

**Income statements**  
for the year ended 31 December 2005

	<i>Note</i>	<b>Group 2005 £m</b>	Group 2004 £m
<b>Continuing operations</b>			
<b>Revenue</b>	1	<b>110.0</b>	76.4
Cost of sales		<b>(54.1)</b>	(44.4)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>55.9</b>	32.0
Other operating income		<b>0.9</b>	-
Sales and marketing		<b>(15.4)</b>	(13.5)
Research and development costs		<b>(3.2)</b>	(1.6)
Administrative expenses		<b>(15.5)</b>	(14.9)
		<hr/>	<hr/>
<b>Operating profit</b>		<b>22.7</b>	2.0
Finance expense		<b>(4.7)</b>	(3.1)
Finance income		<b>3.2</b>	1.6
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>21.2</b>	0.5
Taxation	2	<b>(5.9)</b>	(2.0)
		<hr/>	<hr/>
<b>Profit/(loss) for the year from continuing operations</b>		<b>15.3</b>	(1.5)
 <b>Discontinued operations</b>			
Profit for the year from discontinued operation		-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the year attributable to equity shareholders</b>		<b>15.3</b>	(1.5)
		<hr/>	<hr/>
<b>Earnings/(loss) per share</b> (expressed in pence per share)	4		
- Basic		<b>11.82p</b>	(1.17p)
- Diluted		<b>11.63p</b>	(1.15p)
		<hr/>	<hr/>
<b>Earnings/(loss) per share from continuing operations</b> (expressed in pence per share)			
- Basic		<b>11.82p</b>	(1.17p)
- Diluted		<b>11.63p</b>	(1.15p)
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**Statement of recognised income and expense**  
*for the year ended 31 December 2005*

	<b>Group</b>	Group
	<b>2005</b>	2004
	<b>£m</b>	£m
<b>Profit/(loss) for the year attributable to equity shareholders</b>	<b>15.3</b>	(1.5)
Net exchange adjustment	<b>2.9</b>	(2.0)
Net investment hedge	<b>(0.1)</b>	(0.1)
Tax on net investment hedge	-	(0.1)
Actuarial gains recognised in the pension scheme	<b>1.1</b>	2.7
Deferred tax on actuarial gains in the pension scheme	<b>(0.3)</b>	(0.5)
	_____	_____
<b>Net gains not recognised in income statement</b>	<b>3.6</b>	-
	_____	_____
<b>Total recognised income/(expense) for the year</b>	<b>18.9</b>	(1.5)
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## Balance sheets

