

Galiform

2007 Interim Results

6 September 2007

Overview

⇒ A good first half

- Profit, cash, costs improved ahead of expectations
- Continuing to trade well in growing DFY market
- Depot opening programme on track
- New products and sales support
- Restructuring of Supply and MFI contract exit well under way
- Renewed focus allows Howdens culture to flourish

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Mark Robson

Chief Financial Officer

Highlights

£m	H1 2007	H1 2006
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Continuing operations:

Revenue	429.0	285.3
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Gross profit*	190.0	141.8
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Operating profit*	29.5	12.7
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Profit before tax*	24.8	8.5
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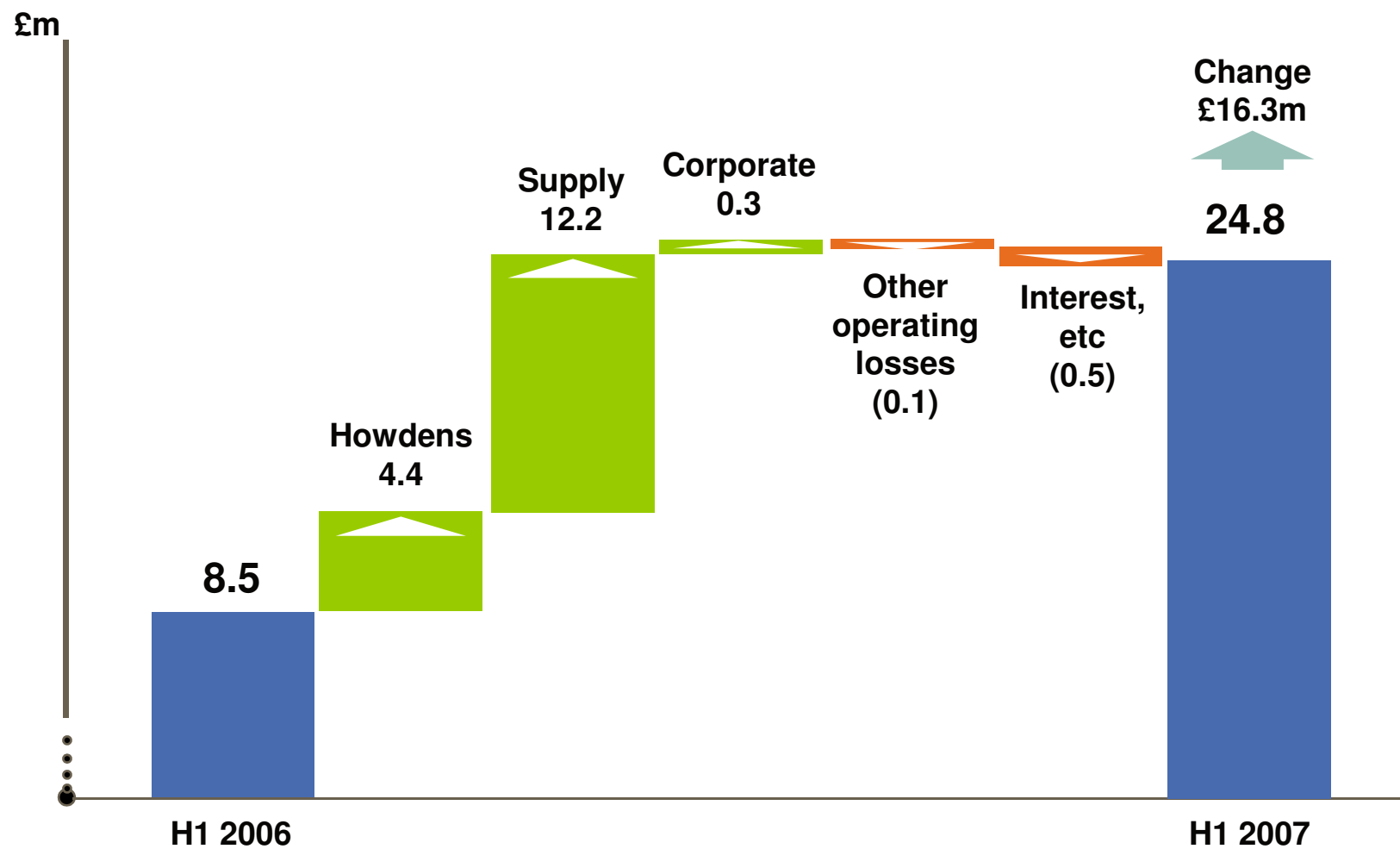
* Before exceptionals

