Results for the First Quarter of the Financial Year ending 30 January 2011

Key Financials £m **Continuing operations** (unaudited)	Q1 10/11 £m	Q1 09/10 £m	***Q1 Growth*** [(a)]
Revenue	244.9	204.3	**+20%**
Underlying operating profit [(b)]	27.0	17.5	**+45%**
Total operating profit	27.0	13.5	**+85%**
Underlying profit before tax [(b)]	22.2	13.0	**+71%**
Total profit before taxation	22.2	9.0	**+147%**
Underlying earnings per share [(b)]	4.4p	2.4p	**+83%**
Basic earnings per share	4.4p	1.7p	**+159%**
Free cash flow [(c)]	14.8	23.1	**-36%**

Financial Highlights

- The strength and growth opportunities inherent in our strategy combined with improving market conditions have driven year on year Group sales growth of 19.6%.
- Strong sales growth together with the positive impact of our operational gearing has resulted in operating profit growth of 45.2%.
- The return to positive year on year sales growth in MDD Americas in February accelerated throughout the quarter, representing an upward trend in sales per day for the past eleven months. The division's first quarter sales grew 17.0% and underlying operating profit grew 121.4%, with the business also seeing a significant year on year improvement in gross margin.
- Sales momentum in our other MDD regions from the fourth quarter has accelerated, with Europe and APAC delivering year on year sales growth of 26.2% and 50.9%, respectively.
- Our first quarter gross margin increased a further 0.5 percentage points over the fourth quarter to 40.8%, representing the sixth consecutive quarter of gross margin improvement, a clear differentiator in our industry.
- The Group's first quarter underlying return on sales increased to 11.0%, a 0.5 percentage point improvement on the prior quarter and a 2.4 percentage point increase on the prior year.
- Net financial liabilities reduced by £15.3 million in the quarter, excluding the impact of exchange rates.

Strategic Highlights

- Our global EDE sales have continued to significantly outperform our global MRO sales, reflecting the ongoing focus and investment in our EDE proposition.
- eCommerce sales accounted for 44.0% of first quarter MDD sales. In Europe, the channel accounted for over 60% of sales as we exited the quarter and in APAC eCommerce accounted for 53.8% of first quarter sales. In MDD Americas eCommerce accounted for 28.7% of sales, a significant tipping point beyond which many of our businesses' transformation to the web has accelerated during the first three years of our strategy.
- Our developing international markets of Greater China, India and Eastern Europe continue to deliver strong growth, with sales up 112.8%, 74.0% and 75.6%, respectively on the prior year.
- Our investments in the right inventory and new products at the right time continue to ensure our proposition fully supports our customers' needs as the electronics supply chain recalibrates and design innovation increases.
- element14, our online community for design engineers, is now attracting up to 6,000 customers a day, clicking through to our transactional websites at an average rate of 6.5%.
- We have updated our success metrics for the next three years. These include: developing international markets to account for 30% of total sales; increasing eCommerce sales to 70% of total MDD sales and a return on sales of 12%-15%.

Commenting on the results, Harriet Green, Group Chief Executive, said:

"The successful execution of our strategy together with increased activity levels within the global electronics supply chain has seen the positive sales trends from February continue throughout the quarter, with Group sales growing 20% year on year. This sales performance, combined with the operational leverage inherent in our business, has resulted in year on year underlying operating profit growth of 45%.

"The very positive momentum in sales growth that we have seen in the first quarter has accelerated in all of our distribution businesses in May, with Group sales growing 30% year on year. The broader economic background is still somewhat variable and our business model inherently provides us with limited visibility. However, the strength of our strategy and the continuing transformation of our organisation are reflected in our updated success metrics. In the current year we remain confident that strategically and operationally our focus on execution will drive continuing year on year sales growth."

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Premier Farnell's announcements and presentations are published at ***www.premierfarnell.com*** together with business information and links to all other Group web sites, including **element14** our community website for electronic design engineers.

The 2010 Annual Report and Accounts is now available online and can be accessed at ***www.premierfarnell.com/annualreport2010***.

The results for the second quarter of the financial year ending 30 January 2011 will be announced on 9 September 2010.

Notes:

(a) Throughout this statement, in order to reflect underlying business performance, sales growth is based on sales per day for continuing businesses at constant exchange rates and for like periods, and growth in operating profit is calculated at constant exchange rates, unless otherwise stated.

(b) Underlying operating profit, profit before taxation and earnings per share in the prior year excludes restructuring costs of £4.0 million.

(c) Free cash flow comprises total cash generated from operations, excluding cash flows related to restructuring, less net capital expenditure, interest, preference dividends and tax payments.

Premier Farnell plc

Results for the First Quarter of the Financial Year ending 30 January 2011

Premier Farnell, the leading multi-channel, high service distributor supporting millions of engineers and purchasing professionals globally, announces its results for the first quarter of the financial year ending 30 January 2011.

Chief Executive's Operational Overview

Our focus on the Electronic Design Engineering (EDE) sector, the web and the world's emerging markets, combined with our ability to capitalise on heightened activity levels within the electronics supply chain has led to our first quarter sales growing 19.6% year on year. This sales performance, together with the benefit of the cost actions we took to permanently reduce our operating costs by £16 million, has delivered year on year underlying operating profit growth of 45.2%. The Group's first quarter gross margin was up 0.5 percentage points incrementally over the fourth quarter to 40.8%, reflecting the continued value that our customers attribute to our proposition. This is the sixth consecutive quarter of gross margin improvement, as the higher margin characteristics of the EDE sector continue to improve our profitability and truly differentiate us in the high service industry. Our transformation to become a web-centric business continues to deliver operating efficiencies and, together with the benefit of cost actions taken, has resulted in the Group's first quarter underlying return on sales increasing to 11.0%. This was led by the improvement in the MDD's underlying return on sales, which increased 0.7 percentage points in the quarter to 12.0%, up 2.9 percentage points year on year. As we continue our strategic transformation we remain committed to leveraging the web to drive further efficiencies while continuing to embed our core strategy to increase our market share. To ensure we communicate our performance with clarity and consistency over the next three years we have revised our success metrics, which are outlined later in this statement.

