

**Results for the Third Quarter and Nine Months ended 1 November 2009
of the Financial Year ending 31 January 2010**

Key Financials £m Continuing operations (Unaudited)	Q3 09/10 £m	Q3 08/9 £m	Q3 growth^(a)	9M 09/10 £m	9M 08/9 £m	9M growth^(a)
Revenue	199.8	209.1	-11%	587.8	604.2	-14%
Underlying operating profit ^(b)	18.4	22.1	-24%	51.0	68.3	-35%
Total operating profit	15.6	22.1	-36%	49.7	68.3	-37%
Underlying profit before tax ^(c)	13.9	17.6	-21%	37.6	56.1	-33%
Total profit before taxation	11.1	17.7	-37%	36.3	59.8	-39%
Underlying earnings per share ^(c)	2.6p	3.4p	-24%	7.3p	10.8p	-32%
Basic earnings per share	2.1p	3.4p	-38%	6.9p	11.8p	-42%
Free cash flow ^(e)	20.3	10.6	92%	59.9	35.5	69%

Financial Highlights

- Third quarter sales saw further improvement with the rate of year on year sales decline abating in all MDD regions.
- APAC returned to year on year sales growth and sales in MDD Americas and Europe grew sequentially on the second quarter. MDD Americas absolute sales per day have improved for five consecutive months.
- Another quarter of gross margin stability, up incrementally at 39.7%, achieved despite the challenging economic environment and highlighting the value that our customers' attribute to our proposition in which we have invested and will continue to invest in.
- Our improving sales, gross margin stability and the benefit of cost actions taken delivered a 9.2% return on sales, a one percentage point increase on the second quarter.
- Our cash performance remains strong with third quarter operating cash flow conversion of 158%, excluding restructuring costs, reflecting effective working capital management despite inventory investment of £3.4 million. Net financial liabilities reduced by £31 million year to date, including an £18 million benefit from exchange rates.

Strategic Highlights

- We have again outperformed our markets and taken market share in APAC, Europe and the UK, clearly demonstrating the success of our strategic focus.
- EDE sales through the quarter significantly outpaced the improvement in MRO sales in all regions, particularly in North America.
- Final phase of branch restructuring actions in North America completed. Our industry leading website and 9 branches located in the US and Canada ensure we have a strong presence in 45 geographical markets across North America to support the needs of all our customers.
- Sales via eCommerce channels in Europe and APAC now account for 57.1% and 44.4% of total sales, respectively, as the web continues to be our customers' channel of choice. In North America web sales grew 20.1% on the second quarter and eCommerce sales now represent 25.4% of total sales.
- Year on year sales in India grew 94.6% and in Eastern Europe 49.8%. In Greater China sales grew 22.4% year on year as we received recognition from the electronics industry as the engineer's high service distributor of choice in China.
- **element14** is at the core of our deepening relationship with EDEs across the globe and up to 19,000 customers' each week are visiting, working and collaborating within the community. Our **element14** iPhone application has been approved by Apple and is available for download from the iTunes App Store.
- Acquired CadSoft Computer GmbH, a German-based CAD software developer, as we leverage new services and provide our customers not only with product but information, software and technology solutions.

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

"Sales in all of our MDD businesses grew sequentially on the second quarter. We are particularly encouraged with the return to strong year on year sales growth in APAC and by the significant sequential sales growth achieved in MDD Americas. The EDE segment saw a significant sales improvement through the quarter, again outperforming sales to the MRO segment in all regions. The execution of our strategy remains at the core of our market share gains in Europe, the UK and APAC and the significant year on year improvement in operating profit in MDD Europe and Asia Pacific.

"We have continued to invest throughout the global economic downturn, as we develop and leverage new services that build on the strong foundations of our proven global strategy. These investments ensure we remain aligned to our customers' needs, which they continue to recognise, as we delivered our sixteenth consecutive quarter of gross margin stability, a clear differentiator in our industry.

"Both the strength of our strategy and the resilience of our business are clear, as the improving sales trends seen in the third quarter accelerated in November, where Group sales achieved positive year on year growth of 1.3%. With the continued execution of our strategy, the board remains confident that we are well positioned to lead a recovery in our industry and capitalise on the growth opportunities within our markets."

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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 fourth quarter and for year end of the financial year to 31 January 2010 will be announced on 18 March 2010.

Notes:

- 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.
- Underlying operating profit excludes restructuring costs of £7.6 million incurred in the first nine months (Q1: £4.0 million, Q2: £0.8 million, Q3: £2.8 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).
- Underlying profit before taxation and earnings per share excludes restructuring costs of £7.6 million incurred in the first nine months (2008/9: £nil), 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), and excludes gains on the purchase and cancellation of preference shares in the first nine months of £nil (2008/9 Q1: £3.6 million, Q3: £0.1 million).
- 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.
- 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.
- All results relate to continuing operations.

THIRD QUARTER STATEMENT
Results for the Third Quarter and Nine Months ended 1 November 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 third quarter and nine months ended 1 November 2009.

Chief Executive's Operational Overview

The third quarter saw further improvement as the rate of year on year sales decline in our business continued to abate. Sales in our Marketing and Distribution Division (MDD) grew 5.8% on the second quarter, led by Asia Pacific (APAC) which reported positive year on year sales growth of 10.2%. Sales in MDD Americas grew 9.8% sequentially on the second quarter and in Farnell Europe sales grew 0.4% sequentially on the second quarter. We have delivered another quarter of gross margin stability as our customers continue to recognise our ability to provide a high level of service that is well aligned to their needs. Sales growth through the quarter in the Electronic Design Engineering (EDE) segment significantly outpaced the improvement seen in the Maintenance Repair and Operations (MRO) segment, in all regions. This EDE sales performance was particularly strong in North America and October marked the fifth consecutive month that EDE sales have grown sequentially month on month. MDD Americas web sales have also increased for five consecutive months and were up 20.1% on the second quarter, as our customers continue to transition to the channel of choice. Both of these positive trends are key drivers in our North American sales performance, demonstrating the success of our accelerated strategic focus. The value that our customers attribute to our differentiating proposition has led to us again taking market share in Europe, APAC and the UK. This is a significant performance, particularly in the UK, where the challenges faced by our industry competitors remain evident. We are committed to building on the strong foundations of our proven global strategy and we look forward to future leadership within the high service distribution space.

