

# **Dixons Group plc**

INTERIM STATEMENT 2004/05

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# Financial highlights

- Group sales from continuing operations up 9% to £3.4 billion (2003/04 restated<sup>(3)</sup>: £3.1 billion). UK sales up 7% and International up 14%. Including discontinued, non-retail operations, turnover up 8%
- Group like for like sales<sup>(1)</sup> up 5%; UK like for like sales up 6% and International like for like up 1%
- Underlying operating profit<sup>(2)</sup> up 2% to £112.3 million (2003/04 restated<sup>(3)</sup>: £110.4 million)
- Underlying profit before tax<sup>(2)</sup> up 15% to £127.5 million (2003/04 restated<sup>(3)</sup>: £111.3 million)
- Profit before tax up 23% to £136.5 million (2003/04 restated<sup>(3)</sup>: £111.3 million)
- Strong cash flow with closing available net funds<sup>(4)</sup> of £144.8 million (2003/04: net borrowings of £246.1 million)
- Adjusted diluted earnings per share<sup>(2)</sup> up 12% to 4.6 pence (2003/04 restated<sup>(3)</sup>: 4.1 pence). Basic earnings per share up 30% to 5.2 pence (2003/04 restated<sup>(3)</sup>: 4.0 pence)
- Interim dividend up 10% to 1.83 pence per share (2003/04: 1.66 pence per share)
- Purchased £43 million of shares under previously announced £200 million share buy back programme
- Acquired controlling stake in leading electrical Greek retailer, P. Kotsovolos S.A. and acquired the UK operations of Micro Warehouse
- Over 2,000 jobs will be created across the Group over next 12 months

## Notes

- (1) Like for like sales are calculated based on stores that have been open for a full financial year both at the commencement and end of the financial period.
- (2) Throughout this statement, references are made to 'underlying' and 'adjusted' performance measures. Underlying earnings are stated before discontinued operations, goodwill amortisation and exceptional items. The financial effect of these items is shown in separate columns in the profit and loss account on page 12 and the notes thereto, which provide a reconciliation between underlying and statutory amounts. Adjusted diluted earnings per share are based on underlying profits and can be reconciled to the statutory equivalent in note 7 to the financial information.
- (3) 2003/04 Interim figures have been restated to reflect the 2003/04 full year implementation of Application Note G to FRS 5 and the adoption of UITF 38.
- (4) Available net funds exclude amounts held under trust to fund extended warranty and service contract liabilities.

# Chief Executive's review

## Results and Dividends

For the 28 weeks ended 13 November 2004 the Group's total and underlying results, excluding discontinued operations, goodwill amortisation and exceptional items, are as follows:

	Total results		Underlying results *	
	£ million	% change	£ million	% change
Turnover	3,394	+8%	3,394	+9%
Operating profit	109.1	(1%)	112.3	+2%
Profit before tax	136.5	+23%	127.5	+15%
Basic EPS (pence)	5.2p	+30%		
Adjusted diluted EPS (pence)			4.6p	+12%

\* Excluding discontinued operations, goodwill amortisation and exceptional items. Discontinued operations comprise the European Property division sold in December 2003.

The Group's underlying turnover increased by 9% to £3,394 million (2003/04 restated: £3,110 million). This included the acquisitions of P. Kotsovolos S.A. (Kotsovolos) and Micro Warehouse, which together contributed £88 million of sales during the period. Group like for like sales were 5% higher.

The increase of 15% in underlying profit before tax to £127.5 million (2003/04 restated: £111.3 million) includes £5.5 million of UK property profits (2003/04: £7.7 million).

Group gross margins were lower year on year by 0.7 percentage points largely as a result of lower credit commissions, the proportionately higher level of business to business sales and changes in product mix. These factors primarily affected the UK. Although costs rose by 6%, the cost to sales ratio improved by 0.5 percentage points. Excluding Micro Warehouse and Kotsovolos, costs grew by 4%.

Exceptional profits of £12.2 million (€18.4 million) were generated from exchanges by holders of the 1% Exchangeable Bonds 2004 into shares in France Telecom S.A. and the sale of the remaining holding of France Telecom S.A. shares. This increased net funds by £45.7 million. This is the final realisation of the Group's Freeserve investment previously sold to Wanadoo S.A.

On 4 June 2004 the Group acquired the UK operations of Micro Warehouse for £20.7 million. These are being integrated into PC World Business.

During the period, the Group paid the final instalment of £19.9 million (€29.8 million) for the purchase of UniEuro.

On 8 September 2004 the Group acquired a controlling interest in Kotsovolos, for cash consideration of £51.5 million (€75.7 million), taking its investment from 13.6% to 68.3%. By 13 November 2004 the Group had further increased its shareholding to 78.0% bringing the consideration to £60.9 million (€89.6 million).

Adjusted diluted earnings per share were 4.6 pence (2003/04 restated: 4.1 pence), an increase of 12%. The underlying effective rate of taxation was 28.0% (2003/04 full year effective rate 26.0%).

Net cash generation from operating activities in the period increased by £92.1 million year on year, driven by improvements in working capital. Further analysis is included in the section on Financial Position.

The directors have declared an interim dividend of 1.83 pence per share (2003/04: 1.66 pence per share), an increase of 10%, payable on 28 February 2005 to shareholders registered on 28 January 2005.

## **Business Performance**

### **UK Retail**

UK Retail sales in the period increased by 7% to £2,420 million (2003/04 restated: £2,257 million), with like for like sales up 6%. Operating profit before goodwill amortisation was £88.3 million (2003/04 restated: £90.4 million), 2% down versus last year. Excluding property profits, operating profit was £82.8 million (2003/04 restated: £82.7 million) in line with last year, after bearing an increase in pension costs of £3 million.

Gross margins decreased by 0.9 percentage points primarily due to the impact of reduced credit commissions, the growth in business to business sales and product mix changes in the electrical businesses. The cost to sales ratio was 0.6 percentage points better. Progress resulting from the Dixons store closure programme and from improvements in payroll were partially offset by increases in pension, marketing and rental costs. Pension costs in the period increased by £3 million year on year due to the amortisation of the pension deficit under SSAP 24.

## **Product Markets**

UK markets were flat in value terms. The brown goods market grew by 3% in value with strong growth in new technology products including plasma & LCD TVs, digital photography and portable internet audio products such as iPods and other MP3 players. These growth categories were partially offset by lower sales of games consoles, VCRs, domestic audio and 35mm photography. The white goods market grew by 7% in value with strong growth in cooking and laundry. The overall computing market fell by 7% in value while unit sales grew 9%. The market continued to shift away from desktops in favour of laptops. Laptop growth in value of 3% was offset by a 12% decline in the larger desktop market.

The mobile phone market grew strongly with total connections up by 28% as a result of reducing average retail prices (ARPs) and the launch of many new feature rich models.

Overall the Group continued to grow its share despite the Dixons store closures. Share growth was achieved in most core categories, including PC hardware, flat panel TVs and audio products.

