Puma Energy

Q2 '16 results report

Company profile

Puma Energy Holdings Pte Ltd is incorporated in Singapore as a private company limited by shares. The registered office of the Company is One Marina Boulevard #28-00, 1 Marina Boulevard, Singapore 018989.

Puma Energy is a global oil energy company that focuses on fast-growing markets with high demand for oil products.

The principal business activities of Puma Energy Holdings Pte Ltd and its subsidiaries (the "Company" or "Puma Energy") are the ownership and operation of storage and retail facilities for, and the sale and distribution of petroleum products.

Puma Energy supplies quality fuel and invests in transformative infrastructure. Through its global supply system, the Company has expertise in integrating midstream and downstream operations in order to deliver high quality fuels around the world safely, swiftly, reliably and at competitive price.

The Company's shareholders are Trafigura Beheer BV (49.82%), Sonangol Holdings Lda (27.92%), Cochan Holdings LLC (15.45%) and other investors (6.81%).

Investor relations

Puma Energy will discuss its results during an investor conference call on Friday 26 August 2016 at 14:00 (UK). An accompanying slide presentation will be available on the "Investors" section of PumaEnergy.com (http://www.pumaenergy.com/en/investor).

The conference call can be accessed by dialling one of the access numbers below:

UK & International Number:	+44 (0) 20 3003 2666
US Number:	+1 866 966 5335
Swiss Number:	+41 (0) 22 592 7915

For further information, please contact our investor relations team on:

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Important Notices

These materials may contain forward-looking statements regarding future events or the future financial performance of the Company. One can identify forward-looking statements by terms such as "expect", "believe", "estimate", "anticipate", "intend", "will", "could", "may", or "might", the negative of such terms or other similar expressions. These forward-looking statements include matters that are not historical facts and statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward-looking statements are not guarantees of future performance and that the Company's actual results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates may differ materially from those described in or suggested by the forward-looking statements contained in these materials. In addition, even if the Company's results of operations, financial condition, liquidity, prospects, growth, strategies and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in these materials, those results or developments may not be indicative of results or developments in future periods. The Company does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events and expressly disclaims any obligation or undertaking to do so. Many factors could cause the actual results to differ materially from those contained in forward-looking statements of the Company, including, among others, general economic conditions, the competitive environment, risks associated with operating in the states where the Company operates, as well as many other risks specifically related to the Company and its operations. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or on its completeness, accuracy or fairness. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its shareholders, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in these materials. None of the Company nor any of its shareholders, directors, officers or any other person accepts any liability whatsoever for any loss howsoever arising from any use of the contents of this presentation or otherwise arising in connection therewith.

These materials contain the term EBITDA, which is a supplemental measure of performance that is not required by, or presented in accordance with, requirements relating to the preparation of annual accounts according to the International Financial Reporting Standards (IFRS). EBITDA has limitations as an analytical tool, is not a measurement of financial performance under IFRS and should not be considered as (i) an alternative to operating or net income or cash flows from operating activity, in each case determined in accordance with IFRS, (ii) an indicator of cash flow or (iii) a measure of liquidity. Moreover, other companies in the Company's industry and in other industries may calculate EBITDA differently from the way that Puma Energy does, limiting their usefulness as comparative measures.

Rounding

Certain numerical figures set out in these materials, including financial data presented in millions or thousands and percentages, have been subject to rounding adjustments and, as a result, the totals of the data in these materials may vary slightly from the actual arithmetic totals of such information.

Q2 ’16 results report

Key points

Puma Energy delivered a solid quarter, characterized by record levels of sales volumes. At the same time, gross profit and EBITDA increased for the downstream segment, and across most of the Group’s regions. This was achieved despite an adverse economic outlook in commodity-exporting markets.

Sales volumes for the quarter increased by 20% on year-on-year, reaching 5.6million m^3, thanks to the acquisition in the UK and organic growth in the Americas and Asia Pacific.

Gross profit increased by 3%, to US$ 388 million. Gross profit increased less than sales volumes, reflecting a change in the geographical mix (higher sales in the UK and Americas), lower gross profit from the midstream segment and the impact of devaluating currencies. In constant currency terms, gross profit increased by 9% year-on-year.

