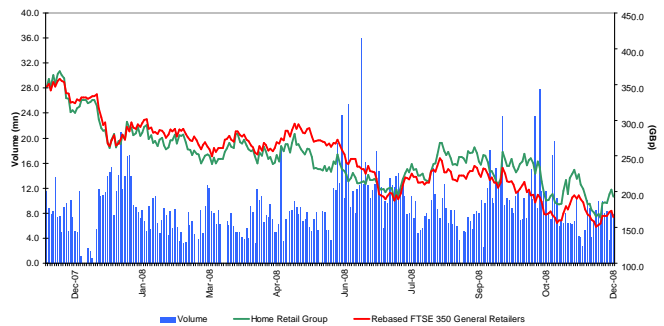




HOME RETAIL GROUP

GBP
Daily update

193.25
1 Dec 08



Income Statement (£m)				
	2006	2007	2008	
Argos	3,858.8	4,164.0	4,320.9	3.8%
Homebase	1,559.0	1,594.2	1,568.5	(1.6%)
Financial Services	92.5	93.2	95.4	2.4%
Sales	5,510.3	5,851.4	5,984.8	2.3%
Cost of sales	(3,654.6)	(3,852.2)	(3,881.0)	
Gross profit	1,855.7	1,999.2	2,103.8	
Net operating expenses before exceptional items and costs related to demerger incentive schemes	(1,523.9)	(1,639.8)	(1,705.8)	
Argos	297.0	325.0	376.2	15.8%
Homebase	51.4	53.4	45.1	(15.5%)
Financial Services	6.1	5.0	5.5	10.0%
Central Activities	(22.7)	(24.0)	(28.8)	(20.0%)
Benchmark operating profit	331.8	359.4	398.0	10.7%
Net interest income (see below)	9.5	16.6	33.3	
Share of post-tax results of joint venture and associates	(4.2)	0.7	1.6	
Benchmark PBT	337.1	376.7	432.9	14.9%
Net interest costs attributable to GUS capital structure (see below)	(40.9)	(39.2)	-	
Exceptional items included in operating profit	(24.7)	(22.7)	0.8	
Costs related to demerger incentive schemes	-	(5.8)	(11.7)	
Financing fair value remeasurements	(2.4)	(0.1)	(9.0)	
Financing impact on retirement benefit balances	2.6	12.3	13.0	
Profit before tax	271.7	321.2	426.0	
Taxation	(94.9)	(117.5)	(131.4)	
of which: taxation attributable to benchmark PBT	(114.5)	(122.1)	(138.5)	
Profit for the period	176.8	203.7	294.6	
Basic benchmark EPS	25.6p	29.3p	33.9p	15.7%
Basic EPS	n/a	n/a	34.0p	n/a
Number of shares for basic EPS	869.0m	869.6m	867.7m	

Net Interest Reconciliation				
	2006	2007	2008	
Third party net interest income/(expense)	(8.3)	(1.2)	13.7	
Financing costs charged to Financial Services	17.8	17.8	19.6	
Net interest income	9.5	16.6	33.3	
Interest costs attributable to GUS capital structure	(40.9)	(46.1)	-	
Exceptional finance income	-	6.9	-	
Financing costs charged to Financial Services	-	-	-	
Net interest costs attributable to GUS capital structure	(40.9)	(39.2)	-	
Financing fair value remeasurements	(2.4)	(0.1)	(9.0)	
Financing impact on retirement benefit balances	2.6	12.3	13.0	
Income statement net financing income/(costs)	(31.2)	(10.4)	37.3	

Key Balance Sheet Data (£m)				
As at:	2006	2007	2008	
Goodwill	1,878.9	1,878.9	1,922.7	
Other Intangible assets	61.5	73.4	83.7	
Property, plant and equipment	696.8	691.6	731.8	
Inventories	881.0	906.4	1,004.8	
Instalment receivables	398.5	416.8	432.0	
Other trading assets	169.6	188.3	196.8	
	4,086.3	4,155.4	4,371.8	
Trade and other payables	(890.5)	(1,059.1)	(1,130.8)	
Other trading liabilities	(88.6)	(84.5)	(101.5)	
	(979.1)	(1,143.6)	(1,232.3)	
Invested capital	3,107.2	3,011.8	3,139.5	
Retirement benefit assets	25.5	9.3	83.7	
Net tax liabilities	(4.8)	(2.6)	(52.0)	
Net (debt)/cash	(200.0)	60.2	174.0	
Reported net assets before GUS balances	2,927.9	3,078.7	3,345.2	
Net GUS group balances	22.0	-	-	
Reported net assets	2,949.9	3,078.7	3,345.2	

Latest News (Last updated 2/12/08)				
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Company Overview

