

Segmental Reporting

a. Business segment analysis

	2005				
	Revenue £m	Profit from operations £m	Operating margin %	Underlying profit from operations £m	Underlying margin %
Americas Beverages	1,781	537	30.1	524	29.4
Americas Confectionery	1,228	153	12.4	172	14.0
EMEA	2,333	334	14.3	336	14.4
Asia Pacific	1,157	143	12.3	157	13.5
Central	9	(164)	n/a	(156)	n/a
	6,508	1,003	15.4	1,033	15.9
Share of results in associates		28			
Profit before Financing and Taxation		1,031			
Investment revenue		42			
Finance cost		(230)			
Profit before Taxation		843			
Taxation		(140)			
Minority interests		(11)			
Profit for the Period from continuing operations		692			
Discontinued operations (see Note 32(a))		73			
Profit for the Period – Equity holders		765			

An explanation of segment performance measures is included in Note 1(a).

b. Reconciliation of profit from operations and profit before taxation to underlying performance measure

	2005					
	Reported performance £m	Reversal of restructuring costs £m	Reversal of amortisation of brand intangibles £m	Reversal of non-trading items £m	IAS 39 adjustment £m	Underlying performance measure £m
Americas Beverages	537	6	2	(20)	(1)	524
Americas Confectionery	153	21	2	–	(4)	172
EMEA	334	22	–	(5)	(15)	336
Asia Pacific	143	15	2	–	(3)	157
Central	(164)	8	–	–	–	(156)
Profit from Operations	1,003	72	6	(25)	(23)	1,033

An explanation of the reconciling items between reported and underlying performance measures is included in Note 1(y).

c. Business segment analysis

	2004				
	Revenue £m	Profit from operations £m	Operating margin %	Underlying profit from operations £m	Underlying margin %
Americas Beverages	1,686	479	28.4	503	29.8
Americas Confectionery	1,093	100	9.1	143	13.1
EMEA	2,246	307	13.7	323	14.4
Asia Pacific	1,050	114	10.9	134	12.8
Central	10	(175)	n/a	(149)	n/a
	6,085	825	13.6	954	15.7
Share of results in associates		22			
Profit before Financing and Taxation		847			
Investment revenue		48			
Finance cost		(253)			
Profit before Taxation		642			
Taxation		(145)			
Minority interests		(22)			
Profit for the Period from continuing operations		475			
Discontinued operations (see Note 32(a))		50			
Profit for the Period – Equity holders		525			

In 2005 the Group introduced an improved allocation methodology for certain shared costs. The 2004 segmental analysis has been restated on a consistent basis.

d. Reconciliation of profit from operations and profit before taxation to underlying performance measure

	2004					
	Reported performance £m	Reversal of restructuring costs £m	Reversal of amortisation of brand intangibles £m	Reversal of non-trading items £m	IAS 39 adjustment £m	Underlying performance measure £m
Americas Beverages	479	23	2	(1)	n/a	503
Americas Confectionery	100	41	2	–	n/a	143
EMEA	307	22	–	(6)	n/a	323
Asia Pacific	114	18	2	–	n/a	134
Central	(175)	36	1	(11)	n/a	(149)
Profit from Operations	825	140	7	(18)	n/a	954

Financial Statements

e. Business Segment Assets and Liabilities

	2005						
	Segment assets £m	Investment in associates £m	Unallocated assets £m	Total assets £m	Segment liabilities £m	Unallocated liabilities £m	Total liabilities £m
Americas Beverages	3,165	307	–	3,472	(1,892)	–	(1,892)
Americas Confectionery	2,592	–	–	2,592	(300)	–	(300)
EMEA	2,541	50	–	2,591	(966)	–	(966)
Asia Pacific	1,004	2	–	1,006	(415)	–	(415)
Central	–	13	377	390	–	(4,093)	(4,093)
Continuing Operations	9,302	372	377	10,051	(3,573)	(4,093)	(7,666)
Discontinued operations	911	30	–	941	(291)	–	(291)
	10,213	402	377	10,992	(3,864)	(4,093)	(7,957)

Central assets principally comprise property, plant and equipment.

f. Business Segment Assets and Liabilities

	2004						
	Segment assets £m	Investment in associates £m	Unallocated assets £m	Total assets £m	Segment liabilities £m	Unallocated liabilities £m	Total liabilities £m
Americas Beverages	2,804	251	–	3,055	(1,710)	–	(1,710)
Americas Confectionery	2,242	–	–	2,242	(249)	–	(249)
EMEA	2,350	27	–	2,377	(918)	–	(918)
Asia Pacific	933	1	–	934	(454)	–	(454)
Europe Beverages	974	31	–	1,005	(269)	–	(269)
Central	–	14	253	267	–	(3,980)	(3,980)
	9,303	324	253	9,880	(3,600)	(3,980)	(7,580)

g. Business Segment Share of Result in Associates

	2005 £m	2004 £m
Profit from operations of associates		
Americas Beverages	15	11
Americas Confectionery	–	–
EMEA	7	5
Asia Pacific	–	–
Central	6	6
Continuing Operations	28	22
Discontinued operations	–	(1)
	28	21

h. Other Business Segment Items

	2005			
	Inter-segment revenue £m	Capital expenditure £m	Depreciation and amortisation of software intangibles £m	Amortisation of brand intangibles £m
Americas Beverages	–	24	36	2
Americas Confectionery	23	73	31	2
EMEA	37	116	76	–
Asia Pacific	3	52	35	2
Central	(63)	15	7	–
Continuing Operations	–	280	185	6
Discontinued operations	–	18	22	–
	–	298	207	6

i. Other Business Segment Items

	2004			
	Inter-segment revenue £m	Capital expenditure £m	Depreciation and amortisation of software intangibles £m	Amortisation of brand intangibles £m
Americas Beverages	–	35	33	2
Americas Confectionery	12	72	28	2
EMEA	69	95	79	–
Asia Pacific	2	39	33	2
Central	(83)	18	19	1
Continuing Operations	–	259	192	7
Discontinued operations	–	26	23	–
	–	285	215	7

j. Secondary Segment Analysis – Geographical Segments

	Revenue		Segment assets		Capital expenditure	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
United Kingdom	1,083	1,065	1,099	1,153	78	65
Euro Zone	588	602	575	1,608	49	53
United States of America	1,998	1,889	3,527	3,125	40	41
Central and Southern America	658	549	435	344	44	39
Australia	741	675	513	467	33	26
Other	1,440	1,305	3,902	3,183	54	61
Continuing operations	6,508	6,085	10,051	9,880	298	285
Discontinued operations (Euro Zone)	649	653	941			
	7,157	6,738	10,992			

Revenue and Profit from Operations are recorded by origin. There is no material difference between this classification and revenue and Profit from Operations by destination. See page 98 for further information regarding business segments.

The Group's Revenue is predominantly derived from the sale of confectionery and beverage products. Group Revenue, analysed between these groups of products is set out within Note 2.