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Marshalls

Preliminary results for the year ended 31 December 2012

Marshalls plc, the specialist Landscape Products Group, announces its full year results

Financial Highlights	Year ended 31 December 2012	Year ended 31 December 2011
Continuing operations before operational restructuring costs and asset impairments:		
Revenue	£309.7m	£334.1m
EBITDA	£30.0m	£35.0m
Operating profit	£13.9m	£16.7m
Profit before tax	£10.4m	£13.7m
Basic EPS	5.87p	6.30p
Dividends declared and paid	5.25p	5.25p
Final dividend recommended	3.50p	3.50p
Net debt	£63.5m	£77.1m
Reported results:		
(Loss) / profit before tax	£(11.2)m	£13.7m
Basic EPS	(2.91)p	3.78p

Highlights:

- Revenue of £309.7m reflecting unprecedented weather conditions and poor market background
- Operating profit was £13.9m with an improvement in underlying trading margins
- Decisive action taken to reduce production output, release cash and reduce cost base
  - Charge for operational restructuring costs and asset impairments of £21.5m (£10.2m will be a cash cost)
  - Profit improvement benefit from restructuring estimated to be £7.0m pa of which £2.8m delivered in 2012
- Net debt reduced by 18 per cent to £63.5m reflecting inventory reduction and property asset sales
- Net debt to EBITDA at 2.1 times
- Final recommended dividend maintained at 3.50 pence per share reflecting confidence in the future

Commenting on these results, Graham Holden, Chief Executive, said:

"Marshalls acted swiftly and decisively to reduce both production output and the cost base whilst retaining substantial operating and financial flexibility. Net debt has been reduced to £63.5 million and the Group is already close to achieving its target of 2 times net debt to EBITDA by the end of 2013.

The general economic background remains unpredictable and economic forecasts for 2013 are flat. Commercial demand, particularly from Rail Infrastructure and Home Development, is improving, the Installer market is showing good order books and the Group's International business is delivering strong year on year sales growth. Marshalls has a leading position in its markets with unrivalled geographic coverage. The Group remains focused on product innovation and service delivery initiatives to deliver sales growth and improve trading margins. There is no change in our expectations for the current year and the Group continues to remain well placed to achieve growth when market conditions improve."

Enquiries:

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Group Results

Marshalls' revenue for the year ended 31 December 2012 was £309.7 million (2011: £334.1 million) a decrease of 7 per cent. The record rainfall during 2012 reduced sales in the year by approximately £13.0 million. This particularly affected the UK Domestic end market in which poor working conditions, over a prolonged period, contributed to a 12 per cent reduction in sales compared to the prior period. Sales to the UK Domestic end market now represent approximately 32 per cent of Group sales. Sales in the Public Sector and Commercial end market, which represent approximately 64 per cent of Group sales, were down 6 per cent. Continued progress has been made in developing the International business which is approaching 5 per cent of Group sales.

Operating profit, before operational restructuring costs and asset impairments, was £13.9 million (2011: £16.7 million). The impact of the unprecedented weather conditions was to reduce operating profit in the year ended 31 December 2012 by approximately £3.3 million which was partially offset by a net gain on asset and property disposals of £1.9 million (2011: £1.4 million). After operational restructuring costs and asset impairments, the reported operating loss was £7.6 million (2011: £16.7 million profit). EBITDA, before operational restructuring costs and asset impairments, was £30.0 million (2011: £35.0 million).

The net charge for one-off operational restructuring costs and asset impairments was £21.5 million (2011: £nil) of which £10.2 million will be incurred in cash. These have been separately identified on the face of the Income Statement in order to provide a better understanding of the Group results.

Net financial expenses were £3.5 million (2011: £3.0 million) and interest was covered 3.9 times (2011: 5.6 times) before operational restructuring costs and asset impairments. Higher external interest charges, totalling £4.2 million, have been partially offset by an IAS 19 notional interest credit of £0.7 million (2011: £0.5 million) in relation to the Group's Pension Scheme.

The effective tax rate, before operational restructuring costs and asset impairments, was a credit of 10.7 per cent (2011: 11.1 per cent charge) and benefited from a credit to deferred tax due to the reduction in the rate of corporation tax, a credit arising on the finalisation of prior year tax computations and the utilisation of brought forward capital losses being applied against the capital gain on the disposal of property assets. There was a tax credit of £4.4 million in relation to operational restructuring and asset impairments.

Basic EPS, before operational restructuring costs and asset impairments, was 5.87 pence (2011: 6.30 pence). EPS on a reported basis was a 2.91 pence loss (2011: 6.30 pence profit).

Operating Performance

The economic environment became increasingly uncertain over the last year and, as a consequence, the Group fundamentally reviewed its operations against the negative economic outlook. The Group instigated a programme of cost reduction and cash realisation measures and a wide range of actions to reduce production output, release cash and reduce cost have been undertaken, whilst maintaining operating flexibility.

The operational restructuring initiatives included works closures and other capacity reductions which mainly impacted those businesses that had been particularly affected by the deterioration in market conditions and for which the short term outlook remains most challenging. The operational restructuring measures have given rise to a one-off charge of £21.5 million including asset impairments of £11.3 million. Other operational restructuring costs of £10.2 million reflect the implementation of a wide range of measures aimed at reducing costs, reducing inventories and releasing cash.

The profit improvement from the restructuring actions in the year ended 31 December 2012 has been approximately £2.8 million. Inventory has been reduced by £4.9 million, which is ahead of our planned timescale, and a further volume reduction of £5 million is planned by the end of 2013. Headcount has reduced by 15 per cent during 2012 and the fixed cost base has been reduced by £7.0 million on an annualised basis.

Marshalls has a unique national network of distribution sites with a wide geographical spread. Of the Group's customers, 97 per cent are within a two hour drive time of one of our regional centres and this continues to be a key competitive advantage, especially when fuel costs are high. The Group utilises well invested modern plants which have sufficient capacity to meet medium term demand requirements efficiently and have the operational and financial flexibility to respond to any further changes in market conditions. The same capital equipment produces products for both the Public Sector and Commercial and Domestic end markets and this flexibility remains a key operational objective. These factors optimise manufacturing efficiency and enable Marshalls to maintain the lowest cost to market.

