

Five-year financial summary

Profit and loss account

Years ended 31 March	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Total turnover – ongoing activities	15,021	16,039	18,223	21,903	29,666
– discontinued activities	2,358	1,372	–	–	–
Total turnover, including discontinued activities	17,379	17,411	18,223	21,903	29,666
Group's share of associates' and joint ventures' turnover	(2,444)	(1,771)	(1,270)	(3,364)	(9,937)
Trading between group and principal joint venture	–	–	–	176	698
Group turnover – ongoing activities	14,935	15,640	16,953	18,715	20,427
Other operating income (a)	106	372	168	242	393
Operating costs (b)(c)(d)(e)(f)(g)(h)	(11,796)	(12,355)	(13,305)	(15,359)	(20,759)
Group operating profit	3,245	3,657	3,816	3,598	61
Group's share of operating profit (loss) of associates and joint ventures (i)(j)	184	(196)	(342)	(400)	(397)
Total operating profit (loss):					
Ongoing activities	3,209	3,436	3,474	3,198	(336)
Discontinued activities	220	25	–	–	–
	3,429	3,461	3,474	3,198	(336)
Profit on sale of fixed asset investments and group undertakings (k)	8	63	1,107	126	619
Net interest payable (l)	(174)	(310)	(286)	(382)	(1,314)
Premium on repurchase of bonds	(60)	–	–	–	–
Profit (loss) on ordinary activities before taxation	3,203	3,214	4,295	2,942	(1,031)
Tax on profit (loss) on ordinary activities:					
Corporation and similar taxes	(1,102)	(977)	(1,293)	(897)	(652)
Windfall tax	–	(510)	–	–	–
Profit (loss) on ordinary activities after taxation	2,101	1,727	3,002	2,045	(1,683)
Minority interests	(24)	(25)	(19)	10	(127)
Profit (loss) for the financial year	2,077	1,702	2,983	2,055	(1,810)
Average number of shares used in basic earnings per share (millions)	6,332	6,387	6,442	6,488	6,525
Basic earnings (loss) per share	32.8p	26.6p	46.3p	31.7p	(27.7)p
Diluted earnings (loss) per share	32.2p	26.2p	45.3p	30.9p	(27.7)p
Basic earnings (loss) per share from ongoing activities	30.8p	26.3p	46.3p	31.7p	(27.7)p
Diluted earnings (loss) per share from ongoing activities	30.2p	25.9p	45.3p	30.9p	(27.7)p
Dividends per share (including 1997 special dividend of 35p)	54.85p	19.0p	20.4p	21.9p	8.7p
Dividends per share, cents (including 1997 special dividend of 56c) (m)	87.8c	31.5c	33.0c	35.7c	14.0c
Profit before goodwill amortisation, exceptional items and taxation	3,203	2,976	3,274	3,100	2,072
Basic earnings per share before goodwill amortisation and exceptional items	32.8p	31.7p	35.0p	34.2p	20.5p
Diluted earnings per share before goodwill amortisation and exceptional items	32.2p	31.2p	34.2p	33.4p	20.2p
(a) Including MCI merger break-up fee net of expenses in 1998	–	238	–	–	–
(b) Including redundancy charges	367	106	124	59	104
(c) Including exceptional costs relating to the disengagement from MCI	–	–	69	64	–
(d) Including exceptional costs relating to the proposed closure of the BT Cellnet analogue network in 2000	–	–	–	47	–
(e) Including exceptional costs relating to impairment in goodwill	–	–	–	–	3,000
(f) Including exceptional credit for rates refunds, relating to prior years	–	–	–	–	193
(g) Including exceptional costs relating to the write off of Viag Interkom IT systems	–	–	–	–	43
(h) Including exceptional costs relating to the write off of subscriber acquisition costs	–	–	–	–	7
(i) Including exceptional costs relating to the write off of subscriber acquisition costs	–	–	–	–	132
(j) Including exceptional costs relating to impairment in goodwill	–	–	–	–	200
(k) Including gain on MCI shares sold in 1998	–	–	1,133	–	–
(l) Including exceptional credit for interest receivable on rates refunds, relating to prior years	–	–	–	–	25
(m) Dividends expressed in US currency have been converted at the actual exchange rate used in the payment of dividends to US shareholders.					

