EMBARGOED UNTIL 0700 HOURS – Wednesday 11 September 2013

Kingfisher reports half year sales up 4.3%, up 1.5% (-0.8% LFL) in constant currencies, adjusted pre-tax profits down 1.6% to £365 million. Statutory post-tax profit up 69.9% including the £145 million exceptional credit from resolution of French tax case

Group Financial Summary

26 weeks ended 3 August 2013	2013/14	2012/13	% Total Change Reported	% Total Change Constant currency	% LFL Change Constant currency
Sales [1]	£5,716m	£5,478m	+4.3%	+1.5%	(0.8)%
Retail profit[2] [3]	£394m	£401m	(1.8)%	(4.8)%	
Adjusted pre-tax profit[4]	£365m	£371m	(1.6)%		
Adjusted basic EPS[4]	11.3p	11.5p	(1.7)%		
Statutory pre-tax profit	£401m	£364m	+10.2%		
Statutory post-tax profit	£440m	£259m	+69.9%		
Basic EPS	18.7p	11.1p	+68.5%		
Interim dividend	3.12p	3.09p	+1.0%		
Net cash	£259m	£29m	n/a		

[1] Joint Venture (Koçtaş) and Associate (Hornbach) sales are not consolidated.
[2] 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.
[3] 2012/13 comparatives restated by £2m to reflect reclassification of pension administrative expenses from finance costs to retail profit, as per the amended IAS 19.
[4] Adjusted measures are before exceptional items, financing fair value remeasurements, amortisation of acquisition intangibles, related tax items and tax on prior year items. A reconciliation to statutory amounts is set out in the Financial Review (Section 4).

Highlights (in constant currencies):

- Sales and profit impacted by:
  - On-going weak consumer confidence in our three major markets
  - Volatility a key feature across H1
    - Record cold weather in Q1 followed by better weather in Q2 (outdoor products down 10% in Q1, up 9% in Q2)
    - Retail profit down 29.2% in Q1 and up 10.8% in Q2
- 'Creating the Leader' programme progressing well
  - 2013/14 milestone delivery on track
  - On-going self-help initiatives supporting short term performance in challenging markets
  - Completed the acquisition of 15 stores in Romania
  - Accelerating the UK expansion of Screwfix, announcing 2014 Germany trials
- Balance sheet
  - £145 million exceptional provision release relating to the successful resolution of the Kesa demerger French tax case
  - Moving annual lease adjusted net debt/EBITDAR at 2.3 times, broadly in line with year end

Ian Cheshire, Group Chief Executive, said:

"After a difficult first quarter, in which sales and profits were affected by record bad weather, we were able to capitalise on the better weather in the second quarter particularly in the UK, to grow quarterly profits and so deliver a broadly flat result across the half. However, underlying consumer confidence remains weak in our major markets, so we continue to focus hard on our self-help initiatives to drive growth, margin and cost efficiencies.

"Looking ahead, we remain ready to capitalise on any improvement in conditions or opportunities as they arise, including the potential pick up in the UK housing market. In the meantime, our self-help plan, 'Creating the Leader', continues to progress well, including the acquisition of 15 stores in Romania, our first new country entry in seven years. I am also delighted to have received final resolution of the Kesa demerger French tax case, after nine years. Overall, we remain confident in our future prospects."

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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. Video interviews with Ian Cheshire (Group Chief Executive) and Karen Witts (Group Finance Director) are also available on the website and we can be followed on twitter @kingfisherplc.

Kingfisher American Depository Receipts are traded in the US on the OTCQX platform: (OTCQX: KGFHY)
http://www.otcmarkets.com/stock/KGFHY/quote

COMPANY PROFILE

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with 1,069 stores in nine countries in Europe and Asia. Its main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix. Kingfisher also operates the Koçtaş brand, a 50% joint venture in Turkey with the Koç Group, and has a 21% interest in Hornbach, Germany's leading large format DIY retailer.

The remainder of this release is broken down into four main sections:
1) ‘Creating the Leader’ update
2) Trading review by major geography
3) Summary data by geography
4) Financial review and, in part 2 of the announcement, the interim condensed financial statements

Section 1
‘CREATING THE LEADER’ UPDATE

Our unique contribution as a business to our customers is that we can harness our home improvement experience, our heritage as a leader in sustainability and our international scale to bring new, more sustainable and more affordable products to market. By also providing our customers with project advice and new shopping channels to complement our stores we will make it easier for them to adapt their homes to their evolving lifestyles. Our shorthand for describing this purpose is *‘Better Homes, Better Lives’* and the programme of self-help initiatives to achieve this purpose is called ‘Creating the Leader’.

‘Creating the Leader’ H1 progress and milestones for H2

In March 2012, we set out four areas (Easier, Common, Expand and One Team) with eight specific steps that make up ‘Creating the Leader’ along with their associated key success measures and short term annual milestones. Today we update on the progress we have made towards each of the 2013/14 milestones:

EASIER

2013/14 first half progress
Emphasise our affordability credentials
- Launched ‘handy prices’ marketing campaign in B&Q UK & Ireland
- Rolled out Brico Dépôt ‘back to basics’ marketing campaign
- Extended Brico Dépôt France & Spain programme of ‘arrivages’ (one off special buys) to Turkey & Poland
- Launched UK Enterprise Finance Guarantee scheme for tradesmen

Extend our omnichannel offer
- B&Q UK on-line offer
  - 20,000 extra products now available for home delivery (using Screwfix omnichannel infrastructure)
  - Navigation and search functionality of www.diy.com improved
- Launched upgraded websites in Turkey and Brico Dépôt France
- Launched pilot of ‘click & collect’ in Castorama France

2013/14 second half milestones
Extend our omnichannel offer
- B&Q UK on-line offer
  - Launch of click, pay & collect on-line
  - Extend TradePoint website to main shop floor categories e.g. kitchens
- Launch upgraded websites in Poland, Spain and China
- Launch pilot of ‘click & collect’ in Turkey

Kingfisher

COMMON

Group sourcing organisation update

We have already made a lot of progress with Group sourcing and since 2008 have achieved the following:

- more than doubled direct sourcing to c.20% of Group sales
- established Group-wide common own brands, with 'common'* products already at 8% of Group sales as at January 2012/13 year end, up from less than 1% previously
- invested in and expanded our global sourcing capability and brand management

We are now building on this first phase by bringing our sourcing operations closer to our operating businesses as we increasingly share our best ranges. We will drive further sourcing benefits by creating a more flexible, agile approach, with greater focus on 'near sourcing' and shorter lead-times. This plan is being led by Guy Colleau, CEO Group Sourcing & Offer, who brings a wealth of operational experience to his new role from his former position as CEO Castorama France.

The key features of the Group sourcing approach will be:

- cash margin-based KPIs replacing previous % KPI targets
- sourcing offices that focus more on negotiating deals with suppliers, leaving product range decisions with local commercial management teams
- more low-cost, 'pop up' sourcing branches and near sourcing operations

2013/14 first half progress
Product:

- Launched new energy-efficiency 'iQE' Group brand
- Paint
    - Rolled out 'Colours' Group own-brand paint into Spain
    - Rolled out new coloured emulsion paint range to Castorama France which will be 2/3 common* between B&Q UK & Ireland and Castorama France
    - Commenced roll out of exclusive Valspar paint mixing desk into B&Q UK and China

Efficiency:

- SG&A (selling, general & administrative expenses) optimisation from media buying programmes across the UK & France
- Introduction for the first time of an all staff bonus programme in Poland (linked to individual store sales & profit growth)

2013/14 second half milestones
Product:

- Paint
    - Complete roll out of new coloured emulsion paint range to B&Q UK & Ireland which will be 2/3 common* B&Q UK & Ireland and Castorama France
    - Continue roll out of exclusive Valspar paint mixing desk into B&Q UK
    - Roll out 'Colours' Group own-brand paint into Russia
- Full launch of Screwfix's 'Site' work wear products into Brico Dépôt France
- Launch inaugural European product show, to be attended by 6,000 store & buying colleagues teams from the UK & France, featuring new extended Group ranges

Efficiency:

- Upweighted distribution and logistics capability in Poland, Spain & Turkey
- Extend Brico Dépôt France shelf-ready packaging from 20% to 30%
- Mobilise web-enabled Group IT platform including IT process mapping analysis at Castorama France

**Common means two or more operating companies selling the same product or a similar product but from the same supplier where the same product is not possible due to market / legal reasons (e.g. electrical extension cable which is the same supplier but with different electrical sockets)*