A broad range of initiatives continue to be developed in order to strengthen competitive advantage and the Group invests selectively in innovation to drive growth in the medium term. The Group has Sector leading product availability and customer service and these attributes are both at the heart of the Marshalls' "Superbrand" concept. For 2013 Marshalls has again been awarded the accolade of a business Superbrand. Marshalls' Olympic involvement has also further advanced the Group's reputation for innovation and service delivery.

In the Public Sector and Commercial end market Marshalls' strategy is to build on its position as a market leading landscape products specialist. The Group has experienced technical and sales teams who continue to focus on markets where future demand is greatest across a full range of integrated products and sustainable solutions to customers, architects and contractors. In particular, the Group has targeted those parts of the market where it anticipates growth such as Rail Infrastructure spend and Home Development. The combination of marketing, systems, processes and highly experienced sales teams continues to provide the Group with a sustainable competitive advantage. The Group is making further investment in water management and sustainable urban drainage products, street furniture and traffic management to enhance its offer. Sales resource has also been allocated to the natural stone internal paving market, stone cladding for the Commercial market and the International Public Sector and Commercial end market.

In the Domestic end market Marshalls' strategy is to drive more sales through quality installers. The Marshalls Register of approved domestic installers is unique and having grown to a total of 1,800 teams the focus is now to ensure a consistently high standard of quality and good geographical coverage. The Group remains committed to increasing the marketing support of the installer base and the Marshalls Register through increased training, marketing materials and sales support. The Group also continues to focus on innovation in order to develop areas with particular sales opportunity and to strengthen further the Marshalls' brand.

Installer order books at the end of February 2013 were 7.8 weeks (February 2012: 6.3 weeks) compared with 8.7 weeks at the end of October 2012. Consumer confidence remains reasonably stable albeit at a low level.

The Group's plants are modern and well invested and this continues to enable capital expenditure to be maintained at historically low levels without any noticeable impact on the effectiveness of the business. Capital investment in property, plant and equipment in 2012 totalled £8.3 million (2011: £11.8 million). This compares with depreciation of £14.8 million (2011: £17.3 million). The Group will continue to invest selectively in innovation to deliver new products and improvement projects that reinforce its market leading position.

International Development

Marshalls' International strategy has two elements. Firstly, in Western Europe, the Group's strategy is to be a niche and premium product supplier to the Domestic market. In March 2011, the Group acquired two operational sites and manufacturing assets in Belgium, via a newly-formed subsidiary. This enables the manufacturing of landscape products locally and provides a physical stock location in mainland Europe from which to distribute the wider Group specialist product portfolio. The aim is to provide products that are not readily available in mainland Europe and sales from the Belgium base have increased by 35 per cent, in local currency, in 2012. There are over 40 million people living within a two hour drive from the two sites, an area that covers Belgium, Holland, Northern France and parts of Germany.

Secondly, the Group is investing £0.5 million per annum in a specification sales team to address the Public Sector and Commercial end market where the lead times are longer. The focus is on unique products that offer the market something new and different. This includes security products, ethically sourced natural stone directly from India, China and Vietnam and other specialist manufactured products.

Technology developed by the Belgian subsidiary has led to the launch in the UK of "Cobbletech," the Group's new cobble effect driveway product. It was launched as a Marshalls' Installer exclusive product and represents the first really innovative new driveway product for over a decade.

International sales in the year ended 31 December 2012 were £13.5 million (2011: £11.7 million) and the Group has a target of reaching £35 million by 2015.

Balance Sheet and Net Debt

Net assets at 31 December 2012 were £183.6 million (2011: £206.1 million).

At 31 December 2012 net debt was £63.5 million (2011: £77.1 million) resulting in gearing of 34.6 per cent (2011: 37.4 per cent). This reduction is partly due to reductions in inventory and the effective management of working capital. In addition, the Group has successfully completed targeted property sales in the year realising £8.6 million. This included the sale of an office building for £6.1 million which the Group agreed to lease back under an operating lease over 25 years.

The Group has set a target of achieving a net debt to EBITDA ratio of 2 times by the end of 2013 and continues to focus on inventory reduction, capital expenditure management and tight credit control. The Group maintains credit insurance which provides excellent intelligence to minimise the number and value of bad debts and ultimately provides compensation if bad debts are incurred. The one-off operational restructuring costs in 2012 have given rise to a cash outflow of £7.4 million which is largely offset by the benefit of cash released from stock and reduced cash costs of £5.4 million. These changes result in a benefit in the Income Statement of £2.8 million.

Risk management has been a key focus for the Group's Pension Scheme over recent years and the actions the Group has taken have reduced actuarial volatility and risk. In accordance with the Scheme-specific funding and recovery plan, the Group made cash contributions of £3.6 million into the Scheme in the year ended 31 December 2012. The fair value of the Scheme assets at 31 December 2012 increased to £254.8 million (2011: £250.6 million) and the present value of funded obligations increased to £246.6 million (2011: £237.6 million) and this has given rise to an accounting surplus of £8.2 million (2011: £13.0 surplus) at the balance sheet date. These changes have resulted in an actuarial loss, net of deferred taxation, of £7.0 million (2011: £7.5 million actuarial gain) and this has been recorded in the Consolidated Statement of Comprehensive Income. In the year ended 31 December 2012 the AA corporate bond rate reduced from 4.8 per cent to 4.7 per cent and the values have been determined by the Scheme Actuary in line with current market levels.

Borrowing Facilities

The Group has a policy of maintaining significant committed bank facilities in place with a positive spread of medium term maturities. In March 2012 bank debt facilities, which were to mature in December 2012 and January 2013 totalling £75 million in aggregate, were re-financed with extended maturity dates to 2015 and 2016. In addition, in August 2012, the Group renewed its short term working capital facilities with RBS.

