

SUMMARY FINANCIAL STATEMENT

continued

NON-GAAP MEASURES

All continuing operations

RECONCILIATION OF REVENUE TO ADJUSTED REVENUE

for the year ended 30 June 2011

	2011 £m	2010 £m	2009 £m
Revenue	6,597	5,709	5,157
Recognition of deferred revenue	-	-	(36)
Adjusted Group revenue	6,597	5,709	5,121

RECONCILIATION OF OPERATING PROFIT TO ADJUSTED OPERATING PROFIT AND ADJUSTED EBITDA

for the year ended 30 June 2011

	2011 £m	2010 £m	2009 £m
Operating profit	1,073	1,113	842
Living TV restructuring costs	26	-	-
Costs in relation to News Corporation proposal	15	-	-
Recovery of import duty on set-top boxes	(41)	-	-
Litigation settlement income relating to claim against EDS	-	(269)	-
Legal costs relating to claim against EDS	-	1	3
Cancellation of accounts payable on settlement of claim against EDS	-	(5)	-
Costs relating to restructuring exercise	-	32	-
Recognition of deferred revenue	-	-	(36)
Adjusted EBITDA	1,405	1,185	1,077
Depreciation and amortisation	(332)	(338)	(268)
Costs relating to restructuring exercise included within depreciation and amortisation ⁽ⁱ⁾	-	25	-
Adjusted operating profit	1,073	872	809

(i) Included within depreciation and amortisation for the year ended 30 June 2010 is £25 million of expense relating to a restructuring exercise of which £22 million related to the impairment of assets associated with Picnic (the potential launch of a subscription television service on DTT) and £3 million related to restructuring costs.

RECONCILIATION OF CASH GENERATED FROM OPERATIONS TO ADJUSTED FREE CASH FLOW

for the year ended 30 June 2011

	2011 £m	2010 £m	2009 £m
Cash generated from operations	1,569	1,626	1,215
Interest received	7	57	47
Taxation paid	(219)	(319)	(178)
Dividends received from joint ventures and associates	29	30	20
Net funding to joint ventures and associates	(4)	(1)	(3)
Purchase of property, plant and equipment	(197)	(246)	(240)
Purchase of intangible assets	(226)	(183)	(139)
Interest paid	(124)	(156)	(217)
Free cash flow	835	808	505
Living TV restructuring costs	26	-	-
Costs in relation to News Corporation proposal	2	-	-
Litigation settlement income relating to claim against EDS (after tax)	-	(229)	-
Legal costs relating to claim against EDS	-	1	3
Receipt on closure of joint venture	-	(3)	-
Cash paid relating to restructuring exercise	6	-	7
Adjusted free cash flow	869	577⁽ⁱ⁾	515⁽ⁱ⁾

(i) The purchase of freehold land has been removed from adjusting items in the comparative periods (2010: £57 million; 2009: £24 million).