At 31 December 2005

	Note	Group 2005 £m	Group 2004 £m	Whatman plc 2005 £m	Whatman plc 2004 £m
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill		34.3	34.4	-	-
Intangible assets		5.4	5.7	1.5	1.7
Property, plant and equipment		31.5	31.5	6.2	6.2
Investment in subsidiaries		-	-	47.5	47.2
Retirement benefit asset		0.9	-	-	-
Deferred tax assets		4.2	5.4	0.1	-
Trade and other receivables		0.8	0.9	178.4	44.2
<b>Total non-current assets</b>		<b>77.1</b>	<b>77.9</b>	<b>233.7</b>	<b>99.3</b>
<b>Current assets</b>					
Inventories		18.9	16.7	-	-
Trade and other receivables		23.6	21.0	18.3	1.8
Current tax assets		0.6	3.4	0.3	1.0
<i>Financial assets</i>					
- available for sale investments		2.0	5.1	-	3.9
- derivative financial instruments		0.1	0.7	0.1	0.2
Cash and cash equivalents		6.4	9.1	0.5	0.1
<b>Total current assets</b>		<b>51.6</b>	<b>56.0</b>	<b>19.2</b>	<b>7.0</b>
<b>Total assets</b>		<b>128.7</b>	<b>133.9</b>	<b>252.9</b>	<b>106.3</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<i>Financial liabilities</i>					
- Borrowings		(34.2)	(39.3)	(34.2)	(39.3)
- Derivative financial instruments		-	(0.1)	-	(0.1)
Retirement benefit obligation		(8.9)	(9.7)	-	-
Deferred tax		(0.4)	(0.6)	-	(0.4)
Provisions	5	(1.0)	(2.2)	-	-
<b>Total non-current liabilities</b>		<b>(44.5)</b>	<b>(51.9)</b>	<b>(34.2)</b>	<b>(39.8)</b>
<b>Current liabilities</b>					
<i>Financial liabilities</i>					
- Bank overdraft		(0.2)	(0.1)	-	(0.9)
- Borrowings		(7.9)	-	(7.9)	-
Derivative financial instruments		-	(0.4)	-	(0.1)
Trade and other payables		(13.7)	(20.5)	(179.1)	(35.8)
Current tax liabilities		(4.3)	(1.1)	-	-
Provisions	5	(3.4)	(21.4)	-	-
<b>Total current liabilities</b>		<b>(29.5)</b>	<b>(43.5)</b>	<b>(187.0)</b>	<b>(36.8)</b>
<b>Total liabilities</b>		<b>(74.0)</b>	<b>(95.4)</b>	<b>(221.2)</b>	<b>(76.6)</b>
<b>Net assets</b>		<b>54.7</b>	<b>38.5</b>	<b>31.7</b>	<b>29.7</b>
<b>Equity</b>					
Share capital	6	1.4	1.3	1.4	1.3
Share premium	6	17.4	16.0	17.4	16.0
Other reserves	6	5.4	6.0	5.2	5.2
Retained earnings	6	30.5	15.2	7.7	7.2
<b>Total equity</b>		<b>54.7</b>	<b>38.5</b>	<b>31.7</b>	<b>29.7</b>

**Statements of cash flows**  
for the year ended 31 December 2005

	<i>Note</i>	<b>Group 2005 £m</b>	Group 2004 £m
<b>Cash inflow from operating activities</b>			
Cash generated from operations	7	11.1	12.1
Interest received		0.3	-
Interest paid		(1.8)	(1.0)
Tax received/(paid)		1.5	(2.4)
		<hr/>	<hr/>
<b>Net cash flow from operating activities</b>		<b>11.1</b>	<b>8.7</b>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries (net of cash acquired)		(5.0)	(28.9)
Cash from available for sale investments		(5.5)	4.0
Purchase of property, plant and equipment		(5.8)	(4.3)
Purchase of intangible fixed assets		(0.2)	(0.3)
Disposal proceeds from available for sale assets		5.0	-
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(11.5)</b>	<b>(29.5)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of ordinary share capital		2.0	1.7
Net proceeds from issue of new bank loan		2.7	39.1
Repayment of borrowings		(2.0)	(13.0)
Dividends paid		(6.2)	(5.6)
		<hr/>	<hr/>
<b>Net cash used in financing activities</b>		<b>(3.5)</b>	<b>22.2</b>
		<hr/>	<hr/>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(3.9)</b>	<b>1.4</b>
Effects of exchange rate changes		1.1	(0.6)
		<hr/>	<hr/>
		<b>(2.8)</b>	<b>0.8</b>
Cash and cash equivalents at 1 January		9.0	8.2
		<hr/>	<hr/>
<b>Cash and cash equivalents at 31 December</b>		<b>6.2</b>	<b>9.0</b>
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There were no cash flows from discontinued operations.

## Notes to the preliminary announcement

This preliminary profit announcement for the year ended 31 December 2005 approved by the Board of Directors on 31 March 2006 is unaudited and does not constitute the financial statements within the meaning of Section 240 of the Companies Act 1985.

### 1 Segmental information

Segmental information is presented in respect of the Group's business and geographical segments. The primary format is based on the Group's management and internal reporting structure.

