

Trading Statement

Thursday 18 June 2009

SIG plc ("SIG" or "the Group"), a leading European supplier of insulation, interiors, exteriors and specialist construction products today announces the following trading update together with guidance on the expected performance of the Group for the financial year ending 31 December 2009.

The IMS on 13 May 2009 stated that extremely cold weather conditions in the first quarter, in particular in Mainland Europe, allied to subdued or reduced demand in many of SIG's market segments and countries of operation, had resulted in an exceptionally challenging trading environment in the first part of 2009 with pricing pressures accompanying lower volumes. Since 13 May trading conditions have remained very challenging. Across all businesses in the UK volumes remain subdued whilst pricing pressures and a move towards a more unfavourable product mix are holding back performance, with the UK interiors business particularly affected. European markets have not achieved the usual level of seasonal improvement in the last four weeks.

The recent strength of Sterling against the Euro, whilst having a beneficial effect on the Sterling balance sheet will, if it continues, impact on the translation of Euro earnings.

As stated on 13 May 2009, the Group continues to run the business tightly with a focus on realigning the cost base to changing market circumstances. The measures implemented at the time of the interim management statement brought the total annualised savings achieved since the commencement of the programme to £62 million. Additional measures have been implemented in the last four weeks and these are expected to deliver a further £8 million of cost savings on an annualised basis. Further measures have been prepared for implementation imminently.

As a result of the continuing difficult market conditions referred to above, the Board now expects that Underlying Profit Before Tax* for the financial year ending 31 December 2009 will be around the bottom end of the current range of market expectations**.

Following the equity fundraising completed on 9 April 2009 the Group's balance sheet remains strong and the Board is confident that the Group will continue to operate within its covenants throughout 2009.

Notes:

* Underlying Profit Before Tax is before amortisation of acquired intangibles, impairment charges, gains and losses on derivative financial instruments and restructuring costs.

** The current range of analysts' forecasts for Underlying Profit Before Tax for the year to 31 December 2009 is £63 million to £99 million.

Enquiries:

Chris Davies, Chief Executive
Gareth Davies, Finance Director
(SIG plc)
0114 285 6300

Faeth Birch/Gordon Simpson
(Finsbury)
020 7251 3801