

APPENDIX 4.1  
(referred to in paragraph 4.7)

**BAA: financial performance—profit and loss statements**

	<i>£ million</i>					
	1996/97	1997/98	1998/99	1999/00	2000/01 <i>restated*</i>	2001/02
Revenue:						
London airports	1,147	1,135	1,109	1,091	1,162	1,178
Other UK airports	139	126	135	141	155	164
Overseas airports	<u>16</u>	<u>29</u>	<u>48</u>	<u>57</u>	<u>64</u>	<u>60</u>
Total airports revenue	1,302	1,290	1,292	1,289	1,381	1,402
WDF	-	337	589	693	738	480
Rail	-	-	28	52	63	58
Other activities	<u>71</u>	<u>52</u>	<u>50</u>	<u>87</u>	<u>44</u>	<u>47</u>
Total revenue	1,373	1,679	1,959	2,121	2,226	1,987
Operating costs	<u>-882</u>	<u>-1,158</u>	<u>-1,383</u>	<u>-1,719</u>	<u>-1,666</u>	<u>-1,437</u>
Operating profit	491	521	576	402	560	550
Loss on discontinued operations	-	-	-	-29	-7	-188
Joint ventures and associates	-	3	29	38	11	-9
Profit on sale of investment properties	<u>3</u>	<u>8</u>	<u>9</u>	<u>84</u>	<u>21</u>	<u>16</u>
Profit before interest	494	532	614	495	585	369
Other income (pension scheme)*	0	0	0	0	64	48
Interest payable (net)	<u>-87</u>	<u>-52</u>	<u>-98</u>	<u>-118</u>	<u>-101</u>	<u>-99</u>
Pre-tax profit	407	480	516	377	548	318
Taxation*	<u>-111</u>	<u>-101</u>	<u>-115</u>	<u>-115</u>	<u>-155</u>	<u>-151</u>
Windfall tax	-	<u>-102</u>	-	-	-	-
Post-tax profit	296	277	401	262	393	167
Minority interest	-	-	-3	-3	-4	-2
Dividends	<u>-130</u>	<u>-144</u>	<u>-159</u>	<u>-175</u>	<u>-187</u>	<u>-194</u>
Retained profit/(loss)	166	133	239	84	202	-29
Return of profit on:						
Revenue (%)†	35.8	31.0	29.4	19.0	25.2	27.7
Mean enterprise value (%)‡	11.1	10.2	9.9	6.6	9.0	8.5
Interest cover (times)§	3.6	4.4	4.3	3.4	4.3	2.8
Dividend cover (times)¶	2.3	1.9	2.5	1.5	2.1	0.9
Dividend growth (%)⊘	12.1	10.8	10.4	10.1	6.9	3.7

Source: BAA.

\*During 2001/02 BAA applied three new accounting standards—FRS 17 (retirement benefits), FRS 18 (accounting policies) and FRS 19 (deferred tax). The results for 2000/01 in the above table have been restated to take account of the changes resulting from the application of FRSs 17 and 19. The adoption of FRS 18 did not have a significant impact on the results or financial position of the BAA group.

†Operating profit divided by revenue.

‡Operating profit divided by the mean of the sum of shareholders' funds, net debt and minority interests.

§Profit before interest divided by net interest payable (including capitalized interest).

¶Post-tax profit divided (less minority interest) divided by dividends declared.

⊘Percentage increase in dividends declared in the year compared with the previous year.