

APPENDIX 3.1  
(referred to in paragraphs 2.36, 3.25, 3.33 and 5.41)

**P&O: detailed revenue and cost analysis for Dover-Calais  
and Dover-Zeebrugge**

TABLE 1 Dover-Calais route profitability, 1993 to 1996

	<i>Years ended 31 December</i>				<i>£'000</i>
	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	
<i>Revenues</i>					
Passenger: cars including their passengers	[				
Passenger: coaches including their passengers					
Passenger: foot passengers					
Total passenger ticket revenue					
On-board sales (gross sales)*					
On-board sales (cost of sales)*					
On-board sales (net)					
Freight					<i>Figures omitted.</i>
Other revenue					<i>See note on page iv.</i>
Total revenue					
<i>Costs</i>					
Variable operating costs (passenger and freight port taxes and travel agents' commissions)					
Ship operating costs (including depreciation)					
Administration and marketing#					
Total costs					
Profit before interest and taxation					]

*Source:* P&O.

\*P&O was unable to analyse sales and cost of sales between duty-free and other on a route-by-route basis. The following analysis is for Dover-Calais and Dover-Zeebrugge combined. Dover-Calais contributed over 98 per cent of the total gross sales in 1996:

**On-board sales for Dover-Calais and Dover-Zeebrugge combined**

<i>Sales:</i>				
Duty-free	84,707	109,609	114,429	108,039
Other	48,530	49,129	46,261	42,165
	<u>133,237</u>	<u>158,738</u>	<u>160,690</u>	<u>150,204</u>
<i>Cost of sales:</i>				
Duty-free	30,675	37,396	37,659	36,595
Other	24,374	18,521	16,197	14,522
	<u>55,049</u>	<u>55,917</u>	<u>53,856</u>	<u>51,117</u>

#P&O does not routinely allocate overhead costs to individual routes. The figures in the table assume a full allocation of overheads.

TABLE 2 **Dover-Zeebrugge: route profitability, 1993 to 1996**

	<i>Years ended 31 December</i>				<i>£'000</i>
	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	
<i>Revenues</i>					
Freight	[				
On-board sales (gross sales)*					
On-board sales (cost of sales)*					
On-board sales (net)					
Passenger ticket revenue					
Total revenue					
<i>Costs</i>					
Variable operating costs (passenger and freight port taxes and travel agents' commissions)		<i>Figures omitted.</i>			
		<i>See note on page iv.</i>			
Ship operating costs (including depreciation)					
Administration and marketing#					
Total costs					
Profit before interest and taxation					]

*Source:* P&O.

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\*P&O was unable to analyse sales and cost of sales between duty-free and other on a route-by-route basis. Analysis for Dover-Calais and Dover-Zeebrugge combined is given in Table 1 above. On-board sales on Dover-Zeebrugge amounted to less than 2 per cent of the combined gross on-board sales on the two routes in 1996.

#P&O does not routinely allocate overhead costs to individual routes. The figures in the table assume a full allocation of overheads.