The strength and success of our strategy has been a fundamental driver in our performance and key in our ability to grow our business profitably. During the quarter our EDE sales again outperformed our Maintenance, Repair and Operations (MRO) sales globally and we will continue to focus on the higher growth EDE sector, investing in our proposition as we become a provider of design engineering services and solutions integral to the EDE market. Sales from our developing markets accounted for 21.8% of Group sales, with first quarter sales in Eastern Europe achieving their highest ever level, delivering year on year sales growth of 75.6%. Greater China and India again delivered strong year on year growth of 112.8% and 74.0%, respectively, and in the near future we will further strengthen our proposition in APAC, evolving our brand as we enter the electronics markets in South Korea, Thailand and Taiwan. In the quarter eCommerce accounted for 44.0% of total MDD sales. In Europe the channel accounted for 59.3% of sales and exited the quarter accounting for over 60% of sales. The speed with which Europe has reached this milestone represents a significant achievement, with sales via the web having more than doubled since we began to transform our organisation just over three years ago. In APAC 53.8% of sales came via eCommerce channels and in North America web sales grew 63.0%, with eCommerce now accounting for 28.7% of sales. This level of penetration in North America represents a significant tipping point beyond which many of our businesses' transformation to the web has accelerated during the first three years of our strategy.

All of our businesses, excluding Akron Brass whose wider market continues to face challenges, delivered positive year on year sales growth. The positive trends seen in MDD Americas' sales in February continued throughout the quarter, with the division's first quarter sales growing 17.0%, representing an upward trend in sales per day for the last eleven months. At the start of the quarter we announced the appointment of Gert Labuschagne as the new President of Newark. With the completion of our North American branch restructuring and the launch of our US **element14** store, Gert and the strengthened management team at Newark will focus on accelerating Newark's strategic transformation, increasing the business' profitability and driving further market share gains. In APAC, our increasingly strong proposition continues to deliver significant growth, with first quarter sales up 50.9% year on year. In Europe the momentum seen in the previous quarter accelerated into the first quarter, where sales grew 26.2% year on year. Through understanding and acting upon the conversational swirls generated by customers on **element14** we have significantly increased our ability to identify when and where to invest in our product portfolio to better meet future customer needs. By investing in the right inventory at the right time we are able to fully support our customers' needs as design innovation increases, while also capitalising on opportunities within the electronics supply chain. This is further evidenced by our average order values, which saw an increasing trend during the quarter.

As highlighted in March, this year we will incur incremental revenue costs of circa £5.0 million as we continue to transform our business. The majority of this expenditure will be in the second half of the year. Of the £5.0 million, £3.0 million are one-off-costs which relate to the web positioning and branding of **element14,** and with our online community for design engineers now attracting up to 6,000 customers a day, the growing presence of **element14** within the EDE community is clear. Indeed the engagement level of customers working within the online community continues to rise, with the average time spent by each customer on the site growing 78.0% on the prior quarter, and with customers clicking through to our transactional websites at an average rate of 6.5%, the strength of social media marketing compared to other digital marketing activities remains clear. The increase in the number of customers working within **element14**, together with the launch of a new 'feel' browsing environment has led to the site increasing its Google Page Rank from 5 to 6 (the highest rank obtainable is 10), demonstrating the rapidly increasing relevance and engaging nature of this industry-leading community to our EDE market. Providing our customers with services beyond product is increasingly an integral part of our high service offering. During the quarter the freemium version of CadSoft's EAGLE Computer Added Design (CAD) software was downloaded in 43 different countries, with 80% of the customers who downloaded the software being new to Premier Farnell. In the quarter our MDD total active customer base increased by 5.9% and we remain committed to enhancing our proposition to attract new customers while continually strengthening our ability to meet our customers' needs. Our inventory selection and investment in new technologies is key to enhancing our proposition and during the quarter globally we added 13,500 new EDE products. Of these, 1,500 were also new to the market, as our suppliers increasingly look to partner with us when introducing new-to-market technologies into the EDE community. Through embracing our environmental responsibilities and embedding our Corporate Social Responsibility (CSR) programme right across our business we have built an organisation that can be trusted. We continue to lead our industry in this area and our recent achievement of scoring 96% in the Business in the Community (BiTC) Corporate Responsibility index saw us become one of only 4 FTSE250 companies and the only distributor supporting electronic design engineers to be awarded the Platinum level within the index.

Other Distribution Businesses
First quarter sales at CPC grew 8.2% year on year as the business continued to build on its strong performance seen throughout last year. CPCs investment in Search Engine Optimisation (SEO) improvements and effective high profile marketing initiatives has seen a year on year increase of 60.4% in the number of customer visits to its website, and its active customer base growing 20.2% year on year. For the quarter MCM delivered year on year sales growth of 0.9%, led by a continued focus on the web, where first quarter sales grew 4.4% year on year.

Industrial Products Division (IPD)
Sales at TPC grew 37.2% year on year. This strong sales growth has in part been driven by the business' continued execution of its strategy to target new product segments via the web, with first quarter web sales growing 37.5% sequentially on the prior quarter and sales from new product segments growing 34.1% year on year. Sales at Akron Brass declined 4.4% year on year. Despite the negative impact that reduced government spending has had on some of the end markets served by Akron, the business has continued to take market share, with the global fire apparatus market estimated to have declined 8.7%, based on the latest available data. In the quarter sales from new products accounted for 12.8% of sales, as the business remains committed to designing new products to differentiate its proposition. Akron continues to expand its reach globally and in the quarter it announced an international reorganisation that would allow the business to further penetrate developing markets in Asia, the Middle East and mainland Europe.

