PRELIMINARY STATEMENT

Electrocomponents plc, the global distributor for engineers, today announces its results for the year ended 31 March 2015.

	2015	2014	Change
Sales	**£1,266.2m**	£1,273.1m	3.5%(1)
Headline profit before tax (2) (3)	**£80.1m**	£101.1m	(21)%
Reported profit before tax	**£96.1m**	£101.1m	(5)%
Headline earnings per share (2)	**13.2p**	16.3p	(19)%
Headline free cash flow (2)	**£52.3m**	£58.3m	(10)%
Dividend per share	**11.75p**	11.75p	-

(1) Sales growth, unless otherwise stated, is adjusted for trading days and currency movements (underlying sales growth/decline). Fewer trading days and adverse currency movements decreased Group reported sales by £50 million

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

(3) Fewer trading days and adverse currency movements decreased headline profit before tax by £8 million. Reported 2015 full-year headline profit before tax of £80.1m would be £5 million lower if translated at foreign exchange rates as at 15 May 2015.

Overview

2015 financial performance was disappointing with investment not yet delivering the expected step-up in revenue growth and the UK business remaining in revenue decline. In April Lindsley Ruth joined Electrocomponents as Group Chief Executive. In November, he will lay out his plans to deliver a sustained improvement in performance. Meanwhile actions to address underperformance are being intensified.

Financial highlights

- 3% Group underlying sales growth, with 6% International growth and 2% UK decline
- International driven by 10% growth in North America and 4% growth in both Europe and Asia Pacific
- UK Contribution reduced by 8% (£9 million) due to revenue and gross margin declines
- Gross margin declined by 1.3% points, reflecting mix, negative FX and discounting
- Headline profit before tax(2) declined by 21%, with 8% (£8 million) due to fewer trading days and currency
- Reported profit before tax decreased by 5% benefitting from a £20 million pension credit
- Strong balance sheet with net debt: EBITDA of 1.3 times
- In August, the Group signed a new £172 million syndicated multicurrency facility
- Full-year dividend per share maintained at 11.75 pence

Operational highlights

- Group eCommerce sales growth of 6%, with share rising to 59% of Group revenues
- Extensive enhancements to our websites, particularly search and browse functionality
- Significant new product introduction, around 62,000 new products introduced to RS and 13,000 to Allied
- Good progress extending the Global Offer with 27% of products available globally (up from 10%)
- Successfully rolled out existing SAP-based IT system to Japan completing global rollout

CURRENT TRADING

In the first seven weeks of the new financial year the Group has delivered sales growth of 4%. The International business grew by 6% and the UK declined by 2%. Within International, Continental Europe grew by 11%, North America grew by 4% and Asia Pacific declined by 1%. Sales growth in Continental Europe has continued to be strong while North American sales growth was affected by the recent weakening in US manufacturing output.

PETER JOHNSON, CHAIRMAN, COMMENTED:

“2015 financial performance was not good enough and something we are determined to improve. We are pleased to welcome Lindsley Ruth as our new Group Chief Executive and the Board will support him as he assesses what changes are needed to the strategy and its implementation in order to deliver a much improved performance going forward.”

LINDSLEY RUTH, GROUP CHIEF EXECUTIVE, COMMENTED:

“I was delighted to be appointed as Chief Executive of the Group. I believe strongly in the business model, but there remains much to do and these results demonstrate the challenges we face. We have strong brands, good geographical reach and market-leading positions. I have been impressed by the quality and attitude of the people within the business and I am excited about working with them to make the most of the significant potential within the business.

"My immediate focus is to reduce complexity, increase accountability and accelerate the pace of change to drive faster growth and improved shareholder returns."

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* Available to 12:00 on 21 May 2015, thereafter 01865 204000

The results and presentation to analysts are published on the corporate website at www.electrocomponents.com.

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

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

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

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

Notes to editors:
Electrocomponents, the global distributor for engineers, has operations in 32 countries. We offer over 500,000 products through the internet, catalogues and at trade counters to over one million customers, shipping around 44,000 parcels a day. Our product categories, sourced from 2,500 leading suppliers, include semiconductors, interconnect, passives and electromechanical, automation and control, electrical, test and measurement, tools and consumables.

The business satisfies the small quantity needs of its customers who are typically electronics design engineers, machine and panel builders or maintenance engineers in business. A large number of high quality goods are stocked, which are despatched the same day that the order is received. The average customer order value is around £150 although the range of order values is wide. The Group's customers come from a wide range of industry sectors with diverse product demands.

Results Overview

Financial Performance	2015	2014
Sales	**£1,266.2m**	£1,273.1m
Gross margin	**44.6%**	45.9%
Headline contribution (1)	**£248.3m**	£257.9m
Headline Group Process costs (1)	**£(163.1)m**	£(151.8)m
Headline operating profit (1)	**£85.2m**	£106.1m
Headline return on sales (1)	**6.7%**	8.3%
Net interest (expense)	**£(5.1)m**	£(5.0)m
Headline profit before tax (1, 2)	**£80.1m**	£101.1m
Headline free cash flow (1)	**£52.3m**	£58.3m
Headline earnings per share (1)	**13.2p**	16.3p
Dividend per share(3)	**11.75p**	11.75p
Net debt to 12 months EBITDA (4)	**1.3x**	1.1x

(1) Headline measures of profitability and cash flow are defined as the relevant reported profit/cash flow measure before pension credits and reorganisation costs/cash flows. Fewer trading days and currency movements decreased headline profit before tax by £8 million.
(2) Reported 2015 full year headline profit before tax of £80.1m would be £5m lower if translated at the foreign exchange rates as at 15 May 2015.
(3) 2015: comprises 5p interim and 6.75p proposed final dividend
(4) EBITDA: Headline Earnings before interest, tax, depreciation and amortisation (inc. government grants)

Sales
Group sales were £1,266.2 million. Reported revenues were down 0.5%, with fewer trading days and adverse currency movements decreasing Group reported sales by around 4% (£50 million). Underlying sales adjusted for trading days and currency were up 3.5%. Growth was driven by International revenue growth of 6% which more than offset a decline in UK revenues of 2%. eCommerce sales grew 6% and during the year eCommerce represented 59% of Group revenues.

