

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))

	Notes	For the six months ended June 30,			
		2018 KRW	2017 KRW	2018 USD	2017 USD
<b>Cash flows from operating activities</b>					
Profit for the period		22,731,956	18,738,205	21,137,359	17,423,761
Adjustments	24	21,907,443	16,849,218	20,370,683	15,667,282
Changes in assets and liabilities arising from operating activities	24	(8,341,423)	(8,852,117)	(7,756,290)	(8,231,161)
<b>Cash generated from operations</b>		<b>36,297,976</b>	<b>26,735,306</b>	<b>33,751,752</b>	<b>24,859,882</b>
Interest received		779,529	855,926	724,847	795,885
Interest paid		(208,024)	(234,578)	(193,432)	(218,123)
Dividends received		156,669	116,632	145,679	108,451
Income tax paid		(7,972,024)	(4,449,853)	(7,412,804)	(4,137,706)
<b>Net cash inflow from operating activities</b>		<b>29,054,126</b>	<b>23,023,433</b>	<b>27,016,042</b>	<b>21,408,389</b>
<b>Cash flows from investing activities</b>					
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)
<b>Net cash outflow from investing activities</b>		<b>(19,555,075)</b>	<b>(16,102,722)</b>	<b>(18,183,329)</b>	<b>(14,973,151)</b>

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))*

	Notes	For the six months ended June 30,			
		2018	2017	2018	2017
		KRW	KRW	USD	USD
<b>Cash flows from financing activities</b>					
Net decrease (increase) in short-term borrowings		(2,845,304)	289,091	(2,645,712)	268,812
Acquisition of treasury stock		(875,111)	(4,214,232)	(813,724)	(3,918,613)
Proceeds from long-term borrowings and debentures		3,410	692,445	3,171	643,871
Repayment of long-term borrowings and debentures		(267,750)	(1,121,754)	(248,968)	(1,043,065)
Dividends paid		(5,338,747)	(4,823,973)	(4,964,245)	(4,485,582)
Net increase in non-controlling interests		3,056	7,017	2,841	6,525
<b>Net cash outflow from financing activities</b>		<b>(9,320,446)</b>	<b>(9,171,406)</b>	<b>(8,666,637)</b>	<b>(8,528,052)</b>
Effect of exchange rate changes on cash and cash equivalents		638,487	(853,661)	593,699	(793,778)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>817,092</b>	<b>(3,104,356)</b>	<b>759,775</b>	<b>(2,886,592)</b>
<b>Cash and cash equivalents</b>					
<b>Beginning of the period</b>		<b>30,545,130</b>	<b>32,111,442</b>	<b>28,402,455</b>	<b>29,858,894</b>
<b>End of the period</b>		<b>31,362,222</b>	<b>29,007,086</b>	<b>29,162,230</b>	<b>26,972,302</b>

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