H1 FY13 Half –Yearly Financial Report

Electrocomponents plc, the world's leading high service distributor of electronics and maintenance products, today announces its results for the six months ended 30 September 2012.

SUMMARY OF RESULTS

	H1 2012/13	H1 2011/12	Change
Sales	£606.5m	£626.5m	0.3% (1)
Headline profit before tax (2)	£41.5m	£59.4m	(30.1)%
Reported profit before tax	£39.0m	£59.4m	(34.3)%
Headline earnings per share (2)	6.6p	9.4p	(29.8)%
Headline free cash flow (2)	£24.0m	£22.7m	5.7%
Interim dividend per share	5.0p	5.0p	-

(1) Sales growth, unless otherwise stated, is adjusted for trading days and currency movements ("underlying sales growth/decline")

(2) Headline measures of profitability and cash flow are defined as the relevant reported profit/cash flow measure before reorganisation costs/cash flows

Financial Highlights

- Group underlying sales growth was flat, with 2% maintenance growth offset by 2% electronics decline. Fewer trading days and currency movements reduced Group reported sales by £22m
- UK sales grew by 5%, benefitting from high maintenance exposure and Raspberry Pi * sales
- International sales declined by 2%; Europe and Asia Pacific were flat, North America declined 5%
- Gross margin declined by 1.2% points, operating costs grew by 3% at constant currency
- Fewer trading days and currency movements reduced headline profit before tax (2) by £5m
- Headline profit before tax (2) declined by 30% to £41.5m
- Headline free cash flow (2) grew by 6% to £24.0m, with lower capex and improved working capital
- Strong balance sheet with net debt:EBITDA of 1.2 times
- Interim dividend per share maintained at 5.0 pence, reflecting confidence in long-term prospects

Operational Highlights

- New organisation structure to accelerate strategy and deliver £6m - £8m p.a. of cost efficiencies
- International comprises c.70% of Group sales, with significant opportunity for future growth
- Maintenance sales grew by 2%, benefitting from enhanced automation and control offer
- Electronics sales declined by 2%, outperforming the market in challenging conditions
- North America sales impacted by high electronics exposure and adapting to a new IT system
- Group eCommerce sales growth of 2%, UK and Europe eCommerce sales growth of 12%
- Significant enhancements to our websites, increasing our advantage over smaller competitors
- UK contribution growth of 2%, with a contribution margin above 28%

CURRENT TRADING AND OUTLOOK

In October Group underlying sales growth was flat. The UK grew by 3% and International declined by 2%. The UK growth was 2% after excluding the global sales of Raspberry Pi *. Within International, Continental Europe grew by 1%, North America declined by 6% and Asia Pacific declined by 1%. Conditions in the electronics market continued to be tough, which particularly impacted North America and Japan as these markets have the highest electronics exposure in the Group. North America's performance was also impacted by Hurricane Sandy at the end of the month.

Whilst we remain mindful of the challenging global market conditions, particularly in electronics, results in the second half are expected to benefit from initiatives to drive sales growth, easier sales comparators and management actions to improve operating margins. Gross margins are expected to benefit from targeted selling price increases and actions to improve discount effectiveness. Headline operating costs as a percentage of sales should be lower in the second half as compared with the first half.

IAN MASON, GROUP CHIEF EXECUTIVE, COMMENTED:

"The business faced a number of headwinds in the first half, with a robust UK performance helping to maintain Group sales year-on-year. Whilst the macroeconomic environment is challenging, we expect a stronger second half of the year given initiatives to drive sales growth, easier sales comparators and actions we are taking to improve operating margins.

Our new global operating model will allow us to provide a larger, more consistent offer to customers worldwide via our industry-leading eCommerce platform. We are confident that this approach will enable us to accelerate the implementation of our strategic initiatives, drive efficiencies, gain market share from our numerous smaller competitors and deliver a higher rate of long-term growth."

Enquiries:

Ian Mason, Group Chief Executive	Electrocomponents plc	020 7567 8000+
Simon Boddie, Group Finance Director	Electrocomponents plc	020 7567 8000+
Matt Jones, Head of Investor Relations	Electrocomponents plc	07717 544 124
David Allchurch / Martin Robinson	Tulchan Communications	020 7353 4200

+ Available to 13:00 on 8 November 2012, thereafter 01865 204000

The results, copy of the half year presentation and video interviews with senior management are available on the corporate website at www.electrocomponents.com

Footnotes:
* All Group sales of Raspberry Pi globally are recorded in the UK. Raspberry Pi is a new low-cost, credit card sized single-board computer designed and developed by the Raspberry Pi Foundation, a charity established to promote the development of computer development skills in education across the world

Notes on financial terms:
In order to reflect underlying business performance, comparisons of sales between periods (including by region, product group and channel) have been adjusted for currency and trading days (underlying sales growth).

Changes in profit, cash flow, debt and share related measures such as earnings per share are, unless otherwise stated, at reported exchange rates.

Sign conventions: % changes in revenues and costs are disclosed as positive if improving profit and negative if reducing profit.

Key performance measures such as return on sales and EBITDA use headline profit figures.

Notes to editors:
Electrocomponents is the world's leading high service distributor of electronics and maintenance products. With operations in 32 countries, we offer more than 550,000 products through the internet, catalogues and at trade counters to over one million customers, shipping around 44,000 parcels a day. Our products, sourced from 2,500 leading suppliers, include electronics, automation and control, test and measurement, electrical and mechanical components.

The business satisfies the small quantity needs of its customers who are typically electronics or maintenance engineers in business. A large number of high quality goods are stocked, which are dispatched the same day that the order is received. The average customer order value is over £140 although the range of order values is wide. The Group's large number of customers comes from a wide range of industry sectors with diverse product demands.

OVERVIEW AND STRATEGY IMPLEMENTATION

Market overview

The high service distribution market caters to the small quantity needs of electronics and maintenance engineers. Our average customer order value is over £140, and this order is typically for three to four individual product lines. Importantly, a customer will usually order different product lines each time rather than make repeat orders of the same products. Our customers share the same demand wherever they are in the world - for a broad range of high quality stocked products in small quantities and fast delivery - and increasingly they are purchasing their products online.

We estimate that the value of the available market is around £30 billion globally, split evenly between electronics and maintenance products. The electronics market has, on average, grown at around twice the rate of GDP growth and the maintenance market at around GDP growth, but higher than this in emerging markets such as Asia Pacific and Eastern Europe.

The marketplace serving this demand is highly fragmented, being populated by a large number of small local and regional distributors. There are five international high service distributors, including Electrocomponents, which together have around 15% of the available global market and are gaining market share from smaller distributors. Electrocomponents, through its brands RS and Allied Electronics, is the leading high service distributor in the world. RS is the leading distributor in the UK, Continental Europe and Asia Pacific, while Allied is in the top three in the North American market.

The market environment during the first half was challenging, reflecting the uncertain economic conditions in many of our larger markets across Europe, North America and Asia Pacific. The manufacturing Purchasing Managers Indices (PMIs) in our major markets of UK, US, France, Germany, Italy, Japan and China were all at readings at or below 50 for much of the period, indicative of a contracting manufacturing sector in these countries. Trade associations from within the electronics distribution industry, such as AFDEC in the UK, NEDA in the US and IDEA across the world, also reported declining activity levels from their members during the first half.

