

# Financial statistics

years ended 31 March

	1998	1999	2000	2001	2002
<b>Financial ratios</b>					
Basic earnings per share on continuing activities before goodwill amortisation and exceptional items – pence	24.3	30.3	29.5	19.3	<b>8.8</b>
Basic earnings (loss) per share on continuing activities – pence	19.7	40.5	29.2	20.7	<b>(34.8)</b>
Basic earnings (loss) per share – pence	23.5	41.1	27.6	(25.7)	<b>12.0</b>
Return on capital employed % <sup>a</sup>	19.5	19.2	18.2	14.9	<b>6.6<sup>de</sup></b>
Interest cover <sup>b</sup>	11.2	12.2	8.8	2.6	<b>0.6<sup>c</sup></b>

<sup>a</sup>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.

<sup>b</sup>The number of times net interest payable is covered by total operating profit before goodwill amortisation.

<sup>c</sup>Interest cover based on continuing activities before goodwill amortisation and exceptional items was 1.9 times (2001 – 2.4 times).

<sup>d</sup>Return on capital employed for 2002 is based upon the continuing activities.

<sup>e</sup>Return on capital employed on continuing activities before goodwill amortisation and exceptional items was 15.7%.

	1998 £m	1999 £m	2000 £m	2001 £m	2002 £m
<b>Expenditure on research and development</b>					
Total expenditure	307	268	345	364	<b>362</b>
<b>Expenditure on tangible fixed assets</b>					
Plant and equipment					
Transmission equipment	944	1,070	1,239	1,655	<b>1,373</b>
Exchange equipment	511	410	412	478	<b>428</b>
Other network equipment	501	555	636	918	<b>694</b>
Computers and office equipment	349	364	419	407	<b>273</b>
Motor vehicles and other	227	227	254	231	<b>189</b>
Land and buildings	204	200	187	171	<b>153</b>
Increase (decrease) in engineering stores	(16)	(15)	13	(3)	<b>(10)</b>
<b>Total continuing activities</b>	<b>2,720</b>	<b>2,811</b>	<b>3,160</b>	<b>3,857</b>	<b>3,100</b>
Plant and equipment					
Transmission equipment	275	346	324	640	<b>380</b>
Exchange equipment	1	1	1	1	<b>–</b>
Other network equipment	1	3	67	262	<b>262</b>
Computers and office equipment	23	100	83	167	<b>113</b>
Motor vehicles and other	3	3	3	20	<b>28</b>
Land and buildings	7	5	42	39	<b>25</b>
<b>Total discontinued activities</b>	<b>310</b>	<b>458</b>	<b>520</b>	<b>1,129</b>	<b>808</b>
<b>Total expenditure on tangible fixed assets</b>	<b>3,030</b>	<b>3,269</b>	<b>3,680</b>	<b>4,986</b>	<b>3,908</b>
Decrease (increase) in creditors	(10)	(49)	(112)	(230)	<b>161</b>
<b>Cash outflow on purchase of tangible fixed assets</b>	<b>3,020</b>	<b>3,220</b>	<b>3,568</b>	<b>4,756</b>	<b>4,069</b>

Financial statistics have been restated where necessary to provide consistency with the presentation of the 2002 financial year figures.