

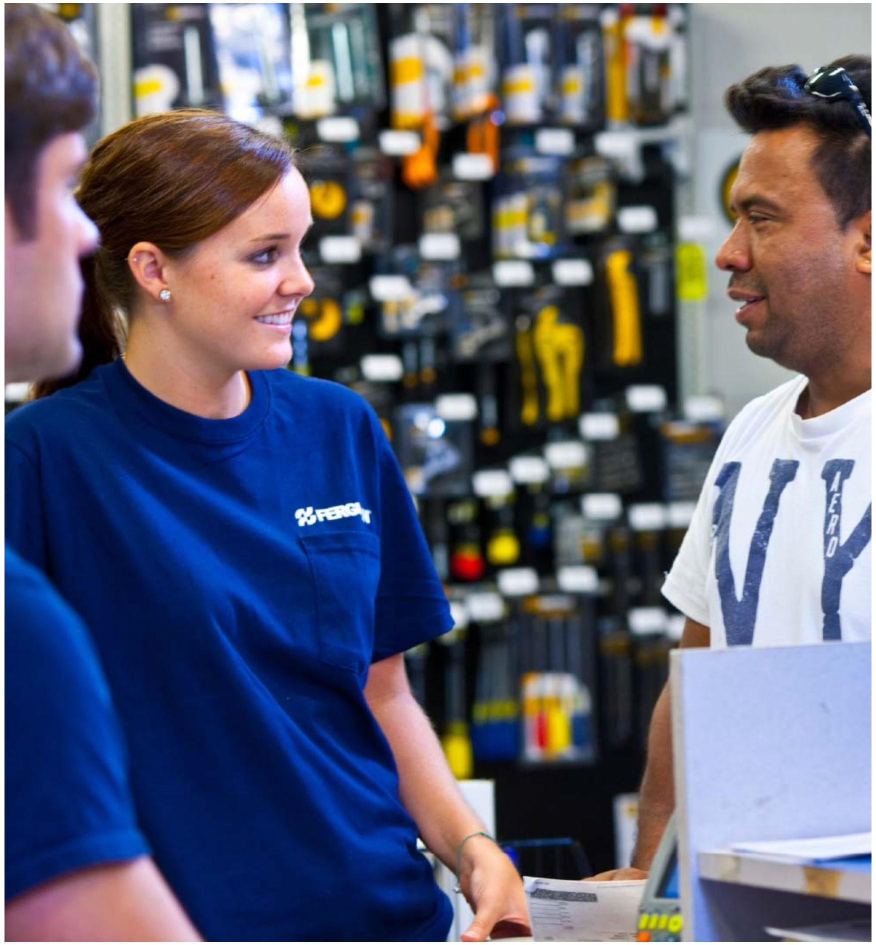


WOLSELEY

FY12
Half Year Results


Welcome and highlights

Ian Meakins , Chief Executive



Performance Highlights

- Like-for-like growth and market share gains
- Gross margins held despite fierce pricing environment
- Cost reduction plans executed
- Trading profit +13% EPS +30%
- Customer service and employee engagement improving
- Targeted plans by business unit to:
  - Accelerate growth
  - Improve returns
  - Productivity gains
  - Bolt-on acquisitions
- Delivering Group synergies
- Balance sheet strengthened
  - Rebased dividend +33%

Business Environment

- Decent market environment in USA
- European markets fragile – especially France
  - Consumer confidence declining
  - Unemployment remains high
  - Housing starts/transactions/prices depressed
  - Industrial and commercial activity recovering
- Challenging pricing environment
- Still ready for ‘stormy weather’

Operating and financial review

John Martin, Chief Financial Officer

Financial Highlights

£m	H1 2012	H1 2011	Change	Like for Like Change
Revenue	**6,841**	6,629	+3%	+5%
Trading profit*	**310**	275	+13%	
Trading margin	**4.5%**	4.1%	+0.4%	
Profit before tax	**250**	195	+28%	
Headline EPS*	**78p**	60p	+30%	
Adjusted net debt	**529**	933	404	
Dividend per share	**20p**	15p	+33%	

* Before exceptional items and amortisation of acquired intangibles

Underlying Performance of the Ongoing Business

£m	**H1 2012**	H1 2011	Change
Revenue	**6,325**	5,909	+7%
Gross margin	**27.4%**	27.4%	-
Trading profit*	**318**	274	+16%
Trading margin*	**5.0%**	4.6%	+0.4%

* Excluding the impact of £16m of non-recurring charges and excluding trading profits and losses of businesses sold or held for sale of £8m

One additional trading day worth c. £6 million trading profit

Quarterly Performance

Like-for-like growth	Q1 last year	Q2 last year	Q3 last year	Q4 last year	Q1 this year	**Q2 this year**
USA	+6%	+11%	+10%	+7%	+10%	**+7%**
Canada	+7%	+4%	-	(2%)	+2%	**+5%**
UK	+5%	+8%	+1%	(2%)	(3%)	**(2%)**
Nordic	+4%	+4%	+6%	+2%	+2%	**+7%**
France	+2%	+2%	+8%	+4%	+3%	**+5%**
Central Europe	(3%)	(4%)	-	+1%	+1%	**+2%**
	+4%	+7%	+6%	+3%	+5%	**+5%**
UK excluding contract loss			+2%	+1%	+1%	**+2%**

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USA

£m	**H1 2012**	H1 2011	Change	Like-for-like Change
Revenue	**2,966**	2,678	+11%	+9%
Trading profit	**173**	146	+18%	
Non-recurring costs	**11**	-		
Underlying trading margin*	**6.2%**	5.5%	+0.7%	
Branches	**1,276**	1,257	+19	
Headcount	**17,807**	16,980	+5%	

*Excludes non-recurring costs

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Canada

£m	**H1 2012**	H1 2011	Change	Like-for-like Change
Revenue	**426**	408	+4%	+3%
Trading profit	**25**	23	+9%	
Trading margin	**5.9%**	5.6%	+0.3%	
Branches	**220**	221	(1)	
Headcount	**2,559**	2,650	(3%)	

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UK ongoing

£m	**H1 2012**	H1 2011	Change	Like-for-like Change
Revenue	**852**	858	(1%)	(3%)
Trading profit	**44**	48	(8%)	
Non-recurring costs	**3**	-		
Underlying trading margin*	**5.5%**	5.6%	(0.1%)	
Branches	**939**	927	+12	
Headcount	**6,050**	6,229	(3%)	

*Excludes non-recurring costs

Nordic

£m	**H1 2012**	H1 2011	Change	Like-for-like Change
Revenue	**1,098**	1,020	+8%	+5%
Trading profit	**47**	48	(2%)	
Trading margin	**4.3%**	4.7%	(0.4%)	
Branches	**291**	287	+4	
Headcount	**6,400**	6,330	+1%	

France ongoing

£m	**H1 2012**	H1 2011	Change	Like-for-like Change
Revenue	**606**	584	+4%	+4%
Trading profit	**8**	11	(27%)	
Non-recurring costs	**2**	-		
Underlying trading margin*	**1.7%**	1.9%	(0.2%)	
Branches	**316**	326	(10)	
Headcount	**5,411**	5,470	(1%)	

*Excludes non-recurring costs

Seasonality in France - typically 75% of trading profit in H2

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Central Europe ongoing

£m	**H1 2012**	H1 2011	Growth	Like-for-like Change
Revenue	**377**	361	+4%	+1%
Trading profit	**20**	17	+18%	
Trading margin	**5.3%**	4.7%	+0.6%	
Branches	**146**	143	+3	
Headcount	**2,019**	1,990	+1%	

Central and Other Costs

£m	**H1 2012**	H1 2011
Group costs	**(15)**	(17)
Non-recurring costs	**-**	(3)
Construction loans	**-**	(2)
	(15)	(22)

Group costs are not recharged to the regions

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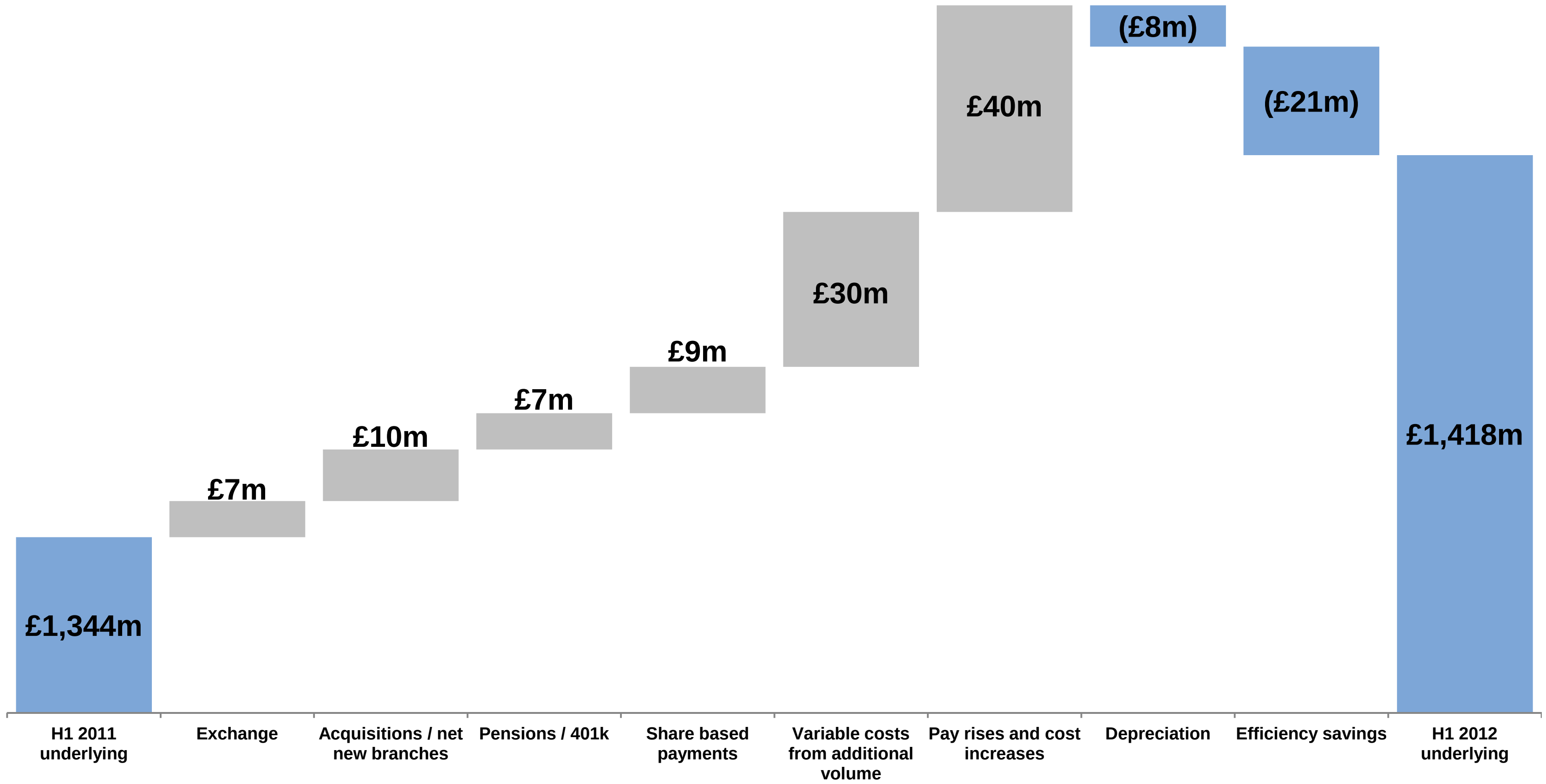
Operating Expenses of the Ongoing Business



