nobia

Annual Report 2000

Contents

This is Nobia

Nobia is Europe's largest kitchen interiors company. The Group owns a number of well-known brands with strong positions in their respective markets in the Nordic countries and Germany.

Nobia was formed in 1996 by the investment fund, Industri Kapital 1994. Nobia then acquired Stora Byggprodukter AB from the Stora Group.

In 2000 the Group carried out a comprehensive restructuring program. A number of well-known kitchen companies in Germany, Norway, Denmark and Sweden were acquired, including Poggenpohl, one of the world's most well-known kitchen brands. The doors and windows businesses were sold, and during 2001 the building material wholesale business was also sold.

Nobia continues to play a leading role in the restructuring of the European kitchen interiors industry and thereby further strengthens its market position.

The continued development of Nobia's range also includes interior products for bathrooms and wardrobes.

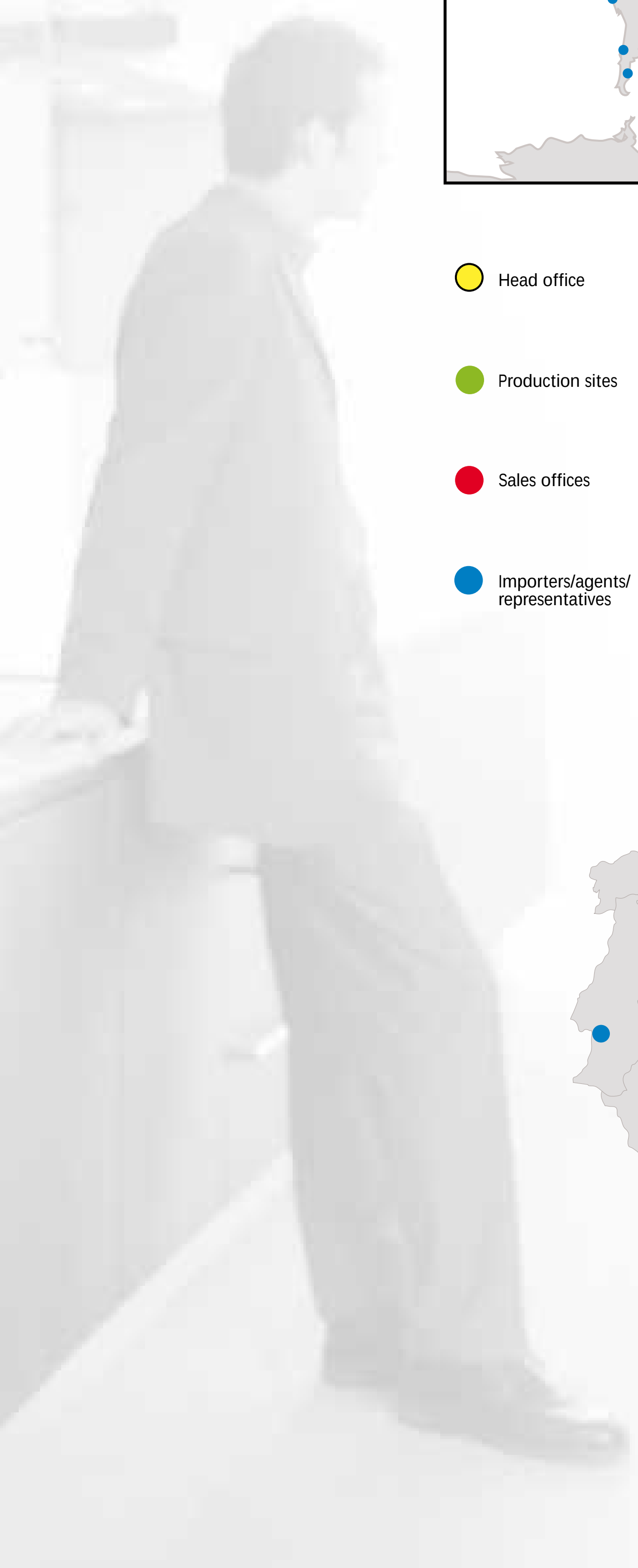
This new structure is expected to give Nobia sales of around SEK 5.5 billion with around 4,300 employees.

Since its start in 1996, Nobia has carried out a comprehensive rationalisation and efficiency program. Profits after financial items have climbed from SEK –167 million in 1996 to SEK 220 million in 2000.

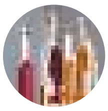
Nobia is owned by Industri Kapital 1994, Skanska, Norsk Kjøkken Invest ASA and the Group's senior management.


HTH

2 Nobia on the map

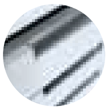


Year in summary



The Nobia Group's sales were SEK 4,102 million compared with SEK 4,049 million in 1999.

The profit after financial items was SEK 220 million (84 m).



Return on shareholders' equity was 17% (0).

During the year the German kitchen manufacturers Poggenpohl, Goldreif, Pronorm and Optifit were acquired, plus the Nordic kitchen manufacturers Norema, Invita and Myresjökök.

The windows and doors businesses were sold during the year. The building material wholesale business was sold at the beginning of 2001.

The strategy set in 1999 aimed at concentrating core activities on kitchens, bathrooms and wardrobes has been implemented through the year's business dealings.

Nobia is Europe's largest, and the world's second largest, kitchen interiors company with sales for 2001 estimated at around SEK 5.5 billion.

Summary of the Nobia Group

	2000	1999	1998	1997	1996
Net sales, SEK m	4,102	4,049	3,977	3,316	3,412
Operating profit/loss excl. items affecting comparability, SEK m	215	172	114	56	– 139
Operating profit/loss incl. items affecting comparability, SEK m	261	132	110	79	– 139
Operating margin, %	6.4	3.3	2.7	2.4	– 4.1
Profit/loss after financial items, SEK m	220	84	54	37	– 167
Return on capital employed, %	22	11	10	8	– 14
Return on shareholders' equity, %	17	0	6	1	2
Equity/assets ratio, %	37	16	18	18	15
Earnings per share, SEK	30	0	7	1	2

4 CEO's statement

"Our aim is to underpin Nobia's position as Europe's leading kitchen interiors company by establishing strong positions in chosen European markets."

Kitchen interiors are now the Group's core business

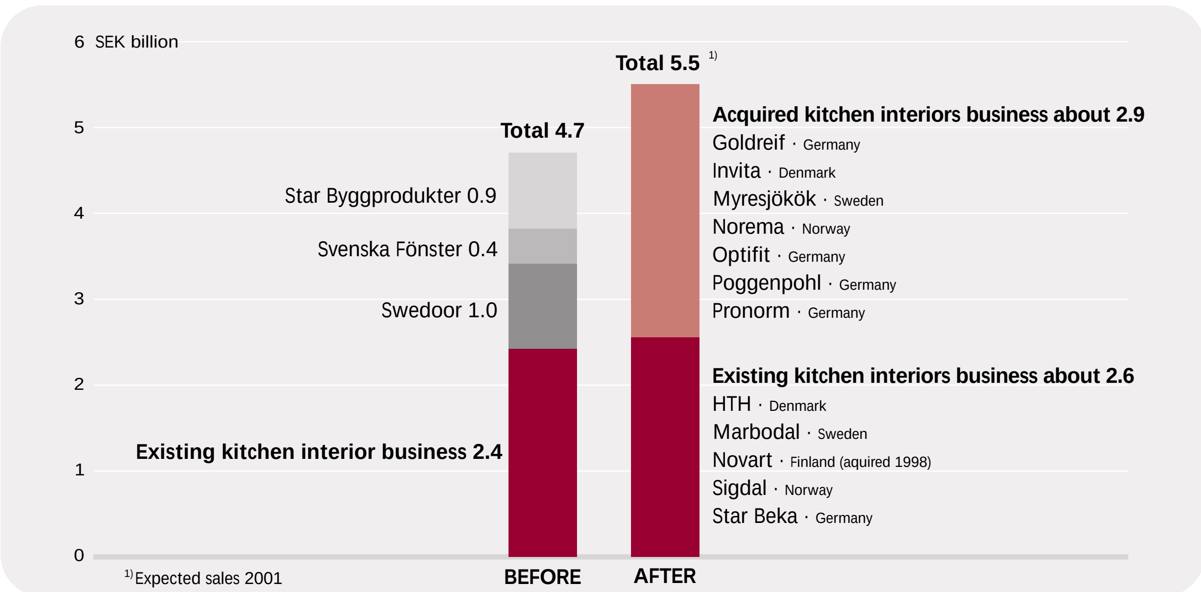
During 2000 we carried out a number of sales and acquisitions that together mean a comprehensive restructuring and refining of Nobia. The strategy we took in 1999 of concentrating our core business on kitchens, bathrooms and wardrobes has been carried out. Nobia is Europe's largest, and globally the second largest, kitchen interiors company. With this, Nobia has contributed to the market's consolidation in the Nordic region and strengthened its position in Europe.

