

2011/12 Summary

- Strong results in difficult times for retailers
 - Sales +3.3%*, adjusted PBT +20.4%
- Self-help initiatives driving our performance in all geographies
 - Particularly strong sales growth in France
 - Group gross margin +40bps
 - Costs (SG&A) ratio to sales flat
- ‘Delivering Value’ has achieved all objectives
- ‘Creating the Leader’ now underway

Delivering Value – a success

• More profitable

- Adjusted pre-tax profit more than doubled (from £357m to £807m)
- Retail profit margin up 290bps to 8.1%
- Adjusted basic EPS up 137% to 25.1p, ahead of target

• Growing responsibly, more sustainable operations

- Selling more 'eco' products to help customers be sustainable
- Reduced store waste and CO₂ emissions

• Higher returns

- ROC* up c490bps to 10.7% (WACC 8.1%)
- Economic Profit (KEP) of £131m (2007/08 Economic Loss of £109m**)

• Stronger foundations

- Financial net debt down £1.5 billion, BBB- (+ve outlook)
- Significant growth investment
- High quality sourcing operations
- Highly engaged colleagues

For the four years ended 28 Jan 2012

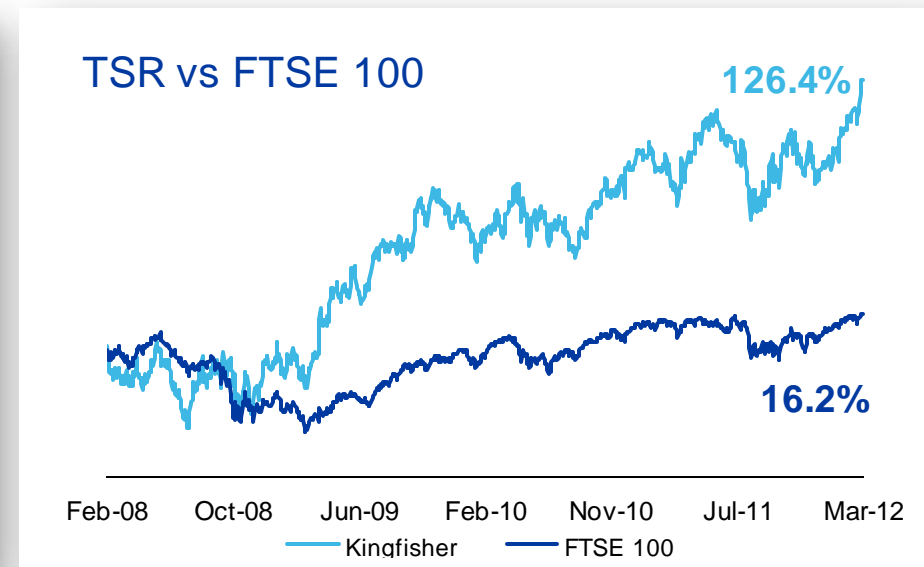
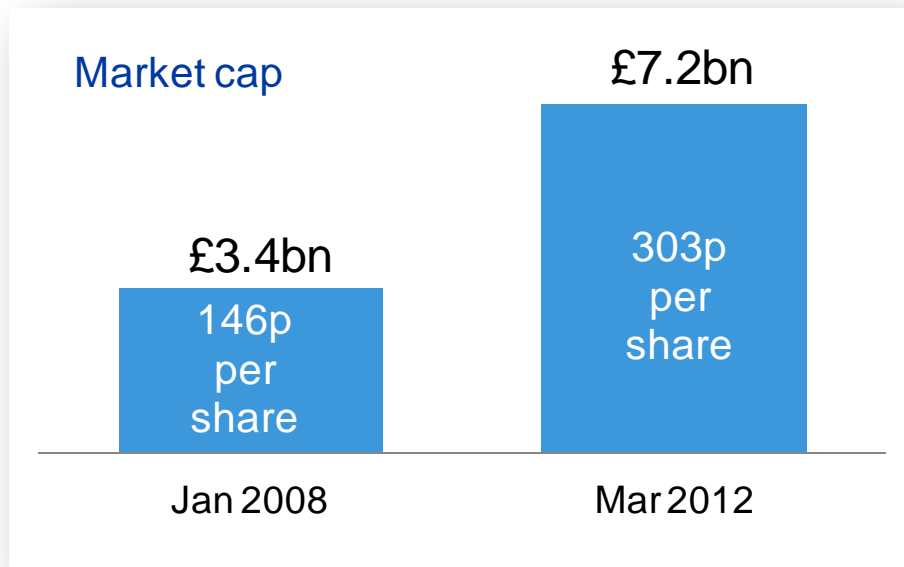
** Group Return on Capital since Jan 2009*