Excludes non-recurring costs and exceptional items

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Productivity in the Ongoing Business

Trading profit / gross profit H1 2011	**16.9%**
Labour productivity	**+0.6%**
Other cost productivity	**+0.8%**
Trading profit / gross profit H1 2012	**18.3%**

Excludes non-recurring costs

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Income Statement

£m	H1 2012	H1 2011
Trading profit	**310**	275
Exceptional items	**(13)**	(11)
Amortisation	**(32)**	(38)
Financing charges	**(15)**	(31)
Profit before tax	**250**	195
Tax	**(70)**	(62)
Profit from continuing operations	**180**	133
Discontinued operations	**(2)**	-
Profit for the year	**178**	133

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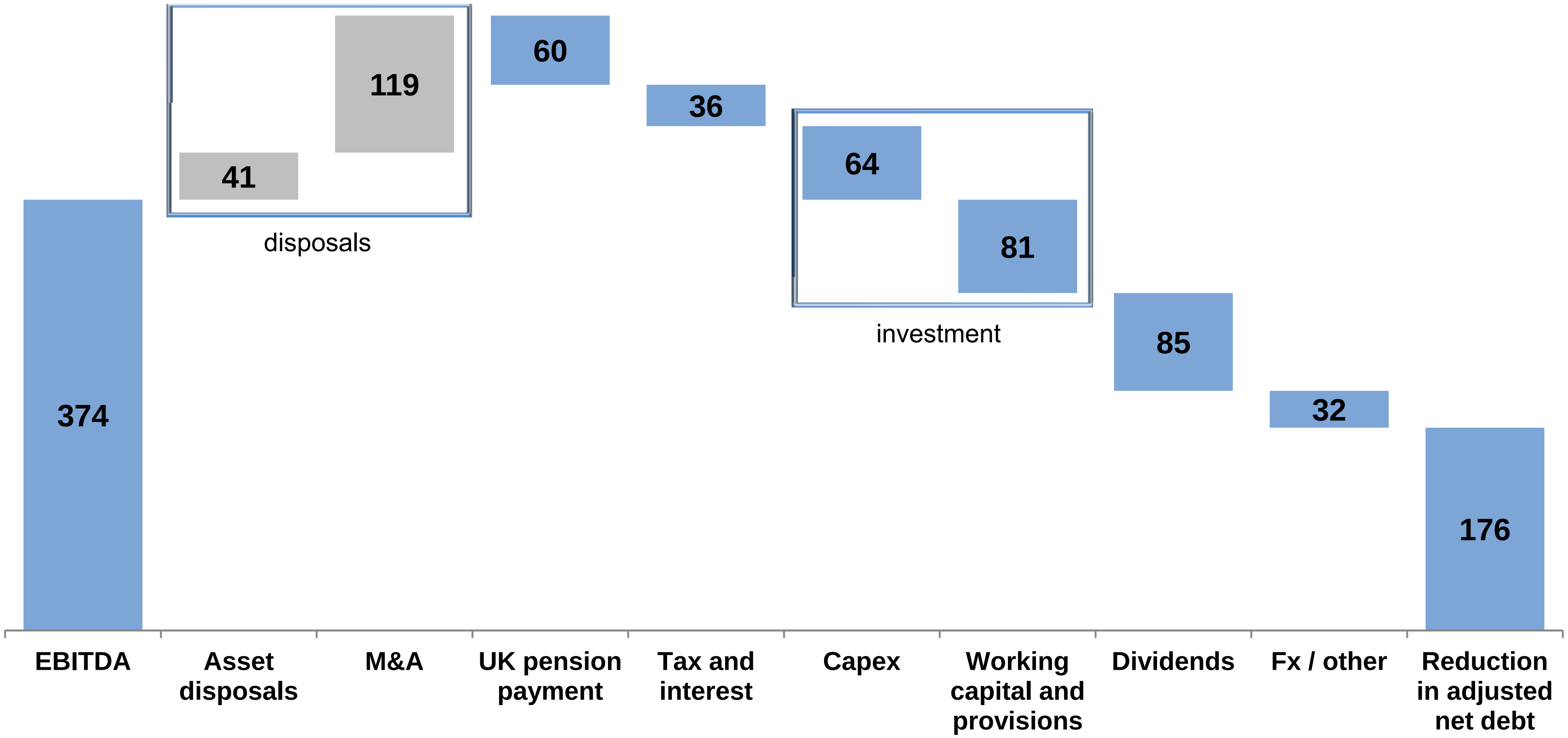
Financing and Tax

£m	**H1 2012**	H1 2011
Financing		
Net interest and margin	**(9)**	(18)
Pensions and provisions	**(4)**	(6)
Facility charges	**(2)**	(7)
	(15)	(31)
Tax		
P&L charge	**(70)**	(62)
Exceptionals, intangibles and other adjustments	**(5)**	(11)
Underlying P&L charge	**(75)**	(73)
Trading profit less financing charges	**295**	244
Effective tax rate	**26%**	30%

Cash Flow



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Investment

- Acquisitions - £41m invested in 6 small acquisitions since 1 August 2011 with aggregate annual revenue of £100 million
- New branches - £6m capex invested in 39 new branches
- Other capex – principally refurbishment and technology of £58m

Capex for the full year is now expected to be £130m - £150m

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Net Debt and Pensions

£m	**31 Jan 2012**	31 Jul 2011	31 Jan 2011
Net debt as reported	**(470)**	(523)	(714)
Receivables factoring	**(59)**	(68)	(156)
Period end working capital adjustment	**-**	(114)	-
Construction loans	**-**	-	(63)
Adjusted net debt	**(529)**	(705)	(933)
Net pension liabilities	**(351)**	(360)	(338)

Cash proceeds from the sale of Brossette expected shortly

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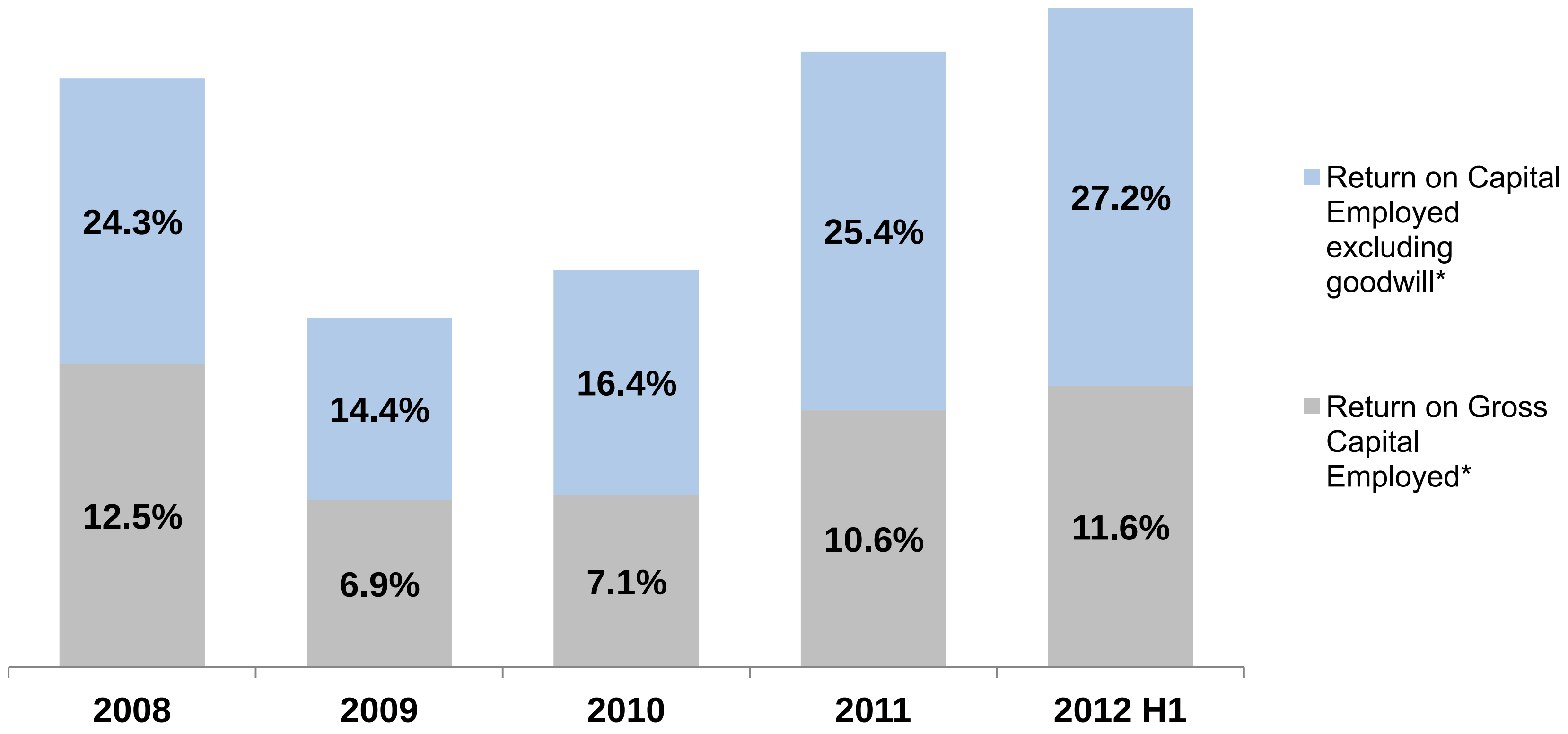
Return on Capital



