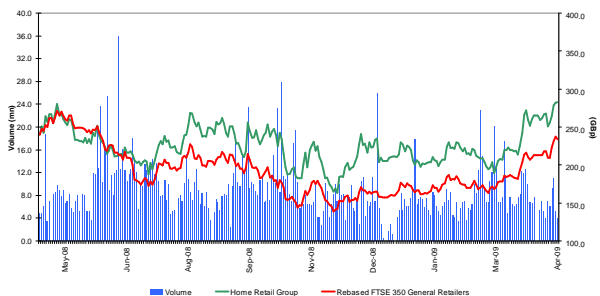




HOME RETAIL GROUP

GBP
Daily update

283.00
27 Apr 09



Income Statement Summary (£m)	2007	2008	2009	
Argos	4,164.0	4,320.9	4,281.9	(0.9%)
Homebase	1,594.2	1,568.5	1,513.2	(3.5%)
Financial Services	93.2	95.4	102.3	7.0%
Sales	5,851.4	5,984.8	5,897.4	(1.5%)
Cost of goods	(3,533.7)	(3,551.2)	(3,547.4)	
Gross margin	2,317.7	2,433.6	2,350.0	
Distribution costs	(318.5)	(329.8)	(326.4)	
Gross profit	1,999.2	2,103.8	2,023.6	
Net operating expenses before exceptional items and costs related to demerger incentive schemes	(1,639.8)	(1,705.8)	(1,723.2)	
Argos	325.0	376.2	303.6	(19.3%)
Homebase	53.4	45.1	14.9	(67.0%)
Financial Services	5.0	5.5	6.1	10.9%
Central Activities	(24.0)	(28.8)	(24.2)	16.0%
Benchmark operating profit	359.4	398.0	300.4	(24.5%)
Net interest income (see below)	16.6	33.3	29.7	
Share of post-tax results of joint venture and associates	0.7	1.6	(2.4)	
Benchmark PBT	376.7	432.9	327.7	(24.3%)
Exceptional items included in operating profit	(22.7)	0.8	(694.0)	
Costs related to demerger incentive schemes	(5.8)	(11.7)	(8.4)	
Financing fair value remeasurements	(0.1)	(9.0)	(28.9)	
Financing impact on retirement benefit balances	12.3	13.0	11.2	
Discount unwind on non-benchmark items	-	-	(1.8)	
Net interest costs attributable to GUS capital structure (see below)	(39.2)	-	-	
Profit/(loss) before tax	321.2	426.0	(394.2)	
Taxation	(117.5)	(131.4)	(18.9)	
of which: taxation attributable to benchmark PBT	(122.1)	(138.5)	(103.5)	
Profit/(loss) for the period	203.7	294.6	(413.1)	
Basic benchmark EPS	29.3p	33.9p	25.9p	(23.6%)
Basic EPS	n/a	34.0p	(47.7p)	
Number of shares for basic EPS	869.6m	867.7m	866.6m	

Net Interest Reconciliation:	2007	2008	2009	
Third party net interest income	0.7	15.5	18.6	
Financing costs charged to Financial Services	17.8	19.6	13.6	
Discount unwind on benchmark items	(1.9)	(1.8)	(2.9)	
Net interest income	16.6	33.3	29.7	
Interest costs attributable to GUS capital structure	(46.1)	-	-	
Exceptional income	6.9	-	-	
Net interest costs attributable to GUS capital structure	(39.2)	-	-	
Financing fair value remeasurements	(0.1)	(9.0)	(28.9)	
Financing impact on retirement benefit balances	12.3	13.0	11.2	
Discount unwind on non-benchmark items	-	-	(1.8)	
Income statement net financing (costs)/income	(10.4)	37.3	10.2	
DPS	13.0p	14.7p	14.7p	0.0%
Dividend cover	2.25x	2.31x	1.78x	

Balance Sheet Summary (£m)	2007	2008	2009
As at:	3-Mar	1-Mar	28-Feb
Goodwill	1,878.9	1,922.7	1,541.0
Other intangible assets	73.4	83.7	103.6
Property, plant and equipment	691.6	731.8	559.3
Inventories	906.4	1,004.8	930.3
Installment receivables	416.8	432.0	424.5
Other trading assets	189.3	196.8	243.9
	4,155.4	4,371.8	3,802.6
Trade and other payables	(1,059.1)	(1,130.8)	(1,063.2)
Other trading liabilities	(84.5)	(101.5)	(251.7)
	(1,143.6)	(1,232.3)	(1,314.9)
Invested capital	3,011.8	3,139.5	2,487.7
Retirement benefit assets/(obligations)	9.3	83.7	(46.4)
Net tax (liabilities)/assets	(2.6)	(52.0)	32.7
Financing net cash	60.2	174.0	284.4
Reported net assets	3,078.7	3,345.2	2,758.4
Benchmark operating profit inc. joint ventures and associates	360.1	399.6	298.0
Benchmark reported pre-tax return on invested capital	12.0%	12.7%	12.0%
Adjusted net debt/EBITDAR (x8)	3.1x	2.9x	3.3x
Adjusted net debt/EBITDAR (NPV)	3.4x	3.2x	3.6x

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.

