



Travis Perkins plc

“A leader in builders merchandising and home improvement retailing”

Year ended 31 December 2010

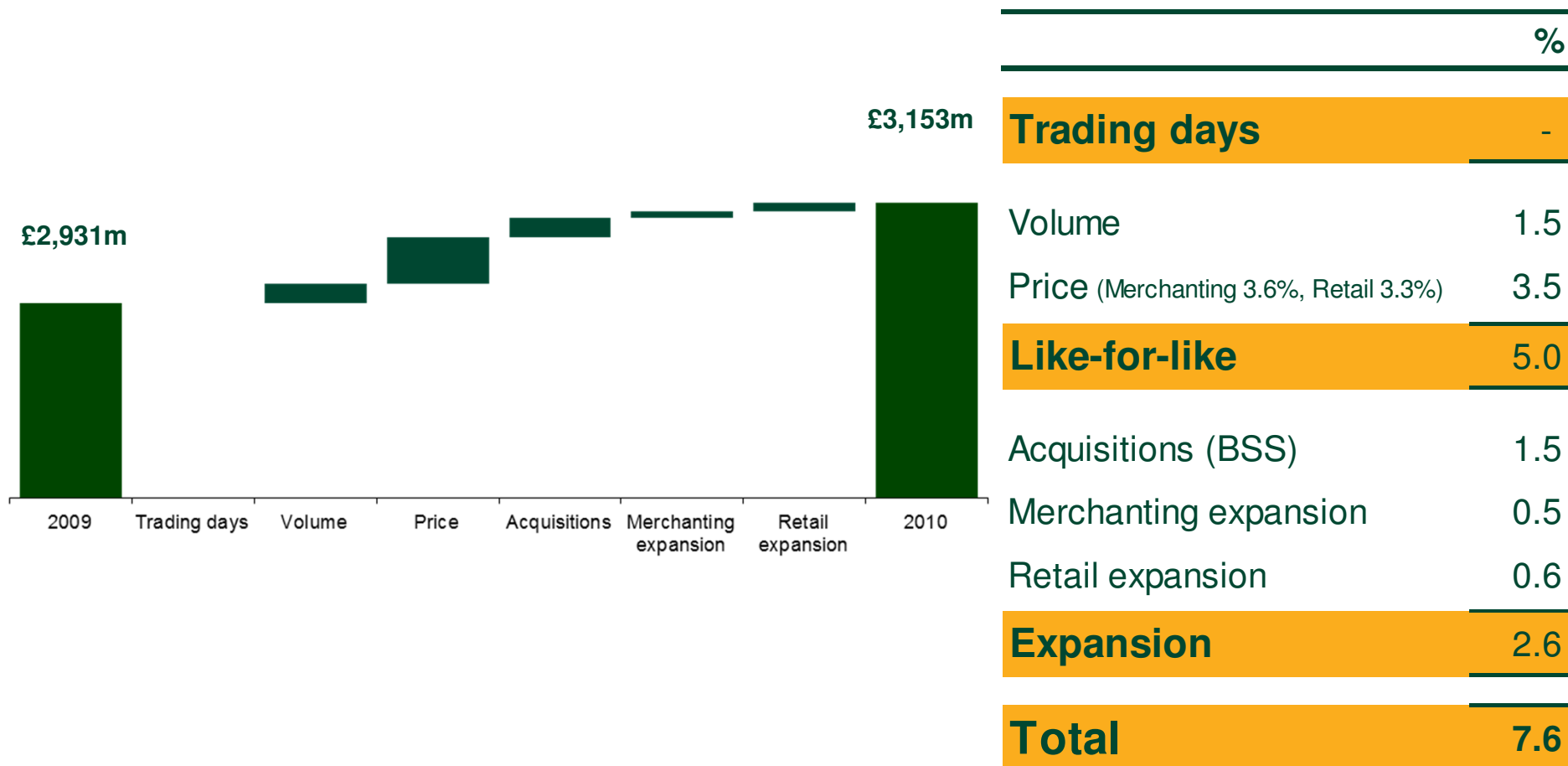
Group well positioned to navigate markets

- ✓ Three key 'turning points' seen in the construction cycle.....we have taken advantage at each turn
- ✓ Organic strategy continues to deliver market leading performance.....with further scope for growth
- ✓ Maintained strong financial performance and investment in growth in 2010.....with more initiatives to come
- ✓ Key priorities now – push on with organic strategy and secure BSS benefits

Financial overview

	2010	% movement	
Turnover	£3,152.8m	7.6%	↑
Operating profit (before exceptional items)	£239.0m	6.4%	↑
Operating margin (before BSS and exceptional items)	7.8%	0.1%	↑
Adjusted profit before tax (before exceptional items)	£216.7m	20.4%	↑
Profit before tax (after exceptional items)	£196.8m	(7.5)%	↓
Adjusted Earnings Per Share (post BSS)	77.2p	2.7%	↑
Adjusted Earnings Per Share (pre BSS)	78.8p	4.8%	↑
Dividend	15.0p		↑
Underlying net debt reduction	£205.2m		
Net debt	£773.6m		