*As defined in the Group's financial statement for the year ended 31 July 2011

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Dividend Policy

- Rebased interim dividend of 20p per share, increased by 33%
- Interim payment expected to be one third of total dividend for the year
- Dividend cover of 2.7x based on current consensus expectations
- Future dividends to grow in line with long term earnings growth
- Maintain dividend payments through the cycle



Business Review and Strategy Update

Ian Meakins, Chief Executive

Wolseley Strategy – Recap

- Focus on service and distribution in plumbing & heating and building materials
- Strengthen leadership positions in existing businesses / geographies
- Prioritise profitable organic market share gain
- Targeted strategies and plans for each of our business units
- Bolt-on acquisitions to strong businesses to consolidate positions
- Progressively build leadership in existing related businesses with synergies
- Deliver Group and cross business unit synergies
- Deliver shareholder value through the cycle

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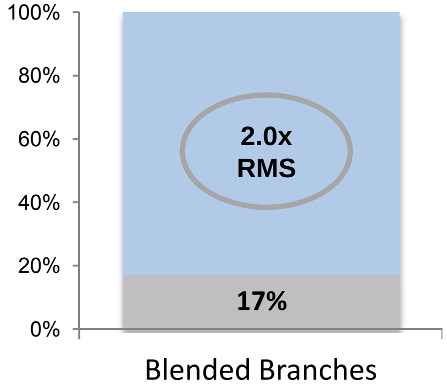
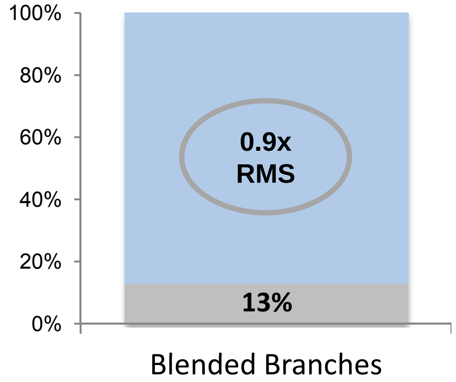
Market Share and Opportunity

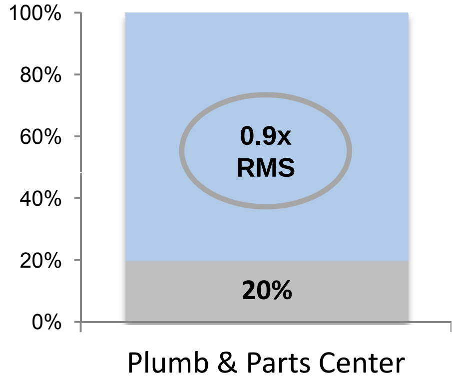
USA



Canada

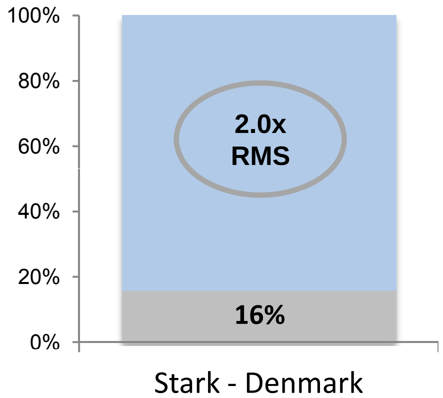


UK

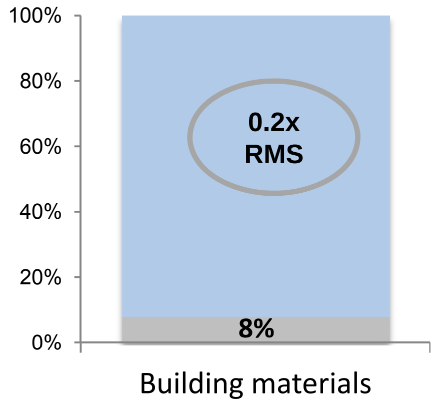


+1% market share of Blended Branches = £200m revenue

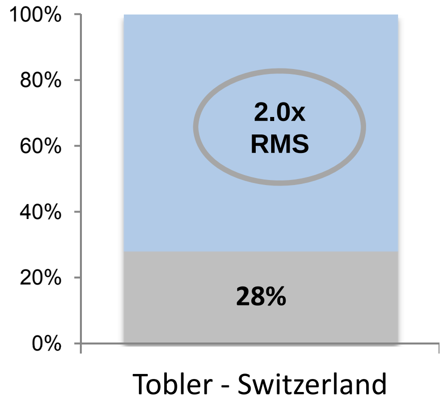
Nordic



France

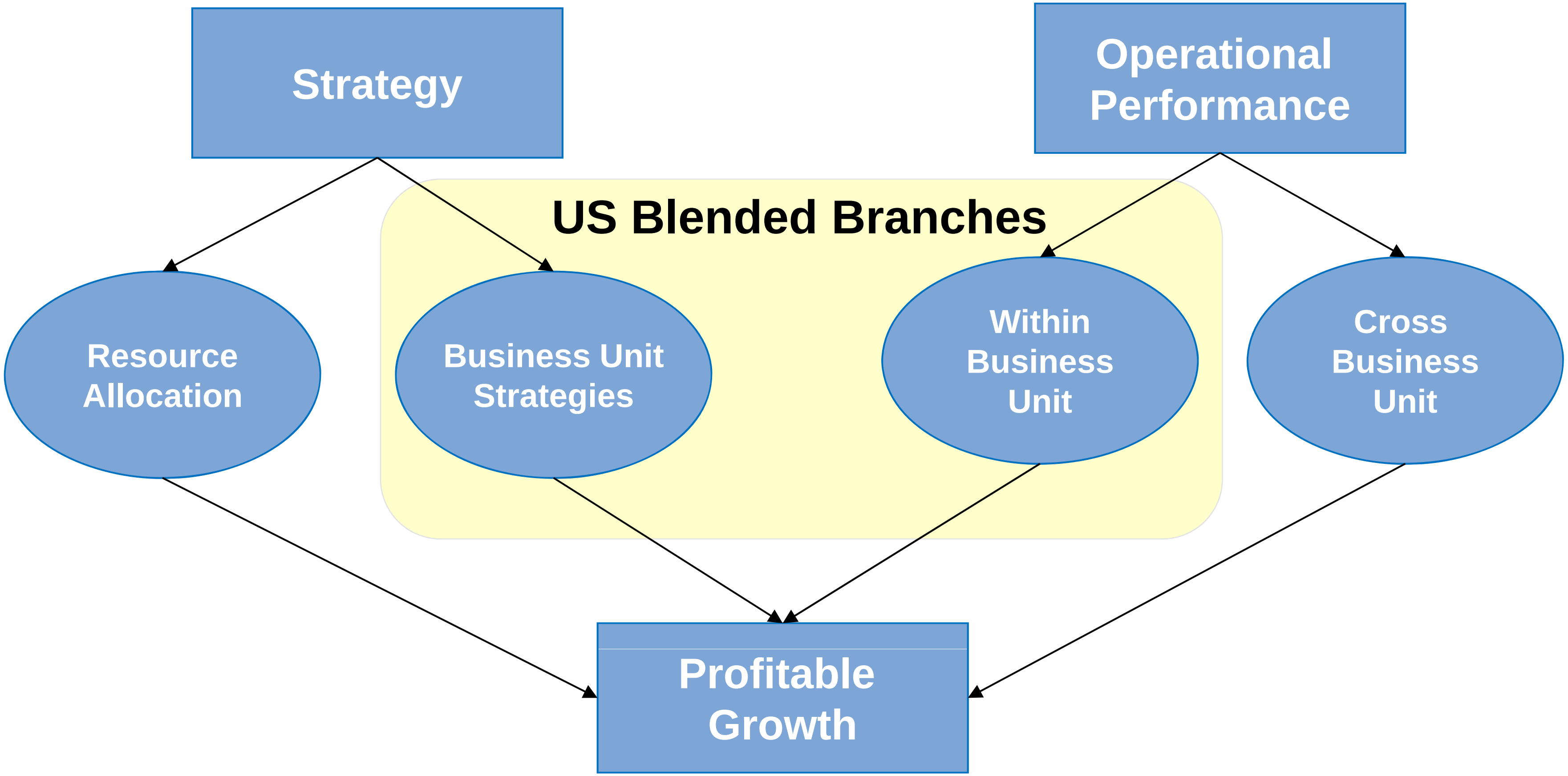


Central Europe



RMS = Relative Market Share. Defined as Wolseley share in addressable market/ share of largest competitor or nearest competitor

