
next
July 2011

Income Statement

next

£m	2011	2010	
Revenue	**1,565**	1,512	+3.6%
Operating profit	**241**	222	+8.4%
Interest	(13)	(12)	
Profit before tax	**228**	210	+8.5%
Taxation	(60)	(58)	
Profit after tax	168	152	+10.7%
Profit from Ventura	41	3	
Profit including Ventura	209	155	

Income Statement (exc Ventura)

next

£m	2011	2010	
Revenue	**1,565**	1,512	+3.6%
Operating profit	**241**	222	+8.4%
Interest	(13)	(12)	
Profit before tax	**228**	210	+8.5%
Taxation	(60)	(58)	
Profit after tax	168	152	+10.7%
EPS (exc Ventura)	**98.3p**	82.9p	+18.6%
Dividend per share	**27.5p**	25.0p	

Balance Sheet

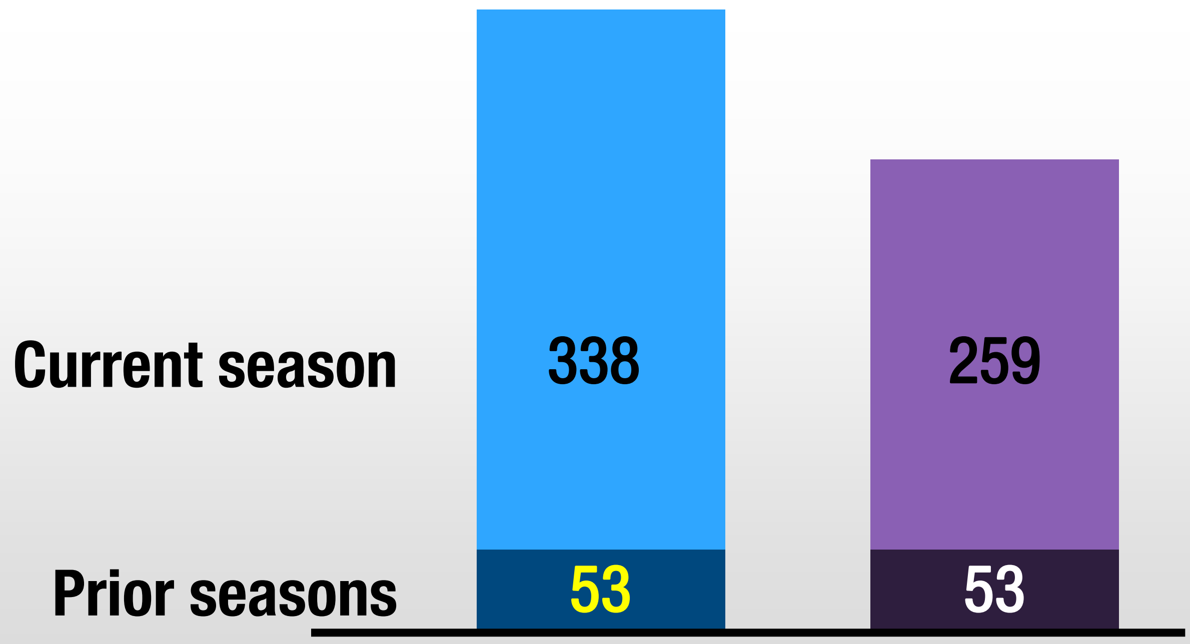
next

£m	2011	Exc Ventura 2010	Inc Ventura 2010
Fixed assets	582	576	588
Goodwill	46	47	47
Stocks	391	312	312
Debtors	608	565	601
Creditors	(832)	(807)	(850)
Pension surplus / (deficit)	48	(15)	(15)
Derivatives	15	(32)	(32)
Buyback/ESOT commitment	(105)	(71)	(71)
Net debt	(640)	(507)	(494)
Net assets	113	68	86

Balance Sheet

next

£m	2011	2010	
Fixed assets	582	576	
Goodwill	46	47	
Stocks	391	312	+25%



Balance Sheet

next

£m	2011	2010	
Fixed assets	582	576	
Goodwill	46	47	
Stocks	391	312	
Debtors	608	565	+7.6%

