

Doosan Corporation and its subsidiaries
Consolidated statements of cash flow
for the years ended December 31, 2018 and 2017

(Korean won)

	Notes	2018	2017
Cash flows from operating activities			
Cash generated from operating activities:	36		
Profit (loss) for the year		₩ (340,510,994,514)	₩ 45,949,110,933
Adjustments		2,294,576,298,861	2,155,587,737,423
Changes in operating assets and liabilities		<u>(299,659,338,989)</u>	<u>(954,300,569,657)</u>
		1,654,405,965,358	1,247,236,278,699
Interest received		52,894,921,686	60,864,969,310
Interest paid		(520,678,018,777)	(520,233,613,971)
Dividends received		6,131,074,238	7,367,751,616
Income tax paid		<u>(170,862,947,484)</u>	<u>(118,213,611,720)</u>
Net cash flows from operating activities		<u>1,021,890,995,021</u>	<u>677,021,773,934</u>
Cash flows from investing activities			
Cash inflows from investing activities:			
Disposal of short-term investment securities		200,977,779,377	219,697,745,764
Decrease in short-term loans		40,234,589,282	36,996,594,182
Decrease in long-term financial instruments		26,546,592,648	3,823,052,944
Disposal of long-term investment securities		14,396,075,445	86,185,277,209
Decrease in long-term loans		139,372,222,152	182,744,230,184
Disposal of investments in subsidiaries		18,190,238,952	37,756,392,584
Disposal of investments in associates and joint ventures		11,804,517,500	11,956,095,577
Disposal of property, plant and equipment		36,706,994,068	57,724,089,208
Disposal of intangible assets		3,788,564,450	7,640,687,129
Disposal of investment properties		-	64,884,198,399
Disposal of assets held for sale		-	29,078,999,531
Changes in other investing activities		<u>-</u>	<u>1,176,957,951</u>
		492,017,573,874	739,664,320,662
Cash outflows from investing activities:			
Increase in short-term financial instruments		120,431,705,357	11,702,136,736
Acquisition of short-term investment securities		80,025,034,640	149,999,116,631
Increase in long-term financial instruments		74,883,814,919	10,457,668,189
Acquisition of long-term investment securities		39,738,983,624	22,550,139,160
Increase in long-term loans		286,671,129,881	319,045,108,093
Acquisition of investments in associates and joint ventures		95,313,389,188	10,673,022,000
Acquisition of investments in subsidiaries		-	65,720,782,363
Acquisition of property, plant and equipment		384,081,509,067	394,795,154,967
Acquisition of intangible assets		336,396,271,637	308,850,381,966
Acquisition of investment properties		2,020,843,087	450,751,520
Acquisition of assets held for sale		-	1,442,031,725
Acquisition of Business		3,628,065,810	-
Changes in other investing activities		<u>11,907,323,457</u>	<u>-</u>
		<u>(1,435,098,070,667)</u>	<u>(1,295,686,293,350)</u>
Net cash flows used in investing activities		<u>(943,080,496,793)</u>	<u>(556,021,972,688)</u>

(Continued)

Doosan Corporation and its subsidiaries
Consolidated statements of cash flow
for the years ended December 31, 2018 and 2017 (cont'd)
(Korean won)

Cash flows from financing activities	Notes	2018	2017
Cash inflows from financing activities:			
Increase in short-term borrowings	₩	-	₩ 550,075,158,664
Increase in asset-backed loans		2,047,500,000,000	1,492,932,369,119
Increase in long-term asset-backed loans		337,112,406,111	-
Issuance of bonds		1,074,653,665,909	2,357,148,224,615
Increase in long-term borrowings		2,766,197,282,126	1,513,465,614,647
Exercise of stock options		-	125,914,000
Exercise of stock warrants of subsidiaries		31,647,475,060	112,830,400
Disposal of part of investments by subsidiaries		507,593,227,099	133,721,600,000
Changes in other financing activities		-	365,158,422
		<u>6,764,704,056,305</u>	<u>6,047,946,869,867</u>
Cash outflows from financing activities:			
Decrease in short-term borrowings		1,124,794,106,878	-
Decrease in asset-backed loans		2,204,081,747,692	1,386,950,000,000
Repayment of bonds		1,343,059,134,384	1,556,721,537,357
Repayment of long-term borrowings		1,474,238,855,134	2,033,942,828,591
Repayment of finance lease liabilities		11,502,834,836	9,609,537,173
Increase of capital share without consideration by subsidiaries		-	1,645,480
Decrease of stock options		877,900	-
Payment of dividends		242,420,079,677	166,111,458,185
Payment of dividends on hybrid bonds		-	26,656,014,920
Additional acquisition of investments in subsidiaries		-	7,373,203,868
Acquisition of treasury stocks in subsidiaries		135,234,686	167,738,853
Capital share issue costs in subsidiaries		8,247,908,039	-
Repayment of hybrid bonds		345,431,018,268	570,521,500,000
		<u>(6,753,911,797,494)</u>	<u>(5,758,055,464,427)</u>
Net cash flows provided by financing activities		<u>10,792,258,811</u>	<u>289,891,405,440</u>
Effects of exchange rate changes on cash and cash equivalents		<u>21,986,315,836</u>	<u>(85,610,227,921)</u>
Net increase in cash and cash equivalents		<u>111,589,072,875</u>	<u>325,280,978,765</u>
Cash and cash equivalents, beginning of the year		<u>2,344,600,297,096</u>	<u>2,019,319,318,331</u>
Cash and cash equivalents, end of the year	₩	<u>2,456,189,369,971</u>	<u>₩ 2,344,600,297,096</u>

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