

Kingfisher Pension Scheme – Final Salary Section

Summary Funding Statement as at 31 March 2015

Each year the Trustee sends you a statement on the financial position of the Kingfisher Pension Scheme – Final Salary section (“the Scheme”), known as your ‘Summary Funding Statement’. The information given here is your statement for 2015 and shows the Scheme’s finances as they stand at 31 March 2015.

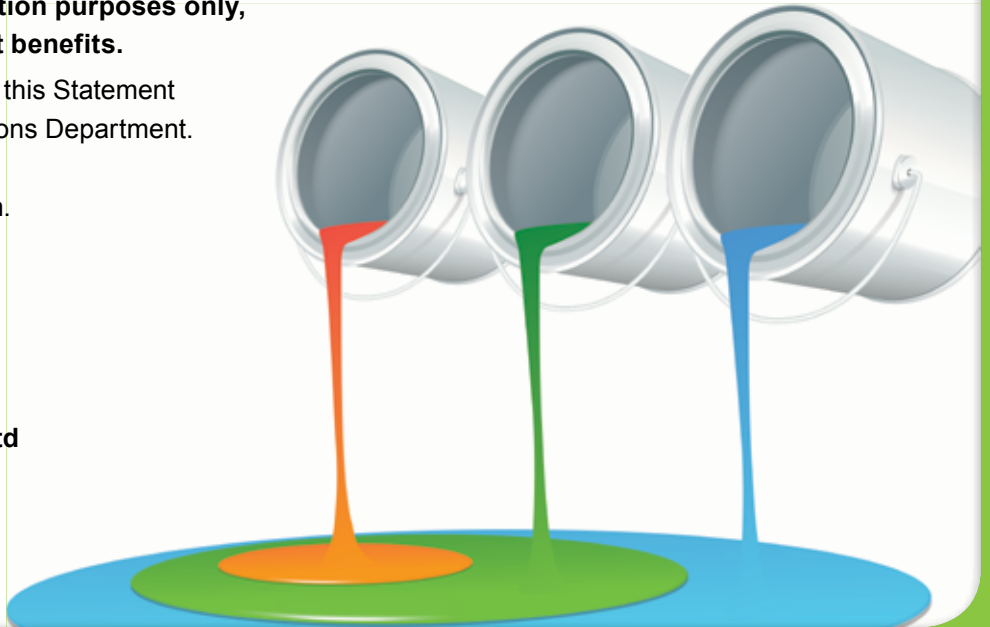
**This newsletter is for information purposes only,
it does not affect your current benefits.**

If you have any questions about this Statement please contact the Group Pensions Department. You can also visit our website at www.kingfisherpensions.com.

Yours faithfully



**Dermot Courtier, Secretary
Kingfisher Pension Trustee Ltd**



The position as at 31 March 2014

In your 2014 Summary Funding Statement, following the full actuarial valuation of the Scheme completed as at 31 March 2013, we reported a slight improvement to the funding level and confirmed the Scheme had a financial shortfall of £19m and a ‘funding level’ of 99.2% on a ‘Technical Provisions’ basis as at 31 March 2014.

Both, the funding level and shortfall have improved since 31 March 2014. Please see overleaf for further information.



The latest position

The Trustee and the Scheme's Actuary monitor the funding level regularly and the recent results have shown positive progress towards the Scheme's funding objective.

The funding level on a Technical Provisions basis has improved from 99.2% to 109%, which now means the Scheme has gone from having a shortfall of £19m to a surplus of £246m as at 31 March 2015. The position has improved due to good asset returns and contributions being paid under the Secondary Funding Objective as detailed below.

Results (£m)	2014	2015
Assets	2,485	2,945
Technical Provisions Liabilities	2,466	2,699
Surplus/(Shortfall)	(19)	246
Technical Provisions Funding level	99.2%	109%

Surplus/(Shortfall)



Technical Provisions Funding Level



Definitions

Assets – the Scheme's contributions and investment income.

Technical Provisions Liabilities – the cost of Scheme benefits for all members calculated using the assumptions set out in the Scheme's Statement of Funding Principles.

Technical Provision Funding level – the percentage of the Scheme's Technical Provisions liabilities that would be covered by the Scheme's assets.



Secondary Funding Objective (2FO)

The Trustee and Company have agreed a long term objective, known as the Secondary Funding Objective (2FO). Its aim is to hold enough funds to pay for all of the Scheme's liabilities and invest mainly in low risk assets by 2030 in order to limit the reliance the Scheme has on the Company for further financial support.

