



Wolseley plc

Interim Management Statement for the nine months ended 30 April 2009

28 May 2009

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

Strongly positioned for challenging markets and to capitalise on market recovery

- As expected Group's markets continue to weaken
- North America residential and non-residential markets remain challenging and commercial and industrial markets have weakened further
- European markets decline, particularly in the UK, Ireland and Nordic regions
- Continued action across the Group on cost reduction and increased cash generation
- Wolseley remains strongly positioned to meet current challenging markets and capitalise on a market recovery

Trading performance - nine months to 30 April 2009
Further market deterioration

- Group
  - Revenue of £12,100m, down 15% in constant currency
  - Trading profit of £189m, down 65% in constant currency
  - Profit before tax, exceptional items and the amortisation and impairment of acquired intangibles of £72m, down 88% in constant currency
  - Pro forma basis Group revenue from continuing operations was £10,962m and trading profit was £297m
  - Above results include £10m loss on disposal of MART
- North America
  - Ferguson local currency revenue down 15%. Gross margin slightly lower, focused on higher margin activities. Underlying trading profit, excluding property profits, was down 32%
  - Canadian local currency revenue down 2% and trading profit down 26%
- Europe
  - UK and Ireland revenue down 15% and trading profit 75% lower
  - Local currency revenue in France down 10% and trading profit 70% lower
  - DT revenue down 19% and trading profit down around 50%
  - CEE local currency revenue down 8% and loss incurred in the period

Exceptional costs and benefits from restructuring actions, 1 August 2008 to 30 April 2009

Further cost reduction to right-size the business

	Cost £m	Headcount reduction	Benefit £m 2009	Benefit £m pa
UK and Ireland	84	2,819	71	133
France	*	557	6	12
Nordic	21	1,287	15	42
Central and Eastern Europe	33	485	12	19
Europe	**138**	**5,148**	**104**	**206**
US plumbing and heating	46	3,238	92	154
Canada	4	32	1	2
North America	**50**	**3,270**	**93**	**156**
Group head office	1	11	4	5
Total continuing operations	**189**	**8,429**	**201**	**367**
Discontinued operations - US building materials	147	5,317	115	144
Total Group	**336**	**13,746**	**316**	**511**

*The exceptional cost of the headcount reduction in France in the period has been offset by a release of part of a restructuring provision made in the last financial year related to the announcement of the social plans in Q4 2008

Cash flow maximisation to reduce debt
Strong cash flow performance

- On track for 10% reduction in constant currency working capital cash to cash days at 31 July 2009
- Capex further curtailed and likely to be around £160m for year to 31 July 2009
- Net debt at 30 April 2009 of £1,534m (30 April 2008 £2,875m)
- Pro-forma net debt to EBITDA ratio, after capital raising and Stock disposal, of 1.7 times as of 31 January 2009
- £750m of committed but unutilised facilities cancelled
- Strong liquidity position at 30 April 2009 with committed facilities of £3.6bn

Discontinued activities

Stock Building Supply deconsolidated from 5 May 2009

- Stock's local currency revenue fell by 30%, trading loss for the nine months (excluding £20m of losses relating to the construction loans activities) was £108m
- Stock announced, on 8 May 2009, the approval of all of its first day motions by US Bankruptcy Court of Delaware.
- Enables Stock to operate normally through the Pre-Packaged Chapter 11 process and includes access to the Debtor in Possession financing provided by Wolseley, up to a maximum of $100m
- Financing secured by a super priority position secured against all of Stock's assets

Outlook

Trading likely to remain challenging until early 2010

- Expect market conditions to continue to deteriorate in short term and trading conditions likely to remain challenging until at least early 2010
- Commercial and industrial market in the US is expected to soften further over the remainder of the calendar year
- Continue to drive further cost reductions and take measures to maximise cash flow
- Recent capital raising and new debt facilities leaves Wolseley strongly positioned to meet current market challenges and to capitalise on future market recovery
- Recent exit of Stock Building Supply further strengthens the Group's financial position and enables shareholders to participate in any future upside value potential





Q&A





Appendices

The name the world builds on

WOLSELEY

Restatement of 31 July 2008 EPS

Published FY08 weighted average number of shares	655
Multiplied by adjustment factor for share placing	1.15
Multiplied by adjustment factor for rights issue	2.4
Multiplied by adjustment factor for share consolidation	0.1
Restated FY08 weighted average number of shares	**181**
Published headline EPS for the year ended 31 July 2008	56.58p
Restated headline EPS for year ended 31 July 2008	**205.26p**

Illustrative example of calculation of denominator for 31 July 2009 EPS

	Issued	Cumulative number of shares in issue	Adjustment for placing	Adjustment for share consolidation	Adjustment for rights issue	Adjusted cumulative number of shares in issue	% of year in issue	Adjusted cumulative multiplied by % of year in issue
Shares as at 1 Aug 08 (net of shares held in Trust)		656	1.15	0.1	2.4	181	67%	121
Share placing	225	881	1	0.1	2.4	211	6%	12
Share consolidation	(793)	88						
Rights issue	194	282	1	1	1	282	27%	77
Weighted average number of shares for 31 July 2009 EPS calculation								**210**

Continuing operations vs. discontinuing operations split

	Total Group £m	Less discontinued operations £m	Continuing operations £m
Revenue	12,100	(1,138)	10,962
Operating expenses	(11,911)	1,246	(10,665)
Trading profit	189	108	297
Exceptional items	(336)	147	(189)
Amortisation and impairment of acquired intangibles	(850)	302	(548)
Operating loss	(997)	557	(440)