Value Creation Framework



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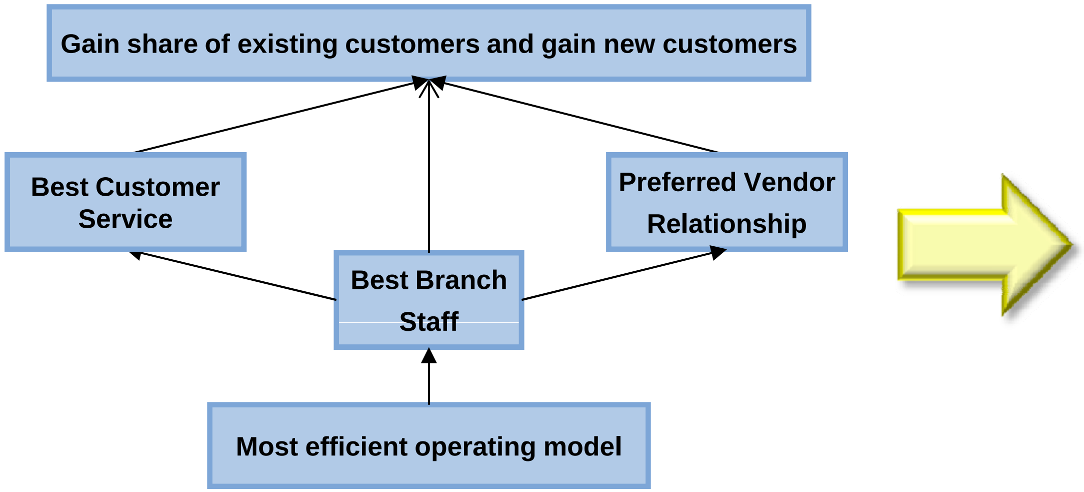
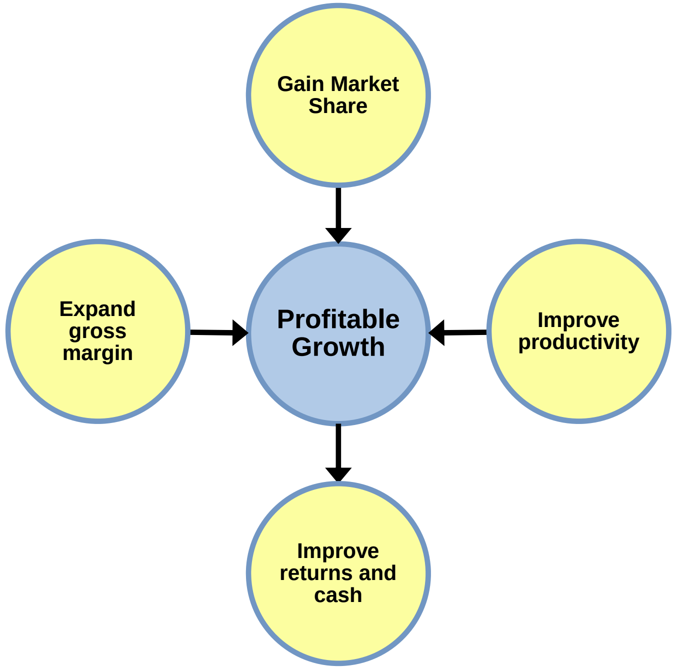
Business Unit Strategies and Results Expected

Strategy for Profitable Growth



Business Unit Results Expected



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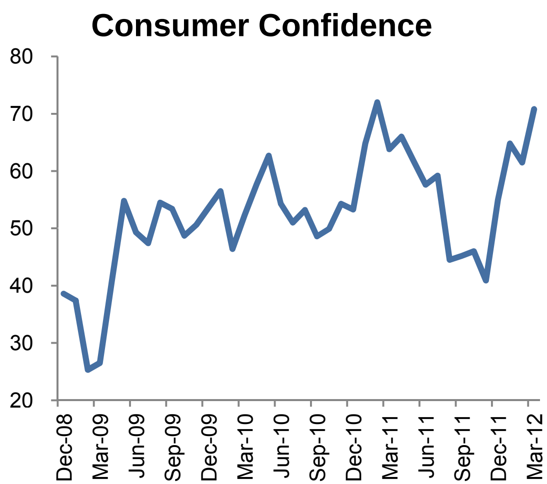
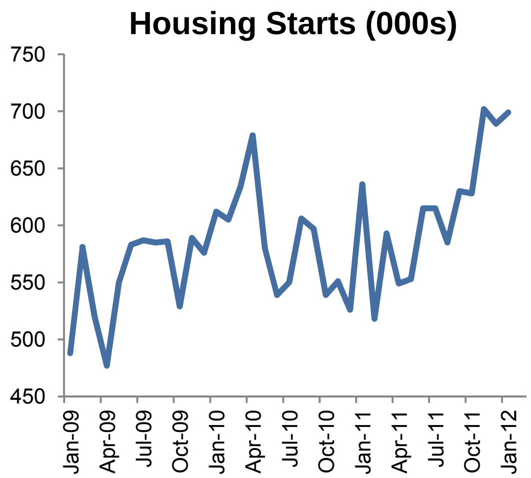
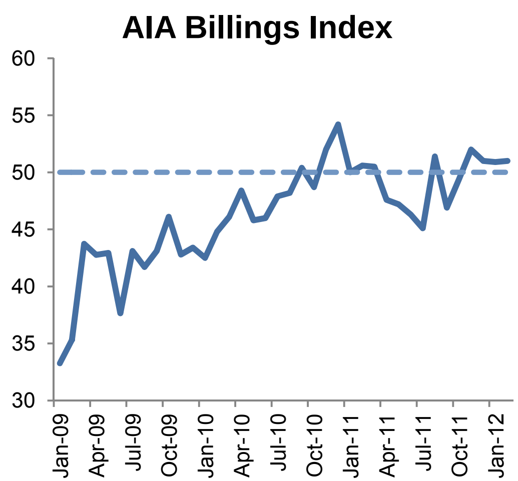
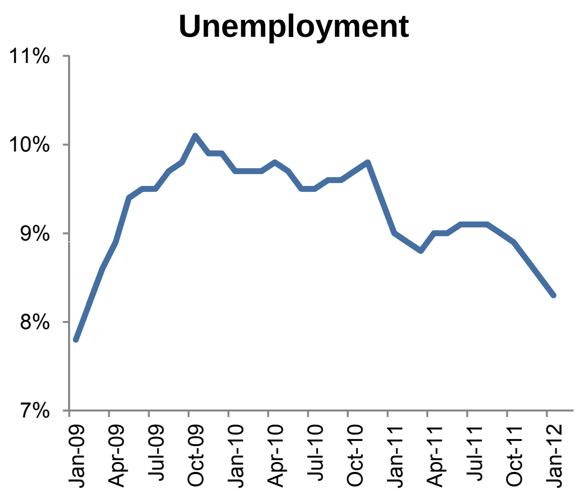
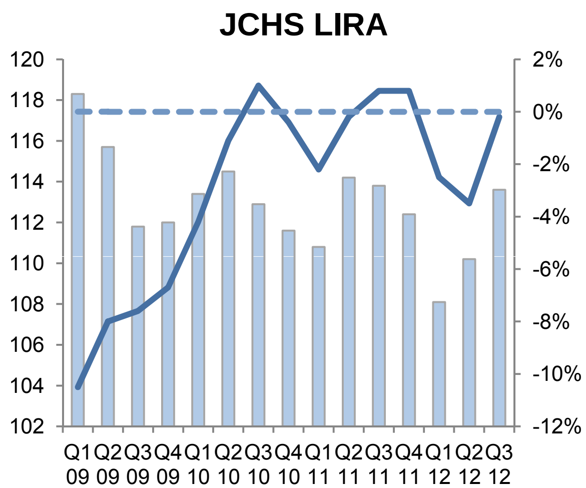
US Market Dynamics

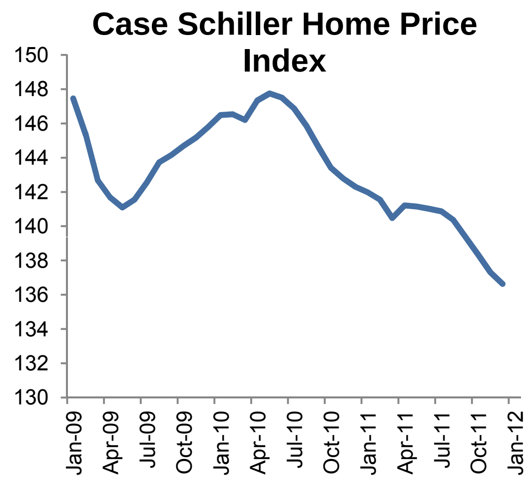












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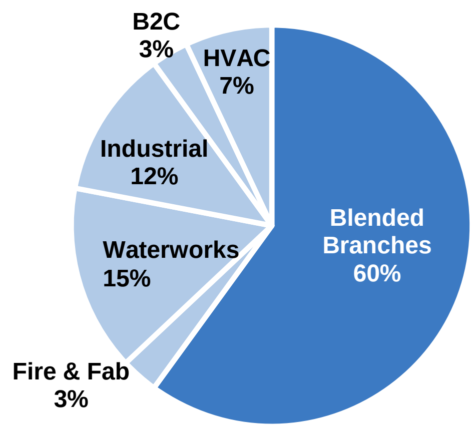
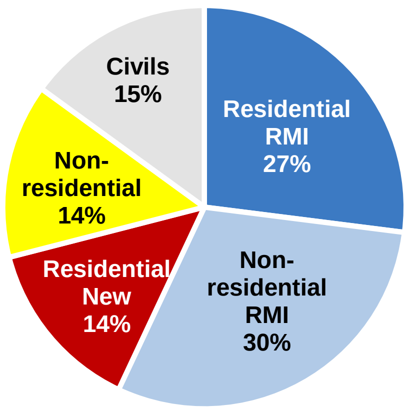
Blended Branches Overview

- Market share: 17%
- 2x Relative market share
- Trading margin - 6.5%
- 733 branches
- 87,000 customers
- 5,000 suppliers
- 275,000 SKUs

