DIXONS RETAIL

BRINGING LIFE TO TECHNOLOGY

Interim Results

24 weeks to 16 October 2010

25 November 2010

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BRINGING LIFE TO TECHNOLOGY

John Browett

Chief Executive

Overview

- Underlying Group sales flat
- Group LfL sales up 1%
- Growing shares across most markets
- Group gross margins up 30bpts
- Underlying EBIT increased to £8.2 million
- Launch of KNOWHOW in Spring 2011

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
For definitions see appendix

Overview

- Renewal & Transformation continues to improve the offer for customers
  - 62 Megastores across the Group
  - 250 stores transformed in the UK, including 25 Megastores
  - 51 stores transformed in the Nordics, with 19 Megastores
  - New formats continue to deliver average gross profit uplifts of 20%
  - Second year average gross profit uplifts of c.6%.

- Multichannel internet sales up 28%
  - Reserve & Collect up 53% in the UK

- Process improvements and cost reductions on track

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
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UK & Ireland

- Losses reduced by £5.3m to £10.7m
- Like for likes +6% in first quarter
  - Strong World Cup promotion
  - Launch of iPads
  - Like for likes (1)% in second quarter against a weak market
- Gaining market share across all major categories
- Gross margins improving
- 51 Phones 4u shop in shops open
  - 50 further planned for 2011
- New marketing campaign supporting the Megastores

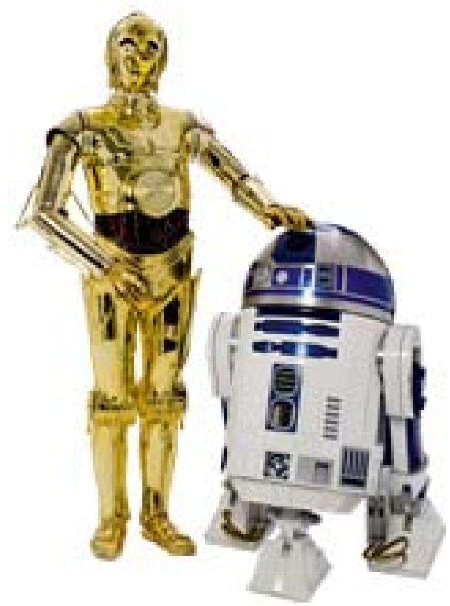
Currys PC World

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
For definitions see appendix

