



Press release 2001-04-23

Nobia to acquire UK kitchen manufacturer Magnet

Nobia, Europe's largest manufacturer of kitchen interiors, has entered into an agreement to acquire the Magnet Group from Enodis PLC, a listed company based in the UK. The acquisition will further strengthen Nobia's leading position in the European kitchen interiors market. The new Nobia Group will have a combined annual turnover of approximately SEK 10 billion and employ roughly 6 600.

The purchase price for the Magnet Group, on a debt-free basis, amounts to GBP 134 million. The acquisition is conditional on approval from both Enodis' Extraordinary Shareholders Meeting and the European Commission.

"The Magnet Group fits well in Nobia's core operations and brings additional retail expertise to the Nobia Group. Magnet's market position, brand strength and range of products strengthen Nobia's position as Europe's leading kitchen interiors company. Furthermore, Magnet's C.P. Hart brand has provided the company with valuable experience in the bathroom interiors industry", says Fredrik Cappelen, Nobia's MD and CEO.

The acquisition extends Nobia's geographic coverage and provides the Group with a strong position in the UK market. After acquiring Magnet, the breakdown of the Group's overall turnover by region will be as follows: 40 percent from the UK, 30 percent from the Nordic region, 25 percent from continental Europe and 5 percent from other markets.

The acquisition is in line with Nobia's strategy to focus operations on products for kitchen, bathroom and storage interiors. It also strengthens its position as the leading provider of kitchen interiors in Europe. The acquisition provides the Group with improved opportunities for developing unique and effective service solutions and product concepts, which in turn benefit Nobia's customers.

The European kitchen industry is extremely fragmented and during recent years, Nobia has spearheaded the restructuring of the industry. Nobia acquired the leading Finnish kitchen manufacturer, Novart, in 1998 and German kitchen manufacturers Poggenpohl, Goldreif, Pronorm and Optifit along with Nordic manufacturers Norema, Invita and Myresjökök during 2000.

The potential for further growth is significant, and the restructuring of the industry provides vast opportunities to improve margins and profitability by utilising synergies in production, purchasing, logistics and IT.

“With the acquisition of Magnet, Nobia takes yet another step towards a stock market listing. With a favourable earnings trend, good growth and strong management, Nobia should present an attractive investment opportunity. A listing can occur at the earliest during the second half of 2001. The development of the market and the economy will be critical factors for timing the floatation”, says Harald Mix, vice president of Industri Kapital.

The **Magnet Group** manufactures and sells interior products primarily for kitchens, bathrooms, and bedrooms on both a retail and trade basis predominately in the UK. Magnet also owns the strong C.P. Hart brand, which supplies bathroom interiors. Magnet’s operations also include, to a certain extent, sales and manufacturing of timber and PVC-U joinery. Magnet has 215 showrooms in the UK, four factories and roughly 2 300 employees. For the financial year 1999/2000, Magnet’s turnover amounted to GBP 276 million and operating profit amounted to GBP 25.3 million.

For more information: www.magnet.co.uk

Facts about Nobia after the acquisition

Nobia is Europe’s largest kitchen manufacturing group with an approximate turnover of SEK 10 billion and roughly 6 600 employees.

Nobia’s brands include Marbodal, Myresjökök, HTH, Uno form, Invita, Sigdal, Norema, Petra, Parma, A la Carte, Poggenpohl, Pronorm, Optifit, Goldreif, Star-Beka, C.P. Hart and Magnet.

Its products are manufactured in Sweden, Norway, Denmark, Finland, Germany and the UK. Corporate headquarters will be relocated to Stockholm during April of 2001.

Nobia is owned by The Industri Kapital 1994-fund, Skanska, Norsk Kjøkken Invest and Nobia’s corporate management.

More information can be found at: www.nobia.se

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Supplement to press release 2001-04-23

Nobia in brief

Nobia is Europe's largest provider of kitchen interiors. The Group owns a number of well-known brands with strong positions in the Nordic region as well as Germany and the UK.

Nobia was formed in 1996 by the investment fund, Industri Kapital 1994. Since its inception, the company has undergone a comprehensive restructuring program designed to concentrate efforts on its core business area, i.e. interiors for kitchens, bathrooms and storage. In conjunction with its formation, the company acquired Stora Byggprodukter AB from the then Stora Group. A leading position in the Finnish market was established with the acquisition of Novart in 1998.

In 2000, Nobia continued to pursue its streamlining measures through a number of acquisitions and divestments. Kitchen manufacturers Poggenpohl, Pronorm, Goldreif and Optifit in Germany, Norema in Norway, Invita in Denmark and Myresjökök in Sweden were all acquired. The non kitchen-related operations concerning door (Swedoor and Bor Dörren) and window manufacturing (Svenska Fönster) were divested. In January 2001, building materials wholesaler Star Byggprodukter was also divested.

The acquisition of the UK-based kitchen manufacturer Magnet strengthens Nobia's presence in the UK and secures its position as the leading player in the European kitchen manufacturing market. Nobia's sales after the acquisition will approximately be distributed as follows: 30 percent in the Nordic region, 40 percent in the UK, 25 percent in continental Europe and 5 percent in other markets.

It is strategically important for Nobia to further secure the Group's position as Europe's leading kitchen interiors company, while continuing to develop operations focusing on interiors for bathrooms and storage. Nobia views the combination of a fragmented market structure and its strong platform as ideal for exploring additional acquisition opportunities. The growth potential is significant and there are vast opportunities to improve margins and profitability by utilizing synergies within production, purchasing, logistics and IT.

Since its inception in 1996, Nobia has implemented a comprehensive program of efficiency improvement and streamlining measures. Income after financial items has increased from SEK -167 million in 1996 to SEK 220 million in 2000. During the same period, the return on capital employed rose from -14.1 percent to 22.2 percent. After the acquisition of Magnet, the Group will have roughly 6 600 employees and overall annual turnover will amount to approximately SEK 10 billion.

Nobia is owned collectively by the Industri Kapital 1994-fund, Skanska, Norsk Kjøkken Invest and Group management. The Company is currently investigating the possibility of stock market floatation during the autumn of 2001 or sometime in 2002.