

**Results for the Second Quarter and Half Year ended 2 August 2009
of the Financial Year ending 31 January 2010**

Key Financials £m Continuing operations (Unaudited)	Q2 09/10 £m	Q2 08/9 £m	Q2 growth	H1 09/10 £m	H1 08/9 £m	H1 growth
Revenue	183.7	195.8	-17% ^(a)	388.0	395.1	-16% ^(a)
Underlying operating profit ^(b)	15.1	22.0	-40% ^(a)	32.6	46.2	-41% ^(a)
Total operating profit	20.6	22.0	-18% ^(a)	34.1	46.2	-38% ^(a)
Underlying profit before tax ^(c)	10.7	18.1	-41%	23.7	38.5	-38%
Total profit before taxation	16.2	18.1	-10%	25.2	42.1	-40%
Underlying earnings per share ^(c)	2.2p	3.5p	-37%	4.6p	7.4p	-38%
Basic earnings per share	3.1p	3.5p	-11%	4.8p	8.4p	-43%
Interim ordinary dividend per share	4.2p	4.2p	-	4.2p	4.2p	-
Free cash flow ^(e)	16.5	10.1	63%	39.6	24.9	59%

Financial Key Points

- The rate of sales decline has abated in MDD Europe and Asia Pacific, despite market conditions having shown little improvement, reflecting the strength of our strategic proposition.
- North America continues to reflect the decline seen in the broader MRO markets. However, EDE sales outperformed MRO in the quarter, with 30% of sales now coming from the EDE segment, up significantly on the minimal level seen 2 ½ years ago, and our absolute sales per day improved throughout the second quarter as our restructuring remains on track.
- Gross margin remains stable at 39.6% in the second quarter, up from 39.4% in the first quarter, supported by the higher margin characteristics of EDE sales and improving sales via the web.
- Strong cash performance with second quarter operating cash flow conversion of 189%, excluding restructuring costs, as working capital is effectively managed. Net financial liabilities reduced by £37 million in first half, including a £20 million benefit from exchange rates
- The board has approved an interim dividend at 4.2 pence per share, unchanged from the prior year.

Strategic Highlights

- Clear validation of our strategy as we have outperformed our markets and taken market share in Europe and Asia Pacific, both regions where we have a high proportion of EDE sales and sales via the web.
- Quarter on quarter sales improved in the majority of our businesses, reflecting the benefit of our ongoing investments.
- We are investing in our inventory and product portfolio as we look to position ourselves to benefit from the recalibration of the electronics supply chain.
- Our global web environment continues to be our customers' channel of choice, with web sales in our distribution businesses growing 5% year on year. Farnell Europe is now achieving 55% of total sales via eCommerce channels.
- Our developing international markets continue to perform strongly. Sales in Eastern Europe grew 39% in the second quarter, with sales in India and Greater China up 99% and 5%, respectively.
- **element14**, our innovative design engineering community, has surpassed significant benchmarks set before its launch, attracting over 6,000 new customers. **element14** has been selected by Google to partner as an early developer of the GoogleWave software.

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

“The rate of our revenue decline has abated in Europe and Asia Pacific and we have continued to outperform the markets and take market share in these regions. Revenue performance in our North American business continues to reflect the decline seen in the broader US MRO market. However absolute sales per day for this business improved throughout the second quarter, a trend which has continued into August as we accelerate our EDE drive and our US transformation continues at pace.

“With innovation driving a leapfrog in new technologies, the investments we are making in our inventory and product portfolio, multi-channel capabilities and technical support services, position us well to capitalise on the advantages and opportunities in our markets while supporting a recalibration of the electronics supply chain.

“Group sales growth in August has shown an improvement on the performance reported in the first and second quarters of this year. With the clear validation of our strategy, another quarter of gross margin stability and our commitment to investing in our strategic priorities, the Board remains confident, that as a focused and agile organisation, the Group is well positioned for the opportunities that we face.”

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Premier Farnell’s announcements and presentations are published at www.premierfarnell.com together with business information, the 2009 Annual Report and Accounts, and links to all other Group web sites, including **element14** our new community website for electronic design engineers.

The results for the third quarter of the financial year ending 31 January 2010 will be announced on 10 December 2009.

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 excludes restructuring costs of £4.8 million incurred in the first half (Q1: £4.0 million, Q2: £0.8 million) (2008/9: £nil) and the one-off non cash gain arising in the second quarter of £6.3 million from the reorganisation of the Group’s North American pension plans (2008/9: £nil).
- (c) Underlying profit before taxation and earnings per share excludes restructuring costs of £4.8 million incurred in the first half (2008/9: £nil), the one-off gain arising in the second quarter of £6.3 million from the reorganisation of the Group’s North American pension plans (2008/9: £nil), and excludes gains on the purchase and cancellation of preference shares in the first half of £nil (2008/9 H1: £3.6 million in the first quarter).
- (d) With effect from 2 February 2009, the Group has adopted IFRS 8, Operating Segments. This has not affected the financial results of the Group, but has resulted in a change to the Group’s segmental disclosures. The previous two divisions within the Marketing and Distribution Division have been split into three distribution divisions within MDD with CPC (previously in MDD Europe and Asia Pacific) and MCM (previously in MDD Americas) now both categorised in the Other Distribution Division. Comparatives have been re-presented accordingly.
- (e) 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.
- (f) All results relate to continuing operations.

Premier Farnell plc

SECOND QUARTER STATEMENT Results for the Second Quarter and Half Year ended 2 August 2009 of the Financial Year ending 31 January 2010

Premier Farnell, the leading multi-channel, high service distributor supporting millions of engineers and purchasing professionals globally, announces its results for the second quarter and half year ended 2 August 2009.

Chief Executive's Operational Overview

Our second quarter performance continues to demonstrate the strength and growth opportunity inherent in our strategy as Electronic Design Engineering (EDE) sales outperformed Maintenance, Repair and Operations (MRO) sales in all regions during the period. The web, our customers' channel of choice, continues to evolve and attract new customers. Our developing international markets - China, India and Eastern Europe – have again delivered strong sales growth reflecting the high growth potential in these geographies, as well as the success of our significant investment programme in support of these regions and their high proportion of EDE customers. The strength of our strategy is clear, reflected in both the market share gains and the financial performance of those businesses where our strategy is embedded.

Revenue decline in Europe and APAC abated during the quarter and in APAC, Farnell Europe including the UK, CPC, Brazil and our IPD division, we saw an improvement in year on year sales performance when compared to the first quarter. Group revenue continues to be affected by our North American MDD business performance. In North America, although our performance was in line with the decline in the broader US MRO markets, we are encouraged that Newark's sales per day grew throughout the quarter particularly in the higher margin EDE customer segment a trend which has continued into August. In addition, our average order values in Newark have shown an improving trend through the quarter as the business, driven by Laurence Bain, our Chief Operating Officer, and the senior management team in North America continues to leverage the benefits of our strategy and increased capabilities. Our second quarter average order values in Europe have remained in line with the first quarter and this levelling out is indicative of a reduction in destocking activities in the electronics supply chain. We are investing in our inventory and product portfolio as we position ourselves to benefit from the opportunities afforded by a recalibration of the electronics supply chain. Our overall year on year sales growth in August has shown an improvement on the performance reported in the first and second quarters of this year, despite the summer shutdowns in Europe.

Group revenue for the second quarter was down 16.7% when compared with the second quarter of last year, with our market conditions not yet reflecting the upturn that has recently been noted in wider economies. Sales per day in our MDD business declined 17.0%, with the improvement we have seen in our performance in MDD Europe and Asia Pacific partly offsetting the revenue decline seen in our North American business, caused by its greater exposure to the MRO markets; a fundamental element of our strategic transformation that is being addressed. Underlying operating profit was down 40.1% year on year, at constant exchange rates, an improvement on the first quarter decline of 40.9%, as our incremental gross margin improvement and the benefit of our cost actions have helped to mitigate the impact of our second quarter sales decline on our operating profit.

