KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:
- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

			Half year ended 2 August 2008		
	United		Other International		
£ millions	Kingdom	France	Poland	Other	Total
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

			Half year ended 4 August 2007 Restated		
	United		Other International		
£ millions	Kingdom	France	Poland	Other	Total
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

			Year ended 2 February 2008 Restated		
	United		Other International		
£ millions	Kingdom	France	Poland	Other	Total
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Half year ended 2 August 2008			Half year ended 4 August 2007 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Half year ended 2 August 2008 Exceptional items (note 4)	Half year ended 2 August 2008 Total	Half year ended 4 August 2007 Restated Before exceptional items	Half year ended 4 August 2007 Restated Exceptional items (note 4)	Half year ended 4 August 2007 Restated Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire
Group Chief Executive
17 September 2008

Duncan Tatton-Brown
Group Finance Director
17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Year ended 2 February 2008 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Half year ended 2 August 2008			Half year ended 4 August 2007 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, ‘2007/08’ refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms ‘retail profit’, ‘exceptional items’ and ‘adjusted’ are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term ‘adjusted’ refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group’s results:

- IFRIC 11, ‘IFRS 2 – Group and treasury share transactions’.
- IFRIC 12, ‘Service concession arrangements’.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Year ended 2 February 2008 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008 Before exceptional items	Exceptional items (note 4)	Total	Half year ended 4 August 2007 Restated Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

KINGFISHER PLC

NOTES TO THE INTERIM FINANCIAL REPORT (UNAUDITED)

For the half year ended 2 August 2008

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire	Duncan Tatton-Brown
Group Chief Executive	Group Finance Director
17 September 2008	17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Half year ended 2 August 2008			Half year ended 4 August 2007 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:							
Revenue	3	**5,130**	**-**	**5,130**	4,616	-	4,616
Cost of sales		**(3,328)**	**(4)**	**(3,332)**	(3,051)	-	(3,051)
Gross profit		**1,802**	**(4)**	**1,798**	1,565	-	1,565
Selling and distribution expenses		**(1,323)**	**(7)**	**(1,330)**	(1,153)	(11)	(1,164)
Administrative expenses		**(252)**	**-**	**(252)**	(226)	-	(226)
Other income		**13**	**-**	**13**	11	48	59
Share of post-tax results of joint ventures and associates	3	**10**	**-**	**10**	8	-	8
Operating profit		**250**	**(11)**	**239**	205	37	242
Analysed as:							
Retail profit	3	**277**	**(11)**	**266**	225	32	257
Central costs		**(20)**	**-**	**(20)**	(19)	5	(14)
Share of interest and taxation of joint ventures and associates		**(7)**	**-**	**(7)**	(1)	-	(1)
Finance income		**16**	**-**	**16**	19	-	19
Finance costs		**(49)**	**-**	**(49)**	(47)	-	(47)
Net finance costs	5	**(33)**	**-**	**(33)**	(28)	-	(28)
Profit before taxation		**217**	**(11)**	**206**	177	37	214
Income tax expense	6	**(69)**	**-**	**(69)**	(49)	(14)	(63)
Profit from continuing operations		**148**	**(11)**	**137**	128	23	151
Discontinued operations:							
Profit from discontinued operations	15			**9**			8
Profit for the period				**146**			159
Attributable to:							
Equity shareholders of the Company				**147**			160
Minority interests				**(1)**			(1)
				146			159
Earnings per share	7						
Continuing operations:							
Basic				**5.9p**			6.5p
Diluted				**5.9p**			6.5p
Adjusted basic				**6.3p**			5.4p
Total operations:							
Basic				**6.3p**			6.8p
Diluted				**6.3p**			6.8p