## **Currys**

Currys sales were £913 million (2003/04 restated: £834 million), an increase of 9%. Like for like sales were up 9%. Good sales growth was achieved in most categories including domestic appliances, plasma and LCD TVs, digital photography, internet audio, portable TVs and laptops. Sales of games consoles and hi-fi products fell.

Currys grew sales in a market with decreasing ARPs by driving higher footfall and conversion levels. The chain continued to relocate to larger out of town sites, re-siting three new stores during the period while closing eight high street stores, taking the total number of stores to 371.

## **PC World**

Total PC World sales grew by 17% to £847 million (2003/04 restated: £724 million).

PC World sales, excluding PC World Business, grew by 8% to £678 million (2003/04 restated: £625 million) with like for like sales up 3%. This was against a backdrop of significant market ARP decline, including a 17% reduction in desktop ARPs versus last year and a 15% reduction in laptop ARPs. Sales of laptops and business software were strong. PC World increased its focus on wi-fi networking products, media centre PCs and ultra-thin laptops. Four new PC World stores were opened or re-sited during the half year, taking the total to 140.

PC World Business sales grew by 71% to £168 million (2003/04: £99 million). Excluding Micro Warehouse, sales grew by 17% to £115 million (2003/04: £99 million). Good progress was made on the integration of Micro Warehouse into PC World Business. From 2005/06, the Group expects to secure synergies from the combined business. PC World Business operates on lower gross margins than the rest of PC World but does not have to support store infrastructure costs and related capital investment. PC World Business continued its strong growth in the public sector.

### **Dixons**

Dixons sales at £350 million (2003/04 restated: £397 million) were down 12% due to the previously announced store closures. Stores closed represented 28% of the chain's floor space. Like for like sales were up 3% reversing the trend of recent years. This was driven by strong sales of internet audio, plasma and LCD TVs. In the period a refit programme was completed with over 100 stores being updated and re-merchandised. A new advertising campaign, "The Future for Less", was launched in the last eight weeks of the period and has started to drive increased footfall and sales.

The large space trials continue but it is apparent that the largest two stores in Birmingham and Cardiff, both over 25,000 square feet, are too big. Dixons will reduce the trading area in these two cities to around 10,000 square feet. A new 10,000 square foot store has been opened in Canterbury. The number of Dixons stores at the half year was 217.

### **The Link**

Sales in The Link were £230 million (2003/04 restated: £201 million), an increase of 14% in total and 8% on a like for like basis. Sales of both contract and prepaid phones have been strong. The Link refurbished nearly 200 stores in the period, building on the successful trials of last year. Five stores were re-sited during the period. At the half year, The Link traded from 288 stores.

Genesis Communications, the business to business mobile phone service provider, grew its sales by 21% to £53 million (2003/04: £44 million), achieving a 13% increase in its subscriber base.

### **International Retail**

International Retail sales were £974 million (2003/04 restated: £853 million), an increase of 14% in total and 1% on a like for like basis. Excluding Kotsovolos, sales growth was 10%. Sales growth in local currencies was 17%, as most European currencies weakened against Sterling. At constant exchange rates, total sales would have been £38 million higher.

Gross margins in the international businesses remained broadly flat. Operating profit (excluding goodwill amortisation) grew by 20% to £24.0 million (2003/04 restated: £20.0 million). At constant exchange rates, profits grew 25% with adverse translation effects having arisen from the weaker Euro and Norwegian Krone. Excluding Kotsovolos, operating profit grew 11% in Sterling and 16% at constant exchange rates.

### **International Retail - Established Businesses**

Sales in the established international businesses (Elkjøp, UniEuro, Kotsovolos and Ireland) increased by 11% to £836 million (2003/04 restated: £755 million). Operating profits grew by 10% at constant exchange rates. In Sterling terms, operating profits were £43.0 million (2003/04 restated: £40.6 million) up 6%. Excluding Kotsovolos operating profit grew 5% at constant exchange rates and 1% in Sterling.

#### **Elkjøp**

Local currency sales grew 13% with like for like sales up 2%. In Sterling, Elkjøp sales increased by 8% to £465 million (2003/04: £430 million), continuing its strong performance of the last financial year. Operating profits grew by 1% at constant exchange rates. In Sterling, operating profits were £28.1 million (2003/04 restated: £28.9 million), a decrease of 3%.

The Group estimates that the product markets in the Nordic region grew by around 3% during the period, with Elkjøp achieving good market share gains in each country with strong growth in computing and telecommunications. There has been good progress in sales of service contracts as Elkjøp continues to benefit from Group expertise in this area. Cost synergies from the Nordic regional structure are being achieved, particularly in marketing, buying and the centralisation of administration functions. Five new stores were opened and two were re-sited in the period, bringing the total to 173.

#### **UniEuro**

Local currency sales grew 4% with like for like sales down 2%. Sales growth in Sterling was impacted negatively by the weakening Euro with sales reducing by 1% to £289 million (2003/04: £292 million). Sales growth was strong in computing and vision products but was partially offset by a weaker performance in audio, air conditioning and refrigeration. Operating profits grew by 14% at constant exchange rates. In Sterling, operating profits were £12.4 million (2003/04: £11.3 million), up 10%.

As outlined in June 2004, UniEuro is a business in transition. Business operations are being restructured, with investment in new systems throughout head office, supply chain and branch networks. The outcome will be a centralised approach to buying, product pricing, stock control and marketing. This programme will take two years to complete and will create a more robust base from which to enhance UniEuro's current position in the Italian market. During the period, UniEuro opened a new central distribution centre and three new stores taking the total number of stores to 99.

## **Ireland**

Sales in Ireland grew by 15% in local currency with like for like sales increasing by 6%. Sterling sales grew by 10% to £36 million (2003/04 restated: £32 million). Operating profits in the period were £0.5 million (2003/04: £0.1 million). At the half year, the Group had 15 stores in Ireland. A new PC World store was opened in Galway in December.

## **Kotsovolos**

Sales by Kotsovolos in the period were £116 million of which £35 million were generated post acquisition on 8 September 2004 and have therefore been consolidated into Group sales. Operating profits included in the half year results were £1.9 million. Kotsovolos is the leading mixed electricals specialist in Greece with 78 stores and a market share of 16%. The Group owned 78% of the share capital as at 13 November 2004. The intention is that an additional 2% will be purchased as Kotsovolos delists from the Greek stock market by the year end. Fourlis Holdings S.A. (Fourlis) will retain 20% of the share capital for a maximum period of five years. Fourlis has the right to sell its shareholding to the Group in two equal tranches after two and four years respectively.

## **International Retail - Investment Businesses**

Sales in the investment international businesses (PC City and Electro World) increased by 41% to £138 million (2003/04 restated: £98 million). Investment losses for the half year were 8% lower at £19.0 million (2003/04 restated: £20.6 million).