Whilst we are not immune to the current challenging market environment, we believe that our customer proposition and global scale and reach gives us an advantage over the numerous, small local and regional distributors against whom we primarily compete.

Global organisation structure

We believe that there are clear benefits to being a large, global competitor in this marketplace. These benefits include an international customer base, the ability to invest in eCommerce capabilities as part of a multi-channel marketing approach, a broad product range and availability, and the development of partnerships with leading global suppliers.

With our scale and reach (operations in 32 countries and distributors in a further 37 countries), we are well-positioned to take advantage of the structural trends to globalisation in our industry. Following an extensive review of how to maximise our ability to capture these benefits, and building on the successful regionalisation of our European businesses, we decided to evolve to a new global operating model. During the last six months, we have been transitioning from our previous country-based structure to a new, functionally-based structure. This comprises three operational functions - Sales, Marketing and Offer (comprising the Group's product and stock management, pricing and supply chain activities), a new Strategy function and three support functions - IT, Finance and HR.

This new global organisation structure will enable the Group to provide a larger, more consistent offer worldwide via its industry-leading eCommerce platform, deliver global marketing campaigns and enhance supplier engagement. By maintaining an approach to sales that recognises the importance of local customer interaction and by continuing a reliable, high level of service this will improve customer experience and increase our competitive advantage over the smaller market participants.

Over the last six months management has been reorganised. The rest of the business reorganisation has now been announced, and will be completed by the end of the financial year. This will involve the removal of some duplication within the business and will drive greater efficiencies. More importantly, we believe it will allow us to accelerate the implementation of the Group's strategic initiatives and deliver a higher rate of long-term growth.

Profit improvement actions
During the second half Group pre-tax profit is expected to improve from first half levels, with the following three profit drivers.

1. Sales
Whilst we remain mindful of the challenging market conditions, particularly in electronics, easier comparators are expected to benefit underlying sales growth during the second half. There are also initiatives in place to drive sales, such as an enhanced web checkout experience that went live in September. In addition, Raspberry Pi should positively impact the second half growth rate.

2. Improved gross margins
Gross margins in the second half are expected to benefit from targeted selling price increases, improved discount effectiveness and vendor rebates.

During September and October we have introduced selling price increases across RS on selected product categories.

3. Reduction in operating costs as a percentage of sales
The implementation of a new global organisation structure will remove duplication and drive greater efficiencies within the business. As a result of a net reduction in roles of around 140 globally, cost savings of around £3 million are expected to arise in the second half, with an annualised cost saving of around £6 million to £8 million. Combined with actions to control discretionary costs, operating costs as a percentage of sales are expected to be lower in the second half as compared to the first half.

Strategy implementation
Whilst we have transitioned to a new global operating model, the key strategic initiatives that have underpinned our growth over many years remain unchanged.

These strategic drivers comprise five core areas:

1. Focus on international markets
International markets now account for around 70% of Group sales, compared to just 40% in 2000 and 0% in 1990. Over the last ten years our International business has grown at a compound annual growth rate of 7%. We are targeting a sales growth rate of 7% - 10% over the medium term. The strong international growth we have generated over the last decade was recognised during the period with the award of the prestigious Queen's Award for Enterprise in the International Trade category.

2. Develop our electronics and maintenance offers
Electronics and maintenance provide balanced growth and return characteristics, and the combination generates both sales and cost synergies.

The electronics portfolio represents over 40% of Group sales. During the first half around 27,000 new electronics products were introduced and global distribution deals were signed with leading manufacturers such as ON Semiconductor and FCI. DesignSpark, the online gateway with resources for electronics design engineers, celebrated its second anniversary in July and has now surpassed more than 2 million visitors. In addition, DesignSpark PCB, the free online design tool for electronics engineers, has recorded over 150,000 downloads since its launch. Building on this success, updated versions of DesignSpark and DesignSpark PCB have been introduced recently to save customers more time during the design process and making it easier for them to transact with RS.

The Group's maintenance portfolio, comprising almost 60% of Group sales, is a key differentiator. We are the leading global high service distributor with the broadest range of automation and control, maintenance, repair and operations products. During the first half we launched 9,000 new maintenance products. We strengthened our supplier relationships, such as our partnership with Honeywell Sensing and Control which now extends to the Europe, Middle East and Africa and Asia Pacific regions, adding to Allied's contract in North America. We boosted our technical resources for engineers in the automation and control category by adding over 2,000 new automation and control 3D CAD models to our online library of free-to-download product models.

3. Exploit the full potential of eCommerce
Our strategy embraces a multi-channel approach to growth with eCommerce at the heart of the business as we believe it will be a key driver of further market share gains from smaller competitors. Over half of our business is now transacted over the web, and we continue to switch our marketing

spend from catalogues to search engine marketing. During the period we extended our Live Chat service into a further 12 markets and developed an enhanced online checkout experience which we believe will improve our online order conversion rate.

4. Leverage our global infrastructure and increase operating margins
Having an international operating structure enables us to benefit from economies of scale and achieve operating leverage. We already have an extensive warehouse footprint comprising 17 distribution centres around the world, and the primary focus for our infrastructure development over the next few years is to complete the roll-out of new SAP systems across our operating businesses. We now have the latest version of SAP operating in our UK, Continental Europe and North America regions, and over the next two to three years we will install SAP systems across Asia Pacific, at which point the entire Group will be operating on SAP systems.

As the International business grows, and with the completion of an up-to-date global SAP systems platform, it should be able to deliver increasing operating leverage and increasing contribution margins, closer to the level already achieved by the UK, our largest single market, where the return on sales is over 10% points higher than that of our International business.

5. Maintain UK profitability
Our highly profitable UK business is delivering growth as it maintains its leadership in the high-margin immediate delivery business, leverages the Group's improved customer offer, successfully develops new incremental regular sales streams, and effectively manages both margin and cost.

OPERATING PERFORMANCE AND KEY PERFORMANCE INDICATORS

Operating Performance	H1 2012/13	H1 2011/12
Sales	**£606.5m**	£626.5m
Gross margin	**45.5%**	46.7%
Headline contribution (1)	**£113.5m**	£130.6m
Headline Group Process costs (1)	**£(69.2)m**	£(68.5)m
Headline operating profit (1)	**£44.3m**	£62.1m
Interest (net)	**£(2.8)m**	£(2.7)m
Headline profit before tax (1)	**£41.5m**	£59.4m
Headline free cash flow (1)	**£24.0m**	£22.7m
Headline earnings per share (1)	**6.6p**	9.4p
Interim dividend per share	**5.0p**	5.0p

Key Performance Indicators	H1 2012/13	H1 2011/12
Group sales growth(2)	**0.3%**	11.0%
International(2)	**(1.7)%**	13.8%
UK(2)	**5.0%**	4.6%
eCommerce revenue share	**54%**	53%
Group return on sales(3)	**7.3%**	9.9%
Stock turn (per year)	**2.6x**	2.7x
Net debt to 12 month EBITDA(4)	**1.2x**	1.1x
Interest cover (12 month EBITA(5)/net interest)	**21.3x**	26.6x

BUSINESS PERFORMANCE

Sales

Group sales were £606.5 million, representing an underlying increase of 0.3% on the first half of last year, despite strong comparators and a challenging economic environment throughout the period. The sales growth rates of our maintenance products outperformed those of our electronics products during the first half, with maintenance growing by 2.1% and electronics declining by 1.9%. Group eCommerce sales growth was 2%, with eCommerce averaging 54% of Group sales during the period. Fewer trading days and currency movements reduced Group reported sales by £22 million.