Gross margin
Group gross margin at 44.6% was down 1.3% points on the prior year. 0.5% points of the decline reflected mix effects, whereby growth was faster in lower-margin geographies, such as North America and lower-margin categories such as semiconductors. The other 0.8% points of decline related to two factors; first we saw a negative impact from transactional foreign exchange of about 0.4% points during the year, due primarily to Euro weakness and US dollar strength. The final 0.4% points of decline primarily reflected increased discounting. This relates to an initiative to drive corporate account sales in regions such as the UK and Asia supported by selective discounting.

Costs
Headline operating costs (which include process costs and local costs) increased by 3.6% at constant exchange rates (less than 1% at reported). This increase was driven by inflationary rises in labour costs and investment in our strategic initiatives. This year the key strategic focus has been on driving the One Global Offer and eCommerce with a Human Touch initiatives which has led to significant investment in systems with the focus being on the completion of the global SAP rollout, enhancements to our website and development of our global planning tool. Costs have been impacted by increased depreciation associated with this higher level of capital expenditure to drive the strategic initiatives and there have also been additional costs associated, in particular with the One Global Offer initiative. Headline operating costs as a percentage of sales was 38% in line with the previous year.

Headline profit before tax
Headline profit before tax was £80.1 million a decrease of £21.0 million, or 21%, on the prior year. International contribution was down £0.9 million, on a reported basis, with positive revenue momentum and good regional cost control offset by a declining gross margin and negative foreign exchange movements. The UK contribution was down £8.7 million, driven by revenue declines, lower gross margins and the impact of negative operational gearing. Process costs increased by £11.3 million, which reflected labour inflation and the additional IT investments and depreciation associated with the implementation of the global strategy. Interest costs remained broadly stable at £5.1 million. There was a combined negative impact to

Group headline profit before tax of £8 million from both fewer trading days of £2 million and adverse currency movements of £6 million due to translational impacts (principally the strengthening of Sterling against the Euro). This accounted for 8% points of the 21% full year reported headline profit before tax decline. Reported 2015 full year headline profit before tax of £80.1 million would be £5 million lower if translated at the foreign exchange rates as at 15 May 2015.

GEOGRAPHIC REVIEW

International

	2015	2014	Growth reported	Growth underlying(1)
Sales	**£902.4m**	£898.8m	0.4%	6.1%
Gross margin	**42.5%**	44.1%		
Operating costs	**£(234.0)m**	£(246.2)m	(5.0)%	0.1%
Headline contribution	**£149.5m**	£150.4m	(0.6)%	5.9%
Headline contribution % of sales	**16.6%**	16.7%		

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

The International business represents 71% of Group sales and comprises three regions: Continental Europe (49% of the International business), North America (34%) and Asia Pacific (17%).

During the year underlying sales increased 6.1% with acceleration in the second half to 7% versus the 5% growth seen during the first half driven by a pick-up in growth in Europe. Within International, North America saw strong growth of 10%, while Europe and Asia Pacific both grew by 4%. Our emerging markets continued to deliver good sales growth, particularly Eastern Europe and South East Asia.

Gross margin reduced by 1.6% points. This reduction was driven by geographic mix (due mainly to faster growth in North America), product mix (due mainly to faster semiconductors growth), and foreign exchange and increased discounting in certain markets, particularly Asia Pacific.

Operating costs at constant currency increased by 0.1% with fixed cost inflation offset by benefits driven by management reorganisation in Asia and the restructuring of the Chinese salesforce.

Overall, International headline contribution increased by 5.9% on an underlying basis; the positives of higher sales growth and cost leverage were partially offset by the reduction in the gross margin. International headline contribution as a percentage of sales remained broadly consistent at 16.6% (2014:16.7%).

Continental Europe

	2015	2014	Growth reported	Growth underlying(1)
Sales	**£447.3m**	£460.6m	(2.9)%	4.4%
Headline contribution	**£95.7m**	£99.4m	(3.7)%	4.0%
Headline contribution % of sales	**21.4%**	21.6%		

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

Our business in Europe operates in 15 markets. The largest of these are France, Germany and Italy, which together comprise around 70% of sales in the region. The remaining are Austria, Belgium, Czech Republic, Denmark, Hungary, Republic of Ireland, Netherlands, Norway, Poland, Spain, Sweden and Switzerland.

Continental Europe delivered underlying sales growth of 4.4% in the full year. The rate of growth accelerated as the year progressed with the region delivering sales growth of 7% in the second half of the year despite still weak PMIs in a number of territories. All markets contributed to this strong performance. France, our largest European market responded well to the management action plan implemented in the first half which focused on improved website conversion and larger corporate accounts and this market returned to growth in the second half of the year. The other larger markets of Germany and Italy also grew well. Meanwhile, smaller markets such as Benelux, Spain and Eastern Europe demonstrated strong growth.

eCommerce sales grew by 8% in the year, well above the regional growth rate. Europe is the region with the highest eCommerce penetration at 71% (2014: 69%). This is the first of our regions to exceed the Group's 70% eCommerce sales target. Increased search engine marketing and enhancements to our websites have made the process of finding products clearer, faster, easier and have supported this strong performance.