Regionally our performance reflects the progress we have made on our strategic journey. The improvement seen in our Farnell Europe and APAC sales performance, both regions where we have a high proportion of EDE sales and sales via the web, has led to the outperformance of the markets in these regions. Second quarter revenue in Farnell Europe, the geography where our transformation is most progressed, declined 10.7% year on year including the UK, an improvement on the first quarter decline. This represents a significant outperformance when compared to the European markets, where the Distributors and Manufacturers Association of Semiconductors (DMASS) reported a calendar second quarter sales decline of 32.6%.

Farnell UK sales were down 10.0% for the second quarter, a considerable outperformance of the UK market which continued to decline, with the Association of Franchised Distributors of Electronic Components (AFDEC) reporting a sales decline of 18.5% for the equivalent period, excluding Farnell. Sales in APAC declined 3.8% in the second quarter, a marked improvement on the 8.5% decline seen in the first quarter and an outperformance of the markets which declined 15.9% for the equivalent period, as reported by the Semiconductor Industry Association (SIA). In Newark, EDE sales outperformed MRO, with 30% of sales now coming from the faster growing EDE segment which is a significant improvement on the level seen at the start of our strategy. However Newark's overall sales were down 26.5% which is in line with the decline in the broader US MRO market and is reflective of the business' greater exposure to the MRO markets. The SIA, which is indicative of the EDE market, reported a North American decline of 8.0% for the equivalent period. Under new leadership Newark is now well placed to capitalise on the opportunities created by our more agile structure and the shifting market conditions in the region. As we accelerated our transformation in North America, during the quarter we closed a further five branches in our North American business (one-off cost of £0.8 million recognised in the second quarter bringing the first half one-off restructuring costs to £4.8 million, including our European rationalisation). We have continued to invest in our leading edge contact centre and customers continue to transition to the web as we drive the acceleration of our strategic priorities.

We are investing for the future and our strategic revenue investment in the first half was £1.4 million up on the prior year. Investment in innovation continues to differentiate us in our industry as we develop leading edge solutions for our customers. Advances in our web proposition have made this our customers' channel of choice as we continue to introduce new, customer-focused enhancements. In addition to the enhancements of our transactional sites we also launched **element14**, our innovative design engineering community, during the quarter. Customer and supplier feedback has been overwhelmingly positive to this industry leading website and the site has surpassed significant benchmarks since its launch, with over 6,000 new customers visiting the site each week. Our commitment to innovation has been recognised by Google who have selected **element14** to partner as an early developer of their newly announced GoogleWave software. We are also developing an iPhone application for **element14**, making it an information and product resource that can be accessed from anywhere, at anytime. We continue to expand our global supplier and technology offering with important services such as DesignLink, our Computer Aided Design (CAD) coupling interface, adding value to our EDE customers.

EDE

The characteristics indicative of the EDE segment and the behaviours of EDEs themselves have continued to reaffirm the assumptions that underpin our strategy as EDE sales outperformed MRO in all geographies during the second quarter. Providing our customers with the latest esoteric product, crucial electronic design resources and industry leading environmental design guidance has continued to drive customer acquisition. Our global EDE customer base continued to grow in the first half of the year, and we have expanded our product portfolio over the period with the addition of 6,800 new EDE products globally. We continue to extend our supplier agreements with technology leaders such as Maxim to ensure we are able to meet the specific design requirements of the EDE community, whose needs we now have enhanced visibility of through **element14**. Newark's product portfolio has seen the alignment of two crucial design areas for EDEs, embedded and analogue technologies, with the introduction of 3,300 new EDE products. Sales in these product segments were up 7% during the quarter.

Through our inventory investment we ensure that our customers have access to a wide range of industry-leading technologies allowing them to meet the immediacy of demand within the current design environment. DesignLink has continued to drive customer acquisition and strengthen our relationships within the EDE community. Initial feedback has been positive from both our EDE customers and the CAD industry alike. As design engineers begin to realise the benefits that DesignLink offers, we have seen the number of click throughs to our transactional websites exceed 5,500 per week.

Our suppliers continue to recognise the stickiness that our high service proposition offers and with **element14** customers continuing to click through to our transactional websites, the importance of innovation is clearly illustrated by the site's ability to seed our suppliers new-to-market products to engineers at the infancy of the design cycle. Many of our leading suppliers

are working with us on dedicated customer acquisition programmes in recognition of our unique global reach within this growing segment.

Web

Overall web sales grew by 4.7% in the quarter as the web is becoming the channel of choice for our customers. Farnell Europe continues to lead our organisation in the web transformation with total sales via eCommerce channels now reaching 55.2%. Our team in North America have continued to drive our web transition and as such the business recognised 22.3% of total sales via eCommerce channels during the quarter. In Europe, we have continued to heighten the accessibility of our eTools suite with the introduction of eQuotes, subsequent to the quarter end. We also re-launched our Brazilian local language website and subsequent to the quarter end, we launched our new Russian local language website, bringing our total number of local language international websites to 29. Sales per day from iBuy, our eProcurement solution, continued to grow in Europe, up 10.5% on the first quarter. iBuy will become part of Newark's suite of eTools during the second half and we are looking forward to adoption levels similar to those seen in Europe, which continue to exceed our expectations.

Internationalisation

Our developing international markets continue to perform strongly. Second quarter sales in Eastern Europe and India were up 38.8% and 98.6% year on year, respectively, with the investments in our EDE and web propositions continuing to deliver sustained growth. In Greater China, second quarter sales grew 4.8% year on year, reflecting the recent commentary that the Chinese economy is exiting the downturn.

Other Distribution Businesses

CPC has continued to take market share, with second quarter revenue up 3.7% year on year, a marked improvement on the first quarter. The CPC management team remains committed to driving innovative marketing activities and a focussed approach to its web proposition, growing web traffic 34.1% year on year. CPC and MCM have continued to leverage their value added offering and product strategies to underpin their focus on market penetration and create a competitive edge in this challenging trading environment. MCM sales declined 14.8% reflecting the highly challenging market conditions in North America. However the business continues to attract new customers, with targeted online and offline marketing driving 59% of new customer additions via the web during the second quarter.

Industrial Products Division (IPD)

Combined sales in our IPD businesses declined 7.1% in the second quarter (excluding Cadillac which was closed at the end of last year), an improvement on the decline of 8.2% seen in the first quarter. The improvement in sales performance at Akron Brass, which declined 0.5% year on year compared with a 3.0% decline in the first quarter despite the difficult US industrial market conditions, partly offset the sales decline of 30.8% seen at TPC in the second quarter.

Gross Margin, Operating Expenses and Cash Performance

We have delivered another quarter of gross margin stability, up sequentially to 39.6% in the second quarter compared with 39.4% in the first quarter, representing the fifteenth consecutive quarter of gross margin stability, a clear differentiator in our industry. The benefit of cost actions taken has resulted in our second quarter net operating expenses declining by £4.9 million year on year (at constant exchange rates) and by £1.6 million on the first quarter. In addition, the restructuring of our US pension plan has resulted in a one-off non cash accounting benefit of £6.3 million in the second quarter. Cash generated from operations, excluding restructuring costs, represented 189.4% of underlying operating profit in the second quarter. This strong cash performance, combined with our stable gross margin, provides a key strategic pillar that allows us to continue with the investments that drive our transition.

Dividend

The Board recognises the value of the dividend to shareholders and has elected to pay an interim dividend of 4.2 pence per share, unchanged from last year. The Board has considered both the level of earnings and cash requirements of the Group and, although the level of earnings cover is less than in recent periods, the benefit of the cost actions taken in the last nine months has shown through in the results to date and is expected to benefit the second half further. The strong cash performance combined with benefit of cost actions taken, mean that the Board believes that the level of interim dividend is appropriate.

Outlook

The rate of our revenue decline has abated in Europe and Asia Pacific and we have continued to outperform the markets and take market share in these regions. Revenue performance in our North American business continues to reflect the decline seen in the broader US MRO market. However absolute sales per day for this business improved throughout the second quarter, a trend which has continued into August as we accelerate our EDE drive and our US transformation continues at pace.