£m	16 June 2007	30 Dec 2006
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Net funds/(borrowings)	3.7	(4.1)
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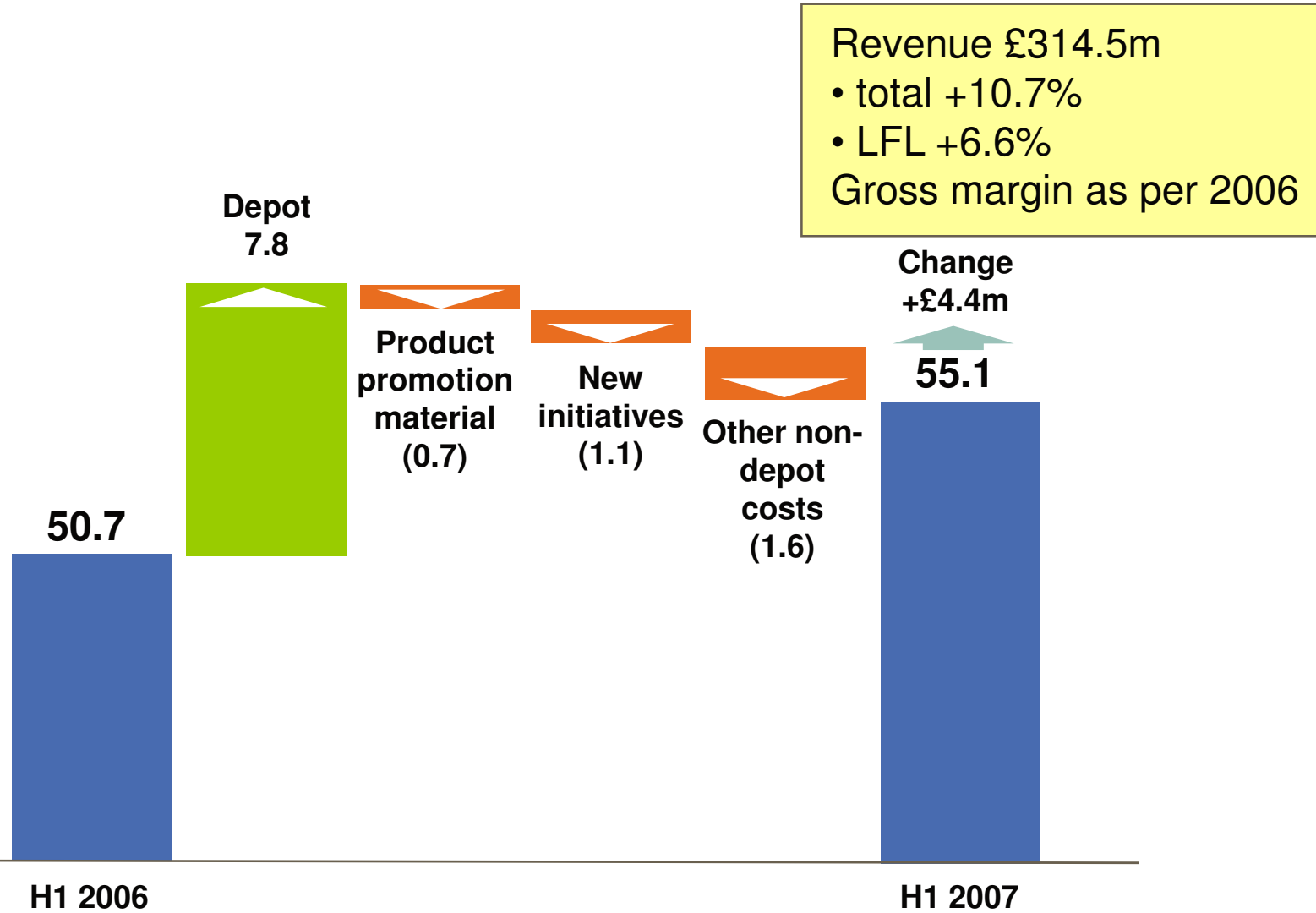
Profit before tax and exceptional items*



* Continuing operations

Howden Joinery operating performance

Operating profit
£m



Supply and Corporate

- ⇒ Net cost of Supply down £12.2m to £13.2m
 - external sourcing of fascias and appliances
 - currency gains*
- ⇒ Corporate cost down £0.3m to £10.7m

