

**EMBARGOED UNTIL 0700 HOURS**  
**Thursday 22 February 2007**

**Kingfisher plc**  
**Trading update for the fourth quarter ended 3 February 2007**

**Group Financial Summary**

<b>Retail Sales <sup>(1)</sup></b>	<b>2006/07 £m</b>	<b>2005/06 £m</b>	<b>% Total Change (Reported)</b>	<b>% Total Change on a 13 week basis (Constant Currency)</b>	<b>% LFL Change</b>
<b>UK</b>	1,042.6	922.6	13.0%	4.4%	1.4%
<b>France</b>	659.9	607.6	8.6%	10.9%	3.8%
<b>Rest of Europe <sup>(2)</sup></b>	248.4	213.4	16.4%	17.7%	2.6%
<b>Asia <sup>(3)</sup></b>	132.1	119.0	11.0%	16.2%	5.8%
<b>Total</b>	<b>2,083.0</b>	<b>1,862.6</b>	<b>11.8%</b>	<b>8.8%</b>	<b>2.5%</b>

*(1) For the UK businesses, the fourth quarter reported total sales figures are for the 14 weeks ended 3 February 2007. Outside the UK, figures are on a calendar month basis.*

*(2) Rest of Europe includes sales for Castorama Poland, Castorama Italy, Brico Dépôt Spain, B&Q Ireland and Castorama Russia. Sales from Koçtaş JV in Turkey and Hornbach in Germany are not consolidated.*

*(3) Asia includes B&Q China and B&Q Home South Korea. B&Q Taiwan JV sales are not consolidated.*

**Q4 Highlights (all figures in constant currency)**

- Group total sales up 8.8% (13 week basis), like for like sales (LFL) ahead 2.5%.
- B&Q UK total sales up 2.7% (13 week basis), up 1.3% LFL with gross margin rate recovering over three percentage points. Eleven new format stores trading well, next phase of eight revamps underway.
- Strong finish for Brico Dépôt (+8.5% LFL). Mild weather impacted sales at Castorama (flat LFL). Overall gross margins in France one percentage point lower across the second half reflecting strong price pressure which is expected to continue in 2007/08.
- Good performance in Rest of Europe and Asia against strong comparatives.

**Full Year**

- Kingfisher expects to announce on 29 March 2007 full year adjusted profit before tax slightly ahead of current consensus of analyst expectations.
- Retail profit for B&Q UK is expected to benefit from improved trading and £6 million of one-off items in the fourth quarter. Retail profit in France is expected to be adversely impacted by seasonal weakness at Castorama and continuing price pressure affecting both businesses.
- Net debt is expected to be around £1.3 billion, below current market estimates.

**Gerry Murphy, Group Chief Executive, said:**

“Kingfisher delivered growth in the fourth quarter despite continuing tough conditions in our biggest markets. We have accelerated development activity at B&Q UK and Castorama France and the strong momentum of our international expansion in the Rest of Europe and Asia continues.”

## UK

Q4 Retail Sales £m	2006/07	2005/06	% Total Change (14 weeks)	% Total Change (13 weeks)	% LFL Change
UK	1,042.6	922.6	13.0%	4.4%	1.4%

*UK includes B&Q in the UK, Screwfix Direct and Trade Depot.*

**B&Q** total reported sales were £942.2 million, up 2.7% on a 13 week basis (+1.3% LFL), reflecting less promotional activity in the quarter than the previous year. Building and energy efficiency products, kitchens and bathrooms benefited from new ranges and targeted promotions. The gross margin rate improved by over three percentage points, reflecting less stock clearance and general discount activity compared to last year.

Results from the three large new format stores opened in summer 2006 continue to be encouraging. The second phase of eight revamps was completed in the quarter taking the total number of new format stores trading to 11. The next phase of eight revamps is now underway and due for completion before Easter 2007.

**Screwfix Direct** total reported sales were £96.2 million, up 24.4% on a 13 week basis. LFL sales growth was slower (+1.8%) reflecting strong growth last year (2005/06: +37.1%) and slower trade sales in January. Screwfix's Trade Counter roll-out continues with eight openings during the quarter, taking the total to 38.

## FRANCE

Q4 Retail sales £m	2006/07	2005/06	% Change (Reported)	% Change (Constant)	% LFL Change
France	659.9	607.6	8.6%	10.9%	3.8%

*2006/07 £1 = 1.4720 euro 2005/06 £1 = 1.4649 euro  
All percentage increases below are in constant currencies.*

Total sales grew 10.9% to £659.9 million with unusually mild weather benefiting some outdoor categories (e.g. building) but significantly reducing demand for heating products, particularly at Castorama, France's leading retailer of heating supplies. Continuing price pressure in the market compressed Kingfisher's overall French gross margin rate by one percentage point across the second half of the year compared with the same period last year. This price pressure is expected to continue in 2007/08.