Updated Success Metrics
In 2006 we began a three year journey to transform our organisation through focusing on the EDE customer segment, driving sales via the web, internationalising our business model and driving profitable MRO growth. Over these three years we have tracked our transformation and the execution of our strategy through the same internal and external success metrics, which have been embedded across all of our businesses and aligned with our incentive and compensation plans. The next 1,000 days will see us continue to transform our business and execute our core strategy, while breathing new life into our proposition with the introduction of a number of new strategic initiatives.

The importance of our next 1,000 day journey is clear and it is critical that we ensure all of our success metrics are consistently communicated with transparency. Outlined below are our updated success metrics, based on how we envisage the shape of the business will change:

- We will continue to target **sales per day growth of 6%-8%**. This is a combination of the estimated 0%-3% growth in the global MRO market, being offset by our focus on the EDE market which is has an estimated growth rate of 6%-8%, and the higher growth developing international markets.

- Our gross margin stability is a clear differentiator in our industry and as we move forward we will continue to deliver a **stable gross margin**, reflecting the continued value that customers attribute to our proposition while also providing a key platform to deliver operational gearing.

- Increasing our profitability through the accelerated transformation of our business is at the forefront of focus and for the next phase of our strategy we have increased our target **return on sales to 12%-15%**.

- Our ongoing focus to drive further operational efficiencies in our business, together with the growing online trends in the way EDEs work, has led to us increasing the target for **MDD sales through eCommerce channels to 70%**.

- Growing our business in the world's developing markets will be critical to future success and as we increase our international footprint we have raised our goal to **30% of total sales** to come from the world's developing markets.

- A growing MDD active customer base is at the core of our ability to deliver on many of our business objectives. Therefore we have set a new target of a **6% per annum growth rate** in the MDD active customer base, defined as the number of customers who have transacted with us in the last 6 months.

- As a service business, our results are achieved through our people and having an actively engaged employee base is critical to success. To this end we will continue to target an annual employee engagement score that **exceeds the benchmark for high performing companies**.

- The global success of our **element14** community and the **element14** brand itself are both increasingly important to the future success of our business. As we move forward we have set a new target to achieve a **Google Page Rank score of 7** for the **element14** community, providing a clear and true reflection of the site's importance and relevance within the EDE sector.

- Each year we benchmark our CSR programme through the BiTC Corporate Responsibility index and, as we continue to enhance our CSR practices, we aim to achieve and **retain the highest (Platinum Plus)** level in the BiTC Corporate Responsibility index.

- We remain committed to increasing the effectiveness of investments in our operational assets and in recognition of this we will continue to target a **return on net operating assets of greater than 30%** for the Group.

- Over the next three years we remain committed to improving the profitability and cash flow performance of our business and we will continue to target a **free cash flow to sales ratio of 6%**.

- With our successful programmes to drive improved cash efficiency continuing to deliver benefits we have lowered our target **working capital to sales ratio to be less than 22%**.

Outlook
The very positive momentum in sales growth that we have seen in the first quarter has accelerated in all of our distribution businesses in May, with Group sales growing 29.7% year on year. The broader economic background is still somewhat variable and our business model inherently provides us with limited visibility. However, the strength of our strategy and the continuing transformation of our organisation are reflected in our updated success metrics. In the current year we remain confident that strategically and operationally our focus on execution will drive continuing year on year sales growth.

Financial Results

Revenue

Sales for the first quarter were £244.9 million (2009/10: £204.3 million or £204.8 million at constant exchange rates). Sales per day increased by 19.6%, reflecting a strong performance in all major MDD regions including the Americas which grew 17.0%. The average exchange rate for the US dollar against sterling was $1.53 (2009/10: $1.47) and the average exchange rate for the Euro against sterling was Euro 1.13 (2009/10: Euro 1.11).

Margins and Operating Profit

The gross margin for the first quarter was 40.8% (2009/10: 39.4% or 39.6% at constant exchange rates). This compares with 40.3% in the fourth quarter of the prior year reflecting continued stability as we manage our business effectively through changes in the economic climate.

Underlying net operating expenses in the quarter were 29.8% of sales compared with 30.8% in the prior year reflecting the impact of the increase in sales and the ongoing benefits arising from our cost reduction activities including prior year restructuring programmes.

Underlying operating profit was £27.0 million (2009/10: £17.5 million), producing an operating margin of 11.0% compared to 8.6% in the first quarter of the prior year and 10.5% in the fourth quarter reflecting the leverage from our increased sales, operating efficiencies as we transition to the web and benefits from our cost reduction programmes. Operational gearing, being the year on year increase in operating profit as a percentage of the increase in sales, all at constant exchange rates, was 20.9%. At constant exchange rates, the increase in underlying operating profit compared with the prior year was 45.2%.

Total operating profit for the quarter was £27.0 million (2009/10: £13.5 million) reflecting a year on year increase of 84.9% at constant exchange rates. There was a beneficial impact on operating profit of £1.1 million from the translation of overseas results compared with the prior year.

Foreign Currency Impact

A one cent movement in the exchange rate between the US dollar and sterling impacts the Group's operating profit by approximately £200,000 per annum, and a one cent movement in the exchange rate between the Euro and sterling impacts the Group's operating profit by approximately £200,000 per annum.

Finance Costs

Net finance costs in the first quarter were £4.8 million (2009/10: £4.5 million). This comprises net interest payable of £3.7 million (2009/10: £3.4 million), which was covered 7.3 times by underlying operating profit, and a net charge of £1.1 million (2009/10: £1.1 million) in respect of the Company's convertible preference shares.

