

The IKEA Group is Growing and Financially Strong

In the fiscal year 2012*, IKEA Group total sales increased by 9.5% (7.1% adjusted for currency impact) and sales in existing stores grew by 4.6% adjusted for currency impact. Our net profit increased by 8.0% to \$4.2 billion ** (€3.2 billion), thanks to the higher sales volume and a continued cost focus. Meanwhile, IKEA continued lowering prices for customers and further improved product quality. Over the past decade, IKEA has continued to lower prices to customers.

IKEA US FY12 comparable store sales grew by 8%, total sales grew by 11%.

“The IKEA business idea is more relevant than ever. People around the world are more value conscious and appreciate beautifully designed and functional home furnishing solutions at affordable prices. In FY12, we managed to grow in most markets. The markets where we grew the most were China, Russia and Poland, closely followed by the US and Germany. We opened 11 new stores and welcomed 8,000 more co-workers,” says Mikael Ohlsson, President and CEO of the IKEA Group.

Today, the IKEA Group has 139,000 co-workers, and 47% of all managers are women. Profits were reinvested in new and existing stores, more than 2,000 inspiring products, new and better services, and in e-commerce. Considerable investments were also made in renewable energy. Today, IKEA produces renewable energy equivalent to a third of its total energy consumption.

“We believe in sustainable growth, by expanding from our own resources, making long-term decisions and growing within the limits of the planet,” says Mikael Ohlsson.

During FY12, the IKEA Group released a new sustainability strategy, People & Planet Positive. The strategy is an integrated part of the business and outlines new goals and actions for delivery up to 2020. We committed to invest \$1.9 billion (€1.5 billion) in renewable energy. Strong progress within sustainability is presented in the IKEA Group Sustainability report FY12, released today.

In 2012, the IKEA Foundation increased its donations to \$109 million (€82 million) to improve opportunities for children and young people in the developing world.

The IKEA Group Yearly Summary FY12, the IKEA Group Sustainability Report FY12 and People & Planet Positive strategy are available at www.ikea.com.

US Highlights

US Sales and Services: US comparable store sales grew by 8% in FY12 and total sales grew by 11%. In FY12, IKEA US continued to lower prices on some of its best-selling items, including a 22% reduction on the POANG chair and a 25% reduction on the MALM queen bed frame. These price reductions were part of IKEA’s continued effort to make products accessible to the many people, while not compromising quality.

Another contributor to US growth has been the introduction of new services: During FY12 we expanded our offering of services to meet customer needs. IKEA now offers home delivery, picking, picking with delivery, assembly, assembly with delivery and kitchen installation.

Reinvesting in IKEA US Stores: IKEA US is currently in the process of investing in total remodels of the Marketplace in US stores. The Marketplace is the part of the store which sells home furnishing accessories such as cookware, bed linens, lighting and rugs. During FY12, 13 stores across the US received Marketplace remodels and during FY13, 17 more will be completed. The goal of these remodels is to improve the customer shopping experience and to show the wide range of home furnishings accessories in an even better way.

“Sales results show that people are continuing to find IKEA the leader in life at home; the place to shop for quality home furnishing solutions at great prices. Despite a challenging economic environment, what we offer is relevant to more and more customers. We remain dedicated to growth, a great shopping experience, as well as being a business strongly committed to sustainability. This includes a strong focus on renewable energy initiatives, as well as being socially responsible,” commented Mike Ward, IKEA US President.

US Sustainability Initiatives ~ Renewable Energy: IKEA US is in the midst of investing \$150 million in Photovoltaic systems which will eventually cover 39 of 44 store and non-store locations in the US. IKEA is the 2nd largest private commercial solar owner-user in the US with 20 solar PV installations, reaching a 70% solar presence of all IKEA US locations. Additionally, in FY12, 31 electric vehicle charging stations were installed at 9 IKEA stores in the Western U.S.

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*At IKEA, fiscal year 2012 (FY12) runs from September 1, 2011, to August 31, 2012.

**Dollar to Euro calculated at \$1.33.

About IKEA:

IKEA strives to be ‘The Life Improvement Store,’ and since its 1943 founding in Sweden, has offered home furnishings of good design and function, at low prices so the majority of people can afford them. There are currently more than 320 IKEA stores in 38 countries, including 38 stores in the U.S. IKEA, the world’s leading home furnishings company, incorporates sustainable efforts into day-to-day business and supports initiatives that benefit children and the environment. For more information, go to IKEA-USA.com.

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