



NEWS RELEASE

FY11 Half Year Results

3/29/2011

Results for the half year to 31 January 2011

£m	H1 2011	H1 2010	Growth	Like-for-like Growth(1)
Revenue	6,629	6,331	+5%	+5%
Trading profit(2)	275	167	+64%	
Profit / (loss) before tax	195	(261)		
Adjusted net debt(3)	933	1,447		
Basic EPS	47p	(79p)		
Headline EPS(2)	60p	24p		
Dividend per share	15p	-		

(1)The increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, sales days and branch openings and closures.

(2)Before exceptional items and the amortisation and impairment of acquired intangibles.

(3)Including receivables financing and construction loan debt and an adjustment for the estimated impact of period end working capital measures taken.

Financial Highlights

- Revenue increased by 5% on a like-for-like basis.
- Gross margin was 0.2% higher than last year at 27.7% despite challenging conditions.
- Trading profit of £275 million was 64% ahead of last year.
- Good cash generation with adjusted net debt reduced by £262 million since 31 July 2010.
- Dividend reinstated - interim dividend declared of 15 pence per share.

Operating Highlights

- Improved trading profit and operating leverage in all geographies.
- Completed three small bolt-on acquisitions.
- Completed the disposal of Italy after the end of the period.

Ian Meakins, Chief Executive commented on trading and outlook:

“This was a good first half performance, driven principally by resilient RMI markets and the considerable attention that we have paid to improving customer service, protecting gross margins and controlling costs. Construction markets have now broadly stabilised in most of our geographies, particularly the new residential and RMI segments in the USA. The overall macro-economic environment in several regions continues to be fragile and pricing competition remains intense. The impact of recent VAT increases and government spending cuts leaves the outlook in the UK more uncertain.

We continue to maintain our emphasis on protecting market share and gross margins while keeping a tight control on the cost base to maximise operating leverage. The Group expects to continue to grow in the second half of the year, though the comparatives will now be much more demanding. The reinstatement of the dividend reflects the strength of our balance sheet and our confidence in the future trading prospects of the Group.”

There will be an analyst and investor meeting at 0930 (UK time) today at The Brewery, Chiswell Street, London, EC1Y 4SD. A live audio-cast and slide presentation of this event will be available on our website. We recommend you

register at 0915. Photographs are available at www.newscast.co.uk.

FULL ANNOUNCEMENT

Download the Half Year Results for the six months ended 31 January 2011 (pdf)

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