**Thursday 16 August 2018: Q2 trading update to 31 July 2018**

**Financial highlights**

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| |  |  |  |  |  | | --- | --- | --- | --- | --- | |  | **Sales**  **2018/19** | **% Total**  **Change** | **% Total**  **Change** | **% LFL(1) Change** | |  | **£m** | **Reported** | **Constant currency** | **Constant currency** | | **UK & Ireland** | **1,412** | **+6.0%** | **+6.0%** | **+4.2%** | | - B&Q UK & Ireland | 1,005 | +3.9% | +3.9% | +3.6% | | - Screwfix | 407 | +11.8% | +11.8% | +5.5% | | **France** | **1,193** | **+0.4%** | **(0.7)%** | **(1.0)%** | | - Castorama | 648 | (3.1)% | (4.1)% | (3.8)% | | - Brico Dépôt | 545 | +4.8% | +3.7% | +2.6% | | **Other International** | **650** | **+3.6%** | **+5.6%** | **+1.4%** | | - Poland | 388 | +1.8% | +2.5% | +1.3% | | - Iberia (2) | 102 | +0.8% | (0.3)% | (0.3)% | | - Russia | 99 | (10.9)% | (1.1)% | +2.1% | | - Romania (3) | 58 | +79.5% | +80.8% | +4.6% | | - Screwfix Germany | 3 | +21.6% | +20.4% | +20.4% | | **Total Group** | **3,255** | **+3.4%** | **+3.4%** | **+1.6%** | |

* Q2 Group LFL up 1.6% helped by improved performance of weather-related categories which contributed c.+2% to Group LFL; H1 LFL -1.1% (Q1 LFL -4.0%)
* Good Q2 sales recovery at B&Q and Screwfix versus Q1 within the context of a continuing weak UK consumer backdrop
* Sales and gross margin of unified and unique ranges continued to grow
* H1 Group gross margin after clearance costs expected to be c.-40bps with Q2 ahead of Q1
* Actions in place to improve H2 Group gross margin and therefore still expect to grow the full year Group gross margin after clearance costs
* France performance in H1 reflects:
  + Weaker footfall and impact of transformation-related activity at Castorama
  + Continued sales growth at Brico Dépôt benefitting from new unified ranges
  + Higher costs (c.+3.5% in constant currency) including phasing of marketing investment in Brico Dépôt
* £90m returned (30m shares) year to date via share buyback. Now returned £550m of c.£600m capital return commitment (4)

**Véronique Laury, Chief Executive Officer, said:**

“We started our transformation two and a half years ago and are on track to deliver our strategic milestones for the third year in a row.

“In Q2, I’m pleased that we grew our sales after the exceptionally harsh weather conditions in Q1. In B&Q, Screwfix and Brico Dépôt France we delivered good sales growth. However, the performance of Castorama France has been more difficult and as a result we have put additional actions in place to support our full year performance in France with the benefits expected to come through in H2.

“We look forward to providing a more detailed update at our H1 results in September.”

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| **Q2 trading highlights by division (in constant currencies)**  **UK & IRELAND**  Total sales +6.0%. LFL +4.2% reflecting improved performances at B&Q and Screwfix within the context of a continuing weak UK consumer backdrop   * **B&Q UK & Ireland** sales +3.9%. LFL +3.6% driven by strong performance of weather-related categories benefiting LFL by c.+7% (impact on LFL in Q1 18/19 c.-6%, H1 18/19 c.+1%) * **Screwfix** sales +11.8%. LFL +5.5% with 12 new outlets opened during Q2   **FRANCE**  Total sales -0.7% (LFL -1.0%). Sales for the home improvement market (Banque de France data(5)) were up c.1% in Q2   * **Castorama** sales -4.1%. LFL -3.8% reflecting continued softer footfall and the impact of transformation-related activity. LFL of weather-related categories was flat (impact on LFL in Q1 18/19 c.-4%, H1 18/19 c.-2%) * **Brico Dépôt** sales +3.7%. LFL +2.6% reflecting good growth from the new unified ranges, which continue to re-energise the Brico Dépôt offer, supported by investment in marketing   **OTHER INTERNATIONAL**  Total sales in **Poland** +2.5%. LFL +1.3% against a strong comparative (Q2 17/18: +4.0%) |

**Footnotes**

(1) Like-for-like sales growth representing the constant currency, year on year sales growth for stores that have been open for more than a year

(2) Brico Depôt Spain & Portugal

(3) Includes Praktiker Romania acquired on 30 November 2017

(4) Through to end of FY 2018/19 (over and above the annual ordinary dividend)

(5) Includes relocated and extended stores <http://webstat.banque-france.fr/en/browse.do?node=5384326>

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This announcement can be downloaded from [www.kingfisher.com](http://www.kingfisher.com). Data tables for Q2 2018/19 are available for download in excel format at <http://www.kingfisher.com/index.asp?pageid=59>

Our next announcement will be the Half Year results on 19 September 2018.

We can be followed on Twitter @kingfisherplc with the Q2 results tag #KGFQ2. Kingfisher American Depository Receipts are traded in the US on the OTCQX platform:(OTCQX: KGFHY) <http://www.otcmarkets.com/stock/KGFHY/quote>

**Forward-looking statements**

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