Segment revenues, expenditure, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue, interest bearing loans, borrowings and expenses and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

#### ***Business segment***

The group comprises the following main business segments:

- LabSciences. The preparation of non-cellular samples prior to analysis, including environmental applications. Products include cellulose and glass filtration media, membranes and chromatography; in addition to the traditional products, this segment includes syringe filters, capsules and other encapsulated products, as well as microbiological products;
- MedTech. Comprises components supplied on an OEM basis to manufacturers of medical devices and clinical diagnostic tests.
- BioScience. The preparation of cellular samples prior to analysis and storage for study of nucleic acids or proteins. It comprises FTA, multiwell plates, column based DNA separation and electrophoresis products, protein micro-arrays, blotting and neonatal paper.

#### ***Geographical segments***

The business segments above are managed on a worldwide basis, but operate in three principal geographical areas, Europe, North America and Asia Pacific.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

## Notes (continued)

### 1 Segmental information (continued)

Business segments	LabSciences	2004	Bioscience	2004	MedTech	2004	Total	2004
	2005	£m	2005	£m	2005	£m	2005	£m
	£m	£m	£m	£m	£m	£m	£m	£m
<b>Continuing operations:</b>								
Revenue	69.6	49.4	19.7	11.3	20.7	15.7	110.0	76.4
Segment result	17.8	8.3	2.5	(2.2)	2.4	(4.1)	22.7	2.0
Finance expense							(4.7)	(3.1)
Finance income							3.2	1.6
Profit before tax							21.2	0.5
Taxation							(5.9)	(2.0)
<b>Profit/(loss) for the year from continuing operations</b>							<b>15.3</b>	<b>(1.5)</b>
<b>Discontinued operations:</b>								
Revenue			6.6	6.4			6.6	6.4
Segment result			-	(0.1)			-	(0.1)
Finance income			0.2	0.1			0.2	0.1
Profit before tax			0.2	-			0.2	-
Taxation			(0.2)	-			(0.2)	-
<b>Profit for the year from discontinued operations</b>			<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
<b>Net profit/(loss) attributable to shareholders</b>							<b>15.3</b>	<b>(1.5)</b>

## Notes (continued)

### 1 Segmental information (continued)

Business segments	LabSciences		Bioscience		MedTech		Unallocated		Total	
	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m	2005 £m	2004 £m
Segment assets	<b>83.7</b>	75.2	<b>19.3</b>	19.2	<b>18.7</b>	22.9	<b>7.0</b>	16.6	<b>128.7</b>	133.9
Segment liabilities	<b>(50.4)</b>	(61.1)	<b>(11.4)</b>	(14.3)	<b>(9.6)</b>	(13.3)	<b>(2.6)</b>	(6.7)	<b>(74.0)</b>	(95.4)
Depreciation and amortisation	<b>2.3</b>	2.1	<b>0.9</b>	1.0	<b>0.7</b>	0.4	<b>0.1</b>	0.1	<b>4.0</b>	3.6
Other significant non-cash items	<b>5.5</b>	7.8	<b>1.3</b>	1.8	<b>3.4</b>	4.8	-	-	<b>10.2</b>	14.4
Capital expenditure	<b>3.8</b>	2.5	<b>0.9</b>	0.6	<b>1.1</b>	0.8	<b>0.2</b>	0.1	<b>6.0</b>	4.0
<b>Geographical segments</b>										
			<b>2005 £m</b>	<b>Europe 2004 £m</b>	<b>2005 £m</b>	<b>North America 2004 £m</b>	<b>2005 £m</b>	<b>Rest of world 2004 £m</b>	<b>2005 £m</b>	<b>Total 2004 £m</b>
Revenue			<b>46.7</b>	28.7	<b>49.4</b>	37.1	<b>13.9</b>	10.6	<b>110.0</b>	76.4
Segment gross assets			<b>78.4</b>	89.1	<b>45.8</b>	40.7	<b>4.5</b>	4.1	<b>128.7</b>	133.9
Capital expenditure			<b>3.7</b>	1.9	<b>2.2</b>	1.9	<b>0.1</b>	0.2	<b>6.0</b>	4.0

There are no inter-segment sales.