With innovation driving a leapfrog in new technologies, the investments we are making in our inventory and product portfolio, multi-channel capabilities and technical support services, position us well to capitalise on the advantages and opportunities in our markets while supporting a recalibration of the electronics supply chain.

Group sales growth in August has shown an improvement on the performance reported in the first and second quarters of this year. With the clear validation of our strategy, another quarter of gross margin stability and our commitment to investing in our strategic priorities, the Board remains confident, that as a focused and agile organisation, the Group is well positioned for the opportunities that we face.

Financial Results

Revenue

Half Year

Sales for the first half were £388.0 million (2008/9: £395.1 million or £461.2 million at constant exchange rates). Sales per day decreased by 15.7% on the prior year. Our strategy continues to be validated as EDE sales outperformed MRO sales in every region, web sales continued to grow, and we continued to see growth in our international markets. The average exchange rate for the US dollar against sterling was \$1.55 (H1 2008/9: \$1.98) and the average exchange rate for the Euro against sterling was Euro 1.14 (H1 2008/9: Euro 1.28).

Second Quarter

Sales for the second quarter were £183.7 million (2008/9: £195.8 million or £220.8 million at constant exchange rates). Sales per day decreased by 16.7% on the prior year. The average exchange rate for the US dollar against sterling was \$1.64 (Q2 2008/9: \$1.98) and the average exchange rate for the Euro against sterling was Euro 1.16 (Q2 2008/9: Euro 1.27).

Margins and Operating Profit

Half Year

The gross margin in the first half was 39.5% compared with 40.0% in the first half of the prior year or 39.8% at constant exchange rates, continuing our record of maintaining margin stability which differentiates us in the industry.

Throughout the first half year we have continued to invest in our strategic direction and transformation despite the economic slowdown. In the first half our total revenue investment to support our EDE and web propositions and the internationalisation of our high service model, increased by £1.4 million on the prior year. Our cost reduction plans also remain on track to achieve a permanent two percentage point reduction in operating expenses as a percentage of sales. Underlying net operating expenses in the first half were £7.9 million lower than the first half of last year at constant exchange rates, despite the impact of increased pension costs and our continuing investments.

Underlying operating profit was £32.6 million (2008/9: £46.2 million) producing an operating margin of 8.4% (2008/9: 11.7%) which reflects the impact of the sales decline and our continued investments. Total operating profit for the half year was £34.1 million (2008/9: £46.2 million), reflecting restructuring costs of £4.8 million and the one-off non cash gain from the restructuring of the US pension plans of £6.3 million. There was a beneficial impact on operating profit of £8.6 million from the translation of overseas results compared with the prior year, primarily as a result of the relative strengths of both the US\$ and the Euro. At constant exchange rates the decrease in underlying operating profit compared with the prior year was 40.5%.

Second Quarter

The gross margin in the second quarter was 39.6% compared with 39.9% in the second quarter last year, or 39.8% at constant exchange rates, and 39.4% in the first quarter. This represents the fifteenth consecutive quarter of gross margin stability, which continues to differentiate us in the industry.

Underlying net operating expenses in the second quarter were £4.9 million lower than the second quarter last year at constant exchange rates and £1.6 million lower than the first quarter, despite the impact of increased pension costs and our continuing investments, as the benefits from our cost reduction programmes and transition to the web continue to gain momentum.

Underlying operating profit was £15.1 million (2008/9: 22.0 million) producing an operating margin of 8.2% (2008/9: 11.2%). Total operating profit for the quarter was £20.6 million (2008/9: £22.0 million), reflecting restructuring costs of £0.8 million and the one-off non cash gain from the restructuring of the US pension plans of £6.3 million. There was a beneficial impact on operating profit of £3.2 million from the translation of overseas results compared with the prior year, primarily as a result of the relative strengths of both the US\$ and the Euro. At constant exchange rates the decrease in operating profit compared with the prior year was 40.1% compared to the year on year decrease in the first quarter of 40.9%. This improvement is despite the sales decline and reflects the benefits from our cost actions.

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 half were £8.9 million (2008/9: £4.1 million). This comprises net interest payable of £6.7 million (2008/9: £5.5 million), which was covered 4.9 times by underlying operating profit, and a charge of £2.2 million (2008/9: net credit of £1.4 million or a charge of £2.2 million excluding gains on the purchase and cancellation of preference shares) in respect of the Company's convertible preference shares.

The increase in interest payable reflects the negative impact of exchange rates from our US borrowings and the interest cost of additional borrowings to fund the Group's purchase and cancellation of preference shares in the prior year, partially offset by the benefit of lower interest rates on the Group's bilateral banking facilities which carry a LIBOR based floating rate of interest.

Profit Before Tax

Underlying profit before tax in the first half was £23.7 million (2008/9: £38.5 million) and total profit before tax in the first half was £25.2 million (2008/9: £42.1 million).

Underlying profit before tax in the second quarter was £10.7 million (2008/9: £18.1 million) and total profit before tax in the second quarter was £16.2 million (2008/9: £18.1 million).

Taxation Charge

The taxation charge for the first half was at an effective rate of 29.0% (2008/9: 29.0%) of profit before tax, preference dividends and gains on the purchase and cancellation of preference shares.

Return on Net Operating Assets

Return on net operating assets for the first half, based on continuing operations, was 27.1% (2008/9: 30.6%).

Earnings per Share

Underlying earnings per share for the first half were 4.6 pence (2008/9: 7.4 pence). Total earnings per share for the first half were 4.8 pence (2008/9: 8.4 pence).

Interim Dividend

The dividend of 4.2p pence per share (2008/9: 4.2 pence per share) will be paid on 14 October 2009 to shareholders on the register on 18 September 2009.

Cash Flow and Net Financial Liabilities

Total cash generated from operations in the second quarter was £26.5 million or £28.6 million excluding the impact of restructuring costs (2008/9: £25.4 million), representing 128.6% of operating profit, or 189.4% excluding the impact of restructuring costs (2008/9: 115.5%). Working capital reduced by £8.5 million in the quarter representing a combination of our ongoing management of inventory to the sales levels we are experiencing, despite the investments we are making to support our Electronic Design Engineers needs, and the impact of lower sales on receivable balances.

Total cash generated from operations in the first half was £51.0 million or £54.6 million excluding the impact of restructuring costs (2008/9: £47.5 million), representing 149.6% of operating profit or 167.5% excluding the impact of restructuring costs (2008/9: 102.8%). Free cash flow in the first half, being total cash generated from continuing operations less net capital expenditure, interest, preference dividends and tax payments, was £36.0 million, or £39.6 million excluding restructuring costs, (2008/9: £24.9 million including the proceeds from the sale of surplus property of £3.3 million).

Net financial liabilities at the end of the first half were £259.3 million (1 February 2009: £295.9 million), including £59.8 million (1 February 2009: £59.4 million) attributable to the Company's preference shares. The reduction during the first half of £36.6 million reflects the strong cash flow performance and includes £20.1 million from the benefit of exchange rate movements.

Financial Position

Premier Farnell's financial position remains robust with good liquidity and strong free cash flow. At 2 August 2009 our headroom on bank borrowings was £80 million with these facilities in place until May 2012 (£20 million) and January 2013 (£150 million). This headroom, combined with our net cash position of £27 million, gives us a secure funding position.

The Group anticipates that the combination of free cash flow, existing cash resources and available bank facilities will enable it to meet the repayment of the US\$66 million Senior Notes which become due in May 2010.

Pensions

The impact of the prior year end valuations on our defined benefit pension plans have resulted in a net charge to underlying operating profit in the first half of £2.2 million, compared with net income of £1.0 million in the first half of 2008/9. This primarily reflects the decline in the market value of investments of the US Pension Plan during 2008/9.

