

STATUTORY INFORMATION

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Group is the supply of specialist products to construction and related markets in the UK, Ireland and Mainland Europe. The main products supplied are insulation, exteriors, interiors and specialist construction and safety products.

The Chairman's Statement and Business Review on pages 4 to 27 contain a review of these activities and comments on the future outlook. The financial risk management objectives and policies of the Company are set out in the Business Review on pages 6 to 27.

As at the date of this report, there have been no important events affecting the business of the Company, or any of its subsidiaries, which have occurred since the end of the financial year.

Details of the Group's policies in relation to employees (including disabled employees) and information on charitable and political donations are disclosed on pages 42 to 43.

Details of the Group's policies in relation to corporate governance are disclosed on pages 51 to 54.

GROUP RESULTS AND DIVIDENDS

The Consolidated Income Statement for the year ended 31 December 2009 is shown on page 66. The movement in the Group reserves during the year is shown on page 70 in the Consolidated Statement of Changes in Equity. Segmental information is set out in Note 1 on pages 77 to 78.

The Board is not recommending a final dividend for the year ended 31 December 2009 (2008: nil). The Group is committed to a progressive dividend policy and will resume dividend payments when markets stabilise and it believes that it is prudent to do so taking account of the Group earnings, cash flow and balance sheet position.

DIRECTORS

The Directors who held office during the year were:

Mr. L. O. Tench	Non-Executive Chairman
Mr. C. J. Davies	Chief Executive
Mr. G. W. Davies	Group Finance Director
Mr. M. J. Chivers	Executive Director
Mr. D. A. Haxby	Senior Independent Non-Executive Director
Mrs. V. Murray	Independent Non-Executive Director (appointed 1 July 2009)
Mr. C. V. Geoghegan	Independent Non-Executive Director (appointed 1 July 2009)
Mr. J. C. Nicholls	Independent Non-Executive Director (appointed 6 November 2009)
Mr. P. H. Blackburn	Independent Non-Executive Director (resigned 30 September 2009)
Mr. M. J. C. Borlenghi	Independent Non-Executive Director (resigned 30 September 2009)

Biographical details of the Directors holding office at the date of this report appear on page 44.

There is no maximum number of Directors but there shall at no time be less than two. Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for re-appointment by the Shareholders. The Board may from time to time appoint one or more Directors as Managing Director or to fulfil any other Executive function within the Company for such term, remuneration and other conditions of appointment as they may determine and may revoke such appointment (subject to the provisions of the Companies Acts).

ELECTION AND RE-ELECTION OF DIRECTORS

All Directors are subject to election at the Annual General Meeting immediately following their appointment and to re-election every three years.

The Company may by ordinary resolution, of which special notice has been given in accordance with the Companies Acts, remove any Director before the expiration of his/her period of office. The office of a Director shall be vacated if: (i) he/she ceases to be a Director by virtue of any provision of law or is removed pursuant to the Company's Articles of Association or he/she becomes prohibited by law from being a Director; (ii) he/she becomes bankrupt or compounds with his/her creditors generally; (iii) he/she becomes of unsound mind or a patient for any purpose of any statute relating to mental health and the Board resolves that his/her office is vacated; (iv) he/she resigns; (v) he/she fails to attend Board meetings for six consecutive months without leave of absence from the Board and the Board resolves that his/her office is vacated; (vi) his/her appointment terminates in accordance with the provisions of the Company's articles; (vii) he/she is dismissed from Executive office; (viii) he/she is convicted of an indictable offence and the Directors resolve that it is undesirable in the interests of the Company that he/she remains a Director; or (ix) the conduct of the Director is the subject of an investigation and the Directors resolve that it is undesirable in the interests of the Company that he/she remains a Director.

The Directors standing for election are Mr. C. V. Geoghegan and Mrs. V. Murray (appointed 1 July 2009) and Mr. J. C. Nicholls (appointed 6 November 2009). It is the view of the Board that each of the Non-Executive Directors standing for election brings considerable management experience and an independent perspective to the Board's discussions and is considered to be independent of management and free from any relationship or circumstance that could affect, or appear to affect, the exercise of their independent judgement.

