

# Chairman's statement

I am delighted to be able to introduce another excellent set of results for GUS. Profit before amortisation of goodwill, exceptional items and taxation was £827m, up 29% on last year. Earnings per share on the same basis have increased by 27% to 60.7p.

The Board has proposed a final dividend of 19.0p, making 27.0p for the year (2003: 23.3p).

## Creating shareholder value

Over the last four years, GUS has established a track record of creating significant value for shareholders. We have increased pre-tax profits by 85%, earnings per share by 76% and paid over £900m in dividends, which is equal to about half of Group earnings. Total return for our shareholders, being the increase in the value of a share including re-invested dividends, has exceeded all but two of the companies that were in the FTSE 100 at 1 April 2000.

Looking forward, we believe that there is considerable scope for further increasing shareholder value.

Firstly, each of our businesses has a clear strategy for growth and we shall continue to invest in them to drive profits.

Secondly, we plan to return additional cash to shareholders and have announced a £200m share buyback programme over the next 12 months.

Finally, as a logical extension of what we have been doing since 2000, we shall be actively reviewing our strategic options over the next two years. The Board is fully committed to building shareholder value over the medium term and the value of the Group as it is currently structured will be the natural benchmark for any decisions.

## Board changes

In January, we were very pleased to welcome Andy Hornby to the GUS Board. Andy is Chief Executive of Retail Banking at HBOS plc and has a very successful track record in financial services and retailing, making him an ideal addition to the Board.

Since the year-end, Lord Harris has announced his retirement from the Board after 18 years. During this time he has been an immensely wise counsellor on a range of business issues, particularly the management of change over the 10 years since the enfranchisement of non-voting shares. We owe him a great debt of gratitude and wish him well for the future.

## *Over the last four years, GUS has established a track record of creating significant value for shareholders*

### **Our corporate responsibilities**

We remain committed to good governance in all its many facets. We aim to be as transparent as any business can reasonably be and to maintain the highest standards of integrity. But we recognise, too, that the role of governance is also about having clear strategies, attracting talented people and delivering sustained profitable growth.

During the year we continued to make strong progress in our management of environmental, community and human rights issues. We were listed in the main indices of socially responsible investment, including FTSE4Good, the Dow Jones Sustainability Index and the Business in the Community Index of Corporate Responsibility.

### **Our people**

Ultimately, the key to our success lies in the skills and commitment of those who work for GUS. I would like to acknowledge that contribution and to thank everyone for their tremendous support and dedication. I hope we shall continue to create an environment where people can find fulfilment and success.



**Sir Victor Blank**  
Chairman

24 May 2004



**Sir Victor Blank**  
Chairman