EXPAND

2013/14 half year progress

- Opened 29 net new stores (France 4, UK 18*, Poland 2, Spain 3 & Turkey 2), representing 1.4% space growth
- Capitalising on consolidation opportunities
    - Acquired 15 'Bricostore' stores in Romania, adding 3% space to the Group
    - Koçtaş JV in Turkey in negotiations over 2 ex-Praktiker large stores
- Revamped and extended two Castorama stores
- B&Q UK store rightsizing update
    - One freehold store completed
    - 17 further agreements now in place subject to planning permission (c.6-18 months) of which 2 consents are in place
    - 18 store package would represent
        - 5% less space (116,000 square metres), potential c.£130m reduction to lease adjusted debt
        - Annual rental and rates savings of £16m and £7m respectively
- Evaluating Screwfix international opportunities
    - UK website now extended to over 20 European countries, deliveries fulfilled from the UK
    - Screwfix Germany trial announced, four outlets due to open Summer 2014

2013/14 second half milestones

- Open 47 net new stores (France 1, UK 42*, Russia 1, Spain 1 & Turkey 2)
- Revamp and extend a further two Castorama stores
- Review potential for further B&Q UK rightsizing opportunities

**Principally Screwfix outlets*

ONE TEAM

2013/14 half year progress

- Recently appointed Richard Gillies from M&S as Group Sustainability Director, to lead 'Net Positive' agenda
- Increase in cross-Group people moves
- Continued to develop 'Kingfisher One Academy' - 26% of top 250 employees having attended module based training
- Launched B&Q UK & Ireland's 'Good Woods' woodland stewardship initiative with around 3,000 hectares of forest already committed

Section 2
TRADING REVIEW BY MAJOR GEOGRAPHY

FRANCE

Sales £m	2013/14	2012/13	% Reported Change	% Constant Currency Change	% LFL Change
France	2,306	2,206	+4.5%	(0.4)%	(2.4)%

Retail profit £m	2013/14	2012/13	% Reported Change	% Constant Currency Change
France	191	191	(0.3)%	(4.9)%

France includes Castorama and Brico Dépôt
All trading commentary below is in constant currencies

Kingfisher France
Kingfisher France sales declined by 0.4% (-2.4% LFL) to £2,306 million in slower markets impacted by weak consumer confidence. Across the two businesses, four net new stores were opened and two were revamped, adding around 3% new space.

Gross margins were flat across H1, with on-going self-help initiatives offset by more promotional activity. Continued tight cost control, including lower levels of variable pay, resulted in retail profit of £191 million, down 4.9% compared to last year.

Castorama total sales grew by 0.9% (-1.1% LFL) to £1,294 million. According to Banque de France data, sales for the home improvement market [(1)] were down around 3%. Castorama benefited from its innovative 'Do-it-Smart' approach aimed at making home improvement projects easier for customers. LFL sales of outdoor seasonal products were down around 3% reflecting adverse weather, particularly in Q1. Sales of indoor products were down around 1%.

Brico Dépôt total sales declined by 1.9% (-3.8% LFL) to £1,012 million. According to Kingfisher estimates, sales for the comparable market [(2)], which more specifically targets trade professionals and heavy DIYers, was down around 4%. Brico Dépôt benefited from self-help initiatives which continued to progress well. These included new ranges introduced last year (e.g. kitchen and lighting ranges) and more 'arrivages' (rolling programme of one-off special buys), reinforcing Brico Dépôt's value credentials.

[(1)]*Banque de France data includes relocated and extended stores*
[(2)]*Rolling 12 month average of Banque de France (60%) and I+C (www.iplusc.com) trade data (40%) July 2012 - June 2013. For the same period, Brico Dépôt LFLs were down 4.7%.*

UK & IRELAND

Sales £m	2013/14	2012/13	% Reported Change	% Constant Currency Change	% LFL Change
UK & Ireland	2,270	2,264	+0.3%	+0.2%	(1.0)%

Retail profit £m	2013/14	2012/13	% Reported Change	% Constant Currency Change
UK & Ireland	141	143[1]	(1.4)%	(1.3)%

UK & Ireland includes B&Q in the UK & Ireland and Screwfix
[1]2012/13 comparatives restated by £2m to reflect reclassification of pension administrative expenses from finance costs to retail profit, as per the amended IAS 19.
All trading commentary below is in constant currencies

Kingfisher UK & Ireland

Kingfisher UK & Ireland total sales were up 0.2% (-1.0% LFL) to £2,270 million. Across H1, sales benefited from higher sales of outdoor seasonal products (+6%), offset by a slower underlying market impacted by weak consumer confidence. Sales patterns were unusually volatile across H1 driven by record cold weather in Q1 followed by better weather in Q2.

Kingfisher UK & Ireland reported broadly flat retail profit of £141 million (2012/13: reported £143 million including the benefit of a one-off construction related claim for around £5 million). Gross margins were up 30 basis points, benefiting from on-going self-help initiatives offset by investment in pricing. A strong focus on operating cost efficiencies continued across both businesses. Retail operating margins across H1 (Q1: 4.7%; Q2: 7.6%) were driven by the weather affected sales patterns and operational leverage.

B&Q UK & Ireland's total sales were down 1.8% (-1.7% LFL) to £1,957 million. Sales of outdoor seasonal products were up around 6%, after a difficult H1 last year, impacted by record adverse weather. In line with weather patterns across H1 this year, sales of outdoor seasonal products were down 11% in Q1 and up 17% in Q2. Sales of indoor product were down around 3% across H1.

The market [1] for the UK's leading home improvement retailers was up around 2% with seasonal ranges up 9%. On a comparable basis, B&Q UK & Ireland's sales were down around 1%.

TradePoint continues to progress well with sales to TradePoint customers up around 7% compared to H1 last year. Over 1.3 million have now registered as TradePoint customers.

In Ireland, following the conclusion of the Examinership process in May 2013, one store has now closed and significant rent reductions have been achieved across the remaining stores. The stores are showing signs of improved trading.

Screwfix grew total sales by 14.6% (+3.6% LFL) to £313 million, in a challenging smaller tradesman market [2], estimated to be down around 1%. Screwfix benefited from extended opening hours, new ranges (e.g. paint and work wear), the continued roll out of new outlets and the successful introduction of a mobile 'click, pay & collect' offer last year. Nineteen outlets were opened during H1, taking the total to 294.

(1)Kingfisher estimate for the UK RMI (Repairs, Maintenance & Improvement) market – incorporates GfK data, which includes new space but which excludes B&Q Ireland and private retailers e.g. IKEA, Topps Tiles and other smaller independents. It is on a cash sales basis and is adjusted for discounts
(2)Kingfisher estimates - based on Builders' Merchants Federation lightside data April-June 2013

OTHER INTERNATIONAL

Sales £m	2013/14	2012/13	% Reported Change	% Currency Constant Change	% LFL Change
Other International	1,140	1,008	+13.1%	+8.3%	+2.9%

Retail profit £m	2013/14	2012/13	% Reported Change	% Constant Currency Change
Other International	62	67	(7.3)%	(11.4)%

Other International comprises Poland, China, Romania, Russia, Spain, 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 8.3% (+2.9% LFL) to £1,140 million driven by LFL growth in Russia and China and new store openings. Seven net new stores opened during H1, three in Spain, two in Poland, and two in Turkey, adding around 3% new space. Including the acquisition of stores in Romania, around 15% new space was added in H1.

However, economic uncertainty in Europe and record adverse weather in Germany impacted performance. Retail profits were down 11.4% to £62 million, with much of the decline due to a lower contribution from Hornbach.

Sales in **Poland** were up 3.1% (-0.2% LFL) to £557 million reflecting new store openings. Sales patterns were unusually volatile across H1 driven by record cold weather in Q1 followed by better weather in Q2 (Q1: -4.2% LFL; Q2 +3.0% LFL). Gross margins were down 60 basis points, with self-help initiatives more than offset by an on-going investment in pricing which annualised during Q2. Good cost control largely offset cost inflation. Retail profit declined 4.3% to £54 million.

In **Russia,** sales were up 12.4% to £225 million (+10.5% LFL). LFL sales were up 13.0% in Q1 though slower in Q2 (+9.0% LFL). Retail profit grew by nearly 50% to £3 million. In **Turkey,** Kingfisher's 50% JV, Koçtaş, grew sales by 5.1% (+3.5% LFL) to £172 million benefiting from new store openings, better weather and new ranges (e.g. bathrooms and lighting). Retail profit contribution was £5 million, up 17.2% year on year.

Brico Dépôt **Spain** grew sales by 13.5% (-6.0% LFL) to £153 million reflecting new store openings. Retail profit was £3 million, down 17.0% on last year, in a difficult market. **Hornbach**, in which Kingfisher has a 21% economic interest, contributed £4 million to retail profit (2012/13: £9 million reported retail profit contribution) with sales in Germany impacted by record adverse weather in March and early April (1). H1 also included one month's trading of Bricostore **Romania**, contributing sales of £11 million and retail profit of £nil.

