KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

		Half year ended 1 August 2009			Half year ended 2 August 2008		
£ millions	Notes	Before exceptional items	Exceptional items (note 5)	Total	Before exceptional items	Exceptional items (note 5)	Total
Revenue	4	**5,502**	**-**	**5,502**	5,130	-	5,130
Cost of sales		**(3,556)**	**-**	**(3,556)**	(3,328)	(4)	(3,332)
Gross profit		**1,946**	**-**	**1,946**	1,802	(4)	1,798
Selling and distribution expenses		**(1,386)**	**-**	**(1,386)**	(1,323)	(7)	(1,330)
Administrative expenses		**(269)**	**-**	**(269)**	(252)	-	(252)
Other income		**16**	**-**	**16**	13	-	13
Share of post-tax results of joint ventures and associates		**13**	**-**	**13**	10	-	10
Operating profit		**320**	**-**	**320**	250	(11)	239
Analysed as:							
Retail profit	4	**347**	**-**	**347**	277	(11)	266
Central costs		**(20)**	**-**	**(20)**	(20)	-	(20)
Share of interest and tax of joint ventures and associates		**(7)**	**-**	**(7)**	(7)	-	(7)
Finance costs		**(43)**	**-**	**(43)**	(49)	-	(49)
Finance income		**11**	**-**	**11**	16	-	16
Net finance costs	6	**(32)**	**-**	**(32)**	(33)	-	(33)
Profit before taxation		**288**	**-**	**288**	217	(11)	206
Income tax expense	7	**(90)**	**-**	**(90)**	(69)	-	(69)
Profit from continuing operations		**198**	**-**	**198**	148	(11)	137
Profit from discontinued operations	16	**-**	**-**	**-**	9	-	9
Profit for the period		**198**	**-**	**198**	157	(11)	146
Attributable to:							
Equity shareholders of the Company				**201**			147
Minority interests				**(3)**			(1)
				198			146
Earnings per share	8						
Continuing operations:							
Basic				**8.5p**			5.9p
Diluted				**8.5p**			5.9p
Adjusted basic				**8.6p**			6.3p
Total operations:							
Basic				**8.5p**			6.3p
Diluted				**8.5p**			6.3p

The proposed interim dividend for the period ended 1 August 2009 is 1.925p per share.

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED INCOME STATEMENT

£ millions	Notes	Year ended 31 January 2009 Before exceptional items	Exceptional items (note 5)	Total
Revenue	4	10,026	-	10,026
Cost of sales		(6,504)	(21)	(6,525)
Gross profit		3,522	(21)	3,501
Selling and distribution expenses		(2,624)	(105)	(2,729)
Administrative expenses		(496)	(124)	(620)
Other income		22	13	35
Share of post-tax results of joint ventures and associates		22	(36)	(14)
Operating profit		446	(273)	173
Analysed as:				
Retail profit	4	503	(113)	390
Impairment of goodwill and investment in associate		-	(160)	(160)
Central costs		(41)	-	(41)
Share of interest and tax of joint ventures and associates		(16)	-	(16)
Finance costs		(119)	-	(119)
Finance income		36	-	36
Net finance costs	6	(83)	-	(83)
Profit before taxation		363	(273)	90
Income tax expense	7	(95)	7	(88)
Profit from continuing operations		268	(266)	2
Profit from discontinued operations	16	26	178	204
Profit for the year		294	(88)	206
Attributable to:				
Equity shareholders of the Company				209
Minority interests				(3)
				206
Earnings per share	8			
Continuing operations:				
Basic				0.2p
Diluted				0.2p
Adjusted basic				11.0p
Total operations:				
Basic				8.9p
Diluted				8.9p

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Profit for the period	**198**	146	206
Actuarial losses on post employment benefits	**(190)**	(44)	(191)
Currency translation differences			
Group	**(34)**	145	159
Joint ventures and associates	**(5)**	11	32
Gains transferred to income statement	**-**	-	(80)
Cash flow hedges			
Fair value (losses)/gains	**(17)**	(3)	33
(Gains)/losses transferred to inventories	**(12)**	4	(10)
Tax on other comprehensive income	**65**	12	35
Other comprehensive income for the period	**(193)**	125	(22)
Total comprehensive income for the period	**5**	271	184
Attributable to:			
Equity shareholders of the Company	**9**	269	180
Minority interests	**(4)**	2	4
	5	271	184

