

## **Trading Update**

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Trading in both Ireland and the UK is in line with Group expectations. Like for like sales growth continued in Ireland and the UK during the second half of 2004. Group Turnover for 2004 exceeded €1.87 billion and Group profits for 2004 are expected to be in line with market expectations.

Heiton Management have indicated that trading in Heiton Group plc has performed strongly during its six month interim period up to October 2004 and their financial results for this period are ahead of our expectations.

In the year ended 31 December 2004 Grafton completed 17 acquisitions in the UK for a total consideration in excess of €69 million. In Ireland, as announced last Friday, the Group has received approval from the Competition Authority to complete the purchase of Heiton Group plc. Combined, the Irish and UK acquisitions should add almost €700 million of turnover to the Group during 2005 and increase the branch network by over 80 trading locations.

During 2004 the Group continued to implement its strategy of growth through organic developments. Greenfield development of 12 merchandising outlets, 3 Woodie's DIY stores and a dry mortar plant in Southampton added a further 16 branches to the Group bringing the total network to over 430 trading locations in Ireland and the UK.

Further organic growth is planned for 2005 with the development of additional greenfield merchandising locations and the completion of the 8th dry mortar plant in the UK and new DIY store openings in Ireland. The Group also expects to benefit from its healthy pipeline of potential acquisitions.

Ends

## **Enquiries**

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