

RNS Number : 2355X
Grafton Group PLC
09 January 2014

Grafton Group plc

Trading Update

9 January 2014

Grafton Group plc, the builders merchanting and DIY Group with operations in the UK, Ireland and Belgium, issues the following Trading Update for the year ended 31 December 2013 in advance of its Final Results for 2013 which are scheduled for announcement on 5 March 2014.

Group Revenue

Activity levels benefitted from an improvement in economic conditions as the year developed and trading in the final months of the year provided further evidence that the recovery underway in the Group's markets has started to take hold. Group revenue for the twelve months to 31 December 2013 was £1.90 billion, an increase of 8.0 per cent from £1.76 billion for 2012.

The table below incorporates average like for like revenue growth for the nine months to the end of September, the three months to the end of December and the full year.

	Average Daily Like for Like Revenue Growth - 2013*			Total Revenue Twelve months to 31 December 2013*
	Nine months to 30 Sep 2013	Three months to 31 Dec 2013	Twelve months to 31 December 2013	
UK Merchanting	3.0%	3.9%	3.2%	6.7%
Irish Merchanting	2.6%	6.7%	3.6%	1.9%
Irish Retailing	1.0%	2.7%	1.5%	(0.9%)
Manufacturing	6.5%	44.3%	14.5%	6.5%

*Constant currency

Merchanting (89% of Group Revenue)

The UK Merchanting business, which generated almost three quarters of Group Revenue, returned to volume growth following five years of flat or declining volumes. The improvement in market conditions was driven by the recovery in the wider economy and the housing market in particular. The increase in total revenue for the year also reflects growth in the branch network through acquisitions and organic developments.

The Irish Merchanting business stabilised in the first half and returned to overall growth in the second half. There were early indications that the new housing market returned to modest growth following a period of contraction that continued for almost six years. Total revenue growth reflects the consolidation of a number of branch locations during the second half of 2012.

Irish Retailing (9% of Group Revenue)

Whilst there was a noticeable improvement in sentiment during the second half of the year, consumers still remained relatively cautious about their finances. Spending in the Woodie's DIY

businesses showed modest growth in recent months with the benefit of promotional activity. The closure of two stores last year accounted for the decline in total revenue.

Manufacturing (2% of Group Revenue)

The mortar manufacturing business in Britain, which mainly supplies the residential new build market, benefitted from strong demand as the new homes market improved with support from Government funding initiatives and increased availability of mortgage finance.

2013 Operating Profit

The Group remains on course to report full year operating profit (before a non recurring pension credit) in line with its expectations.

Gavin Slark, Chief Executive Officer of Grafton Group plc commented:

"There are encouraging signs that the relatively recent recovery underway in our principal markets appears to have more substantive foundations. Grafton is well placed to benefit from a sustained improvement in trading conditions, but we are adopting a cautious stance towards our prospects for 2014 until such time that activity levels in our principal markets have strengthened further. "

Ends

For further information please contact:

Grafton Group plc	+353 1 216 0600
Gavin Slark	Chief Executive Officer
David Arnold	Chief Financial Officer

MHP Communications	+44 20 3128 8100
James White	

Murray Consultants	+353 1 498 0300
Joe Murray	

This information is provided by RNS
The company news service from the London Stock Exchange

END

TSTUWSWRSNAARAR