

Appendix 2
Restatement of net assets at January 1, 2004



| | Reformatted UK GAAP as previously reported - Appendix 6.1 | Adjustments | | | | | | | Restated in accordance with IFRS |
|--|---|----------------------|-----------------------------|---|---------------------------|-------------------------|--------------|------------|--|
| | | Development costs | Recoverable engine costs | Pensions and post-retirement benefits | Scope of consolidation | Share-based payments | Tax | Other | |
| | | IAS 38 | IAS 38 | IAS 19 | IAS 27 | IFRS 2 | IAS 12 | | |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Non current assets | | | | | | | | | |
| Intangible assets | 863 | 160 | 120 | - | - | - | - | - | 1,143 |
| Property, plant and equipment | 1,750 | - | - | - | 69 | - | - | - | 1,819 |
| Investments in joint ventures | 202 | - | - | - | - | - | - | 11 | 213 |
| Other investments | 63 | - | - | - | - | - | - | - | 63 |
| Deferred tax assets | 117 | (48) | (40) | 444 | - | 2 | (154) | - | 321 |
| | 2,995 | 112 | 80 | 444 | 69 | 2 | (154) | 11 | 3,559 |
| Current assets | | | | | | | | | |
| Inventory | 962 | - | 14 | - | - | - | - | - | 976 |
| Trade and other receivables | 2,249 | - | - | - | - | - | - | - | 2,249 |
| Taxation recoverable | 1 | - | - | - | - | - | - | - | 1 |
| Short-term investments | 39 | - | - | - | - | - | - | - | 39 |
| Other financial assets | - | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 929 | - | - | - | - | - | - | - | 929 |
| | 4,180 | - | 14 | - | - | - | - | - | 4,194 |
| Current liabilities | | | | | | | | | |
| Borrowings | (94) | - | - | - | (3) | - | - | - | (97) |
| Financial liabilities | - | - | - | - | - | - | - | - | - |
| Trade and other payables | (2,574) | - | - | - | (1) | - | - | - | (2,575) |
| Current tax liabilities | (185) | - | - | - | - | - | - | - | (185) |
| Provisions | (159) | - | - | - | - | - | - | - | (159) |
| | (3,012) | - | - | - | (4) | - | - | - | (3,016) |
| Net current assets | 1,168 | - | 14 | - | (4) | - | - | - | 1,178 |
| Total assets less current liabilities | 4,163 | 112 | 94 | 444 | 65 | 2 | (154) | 11 | 4,737 |
| Non current liabilities | | | | | | | | | |
| Borrowings | (1,197) | - | - | - | (74) | - | - | - | (1,271) |
| Financial liabilities | - | - | - | - | - | - | - | - | - |
| Other payables | (426) | - | - | - | - | - | - | (3) | (429) |
| Deferred tax liabilities | (214) | - | - | 3 | - | - | 109 | - | (102) |
| Pensions and post-retirement benefits | 79 | - | - | (1,545) | - | - | - | - | (1,466) |
| Provisions | (262) | - | - | - | 9 | - | - | - | (253) |
| | (2,020) | - | - | (1,542) | (65) | - | 109 | (3) | (3,521) |
| Net assets | 2,143 | 112 | 94 | (1,098) | - | 2 | (45) | 8 | 1,216 |

Appendix 3.1

Restatement of the income statement for the year ended December 31, 2004

| | Reformatted UK GAAP as previously reported - Appendix 6.2 | Adjustments | | | | | | | Restated in accordance with IFRS | |
|---|---|--------------------------------|---------------------------------------|---|-----------------------------------|--------------------|-------------------------------------|---------------|--|--------------|
| | | Development costs IAS 38 | Recoverable engine costs IAS 38 | Pensions and post- retirement benefits IAS 19 | Share-based payments IFRS 2 | Goodwill IFRS 3 | Scope of consolidation IAS 27 | Tax IAS 12 | | Other |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Group revenues | 5,939 | - | - | - | - | - | 8 | - | - | 5,947 |
| Cost of sales | (4,814) | - | (10) | 42 | (6) | 47 | (3) | - | - | (4,744) |
| Gross profit | 1,125 | - | (10) | 42 | (6) | 47 | 5 | - | - | 1,203 |
| Other operating income and expenses | 73 | - | - | - | - | - | - | - | - | 73 |
| Commercial and administration costs | (598) | - | - | - | - | - | (1) | - | - | (599) |
| Research and development | (282) | (6) | - | - | - | - | - | - | - | (288) |
| Share of profit of joint ventures | 18 | - | - | - | - | 1 | - | - | - | 19 |
| Group operating profit | 336 | (6) | (10) | 42 | (6) | 48 | 4 | - | - | 408 |
| Profit on sale or termination of businesses | 9 | - | - | - | - | - | - | - | - | 9 |
| Profit on ordinary activities before finance costs | 345 | (6) | (10) | 42 | (6) | 48 | 4 | - | - | 417 |
| Net finance costs | (48) | - | - | (1) | - | - | (4) | - | - | (53) |
| Profit on ordinary activities before taxation | 297 | (6) | (10) | 41 | (6) | 48 | - | - | - | 364 |
| Taxation | (92) | 2 | 3 | (14) | 1 | (1) | - | 1 | - | (100) |
| Profit for the year | 205 | (4) | (7) | 27 | (5) | 47 | - | 1 | - | 264 |
| Attributable to: | | | | | | | | | | |
| Ordinary shareholders | 204 | (4) | (7) | 27 | (5) | 47 | - | 1 | - | 263 |
| Equity minority interests in subsidiary undertakings | 1 | - | - | - | - | - | - | - | - | 1 |
| | 205 | (4) | (7) | 27 | (5) | 47 | - | 1 | - | 264 |