## **PC City Group**

The Group continues to make progress with its PC City brand. Sales increased by 45% to £94 million (2003/04 restated: £65 million). Operating losses in the period were £14.2 million (2003/04 restated: £14.1 million). In the first half PC City increased its store numbers by 23% to 32 adding six new stores - three in Spain, one in Italy, one in France and one in Sweden. Since 13 November 2004 a further four stores have been opened - three in Spain and one in Italy.

Gross margins in PC City have improved year on year in line with expectations. Margin increases have been primarily driven by better purchase prices, successful launch of service contracts and increased credit commissions. The launch of service contracts in PC City Spain has been particularly successful with penetration levels similar to those achieved in the UK. Spain is the most mature PC City market where the Group now trades from 22 stores. The business is delivering consistent sales growth, with all stores making a positive contribution to central costs. In France, where the Group currently trades from seven stores, gross margins have continued to improve towards target levels and sales have been encouraging. The other trial stores in Italy (five stores) and Sweden (two stores) have performed in line with expectations.

## Electro World

Electro World sales increased by 33% to £44 million (2003/04: £33 million). Operating losses in the period were £4.8 million (2003/04: £6.5 million). Market conditions remain very competitive and, against this backdrop, Electro World has performed well, gaining market share in both Hungary and the Czech Republic. During the half year, one store was opened in Hungary and subsequently another store was opened in the Czech Republic in November. Electro World now trades from 11 stores, five in Hungary and six in the Czech Republic. In addition a new central warehouse was opened in Brno in the Czech Republic to create a platform for a centralised supply chain serving the Central European region.

## Financial Position

The Group's financial position remains strong. In the period the net cash generated from operating activities was £220 million, an improvement of £92 million on the same period last year. Free Cash Flow generated in the 28 weeks increased £87 million to £122 million. The Group defines Free Cash Flow as net cash from operating activities, after interest, taxation and capital expenditure, but before acquisitions, disposals, dividends and financing.

£ million	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003	Change Year on Year
Underlying operating profit	112.3	110.4	+1.9
Depreciation	63.7	64.9	(1.2)
Working capital	64.6	(35.5)	+100.1
Other	(20.6)	(11.9)	(8.7)
<b>Net cash from operating activities</b>	<b>220.0</b>	<b>127.9</b>	<b>+92.1</b>
Interest income	17.2	5.2	+12.0
Taxation paid	(36.0)	(48.8)	+12.8
Net capital expenditure	(78.8)	(48.7)	(30.1)
<b>Free Cash Flow</b>	<b>122.4</b>	<b>35.6</b>	<b>+86.8</b>

Key drivers of the Free Cash Flow improvement were lower working capital of £100 million, driven by increased creditor days and an increase of £12 million from interest income on net funds that include funds held under trust for extended warranty and service contract liabilities. Improving working capital management remains an area of focus for the business. Net capital expenditure increased by £30 million driven by previously announced investments in new store systems.

Free Cash Flow usage in the period included £109 million dividend payment, £43 million share buy back and £98 million for acquisitions made in the period (Kotsovolos £57 million, Micro Warehouse £21 million and deferred consideration for UniEuro of £20 million). It is the directors' intention to continue the £200 million share buy back programme following the announcement of the interim results.

At 13 November 2004 the Group had available net funds (which exclude funds held under trust for extended warranty and service contract liabilities) of £145 million compared with £246 million net borrowings in the previous year, an increase of £391 million.

£ million	13 November 2004	15 November 2003	Change Year on Year
Opening net funds	644.8	170.1	+474.7
<b>Closing net funds</b>	<b>492.9</b>	<b>106.6</b>	<b>+386.3</b>
Less: Funds held under Trust	(348.1)	(352.7)	+4.6
<b>Available net funds / (borrowings)</b>	<b>144.8</b>	<b>(246.1)</b>	<b>+390.9</b>

## Tax

The Group tax rate on underlying profit was 28.0% (2003/04 full year: 26.0%). The increase in the current year tax rate reflects the impact of UK Controlled Foreign Companies legislation, which brings certain profits from the sale of extended warranty and service contracts within the scope of UK taxation.

## Pensions

The triennial valuation of the Group's defined benefit pension scheme, carried out as at 5 April 2004, shows a deficit of £62 million under SSAP 24. The deficit will be amortised over the average remaining service lives of current employees giving an additional charge of around £6 million for the full year.

## Service Contract Accounting Policy Change

As noted in June 2004, FRS 5 'Reporting the substance of transactions': Revenue Recognition (Application Note G) requires the Group to spread the revenue arising from the sale of extended warranty and service contracts over the life of the agreements. For comparative purposes, the effect of the change, for the 28 weeks to 15 November 2003, was to increase sales by £8.7 million and operating profit by £7.8 million. The change results in revenues relating to extended warranty and service contract sales being included in deferred income and released to the profit and loss account over the life of the agreements. Claims costs are now charged to the profit and loss account as they are incurred. The prior full year reported numbers do not change.

## International Financial Reporting Standards

The Group is required to prepare its financial statements, from the financial year 2005/06 onwards, under International Financial Reporting Standards (IFRS). Work on quantification of any differences, detailed disclosures and the restatement of the Group's opening balance sheet position under IFRS, is currently in progress. Following the year end results for 2004/05, it is intended to provide a reconciliation of the Group's results and balance sheet from UK GAAP to IFRS.

### Current Trading and Outlook

	8 weeks ended 8 January 2005		4 weeks ended 8 January 2005	
	Total growth	Like for like growth	Total growth	Like for like growth
Currys (UK)	6%	6%	8%	8%
Dixons (UK)	(14%)	9%	(14%)	10%
Ireland	6%	(2%)	6%	(3%)
Elkjøp (Nordic)	17%	6%	14%	7%
UniEuro (Italy)	1%	(9%)	10%	(3%)
Electro World (Hungary & Czech Republic) <sup>(2)</sup>	65%	N/A	59%	N/A
PC World (UK) <sup>(1)</sup>	6%	(7%)	9%	(3%)
PC City (Spain, France, Italy, Sweden) <sup>(2)</sup>	48%	N/A	46%	N/A
The Link (UK)	7%	0%	(3%)	(9%)
<b>Total Group<sup>(3)</sup></b>	<b>9%</b>	<b>1%</b>	<b>10%</b>	<b>3%</b>
Total UK businesses	2%	2%	2%	3%
Total International businesses	29%	(1%)	29%	2%

### Notes

- (1) Total sales of PC World include PC World Business. Like for like sales are PC World retail only.
- (2) The store base for like for like sales in both Electro World & PC City is not significant.
- (3) Total Group sales include a first time contribution from Kotsovolos and Micro Warehouse.
- (4) All sales figures are based on local currency performance.

Group gross margins were down versus last year in line with that experienced in the first half. This was primarily as a result of lower credit commissions, higher business to business sales, product mix and higher internet sales.

As anticipated in November 2004, the Group had planned for a challenging trading environment in the UK throughout the peak period. The Group competed robustly in the marketplace delivering overall like for like sales growth. The major promotional activity, product propositions and the business operations, including a major new branch system, all worked well. The January sale has started well.