Profit Before Tax

Underlying profit before tax in the first quarter was £22.2 million (2009/10: £13.0 million). Total profit before tax in the first quarter was £22.2 million (2009/10: £9.0 million).

Taxation Charge

The taxation charge for the quarter was at the estimated effective rate for the current financial year of 28.0% (2009/10: 29.0%) of profit before tax and preference dividends.

Return on Net Operating Assets

The return on net operating assets for the first quarter was 33.5% before restructuring costs (2009/10: 27.9% before restructuring costs), compared with our strategic target of 30%.

Earnings per Share

Underlying earnings per share were 4.4 pence (2009/10: 2.4 pence). Total earnings per share for the first quarter were 4.4 pence (2009/10: 1.7 pence).

Cash Flow and Net Financial Liabilities

Net cash generated from operations in the first quarter was £21.6 million (2009/10: £24.5 million) or £22.0 million excluding the cash impact of 2009/10 restructuring costs (2009/10: £26.0 million), representing 80.0% of operating profit or 81.5% excluding the impact of restructuring costs, which is consistent with our normal first quarter seasonal trend. Working capital increased by £9.6 million reflecting targeted inventory investment and a higher level of receivables in line with the increase in sales. Our working capital to sales ratio in the quarter was 25.7%. Free cash flow for the quarter, being cash generated from continuing operations less net capital expenditure, interest, preference dividends and tax, was £14.4 million, or £14.8 million excluding the cash impact of 2009/10 restructuring costs, (2009/10: £21.6 million or £23.1 million excluding restructuring). Our free cash flow to sales ratio in the quarter was 6.0%.

Net financial liabilities at the end of the first quarter were £255.0 million (31 January 2010: £264.2 million), including £60.4 million (31 January 2010: £60.2 million) attributable to the Company's preference shares. The impact of exchange rates in the period was to increase net financial liabilities by £6.1 million, principally in relation to our US$ denominated private placement loan notes.

Financial Position

Premier Farnell's financial position remains robust with good liquidity and strong free cash flow. At the quarter end the Group's syndicate bank facilities totalled £170 million of which £150 million expires in January 2013, and £20 million in May 2012. Based on these facilities, our headroom on bank borrowings at the quarter end was £78.3 million which, together with our net cash position of £46.2 million, gives us a healthy funding position.

In addition to the above facilities, on 3 June 2010 the Group entered into an agreement to extend and increase its above noted £20 million revolving credit facility due May 2012 to £35 million and to extend the expiry date to January 2013. Also, on 31 March 2010 the Group entered into a $75 million US Private Placement Shelf Facility. This agreement allows loan notes with an expiry period of up to 10 years to be issued in the period up to 31 March 2012.

The Group will repay its $66 million US Private Placement notes as they fall due on 13 June 2010 out of its existing facilities.

Operations

Marketing and Distribution Division (MDD)

(Newark and Farnell businesses including Premier Electronics, CPC and MCM)

	Q1 10/11 £m	Q1 09/10 £m	*Q1 growth*
Revenue	**224.5**	183.7	21.3%
Underlying operating profit*	**27.0**	16.7	50.8%
Underlying operating margin %	**12.0%**	9.1%	

* excluding restructuring costs in 2009/10 of £4.0 million

Sales for the MDD Division grew 21.3% in the quarter, with the strength of our strategic proposition enabling us to capitalise on heightened activity levels in the electronics supply chain, as we focus on the EDE sector, the web and the internationalisation of our business. The Americas, Europe and Asia Pacific regions all saw strong sales growth and our key emerging markets, Greater China, India and Eastern Europe, saw a combined sales growth of 90.7% as we continue to strengthen our proposition in these territories. This quarter has continued to see a significant improvement in the electronic component industry statistics. The Semiconductor Industry Association (SIA) themselves cited the improvements in their statistics across the globe to be largely driven by the high volume demand in 3G wireless communications and weaker comparatives. Record sales growth recently reported in the volume electronic component industry signifies the continuing increase in volume purchasing activities across the globe, furthering supporting the SIA's comment. This acceleration of volume electronic component sales also influences the growth in Association of Franchised Distributors of Electronic Components (AFDEC) and Distributors and Manufacturers Association of Semiconductors (DMASS) statistics, which both take into account the performance of large volume distributor's in their respective regions.

The underlying operating margin improved to 12.0% reflecting the leverage from the increase in sales, the efficiencies from our continued transition to the web, and the benefits from our restructuring actions undertaken in the prior year in the Americas and Europe. Underlying operating profit increased by 50.8% on the first quarter in the prior year. Our ongoing web transformation resulted in web sales for the Division growing 43.5% in the quarter and total ecommerce sales being 44.0% of total sales, with Europe exiting the quarter at 60%, well on the way to achieving the new 1,000 days strategic target of 70%.

MDD Americas
(Newark)

	Q1 10/11 £m	Q1 09/10 £m	*Q1 growth*
Revenue	**96.3**	83.7	17.0%
Underlying operating profit*	**6.2**	2.9	121.4%
Underlying operating margin %	**6.4%**	3.5%	

* excluding restructuring costs in 2009/10 of £1.1 million

Newark's sales have continued the upward trend seen since the low point of our second quarter last year, with sales increasing 26.6% over that period. Sales in the first quarter grew 17.0% year on year, as the business' strategic transformation continues to accelerate following its branch restructuring last year and the launch of its US **element14** store. Our EDE sales performance accelerated further as we continue to drive the business mix towards this strategic segment. The SIA reported North American year on year sales growth of 48.9% for the equivalent period. Our focus towards the profitable and higher growth MRO market segments has also contributed to Newark's first quarter sales performance and combined with our continued drive towards the higher margin EDE sector the business has seen a significant year on year increase in its first quarter gross margin.