The strategy is to retain significant committed facilities and the Group has no need for further committed facility renewals for two years. The total bank borrowing facilities at 31 December 2012 amounted to £170.0 million (2011: £170.0 million) of which £95.7 million (2011: £87.1 million) remained unutilised. In addition, the Group has a seasonal working capital facility of £20.0 million which is available between 1 February and 31 August each year. The Group has significant headroom in its facilities with year end debt at 31 December 2012 representing approximately 37 per cent of the available facilities.

Dividends

An interim dividend of 1.75 pence (2011: 1.75 pence) per share was paid on 7 December 2012. A final dividend of 3.50 pence (2011: 3.50 pence) per share is now being recommended for payment on 5 July 2013 to shareholders on the register at the close of business on 7 June 2013. The ex-dividend date will be 5 June 2013. This gives a total dividend of 5.25 pence (2011: 5.25 pence) per share for the year.

The Group has a policy objective to achieve 2 times dividend cover over the business cycle. Future dividend payments will take into account the Group's underlying earnings, cash flows and capital investment plans, and the need to maintain an appropriate level of dividend cover.

Outlook

Marshalls acted swiftly and decisively to reduce both production output and the cost base whilst retaining substantial operating and financial flexibility. Net debt has been reduced to £63.5 million and the Group is already close to achieving its target of 2 times net debt to EBITDA by the end of 2013.

The general economic background remains unpredictable and economic forecasts for 2013 are flat. Commercial demand, particularly from Rail Infrastructure and Home Development, is improving, the Installer market is showing good order books and the Group's International business is delivering strong year on year growth. Marshalls has a leading position in its markets with unrivalled geographic coverage. The Group remains focused on product innovation and service delivery initiatives to deliver sales growth and improve trading margins. There is no change in our expectations for the current year and the Group continues to remain well placed to achieve growth when market conditions improve.

Graham Holden
Chief Executive

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	**Before operational restructuring costs and asset impairments 2012 £'000**	**Operational restructuring costs and asset impairments 2012 £'000**	**Total 2012 £'000**	Total 2011 £'000
Revenue	2	**309,693**	**-**	**309,693**	334,127
Net operating costs	3	**(295,764)**	**(21,521)**	**(317,285)**	(317,430)
Operating profit / (loss)	2	**13,929**	**(21,521)**	**(7,592)**	16,697
Financial expenses	5	**(15,480)**	**-**	**(15,480)**	(14,960)
Financial income	5	**11,902**	**-**	**11,902**	11,953
Profit / (loss) before tax	2	**10,351**	**(21,521)**	**(11,170)**	13,690
Income tax credit / (expense)	6	**1,105**	**4,367**	**5,472**	(1,522)
Profit / (loss) for the financial period before post tax loss of discontinued operations		**11,456**	**(17,154)**	**(5,698)**	12,168
Post tax loss of discontinued operations		**-**	**-**	**-**	(4,912)
Profit / (loss) for the financial period		**11,456**	**(17,154)**	**(5,698)**	7,256
Profit / (loss) for the period					
Attributable to:					
Equity shareholders of the parent		**11,470**	**(17,154)**	**(5,684)**	7,390
Non-controlling interests		**(14)**	**-**	**(14)**	(134)
		11,456	**(17,154)**	**(5,698)**	7,256
Earnings per share (total operations):					
Basic	7	**5.87p**		**(2.91)p**	3.78p
Diluted	7	**5.75p**		**(2.91)p**	3.71p
Earnings per share (continuing operations):					
Basic	7	**5.87p**		**(2.91)p**	6.30p
Diluted	7	**5.75p**		**(2.91)p**	6.17p
Dividend:					
Pence per share	8			**5.25p**	5.25p
Dividends declared	8			**10,292**	10,292

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £'000	2011 £'000
Profit for the financial period before operational restructuring costs and asset impairments	**11,456**	7,256
Operational restructuring costs and asset impairments	**(17,154)**	-
(Loss) / profit for the financial period	**(5,698)**	7,256
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedges	**(2,050)**	(570)
Fair value of cash flow hedges transferred to the Income Statement	**840**	402
Deferred tax arising	**298**	43
Defined benefit plan actuarial (losses) / gains	**(9,063)**	9,982
Deferred tax arising	**2,084**	(2,496)
Impact of the change in rate of deferred taxation	**360**	(145)
Foreign currency translation differences - foreign operations	**116**	(110)
Foreign currency translation differences - non-controlling interests	**(106)**	(56)
Other comprehensive (expense) / income for period, net of income tax	**(7,521)**	7,050
Total comprehensive (expense) / income for the period	**(13,219)**	14,306
Attributable to:		
Equity shareholders of the parent	**(13,099)**	14,496
Non-controlling interests	**(120)**	(190)
	(13,219)	14,306

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Notes	2012	2011
Assets		**£'000**	£'000
Non-current assets			
Property, plant and equipment		**175,607**	191,324
Intangible assets		**41,413**	42,730
Investment in associates		**650**	2,188
Employee benefits	9	**8,212**	12,966
Deferred taxation assets		**-**	63
		225,882	249,271
Current assets			
Inventories		**75,416**	82,338
Trade and other receivables		**30,218**	40,304
Cash and cash equivalents		**11,101**	5,998
		116,735	128,640
Total assets		**342,617**	377,911
Liabilities			
Current liabilities			
Trade and other payables		**61,513**	57,539
Corporation tax		**2,828**	5,923
Interest bearing loans and borrowings		**99**	25,088
		64,440	88,550
Non-current liabilities			
Interest bearing loans and borrowings		**74,545**	58,011
Deferred taxation liabilities		**20,058**	25,286
		94,603	83,297
Total liabilities		**159,043**	171,847
Net assets		**183,574**	206,064
Equity			
Capital and reserves attributable to equity shareholders of the parent			
Share capital		**49,845**	49,845
Share premium account		**22,695**	22,695
Own shares		**(9,571)**	(9,514)
Capital redemption reserve		**75,394**	75,394
Consolidation reserve		**(213,067)**	(213,067)
Hedging reserve		**(1,216)**	(304)
Retained earnings		**255,610**	277,621
Equity attributable to equity shareholders of the parent		**179,690**	202,670
Non-controlling interests		**3,884**	3,394
Total equity		**183,574**	206,064