The region made progress in expanding its portfolio of large customer accounts, leveraging the Group's strong product and service offer and leading eProcurement solutions, and sales to large customers grew faster than the overall customer base in the region. During the full year we added eight new corporate accounts, extended a further eight corporate account deals and renewed 17 more.

The 4% increase in underlying contribution represents the benefits of sales growth and cost leverage which more than offset the impact of lower gross margins in the region. The contribution margin was broadly consistent at 21.4% (2014: 21.6%).

North America

	2015	2014	Growth reported	Growth underlying(1)
Sales	**£302.7m**	£281.3m	7.6%	10.0%
Headline contribution	**£41.9m**	£39.1m	7.2%	8.8%
Headline contribution % of sales	**13.8%**	13.9%		

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

Allied, our North American business, reported underlying sales growth of 10%. Growth was driven by strong sales of automation and control products as our US business benefitted from new product introductions, the global level-up initiative and strong growth in eCommerce sales. The market backdrop was also helpful, with the US manufacturing PMI consistently above the neutral 50 reading during the period.

Allied's product range has been enhanced by the addition of 13,000 stocked new products and a much larger number of non-stocked new products, which included a further 67,000 products from the RS range that have been made available to Allied's customer base as part of the global product level-up programme. The high levels of interaction between Allied's salesforce and product management teams and their key suppliers has also led to more targeted joint sales visits and marketing campaigns with key suppliers which aided performance. eCommerce sales growth was 16% with eCommerce representing 41% of Allied's sales, up 2% points on the prior period.

The increase in underlying headline contribution of 9% was held back by higher health insurance costs and additional investment in search engine marketing costs such that overall headline contribution as a percentage of sales remained broadly consistent at 13.8% (2014:13.9%).

Asia Pacific

	2015	2014	Growth reported	Growth underlying(1)
Sales	**£152.4m**	£156.9m	(2.9)%	3.6%
Headline contribution	**£11.9m**	£11.9m	-	10.2%
Headline contribution % of sales	**7.8%**	7.6%		

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

Our Asia Pacific business is the region's market leader and comprises four similarly-sized sub-regions: Australasia, Greater China, Japan and South East Asia.

Underlying sales in the region grew 3.6% in the year. Greater China continued to perform well during the period. Japan saw a slowdown from the first half rate of growth due to some short-term sales disruption as the business transitioned to the new SAP-based IT system in October, however pleasingly this region saw some recovery in the final quarter. Sales in South East Asia continued to grow. Meanwhile, sales in Australasia saw modest declines in the full year as the region continued to suffer from weak manufacturing PMIs and a decline in the resources sector.

Sales in the region were driven by strong growth in electronics products. eCommerce revenue grew by 4% and represented 50% of sales in the region.

Over the last few years Asia Pacific has successfully grown its corporate account business, utilising best practice from the UK and Continental Europe, and during the period there were continued corporate account wins across the region. Following the reorganisation of the salesforce in Greater China during the period, the region is well placed to drive further growth in corporate accounts.

Asia Pacific saw 10% growth in underlying headline contribution, as sales growth and lower costs following restructuring more than offset the impact of lower gross margins due primarily to product mix and discounting. Headline contribution margins rose to 7.8% (2014: 7.6%).

UK

	2015	2014	Growth reported	Growth underlying(1)
Sales	**£363.8m**	£374.3m	(2.8)%	(2.4)%
Gross margin	**49.8%**	50.0%		
Operating costs	**£(82.5)m**	£(79.8)m	(3.4)%	(3.4)%
Headline contribution	**£98.8m**	£107.5m	(8.1)%	(8.1)%
Headline contribution % of sales	**27.1%**	28.7%		

(1) Sales adjusted for trading days

Our UK business is the largest high service distributor in the UK supported by 16 locally-stocked trade counters located in the UK's industrial hubs. The UK business reported underlying sales decline of 2.4%.

The UK market environment remains difficult for us, as it does for some other companies operating in our market, however we do not consider the current performance to be acceptable and returning the UK business to revenue growth remains a key focus for management as we look into 2016. Following a review of the business' sales performance, changes were made to sales management early in the year and since then the business has built a plan to improve performance. Our UK action plan is primarily focused on improving performance in three areas; corporate accounts, tools & consumables and online conversion, which we set out in more detail below:

Corporate Accounts: During the year we have been selectively using discounting to win back corporate account business. The UK corporate account team secured a number of major new corporate accounts during the year including wins with Rolls Royce, Dematic, Autoneum and Honeywell. Early signs are encouraging and we have seen some improvement in this area, however, the medium sized accounts still remain difficult and this is an area we will increasingly focus on as we move into 2016.

Tools and Consumables: We have increased marketing intensity and focused on price perception and new product introduction, the scale of which will be extended during 2016.

Online Conversion: Considerable work has gone into improving our online customer experience during the year. There have been 24 releases aimed at improving the online user experience, significant enhancements to our online technical content, and investment in search tuning to improve the search results for over 40,000 search terms. This investment is leading to improved conversion levels but not yet revenues.

eCommerce outperformed the overall UK business being flat on the prior year. eCommerce contributed 63% of the UK business up 1% point on the prior year.

The UK gross margin fell by 0.2% points, negative foreign exchange impacts and discounting to drive corporate account business were offset by favourable product mix. Overall, the UK's headline contribution decreased by 8.1% during the year due to sales declines and inflationary increases in regional operating costs. Overall the UK headline contribution as a percentage of sales fell 1.6% points year on year to 27.1%.