The Scheme's Actuary uses a different set of assumptions to calculate the liabilities under the 2FO. The Trustee monitors the 2FO funding level on a regular basis. The 2FO funding level improved from 80% in 2014 to 82% in 2015.



The Company is currently paying £35.75m each year towards improving the 2FO based funding level.

Have any payments been made to Kingfisher plc?

No payments have been made out of the Scheme's funds to Kingfisher plc or to any of the participating employers in the previous 12 months.



How is my pension paid for?

All participating employers pay contributions to the Scheme so that pensions can be paid to members when they retire. Prior to the closure of the Scheme on 30 June 2012 active members also paid contributions. The money paid into the Scheme is held in a common fund and not in a separate account for each individual member.

The importance of Kingfisher plc's ongoing support

Our objective is to have enough money in the Scheme to pay pensions now and in the future. The success of this plan relies on continuing support from Kingfisher plc and the participating companies. We review the financial position of the Scheme with Kingfisher plc regularly (usually every three years).

What would happen if the Scheme started to wind up?

If the Scheme were to start to wind up the participating companies would be required to pay enough money into it to enable members' benefits to be provided instead by an insurance company. Neither the Trustee nor Kingfisher plc has any plans to wind up the Scheme but we are required by law to let you know the Scheme's financial position if this were to happen.

The full actuarial valuation as at 31 March 2013 revealed the following position:

(cont. on page 4)

	(£m)
Estimated cost of buying benefits with an insurance company	3,540
Value of the Scheme's assets	2,398
Shortfall	1,142
Funding level	67.7%

Please note, whilst we are still using the 2013 Valuation figures, the next full valuation is only a few months away (i.e. 31 March 2016) at which time these full funding figures will be updated again.

What would happen if the Scheme started to wind up (cont.)

(cont. from page 3)

If Kingfisher plc and the participating companies could not pay this full amount or became insolvent, the Pension Protection Fund (PPF) might be able to take over the Scheme and pay compensation to members.

Further information and guidance is available on the PPF's website at www.pensionprotectionfund.org.uk.

Or you can write to the Pension Protection Fund at Renaissance, 12 Dingwall Road, Croydon, Surrey, CR0 2NA.

Awards

We are pleased to announce the Kingfisher Pension Trustee Limited won further awards this year. The Trustee won:

“Engaged Investor Trustee Awards 2015” Best Communication Strategy & Best Investment Strategy 2015

“European Pensions 2015” Communication Award

“Financial News 2015 Pension Awards” Best Member Communications

For more information regarding the awards the Trustee has won recently please visit www.kingfisherpensions.com/awards

...and finally

The Trustee would like to thank everybody involved in the valuation process for their hard work in delivering these results which keep us on course to meet our objectives.



If you have any questions on any of the information provided in this announcement, please contact the Trustee.

A copy of the Summary Funding Statement report as at 31 March 2015 is available on the Trustee website www.kingfisherpensions.com or on written request to the Group Pensions Department.

E-Communications

If you haven't done so already don't forget to register your email address at www.kingfisherpensions.com. If you have misplaced your Unique ID, it is confirmed on the envelope used to send this statement.

Remember - If you still wish to receive hardcopy communications please send your written request to Kingfisher Group Pensions Team, 3 Sheldon Square, Paddington, London, W2 6PX.

If we do not hear from you by 31 March 2016 we will assume you will be happy to access future communications from April 2016 from our website www.kingfisherpensions.com

If you have already taken the necessary steps, you can ignore this message.



Data control

In order to administer your pension scheme, your personal data is used by the Kingfisher Pension Trustee Limited (of 3 Sheldon Square, Paddington, London, W2 6PX), and the Scheme Actuary (of 20 Waterloo Street, Glasgow, G2 6DB) who both act as Data Controllers. Your personal data will be processed fairly and lawfully in accordance with the principles of the Data Protection Act 1998 solely in connection with your pension scheme. If you have any queries in relation to your personal data please contact the Group Pensions Department.

If you have any questions about any of the information provided here, please contact the Group Pensions Department, Kingfisher Pension Trustee Limited, 3 Sheldon Square, Paddington, London, W2 6PX. If you need any help please ring 08456 80 70 60 (Monday to Friday, 8.45am – 5pm). Please note calls cost 7p per minute plus your phone operator's access charge. Alternatively, please email pensions@kingfisher.com