*** In constant currencies*

Delivering Value – a success

“Our aim is to deliver a step change in shareholder value”

... Ian Cheshire, March 2008





A reinvigorated B&Q

- B&Q retail profit up 83% despite market decline
- Retail profit margin up 300bps to 6.2%, on track to achieve a sustainable 7% margin, supported by:
 - Distribution efficiencies
 - Shrinkage reduction
 - More direct sourcing
 - Cost efficiency programme
- Store estate updated
- Stringent store standards operating successfully
- Almost 60% of colleagues achieved retail NVQs or City & Guilds qualifications



A strong and scalable UK trade offer



- Combined trade sales of over £1bn
- New trade offer ('TradePoint') added to all B&Q stores
 - 800,000 trade professionals registered
- Developed and expanded Screwfix
 - Opened 122 new Screwfix outlets (taking the total to 215)
 - Added specialist trade counters exclusive to plumbers and electricians
 - Group 'centre of excellence' for multi-channel developments
 - Launched a 15 minute 'click, collect & go' offer



A stronger position in France

- Sales up 10%*, profits up 42%*
- Retail profit margin up 210bps to 9.5% supported by:
 - Buying optimisation benefits
 - Shrinkage reduction
 - More direct sourcing
- Added 12% net new space
- Castorama modernisation accelerated
 - 66% of stores now in modern format, up from 42% in 2007/08
 - Innovative 'Do-it-Smart' programme launched

A bigger business in Eastern Europe

- Sales up 71%* to £1.7bn**, profits up 62%*
- Opened 59 new stores, +85% net new space
 - 25 in Poland, 21 in Turkey and 13 in Russia
- Opened new distribution facilities in Poland and Turkey to unlock future direct sourcing and distribution benefits

* In constant currencies

** Including 100% of the sales of Turkey JV



A more stable business in China

- Losses significantly reduced
 - 2008/09: loss of £63m*
 - 2011/12: loss of £3m
- Cash neutral
- Store portfolio rationalised from 63 to 40 stores, 16 downsized
- New, smaller format in development

