

Consolidated statement of cash flows

Consolidated statement of cash flows for 2016

prepared using the indirect method

	Note	2016	2015
Cash flows from operating activities			
Net profit/(loss)		1,015,217	(263,300)
Adjustments:		1,708,766	1,810,253
Income tax	10.1	564,195	68,026
Share in net profit/(loss) of equity-accounted joint ventures	14	(2,894)	31,066
Depreciation and amortisation	9.1	1,067,894	714,568
Foreign exchange (gains)/losses		37,599	348,234
Interest and dividends		174,988	177,702
(Gain)/loss from investing activities		12,737	69,902
Impairment losses on property, plant and equipment and other intangible assets	9.4	156,459	85,817
Settlement and valuation of financial instruments	9.5; 9.6	33,511	(78,809)
(Increase) in trade receivables		(671,945)	(144,399)
(Increase)/decrease in other assets		(126,840)	54,473
(Increase)/decrease in inventories		(126,488)	719,073
Increase/(decrease) in trade payables		457,690	(460,329)
Increase in other liabilities and provisions		130,134	187,754
Increase in employee benefit obligations		1,726	37,175
Income tax paid		(70,103)	(58,884)
Net cash from operating activities		2,653,880	1,488,069
Cash flows from investing activities			
Dividends received - equity-accounted joint ventures		-	837
Dividends received from other entities		1,972	907
Interest received		11,441	16,053

Sale of property, plant and equipment and other intangible assets		28,449	23,615
Sale of organised part of business		-	2,600
Purchase of property, plant and equipment and other intangible assets		(1,243,660)	(758,582)
Cash contributions - equity-accounted joint ventures	14	(24,365)	(3,898)
Cash for the EFRA Project		433,357	(433,357)
Security deposit (margin)		(26,394)	(4,293)
Funds for future costs of decommissioning of oil and gas extraction facilities		(187,162)	(414)
Security deposit under EPCM contract for the offshore production unit in the B-8 field	16	10,620	(10,488)
Option premium payment		-	(4,907)
Settlement of derivative financial instruments		(7,435)	10,554
Other cash used in investing activities		-	(602)
Net cash from investing activities		(1,003,177)	(1,161,975)
Cash flows from financing activities			
Proceeds from bank borrowings	23.1	379,313	798,209
Proceeds from non-bank borrowings	23.2	1,155	-
Proceeds from issue of Series D shares in Grupa LOTOS S.A.		-	981,268
Cash flows attributable to changes in interests in subsidiaries not resulting in loss of control		-	(31)
Repayment of bank borrowings	23.1	(1,499,446)	(1,161,456)
Repayment of non-bank borrowings	23.2	(11,611)	(10,781)
Redemption of notes	23.3	(19,209)	(19,350)
Arrangement fees paid under credit facilities		-	(57,202)
Interest paid		(203,725)	(172,969)
Decrease in finance lease liabilities		(31,218)	(19,957)
Settlement of derivative financial instruments		183,286	(222,192)
Other cash used in financing activities		-	(820)
Net cash from financing activities		(1,201,455)	114,719
Total net cash flow		449,248	440,813

Effect of exchange rate fluctuations on cash held		3,440	3,944
Change in net cash		452,688	444,757
Cash at beginning of period		278,070	(166,687)
Cash at end of period	18	730,758	278,070

The Notes to the consolidated financial statements are an integral part of the statements.
(This is a translation of a document originally issued in Polish)