



10 June 2011

ANOTHER RECORD YEAR FOR ICELAND

Iceland Foods Group Limited, the holding company for the Iceland Foods and Cooltrader chains, today announces its results for the 52 weeks ended 25 March 2011.

HIGHLIGHTS:

- **Net profit* before tax up 14.8% to £155.5 million (2010: £135.4 million)**
- **EBITDA* up 2.0% to £187.9 million (2010: £184.2 million)**
- **Sales* up 5.9% to £2.388 billion (2010: £2.256 billion)**
- **Iceland Foods like-for-like sales up 2.1% (2010: 4.3%)**
- **20 net new stores opened; 1,500 additional jobs created**
- **Group effectively debt-free at year-end**

* Underlying performance from continuing operations, excluding amortisation of goodwill and loan fees

Iceland Chief Executive Malcolm Walker CBE said: "I am delighted to report yet another record result for Iceland. This is the sixth consecutive year of growth that my colleagues and I have delivered since we returned to manage the business in February 2005. Our product offer, store standards, customer numbers and staff morale have all been transformed over this period, creating a highly profitable and cash generative business that ended the year virtually free of debt.

"We continue to thrive in a highly competitive market place by offering customers the best everyday value in frozen foods and for their daily purchases of grocery and chilled foods, underlined by our round sum pricing policy. Iceland is the main driver of innovation in the UK frozen food market, launching more than 200 new products during the last 12 months. This reaffirms our position as the country's leading frozen food retailer, unsurpassed in range and value.

"During the year we opened a total of 21 new stores, 13 under the Iceland fascia and eight under Cooltrader, making a net increase of 20 to a total of 796 stores after a single closure.

“Our store standards and customer service have again improved year on year, as measured by independent mystery shop results. We also continue to make significant improvements in staff satisfaction and engagement, moving up seven places to number six in the 2011 Best Companies to Work For survey, and being beaten by only one other company for staff satisfaction with their pay and benefits. In our most recent staff survey, 84% of our retail employees told us that they were proud to work for Iceland and would recommend it as a good place to work. I would like to thank all our staff throughout the Group for their contributions to another very successful year.

“Iceland has continued to make a valuable contribution to the wider community through the active involvement of our company and its people in charitable activities. Last year we marked our 40th anniversary by raising £1.5 million for our charity of the year, Help for Heroes. This year we are committed to raising at least £1 million for Alzheimer’s Research UK, kicking off our campaign with the successful ascent of Mount Everest by the Iceland Everest Expedition in May.

“Since the beginning of our current financial year we have further increased the pace of product innovation and launched our latest advertising campaign featuring Stacey Solomon as the new face of Iceland. This new campaign focuses on the incredible quality and value that the Iceland brand offers. We plan to open another 15 new Iceland stores during the year.

“I am grateful to our staff and customers for their continuing loyalty during the period of uncertainty inevitably created by the decision of the Resolution Committee of Landsbanki to sell their shareholding in the Group. My colleagues and I will work constructively to bring this process to a satisfactory conclusion. Our own objective is to ensure that Iceland has a strong, prosperous and independent future, and continues to serve its customers for many years to come.”

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NOTES TO EDITORS:

At 25 March 2011 the Group comprised a total of 796 (2010: 776) stores, comprising 742 (2009: 730) Iceland stores and 54 (2009: 46) under the Cooltrader fascia.

For more information on Iceland Foods, please visit www.iceland.co.uk
To learn more about the Iceland Everest Expedition, please go to www.icelandeverest.org.uk; to donate to Alzheimer’s Research UK, please visit www.justgiving.com/icelandeverest