

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 DECEMBER 2005

All figures in £ millions	Notes	2005	2004	2003
Cash flows from operating activities				
Cash generated from operations	29	875	705	531
Interest paid		(101)	(98)	(87)
Tax paid		(65)	(45)	(44)
Net cash generated from operating activities		709	562	400
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired	27	(246)	(41)	(60)
Acquisition of joint ventures and associates		(7)	(10)	(5)
Purchase of property, plant and equipment (PPE)		(76)	(101)	(79)
Proceeds from sale of PPE	29	3	4	8
Purchase of intangible assets		(24)	(24)	(26)
Investment in pre-publication		(222)	(181)	(173)
Purchase of other financial assets		(2)	(1)	(3)
Disposal of subsidiaries, net of cash disposed	28	376	7	(3)
Disposal of joint ventures and associates		54	24	57
Disposal of other financial assets		–	17	–
Interest received		29	13	11
Dividends received from joint ventures and associates		14	12	10
Net cash used in investing activities		(101)	(281)	(263)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	25	4	4	5
Purchase of treasury shares		(21)	(10)	(1)
Proceeds from borrowings		–	414	235
Short-term investments (acquired)/repaid		–	(5)	1
Other borrowings		–	59	(13)
Repayments of borrowings		(79)	(524)	(159)
Finance lease principal payments		(3)	(2)	(3)
Dividends paid to Company's shareholders	10	(205)	(195)	(188)
Dividends paid to minority interests		(17)	(2)	(19)
Net cash used in financing activities		(321)	(261)	(142)
Effects of exchange rate changes on cash and cash equivalents		13	(4)	45
Net increase in cash and cash equivalents		300	16	40
Cash and cash equivalents at beginning of year		544	528	488
Cash and cash equivalents at end of year	20	844	544	528