Processes

	2015	2014	Change reported	Change underlying[(1)]
Headline Process costs	**£(163.1)m**	£(151.8)m	(7.4)%	(9.4)%
Costs % of sales	**(12.9)%**	(11.9)%		

(1) Adjusted for currency

The processes principally comprise our teams that manage our Group-wide Marketing, Offer and IT activities, together with Group management and head office costs. These processes have responsibility for the identification, introduction and sourcing of the Group's products, managing supplier relationships, developing the Group's marketing strategy and its implementation, managing the Group's stock and overseeing the Group's worldwide IT infrastructure.

Headline process costs rose 9% at constant currency, primarily reflecting the impact of inflationary type rises in labour costs and additional IT costs, including depreciation, of £6.4m related to the systems investment required to drive our global strategy. IT investments made during the year included the rollout of SAP in Japan, new enterprise architecture foundations, development of the new Web platform and investment in our Global Planning Tool.

One of the factors driving the cost is the expansion of our supplier network during the period, with new global partnerships signed with ROHM Semiconductor, FCT and PR electronics and relationships extended with many others. RS added around 62,000 new products in the period, and 13,000 stocked products in Allied. 27% of our product range is now available to customers around the world, up from 10% at 31 March 2014.

STRATEGY IMPLEMENTATION

Our strategy comprises seven strategic priorities including Four Growth Initiatives; Grow Target Customers, One Global Offer, eCommerce with a Human Touch and Value for Money. In 2015 the strategic focus was on two of our strategic growth initiatives. The following section contains a review of progress during the full year on these two key areas:

1.) One Global Offer
Aim: We will get more products to more customers by making 75% of our range available to all customers across the world without compromising our reliable, high level of service.

Progress and Strategic Development during the year

- During 2015 we have been working with our major suppliers to build a more consistent global range in their product categories. As at the end of March 27% of the Group's range was available in all our markets up from 10% at the end of March 2014
- We now have global product ranges with significant suppliers such as Schneider Electric, Panasonic,TE Connectivity, Osram, Phoenix Contact, ST Microelectronics and ON Semiconductor and work ongoing with other suppliers
- We added around 62,000 new products in RS and a further 13,000 in Allied during 2015, particularly improving the quality and breadth of our electronics and automation and control ranges

2.) eCommerce with a Human Touch
Aim: We will significantly develop eCommerce to acquire customers at a faster rate than before, with a medium-term target for 70% of our business to be transacted online. By allocating digital and human resources more effectively we will manage our customer base more profitably.

Progress and Strategic Development during the Year

- eCommerce sales grew 6% with share rising to 59% of group revenues during the year
- A global team of search tuners has driven improvements to search by redirecting over 40,000 search terms and we have focussed on improving and refreshing technical online content for the top 50,000 products
- Agile methodology has been introduced to deliver rapid online customer experience improvements, 24 releases have been delivered through the year. We are on track with the development of the new website, on a new platform, which will improve the user experience and speed of future developments

FINANCIAL REVIEW

Reported profit before tax

Reported profit before tax, which is headline profit before tax after reorganisation costs and pension credits was £16.0 million higher than headline profit before tax at £96.1 million due to a non-cash pension credit of £20.4 million partially offset by reorganisation costs of £4.4 million. The non-cash pension credit of £20.4 million has arisen as a result of changes made during the period to the benefits accruing to members of the UK defined benefit scheme, more details of which are included in the Pension section below. During the period there was also a restructuring of the sales teams in both Asia Pacific and the UK and we announced the closures of warehouses in Austria, Hong Kong and Spain and trade counters in Australia which resulted in reorganisation costs of £4.4 million. The above reorganisations are expected to have a payback of around one year.

Taxation

The Group's effective tax rate was 28% of headline profit before tax, 1% point lower than the prior year, primarily reflecting the reduction in the UK corporate tax rate. The effective tax rate on reported profit before tax was 27%. The effective tax rate was higher than the cash tax rate of 27% of headline profit before tax. We expect the cash tax rate and the effective tax rate to converge as prior year tax losses are utilised.

The Group's tax strategy continues to seek to ensure that key tax risks are appropriately mitigated, that appropriate taxes are paid in each jurisdiction where the Group operates, and that the Group's reputation as a responsible taxpayer is safeguarded. We are committed to having a positive relationship with tax authorities, and to dealing with our tax affairs in a straightforward, open and honest manner.

Headline earnings per share

Headline earnings per share of 13.2p decreased by 19%. This was slightly below the decrease in headline profit before tax, reflecting the decrease in the effective tax rate.

Dividend

The Group has a strong balance sheet and the Board recognises the importance of dividends to shareholders and therefore is proposing a maintained final dividend of 6.75p per share. This will be paid on 28 July 2015 to shareholders on the register on 26 June 2015. As a result, the total dividend for the financial year will be maintained at 11.75p per share, resulting in headline earnings dividend cover of 1.1 times.

Cash flow
The Group delivered headline free cash flow (reported free cash flow before reorganisation cash costs) of £52.3 million. This was £6.0 million below the prior year, principally due to lower headline operating profit. Headline free cash flow as a percentage of sales was 4.1%, 9% below the 2014 level but within our target range of 4% to 6%.

Stock turn improved to 2.5x for the full year from 2.4x at the half year, but was down from the 2.7x in 2014 reflecting investment in inventory and the accelerated rate of new product introductions as part of the global growth initiatives. We expect to maintain the stock turn next year at around 2.5x.

Net capital expenditure increased by £1.9 million to £37.5 million from £35.6 million. During the year we rolled out SAP-based IT systems in Japan completing the global rollout of SAP across our business, continued to invest in enhancements to our website and in Offer systems supporting our One Global Offer initiative.

Next year we expect capital expenditure to be around £35 million, consistent with the planned investment in our global strategy. In 2016 we plan to implement a Global Planning Tool enabling a more consistent global offer across RS and Allied and prepare the upgrade to our web platform.

