Welcome to CMD 2008

Preben Bager, CEO

Capital Markets Day, Agenda

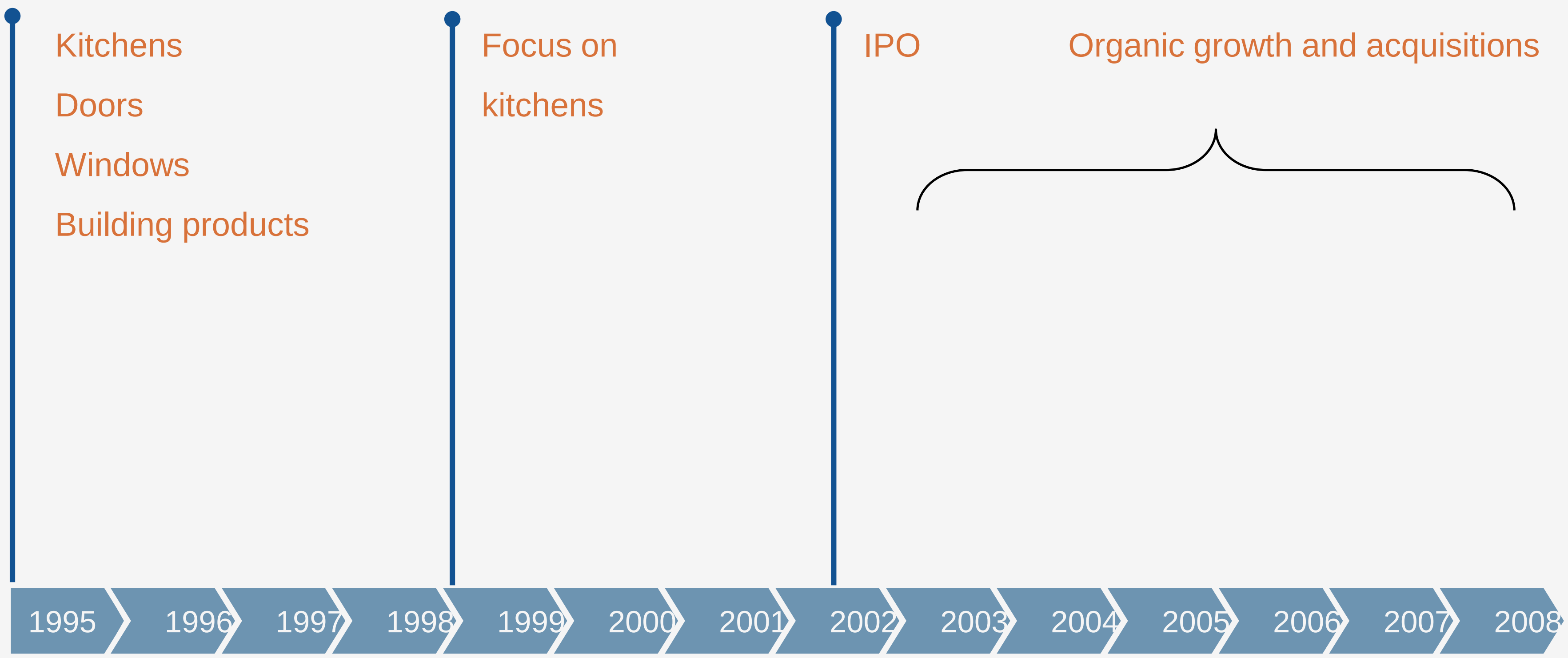
19 November

13:00	Introduction and update	*Preben Bager*
13:20	Financial update	*Gun Nilsson*
14:00	Strategic direction	*Preben Bager*
14:45	Coffee break	
15:15	Postcard from Spain	*Daniel Souissi on film*
15:20	Norwegian flat-pack initiative	*Henrik Karup Jörgensen*
15:50	Short break	
16:00	Nobia UK presentation	*Roy Saunders, Nick Friend, Peter Kane*
16:45	Q & A session	
17:30	End of meeting	
18:00	Departure for Magnet's Kensington store	
18:15	Drinks in the showroom	
19:30	Dinner at Kensington Place Restaurant	

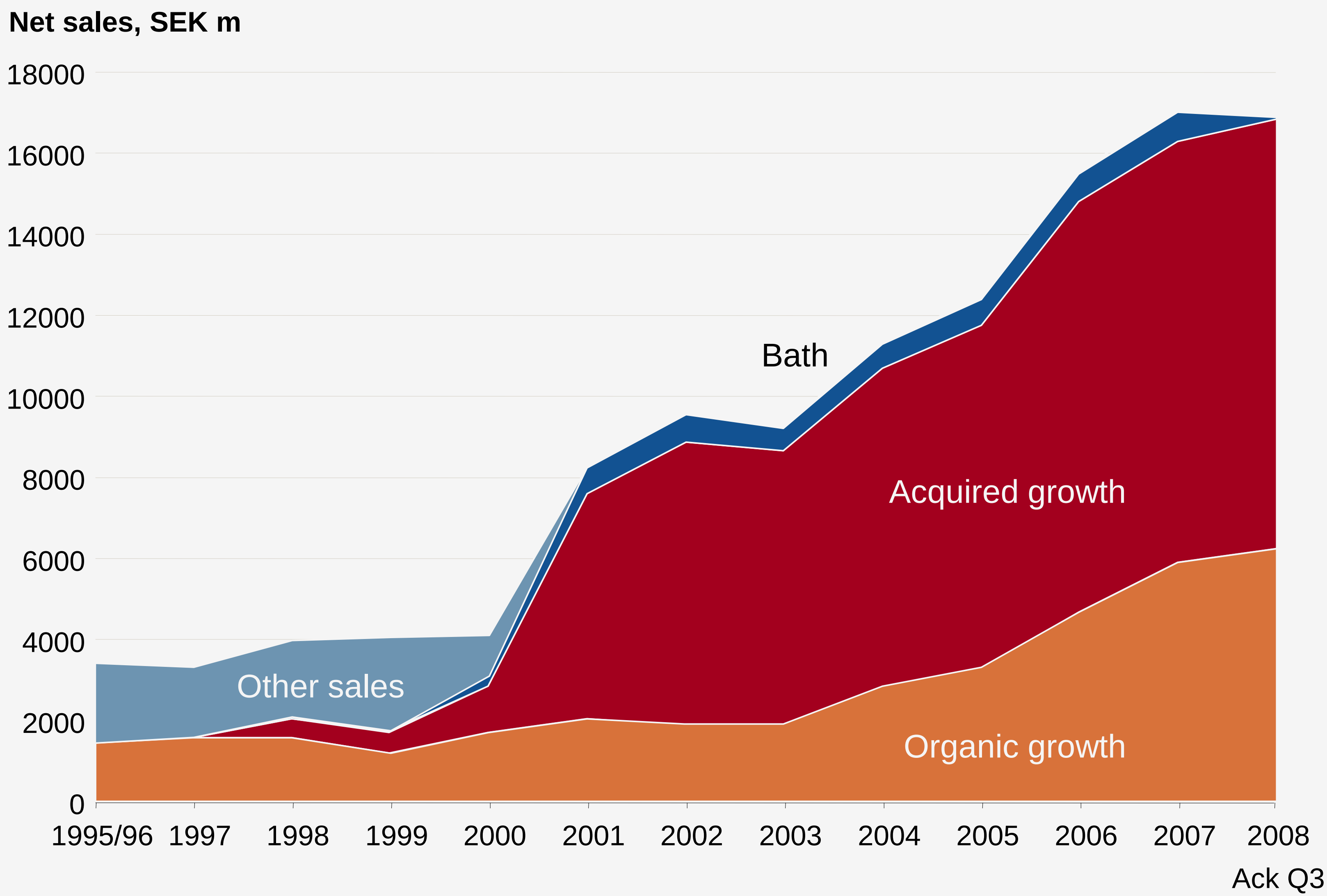
20 November

8:30	Bus departs from hotel for tour of Feltham and Fulham stores
12:00	Approximate departure time for Heathrow airport
	Lunch to go on the bus

Company history in brief



Five-fold increase in Nobia's net sales in 10 years



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Nobia today

- Sales of a broad range of kitchen solutions
- A group of strong kitchen brands
- Operations in some 10 European countries
- Sales through multiple channels
- 9,000 employees
- Annual net sales SEK 16 billion

For everyone, everywhere, we make kitchen dreams come true

Why buy a new kitchen?

- The heart of the home
- Interest in interior design and cooking
- Fashion
- Men in kitchen

Accelerator and brakes

Our strategy to action is

- to radically reduce our costs through **coordination behind the scenes**

but also

- to increase our **market presence** and develop our **product offering.**

Gun Nilsson, CFO

Key figures for Q3 2008

July-September 2008

- Net sales were SEK 3,690 m (3,748)
- Organic growth was 1%
- Operating profit (EBIT) declined by 32% to SEK 186 m (272). Negative currency effects amounted to SEK 30 m
- Operating margin was 5.1% (7.3)
- EPS after dilution declined by 42% to SEK 0.63 (1.09)
- Operating cash flow was SEK 142 m

Net sales analysis

	Jul-Sep SEK m	Change	Jan-Sep SEK m	Change
2007	3,748		11,951	
Organic growth	36	1%	402	3%
- UK region [1)]	*44*	3%	*366*	9%
- Nordic region [1)]	*-48*	-4%	*-14*	0%
- Continental Europe region [1)]	*50*	5%	*45*	1%
Currency effects	-170	-5%	-451	-4%
Acquisitions [2)]	137	4%	293	2%
Discontinued and sold operations [3)]	-61	-2%	-193	-2%
2008	3,690	-2%	12,002	0%

1) Organic growth within each region
2) Acquiried HTH franchise stores in Denmark
3) C.P.Hart in UK region 2008 and Optifit DIY bathroom operations in Cont. Europe region

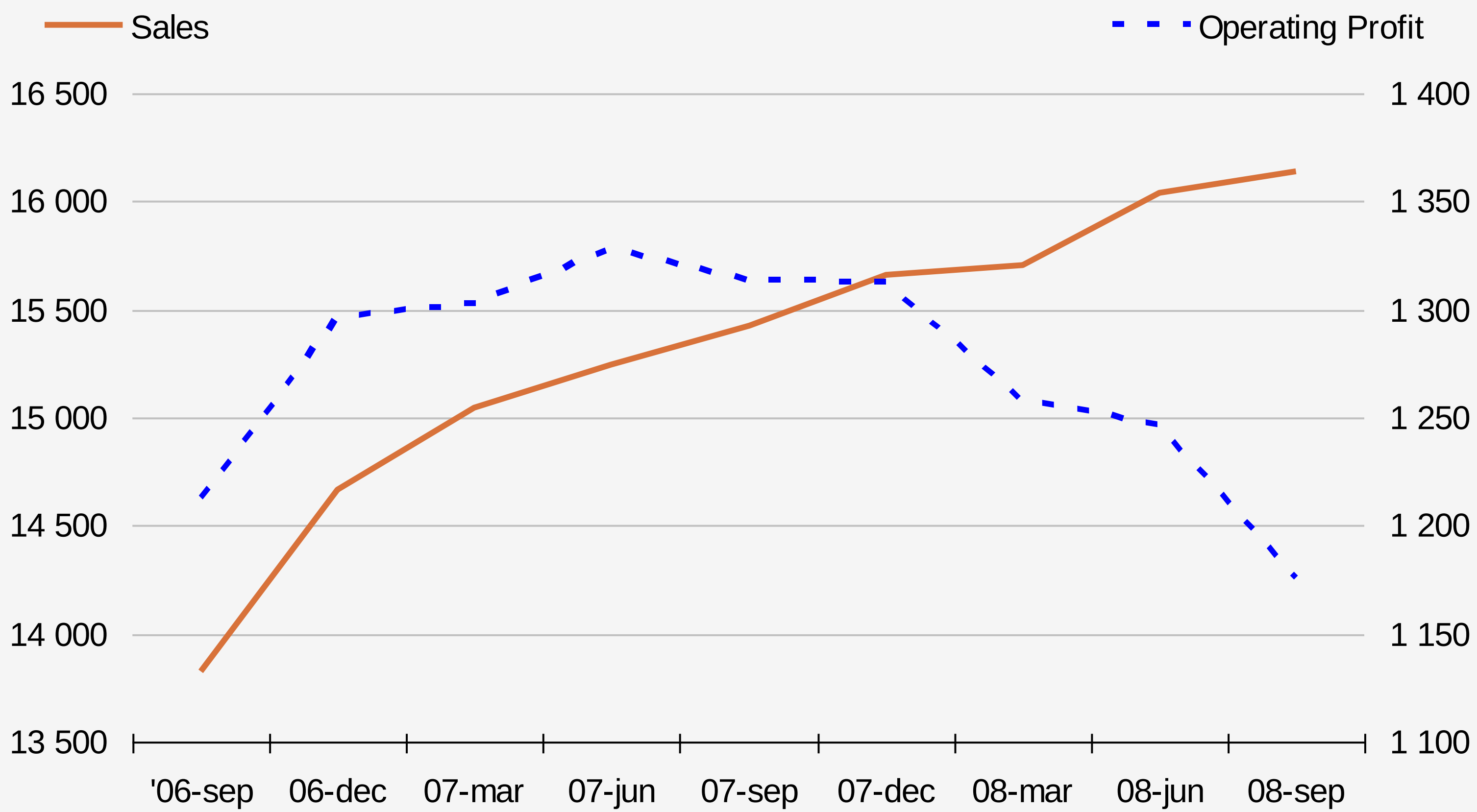
Profit development

SEK m	2008 Jul-Sep	Change	2008 Jan-Sep	Change
Operating profit before depreciation, SEK m (EBITDA)	305	-20%	1,179	-12%
Operating profit, SEK m (EBIT)	186	-32%	832	-17%
Pre-tax profit	146	-40%	718	-22%

- Sales flat
- Negative currency effects of SEK 30 m (Jul-Sep)
- Store expansion in Denmark and Spain
- Marketing initiatives in economy segment

Sales and operating profit development

12 month rolling in fixed currency



Not adjusted for acquisitions or divestments

Current market situation

UK

continued weakening of demand

Nordic

declining demand mainly related to lower activity in the new build segment

Continental Europe

weaker demand in primary markets

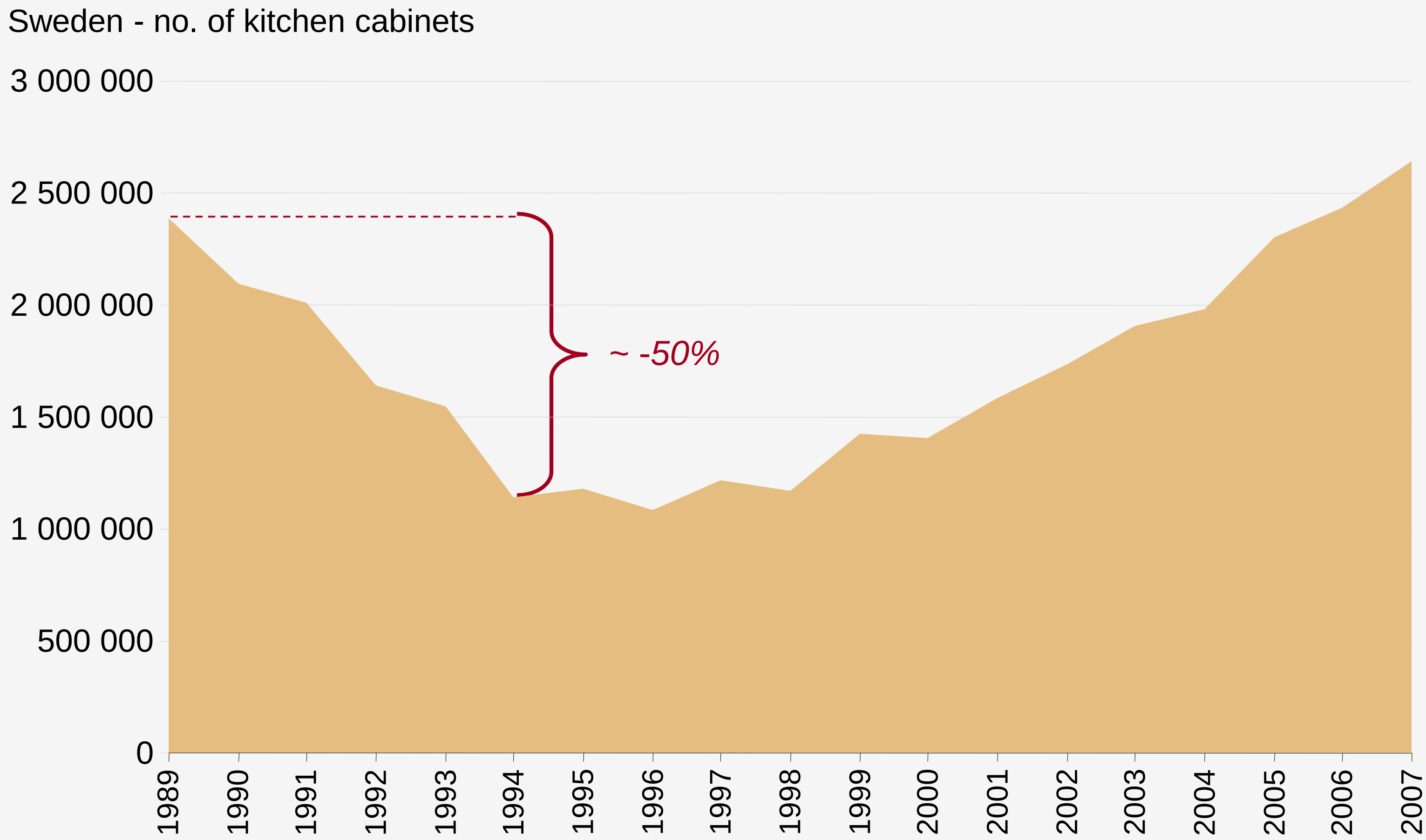
Nobia prepares for a weaker kitchen market

Experiences from severe market downturns

Case studies

1. Myresjökök in the early 90s
2. HTH – “Kartoffelkuren” 1986
3. UK kitchen market vs housing transactions 1988-
4. Novart – Finnish market downturn in the early 90s