We have continued with our dynamic inventory and product portfolio investment programs, investing £3.4 million during the third quarter, as the electronics supply chain starts to show signs of a recalibration. Our enhanced EDE and web propositions have continued to attract new customers and our content rich web channel remains the channel of choice, with sales via eCommerce channels now accounting for 39.9% of total MDD sales. Sales in our developing international markets - China, India and Eastern Europe - again delivered strong growth and in China we recently received recognition from the electronics industry as the high service distributor of choice for design engineers. **element14**, our innovative design engineering community, continues to deepen our relationship with EDEs globally and since its launch EDEs have researched, conversed and collaborated on their designs on over 820,000 pages, spending over 29,700 hours working within the site. With the vibrancy of this industry leading eCommunity continuing to grow we are now seeing up to 19,000 customers each week visit **element14**. As the community expands it allows us to increase our understanding and support the needs of EDEs, while also providing a burgeoning collaborative environment where engineers can work, make decisions on and purchase all the necessary products, information, software and technology solutions they need to complete a design from concept.

Group sales saw the momentum in August continue through the third quarter, with revenue growing 5.0% sequentially on the second quarter. Compared to last year, sales declined 11.0% against a third quarter which had seen year on year sales growth of 1.7%. This performance reflects the positive year on year sales growth recognised in APAC and CPC and the sequential sales growth seen in Newark, Farnell Europe including the UK, MCM and TPC. The average number of lines per order in Newark increased throughout the quarter which had a positive impact on the business' third quarter average order value, building on the sustained positive trends we have seen since June. This, combined with an improvement in third quarter transactional volumes in all regions, provides the first indication of increased activity levels within the electronics supply chain. Our improving sales performance and gross margin stability combined with the benefit of the cost reduction actions that we have taken meant that our return on sales in the third quarter improved to 9.2%, compared with 8.2% in the second quarter. This was led by the 14.8% year on year growth in operating profit seen in MDD Europe and APAC. Our overall underlying operating profit saw a

third quarter year on year decline of 24.0% at constant exchange rates, compared with the decline seen in the second quarter of 40.1%, as we begin to see the early benefits of the operational gearing inherent in our business.

Sales per day in our MDD Division grew 5.8% sequentially on the second quarter, declining 10.5% year on year. In North America absolute sales per day increased throughout the quarter, marking five consecutive months of improvement. Momentum from the second quarter also saw Newark continue to increase its sales mix towards EDE through the quarter however, the business' exposure to the fragmented US MRO markets remains evident in its overall year on year revenue decline. During the quarter we executed the last phase of branch restructuring actions in North America, closing a further eight branches and delivering the balance of the permanent £16m reduction in our cost base. We now have 7 branches in the United States and 2 in Canada, down from the 42 North American branches we had at the start of our strategic journey three years ago. Our industry leading website is at the forefront of our multi-channel sales strategy in North America, supported by our new branch structure, our new contact centre as well as work at home teams and design segment managers. This truly multi-channel approach ensures we have the right proposition and strong presence in 45 geographical markets across North America to support the needs of all our customers. Indeed, as we have closed branches and transitioned our customers to other transactional channels, we have seen sales levels increase, further demonstrating how well aligned our multi-channel sales strategy is in meeting our customers' evolving needs.

The growth opportunities inherent in our strategy continue to underpin our market outperformance in Farnell Europe, the UK and APAC. Sales in Farnell Europe, including the UK declined 4.7% year on year, a marked improvement on the second quarter decline of 10.7%. This represents a significant outperformance of the European markets which declined 23.4% for the calendar third quarter according to the Distributors and Manufacturers Association of Semiconductors (DMASS). Farnell UK's third quarter revenue declined 5.8% year on year, a significant improvement on the second quarter decline of 10.0% and achieved despite the difficult trading conditions that remain evident in our broader industry. This performance is significantly above both our industry competitors and the broader UK market which saw a decline of 8.4% for the equivalent period, as reported by the Association of Franchised Distributors of Electronic Components (AFDEC), excluding Farnell. Third quarter sales in APAC grew 10.2% year on year, a marked improvement when compared with the second quarter decline of 3.8%. This represents an outperformance of the market which saw a decline of 1.3% for the equivalent period, as reported by the Semiconductor Industry Association (SIA). Newark's overall sales grew 9.8% sequentially on the second quarter, declining 19.2% year on year, a significant improvement on the 26.5% decline seen in the second quarter. The fragmented broad-based US MRO sector saw a wide range of sales declines reported during the quarter. The percentage declines ranged from the high twenties seen in the heavy manufacturing market through to high teens in contracting, with the commercial market reported to have declined in the low single digits. Newark's overall revenue performance was at the mid-point of this range, reflecting the business' sales mix across all end markets. In contrast to the MRO segment the SIA, which is indicative of the EDE segment, reported third quarter sales growth of 14.1% in North America. This return to positive growth, while encouraging, was seen by the SIA to be in part driven by increased demand for personal computers and cell phones – the two largest demand drivers for semiconductors. This is supported by the performance seen in the volume electronic component distribution sector that is contained within these SIA statistics, which reported third quarter year on year sales declines of between 16% and 20% in North America.

As the needs of our EDE customers grow, we continue to leverage unique new services that build on the strong foundations of our proven global strategy. During the quarter we announced that we had acquired CadSoft Computer GmbH, a German based developer of Computer Aided Design (CAD) software used to develop Printed Circuit Board (PCB) layouts, a fundamental part of the design cycle for all EDEs. CadSoft's CAD software, EAGLE, is currently marketed towards the more mature European and US markets, providing us with the opportunity to further develop the software for the emerging Asian, Eastern European and Brazilian markets. Investing in innovative solutions, new products and services ensures we are able to support the evolving needs of EDEs, helping them to design and grow. Strategic revenue investments totalled £3.3m in the third quarter as we continue to strengthen the depth and relevance of our customer relationships. We have developed in excess of 200 technical training modules focused on addressing the increasing complexity of electronic solutions. We expanded our reach in China by a further six cities increasing our ability to ship orders to 130 cities across China. Recently our **element14** iPhone application was approved by Apple, as we continue to recognise how innovation influences the environment in which our customers live and work. The application, which is available to download from the iTunes App Store, provides EDEs with immediate and remote access to **element14** and

the information valued by our engineering customers. Our strategy and commitment to investing in our future continues to afford us the opportunity to attract talent from within our industry and also specialists in their own field. It is our ability to create opportunities like these that has allowed us to develop a high performance culture that underpins our industry leadership.