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity shareholders of the Company							
£ millions	Share capital	Share premium	Own shares held	Retained earnings	Other reserves (note 12)	Total	Minority interests	Total equity
At 1 February 2009	**371**	**2,188**	**(57)**	**1,768**	**513**	**4,783**	**15**	**4,798**
Profit for the period	**-**	**-**	**-**	**201**	**-**	**201**	**(3)**	**198**
Actuarial losses on post employment benefits	**-**	**-**	**-**	**(190)**	**-**	**(190)**	**-**	**(190)**
Currency translation differences								
Group	**-**	**-**	**-**	**-**	**(33)**	**(33)**	**(1)**	**(34)**
Joint ventures and associates	**-**	**-**	**-**	**-**	**(5)**	**(5)**	**-**	**(5)**
Cash flow hedges								
Fair value losses	**-**	**-**	**-**	**-**	**(17)**	**(17)**	**-**	**(17)**
Gains transferred to inventories	**-**	**-**	**-**	**-**	**(12)**	**(12)**	**-**	**(12)**
Tax on other comprehensive income	**-**	**-**	**-**	**52**	**13**	**65**	**-**	**65**
Other comprehensive income for the period	**-**	**-**	**-**	**(138)**	**(54)**	**(192)**	**(1)**	**(193)**
Total comprehensive income for the period	**-**	**-**	**-**	**63**	**(54)**	**9**	**(4)**	**5**
Share-based compensation	**-**	**-**	**-**	**9**	**-**	**9**	**-**	**9**
Own shares disposed	**-**	**-**	**6**	**(6)**	**-**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**(80)**	**-**	**(80)**	**-**	**(80)**
At 1 August 2009	**371**	**2,188**	**(51)**	**1,754**	**459**	**4,721**	**11**	**4,732**
At 3 February 2008	371	2,188	(66)	1,815	405	4,713	11	4,724
Profit for the period	-	-	-	147	-	147	(1)	146
Actuarial losses on post employment benefits	-	-	-	(44)	-	(44)	-	(44)
Currency translation differences								
Group	-	-	-	-	142	142	3	145
Joint ventures and associates	-	-	-	-	11	11	-	11
Cash flow hedges								
Fair value losses	-	-	-	-	(3)	(3)	-	(3)
Losses transferred to inventories	-	-	-	-	4	4	-	4
Tax on other comprehensive income	-	-	-	12	-	12	-	12
Other comprehensive income for the period	-	-	-	(32)	154	122	3	125
Total comprehensive income for the period	-	-	-	115	154	269	2	271
Share-based compensation	-	-	-	6	-	6	-	6
Own shares disposed	-	-	6	(6)	-	-	-	-
Dividends	-	-	-	(80)	-	(80)	-	(80)
At 2 August 2008	371	2,188	(60)	1,850	559	4,908	13	4,921

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

£ millions	Share capital	Share premium	Own shares held	Retained earnings	Other reserves (note 12)	Total	Minority interests	Total equity
	Attributable to equity shareholders of the Company							
At 3 February 2008	371	2,188	(66)	1,815	405	4,713	11	4,724
Profit for the year	-	-	-	209	-	209	(3)	206
Actuarial losses on post employment benefits	-	-	-	(191)	-	(191)	-	(191)
Currency translation differences								
Group	-	-	-	-	152	152	7	159
Joint ventures and associates	-	-	-	-	32	32	-	32
Gains transferred to income statement	-	-	-	-	(80)	(80)	-	(80)
Cash flow hedges								
Fair value gains	-	-	-	-	33	33	-	33
Gains transferred to inventories	-	-	-	-	(10)	(10)	-	(10)
Tax on other comprehensive income	-	-	-	54	(19)	35	-	35
Other comprehensive income for the year	-	-	-	(137)	108	(29)	7	(22)
Total comprehensive income for the year	-	-	-	72	108	180	4	184
Share-based compensation	-	-	-	15	-	15	-	15
Own shares disposed	-	-	9	(9)	-	-	-	-
Dividends	-	-	-	(125)	-	(125)	(1)	(126)
Capital injections from minority interests	-	-	-	-	-	-	1	1
At 31 January 2009	371	2,188	(57)	1,768	513	4,783	15	4,798