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

KINGFISHER PLC

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

		Year ended 2 February 2008 Restated		
£ millions	Notes	Before exceptional items	Exceptional items (note 4)	Total
Continuing operations:				
Revenue	3	9,050	-	9,050
Cost of sales		(5,905)	-	(5,905)
Gross profit		3,145	-	3,145
Selling and distribution expenses		(2,313)	(35)	(2,348)
Administrative expenses		(449)	-	(449)
Other income		22	44	66
Other expenses		-	(5)	(5)
Share of post-tax results of joint ventures and associates	3	19	-	19
Operating profit		424	4	428
Analysed as:				
Retail profit	3	469	(1)	468
Central costs		(40)	5	(35)
Share of interest and taxation of joint ventures and associates		(5)	-	(5)
Finance income		33	-	33
Finance costs		(95)	-	(95)
Net finance costs	5	(62)	-	(62)
Profit before taxation		362	4	366
Income tax expense	6	(116)	2	(114)
Profit from continuing operations		246	6	252
Discontinued operations:				
Profit from discontinued operations	15			20
Profit for the period				272
Attributable to:				
Equity shareholders of the Company				274
Minority interests				(2)
				272
Earnings per share	7			
Continuing operations:				
Basic				10.9p
Diluted				10.9p
Adjusted basic				10.5p
Total operations:				
Basic				11.7p
Diluted				11.7p

KINGFISHER PLC

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Actuarial (losses)/gains on post employment benefits		**(44)**	7	47
Currency translation differences				
Group		**145**	38	206
Joint ventures and associates		**11**	6	26
Losses transferred to income statement		**-**	-	3
Cash flow hedges				
Fair value losses		**(3)**	(5)	(6)
Losses transferred to inventories		**4**	4	8
Tax on items recognised directly in equity		**12**	(1)	(19)
Net income recognised directly in equity		**125**	49	265
Profit for the period		**146**	159	272
Total recognised income for the period		**271**	208	537
Attributable to:				
Equity shareholders of the Company	11	**269**	209	537
Minority interests		**2**	(1)	-
		271	208	537

KINGFISHER PLC

CONSOLIDATED BALANCE SHEET (UNAUDITED)

As at 2 August 2008

£ millions	Notes	As at 2 August 2008	As at 4 August 2007	As at 2 February 2008
Non-current assets				
Goodwill		**2,486**	2,552	2,532
Other intangible assets		**76**	86	85
Property, plant and equipment		**3,603**	3,387	3,698
Investment property		**31**	30	29
Investments in joint ventures and associates		**222**	193	204
Post employment benefits		**84**	-	110
Deferred tax assets		**28**	24	25
Derivative financial instruments		**67**	19	66
Other receivables		**15**	17	13
		6,612	6,308	6,762
Current assets				
Inventories		**1,883**	1,774	1,873
Trade and other receivables		**495**	490	533
Current tax assets		**4**	1	1
Other investments		**1**	38	11
Derivative financial instruments		**6**	7	5
Cash and cash equivalents		**370**	370	218
		2,759	2,680	2,641
Assets held for sale		**512**	-	-
Total assets		**9,883**	8,988	9,403
Current liabilities				
Trade and other payables		**(2,351)**	(2,312)	(2,238)
Current tax liabilities		**(97)**	(102)	(89)
Derivative financial instruments		**(7)**	(6)	(10)
Borrowings		**(269)**	(273)	(191)
Provisions		**(50)**	(43)	(47)
		(2,774)	(2,736)	(2,575)
Non-current liabilities				
Other payables		**(39)**	(2)	(32)
Deferred tax liabilities		**(286)**	(270)	(318)
Derivative financial instruments		**(78)**	(49)	(52)
Borrowings		**(1,542)**	(1,361)	(1,620)
Provisions		**(47)**	(59)	(49)
Post employment benefits		**(25)**	(33)	(33)
		(2,017)	(1,774)	(2,104)
Liabilities held for sale		**(171)**	-	-
Total liabilities		**(4,962)**	(4,510)	(4,679)
Net assets		**4,921**	4,478	4,724
Equity				
Share capital	10	**371**	371	371
Share premium	10	**2,188**	2,188	2,188
Own shares held	10	**(60)**	(68)	(66)
Reserves	11	**2,409**	1,981	2,220
Minority interests		**13**	6	11
Total equity		**4,921**	4,478	4,724