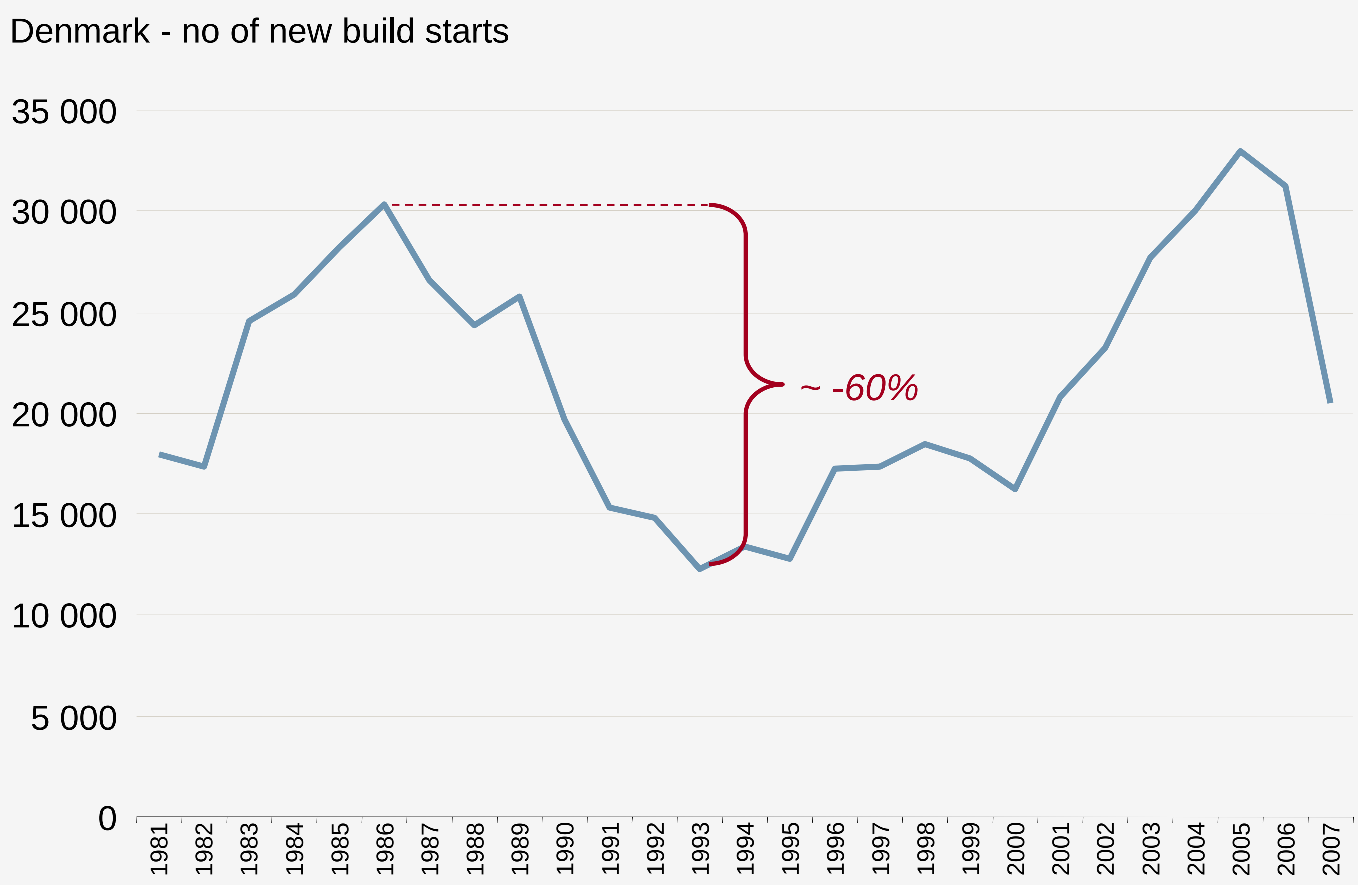
1. The downturn in the Swedish market in the early 90s



During this period Myresjökök's sales declined by 16% from the top

source: Prognoscentret

2. ”Kartoffelkuren” / ”The potato cure” in Denmark 1986



During this period HTH’s sales declined by 40% from the top

source: Prognoscentret

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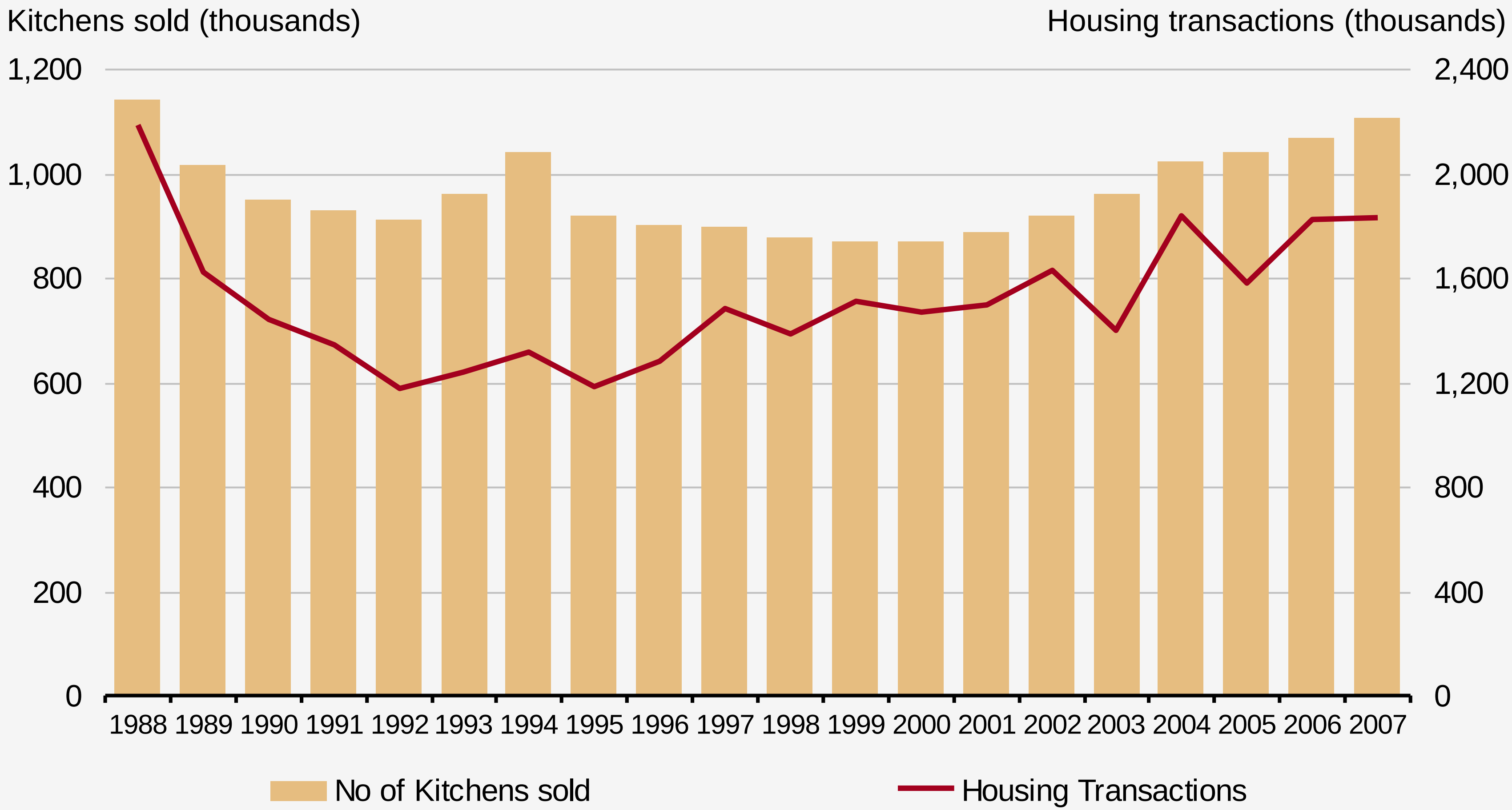
3. UK kitchen market vs. housing transactions

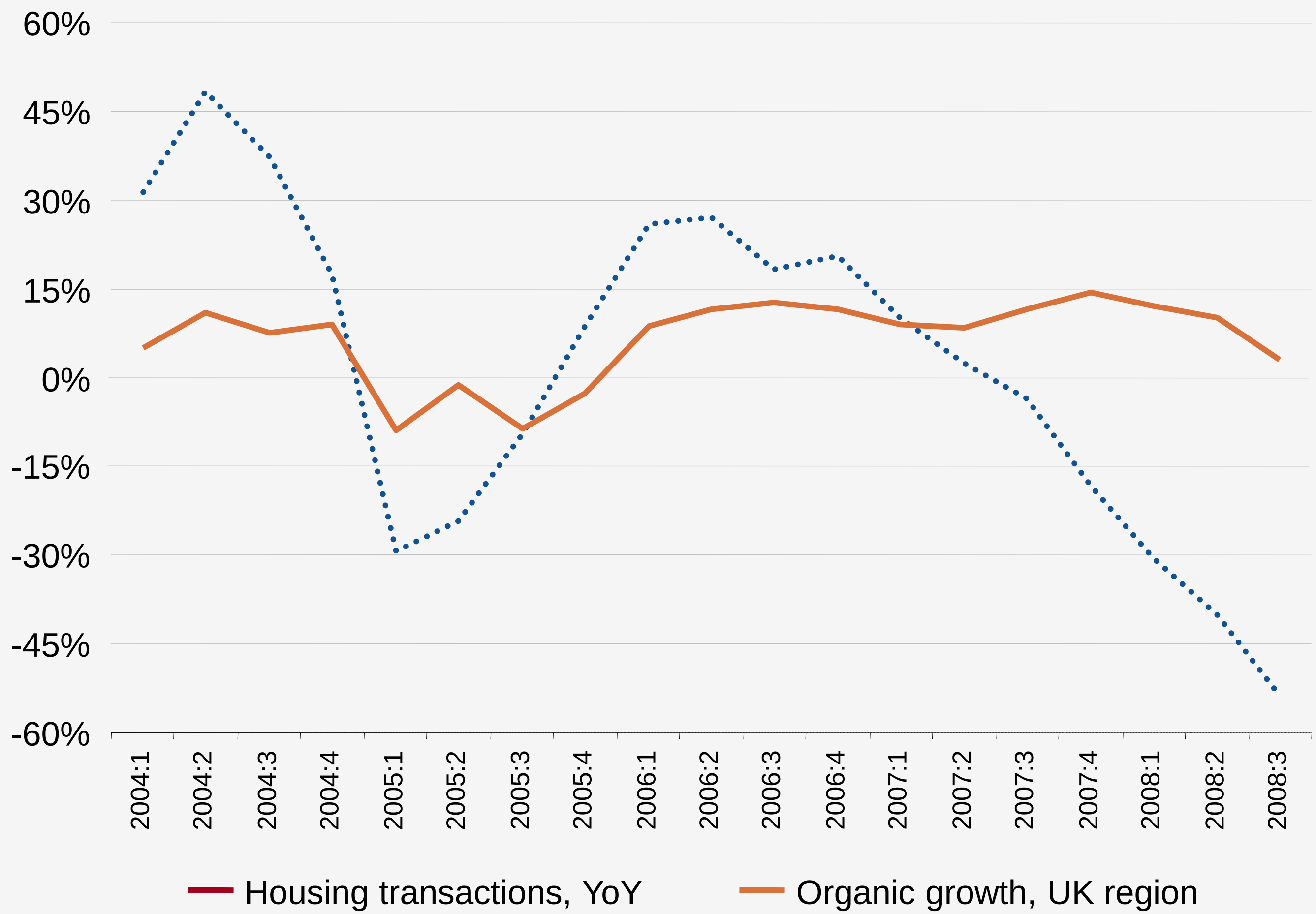


Sources

Kitchen market volumes: JKMR

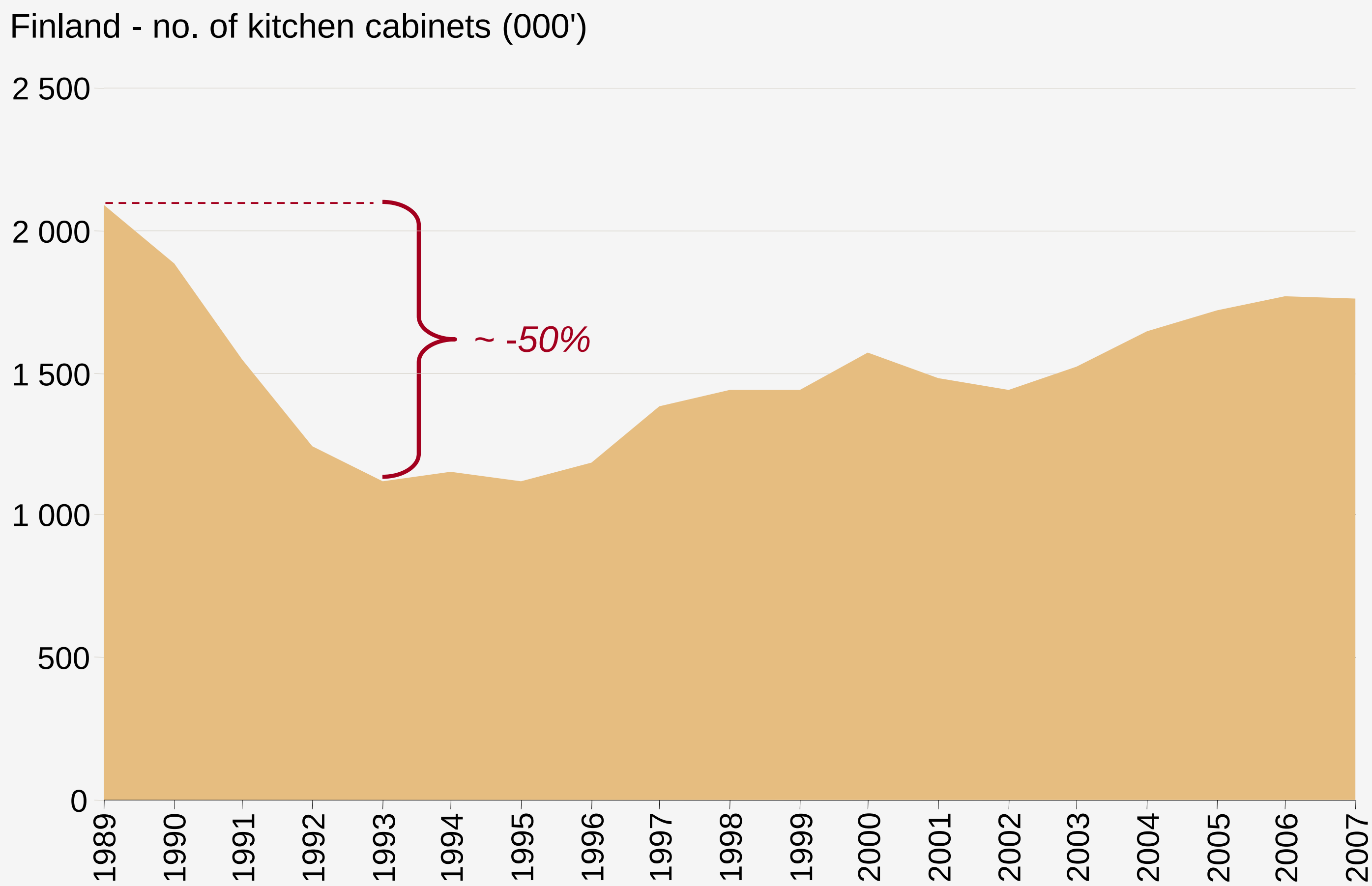
Housing transactions: HMRC

3. UK housing transactions vs. Nobia UK organic growth



Although correlated, Nobia has been resilient to lower activity on the UK housing market

4. The downturn in the Finnish market in the early 90s



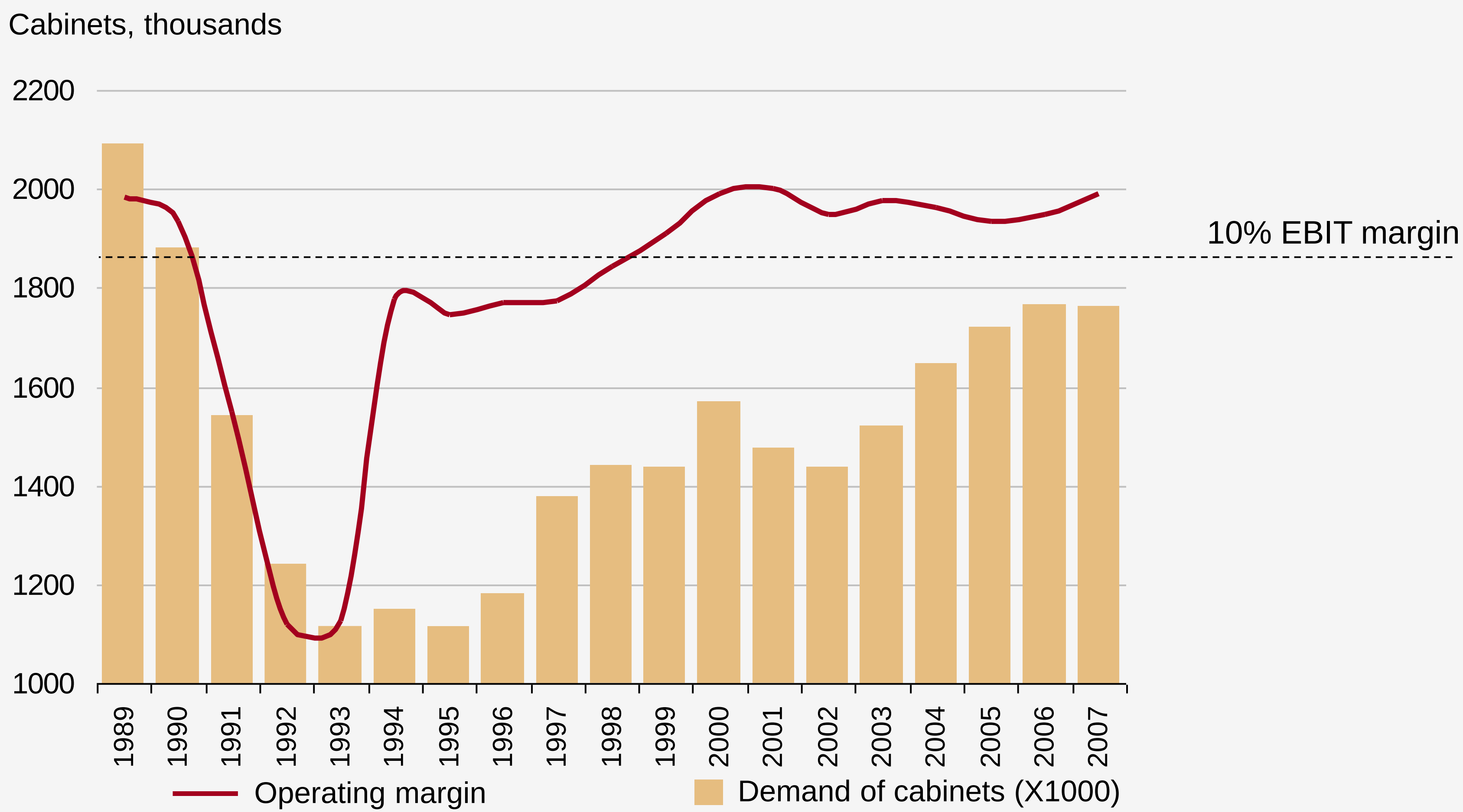
During this period Novart's sales declined by 50% from the top

source: Confederation of Finnish Construction Industries RT & Novart

4. Experience from Finland

Actions taken to mitigate the downturn in the early 90s

4. Development of demand & Novart's operating margin



NOTE: 1992 – 1993 Restructuring of operations

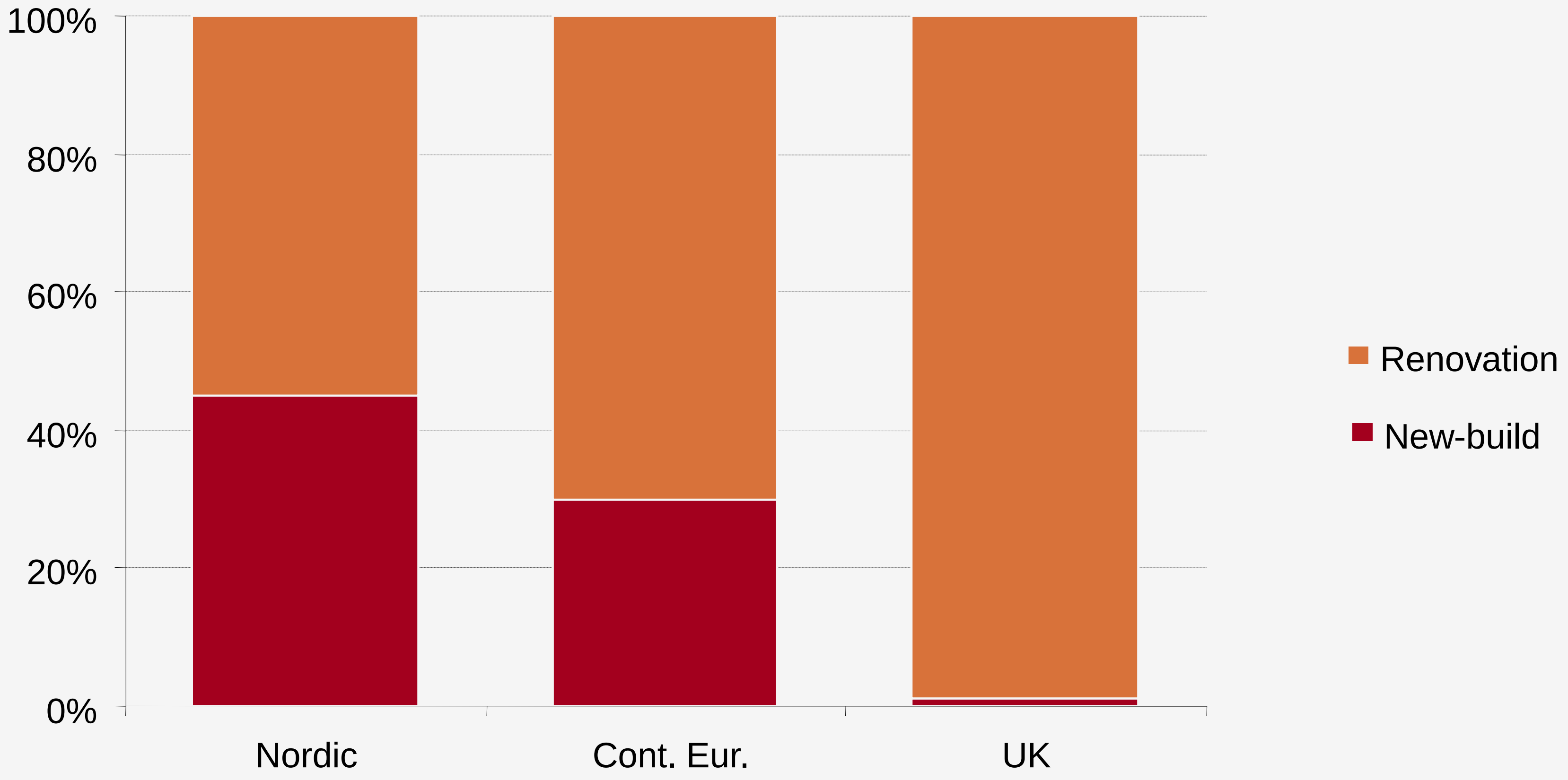
Risks

Strategic risks	Business development risks Corporate governance and policy risks
Operating risks	Market risk (Revenue and earnings risk) Political risk Property risk Supplier risk Human capital risk
Financial risks	Interest rate risk Currency risk Borrowing risk Credit risk