Continued strong pricing and return to volume growth

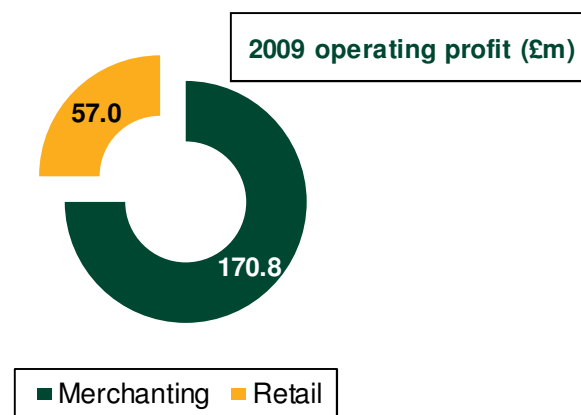
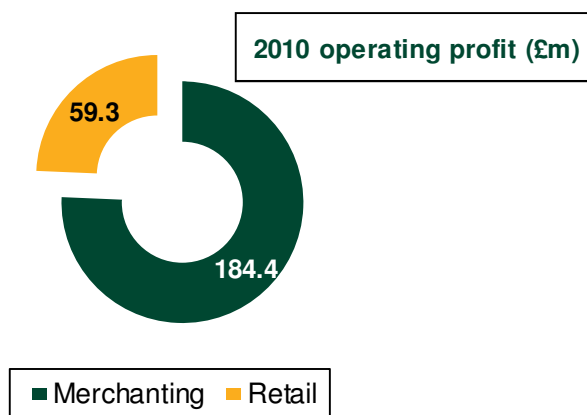


Like-for-like sales continue to improve

(All figures are % change on prior year)	H1 2010	H2 2010	Full Year 2010
General	4.8	8.6	6.7
Specialist	6.6	10.2	8.5
Merchanting	5.4	9.2	7.3
Wickes core	(3.3)	(0.7)	(2.0)
Wickes kitchens & bathrooms	11.6	7.2	9.5
Retail	(0.4)	0.7	0.2
Group	3.5	6.5	5.0

Market leading margins

(All numbers are before exceptional items)	Merchanting %	Retail %	Group %
2009 operating margin	8.8	5.8	7.7
Gross margin	(0.1)	2.2	0.5
Overheads	0.1	(2.1)	(0.4)
Property profits	-	-	-
2010 operating margin	8.8	5.9	7.8
BSS impact	-	-	(0.2)
2010 operating margin	8.8	5.9	7.6



Free cash flow conversion remains over 100%

(All figures are £'million, unless stated)

	2010	2009
Operating profit	239	225
Depreciation	57	59
Other non-cash movements	10	2
Gain on disposal of property, plant & equipment	(11)	(12)
Movement in working capital	48	74
Replacement capital expenditure	(24)	(18)
Operating cash flow	319	330
Net interest paid	(16)	(29)
Income taxes paid	(42)	(27)
Proceeds from sale of fixed assets	17	20
Free cash flow	278	294
Free cash flow conversion	116%	131%

£205m reduction in underlying net debt

(All figures are £'million)	2010	2009
Free cash flow	278	294
Dividends	(10)	-
Expansion capital expenditure & acquisitions	(29)	(12)
Loan to associates	(12)	(13)
Pension contributions	(18)	(25)
Cash flow	209	244
Non-cash movements	(7)	(3)
Exchange rate movement	3	40
Underlying net debt reduction	205	281
BSS acquisition	(295)	-
Net debt arising on BSS acquisition	(175)	-
Pension scheme - SPV	(35)	-
Swap cancellation payment	-	(29)
Proceeds of share issues	-	300
Exceptional items	(7)	(2)
Net debt at 1 January	(467)	(1,017)
Reported net debt at 31 December	(774)	(467)

Post BSS net debt : EBITDA less than 2 times

	Excl BSS	BSS	Consideration	Group	Group
(All figures are £'million, unless stated)	2010	2010	2010	2010	2009
Tangible fixed assets	490	36	-	526	499
Other fixed assets	1,556	594	-	2,150	1,552
Net working capital	29	244	-	273	56
Taxation creditors and provisions	(155)	(48)	-	(203)	(149)
Net debt	(304)	(175)	(295)	(774)	(467)
Net pension deficit	23	(43)	-	(20)	(31)
Net assets	1,639	608	(295)	1,952	1,460

Key ratios (covenant basis)

Adjusted interest cover	18.9x	10.7x
Adjusted net debt / EBITDA	1.92x	1.47x
Gearing (covenantable net debt)	36.0%	28.3%
Working capital : sales (excl BSS)	0.9%	1.9%
Working capital : sales (incl BSS pro-forma)	6.0%	-