We continue to leverage our industry leading website and new branch structure to attract new customers and support the transition of our existing customers to our content rich web environments. This focus, together with the recent launch of our US element14 store has driven year on year growth of 7.8% in the number of new EDE customers in the region and first quarter year on year web sales growth of 63.0%, with Newark's proportion of sales via eCommerce channels increasing to 28.7%.

First quarter underlying operating profit increased by 121.4% and underlying operating margin increased to 6.4%, the third consecutive quarter of sequential improvement.

MDD Europe and Asia Pacific
(Farnell and Premier Electronics)

	Q1 10/11 £m	Q1 09/10 £m	*Q1 growth*
Revenue	**104.5**	77.4	29.6%
Underlying operating profit*	**18.6**	11.5	45.3%
Underlying operating margin %	**17.8%**	14.9%	

*excluding restructuring costs in 2009/10 of £2.9 million

Sales in the first quarter grew 29.6%, with sequential growth of 15.5% over the fourth quarter last year, reflecting the strength of our embedded strategic focus on the EDE sector in this region, together with the continuing rapid growth in our international regions, driven by our industry leading web proposition. Underlying operating margin improved to 17.8% compared to 14.9% in the first quarter last year, reflecting the leverage from the increase in sales, and cost benefits from both the increasing transition to the web and prior year restructuring actions. As a consequence, underlying operating profit increased 45.3% on the prior year.

Our web transformation continues in MDD Europe and Asia Pacific with the division's web sales growing 43.0% in the quarter and eCommerce sales now accounting for 59.3% of total sales in Europe, and achieving over 60% in April, and 53.8% in Asia Pacific.

Revenue by region	**Q1 10/11 £m**	Q1 09/10 £m	*Q1 growth*
UK (including exports)	**35.0**	27.9	25.2%
Mainland Europe	**53.5**	39.8	27.4%
Asia Pacific	**16.0**	9.7	50.9%

Sales for Farnell Europe, including the UK, grew 26.2% in the quarter, with all major regions reporting strong positive growth. This compares to the European market which grew 33.2% for the calendar first quarter, according to the DMASS. First quarter sales in Eastern Europe grew 75.6% year on year as the significant opportunities for growth in the region continue to be exploited, particularly in Poland and Romania. We continue to enhance our presence in the region with customer registrations at key exhibitions in Warsaw and Prague more than doubling on last year.

Farnell UK's first quarter sales grew 18.1%, compared with the UK market which according to the most recent data from AFDEC grew 21.2% excluding Farnell, for the equivalent period.

The strength of our strategic drive in the Asia Pacific region is clear with growth in the quarter of over 50%. This compares to the wider APAC market where the SIA reported sales had grown 55.1% year on year, for the equivalent period. In Greater China and India we are continuing to deliver significant growth with strategic investments and a focussed approach delivering a strong EDE and web offering. During the quarter we saw sales growth of 112.8% and 74.0% in Greater China and India, respectively. Our expansion in this region will continue as we enter the market in South Korea, Thailand and Taiwan in the next quarter.

Other Distribution Businesses
(CPC and MCM)

	Q1 10/11 £m	Q1 09/10 £m	*Q1 growth*
Revenue	**23.7**	22.6	6.2%
Underlying operating profit	**2.2**	2.3	-4.3%
Underlying operating margin %	**9.3%**	10.2%	

CPC has continued the strong performance it achieved last year with first quarter sales growth of 8.2% despite the highly competitive and difficult UK market. This quarter saw the launch of its 2010 catalogue with an extensive range of over 100,000 products, including 15,000 new product additions. CPC's impressive performance continued to reflect the success of its marketing strategy together with improvements in search engine optimisation with website visits increasing by over 60% and web sales growing by 19.7% in the quarter. These activities have resulted in a 20.2% increase in CPC's active customer base.

MCM sales grew 0.9% in the first quarter. Whilst market conditions showed some sign of improvement, the impact of the North American economic environment continued to be challenging, particularly on the business' larger National Account customers. As a consequence, the business is implementing a strategy to reduce dependency on such accounts, through increased marketing investment, an increase in the outbound sales team and the introduction of new products, which represented 24.0% of total sales for the quarter.

Industrial Products Division (IPD)

(Akron Brass and TPC Wire & Cable)

	Q1 10/11 £m	Q1 09/10 £m	*Q1 growth*
Revenue	**20.4**	20.6	3.0%
Underlying operating profit	**3.2**	3.2	3.2%
Underlying operating margin %	**15.7%**	15.5%	

TPC Wire & Cable

TPC's first quarter sales grew an impressive 37.2% reflecting the success of its restructuring last year, designed to develop a multi-channel focus across a number of specific and new market segments. The focus by the management team on opportunities for growth, and decreased reliance now placed on its traditional markets, including automotive and steel, has helped drive this strong performance despite the general market conditions. New product segments grew 34.1% year on year and include oil and gas, government, mining, food, crane and utilities.

Akron Brass

Sales at Akron Brass declined 4.4% in the quarter reflecting tighter controls around government spending which impacted some of the end markets served by Akron. This impact was partially mitigated by new product development, with new products representing 12.8% of sales in the quarter, and by the reorganisation of Akron's international business in order to further penetrate into overseas markets including Asia and the Middle East.