In the international businesses, Elkjøp, Electro World and PC City all performed well, but sales were disappointing in UniEuro.

### **UK Trading**

Currys and Dixons sales were strong, driven by internet audio products, digital imaging, flat panel televisions and portable DVD players. Sales of games consoles were restricted by the industry-wide supply chain issues with PS2 and X-box.

A 7% increase in unit sales of desktop and laptop computers failed to fully recover the decrease in their average ticket prices and resulted in sales in PC World being below forecast. Total sales in The Link were up 7% year on year with like for like sales flat. Internet sales were particularly strong (+70%).

### **International Trading**

Elkjøp delivered a good sales performance and a robust margin performance across all Nordic countries. Sales of digital products were particularly strong and the January sale has started well.

In UniEuro a strong performance from new store openings helped total sales increase by 1% versus last year in difficult market conditions. However like for like sales were down 9%. Some older smaller stores in particular did not perform well and the Group expects either to close or re-site many of these into larger space over time.

Disappointing sales in Ireland were offset by a strong margin performance.

Elsewhere, the Group's investment businesses, PC City and Electro World, performed in line with expectations as did the new acquisition, Kotsovolos.

### **Outlook**

Four months of the financial year remain, including an important peak for business sales. The Group remains cautious about the prospects for consumer expenditure, particularly in the UK and Italy. At this stage the Group anticipates a year end outcome in line with current expectations.



John Clare  
Group Chief Executive  
12 January 2005

# Consolidated profit and loss account

28 weeks ended 13 November 2004

Unaudited

		Continuing operations		
	Note	Underlying results £ million	Goodwill amortisation and exceptional items £ million	Total £ million
<b>Turnover</b>	2			
Continuing operations		3,305.5	-	3,305.5
Acquisitions		88.3	-	88.3
Discontinued operations		-	-	-
		<b>3,393.8</b>	<b>-</b>	<b>3,393.8</b>
<b>Operating profit</b>				
Continuing operations		109.9	(2.3)	107.6
Acquisitions		1.7	(0.8)	0.9
Discontinued operations		-	-	-
		<b>111.6</b>	<b>(3.1)</b>	<b>108.5</b>
Share of profit of associated undertaking				
Acquisitions		0.7	(0.1)	0.6
<b>Total operating profit</b>	2, 3	<b>112.3</b>	<b>(3.2)</b>	<b>109.1</b>
Profit on sale of investment	3	-	12.2	12.2
Profit on disposal of business assets	3	-	-	-
Profit on ordinary activities before interest		112.3	9.0	121.3
Net interest	4	15.2	-	15.2
<b>Profit on ordinary activities before taxation</b>		<b>127.5</b>	<b>9.0</b>	<b>136.5</b>
Taxation on profit on ordinary activities	5	(35.7)	-	(35.7)
<b>Profit on ordinary activities after taxation</b>		<b>91.8</b>	<b>9.0</b>	<b>100.8</b>
Equity minority interests		(1.1)	-	(1.1)
<b>Profit for the period</b>		<b>90.7</b>	<b>9.0</b>	<b>99.7</b>
Equity dividends	6	(35.2)	-	(35.2)
<b>Retained profit for the period</b>	9	<b>55.5</b>	<b>9.0</b>	<b>64.5</b>
<b>Earnings per share (pence)</b>	7			
Adjusted diluted (before discontinued operations, goodwill amortisation and exceptional items)		4.6p		
Basic				5.2p
Diluted				5.1p

28 weeks ended 15 November 2003  
(restated)  
Unaudited

52 weeks ended 1 May 2004

28 weeks ended 15 November 2003 (restated) Unaudited				52 weeks ended 1 May 2004 Audited			
Continuing operations		Discontinued operations	Total £ million	Continuing operations		Discontinued operations	Total £ million
Underlying results £ million	Goodwill amortisation £ million	£ million		Underlying results £ million	Goodwill amortisation and exceptional items £ million	£ million	
3,109.7	-	-	3,109.7	6,458.0	-	-	6,458.0
-	-	-	-	-	-	-	-
-	-	33.7	33.7	-	-	33.7	33.7
3,109.7	-	33.7	3,143.4	6,458.0	-	33.7	6,491.7
110.4	(2.3)	-	108.1	317.8	(48.2)	-	269.6
-	-	-	-	-	-	-	-
-	-	2.2	2.2	-	-	2.2	2.2
110.4	(2.3)	2.2	110.3	317.8	(48.2)	2.2	271.8
-	-	-	-	-	-	-	-
110.4	(2.3)	2.2	110.3	317.8	(48.2)	2.2	271.8
-	-	-	-	-	79.6	-	79.6
-	-	-	-	-	3.2	-	3.2
110.4	(2.3)	2.2	110.3	317.8	34.6	2.2	354.6
0.9	-	0.1	1.0	11.5	-	0.1	11.6
111.3	(2.3)	2.3	111.3	329.3	34.6	2.3	366.2
(29.7)	-	(2.6)	(32.3)	(85.7)	5.4	(2.6)	(82.9)
81.6	(2.3)	(0.3)	79.0	243.6	40.0	(0.3)	283.3
(1.5)	-	-	(1.5)	(2.9)	-	-	(2.9)
80.1	(2.3)	(0.3)	77.5	240.7	40.0	(0.3)	280.4
(32.3)	-	-	(32.3)	(142.6)	-	-	(142.6)
47.8	(2.3)	(0.3)	45.2	98.1	40.0	(0.3)	137.8
4.1p			4.0p	12.3p			14.4p
			4.0p				14.3p

# Statement of total recognised gains and losses

	<b>28 weeks ended 13 November 2004</b>	28 weeks ended 15 November 2003 (restated)	52 weeks ended 1 May 2004
	<b>Unaudited £ million</b>	Unaudited £ million	Audited £ million
<b>Profit for the period</b>	<b>99.7</b>	77.5	280.4
Currency translation movements	<b>12.9</b>	(36.6)	(48.8)
<b>Total gains and losses recognised in the period</b>	<b>112.6</b>	40.9	231.6