Appendix 3.2
Restatement of net assets at December 31, 2004

| | Adjustments | | | | | | | | | Restated in accordance with IFRS |
|--|---|-------------------|--------------------------|---------------------------------------|----------------------|-----------|------------------------|--------------|------------|----------------------------------|
| | Reformatted UK GAAP as previously reported - Appendix 6.3 | Development costs | Recoverable engine costs | Pensions and post-retirement benefits | Share-based payments | Goodwill | Scope of consolidation | Tax | Other | |
| | | IAS 38 | IAS 38 | IAS 19 | IFRS 2 | IFRS 3 | IAS 27 | IAS 12 | | |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Non current assets | | | | | | | | | | |
| Intangible assets | 911 | 154 | 115 | - | - | 47 | - | - | - | 1,227 |
| Property, plant and equipment | 1,626 | - | - | - | - | - | 46 | - | - | 1,672 |
| Investments in joint ventures | 199 | - | - | - | - | 1 | - | - | 11 | 211 |
| Other investments | 57 | - | - | - | - | - | - | - | - | 57 |
| Deferred tax assets | 96 | (46) | (37) | 435 | 9 | (1) | - | (138) | - | 318 |
| | 2,889 | 108 | 78 | 435 | 9 | 47 | 46 | (138) | 11 | 3,485 |
| Current assets | | | | | | | | | | |
| Inventory | 1,081 | - | 9 | - | - | - | - | - | - | 1,090 |
| Trade and other receivables | 2,049 | - | - | - | - | - | - | - | - | 2,049 |
| Taxation recoverable | 2 | - | - | - | - | - | - | - | - | 2 |
| Short-term investments | 36 | - | - | - | - | - | - | - | - | 36 |
| Other financial assets | - | - | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 1,452 | - | - | - | - | - | - | - | - | 1,452 |
| | 4,620 | - | 9 | - | - | - | - | - | - | 4,629 |
| Current liabilities | | | | | | | | | | |
| Borrowings | (204) | - | - | - | - | - | (3) | - | - | (207) |
| Trade and other payables | (2,394) | - | - | - | - | - | (1) | - | - | (2,395) |
| Current tax liabilities | (176) | - | - | - | - | - | - | - | - | (176) |
| Provisions | (173) | - | - | - | - | - | - | - | - | (173) |
| | (2,947) | - | - | - | - | - | (4) | - | - | (2,951) |
| Net current assets | 1,673 | - | 9 | - | - | - | (4) | - | - | 1,678 |
| Total assets less current liabilities | 4,562 | 108 | 87 | 435 | 9 | 47 | 42 | (138) | 11 | 5,163 |
| Non current liabilities | | | | | | | | | | |
| Borrowings | (1,364) | - | - | - | - | - | (66) | - | - | (1,430) |
| Financial liabilities | - | - | - | - | - | - | - | - | - | - |
| Other payables | (540) | - | - | - | - | - | - | - | (3) | (543) |
| Deferred tax liabilities | (211) | - | - | 2 | - | - | - | 94 | - | (115) |
| Pensions and post-retirement benefits | 104 | - | - | (1,513) | - | - | - | - | - | (1,409) |
| Provisions | (244) | - | - | - | - | - | 24 | - | - | (220) |
| | (2,255) | - | - | (1,511) | - | - | (42) | 94 | (3) | (3,717) |
| Net assets | 2,307 | 108 | 87 | (1,076) | 9 | 47 | - | (44) | 8 | 1,446 |

