

Chairman's statement GUS has had another good year, with all our main businesses reporting increased sales and profits. Underlying Group profits rose to £552m, which was 13% up on last year. Earnings per share increased by 12% to 41.7p and cash flow remained strong.

Throughout the year, we have continued to shape and strengthen our businesses. We have invested both revenue and capital to support their growth strategies and are planning to invest even more strongly during the current year.

The Board has proposed an increased final dividend of 15.2p, making 21.7p for the year. This compares to 21.0p in 2001.

Our opportunities

There are real opportunities for us as a Group and our management teams have a clear focus on the way ahead for each of their businesses.

Experian is inherently a growth business, with skills and resources that can be applied to almost every industry. Experian North America has continued to make good progress in its transition from data supplier to solutions company, with the development of value-added services that are in constant demand. Experian International is a very successful business, with an excellent track record in the UK and many further opportunities in Europe and beyond.

Argos Retail Group is now recognised as the UK's leading multi-channel retailer, with the infrastructure and management expertise to be one of the long-term winners in an increasingly global marketplace. We will continue to invest in ARG's successful proposition of 'choice, value and convenience'.

Burberry has become a truly international luxury brand. Its combination of traditional values and contemporary style appeals to a wide range of fashion conscious consumers. Burberry is continuing to broaden its product range, open new stores and extend its reach in major markets.

Our progress in each of these businesses requires clarity of strategy and strength of implementation, which in turn depends upon an effective Board and committed employees.



Our Board

I believe that we have a strong Board, with a good mix of experience and skills. It is one that works effectively and harmoniously.

In particular, I would like to pay tribute to John Peace for his vision and leadership. He took on the role of Group Chief Executive at a time of very great change for GUS and has worked with his management team to establish a clear strategy for the Group going forward.

Victor Barnett is retiring from the Board on 1 July 2002. Victor joined the Board of GUS in 1987 and has been closely involved in all aspects of the business. In particular, I would like to thank him for his contribution to the transformation of Burberry into a world class luxury brand. We wish him well for the future.

I would also like to welcome Frank Newman from the US, who became a non-executive director in December. Frank is Chairman Emeritus of Bankers Trust Corporation and brings a wealth of experience in multi-national organisations.

Our employees

Our ability to attract, motivate and retain the best people is key to our success at all levels within the business. That is why our culture is one of performance and recognition. We have to continue to develop the incentives, as well as the working environment, that will encourage top performance. The introduction of a Group-wide 'sharesave' scheme in the UK was a particularly important development and I am delighted that it is now being extended to other countries.

Our overriding aim continues to be the creation of value for our shareholders through sustained profitable growth. I believe we have made good progress in this endeavour and would like to acknowledge the tremendous contribution of everyone at GUS and to thank them for their dedication and commitment.

Sir Victor Blank
Chairman