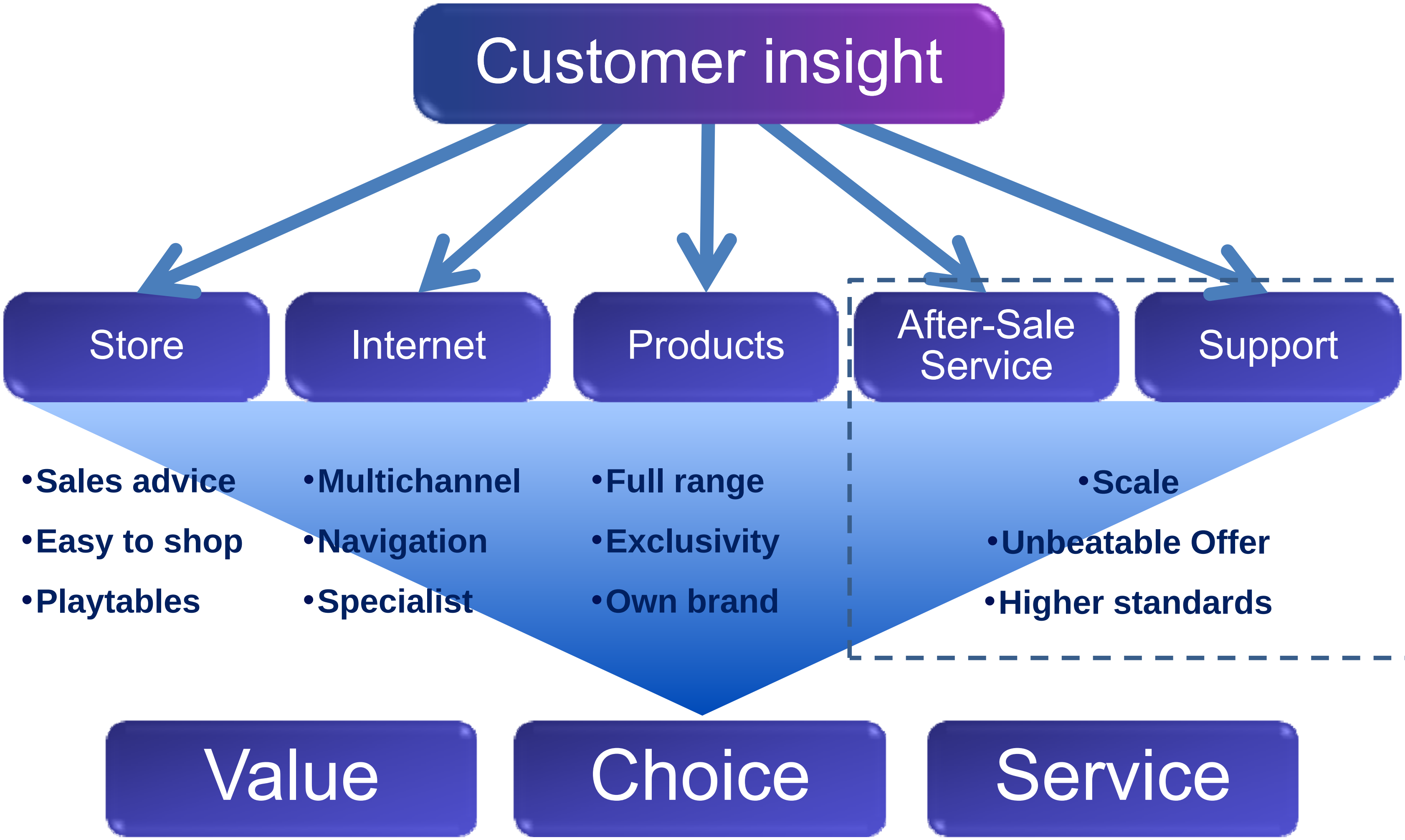
Video of the making of the Star Wars advert

Currys PC World

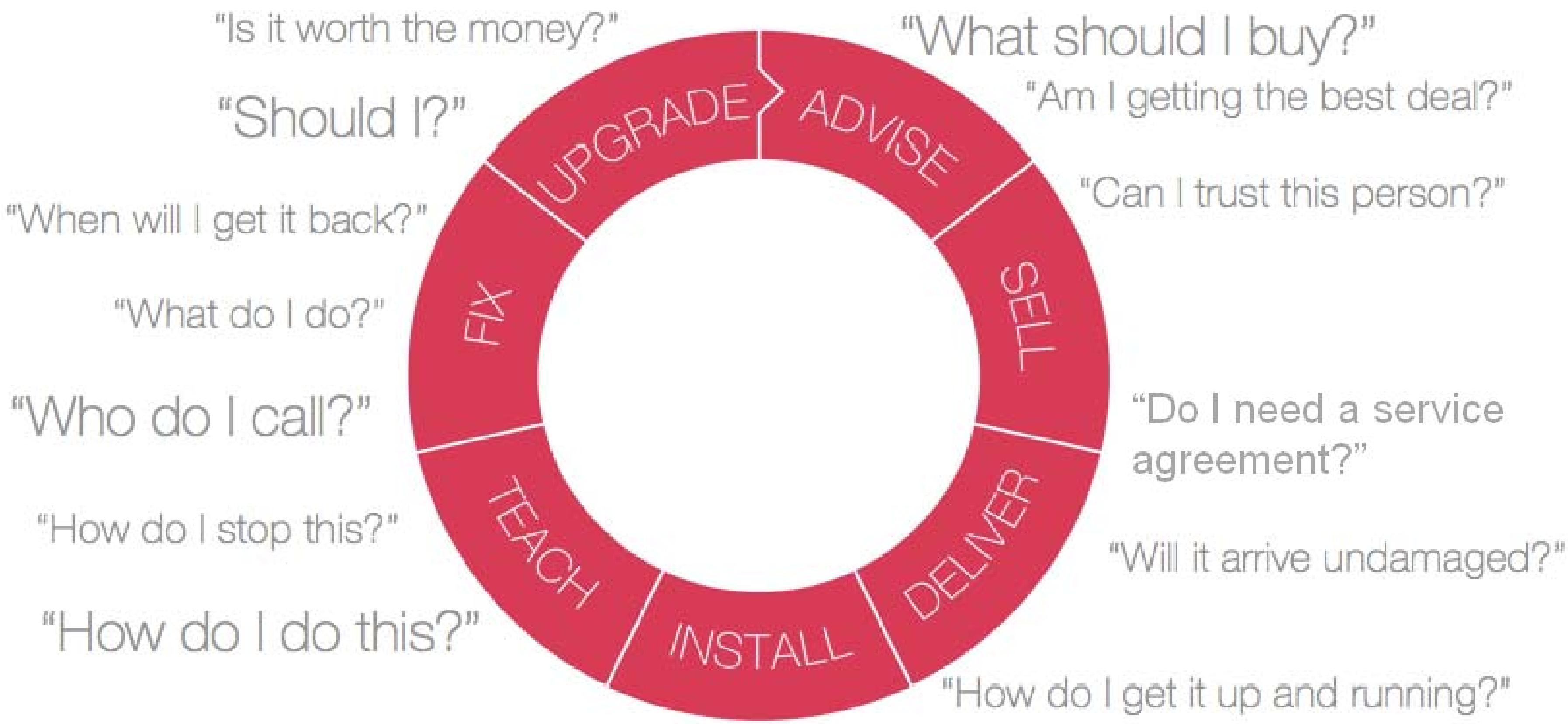
DISCOVER THE GREATEST ELECTRICAL STORE IN OUR GALAXY



