Under Embargo until 07.00h, 23 October 2002

Egg plc

Results for the Nine Months to 30 September 2002

"This has been another successful quarter for Egg. The UK business has delivered £9.4 million in profits in Q3 whilst acquiring a further 107,000 net new customers and keeping tight control of costs.
We are excited about the development of our International business, and we are finalising preparations for our product launch in France next month"

Paul Gratton, CEO, Egg plc

Highlights:

Group

- Group operating income up 86% to £235.6 million (Sept 2001: £127.0 million)
- Group loss before tax of £3.9 million (Sept 2001: £81.8 million loss)
- Group loss per share 1.1p (Sept 2001: 7.8p)
- Total group assets increased to £10.4 billion (Sept 2001: £7.8 billion)

UK

- UK profit before tax of £9.4 million for Q3 giving £18.1 million profit for the nine month period (Sept 2001: £78.2 million loss)
- 107,000 net new customers acquired in the quarter (Q3 2001: 83,000) resulting in total customer base of over 2.4 million
- Credit card balances grew by £126 million (Q3 2001: £27 million) and credit quality remains strong
- Personal loans delivered record sales in Q3 with drawdowns of £269 million; up 79% on the previous quarter and 154% on the same period last year
- Savings balances grew by £671 million in the quarter (Q3 2001: outflow of £291 million)
- Egg's aggregation service, Money Manager, has 100,000 registered users

International

- Egg to launch first product in France in November
- Total spend on international development is £22.0 million (Sept 2001: £3.6 million) of which £19.4 million relates to the new Egg France business

Chief Executive Paul Gratton said:

"This has been another successful quarter for Egg. Our core UK business continues to grow strongly and deliver profits. We acquired 107,000 net new customers at reduced unit marketing cost and overall the UK business delivered a profit of £9.4 million for the third quarter.

"Egg Card continues to be our lead acquisition product and we are delighted to have reached 5% market share of new balances in just 3 years. We continue to monitor credit performance closely and the credit quality of our card portfolio remains strong. Our proposition continues to attract upmarket customers.

"We are pleased with the uptake of our aggregation service, Egg Money Manager, which we launched earlier this year. Today, over 100,000 of our customers are registered users of this service. We will continue to introduce enhanced functionality to this service, in line with our stated objective to help people understand and manage their money more effectively and efficiently.

"I am delighted to announce that Egg will launch in France in November as planned. We will be holding a press conference in France on 29 October to outline the launch proposition and will follow that up with an analysts' meeting in London on 30 October."

Overview of Results

Summary profit and loss account by quarter (Unaudited)

	Q3 2002	Q2 2002	Q1 2002	Q4 2001	Q3 2001
	£m	£m	£m	£m	£m
Net interest income	**53.8**	56.2	55.3	47.4	38.5
Other operating income	**25.8**	24.5	18.4	15.0	12.3
UK operating income	**79.6**	80.7	73.7	62.4	50.8
Operational and administrative expenses	**(33.6)**	(32.1)	(31.8)	(30.8)	(32.5)
Brand and marketing costs	**(6.0)**	(12.9)	(7.8)	(8.2)	(6.6)
Development costs	**(4.2)**	(4.2)	(5.7)	(2.8)	(3.1)
Depreciation and amortisation	**(4.7)**	(4.7)	(4.9)	(4.9)	(4.6)
Provisions for bad and doubtful debts	**(21.2)**	(20.6)	(18.6)	(15.5)	(19.5)
UK operating profit/(loss)	**9.9**	6.2	4.9	0.2	(15.5)
Restructuring costs	**-**	-	-	(2.7)	-
Share of associates/JV losses	**(0.5)**	(1.6)	(0.8)	(1.7)	(1.0)
UK profit/(loss) before tax	**9.4**	4.6	4.1	(4.2)	(16.5)
International	**(14.5)**	(5.8)	(1.7)	(1.8)	(1.9)
Group profit/(loss) before tax	**(5.1)**	(1.2)	2.4	(6.0)	(18.4)

Revenues

UK operating income in Q3 at £79.6 million was slightly lower than Q2 (£80.7 million) with the expected short-term dilution impact of introductory offers on both the credit card and savings products being partially offset by growth in fees and other income.