Financial position
At 31 March 2015 net debt was £152.6 million. This was £9.0 million higher than last year. While the dividend was covered by headline cash flow, the £3.3 million cash outflow relating to exceptional items and foreign exchange translation movements were the key reasons for the increase in debt.

In August 2014 the Group signed a new c. £172 million syndicated multicurrency facility from eight banks, maturing in August 2019. This facility, together with the Group's $150 million of US Private Placement (PP) notes, provides the majority of the Group's committed debt facilities and loans of £263.4 million, of which £105.3 million was undrawn at 31 March 2015.

The PP notes are split, $65 million maturing in June 2015 and $85 million maturing in June 2017, and cross currency interest rate swaps have swapped $60 million of the PP notes from fixed US dollar to floating Sterling and $40 million from fixed US dollar to floating Euro, giving the Group an appropriate spread of financing maturities and currencies.

With the repayment of the $65 million PP notes due in June 2015, the Group has agreed to issue $100 million of fixed rate five year PP notes with completion dates in June 2015, subject to satisfaction of customary closing conditions. These notes will be due for repayment in June 2020.

The Group's financial metrics remain strong with EBITA interest cover of 20.7x and Net Debt to EBITDA of 1.3x times (both measures are based upon the 12 months ended 31 March 2015 financials) leaving significant headroom to the Group's banking covenants.

Return on Capital Employed
Return on capital employed reduced to 16.4% during the year (2014: 20.9%), this was below our targeted range of 20% to 30%, with the reduction reflecting the year on year decline in headline profits.

Pension
The Group has material defined benefit schemes both in the UK and Europe. The UK Scheme is by far the largest. All these schemes are closed to new entrants and in Germany and Ireland the pension schemes are closed to accrual for future service.

Under IAS19, the combined gross deficit of the Group's defined benefit and retirement indemnity schemes was £60.4 million at 31 March 2015 (UK deficit: £47.2 million; overseas schemes deficit: £13.2 million).

In order to mitigate the increase in the UK deficit and improve the future strength of the UK defined benefit pension scheme, the Company consulted with active members of the scheme regarding changes to benefits. These changes were to exclude all future increases to base pay from pensionable earnings used to calculate defined benefit pensions and increasing member contributions. These changes have resulted in a one-off non cash pension credit of £20.4 million being recognised in the period which has been excluded from headline profit. In addition, last year the Group agreed with the Scheme Trustees a new deficit recovery plan with payments totalling £24.4 million over the next seven years, with £1.3 million this financial year and £2.6 million next financial year.

Despite these changes, the UK deficit has increased to £47.2 million at 31 March 2015 (2014: £33.7 million). This increase is principally due to discount rates falling by 1.2% points, although this has been partially offset by a slight fall in the expected rate of inflation and positive returns on scheme assets.

Vendor Rebates

We have revised the accounting treatment on rebates from vendors, relating to volume of purchases made which are included in gross margin in accordance with IAS 2. Previously the Group recognised rebates only once cash was received. These will now be recognised on an accruals basis, when there is a binding arrangement, the amount can be reliably estimated and receipt is probable. The change in recognition has had no material impact on the full year results, but would result in the earlier recognition of £1.6 million of rebates in our half-year financial report for the period to 30 September 2014. The £1.6 million increase in operating profits will be shown in restated comparatives with the 2016 half-year financial report.

Current Trading

In the first seven weeks of the new financial year the Group has delivered sales growth of 4%. The International business grew by 6% and the UK declined by 2%. Within International, Continental Europe grew by 11 %, North America grew by 4% and Asia Pacific declined by 1%. Sales growth in Continental Europe has continued to be strong while North American was affected by the recent weakening in US manufacturing output.

Simon Boddie, Group Finance Director
21 May 2015

Consolidated Income Statement

	Note	**Year to 31.3.2015 £m**	Year to 31.3.2014 £m
Revenue	1	**1,266.2**	1,273.1
Cost of sales		**(701.5)**	(689.2)
Gross profit		**564.7**	583.9
Distribution and marketing expenses		**(448.9)**	(466.1)
Administrative expenses		**(14.6)**	(11.7)
Operating profit		**101.2**	106.1
Financial income		**2.0**	2.5
Financial expense		**(7.1)**	(7.5)
Profit before tax	1	**96.1**	101.1
Income tax expense	4	**(25.8)**	(29.6)
Profit for the period attributable to the equity shareholders of the parent company		**70.3**	71.5
Earnings per share – Basic	5	**16.0p**	16.3p
Earnings per share – Diluted	5	**15.9p**	16.2p
Dividends			
Amounts recognised in the period:			
Final dividend for the year ended 31 March 2014	6	**6.75p**	6.75p
Interim dividend for the year ended 31 March 2015	6	**5.0p**	5.0p

	Note	**Year to 31.3.2015 £m**	Year to 31.3.2014 £m
Headline operating profit			
Operating profit		**101.2**	106.1
Reorganisation costs and pension credit	3	**(16.0)**	-
		85.2	106.1

Headline profit before tax			
Profit before tax		**96.1**	101.1
Reorganisation costs and pension credit	3	**(16.0)**	-
		80.1	101.1

Consolidated Statement of Comprehensive Income

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Profit for the period	**70.3**	71.5
Other comprehensive income		
Items that are not reclassified subsequently to the income statement		
Remeasurement of pension deficit	**(36.9)**	(20.2)
Taxation relating to remeasurement of pension deficit	**7.4**	3.5
Items that are reclassified subsequently to the income statement		
Foreign exchange translation differences	**13.0**	(22.4)
Gain on cash flow hedges	**1.0**	1.7
Taxation relating to components of other comprehensive income	**(0.3)**	(0.7)
Other comprehensive expense for the financial period	**(15.8)**	(38.1)
Total comprehensive income for the financial period	**54.5**	33.4