Sales trends in the UK remained consistent during the first half, showing solid growth of 5.0%, or 3.2% after excluding the global sales of Raspberry Pi (6). Sales in the International business declined by 1.7%; within the International business, Continental Europe and Asia Pacific reported flat sales whilst North America's sales declined by 5.1%.

Gross margin

Group gross margin at 45.5% was 1.2% points below the first half of last year, impacted by the following factors, listed in order of the magnitude of their impact. First, there was increased use of customer discounts; second, there was stronger performance from lower-margin technologies, such as test and measurement and Raspberry Pi (6); and third, there were adverse foreign exchange movements.

During the second half of the financial year we expect gross margins to increase from the first half average as we implement targeted selling price increases, improve discount effectiveness and benefit from vendor rebates.

Costs

Headline operating costs at constant exchange increased by 3.1% (0.6% as reported) and increased by 1.4% points of sales. This was due to previously disclosed additional costs (7) which are skewed to the first half (accounting for around half of the constant currency growth), investment in initiatives to drive future sales growth, such as search engine marketing and fixed cost inflation.

Going forward, efficiencies from the implementation of our new global organisation structure are expected to deliver cost savings of around £3 million in the second half, with an annualised cost reduction of around £6 million to £8 million. Combined with other cost actions, we expect operating costs as a percentage of sales to be lower in the second half than in the first half.

Headline profit before tax
Headline profit before tax was £41.5 million, a decrease of £17.9 million over the first half of last year. This decrease was primarily the result of the International business's contribution reducing by £18.0 million, with all regions within International impacted by gross margin pressure and negative operating leverage. Continental Europe's contribution declined by £9.6 million, in North America contribution fell by £4.8 million, whilst Asia Pacific's contribution was lower by £3.6 million.

In the first half there were fewer trading days and adverse foreign exchange movements (principally due to the weakening of the Euro against Sterling) compared to the prior year, the combined impact on Group headline profit before tax of which was around £5 million.

Reported profit before tax
Reported profit before tax comprises headline profit before tax after reorganisation costs. In the first half reorganisation costs of £2.5 million were recorded, primarily relating to redundancy charges arising from the implementation of the new global organisation structure. Additional reorganisation costs of around £4 million to £6 million are expected in the second half as the business completes this process.

Headline earnings per share
Headline earnings per share of 6.6 pence decreased 30% year on year, broadly in line with the decrease in headline profit before tax and benefitting slightly from a reduction in the effective tax rate from 31% to 30%.

Dividend
The Board has approved a maintained interim dividend of 5.0 pence per share, reflecting its confidence in the Group's long-term prospects and the cash-generative nature of the business model. The interim dividend will be paid on 11 January 2013 to shareholders on the register as at 7 December 2012.

Cash flow
The Group delivered headline free cash flow (reported free cash flow before reorganisation cash costs) of £24.0 million. This was 6% ahead of the first half of last year, with lower profit before tax offset by reduced capital expenditure and significantly less investment in working capital compared to the prior year. The lower capital expenditure primarily reflects reduced spend on systems, as the business was preparing for the implementation of SAP in North America last year. The business is now beginning the phased roll-out of SAP into Asia Pacific over the next two to three years, with Australasia the current focus of systems implementation. The reduced working capital investment compared to last year primarily reflects the lower sales levels in this period. Stock turn in the period reduced to 2.6x compared to 2.7x for the first half of last year, reflecting the ongoing investment in electronics stock.

During the second half of the financial year there will be additional investment in the Asia Pacific SAP implementation and further upgrades to the Group's websites. We continue to expect that full year capital expenditure will be around £30 million. Stock turn for the full year is expected to be around 2.5x and the cash tax rate for the full year is expected to be around 27%. Cash costs related to the reorganisation are expected to be around £5 million to £7 million in the second half.

Financial position
At 30 September 2012 net debt was £158.1 million. This was £3.9 million higher than as at 31 March 2012 primarily due to first half free cash flow being lower than the final dividend for the 2012 financial year that was paid during the period (£29.5 million).

The Groups' committed debt finance comprises a £210 million syndicated multicurrency facility from seven banks maturing in November 2015, together with $150 million of US Private Placement ("PP") notes. As at 30 September 2012, total committed debt finance was £296.6 million, of which £134.2 million was undrawn. The PP notes are split $65 million maturing in June 2015 and $85 million maturing in June 2017. Cross currency interest rate swaps have swapped $60 million of the PP notes from fixed $ to floating £ and $40 million from fixed $ to floating €, giving the Group an appropriate spread of financing maturities and currencies.

The Group's financial metrics remain strong with EBITA interest cover of 21.3 times and Net Debt to EBITDA of 1.2 times (both measures are based upon proforma twelve months ended 30 September 2012 financials), leaving significant headroom to the Group's banking covenants.

Footnotes:

(1) Headline measures of profitability and cash flow are defined as the relevant reported profit/cash flow measure before reorganisation costs/cash flows
(2) Underlying sales growth, adjusted for trading days and currency movements
(3) Headline operating profit expressed as a percentage of sales
(4) EBITDA: earnings before interest, tax, depreciation and amortisation (inc. government grants)
(5) EBITA: earnings before interest, tax and amortisation (inc. government grants)
(6) All Group sales of the Raspberry Pi globally are recorded in the UK. Raspberry Pi is a new low-cost, credit card sized single-board computer designed and developed by the Raspberry Pi Foundation, a charity established to promote the development of computer development skills in education across the world
(7) The full year 2013 additional costs of £5m comprise European catalogue/marketing costs (c. £2 million, all of which were incurred in the first half), Asia Pacific SAP implementation costs (c. £1 million) and non-cash pension charge increases (c. £2 million)

INTERNATIONAL

	H1 2012/13	H1 2011/12	Growth reported	Growth underlying(1)
Sales	**£420.9m**	£448.2m	(6.1)%	(1.7)%
Gross margin	**44.2%**	45.4%		
Operating costs	**£(124.8)m**	£(124.3)m	(0.4)%	(4.4)%
Contribution	**£61.0m**	£79.0m	(22.8)%	(19.1)%
Contribution % of sales	**14.5%**	17.6%		

(1) Adjusted for currency; sales also adjusted for trading days

The International business represents around 70% of Group sales and comprises three regions: Continental Europe (48% of the International business), North America (32%) and Asia Pacific (20%).

During the half year, underlying sales decreased by 1.7%. Within International, both Continental Europe and Asia Pacific reported flat underlying sales growth whilst sales in North America declined by 5.1% on an underlying basis. We continued to make good progress in emerging markets such as Eastern Europe and South East Asia, which partially offset some of the weaker trading conditions experienced in the more developed European and North American markets.