An actuarial loss of £21.5 million (£13.8 million net of associated deferred tax) has been recognised in the first half through the Condensed Consolidated Statement of Comprehensive Income relating to the Group's defined benefit pension plans, the majority of which relates to the US pension plan (£16.1 million) and the UK pension plan (£4.8 million). For both plans this loss arises primarily from the changes in the market related bond rate used to discount plan liabilities at the period end.

In common with many businesses, on 31 July 2009 the Group's North American Pension Plans were closed to further accrual of defined benefit obligations, with members being transferred to a money purchase plan. This resulted in a net accounting non cash gain in the quarter of £6.3 million which has been recognised through the income statement. These actions reduce the risk associated with the Group's pension schemes.

Operations

With effect from 2 February 2009, the Group has adopted IFRS 8, Operating Segments. This has not affected the financial results of the Group, but has resulted in a change to the Group's segmental disclosures. The previous two divisions within the Marketing and Distribution Division have been split into three distribution divisions within MDD with CPC (previously in

MDD Europe and Asia Pacific) and MCM (previously in MDD Americas) now both categorised in the Other Distribution Division. Comparatives have been re-presented accordingly.

Marketing and Distribution Division (MDD)

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

	Q2 09/10 £m	<i>Q2 08/9</i> <i>£m</i>	<i>Q2</i> <i>growth</i>	H1 09/10 £m	<i>H1 08/9</i> <i>£m</i>	<i>H1</i> <i>growth</i>
Revenue	164.8	<i>177.7</i>	-17.0%	348.5	<i>359.1</i>	-15.9%
Underlying operating profit*	13.8	<i>21.5</i>	-42.5%	30.5	<i>45.1</i>	-41.0%
Total operating profit	18.3	<i>21.5</i>	-23.8%	31.0	<i>45.1</i>	-40.0%
Underlying operating margin %	8.4%	<i>12.1%</i>		8.8%	<i>12.6%</i>	
Operating margin %	11.1%	<i>12.1%</i>		8.9%	<i>12.6%</i>	

*excluding restructuring costs of £4.8 million (Q1: £4.0 million, Q2 £0.8 million) (2008/9: £nil) and the one-off non cash gain from re-organisation of North American pension plans in Q2 of £5.3 million.

Second quarter sales declined 17.0% compared to 14.9% in the first quarter. This reflects the improvement in performance that we have seen in MDD Europe and Asia Pacific where our strategy is more embedded, with a second quarter sales decline of 9.9% compared to 10.9% in the first quarter, offset by MDD Americas where sales declined 26.5% in the second quarter compared to 21.6% in the previous quarter, reflecting the MRO bias in this region.

The MDD division remains focussed on driving its transition to a web-centric, EDE focused organisation. EDE sales outperformed MRO sales in the second quarter in all regions, our rich web environment continued to grow, reflecting our customers' increasing channel of choice, and our international markets have delivered further strong positive growth.

Actions taken in the first quarter to accelerate our transition to the web have continued this quarter to ensure that our structure, resources and talent are in place to support profitable growth. In the first half this has resulted in one-off restructuring costs of £4.8 million which will provide annualised savings of between £6 million and £7 million. In addition, the restructuring of our North American pension plans has resulted in a net one-off accounting credit in the second quarter of £6.3 million of which £5.3 million relates to the MDD Americas business.

The underlying operating margin reflects the impact of the sales decline and our relatively fixed cost base, together with the impact of increased pension costs. During the first half our total underlying revenue investment to support our EDE and web propositions, together with our international expansion was £6.5 million, an increase of £1.4 million on the prior year.

As we accelerate our transition to the web, our content-rich web environment continues to be our customers' channel of choice. Web sales for the MDD division grew 4.7% in the second quarter, and total eCommerce sales reached 37.9% of total sales with Farnell Europe at 55.2%, demonstrating our progress towards achieving between 50% and 70% of sales via eCommerce channels.

There was a beneficial impact on operating profit in the first half from the translation of overseas results of £6.6 million reflecting the relative strength of the US dollar (£4.2 million) and the Euro (£2.4 million).

MDD Americas
(Newark)

	Q2 09/10	<i>Q2 08/9</i>	<i>Q2 growth</i>	H1 09/10	<i>H1 08/9</i>	<i>H1 growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	69.4	<i>79.4</i>	<i>-26.5%</i>	153.1	<i>160.2</i>	<i>-24.1%</i>
Underlying operating profit*	1.4	<i>6.8</i>	<i>-82.7%</i>	4.3	<i>14.7</i>	<i>-76.9%</i>
Total operating profit	5.6	<i>6.8</i>	<i>-30.9%</i>	7.4	<i>14.7</i>	<i>-60.2%</i>
Underlying operating margin %	2.0%	<i>8.6%</i>		2.8%	<i>9.2%</i>	
Operating margin %	8.1%	<i>8.6%</i>		4.8%	<i>9.2%</i>	

*excluding restructuring costs of £1.9 million (Q1: £1.1 million, Q2 £0.8 million) (2008/9: £nil) and the one-off non cash gain from re-organisation of North American pension plans in Q2 of £5.0 million.

Sales in MDD Americas declined by 26.5% in the second quarter, compared to a decline of 21.6% in Q1. This second quarter decline is in line with the broader US MRO markets and is reflective of the higher mix of MRO inherent in this business. In contrast the SIA statistics for the region, which are indicative of the region's EDE market performance, reported a North American decline of 8.0% for the equivalent period, which clearly supports our focus towards the higher growth, higher margin EDE segment. EDE sales outperformed MRO with absolute sales per day improving throughout the quarter. Laurence Bain and the senior management team in Newark are driving strategic initiatives to leverage our increasing capabilities in the region, and during the quarter our average order values have gradually improved, driven by customer engagement programs that are aligned to an enhanced product offering and increasingly innovative web experience. In the second quarter a further five branches were closed, at a one-off cost of £0.8 million, as we continue to support the customer switch to our rich web environments. We remain committed to offering customers one-to-one relationships through our contact centre and are investing in our inventory and product portfolio to ensure that our customers can, and do benefit from a value added experience through the contact centre as well as via the web.

Underlying operating margin in the first half was impacted by the sales decline, the highly competitive nature of the North American MRO market, and our continued investment to restructure the business for the future. In addition, incremental costs of £2.5 million relating to the US pension plan were incurred in the first half.

Ongoing investment in the assumptions that validate our strategy is continuing as we align our product portfolio and internal training schedules with new key supplier programs. We have made further investments in our contact centre with the acceleration of EDE focussed sales initiatives and, subsequent to the quarter end, the introduction of 24 hour technical support services on all working days. A further 3,300 EDE products have been added to Newark's product portfolio in the second quarter reflecting the focus on developing EDE strategically. The launch of **element14**, our innovative design engineering community during the quarter attracted 25% of total visitors from the US. This combined with the continued industry recognition of DesignLink, our CAD coupling interface, has further enhanced Newark's focused approach towards the EDE customer segment.

Newark's investment in its content-rich web channel has also continued, with various eMarketing initiatives, further upgrades to the functionality of the Newark website and the success of eQuotes all contributing to web sales significantly outperforming the division's total sales growth performance. This has led to Newark increasing its proportion of sales via eCommerce channels to 22.3%.

MDD Europe and Asia Pacific
(Farnell and Premier Electronics)

	Q2 09/10	<i>Q2 08/9</i>	<i>Q2 growth</i>	H1 09/10	<i>H1 08/9</i>	<i>H1 growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	74.0	<i>77.7</i>	<i>-9.9%</i>	151.4	<i>157.3</i>	<i>-10.4%</i>
Underlying operating profit*	10.3	<i>12.3</i>	<i>-23.1%</i>	21.8	<i>25.4</i>	<i>-21.6%</i>
Total operating profit	10.3	<i>12.3</i>	<i>-23.1%</i>	18.9	<i>25.4</i>	<i>-32.0%</i>
Underlying operating margin %	13.9%	<i>15.8%</i>		14.4%	<i>16.1%</i>	
Operating margin %	13.9%	<i>15.8%</i>		12.5%	<i>16.1%</i>	

*excluding restructuring costs of £2.9 million in the first quarter (2008/9: £nil).

