

Kingfisher – at a glance

Kingfisher plc is Europe's largest home improvement retail group and the third largest in the world, with over 1,150 stores in ten countries in Europe and Asia, and sales of over £11 billion.



Our purpose

To make it easier for people to have better and more sustainable homes. This approach will unlock more customer demand and grow our business to the benefit of all our stakeholders, creating a more valuable business for our shareholders, a better partner for our suppliers, a more secure and brighter future for our colleagues and a more sustainable business for our local communities.

Our market

We currently operate in nine countries, spanning over 500 million households. Our research shows that spending on home improvement is a key priority for householders, making this an attractive sector for retailers. It's also attractive to retailers because of the relatively small number of well-known manufacturer brands. This means a specialist home improvement retailer provides a vital role for the consumer by offering a wide product choice and expert advice. They can offer

a high proportion of 'own brand' product, achieve economies of scale and have a more defensible position against online or generalist operators when compared with other retail segments.

Our strategy

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 and sourcing capability 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 needs. Our shorthand for describing this purpose is "Better Homes, Better Lives".

The current phase of our development towards this vision - Creating the Leader - builds on the success of 'Delivering Value', our previous

four-year growth plan, which has repositioned Kingfisher as a stronger business in the attractive home improvement market.

Kingfisher Net Positive

In October 2012 we officially launched a new corporate responsibility plan called 'Kingfisher Net Positive'. It commits us to a new challenge: to go beyond sustainability, to no longer strive for neutrality but to seek to make a positive contribution to the world's future. Our philosophy is that we should eventually be able to put more back than we take out – to be 'net positive'.

www.kingfisher.com/netpositive

Senior management



Sir Ian Cheshire
Group Chief Executive



Guy Colleau
CEO, Group Sourcing and Offer



Kevin O'Byrne
CEO, B&Q and Koctaş brands



Steve Willett
CEO, Group Productivity and Development



Karen Witts
Group Finance Director

Our strategy: Creating the Leader

In February 2012 we concluded our four-year 'Delivering Value' plan, which began in 2008 with the aim of creating a step-change in shareholder value. As a result of this successful self-help plan, Kingfisher is now a significantly stronger, higher returning business with stronger foundations for future growth.

We announced the second phase of our growth plan, called 'Creating the Leader' in March 2012. The eight specific steps that make up this medium-term plan will see us emerge as a world-class retailer, helping customers have better, more sustainable homes.

Creating the Leader is focused on a number of self-help initiatives to drive sales, margin and cost productivity across the Group under the four strategic pillars of Easier, Common, Expand and One Team. The key steps and work streams for the programme are set out below.

Key steps

Key work streams

EASIER	1. Making it easier for our customers to improve their home Measure: LFL sales growth	<ul style="list-style-type: none"> Keeping prices low and competitive Easier products to use Easier stores to shop DIY education & advice On-line research, design and forums De-mystify 'eco' for the home
	2. Giving our customers more ways to shop Measure: Unique web users	<ul style="list-style-type: none"> Group IT platform Smartphone & tablets Click, pay & collect in store
COMMON	3. Building innovative common brands Measure: % Group sales that are common. % Group sales direct sourced	<ul style="list-style-type: none"> Direct sourcing Common ranges New product innovation Coordinated range change
	4. Driving efficiency and effectiveness everywhere Measure: Retail profit margin	<ul style="list-style-type: none"> Supply chain efficiency Streamlining in-store processes Harmonisation of IT Goods not for resale (GNFR)
EXPAND	5. Growing our presence in existing markets Measure: Kingfisher Economic Profit (KEP)	<ul style="list-style-type: none"> Opening new stores Developing store formats
	6. Expanding in new and developing markets Measure: Kingfisher Economic Profit (KEP)	<ul style="list-style-type: none"> Research new territory entry Test a 'Do It For Me' (DFM) store format to complement our existing DIY and Trade formats
ONE TEAM	7. Developing leaders and connecting people Measure: Group employee engagement scores	<ul style="list-style-type: none"> Kingfisher 'One Academy' Cross group networks Net Positive
	8. Sustainability: becoming 'Net Positive' Measure: 'Net Positive' sustainability dashboard	<ul style="list-style-type: none"> Timber Energy Communities Innovation

Please see www.kingfisher.com/creatingtheleader for more information about the key success measures and short term milestones for 'Creating the Leader'.

Our business and markets – a snapshot



FRANCE

Contribution to Group sales†	Contribution to Group retail profit†	Country	Population (m)*	Households (m)*	Market position**	GDP growth 2014 estimated (%)‡	Market brands	Store numbers	Selling space (000s sq m)	Employees full time
		FRANCE	63	27	2	+0.9	castorama	103	1,117	12,392
40%	49%						BRICO DEPOT	112	625	6,893
£4.4bn	£396m									

UK & IRELAND

Contribution to Group sales†	Contribution to Group retail profit†	Country	Population (m)*	Households (m)*	Market position**	GDP growth 2014 estimated (%)‡	Market brands	Store numbers	Selling space (000s sq m)	Employees full time
		UK	62	28	1	+2.4	B&Q	360†	2,575†	20,596‡
							SCREWFIX	359	24	4,683
		IRELAND	4.5	2	-	+1.8	B&Q			
40%	30%									
£4.4bn	£238m									

OTHER INTERNATIONAL

Contribution to Group sales†	Contribution to Group retail profit†	Country	Population (m)*	Households (m)*	Market position**	GDP growth 2014 estimated (%)‡	Market brands	Store numbers	Selling space (000s sq m)	Employees full time
		POLAND	38	15	1	+2.4	castorama	72	529	10,357
		CHINA	1,348	427.5	-	+7.5	B&Q C216	39	318	3,695
		PORTUGAL	10.7	4.2	-	-	BRICO DEPOT	1	6	128
		SPAIN	46.5	18	2	+0.6	BRICO DEPOT	28	168	1,518
		ROMANIA	21	7.5	3	+2.2	BRICO DEPOT	15	156	1,112
		RUSSIA	143	53	3	+2.0	castorama	20	185	2,712
		TURKEY	74	19	1	+3.5	BRICO DEPOT	48	232	3,555
20%	21%									
£2.3bn	£171m									

TOTAL

£11.1bn	£805m							1,157	5,935	67,641
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* Source: The Economist Pocket World in Figures 2014

** Source: Kingfisher estimates

‡ Source: International Monetary Fund

† Including Ireland

‡ Including Ireland and Kingfisher Future Homes

¶ Figures correct as at 1 February 2014