

Unaudited interim consolidated profit and loss account
for the periods ended 27 October 2001

		13 weeks ended 27 October 2001	13 weeks ended 28 October 2000	39 weeks ended 27 October 2001	39 weeks ended 28 October 2000	52 weeks ended 27 January 2001
	Notes	£m	£m	£m	£m	£m
Sales	2,3	268.8	263.4	898.5	789.1	1,387.3
Operating profit	3	7.2	10.8	57.3	54.8	178.7
Net interest payable and similar charges		(3.8)	(5.1)	(13.7)	(10.4)	(15.9)
Profit on ordinary activities before taxation		3.4	5.7	43.6	44.4	162.8
Tax on profit on ordinary activities	4	(1.2)	(1.8)	(15.1)	(14.2)	(52.1)
Profit for the financial period		2.2	3.9	28.5	30.2	110.7
Dividends	6	-	-	(4.9)	(4.6)	(27.4)
Retained profit attributable to ordinary shareholders		2.2	3.9	23.6	25.6	83.3
Earnings per ordinary share						
- basic	7	0.1p	0.2p	1.7p	1.8p	6.6p
- diluted		0.1p	0.2p	1.7p	1.8p	6.5p

Unaudited consolidated balance sheet
at 27 October 2001

	Notes	27 October 2001 £m	28 October 2000 £m	27 January 2001 £m
Fixed assets				
Intangible assets		24.3	25.2	24.8
Tangible assets		207.6	173.7	182.9
		231.9	198.9	207.7
Current assets				
Stocks		610.8	582.9	513.8
Debtors (see note below)		315.4	304.9	374.3
Cash at bank and in hand		17.6	27.0	37.5
		943.8	914.8	925.6
Creditors: amounts falling due within one year				
Bank loans and overdrafts		(278.8)	(146.7)	(212.1)
Other		(235.7)	(255.2)	(284.3)
		429.3	512.9	429.2
Net current assets (see note below)				
		661.2	711.8	636.9
Total assets less current liabilities				
Creditors: amounts falling due after more than one year				
Bank loans		(39.4)	(179.8)	(41.1)
Other		(8.4)	(5.8)	(17.1)
		(6.8)	(4.9)	(7.1)
Provisions for liabilities and charges				
		606.6	521.3	571.6
Total net assets				
Capital and reserves – equity				
Called up share capital		8.5	8.5	8.5
Reserves		598.1	512.8	563.1
Shareholders' funds	8	606.6	521.3	571.6

Note: Debtors and net current assets include amounts recoverable after more than one year of £23.5m (28 October 2000: £19.1m, 27 January 2001: £23.4m).

Unaudited consolidated statement of total recognised gains and losses
for the periods ended 27 October 2001

	13 weeks ended 27 October 2001 £m	13 weeks ended 28 October 2000 £m	39 weeks ended 27 October 2001 £m	39 weeks ended 28 October 2000 £m	52 weeks ended 27 January 2001 £m
Profit for the financial period	2.2	3.9	28.5	30.2	110.7
Translation differences	0.6	15.4	7.7	40.9	77.2
Total recognised gains and losses	2.8	19.3	36.2	71.1	187.9

Unaudited consolidated cash flow statement
for the periods ended 27 October 2001

	13 weeks ended 27 October 2001	13 weeks ended 28 October 2000	39 weeks ended 27 October 2001	39 weeks ended 28 October 2000	52 weeks ended 27 January 2001
	£m	£m	£m	£m	£m
Net cash inflow/(outflow) from operating activities	1.8	(22.4)	60.3	22.9	132.1
Net cash outflow from returns on investments and servicing of finance	(4.1)	(5.0)	(14.3)	(10.3)	(16.1)
Taxation	(9.3)	(14.3)	(47.0)	(44.1)	(50.9)
Net cash outflow for capital expenditure and financial investment	(16.3)	(14.6)	(44.1)	(32.4)	(54.0)
Purchase of subsidiary undertaking	-	(107.5)	-	(107.5)	(107.5)
Equity dividends paid	-	-	(22.8)	(20.2)	(24.8)
Cash outflow before use of liquid resources and financing	(27.9)	(163.8)	(67.9)	(191.6)	(121.2)
Management of liquid resources – decrease in bank deposits	38.3	56.1	22.6	70.9	57.0
Cash (outflow)/inflow from financing	(11.5)	102.3	47.5	112.1	52.2
(Decrease)/increase in cash in the period	(1.1)	(5.4)	2.2	(8.6)	(12.0)