EDE

With new innovations creating a leapfrog in electronic technologies we added over 14,000 new esoteric EDE products to our portfolio during the quarter. In excess of 7,600 of these new products were added in North America where our ability to offer new-to-market technologies continues to deepen our relationship within the EDE community, with the number of new EDE customers growing 5.2% on the second quarter. During the quarter we extended our franchise agreement with Altera into North America, and together with our franchises in Europe and APAC we are able to distribute Altera's innovative product portfolio to our customers across the world. Seeding innovative devices, such as Altera's, together with the collaborative nature of **element14** allows us to provide EDEs not only with esoteric products but also the knowledge and design resources they need to incorporate new-to-market technologies into the concept stage of new designs. DesignLink, our CAD coupling interface, saw over 31,500 product requests come directly from EDEs working within their CAD environments, solidifying our position as the partner of choice for EDEs around the world.

Web

The web remains our customers' channel of choice with third quarter MDD web sales growing 11.0% year on year. In North America web sales grew 7.0% year on year, with sales from eCommerce channels now accounting for 25.4% of total sales as the business leverages the benefits associated with Search Engine Optimisation (SEO) and Search Engine Merchandising (SEM). Indeed, Newark's innovative approach to eMarketing was recognised by the National Electronic Distributors Association (NEDA) during the quarter as the business was presented with 10 channel marketing awards. During the quarter daily visits to our websites in Europe and APAC reached new highs and in Europe we received industry recognition for our innovative web environment, as we were awarded the distributor of the year award by Elektra. Sales via eCommerce channels in APAC and Europe now account 44.4% and 57.1% of total sales, respectively. In August we launched our new Russian local language website and since its launch this site has attracted over 43,000 customer visits transacting from as far afield as Eastern Siberia. We continue to expand our suite of eTools with the addition of eQuotes in APAC and Europe. This simple and unique electronic quoting solution has received high adoption levels in North America with sales from eQuotes growing 48.9% on the second quarter. Sales from iBuy, our innovative eProcurement solution, grew 91.5% year on year in Europe and in APAC sales grew 49.4% on the second quarter. We recently launched iBuy in North America where customers have already begun to embrace the unique advantages that this solution offers.

As the design cycle quickens and legislative and time to market constraints grow, EDEs are increasingly using the web not just to purchase product, but to also access design information, services and tools. With an estimated 2.2 billion people using the web worldwide by 2013 the availability and immediacy of access to such resources will grow and with it so will the importance of our web channel in meeting our customers' needs.

Internationalisation

The growth inherent in our developing international markets continues to be demonstrated as they again delivered strong growth, with combined sales from these markets accounting for 19.9% of the MDD division's third quarter revenue. Sales in Eastern Europe were up 49.8% year on year, driven by ongoing investments in our EDE and web propositions that continue to expand customer reach in the region. Our strategic assumptions in Asia's emerging markets continue to be validated, underpinning our strong performance in this region. Sales in India grew 94.6% during the third quarter and in Greater China sales grew 22.4%.

Other Distribution Businesses

CPC has continued to take market share as momentum from the first half of the year continued into the third quarter. Sales grew 3.5% year on year, surpassing the expectations imposed by difficult market conditions. CPC eCommerce sales now account for 36.6% of total sales with sales growth of 15.8% being delivered via the web, as CPC's unique proposition continues to provide a competitive edge. MCM's sales grew 10.9% sequentially on the second quarter, declining 8.4% year on year with sales per day improving month on month through the quarter.

Industrial Products Division (IPD)

Revenue at Akron Brass declined 5.2% year on year, outperforming its industry, which showed a decline of 12.5% for the same period. Akron continued to internationalise its proposition and despite a softening in the US fire OEM industry, ongoing investments in its product portfolio led to Akron securing its single largest ever project, located in Poland. Sales at TPC improved 16.4% on the second quarter a year on year decline of 22.3%. TPC continued to focus on its multi-channel proposition and developing market segments, with the addition of three new product categories during the quarter.

Gross Margin, Operating Expenses and Cash Performance

We delivered another quarter of gross margin stability, up sequentially on the second quarter to 39.7%, despite the difficult trading conditions that remain evident in the wider economy. The continuance of our gross margin stability is a reflection of the value that customers attribute to our high service proposition where our strategic investments ensure we remain aligned to the changing needs of our customers. Compared with the third quarter of last year, net operating expenses were down £2.7 million, at constant exchange rates, reflecting the benefit of cost actions taken and despite our continued strategic investments. Cash generated from operations, excluding restructuring costs, represented 158% of underlying operating profit in the third quarter. This strong cash performance provides us with the opportunity to expand our inventory and product portfolio as well as the ongoing investments that will continue to drive our strategic progression.

Outlook

Sales in all of our MDD businesses grew sequentially on the second quarter. We are particularly encouraged with the return to strong year on year sales growth in APAC and by the significant sequential sales growth achieved in MDD Americas. The EDE segment saw a significant sales improvement through the quarter, again outperforming sales to the MRO segment in all regions. The execution of our strategy remains at the core of our market share gains in Europe, the UK and APAC and the significant year on year improvement in operating profit in MDD Europe and Asia Pacific.

We have continued to invest throughout the global economic downturn, as we develop and leverage new services that build on the strong foundations of our proven global strategy. These investments ensure we remain aligned to our customers' needs, which they continue to recognise, as we delivered our sixteenth consecutive quarter of gross margin stability, a clear differentiator in our industry.

Both the strength of our strategy and the resilience of our business are clear, as the improving sales trends seen in the third quarter accelerated in November, where Group sales achieved positive year on year growth of 1.3%. With the continued execution of our strategy, the board remains confident that we are well positioned to lead a recovery in our industry and capitalise on the growth opportunities within our markets.

Financial Results

Revenue

Nine Months

Sales for the first nine months were £587.8 million (2008/9: £604.2 million or £684.9 million at constant exchange rates). Sales per day decreased 14.2% on the prior year, although the decline in group sales continued to abate throughout the third quarter. Our strategy continued to be validated as EDE sales outperformed MRO sales in every region, web sales continued to grow, and we continued to see strong growth in our international markets. The average exchange rate for the US dollar against sterling was \$1.58 (2008/9: \$1.90) and the average exchange rate for the Euro against sterling was Euro 1.13 (2008/9: Euro 1.27).

Third Quarter

Sales for the third quarter were £199.8 million (2008/9: £209.1 million or £223.7 million at constant exchange rates). Sales per day decreased by 11.0% on the prior year, compared with the second quarter year on year decline of 16.7%, with sales in APAC reporting positive growth of 10.2%. On a sequential basis third quarter sales increased 5.0% over the second quarter with MDD increasing 5.8%, supported by the strong performance of our EDE sales trend. The average exchange rate for

the US dollar against sterling was \$1.62 (2008/9: \$1.74) and the average exchange rate for the Euro against sterling was Euro 1.11 (2008/9: Euro 1.27).

