

## **Grafton Group plc AGM Statement**

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At today's Annual General Meeting in Dublin, the Chairman, Mr. Michael Chadwick, will make the following statement:

"Grafton Group plc is pleased to report strong trading for the four months to the end of April 2007.

The UK Merchanting business had a very good start to the year continuing the positive trend experienced in the second half of last year. Buoyant conditions in the RMI market were supported by a strong economy and healthy housing market. UK merchanting developments since the start of the year included the completion of three single branch acquisitions and the opening of six new merchanting branches.

Solid sales growth was achieved in the Irish Merchanting business reflecting moderation in demand in the residential construction market and increased activity in the residential RMI market in a very favourable economic environment. One new branch was added to the Irish merchanting network.

The improving sales trend in the Irish DIY business which emerged in the second half of 2006 gained further momentum against a background of favourable weather and strong consumer spending.

The first four months of 2007 have provided a good start to the year and the Group is positive about the overall prospects for its business as it moves into the seasonally stronger trading months ahead."

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