The interim financial report was approved by the Board of Directors on 17 September 2008 and signed on its behalf by:

Ian Cheshire
Group Chief Executive

Duncan Tatton-Brown
Group Finance Director

KINGFISHER PLC

CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

For the half year ended 2 August 2008

£ millions	Notes	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating activities – continuing operations				
Cash generated by operations	12	**482**	392	513
Income tax paid		**(53)**	(23)	(69)
Net cash flows from operating activities		**429**	369	444
Investing activities – continuing operations				
Purchase of minority interests		**-**	(1)	(1)
Purchase of property, plant and equipment, investment property and intangible assets		**(234)**	(276)	(513)
Disposal of property, plant and equipment, investment property and intangible assets		**33**	86	117
Disposal of investment in joint venture		**-**	-	50
Net disposal/(purchase) of other investments		**11**	(8)	21
Dividends received from joint ventures and associates		**2**	2	6
Net cash flows from investing activities		**(188)**	(197)	(320)
Financing activities – continuing operations				
Interest received		**13**	10	22
Interest paid		**(47)**	(38)	(89)
Interest element of finance lease rental payments		**(3)**	(3)	(6)
Net (payment)/receipt on forward foreign exchange contracts		**(3)**	6	6
Net (repayment)/receipt of bank loans		**(51)**	36	136
Capital element of finance lease rental payments		**(5)**	(4)	(11)
Issue of share capital to equity shareholders of the Company		**-**	2	3
Issue of share capital to minority interests		**-**	3	3
Disposal of own shares held		**-**	1	2
Dividends paid to equity shareholders of the Company		**(80)**	(159)	(249)
Dividends paid to minority interests		**(1)**	(2)	(4)
Net cash flows from financing activities		**(177)**	(148)	(187)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts				
Continuing operations		**64**	24	(63)
Discontinued operations	15	**27**	14	7
		91	38	(56)
Cash and cash equivalents and bank overdrafts at beginning of period		**195**	245	245
Transfer to assets and liabilities held for sale		**(8)**	-	-
Exchange differences		**9**	1	6
Cash and cash equivalents and bank overdrafts at end of period	13	**287**	284	195

1. Basis of preparation

The interim financial report for the half year ended 2 August 2008 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 does not comprise statutory accounts within the meaning of section 240 of the Companies Act 1985. This report should be read in conjunction with the annual financial statements for the year ended 2 February 2008.

The half year results are unaudited and were approved by the Board of Directors on 17 September 2008.

The results for the year ended 2 February 2008 are based on full audited accounts prepared in accordance with IFRSs as adopted by the European Union. These accounts were filed with the Registrar of Companies and contain a report of the auditors under section 240 of the Companies Act 1985, which does not contain a statement under sections 237 (2) or (3) of the Companies Act 1985 and is unqualified. Where comparatives are given, '2007/08' refers to the prior half year.

In preparing the interim financial report, the comparatives have been restated for the discontinuance of the Castorama Italy business (note 15).

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

Use of adjusted measures

Kingfisher believes that retail profit, adjusted pre-tax profit, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These measures are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items' and 'adjusted' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. It is not intended to be a substitute for, or superior to, GAAP measurements of profit. The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements and amortisation of acquisition intangibles. 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 taxation 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 will be included as exceptional items are:

- non trading items included in operating profit such as profits and losses on the disposal or closure of subsidiaries, 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.

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 2 February 2008, as described in those financial statements.

The following new interpretations will be applied for the first time for the financial year ending 31 January 2009, but are not expected to have an impact on the Group's results:

- IFRIC 11, 'IFRS 2 – Group and treasury share transactions'.
- IFRIC 12, 'Service concession arrangements'.

