

Petrofac International Ltd

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Notes	2016 US\$'000	2015 US\$'000
OPERATING ACTIVITIES			
Profit before tax excluding exceptional items		552,295	571,700
Exceptional items	6	(39,455)	(15,698)
Profit before tax		512,840	556,002
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and write off of property, plant and equipment	8	76,590	76,197
Amortisation and write off of intangible old and gas assets	9	1,008	1,353
Provision for end of service benefits	24	22,762	22,575
Provision for doubtful debts	17	2,800	8,321
Share-based payments	21	15,658	15,983
Share of losses of joint ventures	10	499	1,206
(Gain) loss on disposal of property, plant and equipment		(428)	292
Finance income	4	(23,776)	(23,949)
Finance costs	5	49,830	20,493
Other non-cash items, net		23,164	10,530
		680,947	689,003
Working capital adjustments:			
Work in progress		(415,543)	(257,712)
Inventories		(123)	(86)
Trade and other receivables		(302,292)	73,508
Due from related parties		(32,988)	(279,209)
Other financial assets		183,410	(145,859)
Other financial liabilities		(38,292)	(5,088)
Trade and other payables		(389,271)	100,146
Due to related parties		(34,368)	(103,329)
Billings in excess of cost and estimated earnings		(154,980)	(77,367)
Accrued contract expenses		865,990	387,409
Cash generated from operations		362,490	381,416
Income tax paid		(34,056)	(33,267)
Interest paid		(4,311)	(20,424)
End of service benefits paid	24	(16,248)	(8,111)
Net cash flows from operating activities		307,875	319,614
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(141,311)	(118,831)
Proceeds from disposal of property, plant and equipment		802	104
Investment in joint ventures		-	(903)
Interest received		15,964	23,949
Net cash flows used in investing activities		(124,545)	(95,681)
FINANCING ACTIVITIES			
Financing to related parties (net)		(320,855)	(185,679)
Financing from related parties (net)		114,248	116,844
Interest bearing loans and borrowings obtained		-	978,145
Repayment of interest bearing loans and borrowings		-	(912,944)
Net cash flows used in financing activities		(206,607)	(3,634)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(23,277)	220,299
Net foreign exchange difference		(12,011)	(7,338)
Cash and cash equivalents at 1 January	18	949,833	736,872
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	18	914,545	949,833

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