

EMBARGOED UNTIL 0700 HOURS
Tuesday 2 June 2009

Kingfisher plc today announces its Q1 trading update for the 13 weeks ended 2 May 2009. Total reported sales up 10% (-1.7% LFL), reported retail profit up 40%.

<u>Group Financial Summary</u>	Retail Sales	% Total	% Total	% LFL	Retail Profit	% Total	% Total
	2009/10 £m	Change (Reported)	Change (Constant currency)	Change (Constant currency)	2009/10 £m	Change (Reported)	Change (Constant currency)
France	1,064	18.6%	1.7%	(2.8)%	53	20.8%	3.5%
UK	1,163	2.9%	2.9%	0.9%	61	89.2%	89.2%
Other International	414	8.6%	3.2%	(6.3)%	14	(8.5)%	53.1%
Total Group	2,641	9.6%	2.4%	(1.7)%	128	40.1%	38.5%

Note: Joint Venture (JV) and Associate sales are not consolidated. Retail profit is stated before central costs, exceptional items, amortisation of acquisition intangibles and the Group's share of interest and taxation of joint ventures and associates. Prior year figures have been restated to exclude Italy.

All trading commentary below is in constant currencies.

- Group total sales up 2.4% with outdoor seasonal product sales boosted by more favourable weather in the UK and France and a later Easter compared to last year, whilst non-seasonal sales continued to decline
- Group retail profit up 38.5%, primarily reflecting a doubling of B&Q's profit in the UK
- French sales up 1.7%, retail profit up 3.5% benefiting from cost initiatives
- UK sales up 2.9%, retail profit up 89.2%. B&Q's sales up 4.6%, LFL +3.2% and retail profit doubled benefiting from higher sales volumes and continuing margin and cost improvements
- The Eastern European business continued to grow both sales and profit
- China restructuring underway, with store portfolio rationalised from 62 to 51 since the end of the quarter. As anticipated, sales in China continued to decline sharply in a weak housing market
- As at 2 May 2009 net debt was £0.8 billion (31 January 2009: £1.0 billion) and net assets were £4.9 billion (31 January 2009: £4.8 billion)

Ian Cheshire, Group Chief Executive, said:

"We have made a good start to the year, boosted by better weather and a later Easter. B&Q in particular capitalised well on this increased demand, growing its market share and doubling its retail profit. Whilst there is still work to be done I am confident that B&Q is emerging from its renewal phase in better shape to convert sales volumes into cash profits. I am also encouraged that our French and Eastern European businesses continued to grow sales and profits in slower markets.

"Looking ahead, we are unlikely to see a weather driven seasonal bounce in demand again in 2009 and we continue to plan for a particularly tough balance of the year in our major markets. As a strong business with tight control over margins, costs and cash we are increasingly better placed to benefit when consumer demand improves."

Operational Review - FRANCE

Retail sales £m	2009/10	2008/09	% Change (Reported)	% Change (Constant)	% LFL Change
France	1,064	897	18.6%	1.7%	(2.8)%

Retail profit £m	2009/10	2008/09	% Change (Reported)	% Change (Constant)
France	53	43	20.8%	3.5%

*France includes Castorama and Brico Dépôt.
2009/10 £1 = 1.1085 euro (2008/09 £1 = 1.2932 euro)*

All trading commentary below is in constant currencies.

Kingfisher France

Total sales grew 1.7% to £1,064 million (-2.8% LFL) with Kingfisher continuing to outperform the market. According to Banque de France* comparable DIY store sales for the market as a whole were down 3% compared with Kingfisher's comparable sales down 2%. Across the two businesses, two new stores were opened, one Castorama store was relocated and two revamped.

Retail profit grew 3.5% to £53 million supported by early cost initiatives helping to offset the impact of lower sales. Gross margins were broadly flat with higher own-brand sales penetration and buying optimisation benefits offsetting increased promotional activity.

**Banque de France data including relocated and extended stores*

Castorama total reported sales grew by 0.7% to £574 million (-1.2% LFL, -0.3% on a comparable store basis) supported by its modernisation programme. Seasonal categories benefited from good weather (+9.8% LFL) and a new catalogue. Non-seasonal LFL sales were down around 3%. Stores trading in the new format, now representing 52% of total selling space, continue to outperform.

Brico Dépôt total reported sales grew 2.9% to £490 million (-4.8% LFL) reflecting growth in store numbers, new ranges and the step-up of 'arrivages' promotions (rolling programme of one-off special buys). This was offset by continued weakening trade demand from a slow down in housing starts (down 22%) and big project planning consents (down 15%).

Operational Review - UK

Retail sales £m	2009/10	2008/09	Reported % Change	% LFL Change
UK	1,163	1,131	2.9%	0.9%

Retail profit £m	2009/10	2008/09	Reported % Change
UK	61	33	89.2%

UK includes B&Q in the UK and Screwfix. Prior year figures include Trade Depot.

Kingfisher UK

Total UK sales grew by 2.9% to £1,163 million (+0.9% LFL) benefiting from favourable spring weather and a later Easter compared to last year, offset by a challenging trade market. UK retail profit grew almost 90% to £61 million compared to the same period last year, supported by strong sales, margin benefits and further cost initiatives.

B&Q total sales grew 4.6% to £1,043 million (+3.2% LFL). Despite the weak economic backdrop, the warm spring weather boosted sales of outdoor products, up over 30%. Kitchen, bathroom and bedroom sales were slightly up, helped by improved merchandising and new ranges, as well as recent competitor withdrawal. This was despite weak consumer appetite for bigger ticket purchases. Sales of core DIY and decorative products remained relatively resilient, down 2%, supported by increasing consumer interest in DIY and room makeovers.

