

Financial statistics years ended 31 March

	1997	1998	1999	2000	2001
Financial ratios					
Basic earnings (loss) per share – pence	32.8	26.6	46.3	31.7	(27.7)
Return on capital employed % (a)	19.1	19.5	19.2	18.2	14.9
Gearing – net debt to equity % (b)	1.6	36.1	6.3	53.4	191.8
Interest cover (c)	19.7	11.2	12.2	8.8	2.6
<p>(a) The ratio is based on profit before tax, goodwill amortisation and interest on long-term borrowings, to average capital employed. Capital employed is represented by total assets, excluding goodwill, 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.</p> <p>(b) The ratio is based on borrowings net of cash and short-term investments to capital and reserves and minority interests.</p> <p>(c) The number of times net interest payable is covered by total operating profit before goodwill amortisation. In 1997, net interest excludes the premium paid on the repurchase of bonds.</p>					

	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Expenditure on research and development					
Total expenditure	291	307	268	345	364

	1997 £m	1998 £m	1999 £m	2000 £m	2001 £m
Expenditure on tangible fixed assets					
Plant and equipment					
Transmission equipment	1,131	1,219	1,416	1,563	2,295
Exchange equipment	445	512	411	413	479
Other network equipment	503	502	558	703	1,180
Computers and office equipment	350	372	464	502	574
Motor vehicles and other	175	230	230	257	251
Land and buildings	143	211	205	229	210
Increase (decrease) in engineering stores	(28)	(16)	(15)	13	(3)
Total expenditure on tangible fixed assets	2,719	3,030	3,269	3,680	4,986
Decrease (increase) in creditors	104	(10)	(49)	(112)	(230)
Cash outflow on purchase of tangible fixed assets	2,823	3,020	3,220	3,568	4,756

Financial statistics have been restated where necessary to provide consistency with the presentation of the 2001 financial year figures.