Total US Revenue FY11 £5.5bn



Total US Revenue by End Market



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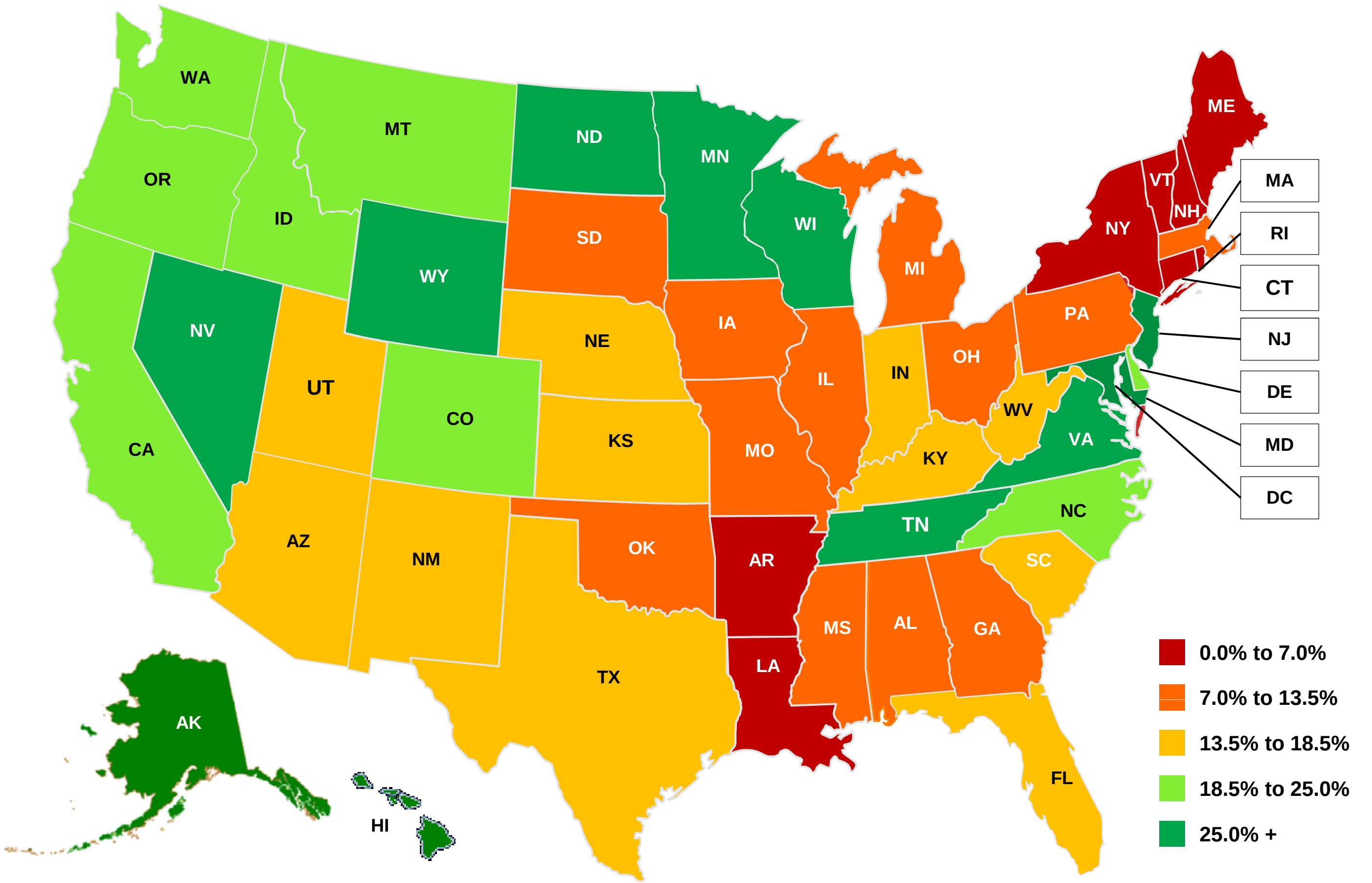
Blended Branches – Market Share by State



Top 10 Markets by Size

	$m
New York	2,100
Los Angeles	1,050
Chicago	920
Dallas	870
Houston	780
Washington	720
Philadelphia	580
Atlanta	550
Boston	550
Miami	530

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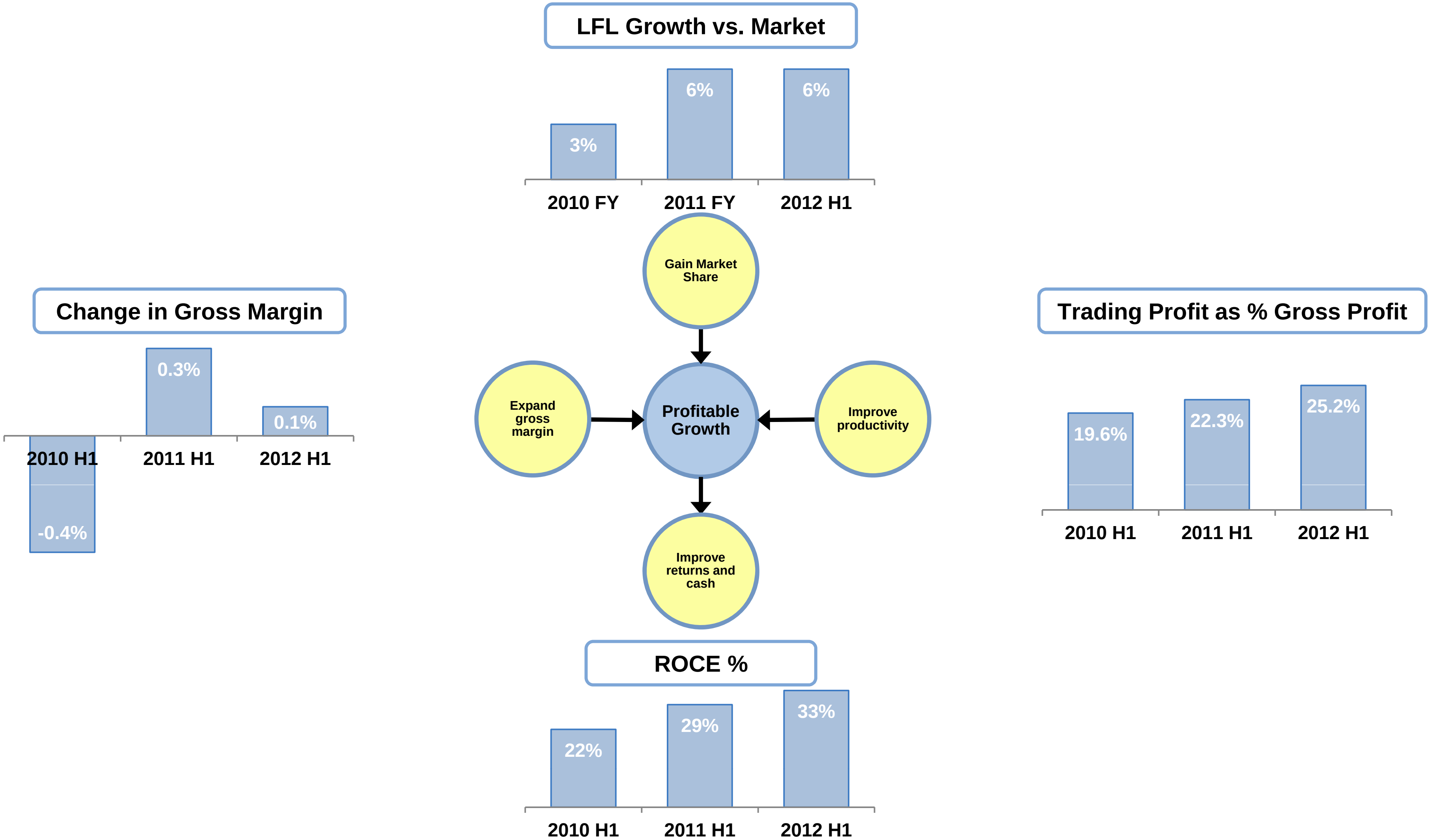
Blended Branches – Performance Metrics



Managing Performance

	Customer Service																
	Customer Service Rating			Self-Service Events			Predictive Fill Rate			% Managed Pricing*			Net Promoter Score			Overall	
	Dec	Jan	Rank	Dec	Jan	Rank	Dec	Jan	Rank	Dec	Jan	Rank	Dec	Jan	Rank	**Score**	**Rank**
Branch A	94.5	94.2	5	38.4	44.3	12	97.7	96.1	5	100	96	18	67.7	46.6	21	**12.2**	**9**
Branch B	87.7	97.4	1	56.4	52.8	8	97.9	95.6	8	100	98	10	73.2	72.1	7	**6.8**	**1**

	Financial Performance															
	YTD Growth v Budget			YTD Gross Profit %*			YTD Growth v LFY		YTD Labour as % GP			YTD Trading Profit %*			Overall	
	Goal	%	Rank	Goal	%	Rank	%	Rank	Goal	%	Rank	Goal	%	Rank	**Score**	**Rank**
Branch A	0	+0.2	24	100	100	7	40.1	3	50.2	51.8	27	100	102	19	**16.5**	**18**
Branch B	0	+6.8	13	100	98	21	13.9	10	45.8	49.5	24	100	91	24	**19.3**	**24**

	Capital Discipline																
	DTC Spot			Ave. Working Capital			6PAK as % of Inventory			DC Utilisation*			AR > 60 Days			Overall	
	FY11	FY12	Rank	Goal	%	Rank	Goal	%	Rank	F11	F12	Rank	Goal	%	Rank	**Score**	**Rank**
Branch A	5.9	53.9	28	11.6	4.9	15	5.7	12.4	26	100	80	18	8.0	21.8	28	**23.0**	**25**
Branch B	18.9	19.4	17	3.9	5.7	18	5.7	3.2	2	100	106	10	8.0	7.4	13	**12.0**	**7**

