Agenda

- Key figures
- Market context
- Strategic outlines
  - Castorama
  - Brico Dépot
- France region mission
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# Key Figures
## France Region

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Market share (1)</strong></td>
<td>23,0%</td>
<td>23,7%</td>
<td>24,2%</td>
<td>24,6%</td>
<td></td>
</tr>
<tr>
<td><strong>Sales (€bn)</strong></td>
<td>4,3</td>
<td>4,7</td>
<td>4,8</td>
<td>4,8</td>
<td>4,9</td>
</tr>
<tr>
<td>Store number</td>
<td>179</td>
<td>186</td>
<td>197</td>
<td>201</td>
<td>203</td>
</tr>
<tr>
<td><strong>CASTORAMA (€bn)</strong></td>
<td>2,4</td>
<td>2,5</td>
<td>2,6</td>
<td>2,6</td>
<td>2,7</td>
</tr>
<tr>
<td>Store number</td>
<td>98</td>
<td>98</td>
<td>99</td>
<td>101</td>
<td>101</td>
</tr>
<tr>
<td><strong>BRICO DEPOT (€bn)</strong></td>
<td>1,9</td>
<td>2,2</td>
<td>2,2</td>
<td>2,2</td>
<td>2,2</td>
</tr>
<tr>
<td>Store number</td>
<td>81</td>
<td>89</td>
<td>98</td>
<td>100</td>
<td>102</td>
</tr>
<tr>
<td><strong>Retail Operating Profit (€mil)</strong></td>
<td>304</td>
<td>343</td>
<td>350</td>
<td>363</td>
<td>407</td>
</tr>
<tr>
<td><strong>ROC(2) (%)</strong></td>
<td>11,3</td>
<td>11,9</td>
<td>12,4</td>
<td>13,6</td>
<td></td>
</tr>
</tbody>
</table>

(1)Source UNIBAL: Market share based on calendar year
(2) This is lease adjusted returns excluding goodwill and property profit
(3) 1st excluding Weldom / 2nd including 100% of weldom’s sales
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Market context

*Kingfisher outperforms a market that is recovering...*
Market context

... supported by Castorama performance...
Market context

... impacted by a tense market on trade for Brico Dépot...
Market Context

... but residential market is back to growth

Market recovery of existing homes

Nb of transactions existing homes (cumulative 12 months, in OOO)

New home credit production (cumulative 12 months)

Number of new Individual Homes construction is increasing

cumulative 12 months

Sources: Ministère du développement durable, CGEDD, Banque de France, FPC, HSBC
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Castorama

Understand the strategic evolution of Castorama...

2002 .......... 2007

Revenues
Productivity

Store Investment Programme
Evolution of Products and Services Offer
Price
Efficiency
Supply Chain

Back to basics

2009 .......... 2012

UN IMPERATIF
Programme de Revitalisation

DEUX CONDITIONS
Management des ressources Excellence opérationnelle

TROIS LEVIERS

Offre produit
Développement durable
Multi-canal

QUATRE ENJEUX SOCIAUX
Sécuriser / Fidéliser
Stimuler
Formier
Communicer

Inspire the market

2012........

Back to market

Supply Chain
Store Investment
Range
Price
CPR
Efficiency

2003 2004 2005 2006 2007

Return to basics / High Investment
Improvement / Return on Investment

Kingfisher France
Castorama

... based on major customer trends...

Give me power
ON-LINE CONSUMER

Health and Green
LOHAS
Lifestyles of Health and Sustainability

Emphasize me
SENSE & SENSITIVITY

Guide me
Economy of Care

« SIMPLEXITY »
Castorama

... a new internal dynamic aimed at our customers...
Castorama
... supported by a permanent work on offer and ranges...

Reinforce Self service
+ Permanent Range reviews
+ Ensure Stock availability

2010
55 Range reviews

RR number
% of sales impacted
Castorama
... enhance by innovation to simplify the response to customer...
Castorama

... enhance by innovation to simplify the response to customer...

Ease choice of products before store visit
Castorama

... enhance by innovation to simplify the response to customer...

Ease purchase of products through innovative technologies
Castorama
... and through the 10 new super brands...

**WHY**

**SHARE A COMMON PORTFOLIO OF EXCLUSIVE OWN BRANDS?**

---

**Business objectives**
- Enabling range synergies across markets
- Leveraging volumes

**Management objective**
- Improving our implementation efficiency through process simplification

**Image objective**
- Create more lifestyle, more desire for customers
- Leveraging investment to develop strong brands
Castorama

... and through the 10 new super brands...
Castorama

... already common between B&Q and Casto...
Castorama

... a target at Castorama of approx 3000 skus in store in 2011...

Target: c.30% of total sales made with own Brands
Castorama
Do it smart: a global approach

Autonomy
Share Results

Share Knowledge

Ease productivity
Internal promotion

“Self” Mobilize

~20% per year from 2007
Castorama
Perspectives

1. Revamp program
   - 1st test on smart store (Villabé)
   - 2011/12 1 new store and 4 relocations
   - Finalize revitalisation programme

2. Offer
   - Accelerate range review programme
   - Reinforce offer and visibility of eco-products
   - Increase offer of labelled product (“c’est malin”, “c’est simple”, …)

3. Innovation
   - Keep on nurturing 3D project
   - Put new storage ranges on market

4. People
   - Pursue dynamic of collaborative and communicational project
   - New bonus scheme roll out
   - Product forum
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Brico Dépôt
A world class model...