3. Segmental analysis

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008
External revenue	**2,312**	**1,927**	**514**	**377**	**5,130**
Retail profit	**93**	**128**	**65**	**(9)**	**277**
Exceptional items before central costs	**-**	**-**	**-**	**(11)**	**(11)**
Less: Share of operating profit of joint ventures and associates	**-**	**(1)**	**-**	**(16)**	**(17)**
Segment result before joint ventures and associates	**93**	**127**	**65**	**(36)**	**249**
Share of post-tax results of joint ventures and associates	**-**	**-**	**-**	**10**	**10**
Segment result	**93**	**127**	**65**	**(26)**	**259**
Central costs					**(20)**
Operating profit					**239**
Net finance costs					**(33)**
Profit before taxation					**206**
Income tax expense					**(69)**
Profit from continuing operations					**137**
Profit from discontinued operations					**9**
Profit for the period					**146**

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Half year ended 4 August 2007 Restated
External revenue	2,321	1,614	331	350	4,616
Retail profit	85	105	45	(10)	225
Exceptional items before central costs	40	3	-	(11)	32
Less: Share of operating profit of joint ventures and associates	-	-	-	(9)	(9)
Segment result before joint ventures and associates	125	108	45	(30)	248
Share of post-tax results of joint ventures and associates	-	-	-	8	8
Segment result	125	108	45	(22)	256
Central costs					(14)
Operating profit					242
Net finance costs					(28)
Profit before taxation					214
Income tax expense					(63)
Profit from continuing operations					151
Profit from discontinued operations					8
Profit for the period					159

£ millions	United Kingdom	France	Other International Poland	Other International Other	Total
					Year ended 2 February 2008 Restated
External revenue	4,395	3,224	703	728	9,050
Retail profit	153	237	87	(8)	469
Exceptional items before central costs	38	1	-	(40)	(1)
Less: Share of operating profit of joint ventures and associates	-	-	-	(24)	(24)
Segment result before joint ventures and associates	191	238	87	(72)	444
Share of post-tax results of joint ventures and associates	-	-	-	19	19
Segment result	191	238	87	(53)	463
Central costs					(35)
Operating profit					428
Net finance costs					(62)
Profit before taxation					366
Income tax expense					(114)
Profit from continuing operations					252
Profit from discontinued operations					20
Profit for the period					272

The Group's primary reporting segments are geographic, with the Group operating in three main geographical areas, being the UK, France and Other International. The Group only has one business segment, being retail, therefore no secondary segmental disclosure is given.

The 'Other International' segment consists of B&Q Ireland, Castorama Poland, Castorama Russia, Brico Dépôt Spain, Koçtaş, Hornbach and B&Q China. B&Q Taiwan, B&Q Home in South Korea and the Asia head office are included in comparatives only. The 'Rest of Europe' and 'Asia' segments previously reported have been combined into the 'Other International' segment in order to align external reporting with internal management reporting. Poland has been shown separately as it meets the reportable segment criteria as prescribed by IAS 14, 'Segment Reporting'.

Central costs have not been allocated. These principally comprise the head office operations of Kingfisher plc. The Group's revenues, although not highly seasonal in nature, do increase over the Easter period and during the summer months leading to slightly higher revenues being recognised in the first half of the year.

4. Exceptional items

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Included within cost of sales			
China restructuring	**(4)**	-	-
	(4)	-	-
Included within selling and distribution expenses			
Loss on closure of B&Q Home in South Korea and Asia head office	**-**	(11)	(13)
China restructuring	**(7)**	-	(22)
	(7)	(11)	(35)
Included within other income			
Profit on disposal of properties	**-**	43	39
Recovery of loan receivable previously written off	**-**	5	5
	-	48	44
Included within other expenses			
Gross profit on disposal of B&Q Taiwan joint venture before goodwill	**-**	-	27
Goodwill attributed to B&Q Taiwan joint venture	**-**	-	(32)
	-	-	(5)
Exceptional items – continuing operations	**(11)**	37	4

An £11m exceptional charge has been recognised as part of the B&Q China restructuring programme. This brings the total exceptional charge incurred on the project to £33m, which is in line with the Group's announcement in March 2008.

