

Basis of Preparation and Principal Accounting Policies

Electrocomponents plc (the "Company") is a company domiciled in the UK. The Group interim financial statements as at, and for, the six months ended 30 September 2006 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in jointly controlled entities.

The Group financial statements for the year ended 31 March 2006 are available upon request from the Company's registered office at International Management Centre, 5000 Oxford Business Park South, Oxford OX4 2BH.

The comparative figures for the financial year ended 31 March 2006 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

STATEMENT OF COMPLIANCE

These interim financial statements have been prepared in accordance with International Accounting Standards. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group financial statements for the year ended 31 March 2006.

These interim financial statements were approved by the Board of Directors on 6 November 2006.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these financial statements are the same as those applied by the Group in its financial statements for the year ended 31 March 2006.

ESTIMATES AND JUDGEMENTS

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of uncertainty were the same as those that applied to the Group financial statements as at 31 March 2006. We view the only significant judgement made in the financial statements for the year ended 31 March 2006, surrounds the capitalisation of the Enterprise Business System asset. During the development of the software, judgements were required as to whether expenditure met the criteria for capitalisation in IAS 38. In December 2005, the Enterprise Business System was implemented successfully in the UK and, in the half year, there was an update to bring France on to the same version as the UK.