Appendix 4.1

Restatement of the income statement for the six months ended June 30, 2004

| | Reformatted UK GAAP as previously reported - Appendix 6.5 | Adjustments | | | | | | | Restated in accordance with IFRS | |
|---|---|----------------------|-----------------------------|---|-------------------------|-----------|---------------------------|--------|--|--------------|
| | | Development costs | Recoverable engine costs | Pensions and post-retirement benefits | Share-based payments | Goodwill | Scope of consolidation | Tax | | Other |
| | | IAS 38 | IAS 38 | IAS 19 | IFRS 2 | IFRS 3 | IAS 27 | IAS 12 | | |
| £m | £m | £m | £m | £m | £m | £m | £m | £m | £m | |
| Group revenues | 2,746 | - | - | - | - | - | 4 | - | - | 2,750 |
| Cost of sales and other operating income and costs | (2,489) | - | (10) | 22 | (3) | 22 | (2) | - | - | (2,460) |
| Research and development | (129) | (9) | - | - | - | - | - | - | - | (138) |
| Share of profit of joint ventures | 11 | - | - | - | - | 1 | - | - | - | 12 |
| Group operating profit | 139 | (9) | (10) | 22 | (3) | 23 | 2 | - | - | 164 |
| Profit on sale or termination of businesses | 11 | - | - | - | - | - | - | - | - | 11 |
| Profit on ordinary activities before finance costs | 150 | (9) | (10) | 22 | (3) | 23 | 2 | - | - | 175 |
| Net finance costs | (24) | - | - | - | - | - | (2) | - | - | (26) |
| Profit on ordinary activities before taxation | 126 | (9) | (10) | 22 | (3) | 23 | - | - | - | 149 |
| Taxation | (41) | 3 | 3 | (7) | 1 | - | - | - | - | (41) |
| Profit for the period | 85 | (6) | (7) | 15 | (2) | 23 | - | - | - | 108 |
| Attributable to: | | | | | | | | | | |
| Ordinary shareholders | 85 | (6) | (7) | 15 | (2) | 23 | - | - | - | 108 |
| Equity minority interests in subsidiary undertakings | - | - | - | - | - | - | - | - | - | - |
| | 85 | (6) | (7) | 15 | (2) | 23 | - | - | - | 108 |

Appendix 4.2
Restatement of net assets at June 30, 2004

| | Reformatted UK GAAP as previously reported - Appendix 6.6 | Adjustments | | | | | | | | Restated in accordance with IFRS |
|--|---|--------------------------------|---------------------------------------|---|-----------------------------------|--------------------|-------------------------------------|---------------|------------|--|
| | | Development costs IAS 38 | Recoverable engine costs IAS 38 | Pensions and post-retirement benefits IAS 19 | Share-based payments IFRS 2 | Goodwill IFRS 3 | Scope of consolidation IAS 27 | Tax IAS 12 | Other | |
| | £m | £m | £m | £m | £m | £m | £m | £m | £m | £m |
| Non current assets | | | | | | | | | | |
| Intangible assets | 798 | 151 | 114 | - | - | 22 | - | - | - | 1,085 |
| Property, plant and equipment | 1,662 | - | - | - | - | - | 67 | - | - | 1,729 |
| Investments in joint ventures | 209 | - | - | - | - | 1 | - | - | 11 | 221 |
| Other investments | 59 | - | - | - | - | - | - | - | - | 59 |
| Deferred tax assets | 108 | (45) | (37) | 447 | 3 | - | - | (154) | - | 322 |
| | 2,836 | 106 | 77 | 447 | 3 | 23 | 67 | (154) | 11 | 3,416 |
| Current assets | | | | | | | | | | |
| Inventory | 1,041 | - | 10 | - | - | - | - | - | - | 1,051 |
| Trade and other receivables | 2,045 | - | - | - | - | - | - | - | - | 2,045 |
| Taxation recoverable | 7 | - | - | - | - | - | - | - | - | 7 |
| Short-term investments | 37 | - | - | - | - | - | - | - | - | 37 |
| Other financial assets | - | - | - | - | - | - | - | - | - | - |
| Cash and cash equivalents | 1,434 | - | - | - | - | - | - | - | - | 1,434 |
| | 4,564 | - | 10 | - | - | - | - | - | - | 4,574 |
| Current liabilities | | | | | | | | | | |
| Borrowings | (151) | - | - | - | - | - | (3) | - | - | (154) |
| Financial liabilities | - | - | - | - | - | - | - | - | - | - |
| Trade and other payables | (2,284) | - | - | - | - | - | (1) | - | - | (2,285) |
| Current tax liabilities | (191) | - | - | - | - | - | - | - | - | (191) |
| Provisions | (215) | - | - | - | - | - | - | - | - | (215) |
| | (2,841) | - | - | - | - | - | (4) | - | - | (2,845) |
| Net current assets | 1,723 | - | 10 | - | - | - | (4) | - | - | 1,729 |
| Total assets less current liabilities | 4,559 | 106 | 87 | 447 | 3 | 23 | 63 | (154) | 11 | 5,145 |
| Non current liabilities | | | | | | | | | | |
| Borrowings | (1,608) | - | - | - | - | - | (72) | - | - | (1,680) |
| Financial liabilities | - | - | - | - | - | - | - | - | - | - |
| Other payables | (485) | - | - | - | - | - | - | - | (3) | (488) |
| Deferred tax liabilities | (204) | - | - | 3 | - | - | - | 109 | - | (92) |
| Pensions and post-retirement benefits | 93 | - | - | (1,553) | - | - | - | - | - | (1,460) |
| Provisions | (189) | - | - | - | - | - | 9 | - | - | (180) |
| | (2,393) | - | - | (1,550) | - | - | (63) | 109 | (3) | (3,900) |
| Net assets | 2,166 | 106 | 87 | (1,103) | 3 | 23 | - | (45) | 8 | 1,245 |