Overall margins in the UK for the nine months ended 30 September 2002 were 2.45% down from 2.59% at the end of June. This reflects the fact that the exceptional customer acquisition figures reported for Egg Card in Q2 this year resulted in a higher proportion of the customer base benefiting from the incentive offers during Q3. In addition, the change in mix of our funding with the successful raising of £2.6 billion in net new retail deposit funds since the start of Q2 on six-month incentive offers has resulted in a short-term reduction in margins.

As noted in the interim accounts published in July 2002, in the medium to long-term we believe these customer deposits will provide a more cost-effective alternative to wholesale funds and the margin will begin to improve as the introductory offers expire over the six-month period from acquisition of these funds.

Other operating income continued to grow, increasing from £24.5 million in Q2 to £25.8 million in Q3. Egg achieved record volumes in personal loan sales, which led to higher commissions on associated insurance sales. In addition, the growth in the credit card book is leading to higher transactional fee revenue. These improvements have offset the reduction in profits on sale of investment securities this quarter following the incremental £2.5 million earned in Q2.

Costs

UK operational and administrative costs remain tightly controlled at £33.6 million for the quarter (Q2 2002: £32.1 million) with lower unit operating costs being achieved through productivity enhancements and the fixed administration overheads being held flat. Our operating cost per customer, at £57 per annum, has reduced by 2% on the previous quarter and 30% from this time last year.

Brand and marketing costs at £6.0 million in Q3 2002 reduced significantly on the Q2 level (£12.9 million). Q2 included £5 million costs for the Egg brand refresh campaign including TV advertising. Also Q3 is traditionally a quieter period for acquisition as it includes the main summer holiday months and this is reflected in our marketing activity.

UK development costs remained flat at £4.2 million for the quarter and depreciation was also unchanged from Q2 level at £4.7 million.

Bad Debt Provisions

Credit quality remains strong. The arrears rate in the unsecured portfolio (defined as impaired balances as a percentage of total balances) is 2.9% at 30 September 2002 (30 June 2002: 2.8%), reflecting the stage of maturity of our credit card book. Underlying delinquency levels continue to trend downwards.

The quarterly charge for Q3 2002 grew to £21.2 million (Q2 2002: £20.6 million) reflecting the continued retail asset growth this quarter.

International

As at 30 September 2002, we have invested £2.6 million in research and development including building international functionality into our investments platforms. The remaining £19.4 million relates to investment in Egg France including both the operating costs of the former Zebank business post completion and the development costs incurred in preparation for the launch of Egg in France.

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Business Performance

Summary UK New Business Figures by Quarter

	Q3 2002	Q2 2002	Q1 2002	Q4 2001	Q3 2001
Net New Egg Customers (‘000)	**107**	205	157	147	83
Net New Customers by product (‘000)					
- Deposits	**45**	57	2	-	-
- Credit Card	**75**	182	157	154	90
- Personal loans	**16**	8	5	6	6
- Mortgages	**1**	2	1	1	1
- Egg Invest	**1**	5	13	2	3
- Egg Insure	**18**	12	9	4	5
Products	**£m**	£m	£m	£m	£m
- Credit Card Balance Growth	**126**	207	145	184	27
- Egg Personal Loan Drawdowns	**269**	150	116	95	106
- Egg Mortgage Drawdowns	**132**	118	110	117	83
- Egg Deposit Flows	**671**	1,947	(345)	(91)	(267)

The Egg UK customer base grew by a further 107,000 during the third quarter, giving a reporting period end total of over 2.4 million.

Annualised revenue per customer in Q3 2002 was £136 (Q3 2001: £115). This is lower than Q2 2002 due to the short-term effect of incentive offers on both the credit card and savings products.

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The UK credit card business attracted 75,000 net new customers during the quarter with card balances standing at £2.2 billion at period end. At end September we have 1.8 million card customers and Egg Card itself accounts for over 5% market share of card balances in the UK.

