

Five-year financial summary

Profit and loss account

Years ended 31 March	1998 £m	1999 £m	2000 £m	2001 £m	2002 £m
Total turnover					
Continuing activities	13,986	16,186	18,228	21,068	21,815
Discontinued activities	3,425	2,037	3,675	8,598	2,827
	17,411	18,223	21,903	29,666	24,642
Group's share of associates' and joint ventures' turnover	(1,771)	(1,270)	(3,364)	(9,937)	(4,764)
Trading between group and principal joint venture	–	–	176	698	681
Group turnover:					
Continuing activities	13,651	15,197	16,125	17,141	18,447
Discontinued activities	1,989	1,756	2,590	3,286	2,112
	15,640	16,953	18,715	20,427	20,559
Other operating income ^a	380	157	216	359	362
Operating costs ^{bc}	(12,355)	(13,305)	(15,359)	(20,759)	(21,400)
Group operating profit (loss):					
Before goodwill amortisation and exceptional items	3,903	3,874	3,772	3,257	2,580
Goodwill amortisation and exceptional items	(238)	(69)	(200)	(3,230)	(3,059)
	3,665	3,805	3,572	27	(479)
Group's share of operating loss of associates and joint ventures ^d	(196)	(342)	(400)	(397)	(1,381)
Total operating profit (loss):					
Continuing activities	3,066	3,230	3,143	2,456	(1,489)
Discontinued activities	403	233	29	(2,826)	(371)
	3,469	3,463	3,172	(370)	(1,860)
Profit on sale of fixed asset investments and group undertakings ^e	63	1,107	126	619	4,389
Profit (loss) on sale of property fixed assets	(8)	11	26	34	1,089
Amounts written off investments	–	–	–	–	(535)
Net interest payable ^f	(310)	(286)	(382)	(1,314)	(1,622)
Profit (loss) on ordinary activities before taxation:					
Before goodwill amortisation exceptional items and taxation	2,976	3,274	3,100	2,072	1,113
Goodwill amortisation and exceptional items	238	1,021	(158)	(3,103)	348
	3,214	4,295	2,942	(1,031)	1,461
Tax on profit (loss) on ordinary activities:					
Corporation and similar taxes	(1,007)	(1,323)	(957)	(712)	(443)
Windfall tax	(510)	–	–	–	–
Profit (loss) on ordinary activities after taxation	1,697	2,972	1,985	(1,743)	1,018
Minority interests	(25)	(19)	10	(127)	(23)
Profit (loss) for the financial year	1,672	2,953	1,995	(1,870)	995
Average number of shares used in basic earnings per share (millions)	7,122	7,183	7,235	7,276	8,307
Basic earnings (loss) per share	23.5p	41.1p	27.6p	(25.7)p	12.0p
Diluted earnings (loss) per share	23.1p	40.2p	26.9p	(25.7)p	11.9p
Basic earnings (loss) per share from continuing activities	19.7p	40.5p	29.2p	20.7p	(34.8)p
Diluted earnings (loss) per share from continuing activities	19.4p	39.5p	28.5p	20.4p	(34.8)p
Dividends per share	17.0p	18.3p	19.6p	7.8p	2.0p
Dividends per share, cents	28.2c	29.6c	32.0c	12.6c	2.9c
Basic earnings per share before goodwill amortisation and exceptional items	28.0p	30.7p	29.8p	17.5p	6.1p
Diluted earnings per share before goodwill amortisation and exceptional items	27.6p	30.0p	29.1p	17.3p	6.0p
Basic earnings per share before goodwill amortisation and exceptional items on continuing activities	24.3p	30.3p	29.5p	19.3p	8.8p

^aIncluding MCI merger break-up fee net of expenses

^bOperating costs include net exceptional costs

^cIncludes redundancy and early leaver costs

^dGroup's share of operating loss of associates and joint ventures includes exceptional costs

^eIncluding gain on MCI shares sold in 1999

^fNet interest payable includes exceptional costs (credits)

