

Issued by:



| Date: 31st October 2010

IKEA UK & Ireland's growth continues

Despite the home furnishings market showing signs of decline¹, IKEA UK & Ireland today reports growth for the year to 31st August 2010*, with like-for-like sales rising by 1% to £1.2 billion.

Business areas with the most significant upwards shift in like-for-like sales include:

- **Kitchens:** + 11% coupled with a +1.4% market share uplift - the biggest shift seen on the market over this period
- **Storage across the home:** +11% YOY
- **Dining solutions:** +9% YOY
- **Children's IKEA:** + 4% YOY

Over the last year, IKEA UK & Ireland invested £11 million on improving the shopping experience in existing stores including adding self scan check outs in 12 out of its 19 stores to make payment faster.

For the first time ever, figures from market intelligence specialist Verdict Consulting confirm that IKEA took the lead in the home furnishings market with a 6.0% share at the end of 2009. IKEA is also currently number one in Verdict Consulting's Consumer Satisfaction Index for its Homewares range.

Commenting on the Company's performance, Martin Hansson, IKEA UK & Ireland's Country Manager said: "It has been another challenging year for us but despite the overall home furnishings market being in decline, we have delivered a small growth.

"By staying close to our customers we have understood they are more conscious of price but do not want to compromise on quality, design or good service. Therefore, we have focused on always offering the lowest priced products across each area of the home.

“In recent months we launched a full service package for our kitchens, meaning we can now plan, install and deliver our customers’ kitchens. This has already proved to be very successful. We also added bathroom installation to our list of services which already included options such as home delivery and product assembly.”

The year ahead

Focusing on customers’ needs will remain a priority for IKEA UK & Ireland in the coming year.

Hansson continues: “By focusing on two key areas - affordability and improved service levels - I am convinced we will continue to see stable, if not increased visitation to our IKEA stores over the coming period.

“I believe we will achieve growth by continuing to lower our prices. Compared to this time last year, our prices are already 5% lower across our entire home furnishings range. We also need to be even more relevant in our offer and continue to improve the shopping experience and service in our stores.

“In the first half of 2011 it is our intention to launch a new and improved home delivery service. As part of this customers will be able to select from a wider choice of products online. Currently there are around 3,700 articles and we are looking to increase this by more than 500 products. These will mainly include bedroom textiles, lighting and rugs – everything a customer needs to buy a complete bedroom solution. We will also introduce a lower home delivery charge.”

“Our latest research shows that 82% of our shoppers will recommend IKEA to a friend which is positive news for us. However, a lot of consumers still believe that the IKEA proposition is limited to self service so we still have some work to do to make our customers aware of our service offer.”

***The fiscal year for IKEA UK & Ireland is 1 September 2009 – 31 August 2010. The IKEA Group operates 280 IKEA stores in 26 countries. In addition there are 34 IKEA stores that are owned and run by franchisees by the IKEA Group in 16 countries/territories.**

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Notes to Editors

1. Verdict Consulting estimate the home market shrank by 7.4% in 2009