* US\$ and € 2007 rates vs. rates used in standard price calculation

EXCHANGE RATES USED TO CALCULATE CURRENCY GAIN

	€	US\$
Base rate	1.43	1.78
H1 2006	1.46	1.77
H1 2007	1.48	1.97

Income Statement

£m	H1 2007	H1 2006
Continuing operations:		
Operating profit	29.5	12.7
Net interest and other finance charges	(4.7)	(4.2)
Profit before tax and exceptional items	24.8	8.5
Tax	(8.4)	(16.6)
Profit/(loss) after tax before exceptional items	16.4	(8.1)
Discontinued operations:		
Loss after tax before exceptional items	-	(18.3)
Profit/(loss) for the period before exceptional items	16.4	(26.4)
Exceptional items	(0.7)	14.0
Exceptional tax credit/tax re. exceptional items	26.0	11.9
Profit/(loss) for the period	41.7	(0.5)

Earnings per share

Pence	H1 2007	H1 2006
Continuing operations:		
- excluding exceptionals	2.7	(1.4)
- including exceptionals	7.0	(7.1)
Continuing and discontinued operations:		
- excluding exceptionals	2.7	(4.5)
- including exceptionals	7.0	(0.1)

Borrowings and cash flow

£m	H1 2007	H1 2006
Opening net borrowings	(4.1)	(55.5)
Operating cashflows before movements in working capital	37.8	10.2
Working capital*	(20.6)	69.1
Capital expenditure	(6.6)	(13.2)
Asset disposals	0.1	12.6
Sale of Hygena Cuisines	-	74.6
Receipt from Revenue & Customs	-	21.8
Other exceptional items	(0.5)	(21.8)
Interest	(1.7)	(1.8)
Other	(0.7)	(3.1)
Closing net cash	3.7	92.9

* Stock, debtors and creditors

Working capital

- ⇒ Working capital* up £20.6m
 - debtors up £44.6m
 - creditors up £9.7m
 - stock down £14.3m

* Stock, debtors and creditors

Current trading* and outlook

- ⇒ Howdens continues to trade well
 - gross margin similar to 2006
 - sales now up 11.9% y-t-d (same depot up 7.7%)*
 - recent benefit from wet weather
 - economic uncertainty
- ⇒ Supply
 - has seen full benefit of fascia/appliance outsourcing
 - lower currency gain
- ⇒ Corporate
 - 7 periods versus 6
 - £2m additional costs in H2
- ⇒ Nominal final dividend to be considered

