

11 EARNINGS PER SHARE (EPS)

	Year ended 31 December 2005 pence	Year ended 31 December 2004 pence
a) Earnings per share (basic)		
Before exceptional items	13.5	8.6
After exceptional items	19.4	7.5
b) Earnings per share (diluted)		
Before exceptional items	13.0	8.5
After exceptional items	18.5	7.4
c) Basis of calculation (basic) – earnings		
	£m	£m
Profit attributable to equity holders of the parent before exceptional items	199	112
Exceptional items	86	(14)
Profit attributable to equity holders of the parent after exceptional items	285	98
d) Basis of calculation (diluted) – earnings		
	£m	£m
Profit attributable to equity holders of the parent before exceptional items	199	112
After tax effect of interest on convertible bond	7	–
Profit attributable to equity holders of the parent before exceptional items	206	112
Exceptional items	86	(14)
Profit attributable to equity holders of the parent after exceptional items	292	98
e) Basis of calculation (basic) – number of Ordinary Shares		
	Million	Million
Weighted average number of issued Ordinary Shares for the purposes of basic EPS	1,473.5	1,308.3
Weighted average number of shares held by Employee Share Ownership Plans (ESOPs)	(2.8)	(2.8)
Weighted average number of shares	1,470.7	1,305.5
f) Basis of calculation (diluted) – number of Ordinary Shares		
	Million	Million
Weighted average number of shares – total	1,470.7	1,305.5
Dilutive potential Ordinary Shares:		
Employee share schemes	19.8	10.9
Convertible bond	89.1	3.0
Weighted average number of Ordinary Shares for the purposes of diluted EPS	1,579.6	1,319.4

12 GOODWILL

	31 December 2005 £m	31 December 2004 £m
Cost		
At 1 January	197	7
Acquired through business combinations	2	190
Eliminated on partial disposal of a subsidiary	(9)	–
Exchange differences	(1)	–
At 31 December	189	197

The addition of £2 million and the reduction of £9 million to goodwill during the year relates to the acquisition and disposal of 5% and 20% of Turbogás respectively (refer to note 30 (a)).