

70 Notes to the financial statements continued

7 Dividends paid and proposed

Declared and paid during the year	2009 £m	2008 £m
Equity dividends on ordinary shares:		
Final dividend for 2008: 17.3 pence (2007: 16.2 pence)	22.9	21.4
Interim dividend for 2009: 7.1 pence (2008: 7.1 pence)	9.4	9.4
	32.3	30.8
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Proposed for approval at AGM (not recognised as a liability at 31 March)		
Equity dividends on ordinary shares:		
Final dividend for 2009: 13.0 pence (2008: 17.3 pence)	17.3	22.9

8 Discontinued operations

In the year ended 31 March 2008 there was a £1.2 million tax adjustment in relation to the disposal of the retailer branded cheese business to First Milk Limited in October 2006. This has been classified as exceptional and discontinued consistent with the classification of the disposal to which it relates.

9 Earnings per share

Basic earnings per share ('EPS') on profit for the year is calculated by dividing profit attributable to equity shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

Basic EPS on continuing operations is calculated on the basis of Group profit for the year from continuing operations less profit attributable to minority interests divided by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the profit attributable to equity shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The shares held by the Dairy Crest Employees' Share Ownership Plan Trust ('ESOP') are excluded from the weighted average number of shares in issue used in the calculation of earnings per share.

9 Earnings per share (continued)

To show earnings per share on a consistent basis, which in the Directors' opinion reflects the ongoing performance of the business more appropriately, adjusted earnings per share have been calculated. The computation for basic and diluted earnings per share (including adjusted earnings per share) are as follows:

	Year ended 31 March 2009			Year ended 31 March 2008		
	Earnings £m	Weighted average no of shares million	Per share amount pence	Earnings £m	Weighted average no of shares million	Per share amount pence
Basic EPS on profit for the year						
Net profit attributable to equity shareholders	75.4	132.8	56.8	54.4	132.3	41.1
Effect of dilutive securities:						
Share options	–	1.2	(0.5)	–	1.0	(0.3)
Diluted EPS on profit for the year	75.4	134.0	56.3	54.4	133.3	40.8
Basic EPS from continuing operations						
Profit from continuing operations attributable to equity shareholders	75.4	132.8	56.8	53.2	132.3	40.2
Effect of dilutive securities:						
Share options	–	1.2	(0.5)	–	1.0	(0.3)
Diluted EPS from continuing operations	75.4	134.0	56.3	53.2	133.3	39.9
Adjusted EPS from continuing operations						
Basic EPS from continuing operations	75.4	132.8	56.8	53.2	132.3	40.2
Exceptional items excluding minority interests (net of tax)	33.3	–	25.1	15.9	–	12.0
Amortisation of acquired intangible assets (net of tax)	6.4	–	4.8	6.5	–	4.9
Pension interest credit (net of tax)	(5.0)	–	(3.7)	(7.1)	–	(5.4)
Joint ventures' exceptional items (net of tax)	(50.4)	–	(38.0)	–	–	–
Adjusted basic EPS from continuing operations	59.7	132.8	45.0	68.5	132.3	51.7
Effect of dilutive securities:						
Share options	–	1.2	(0.4)	–	1.0	(0.4)
Adjusted diluted EPS from continuing operations	59.7	134.0	44.6	68.5	133.3	51.3

The adjusted earnings per share calculation for the year ended 31 March 2009 has been changed to exclude pension interest in relation to defined benefit pension schemes. The 2008 calculations have been restated accordingly. Under the previous basis, basic adjusted earnings per share from continuing operations for the year ended 31 March 2009 were 48.8 pence (2008: 57.1 pence).

Basic and diluted earnings per share from discontinued operations amount to nil pence per share (2008: 0.9 pence per share).

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.