

Notes to the Interim Report

1 Segmental reporting

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
By geographical destination			
Revenue			
United Kingdom	169.4	173.3	345.2
Continental Europe	124.9	116.2	247.6
North America	63.2	55.6	111.8
Japan	8.4	7.8	17.0
Asia and Rest of World	30.9	26.6	52.3
	396.8	379.5	773.9
By geographical origin			
Revenue			
United Kingdom	176.3	180.0	358.8
Continental Europe	122.8	114.3	243.5
North America	64.1	56.2	112.8
Japan	8.4	7.8	17.0
Asia and Rest of World	25.2	21.2	41.8
	396.8	379.5	773.9
Profit before taxation			
United Kingdom	46.5	53.7	105.7
Continental Europe	26.7	24.6	55.5
North America	8.6	7.5	15.7
Japan	0.2	0.6	1.5
Asia and Rest of World	3.1	1.8	4.0
Contribution before reorganisation cost	85.1	88.2	182.4
Group Process costs	(48.5)	(38.5)	(81.6)
Reorganisation costs	(1.7)	–	–
Net interest payable	(1.3)	(0.1)	(0.9)
	33.6	49.6	99.9

2 Taxation on the profit of the Group

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
United Kingdom taxation	4.3	8.9	18.9
Overseas taxation	6.8	6.6	13.4
	11.1	15.5	32.3

3 Earnings per share

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
Profit after taxation but before reorganisation costs	23.6	34.1	67.6
Reorganisation costs	(1.7)	–	–
Taxation on reorganisation costs	0.6	–	–
Profit after taxation	22.5	34.1	67.6
Weighted average number of shares	434.9m	434.9m	434.9m
Diluted weighted average number of shares	435.2m	436.7m	435.0m
Basic earnings per share before reorganisation costs	5.4p	7.8p	15.5p
Basic earnings per share after reorganisation costs	5.2p	7.8p	15.5p
Diluted earnings per share before reorganisation costs	5.4p	7.8p	15.5p
Diluted earnings per share after reorganisation costs	5.2p	7.8p	15.5p

4 Interim dividend

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
Amounts recognised in the period			
Final dividend for the year ended 31 March 2005 – 12.6p (2004: 12.6p)	54.8	54.8	54.8
Interim dividend for the year ended 31 March 2005 – 5.8p			25.2
	54.8	54.8	80.0
Amounts determined after the balance sheet date:			
Interim dividend for the year ended 31 March 2006 – 5.8p	25.2		

The timetable for the payment of the interim dividend is:

Ex-dividend date	14 December 2005
Dividend record date	16 December 2005
Dividend payment date	19 January 2006

Notes to the Interim Report continued

5 Reconciliation of movements in equity

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
Profit for the period	22.5	34.1	67.6
Dividend	(54.8)	(54.8)	(80.0)
Loss for the period	(32.3)	(20.7)	(12.4)
Translation differences	8.3	5.8	1.5
Actuarial gain on defined benefit pension schemes	–	–	0.5
Changes in the fair value of cash flow hedges	0.3	–	–
Tax impact of adjustments taken directly to equity	–	–	(0.2)
Equity settled transactions	1.6	1.0	2.4
Net reduction in equity	(22.1)	(13.9)	(8.2)
Equity shareholders' funds at the beginning of the period	355.7	363.9	363.9
Opening balance sheet adjustment: IAS 39	0.9		
Equity shareholders' funds at the beginning of the period as restated	356.6		
Equity shareholders' funds at the end of the period	334.5	350.0	355.7

6 Reconciliation of movements in cash and cash equivalents

	6 months to 30.09.2005 (Unaudited) £m	6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
Reduction in cash and cash equivalents	(7.8)	(23.8)	(4.7)
Translation differences on cash and cash equivalents	1.8	0.4	(5.3)
Movement in cash and cash equivalents	(6.0)	(23.4)	(10.0)
Movement in loan balances	(28.9)	(2.7)	(14.2)
Translation differences on loan balances	(6.0)	(0.5)	3.3
Net debt at the beginning of the period	(55.4)	(34.5)	(34.5)
Net debt at the end of the period	(96.3)	(61.1)	(55.4)
Net debt at the end of the period comprises:			
Cash at bank and in hand	58.2	49.9	64.8
Overdrafts	(1.6)	(0.7)	(2.2)
Current instalments of loans	(21.2)	(27.4)	(25.5)
Loans repayable after more than one year	(131.7)	(82.9)	(92.5)
	(96.3)	(61.1)	(55.4)

7 Opening balance sheet adjustment: adoption of IAS 32 and IAS 39

The Group adopted IAS 32 Financial Instruments: Disclosure and Presentation and IAS 39 Financial Instruments: Recognition and Measurement from 1 April 2005 as permitted by IFRS 1 First-time Adoption of International Financial Reporting Standards. An adjustment has therefore been made to include these balances in the opening equity balances for the half year to 30 September 2005. In accordance with IFRS 1, comparative information has not been restated.

The opening adjustment for the Group represents the difference between the book value and the market value of its forward foreign exchange contracts as at 1 April 2005.

This has the effect of increasing opening equity by £0.9m and increasing trade and other receivables by £0.9m.

8 Principal exchange rates

	6 months to 30.09.2005 (Unaudited)	6 months to 30.09.2004 (Unaudited)	Year to 31.03.2005 (Unaudited)
Average:			
Euro	1.47	1.49	1.47
Japanese yen	199	198	198
US dollar	1.82	1.82	1.85
	30.09.2005	30.09.2004	31.03.2005
Period end:			
Euro	1.47	1.46	1.46
Japanese yen	200	199	202
US dollar	1.76	1.81	1.89

9 First time adoption of International Financial Reporting Standards

IFRS 1: First Time Adoption of International Financial Reporting Standards requires reconciliations of total equity and income from UK GAAP to IFRS. These are summarised further below. Further details of all the adjustments were announced on 12 July 2005.

	31.03.2005 (Unaudited) £m	30.09.2004 (Unaudited) £m	01.04.2004 (Unaudited) £m
Reconciliation of equity from UK GAAP to IFRS			
Total equity under UK GAAP	330.7	356.7	344.4
IFRS adjustments			
Share based payments	1.3	1.3	0.5
Employee benefits	(37.0)	(36.2)	(35.7)
Goodwill	6.0	3.1	–
Dividends	54.8	25.2	54.8
Other	(0.1)	(0.1)	(0.1)
Total equity under IFRS	355.7	350.0	363.9
		6 months to 30.09.2004 (Unaudited) £m	Year to 31.03.2005 (Unaudited) £m
Reconciliation of profit from UK GAAP to IFRS			
Profit attributable to shareholders for the period under UK GAAP		31.8	64.7
IFRS adjustments			
Share based payments		(1.0)	(2.4)
Employee benefits		(0.9)	(2.1)
Goodwill		4.8	9.4
Taxation on above adjustments		(0.6)	(2.0)
Profit attributable to shareholders for the period under IFRS		34.1	67.6

None of the IFRS adjustments affect the free cash flow of the Group.