Retail profit doubled to £58 million (2008/09: £29 million). Reported gross margin was up 80 basis points, despite tough comparatives, reflecting lower mark down activity and supply chain cost efficiencies. A strong focus on cost efficiency continued resulting in an overall cost reduction of 1% compared to the same period last year.

Following successful trials of a lower-cost large store revamp, a further three were completed during the quarter. The lower-cost revamps incorporate most of the features of a full cost revamp (more clearly defined shop-within-shop sections, room-set displays and more space allocated to kitchens, bathrooms, tiling and flooring areas). The key savings come from recycling existing fixtures, less in-store category relocation and faster completion which minimises trading disruption. In addition, four medium format stores were revamped. B&Q now has 119 large stores (59 in the modern format) and 203 medium stores (of which 172 have been modernised).

In a more challenging trade market **Screwfix** limited its total sales decline to 6.0% to £119 million, with the continued roll out of trade counters and the new 'Plumbfix' and 'Electricfix' specialist mail order catalogues. During Q1 seven new outlets were opened taking the total to 145.

Operational Review - OTHER INTERNATIONAL

Retail sales £m	2009/10	2008/09	% Change (Reported)	% Change (Constant)	% LFL Change
Other International	414	381	8.6%	3.2%	(6.3)%

Retail profit £m	2009/10	2008/09	% Change (Reported)	% Change (Constant)
Other International	14	15	(8.5)%	53.1%

Other International includes Poland, China, Spain, Ireland, Russia, Turkey JV and Hornbach in Germany. Joint Venture and Associate sales are not consolidated. Prior year figures have been restated to exclude Italy.

2009/10 £1 = 5.0449 Polish zloty (2008/09 £1 = 4.5500 Polish zloty)

2009/10 £1 = 9.8762 Chinese renminbi (2008/09 £1 = 14.1599 Chinese renminbi)

All trading commentary below is in constant currencies.

Other International total sales increased 3.2% to £414 million. LFL sales were down 6.3% reflecting high LFL declines in China. Excluding China, LFLs were flat. Thirteen more stores (excluding Turkey JV) were trading compared to the same quarter last year. Retail profit was up 53.1% to £14 million, reflecting continued growth in Poland and Hornbach (21% economic interest), a breakeven result in aggregate across Ireland, Spain and Russia (2008/09: aggregate loss of £5 million), offset by a weaker performance in China.

During Q1, three stores opened comprising one in Poland (Brico Dépôt), one in Russia and one in Spain.

In **Eastern Europe** sales in Poland were up 9.3% to £221 million (-0.3% LFL despite a tough comparative of +13.6% and the coldest February for three years) and retail profit was up 4.6% to £25 million. Strong consumer spending in decoration combined with a good response to the new garden catalogue contributed to growth in sales and profits. Russia continued to be encouraging (+14.3% LFL) and Koçtaş in Turkey, a 50% joint venture, held retail profits flat compared to the same period last year despite sales (-7.8% LFL) being affected by weakening demand.

In **China**, sales were down 23.7% (-23.5% LFL) for the quarter ended 31 March 2009 (B&Q China has a 31 December year end). Losses increased by 25.7% to £14 million reflecting the sharp fall in sales and around £3 million of planned additional losses from running down stores ahead of a store portfolio rationalisation in May. Whilst there are early signs of a pick-up in housing activity in some regions, this has yet to translate into stronger consumer demand for home improvements. The property slowdown has particularly impacted B&Q China's business as half its sales were generated from internal design and fit out of new apartments.

Since the end of Q1, the store portfolio has been rationalised from 62 to 51. A more detailed update of progress with the repositioning plan previously announced with the preliminary results in March 2009 will be provided at the time of interims update in September 2009.

Operational Review - DATA BY COUNTRY as at 2 May 2009

	Store numbers	Selling space (000s sq.m.)	Employees (FTE)
Castorama	100	1,003	12,195
Brico Dépôt	98	542	5,886
Total France	198	1,545	18,081
B&Q	322	2,413	24,986
Screwfix	145	13	2,674
Total UK	467	2,426	27,660
Poland	52	390	8,827
China	62	588	9,519
Ireland	9	56	525
Spain	16	95	782
Russia	8	72	1,749
Turkey JV	21	109	1,992
Total Other International	168	1,310	23,394
Total	833	5,281	69,135

Forward-looking statements

This press release contains certain statements that are forward-looking and are therefore subject to risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed or implied because they relate to future events. These forward-looking statements include, but are not limited to, statements relating to the Company's expectations around its three key priorities of Management, Capital and Returns and the associated seven steps to Delivering Value objectives.

Forward-looking statements can be identified by the use of relevant terminology including the words: "believes", "estimates", "anticipates", "expects", "intends", "plans", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology and include all matters that are not historical facts. They appear in a number of places throughout this press release and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the businesses we operate.

Other factors that could cause actual results to differ materially from those estimated by the forward-looking statements include, but are not limited to, global economic business conditions, monetary and interest rate policies, foreign currency exchange rates, equity and property prices, the impact of competition, inflation and deflation, changes to regulations, taxes and legislation, changes to consumer saving and spending habits; and our success in managing these factors.

Consequently, our actual future financial condition, performance and results could differ materially from the plans, goals and expectations set out in our forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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

Company Profile

Kingfisher plc is Europe's leading home improvement retail group and the third largest in the world, with over 830 stores in eight 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, with 129 stores in nine European countries.