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

Condensed Consolidated Income Statement

For the first quarter ended 2nd May 2010

	Notes	**2010/11 First quarter unaudited £m**	2009/10 First quarter unaudited £m	2009/10 Full year audited £m
Continuing operations				
Revenue	2	**244.9**	204.3	795.3
Cost of sales		**(144.9)**	(123.8)	(478.9)
Gross profit		**100.0**	80.5	316.4
Net operating expenses				
- before restructuring costs and pension changes		**(73.0)**	(63.0)	(243.7)
- restructuring costs	3	**-**	(4.0)	(7.6)
- net one-off income from pension changes	3	**-**	-	6.3
Total net operating expenses		**(73.0)**	(67.0)	(245.0)
Operating profit				
- before restructuring costs and pension changes		**27.0**	17.5	72.7
- restructuring costs	3	**-**	(4.0)	(7.6)
- net one-off income from pension changes	3	**-**	-	6.3
Total operating profit	2	**27.0**	13.5	71.4
Finance income (interest receivable)		**-**	0.1	0.5
Finance costs				
- interest payable		***(3.7)***	*(3.5)*	*(14.1)*
- preference dividends		***(0.9)***	*(0.9)*	*(3.5)*
- premium on redemption of preference shares		***(0.2)***	*(0.2)*	*(0.8)*
Total finance costs		**(4.8)**	(4.6)	(18.4)
Profit before taxation	3	**22.2**	9.0	53.5
Taxation	4	**(6.5)**	(2.9)	(16.0)
Profit for the period (attributable to ordinary shareholders)		**15.7**	6.1	37.5
Earnings per share	5			
Basic		**4.4p**	1.7p	10.4p
Diluted		**4.3p**	1.7p	10.3p
Ordinary dividends				
Interim - proposed				4.2p
Final - proposed				5.2p
Paid				9.4p
Impact on shareholders' funds (£m)				34.0

Condensed Consolidated Statement of Comprehensive Income

For the first quarter ended 2nd May 2010

	2010/11 First quarter unaudited £m	2009/10 First quarter unaudited £m	2009/10 Full year audited £m
Profit for the period	**15.7**	6.1	37.5
Net exchange adjustments	**1.9**	(0.1)	1.1
Actuarial losses on pensions and other post-retirement obligations	**-**	-	(12.2)
Deferred tax credit on actuarial losses	**-**	-	4.1
Net fair value (losses)/gains on cash flow hedges	**(0.2)**	1.9	4.1
Other comprehensive income for the period	**1.7**	1.8	(2.9)
Total comprehensive income for the period (attributable to ordinary shareholders)	**17.4**	7.9	34.6

The accompanying notes form an integral part of this unaudited condensed consolidated financial information.

Condensed Consolidated Balance Sheet

As at 2nd May 2010

	Notes	**2nd May 2010 unaudited £m**	3rd May 2009 unaudited £m	31st January 2010 audited £m
ASSETS				
Non-current assets				
Goodwill		**35.1**	32.3	34.8
Other intangible assets		**24.5**	24.7	24.2
Property, plant and equipment		**52.4**	54.8	53.4
Deferred tax assets		**12.2**	5.0	12.2
Total non-current assets		**124.2**	116.8	124.6
Current assets				
Inventories		**187.3**	185.1	175.2
Financial assets	6	**0.3**	-	1.1
Trade and other receivables		**145.0**	119.7	126.7
Cash and cash equivalents	6	**46.2**	30.3	26.6
Total current assets		**378.8**	335.1	329.6
LIABILITIES				
Current liabilities				
Financial liabilities	6	**(43.2)**	(2.4)	(43.1)
Trade and other payables		**(117.6)**	(88.7)	(101.6)
Current tax payable		**(30.4)**	(22.3)	(27.4)
Total current liabilities		**(191.2)**	(113.4)	(172.1)
Net current assets		**187.6**	221.7	157.5
Non-current liabilities				
Financial liabilities	6	**(258.3)**	(294.8)	(248.8)
Retirement and other post-employment benefits		**(38.8)**	(35.1)	(38.8)
Deferred tax liabilities		**(3.1)**	(6.0)	(3.0)
Total non-current liabilities		**(300.2)**	(335.9)	(290.6)
NET ASSETS/(LIABILITIES)		**11.6**	2.6	(8.5)
EQUITY				
Ordinary shares		**18.3**	18.3	18.3
Equity element of preference shares		**10.4**	10.4	10.4
Share premium		**26.1**	23.8	24.2
Capital redemption reserve		**4.4**	4.4	4.4
Hedging reserve		**0.2**	(1.8)	0.4
Cumulative translation reserve		**18.3**	15.2	16.4
Retained earnings		**(66.1)**	(67.7)	(82.6)
TOTAL EQUITY		**11.6**	2.6	(8.5)

Condensed Consolidated Statement of changes in Equity

For the first quarter ended 2nd May 2010

	2010/11 First quarter unaudited £m	2009/10 First quarter unaudited £m	2009/10 Full year audited £m
Total equity at beginning of period	**(8.5)**	(5.6)	(5.6)
Profit for the period	**15.7**	6.1	37.5
Other comprehensive expense	**1.7**	1.8	(2.9)
Total comprehensive income	**17.4**	7.9	34.6
Transactions with owners:			
Ordinary dividends paid	**-**	-	(34.0)
Ordinary shares issued	**1.9**	-	0.4
Purchase of ordinary shares	**-**	-	(5.0)
Share-based payments	**0.8**	0.3	1.1
Total transactions with owners	**2.7**	0.3	(37.5)
Total equity at end of period	**11.6**	2.6	(8.5)

The accompanying notes form an integral part of this unaudited condensed consolidated financial information.

