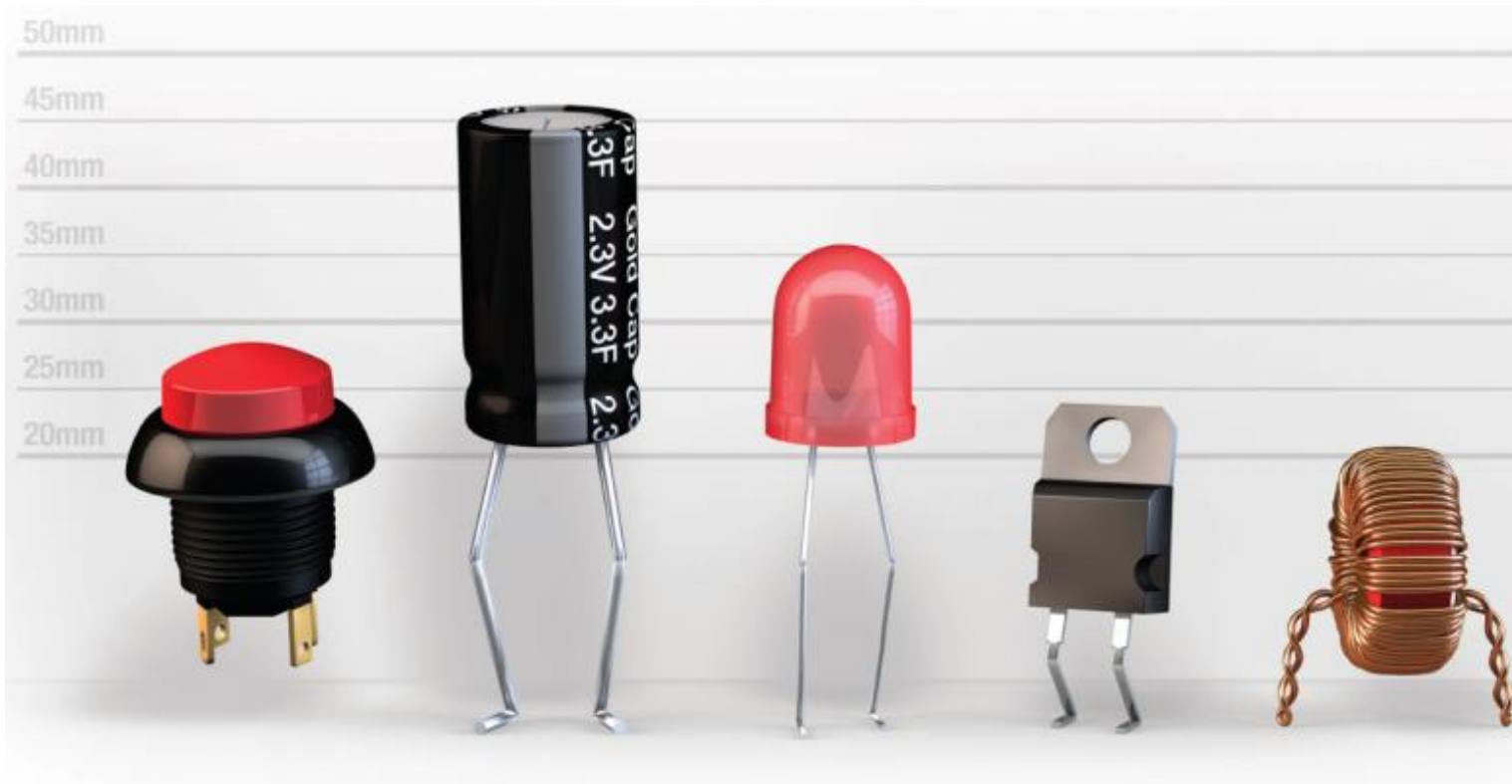


Electrocomponents plc

ANNOUNCEMENT OF PRELIMINARY RESULTS

YEAR ENDED 31 MARCH 2011

27 May 2011



Agenda

Overview and current trading

Ian Mason

2011 performance

Simon Boddie

Strategy update

Ian Mason

▪ **eCommerce**

Keith Reville

Q&A

All

Key themes

- Record sales, increasing margins and 50+% increase in profit
- Strategic initiatives driving double digit sales growth in all regions
- Transforming the customer experience in electronics
- Good growth of highly profitable maintenance business
- eCommerce now over 50% of sales and enabling business change
- Good UK growth and profit now above pre-recession levels

Successful strategy capturing structural growth

Financial highlights

- **Strong sales growth** 21%, > £1bn
- **Stable gross margin** 47%, through year
- **Significant cost leverage** 3% points improvement, all areas
- **Strong PBT growth** £114m, >50%
- **Increasing return on sales** +2% pts. > 10%
- **Increased full year dividend** 5%, confidence

Strategic initiatives delivering record sales and increasing margins

Current trading

Sales growth ⁽²⁾	FY11			FY12
	H1	Q3	Q4	Apr & May ⁽¹⁾
Continental Europe	23%	22%	21%	20%
North America	41%	32%	22%	18%
Asia Pacific	27%	15%	15%	17%
International	30%	23%	20%	19%
UK	14%	11%	10%	8%
Group	24%	20%	17%	16%

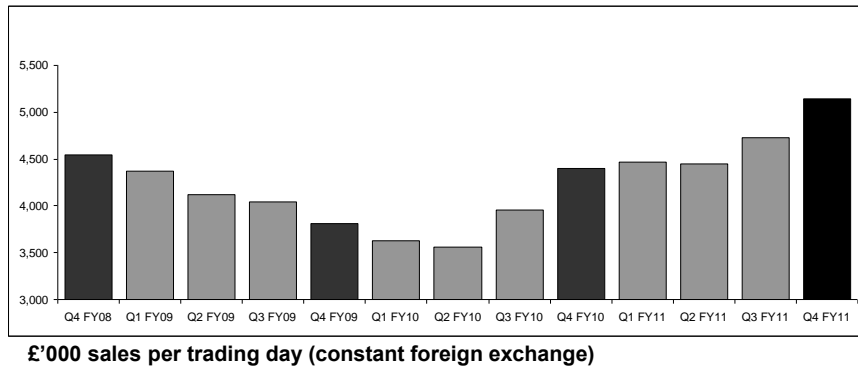
Strong start to new financial year

(1) seven weeks to 20 May 2011

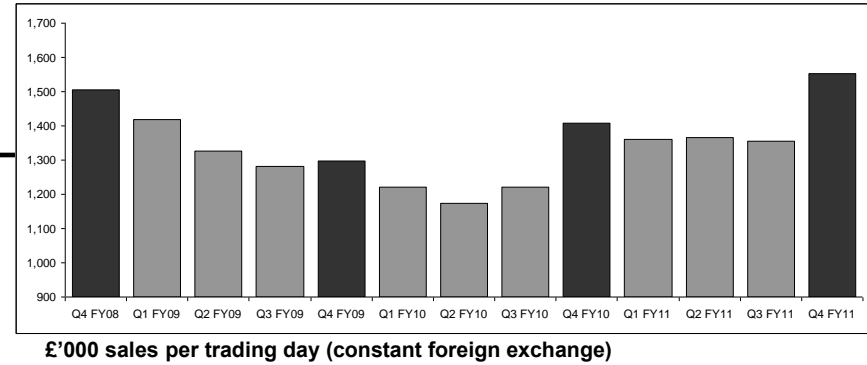
(2) underlying sales growth adjusted for currency and trading days