Appendix 5
Restatement of net assets at January 1, 2005

| | Adjustments | | | | | | | | Restated after the adoption of IAS 39 | Included in net debt |
|--|--|-------------------------------------|---|--|---------------------------------|-----------------------------|------------------------------------|---|---------------------------------------|----------------------|
| | As at December 31, 2004 - Appendix 3.2 | Foreign exchange instruments IAS 39 | Monetary assets and liabilities IAS 21* | Services and other long-term contracts IAS 18* | Interest rate instruments IAS39 | Commodity instruments IAS39 | Own share total return swaps IAS39 | Risk and revenue sharing partnerships IAS39 | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | | |
| Non current assets | | | | | | | | | | |
| Intangible assets | 1,227 | - | - | - | - | - | - | - | 1,227 | - |
| Property, plant and equipment | 1,672 | - | - | - | - | - | - | - | 1,672 | - |
| Investments in joint ventures | 211 | - | - | - | - | - | - | - | 211 | - |
| Other investments | 57 | - | - | - | - | - | - | - | 57 | - |
| Deferred tax assets | 318 | (273) | 19 | 16 | 4 | (3) | (8) | 130 | 203 | - |
| | 3,485 | (273) | 19 | 16 | 4 | (3) | (8) | 130 | 3,370 | |
| Current assets | | | | | | | | | | |
| Inventory | 1,090 | - | - | - | - | - | - | - | 1,090 | - |
| Trade and other receivables | 2,049 | - | (182) | (53) | - | - | (39) | - | 1,775 | - |
| Taxation recoverable | 2 | - | - | - | - | - | - | - | 2 | - |
| Short-term investments | 36 | - | - | - | - | - | - | - | 36 | 36 |
| Other financial assets | - | 1,100 | - | - | 121 | 9 | - | - | 1,230 | 121 ** |
| Cash and cash equivalents | 1,452 | - | (175) | - | - | - | - | - | 1,277 | 1,277 |
| | 4,629 | 1,100 | (357) | (53) | 121 | 9 | (39) | 5,410 | | |
| Current liabilities | | | | | | | | | | |
| Borrowings | (207) | - | 107 | - | (7) | - | - | - | (107) | (107) |
| Financial liabilities | - | (114) | - | - | (15) | - | (20) | (67) | (216) | - |
| Trade and other payables | (2,395) | 10 | 156 | - | - | - | 52 | - | (2,177) | - |
| Current tax liabilities | (176) | - | - | - | - | - | - | - | (176) | - |
| Provisions | (173) | - | - | - | - | - | - | - | (173) | - |
| | (2,951) | (104) | 263 | - | (22) | - | (20) | (15) | (2,849) | |
| Net current assets | 1,678 | 996 | (94) | (53) | 99 | 9 | (20) | (54) | 2,561 | |
| Total assets less current liabilities | 5,163 | 723 | (75) | (37) | 103 | 6 | (28) | 76 | 5,931 | |
| Non current liabilities | | | | | | | | | | |
| Borrowings | (1,430) | - | - | - | (114) | - | - | - | (1,544) | (1,544) |
| Financial liabilities | - | - | - | - | - | - | (95) | (401) | (496) | - |
| Other payables | (543) | - | 3 | (1) | - | - | - | - | (541) | - |
| Deferred tax liabilities | (115) | (4) | - | - | - | - | - | - | (119) | - |
| Pensions and post-retirement benefits | (1,409) | - | - | - | - | - | - | - | (1,409) | - |
| Provisions | (220) | - | - | - | - | - | - | - | (220) | - |
| | (3,717) | (4) | 3 | (1) | (114) | - | (95) | (401) | (4,329) | |
| Net assets | 1,446 | 719 | (72) | (38) | (11) | 6 | (123) | (325) | 1,602 | (217) |

* Revised treatment under IAS 18 and IAS 21 as a consequence of the adoption of IAS 39 and cessation of hedge accounting for foreign exchange transactions

** The 'Other financial asset' relating to interest rate instruments is included within net debt on the basis that it is designated as a fair value hedge of borrowings.