Weaker demand influences

1. Market risk
2. Interest risk
3. Currency risk
4. Borrowing risk

Nobia's sales to the new-build segment differ by region



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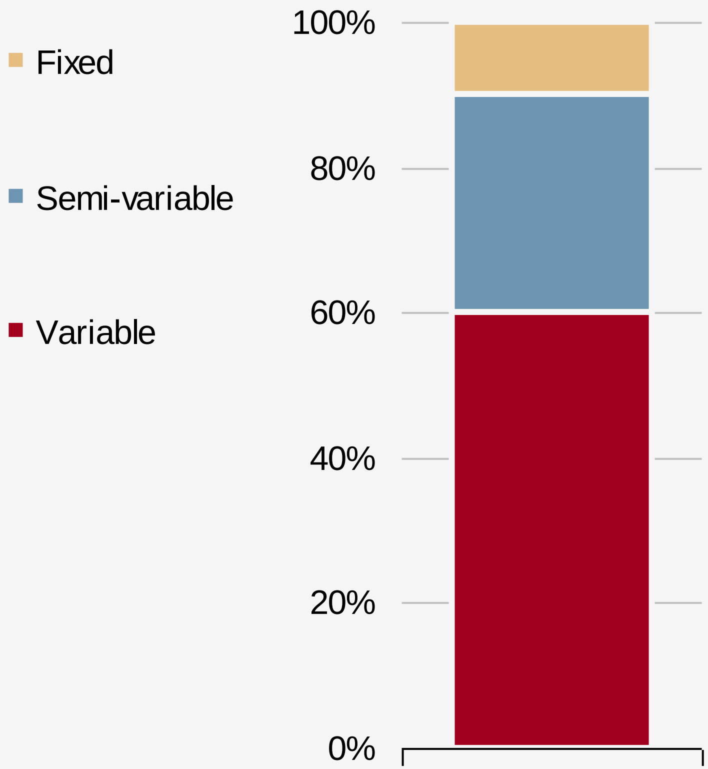
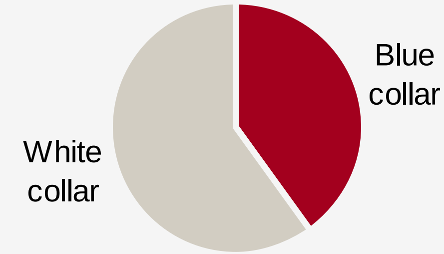
Operating cost structure



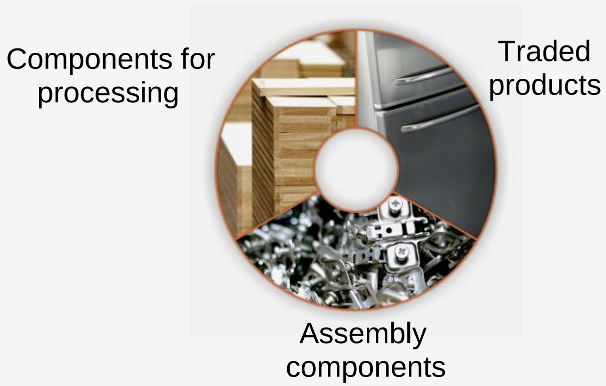
Main items

Depreciation and lease costs

Staff costs



Material cost



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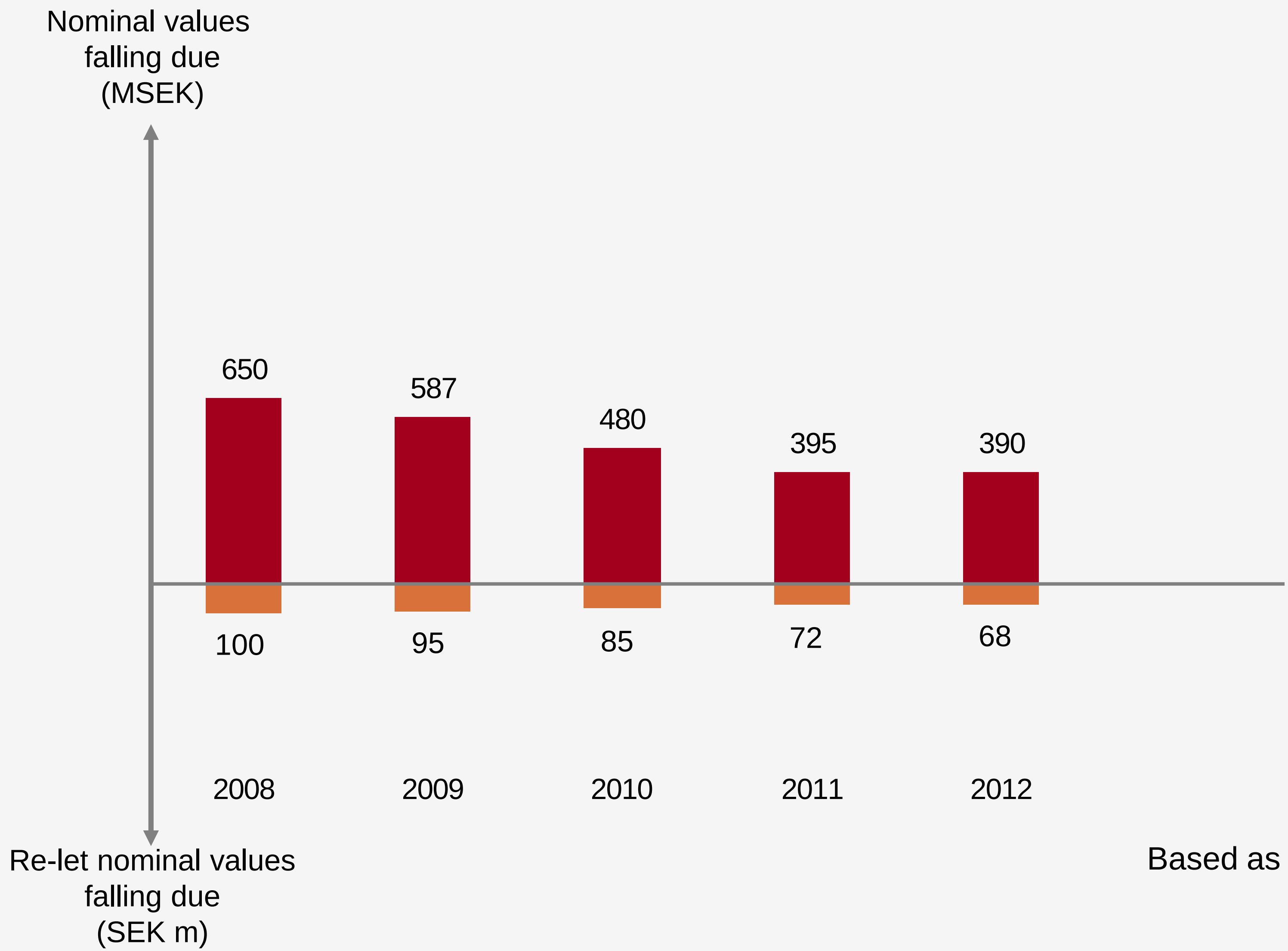
Value of operational leasing contracts



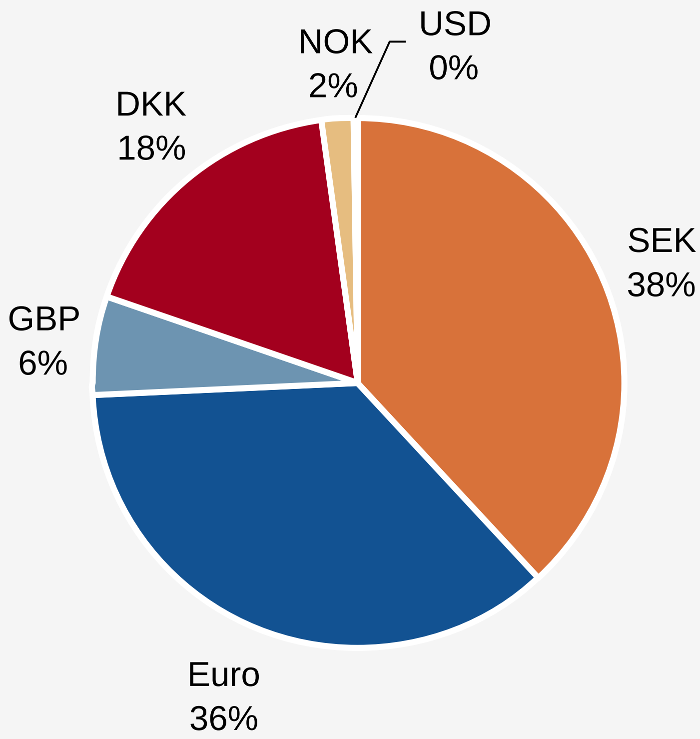
Based as of year-end 2007

Variable interest rates

1. Market risk
2. Interest risk
3. Currency risk
4. Borrowing risk

Interest rate risk

Interest bearing debt split by currency



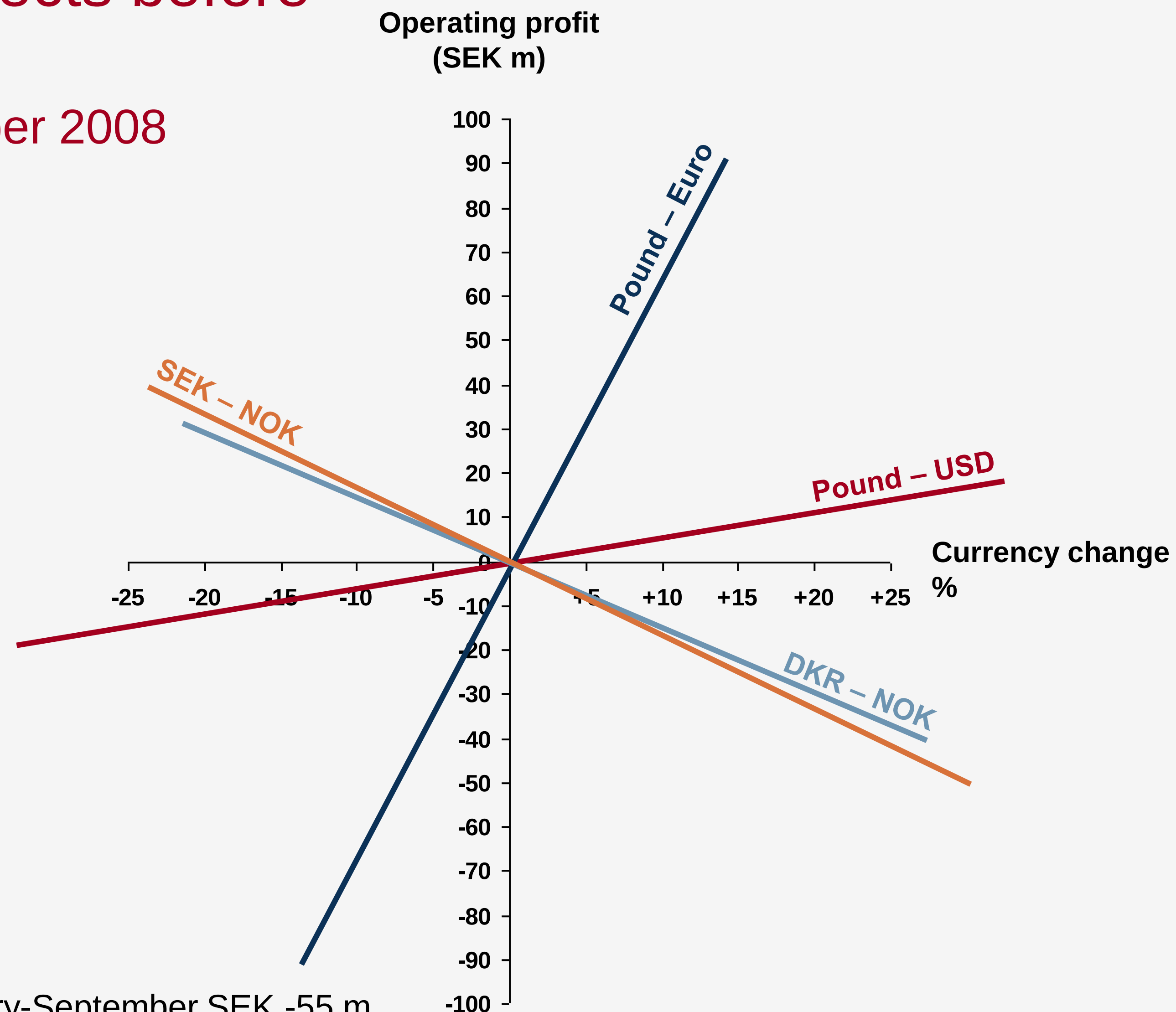
- Fixed interest rate term between 1 and 3 months
- A change in interest rates by 100 bp increases or decreases financial net with approximately SEK 25 million

