

APPENDIX 3.1
(referred to in paragraphs 3.10 and 3.26)

Safeway: detailed profit and loss account

	<i>Years ended end-March</i>						<i>£ million</i>
	1998	1999	2000	2001	2002	2003	
Turnover	6,978.7	7,510.7	7,659.2	8,151.3	8,560.0	8,638.7	
Cost of sales	<u>-5,475.2</u>	<u>-5,893.8</u>	<u>-6,045.3</u>	<u>-6,463.5</u>	<u>-6,731.5</u>	<u>-6,806.4</u>	
Gross profit	1,503.5	1,616.9	1,613.9	1,687.8	1,828.5	1,832.3	
Distribution costs	-956.2	-1,057.4	-1,149.6	-1,160.3	-1,264.6	-1,291.1	
Administrative costs	-120.9	-137.7	-146.9	-132.1	-147.4	-143.6	
Other	<u>-16.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>-50.6</u>	
Operating profit	409.9	421.8	317.4	395.4	416.5	347.0	
Share of joint venture							
operating profit	-0.2	0.2	0.1	1.6	3.9	5.4	
Exceptional items	0.0	0.0	0.0	0.0	0.0	-17.0	
Net property losses	-18.5	-16.5	-9.0	-5.8	-0.4	2.7	
Net interest	<u>-51.0</u>	<u>-64.9</u>	<u>-72.4</u>	<u>-76.7</u>	<u>-65.2</u>	<u>-67.8</u>	
Profit before tax	<u>340.2</u>	<u>340.6</u>	<u>236.1</u>	<u>314.5</u>	<u>354.8</u>	<u>270.3</u>	
Operating margin (%)*	5.9	5.6	4.1	4.9	4.9	4.0	
Return on mean net operating assets (%)†	16.7	15.4	10.7	12.9	13.2	10.2	

Source: Safeway.

*Defined as operating profit divided by turnover.

†Defined as operating profit divided by mean net operating assets.