



**Transition to  
International Financial  
Reporting Standards  
- Handouts**

# Summary Impact of IFRS Adjustments

Year ending 31 December 2004

	Sales	EBITA	Amortisation of:		Interest	Profit before tax	Tax	Profit after tax
			Intangibles	Goodwill				
<b>UK GAAP</b> , as previously reported	<b>13,479</b>	<b>1,013</b>	-	<b>(1,038)</b>	<b>(207)</b>	<b>(232)</b>	<b>(234)</b>	<b>(466)</b>
Reclassification of intangible amortisation	-	4	(4)	-	-	-	-	-
Regional aircraft financing	44	4	-	-	7	11	(3)	8
Pensions	-	16	-	-	24	40	(19)	21
Business combinations: - intangibles acquired	-	-	(7)	-	-	(7)	3	(4)
- fair value of stocks	-	(6)	-	-	-	(6)	2	(4)
Goodwill amortisation: - subsidiaries	-	-	-	348	-	348	(25)	323
- equity investments	-	-	-	109	-	109	-	109
Development costs: - subsidiaries	-	6	(2)	-	-	4	(1)	3
- equity investments	-	21	-	-	-	21	(8)	13
Long-term contracts	29	2	-	-	-	2	(1)	1
Share based payments	-	(18)	-	-	-	(18)	9	(9)
Revaluation of fixed assets/depreciation	-	11	-	-	-	11	(3)	8
<b>IFRS</b>	<b>13,552</b>	<b>1,053</b>	<b>(13)</b>	<b>(581)</b>	<b>(176)</b>	<b>283</b>	<b>(280)</b>	<b>3</b>

£ millions

# Summary Impact of IFRS Adjustments

	31 December 2004			
	Net assets pre-tax	Tax	Net Assets	Net Debt
<b>UK GAAP</b> , as previously reported	<b>5,027</b>	<b>(289)</b>	<b>4,738</b>	<b>5</b>
Minority interests	(4)	-	(4)	-
Regional aircraft financing	51	(15)	36	(673)
Pensions				
- reverse UK GAAP SSAP 24 pension asset	(359)	150	(209)	-
- recognise IAS 19 deficit allocated to group	(3,210)	969	(2,241)	-
- recognise share of deficit allocated to JVs	(371)	111	(260)	-
Business combinations:				
- additional goodwill	49	(49)	-	-
- intangibles amortisation	(7)	1	(6)	-
- fair value of stocks	(6)	-	(6)	-
Goodwill amortisation:				
- subsidiaries	348	-	348	-
- equity investments	109	-	109	-
Development costs:				
- subsidiaries	8	(2)	6	-
- equity investments	24	(8)	16	-
Long-term contracts	13	(5)	8	-
Share based payments	(14)	6	(8)	-
Revaluation of fixed assets	(136)	16	(120)	-
Dividend	178	-	178	-
Tax	-	80	80	-
<b>IFRS</b>	<b>1,700</b>	<b>965</b>	<b>2,665</b>	<b>(668)</b>

£ millions