

press release

4 October 2011

Weaker economy poses threat for Wolseley

- Pre-tax profits for the year rise to £391m
- Weaker economic forecasts indicate difficult times ahead
- The Share Centre continues to recommend investors 'hold' Wolseley

As Wolseley reports full year figures Graham Spooner, investment adviser at The Share Centre, explains what this means for investors.

“Wolseley has reported positive figures for the year as pre-tax profits rose to £391m from a loss of £328m the year before. The company’s performance has exceeded analyst expectations with trading profits rising by 38% and revenues increasing by 3%. Wolseley has implemented a restructuring programme that has seen the company turn a corner.

“The company indicated strong growth in its North America and Nordic operations was the driver behind the performance. Although this may encourage growth seeking investors, news on the US housing sector is likely to remain mixed.

“The weakening economic forecast is a concern for Wolseley going forward and is likely to impact its markets in the short to medium term. The company is already feeling the effects in the first few months of the current financial year, however it has still managed to grow revenues.

“The restructuring has placed the company on better footing with expectations to be debt free by the end of next year. However the impact of wider economic issues means progress is likely to be slow. We continue to recommend investors ‘hold’ Wolseley.”

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About The Share Centre:

The Share Centre was established in 1990 to provide value-for-money share services for private investors. Its range of services includes buying and selling shares (by Internet, telephone and post) and a comprehensive share administration and safe custody service. Tax-efficient investment 'wrappers' including ISAs, CTFs and SIPP's are also available.

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