
KING  SHER

Gerry Murphy
Group Chief Executive



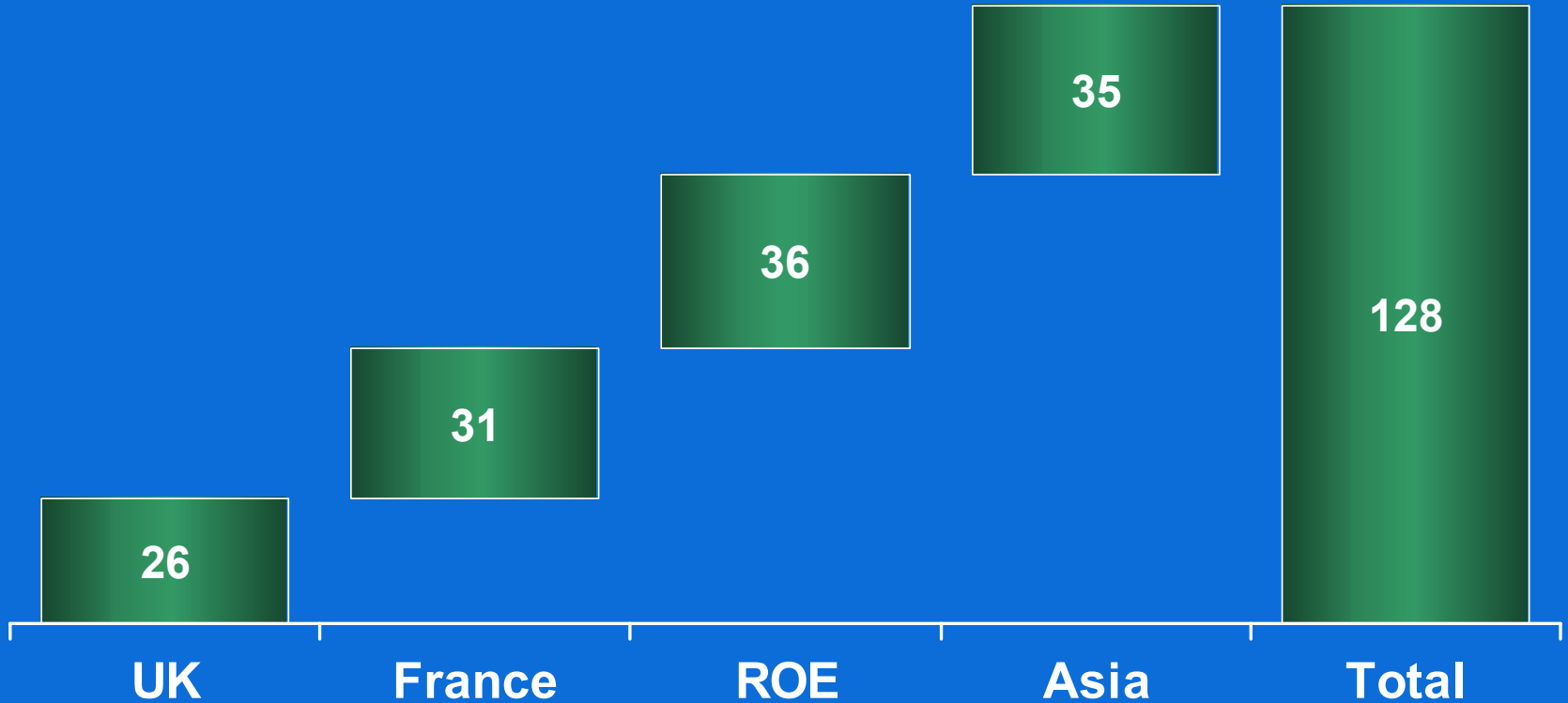
Kingfisher at a glance

- World's third largest home improvement retailer
- Retail sales: £8.7bn, 50% non UK
- 741 stores in 10 countries in Europe and Asia



