

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

In million of U.S. dollars	Six Months Ended	
	July 1,	July 2,
	2006	2005
	(Unaudited)	(Unaudited)
<b>Cash flows from operating activities:</b>		
Net income (loss)	299	-5
Items to reconcile net income (loss) and cash flows from operating activities		
Depreciation and amortization	897	1,003
Amortization of discount on convertible debt	8	2
Other non-cash items	5	0
Deferred income tax	-15	-39
Impairment, restructuring charges and other related closure costs, net of cash payments	4	68
Changes in assets and liabilities:		
Trade receivables, net	-74	-98
Inventories, net	-94	-116
Trade payables	261	47
Other assets and liabilities, net	86	-94
<b>Net cash from operating activities</b>	<b>1,377</b>	<b>768</b>
<b>Cash flows from investing activities:</b>		
Payment for purchases of tangible assets	-696	-927
Payment for purchases of marketable securities	-100	-525
Investment in short-term deposits	-903	0
Investment in intangible and financial assets	-48	-34
Proceeds from the sale of Accent subsidiary	7	0
Capital contributions to equity investments	-212	0
<b>Net cash used in investing activities</b>	<b>-1,952</b>	<b>-1,486</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of long-term debt	1,561	25
Repayment of long-term debt	-69	-40
Decrease in short-term facilities	-12	-19
Capital increase	16	3
Dividends paid	-107	-107
<b>Net cash from (used in) financing activities</b>	<b>1,389</b>	<b>-138</b>
Effect of changes in exchange rates	51	-19
<b>Net cash increase (decrease)</b>	<b>865</b>	<b>-875</b>
Cash and cash equivalents at beginning of the period	2,027	1,950
Cash and cash equivalents at end of the period	2,892	1,075