

# WOLSELEY

**The name the world builds on**

Interim Management Statement for the  
3 months ended 31 October 2008

18 November 2008

*This presentation contains certain forward-looking statements. By their nature, such statements involve uncertainty; as a consequence, actual results and developments may differ from those expressed in or implied by such statements.*

# Overview

- Further expected deterioration in trading environment in Q1, particularly UK and Nordic region
- Overall scale and pattern of market deterioration broadly in line with Group's expectations in September outlook statement
- Group revenue marginally up and trading profit down around 30%
- Profit before tax, exceptional items, amortisation and impairment of acquired intangibles down around 45%
- Net debt up 8% due to adverse exchange and seasonality of working capital
- On track to achieve 10% reduction in working capital cash to cash days and debt reduction
- Cost reduction measures continue to right size the business

# North America

- Revenue marginally up and trading profit down around 15%
- Results continued to be affected by ongoing US housing decline and failing consumer confidence
- Ferguson performed well and continued to gain market share
- Stock revenue down around 20% in US\$, trading loss for 3 months ended 31 October 2008 was around \$60m
- Modest growth in Canadian local currency revenue and trading profit

# Europe

- European revenue marginally up and trading profit down by around 50% mainly resulting from lower level of profitability in the UK
- UK revenue down around 10% and trading profit down by around 65%, trading patterns mixed across the UK
- French revenue marginally up and underlying trading profit marginally down
- DT Group's revenue was down around 10% and trading profit down around 30%
- CEE revenue flat and trading profit down around 50%

## Exceptional costs and benefits from restructuring actions identified between 1 August & 31 October 2008

	Cost £m	Headcount reduction	Benefit £m 2009	Benefit £m pa
UK	6	170	7	8
Nordic	-	170	8	10
Central and Eastern Europe	17	180	4	6
Europe	23	520	19	24
US plumbing and heating	14	1,100	20	29
US building materials	126	3,430	54	81
North America	140	4,530	74	110
Total	163	5,050	93	134

## Exceptional costs and benefits from restructuring actions since 31 October 2008

	Cost £m	Headcount reduction	Benefit £m 2009	Benefit £m pa
UK	45	2000	40	80
Nordic	-	380	19	23
Europe	45	2,380	59	103
North America	-	-	-	-
Total	45	2,380	59	103

# Outlook

- The Group expects the markets in which it operates to continue to deteriorate in the short term
- Action will continue to be taken to right size the Group's businesses over the remainder of this financial year
- Selective actions will be pursued to reduce debt to ensure continued compliance with banking covenants