

nobia

Interim report

24 October 2008





Key figures

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)
- Profit after tax was SEK 105 (189)
- 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) Acquired 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%

- Negative currency effects of SEK 30 m (Jul-Sep)
- Takeover of HTH franchise stores
- Hygena in Spain
- Marketing initiatives in economy segment
- Lower volumes

UK region in Q3

- Magnet and Gower consolidated into one business unit
- Continued growth in Trade channel
- More cautious pace of store expansion programme
- 3% organic growth despite weaker market
- Negative currency effects of SEK 22 m on operating profit



UK region in Q3

	2008 Jul-Sep	2007 Jul-Sep	Change
Net sales, SEK m	1,285	1,492 ¹⁾	-14%
Operating profit, SEK m	87	125 ²⁾	-30%
Operating margin	6.8%	8.4%	

1) Includes SEK 63 m for C.P.Hart

2) Includes SEK 5 m for C.P.Hart



Magnet

Gower

UK region in local currency

	2008 Jul-Sep	2007 Jul-Sep	Change
Net sales, GBP m	108	109*	-1%
Operating profit, GBP m	7	9	-22%

* Including C.P.Hart in 2007



Magnet

Gower

UK store development

Jan-Sep	2008	31/12/07
Refurbished or relocated	13	
New stores, net	17	
Total (wholly owned)	214	197*

* Excluding C.P.Hart



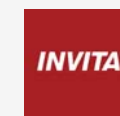
New Magnet mixed site in Staples, UK

Nordic region in Q3

- Consolidation to reach economies of scale
 - Nobia Norway and Nobia Sweden
 - HTH and Invita in Denmark
- Negotiations in progress for staff reductions in Novart
- Takeover of HTH franchise stores
 - Greater influence on customer offering
 - Contributed SEK 150 m to net sales
- New HTH flat-pack concept launched in Norway
- Organic growth was -4%
 - Lower demand in new-build segment

Nordic region Q3

	2008 Jul-Sep	2007 Jul-Sep	Change
Net sales, SEK m	1,293	1,192	8%
Operating profit, SEK m	92	120	-23%
Operating margin	7.1%	10.1%	



Nordic store development

Jan-Sep	2008	31/12/07
Refurbished or relocated	6	
New stores, net	6	
Total (owned & franchise)	291	285



Novart's Kitchen World store in a new location in Turku, Finland

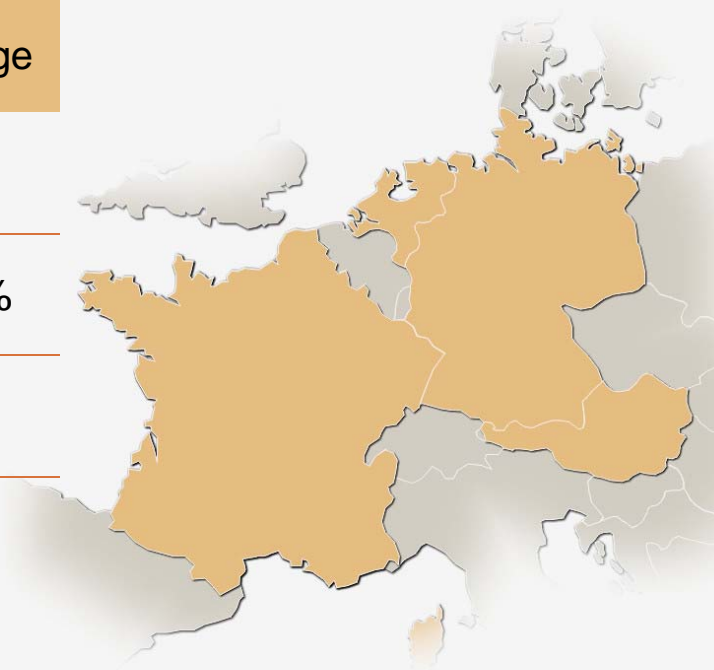
Continental Europe in Q3

- Pronorm and EWE/FM consolidated into one business unit
- More cautious expansion of Poggenpohl and Hygena store network
- Work in progress to improve Hygena's distribution efficiency
- Slightly positive contribution to operating profit from Culinoma
- Organic growth was 5%