Appendix 6.1
Reformat of net assets at January 1, 2004

| UK GAAP balances in UK GAAP format | As previously reported | Reclassifications | | | | | Pensions and post-retirement benefits | Appendix 2 | UK GAAP balances in IFRS format |
|--|------------------------|---------------------|--------------|-------------|---------|------------|---------------------------------------|--|---------------------------------|
| | | Short-term deposits | Deferred tax | Current tax | Debtors | Provisions | | | |
| | £m | £m | £m | £m | £m | | £m | £m | |
| Fixed assets | | | | | | | | Non current assets | |
| Intangible assets | 863 | - | - | - | - | - | 863 | Intangible assets | |
| Tangible assets | 1,750 | - | - | - | - | - | 1,750 | Property, plant and equipment | |
| Investments - joint ventures | 202 | - | - | - | - | - | 202 | Investments in joint ventures | |
| - other | 63 | - | - | - | - | - | 63 | Other investments | |
| | | - | 117 | - | - | - | 117 | Deferred tax assets | |
| | 2,878 | | | | | | 2,995 | | |
| Current assets | | | | | | | | Current assets | |
| Stocks | 962 | - | - | - | - | - | 962 | Inventory | |
| Debtors - amounts falling due within one year | 1,497 | - | (23) | (1) | 776 | - | 2,249 | Trade and other receivables | |
| - amounts falling due after one year | 1,109 | - | (94) | - | (776) | - | - | | |
| | | - | - | 1 | - | - | - | 1 | Taxation recoverable |
| Short-term deposits and investments | 174 | (135) | - | - | - | - | 39 | Short-term investments | |
| | | - | - | - | - | - | - | Other financial assets | |
| Cash at bank and in hand | 794 | 135 | - | - | - | - | 929 | Cash and cash equivalents | |
| | 4,536 | | | | | | 4,180 | | |
| Creditors - amounts falling due within one year | | | | | | | | Current liabilities | |
| Borrowings | (94) | - | - | - | - | - | (94) | Borrowings | |
| | | - | - | - | - | - | - | Financial liabilities | |
| Other creditors | (2,759) | - | - | 185 | - | - | (2,574) | Trade and other payables | |
| | | - | - | (185) | - | - | (185) | Current tax liabilities | |
| | | - | - | - | - | (159) | (159) | Provisions | |
| | | | | | | | (3,012) | | |
| Net current assets | 1,683 | | | | | | 1,168 | Net current assets | |
| Total assets less current liabilities | 4,561 | | | | | | 4,163 | Total assets less current liabilities | |
| Creditors - amounts falling due after one year | | | | | | | | Non current liabilities | |
| Borrowings | (1,197) | - | - | - | - | - | (1,197) | Borrowings | |
| | | - | - | - | - | - | - | Financial liabilities | |
| Other creditors | (426) | - | - | - | - | - | (426) | Other payables | |
| | | - | (214) | - | - | - | (214) | Deferred tax liabilities | |
| | | - | - | - | - | - | 79 | Pensions and post-retirement benefits | |
| Provisions for liabilities and charges | (795) | - | 214 | - | - | 159 | 160 | (262) | Provisions |
| | | | | | | | (2,020) | | |
| Net assets | 2,143 | - | - | - | - | - | 2,143 | Net assets | |

