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Nobia takes over Poggenpohl and Norema to form Europe's largest specialist manufacturer of kitchen fitments

Nobia AB of Sweden is to take over the Poggenpohl Group and also the kitchen fitment operations of Norema ASA, whose shares are quoted on the Oslo Stock Exchange.

Once the acquisitions are completed, Nobia will become Europe's largest specialist manufacturer of kitchen fitments, with an annual turnover of approx. SEK 6.2 billion.

Nobia, whose principal shareholders are the Industri Kapital Fund 1994 and the Company's senior management, is to take over the well-known Poggenpohl Group from Swedish Construction Company Skanska. The Poggenpohl Group has an annual turnover equivalent to SEK 2.1 billion and some 1 700 employees.

Besides Poggenpohl itself, the Group comprises three further German manufactures of kitchen fitments, Pronorm, OPTIFIT and Goldreif; one in Sweden, Myresjökök; and one in Poland, WMF.

Payment will take the form of a directed new issue of shares that will give Skanska a stake in Nobia of just over 21 per cent.

"The Poggenpohl Group's products will complement our own range and provide us with a strong international platform and excellent market positions in Central Europe, says Nobia's Managing Director, Fredrik Cappelen. "That will give us an ideal basis for future expansion. And, at the same time, we'll be acquiring one of the world's best-known brands in the field of kitchen fitments."

Nobia is also acquiring the kitchen fitment operations of Norema ASA, whose shares are quoted on the Oslo Stock Exchange. Norema's kitchen fitment operations have an annual turnover equivalent to about SEK 550 million and approx. 600 employees. The Group enjoys strong market positions, particularly in Norway and Denmark, where its products are sold under the brand names Norema and Invita.

In this case too, payment will take the form of a directed new issue of shares that will give Norema ASA a stake in Nobia of around 11 per cent.

”The acquisition of Norema will strengthen our position on the Scandinavian markets still further,” says Fredrik Cappelen. ”We see excellent prospects for synergies.”

The formalities are expected to be completed in August, once approval has been received from the relevant authorities.

Nobia is Scandinavia’s leading manufacturer of kitchen fitments. During the course of this Spring the Group disposed of Swedoor, its door operation, and is currently negotiating to dispose of Svenska Fönster, its windows operation. Thus, in a short space of time, Nobia will have concentrated its operations and become Europe’s largest – and the world’s second largest – specialist manufacturer of kitchen, bathroom and storage fitments.

At the present time Nobia’s kitchen fitment operations have an annual turnover of SEK 2.3 billion. Its Scandinavian brands include Marbodol, HTH, Sigdal, Parma and Petra, while on the German market Star Beka represents the Group.

“The acquisitions will make Nobia a very strong group with the capacity to develop its existing range of products and come up with new solutions to customers’ requirements.”

”We see substantial benefits resulting from cooperation between Nobia, Norema and Poggenpohl,” says Fredrik Cappelen. ”The planned acquisitions provide good opportunities for increased efficiency and increased profitability. Within the Group we’re already coordinating where components, production, purchasing and marketing are concerned. And, through comparison of ’best practice’ procedures, we’re also in process of developing our different operations to be just that: best.”

” The deal means that the positive development that is already taking place within Poggenpohl can continue as planned,” says Anders C Karlsson, President of Skanska Europa. ”There’ll also be opportunities for making the best possible use of synergies between Poggenpohl and Nobia. At the same time the results should be not only a marked increase in profitability but also an increase in the value of our investment. The transaction, is part of Skanska’s strategy of divesting its components subsidiaries.”

” In our view Nobia’s strategy of concentrating on its core operations kitchen, bathroom and storage units is exactly right from both industrial and business points of view,” says Olav Kjell Holtan, Chairman of Board of Norema ASA. ”Bearing in mind the major structural changes that are taking place in the industry now, and can be expected to take place in the future, and the extensive internal restructuring that IT and new production methods are bringing with them, we feel that this alliance is the ideal way in which to develop values at Norema for shareholders and employees alike.”

Once the acquisitions have been completed, Nobia is expected to have an annual turnover of around SEK 6.2 billion and a workforce of around 5 100.

For further information, please contact:

- Fredrik Cappelen, Managing Director, Nobia, tel:+46 31 703 53 50
- Peter Petersson, Director, Nobia, tel: +46 31 703 53 50,
mobile +46 705 844 355
- Staffan Schéle, Corporate Finance, Skanska AB, tel: +46 8 753 88 00
- Olav Kjell Holtan, Chairman of the Board, Norema ASA tel: mobile +47 91 68 97 96
- Bjørn Arnestad, Managing Director, Norema ASA, tel: +47 67 97 95 34,
mobile +47 99 52 68 88

Nobia

The Nobia Group is Scandinavia's leading manufacturer of kitchen fitments and windows. Annual turnover is around SEK 3.5 billion, and the number of employees is approx. 2 600. Nobia's products are marketed under the brand names Marbodal, HTH, Implast, Uno form, Sigdal, Star Beka, Yes Box, Petra, Parma and À la carte. The Group also includes SP Fönster, Traryd Fönster and Bor Dörren, and the wholesale builders' merchant Star Byggprodukter AB.

Around 80 per cent of sales are to the Scandinavian countries. Other markets include Germany. Production takes place at 11 units in Sweden, Norway, Denmark, Finland and Germany. The Group's headquarters are in Göteborg.

Nobia's principal shareholders are the Industri Kapital Fund of 1994 and the Company's senior management.

More information at www.nobia.se

Skanska

Skanska is one of the world's leading companies within construction-related services and project development. Operations aim to meet people's needs for housing, workplaces and communications. Skanska operates throughout the entire value circle - from concept and development to construction, operation, maintenance and service.

The company was founded in 1887 and has operations in over 50 countries. Its primary markets are Sweden, the USA, Argentina, Denmark, Finland, Norway and Poland. Sales exceed SEK 100 billion, equivalent to USD 11 billion. Today the company has 60 000 employees.

More information at www.skanska.com

Norema

Norema is a Norwegian company whose shares are quoted on the Oslo Stock Exchange. It is engaged in developing, producing and selling interior fitments for the home, and has been active on the Norwegian market for more than 50 years. The Group has 837 employees and an annual turnover of NOK 714 million. It is organized in five joint productions and sales companies and three sales subsidiaries.

The Norema Group enjoys an important share of the Norwegian market for kitchen fitments, bathroom fitments and wardrobes. Invita Køkkener A/S is Denmark's third largest supplier of kitchen fitments, and also markets bathroom fitments and wardrobes. Luminator and Norema Portuguesa are part of the Norema Group, but are not included in the disposal to Nobia. The Group's head office is at Skårer, 10 km from Oslo,

More information at www.norema.com