5. Net finance costs

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents and current other investments	**9**	12	21
Expected net interest return on defined benefit schemes	**7**	7	12
Finance income	**16**	19	33
Bank overdrafts and bank loans	**(5)**	(9)	(15)
Medium Term Notes and other fixed term debt	**(44)**	(38)	(79)
Financing fair value remeasurements	**3**	3	5
Finance leases	**(3)**	(3)	(6)
Unwinding of discount on provisions	**(2)**	(1)	(3)
Capitalised interest	**2**	1	3
Finance costs	**(49)**	(47)	(95)
Net finance costs – continuing operations	**(33)**	(28)	(62)

6. Income tax expense

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
UK corporation tax			
Current tax on profits for the period	**16**	13	19
Adjustments in respect of prior years	**-**	-	(29)
	16	13	(10)
Double taxation relief	**-**	-	(1)
	16	13	(11)
Overseas tax			
Current tax on profits for the period	**49**	40	88
	49	40	88
Deferred tax			
Current period	**4**	15	19
Adjustments in respect of prior years	**-**	-	27
Adjustments in respect of changes in tax rates	**-**	(5)	(9)
	4	10	37
Income tax expense – continuing operations	**69**	63	114

The effective rate of tax on profit from continuing operations before exceptional items and excluding tax adjustments in respect of prior years and changes in tax rates is 32.0% (2007/08: 30.8%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 2 February 2008 was 31.0%. The tax on continuing exceptional items for the current period is £nil (2007/08: charge of £14m). The tax on continuing exceptional items for the year ended 2 February 2008, excluding prior year items, was a charge of £14m.

7. Earnings per share

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Continuing operations:			
Basic earnings per share	**5.9**	6.5	10.9
Dilutive share options	**-**	-	-
Diluted earnings per share	**5.9**	6.5	10.9
Basic earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted basic earnings per share	**6.3**	5.4	10.5
Diluted earnings per share	**5.9**	6.5	10.9
Exceptional items	**0.5**	(1.6)	(0.2)
Tax on exceptional items	**-**	0.6	(0.1)
Financing fair value remeasurements	**(0.1)**	(0.1)	(0.2)
Tax on financing fair value remeasurements	**-**	-	0.1
Adjusted diluted earnings per share	**6.3**	5.4	10.5
Total operations:			
Basic earnings per share	**6.3**	6.8	11.7
Dilutive share options	**-**	-	-
Diluted earnings per share	**6.3**	6.8	11.7

The calculation of basic and diluted earnings per share is based on the profit for the period attributable to equity shareholders of the Company. Earnings from continuing operations for the period are £138m (2007/08: £152m) and for the year ended 2 February 2008 were £254m. Adjusted earnings for the period are £147m (2007/08: £127m) and for the year ended 2 February 2008 were £245m. Earnings from total operations for the period are £147m (2007/08: £160m) and for the year ended 2 February 2008 were £274m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), was 2,345m (2007/08: 2,341m). The diluted weighted average number of shares in issue during the period was 2,352m (2007/08: 2,354m). For the year ended 2 February 2008, the weighted average number of shares in issue was 2,342m and the diluted weighted average number of shares in issue was 2,351m.

8. Dividends

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Dividends to equity shareholders of the Company			
Final dividend for the year ended 3 February 2007 of 6.8p per share	**-**	159	159
Interim dividend for the year ended 2 February 2008 of 3.85p per share	**-**	-	90
Final dividend for the year ended 2 February 2008 of 3.4p per share	**80**	-	-
	80	159	249

The proposed interim dividend for the period ended 2 August 2008 is 1.925p per share.

9. Capital expenditure

In the period, on a total operations basis, there were additions to property, plant and equipment, investment property and intangible assets of £247m (2007/08: £285m). In the period, on a total operations basis, there were disposals of property, plant and equipment, investment property and intangible assets of £37m (2007/08: £42m).