B&Q **China** sales grew by 9.5% (+10.2% LFL) to £194 million benefiting from additional promotional activity and an improving domestic property market (2). Retail loss was £7 million (2012/13: £6 million reported retail loss) including £3 million of costs relating to work on the new format store trial which opened in March this year and £1 million lower sublet rental income on vacant store space.

(1) Due to non-coterminous year ends, Hornbach's weather impacted Q1 (Mar-May 2013) is accounted for in Kingfisher's Q2
(2) New property transaction sales +25% for 17 cities in which B&Q China operates Jul 2012 –June 2013 according to the China Real Estate Exchange Centre

Section 3
SUMMARY DATA BY GEOGRAPHY

As at 3 August 2013	**Store numbers**	**Selling space (000s m2)**	**Employees (FTE)**
Castorama	105	1,113	12,416
Brico Dépôt	106	589	6,987
France	**211**	**1,702**	**19,403**
B&Q UK & Ireland	357	2,558	21,650
Screwfix	294	21	4,028
UK & Ireland	**651**	**2,579**	**25,678**
Poland	72	529	10,588
China	39	322	4,156
Romania	15	152	1,422
Russia	19	170	2,590
Spain	23	134	1,227
Turkey JV	39	205	3,352
Other International	**207**	**1,512**	**23,335**
Total Group	**1,069**	**5,793**	**68,416**

	Sales £m 2013/14[(1)]	**% Total Change Reported**	**% Total Change Constant currency**	**% LFL Change Constant currency**
Castorama	1,294	+5.8%	+0.9%	(1.1)%
Brico Dépôt	1,012	+2.9%	(1.9)%	(3.8)%
France	**2,306**	**4.5%**	**(0.4)%**	**(2.4)%**
B&Q UK & Ireland	1,957	(1.7)%	(1.8)%	(1.7)%
Screwfix	313	+14.6%	+14.6%	+3.6%
UK & Ireland	**2,270**	**+0.3%**	**+0.2%**	**(1.0)%**
Poland	557	+8.6%	+3.1%	(0.2)%
China	194	+15.8%	+9.5%	+10.2%
Romania	11	n/a	n/a	n/a
Russia	225	+13.2%	+12.4%	+10.5%
Spain	153	+19.1%	+13.5%	(6.0)%
Other International	**1,140**	**+13.1%**	**+8.3%**	**+2.9%**
Total Group	**5,716**	**+4.3%**	**+1.5%**	**(0.8)%**

(1) Joint Venture (Koçtaş) and Associate (Hornbach) sales are not consolidated.

	Retail Profit £m 2013/14	% Total Change Reported	% Total Change Constant currency	Operating Margin % 2013/14	Operating Margin % 2012/13
France	**191**	**(0.3)%**	**(4.9)%**	**+8.3%**	**+8.7%**
UK & Ireland[(1)]	**141**	**(1.4)%**	**(1.3)%**	**+6.2%**	**+6.3%**
Poland	54	+0.8%	(4.3)%	+9.7%	+10.5%
China	(7)	(25.0)%	(18.2)%	(3.6)%	(3.6)%
Hornbach	4	(52.9)%	(55.1)%	n/a[(2)]	n/a[(2)]
Romania	-	n/a	n/a	n/a	n/a
Russia	3	+50.8%	+49.8%	+1.3%	+1.0%
Spain	3	(12.9)%	(17.0)%	+2.0%	+2.3%
Turkey JV	5	+17.9%	+17.2%	n/a[(2)]	n/a[(2)]
Other International	**62**	**(7.3)%**	**(11.4)%**	**+5.4%**	**+6.6%**
Total Group[(1)]	**394**	**(1.8)%**	**(4.8)%**	**+6.9%**	**+7.3%**

[(1)]2012/13 comparatives restated by £2m to reflect reclassification of pension administrative expenses from finance costs to retail profit, as per the amended IAS 19.
[(2)]Joint Venture (Koçtaş) and Associate (Hornbach) sales are not consolidated therefore not applicable.

Year to date average FX rates vs £ Sterling

	2013/14	**2012/13**
Euro	1.17	1.23
Polish Zloty	4.91	5.16
Chinese Renminbi	9.44	9.99
Romanian Leu	5.18	n/a
Russian Rouble	48.22	48.54
Turkish Lira	2.82	2.83

SECOND QUARTER BY MAJOR GEOGRAPHY – 13 weeks ended 3 August 2013

	Sales[(1)] 2013/14 £m	% Total Change (Reported)	% Total Change (Constant currency)	% LFL Change (Constant currency)	Retail Profit 2013/14 £m	% Total Change (Reported)	% Total Change (Constant currency)
France	1,227	+9.8%	+2.9%	+0.7%	125	+9.4%	+3.0%
UK & Ireland	1,202	+3.8%	+3.6%	+2.5%	91	+30.9%[(2)]	+31.1%[(2)]
Other International	664	+16.5%	+10.4%	+4.5%	64	+8.1%	+3.1%
Total Group	**3,093**	**+8.7%**	**+4.7%**	**+2.2%**	**280**	**+15.3%[(2)]**	**+10.8%[(2)]**

[(1)]Joint Venture (Koçtaş) and Associate (Hornbach) sales are not consolidated.
[(2)]2012/13 comparatives restated by £1m to reflect reclassification of pension administrative expenses from finance costs to retail profit, as per the amended IAS 19.

Data tables for Q1, Q2 and half year are available for download in excel format at http://www.kingfisher.com/index.asp?pageid=59.

Section 4
FINANCIAL REVIEW

A summary of the reported financial results for the six months ended 3 August 2013 is set out below:

	2013/14 £m	2012/13 £m	Increase/ (decrease)
Sales	**5,716**	5,478	+4.3%
Adjusted pre-tax profit	**365**	371	(1.6)%
Profit before taxation after exceptional items	**401**	364	+10.2%
Adjusted basic earnings per share	**11.3p**	11.5p	(1.7)%
Dividends	**3.12p**	3.09p	+1.0%

A reconciliation of statutory profit before tax to adjusted pre-tax profit is set out below:

	2013/14 £m	2012/13 £m	Increase/ (decrease)
Profit before taxation	**401**	364	+10.2%
Exceptional items	**(35)**	6	
Profit before exceptional items and taxation	**366**	370	(1.1)%
Financing fair value remeasurements	**(1)**	1	
Adjusted pre-tax profit	**365**	371	(1.6)%

Profit after tax and Basic EPS including all exceptional items for the six months ended 3 August 2013 are set out below:

	2013/14	2012/13	Increase
Profit after tax	**£440m**	£259m	+69.9%
Basic EPS	**18.7p**	11.1p	+68.5%

Overview

The statutory financial results for the half year have benefitted significantly from exceptional items which add £35 million to profit before tax, £153 million to profit after tax and 6.5p to basic earnings per share. The exceptional items are detailed further below. For comparative purposes we have presented adjusted measures.

Total **sales** grew by 1.5% on a constant currency basis and grew by 4.3% to £5.7 billion (2012/13: £5.5 billion) on a reported rate basis. On a like-for-like basis, Group sales were down 0.8% (2012/13: down 2.8%). During the period, a net additional 42 new stores were opened, including 19 Screwfix outlets and 15 stores acquired with Bricostore Romania, taking the store network to 1,030 stores (excluding 39 Turkey JV stores).

Retail profit before exceptional items declined by 4.8% on a constant currency basis and by 1.8% to £394 million (2012/13: £401 million restated) on a reported rate basis. Including exceptional items, reported retail profit increased by 1.8% to £402 million (2012/13: £395 million restated).

Net interest has moved from a £2 million net expense (restated) in the prior half year to a £25 million net income in the current period. The breakdown is as follows:

	2013/14 **£m**	2012/13 (restated) £m
Underlying net interest	**(3)**	(1)
Financing fair value remeasurements	**1**	(1)
Exceptional items	**27**	-
Net interest	**25**	(2)

The principal movement in net interest is driven by the release of a £27 million exceptional repayment supplement provision on the Kesa demerger French tax case – see exceptional items section below.

Taxation

The effective rate of tax, calculated on profit before exceptional items and prior year tax adjustments is 27% (2012/13: 28%), in line with the full year rate for 2012/13.

Effective tax rate calculation	**Profit** **£m**	**Tax** **£m**	**2013/14** **%**	2012/13 %
Profit before tax and tax thereon	**401**	**(39)**	**(10)%**	29%
Exceptional items	**(35)**	**118**		
Prior year items and rate changes		**20**		
Total	**366**	**99**	**27%**	28%

The overall rate of tax includes the impact of exceptional items and prior year tax adjustments. The impact of such items in the period was to reduce the overall tax rate from 29% to -10%. This reflects the release of a £118 million exceptional tax provision following the successful resolution of the Kesa demerger French tax case – see exceptional items section below.