Consolidated Balance Sheet

	Note	31.3.2015 £m	31.3.2014 £m
Non-current assets			
Intangible assets	7	**248.1**	219.8
Property, plant and equipment	8	**100.8**	104.6
Investments		**0.6**	0.4
Other receivables		**3.7**	5.3
Other financial assets		**13.8**	3.7
Deferred tax assets		**11.8**	8.9
		378.8	342.7
Current assets			
Inventories	9	**285.1**	258.8
Trade and other receivables		**218.7**	214.8
Income tax receivables		**2.2**	8.3
Cash and cash equivalents	10	**7.4**	0.7
		513.4	482.6
Current liabilities			
Trade and other payables		**(204.3)**	(185.4)
Provisions and other liabilities	3	**(0.7)**	-
Loans and borrowings	10	**(45.9)**	(15.8)
Other financial liabilities		**-**	(0.7)
Income tax liabilities		**(7.9)**	(15.5)
		(258.8)	(217.4)
Net current assets		**254.6**	265.2
Total assets less current liabilities		**633.4**	607.9
Non-current liabilities			
Other payables		**(7.9)**	(11.8)
Retirement benefit obligations	11	**(60.4)**	(40.9)
Loans and borrowings	10	**(127.9)**	(131.4)
Other financial liabilities		**(0.1)**	(0.1)
Deferred tax liabilities		**(68.8)**	(59.4)
		(265.1)	(243.6)
Net assets		**368.3**	364.3
Equity			
Called-up share capital		**44.0**	44.0
Share premium account		**41.9**	41.5
Retained earnings		**258.3**	268.2
Cumulative translation reserve		**23.4**	10.4
Other reserves		**0.7**	0.2
Equity attributable to the equity shareholders of the parent company		**368.3**	364.3

Consolidated Cash Flow Statement

	Note	**Year to 31.3.2015 £m**	Year to 31.3.2014 £m
Cash flows from operating activities			
Profit before tax		**96.1**	101.1
Depreciation and other amortisation charges		**30.5**	28.1
Loss on disposal of non-current assets		**0.2**	1.2
Equity-settled transactions		**1.5**	1.5
Finance income and expense		**5.1**	5.0
Non-cash movement on investment in associate		**(0.2)**	0.2
Operating cash flow before changes in working capital, interest and taxes		**133.2**	137.1
Increase in inventories		**(23.3)**	(9.8)
Increase in trade and other receivables		**(8.2)**	(1.1)
Increase (decrease) in trade and other payables		**10.8**	(2.8)
Increase (decrease) in provisions and other liabilities	3	**0.7**	(0.6)
Cash generated from operations		**113.2**	122.8
Interest received		**2.0**	2.5
Interest paid		**(7.1)**	(7.5)
Income tax paid		**(21.6)**	(24.5)
Net cash from operating activities		**86.5**	93.3
Cash flows from investing activities			
Capital expenditure and financial investment		**(37.6)**	(35.7)
Proceeds from sale of property, plant and equipment		**0.1**	0.1
Net cash used in investing activities		**(37.5)**	(35.6)
Free cash flow		**49.0**	57.7
Cash flows from financing activities			
Proceeds from the issue of share capital		**0.4**	1.4
Purchase of own shares		**(0.6)**	(0.6)
Loans drawn down (repaid)		**25.1**	(23.3)
Equity dividends paid	6	**(51.6)**	(51.4)
Net cash used in financing activities		**(26.7)**	(73.9)
Net increase (decrease) in cash and cash equivalents		**22.3**	(16.2)
Cash and cash equivalents at the beginning of the year		**(15.1)**	(1.4)
Effects of exchange rate fluctuations on cash		**(1.7)**	2.5
Cash and cash equivalents at the end of the year	10	**5.5**	(15.1)

	Note	**Year to 31.3.2015 £m**	Year to 31.3.2014 £m
Free cash flow		**49.0**	57.7
Reorganisation costs	3	**3.3**	0.6
Headline free cash flow		**52.3**	58.3

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Other reserves: Hedging reserve	Other reserves: Own shares held	Cumulative translation	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2014	**44.0**	**41.5**	**0.9**	**(0.7)**	**10.4**	**268.2**	**364.3**
Profit for the period	-	-	-	-	-	70.3	70.3
Foreign exchange translation differences	-	-	-	-	13.0	-	13.0
Remeasurement of pension deficit	-	-	-	-	-	(36.9)	(36.9)
Gain on cash flow hedges	-	-	1.0	-	-	-	1.0
Taxation relating to components of other comprehensive income	-	-	(0.3)	-	-	7.4	7.1
Total comprehensive income	**-**	**-**	**0.7**	**-**	**13.0**	**40.8**	**54.5**
Equity settled transactions	-	-	-	-	-	1.5	1.5
Dividends paid	-	-	-	-	-	(51.6)	(51.6)
Shares allotted in respect of share awards	-	0.4	-	0.4	-	(0.4)	0.4
Own shares acquired	-	-	-	(0.6)	-	-	(0.6)
Related tax movements	-	-	-	-	-	(0.2)	(0.2)
At 31 March 2015	**44.0**	**41.9**	**1.6**	**(0.9)**	**23.4**	**258.3**	**368.3**