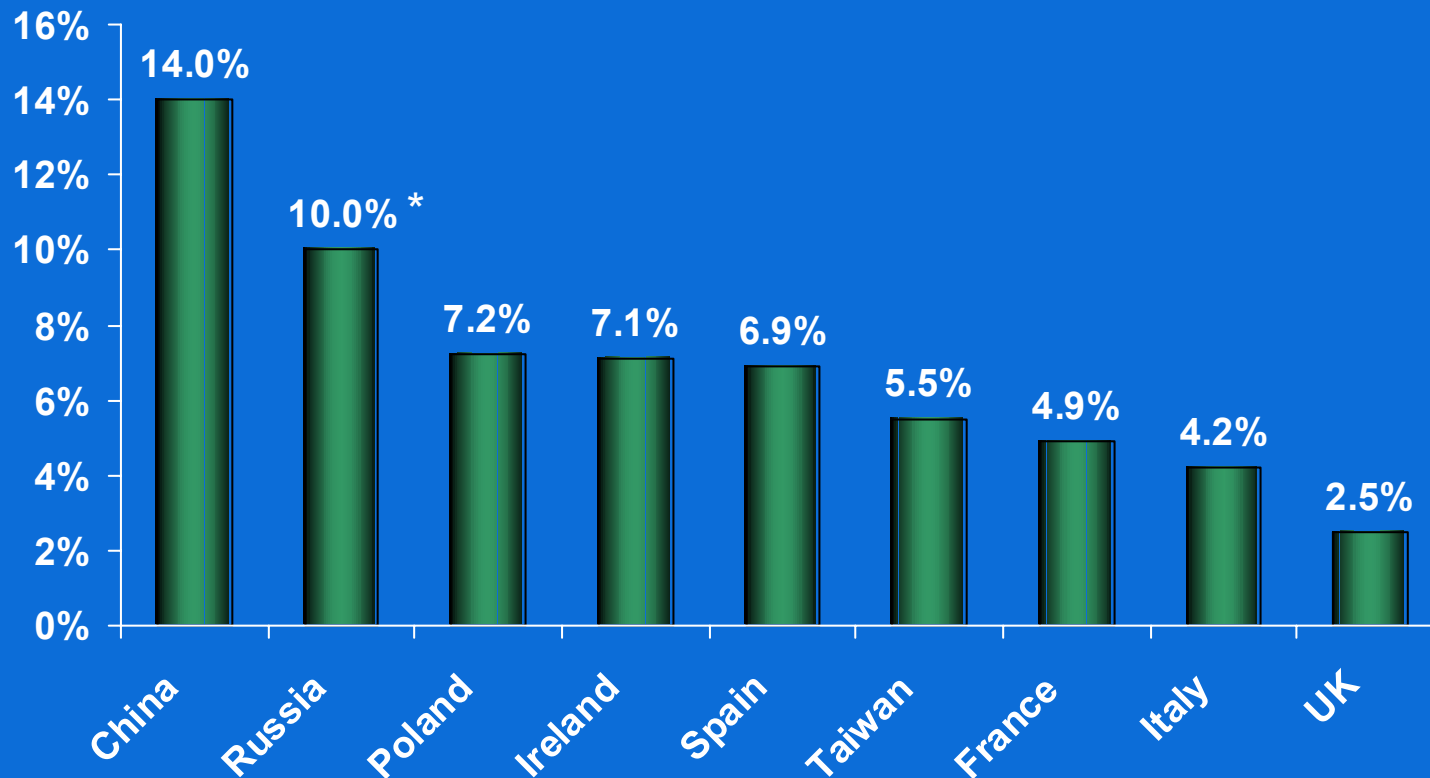
10 countries, huge markets...

Markets size in £bn



...expected to grow fast

Forecast annual market growth 2006-2009



* Based on historical growth

Source: Euromonitor DIY markets 2005 and Kingfisher estimates



Aim – sustainable growth and returns

	2006/07			2007/08
	Group sales %	Group IC %	Returns % (ROIC)	Space growth %
B&Q UK	45%	66%	7%	2%
Castorama France	19%	13%	10%	1%
Strengthening developed businesses	64%	79%	8%	2%
Expanding proven growth businesses	35%	19%	13%	11%
Establishing new opportunities for the future	1%	2%	-2%	47%
Group total	100%	100%	9%	6%