# Consolidated balance sheet

		13 November 2004	15 November 2003 (restated)	1 May 2004
	Note	Unaudited £ million	Unaudited £ million	Audited £ million
<b>Fixed assets</b>				
Intangible assets		1,035.1	976.1	937.1
Tangible assets		675.0	598.7	583.9
Investments		2.6	315.7	48.9
		<b>1,712.7</b>	<b>1,890.5</b>	<b>1,569.9</b>
<b>Current assets</b>				
Stocks	8	1,137.0	1,109.2	793.0
Debtors - amounts falling due within one year		545.3	473.5	427.2
- amounts falling due after more than one year		121.0	81.6	79.3
Short term investments		754.5	742.9	765.1
Cash at bank and in hand		101.7	113.6	239.3
		<b>2,659.5</b>	<b>2,520.8</b>	<b>2,303.9</b>
<b>Creditors - amounts falling due within one year</b>				
Borrowings		(39.5)	(419.3)	(61.5)
Other creditors		(2,009.2)	(1,765.7)	(1,504.3)
		<b>(2,048.7)</b>	<b>(2,185.0)</b>	<b>(1,565.8)</b>
<b>Net current assets</b>		<b>610.8</b>	<b>335.8</b>	<b>738.1</b>
<b>Total assets less current liabilities</b>		<b>2,323.5</b>	<b>2,226.3</b>	<b>2,308.0</b>
<b>Creditors - amounts falling due after more than one year</b>				
Borrowings		(323.8)	(330.6)	(298.1)
Other creditors		(473.7)	(497.1)	(505.6)
		<b>(797.5)</b>	<b>(827.7)</b>	<b>(803.7)</b>
<b>Provisions for liabilities and charges</b>		<b>(23.6)</b>	<b>(11.4)</b>	<b>(36.6)</b>
<b>Net assets</b>		<b>1,502.4</b>	<b>1,387.2</b>	<b>1,467.7</b>
<b>Capital and reserves</b>				
Called up share capital		48.1	48.7	48.7
Share premium account		141.9	140.4	140.5
Investment in own shares		-	(1.7)	(1.5)
Capital reserve		-	158.0	-
Merger reserve		(386.1)	(386.1)	(386.1)
Capital redemption reserve		426.1	425.5	425.5
Profit and loss account		1,234.2	962.8	1,200.9
<b>Equity shareholders' funds</b>	9	<b>1,464.2</b>	<b>1,347.6</b>	<b>1,428.0</b>
Equity minority interests		38.2	39.6	39.7
		<b>1,502.4</b>	<b>1,387.2</b>	<b>1,467.7</b>

# Consolidated cash flow statement

		28 weeks ended 13 November 2004 Unaudited £ million	28 weeks ended 15 November 2003 Unaudited £ million	52 weeks ended 1 May 2004 Audited £ million
<b>Net cash inflow from operating activities</b>	10	220.0	127.9	328.2
<b>Returns on investments and servicing of finance</b>				
Interest received		27.2	15.9	40.8
Interest paid		(10.0)	(10.7)	(31.7)
		17.2	5.2	9.1
<b>Taxation paid</b>		(36.0)	(48.8)	(52.9)
<b>Capital expenditure and financial investment</b>				
Purchase of tangible fixed assets		(101.9)	(78.8)	(146.2)
Sale of tangible fixed assets		21.2	27.7	69.6
Sale of fixed asset investments		1.9	2.4	216.2
		(78.8)	(48.7)	139.6
<b>Acquisitions and disposals</b>				
Cash consideration for acquisitions		(98.3)	-	(5.2)
Cash acquired with subsidiaries		7.4	-	-
Consideration for sale of subsidiaries		-	-	23.3
Net cash disposed of with subsidiaries		-	-	(3.8)
		(90.9)	-	14.3
<b>Equity dividends paid</b>		(109.1)	(100.3)	(132.3)
<b>Net cash (outflow) / inflow before management of liquid resources and financing</b>		(77.6)	(64.7)	306.0
<b>Management of liquid resources</b>				
Decrease / (increase) in short term investments		10.6	(29.1)	(57.2)
<b>Financing</b>				
Issue of ordinary share capital		1.0	1.9	1.9
Repurchase of own shares		(42.9)	-	-
(Decrease) / increase in debt due within one year		(30.6)	60.5	(123.8)
Increase / (decrease) in debt due after more than one year		3.4	(2.5)	(32.9)
		(69.1)	59.9	(154.8)
<b>(Decrease) / increase in cash in the period</b>		(136.1)	(33.9)	94.0
<b>Reconciliation of net cash flow to movement in net funds</b>	10			
(Decrease) / increase in cash in the period		(136.1)	(33.9)	94.0
Cash (inflow) / outflow from (decrease) / increase in short term investments		(10.6)	29.1	57.2
Cash outflow / (inflow) from decrease / (increase) in debt		27.2	(58.0)	156.7
(Decrease) / increase in net funds resulting from cash flows		(119.5)	(62.8)	307.9
Debt arising from acquisitions		(77.7)	-	-
Debt and short term investments disposed of with subsidiary		-	-	32.9
Other non-cash movements		43.8	-	127.2
Currency translation movements		1.5	(0.7)	6.7
Movement in net funds in the period		(151.9)	(63.5)	474.7
Opening net funds		644.8	170.1	170.1
Closing net funds		492.9	106.6	644.8

# Notes to the interim financial statements

## 1 Basis of preparation

The interim financial statements for the 28 weeks ended 13 November 2004 were approved by the directors on 12 January 2005. They have been prepared in accordance with relevant accounting standards and on the basis of the accounting policies set out in the Group's Annual Report and Accounts 2003/04. They are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985, but have been reviewed by the auditors. During 2003/04, the Group implemented "Amendment to FRS 5 'Reporting the substance of transactions': Revenue Recognition" (Application Note G) and adopted Urgent Issues Task Force Abstract 38 "Accounting for ESOP Trusts" (UITF 38), further details of which are discussed below. Figures for the 28 weeks ended 15 November 2003 have been restated accordingly.

- Application Note G: Requires the seller to recognise as revenue the fair value of the seller's right to consideration through performance of its contractual obligations. Accordingly, turnover in respect of extended warranty and service contracts is recognised over the life of the agreement on performance of the contractual obligations to the customer. Related costs are charged to the profit and loss account as incurred. Revenues earned from extended warranty and service contracts were previously included in turnover in the period in which they were sold with full provision for liabilities for repair costs which the Group had assumed under these contracts. This change has been accounted for as a prior period adjustment and previously reported figures have been restated accordingly.
- UITF 38: Supersedes UITF 13 and amends UITF 17 and requires own shares held through an employee share ownership plan trust to be deducted in arriving at shareholders' funds and amends the requirements of UITF 17 concerning the recognition of the cost of awards of shares to employees.

The change in accounting policy arising from Application Note G has resulted in comparative figures for the 28 weeks ended 15 November 2003 being restated as follows: Turnover increased by £8.7 million, profit on ordinary activities before taxation increased by £7.8 million and the tax charge increased by £2.3 million. The effect on the balance sheet has been that creditors have been restated to exclude the liability for extended warranty and service contracts relating to future performance and instead to include accruals and deferred income arising from extended warranty and service contracts. Provisions for deferred tax have been reduced resulting in the recognition of a net deferred tax asset.

The figures for the 52 week period ended 1 May 2004 do not constitute the Company's statutory accounts for that period but have been extracted from those accounts which have been filed with the Registrar of Companies. The auditors have reported on those accounts, their report was unqualified and did not contain statements under Section 237(2) or (3) of the Companies Act 1985.