Gross margin reduced by 1.2% points compared to the first half of last year, due to increased use of customer discounts, stronger performance from lower-margin technologies such as test and measurement and adverse foreign exchange rate movements. The gross margin reduction occurred across all regions. Operating costs as a percentage of sales increased by around 2% points, reflecting fixed cost inflation in a declining sales environment, investment in strategic initiatives such as search engine marketing and the reintroduction of the European catalogue. As a result, contribution as a percentage of sales decreased by 3.1% points to 14.5%.

CONTINENTAL EUROPE

	H1 2012/13	H1 2011/12	Growth reported	Growth underlying(1)
Sales	**£200.6m**	£223.1m	(10.1)%	0.1%
Contribution	**£37.7m**	£47.3m	(20.3)%	(12.4)%
Contribution % of sales	**18.8%**	21.2%		

(1) Adjusted for currency; sales also adjusted for trading days

Our business in Continental Europe operates in fifteen markets. The largest of these are France, Germany and Italy; the remaining are Austria, Belgium, Czech Republic, Denmark, Hungary, Ireland, Netherlands, Norway, Poland, Spain, Sweden and Switzerland.

There was a slight deterioration in underlying sales growth across the region as the first half progressed, from 1% growth in the first quarter to a 1% decline in the second quarter, reflecting the challenging economic environment, as indicated by manufacturing PMI's that were below 50 in all major markets. This resulted in Continental Europe reporting flat underlying sales growth in the first half. Countries with a higher proportion of maintenance sales, such as France, performed better than those with a higher mix of electronics sales.

During the first half, our European business strengthened its relationship with several leading global suppliers, including the expansion of its range of Siemens stocked products by over 10% to more than 20,000 products, further enhancing our leading automation and control offer. The region also made progress expanding its portfolio of large customer accounts, leveraging the Group's strong product and service offer and leading eProcurement solutions.

The region continued to make good progress expanding its web-based business, generating 12% eCommerce sales growth. eCommerce sales share was 65% during the period compared to 59% during the first half of last year. Increased search engine marketing and the significant enhancements to our websites, which have made the process of finding products clearer, faster and easier, have supported this strong performance. We also introduced our Live Chat service, which helps guide customers through their online journey, to Austria, Belgium, Germany, Italy, Ireland and the Netherlands during the period.

During the first half of the prior financial year we took the decision to defer the European catalogue by a year. With the return of the catalogue and associated marketing in this period (which for the first time covers the entire Europe, Middle East and Africa region in one catalogue), the year-on-year comparison of contribution has been adversely impacted by around £2 million. The 12% decline in contribution at constant foreign exchange reflected a lower gross margin, the reintroduction of the catalogue and associated marketing and fixed cost inflation without any sales growth.

NORTH AMERICA

	H1 2012/13	H1 2011/12	Growth reported	Growth underlying(1)
Sales	**£135.9m**	£140.7m	(3.4)%	(5.1)%
Contribution	**£18.5m**	£23.3m	(20.6)%	(22.6)%
Contribution % of sales	**13.6%**	16.6%		

(1) Adjusted for currency; sales also adjusted for trading days

Allied, our North American business, reported an underlying sales decline of 5.1% for the first half. Around 75% of Allied's sales relate to electronics; as a result the business experienced difficult trading conditions throughout the period. In addition, though the implementation of a new SAP-based ERP system in January 2012 went well, it has taken time for the internal sales force to adapt to the new system. Through September and October a new order entry screen has been rolled out across Allied's sales offices, which has been well received by the sales force to date.

Following the new systems implementation there has been a temporary reduction in online functionality. As a result eCommerce sales declined by 26% and eCommerce sales share averaged 32% during the period, compared to 41% during the first half of last year. This online functionality will be restored during the second half which should lead to improved eCommerce performance.

In September Allied significantly enhanced its automation and control offer by signing a distribution agreement with Siemens, and will now become an authorised distributor for Siemens' low-voltage products, including motor controls, pilot devices and communication devices. Siemens appeared for the first time in Allied's 2013 Catalog, which was released in October.

Following the implementation of the new SAP system Allied is incurring additional depreciation charges, amounting to around £1 million in the period. The reduction in underlying contribution of 23% in the half year reflected the negative operating leverage caused by fixed cost inflation in a declining sales environment, a lower gross margin and the additional depreciation charges.

ASIA PACIFIC

	H1 2012/13	H1 2011/12	Growth reported	Growth underlying(1)
Sales	**£84.4m**	£84.4m	0.0%	(0.2)%
Contribution	**£4.8m**	£8.4m	(42.9)%	(43.0)%
Contribution % of sales	**5.7%**	10.0%		

(1) Adjusted for currency; sales also adjusted for trading days

Our Asia Pacific business is the region's market leader operating across thirteen markets with local language websites and around 1,000 employees.

Our Japanese business is primarily focused on electronics, which meant it faced difficult trading conditions during the period. In addition, during the first quarter, it faced tough sales comparators following the strong performance in the prior year period when it reported significant sales of power consumption control products following the earthquake and tsunami. Sales growth in Greater China slowed compared to the growth rates achieved in the previous financial year, reflecting the macroeconomic environment in China. There was also an easing of the sales growth rate in Australasia, where a large proportion of sales are into the resources sector. In contrast, the emerging markets that we serve in South East Asia, including Malaysia, Singapore, Thailand and the Philippines, performed well.

In eCommerce there was good progress made with a number of online marketing initiatives, such as the roll-out of our online Live Chat service to Hong Kong, Japan, Malaysia, Singapore, South Africa and Taiwan.

However the region's eCommerce performance was affected by the negative mix impact of a relatively weak Japan sales performance and it having one of the highest eCommerce sales shares of all our markets, at around 70%. As a result, eCommerce sales in Asia Pacific declined by 7% in the first half and eCommerce sales share fell to 48% during the period, compared to 51% in the first half of last year.

We enhanced our strong automation and control offer by extending our partnership with SMC in the region to include South East Asia. As a result, RS, the only online distributor for SMC pneumatic products in the region, now offers 4,600 SMC pneumatic products across Asia Pacific. South East Asia also benefitted from a new distributor agreement with Agilent Technologies, expanding its extensive portfolio of test and measurement products in the region. Asia Pacific was also successful in securing around 20 large customer contracts during the period across all major markets in the region.

Asia Pacific's contribution as a percentage of sales reduced to 5.7% in the period, compared to 10.0% in the first half last year. The decline primarily reflects increased operating costs, together with a lower gross margin. These are due to investment in marketing initiatives to raise the awareness of RS and loyalty campaigns such as the RS Infinity programme to drive future sales growth, together with cost inflation.

UK

	H1 2012/13	H1 2011/12	Growth reported	Growth underlying[(1)]
Sales	**£185.6m**	£178.3m	4.1%	5.0%
Gross margin	**48.6%**	50.0%		
Operating costs	**£(37.8)m**	£(37.5)m	(0.8)%	(0.8)%
Contribution	**£52.5m**	£51.6m	1.7%	1.7%
Contribution % of sales	**28.3%**	28.9%		

(1) Sales adjusted for trading days

Our UK business, which recently celebrated its 75th anniversary, is the largest high service distributor in the UK supported by 16 locally-stocked trade counters located in the UK's industrial hubs. The UK business reported underlying sales growth of 5.0%, 1.8% points of which comprised the Group's worldwide sales of Raspberry Pi. Raspberry Pi is a low-cost, credit card sized single-board computer designed and developed by the Raspberry Pi Foundation, a charity established to promote the development of computer development skills in education across the world, and as such is a lower margin product.

