



### Cash Flow from Operating Activities

During the year, the Group continued to generate healthy cash flow from its operations. This amounted to \$105 million before changes in working capital. Working capital increased by \$22 million mainly because of increased activities in our core businesses of ship repair, shipbuilding, rig building and ship conversion. After accounting for interest and income tax payments, net cash from operating activities amounted to \$59 million.

### Cash Flow from Investing Activities

Net cash used in investing activities amounted to \$16 million. During the year, SembCorp Marine acquired an additional 35 per cent interest in PPL Shipyard, making it an 85 per cent owned subsidiary company. The Group also purchased additional fixed assets of \$33 million to enhance its core businesses of ship repair, shipbuilding, ship conversion, rig building and offshore engineering.

### Cash Flow

The consolidated statement of cash flows of the Group is summarised below:

	2003 (\$m)	2002 (\$m)
<b>Cash flow from operating activities</b>		
Operating profit	74	90
Depreciation, amortisation and non-cash items	31	33
<b>Operating income before reinvestment in working capital</b>	<b>105</b>	<b>123</b>
Working capital changes	(22)	81
Interest received and payment of interest expense and tax	(24)	(10)
<b>Net cash provided by operating activities</b>	<b>59</b>	<b>194</b>
<b>Cash flow from investing activities</b>	<b>(16)</b>	<b>(22)</b>
Dividend paid to shareholders of the company and subsidiary companies	(72)	(71)
Cash flow from financing activities	68	(48)
<b>Cash flow from financing activities</b>	<b>(4)</b>	<b>(119)</b>
<b>Free cash flow</b>	<b>39</b>	<b>53</b>