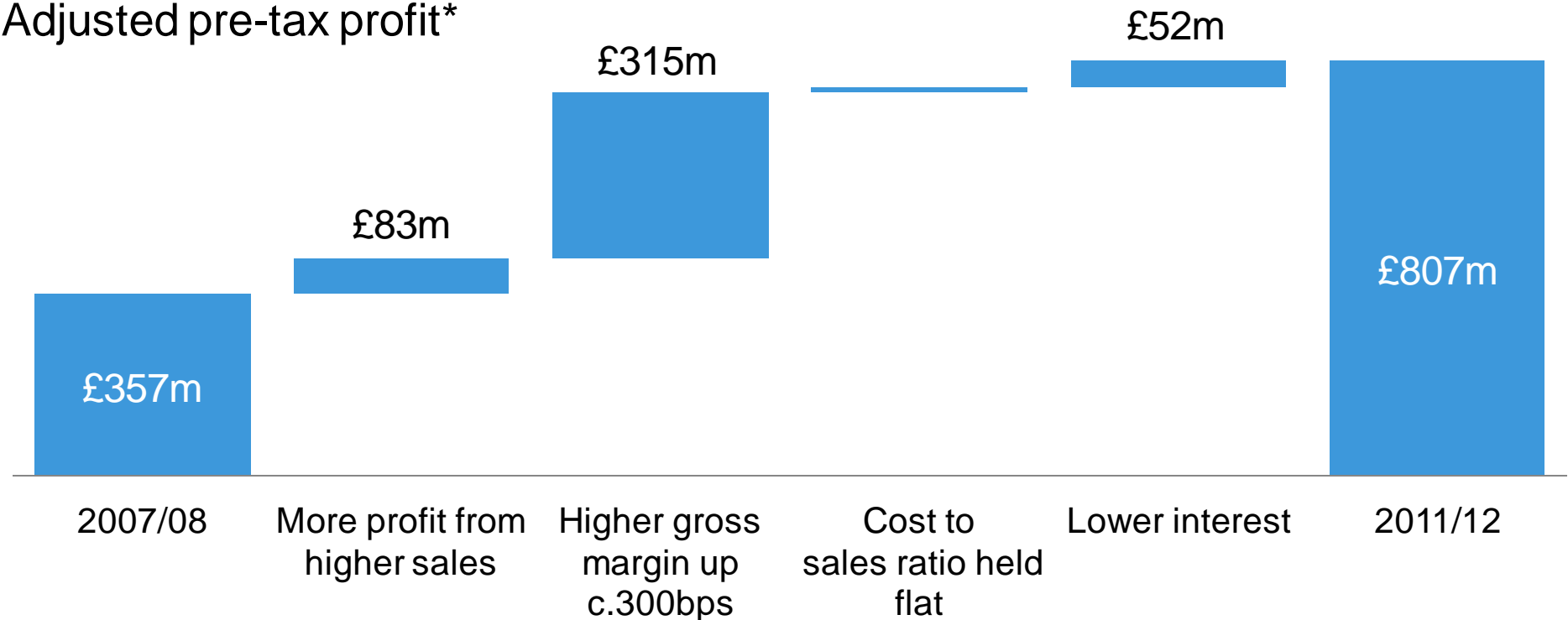
A stronger sourcing capability

- Direct sourcing shipments up 77%
- Established 11 Group-wide common own brands
 - Replacing the 150+ local own brands
 - Enabling investment in innovation and prices
- Invested in sourcing, innovation and brand management

