

Doosan Corporation and Subsidiaries
Consolidated Statements of Cash Flows
Years Ended December 31, 2016 and 2015

<i>(in Korean won)</i>	Note	2016	2015
Cash flows from operating activities			
Cash generated from operating activities:	36		
Profit (loss) for the period		₩ 50,416,443,790	₩ (1,700,809,954,280)
Adjustments		1,645,871,041,886	3,051,788,125,271
Changes in operating assets and liabilities		3,321,184,089	(616,736,908,556)
		<u>1,699,608,669,765</u>	<u>734,241,262,435</u>
Interests received		52,099,292,667	45,793,627,378
Interests paid		(557,074,872,006)	(636,063,143,146)
Dividends received		4,767,068,386	3,928,381,230
Income taxes paid		(274,419,056,146)	(165,669,826,876)
Net cash inflow (outflow) from operating activities		<u>924,981,102,666</u>	<u>(17,769,698,979)</u>
Cash flows from investing activities			
Cash inflows from investing activities:			
Decrease of short-term financial instruments		165,414,798,057	142,213,619,030
Disposal of short-term investment securities		-	83,543,756,781
Decrease in short-term loans		36,452,361,586	-
Decrease in long-term financial instruments		63,629,232,758	11,164,950,670
Disposal of long-term investment securities		305,004,879,784	17,624,859,170
Decrease in long-term loans		231,320,041,173	133,628,693,543
Disposal of investment in subsidiaries		247,604,112,255	126,667,468,493
Disposal of investments in associates and joint ventures		1,778,212,049	5,999,506,443
Disposal of property, plant and equipment		47,041,962,620	19,272,546,182
Disposal of intangible assets		4,099,399,623	2,548,927,707
Disposal of investment properties		27,479,839,088	1,697,101,473
Net cash flows due to business transfer		1,087,081,544,576	128,317,226,465
Disposal of assets held for sale		84,419,819,225	-
Others		23,931,785,800	-
		<u>2,325,257,988,594</u>	<u>672,678,655,957</u>
Cash outflows from investing activities:			
Increase in short-term investment securities		92,766,895,939	-
Increase in short-term loans		-	49,560,469,402
Acquisition of long-term investment securities		16,897,050,169	56,269,210,156
Increase in long-term investment securities		132,405,939,263	12,593,229,612
Increase in long-term loans		185,627,349,716	222,113,182,861
Acquisition of investments in associates and joint ventures		9,970,297,060	1,108,000,000
Acquisition of investments in subsidiaries		31,841,144,402	99,741,046,523
Acquisition of property, plant and equipment		504,261,087,789	407,476,893,300
Acquisition of intangible assets		278,650,836,198	265,452,810,249
Acquisition of investment properties		6,862,006,712	4,124,092,829
Business transfer		4,573,742,849	-
Others		216,722,833	-
		<u>1,264,073,072,930</u>	<u>1,118,438,934,932</u>
Net cash inflow (outflow) from investing activities		<u>1,061,184,915,664</u>	<u>(445,760,278,975)</u>

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<i>(in Korean won)</i>	Note	2016	2015
Cash flows from financing activities			
Cash inflows from financing activities:			
Increase in short-term borrowings, net		-	1,392,926,536,188
Increase in assets-backed loans		714,113,619,260	1,294,518,541,269
Issuance of debentures		946,593,704,001	710,193,878,690
Issuance of bonds with warrants		143,200,725,948	-
Increase in long-term borrowings		868,920,300,927	993,348,752,328
Retirement of treasury shares in subsidiaries		160,218,812,676	-
Disposal of investments in subsidiaries		325,707,840,215	-
Capital increase by subsidiaries		694,701,094	916,677,759,896
Others		433,775,000	2,198,453,571
		<u>3,159,883,479,121</u>	<u>5,309,863,921,942</u>
Cash outflows from financing activities:			
Decrease in short-term borrowings, net		626,767,529,777	-
Decrease in asset-backed loans		682,900,000,000	1,203,450,000,000
Repayment of bonds		1,642,848,768,050	748,124,548,164
Repayment of convertible notes		165,613,101,598	-
Repayment of long-term borrowings		1,554,890,671,535	1,936,885,391,479
Repayment of financial lease liabilities		10,605,066,503	11,645,601,449
Commision fee of bonus issuance of subsidiaries		2,860,448	-
Acquisition of treasury shares		27,766,879,570	59,201,998,780
Dividends paid		204,573,360,851	208,346,324,506
Dividends paid from hybrid bonds		27,324,067,184	18,500,625,000
Additional acquisition of investments in subsidiaries		458,033,551,059	-
Acquisition of treasury shares in subsidiaries		12,326,365,036	9,997,743,330
		<u>5,413,652,221,611</u>	<u>4,196,152,232,708</u>
Net cash inflow (outflow) from financing activities		<u>(2,253,768,742,490)</u>	<u>1,113,711,689,234</u>
Effects of exchange rate changes on cash and cash equivalents		(45,683,995,139)	(8,585,712,337)
Reclassificaion to assets held for sale		(3,044,188,427)	-
Net increase (decrease) in cash and cash equivalents		<u>(316,330,907,726)</u>	<u>641,595,998,943</u>
Cash and cash equivalents at the beginning of the year		2,332,606,037,630	1,691,010,038,687
Cash and cash equivalents at the end of the year		<u>W 2,016,275,129,904</u>	<u>W 2,332,606,037,630</u>

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