Pound-Euro

1. Market risk
2. Interest risk
3. Currency risk
4. Borrowing risk

Transaction effects before hedging

January – September 2008

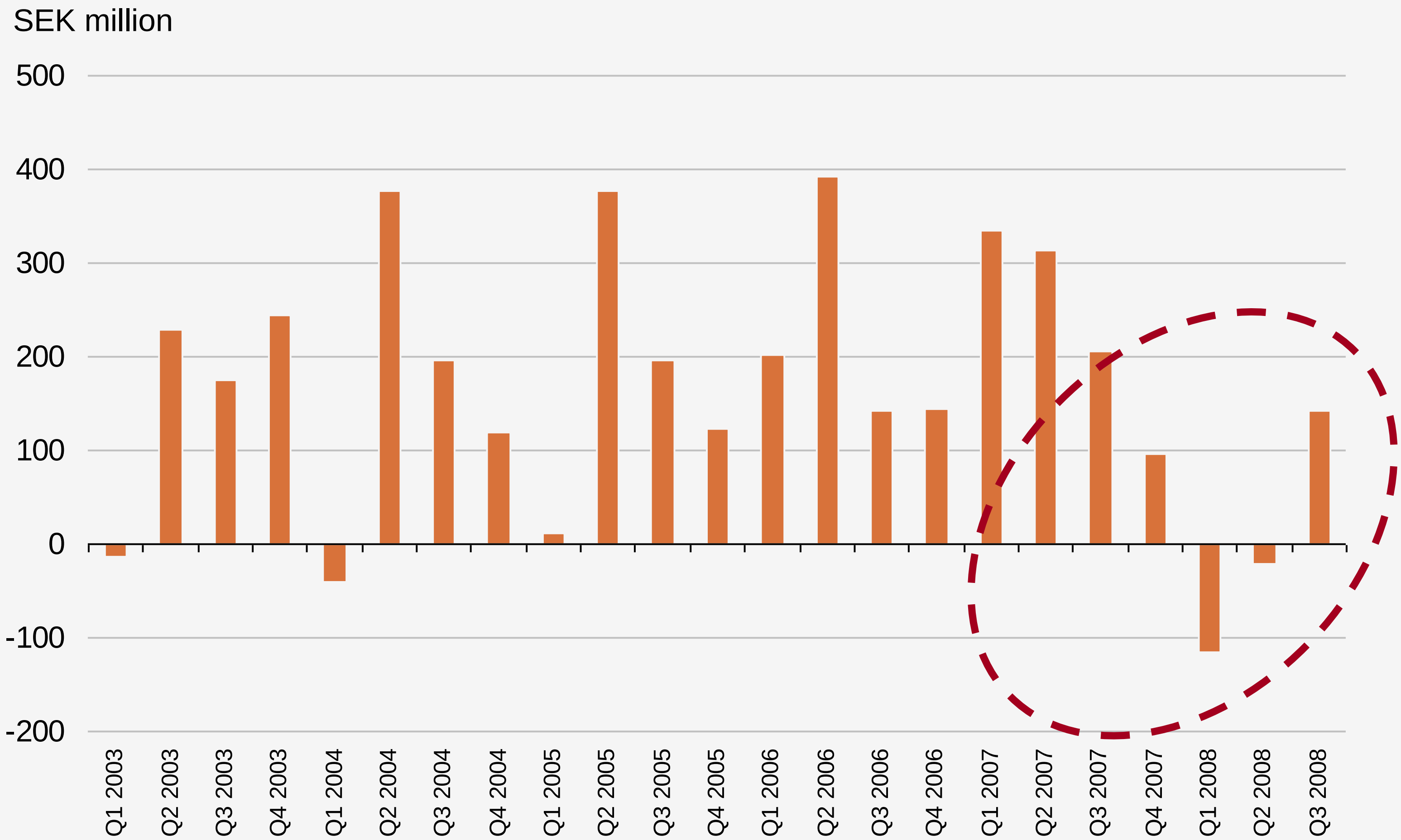


Total transaction effect January-September SEK -55 m

Cash flow and covenants

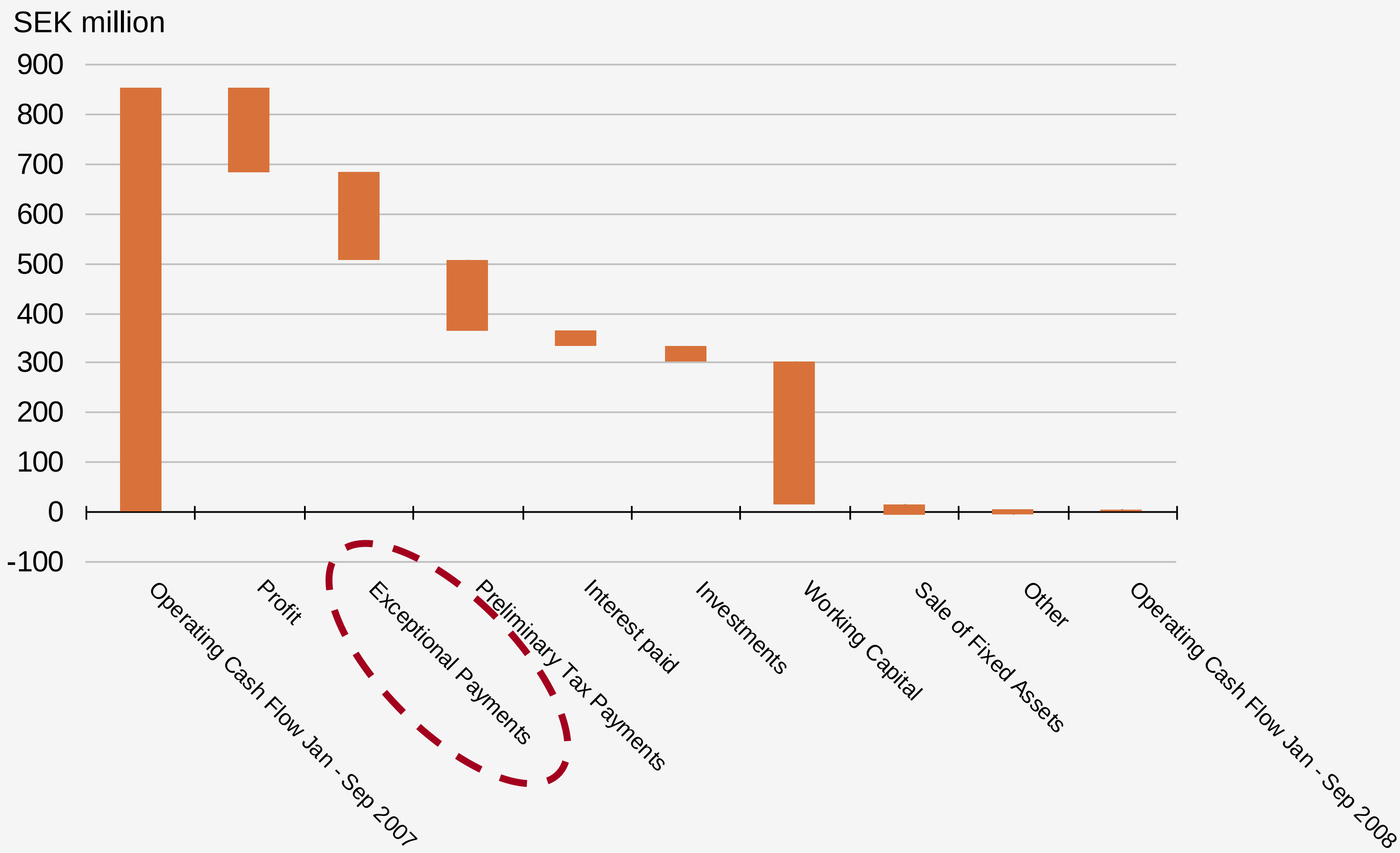
1. Market risk
2. Interest risk
3. Currency risk
4. Borrowing risk

Historic cash flow generation by quarter



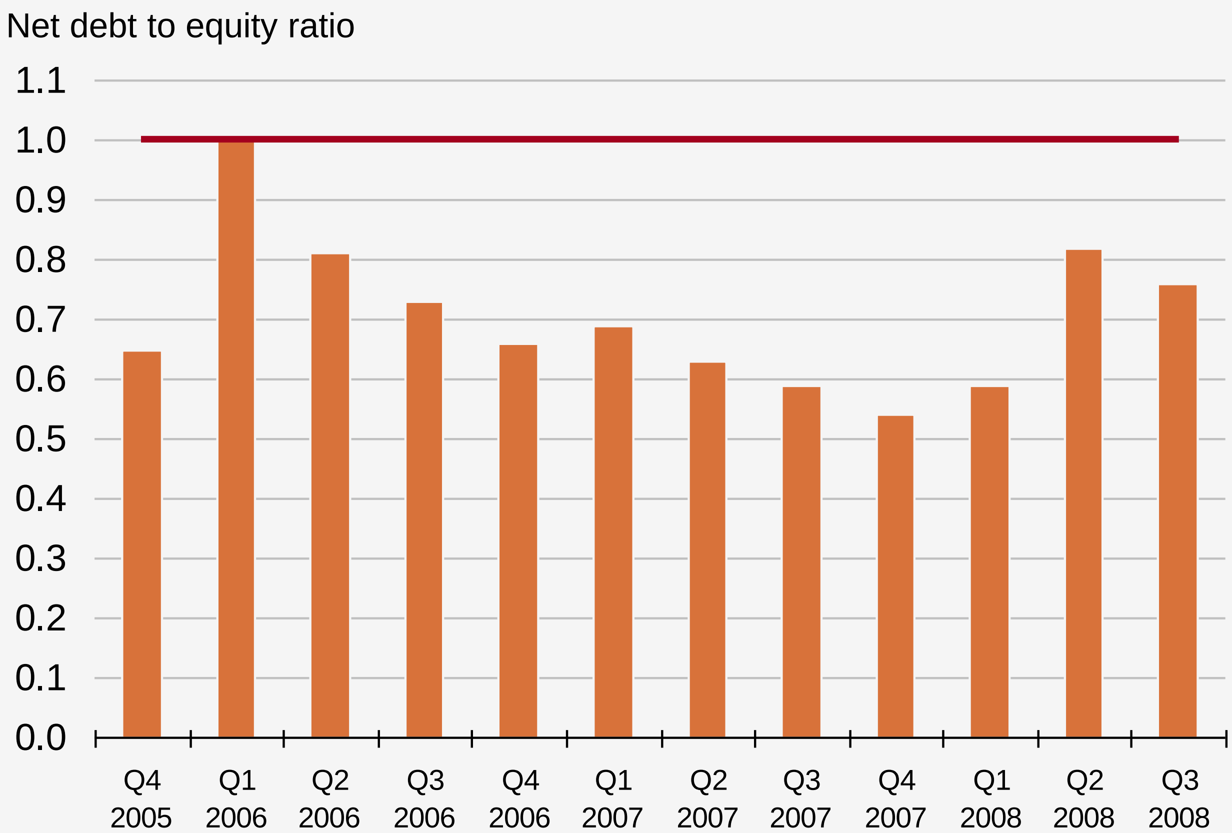
Focusing operating cash flow

Development January – September 2007 vs. 2008



Financial strength

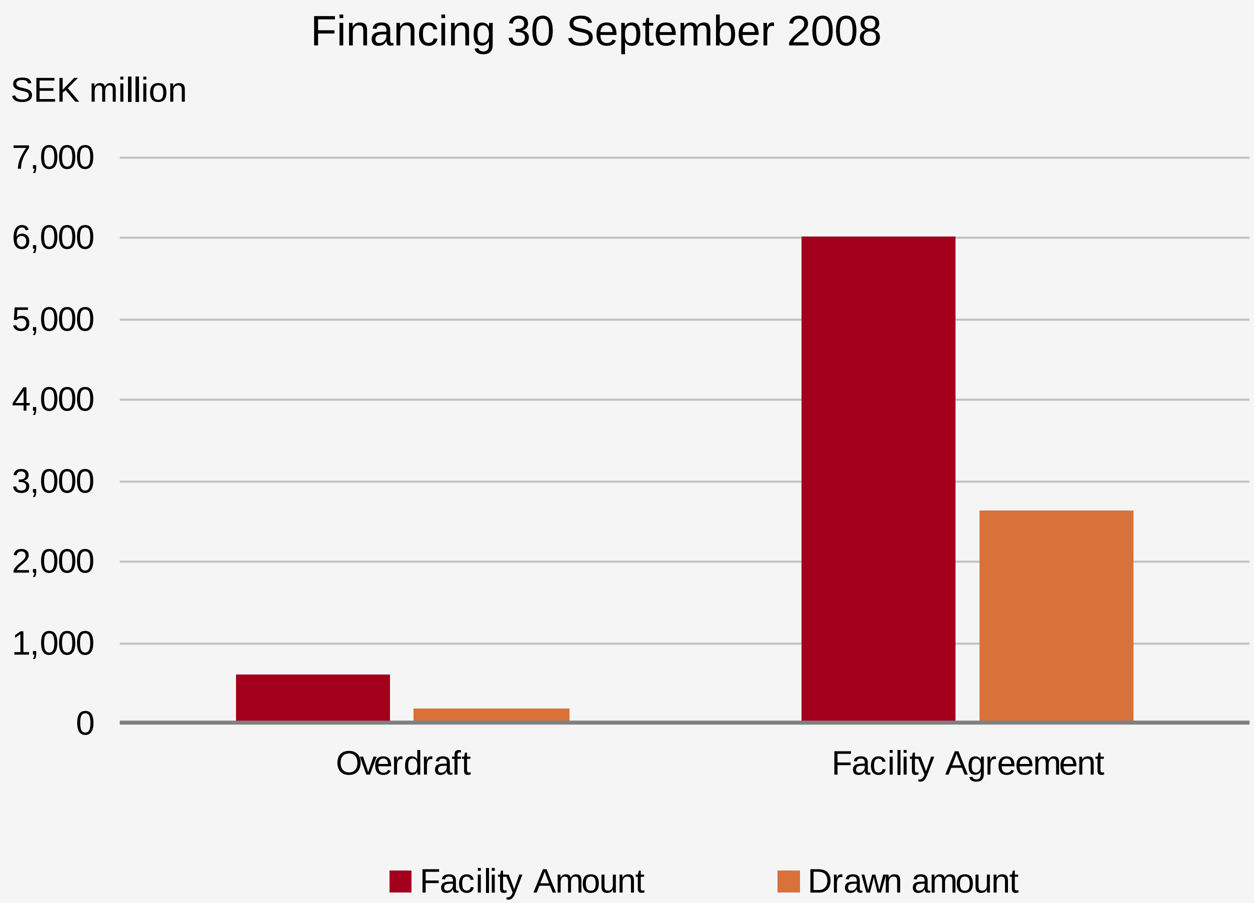
Long term target: Net debt to equity ratio should not exceed 1.0



- Slightly increased debt to equity ratio last three quarters
- Sufficient margin to long term target

Loans

Most of Nobia's loan amount is in the form of a syndicated loan with 10 banks



The syndicated loan expires during 2011

Covenants

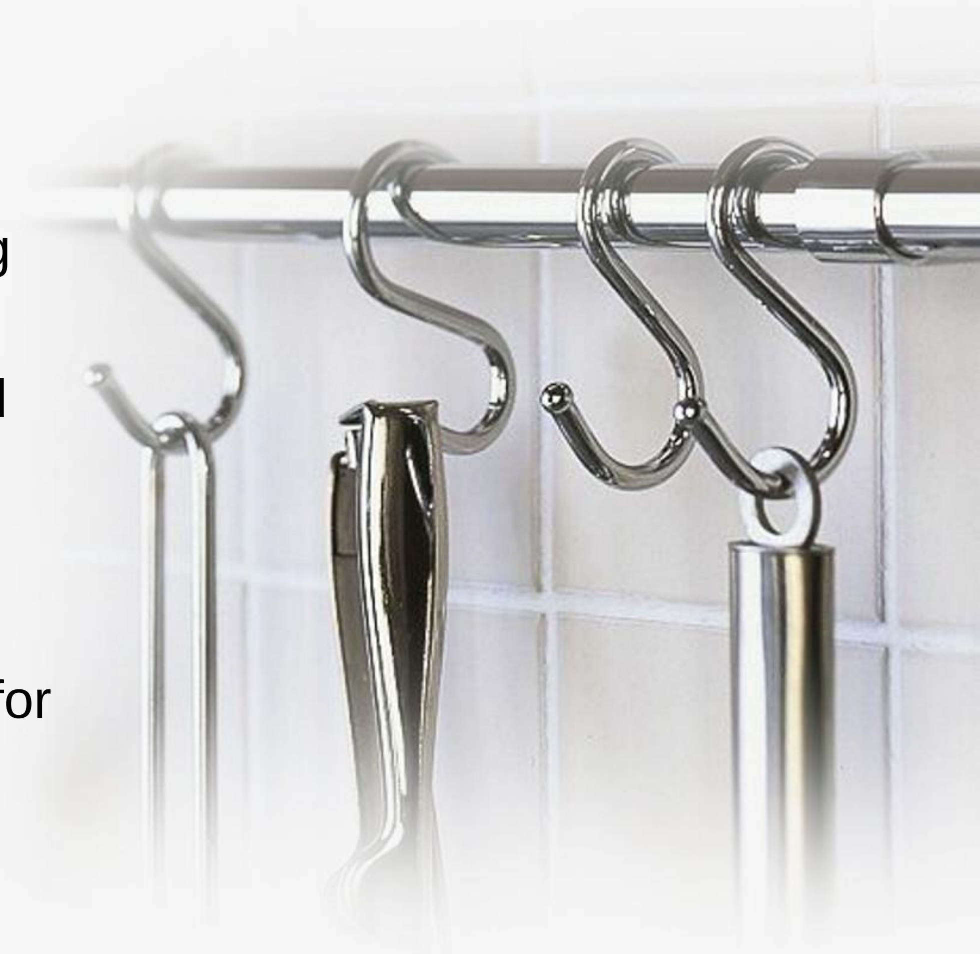
Nobia has customary covenants for the syndicated bank loan

Leverage:	Net Debt to EBITDA
Interest Cover:	EBITDA to Net Finance Charges
Gearing:	Net Debt to Equity

Nobia has sufficiently healthy headroom on all covenants

Main financial focus ahead

- Strengthen & secure operating income
- Strengthen & secure improved operating cash flow
- Managing capacity and structure costs
- Continue to manage net debt for healthy freedom of action



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Preben Bager, CEO

Sense of urgency

- Sales and profits are down
- Our cost base must decrease

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Our formula

Economies of scale through co-ordination behind the scenes

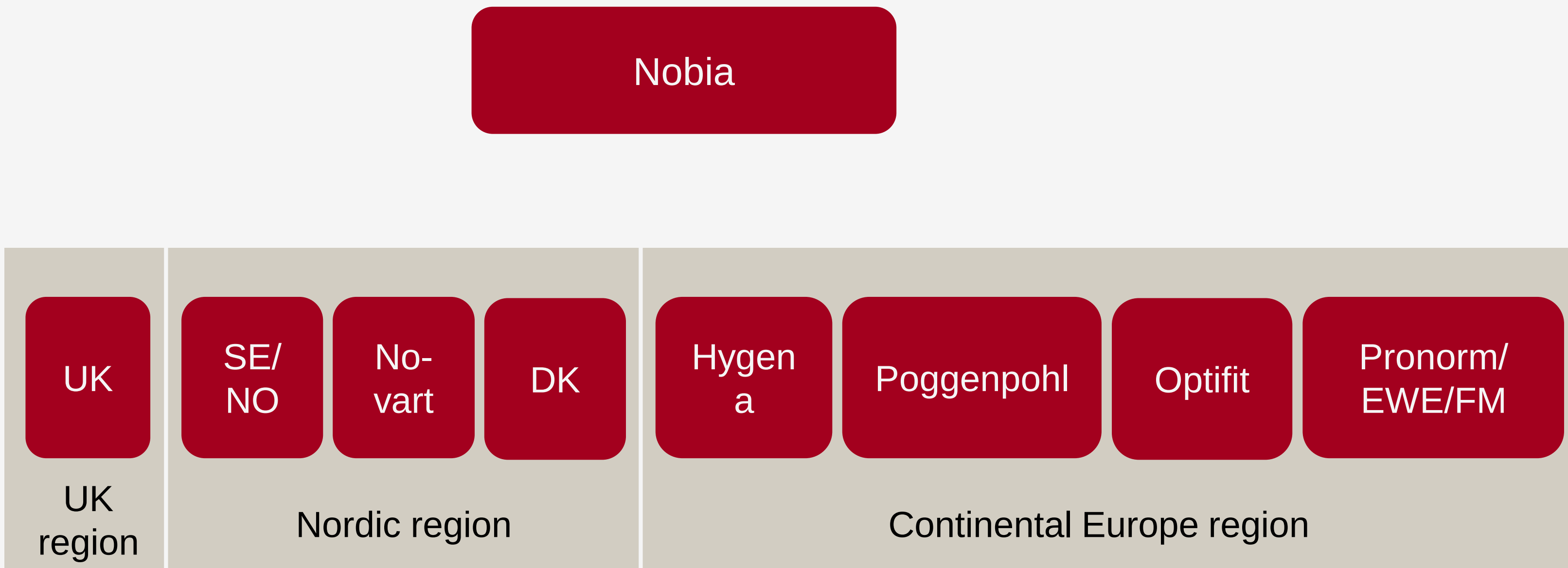
A group of strong kitchen brands

Multi-brand- and multi-channel strategy

Done/To do

- Organisation
- Harmonisation/coordination
- Low-cost supply
- Adapt production capacity

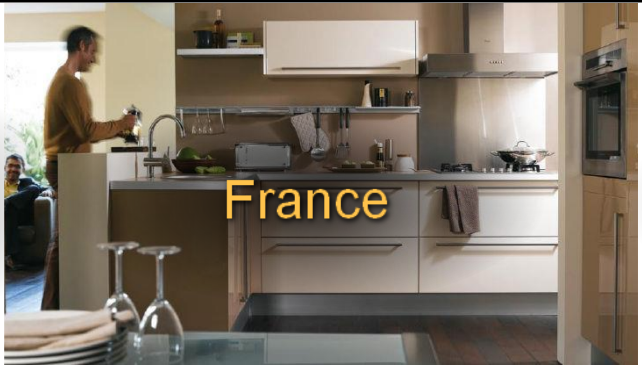
From 14 to 8 business units



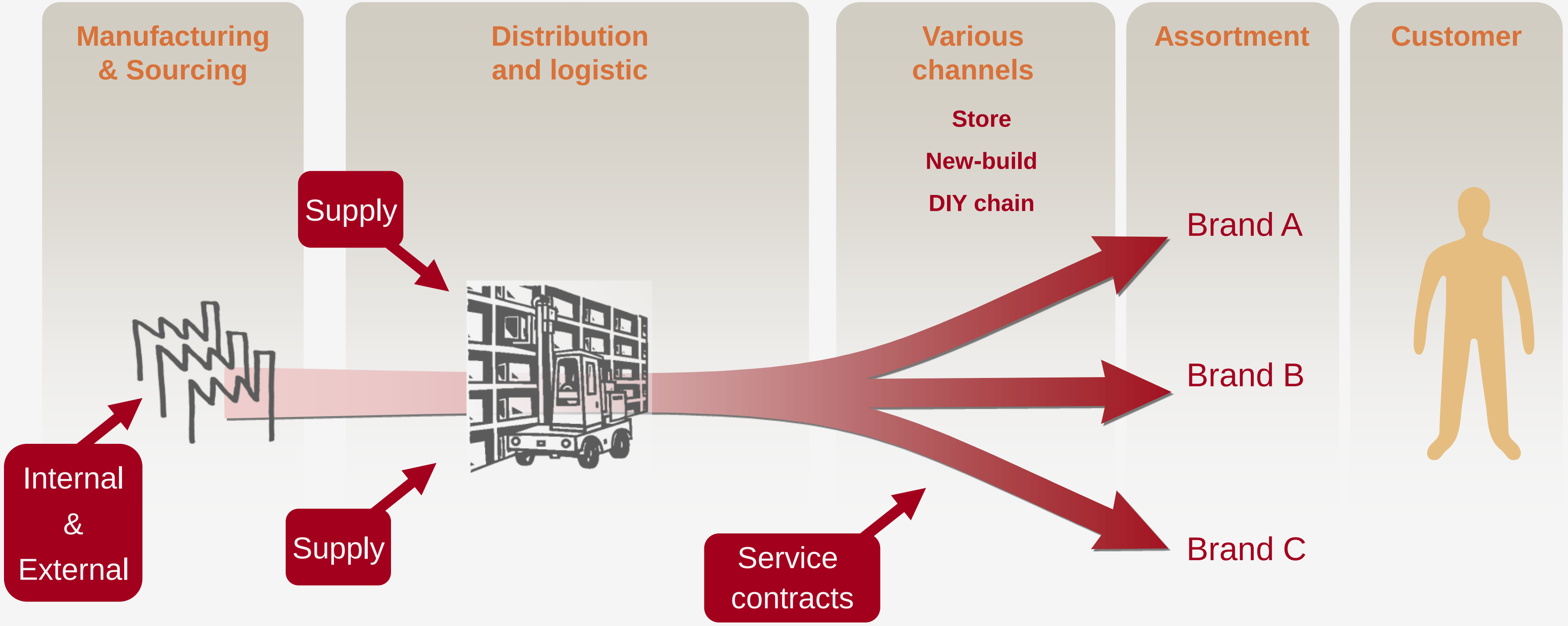
Kitchen design is increasingly international

