

10. Earnings per share

	2008				2007 (restated) ¹			
	£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	1,745		1,745		901		901	
Interest on the debt instrument of the convertible preference shares	–		–		–		13	
Profit for the year after adjusting for interest on the debt instrument of the convertible preference shares	1,745	49.6	1,745	49.5	901	26.6	914	26.4
Represented by:								
Continuing operations	1,745	49.6	1,745	49.5	879	26.0	892	25.8
Discontinued operations	–	–	–	–	22	0.6	22	0.6
Add back/(deduct):								
Profit on disposal of businesses, post tax	(208)		(208)		(30)		(30)	
Uplift on acquired inventories, post tax	–		–		9		9	
Net financing credit on pensions, post tax	(39)		(39)		(68)		(68)	
Market value movements on derivatives, post tax	(552)		(552)		(29)		(29)	
Amortisation and impairment of intangible assets, post tax	184		184		110		110	
Impairment of goodwill – subsidiaries	54		54		148		148	
Impairment of goodwill – equity accounted investments	121		121		–		–	
Underlying earnings post tax	1,305	37.1	1,305	37.0	1,041	30.7	1,054	30.4
Represented by:								
Continuing operations	1,305	37.1	1,305	37.0	1,019	30.1	1,032	29.8
Discontinued operations	–	–	–	–	22	0.6	22	0.6
	1,305	37.1	1,305	37.0	1,041	30.7	1,054	30.4
		Millions		Millions		Millions		Millions
Weighted average number of shares used in calculating basic earnings per share		3,519		3,519		3,386		3,386
Add:								
Incremental shares in respect of employee share schemes				9				24
Incremental shares in respect of convertible preference shares				–				56
Weighted average number of shares used in calculating diluted earnings per share				3,528				3,466

1 Restated following a change in the definition of underlying earnings to exclude profit/(loss) on disposal of businesses. See page 29.

Underlying earnings per share is presented in addition to that required by IAS 33 *Earnings per Share* to align the adjusted earnings measure with the performance measure reviewed by the directors. 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.