

10. Earnings per share

	2007				2006			
	£m	Basic pence per share	£m	Diluted pence per share	£m	Basic pence per share	£m	Diluted pence per share
Profit for the year attributable to equity shareholders	901		901		1,636		1,636	
Interest on the debt instrument of the convertible preference shares	-		13		-		28	
Profit for the year after adjusting for interest on the debt instrument of the convertible preference shares	901	26.6	914	26.4	1,636	50.7	1,664	49.2
Represented by:								
Continuing operations	879	26.0	892	25.8	643	19.9	671	19.8
Discontinued operations	22	0.6	22	0.6	993	30.8	993	29.4
Add back/(deduct):								
Net financing credit on pensions, post tax	(68)		(68)		(33)		(33)	
Uplift on acquired inventories, post tax	9		9		-		-	
Market value movements on derivatives, post tax	(29)		(29)		55		55	
Amortisation and impairment of intangible assets, post tax	110		110		79		79	
Impairment of goodwill	148		148		32		32	
Underlying earnings	1,071	31.6	1,084	31.3	1,769	54.9	1,797	53.1
Represented by:								
Continuing operations	1,049	31.0	1,062	30.7	767	23.8	795	23.5
Discontinued operations	22	0.6	22	0.6	1,002	31.1	1,002	29.6
	1,071	31.6	1,084	31.3	1,769	54.9	1,797	53.1
Underlying earnings excluding profit on disposal of Airbus SAS (2006 £925m)					844	26.2	872	25.8
Represented by:								
Continuing operations					767	23.8	795	23.5
Discontinued operations					77	2.4	77	2.3
					844	26.2	872	25.8
		Millions		Millions		Millions		Millions
Weighted average number of shares used in calculating basic earnings per share		3,386		3,386		3,225		3,225
Add:								
Incremental shares in respect of employee share schemes				24				32
Incremental shares in respect of convertible preference shares				56				125
Weighted average number of shares used in calculating diluted earnings per share				3,466				3,382

Underlying earnings per share is presented in addition to that required by IAS 33 Earnings per share as the directors consider that this gives a more appropriate indication of underlying performance.

In accordance with IAS 33, the diluted earnings per share are without reference to adjustments in respect of outstanding share options and convertible preference shares where the impact would be anti-dilutive.