Personal loan customers increased 16,000 in the quarter to 132,000 at 30 September 2002 with record disbursements in Q3 of £269 million (up 79% on Q2 2002). Our focus remains on cross-selling loans to the credit card base, offering a holistic approach to unsecured lending. With the income earned from selling associated insurances, Egg Loans is both adding value and contributing to profitability.

Egg Mortgage completions in the quarter at £132 million improved on both Q1 and Q2 this year, due in the main to seasonal factors.

In deposits, the bonus internet savings account continued to be a very successful acquisition product in the first half of Q3. This led to continued strong customer growth in deposits (45,000 newly acquired in Q3) and the net inflow of £671 million in balances. The strategy in taking in these deposits with six-month incentive rates is to provide an alternative to wholesale funding over the next 12 to 18 months as we continue to grow in the UK and launch in France.

Egg announces today that subject to regulatory approval Prudential plc has invested £5 million in Investment Funds Direct Holdings Limited ("Fundsdirect") on 22 October in return for a 15% stake in the business. The transaction will be effected through the issue of new shares in Fundsdirect. Egg will continue to own the remaining 85% of Fundsdirect following the transaction.

Fundsdirect, which itself was acquired by Egg in February of this year, serves the business-to-business marketplace and is developing a business-to-IFA offering.

Group Financial Review

This section analyses Group results for the nine months ended 30 September 2002 compared to the same period last year.

Group loss before tax was £3.9 million compared to a loss of £81.8 million for the nine months to 30 September 2001.

Net interest income increased by 68% to £165.1 million for the period reflecting an increase in net interest margin to 2.41% (30 September 2001: 1.85%) and the growth in retail asset balances. The margin improvement has largely resulted from changes to product pricing on Egg Card and telephone savings over the past year. In addition the card base is more mature with, on average, a much smaller percentage of customers on incentive offers this year compared to 2001.

Other operating income increased by £41.8 million to £70.5 million primarily reflecting fees and commissions earned from the larger credit card book, and the reduction in cashback on the credit card. In addition there has been an increase in commissions earned from selling creditor insurance at point of sale on personal loans with significantly higher volumes of new loans sold and the benefit of profit share emerging on the older book of business.

Operational and administrative expenses increased by £9.6 million to £107.9 million and can be attributed to the operational costs associated with running Egg France in the pre-launch period. Like for like costs (£97.5 million) were slightly down on 2001 (£98.3 million), despite average number of customers increasing by 36%. This reflects increasing operational cost efficiencies allowing Egg to absorb its strong business growth. Overheads have also been tightly managed.

Brand and marketing costs increased by £1.4 million to £29.1 million (30 September 2001: £27.7 million). Within this total Egg France costs were £2.5 million (30 September 2001: nil), while there was a £1.1 million reduction in UK marketing costs. It should be noted however that the mix of costs in the UK has changed significantly. This year saw a significantly scaled back ISA campaign compared to 2001 with the £5 million saving being directed into the brand refresh exercise and a major TV advertising campaign in Q2 2002.

Development costs increased sharply to £23.1 million at group level (30 September 2001: £12.2 million), largely due to the Egg France development programme, the development of a global investments platform and the build of our aggregation and digital payments capabilities, which launched in Q2 2002.

Depreciation and amortisation at £15.5 million is broadly in line with the previous year (30 September 2001: £15.3 million) with the small increase attributable to Egg France.

The charge for bad and doubtful debts at £61.0 million (30 September 2001: £52.5 million) reflects the continuing growth in credit card balances and personal loan balances which has resulted in a change in mix of the retail asset book, with a much higher proportion of unsecured lending. Underlying credit quality remains strong.

The tax charge was £5.2 million (30 September 2001: tax credit of £18.4 million). This largely reflects the fact that the UK business is now generating profits and no tax relief has yet been reflected for losses incurred in France.

Loss attributable to ordinary shareholders after tax was £9.1 million compared to a loss of £63.4 million for the period to 30 September 2001.