The Group's effective tax rate reflects the rates of tax and the proportion of profits generated in the various jurisdictions in which the Group operates. The statutory rates for the Group's main operating companies during 2013/14 are:

- UK 23%
- France 36.1%
- Poland 19%

Because of the large differences between these rates some fluctuation in the Group's effective tax rate is possible in the future. Whilst we will continue to plan our tax affairs efficiently and adopt a prudent approach towards providing for uncertain tax positions, we are aware that with pressure on government finances the tax cost of multi-nationals may increase over time.

Exceptional items

	2013/14 £m	2012/13 £m
Kesa demerger French tax case – repayment supplement income	**27**	-
Ireland restructuring	**7**	-
UK restructuring	**-**	(18)
Net pension gain	**-**	11
Other	**1**	1
	35	(6)
Tax on exceptional items	-	1
Kesa demerger French tax case	**118**	-
Net exceptional items	**153**	(5)

Kingfisher paid €138 million tax to the French tax authorities in the year ended 31 January 2004 as a consequence of the Kesa Electricals demerger and recorded this as an exceptional tax charge. Kingfisher appealed successfully against this tax liability and as a result received €169 million from the French tax authorities in September 2009, representing a refund of the €138 million and €31 million of repayment supplement. The French tax authorities appealed this decision and the hearing took place in May 2011 with the Court of Appeal finding in Kingfisher's favour. The French tax authorities appealed this decision to the final level of court and in July 2013 the case was found in Kingfisher's favour. The decision removed any uncertainty over the position and resulted in an exceptional credit of £145 million (€169 million), of which £27 million has been recognised in interest and £118 million in taxation.

The current period also includes an exceptional credit of £7 million for Ireland restructuring, reflecting the release of provisions recorded in January 2013 when B&Q Ireland entered into an Examinership process. This process was successfully exited in May 2013 with the closure of only one store, rather than five potentially under threat, and with over 600 jobs saved.

Earnings per share

Basic earnings per share have increased by 68.5% to 18.7p (2012/13: 11.1p). On a more comparable basis, removing the impact of exceptional items, prior year tax adjustments and financing fair value remeasurements, adjusted basic earnings per share have decreased by 1.7% to 11.3p (2012/13: 11.5p).

	Earnings £m	**2013/14 EPS pence**	Earnings £m	2012/13 EPS pence
Basic earnings per share	**440**	**18.7**	259	11.1
Net exceptional items	**(153)**	**(6.5)**	5	0.3
Prior year tax items and rate changes	**(20)**	**(0.9)**	2	0.1
Financing fair value remeasurements	**(1)**	**-**	1	-
Adjusted basic earnings per share	**266**	**11.3**	267	11.5

The average number of shares in issue during the period is 2,358 million (2012/13: 2,332 million).

Kingfisher

Free cash flow

A reconciliation of free cash flow and cash flow movement in financial net debt/cash is set out below:

	2013/14 £m	2012/13 (restated) £m
Operating profit (before exceptional items)	**368**	372
Other non-cash items [(1)]	**141**	143
Change in working capital	**125**	55
Pensions and provisions (before exceptional items)	**(18)**	(24)
Operating cash flow	**616**	546
Net interest paid	**(5)**	(4)
Tax paid	**(39)**	(74)
Gross capital expenditure	**(147)**	(172)
Disposal of assets	**10**	6
Free cash flow	**435**	302
Dividends paid	**(150)**	(148)
Acquisition of Bricostore Romania	**(28)**	-
Other [(2)]	**2**	4
Cash flow movement in net cash/(debt)	**259**	158
Opening net cash/(debt)	**38**	(88)
Debt acquired with Bricostore Romania	**(35)**	-
Other movement including foreign exchange	**(3)**	(41)
Closing net cash	**259**	29

[(1)] Includes depreciation and amortisation, share-based compensation charge, pre-exceptional non cash movement in pensions and provisions, share of post-tax results of JVs and associates and profit/loss on retail disposals.
[(2)] Includes dividends received from JVs and associates, issue of shares and exceptional items (excluding property disposals).

Free cash flow of £435 million was generated in the period (2012/13: £302 million) benefitting from a larger reduction in working capital, along with lower tax payments and lower capital expenditure. This was partially offset by the cost of the Romania acquisition (see below).

Financial net cash at the end of the period was £259 million (2 February 2013: £38 million; 28 July 2012: £29 million). The Group maintains a strong investment grade credit rating with two of the three rating agencies of BBB. The third agency remains at BBB- stable outlook. The Group has a £200 million committed facility that expires in 2016 and was undrawn at 3 August 2013. Having repaid £33 million of the USPPs in May 2013, the next significant debt maturity is in December 2014 when the Group is required to repay MTNs with a notional value of £73 million.
The maturity profile of Kingfisher's debt is illustrated at:
www.kingfisher.com/index.asp?pageid=76

The Group's overall leverage is more significant when including capitalised lease debt that in accordance with accounting regulations does not appear on the balance sheet. The ratio of the Group's lease adjusted net debt (capitalising leases at 8 times annual rent) to adjusted EBITDAR on a moving annual total basis is 2.3 times as at 3 August 2013. This level is broadly consistent with a BBB flat credit rating. At this level the Group has financial flexibility whilst retaining an efficient cost of capital.

A reconciliation of lease adjusted net debt to adjusted EBITDAR on a moving annual total basis is set out below:

		2013/14 £m
EBITDA[1]	987	
Property operating lease rentals	442	
Adjusted EBITDAR (moving annual total)		**1,429**
Net cash	(259)	
Pension position	6	
Property operating lease rentals (8x)[2]	3,536	
Lease adjusted net debt		**3,283**
Lease adjusted net debt to adjusted EBITDAR		**2.3x**

(1)*Calculated as retail profit less central costs and before depreciation and amortisation.*
(2)*Kingfisher believes 8x is a reasonable industry standard for estimating the economic value of its leased assets.*

As highlighted at the year end, the Group aims to maintain its solid investment grade credit rating whilst investing in the business where economic returns are attractive and paying a healthy annual dividend to shareholders. After satisfying these key aims and taking into account the economic and trading outlook any surplus capital would be returned to shareholders. Following a review at the half year the Group does not believe it has surplus capital.

Dividends

The interim dividend is proposed at 3.12p per share (2012/13: 3.09p per share). The ex-dividend date will be 9 October 2013 and the dividend will be paid on 15 November 2013 to those shareholders who are on the Register of Members at the close of business on 11 October 2013. Shareholders are able to take this dividend as cash or in shares, through the Dividend Reinvestment Plan (DRIP). Shareholders who wish to elect for the DRIP for the forthcoming interim dividend but have not already done so must notify the Registrars, Computershare Investor Services plc, by 25 October 2013.

In the Group's 2012/13 full year results it was stated that the Group would move away from the mechanistic calculation of the interim dividend as 35 per cent of the previous year's total dividends and instead set both the interim and final dividend by reference to the current year's earnings. Going forward the Group will aim to move towards a medium term annual dividend cover of around 2.5 times.

Acquisitions

On 31 May 2013, the Group acquired 100% of Bricostore Romania, a home improvement business operating 15 stores including 8 freeholds. Kingfisher paid £35 million of cash consideration and acquired £7 million of cash with Bricostore Romania. In addition, debt of £35 million was acquired with the business, which was immediately settled. Provisional goodwill of £13 million has been recognised on acquisition.

Pensions

At the half year, the Group had a net deficit of £6 million in relation to defined benefit pension arrangements, compared with a net position of £nil at 2 February 2013. An analysis of the movement in the pension deficit is set out in note 11 to the interim condensed financial statements. This accounting valuation is very sensitive to a number of assumptions and market rates which are likely to fluctuate in the future.

The Group has adopted a revised pensions accounting standard (IAS19 Employee Benefits) in the period. This has resulted in a reclassification of £2 million of administrative costs of running the UK scheme from interest to retail profit in both the current and prior half year periods.

Auto-enrolment of eligible employees into the UK defined contribution pension scheme commenced in the period, with around two-thirds of all UK employees now participating in this scheme.