Directory Debtors

July 2011
£492m

+ 7%

July 2010
£460m

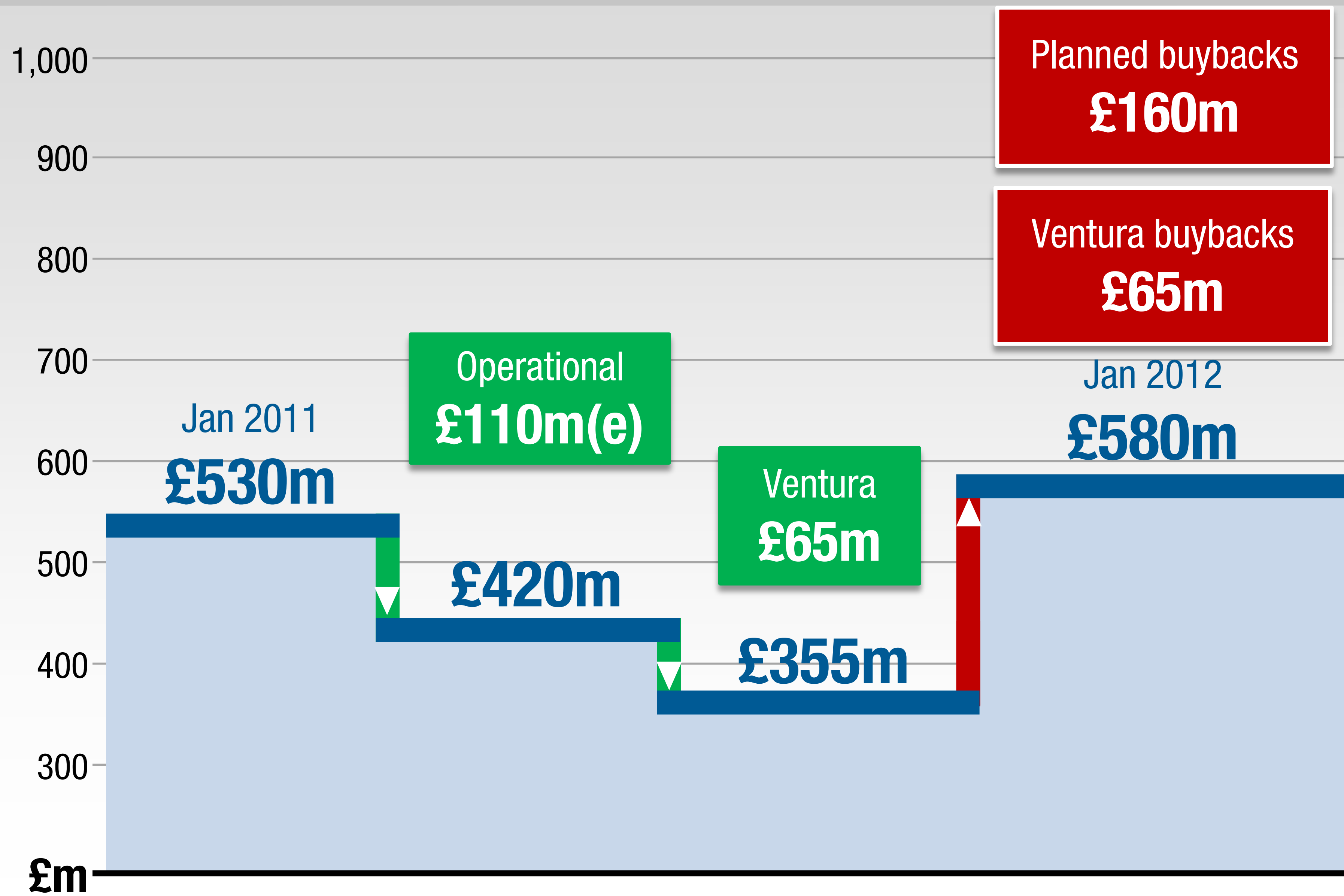
July 2011

Annual Sales Increase
+ 15%
Credit Sales Increase
+ 11%

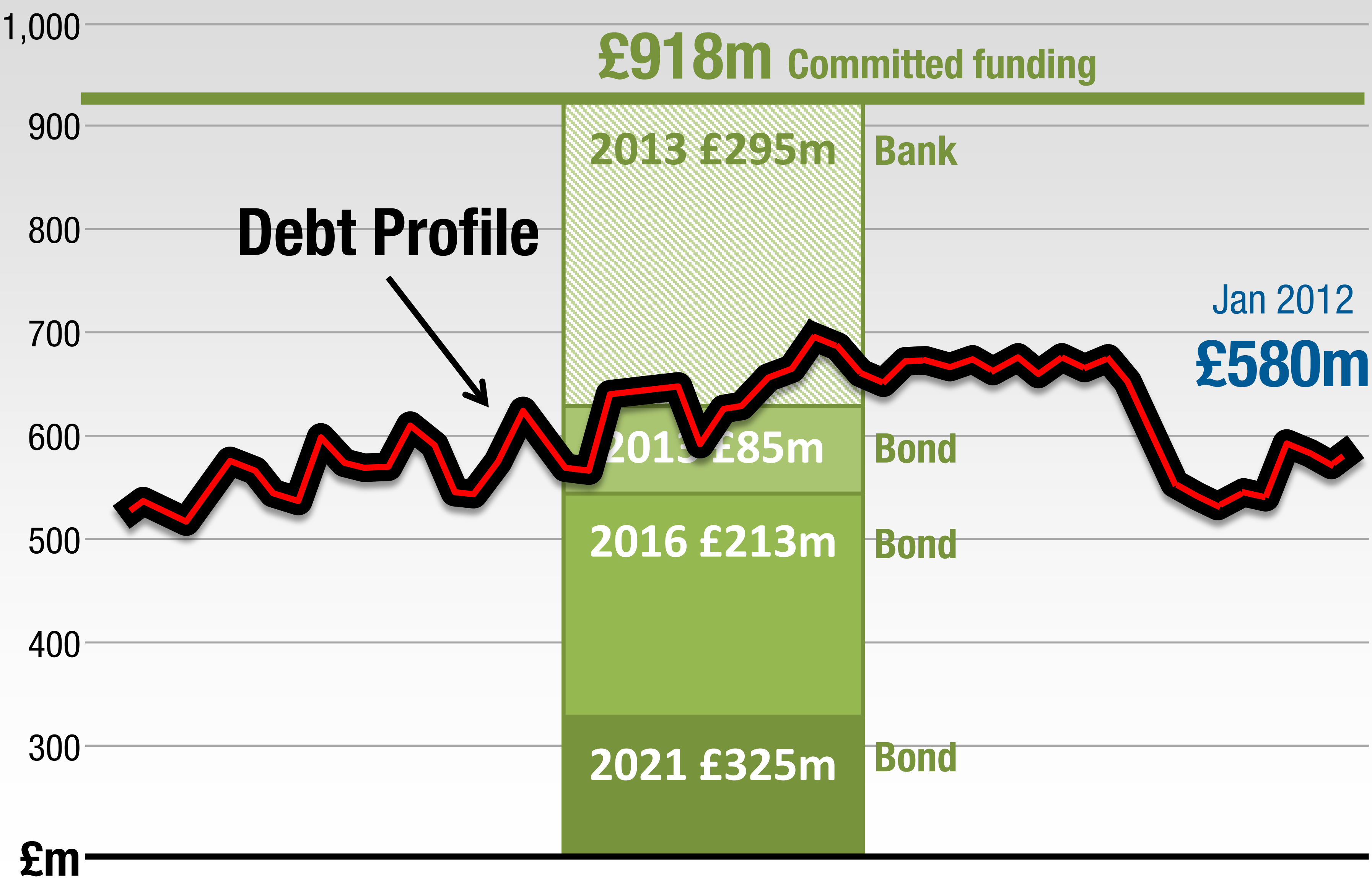
July 2010

Net Debt & Cash Flow

next



Net Debt & Cash Flow



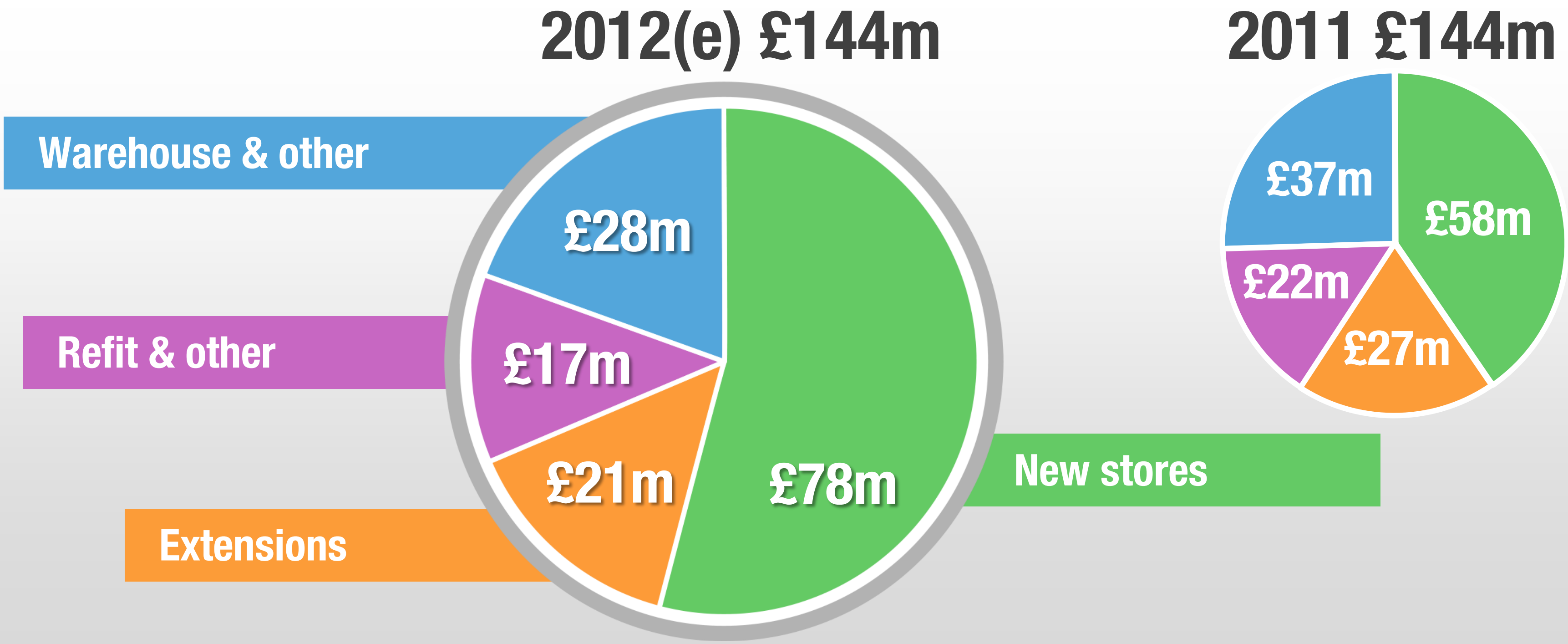
Cash Flow

next

£m	2011	2010
Profit before tax	**228**	210
Depreciation / impairment	**64**	64
Capital expenditure	**(57)**	(69)
Ventura sale	**63**	-
Working capital / Other	**(63)**	13
Dividends paid	**(89)**	(85)
Tax paid	**(68)**	(70)
Share buybacks	**(188)**	(157)
Net cash flow	**(110)**	(94)

Cash Flow

£m	2011	2010
Profit before tax	228	210
Depreciation / impairment	64	64
Capital expenditure	(57)	(69)



Cash Flow

£m	2011	2010
Profit before tax	228	210
Depreciation / impairment	64	64
Capital expenditure	(57)	(69)
Ventura sale	63	-

Operating Profit

£8m

Consideration

£65m

1.4% of Group Profit

1.6% of Market Cap

EARNINGS NEUTRAL

Shares in issue

next

	Gross	Net of ESOT
July 2010	184m	181m
Jan 2011	181m	175m
July 2011	173m	167m
Year on year	- 6.4%	- 7.5%
Jan 2012(e)	171m	166m
Year on year	- 5.6%	- 5.3%

Retail


next
HOME
AND GARDEN
HOME
DECORATING
DIY
GARDEN
STARBUCKS
COFFEE
next
WOMEN
MEN
CHILDREN
HOME

Retail : Sales Analysis

next

£m	2011	2010	
Revenue (statutory sales)	**1,008.2**	1,026.2	- 1.8%
Operating profit	**122.5**	122.9	- 0.3%
% to revenue	12.2%	12.0%	

Sales from new space

Average space growth	5.6%
Sales from net space increase	4.0%
Return on space	72%

Retail : Profit Analysis

next

£m	2011	2010	
Revenue (statutory sales)	**1,008.2**	1,026.2	- 1.8%
Operating profit	**122.5**	122.9	- 0.3%
% to revenue	12.2%	12.0%	

Margin movement

Bought in gross margin	+ 0.1%
Markdowns & other	+ 0.4%
Branch payroll	+ 0.5%
Occupancy	- 0.5%
Warehouse & distribution	- 0.2%
Central overheads	- 0.1%

Directory


next
DIRECTORY
CHRISTMAS
2011
AUTUMN
WINTER
next
DIRECTORY