TP pension scheme in surplus

	TP	BSS	
(All figures are £'million)	scheme	schemes	Group
Gross deficit at 1 January 2010	(43)	-	(43)
Service costs charged to P&L	(6)	-	(6)
Contributions	59	-	59
Other finance income	6	-	6
Actuarial gain	16	-	16
Arising on acquisition	-	(60)	(60)
Gross asset / (deficit) at 31 December 2010	32	(60)	(28)
Deferred tax (liability) / asset	(9)	16	7
Net asset / (deficit) at 31 December 2010	23	(44)	(21)

BSS – strong return on capital

(All figures are £'million, unless stated)	Pro-forma 2010				
	Domestic	Industrial	Specialist	Centre	Total
Sales	974	371	114		1,459
EBIT	31	25	2		58
EBIT %	3.2%	6.8%	1.4%		4.0%
EBITA					61
EBITA %					4.2%
Capital employed	183	70	32	13	297
Return on capital employed	17.0%	35.8%	5.1%		19.5%
Employees (number)	2,730	1,423	625	264	5,042
Employee productivity (£'000)	357	261	183		289

Enlarged Group – pro-forma results

(All figures are £'million, unless stated)	Pro-forma 2010		
	TP	BSS	Total
Sales	3,109	1,459	4,568
EBIT	242	58	300
EBIT %	7.8%	4.0%	6.6%
EBITA	242	61	303
EBITA %	7.8%	4.2%	6.6%
Capital employed			2,801
Return on capital employed			10.7%
Employees (number)	14,696	5,042	19,738
Employee productivity (£'000)	212	289	231
	Year 1	Year 2	Year 3
Synergies	8	16	25

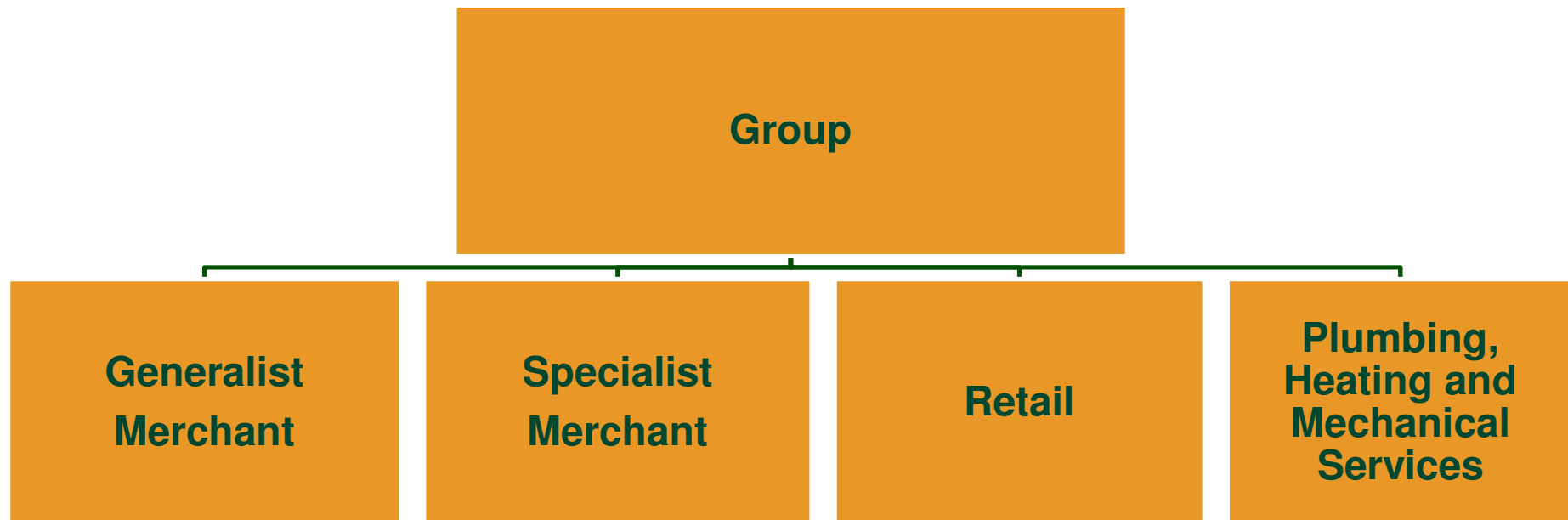
Summary

- ✓ Good organic profit growth and momentum
- ✓ Strong cash flow
- ✓ Strong balance sheet
- ✓ BSS – a good acquisition

Group well positioned to navigate markets

- How we intend to organise and structure ourselves
- Update on our core businesses
- Progress of our organic programme
- Supply chain within the Group
- Extending our direct sourcing capabilities
- BSS update

