

# STATEMENTS OF CASH FLOWS

For the year ended 30 June 2004

	Notes	PARENT 2004 \$m	PARENT 2003 \$m	CONSOLIDATED 2004 \$m	CONSOLIDATED 2003 \$m
<b>Cash flows from operating activities</b>					
Premium received		-	-	6,578	5,395
Reinsurance and other recoveries received		-	-	458	466
Claims costs paid		-	-	(4,168)	(3,891)
Outwards reinsurance premium paid		-	-	(474)	(348)
Dividends received		811	102	72	82
Interest and similar items received		-	-	454	385
Borrowing costs paid		-	-	(46)	(39)
Income taxes paid		(49)	-	(139)	(108)
Income tax refund		-	-	16	-
Other operating receipts		-	-	736	423
Other operating payments		-	-	(2,318)	(1,540)
<b>Net cash provided by operating activities</b>	32	<b>762</b>	102	<b>1,169</b>	825
<b>Cash flows from investing activities</b>					
Net cash flows on acquisition of controlled entities	34	(287)	-	-	(1,644)
Net cash flows on disposal of controlled entities	35	220	-	(45)	-
Proceeds from disposal of investments and plant and equipment		-	-	23,034	26,872
Return of capital by a controlled entity	34(a)	285	-	-	-
Dividend received from pre-acquisition profits of a controlled entity		-	33	-	-
Outlays for investments and plant and equipment acquired		(466)	(892)	(23,758)	(26,405)
Repayment of premium funding loans		-	-	285	126
Advances of premium funding loans		-	-	(300)	(116)
<b>Net cash used in investing activities</b>		<b>(248)</b>	(859)	<b>(784)</b>	(1,167)
<b>Cash flows from financing activities</b>					
Proceeds from issues of shares		-	1,080	-	1,080
Outlays for buy-back of shares inclusive of costs		(417)	-	(417)	-
Outlays for return of capital to outside equity interests		-	-	(56)	-
Proceeds from issues of trust units		-	-	948	578
Outlays for redemption of trust units		-	-	(567)	(673)
Proceeds from borrowings		184	-	671	1,509
Repayment of borrowings		-	(190)	(815)	(1,597)
Share issue costs paid		-	(34)	-	(34)
Dividends paid to IAG shareholders	7	(282)	(99)	(282)	(99)
Dividends paid to outside equity interests		-	-	(72)	(48)
<b>Net cash (used in) / provided by financing activities</b>		<b>(515)</b>	757	<b>(590)</b>	716
<b>Net (decrease) / increase in cash held</b>		<b>(1)</b>	-	<b>(205)</b>	374
Effects of exchange rate changes on balances of cash held in foreign currencies		-	-	3	(1)
<b>Cash at the beginning of the financial year</b>		<b>2</b>	2	<b>626</b>	253
<b>Cash at the end of the financial year</b>	33	<b>1</b>	2	<b>424</b>	626

The above statements of cash flows are to be read in conjunction with the notes to the financial statements.