NEWS RELEASE

FY16 Q1 Interim Management Statement

11/10/2015

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Wolseley PLC

10 November 2015

WOLSELEY PLC

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Interim Management Statement for the 3 months to 31 October 2015

Ongoing businesses (1)	Q1	Q1	Change	**Change**	Like-for-like change(3)

£m	2016	2015		(at constant exchange rates)	
Revenue	3,556	3,378	+5.3%	+3.9%	+3.2%
Trading profit (2)	250	236	+6.0%	+3.3%	
Trading days	65	66			
Net debt	990	858			

First quarter highlights for ongoing businesses

§ Revenue 5.3% ahead of last year.

§ Gross margin ahead of last year at 28.0%.

§ Trading profit of £250 million, 6.0% ahead of last year.

§ Net debt at 31 October 2015 of £990 million after purchasing £121 million of own shares.

§ Four bolt-on acquisitions completed in the quarter with total annualised revenue of £98 million.

§ Entered into an exclusivity agreement relating to the disposal of our residual Building Materials activities in France.

Commenting on the results, Ian Meakins, Chief Executive, said:

"Wolseley generated 3.2% like-for-like revenue growth and 5.3% total growth in the first quarter in mixed market conditions. In the US we achieved good growth in decent commercial and residential markets, partly offset by weaker Industrial markets, which account for about 15% of US revenue. We achieved good growth in the Nordics as the steady recovery of construction markets continued, though revenue declined in the UK where the markets remained challenging. Trading profit of £250 million was 6% ahead of Q1 last year. We will remain vigilant on costs and continue to drive performance improvements, strong cash conversion and better customer service."

Group results

During the quarter the Group generated revenue from the ongoing businesses of £3,556 million, 3.9% ahead of last

year at constant exchange rates and 3.2% ahead on a like-for-like basis including about 1.0% price deflation. Trading profit of £250 million was 3.3% higher than last year at constant exchange rates and the trading margin was consistent with last year. There was one fewer trading day in the period versus last year which represents about £6 million of trading profit. Exchange rate movements increased revenue by £45 million and trading profit by £6 million. Central costs of £12 million included a £2 million one-off insurance charge.

(1) 'Ongoing businesses' excludes businesses that have been closed, disposed of or are held for sale.

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

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

Regional analysis

£ million	Revenue Q1 2016	Revenue Q1 2015	Change (at constant exchange rates)	Trading profit Q1 2016	Trading profit Q1 2015	Change (at constant exchange rates)
USA	2,256	2,015	+5.6%	196	174	+6.9%
UK	510	504	+1.2%	19	24	(20.8%)
Nordic	503	541	+2.9%	25	26	+4.8%
Canada	182	209	(2.7%)	13	15	(8.8%)
Central Europe	105	109	(1.4%)	9	8	+4.2%
Central and other costs				(12)	(11)	

Ongoing businesses	3,556	3,378	+3.9%	250	236	+3.3%
Closed, disposed of or held for sale	-	17		-	2	
Group	3,556	3,395		250	238	

Quarterly like-for-like revenue growth

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
USA	+12.4%	+11.1%	+8.3%	+7.1%	+4.5%
UK	+0.5%	+3.4%	+7.6%	+3.1%	(1.1%)
Nordic	+1.9%	+5.4%	+8.8%	+6.4%	+5.5%
Canada	+3.6%	+3.1%	(1.9%)	(5.8%)	(3.7%)
Central Europe	(7.0%)	+4.6%	+1.0%	(3.4%)	(1.2%)
Ongoing businesses	+7.5%	+8.4%	+7.5%	+5.4%	+3.2%

USA

Ferguson, our US plumbing and heating business, grew revenue by 4.5% on a like-for-like basis against strong prior year comparatives of 12.4%. Blended Branches, Heating, Ventilation and Air Conditioning, Fire and Fabrication and B2C all generated good like-for-like revenue growth. Industrial markets, which represent 15% of Ferguson's revenues, continued to be impacted by a weak oil and gas sector and the strength of the US dollar. Acquisitions contributed another 1.8% of revenue growth. Trading profit of £196 million was £22 million ahead of last year including £10 million of favourable exchange rate movements. Four bolt-on acquisitions were completed in the quarter with total annualised revenue of £98 million.

