FERGUSON

NEWS RELEASE

Results for the year ended 31 July 2013

10/1/2013

£m	2013	2012	Change	Like-for-like Change (3)
Revenue of ongoing (1) businesses	12,854	12,345	+4.1%	+2.9%
Total revenue	13,154	13,421		
Trading profit (2) of ongoing businesses	725	655	+10.7%	
Total trading profit (2)	725	665		
Impairments and exceptional items	(174)	(377)		
Profit before tax	473	198		
Headline earnings per share (2)	181.8p	168.4p	+8.0%	
Net (debt) / cash	(411)	45		
Special dividend	66p	60p	+10.0%	

Financial highlights

- Revenue of the ongoing businesses 4.1% ahead of last year, like-for-like growth of 2.9%.
- Gross margin of the ongoing businesses of 27.8%, 0.3% ahead of last year.
- Trading profit of the ongoing businesses £725 million, 10.7% ahead of last year.
- Impairments and exceptional charges of £174 million (2012: £377 million).
- Headline earnings per share of 181.8 pence, 8.0% ahead of last year.
- Strong cash generation with net debt of £411 million (2012: £45 million net cash).
- Proposed final dividend of 44 pence bringing total for year to 66 pence, 10.0% ahead of last year.
- Proposed capital return of £300 million via a special dividend and share consolidation.

Operating and corporate highlights

- Good growth in US, early signs of recovery in UK but continued weakness in Continental and North Europe.
- Tight cost control and restructuring executed in Continental and North Europe.
- Good flow-through of incremental revenue to trading profit.
- Trading margin for the ongoing businesses of 5.6%, 0.3% higher than last year.
- Six bolt-on acquisitions completed with annualised revenue of £301 million.
- France strategy being executed as set out at the half year results.

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 items.
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 highlight of these results was another strong performance across our US business where we achieved good revenue growth and the trading margin of 7.3 per cent was ahead of the previous peak achieved in 2007. This was a fitting tribute to Ferguson in its 60th year. Canada and the UK performed well in tough market conditions. We continued to face substantial headwinds in Europe and took decisive action to protect profitability with significant headcount reductions in the year. Gross margins were ahead and our ongoing focus on operational efficiency has delivered further improvements in the trading margin of the ongoing business, now up to 5.6 per cent.”

“We are committed to generating attractive returns for shareholders by maintaining strong capital discipline. The Board is recommending a final dividend of 44 pence per share which brings the total dividend for the year to 66 pence per share, a year-on-year increase of 10 per cent. 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 £300 million accompanied by a share consolidation 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:

“Revenue growth rates in the new financial year have been similar to the fourth quarter of last year. Our markets in the US continue to grow steadily and the UK market growth is encouraging. However, economic conditions in Continental Europe are very challenging and we expect them to remain so for the foreseeable future. We will

continue to take all appropriate actions to reduce our cost base and protect our profitability. In the year ahead we plan to increase our investments where there are growth opportunities, and in technology and processes to develop more efficient business models. This will improve the leverage in our business and generate good growth in the future."

FULL RESULTS

Download the full FY13 Final Results announcement PDF (0.73Mb)