

Principal financial statements in US\$

The following information is provided for the convenience of US shareholders in accordance with the requirements of the New York Stock Exchange. The principal financial statements, prepared under UK GAAP and in sterling, have been translated into US\$ – the consolidated profit and loss account, consolidated statement of recognised gains and losses and consolidated cash flow statement at average exchange rates and the consolidated balance sheet at period end exchange rates. The exchange rates used are given in Note 5 to the financial statements.

Consolidated profit and loss account

	2000			1999			1998		
	Business \$m	Other \$m	Total \$m	Business \$m	Other \$m	Total \$m	Business \$m	Other \$m	Total \$m
Turnover	27,480	–	27,480	27,210	–	27,210	26,563	–	26,563
Cost of sales	(5,793)	(230)	(6,023)	(6,375)	(646)	(7,021)	(6,511)	(76)	(6,587)
Gross profit	21,687	(230)	21,457	20,835	(646)	20,189	20,052	(76)	19,976
Selling, general and administrative expenditure	(10,232)	(614)	(10,846)	(9,998)	(120)	(10,118)	(9,528)	(226)	(9,754)
Research and development expenditure	(3,815)	(24)	(3,839)	(3,704)	–	(3,704)	(3,441)	–	(3,441)
Trading profit	7,640	(868)	6,772	7,133	(766)	6,367	7,083	(302)	6,781
Other operating income/(expense)	416	–	416	669	–	669	367	–	367
Operating profit	8,056	(868)	7,188	7,802	(766)	7,036	7,450	(302)	7,148
Share of profits/(losses) of joint ventures and associates	99	(12)	87	24	(13)	11	36	–	36
Profit on disposal of interest in associate	219	–	219	63	–	63	–	–	–
Profit on dissolution of joint venture	–	–	–	–	–	–	95	–	95
Product divestments	–	2,152	2,152	–	–	–	–	–	–
Merger transaction costs	–	(184)	(184)	–	–	–	–	–	–
Disposal of businesses:									
Provision for loss on disposal	–	–	–	–	–	–	–	(1,044)	(1,044)
Loss on disposal	–	(21)	(21)	–	(1,028)	(1,028)	–	–	–
Utilisation of provision	–	–	–	–	1,043	1,043	–	–	–
Profit before interest	8,374	1,067	9,441	7,889	(764)	7,125	7,581	(1,346)	6,235
Net interest payable	(277)	–	(277)	(262)	–	(262)	(319)	–	(319)
Profit on ordinary activities before taxation	8,097	1,067	9,164	7,627	(764)	6,863	7,262	(1,346)	5,916
Taxation	(2,210)	(372)	(2,582)	(2,150)	176	(1,974)	(2,118)	496	(1,622)
Profit on ordinary activities after taxation	5,887	695	6,582	5,477	(588)	4,889	5,144	(850)	4,294
Minority interests	(183)	–	(183)	(178)	–	(178)	(169)	–	(169)
Preference share dividends	(85)	–	(85)	(79)	–	(79)	(83)	–	(83)
Earnings (Profit attributable to shareholders)	5,619	695	6,314	5,220	(588)	4,632	4,892	(850)	4,042
			US\$			US\$			US\$
Earnings per ADS			2.08			1.51			1.32
Adjusted earnings per ADS	1.85			1.71			1.60		

A columnar presentation of the profit and loss account has been adopted in order to illustrate underlying business performance. For this purpose certain items are excluded from business performance, the 'Business' column, and are presented in the 'Other' column. These items comprise: merger items, including product divestments; costs relating to previously announced manufacturing and other restructurings; the effect of business disposals in prior years.

Consolidated statement of total recognised gains and losses

	2000 \$m	1999 \$m	1998 \$m
Profit attributable to shareholders	6,314	4,632	4,042
Exchange movements on overseas net assets	(682)	(674)	75
UK tax on exchange movements	(52)	(71)	40
Total recognised gains and losses	5,580	3,887	4,157

Consolidated cash flow statement

	2000 \$m	1999 \$m	1998 \$m
Net cash inflow from operating activities	8,271	7,801	7,030
Earnings from joint ventures and associated undertakings	2	3	66
Returns on investment and servicing of finance	(490)	(510)	(543)
Taxation paid	(1,885)	(1,774)	(1,731)
Capital expenditure and financial investment	(497)	(3,630)	(2,002)
Acquisitions and disposals	100	1,576	(285)
Equity dividends paid	(3,083)	(2,969)	(3,016)
Net cash inflow/(outflow) before management of liquid resources and financing	2,418	497	(481)
Management of liquid resources	(339)	(58)	(295)
Financing	(830)	(283)	426
Increase/(decrease) in cash in the year	1,249	156	(350)

Consolidated balance sheet

	2000 \$m	1999 \$m
Goodwill	253	258
Intangible assets	1,439	1,491
Tangible assets	9,897	10,307
Investments	3,791	2,904
Fixed assets	15,380	14,960
Equity investments	255	84
Stocks	3,393	3,611
Debtors	8,044	7,773
Liquid investments	3,186	2,866
Cash at bank	1,912	932
Current assets	16,790	15,266
Loans and overdrafts	(3,399)	(4,539)
Other creditors	(10,137)	(9,062)
Creditors: amounts due within one year	(13,536)	(13,601)
Net current assets	3,254	1,665
Total assets less current liabilities	18,634	16,625
Loans	(2,609)	(3,054)
Other creditors	(213)	(237)
Creditors: amounts due after one year	(2,822)	(3,291)
Provisions for liabilities and charges	(2,469)	(2,697)
Net assets	13,343	10,637
Called up share capital	2,318	2,494
Share premium account	45	–
Other reserves	9,126	6,303
Equity shareholders' funds	11,489	8,797
Non-equity minority interest	1,548	1,547
Equity minority interests	306	293
Capital employed	13,343	10,637