

S-OIL Corporation and its Subsidiary
Consolidated Statements of Cash Flows
Years ended December 31, 2016 and 2015

<i>(In millions of Korean won)</i>	Notes	2016	2015
Cash flows from operating activities			
Cash generated from operations	35	₩ 1,711,592	₩ 2,586,187
Interest received		44,023	30,579
Interest paid		(82,982)	(57,116)
Income tax paid		39,635	(89,700)
Dividends received		9,723	5,600
Net cash inflow from operating activities		<u>1,721,991</u>	<u>2,475,550</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		7,121	3,400
Proceeds from disposal of intangible assets		2,203	3,058
Decrease in other receivables		16,632	23,865
Settlement of derivative financial instruments		23,132	49,229
Decrease in other financial assets		-	731
Payments for property, plant and equipment	14	(1,063,572)	(654,448)
Payments for intangible assets	15	(8,884)	(6,109)
Payments for an associate	13	(138)	(399)
Increase in other receivables		(8,468)	(21,277)
Increase in other financial assets		(935,554)	(2,052,971)
Others		609	(146,932)
Net cash outflow from investing activities		<u>(1,966,919)</u>	<u>(2,801,853)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,032,310	698,919
Repayment of borrowings		(11,544)	(754,865)
Dividends paid		(209,641)	(128,155)
Net cash inflow (outflow) from financing activities		<u>811,125</u>	<u>(184,101)</u>
Net increase (decrease) in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year	7	201,203	711,525
Effects of exchange rate changes on cash and cash equivalents		38	82
Cash and cash equivalents at the end of the year	7	<u>₩ 767,438</u>	<u>₩ 201,203</u>

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