



Record Sales, Profits and Earnings

Grafton Group plc, the builders merchants and DIY Group with operations in the UK and Ireland, announces its interim results for the six months ended 30 June 2006.

Financial Highlights

	2006	2005	Change
Revenue	€1.43 bn	€1.30 bn	UP 10%
Operating profit*	€106.9 m	€97.6 m	UP 10%
Profit before tax	€118.3 m	€87.4 m	UP 35%
Basic earnings per share	42.8 c	32.0 c	UP 34%
Adjusted earnings per share *	33.0 c	30.2 c	UP 9%
Share purchase	8.25 c	7.25 c	UP 14%
Cash flow per share	53.6 c	42.2 c	UP 27%

**Before property profit and amortisation*

Operating Highlights

Irish merchandising traded strongly in a favourable market

Heitons continued to perform ahead of pre-acquisition expectations

Lower UK profitability in softer merchandising market

UK market now strengthening

Positive trading conditions in competitive Irish DIY market

Operations strongly cash generative

Commenting on the results today, Michael Chadwick, Executive Chairman said:

“The Irish economy provided a very favourable trading environment for the Group’s Irish merchandising and DIY businesses in the half year and profitability increased strongly. In line with the trends experienced in the second half of 2005, demand in the UK merchandising market was generally softer in the half year compared with the strong trading levels reported in the first half of 2005. The Group remains confident of continued growth in profits and earnings per share in 2006 and, with a very strong financial position and healthy cash flow, is well placed to take advantage of suitable acquisition and development opportunities.”