…and the answer is:

The trend enables increased co-ordination

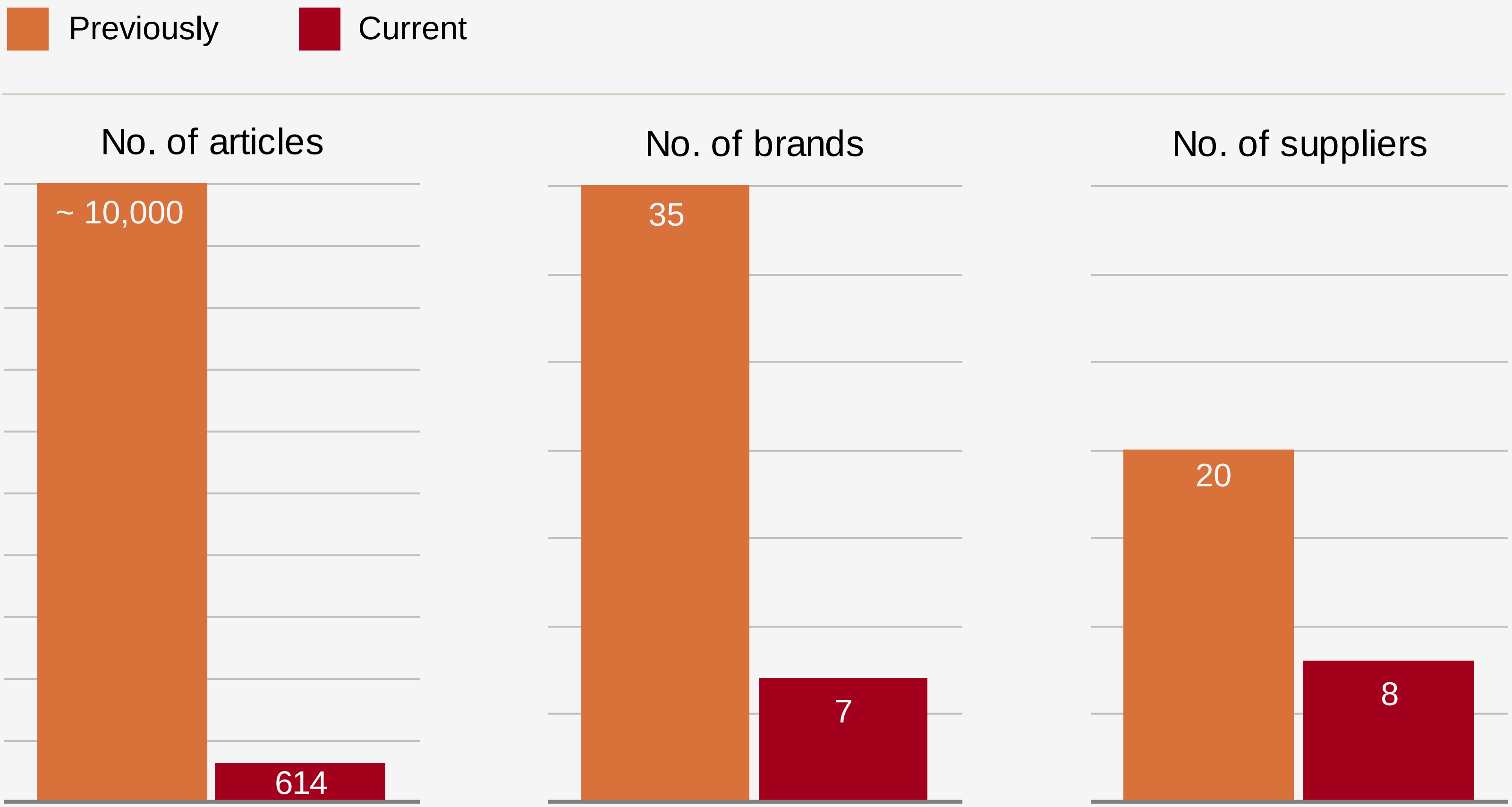


A scalable and brand/channel-independent supply chain



Exactly the same white slab door

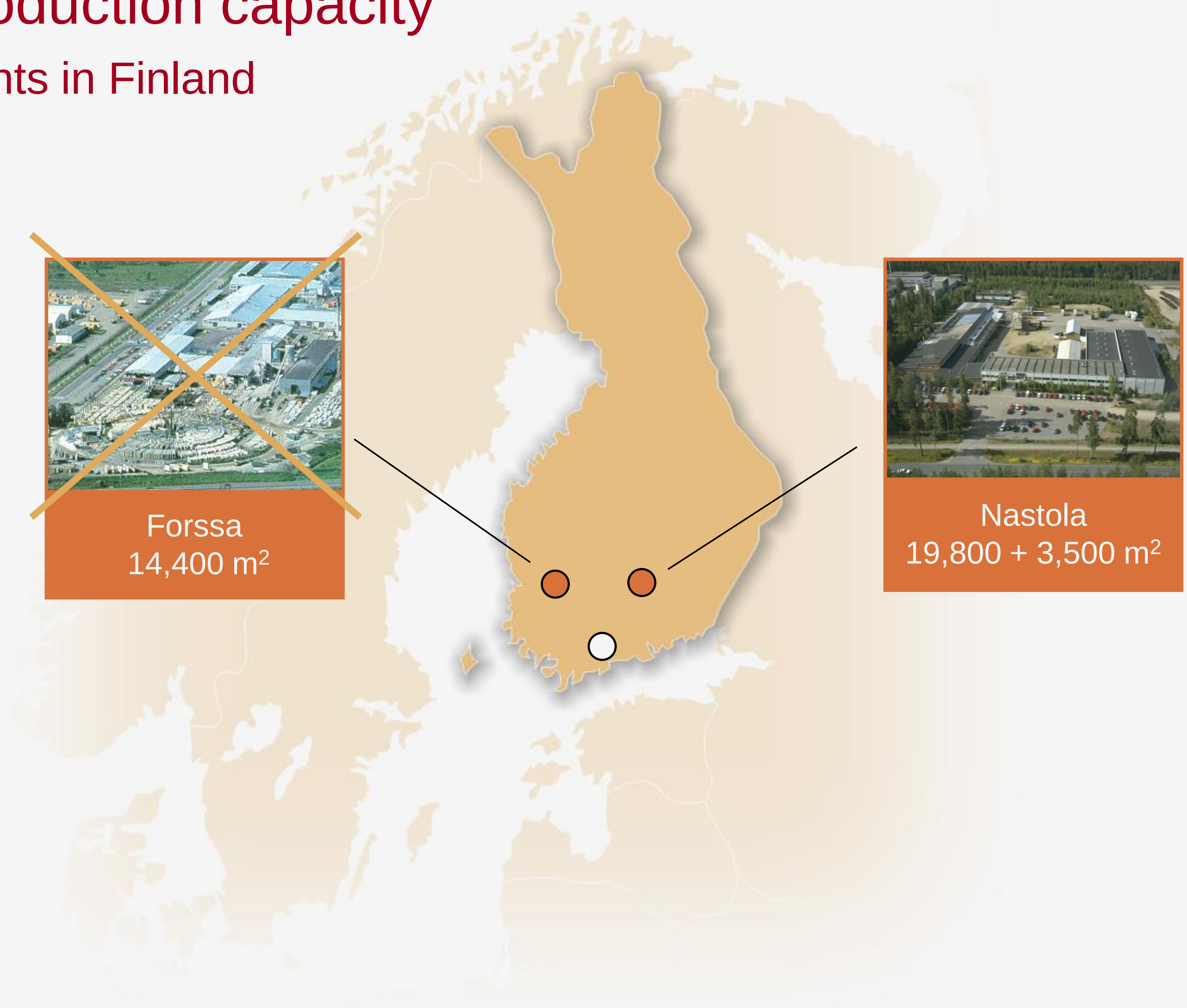
Central supply of appliances



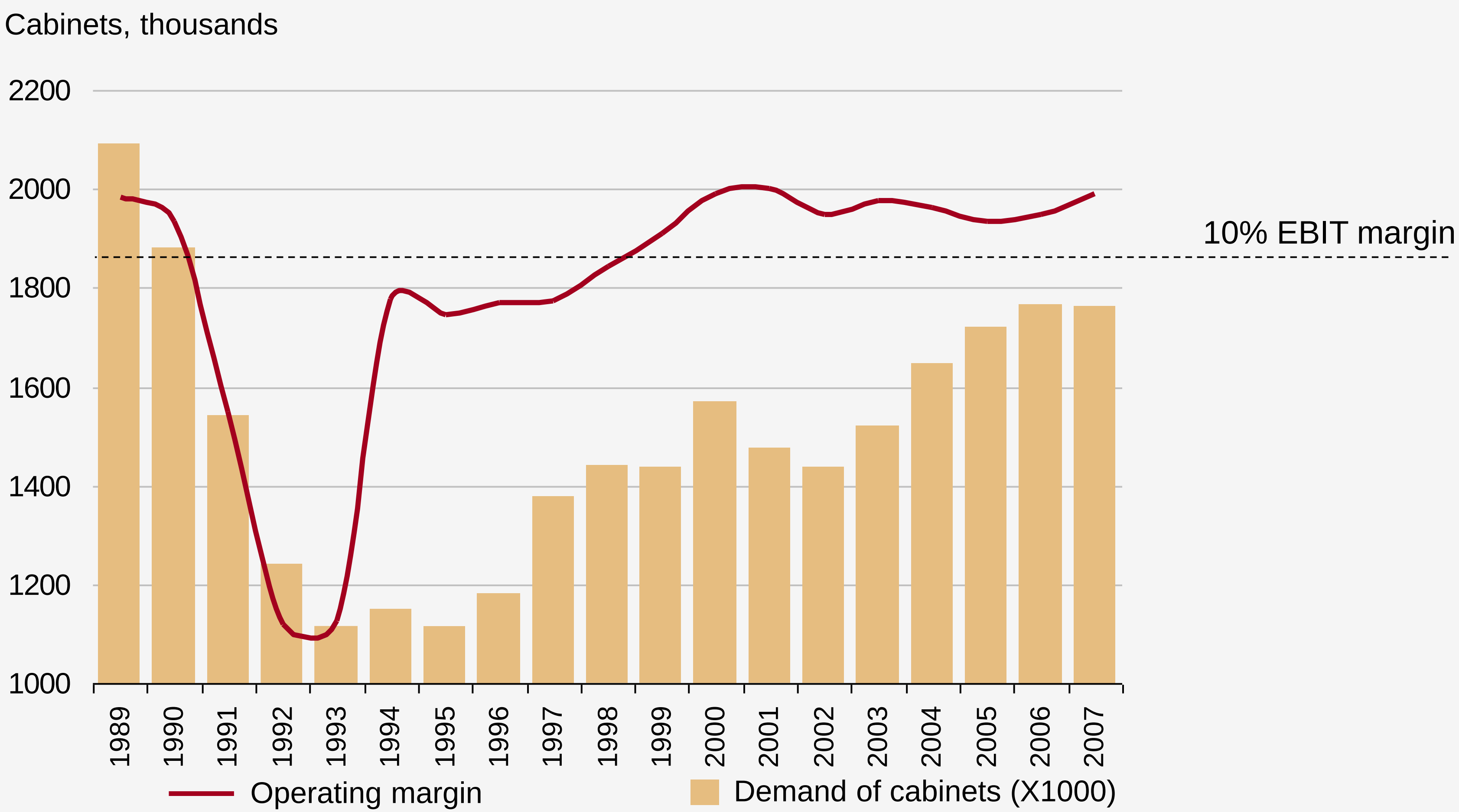
Core range approach reduces the number of active articles, brands and suppliers

Adapt production capacity

Present plants in Finland



Demand & Novart's operating margin



NOTE: 1992 – 1993 Resructuring of operations

Financial effects in Finland

- Planned closure of the plant in Forssa
  - Relocation of production to Nastola to be initiated in 2008 and completed by the middle of 2009
  - Expansion of assembly and loading capacity in Nastola will be required and the investment is estimated to amount to about EUR 1,3 million
  - The closure of Forssa will have a negative impact on earnings in the amount of about EUR 3.8 million in 2008 and 2009
  - Approximately 25 % of costs for closure have no impact on cash flow
  - Annual cost savings from 2010 are expected to total about EUR 1.7 million