Number of Stores

<table>
<thead>
<tr>
<th>Year</th>
<th>Store number</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>50</td>
<td>0</td>
</tr>
<tr>
<td>1994</td>
<td>100</td>
<td>0</td>
</tr>
<tr>
<td>1995</td>
<td>150</td>
<td>0</td>
</tr>
<tr>
<td>1996</td>
<td>200</td>
<td>0</td>
</tr>
<tr>
<td>1997</td>
<td>250</td>
<td>0</td>
</tr>
<tr>
<td>1998</td>
<td>300</td>
<td>0</td>
</tr>
<tr>
<td>1999</td>
<td>350</td>
<td>0</td>
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<td>2000</td>
<td>400</td>
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<td>2005</td>
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<td>2006</td>
<td>700</td>
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<tr>
<td>2007</td>
<td>750</td>
<td>0</td>
</tr>
<tr>
<td>2008</td>
<td>800</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>850</td>
<td>0</td>
</tr>
<tr>
<td>2010</td>
<td>900</td>
<td>0</td>
</tr>
</tbody>
</table>

CAGR 2002 - 2007

11,3%  17,1%

Market Share*
N°3
Sales per sqm (excl Tax)
€ 4760
Sales per worked hour (excl Tax / Store staff only)
€ 280
+/- 10 000 Skus
SC & SAP efficiency
Stock turn ~80 days
Sales per reference
€ 200k

*2010 data
Brico Dépôt
... based on an efficient promise...

Every Day Low Price:
Promise to beat competitors across the range

Short ranges:
20/80 for Building and Renovation

Product availability:
Products immediately available in big volume (no orders)

“Arrivages”:
off-range products in limited quantity
Two different markets addressed
- Traditional DIY retailers
- Building merchants

... addressing private & professional markets at the same time...

### Customer segments

![Customer segments chart]

- **Individuals**: 59.0%
- **Semi-professional**: 22.0%
- **Professional**: 19.0%

### % Sales per department

**Brico Dépôt**

- **Building materials**: 35.5%
- **Woodwork**: 25.9%
- **Carpentry**: 38.6%

**DIY**

- **Decorative**: 28.7%
- **Power tools**: 33.4%
- **Hand tools**: 37.9%
- **Electricity**: 60.0%
- **Flooring**: 40.0%
- **Kitchen and plumbing**: 20.0%
- **Building materials**: 80.0%
- **Woodwork**: 10.0%
- **Carpentry**: 0.0%

![Sales per department chart]
Brico Dépôt
…but needing now to be reinforced and renewed...

Reinforce the foundation

Price as a basic

Simplicity

Develop and Renew the concept

Best trends follower?

Value for money?

Stable ranges

Essential?

Mature markets

Opportunities
Brico Dépôt
…through a strategic plan in 2 phases…

- Reaffirm and strengthen the fundamentals Brico Depot
  (Ex: Range reviews, direct sourcing, team support)

- Create new advantages and renovate the concept to strengthen the brand
Brico Dépôt
Example of axis rolled out: the range reviews

- 2009/01: 84% of ranges > 4 Years
- Implemented from April to December 2010
- 26 range reviews

Kitchen Furniture
Best net sales

Security Systems
Stronger progress
Brico Dépôt

Example of axis rolled out: develop sourcing

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>KSO purchases in M$</td>
<td></td>
<td>+150M$</td>
</tr>
<tr>
<td>Direct sourcing % (on COGS)</td>
<td></td>
<td>+4.4bps</td>
</tr>
</tbody>
</table>
Brico Dépôt
Example of axis rolled out: team support

- Dedicated team to support the change programme (strategic planning, project management and communication)
- Dedicated recruitment team
- Collaborative process « Brico dépôt demain »
- Store manager training
- Setting-up of a test dynamic
  - Concept
  - POS, signage
  - Store efficiency…
Brico Dépot
Perspectives

2009 2010 2011 2012 - ...

Reaffirm and strengthen the fundamentals Brico Depot

Create new advantages and renovate the concept to strengthen the brand

Marketing Strategy
- Brand platform
- Multi-channel strategy

Offer and Concept
- Price strategy and pricing tools set up
- 24 range reviews: redesign of principle of range structure
- Own brand strategy
- Refine and validate Blue Print

Operations & Organisation
- Continue roll out of “lean project” in store and new in store management structure
- Roll out of new Supply Chain / Operation organization
- Improvement of supply chain performances
- Management of total margin and business performance

People & Leadership
- Specific training for regional and store directors
- Redefine mission of Head office vs. Stores
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Kingfisher France
*Working together*

Create links
- Opco Board meetings
- KF France Board
- Operational cross-opco steering committees

Create sources of short-term improvement
- Purchasing synergies
- GNFR synergies
- Sharing best practices

Build a performing and long-term development
- Store development strategy
Kingfisher France
Create performance conditions

A common approach ...

... a local adaptation

On a quarterly basis payment

Growth of Sales + Growth of economic result + Value of economic result

Consistent with Strategy
Kingfisher France
Working together

Create links

- Structure and develop common vendors management:
  - KFF rebates
  - Price and rebates harmonisation

Create sources of short-term improvement

- Common sourcing and common products development

Build a performing and long-term development

- Integration of Brico Dépôt Spain
- Collaborative organisation on GNFR
Kingfisher France
Strong opportunities to increase store number

Create links
Create sources of short-term improvement
Build a performing and long-term development

• End 2011:
  • 205 stores
  • 2 openings, 4 relocations & 2revamps
  • Castorama: c.67% revitalised end 2011

• Long term potential: 240 stores
End 2011:
- 205 stores
- 2 openings
- 4 relocations
- 2 revamps
- End 2011 Castorama: c.67% revitalised end 2011

Long term potential: 240 stores
Kingfisher France

Strong opportunities to increase store number
Two companies  Two concepts  Two business models

One Strategy