

Summary financial statement

This summary financial statement is only a summary of information contained in the annual report and accounts, directors' report and the directors' remuneration report. It does not contain sufficient information to allow as full an understanding of the results and state of affairs of the company or group, or of their policies and arrangements concerning directors' remuneration, as is provided by the full annual report and accounts. The financial statements, directors' report and auditors' report (which is unqualified) are included in a separate document entitled 'Annual Report and Accounts for the year ended 31st March 2003', which is available to shareholders, free of charge, from the address shown in shareholder information on the inside back cover.

Statement of the independent auditors to the members of Boots Group PLC pursuant to section 251 of the Companies Act 1985.

We have examined the summary financial statement set out on pages 23 to 28.

This statement is made solely to the company's members, as a body, in accordance with section 251 of the Companies Act 1985. Our work has been undertaken so that we might state to the company's members those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of directors and auditors The directors are responsible for preparing the annual review and summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement within the annual review and summary financial statement with the full annual financial statements and directors' report and the directors' remuneration report, and its compliance with the relevant requirements of Section 251 of the Companies Act 1985 and the regulations made thereunder. We also read the other information contained in the annual review and summary financial statement and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Basis of audit opinion We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the United Kingdom. Our report on the group's full annual financial statements describes the basis of our audit opinion on those financial statements.

Opinion In our opinion the summary financial statement is consistent with the full annual financial statements, the directors' report and the directors' remuneration report of Boots Group PLC for the year ended 31st March 2003 and complies with the applicable requirements of section 251 of the Companies Act 1985 and the regulations made thereunder.

KPMG Audit Plc

Chartered Accountants
Registered Auditor
Birmingham
4th June 2003

Summary directors' report

The directors of Boots Group PLC present their summary financial statement to shareholders for the year ended 31st March 2003. It is a summary of the information contained in the Report and Accounts.

Capital reorganisation During the year a new group holding company was interposed between The Boots Company PLC and its shareholders through a scheme of arrangement.

Principal activities The group's principal activities during the year were:

- retailing of chemists' merchandise.
- the provision of opticians' and other healthcare services.
- the development, manufacture and marketing of healthcare and consumer products.

The group completed the sale of its autoparts retailer on 30th August 2002.

Business review and future developments A review of group activities during the year, research and development, and likely future developments are dealt with in the chairman's statement, chief executive's review and review of operations on pages 1 to 17.

Appropriations The directors recommend the payment of a final dividend of 20.2p per share which, if approved by shareholders, will be paid on 22nd August 2003 to shareholders registered on 20th June 2003. When added to the interim dividend of 8.4p paid on 7th February 2003, this makes a total dividend payment for the year of 28.6p per share (2002 27.4p per share). Payment of these dividends requires £230.7m (2002 £240.6m), leaving a profit of £71.0m (2002 £163.7m) retained in the business.

Directors Details of directors are shown on pages 20 and 21. Mr D A R Thompson was a director of The Boots Company PLC until his retirement from the board on 4th September 2002 and Mr B Clare was a director of The Boots Company PLC and Boots Group PLC until his resignation on 31st January 2003. Ms F M Harrison was a director of The Boots Company PLC until her resignation on 6th November 2002 and Mr K S Piggott was a director of The Boots Company PLC until his resignation on 31st December 2002.

Corporate governance The requirements of corporate governance are set out in the Financial Services Authority (FSA) Listing Rules together with the related Principles of Good Governance and Code of Best Practice (the 'Combined Code'), now adopted by the FSA.

Directors are assisted in complying with the internal control requirements of the Combined Code by the Institute of Chartered Accountants in England and Wales' publication 'Internal Control: Guidance for Directors on the Combined Code' (the 'Turnbull guidance').

The board has reviewed the group's corporate governance policies and practice and has determined that the company complied with the provisions of the Combined Code throughout the period.