



EMBARGOED UNTIL 0700 HOURS – Thursday 29 November 2012

Kingfisher reports Q3 retail profit of £257 million, up 0.1% in constant currencies, and sales of £2.7 billion, down 2.8% LFL

Group Financial Summary (13 weeks ended 27 October 2012)

	Sales	% Total	% Total	% LFL	Retail Profit	% Total	% Total
	2012/13 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	2012/13 £m	Change (Reported)	Change (Constant currency)
France	1,081	(9.3)%	(0.8)%	(2.8)%	140	(9.2)%	(1.0)%
UK & Ireland	1,055	(0.8)%	(0.7)%	(3.8)%	59	5.7%	5.5%
Other International	569	1.9%	6.8%	(0.8)%	58	(8.2)%	(2.4)%
Total Group	2,705	(3.9)%	0.8%	(2.8)%	257	(5.9)%	0.1%

Note: Joint Venture (Koçtaş) 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 0.8% driven by growth in the Other International division where Kingfisher recently opened its 1,000th store
- Group retail profit slightly up, supported by on-going self-help initiatives. (On a reported basis retail profit was adversely impacted by £16 million due to translating euro and zloty overseas profits into sterling)
- Net cash was £222 million (28 July 2012: net cash of £29 million) reflecting peak trading patterns, tight cash control and some capital expenditure projects now scheduled to fall in the next financial year

Ian Cheshire, Group Chief Executive, said:

“Following a particularly tough first half, I am pleased that our teams’ hard work has delivered a solid profit performance in our third quarter, one of our most significant trading periods in the year. Our markets remain challenging, with consumer confidence still weak and so we maintain our strong focus on margin, costs and cash.

“Kingfisher is in good shape and I remain enthusiastic about our longer-term prospects under our new ‘Creating the Leader’ programme which will establish us as a world class retailer at helping customers have better and more sustainable homes.”



Q3 TRADING REVIEW BY MAJOR GEOGRAPHY

FRANCE

Sales £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)	% LFL Change
France	1,081	1,191	(9.3)%	(0.8)%	(2.8)%

Retail profit £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)
France	140	154	(9.2)%	(1.0)%

France comprises Castorama and Brico Dépôt

All trading commentary below is in constant currencies

Kingfisher France

According to provisional Banque de France data, which excludes the heavier trade market, comparable store sales for the home improvement market ⁽¹⁾ were down 2.5% in the quarter. Kingfisher France outperformed the market, with comparable store ⁽¹⁾ sales declining by 1.6% (-2.8% LFL). Across both Castorama and Brico Dépôt, one net new store was opened and one was revamped, adding around 2% of new space compared to Q3 last year.

Despite the weaker market, the decline in retail profit was limited to 1.0% to £140 million supported by higher gross margins (+70 basis points) and operating cost efficiencies including lower performance related bonuses.

Castorama total sales grew by 1.7% to £590 million (-0.9% LFL, +1.3% on a comparable store basis) supported by the innovative 'Do-it-Smart' approach aimed at making home improvement projects easier for customers. Sales of outdoor seasonal products were down around 2%. Sales of indoor and building products were slightly down with sales of new kitchen and joinery ranges performing particularly well.

Brico Dépôt, which more specifically targets trade professionals and heavy DIYers, was impacted by the slower house building market, with new housing starts and planning consent data ⁽²⁾ down for the last three months. Total sales declined by 3.6% to £491 million (-4.9% LFL). New ranges introduced last year (e.g. heating and joinery ranges) performed well (+1% LFL).

⁽¹⁾ Banque de France data is based on comparable store data, which includes relocated and extended stores

⁽²⁾ Service de l'observation et des statistiques October 2012



UK & IRELAND

Sales £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)	% LFL Change
UK & Ireland	1,055	1,064	(0.8)%	(0.7)%	(3.8)%

Retail profit £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)
UK & Ireland	59	56	5.7%	5.5%

UK & Ireland comprises B&Q in the UK & Ireland, Screwfix and the UK 'Eco' initiative

All trading commentary below is in constant currencies

Kingfisher UK & Ireland

Total sales declined by 0.7% to £1,055 million (-3.8% LFL) in a continuing challenging consumer environment. Retail profit however grew by 5.5% to £59 million driven by a higher gross margin and continued cost initiatives.

B&Q UK & Ireland's total sales declined by 2.3% to £906 million (-4.0% LFL) reflecting the generally weak consumer backdrop in the UK and a particularly challenging environment in Ireland. Retail profit grew by 1.7% to £45 million benefiting from higher gross margins (up 50 basis points) and operating cost efficiencies including lower bonus provisions.

Screwfix grew total sales by 10.9% to £149 million, despite the continued challenging trading conditions in the smaller tradesman market ⁽¹⁾, benefiting from the continued roll out of new outlets, the success of 'click, pay & collect' and a redesigned catalogue. Twelve outlets were opened during Q3, taking the total to 252. Retail profit was up 19.8% to £14 million, boosted by the strong sales growth, higher gross margins and continued tight cost control.