* Indexed data

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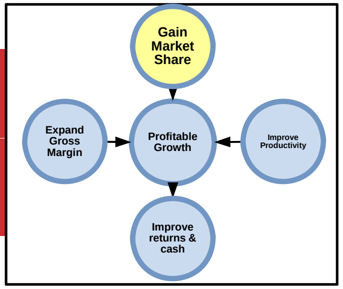
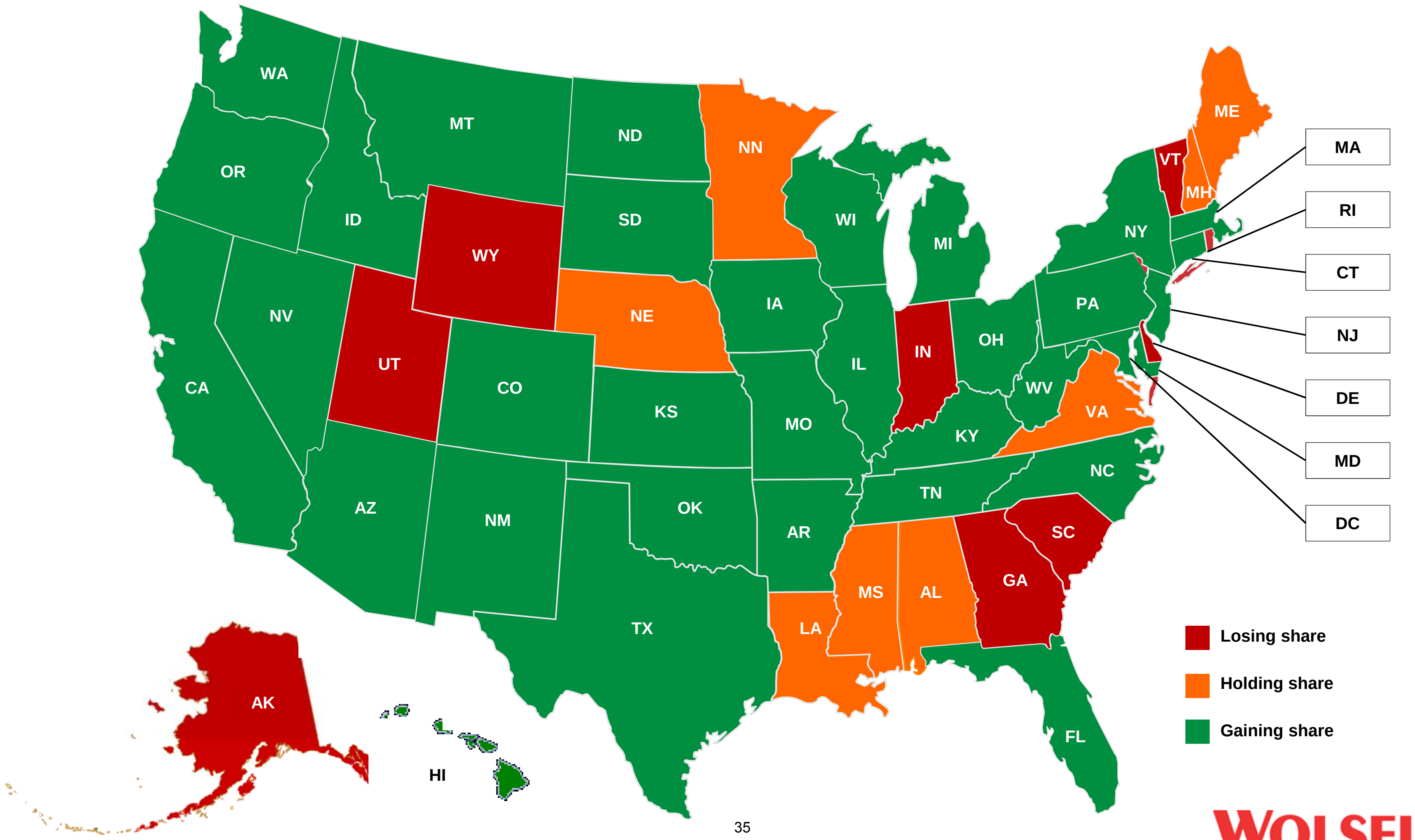
Gain Market Share – Change in Share by State





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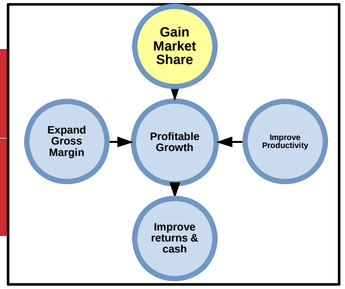
Gain Market Share - Customer Service



Ferguson Customer Dashboard - February 2012

Market Research - Pipe Up NPS Scores

FEI Net Promoter Score (NPS)		Prior Month	FEI Average
Feb-2012, Average Score	**57.15**		
Prior Month Average Score	57.53		
18-mo Average Score	55.50		

Notable Customer Type Scores	NPS Score	Prior Month
HVAC Contractors	59.01	+1.97 pts
Mechanical Contractors	51.62	+1.40 pts
Plumbing Contractors	53.35	-0.35 pts

Net Promoter Score Drivers

Most Important NPS Drivers -->

#1 - Overall Quality of Customer Service		Prior Month	FEI Average
Feb-2012, Average Score	**8.89**		
Prior Month Average Score	8.85		
18-mo Average Score	8.82		
Correlation to NPS	39%		

#2 - Rate and Speed of Service		Prior Month	FEI Average
Feb-2012, Average Score	**8.59**		
Prior Month Average Score	8.56		
18-mo Average Score	8.53		
Correlation to NPS	30%		

#3 - Range of Products Offered		Prior Month	FEI Average
Feb-2012, Average Score	**8.78**		
Prior Month Average Score	8.80		
18-mo Average Score	8.75		
Correlation to NPS	30%		

#4 - Relationship with Associates		Prior Month	FEI Average
Feb-2012, Average Score	**9.09**		
Prior Month Average Score	9.04		
18-mo Average Score	8.85		
Correlation to NPS	28%		

#5 - Competitive Pricing		Prior Month	FEI Average
Feb-2012, Average Score	**7.74**		
Prior Month Average Score	7.72		
18-mo Average Score	7.87		
Correlation to NPS	26%		

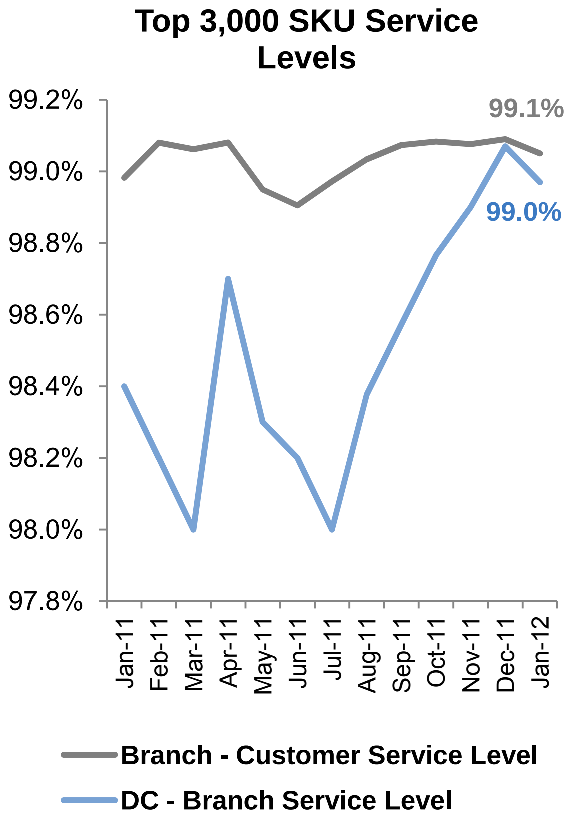
#6 - Availability of Products		Prior Month	FEI Average
Feb-2012, Average Score	**8.38**		
Prior Month Average Score	8.38		
18-mo Average Score	8.24		
Correlation to NPS	22%		

#7 - Accuracy of My Call-In Order		Prior Month	FEI Average
Feb-2012, Average Score	**8.72**		
Prior Month Average Score	8.69		
18-mo Average Score	8.66		
Correlation to NPS	9%		

#8 - Accuracy & Consistency of Billing		Prior Month	FEI Average
Feb-2012, Average Score	**8.65**		
Prior Month Average Score	8.62		
18-mo Average Score	8.25		
Correlation to NPS	9%		

<-- Lesser Important NPS Drivers

*Correlation to NPS explains how strong the relationship between the NPS Driver and overall NPS score is --> the higher the %, the stronger the relationship



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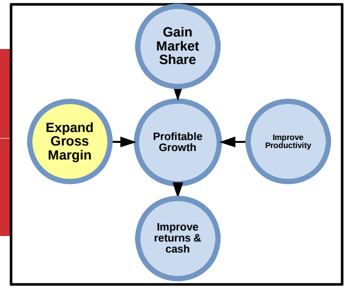
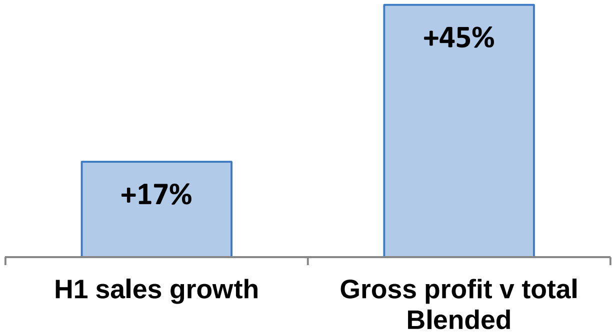
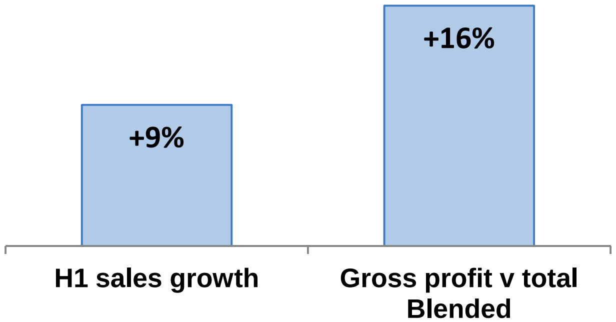
Expand Gross Margin – Business Mix



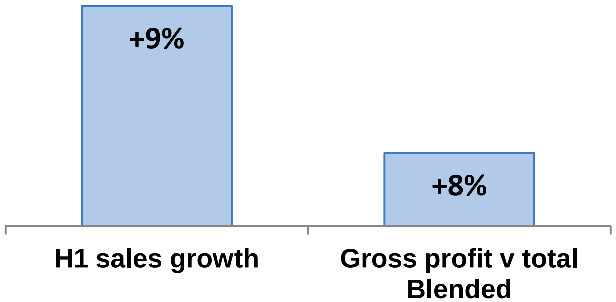
Category development – own label (7% of revenue)



