

## EMBARGOED UNTIL 0700 HOURS - Thursday 16 February 2012

**Kingfisher reports total Q4 sales up 2.2%, up 4.0% in constant currencies (LFL up 0.9%), expects full year adjusted profit to be up around 20%, in line with current analyst estimates\* and announces updated organisation structure.**

Sales - 13 weeks to 28 January 2012	% Total		% Total		% LFL
	2011/12 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	Change
France	938	4.6%	5.7%		4.2%
UK & Ireland	968	1.5%	1.5%		(1.9)%
Other International	449	(1.3)%	5.8%		0.1%
<b>Total Group</b>	<b>2,355</b>	<b>2.2%</b>	<b>4.0%</b>		<b>0.9%</b>

*Note: Joint Venture (Koçtaş JV) and Associate (Hornbach) sales are not consolidated.*

### **Commenting on trading, Ian Cheshire, Group Chief Executive, said:**

“With sales growth in each of our three main divisions and further solid profit growth in our final quarter we have ended another challenging year in robust shape. Our established programme of self-help initiatives has continued to serve us well and so we expect to announce full year adjusted profit in line with the current consensus of analyst expectations.\*

“Looking ahead the global economic outlook is uncertain and so we will remain focused on self-help measures to trade the business effectively, whatever the market conditions. Our medium term ambition remains to reposition the business as the industry leader at the forefront of innovation, helping our customers have ‘better homes, better lives’.”

*\*Analyst consensus of adjusted pre-tax profit £799 million, see [www.kingfisher.com/investors/analystestimates](http://www.kingfisher.com/investors/analystestimates) for more detail. Adjusted pre-tax profit is before exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles.*

### **Organisation update**

The successful ‘Delivering Value’ programme, which was launched in 2008 following the appointment of Ian Cheshire as the Group’s CEO, concluded at the end of this quarter. A key element of its success has been adapting the organisational structure, introducing collective responsibility for our performance and establishing internal networks that bring together our international teams to work on common Group goals. This is known internally as the ‘One Team’ approach.

As we enter the next phase of Kingfisher’s development, ‘Creating the Leader’ we intend to build on the success of this new approach, accelerating the transformation from our origins as a loose conglomerate into a unified home improvement retailer with a clear sense of purpose and ambition. As part of this organisational evolution, Kingfisher today announces the following changes in the roles and responsibilities of the Group Executive team supporting the Group Chief Executive, Ian Cheshire:

Philippe Tible, currently CEO, Kingfisher France, will retain responsibility for our French and Spanish businesses and in addition will assume responsibility for the Castorama

businesses in Poland and Russia. He becomes Kingfisher Divisional CEO, Castorama & Brico Dépôt.

Euan Sutherland, currently CEO, Kingfisher UK & Ireland, will become Kingfisher Chief Operating Officer with Group-wide responsibility for the key common range initiative, (which incorporates direct sourcing and own brands), and for developing our 'Eco' business. Euan will also assume responsibility for IT, Property and Human Resources and retain responsibility for the Screwfix business where several new Group-wide initiatives including multi-channel are currently under development.

Kevin O'Byrne, currently Group Finance Director, will become Kingfisher Divisional CEO, B&Q. Kevin will assume responsibility for the B&Q businesses in the UK and China as well as the B&Q joint venture in Turkey and our strategic alliance with Hornbach in Germany. Kevin will remain an Executive Director of Kingfisher. An internal and external search is currently underway to replace him as Group Finance Director.

Under this new organisation structure, the 'CEO, Kingfisher International' role will no longer exist. It is therefore with regret that we announce Peter Hogsted will be leaving the business later in the year.

All of these changes will take final effect on the appointment of a new Group Finance Director which we will separately announce in due course. In the meantime a progressive and extensive handover programme is underway.

#### **Commenting on the organisation changes, Ian Cheshire added:**

"Crucial to our success over the last four years has been the strength in depth of our whole management team and our new 'One Team' approach that better harnesses that talent. To support the next phase of our development, we intend to build on this momentum and today's changes will enable us to do that. However, I will be very sorry to see Peter go as he is a great retailer and has played a big part in our success to date. I'm very excited by Kingfisher's future potential and I'm looking forward to working with the management team and all our colleagues to deliver it."