Some is done, more to do

Economies of scale through co-ordination behind the scenes

A group of strong kitchen brands

Multi-brand- and multi-channel strategy

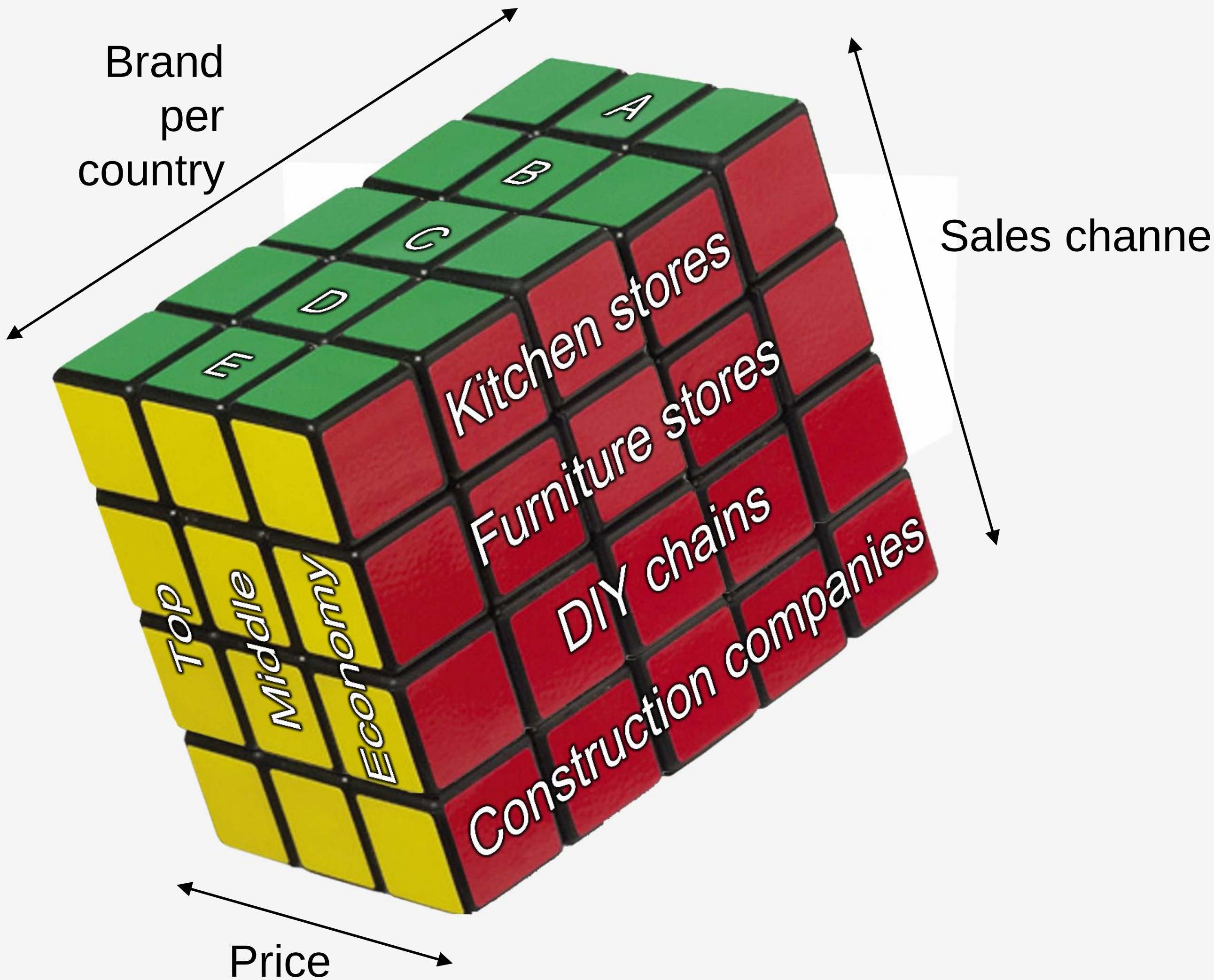
Develop Nobia’s kitchen stores

Develop our product offering

Nobia consumer brands

* Culinoma is a 50-50 joint venture

Multi-brand & multi-channel strategy



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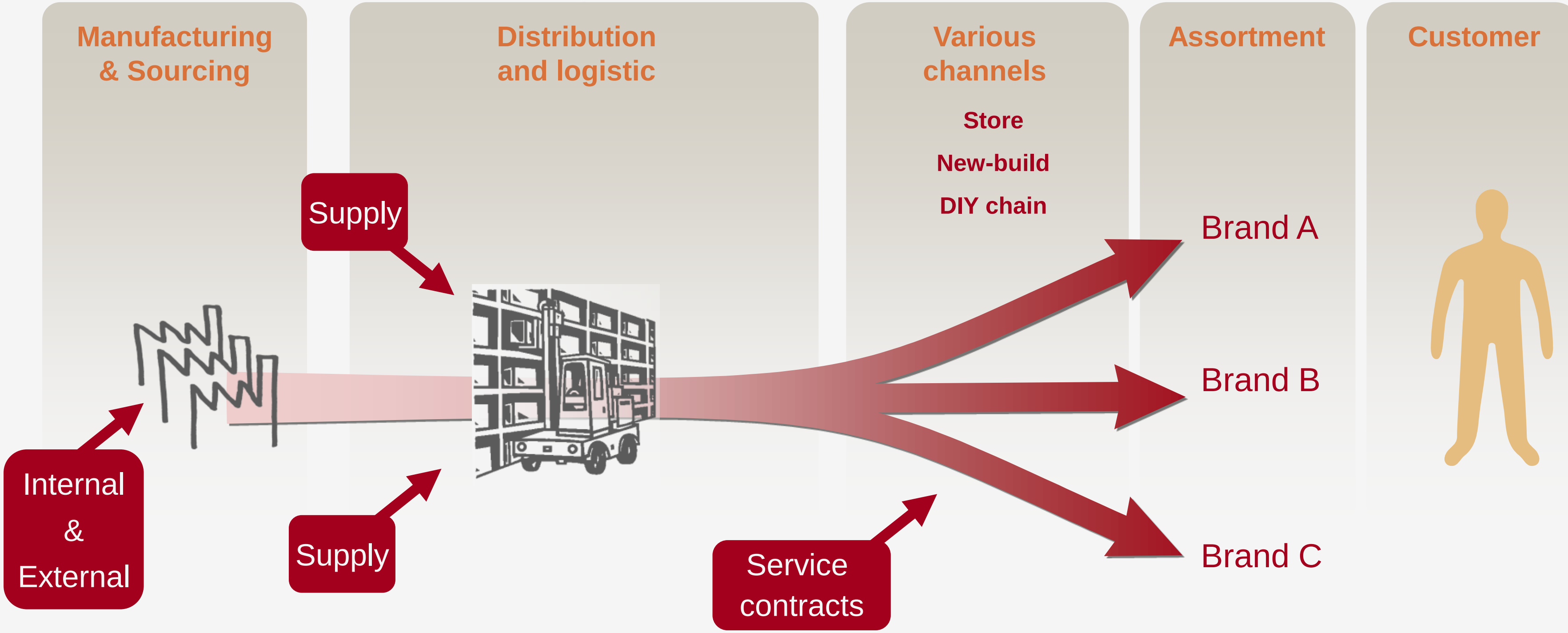
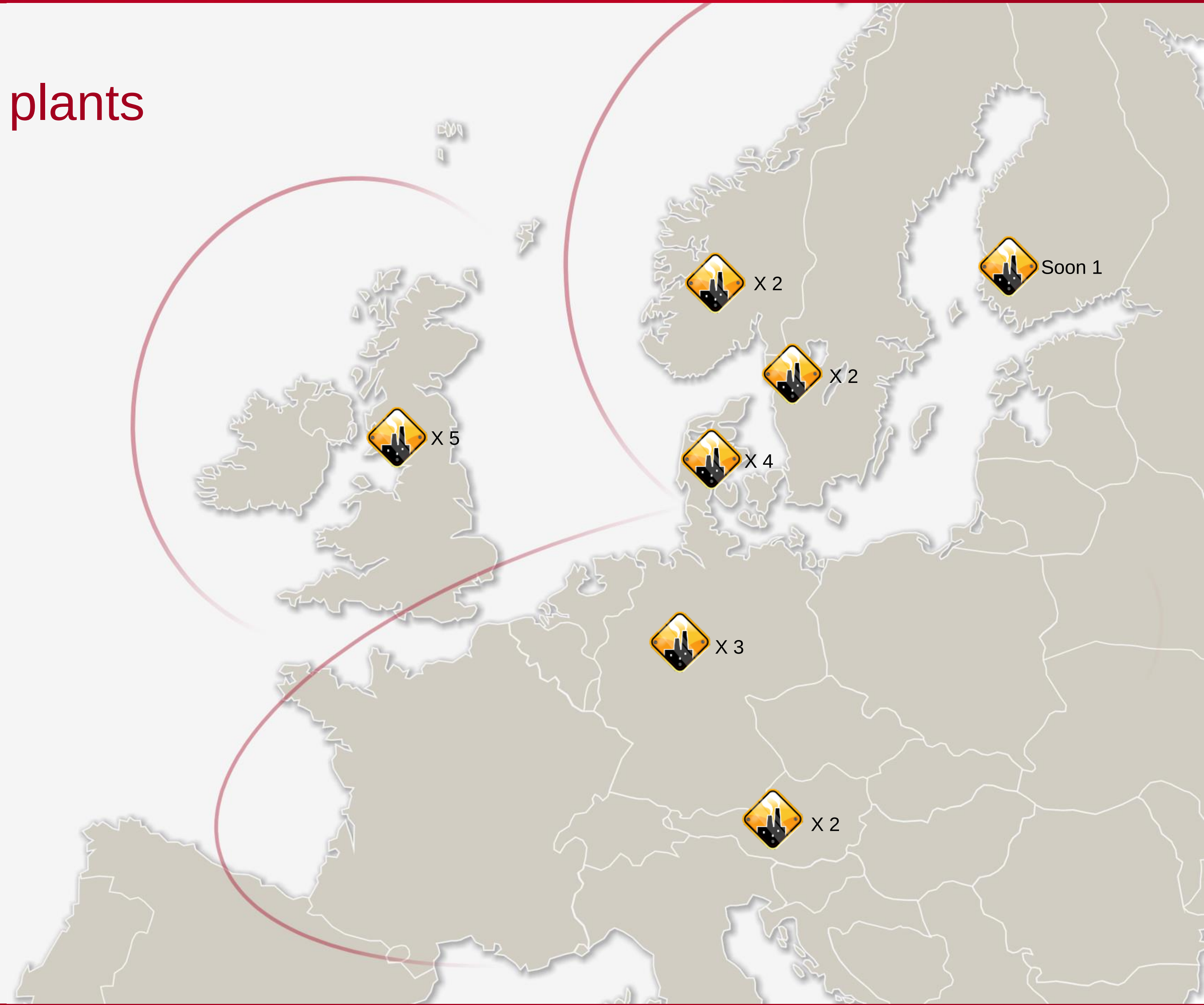
Consumer brands

* Culinoma is a 50-50 joint venture

Brand/channel-independent supply chain



Nobia plants



Consumer brands

* Culinoma is a 50-50 joint venture

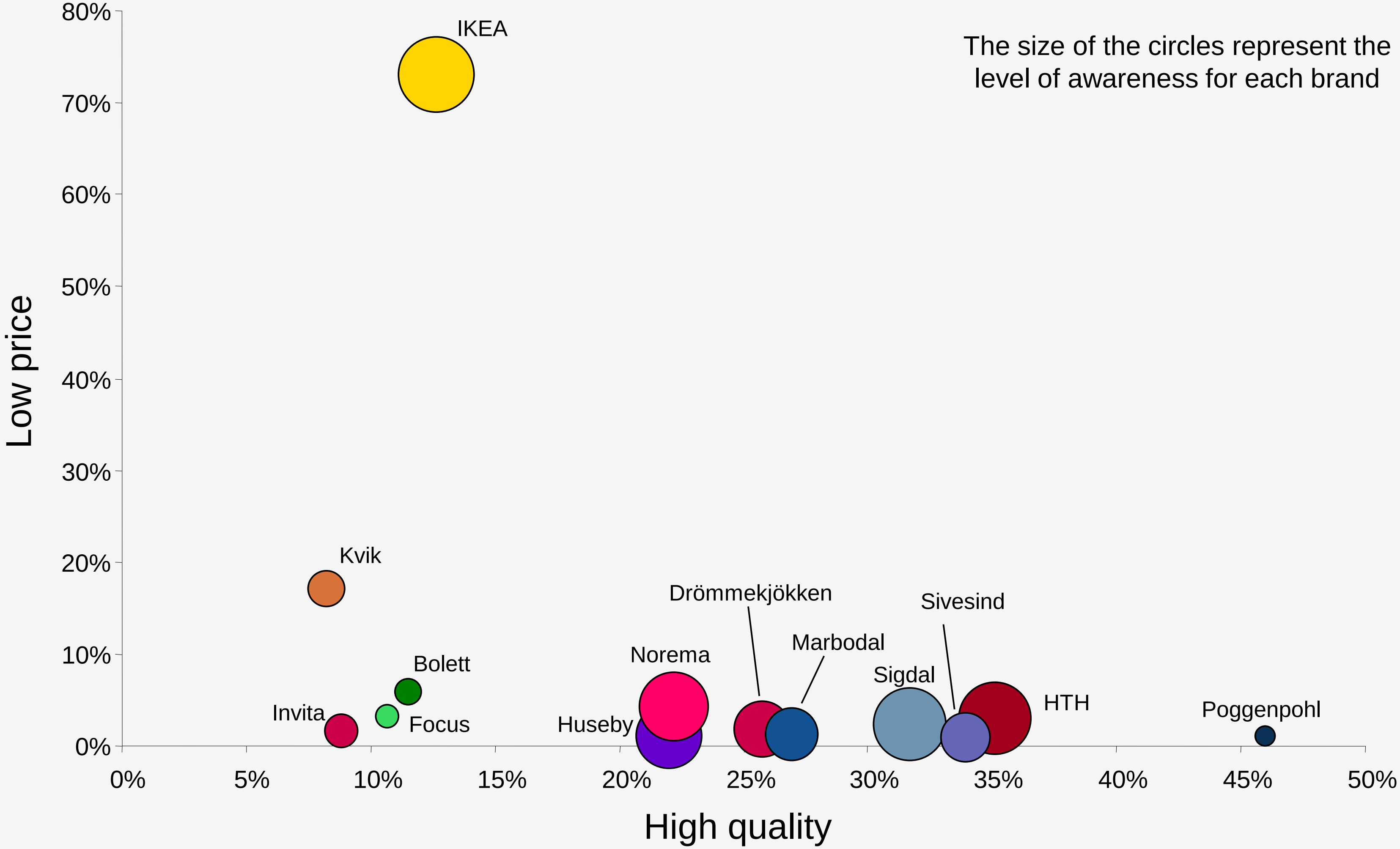
Main priorities

- Meet economic downturn
- Use synergies of scale
- Strengthen retail and B2B channels
- Capture growth opportunities

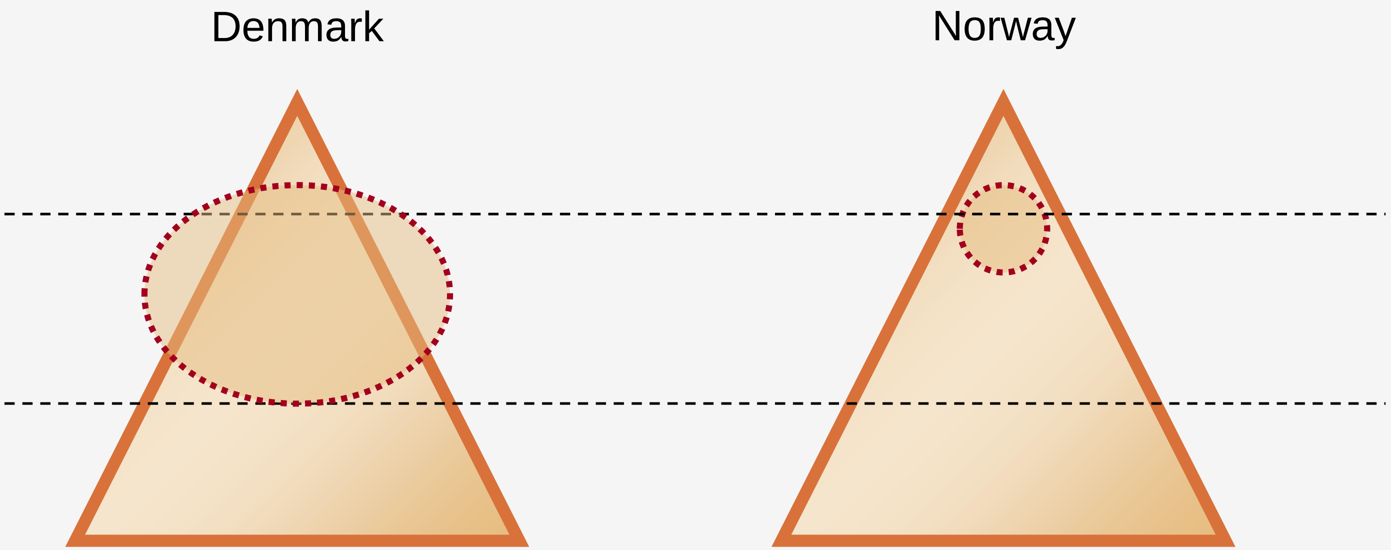
HTH Flat-Pack

A new approach in Norway

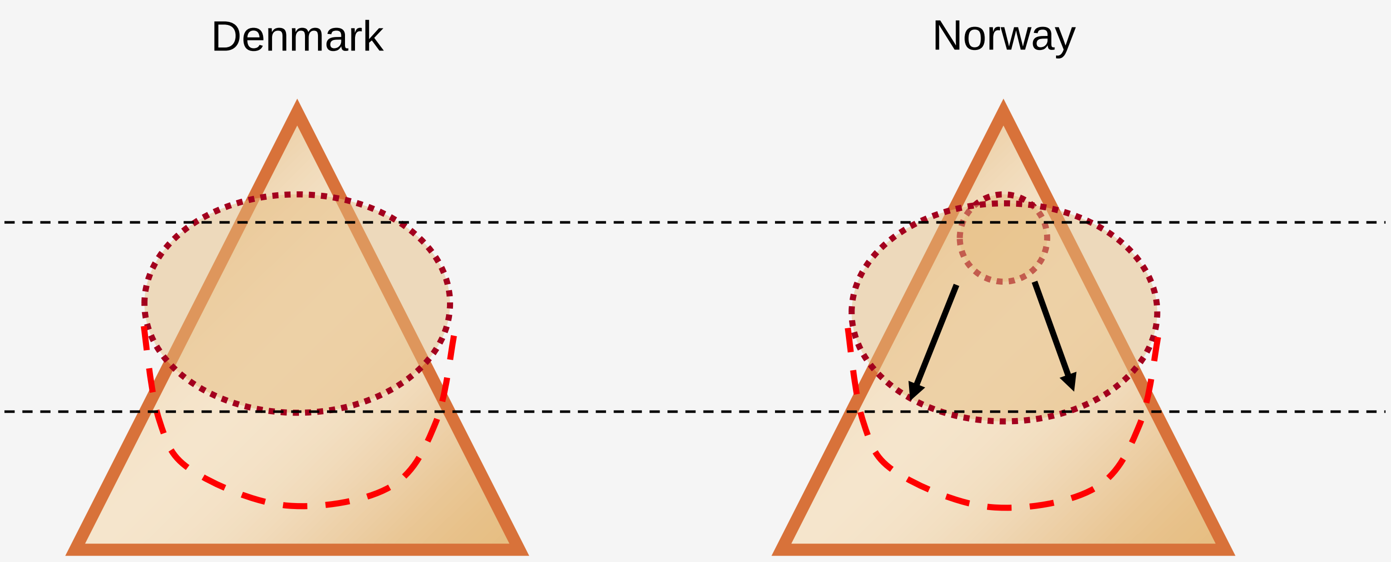
Market in Norway



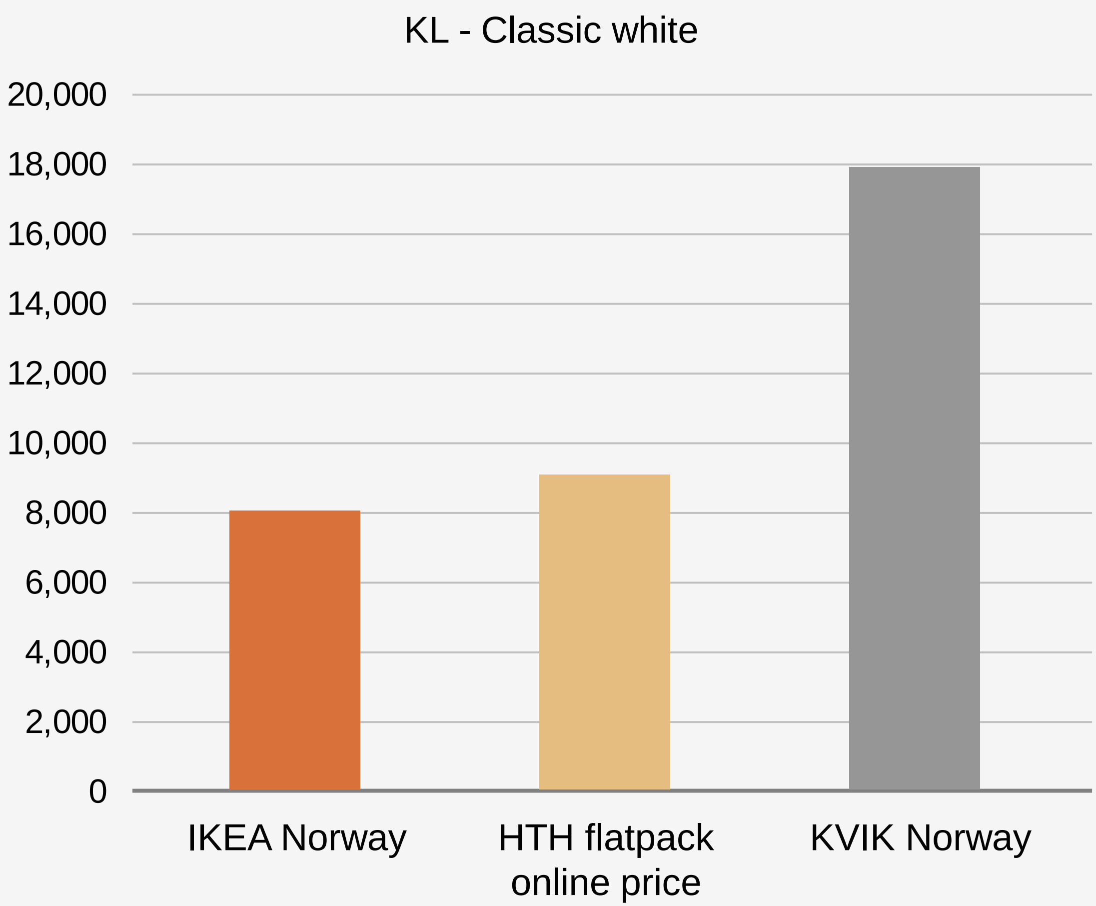
HTH's positioning is different from market to market



Re-positioning of HTH



Price positioning in Norway



Concept folder

Shop-in-shop

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Inserts


NÅ KAN DU OGSÅ FÅ
HTH-KVALITET I FLATE PAKKER
NYHET
GJØR DET SELV OG
FÅ HTH MYE
BILLIGERE
... du får det litt bedre hos

Advertisements

TV commercial

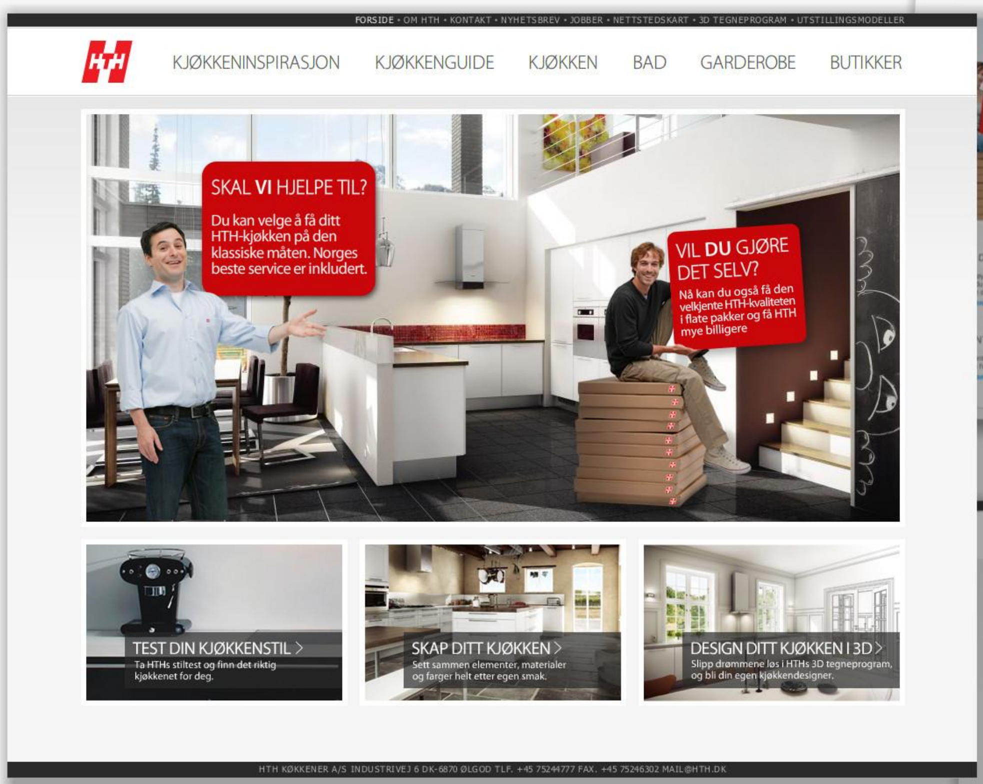
Magazines

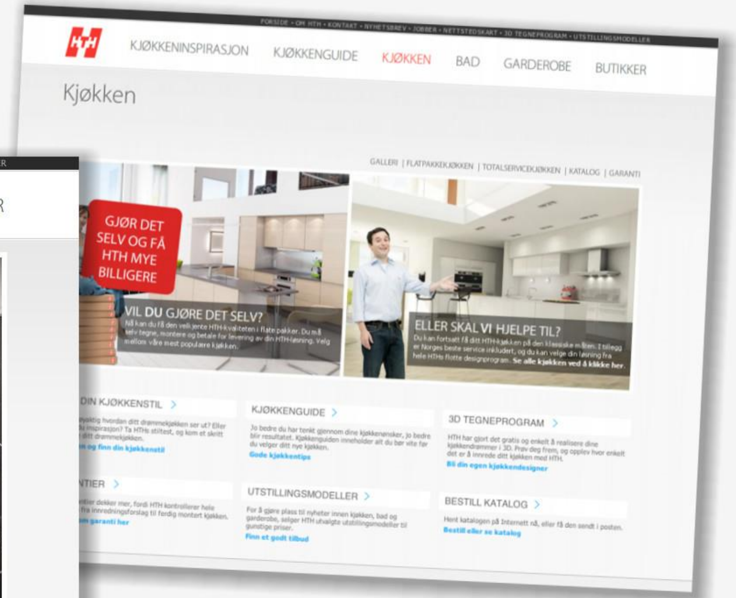
nobia

Catalogue


OKTOBER 2008
NYHET
GJØR DET SELV OG FÅ HTH MYE
BILLIGERE
ART OAK
KR. 16.250
Benkeplate kr. 6.760,-
KJØKKEN
BAD
GARDEROBER
... du får det litt bedre hos
HTH

