

Consolidated Statements of Cash Flows

(Millions of US Dollars)

	2002	Year ended December 31, 2003	2004
Operating activities:			
Net income	595	1,182	4,701
Adjustments required to reconcile net income to net cash provided by operations:			
Depreciation	266	331	553
Deferred employee benefit costs	(63)	(167)	(56)
Net foreign exchange loss (gain)	(23)	(32)	28
Deferred income tax	(32)	141	86
Gain from early extinguishment of debt	(30)	–	22
Income from equity method investment	(95)	(140)	(138)
Distribution from equity method investment	6	48	–
Loss (gain) on sale or write-off of property, plant & equipment	–	–	(19)
Minority interest	11	35	615
Other non-cash operating expenses	28	15	(8)
Changes in operating assets and liabilities, net of effects from acquisitions:			
Trade accounts receivable	(72)	–	(386)
Inventories	(119)	(18)	(1,374)
Prepaid expenses and other	(32)	(87)	(160)
Trade accounts payable	(18)	(51)	160
Accrued expenses and other liabilities	117	181	587
Net cash provided by operating activities	539	1,438	4,611
Investing activities:			
Purchase of property, plant and equipment	(265)	(421)	(898)
Proceeds from sale of assets and investments including affiliates and joint ventures	35	26	83
Investments in affiliates and joint ventures	(138)	(280)	34
Acquisition of net assets of subsidiaries, net of cash acquired	1	(21)	(19)
Restricted cash	8	(118)	2
Other	(1)	–	(3)
Net cash used in investing activities	(360)	(814)	(801)
Financing activities:			
Proceeds from payable to banks	2,400	3,646	2,258
Proceeds from long-term debt - net of debt issuance costs	184	52	1,185
Proceeds from long-term debt from an affiliate	32	94	76
Payments of payable to banks	(2,360)	(3,636)	(2,738)
Payments of long-term debt	(244)	(226)	(2,127)
Payments of long-term debt to an affiliate	–	(40)	(175)
Purchase of treasury stock	(1)	(8)	(54)
Sale of treasury stock for stock option exercises	5	–	9
Dividends (includes \$27 dividend paid to minority shareholders) in 2004	–	(164)	(763)
Net cash provided by (used in) financing activities	16	(282)	(2,329)
Net increase in cash and cash equivalents	195	342	1,481
Effect of exchange rate changes on cash	5	23	254
Cash and cash equivalents:			
At the beginning of the year	195	395	760
At the end of the year	395	760	2,495

See notes to the Consolidated Financial Statements

Consolidated Statements of Cash Flows continued

(Millions of US Dollars)

	2002	Year ended December 31, 2003	2004
Supplemental disclosures of cash flow information			
Cash paid during the year for:			
Interest - net of amounts capitalised	220	201	253
Income taxes	64	30	454
Non-cash activity:			
Deferred taxes related to comprehensive income items	153	51	46
Asset retirement impact on:			
Property	-	9	-
Debt	-	19	-
Cash dividends declared but not paid	-	-	1,650
ROS capital contributions	-	1	24

See notes to the Consolidated Financial Statements