Directory : Sales Analysis

next

£m	2011	2010	
Revenue (statutory sales)	**486.7**	422.8	+ 15.1%
Operating profit	**112.8**	101.3	+ 11.4%
% to revenue	23.2%	24.0%	

Sales analysis	Vat Exc
Merchandise sales	+ 16.6%
Service charge	- 1.5%
Total sales	+ 15.1%

Directory : Sales Analysis

£m	2011	2010	
Revenue (statutory sales)	**486.7**	422.8	+ 15.1%
Operating profit	**112.8**	101.3	+ 11.4%
% to revenue	23.2%	24.0%	

Sales drivers

Credit	2,536	2,443	+ 4%
Cash	394	213	+ 85%
Active customers (000's)	2,930	2,656	+ 10%
Printed pages	2,122	2,026	+ 4.7%

Directory : Profit Analysis

next

£m	2011	2010	
Revenue (statutory sales)	**486.7**	422.8	+ 15.1%
Operating profit	**112.8**	101.3	+ 11.4%
% to revenue	23.2%	24.0%	

Margin movement

Bought in gross margin	+ 0.2%
Markdowns & other	0.0%
3rd party commission	- 0.5%
Achieved net margin	- 0.3%

Directory : Profit Analysis

next

£m	2011	2010	
Revenue (statutory sales)	**486.7**	422.8	+ 15.1%
Operating profit	**112.8**	101.3	+ 11.4%
% to revenue	23.2%	24.0%	

Margin movement

Achieved net margin	- 0.3%
Bad debt reduction	+ 1.0%
Service charge	- 1.1%
Warehouse & distribution	- 0.8%
Central overheads	+ 1.0%
General management	- 0.6%

Sourcing

next

£m	2011	2010	
Intra-group sales	**225.7**	218.6	+ 3%
Operating profit	**10.1**	12.5	- 19%

- Commission £2.3m lower
- Full year profit forecast £23m

Other

£m	2011	2010
Lipsy	(0.4)	0.3
Property	3.4	1.3
Unrealised FX	(0.3)	(6.3)
Associates	0.7	0.5
Pension credit	3.5	0.1
Group / share incentives	(14.2)	(12.3)
	(7.3)	(16.4)

The Perfect Storm

Input price inflation

Household inflation

Deficit cuts

Credit squeeze

Jan'11

	Transport	Housing	Food/Drink
Jan 11 inflation	7.7%	2.1%	6.3%
UK Annual Consumption	£125bn	£193bn	£115bn
Annual effect	£10bn	£4bn	£7bn

£21bn

Jul'11

	Transport	Housing	Food/Drink
Jul 11 inflation	7.8%	4.6%	6.2%
UK Annual Consumption	£131bn	£197bn	£118bn
Annual effect	£10bn	£9bn	£7bn

