

APPENDIX 3.2  
(referred to in paragraph 3.26)

**Mirror Group: profit and loss accounts, 1994 to 1998**

*£ million*

*Years ended 31 December\**

	1994	1995	1996	1997	1998
Turnover	463	512	538	559	697
Cost of sales	<u>(266)</u>	<u>(319)</u>	<u>(336)</u>	<u>(340)</u>	<u>(401)</u>
Gross profit	197	193	202	219	296
Distribution costs	(15)	(17)	(18)	(22)	(36)
Administrative costs	<u>(66)</u>	<u>(69)</u>	<u>(85)</u>	<u>(86)</u>	<u>(130)</u>
Trading profit	116	107	99	111	130
Exceptional items	<u>111</u>	<u>28</u>	<u>13</u>	<u>(7)</u>	<u>13</u>
Operating profit	227	135	112	104	143
Other income/(expense)	<u>(10)</u>	<u>(1)</u>	<u>7</u>	<u>2</u>	<u>(5)</u>
Net profit before interest and tax	217	134	119	106	138
Net interest expense	<u>(28)</u>	<u>(27)</u>	<u>(17)</u>	<u>(26)</u>	<u>(38)</u>
Net profit before tax	189	107	102	80	100
Taxation	<u>(44)</u>	<u>(24)</u>	<u>(19)</u>	<u>(23)</u>	<u>(33)</u>
Net profit after tax	145	83	83	57	67
Dividends	<u>(15)</u>	<u>(17)</u>	<u>(19)</u>	<u>(22)</u>	<u>(24)</u>
Retained profit	130	66	64	35	43
Earnings per share (pence)	35.2	19.8	19.8	13.5	14.7
Interest cover (times)†	4.2	4.0	5.7	4.3	3.4

Source: Mirror Group.

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\*Mirror Group's financial year runs for 52 or 53 weeks (and hence not precisely to 31 December).

†Calculated as trading profit divided by net interest expense.