The sales of Swedoor, Svenska Fönster, BorDörren and Star Byggprodukter led to all activities not related to kitchens, bathroom interior products and wardrobes, leaving the Group during the year. The consequence is that Nobia's balance sheet greatly improved, securing continued development and expansion in kitchens.

The refined activities, specialising in kitchen interiors, provide the Group with better opportunities for developing unique, effective service solutions and product concepts which benefit our customers.

The businesses sold – doors, windows and building material wholesalers – were responsible for about half of the Group's sales during 1999. The new Nobia's sales figure during 2001 is expected to be around SEK 5.5 billion. Average growth in the kitchen business has been 25–30% over the past few years and has been achieved via organic growth as well as acquisitions.

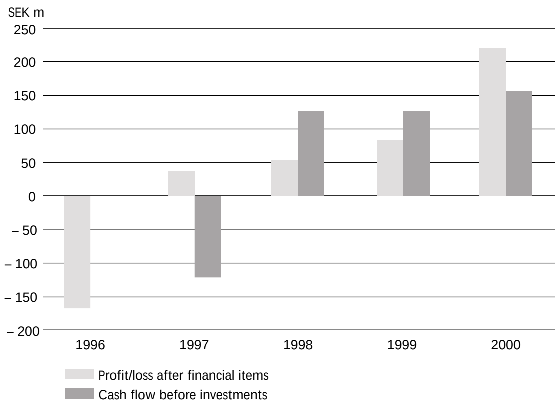
Nobia's sales before and after refining the business



Continued improved profits for Nobia

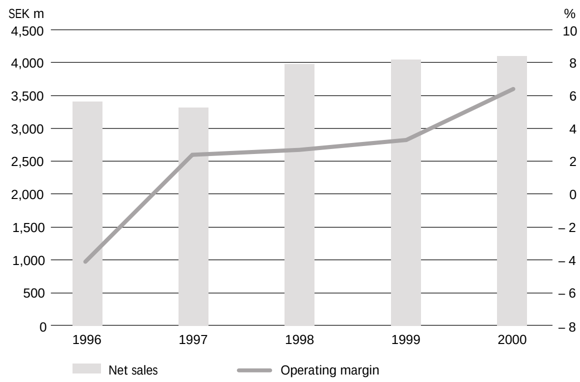
At the beginning of 1996, despite its position as market leader in windows, doors and kitchens on the Nordic market, Nobia had poor profitability with a loss after financial items of SEK 167 million. Profitability has improved considerably and profits after financial items rose in 2000 to SEK 220 million from SEK 84 million in 1999. Compared to the Group's first year of business in 1996 we have improved profits by around SEK 400 million.

Profit/loss – cash flow 1996–2000



The operating margin for 2000 improved to 6.4% compared with 3.3% in 1999. The operating margin in the Nordic kitchen business was around 10%.

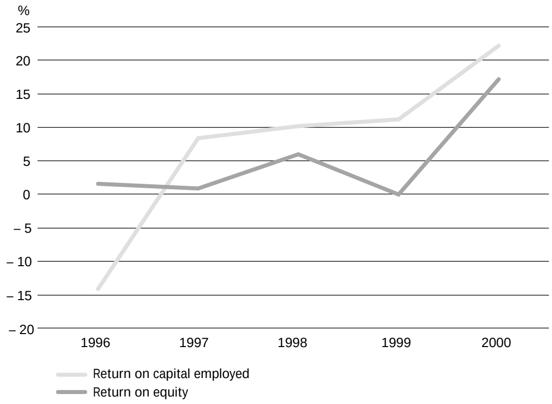
Net sales and operating margin 1996–2000



The loss in the existing German kitchen business fell as a result of the restructuring program carried out during the year. Profits are not satisfactory however, and in December 2000 Nobia's kitchen activities in Germany, Star Beka, were combined organisationally with the recently acquired Goldreif and further coordinating measures began.

The return on capital employed improved to 22.2% (11.2) and the share of risk bearing capital rose to 42% (23).

Return on capital employed 1996–2000



The rapid restructuring and positive earnings trend have required tough and purposeful work by all the people employed by the Group. I would like to thank you all for your sterling efforts.

Nobia is creating shareholder value

As a path towards our goal of creating and realising shareholder value, Nobia distributed the door business, Swedoor, to the shareholders. Swedoor was then sold to the Danish listed company, Vest-Wood A/S.

The total value of the purchase price on the transaction date was around SEK 750 million. Of this, shares and cash totalling SEK 560 million was distributed to all Nobia shareholders.

Strong brands with leading market positions

The acquisition of the German kitchen manufacturers, Poggenpohl, Goldreif, Pronorm and Optifit mean a significant strengthening of Nobia's product range and market coverage. The Group now has a strong industrial platform and market position in Central Europe and thereby a sound base for continued expansion. There are now also good conditions for finding commercially sound, long-term, solutions for Nobia's German companies, Star Beka and Star Trade.

The purchase of Norema, Invita and Myresjökök mean a further strengthening of the Group's strategic positions in the Nordic region with the possibility of significant synergies, improved service solutions and faster product development.

The year also saw considerable investments in marketing and the development of the sales organisation, such as new showrooms for HTH, Marbodal, Sigdal and Poggenpohl.

Greater co-ordination for better efficiency and profitability

Fine-tuning Nobia's activities provides new opportunities for better efficiency and profitability. The goal is a long-term utilization of synergies, thereby increasing margins. The goal is to achieve an operating margin of at least 10% for the Group.

> *"When the purchase of kitchen interiors has a strong "sense of enjoyment buy", the choice of market channels becomes all the more important."*

We are therefore now increasing the tempo of rationalising and coordinating components, trade products, services bought, production, purchases and marketing. During the second half of 2000 work started on a new restructuring program for both recently acquired companies and existing ones.

All business units were analysed during the autumn according to "best practice". This means that all processes and costs in the different units are compared. Using this method the business units can learn from each other and become more efficient. The analysis led to a business unit-adapted restructuring program being prepared. The method is widely applied to acquisitions where the analysis of key figures can quickly show the measures required.

New organisation with stronger key functions

A new organisation was introduced during the year with the winding up of former business areas. The basic principle remains the same with each business unit having complete responsibility for profitability and business development. The consistent independence for each business unit is built on the involvement and considerable competence of all units. To make the best use of all the synergies involved, two new Group functions were introduced. Markets –in charge of the Group's strategies with brands and sales channels – and Production, purchases and logistics. The new Group organisation was introduced during the autumn 2000. The head office moved to Stockholm in the spring of 2001.

New shareholders

A new share issue in Nobia financed the purchase of Poggenpohl and Norema. This meant that the sellers, Skanska, and the Norwegian listed company, Norsk Kjøkken Invest ASA, became owners of 21% and 11% respectively of Nobia's share capital.

Europe's leading kitchen interiors company

Our aim is to underpin Nobia's position as Europe's leading kitchen interiors company by establishing strong positions in chosen European markets. Meanwhile we are considering further developing the bathroom interior products and wardrobes businesses.

Nobia is a key player in the restructuring and industrialisation of manufacturing kitchen interiors in Europe. There is significant growth potential with major opportunities for improving margins and profitability by utilizing synergies in production, purchasing, logistics and IT.

Nobia has strong top quality brands and high service levels for customers. We are continuing to develop our brands, products and in-house sales concepts to offer our customers and partners the best possible solutions. When the purchase of kitchen interiors has a strong "sense of enjoyment buy", the choice of market channels becomes all the more important. A kitchen is a consumer item with a central role in the home. New technology with the Internet and intelligent white goods make the kitchen not just the heart of the home anymore, but also its brain.

Stockholm April 2001

Fredrik Cappelen

Poggenpohl

Goldreif

Business concept, goals, strategies and organisation

Nobia's business concept:

We develop, manufacture and market a customer-oriented range of interior products for kitchens, bathrooms and wardrobes. Our products will give customers added value by focusing on service, quality, function, design and environmental responsibility.

GOALS

Nobia's principal goal is to further secure the Group's position as the leading supplier of kitchen interiors in Europe.

The operating margin for the business units will be at least 12%, cash flow will be positive and indirect costs including depreciation will be no more than 25% of sales.

Growth over the business cycle, including acquired companies, will be higher than 15%.

A competitive range and high level of service will ensure satisfied customers. The level of customer satisfaction will be followed up by regular surveys.

