



Financial Results for the fourth quarter and year ended 3 February 2008

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Premier Farnell

Financial Highlights

- Q4 sales growth 7% and full year growth of 5%
- 2 full years of gross margin stability
- Operating expense as a percentage of sales decreasing
- Profit before tax and earnings per share growth
- Strong cash performance
- Recommended final dividend of 5.2p, increase of 4%



Business Strategy

Focus on global Electronic Design Engineering Customer segment

50% business from EDE

Increase business via the web

50-70% of MDD revenue

Internationalise business model

20% of MDD revenue

Continue to develop profitable MRO business

Achieving profitable and sustained growth



Strategic Highlights

- Accelerating sales growth globally
 - Outperforming the market, driving profitable growth
 - Americas up 9.0% in Q4
 - Mainland Europe up 11.2% and China up 23.4% in the Quarter
- Continue to gain momentum in EDE market
 - Addition of 88,000 stocked products and 50,000 on demand
 - 62 suppliers added
- eCommerce continues to gain traction
 - Q4 web sales increased by 49% in MDD Americas
 - Web order every 10 seconds in Europe
- Internationalisation plans advancing
 - Completed India acquisition
 - Established in 3 more East European countries
 - Growth in China



Q4 2008 key financial results

£m (Continuing operations)	Q408 (14 weeks)	Q407 (13 weeks)	Growth
Revenue	197.7	170.8	7% ^(a)
Operating profit	23.8	20.0	16% ^(b)
Profit before taxation	20.3	15.4	27% ^(b)
Earnings per share	4.2p	2.9p	40% ^(b)

(a) Based on sales per day for continuing operations at constant exchange rates

(b) At constant exchange rates

2007/8 key financial results

£m (Continuing operations)	2008 (53 weeks)	2007 (52 weeks)	Growth
Revenue	744.7	723.3	5% ^(a)
Operating profit	88.0	83.1	9% ^(b)
Profit before taxation	71.2	62.3	18% ^(b)
Earnings per share			
• total	10.0p	14.4p	(28%) ^(b)
• continuing operations	13.7p	11.6p	21% ^(b)
Dividend	9.2p	9.0p	2%

(a) Based on sales per day for continuing operations at constant exchange rates

(b) At constant exchange rates

Cash flow

£m	2008	2007
Operating profits (continuing operations)	88.0	83.1
Depreciation and amortisation	19.1	18.7
Additional pension scheme funding	(3.1)	(2.4)
Other non-cash items	(1.5)	(1.8)
Working capital	(4.7)	(5.8)
Cash generated from continuing operations	97.8	91.8
Discontinued operations	(1.2)	(1.2)
Net capital expenditure	(15.6)	(9.3)
Interest & preference dividend	(16.5)	(20.2)
Tax	(23.1)	(18.7)
Free cash flow	41.4	42.4
Free cash flow % to revenue	5.6%	5.9%



Tax

£m	2008		2007	
Profit before tax	71.2		62.3	
Adjust for preference dividends	5.6		6.7	
Adjusted profit before tax	76.8		69.0	
Tax charge	21.4	27.9%	20.0	29.0%
Effect of UK rate reduction on deferred tax	0.8		-	
Adjusted tax charge	22.2	28.9%	20.0	29.0%



Net debt

£m	2008	2007
EBITDA	107.1	101.8
Including preference shares:		
Net debt	254.1	281.3
Net debt:EBITDA	2.4	2.8
Excluding preference shares		
Net debt	168.2	178.2
Net debt:EBITDA	1.6	1.8
Maturity profile of loans (including preference shares)		
Due within 1 year		0.1
Between 1 and 2 years		0.1
Between 2 and 5 years		119.4
After 5 years		169.2
		<u>288.8</u>



Q4 financial scorecard

Key Performance Indicators	Goal	Achieved
Sales per day growth	6-8%	Q4 up 7.0%
Gross margin %	Stability	2 full years
Return on sales %	>10%	11.8% in 2007/8
Return on net operating assets %	>30%	30.2% in 2007/8
Working capital as a % of sales	<25.1%	25.7% in 2007/8
Free cash flow as a % of sales	6%	5.6% in 2007/8
% sales from the web	50-70%	Some countries +50%
% sales from emerging markets	20%	15.9% in 2007/8

Marketing and Distribution Division Americas

- Momentum continues
 - Sales increased by 9.0% in the fourth quarter
- Flawless execution of strategy
 - EDE customer growth, supported by increased search engine marketing
 - 43% sales growth to small customer segment
 - Web sales growth of 49% in Q4
 - MCM eCommerce sales 48% of total sales