Risks

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving Kingfisher's strategic objectives. The Board considers that the principal risks to achieving its objectives, which remain principally unchanged from those set in the 2012/13 Annual Report and Accounts, are summarised below:

- Failure to deliver demand and value through the easier initiatives
- Failure to invest in the systems and supply chain platforms necessary to maintain either competitive parity or advantage, amongst online or omnichannel competitors
- Failure to unlock the potential to generate further shareholder value through the optimisation of combined purchasing and commercial synergies, while retaining accountability at our Operating Companies
- Failure to stimulate increased consumer spend through investments in new store formats and customer proposition strategies
- Uncertainty surrounding the resilience of the global economy and the future of the Eurozone continues to impact both consumer confidence and the long-term sustainability and capabilities of the Group's supplier base
- Failure to identify, assess and take advantage of potential opportunities for overseas expansion and market penetration strategies for existing markets
- Not making the necessary investment in people to ensure that the Group has the appropriate calibre of staff, skills and experience
- Lack of perceived price competitiveness, particularly when compared to more discount based or online competitors
- Key product suppliers lacking the necessary resilience or disaster recovery capabilities to manage the impact of on-going global economic volatility or the increasing impacts of extreme weather cycles and patterns on their operations and extended supply chains
- Failure to maintain a safe environment for our customers and store colleagues which results in a major incident or fatality that is directly attributable to a failure in our Health & Safety management systems

- The impact on Kingfisher's reputation and brand arising from a major environmental or ethical failure, a significant corporate fraud or material non-compliance with legislative or regulatory requirements resulting in punitive or custodial procedures

Further details of the Group risks and risk management process can be found on pages 25 to 27 of the 2012/13 Annual Report and Accounts.

Forward-looking statements

This press release contains certain statements that are forward-looking and which should be considered, amongst other statutory provisions, in light of the safe harbour provisions of the United States 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. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations around the Company's programme known as 'Creating the Leader' and its associated eight steps.

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. We urge you to read our annual report and other company reports, including the risk factors contained therein, for a more detailed discussion of the factors that could affect our future performance and the industry in which we operate. 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 publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Nothing in this press release should be construed as a profit forecast.

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

£ millions	Notes	Half year ended 3 August 2013 Before exceptional items	Half year ended 3 August 2013 Exceptional items (note 5)	Half year ended 3 August 2013 Total	Half year ended 28 July 2012 (restated – note 3) Before exceptional items	Half year ended 28 July 2012 (restated – note 3) Exceptional items (note 5)	Half year ended 28 July 2012 (restated – note 3) Total
Sales	4	**5,716**	**-**	**5,716**	5,478	-	5,478
Cost of sales		**(3,619)**	**-**	**(3,619)**	(3,453)	-	(3,453)
Gross profit		**2,097**	**-**	**2,097**	2,025	-	2,025
Selling and distribution expenses		**(1,468)**	**7**	**(1,461)**	(1,407)	4	(1,403)
Administrative expenses		**(283)**	**-**	**(283)**	(272)	(11)	(283)
Other income		**17**	**1**	**18**	19	1	20
Share of post-tax results of joint ventures and associates		**5**	**-**	**5**	7	-	7
Operating profit		**368**	**8**	**376**	372	(6)	366
Analysed as:							
Retail profit	4	**394**	**8**	**402**	401	(6)	395
Central costs		**(20)**	**-**	**(20)**	(22)	-	(22)
Share of interest and tax of joint ventures and associates		**(6)**	**-**	**(6)**	(7)	-	(7)
Finance costs		**(6)**	**-**	**(6)**	(9)	-	(9)
Finance income		**4**	**27**	**31**	7	-	7
Net finance income/(costs)	6	**(2)**	**27**	**25**	(2)	-	(2)
Profit before taxation		**366**	**35**	**401**	370	(6)	364
Income tax credit/(expense)	7	**(79)**	**118**	**39**	(106)	1	(105)
Profit for the period		**287**	**153**	**440**	264	(5)	259
Attributable to:							
Equity shareholders of the Company				**440**			259
				440			259
Earnings per share	8						
Basic				**18.7p**			11.1p
Diluted				**18.5p**			10.9p
Adjusted basic				**11.3p**			11.5p
Adjusted diluted				**11.2p**			11.2p

The proposed interim dividend for the period ended 3 August 2013 is 3.12p per share.

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

		Year ended 2 February 2013 (restated – note 3)		
£ millions	Notes	Before exceptional items	Exceptional items (note 5)	Total
Sales	4	10,573	-	10,573
Cost of sales		(6,618)	-	(6,618)
Gross profit		3,955	-	3,955
Selling and distribution expenses		(2,768)	(17)	(2,785)
Administrative expenses		(525)	(9)	(534)
Other income		36	-	36
Share of post-tax results of joint ventures and associates		20	-	20
Operating profit		718	(26)	692
Analysed as:				
Retail profit	4	778	(26)	752
Central costs		(42)	-	(42)
Share of interest and tax of joint ventures and associates		(18)	-	(18)
			-	
Finance costs		(16)	-	(16)
Finance income		15	-	15
Net finance costs	6	(1)	-	(1)
Profit before taxation		717	(26)	691
Income tax expense	7	(128)	1	(127)
Profit for the year		589	(25)	564
Attributable to:				
Equity shareholders of the Company				564
				564
Earnings per share	8			
Basic				24.1p
Diluted				23.8p
Adjusted basic				22.3p
Adjusted diluted				22.0p

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Profit for the period	**440**	259	564
Actuarial losses on post employment benefits	**(17)**	(66)	(29)
Tax on items that will not be reclassified	**3**	19	(18)
Total items that will not be reclassified subsequently to profit or loss	**(14)**	(47)	(47)
Currency translation differences			
Group	**(22)**	(144)	122
Joint ventures and associates	**(1)**	(12)	8
Cash flow hedges			
Fair value gains/(losses)	**13**	10	(14)
Gains transferred to inventories	**(1)**	(8)	(8)
Tax on items that may be reclassified	**(2)**	2	4
Total items that may be reclassified subsequently to profit or loss	**(13)**	(152)	112
Other comprehensive income for the period	**(27)**	(199)	65
Total comprehensive income for the period	**413**	60	629
Attributable to:			
Equity shareholders of the Company	**412**	61	629
Non-controlling interests	**1**	(1)	-
	413	60	629

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£ millions	Share capital	Share premium	Own shares held	Retained earnings	Other reserves (note 13)	Total	Non-controlling interests	Total equity
	Attributable to equity shareholders of the Company							
At 3 February 2013	**373**	**2,204**	**(60)**	**3,106**	**525**	**6,148**	**8**	**6,156**
Profit for the period	**-**	**-**	**-**	**440**	**-**	**440**	**-**	**440**
Other comprehensive income for the period	**-**	**-**	**-**	**(14)**	**(14)**	**(28)**	**1**	**(27)**
Total comprehensive income for the period	**-**	**-**	**-**	**426**	**(14)**	**412**	**1**	**413**
Share-based compensation	**-**	**-**	**-**	**7**	**-**	**7**	**-**	**7**
New shares issued under share schemes	**-**	**1**	**-**	**-**	**-**	**1**	**-**	**1**
Own shares issued under share schemes	**-**	**-**	**44**	**(38)**	**-**	**6**	**-**	**6**
Dividends	**-**	**-**	**-**	**(150)**	**-**	**(150)**	**-**	**(150)**
At 3 August 2013	**373**	**2,205**	**(16)**	**3,351**	**511**	**6,424**	**9**	**6,433**
At 29 January 2012	372	2,199	(134)	2,869	413	5,719	8	5,727
Profit for the period	-	-	-	259	-	259	-	259
Other comprehensive income for the period	-	-	-	(47)	(151)	(198)	(1)	(199)
Total comprehensive income for the period	-	-	-	212	(151)	61	(1)	60
Share-based compensation	-	-	-	11	-	11	-	11
New shares issued under share schemes	-	1	-	-	-	1	-	1
Own shares issued under share schemes	-	-	61	(57)	-	4	-	4
Dividends	-	-	-	(148)	-	(148)	-	(148)
At 28 July 2012	372	2,200	(73)	2,887	262	5,648	7	5,655
At 29 January 2012	372	2,199	(134)	2,869	413	5,719	8	5,727
Profit for the year	-	-	-	564	-	564	-	564
Other comprehensive income for the year	-	-	-	(47)	112	65	-	65
Total comprehensive income for the year	-	-	-	517	112	629	-	629
Share-based compensation	-	-	-	9	-	9	-	9
New shares issued under share schemes	1	5	-	-	-	6	-	6
Own shares issued under share schemes	-	-	74	(68)	-	6	-	6
Dividends	-	-	-	(221)	-	(221)	-	(221)
At 2 February 2013	373	2,204	(60)	3,106	525	6,148	8	6,156

