

**Consolidated statement of changes in equity**

FOR THE YEAR ENDED 31 DECEMBER 2005

	Share capital	Share premium reserve	Capital redemption reserve	Capital reserve	Hedging reserve	Translation reserve	Retained earnings	Attributable to equity holders of the parent	Minority interests	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2004	554	289	145	422	–	–	76	<b>1,486</b>	39	<b>1,525</b>
Exchange difference arising on translation of foreign operations	–	–	–	–	–	(39)	–	<b>(39)</b>	(1)	<b>(40)</b>
Net loss recognised directly in equity	–	–	–	–	–	(39)	–	<b>(39)</b>	(1)	<b>(40)</b>
Profit for the year	–	–	–	–	–	–	98	<b>98</b>	6	<b>104</b>
Total recognised income and expense for the year	–	–	–	–	–	(39)	98	<b>59</b>	5	<b>64</b>
Rights issue	183	103	–	–	–	–	–	<b>286</b>	–	<b>286</b>
Minority interests in acquisitions and disposals	–	–	–	–	–	–	–	–	30	<b>30</b>
Equity funding from minority interests	–	–	–	–	–	–	–	–	154	<b>154</b>
Dividends	–	–	–	–	–	–	–	–	(3)	<b>(3)</b>
Other movements	–	–	–	–	–	–	2	<b>2</b>	–	<b>2</b>
At 31 December 2004	737	392	145	422	–	(39)	176	<b>1,833</b>	225	<b>2,058</b>
Restatement on adoption of IAS 32 and IAS 39	–	–	–	–	(12)	–	(20)	<b>(32)</b>	(3)	<b>(35)</b>
As restated at 1 January 2005	737	392	145	422	(12)	(39)	156	<b>1,801</b>	222	<b>2,023</b>
Losses on cash flow hedges	–	–	–	–	(101)	–	–	<b>(101)</b>	3	<b>(98)</b>
Exchange difference arising on translation of foreign operations	–	–	–	–	(5)	88	–	<b>83</b>	5	<b>88</b>
Net (loss)/income recognised directly in equity	–	–	–	–	(106)	88	–	<b>(18)</b>	8	<b>(10)</b>
Profit for the year	–	–	–	–	–	–	285	<b>285</b>	45	<b>330</b>
Total recognised income and expense for the year	–	–	–	–	(106)	88	285	<b>267</b>	53	<b>320</b>
Recognition of equity component in 3.75% convertible US dollar bond	–	–	–	–	–	–	50	<b>50</b>	–	<b>50</b>
Issue of shares	–	2	–	–	–	–	–	<b>2</b>	–	<b>2</b>
Minority interests in acquisitions and disposals	–	–	–	–	–	–	–	–	16	<b>16</b>
Equity funding from minority interests	–	–	–	–	–	–	–	–	6	<b>6</b>
Dividends	–	–	–	–	–	–	(37)	<b>(37)</b>	(14)	<b>(51)</b>
Other movements	–	–	–	–	–	–	9	<b>9</b>	–	<b>9</b>
At 31 December 2005	737	394	145	422	(118)	49	463	<b>2,092</b>	283	<b>2,375</b>

As more fully explained in note 1(o), financial instrument accounting is determined on different bases in 2005 and 2004 due to the transitional provisions of IAS 32 and IAS 39.