

**SIG plc**  
**AGM and Interim Management Statement**

**Wednesday 14 May 2008**

SIG plc, the leading supplier of insulation, interiors, roofing and specialist construction products, in Europe, is today issuing its first Interim Management Statement, covering the period from 1 January 2008 to the date of this announcement, ahead of its Annual General Meeting to be held at 12 noon today at Aston Hall Hotel, Worksop Road, Sheffield, S26 1EE.

The Group has made a good start to 2008, with total constant currency sales up c.25% on the same period (ie 1 January to 13 May) in 2007 and c.4% on a like for like\* constant currency basis.

Around two thirds of the Group's sales are made into the non-residential building and industrial (non-construction) sectors, which include both public and private long-term projects. Demand from these sectors has remained robust, both in the UK and Ireland and mainland Europe.

Around one third of the Group's sales are made into the residential sector, both new build and Repairs, Maintenance and Improvement (RMI). In contrast with non-residential construction, residential new build and some elements of RMI are weaker than in 2007. This is most evident in Ireland, but also in the UK and to a lesser extent in mainland Europe.

**Trading Highlights**  
**UK and Ireland (59% of total sales)**

Overall construction and building activity has shown modest growth in 2008 over 2007 in the UK, and has declined significantly in Ireland (c.5% of Group sales). Against this background in the UK and Ireland, like for like\* sales growth has been achieved.

Sales of insulation and related products in the UK have performed particularly well, benefiting from increased demand driven in part by the higher thermal performance standards required by the 2006 Part 'L' regulations governing new buildings in the UK, and also by the introduction in the UK of the CERT (Carbon Emissions Reduction Target) Scheme in April 2008.

The number of trading sites increased by 33 to 494 (31 December 2007: 461).

**Mainland Europe (41% of total sales)**

Trading in all countries in which the Group operates has been good, with like for like\* sales ahead of 2007 on a constant currency basis, notwithstanding demanding Q1 comparative numbers in Germany and Poland due to last year's very mild winter.

In addition to the solid performance in local currencies, the strength of the mainland European currencies compared to Sterling has created favourable

exchange rates, which have benefited the Group significantly when translating the results into Sterling in the Consolidated Accounts.

The number of trading sites increased by 27 to 345 (31 December 2007: 318).

### **Acquisitions**

The Group's acquisition programme has continued, with 18 transactions completed so far this year adding 33 trading sites in the UK and Ireland and 21 in mainland Europe. Most of these are bolt-on acquisitions, adding weight to our existing market positions in UK insulation, interiors, roofing and specialist construction products, and in insulation, roofing and interiors in mainland Europe.

The larger acquisitions include an insulated panel business in the UK and an international supplier of specialist air handling equipment, which extends the Group's sales into Turkey, Romania, Hungary and Bulgaria.

The consideration for these 18 acquisitions (including assumed debt) amounted to £127m. The combined annualised sales of these acquired businesses is £174m.

The integration process of each of the above acquisitions is progressing well.

### **Financial Position**

In order to provide funds for further expansion of the Group, an additional £175m of committed debt facilities have been secured in 2008 at a similar margin to facilities in place at 31 December 2007. This takes the Group's committed debt facilities to £775m.

Interest cover and leverage (net debt/EBITDA) are the two key debt ratios forming the basis of the Group's borrowing covenants, and these remain within prudent levels.

### **Summary and Outlook**

The Group has made an encouraging start to 2008 and the Board is confident of further progress.

\* *Like for like sales excludes the impact of acquisitions completed after 1 January 2007.*

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### **Cautionary Statement**

This Interim Management Statement is prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its directors, employees, agents or advisors do not accept or assume responsibility to any other person to whom this Interim Management Statement is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

Certain information included in this Interim Management Statement is forward looking and involves risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by forward thinking statements. It is believed that the expectations set out in these forward looking statements are reasonable but they may be affected by a wide range of variables which could cause future outcomes to differ from those foreseen in forward looking statements, including but not limited to, changes in risks associated with the Company's growth strategy, fluctuations in product pricing and changes in exchange and interest rates. All statements in this release are based upon information known to the Company at the date of this report. The Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise.