

Financial statistics

Financial ratios

YEARS ENDED 31 MARCH

	1995	1996	1997	1998	1999
Basic earnings per share – pence	27.8	31.6	32.8	26.6	46.3
Growth in dividends per share % (a)	6.0	5.6	6.1	6.4	7.4
Return on capital employed % (b)	15.7	18.4	19.1	19.5	18.4
Gearing – net debt to equity % (c)	17.8	7.4	1.6	36.1	6.3
Interest cover (d)	10.3	16.9	19.7	11.2	12.1
Dividend cover (a) (e)	1.6	1.7	1.7	1.8	1.7

(a) 1997 and 1998 figures exclude the effects of the special dividend of 35p per share paid in September 1997.

(b) The ratio is based on profit before tax and interest on long-term borrowings, to average capital employed. Capital employed is represented by total assets less current liabilities, excluding corporate taxes and dividends payable, and provisions other than those for deferred taxation. Year-end figures are used in the computation of the average, except in the case of short-term investments and borrowings where average daily balances are used in their place.

(c) The ratio is based on borrowings net of cash and short-term investments to capital and reserves and minority interests.

(d) The number of times net interest payable is covered by operating profit. In 1995 and 1997, net interest excludes the premium paid on the repurchase of bonds.

(e) The number of times dividends are covered by earnings. The figure for 1998 excludes the effect of the windfall tax charge and the figure for 1999 excludes the gain on sale of the MCI shares.

Expenditure on research and development

YEARS ENDED 31 MARCH

	1995 £m	1996 £m	1997 £m	1998 £m	1999 £m
Total expenditure	271	282	291	307	268

Expenditure on tangible fixed assets

YEARS ENDED 31 MARCH

Plant and equipment

Transmission equipment	1,060	1,114	1,131	1,219	1,416
Exchange equipment	605	566	445	512	411
Other network equipment	378	491	503	502	558
Computers and office equipment	343	333	350	372	464
Motor vehicles and other	214	195	175	230	230
Land and buildings	75	87	143	211	205
Decrease in engineering stores	(4)	(15)	(28)	(16)	(15)
Total expenditure on tangible fixed assets	2,671	2,771	2,719	3,030	3,269
Decrease (increase) in creditors	(33)	(224)	104	(10)	(49)
Cash outflow on purchase of tangible fixed assets	2,638	2,547	2,823	3,020	3,220

Financial statistics have been restated where necessary to provide consistency with the presentation of the 1999 financial year figures.