Capital commitments contracted but not provided for by the Group amounted to £46m (2007/08: £35m).

10. Share capital, share premium and own shares held

	Number of ordinary shares millions	Share capital £ millions	Share premium £ millions	Own shares held £ millions
At 3 February 2008	**2,361**	**371**	**2,188**	**(66)**
Disposal of own shares held	**-**	**-**	**-**	**6**
At 2 August 2008	**2,361**	**371**	**2,188**	**(60)**
At 4 February 2007	2,359	371	2,185	(81)
Issue of share capital under share schemes	1	-	3	-
Disposal of own shares held	-	-	-	13
At 4 August 2007	2,360	371	2,188	(68)

11. Reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other reserves	Retained earnings	Total
At 3 February 2008	**(2)**	**248**	**159**	**1,815**	**2,220**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(44)**	**(44)**
Currency translation differences – Group	**-**	**142**	**-**	**-**	**142**
Currency translation differences – joint ventures and associates	**-**	**11**	**-**	**-**	**11**
Cash flow hedges – fair value losses	**(3)**	**-**	**-**	**-**	**(3)**
Cash flow hedges – losses transferred to inventories	**4**	**-**	**-**	**-**	**4**
Tax on items recognised directly in equity	**-**	**-**	**-**	**12**	**12**
Net income recognised directly in equity	**1**	**153**	**-**	**(32)**	**122**
Profit for the period	**-**	**-**	**-**	**147**	**147**
Total recognised income for the period	**1**	**153**	**-**	**115**	**269**
Share-based compensation charge	**-**	**-**	**-**	**6**	**6**
Disposal of own shares held	**-**	**-**	**-**	**(6)**	**(6)**
Dividends	**-**	**-**	**-**	**(80)**	**(80)**
At 2 August 2008	**(1)**	**401**	**159**	**1,850**	**2,409**
At 4 February 2007	(3)	20	159	1,763	1,939
Actuarial gains on post employment benefits	-	-	-	7	7
Currency translation differences - Group	-	38	-	-	38
Currency translation differences – joint ventures and associates	-	6	-	-	6
Cash flow hedges – fair value losses	(5)	-	-	-	(5)
Cash flow hedges – losses transferred to inventories	4	-	-	-	4
Tax on items recognised directly in equity	-	-	-	(1)	(1)
Net (expense)/income recognised directly in equity	(1)	44	-	6	49
Profit for the period	-	-	-	160	160
Total recognised (expense)/income for the period	(1)	44	-	166	209
Share-based compensation charge	-	-	-	4	4
Disposal of own shares held	-	-	-	(12)	(12)
Dividends	-	-	-	(159)	(159)
At 4 August 2007	(4)	64	159	1,762	1,981

12. Cash generated by operations – continuing operations

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007 Restated	Year ended 2 February 2008 Restated
Operating profit	**239**	242	428
Share of post-tax results of joint ventures and associates	**(10)**	(8)	(19)
Amortisation and depreciation	**129**	113	226
Impairment losses	**-**	-	19
Loss/(profit) on disposal of property, plant and equipment, investment property and intangible assets	**2**	(39)	(29)
Loss on disposal of investment in joint venture	**-**	-	5
Share-based compensation charge	**6**	4	6
Increase in inventories	**(10)**	(212)	(216)
Decrease in trade and other receivables	**68**	40	4
Increase in trade and other payables	**72**	268	178
Decrease/(increase) in working capital	**130**	96	(34)
Decrease in provisions	**-**	(9)	(16)
Decrease in post employment benefits	**(14)**	(7)	(73)
Cash generated by operations	**482**	392	513

13. Net debt

Net debt comprises the Group's borrowings, interest rate and cross currency swaps that hedge those borrowings (excluding accrued interest), bank overdrafts and finance leases, less cash and cash equivalents and current other investments.

