

EMBARGOED UNTIL 0700 HOURS - Thursday 1 December 2011

Kingfisher reports Q3 total sales up 4.6% (+1.3% LFL), retail profit up 13.9%

Group Financial Summary (13 weeks ended 29 October 2011)

| | Sales | % Total | % Total | % LFL | Retail Profit | % Total | % Total |
|------------------------|-----------------------|------------------------------|---|---|-----------------------|------------------------------|---|
| | 2011/12 £m | Change (Reported) | Change (Constant currency) | Change (Constant currency) | 2011/12 £m | Change (Reported) | Change (Constant currency) |
| France | 1,191 | 6.1% | 2.9% | 1.9% | 154 | 18.8% | 15.6% |
| UK & Ireland | 1,064 | 1.2% | 1.2% | (0.7)% | 56 | 21.7% | 21.7% |
| Other International | 559 | 8.1% | 9.5% | 3.8% | 63 | (1.5)% | 1.7% |
| Total Group | 2,814 | 4.6% | 3.5% | 1.3% | 273 | 13.9% | 13.1% |

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 3.5% with growth in each of the three main operating divisions
- Group retail profit up 13.1% driven by higher sales and continued margin initiatives, including benefits from more direct sourcing and the start of common ranging
- 27 of the 29 recently acquired ex-Focus DIY stores are now open and trading well
- Net cash of £14 million (30 July 2011: net debt of £186 million) reflecting a continued focus on cash generation, working capital phasing and some capital expenditure projects now likely to fall into Q4 or early in the next financial year

Ian Cheshire, Group Chief Executive, said:

“Our well-established programme of self-help initiatives (‘Delivering Value’) has continued to drive our growth despite these difficult times for European consumers. I am pleased that our teams’ hard work has resulted in healthy sales growth and a 13% profit growth in our third quarter, one of our most significant trading periods of the year, particularly in France.

“Looking ahead, the short-term outlook in our major markets remains challenging but Kingfisher is in good shape, and we are more able to drive market share gains, profit growth and higher cash returns. I’m enthusiastic about our longer-term prospects and the team here is excited about formally launching the second phase of self-help initiatives next year (‘Creating the Leader’) to drive more growth and shareholder value over the coming years.”

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Further copies of this announcement can be downloaded from www.kingfisher.com or viewed on the Kingfisher IR iPad App available for free at the Apple App store.

We can also be followed on twitter @kingfisherplc.

Company Profile:

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with 913 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.

Delivering Value

Progress continued in what is now the penultimate quarter of the four year 'Delivering Value' 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

We also made progress in the quarter mobilising the next phase of our development known as 'Creating the Leader'. This phase will focus on a number of self-help initiatives to drive sales, margin and cost productivity across the Group under three general themes – making home improvement easier for customers ('Easier'), developing a world class core common range ('Common') and accelerating our expansion ('Expand').

Further details on this next stage will be given with the preliminary results for the year ended 28 January 2012. A live webcast will be available from 1000 hours on 22 March 2012.

Q3 Trading review by division

FRANCE

| Sales £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) | % LFL Change |
|----------|---------|---------|------------------------|------------------------|-----------------|
| France | 1,191 | 1,123 | 6.1% | 2.9% | 1.9% |

| Retail profit £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) |
|------------------|---------|---------|------------------------|------------------------|
| France | 154 | 130 | 18.8% | 15.6% |

France comprises Castorama and Brico Dépôt

All trading commentary below is in constant currencies

Kingfisher France

Kingfisher France continued to outperform the market with self-help initiatives driving sales ahead 2.9% to £1,191 million (+1.9% LFL, +2.2% on a comparable store basis). According to Banque de France data, sales for the home improvement market ⁽¹⁾ were up 2%. Across both Castorama and Brico Dépôt, one new store was opened and two stores were revamped in Q3, adding around 2% new space compared to Q3 last year.

Retail profit grew by 15.6% to £154 million driven by the solid sales growth and higher gross margins (+80 basis points) from increased direct sourcing and continued buying optimisation benefits.

Castorama total sales grew by 2.6% to £634 million (+1.7% LFL) supported by continued progress with the store modernisation programme (69% 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 7% in the milder autumn weather (e.g. lawnmower sales +17% LFL) although offset in part by weaker sales of heating products. Non-seasonal sales were up around 2% with sales of new bathroom and storage ranges performing particularly well.

