Premier Farnell plc 11 September 2007

Results for the Second Quarter and Half Year ended 29 July 2007 of the Financial Year ending 3 February 2008

Key Financials £m Continuing operations [(a)] (Unaudited)	**Q2 07/8 £m**	*Q2 06/7 (restated) £m*	*Q2 growth at CER* [(b)]	**H1 07/8 £m**	*H1 06/7 (restated) £m*	*H1 growth at CER* [(b)]
Revenue	**178.9**	*181.0*	*3%†*	**362.5**	*369.6*	*4%†*
Operating profit	**20.5**	*20.4*	*5%*	**42.7**	*42.5*	*7%*
Profit before taxation	**16.3**	*15.0*	*14%*	**33.8**	*31.4*	*15%*
Earnings per share						
- total	**3.0p**	*2.8p*	*13%*	**2.6p**	*5.9p*	*-53%*
- continuing operations	**3.0p**	*2.8p*	*13%*	**6.3p**	*5.9p*	*15%*

Notes:

(a) Continuing operations exclude BuckHickman, part of the MDD Europe and Asia Pacific Division, which was sold on 10 April 2007. The results of this discontinued operation are shown as a single number on the face of the income statement below profit after tax and are thus excluded from the trading results discussed in this statement, including comparative information. Further details are given in note 7 to the financial information.

(b) CER – constant exchange rates

Strategic Highlights

- Rigorous implementation of our business strategy continued during the quarter with further investment in international markets and the transitioning of our North American business
- Highest ever global web sales in the quarter, increasing 30% on the prior year, reflecting the benefits of our new, state of the art web front end and major infrastructure investments
- 20 significant franchise wins and territorial extensions with high technology suppliers in the second quarter, including 5 niche technology 'greenhouse' suppliers, enhancing our proposition to the Electronic Design Engineer (EDE) segment. Fifty thousand new products added in the first half
- Significant strengthening of the senior management team with seven new appointments of industry experienced individuals

Financial Highlights

- Gross margin stability continues to underpin our strategic progress, with stable gross margin for the last seven quarters
- Improvement in operating margin to 11.5% in the second quarter compared to 11.3% in the prior year, with first half operational gearing* at 21% reflecting ongoing cost control
- Profit before tax up 14% in the second quarter and earnings per share from continuing operations up 13%, both at constant exchange rates
- Continued strong cash performance with cash generated from continuing operations in the second quarter representing 115% of operating profit after investing in new product additions
- Second quarter sales growth in all divisions with total year on year growth of 3%, despite a more challenging North American market
- Interim dividend of 4.0 pence per share (2006/7: 4.0 pence)

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

"We continue to make good progress with the rigorous implementation of our business strategy and are especially pleased with the 30% increase in web sales in the quarter and our success in winning major new franchises.

"Whilst market conditions in North America in the second quarter were rather more challenging than in the first quarter, we delivered growth across all divisions with double digit growth in pre-tax profit and earnings per share, at constant exchange rates. The start of the third quarter has seen improving year on year sales growth compared to the second quarter. We anticipate delivering a second half performance in line with our expectations."

* Operational gearing represents the year on year increase in operating profit as a percentage of the increase in sales, both at constant exchange rates.

† PERCENTAGE CHANGES IN SALES

Comparison of sales for specific periods is affected by three variables:

1. Changes in exchange rates used to translate the overseas sales in different currencies into sterling;
2. Differences in the number of working days;
3. Disposal or acquisition of businesses.

Throughout this statement, in order to reflect underlying business performance, percentage changes in sales are based on sales per day for continuing businesses at constant exchange rates and for like periods, unless otherwise stated.

For further information, contact:

Harriet Green, Chief Executive Officer Mark Whiteling, Chief Financial Officer	Premier Farnell plc	+44 (0) 20 7851 4100
Elaine Ryman	Financial Dynamics	+44 (0) 20 7269 7121

Premier Farnell's announcements and presentations are published at ***www.premierfarnell.com***, together with business information, the 2007 Annual Report and Accounts, and links to all other Group web sites.

The results for the third quarter of the financial year to 3 February 2008 will be announced on 6 December 2007.

SECOND QUARTER STATEMENT
Results for the Second Quarter and Half Year ended 29 July 2007 of the Financial Year ending 3 February 2008

Premier Farnell, the leading multi-channel, high service distributor supporting millions of engineers and purchasing professionals globally, announces its results for the second quarter and half year ended 29 July 2007.

Note: PERCENTAGE CHANGES IN SALES
Comparison of sales for specific periods is affected by three variables:
1. Changes in exchange rates used to translate the overseas sales in different currencies into sterling;
2. Differences in the number of working days;
3. Disposal or acquisition of businesses.

Throughout this statement, in order to reflect underlying business performance, percentage changes in sales are based on sales per day for continuing businesses at constant exchange rates and for like periods, unless otherwise stated.

Chief Executive's Operational Overview

The second quarter has been one of sustained focus on the rigorous execution of our strategy and the building of momentum for profitable growth. We have continued to make good progress in the key areas of our strategic drive, namely targeting the rapidly growing electronic design engineering community, driving increased web sales, continuing to internationalise our model into new markets and maintaining our solid Manufacturing, Repair and Operations (MRO) core.

We continue to drive towards our central goal, to target profitable growth ahead of average market growth rates, and we believe that the direction we are taking will strengthen the business for the longer term. Progress has continued in North America despite a more challenging market. In mainland Europe, we have now seen seven consecutive quarters of double digit year on year sales growth. We continue to manage costs tightly and have implemented a more robust set of internal processes, leading to demonstrable improvements in our business model. The increase in operating margin and strong operational gearing, at 21% for the first half, alongside the cash performance are tangible evidence of the benefits these actions are delivering.

We have continued to build and strengthen our senior management team through a combination of internal promotions and some significant external appointments globally, adding real industry experience to the team responsible for driving and embedding our strategic progress. Most notably the recent appointment of a President for the Asia Pacific region; a new Global Head of Technology Marketing to drive EDE support and programmes; investment in our supplier and product management resources, both regional and global, including a new Senior Vice President, Product and Regional Supplier Management, for Newark; together with a further two supplier and product management industry experts, the appointment from within of a General Manager for Eastern Europe; a new President for MCM, and some imminent additions to our eCommerce team as we continue to develop our leading edge web proposition. The additional knowledge and expertise these new appointments bring will further differentiate us in the market.

