

First quarter trading update

12 July 2006

GUS plc, the retail and business services group, today issues its regular update on trading.

John Peace, Group Chief Executive of GUS, said:

“We are pleased with the progress of both ARG and Experian in the first quarter of our new financial year, each of which is trading in line with expectations. Both businesses have clear strategies for growth, putting them in good shape for their future as independent companies.”

Argos Retail Group (ARG)

% change in sales year-on-year

Three months to 30 June 2006		%
Argos	- total	14
	- like-for-like	7
Four months to 30 June 2006*		%
Homebase	- total	(1)
	- like-for-like	(5)

** Homebase's year-end is the end of February to avoid distortions relating to the timing of Easter*

In the first quarter of the financial year, the non-food, non-clothing market in the UK was stronger than expected. However, ARG remains cautious on the outlook for a recovery in the rate of growth in consumer spending and expects the DIY market in particular to remain difficult.

Argos

Argos again outperformed its market in the first quarter, with total sales up 14% of which new stores contributed 7%. At 30 June 2006, Argos traded from 663 stores with six new stores opened in the quarter. Like-for-like sales increased by 7%. Consumer electronics performed very strongly, especially in flat panel

TV packages and set top boxes in the lead up to and during the World Cup. There was also good sales growth in bedroom furniture, photography and video game systems.

This strong sales performance was, however, substantially offset by a related reduction in gross margin compared to the previous year. This was driven by the shift in the product mix and by the popularity of Argos' promotional offers in the quarter, partially countered by the benefits obtained from ARG's supply chain initiatives.

Argos Direct, the delivery to home operation, grew sales by 10% in the first quarter and accounted for 25% of Argos' revenue. Within this, sales ordered over the Internet for delivery to home rose by 46%, representing 8% of total revenue. An additional 10% of sales were reserved by phone or the Internet for later collection in store (the service known as Check and Reserve), which was 69% ahead of the same period last year. The Autumn/Winter 2006 catalogue will launch on 29 July and will offer about 17,000 lines to all customers as the Argos Extra extended ranges continue to be made available across all stores and channels.

Homebase

Sales at Homebase decreased in the four months to 30 June 2006 by 1% in total, of which 4% came from new stores. Homebase opened three stores in the quarter bringing the total at 30 June 2006 to 300, of which 151 had a mezzanine floor.

Like-for-like sales declined by 5%. Although kitchens and furniture showed strong growth, core DIY and decorating ranges remained weak. As planned, gross margin was ahead of the previous year as a result of a reduced level of promotional activity together with the benefits obtained from ARG's supply chain initiatives.

Experian

% change in sales year-on-year for the three months to 30 June 2006

Continuing activities only*	At actual exchange rates %	At constant exchange rates %
Experian North America	29	26
Experian International	16	15
Global Experian	23	21

** As disclosed in the preliminary results announcement on 24 May 2006, two businesses have been treated as discontinuing activities from 1 April 2006. These are MetaReward's incentive marketing*

websites which have been closed and large scale UK account processing, where Experian has announced its phased withdrawal by Autumn 2009.

In the three months to 30 June 2006, Experian grew its sales from continuing activities by 21% at constant exchange rates. Organic growth was 8% with the balance from acquisitions. This performance reflects the benefits of Experian's broad portfolio by product, by sector and by geography.

Experian North America

In dollars, sales from continuing activities in the three months to 30 June 2006 increased by 26% in total. Corporate acquisitions generated 17% of this, largely in Interactive, while organic growth was the remaining 9%.

In dollars and excluding acquisitions, Credit Information and Solutions grew sales slightly in the quarter, against a period where the comparatives were very strong (H1 2005/6: +18%). There was double-digit growth in decision solutions, helped by client wins in application processing, fraud authentication, account management and triggers. In dollars, sales in Marketing Information and Solutions together were in line with the first quarter last year excluding acquisitions. There was strong growth in email marketing and research services but continuing weakness in data sales and list processing.

In dollars, Experian Interactive sales grew by about 75% in total to reach almost 40% of Experian North America's revenue. Organic growth was strong in both Consumer Direct and LowerMyBills.com, which was acquired in May 2005.

Experian International

In the three months to 30 June 2006, sales from continuing activities at Experian International increased by 15% in total at constant exchange rates. Organic growth was 7% in the period and the contribution from acquisitions, largely ClarityBlue, was 8%. Experian in the UK delivered another robust performance despite a subdued UK credit environment.

At constant exchange rates, Credit Information and Solutions together saw good growth, led by decision solutions in Europe and Consumer Direct in the UK. Excluding acquisitions, Marketing Information and Solutions together saw solid growth in the quarter with particular strength in QAS. Outsourcing also demonstrated solid growth and recently won a two-year contract with the Ministry of Health in France.

Experian International has made further small complementary acquisitions during the first quarter of the year, including Eiger Systems, a market-leading provider of bank account validation and payment

processing software. This complements QAS, which validates customers' names and addresses, and which is growing strongly around the world, leveraging Experian's sales force and infrastructure.

Annual General Meeting

GUS will hold its AGM on 19 July 2006.

Enquiries

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GUS announcements are available on its website, www.gusplc.com. There will be a conference call to discuss this update at 3pm today, with a recording available later on the GUS website.

Certain statements made in this Trading Update are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events or results to differ materially from any expected future events or results referred to in these forward-looking statements.