



## Grafton Group plc Group Cash Flow Statement

For the six months ended 30 June 2007

	Six Months to 30 June 2007 (Unaudited) €000	Six Months to 30 June 2006 (Unaudited) €000	Twelve months to 31 Dec 2006 (Audited) €000
<b>Operating profit</b>	<b>123,298</b>	133,947	280,720
Depreciation	26,911	24,742	53,163
Intangible amortisation	1,097	1,097	2,212
Goodwill write-off on termination	-	-	243
Share based payments charge	2,268	1,807	3,264
Property profit	-	(28,123)	(37,989)
Net profit on sale of plant and equipment	(1,603)	(1,382)	(3,401)
Contributions to pension schemes in excess of IAS 19 charge	(3,403)	(1,526)	(20,249)
Increase in working capital	(42,685)	(26,025)	(26,111)
<b>Cash generated from operations</b>	<b>105,883</b>	104,537	251,852
Interest paid	(22,863)	(22,055)	(43,224)
Income taxes paid	(2,073)	(2,462)	(14,594)
<b>Cash flows from operating activities</b>	<b>80,947</b>	80,020	194,034
<b>Investing activities</b>			
<i>Inflows</i>			
Proceeds from sale of property, plant and equipment	6,366	57,972	77,664
Interest received	6,148	6,451	12,216
	<b>12,514</b>	64,423	89,880
<i>Outflows</i>			
Acquisition of subsidiary undertakings and businesses	(35,266)	(39,908)	(70,621)
Net cash acquired with subsidiary undertakings	1,887	2,329	777
Deferred acquisition consideration	(7,623)	(2,284)	(11,958)
Purchase of property, plant and equipment	(56,882)	(48,230)	(124,401)
Purchase of financial asset	-	-	(90)
	<b>(97,884)</b>	(88,093)	(206,293)
<b>Cash flows from investing activities</b>	<b>(85,370)</b>	(23,670)	(116,413)
<b>Financing activities</b>			
<i>Inflows</i>			
Proceeds from the issue of share capital	1,214	2,011	4,000
Proceeds from term borrowings	21,601	-	-
	<b>22,815</b>	2,011	4,000
<i>Outflows</i>			
Repayment of long term borrowings	-	(109,115)	(117,170)
Purchase of 'A' ordinary shares	(25,129)	(20,204)	(39,920)
Treasury shares purchased	(5,746)	-	-
Payment of finance lease liabilities	(879)	(1,103)	(1,850)
Redemption of loan notes payable	(16,100)	(9,842)	(18,087)
	<b>(47,854)</b>	(140,264)	(177,027)
<b>Cash flows from financing activities</b>	<b>(25,039)</b>	(138,253)	(173,027)
<b>Net (decrease) in cash and cash equivalents</b>	<b>(29,462)</b>	(81,903)	(95,406)
Cash and cash equivalents at 1 January	201,764	291,844	291,844
Effect of exchange rate fluctuations on cash held	(540)	(2,655)	5,326
<b>Cash and cash equivalents at the end of the period</b>	<b>171,762</b>	207,286	201,764
<b>Cash and cash equivalents are broken down as follows:</b>			
Cash at bank and short term deposits	218,387	255,250	231,519
Overdrafts	(46,625)	(47,964)	(29,755)
	<b>171,762</b>	207,286	201,764