EBITDA for the quarter increased by 4%, thanks to higher gross profit and contained opex. In constant currency terms, EBITDA increased by 10%.

As a result of the good operating performance and efficient working capital management, the Group generated cash flow from operations of US$ 283million. Both capex and acquisitions for the quarter were entirely financed by operating cash flows.

Over the second quarter of 2016, the Group invested US$ 139million, mainly on storage terminals and retail sites in Africa and Asia Pacific. The Group also opened 11 new airports in Myanmar, a new terminal in Congo DRC, and increased the number of service stations to 2,419.

Key Performance Indicators	As at June 30, 2016	As at March 31, 2016	As at December 31, 2015
Number of countries	47	47	47
Number of service stations	2,419	2,376	2,362
Number of terminals	99	98	98
Storage capacity (million m^3)	7.8	7.8	7.7
Number of airports	62	51	49
Headcount	7,902	7,635	7,713

Profitability

Net sales for the second quarter of 2016 amounted to US$ 3,206million, an increase of 8% compared to the prior year, as the 20% increase in sales volumes was partially off-set by a general decrease in oil prices.

Quarterly gross profit increased by 3% from US$ 375million in Q2 2015 to 388million in Q2 2016. Gross profit increased less than sales volumes, as the increase in sales volumes was largely driven by the UK and Americas, where unit margins are below the Group average. At the same time, gross profit from midstream activities decreased, driven by lower refining margins and lower revenues on certain throughput arrangements. Furthermore, gross profit was impacted by the devaluation of currencies in commodity-exporting countries, against the US$.

Downstream unit margins decreased from 69US$/$m^3$ in Q2 2015 to 62US$/$m^3$ in Q2 2016, largely driven by the UK, contributing high volumes at lower than average unit margins. When adjusting for the UK, unit margins remained fairly stable at 67US$/$m^3$, as compared to 69US$/m^3 during Q2 2015.

Throughput volumes remained stable, whilst midstream gross profit decreased by 11% and unit margins by 12%. The decrease in midstream unit margins from 14US$/$m^3$ in Q2 2015 to 12US$/$m^3$ in Q2 2016 is mainly explained by lower refining margins and favourable throughput agreements, which are no longer in place.

From a regional point of view, sales volumes and gross profit increased across most regions, driven by acquisitions in the UK, and organic growth in the Americas and Asia Pacific.

Operating profit decreased from US$98million in Q2 2015 to US$86million in Q2 2016, as the above-mentioned increase in EBITDA was off-set by higher depreciation and amortization charges on fixed assets, both from completed capex projects and acquired businesses, as well as some non-recurring expenses.

Assets

Organic capex for the quarter decreased to US$ 139million, and were spent on construction projects, including Luanda Bay terminal in Angola, Takoradi and Tema in Ghana, Thilawa terminal in Myanmar and several smaller projects across the Americas, Asia and Africa.

Acquisition spend for Q2 2016 only includes US$ 7million on acquired intangible assets.

Total current assets decreased from US$1,989million as at 31 December 2015 to US$1,788million as at 30 June 2016, driven by the cancellation of the US$ 150m unpaid share capital increase, and a reduction in the level of other assets, which were partially off-set by higher cash and inventory levels.

DSO for the quarter amounted to 12 days, whilst DIO were at 21 days, reflecting the Group’s strict credit discipline and focus on efficient inventory management. This was achieved despite a significant growth in the portfolio, as evidenced by the 20% year-on-year increase in sales volumes.

Equity and liabilities

Puma Energy’s total equity (shareholders’ equity and minority interests) as at 30 June 2016 amounted to US$ 1,882million, compared to US$ 2,058million at 31 March 2016. This movement was the net impact of (i) the cancellation of the US$150m unpaid share capital increase, (ii) foreign currency translation effects and (iii) the good results of Puma Energy over the last 3 months.

Net debt at 30 June 2016 amounted to US$ 2,125million. This resulted in a leverage multiple of 2.9x, which is in line with the Group’s stated capital structure policy of remaining at or below 3.0x. Furthermore, leverage was not impacted by the cancellation of the unpaid US$ 150million capital increase.