Excluding the sale of Raspberry Pi products, the UK business generated 3.2% underlying sales growth. Maintenance comprises around 75% of the UK's sales, and the relative resilience of maintenance as compared to electronics benefitted the UK's performance during the period. The UK is also continuing to secure additional large customer contracts, leveraging the Group's strong product and service offer and leading eProcurement solutions.

During the first half of the year, eCommerce sales grew by 12% and eCommerce sales share averaged 61%, up from 57% share during the first half of last year. The continued strong performance of the UK's eCommerce channel was driven by a number of initiatives. These included increased search engine marketing, leading to record levels of customer visits to the UK website, ongoing enhancements to our websites making the process of finding products clearer, faster and easier and the success of the Live Chat functionality in improving online conversion rates.

The UK's contribution growth of 1.7% reflected robust sales growth and continuing good cost control, partially offset by a 1.4% point decrease in gross margin. The gross margin decrease was the result of increased customer discounts and stronger performance from lower margin technologies such as test and measurement and Raspberry Pi. Contribution as a percentage of sales was maintained at a strong level in excess of 28%.

PROCESSES

	H1 2012/13	H1 2011/12	Change reported	Change underlying[1]
Process costs	**£(69.2)m**	£(68.5)m	(1.0)%	(2.3)%
Costs % of sales	**(11.4)%**	(10.9)%		

(1) Adjusted for currency

The Group-wide Processes principally comprise Electronics, Maintenance, eCommerce, Supply Chain and IT. These Processes have responsibility for the identification, introduction and sourcing of the Group's products, managing supplier relationships, developing the Group's eCommerce strategy and its implementation, managing the Group's stock and overseeing the Group's worldwide IT infrastructure.

Process costs rose by 2.3% at constant exchange, reflecting the impact of fixed cost inflation and additional IT costs associated with the upgrade of SAP in the UK and Europe and the move of the UK data centre. There has also been ongoing investment in our electronics, maintenance and eCommerce strategies to drive future sales growth, which has led to strengthened and expanded supplier partnerships, improved design tools for customers and enhancements to our websites.

RISKS AND UNCERTAINTIES

The Group has well established risk management and internal control processes for the identification, assessment and management of risks likely to affect the achievement of the Group's corporate and strategic objectives.

The Board and Group Executive Committee receive regular reports covering risks and mitigating actions arising from external factors, key dependencies, project delivery and corporate responsibility areas.

This section summarises the most significant risks to the achievement of our objectives:

Macroeconomic conditions

The global economy continues to be challenging and vulnerable to major shocks, such as sovereign debt defaults and commodity price increases. As a result, the Group's sales and profits could be affected by a worsening of global economic conditions and a wider loss of business confidence.

The Group's global strategy and reach, combined with its balanced electronics and maintenance offers, provide mitigation against local and sector slowdowns. The Group's strong balance sheet and highly cash-generative business model, combined with strong cost controls and working capital management, provide a sound basis on which to face macroeconomic conditions.

Pricing

The first risk is that customers will consider price relative to competitors to be the primary factor driving purchasing behaviour rather than high service. The second risk is that our competitors close the service gap and become more competitive on price.

These risks are addressed by the Group's dynamic pricing strategy, enabling the business to adapt product sale prices both in response to and in anticipation of external factors such as competitor marketing and pricing activities and foreign currency movements. The business closely monitors customer price perceptions and service level performance to ensure our standards are maintained.

Customer acquisition, retention and frequency of spend is insufficient to meet strategy objectives

There is a risk that the business does not attract sufficient numbers of new customers and is unable to develop new and existing customer behaviour to increase order frequency at a sustained level.

Our eCommerce channel is a major driver of business growth in terms of brand promotion and customer acquisition. Customer development is a key area of focus; with customer development managed using a multi-channel approach combining market leading digital functionality, telephony and sales support.

Product data quality and content reduces eCommerce effectiveness

Current information and data structures could inhibit the future effectiveness of the eCommerce offer. This risk assumes increasing market demands for faster rates of new product introductions and accompanying comprehensive product information.

This is mitigated by ongoing programmes to continually develop our business intelligence and analysis capabilities. Our product data and content quality provide us with key market advantages, and we are committed to continually developing this resource using customer feedback, and tight control of data management via a dedicated governance structure.

Increasing competition

There is a risk that competitors close the service gap and offer better services, value for money and a broader product range, threatening the Group's core markets.

To mitigate this risk we have accelerated our market initiatives through developing web capabilities, service excellence, pricing competitiveness and range effectiveness. We continually develop new product introductions including the addition of new suppliers and driving benefits with existing suppliers. Our multi-channel position is a market differentiator, serving the needs of all of our customers.

Key infrastructure dependencies

As a high service international distributor, we are dependent on our physical warehouse infrastructure and our IT infrastructure to support business operations. A major loss or service interruption could result in significant disruption to our customers.

The business continues to develop and improve its service resilience through improvements in physical infrastructure and IT contingencies to core systems. Business continuity planning is a key management control with prioritised plans subject to regular testing and review.

Management of the product range

The market for the Group's products and services is subject to rapid technological change particularly in electronics, evolving industry standards, changes in end-market demand, oversupply of product and regulatory requirements, which can contribute to the decline in value or obsolescence of inventory.

We base our product range on the comprehensive analysis of new product developments and customer demand, with products actively monitored for sales performance throughout their product lifecycle. Contractual arrangements are in place with key suppliers on stock purchasing and product buy-back.

CURRENT TRADING AND OUTLOOK

In October Group sales growth was flat. The UK grew by 3% and International declined by 2%. The UK growth was 2% after excluding the global sales of Raspberry Pi. Within International, Continental Europe grew by 1%, North America declined by 6% and Asia Pacific declined by 1%. Conditions in the electronics market continued to be tough, which particularly impacted North America and Japan as these markets have the highest electronics exposure in the Group. North America's performance was also impacted by Hurricane Sandy at the end of the month.

Whilst we remain mindful of the challenging global market conditions, particularly in electronics, results in the second half are expected to benefit from initiatives to drive sales growth, easier sales comparators and management actions to improve operating margins. Gross margins are expected to benefit from targeted selling price increases and actions to improve discount effectiveness. Headline operating costs as a percentage of sales should be lower in the second half as compared with the first half.