The Director standing for re-election at the Annual General Meeting is Mr. M. J. Chivers. It is the view of the Board that Mr. M. J. Chivers, an Executive Director, brings considerable management experience to the Board's discussions.

Full details of Directors' remuneration, interests in the share capital of the Company and of their share options are set out on pages 56 to 62 in the Directors' Remuneration Report.

RELATED PARTY TRANSACTIONS

Except for Directors' service contracts, the Company did not have any material transactions or transactions of an unusual nature with, and did not make loans to, related parties in the periods in which any Director is or was materially interested.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITIES

The Company purchases liability insurance cover for Directors and Officers of the Company and its subsidiaries which gives appropriate cover for any legal action brought against them. The Company has also provided an indemnity for its Directors to the extent permitted by the law in respect of liabilities incurred as a result of their office. The indemnity would not provide any coverage to the extent that a Director is proved to have acted fraudulently or dishonestly.

No claims or qualifying indemnity provisions and no qualifying pension scheme indemnity provisions have been made either during the year or by the time of approval of this Statutory Information Report.

FINANCIAL INSTRUMENTS

Information on the Group's financial risk management objectives and policies and on the exposure of the Group to relevant risks of financial instruments is set out on pages 25 to 26 and in Note 17 to the Consolidated Financial Statements on pages 93 to 95.

ACQUISITIONS AND DISPOSALS

There were no acquisitions or disposals of businesses during the year.

SHARE CAPITAL

The Company has a single class of share capital which is divided into ordinary shares of 10p each.

As detailed in the Business Review on page 22, on 14 April 2009 the Company issued 455,047,973 new ordinary shares by way of a placing and open offer and firm placing at 75p per new ordinary shares raising approximately £325m (net of expenses). 213,345,345 new ordinary shares were issued through the placing and open offer and 241,702,628 new ordinary shares through the firm placing. All of the new ordinary shares issued rank *pari passu* with the Company's existing ordinary shares.

During the year ended 31 December 2009, options were exercised pursuant to the Company's share option schemes, resulting in the allotment of 142,191 new ordinary shares. No new ordinary shares have been allotted under these schemes since the end of the financial year to the date of this report. Details of outstanding options under the Group's Employee and Executive Schemes are set out in Note 23 on page 101 which also contains details of options granted over unissued share capital.

RIGHTS ATTACHING TO SHARES

The rights attaching to the ordinary shares are defined in the Company's Articles of Association. The Articles of Association may be changed with the agreement of Shareholders. A Shareholder whose name appears on the Company's Register of Members can choose whether his shares are evidenced by share certificates (i.e. in certificated form) or held in electronic (i.e. uncertificated) form in CREST (the electronic settlement system in the UK).

Subject to any restrictions below, Shareholders may attend any general meeting of the Company and, on a show of hands, every Shareholder (or his representative) who is present at a general meeting has one vote on each resolution and, on a poll, every Shareholder (or his representative) who is present has one vote on each resolution for every ordinary share of which they are the registered Shareholder. A resolution put to the vote of a general meeting is decided on a show of hands unless before or on the declaration of the result of a vote on a show of hands, a poll is demanded by the Chairman of the meeting, or by at least five Shareholders (or their representatives) present in person and having the right to vote, or by any Shareholders (or their representatives) present in person having at least 10% of the total voting rights of all Shareholders, or by any Shareholders (or their representatives) present in person holding ordinary shares in which an aggregate sum has been paid up of at least one-tenth of the total sum paid up on all ordinary shares.

Shareholders can declare final dividends by passing an ordinary resolution but the amount of the dividends cannot exceed the amount recommended by the Board. The Board can pay interim dividends on any class of shares of the amounts and on the dates and for the periods they decide provided the distributable profits of the Company justify such payment. The Board may, if authorised by an ordinary resolution of the Shareholders, offer any Shareholder the right to elect to receive new ordinary shares, which will be credited as fully paid, instead of their cash dividend.