Website





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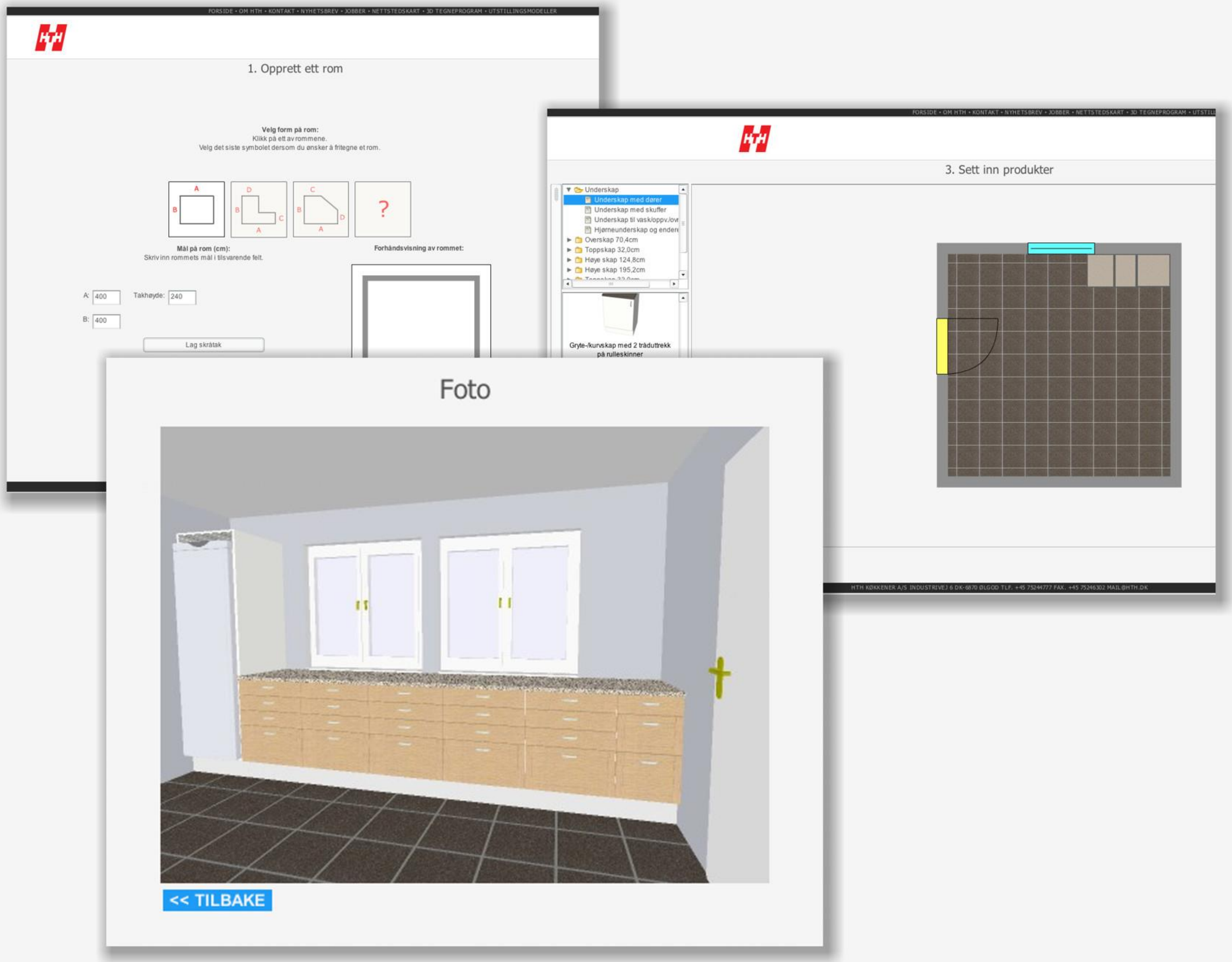
Web-based design program

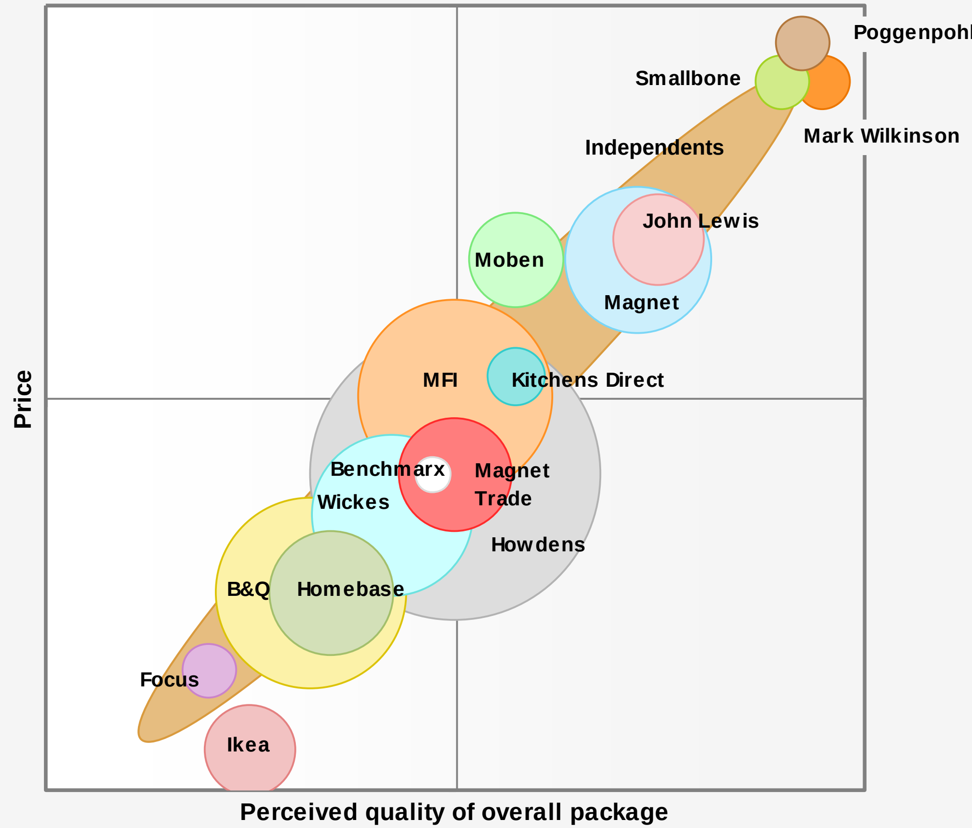


We are ready to fight
in a tough market !

Nobia UK

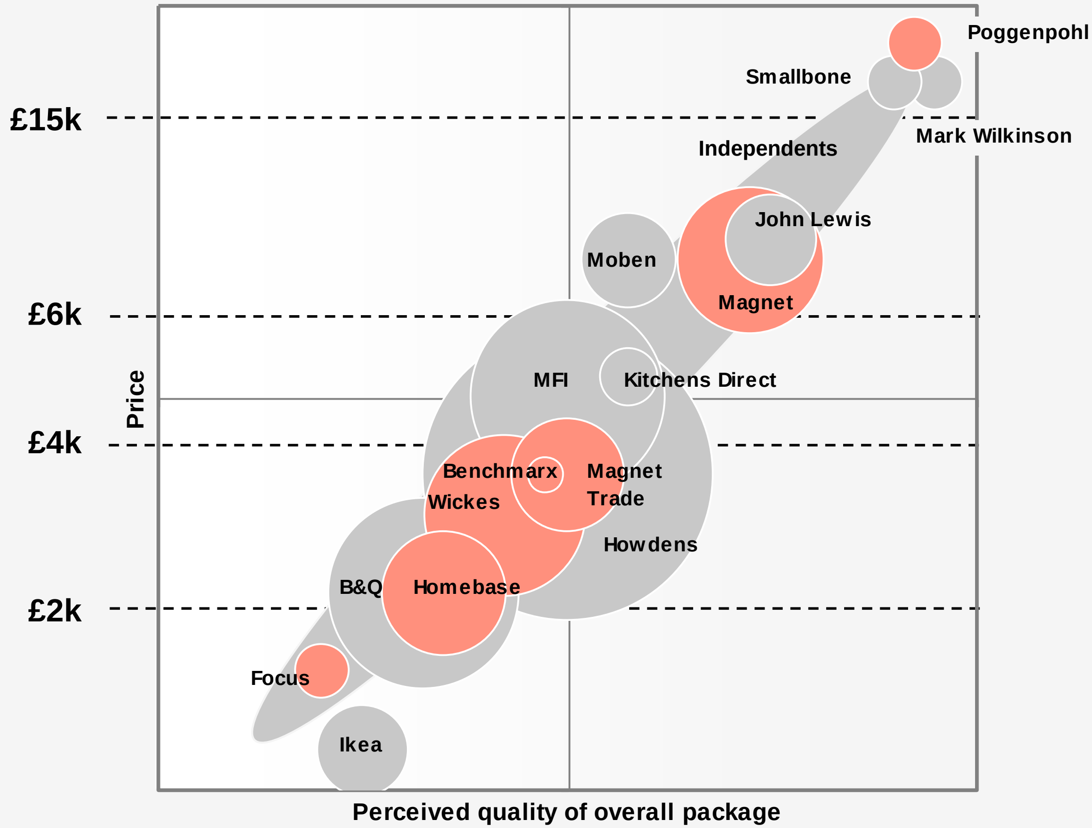
Roy Saunders

UK kitchen market



- £3bn market at RSP, over 1 million kitchens per year
- Very fragmented – 50% of the market is controlled by 6 retailers, the rest by 4,000

UK kitchen market: Nobia-supplied companies



Our Vision

Nobia UK

To be the UK's no.1 provider of tailored kitchen solutions

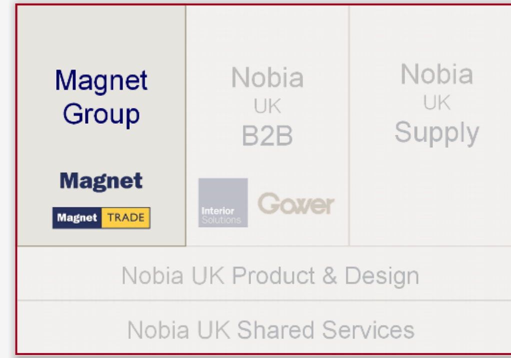
Nobia UK

Magnet Group	Nobia UK B2B	Nobia UK Supply
Magnet Magnet TRADE	Interior Solutions Gower	

Nobia UK Product & Design

Nobia UK Shared Services

Magnet Group



Nobia UK's branded customer channel focused on sales to retail and trade under the vision of being

"The UK Kitchen Experts"

Nobia UK
B2B

Magnet Group	Nobia UK B2B	Nobia UK Supply
Magnet Magnet TRADE	Interior Solutions Gower	
Nobia UK Product & Design		
Nobia UK Shared Services		

Nobia UK’s B2B full category management sales channel

“Being the supplier of choice to major retail and trade multiples”

Nobia UK
Supply

Magnet Group | Nobia UK B2B | Nobia UK Supply

Nobia UK Product & Design

Nobia UK Shared Services

Nobia UK's manufacturing, purchasing and distribution arm supplying Magnet and the B2B channels

"To be the best-in-class supplier whilst delivering service excellence and ongoing cost reduction"

Nobia UK
Product & Design

Magnet Group | Nobia UK B2B | Nobia UK Supply

Magnet — Magnet TRADE | Interior Solutions — Gower

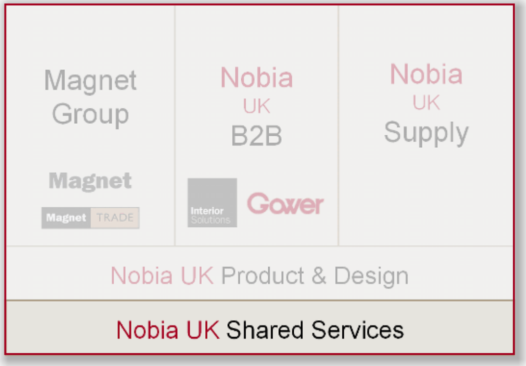
Nobia UK Product & Design

Nobia UK Shared Services

Coordinate and develop the product range for Nobia UK's customer channels

"To coordinate product development to maximise synergy benefits whilst protecting customer brands"

Nobia UK
Shared Services



Nobia UK's shared services incorporating HR, Training, IT, Finance, Property

"To provide expert support and infrastructure development at a reduced cost"

Nobia UK

Magnet Group	Nobia UK Supply	Nobia UK B2B
Magnet Magnet TRADE		Interior Solutions Gower

Nobia UK Product & Design

Nobia UK Shared Services

Nobia UK
Business to Business

Nick Friend

Strategy

Develop deep trading relationships with key players in the volume kitchen market based on sound Category Management principles

Advantages

- We take volume market share in a price sector where we do not currently operate
- We can convert this volume to drive scale benefits for Nobia and our customers
- We get a unique total market perspective on key trends

Who are our trading partners?

We develop lasting relationships with a small number of retail customers

- We will not supply just anyone - we have to judge that there can be a sustainable profit opportunity

Our partners include:

DIY

Wickes

HOMEBASE

FOCUS FOR DIY AND GARDENING

Trade

Travis Perkins

selco BUILDERS WAREHOUSE

BENCHMARX Kitchens and Joinery

BUILDBASE

DIY and Trade Sectors

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Category Management Activities

Category Management enables us to enter deep partnerships - as an extension of our customers' trading team

Each strategic customer enjoys a unique package of product features and/or support activities

What does a declining market mean to our B2B customers?

If the market moves to lower price points, our B2B customers will benefit

Our customers are positioned to trade well in the current market conditions and our focus remains on value

- Good quality at a sensible price
- Well designed, sourced and manufactured
- Full category management support

Magnet Group

Peter Kane

Magnet Group: 214 stores

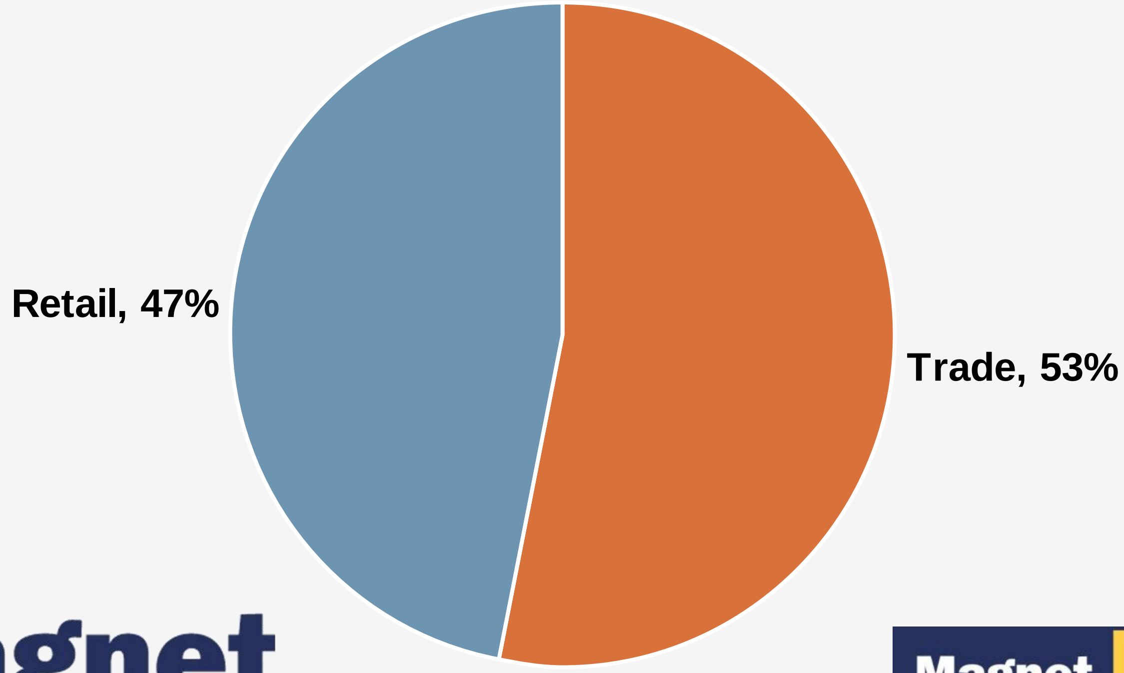
133 mixed sites

35 retail solus

46 trade solus

Magnet Group: Retail and Trade

Current sales breakdown



Magnet

The customer

Our retail offer is aimed at discerning customers in the **upper middle segment** of the kitchen market

Affluent ABC1 homeowners, aged 36-65, typical household income £60k

Life stage

- Secondary school parents
- Empty nesters and senior sole decision-makers

Lifestyle trends

- The kitchen is the heart of the home
- High expectations of product quality and service standards
- Discerning and well informed

What customers are demanding

These customers expect

- Best-in-class buying experience in an inspirational environment
- Full-service offering
- Expert knowledge and advice
- Individual service with a tailor-made kitchen solution to meet their unique needs
- Value for money

Improved showroom base

From

To

Full Circle Service

Unique package that guides the customer through the whole process from design through to installation

Trustmark

- Full Circle Service now endorsed by the Government's Trustmark accreditation
- Magnet was the first national retailer to obtain this award

TRUSTMARK Government Endorsed Standards

Financial Stability

Payment Protection

Customer Service & Training

Exacting Installation Standards

Increased training – for colleagues and installers

Currently 500 installation teams across the UK

Every new installer has to undertake the installer academy course

83% pass rate

Over 4,500 training days delivered to our colleagues this year

Focus on:

- Product knowledge
- Design
- Service

A range to cover a wide range of tastes and budgets

£5,000 → £15,000



Purely Magnet

Full Circle Service
Personal Designer
15 year cabinet guarantee
Soft close drawers & doors

Essentially Magnet

Full Circle Service
Personal Designer
15 year cabinet guarantee
Soft close drawers & doors
Timber & painted frontals
Colour Complimented Cabinets

Uniquely Magnet

Full Circle Service
Personal Designer
15 year cabinet guarantee
Soft close drawers & doors
Timber & painted frontals
Colour Complimented Cabinets
Framed Kitchens
Built-in storage solutions
Built-in lighting solutions

Continuing to meet the demands of the customer

"I want a kitchen retailer that…

- can give me a kitchen to be proud of
- has products that appeal to me
- is financially secure
- gives me value for money
- creates a kitchen for my individual needs
- will install my kitchen to my exacting standards

- Brand desirability
- new aspirational products
- Trustmark
- improved product specification
- kitchen design training
- Full Circle Service & installer training

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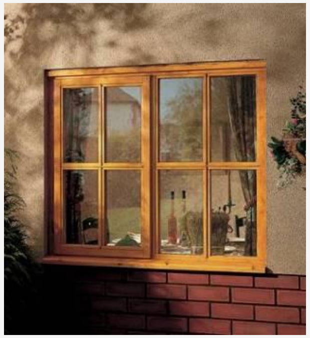
Magnet TRADE

The Trade customer

- Small local builders
  - kitchen fitters, joiners, plumbers, electricians etc.
- “White van man”
- Team of 2-10
  - Extensions, refurbs, internal doors and windows, kitchen fitting
- Localised and demand driven by recommends
- Repair and refurbishment for private householders

What do the trade customers want?



