



Grafton Group plc Group Condensed Cash Flow Statement

For the six months ended 30 June 2008

	Six Months to 30 June 2008 (Unaudited) €000	Six Months to 30 June 2007 (Unaudited) €000	Twelve months to 31 Dec 2007 (Audited) €000
Profit before taxation	53,354	106,426	235,833
Finance income	(11,576)	(12,112)	(26,603)
Finance expense	30,007	28,984	61,569
Operating profit	71,785	123,298	270,799
Depreciation	29,280	26,911	56,792
Intangible amortisation	1,103	1,097	2,212
Goodwill write-off on termination	-	-	88
Share based payments charge	2,618	2,268	4,465
Profit on sale of property, plant and equipment	(3,114)	(1,603)	(10,480)
Contributions to pension schemes in excess of IAS 19 charge	(7,568)	(3,403)	(5,639)
Decrease /(increase) in working capital	45,473	(42,685)	(14,417)
Cash generated from operations	139,577	105,883	303,820
Interest paid	(21,415)	(22,863)	(50,445)
Income taxes paid	(1,310)	(2,073)	(10,564)
Cash flows from operating activities	116,852	80,947	242,811
Investing activities			
<i>Inflows</i>			
Proceeds from sale of property, plant and equipment	9,437	6,366	22,128
Interest received	3,702	6,148	14,416
	13,139	12,514	36,544
<i>Outflows</i>			
Acquisition of subsidiary undertakings and businesses	(24,032)	(35,266)	(84,350)
Net cash acquired with subsidiary undertakings	4,818	1,887	7,689
Deferred acquisition consideration	(5,932)	(7,623)	(9,461)
Purchase of property, plant and equipment	(62,041)	(56,882)	(104,650)
Sale/(purchase) of financial asset	44	-	(452)
	(87,143)	(97,884)	(191,224)
Cash flows from investing activities	(74,004)	(85,370)	(154,680)
Financing activities			
<i>Inflows</i>			
Proceeds from the issue of share capital	1,282	1,214	2,553
Proceeds from term borrowings	29,788	21,601	66,742
	31,070	22,815	69,295
<i>Outflows</i>			
Shares bought back and treasury shares acquired	-	(5,746)	(72,836)
Purchase of 'A' ordinary shares	(27,566)	(25,129)	(49,048)
Payment of finance lease liabilities	(683)	(879)	(1,883)
Redemption of loan notes payable net of derivatives	(29,778)	(16,100)	(19,216)
	(58,027)	(47,854)	(142,983)
Cash flows from financing activities	(26,957)	(25,039)	(73,688)
Net increase/(decrease) in cash and cash equivalents	15,891	(29,462)	14,443
Cash and cash equivalents at 1 January	203,489	201,764	201,764
Effect of exchange rate fluctuations on cash held	(7,766)	(540)	(12,718)
Cash and cash equivalents at the end of the period	211,614	171,762	203,489
Cash and cash equivalents are broken down as follows:			
Cash at bank and short term deposits	216,817	218,387	204,489
Overdrafts	(5,203)	(46,625)	(1,000)
	211,614	171,762	203,489