STRATEGIES

Business activities are concentrated on interior products for kitchens, bathrooms and wardrobes on the European market.

A system of internal comparisons between the business units' processes is used to achieve fast improvements. In this way "best practice" is secured and goals are set for the different units.

Marketing and sales channels

Products are marketed and sold using the company's own brand names. The brands are always highlighted in communication with customers. Marketing is divided into two target groups, the project market in which customers are mainly made up of the construction industry, and the consumer market in which sales are made directly to consumers through various channels.

However, individual consumers are Nobia's primary target group. The key issues here are following changes in customer preferences, design, trends in interiors and the individual consumer's comprehension of Nobia's brands and products.

Individually adapted customer service is the most important competitive tool of the future within the kitchen interiors business, in both the project and consumer segments.

Nobia's business units prioritise design and the development of new improved services with total responsibility for delivery of complete kitchen solutions.

Sales channels to individual consumers change and develop rapidly. The choice of sales channel is therefore becoming more important. Nobia's products will always be available via the right channel for the consumer.

Norema

Purchasing, production and logistics

Purchasing is co-ordinated, and aggregate volumes are utilised as far as possible to obtain advantageous agreements.

Production is designed to continually meet market demand with the shortest possible lead times and minimum storage. Product development is based on customer requirements and will lead to improved profitability. Stringent requirements are set for correct deliveries on guaranteed dates. The aim is to manufacture in short series with direct delivery from the production site to the customer in order to minimise stocks and transport costs.

Nobia will be a leader in environmental issues. Consideration will be given to the environment at every stage in accordance with the Group's environmental policy.

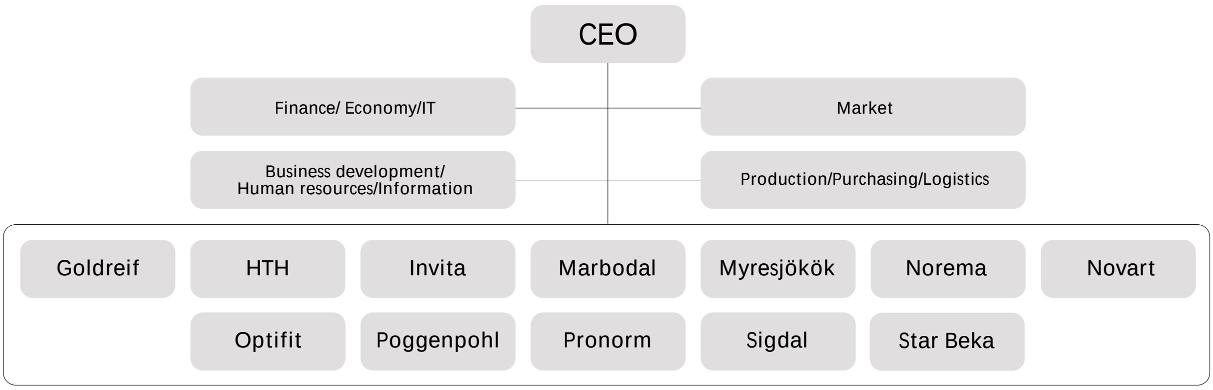
Human resources

Nobia's management policy is built on respect for the individual. The emphasis is on management and employee development. Personal commitment and a desire for development and change are necessary to achieve the Group's goals. A lot of energy is spent in recruiting the best people for each position. Nobia's employees are the reason behind the success of the Group.

ORGANISATION

The basic principles for Nobia's organisation

Nobia's organisation is business oriented. Communication channels between the market and production, and between the customer and manufacturing, will be as short and straightforward as possible.




Poggenpohl

The levels of organisation will be as few as possible to allow signals from the market to have the quickest possible effect. All opportunities will be utilised for synergy and benefits of scale within the Group. Group staffs will be small and effective, with development activities at Group level organised as far as possible in project form and headed by line managers.

Business units have total responsibility

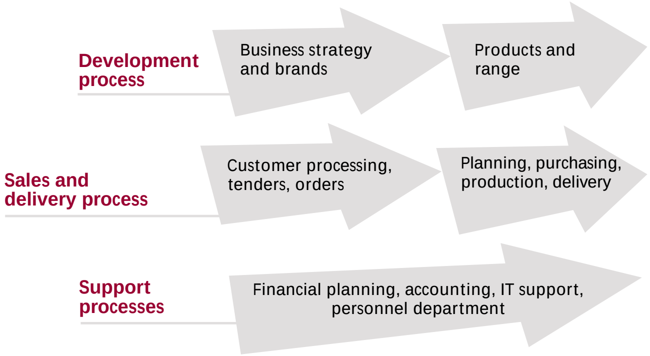
Activities are organised in 12 business units, each built around one or more brands. The business unit's manager has total responsibility for the unit with goals set for profitability, operating margins, sales and market share. The business units also have responsibility for customer relations and employees as well as for their own business development including development of brands, product range, profile and market positioning.

Co-operation between business units is based on business principles

Business co-operation based on market conditions between units means better profitability for all. Co-operation must be long-term, open and based on trust.

Advantages for the Group will be exploited. Internal price setting will be in accordance with market conditions.

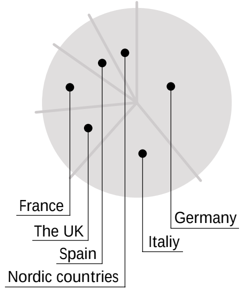
The business unit is responsible for the entire business process



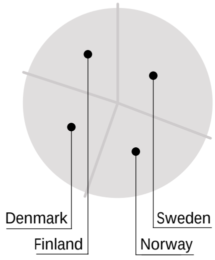
12 New patterns of demand for the kitchen interiors market

The European market for kitchen interiors (EU countries, Switzerland and Norway) amounts to around SEK 85 billion based on producer prices. Germany is responsible for just over 30 per cent of the total market and the Nordic countries for around 6 per cent.

The European kitchens market
SEK 85 billion



The Nordic kitchens market
SEK 6.5 billion



Demand for kitchens and kitchen interiors is governed largely by the development of the housing market. This covers new construction, renovations and extensions. In the Nordic markets, customers in these areas can be divided into two segments – the project sector (mainly building contractors) and the consumer sector.

Sales of kitchens occur mainly within the consumer sector, but there are differences between countries. In Sweden and Norway, one quarter of sales are within the project sector and three quarters are within the consumer sector. In Denmark and Finland around 45 per cent of sales are within the project sector and 55 per cent within the consumer sector.

The borderline between the project and consumer sectors is being partly eroded as more attention is paid to the individual preferences of consumers, even in major construction projects. The demand for product development and design, not to mention effective, local customer service is therefore increasing in both market sectors.

Kitchens have become a consumer item

The trend of investing in home furnishings and interiors became more apparent during the 1990's. In line with this, kitchens have developed from being a building product into being a consumer item and a design status symbol.

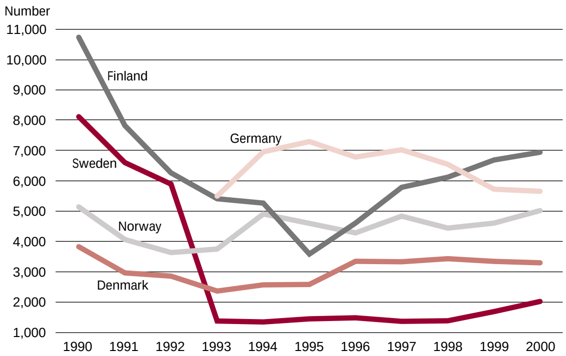
This trend has been captured by newly established home furnishings and interiors sales chains, making it more important for the kitchen manufacturers to continually develop their strategies in their choice of sales channels. Nobia monitors social changes that affect demand, such as changing purchasing habits, housing, family structure and ethics, etc. These kinds of changes are important factors for the business units' activities.

In Germany, kitchen interiors are not seen as fixed building fittings but as furniture. Around half of sales of kitchen interiors on the German market are therefore made via furniture retail outlets.

The German market

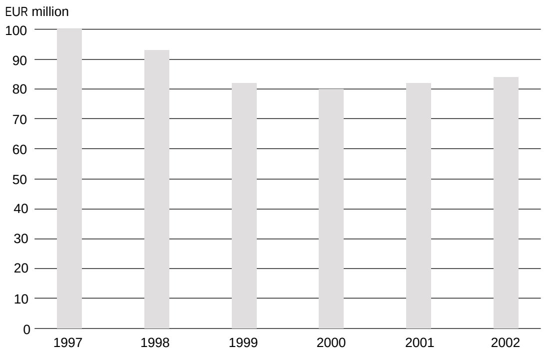
Following the year's acquisitions, Germany is now Nobia's largest market. There was a major upswing in home building in Germany after the reunification in 1990, and the strong growth lasted until the mid 1990s. In 1995, 603,000 new homes were built. Following this, a marked weakening has been noticed with a fall in new construction. In 2000, the decline bottomed out and the number of completed housing units was around 467,000, corresponding to 5,650 units per million inhabitants. This is somewhat higher than the average of the Nordic countries, and much higher than that of Sweden. German housing investments are expected to increase somewhat during the next two years.