Loss per share was 1.1p compared to a loss per share of 7.8p (as restated) for the nine-month period to 30 September 2001.

Total assets increased to £10.4 billion as at 30 September 2002 (30 September 2001: £7.8 billion). Within this, loans and advances to customers grew by £0.8 billion mainly due to the continued success of the credit card business. In addition debt securities grew by £1.6 billion due to the strong inflow of savings balances since the start of Q2 2002, which created additional liquidity.

Total liabilities increased to £9.9 billion as at 30 September 2002 (30 September 2001: £7.3 billion). Customer deposits have increased by £2.2 billion to £8.3 billion due to the strong inflow of funds in 2002 following the launch of the new bonus savings account and the fixed rate bond. This has more than offset the outflows of deposits from the telephone based accounts seen in the latter half of 2001 and first quarter of 2002 as Egg widened margins and encouraged customers online. Wholesale funding increased by £0.3 billion to £1.0 billion as at 30 September 2002.

Capital adequacy ratios at 30 September 2002 were 9.4% (tier 1) and 12.5% (total) (30 September 2001: 13.6% (tier1) and 14.2% (total)).

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UK New Business Figures

	30 Sep 2002	30 Sep 2001	31 Dec 2001
Total Egg Customers [1] [2]	**2,419,695**	1,803,777	1,950,624
Egg Customers by product [1]			
- Credit Card [4]	**1,782,798**	1,214,742	1,368,642
- Savings [3]	**730,526**	625,388	625,720
- Personal loans [3]	**132,000**	97,209	102,727
- Mortgages [3]	**28,887**	23,177	24,827
- Egg Invest [3]	**56,076**	34,477	36,659
- Egg Insure [3]	**62,117**	19,864	23,665
Product balances [1]	£m	£m	£m
- Credit Cards	**2,247**	1,592	1,769
- Egg Savings	**7,930**	5,747	5,656
- Egg Personal Loans	**810**	564	586
- Egg Mortgages	**1,179**	938	1,002
- Prudential Savings	**244**	318	289
- Prudential Mortgages	**1,200**	1,494	1,425
- Prudential Personal Loans	**6**	12	11

Notes:

(1) Cumulative as at the date indicated.

(2) If a customer holds more than one Egg product they are treated as a single customer for the purposes of this line item.

(3) Joint holders are treated as two or more customers.

(4) Includes second cardholders and individuals whose applications have been accepted in principle and who have been allocated a credit limit but for whom the application process has not yet been completed.

Independent review report by KPMG Audit Plc to Egg plc

Introduction

We have been instructed by the company to review the financial information set out on pages 14 to 21 and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The third quarter's report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing interim reports in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to interim figures should be consistent with those applied in preparing the preceding annual accounts except where they are to be changed in the next annual accounts in which case any changes, and the reasons for them, are to be disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4: Review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of Egg plc management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the nine months ended 30 September 2002.

KPMG Audit Plc
Chartered Accountants
22 October 2002
London

Consolidated profit and loss account (Unaudited)

	Existing Operations to 30 September 2002 £m	Acquisitions to 30 September 2002 £m	**Total Nine months to 30 September 2002 £m**	Nine months to 30 September 2001 £m As restated	(Audited) Full year 2001 £m
Interest receivable	466.0	1.1	**467.1**	456.8	604.7
Interest payable	(300.7)	(1.3)	**(302.0)**	(358.5)	(459.0)
Net interest income	165.3	(0.2)	**165.1**	98.3	145.7
Other operating income	68.5	2.0	**70.5**	28.7	43.7
Operating income	233.8	1.8	**235.6**	127.0	189.4
Administrative expenses					
- operational and administrative expenses	(97.5)	(10.4)	**(107.9)**	(98.3)	(132.0)
- brand and marketing costs	(26.6)	(2.5)	**(29.1)**	(27.7)	(35.8)
- development costs	(15.6)	(7.5)	**(23.1)**	(12.2)	(16.7)
Depreciation and amortisation	(14.3)	(1.2)	**(15.5)**	(15.3)	(19.6)
Provisions for bad and doubtful debts	(60.4)	(0.6)	**(61.0)**	(52.5)	(68.0)
Operating profit/(loss)	19.4	(20.4)	**(1.0)**	(79.0)	(82.7)
Share of operating loss of joint ventures			**(0.1)**	-	(0.1)
Share of Associates losses			**(2.8)**	(2.8)	(5.0)
Loss on ordinary activities before tax			**(3.9)**	(81.8)	(87.8)
Tax (charge)/credit on loss on ordinary activities			**(5.2)**	18.4	25.7
Retained loss for the financial period			**(9.1)**	(63.4)	(62.1)
Basic and diluted loss per share (pence per share)			**(1.1p)**	(7.8p)	(7.6p)

