

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	2014 € '000	2013 € '000
Operating Profit		422,726	478,514
Income Tax Paid		-115,958	-105,412
Depreciation and Amortization of Property, Plant, and Equipment and Intangible Assets (Net of Appreciation)		318,060	297,171
Change in Non-current Provisions		286,192	-10,644
Interest Received and Other Financial Income		1,938	2,275
Interest Paid and Other Financial Expenditure		-40,927	-34,160
Other Non-cash Income and Expenses		-297,347	22,901
Gain/Loss on the Disposal of Property, Plant, and Equipment and Intangible or other Assets		-8,747	554
Gross Cash Flow	34)	565,937	651,199
Change in Inventories		-75,781	-71,450
Change in Receivables and Other Assets		-31,090	-106,131
Change in Liabilities, Current Provisions and Other Liabilities (excluding Financial Liabilities)		61,639	60,457
Cash Flow from Operating Activities (Net Cash Flow)	34)	520,705	534,075
Investments in Property, Plant, and Equipment and Intangible Assets		-662,877	-566,680
Investments in Financial Assets		-108,011	-424,960
Acquisitions of Subsidiaries, Net of Cash Acquired		-77,865	-31,619
Proceeds from Sale of Subsidiaries and Holdings		4,727	929
Proceeds from Sale of Property, Plant, and Equipment, Intangible Assets, and Other Financial Assets		12,884	785
Dividends and similar revenues Received		315,507	6,766
Cash Flow from Investing Activities	35)	-515,635	-1,014,779
Free Cash Flow		5,070	-480,704
Capital Contributions		-85	281
Dividends Paid to B. Braun Melsungen AG Shareholders		-32,000	-24,000
Dividends Paid to Non-controlling Interests		-10,008	-8,528
Deposits and Repayments for Profit-Sharing Rights		-653	407
Loans		566,025	637,242
Loan Repayments		-491,239	-224,314
Cash Flow from Financing Activities	36)	32,040	381,088
Change in Cash and Cash Equivalents		37,110	-99,616
Cash and Cash Equivalents at the Start of the Year		38,924	109,184
Exchange Gains (Losses) on Cash and Cash Equivalents		8,298	29,356
Cash and Cash Equivalents at Year End	37)	84,332	38,924

Notes to the Consolidated Statement of Cash Flows

The consolidated statement of cash flows details changes in the B.Braun Group's cash and cash equivalents during the course of the fiscal year. In accordance with IAS 7, cash flows are categorized as those from operating, investing, and financing activities. Cash flow from operating activities is calculated using the indirect method.

34 Gross Cash Flow from Operating Activities

The gross cash flow of €565.9 million is the cash surplus from operating activities before any changes in working capital, an increase of T€85.3 compared to the previous year. The change is due primarily to lower operating profit of €422.7 million and the change in non-current provisions and other non-cash income and expenses.

Cash flow from operating activities of €520.7 million represents changes in current assets, current provisions, and liabilities (excluding financial liabilities).

The increase in inventories, receivables and other assets less the increase in liabilities and current provisions have led to a cash outflow of €45.2 million. Net cash from operating activities is therefore €13.4 million below the previous year's level.

35 Cash Flow From Investing Activities

For the purchase of property, plant, and equipment, intangible assets, financial assets, and companies, a total of €848.8 million was spent in 2014. This was offset by proceeds from the sale of property, plant, and equipment and the disposal of holdings (€17.6 million), as well as dividends and similar revenues received (€315.5 million), resulting in a net cash outflow from investing activities of €515.6 million. Compared to the previous year, this resulted in a €499.1 million decrease in cash outflow.

Investments made during the year were fully covered by cash flow from operating activities. The remaining free cash flow was €5.1 million (previous year: €-480.7 million).

Additions to property, plant, and equipment and intangible assets under finance leasing do not result in cash outflows and are therefore not included under investing activities. In the reporting year, these additions totaled €0.4 million (previous year: €0.8 million).

36 Cash Flow from Financing Activities

In 2014, cash flow from financing activities amounted to €32.0 million (previous year: €381.1 million). The net balance of proceeds from and repayments of loans was €74.8 million (previous year: €412.9 million). Dividend payments and capital contributions by non-controlling interests resulted in a total cash outflow of €42.1 million (previous year: €32.2 million). The €349.0 million change in cash inflows as compared with the previous year is primarily due to increased loan repayments.

37 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and other short-term highly liquid financial assets with residual maturities of three months or less that are subject to no more than insignificant fluctuations in value.

As of December 31, 2014, restrictions on cash availability totaled T€711 (previous year: T€581). These restrictions are primarily related to security deposits and collateral for tender business.