Apartment building starts/1,000,000 inhabitants



Source: Nordic countries: The Swedish Construction Federation
Germany: BBE Unternehmungsberatung GmbH

Housing construction in Germany, forecast for 2001–2002

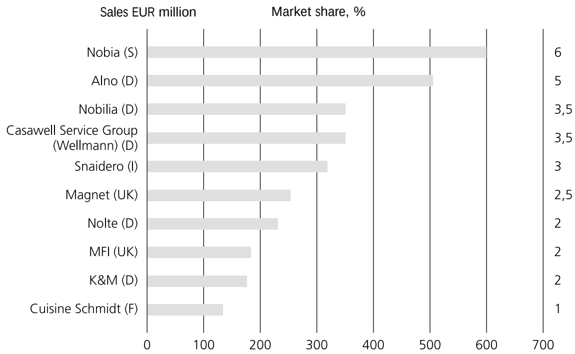


Source: Euroconstruct

The German market

From a European perspective, the German market is the key market for the kitchen industry. Germany is responsible for around 36 per cent of production and over 30 per cent of European kitchen sales. Of the ten largest European manufacturers, five are German.

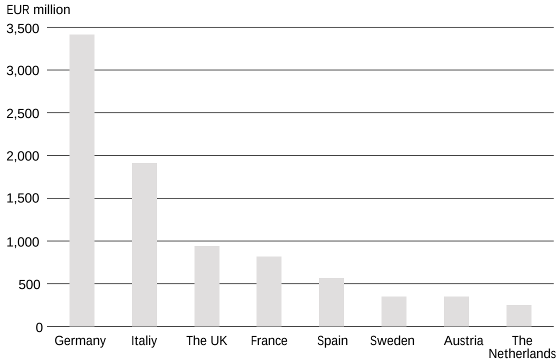
Leading European kitchen manufactures



Source: Csil/Nobia

The kitchen interiors market is still a typically domestic market industry with relatively insignificant imports and exports. German manufacturers are an exception, however. In total they are responsible for almost half of European exports of kitchen interiors.

European manufacture of kitchen interiors



Source: Csil/Nobia

The manufacture and sale of kitchens in Germany has to a great extent followed the same development curve as housing construction. The downturn over the past few years has led to there currently being over-capacity in manufacturing and sales, and this has resulted in strong price pressure on the German market.

Exports have, on the other hand, shown a tendency to increase over a number of years. Just over half of exports go to the Benelux countries.

14 Market shares and competitors

Nordic countries

The market share for kitchen and bathroom cupboards and wardrobes for the four countries combined amounts to SEK 6.5 billion.

Nobia has played an active role in consolidating the Nordic kitchens sector. The main competitor in the Nordic region is Ikea. Major manufacturers on the Swedish market include Ballingslöv and Vedum. The main competitors in Denmark are Kvik and Svane, and in Finland, Harjavaltas Puustelli. The kitchen industry in Norway is least consolidated and competitors consists of a number of smaller, locally operating suppliers with strong regional positions.

Germany

There has also been some consolidation of the kitchen sector in Germany, but there still remains a lot to do. The thirteen largest manufacturers of kitchen interiors are responsible for around 60 per cent of German production. There are a total of 140 manufacturers with more than 20 employees.

The market is clearly divided into the top-of-the-range, intermediate and DIY. The three segments' share of the total German production value is around 10, 65 and 25 per cent respectively.

Nobia's new brands

Poggenpohl is the world's most well known kitchen interiors brand. Pronorm and Goldreif, acquired at the same time as Poggenpohl, compete in the intermediate segment.

Nobia's position in Sweden was strengthened by the acquisition of Myresjökök, which increases the Group's market share mainly on the Swedish project sector.

The recently acquired Norema has nearly all its sales in Norway. Invita increases the Group's market share in Denmark.

Brands are Nobia's key assets

Marketing strong brands

Nobia's marketing is built upon well-known and strong brands. Brands with well-defined profiles and positioning on the market contribute to building lasting, long-term customer relationships. Marketing occurs through various sales channels and is supported by brand differentiation.

Internet improves customer contacts

Internet communication enables individually adapted mass-communication, where more account is made for individual preference concerning design and quality.

The development of web-based information and sales channels is becoming an increasingly important part of Nobia's marketing. The web-based design program used in sales of kitchen interiors is a stepping-stone in this development. Several of the Group's business units also have direct links between production sites and sales channels to increase customer adaptation and reduce warehousing time.

Nobia lies at the forefront in utilising the key advantages that the Internet provides in B2B. The next step will be a parallel extension of service in B2C markets in collaboration with partners in existing distribution channels.

As a step towards this, a comprehensive Group project has been initiated to improve service to consumers who prefer to use the Internet as their main channel of information. The goal is that the consumer should have the opportunity to browse through information before contact with the salesman or distribution channel, increasing efficiency in sales work.

Attitudes govern positioning

The brand portfolio affects Nobia's value and strong brands help prevent the entry of new competitors. As market leader, Nobia is able to affect market growth. By expanding the range of brands aimed at unique target groups on the market, the market will increase in size.

Positioning of individual brands is the responsibility of the business units, while the new Marketing organisation is responsible for co-ordination.

Nobia has carried out systematic attitude surveys among consumers for many years to establish the position and profile of its own brands and those of competitors. This information is used to identify changes and measures to strengthen the brands.

The ınternet makes the kitchen a place where it is simple to communicate with the world, receive information, order goods and spend time on leisure activities. From being the heart of the home, the kitchen has now also become the brain.

16 Positioning and profiling of brands

Well-known kitchen manufacturer

The recent acquisitions have given Nobia a significantly broader geographic coverage and a strong basis on which to build a European strategy. The brand portfolio means a broad coverage of all price levels and styles in the market and is well adapted to the potential in each sector.

Poggenpohl, by far the Group's most international brand, is mainly sold by exclusive kitchen showrooms. The Group's other German brands, Pronorm, Goldreif and Star Beka, are well-known suppliers to specialist kitchen retailers. With its specialist solutions for the DIY market, Optifit is strongly positioned at a number of large retailers.

The Group's Scandinavian brands are HTH, Invita, Marbodal, Myresjökök, Norema, Sigdal and Unoform. All of these are leaders in their segments on their respective home markets. HTH and Marbodal also have significant exports.

A la Carte, Parma and Petra all have strong market positions in Finland and the Baltic States. Their identities are strengthened by sales through differentiated channels.

Special units have been made for the DIY market, which supply several brands, usually one per customer as these consist of large retail chains in the Nordic countries and Germany. HTH has developed its own distribution network in Denmark for DIY kitchens.

Choice of sales channels – a strategic issue

The choice of sales channels for different brands is crucial in reaching the categories of customer that the brand in question has as its target group. It is therefore an important strategic issue. It is also just as important to always follow developments and changes in the different channels to achieve the greatest possible effect for investments in marketing.