**Castorama** sales grew by 2.7% to £350.3 million (flat LFL). Stores in the modern format (representing 36% of store space) continued to perform well although the performance of older format stores was weaker. Sales benefited from new decorative ranges and Castorama's range development progressed in the fourth quarter. In 2007/08 its store development programme will continue with six revamps scheduled for the first quarter. Three Castorama stores closed during the fourth quarter ahead of their conversion to Brico Dépôts in 2007/08.

**Brico Dépôt** sales grew 21.9% to £309.6 million (+8.5% LFL) with eight more stores compared with the same quarter last year, an additional catalogue and stronger promotional activity. The implementation of the new information technology platform

remains on track for completion in the first half of 2007/08, and the second central distribution centre opened on schedule in southern France during January.

## REST OF EUROPE

Q4 Retail sales £m	2006/07	2005/06	% Change (Reported)	% Change (Constant)	% LFL Change
Rest of Europe	248.4	213.4	16.4%	17.7%	2.6%

*Rest of Europe includes sales for Castorama Poland, Castorama Italy, Brico Dépôt in Spain, B&Q in Ireland and Castorama Russia. Sales from Koçtaş JV in Turkey and Hornbach in Germany are not consolidated. All percentage increases below are in constant currencies.*

**Rest of Europe** sales increased 17.7% to £248.4 million, with 14 more stores trading compared with the same period last year and LFL growth of 2.6% against a very strong 2005/06 comparative in Poland.

**Castorama Poland** sales grew 9.6% to £129.6 million as milder weather extended the outdoor construction season. Underlying trading was strong but LFL sales were ahead only 0.4% compared to +31.1% in the last quarter of 2005/06, boosted by non-recurring tax incentives to customers in that year. One new store opened during the quarter.

**Castorama Italy** sales increased 9.0% (+3.8% LFL) to £69.4 million in a generally weak Italian retail market.

Underlying trading at **Brico Dépôt Spain** and **Castorama Russia** continues to be strong with two new stores opening in Spain during the quarter.

## ASIA

Q4 Retail sales £m	2006/07	2005/06	% Change (Reported)	% Change (Constant)	% LFL Change
Asia	132.1	119.0	11.0%	16.2%	5.8%

*Asia includes B&Q China and B&Q Home South Korea. B&Q Taiwan JV sales are not consolidated. All percentage increases below are in constant currencies.*

**Asia** sales increased 16.2% (+5.8% LFL) to £132.1 million.

**B&Q China** sales grew by 14.9% (+5.9% LFL) with 10 more stores trading compared with the same quarter last year. Four new stores opened during the quarter, taking the total to 58.

## For the year ended 3 February 2007

Retail Sales £m <sup>(1)</sup>	2006/07	2005/06	% Change (Reported)	% Change (52 week basis, Constant currency)	% LFL Change
<b>UK</b>	4,261.5	4,172.0	2.1%	0.2%	(1.8)%
<b>France</b>	2,955.2	2,724.9	8.5%	9.0%	2.0%
<b>Rest of Europe</b> <sup>(2)</sup>	1,002.5	795.2	26.1%	25.0%	7.4%
<b>Asia</b> <sup>(3)</sup>	456.7	318.0	43.6%	42.2%	10.9%
<b>Total</b>	<b>8,675.9</b>	<b>8,010.1</b>	<b>8.3%</b>	<b>7.4%</b>	<b>0.9%</b>

(1) For the UK businesses, the fourth quarter reported total sales figures are for the 53 weeks ended 3 February 2007. Outside the UK, figures are on a calendar month basis.

(2) Rest of Europe includes sales for Castorama Poland, Castorama Italy, Brico Dépôt Spain, B&Q Ireland and Castorama Russia. Sales from Koçtaş JV in Turkey and Hornbach in Germany are not consolidated.

(3) Asia includes B&Q China and B&Q Home South Korea. B&Q Taiwan JV sales are not consolidated.

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

**Kingfisher plc** is Europe's leading home improvement retail group and the third largest in the world, with over 700 stores in 11 countries in Europe and Asia. Its main retail brands are B&Q, Castorama, Brico Dépôt and Screwfix Direct. Kingfisher also has a 21% interest in, and strategic alliance with, Hornbach, Germany's leading DIY Warehouse retailer, with over 120 stores in Germany and seven neighbouring countries.