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET

£ millions	Notes	At 3 August 2013	At 28 July 2012	At 2 February 2013
Non-current assets				
Goodwill		**2,414**	2,396	2,399
Other intangible assets		**200**	148	166
Property, plant and equipment		**3,770**	3,573	3,748
Investment property		**63**	52	66
Investments in joint ventures and associates		**282**	256	289
Post employment benefits	11	**70**	-	71
Deferred tax assets		**16**	20	17
Derivative assets	12	**55**	57	55
Other receivables		**18**	18	18
		6,888	6,520	6,829
Current assets				
Inventories		**2,167**	1,932	2,083
Trade and other receivables		**599**	567	545
Derivative assets	12	**12**	33	33
Current tax assets		**4**	2	9
Cash and cash equivalents		**559**	613	398
		3,341	3,147	3,068
Total assets		**10,229**	9,667	9,897
Current liabilities				
Trade and other payables		**(2,695)**	(2,558)	(2,430)
Borrowings	12	**(15)**	(315)	(99)
Derivative liabilities	12	**(6)**	(5)	(17)
Current tax liabilities		**(208)**	(314)	(289)
Provisions		**(13)**	(45)	(35)
		(2,937)	(3,237)	(2,870)
Non-current liabilities				
Other payables		**(87)**	(107)	(115)
Borrowings	12	**(329)**	(334)	(332)
Derivative liabilities	12	**(13)**	(2)	(12)
Deferred tax liabilities		**(304)**	(252)	(303)
Provisions		**(50)**	(36)	(38)
Post employment benefits	11	**(76)**	(44)	(71)
		(859)	(775)	(871)
Total liabilities		**(3,796)**	(4,012)	(3,741)
Net assets		**6,433**	5,655	6,156
Equity				
Share capital		**373**	372	373
Share premium		**2,205**	2,200	2,204
Own shares held		**(16)**	(73)	(60)
Retained earnings		**3,351**	2,887	3,106
Other reserves	13	**511**	262	525
Total attributable to equity shareholders of the Company		**6,424**	5,648	6,148
Non-controlling interests		**9**	7	8
Total equity		**6,433**	5,655	6,156

The interim financial report was approved by the Board of Directors on 10 September 2013 and signed on its behalf by:

Ian Cheshire, Group Chief Executive　　　　Karen Witts, Group Finance Director

KINGFISHER PLC

2013/14 INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED CASH FLOW STATEMENT

£ millions	Notes	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Operating activities				
Cash generated by operations	14	**600**	535	730
Income tax paid		**(39)**	(74)	(129)
Net cash flows from operating activities		**561**	461	601
Investing activities				
Purchase of businesses, net of cash acquired	16	**(28)**	-	-
Purchase of property, plant and equipment, investment property and intangible assets		**(147)**	(172)	(316)
Disposal of property, plant and equipment, investment property and intangible assets		**10**	6	17
Interest received		**3**	7	18
Dividends received from joint ventures and associates		**11**	10	10
Net cash flows from investing activities		**(151)**	(149)	(271)
Financing activities				
Interest paid		**(6)**	(9)	(18)
Interest element of finance lease rental payments		**(2)**	(2)	(4)
Repayment of loans		**(89)**	(5)	(31)
Repayment of Medium Term Notes and other fixed term debt		**(33)**	-	(162)
Receipt on financing derivatives		**6**	-	-
Capital element of finance lease rental payments		**(6)**	(6)	(12)
New shares issued under share schemes		**1**	1	6
Own shares issued under share schemes		**6**	4	6
Dividends paid to equity shareholders of the Company		**(150)**	(148)	(221)
Net cash flows from financing activities		**(273)**	(165)	(436)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts		**137**	147	(106)
Cash and cash equivalents and bank overdrafts at beginning of period		**398**	485	485
Exchange differences		**23**	(51)	19
Cash and cash equivalents and bank overdrafts at end of period	15	**558**	581	398

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Kingfisher plc ('the Company'), its subsidiaries, joint ventures and associates (together 'the Group') supply home improvement products and services through a network of retail stores and other channels, located mainly in the United Kingdom, continental Europe and China.

Kingfisher plc is a company incorporated in the United Kingdom.

The address of its registered office is 3 Sheldon Square, Paddington, London W2 6PX.

The Company is listed on the London Stock Exchange.

The interim financial report does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Audited statutory accounts for the year ended 2 February 2013 were approved by the Board of Directors on 25 March 2013 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under sections 498(2) or (3) of the Companies Act 2006.

The interim financial report has been reviewed, not audited, and was approved by the Board of Directors on 10 September 2013.

2. Basis of preparation

The interim financial report for the 26 weeks ended 3 August 2013 ('the half year') has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. It should be read in conjunction with the annual financial statements for the year ended 2 February 2013, which have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. The consolidated income statement and related notes represent results for continuing operations, there being no discontinued operations in the periods presented. Where comparatives are given, '2012/13' refers to the prior half year.

There have been no changes in estimates of amounts reported in prior periods that have had a material effect in the current period.

The Directors of Kingfisher plc, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed consolidated financial statements for the half year ended 3 August 2013.

Principal rates of exchange against Sterling

	Half year ended 3 August 2013		Half year ended 28 July 2012		Year ended 2 February 2013	
	Average rate	Period end rate	Average rate	Period end rate	Average rate	Year end rate
Euro	**1.17**	**1.15**	1.23	1.27	1.23	1.15
US Dollar	**1.53**	**1.53**	1.58	1.57	1.59	1.57
Polish Zloty	**4.91**	**4.86**	5.16	5.24	5.13	4.79
Chinese Renminbi	**9.44**	**9.37**	9.99	10.02	10.01	9.80

Use of non-GAAP measures

In the reporting of financial information, the Group uses certain measures that are not required under IFRS, the generally accepted accounting principles (GAAP) under which the Group reports. Kingfisher believes that retail profit, adjusted pre-tax profit, effective tax rate, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These and other non-GAAP measures such as net debt/cash are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items', 'adjusted', 'effective tax rate' and 'net debt/cash' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

Retail profit is defined as continuing operating profit before central costs (principally the costs of the Group's head office), exceptional items, amortisation of acquisition intangibles and the Group's share of interest and tax of joint ventures and associates.

The separate reporting of non-recurring exceptional items, which are presented as exceptional within their relevant income statement category, helps provide an indication of the Group's underlying business performance. The principal items which are included as exceptional items are:

- non-trading items included in operating profit such as profits and losses on the disposal, closure or impairment of subsidiaries, joint ventures, associates and investments which do not form part of the Group's trading activities;
- profits and losses on the disposal of properties; and
- the costs of significant restructuring and incremental acquisition integration costs.

The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements, amortisation of acquisition intangibles, related tax items and prior year tax items. Financing fair value remeasurements represent changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value hedge relationships. Financing derivatives are those that relate to underlying items of a financing nature.

The effective tax rate represents the effective income tax expense as a percentage of continuing profit before taxation excluding exceptional items. Effective income tax expense is the continuing income tax expense excluding tax on exceptional items and tax adjustments in respect of prior years and the impact of changes in tax rates on deferred tax.

Net debt (or net cash) comprises borrowings and financing derivatives (excluding accrued interest), less cash and cash equivalents and current other investments.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2013, as described in note 2 of those financial statements, except where set out below.

IAS 19 (revised), 'Employee benefits', amends the accounting for employment benefits and the Group has applied it retrospectively in accordance with the transition provisions of the standard. The impact on the Group has been in the following areas:

- The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a single net interest cost or return based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. There is no change to determining the discount rate; this continues to reflect the yield on high-quality corporate bonds. For the current and comparative period, the Group's reported profit before taxation was not impacted as the expected rate of return on assets at the start of the current and prior year was the same as the discount rate for the UK scheme, the Group's principal defined benefit pension plan.
- The revised standard also requires administrative costs of running the UK scheme to be reclassified from net finance costs to operating costs. For the current period the Group's reported operating profit is £2m lower and net finance income £2m higher than they would have been prior to the adoption of IAS 19 (revised 2011). For the comparative period the Group's reported operating profit is £2m lower and net finance costs £2m lower than previously reported. For the year ended 2 February 2013 the Group's reported operating profit is £3m lower and net finance costs £3m lower than previously reported.

The amendments to IAS 1, 'Presentation of items of other comprehensive income', require items presented in 'other comprehensive income' to be grouped by those items that may be reclassified subsequently to profit or loss and those that will never be reclassified, together with their associated income tax. The amendments have been applied retrospectively and the presentation of items of comprehensive income has been adjusted accordingly.

IFRS 13, 'Fair value measurement', has impacted the measurement of fair value for certain financial assets and liabilities as well as introducing new disclosures.

Taxes on income for interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other standards, amendments to standards or interpretations that are both mandatory for the first time for the financial year ending 1 February 2014 and expected to have a material impact on the Group's results.

