

EMBARGOED UNTIL 0700 HOURS - Thursday 2 June 2011

Kingfisher today reports total sales up 3.3% (+3.3% LFL) and retail profit up 19.1% for the first quarter

Group Financial Summary (13 weeks ended 30 April 2011)

	Sales	% Total	% Total	% LFL	Retail Profit	% Total	% Total
	2011/12	Change	Change	Change	2011/12	Change	Change
	£m	(Reported)	(Constant currency)	(Constant currency)	£m	(Reported)	(Constant currency)
France	1,109	4.1%	6.4%	5.4%	77	28.7%	31.5%
UK & Ireland	1,187	1.8%	1.9%	1.4%	83	14.7%	14.7%
Other International	434	5.5%	8.4%	3.7%	14	1.3%	7.3%
Total Group	2,730	3.3%	4.7%	3.3%	174	19.1%	20.9%

Note: Joint Venture (Koçtaş JV) and Associate (Hornbach) sales are not consolidated. Retail profit is operating profit stated before central costs, exceptional items, amortisation of acquisition intangibles and the Group's share of interest and tax of JVs and Associates.

Highlights in constant currencies:

- Group total sales up 4.7% boosted by favourable weather in our major markets, a later Easter compared to last year and the extended public holidays in the UK
- Group retail profit up 20.9% with solid growth achieved in each of the three main operating divisions, driven by higher sales and continued margin initiatives
- Net cash was £283 million (1 May 2010: net cash of £86 million) reflecting a continued focus on cash generation and a seasonally driven reduction in working capital

Ian Cheshire, Group Chief Executive, said:

“I am pleased that we have made a strong start to the year, capitalising on more favourable weather conditions right across Europe and extended public holidays in the UK. We delivered sales growth in all three of our divisions, with continued margin initiatives and improved cost productivity delivering retail profits up over 20%. In France, where our initiatives aimed at making home improvement easier for our customers are most advanced, our performance was particularly strong with sales growing ahead of the market.

“Whilst we have got off to a good start, it remains our view that this year is likely to be a tough one for all retailers, especially in the UK. It is also likely that the early spring weather will have brought forward some of our outdoor seasonal sales. So we remain very focused on our well established programme of self-help to deliver a solid full year result, especially with the key summer trading period in France still ahead of us. We are also busy mobilising the business for the next phase of our longer term growth.”

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

Financial position

No material events or transactions impacting the Group's strong financial position have taken place since the previously announced 29 January 2011 balance sheet date.

Delivering Value

Progress continued with the final year of the seven step programme to improve cash returns and deliver a step-change in shareholder value. The key components of the programme are as follows:

1. Driving up B&Q UK & Ireland'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

Also in the quarter progress was made with mobilising the next stage of our development, **Delivering More Value – Creating the Leader**, under the general themes of making home improvement easier, developing a 50% core common range and accelerating our expansion.

Company Profile:

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with 860 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.

2011/12 Q1 TRADING REVIEW - FRANCE

Sales £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)	% LFL Change
France	1,109	1,065	4.1%	6.4%	5.4%

Retail profit £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)
France	77	60	28.7%	31.5%

France comprises Castorama and Brico Dépôt
2011/12: £1 = 1.16 euro (2010/11: 1.13 euro)

All trading commentary below is in constant currencies

Kingfisher France

Kingfisher France continued to outperform the market with favourable weather and self-help initiatives driving sales ahead 6.4% to £1,109 million (+5.4% LFL). According to Banque de France sales for the home improvement market ⁽¹⁾ were up 2.5%. Across both Castorama and Brico Dépôt, two stores were revamped, adding around 1% new space compared to Q1 last year.

Retail profit grew by 31.5% to £77 million driven by the strong sales growth and higher gross margins (+90 basis points) from increased direct sourcing and continued buying optimisation benefits.

Castorama total sales grew by 6.4% to £609 million (+6.4% LFL) supported by continued progress with the store modernisation programme (64% of total selling space now completed), new range introductions and the innovative 'Do-it-Smart' marketing campaign aimed at making home improvement projects easier for customers.

Seasonal categories were up around 14% boosted by favourable weather and new garden furniture and barbecue ranges. Non-seasonal sales were up around 5% with sales of new decorative and bathroom ranges, supported by new catalogues, performing particularly well.

Brico Dépôt, which more specifically targets the trade professional, delivered total sales growth of 6.2% to £500 million (+4.1% LFL). The trade market ⁽²⁾, which last year declined by 4%, appears to have improved following a pick-up in new housing starts and planning consents.

Self-help initiatives to drive sales and footfall continued to progress well in Q1 including a continued extensive programme of range refreshment, more 'arrivages' promotions (rolling programme of one-off special buys) and the re-launch of the Brico Dépôt 'Le Book' pocket-sized catalogue to reinforce Brico Dépôt's value credentials. New shower and indoor tiling ranges introduced last year performed particularly well (+13% LFL).

