NEWS RELEASE

1st Quarter Results

12/6/2011

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Wolseley PLC

06 December 2011

WOLSELEY PLC

Interim Management Statement for the 3 months to 31 October 2011

6 December 2011

Quarter ended 31 October (£m)	2011	2010	Growth	**Like-for-like Growth**1
Revenue	3,641	3,471	+5%	+5%
Gross profit	988	938	+5%	
Trading profit2	185	159	+16%	

1 Like-for-like growth is defined as the increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, sales days and branch openings and closures.

2 Trading profit is defined as operating profit before exceptional items and the amortisation and impairment of acquired intangibles.

First quarter highlights

§ Like-for-like revenue growth of 5%.

§ Gross margin of 27.1% was 0.1% ahead of last year.

§ Trading profit was 16% ahead at £185 million.

§ Adjusted net debt of £587 million, £118 million lower than 31 July 2011.

§ Sold Encon in the quarter, and completed the disposals of Build Center and our minority stake in Stock Building Supply in November.

§ Completed two acquisitions in the quarter and one in November, in the USA, with aggregate annual revenue of £88 million for consideration of £29 million.

Commenting on the trading outlook, Ian Meakins, Chief Executive said:

"Wolseley has continued to grow well, with strong growth in the USA offset by lower growth in some of our European businesses. Given continuing macroeconomic uncertainty, trading conditions may get tougher in the coming months. We will remain vigilant on costs and continue to drive performance improvements, strong cash conversion and better customer service. Our balance sheet is strong and the Group is well positioned to continue to invest selectively where we can generate good returns."

First quarter trading performance

During the quarter the Group generated revenue of £3,641 million, 5% ahead of last year. The gross margin of 27.1% was 0.1% ahead of last year, despite increasing pricing pressure. We have grown market share in the key regions and continue to implement initiatives to protect margins. Operating costs were £24 million higher than last year, including the previously announced increases in employee share scheme expenses and pension contributions of £10 million. Headcount remains in line with the year-end position and the Group remains on target to extract all residual costs within 12 months of the completion of disposals. Trading profit of £185 million was £26 million higher than last year including £5 million of one-off credits, primarily from property disposals, and £3 million from businesses sold or held for sale. The Group also benefitted from an extra trading day in the USA, UK, Nordics and Canada which contributed £7 million of trading profit. Movements in foreign exchange rates added £29 million (0.8%) to revenue and £2 million to trading profit in the quarter.

Disposals

On 31 October 2011 the Group disposed of Encon, the UK insulation business, which generated revenue of £183

million and trading profit of £5 million in the year ended 31 July 2011. Cash consideration of £20 million was paid on completion with a further £22 million satisfied through the issue of loan notes repayable in 2016. On 4 November 2011 the disposal of Build Center was completed as previously announced, and on 17 November 2011 the Group disposed of its remaining minority stake in Stock Building Supply for cash consideration of £15 million.

Geographic analysis of revenue

Quarter ended 31 October (£m)	2011 Revenue	2010 Revenue	Growth	Like-for-like Growth
USA	1,531	1,383	+11%	+10%
Canada	235	225	+4%	+2%
UK	591	633	(7%)	(3%)
Nordic	623	576	+8%	+2%
France	455	434	+5%	+3%
Central Europe	206	220	(6%)	+1%
	3,641	3,471	+5%	+5%

Geographic analysis of trading profit

Quarter ended 31 October (£m)	2011 Trading Profit	2010 Trading Profit	Growth

USA	99	80	+24%
Canada	17	16	+6%
UK	24	30	(20%)
Nordic	39	35	+11%
France	2	-	-
Central Europe	14	12	+17%
Central and other costs	(10)	(14)	-
	185	159	+16%

Within these results the contributions from businesses that have been sold or are held for sale were as follows:

Quarter ended 31 October (£m)	2011 Revenue	2010 Revenue	2011 Trading Profit	2010 Trading Profit
UK (Brandon, Build, Electric, Encon, Ireland)	142	179	3	6
France (Brossette, TP)	153	145	-	-
Central Europe (Italy)	-	28	-	-
	295	352	3	6

Quarterly like-for-like revenue growth trend by region

	Q1 Last year	Q2 Last year	Q3 Last year	Q4 Last year	Q1 This year
USA	+6%	+11%	+10%	+7%	+10%
Canada	+7%	+4%	-	(2%)	+2%
UK3	+5%	+8%	+1%	(2%)	(3%)
Nordic	+4%	+4%	+6%	+2%	+2%
France	+2%	+2%	+8%	+4%	+3%
Central Europe	(3%)	(4%)	-	+1%	+1%
	+4%	+7%	+6%	+3%	+5%

3 Excluding the lost contract in Q2 last year, the like-for-like growth rate in Q1 this year was +1%.

USA

In the USA like-for-like revenue growth was 10% as all of the key businesses continued to take market share. While Residential and RMI markets were broadly flat, the Blended Branches business continued to generate strong like-for-like revenue growth and improved gross margins which contributed to good profit flow through. The Industrial and Waterworks businesses also made good progress growing strongly and improving their trading performance. Growth was weaker in the Heating, Ventilation and Air Conditioning business reflecting the removal of government tax incentives which expired in December 2010. The B2C business continued to perform strongly. Trading profit of £99 million was £19 million ahead of last year.