4. Segmental analysis

Income statement

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Half year ended 3 August 2013
Sales	**2,270**	**2,306**	**557**	**583**	**5,716**
Retail profit	**141**	**191**	**54**	**8**	**394**
Exceptional items					**8**
Central costs					**(20)**
Share of interest and tax of joint ventures and associates					**(6)**
Operating profit					**376**
Net finance income					**25**
Profit before taxation					**401**

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Half year ended 28 July 2012 (restated)
Sales	2,264	2,206	513	495	5,478
Retail profit	143	191	54	13	401
Exceptional items					(6)
Central costs					(22)
Share of interest and tax of joint ventures and associates					(7)
Operating profit					366
Net finance costs					(2)
Profit before taxation					364

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2013 (restated)
Sales	4,316	4,194	1,029	1,034	10,573
Retail profit	231	397	107	43	778
Exceptional items					(26)
Central costs					(42)
Share of interest and tax of joint ventures and associates					(18)
Operating profit					692
Net finance costs					(1)
Profit before taxation					691

Balance sheet

£ millions	UK & Ireland	France	Other International: Poland	Other International: Other	Total
					At 3 August 2013
Segment assets	**1,456**	**1,366**	**560**	**612**	**3,994**
Central liabilities					**(234)**
Goodwill					**2,414**
Net cash					**259**
Net assets					**6,433**

£ millions	UK & Ireland	France	Other International: Poland	Other International: Other	Total
					At 28 July 2012
Segment assets	1,350	1,237	480	564	3,631
Central liabilities					(401)
Goodwill					2,396
Net cash					29
Net assets					5,655

£ millions	UK & Ireland	France	Other International: Poland	Other International: Other	Total
					At 2 February 2013
Segment assets	1,458	1,443	600	620	4,121
Central liabilities					(402)
Goodwill					2,399
Net cash					38
Net assets					6,156

The 'Other International' segment consists of Poland, China, Spain, Russia, Romania, the joint venture Koçtaş in Turkey and the associate Hornbach which has operations in Germany and other European countries. Poland has been shown separately due to its significance.

Central costs principally comprise the costs of the Group's head office. Central liabilities comprise unallocated head office and other central items including pensions, interest and tax.

The Group's sales, although generally not highly seasonal on a half-yearly basis, do increase over the Easter period and during the summer months leading to slightly higher sales usually being recognised in the first half of the year.

5. Exceptional items

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Included within selling and distribution expenses			
Ireland restructuring	**7**	-	(21)
UK restructuring	**-**	4	4
	7	4	(17)
Included within administrative expenses			
UK restructuring	**-**	(22)	(20)
Net pension gain	**-**	11	11
	-	(11)	(9)
Included within other income			
Profit on disposal of properties	**1**	1	-
	1	1	-
Included within finance income			
Kesa demerger French tax case – repayment supplement income	**27**	-	-
	27	-	-
Exceptional items before tax	**35**	(6)	(26)
Tax on exceptional items	**-**	1	1
Kesa demerger French tax case	**118**	-	-
Exceptional items	**153**	(5)	(25)

The exceptional credit of £7m for Ireland restructuring reflects the release of provisions recorded in January 2013 when B&Q Ireland entered into an Examinership process. It successfully exited Examinership in May 2013 with the closure of only one store.

In July 2013 the Conseil d'Etat, France's ultimate court, found in favour of Kingfisher regarding the Kesa demerger tax case, which concluded the matter. Whilst a refund was received from the French tax authorities following the first positive decision in 2009, the Group continued to provide against the risk while litigation was on-going. A £27m repayment supplement provision and £118m taxation provision related to the case have subsequently been released and treated as exceptional.

The prior year UK restructuring net charge principally reflected the streamlining of B&Q UK & Ireland's store support office and kitchen, bathroom and bedroom business as well as IT services. It included a £4m release of an onerous property contract provision for idle stores either sublet or exited in the period, which had previously been charged as an exceptional item.

In the prior year the UK final salary pension scheme was closed to future benefit accrual, resulting in a net pension gain of £11m. This consisted of a £27m curtailment gain offset by a charge of £16m for transitional payments to scheme members.

6. Net finance income/(costs)

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012 (restated)	Year ended 2 February 2013 (restated)
Bank overdrafts and bank loans	**(3)**	(3)	(8)
Medium Term Notes and other fixed term debt	**(2)**	(4)	(7)
Finance leases	**(2)**	(2)	(4)
Financing fair value remeasurements	**1**	(1)	2
Capitalised interest	**-**	1	1
Finance costs	**(6)**	(9)	(16)
Cash and cash equivalents	**3**	7	15
Net interest return on defined benefit pension schemes	**1**	-	-
Kesa demerger French tax case – repayment supplement income (note 5)	**27**	-	-
Finance income	**31**	7	15
Net finance income/(costs)	**25**	(2)	(1)

7. Income tax

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
UK corporation tax			
Current tax on profits for the period	**30**	30	47
Adjustments in respect of prior years	**(1)**	3	(13)
	29	33	34
Overseas tax			
Current tax on profits for the period	**66**	65	128
Kesa demerger French tax case (note 5)	**(118)**	-	-
Other adjustments in respect of prior years	**(12)**	(1)	(54)
	(64)	64	74
Deferred tax			
Current period	**3**	8	18
Adjustments in respect of prior years	**-**	3	5
Adjustments in respect of changes in tax rates	**(7)**	(3)	(4)
	(4)	8	19
Income tax (credit)/expense	**(39)**	105	127

The effective rate of tax on profit before exceptional items and excluding prior year tax adjustments and the impact of changes in tax rates on deferred tax is 27% (2012/13: 28%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2013 was 27%. Exceptional tax items for the current period amount to a credit of £118m (2012/13: £1m credit). Tax on exceptional items for the year ended 2 February 2013 was a credit of £1m.

8. Earnings per share

Pence	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Basic earnings per share	**18.7**	11.1	24.1
Effect of dilutive share options	**(0.2)**	(0.2)	(0.3)
Diluted earnings per share	**18.5**	10.9	23.8
Basic earnings per share	**18.7**	11.1	24.1
Exceptional items before tax	**(1.5)**	0.3	1.1
Tax on exceptional and prior year items	**(5.9)**	0.1	(2.8)
Financing fair value remeasurements	**-**	-	(0.1)
Adjusted basic earnings per share	**11.3**	11.5	22.3
Diluted earnings per share	**18.5**	10.9	23.8
Exceptional items before tax	**(1.5)**	0.2	1.1
Tax on exceptional and prior year items	**(5.8)**	0.1	(2.8)
Financing fair value remeasurements	**-**	-	(0.1)
Adjusted diluted earnings per share	**11.2**	11.2	22.0

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. A reconciliation of statutory earnings to adjusted earnings is set out below:

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Earnings	**440**	259	564
Exceptional items before tax	**(35)**	6	26
Tax on exceptional and prior year items	**(138)**	1	(67)
Financing fair value remeasurements	**(1)**	1	(2)
Tax on financing fair value remeasurements	**-**	-	1
Adjusted earnings	**266**	267	522

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), is 2,358m (2012/13: 2,332m). The diluted weighted average number of shares in issue during the period is 2,376m (2012/13: 2,379m). For the year ended 2 February 2013, the weighted average number of shares in issue was 2,339m and the diluted weighted average number of shares in issue was 2,373m.

9. Dividends

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Dividends to equity shareholders of the Company			
Final dividend for the year ended 2 February 2013 of 6.37p per share	**150**	-	-
Interim dividend for the year ended 2 February 2013 of 3.09p per share	**-**	-	73
Final dividend for the year ended 28 January 2012 of 6.37p per share	**-**	148	148
	150	148	221

The proposed interim dividend for the period ended 3 August 2013 is 3.12p per share.

10. Capital expenditure

Additions to the cost of property, plant and equipment, investment property and intangible assets, excluding assets acquired on the purchase of businesses, are £146m (2012/13: £176m) and for the year ended 2 February 2013 were £334m. Disposals in net book value of property, plant and equipment, investment property and intangible assets are £9m (2012/13: £5m) and for the year ended 2 February 2013 were £21m.

Capital commitments contracted but not provided for at the end of the period are £48m (2012/13: £34m) and at 2 February 2013 were £36m.

11. Post employment benefits

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012 (restated)	Year ended 2 February 2013 (restated)
Net deficit in schemes at beginning of period	**-**	(15)	(15)
Current service cost	**(4)**	(14)	(17)
Administration costs	**(2)**	(2)	(3)
Curtailment gain	**-**	27	27
Net interest return	**1**	-	-
Actuarial losses	**(17)**	(66)	(29)
Contributions paid by employer	**16**	23	41
Exchange differences	**-**	3	(4)
Net deficit in schemes at end of period	**(6)**	(44)	-

The assumptions used in calculating the costs and obligations of the Group's defined benefit pension schemes are set by the Directors after consultation with independent professionally qualified actuaries. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations, as illustrated in the sensitivity analysis provided in note 27 of the annual financial statements for the year ended 2 February 2013.

A key assumption in valuing the pension obligation is the discount rate. Accounting standards require this to be set based on market yields on high quality corporate bonds at the balance sheet date. The UK scheme discount rate is based on the yield on the iBoxx over 15 year AA-rated Sterling corporate bond index adjusted for the difference in term between iBoxx and scheme liabilities.