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED BALANCE SHEET

£ millions	Notes	At 1 August 2009	At 2 August 2008	At 31 January 2009
Non-current assets				
Goodwill		**2,396**	2,486	2,396
Other intangible assets		**78**	76	73
Property, plant and equipment		**3,609**	3,603	3,699
Investment property		**23**	31	24
Investments in joint ventures and associates		**223**	222	219
Post employment benefits	11	**-**	84	-
Deferred tax assets		**64**	28	26
Derivatives		**131**	67	180
Other receivables		**19**	15	17
		6,543	6,612	6,634
Current assets				
Inventories		**1,683**	1,883	1,792
Trade and other receivables		**450**	495	508
Derivatives		**12**	6	107
Current tax assets		**48**	4	33
Other investments		**-**	1	**-**
Cash and cash equivalents		**963**	370	1,157
		3,156	2,759	3,597
Assets held for sale		**-**	512	-
Total assets		**9,699**	9,883	10,231
Current liabilities				
Trade and other payables		**(2,313)**	(2,351)	(2,362)
Borrowings		**(228)**	(269)	(389)
Derivatives		**(16)**	(7)	(38)
Current tax liabilities		**(216)**	(97)	(206)
Provisions		**(37)**	(50)	(69)
		(2,810)	(2,774)	(3,064)
Non-current liabilities				
Other payables		**(57)**	(39)	(33)
Borrowings		**(1,522)**	(1,542)	(1,907)
Derivatives		**(61)**	(78)	(76)
Deferred tax liabilities		**(208)**	(286)	(226)
Provisions		**(65)**	(47)	(53)
Post employment benefits	11	**(244)**	(25)	(74)
		(2,157)	(2,017)	(2,369)
Liabilities held for sale		**-**	(171)	-
Total liabilities		**(4,967)**	(4,962)	(5,433)
Net assets		**4,732**	4,921	4,798
Equity				
Share capital		**371**	371	371
Share premium		**2,188**	2,188	2,188
Own shares held		**(51)**	(60)	(57)
Retained earnings		**1,754**	1,850	1,768
Other reserves	12	**459**	559	513
Total attributable to equity shareholders of the Company		**4,721**	4,908	4,783
Minority interests		**11**	13	15
Total equity		**4,732**	4,921	4,798

The interim financial report was approved by the Board of Directors on 16 September 2009 and signed on its behalf by:

Ian Cheshire, Group Chief Executive

Kevin O'Byrne, Group Finance Director

KINGFISHER PLC

2009/10 INTERIM FINANCIAL STATEMENTS (UNAUDITED)

CONSOLIDATED CASH FLOW STATEMENT

£ millions	Notes	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Operating activities				
Cash generated by operations	13	**573**	482	867
Income tax paid		**(79)**	(53)	(77)
Net cash flows from operating activities		**494**	429	790
Investing activities				
Purchase of minority interests		**-**	-	(7)
Purchase of property, plant and equipment, investment property and intangible assets		**(140)**	(234)	(390)
Disposal of property, plant and equipment, investment property and intangible assets		**5**	33	62
Disposal of other investments		**-**	11	12
Dividends received from joint ventures and associates		**4**	2	3
Net cash flows from investing activities		**(131)**	(188)	(320)
Financing activities				
Interest paid		**(44)**	(47)	(111)
Interest element of finance lease rental payments		**(3)**	(3)	(5)
Interest received		**11**	13	22
Repayment of bank loans		**(108)**	(51)	(37)
Repayment of Medium Term Notes and other fixed term debt		**(170)**	-	-
Receipt/(payment) on financing derivatives		**22**	(3)	(5)
Capital element of finance lease rental payments		**(7)**	(5)	(12)
Issue of share capital to minority interests		**-**	-	1
Dividends paid to equity shareholders of the Company		**(80)**	(80)	(125)
Dividends paid to minority interests		**-**	(1)	(1)
Net cash flows from financing activities		**(379)**	(177)	(273)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts from continuing operations		**(16)**	64	197
Net cash flows from operating activities		**-**	33	23
Net cash flows from investing activities		**-**	(6)	522
Net cash flows from financing activities		**-**	-	1
Net increase in cash and cash equivalents and bank overdrafts from discontinued operations	16	**-**	27	546
Net (decrease)/increase in cash and cash equivalents and bank overdrafts		**(16)**	91	743
Cash and cash equivalents and bank overdrafts at beginning of period		**994**	195	195
Transfer to assets and liabilities held for sale		**-**	(8)	-
Exchange differences		**(36)**	9	56
Cash and cash equivalents and bank overdrafts at end of period	14	**942**	287	994

