

Grafton Group plc

Interim Management Statement

14 May 2013

Grafton Group plc, the builders merchanting and DIY Group with operations in the UK, Ireland and Belgium, issues this Interim Management Statement in advance of the Company's Annual General Meeting to be held at 10.30 am today in the IMI Conference Centre, Sandyford Road, Dublin 16.

Revenue

Revenue for the four months to the end of April was €677 million which compares to revenue of €676 million for the same period last year. The translation of UK revenue at a less favourable sterling/euro exchange rate relative to the prior period reduced Group turnover by €12 million. Trading for the period was influenced by adverse weather conditions and continued economic weakness in the Group's markets.

Merchanting Segment

Average daily like for like sterling revenue in the UK Merchanting business, which contributed 74 per cent of Group turnover, was marginally higher for the four months. Weather conditions reduced volumes in March but activity levels recovered during April.

The Irish merchanting business increased like for like revenue by 1.0 per cent, an encouraging development and the first period since the first half of 2007 to record turnover growth. The business benefitted from an improvement in its competitive position and from increased turnover of plumbing and heating products and promotional campaigns.

Retailing Segment

Like for like revenue in the Irish Retailing business declined by 8.7 per cent due to a softening of demand caused by weakness in consumer sentiment and record low temperatures in March and early April which delayed the start of the outdoor season.

Operating Profit

Operating profit for the four months was marginally ahead of the prior year despite a continuation of below normal activity levels in the UK

Merchanting market and the difficult macro-economic environment in Ireland.

Outlook

While turnover growth in the first two weeks of May has seen some improvement, the Group remains cautious about the near term outlook for its businesses and is looking to a continuing reliance on internal initiatives to improve profitability.

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