Other significant non-cash items are the establishment of provisions in 2004 and the subsequent utilisation and release in 2005.

## Notes (continued)

### 2 Taxation

Analysis of charge in period:

	<b>Group</b>	Group
	<b>2005</b>	2004
	<b>£m</b>	£m
<b>Current tax expense</b>		
Current tax charge/(credit) on income for the period	<b>3.6</b>	1.0
Adjustments in respect of prior periods	<b>1.0</b>	0.1
<b>Total current tax</b>	<b>4.6</b>	1.1
<b>Deferred tax expense</b>		
Origination and reversal of temporary timing differences	<b>1.1</b>	0.7
On share based payments	<b>0.3</b>	0.6
On net pension interest income and expense	<b>(0.1)</b>	(0.4)
<b>Total deferred tax</b>	<b>1.3</b>	0.9
<b>Total income tax expense in income statement</b>	<b>5.9</b>	2.0

### 3 Dividends and other appropriations

	<b>Whatman plc</b>	Whatman plc
	<b>2005</b>	2004
	<b>£m</b>	£m
Interim dividend paid in respect of current year : 1.91p (2004: 1.74p) per 1p share	<b>2.5</b>	2.2
Final dividend paid in respect of prior year : 2.87p (2004: 2.67p) per 1 p share	<b>3.7</b>	3.4
	<b>6.2</b>	5.6

In addition the directors are proposing a final dividend in respect of the financial year ended 31 December 2005 of 3.16 pence per share, a total dividend of 5.07 pence per share. It will be paid on the 2 June 2006 to members on the register at 5 May 2006.

## Notes (continued)

### 4 Earnings/(loss) per share

The calculation of basic earnings per share at 31 December 2005 was based on a profit attributable to ordinary shareholders of £15.3 million (2004: Loss £1.5 million) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2005 of 129,456,000 (2004: 127,808,000), calculated as follows:

<b>Weighted average number of ordinary shares</b>	<b>2005</b>	<b>2004</b>
	<b>Number</b>	<b>Number</b>
	<b>000</b>	<b>000</b>
Issued ordinary shares at 1 January	<b>129,096</b>	127,250
Effect of own shares issued under share option schemes	<b>360</b>	558
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Weighted average number of ordinary shares at 31 December	<b>129,456</b>	127,808
	<hr/> <hr/>	<hr/> <hr/>

The calculation of diluted earnings per share at 31 December 2005 was based on a profit attributable to ordinary shareholders of £15.3 million (2004: Loss £1.5 million) and a weighted average number of ordinary shares outstanding during the year ended 31 December 2005 of 131,600,000 (2004: 130,254,000), calculated as follows:

<b>Weighted average number of ordinary shares (diluted)</b>	<b>2005</b>	<b>2004</b>
	<b>Number</b>	<b>Number</b>
	<b>000</b>	<b>000</b>
Weighted average number of ordinary shares at 31 December (as above)	<b>129,456</b>	127,808
Effect of share options in issue	<b>2,144</b>	2,446
	<hr/>	<hr/>
Weighted average number of ordinary shares (diluted) at 31 December	<b>131,600</b>	130,254
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### Earnings per share for continuing operations

Earnings per share for continuing operations has been calculated using the same figures as earnings per share for discontinued operations, as the discontinued operations neither made a profit or a loss.

## Notes (continued)

### 5 Provisions

	Biometra	Restructuring	Onerous lease	Group Total	Whatman plc Total
	£m	£m	£m	£m	£m
At 1 January 2005	8.9	11.2	3.5	23.6	-
Effect of changes in exchange rate	(0.4)	(0.1)	-	(0.5)	-
Utilised during year	-	(6.3)	(0.9)	(7.2)	-
Reclassification of provision to available for sale	(8.5)	-	-	(8.5)	-
Amounts released unused	-	(2.1)	(0.9)	(3.0)	-
<b>At 31 December 2005</b>	<b>-</b>	<b>2.7</b>	<b>1.7</b>	<b>4.4</b>	<b>-</b>
Current liabilities	-	2.7	0.7	3.4	-
Non-current liabilities	-	-	1.0	1.0	-
	-	2.7	1.7	4.4	-

Biometra was planned for closure during 2004 and the net assets together with closure costs were provided against in full. During 2005 Biometra was put up for sale and the assets and liabilities of Biometra were transferred to available for sale. The associated provision was also transferred to available for sale.