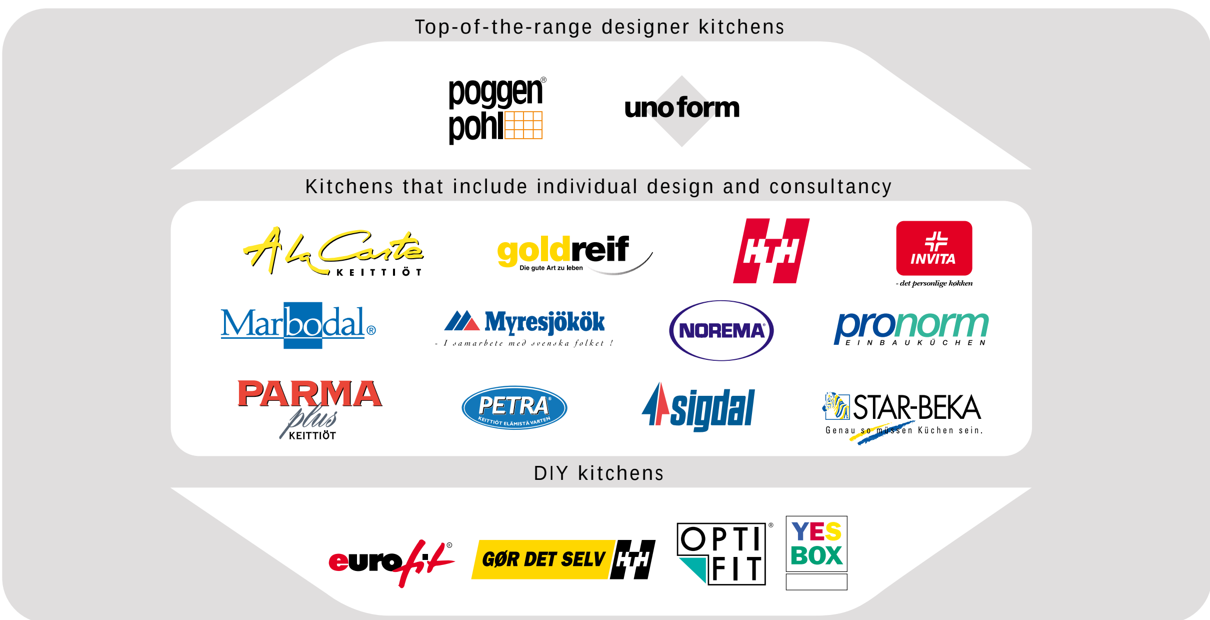
Nobia's sales in the Nordic countries are split 40 per cent for kitchen showrooms, i.e. specialist retailers for own brands, 23 per cent for buildings materials retail, 34 per cent for building projects and house factories, and 3 per cent for other channels.

Furniture retailers dominate in Germany

In Germany, 50 per cent of kitchen sales are via furniture retailers, 30 per cent via kitchen showrooms and 4 per cent due via the specialised kitchen markets. Building material retailers have just a small share of sales. Nobia's German brands are represented in all these channels.

The image below explains the positioning of Nobia's brands on the European kitchen market.

Brand positioning on the European kitchen market



Product development and design

The kitchen is the most important room in the home

As people's lives become busier, meals are often eaten outside the home or at varying times in the home. Meanwhile, a new food culture has developed. Cooking is no longer just a matter of necessity, it has become a shared leisure activity for family and friends. Celebrity cooks, cooking programmes, cookbooks and travel, offer increased inspiration. The kitchen, both in appearance and function, must be adapted to individual requirements and be a comfortable meeting place.

Kitchens are quickly being adapted from a standard product to a highly individual product. Consumers today choose for themselves the kitchen they want and it is therefore important to have a clear position in the mind of the consumer.

In recent years, kitchen manufacturers have developed co-operation with experienced designers to adapt kitchen interiors to meet new trends and consumer preferences, in the same way as the furniture industry has done for many years. The aim is to equip the products with sound functionality, attractive design and aesthetics that last. Meanwhile the demand for adapting to a rational manufacturing process must also be met.

Rational production methods with centres of excellence

The production of kitchen interiors should be built on modular systems with the least possible number of component parts and simple logistics. Nobia solves this partly through each factory specialising in a limited range of production technology for which centres of excellence have been established. Parts of manufacturing from several of the Group's units are gathered at these centres where production volumes are big enough to motivate investments in cutting-edge production technology. One such example of a centre of excellence is the manufacture of work surfaces at the Implast factory in Denmark, where capacity is being expanded to supply a growing share of the Group's work surface sales. New centres of excellence are being continually established.

Aesthetics, form and function at Nobia

Aesthetics, form and function at Nobia

Aesthetics and form are now given the same priority as function and quality when new products are developed at Nobia. All business units co-operate with designers to create new constructive ideas and give each brand its distinctive character.

Close co-operation with designers

One example is Marbodal, where Gunilla Allard, one of Sweden's foremost designers, has designed a kitchen interior for the first time. The Torö kitchen, which Gunilla Allard designed in close co-operation with Marbodal's product development group, was launched at the Furniture Fair in Stockholm in February 2001. Gunilla also designed the Support I and II mobile kitchen units in blast-cleaned stainless steel, which were first shown at the Furniture Fair in Stockholm in 2000 and are now part of the Marbodal range.

These products are the result of co-operation that began in 1989. Gunilla Allard has worked as a consultant, keeping Marbodal up-to-date with trends and developments in design. Co-operation with her has increased in scope over the past few years.

The new products from Marbodal are examples of how designers are not used solely as consultants and advisers, but are directly involved in the development and production of new products that they then put their name to.

Designers and interior design architects are now commissioned more frequently to design new catalogues and to design and add colour and dimension to the kitchen showrooms.

The multifunctional kitchen

Invita of Denmark has taken part in a development project where a prototype has been designed for the multifunctional kitchen. Architect and industrial designer Lone Kobberholm Storgaard of Århus presented the project at the end of 2000 in a doctorate thesis. The thesis shows how the multifunctional kitchen interior can in practice be integrated into industrial production.

The multifunctional kitchen can be adapted for people with various disabilities. This should allow for kitchens where the interiors are designed according to the needs of the user, without compromising the work of the non-disabled person in the kitchen or the kitchen's aesthetic qualities. This means that a multifunctional kitchen should look like, and work as well as, a normal, modern, high quality kitchen. Another element of the project has been to enable kitchen owners to

Marbodal – Torö

Invita – the multifunctional kitchen

take their kitchens with them when they move to a new home.

Nearly everything in the multifunctional kitchen can be adapted to suit all users. The range can be moved, the oven and dishwasher can be raised and lowered, floor units can be moved and so on. All settings are made with the help of knobs on a panel along the edge of the work surface.

Development of the multifunctional kitchen has resulted in a prototype where "smart home" technology is used to a great extent. The kitchen has been installed in an apartment in Århus where a wheelchair bound person lives.

New Italian design trends

An important aim of Poggenpohl's product development over the years has been to constantly make the kitchen more effective and better adapted to the needs of the user. This aim is governed not only by design, but also by the choice of top quality materials, high class construction and ergonomically correct kitchen interiors.

Poggenpohl develops kitchens using mainly the same methods as Nobia's other units. Product development and design are run internally in small groups within the company, utilising highly qualified industrial designers as advisors and sounding boards.

Design trends of the 1950s and 1960s came mainly from Scandinavia, and the Copenhagen kitchen fairs were very influential. Trends nowadays come from Italy, where furniture fairs in Milan overshadow the rest.

New ideas for Poggenpohl's kitchen design do not only come from the furniture industry. Other areas where design has great significance and offer new angles of approach are the auto industry, which often has new ideas for items such as handles and trimming.

Customers the world over buy Poggenpohl kitchens for innovation and a classically modern style that has given the company a lead position in the industry. Over the past 50 years Poggenpohl has also won many awards for design, quality and function. The most recent was the Good Design award from The Chicago Athenaeum: Museum of Architecture and Design, for the Segmento kitchen 1999-2000. Good Design is the world's oldest and most prestigious design award. It is given to designers and manufacturers who have achieved new and innovative product design and originality far beyond the standard norms.

Poggenpohl – Segmento

Directors' report

for Nobia AB, Company Reg. No. 556528-2752

CHANGES TO THE GROUP STRUCTURE

In 1999, Nobia decided to change its business positioning. The company previously concentrated on windows, doors and the kitchens industry, mainly in the Nordic region. In 1999 a decision was taken about concentrating the business to include kitchens, bathrooms and wardrobes. As a step towards the introduction of this strategy, 2000 saw comprehensive changes to the Group's structure.

The sale of the door business to Vest-Wood A/S

Nobia sold its Swedoor door business in April to the Danish company Vest-Wood A/S. Swedoor had sales of SEK 1.0 billion and 1,100 employees in 1999. Vest-Wood A/S is a Danish group which has fine-tuned its activities to include the manufacture and sales of doors. This means that Vest-Wood A/S is now Northern Europe's leading manufacturer of doors with sales totalling around DKK 2.2 billion. Swedoor and Vest-Wood complement one another both for the market and products.

The transaction was carried out by the door business being transferred, with support of the "Lower price law" to a newly created company Swedoor Holding AB, which was owned by the same shareholders as Nobia AB. Swedoor Holding AB was then transferred to Vest-Wood A/S against receipt of 1,119,000 shares in Vest-Wood A/S corresponding to a holding of 18.9%, and cash totalling DKK 228 million. Property belonging to the Swedish door business was handed over to Vest-Wood A/S for a cash payment of DKK 88 million.

The total transaction transferred SEK 82 million of interest-bearing loans to Vest-Wood A/S and the Nobia Group's balance sheet total fell by around SEK 500 million. The transaction was accounted for with effect from 1 January 2000.

