

Consolidated Statement of Cash Flows

Year ended 31 December 2008

	Note	2008 US\$ 000	2007 US\$ 000
OPERATING ACTIVITIES			
Profit for the year		214,617	268,276
Adjustments for:			
Depreciation		2,367	1,911
Other non-cash items		374	3,435
Loss (gain) on investments carried at fair value through statement of income		92,738	(30,111)
Share of results of associated companies	21	17,834	(75,977)
Impairment loss on non-trading investments		56,651	3,831
Provision for doubtful loans, guarantees and other assets - net		16	12,306
Change in fair values of investment properties	7	1,352	(2,386)
Gain on sale of investments properties		(1,438)	-
(Gain) loss on sale of associated companies and subsidiaries	18	(346,077)	2,106
Interest income		(20,742)	(46,121)
Interest expense		67,408	81,545
Dividend income	18	(22,707)	(16,696)
Operating profit before changes in operating assets and liabilities		62,393	202,119
Changes in operating assets and liabilities:			
Time deposits with banks		26,261	(3,700)
Investments carried at fair value through statement of income		18,567	17,643
Non-trading investments		(410,409)	(54,041)
Loans and advances		284,081	4,108
Other assets		(13,888)	(24,894)
Due to banks and other financial institutions		(88,888)	(136,838)
Deposits from customers		(377,073)	46,460
Other liabilities		(18,575)	28,838
Net assets of disposal group classified as held for sale		(122,505)	-
Interest received		22,054	44,926
Interest paid		(70,575)	(73,385)
Dividends received	18	22,707	16,696
Donations		(500)	(500)
Directors' remuneration		(420)	(420)
Net cash (used in) from operating activities		(666,770)	67,012

Consolidated Statement of Cash Flows

Year ended 31 December 2008

STATEMENT OF CASH FLOWS YEAR ENDED 31 DECEMBER 2008 (Continued)

	Note	2008 US\$ 000	2007 US\$ 000
INVESTING ACTIVITIES			
Investments in associated companies - net		425,355	(137,647)
Acquisition of investment properties	7	-	(7,426)
Disposal of investment properties		3,590	646
Property and equipment - net		7,299	(6,485)
Goodwill - net		(36,244)	-
Net cash from (used in) investing activities		400,000	(150,912)
FINANCING ACTIVITIES			
Increase in loans and murabaha payable		10,522	211,150
Shares issued (including treasury shares)		(4,223)	7,974
Dividends paid		(132,520)	(69,758)
Bonds		-	(55,906)
Movement in minority interest		(38,109)	(14,223)
Net cash (used in) from financing activities		(164,330)	79,237
Foreign currency translation adjustments		24,346	34,132
NET CHANGE IN CASH AND CASH EQUIVALENTS		(406,754)	29,469
Cash and cash equivalents at 1 January		511,711	482,242
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	25	104,957	511,711

The attached explanatory notes 1 to 31 form part of these consolidated financial statements