Activities

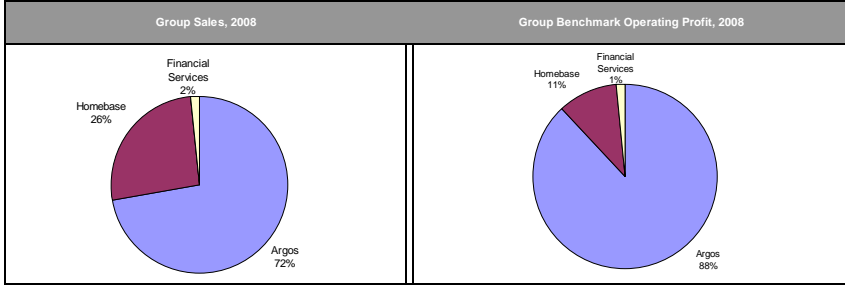
Home Retail Group is the UK's leading home and general merchandise retailer. Argos and Homebase are two of the UK's leading retail brands, with large customer bases across the UK and Ireland. Argos, the UK's largest general merchandise retailer, has an unrivalled blend of choice, value and convenience to meet customer needs. Homebase is the UK's second largest home improvement retailer, and offers a growing range of home enhancement products and services in a differentiated store environment.

	Performance	Company	FTSE 350 General Retailers
Market Cap (£m)	1,695.7	(4.8%)	(5.2%)
Ticker	HOME LN / HOME L	5.0%	(1.2%)
Shares in issue	877.5m	(1.8%)	(5.9%)
Dividends for 2008			
Dividend Yield %	7.6	(15.3%)	(37.3%)
Dividend per share	14.7p	(46.0%)	(53.0%)
		52 wk high GBP	373.5
		52 wk low GBP	156.3
		52 wk high %	51.7%
		52 wk low %	123.7%

Segmental Financial Data (£m)					
	2004	2005	2006	2007	2008
Argos	3,384	3,652	3,858.8	4,164.0	4,320.9
LFL change in sales	5%	3%	(1.4%)	2.4%	0.7%
Net new space contribution to sales	7%	5%	7.5%	5.5%	3.1%
Homebase	1,483	1,580	1,559.0	1,594.2	1,568.5
LFL change in sales	3%	3%	(3.1%)	(1.4%)	(4.1%)
Net new space contribution to sales	2%	3%	3.1%	3.6%	2.5%
Financial Services	60	81	92.5	93.2	95.4
Total sales	4,927	5,313	5,510.3	5,851.4	5,984.8
Argos	297	320	297.0	325.0	376.2
Homebase	102	114	51.4	53.4	45.1
Financial Services	(6)	0	6.1	5.0	5.5
Central Activities	(7)	(12)	(22.7)	(24.0)	(28.8)
Benchmark operating profit	386	422	331.8	359.4	398.0
Argos benchmark operating margin	8.8%	8.8%	7.7%	7.8%	8.7%
Homebase benchmark operating margin	6.9%	7.2%	3.3%	3.4%	2.9%
Group benchmark operating margin	7.8%	7.9%	6.0%	6.1%	6.7%

Key Operating Statistics					
	2004	2005	2006	2007	2008
Argos					
Stores	556	592	655	680	707
Of which Argos Extra fully stocked in Catalogue lines in the main catalogue (Spring/Summer)	42	128	189	238	278
Sales across more than one channel	13,000	13,500	17,100	16,700	18,500
Sales ordered via the internet	27%	30%	32%	35%	37%
	6%	9%	12%	16%	21%
Homebase					
Mezzanine stores	67	111	144	165	181
Non-mezzanine stores	211	176	153	145	150
Total stores	278	287	297	310	331
Sales (£) per square foot (total selling space)	120	121	112	109	102
Financial Services					
Gross store card receivables (£m)	252	349	378	448	462
No. of active store card holders (Group) (000's)	765	887	1,044	1,068	1,125
Sales funded by store cards (Group)	7.6%	7.0%	7.2%	8.0%	8.5%

Financial Calendar		Board of Directors	
Interim Management Statement	15-Jan-2009	Oliver Stocken	Chairman
Interim dividend payment date	21-Jan-2009	Terry Dudley	Chief Executive
End of Year Trading Statement	12-Mar-2009	Richard Ashton	Finance Director
Full-Year Results	29-Apr-2009	John Coombe	Non-Executive Director
Final ex-dividend date	20-May-09	Andy Hornby	Non-Executive Director
Interim Management Statement	11-Jun-09	Penny Hughes	Non-Executive Director
Final dividend payment date	22-Jul-09	Paul Loft	Managing Director of Homebase
		Sara Weller	Managing Director of Argos
		Eugene Brazil	Managing Director of Customer Services
		Greg Ball	Managing Director of Financial Services
		Sarah Carpenter	Director of Strategic Development
		Peter Connor	Information Systems Director
		Maria Thompson	Commercial Director
		Gordon Bentley	Company Secretary
		David Guise	Human Resources Director



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Note: From 2005 onwards financial information is stated in accordance with IFRS. 2006 and 2007 information has been stated on a 52-week pro forma basis