Condensed Consolidated Statement of Cash Flows

For the first quarter ended 2nd May 2010

	Notes	2010/11 First quarter unaudited £m	2009/10 First quarter unaudited £m	2009/10 Full year audited £m
Cash flows from operating activities				
Operating profit		**27.0**	13.5	71.4
Restructuring/pension changes:				
- net income statement impact		**-**	4.0	1.3
- cash impact		**(0.4)**	(1.5)	(7.1)
Net (cash)/non-cash impact of restructuring/pension changes		**(0.4)**	2.5	(5.8)
Depreciation and amortisation		**4.7**	5.0	19.5
Changes in working capital		**(9.6)**	3.1	12.8
Additional funding for post retirement defined benefit plans		**(1.3)**	(0.5)	(2.9)
Other non-cash movements		**1.2**	0.9	3.3
Total cash generated from operations		**21.6**	24.5	98.3
Interest received		**-**	0.1	0.5
Interest paid		**(1.3)**	(1.1)	(12.5)
Dividends paid on preference shares		**-**	-	(3.5)
Taxation paid		**(3.5)**	0.6	(11.6)
Net cash generated from operating activities		**16.8**	24.1	71.2
Cash flows from investing activities				
Acquisition of business		**-**	-	(6.2)
Proceeds from sale of property, plant and equipment		**-**	-	0.1
Purchase of property, plant and equipment		**(0.7)**	(1.0)	(5.5)
Purchase of intangible assets (computer software)		**(1.7)**	(1.5)	(6.5)
Net cash used in investing activities		**(2.4)**	(2.5)	(18.1)
Cash flows from financing activities				
Issue of ordinary shares		**1.9**	-	0.4
Purchase of ordinary shares		**-**	-	(5.0)
New bank loans		**4.0**	128.1	144.1
Repayment of bank loans		**-**	(158.7)	(169.8)
Dividends paid to ordinary shareholders		**-**	-	(34.0)
Net cash generated from/(used in) financing activities		**5.9**	(30.6)	(64.3)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**20.3**	(9.0)	(11.2)
Cash, cash equivalents and bank overdrafts at beginning of period		**25.4**	39.0	39.0
Exchange gains/(losses)		**0.5**	0.3	(2.4)
Cash, cash equivalents and bank overdrafts at end of period		**46.2**	30.3	25.4
Reconciliation of net financial liabilities				
Net financial liabilities at beginning of year		**(264.2)**	(295.9)	(295.9)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**20.3**	(9.0)	(11.2)
(Increase)/decrease in debt		**(4.0)**	30.6	25.7
Premium on redemption of preference shares		**(0.2)**	(0.2)	(0.8)
Derivative financial instruments		**(0.3)**	2.1	5.0
Amortisation of arrangement fees		**(0.5)**	(0.3)	(1.7)
Exchange movement		**(6.1)**	5.8	14.7
Net financial liabilities at end of year	6	**(255.0)**	(266.9)	(264.2)

The accompanying notes form an integral part of this unaudited condensed consolidated financial information.

Notes

1 Basis of preparation

The unaudited condensed consolidated financial information in this report has been prepared based on International Financial Reporting Standards (IFRSs), as adopted by the European Union, and applying the accounting policies disclosed in the Group's 2010 Annual Report and Accounts on pages 92 to 96, except as described below.

There are no new standards or amendments to standards which are mandatory for the first time in the current financial year which would have a significant impact on the Group other than IFRS 3 (revised), Business Combinations, which will impact the accounting of future business acquisitions.

This condensed consolidated financial information does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the financial year ended 31st January 2010, have been delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985. Copies of the Company's 2010 Annual Report and Accounts are available from Premier Farnell plc, 150 Armley Road, Leeds, LS12 2QQ, England, or from the Company's website at www.premierfarnell.com.

2 Segment information

	2010/11 First quarter (unaudited)			2009/2010 First quarter (unaudited)		
	Before restructuring costs £m	**Restructuring costs £m**	**After restructuring costs £m**	Before restructuring costs £m	Restructuring costs £m	After restructuring costs £m
Revenue						
Marketing and Distribution Division						
Americas	**96.3**	**-**	**96.3**	83.7	-	83.7
Europe and Asia Pacific	**104.5**	**-**	**104.5**	77.4	-	77.4
Other Distribution Businesses	**23.7**	**-**	**23.7**	22.6	-	22.6
Total Marketing and Distribution Division	**224.5**	**-**	**224.5**	183.7	-	183.7
Industrial Products Division	**20.4**	**-**	**20.4**	20.6	-	20.6
	244.9	**-**	**244.9**	204.3	-	204.3
Operating profit						
Marketing and Distribution Division						
Americas	**6.2**	**-**	**6.2**	2.9	(1.1)	1.8
Europe and Asia Pacific	**18.6**	**-**	**18.6**	11.5	(2.9)	8.6
Other Distribution Businesses	**2.2**	**-**	**2.2**	2.3	-	2.3
Total Marketing and Distribution Division	**27.0**	**-**	**27.0**	16.7	(4.0)	12.7
Industrial Products Division	**3.2**	**-**	**3.2**	3.2	-	3.2
Head Office costs	**(3.2)**	**-**	**(3.2)**	(2.4)	-	(2.4)
	27.0	**-**	**27.0**	17.5	(4.0)	13.5

	2009/10 Full year (audited)		
	Before restructuring costs/pension changes £m	Restructuring costs/pension changes £m	After restructuring costs/pension changes £m
Revenue			
Marketing and Distribution Division			
Americas	310.0	-	310.0
Europe and Asia Pacific	317.0	-	317.0
Other Distribution Businesses	91.4	-	91.4
Total Marketing and Distribution Division	718.4	-	718.4
Industrial Products Division	76.9	-	76.9
	795.3	-	795.3
Operating profit			
Marketing and Distribution Division			
Americas	12.3	0.3	12.6
Europe and Asia Pacific	48.5	(2.9)	45.6
Other Distribution Businesses	9.0	0.3	9.3
Total Marketing and Distribution Division	69.8	(2.3)	67.5
Industrial Products Division	13.6	1.0	14.6
Head Office costs	(10.7)	-	(10.7)
	72.7	(1.3)	71.4

The segments shown above are the segments for which summary management account information is presented to the Board which is deemed to be the Group's chief operating decision maker.