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £'000	2011 £'000
Cash flows from operating activities		
Profit before operational restructuring costs and asset impairments	**11,456**	7,256
Operational restructuring costs and asset impairments	**(17,154)**	-
(Loss) / profit for the financial period	**(5,698)**	7,256
Income tax (credit) / expense on continuing operations	**(1,105)**	1,522
Income tax (credit) on operational restructuring costs and asset impairments	**(4,367)**	-
Loss on disposal and closure of discontinued operations	**-**	4,949
Income tax credit on discontinued operations	**-**	(756)
(Loss) / profit before tax on total operations	**(11,170)**	12,971
Adjustments for:		
Depreciation	**14,783**	17,269
Amortisation	**1,247**	1,231
Operational restructuring costs and asset impairments	**21,521**	-
Negative goodwill	**-**	(1,772)
Share of results of associates	**(28)**	(65)
Gain on sale of associates	**-**	(23)
Gain on sale of property, plant and equipment	**(1,944)**	(1,359)
Gain on exchange of property	**(594)**	-
Equity settled share based expenses	**468**	226
Financial income and expenses (net)	**3,578**	3,007
Operating cash flow before changes in working capital and pension scheme contributions	**27,861**	31,485
Decrease / (increase) in trade and other receivables	**9,970**	(10,440)
Decrease in inventories	**4,968**	437
(Decrease) / increase in trade and other payables	**(2,742)**	1,366
Operational restructuring costs and works closure costs paid	**(7,431)**	(1,197)
Pension scheme contributions	**(3,600)**	(6,600)
Cash generated from the operations	**29,026**	15,051
Financial expenses paid	**(4,292)**	(3,496)
Income tax (paid) / received	**(46)**	222
Net cash flow from operating activities	**24,688**	11,777
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	**8,595**	5,361
Financial income received	**4**	13
Proceeds from disposal of discontinued operations	**150**	550
Proceeds from disposal of investment in associates	**-**	63
Acquisition of subsidiaries and investment in associates	**-**	(4,181)
Acquisition of property, plant and equipment	**(8,307)**	(11,754)
Acquisition of intangible assets	**(1,212)**	(1,857)
Net cash flow from investing activities	**(770)**	(11,805)
Cash flows from financing activities		
Payments to acquire own shares	**(57)**	-
Net decrease in other debt and finance leases	**154**	165
(Decrease) / increase in borrowings	**(8,609)**	12,034
Equity dividends paid	**(10,292)**	(10,292)
Net cash flow from financing activities	**(18,804)**	1,907
Net increase in cash and cash equivalents	**5,114**	1,879
Cash and cash equivalents at beginning of the period	**5,998**	4,059
Effect of exchange rate fluctuations	**(11)**	60
Cash and cash equivalents at end of the period	**11,101**	5,998

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital £'000	Share premium account £'000	Own shares £'000	Capital redemption reserve £'000	Consolidation reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000	£'000	£'000
Current year										
At 1 January 2012	49,845	22,695	(9,514)	75,394	(213,067)	(304)	277,621	202,670	3,394	206,064
Total comprehensive income / (expense) for the period										
Loss for the financial period attributable to equity shareholders of the parent	-	-	-	-	-	-	(5,684)	(5,684)	(14)	(5,698)
Other comprehensive income / (expense)										
Foreign currency translation differences	-	-	-	-	-	-	116	116	(106)	10
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(2,050)	-	(2,050)	-	(2,050)
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	-	-	840	-	840	-	840
Deferred tax arising	-	-	-	-	-	298	-	298	-	298
Defined benefit plan actuarial gains	-	-	-	-	-	-	(9,063)	(9,063)	-	(9,063)
Deferred tax arising	-	-	-	-	-	-	2,084	2,084	-	2,084
Impact of the change in rate of deferred taxation	-	-	-	-	-	-	360	360	-	360
Total other comprehensive income / (expense)	-	-	-	-	-	(912)	(6,503)	(7,415)	(106)	(7,521)
Total comprehensive income / (expense) for the period	-	-	-	-	-	(912)	(12,187)	(13,099)	(120)	(13,219)
Transactions with owners, recorded directly in equity	-									
Contributions by and distributions to owners	-									
Share based expenses	-	-	-	-	-	-	468	468	-	468
Dividends to equity shareholders	-	-	-	-	-	-	(10,292)	(10,292)	-	(10,292)
Purchase of own shares	-	-	(57)	-	-	-	-	(57)	-	(57)
Total contributions by and distributions to owners	-	-	(57)	-	-	-	(9,824)	(9,881)	-	(9,881)
Changes in ownership Interests in subsidiaries										
Issue of shares	-	-	-	-	-	-	-	-	610	610
Total transactions with owners of the company	-	-	(57)	-	-	(912)	(22,011)	(22,980)	490	(22,490)
At 31 December 2012	49,845	22,695	(9,571)	75,394	(213,067)	(1,216)	255,610	179,690	3,884	183,574

