



**Grafton Group plc**

**Trading Update**

**Half Year to 30 June 2011**

Grafton Group plc, the builders merchants and DIY Group with operations in the UK and Ireland, issues this trading update for the six months ended 30 June 2011.

Group turnover for the half year was circa €997 million, compared to €979 million in the first half of 2010. Turnover in the early months of the year benefitted from more favourable weather conditions than in the same period last year and the rate of growth moderated in the second quarter.

UK average daily like for like sterling turnover increased by circa 4.7 per cent. Demand was resilient in the RMI-focused UK merchanting business against the background of pressure on disposable incomes and consumer spending.

Irish turnover for the half year was down by circa 6 per cent and was impacted by challenging trading conditions in the Merchanting and DIY markets. Spending on housing RMI and DIY was lower due to general weakness in the economy, reflecting a decline in incomes and contraction in employment levels.

The trading environment in the Group's key markets is proving slow to recover to more normal conditions in light of the continuation of weak mortgage lending and low levels of consumer confidence. However, the Group continues to significantly improve its trading performance from the historically low levels of the recession.

Ends

8 July 2011

For further information please contact:

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