

13 January 2017



**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 2016.

Group sales in 2016 were c.£2,738m, an increase of 11.2% compared to prior year, having benefited from foreign exchange movements (+6.9%), acquisitions (+3.7%), and working days (0.3%). On a like-for-like ("LFL") basis Group sales increased 0.3%.

In line with previous guidance the Group continues to expect that underlying profit before tax for 2016 will be within its previously stated £75m to £80m range, and that gross margin will be around 30bps lower than prior year.

In the UK & Ireland LFL sales in the year increased 1.1%, with SIG Distribution up 1.2% and SIG Exteriors down 1.5%. In Mainland Europe LFL sales declined 0.5%, with France and Germany down 2.0% and 1.3% respectively.

SIG's leverage as at 31 December 2016 is expected to be c.2x (net debt to EBITDA), above its medium-term target of 1 - 1.5x. Going forward the Group will prioritise leverage reduction by more tightly focusing on its cash generation, moderating capital expenditure and suspending its infill acquisition programme.

Commenting, Mel Ewell, Chief Executive, said:

"2016 was a disappointing year for SIG. While the competitive environment, particularly in the UK, was challenging, our transformational change programme, although taking the Group in the right strategic direction, distracted us somewhat from our customers.

"Going forward we need to better balance business change with the day-to-day operations of the Group. Our principal aims for 2017 are therefore to restore our customer focus, place an increased emphasis on sales growth, and reduce leverage."

Full year results

SIG will announce its Full Year results for the year ended 31 December 2016 on 14 March 2017.

Enquiries

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Cautionary Statement

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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 2015. 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.