# Notes to the interim financial statements continued

## 2 Segmental analysis

### (a) Turnover and operating profit

	28 weeks ended 13 November 2004		28 weeks ended 15 November 2003 (restated)		52 weeks ended 1 May 2004	
	Turnover £ million	Total operating profit £ million	Turnover £ million	Total operating profit £ million	Turnover £ million	Total operating profit £ million
Continuing operations:						
UK Retail	2,366.9	87.8	2,256.9	90.4	4,697.9	254.2
International Retail	938.6	22.1	852.8	20.0	1,760.1	63.6
	<b>3,305.5</b>	<b>109.9</b>	3,109.7	110.4	6,458.0	317.8
Acquisitions:						
UK Retail	53.0	0.5	-	-	-	-
International Retail						
- Subsidiary companies	35.3	1.2	-	-	-	-
- Associated undertakings	-	0.7	-	-	-	-
	<b>88.3</b>	<b>2.4</b>	-	-	-	-
Underlying results	<b>3,393.8</b>	<b>112.3</b>	3,109.7	110.4	6,458.0	317.8
Discontinued operations:						
European Property	-	-	33.7	2.2	33.7	2.2
	<b>3,393.8</b>	<b>112.3</b>	3,143.4	112.6	6,491.7	320.0
Goodwill amortisation	-	(3.2)	-	(2.3)	-	(4.2)
Exceptional items	-	-	-	-	-	(44.0)
	<b>3,393.8</b>	<b>109.1</b>	3,143.4	110.3	6,491.7	271.8

Underlying operating profit is stated after recognising net property profits of £5.5 million in UK Retail (28 weeks ended 13 November 2003: £7.7 million, 52 weeks ended 1 May 2004: £7.0 million) and £nil in International Retail (28 weeks ended 13 November 2003: £nil, 52 weeks ended 1 May 2004: £1.0 million).

### (b) Net assets

	13 November 2004 £ million	15 November 2003 (restated) £ million	1 May 2004 £ million
Continuing operations:			
UK Retail	(160.8)	(116.7)	(163.1)
International Retail	1,284.6	1,135.6	1,077.7
	<b>1,123.8</b>	1,018.9	914.6
Discontinued operations:			
European Property	-	55.0	-
Net operating assets	<b>1,123.8</b>	1,073.9	914.6
Net non-operating (liabilities) / assets	<b>(114.3)</b>	206.7	(91.7)
Net funds / (borrowings):			
Continuing operations	<b>492.9</b>	135.7	644.8
Discontinued operations	-	(29.1)	-
	<b>492.9</b>	106.6	644.8
Total net assets	<b>1,502.4</b>	1,387.2	1,467.7

## 2 Segmental analysis (continued)

The International Retail division operates in the Nordic region, Italy, Greece, Spain, Ireland, France, Hungary and the Czech Republic.

Codic International S.A., which comprised the majority of the European Property division and operates mainly in Belgium, Luxembourg and France, was sold on 8 December 2003. As a result, these operations have been classified as discontinued. Management responsibility for the residual property operations in Germany, which are to be discontinued and which currently remain in the Group, have been integrated into the International Retail division. Comparative figures have been restated to reflect this change in responsibility. There were no material exports from the locations in which the Group operates.

Associated undertakings comprise the investment in P. Kotsovolos S.A. held during the period and over which the Group was able to exercise significant influence prior to the acquisition of a controlling stake on 8 September 2004.

Net non-operating (liabilities)/assets predominantly comprise dividends payable and financial instruments (15 November 2003: dividends payable, deferred consideration, financial instruments and the Group's investment in Wanadoo S.A., 1 May 2004: dividends payable, deferred consideration, financial instruments and the Group's investment in France Telecom S.A.).

Net funds include amounts held under trust to fund extended warranty and service contract liabilities. Net funds excluding these amounts totalled £144.8 million (15 November 2003: net borrowings of £246.1 million, 1 May 2004: net funds of £342.2 million).

## Notes to the interim financial statements continued

### 3 Goodwill amortisation and exceptional items

	<b>28 weeks ended 13 November 2004 £ million</b>	28 weeks ended 15 November 2003 £ million	52 weeks ended 1 May 2004 £ million
Operating items:			
Goodwill amortisation	<b>(3.2)</b>	(2.3)	(4.2)
Restructuring charge (i)	-	-	(44.0)
	<b>(3.2)</b>	(2.3)	(48.2)
Non-operating items:			
Profit on sale of investment (ii)	<b>12.2</b>	-	79.6
Profit on disposal of business assets (iii)	-	-	3.2
	<b>12.2</b>	-	82.8

- (i) Restructuring charge: 52 weeks ended 1 May 2004: related to the closure of 106 Dixons stores. Costs related predominantly to surplus leasehold property obligations, fixed asset impairment, stock write off and write down and employee severance.
- (ii) Profit on sale of investment: relates to profit arising from exchanges into shares in France Telecom S.A. by holders of the 1% Exchangeable Bonds 2004 and the sale of remaining France Telecom S.A. shares in July 2004 (28 weeks ended 15 November 2003: £nil, 52 weeks ended 1 May 2004: related to profit of €63.1 million (£44.0 million) arising on the sale of 48.4 million shares in Wanadoo S.A. on 24 November 2003 together with further profits of €53.9 million (£35.6 million) arising from the exchanges into shares in Wanadoo S.A. by bondholders of the 1% Exchangeable Bonds 2004).
- (iii) Profit on disposal of business assets: 52 weeks ended 1 May 2004: related to the sale of intangible assets held at £nil book value within a division of DSG Retail Limited, a subsidiary undertaking.

### 4 Net interest

	<b>28 weeks ended 13 November 2004 £ million</b>	28 weeks ended 15 November 2003 £ million	52 weeks ended 1 May 2004 £ million
Interest receivable and similar income	<b>32.6</b>	21.7	45.1
Interest payable			
Bank loans and overdrafts	<b>(5.9)</b>	(5.4)	(5.6)
Other loans	<b>(11.5)</b>	(15.9)	(28.4)
	<b>(17.4)</b>	(21.3)	(34.0)
Interest capitalised	-	0.6	0.5
	<b>15.2</b>	1.0	11.6

## 5 Taxation on profit on ordinary activities

	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003 (restated)	52 weeks ended 1 May 2004
	£ million	£ million	£ million
Current taxation:			
UK corporation tax at 30%	23.1	20.0	68.7
Overseas taxation - the Company and its subsidiaries	11.4	9.0	15.6
- associated undertakings	0.2	-	-
Credit in respect of exceptional items	-	-	(5.4)
Adjustment in respect of earlier periods:			
Corporation tax	-	(1.5)	2.2
	<b>34.7</b>	27.5	81.1
Deferred taxation:			
Current period	1.0	4.4	3.9
Adjustment in respect of earlier periods	-	0.4	(2.1)
	<b>1.0</b>	4.8	1.8
<hr/>			
Taxation on profit on ordinary activities	<b>35.7</b>	32.3	82.9

The taxation charge on profit on ordinary activities before discontinued operations, goodwill amortisation and exceptional items is based on the estimated rate of taxation of 28.0 per cent for the 52 weeks ending 30 April 2005. The effective rate of taxation for the 52 weeks ended 1 May 2004 was 26.0 per cent.