1. General information

Kingfisher plc (the Company) and its subsidiaries (together the Group) retail home improvement products through a network of retail sites, located mainly in the United Kingdom, continental Europe and China.

Kingfisher plc is a Company incorporated in the United Kingdom.

The address of its registered office is 3 Sheldon Square, Paddington, London W2 6PX.

The Company has a primary listing on the London Stock Exchange and a secondary listing on the Paris Bourse.

The interim financial report does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Audited statutory accounts for the year ended 31 January 2009 were approved by the Board of directors on 25 March 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under sections 237(2) or (3) of the Companies Act 1985.

The interim financial report has been reviewed, not audited, and was approved by the Board of Directors on 16 September 2009.

2. Basis of preparation

The interim financial report for the half year ended 1 August 2009 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 should be read in conjunction with the annual financial statements for the year ended 31 January 2009, which have been prepared in accordance with IFRSs as adopted by the European Union. Where comparatives are given, '2008/09' refers to the prior half year.

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

Principal rates of exchange

	Half year ended 1 August 2009		Half year ended 2 August 2008		Year ended 31 January 2009	
	Average rate	Period end rate	Average rate	Period end rate	Average rate	Year end rate
Euro/£	**1.12**	**1.17**	1.28	1.27	1.24	1.12
US Dollar/£	**1.46**	**1.64**	1.98	1.98	1.81	1.44
Polish Zloty/£	**5.09**	**4.89**	4.38	4.08	4.39	5.02
Chinese Renminbi	**9.96**	**11.19**	13.82	13.53	12.51	9.86

Use of non-GAAP measures

Kingfisher believes that retail profit, adjusted pre-tax profit, effective tax rate, adjusted post-tax profit and adjusted earnings per share provide additional useful information on underlying trends to shareholders. These and other non-GAAP measures such as net debt are used by Kingfisher for internal performance analysis and incentive compensation arrangements for employees. The terms 'retail profit', 'exceptional items', 'adjusted', 'effective tax rate' and 'net debt' are not defined terms under IFRS and may therefore not be comparable with similarly titled measures reported by other companies. They are not intended to be a substitute for, or superior to, GAAP measures.

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 tax 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 are included as exceptional items are:

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

The term 'adjusted' refers to the relevant measure being reported for continuing operations excluding exceptional items, financing fair value remeasurements, amortisation of acquisition intangibles, related tax items and prior year tax items. Financing fair value remeasurements represent changes in the fair value of financing derivatives, excluding interest accruals, offset by fair value adjustments to the carrying amount of borrowings and other hedged items under fair value hedge relationships. Financing derivatives are those that relate to underlying items of a financing nature.

The effective tax rate represents the effective income tax expense as a percentage of continuing profit before taxation excluding exceptional items. Effective income tax expense is the continuing income tax expense excluding tax on exceptional items and tax adjustments in respect of prior years and changes in tax rates.

Net debt comprises borrowings and financing derivatives (excluding accrued interest), less cash and cash equivalents and current other investments.

3. Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 January 2009, as described in note 2 of those financial statements.