Price

Service

Stock

Delivered through the Trade Concept

National marketing with locally controlled activity

National

Local

Magnet Trade Cardiff
East Tyndall Street,
Cardiff,
South Glamorgan,
Tel: (02920) 473366 Fax: (02920) 480170

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Products available from stock

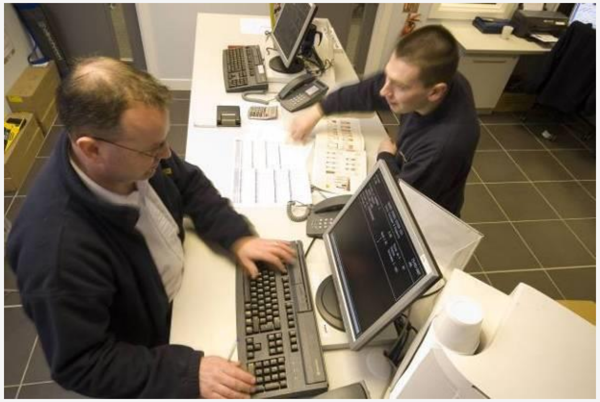
Joinery

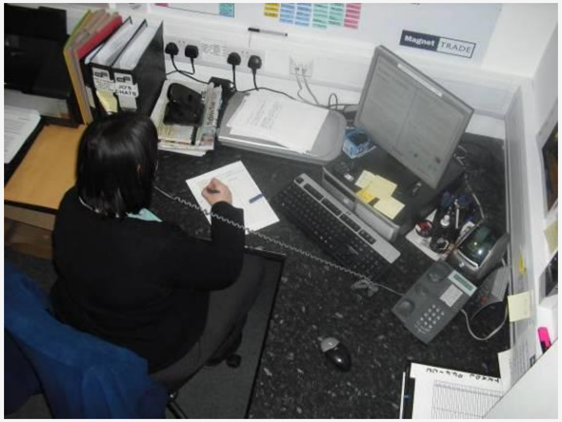
Timber & sheet, doors and windows drive frequency of visit

Kitchens

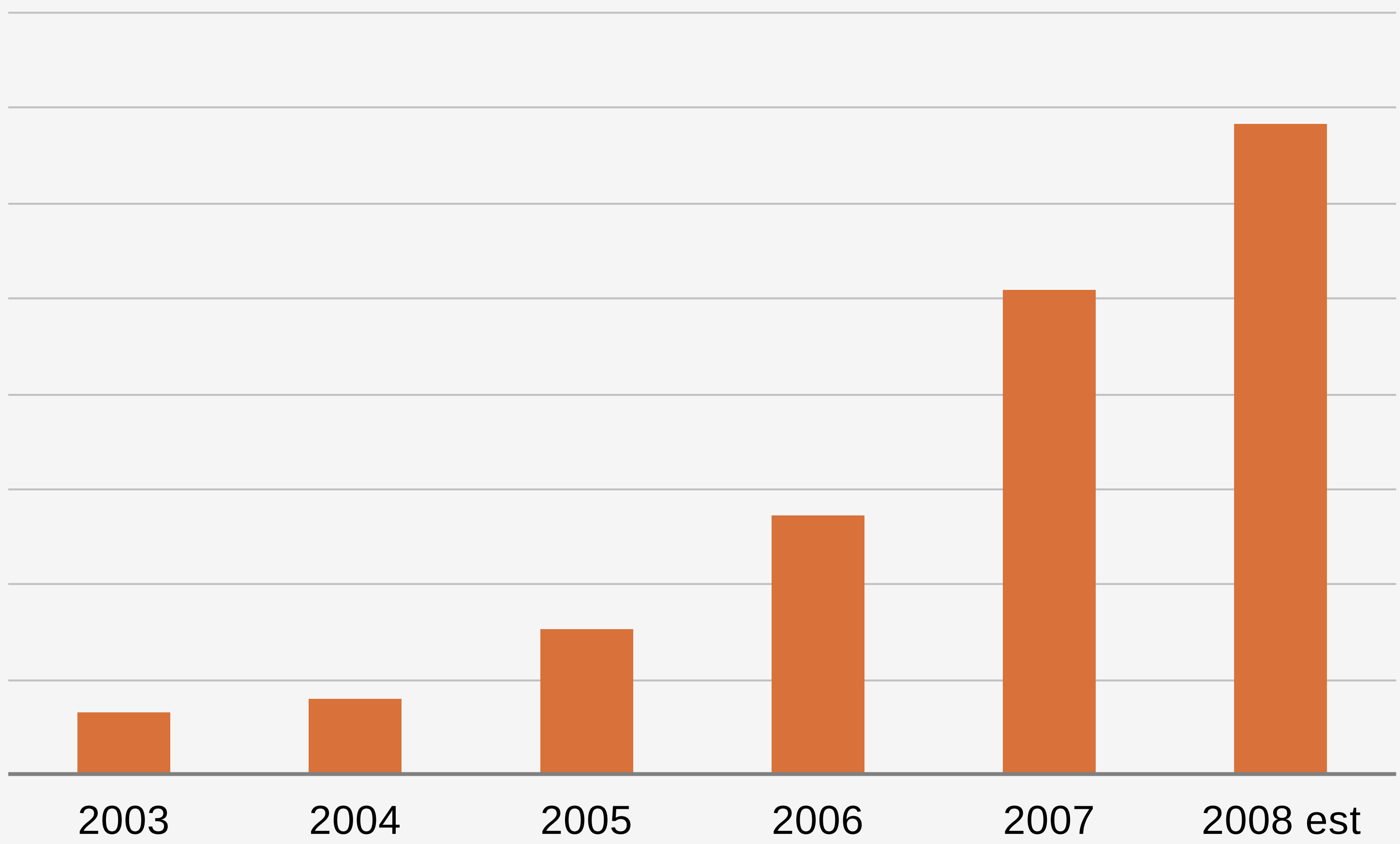
Minimum 10 kitchen ranges available from stock for the trade to collect

Specialist roles delivering market-leading service





Business growth is fuelled by new account openings



Expansion into RSL

- Residential Social Landlord market (councils, housing associations)
- 162,000 kitchens pa, 15% of the market by volume
- Stable market due to government undertakings on improving the housing stock
- Supplied via the store network

The next step is to obtain a greater share of spend

Magnet Group: The UK Kitchen Experts

133 mixed sites

35 retail solus

46 trade solus

168 retail showrooms

179 trade counters

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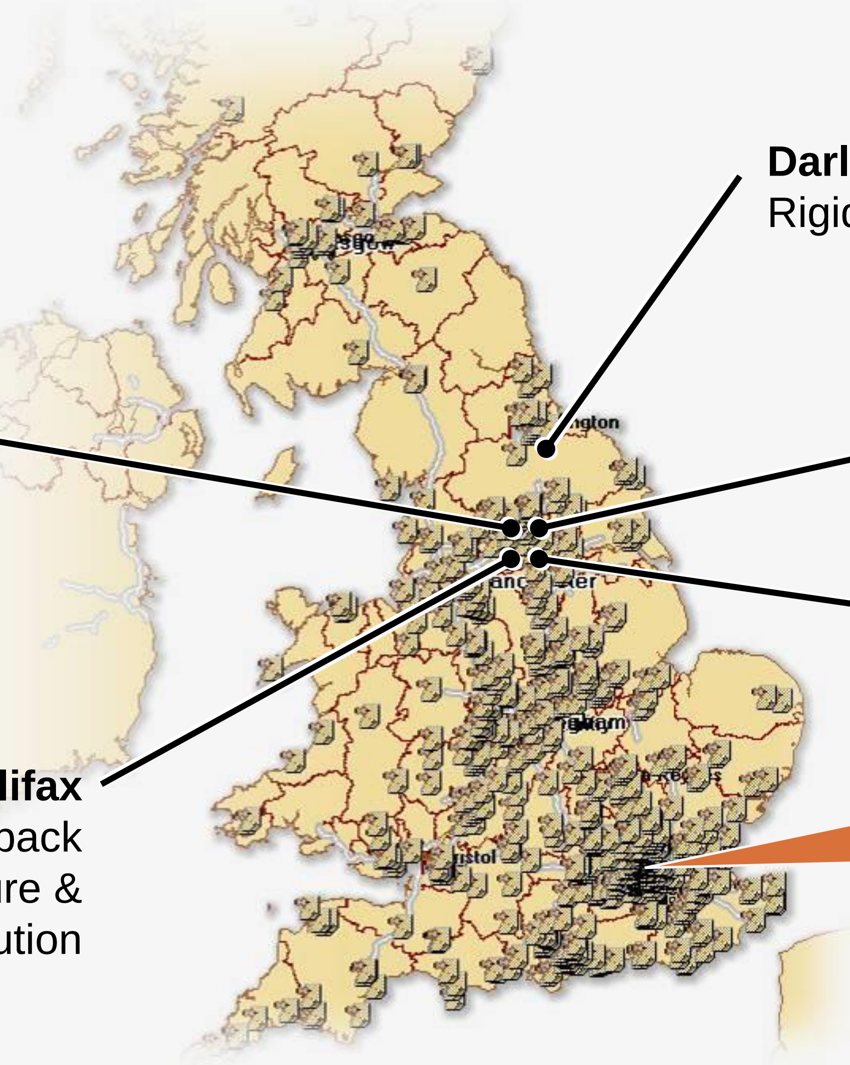
Nobia UK Supply & Back Office

Roy Saunders

Strategic priorities

- Manufacturing & distribution
  – Develop low-cost flat-pack and rigid manufacturing capabilities
  – Realise optimal warehousing and distribution network
- Purchasing
  – Leverage scale and realign supplier base
- Product harmonisation
  – Maximise the potential usage of common products across the region
- Support functions
  – Cost reductions & improved service levels

Manufacturing & Distribution
Current UK locations



Darlington
Rigid manufacture & distribution

Keighley
Joinery

Leeds
Flat pack manufacture & distribution

Batley
Distribution

Halifax
Flat pack manufacture & distribution

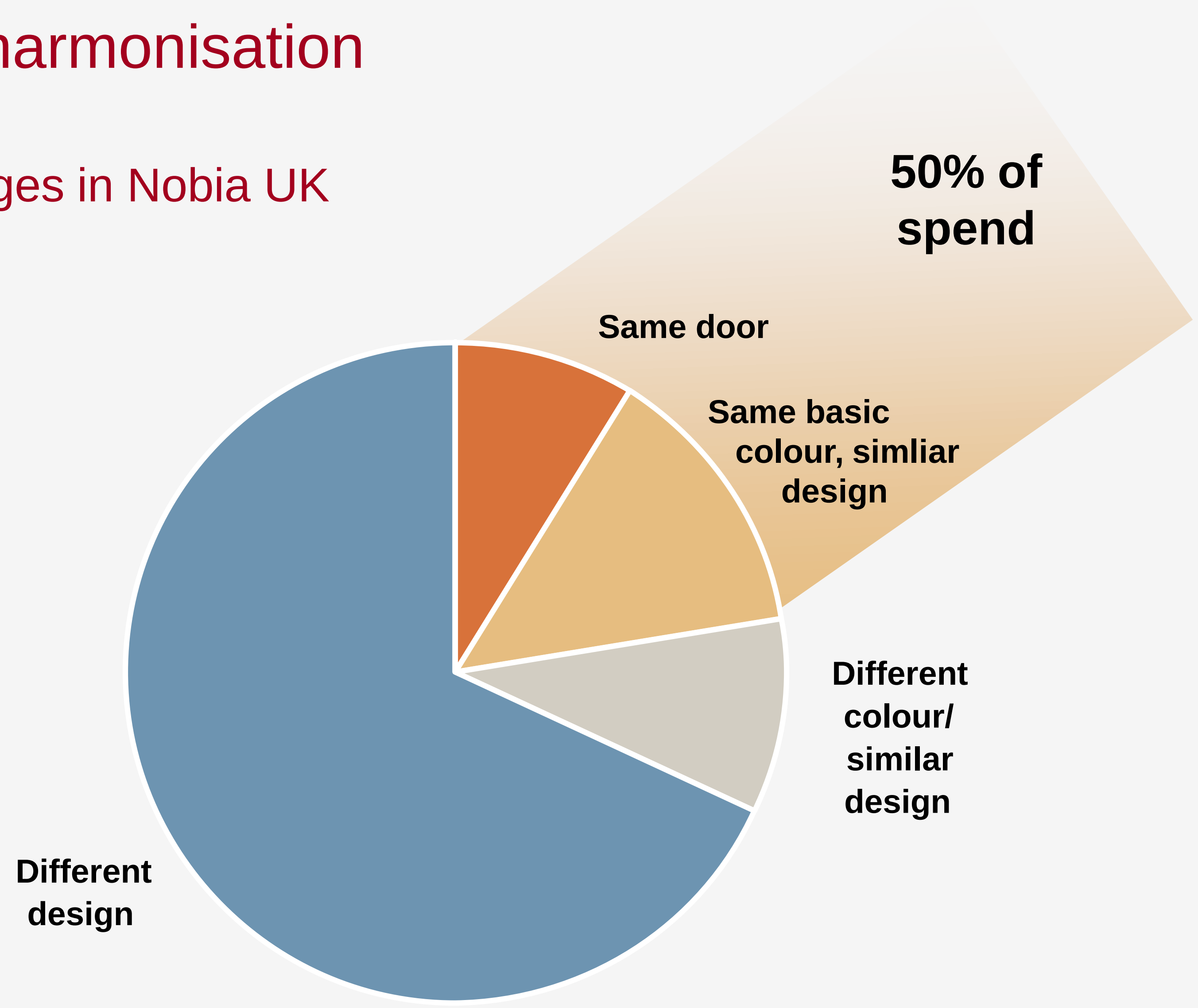
49% of delivery volume is in the London area

Purchasing cluster

Nobia UK supplied brands	Hygena & Optifit
Magnet, Magnet TRADE, BENCHMARX Kitchens and Joinery, Travis Perkins, HOMEBASE, Wickes, FOCUS FOR DIY AND GARDENING	hygena, OPTIFIT

Product harmonisation

Kitchen ranges in Nobia UK



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Support functions

Fundamental restructuring

Combined shared services

New ERP solution

Q & A session

- Thank you for your attention

For everyone, everywhere, we make kitchen dreams come true

We will walk to the Kensington High Street Magnet showroom together from the hotel

Reserv

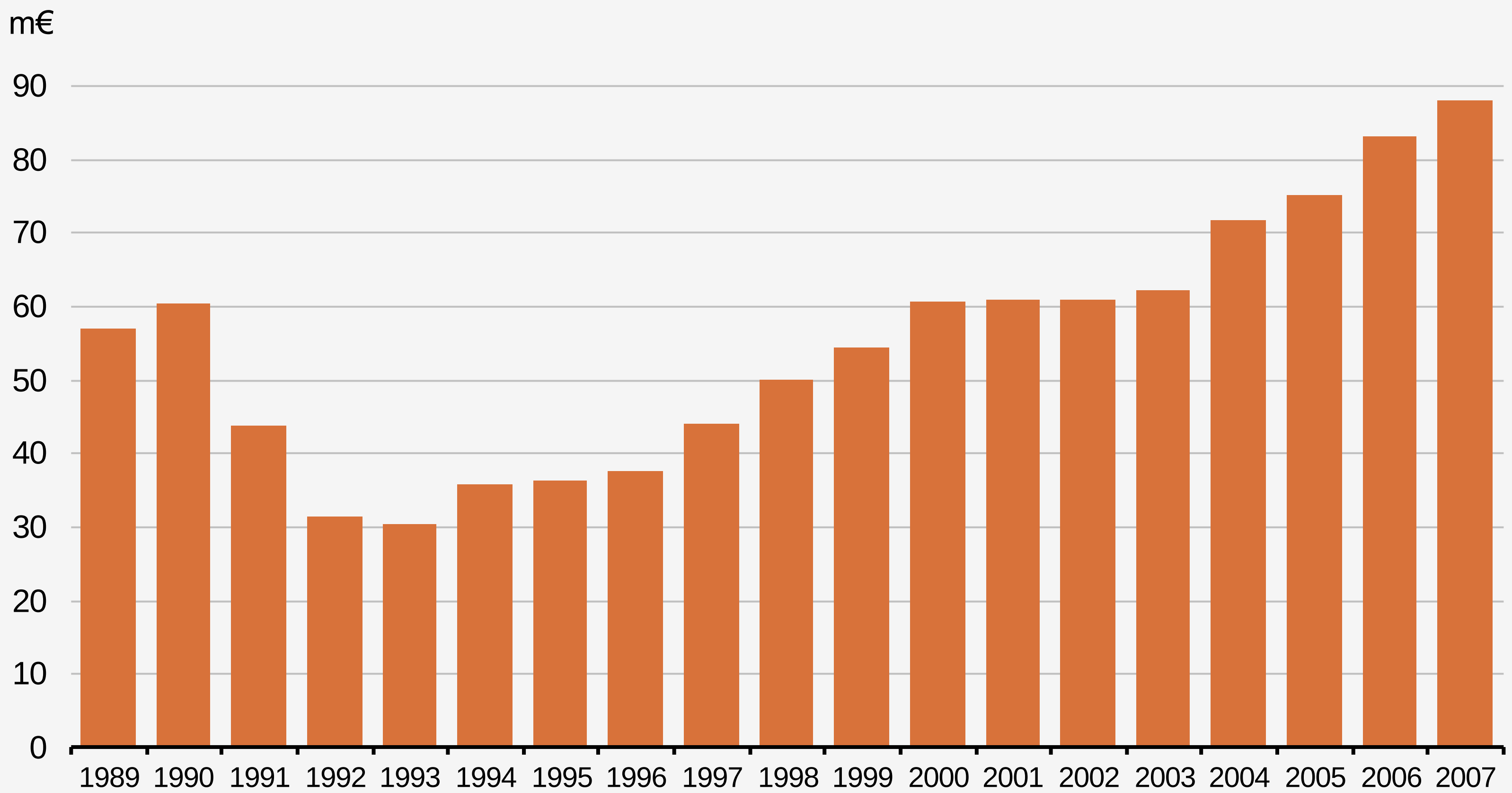
Concentration of production
Time schedule

Nobia´s goodwill and fixed assets

Reserv

No impairment requirements at the end of September 2008.

Development of Novart's external sales (excl. sales commissions)



NOTE: 1992 – 1993 Resructuring of operations