Cash flow statement

Years ended 31 March	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Cash flow from operating activities	6,185	6,071	6,035	5,849	5,887
Dividends from associates and joint ventures	7	5	2	5	10
Returns on investments and servicing of finance	(220)	(160)	(328)	(163)	(727)
Taxation paid	(1,045)	(1,886)	(630)	(1,311)	(669)
Capital expenditure and financial investment	(2,820)	(3,108)	1,046	(3,752)	(8,442)
Acquisitions and disposals	(252)	(1,501)	(1,967)	(6,405)	(13,754)
Equity dividends paid	(1,217)	(3,473)	(1,186)	(1,364)	(1,432)
Cash inflow (outflow) before management of liquid resources and financing	638	(4,052)	2,972	(7,141)	(19,127)
Management of liquid resources	(504)	2,247	(2,447)	1,236	(480)
Financing	(224)	1,794	(458)	5,959	19,735
Increase (decrease) in cash for the year	(90)	(11)	67	54	128
Decrease (increase) in net debt for the year	849	(3,860)	3,146	(6,582)	(18,942)

Balance sheet

At 31 March	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Intangible fixed assets	–	–	742	5,777	18,380
Tangible fixed assets	16,802	17,252	17,854	18,163	21,625
Fixed asset investments	1,273	1,708	1,832	5,878	5,204
Net current liabilities	(2,667)	(2,637)	(495)	(7,115)	(11,143)
Total assets less current liabilities	15,408	16,323	19,933	22,703	34,066
Loans and other borrowings falling due after one year	(2,693)	(3,889)	(3,386)	(5,354)	(18,775)
Provisions for liabilities and charges	(1,391)	(1,426)	(1,391)	(1,056)	(723)
Minority interests	(208)	(223)	(216)	(498)	(499)
Total assets less liabilities	11,116	10,785	14,940	15,795	14,069
Called up share capital	1,589	1,603	1,617	1,627	1,646
Share premium account	675	892	1,206	1,580	2,195
Other reserves	777	776	774	933	884
Profit and loss account	8,075	7,514	11,343	11,655	9,344
Total equity shareholders' funds	11,116	10,785	14,940	15,795	14,069
Total assets	25,062	23,285	27,962	37,588	54,799

US GAAP

Years ended 31 March	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Group operating profit (loss)	3,398	3,243	3,356	2,990	(633)
Income (loss) before taxes	3,326	2,791	3,745	2,096	(1,959)
Net income (loss):					
Ongoing activities	2,069	1,503	2,589	1,393	(2,357)
Discontinued activities	80	(56)	–	–	–
	2,149	1,447	2,589	1,393	(2,357)
Average number of ADSs used in basic earnings per ADS (millions)	633	639	644	649	653
Basic earnings (loss) per ordinary share	33.9p	22.7p	40.2p	21.5p	(36.1)p
Diluted earnings (loss) per ordinary share	33.6p	22.3p	39.3p	21.0p	(36.1)p
Basic earnings (loss) per share from ongoing activities	32.6p	23.5p	40.2p	21.5p	(36.1)p
Diluted earnings (loss) per share from ongoing activities	32.1p	23.2p	39.5p	21.0p	(36.1)p
Basic earnings (loss) per ADS	£3.39	£2.27	£4.02	£2.15	£(3.61)
Diluted earnings (loss) per ADS	£3.36	£2.23	£3.93	£2.10	£(3.61)
At 31 March					
Total assets	27,239	27,951	29,323	38,481	55,361
Ordinary shareholders' equity	11,588	12,615	13,674	13,634	10,231