The total value of the purchase price based on Vest-Wood's share value on the day of transaction and actual exchange rate, was around SEK 750 million. Of this, shares and cash worth around SEK 560 million were distributed to Nobia's shareholders. The transaction for Nobia meant a capital loss of SEK 104 million and a reduction in interest-bearing net debt of around SEK 170 million.

Acquisitions of kitchen companies in Germany and Sweden from Skanska

In September the German kitchen companies Poggenpohl, Pronorm, Optifit and Goldreif, and the Swedish company Myresjökök were acquired from Skanska against the issue of 987,636 new shares in Nobia AB. For Nobia the acquisition mainly meant a far greater presence in Germany, which is Europe's largest kitchens market, greater underpinning of market positions in Sweden and access to the Poggenpohl brand. The acquisition was reported in the Group's accounts with effect from 1 October 2000.

Acquisitions of kitchen companies in Norway and Denmark from Norsk Kjøkken Invest ASA.

In November Nobia acquired the Norwegian company Norema AS, with its kitchen, bathroom and wardrobe business and the kitchen company Invita A/S of Denmark through an issue of 509,123 new shares to Norsk Kjøkken Invest ASA. The acquisition strengthened and widened Nobia's activities in Norway and Denmark. The acquisition was reported in the Group accounts with effect from 1 November 2000.

The total sales figure for the acquired kitchen companies was SEK 2.7 billion with a majority of sales in Germany, the Netherlands, the US and Scandinavia.

Sale of the windows business to Velcap A/S and Axcel IndustriInvestor A/S.

In 1999 the windows business had sales of around SEK 390 million and around 400 employees. The buyers, Velcap and Axcel, own Rationel Vinduer, Denmark's largest window manufacturer. At the end of 1999, Nobia had exercised an option to acquire 50% of the shares in Svenska Fönster AB from the former joint-owner Vätterledens Invest AB. The transaction with Velcap and Axcel saw the sale of all shares in Svenska Fönster AB.

Sale of activities in BorDörren AB to Johs Rasmussen A/S

In November, BorDörren AB was sold, a market leader in the manufacture of quality front doors in Sweden with 55 employees and sales of around SEK 40 million. The buyer Johs Rasmussen A/S, is also owner of NorDan A/S, one of the Nordic region's leading manufacturers of windows.

For the Group the capital gain was SEK 108 million and interest-bearing net debt fell by SEK 284 million as a result of the sale of the window business and Bor Dörren's activities. These transactions were reported with effect from 1 September 2000.

Sale of Star Byggprodukter AB to Mindab

January 2001 saw the disposal of Star Byggprodukter which has sales of around SEK 860 million and 150 employees.

Mindab produces and processes sawn timber and has strengthened its position on the Swedish market with the acquisition of Star Byggprodukter through increased service and a wider product range. The sale will be reported in the Group's accounts in 2001.

Net sales and results

The accounted values of net sales and results for the income statement are shown below in summary:

Income statement in summary

SEK m	2000	1999
Net sales	4,102	4,049
Gross profit	1,325	1,176
Items affecting comparability	46	– 40
Operating profit	261	132
Profit after financial items	220	84
Profit for the year	105	1

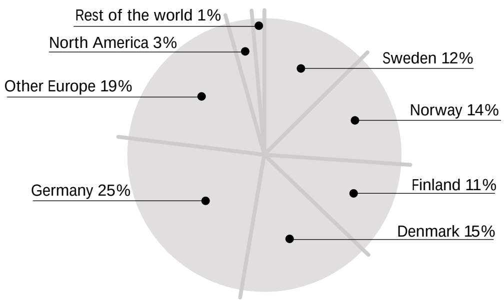
Net sales

Net sales in 2000 stood at SEK 4,102 million (4,049 m). Invoiced sales climbed in Sweden, Norway and Finland while continuing to fall in Germany. HTH compensated for the fall in invoiced sales in Denmark with greater sales mainly in the other Nordic countries.

Of Nobia's sales of SEK 4,102 million, the core activities of kitchens, bathrooms and wardrobes were responsible for SEK 3,090 million, a rise of 33% compared with the previous year. Acquired units were responsible for SEK 698 million. Sales in core activities rose by 3% excluding acquired units.

Sales per market for the core activity for the year stood at SEK 5.1 billion (pro forma 2000). The breakdown per market is shown in the following diagram.

Core activities – sales per country



Core activities' sales trend per market

The business units' sales in 2000 mainly reflected general market trends. Business units in many countries however increased their sales in percentage terms more than market growth, meaning an increase in market share.

Denmark

HTH maintained itself well in both volume and sales terms during 2000. This was contributed to by investments in a distribution network for DIY kitchens. Exports developed positively. Invita also compensated for the downturn on the home market with greater exports.

Finland

The Finnish market continued to be strong and Novart achieved considerable hikes in volumes for all three of its brands.

Norway

Market growth in 2000 was almost all within the construction business. Both Sigdal and Norema showed an increase in sales.

Sweden

The Swedish Group companies Marbodal and Myresjökök benefited from the strong growth in Sweden. The sector that increased most was sales of kitchens to newly built private homes and tenant-owned flats.

Germany

Poggenpohl's deliveries fell somewhat, but thanks to an improved market and product mix sales were unchanged compared to 1999. The export markets performed favourably with considerable climbs in sales in the Benelux countries, France, the US and Asia. Of Poggenpohl's sales, around 75% were from exports.

Pronorm showed a similar trend. Sales on the German domestic market were mainly unchanged while exports rose, mainly to the Netherlands. Optifit, with the brands Optifit, Eurofit and Marlin increased sales on the German market for DIY kitchens and bathroom fittings. Goldreif and Star Beka reported a drop in sales.

Profits

Nobia's operating profit is divided into the following components:

Operating profit per business area

	2000	1999
Existing activities	214	128
Acquired units	19	—
Business activities sold *	39	84
Items affecting comparability	46	– 40
Other and Group adjustments **	– 57	– 40
Operating profit	261	132

**Profit up to and including sale.*
***Including depreciation of Group surplus value.*

Nobia's existing kitchen business saw profits improve to SEK 214 million (128 m). Profits have continually improved since 1994 when a loss was seen. Operating margins were 8.4% (5.2). Improved profits were achieved by Marbodal, Sigdal, HTH and Novart. Results for the German company Star Beka also improved but it still showed a loss. The improved result is mainly due to greater internal effectivity.

The operating profit for the acquired kitchen business was SEK 19 million. Under the heading of business activities sold are the Svenska Fönster Group, Star Byggprodukter and the door business.

Operating profits include items affecting comparability according to the table below.

Items affecting comparability

SEK m	2000
Capital loss from sale of door business	–104
Capital gain from sales of Svenska Fönster and BorDörren	108
Cost of pension agreements	– 22
Pension fund refunds from SPP	64
Total	46
	1999
Capital gain from property in Stockholm	7
Provision for German business	– 42
Provision for production equipment in door business	– 5
Total	– 40

The sales and earnings trends for core activities are listed below.

Net sales rose during the year by 33% and the earnings growth was 100% compared to last year.

	Net sales		Operating profit	
	2000	1999	2000	1999
Net sales/ operating profit	4,102	4,049	261	132
Deducted items affecting comparability			– 46	40
Adjusted for sold businesses	–1,012	–1,725	–39	– 84
Core activities	3,090	2,324	176	88
Growth	33%		100%	

Net financial items improved from SEK –48 million to SEK –41 million, which is explained by a reduction in interest-bearing net debt and a continued stable interest rate. In total this means that the profit after financial items rose to SEK 220 million compared to SEK 84 million last year.

Tax for the year was SEK 115 million, which was 52% of the profit after financial items. The tax quotient was burdened with the capital loss that arose when the door business transferred to Swedoor Holding AB was not able to be utilized for tax purposes.

The net profit for the year was SEK 105 million (1 m) and the earnings per share increased to SEK 30 (0) per share.

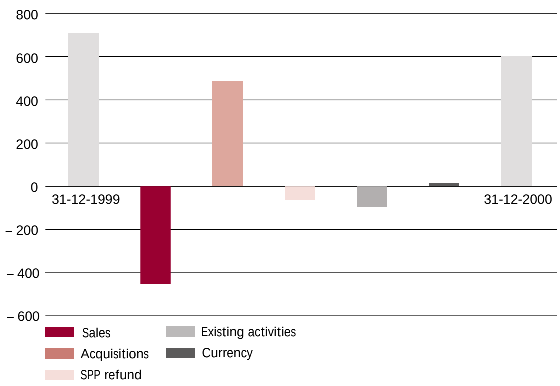
Financial position

Nobia went through significant changes as a result of the acquisitions and sales.