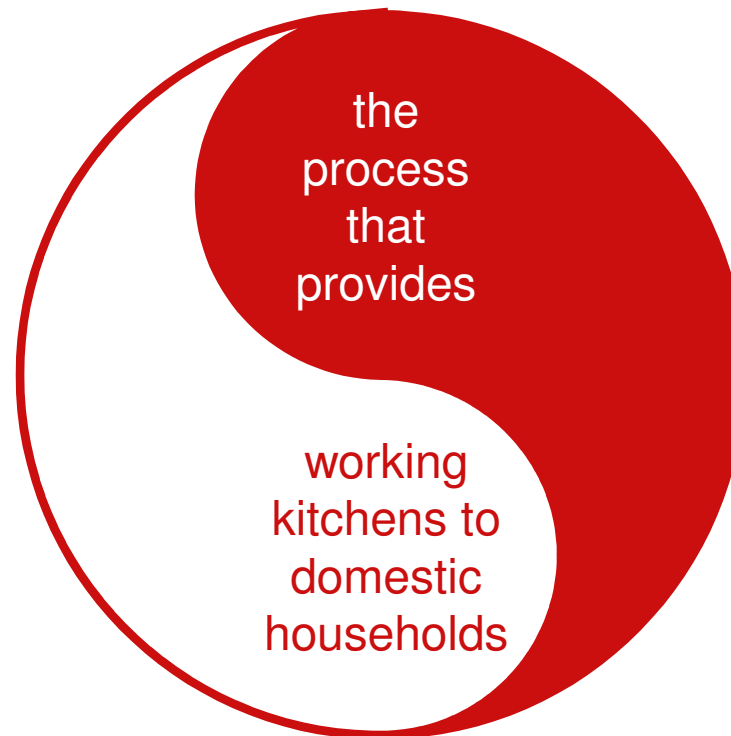
* To end of period 8

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Matthew Ingle

Chief Executive

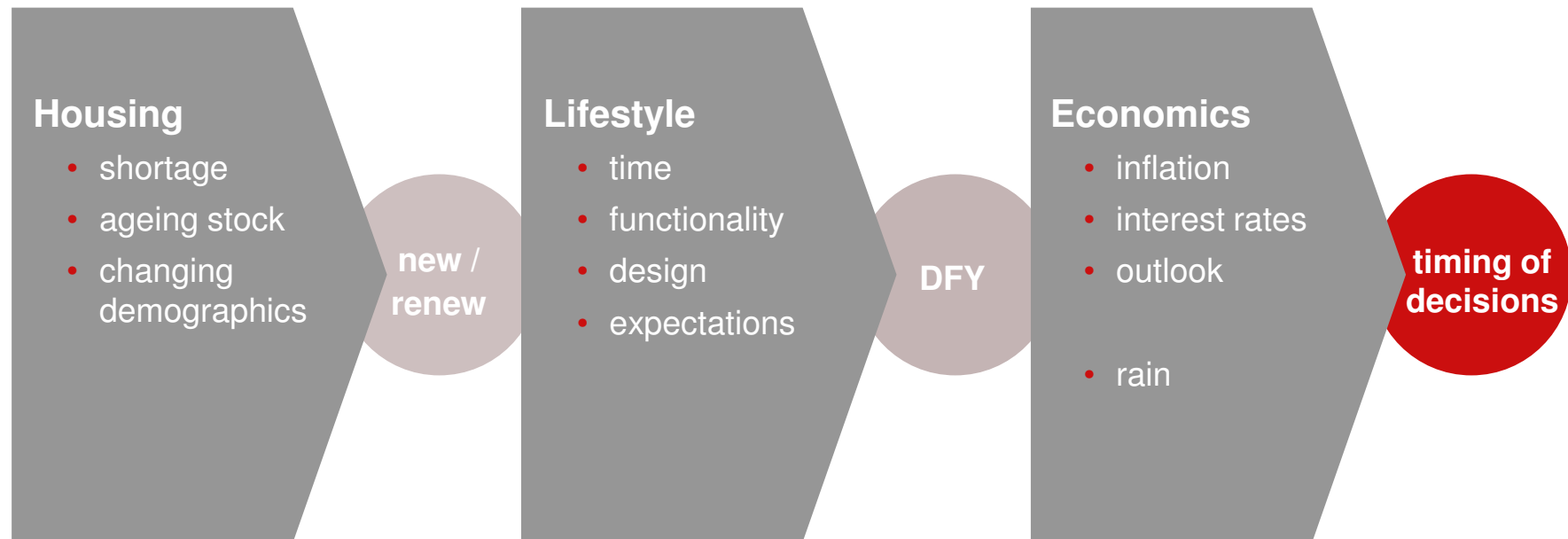
The working kitchen



We sell kitchens to builders who get them *to work*
...for people who need them *to work*

