

PRESS RELEASE

Major Report on the UK Domestic Kitchen Appliance Market 2005

A major review of the UK Domestic Kitchen Appliance Market has just been published by AMA Research. The report is informed, comprehensive and up-to-date, and represents an invaluable aid to sales and marketing professionals involved in the industry.

The report analyses the build-in and the free-standing appliance market, giving a detailed overview of the key product sectors, including market sizes, major developments and future trends by product. In addition, the major suppliers in terms of shares, distribution channels and key retailers are also assessed as part of the comprehensive study.

Emphasis is given to both quantitative and qualitative assessments of market developments - with interpretation of relevant data to give support to the trends and to provide a basis for extrapolating future prospects.

This detailed report contains 90+ pages is available now and is priced to give excellent value at £595.

Editor's Note:

Enclosed 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 require more details please contact:-

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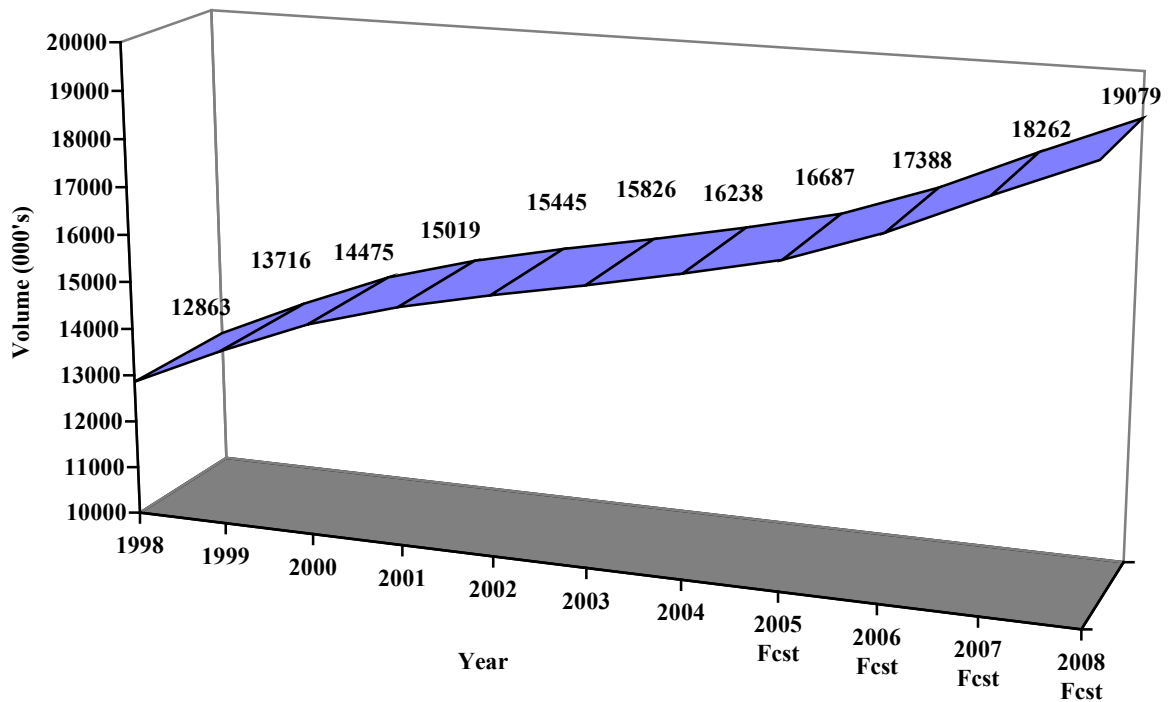
It would be appreciated if a copy of the review could be forwarded to AMA.

THE DOMESTIC KITCHEN APPLIANCE MARKET – UK 2005

SUMMARY

Steady growth has been witnessed in the Domestic Kitchen Appliance market since 2000, although higher performance levels were seen in 2003, and early 2004 with low interest rates and the buoyant housing market driving growth in the market. The following chart illustrates the market's performance since 1998 and forecasts to 2008:-

Chart 1: The Total Kitchen Appliance Market 1998-2008 By Volume (000's)



Following healthy performance in 2003/4, rises in interest rates and a slow down in the housing market from mid-late 2004 resulted in lower growth rates. With a generally slowing economy and lower levels of consumer confidence in late 2005, lower growth is likely in the short to medium term future, particularly in value terms.

The kitchen appliance market is in the mature stage of its product lifecycle and is now heavily reliant on replacement purchases. In 2004, replacement purchases were estimated to account for almost 60% of the overall market with the sector benefiting from consumer focus on product designs and styles, as well as trading up to higher value products. An increased level of new housebuilding has prompted some growth in the kitchens sector more recently and is likely to continue to provide growth opportunities in the longer term, with a significant level of new homes required to address the shortfall of completions in recent years. The Barker Review, published in Spring 2004 indicated a need for an additional 50,000+ homes a year, though there are major restrictions on achieving these higher completion figures.

The trend towards “fashionable”, coloured, ‘modern design’ appliances is still apparent although traditional ‘white’ appliances are still popular. In particular, the trend toward metallic effect, in line with the wider use of stainless steel and other metallic products, is also continuing in 2005. Stainless steel remains popular due to hygiene issues and the popularity of other stainless steel products in the kitchen, providing a fully co-ordinated kitchen.

The trend of using kitchens more as a living space and not just for food preparation has led to an increased need for storage facilities. This has prompted a wider range of appliance sizes, some of which are suited for very small spaces in otherwise wasted areas in the kitchen, e.g. narrow and tall units etc. In addition, pressure on available space in the new housebuilding sector, is impacting on kitchen space and is likely to support build-in appliances in the longer term.

Trends currently in the market are appliances that are designed to provide greater convenience for users, this is particularly evident in the laundry sector. The development of product features also plays an important role in all sectors, with manufacturers achieving differentiation by launching products with hi-tech product features etc, a trend which is particularly noticeable in the refrigeration sector.

Recently, the overall market has performed well in accordance with good levels of consumer confidence and general economic growth. Between 2001-2003, low interest rates and rapidly increasing house prices supported the market as consumers invested heavily in home improvement and DIY projects. Throughout 2004, the housing market gradually slowed, in response to steady increases in interest rates. Coupled with this, there has been continued media speculation regarding a crash in the housing market, which has gradually affected levels of consumer confidence, with signs in late 2005 of a slowdown in consumer spending.

The kitchen appliance market is highly receptive to swings in consumer confidence, changes in disposable income and activity in the housing market. Due to the deferrable nature of many kitchen appliance products, there is often a lengthy replacement cycle within several product sectors such as cookers, refrigeration and laundry.

The kitchen appliance market also comes under pressure due to the variety of choices for personal expenditure, and alternative options for disposable income such as holidays, cars, electrical appliances and home entertainment systems. Other issues such as increasing levels of imports, often at very low prices, will also serve to constrain any significant value growth in the market in the medium term.