NEWS RELEASE

Continental Europe

7/17/2012

Wolseley's strategy is to focus on businesses where it can establish leading positions in attractive markets and consistently generate good returns for shareholders. In this context, we have decided to explore strategic options for the future of our businesses in France. In the year ended 31 July 2011 the businesses generated revenue of £1.3 billion and employed net assets of approximately £500 million, including £136 million of goodwill. In light of this review the appropriate carrying value of these assets will be assessed at year-end and this is likely to give rise to a non-cash impairment charge. This announcement is being made in order to enable us to commence consultation with our employees in France.

In our Q3 IMS we reported difficult market conditions in Continental Europe and these conditions have continued. We continue to take appropriate actions to reduce our cost base and, in line with previous guidance, we have incurred one-off restructuring costs of approximately £20 million since 1 August 2011. As previously stated, it is likely that these costs will be charged to trading profit. In Denmark, where we have strong market positions, trading conditions have remained challenging and we will review the carrying value of goodwill and intangible assets of £393 million associated with this business. This is also likely to give rise to a non-cash impairment charge.