

Second Quarter pre-close update to 10 July 2010

Kingfisher plc reports total sales up 0.3% in constant currencies, down 0.8% on a like-for-like basis, for the 10 weeks to 10 July 2010

Constant currencies	10 weeks to 10 July 2010		23 weeks to 10 July 2010	
	% Total Change	% LFL Change	% Total Change	% LFL Change
Sales ⁽¹⁾				
France ⁽²⁾	3.9%	2.6%	3.0%	1.3%
UK & Ireland ⁽³⁾	(3.6)%	(4.4)%	(2.7)%	(3.5)%
Other International ⁽⁴⁾	1.6%	0.8%	0.5%	(1.4)%
Total Group	0.3%	(0.8)%	0.1%	(1.3)%

(1) All figures are on a constant currency basis. Continuing operations only. Joint Venture (JV) and Associate sales are not consolidated. Data is provided for the 23 and 10 weeks to 10 July 2010, with the exception of Russia and China which are reported for the 26 and 13 weeks to 30 June 2010.

(2) Castorama and Brico Dépôt.

(3) B&Q in the UK & Ireland and Screwfix.

(4) Poland, China, Spain and Russia.

Ian Cheshire, Kingfisher's Group Chief Executive, said:

"This is a solid performance in an uncertain environment for our customers right across Europe. Consumer spending remains under pressure, notably in the UK, and so we continued to focus on carefully targeting our promotions to drive profitable sales, improving our cash margins and vigorously controlling our costs. As a result our expectations for first half cash and profit outturn remain on track.

"While we remain cautious about the outlook for consumer spending, we are confident that the strengths of the Group and our well established self-help initiatives leave us well-placed to continue our good progress over the balance of the year."

All figures and comments below refer to the 10 weeks to 10 July ⁽¹⁾ in constant currencies

Trading reviews:

FRANCE

Castorama sales grew 4.1% (+3.1% LFL), supported by the introduction of new products, its store modernisation programme and favourable weather. **Brico Dépôt** sales were up 3.7% (+1.9% LFL) benefitting from an up-weighted programme of range refreshment and new and more frequent product catalogues emphasising their value credentials. Gross margins in France continued to benefit from fewer promotions year on year, increased direct sourcing and buying optimisation benefits.

UK & Ireland

B&Q total sales were down 3.5% (-4.3% LFL) although with a higher gross margin percentage achieved on those sales, B&Q's gross profit* was ahead. Sales of seasonal categories were flat and showroom (kitchens, bathrooms and bedrooms) and building categories were down, reflecting fewer promotions and weak consumer appetite for bigger ticket purchases. Sales were also impacted, as anticipated, by the roll out of 'TradePoint' into B&Q's large format stores (now in 89 stores). The gross margin percentage was up strongly compared to Q1 2010/11 and the prior year, continuing to benefit from more

targeted promotions, shrinkage reduction and more direct sourcing. **Screwfix** sales declined by 3.6%.

**Sales multiplied by gross margin percentage*

OTHER INTERNATIONAL

Sales in Other International markets grew 1.6% (+0.8% LFL). Sales in **Poland** were down 1.1% (-4.2% LFL) in a weaker market. However, seasonal categories were up around 8% across the period benefitting from favourable weather later in the period and a good response to the new garden catalogue. **B&Q China** sales declined 17.1% reflecting the lower number of stores but sales in the remaining stores were up 8.2% on an LFL basis. Losses are expected to have reduced significantly as planned in Q2, reflecting the turnaround initiatives and higher housing activity in most regions.

Forward-looking statements:

The financial information contained in this announcement has not been audited. Certain statements made in this announcement are forward-looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual results to differ materially from any expected future results in forward-looking statements.

Delivering Value:

The key components of the seven step programme to delivering a step-change in shareholder value are as follows:

1. Driving up B&Q UK & Ireland's profit
2. Exploiting our UK Trade opportunity
3. Expanding our total French business
4. Rolling out in Eastern Europe
5. Turning around B&Q China
6. Growing Group sourcing
7. Reducing working capital

Full details on progress will be given with the interim results announcement for the six months to 31 July 2010 on 16 September 2010.

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Further copies of this announcement can be downloaded from www.kingfisher.com or by application to: The Company Secretary, Kingfisher plc, 3 Sheldon Square, London, W2 6PX.

Company Profile:

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with around 840 stores in eight countries in Europe and Asia. Its main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix. Kingfisher also has a 50% joint venture business in Turkey with the Koç Group, and a 21% interest in, and strategic alliance with Hornbach, Germany's leading large format DIY retailer.