Sales per day

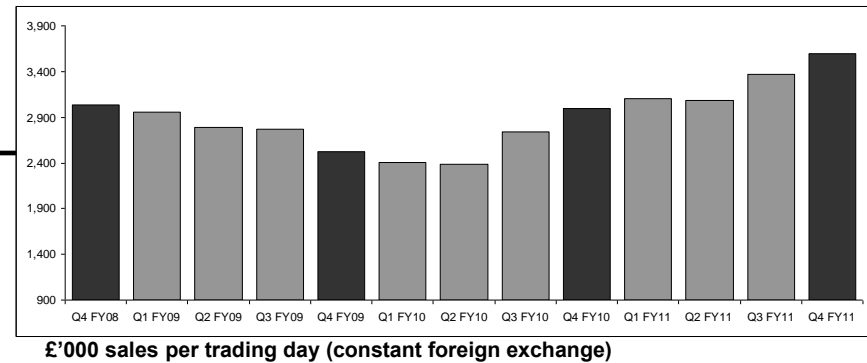
Group sales per day



UK sales per day



International sales per day



f

Group sales per day 13% above 2008 levels (1)

(1) constant foreign exchange

Agenda

Overview and current trading

Ian Mason

2011 performance

Simon Boddie

Strategy update

Ian Mason

▪ **eCommerce**

Keith Reville

Q&A

All

Basis of preparation

Unless otherwise stated:

- **Figures have been prepared using International Financial Reporting Standards (IFRS)**
- **Changes in revenue are adjusted for exchange rates and for the number of trading days ('underlying sales growth')**
- **Changes in profit, cash flow, debt and share related measures, such as earnings per share, are at reported exchange rates**

The Group has reviewed the allocation of costs associated with its component and production packaging offering. As a result costs, which were previously charged in the UK where the work was undertaken, have been reallocated to the reporting segments where the products were sold in the prior and current periods. This reallocation has no affect on any of the Group profit measures. An analysis of the prior period reallocations is included in the financial appendices.

Profit and loss account

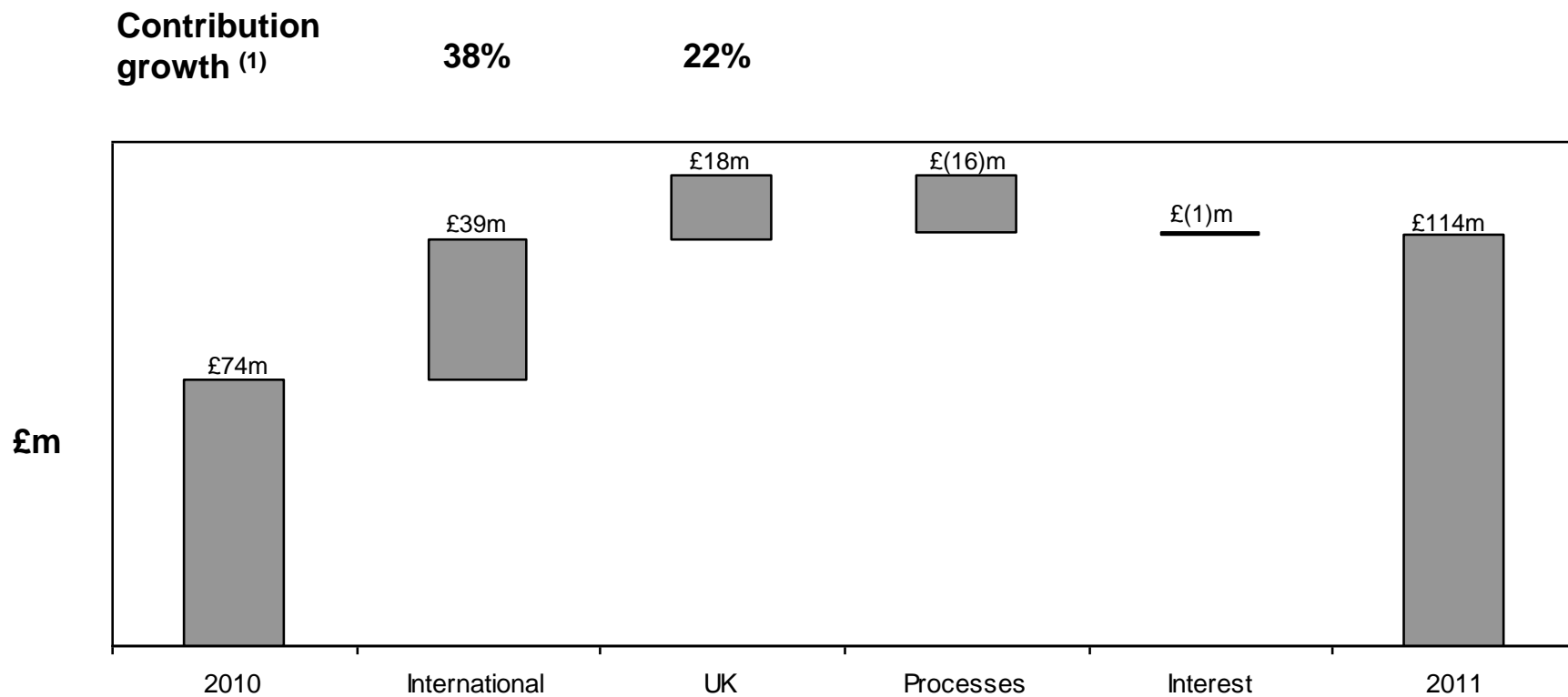
(£m)	<u>2011</u>	<u>2010</u>	<u>Change</u>
Revenue	1,182.2	972.6	21.0% ⁽¹⁾
Operating profit ⁽²⁾	119.8	79.2	51.3%
Interest	<u>(5.8)</u>	<u>(4.8)</u>	<u>(20.8)%</u>
Profit before tax ⁽²⁾	<u>114.0</u>	<u>74.4</u>	<u>53.2%</u>
Return on sales ⁽²⁾	10.1%	8.1%	2.0% points

Headline profit before tax increasing by more than 50%

(1) underlying revenue growth adjusting for currency and trading days

(2) headline

Group pre tax profit increase



Strong International and UK contribution growth

International contribution

(£m)	<u>2011</u>	<u>2010</u> ⁽³⁾	<u>Underlying change</u> ⁽¹⁾
Revenue	825.9	654.9	25.3%
Operating costs ⁽²⁾	<u>(235.6)</u>	<u>(201.8)</u>	<u>(15.7)%</u>
Contribution ⁽²⁾	<u>146.3</u>	<u>107.2</u>	<u>38.5%</u>
Operating costs % ⁽²⁾	(28.5)%	(30.8)%	2.3% points
Contribution % ⁽²⁾	17.7%	16.4%	1.3% points