Taxes on income for interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards, which are mandatory for the first time for the financial year beginning 1 February 2009, are relevant for the Group:

IAS 1 (revised)	Presentation of financial statements	Requires non-owner changes in equity to be shown in either one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements. Owner changes in equity are required to be shown in a statement of changes in equity.
IAS 38 (amendment)	Intangible assets – Catalogue costs	Expenses incurred in printing mail order catalogues are recognised once the catalogues are printed and not when they are distributed to customers. The impact of this on the results presented has not been significant.
IFRS 2 (amendment)	Share based payments - Vesting conditions and cancellations	Clarifies that vesting conditions are service conditions and performance conditions only. Other features that are not vesting conditions are required to be included in the grant date fair value. The impact of this on the results presented has not been significant.
IFRS 8	Operating segments	IFRS 8 replaces IAS 14, ‘Segment reporting’. It requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in Ireland moving from ‘Other International’ to ‘UK & Ireland’ (previously ‘UK’).

The following new standards and interpretations, which are mandatory for the first time for the financial year beginning 1 February 2009, are relevant but were already applied by the Group:
- IAS 23, 'Borrowing costs (revised)'; and
- IFRIC 13, 'Customer loyalty programmes'.

The following amendments to standards and interpretations, which are mandatory for the first time for the financial year beginning 1 February 2009, are either not currently relevant or material for the Group:
- IAS 39 (amendment), 'Financial instruments: Recognition and measurement';
- IAS 39 and IFRS 7 (amendment), 'Reclassification of financial assets'; and
- IFRIC 16, 'Hedges of a net investment in a foreign operation'.

4. Segmental analysis

Income statement

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Half year ended 1 August 2009
Revenue	**2,401**	**2,209**	**493**	**399**	**5,502**
Retail profit	**148**	**146**	**63**	**(10)**	**347**
Central costs					**(20)**
Share of interest and tax of joint ventures and associates					**(7)**
Operating profit					**320**
Net finance costs					**(32)**
Profit before taxation					**288**

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Half year ended 2 August 2008 Restated
Revenue	2,365	1,927	514	324	5,130
Retail profit	93	128	65	(9)	277
Exceptional items					(11)
Central costs					(20)
Share of interest and tax of joint ventures and associates					(7)
Operating profit					239
Net finance costs					(33)
Profit before taxation					206

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					Year ended 31 January 2009 Restated
Revenue	4,379	3,888	1,036	723	10,026
Retail profit	132	283	124	(36)	503
Exceptional items					(273)
Central costs					(41)
Share of interest and tax of joint ventures and associates					(16)
Operating profit					173
Net finance costs					(83)
Profit before taxation					90

Balance sheet

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					At 1 August 2009
Segment assets	**1,061**	**1,229**	**444**	**512**	**3,246**
Central liabilities					**(170)**
Goodwill					**2,396**
Net debt					**(740)**
Net assets					**4,732**

£ millions	UK & Ireland	France	Other International Poland	Other International Other	Total
					At 2 August 2008 Restated
Segment assets	1,373	1,140	490	631	3,634
Discontinued operations assets					341
Central liabilities					(92)
Goodwill					2,486
Net debt					(1,448)
Net assets					4,921

£ millions	UK & Ireland	France	Other International: Poland	Other International: Other	At 31 January 2009 Restated Total
Segment assets	1,185	1,385	442	561	3,573
Central liabilities					(167)
Goodwill					2,396
Net debt					(1,004)
Net assets					4,798

The 'Other International' segment consists of Poland, China, Spain, Russia, the joint venture Koçtaş in Turkey and the associate Hornbach which has operations in Germany and other European countries. Poland has been shown separately due to its significance. Comparatives have been restated to reflect the move of Ireland from 'Other International' to 'UK & Ireland' (previously 'UK') and a new segmental balance sheet reporting format following the adoption of IFRS 8, 'Operating segments', in the current period.

Central costs principally comprise the costs of the Group's head office. Central liabilities comprise unallocated head office and other central items including pensions, interest and tax balances.

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 usually being recognised in the first half of the year.

5. Exceptional items

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Included within cost of sales			
China restructuring	-	(4)	(21)
	-	(4)	(21)
Included within selling and distribution expenses			
China restructuring	-	(7)	(86)
UK restructuring	-	-	(19)
	-	(7)	(105)
Included within administrative expenses			
Impairment of goodwill	-	-	(124)
	-	-	(124)
Included within other income			
Profit on disposal of properties	-	-	13
	-	-	13
Included within share of post-tax results of joint ventures and associates			
Impairment of investment in Hornbach	-	-	(36)
	-	-	(36)
Exceptional items before tax	-	(11)	(273)
Tax on exceptional items	-	-	7
Exceptional items – continuing operations	-	(11)	(266)
Exceptional items - discontinued operations	-	-	178
Exceptional items	-	(11)	(88)

There have been no exceptional items in the current period. Details on the prior year exceptional items are disclosed in note 5 of the annual financial statements for the year ended 31 January 2009.