Margins and Operating Profit

Nine Months

The gross margin in the first nine months was 39.6% compared with 39.8% in the first nine months of the prior year or 39.6% at constant exchange rates, continuing our record of maintaining margin stability which differentiates us in the industry.

Throughout the first nine months we continued to invest in our strategic direction and transformation despite the economic challenges. In the first nine months our total revenue investment to support our EDE and web propositions and the internationalisation of our high service model, increased by £2.0 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 nine months were £10.6 million lower than the first nine months of last year at constant exchange rates, despite the impact of increased pension costs and our continuing investments.

Underlying operating profit was £51.0 million (2008/9: £68.3 million) producing an operating margin of 8.7% (2008/9: 11.3%) which reflects the impact of the sales decline and our continued investments. Total operating profit for the nine months was £49.7 million (2008/9: £68.3 million), reflecting restructuring costs of £7.6 million and the second quarter 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 £10.7 million from the translation of overseas results compared with the prior year, primarily as a result of the relative strengths of both the US dollar and the Euro. At constant exchange rates the decrease in underlying operating profit compared with the prior year was 35.4%.

Third Quarter

The gross margin in the third quarter was 39.7% compared with 39.2% in the third quarter last year, or 39.3% at constant exchange rates, and 39.6% in the second quarter. This represents the sixteenth consecutive quarter of gross margin stability as we continue to effectively manage throughout the downturn.

Underlying net operating expenses in the third quarter were £2.7 million lower than the third quarter last year at constant exchange rates, 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 be realised.

Underlying operating profit was £18.4 million (2008/9: £22.1 million) producing an operating margin of 9.2% (2008/9: 10.6%), a one percentage point increase over the second quarter. Total operating profit for the quarter was £15.6 million (2008/9: £22.1 million), reflecting the third phase of the North American branch restructuring with one-off costs of £2.8 million. There was a beneficial impact on operating profit of £2.1 million from the translation of overseas results compared with the prior year, primarily as a result of the relative strengths of both the US dollar and the Euro. At constant exchange rates the decrease in operating profit compared with the prior year was 24.0% compared with the year on year decrease in the second quarter of 40.1%.

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 nine months were £13.4 million (2008/9: £8.5 million). This comprises net interest payable of £10.1 million (2008/9: £8.9 million), which was covered 5.0 times by underlying operating profit, and a charge of £3.3 million (2008/9: charge of £3.3 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 nine months was £37.6 million (2008/9: £56.1 million) and total profit before tax in the first nine months was £36.3 million (2008/9: £59.8 million).

Underlying profit before tax in the third quarter was £13.9 million (2008/9: £17.6 million), a 21.0% decrease compared with the decline seen in the second quarter of 40.9%, and total profit before tax in the third quarter was £11.1 million (2008/9: £17.7 million).

Taxation Charge

The taxation charge for the first nine months 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 nine months was 27.3% (2008/9: 30.4%).

Earnings per Share

Underlying earnings per share for the first nine months were 7.3 pence (2008/9: 10.8 pence). Total earnings per share for the first nine months were 6.9 pence (2008/9: 11.8 pence).

Cash Flow and Net Financial Liabilities

Total cash generated from operations in the third quarter was £27.0 million or £29.1 million excluding the impact of restructuring costs (2008/9: £22.4 million), representing 173.1% of operating profit, or 158.2% excluding the impact of restructuring costs (2008/9: 101.4%). Working capital reduced by £5.0 million in the quarter despite the inventory investments we are making to support our Electronic Design Engineers needs.

Total cash generated from operations in the first nine months was £78.0 million or £83.7 million excluding the impact of restructuring costs (2008/9: £69.9 million), representing 156.9% of operating profit or 164.1% excluding the impact of restructuring costs (2008/9: 102.3%). Free cash flow in the first nine months, being total cash generated from continuing operations less net capital expenditure, interest, preference dividends and tax payments, was £54.2 million, or £59.9 million excluding restructuring costs, (2008/9: £35.5 million including the proceeds from the sale of surplus property of £3.3 million).

Net financial liabilities at the end of the first nine months were £264.7 million (1 February 2009: £295.9 million), including £60.0 million (1 February 2009: £59.4 million) attributable to the Company's preference shares. The reduction during the first nine months of £31.2 million reflects the strong cash flow performance and includes £18.3 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 1 November 2009 our headroom on bank borrowings was £72 million under facilities in place until May 2012 (£20 million) and January 2013 (£150 million). This headroom, combined with our net cash position of £31.7 million, gives us a secure funding position.

The Group expects 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 resulted in a net charge to operating profit in the first nine months of £2.9 million, compared with net income of £1.6 million in the first nine months of 2008/9. This primarily reflects the decline in the market value of investments of the US Pension Plan during 2008/9.

As noted in the interim statement, 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 non cash net accounting

gain in the second 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. Actuarial losses of £21.5 million (£13.8 million net of associated deferred tax) were recognised in the first half of the financial year through the Condensed Consolidated Statement of Comprehensive Income relating to the Group's defined benefit pension plans, primarily from the changes in the market related bond rate used to discount plan liabilities at the period end. No actuarial losses have arisen in the third quarter.

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)

	Q3 09/10	<i>Q3 08/9</i>	<i>Q3 growth</i>	9M 09/10	<i>9M 08/9</i>	<i>9M growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	180.8	<i>188.2</i>	-10.5%	529.3	<i>547.3</i>	-14.2%
Underlying operating profit*	17.9	<i>20.9</i>	-21.1%	48.4	<i>66.0</i>	-34.9%
Underlying operating margin %	9.9%	<i>11.1%</i>		9.1%	<i>12.1%</i>	

*excluding restructuring costs of £7.6 million (Q1: £4.0 million, Q2 £0.8 million, Q3: £2.8 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.

As the MDD Division builds on the strong foundations of our proven global strategy, third quarter sales improved 5.8% over the second quarter, declining 10.5% year on year. This compares with the second quarter decline of 17.0% as the momentum seen in August continued with all regions showing year on year improvement compared with the second quarter. In MDD Europe and Asia Pacific where our strategy is more embedded, third quarter sales declined 2.9% compared with the second quarter sales decline of 9.9%, with our Asia Pacific region reporting double digit year on year growth of 10.2%. MDD Americas also saw significant progress with third quarter sales declining 19.2% compared with the 26.5% reported in the second quarter, and sequential sales per day having now shown improvement for five consecutive months.

The MDD Division remains focused on driving its transition to a web-centric, EDE focused organisation. Sales to the EDE segment saw a significant sales growth improvement through the quarter, again outperforming sales to the MRO segment in all regions. In North America this trend has been particularly strong, with EDE sales improving significantly month on month for five consecutive months. Our rich web environment continued to grow, reflecting our customers' increasing channel of choice, and our international markets delivered further strong positive growth.

