

# Kudelski Group

## Consolidated financial statements

### Consolidated statements of cash flows for the years ended December 31, 2004 and 2003

in kCHF	Notes	2004	2003
<b>Net income</b>		<b>77 195</b>	<b>33 167</b>
Non cash items	5.1	64 079	-12 202
<b>Cash flow</b>		<b>141 274</b>	<b>20 965</b>
Change in net working capital	5.1	-59 610	20 372
<b>Operating cash flow</b>	5.1	<b>81 664</b>	<b>41 337</b>
Interest paid		-1 034	-1 096
Interest received		4 097	4 803
Taxes paid		-6 325	-5 698
<b>Net cash from operating activities</b>		<b>78 402</b>	<b>39 346</b>
Net investment in intangible assets		-19 333	-19 388
Net investment in tangible assets		-54 248	-57 835
Net investment in financial assets		-20 851	-23 370
Sale / acquisition of subsidiaries, cash inflow / outflow	5.2	-160	-366 748
<b>Net cash used in investing activities</b>		<b>-94 592</b>	<b>-467 341</b>
Change in bank overdrafts and long term loans		-14 513	-5 698
Employee share program – cash paid by employees		288	—
Repurchase of convertible bond		—	-54 371
Interest paid on convertible bond		-4 824	-6 319
Payments from minority interests		—	200
Dividends paid to minority interests		-2 264	-3 982
Acquisition of treasury shares		—	-380
<b>Net cash used in financing activities</b>		<b>-21 313</b>	<b>-70 550</b>
Effect of exchange rate changes on cash and cash equivalents		-707	-17 430
<b>Movement in cash and cash equivalents</b>		<b>-38 210</b>	<b>-515 975</b>
Cash and cash equivalents as of January 1		237 107	753 082
Cash and cash equivalents as of December 31		198 897	237 107
<b>Movement in cash and cash equivalents</b>		<b>-38 210</b>	<b>-515 975</b>