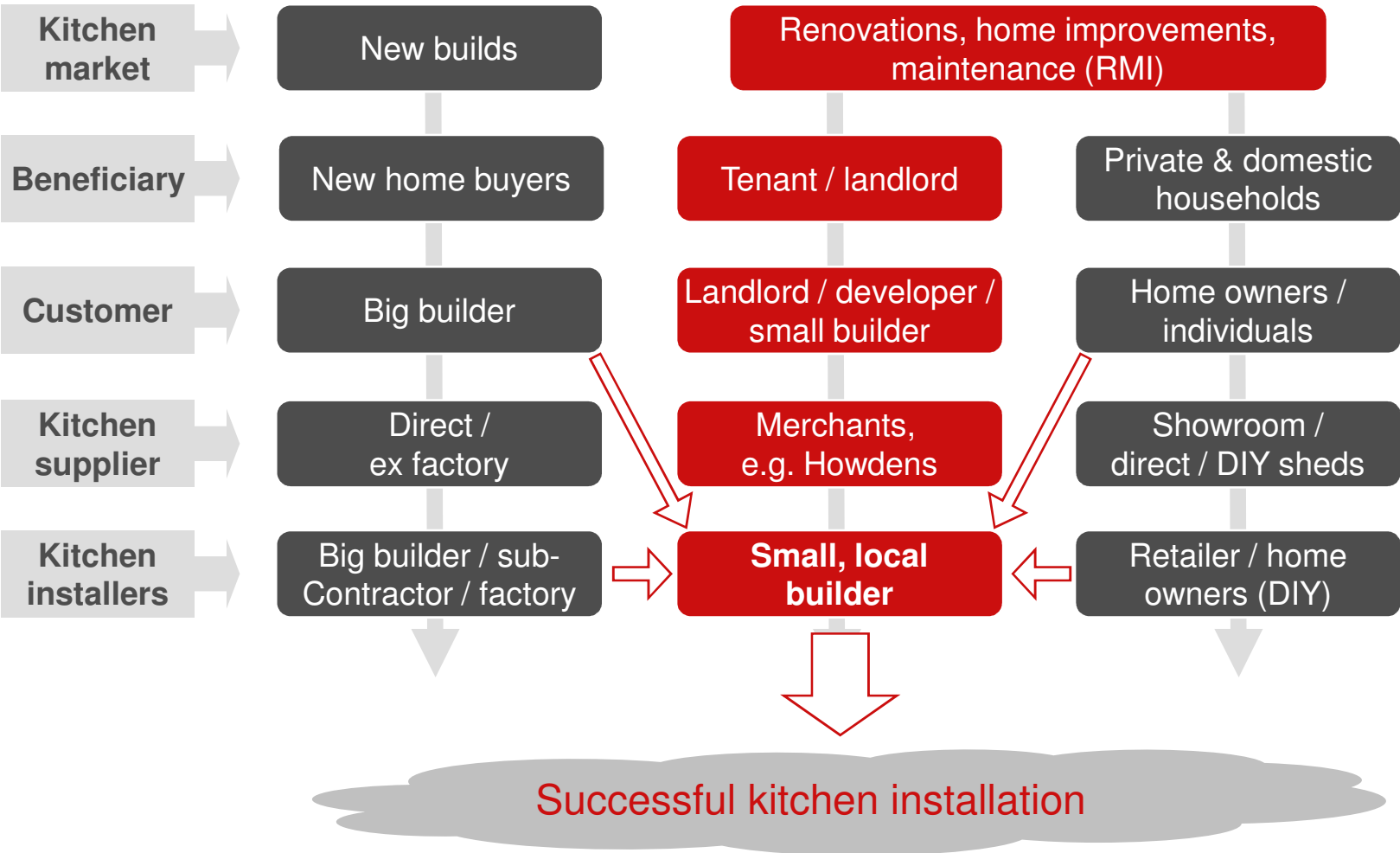
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Our marketplace



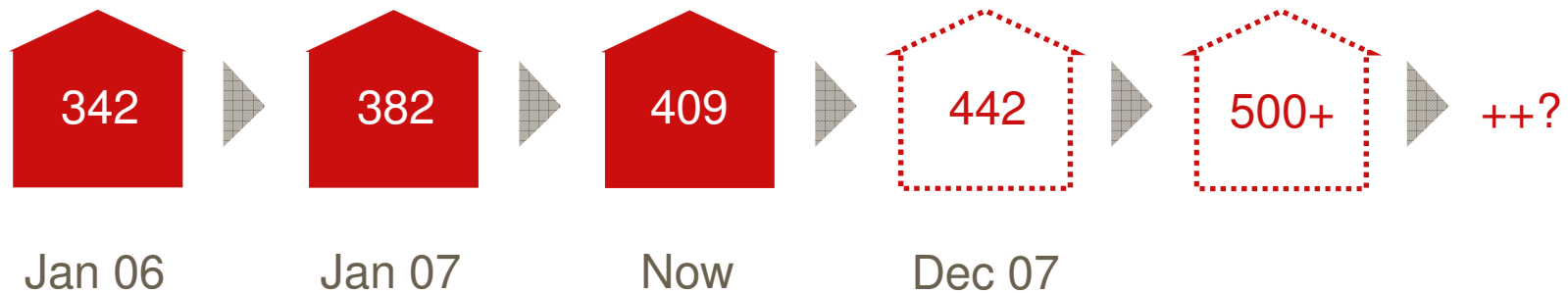
Lots of factors are driving demand for kitchens

Routes to market



Ongoing depot rollout

- ⇒ Depot opening programme on track



- ⇒ 27 depots opened since January
- ⇒ 100 depots opened over the two years Jan 06 → Jan 08

