

## **Trading Statement**

Released: 15/06/2004

The Group has continued to experience favourable trading conditions in the UK and Ireland during the first half of the year and this has been reflected in good sales growth, in addition to strong integration led growth in the UK. Group profits in the half year are expected to be materially ahead of market expectations.

In the UK, Group operations continue to benefit from the synergies associated with the larger acquisitions completed during 2003 and UK operating margins are improving in line with market expectations. Recent acquisitions are also performing well. The new EuroMix Dry Mortar plant in Southampton is scheduled to commence production later this month.

Sales growth in Ireland has benefited from the recent spell of fine weather and both Irish Merchanting and Woodie's DIY turnover improved. Woodie's DIY new flagship store on the Naas Road opened successfully over the June Bank Holiday weekend, bringing the Woodie's store network to 18.

Turnover in the first six months of 2004 is expected to exceed last year's levels by over 20 per cent and this is also reflected in significantly increased levels of operating profit. Group operating profit before goodwill amortisation for the half year is anticipated to increase by over 25 per cent on the same period in 2003.

Ends

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