The Group's shareholders' equity increased from SEK 351 million to SEK 1,363 million mainly due to the acquisitions carried out against the newly issued shares (SEK 885 million), the net profit for the year and the positive exchange rate differences. Net debt fell from SEK 710 million to SEK 601 million. Of these, the businesses sold were responsible for SEK 453 million, the cash flow from activities was SEK 156 million, while net debt transferred from acquired companies was SEK 488 million

Changes in the Group's interest-bearing net debt during 2000 is explained in the diagram below.

Changes in the Group's interest-bearing net debt



The Group's capital employed rose by SEK 1,101 million, of which companies acquired were responsible for an increase of SEK 1,555 million and sold businesses for a reduction of SEK 460 million. In conjunction with the year's acquisition of kitchen companies, a reserve of SEK 300 m was put in place for mainly restructuring the acquired activities. At the end of the year the reserve was SEK 252 million. The restructuring scheme is expected to be fully carried out within two years.

Financing

The Group's interest-bearing net debt fell during the year by SEK 109 million to SEK 601 million. The year's acquisitions of the kitchen companies were financed by a non-cash issue of SEK 885 million and the takeover of loans. In return – in conjunction with the sale of companies – loans were taken over by the buyer. During the year SEK 128 million was amortized, while SEK 75 million in new loans was taken up. In total, unutilised credit facilities rose by SEK 8 million to SEK 288 million consisting of granted, but unutilised, overdraft facilities. The relation between net debt and shareholders' equity improved from 2.0 to 0.4 at the end of the year.

Employees

The average number of employees amounted to 3,003 for the year.

The acquisitions during the year meant an increase of 2,150 for the average number of employees, while sales of companies meant a reduction of around 1,500.

Environment

In Sweden the Group carries out activities that require permission under the Environmental Act at the subsidiaries Marbodal AB and Myresjökök AB. The work performed by the Group that requires environmental permission mainly affects the external environment via sound and airborne emissions due to surface treatment of wooden products.

Parent company

The parent company's activities include joint Group functions and executive ownership of the subsidiaries. The operating income was SEK 0 million (–0). The net loss for the year was SEK 3 million (–8).

Future outlook

Through its refinement, Nobia now focuses solely on manufacturing and marketing kitchens, bathrooms and wardrobes, and has reached such a size and financial position to carry out further acquisitions. The European kitchen industry offers great opportunity for economies of scale through acquisitions. The Nobia Group is continually developing its methods for "Best Practice". These methods are used when comparing business activities and are used when acquiring new companies, where the analysis of key figures can quickly indicate which measures are needed.

The demand for kitchens in Nobia's largest markets in the Nordic countries and Germany are expected to fall during 2001 as a result of the general downturn in the business cycle. Nobia is eager to achieve improved profits mainly through internal measures.

The work of the Board in 2000

The Board at Nobia AB consists of nine members elected by the AGM. The AGM-elected members, including the CEO, have been elected at the proposal of Nobia's major shareholders. Other executives at the company take part in the work of the Board including for reporting and minute taking.

At Nobia AB Board meetings, employee representatives on the Board of Nobia Nordisk Bygginteriör AB take part.

During the 2000 financial year the Board held four ordinary meetings and one extraordinary meeting.

The Board dealt with four main points at these meetings. These were, the business position, investments, budget plus interim and annual accounts. Decisions about new aims and strategies were given a lot of consideration in the Board's work. In addition, issues such as corporate acquisitions, sales and organisational changes were dealt with.

The Board's composition changed in conjunction with the spread of ownership carried out via the acquisition of Skanska's and Norsk Kjøkken Invest's kitchen activities.

The control issues handled by the Board are addressed by the Board in its entirety. To safeguard the Board's information requirements in this respect, the company's auditor reports to the Board annually, his observations and opinions from the audit of the company's internal control systems.

Proposed appropriation of profits

The Groups non-restricted reserves as shown in the consolidated balance sheet amounts to SEK 4 million. No allocation to restricted equity is required.

The following earnings in the parent company are at the disposal of the Annual General Meeting.

Loss for the year	SEK – 3,274,787
Profit brought forward	SEK 9,268,677
Total	SEK 5,993,890

The Board and CEO propose that SEK 5,993,890 is carried forward.

Consolidated income statement

SEK M	Note	2000	1999
Net sales	2	4,102	4,049
Cost of goods sold	3	– 2,777	– 2,873
Gross profit		1,325	1,176
Selling expenses	3	– 881	– 823
Administrative expenses	3	– 223	– 189
Items affecting comparability	4	46	– 40
Shares in the pre-tax profit of associated company		—	11
Other operating income		21	31
Other operating expenses		– 27	– 34
Operating profit		261	132
Result from financial investments	5		
Interest income and similar profit items		9	3
Interest expense and similar loss items		– 50	– 51
Profit after financial items		220	84
Tax	7, 21	– 115	– 83
Minority shares in profit/loss for the year		0	—
Net profit for the year		105	1

Consolidated balance sheet

SEK M	Note	31 Dec 2000	31 Dec 1999
Assets			
Fixed assets			
Intangible fixed assets	8		
Goodwill		430	126
Other intangible assets		32	8
		462	134
Tangible fixed assets	9		
Buildings and land		926	397
Investments in progress		2	12
Plant and machinery		341	312
Equipment, tools, fixtures and fittings		100	37
Advance payments for intangible assets		1	2
		1,370	760
Financial fixed assets			
Other participations		1	1
Other long-term receivables		69	10
Deferred tax	21	73	95
		143	106
Total fixed assets		1,975	1,000
Current assets			
Stock			
Raw materials and consumables		252	157
Work in progress		175	132
Finished products		79	100
Goods for resale		108	58
Advance payments to suppliers		0	0
		614	447
Current receivables			
Tax receivables		3	2
Accounts receivable – trade		739	529
Other receivables		39	42
Prepaid expenses and accrued income	12	54	35
		835	608
Cash and bank balances	13	221	135
Total current assets		1,670	1,190
Total assets		3,645	2,190

SEK M	Note	31 Dec 2000	31 Dec 1999
Shareholders' equity and liabilities			
Shareholders' equity	14		
Restricted shareholders' equity			
Share capital		46	31
Restricted reserves		1,313	422
		1,359	453
Unrestricted shareholders' equity/Accumulated deficit			
Loss brought forward		– 101	– 103
Profit for the year		105	1
		4	– 102
Total shareholders' equity		1,363	351
Minority interests		5	—
Provisions			
Provisions for guarantees		26	17
Provisions for pensions	24	79	56
Provisions for taxes	21	100	47
Other provisions	15	252	25
Total provisions		457	145
Long-term liabilities	16		
Subordinated loan	17	150	150
Overdraft facility		100	79
Liabilities to credit institutions	16	309	364
Total long-term liabilities		559	593
Current liabilities			
Liabilities to credit institutions	16	236	131
Advances from customers		20	2
Trade creditors		433	408
Tax liabilities		18	31
Other liabilities		214	246
Accrued expenses and deferred income	18	340	283
Total current liabilities		1,261	1,101
Total shareholders' equity and liabilities		3,645	2,190
Pledged assets	19	1,315	934
Contingent liabilities	20	21	28

28 Consolidated cash flow analysis

SEK M	Note	2000	1999
Current activities			
Operating profit		261	132
Depreciation		95	105
Adjustment for items not included in cash flow etc.		– 112	– 18
Interest received		9	3
Interest paid		– 50	– 51
Tax paid		– 61	– 43
Cash flow from current activities before changes in working capital		142	128
Changes in stock		– 32	– 21
Changes in receivables		158	– 62
Changes in operating liabilities		– 112	81
Cash flow from current activities		156	126
Investment activities			
Investments in tangible fixed assets		– 82	– 73
Investments in intangible fixed assets		– 5	– 1
Sales of tangible fixed assets		14	23
Acquisition of subsidaries	25	– 271	9
Sale of subsidaries	26	392	1
Increase/decrease in current financial investments		11	6
Cash flow from investment activities		59	– 35
Financing activities			
Loans raised		75	—
Amortisation of liabilities		– 128	– 125
Increase/decrease of current financial investments		– 82	19
Cash flow from financing activities		– 135	– 106
Cash flow for the year		80	– 15
Opening balance, liquid funds		135	160
Exchange rate differences in liquid funds		6	– 10
Closing balance, liquid funds		221	135

Parent company's income statement

SEK M	Note	2000	1999
Administrative costs		—	—
Operating profit/loss		0	0
Result from financial investments	5		
Profit from shares in subsidiaries		6	—
Interest income and similar income statement items		0	0
Interest expense and similar income statement items		– 13	– 11
Loss after financial items		– 7	– 11
Tax	7	4	3
Loss for the year		– 3	– 8

