

Consolidated statement of profit and loss

	Notes	2000			1999					1998				
		Business performance £m	Merger, restructuring and disposal of subsidiaries £m	Total £m	Business performance			Restructuring and disposal of subsidiaries £m	Total £m	Business performance			Restructuring and disposal of subsidiaries £m	Total £m
					Retained businesses £m	Divested business £m	Total £m			Retained businesses £m	Divested business £m	Total £m		
Turnover	7	18,079	–	18,079	16,164	632	16,796	–	16,796	14,938	1,064	16,002	–	16,002
Cost of sales		(3,811)	(151)	(3,962)	(3,499)	(436)	(3,935)	(399)	(4,334)	(3,300)	(622)	(3,922)	(46)	(3,968)
Gross profit		14,268	(151)	14,117	12,665	196	12,861	(399)	12,462	11,638	442	12,080	(46)	12,034
Selling, general and administrative expenditure		(6,732)	(404)	(7,136)	(6,002)	(170)	(6,172)	(74)	(6,246)	(5,375)	(365)	(5,740)	(136)	(5,876)
Research and development expenditure		(2,510)	(16)	(2,526)	(2,285)	(1)	(2,286)	–	(2,286)	(2,072)	(1)	(2,073)	–	(2,073)
Trading profit		5,026	(571)	4,455	4,378	25	4,403	(473)	3,930	4,191	76	4,267	(182)	4,085
Other operating income/(expense)	9	274	–	274	413	–	413	–	413	221	–	221	–	221
Operating profit	8,10	5,300	(571)	4,729	4,791	25	4,816	(473)	4,343	4,412	76	4,488	(182)	4,306
Share of profits/(losses) of joint ventures and associated undertakings	8,11	65	(8)	57	15	–	15	(8)	7	22	–	22	–	22
Profit on disposal of interest in associate	32	144	–	144	39	–	39	–	39	–	–	–	–	–
Profit on dissolution of joint venture		–	–	–	–	–	–	–	–	57	–	57	–	57
Product divestments	8	–	1,416	1,416	–	–	–	–	–	–	–	–	–	–
Merger transaction costs	8	–	(121)	(121)	–	–	–	–	–	–	–	–	–	–
Disposal of businesses:														
Provision for loss on disposal		–	–	–	–	–	–	–	–	–	–	–	(629)	(629)
Loss on disposal	8	–	(14)	(14)	–	–	–	(635)	(635)	–	–	–	–	–
Utilisation of provision	8	–	–	–	–	–	–	644	644	–	–	–	–	–
Profit before interest		5,509	702	6,211	4,845	25	4,870	(472)	4,398	4,491	76	4,567	(811)	3,756
Net interest payable	12	(182)	–	(182)	(162)	–	(162)	–	(162)	(192)	–	(192)	–	(192)
Profit on ordinary activities before taxation		5,327	702	6,029	4,683	25	4,708	(472)	4,236	4,299	76	4,375	(811)	3,564
Taxation	8,13	(1,454)	(245)	(1,699)	(1,320)	(7)	(1,327)	109	(1,218)	(1,256)	(20)	(1,276)	299	(977)
Profit on ordinary activities after taxation		3,873	457	4,330	3,363	18	3,381	(363)	3,018	3,043	56	3,099	(512)	2,587
Minority interests		(120)	–	(120)	(110)	–	(110)	–	(110)	(102)	–	(102)	–	(102)
Preference share dividends		(56)	–	(56)	(49)	–	(49)	–	(49)	(50)	–	(50)	–	(50)
Earnings (Profit attributable to shareholders)	14	3,697	457	4,154	3,204	18	3,222	(363)	2,859	2,891	56	2,947	(512)	2,435
Earnings per Ordinary Share	14	–	–	68.5p					46.7p					39.9p
Adjusted earnings per Ordinary Share	14	61.0p	–	–			52.7p		–			48.3p		–
Diluted earnings per Ordinary Share	14	–	–	67.7p					46.3p					39.4p
Profit attributable to shareholders				4,154					2,859					2,435
Dividends	15			(2,097)					(2,005)					(1,903)
Retained profit				2,057					854					532

All items dealt with in arriving at operating profit relate to continuing activities. There is no difference between the profit on ordinary activities before taxation and the retained profit stated above and their historical cost equivalents.

Consolidated statement of total recognised gains and losses

	2000 £m	1999 £m	1998 £m
Profit attributable to shareholders	4,154	2,859	2,435
Exchange movements on overseas net assets	(23)	(272)	4
UK tax on exchange movements	16	(44)	24
Total recognised gains and losses	4,147	2,543	2,463