3 Profit before taxation

Profit before taxation is stated after the following:

	2010/11 First quarter unaudited £m	2009/10 First quarter unaudited £m	2009/10 Full year audited £m
One-off (charges)/credits:			
- restructuring costs	**-**	(4.0)	(7.6)
- net one-off income from pension changes	**-**	-	6.3
	-	(4.0)	(1.3)
Charge for share-based payments	**(0.8)**	(0.3)	(1.1)
Charge for defined benefit pension schemes	**(0.5)**	(1.2)	(3.2)

Due to their significance, restructuring costs and the net one-off income from pension changes are disclosed separately on the face of the income statement.

4 Taxation

The taxation charge represents an effective tax rate for the full year on profit before tax and preference dividends of 28.0% (2009/10: 29.0%).

5 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period, excluding those shares held by the Premier Farnell Executive Trust. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume issue of all dilutive potential ordinary shares, being those share options and awards with a non-market based performance condition granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period, and those shares with a market based performance condition based on the current estimate of the number of shares that will vest under the performance criteria.

Reconciliations of earnings and the weighted average number of ordinary shares used in the calculations are set out below.

	2010/11 First quarter (unaudited)			2009/10 First quarter (unaudited)		
	Earnings £m	**Basic per share amount pence**	**Diluted per share amount pence**	Earnings £m	Basic per share amount pence	Diluted per share amount pence
Earnings per share						
Profit attributable to ordinary shareholders	**15.7**	**4.4**	**4.3**	6.1	1.7	1.7
Restructuring costs	**-**	**-**	**-**	4.0	1.1	1.1
Tax attributable to restructuring costs	**-**	**-**	**-**	(1.3)	(0.4)	(0.4)
Profit attributable to ordinary shareholders before gain on purchase of preference shares, restructuring costs and the net one-off income from pension changes	**15.7**	**4.4**	**4.3**	8.8	2.4	2.4

	Number	Number
Weighted average number of shares	**359,911,448**	362,443,906
Dilutive effect of share options	**4,090,231**	2,623,803
Diluted weighted average number of shares	**364,001,679**	365,067,709

	2009/10 Full Year (audited)		
	Earnings £m	Basic per share amount pence	Diluted per share amount pence
Earnings per share			
Profit attributable to ordinary shareholders	37.5	10.4	10.3
Restructuring costs	7.6	2.1	2.1
Tax attributable to restructuring costs	(2.5)	(0.7)	(0.7)
Net one-off income from pension changes	(6.3)	(1.8)	(1.8)
Tax attributable to net one-off income from pension changes	2.4	0.7	0.7
Profit attributable to ordinary shareholders before gain on purchase of preference shares, restructuring costs and the net one-off income from pension changes	38.7	10.7	10.6

	Number
Weighted average number of shares	360,456,270
Dilutive effect of share options	2,947,102
Diluted weighted average number of shares	363,403,372

Earnings per share before the gain on purchase of preference shares and excluding restructuring costs and the net one-off income from pension changes have been provided in order to facilitate year on year comparison.

6 Net financial liabilities

	2nd May 2010 unaudited £m	3rd May 2009 unaudited £m	31st January 2010 audited £m
Cash and cash equivalents	**46.2**	30.3	26.6
Unsecured loans and overdrafts	**(241.1)**	(235.3)	(231.2)
Net financial liabilities before preference shares and derivatives	**(194.9)**	(205.0)	(204.6)
Preference shares	**(60.4)**	(59.6)	(60.2)
Derivative financial instruments (net)	**0.3**	(2.3)	0.6
Net financial liabilities	**(255.0)**	(266.9)	(264.2)

Net financial liabilities are analysed in the balance sheet as follows:

	2nd May 2010 unaudited £m	3rd May 2009 unaudited £m	31st January 2010 audited £m
Current assets			
Cash and cash equivalents	**46.2**	30.3	26.6
Derivative financial instruments	**0.3**	-	1.1
	46.5	30.3	27.7
Current liabilities			
Bank overdrafts	**-**	-	(1.2)
5.3% US dollar Guaranteed Senior Notes payable 2011	**(43.1)**	-	(41.3)
Other loans	**(0.1)**	(0.1)	(0.1)
Derivative financial instruments	**-**	(2.3)	(0.5)
	(43.2)	(2.4)	(43.1)
Non-current liabilities			
Bank loans	**(89.5)**	(79.3)	(85.2)
5.3% US dollar Guaranteed Senior Notes payable 2011	**-**	(44.3)	-
5.9% US dollar Guaranteed Senior Notes payable 2013	**(103.9)**	(106.7)	(99.4)
Other loans	**(4.5)**	(4.9)	(4.0)
Preference shares	**(60.4)**	(59.6)	(60.2)
	(258.3)	(294.8)	(248.8)

At 2nd May 2010, the Group's syndicate bank facilities totalled £170 million of which £150 million expires in January 2013, and £20 million in May 2012. Based on these facilities, the headroom on bank borrowings at the quarter end was £78.3 million. In addition to these facilities, on 3rd June 2010 the Group entered into an agreement to extend and increase the existing £20m facility due May 2012 to £35 million and to extend the expiry date to January 2013. Also, on 31 March 2010 the Group entered into a $75 million US Private Placement Shelf Facility. This agreement allows loan notes with an expiry period of the up to 10 years to be issued in the period up to 31 March 2012.

7 Exchange rates

The principal average exchange rates used to translate the Group's overseas profits were as follows:

	2010/11 First quarter	2009/10 First quarter	2009/10 Full year
US dollar	**1.53**	1.47	1.59
Euro	**1.13**	1.11	1.13