Initiatives during H1

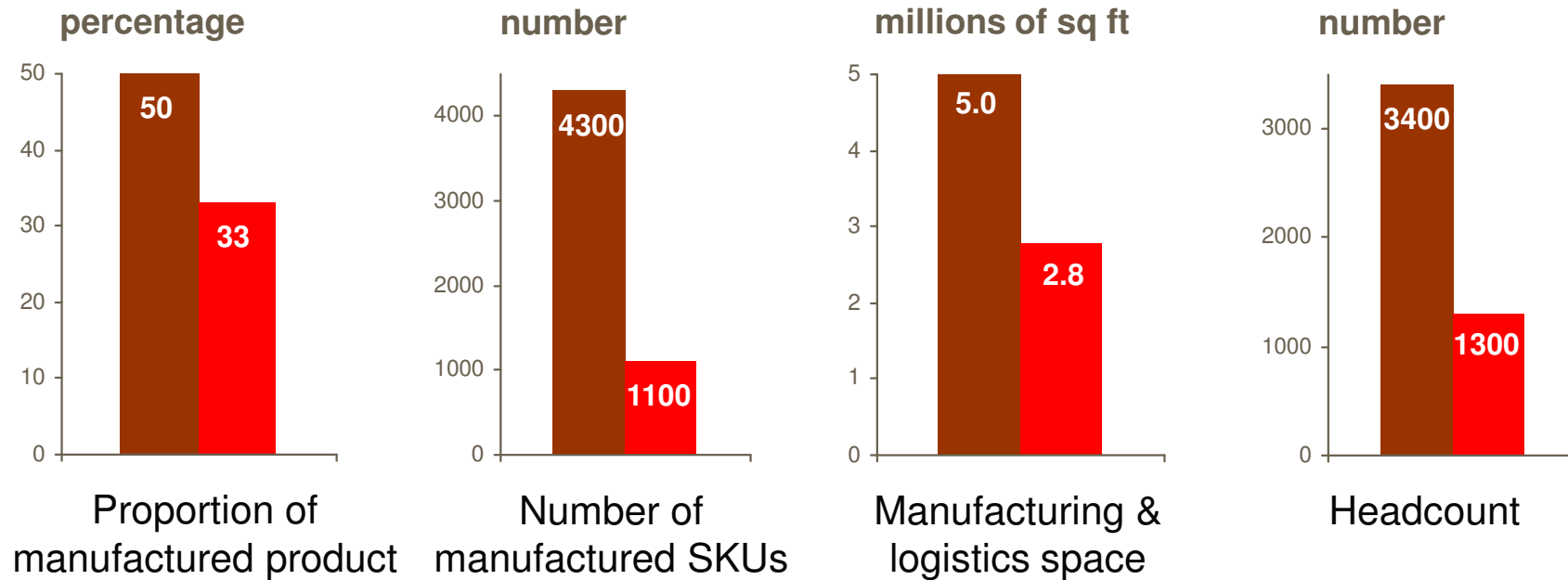
- ⇒ New product
 - 9 new kitchens to meet needs of dynamic market
 - Studio range – opportunity to mix and match frontals
 - Range cookers
 - Wider choice of doors

