

**Consolidated statements of cash flows for the years ended September 30, 2003, 2004, and 2005** € in millions

	Notes	2003	2004	2005
<b>Net income (loss)</b>		(435)	61	-312
<b>Adjustments to reconcile net income (loss) to cash provided by operating activities:</b>				
Depreciation and amortization	15/17	1,437	1,320	1,316
Acquired in-process research and development	3	6	9	-
Deferred compensation		7	2	-
Provision for (recovery of) doubtful accounts	12	(16)	15	3
Gain on sale of marketable securities	11	(56)	(9)	(8)
Loss (gain) on sale of businesses	4	10	2	(39)
Loss (gain) on disposal of property, plant and equipment		3	(5)	(8)
Equity in (earnings) losses of associated companies	16	(18)	14	(57)
Loss (gain) on associated company share issuance	16	2	(2)	-
Minority interests		(8)	(18)	(2)
Impairment charges	16/17	98	136	134
Deferred income taxes	9	16	96	88
<b>Changes in operating assets and liabilities:</b>				
Trade accounts receivable	12	(227)	(219)	119
Inventories	13	(112)	(40)	(25)
Other current assets	14	156	154	(2)
Trade accounts payable	18	(217)	228	(52)
Accrued liabilities	19	164	92	(114)
Other current liabilities	20	(17)	(22)	-
Other assets and liabilities	17/22	(62)	43	(2)
<b>Net cash provided by operating activities</b>		<b>731</b>	<b>1,857</b>	<b>1,039</b>

See accompanying notes to the consolidated financial statements.

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	Notes	2003	2004	2005
<b>Cash flows from investing activities:</b>				
Purchases of marketable securities available for sale		(2,752)	(2,678)	(2,228)
Proceeds from sale of marketable securities available for sale		2,013	2,520	3,310
Proceeds from sale of businesses		164	9	101
Business interests, net of cash acquired		6	(29)	–
Investment in associated and Related Companies	16	(76)	(386)	(135)
Dividends received from equity investments		–	–	51
Purchases of intangible assets	17	(58)	(125)	(27)
Purchases of property, plant and equipment	15	(872)	(1,163)	(1,368)
Proceeds from sales of property, plant and equipment	15	53	43	58
<b>Net cash used in investing activities</b>		<b>(1,522)</b>	<b>(1,809)</b>	<b>(238)</b>
<b>Cash flows from financing activities:</b>				
Net change in short-term debt	21	(36)	62	(20)
Net change in related party financial receivables and payables	27	(76)	75	18
Proceeds from issuance of long-term debt	21	700	–	192
Principal repayments of long-term debt	21	(25)	(549)	(500)
Change in restricted cash		3	(43)	21
Proceeds from issuance of shares to minority interest		–	53	23
<b>Net cash provided by (used in) financing activities</b>		<b>566</b>	<b>(402)</b>	<b>(266)</b>
Effect of foreign exchange rate changes on cash and cash equivalents		(4)	(7)	5
Net increase (decrease) in cash and cash equivalents		(229)	(361)	540
Net decrease in cash and cash equivalents from discontinued operation		(1)	–	–
Cash and cash equivalents at beginning of year		1,199	969	608
<b>Cash and cash equivalents at end of year</b>		<b>969</b>	<b>608</b>	<b>1,148</b>

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