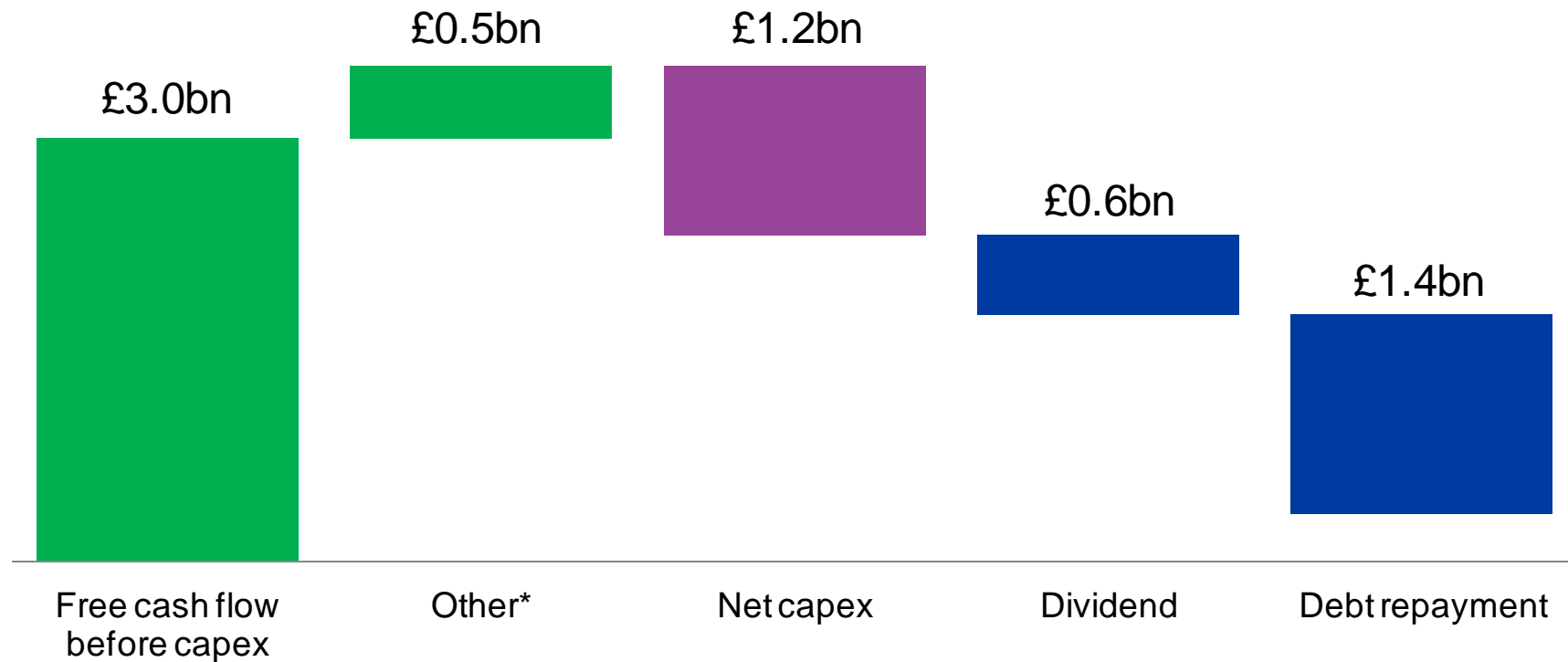


A more profitable business model

Adjusted pre-tax profit*



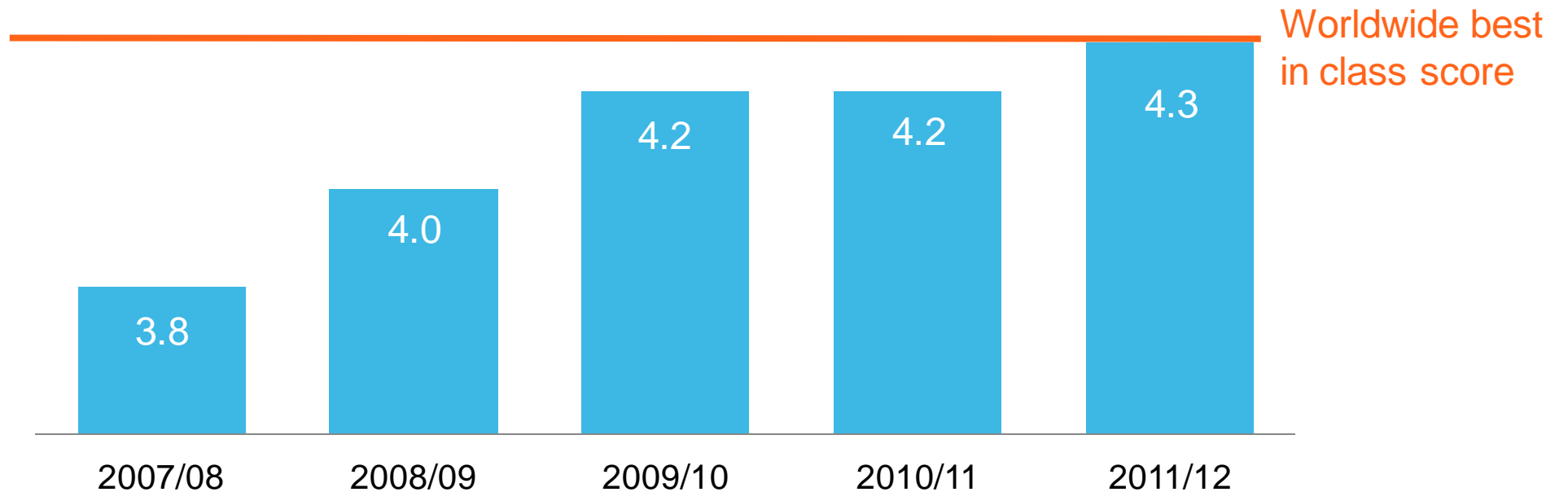
Made good use of our positive cash flow



* Other includes proceeds from sale of Italy (£0.5bn), French tax receipt (£148m) and share purchase for employee incentive schemes (£117m)

Success has been built on people engagement

Gallup survey of 1,100 senior management. Answers to 12 questions posed every 6 months, 1=no engagement, 5= total engagement



Made our own operations more sustainable

- Reduced carbon emissions by 25% since 2007/08
- Awarded Business in the Community's (BITC) prestigious 'Platinum Plus' standard for leading on sustainability for the last two years



Helped customers live more sustainably

- Sales of eco-products broadly doubled, now 13% of Group sales
 - 2008/09: £0.7bn
 - 2011/12: £1.4bn
- More timber comes from sustainable sources
 - B&Q UK now 100%
 - Castorama and Brico Dépôt France rated best in class by WWF