Ian Mason, Group Chief Executive
Simon Boddie, Group Finance Director

8 November 2012

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE HALF-YEARLY FINANCIAL REPORT

We confirm that to the best of our knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU;

- The interim management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the *Disclosure and Transparency Rules,* being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  (b) DTR 4.2.8R of the *Disclosure and Transparency Rules,* being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Ian Mason, Group Chief Executive
Simon Boddie, Group Finance Director

8 November 2012

Condensed Consolidated Income Statement

	Note	**6 months to 30.9.2012 £m**	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Revenue	1	**606.5**	626.5	1,267.4
Cost of sales		**(330.4)**	(334.1)	(674.7)
Gross profit		**276.1**	292.4	592.7
Distribution and marketing expenses		**(228.6)**	(225.8)	(455.4)
Administrative expenses		**(5.7)**	(4.5)	(9.2)
Operating profit		**41.8**	62.1	128.1
Financial income		**2.0**	2.4	1.8
Financial expense		**(4.8)**	(5.1)	(7.6)
Profit before tax	1	**39.0**	59.4	122.3
Income tax expense	3	**(11.8)**	(18.6)	(37.4)
Profit for the period attributable to the equity shareholders of the parent company		**27.2**	40.8	84.9
Earnings per share – Basic	4	**6.2p**	9.4p	19.5p
Earnings per share – Diluted	4	**6.2p**	9.3p	19.3p
Dividends				
Amounts recognised in the period:				
Final dividend for the year ended 31 March 2012	5	**6.75p**	6.5p	6.5p
Interim dividend for the year ended 31 March 2012	5	**-**	-	5.0p

An interim dividend of 5.0p per share has been recognised since the period end.

	Note	**6 months to 30.9.2012 £m**	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Headline operating profit				
Operating profit		**41.8**	62.1	128.1
Reorganisation costs	2	**2.5**	-	-
		44.3	62.1	128.1
Headline profit before tax				
Profit before tax		**39.0**	59.4	122.3
Reorganisation costs	2	**2.5**	-	-
		41.5	59.4	122.3

Condensed Consolidated Statement of Comprehensive Income

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Profit for the period	**27.2**	40.8	84.9
Other comprehensive income			
Foreign exchange translation differences	**(4.9)**	2.2	(3.1)
Actuarial loss on defined benefit pension schemes	**(8.5)**	(16.4)	(21.8)
Movement in unrecognised pension surplus	**6.7**	13.4	13.8
Gain on cash flow hedges	**0.3**	1.4	2.0
Taxation relating to components of other comprehensive income	**-**	0.2	1.2
Other comprehensive (expense) income for the financial period	**(6.4)**	0.8	(7.9)
Total comprehensive income for the financial period	**20.8**	41.6	77.0

Condensed Consolidated Balance Sheet

	Note	**30.9.2012**	30.9.2011	31.3.2012
		£m	£m	£m
Non-current assets				
Intangible assets		**211.2**	208.3	204.1
Property, plant and equipment		**106.8**	114.1	119.5
Investments		**0.5**	0.6	0.6
Other receivables		**8.2**	3.7	7.0
Other financial assets	7	**8.9**	8.8	7.7
Deferred tax assets		**8.7**	4.7	10.2
		344.3	340.2	349.1
Current assets				
Inventories	6	**261.1**	245.9	258.4
Trade and other receivables		**196.5**	203.6	220.8
Income tax receivables		**2.3**	0.4	2.9
Cash and cash equivalents	7	**12.4**	8.7	19.8
		472.3	458.6	501.9
Current liabilities				
Trade and other payables		**(190.6)**	(187.2)	(212.3)
Provisions and other liabilities	2	**(1.3)**	-	-
Loans and borrowings	7	**(8.0)**	(10.8)	(1.4)
Income tax liabilities		**(12.1)**	(10.4)	(11.3)
		(212.0)	(208.4)	(225.0)
Net current assets		**260.3**	250.2	276.9
Total assets less current liabilities		**604.6**	590.4	626.0
Non-current liabilities				
Other payables		**(8.9)**	(9.8)	(10.7)
Retirement benefit obligations	8	**(8.4)**	(6.2)	(8.3)
Loans and borrowings	7	**(171.3)**	(173.2)	(180.2)
Other financial liabilities	7	**(0.1)**	-	(0.1)
Deferred tax liabilities		**(58.0)**	(52.0)	(60.7)
		(246.7)	(241.2)	(260.0)
Net assets		**357.9**	349.2	366.0
Equity				
Called-up share capital		**43.8**	43.7	43.7
Share premium account		**40.2**	39.5	39.8
Retained earnings		**259.2**	242.5	263.9
Cumulative translation reserve		**15.1**	25.6	20.3
Other reserves		**(0.4)**	(2.1)	(1.7)
Equity attributable to the equity shareholders of the parent company		**357.9**	349.2	366.0

Condensed Consolidated Cash Flow Statement

	Note	**6 months to 30.9.2012 £m**	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Cash flows from operating activities				
Profit before tax		**39.0**	59.4	122.3
Depreciation and other amortisation charges		**11.1**	13.0	27.9
Equity-settled transactions		**0.9**	0.9	2.9
Finance income and expense		**2.8**	2.7	5.8
Non-cash movement on investment in associate		**-**	-	0.1
Operating cash flow before changes in working capital, interest and taxes		**53.8**	76.0	159.0
Increase in inventories		**(5.4)**	(12.2)	(28.7)
Decrease (increase) in trade and other receivables		**19.6**	14.7	(12.1)
(Decrease) increase in trade and other payables		**(22.3)**	(24.2)	5.0
Increase in provisions and other liabilities	2	**1.3**	-	-
Cash generated from operations		**47.0**	54.3	123.2
Interest received		**2.0**	2.4	1.8
Interest paid		**(4.8)**	(5.1)	(7.6)
Income tax paid		**(11.3)**	(13.3)	(26.9)
Net cash from operating activities		**32.9**	38.3	90.5
Cash flows from investing activities				
Capital expenditure and financial investment		**(11.4)**	(15.6)	(38.4)
Proceeds from sale of property, plant and equipment		**1.3**	-	0.6
Net cash used in investing activities		**(10.1)**	(15.6)	(37.8)
Free cash flow		**22.8**	22.7	52.7
Cash flows from financing activities				
Proceeds from the issue of share capital		**0.4**	0.8	1.1
Purchase of own shares		**(0.2)**	-	-
New loans		**-**	104.0	106.0
Loans repaid		**(6.0)**	(95.2)	(95.2)
Equity dividends paid	5	**(29.5)**	(28.3)	(50.1)
Net cash used in financing activities		**(35.3)**	(18.7)	(38.2)
Net (decrease) increase in cash and cash equivalents		**(12.5)**	4.0	14.5
Cash and cash equivalents at the beginning of the period		**18.6**	5.6	5.6
Effects of exchange rate fluctuations on cash		**(1.7)**	(1.0)	(1.5)
Cash and cash equivalents at the end of the period	7	**4.4**	8.6	18.6

	Note	**6 months to 30.9.2012 £m**	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Headline free cash flow				
Free cash flow		**22.8**	22.7	52.7
Reorganisation costs	2	**1.2**	-	-
		24.0	22.7	52.7

Condensed Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Other reserves: Hedging reserve	Other reserves: Own shares held	Cumulative translation	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2012	**43.7**	**39.8**	**0.2**	**(1.9)**	**20.3**	**263.9**	**366.0**
Profit for the period	-	-	-	-	-	27.2	27.2
Foreign exchange translation differences	-	-	-	-	(4.9)	-	(4.9)
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(8.5)	(8.5)
Movement in unrecognised pension surplus	-	-	-	-	-	6.7	6.7
Gain on cash flow hedges	-	-	0.3	-	-	-	0.3
Taxation relating to components of other comprehensive income	-	-	(0.1)	-	(0.3)	0.4	-
Total comprehensive income	**-**	**-**	**0.2**	**-**	**(5.2)**	**25.8**	**20.8**
Equity settled transactions	-	-	-	-	-	0.9	0.9
Dividends paid	-	-	-	-	-	(29.5)	(29.5)
Shares allotted in respect of share awards	0.1	0.4	-	1.3	-	(1.4)	0.4
Own shares acquired	-	-	-	(0.2)	-	-	(0.2)
Related tax movements	-	-	-	-	-	(0.5)	(0.5)
At 30 September 2012	**43.8**	**40.2**	**0.4**	**(0.8)**	**15.1**	**259.2**	**357.9**

