NEWS RELEASE

Interim Management Statement

5/14/2010

Third quarter results to 30 April 2010

£ million	Q3 2010	Q3 2009	Growth	YTD 2010	YTD 2009	Growth
Revenue	3,252	3,503	(7%)	9,583	10,962	(13%)
Gross profit	904	957	(6%)	2,645	3,029	(13%)
Trading profit (1)	101	48	+112%	268	297	(10%)

1 Trading profit is defined as operating profit before exceptional items and the amortisation and impairment of acquired intangibles

Third quarter highlights

- Revenue declined 7%, like for like decline of 2%.
- Gross margin of 27.8%, ahead of Q3 2009, flat year to date compared to last year.
- Distribution and administration costs £106 million better than last year.
- Strong trading profit growth to £101 million as gross profit shortfall more than offset by improved cost base.
- Net debt at 30 April 2010 of £1,067 million.

Outlook

- New residential and RMI markets are expected to continue to improve.
- Commercial markets are expected to continue to decline.
- The current economic environment provides limited long term visibility.
- Group trading profit for the year to 31 July 2010 is expected to exceed the current analysts' consensus forecast of £374 million.

Commenting on third quarter trading, Ian Meakins, Chief Executive said:

"Demand across the markets in which we operate remains mixed though most markets continue to stabilise. The UK and Canada generated like for like revenue growth and the revenue trend is encouraging in the USA. Our focus remains on improving customer service, maintaining market share and margins, driving efficiencies in our cost base and cash generation."

Third quarter trading performance

During the quarter the Group generated revenue of £3,252 million. This was 7% below last year, though the decline was restricted to 2% on a like for like basis. The gross margin at 27.8% in the quarter was 0.5% higher than last year, and the year to date margin was level as a result of a continued focus across the business on improving customer and product mix. Trading profit of £101 million was £53 million higher than last year. Last year's figure included £17 million of non-recurring losses in relation to disposed businesses, and the remainder of the improvement was the result of the improved cost base, £106 million better than last year, which more than offset the gross profit shortfall. The net impact of non-recurring items charged to trading profit in the quarter was not material to the overall result. Exceptional restructuring costs of £8 million were incurred in the quarter.

Geographical analysis

£ million	Revenue Q3 2010	Revenue Q3 2009	Growth	Trading profit Q3 2010	Trading profit Q3 2009
USA	1,299	1,438	(10%)	58	51
Canada	179	150	+19%	7	1
UK1	625	658	(5%)	31	13
Nordic	449	482	(7%)	11	14
France	497	550	(10%)	8	(2)
Central & eastern	203	225	(10%)	2	(9)
Central (2)				(16)	(20)
	3,252	3,503	(7%)	101	48

1 UK includes Ireland up until its disposal on 8 January 2010

2 Includes £1 million of losses (2009: £8 million) relating to North America Loan Services

3 Continuing businesses

Quarterly like for like revenue growth analysis

	Q4 2009	Q1 2010	Q2 2010	Q3 2010
USA	(26%)	(21%)	(14%)	(4%)
Canada	(11%)	(10%)	(1%)	6%
USA (1)	(12%)	(5%)	(4%)	4%
Nordic	(22%)	(15%)	(9%)	(5%)
France	(15%)	(13%)	(11%)	(8%)
Central & Eastern Europe (3)	(5%)	(4%)	(4%)	(3%)
Group	(19%)	(14%)	(10%)	(2%)

In the USA, Ferguson's revenue in the quarter was 10% below last year though the decline was restricted to 4% on a like for like basis, the difference due to the weakening of the US Dollar over the period. Demand in residential and RMI markets continued to improve and the business made good progress in the industrial and waterworks sectors. Demand in the commercial sector remained weak. Notwithstanding the revenue shortfall, trading profit of £58 million was £7 million ahead of last year as a result of the improved cost base.

Canada returned to growth, generating revenue 19% ahead of last year in the quarter, 6% ahead of last year on a like for like basis. The principal reason for the difference was the strengthening of the Canadian Dollar in the period. The growth trends were broadly based across the business and reflecting positive economic factors. Trading profit of £7 million was £6 million ahead of last year.

Revenue in the UK declined by 5% in the quarter, though like for like revenue was 4% ahead of last year. Generally, the plumbing and heating businesses generated like for like growth in the quarter. Revenue trends in the building materials and related businesses have continued to improve though they are not yet generating like for like revenue growth. Trading profit in the quarter of £31 million compared to £13 million in the same period last year. In the third quarter last year Ireland (which has subsequently been disposed of) generated revenues of £46 million and a trading loss of £7 million.

In the Nordic region revenue declined by 7% and the like for like decline was 5%. The market in Denmark, the largest revenue generator in the region, continued to decline though Sweden, Finland and Norway generated like for like growth. Trading profit in the quarter of £11 million was £3 million below last year as a result of the revenue decline.

Revenue in France declined by 10%, 8% on a like for like basis, though trends improved across each of the business

groups. The Import and Wood Solutions business continued to perform strongly. Trading profit of £8 million in the quarter compared to a loss of £2 million last year, principally due to an improved cost base.

In Central and Eastern Europe revenue was 10% lower than last year, 3% lower on a like for like basis. The region generated a trading profit of £2 million, slightly ahead of last year after adjusting the comparative result for a loss on disposal of a business of £10 million. Our business in Switzerland continued to perform well.

Disposals

The Group disposed of two small operations in the quarter. On 1 April 2010 the Public Works business in France was sold for £7 million generating an exceptional gain on disposal of £3 million. In the year ended 31 July 2009 the business broke even with revenues of £20 million. On 18 March 2010 the group disposed of the small Friosol business in Central and Eastern Europe for nominal consideration, generating an exceptional loss on disposal of £1 million. In the year ended 31 July 2009 the business generated revenues of £7 million and £1 million of trading profit.

Notes to Editors

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. Group revenue for the year ended 31 July 2009 was approximately £14.4 billion and operating profit, before exceptional items and the amortisation and impairment of acquired intangibles, was £447 million. At 31 January 2010 Wolseley had approximately 47,000 employees operating in 25 countries. Wolseley is listed on the London Stock Exchange (LSE: WOS) and is in the FTSE 100 index of listed companies.

The Group will issue its full year results on 27 September 2010.

For further information please contact

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Investor conference call

A conference call with John Martin, CFO will commence at 9am (London Time) on 14 May 2010. The call will be recorded and available on our website after the event **www.wolseley.com**.

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Ask for the Wolseley call quoting 2314636