

Consolidated statement of cash flows

For the year ended 31 December

in millions of Swiss francs	Note	2010	2009
Income for the period		340	200
Income tax expense	14	97	67
Interest expense	12	82	119
Non-operating income and expense		37	74
Operating income		556	460
Depreciation of property, plant and equipment	21	115	119
Amortisation of intangible assets	22	194	176
Impairment of long-lived assets and joint ventures	21, 22	22	3
Other non-cash items			
- share-based payments		10	11
- additional and unused provisions, net		105	71
- other non-cash items		14	(15)
Adjustments for non-cash items		460	365
(Increase) decrease in inventories		(152)	126
(Increase) decrease in accounts receivable		(37)	(7)
(Increase) decrease in other current assets		(48)	(10)
Increase (decrease) in accounts payable		53	(19)
Increase (decrease) in other current liabilities		71	(32)
(Increase) decrease in working capital		(113)	58
Income taxes paid		(59)	(50)
Other operating cash flows, net^a		(114)	(95)
Cash flows from (for) operating activities		730	738
Increase in long-term debt		99	304
(Decrease) in long-term debt		(198)	(550)
Increase in short-term debt		1	16
(Decrease) in short-term debt		(34)	(295)
Interest paid		(116)	(130)
Dividends paid	26	(188)	(71)
Issuance of shares	26		472
Purchase and sale of own equity instruments, net		9	5
Others, net		13	2
Cash flows from (for) financing activities		(414)	(247)
Acquisition of property, plant and equipment	21	(120)	(95)
Acquisition of intangible assets	22	(72)	(64)
Proceeds from the disposal of property, plant and equipment	21	15	10
Interest received		3	5
Dividends received			-
Purchase and sale of available-for-sale financial assets, net		1	98
Purchase and sale of financial assets at fair value through income statement, net		(29)	
Purchase and sale of derivative financial instruments, net		11	1
Others, net		(35)	(38)
Cash flows from (for) investing activities		(226)	(83)
Net increase (decrease) in cash and cash equivalents		90	408
Net effect of currency translation on cash and cash equivalents		(110)	(2)
Cash and cash equivalents at the beginning of the period		825	419
Cash and cash equivalents at the end of the period		805	825

a) Other operating cash flows, net mainly consist of the utilisation of provisions.

The notes on pages 69 to 116 form an integral part of these financial statements.