



Press Release

Profit rise for Nobia and cost-cutting intensifies

At today's presentation of the company's interim report, Nobia's CEO Fredrik Cappelen commented on the results for the quarter and the ongoing action programme.

"It is satisfying to be able to report a rise in profits despite weak demand on some of our important markets, such as the UK and Germany. The improvement is mainly due to continued successes within the Nordic business."

Fredrik Cappelen also emphasised the importance of continued cost-cutting.

"We are currently intensifying the ongoing work to reduce product costs. This is essential in order to achieve the full effect of the market investments we have carried out and will be carrying out. Our aim remains unchanged: to continue growing faster than the market in general. To do that we must be the leader in terms of low costs," says Cappelen.

Three areas

Fredrik Cappelen pointed to three significant areas in Nobia's work on cutting costs.

"The most important area is purchasing costs. We have started an internal process where we are systematically looking at all of our product categories. The purpose is to further tighten our co-ordination and review our current purchasing channels," he says.

Another key area is the further upgrading of production at Magnet in the UK.

"We have sold and closed down non-core business. Now we are entering the next phase, which means improving the efficiency of existing production facilities. Early next year, we are planning a transition to order-based production at Magnet's Darlington factory, which is an important step for us," continues Cappelen.

Finally, Fredrik Cappelen stressed the need for a general improvement in productivity.

The presentation from the press conference is available at www.nobia.se.

Nobia AB
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Nobia is Europe's leading kitchen interiors company. The Group works with strong brands in several European markets. Sales are mainly through specialised kitchen studios, managed internally or through franchises. Nobia leads the consolidation of the European kitchen industry and, by using an industrial approach, creates profitable growth by implementing greater efficiency and making acquisitions. In 2004, the Group reported sales of SEK 11.3 billion and had approximately 6,700 employees. Nobia is listed on the O-List of the Stockholm Stock Exchange.

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