

Thursday 18 February 2010

**Kingfisher plc today reports Q4 total sales down 1% (LFL down 3%) to £2.3 billion impacted by adverse weather. Expects adjusted full year pre-tax profit to be up strongly on the prior year and slightly ahead of current analyst consensus estimates.\***

Sales - 13 weeks to 30 January 2010	% Total		% Total		% LFL
	2009/10 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	Change
France	918	(2.1)%	(2.7)%		(4.6)%
UK & Ireland	949	(2.3)%	(2.3)%		(3.9)%
Other International	441	1.0%	3.9%		3.6%
<b>Total Group</b>	<b>2,308</b>	<b>(1.6)%</b>	<b>(1.3)%</b>		<b>(3.0)%</b>

*Note: Continuing operations only. Joint Venture (JV) and Associate sales are not consolidated. Prior year figures have been restated to include Ireland in 'UK & Ireland' (previously 'UK').*

**Ian Cheshire, Group Chief Executive, said:**

“Underlying sales trends remained relatively resilient in the fourth quarter before trading in January was significantly disrupted by the heavy snow and low temperatures across Europe, particularly in the UK and Poland. However, our on-going programme of self-help initiatives on gross margin and costs resulted in strong quarterly profit growth and so we expect our full year earnings will be slightly ahead of current analyst consensus expectations when we announce our annual results next month.

“After what has been a busy and productive year I am pleased that we now have a stronger balance sheet, a very experienced leadership team and a clear set of well-established ‘Delivering Value’ initiatives to drive higher cash returns and future growth.”

*\*Analyst consensus of adjusted pre-tax profit £540 million, see [www.kingfisher.com/investors/analystestimates](http://www.kingfisher.com/investors/analystestimates) for more detail. Adjusted pre-tax profit is before exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles.*

*Kingfisher plc will announce its preliminary results for the year ended 30 January 2010 on 25 March 2010.*

**All figures and comments below refer to the quarter ended 30 January 2010 in constant currencies**

**FRANCE** (*Castorama and Brico Dépôt*)

Total sales of £918 million declined by 2.7%, down 4.6% LFL. Excluding adverse weather and calendar\*\* impacts, LFL is estimated to have been down around 2.6%. **Castorama** total sales declined by 2.0% to £482 million (-3.6% LFL, -2.9% on a comparable store basis). **Brico Dépôt** total sales declined by 3.4% to £436 million (-5.7% LFL). Gross margins are expected to be broadly flat compared with Q4 last year, with higher own-brand sales penetration and buying optimisation benefits offsetting increased promotional activity across both businesses.

*\*\*The French businesses report on a calendar basis. There was one less Saturday in Q4 compared to the same quarter last year.*

## **UK** (B&Q in the UK & Ireland and Screwfix)

**B&Q** total sales declined by 1.6% to £836 million (-3.5% LFL) reflecting exceptional adverse weather in January with all categories displaying similar trends. Prior to the adverse weather, LFL was slightly up. Gross margins are expected to be strongly up reflecting reduced promotional activity compared to Q4 last year, better sales of higher margin products and continued shrinkage reduction and supply chain cost efficiencies.

**Screwfix** continued to limit the impact of a challenging trade market with total sales declining 1.4% to £113 million, supported by the continued roll-out of trade counters.

## **OTHER INTERNATIONAL** (Poland, China, Spain and Russia)

In Eastern Europe **Poland** delivered flat total sales of £225 million, down 4.7% LFL, having been significantly impacted by adverse weather. Total sales in **Russia** grew 15.5% to £45 million and in **Spain** by 15.9% to £44 million. In **China** total sales grew 3.3% to £127 million despite there being 20 fewer stores now trading compared to Q4 last year. LFLs were up 29.2%, down 31.2% in Q4 last year. A much stronger housing market in most regions also drove customer demand for home improvement.

For the year ended 30 January 2010

Sales	% Total		% Total		% LFL
	2009/10 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	Change
France (1)	4,242	9.1%	(0.6)%		(3.4)%
UK & Ireland (2)	4,442	1.4%	1.2%		(0.1)%
Other International (3)	1,819	3.5%	5.1%		(0.2)%
<b>Total Group</b>	<b>10,503</b>	<b>4.8%</b>	<b>1.1%</b>		<b>(1.5)%</b>

Note: Continuing operations only. Joint Venture (JV) and Associate sales are not consolidated.

(1) Castorama and Brico Dépôt.

(2) B&Q in the UK & Ireland and Screwfix. Prior year figures include the now ceased Trade Depot trial and have been restated to include Ireland.

(3) Poland, China, Spain and Russia.

2009/10: £1 = 1.13 euro (2008/09: £1 = 1.24 euro)

2009/10: £1 = 4.86 Polish zloty (2008/09: £1 = 4.39 Polish zloty)

2009/10: £1 = 10.79 Chinese renminbi (2008/09: £1 = 12.51 Chinese renminbi)

**Delivering Value** – our seven key steps to delivering a step-change in shareholder value:

1. Driving up B&Q UK's profit
2. Exploiting our 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

## Forward-looking statements

This press release contains certain statements that are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations around its three key priorities of Management, Capital and Returns and the associated seven steps to Delivering Value objectives.

Forward-looking statements can be identified by the use of relevant terminology including the words: "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology and include all matters that are not historical facts. They appear in a number of places throughout this press release and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, changes in tax rates, liquidity, prospects, growth, strategies and the businesses we operate.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to, global economic business conditions, monetary and interest rate policies, foreign currency exchange rates, equity and property prices, the impact of competition, inflation and deflation, changes to regulations, taxes and legislation, changes to consumer saving and spending habits; and our success in managing these factors.

Consequently, our actual future financial condition, performance and results could differ materially from the plans, goals and expectations set out in our forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

### Enquiries:

Ian Harding, Group Communications Director	020 7644 1029
Nigel Cope, Head of Communications	020 7644 1030
Sarah Gerrand, Head of Investor Relations	020 7644 1032

Further copies of this announcement can be downloaded from [www.kingfisher.com](http://www.kingfisher.com) or by application to: The Company Secretary, Kingfisher plc, 3 Sheldon Square, London, W2 6PX.

### Company Profile:

**Kingfisher plc** is Europe's leading home improvement retail group and the third largest in the world, with around 830 stores in eight countries in Europe and Asia. Its main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix. Kingfisher also has a 50% joint venture business in Turkey with the Koç Group, and a 21% interest in, and strategic alliance with Hornbach, Germany's leading large format DIY retailer.