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Cash and cash equivalents	**370**	370	218
Bank overdrafts	**(83)**	(86)	(23)
Cash and cash equivalents and bank overdrafts	**287**	284	195
Current other investments	**1**	38	11
Bank loans	**(229)**	(183)	(283)
Medium Term Notes and other fixed term debt	**(1,430)**	(1,296)	(1,436)
Interest rate and cross currency swaps	**(8)**	(64)	23
Finance leases	**(69)**	(69)	(69)
Net debt	**(1,448)**	(1,290)	(1,559)

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net debt at beginning of period	**(1,559)**	(1,294)	(1,294)
Net increase/(decrease) in cash and cash equivalents and bank overdrafts	**91**	38	(56)
Net (disposal)/purchase of other investments	**(11)**	8	(21)
Net repayment/(receipt) of bank loans	**51**	(36)	(136)
Capital element of finance lease rental payments	**5**	4	11
Transfer to assets and liabilities held for sale	**(8)**	-	-
Exchange differences and other non-cash movements	**(17)**	(10)	(63)
Net debt at end of period	**(1,448)**	(1,290)	(1,559)

14. Acquisitions

There were no significant acquisitions in the current or prior half year periods.

15. Discontinued operations

On 1 August 2008 Kingfisher announced the agreement to sell its Castorama Italy business to Groupe Adeo S.A. The business has been classified as a discontinued operation within this interim financial report. A summary of the results, cash flows and earnings per share of the Castorama Italy business is set out below:

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Revenue	**183**	159	314
Operating expenses	**(168)**	(144)	(285)
Retail and operating profit	**15**	15	29
Net finance costs	**-**	-	-
Profit before taxation	**15**	15	29
Income tax expense	**(6)**	(7)	(9)
Profit for the period	**9**	8	20

£ millions	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Net cash flows from operating activities	**33**	21	21
Net cash flows from investing activities	**(6)**	(7)	(15)
Net cash flows from financing activities	**-**	-	1
Net cash flows	**27**	14	7

Pence	Half year ended 2 August 2008	Half year ended 4 August 2007	Year ended 2 February 2008
Basic earnings per share	**0.4**	0.3	0.8
Diluted earnings per share	**0.4**	0.3	0.8

The Castorama Italy business has been classified as a disposal group held for sale from 1 August 2008 on the consolidated balance sheet.

16. Contingent assets and liabilities

Kingfisher paid €138m 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. Proceedings for the recovery of this tax have been initiated and although this may take several years to be resolved, Kingfisher believes that the risk of ultimately being liable for this amount is low. No asset has been recognised in these financial statements as the recovery of this amount is not sufficiently certain at this time.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2007/08: £50m) to the liquidators of Kingfisher International France Limited in the event that Kingfisher plc's credit rating falls below 'BBB'. The obligation arises from an indemnity provided in June 2003 as a result of the demerger of Kesa Electricals.

Castorama Italia S.P.A. has arranged for a guarantee of €66m (£52m), expiring in October 2010, in respect of a tax credit (2007/08: £nil).

In addition, the Group has arranged for certain bank guarantees to be provided to third parties in the ordinary course of business. The total amount outstanding at the period end is £34m (2007/08: £30m).

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.

17. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in the Kingfisher plc Annual Report for 2 February 2008. There were no material changes in related parties or related party transactions in the current or prior half year periods.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8. The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 2 February 2008. There have been no changes in the period.

By order of the Board

Ian Cheshire
Group Chief Executive
17 September 2008

Duncan Tatton-Brown
Group Finance Director
17 September 2008

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 2 August 2008 which comprises the consolidated income statement, consolidated statement of recognised income and expense, consolidated balance sheet, consolidated cash flow statement and the related notes. 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.

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 Services Authority.

As disclosed in note 1, the annual financial statements of Kingfisher plc are prepared in accordance with IFRSs as adopted by the European Union. The financial information 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. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review
We conducted our review in accordance with guidance contained in 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 enquiries, 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 six months ended 2 August 2008 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 Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
17 September 2008