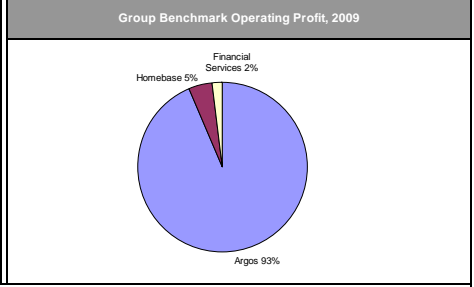
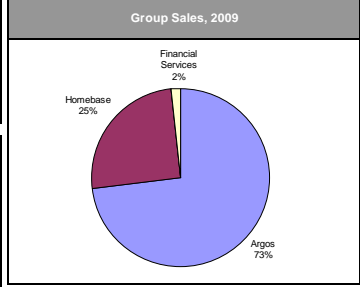
	2008	2007	2006	2005
Market Cap (£m)	2,483.2			
Ticker	HOME LN / HOME L			
Shares in issue	877.5m			
Dividends for 2008				
Dividend Yield %	5.2			
Dividend per share	14.7p			

Segmental Financial Data (£m)	2005	2006	2007	2008	2009
Argos	3,652	3,858.8	4,164.0	4,320.9	4,281.9
LFL change in sales	3%	(1.4%)	2.4%	0.7%	(4.8%)
Net new space contribution to sales	5%	7.5%	5.5%	3.1%	3.9%
Homebase	1,580	1,559.0	1,594.2	1,568.5	1,513.2
LFL change in sales	3%	(3.1%)	(1.4%)	(4.1%)	(10.2%)
Net new space contribution to sales	3%	3.1%	3.6%	2.5%	6.7%
Financial Services	81	92.5	93.2	95.4	102.3
Total sales	5,313	5,510.3	5,851.4	5,984.8	5,897.4
Argos	320	297.0	325.0	376.2	303.6
Homebase	114	51.4	53.4	45.1	14.9
Financial Services	0	6.1	5.0	5.5	6.1
Central Activities	(12)	(22.7)	(24.0)	(28.8)	(24.2)
Benchmark operating profit	422	331.8	359.4	398.0	300.4
Argos benchmark operating margin	8.8%	7.7%	7.8%	8.7%	7.1%
Homebase benchmark operating margin	7.2%	3.3%	3.4%	2.9%	1.0%
Group benchmark operating margin	7.9%	6.0%	6.1%	6.7%	5.1%

Key Operating Statistics	2005	2006	2007	2008	2009
Argos					
Stores	592	655	680	707	730
Of which Argos Extra fully stocked in	128	189	238	278	314
Catalogue lines in the main catalogue (Spring/Summer)	13,500	17,100	16,700	18,500	18,900
Sales across more than one channel	30%	32%	35%	37%	40%
Sales ordered via the internet	9%	12%	16%	21%	26%
Homebase					
Mezzanine stores	111	144	165	181	188
Non-mezzanine stores	176	153	145	150	157
Total stores	287	297	310	331	345
Sales (£) per square foot (total selling space)	121	112	109	102	95
Financial Services					
Gross store card receivables (£m)	349	378	448	482	488
No. of active store card holders (Group) (000's)	887	1,044	1,068	1,125	1,168
Sales funded by store cards (Group)	7.0%	7.1%	8.0%	8.5%	8.8%
Group retail credit sales (£m)	431	441	522	566	573

Financial Calendar	2009
Full - Year Results	29-Apr-09
Final ex-dividend date	20-May-09
Interim Management Statement	11-Jun-09
Final dividend payment date	22-Jul-09
Second Quarter Trading Statement	10-Sep-09
Half - Year Results	21-Oct-09
Interim ex-dividend date	11-Nov-09
Interim Management Statement	14-Jan-10
Interim dividend payment date	20-Jan-10

Board of Directors	
Oliver Stocken	Chairman
Terry Duddy	Chief Executive
Richard Ashton	Finance Director
John Coombe	Non-Executive Director
Andy Hornby	Non-Executive Director
Penny Hughes	Non-Executive Director
Paul Loft	Managing Director of Homebase
Sara Weller	Managing Director of Argos
Greg Ball	Managing Director of Financial Services and Customer Services
Peter Connor	Information Systems Director
Maria Thompson	Commercial Director
Gordon Bentley	Company Secretary
David Gurse	Human Resources Director



Latest News (Last updated 28/04/09)

- 12 March 2009: End of Year Trading Statement
- 15 January 2009: Third Quarter Interim Management Statement
- 11 November 2008: Group Brands bring Home Supply Chain Awards
- 22 October 2008: Half-Year Results
- 14 October 2008: Home Retail Group Highly Commended for Payroll Giving
- 11 September 2008: Second Quarter Trading Statements
- 8 July 2008: Employees offered financial advice
- 12 June 2008: First Quarter Interim Management Statement
- 9 June 2008: Home Retail Group launches year two of Sharesave scheme
- 30 April 2008: Full Year Results
- 13 March 2008: End of Year Trading Statement
- 17 January 2008: Interim Management Statement

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