All of the group losses arise from continuing operations.

The acquisitions column relates to the results of Egg SA (formerly Zebank SA) for the period from date of acquisition (22 May 2002) to 30 September 2002 plus the incremental costs incurred in the development of Egg France and the results of the Fundsdirect group for the period post-acquisition (23 March 2002).

The results for the period to 30 September 2001 have been restated for the prior year adjustment in respect of the implementation of Financial Reporting Standard 19 'Deferred Taxation.' The Group has no other recognised gains or losses apart from those reflected in the above profit and loss account.

Consolidated balance sheet (Unaudited)

	30 September 2002 £m	30 September 2001 £m As restated	(Audited) December 2001 £m
Assets			
Cash and balances at central banks	**13.0**	7.9	9.1
Loans and advances to banks	**173.3**	13.2	67.2
Securities purchased under agreement to resell	**43.3**	-	-
Loans and advances to customers	**5,324.5**	4,532.0	4,712.4
Debt securities	**4,578.9**	3,017.7	3,060.9
Shares in joint ventures	**0.8**	1.0	0.9
Investment in associated undertakings	**8.5**	10.5	9.7
Intangible fixed assets	**7.0**	-	-
Tangible fixed assets	**64.1**	56.3	54.5
Own shares	**2.2**	2.2	2.2
Deferred tax	**17.1**	14.2	14.8
Other assets	**86.5**	74.8	77.4
Prepayments and accrued income	**84.6**	83.6	74.5
Total assets	**10,403.8**	7,813.4	8,083.6
Liabilities			
Deposits by banks	**156.8**	49.2	4.8
Securities sold under agreements to repurchase	**42.0**	155.8	384.2
Customer accounts	**8,263.6**	6,060.8	5,944.5
Debt securities issued	**988.5**	710.3	915.0
Other liabilities	**145.5**	96.5	108.5
Accruals and deferred income	**137.2**	143.1	127.1
Subordinated liabilities			
- Dated loan capital	**201.7**	123.6	123.6
Total liabilities	**9,935.3**	7,339.3	7,607.7

	30 September 2002 £m	30 September 2001 £m As restated	(Audited) December 2001 £m
Shareholders' funds			
Called up share capital	**410.1**	409.6	409.6
Share premium account	**107.3**	106.2	106.2
Capital reserve	**359.7**	359.7	359.7
Profit and loss account	**(408.6)**	(401.4)	(399.6)
Shareholders' funds (all attributable to equity interests)	**468.5**	474.1	475.9
Total liabilities and shareholders' funds	**10,403.8**	7,813.4	8,083.6

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Consolidated Cash Flow (Unaudited)