	Share capital	Share premium account	Other reserves: Hedging reserve	Other reserves: Own shares held	Cumulative translation	Retained earnings	Total
At 1 April 2011	**43.6**	**38.8**	**(1.4)**	**(1.7)**	**23.6**	**232.4**	**335.3**
Profit for the period	-	-	-	-	-	40.8	40.8
Foreign exchange translation differences	-	-	-	-	2.2	-	2.2
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(16.4)	(16.4)
Movement in unrecognised pension surplus	-	-	-	-	-	13.4	13.4
Gain on cash flow hedges	-	-	1.4	-	-	-	1.4
Taxation relating to components of other comprehensive income	-	-	(0.4)	-	(0.2)	0.8	0.2
Total comprehensive income	**-**	**-**	**1.0**	**-**	**2.0**	**38.6**	**41.6**
Equity settled transactions	-	-	-	-	-	0.9	0.9
Dividends paid	-	-	-	-	-	(28.3)	(28.3)
Shares allotted in respect of share awards	0.1	0.7	-	-	-	-	0.8
Related tax movements	-	-	-	-	-	(1.1)	(1.1)
At 30 September 2011	**43.7**	**39.5**	**(0.4)**	**(1.7)**	**25.6**	**242.5**	**349.2**

Condensed Consolidated Statement of Changes in Equity (continued)

			Other reserves				
	Share capital	Share Premium account	Hedging reserve	Own shares held	Cumulative translation	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2011	**43.6**	**38.8**	**(1.4)**	**(1.7)**	**23.6**	**232.4**	**335.3**
Profit for the period	-	-	-	-	-	84.9	84.9
Foreign exchange translation differences	-	-	-	-	(3.1)	-	(3.1)
Actuarial loss on defined benefit pension schemes	-	-	-	-	-	(21.8)	(21.8)
Movement in unrecognised pension surplus	-	-	-	-	-	13.8	13.8
Gain on cash flow hedges	-	-	2.0	-	-	-	2.0
Taxation relating to components of other comprehensive income	-	-	(0.4)	-	(0.2)	1.8	1.2
Total comprehensive income	**-**	**-**	**1.6**	**-**	**(3.3)**	**78.7**	**77.0**
Equity settled transactions	-	-	-	-	-	2.9	2.9
Dividends paid	-	-	-	-	-	(50.1)	(50.1)
Shares allotted in respect of share awards	0.1	1.0	-	-	-	-	1.1
Own shares acquired	-	-	-	(0.2)	-	-	(0.2)
At 31 March 2012	**43.7**	**39.8**	**0.2**	**(1.9)**	**20.3**	**263.9**	**366.0**

BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

Electrocomponents plc (the “Company”) is a company domiciled in the UK. The condensed set of financial statements for the six months ended 30 September 2012 comprises the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in a jointly controlled entity.

The Group financial statements for the year ended 31 March 2012 are available upon request from the Company’s registered office at International Management Centre, 8050 Oxford Business Park North, Oxford, OX4 2HW.

The comparative figures for the year ended 31 March 2012 are not the Company’s statutory accounts for that 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 498(2) or (3) of the Companies Act 2006.

Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to price risk, credit risk, liquidity risk and cash flow risk are discussed in note 19 to the Group’s Annual Report and Accounts for the year ended 31 March 2012.

Statement of compliance

The condensed set of financial statements included in this half-yearly financial report has been prepared on the basis of the accounting policies set out in the 2012 Annual Report and Accounts, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS), and International Accounting Standard (IAS) 34 *Interim Financial Reporting* as adopted by the EU. The condensed set of financial statements 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 2012.

This condensed set of financial statements was approved by the Board of Directors on 8 November 2012.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those that applied to the consolidated financial statements of the Group for the year ended 31 March 2012.

Estimates and judgements

The preparation of a condensed set of 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 were the same as those that applied to the Group financial statements for the year ended 31 March 2012. The key risks and uncertainties are explained on pages 13 and 14 of this half-yearly financial report.

Notes to the condensed set of financial statements

1 Segmental reporting

In accordance with IFRS 8 *Operating Segments*, Group management has identified its operating segments. The performance of these operating segments is reviewed, on a monthly basis, by the Group Chief Executive and the senior management team (the Group Executive Committee).

These operating segments are; the United Kingdom, Continental Europe, North America and Asia Pacific. The United Kingdom comprises operations in the United Kingdom and exports to distributors where the Group does not have a local operating company. Continental Europe comprises operations in France, Germany, Italy, Austria, Denmark, Norway, Sweden, Republic of Ireland, Spain, Switzerland, the Netherlands, Belgium, Poland, Hungary and the Czech Republic. North America comprises operations in the United States of America and Canada. Asia Pacific comprises operations in Japan, Australia, New Zealand, Singapore, Malaysia, Philippines, Thailand, Hong Kong, Taiwan, People's Republic of China, South Korea, Chile and South Africa.

Each reporting segment derives its revenue from the high service level distribution of electronics and maintenance products. Intersegment pricing is determined on an arm's length basis, comprising sales of product at cost and a handling charge included within Distribution and Marketing expenses.

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Revenue from external customers			
United Kingdom	**185.6**	178.3	364.7
Continental Europe	**200.6**	223.1	456.3
North America	**135.9**	140.7	277.5
Asia Pacific	**84.4**	84.4	168.9
	606.5	626.5	1,267.4
Contribution			
United Kingdom	**52.5**	51.6	106.0
Continental Europe	**37.7**	47.3	99.8
North America	**18.5**	23.3	43.3
Asia Pacific	**4.8**	8.4	17.7
	113.5	130.6	266.8
Reconciliation of contribution to profit before tax			
Contribution	**113.5**	130.6	266.8
Group Process costs	**(69.2)**	(68.5)	(138.7)
Reorganisation costs	**(2.5)**	-	-
Net financial expense	**(2.8)**	(2.7)	(5.8)
Profit before tax	**39.0**	59.4	122.3

1 Segmental reporting (continued)

	30.9.2012	30.9.2011	31.3.2012
	£m	£m	£m
Segment assets			
United Kingdom	**265.6**	250.9	267.8
Continental Europe	**148.2**	159.8	169.4
North America	**275.0**	278.8	278.6
Asia Pacific	**95.5**	86.7	94.6
	784.3	776.2	810.4
Unallocated assets			
Cash at bank and in hand	**12.4**	8.7	19.8
Deferred tax assets	**8.7**	4.7	10.2
Income tax receivables	**2.3**	0.4	2.9
Other financial assets	**8.9**	8.8	7.7
Total assets	**816.6**	798.8	851.0

	30.9.2012	30.9.2011	31.3.2012
	£m	£m	£m
Segment liabilities			
United Kingdom	**111.5**	104.0	124.7
Continental Europe	**52.4**	51.3	60.3
North America	**24.0**	24.0	23.7
Asia Pacific	**21.3**	23.9	22.6
	209.2	203.2	231.3
Unallocated liabilities			
Income tax liabilities	**12.1**	10.4	11.3
Deferred tax liabilities	**58.0**	52.0	60.7
Loans and borrowings	**179.3**	184.0	181.6
Other financial liabilities	**0.1**	-	0.1
Total liabilities	**458.7**	449.6	485.0

The Group derives its revenue from two product types:

	6 months to 30.9.2012	6 months to 30.9.2011	Year to 31.3.2012
	£m	£m	£m
Electronics	**253.9**	268.2	531.8
Maintenance	**352.6**	358.3	735.6
	606.5	626.5	1,267.4

2 Reorganisation costs

Reorganisation costs arising during the period are as follows:

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Redundancy and associated costs	**2.5**	-	-

£1.2m of the redundancy and associated costs were paid in the period. The remaining balance of £1.3m is included within provisions and other liabilities falling due within one year.