6. Net finance costs

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Bank overdrafts and bank loans	**(13)**	(5)	(23)
Medium Term Notes and other fixed term debt	**(26)**	(44)	(86)
Financing fair value remeasurements	**-**	3	(5)
Finance leases	**(3)**	(3)	(5)
Unwinding of discount on provisions	**(1)**	(2)	(3)
Expected net interest charge on defined benefit pension schemes	**(2)**	-	-
Capitalised interest	**2**	2	3
Finance costs	**(43)**	(49)	(119)
Cash and cash equivalents and other investments	**11**	9	23
Expected net interest return on defined benefit pension schemes	**-**	7	13
Finance income	**11**	16	36
Net finance costs – continuing operations	**(32)**	(33)	(83)

7. Income tax expense

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
UK corporation tax			
Current tax on profits for the period	**27**	16	34
Adjustments in respect of prior years	**4**	-	(14)
	31	16	20
Overseas tax			
Current tax on profits for the period	**46**	49	111
Adjustments in respect of prior years	**(1)**	-	6
	45	49	117
Deferred tax			
Current period	**14**	4	(41)
Adjustments in respect of prior years	**-**	-	(8)
	14	4	(49)
Income tax expense – continuing operations	**90**	69	88

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 30% (2008/09: 32%), representing the best estimate of the effective rate for the full financial year. The effective tax rate for the year ended 31 January 2009 was 31%. Tax on exceptional items for the current period is £nil (2008/09: £nil). Tax on exceptional items for the year ended 31 January 2009 was a credit of £7m, all of which related to current year items.

8. Earnings per share

Pence	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Continuing operations:			
Basic earnings per share	**8.5**	5.9	0.2
Diluted earnings per share	**8.5**	5.9	0.2
Basic earnings per share	**8.5**	5.9	0.2
Exceptional items	**-**	0.5	11.7
Tax on exceptional and prior year items	**0.1**	-	(1.0)
Financing fair value remeasurements	**-**	(0.1)	0.2
Tax on financing fair value remeasurements	**-**	-	(0.1)
Adjusted basic earnings per share	**8.6**	6.3	11.0
Diluted earnings per share	**8.5**	5.9	0.2
Exceptional items	**-**	0.5	11.7
Tax on exceptional and prior year items	**0.1**	-	(1.0)
Financing fair value remeasurements	**-**	(0.1)	0.2
Tax on financing fair value remeasurements	**-**	-	(0.1)
Adjusted diluted earnings per share	**8.6**	6.3	11.0
Total operations:			
Basic earnings per share	**8.5**	6.3	8.9
Diluted earnings per share	**8.5**	6.3	8.9

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 £201m (2008/09: £138m) and for the year ended 31 January 2009 were £5m. Adjusted earnings for the period are £204m (2008/09: £147m) and for the year ended 31 January 2009 were £258m. Earnings from total operations for the period are £201m (2008/09: £147m) and for the year ended 31 January 2009 were £209m.

The weighted average number of shares in issue during the period, excluding those held in the Employee Share Ownership Plan Trust (ESOP), is 2,347m (2008/09: 2,345m). The diluted weighted average number of shares in issue during the period is 2,372m (2008/09: 2,352m). For the year ended 31 January 2009, the weighted average number of shares in issue was 2,345m and the diluted weighted average number of shares in issue was 2,354m.

9. Dividends

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Dividends to equity shareholders of the Company			
Final dividend for the year ended 2 February 2008 of 3.4p per share	**-**	80	80
Interim dividend for the year ended 31 January 2009 of 1.925p per share	**-**	-	45
Final dividend for the year ended 31 January 2009 of 3.4p per share	**80**	-	-
	80	80	125

The proposed interim dividend for the period ended 1 August 2009 is 1.925p per share.