Sales in the second quarter declined by 9.9% reflecting an improvement on the 10.9% reduction in the first quarter and resulting in a decline for the first half of 10.4%. The sales decline combined with ongoing investment for the future resulted in a first half underlying operating margin of 14.4% compared to 16.1% last year. The restructuring of our European business, which resulted in a one-off cost of £2.9 million in the first quarter, has continued on track as we accelerate our transition to the web.

Revenue by region	Q2 09/10	<i>Q2 08/9</i>	<i>Revenue growth</i>	H1 09/10	<i>H1 08/9</i>	<i>Revenue growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
UK (including exports)	27.2	<i>29.1</i>	<i>-6.3%</i>	55.1	<i>59.8</i>	<i>-7.6%</i>
Mainland Europe	36.7	<i>39.1</i>	<i>-13.7%</i>	76.5	<i>79.1</i>	<i>-13.2%</i>
Asia Pacific	10.1	<i>9.5</i>	<i>-3.8%</i>	19.8	<i>18.4</i>	<i>-6.1%</i>

Farnell Europe remains the region in the most advanced stage of our transition to EDE and the web. The business introduced 3,600 new EDE products during the quarter and the alignment of sales initiatives with EDE focussed training programs combined with a targeted approach to customer acquisition has resulted in EDE sales significantly outperforming MRO sales. Sales in Eastern Europe grew 38.8% year on year as the significant opportunities for growth in the region continue to be exploited. Sales for Farnell Europe, including the UK, declined 10.7% in the quarter, an improvement on the first quarter decline of 11.2%. This compares with the European market with DMASS reporting a sales decline in the calendar second quarter of 32.6%, a similar level to that seen in the European SIA statistics.

Farnell UK continues to take market share. The sales decline of 10.0% in the second quarter represents an improvement on the first quarter decline of 12.8% and an outperformance of the UK markets which according to the most recent data from AFDEC declined by 18.5%, excluding Farnell, for the equivalent period.

Sales in APAC declined 3.8%, a marked improvement on the 8.5% decline seen in the first quarter as we continue to take market share and outperform our markets which declined 15.9% for the equivalent period, as reported by the SIA. The internationalisation of our high service business model continues to be a fundamental pillar of our strategy. Sales in China and India are continuing to drive growth with strategic investments and a focused approach delivering a strong EDE and web offering. During the quarter we have seen sales growth of 4.8% and 98.6% in Greater China and India, respectively, clearly demonstrating the potential of these developing markets. Whilst sales in the Australia and New Zealand business were down 8.4%, the business remains strategically aligned and continues to look for opportunities within the local market.

We are continuing to see the return on our investments in MDD Europe and Asia Pacific and we are investing in the breadth and depth of our inventory as our transition to an EDE and web-centric business that is well positioned to drive growth continues. Our broad product offering and the richness of our web environment continues to attract new customers and together with the introduction of eQuotes and new website enhancements web sales have grown 5.2% during the quarter. Sales for iBuy in the region were up 10.5% on the previous quarter and with increased search engine optimisation and pay-per click activities.

eCommerce sales in Farnell Europe now account for 55.2% of total sales, up from 52.7% in the first quarter.

Other Distribution Businesses (CPC and MCM)

	Q2 09/10	<i>Q2 08/9</i>	<i>Q2 growth</i>	H1 09/10	<i>H1 08/9</i>	<i>H1 growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	21.4	<i>20.6</i>	<i>-2.0%</i>	44.0	<i>41.6</i>	<i>-1.5%</i>
Underlying operating profit*	2.1	<i>2.4</i>	<i>-16.0%</i>	4.4	<i>5.0</i>	<i>-17.0%</i>
Total operating profit	2.4	<i>2.4</i>	<i>-4.0%</i>	4.7	<i>5.0</i>	<i>-11.3%</i>
Underlying operating margin %	9.8%	<i>11.7%</i>		10.0%	<i>12.0%</i>	
Operating margin %	11.2%	<i>11.7%</i>		10.7%	<i>12.0%</i>	

*excluding the one-off non cash gain from re-organisation of North American pension plans in Q2 of £0.3 million.

CPC continues to achieve positive sales growth, up 3.7% in the second quarter, reflecting an impressive performance in the highly competitive and difficult UK market as the business continues to invest in innovative marketing activities and drive its focussed approach to the web, with web traffic growing 34.1% year on year.

MCM sales declined 14.8% reflecting the highly challenging market conditions in North America and the impact of the economic environment on the business' larger National Account customers. Web sales, driven by focused marketing activities, have increased with 50% of sales from mailings now being transacted via the web. These focused marketing activities as well as eMarketing have attracted a considerable number of new customers, with 59% of new customer adds coming via the web.

Industrial Products Division (Akron Brass and TPC Wire and Cable)

	Q2 09/10	<i>Q2 08/9</i>	<i>Q2 growth</i>	H1 09/10	<i>H1 08/9</i>	<i>H1 growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	18.9	<i>18.1</i>	<i>-13.4%</i>	39.5	<i>36.0</i>	<i>-13.9%</i>
Underlying operating profit*	3.8	<i>3.4</i>	<i>-7.3%</i>	7.0	<i>6.9</i>	<i>-21.3%</i>
Total operating profit	4.8	<i>3.4</i>	<i>17.1%</i>	8.0	<i>6.9</i>	<i>-10.1%</i>
Underlying operating margin	20.1%	<i>18.8%</i>		17.7%	<i>19.2%</i>	
Operating margin %	25.4%	<i>18.8%</i>		20.3%	<i>19.2%</i>	

*excluding the one-off non cash gain from re-organisation of North American pension plans in Q2 of £1.0 million.

Second quarter sales declined 13.4%, or 7.1% excluding Cadillac Electric which was closed at the end of the prior year. Both Akron Brass and TPC Wire & Cable remain focussed on their successful targeting of opportunities and new markets in order to mitigate the impact of the difficult conditions in their domestic markets.

Akron Brass

Akron Brass continued to deliver a strong performance with sales improving on the first quarter, declining just 0.5% compared to a 3.0% decline in the first quarter. The business continues to increase market share in what remain difficult market conditions, supported by strong performance in the Fire Original Equipment Manufacturers sector (OEM) as well as in the defence, petrochemical and other sectors. During the first half, four new product platforms were launched to support the US domestic market as well as international markets. Active cost control has allowed operating margins to remain strong.

TPC Wire & Cable

TPC's sales declined 30.8% in the second quarter reflecting the dramatic slowdown in the automotive, steel and other industrial sectors in North America serviced by TPC. The restructuring within the automotive sector and the temporary shutdown of several steel plants have had a significant impact. The significant reduction in the traditional markets serviced by TPC is being offset by development into other sectors including government, mining, utilities, heavy duty lifting equipment and food and beverage. In order to shape the business to its current market the business was restructured in the second quarter with additional short term cost measures being taken during the transition phase. As a result of these actions TPC's absolute sales per day improved throughout the quarter.

Risk and Uncertainties

The principal risks and uncertainties facing the Group for the remaining six months of the year and the ways in which they are mitigated are largely unchanged since they were described in the Company's 2009 Annual Report and Accounts on pages 41 to 43. As set out in the annual report, we continue to believe in our EDE strategy delivering a growth rate above the overall electronics market and that the strategy remains equally relevant in the current global economic situation.

Market migration

While the migration of Premier Farnell's primary customer groups (research and development and small scale manufacturing) is less pronounced than that of manufacturing generally, the Group has continued to mitigate this risk by emphasising growth in the EDE segment of its customer base and by continuing to increase its presence in Asia and Eastern Europe.