Brico Dépôt, which more specifically targets the trade professional and heavy DIYers, delivered total sales growth of 3.2% to £557 million (+2.2% LFL). The trade market ⁽²⁾, which last year declined by 4%, has improved following a pick-up in new housing starts and planning consents earlier in the year. ⁽³⁾

Self-help initiatives to drive sales and footfall continued to progress well in Q3 including a continued extensive programme of range refreshment, more 'arrivages' promotions (rolling programme of one-off special buys) and two new product catalogues to reinforce Brico Dépôt's value credentials. New ranges introduced last year performed particularly well (+11% LFL).

⁽¹⁾ Banque de France data including relocated and extended stores. Data excludes the heavier trade market.

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

⁽³⁾ Service de l'observation et des statistiques October 2011

UK & IRELAND

| Sales £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) | % LFL Change |
|--------------|---------|---------|------------------------|------------------------|-----------------|
| UK & Ireland | 1,064 | 1,051 | 1.2% | 1.2% | (0.7)% |

| Retail profit £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) |
|------------------|---------|---------|------------------------|------------------------|
| UK & Ireland | 56 | 46 | 21.7% | 21.7% |

UK & Ireland comprises B&Q in the UK & Ireland and Screwfix

All trading commentary below is in constant currencies

Kingfisher UK & Ireland

Total sales were up 1.2% to £1,064 million (-0.7% LFL) with both B&Q and Screwfix achieving sales growth in a continuing challenging consumer environment. Retail profit grew by 21.7% reflecting the sales growth, an improved gross margin and cost initiatives.

B&Q UK & Ireland's total sales grew by 0.4% (-0.9% LFL) to £928 million. Warm autumn weather boosted sales of outdoor seasonal products (up around 12%) with garden furniture sales ('Blooma' group-wide common range) up 68%. Sales also benefitted from the closure of Focus DIY in Q2. During Q3, 27 of the 29 recently acquired ex-Focus DIY stores were converted into the B&Q format, and are trading well. Non-seasonal product sales were down around 4% reflecting the generally weak consumer backdrop. The new in-store trade-only 'TradePoint' offer continues to grow and attract new trade professional customers with over 700,000 registered by the end of Q3.

Retail profit grew by 20.6% to £46 million. Gross margin was up 50 basis points against tough comparatives (2010/11: +110 basis points) driven by sales of higher margin products and more direct sourcing. A strong focus on operating cost efficiencies also continued with costs (SG&A ⁽¹⁾) as a percentage to sales held broadly flat, benefiting from less range review activity in Q3 compared to last year, when B&Q underwent a major review of all building ranges in the main store to support last year's roll out of 'TradePoint'.

Screwfix grew total sales by 7.0% to £136 million in a challenging smaller tradesmen market ⁽²⁾. Continuing initiatives which helped to drive market share gains included new ranges (e.g. safety and work wear), the addition of specialist trade desks exclusive to plumbers and electricians within Screwfix outlets, and the continued roll out of new outlets. Four new outlets were opened during Q3, taking the total to 179. These outlets now account for over two thirds of total sales. Around a further 35 Screwfix outlets are planned to open in Q4.

Retail profit was up 26.6% to £10 million, reflecting the strong sales growth, gross margins benefiting from more direct sourcing and distribution efficiencies and continued tight cost control.

⁽¹⁾ Selling, General and Administrative expenses

⁽²⁾ Based on the Builders' Merchants Federation data July-September 2011

OTHER INTERNATIONAL

| Sales £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) | % LFL Change |
|---------------------|---------|---------|------------------------|------------------------|-----------------|
| Other International | 559 | 517 | 8.1% | 9.5% | 3.8% |

| Retail profit £m | 2011/12 | 2010/11 | % Change (Reported) | % Change (Constant) |
|---------------------|---------|---------|------------------------|------------------------|
| Other International | 63 | 64 | (1.5)% | 1.7% |

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

All trading commentary below is in constant currencies

Other International total sales increased by 9.5% to £559 million (+3.8% LFL). Retail profit was up 1.7% to £63 million with a lower profit in Poland offset by strong profit performance in Russia and Turkey and lower losses in China.