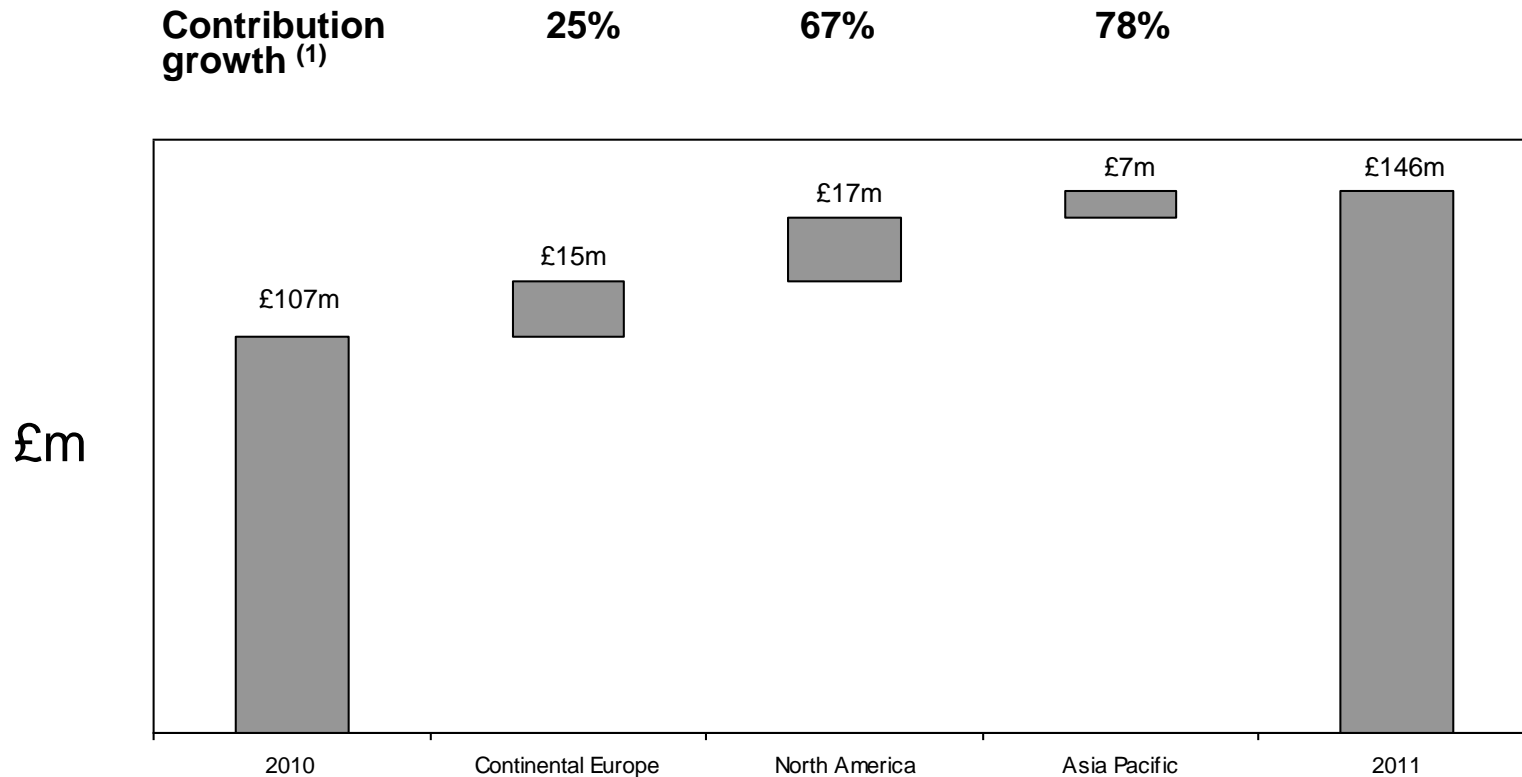
38% International contribution growth

(1) adjusted for currency; revenue also adjusted for trading days

(2) headline

(3) restated

International contribution increase



Significant contribution growth in all regions

(1) headline, at constant foreign exchange (2010 restated)

UK contribution

(£m)	<u>2011</u>	<u>2010 ⁽³⁾</u>	<u>Underlying change ⁽¹⁾</u>
Revenue	356.3	317.7	12.1%
Operating costs ⁽²⁾	<u>(72.8)</u>	<u>(75.6)</u>	<u>3.6%</u>
Contribution ⁽²⁾	<u>101.7</u>	<u>83.5</u>	<u>21.8%</u>
Operating costs % ⁽²⁾	(20.5)%	(23.8)%	3.3% points
Contribution % ⁽²⁾	28.5%	26.3%	2.2% points

UK contribution above pre recession levels

(1) revenue adjusted for trading days

(2) headline

(3) restated

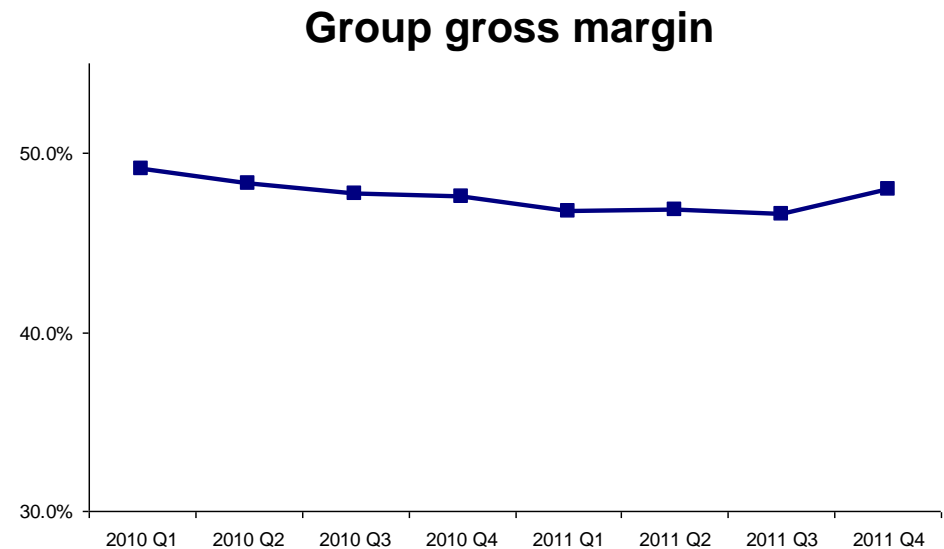
Gross margin

Year on year decline of 1% point

- North American mix
- Electronics price repositioning
- New revenue streams
- Large customer growth

Stable gross margin during 2011

- Competitively priced
- Selling price increases
- Cost price reductions
- New revenue streams



