NEWS RELEASE

FY13 Half Year Results

3/26/2013

Results for the half year to 31 January 2013

£m	H1 2013	H1 2012	H1 2012 ongoing (1)	Change ongoing (1)	Like-for-like change (3)
Revenue	6,276	6,841	6,269	+0.1%	+2.2%
Gross profit	1,742	1,876	1,713	+1.7%	
Trading profit (2)	324	310	301	+7.6%	
Exceptional items	(87)	(29)			
Profit before tax	199	250			
Headline EPS (2)	80.7p	77.7p		+3.9%	
Dividend per share	22p	20p		+10.0%	
Net debt	871	470			

Ongoing businesses excludes businesses that have been sold or are held for sale.

Before exceptional items and the amortisation of acquired intangibles and with respect to headline earnings per share before non-recurring tax credits.

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

Financial highlights

- Revenue in the ongoing businesses of £6,276 million, 2.2% ahead on a like-for-like basis.
- Gross margin for the ongoing businesses increased to 27.8%.

- Trading profit of the ongoing businesses 7.6% ahead of last year.
- Trading margin for the ongoing businesses of 5.2%, 0.4% higher than last year.
- Net debt of £871 million after £462 million of dividends, £125 million of one-off pension contributions and purchase of £110 million own shares by Employee Benefit Trusts.
- Interim dividend increased by 10% to 22 pence per share.

Operating and corporate highlights

- Continued market share gain and growth in USA, broadly flat in Canada and UK and weakness in Europe.
- European headcount reduced by 990 (7.2%) since 31 July 2012.
- Continued focus on productivity improvements across the Group.
- In France, detailed plans to simplify and refocus Reseau Pro, its Building Materials business, including proposed disposal or closure of up to 40% of its network, to create a strong regional player in the north.
- Four bolt-on acquisitions completed in the period for £120 million with aggregate annual revenue of £245 million.

Ian Meakins, Chief Executive, commented:

"The highlight of these results is the strong performance across our US businesses with market share gains and productivity improvements. Canada and the UK have performed well in continued tough market conditions. We faced substantial headwinds in Europe, and are taking appropriate actions to protect profitability. The underlying gross margin increased and our ongoing focus on operational efficiency has delivered further improvements in the trading margin of the ongoing businesses, now up to 5.2 per cent. Our strong balance sheet has enabled us to continue to reinvest in our businesses at the same time as paying dividends of £462 million. We have completed a number of bolt-on acquisitions in the USA and the UK and they are being integrated successfully."

"We are in advanced negotiations relating to the proposed disposal of 88 Building Materials branches in the south of France, the potential closure of 24 loss making branches and detailed actions to simplify and refocus the remaining Building Materials business in France. We believe these proposals can create a strong regional player in northern France with a better proposition for our customers, a lower cost to serve and an efficient organisational structure."

Commenting on the outlook, Ian Meakins said:

"Like-for-like growth in the third quarter to date has been consistent with the second quarter overall. We continue to see strong growth in the USA, a broadly flat performance in Canada and the UK and very weak conditions in

Europe. We will invest in growth opportunities where they are available and maintain tight control of the cost base in Europe, whilst implementing the strategic proposals we have outlined in France.”

FULL RESULTS

Download full half year results (pdf)