Systems and infrastructure

A significant proportion of customer orders are despatched from the Group's distribution facilities in South Carolina (US), Leeds (England) and Leige (Belgium). The Group minimises the potential impact of damage to, or destruction of, these facilities through physical measures to restrict loss, business continuity plans which are kept under review and, in the case of the Group's UK and European businesses, the ability to switch order fulfilment between Leeds and Liege. A review of the US warehouse management systems has led to improvements in performance and contingency plans. The Group continues to review its IT infrastructure and develop plans to address areas of potential weakness.

Competitive pressures

The Group's MDD Division faces numerous competitors in a fragmented market. It is therefore fundamental that the Division's proposition to its customers remains attractive and at the forefront of its chosen markets. The Group responds to the risk that it fails to do so by maintaining awareness of developments in the market, including actions by competitors, anticipating and responding to such developments and by continued emphasis on areas of profitable growth via differentiation from its competitors.

Web resilience

As the volume of the Group's business transacted via the web grows, it is increasingly important to ensure that the Group's websites are available to customers. In common with many other organisations, the Group's websites are occasionally subject to denial of service attacks by third parties and to attempts to extract large volumes of data. This risk is addressed by regular testing of the security of the websites using both internal and external security scans and vulnerability tests. Infrastructure improvements are made on a regular basis to address other causes of unavailability of the sites.

Foreign currency

As a result of the significant proportion of the Group's trade which takes place in North America, the Group's reported results could be adversely affected by a major weakening of the US dollar against sterling. The Group has denominated a significant proportion of its external borrowings in US dollars in order to provide a hedge against dollar denominated operating cash flows and the Group's US investments. In addition to the US dollar, the other major currency for which the Group has a translation risk is the Euro. The profit translation risk is approximately £0.2 million per annum of operating profit for each one cent movement in the Euro exchange rate. The Group's policy is not to hedge profit translation risk unless there is a

real cash exposure since such hedges are only a temporary deferral of the effect of the movement in exchange rates.

Human resources

As a service business, Premier Farnell relies heavily on its employees and mitigates the risk implicit in this reliance by seeking to attract and retain personnel at key management levels within the Group. The Group invests in training and career development and has adopted processes to ensure that employees have structured input on their past and expected performance.

Pension risks

The Group operates defined benefit pension schemes in the UK, US and Canada. The net financial liability of each scheme (as quantified through actuarial review) is reflected in the Group's balance sheet. Movements resulting from changes to the actuarial valuation results are reflected through the Group's reserves and not through the income statement.

As at 2 August 2009, the pension schemes had combined assets of £158 million comprising £43 million equity investment (27%) and £115 million bonds/cash/others (73%). A 10% reduction in global equity values would therefore have an impact of reducing Group Net Worth by approximately £4 million. This compares to the start of the year when the Group had 58% equity investments, and reflects the decision to change the investment mix of the US plan during the first half of the year. The trustees of the pension schemes (or their equivalent in the US and Canada) are advised on investment decisions by Watson Wyatt or its associated operations outside of the UK and, where appropriate, take action to ensure that the assets of the pension schemes contain a suitable mix of investments.

The liabilities of the pension scheme reflected in the Group's balance sheet are calculated by discounting future cash flows using a long term discount rate based on corporate bond yields. A one percentage point reduction in the long-term discount rate assumed by the schemes' actuaries would have the impact of reducing Group net worth by approximately £29 million.

Legal risks

The Group's risk of non-compliance with its legal obligations is increased by the number of countries in which it operates and the large number of customers and suppliers with whom it deals. The Group addresses this risk through a variety of controls.

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 second quarter and half year ended 2nd August 2009

		2009/10 Second quarter unaudited £m	2008/9 Second quarter unaudited £m	2009/10 First half unaudited £m	2008/9 First half unaudited £m	2008/9 Full year audited £m
Continuing operations						
Revenue	4	183.7	195.8	388.0	395.1	804.4
Cost of sales		(110.9)	(117.6)	(234.7)	(236.9)	(485.6)
Gross profit		72.8	78.2	153.3	158.2	318.8
Net operating expenses						
- before restructuring and pension changes		(57.7)	(56.2)	(120.7)	(112.0)	(230.0)
- restructuring costs	5	(0.8)	-	(4.8)	-	(3.4)
- net one-off income from pension changes	5	6.3	-	6.3	-	-
Total net operating expenses		(52.2)	(56.2)	(119.2)	(112.0)	(233.4)
Operating profit						
- before restructuring and pension changes		15.1	22.0	32.6	46.2	88.8
- restructuring costs	5	(0.8)	-	(4.8)	-	(3.4)
- net one-off income from pension changes	5	6.3	-	6.3	-	-
Total operating profit	4	20.6	22.0	34.1	46.2	85.4
Finance income (interest receivable)		0.1	0.2	0.2	0.4	0.7
Finance costs						
- interest payable		(3.4)	(3.0)	(6.9)	(5.9)	(12.6)
- preference dividends		(0.9)	(0.9)	(1.8)	(1.8)	(3.5)
- premium on redemption of preference shares		(0.2)	(0.2)	(0.4)	(0.4)	(0.9)
- gain on purchase of preference shares		-	-	-	3.6	3.7
Total finance costs		(4.5)	(4.1)	(9.1)	(4.5)	(13.3)
Profit before taxation	5	16.2	18.1	25.2	42.1	72.8
Taxation	6	(4.9)	(5.5)	(7.8)	(11.7)	(21.1)
Profit for the period (attributable to ordinary shareholders)		11.3	12.6	17.4	30.4	51.7
Earnings per share	7					
Basic		3.1p	3.5p	4.8p	8.4p	14.3p
Diluted		3.1p	3.4p	4.8p	8.3p	14.2p
Ordinary dividends						
Interim - proposed	12			4.2p	4.2p	4.2p
Final - proposed						5.2p
Paid				5.2p	5.2p	9.4p
Impact on shareholders' funds (£m)				18.9	18.8	34.0

Condensed Consolidated Statement of Comprehensive Income

For the second quarter and half year ended 2nd August 2009

		2009/10 Second quarter unaudited £m	2008/9 Second quarter unaudited £m	2009/10 First half unaudited £m	2008/9 First half unaudited £m	2008/9 Full year unaudited £m
Profit for the period		11.3	12.6	17.4	30.4	51.7
Net exchange adjustments		(5.9)	0.1	(6.0)	1.7	11.6
Actuarial losses on pensions and other post-retirement obligations	9	(21.5)	-	(21.5)	-	(85.1)
Deferred tax credit on actuarial losses	9	7.7	-	7.7	-	31.3
Net (losses)/gains not recognised in the income statement		(19.7)	0.1	(19.8)	1.7	(42.2)
Total comprehensive (expense)/income for the period (attributable to ordinary shareholders)		(8.4)	12.7	(2.4)	32.1	9.5

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

Condensed Consolidated Balance Sheet
As at 2nd August 2009

	Notes	2nd August 2009 unaudited £m	3rd August 2008 unaudited £m	1st February 2009 audited £m
ASSETS				
Non-current assets				
Goodwill		31.8	31.1	32.5
Other intangible assets		24.1	20.5	25.0
Property, plant and equipment		49.8	50.8	58.1
Retirement benefit assets		-	54.6	-
Deferred tax assets		6.6	0.2	5.0
Total non-current assets		112.3	157.2	120.6
Current assets				
Inventories		162.9	164.4	194.3
Financial assets		0.4	-	-
Trade and other receivables		111.8	122.0	128.8
Cash and cash equivalents	8	27.3	48.5	39.6
Total current assets		302.4	334.9	362.7
LIABILITIES				
Current liabilities				
Financial liabilities	8	(39.9)	(3.5)	(5.1)
Trade and other payables		(77.4)	(87.9)	(94.5)
Current tax payable		(27.2)	(22.6)	(17.4)
Total current liabilities		(144.5)	(114.0)	(117.0)
Net current assets		157.9	220.9	245.7
Non-current liabilities				
Financial liabilities	8	(247.1)	(289.8)	(330.4)
Retirement and other post-employment benefits		(48.4)	(20.6)	(35.3)
Deferred tax liabilities		(1.8)	(32.1)	(6.2)
Total non-current liabilities		(297.3)	(342.5)	(371.9)
NET (LIABILITIES)/ASSETS		(27.1)	35.6	(5.6)
EQUITY				
Ordinary shares		18.3	18.2	18.3
Equity element of preference shares		10.4	10.5	10.4
Share premium		23.8	23.4	23.8
Capital redemption reserve		4.4	4.4	4.4
Hedging reserve		0.6	(0.7)	(3.7)
Cumulative translation reserve		9.3	5.4	15.3
Retained earnings		(93.9)	(25.6)	(74.1)
TOTAL EQUITY		(27.1)	35.6	(5.6)

