WOLSELEY PLC

1 June 2011

Results for the third quarter to 30 April 2011

£ million	Q3 2011	Q3 2010	Growth	Like-for-like Growth[1]
Revenue	**3,271**	3,252	+1%	+6%
Gross profit	**915**	904	+1%	
Trading profit[2]	**131**	101	+30%	
Adjusted net debt[3]	**824**	1,336		

[1] *Like-for-like growth is defined as the increase or decrease in revenue excluding the effect of currency exchange, acquisitions and disposals, sales days and branch openings and closures.*
[2] *Trading profit is defined as operating profit before exceptional items and the amortisation and impairment of acquired intangibles.*
[3] *Adjusted net debt includes receivables financing and construction loan debt.*

Highlights

- Revenue increased by 6% on a like-for-like basis.
- Gross margin of 28.0% was 0.2% ahead of last year.
- Operating costs were £19 million lower than last year (underlying: 2.8% higher).
- Trading profit was 30% ahead at £131 million.
- Adjusted net debt of £824 million, £109 million lower than 31 January 2011.

Commenting on the trading outlook, Ian Meakins, Chief Executive said:

"The Group continued to make progress in the third quarter broadly maintaining the revenue growth trends achieved in the first half despite tougher comparatives. New residential construction, which accounts for 20% of Group revenue, remained subdued in most regions, while demand in repair, maintenance and improvement (RMI) segments held up well in most markets.

Like-for-like revenue growth continues to be strongest in the USA, with positive momentum in the Nordics and France offset by weaker trends in the UK and Canada. We continue to maintain our emphasis on protecting market share and gross margins whilst keeping a tight control of the cost base. Management remains confident of meeting our expectations for the full year."

Third quarter trading performance

During the quarter the Group generated revenue of £3,271 million, 1% ahead of last year, and 6% ahead on a like-for-like basis. The impact of inflation on Group revenue continued at about 3%, principally due to rising commodity prices. Despite continued pricing pressure, our focus on improving customer and product mix led to a higher gross margin of 28.0% in the quarter, 0.2% higher than last year. Operating costs were £19 million lower, principally as a result of disposals, though the underlying cost base in constant currency increased by 2.8% compared to last year. The net impact of non-recurring items charged to trading profit in the quarter was not material to the overall result. Trading profit of £131 million was £30 million higher than last year.

Geographic analysis of revenue

£ million	**Q3 2011 Revenue**	**Q3 2010 Revenue**	**Growth**	**Like-for-like Growth**
USA	**1,328**	1,299	+2%	+10%
Canada	**175**	179	(2%)	-
UK	**601**	625	(4%)	+1%
Nordic	**488**	452	+8%	+6%
France	**509**	497	+2%	+8%
Central Europe	**170**	200	(15%)	-
Group	**3,271**	3,252	+1%	+6%

Geographic analysis of trading profit

£ million	**Q3 2011 Trading Profit**	**Q3 2010 Trading Profit**	**Growth**
USA	**76**	58	+31%
Canada	**4**	7	(43%)
UK	**28**	31	(11%)
Nordic	**15**	11	+36%
France	**15**	8	+88%
Central Europe	**7**	2	+250%
Central and other costs	**(14)**	(16)	n/a
Group	**131**	101	+30%

Quarterly like-for-like revenue growth trend by region

	Q3 Last year	**Q4 Last year**	**Q1 This year**	**Q2 This year**	**Q3 This year**
USA	(4%)	+5%	+6%	+11%	**+10%**
Canada	+6%	+12%	+7%	+4%	**-**
UK	+4%	+5%	+5%	+8%	**+1%**
Nordic	(5%)	+3%	+4%	+4%	**+6%**
France	(8%)	(2%)	+2%	+2%	**+8%**
Central Europe	(3%)	(6%)	(3%)	(4%)	**-**
Group	(2%)	+4%	+4%	+7%	**+6%**

In the USA revenue was 2% ahead of last year and like-for-like revenue growth was 10%, the difference predominantly arising from weakening of the US dollar. Demand in residential and RMI markets held up well and the business made good progress in the industrial and commercial segments including Fire and Fabrication, though from a low comparable base. The B2C business continued to perform strongly. Trading profit of £76 million was £18 million ahead of last year.

Canada's revenue declined by 2% although it was flat on a like-for-like basis. The growth rate has declined over the year and market conditions remain challenging. The business will stay focused on protecting market share and gross margins. The prior year also benefited from government sponsored home renovation tax credit programmes which expired in early 2010. Trading profit of £4 million was £3 million behind last year.

Revenue in the UK declined by 4% in the quarter, though like-for-like revenue was 1% ahead of last year, the difference mainly arising from the disposal of Brandon Hire in September 2010. Revenue in Plumb and Parts was impacted by the loss of a large national supply contract at the end of March 2011, although gross margins improved. In addition, the comparative figures included the benefits of the Government's boiler scrappage scheme which ended in March 2010. Drain, Pipe and Climate Centers all performed well in the period. Build Center continued to make progress improving its trading performance, benefiting from a lower cost base and a focus on higher margins. Bathstore continued to face challenging market conditions, with revenue significantly lower than last year. Trading profit for the quarter was £28 million, £3 million below last year, due to adverse bad debt charges which were £4 million higher than last year.

In the Nordic region revenue increased by 8%, 6% on a like-for-like basis. The market in Denmark showed signs of improvement and the builders merchant businesses in Sweden, Finland and Norway all continued to trade well. Trading profit of £15 million was £4 million ahead of last year.

Revenue in France grew by 2% though this represented 8% growth on a like-for-like basis, the difference being mainly due to the weakening of the euro. This stronger performance primarily reflected increased activity in new residential construction markets. Reseau Pro improved its performance and the Import Wood Solutions business generated good like-for-like growth as a result of price inflation. Brossette also continued its improving trend. Trading profit was £15 million in the quarter, an increase of £7 million.

In Central Europe revenue was flat on a like-for-like basis and 15% lower than last year on a reported basis as a result of the disposal of Italy in February 2011. The continued focus on gross margins and the exit of unprofitable business resulted in a strong improvement in trading profit to £7 million in the quarter.

Adjusted net debt at 30 April 2011 was £824 million (30 April 2010 : £1,336 million). There has been no other significant change in the financial position of the Group since 31 January 2011.

Nine months trading performance

£ million	YTD 2011	YTD 2010	Growth
Revenue	**9,900**	9,583	+3%
Gross profit	**2,748**	2,645	+4%
Trading profit	**406**	268	+51%

For further information please contact

Wolseley plc

John Martin, Chief Financial Officer	Tel: +41 (0) 41723 2230
Mark Fearon, Director of Corporate Communications and IR	Mobile: +44 (0) 7711 875070

Brunswick (Media Enquiries)

Mike Harrison, Nina Coad	Tel: +44 (0)20 7404 5959

Investor conference call

A conference call with John Martin, CFO will commence at 9am UK time on 1 June 2011. The call will be recorded and available on our website after the event www.wolseley.com.

Dial in number:	UK	+44 (0)20 7784 1036
	Switzerland	+41 (0)22 592 7953

Ask for the Wolseley call quoting **6044103**

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 in North America, the UK and Continental Europe. Group revenue for the year ended 31 July 2010 was £13.2 billion and trading profit was £450 million. At 31 July 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 Tuesday 4 October 2011.

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