NEWS RELEASE

Disposal

1/11/2010

RNS Number : 2899F

Wolseley PLC

08 January 2010

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WOLSELEY ANNOUNCES DISPOSAL OF IRISH BUSINESSES

Wolseley announced today that it has agreed to dispose of 100% of its shareholding in Wolseley Ireland Holdings Limited (WIHL) to WIBHM Limited, a private investor backed company, for total consideration of €26.5 million (£23.8 million). Cash consideration of €6.5 million (£5.8 million) was paid on completion. The balance of €20 million (£18 million) will be satisfied through a loan note issued in favour of Wolseley at a coupon of 10%, to be repaid within one year. Under the terms of the agreement, Wolseley has agreed to fund the deficit in the Northern Ireland pension scheme (currently estimated to be €5.5 million (£4.9 million)), and this will be repaid by the purchaser by means of a separate loan note with a coupon of 3%. Repayments under this loan note will start at the end of its second year, at a rate of €1.5 million (£1.3 million) per annum. The balance of any deficit still remaining in the fifth year will be repaid in full. Both loan notes are secured in full on WIHL freehold property assets in Ireland.

WIHL comprises the Company's entire interest in the Republic of Ireland including the Heat Merchants, Brooks, Tubs and Tiles and Encon Ireland trading brands and also includes the Brooks business in Northern Ireland. The combined businesses operate through a network of 67 branches and approximately 650 employees.

Wolseley is disposing of the businesses in line with its strategy of focusing its activities where we have built sufficient scale, established leading market positions and can deliver an appropriate financial return. In the year ended 31 July 2009, the businesses had combined sales of €237 million (£204 million) and underlying operating losses of €34 million (£30 million). On a pro forma basis, sales for the 5 months ended 31 December 2009 were €75 million (£67 million) and underlying operating losses were €5 million (£4.6 million). Net assets at completion are estimated at €73 million (£66 million) and the exceptional pre tax loss on disposal, excluding any recycling of currency translation from reserves arising from the transaction is estimated to be around €55 million (£50 million).

Commenting on the disposal, Ian Meakins, chief executive of Wolseley, said:

"I am confident that the transaction we have concluded with WIBHM Limited represents a good outcome for Wolseley's shareholders. It will also enable us to bring an even greater degree of focus on driving performance improvement in our core UK businesses."

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About Wolseley

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 2009 was approximately £14.4 billion and operating profit, before exceptional items and the amortisation and impairment of acquired intangibles, was £447 million. At 31 July 2009 Wolseley had around 51,000 employees operating in 27 countries namely: UK, USA, France, Canada, Ireland, Italy, The Netherlands, Switzerland, Austria, Czech Republic, Hungary, Belgium, Luxembourg, Denmark, Sweden, Finland,

Norway, Slovak Republic, Poland, Romania, San Marino, Panama, Puerto Rico, Trinidad & Tobago, Mexico, Barbados and Greenland. Wolseley is listed on the London Stock Exchange (LSE: WOS) and is in the FTSE 100 index of listed companies.

This information is provided by RNS
The company news service from the London Stock Exchange

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