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PRESS RELEASE

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Rettig Heating Group is strengthening its commercial structure in Nordic markets with the appointment of a Sales & Marketing Director for Purmo and Thermopanel, to build on the differentiated products and positioning of the two brands and sharpen the focus for growth. The new position will be responsible for the sales & marketing of the Purmo and Thermopanel brands in the Nordic Region. All the existing sales & marketing, warehouse and distribution functions will continue to operate as today.

Rettig Heating Group has been concerned about the long-term viability of manufacturing operations at Thermopanel's small Helsingborg plant and the risk of undermining customer confidence in the future of the differentiated products manufactured in Helsingborg. The European radiator industry has been impacted heavily since mid 2000 by the downturn in the construction sector in all major markets. Reduced demand and overcapacity have caused tough price competition in all markets and resulted in significant restructuring actions across the whole industry.

Helsingborg is still reasonably well equipped and effective and has been able to maintain its position in the relatively closed position of the Scandinavian market. However, reducing market entry barriers and new competitors with larger, lower cost manufacturing units now threaten to undermine that position.

Rettig Heating Group has therefore announced plans to consolidate manufacturing operations for the Nordic region in Jakobstad, investing 2,1 million Euro to produce Thermopanel's differentiated range of products and provide a solid future manufacturing base in the region. It is expected that this will result in 60 redundancies in Helsingborg when the transfer is completed early in 2002.

The introduction of the new commercial structure for the Nordic Region underlines Rettig Heating's commitment to the Thermopanel brand and its readiness to invest in the future of the brand and its products.

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