Any dividend which has not been claimed for twelve years after it became due for payment will be forfeited and will then belong to the Company, unless the Directors decide otherwise.

If the Company is wound up, the liquidator can, with the sanction of an extraordinary resolution passed by the Shareholders, divide among the Shareholders all or any part of the assets of the Company and he can value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator can also transfer the whole or any part of the assets to trustees upon any trusts for the benefit of the members. No Shareholders can be compelled to accept any asset which would give them a liability.

VOTING AT GENERAL MEETINGS

Any Form of Proxy sent by the Company to Shareholders in relation to any general meeting must be delivered to the Company, whether in written form or in electronic form, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote.

No Shareholder is, unless the Board decides otherwise, entitled to attend or vote either personally or by proxy at a general meeting or to exercise any other right conferred by being a Shareholder if he or any person with an interest in shares has been sent a Notice under Section 793 of the Companies Act 2006 (which confers upon public companies the power to require information with respect to interests in their voting shares) and he or any interested person failed to supply the Company with the information requested within 14 days after delivery of that Notice. The Board may also decide that no dividend is payable in respect of those default shares and that no transfer of any default shares shall be registered.

These restrictions end seven days after receipt by the Company of a Notice of an approved transfer of the shares or all the information required by the relevant Section 793 Notice, whichever is the earlier.

STATUTORY INFORMATION CONTINUED

TRANSFER OF SHARES

The Board may refuse to register a transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis. The Board may also refuse to register a transfer of a certificated share unless: (i) the instrument of transfer is lodged, duly stamped (if stampable), at the registered office of the Company or any other place decided by the Board accompanied by a certificate for the share which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (ii) is in respect of only one class of shares; and (iii) is in favour of not more than four transferees.

Transfer of uncertificated shares must be carried out using CREST and the Board can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

The Board may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of Shareholders. The Board cannot suspend the registration of transfers of any uncertificated shares without gaining consent from CREST. There are no other limitations on the holding of ordinary shares in the Company.

VARIATION OF RIGHTS

If at any time the capital of the Company is divided into different classes of shares, the special rights attaching to any class may be varied or revoked either:

- (i) with the written consent of the holders of at least 75% in nominal value of the issues shares of the class; or
- (ii) with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the shares of the class.

The Company can issue new shares and attach any rights to them. If there is no restriction by special rights attaching to existing shares, rights attaching to new shares can take priority over the rights of existing shares, or the new shares and the existing shares are deemed to be varied (unless the rights expressly allow it) by a reduction of paid up capital or if another share of that same class is issued and ranks in priority for payment of dividend or in respect of capital or more favourable voting rights.

PUBLICATION OF UNAUDITED FINANCIAL INFORMATION

As part of the Group's placing and open offer and firm placing of new ordinary shares in April 2009, certain financial disclosures were included in the Prospectus dated 18 March 2009 ("the Prospectus") which were unaudited. Under the provisions of Listing Rule 9.2.18 'Publication of unaudited financial information', the Company must:

- reproduce the unaudited information in the following year's Annual Report and Accounts (i.e. 2009 Annual Report and Accounts);
- disclose the actual figures for the same period covered by the reproduced information; and
- provide an explanation of any significant variations from the numbers actually achieved compared to those stated in the Prospectus.

The following unaudited financial information was included in the Prospectus:

"As set out in the Trading Statement and the Interim Management Statement, in order to better align resources to anticipated levels of trading going into 2009, SIG implemented a comprehensive range of previously prepared contingency measures in the second half of 2008. These included the closure of 80 trading sites and a reduction in the number of employees in the Group, including head office functions, of 1,020, or 7% of total staffing. From these actions, the Directors expect to deliver a total net cost saving in 2008 of around £35m. The cost reduction programmes is an ongoing process and, since December 2008, SIG has agreed and is in the process of implementing further cost saving initiatives, which are expected to deliver additional savings of £12m in 2009 (£15m annualised)".