Appendix 6.2

Reformat of the income statement for the year ended December 31, 2004

| UK GAAP balances in UK GAAP format | Reclassifications | | | | Appendix 3.1 | UK GAAP balances in IFRS format |
|--|------------------------|----------------------------|-----------|------------------------------|--------------|---|
| | As previously reported | Reallocate JVs to one line | G&A costs | Loss on sale of fixed assets | | |
| | £m | £m | £m | £m | £m | |
| Group turnover | 5,939 | - | - | - | 5,939 | Group revenues |
| Cost of sales | (4,812) | - | - | (2) | (4,814) | Cost of sales |
| Gross profit | 1,127 | - | - | - | 1,125 | Gross profit |
| Other operating income | 73 | - | - | - | 73 | Other operating income and expenses |
| Commercial, marketing and product support costs | (302) | - | (296) | - | (598) | Commercial and administrative costs |
| General and administrative costs | (296) | - | 296 | - | - | |
| Research and development (net) | (282) | - | - | - | (282) | Research and development |
| | | 18 | - | - | 18 | Share of profit of joint ventures |
| Group operating profit | 320 | - | - | - | 336 | Group operating profit |
| Share of operating profit of joint ventures | 49 | (49) | - | - | - | |
| Profit on sale or termination of businesses | 9 | - | - | - | 9 | Profit on sale or termination of businesses |
| Loss on sale of fixed assets | (2) | - | - | 2 | - | |
| Profit on ordinary activities before interest | 376 | - | - | - | 345 | Profit on ordinary activities before finance costs |
| Net interest payable - Group | (48) | - | - | - | (48) | Net finance costs |
| - joint ventures | (22) | 22 | - | - | - | |
| Profit on ordinary activities before taxation | 306 | - | - | - | 297 | Profit on ordinary activities before taxation |
| Taxation | (101) | 9 | - | - | (92) | Taxation |
| Profit on ordinary activities after taxation | 205 | - | - | - | 205 | Profit for the year |
| | | | | | | Attributable to: |
| | | | | | 204 | Ordinary shareholders |
| Equity minority interests in subsidiary undertakings | (1) | | | | 1 | Equity minority interests in subsidiary undertakings |
| Profit attributable to ordinary shareholders | 204 | | | | 205 | |

Appendix 6.4

Reformat of cash flow statement for the year ended December 31, 2004

| UK GAAP balances in UK GAAP format | As previously reported | Reclassifications | | | | | | Appendix 3.3 | UK GAAP balances in IFRS format |
|---|------------------------|-------------------------------------|-----------------------------------|---------------------------------------|------------------|----------------------|----------------------|--------------|---------------------------------|
| | | Reconcile to profit before taxation | Share of joint ventures' taxation | Pensions and post-retirement benefits | Cash equivalents | Operating activities | Investing activities | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | |
| | | 306 | (9) | - | - | - | - | 297 | |
| | | (27) | 9 | - | - | - | - | (18) | |
| | | (9) | - | - | - | - | - | (9) | |
| | | 2 | - | - | - | - | - | 2 | |
| | | 48 | - | - | - | - | - | 48 | |
| | | - | - | - | - | - | - | - | |
| Operating profit | 320 | (320) | - | - | - | - | - | - | |
| | | - | - | - | - | (84) | - | (84) | |
| Amortisation of intangible assets | 62 | - | - | - | - | - | - | 62 | |
| Depreciation of tangible fixed assets | 223 | - | - | - | - | - | - | 223 | |
| Increase in provisions for liabilities and charges | 7 | - | - | (1) | - | - | - | 6 | |
| | | - | - | 25 | - | - | - | 25 | |
| Increase in stocks | (121) | - | - | - | - | - | - | (121) | |
| Decrease in debtors | 180 | - | - | (24) | - | - | - | 156 | |
| Decrease in creditors | (31) | - | - | - | - | - | - | (31) | |
| | | - | - | - | - | - | 15 | 15 | |
| Net cash inflow from operating activities | 640 | - | - | - | - | - | - | 571 | |
| Dividends received from joint ventures | 15 | - | - | - | - | (15) | - | - | |
| Interest received | 58 | - | - | - | - | - | (58) | - | |
| Interest paid | (103) | - | - | - | - | - | 103 | - | |
| Interest element of finance lease payments | (3) | - | - | - | - | - | 3 | - | |
| Returns on investments and servicing of financing | (48) | - | - | - | - | - | - | - | |
| Taxation paid | (84) | - | - | - | - | 84 | - | - | |
| Additions to intangible assets | (110) | - | - | - | - | - | - | (110) | |
| Purchases of tangible fixed assets | (175) | - | - | - | - | - | - | (175) | |
| Disposals of tangible fixed assets | 66 | - | - | - | - | - | - | 66 | |
| | | - | - | - | - | - | 16 | 16 | |
| | | - | - | - | - | (2) | - | (2) | |
| Capital expenditure and financial investment | (219) | - | - | - | - | - | - | (205) | |
| Disposals of businesses | 16 | - | - | - | - | - | (16) | - | |
| Investments in joint ventures | (2) | - | - | - | - | - | 2 | - | |
| Acquisitions and disposals | 14 | - | - | - | - | - | - | - | |
| Equity dividends paid | (33) | - | - | - | - | - | - | - | |
| Cash inflow before use of liquid resources and financing | 285 | - | - | - | - | - | 33 | - | |
| Increase in short-term deposits | (561) | - | - | - | 561 | - | - | - | |
| Decrease in government securities and corporate bonds | 3 | - | - | - | - | - | - | 3 | |
| Management of liquid resources | (558) | - | - | - | - | - | - | - | |
| Borrowings due within one year - repayment of loans | (57) | - | - | - | - | - | - | (57) | |
| - increase in loans | - | - | - | - | - | - | - | - | |
| Borrowings due after one year - repayment of loans | (92) | - | - | - | - | - | - | (92) | |
| - increase in loans | 500 | - | - | - | - | - | - | 500 | |
| Capital element of finance lease payments | (52) | - | - | - | - | - | - | (52) | |
| Net cash inflow from increase in borrowings | 299 | - | - | - | - | - | - | - | |
| | | - | - | - | - | - | 58 | 58 | |
| | | - | - | - | - | - | (103) | (103) | |
| | | - | - | - | - | - | (3) | (3) | |
| | | - | - | - | - | - | (33) | (33) | |
| Issue of ordinary shares | 4 | - | - | - | - | - | - | 4 | |
| Purchase of own shares | (2) | - | - | - | - | - | - | (2) | |
| Redemption of B Shares | (27) | - | - | - | - | - | - | (27) | |
| Financing | 274 | - | - | - | - | - | - | 196 | |
| Increase in cash | 1 | - | - | - | 561 | - | - | 562 | |