Our drive to support the millions of electronic design engineers globally continues apace with major advances in customer acquisition and technology marketing. Our multi-channel approach continues to support our offering with the product selection in the new, current year, catalogues reflecting our greater focus on design centric products. Our global technology campaigns have particularly utilised the power of the web with the launch of Global EDWorld, a microsite incorporating new tools and information for design engineers. We have concluded 26 new franchise negotiations in the first half. Of these, 20 were in the second quarter, including some compelling EDE suppliers such as Linear Technology for the Americas, KOA for Europe, pan-European agreements with SHARP Microelectronics and Cirrus Logic, including all non-EU countries, Cornell Dubilier and Littelfuse for Europe and Asia Pacific, and Bourns for Asia Pacific. These new agreements include 5 niche technology 'greenhouse' suppliers, enhancing our proposition to the design engineering segment, with names such as

Nanotron and Memsic. Additions to our product range have continued, with a further fifty thousand lines added globally as we work to ensure the very latest technology products are available.

Live Edge, our electronic design challenge for the global environment, is making exciting progress, gaining profile and industry recognition, with an expert global judging panel established and thousands of registrations by electronics engineers from over 80 countries.

The web continues to be another area of significant progress with second quarter web sales increasing 30% on the prior year, up in all parts of our MDD businesses this quarter. Overall, eCommerce sales now account for 27% of our total MDD sales.

The launch of the new web platform in Europe has seen web activity grow ahead of expectations, with some countries now transacting more than 50% of their business through eCommerce channels. This quarter has seen particularly dramatic year on year growth in web sales in France, up 85%, and Holland, up 41%. In the USA the ability to bring new products and data to market at speed remains a key driver of our transition to an EDE centric business. We continue to enhance the speed, simplicity and search capabilities of our global web platform with new functionality, enhanced performance and reliability. These capabilities have been further augmented by our investment in a central global database and critical IT infrastructure, a programme set to continue through the second half. Through our multi-channel strategy we continue to make more products available to more customers worldwide, and the web remains critical to our customer acquisition plans. As with our expansion into China, the web will play a critical part as we unfurl our Eastern European plans during Q3.

The internationalising of our business model continues, with China's transition to the more profitable EDE segment continuing to make progress and our next day delivery service offering to most Chinese cities proving to be a significant differentiator for us. We now have customers in 34 cities and over 90% of our product sold in Greater China is RoHS compliant, as we lead engineers and purchasing professionals through the legislative changes, drawing on our global knowledge and expertise. During Q3 our plans for expansion into Eastern Europe will become more evident, but these are already well advanced as we build local language channels to market. Our investment in people and resources in this vital growth region continues as indigenous electronics companies increase in number alongside the existing multi-national corporations. The Indian electronics market also continues to grow, rapidly emerging as another high technology centre for the future.

Overall, the second quarter has been another positive one for Premier Farnell, reflected in our strategic progress and the growth across all divisions with double digit growth in pre-tax profit and earnings per share, at constant exchange rates. This progress is further underpinned by continued gross margin stability.

Financial Results

Note: Continuing operations exclude BuckHickman, part of the MDD Europe and Asia Pacific Division, which was sold on 10 April 2007. The results of this discontinued operation are shown as a single number on the face of the income statement below profit after tax and are thus excluded from the trading results discussed in this statement, including comparative information. Further details are given in note 7 to the financial information.

Revenue

Half Year

Sales for the first half from continuing operations were £362.5 million (2006/7: £369.6 million or £349.3 million at constant exchange rates). Sales per day from continuing businesses increased 3.5% on the prior year. The average exchange rate for the US dollar against sterling was $1.99 (2006/7: $1.81).

Second Quarter

Sales for the second quarter from continuing operations were £178.9 million (2006/7: £181.0 million or £173.3 million at constant exchange rates). Sales per day from continuing operations increased 2.6% on the prior year with all segments producing positive sales growth.

Margins and Operating Profit

Half Year

The gross margin from continuing operations in the first half was 39.7%, an increase of 0.3 percentage points on the prior year, demonstrating the Group's continued commitment to maintaining gross margin stability. Operating profit from continuing operations was £42.7 million (2006/7: £42.5 million) producing an operating margin of 11.8% (2006/7: 11.5%). At constant exchange rates, the increase in operating profit compared with the prior year was 6.8%. A one cent movement in the exchange rate between the US dollar and sterling impacts the Group's operating profit by approximately £250,000 per annum. Operational gearing remained strong in the first half at 20.5%.

Second Quarter

The gross margin from continuing operations in the second quarter was 39.6%, an increase of 0.2 percentage points on the prior year. Operating profit from continuing operations was £20.5 million (2006/7: £20.4 million), producing an operating margin of 11.5% (2006/7: 11.3%). This reflects the improved gross margin and is after the investment in our strategy. There was an adverse impact on operating profit of £0.9 million from the translation of overseas results compared with the prior year, principally as a result of the weakness of the US dollar. At constant exchange rates, the increase in operating profit compared with the prior year was 5.1%.

Finance Costs

Net finance costs in the first half were £8.9 million (2006/7: £11.1 million). This comprises net interest payable of £5.4 million (2006/7: £7.1 million), which was covered 7.9 times by operating profit, and a charge of £3.7 million (2006/7: £4.0 million) in respect of the Company's convertible preference shares.

During the second quarter, the Company purchased and cancelled 250,000 of its preference shares for a total cash consideration of £3.6 million. This resulted in a benefit to finance costs in the second quarter of £0.2 million, being the difference between the book value and fair value of the debt element of the preference shares at the date of purchase.

The reduction in net finance costs reflects the benefit of the improved net borrowing position, with the underlying level of net financial liabilities at 29 July 2007 (after adjusting for exchange rates) being £43 million lower than a year ago.

Profit Before Tax and Taxation Charge

Reported profit before tax from continuing operations in the second quarter was £16.3 million (2006/7: £15.0 million). Reported profit before tax from continuing operations in the first half was £33.8 million (2006/7: £31.4 million). At constant exchange rates, profit before tax in the first half increased 15.0% year-on-year, significantly ahead of the rate of sales growth achieved.

