



## Press release

# Nobia consolidates production in Continental European operation

Nobia intends to further consolidate production and to cease operations at the loss-making German business unit, Goldreif, in the Continental European operation. The production site in Bad Salzuflen is expected to be closed by the end of March 2004. Customers will be offered to transfer to the sister company Pronorm. The closure affects 87 employees.

Goldreif came into Nobia when the Poggenpohl group was acquired in November 2000. Since then a number of measures taken, have led to increased efficiency and productivity. However, due to the dramatic fall in the German and Dutch kitchen markets in 2003, Goldreif has not been able to generate sufficient results. Furthermore, in view of the overcapacity in the German kitchen industry, positive earnings are not expected to be achieved in the foreseeable future. The market decline in Germany is estimated at 10.7 per cent in 2002 and an additional 7 per cent the first half of 2003.

"The market decline in 2003 has hit Goldreif very hard, being a small player. A lot of hard work has been put into the company, both in terms of staff commitment and resources. But in the end we must make sure that we have long-term sustainable and positive development in our Continental European operations," said Nobia's CEO, Fredrik Cappelen.

The cost of the closure is estimated to total approximately SEK 95 million, of which about SEK 50 million will affect cash flow, mainly during the first half of 2004, excluding revenues from divestment of the fixed assets in Bad Salzuflen. Following sale of the aforementioned fixed assets as well as the reduction of working capital, cash flow from the closure is expected to be positive. Closure costs will be accounted for in the third quarter of 2003. Goldreif impacted Nobia's accounts for the first half of 2003 with sales of SEK 62 million (EUR 7 million) and operating income of SEK -13 million (EUR -1.4 million).

Nobia AB  
15 September 2003

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See also Nobia's website: [www.nobia.se](http://www.nobia.se)

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Nobia is Europe's leading kitchen interiors company. The Group operates in a number of European markets under strong brand names. Nobia's own specialist kitchen stores and franchise stores are responsible for most of the Group's sales. Nobia is leading the consolidation of the European kitchen market and creating profitable growth by making efficiency improvements and acquisitions, taking an industrial approach. The Group had sales of approx. SEK 9.6 billion in 2002 and has around 5,700 employees. Nobia is listed on the Attract 40-section of Stockholmsbörsen's O-list.

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