⁽¹⁾ Based on the Builders' Merchants Federation lightside trade data July-September 2012



OTHER INTERNATIONAL

Sales £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)	% LFL Change
Other International	569	559	1.9%	6.8%	(0.8)%

Retail profit £m	2012/13	2011/12	% Change (Reported)	% Change (Constant)
Other International	58	63	(8.2)%	(2.4)%

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

All trading commentary below is in constant currencies

Other International total sales increased by 6.8% to £569 million (-0.8% LFL) supported by new store openings and strong growth in Russia, now the second largest business in this division. However, with the exception of Russia, the uncertain European economic backdrop continued to impact LFL sales. Retail profit declined 2.4% to £58 million.

During Q3, three net new stores opened, all in Poland, adding around 7% new space compared to Q3 last year.

Sales in **Poland** were down 1.9% (-7.3% LFL) to £288 million reflecting an on-going weak market and less marketing activity compared to last year. Gross margins were down 30 basis points, with sourcing benefits offset by some investment in pricing. Tight cost control partially offset cost inflation resulting in a 7.9% decline in retail profit to £34 million.

In **Russia**, sales were up 40.4% in a strong market to £126 million (+21.3% LFL) benefiting from new store openings. Retail profit more than doubled to £9 million. In **Turkey**, Kingfisher's 50% JV, Koçtaş, grew sales by 4.0% (-4.0% LFL) to £89 million as new store openings were offset by a slower economic backdrop. Retail profit contribution was £3 million, down 17.4% year on year. In **Spain** sales were up 5.2% (-8.5% LFL) to £59 million driven by new store openings. Retail profit was down to £1 million, reflecting a difficult market. **Hornbach**, in which Kingfisher has a 21% economic interest, contributed a broadly flat £14 million to retail profit.

B&Q China sales grew 2.6% to £96 million (+3.5% LFL) driven by additional promotional discount activity. Retail loss was £3 million reflecting higher marketing costs, £1 million lower sublet rental income on vacant store space and around £0.5 million of costs relating to the previously announced new format trial.



COUNTRY DATA

As at 27 October 2012

	Store numbers	Selling space (000s sq.m.)	Employees (FTE)
Castorama	103	1,082	11,268
Brico Dépôt	104	576	6,864
Total France	207	1,658	18,132
B&Q UK & Ireland	358	2,572	21,941
Screwfix	252	19	3,632
Total UK & Ireland	610	2,591	25,573
Poland	70	513	10,921
China	39	326	4,491
Spain	20	116	982
Russia	19	170	2,509
Turkey JV	37	194	3,313
Total Other International	185	1,319	22,216
Total	1,002	5,568	65,921

YEAR TO DATE BY MAJOR GEOGRAPHY – 39 weeks ended 27 October 2012

	Sales	% Total	% Total	% LFL	Retail Profit	% Total	% Total
	2012/13 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	2012/13 £m	Change (Reported)	Change (Constant currency)
France	3,287	(7.0)%	0.5%	(1.3)%	331	(6.8)%	0.7%
UK & Ireland	3,319	(1.5)%	(1.4)%	(5.0)%	204	(14.1)%	(14.1)%
Other International	1,577	0.2%	7.1%	(0.9)%	125	(18.2)%	(9.7)%
Total Group	8,183	(3.5)%	0.9%	(2.8)%	660	(11.5)%	(6.3)%

2012/13: £1 = 1.24 euro (2011/12: 1.14)

2012/13: £1 = 5.16 Polish zloty (2011/12: 4.65)

2012/13: £1 = 10.02 Chinese renminbi (2011/12: 10.44)

2012/13: £1 = 49.10 Russian rouble (2011/12: 46.61)

Note: Joint Venture (Koçtaş) 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.

COMPANY PROFILE:

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with over 1,000 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 Koç Group, and a 21% interest in, and strategic alliance with Hornbach, Germany's leading large format DIY retailer.



CREATING THE LEADER

Progress continued with the next phase of our medium term development under the following eight steps:

EASIER

1. Making it easier for our 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'

Further details on progress will be given with the preliminary results for the year ended 2 February 2013.

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 28 July 2012.

ENQUIRIES:

Ian Harding, Group Communications Director	020 7644 1029
Sarah Levy, Head of Investor Relations	020 7644 1032
Nigel Cope, Head of Media Relations	020 7644 1030
Matt Duffy, Investor Relations Manager	020 7644 1082
Clare Haines, Media Relations Officer	020 7644 1286
Brunswick	020 7404 5959

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FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements, which should be considered, amongst other statutory provisions, in light of the safe harbour provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts may be forward-looking statements. Such statements 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. Reliance should not be placed on any forward-looking statement. Our forward-looking statements speak only as of the date of this press release and the Company undertakes no obligation to update any forward-looking statement publically, whether as a result of new information, future events or otherwise. Nothing in this press release should be construed as a profit forecast.

Please refer to page 104 of the Annual Report and Accounts 2011/12 for further details and definitions concerning forward-looking statements and how they should be considered.