

Group profit and loss account

	Before exceptional items 2002 £m	Exceptional items 2002 £m	Total 2002 £m	Restated* Before exceptional items 2001 £m	Restated* Exceptional items 2001 £m	Restated* Total 2001 £m
For the year ended 31st March 2002						
Turnover: group and share of joint ventures	5,332.2	–	5,332.2	5,226.2	–	5,226.2
Less: share of joint ventures' turnover	(3.9)	–	(3.9)	(5.3)	–	(5.3)
Group turnover	5,328.3	–	5,328.3	5,220.9	–	5,220.9
Group operating profit	646.4	(16.4)	630.0	603.1	(50.5)	552.6
Share of operating loss of joint ventures	(20.9)	–	(20.9)	(23.1)	–	(23.1)
Total operating profit including share of joint ventures	625.5	(16.4)	609.1	580.0	(50.5)	529.5
(Loss)/profit on disposal of fixed assets	–	(6.0)	(6.0)	–	3.2	3.2
Loss on disposal of businesses	–	(14.9)	(14.9)	–	(41.6)	(41.6)
Share of joint venture loss on closure of business	–	(5.6)	(5.6)	–	–	–
Profit on ordinary activities before interest	625.5	(42.9)	582.6	580.0	(88.9)	491.1
Net interest receivable and similar items	13.2	–	13.2	1.1	–	1.1
Profit on ordinary activities before taxation	638.7	(42.9)	595.8	581.1	(88.9)	492.2
Tax on profit on ordinary activities	(198.1)	6.9	(191.2)	(182.5)	13.1	(169.4)
Profit on ordinary activities after taxation	440.6	(36.0)	404.6	398.6	(75.8)	322.8
Equity minority interests	(0.3)	–	(0.3)	(0.2)	–	(0.2)
Profit for the financial year attributable to shareholders	440.3	(36.0)	404.3	398.4	(75.8)	322.6
Dividends paid and proposed			(240.6)			(231.6)
Retained profit for the financial year			163.7			91.0
Basic earnings per share	49.9p	(4.0)p	45.9p	45.4p	(8.7)p	36.7p
Diluted earnings per share	49.8p	(4.0)p	45.8p	45.2p	(8.6)p	36.6p

* Restated on adoption of FRS19 'Deferred Tax' that requires deferred tax to be provided on a full provision basis where previously it was only provided on a partial basis. The effect of this change was to reduce profit after tax by £15.7m (2001 £10.6m).

Directors' remuneration can be found on page 24.

The exceptional operating items in the current period comprise a £10.4m charge relating to the withdrawal of the online photographic services of bootsphoto.com and £6.0m additional costs incurred within Boots The Chemists on the cost reduction programme and leisure exit.

Exceptional operating items in the year to 31st March 2001 include cost reduction programme and leisure exit costs, which fell across several business segments and costs of £5.2m that were incurred as Boots Healthcare International integrated Clearasil into its existing operations.

The loss on disposal of businesses and share of joint venture loss on closure of business of £20.5m (2001 £41.6m) includes a loss of £10.2m on the disposal of skincare brands Onagrine and Nobacter and the factory in France, a loss of £8.0m (£5.6m of which relates to the joint venture) on the closure of the retail stores in Japan following agreement with Mitsubishi Corporation (a joint venture partner) and a loss on disposal of £2.3m as the Halfords garage servicing business was sold to the Automobile Association, a wholly owned subsidiary of Centrica.

The disposal of businesses in 2001 includes a loss of £20.3m on the transfer of property leases, stocks, assets and employees of Boots Stores Nederland B.V. Dutch retail operation to Etos, part of Royal Ahold, the Netherlands' largest retail group, and a loss of £21.0m on the substantially completed sale of Roval, a private label manufacturing business in France and Spain, to the existing Roval management team.

Turnover

Sales to customers, excluding VAT.

Operating profit

Profit from normal trading activities of the group.

Exceptional items

Items which due to their size and incidence are disclosed separately.

Joint ventures

An entity over which the company (Boots) has joint control.

Retained profit

That part of profit for the year which has been retained for the future.

Basic earnings per share

Profit earned for ordinary shareholders divided by the average number of shares in issue.

Diluted earnings per share

As basic, adjusted by the average number of shares which may be issued in the future, therefore diluting earnings.