Aiming towards structuring into 4 divisions



An impressive network of branches and stores

	31-Dec-2009	Acquisition	Brownfield	Consolidation	31-Dec-2010
Travis Perkins	618	-	8	(1)	625
Keyline	83	-	-	(3)	80
City Plumbing	194	-	-	-	194
CCF	33	-	-	(3)	30
Benchmarx	29	-	23	-	52
Merchanting	957	-	31	(7)	981
Wickes *	196	-	7	(2)	201
Tile Giant	86	-	15	-	101
Toolstation **	64	-	20	-	84
Retail	346	-	42	(2)	386
BSS	-	446	-	-	446
Group	1,303	446	73	(9)	1,813

Trade businesses – strengthening their market position

- ✓ Growing market share
- ✓ Managing margins successfully
- ✓ Targeting customer segments
- ✓ Category management
- ✓ New heating spares business
- ✓ Benchmarx implant strategy
- ✓ Delivering sector leading performance



Retail – further market share gains

- ✓ Strong sales growth from online and catalogue offerings
- ✓ Developed Wickes stand-alone kitchen and bathroom stores
- ✓ Established next day delivery (6 days per week)
- ✓ Tile Giant now trading from 101 stores
- ✓ Toolstation growing fast and on target for 100 stores in 2011



Organic programme is gaining momentum

A strong and important initiative based on four principal areas of focus:

- Leveraging our use of supply chain scale
- Cost and efficiency initiatives
- Service improvements
- Category management, including renewables

Comprehensive and flexible distribution network



Supply chain: touching every element of our business

- Centralisation
 - Introduced 2,800 new SKUs into trade central distribution
- Availability
 - Range enhancement – in stock in project quantities
- New delivery service
 - Regional heavyside hub / additional 500,000 sq ft distribution centre
- Cost and environmental improvements
 - GPS tracking improving vehicle utilisation / CO2 emissions
- Supporting direct sourcing
 - Consolidation centre in Shanghai

Direct sourcing is driving an increase in profits

- Increased SKUs by 1,100 (46%) to 3,500 in 2010
- Launched a consolidation centre in Shanghai
- Increasing resource, both in the UK and Asia
- Sourcing office to open in Shanghai by the end of 2011
- Achieved \$100m in 2010 - revised our target to \$200m over the next 3 years
- BSS integration offers further gains on top of this

BSS integration

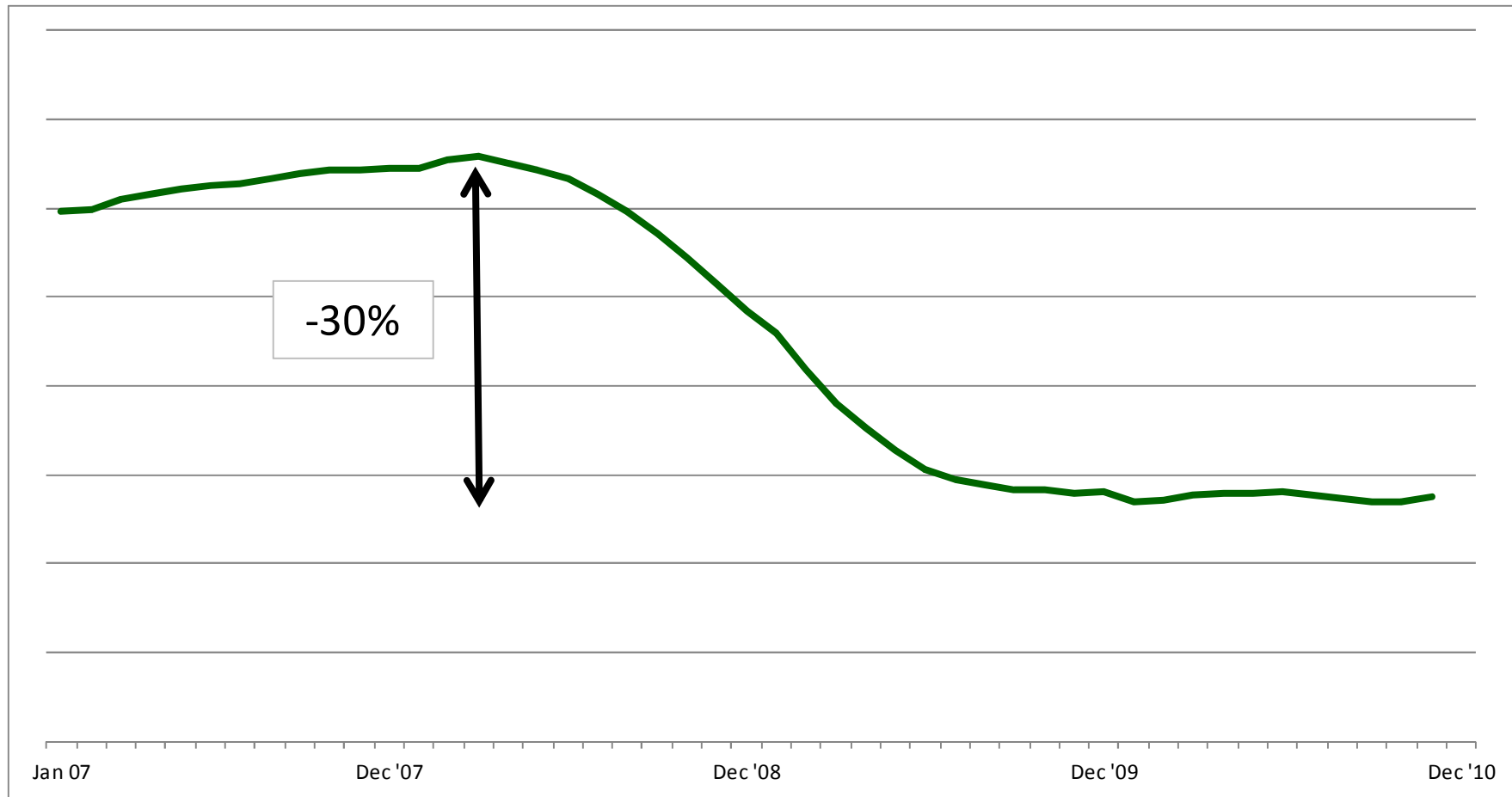
- Deal completed 14th December 2010
- Got to see the top 1,000 people in the first 3 days
- Integration management team formed and work streams established
- Phase 1 – initial welcome and communication - completed
- Phase 2 – planning the execution of key initiatives - completed
- Phase 3 – shorter term projects (lower hanging fruits) - underway
- Phase 4 – longer term projects (IT / supply chain) - planning stage
- Buying and overhead synergy work progressing
- Overall project in line with our expectations