The discount rate and price inflation actuarial valuation assumptions for the UK scheme, being the Group's principal defined benefit scheme, are set out below:

Annual % rate	At 3 August 2013	At 28 July 2012	At 2 February 2013
Discount rate	**4.6**	4.0	4.6
Price inflation	**3.3**	2.6	3.3

In the prior year the UK final salary scheme was closed to future benefit accrual with effect from 30 June 2012, resulting in a curtailment gain of £27m. From this date all UK employees have had the opportunity to join an enhanced defined contribution scheme. The reduction in future contributions to the final salary scheme has been offset significantly by the increased employee participation in, and employer contributions to, the enhanced defined contribution scheme.

12. Financial instruments

The Group holds the following financial instruments at fair value:

£ millions	At 3 August 2013
Cross-currency interest rate swaps	**60**
Foreign exchange contracts	**7**
Derivative assets	**67**
Cross-currency interest rate swaps	**(13)**
Foreign exchange contracts	**(6)**
Derivative liabilities	**(19)**

The fair values are calculated by discounting future cash flows arising from the instruments and adjusting for credit risk. These fair value measurements are all made using observable market rates of interest, foreign exchange and credit risk.

All the financial instruments held by the Group are considered to have fair values determined by Level 2 inputs as defined by the fair value hierarchy of IFRS 13, 'Fair value measurement'. There are no non-recurring fair value measurements nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy.

Except as detailed in the following table of borrowings, the directors consider that the carrying amounts of financial instruments recorded at amortised cost in the financial statements are approximately equal to their fair values.

Where available, market values have been used to determine the fair values of borrowings. Where market values are not available or are not reliable, fair values have been calculated by discounting cash flows at prevailing interest and foreign exchange rates.

			Carrying amount
£ millions	At 3 August 2013	At 28 July 2012	At 2 February 2013
Bank overdrafts	**1**	32	-
Bank loans	**16**	91	68
Medium Term Notes and other fixed term debt	**264**	464	298
Finance leases	**63**	62	65
Borrowings	**344**	649	431

			Fair value
£ millions	At 3 August 2013	At 28 July 2012	At 2 February 2013
Bank overdrafts	**1**	32	-
Bank loans	**17**	92	69
Medium Term Notes and other fixed term debt	**273**	472	307
Finance leases	**79**	85	86
Borrowings	**370**	681	462

13. Other reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other	Total
At 3 February 2013	**(8)**	**374**	**159**	**525**
Currency translation differences				
Group	**-**	**(23)**	**-**	**(23)**
Joint ventures and associates	**-**	**(1)**	**-**	**(1)**
Cash flow hedges				
Fair value gains	**13**	**-**	**-**	**13**
Gains transferred to inventories	**(1)**	**-**	**-**	**(1)**
Tax on items that may be reclassified	**(4)**	**2**	**-**	**(2)**
Other comprehensive income for the period	**8**	**(22)**	**-**	**(14)**
At 3 August 2013	**-**	**352**	**159**	**511**
At 29 January 2012	7	247	159	413
Currency translation differences				
Group	-	(143)	-	(143)
Joint ventures and associates	-	(12)	-	(12)
Cash flow hedges				
Fair value gains	10	-	-	10
Gains transferred to inventories	(8)	-	-	(8)
Tax on items that may be reclassified	(1)	3	-	2
Other comprehensive income for the period	1	(152)	-	(151)
At 28 July 2012	8	95	159	262
At 29 January 2012	7	247	159	413
Currency translation differences				
Group	-	122	-	122
Joint ventures and associates	-	8	-	8
Cash flow hedges				
Fair value losses	(14)	-	-	(14)
Gains transferred to inventories	(8)	-	-	(8)
Tax on items that may be reclassified	7	(3)	-	4
Other comprehensive income for the year	(15)	127	-	112
At 2 February 2013	(8)	374	159	525

14. Cash generated by operations

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012 (restated)	Year ended 2 February 2013 (restated)
Operating profit	**376**	366	692
Share of post-tax results of joint ventures and associates	**(5)**	(7)	(20)
Depreciation and amortisation	**130**	122	248
Impairment losses	**-**	-	8
(Profit)/loss on disposal of property, plant and equipment, investment property and intangible assets	**(1)**	(1)	5
Share-based compensation charge	**7**	11	9
Increase in inventories	**(60)**	(152)	(191)
Increase in trade and other receivables	**(50)**	(57)	(6)
Increase in trade and other payables	**234**	264	19
Movement in provisions	**(21)**	23	14
Movement in post employment benefits	**(10)**	(34)	(48)
Cash generated by operations	**600**	535	730

15. Net cash

£ millions	At 3 August 2013	At 28 July 2012	At 2 February 2013
Cash and cash equivalents	**559**	613	398
Bank overdrafts	**(1)**	(32)	-
Cash and cash equivalents and bank overdrafts	**558**	581	398
Bank loans	**(16)**	(91)	(68)
Medium Term Notes and other fixed term debt	**(264)**	(464)	(298)
Financing derivatives	**44**	65	71
Finance leases	**(63)**	(62)	(65)
Net cash	**259**	29	38

£ millions	Half year ended 3 August 2013	Half year ended 28 July 2012	Year ended 2 February 2013
Net cash/(debt) at beginning of period	**38**	(88)	(88)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**137**	147	(106)
Repayment of loans	**89**	5	31
Repayment of Medium Term Notes and other fixed term debt	**33**	-	162
Receipt on financing derivatives	**(6)**	-	-
Capital element of finance lease rental payments	**6**	6	12
Cash flow movement in net cash	**259**	158	99
Borrowings acquired	**(35)**	-	-
Exchange differences and other non-cash movements	**(3)**	(41)	27
Net cash at end of period	**259**	29	38

16. Acquisitions

On 31 May 2013, the Group acquired 100% of the share capital of the Bricostore Romania companies from Group Bresson, a French retail company. Consideration of £51m comprised £35m cash and a further £16m non-cash element, representing the obligation to assume a liability of the vendor.

Goodwill of £13m has been recognised on provisional net assets of £38m, representing a strategic premium to strengthen the Group's position in Eastern Europe and anticipated synergies that will arise from the acquisition.

£ millions	
Provisional fair value amounts recognised of identifiable assets acquired and liabilities assumed	
Property, plant and equipment	60
Other intangible assets	1
Inventories	31
Trade and other receivables	22
Cash and cash equivalents	7
Trade and other payables	(32)
Current tax liabilities	(5)
Borrowings	(35)
Provisions	(11)
Total identifiable net assets acquired	**38**
Goodwill	13
Total consideration	**51**

The acquisition amounts recorded in the consolidated cash flow statement for the period are:

£ millions	
Cash consideration	(35)
Cash acquired	7
Purchase of businesses, net of cash acquired	**(28)**

Immediately following the acquisition, Kingfisher settled Bricostore Romania's borrowings of £35m (included within repayment of loans in the cash flow statement).

Acquisition related costs of £1m have been charged in the consolidated income statement in the period.

Owing to local conditions, Bricostore Romania prepares its financial statements to 31 December. In the period from 31 May 2013 to 30 June 2013, it contributed sales of £11m and a retail profit of £nil. If the acquisition had occurred at the start of the financial year, the Group's sales would have been £5,754m and Group operating profit, after exceptional items, would have been £374m for the six months ended 3 August 2013.

17. Contingent assets and liabilities

The Group has arranged for certain guarantees to be provided to third parties in the ordinary course of business. Of these guarantees, only £1m (2012/13: £6m) would crystallise due to possible future events not wholly within the Group's control. At 2 February 2013 the amount was £1m.

The Group is subject to claims and litigation arising in the ordinary course of business and provision is made where liabilities are considered likely to arise on the basis of current information and legal advice.

18. Related party transactions

The Group's significant related parties are its joint ventures, associates and pension schemes as disclosed in note 36 of the annual financial statements for the year ended 2 February 2013. There have been no significant changes in related parties or related party transactions in the period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this set of interim condensed financial statements has been prepared in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the period and their impact on the interim condensed financial statements, and a description of the principal risks and uncertainties for the remainder of the financial year; and
- material related party transactions in the period and any material changes in the related party transactions described in the last annual report.

The Directors of Kingfisher plc were listed in the Kingfisher plc Annual Report for the year ended 2 February 2013. There have been no changes in the period.

By order of the Board

Ian Cheshire	Karen Witts
Group Chief Executive	Group Finance Director
10 September 2013	10 September 2013

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the half year ended 3 August 2013 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 18. We have read the other information contained in the interim financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410; "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this interim financial report has been prepared in accordance with International Accounting Standard 34; "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the interim financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410; "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the interim financial report for the half year ended 3 August 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
10 September 2013