Gross margin stable through the year

Operating costs

Costs : % sales

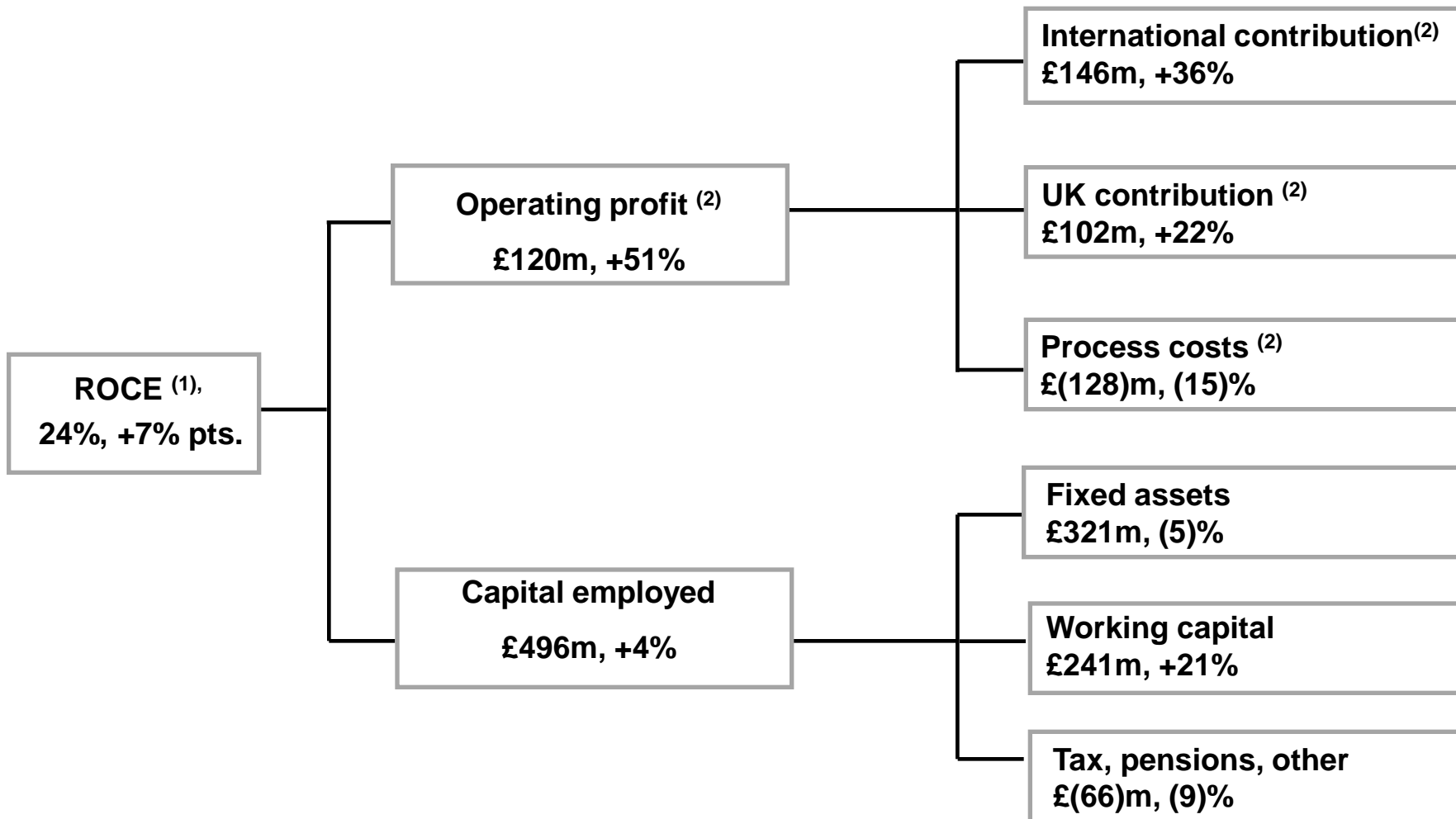
	<u>FY11</u>	<u>FY10</u>	<u>Change</u>
International	28.5%	30.8%	(2.3)% pts.
UK	20.5%	23.8%	(3.3)% pts.
Processes	10.9%	11.5%	(0.6)% pts.
Total	37.0%	40.0%	(3.0)% pts.

Drivers of operating leverage

- All areas
- Fixed cost leverage
- Supply Chain
- Offline costs
- Continuous Improvement

Costs reduced by 3% points of sales

Return on capital employed



Increased by 7% points to 24%

(1) headline operating profit as a % of net assets plus net debt

(2) headline increases at reported foreign exchange

Cash flow

(£m)	<u>2011</u>	<u>2010</u>
Profit before tax	114.0	76.0
Depreciation	27.0	26.9
Employee share options / non-cash mvts	1.8	2.3
Finance expense (net)	5.8	4.8
Less non-cash pension changes	-	(4.8)
Working capital	(41.7)	9.3
Cash generated from operations	106.9	114.5
Interest paid (net)	(6.1)	(4.5)
Tax paid	(21.5)	(21.7)
Net capital expenditure	(21.9)	(16.4)
Free cash flow	<u>57.4</u>	<u>71.9</u>

Continued strong cash flow

Working capital

(£m)	Cash (out) / inflow		<u>Comment</u>
	<u>2011</u>	<u>2010</u>	
Inventories	(51.2)	(3.7)	Stock turn 2.7
Trade receivables	(34.0)	(17.5)	Debtor days increased +1 day
Trade payables	43.5	30.5	Creditor days increased +1 day
Trade working capital	<u>(41.7)</u>	<u>9.3</u>	

2012 cash considerations:

- Full year capex in region of £35m
- £10m China stock investment
- Sales trend impact on working capital

Working capital investment to drive sales growth

Net debt

(£m)	<u>2011</u>
Net debt as at 1 April 2010	(172.1)
Free cash flow	57.4
Dividends paid	(47.9)
New shares / finance loans	(1.1)
Translation differences	<u>3.0</u>
Net debt as at 31 March 2011	<u>(160.7)</u>

Sterling closing rate strengthening against US\$ and €

Pension net deficit £5.4m (2010: £16.2m)

Net debt reduced by £11m

Earnings per share

(£m)	<u>2011</u>	<u>2010</u>	<u>Change</u>
Headline profit before tax	114.0	74.4	53.2%
Effective tax rate ⁽¹⁾	31%	31%	-
Per share amounts			
Headline earnings	18.0p	11.8p	52.5%
Full year dividend ⁽²⁾	11.5p	11.0p	5%

Over 50% increase in headline EPS

(1) headline tax rate

(2) 2011: includes 6.5p final proposed dividend

Dividends

- High dividend payout maintained during recession
- Increase full year dividend by 5% due to strong financial performance
- Significant opportunities to invest for growth
- Intention to maintain strong balance sheet

Confidence in Group's prospects

Financial highlights

- **Strong sales growth** 21%, > £1bn
- **Stable gross margin** 47%, through year
- **Significant cost leverage** 3% points improvement, all areas
- **Strong PBT growth** £114m, >50%
- **Increasing return on sales** +2% pts. > 10%
- **Increased full year dividend** 5%, confidence