Service led business model



Customers want help



Four pillars supporting one integrated service offer

KNOWHOW™

Delivery & installation	Setup/ upgrade	Help & support	Protect
• Market leading delivery & installation • Flexible, reliable and unbeatable value • Choices to suit the customer	• Personalised hassle free set up • Make it easy for the customer • Range of upgrades designed to maximise the performance of the products for customers	• “Help me understand it” • Remove the frustration of technology • Telephone, online and in-home support	• Peace of mind if something goes wrong • Always there to help get it fixed

Significant service improvements to date

- Largest national delivery & installation network
  - Same day, next day in 3 hour time slots and free delivery options
  - 40,000 deliveries per week, 100,000 per week over Peak
  - 97% right first time
- New state of the art repair facility
  - 1 million TV & Laptop repairs per year
  - TV repair times reduced from 28 days to 7 days
- Contact centre now in-house
  - Customers press 3 buttons down from 18
  - Root cause analysis of calls
  - Reduced number of calls
- Re-engineering of processes
- Costs reduced

Nordics

- Consolidation of share gains
  - Total sales up 8%
  - Like for likes up 1%
- Gross margins up
- Profits up 15% to £45m
  - EBIT margin of 5.2%
- Internet sales up 43%, now 6% of total sales
- Operating model enables focus on cash gross profits
- Store refurbishment programme making progress
  - 19 Megastores now operational
  - 32 superstores in new format
  - Gross profit uplifts of 20%

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
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Other international

Italy

- Turnaround ahead of plan
- First half loss significantly reduced
- EBITDA breakeven for the full year
  - 1 Year ahead of target
- Gaining share in a difficult market
- 1 Megastore open, second opens today

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
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Other International

Greece

- Challenging market conditions
- Cost reduction programme in place to preserve profitability
  - Converted Electro World stores to Kotsovolos Megastores
- 7 Megastores operational
- Market share growth

Spain

- Leading computing specialist
- Gaining share in computing
- Performance in line with expectations
- On track to break even in 18-24 months

24 weeks to 16 October 2010 vs. 24 weeks to 17 October 2009
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Other International

Czech Republic and Slovakia

- Strong market position
- Improved performance in second quarter
- Losses reduced in the first half
- Well positioned for growth as the economies recover

Turkey

- Continued good progress with joint venture partner
- 16 stores open, including 7 Megastores
- All trading strongly