⁽¹⁾ Banque de France data excludes the heavier trade market

⁽²⁾ Private building market Jan-Dec 2010 according to UNIBAL

2011/12 Q1 TRADING REVIEW - UK & IRELAND

Sales £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)	% LFL Change
UK & Ireland	1,187	1,166	1.8%	1.9%	1.4%

Retail profit £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)
UK & Ireland	83	72	14.7%	14.7%

*UK & Ireland comprises B&Q in the UK & Ireland and Screwfix
2011/12: £1 = 1.16 euro (2010/11: 1.13 euro)*

All trading commentary below is in constant currencies

Kingfisher UK & Ireland

Total sales were up 1.9% to £1,187 million (+1.4% LFL) supported by favourable weather and the extended public holidays late in the quarter. Retail profit grew by 14.7% benefiting from the sales growth and continued gross margin and cost initiatives.

B&Q UK & Ireland's total sales grew by 1.5% to £1,063 million (+1.5% LFL). Seasonal categories were up around 15% with new garden furniture and outdoor paint ranges performing well. However indoor project sales (showroom) were down around 10% as customers preferred to concentrate on outdoor projects. TradePoint continues to progress well with 500,000 trade professionals now registered and a new free, next day bulky goods delivery service launched in the quarter.

Retail profit grew by 10.1% to £74 million. Gross margin was slightly down year on year as the higher sales mix of lower margin seasonal product and targeted promotions to drive footfall during the key spring season offset the on-going benefits from more direct sourcing. A strong focus on operating cost efficiencies also continued.

Shortly after Q1, Kingfisher paid £23 million to buy up to 31 leasehold properties from the administrator of Focus DIY. Subject to regulatory approval and discussions with landlords, these stores will reopen in the B&Q format in due course.

Screwfix total sales grew 5.4% to £124 million boosted by new ranges and the addition of specialist trade desks exclusive to plumbers and electricians within Screwfix outlets. Four new outlets were opened during Q1, taking the total to 166. Retail profit was £9 million, up £4 million year-on-year, reflecting the strong sales growth, distribution efficiencies and tight cost control.

2011/12 Q1 TRADING REVIEW - OTHER INTERNATIONAL

Sales £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)	% LFL Change
Other International	434	411	5.5%	8.4%	3.7%

Retail profit £m	2011/12	2010/11	% Change (Reported)	% Change (Constant)
Other International	14	14	1.3%	7.3%

Other International comprises Poland, China, Spain, Russia, Turkey JV and Hornbach in Germany. Joint Venture (Koçtaş JV) and Associate (Hornbach) sales are not consolidated

2011/12: £1 = 1.16 euro (2010/11: 1.13 euro)

2011/12: £1 = 4.60 Polish zloty (2010/11: 4.44 Polish zloty)

2011/12: £1 = 10.60 Chinese renminbi (2010/11: 10.47 Chinese renminbi)

All trading commentary below is in constant currencies

Other International total sales increased by 8.4% to £434 million (3.7% LFL). Retail profit was up 7.3% to £14 million, reflecting solid profit growth in Poland, continued strong growth in Spain and lower losses in China. During Q1, one store opened in Russia, being a smaller 'city store' format in Moscow.

Eastern Europe

Sales in **Poland** were up 7.7% to £250 million (+4.5% LFL) benefitting from a more stable market following a very tough first half last year. Retail profit was up 4.5% to £24 million reflecting the solid sales growth, benefits from more direct sourcing and continued tight cost control. In **Russia**, sales grew 26.1% to £53 million. In **Turkey**, Kingfisher's 50% JV, Koçtaş, delivered flat retail profit, benefitting from strong sales growth (+9.3% LFL) and tight cost control, offset by higher new store pre opening costs compared to last year.

Elsewhere, in **Spain** the Brico Dépôt business continued to grow sales and profit in a tough market with sales reaching £63 million in the quarter. **Hornbach**, in which Kingfisher has a 21% economic interest, delivered a loss of £2 million (2010/11: break even result).

B&Q China sales declined 8.5% to £68 million (-6.6% LFL) reflecting three fewer stores compared with Q1 last year and difficult comparatives (2010/11:+13.6% LFL).

The 'fix-it' phase of the turnaround plan remains on track with losses of £7 million falling in line as planned compared to Q1 last year (2010/11: £11 million loss), with this period traditionally the weakest trading quarter of the financial year in China, because of the Chinese New Year impact.

COUNTRY DATA

As at 30 April 2011

	Store numbers	Selling space (000s sq.m.)	Employees (FTE)
Castorama	102	1,038	11,768
Brico Dépôt	101	558	6,775
Total France	203	1,596	18,543
B&Q UK & Ireland	330	2,480	23,942
Screwfix	166	14	3,014
Total UK & Ireland	496	2,494	26,956
Poland	59	441	9,597
China	40	331	5,539
Spain	17	100	916
Russia	15	132	2,379
Turkey JV	30	160	3,028
Total Other International	161	1,164	21,459
Total	860	5,254	66,958

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 Group'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 and directors 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.