

# Non-GAAP measures

All continuing operations

## RECONCILIATION OF OPERATING PROFIT TO ADJUSTED OPERATING PROFIT AND ADJUSTED EBITDA for the year ended 30 June 2012

	Notes	2012 £m	2011 £m	2010 £m
<b>Operating profit</b>		<b>1,243</b>	<b>1,073</b>	<b>1,113</b>
(Net recovery of) costs in relation to News Corporation proposal	3	(31)	15	-
Costs relating to restructuring exercise	3	11	-	32
Living TV restructuring costs	3	-	26	-
Recovery of import duty on set-top boxes	3	-	(41)	-
Litigation settlement income relating to claim against EDS		-	-	(269)
Legal costs relating to claim against EDS		-	-	1
Cancellation of accounts payable on settlement of claim against EDS		-	-	(5)
<b>Adjusted EBITDA</b>		<b>1,567</b>	<b>1,405</b>	<b>1,185</b>
Depreciation and amortisation		(344)	(332)	(338)
Costs relating to restructuring exercise included within depreciation and amortisation <sup>(i)</sup>		-	-	25
<b>Adjusted operating profit</b>		<b>1,223</b>	<b>1,073</b>	<b>872</b>

(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 2012

	Notes	2012 £m	2011 £m	2010 £m
<b>Cash generated from operations</b>	27	<b>1,737</b>	<b>1,569</b>	<b>1,626</b>
Interest received		17	7	57
Taxation paid		(254)	(219)	(319)
Dividends received from joint ventures and associates		39	29	30
Net funding to joint ventures and associates		(6)	(4)	(1)
Purchase of property, plant and equipment		(228)	(197)	(246)
Purchase of intangible assets		(229)	(226)	(183)
Interest paid		(125)	(124)	(156)
<b>Free cash flow</b>		<b>951</b>	<b>835</b>	<b>808</b>
Recovery of import duty on set-top boxes (after corporation tax)		(25)	-	-
(Net recovery of) costs in relation to News Corporation proposal (after corporation tax)		(13)	2	-
Receipt on disposal/closure of joint venture		(6)	-	(3)
Cash paid relating to restructuring exercise		3	6	-
Living TV restructuring costs		-	26	-
Litigation settlement income relating to claim against EDS (after corporation tax)		-	-	(229)
Legal costs relating to claim against EDS		-	-	1
<b>Adjusted free cash flow</b>		<b>910</b>	<b>869</b>	<b>577</b>

## AVERAGE REVENUE PER USER (ARPU)

for the year ended 30 June 2012

	2012 £	2011 £	2010 £
<b>ARPU as previously reported</b>	<b>n/a</b>	<b>539</b>	<b>508</b>
Impact of Standalone Home Communications <sup>(i)</sup>	-	(5)	-
Benefit of zero-VAT magazine related income <sup>(ii)</sup>	-	(3)	(4)
Elimination of timing difference related to magazine closure <sup>(iii)</sup>	-	7	-
<b>ARPU</b>	<b>548</b>	<b>538</b>	<b>504</b>

(i) We have restated ARPU to include standalone home communications customers.

(ii) We previously recognised the benefit arising from the zero rated VAT treatment on a small portion of customer revenue attributable to the Sky magazine. Following closure of the magazine we have restated the comparatives to present on a like-for-like basis.

(iii) Following our decision to close the Sky customer magazine, a one-off timing upside was reversed which related to revenue recognition of the magazine element of subscription revenue. This equated to a £7 reduction to ARPU in 2011.