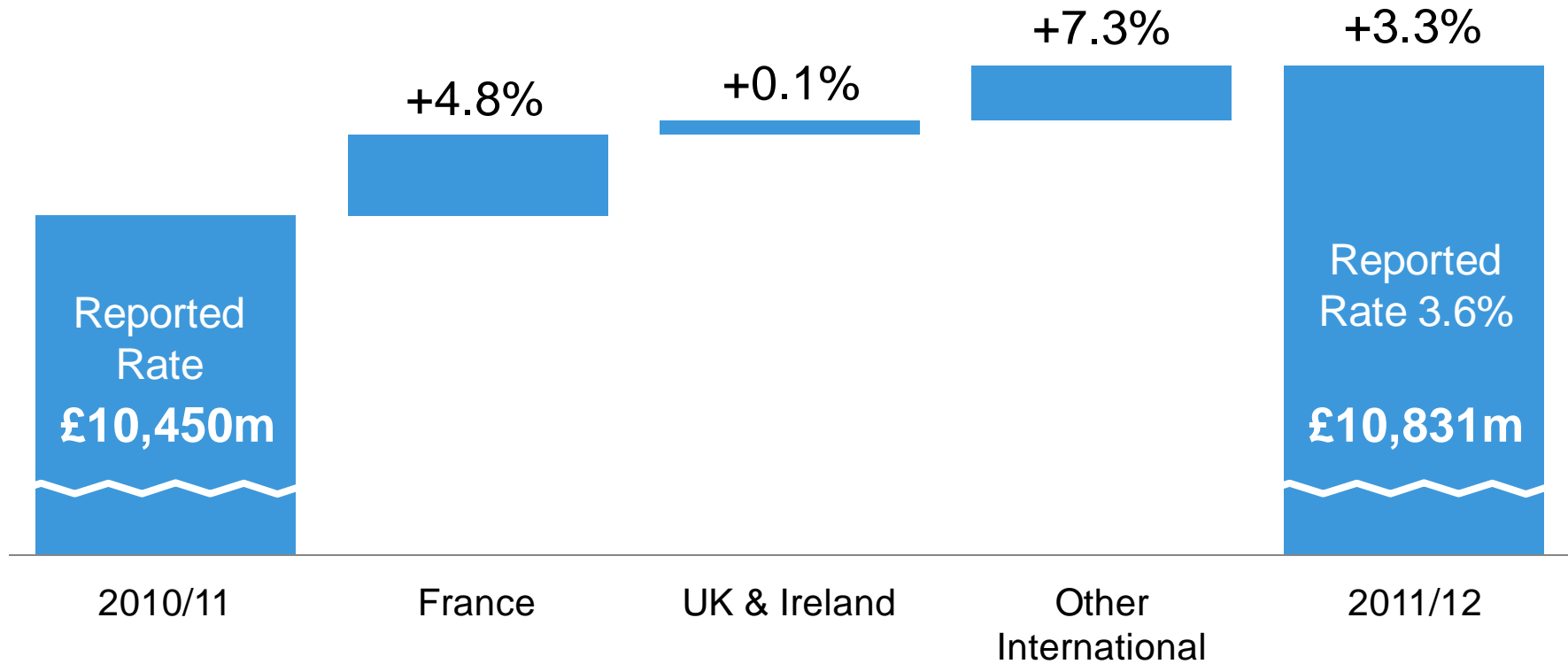
Kevin O'Byrne

Group Finance Director

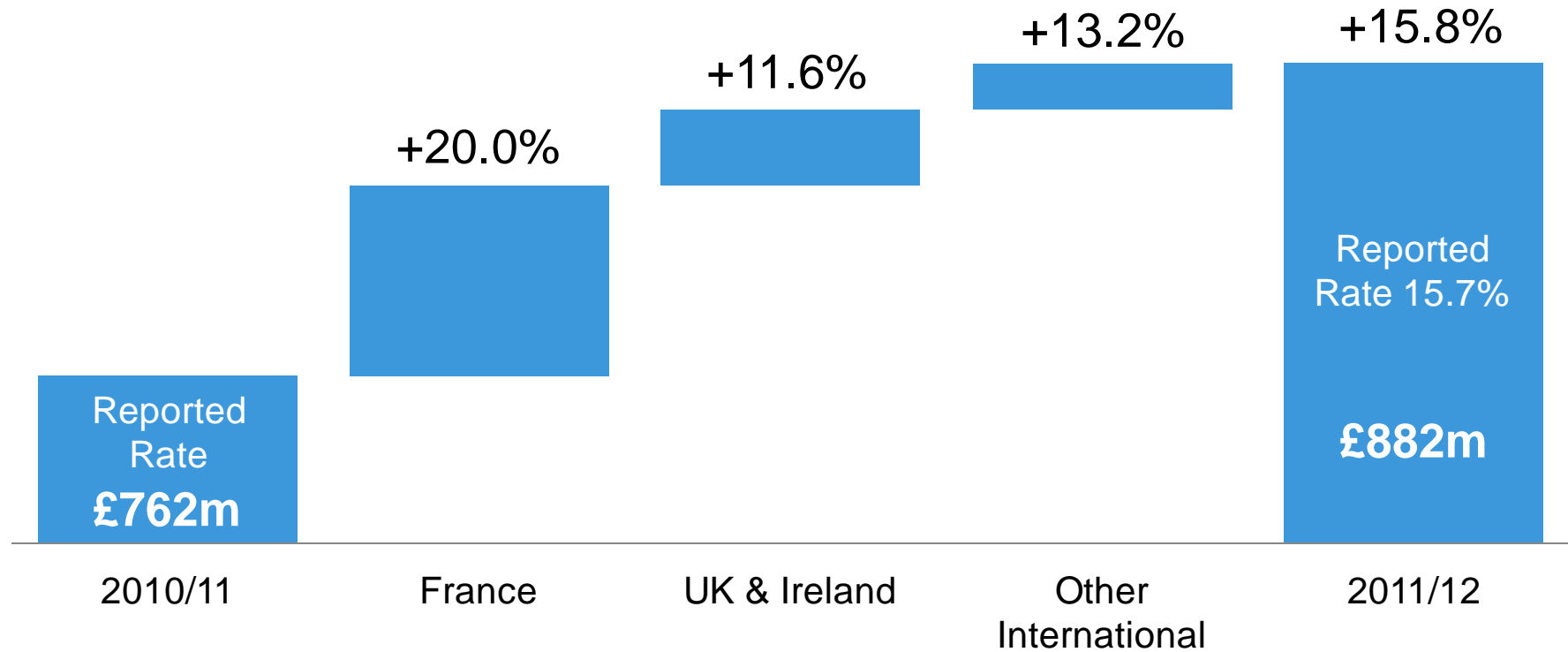
2011/12 Financial results

- Adjusted pre-tax profit £807m, up 20.4%
- Free cash flow of £367m while investing for growth
- Reported financial net debt £88m
- Return on Capital 10.7%, KEP of £131m
- Dividends up 25.0%

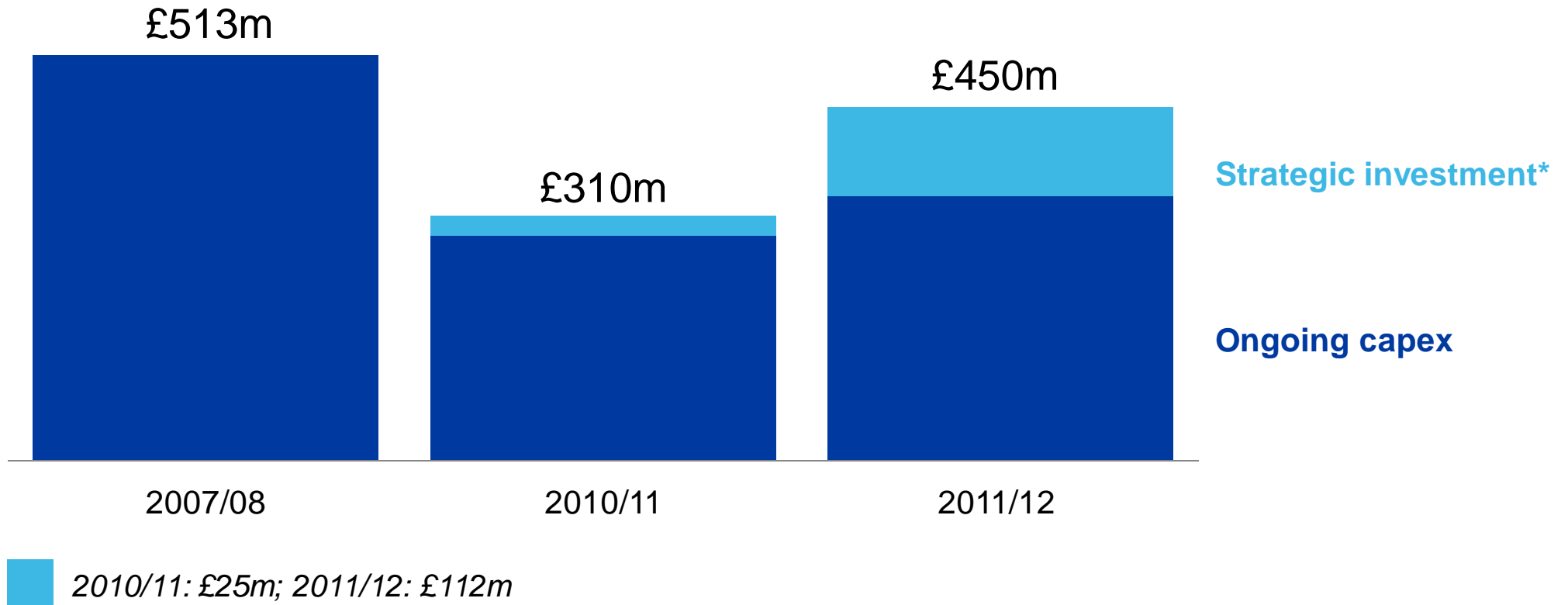
Group sales up 3.3% in constant currencies



Group retail profit up 15.8% in constant currencies



Higher growth investment



Space growth

	% Growth since 2007/08	Stores at Jan 2012	M ² Store space at Jan 2012	New stores target 2012/13	% Space growth 2012/13	Long-term store target
 UK & Ireland	+7%	572	2,593	50	+0.4%	750 ⁽¹⁾
 France	+12%	205	1,625	2	+2%	240 ⁽²⁾
 Poland	+47%	67	492	6	+9%	125
 Turkey	+145%	36	191	4	+10%	100
 Russia	+266%	18	161	2	+11%	60
 China	-43%	40	333	0	0	tbd
 Spain	+67%	17	100	3	+11%	100
		955	5,495	67	2-3%	1,375

