

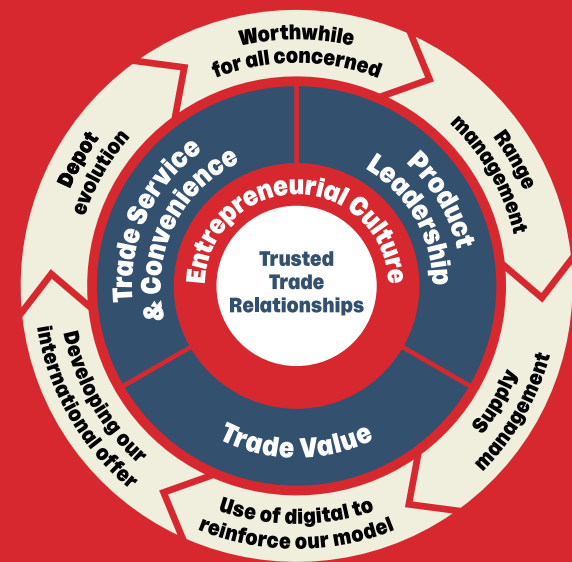
Strategic Report

Our purpose



To help our trade customers achieve exceptional results for their customers and to profit from it.

When our customers succeed, we succeed.



Howdens' focus on serving our trade customers is at the heart of everything we do. We believe the best way to source and install a kitchen is to work with your local tradesperson, and we are clear that the purpose and future success of our business lies in serving the trade market to the highest standards.

Our relationship with our trade customers has three key facets, each supported by our entrepreneurial culture.

Trade service and convenience

Depots located where our customers need them; monthly account facilities; product in-stock to get the job done - including appliances, joinery, doors, flooring, hardware and bedrooms. A free design service to help customers and end-users choose and plan their kitchens.

Product leadership

Product design and testing facilities ensure that we offer the right product styles that are attractive to consumers, designed to be trade quality and easy for builders to fit, giving them more time.

Trade value

Best local trade prices enabled by in-house manufacturing, long-term key supplier agreements and a low-cost depot operating model.

Our culture and values

Howdens was founded on the principle that the business should be worthwhile for all concerned – customers, homeowners, tenants, local communities, our suppliers, our investors, our staff and their families.

This founding principle has shaped our business model and our strategic decisions since 1995, and it continues to be at the heart of what we do.

Worthwhile for our trade customers

- Profitability, convenience, service, support.
- Great product range for them to offer to their customers.
- Outstanding service.
- Trusted personal relationships - we do what we say.
- Trade accounts and confidential discounts.
- Design, planning and marketing support.

Worthwhile for our suppliers

- Strong and enduring relationships based on trust.
- Working together to develop new products and deliver best service.
- Scale - good opportunities for suppliers to build a profitable business by working with us.

Worthwhile for our staff

- A good wage, plus local profit-sharing and incentives, excellent rewards and recognition for outstanding performance.
- An entrepreneurial culture, with central support.
- A growing company with opportunities to develop and progress. Structured career development programmes.

Worthwhile for our other stakeholders

- Delivering consistent long-term value for shareholders with a growing dividend and return of surplus cash through share buybacks.
- Helping end-users at each stage of their buying decision.
- Important local employer in over 900 communities.
- Giving back to charities and local communities.
- Responsible purchasing and environmental policies.