

## Final results for the year ended 31 July 2011

10/4/2011

	£m	2011	2010	Change	Like-for-like change (3)
Revenue		13,558	13,203	+3%	+5%
Gross profit		3,782	3,655	+3%	
Trading profit (1)		622	450	+38%	
Profit/loss before tax		391	(328)		
Headline earnings per share (1)		143p	74p	+93%	
Adjusted net debt (2)		705	1,195		
Dividend per share		45p	-		

(1) Before exceptional items, the amortisation and impairment of acquired intangibles and non-recurring tax credits.

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

(3) 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 of £13,558 million, 3% ahead of last year and 5% ahead on a like-for-like basis.

- Gross margin 20 basis points higher despite challenging trading conditions.
- Trading profit of £622 million, 38% ahead of last year.
- Adjusted net debt £490 million better than last year.
- Final dividend of 30 pence per share - total dividend for the year 45 pence per share.

#### Operating and corporate highlights

- Improved trading profit and gross margins in most businesses driven by better customer service and employee engagement.
- Five small bolt-on acquisitions in the USA and Denmark since last year.
- Disposal of non-core businesses largely completed.
- Redomicile to Switzerland completed.
- Refinancing of £822 million revolving credit facilities completed with significant reduction in future finance charges.
- Planned capital investment of £160 million including 90 new branches.

#### Ian Meakins, Chief Executive, commented:

“We have delivered another decent set of results despite challenging economic conditions, with better customer service driving sales and strong trading profit growth. Our ongoing focus on market share gains, protecting gross margins and tightly controlling cost led to a £172 million improvement in trading profit and trading margins 120 basis points ahead. Our disposal programme is now substantially complete, enabling us to focus on our great businesses in attractive markets.”

#### Commenting on the outlook, Ian Meakins, Chief Executive said:

“We continued to grow our business and revenue growth trends in August and September have been similar to the fourth quarter last year. However, recent economic forecasts have weakened and over time this is likely to have an impact on our markets. Wolseley is in good shape: we have strong market positions in large attractive markets with an effective business model and significant opportunities for growth.

“The business is highly cash generative and borrowings are at a 10 year low. We expect to increase investment in the business where we can generate good returns. Operationally, we will remain focused on improving the service to our customers and developing our strategy to gain market share and protect margins. In the current environment, we will remain cautious on the cost base.”

There will be an analyst and investor meeting at 0930 (UK time) today at Deutsche Bank, The Auditorium, 1 Great

Winchester Street, London EC2N 2DB. A live audio cast and slide presentation of this event will be available on [www.wolseley.com](http://www.wolseley.com). We recommend you register at 0915. Photographs are available at [www.newscast.co.uk](http://www.newscast.co.uk).

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FULL ANNOUNCEMENT

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