At quarter-end, unsecured HoldCo debt represented 83% of Group’s debt, whilst secured OpCo debt accounted for 5%. The share of unsecured HoldCo debt increased further, as the Group repaid a secured loan in Central America, and refinanced it through unsecured HoldCo debt. This is in line the Group’s strategy to increasingly shift its financing towards unsecured HoldCo debt, ranking pari passu with the Senior Notes.

43% of the Group’s debt is maturing in 2021 and beyond.

In May 2016, Puma Energy refinanced and increased its revolving credit facility from US$1.25billion to US$1.55billion. The Group has additional liquidity of US$1.2billion available, under the form of undrawn committed credit facilities.

Cash flow and liquidity

Operating cash flows for the quarter amounted to US$ 283million, compared to US$ 302million in Q2 2015, reflecting strong EBITDA and efficient working capital management. DSO and DIO improved slightly compared to the prior quarter and the same period last year, and this despite an expansion of perimeter and increased sales volumes.

Investing cash flows of US$ (147)million in Q2 ‘16 reflect reduced capex and acquisition spending. Capex spent mainly relate to ongoing construction projects in Africa and Asia Pacific. Investments for the quarter, and the first 6 months of the year are fully self-financed through cash flows generated by the Group’s operating activities over the same period.

Financing cash flows of US$ (146)million for the quarter reflect interest payments as well as some repayments of existing loans. This translated in a decrease in net debt and leverage.

Closing remarks

During Q2 2016, the Group managed to increase sales volumes, gross profit and EBITDA, whilst achieving stable unit margins (when normalizing for the UK, which contributes high volumes at below average unit margins).

Going forward we expect retail and aviation to perform well, supported by consumption growth and new marketing developments, such as the digitalization of our activities, improvements in our shop offer and a renewed shop concept.

Unit margins are still subject to a shift in the geographical and segment mix, given the development of activities in the UK, the slowdown of the B2B segment affecting both volumes and margins, especially in Southern Africa and Australia/PNG and further currency devaluations against the USD, combined with a time-lag before regulated margin revisions take place.

The Group is focused on optimizing and improving its existing asset base, and will continue to invest in key markets and seize selected opportunities, depending however on market conditions. This will be achieved by keeping a disciplined financing policy.

Condensed key figures

in US$'000	Six months ended 30 June, 2016	2015	Quarter ended 30 June, 2016	2015	Year ended 31 December, 2015
Condensed statement of income	**unaudited**	**unaudited**	**unaudited**	**unaudited**	**audited**
Gross profit	815,926	722,493	387,959	375,243	1,495,755
EBITDA*	390,961	327,193	181,479	174,815	675,986
Operating profit*	**202,766**	**175,953**	**85,556**	**97,677**	**342,045**
Profit before tax	79,262	118,510	28,774	76,256	167,089
Profit for the period	**53,608**	**93,074**	**13,335**	**58,911**	**176,851**
Net profit attributable to the owners of the parent	**51,987**	**87,070**	**13,474**	**55,554**	**174,715**
Summarised cash flow					
Cash flow from operating activities	486,637	450,634	283,141	301,641	734,900
Cash flow from investing activities**	(458,416)	(479,753)	(146,589)	(230,829)	(1,138,286)
Cash flow from financing activities	(14,761)	7,108	(146,264)	93,891	204,360
Total cash flows	**13,459**	**(22,011)**	**(9,712)**	**164,703**	**(199,026)**
Effects of exchange rate	31,181	(5,995)	26,633	(1,749)	3,407
Net increase/(decrease) in cash and cash equivalents	**44,640**	**(28,006)**	**16,921**	**162,954**	**(195,619)**
Key ratios					
Sales volume ('000 m3)	10,819	8,916	5,589	4,646	18,944
Throughput volume ('000 m3)	10,148	9,135	4,485	4,528	18,372
Downstream unit margin (US$/$m^3$)	68	72	62	69	74

	As at 30 June, 2016	2015	31 December, 2015
Balance sheet	**unaudited**	**unaudited**	**audited**
Trade receivables	546,729	550,869	543,769
Inventory	649,646	644,735	614,974
Cash and cash equivalents	325,849	448,822	281,209
Equity	1,881,518	1,702,709	2,071,655
Total assets	6,774,938	6,616,402	6,915,937

* The Group's share of net profits/(losses) in associates has been reclassified from below the operating profit line to above the operating profit line, to reflect the operating nature of these activities.