## 6 Dividends

	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003	52 weeks ended 1 May 2004
	per share £ million	per share £ million	per share £ million
<b>Per ordinary share</b>			
Interim	1.83p	1.66p	1.66p
Final	-	-	5.66p
Ordinary dividends paid and proposed	<b>1.83p</b>	1.66p	7.32p
	<b>35.2</b>	32.3	142.6

## Notes to the interim financial statements continued

7 Earnings per share	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003 (restated)	52 weeks ended 1 May 2004
	£ million	£ million	£ million
<b>Basic earnings</b>	<b>99.7</b>	77.5	280.4
<b>Diluted earnings</b>	<b>99.7</b>	77.5	280.4
Discontinued operations	-	0.3	0.3
Goodwill amortisation	3.2	2.3	4.2
Exceptional items, net of taxation	(12.2)	-	(44.2)
<b>Adjusted diluted earnings</b>	<b>90.7</b>	80.1	240.7
	million	million	million
<b>Basic weighted average number of shares</b>	<b>1,935.6</b>	1,943.9	1,945.0
Employee share option and ownership schemes	19.7	15.0	14.7
<b>Diluted weighted average number of shares</b>	<b>1,955.3</b>	1,958.9	1,959.7
	pence	pence	pence
<b>Basic earnings per share</b>	<b>5.2</b>	4.0	14.4
<b>Diluted earnings per share</b>	<b>5.1</b>	4.0	14.3
Discontinued operations	-	-	-
Goodwill amortisation	0.1	0.1	0.2
Exceptional items, net of taxation	(0.6)	-	(2.2)
<b>Adjusted diluted earnings per share</b>	<b>4.6</b>	4.1	12.3

Adjusted diluted earnings per share are calculated using underlying earnings and are shown in order to disclose the impact of discontinued operations, goodwill amortisation and exceptional items.

8 Stocks	13 November 2004	15 November 2003	1 May 2004
	£ million	£ million	£ million
Finished goods and goods for resale	1,129.4	1,021.6	777.1
Properties held for development or resale	7.6	87.6	15.9
	<b>1,137.0</b>	1,109.2	793.0
Properties held for development or resale include interest of	0.3	2.2	0.6

## 9 Reconciliation of movements in equity shareholders' funds

	13 November 2004 £ million	15 November 2003 £ million	1 May 2004 £ million
Opening equity shareholders' funds as previously reported	<b>1,428.0</b>	1,696.4	1,337.1
Prior period adjustments:			
Application Note G	-	(357.5)	-
UITF 38	-	(1.8)	-
Opening equity shareholders' funds as restated	<b>1,428.0</b>	1,337.1	1,337.1
Profit for the period	<b>99.7</b>	77.5	280.4
Dividends	<b>(35.2)</b>	(32.3)	(142.6)
	<b>64.5</b>	45.2	137.8
Other recognised gains and losses relating to the period	<b>12.9</b>	(36.6)	(48.8)
Purchase and cancellation of own shares	<b>(42.2)</b>	-	-
Ordinary shares issued: Share option and ownership schemes	<b>1.0</b>	1.9	1.9
Net additions to equity shareholders' funds	<b>36.2</b>	10.5	90.9
Closing equity shareholders' funds	<b>1,464.2</b>	1,347.6	1,428.0

# Notes to the interim financial statements continued

## 10 Notes to the cash flow statement

### (a) Reconciliation of operating profit to net cash inflow from operating activities

	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003 (restated)	52 weeks ended 1 May 2004
	£ million	£ million	£ million
Operating profit	109.1	110.3	271.8
Depreciation	63.7	64.9	119.5
Amortisation of goodwill	3.2	2.3	4.2
Share of profit of associated undertaking	(0.7)	-	-
Profit on disposal of fixed assets	(5.5)	(7.7)	(8.0)
Net (utilisation of) / additions to provisions and impairment	(14.4)	(6.4)	26.9
Increase in stocks	(285.3)	(335.6)	(101.1)
(Increase) / decrease in debtors	(28.9)	(12.3)	3.4
Increase in creditors	378.8	312.4	11.5
	<b>220.0</b>	<b>127.9</b>	<b>328.2</b>

### (b) Analysis of net funds

	2 May 2004 £ million	Cash flow £ million	Acquisitions (excluding cash and overdrafts) £ million	Other non-cash movements £ million	Currency translation movements £ million	13 November 2004 £ million
Cash at bank and in hand	239.3	(140.2)	-	-	2.6	101.7
Overdraft	(4.1)	4.1	-	-	-	-
	<b>235.2</b>	<b>(136.1)</b>	<b>-</b>	<b>-</b>	<b>2.6</b>	<b>101.7</b>
Short term investments	765.1	(10.6)	-	-	-	754.5
Debt due within one year	(57.4)	30.6	(55.9)	43.8	(0.6)	(39.5)
Debt due after more than one year	(298.1)	(3.4)	(21.8)	-	(0.5)	(323.8)
	<b>409.6</b>	<b>16.6</b>	<b>(77.7)</b>	<b>43.8</b>	<b>(1.1)</b>	<b>391.2</b>
	<b>644.8</b>	<b>(119.5)</b>	<b>(77.7)</b>	<b>43.8</b>	<b>1.5</b>	<b>492.9</b>

Other non-cash movements relate to the exchange of the 1% Exchangeable Bonds 2004 into shares in France Telecom S.A. as described in note 3.

# Independent review report

To Dixons Group plc

## Introduction

We have been instructed by the Company to review the financial information for the 28 weeks ended 13 November 2004 which comprises the consolidated profit and loss account, the statement of total recognised gains and losses, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 10. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

## Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reason for them, are disclosed.

## Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with UK auditing standards and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

## Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the 28 weeks ended 13 November 2004.

Deloitte & Touche LLP  
Chartered Accountants  
London  
12 January 2005

# Additional information

## Sales and operating profit analysis

	Sales*				Operating profit /(loss)*	
	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003 (restated)	Total % change	Like for like % change	28 weeks ended 13 November 2004	28 weeks ended 15 November 2003 (restated)
	£ million	£ million			£ million	£ million
<b>UK Retail</b>						
Dixons	349.6	396.7	(12%)	3%		
Currys	913.0	834.2	9%	9%		
PC World	678.2	625.4	8%	3%		
PC World Business	168.3	98.7	71%	-		
The Link	229.7	200.7	14%	8%		
Genesis	53.1	44.0	21%	-		
Non-store	28.0	57.2	(51%)	n/a		
<b>Total UK Retail</b>	<b>2,419.9</b>	<b>2,256.9</b>	<b>7%</b>	<b>6%</b>	<b>88.3</b>	<b>90.4</b>
<b>International Retail</b>						
Established businesses						
Elkjøp	465.3	429.5	8%	2%	28.1	28.9
UniEuro	288.8	292.2	(1%)	(2%)	12.4	11.3
Kotsovolos **	35.3	-	-	n/a	1.9	-
Ireland	35.7	32.4	10%	6%	0.5	0.1
Other	10.6	0.4	2550%	n/a	0.1	0.3
	<b>835.7</b>	<b>754.5</b>	<b>11%</b>	<b>1%</b>	<b>43.0</b>	<b>40.6</b>
Investment businesses						
PC City Group	93.9	64.9	45%	5%	(14.2)	(14.1)
Electro World	44.3	33.4	33%	(4%)	(4.8)	(6.5)
	<b>138.2</b>	<b>98.3</b>	<b>41%</b>	<b>1%</b>	<b>(19.0)</b>	<b>(20.6)</b>
<b>Total International Retail</b>	<b>973.9</b>	<b>852.8</b>	<b>14%</b>	<b>1%</b>	<b>24.0</b>	<b>20.0</b>
<b>Total Group</b>	<b>3,393.8</b>	<b>3,109.7</b>	<b>9%</b>	<b>5%</b>	<b>112.3</b>	<b>110.4</b>