Showrooms (16% of revenue)



Counters (27% of revenue)



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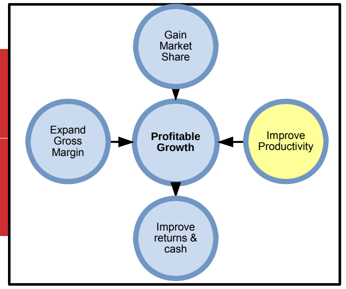
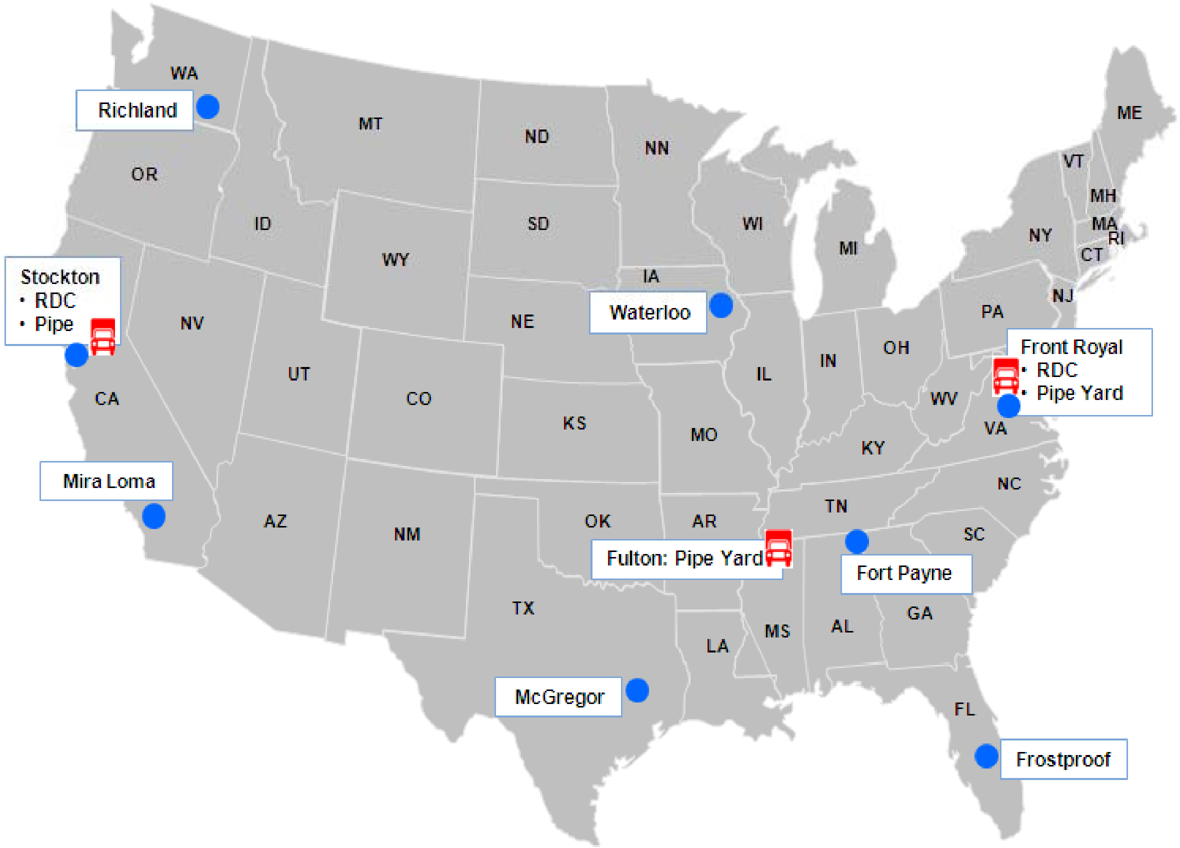
Improve Productivity - Supply Chain Efficiency



Key Facts	Performance	Versus 1 year ago
8 Regional DCs 3 Pipe Yards	96.1% OTIF 99.1% OTIF	
1,300 Branches	82.5% compliance	
$350M DC Inventory	7.4 average turns	
95K unique SKU's	$2.95 cost / line	



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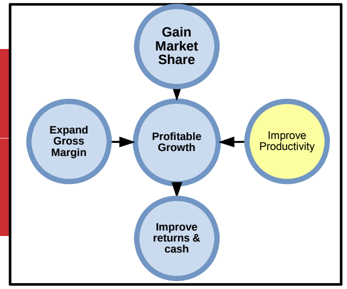
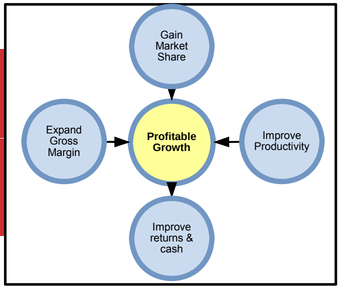
Improve Productivity – Key Metrics



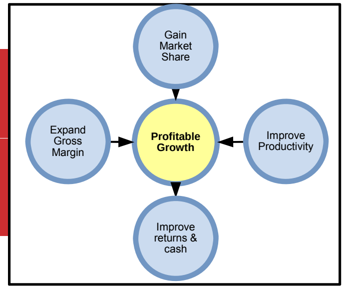
	H1 2010	H1 2011	**H1 2012**
Labour cost as % of gross profit	49.5%	48.6%	**48.9%**
Other costs as % of gross profit	30.9%	29.1%	**25.9%**
Trading profit as % of gross profit	19.6%	22.3%	**25.2%**

Profitable Growth – Further Opportunities



- Geographic expansion – new branches
- Acquisitions
- E- commerce
- New market segments

Profitable Growth - Bolt-on Acquisitions



$ million	Pre-Acquisition	Planned Year 1	5 Months Actual
Revenue	22	+10%	+40%
Trading Profit	1.5	2	2.9
Consideration	12	R.O.I. 17%	R.O.I. 24%

Actions Taken

- Integrated on to Ferguson's infrastructure (3 branches)
- Duplicate costs removed
- Customer service ↑ SKU availability ↑
- New customers penetrated

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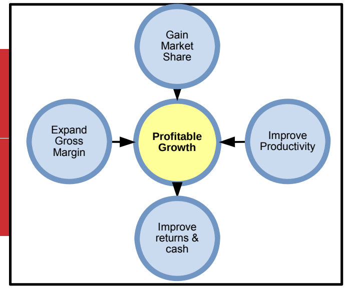
Profitable Growth - E-business



	Consumer - B2C	Trade - B2B		
	build.com Network of Stores	Ferguson Online / Ferguson Direct	Wolseley Express.com	**Total**
2011 Sales $m	261	297	4	**562**
H1 2012 Sales Growth	+20%	+36%	+47%	**+29%**

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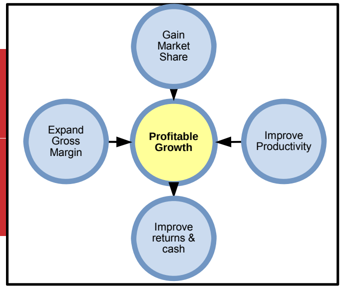
Profitable Growth – Segment Opportunities



New Market Segments	Key Data
Hospitality	– $2 billion addressable market – 10% of hotel rooms renovated each year – Revenue of $115 million, up 38%
Facility Maintenance	– $10 billion addressable market – Revenue of $130 million, up 24% – Leverages existing branch/DC network
Government	– $6.5 billion addressable market – 85% of revenue is State and Local Govt. – Revenue of $315 million, up 10%

- Dedicated sales resources allocated
- Customers value ability to execute nationally

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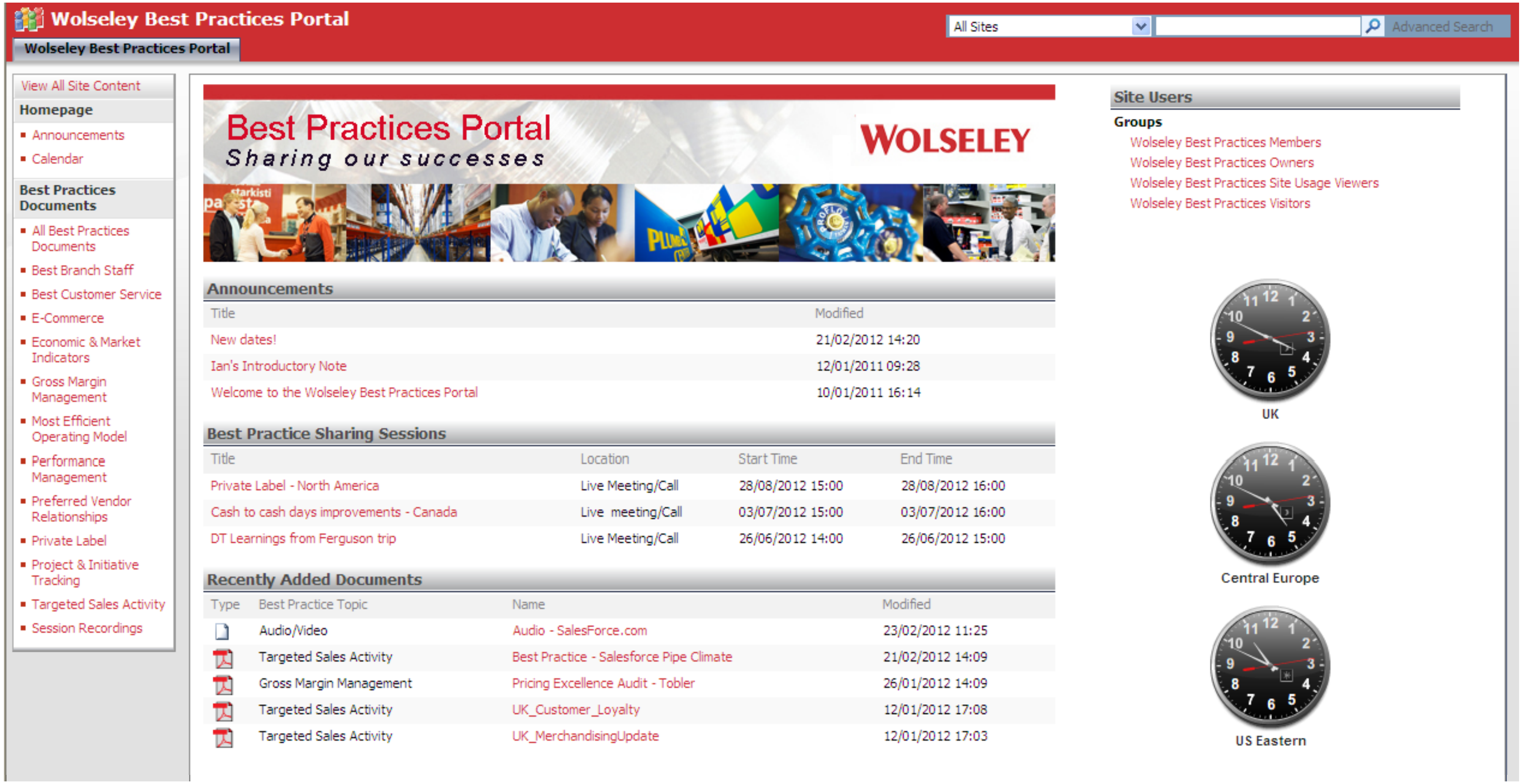
Summary - Blended Branches

