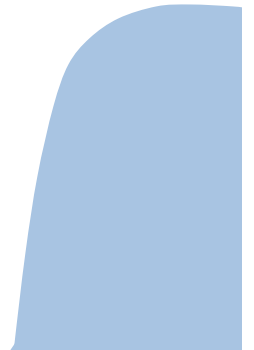


KINGFISHER



**Interim Results 2009/10
Media Presentation**

**Ian Cheshire
Group Chief Executive**



Interim Results: a summary

- A good set of results in a challenging environment
 - Strong growth by B&Q UK and Ireland
 - Resilience in France and Poland
 - On track in China
 - Strong cash generation
- Cautious outlook, self-help and flexibility

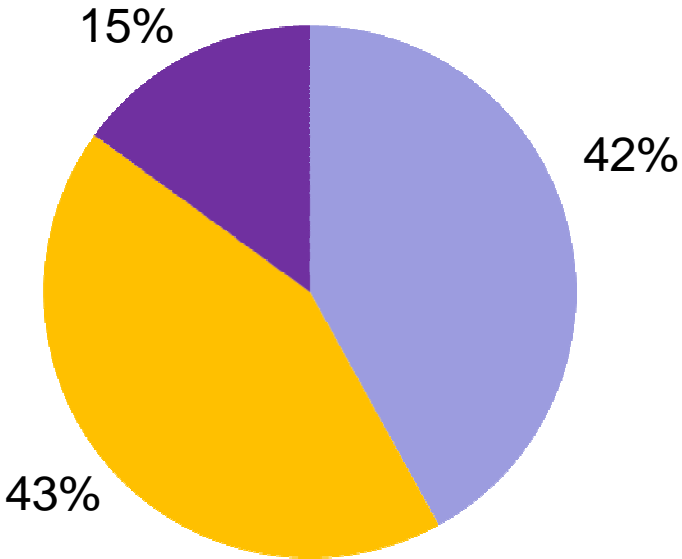
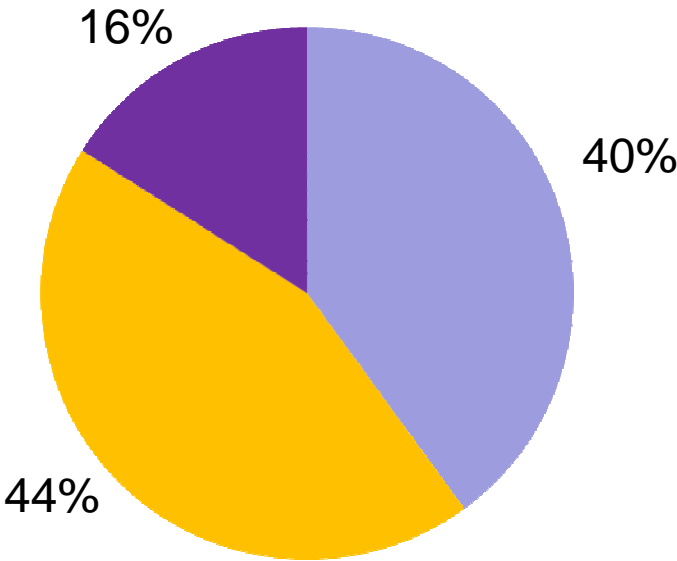
Management, Capital and Returns



Interim Results: a summary

Group Sales
£5.5bn +7.3%

Group Retail Profit
£347m +25.4%



■ UK & Ireland ■ France ■ Other International

Management, Capital and Returns



Financial highlights

- Sales up 1.4% (reported +7.3%), LFL down 2.1%
- Gross margin +35bps*
- Retail profit up 25%* to £347m
- Adjusted pre-tax profit up 35% to £288m
- Reported net debt £740m – down 26%
- Free cashflow £347m (2008/09: £196m)
- Interim dividend 1.925p

* constant currencies

Management, Capital and Returns



Delivering Value – 7 steps

1. Driving up B&Q UK's profit
2. Exploiting the UK Trade opportunity
3. Expanding our total French business
4. Rolling out in Eastern Europe
5. Turning around B&Q China
6. Growing Group sourcing
7. Reducing working capital

Management, Capital and Returns



B&Q: a stronger business

- Profits up 66% on sales up 3%
- Better able to capitalise on trends e.g. 'nesting' and 'staycationing'
- Better stores, better products and better service
- Gross margins up 100bps
- On track to deliver target of 7% operating margin

Management, Capital and Returns



Customer trends



Designer wallpaper sales up **15%**



Vegetable seed sales up **19%**
B&Q seed kit sales up **225%**



Vegetable plant sales up **68%**

- A return to DIY: paint and wallpaper selling well
- Stronger sales to older, wealthier customer groups
- The Good Life: Grow it Yourself is the new DIY

Management, Capital and Returns



UK – H2 milestones

- Removal of “top stocks”
- Rollout 76 showroom revamps & in house academy
- Trial at least 4 more Trade Point stores
- Launch extended installation services trial
- Up-weighted staff training
- Roll out double deck trailers
- Reduce overall costs by 1%



Outperforming in France & Eastern Europe

France

- Continues to outperform a tough market
- Buying optimisation and cost reduction programmes delivering ahead of plan
- Profits maintained despite weaker sales
- Full year cost savings target of €65m remains on track

Eastern Europe

- Roll out of stores continuing - trading well
- Growing market share in Poland

Management, Capital and Returns



Turning around B&Q China

- China turnaround on track
- Rationalised store portfolio
 - 63 stores down to 48
- Revamping store format
 - Good learning from first revamp store (Putuo, Shanghai)
 - Next phase underway
 - 5 more currently trading
 - 7 more planned for H2



Management, Capital and Returns



Group sourcing and working capital

- Group sourcing
 - Direct sourcing up 28%
 - B&Q UK and Castorama France (25%) common sourced leisure buy for 2010, 50% common suppliers
- Good progress on working capital improvements
 - MAT* stock levels down by 8 days (over £80m)
 - Annual reduction target of £50m on track



* MAT – moving average total



Outlook

- Widespread economic uncertainty
- We are being cautious but flexible
- Focus on margins, costs and cash
- Retain flexibility
 - replen vs fixed buy
 - special order vs stocked
 - options to accelerate initiatives

Management, Capital and Returns



Interim Results: a summary

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- Cautious outlook, retaining flexibility

Management, Capital and Returns