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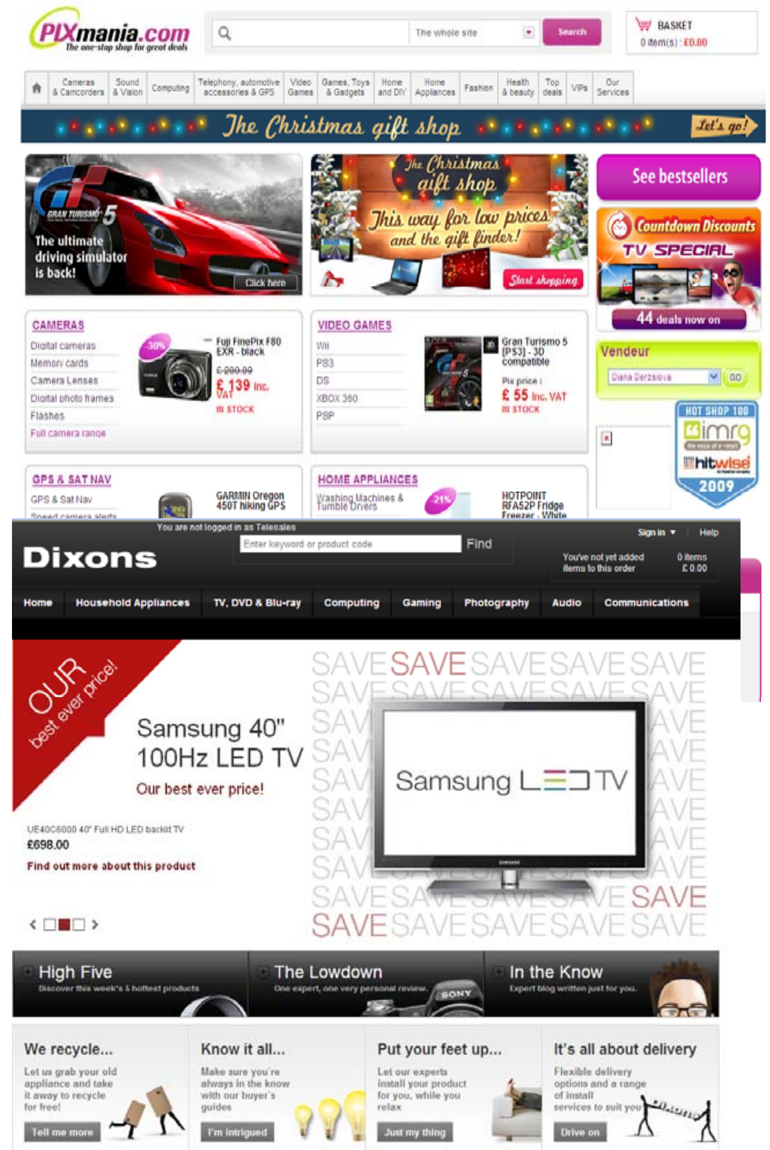
e-commerce

- Internet sales 16% of Group
- Like for like sales flat as sales growth driven into multichannel
  - Multichannel up by 28%
  - Pure play brands driving higher unit growth
  - Integrated operating model
- e-commerce investing in the platform
  - e-merchant
  - PIXplace
  - Underlying infrastructure
  - Relaunch of UK internet sites



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Nicholas Cadbury

Group Finance Director

Steady financial progress

- Underlying EBIT up at £8.2m
- Balance sheet strengthened and liquidity improved
  - Cash inflow of £24m (pre restructuring costs)
  - Closure of defined benefit scheme
  - Bond repayments rephased
  - £360m revolving credit facility maturing 2013
  - Significant facility headroom
- On track for £50 million cost reduction
  - £150 million over 3 years

Sales

- Sales broadly flat at £3,350 million
  - up 1% excluding effect of currency
- Up 1% like for like.

