

Trading Update for the 11 months to 30 November 2006

Released: 20/12/2006

The trading environment continued to be favourable in Ireland during the period and like for like sales continued to grow in high single digits. In the UK, as expected, the Group experienced an improving trend in like for like sales growth, which overall was in low single digits, and resulted in an improved UK operating margin during the period.

Group earnings for 2006 are expected to be in line with market expectations.

To date this year 16 acquisitions have been completed in the UK (nine since the end of June 2006) for a total consideration of circa €80 million. These acquisitions have added 27 branches to the Group's network in the UK and had an annualised turnover in excess of €120 million.

The organic expansion of the Group continued with the successful opening of six new builders merchants, six new plumbers merchants and a ninth dry mortar plant in the UK. In Ireland, the Group opened three new Woodie's DIY superstores, one builders merchant and a new In-House at the Panelling Centre location. The acquired and organically opened branches bring the number of Group trading locations to over 520.

The Group continued its property disposal programme during the second half of the year and now expects to report profits on disposals, including the previously reported Atlantic Stillorgan property, in excess of €33 million for the year.

Further organic growth is planned for 2007 with the development of brownfield locations in the UK and new DIY store openings in Ireland. In addition, the Group continues to evaluate a healthy pipeline of potential acquisitions.

Ends

20th December 2006

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