

STRICTLY EMBARGOED UNTIL 00.01 BST TUESDAY, 6 SEPTEMBER 2011

ICELAND STAFF SHARE IN SUCCESS WITH RECORD £14.6 MILLION PAY RISE

Iceland has announced an industry-beating pay award to its 22,000 front line store and home delivery staff. In addition to a basic pay increase of 5%, many employees will benefit from moves to simplify the company's pay structure, which will include the abolition of its lower pay rate for staff under the age of 18, and the introduction of a new premium rate for all stores within the M25.

As a result of these changes, store staff will enjoy an average pay increase of 6.3%, with a maximum increase of 45.5%. Home delivery staff will see an average pay increase of 13.1% and a maximum increase of 22.1%. The total annual cost to the company of the pay increase, which takes effect next month, will be £14.6 million.

Iceland Chief Executive Malcolm Walker said: "We are absolutely delighted to be able to reward our staff with these inflation-beating pay increases, which are richly deserved. Since my colleagues and I returned to Iceland in 2005 we have made great strides in improving staff morale and working conditions, and significantly increasing pay rates. In total over these six years we have raised the hourly pay rate for store staff by 33.7% and for home delivery drivers by 49.8%.

"As a result, our front line staff have moved from minimum wage rates to being among the very best paid on the high street.

"Last year Iceland was ranked the sixth best big company to work for in the UK in the annual Sunday Times Best Companies survey. It is my ambition to be the number one and also to make sure that our staff are the best paid in our industry.

"Iceland has achieved excellent results over the last six years and key to this has been the outstanding performance of our staff. We are very happy for them to share in our continuing success."

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