**Thursday 17 August 2017: Q2 to 31 July 2017**

**Kingfisher reports sales of £3.1 billion, LFL(1) down 1.9%**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Sales****2017/18** | **% Total****Change** | **% Total****Change** | **% LFL** **Change** |
|  | **£m** | **Reported** | **Constant currency** | **Constant currency** |
| **UK & Ireland** | **1,332** | **(2.0)%** | **(2.1)%** | **(1.0)%** |
| - B&Q UK & Ireland | 967 | (7.7)% | (7.8)% | (4.7)% |
| - Screwfix | 365 | +17.2% | +17.2% | +10.8% |
| **France** | **1,188** | **+5.2%** | **(3.3)%** | **(3.8)%** |
| - Castorama | 668 | +6.3% | (2.3)% | (2.8)% |
| - Brico Dépôt | 520 | +3.8% | (4.5)% | (5.1)% |
| **Other International** | **628** | **+16.6%** | **+2.3%** | **-** |
| - Poland | 381 | +19.7% | +5.7% | +4.0% |
| - Russia | 110 | +17.4% | (5.0)% | (10.1)% |
| - Spain | 92 | +1.7% | (6.5)% | (4.8)% |
| - New Country Development(2) | 45 | n/a | n/a | n/a |
| **Total Group**  | **3,148** | **+4.0%** | **(1.7)%** | **(1.9)%** |

 |

* Q2 LFL down 1.9% reflecting:
	+ B&Q seasonal performance down 11% given weather boosted Q2 last year (+10%) and Q1 this year (+17%) (H1 2017/18: -1%)
	+ continued weaker sales in France; and
	+ continued business disruption from our ONE Kingfisher plan albeit with an overall improving trend
* Remain comfortable with Year 2 consensus underlying EPS expectations(3): self-help cost initiatives already in place including c.£5m more of GNFR(4) benefits than previously guided (now c.£25m)
* Remain on track to deliver Year 2 strategic milestones
* Entered into binding acquisition agreement in August to significantly strengthen our position in Romania, subject to regulatory approval
* Returned a further £168m (53m shares) year to date via share buyback of previously announced c.£600m capital return(5)

**Véronique Laury, Chief Executive Officer, said:**

“Q2 has broadly followed a similar course to Q1 although B&Q's performance was impacted by seasonal swings across Q1 and Q2. We have also continued to experience some disruption across the businesses, although on an improving trend. Availability of this year’s unified and unique product is now approaching normal levels. We continue to adapt new processes as our transformation progresses, which will support the significant amount of change planned for H2.

"Having been very aware that this year would be challenging given the step up in transformation activity, we already have self-help plans in place to support our overall Year 2 performance, though we remain cautious on the H2 outlook for the UK and France as previously guided. We remain on track to deliver our Year 2 strategic milestones, and look forward to updating you on our wider progress in more detail at our H1 results."

|  |
| --- |
| **Q2 trading highlights by division (in constant currencies):****UK & IRELAND*** Total sales -2.1%. LFL -1.0% reflecting continued strong Screwfix performance and modest price inflation offset by a softer B&Q performance
	+ **B&Q UK & Ireland** sales -7.8% reflecting annualisation of completed store closure programme. LFL -4.7% including benefit from sales transference associated with store closures(6). LFL of seasonal -10.7% reflecting strong comparative (Q2 16/17: +9.6%) and the positive impact of weather on this year’s Q1. LFL of non-seasonal, including showroom -1.6%
	+ **Screwfix** sales up +17.2%. LFL +10.8% driven by its leading digital capability, new and extended specialist ranges and new outlets

**FRANCE** * Total sales -3.3% (LFL -3.8%). Sales for the home improvement market (Banque de France data(7)) +0.4% in Q2
	+ **Castorama** sales -2.3% (LFL -2.8%). LFL of seasonal -6.0%. LFL of non-seasonal, including showroom -1.3%
	+ **Brico Dépôt** sales -4.5% (LFL -5.1%)