10. Capital expenditure

Additions to the cost of property, plant and equipment, investment property and intangible assets are £127m (2008/09: £247m on a total operations basis) and for the year ended 31 January 2009 were £415m on a total operations basis. Disposals in net book value of property, plant and equipment, investment property and intangible assets are £9m (2008/09: £37m on a total operations basis) and for the year ended 31 January 2009 were £74m on a total operations basis.

Capital commitments contracted but not provided for at the end of the period are £55m (2008/09: £46m) and at 31 January 2009 were £71m.

11. Post employment benefits

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
(Deficit)/surplus in scheme at beginning of period	**(74)**	77	77
Current service cost	**(12)**	(13)	(23)
Interest on defined benefit obligations	**(45)**	(41)	(84)
Expected return on pension scheme assets	**43**	48	97
Actuarial losses	**(190)**	(44)	(191)
Contributions paid by employer	**32**	27	48
Transfer to assets and liabilities held for sale	**-**	6	-
Disposal of subsidiaries	-	-	7
Exchange differences	**2**	(1)	(5)
(Deficit)/surplus in scheme at end of period	**(244)**	59	(74)

The assumptions used in calculating the costs and obligations of the Group's defined benefit pension schemes are set by the Directors after consultation with independent professionally qualified actuaries. The assumptions are based on the conditions at the time and changes in these assumptions can lead to significant movements in the estimated obligations, as illustrated in the sensitivity analysis provided in note 28 of the annual financial statements for the year ended 31 January 2009.

A key assumption in valuing the pension obligation is the discount rate. Accounting standards require this to be set based on market yields on high quality bonds at the balance sheet date. The UK scheme discount rate is based on the yield on the iBoxx over 15 year AA-rated Sterling corporate bond index adjusted for the difference in term between iBoxx and scheme liabilities.

The discount rate and price inflation actuarial valuation assumptions for the UK scheme, being the Group's principal defined benefit scheme, are set out below:

Annual % rate	At 1 August 2009	At 2 August 2008	At 31 January 2009
Discount rate	**6.0**	6.6	6.5
Price inflation	**3.5**	3.7	3.5

12. Other reserves

£ millions	Cash flow hedge reserve	Translation reserve	Other	Total
At 1 February 2009	**14**	**340**	**159**	**513**
Currency translation differences				
Group	**-**	**(33)**	**-**	**(33)**
Joint ventures and associates	**-**	**(5)**	**-**	**(5)**
Cash flow hedges				
Fair value losses	**(17)**	**-**	**-**	**(17)**
Gains transferred to inventories	**(12)**	**-**	**-**	**(12)**
Tax on other comprehensive income	**9**	**4**	**-**	**13**
Other comprehensive income for the period	**(20)**	**(34)**	**-**	**(54)**
At 1 August 2009	**(6)**	**306**	**159**	**459**
At 3 February 2008	(2)	248	159	405
Currency translation differences				
Group	-	142	-	142
Joint ventures and associates	-	11	-	11
Cash flow hedges				
Fair value losses	(3)	-	-	(3)
Losses transferred to inventories	4	-	-	4
Other comprehensive income for the period	1	153	-	154
At 2 August 2008	(1)	401	159	559
At 3 February 2008	(2)	248	159	405
Currency translation differences				
Group	-	152	-	152
Joint ventures and associates	-	32	-	32
Gains transferred to income statement	-	(80)	-	(80)
Cash flow hedges				
Fair value gains	33	-	-	33
Gains transferred to inventories	(10)	-	-	(10)
Tax on other comprehensive income	(7)	(12)	-	(19)
Other comprehensive income for the year	16	92	-	108
At 31 January 2009	14	340	159	513

13. Cash generated by operations

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Operating profit	**320**	239	173
Share of post-tax results of joint ventures and associates	**(13)**	(10)	14
Depreciation and amortisation	**129**	129	265
Impairment losses	**-**	-	185
Loss on disposal of property, plant and equipment, investment property and intangible assets	**2**	2	11
Share-based compensation charge	**9**	6	15
Decrease/(increase) in inventories	**76**	(10)	169
Decrease in trade and other receivables	**50**	68	69
Increase/(decrease) in trade and other payables	**37**	72	(23)
Movement in provisions	**(17)**	-	14
Movement in post employment benefits	**(20)**	(14)	(25)
Cash generated by operations – continuing operations	**573**	482	867

