

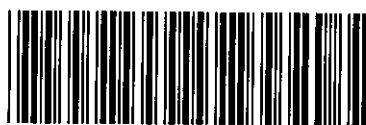
Wolseley International Limited

Report and accounts

for the period ended 17 March 2006

Registered number 1555518

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Wolseley International Limited

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Wolseley International Limited

Directors' report for the period ended 17 March 2006

The directors submit their report and the audited accounts of the company for the period ended 17 March 2006.

Principal activity and business review

The company is a wholly owned subsidiary of Wolseley plc and operates as part of the Group's general corporate division.

The Group's principal business activities are the distribution of heating and plumbing products to the professional market and the supply of building materials through 27 countries. The principal activity of the company is that of an intermediate holding company. There have been no significant changes in the company's principal activity in the period under review. The directors do not intend, at the date of this report, that there will be any major changes in the company's activities in the next year.

The company continues to invest in measures to limit the financial risks to the Group structure including cost-effective borrowing structures. This has enabled the Group to adjust its funding profile to match more precisely its investment profile. The directors regard this type of investment as necessary for the continuing success in the medium to long term future.

The balance sheet on page 6 of the financial statements shows that the company's financial position at the period end is, in both net assets and cash terms, consistent with that at 31 July 2005. Details of amounts due to and from its parent company and other group undertakings are shown in notes 5 and 6 on pages 9 and 10. During the period the company signed a warrant release agreement with Wolseley Finance (Rockhopper) Sarl which entitled the company to receive a dividend of £70,000,000 from Wholesale Supplies (CI) Limited, a group company. This dividend was declared by Wholesale Supplies (CI) Limited on 16 March 2006 as an interim dividend due and payable on 21 March 2006. A provision of £69,000,000 was set up for the net present value of payments required to be made to Wolseley Finance (Rockhopper) Sarl under the terms of the warrant release agreement. The company also acquired a 100% holding in Wolseley H in the period from Wolseley Holdings A/S for £801,173,114. The company subsequently sold this investment to Wolseley Finance (Gentoo) Limited, an indirect subsidiary, for £725,000,000. The resulting loss on disposal is shown in the profit and loss account.

The Wolseley Group manages its operations on a segmental basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the general corporate division of Wolseley plc, which includes the company, is discussed in the Group's Annual Report which does not form part of this report.

Principal risks and uncertainties

The Group is exposed to market risks arising from its international operations. The Group has well defined and consistently applied policies for the management of foreign exchange and interest rate exposures. There has been no change since the year end in the major financial risks faced by the Group. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The treasury committee of the Wolseley plc Board reviews and agrees policies for managing each of these risks at Group level and these policies are regularly reviewed.

Group risks are discussed in depth in the Group's Annual Report which does not form part of this report.

Wolseley International Limited

Directors' report for the period ended 17 March 2006 (continued)

Health, Safety and Environment

The Group recognises the importance of its environmental responsibilities. A key driver of Wolseley plc Group's success has been the high degree of autonomy which has been afforded to local managements, allowing them to serve local markets in the most appropriate manner. Within this decentralised structure, the Board has set down a number of health, safety and environment principles with which all businesses are required to comply. The principles relating to environment cover: the integration of environmental management into business operations; a commitment to the adoption and achievement of best practice wherever this is practicable; a commitment to prevent pollution; compliance with local environmental legislation; the adoption where practicable of local formal environmental management systems; a commitment to strive for continual improvement; and a commitment to ensure proper communication with employees on environmental matters.

The company operates in accordance with Group policies which are described in the Group's Annual Report which does not form part of this Report.

Employees and auditors

The company had no employees in the period under review.

Auditors remuneration is borne by the ultimate parent company.

Dividends and transfers to reserves

There have been no dividends paid or proposed (2005: £nil). The loss of £44,798,969 (2005: profit of £34,272,704) has been transferred from reserves.

