

Group cash flow statement

for the six months ended 30 June 2005

	Note	2005 Six months to 30 June £million	2004 Six months to 30 June £million	2004 Year to 31 December £million
Cash generated by operations	9a	48.5	88.9	311.1
Tax paid		(25.4)	(17.6)	(49.0)
Interest paid		(21.2)	(24.1)	(52.9)
Net cash from operating activities		1.9	47.2	209.2
Net cash from/(used in) investing activities	9b	34.6	(101.4)	(149.2)
Net cash (used in)/from financing activities	9c	(89.2)	11.3	0.9
Net (decrease)/increase in cash and cash equivalents in the period		(52.7)	(42.9)	60.9
Cash and cash equivalents at 1 January		19.8	(38.8)	(38.8)
Exchange rate changes		4.9	5.9	(2.3)
Cash and cash equivalents at end of period		(28.0)	(75.8)	19.8

Set out below is a reconciliation of the net (decrease)/increase in cash and cash equivalents to the decrease/(increase) in net borrowings. Net borrowings are defined by the Group as borrowings net of cash and cash equivalents and derivative financial instruments.

	Note	2005 Six months to 30 June £million	2004 Six months to 30 June £million	2004 Year to 31 December £million
(Decrease)/increase in cash and cash equivalents		(52.7)	(42.9)	60.9
Cash and cash equivalents outflow/(inflow) from decrease/(increase) in debt and lease financing	10	77.7	(26.7)	(20.6)
Decrease/(increase) in net borrowings resulting from cash flows		25.0	(69.6)	40.3
Borrowings acquired with businesses		(38.8)	–	–
Finance leases entered into		–	–	(9.1)
Loan notes issued for non-cash consideration		–	(0.7)	(0.7)
		(13.8)	(70.3)	30.5
Currency translation differences and fair value adjustments on financial instruments		45.7	42.6	(9.9)
Decrease/(increase) in net borrowings in the period		31.9	(27.7)	20.6
Net borrowings at 1 January		(805.8)	(826.4)	(826.4)
IAS 39 adjustment at 1 January 2005	1	(22.3)	–	–
Net borrowings at end of period	11	(796.2)	(854.1)	(805.8)