	Share capital	Share Premium account	Other reserves: Hedging reserve	Other reserves: Own shares held	Cumulative translation	Retained earnings	Total
	£m	£m	£m	£m	£m	£m	£m
At 1 April 2013	**43.8**	**40.3**	**(0.1)**	**(1.1)**	**32.8**	**263.9**	**379.6**
Profit for the period	-	-	-	-	-	71.5	71.5
Foreign exchange translation differences	-	-	-	-	(22.4)	-	(22.4)
Remeasurement of pension deficit	-	-	-	-	-	(20.2)	(20.2)
Gain on cash flow hedges	-	-	1.7	-	-	-	1.7
Taxation relating to components of other comprehensive income	-	-	(0.7)	-	-	3.5	2.8
Total comprehensive income	-	-	**1.0**	-	**(22.4)**	**54.8**	**33.4**
Equity settled transactions	-	-	-	-	-	1.5	1.5
Dividends paid	-	-	-	-	-	(51.4)	(51.4)
Shares allotted in respect of share awards	0.2	1.2	-	1.0	-	(1.1)	1.3
Own shares acquired	-	-	-	(0.6)	-	-	(0.6)
Related tax movements	-	-	-	-	-	0.5	0.5
At 31 March 2014	**44.0**	**41.5**	**0.9**	**(0.7)**	**10.4**	**268.2**	**364.3**

Notes to the Preliminary Statement
For the year ended 31 March 2015

Basis of preparation
Electrocomponents plc (the 'Company') is a company domiciled in England. The Group Accounts for the year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in a jointly controlled entity. Subsidiaries are entities controlled by the Company. All significant subsidiary accounts are made up to 31 March and are included in the Group Accounts. Further to the IAS Regulation (EC 1606/2002) the Group Accounts have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU ('adopted IFRS').

The Group presents headline operating profit, headline profit before tax, headline free cash flow, headline contribution and headline earnings per share information as it believes these measures provide a helpful indication of its performance and underlying trends. The term headline refers to the relevant measure being reported before one-off items. These measures are used by the Company for internal performance analysis. The terms headline and one off items are not defined terms under IFRS and may not, therefore, be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or be superior to, GAAP measurements of performance.

Going concern
After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. The financial risk management objectives and policies of the Group and the exposure of the Group to price risk, credit risk, liquidity risk and cash flow risk are discussed in note 21 to the Group's Annual Report and Accounts for the year ended 31 March 2014.

1 Analysis of income and expenditure

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Revenue	**1,266.2**	1,273.1
Cost of sales	**(701.5)**	(689.2)
Distribution and marketing expenses	**(316.4)**	(326.0)
Headline contribution before Process costs	**248.3**	257.9
Distribution and marketing expenses within Process costs	**(148.5)**	(140.1)
Administrative expenses within Process costs	**(14.6)**	(11.7)
Group Process costs	**(163.1)**	(151.8)
Headline operating profit	**85.2**	106.1
Net financial expense	**(5.1)**	(5.0)
Headline profit before tax	**80.1**	101.1
Reorganisation costs and pension credit	**16.0**	-
Profit before tax	**96.1**	101.1

Distribution and marketing expenses within contribution comprise local costs incurred relating to the selling, marketing and distribution of the Group's products, and are attributable to the region to which they relate.

Distribution and marketing expenses within Process costs principally comprise our teams that manage our Group-wide Marketing, Offer and IT activities. These Processes have responsibility for the identification, introduction and sourcing of the Group's products, managing supplier relationships, developing the Group's global marketing strategy and its implementation, managing the Group's stock and overseeing the Group's worldwide IT infrastructure. Administrative expenses within Process costs principally comprise Group management and head office costs.

2 Segmental reporting

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

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

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

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Revenue from external customers		
United Kingdom	**363.8**	374.3
Continental Europe	**447.3**	460.6
North America	**302.7**	281.3
Asia Pacific	**152.4**	156.9
	1,266.2	1,273.1
Headline contribution		
United Kingdom	**98.8**	107.5
Continental Europe	**95.7**	99.4
North America	**41.9**	39.1
Asia Pacific	**11.9**	11.9
	248.3	257.9
Reorganisation costs and pension credit		
United Kingdom	**10.9**	-
Continental Europe	**(0.8)**	-
North America	**-**	-
Asia Pacific	**(1.8)**	-
Process costs	**7.7**	-
	16.0	-
Reported contribution		
United Kingdom	**109.7**	107.5
Continental Europe	**94.9**	99.4
North America	**41.9**	39.1
Asia Pacific	**10.1**	11.9
	256.6	257.9
Reconciliation of contribution to profit before tax		
Contribution	**256.6**	257.9
Group Process costs	**(155.4)**	(151.8)
Net financial expense	**(5.1)**	(5.0)
Profit before tax	**96.1**	101.1

The Group's growth strategy is focused on electronics and automation & control products. All other products are classified as *Other Maintenance* and are managed separately.

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Electronics and Automation & Control products	**698.4**	696.1
Other Maintenance products	**567.8**	577.0
	1,266.2	1,273.1

3 Reorganisation costs and pension credit

Items excluded from headline profit arising during the period were as follows:

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Redundancy and associated costs	**(4.4)**	-
Pension credit	**20.4**	-
	16.0	-

During the year, the Group undertook restructuring activities in several markets in line with the Group strategy. The costs incurred in relation to this activity included redundancy and associated consultancy costs. £3.3m of the costs were paid in the year, £0.4m related to the write down of assets and the remaining £0.7m is held within provisions due in less than one year.

The Group also made changes to the defined benefit pension scheme in the UK resulting in a one off credit of £20.4m with no cash impact.