The recent acquisition of CadSoft is an important and differentiating addition to our portfolio offering of product, data and services to design engineers globally and aligns well with our focus on the EDE market, driving business to the web and growth in emerging markets.

Actions taken in the first half to accelerate our transition to the web continued in the third quarter to ensure that our structure, resources and talent are in place to support profitable growth. In the first nine months this resulted in one-off restructuring costs of £7.6 million which will provide annualised savings of £12 million. In addition, as reported at the half year, 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 of 9.9% in the third quarter reflects a 1.5 percentage point increase over the second quarter with all three segments showing operating margin improvement. The sequential sales improvement, gross margin performance and effective cost control, resulted in the year on year underlying operating profit decline improving from 42.5% in the second quarter

to 21.1% in the third quarter. This is despite ongoing revenue investment to support our EDE and web propositions, together with our international expansion, which, for the first nine months was £9.8 million, an increase of £2.0 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 11.0% in the third quarter, and total eCommerce sales reached 39.9% of total sales with Farnell Europe at 57.1%, 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 nine months from the translation of overseas results of £8.4 million reflecting the relative strength of the US dollar (£4.7 million) and the Euro (£3.7 million).

MDD Americas (Newark)

	Q3 09/10	<i>Q3 08/9</i>	<i>Q3 growth</i>	9M 09/10	<i>9M 08/9</i>	<i>9M growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	78.1	<i>90.5</i>	<i>-19.2%</i>	231.2	<i>250.7</i>	<i>-22.4%</i>
Underlying operating profit*	3.1	<i>9.1</i>	<i>-67.7%</i>	7.4	<i>23.8</i>	<i>-73.8%</i>
Underlying operating margin %	4.0%	<i>10.1%</i>		3.2%	<i>9.5%</i>	

*excluding restructuring costs of £4.7 million (Q1: £1.1 million, Q2 £0.8 million, Q3: £2.8 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.

Newark's overall sales during the quarter grew 9.8% sequentially on the second quarter, declining 19.2% year on year, with sales per day having now shown sequential improvement for five consecutive months. Sales to our EDE customers saw significant sales growth improvement through the quarter. MRO sales have also improved on the second quarter, compared to the fragmented broad-based US MRO sector which saw a wide range of sales declines reported during the quarter. The percentage declines ranged from the high twenties seen in the heavy manufacturing market through to high teens in contracting, with the commercial market reported to have declined in the low single digits. In contrast to the MRO segment the SIA, which is indicative of the EDE segment, reported third quarter sales growth of 14.1% in North America. While encouraging, the SIA cited this improvement to be in part driven by increased demand for personal computers and cell phones. This is further demonstrated by the sales performance of the volume electronic component distribution sector which continued to report year on year sales declines of between 16% and 20% in North America and are included in the SIA statistics.

Strategic investments are continuing to realise benefits and increase our capabilities in the region. Newark's average number of lines per order and average order values have seen the upwards momentum from the second quarter continue through the third quarter, driven by customer engagement programmes that are aligned to an enhanced product offering and increasingly innovative web experience. In the third quarter a further eight branches were closed, at a one-off cost of £2.8 million, as we continue to support the customer switch to our rich web environments. We now have 9 branches in North America down from the 42 branches we had at the start of our strategy. We remain committed to offering customers one-to-one relationships through our contact centre, work at home teams and design segment managers. This combined with our industry leading website and new branch structure ensures that customers right across North America continue to benefit from a value added experience.

Underlying operating margin improved from 2.0% in the second quarter to 4.0% in the third quarter as the business started to benefit from its strategic actions and restructuring, although it continued to be affected by the year on year 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 £3.4 million relating to the US defined benefit pension plan were incurred in the nine months.

Newark continued to realise benefits from its investments in its content-rich web channel and various eMarketing initiatives, including the success of eQuotes which all contributed 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 25.4%.

MDD Europe and Asia Pacific
(Farnell and Premier Electronics)

	Q3 09/10	<i>Q3 08/9</i>	<i>Q3 growth</i>	9M 09/10	<i>9M 08/9</i>	<i>9M growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
Revenue	79.3	<i>74.7</i>	<i>-2.9%</i>	230.7	<i>232.0</i>	<i>-8.0%</i>
Underlying operating profit*	12.4	<i>9.5</i>	<i>14.8%</i>	34.2	<i>34.9</i>	<i>-11.4%</i>
Underlying operating margin %	15.6%	<i>12.7%</i>		14.8%	<i>15.0%</i>	

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

Sales in the third quarter declined 2.9% reflecting an improvement on the 9.9% reduction in the second quarter and the extent to which we have embedded our strategy in these regions. Despite the year on year sales decline, underlying operating margin improved to 15.6%, with underlying operating profit increasing 14.8% year on year at constant exchange rates, reflecting the cost benefits of our transition to the web and the actions taken to restructure our European business, which resulted in a one-off cost of £2.9 million in the first quarter.

Revenue by region	Q3 09/10	<i>Q3 08/9</i>	<i>Q3 growth</i>	9M 09/10	<i>9M 08/9</i>	<i>9M growth</i>
	£m	<i>£m</i>		£m	<i>£m</i>	
UK (including exports)	27.8	<i>28.1</i>	<i>-1.1%</i>	82.9	<i>87.9</i>	<i>-5.5%</i>
Mainland Europe	40.2	<i>37.6</i>	<i>-6.9%</i>	116.7	<i>116.7</i>	<i>-11.2%</i>
Asia Pacific	11.3	<i>9.0</i>	<i>10.2%</i>	31.1	<i>27.4</i>	<i>-0.9%</i>

Farnell Europe continues to demonstrate its advanced stage of our transition to EDE and the web. The Division's ongoing EDE initiatives including its targeted approach to customer acquisition have resulted in EDE sales significantly outperforming MRO sales. Third quarter sales in Eastern Europe grew 49.8% year on year as the significant opportunities for growth in the region continue to be exploited. Sales for Farnell Europe, including the UK, declined 4.7% in the quarter, a marked improvement on the second quarter decline of 10.7%. This compared with the European market declining 23.4% in the calendar third quarter, as reported by DMAS.

Farnell UK continued to increase its market share. The sales decline of 5.8% in the third quarter represents an improvement on the second quarter decline of 10.0% and an outperformance of our industry competitors and the UK markets which according to the most recent data from AFDEC declined by 8.4%, excluding Farnell, for the equivalent period.

