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Stock Building Supply – Restructuring Announcement

23 October 2008

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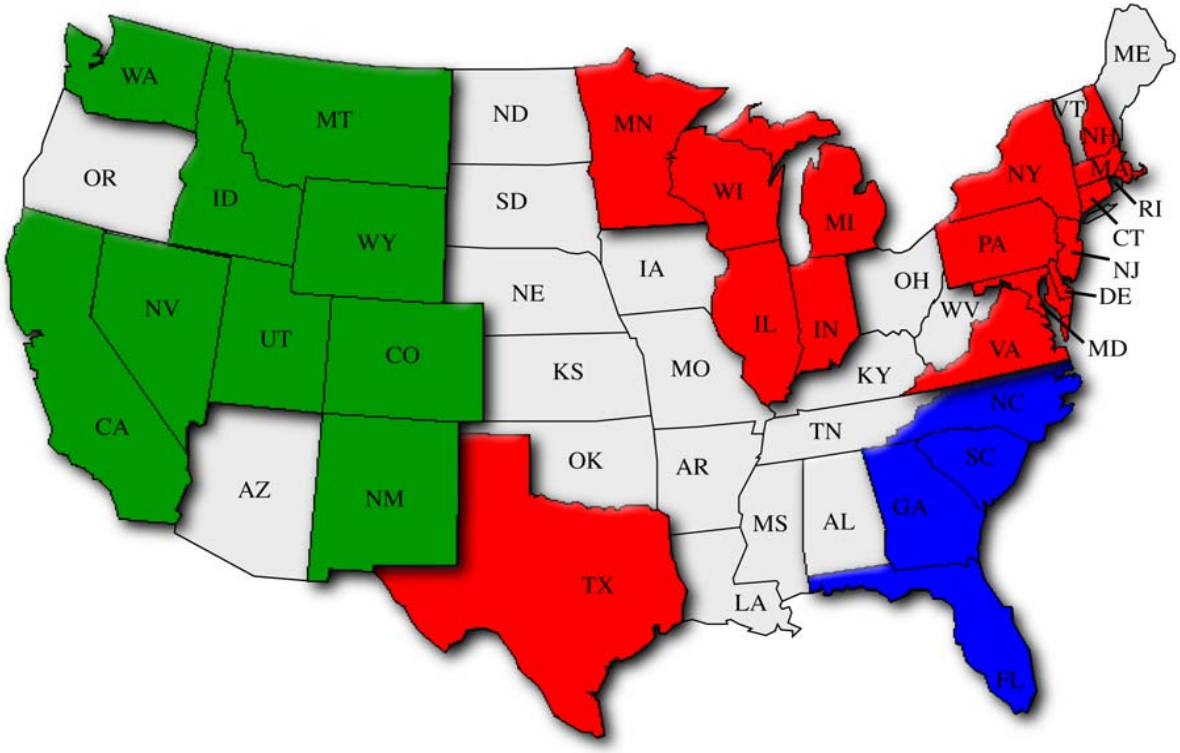
Background to the review

- Fundamental review concluded
- Significant industry overcapacity to remain
- Stock has considerable long term value creation potential
- Range of options for the business explored over last six months

Restructuring actions

- Fundamental restructuring announced today including:
  - closure of 86 branches, taking the branch numbers to 209
  - exiting of 16 markets in 6 states, leaving a presence in 27 states
  - further headcount reductions of around 3,000 people
- Priority to retain market leading presence in key states
- Annual run rate of losses reduced by c. $100m
- Exceptional restructuring costs of around $225 million are expected to be incurred before 31 January 2009
- $20m cash impact offset by cost savings and working capital reductions in period to 31 January 2009
- Goodwill impairment provisions likely of greater than $100m
- The 86 branches to be closed represent around 25% of Stock's revenue and 28% of its headcount.

SBS Organisation After Restructure



Q&A

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