4 Taxation on the profit of the Group

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
United Kingdom taxation	**7.6**	13.5
Overseas taxation	**18.2**	16.1
Income tax expense	**25.8**	29.6
Tax impact of reorganisation	**(3.7)**	-
Headline income tax expense	**22.1**	29.6
Headline profit before tax	**80.1**	101.1
Profit before tax	**96.1**	101.1
Headline effective tax rate	**28%**	29%
Effective tax rate	**27%**	29%

5 Earnings per share

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Profit for the period attributable to equity shareholders	**70.3**	71.5
Reorganisation costs and pension credit	**(16.0)**	-
Tax impact of reorganisation costs and pension credit	**3.7**	-
Headline profit on ordinary activities after taxation	**58.0**	71.5
Weighted average number of shares (millions)	**439.5**	439.1
Diluted weighted average number of shares (millions)	**440.8**	442.2
Headline basic earnings per share	**13.2p**	16.3p
Basic earnings per share	**16.0p**	16.3p
Headline diluted earnings per share	**13.2p**	16.2p
Diluted earnings per share	**15.9p**	16.2p

6 Dividends

	Year to 31.3.2015 £m	Year to 31.3.2014 £m
Amounts recognised and paid in the period:		
Final dividend for the year ended 31 March 2014: 6.75p (2013: 6.75p)	29.6	29.5
Interim dividend for the year ended 31 March 2015: 5.0p (2014: 5.0p)	22.0	21.9
	51.6	51.4
Amounts determined after the balance sheet date:		
Proposed dividend for the year ended 31 March 2015: 6.75p	29.7	

The timetable for the payment of the final dividend is:

Ex-dividend	25 June 2015
Dividend record date	26 June 2015
Dividend payment date	28 July 2015

7 Intangible assets

Cost	**Goodwill £m**	**Software £m**	**Other intangibles £m**	**Total £m**
At 1 April 2014	156.8	199.6	0.4	356.8
Additions	-	27.0	0.1	27.1
Disposals	-	(6.4)	-	(6.4)
Reclassification	-	0.5	-	0.5
Translation differences	19.7	(0.2)	(0.1)	19.4
At 31 March 2015	**176.5**	**220.5**	**0.4**	**397.4**
Amortisation				
At 1 April 2014	-	136.7	0.3	137.0
Charged in the year	-	19.6	0.1	19.7
Disposals	-	(6.1)	-	(6.1)
Translation differences	-	(1.2)	(0.1)	(1.3)
At 31 March 2015	**-**	**149.0**	**0.3**	**149.3**
Net book value				
At 31 March 2015	**176.5**	**71.5**	**0.1**	**248.1**
At 31 March 2014	156.8	62.9	0.1	219.8

8 Property, plant and equipment

Cost	Land and buildings £m	Plant and machinery £m	Computer systems £m	Total £m
At 1 April 2014	110.4	137.9	72.4	320.7
Additions	1.7	4.2	2.8	8.7
Disposals	-	(0.3)	(5.2)	(5.5)
Reclassification	1.2	(1.2)	(0.5)	(0.5)
Translation differences	(2.3)	(1.5)	(0.3)	(4.1)
At 31 March 2015	**111.0**	**139.1**	**69.2**	**319.3**
Depreciation				
At 1 April 2014	38.3	114.2	63.6	216.1
Charged in the year	2.5	4.5	3.8	10.8
Disposals	-	(0.3)	(5.2)	(5.5)
Reclassification	0.8	(0.9)	0.1	-
Translation differences	(1.0)	(1.5)	(0.4)	(2.9)
At 31 March 2015	**40.6**	**116.0**	**61.9**	**218.5**
Net book value				
At 31 March 2015	**70.4**	**23.1**	**7.3**	**100.8**
At 31 March 2014	72.1	23.7	8.8	104.6

9 Inventories

	31.3.2015 £m	31.3.2014 £m
Gross inventories	**308.5**	286.4
Stock provision	**(23.4)**	(27.6)
Net inventory	**285.1**	258.8

During the year ended 31 March 2015 £8.3m (2014: £9.1m) was recognised as an expense relating to the write down of inventory to net realisable value.

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

Cash and cash equivalents	**31.3.2015 £m**	31.3.2014 £m
Cash and cash equivalents in the balance sheet	**7.4**	0.7
Bank overdrafts	**(1.9)**	(15.8)
Cash and cash equivalents in the cash flow statement	**5.5**	(15.1)
Finance lease liabilities	**-**	(0.7)
Bank loans repayable after more than one year	**(66.6)**	(37.1)
Private placement loan notes	**(105.3)**	(94.3)
Fair value of swap hedging fixed rate borrowings	**13.8**	3.6
Net debt	**(152.6)**	(143.6)
Pension deficit	**(60.4)**	(40.9)
Net debt including pension deficit	**(213.0)**	(184.5)

Analysis of movements in net debt	**Year to 31.3.2015 £m**	Year to 31.3.2014 £m
Net debt at 1 April	**(143.6)**	(159.7)
Free cash flow	**49.0**	57.7
Equity dividends paid	**(51.6)**	(51.4)
New shares issued	**0.4**	1.4
Own shares acquired	**(0.6)**	(0.6)
Translation differences	**(6.2)**	9.0
Net debt at 31 March	**(152.6)**	(143.6)

11 Retirement benefit obligations

The Group operates material defined benefit pension schemes in the United Kingdom, Germany and Ireland. Details of the assets and liabilities of these schemes are shown below:

	31.3.2015	31.3.2014
	£m	£m
Total market value of the schemes' assets	**453.9**	389.5
Present value of the schemes' liabilities	**(510.2)**	(430.4)
Schemes' deficit	**(56.3)**	(40.9)

The Group also has retirement indemnity schemes accounted for under IAS19R in Europe. At 31 March 2015 the Group's total net retirement benefit obligation was £60.4m.

12 Principal exchange rates

	2015 Average	**2015 Closing**	2014 Average	2014 Closing
United States Dollar	**1.61**	**1.48**	1.59	1.67
Euro	**1.27**	**1.38**	1.19	1.21

SAFE HARBOUR

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