Sales in APAC grew strongly in the third quarter, up 10.2% year on year as we continued to take market share and outperform our markets which declined 1.3% for the equivalent period, as reported by the SIA. 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 saw sales growth of 22.4% and 94.6% in Greater China and India, respectively, further demonstrating that our strategic decision to enter Asia's emerging markets was the right one.

Our broad product offering and the richness of our web environment continued to attract new customers and following the introduction of eQuotes and new website enhancements, web sales grew 12.0% during the quarter. eCommerce sales in Farnell Europe now account for 57.1% of total sales.

Other Distribution Businesses (CPC and MCM)

	Q3 09/10	Q3 08/9	Q3 growth	9M 09/10	9M 08/9	9M growth
	£m	£m		£m	£m	
Revenue	23.4	23.0	-0.1%	67.4	64.6	-1.0%
Underlying operating profit*	2.4	2.3	4.3%	6.8	7.3	-10.5%
Underlying operating margin %	10.3%	10.0%		10.1%	11.3%	

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

CPC achieved positive sales growth throughout the year and sales were up 3.5% in the third quarter, reflecting the success of its innovative marketing activities and TV advertising campaigns, in what is a highly competitive and difficult UK market. CPC continued to drive its focused approach to the web, with third quarter web sales growing 15.8% year on year.

Whilst MCM's third quarter sales declined 8.4% on the prior year, reflecting the highly challenging market conditions in North America and the impact of the economic environment on the business' larger National Account customers, the business saw sales growth of 10.9% over the second quarter. This was supported by the success of both online and offline marketing campaigns, which resulted in active customers increasing by 48% over the prior year. Web sales, driven by focused marketing activities, continued to increase with over 50% of sales from mailings now being transacted via the web, and total eCommerce sales now represent 42.1% of total sales.

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

	Q3 09/10	Q3 08/9	Q3 growth	9M 09/10	9M 08/9	9M growth
	£m	£m		£m	£m	
Revenue	19.0	20.9	-15.3%	58.5	56.9	-14.4%
Underlying operating profit*	3.4	4.2	-24.4%	10.4	11.1	-22.4%
Underlying operating margin	17.9%	20.1%		17.8%	19.5%	

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

Third quarter sales declined 15.3%, or 9.0% excluding Cadillac Electric which was closed at the end of the prior year. Both Akron Brass and TPC Wire & Cable remain focused on their successful targeting of international opportunities and new products and markets in order to mitigate the impact of the difficult conditions in their domestic markets. Despite these conditions operating margins have remained strong.

Akron Brass

Sales at Akron Brass declined 5.2% in the third quarter and 2.9% year to date, a relatively strong performance as the business continued to increase market share in what remain difficult market conditions. This was supported by targeted growth internationally, including a record order in Poland, and ongoing investments in new product developments and other market sectors including defence and petrochemical industries.

TPC Wire & Cable

Following the restructuring of TPC during the second quarter, designed to develop a multi-channel focus across specific market segments, including refineries, rig and marine fabrication, hoisting equipment, government, utility, mining, food and beverage, the business saw third quarter sales increase 16.4% over the second quarter, a year on year decline of 22.3%. This restructuring ensures TPC is less reliant on its traditional markets, including automotive and the steel sector, and that the business is focused on opportunities for growth. The business has also made improvements to its website during the quarter around usability and as a result has seen visitor numbers increase, supported by marketing initiatives.

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 third quarter and nine months ended 1st November 2009

	Notes	2009/10 Third quarter unaudited £m	2008/9 Third quarter unaudited £m	2009/10 Nine months unaudited £m	2008/9 Nine months unaudited £m	2008/9 Full year audited £m
Continuing operations						
Revenue	3	199.8	209.1	587.8	604.2	804.4
Cost of sales		(120.4)	(127.1)	(355.1)	(364.0)	(485.6)
Gross profit		79.4	82.0	232.7	240.2	318.8
Net operating expenses						
- before restructuring and pension changes		(61.0)	(59.9)	(181.7)	(171.9)	(230.0)
- restructuring costs	4	(2.8)	-	(7.6)	-	(3.4)
- net one-off income from pension changes	4	-	-	6.3	-	-
Total net operating expenses		(63.8)	(59.9)	(183.0)	(171.9)	(233.4)
Operating profit						
- before restructuring and pension changes		18.4	22.1	51.0	68.3	88.8
- restructuring costs	4	(2.8)	-	(7.6)	-	(3.4)
- net one-off income from pension changes	4	-	-	6.3	-	-
Total operating profit	3	15.6	22.1	49.7	68.3	85.4
Finance income (interest receivable)		0.1	0.1	0.3	0.5	0.7
Finance costs						
- interest payable		(3.5)	(3.5)	(10.4)	(9.4)	(12.6)
- preference dividends		(0.9)	(0.9)	(2.7)	(2.7)	(3.5)
- premium on redemption of preference shares		(0.2)	(0.2)	(0.6)	(0.6)	(0.9)
- gain on purchase of preference shares		-	0.1	-	3.7	3.7
Total finance costs		(4.6)	(4.5)	(13.7)	(9.0)	(13.3)
Profit before taxation	4	11.1	17.7	36.3	59.8	72.8
Taxation	5	(3.5)	(5.4)	(11.3)	(17.1)	(21.1)
Profit for the period (attributable to ordinary shareholders)		7.6	12.3	25.0	42.7	51.7
Earnings per share						
Basic	6	2.1p	3.4p	6.9p	11.8p	14.3p
Diluted		2.1p	3.3p	6.9p	11.6p	14.2p
Ordinary dividends						
Interim - proposed				4.2p	4.2p	4.2p
Final - proposed						5.2p
Paid				9.4p	9.4p	9.4p
Impact on shareholders' funds (£m)				34.0	34.0	34.0

Condensed Consolidated Statement of Comprehensive Income

For the third quarter and nine months ended 1st November 2009

	Notes	2009/10 Third quarter unaudited £m	2008/9 Third quarter unaudited £m	2009/10 Nine months unaudited £m	2008/9 Nine months unaudited £m	2008/9 Full year audited £m
Profit for the period		7.6	12.3	25.0	42.7	51.7
Net exchange adjustments		1.9	(6.3)	(4.1)	(4.6)	11.6
Actuarial losses on pensions and other post-retirement obligations	8	-	(37.7)	(21.5)	(37.7)	(85.1)
Deferred tax credit on actuarial losses	8	-	14.4	7.7	14.4	31.3
Net gains/(losses) not recognised in the income statement		1.9	(29.6)	(17.9)	(27.9)	(42.2)
Total comprehensive income/(expense) for the period (attributable to ordinary shareholders)		9.5	(17.3)	7.1	14.8	9.5