Strategic initiatives delivering record sales and increasing margins

Agenda

Overview and current trading

Ian Mason

2011 performance

Simon Boddie

Strategy update

Ian Mason

- **eCommerce**

Keith Reville

Q&A

All

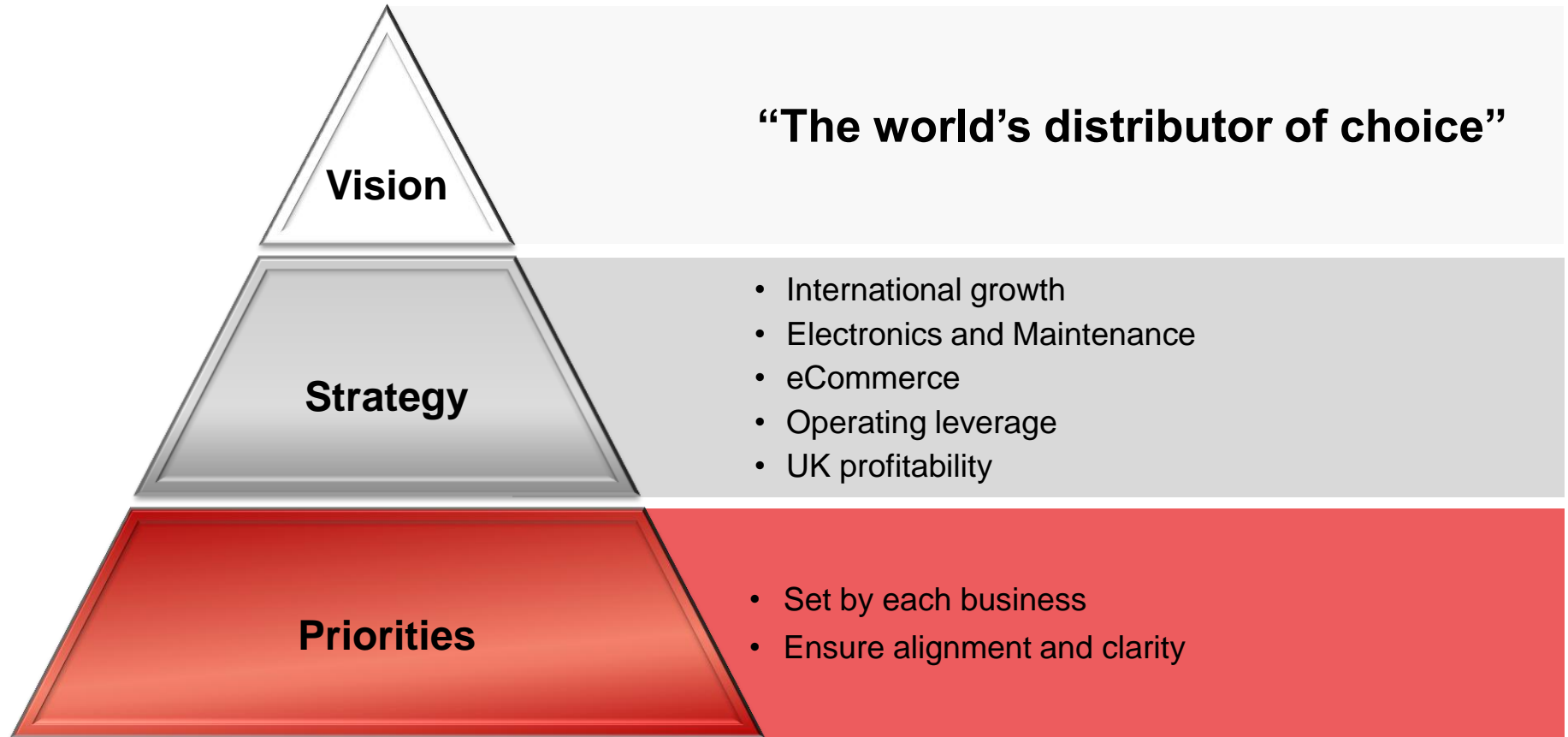
Business portfolio

FY11 (£m)	Underlying sales growth	% of Group revenue	Contribution⁽¹⁾ % of revenue	Market position
Continental Europe	22%	35%	22%	No. 1
North America	34%	22%	16%	No. 3
Asia Pacific	21%	13%	9%	No. 1
International	25%	70%	18%	No. 1
UK	12%	30%	29%	No. 1
Group	21%	100%	21%	No.1

Sales growth with increasing margins

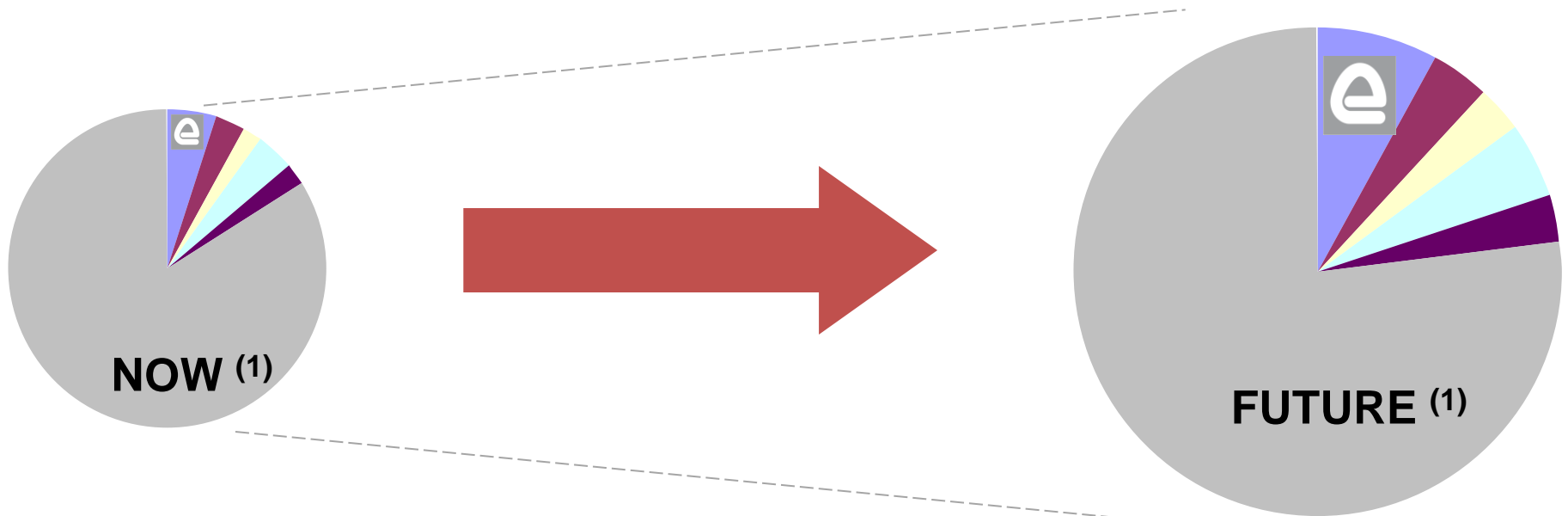
(1) headline

Group strategy



Implementing a clear and consistent strategy

Structural growth opportunity



Growing markets

Ca. £30 bn available market

Electronics 2 x GDP

Maintenance GDP

Emerging markets

Growing market share

Highly fragmented markets (ca. 85%)