- Performance improving
  - Focus at a detailed level
  - Location by location plan
- Market is very attractive
  - Not reliant on New Residential
- Significant opportunities for growth
  - Existing branch network
  - Geographic expansion
  - Multi channel
  - New segments

Best Practice Sharing

Wolseley Best Practice Sharing Website



Group Synergies

	Current	Future Potential
Cross business unit sourcing	Large	++
IT infrastructure / sourcing	Medium	+
Tax / treasury / financing	Large	Delivered
Best Practice sharing	Medium	+++
People / talent	Small	++
Transferable business models	Small	+++

Key

Small	< £10m
Medium	£10m - £20m
Large	> £20m

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Summary

- US encouraging
- Europe challenging
- Decent progress across most elements of strategy – long way to go
- Still significant potential to improve existing businesses
- Substantial growth opportunities in existing businesses / geographies
- Well placed for longer term growth and prepared for market slowdowns in some European markets

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Q&A

Appendices

Regional Analysis

£m	**Revenue H1 2012**	Revenue H1 2011	**Trading profit H1 2012**	Trading profit H1 2011
Ongoing				
USA	**2,966**	2,678	**173**	146
Canada	**426**	408	**25**	23
UK	**852**	858	**44**	48
Nordic	**1,098**	1,020	**47**	48
France	**606**	584	**8**	11
Central Europe	**377**	361	**20**	17
Central and other costs	**-**	-	**(15)**	(22)
	6,325	5,909	**302**	271
Sold or held for sale				
UK	**195**	363	**-**	3
France	**321**	304	**8**	2
Central Europe	**-**	53	**-**	(1)
Group	**6,841**	6,629	**310**	275

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Underlying Performance

Revenue £m	H1 2012	H1 2011	Change
Reported	**6,841**	6,629	
Sold or held for sale	**(516)**	(720)	
Ongoing and underlying	**6,325**	5,909	+7%
Gross Profit £m			
Reported	**1,876**	1,833	
Sold or held for sale	**(151)**	(215)	
Non-recurring charges	**11**	-	
Underlying	**1,736**	1,618	+7%
Underlying gross margin	**27.4%**	27.4%	-
Trading profit £m			
Reported	**310**	275	+13%
Sold or held for sale	**(8)**	(4)	
Ongoing	**302**	271	+11%
Non-recurring charges	**16**	3	
Underlying trading profit	**318**	274	+16%
Underlying trading margin	**5.0%**	4.6%	+0.4%

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Cash Flow from Operating Activities

£m		**H1 2012**	H1 2011
Trading profit		**310**	275
Depreciation and amortisation		**64**	78
EBITDA		**374**	353
Working capital	- Unwind of year end position	**(114)**	(495)
	- Reduction in factoring	**(9)**	(118)
	- Other working capital movements	**(83)**	(72)
One-off pension contribution		**(60)**	-
Provisions and other movements		**2**	(46)
Cash flow from operating activities		**110**	(378)

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Other Cash Flow

£m	**H1 2012**	H1 2011
Cash flow from operating activities	**110**	(378)
Net interest	**(8)**	(25)
Tax paid	**(28)**	(46)
Acquisitions and disposals	**119**	52
Capex	**(64)**	(48)
Asset disposals	**41**	34
Dividend	**(85)**	-
FX and other items	**(32)**	43
Decrease/(increase) in net debt	**53**	(368)
Opening net debt	**(523)**	(346)
Closing net debt	**(470)**	(714)

Branch Numbers

	At 31 July 2011	Disposals / held for sale	Acquisitions	Other movement	Ongoing at 31 Jan 2012
USA	1,261	-	12	3	1,276
Canada	221	-	-	(1)	220
UK	1,233	(300)	-	6	939
Nordic	288	-	3	-	291
France	690	(369)	-	(5)	316
C. Europe	144	-	-	2	146
	3,837	(669)	15	5	3,188

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Headcount Numbers

	At 31 July 2011	Disposals / held for sale	Acquisitions	Other movement	Ongoing at 31 Jan 2012
USA	17,481	-	199	127	17,807
Canada	2,693	-	-	(134)	2,559
UK	8,769	(2,545)	-	(174)	6,050
Nordic	6,754	-	20	(374)	6,400
France	8,072	(2,623)	-	(38)	5,411
C. Europe	1,965	-	-	54	2,019
Other	154	-	-	(15)	139
	45,888	(5,168)	219	(554)	40,385

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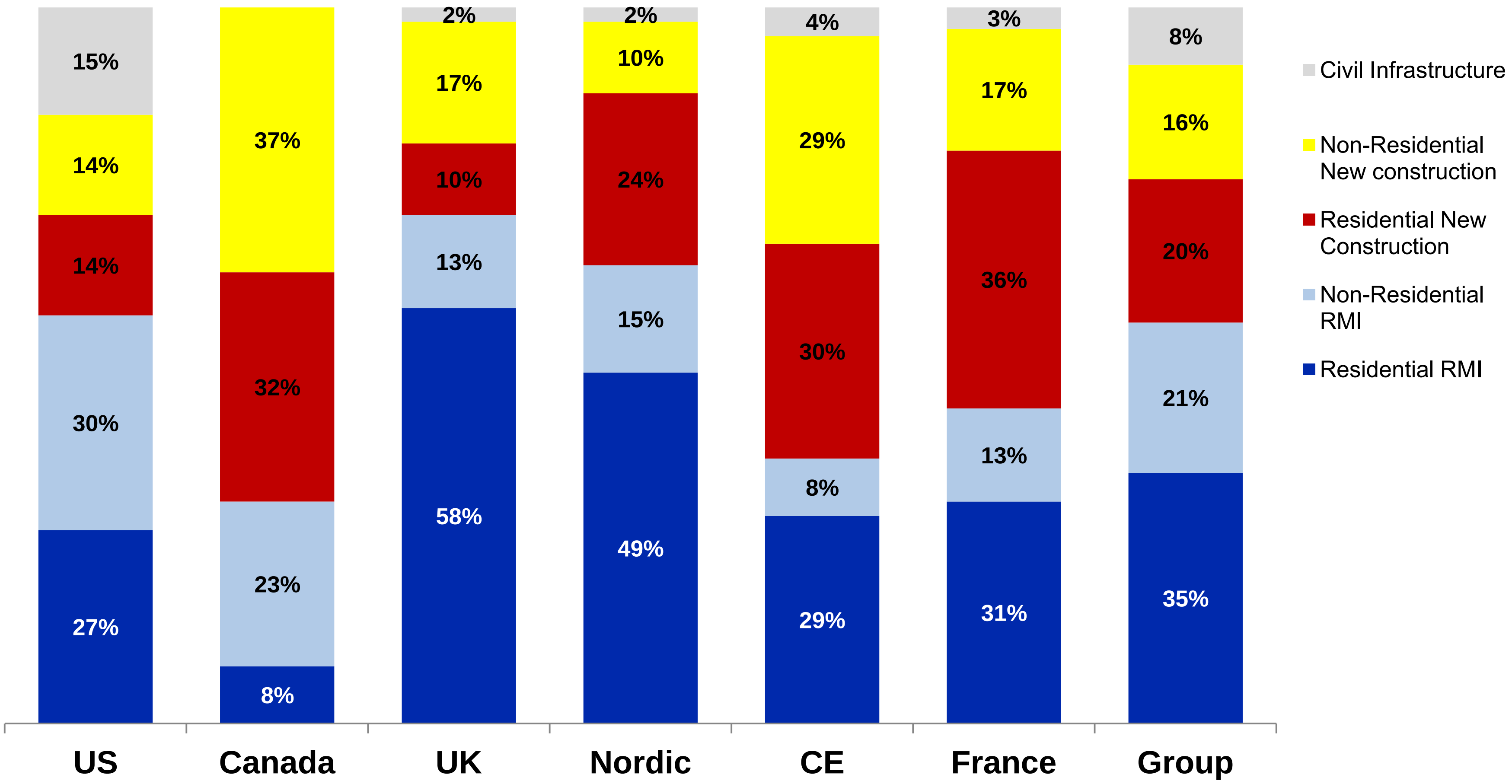
Currency

	H1 2012 Average	H1 2011 Average	Strengthening / (weakening	@ 31 Jan 2012	@ 31 Jan 2011
US$	**1.58**	1.57	(0.4%)	**1.58**	1.60
CAN$	**1.60**	1.60	+0.2%	**1.58**	1.60
DKK	**8.67**	8.78	+1.3%	**8.96**	8.72
Euro	**1.16**	1.18	+1.2%	**1.20**	1.17
CHF	**1.40**	1.55	+10.9%	**1.45**	1.51

Product Destination Analysis – Total Revenue



Group: RMI 56%, New Residential 20%

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