** H1 '16 investing cash flows include US$144million for repaying the vendor loans of the bitumen business and ships acquired in 2014

Consolidated statement of income

in US$'000	Six months ended 30 June, 2016	Six months ended 30 June, 2015	Quarter ended 30 June, 2016	Quarter ended 30 June, 2015	Year ended 31 December, 2015
	unaudited	**unaudited**	**unaudited**	**unaudited**	**audited**
Net sales	6,032,244	5,931,317	3,205,593	2,972,771	12,686,410
Cost of sales	(5,216,318)	(5,208,823)	(2,817,635)	(2,597,528)	(11,190,655)
Gross profit	**815,926**	**722,493**	**387,959**	**375,243**	**1,495,755**
Selling and operating costs	(517,768)	(469,100)	(244,037)	(231,903)	(1,016,604)
General and administrative expenses	(78,338)	(77,494)	(50,080)	(44,995)	(167,939)
Other operating income/(expenses)	(20,285)	(2,178)	(9,798)	(1,586)	27,701
Share of net profits/(losses) in associates	3,231	2,233	1,512	918	3,132
Operating profit*	**202,766**	**175,953**	**85,556**	**97,677**	**342,045**
Finance income	3,375	10,301	592	2,529	10,431
Finance costs	(112,936)	(103,965)	(50,904)	(52,956)	(211,164)
Net foreign exchange gains/(losses)	(13,943)	36,221	(6,470)	29,006	25,777
Profit before tax	**79,262**	**118,510**	**28,774**	**76,256**	**167,089**
Income tax credit/(expense)	(25,654)	(25,435)	(15,439)	(17,345)	9,762
Profit for the year	**53,608**	**93,074**	**13,335**	**58,911**	**176,851**
Attributable to:					
Owners of the parent	51,987	87,070	13,474	55,554	174,715
Non-controlling interests	1,621	6,004	(139)	3,357	2,136

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Segment reporting

Three months ended June 30, 2016 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	5,336	253	5,589
Throughput volumes (k m^3)	-	4,485	4,485
Net sales	**3,080,438**	**125,155**	**3,205,593**
Gross profit	**331,079**	**56,880**	**387,959**
Selling and operating costs	(207,953)	(36,084)	(244,037)
General and administrative expenses	(45,113)	(4,967)	(50,080)
Other operating income/(expense), net	(10,404)	606	(9,798)
Share of net profit/(loss) in associates	1,282	230	1,512
Operating profit*	**68,891**	**16,665**	**85,556**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	2,326	1,148	1,621	494	5,589
Throughput volumes (k m^3)	115	1,048	2,167	1,155	4,485
Net sales	**1,032,506**	**669,090**	**1,054,775**	**449,222**	**3,205,593**
Gross profit	**125,842**	**88,278**	**150,955**	**22,884**	**387,959**
Selling and operating costs	(65,284)	(74,464)	(85,008)	(19,281)	(244,037)
General and administrative expenses	(13,097)	(12,596)	(20,859)	(3,528)	(50,080)
Other operating income/(expense), net	(2,266)	(800)	(6,566)	(166)	(9,798)
Share of net profit/(loss) in associates	(92)	1,810	(205)	-	1,512
Operating profit*	**45,103**	**2,228**	**38,317**	**(91)**	**85,556**