£26bn

Weathering the Storm

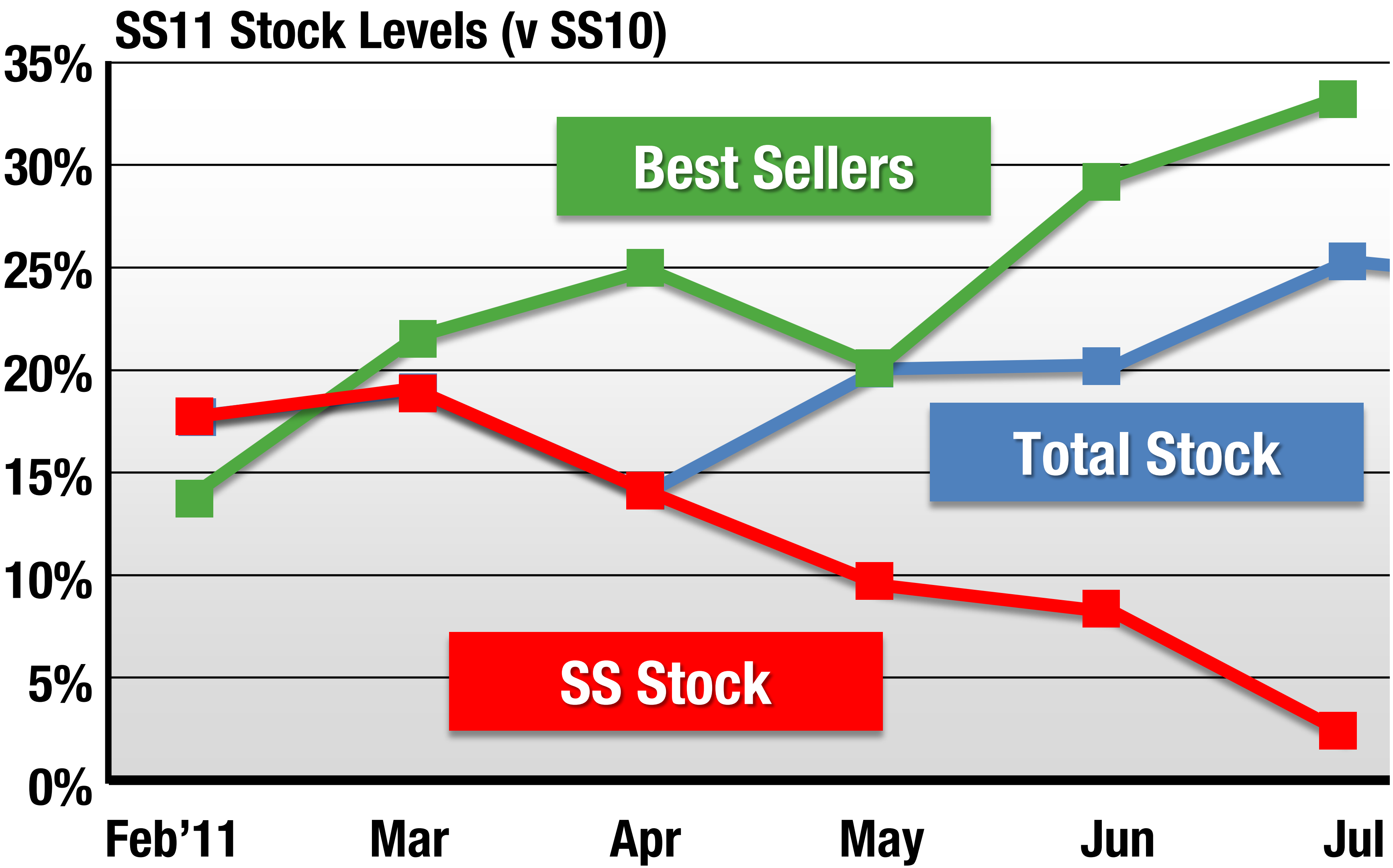
- Product
- Retail space
- Directory development
- Share buybacks & TSR