The restructuring provision is for the following:

- Site rationalisation programme to reduce the number of manufacturing sites as announced in 2001;
- Reduction of worldwide headcount to around 800, as announced on 30 December 2002;
- Senior management redundancy costs announced in 2004;
- Restructuring of the business following the acquisition of Schleicher and Schuell provision for the facilities rationalisation programme resulting in a net headcount reduction of around 160 as announced on 31 December 2004.

The onerous lease provision relates to the costs of vacant possession of properties from which the business has been relocated.

The provisions are not discounted.

**Notes** (continued)

**6 Statement of changes in shareholders' equity**

	Group									
	Revaluation reserve	Pension reserves	Currency translation reserve	Hedging reserve	Other reserves	Total other reserves	Share premium account	Share capital	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
At 1 January 2004	3.8	-	-	-	2.1	5.9	13.4	1.3	22.2	42.8
Loss for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	(1.5)	(1.5)
Charge in relation to share related awards	-	-	-	-	-	-	0.9	-	-	0.9
Premium on share issues less expenses	-	-	-	-	-	-	2.1	-	-	2.1
Own shares purchased	-	-	-	-	-	-	(0.4)	-	-	(0.4)
Exchange losses	(0.1)	-	(2.0)	-	-	(2.1)	-	-	-	(2.1)
Actuarial gain recognised in the pension schemes	-	2.7	-	-	-	2.7	-	-	-	2.7
Deferred tax arising on gains in the pension schemes	-	(0.5)	-	-	-	(0.5)	-	-	-	(0.5)
Tax on net investment hedge	-	-	-	(0.1)	-	(0.1)	-	-	-	(0.1)
Financial instruments	-	-	-	0.2	-	0.2	-	-	-	0.2
Dividends	-	-	-	-	-	-	-	-	(5.6)	(5.6)
Transfers	-	-	-	-	(0.1)	(0.1)	-	-	0.1	-
At 31 December 2004	3.7	2.2	(2.0)	0.1	2.0	6.0	16.0	1.3	15.2	38.5

**Notes** (continued)

**6 Statement of changes in shareholders' equity**

	Group						Total	Share	Share	Retained	Total
	Revaluation reserve	Pension reserves	Currency translation reserve	Hedging reserve	Other reserves	Total other reserves	premium account	capital	earnings		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
At 1 January 2005	3.7	2.2	(2.0)	0.1	2.0	6.0	16.0	1.3	15.2	38.5	
Profit for the year attributable to equity shareholders	-	-	-	-	-	-	-	-	15.3	15.3	
Charge in relation to share related awards	-	-	-	-	-	-	-	-	1.5	1.5	
Premium on share issues less expenses	-	-	-	-	-	-	1.9	0.1	-	2.0	
Exchange losses	-	-	2.9	-	-	2.9	-	-	-	2.9	
Actuarial gain recognised in the pension schemes	-	-	-	-	-	-	-	-	1.1	1.1	
Deferred tax arising on gains in the pension schemes	-	-	-	-	-	-	-	-	(0.3)	(0.3)	
Financial instruments	-	-	-	(0.1)	-	(0.1)	-	-	-	(0.1)	
Dividends	-	-	-	-	-	-	-	-	(6.2)	(6.2)	
Transfers	(1.2)	(2.2)	-	-	-	(3.4)	(0.5)	-	3.9	-	
<b>At 31 December 2005</b>	<b>2.5</b>	<b>-</b>	<b>0.9</b>	<b>-</b>	<b>2.0</b>	<b>5.4</b>	<b>17.4</b>	<b>1.4</b>	<b>30.5</b>	<b>54.7</b>	

The transfer from the revaluation reserve to retained earnings during the year is for prior period revaluations on property sold in 2005. Following full adoption of IFRS in 2005 it was considered more appropriate to include the movement on actuarial gains and losses on the pension schemes and the charge in relation to share related awards and the purchase of own shares in retained earnings. As a result those amounts that were recorded in the pension reserve and the share premium reserve in 2004 were transferred to retained earnings in 2005.