MARSHALLS PLC
PRELIMINARY ANNOUNCEMENT OF RESULTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

	Attributable to equity holders of the Company								Non-controlling interests	Total equity
	Share capital £'000	Share premium account £'000	Own shares £'000	Capital redemption reserve £'000	Consolidation reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total £'000	£'000	£'000
Prior year										
At 1 January 2011	49,845	22,695	(9,514)	75,394	(213,067)	(179)	273,066	198,240	-	198,240
Total comprehensive income for the period										
Profit for the financial period attributable to equity shareholders of the parent	-	-	-	-	-	-	7,390	7,390	(134)	7,256
Other comprehensive income / (expense)										
Foreign currency translation differences	-	-	-	-	-	-	(110)	(110)	(56)	(166)
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	(570)	-	(570)	-	(570)
Net change in fair value of cash flow hedges transferred to the Income Statement	-	-	-	-	-	402	-	402	-	402
Deferred tax arising	-	-	-	-	-	43	-	43	-	43
Defined benefit plan actuarial gains	-	-	-	-	-	-	9,982	9,982	-	9,982
Deferred tax arising	-	-	-	-	-	-	(2,496)	(2,496)	-	(2,496)
Impact of the change in rate of deferred taxation	-	-	-	-	-	-	(145)	(145)	-	(145)
Total other comprehensive income / (expense)	-	-	-	-	-	(125)	7,231	7,106	(56)	7,050
Total comprehensive income / (expense) for the period	-	-	-	-	-	(125)	14,621	14,496	(190)	14,306
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share based expenses	-	-	-	-	-	-	226	226	-	226
Dividends to equity shareholders	-	-	-	-	-	-	(10,292)	(10,292)	-	(10,292)
Total contributions by and distributions to owners	-	-	-	-	-	-	(10,066)	(10,066)	-	(10,066)
Changes in ownership Interests in subsidiaries										
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	3,584	3,584
Total transactions with owners of the company	-	-	-	-	-	(125)	4,555	4,430	3,394	7,824
At 31 December 2011	49,845	22,695	(9,514)	75,394	(213,067)	(304)	277,621	202,670	3,394	206,064

1 Basis of preparation

Whilst the Financial Information included in this Preliminary Announcement has been prepared on the basis of the requirements of IFRSs in issue, as adopted by the European Union and effective at 31 December 2012, this announcement does not itself contain sufficient information to comply with IFRS. The Group expects to publish full Consolidated Financial Statements in April 2013.

The Financial Information set out in this Preliminary Announcement does not constitute the Company's Consolidated Financial Statements for the years ended 31 December 2012 or 2011, but is derived from those Financial Statements. Statutory Financial Statements for 2011 have been delivered to the Registrar of Companies and those for 2012 will be delivered following the Company's Annual General Meeting. The auditors, KPMG Audit Plc, have reported on those Financial Statements. Their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under Section 498(2) or (3) of the Companies Act 2006 in respect of the Financial Statements for 2012 or 2011.

The Consolidated Financial Statements have been prepared in accordance with IFRSs as adopted for use in the EU. The Group has applied all accounting standards and interpretations issued by the IASB and International Financial Reporting Committee relevant to its operations and which are effective in respect of these Financial Statements.

The following new accounting standards and amendments to standards are mandatory and have been adopted for the first time in the year ended 31 December 2012:

- "*Disclosures - Transfers of Financial Assets (Amendments to IFRS 7)*" - The amendments require additional disclosures about transfers of financial assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period.
- *"Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendments to IFRS 1)"*.
- *"Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)"* - The amendments introduce an exception to the current measurement principles of deferred tax assets and liabilities arising from investment property measured using the fair value model in accordance with IAS 40 – "*Investment Property."* The exception also applies to investment properties acquired in a business combination accounted for in accordance with IFRS 3 – "*Business Combinations"* provided the acquirer subsequently measure these assets applying the fair value model.

These standards and amendments have been adopted by the EU.

The application of these standards and amendments has not had a material impact on the Group's reported financial performance or position.

The following standards and amendments to standards are in issue but not yet effective and therefore have not been applied in the Group's Consolidated Financial Statements. They are due for adoption on the date stated.

- IAS 19 (R) - *"Employee Benefits"* - (1 January 2013) - For defined benefit schemes, the amendments require the recognition of all past service costs and the requirement to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit asset or liability. The amended standard is required to be applied retrospectively. Had the standard been applied to the 2012 results there would have been no adjustments required to the Consolidated Income Statement or the Consolidated Statement of Comprehensive Income.

- IAS 1 – *"Presentation of Items of Other Comprehensive Income"* - (1 January 2013) - The amendments require an entity to present the items of Other Comprehensive Income that may be recycled to profit or loss in the future if certain conditions are met, separately from those that would never be recycled to profit or loss. Consequently, as the Group presents items of Other Comprehensive Income before related income tax effects the aggregated income tax amount would need to be allocated between those sections.

- IFRS 7 – *"Disclosures - Offsetting Financial Assets and Financial Liabilities"* - (1 January 2013) - For certain financial assets and financial liabilities a number of additional common disclosures are required.

- IFRS 9 - *"Financial Instruments"* - (1 January 2013) – The first chapters of a new standard on accounting for financial instruments which will replace IAS 39 "*Financial Instruments: Recognition and Measurement."*

- IFRS 10 - *"Consolidated Financial Statements"* and IAS 27 *"Separate Financial Statements"* - (1 January 2013) – and IFRS 11 - *"Joint Arrangements"* and amendments to IAS 28 *"Investments in Associates and Joint Ventures"* - (1 January 2013). These are part of a new suite of standards on consolidation and related standards, replacing the existing accounting for subsidiaries and joint ventures (now joint arrangements), and making limited amendments in relation to associates.

- IFRS 12 – *"'Disclosure of Interests in Other Entities"* – 1 January 2013 – This contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities.

- IFRS 13 - *"Fair Value Measurement"* - (1 January 2013) – This is a new standard to replace existing guidance on fair value measurement in different IFRSs with a single definition of fair value, a framework for measuring fair values and disclosures about fair value measurements.

- IAS 32 - *"Offsetting Financial Assets and Financial Liabilities"* - (1 January 2013) - The amendments clarify the offsetting criteria when an entity currently has a legal right of set off.

These standards are not expected to have a material impact on the Consolidated Financial Statements.

Details of the Group's funding position are set out in Note 11 and are subject to normal covenant arrangements. The Group's on-demand overdraft facility is renewed on an annual basis and the current arrangements were renewed and signed on 15 August 2012. Management believe that there are sufficient unutilised facilities held which mature after twelve months. As noted in the Business Review, the Group's performance is dependent on economic and market conditions, the outlook for which is uncertain and difficult to predict. The Group has taken decisive action to align its operational capacity with expected market conditions and, based on current expectations, the Group's cash forecasts meet half-year and year end bank covenants and there is adequate headroom which is not dependent on facility renewals. The Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the Group Consolidated Financial Statements.