Consolidated Statement of changes in Equity
For the half year ended 2nd August 2009

	2009/10 First half unaudited £m	2008/9 First half unaudited £m	2008/9 Full year audited £m
Total equity at beginning of period	(5.6)	20.1	20.1
Profit for the period	17.4	30.4	51.7
Other comprehensive (expense)/income	(19.8)	1.7	(42.2)
Derivative financial instruments	4.3	2.2	(0.8)
Transactions with owners:			
Ordinary dividends paid	(18.9)	(18.8)	(34.0)
Ordinary shares issued	-	0.4	0.9
Purchase of ordinary shares	(5.0)	(2.8)	(2.9)
Purchase of preference shares:			
- reduction in equity element	-	(4.7)	(4.8)
- gain arising on equity element	-	4.7	4.8
- deferred tax	-	0.8	0.8
Share-based payments	0.5	1.6	0.8
Total transactions with owners	(23.4)	(18.8)	(34.4)
Total equity at end of period	(27.1)	35.6	(5.6)

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

Condensed Consolidated Statement of Cash Flows
For the second quarter and half year ended 2nd August 2009

Notes	2009/10 Second quarter unaudited £m	2008/9 Second quarter unaudited £m	2009/10 First half unaudited £m	2008/9 First half unaudited £m	2008/9 Full year audited £m
Cash flows from operating activities					
Operating profit from continuing operations	20.6	22.0	34.1	46.2	85.4
Restructuring/pension changes:					
- net income statement impact	(5.5)	-	(1.5)	-	3.4
- cash impact	(2.1)	-	(3.6)	-	(2.0)
Non-cash impact of restructuring/pension changes	(7.6)	-	(5.1)	-	1.4
Depreciation and amortisation	4.7	4.4	9.7	8.6	18.0
Changes in working capital	8.5	(0.4)	11.6	(6.2)	2.7
Additional pension scheme funding (UK defined benefit plan)	(0.7)	(0.8)	(1.2)	(1.5)	(2.9)
Other non-cash movements	1.0	0.2	1.9	0.4	(2.3)
Total cash generated from operations	26.5	25.4	51.0	47.5	102.3
Interest received	0.1	0.2	0.2	0.4	0.7
Interest paid	(5.4)	(4.5)	(6.5)	(5.9)	(12.4)
Dividends paid on preference shares	(1.8)	(1.8)	(1.8)	(1.8)	(3.5)
Taxation paid	(1.9)	(8.4)	(1.3)	(11.0)	(21.9)
Net cash generated from operating activities	17.5	10.9	41.6	29.2	65.2
Cash flows from investing activities					
Acquisition of business	-	-	-	-	(1.1)
Disposal of business	-	0.7	-	0.7	0.7
Proceeds from sale of property, plant and equipment	-	3.3	-	3.3	3.3
Purchase of property, plant and equipment	(0.9)	(1.7)	(1.9)	(2.9)	(7.0)
Purchase of intangible assets (computer software)	(2.2)	(2.4)	(3.7)	(4.7)	(9.1)
Net cash used in investing activities	(3.1)	(0.1)	(5.6)	(3.6)	(13.2)
Cash flows from financing activities					
Issue of ordinary shares	-	0.4	-	0.4	0.9
Purchase of ordinary shares	(5.0)	(0.1)	(5.0)	(2.8)	(2.9)
Purchase of preference shares	-	-	-	(23.1)	(23.6)
New bank loans	8.8	14.4	136.9	26.7	29.5
Repayment of bank loans	-	-	(158.7)	-	(22.8)
Dividends paid to ordinary shareholders	(18.9)	(18.8)	(18.9)	(18.8)	(34.0)
Net cash used in financing activities	(15.1)	(4.1)	(45.7)	(17.6)	(52.9)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts					
	(0.7)	6.7	(9.7)	8.0	(0.9)
Cash, cash equivalents and bank overdrafts at beginning of period	30.3	38.9	39.0	37.6	37.6
Exchange (losses)/gains	(2.3)	0.2	(2.0)	0.2	2.3
Cash, cash equivalents and bank overdrafts at end of period	27.3	45.8	27.3	45.8	39.0
Reconciliation of net financial liabilities					
Net financial liabilities at beginning of period			(295.9)	(254.1)	(254.1)
Net (decrease)/increase in cash, cash equivalents and bank overdrafts			(9.7)	8.0	(0.9)
Decrease/(increase) in debt			21.8	(26.7)	(6.7)
Decrease in preference shares			-	26.8	27.4
Premium on redemption of preference shares			(0.4)	(0.4)	(0.9)
Derivative financial instruments			4.8	2.2	(1.5)
Exchange movement			20.1	(0.6)	(59.2)
Net financial liabilities at end of period	8		(259.3)	(244.8)	(295.9)

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

Notes

1 General information

Premier Farnell plc (the "Company") is a company incorporated and domiciled in the UK and is listed on the London Stock Exchange. The address of the Company's registered office is Farnell House, Forge Lane, Leeds, LS12 2NE, England. The Company's registered number is 876412.

This condensed consolidated financial information was approved for issue on 3rd September 2009.

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 1st February 2009, were approved by the Board of Directors on 17th April 2009, and 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 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 Basis of preparation

This condensed consolidated financial information for the second quarter and half year ended 2nd August 2009, has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, Interim Financial Reporting, as adopted by the European Union. This condensed consolidated financial information should be read in conjunction with the consolidated financial statements included in the Company's Annual Report and Accounts for the financial year ended 1st February 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The interim financial information has not been audited or reviewed by auditors pursuant to the Auditing Practices Board's guidance on Review of Interim Financial Information.

3 Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the consolidated financial statements for the year ended 1st February 2009, as described in those annual financial statements in the basis of preparation.

- IAS 1 (revised), 'Presentation of financial statements'. The revised standard brings new disclosure requirements regarding 'non-owner changes in equity' and 'owner changes in equity', which are now required to be shown separately. Under this revised guidance the Group has elected to continue to present two performance statements: an income statement and a statement of comprehensive income (previously the 'Statement of Recognised Income and Expense'). These financial statements have been prepared under the revised disclosure requirements. The requirements under the revised standard have not had a significant impact on the Group's financial statements.

- IFRS 8, 'Operating segments' (replacing IAS 14, 'Segment reporting'): IFRS 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has not affected the financial results of the Group, but has resulted in a change to the Group's segmental disclosures. The previous two divisions within the Marketing and Distribution Division (MDD) have been split in to three divisions with CPC (previously in MDD Europe and Asia Pacific) and MCM (previously in MDD Americas) now both categorised as "Other Distribution Businesses". Comparatives have been re-presented accordingly.

- other standards, amendments to standards and interpretations which do not have any significant impact on the Group comprise: IFRIC 13 'Customer loyalty programmes', IFRIC 14 'The limit on a defined benefit asset, minimum funding requirements and their interaction', IFRIC 15 'Agreements for the construction of real estate', IFRIC 16 'Hedges of a net investment in a foreign operation', IAS 39 (amendment) 'Financial instruments: Recognition and measurement', IFRS 2 (amendment) 'Share based payments - vesting conditions and cancellations', IAS 23 (revised), 'Borrowing costs', IAS 27 (revised) 'Consolidated and separate financial statements', IAS 32 and IAS 1 (amendment) 'Puttable financial instruments and obligations arising on liquidation'.

