

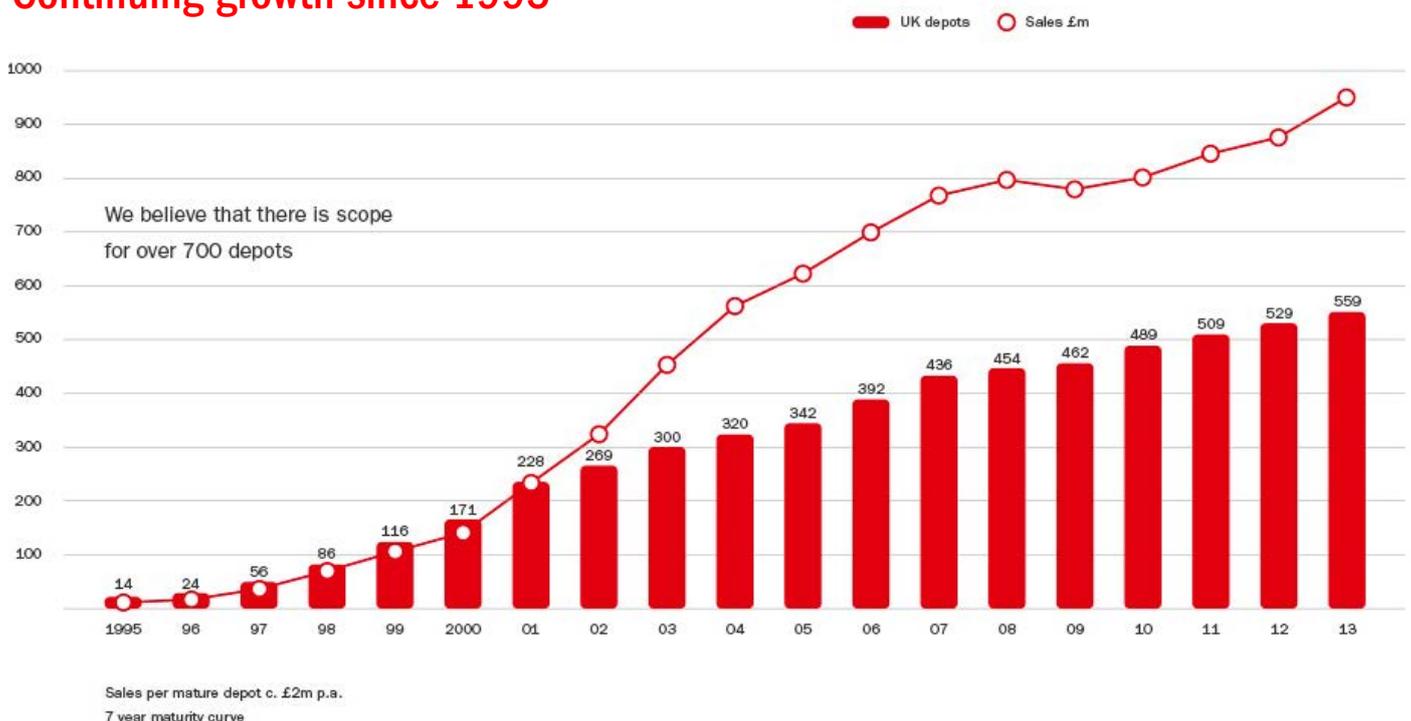


Howdens' mission statement

To supply from local stock nationwide the small builder's ever-changing, routine, integrated kitchen and joinery requirements, assuring no-call-back quality and best local price.