B&Q UK



B&Q - The UK's No. 1

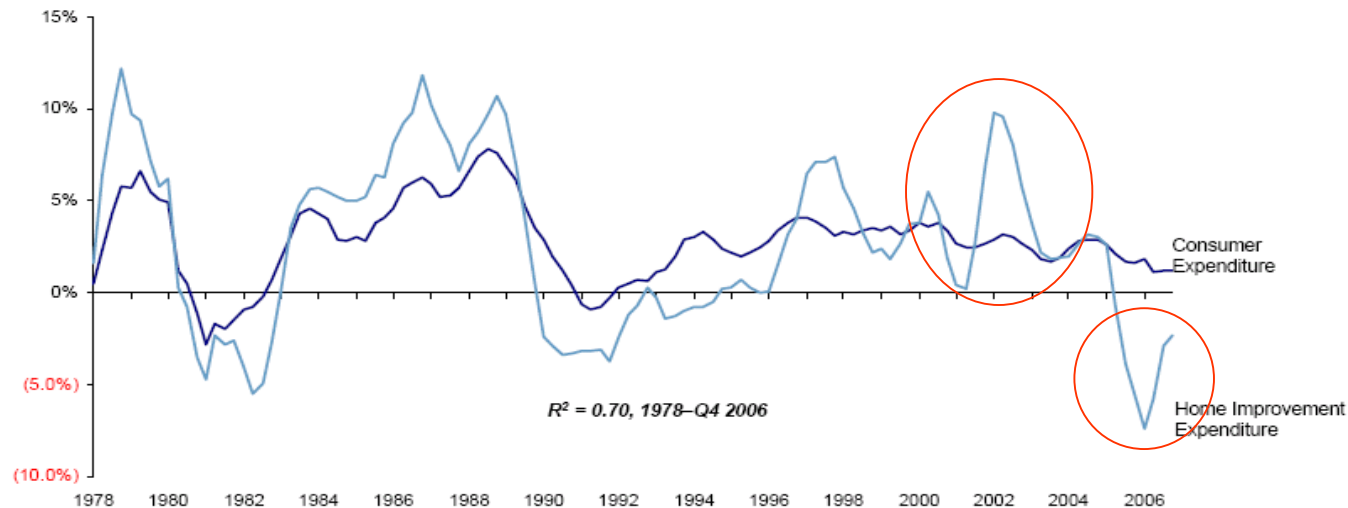
- Largest UK home improvement retailer
 - 55% share of DIY
 - 15% share of RMI
- The UK's only large home improvement store
 - Over 100 large stores, 10,000+ sqm
 - Over 200 medium stores, 4,000+sqm
- The UK's largest stocked range
 - 30,000+ SKUs
- Prime retail locations
- Targets mainstream consumer



UK – home Improvement expenditure de-coupled from consumption in 2005/06

Since late 2005 home improvement has decoupled from overall consumer expenditure but is now starting to return to trend

Real Consumer Expenditure vs Home Improvement & Gardening Expenditure¹, Q1 1978–Q4 2006
% YoY, Rolling Average



B&Q – the starting point

- Sharp retail demand downturn
- Retailers adding space faster than market growth
- High cost inflation
- Customer evolution
- More choice of where and how to shop



B&Q - 'First and Only for Home Improvement'