3 Taxation on the profit of the Group

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
United Kingdom taxation	**4.3**	5.7	12.3
Overseas taxation	**7.5**	12.9	25.1
	11.8	18.6	37.4

4 Earnings per share

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Profit for the period attributable to equity shareholders	**27.2**	40.8	84.9
Reorganisation costs	**2.5**	-	-
Tax impact of reorganisation	**(0.8)**	-	-
Headline profit on ordinary activities after taxation	**28.9**	40.8	84.9
Weighted average number of shares (millions)	**437.5**	435.7	436.1
Diluted weighted average number of shares (millions)	**439.2**	438.2	439.2
Headline basic earnings per share	**6.6p**	9.4p	19.5p
Basic earnings per share	**6.2p**	9.4p	19.5p
Headline diluted earnings per share	**6.6p**	9.3p	19.3p
Diluted earnings per share	**6.2p**	9.3p	19.3p

5 Dividends

	6 months to 30.9.2012 £m	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Amounts recognised and paid in the period:			
Final dividend for the year ended 31 March 2012: 6.75p (2011: 6.5p)	**29.5**	28.3	28.3
Interim dividend for the year ended 31 March 2012 – 5.0p	**-**	-	21.8
	29.5	28.3	50.1
Amounts determined after the balance sheet date:			
Interim dividend for the year ending 31 March 2013 – 5.0p	**21.8**		

The timetable for the payment of the interim dividend is:

Ex-dividend	**5 December 2012**
Dividend record date	**7 December 2012**
Dividend payment date	**11 January 2013**

6 Inventories

	30.9.2012 £m	30.9.2011 £m	31.3.2012 £m
Gross inventories	**288.2**	265.8	282.2
Stock provision	**(27.1)**	(19.9)	(23.8)
Net inventory	**261.1**	245.9	258.4

During the 6 months ended 30 September 2012 £6.1m (2011: £5.0m; year ended 31 March 2012: £11.9m) was recognised as an expense relating to the write down of inventory to net realisable value.

7 Cash and cash equivalents/analysis of movements in net debt

Cash and cash equivalents	**30.9.2012 £m**	30.9.2011 £m	31.3.2012 £m
Cash and cash equivalents in the balance sheet	**12.4**	8.7	19.8
Bank overdrafts	**(8.0)**	(0.1)	(1.2)
Cash and cash equivalents in the cash flow statement	**4.4**	8.6	18.6
Current instalments of loans	**-**	(10.7)	(0.2)
Loans repayable after more than one year	**(71.8)**	(70.7)	(80.4)
Private placement loan notes	**(99.5)**	(102.5)	(99.8)
Fair value of swap hedging fixed rate borrowings	**8.8**	8.8	7.6
Net debt	**(158.1)**	(166.5)	(154.2)
Pension deficit	**(8.4)**	(6.2)	(8.3)
Net debt including pension deficit	**(166.5)**	(172.7)	(162.5)

Analysis of movements in net debt	**6 months to 30.9.2012 £m**	6 months to 30.9.2011 £m	Year to 31.3.2012 £m
Net debt at 1 April	**(154.2)**	(160.7)	(160.7)
Free cash flow	**22.8**	22.7	52.7
Equity dividends paid	**(29.5)**	(28.3)	(50.1)
New shares issued	**0.4**	0.8	1.1
Own shares acquired	**(0.2)**	-	-
Translation differences	**2.6**	(1.0)	2.8
Net debt at period end	**(158.1)**	(166.5)	(154.2)

8 Retirement benefit obligations

The Group operates defined benefit pension schemes in the United Kingdom, Germany and Ireland.

At 30 September 2012 the Group's net retirement benefit obligation was £8.4m (30 September 2011: £6.2m, 31 March 2012: £8.3m).

Details of the assets and liabilities of the Group's defined benefit pension schemes are shown below:

	30.9.2012	30.9.2011	31.3.2012
	£m	£m	£m
Total market value of the schemes' assets	**352.3**	325.4	349.5
Present value of the schemes' liabilities	**(356.1)**	(319.9)	(346.5)
Schemes' (deficit) surplus	**(3.8)**	5.5	3.0
Unrecognised pension surplus	**(4.6)**	(11.7)	(11.3)
Schemes' adjusted deficit	**(8.4)**	(6.2)	(8.3)

As at 30 September 2012 the UK defined benefit pension scheme reported a surplus of £3.8m (30 September 2011: £10.7m; 31 March 2012: £10.6m). In accordance with the requirements of IAS 19 *Employee benefits* the company has not recognised this pension surplus in its financial statements.

9 Principal exchange rates

	6 months to 30.9.2012	6 months to 30.9.2011	Year to 31.3.2012
Average for the period			
Euro	**1.25**	1.14	1.16
United States Dollar	**1.58**	1.62	1.60

	30.9.2012	30.9.2011	31.3.2012
Period end			
Euro	**1.26**	1.16	1.20
United States Dollar	**1.62**	1.56	1.60

INDEPENDENT REVIEW REPORT TO ELECTROCOMPONENTS PLC

Introduction
We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 which comprises the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated balance sheet, condensed consolidated cash flow statement and condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Services Authority ("the UK FSA"). Our review has been undertaken so that we might state to the company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FSA.

As disclosed in the Basis of Preparation and Principal Accounting Policies, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility
Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FSA.

Paul Sawdon
for and on behalf of KPMG Audit Plc
Chartered Accountants
15 Canada Square, London, E14 5GL
8 November 2012

SAFE HARBOUR

This half-yearly financial report contains certain statements, statistics and projections that are or may be forward-looking. The accuracy and completeness of all such statements, including, without limitation, statements regarding the future financial position, strategy, projected costs, plans and objectives for the management of future operations of Electrocomponents plc and its subsidiaries is not warranted or guaranteed. These statements typically contain words such as "intends", "expects", "anticipates", "estimates" and words of similar import. 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. Although Electrocomponents plc believes that the expectations reflected in such statements are reasonable, no assurance can be given that such expectations will prove to be correct. There are a number of factors, which may be beyond the control of Electrocomponents plc, which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be listed, Electrocomponents plc has no intention or obligation to update forward-looking statements contained herein.