Directors

The directors of the company during the period ended 17 March 2006 were:

SP Webster
M J White

Directors' interests in shares

The notifiable interests of the directors in the 25p ordinary shares of Wolseley plc and options on those shares granted pursuant to the terms of the various Wolseley share option schemes are shown below:

Name of Director	Shares at		Options			
	17.3.2006	31.7.2005	17.3.2006	Granted	Exercised	31.7.2005
M J White	4,638	-	64,682	20,675	20,000	64,007
S P Webster	49,191	38,205	522,528	90,189	-	432,339

Interests in shares under long term Incentive Plan

	17.3.2006	Granted	Vested	31.7.2005
M J White	21,145	10,869	-	10,276
S P Webster	77,031	42,147	-	34,884

Wolseley International Limited

Directors' report for the year ended 17 March 2006 (continued)

Statement of directors' responsibilities

The directors are required by United Kingdom company law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss for that period.

The directors consider that in preparing the accounts, appropriate accounting policies have been used and applied consistently, supported by reasonable and prudent judgements and estimates, and that applicable accounting standards have been followed.

The accounts have been prepared on the going concern basis.


The directors are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud or any other irregularities. The Directors, having prepared the financial statements, have permitted the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit opinion.

Auditors

Pursuant to s386 Companies Act 1985, an elective resolution has been passed dispensing with the requirement to appoint auditors annually. Therefore PricewaterhouseCoopers LLP are deemed to continue as auditors.

By Order of the Board



MJ White
Director

15 January 2007

Independent auditors' report to the members of Wolseley International Limited

We have audited the financial statements of Wolseley International Limited for the period ended 17 March 2006 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

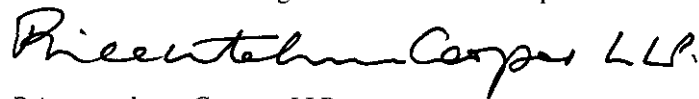
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 17 March 2006 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditor

London

15 January 2007

Wolseley International Limited

Profit and loss account for the period ended 17 March 2006

	Notes	33 weeks ended 17 March 2006 £	Year ended 31 July 2005 £
Dividend receivable from group undertaking		70,000,000	-
Sundry (expenses)/income		(79)	5
Operating profit		69,999,921	5
Loss on disposal of investment	4	(76,173,114)	-
Provision in respect of warrant release agreement	7	(69,000,000)	-
(Loss)/profit before interest		(75,173,193)	5
Interest receivable from group undertakings		23,549,860	44,854,858
Interest payable to group undertakings		(210,824)	-
(Loss)/profit on ordinary activities before taxation		(51,834,157)	44,854,863
Tax credit/(charge) on (loss)/profit on ordinary activities	3	7,035,188	(10,582,159)
(Loss)/profit transferred (from)/to reserves	9	(44,798,969)	34,272,704

The loss for the financial period relates to continuing activities, and includes all recognised gains and losses in the period.

Wolseley International Limited

Balance sheet as at 17 March 2006

	Notes	17 March 2006 £	31 July 2005 £
Fixed assets			
Investments in group undertakings	4	8,247,906	7,137,906
Current assets			
Debtors	5	1,630,998,476	812,437,515
Cash at bank and in hand		1,279	456
		1,630,999,755	812,437,971
Creditors: amounts falling due within one year	6	(809,472,535)	(14,001,782)
Net current assets		821,527,220	798,436,189
Provisions for liabilities and charges	7	(69,000,000)	-
Net assets		760,775,126	805,574,095
Capital and reserves			
Called up share capital	8	174	174
Share premium	9	316,708,599	316,708,599
Profit and loss account	9	444,066,353	488,865,322
Equity shareholders' funds	10	760,775,126	805,574,095

Approved by the Board on 15 January 2007.



SP Webster
Director

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006

1 Accounting policies

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain fixed asset investments and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

Fixed asset investments

Fixed asset investments are stated at cost less provision for impairment.

Group accounts

In accordance with Section 228, Companies Act 1985, group accounts have not been prepared as the company is itself a wholly owned subsidiary undertaking.

Cash flow statement

Wolseley plc, the ultimate parent company, has included a cash flow statement in its group accounts for the year ended 31 July 2006. Under paragraph 5(a) of Financial Reporting Standard 1 (Revised) no cash flow statement is therefore required in the accounts of this company.

Deferred tax

Deferred tax has been recognised as a liability or asset if transactions have occurred at the Balance Sheet date that give rise to an obligation to pay more tax in the future or a right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefit in the future is uncertain. Deferred tax assets and liabilities have not been discounted.

2 Directors' remuneration

None of the directors received any emoluments in respect of their services to the company during the year (2005: £nil).

