acquisition of long-term available-for-sale financial assets              |              | (5,714,917)                              | (299,355)    | (5,633,790)  | (295,105)    |
| Proceeds from disposal of associates and joint ventures                   |              | 2,014,430                                | 240          | 1,985,834    | 237          |
| Acquisition of associates and joint ventures                              |              | (570,867)                                | (21,034)     | (562,763)    | (20,735)     |
| Disposal of property and equipment  |              | 205,937                                  | 152,871      | 203,014      | 150,701      |
| Purchases of property and equipment                                       |              | (10,616,583)                             | (8,873,039)  | (10,465,874) | (8,747,081)  |
| Disposal of intangible assets   |              | 7,599                                    | 851          | 7,491        | 839          |
| Purchases of intangible assets  |              | (510,658)                                | (454,324)    | (503,409)    | (447,875)    |
| Cash outflows from business combination                                   |              | -  | (167,155)    | -            | (164,782)    |
| Others  |              | (1,075,189)                              | (1,202,037)  | (1,059,927)  | (1,184,975)  |
| <b>Net cash used in investing activities</b>                              |              | (21,774,981)                             | (20,859,056) | (21,465,872) | (20,562,950) |

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

**Samsung Electronics Co., Ltd. and its subsidiaries**  
**INTERIM 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, |                    |                   |                    |
|---|-------|-----------------------------------|--------------------|-------------------|--------------------|
|   |       | 2014                              | 2013               | 2014              | 2013               |
|   |       | KRW                               | KRW                | USD               | USD                |
| <b>Cash flows from financing activities</b>                     |       |                                   |                    |                   |                    |
| Net increase(decrease)  |       |                                   |                    |                   |                    |
| in short-term borrowings  |       | 3,071,633                         | (54,493)           | 3,028,029         | (53,719)           |
| Disposal of treasury stock                                      |       | 27,582                            | 13,262             | 27,190            | 13,074             |
| Proceeds from long-term borrowings<br>and debentures            |       | 1,739,653                         | 26,672             | 1,714,958         | 26,293             |
| Repayment of long-term borrowings<br>and debentures             |       | (1,655,995)                       | (1,332,557)        | (1,632,487)       | (1,313,641)        |
| Payment of dividends  |       | (2,084,004)                       | (1,134,535)        | (2,054,420)       | (1,118,430)        |
| Net increase(decrease) in non-controlling<br>interests          |       | (489)                             | 285,514            | (482)             | 281,461            |
| <b>Net cash generated(used) in financing<br/>activities</b>     |       | <b>1,098,380</b>                  | <b>(2,196,137)</b> | <b>1,082,788</b>  | <b>(2,164,962)</b> |
| Effect of exchange rate changes<br>on cash and cash equivalents |       | (678,057)                         | 770,312            | (668,432)         | 759,378            |
| <b>Net decrease in cash and cash equivalents</b>                |       | <b>(227,206)</b>                  | <b>(866,937)</b>   | <b>(223,981)</b>  | <b>(854,630)</b>   |
| <b>Cash and cash equivalents</b>                                |       |                                   |                    |                   |                    |
| <b>Beginning of the period</b>                                  |       | <b>16,284,780</b>                 | <b>18,791,460</b>  | <b>16,053,608</b> | <b>18,524,704</b>  |
| <b>End of the period</b>  |       | <b>16,057,574</b>                 | <b>17,924,523</b>  | <b>15,829,627</b> | <b>17,670,074</b>  |

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