

GROUP PROFIT AND LOSS ACCOUNT (Unaudited)

	Note	26 weeks to 28 Aug 2004 £m	26 weeks to 30 Aug 2003 £m	52 weeks to 28 Feb 2004 £m
Turnover	1	225.6	231.0	470.5
Operating profit	2	24.8	28.1	36.1
Profit on sale of tangible fixed assets		0.1	(0.1)	1.0
Profit on ordinary activities before finance charges		24.9	28.0	37.1
Net interest payable and similar charges		(3.9)	(2.9)	(6.1)
Profit on ordinary activities before taxation		21.0	25.1	31.0
Taxation on profit on ordinary activities	4	(6.0)	(7.2)	(12.6)
Profit on ordinary activities after taxation		15.0	17.9	18.4
Equity minority interests		-	-	(0.5)
Profit for the financial period		15.0	17.9	17.9
Dividends	5	(5.1)	(5.1)	(17.1)
Retained profit		9.9	12.8	0.8
Earnings per share	6	5.12p	6.11p	6.11p
Diluted earnings per share	6	5.11p	6.08p	6.08p
Dividends per share	5	1.74p	1.74p	5.84p

GROUP BALANCE SHEET (Unaudited)

	At 28 Aug 2004 £m	At 30 Aug 2003 £m (restated)	At 28 Feb 2004 £m (restated)
Fixed assets			
Intangible assets	-	9.7	-
Tangible assets	80.9	88.1	83.0
	80.9	97.8	83.0
Current assets			
Stocks	43.9	42.4	46.4
Debtors	353.9	343.7	354.1
Cash at bank and in hand	33.4	21.9	26.8
	431.2	408.0	427.3
Creditors			
Amounts falling due within one year	(82.0)	(83.8)	(90.4)
Net current assets	349.2	324.2	336.9
Total assets less current liabilities	430.1	422.0	419.9
Creditors			
Amounts falling due after more than one year	(170.6)	(161.1)	(170.6)
Provisions for liabilities and charges	(5.0)	(5.4)	(5.0)
Net assets	254.5	255.5	244.3
Capital and reserves			
Called-up share capital	29.5	29.5	29.5
Share premium account	9.1	8.7	9.1
Revaluation reserve	-	1.3	-
Own shares	(1.7)	(2.7)	(2.3)
Profit and loss account	217.6	219.3	208.0
Equity shareholders' funds	254.5	256.1	244.3
Equity minority interests	-	(0.6)	-
Capital employed	254.5	255.5	244.3
Gearing	54%	56%	60%

GROUP CASH FLOW STATEMENT (Unaudited)

	26 weeks to 28 Aug 2004 £m	26 weeks to 30 Aug 2003 £m	52 weeks to 28 Feb 2004 £m
Reconciliation of operating profit to operating cash flows			
Operating profit	24.8	28.1	36.1
Decrease/(increase) in stocks	2.5	(0.8)	(4.7)
Increase in debtors	(3.4)	(16.9)	(23.2)
Increase/(decrease) in creditors	3.9	(8.6)	(9.6)
Depreciation	5.7	6.7	12.6
Amortisation of goodwill and other intangible fixed assets	-	0.3	0.7
Impairment of goodwill and tangible fixed assets	-	-	17.5
Net cash inflow from operating activities	33.5	8.8	29.4
Returns on investments and servicing of finance	(4.6)	(2.8)	(6.4)
Taxation paid	(9.2)	(6.2)	(12.8)
Capital expenditure and financial investment	0.1	(16.0)	(23.3)
Acquisitions and disposals	-	(0.1)	(0.3)
Equity dividends paid	(12.0)	(12.0)	(17.1)
Cash inflow/(outflow) before financing	7.8	(28.3)	(30.5)
Financing	-	26.5	33.4
Increase/(decrease) in cash in the financial period	7.8	(1.8)	2.9
Reconciliation of net cash flow to movement in net debt			
Increase/(decrease) in cash in the financial period	7.8	(1.8)	2.9
Cash inflow from increase in loans	-	(27.0)	(34.0)
Repayment of loans	-	0.5	0.5
Repayment of capital element of finance leases	-	-	0.5
Changes in net debt resulting from cash flows	7.8	(28.3)	(30.1)
Movement in net debt in the period	7.8	(28.3)	(30.1)
Net debt at beginning of financial period	(145.6)	(115.5)	(115.5)
Net debt at end of financial period	(137.8)	(143.8)	(145.6)

