

# GROUP CASH FLOW

for the half year ended 30th June 2006

	Six months to 30th June 2006 £000	Six months to 30th June 2005 £000	Year ended 31st December 2005 £000
	<i>notes</i>		
<b>Cash flows from operating activities</b>			
Profit before taxation	30,017	25,982	56,959
Depreciation and amortisation	6,794	6,142	13,151
Share of profit of associates	(636)	(384)	(861)
Equity settled share plans	664	436	576
Net finance income	(1,169)	(567)	(928)
Operating profit before changes in working capital and provisions	35,670	31,609	68,897
Increase in trade and other receivables	(3,267)	(3,701)	(2,814)
Increase in inventories	(5,651)	(1,899)	(3,224)
Decrease in provisions and post-retirement benefits	(1,014)	436	(4,045)
Decrease in trade and other payables	(775)	242	1,371
Cash generated from operations	24,963	26,687	60,185
Interest paid	(395)	(759)	(1,677)
Income taxes paid	(8,416)	(9,529)	(16,789)
<b>Net cash from operating activities</b>	<b>16,152</b>	<b>16,399</b>	<b>41,719</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	(6,751)	(5,861)	(11,692)
Proceeds from sale of property, plant and equipment	409	492	850
Purchase of software	(227)	(111)	(1,139)
Development expenditure capitalised	(543)	(600)	(1,070)
Acquisition of businesses	(1,601)	(4,943)	(5,866)
Interest received	634	896	1,860
Dividends received	126	47	351
<b>Net cash used in investing activities</b>	<b>(7,953)</b>	<b>(10,080)</b>	<b>(16,706)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	1,611	4,518	8,568
Treasury shares purchased	(13,721)	-	-
Repayment of borrowings	6 (22,814)	(3,917)	(7,728)
Payment of finance lease liabilities	6 (110)	(187)	(372)
Dividends paid	(13,047)	(11,537)	(16,796)
<b>Net cash used in financing activities</b>	<b>(48,081)</b>	<b>(11,123)</b>	<b>(16,328)</b>
<b>Net decrease in cash and cash equivalents</b>	6 (39,882)	(4,804)	8,685
<b>Cash and cash equivalents at beginning of period</b>	6 53,093	43,914	43,914
Exchange movement	6 (79)	(264)	494
<b>Cash and cash equivalents at end of period</b>	6 13,132	38,846	53,093
Borrowings and finance leases	6 (10,943)	(37,370)	(34,048)
<b>Net cash</b>	6 2,189	1,476	19,045