Strong performance with more to come

- ✓ Organic growth programme is working
- ✓ Out-performing the markets that we operate in
- ✓ Strong, stable and experienced management team
- ✓ Excellent growth and performance across all market sectors
- ✓ BSS proving as good as we expected and is on track

Cycle behaving as expected

Market volume movement



Low absolute activity, with choppy recovery

- ✓ Low absolute levels of housing, commercial and RMI activity mean recovery should continue

Strong early LFL against weak comparatives

(All figures are % change on prior year)	Jan 2011		Feb 2011		Total 2011	
Merchanting	22.0		9.9		16.5	
Wickes - core	11.5		3.0		7.4	
Wickes - K&B	14.6	[(3.4)]	(2.4)	[(35.5)]	5.7	[(16.4)]
Retail	12.0	[5.7]	1.7	[(9.9)]	7.0	[(1.3)]
BSS	7.6		5.3		6.6	
Group	14.8	[13.1]	6.5	[3.5]	11.0	[8.8]

The above numbers are delivered sales, except those shown in [], which are on an ordered basis

Low absolute activity, with choppy recovery

- ✓ Low absolute levels of housing, commercial and RMI activity mean recovery should continue
- ✓ However, confidence and credit are holding back a strong bounce back, and
- ✓ Public sector construction cuts will gradually bite and consumers will feel the pinch
- ✓ Some bright spots – resilient RMI and strong product inflation
- ✓ Overall, flatish volumes in 2011, with share gains and inflation providing some revenue growth

Our priorities are very straightforward.....

- ✓ Continue to execute our organic growth strategy
- ✓ Integrate BSS and get synergy gains
- ✓ Use strong cash generation to:
 - ✓ Pay down debt
 - ✓ Maintain investment in continuous improvement
 - ✓ Continue selective network expansion
- ✓ Keep watch on further sector consolidation

...and we continue to see strong drivers of value

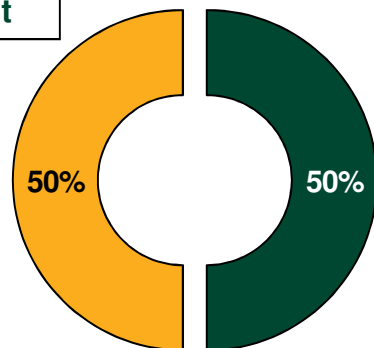
	2010	2011	Beyond
Organic strategy (Supply Chain, Global Sourcing, Category Management, etc)	✓	✓	✓
BSS prospects and synergies		✓	✓
Cash generative business model	✓	✓	✓
Gradual market recovery	Flat	Flat	✓