Reconciliation of net cash flow to movement in net debt

(Decrease)/increase in cash in the period	(1.1)	(5.4)	2.2	(8.6)	(12.0)
Cash outflow/(inflow) from decrease/(increase) in debt	11.6	(102.0)	(43.8)	(111.8)	(50.2)
Cash inflow from decrease in liquid resources	(38.3)	(56.1)	(22.6)	(70.9)	(57.0)
Change in net debt resulting from cash flows	(27.8)	(163.5)	(64.2)	(191.3)	(119.2)
Translation difference	(0.1)	(8.1)	(7.3)	(16.6)	(18.3)
Movement in net debt in the period	(27.9)	(171.6)	(71.5)	(207.9)	(137.5)
Opening net debt	(272.7)	(127.9)	(229.1)	(91.6)	(91.6)
Closing net debt	(300.6)	(299.5)	(300.6)	(299.5)	(229.1)

Reconciliation of operating profit to operating cash flow

Operating profit	7.2	10.8	57.3	54.8	178.7
Depreciation and amortisation charges	7.8	5.8	23.2	19.2	30.6
Profit on sale of tangible fixed assets	-	(0.4)	-	(1.4)	(1.4)
Increase in stocks	(106.5)	(112.3)	(88.1)	(144.4)	(81.7)
Decrease/(increase) in debtors	15.9	12.8	64.6	41.4	(22.5)
Increase in creditors	77.5	61.3	3.7	54.7	29.8
Decrease in other provisions	(0.1)	(0.4)	(0.4)	(1.4)	(1.4)
Net cash inflow/(outflow) from operating activities	1.8	(22.4)	60.3	22.9	132.1

Notes to the unaudited interim financial results

for the periods ended 27 October 2001

1. Basis of preparation

These interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. They have been prepared on a basis which is consistent with the financial statements for the year ended 27 January 2001. The comparative figures included in this document for the 52 weeks ended 27 January 2001 and at that date are not the Company's statutory accounts for that period. Those accounts have been reported on by the Company's auditors under Section 235 of the Companies Act 1985 and have been delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under Section 237(2) or Section 237(3) of the Companies Act 1985.

2. Sales

Sales represent net sales to customers outside the Group, exclusive of value added and sales taxes.

3. Segmental information

	13 weeks ended 27 October 2001 £m	13 weeks ended 28 October 2000 £m	39 weeks ended 27 October 2001 £m	39 weeks ended 28 October 2000 £m	52 weeks ended 27 January 2001 £m
Sales by origin and destination					
UK, Channel Islands & Republic of Ireland	86.5	81.9	253.3	234.7	409.2
US	182.3	181.5	645.2	554.4	978.1
	268.8	263.4	898.5	789.1	1,387.3
Operating profit/(loss)					
UK, Channel Islands & Republic of Ireland					
- Trading	4.3	4.0	9.0	6.3	50.0
- Group central costs (see note 1 below)	(1.3)	(0.7)	(4.0)	(2.5)	(3.5)
UK total	3.0	3.3	5.0	3.8	46.5
US (see note 2 below)	4.2	7.5	52.3	51.0	132.2
	7.2	10.8	57.3	54.8	178.7

The Group's results derive from one business segment - the retailing of jewellery, watches and gifts.

Notes:

- Group central costs for the 13 and 39 weeks ended 27 October 2001 include profits of £nil from property disposals (2000 equivalent periods £0.4m and £1.4m; 52 weeks ended 27 January 2001 £1.4m).
- a) US operating profit includes goodwill amortisation as follows: for the 13 weeks ended 27 October 2001 £0.3m, for the 39 weeks ended 27 October 2001 £0.9m, for the 13 weeks and 39 weeks ended 28 October 2000 £0.3m and for the 52 weeks ended 27 January 2001 £0.6m.
b) US operating profit for the 13 weeks and 39 weeks ended 28 October 2000 includes asset write off and integration costs of £1.7m arising from the acquisition of Marks & Morgan Jewelers, Inc.

Notes to the unaudited interim financial results
for the periods ended 27 October 2001

4. Taxation

The net taxation charges in the profit and loss accounts for the 13 weeks and 39 weeks to 27 October 2001 have been based on the anticipated effective taxation rate for the 53 weeks ending 2 February 2002.

5. Translation differences

The exchange rates used for the translation of US dollar transactions and balances in these interim statements are as follows:

	27 October 2001	28 October 2000	27 January 2001
Profit and loss account (average rate for 39 weeks)	1.44	1.52	1.49
Balance sheet (closing rate)	1.43	1.45	1.46

The effect of restating the balance sheet at 28 October 2000 to the exchange rates ruling at 27 October 2001 would be to increase net debt by £3.6m to £303.1m. Restating the profit and loss account would increase the operating profit for the 39 weeks ended 28 October 2000 by £2.8m to £57.6m and the profit before taxation for the 39 weeks ended 28 October 2000 by £2.3m to £46.7m.

6. Dividend

An interim dividend of 0.289p per share was paid on 9 November 2001 to shareholders on the register of members at close of business on 12 October 2001.

