

13 January 2015



SIG plc
(“SIG” or “the Group”)

Trading Update

SIG plc, 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 a Trading Update for the twelve months ended 31 December 2014.

Trading

Group revenues from continuing operations in 2014 were £2,602m, an increase of 2.5% on prior year, despite the adverse effects of foreign exchange translation which reduced sales by 3.1%. The Board expects that underlying¹ profit before tax for 2014 will be marginally ahead of the current Bloomberg market consensus of £96.5m (2013: £90.0m²).

On a like-for-like³ (“LFL”) basis, Group sales in 2014 increased by 3.7%, with the UK and Ireland performing strongly, up by 9.1%. Trading in Mainland Europe deteriorated during the year as macroeconomic conditions weakened and LFL sales decreased by 1.0%.

The Group’s year-end leverage is expected to be c.1.0x EBITDA.

Strategic initiatives

SIG continues to make good progress on self-help measures, having achieved a net benefit of c.£10m in 2014 from its strategic initiatives, well ahead of its original £1-5m target. These savings were mainly sourced from procurement and resulted in a 50bps improvement in SIG’s gross margin.

For 2015, SIG now expects its cumulative net benefit target from the strategic initiatives to be c.£20m. The Group’s 2016 target remains at c.£30m.

Outlook

SIG anticipates that trading conditions in 2015 will remain variable across its countries of operation.

The Group expects continued good growth in the UK & Ireland, driven by residential demand and increasing activity in the commercial sector; uncertainty to remain in Mainland Europe, with no indication yet of any improvements in either the French or German construction markets; and further scope for self-help through market outperformance and the strategic initiatives.

As a result of these factors SIG is confident of achieving further progress in 2015, although strong H1 comparators mean that this is likely to be weighted towards the second half of the year.

Full year results

SIG will announce its Full Year results for the year ended 31 December 2014 on 12 March 2015.

Enquiries

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¹ *Underlying is before the amortisation of acquired intangibles, restructuring costs, other one-off items, profits and losses arising on the sale of businesses, trading profits and losses associated with disposed businesses, goodwill impairment charges and fair value gains and losses on derivative financial instruments.*

² *SIG's 2013 reported underlying profit before tax has been restated on a continuing operations basis for the disposals of German Roofing, Miller Pattison and ICE Energy.*

³ *Like-for-like is defined as sales per day in constant currency excluding acquisitions and disposals.*

Cautionary Statement

This Trading Update 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 Trading Update is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

Certain information included in this Trading Update 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 Trading Update. 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.