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To the Editor

Danske Trælast steps up activities in the Swedish discount market for building materials for DIY customers. At least 30 new Cheapy stores under way

Cheapy Lågprisbygg is the latest addition to the chain concepts of the leading Nordic supplier of building materials, Danske Trælast A/S, which also owns Beijer Byggmaterial and Silvanbygg in Sweden. There is great potential for the low-price concept adapted to the Swedish market, and Cheapy is off to a very good start. On 16 September 2004, the seventh Cheapy Lågprisbygg opened, and at least 30 new stores will open in the rest of Sweden in the next 2-3 years.

Rapid expansion in Sweden

The first Cheapy store opened in Kristianstad in the autumn of 2002, and since then stores have opened at Varberg, Karlskrona, Ljungby, Halmstad, Växjö and, most recently, at Kalmar. Danske Trælast is now following up on the concept by expanding strongly in Sweden in the next few years. Cheapy Lågprisbygg has been developed especially for the Swedish market, which is mature for competition in building materials. With the first Cheapy stores, Danske Trælast has tested and fine-tuned the business concept. Cheapy has proved to be a great success, and the chain is therefore now conquering new land. Danske Trælast is currently looking for new Swedish locations with the right customer base and the optimal competitive situation.

“We experience great excitement about the low-price concept in the Swedish market, and the growth potential is very interesting. So if customers want this kind of stores, we are ready to open them. As long as there is a demand, we are more than ready to meet it,” said Steen Weirsøe, President & CEO of Danske Trælast.

Building materials at permanent discount prices

With small stores, a limited service level and permanent discount prices with a price guarantee, Cheapy Lågprisbygg caters to DIY customers and, within this concept, Cheapy offers a fixed product range of more than 4000 of the products in greatest demand in the market in addition to a variable range of seasonal and campaign goods and bargain products. Under the motto “Cheapy – ett smart sätt att spara” (Cheapy – a smart place to save), the discount concept is based on a combination of a limited product range, rational store operation, a central sourcing structure from Danske Trælast and the expectation that customers pick their own purchases on the shelves.

“Our stores have very many customers – and private consumers renovate, convert and extend their homes to an unprecedented extent. Demand on the DIY market is growing and prices are very low. Those are some of the main reasons for the success of our concept,” commented Karsten Kehler, chain manager of Cheapy Lågprisbygg.

About Danske Trælast A/S

Danske Trælast is the largest distributor of building materials in the Nordic Region. The Group has approximately 7,000 employees, and the more than 230 outlets focus on sales and distribution to a broad customer base ranging from large, international contractors via skilled craftsmen and consumers to retailers and industry. Activities are organised in



three main areas: Building material merchants, DIY stores and wholesale activities. Consolidated annual turnover is DKK 16 billion.

Danske Træløst was delisted from the Copenhagen Stock Exchange in the summer of 2003 following a takeover by a number of equity funds managed by UK-based CVC Capital Partners.

Please feel free to use the enclosed photos.

Further information

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