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Domestic Conservatory Market UK 2008-2012

New AMA report provides a timely review of the UK Conservatory Market

"Looking to the future, it is estimated that the decline in conservatory sales will continue, at least in 2009, with volumes forecast to fall to below 100,000 units reflecting an economy in deep recession. Forecasting short term prospects, however, are extremely difficult, with no significant reference points for conservatories. In the recession of the early-1990s, conservatories continued to grow strongly, but the market was in its early stages at that period and therefore it is impossible to draw any parallels for performance in 2009-10.

However, longer term prospects for the conservatory market should be more positive, providing the housing and financial markets stabilise, and our forecasts for 2010-12 indicate a modest market recovery – though it is difficult to estimate the timing and scale of any recovery at this stage. Conservatories still remain an attractive option for many homeowners and relatively low penetration rates to date suggest some cause for optimism in the medium term"

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.com.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

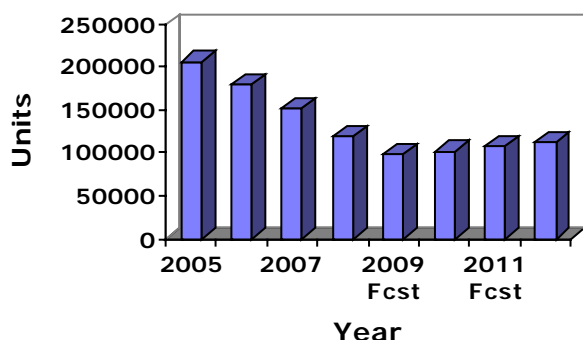
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Andrew Hartley or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Domestic Conservatory Market - UK 2008-2012

The UK Domestic Conservatory Market
2005 -2012 By Volume



Sales of conservatories increased substantially from the late 1990s to 2004 when they peaked at over 230,000 units, and for those years they represented the best performing sector of any major consumer durable. At that time, consumer awareness and interest in the product was still very high, with most householder surveys indicating conservatories high on the list of preferred home improvements.

However, since 2004, the conservatory market has experienced a significant fall in demand right through to 2008, with no prospects of any major upturn until 2010 at the earliest depending on the length and severity of the 'credit crunch'. As with many higher value consumer durables, the conservatory market has experienced rapidly deteriorating market conditions in 2008 as consumer confidence collapses and the economy falls into recession. As a result, overall volumes in 2008 are likely to have declined by at least 20%, which equates to an overall decline of around 50% from the 2004 peak.

PVCu remains the dominant frame material for conservatories with an estimated current share of 85%. Timber continues to retain popularity and now accounts for an estimated share of around 15%, with aluminium now virtually disappearing from the market.

In overall terms, the supply structure is still very fragmented and there has been more consolidation in 2007/08. The uncertainty in the housing market has started to impact severely on the glazing and conservatory industry, with a series of business failures in the glazing sector since late 2007, with further casualties anticipated given volatile market conditions.

Replacement window companies remain the major distribution channel for conservatories, accounting for an estimated 66% of sales by volume, though the sector is very fragmented in itself and contains a wide range of retail operations. The DIY Multiples account for an estimated volume share of 20%, though supply issues in late-2008 may impact on the level of commitment in the sector – at least in the short term.

Looking to the future, it is estimated that the decline in volume sales will continue, at least in 2009, with volumes forecast to fall to below 100,000 units reflecting an economy in deep recession. Forecasting short term prospects, however, are extremely difficult, with no significant reference points for conservatories. In the recession of the early-1990s, conservatories continued to grow strongly, but the market was in its early stages at that period and therefore it is impossible to draw any parallels for performance in 2009-10.

However, longer term prospects for the conservatory market should be more positive, providing the housing and financial markets stabilise, and our forecasts for 2010-12 indicate a modest market recovery – though it is difficult to estimate the timing and scale of any recovery at this stage. Conservatories still remain an attractive option for many homeowners and relatively low penetration rates to date suggest some cause for optimism in the medium term.

AMA Research's "**Domestic Conservatory Market – UK 2008 - 2012**" report is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 0871 3103450.