The Consolidated Financial Statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and liabilities for cash-settled share-based payments.

The accounting policies have been applied consistently throughout the Group for the purposes of these Consolidated Financial Statements and are also set out on the Company's website (www.marshalls.co.uk).

The Consolidated Financial Statements are presented in sterling, rounded to the nearest thousand.

The preparation of financial statements in conformity with adopted IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 Segmental analysis

	Revenue		**Operating profit (before operational restructuring costs and asset impairments)**		**Operating profit / (loss)**	
	2012 £'000	2011 £'000	**2012 £'000**	2011 £'000	**2012 £'000**	2011 £'000
Continuing operations	**309,693**	334,127	**13,929**	16,697	**(7,592)**	16,697
Financial income and expenses (net)			**(3,578)**	(3,007)	**(3,578)**	(3,007)
Profit / (loss) before tax			**10,351**	13,690	**(11,170)**	13,690

Operating segments

IFRS 8 "*Operating Segments"* requires operating segments to be identified on the basis of discrete financial information about components of the Group that are regularly reviewed by the Group's Chief Operating Decision Maker ("CODM") to allocate resources to the segments and to assess their performance. The Directors have concluded that, in terms of the Group's operations, the detailed requirements of IFRS 8 support the reporting of the Group's operations as a single business segment. As far as Marshalls is concerned the CODM is regarded as being the Executive Directors.

	2012 £'000	2011 £'000
Geographical destination of revenue:		
United Kingdom	**296,242**	322,396
Rest of the world	**13,451**	11,731
	309,693	334,127

The Group's International operations do not meet the definition of a reportable operating segment under IFRS 8.

3 Net operating costs

	2012	2011
	£'000	£'000
Raw materials and consumables	**102,522**	117,865
Changes in inventories of finished goods and work in progress	**6,716**	542
Personnel costs	**83,288**	87,979
Depreciation - owned	**14,704**	17,054
- leased	**79**	99
Amortisation of intangible assets	**1,247**	1,179
Own work capitalised	**(1,272)**	(1,984)
Other operating costs	**92,809**	98,264
Negative goodwill	**-**	(1,772)
Acquisition costs	**-**	482
International "start-up" costs	**499**	848
Operating costs	**300,592**	320,556
Other operating income	**(2,262)**	(1,679)
Net gain on asset and property disposals	**(1,944)**	(1,359)
Gain on property exchange	**(594)**	-
Share of results of associates	**(28)**	(65)
Gain on sale of associates	**-**	(23)
Net operating costs before operational restructuring costs and asset impairments	**295,764**	317,430
Operational restructuring costs and asset impairments (Note 4)	**21,521**	-
Net operating costs	**317,285**	317,430

4 Operational restructuring costs and asset impairments

	2012	2011
	£'000	£'000
Operational restructuring costs	**10,226**	-
Asset impairments	**11,295**	-
	21,521	-

The Board has determined that certain charges to the Consolidated Income Statement should be separately identified for better understanding of the Group's results for the year ended 31 December 2012.

Operational restructuring costs reflect the implementation of a wide range of contingency measures aimed at reducing costs, reducing inventories and conserving cash. These initiatives include works closure costs which reflect the need for capacity reductions and these have impacted those businesses that have been particularly affected by the deterioration in current market conditions and for which the short term outlook remains challenging. Operational restructuring costs include redundancy costs of £6,205,000.

Asset impairments include the write down of plant and machinery and other assets to their recoverable amounts together with the impairment of certain intangible assets and other items of plant that are being temporarily mothballed. The recoverable amounts are based on the fair value of the assets which are £nil.

Asset impairments are analysed as follows:

	2012	2011
	£'000	£'000
Property, plant and equipment	**6,396**	-
Intangible assets	**1,282**	-
Investment in associates	**1,566**	-
Inventories	**2,051**	-
	11,295	-

5 Financial expenses and income

	2012	2011
	£'000	£'000
(a) **Financial expenses**		
Interest expense on bank loans, overdrafts and loan notes	**4,279**	3,483
Interest on obligations under the defined benefit Pension Scheme	**11,189**	11,464
Finance lease interest expense	**12**	13
	15,480	14,960
(b) **Financial income**		
Expected return on Scheme assets under the defined benefit Pension Scheme	**11,898**	11,940
Interest receivable and similar income	**4**	13
	11,902	11,953

6 Income tax expense

	Before operational restructuring costs and asset impairments 2012 £'000	**Operational restructuring costs and asset impairments 2012 £'000**	**Total 2012 £'000**	Total 2011 £'000
Current tax expense / (credit)				
Current year	**1,695**	**(2,596)**	**(901)**	2,471
Adjustments for prior years	**(2,148)**	**-**	**(2,148)**	(1,272)
	(453)	**(2,596)**	**(3,049)**	1,199
Deferred taxation (credit) / expense				
Origination and reversal of temporary differences:				
Current year	**(736)**	**(1,771)**	**(2,507)**	626
Adjustments for prior years	**84**	**-**	**84**	(303)
Income tax (credit) / expense in the Consolidated Income Statement (continuing operations)	**(1,105)**	**(4,367)**	**(5,472)**	1,522
Tax on discontinued operations (excluding loss on sale)	**-**	**-**	**-**	(194)
Income tax credit on disposal and closure of discontinued operations	**-**	**-**	**-**	(562)
Total tax (credit) / expense	**(1,105)**	**(4,367)**	**(5,472)**	766