The taxation charge from continuing operations for the quarter was at an effective rate of 29.5% of profit before tax and preference dividends (2006/7: 29.0%).

Disposal of BuckHickman

On 10 April 2007, the Group disposed of its BuckHickman business, part of the Marketing and Distribution Division, Europe and Asia Pacific, to BSS Group plc. The provisional pre-tax loss on disposal, which was incurred in the first quarter, was £13.6 million, after the write-off of goodwill allocated to this business of £19.3 million, and the net cash consideration received during the first half was £24.5 million. BuckHickman is a leading UK distributor of industrial tools and supplies: in 2006/7, it generated sales of £99.8 million and an operating loss of £0.8 million.

Return on Net Operating Assets

Return on net operating assets for the first half, based on continuing operations, was 29.7% (2006/7: 29.2%).

Earnings per Share

Earnings per share from continuing operations for the first half were 6.3 pence, up from 5.9 pence in the prior year, reflecting the reduction in net finance costs. At constant exchange rates, earnings per share from continuing operations increased 14.5% in the first half as a result of the improved operating profit and lower net finance costs. Total earnings per share in the first half were 2.6 pence (2006/7: 5.9 pence) reflecting the impact of the loss after taxation from discontinued operations.

The Board is declaring an interim dividend of 4.0 pence per share (2006/7: 4.0 pence per share) to be paid on 17 October 2007 to shareholders on the register on 21 September 2007.

Balance Sheet and Cash Flow

Net cash generated from continuing operations in the second quarter was £23.6 million, representing 115% of operating profit. Working capital levels increased only slightly in the second quarter. The net cash inflow during the first half was £15.1 million (2006/7: £2.8 million), reflecting the net proceeds from the disposal of the BuckHickman business (£24.5 million), the cost of purchasing the Company's preference shares (£3.6 million) and the cost of purchasing ordinary shares by the Premier Farnell Executive Trust (£2.5 million). Net financial liabilities at the end of the quarter were £258.5 million (30 July 2006: £317.4 million), including £100.0 million (30 July 2006: £110.8 million) attributable to the Company's preference shares.

Operations

Marketing and Distribution Division (MDD)

MDD comprises: Newark, Farnell, MCM and CPC.

Continuing businesses	**Q2 07/8 £m**	*Q2 06/7 (restated) £m*	*Q2 growth at CER**	**H1 07/8 £m**	*H1 06/7 (restated) £m*	*H1 growth at CER**
Revenue	**160.8**	*162.6*	2.1%	**325.9**	*332.3*	3.0%
Operating profit	**19.7**	*19.5*	4.8%	**41.1**	*40.7*	5.9%
Operating margin %	**12.3%**	*12.0%*		**12.6%**	*12.2%*	

*Constant exchange rates

Second quarter sales grew 2.1% on the prior year, despite the challenging market conditions in the Americas, although monthly year on year sales per day growth increased through the quarter. First half sales growth was 3.0%. Year on year improvements in operating margins reflect continued control over costs and operational gearing in the first half was 21.9%. The adverse impact on operating profit in the second quarter and first half from the translation of overseas results was £0.7 million and £1.9 million respectively, due principally to the relatively weak US dollar.

The implementation of the new web front end across the Americas at the end of last year and the successful roll out to Europe and Asia Pacific in April 2007, is now having a significant impact on our web sales, with second quarter web sales up 30% on the prior year. Total eCommerce sales accounted for 27% (Q2 2006/7: 22%) of total MDD sales in the quarter.

The Americas
Newark and MCM.

	Q2 07/8 £m	*Q2 06/7 £m*	*Q2 growth at CER**	**H1 07/8 £m**	*H1 06/7 £m*	*H1 growth at CER**
Revenue	**78.5**	*82.9*	*0.4%*	**159.4**	*171.5*	*1.4%*
Operating profit	**6.9**	*7.2*	*4.5%*	**14.8**	*15.5*	*6.5%*
Operating margin %	**8.8%**	*8.7%*		**9.3%**	*9.0%*	

*Constant exchange rates

Statistics from the Semiconductor Industry Association (SIA) show a year on year decline in billings in the Americas in the second quarter, with other market indicators also showing a slowdown in growth rates in the period. Despite the challenging market conditions, sales in the second quarter increased on the prior year, with first half sales growth of 1.4%. At constant exchange rates, the sales increase in the first half was £3.3 million, and the operating profit increase was £0.9 million. Operating margin in the first half of 9.3% compared with 9.0% last year, with operational gearing remaining strong.

During the second quarter, Newark continued its focus on the EDE segment with the launch of a programme promoting over 100,000 products from the Farnell business in to the North American market. As the EDE strategy gathers traction, we are attracting quality management who will help to accelerate our transition programme as we transform the business model. Targeted marketing, together with sales process and customer database improvements, have continued to drive strong sales growth from the small customer segment, which grew 19% in the second quarter year on year. Newark's annual catalogue, scheduled for delivery in the third quarter, will promote over 24,000 new products, many of which will target the EDE segment.

Web sales in the Americas for the second quarter were up 21% on the prior year. This reflects the success of the new web platform, where we continue to register thousands of new customers each month and are receiving very positive feedback. Search engine marketing continues to drive increased web traffic and attract new customers. Further enhancements are planned for product data and search functionality in the next quarter.

Newark's second quarter sales were flat year on year despite the challenging market conditions.

MCM's second quarter sales were up 5.9% year on year reflecting the benefits of advertising campaigns, web marketing and the issue of a first ever summer catalogue, which has been positively received. Web sales continue to grow strongly, up 29% over the prior year, with total eCommerce sales now accounting for 42% of total sales.

Europe and Asia Pacific
Farnell and CPC.

Continuing businesses	**Q2 07/8 £m**	*Q2 06/7 (restated) £m*	*Q2 growth at CER**	**H1 07/8 £m**	*H1 06/7 (restated) £m*	*H1 growth at CER**
Revenue	**82.3**	*79.7*	*3.9%*	**166.5**	*160.8*	*4.7%*
Operating profit	**12.8**	*12.3*	*4.9%*	**26.3**	*25.2*	*5.6%*
Operating margin %	**15.6%**	*15.4%*		**15.8%**	*15.7%*	

* Constant Exchange Rates

Sales from continuing operations were up 3.9% in the second quarter. The operating margin of 15.6% was ahead of last year, reflecting continued cost control.