Weathering the Storm

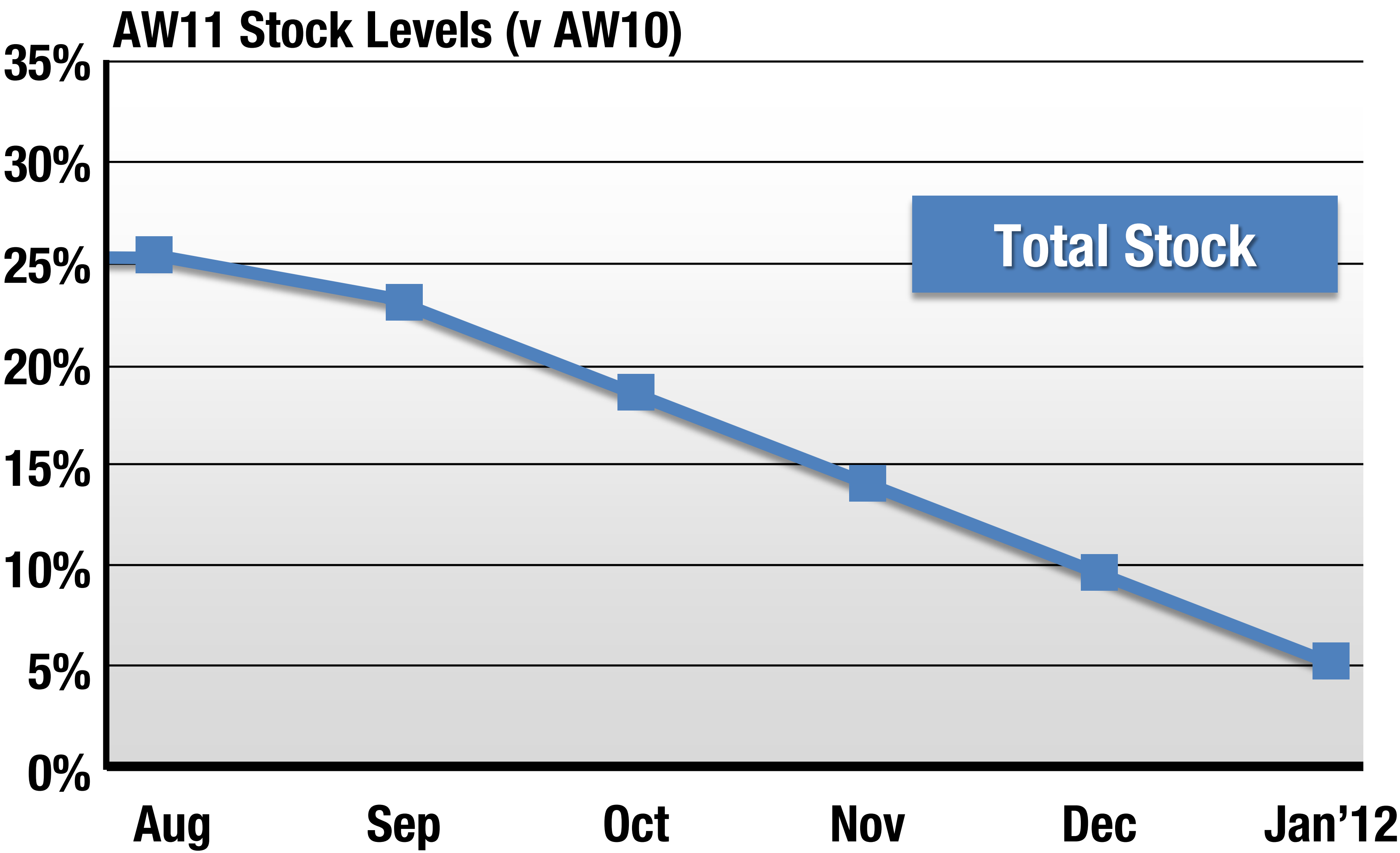
Product

- Contained price increases
- Improved stock availability

Improved Stock Availability



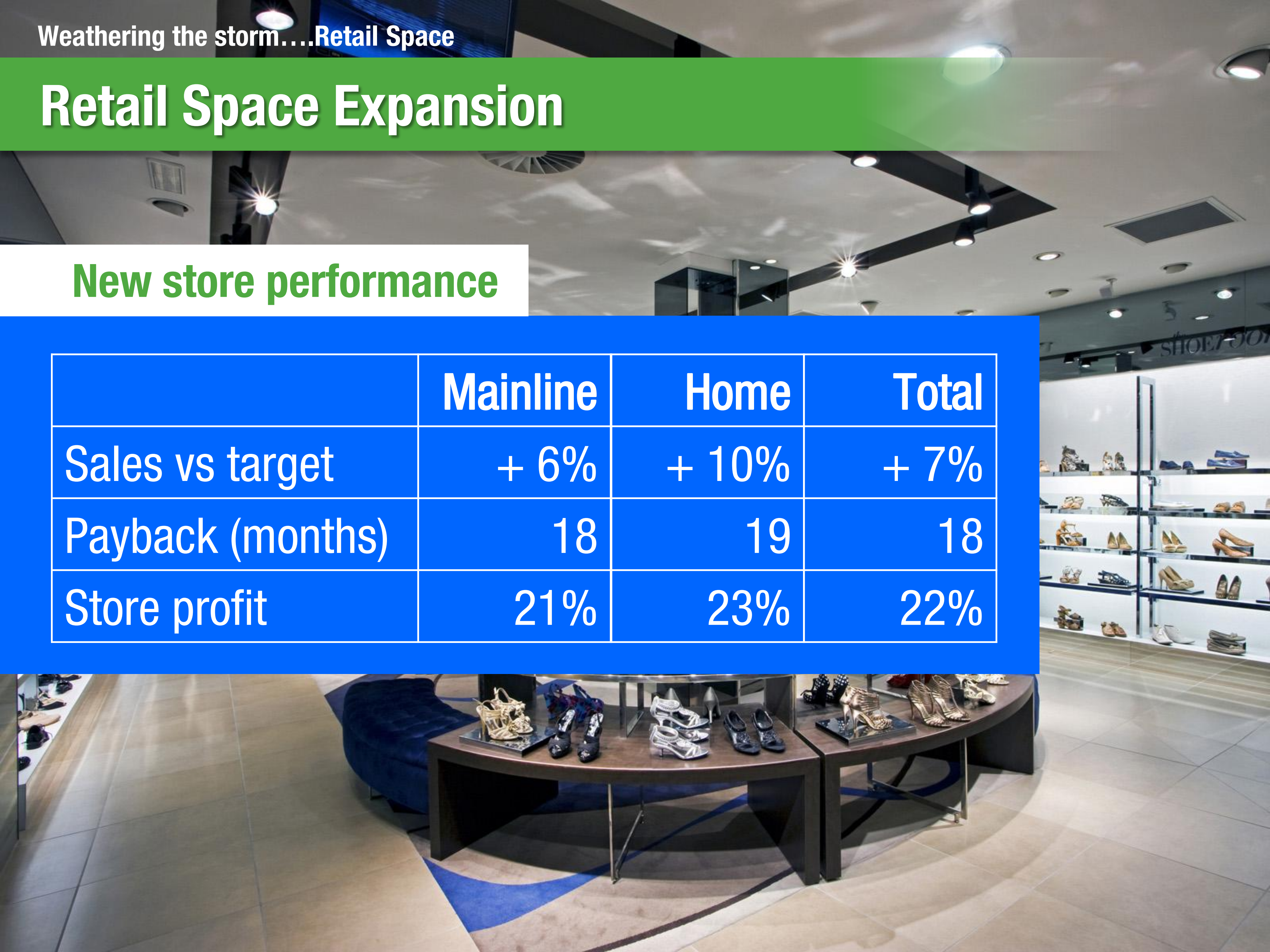
Improved Stock Availability



Retail Space Expansion

	Stores	Sq. Ft.	
July 2010	522	5,884	
Jan 2011	525	6,073	
New	5	52	
Closed	(4)	(10)	
Re-sites (4)	-	34	
Extensions (13)	-	22	
Home stand alone	6	85	
July 2011	532	6,256	+ 6.3%
Jan 2012(e)	534	6,474	+ 6.6%

Retail Space Expansion



New store performance

	Mainline	Home	Total
Sales vs target	+ 6%	+ 10%	+ 7%
Payback (months)	18	19	18
Store profit	21%	23%	22%