Appendix 6.5

Reformat of the income statement for the six months ended June 30, 2004

| UK GAAP balances in UK GAAP format | Reclassifications | | | Appendix 4.1 | UK GAAP balances in IFRS format |
|--|------------------------|----------------------------|--------------------------------|--------------|---|
| | As previously reported | Reallocate JVs to one line | Profit on sale of fixed assets | | |
| | £m | £m | £m | £m | |
| Group turnover | 2,746 | - | - | 2,746 | Group revenues |
| Cost of sales and other operating income and costs | (2,493) | - | 4 | (2,489) | Cost of sales and other operating income and costs |
| Research and development (net) | (129) | - | - | (129) | Research and development |
| | | 11 | - | 11 | Share of profit of joint ventures |
| Group operating profit | 124 | | | 139 | Group operating profit |
| Share of operating profit of joint ventures | 24 | (24) | - | - | |
| Profit on sale or termination of businesses | 11 | - | - | 11 | Profit on sale or termination of businesses |
| Profit on sale of fixed assets | 4 | - | (4) | - | |
| Profit on ordinary activities before interest | 163 | | | 150 | Profit on ordinary activities before finance costs |
| Net interest payable - Group | (24) | - | - | (24) | Net finance costs |
| - joint ventures | (10) | 10 | - | - | |
| Profit on ordinary activities before taxation | 129 | | | 126 | Profit on ordinary activities before taxation |
| Taxation | (44) | 3 | - | (41) | Taxation |
| Profit on ordinary activities after taxation | 85 | | | 85 | Profit for the period |
| | | | | | Attributable to: |
| | | | | 85 | Ordinary shareholders |
| Equity minority interests in subsidiary undertakings | - | - | - | - | Equity minority interests in subsidiary undertakings |
| Profit attributable to ordinary shareholders | 85 | | | 85 | |