DIY



DFM



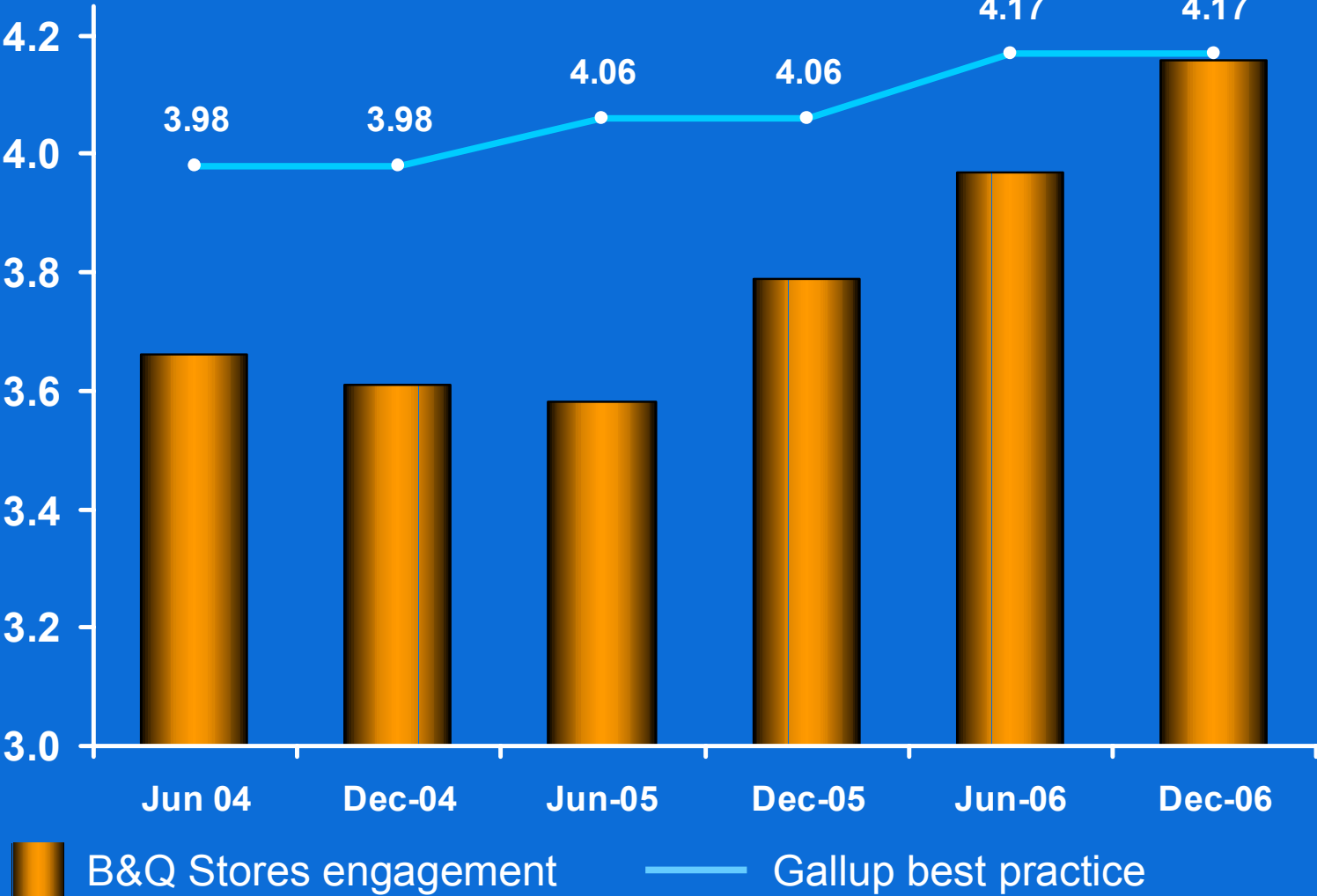
B&Q - vision

“First and Only For Home Improvement”

- Product authority, newness and style
- Multi specialist store
 - Modern
 - Easy to shop
- Great value



B&Q – better motivated colleagues



B&Q – delivering better customer service



B&Q – new products, more style



B&Q – new products, more style



B&Q – new format, better store environment



B&Q – indicative renewal economics

Average large store

	Current		Target
Sales	£20m		£25m
Store NOPLAT ¹	£2m		£3m
Invested capital ²	£32m		£35m
Store return ³	6%		9%

¹ before lease costs and after tax

² including capitalised leases

³ on capitalised basis

Note: 30% return on incremental investment



B&Q – store modernisation

	Jan 06	Jan 07	Jan 08
Modern:			
Large stores	0	11	36
Medium stores	88	117	154
Remaining:			
Large stores	114	104	78
Medium stores	120	92	56
Modern format space	22%	33%	57%



B&Q - summary

- UK market stabilising but challenging
- Cautious outlook given interest rates rises
- Solid start to 2007/08 boosted by favourable weather
- Good progress on development plan
 - Results from new format large stores continue to be encouraging
 - Biggest range change programme in B&Q's history on track



Kingfisher - outlook

- Long-term:
 - attractive markets
 - opportunities for sustainable growth and returns
- Short-term:
 - positive trends across Europe and Asia
 - cautious for UK market outlook