Market share gains by 5 main players

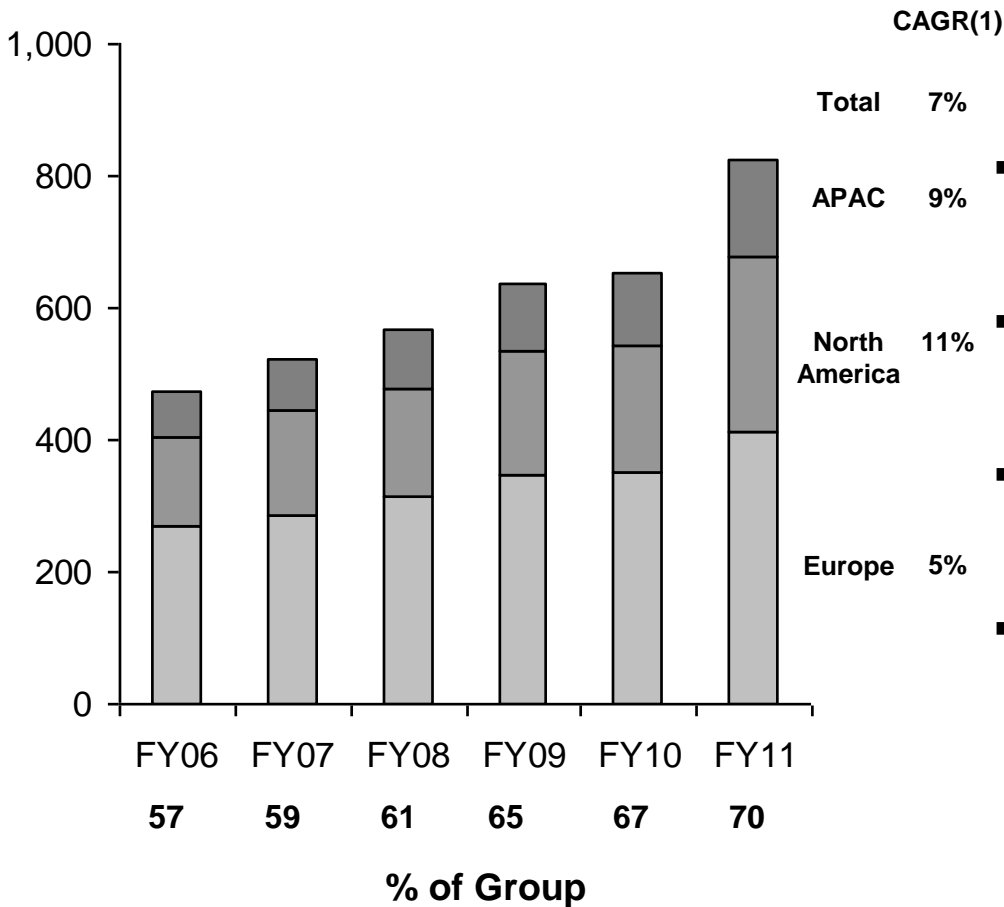
Increasing competitive advantages

We are the leading global distributor

Growing share of growing markets

International sales growth

£m, Reported sales



- 'Through cycle' growth, 7% CAGR
- £350m sales, £60m operating profit growth
- Target sales growth range 7-10% pa
- 25% International growth in 2011

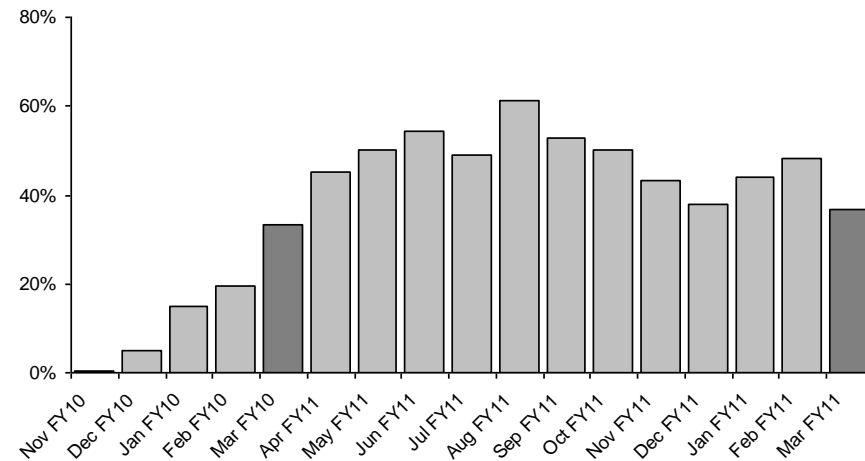
Targeting higher sustainable sales growth

(1) five year CAGR at constant foreign exchange

Continental Europe

- 22% sales growth
- 34% eCommerce growth, 59% share
- Strong electronics growth
- Mass marketing driving AOF increase
- Eastern Europe expansion

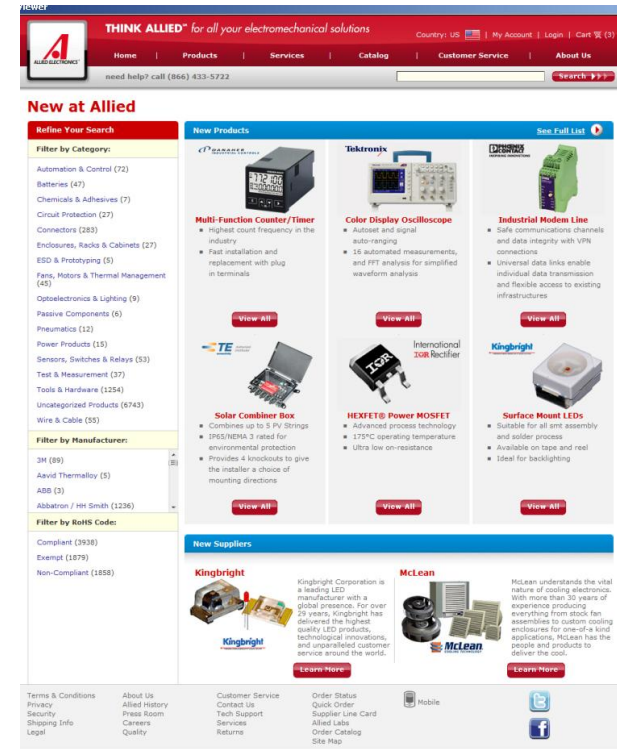
**Strong growth on strong growth
(Germany, electronics sales)**



Step change in European growth performance

North America

- 34% sales growth
- 80% eCommerce growth, 39% share
- Sales offices and SEM increasing customer acquisition
- 28K new products introduced
- System implementation on track



Consistent market outperformance

Asia Pacific

- 21% sales growth
- 42% eCommerce growth, 51% share
- 29% Japan sales growth
- Electronics sales growth in China
- Further investment into China



