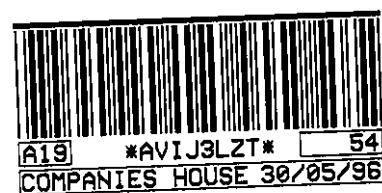


KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

3 FEBRUARY 1996



KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

CONTENTS	PAGE
Report of the Directors	2-3
Statement of the Directors' Responsibilities	4
Report of the Auditors	5
Profit and Loss Account	6
Balance sheet	7
Notes to the accounts	8-11

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

The directors present their report and financial statements of the company for the financial year ended 3 February 1996.

PRINCIPAL ACTIVITY

The company is, and will continue to be, an investment holding company whose subsidiary is incorporated outside the United Kingdom.

REVIEW OF THE BUSINESS

During the year the company received dividends of £2,498,844 from Kingfisher B.V. and increased its investment in this subsidiary by £2,520,653.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (1995: £nil). The profit for the financial year of £2,030,367 (1995: £268,454) will be transferred to reserves.

ELECTIVE RESOLUTION

On 2 December 1991 the Company passed an elective resolution whereby it would dispense with the holding of an annual general meeting until the election was revoked. Further elective resolutions were passed at the same time that the Company would dispense with:

- a) the laying of the annual report and financial statements before the Company in general meeting and
- b) the requirement to reappoint annually the auditors of the Company in general meeting.

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

REPORT OF THE DIRECTORS

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

DIRECTORS

The directors of the company who held office during the year are :

A. H. Percival	(appointed 5 May 1995)
H. M. Jones	(appointed 3 July 1995)
N. Whittaker	(resigned 13 February 1995)
J.R. Kerr-Muir	(resigned 30 April 1995)
T.F. Clement-Jones	(resigned 3 July 1995)

DIRECTORS' INTERESTS

None of the directors have any beneficial interest in the shares of the company. The interests of Anthony Percival in the share capital of the company's ultimate parent, Kingfisher plc, are shown in the financial statements of that company.

The other director had the following interest in 25p Ordinary shares of Kingfisher plc:

	At date of Appointment	As at 3 Feb 1996
H. M. Jones	-	50

Options for 25p Ordinary shares in Kingfisher plc:

	At date of Appointment	Options Granted	Options Exercised	As at 3 Feb 1996
H. M. Jones	26,432	-	2,093	24,339

On 1 May 1996 H. M. Jones was granted 9305 options.

The market price of Kingfisher plc shares at 3 February 1996 was 532p and the range during the year was 406p to 554p. The options were exercised on 11 September 1995. The market price of the shares on this date was 471.5p.

By order of the Board



E. Sibthorpe
Secretary

13 May 1996

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The following statement is made with a view of distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit for the year to that date. In preparing the financial statements the directors are required:

to ensure that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985

to take such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

to apply suitable accounting policies in a consistent manner and supported by reasonable and prudent judgements and estimates where necessary

to comply with all applicable accounting standards (except where any departures from this requirement are explained in the Notes to the Financial Statements)

REPORT OF THE AUDITORS TO THE MEMBERS OF
KINGFISHER INTERNATIONAL HOLDINGS LIMITED

We have audited the financial statements on pages 6 to 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS
AND AUDITORS**

As described in the Statement of Directors' Responsibilities on page 4 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

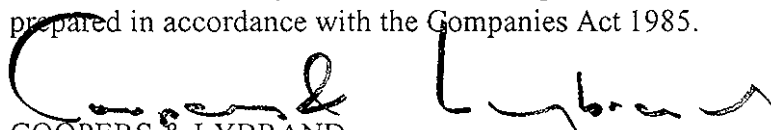
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 3 February 1996 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


COOPERS & LYBRAND
Chartered Accountants and Registered Auditors
London

13 May 1996

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

	Notes	<u>1996</u> £	<u>1995</u> £
Income from shares in group undertakings		2,498,844	1,200,042
Exchange gains		<u>1,668</u>	<u>776</u>
Profit on ordinary activities before taxation	4	2,500,512	1,200,818
Taxation	5	<u>(470,145)</u>	<u>(932,364)</u>
Retained profit for the year	11	<u><u>2,030,367</u></u>	<u><u>268,454</u></u>

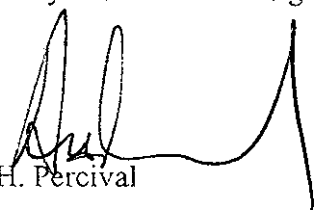
A statement of total recognised gains and losses and a reconciliation of historical cost profits and losses are not shown as all gains and losses are recognised in the profit and loss account, and there is no difference between the profit reported and that calculated under the historical cost convention.

There were no discontinued operations in the year.