\* before discontinued operations, goodwill amortisation and exceptional items

\*\* operating profit includes £0.7 million generated as an associated undertaking

## Retail Store data

	Number of stores		Selling space '000 sq ft	
	13 November 2004	15 November 2003	13 November 2004	15 November 2003
<b>UK Retail</b>				
Dixons	217	318	642	879
Currys	371	380	4,285	4,220
PC World	140	133	2,277	2,167
The Link	288	288	274	271
<b>Total UK Retail</b>	<b>1,016</b>	<b>1,119</b>	<b>7,478</b>	<b>7,537</b>
<b>International Retail</b>				
Established businesses				
Elkjøp - Norway	95	98	930	917
Elkjøp - Sweden	40	36	762	714
Elkjøp - Denmark	21	18	332	284
Elkjøp - Finland	15	13	299	260
Elkjøp - Iceland	2	1	30	18
Elkjøp Group ***	173	166	2,353	2,193
UniEuro	99	95	1,826	1,641
Kotsovolos	78	-	605	-
Ireland	15	14	159	149
	<b>365</b>	<b>275</b>	<b>4,943</b>	<b>3,983</b>
Investment businesses				
PC City Spain	19	14	296	207
PC City France	7	6	128	110
PC City Italy	4	3	70	53
PC City Sweden	2	1	39	18
PC City Group	32	24	533	388
Electro World Hungary	5	3	218	131
Electro World Czech Republic	5	4	207	164
Electro World Total	10	7	425	295
	<b>42</b>	<b>31</b>	<b>958</b>	<b>683</b>
<b>Total International Retail</b>	<b>407</b>	<b>306</b>	<b>5,901</b>	<b>4,666</b>
<b>Total Group</b>	<b>1,423</b>	<b>1,425</b>	<b>13,379</b>	<b>12,203</b>

\*\*\* includes franchise stores

# Shareholder information

## Registered office

Maylands Avenue, Hemel Hempstead, Hertfordshire HP2 7TG  
Registered No. 3847921  
[www.dixons-group-plc.co.uk](http://www.dixons-group-plc.co.uk)

## Registrars and transfer office

Capita IRG plc, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU  
Tel: 0870 162 3100  
[www.capitaregistrars.com](http://www.capitaregistrars.com)

## Joint brokers

Cazenove  
Citigroup

## Shareholder enquiries

You can access shareholding details over the internet. The web address for our Registrars' site is shown above. As well as checking name, address and shareholding details in the Shareholder Help section, you can download change of address, dividend mandate and stock transfer forms. This is a secure site. So that the system can validate enquiries an Investor Code is required. This is a numerical account number shown on your share certificate and dividend tax counterfoil.

## Share dealing service

On-line and telephone share dealing services are available through our Registrars, providing easy access and simple to use services. There is no need to pre-register and the facilities allow you to trade in "real time" and at a known price which will be given to you at the time you give your instruction. In order to deal via these facilities, you will need your Investor Code (see above) as well as stating your surname, full postcode and date of birth. Details of the on-line dealing service are available on [www.capitadeal.com](http://www.capitadeal.com) and the telephone dealing service is on 0870 458 4577.

Cazenove operates a postal share dealing service for private investors who wish to buy or sell the Company's shares. Details are available from Cazenove. Tel: 020 7155 5328.

## Internet

The Interim Statement and other information about the Group is available on the corporate website shown above.

## Dividend reinvestment plan

Details of the Company's Dividend Reinvestment Plan are available from the Registrars. To receive the interim dividend in the form of shares, completed mandate forms for new participants should be received by the Registrars by 7 February 2005.

## Dividend mandate

If you wish your dividends to be paid directly into a bank or building society account you should contact the Registrars for a dividend mandate form or download one from the Registrars' website. This method of payment reduces the risk of delay or loss of dividend cheques in the post and ensures that your account is credited on the dividend payment date.

## Individual Savings Account

A corporate ISA is available for investors wishing to take advantage of preferential tax treatment in relation to their shareholdings. Details are available from Stock Trade. Tel: 0131 240 0448 and ask for the Dixons Group helpline.

**ADR depositary**

The Company's shares are available in the form of American Depositary Receipts (ADRs). The Company's depositary is Bank of New York. Tel: 00 1 212 495 1784 (from the United States of America 888-269-2377 toll-free).

**CREST**

The Company's shares are traded on CREST. CREST is a voluntary system which enables shareholders to hold and transfer their shareholdings electronically rather than by paper. Shareholders holding shares in this way can opt to receive their dividends through the CREST system.

**Capital gains tax**

For the purpose of computing capital gains tax, the market value of an ordinary share in the Company on 31 March 1982 was 1.35 pence (adjusted for rights and capitalisation issues and the corporate restructuring effected on 7 March 2000).

**Unsolicited mail**

The Company is obliged to make its share register available to third parties on payment of a prescribed fee. This may result in shareholders receiving unsolicited mail. If you wish to limit the receipt of unsolicited mail you should write to:

The Mailing Preference Service  
FREEPOST 22  
London W1E 7ER

Or register on their website at [www.mpsonline.org.uk](http://www.mpsonline.org.uk)

**ShareGift**

The Orr Mackintosh Foundation operates a charity share donation scheme for shareholders with small parcels of shares whose value makes it uneconomic to sell them. Details of the scheme are available on the ShareGift internet site, [www.sharegift.org](http://www.sharegift.org)

**Financial calendar**

Interim dividend record date  
28 January 2005

Payment of Interim dividend  
28 February 2005

2004/05 preliminary annual results announcement  
22 June 2005

2004/05 annual report and accounts publication  
August 2005

Annual General Meeting  
7 September 2005

Payment of 2004/05 final dividend  
September 2005

If you would like the Interim Statement or any other shareholder information in large print or Braille, please contact the Secretary on 01727 204802 during normal working hours.



**DIXONS GROUP plc**

Maylands Avenue  
Hemel Hempstead  
Herts HP2 7TG

Telephone 0870 850 3333  
[www.dixons-group-plc.co.uk](http://www.dixons-group-plc.co.uk)