

**Grafton Group plc**  
**Interim Management Statement**

**6 November 2012**

Grafton Group plc, the builders merchanting and DIY Group with operations in the UK, Ireland and Belgium, issues the following Interim Management Statement for the period ending 31 October 2012.

**Group Revenue**

Group revenue for the ten months to 31 October 2012 was €1.83 billion, up from €1.73 billion in the same period last year. The translation of sterling revenue, which accounted for 76 per cent of Group revenue, at a more favourable exchange rate to the euro contributed to the increase in revenue for the period.

**Merchanting Segment**

UK Merchanting sterling turnover increased by 3.6 per cent in the ten months to October 2012. Trading in September and October saw average daily like for like sterling turnover up by 2.0 per cent compared to a flat outcome for July and August. Average daily like for like growth of 1.0 per cent in the period from July to October compared to growth of 1.4 per cent in the first half.

Irish Merchanting turnover declined by 8.7 per cent in the ten months, a rate consistent with the half year. Trading in September and October benefitted from a strong performance by the plumbing and heating division and promotional activity.

**Retailing Segment**

Turnover in the Irish Retailing business declined by 10.1 per cent in the year to October. The rate of decline eased in the July to October period to 6.5 per cent from 12.4 per cent in the first half when demand for seasonal products was as expected less affected by adverse weather conditions.

**Operating Profit**

The Group is on course to report full year operating profit (before restructuring and amortisation) at the higher end of market expectations. Increased operating profit was achieved in the ten months to October, despite difficult markets, through a disciplined focus on self-help measures.

**Financial Position**

The Group maintained its healthy financial position with strong cash generation from operations and good liquidity providing the resources to invest in strategically important development opportunities.

Strong market positions and a low cost base give the Group a good platform to improve profitability as markets recover from cyclical lows.

**For further information please contact:**

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