

## Principal companies

Company	Principal activities	Percentage held by company	Percentage held by subsidiary undertakings
<b>Company</b>			
Boots Group PLC	Investing		
<b>Subsidiary undertakings</b> (incorporated in Great Britain)			
The Boots Company PLC	Manufacturing, marketing and distribution of healthcare and consumer products	100	
Boots Healthcare International Ltd.	Marketing consumer products		100
Boots Properties PLC	Property holding		100
Boots The Chemists Ltd.	Retail chemists		100
Boots Holdings (BHI) Ltd.	Holding Company		100

Percentages relate to holdings of ordinary share capital.

## Group financial record

### Profit and loss account

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
<b>Group turnover from continuing operations</b>	<b>5,325.0</b>	5,085.4	4,797.8	4,707.5	4,699.7
Discontinued operations <sup>2</sup>	–	234.9	528.7	508.5	492.6
<b>Total group turnover</b>	<b>5,325.0</b>	5,320.3	5,326.5	5,216.0	5,192.3
<b>Operating profit from continuing operations</b>	<b>551.2</b>	532.3	590.8	559.7	527.1
Discontinued operations	–	22.5	54.3	41.9	48.5
<b>Group operating profit before exceptional items</b>	<b>551.2</b>	554.8	645.1	601.6	575.6
Share of operating loss of joint ventures	<b>(1.1)</b>	(13.2)	(20.9)	(23.1)	(8.4)
<b>Total operating profit before exceptional items</b>	<b>550.1</b>	541.6	624.2	578.5	567.2
Operating exceptional items	–	–	(16.4)	(50.5)	(22.0)
<b>Total operating profit including share of joint ventures</b>	<b>550.1</b>	541.6	607.8	528.0	545.2
Other exceptional items (non operating)	<b>36.4</b>	(152.6)	(26.5)	(38.4)	12.9
<b>Profit on ordinary activities before interest and taxation</b>	<b>586.5</b>	389.0	581.3	489.6	558.1
Net interest (payable)/receivable and similar items	<b>(5.5)</b>	103.4	13.2	1.1	5.9
<b>Profit on ordinary activities before taxation</b>	<b>581.0</b>	492.4	594.5	490.7	564.0
Taxation	<b>(167.7)</b>	(191.9)	(190.8)	(169.0)	(167.3)
<b>Profit on ordinary activities after taxation</b>	<b>413.3</b>	300.5	403.7	321.7	396.7
Minority interests	<b>(0.7)</b>	(0.5)	(0.3)	(0.2)	(0.2)
<b>Profit for the financial year attributable to shareholders</b>	<b>412.6</b>	300.0	403.4	321.5	396.5
Dividends paid and proposed	<b>(226.3)</b>	(230.7)	(240.6)	(231.6)	(221.7)
<b>Retained profit for the financial year</b>	<b>186.3</b>	69.3	162.8	89.9	174.8

### Statement of total recognised gains and losses

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
Profit for the financial year attributable to shareholders	<b>412.6</b>	300.0	403.4	321.5	396.5
Surplus/(deficit) on revaluation of properties	–	17.1	1.5	(1.8)	(3.3)
Impairment losses on revalued assets	–	–	–	(0.1)	(1.1)
Currency translation differences	<b>(14.8)</b>	7.5	(3.0)	6.1	(6.6)
<b>Total recognised gains and losses for the year</b>	<b>397.8</b>	324.6	401.9	325.7	385.5

<sup>1</sup>Restated on adoption of FRSS Application Note G on revenue recognition (see note 1(iv)).

<sup>2</sup>Includes inter-segmental turnover.

## Reconciliation of movements in shareholders' funds

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
Total recognised gains and losses for the year	397.8	324.6	401.9	325.7	385.5
Dividends	(226.3)	(230.7)	(240.6)	(231.6)	(221.7)
New share capital issued (net of expenses)	0.3	(0.3)	0.7	0.9	0.5
Repurchase of shares	(259.9)	(462.8)	(45.9)	–	(95.4)
Goodwill released on disposal of businesses	–	349.3	22.4	17.9	–
<b>Net (decrease)/increase in shareholders' funds</b>	<b>(88.1)</b>	<b>(19.9)</b>	<b>138.5</b>	<b>112.9</b>	<b>68.9</b>

## Balance sheet

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
Intangible fixed assets	281.5	301.3	298.2	304.6	62.3
Tangible fixed assets	1,499.4	1,516.5	1,727.7	1,812.8	1,799.0
Investments	74.7	84.7	121.7	140.7	141.2
Net current assets	587.0	630.1	488.2	181.3	329.4
Creditors: Amounts falling due after more than one year	(382.9)	(401.8)	(480.0)	(451.9)	(489.2)
Provisions for liabilities and charges	(177.2)	(160.9)	(165.8)	(136.0)	(102.9)
Net assets	1,882.5	1,969.9	1,990.0	1,851.5	1,739.8
Represented by:					
Equity shareholders' funds	1,881.3	1,969.4	1,989.3	1,850.8	1,737.9
Minority interests	1.2	0.5	0.7	0.7	1.9
	1,882.5	1,969.9	1,990.0	1,851.5	1,739.8

<sup>1</sup>Restated on adoption of FRSS Application Note G on revenue recognition (see note 1(iv)).

## Cash flow statement

	2004 £m	2003 £m	2002 £m	2001 £m	2000 £m
Cash inflow from operating activities	637.8	582.3	722.4	664.4	753.7
Returns on investment and servicing of finance	(22.6)	75.0	40.7	(22.6)	(9.8)
Taxation	(166.2)	(196.7)	(139.2)	(167.4)	(154.4)
Capital expenditure and financial investment	(42.3)	(24.1)	(102.2)	(405.0)	(221.0)
Acquisitions and disposals	(2.2)	358.1	3.9	(32.7)	(2.6)
Equity dividends paid	(229.1)	(238.3)	(234.5)	(224.0)	(216.3)
Cash inflow/(outflow) before use of liquid resources and financing	175.4	556.3	291.1	(187.3)	149.6
Management of liquid resources	53.5	15.8	(234.3)	305.2	(283.6)
Financing	(281.2)	(511.8)	(55.2)	(71.4)	172.8
(Decrease)/increase in cash in the year	(52.3)	60.3	1.6	46.5	38.8

## Statistics

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
Sales growth from continuing operations	4.7%	6.0%	1.9%	0.2%	7.0%
Return on shareholders' funds before exceptional items	19.1%	19.0%	23.8%	22.9%	23.9%
Basic earnings per share	52.9p	35.8p	45.8p	36.6p	44.8p
Basic earnings per share before exceptional items	48.2p	45.0p	49.8p	45.2p	45.1p
Net debt (£m)	(148.5)	(51.5)	(146.3)	(410.2)	(237.6)
Capital expenditure (£m)	214.9	149.2	173.6	241.6	252.8

Return on shareholders' funds is calculated as profit on ordinary activities before exceptional items and after taxation as a percentage of opening shareholders' funds.

## Shareholder value

	2004 £m	Restated <sup>1</sup> 2003 £m	Restated <sup>1</sup> 2002 £m	Restated <sup>1</sup> 2001 £m	Restated <sup>1</sup> 2000 £m
Dividend per share	29.8p	28.6p	27.4p	26.3p	25.2p
Dividend cover before exceptional items	1.7	1.6	1.8	1.7	1.8
Share price:					
Highest	753p	725p	694.5p	649p	884p
Lowest	525p	492p	565p	479p	457p

<sup>1</sup>Restated on adoption of FRSS Application Note G on revenue recognition (see note 1(iv)).