During Q3, six new stores opened, three in Poland, one in Russia and two in Turkey, adding around 8% new space compared to the prior year. A further four new stores are planned for Q4, including two in Poland, one in Russia and one in Turkey, adding around 10% space for the full year.

Eastern Europe

Sales in **Poland** were up 8.0% (+2.6% LFL) to £312 million in a generally weak market, reflecting new store space and up-weighted marketing activity to drive sales and market share. However, whilst cash gross profit⁽¹⁾ was higher year on year, these initiatives were unable to fully offset cost inflation, higher store pre-opening costs and a sharp movement in the US dollar/Polish zloty exchange rate for product imports, with the result that retail profit declined to £40 million (2010/11: £45 million reported profit).

In **Russia**, sales grew 43.8% to £93 million reflecting new store openings and strong LFL growth (+22.3% LFL). In **Turkey**, Kingfisher's 50% JV, Koçtaş, retail profit grew 9.4% to £4 million reflecting strong sales growth, more direct sourcing benefiting gross margins, and tight cost control.

Elsewhere, in **Spain** Brico Dépôt grew sales to £62 million in a tough market with sales up 2.3% (+2.2% LFL). **Hornbach**, in which Kingfisher has a 21% economic interest, delivered a flat retail profit contribution of £14 million.

B&Q China sales declined 5.0% to £92 million (-4.1% LFL) reflecting one less store compared with Q3 last year and a challenging housing market (down 32%⁽²⁾).

The 'fix-it' phase of the turnaround plan remains on track with losses reducing as planned to under £1 million, more than halved compared to the same period last year (2010/11: £2 million reported loss).

⁽¹⁾ Sales multiplied by gross margin percentage

⁽²⁾ New property transaction data for China's 13 largest cities August 2011-October 2011 according to the China Real Estate Exchange Center

Country data as at 29 October 2011

| | Store numbers | Selling space (000s sq.m.) | Employees (FTE) |
|----------------------------------|---------------|-------------------------------|--------------------|
| Castorama | 103 | 1,060 | 11,371 |
| Brico Dépôt | 102 | 565 | 6,768 |
| Total France | 205 | 1,625 | 18,139 |
| B&Q UK & Ireland | 357 | 2,576 | 23,547 |
| Screwfix | 179 | 15 | 3,286 |
| Total UK & Ireland | 536 | 2,591 | 26,833 |
| Poland | 64 | 472 | 10,192 |
| China | 40 | 333 | 5,087 |
| Spain | 17 | 100 | 872 |
| Russia | 17 | 151 | 2,671 |
| Turkey JV | 34 | 179 | 3,403 |
| Total Other International | 172 | 1,235 | 22,225 |
| Total | 913 | 5,451 | 67,197 |

Operational Review – 39 weeks ended 29 October 2011

| | Sales | % Total | % Total | % LFL | Retail Profit | % Total | % Total |
|------------------------|---------------|----------------------|----------------------------------|----------------------------------|---------------|----------------------|----------------------------------|
| | 2011/12 £m | Change (Reported) | Change (Constant currency) | Change (Constant currency) | 2011/12 £m | Change (Reported) | Change (Constant currency) |
| France | 3,532 | 6.8% | 4.6% | 3.6% | 355 | 22.7% | 20.2% |
| UK & Ireland | 3,370 | (0.3)% | (0.3)% | (1.3)% | 238 | 9.4% | 9.4% |
| Other International | 1,574 | 8.0% | 7.8% | 2.9% | 153 | 13.4% | 14.0% |
| Total Group | 8,476 | 4.1% | 3.1% | 1.5% | 746 | 16.3% | 15.3% |

2011/12: £1 = 1.14 euro (2010/11: 1.17 euro)

2011/12: £1 = 4.65 Polish zloty (2010/11: £1 = 4.66 Polish zloty)

2011/12: £1 = 10.44 Chinese renminbi (2010/11: £1 = 10.39 Chinese renminbi)

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.

Financial position

No material events or transactions impacting the Group's strong financial position have taken place since the previously announced unaudited balance sheet as at 30 July 2011.

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 and the next phase of the Company's development known as 'Creating the Leader'.

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.