Marketing and Distribution Division Europe

- Accelerated sales growth, gross margin and profitability
- Mainland Europe sales up 11.2% in the quarter
 - Second consecutive year of double digit growth
- UK showed positive growth of 3.2%
- Strong growth in web sales in Q4
 - Europe is now getting one sale every 10 seconds via the web
 - CPC achieved record numbers of unique visitors to their website
- Gained traction in EDE customers segment through multi-channel marketing campaign



Marketing and Distribution Division Asia Pacific

- Q4 sales growth of 8.0%
- 23.4% Q4 sales growth in China
 - Continue to transition South East Asia business for EDEs
- 2.3% sales growth in Australia and New Zealand
- Completed acquisition in India
 - 8 branches in India operating under brand of Farnell India



Industrial Products Division

- Full year Divisional sales growth of 5.7%, with operating margin up to 20.1%

Akron Brass

- Positive growth in Q4 relative to tough comparator in prior year
- Strong demand from international and industrial segments
- Expansion into new markets
- Outlook for FY09 positive and improving

TPC Wire & Cable

- Q4 sales increased 11.1% year on year
- Strong activity in OEM and non-automotive markets

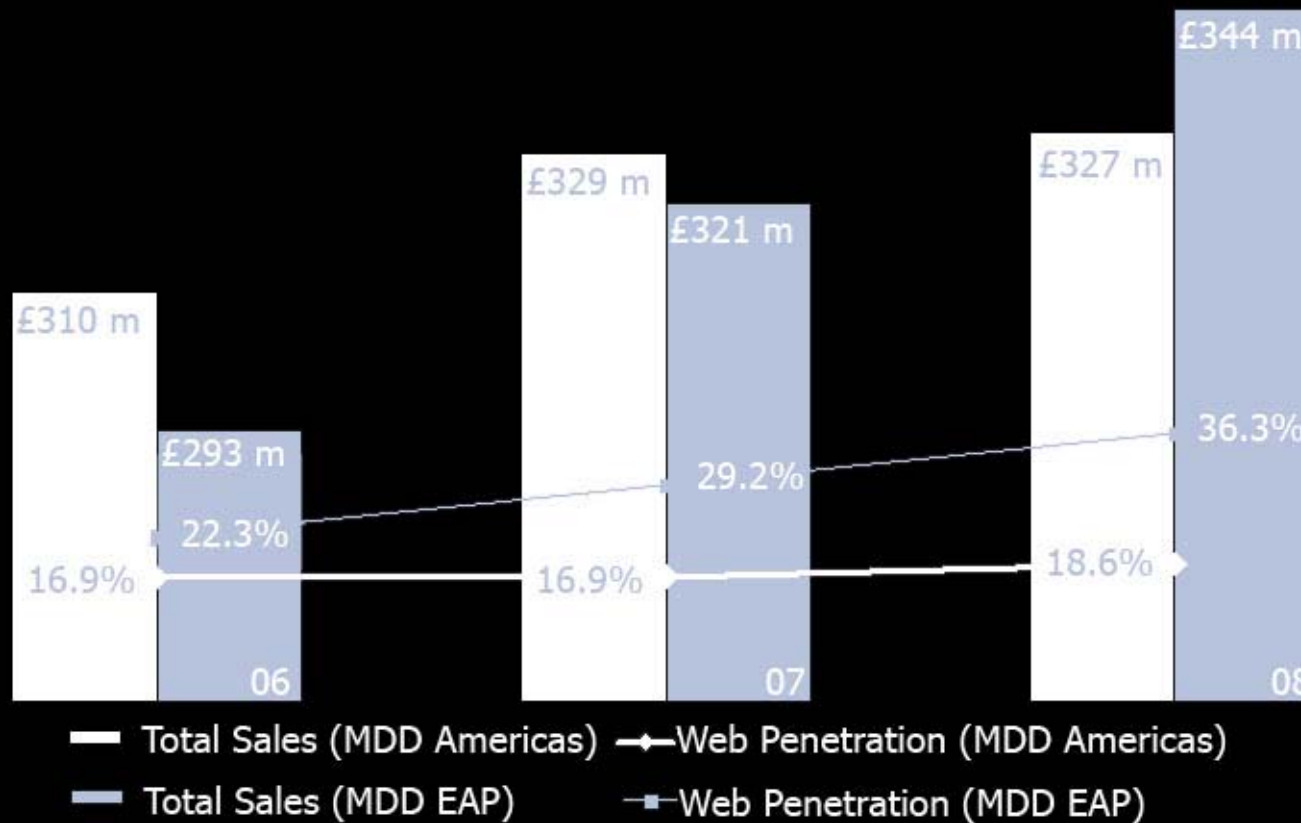


Focused on Electronic Design Engineers

- Added more than 60 franchises since inception of strategy
 - Including 17 greenhouse franchises
- Added an additional 88,000 stocked product and 50,000 on-demand products
- Web is a critical tool for this segment
- International EDE growth
- First ever Live EDGE winner announced