Appendix 6.6
Reformat net assets at June 30, 2004

| UK GAAP balances in UK GAAP format | Reclassifications | | | | | Appendix 4.2 | UK GAAP balances in IFRS format |
|--|------------------------|---------------------|--------------|-------------|------------|----------------|--|
| | As previously reported | Short-term deposits | Deferred tax | Current tax | Provisions | | |
| | £m | £m | £m | £m | £m | £m | |
| Fixed assets | | | | | | | Non current assets |
| Intangible assets | 798 | - | - | - | - | 798 | Intangible assets |
| Tangible assets | 1,662 | - | - | - | - | 1,662 | Property, plant and equipment |
| Investments - joint ventures | 209 | - | - | - | - | 209 | Investments in joint ventures |
| - other | 59 | - | - | - | - | 59 | Other investments |
| | | | 108 | - | - | 108 | Deferred tax assets |
| | 2,728 | | | | | 2,836 | |
| Current assets | | | | | | | Current assets |
| Stocks | 1,041 | - | - | - | - | 1,041 | Inventory |
| Debtors - amounts falling due within one year | 2,419 | - | (108) | (7) | - | 2,045 | Trade and other receivables |
| | | | | 7 | - | 7 | Taxation recoverable |
| Short-term deposits and investments | 356 | (319) | - | - | - | 37 | Short-term investments |
| | | | | | | - | Other financial assets |
| Cash at bank and in hand | 1,115 | 319 | - | - | - | 1,434 | Cash and cash equivalents |
| | 4,931 | | | | | 4,564 | |
| Creditors - amounts falling due within one year | | | | | | | Current liabilities |
| Borrowings | (151) | - | - | - | - | (151) | Borrowings |
| | | | | | | - | Financial liabilities |
| Other creditors | (2,475) | - | - | 191 | - | (2,284) | Trade and other payables |
| | | | | (191) | - | (191) | Current tax liabilities |
| | | | | - | (215) | (215) | Provisions |
| | | | | | | (2,841) | |
| Net current assets | 2,305 | | | | | 1,723 | Net current assets |
| Total assets less current liabilities | 5,033 | | | | | 4,559 | Total assets less current liabilities |
| Creditors - amounts falling due after one year | | | | | | | Non current liabilities |
| Borrowings | (1,608) | - | - | - | - | (1,608) | Borrowings |
| | | | | | | - | Financial liabilities |
| Other creditors | (485) | - | - | - | - | (485) | Other payables |
| | | | (204) | - | - | (204) | Deferred tax liabilities |
| | | | | | | 93 | Pensions and post-retirement benefits |
| Provisions | (774) | | 204 | - | 215 | 166 | Provisions |
| | | | | | | (189) | |
| | | | | | | (2,393) | |
| Net assets | 2,166 | | | | | 2,166 | Net assets |

Appendix 6.7
Reformat of cash flow statement for the six months ended June 30, 2004

| UK GAAP balances in UK GAAP format | As previously reported | Reclassifications | | | | | | Appendix 4.3 | UK GAAP balances in IFRS format |
|--|------------------------|-------------------------------------|-----------------------------------|---------------------------------------|------------------|----------------------|----------------------|--------------|--|
| | | Reconcile to profit before taxation | Share of joint ventures' taxation | Pensions and post-retirement benefits | Cash equivalents | Operating activities | Investing activities | | |
| | £m | £m | £m | £m | £m | £m | £m | £m | |
| | | 129 | (3) | - | - | - | - | 126 | Profit before taxation |
| | | (14) | 3 | - | - | - | - | (11) | Share of joint ventures' profit before tax ation |
| | | (11) | - | - | - | - | - | (11) | Gain on sale or termination of businesses |
| | | (4) | - | - | - | - | - | (4) | Profit on sale of fixed assets |
| | | 24 | - | - | - | - | - | 24 | Net finance costs |
| | | - | - | - | - | - | - | - | Share-based payments |
| Operating profit | 124 | (124) | - | - | - | - | - | - | |
| | | - | - | - | - | (40) | - | (40) | Income taxes paid |
| Amortisation of intangible assets | 30 | - | - | - | - | - | - | 30 | Amortisation of intangible assets |
| Depreciation of tangible fixed assets | 93 | - | - | - | - | - | - | 93 | Depreciation of property, plant and equipment |
| Increase in provisions for liabilities and charges | 1 | - | - | 6 | - | - | - | 7 | Increase in provisions |
| | | - | - | 14 | - | - | - | 14 | Increase in liabilities for pensions |
| Increase in working capital/creditors due after more than one year | (56) | - | - | (20) | - | - | - | (76) | Increase in working capital/creditors due after more than one year |
| | | - | - | - | - | - | 2 | 2 | Dividends received from joint ventures |
| Net cash inflow from operating activities | 192 | | | | | | | 154 | Net cash inflow from operating activities |
| Dividends received from joint ventures | 2 | - | - | - | - | - | (2) | - | |
| Returns on investments and servicing of financing | (42) | - | - | - | - | - | - | 42 | |
| Taxation paid | (40) | - | - | - | - | 40 | - | - | |
| Capital expenditure and financial investment | (50) | - | - | - | - | - | 50 | - | |
| Acquisitions and disposals | 13 | - | - | - | - | - | (13) | - | |
| | | - | - | - | - | - | (37) | - | |
| Equity dividends paid | (33) | - | - | - | - | - | - | 33 | |
| Cash inflow before use of liquid resources and financing | 42 | | | | | | | | |
| Management of liquid resources | (185) | - | - | - | 185 | - | - | - | |
| Financing | 417 | - | - | - | - | - | - | (417) | |
| | | - | - | - | 2 | - | - | 342 | |
| Cash flows from financing activities | | | | | | | | 344 | Cash flows from financing activities |
| Increase in cash | 274 | | | | 187 | | | 461 | Increase in cash and cash equivalents |