Revenue by region **Continuing businesses**	**Q2 07/8 £m**	*Q2 06/7 (restated) £m*	*Revenue growth*	**H1 07/8 £m**	*H1 06/7 (restated) £m*	*Revenue growth*
UK (including exports)	**43.4**	*42.7*	1.5%	**87.7**	*85.5*	2.6%
Mainland Europe	**31.4**	*28.9*	10.5%	**64.1**	*59.3*	10.6%
Asia Pacific	**7.5**	*8.1*	-7.1%	**14.7**	*16.0*	-6.1%

Latest available market data from the Association of Franchised Distributors of Electronic Components (AFDEC) indicated a year on year decline in sales in the UK for the second quarter. The division's UK sales (including export) increased 1.5% in the second quarter and 2.6% in the first half. CPC continued to perform well in the second quarter, with sales up 4.8% and first half sales up 4.6%, despite tough comparators. This was driven primarily by direct marketing initiatives, web activity and an emphasis on expanding the customer base. CPC's web sales growth accelerated to 35% year on year and the business saw a record number of unique visitors to the web site, up 49% on the same period last year. Sales

through the Farnell brand in the UK finished the quarter showing positive growth despite a slight decline in the first part of the period.

In mainland Europe, Farnell continued its strong performance with second quarter sales up 10.5%, the seventh consecutive quarter of double digit year on year growth. This reflects benefits from marketing activities, sales initiatives, growth in new product sales and a strong web performance, all of which have contributed to the development of our differentiated EDE service proposition and which are expected to produce further growth going forward.

Following the launch of the new web front end in April 2007, web sales have out-performed expectations, with second quarter growth for the division of 33%. Year on year web sales in France grew 85% and in Holland 41%, with some countries now transacting over half their sales through eCommerce channels. Enhancements have continued to improve further the speed, simplicity and search capabilities of the web platform and to increase performance and reliability. Total eCommerce sales in the quarter accounted for 36% of total sales for the division.

Sales in the Asia Pacific region were down 7.1% in the second quarter. The transition of the China business from its mainly MRO, lower margin, customer base to become more focused on the growing, higher margin EDE segment, continued to make progress during the quarter. The business is now able to offer next day delivery to most Chinese cities, and over 90% of its sales are RoHS compliant. As anticipated, this phase of our strategy resulted in a sales decline in the quarter, albeit at a lower rate than the first quarter. In the Australian and New Zealand markets, Newark recently launched a dedicated web business (our first web-only business) offering customers in these increasingly cost competitive markets access to US pricing and stock.

Industrial Products Division (IPD)

	Q2 07/8 **£m**	*Q2 06/7* *£m*	*Q2 growth At CER**	**H1 07/8** **£m**	*H1 06/7* *£m*	*H1 growth at CER**
Revenue	**18.1**	*18.4*	*7.1%*	**36.6**	*37.3*	*8.1%*
Operating profit	**3.5**	*3.3*	*12.9%*	**7.0**	*6.6*	*16.7%*
Operating margin %	**19.3%**	*17.9%*		**19.1%**	*17.7%*	

*Constant exchange rates

Sales grew 7.1% in the second quarter reflecting the continuing strong performance from Akron Brass. At constant exchange rates, operating profit was 12.9% ahead of last year, with an improvement in operating margin to 19.3%.

Akron Brass

Akron Brass sales grew 12.5% in the second quarter. The business benefited from the tail end of the strong order intake from North American fire equipment manufacturers in the fourth quarter of last year, driven by changes in regulatory requirements. In addition, orders continued strongly from the international market with new opportunities in South America and Asia. Operating margin was ahead of last year reflecting continued efficiencies within the manufacturing operation, including improved assembly processes.

TPC Wire & Cable

TPC's second quarter sales were up 7.1% year on year as a result of the continuing successful diversification into non automotive markets. Sales to new markets, including utilities, mechanical assemblies and government, increased 30%. Sales to the domestic automotive market increased 14% as a result of a focus on improving automotive plant sales and increased product offerings. The business continued to successfully control costs and maintain margins despite rising material costs.

Board Additions

As announced on 21 June 2007, Dennis Millard joined the Board on 1 September 2007 as a non-executive director. Mr Millard is a non-executive director and Deputy Chairman of Smiths News plc, a non-executive director of Debenhams plc, Xchanging plc and EAG Limited and previously a non-executive director of Exel plc and Finance Director of Cookson Group plc.

We also announced on 3 August 2007 the appointment of Paul Withers as a non-executive director, with effect from 1 September 2007. Mr Withers is a non-executive director of Hyder Consulting plc and advisor to a number of privately owned manufacturing companies. From 2000 to 2006 he was a main board director and Group Managing Director, Emerging Markets, at BPB plc.

Risk and uncertainties

The principal risks and uncertainties facing the Group for the remaining six months of the year have been, and are as at the date of this report:

RoHS legislation
The Group continues to regard the legislation implementing the EU Directive on the Restriction of the use of certain Hazardous Substances in electronic and electrical equipment (the RoHS Directive), as an opportunity and a risk. The transition to a compliant stock holding brings with it the potential risk of stock write-offs in excess of the provisions made. The Group has committed considerable resource to managing this risk and its approach to stocking levels and write-offs has been closely monitored, carefully managed and well communicated. The programme to reduce levels of any write-off of stock continues to be successful in the EU and to make good progress in North America.

Market migration
The Group continues to mitigate the risk of its core EDE and MRO markets migrating to lower cost economies by increasing growth in the EDE segment of the Group's customer base, together with increasing presence in China and Eastern Europe.

Systems and infrastructure
A significant proportion of customer orders are despatched from the Group's distribution facilities in South Carolina, US and Leeds, England. The Group minimises the potential impact of damage to, or destruction of, these facilities through physical measures to restrict loss, business continuity planning and, in the case of the UK facility, alternative supply from the Group's Liege warehouse in Belgium.

The Group continues to review its IT infrastructure and develop plans to address and, where relevant, test and rectify areas of potential weakness.

