

**BERGER PAINTS JAMAICA LIMITED****STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2005**

	<u>2005</u> \$'000	<u>2004</u> \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit	97,257	103,630
Adjustments for:		
Depreciation	13,238	13,762
Profit on sale of property, plant and equipment	( 460)	( 69)
Increase in provisions	-	800
Unrealised foreign exchange gains	( 1,230)	( 807)
	108,805	117,316
Operating cash flows before movements in working capital:		
Increase in accounts receivable and prepayments	( 50,004)	( 24,497)
(Increase) decrease in inventories	( 33,529)	6,826
Decrease (increase) in due from fellow subsidiary companies	7,805	( 2,755)
Increase in accounts payable and accruals	7,640	38,266
Increase (decrease) in due to immediate parent company	14,144	( 24,230)
Increase in post employment benefits (net)	( 18,201)	( 45,292)
Cash generated from operations	36,660	65,634
Income tax paid	( 24,026)	( 40,969)
Interest paid	( 535)	( 50)
Net cash provided by operating activities	<u>12,099</u>	<u>24,615</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	993	1,796
Long-term receivables	( 1,562)	68
Acquisition of property, plant and equipment	( 29,314)	( 11,466)
Proceeds on sale of property, plant and equipment	<u>460</u>	<u>69</u>
Net cash used in investing activities	( 29,423)	( 9,533)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	( 35,871)	( 60,033)
Net cash used in financing activities	( 35,871)	( 60,033)
<b>NET DECREASE IN CASH AND BANK BALANCES</b>	( 53,195)	( 44,951)
<b>OPENING CASH AND BANK BALANCES</b>	77,889	122,846
Effect of foreign exchange rate changes	( 3)	( 6)
<b>CLOSING CASH AND BANK BALANCES</b>	<u>24,691</u>	<u>77,889</u>

The Notes on Statement VI form an integral part of the Financial Statements.