Continental European region Q3

	2008 Jul-Sep	2007 Jul-Sep	Change
Net sales, SEK m	1,129	1,073	5%
Operating profit, SEK m	32	64	-50%
Operating margin	2.8%	5.9%	



poggen
pohl

ewe
... auf nicht ägyptische Küche

FM
DIE KÜCHE ZUM LEBEN.

pronorm
EINBAUKÜCHEN

OPTI
FIT
Die Küche · Das Bad

hygena

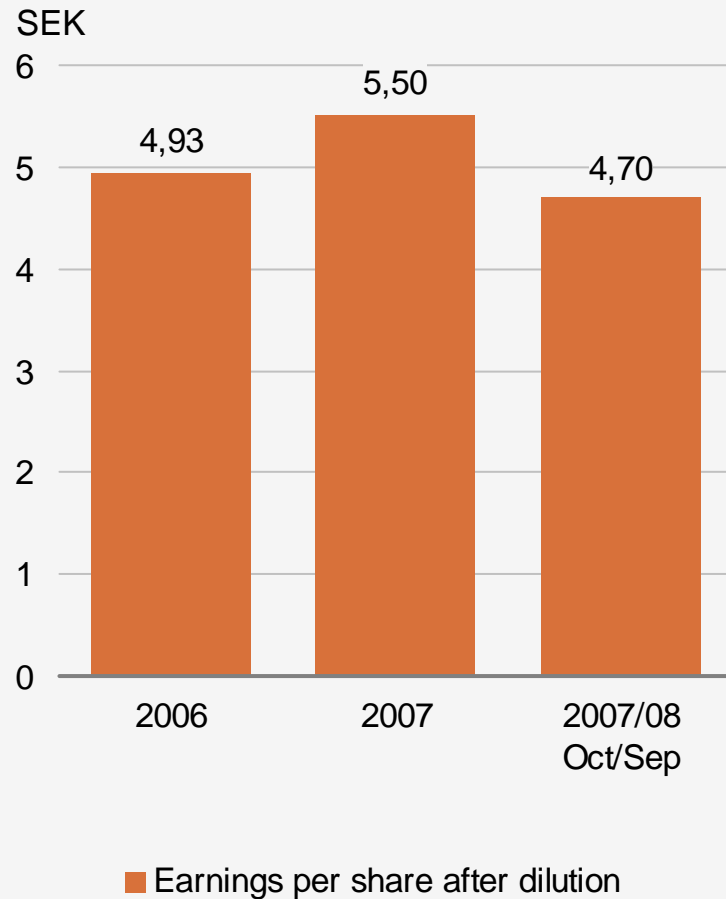
Continental European store development

Jan-Sep	2008	31/12/07
Refurbished or relocated	4	
New stores, net	8	
Total (owned and franchise)	181	173
Culinoma in Germany:	89 stores	



Poggenpohl's new showroom in Atlanta, Georgia in the US

Earnings per share



Nobia's goal for profit growth:

Earnings per share shall increase over a business cycle by an average of 12 per cent annually.

Average increase 2001-2007 is 18%

Financial position

SEK m	2008 Jul-Sep	2007 Jul-Sep
Investments	-158	-181
Operating cash flow	142*	205

SEK m	2008 30 Sep	2007 31 Sep
Net debt	3,042	2,261
Net debt/equity	76%	59%

*

- Lower operating profit
- Larger inventory
- Preliminary taxes

Actions underway and planned per region

UK

- Magnet and Gower now Nobia UK

Nordic

- Consolidation of Nobia Sweden and Norway
- HTH and Invita will be Nobia Denmark
- Employee reductions in Novart
- HTH flat-pack concept

Continental Europe

- Pronorm/EWE/FM consolidated
- New depot structure for Hygena



Actions underway and planned on Group level

- Cash management focus
- Revision of production structure
- Harmonisation of assortments through purchasing clusters
 - Nordic cluster
 - UK/CE cluster
- New management team structure



Main priorities

- Meet economic downturn
- Strengthen retail and B2B channels
- Capture growth opportunities



Capital Markets Day in London 19-20 November

Next report 11 February