

Polypipe Group plc

Trading Update

27 May 2015

Polypipe Group plc (“Polypipe” or the “Group”), issues this update on trading for the four months ended 30 April 2015 ahead of its Annual General Meeting which takes place at 11:00 am today at the Holiday Inn, High Road, Doncaster, DN4 9UX.

Polypipe will report its interim results for the six months ending 30 June 2015 on 20 August 2015.

Trading Results

The Group has maintained its positive trading performance in its main UK market during the first four months of 2015 with revenue growth from UK operations of 6.3% (7.6% adjusting for one less working day this period) ahead of the same period in the prior year. Revenue from our Commercial and Infrastructure business in Mainland Europe (mainly in France) declined by 18.3% in the period (8.9% at constant exchange rates). The revenue performance for each reporting segment was as follows:

Revenue	Four months ended April 2015	Four months ended April 2014	Change
	£m	£m	%
Residential	59.4	55.5	7.0
Commercial and Infrastructure – UK	<u>39.6</u>	<u>37.6</u>	<u>5.3</u>
UK Operations	99.0	93.1	6.3
Commercial and Infrastructure – Mainland Europe	17.0	20.8	(18.3)
Inter Segment	<u>(3.6)</u>	<u>(3.1)</u>	-
Group	<u>112.4</u>	<u>110.8</u>	<u>1.4</u>

David Hall, Chief Executive, commented:

“Our growth initiatives combined with the continued positive market backdrop in our main UK market means we remain confident that the Group will deliver results for the year in line with board expectations.”

UK Operations

Against a strong first four months last year, a period when new build residential and commercial and infrastructure construction started the year very strongly, our UK operations performed well achieving growth of 7.6% (working day adjusted) for the four month period. Demand continues to grow across the residential, commercial and infrastructure sectors we serve and within residential it is encouraging to see some improvement in the repair, maintenance and improvement (RMI) activity which remains well below previous levels. We continue to benefit from our strategic growth initiatives in the areas of Water Management and Carbon Efficient Solutions. Export sales to the Gulf region have also performed well in the period.

Operating margins for our UK operations are ahead of the prior year after four months.

Mainland European Operations

Revenue for the four month period ended April 2015 was down 18.3% on prior year. At constant exchange rates the revenue decline over this period was 8.9% with housing starts in France, an indication of activity for this segment, down 8.3% in the three month period to March 2015.

The continuing weak market conditions in France has had a very limited impact on the overall Group operating result and the operations remained marginally profitable during the period. The adverse currency translation effect on earnings also has very little impact on the overall Group operating result.

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A copy of this trading statement will be available on our website:
[http://ir.polypipe.com/\(http://ir.polypipe.com\)](http://ir.polypipe.com/(http://ir.polypipe.com)) today from 7.00 am.

Notes to Editors:

Polypipe is the largest manufacturer in the United Kingdom, and among the ten largest manufacturers in Europe, of plastic pipe systems for the residential, commercial, civils and infrastructure sectors by revenue. The Group operates from 16 facilities in total, and with over 20,000 product lines, manufactures the United Kingdom's widest range of plastic piping systems within its target markets. The Group primarily targets the UK, French and Irish building and construction markets with a presence in Italy and the Middle East and sales to specific niches in the rest of the world.