£ million	10/11	09/10	YOY	LfL
UK & Ireland	1,616.0	1,625.7	(1%)	2%
Nordics	860.4	797.8	8%	1%
Other International	563.5	586.0	(4%)	(4%)
E-commerce	310.1	324.4	(4%)	-
Total Group	3,350.0	3,333.9	-	1%

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Profit before tax

£ million	10/11	09/10
UK & Ireland	(10.7)	(16.0)
Nordics	45.0	39.1
Other International	(12.2)	(7.7)
E-Commerce	(0.8)	2.7
Central Costs	(7.4)	(8.1)
Property losses	(5.7)	(4.4)
EBIT	**8.2**	**5.6**
Underlying net finance cost	(16.1)	(23.2)
Underlying profit before tax	**(7.9)**	**(17.6)**
Non-Underlying items	(3.5)	(5.5)
Statutory profit/ (loss) before tax	**(11.4)**	**(23.1)**

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Underlying finance costs

- Underlying finance costs reduced year on year to £16.1 million due to:
  - Lower borrowing levels following the Equity issue last year
  - Lower borrowing costs following the refinancing of the Revolving Credit Facility
  - Lower amortisation costs
  - Lower net pension interest charge
    - higher asset values.

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Free cash flow

- Positive free cash flow - despite restructuring costs and investment in Renewal and Transformation programme
- Negative paid days stock
- Net Debt £215.1 million (including £118.4 million restricted funds)

£ million	10/11	09/10
Underlying loss before tax	(7.9)	(17.6)
Depreciation & amortisation	58.8	54.8
Working capital	98.6	106.7
Taxation	(18.2)	(25.6)
Capital expenditure	(112.7)	(65.8)
Other	5.6	9.5
Free Cash Flow before restructuring items	24.2	62.0
Net restructuring and impairment	(12.8)	(37.8)
Free Cash Flow	11.4	24.2

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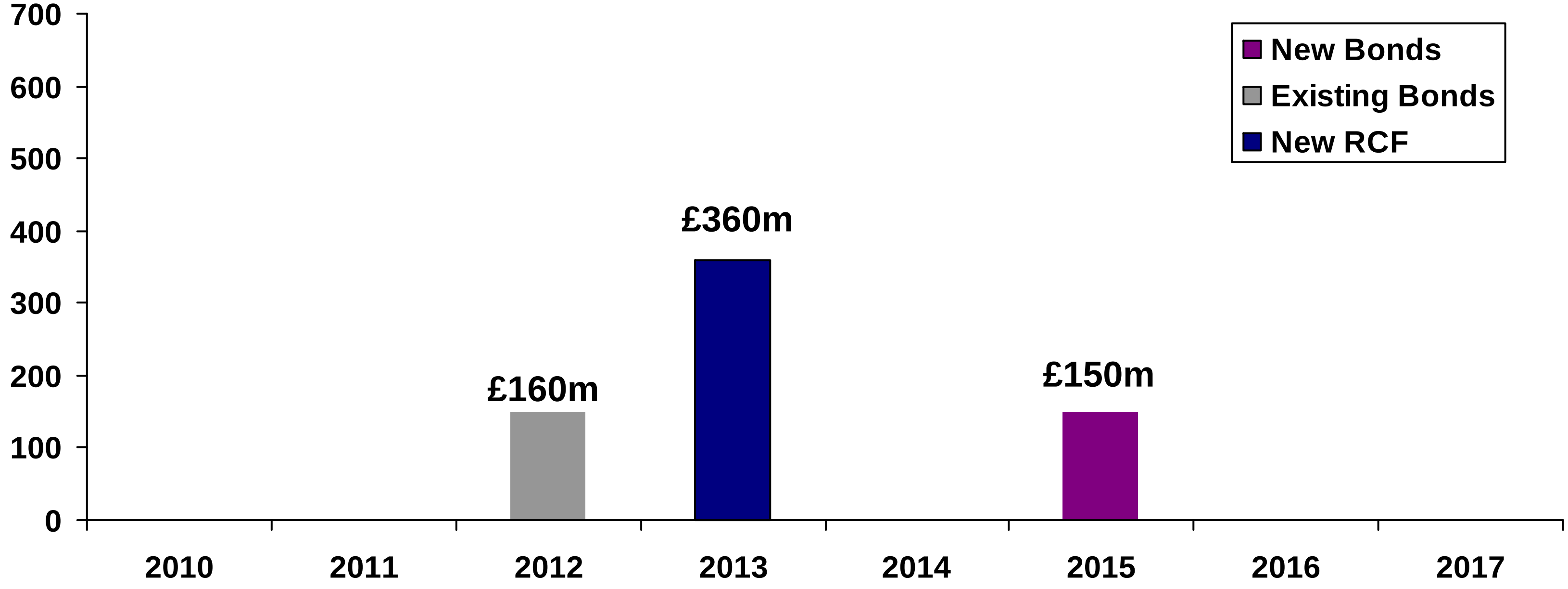
Rephased Group debt maturity profile