**OTHER INTERNATIONAL*** + Sales in **Poland** +5.7% (LFL +4.0%) reflecting a continued good performance in a supportive market. LFL of seasonal +1.4%. LFL of non-seasonal, including showroom +4.6%
 |

**Footnotes**

(1) Like-for-like sales growth representing the constant currency, year on year sales growth for stores that have been open for more than a year

(2) Brico Dépôt Romania, Brico DépôtPortugal and Screwfix Germany

(3) Analyst consensus of underlying earnings per share of 26p for FY 2017/18, see <http://www.kingfisher.com/index.asp?pageid=79> for more detail. Underlying earnings per share is used to report the performance of the underlying business at a Group level, including the sustainable benefits of our transformation programme. This is stated before the short-term costs associated with our transformation programme, exceptional items and FFVR, related tax items and prior year tax items

(4) GNFR(Goods Not For Resale) covers the procurement of all goods and services that Kingfisher consumes

(5) Through to end of FY 2018/19 (over and above the annual ordinary dividend); now returned £368m of the c.£600m

(6) c.1% LFL sales transference benefit from B&Q store closures remains full year guidance

(7) Includes relocated and extended stores <http://webstat.banque-france.fr/en/browse.do?node=5384326>

**Contacts**

|  |  |  |
| --- | --- | --- |
| Investor Relations | Tel:+44 (0) 20 7644 1082 | Email:investorenquiries@kingfisher.com |
| Media Relations | +44 (0) 20 7644 1030 | corpcomms@kingfisher.com |
| Teneo Blue Rubicon | +44 (0) 20 7260 2700 | Kfteam@teneobluerubicon.com |

This announcement can be downloaded from [www.kingfisher.com](http://www.kingfisher.com). Data tables for Q2 and H1 sales 2017/18 are available for download in excel format at <http://www.kingfisher.com/index.asp?pageid=59>

We can be followed on Twitter @kingfisherplc with the Q2 results tag #KGFQ2. Kingfisher American Depository Receipts are traded in the US on the OTCQX platform:(OTCQX: KGFHY) <http://www.otcmarkets.com/stock/KGFHY/quote>

Our next announcement will be our Half Year Results on 20 September 2017. The results will be presented as an audio webcast followed by a live Q&A.

**Forward-looking statements**

You are not to construe the content of this announcement as investment, legal or tax advice and you should make your own evaluation of the Company and the market. If you are in any doubt about the contents of this announcement or the action you should take, you should consult a person authorised under the Financial Services and Markets Act 2000 (as amended) (or if you are a person outside the UK, otherwise duly qualified in your jurisdiction).

This announcement has been prepared in relation to the financial results for the Quarter ended 31 July 2017. The financial information referenced in this announcement is not audited and does not contain sufficient detail to allow a full understanding of the results of the group. Nothing in this announcement should be construed as either an offer or invitation to sell or any offering of securities or any invitation or inducement to any person to underwrite, subscribe for or otherwise acquire securities in any company within the group or an invitation or inducement to engage in investment activity under section 21 of the Financial Services and Markets Act 2000 (as amended).

Certain information contained in this announcement may constitute “forward-looking statements” (including within the meaning of the safe harbour provisions of the United States Private Securities Litigation Reform Act of 1995), which can be identified by the use of terms such as “may”, “will”, “would”, “could”, “should”, “expect”, “anticipate”, “project”, “estimate”, “intend”, “continue”, “target”, “plan”, “goal”, “aim” or “believe” (or the negatives thereof) or other variations thereon or comparable terminology. These forward-looking statements include all matters that are not historical facts and include statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, changes in global or regional trade conditions, changes in tax rates, liquidity, prospects, growth and strategies. By their nature, forward-looking statements involve risks, assumptions and uncertainties that could cause actual events or results or actual performance of the Company to differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to the achievement or reasonableness of and no reliance should be placed on such forward-looking statements.

The Company does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in the Company’s expectations.