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

Condensed Consolidated Balance Sheet

As at 1st November 2009

	Notes	1st November 2009 unaudited £m	2nd November 2008 unaudited £m	1st February 2009 audited £m
ASSETS				
Non-current assets				
Goodwill		34.4	32.0	32.5
Other intangible assets		30.0	22.7	25.0
Property, plant and equipment		48.0	53.9	58.1
Retirement benefit assets		-	28.5	-
Deferred tax assets		6.6	0.2	5.0
Total non-current assets		119.0	137.3	120.6
Current assets				
Inventories		165.3	183.3	194.3
Financial assets		-	0.6	-
Trade and other receivables		123.6	137.9	128.8
Cash and cash equivalents	7	31.7	34.6	39.6
Total current assets		320.6	356.4	362.7
LIABILITIES				
Current liabilities				
Financial liabilities	7	(40.1)	(11.1)	(5.1)
Trade and other payables		(100.2)	(100.2)	(94.5)
Current tax payable		(25.4)	(23.1)	(17.4)
Total current liabilities		(165.7)	(134.4)	(117.0)
Net current assets		154.9	222.0	245.7
Non-current liabilities				
Financial liabilities	7	(256.3)	(310.5)	(330.4)
Retirement and other post-employment benefits		(48.5)	(20.3)	(35.3)
Deferred tax liabilities		(1.8)	(23.0)	(6.2)
Total non-current liabilities		(306.6)	(353.8)	(371.9)
NET (LIABILITIES)/ASSETS		(32.7)	5.5	(5.6)
EQUITY				
Ordinary shares		18.3	18.3	18.3
Equity element of preference shares		10.4	10.4	10.4
Share premium		23.8	23.8	23.8
Capital redemption reserve		4.4	4.4	4.4
Hedging reserve		-	0.6	(3.7)
Cumulative translation reserve		11.2	(0.9)	15.3
Retained earnings		(100.8)	(51.1)	(74.1)
TOTAL EQUITY		(32.7)	5.5	(5.6)

Consolidated Statement of changes in Equity

For the third quarter and nine months ended 1st November 2009

	2009/10 Nine months unaudited £m	2008/9 Nine months unaudited £m	2008/9 Full year audited £m
Total equity at beginning of period	(5.6)	20.1	20.1
Profit for the period	25.0	42.7	51.7
Other comprehensive (expense)/income	(17.9)	(27.9)	(42.2)
Derivative financial instruments	3.7	3.5	(0.8)
Transactions with owners:			
Ordinary dividends paid	(34.0)	(34.0)	(34.0)
Ordinary shares issued	-	0.9	0.9
Purchase of ordinary shares	(5.0)	(2.9)	(2.9)
Purchase of preference shares:			
- reduction in equity element	-	(4.8)	(4.8)
- gain arising on equity element	-	4.8	4.8
- deferred tax	-	0.8	0.8
Share-based payments	1.1	2.3	0.8
Total transactions with owners	(37.9)	(32.9)	(34.4)
Total equity at end of period	(32.7)	5.5	(5.6)

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

Condensed Consolidated Statement of Cash Flows
For the third quarter and nine months ended 1st November 2009

Notes	2009/10 Third quarter unaudited £m	2008/9 Third quarter unaudited £m	2009/10 Nine months unaudited £m	2008/9 Nine months unaudited £m	2008/9 Full year audited £m
Cash flows from operating activities					
Operating profit from continuing operations	15.6	22.1	49.7	68.3	85.4
Restructuring/pension changes:					
- net income statement impact	2.8	-	1.3	-	3.4
- cash impact	(2.1)	-	(5.7)	-	(2.0)
Non-cash impact of restructuring/pension changes	0.7	-	(4.4)	-	1.4
Depreciation and amortisation	5.1	4.4	14.8	13.0	18.0
Changes in working capital	5.0	(3.4)	16.6	(9.6)	2.7
Additional pension scheme funding (UK defined benefit plan)	(0.5)	(0.7)	(1.7)	(2.2)	(2.9)
Other non-cash movements	1.1	-	3.0	0.4	(2.3)
Total cash generated from operations	27.0	22.4	78.0	69.9	102.3
Interest received	0.1	0.1	0.3	0.5	0.7
Interest paid	(1.3)	(1.5)	(7.8)	(7.4)	(12.4)
Dividends paid on preference shares	-	-	(1.8)	(1.8)	(3.5)
Taxation paid	(5.1)	(7.0)	(6.4)	(18.0)	(21.9)
Net cash generated from operating activities	20.7	14.0	62.3	43.2	65.2
Cash flows from investing activities					
Acquisition of business	2	(6.1)	-	-	(1.1)
Disposal of business	-	-	-	0.7	0.7
Proceeds from sale of property, plant and equipment	-	-	-	3.3	3.3
Purchase of property, plant and equipment	(0.8)	(1.0)	(2.7)	(3.9)	(7.0)
Purchase of intangible assets (computer software)	(1.7)	(2.4)	(5.4)	(7.1)	(9.1)
Net cash used in investing activities	(8.6)	(3.4)	(14.2)	(7.0)	(13.2)
Cash flows from financing activities					
Issue of ordinary shares	-	0.5	-	0.9	0.9
Purchase of ordinary shares	9	-	(5.0)	(2.9)	(2.9)
Purchase of preference shares	-	(0.5)	-	(23.6)	(23.6)
New bank loans	7.2	-	144.1	26.7	29.5
Repayment of bank loans	-	(7.3)	(158.7)	(7.3)	(22.8)
Dividends paid to ordinary shareholders	(15.1)	(15.2)	(34.0)	(34.0)	(34.0)
Net cash used in financing activities	(7.9)	(22.6)	(53.6)	(40.2)	(52.9)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts					
	4.2	(12.0)	(5.5)	(4.0)	(0.9)
Cash, cash equivalents and bank overdrafts at beginning of period	27.3	45.8	39.0	37.6	37.6
Exchange gains/(losses)	0.2	0.8	(1.8)	1.0	2.3
Cash, cash equivalents and bank overdrafts at end of period	31.7	34.6	31.7	34.6	39.0
Reconciliation of net financial liabilities					
Net financial liabilities at beginning of period			(295.9)	(254.1)	(254.1)
Net decrease in cash, cash equivalents and bank overdrafts			(5.5)	(4.0)	(0.9)
Decrease/(increase) in debt			14.6	(19.4)	(6.7)
Decrease in preference shares			-	27.4	27.4
Premium on redemption of preference shares			(0.6)	(0.6)	(0.9)
Derivative financial instruments			4.4	3.5	(1.5)
Exchange movement			18.3	(39.2)	(59.2)
Net financial liabilities at end of period	7		(264.7)	(286.4)	(295.9)

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 in accordance with International Financial Reporting Standards (IFRSs) and applying the accounting policies disclosed in the Group's 2009 Annual Report and Accounts on pages 81 to 85, except as described below.