- Refinancing of RCF and new issue of 2015 Guaranteed Notes
- Net proceeds of Notes used to redeem £140m of 2012 Bond
  - No impact on net debt



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John Browett

Chief Executive

Summary

- Renewal & Transformation continues to improve the business
- Strong consistent uplifts in new store formats across Europe
- Very exciting product pipeline
- Customer satisfaction is improving
- Share gains in most markets
- Cautious about short term outlook
- On target for 3-4% EBIT return on sales

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Appendices

Appendices

1. Group LFL Sales Trends
2. Group Store Numbers and Space Trends
3. Shares in issue
4. Notes and definitions

1. Group like for like sales trend

	10/11 H1	09/10 FY	09/10 H2	09/10 H1	08/09 FY	08/09 H2	08/09 H1
UK & Ireland	2%	(3%)	3%	(11%)	(11%)	(13%)	(8%)
Nordics	1%	13%	16%	11%	(7%)	(9%)	(5%)
Other International	(4%)	0%	4%	(5%)	(13%)	(15%)	(10%)
e-commerce	0%	11%	12%	9%	7%	6%	9%
Total Group (Underlying)	1%	2%	6%	(4%)	(9%)	(11%)	(7%)

2. Group - stores & space total

Store numbers	10/11	09/10	09/10	08/09	08/09
	H1	FY	H1	FY	H1
UK & Ireland	653	683	697	712	725
Nordics	276	269	259	253	247
Other International	325	323	315	345	353
Discontinued or closed	-	-	-	48	48
Total Group	1,254	1,275	1,271	1,358	1,373

Space 000 sq ft	10/11	09/10	09/10	08/09	08/09
	H1	FY	H1	FY	H1
UK & Ireland	7,957	7,889	7,897	7,862	7,911
Nordics	4,209	4,061	3,821	3,675	3,671
Other International	4,597	4,719	4,698	5,091	5,353
Discontinued or closed	-	-	-	985	986
Total Group	16,763	16,669	16,416	17,613	17,921

3. Shares in issue

Number of shares

	10/11 H1	09/10 FY	08/09 FY
Number of shares in issue	3,610.0m	3,609.9m	1,772.4m
Weighted average number of shares for basic eps *	3,606.4m	3,495.6m	2,148.7m
Weighted average number of shares for diluted eps *	3,621.5m	3,519.5m	2,151.8m

** The weighted average number of shares used in the calculation of loss per share for 2008/09 and the weighted average relating to the relevant weeks of 2009/10 prior to the rights issue have been multiplied by an adjustment factor to reflect the bonus element of the shares issued under the terms of the rights issue . The adjustment factor used was 1.2138.*

Notes & Definitions

1. Underlying results are defined as excluding trading results from closed businesses, the amortisation of acquired intangibles, net restructuring and business impairment charges and other one off non-recurring items, profit on sale of investments, net fair value remeasurements of financial instruments and, where applicable, discontinued operations. Discontinued operations comprise Hungary and Poland. Closed businesses comprise the operations of PC City in Sweden and Markantalo in Finland.

2. 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, and are calculated using constant exchange rates. Customer support agreement sales are excluded from all UK like for like calculations. Operations that are subject to closure have sales excluded as of the announcement date. Stores subject to a refurbishment are excluded during the period of refurbishment.

3. The change in total sales for the Group excludes discontinued operations and closed businesses from the comparative period. No equivalent sales applied to the current period.

4. UK & Ireland comprises Currys, CurrysDigital, PC World, DSGi Business and TechGuys and Dixons Travel as well as the operations in Ireland. Like for like sales exclude DSGi Business and TechGuys.

5. Nordics comprises the Elkjøp Group and Dixons Travel Denmark.

6. Other International comprises Greece (Kotsovolos), Italy (UniEuro, PC City store in store and Dixons Travel Italy), Spain (PC City Spain) and Electro World in Turkey, Czech Republic and Slovakia.

7. e-commerce division comprises Dixons.co.uk and PIXmania.