#### ***All figures and comments below refer to the quarter ended 28 January 2012 in constant currencies***

##### **FRANCE**

*(Includes Castorama and Brico Dépôt)*

Total sales in France were £938 million, up 5.7%, (+4.2% LFL). **Castorama** total sales increased by 4.8% to £500 million (+2.9% LFL, +3.8% on a comparable store basis <sup>(1)</sup>) with sales benefitting from milder weather, new ranges and its store modernisation programme. **Brico Dépôt** total sales increased by 6.8% to £438 million (+5.7% LFL) benefitting from a continued extensive programme of range refreshment and a pick-up in new housing starts and planning consents.

##### **UK**

*(Includes B&Q in the UK & Ireland and Screwfix)*

Total sales in the UK & Ireland were £968 million, up 1.5% (-1.9% LFL). **B&Q** total sales increased by 0.2% to £837 million (-2.5% LFL), continuing to benefit from the closure of Focus DIY in Q2 last year. Sales of outdoor products were up around 6% in the milder weather whereas indoor product sales were down around 5% reflecting the generally weak consumer backdrop. **Screwfix** total sales grew 10.3% to £131 million (+2.2% LFL) boosted

by new ranges, the addition of specialist trade desks exclusive to plumbers and electricians within existing outlets, and the continued roll out of new outlets.

## OTHER INTERNATIONAL

*(Includes Poland, Spain, Russia and China. However, sales from the Koçtaş Joint Venture and the Hornbach Associate are not consolidated.)*

Sales in Other International were £449 million, up 5.8%, (+0.1% LFL). In **Poland** total sales increased by 3.5% to £212 million reflecting new store space, however LFL was down 1.9% in a generally weak market. In **Russia** sales grew by 35.4% to £86 million reflecting new store openings and strong LFL growth (+13.2% LFL). In **Spain**, Brico Dépôt sales declined slightly by 1.8% to £45 million (-1.9% LFL). B&Q **China** sales declined 3.9% (-2.6% LFL) to £106 million reflecting one less store compared with Q4 last year and a continued challenging housing market (down 29% <sup>(2)</sup>).

<sup>(1)</sup> Banque de France data including relocated and extended stores

<sup>(2)</sup> New property transaction data for China's 13 largest cities October 2011-December 2011 according to the China Real Estate Exchange Center

## For the year ended 28 January 2012

Sales	% Total		% Total		% LFL
	2011/12 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	Change
France	4,470	6.3%	4.8%		3.7%
UK & Ireland	4,338	0.1%	0.1%		(1.4)%
Other International	2,023	5.8%	7.3%		2.2%
<b>Total Group</b>	<b>10,831</b>	<b>3.6%</b>	<b>3.3%</b>		<b>1.3%</b>

2011/12: £1 = 1.15 euro (2010/11: 1.17 euro)

2011/12: £1 = 4.80 Polish zloty (2010/11: £1 = 4.65 Polish zloty)

2011/12: £1 = 10.31 Chinese renminbi (2010/11: £1 = 10.41 Chinese renminbi)

Note: Joint Venture (Koçtaş JV) and Associate (Hornbach) sales are not consolidated.

## Preliminary Results for the year ended 28 January 2012

Kingfisher's full year results will be announced on 22 March 2012, along with an outline of the progress achieved under the four year '**Delivering Value**' programme which concluded in January 2012. Management will also set out further detail on the next phase of Kingfisher's development, '**Creating the Leader**'. This phase will focus on a number of self-help initiatives to drive sales, margin and cost productivity under three general themes – making home improvement easier for customers ('Easier'), developing a world class core common range ('Common') and accelerating our expansion ('Expand').

A live webcast of the analyst and investor presentation will be available from 1000 hours.

## Company profile:

**Kingfisher plc** is Europe's leading home improvement retail Group and the third largest in the world, with around 950 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.

## Forward-looking statements

This press release contains certain statements that are forward-looking and 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 its three key priorities of Management, Capital and Returns and the associated seven steps to 'Delivering Value' objectives and the next phase of the Company's development known as 'Creating the Leader'.

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. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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