

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

For the years ended December 31,

	2001	2000	1999
Cash flows from operating activities:			
Net income	\$ 50,012	\$ 40,089	\$ 27,821
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,694	11,483	10,675
Amortization of goodwill	5,506	4,618	3,418
Provision for doubtful accounts	2,856	6,419	5,967
Deferred income taxes	3,725	—	—
Non-cash expense for amortization of debt issuance costs	890	1,236	1,236
Non-cash expense for Restricted Stock Units	1,132	—	—
Non-cash interest expense for converted subordinated notes	1,239	—	—
Provision in lieu of income taxes	21,425	24,422	15,645
	99,479	88,267	64,762
Change in operating assets and liabilities excluding effect of businesses acquired:			
Decrease (increase) in accounts receivable	48,974	(118,629)	(96,875)
(Increase) decrease in inventories and contracts in progress, net	(59,217)	76,376	17,784
(Decrease) increase in accounts payable	(52,337)	22,222	36,830
Increase in accrued payroll and benefits and other accrued expenses and liabilities	47,836	19,533	6,633
Changes in other assets and liabilities, net	(3,644)	3,667	5,371
Net cash provided by operating activities	81,091	91,436	34,505
Cash flows from investing activities:			
Proceeds from sales of assets	1,925	2,765	347
Purchase of property, plant and equipment	(17,939)	(16,698)	(10,737)
Payments for acquisitions of businesses and related earn-out agreements	(8,750)	(4,234)	(55,782)
Net (disbursements) proceeds from other investments	(6,453)	7,047	6,810
Net cash used in investing activities	(31,217)	(11,120)	(59,362)
Cash flows from financing activities:			
Proceeds from working capital credit lines	—	722,829	306,400
Repayments of working capital credit lines	—	(722,829)	(306,400)
Net repayments for long-term debt and capital lease obligations	143	(1,609)	(7,012)
Net proceeds from exercise of stock options	2,064	426	221
Net proceeds from exercise of common stock warrants	—	—	10,015
Purchase of common stock	—	—	(2,868)
Net cash provided by (used in) financing activities	2,207	(1,183)	356
Increase (decrease) in cash and cash equivalents	52,081	79,133	(24,501)
Cash and cash equivalents at beginning of year	137,685	58,552	83,053
Cash and cash equivalents at end of year	\$ 189,766	\$ 137,685	\$ 58,552

The accompanying notes to consolidated financial statements are an integral part of these statements.