Leveraging Group strategic initiatives

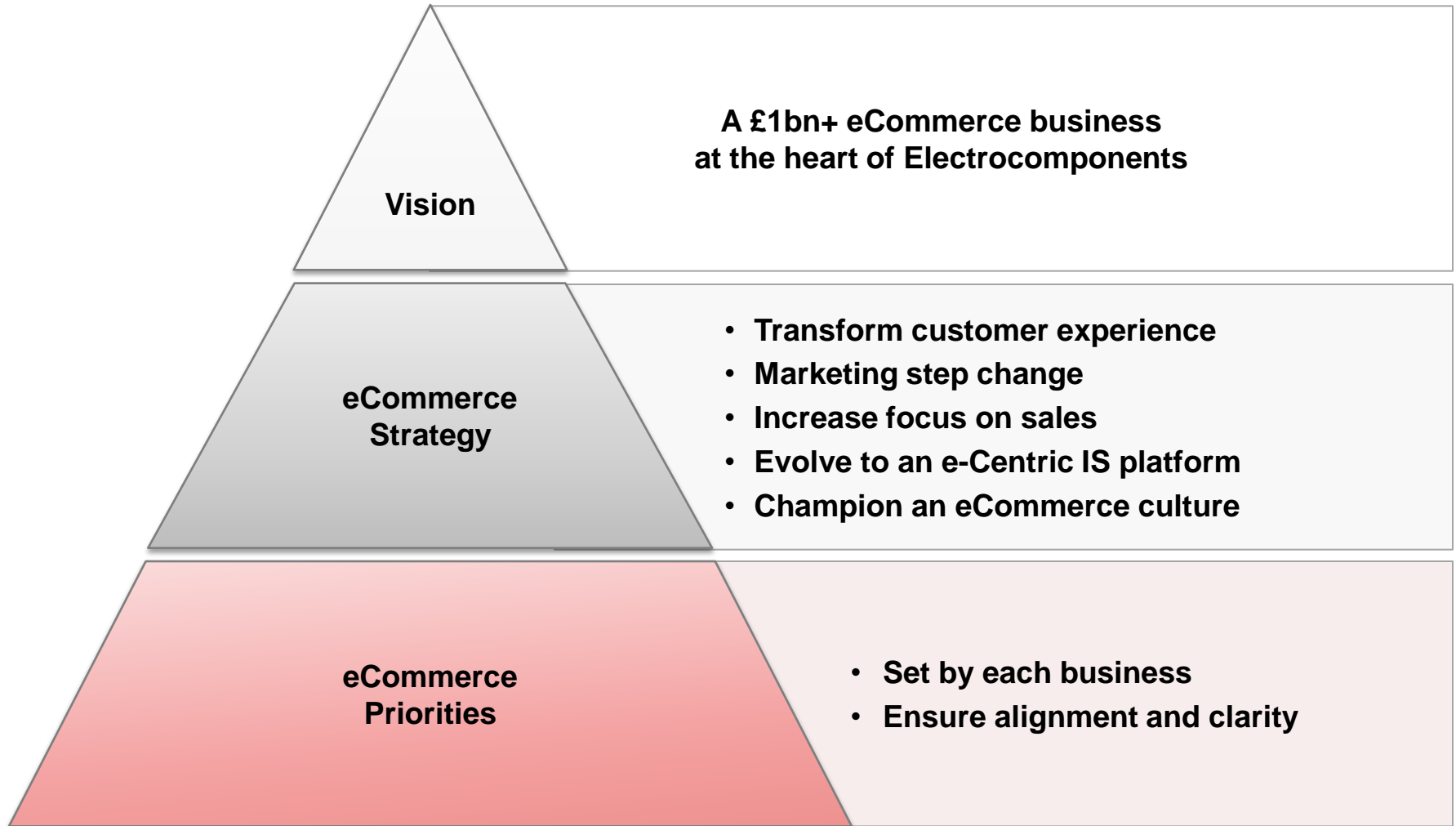
Electronics

- 30% sales growth
- 60% semiconductor growth
- 37K new products
- 75k DesignSpark PCB downloads
- Strategic supplier recognition
- Customer perception change



Delivering what our customers need, globally

eCommerce: new vision & strategy



eCommerce: an exciting opportunity

eCommerce: transform customer experience

- Live Chat



- ~30% higher AOV
- High customer satisfaction

- Online Quotes



- ~3k created online per month
- Doubled since H1

- Associated product links



- >1m accessories links live
- Revenue uplift

- Content



- 7% conversion improvement

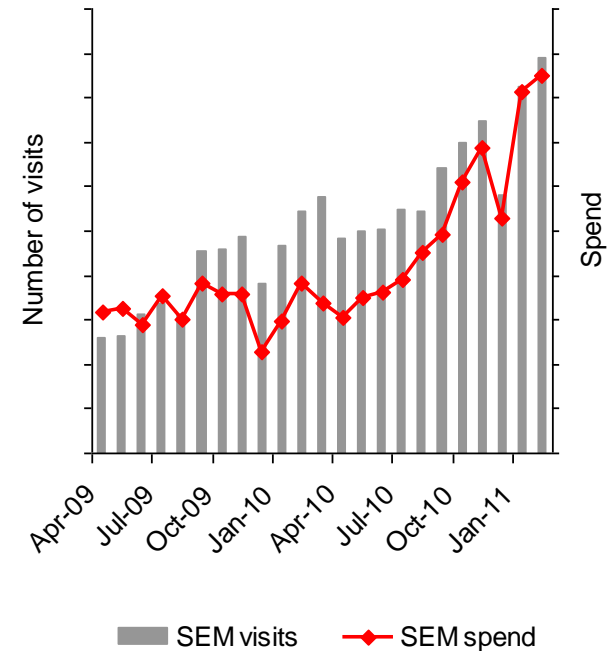
Summer 2011 – new search & browse

**Today, our customer experience is good
we are aiming to make it brilliant**

eCommerce: marketing step change

- Traffic increase of 25%
- Internet lets us “see” demand
- SEM allows us to capture that demand
- Opportunity is large
- Global & highly cost effective
- Re-investing catalogue savings

Europe Search Engine Marketing visits and investment



A step change investment in search engine marketing will accelerate our growth

eCommerce vision: £1bn+ business

- Customers like to transact in their own way
 - Catalogue
 - Web
 - Call centre & Fax
 - Field sales
- Multi-channel customers
 - Spend more
 - Stay longer
 - Are more profitable
- eCommerce led multi-channel experience
 - Entry point for a multi-channel relationship
 - Drive growth
 - Reduce costs

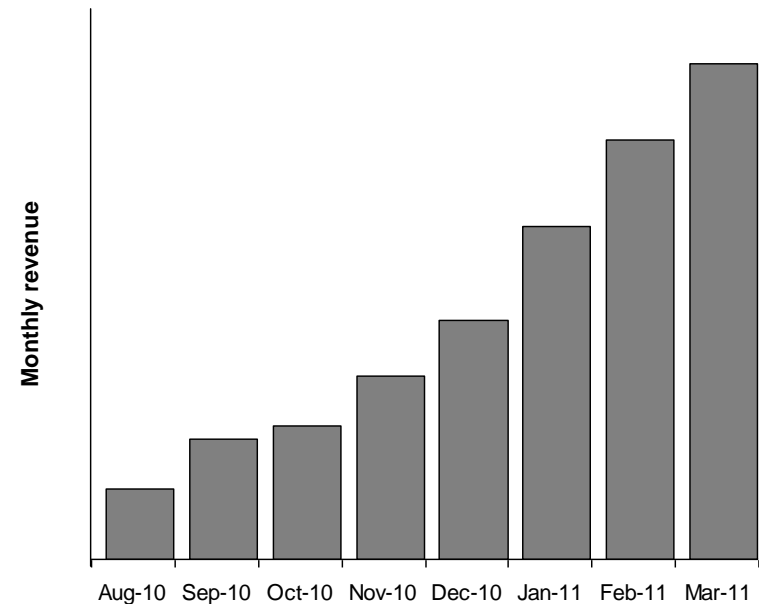


eCommerce is more than a low cost channel to serve, it is a multi channel growth driver

Maintenance

- 16% sales growth
- Market differentiator and highly profitable
- Refreshed global maintenance strategy
- Enhanced automation and control range
- 11K new products introduced
- Pan European maintenance offer

**Pan Europe maintenance offer:
driving revenue growth**



Building a global maintenance offer

- 12% sales growth
- 24% eCommerce growth, 57% share
- Regular revenue streams driving growth
- Improved price perception
- Continued operating cost efficiency

The screenshot displays the RS Components Purchasing Hub website. At the top, the title "Purchasing Hub" is prominently displayed in red. Below this, the page is organized into several sections:

- Save money:** A list of links including "Flexible Pricing", "RS Essentials", "Product Offers", and "Price Checker".
- Knowledge centres:** A list of links including "Energy Resource Centre", "Panel Solutions", "RS ePurchasing Solutions", "Service Centre", "Contract Management", "Local Branch Network", and "Newsletter Archive".
- Electronics:** A list of links including "Electronics Centre", "New Electronics Products", "Brand Portal", "Production Packaging", and "eTech Magazine".

Below the navigation menu, there are three main promotional banners:

- Online Quotes:** Features the text "Manage all your quotes online. Its so easy it will give you a slice of your day back." accompanied by an image of several analog clocks.
- Flexible Pricing:** Features the text "Spending over £500? Your personal contact can help save you money" and a "Find your contact" button with a person icon.

Each of these banners includes a "Find out more" button. The RS logo is also visible in the top right corner of the main content area.