- Howden Joinery Group plc is the parent company of Howdens Joinery, the UK's leading supplier of kitchens and joinery to trade customers
- Howdens was founded in 1995 and has grown rapidly. In 2013, Howdens reported annual sales of over £950m, with profit before tax of nearly £140m. Howdens operates over 550 depots across the UK, and sees scope for more than 700 depots
- Howdens addresses the 'done for you' market, selling kitchens and joinery from local depots exclusively to trade professionals, who then install them for end-users in all parts of the UK market - owner-occupiers, private landlords, local authorities, housing trusts and small developers
- Howdens supplies over 300,000 account holders, all building trade professionals, with around 3.5 million kitchen cabinets, 2 million doors and 800,000 worktops each year
- Howdens employs over 6,600 people, mainly in the UK and mostly in depots, manufacturing, sourcing, and logistics
- Howdens has built its own appliance brand, Lamona, from scratch in five years and now sells over 1m Lamona products per year. The Lamona single oven, dishwasher, fridge-freezer and built-under fridge are all the best-selling integrated appliances in their category in the UK
- Howdens offers over 40 kitchen ranges organised into design 'families' for easy comparison and selection. As well as kitchen cabinets and frontals, Howdens sells appliances, sinks, taps, worktops, flooring, hardware, lighting and a wide range of joinery doors, skirting and architrave that co-ordinate with the different range

Continuing growth since 1995



Financial highlights

£m unless stated	FY11	FY12*	FY13
<i>Continuing operations (before exceptional items)</i>			
Revenue - Group	853.8	887.1	956.5
Revenue - UK depots	838.7	872.5	940.7
Gross margin	59.7%	61.5%	61.7%
Operating profit	115.3	119.8	142.5
Profit before tax	111	112.1	138.4
Basic earnings per share	13.5p	14.0p	16.3p
Dividend per share	0.5p	3p	5.5p
Net cash at year-end	57.1	96.4	140.5
Number of depots (UK)	509	529	559

* Operating costs increased by £5m due to 53rd week, thereby reducing operating profit and profit before tax by similar amount.

What makes Howdens different?

1. Focus on one customer

Howdens is focused solely on the small builder and everything the business does is geared towards making the builder's life easier. Howdens offers builders a relevant, well-designed, high-quality range of kitchens, together with appliances, joinery, flooring and hardware, via trade-only depots that are always in stock. The builder benefits from a confidential discount and good credit terms that allow him to manage his business and determine an appropriate margin for each job he undertakes.



2. Entrepreneurialism, accountability and control

Howdens' depot managers are responsible for their own profit and loss accounts, for hiring local staff, setting local pricing and doing their own local marketing. Managers and staff are highly incentivised to open local trade accounts and build profitable relationships with account holders. Howdens' control of sourcing, range design and specification, manufacturing, distribution and customer credit helps drive an efficient, low-cost business.



3. Low-cost operations

At depot level, Howdens has none of the costs associated with kitchen retailers, e.g. showrooms, delivery and installation services and national advertising. A typical Howdens depot occupies around 10,000 square feet, costs £250,000 to fit out and breaks even once it has achieved sales of £650,000. Howdens controls its own supply chain and has recently invested £20m in new manufacturing equipment. The business has also invested in a robust, scalable systems infrastructure that helps ensure consistent product quality and availability at lowest cost.

Prospects

Howdens is a highly profitable, cash-generative business with significant scope for further growth. The business has identified scope for over 700 depots in the UK, and expects to open 30 new depots in 2014.

Howdens also expects to be able to realise further growth from the 25% of depots that are not yet mature, and to effect continuing performance improvements across its depot portfolio. Howdens benefits from a flexible, scalable infrastructure that will allow it to deliver further efficiencies as the business grows.



Contacts

Investor relations

Gary Rawlinson
Head of Investor Relations
Head of Investor Relations
Howden Joinery Group Plc
40 Portman Square
London W1H 6LT

Tel: 020 7535 1127/07989 397527

Email: gary.rawlinson@howdens.com

Media enquiries

Journalists should contact:
Liz Morley/Tom Buchanan Maitland

Tel: +44 (0)207 379 5151

Website

www.howdenjoinerygroupplc.com
www.howdens.com



HOWDENS JOINERY CO.

Registered Office and Head Office

40 Portman Square
London
W1H 6LT

Registered company number

Howden Joinery Group Plc is registered in England and Wales,
with the no. 02128710