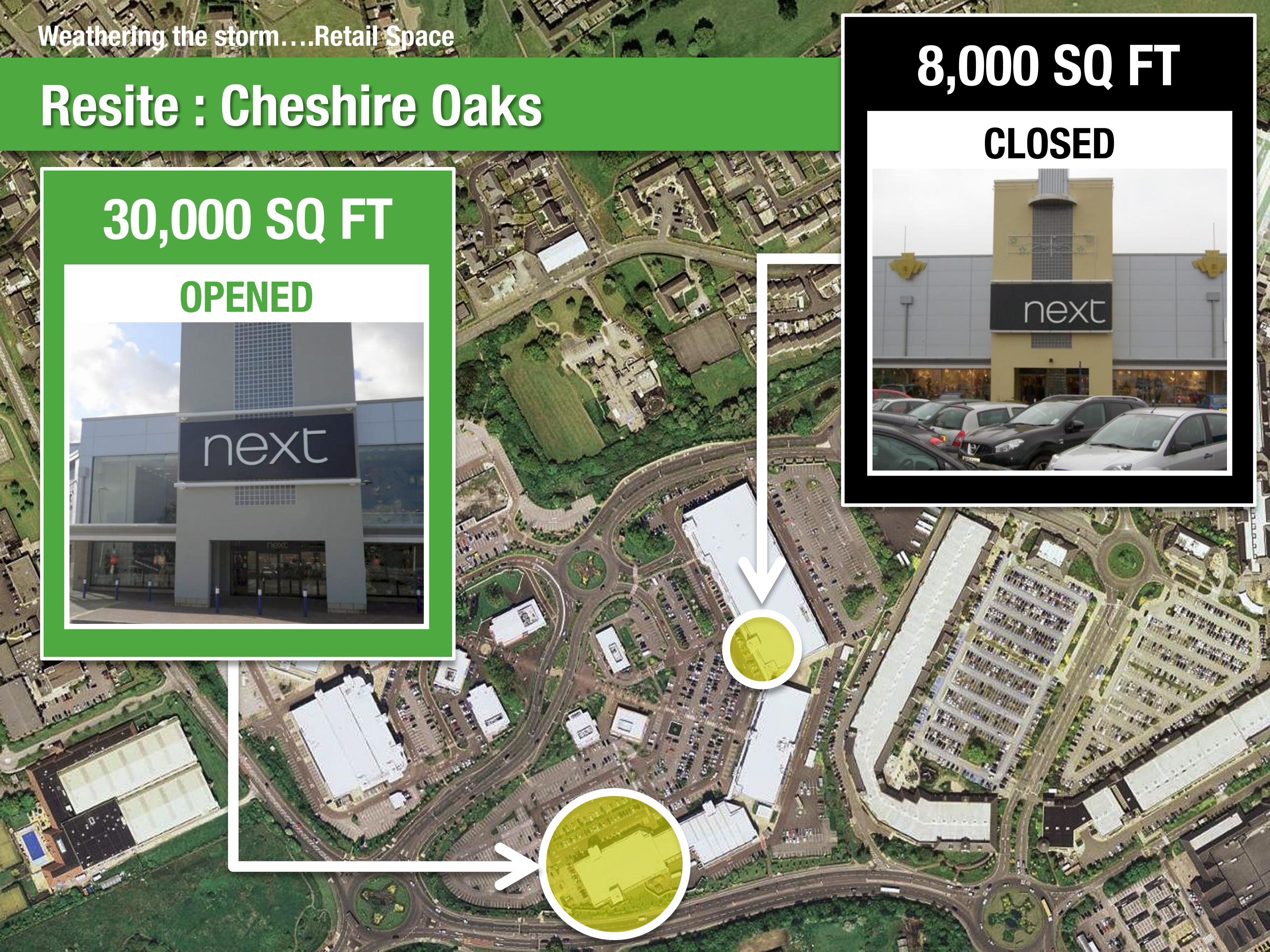
Retail Space Expansion

Is it wise to increase space when the internet is growing?

Store returns	80% of new leases
>50%	10 yrs

Store deliveries	Average NBC
13%	22.5%

Resite : Cheshire Oaks



Resite : Macclesfield

10,000 SQ FT

OPENED

3,000 SQ FT

CLOSED

Focus on architecture

Newcastle Eldon Square

Newcastle Eldon Square (before)

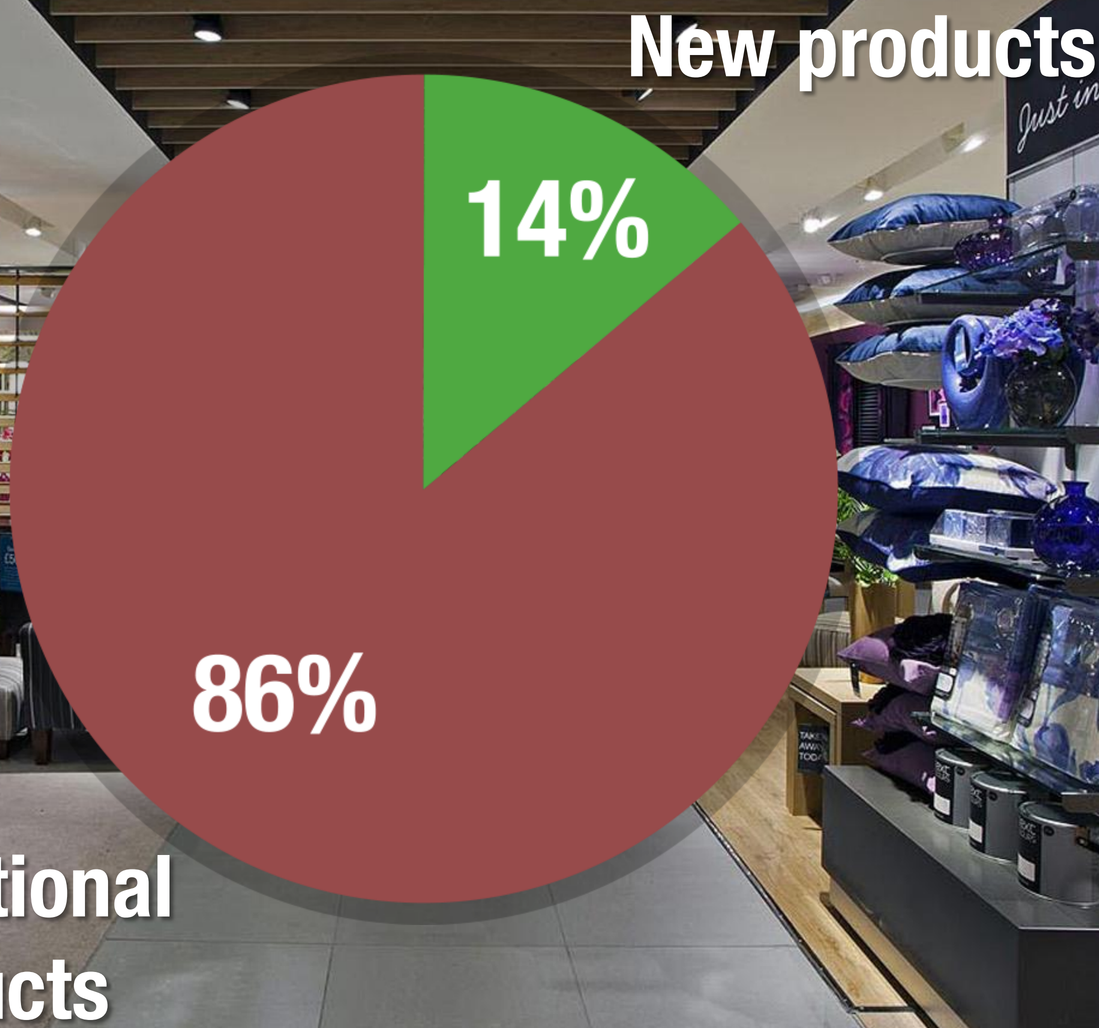
Preston (before)

Preston

Shoreham

Fashion	21,000 sq. ft.
Home	35,000 sq. ft.

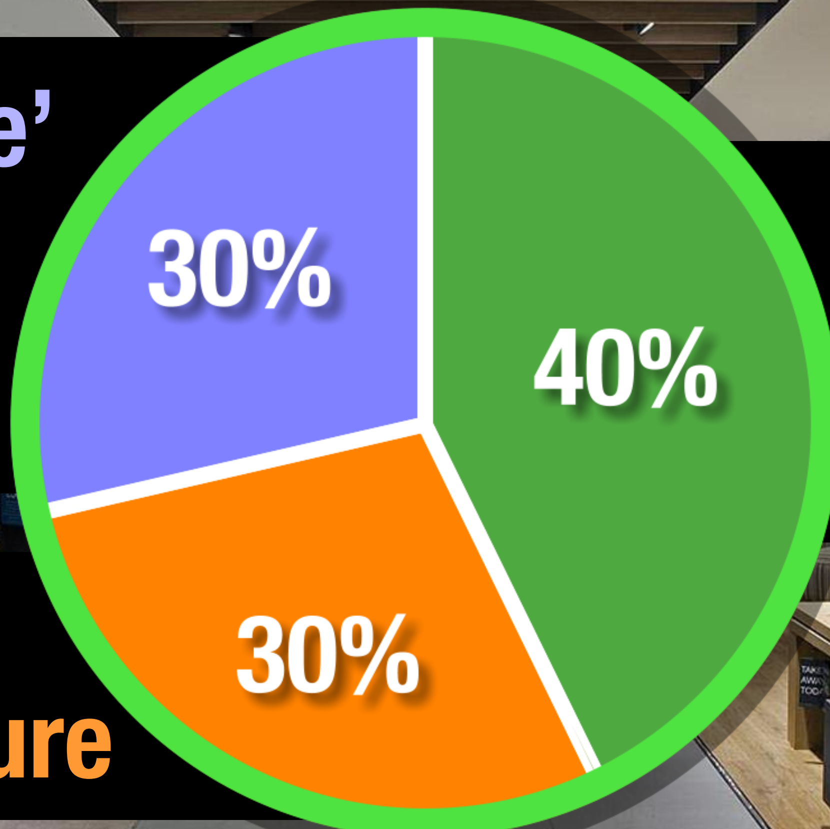
Shoreham : Home Sales Only



Shoreham : New Home Products

DIY 'Lite'

