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Wood and Laminate Floorcoverings Market Report – UK 2011 – 2015 Analysis

New AMA report provides a major review of the UK Wood and Laminate
Floorcoverings Market

“In 2010, the wood flooring sector (solid wood, engineered wood and laminates), was estimated to account for around 16% value share of the total UK floorcoverings sector.

In terms of future prospects, decline in laminate volumes is likely to continue with the market having peaked in 2004. However, the trend in the market in recent years towards more middle and upper market laminates could help to partly offset the impact on value decline. However, the prospects for solid and engineered woods appear to be more positive than for laminates, with annual growth rates of 3-5% currently forecast to 2015 when market value is expected to reach £116m.

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

Priced at £665, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.co.uk.

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.**

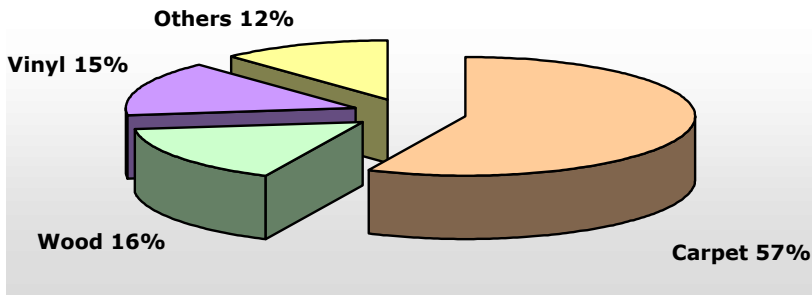
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Andrew Hartley on (01242) 235724.

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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Floorcoverings Market – Product Mix by Value 2010



The wood floorcoverings sector has been negatively affected by the recession, with a decline in consumer spending and a significant downturn in the housing market both key factors in an estimated 19% decline in market value 2008-10. The wood flooring sector (solid wood, engineered wood and laminates) is estimated to account for around 16% value share of the total UK floorcoverings sector, which is estimated to be

worth some £1.8bn.

The market has been particularly affected by the downturn in the housing market with installations into new build impacted by declining completion numbers, while housemoving has always been a strong motivation for replacing floorcoverings.

Although the recession has had a negative impact on laminate sales, this sector was already experiencing a downward trend prior to 2008. Indications are that the peak for laminate sales occurred some years ago and, over the last 2 years, the sector has experienced an estimated 21% decline in value 2008-10, with the lower market sectors particularly affected by the downturn in domestic DIY installations.

Contrasting with the experience of laminates, solid & engineered woods experienced growth in share as consumers switched to higher specification products. However, even this sector has seen market decline by around 13% in 2009/10, with value currently estimated at around £103m, though solid and engineered wood have experienced some interest in the middle and upper market sectors stimulated by the "improve not move" trend.

The market for wood flooring in H2 2011 is currently described as 'difficult' with trading conditions fragile and volatile throughout the year. The recovery of the housing market remains key to the revival of the wood floorcoverings market in the medium term.

The contract wood flooring sector accounts for around 45% of the wood flooring market and has also experienced more difficult conditions in 2010 and into 2011 as key end-use sectors experienced a significant downturn in new build and refurbishment levels. Prospects for the contract market are less optimistic going forward as new order levels in key sectors remains depressed. Traditionally, the contract floorcoverings market has been considerably less volatile than the domestic sector, but future growth for contract woods is largely dependent on recovery in key commercial sectors – particularly entertainment/leisure which accounts for over 40% of the contract market.

Distribution of wood flooring remains relatively fragmented in the domestic market with DIY Multiples and Floorcovering Multiples the two largest sectors, accounting for a combined share of over 45%. The rest of the market is split across a mix of Independents, Builders Merchants, Internet, Department Stores etc.

Decline in laminate volumes is likely to continue with the market having peaked in 2004. However, the trend in the market in recent years towards more middle and upper market laminates could help to partly offset the impact on value decline. However, the prospects for solid and engineered woods appear to be more positive than for laminates, with annual growth rates of 3-5% currently forecast to 2015 when market value is expected to reach £116m.

AMA Research's **report "Wood and Laminate Floorcoverings Market Report - UK 2011-2015 Analysis"** is available in hard copy or electronic format for £665 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.