	Nine months to 30 September 2002	Nine months to 30 September 2001	(Audited) Full year 2001
	£m	£m	£m
		As restated	
Net cash inflow/(outflow) from operating activities	**1,520.6**	(792.1)	(763.4)
Return on investments and servicing of finance	**(7.8)**	(2.2)	(4.4)
Taxation:			
Group relief received	**8.3**	18.4	31.5
Capital expenditure and financial investment:			
Purchase of tangible fixed assets	**(16.0)**	(8.8)	(11.3)
Purchase of investments	**(4,556.9)**	(1,342.0)	(2,411.4)
Sale of investments	**3,129.1**	2,011.4	3,039.5
Net cash (outflow)/inflow from capital expenditure and investment	**(1,443.8)**	660.6	616.8
Acquisition and disposals			
- Purchase of subsidiary	**(28.4)**	-	-
- Purchase of associated undertaking	**(1.6)**	(1.0)	(1.7)
- Purchase of joint venture undertaking	**-**	(1.0)	(1.0)
Net cash outflow from acquisitions and disposals	**(30.0)**	(2.0)	(2.7)
Financing:			
Issue of dated loan capital	**78.1**	123.6	123.6
Issue of share capital	**1.6**	0.2	0.2
Net cash inflow from financing	**79.7**	123.8	123.8
Increase/(decrease) in net cash	**127.0**	6.5	1.6

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Reconciliation of loss before tax to net operating cash flows (Unaudited)

	Nine months to 30 September 2002 £m	Nine months to 30 September 2001 £m As restated	(Audited) Full year 2001 £m
Operating loss	**(1.0)**	(79.0)	(82.7)
(Increase)/decrease in accrued income and prepayments	**(8.0)**	36.1	45.2
Increase/(decrease) in accruals and deferred income	**7.1**	(29.0)	(45.0)
Provision for bad and doubtful debts	**36.3**	25.4	38.3
Profit on sale of financial investment	**(6.7)**	(0.9)	(0.9)
Depreciation and amortisation	**31.6**	24.3	30.2
Interest on subordinated liabilities	**7.8**	2.2	4.4
Net cash inflow/(outflow) from trading activities	**67.1**	(20.9)	(10.5)
Net increase in loans and advances to banks and customers	**(608.4)**	(591.3)	(844.7)
Net increase in securities purchased under agreements to resell	**(43.3)**	-	-
Net increase/(decrease) in deposits by banks and customer accounts	**2,314.3**	(1,023.4)	(1,184.1)
Net (decrease)/increase in securities sold under agreements to repurchase	**(342.2)**	155.8	384.2
Net increase in debt securities in issue	**73.5**	710.3	915.0
Net decrease/(increase) in other assets	**31.2**	(14.9)	(27.5)
Net increase/(decrease) in other liabilities	**28.3**	(30.7)	0.9
Net increase in items in the course of collection	**1.3**	23.0	3.3
Other non-cash movements	**(1.2)**	-	-
Net cash inflow/(outflow) from operating activities	**1,520.6**	(792.1)	(763.4)

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Reconciliation of movement in shareholders' funds (Unaudited)

	Nine months to 30 September 2002	Nine months to 30 September 2001	(Audited) Full year 2001
	£m	£m	£m
		As restated	
Retained loss for the financial period	**(9.1)**	(63.4)	(62.1)
Exchange translation adjustment	**(0.9)**	-	-
Increase in share capital	**0.5**	0.1	0.1
Share premium	**1.1**	0.1	0.1
Other movements	**1.0**	1.8	2.3
Net decrease in shareholders' funds	**(7.4)**	(61.4)	(59.6)
Opening shareholders' funds	**475.9**	535.5	535.5
Closing shareholders' funds	**468.5**	474.1	475.9

Notes on financial information

a) The financial information has been prepared on the basis of the accounting policies set out on pages 57 to 59 of the Egg plc Annual Report and Accounts for the year ended 31 December 2001 and are unchanged for the period to 30 September 2002.

b) The results for the nine-month periods ended 30 September 2002 and 30 September 2001 are unaudited. The comparatives for the full year to 31 December 2001 have been taken from the audited financial statements contained in the Annual Report and Accounts.

c) Group operating profit/(loss) is stated after charging provisions for bad and doubtful debts of £61.0 million (30 September 2001 - £52.5 million). The balance sheet provisions for bad and doubtful debts and movements thereon were:

	General	Specific	**Total**
	£m	£m	**£m**
Balance at 1 January 2002	27.4	53.4	**80.8**
Amounts written off	-	(24.8)	**(24.8)**
New and additional provisions	6.5	54.5	**61.0**
Net charge against profit and loss	6.5	54.5	**61.0**
Other movements	-	2.8	**2.8**
Balance at 30 September 2002	33.9	85.9	**119.8**
Balance at 30 September 2001	34.9	33.0	**67.9**

Provisions at 30 September 2002 were 2.2% of advances to customers (30 September 2001: 1.5%). Please note that the formulated provision has now been included within the specific provision to reflect the increasing amount of empirical evidence available on which the provision is based. Please note that the other movements amount of £2.8 million relates to the opening bad debt provision balance for Zebank (acquired during the period).

d) The taxation (charge)/credit assumes a UK corporation tax rate of 30% (September 2001: 30%) and comprises:

	Nine months to 30 September 2002	Nine months to 30 September 2001 As restated
	£m	£m
Corporation tax (payable)/Group relief receivable	**(5.2)**	18.4

e) Basic loss per share of 1.1p (30 September 2001: 7.8p as restated) is calculated by dividing the consolidated loss after tax for the financial period of £9.1 million (30 September 2001: £63.4 million loss after tax as restated) by the weighted average of 814.0 million (30 September 2002: 812.9 million) ordinary shares in issue during the period. Fully diluted loss per share of 1.1p (30 September 2001: 7.8p as restated) is calculated by dividing the profit after tax for the financial period of £9.1 million (30 September 2001: £63.4 million loss after tax as restated) by the weighted average of 815.2 million (30 September 2001: 814.0 million) ordinary shares and options in issue during the period.

f) Egg's share of the gross assets and liabilities in respect of joint venture undertakings are as follows:

	30 September 2002	30 September 2001
	£million	£million
Gross assets	**3.1**	3.2
Gross liabilities	**(2.3)**	(2.2)
Shares in joint ventures	**0.8**	1.0

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Average Balance Sheet (Group)

(£m, except percentages)

	Nine months to 30 September 2002		Nine months to 30 September 2001		Year ended 31 December 2001	
	Avg. Balance	**Avg. Rate %**	Avg. Balance	Avg. Rate %	Avg. Balance	Avg. Rate %
Assets						
Wholesale assets	4,009	4.73	3,271	6.02	3,225	5.90
Mortgages	2,397	5.04	2,453	6.50	2,448	6.26
Personal loans	658	9.52	520	9.86	538	9.73
Credit cards	2,018	8.77	1,377	6.87	1,443	7.38
Total average interest-earning assets	9,082	6.06	7,621	6.58	7,654	6.56
Fixed assets	56		59		58	
Other assets	80		192		159	
Total assets	9,218		7,872		7,871	
Liabilities						
Customer accounts	6,794	3.74	6,557	5.15	6,413	4.89
Wholesale liabilities and subordinated debt	1,599	4.94	491	4.90	629	5.03
Total average interest-bearing liabilities	8,393	3.88	7,048	5.13	7,042	4.86
Other liabilities	348		324		371	
Total liabilities	8,741		7,372		7,413	
Shareholders' funds	477		500		458	
Total liabilities and shareholders funds	9,218		7,872		7,871	

Note: The above analysis represents interest earned or borne on on-balance sheet assets and liabilities only.

Average Yields (Group)

	Nine months ended 30 September 2002 Average rate %	Nine months ended 30 September 2001 Average rate %	Year ended 31 December 2001 Average rate %
Interest income as a percentage of average interest-earning assets	6.06	6.58	6.56
Interest expense as a percentage of average interest-bearing liabilities	3.88	5.13	4.86
Interest spread	2.18	1.45	1.70
Net interest margin	2.41	1.85	1.90

ends

<u>For further information:</u>

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Notes to Editors:

1. Egg plc is Europe's leading e-commerce financial services company, providing banking, insurance, investments, mortgages and a shopping portal through its Internet site and other distribution channels.

2. Egg plc floated on 12 June 2000 raising proceeds of approximately £150 million and is listed on the London Stock Exchange. Prudential plc continues to hold 79% of the share capital.