

**EMBARGOED UNTIL 0700 HOURS**  
**Thursday 24 July 2008**

**Kingfisher plc**  
**Unaudited pre-close sales update to 12 July 2008**

Constant currencies	23 weeks to 12 July 2008		10 weeks to 12 July 2008	
	% Total Change	% LFL Change	% Total Change	% LFL Change
<b>Retail Sales</b> <sup>(1)</sup>				
UK <sup>(2)</sup>	0.5%	(4.7)%	5.1%	(0.5)%
France <sup>(3)</sup>	3.0%	(1.1)%	3.3%	(0.6)%
Other International <sup>(4)</sup>	6.9%	(1.9)%	4.8%	(4.7)%
<b>Total Group</b>	<b>2.6%</b>	<b>(2.9)%</b>	<b>4.4%</b>	<b>(1.5)%</b>

(1) All figures are on a constant currency basis. Joint Venture (JV) and Associate sales are not consolidated. Data is provided for the 23 and 10 weeks to 12 July 2008, with the exception of Russia and China which are reported for the 26 and 13 weeks to 30 June 2008.

(2) B&Q, Screwfix and Trade Depot.

(3) Castorama and Brico Dépôt.

(4) Poland, China, Italy, Spain, Ireland and Russia. South Korea included in comparatives only.  
All trading commentary below is in constant currencies.

- 10 week total sales up 4.4%, down 1.5% on a like for like (LFL) basis;
- UK market remained tough but total sales were up 5.1%, boosted by stronger seasonal sales and Screwfix trade counter openings. Margin and cost improvements helped offset a small LFL sales decline;
- Outside the UK (which accounts for over half of Group sales), total sales were up 3.9% boosted by a strong performance in Poland. Total sales in France grew 3.3% in a slower market and China sales declined due to a weak housing market and less discounting.

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

"We have achieved sales growth and taken action to improve gross margins and manage costs in all our major markets. As anticipated the UK market remains extremely tough, but we are trading solidly.

"We are cautious about the consumer outlook, however, I am confident that the investments made in recent years have improved our value credentials and customer offer, particularly in the UK and France, leaving us well placed to trade effectively in difficult times. Having now completed the appointments to the Retail Board, I believe we have the right experience and strong leadership to manage the business in a more challenging environment and also make progress with our seven steps for creating more value for our shareholders."

**All figures and comments below refer to the 10 weeks to 12 July (1)**

## **UK**

**B&Q** total sales grew 3.7% (+0.2% LFL) with sales of seasonal categories up nearly 20%, compared with the same weather-affected period last year, offset by weakness in non-seasonal indoor products. The gross margin percentage continued to benefit from lower mark down activity, sales of higher margin decorative ranges and less clearance activity compared to the same period last year. Kingfisher's **UK trade** businesses, Screwfix and Trade Depot, delivered strong total sales growth of 18.7%, supported by 13 new openings.

## **FRANCE**

**Castorama** sales grew 4.3% (+2.7% LFL, +3.5% comparable store basis), with new decorative ranges and outdoor products performing well, supported by new catalogues. **Brico Dépôt** sales were up 2.2% (-4.8% LFL), impacted by fewer housing starts (down 31%) and less planning consents (down 19%). Gross margins across both businesses were up due to higher own-brand sales penetration and less promotional activity.

## **OTHER INTERNATIONAL**

Sales in other international markets grew 4.8% (-4.7% LFL) with 24 new stores trading (excluding Turkey JV) compared with the same period last year. Castorama in **Poland** delivered strong sales growth of 18.8% (+9.3% LFL) in a buoyant market. Sales for Castorama **Italy** increased 5.1% (-0.5% LFL) in a weak market. B&Q **China** declined 24.5% (-28.5% LFL), reflecting market weakness driven by housing regulation changes and the significant reduction in unprofitable deep discounting and special promotions. Work on reengineering ranges and revamping stores in 2009 is underway and the reinforced management team will be fully in place in Q3.

**Kingfisher plc will announce its interim results for the 6 months to 2 August 2008 on 18 September 2008.**

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**Kingfisher plc** is Europe's leading home improvement retail group and the third largest in the world, with nearly 850 stores in nine countries in Europe and Asia. Its main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix. Kingfisher also has a 21% interest in, and strategic alliance with Hornbach, Germany's leading large format DIY retailer.

In June, Kingfisher announced seven key steps for driving a step-change in shareholder value. These are:

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

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