- Tools
- Fixtures and fittings
- Paint centre
- Floor coverings



Garden

- Furniture
- Accessories
- Plants

Fitted furniture

- Kitchen
- Bedroom
- Bathroom

Paint


Decorating
Decorating
next paints available in silk and matt finish
next paints available as 125ml tester pots
Tropical Teal
Auburn Falls 4
Ruby Fountain 2
nt centre
by Dulux
Dulux

Screw & Fix

Decorating
Fix it
Nail it
Fill it
Decorating
Tropical Teal
next paints available in silk and matt finish
next paints available as 125ml tester pots

Carpet

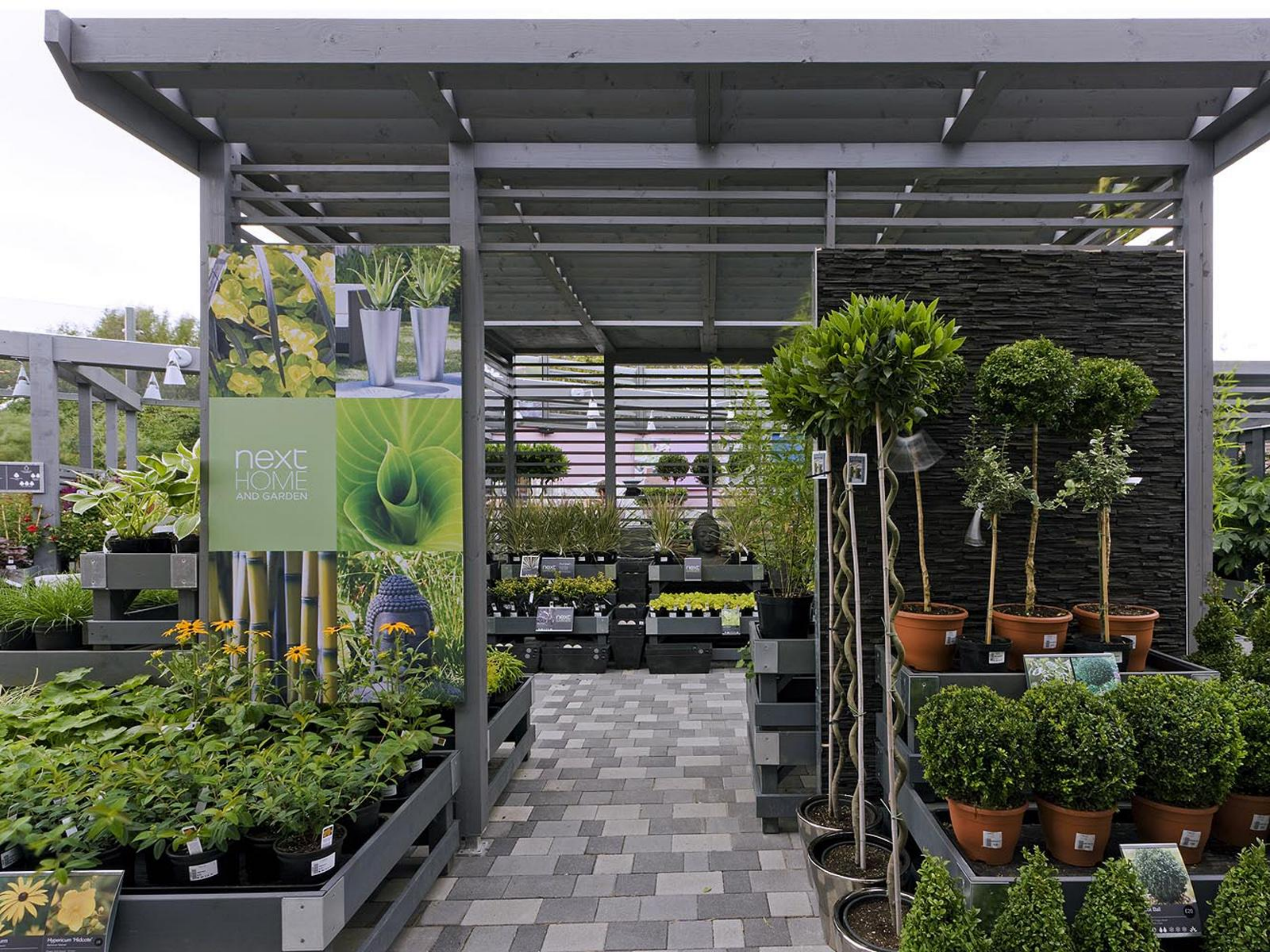

tting service
Arrange an appointment with a member of staff
Choose from our extensive range of carpet and vinyl flooring
Carpet fitted in 5 days
Opus Square
£8
Moda Stripe
£12
Opus
£10
Moda
£14