Three months ended June 30, 2015 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	4,503	143	4,646
Throughput volumes (k m^3)	-	4,528	4,528
Net sales	**2,896,109**	**76,662**	**2,972,771**
Gross profit	**310,358**	**64,885**	**375,243**
Selling and operating costs	(194,427)	(37,476)	(231,903)
General and administrative expenses	(41,377)	(3,618)	(44,995)
Other operating income/(expense), net	(784)	(802)	(1,586)
Share of net profit/(loss) in associates	94	824	918
Operating profit*	**73,864**	**23,813**	**97,677**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	2,067	927	1,647	6	4,646
Throughput volumes (k m^3)	102	801	2,080	1,545	4,528
Net sales	**1,146,746**	**653,970**	**1,143,408**	**28,647**	**2,972,771**
Gross profit	**120,124**	**85,235**	**152,213**	**17,671**	**375,243**
Selling and operating costs	(63,428)	(68,896)	(85,632)	(13,947)	(231,903)
General and administrative expenses	(11,034)	(15,243)	(18,560)	(158)	(44,995)
Other operating income/(expense), net	(1,337)	(182)	(75)	8	(1,586)
Share of net profit/(loss) in associates	290	628	-	-	918
Operating profit*	**44,615**	**1,542**	**47,946**	**3,574**	**97,677**

* The Group's share of net profits/(losses) in associates has been reclassified from below the operating profit line to above the operating profit line, to reflect the operating nature of these activities.

Segment reporting

Six months ended June 30, 2016 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	10,331	488	10,819
Throughput volumes (k m^3)	-	10,148	10,148
Net sales	**5,798,410**	**233,834**	**6,032,244**
Gross profit	**703,002**	**112,924**	**815,926**
Selling and operating costs	(442,992)	(74,776)	(517,768)
General and administrative expenses	(71,619)	(6,719)	(78,338)
Other operating income/(expense), net	(19,986)	(299)	(20,285)
Share of net profit/(loss) in associates	2,303	928	3,231
Operating profit*	**170,709**	**32,057**	**202,766**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	4,524	2,186	3,182	927	10,819
Throughput volumes (k m^3)	225	2,328	4,634	2,961	10,148
in US$'000	**1,888,425**	**1,235,012**	**2,040,572**	**868,235**	**6,032,244**
Net sales	**235,983**	**179,447**	**353,166**	**47,330**	**815,926**
Gross profit	(137,517)	(157,421)	(179,683)	(43,147)	(517,768)
Selling and operating costs	(20,968)	(17,301)	(35,271)	(4,798)	(78,338)
General and administrative expenses	(4,218)	(1,822)	(14,032)	(213)	(20,285)
Share of net profit/(loss) in associates	224	3,679	(672)	-	3,231
Operating profit*	**73,504**	**6,582**	**123,508**	**(828)**	**202,766**

Six months ended June 30, 2015 - unaudited

in US$'000	Downstream	Midstream	Total
Sales volumes (k m^3)	8,440	476	8,916
Throughput volumes (k m^3)	-	9,135	9,135
Net sales	**5,632,865**	**298,452**	**5,931,317**
Gross profit	**607,971**	**114,522**	**722,493**
Selling and operating costs	(391,282)	(77,818)	(469,100)
General and administrative expenses	(73,484)	(4,010)	(77,494)
Other operating income/(expense), net	(239)	(1,939)	(2,178)
Share of net profit/(loss) in associates	626	1,607	2,233
Operating profit*	**143,592**	**32,362**	**175,954**

in US$'000	Americas	Asia Pacific	Africa	Europe	Total
Sales volumes (k m^3)	3,953	1,927	3,026	10	8,916
Throughput volumes (k m^3)	207	1,541	4,126	3,261	9,135
Net sales	**2,236,599**	**1,430,214**	**2,206,608**	**57,896**	**5,931,317**
Gross profit	**226,258**	**169,654**	**288,268**	**38,313**	**722,493**
Selling and operating costs	(130,249)	(141,164)	(171,380)	(26,307)	(469,100)
General and administrative expenses	(18,748)	(29,410)	(29,005)	(331)	(77,494)
Other operating income/(expense), net	(1,858)	(969)	646	3	(2,178)
Share of net profit/(loss) in associates	810	1,423	-	-	2,233
Operating profit*	**76,213**	**(466)**	**88,529**	**11,678**	**175,954**

* The Group's share of net profits/(losses) in associates has been reclassified from below the operating profit line to above the operating profit line, to reflect the operating nature of these activities.

