

**Doosan Corporation**  
**Separate Statements of Cash Flows**  
**Years Ended December 31, 2016 and 2015**

<i>(in Korean won)</i>	Note	2016	2015
<b>Cash flows from operating activities</b>			
Cash generated from operating activities:	36		
Profit for the period		W 153,802,056,181	W 123,323,659,813
Adjustments		(45,950,672,776)	41,356,222,442
Changes in operating assets and liabilities		<u>(49,874,632,324)</u>	<u>56,199,935</u>
		57,976,751,081	164,736,082,190
Interests received		5,593,864,430	3,343,697,097
Interests paid		(38,365,658,250)	(37,144,771,337)
Dividends received		180,905,238,078	112,813,923,862
Income taxes paid		<u>(38,944,027,848)</u>	<u>(33,309,303,764)</u>
<b>Net cash inflow from operating activities</b>		<u>167,166,167,491</u>	<u>210,439,628,048</u>
<b>Cash flows from investing activities</b>			
Cash inflows from investing activities:			
Decrease in short-term financial instruments		20,000,000	2,000,000,000
Disposal of short-term investment securities		-	7,000,000,000
Decrease in short-term loans		217,532,880	154,086,920
Decrease in long-term financial instruments		-	2,500,000
Disposal of long-term investment securities		-	1,857,201,132
Disposal of investment in subsidiaries		2,321,569,659	39,449,260
Disposal of property, plant and equipment		2,747,985,363	3,865,211,626
Disposal of intangible assets		189,843,709	-
Disposal of investment properties		8,403,449,947	34,069,281,263
Decrease in long-term loans		1,409,657,963	1,135,323,705
Increase in government grants		<u>1,343,373,501</u>	<u>400,879,904</u>
		<u>16,653,413,022</u>	<u>50,523,933,810</u>
Cash outflows from investing activities:			
Acquisition of long-term investment securities		337,248,287	162,500,000
Acquisition of investments in subsidiaries		67,217,094,000	60,000,000,000
Acquisition of property, plant and equipment		147,317,905,881	49,282,901,721
Acquisition of intangible assets		15,307,264,401	6,119,861,964
Increase in long-term loans		<u>53,414,100,000</u>	<u>1,999,441,863</u>
		<u>283,593,612,569</u>	<u>117,564,705,548</u>
<b>Net cash outflow from investing activities</b>		<u>(266,940,199,547)</u>	<u>(67,040,771,738)</u>
<b>Cash flows from financing activities</b>			
Cash inflows from financing activities:			
Increase in short-term borrowings		266,693,983,513	88,280,514,518
Issuance of bonds		135,000,000,000	-
Proceeds from long-term borrowings		<u>15,000,000,000</u>	<u>165,000,000,000</u>
		<u>416,693,983,513</u>	<u>253,280,514,518</u>
Cash outflows from financing activities:			
Repayment of bonds		160,000,000,000	120,000,000,000
Repayment of long-term borrowings		65,046,683,360	129,576,872,284
Repayment of financial lease liabilities		10,443,489,596	10,985,323,308
Dividends paid		<u>91,267,158,850</u>	<u>72,266,745,600</u>
		<u>326,757,331,806</u>	<u>332,828,941,192</u>
<b>Net cash inflow (outflow) from financing activities</b>		<u>89,936,651,707</u>	<u>(79,548,426,674)</u>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		(534,624,238)	389,097
<b>Net increase (decrease) in cash and cash equivalents</b>		(10,372,004,587)	63,850,818,733
<b>Cash and cash equivalents at the beginning of the year</b>		166,196,173,370	102,345,354,637
<b>Cash and cash equivalents at the end of the year</b>		<u>W 155,824,168,783</u>	<u>W 166,196,173,370</u>

The above separate statements of cash flows should be read in conjunction with the accompanying notes.