Cash flow statement

Years ended 31 March	1998 £m	1999 £m	2000 £m	2001 £m	2002 £m
Net cash flow from operating activities	6,071	6,035	5,849	5,887	5,257
Dividends from associates and joint ventures	5	2	5	10	2
Returns on investments and servicing of finance	(160)	(328)	(163)	(727)	(1,695)
Taxation paid	(1,886)	(630)	(1,311)	(669)	(562)
Capital expenditure and financial investment	(3,108)	1,046	(3,752)	(8,442)	(1,354)
Acquisitions and disposals	(1,501)	(1,967)	(6,405)	(13,754)	5,785
Equity dividends paid	(3,473)	(1,186)	(1,364)	(1,432)	-
Cash inflow (outflow) before management of liquid resources and financing	(4,052)	2,972	(7,141)	(19,127)	7,433
Management of liquid resources	2,247	(2,447)	1,236	(480)	(1,864)
Financing	1,794	(458)	5,959	19,735	(5,479)
Increase (decrease) in cash in the year	(11)	67	54	128	90
Decrease (increase) in net debt in the year	(3,860)	3,146	(6,582)	(18,942)	13,930

Balance sheet

At 31 March	1998 £m	1999 £m	2000 £m	2001 £m	2002 £m
Intangible fixed assets	-	742	5,777	18,380	252
Tangible fixed assets	17,252	17,854	18,163	21,625	16,078
Fixed asset investments	1,708	1,832	5,878	5,204	1,221
Net current assets (liabilities)	(2,637)	(495)	(7,115)	(11,143)	732
Total assets less current liabilities	16,323	19,933	22,703	34,066	18,283
Loans and other borrowings falling due after one year	(3,889)	(3,386)	(5,354)	(18,775)	(16,245)
Provisions for liabilities and charges	(3,291)	(3,286)	(3,011)	(2,738)	(2,324)
Minority interests	(223)	(216)	(498)	(499)	(72)
Total assets less liabilities	8,920	13,045	13,840	12,054	(358)
Called up share capital	7,374	7,438	7,485	7,573	434
Share premium account	-	-	-	-	2
Other reserves	(4,103)	(3,841)	(3,345)	(2,848)	1,025
Profit and loss account	5,649	9,448	9,700	7,329	(1,819)
Total equity shareholders' funds (deficiency)	8,920	13,045	13,840	12,054	(358)
Total assets	23,285	27,962	37,588	54,799	27,673

US GAAP

Years ended 31 March	1998 £m	1999 £m	2000 £m	2001 £m	2002 £m
Group operating profit (loss)	3,243	3,356	2,990	(633)	(337)
Income (loss) before taxes	2,791	3,745	2,096	(1,959)	1,025
Net income (loss):					
Continuing activities	1,201	2,562	1,559	809	(1,680)
Discontinued activities	246	27	(166)	(3,166)	948
	1,447	2,589	1,393	(2,357)	(732)
Average number of ADSs used in basic earnings per ADS (millions)	712	718	724	728	831
Basic earnings (loss) per ordinary share	20.3p	36.0p	19.3p	(32.4)p	(8.8)p
Diluted earnings (loss) per ordinary share	20.0p	35.2p	18.8p	(32.4)p	(8.8)p
Basic earnings (loss) per ordinary share from continuing activities	16.9p	35.7p	21.5p	11.1p	(20.2)p
Diluted earnings (loss) per ordinary share from continuing activities	16.6p	34.9p	21.1p	11.0p	(20.2)p
Basic earnings (loss) per ordinary share from discontinued activities	3.4p	0.3p	(2.2)p	(43.5)p	11.4p
Diluted earnings (loss) per ordinary share from discontinued activities	3.4p	0.3p	(2.3)p	(43.5)p	11.3p
Basic earnings (loss) per ADS	£2.03	£3.60	£1.93	£(3.24)	£(0.88)
Diluted earnings (loss) per ADS	£2.00	£3.52	£1.88	£(3.24)	£(0.88)
Total assets as at 31 March	27,951	29,323	38,481	55,361	30,428
Ordinary shareholders' equity as at 31 March	12,615	13,674	13,634	10,231	(4,247)