eCommerce



Internationalisation

- 4 new local language websites launched during quarter
 - Czech, Hungarian, Slovakian and Thai
- Progress continuing in Eastern Europe now with operations in:
 - Poland, Czech Republic, Hungary and Slovakia
- Successful transition of Chinese business to an EDE supplier
- Completed acquisition of Hynetic in India



Summary

- Transformation continues
- Strategy is gaining momentum
- Accelerating growth in all markets
- Outlook for US operations continues to be positive
- Internationalisation on track
- Board's confidence in our strategy
- First dividend increase in 10 years



Outlook

The fourth quarter saw our strongest Group sales per day growth and provided a strong finish to the year. This reflects the benefits of the strategy, announced a year ago, to focus on the EDE segment, the web and the internationalisation of our high service business model. The fourth quarter saw good progress in all aspects of the strategy and, when combined with the continued gross margin stability and cost focus, led to a full year reported pre-tax profit improvement of 14%, despite the impact of exchange rates.

We have made a good start to the new financial year and have carried the momentum from the fourth quarter into the first quarter. The proposed dividend increase reflects the Board's confidence in our strategy, the increasing benefits that the strategy is bringing to the Group and confidence in the global opportunities on which Premier Farnell continues to capitalise.



Questions and Answers

2008 Annual Report available at
www.premierfarnell.com from 30 April

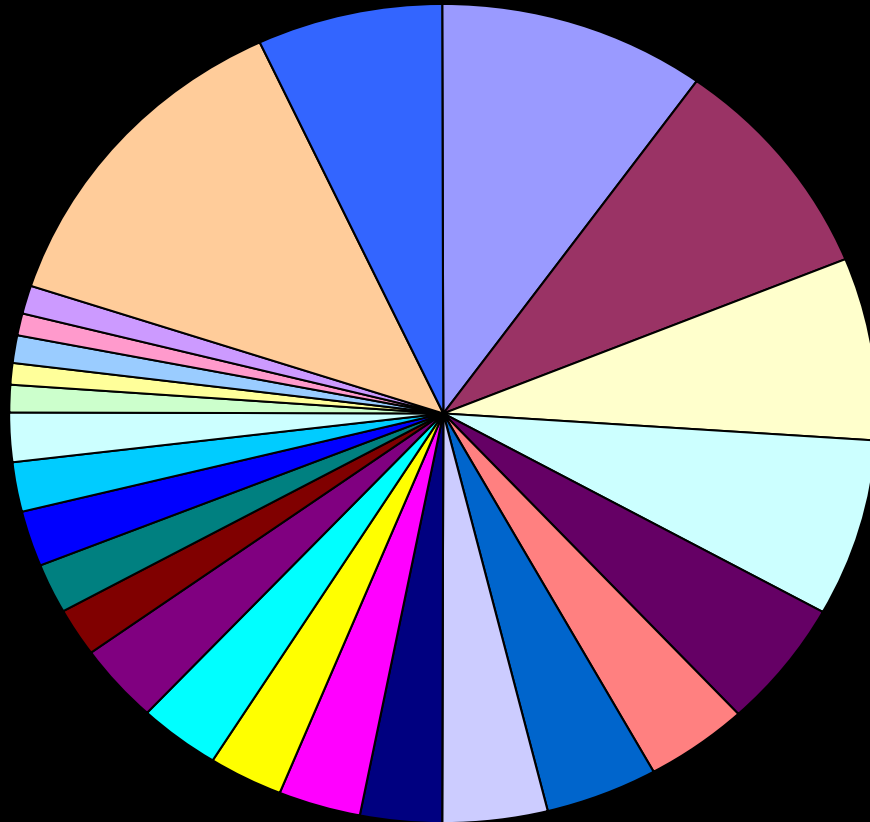


Appendix



Premier Farnell

Customer Spread



- Laboratory apparatus and analytical, optical and measuring instruments
- Electronic components and accessories
- Computer programming, data processing, computer related services
- Manufacturing industries
- Telecommunications equipment
- Electrical industrial apparatus
- Computer and office equipment
- Wholesale trade - durable goods
- Research, development and testing services
- Engineering industries
- Transportation
- Medical equipment
- Infrastructure
- Environmental services
- Government Services
- Space and related
- Bio-technology
- Military equipment
- Wireless technology
- Oil and gas equipment
- Marine
- Business/management Services
- Controls
- Industrial/electrical machinery, equipment and supplies
- Miscellaneous non-durable goods