14. Net debt

£ millions	At 1 August 2009	At 2 August 2008	At 31 January 2009
Cash and cash equivalents	**963**	370	1,157
Bank overdrafts	**(21)**	(83)	(163)
Cash and cash equivalents and bank overdrafts	**942**	287	994
Current other investments	**-**	1	-
Bank loans	**(177)**	(229)	(307)
Medium Term Notes and other fixed term debt	**(1,488)**	(1,430)	(1,757)
Financing derivatives	**47**	(8)	135
Finance leases	**(64)**	(69)	(69)
Net debt	**(740)**	(1,448)	(1,004)

£ millions	Half year ended 1 August 2009	Half year ended 2 August 2008	Year ended 31 January 2009
Net debt at beginning of period	**(1,004)**	(1,559)	(1,559)
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	**(16)**	91	743
Disposal of current other investments	**-**	(11)	(12)
Repayment of bank loans	**108**	51	37
Repayment of Medium Term Notes and other fixed term debt	**170**	-	-
(Receipt)/payment on financing derivatives	**(22)**	3	5
Capital element of finance lease rental payments	**7**	5	12
Cash flow movement in net debt	**247**	139	785
Transfer to assets and liabilities held for sale	**-**	(8)	-
Exchange differences and other non-cash movements	**17**	(20)	(230)
Net debt at end of period	**(740)**	(1,448)	(1,004)

Sterling bank loans of £75m have been repaid in the period, along with a reduction in the level of bank loans in China. €120m of a €500m MTN and £65m of a £150m MTN have been repurchased in the period. A €330m cross-currency swap has matured and £65m of a £150m interest rate swap has been settled in the period.

15. Acquisitions

There have been no significant acquisitions in the current period. There were no significant acquisitions in the prior half year, however in the second half of the prior year there were purchases of minority interests in China amounting to £7m of cash consideration.

16. Discontinued operations

There have been no significant disposals in the current period.

On 30 January 2009 Kingfisher completed the sale of its Castorama Italy business to Groupe Adeo S.A. The disposed business is classified as a discontinued operation in the prior half year and full year. It is classified on the balance sheet as a disposal group held for sale in the prior half year.

Further details on the disposal, results, earnings per share and cash flows of the Castorama Italy business are given in note 35 of the annual financial statements for the year ended 31 January 2009.

17. 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. Kingfisher appealed against this tax liability and the tribunal found in favour of Kingfisher in June 2009. As a result on 7 September the Group received €169m from the French tax authorities, representing a refund of the €138m and €31m of repayment supplement. The French tax authorities have indicated that they will appeal against this decision, therefore no asset has been recognised in these interim financial statements (2008/09: £nil). At 31 January 2009 no asset was recognised.

Kingfisher plc has an obligation to provide a bank guarantee for £50m (2008/09: £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. At 31 January 2009 the amount was £50m.

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 end of the period is £36m (2008/09: £34m). At 31 January 2009 the total amount was £35m.

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.

18. Related party transactions

The Group's significant related parties are its associates and joint ventures as disclosed in note 38 of the annual financial statements for the year ended 31 January 2009. There have been no significant changes in related parties or related party transactions in the period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this set of interim financial statements has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the period and their impact on the interim financial statements, and a description of the principal risks and uncertainties for the remainder of the financial year; and
- material related party transactions in the period and any material changes in the related party transactions described in the last annual report.

The Directors of Kingfisher plc are listed in the Kingfisher plc Annual Report for 31 January 2009. There have been no changes in the period.

By order of the Board

Ian Cheshire	Kevin O'Byrne
Group Chief Executive	Group Finance Director
16 September 2009	16 September 2009

INDEPENDENT REVIEW REPORT TO KINGFISHER PLC

Introduction
We have been instructed by the Company to review the condensed consolidated interim financial information in the interim financial report for the six months ended 1 August 2009 which comprises the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, 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 consolidated interim financial information.

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 2, 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 consolidated interim financial information 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 consolidated interim financial information in the interim financial report for the six months ended 1 August 2009 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
16 September 2009