Bathroom

Conservatory

Indoor plants

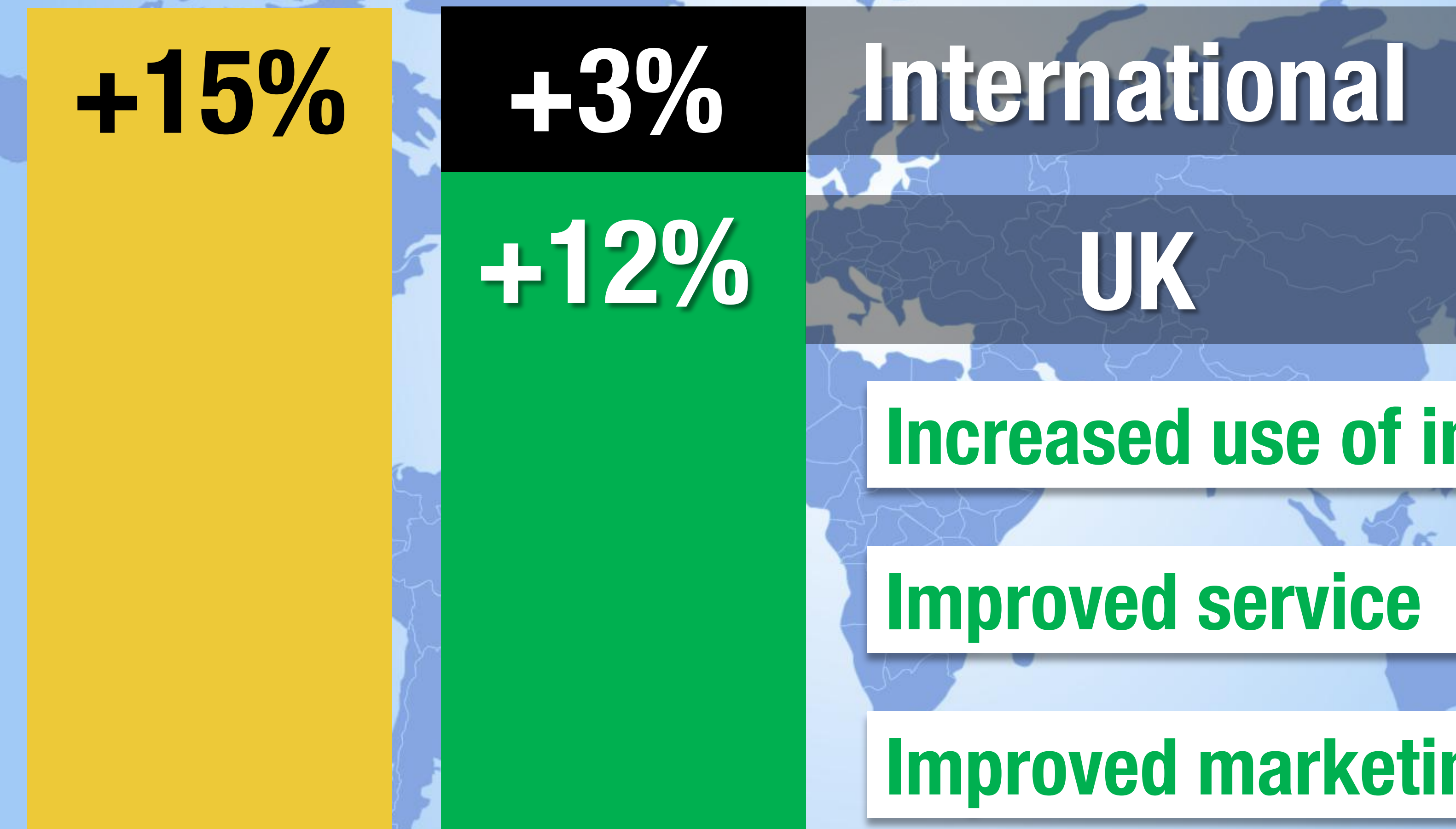
Outdoor room sets


next
HOME
AND GARDEN
Hypericum 'Hidcote'

Retail Space Pipeline

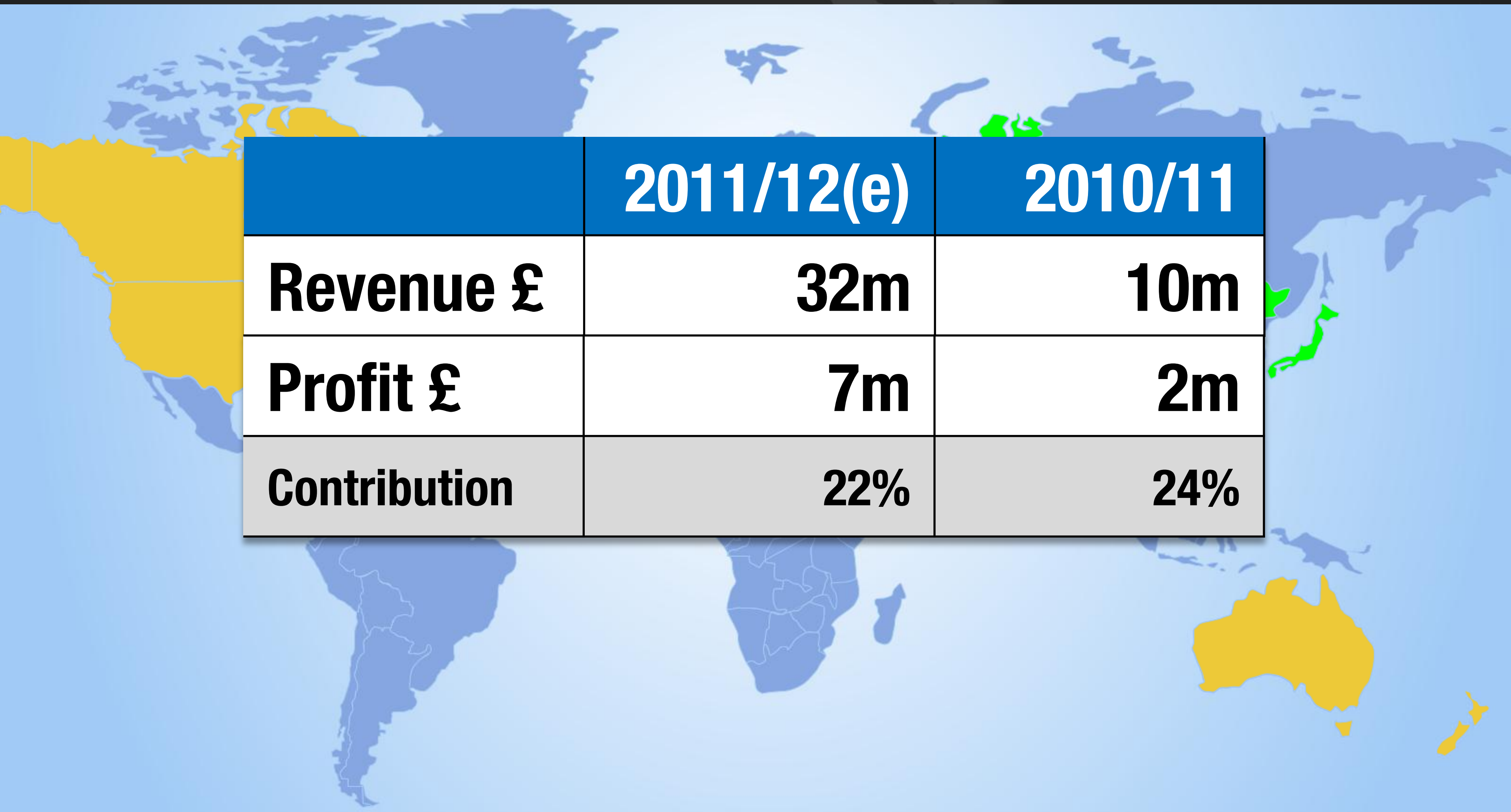
Directory Development

Directory Sales Growth



- Increased use of internet
- Improved service
- Improved marketing

Directory International



	2011/12(e)	2010/11
Revenue £	32m	10m
Profit £	7m	2m
Contribution	22%	24%

Directory International is reported in Directory

Weathering the storm….Directory Development

Directory International : Delivery Promise

Outlook for Full Year 2011/12

Total Brand Sales (VAT ex)	+ 2.0%	to	+ 4.5%
Profit before tax (e)	£545m	to	£590m
PBT growth (e)	+ 0.4%	to	+ 8.7%
EPS growth (e)	7.5%	to	16.4%

In summary

- Resilient performance in SS11
- Increased guidance for sales/profits/EPS
- Opportunities for growth
- An improving environment in 2012/13?


next
July 2011


next


next