

12 November 2014

SIG plc

Interim Management Statement

SIG plc (“SIG” or “the Group”), a leading distributor of specialist building products in Europe, with strong positions in its core markets of insulation & energy management, interior fit out and roofing products, today issues its Interim Management Statement for the period commencing 1 July 2014.

Trading summary

For July to October 2014 (“the period”) the Group’s like-for-like (“LFL”) revenues increased by 1.7% compared to the prior year as SIG continued to outperform the market. LFL sales were ahead by 7.2% in the UK and Ireland but down 3.2% in Mainland Europe.

2014 Sales Growth	UK & Ireland	Mainland Europe	Group
<i>July to October</i>			
LFL ¹	7.2%	(3.2)%	1.7%
Continuing operations ²	7.8%	(10.0)%	(1.4)%
<i>Year to October</i>			
LFL	9.6%	0.4%	4.8%
Continuing operations	11.1%	(4.4)%	2.9%

¹ sales per day in constant currency excluding acquisitions and disposals.

² reported sales excluding disposals.

In the UK & Ireland SIG continued to benefit from strong construction markets particularly in the residential sector, with LFL sales increasing by 6.5% in the UK and by 21.6% in Ireland.

Trading conditions in Mainland Europe, particularly Germany and Poland, weakened due to the deteriorating macroeconomic environment, not helped by political uncertainties in Ukraine. As a result LFL revenues in the period declined by 4.1% in Germany and 9.8% in Poland.

In France SIG again performed very strongly compared to the market, which is experiencing double-digit declines in new housing starts, although LFL sales declined by 2.9% in the period.

Strategic initiatives

SIG is continuing to make good progress on its strategic initiatives and is today announcing a further increase in the Group’s 2014 net benefit target to at least £8m. These additional savings are being derived mainly from procurement improvements.

For 2015 SIG is now targeting a cumulative net benefit from its strategic initiatives at the upper end of the previously announced £15-20m range. The target for 2016 remains c.£30m.

The Group’s gross margin continues to benefit from these procurement savings, increasing by 50bps for the year to October.

Financial position

SIG has maintained its strong financial position and is on track to meet its target of c.1x leverage at the year end.

During the period the Group successfully refinanced its £250m revolving credit facility on more favourable terms. The new five year facility, which matures in October 2019, ensures that SIG has sufficient funding headroom and liquidity to support its medium-term strategic plans.

Outlook

The strong growth in the UK & Ireland, accelerated savings from the Group's strategic initiatives and improving gross margin are expected to partially mitigate the effects of weaker macroeconomic conditions in Mainland Europe and foreign exchange translation in 2014. As a result, SIG continues to expect a year of good progress, albeit slightly lower than its previous expectations.

Conference call

There will be a conference call for analysts and investors at 8am today to discuss this statement. The dial in details are: +44 (0)20 3139 4830, PIN Code 29782600#.

Enquiries

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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 looking 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 level of market demand, product availability and pricing, competitor risk, credit risk, credit insurance, restructuring of SIG and exchange rates. More information about the risks and uncertainties that may affect the Group's performance is contained in the Annual Report to Shareholders for the year ended 31 December 2013. All statements in this release are based upon information known to the Company at the date of this Interim Management Statement. 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.