

# Glossary

**Adjusted diluted earnings per share**

Diluted earnings per share adjusted to exclude items classified by us as exceptional in nature and IAS 39 timing differences from hedging interest rate and currency exposures, both net of tax.

**Adjusted profit for the period**

Profit for the period adjusted to exclude items classified by us as exceptional in nature and IAS 39 timing differences from hedging interest rate and currency exposures, both net of tax.

**IAS 39 timing differences from hedging interest rate and currency exposures**

Derivative financial instruments are used to hedge interest rate and currency exposures. IAS 39 dictates whether changes in the fair value of these instruments can be matched in the income statement by changes in the fair value of the item being hedged. Where they cannot be matched, or do not fully match, the unmatched amount represents a timing difference that will reverse over the life of the financial instruments.

**Interest cover**

Operating profit divided by underlying net finance costs.

**Items classified by us as exceptional in nature**

In the reporting periods this comprises profit on disposal of businesses and profit on disposal of/(amounts written off) investments.

**Net borrowings**

Borrowings, net of cash and cash equivalents and derivative financial instruments.

**Net finance costs**

Finance costs net of finance income.

**Operating profit**

Profit from operations before share of associates' post tax earnings, profit on disposal of businesses and profit on disposal of/(amounts written off) investments.

**Underlying net finance costs**

Net finance costs adjusted to exclude IAS 39 timing differences from hedging interest rate and currency exposures.

**Underlying rate of tax**

The underlying tax charge expressed as a percentage of operating profit net of underlying net finance costs.

**Underlying tax charge**

The tax charge excluding tax on items classified by us as exceptional in nature and IAS 39 timing differences from hedging interest rate and currency exposures.