UK

Like-for-like revenue in the UK was 1.1% lower. Repairs, maintenance and improvement markets remained weak. The acquisitions made last year contributed a further 4.0% to revenue growth. Gross margins were weaker and costs included some additional investment in marketing and IT capability. Trading profit for the period was £19 million, £5 million behind last year.

Nordics

In the Nordic region like-for-like revenue was 5.5% ahead with growth in each country. Gross margins were broadly consistent with last year. Trading profit in constant currency was £1 million ahead, though the adverse impact of exchange rates was £2 million.

Canada

Like-for-like revenue in Canada was 3.7% lower due to the impact of oil and gas in the West. Gross margins were ahead and costs were in line. Trading profit of £13 million was £2 million lower principally due to unfavourable movements in exchange rates. Actions are being taken to lower the cost base to mitigate the lower activity levels.

Central Europe

In Central Europe like-for-like revenue declined by 1.2%. Market conditions remained weak in Switzerland. Gross margins were in line and costs were lower with trading profit £1m ahead of last year at £9 million.

Financial position

Net debt at 31 October 2015 was £990 million (31 October 2014: £858 million) after purchasing 3.2 million shares for £121 million at an average price of £37.45 per share in accordance with the share buyback programme announced in September. There have been no other significant changes in the financial position of the Group. The final ordinary dividend of 60.5 pence per share will be paid on 3 December 2015.

Outlook

Given the short period of time that has elapsed since the Group's year end results on 29 September 2015, there is no significant change to the Company's guidance given on that day. Overall, Wolseley expects to make continued progress in 2016.

Investor and analyst day

On 12 November 2015 Wolseley is hosting an Analyst and Investor Day in Secaucus, New Jersey commencing at 13.00 UK time. The event will provide an update on the strategy of Ferguson. This will include a series of presentations by the Ferguson leadership team led by Frank Roach, US CEO, on the strategic initiatives throughout the business which generated record trading margins in 2015 of 8.2%. The management presentations are being webcast live at **www.wolseley.com**.

For further information please contact

Wolseley plc

John Martin, Chief Financial Officer	Tel:	+41 (0) 41723 2230
Mark Fearon, Director of Corporate Communications and IR	Mobile:	+44 (0) 7711 875070

Brunswick (Media Enquiries)

Michael Harrison, Nina Coad	Tel:	+44 (0)20 7404 5959

Investor conference call

A conference call with John Martin, CFO, will commence at 09.00 UK time today. The call will be recorded and available on our website after the event **www.wolseley.com**.

Dial in number	UK:	+44 (0)20 3427 1914
	Switzerland:	+41 (0)22 592 7953

Ask for the Wolseley call quoting **8453840.**

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, operating in North America, the UK and Continental Europe. Ongoing revenue for the year ended 31 July 2015 was £13,300 million and ongoing trading profit was £857 million. Wolseley has about 38,500 employees and is listed on the London Stock Exchange (LSE: WOS) and is in the FTSE 100 index of listed companies. For more information, please visit **www.wolseley.com** or follow us on Twitter **https://twitter.com/wolseleyplc**.

Financial Calendar

US Investor day (Secaucus, NJ)	12 November 2015
Annual General Meeting	1 December 2015
Half Year Results	22 March 2016

Q3 IMS 1 June 2016

Full Year Results 27 September 2016

Certain information included in this announcement is forward-looking and involves risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied by forward-looking statements. Forward-looking statements cover all matters which are not historical facts and include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of expected future revenues, financing plans, expected expenditures and divestments, risks associated with changes in economic conditions, the strength of the plumbing and heating and building materials market in North America and Europe, fluctuations in product prices and changes in exchange and interest rates. Forward-looking statements can be identified by the use of forward-looking terminology, including terms such as "believes", "estimates", "anticipates", "expects", "forecasts", "intends", "plans", "projects", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. All forward-looking statements in this announcement are based upon information known to the Company on the date of this announcement. Accordingly, no assurance can be given that any particular expectation will be met and readers are cautioned not to place undue reliance on forward-looking statements, which speak only at their respective dates. Additionally, forward-looking statements regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules, the Prospectus Rules, the Disclosure Rules and the Transparency Rules of the Financial Conduct Authority), the Company undertakes no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this announcement shall exclude any liability under applicable laws that cannot be excluded in accordance with such laws.

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