(1) B&Q UK & Ireland 360; Screwfix 390

(2) Castorama 110; Brico Dépôt 130

tbd = to be decided

2011/12 Summary

- Profit growth in all divisions
- Adjusted basic EPS up 22.4%
- Strong ROC and KEP growth
- Continued investment to support development and growth
- Dividend growth ahead of earnings



Ian Cheshire

Group Chief Executive

We operate in an attractive sector of retail

- Scale advantage
 - Customer tastes converging across markets
 - Few known manufacturer brands
- Defensible
 - Customers demand choice and advice
 - Multi-channel specialist preferable to generalist or digital pure play
 - Forecast to have low online sales penetration
- Positive retail space/consumer demand balance
 - Many of our markets still developing (space immature)
 - UK is mature, but space is reducing

Operating as a real international leader will unlock the industry's sales, cash margin and returns potential

'Creating the Leader'

Easier

“Become the world’s expert at making home improvement easier for customers”

Common

“Use our scale to accelerate innovation and make home improvement more affordable”

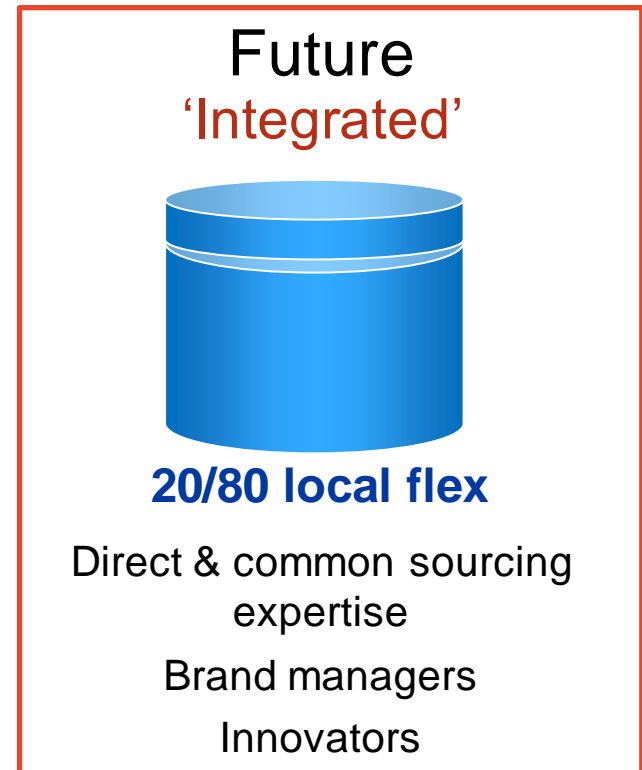
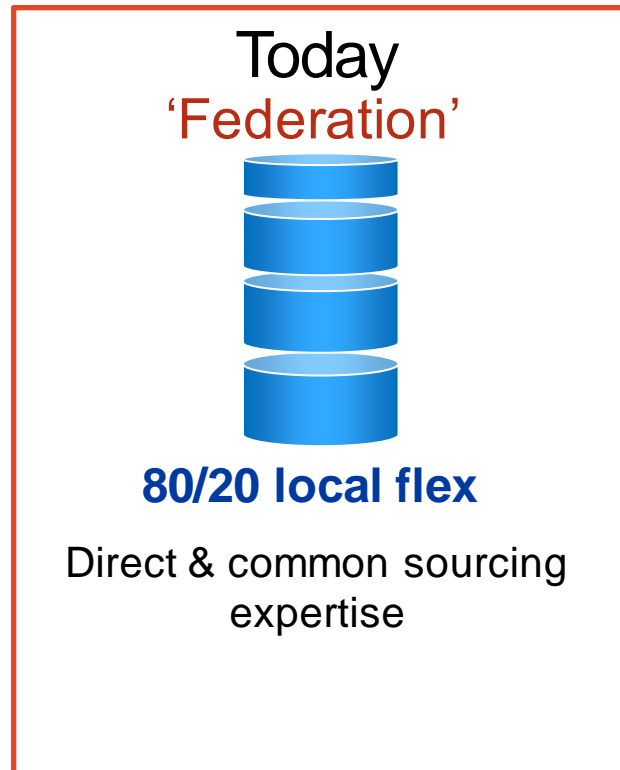
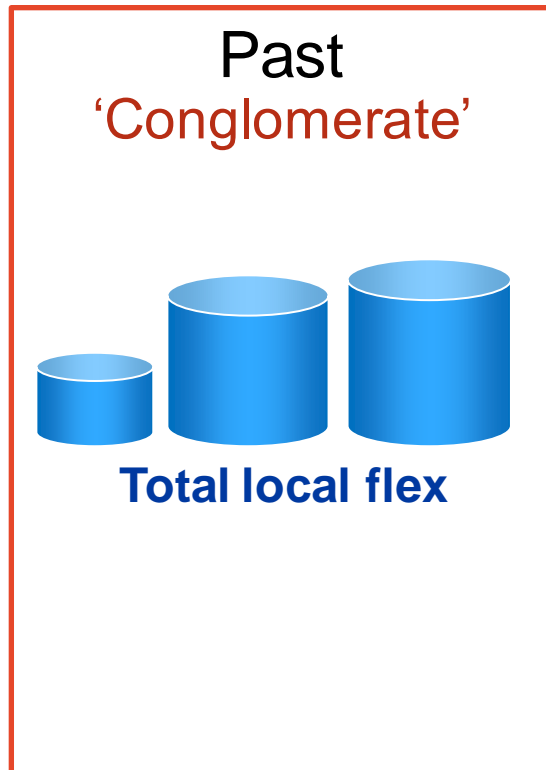
Expand