In respect of the disclosures made above, in 2009 the Group achieved actual cost savings of £35m arising from restructuring actions implemented in 2008, in line with the unaudited figure stated in the Prospectus. The cost saving measures implemented up to 18 March 2009 delivered savings of £12m in 2009, also in line with the disclosures made in the Prospectus. In addition, the Group implemented further cost saving and restructuring measures throughout 2009 over and above those described in the Prospectus. Since the inception of the cost reduction programme in 2008 the Group achieved total annualised net cost savings of £100m. Further details on the cost saving measures can be found on page 5.

AGREEMENTS WITH EMPLOYEES AND SIGNIFICANT AGREEMENTS

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

The Company's banking arrangements are terminable upon a change of control of the Company. Certain other indebtedness becomes repayable if a change of control leads to a downgrade in the credit rating of the Company.

CREST

The Company's ordinary shares are in CREST, the settlement system for stocks and shares.

2010 INTERIM REPORT

In 2007 the Company changed its Articles of Association to permit the use of electronic communications for all Notices, documents and information to be sent to Shareholders, in accordance with Shareholder preference. This would enable the Company to use website communication with Shareholders as the default position. The Company has at this time not made any decision as to whether to move to electronic communication as the default position. Shareholders will therefore for the time being continue to receive paper copies of all Company communications. Current regulations do however permit the Company not to have to send copies of its Interim Reports to Shareholders and therefore Interim Reports will no longer be sent to Shareholders. The Interim Report will be published on the Company's website at www.sigplc.com.

ACQUISITION BY THE COMPANY OF ITS OWN SHARES

Shareholder's authority for the purchase by the Company of 13,500,000 of its own shares existed at the end of the year. The Company has made no purchases of its own shares pursuant to this authority. The Company will seek to renew this authority at the 2010 Annual General Meeting.

SUBSTANTIAL SHAREHOLDINGS

At the date of this report the Company had received notification of the following material shareholdings pursuant to the Disclosure and Transparency Rules of the UK Financial Services Authority:

Shareholder	Number of ordinary shares of 10p each	% of issued voting share capital
Aviva plc	47,404,073	8.02
Blackrock Inc.	43,085,680	7.29
Ameriprise Financial Inc.	28,953,030	4.90
Schroders plc	28,422,670	4.81
IKO Enterprises Limited	24,824,804	4.20
Legal & General plc	23,547,821	3.98

PAYMENT TO SUPPLIERS

The Group follows the CBI's prompt payment code and operates and abides by a clearly defined policy, which has been agreed with all major suppliers. As at 31 December 2009 the Company had no trade creditors, as it does not trade in its own right. The Group's average number of days outstanding on a like for like constant currency basis as at 31 December 2009 in respect of trade payables was 36 (2008: 28).

STATEMENT OF THE DIRECTORS ON THE DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Statutory Information confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and
- each Director has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

GOING CONCERN

After making enquiries the Directors have formed a judgement, at the time of approving the Accounts, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. The key factors considered by the Directors in making this statement are set out on page 27 of the Business Review.

AUDITORS

On the recommendation of the Audit Committee in accordance with Section 489 of the Companies Act 2006, resolutions are to be proposed at the Annual General Meeting for the re-appointment of Deloitte LLP as Auditors of the Company and to authorise the Board to fix their remuneration. The remuneration of the Auditors for the year ended 31 December 2009 is fully disclosed in Note 4 to the Consolidated Financial Statements on page 80.

ANNUAL GENERAL MEETING

The Notice convening the Annual General Meeting to be held at the Aston Hotel, Britannia Way, Catcliffe, Sheffield S60 5BD at 12 noon on Thursday 13 May 2010, together with explanatory notes on the resolutions to be proposed and full details of the deadlines for exercising voting rights, is contained in a circular to be sent to Shareholders with this report.

Signed on behalf of the Board



RICHARD MONRO
COMPANY SECRETARY
17 MARCH 2010