FERGUSON

NEWS RELEASE

Results for the year ended 31 July 2012

10/2/2012

£m	2012	2011	Change	Like-for-like Change (3)
Revenue of ongoing (1) businesses	12,716	12,061	+5.4%	+3.8%
Total revenue	13,421	13,558		
Trading profit (2) of ongoing businesses	658	596	+10.4%	
Total trading profit (2)	665	622		
Goodwill impairment	(353)	(39)		
Profit before tax	198	391		
Headline earnings per share (2)	168.4p	142.9p	+17.8%	
Net cash / (debt)	45	(523)		
Total dividend per share	60p	45p	+33.3%	
Special dividend	£350m	-		

Financial highlights

- Revenue of the ongoing businesses 5.4% ahead of last year.
- Trading profit of the ongoing businesses £658 million, 10.4% ahead of last year.
- Restructuring charges of £17 million (2011: £nil) charged to trading profit.
- Non-cash goodwill impairment of £353 million relating to acquisitions in 2003 to 2007.
- Headline earnings per share of 168.4 pence, 17.8% ahead of last year.
- Strong cash generation with net cash of £45 million, £568 million better than 31 July 2011.
- Proposed final dividend of 40 pence bringing total for the year to 60 pence, 33.3% ahead.
- Proposed capital return of £350 million via a special dividend and share consolidation.

Operating and corporate highlights

- Good growth in USA and Canada, recovery in UK and weakness in Continental Europe.
- Gross margin in the ongoing business of 27.5%, 0.2% below last year despite significant pricing pressure and 0.1% adverse impact of non-recurring charges.
- Further gains in productivity and flow through of incremental revenue to trading profit.
- Trading margin for the ongoing businesses of 5.2%, 0.3% higher than last year.
- Nine bolt-on acquisitions with annualised revenue of £125 million.
- Disposals of Build Center, Brossette, Encon, Bathstore and residual stake in Stock Building Supply completed; and Woodcote sold since the year end.
- Ongoing review of future strategic options in France, as announced in July.

1. 'Ongoing businesses' excludes businesses that have been sold or are held for sale.
2. Before exceptional items, the amortisation and impairment of acquired intangibles and with respect to headline earnings per share before non-recurring tax credits.
3. The increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, trading days and branch openings and closures.

Ian Meakins, Chief Executive, commented:

“The Group continued to make progress in a year of slowing economic growth and considerable uncertainty in the Eurozone. Underpinning this were three main factors: a continued focus on customer service in all of our business units, implementation of successful initiatives to drive like-for-like revenue growth, and our ongoing focus on operational efficiency which has delivered further improvements in the trading margin.”

“We are committed to generating attractive returns for shareholders by maintaining strong capital discipline. The Board is recommending a final dividend of 40 pence per share which brings the total dividend for the year to 60 pence per share, a year-on-year increase of 33%. Wolseley continues to be highly cash generative and we have adequate resources to fund future investment in the business alongside growth in ordinary dividends. We are today proposing a special dividend of £350 million which reflects the Group's strong financial position and our desire to maintain an efficient and sustainable balance sheet.”

Commenting on the outlook, Ian Meakins said:

“Demand across our markets remains mixed and the economic outlook continues to be uncertain. Revenue growth rates in the new financial year have been similar to the fourth quarter of last year. We will continue to reduce our

cost base to protect profitability but also to make investments in our businesses that will improve the quality of our operations and generate growth in the future. Whilst we remain cautious about the outlook for our markets, we are confident that Wolseley will make good progress in the year ahead."

FULL RESULTS

Download the full FY12 Final Results (pdf)