“Accelerate and improve our expansion in existing and new territories”

One
Team

“Create a unique networked organisation, stronger than the sum of its parts, whilst harnessing our diversity and closeness to the local customer”

'Creating the Leader' – the right organisational structure



‘Creating the Leader’ – a clear sense of purpose

BETTER
HOMES,
BETTER
LIVES

'Creating the Leader'

Easier

1. Making it easier for customers to improve their home
2. Giving our customers more ways to shop

Common

3. Building innovative common brands
4. Driving efficiency and effectiveness everywhere

Expand

5. Growing our presence in existing markets
6. Expanding in new and developing markets

One
Team

7. Developing leaders and connecting people
8. Sustainability: becoming 'Net Positive'

1. Making it easier for our customers to improve their home

AIM: Grow the market and our share of it

How

- Keeping prices low and competitive
- Easier products to use
- Easier stores to shop
- DIY education & advice
- On-line research, design and forums
- De-mystify 'eco' for the home

Measure

- LFL Sales growth

2. Giving our customers more ways to shop

AIM: Customers can shop anytime, anywhere, anyhow

How

- Group multi-channel platform
- Smartphone & tablets
- Click, pay & collect in store

Measure

- Unique web users

3. Building innovative, common brands

AIM: A core common range of quality, exclusive products

How

- Direct sourcing
- Common ranges
- New product innovation
- Coordinated range change

Measure

- % of group sales direct sourced
- % of group sales that are common

...recent 2011/12 real examples

B&Q UK & Castorama France BBQs

- Phase 1 commonality, March 2011
- Total category sales +8%
- Common range sales +35%

blooma 



Brico Dépôt & Screwfix hand power tools

- New design range launched 2010
- Common range sales +40%



TITAN.

Off to a good start...and there is more to come

As a % of Group Sales	Jan 2008	Jan 2012	Target
Direct sourced	9%	15%	35%
Common	<1%	2%	50%

Common product definition:

- 1. Same product or;*
- 2. Same supplier where common product not possible due to market / legal reasons
(e.g. Electrical extension cable same supplier but different sockets)*

4. Driving efficiency and effectiveness everywhere

AIM: Better cost productivity

How

- Supply chain efficiency
- Streamlining in store process
- Harmonisation of IT
- Goods not for resale (GNFR)

Measure

- Retail profit margin

5. Growing our presence in existing markets

AIM: Grow sales, profits and returns

How

- Opening new stores
- Developing store formats

Measure

- Kingfisher Economic Profit (KEP)

6. Expanding in new and developing markets

AIM: Grow sales, profits and returns

How

- Research new territory entry
- Test a 'Do it For Me' (DFM) store format

Measure

- Kingfisher Economic Profit (KEP)

7. Developing leaders and connecting people

AIM: Harness our talent

How

- Kingfisher Academy
- Cross group networks

Measure

- Engagement scores

8. Sustainability: becoming 'Net Positive'

AIM: Long-term business success

How

- Timber
- Energy
- Communities
- Innovation

Measure

- 'Net Positive' scorecard

Annualised benefits targeted for year 5

2% LFL outperformance*

1% higher Gross Margin percentage
(after some reinvestment in affordability)

1% reduction in the cost to sales ratio



£300m
additional
Retail Profit
in year 5

** Adding profit at the gross margin rate*

*Note: Based on the size of the business today and excludes the benefits from new store space
Outperformance is defined as better than we would have achieved without this programme*

Summary & Outlook

- ‘Delivering Value’ was a success
- Kingfisher is in great shape
 - Self-help is now the ‘day job’
- We have a clear plan to achieve real industry leadership
 - ‘Creating the Leader’
 - 8 steps, clear measures and 2012/13 milestones
- Outlook likely to remain tough
 - Confident we can continue to outperform