Returned to pre-recession profitability

Key themes

- **Record sales, increasing margins and 50+% increase in profit**
- **Strategic initiatives driving double digit sales growth in all regions**
- **Transforming the customer experience in electronics**
- **Good growth of highly profitable maintenance business**
- **eCommerce now over 50% of sales and enabling business change**
- **Good UK growth and profit now above pre-recession levels**

Successful strategy driving structural growth

Agenda

Overview and current trading

Ian Mason

2011 performance

Simon Boddie

Strategy update

Ian Mason

▪ **eCommerce**

Keith Reville

Q&A

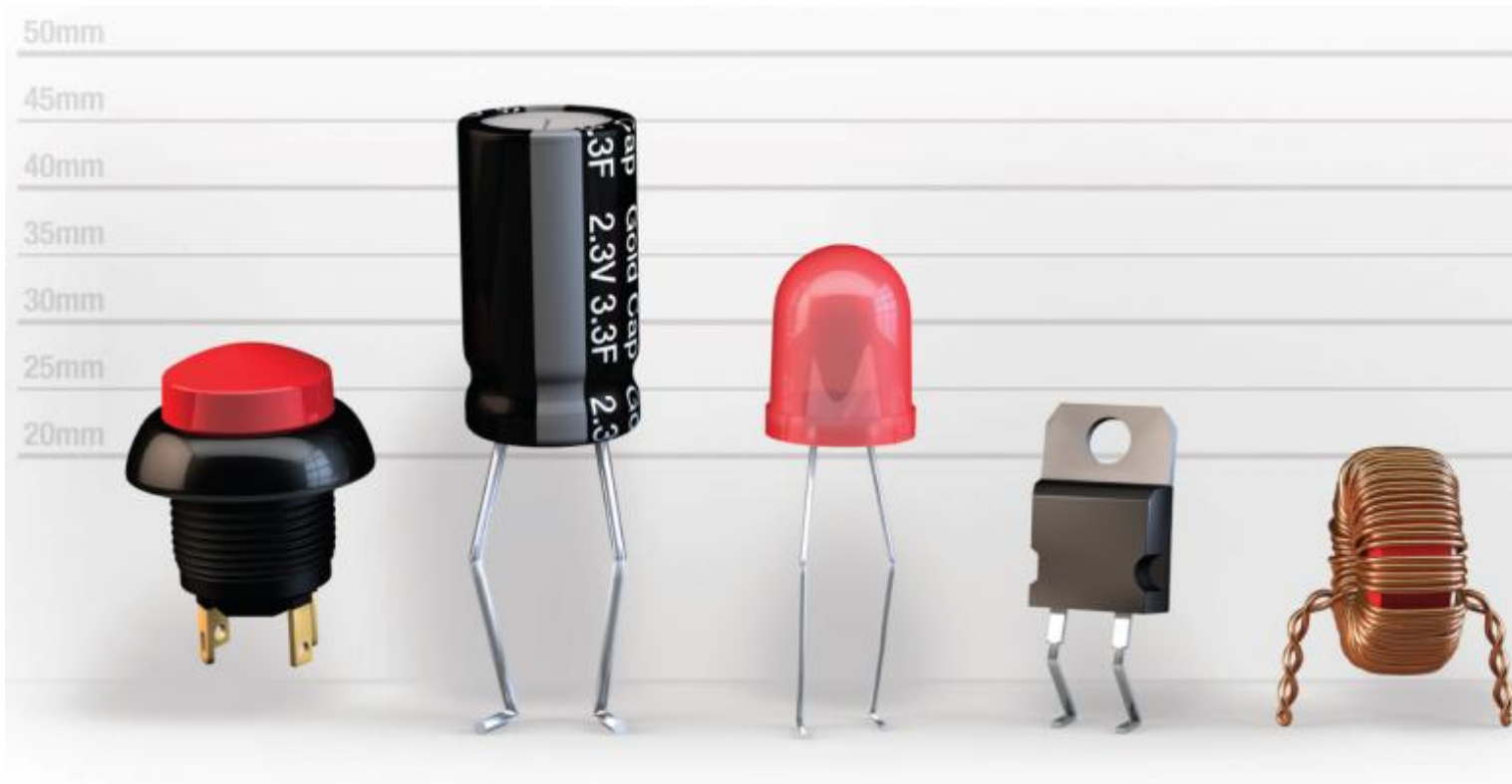
All

Electrocomponents plc

ANNOUNCEMENT OF PRELIMINARY RESULTS

YEAR ENDED 31 MARCH 2011

27 May 2011



Financial appendices

Impact of foreign exchange: by Business

	2011	Reported 2010	2010 Foreign exchange impact	Growth reported %	Growth Foreign exchange adjusted %
	£m	£m			
International contribution					
Continental Europe	90.5	75.8	(3.2)	19.4%	24.6%
North America	42.5	24.9	0.6	70.7%	66.6%
Asia Pacific	13.3	6.5	1.0	104.6%	77.6%
International	<u>146.3</u>	<u>107.2</u>	<u>(1.6)</u>	<u>36.5%</u>	<u>38.5%</u>
UK contribution	<u>101.7</u>	<u>83.5</u>	<u>0.0</u>	<u>21.8%</u>	<u>21.8%</u>
Group contribution	248.0	190.7	(1.6)	30.0%	31.2%
Process costs	(128.2)	(111.5)	(0.4)	(15.0)%	(14.6)%
Headline operating profit	<u><u>119.8</u></u>	<u><u>79.2</u></u>	<u><u>(2.0)</u></u>	<u><u>51.3%</u></u>	<u><u>55.2%</u></u>

Restatement of segmental contributions

	H1 2009/10 As originally reported	2010 As originally reported	H1 2009/10 Movements	2010 Movements	H1 2009/10 Reallocated	2010 Reallocated
	£m	£m	£m	£m	£m	£m
International Contribution						
Continental Europe	29.9	78.3	(0.9)	(2.5)	29.0	75.8
North America	10.3	24.9	0.0	0.0	10.3	24.9
Asia Pacific	3.0	7.3	(0.3)	(0.8)	2.7	6.5
International	<u>43.2</u>	<u>110.5</u>	<u>(1.2)</u>	<u>(3.3)</u>	<u>42.0</u>	<u>107.2</u>
UK Contribution	37.4	80.2	1.2	3.3	38.6	83.5
Group Contribution	<u><u>80.6</u></u>	<u><u>190.7</u></u>	<u><u>0.0</u></u>	<u><u>0.0</u></u>	<u><u>80.6</u></u>	<u><u>190.7</u></u>

The Group has reviewed the allocation of costs associated with its component and production packaging offering. As a result costs, which were previously charged in the UK where the work was undertaken, have been reallocated to the reporting segments where the products were sold in the prior and current periods. This reallocation has no affect on any of the Group profit measures.

Five year performance framework

KPIs	5 year target	FY11	FY10
International sales growth	7-10% p.a.	25.3%	(4.7)%
International share of group sales	70+%	70%	67%
UK contribution	Stable	Increasing	Decreasing
Sales via e-Commerce	70%	53% ⁽¹⁾	46% ⁽¹⁾
Underlying gross margin	Stable	Stable in yr.	Intl:stable, UK:dec.
Cost as % of sales ⁽²⁾	Reducing	Reducing	Stable
Capex	Below ⁽³⁾ depreciation	Below ⁽³⁾ depreciation	Below ⁽³⁾ depreciation
Return on capital employed ⁽⁴⁾	25%+	24%	17%

1. Exit share, 2. International and Process Costs, 3. Including amortisation, 4. Headline operating profit expressed as a percentage of net assets plus net debt