## Notes (continued)

### 6 Statement of changes in shareholders' equity

Whatman plc

	Share capital	Share premium account	Revaluation reserve	Other Reserves	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
At 1 January 2004	1.3	13.4	3.2	2.0	14.8	34.7
Retained loss for the year	-	-	-	-	(2.0)	(2.0)
Charge in relation to share related awards	-	0.9	-	-	-	0.9
Premium on share issues less expenses	-	2.1	-	-	-	2.1
Own shares purchased	-	(0.4)	-	-	-	(0.4)
Dividends	-	-	-	-	(5.6)	(5.6)
<b>At 31 December 2004</b>	<b>1.3</b>	<b>16.0</b>	<b>3.2</b>	<b>2.0</b>	<b>7.2</b>	<b>29.7</b>

Whatman plc

	Share capital	Share premium account	Revaluation reserve	Other Reserves	Retained earnings	Total
	£m	£m	£m	£m	£m	£m
At 1 January 2005	1.3	16.0	3.2	2.0	7.2	29.7
Retained profit for the year	-	-	-	-	4.7	4.7
Charge in relation to share related awards	-	-	-	-	1.5	1.5
Premium on share issues, less expenses	0.1	1.9	-	-	-	2.0
Dividends	-	-	-	-	(6.2)	(6.2)
Transfers	-	(0.5)	-	-	0.5	-
<b>At 31 December 2005</b>	<b>1.4</b>	<b>17.4</b>	<b>3.2</b>	<b>2.0</b>	<b>7.7</b>	<b>31.7</b>

Other reserves in the Group and Whatman plc were established under UITF 17 "Employee Share Schemes" in relation to the fair value of share awards to employees. This reserve is distributable to equity shareholders.

As previously set out following full adoption of IFRS in 2005 it was considered more appropriate to include the charge in relation to share related awards and the purchase of own shares in retained earnings. As a result those amounts that were recorded in the share premium reserve in 2004 were transferred to retained earnings in 2005.

## Notes (continued)

### 7 Reconciliation of profit/(loss) for the year to net cash inflow from operating activities

	Group 2005 £m	Group 2004 £m
Profit/(loss) for the year	15.3	(1.5)
Taxation	5.9	2.0
Finance income	(3.2)	(1.6)
Finance expense	4.7	3.1
Depreciation	3.4	3.1
Amortisation	0.6	0.5
Loss on disposal	0.2	-
Impairment of tangible fixed assets	-	0.1
Net provisions (written back)/established	(3.0)	13.7
Stock write down	-	0.8
Equity based payments	1.2	0.3
Non-cash pension credit	(0.3)	-
Other non-cash profit items	-	(0.5)
Increase in inventories	(2.2)	(0.9)
Increase in debtors	(3.6)	(0.4)
Decrease in creditors	(0.7)	(0.2)
Utilisation of provisions	(7.2)	(6.4)
	<hr/>	<hr/>
Net cash inflow from continuing activities	11.1	12.1
Net cash outflow from discontinued activities	-	-
	<hr/>	<hr/>
Net cash inflow from operating activities	11.1	12.1
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The Company's annual report, including the Group's financial statements for 2005, will be mailed to shareholders on 21 April 2006 and will be made available to the public at the Company's registered office at 27 Great West Road, Brentford, Middlesex TW8 9BW.

Copies of this announcement are available from the Company Announcements Office of the London Stock Exchange and also from the registered office of Whatman plc at 27 Great West Road, Brentford, Middlesex TW8 9BW.