Consolidated balance sheet

in US$'000	Jun16A	Dec15A	Jun15A
Assets	**unaudited**	**audited**	**unaudited**
Property and equipment	3,296,433	3,282,707	2,985,509
Intangible assets and goodwill	1,335,441	1,304,960	1,254,542
Investments in associates	75,243	71,170	30,868
Other financial assets	36,395	36,733	32,944
Deferred tax assets	76,091	73,187	23,078
Other assets	167,389	158,131	153,761
Total non-current assets	**4,986,992**	**4,926,888**	**4,480,702**
Inventories	649,646	614,974	644,735
Other assets	235,417	459,602	437,568
Income tax receivable	18,195	20,090	32,213
Trade receivables	546,729	543,769	550,869
Other financial assets	12,110	69,397	21,286
Cash and cash equivalents	325,849	281,209	448,822
Asset classified as held for sale	-	9	207
Total current assets	**1,787,946**	**1,989,050**	**2,135,700**
Total assets	**6,774,938**	**6,915,938**	**6,616,402**
Equity and liabilities			
Share capital	2,054,166	2,204,166	1,704,166
Retained earnings	588,607	535,233	442,070
Foreign currency translation reserve	(844,947)	(741,616)	(533,325)
Other components of equity	(3,006)	(123)	(1,152)
Equity attributable to owners of the parent	**1,794,820**	**1,997,660**	**1,611,759**
Non-controlling interests	86,698	73,995	90,950
Total equity	**1,881,518**	**2,071,655**	**1,702,709**
Interest-bearing loans and borrowings	2,638,751	2,366,885	2,344,022
Retirement benefit obligation	7,019	6,251	7,039
Other financial liabilities	41,755	46,703	35,797
Deferred tax liabilities	58,375	62,760	72,142
Provisions	55,726	66,365	30,864
Total non-current liabilities	**2,801,626**	**2,548,964**	**2,489,864**
Trade and other payables	1,607,755	1,590,961	1,651,400
Interest-bearing loans and borrowings	400,044	491,348	546,813
Other financial liabilities	37,538	154,352	153,567
Income tax payable	29,733	42,478	53,201
Provisions	16,724	16,180	18,848
Total current liabilities	**2,091,794**	**2,295,319**	**2,423,829**
Total liabilities	**4,893,420**	**4,844,283**	**4,913,693**
Total equity and liabilities	**6,774,938**	**6,915,938**	**6,616,402**

