FERGUSON

NEWS RELEASE

FY12 Half Year Results

3/27/2012

Results for the half year to 31 January 2012

£ million	H1 2012	H1 2011	Change	Like-for-like (3)
Revenue	6,841	6,629	+3%	+5%
Gross profit	1,876	1,833	+2%	
Trading profit (1)	310	275	+13%	
Profit before tax	250	195	+28%	
Headline earnings per share (1)	78p	60p	+30%	
Adjusted net debt (2)	529	933	404	
Dividend per share	20p	15p	+33%	

Financial highlights

- Revenue of £6,841 million, 5% ahead on a like-for-like basis.
- Trading profit of £310 million, 13% ahead of last year.
- Underlying(4) trading profit in the ongoing(4) business of £318 million, 16% ahead of last year.
- Good cash generation with adjusted net debt of £529 million, £404 million better than 31 January 2011. Net debt will be reduced further on completion of the disposal of Brossette.
- Headline earnings per share of 78p, 30% ahead of last year.

- Interim dividend increased by 33% to 20 pence per share.

Operating and corporate highlights

- Continued strong growth in USA and weakness in Europe.
- Gains in productivity and strong flow-through of incremental revenue to trading profit.
- Underlying trading margin for the ongoing businesses of 5.0%, 0.4% higher than last year.
- Six bolt-on acquisitions completed since 1 August 2011 for £41 million with aggregate annual revenue of £100million and invested £6 million in 39 new branches.
- Disposals of Encon, Build Center and residual stake in Stock Building Supply completed.
- Completion of Brossette sale expected shortly.

1. Before exceptional items and the amortisation of acquired intangibles.
2. Including receivables financing and construction loan debt.
3. The increase in revenue excluding the effect of currency exchange, acquisitions and disposals, trading days and branch openings and closures.
4. Throughout this report 'underlying' results exclude the impact of non-recurring charges of £16 million (2011 : £3 million) and 'ongoing businesses' excludes businesses that have been sold or are held for sale.

Ian Meakins, Chief Executive, commented:

"Wolseley has delivered another decent performance, despite challenging economic conditions in Europe, with like-for-like revenue growth of 5 per cent. The underlying gross margin was maintained and our ongoing focus on operational efficiency has delivered further improvements in the trading margin of the ongoing business to 5 per cent. Good cash flow has enabled us to continue to reduce net debt and to invest for future growth. We have completed a number of value-enhancing acquisitions in the US and Nordics and they are being integrated promptly.

"Like-for-like growth trends for the Group since the end of the period have been slightly lower than the first half overall with the US a little better and Europe a little weaker. We will continue to pursue operating efficiencies and remain focused on improving customer service, gaining market share and protecting our gross margins. We will continue to invest selectively in the business where we can exploit growth opportunities and generate good returns.

"An attractive and sustainable dividend is an important element of shareholder returns and we have raised the interim dividend to 20 pence per share, 33 per cent ahead of last year reflecting our confidence in the business."

FULL RESULTS

Download the full Half Year Results (pdf)