KINGFISHER INTERNATIONAL HOLDINGS LIMITED**BALANCE SHEET AT 3 FEBRUARY 1996**

	Notes	<u>1996</u> £	<u>1995</u> £
FIXED ASSETS			
Investments	6	19,373,398	16,852,745
CURRENT ASSETS			
Debtors	7	20,132	25,577
CREDITORS: Amounts falling due within one year	8	<u>(2,585,596)</u>	<u>(1,933,755)</u>
NET CURRENT ASSETS		<u>(2,565,464)</u>	<u>(1,908,178)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,807,934	14,944,567
PROVISIONS FOR LIABILITIES AND CHARGES	9	<u>(1,107,200)</u>	<u>(1,274,200)</u>
		<u>15,700,734</u>	<u>13,670,367</u>
CAPITAL AND RESERVES			
Called up share capital	10	1,783,561	1,783,561
Profit and Loss Account	11	<u>13,917,173</u>	<u>11,886,806</u>
EQUITY SHAREHOLDERS' FUNDS	12	<u>15,700,734</u>	<u>13,670,367</u>

The financial statements on page 6 to 11 were approved by the board of directors on 13 May 1996 and were signed on its behalf by:


A.H. Percival

Director

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. The financial statements are made up to the nearest Saturday to 31 January, so as to coincide with its holding company, Kingfisher plc.

The company is a wholly owned subsidiary of Kingfisher plc and the cashflows of the company are shown in the consolidated Group Cashflow Statement of Kingfisher plc. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 from publishing a cashflow statement.

The company is exempt under Section 229 of the Companies Act 1985 from publishing consolidated financial statements as it is a wholly owned subsidiary of Kingfisher plc, which is registered in England and Wales.

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability or asset will crystallise.

Fixed asset investments are stated at cost except when there has been a permanent diminution in their value when they are stated at net realisable value.

Transactions denominated in foreign currencies are translated into sterling at contracted rates or, where no contract exists, at average monthly rates.

Monetary assets and liabilities denominated in foreign currencies which are held at the year end are translated into sterling at year end rates. Exchange differences on monetary items are taken to the profit and loss account.

Dividend income is recognised when declared.

2. EMPLOYEES

The company had no employees during the financial year, (1995: nil).

3. DIRECTORS EMOLUMENTS

None of the directors received any emoluments from the company or its subsidiary in respect of the financial year ended 3 February 1996 (1995: nil).

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by the parent company.

KINGFISHER INTERNATIONAL HOLDINGS LIMITED**NOTES TO THE ACCOUNTS****FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996****5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1996</u>	<u>1995</u>
	£	£
The taxation charge calculated on the profits for the year:		
United Kingdom Corporation tax at 33% (1995: 33%)	916,955	436,356
Deferred tax (released)/provided	(167,000)	618,000
Double taxation relief	<u>(279,810)</u>	<u>(121,992)</u>
	<u>470,145</u>	<u>932,364</u>

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary undertaking
Cost	£
At 28 January 1995	16,852,745
Additions	<u>2,520,653</u>
At 3 February 1996	<u>19,373,398</u>

At 3 February 1996 and at 28 January 1995 the company held the entire issued capital of £1 ordinary shares of Kingfisher BV, an investment holding company incorporated and operating in The Netherlands. The company also holds the entire issued capital of Tanmin Limited, a holding company incorporated and operating in Jersey, Channel Islands

7. DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Amounts due from subsidiary undertaking	<u>20,132</u>	<u>25,577</u>
	<u>20,132</u>	<u>25,577</u>

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

8. <u>CREDITORS: Amounts falling due within one year</u>	<u>1996</u> £	<u>1995</u> £
Amounts owed to parent undertaking	1,926,087	1,591,391
Corporation tax	<u>659,509</u>	<u>342,364</u>
	<u><u>2,585,596</u></u>	<u><u>1,933,755</u></u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

£

Deferred taxation

At 28 January 1995	1,274,200
Provided during the year	<u>(167,000)</u>

At 3 February 1996	<u><u>1,107,200</u></u>
--------------------	-------------------------

The deferred tax provision is in respect of overseas tax on planned future remittances of the accumulated reserves of overseas subsidiary undertakings. There is no difference between the amount provided and the total potential liability.

10. <u>CALLED UP SHARE CAPITAL</u>	<u>1996</u> £	<u>1995</u> £
Authorised : 2,000,000 ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted and fully paid : 1,783,561 ordinary shares of £1 each	<u><u>1,783,561</u></u>	<u><u>1,783,561</u></u>

11. PROFIT AND LOSS ACCOUNT

£

At 28 January 1995	11,886,806
Retained profit for the financial year	<u>2,030,367</u>
At 3 February 1996	<u><u>13,917,173</u></u>

KINGFISHER INTERNATIONAL HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE FINANCIAL YEAR ENDED 3 FEBRUARY 1996

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Opening Shareholders' Funds	13,670,367	13,401,913
Profit for the financial year	<u>2,030,367</u>	<u>268,454</u>
Closing Shareholders' funds	<u>15,700,734</u>	<u>13,670,367</u>

13. ULTIMATE PARENT COMPANY

The ultimate parent company is Kingfisher plc, which is registered in England and Wales.

A copy of the Annual report and Financial Statements of Kingfisher plc can be obtained from The Secretary, Kingfisher plc, 119 Marylebone Road, London NW1 5PX.