

# Notes

## 1 RESTATEMENT

During the period the Group has amended the disclosure of other operating income and deposits received from customers, which has had no impact on gross profit, profit from operations or net assets.

For enhanced clarity, other operating income is now separately disclosed from operating expenses on the face of the income statement. Other operating income for the six months ended 30 June 2006 amounted to £10.8m (year ended 31 December 2006: £29.6m).

New property deposits and on account contract receipts previously classified as a reduction in inventories are now disclosed within current trade and other payables. It was deemed that deposits should follow the principles applicable to deferred income. Deposits received at 30 June 2006 amounted to £43.1m (31 December 2006: £49.1m).

## 2 TAXATION

Taxation has been calculated at 30.0% of profit before taxation (six months ended 30 June 2006: 30.0% and year ended 31 December 2006: 30.0%). This is the estimated effective tax rate for the year ending 31 December 2007.

## 3 DIVIDENDS

The final dividend for 2006 of 32.7p (2005: 19.0p) was approved by shareholders during the period and a charge of £97.7m (2005: £55.9m) was taken to reserves.

The Directors propose an interim dividend of 18.5p (2006: 13.8p). No charge has yet been made for this dividend in accordance with IAS 10 (Events After the Balance Sheet Date).

## 4 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding those held in the Employee Share Ownership Trust and the Employee Benefit Trust, which are treated as cancelled.

For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potentially dilutive ordinary shares from the start of the accounting period. The Company has only one category of dilutive potential ordinary shares: those share options and awards granted to directors and employees where the exercise price is less than the average market price of the Company's ordinary shares during the period. Diluted earnings per share is calculated by dividing earnings by the diluted weighted average number of shares.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below:

	<b>Earnings 30 June 2007 £m</b>	<b>Weighted average number of ordinary shares 30 June 2007</b>	Earnings before reorganisation costs* 30 June 2006 £m	Earnings 30 June 2006 £m	Weighted average number of ordinary shares 30 June 2006	Earnings before reorganisation costs* 31 December 2006 £m	Earnings 31 December 2006 £m	Weighted average number of ordinary shares 31 December 2006
For basic earnings per share	196.6	300,016,777	190.0	179.1	295,189,559	407.3	396.4	296,155,856
Options and awards	–	1,723,271	–	–	1,776,837	–	–	1,762,783
For diluted earnings per share	196.6	301,740,048	190.0	179.1	296,966,396	407.3	396.4	297,918,639

\* Reorganisation costs net of related tax credit of £4.5m.

## 5 RECONCILIATION OF NET CASH FLOW TO NET DEBT

	Note	Six months to 30 June 2007 £m	Six months to 30 June 2006 £m	Year to 31 December 2006 £m
(Decrease)/increase in net cash and cash equivalents		(9.2)	25.9	8.2
Decrease/(increase) in debt and finance lease obligations		12.6	(263.1)	10.0
Decrease/(increase) in net debt from cash flows		3.4	(237.2)	18.2
Net debt acquired		–	(394.9)	(394.9)
New finance lease obligations		(1.0)	(0.4)	(1.9)
Non-cash movements		12.2	(15.6)	(17.4)
Decrease/(increase) in net debt		14.6	(648.1)	(396.0)
Net debt at beginning of period		(664.2)	(268.2)	(268.2)
<b>Net debt at end of period</b>	6	<b>(649.6)</b>	<b>(916.3)</b>	<b>(664.2)</b>

## 6 ANALYSIS OF NET DEBT

	Note	30 June 2007 £m	30 June 2006 £m	31 December 2006 £m
Cash and cash equivalents		14.1	39.3	18.9
Bank overdrafts		(7.4)	(5.7)	(3.0)
Net cash and cash equivalents		6.7	33.6	15.9
Bank loans		–	(230.0)	–
US and UK senior loan notes due within one year		(48.6)	(18.6)	(48.8)
US, UK and EU senior loan notes due after more than one year		(506.4)	(584.7)	(509.1)
Other loan notes due within one year		(5.9)	(24.8)	(17.8)
Forward currency swaps		(92.2)	(89.4)	(101.5)
Finance lease obligations		(3.2)	(2.4)	(2.9)
<b>Net debt at end of period</b>	5	<b>(649.6)</b>	<b>(916.3)</b>	<b>(664.2)</b>