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006 (continued)

3 Tax credit/(charge) on (loss)/profit on ordinary activities

	33 weeks ended 17 March 2006	Year ended 31 July 2005
	£	£
Corporation tax at 30% (2005:30%)		
Current year credit/(charge)	5,418,347	(13,456,459)
Prior year credit	1,616,841	2,874,300
	7,035,188	(10,582,159)

Tax reconciliation

	33 weeks ended 17 March 2006	Year ended 31 July 2005
	%	%
Profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2005: 30%)	30	30
UK prior year adjustment	3	(6)
Non taxable and non tax deductible items.	(19)	-
	14	24

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006 (continued)

4 Fixed assets – investments

	Translated cost and net book amount included in balance sheet £
As at 1 August 2005	7,137,906
Additions in the period	802,283,114
Disposals in the period	(801,173,114)
As at 17 March 2006	8,247,906

The company holds the entire issued share capital of:

Wolseley Farm Machinery (Ireland) Limited	-	a company incorporated in the Republic of Ireland.
Wolseley Insurance Limited	-	a company incorporated in the Isle of Man.
Wholesale Supplies (CI) Limited	-	a company incorporated in Jersey.
Wolseley Finance (Rockhopper) Sarl	-	a company incorporated in Luxembourg

The company purchased and sold the entire share capital of Wolseley H in the period. The company also purchased the entire share capital of Wolseley Finance (Rockhopper) Sarl in the period.

In the opinion of the directors the value of the investments in subsidiary undertakings is not less than the aggregate amounts at which they are stated in the accounts.

5 Debtors

	17 March 2006	31 July 2005
	£	£
Amounts owed by other group undertakings	1,630,998,476	812,437,515
	1,630,998,476	812,437,515

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006 (continued)

6 Creditors: amounts falling due within one year

	17 March 2006	31 July 2005
	£	£
Amounts owed to Wolseley plc	6,868,594	7,273,323
Amounts owed to other group undertakings	801,173,114	-
Corporation tax	1,430,827	6,728,459
	809,472,535	14,001,782

7 Provisions for liabilities and charges

	£
As at 1 August 2005	-
Charge in the period	(69,000,000)
As at 17 March 2006	(69,000,000)

During the period the company signed a warrant release agreement with Wolseley Finance (Rockhopper) Sarl which entitled the company to receive a dividend of £70,000,000 from Wholesale Supplies (CI) Limited, a group company. This dividend was declared by Wholesale Supplies (CI) Limited on 16 March 2006 as an interim dividend due and payable on 21 March 2006. A provision of £69,000,000 was set up for the net present value of payments required to be made to Wolseley Finance (Rockhopper) Sarl under the terms of the warrant release agreement.

8 Share capital

	17 March 2006	31 July 2005
	£	£
Authorised, allotted, issued and fully paid shares of £1 each	174	174

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006 (continued)

9 Reserves

	Share premium	Profit and loss account
	£	£
As at 1 August 2005	316,708,599	488,865,322
Loss for the financial period	-	(44,798,969)
As at 17 March 2006	316,708,599	444,066,353

10 Reconciliation of movements in shareholders' funds

	17 March 2006	31 July 2005
	£	£
(Loss)/profit for the financial period	(44,798,969)	34,272,704
Net (reduction)/addition to shareholders' funds	(44,798,969)	34,272,704
Opening shareholders' funds	805,574,095	771,301,391
Closing shareholders' funds	760,775,126	805,574,095

Wolseley International Limited

Notes to the accounts for the period ended 17 March 2006 (continued)

11 Contingent liabilities

The company, together with certain other group undertakings, has given its main UK clearing bank authority at any time to transfer any sum outstanding to the credit of the company against or towards satisfaction of the liability to the bank of these other group undertakings.

The company, together with certain other group companies, is party to a group VAT registration.

12 Parent company

The ultimate parent company is Wolseley plc registered in England. Copies of the group accounts can be obtained from The Secretary, Wolseley plc, Parkview 1220, Arlington Business Park, Theale, Reading, RG7 4GA.

13 Related party transactions

The company has taken advantage of the exemption available under FRS8 to dispense with the requirement to disclose transactions with fellow subsidiaries, 90% or more whose voting rights are held within the group, and which are included in the consolidated financial statements of Wolseley plc.