Puma Energy

Consolidated statement of cash flows

in US$'000	Six months ended 30 June, 2016 unaudited	Six months ended 30 June, 2015 unaudited	Quarter ended 30 June, 2016 unaudited	Quarter ended 30 June, 2015 unaudited	Year ended 31 December, 2015 audited
Profit before tax	**79,262**	**118,510**	**28,774**	**76,256**	**167,089**
Non-cash adjustments:					
Depreciation and impairment of PP&E	157,158	136,561	79,822	68,553	321,504
Amortisation and impairment of intangible assets	18,557	13,895	9,534	7,769	43,632
Gain on business combination	-	-	-	-	(35,521)
(In)tangible fixed assets written off	292	228	(342)	205	2,578
(Gain)/loss on disposal of(in)tangible assets	(584)	(1,232)	(107)	(1,164)	(1,411)
(Gain)/loss on disposal of investments	-	-	-	-	(8)
Net interest expense	102,462	89,194	53,061	42,804	188,460
Dividend income	(2,166)	(1,822)	(2,050)	(1,615)	(2,005)
Share of net profit of associate	(3,231)	(2,233)	(1,512)	(918)	(3,132)
Provisions	2,280	(1,357)	993	(1,573)	(10,906)
Unrealised (gains)/losses on derivatives	94,063	43,870	24,714	36,925	(9,604)
Working capital adjustments:					
Decrease/(increase) in trade, other receivables & prepayments	100,944	(41,410)	22,136	55,487	(14,701)
Decrease/(increase) in inventories	(51,927)	(32,022)	(25,446)	(75,619)	(42,369)
(Decrease)/increase in trade, other payables & accrued expenses	33,906	143,655	130,930	103,778	181,126
Interest received	1,209	6,594	648	3,442	8,426
Dividends received from associates*	212	1,260	-	1,008	1,260
Income tax paid	(45,800)	(23,057)	(38,014)	(13,697)	(59,518)
Net cash flows from operating activities*	**486,637**	**450,634**	**283,141**	**301,641**	**734,900**
Net proceeds from sale of (in)tangible assets	2,098	3,648	1,365	3,304	8,152
Net proceeds from sale of investments	-	-	-	-	8
Purchase of intangible assets	(15,280)	(18,704)	(6,871)	(6,250)	(53,874)
Purchase of PP&E**	(327,654)	(357,422)	(140,715)	(212,392)	(820,781)
Deposits (paid)/refunded for acquisitions of new subsidiaries	-	(56,679)	-	-	-
Acquisitions of subsidiaries, net of cash acquired***	(117,312)	(50,066)	(132)	(14,754)	(260,843)
Financial investments	(394)	(2,352)	(246)	(2,352)	(12,953)
Dividends received*	126	1,822	10	1,615	2,005
Net cash flows used in investing activities*	**(458,416)**	**(479,753)**	**(146,589)**	**(230,829)**	**(1,138,286)**
Loans (granted)/reimbursed	(61,870)	1,339	(8,590)	20,027	(13,414)
Proceeds from borrowings (incl. non-recourse loans)	626,802	302,178	440,665	204,953	944,543
Proceeds from bond issuance	100,000	-	-	-	-
Increase/(decrease) in short term borrowings	(70,998)	(87,477)	(61,064)	(16,456)	(213,753)
Repayment of borrowings	(498,691)	(98,042)	(473,902)	(68,880)	(668,988)
Interest paid	(104,091)	(106,296)	(41,304)	(43,542)	(194,054)
Proceeds from equity increase	(1,403)	-	(1,403)	-	349,963
(Acquisition)/divestment of non-controlling interests	(500)	(2,384)	755	(2)	21,866
Dividends paid to shareholders	-	-	-	-	(17,000)
Dividends paid to non-controlling interests	(4,010)	(2,210)	(1,421)	(2,210)	(4,803)
Net cash flows from financing activities	**(14,761)**	**7,108**	**(146,264)**	**93,890**	**204,360**
Net increase in cash and cash equivalents	**13,459**	**(22,011)**	**(9,712)**	**164,702**	**(199,026)**
Effects of exchange rate differences	31,181	(5,995)	26,633	(1,748)	3,407
Cash and cash equivalents at beginning of period	281,209	476,828	308,928	285,868	476,828
Cash and cash equivalents at end of period	**325,849**	**448,822**	**325,849**	**448,822**	**281,209**

* Dividend income from associates has been reclassified from investing cash flows to operating cash flows, to reflect the operating nature of these activities.
** Purchase of property and equipment for H1 16 includes US$52.0million from the bitumen business acquired in 2014.
*** Acquisitions of subsidiaries for H1 16 include US$92.2million from the bitumen business acquired in 2014.

EBITDA reconciliation

	Six months ended 30 June,		Quarter ended 30 June,		Year ended 31 December,
in US$'000	**2016**	**2015**	**2016**	**2015**	**2015**
Profit for the year	**53,608**	**93,074**	**13,335**	**58,911**	**176,851**
Income tax (credit)/expense	25,654	25,435	15,439	17,345	(9,762)
Net finance costs	109,561	93,664	50,312	50,427	200,733
Net foreign exchange (gains)/losses	13,943	(36,221)	6,470	(29,006)	(25,777)
Depreciation	155,850	139,851	78,561	71,843	288,041
Amortisation	18,557	13,895	9,533	7,769	34,403
Impairment charge	1,308	(3,290)	1,261	(3,290)	42,693
Other (income)/expenses	12,480	785	6,568	816	(31,196)
EBITDA*	**390,961**	**327,193**	**181,479**	**174,815**	**675,986**

* EBITDA has been restated to include the Group's share of net profits/(losses) in associates, in order to reflect the operating character of these activities.