Two bolt-on acquisitions were completed during the period including SG Supply, a single location Blended Branch in Chicago, and Louisianna Chemical Pipe, Valve & Fitting an industrial PVF business with three locations based in Baton Rouge. Groeniger & Co., California's leading pipeline materials supplier for the residential, commercial and public works sectors, with 8 branches, was acquired in November 2011.

Canada

Canada grew by 2% on a like-for-like basis. Blended Branches and HVAC improved their performance. The Waterworks businesses was lower largely as a result of the removal of government stimulus incentives. The Industrial business continued to benefit from the buoyant oil, gas and mining sector and made good progress. Trading profit of £17 million was £1 million ahead of last year.

UK

Like-for-like revenue in the UK declined 3%. Excluding the impact of the contract loss last year, like-for-like growth was 1% as Plumb and Parts Center worked to replace lost business in weak construction markets. Pipe and Climate and Drain Center performed well generating strong growth and improving their performance. Bathstore revenues continued to be lower than last year. Trading profit for the quarter was £24 million which was £6 million below last year, £3 million of which was due to disposals. Trading profit included £1 million of one-off credits relating to the profit on disposal of surplus property (2010: £2 million).

Nordics

In the Nordic region like-for-like revenue increased by 2%. All the Nordic countries continued to grow despite slowing markets, with Denmark and Norway outperforming Sweden and Finland and also growing market share. Trading profit of £39 million was £4 million ahead of last year, including £2 million of one-off credits and £1 million of foreign exchange gains.

France

Like-for-like revenue in France grew by 3%. New construction markets weakened in the period. Reseau Pro performed in line with the market and was able to mitigate intense pricing pressure and improve gross margins. Wood Solutions generated decent growth in the period. Trading profit was £2 million in the quarter and included £2 million of one-off profits on disposal of surplus property.

Central Europe

In Central Europe like-for-like revenue in the ongoing business grew by 1%. Gross margins were ahead due to the benefit of the strong Swiss franc. The plumbing and heating business in Austria generated higher revenues and improved gross margins in the period. Performance was weaker in Holland where the Group continues to focus on lowering the cost base. Trading profit of £14 million in the quarter was £2 million ahead of last year, including £1 million of foreign exchange gains.

Mislabelled product customer notification

Ferguson is today writing to certain customers in the USA and Canada in relation to the unintentional supply of

gaskets which were mislabelled by a former supplier, Lortech Rubber Inc. of Canada as being non-asbestos. Four customers have found asbestos in gaskets above the 1% level at which they can be classified as non-asbestos. Ferguson's independent expert advisers have conducted tests and consulted published scientific studies to confirm that no health or safety risk arises from the handling, installation and use of the gaskets. Well-established protocols are maintained by the US Occupational Safety and Health Administration to ensure the safe removal of all types of gaskets. Industry experts recommend that installed gaskets remain in place for the remainder of their lives. The performance of the gaskets is not affected and the supply of these products in the USA and Canada is legal. Lortech has not cooperated with Ferguson and it has not been possible to determine the number of asbestos-containing gaskets that they supplied. Between 2006 and 2009 Ferguson bought 1.2 million gaskets from them. Millions of asbestos gaskets are in use in commercial, industrial and public applications today.

Financial position

Adjusted net debt at 31 October 2011 was £587 million (31 October 2010: £1,000 million). Proceeds from the sale of Build Center and the minority stake in Stock Building Supply were received after the end of the quarter. There has been no other significant change in the financial position of the Group.

For further information please contact

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Investor conference call

A conference call with John Martin, CFO will commence at 9am UK time on 6 December 2011. The call will be recorded and available on our website after the event **www.wolseley.com**.

Dial in number:	UK	+44 (0)20 7784 1036
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Ask for the Wolseley call quoting **4052380**

Notes to editors

Wolseley plc is the world's largest specialist trade distributor of plumbing and heating products to professional contractors and a leading supplier of building materials in North America, the UK and Continental Europe. Group revenue for the year ended 31 July 2011 was £13.6 billion and trading profit was £622 million. Wolseley has around 44,000 employees operating in 23 countries and is listed on the London Stock Exchange (LSE: WOS) and is in the FTSE 100 index of listed companies.

The Group will issue its interim results on Tuesday 27 March 2012.

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Certain information included in this announcement is forward-looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the plumbing and heating and building materials market in North America and Europe, fluctuations in product prices and changes in exchange and interest rates. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "believes", "estimates", "anticipates", "expects", "forecasts", "intends", "plans", "projects", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. All forward-looking statements in this announcement are based upon information known to the Company on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure

and Transparency Rules of the Financial Services Authority), the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws

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