**STATEMENT OF TOTAL RECOGNISED
GAINS AND LOSSES (Unaudited)**

	26 weeks to 28 Aug 2004 £m	26 weeks to 30 Aug 2003 £m	52 weeks to 28 Feb 2004 £m
Profit for the financial period	15.0	17.9	17.9
Exchange adjustments offset in reserves	-	-	(0.1)
Total recognised gains relating to the financial period	15.0	17.9	17.8

**RECONCILIATION OF MOVEMENTS IN GROUP
SHAREHOLDERS' FUNDS (Unaudited)**

	26 weeks to 28 Aug 2004 £m	26 weeks to 30 Aug 2003 £m (restated)	52 weeks to 28 Feb 2004 £m (restated)
Profit for the financial period	15.0	17.9	17.9
Dividends	(5.1)	(5.1)	(17.1)
	9.9	12.8	0.8
Other recognised gains and losses (net) relating to the period	-	-	(0.1)
Share option charge	0.3	0.3	0.2
Issue of ordinary share capital	-	-	0.4
Net addition to shareholders' funds	10.2	13.1	1.3
Opening equity shareholders' funds (as restated)	244.3	243.0	243.0
Closing equity shareholders' funds	254.5	256.1	244.3

NOTES TO THE ACCOUNTS (Unaudited)

	26 weeks to 28 Aug 2004	26 weeks to 30 Aug 2003	52 weeks to 28 Feb 2004
	£m	£m	£m
1. Analysis of turnover			
Home shopping	206.3	204.9	412.6
Door to door selling	9.2	14.3	33.1
TV Rental	3.2	3.7	7.2
Financial services	3.8	4.4	8.7
Fulfilment	3.1	3.7	8.9
	<hr/> 225.6	231.0	470.5
2. Analysis of operating profit			
Home shopping	27.9	26.0	52.2
Door to door selling	(4.2)	(0.1)	(2.0)
TV Rental	(0.2)	0.6	(8.4)
Financial services	1.4	1.8	2.4
Fulfilment	(0.1)	(0.2)	(8.1)
	<hr/> 24.8	28.1	36.1

3. The report was approved by the board of directors on 19 October 2004. The accounts for the 26 weeks to 30 August 2003 and the 52 weeks to 28 February 2004 have been restated following the implementation of UITF Abstract 38 - Accounting for ESOP Trusts. The effect of this change is that shares held within Employee Share Option Schemes are no longer classified in the balance sheet as a fixed asset investment but as a deduction from shareholders' funds. This change has no impact on the profit and loss account. All other accounting policies adopted are consistent with those set out in the Annual Report and Accounts for the 52 weeks ended 28 February 2004.

The figures for the 52 weeks ended 28 February 2004 have been extracted from the statutory accounts which have been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified and did not contain any statement under section 237 of the Companies Act 1985.

4. The taxation charge for the 26 weeks ended 28 August 2004 is based on the estimated effective tax rate for the full year.

5. The interim dividend of 1.74p per ordinary share will be paid on 7 January 2005 to shareholders on the register at the close of business on 10 December 2004.

6. The calculation of earnings per share is based on the profit for the financial period and the weighted average number of shares in issue during the period of 293,746,000 (2003, 292,778,000). For diluted earnings per share, the weighted average number of shares of 294,502,000 (2003, 294,264,000) has been calculated after adjusting for the potential dilution of outstanding share options.

7. It is expected that the interim report for the 26 weeks ended 28 August 2004 will be posted to shareholders on 25 October 2004.