	Before operational restructuring costs and asset impairments 2012		**Total 2012**		Total 2011	
	%	£'000	%	**£'000**	%	£'000
Reconciliation of effective tax rate						
(Loss) / profit before tax:						
Continuing operations	**100.0**	**10,351**	**100.0**	**(11,170)**	100.0	13,690
Tax using domestic corporation tax rate	**24.5**	**2,536**	**24.5**	**(2,737)**	26.5	3,628
Disallowed amortisation of intangible assets	**0.6**	**63**	**(0.6)**	**63**	0.7	95
Net income/expenditure not taxable	**3.7**	**378**	**(11.5)**	**1,284**	7.5	1,033
Adjustments for prior years	**(20.0)**	**(2,064)**	**18.5**	**(2,064)**	(11.5)	(1,575)
Impact of the change in the rate of corporation tax on deferred taxation	**(19.5)**	**(2,018)**	**18.1**	**(2,018)**	(12.1)	(1,659)
	(10.7)	**(1,105)**	**49.0**	**(5,472)**	11.1	1,522

The net amount of deferred taxation credited to the Consolidated Statement of Comprehensive Income in the year was £2,742,000 (2011: £2,598,000 debit).

7 Earnings per share

Basic loss per share from total operations of 2.91 pence (2011: 3.78 pence earnings) per share is calculated by dividing the loss attributable to ordinary shareholders from total operations, and after adding back the loss on non-controlling interests, of £5,684,000 (2011: £7,390,000 profit) by the weighted average number of shares in issue during the period of 195,464,528 (2011: 195,374,526).

Basic loss per share from continuing operations of 2.91 pence (2011: 6.30 pence earnings) per share is calculated by dividing the loss from continuing operations and after adding back the loss on non-controlling interests of £5,684,000 (2011: £12,302,000) by the weighted average number of shares in issue during the year of 195,464,528 (2011: 195,374,526).

Basic earnings per share from continuing operations before operational restructuring costs and asset impairments of 5.87 pence (2011: 6.30 pence) per share is calculated by dividing the profit from continuing operations before operational restructuring costs and asset impairments, and after adjusting for non-controlling interests, of £11,470,000 (2011: £12,302,000) by the weighted average number of shares in issue during the period of 195,464,528 (2011: 195,374,526).

Profit attributable to ordinary shareholders

	2012 £'000	2011 £'000
Profit from continuing operations before operational restructuring costs and asset impairments	**11,456**	12,168
Operational restructuring costs and asset impairments	**(17,154)**	-
(Loss) / profit from continuing operations	**(5,698)**	12,168
Loss from discontinued operations	**-**	(4,912)
(Loss) / profit for the financial period	**(5,698)**	7,256
Loss attributable to non-controlling interests	**14**	134
(Loss) / profit attributable to ordinary shareholders	**(5,684)**	7,390

Weighted average number of ordinary shares

	2012 Number	2011 Number
Number of issued ordinary shares (at beginning of the period)	**199,378,755**	199,378,755
Effect of shares transferred into employee benefit trust	**(1,489,227)**	(1,579,229)
Effect of treasury shares acquired	**(2,425,000)**	(2,425,000)
Weighted average number of ordinary shares at end of the period	**195,464,528**	195,374,526

For the year ended 31 December 2012, the potential ordinary shares set out below are considered to be anti-dilutive to the total earnings per share calculation.

Diluted earnings per share from continuing operations before operational restructuring costs and asset impairments of 5.75 pence (2011: 6.17 pence) per share is calculated by dividing the profit from continuing operations before operational restructuring costs and asset impairments, and after adjusting for non-controlling interests, of £11,470,000 (2011: £12,302,000) by the weighted average number of shares in issue during the period of 195,464,528 (2011: 195,374,526) plus potentially dilutive shares of 3,914,227 (2011: 4,004,229) which totals 199,378,755 (2011: 199,378,755).

Weighted average number of ordinary shares (diluted)

	2012 £'000	2011 £'000
Weighted average number of ordinary shares	**195,464,528**	195,374,526
Effect of shares transferred into employee benefit trust	**1,489,227**	1,579,229
Effect of treasury shares acquired	**2,425,000**	2,425,000
Weighted average number of ordinary shares (diluted)	**199,378,755**	199,378,755

8 Dividends

After the balance sheet date dividends of 3.50 pence per qualifying ordinary share (2011: 3.50 pence) were proposed by the Directors. The dividends have not been provided for and there were no income tax consequences. The total dividends proposed in respect of the year are as follows:

	Pence per qualifying share	**2012 £'000**	2011 £'000
2012 final	**3.50**	**6,861**	
2012 interim	**1.75**	**3,431**	
	5.25	**10,292**	
2011 final	3.50		6,861
2011 interim	1.75		3,431
	5.25		10,292

The following dividends were approved by the shareholders and recognised in the period.

	Pence per qualifying share	**2012 £'000**	2011 £'000
2012 interim	**1.75**	**3,431**	
2011 final	**3.50**	**6,861**	
	5.25	**10,292**	
2011 interim	1.75		3,431
2010 final	3.50		6,861
	5.25		10,292

The 2012 final dividend of 3.50 pence per qualifying ordinary share, total value £6,861,000 will be paid on 5 July 2013 to shareholders registered at the close of business on 7 June 2013.

9 Employee benefits

The Group operates the Marshalls plc Pension Scheme (the "Scheme") which has both a defined benefit and a defined contribution section. The assets of the Scheme are held in separately managed funds which are independent of the Group's finances. The defined benefit section of the Scheme is closed to new members and future service accrual. Pension contributions, for both the employer and the employee, are made into the defined contribution section of the Scheme.

The current best estimate of employer contributions to be paid for the year commencing 1 January 2013 is £5,600,000 (2012: £3,600,000).