Appendix

Travis Perkins plc further analyses

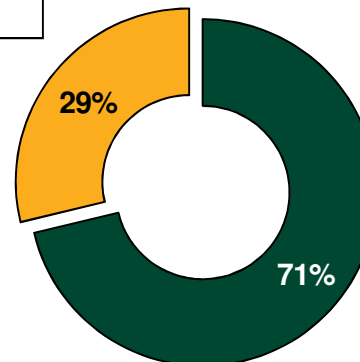
Gross facilities

Interest

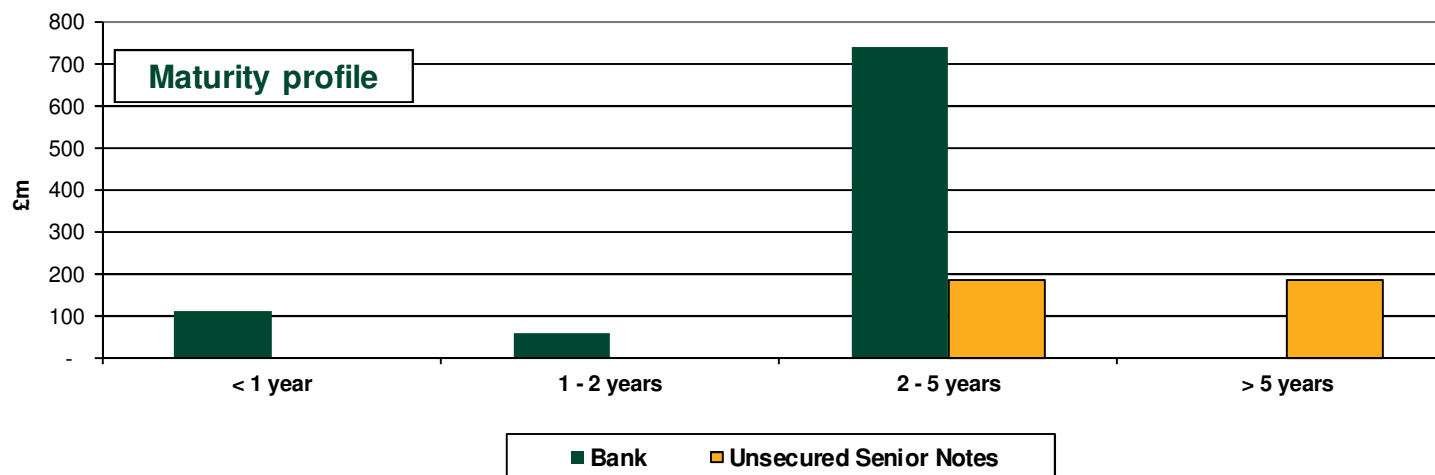


■ Fixed ■ Floating

Debt



