

## **New organisational model to strengthen Nobia**

*Nobia is to change its working methods and organisation. Production and sourcing will be co-ordinated to capitalise on Nobia's size, whilst positioning the Group's brands to more clearly meet customer demands. A new organisation will be introduced on 1 April, which will also mark the beginning of a change process that will take a number of years and result in a stronger Group.*

"It should be perfectly natural for European kitchen buyers to choose one of our brands. To achieve this goal, we must deliver a competitive range of kitchens and position our brands more clearly," says CEO Preben Bager. "Our aim is to increase both growth and profitability by capitalising fully on Nobia's economies of scale in both its markets and its supply chain."

The change programme will provide the Group with a basis from which to reattain its financial targets.

### **Commercial – attractive offerings and distinct brands**

The cornerstones of the new organisation are the brands and business-to-business concepts which, as previously, will have the primary responsibility for their profitability. Attractive offerings will be developed for each target group and Nobia's brands will be more clearly positioned within their markets. A small number of brands will be prioritised for international growth, whereas other brands will be regional or local supplements.

"We are developing the brand portfolio and giving each brand the well-defined assignment of strengthening its position within the framework of several scalable concepts. Some brands will receive a broader assignment and others may be slightly repositioned to strengthen and clarify Nobia's overall market position. Furthermore, our B2B customers will be offered tailor-made solutions with a whole range of brands and service levels," says Preben Bager.

### **Operations – efficiency throughout the entire value chain: range, production, sourcing and logistics**

In order to achieve economies of scale, each of the brands' functions for sourcing, logistics and production will be gathered in one common organisation and a new central unit for range and product development will be created. In order to increase efficiency and decrease assortment width, the number of product platforms will be reduced. This means that the brands will make use of the same kitchen carcasses and fronts (cabinet doors, drawer fronts, etc.) to a more significant extent and the total number of articles in the Group will be more than halved. An exception will be made for Poggenpohl, which will continue to be responsible for its entire value chain.

The new organisation will enable significant efficiency enhancements in production, sourcing and logistics. The number of suppliers will decline and purchasing volumes with each supplier will increase. Sourcing from low-cost countries will rise to 12 per cent by 2012, up from the current level of 1.5 per cent. Production will continue to be co-ordinated to fewer and larger production units. In the past year, the number of plants was reduced from 20 to 16, and will continue to be reduced gradually.

"Co-ordination will result in an attractive range of products and more product development at a lower cost. Based on an active dialogue with customers, we will lead the market in the best way that only Europe's largest kitchen specialist can," says Preben Bager.



### **Transitional organisation**

To achieve the desired results, Nobia will replace the current organisational structure with a two-part organisation: an operational division encompassing range, production, sourcing and logistics, and a commercial division structured according to brand and customer segment. The company's Executive Committee will comprise the President and CEO, Chief Commercial Officer, Chief Financial Officer and Chief Operations Officer. In addition to these senior executives, an additional 15 individuals will be part of Group management.

"In parallel with our internal change process, we will ensure that we maintain the momentum of our operations and retain the highest level of delivery quality to our customers. The change process is scheduled to be in place from 2010 to 2014. Once the process has been completed, we will have a world-class Nobia," says Preben Bager.

The change programme will be presented in greater detail at tomorrow's Capital Markets Day in Stockholm. The slides from the presentation will be available at [www.nobia.com](http://www.nobia.com).

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Nobia develops and sells kitchens through some 20 strong brands in Europe, including Hygena in France, HTH in the Nordic countries, Magnet in the UK and Poggenpohl globally. Nobia generates profitability by combining economies of scale with attractive kitchen offerings. The Group has approximately 8,000 employees and net sales of about SEK 15 billion. The Nobia share is listed on the NASDAQ OMX Nordic Exchange in Stockholm under the short name NOBI. Website: [www.nobia.com](http://www.nobia.com). Read more about the company under "About Nobia." Financial information can be found under "Investors."