

## **Nobia Board anticipates lower earnings and proposes no dividend be paid**

**With regard to the fact that Nobia's sales and earnings were lower than expected during the first months of 2009 and with the aim of creating financial scope for rapidly implementing efficiency enhancements in the production structure and, the Board of Directors has changed its previous recommendation and now proposes that no dividends be paid to shareholders.**

The year began with weak demand in the European kitchen market, which was characterised by fiercer competition and pressured margins. The current exchange-rate situation is not in Nobia's favour, with a weak SEK and GBP in relation to the EUR. In addition, the financial crisis has created uncertainty in forecasting market and sales trends for the remainder of the year. These factors, combined with the fact that Nobia's sales and earnings for the first months of the year were lower than the Board expected when it initially decided to propose a dividend of SEK 1.25 to the Annual General Meeting, have now resulted in the Board proposing that no dividends be paid. This means that the company's financial capacity has been strengthened by approximately SEK 200 million.

Three plants in the Nordic region are in the process of being closed down at a nonrecurring cost of SEK 250 million, which is expected to generate annual savings of SEK 130 million. Accordingly, the payback period for these measures is about two years.

The range of products is being harmonised in all three regions, which will contribute to additional co-ordination of the supply chain and thereby lower product costs.

"We have already seen signs that our initiatives have strengthened our market shares in the UK, Denmark and Norway, despite these markets shrinking. With a stronger financial capacity, we will be able to build on the direction we have taken," says Preben Bager, President and CEO of Nobia.

"A detailed review of the supply chain is being carried out at Nobia, involving analyses of product lines, purchasing and production. At the same time, we are striving to advance our positions in many markets. Our goal is to emerge from the recession with both improved market positions and a lower cost structure," says Hans Larsson, Chairman of the Nobia Board.

Nobia AB  
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**For further information, contact:**

Hans Larsson, Board Chairman  
Ingrid Yllmark, Director Communications & IR  
Telephone +46 8 440 16 00 or +46 708 65 59 00

Nobia is the company behind several strong European kitchen brands, such as Magnet in the UK, Hygena in France, HTH in the Nordic countries and Poggenpohl internationally. The Group manufactures and sells complete kitchen solutions and generates value by utilising economies of scale. Nobia has approximately 8,500 employees and net sales of about SEK 16 billion. The Nobia share is listed on NASDAQ OMX in Stockholm under the short name NOBI. For more information, visit [www.nobia.com](http://www.nobia.com).