Marketing and Distribution Division Americas

£millions	Q4 2008 (14 weeks)	Q4 2007 (13 weeks)	2008 (53 weeks)	2007 (52 weeks)
Sales	84.9	73.8	326.7	329.3
Sales growth	9.0%		4.1%	
Operating profit	8.3	7.1	31.0	30.5
Operating margin %	9.8%	9.6%	9.5%	9.3%

Marketing and Distribution Division

Europe and Asia Pacific

Continuing Operations

£millions	Q4 2008 (14 weeks)	Q4 2007 (13 weeks)	2008 (53 weeks)	2007 (52 weeks)
Sales	94.1	79.5	344.2	320.6
Sales growth	6.6%		4.8%	
Operating profit	14.5	12.0	53.4	49.1
Operating margin %	15.4%	15.1%	15.5%	15.3%

Industrial Products Division

£millions	Q4 2008 (14 weeks)	Q4 2007 (13 weeks)	2008 (53 weeks)	2007 (52 weeks)
Sales	18.7	17.5	73.8	73.4
Sales growth	0.2%		5.7%	
Operating profit	4.0	3.8	14.8	13.7
Operating margin %	21.4%	21.7%	20.1%	18.7%



2006/7 Restatement for Discontinued Operations

(Buck Hickman)

£m	Q1	Q2	Q3	Q4	Full Year
Revenue	188.6	181.0	182.9	170.8	723.3
Cost of sales	(114.3)	(109.6)	(110.7)	(103.2)	(437.8)
Gross profit	74.3	71.4	72.2	67.6	285.5
Total net operating expenses	(52.2)	(51.0)	(51.6)	(47.6)	(202.4)
Total operating profit	22.1	20.4	20.6	20.0	83.1
Finance income (interest receivable)	0.1	0.2	0.1	0.2	0.6
Finance costs					
- <i>Interest payable</i>	(3.8)	(3.6)	(3.1)	(3.1)	(13.6)
- <i>Preference dividends</i>	(1.7)	(1.7)	(1.7)	(1.6)	(6.7)
- <i>Premium on redemption of preference shares</i>	(0.3)	(0.3)	(0.4)	(0.4)	(1.4)
- <i>Gain on purchase of preference shares</i>	-	-	-	0.3	0.3
Total finance costs	(5.8)	(5.6)	(5.2)	(4.8)	(21.4)
Profit before taxation	16.4	15.0	15.5	15.4	62.3
Taxation	(5.2)	(4.9)	(4.9)	(5.0)	(20.0)
Profit before tax from continuing operations	11.2	10.1	10.6	10.4	42.3
Profit after tax from discontinued operations	(0.1)	0.2	10.0	-	10.1
Profit for the period (attributable to ordinary shareholders)	11.1	10.3	20.6	10.4	52.4

This presentation contains certain forward-looking statements relating to the business of the Group and certain of its plans and objectives, including, but not limited to, future capital expenditures, future ordinary expenditures and future actions to be taken by the Group in connection with such capital and ordinary expenditures, the expected benefits and future actions to be taken by the Group in respect of certain sales and marketing initiatives, operating efficiencies and economies of scale. By their nature forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual expenditures made and actions taken may differ materially from the Group's expectations contained in the forward-looking statements as a result of various factors, many of which are beyond the control of the Group. These factors include, but are not limited to, the implementation of initiatives supporting the Group's strategy, recruitment and integration of new personnel, the implementation of cost-saving initiatives to offset current market conditions, continued use and acceptance of e-commerce programs and systems, the ability to expand into new markets and territories, the implementation of new sales and marketing initiatives, changes in demand for electronic, electrical, electromagnetic and industrial products, rapid changes in distribution of products and customer expectations, the ability to introduce and customers' acceptance of new services, products and product lines, product availability, the impact of competitive pricing, fluctuations in foreign currencies, and changes in interest rates and overall market conditions, particularly the impact of changes in world-wide and national economies. The Group does not intend to update the forward-looking statements made herein.

