

Notes to the consolidated financial statements

13 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held in the Employee Share Ownership Trust or in Treasury.

	Year to 31 March 2009			Year to 31 March 2008		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£million)	89	(24)	65	113	81	194
Weighted average number of ordinary shares in issue (millions)	456.5	456.5	456.5	474.7	474.7	474.7
Basic earnings per share	19.5p	(5.3)p	14.2p	23.8p	17.1p	40.9p

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all potential dilutive ordinary shares. Potential dilutive ordinary shares arise from share options. For these, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

	Year to 31 March 2009			Year to 31 March 2008		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit/(loss) attributable to equity holders of the Company (£million)	89	(24)	65	113	81	194
Weighted average number of diluted shares in issue (millions)	459.8	459.8	459.8	480.4	480.4	480.4
Diluted earnings per share	19.4p	(5.3)p	14.1p	23.6p	16.8p	40.4p

The adjustment for the dilutive effect of share options at 31 March 2009 was 3.3 million shares (2008 – 5.7 million shares).

Adjusted earnings per share

Adjusted earnings per share is stated excluding exceptional items and amortisation of acquired intangible assets as follows:

Continuing operations	Notes	Year to 31 March	
		2009	2008
Profit attributable to equity holders of the Company (£million)		89	113
Adjustments:			
– exceptional items	8	119	59
– amortisation of acquired intangible assets	15	15	12
– tax effect of the above adjustments		(49)	(8)
– minority interest share of exceptional items		–	(10)
Adjusted profit (£million)		174	166
Adjusted basic earnings per share from continuing operations		38.2p	35.0p
Adjusted diluted earnings per share from continuing operations		38.0p	34.6p