Competitive pressures
The Group's MDD Division faces numerous competitors in a fragmented market. It is therefore fundamental that the Division's proposition to its customers remains attractive and at the forefront of its chosen markets. The Group responds to the risk that it fails to do so by seeking to ensure that it is continually aware of market developments and that its customer proposition is attractive, appropriately focused, and differentiated from that of its competitors. Recent upgrades to its web platform in Europe and North America were effected in response to customer demand for a multi-channel approach to enhance flexibility.

Foreign currency
As a result of the proportion of the Group's trade which takes place in North America, the Group's reported results could be adversely affected by a major weakening of the US dollar against sterling. This profit translation risk is approximately £0.25 million per annum of operating profit for each one cent movement in the exchange rate. The Group has denominated a significant proportion of its external borrowings in US dollars in order to mitigate this risk and provide a hedge against dollar denominated operating cash flows and the Group's US investments.

Human resources
As a service business, Premier Farnell relies heavily on its employees and mitigates the risk implicit in this reliance by seeking to attract and retain personnel at key management levels. The Group invests in training and career development and has adopted processes to ensure that employees have structured input on their past and expected performance. This enables the Group to retain staff and promote internally when opportunities arise. Where appropriate, the Group recruits externally to ensure that we have the best and most experienced management in our fields of expertise. The Group encourages open communications with employees and seeks to motivate employees and align their interests with those of the Group, involving a cross section of employees in the strategic decision making process and relating pay to performance for many.

Legal risks
The Group's risk of non-compliance with its legal obligations is increased by the number of countries in which it operates and the large number of customers and suppliers with whom it deals. The Group addresses this risk through a variety of controls, including reviews and training by its in-house legal department, advice from outside counsel where appropriate, the work of its Internal Audit function and internal reporting on areas of potential non-compliance.

Outlook

We continue to make good progress with the rigorous implementation of our business strategy and are especially pleased with the 30% increase in web sales in the quarter and our success in winning major new franchises.

Whilst market conditions in North America in the second quarter were rather more challenging than in the first quarter, we delivered growth across all divisions with double digit growth in pre-tax profit and earnings per share, at constant exchange rates. The start of the third quarter has seen improving year on year sales growth compared to the second quarter. We anticipate delivering a second half performance in line with our expectations.

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 RoHS and similar legislation and regulatory enactments, recruitment and integration of new personnel, the implementation of cost-saving initiatives to offset current market conditions, continued use and acceptance of e-commerce programs and systems, the ability to expand into new markets and territories, the implementation of new sales and marketing initiatives, changes in demand for electronic, electrical, electromagnetic and industrial products, rapid changes in distribution of products and customer expectations, the ability to introduce and customers' acceptance of new services, products and product lines, product availability, the impact of competitive pricing, fluctuations in foreign currencies, and changes in interest rates and overall market conditions, particularly the impact of changes in world-wide and national economies. The Group does not intend to update the forward-looking statements made herein.

Condensed Consolidated Income Statement

For the second quarter and half year ended 29th July 2007

	Notes	**2007/8 Second quarter unaudited £m**	2006/7 Second quarter unaudited (restated) £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited (restated) £m	2006/7 Full year unaudited (restated) £m
Continuing operations						
Revenue	4	**178.9**	181.0	**362.5**	369.6	723.3
Cost of sales		**(108.1)**	(109.6)	**(218.6)**	(223.9)	(437.8)
Gross profit		**70.8**	71.4	**143.9**	145.7	285.5
Net operating expenses		**(50.3)**	(51.0)	**(101.2)**	(103.2)	(202.4)
Operating profit	4	**20.5**	20.4	**42.7**	42.5	83.1
Finance income (interest receivable)		**0.2**	0.2	**0.3**	0.3	0.6
Finance costs						
- interest payable		***(2.8)***	*(3.6)*	***(5.7)***	*(7.4)*	*(13.6)*
- preference dividends		***(1.5)***	*(1.7)*	***(3.1)***	*(3.4)*	*(6.7)*
- premium on redemption of preference shares		***(0.3)***	*(0.3)*	***(0.6)***	*(0.6)*	*(1.4)*
- gain on purchase of preference shares	5	***0.2***	-	***0.2***	-	*0.3*
Total finance costs		**(4.4)**	(5.6)	**(9.2)**	(11.4)	(21.4)
Profit before taxation		**16.3**	15.0	**33.8**	31.4	62.3
Taxation	6	**(5.3)**	(4.9)	**(10.9)**	(10.1)	(20.0)
Profit after taxation from continuing operations		**11.0**	10.1	**22.9**	21.3	42.3
Profit/(loss) after taxation from discontinued operations	7	**-**	0.2	**(13.5)**	0.1	10.1
Profit for the period (attributable to ordinary shareholders)		**11.0**	10.3	**9.4**	21.4	52.4
Earnings per share	8					
Basic		**3.0p**	2.8p	**2.6p**	5.9p	14.4p
Diluted		**3.0p**	2.8p	**2.6p**	5.9p	14.4p
Earnings per share from continuing operations	8					
Basic		**3.0p**	2.8p	**6.3p**	5.9p	11.6p
Diluted		**3.0p**	2.8p	**6.3p**	5.8p	11.6p
Ordinary dividends						
Interim - proposed				**4.0p**	4.0p	4.0p
Final - proposed						5.0p
Paid				**5.0p**	5.0p	9.0p
Impact on shareholders' funds (£m)				**18.2**	18.1	32.6

Prior year figures have been restated to reflect the reclassification of the BuckHickman business as a discontinued operation following its disposal on 10th April 2007. Further details are given in note 7.

Condensed Consolidated Statement of Recognised Income and Expense

For the second quarter and half year ended 29th July 2007

	Notes	**2007/8 Second quarter unaudited £m**	2006/7 Second quarter unaudited £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited £m	2006/7 Full year audited £m
Profit for the period		**11.0**	10.3	**9.4**	21.4	52.4
Net exchange adjustments		**(0.3)**	(0.7)	**-**	(0.7)	(0.6)
Actuarial gains on pensions and other post-retirement obligations		**-**	-	**-**	-	12.2
Deferred tax on actuarial gains		**-**	-	**-**	-	(4.4)
Deferred tax arising on purchase of preference shares		**0.1**	-	**0.1**	-	0.3
Net (losses)/gains not recognised in the income statement	10	**(0.2)**	(0.7)	**0.1**	(0.7)	7.5
Total recognised income/(expense) for the period		**10.8**	9.6	**9.5**	20.7	59.9

The notes on pages 14 to 17 form an integral part of this unaudited condensed consolidated interim financial information.

