NEWS RELEASE

News from around Wolseley

11/29/2007

Business expansion plans based on a dual location strategy have been announced for Wolseley's Encon, the UK's leading distributor of insulation, drywall and related products and Nevill Long,a ceiling systems specialist distributor.

In addition to promoting Nevill Long as the division through which ceilings and partitions are marketed and sold, the plans also bring about a closer working partnership between **Nevill Long** and **Encon** – enabling better integration in a specialist market so as to improve profitability. In the Wolseley strategic framework of **Earn, Turn, Grow**, Encon and Nevill Long are Grow businesses.

This expansion investment will create jobs, stimulate cross-selling and enhance profitability in both businesses. Encon plans to develop dual locations with Nevill Long branches integrated. The sites will be dual branded and increase Nevill Long's geographic spread.

The dual location strategy means an expansion of the Nevill Long business and it will maintain its identity at all sites where Nevill Long and Encon will be trading side-by-side. The Nevill Long name is an important trading heritage, a valuable trading asset and an integral element of Encon's and Wolseley UK's business. Nevill Long, which has its origins in the mid 18th century, became the first distributor of ceiling products in the UK in the 1960s.

Wolseley's groundbreaking facility in Mount Pearl, Newfoundland, Canada.is **Wolseley Canada's** first location to combine all five business units under one roof.

The 28,000- square foot branch features products from Wolseley's Residential Plumbing, Commercial Mechanical, HVAC/R, Waterworks and Industrial Groups.

The branch was designed with Wolseley's customers in mind, offering ease of check-out with one invoice and one packing slip. Customers have access to 16,000 in-store items as well as Wolseley Canada's full range of over 175,000 products from today's most recognised manufacturers.

The recent opening was a huge success with more than 250 vendors/suppliers and customers on hand to help celebrate the occasion. Over 35 vendors/suppliers took the opportunity to display their products and interact with customers over the course of the 4 hour event. The evening was capped off with a grand prize draw of a weekend for two in Montreal including hotel accommodation and tickets to a Canadiens' hockey game.

Wolseley Ireland has been created as the new management organisation overseeing the operations of both the **Brooks** and **Heatmerchants** Group trading brands. The consolidation of these businesses into one operating company is a natural evolution and in line with the restructuring that is going on in other parts of the Wolseley Group.

Commenting, Pat Roche, Managing Director of Wolseley Ireland, said bringing both trading brands under a single management organsisation would allow us to better structure the businesses for future growth, take advantage of common back office functions,share best practice across both brands and grow our markets.

" It is a natural next step and one that ensures that Wolseley's Irish business will continue to be at the forefront of the building materials market" he added.