	2012 £'000	2011 £'000	2010 £'000	2009 £'000	2008 £'000
Present value of funded obligations	**(246,573)**	(237,621)	(212,394)	(221,895)	(167,312)
Fair value of Scheme assets	**254,785**	250,587	208,302	183,939	183,813
Surplus / (net liability) in the Scheme for defined benefit obligations (see below)	**8,212**	12,966	(4,092)	(37,956)	16,501
Experience adjustments on Scheme liabilities	**(6,802)**	(21,680)	13,982	(51,099)	31,184
Experience adjustments on Scheme assets	**(2,261)**	31,662	13,658	(4,903)	(3,530)

Movements in the surplus / (net liability) for defined benefit obligations recognised in the balance sheet

	2012 £'000	2011 £'000
Net surplus / (liability) for defined benefit obligations at 1 January	**12,966**	(4,092)
Contributions received	**3,600**	6,600
Income recognised in the Consolidated Income Statement	**709**	476
Actuarial (deficit) / gain recognised in the Consolidated Statement of Comprehensive Income	**(9,063)**	9,982
Net surplus in the Scheme for the defined benefit obligations at 31 December	**8,212**	12,966

IFRIC 14 - *"The limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"*, stipulates that an employer should only recognise a surplus as an asset to the extent that it is able to recover that surplus either through reduced contributions in the future or through unconditional refunds from the Scheme. The Directors have reviewed the terms of the Scheme Rules which allow the Group an unconditional right to a refund and consequently the full Scheme surplus has been recognised in full.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2012	2011
Discount rate (AA corporate bond rate)	**4.7%**	4.8%
Inflation (RPI)	**2.9%**	3.0%
Inflation (CPI)	**1.9%**	2.0%
Future pension increases	**1.9%**	2.0%
Expected return on Scheme assets	**4.7%**	4.8%
Future expected lifetime of pensioner at age 65 (years):		
Male:	**21.8**	21.7
Female:	**23.9**	23.8

10 Analysis of net debt

	1 January 2012 £'000	Cash flow £'000	Other changes £'000	**31 December 2012 £'000**
Cash at bank and in hand	5,998	5,114	(11)	**11,101**
Debt due within one year	(25,000)	25,000	-	**-**
Debt due after one year	(57,934)	(16,595)	204	**(74,325)**
Finance leases	(165)	(158)	4	**(319)**
	(77,101)	13,361	197	**(63,543)**

Reconciliation of Net Cash Flow to Movement in Net Debt

	2012 £'000	2011 £'000
Net increase in cash equivalents	**5,114**	1,879
Cash outflow / (inflow) from (decrease) / increase in debt and lease financing	**8,247**	(12,199)
Effect of exchange rate fluctuations	**197**	60
Movement in net debt in the period	**13,558**	(10,260)
Net debt at 1 January	**(77,101)**	(66,841)
Net debt at 31 December	**(63,543)**	(77,101)

11 Borrowing facilities

The total bank borrowing facilities at 31 December 2012 amounted to £170.0 million (2011: £170.0 million) of which £95.7 million (2011: £87.1 million) remained unutilised. There are additional seasonal bank working capital facilities of £20.0 million available between 1 February and 31 August each year. The undrawn facilities available at 31 December 2012, in respect of which all conditions precedent had been met, were as follows:

	2012 £'000	2011 £'000
Committed:		
- Expiring in more than two years but not more than five years	**70,675**	62,066
Uncommitted:		
- Expiring in one year or less	**25,000**	25,000
	95,675	87,066

In March 2012 existing bank debt facilities which were to mature in December 2012 and January 2013 and totalling £75 million in aggregate were re-financed with extended maturity dates to 2015 and 2016. The maturity profile of borrowing facilities is structured to provide balanced, committed and phased medium term debt and as at 8 March 2013 is set out as follows:

	Facility £'000	Cumulative Facility £'000
Committed facilities:		
Q3 2016	50,000	50,000
Q3 2015	75,000	125,000
Q3 2014	20,000	145,000
On demand facilities:		
Available all year	25,000	170,000
Seasonal (February to August inclusive)	20,000	190,000

12 Principal risks and uncertainties

The principal risks and uncertainties which could impact the Group for the remainder of the current financial year are those detailed in the Group's Annual Report. These cover the Strategic, Financial and Operational Risks and have not changed during the period.

Strategic risks include those relating to general economic conditions, Government policy, the actions of customers, suppliers and competitors and also weather conditions. The Group also continues to be subject to various financial risks in relation to access to funding and to the Pension Scheme, principally the volatility of the discount (AA corporate bond) rate, any downturn in the performance of equities and increases in the longevity of members. The other main financial risks arising from the Group's financial instruments are liquidity risk, interest rate risk, credit risk and foreign currency risk. Operational risks include those relating to business integration, employees and key relationships. The Group continues to monitor all these risks and pursue policies that take account of, and mitigate, the risks where possible.

13 Annual General Meeting

The Annual General Meeting will be held at Birkby Grange, Birkby Hall Road, Birkby, Huddersfield, West Yorkshire HD2 2XB at 11.00am on Wednesday 15 May 2013.

Responsibility Statement

The Statement of Directors' Responsibilities is made in respect of the full Annual Report Financial Statements not the extracts from the Financial Statements required to be set out in this Announcement.

The 2012 Annual Report and Financial Statements comply with the United Kingdom's Financial Services Authority Disclosure and Transparency Rules in respect of the requirement to produce an annual Financial Report.

The Directors confirm that to the best of their knowledge:

- The Group and Parent Company Financial Statements, contained in the 2012 Annual Report and Financial Statements prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and

- The Business Review, contained in the 2012 Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that they face.

The Board

The Directors serving during the year ended 31 December 2012 were as follows:

Andrew Allner	Non-Executive Chairman
Graham Holden	Chief Executive
Ian Burrell	Finance Director
David Sarti	Chief Operating Officer
Alan Coppin	Senior Independent Director
Mark Edwards	Non-Executive Director
Tim Pile	Non-Executive Director

By order of the Board
Cathy Baxandall
Company Secretary
8 March 2013

Cautionary Statement

This Report contains certain forward looking statements with respect to the financial condition, results, operations and business of Marshalls plc. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements and forecasts. Nothing in this Report should be construed as a profit forecast.

Directors' Liability

Neither the Company nor the Directors accept any liability to any person in relation to this Report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A of the Financial Services and Markets Act 2000.