

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2005

	NOTES	PARENT 2005 \$m	PARENT 2004 \$m	CONSOLIDATED 2005 \$m	CONSOLIDATED 2004 \$m
Cash flows from operating activities					
Premium received		-	-	6,610	6,578
Reinsurance and other recoveries received		-	-	452	458
Claims costs paid		-	-	(4,179)	(4,168)
Reinsurance expense paid		-	-	(394)	(474)
Dividends received		585	811	88	72
Interest and similar items received		-	-	470	454
Borrowing costs paid		-	-	(62)	(46)
Income tax refund		-	-	4	16
Income taxes paid		(154)	(49)	(315)	(139)
Other operating receipts		-	-	1,036	1,094
Other operating payments		-	-	(2,813)	(2,676)
Net cash provided by operating activities	25	431	762	897	1,169
Cash flows from investing activities					
Net cash flows on acquisition of controlled entities	27(a)	-	(287)	(7)	-
Net cash flows on disposal of controlled entities	27(b)	-	220	-	(45)
Return of capital by a controlled entity		-	285	-	-
Proceeds from disposal of investments and property, plant and equipment		-	-	19,987	23,034
Outlays for investments and property, plant and equipment acquired		(60)	(466)	(20,126)	(23,758)
Repayment of premium funding loans		-	-	375	285
Advances of premium funding loans		-	-	(414)	(300)
Net cash used in investing activities		(60)	(248)	(185)	(784)
Cash flows from financing activities					
Outlays for share buy-back inclusive of costs		-	(417)	-	(417)
Outlays for return of capital to outside equity interests		-	-	-	(56)
Proceeds from issues of trust units		-	-	2,035	948
Outlays for redemption of trust units		-	-	(2,163)	(567)
Proceeds from issue of reset exchangeable securities, net of transaction costs		-	-	537	-
Outlays to acquire Portfolio (see note 1(aa))		-	-	(550)	-
Proceeds from other borrowings inclusive of costs		71	184	9	671
Repayment of borrowings		-	-	(9)	(815)
Dividends paid to IAG shareholders	8	(442)	(282)	(442)	(282)
Dividends paid to outside equity interests		-	-	(96)	(72)
Net cash used in financing activities		(371)	(515)	(679)	(590)
Net increase / (decrease) in cash held		-	(1)	33	(205)
Effects of exchange rate changes on balances of cash held in foreign currencies		-	-	(1)	3
Cash at the beginning of the financial year		1	2	424	626
Cash at the end of the financial year	26	1	1	456	424

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