

**Doosan Corporation and subsidiaries**  
**Consolidated statements of cash flows**  
**for the years ended December 31, 2017 and 2016**  
(Korean won)

	Notes	2017	2016
<b>Cash flows from operating activities</b>			
Cash generated from operating activities:	36		
Profit for the period		₩ 45,949,110,933	₩ 50,416,443,790
Adjustments		2,155,587,737,423	1,645,871,041,886
Changes in operating assets and liabilities		<u>(954,300,569,657)</u>	<u>3,321,184,089</u>
		1,247,236,278,699	1,699,608,669,765
Interest received		60,864,969,310	52,099,292,667
Interest paid		(520,233,613,971)	(557,074,872,006)
Dividends received		7,367,751,616	4,767,068,386
Income tax paid		<u>(118,213,611,720)</u>	<u>(274,419,056,146)</u>
<b>Net cash provided by operating activities</b>		<b><u>677,021,773,934</u></b>	<b><u>924,981,102,666</u></b>
<b>Cash flows from investing activities</b>			
Cash inflows from investing activities:			
Decrease of short-term financial instruments		-	165,414,798,057
Disposal of short-term investment securities		219,697,745,764	-
Decrease in short-term loans		36,996,594,182	36,452,361,586
Decrease in long-term financial instruments		3,823,052,944	63,629,232,758
Disposal of long-term investment securities		86,185,277,209	305,004,879,784
Decrease in long-term loans		182,744,230,184	231,320,041,173
Disposal of investment in subsidiaries		37,756,392,584	247,604,112,255
Disposal of investments in associates and joint ventures		11,956,095,577	1,778,212,049
Disposal of property, plant and equipment		57,724,089,208	47,041,962,620
Disposal of intangible assets		7,640,687,129	4,099,399,623
Disposal of investment properties		64,884,198,399	27,479,839,088
Net cash flow from transfer of business		-	1,087,081,544,576
Disposal of assets classified as held for sale		29,078,999,531	84,419,819,225
Changes in other investing activities		<u>1,176,957,951</u>	<u>23,931,785,800</u>
		739,664,320,662	2,325,257,988,594
Cash outflows from investing activities:			
Increase in short-term financial instruments		11,702,136,736	-
Acquisition of short-term investment securities		149,999,116,631	92,766,895,939
Increase in long-term financial instruments		10,457,668,189	16,897,050,169
Acquisition of long-term investment securities		22,550,139,160	132,405,939,263
Increase in long-term loans		319,045,108,093	185,627,349,716
Acquisition of investments in associates and joint ventures		10,673,022,000	9,970,297,060
Acquisition of investment in subsidiaries		65,720,782,363	31,841,144,402
Acquisition of property, plant and equipment		394,795,154,967	504,261,087,789
Acquisition of intangible assets		308,850,381,966	278,650,836,198
Acquisition of investment properties		450,751,520	6,862,006,712
Acquisition of assets classified as held for sale		1,442,031,725	-
Business transfer		-	4,573,742,849
Changes in other investing activities		<u>-</u>	<u>216,722,833</u>
		<u>(1,295,686,293,350)</u>	<u>(1,264,073,072,930)</u>
<b>Net cash provided by (used in) investing activities</b>		<b><u>(556,021,972,688)</u></b>	<b><u>1,061,184,915,664</u></b>

(Continued)

**Doosan Corporation and subsidiaries**  
**Consolidated statements of cash flows**  
**for the years ended December 31, 2017 and 2016 (cont'd)**

(Korean won)

	Notes	2017	2016
<b>Cash flows from financing activities</b>			
Cash inflows from financing activities:			
Increase in short-term borrowings	₩	550,075,158,664	₩ -
Increase in asset-backed loans		1,492,932,369,119	714,113,619,260
Issuance of bonds		2,357,148,224,615	1,089,612,124,749
Increase in long-term borrowings		1,513,465,614,647	868,920,300,927
Exercise of stock option		125,914,000	-
Capital increase by issuing new shares of subsidiaries		-	694,701,094
Exercise of warrants of subsidiaries		112,830,400	182,305,200
Disposal of treasury stock in subsidiaries		-	160,218,812,676
Disposal of subsidiaries' investment securities		133,721,600,000	325,707,840,215
Changes in other financing activities		365,158,422	433,775,000
		<u>6,047,946,869,867</u>	<u>3,159,883,479,121</u>
Cash outflows from financing activities:			
Decrease in short-term borrowings		-	626,767,529,777
Decrease in asset-backed loans		1,386,950,000,000	682,900,000,000
Repayment of bonds		1,556,721,537,357	1,642,848,768,050
Repayment of convertible bonds		-	165,613,101,598
Repayment of long-term borrowings		2,033,942,828,591	1,554,890,671,535
Repayment of financial lease liabilities		9,609,537,173	10,605,066,503
Bonus issuance of subsidiaries		1,645,480	2,860,448
Acquisition of treasury stock		-	27,766,879,570
Payment of dividends		166,111,458,185	204,573,360,851
Payment of dividends on capital securities		26,656,014,920	27,324,067,184
Additional acquisition of investments in subsidiaries		7,373,203,868	458,033,551,059
Acquisition of treasury stock in subsidiaries		167,738,853	12,326,365,036
Repayment of capital securities		570,521,500,000	-
		<u>(5,758,055,464,427)</u>	<u>(5,413,652,221,611)</u>
<b>Net cash provided by (used in) financing activities</b>		<u><b>289,891,405,440</b></u>	<u><b>(2,253,768,742,490)</b></u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>(85,610,227,921)</b>	<b>(45,683,995,139)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>325,280,978,765</b>	<b>(313,286,719,299)</b>
<b>Cash and cash equivalents, beginning of the year</b>		<b>2,019,319,318,331</b>	<b>2,332,606,037,630</b>
<b>Cash and cash equivalents, end of the year</b>	<u>₩</u>	<u><b>2,344,600,297,096</b></u>	<u>₩</u> <u><b>2,019,319,318,331</b></u>

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