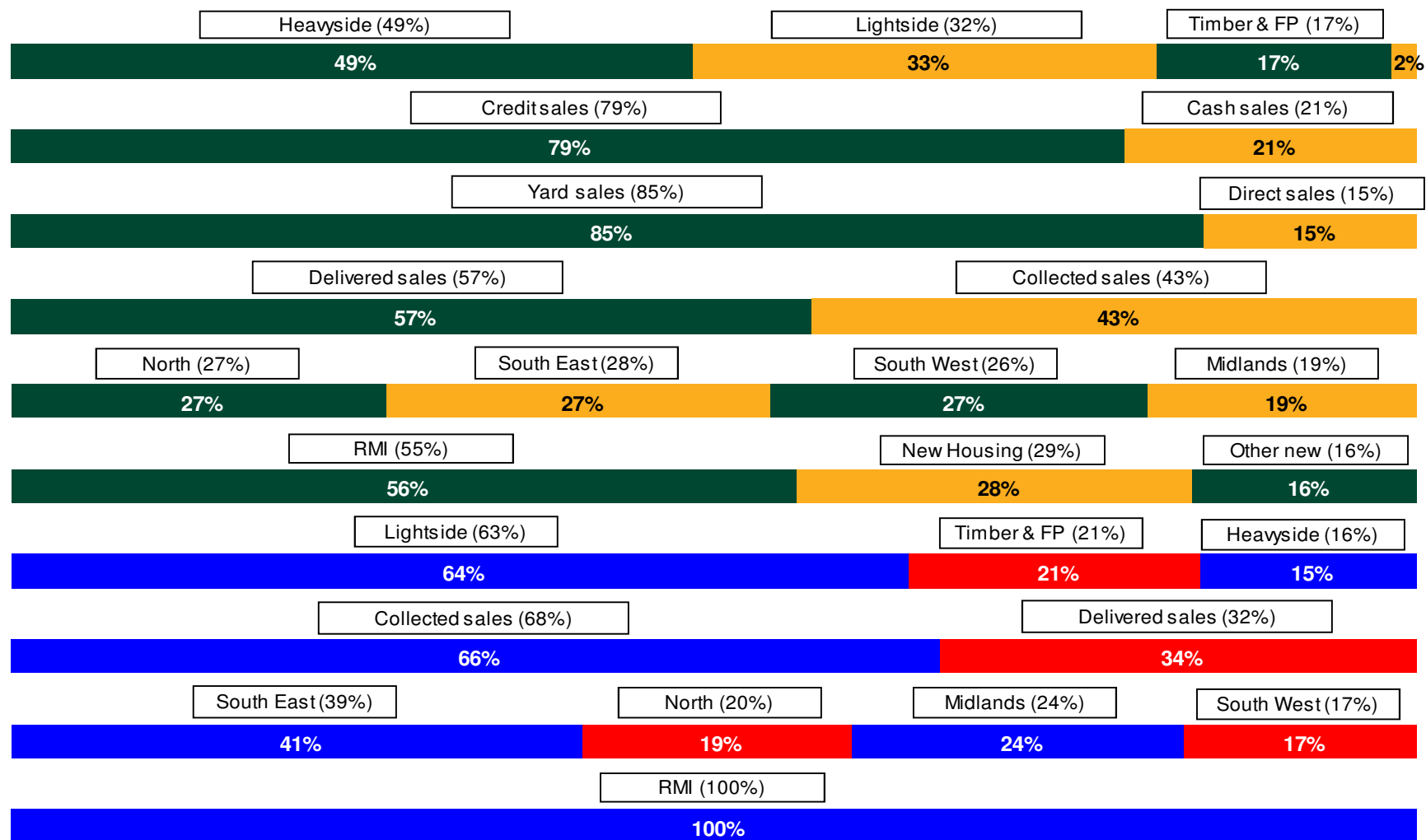
■ Bank loans ■ Unsecured Senior Notes



Number of shares for EPS calculation

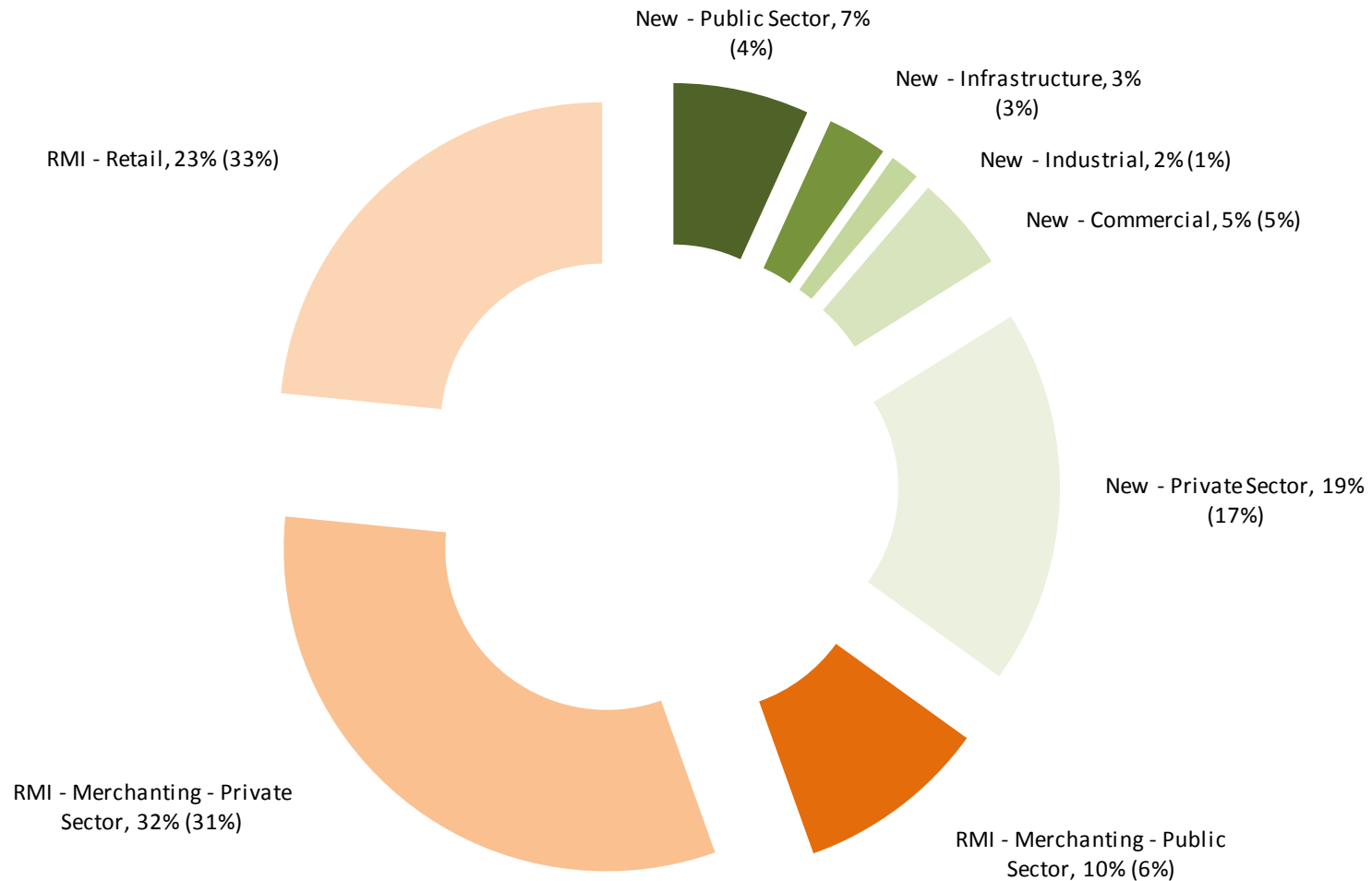
	2011	2010
Number of shares	234,739,987	203,127,379