7. Earnings per ordinary share

	13 weeks ended 27 October 2001	13 weeks ended 28 October 2000	39 weeks ended 27 October 2001	39 weeks ended 28 October 2000	52 weeks ended 27 January 2001
	£m	£m	£m	£m	£m
Profit attributable to ordinary shareholders	2.2	3.9	28.5	30.2	110.7
Weighted average number of ordinary shares in issue (m)	1,692.0	1,676.2	1,688.4	1,676.1	1,676.8
Dilutive effect of share options (m)	16.4	15.7	18.4	15.1	13.9
Diluted weighted average number of ordinary shares (m)	1,708.4	1,691.9	1,706.8	1,691.2	1,690.7
Earnings per 0.5p ordinary share – basic	0.1p	0.2p	1.7p	1.8p	6.6p
– diluted	0.1p	0.2p	1.7p	1.8p	6.5p

The actual number of 0.5p ordinary shares in issue at 27 October 2001 was 1,695,642,720 (28 October 2000: 1,680,830,400 shares; 27 January 2001: 1,685,736,670 shares).

Notes to the unaudited interim financial results
for the periods ended 27 October 2001

8. Changes in shareholders' equity

	Ordinary share capital	Deferred share capital	Share premium account	Revaluation reserve	Special reserves	Profit and loss account	Total
	£m	£m	£m	£m	£m	£m	£m
Balance at 27 January 2001	8.4	0.1	38.3	0.9	51.2	472.7	571.6
Retained profit	-	-	-	-	-	23.6	23.6
Share options exercised	-	-	3.7	-	-	-	3.7
Translation differences	-	-	-	-	(9.6)	17.3	7.7
Balance at 27 October 2001	8.4	0.1	42.0	0.9	41.6	513.6	606.6

Reconciliation of UK GAAP to US GAAP

for the periods ended 27 October 2001

Details of the estimated effect on the Group's consolidated profit and shareholders' funds of the differences between UK GAAP and US GAAP are as follows:

Estimated effect on profit for the financial periods of differences between UK and US GAAP

	13 weeks ended 27 October 2001	13 weeks ended 28 October 2000	39 weeks ended 27 October 2001	39 weeks ended 28 October 2000	52 weeks ended 27 January 2001
	£m	£m	£m	£m	£m
Profit for the financial period in accordance with UK GAAP	2.2	3.9	28.5	30.2	110.7
US GAAP adjustments:					
Goodwill amortisation and write off	(3.9)	(2.2)	(10.0)	(8.4)	(12.0)
Sale and leaseback transactions	0.2	0.1	0.8	0.4	0.6
Extended service plan revenues	(0.7)	(0.5)	(1.4)	(1.8)	(5.0)
Pensions	1.0	0.7	3.0	2.2	4.0
Depreciation of properties	-	0.1	-	0.1	0.1
Stock compensation	2.2	(0.6)	1.7	0.3	(1.7)
US GAAP adjustments before taxation	(1.2)	(2.4)	(5.9)	(7.2)	(14.0)
Taxation	(0.1)	(0.5)	(0.6)	(0.6)	0.4
US GAAP adjustments after taxation	(1.3)	(2.9)	(6.5)	(7.8)	(13.6)
Net income attributable to ordinary shareholders in accordance with US GAAP	0.9	1.0	22.0	22.4	97.1
Income per ADS in accordance with US GAAP:					
- basic	1.6p	1.8p	39.1p	40.1p	173.7p
- diluted	1.6p	1.8p	38.7p	40.0p	172.2p
Weighted average number of ADSs outstanding (m)					
- basic	56.4	55.9	56.3	55.9	55.9
- diluted	56.9	55.9	56.9	55.9	56.4

Estimated cumulative effect on shareholders' funds of differences between UK and US GAAP

	27 October 2001	28 October 2000	27 January 2001
	£m	£m	£m
Shareholders' funds in accordance with UK GAAP	606.6	521.3	571.6
US GAAP adjustments:			
Goodwill in respect of acquisitions (gross)	590.2	584.9	581.7
Consideration adjustment to goodwill	(48.7)	(49.1)	(48.8)
Accumulated goodwill amortisation	(173.4)	(162.3)	(164.8)
Goodwill adjustment	(24.3)	(24.0)	(23.8)
Sale and leaseback transactions	(10.5)	(11.5)	(11.3)
Extended service plan revenues	(14.6)	(9.8)	(12.9)
Pensions	12.5	7.6	9.4
Depreciation of properties	(2.9)	(2.9)	(2.9)
Revaluation of properties	(0.9)	(0.9)	(0.9)
Dividends	4.9	4.6	22.8
US GAAP adjustments before taxation	332.3	336.6	348.5
Taxation	4.5	4.4	5.1
US GAAP adjustments after taxation	336.8	341.0	353.6
Shareholders' funds in accordance with US GAAP	943.4	862.3	925.2