



# DUCAL

## ANNOUNCEMENT April 4<sup>th</sup>, 2003

**Mary Czulowski, Managing Director of Cornwell Parker Cabinets** announced today that as a part of the continuing review of the furniture businesses owned by Silentnight Holdings plc the Ducal brand would become a part of Cornwell Parker Cabinets, joining the Stag and Nathan brands.

This strategy will form a platform for the growth and development of all the brands, with major investment being made in Ducal's sales and marketing and product development activities.

The brand will have a separate design, sales and marketing and product development team supported by a combined supply chain and administration central function which Czulowski feels will benefit Cornwell Parker's customers by delivering a streamlined, cost effective service without any compromise to the values inherent in the Ducal brand.

Investment has been overdue in product development. To address this the first new product ranges will be launched in July 2003, replacing the current ranges that are in the market. Czulowski sees this rejuvenation of the brand as being critical to its success in the future.

During the past few years, Ducal has been unprofitable and remedial action needed to be taken to eliminate losses and to restore it to profitability. Issues included the international pressure on price points and volumes through high import penetration on cabinets and the complexity and size of the range, augmented by a loss of scale on the manufacturing side. Silentnight Holdings are willing to continue to support this well-known brand, while the results of the reviews are put into immediate practice.

**It is intended that the manufacturing operation at Andover and Bridgend will close on July 6<sup>th</sup>, 2003. Ducal has made a number of redundancies in the last six months, and as a result of this further activity, it regrets that approximately 520 jobs will be at risk at both sites.** The process will begin at an early date with employee representatives.

Czulowski pointed out that these serious actions were being undertaken to resolve the trading and financial problems of the business, but that it was likely that trading losses would continue to be incurred in the short term.

However, a programme of new products is currently being planned, with the **First New Pine Range to be launched in July 2003** comprising new models for the living and dining room, bedroom and office. A **Second New Range will be launched at the same time with further new introductions in November 2003** and early 2004. **Final orders for the existing ranges are invited up to May 7<sup>th</sup>.**

Czulowski said, "Ducal enjoys a strong reputation and is the leading name in the pine furniture market. The name is synonymous with strong family values and integrity, as well as for the natural beauty of solid wood, quality and durability. We are taking the company back to its roots, and will continue to promote all its key brand strengths.

Czulowski stressed her regret at the unavoidable job losses and her concern for those employees, for whom a support service would be put in place. She added that Ducal had all the essential ingredients to restore it to profitability and was confident that this would be achieved through a focused strategy. "Whilst maintaining the unique and individual characteristics of our brands, a merger of all our resources will allow us to offer greater value to our retailers and customers and, concurrently restore the company to profitability".

**For further information on Ducal/Cornwell Parker Cabinets**

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