The following new standards and amendments to standards are mandatory for the first time for financial years beginning on or after 1 January 2009, and have been adopted by the Group effective from 2 February 2009.

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.

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 Acquisition

On 23rd September 2009, the Group acquired the entire issued share capital of CadSoft Computer GmbH, a leading German-based developer and supplier of specialist computer aided design (CAD) software for design engineers, together with the business of Cadsoft Computer Inc., in the US.

This transaction has been accounted for by the purchase method of accounting. The consideration and provisional fair values of the net assets acquired were as follows:

	Book value	Fair value adjustments	Fair value
	£m	£m	£m
Intangible assets	-	5.3	5.3
Property, plant and equipment	0.1	-	0.1
Trade and other receivables	0.1	-	0.1
Trade and other payables	(0.2)	-	(0.2)
Cash and cash equivalents	0.2	-	0.2
	<u>0.2</u>	<u>5.3</u>	<u>5.5</u>
Goodwill			<u>2.8</u>
Total cash consideration (including deferred consideration of £1.9m and costs of £0.2m)			<u>8.3</u>
Net cash outflow arising on acquisition comprises:			
Cash consideration at date of acquisition (including costs)			6.3
Cash and cash equivalents acquired			<u>(0.2)</u>
			<u>6.1</u>

Intangible assets of £5.3m comprise the software licence, database and brand and are being amortised over periods of between 4 and 15 years. Goodwill is attributable to the future profitability of the acquired business.

Deferred consideration of £1.9m is dependent on the performance of the acquired business over the next three years. Both the trading results of CadSoft for the period since acquisition, and also for the period since the start of the financial year had the acquisition taken place on that date, are not material to the Group's results.

3 Segment information (unaudited)

	2009/10 Third quarter			2008/9 Third quarter (re-presented) £m
	Before restructuring	Restructuring (note 4)	After restructuring	
	£m	£m	£m	
Revenue				
Marketing and Distribution Division				
Americas	78.1	-	78.1	90.5
Europe and Asia Pacific	79.3	-	79.3	74.7
Other Distribution Businesses	23.4	-	23.4	23.0
Total Marketing and Distribution Division	180.8	-	180.8	188.2
Industrial Products Division	19.0	-	19.0	20.9
	199.8	-	199.8	209.1
Operating profit				
Marketing and Distribution Division				
Americas	3.1	(2.8)	0.3	9.1
Europe and Asia Pacific	12.4	-	12.4	9.5
Other Distribution Businesses	2.4	-	2.4	2.3
Total Marketing and Distribution Division	17.9	(2.8)	15.1	20.9
Industrial Products Division	3.4	-	3.4	4.2
Head Office costs	(2.9)	-	(2.9)	(3.0)
	18.4	(2.8)	15.6	22.1
	2009/10 Nine months			2008/9 Nine months (re-presented) £m
	Before restructuring/ pension changes	Restructuring/ pension changes (note 4)	After restructuring/ pension changes	
	£m	£m	£m	
Revenue				
Marketing and Distribution Division				
Americas	231.2	-	231.2	250.7
Europe and Asia Pacific	230.7	-	230.7	232.0
Other Distribution Businesses	67.4	-	67.4	64.6
Total Marketing and Distribution Division	529.3	-	529.3	547.3
Industrial Products Division	58.5	-	58.5	56.9
	587.8	-	587.8	604.2
Operating profit				
Marketing and Distribution Division				
Americas	7.4	0.3	7.7	23.8
Europe and Asia Pacific	34.2	(2.9)	31.3	34.9
Other Distribution Businesses	6.8	0.3	7.1	7.3
Total Marketing and Distribution Division	48.4	(2.3)	46.1	66.0
Industrial Products Division	10.4	1.0	11.4	11.1
Head Office costs	(7.8)	-	(7.8)	(8.8)
	51.0	(1.3)	49.7	68.3
	2008/9 Full year			
	Before restructuring costs (re-presented)	Restructuring costs - note 4 (re-presented)	After restructuring costs (re-presented)	
	£m	£m	£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	

Segmental information has been re-presented to reflect the adoption of IFRS 8 (note 1).

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.

7 Net financial liabilities

	1st November 2009 unaudited £m	2nd November 2008 unaudited £m	1st February 2009 audited £m
Cash and cash equivalents	31.7	34.6	39.6
Unsecured loans and overdrafts	(236.4)	(262.0)	(271.7)
Net financial liabilities before preference shares and derivatives	(204.7)	(227.4)	(232.1)
Preference shares	(60.0)	(59.1)	(59.4)
Derivative financial instruments (net)	-	0.1	(4.4)
Net financial liabilities	(264.7)	(286.4)	(295.9)
Net financial liabilities are analysed in the balance sheet as follows:			
Current assets			
Cash and cash equivalents	31.7	34.6	39.6
Derivative financial instruments	-	0.6	-
	31.7	35.2	39.6
Current liabilities			
Bank overdrafts	-	-	(0.6)
5.3% US dollar Guaranteed Senior Notes payable 2010	(40.0)	-	-
Other loans	(0.1)	(10.6)	(0.1)
Derivative financial instruments	-	(0.5)	(4.4)
	(40.1)	(11.1)	(5.1)
Non-current liabilities			
Bank loans	(95.6)	(107.4)	(109.8)
5.3% US dollar Guaranteed Senior Notes payable 2010	-	(41.0)	(45.8)
5.9% US dollar Guaranteed Senior Notes payable 2013	(96.4)	(98.8)	(110.4)
Other loans	(4.3)	(4.2)	(5.0)
Preference shares	(60.0)	(59.1)	(59.4)
	(256.3)	(310.5)	(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 nine months to 1st November was £72 million.

8 Post-retirement benefits

An actuarial loss of £21.5 million (£13.8 million net of associated deferred tax) was recognised in the second quarter 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 arose primarily from changes in the market-related bond rate used to discount plan liabilities at the period end. As detailed in note 4, 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.

9 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.

10 Exchange rates

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

	2009/10 Third quarter	2008/9 Third quarter	2009/10 Nine months	2008/9 Nine months	2008/9 Full year
US dollar	1.62	1.74	1.58	1.90	1.79
Euro	1.11	1.27	1.13	1.27	1.24