Condensed Consolidated Balance Sheet

As at 29th July 2007

	Notes	**29th July 2007 unaudited £m**	30th July 2006 unaudited £m	28th January 2007 audited £m
ASSETS				
Non-current assets				
Goodwill		**30.2**	49.8	49.6
Other intangible assets		**18.6**	22.6	22.2
Property, plant and equipment		**54.9**	62.3	58.8
Retirement benefit asset		**56.3**	50.8	56.8
Deferred tax assets		**0.5**	0.5	0.2
Total non-current assets		**160.5**	186.0	187.6
Current assets				
Inventories		**155.3**	169.8	162.7
Financial assets	9	**0.4**	-	-
Trade and other receivables		**114.4**	134.1	127.9
Cash and cash equivalents	9	**30.2**	32.8	32.2
		300.3	336.7	322.8
Assets relating to discontinued operation		**-**	14.9	-
Total current assets		**300.3**	351.6	322.8
LIABILITIES				
Current liabilities				
Financial liabilities	9	**(0.6)**	(1.4)	(11.1)
Trade and other payables		**(82.4)**	(96.0)	(94.9)
Current tax payable		**(27.3)**	(35.5)	(28.0)
Short-term provisions		**-**	(2.2)	(0.8)
		(110.3)	(135.1)	(134.8)
Liabilities relating to discontinued operation		**-**	(6.4)	-
Total current liabilities		**(110.3)**	(141.5)	(134.8)
Net current assets		**190.0**	210.1	188.0
Non-current liabilities				
Financial liabilities	9	**(288.5)**	(348.8)	(302.4)
Retirement and other post-employment benefits		**(28.1)**	(36.8)	(29.6)
Deferred tax liabilities		**(29.7)**	(23.0)	(30.7)
Other provisions		**-**	(0.9)	(0.9)
Total non-current liabilities		**(346.3)**	(409.5)	(363.6)
NET ASSETS/(LIABILITIES)		**4.2**	(13.4)	12.0
EQUITY				
Ordinary shares		**18.2**	18.2	18.2
Equity element of preference shares		**17.7**	19.9	18.4
Share premium		**23.0**	21.4	21.6
Capital redemption reserve		**1.7**	0.8	1.4
Hedging reserve		**0.4**	(0.1)	(0.1)
Cumulative translation reserve		**(3.0)**	(3.0)	(2.9)
Retained earnings		**(53.8)**	(70.6)	(44.6)
SHAREHOLDERS' FUNDS/(DEFICIT)	10	**4.2**	(13.4)	12.0

The notes on pages 14 to 17 form an integral part of this unaudited condensed consolidated interim financial information.

Condensed Consolidated Cash Flow Statement

For the second quarter and half year ended 29th July 2007

	Notes	**2007/8 Second quarter unaudited £m**	2006/7 Second quarter unaudited (restated) £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited (restated) £m	2006/7 Full year unaudited (restated) £m
Cash flows from operating activities						
Operating profit from continuing operations		**20.5**	20.4	**42.7**	42.5	83.1
Depreciation and amortisation		**5.0**	4.6	**9.8**	9.4	18.7
Changes in working capital		**(1.2)**	0.4	**(8.4)**	(8.7)	(5.8)
Additional pension scheme funding (UK defined benefit plan)		**(0.8)**	(0.4)	**(1.5)**	(0.9)	(2.4)
Other non-cash movements		**0.1**	0.3	**0.4**	0.6	(1.8)
Cash generated from continuing operations		**23.6**	25.3	**43.0**	42.9	91.8
Cash generated from discontinued operations		**(0.7)**	(1.0)	**(1.0)**	(0.4)	(1.2)
Total cash generated from operations		**22.9**	24.3	**42.0**	42.5	90.6
Interest received		**0.1**	0.2	**0.3**	0.4	0.6
Interest paid		**(4.3)**	(7.4)	**(5.9)**	(7.9)	(14.1)
Dividends paid on preference shares		**(3.1)**	(3.4)	**(3.1)**	(3.4)	(6.7)
Taxation paid		**(9.1)**	(5.7)	**(12.4)**	(8.2)	(18.7)
Net cash generated from operating activities		**6.5**	8.0	**20.9**	23.4	51.7
Cash flows from investing activities						
Disposal of business	7	**(1.3)**	-	**24.5**	-	20.4
Proceeds from sale of property, plant and equipment		**0.1**	1.8	**0.1**	2.1	5.1
Purchase of property, plant and equipment		**(0.9)**	(1.8)	**(3.3)**	(3.0)	(7.4)
Purchase of intangible assets (computer software)		**(2.0)**	(1.6)	**(4.2)**	(2.7)	(7.0)
Net cash (used in)/generated from investing activities		**(4.1)**	(1.6)	**17.1**	(3.6)	11.1
Cash flows from financing activities						
Issue of ordinary shares		**0.8**	0.4	**1.4**	1.1	1.3
Purchase of ordinary shares	10	**(2.5)**	-	**(2.5)**	-	-
Purchase of preference shares	5	**(3.6)**	-	**(3.6)**	-	(8.4)
New bank loans		**21.4**	78.9	**21.4**	78.9	78.9
Repayment of bank loans		**-**	(83.8)	**(27.8)**	(85.8)	(115.1)
Dividends paid to ordinary shareholders		**(18.2)**	(18.1)	**(18.2)**	(18.1)	(32.6)
Net cash used in financing activities		**(2.1)**	(22.6)	**(29.3)**	(23.9)	(75.9)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		**0.3**	(16.2)	**8.7**	(4.1)	(13.1)
Cash, cash equivalents and bank overdrafts at beginning of period		**29.5**	47.1	**21.3**	35.6	35.6
Exchange losses		**(0.1)**	0.7	**(0.3)**	0.1	(1.2)
Cash, cash equivalents and bank overdrafts at end of period		**29.7**	31.6	**29.7**	31.6	21.3
Reconciliation of net financial liabilities						
Net financial liabilities at beginning of period				**(281.3)**	(330.1)	(330.1)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts				**8.7**	(4.1)	(13.1)
Decrease in debt				**6.4**	6.9	36.2
Decrease in preference shares				**3.6**	-	8.4
Premium on redemption of preference shares				**(0.6)**	(0.6)	(1.4)
Derivative financial instruments				**0.5**	0.1	0.1
Exchange movement				**4.2**	10.4	18.6
Net financial liabilities at end of period	9			**(258.5)**	(317.4)	(281.3)

Prior year figures have been restated to reflect the reclassification of the BuckHickman business as a discontinued operation following its disposal on 10th April 2007. Further details are given in note 7.

