

## **AGM Statement**

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Grafton continues its successful strategy of building on its strong market positions and brands in the UK and Ireland by participating in both the ongoing consolidation opportunities in the market and in greenfield developments. For the first quarter of 2004, in line with our expectations, the Group has returned good growth in earnings.

Once again the UK merchanting businesses have yielded strong acquisition led growth together with increased like for like sales and improving operating margins in a favourable trading environment. The businesses acquired during 2003, in particular the two larger acquisitions Jackson Building Centres and Plumblin Supplies, continue to trade strongly. Since the start of the year the Group has completed 6 acquisitions in the UK adding circa €60 million to Group turnover on an annual basis. EuroMix, the Group's silo mortar division, continues to increase sales and profitability. A new plant in Southampton, its seventh in the UK, is on schedule to open in July. The Group now trades from over 290 locations in the UK.

Buoyant trading conditions persist in Ireland. The Group's Irish merchanting business continues to benefit positively and this is reflected in good like for like sales growth and a further improvement in profits. The Telford builders merchanting business acquired in October 2003 is performing strongly. Woodie's DIY continues to show like for like sales growth and the two stores opened during 2003 are trading well. The store opened in Clonmel during March this year also had a good start to trading. Woodie's DIY now trades from 17 locations with the new flagship Naas Road, Dublin store on schedule to open in June. Further store openings already announced will bring the store network to 22 stores.

The Group remains confident of continued growth in profits and earnings per share in 2004.

Ends

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