- ⇒ New concepts
 - Expo
 - Prototype facility

- ⇒ New tools
 - Catalogues
 - Website

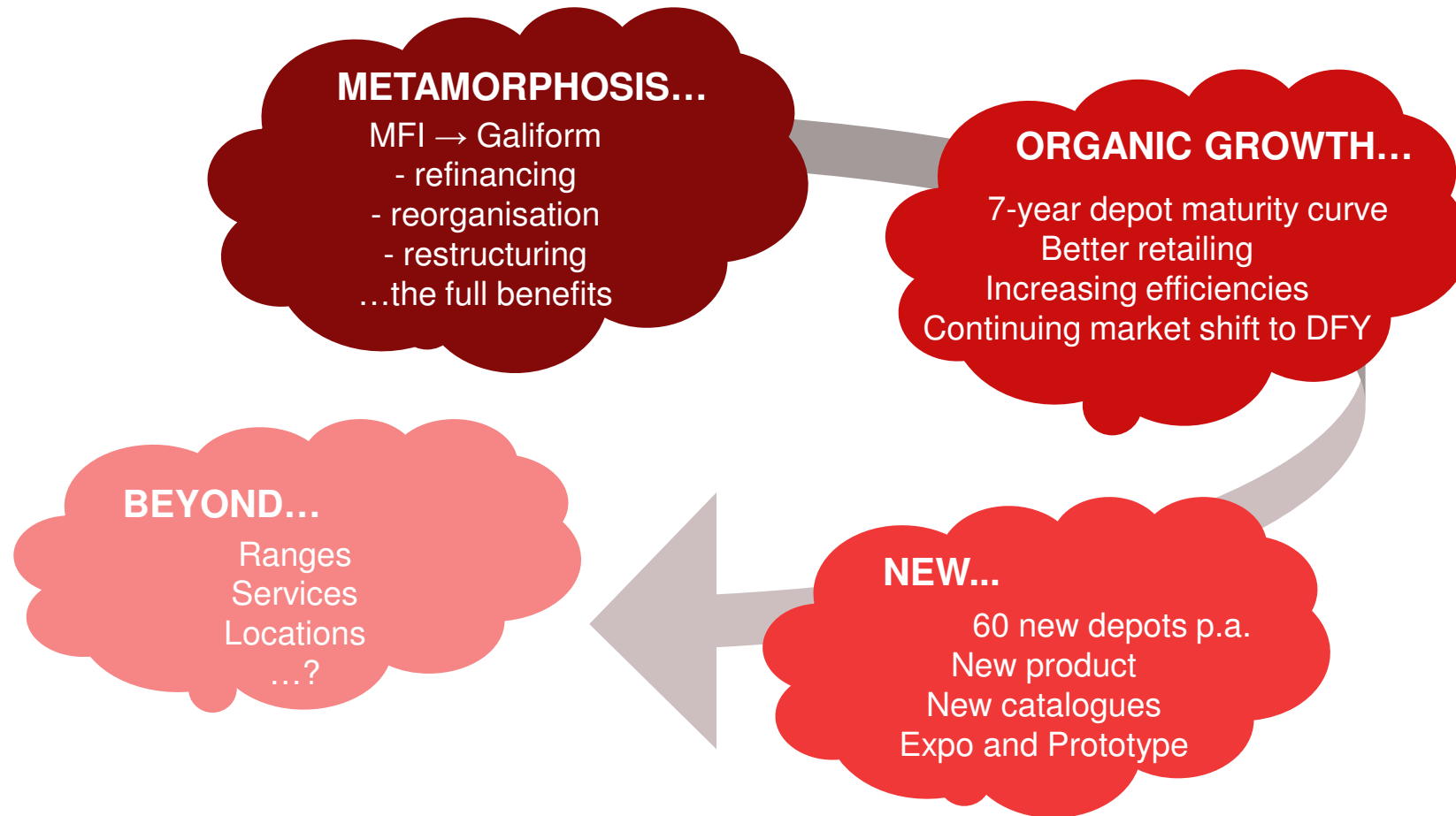
The restructuring of Supply

- April 2006
- Expected position at April 2008



From verticality to commerciality

Our opportunities



Howdens has a wealth of opportunities for growth

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In summary

Strategy is working

Business continuing to grow in many ways

Significant further opportunities ahead

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Appendix

Revenue – continuing operations

£m unless stated	H1 2007	H1 2006	Total	Same depot
Howden Joinery	314.5	272.9	+10.7% ¹	+6.6% ¹
Supply ²	111.1	9.3		
Other	3.4	3.1		
Total	429.0	285.3		

Notes

1. Adjusted for depots trading in week 1 of 2007 but closed in week 1 of 2006.
2. External sales – MFI part of Galiform in 2006.

Operating profit/(loss)* - continuing operations

£m	H1 2007	H1 2006
Howden Joinery	55.1	50.7
Supply	(13.2)	(25.4)
Corporate	(10.7)	(11.0)
Other	(1.9)	(2.0)
	29.3	12.3
Share of joint venture	0.2	0.4
Operating profit	29.5	12.7

* Before exceptionals

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Capital expenditure

£m	H1 2007	H1 2006
Howden Joinery	4.6	3.1
Supply	1.0	1.0
Corporate	0.9	1.7
Other	-	0.2
Total – continuing operations	6.6	6.0
Discontinued operations	-	7.2
	6.6	13.2

Depreciation and amortisation

£m	H1 2007	H1 2006
Howden Joinery	2.7	2.1
Supply	2.7	4.8
Corporate	2.2	3.4
Other	0.2	0.2
Total – continuing operations	7.8	10.5
Discontinued operations	-	7.9
	7.8	18.4