The notes on pages 14 to 17 form an integral part of this unaudited condensed consolidated interim financial information.

Notes

1 General information

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

This condensed consolidated financial information was approved for issue on 11th September 2007.

This interim financial information does not comprise statutory accounts within the meaning of Section 240 of the Companies Act 1985. Statutory accounts for the financial year ended 28th January 2007, were approved by the Board of Directors on 28th March 2007, and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain any statement under Section 237 of the Companies Act 1985. Copies of the Company's Annual Report and Accounts are available from Premier Farnell plc, 150 Armley Road, Leeds, LS12 2QQ, England, or from the Company's website at www.premierfarnell.com.

2 Basis of preparation

This condensed consolidated financial information for the second quarter and half year ended 29th July 2007, has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, Interim Financial Reporting, as adopted by the European Union. This condensed consolidated financial information should be read in conjunction with the consolidated financial statements included in the Company's Annual Report and Accounts for the financial year ended 28th January 2007, which have been prepared in accordance with International Financial reporting Standards (IFRSs) as adopted by the European Union. The interim financial information has not been audited or reviewed by auditors pursuant to the Auditing Practices Board's guidance on Review of Interim Financial Information.

3 Accounting policies

The accounting policies adopted are consistent with those of the consolidated financial statements for the year ended 28th January 2007, as described in those annual financial statements.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ending 3rd February 2008 and are relevant to the Group.

- IFRS 7, Financial Instruments: Disclosures, and IAS 1, Amendments to Capital Disclosures, both effective for annual periods beginning on or after 1st January 2007. The full IFRS 7 disclosures, including the sensitivity analysis to market risk, and capital disclosures required by the amendment of IAS 1, will be given in the annual financial statements;
- IFRIC 8, Scope of IFRS 2, effective for annual periods beginning on or after 1st May 2006. This interpretation has not had any impact on the recognition of share-based payments in the group; and
- IFRIC 10, Interims and Impairment, effective for annual periods beginning on or after 1st November 2006. This interpretation has not had any impact on the timing or recognition of impairment losses.

The following new standards, amendments to standards or interpretations are mandatory for the first time for the financial year ending 3rd February 2008 but have no material impact to the Group.

- IFRIC 7, Applying the Restatement Approach under IAS 29, effective for annual periods beginning on or after 1st March 2006; and
- IFRIC 9, Reassessment of Embedded Derivatives, effective for annual periods beginning on or after 1st June 2006.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year ending 3rd february 2008, and have not been early adopted.

- IFRIC 11, IFRS 2 – Group and Treasury Share Transactions;
- IFRIC 12, Service Concession Arrangements; and
- IFRS 8, Operating Segments.

4 Segment information (continuing operations)

	2007/8 Second quarter unaudited £m	2006/7 Second quarter unaudited (restated) £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited (restated) £m	2006/7 Full year unaudited (restated) £m
Revenue					
Marketing and Distribution Division					
Americas	**78.5**	82.9	**159.4**	171.5	329.3
Europe and Asia Pacific	**82.3**	79.7	**166.5**	160.8	320.6
Total Marketing and Distribution Division	**160.8**	162.6	**325.9**	332.3	649.9
Industrial Products Division	**18.1**	18.4	**36.6**	37.3	73.4
	178.9	181.0	**362.5**	369.6	723.3
Operating profit					
Marketing and Distribution Division					
Americas	**6.9**	7.2	**14.8**	15.5	30.5
Europe and Asia Pacific	**12.8**	12.3	**26.3**	25.2	49.1
Total Marketing and Distribution Division	**19.7**	19.5	**41.1**	40.7	79.6
Industrial Products Division	**3.5**	3.3	**7.0**	6.6	13.7
Head Office costs	**(2.7)**	(2.4)	**(5.4)**	(4.8)	(10.2)
	20.5	20.4	**42.7**	42.5	83.1

Prior year figures have been restated to reflect the reclassification of the BuckHickman business, part of the Marketing and Distribution Division, Europe and Asia Pacific, as a discontinued operation following its disposal on 10th April 2007. Further details are given in note 7.

5 Purchase of preference shares

During the second quarter the Company purchased and cancelled 250,000 of its preference shares at a total cash cost of £3.6 million. Based on the book value and fair value of the instrument at the date of purchase, the financial liability element of the preference shares was reduced by £3.7 million and the equity element by £0.7 million. A gain of £0.2 million was recognised in the income statement being the difference between the book value and fair value of the financial liability element at the date of purchase. The gain arising from the difference between the book value and fair value of the equity element of £0.6 million was recognised as a movement in retained earnings. A deferred tax credit of £0.1 million arose which is recognised through the Consolidated Statement of Recognised Income and Expense. A transfer from retained earnings of £0.3 million to non-distributable reserves was made in order to maintain the legal nominal value of share capital.

6 Taxation

The taxation charge for continuing operations represents an effective tax rate for the period on profit before tax and preference dividends of 29.5% (2006/7: 29.0%), being the estimated effective rate of taxation for the financial year ending 3rd February 2008.

