

Travis Perkins plc

Interim Management Statement - Trading in line with expectations

Travis Perkins, the leading UK builders' merchant and DIY retailer, today issues this Interim Management Statement. Figures below are for the third quarter to the end of September 2011.

Including BSS in 2010 on a proforma basis, Group turnover for the nine months to the end of September, which included 1 less trading day in our merchandising and BSS divisions than for the comparable period in 2010, was up 5.9%. Overall turnover without this proforma adjustment was ahead by 53.4%.

The non-BSS revenue gains continue to be driven by relatively high product inflation and our own market outperformance. Whilst the market continues to be in slight decline, our organic development strategy has yielded further gains in like-for-like market share in both our merchandising and retail divisions. In addition, we added a further 32 branches before taking account of the sale of 29 Buck and Hickman branches in the third quarter of this year, bringing the total number trading to 1,841.

For the first nine months of 2011 total turnover in our merchandising division was up 11.4%, representing an increase in like-for-like turnover per trading day of 9.6%. Like-for-like turnover per trading day for the third quarter increased by 7.7%. General merchandising total turnover was up 10.0% for the nine months, with like-for-like turnover per trading day up 9.2%, whilst our specialist merchandising business saw total turnover increase 13.8 % with like-for-like turnover per trading day up by 10.3%.

In Wickes, delivered turnover for the 39 week trading period to 1 October was up 1.2% with like-for-like delivered sales down by 0.5%. Core product like-for-like sales, representing some 80% of turnover, increased by 2.7%. Kitchen and bathroom ("K&B") delivered sales were down 12.4%, reflecting continued weakening consumer confidence for major purchases. For the last thirteen weeks total (core plus K&B) like-for-like delivered sales were down 2%. The 13 Ex-Focus stores acquired earlier in the year are now all trading as Wickes stores with the final 2 sites having opened on 1 October.

Total turnover for BSS for the first nine months of 2011 was up by 3.1%; like-for-like turnover per trading day was up 2.3 %. Like-for-like turnover per trading day for the three months to 30 September increased by 2.6%.

Gross margins achieved in the third quarter are in line with the performance of the first six months, slightly ahead of last year in BSS and the retail division and slightly lower in merchanting.

Our synergy programme arising from the acquisition of BSS remains on course to deliver the £15m of benefits for 2011 as we previously outlined, with the overall target remaining £25m by the end of next year. We have also made good progress on our BSS systems integration in the period.

With our continuing focus on cash generation, net debt has reduced in the three months to 30 September, benefiting from the £27m sale of Buck and Hickman. We are on track for our net debt target of £600m at the year end. There has been no material change to the financial condition of the business.

Geoff Cooper, Chief Executive, commented:

"We continue to take market share against a tough market backdrop, confirming the sustainable strength of our organic growth strategy. Our positive merchanting and BSS performance is balancing the effect of a challenging consumer environment for our retail business".

Our outlook for 2012 remains unchanged from that outlined in July.

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