In addition, the following amendment to a standard is expected to have a disclosure only impact on the financial statements for the year ending 30 January 2010: IFRS 7 (amendment) 'Financial instruments: Disclosures'.

Taxes on income in the interim periods are accrued using the estimated effective tax rate that would be applicable to expected total annual earnings.

4 Segment information (unaudited)

	2009/10 Second quarter			2008/9 Second quarter (re-presented) £m
	Before restructuring/ pension changes £m	Restructuring/ pension changes (note 5) £m	After restructuring/ pension changes £m	
Revenue				
Marketing and Distribution Division				
Americas	69.4	-	69.4	79.4
Europe and Asia Pacific	74.0	-	74.0	77.7
Other Distribution Businesses	21.4	-	21.4	20.6
Total Marketing and Distribution Division	164.8	-	164.8	177.7
Industrial Products Division	18.9	-	18.9	18.1
	183.7	-	183.7	195.8
Operating profit				
Marketing and Distribution Division				
Americas	1.4	4.2	5.6	6.8
Europe and Asia Pacific	10.3	-	10.3	12.3
Other Distribution Businesses	2.1	0.3	2.4	2.4
Total Marketing and Distribution Division	13.8	4.5	18.3	21.5
Industrial Products Division	3.8	1.0	4.8	3.4
Head Office costs	(2.9)	-	(2.5)	(2.9)
	15.1	5.5	20.6	22.0
2009/10 First half				
	Before restructuring/ pension changes £m	Restructuring/ pension changes (note 5) £m	After restructuring/ pension changes £m	2008/9 First half (re-presented) £m
Revenue				
Marketing and Distribution Division				
Americas	153.1	-	153.1	160.2
Europe and Asia Pacific	151.4	-	151.4	157.3
Other Distribution Businesses	44.0	-	44.0	41.6
Total Marketing and Distribution Division	348.5	-	348.5	359.1
Industrial Products Division	39.5	-	39.5	36.0
	388.0	-	388.0	395.1
Operating profit				
Marketing and Distribution Division				
Americas	4.3	3.1	7.4	14.7
Europe and Asia Pacific	21.8	(2.9)	18.9	25.4
Other Distribution Businesses	4.4	0.3	4.7	5.0
Total Marketing and Distribution Division	30.5	0.5	31.0	45.1
Industrial Products Division	7.0	1.0	8.0	6.9
Head Office costs	(4.9)	-	(4.9)	(5.8)
	32.6	1.5	34.1	46.2
2008/9 Full year				
	Before restructuring costs (re-presented) £m	Restructuring costs - note 5 (re-presented) £m	After restructuring costs (re-presented) £m	
Revenue				
Marketing and Distribution Division				
Americas	335.5	-	335.5	
Europe and Asia Pacific	303.8	-	303.8	
Other Distribution Businesses	87.8	-	87.8	
Total Marketing and Distribution Division	727.1	-	727.1	
Industrial Products Division	77.3	-	77.3	
	804.4	-	804.4	
Operating profit				
Marketing and Distribution Division				
Americas	31.2	(0.9)	30.3	
Europe and Asia Pacific	44.8	(1.8)	43.0	
Other Distribution Businesses	9.7	(0.2)	9.5	
Total Marketing and Distribution Division	85.7	(2.9)	82.8	
Industrial Products Division	14.3	(0.2)	14.1	
Head Office costs	(11.2)	(0.3)	(11.5)	
	88.8	(3.4)	85.4	
2nd August 2009				
	3rd August 2008	1st February 2009		
	£m	£m	(re-presented) £m	
Segment assets				
Marketing and Distribution Division				
Americas	120.3	174.5	159.7	
Europe and Asia Pacific	179.4	185.8	187.2	
Other Distribution Businesses	33.9	36.3	36.6	
Total Marketing and Distribution Division	333.6	396.6	383.5	
Industrial Products Division	44.7	44.9	53.9	
Head Office costs	2.1	1.9	1.3	
Segment assets	380.4	443.4	438.7	
Unallocated assets:				
Cash and cash equivalents	27.3	48.5	39.6	
Deferred tax assets	6.6	0.2	5.0	
Financial assets	0.4	-	-	
Total assets	414.7	492.1	483.3	

Segmental information has been re-presented to reflect the adoption of IFRS 8 (see note 3).

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

8 Net financial liabilities

	2nd August 2009 unaudited £m	3rd August 2008 unaudited £m	1st February 2009 audited £m
Cash and cash equivalents	27.3	48.5	39.6
Unsecured loans and overdrafts	(227.2)	(233.1)	(271.7)
Net financial liabilities before preference shares and derivatives	(199.9)	(184.6)	(232.1)
Preference shares	(59.8)	(59.5)	(59.4)
Derivative financial instruments (net)	0.4	(0.7)	(4.4)
Net financial liabilities	(259.3)	(244.8)	(295.9)

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

Current assets

Cash and cash equivalents	27.3	48.5	39.6
Derivative financial instruments	0.4	-	-
	27.7	48.5	39.6

Current liabilities

Bank overdrafts	-	(2.7)	(0.6)
5.3% US dollar Guaranteed Senior Notes payable 2010	(39.8)	-	-
Other loans	(0.1)	(0.1)	(0.1)
Derivative financial instruments	-	(0.7)	(4.4)
	(39.9)	(3.5)	(5.1)

Non-current liabilities

Bank loans	(87.5)	(112.9)	(109.8)
5.3% US dollar Guaranteed Senior Notes payable 2010	-	(33.5)	(45.8)
5.9% US dollar Guaranteed Senior Notes payable 2013	(95.8)	(80.7)	(110.4)
Other loans	(4.0)	(3.2)	(5.0)
Preference shares	(59.8)	(59.5)	(59.4)
	(247.1)	(289.8)	(330.4)

The Group has £150 million syndicate bank facilities agreed at the end of the last quarter, which expire in January 2013, and a further £20 million bank facility which expires in May 2012. Based on these new bank facilities of £170 million, the Group's headroom on bank borrowings at the end of the first half was £80 million.

9 Post-retirement benefits

An actuarial loss of £21.5 million (£13.8 million net of associated deferred tax) has been recognised in the first half through the Condensed Consolidated Statement of Comprehensive Income relating to the Group's pension and post retirement obligations, the majority of which relates to the US pension plan (£16.1 million) and the UK pension plan (£4.8 million). For both plans this loss arises primarily from changes in the market-related bond rate used to discount plan liabilities at the period end.

As noted in note 5, on 31st July 2009, the Group's North American pension plans were closed to further accrual of defined benefit obligations, with members being transferred to a money purchase plan. This resulted in net one-off income in the second quarter of £6.3 million.

The US plan had a deficit on the balance sheet at the half year of £13.5 million (1st February 2009: £2.8 million) and the UK plan a deficit of £24.2 million (1st February 2009: £20.5 million).

10 Purchase or ordinary shares

During the second quarter, the Premier Farnell Executive Trust acquired 3,829,933 of the Company's ordinary shares, through purchases on the London Stock Exchange, for a total cash consideration of £5.0 million in order to meet future obligations under the Company's performance share plan. This amount has been deducted from shareholders' equity.

11 Exchange rates

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

	2009/10 Second quarter	2008/9 Second quarter	2009/10 First half	2008/9 First half	2008/9 Full year
US dollar	1.64	1.98	1.55	1.98	1.79
Euro	1.16	1.27	1.14	1.28	1.24

12 Ordinary dividend

An interim dividend of 4.2 pence per share (2008/9: 4.2 pence per share) will be paid on 14th October 2009 to ordinary shareholders on the register at close of business on 18th September 2009.

Statement of Directors' Responsibilities

The directors named below confirm that, to the best of their knowledge and belief, this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8.

The directors of Premier Farnell plc are listed in the Company's 2009 Annual Report and Accounts.

By order of the Board

Harriet Green
Chief Executive Officer
3rd September 2009

Mark Whiting
Chief Financial Officer
3rd September 2009