7 Discontinued operations

Profit/(loss) after taxation from discontinued operations comprises:

	2007/8 Second quarter unaudited £m	2006/7 Second quarter unaudited £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited £m	2006/7 Full year unaudited £m
Current year disposals (BuckHickman)	**-**	(0.1)	**(13.5)**	(0.5)	(0.6)
Prior year disposals (Kent)	**-**	0.3	**-**	0.6	10.7
	-	0.2	**(13.5)**	0.1	10.1

On 10th April 2007, the Group disposed of BuckHickman, part of the Marketing and Distribution Division, Europe and Asia Pacific. Consequently, the BuckHickman business has been reclassified as a discontinued operation and its trading results are included in the income statement as a single line below profit after taxation from continuing operations, with comparatives restated accordingly. The impact of the disposal of BuckHickman on the income statement is as follows:

	2007/8 Second quarter unaudited £m	2006/7 Second quarter unaudited £m	**2007/8 First half unaudited £m**	2006/7 First half unaudited £m	2006/7 Full year unaudited £m
Post tax result					
Revenue	**-**	25.4	**19.3**	51.7	99.8
Gross margin	**-**	7.6	**6.0**	15.4	30.2
Net operating expenses	**-**	(7.8)	**(5.8)**	(16.1)	(31.0)
Operating (loss)/profit	**-**	(0.2)	**0.2**	(0.7)	(0.8)
Taxation	**-**	0.1	**(0.1)**	0.2	0.2
(Loss)/profit after taxation	**-**	(0.1)	**0.1**	(0.5)	(0.6)
Provisional loss on disposal					
Consideration (net of costs)	**-**	-	**25.2**	-	-
Net assets disposed (see below)	**-**	-	**(38.8)**	-	-
Loss on disposal of net assets	**-**	-	**(13.6)**	-	-
Taxation	**-**	-	**-**	-	-
Net loss on disposal	**-**	-	**(13.6)**	-	-
Total income statement impact	**-**	(0.1)	**(13.5)**	(0.5)	(0.6)

Net assets disposed comprises:	
Goodwill allocated to BuckHickman	**19.3**
Intangible assets (computer software)	**1.2**
Property, plant and equipment	**2.2**
Inventories	**14.0**
Receivables	**16.8**
Payables	**(14.7)**
	38.8

The net loss on disposal is subject to finalisation and agreement of the completion accounts.

Cash flows from BuckHickman included in the consolidated statement of cash flows are as follows:

Net cash flows from operating activities	**(0.7)**	(0.9)	**(1.0)**	(0.3)	(1.1)
Net cash flows from investing activities (including net proceeds on disposal)	**(1.3)**	(0.1)	**24.5**	(0.3)	(0.7)

8 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders for the period by the weighted average number of ordinary shares in issue during the period, excluding those shares held by the Premier Farnell Executive Trust. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume issue of all dilutive potential ordinary shares, being those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

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

	2007/8 First half unaudited £m	2006/7 First half unaudited (restated) £m	2006/7 Full year unaudited (restated) £m
Earnings per share			
Profit attributable to ordinary shareholders	**9.4**	21.4	52.4
Earnings per share from continuing operations			
Profit after taxation from continuing operations	**22.9**	21.3	42.3
	Number	Number	Number
Weighted average number of shares	**363,716,034**	363,315,125	363,328,421
Dilutive effect of share options	**1,653,381**	1,516,352	1,293,627
Diluted weighted average number of shares	**365,369,415**	364,831,477	364,622,048

9 Net financial liabilities

	29th July 2007 unaudited £m	30th July 2006 unaudited £m	28th January 2007 audited £m
Cash and cash equivalents	**30.2**	32.8	32.2
Unsecured loans and overdrafts	**(189.1)**	(239.3)	(210.3)
Net financial liabilities before preference shares and derivatives	**(158.9)**	(206.5)	(178.1)
Preference shares	**(100.0)**	(110.8)	(103.1)
Derivative financial instruments	**0.4**	(0.1)	(0.1)
Net financial liabilities	**(258.5)**	(317.4)	(281.3)

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

Current assets			
Financial assets (derivative financial instruments)	**0.4**	-	-
Cash and cash equivalents	**30.2**	32.8	32.2
	30.6	32.8	32.2
Current liabilities			
Bank overdrafts	**(0.5)**	(1.2)	(10.9)
Other loans	**(0.1)**	(0.1)	(0.1)
Derivative financial instruments	**-**	(0.1)	(0.1)
	(0.6)	(1.4)	(11.1)
Non-current liabilities			
Bank loans	**(75.1)**	(114.4)	(82.0)
5.3% US dollar Guaranteed Senior Notes payable 2010	**(32.5)**	(35.5)	(33.7)
5.9% US dollar Guaranteed Senior Notes payable 2013	**(78.3)**	(85.5)	(81.1)
Other loans	**(2.6)**	(2.6)	(2.5)
Preference shares	**(100.0)**	(110.8)	(103.1)
	(288.5)	(348.8)	(302.4)

10 Consolidated statement of changes in shareholders' equity

	2007/8 First half unaudited £m	2006/7 First half unaudited £m	2006/7 Full year audited £m
Shareholders' funds/(deficit) at beginning of year	**12.0**	(18.4)	(18.4)
Profit for the period	**9.4**	21.4	52.4
Net gains and losses recognised directly in equity	**0.1**	(0.7)	7.5
Ordinary dividends paid	**(18.2)**	(18.1)	(32.6)
Ordinary shares issued	**1.4**	1.0	1.2
Purchase of ordinary shares	**(2.5)**	-	-
Purchase of preference shares (note 3):			
- reduction in equity element	**(0.7)**	-	(1.5)
- gain arising on equity element	**0.6**	-	1.2
Share-based payments	**1.6**	1.3	2.1
Derivative financial instruments	**0.5**	0.1	0.1
Shareholders' funds/(deficit) at end of period	**4.2**	(13.4)	12.0

During the second quarter, the Premier Farnell Executive Trust acquired 1,153,693 of the Company's ordinary shares, through purchases on the London Stock Exchange for a total consideration of £2.5 million, in order to meet future obligations under the Company's performance share plan. This amount has been deducted from shareholders' equity.

11 Exchange rates

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

	2007/8 Second quarter	2006/7 Second quarter	**2007/8 First half**	2006/7 First half	2006/7 Full year
US dollar	**2.01**	1.85	**1.99**	1.81	1.86
Euro	**1.48**	1.46	**1.48**	1.45	1.47

12 Ordinary dividend

An interim dividend of 4.0 pence per share (2006/7: 4.0 pence per share) will be paid on 17th October 2007 to ordinary shareholders on the register at close of business on 21st September 2007.

Statement of Directors' Responsibilities

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

The directors of Premier Farnell plc are listed in the Company's 2007 Annual Report and Accounts with the exception of the appointment of two new Board members with effect from 1st September 2007, details of which are given on page 9 to this interim statement.

By order of the Board

Harriet Green
Chief Executive Officer
11th September 2007

Mark Whiteling
Chief Financial Officer
11th September 2007