Analysis of turnover

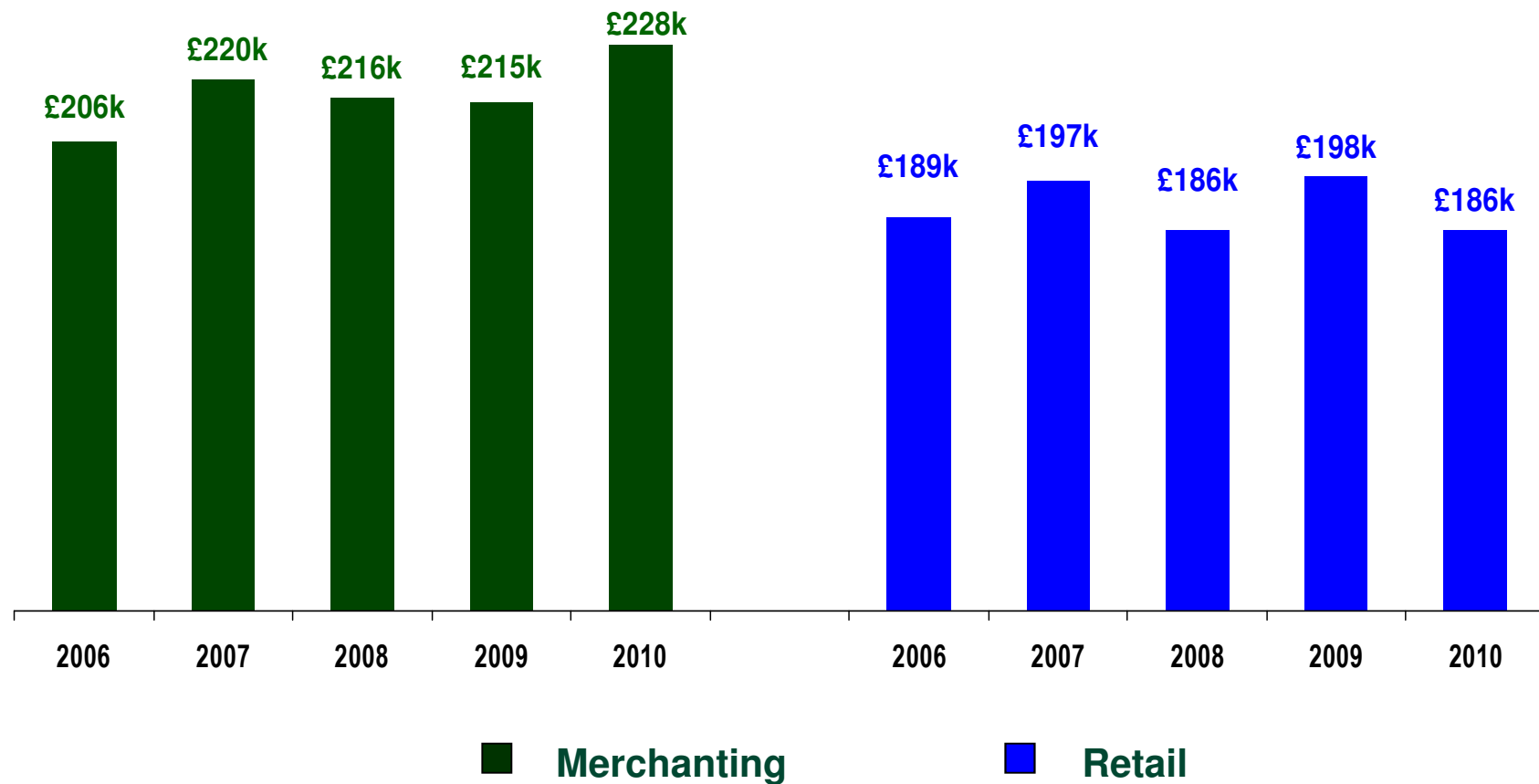


Comparative numbers shown in brackets

Analysis of turnover – Enlarged Group



Employee productivity



BSS branch network

	31-Dec-2010
Plumbing Trade Supplies	317
F & P Wholesale	11
Spendlove C Jebb	7
Direct Heating Spares	1
Domestic Division	336
BSS Industrial	61
UGS	10
Distributor of Electrical Supplies	2
BSS Drainage	2
Industrial Division	75
Buck & Hickman	30
Birchwood Price Tools	3
Trade Decorating Supplies	2
Specialist Division	35
BSS total	446