Parent company's cash flow analysis

SEK M	Note	2000	1999
Current activities			
Cash flow from current activities before changes in working capital		0	0
Changes in receivables		– 75	0
Cash flow from current activities		– 75	0
Investment activities			
Acquisitions of subsidiaries		0	0
Cash flow from investment activities		0	0
Financing activities			
Non-cash issue		0	0
Loans raised		75	0
Cash flow from financing activities		75	0
Cash flow for the year		0	0
Opening balance, liquid funds		0	0
Exchange rate differences in liquid funds		0	0
Closing balance, liquid funds		0	0

Parent company's balance sheet

SEK M	Note	31 Dec 2000	31 Dec 1999
Assets			
Fixed assets			
Financial fixed assets			
Shares in subsidiaries	10, 11	1,366	456
Total fixed assets		1,366	456
Current assets			
Current receivables			
Receivables from subsidiaries		71	6
Cash and bank balances		0	0
Total current assets		71	6
Total assets		1,437	462
Shareholders' equity and liabilities			
Shareholders' equity	14		
Restricted shareholders' equity			
Share capital		46	31
Share premium reserve		870	0
Restricted reserves		281	281
		1,197	312
Non-restricted shareholders' equity			
Profit brought forward		9	8
Loss for the year		– 3	– 8
		6	0
Total shareholders' equity		1,203	312
Long-term liabilities			
Subordinated loan	17	150	150
Total long-term liabilities		150	150
Current liabilities			
Liabilities to credit institutions	16	74	0
Liabilities to subsidiaries		9	0
Accrued expenses and deferred income	18	1	0
Total current liabilities		84	0
Total shareholders' equity and liabilities		1,437	462
Pledged assets	19	456	456
Contingent liabilities	20	23	28

Ownership structure and notes

Shareholders	No. of shares Class A	Class B	Percentage of Capital	Votes
Investors in Industri Kapital 1994-fund				
Industri Kapital 1994 Limited Partnership I–V (UK)	1,277,058		27.6	28.7
Länsförsäkringar Wasa Försäkrings AB (Sweden)	102,461	200,000	6.5	2.7
Duba AB (Sweden)	190,439		4.1	4.3
Storebrand Livforsikring AS (Norway)	168,034		3.6	3.8
PGGM Pensioensfonds (the Netherlands)	168,034		3.6	3.8
Ratos AB (Sweden)	134,427		2.9	3.0
Livförsäkrings AB Skandia (Sweden)	123,225		2.7	2.8
Nordea A/S (Denmark)	123,225		2.7	2.8
Pensionskassernes Adm. (PKA) A/S (Denmark)	56,011		1.2	1.3
Handelsbanken Livförsäkrings AB (Sweden)	44,809		1.0	1.0
Roburs Allemansfond IV (Sweden)	44,809		1.0	1.0
Roburs Allemansfond III (Sweden)	39,208		0.8	0.9
Roburs Allemansfond II (Sweden)	33,607		0.7	0.8
Roburs Allemansfond I (Sweden)	28,006		0.6	0.6
Roburs Aktiefond Kapitalinvest (Sweden)	22,404		0.5	0.5
Roburs Aktiesparfond (Sweden)	22,404		0.5	0.5
Försäkringsbranschens Pensionskassa (Sweden)	22,404		0.5	0.5
Total Industri Kapital 1994-fund	**2,600,565**	**200,000**	**60.5**	**59.0**
Skanska Holding GmbH	859,115		18.6	19.3
Skanska Europe AB	128,521		2.8	2.9
Norsk Kjøkken Invest ASA	509,123		11.0	11.4
Board, management and employees	317,080		6.8	7.1
Other shareholders	13,000		0.3	0.3
Total	**4,427,404**	**200,000**	**100.0**	**100.0**

1 Accounting principles

Nobia AB's accounting and valuation principles comply with generally accepted accounting principles. The company complies with the Swedish Financial Accounting

Standards Council's recommendations. The accounting principles are unchanged compared to the previous year.

Cash flow

The cash flow statement has been prepared according to the indirect method. The accounted cash flow comprises only transactions that entail payments in and out.

Consolidated accounts

The consolidated accounts include the subsidiaries where the parent company, directly or indirectly holds more than 50% of the voting rights.

The consolidated accounts have been prepared in accordance with the acquisition accounting method, which means that subsidiaries' equity at the time of acquisition, established as the difference between the assets and liabilities market value, is eliminated in its entirety. The Group's equity therefore consists of that part of the subsidiaries' equity that is earned after the acquisition.

If the consolidated acquisition value of the shares exceeds the acquisition analysis' estimated value of the company's net assets, the difference is entered as consolidated goodwill. If, however, the consolidated acquisition value of the shares is lower than the acquisition analysis' estimated value of the company's net assets, the acquired company's non-monetary assets are reduced by the amount of the difference. If reducing the non-monetary assets does not eliminate all the difference, the remaining balance is reported as negative goodwill under other provisions. The provision is resolved based on the expected earnings trend.

Companies acquired during the year are included in the consolidated accounts as from the date of acquisition. The net profits/losses of companies sold during the year are included up to and including the date of sale.

Deferred tax in the subsidiaries' untaxed reserves at the time of acquisition as well as deferred tax liabilities in the valuation differences of assets and liabilities on Group and company level, respectively, are reported as provisions.

Appropriations and untaxed reserves are not reported in the consolidated accounts. They are divided between equity and deferred tax liabilities.

Deferred tax relating to the year's appropriations are included in the Group's net profit. The deferred tax liability is reported as a provision while the outstanding part is transferred to the Group's restricted equity.

The loss carried forward that could be utilised against future profits for the year, is capitalized as a deferred tax receivable. This refers to the accumulated loss carried forward at the time of acquisition, as well as any following loss. The difference between the booked and fiscal value is also taken into the accounts as a deferred tax liability, alternatively after individual examination, as a deferred tax receivable.

For all the subsidiaries, Nobia AB applies the current method for translating the accounts of foreign subsidiaries. This means that foreign subsidiaries' assets and liabilities are translated at the closing day rate. All income statement items are translated at the year's average exchange rate. Translation differences are transferred directly to the Group's equity.

Intra-Group profits are eliminated in their entirety, without taking minority shares into account.

Accounting of associated companies

Associated companies are those companies which are not subsidiaries, but where the parent company, directly or indirectly, holds at least 20 per cent of the voting rights of all the shares. The shares of associated companies are accounted for in accordance with the equity accounting method.

The equity accounting method means that consolidation is mainly effected on separate lines in the consolidated income statement and consolidated balance sheet. Associated companies accumulated profits, not allocated as dividends are reported in the consolidated income statement as an equity reserve, under restricted reserves.

Receivables

Receivables are reported at the amount that, after individual examination, they are expected to be paid.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are valued at the closing date rate. In cases where hedging has been used, e.g. through forward contracts, the forward rate is used.

Stock

Stock is valued, applying the first in/first out (FIFO) principle, at whichever is the lower of the acquisition value and true value on the closing date. Required obsolescence allocations have been made.

Leasing agreements

Financial leasing agreements are reported in the balance sheets as fixed assets and liabilities respectively, and in the income statement leasing contracts are divided between depreciation and interest. Operational leasing agreements are reported in the income statements as an operating expense.

Fixed assets

The operating profit has been charged with depreciation according to plan in the income statements, calculated at the original acquisition values and based on the assets calculated economic life as follows:

Office equipment and vehicles	3–5 years
Buildings	15–30 years
Goodwill	5–20 years
Plant and machinery	6–12 years
Equipment, tools, fixtures and fittings	6–12 years

Goodwill relating to Poggenpohl and Norema is depreciated according to plan over 20 years, as the companies' market position and brand names are judged to have an economic life of at least 20 years.

The difference between booked depreciation and depreciation according to plan is reported under appropriations. Accumulated depreciation in excess of plan is reported under untaxed reserves.

In connection with the market valuation of properties at the acquisition of Norema and Poggenpohl, an evaluation of the remaining economic life was made. The depreciation of the properties consolidated value has been calculated from this economic lifetime.

2 Net sales broken-down into geographic markets

	The Group	
SEK M	2000	1999
Sweden	1,650	1,364
Norway	699	686
Finland	566	713
Denmark	791	838
Total Nordic region	**3,706**	**3,601**
Germany	1,247	217
Other Europe	962	198
Total Europe	**5,915**	**4,016**
North America	146	4
Other World	71	29
Subtotal	**6,132**	**4,049**
Less companies acquired before acquisition date	– 2,030	
Total	**4,102**	

3 Salaries, other remuneration and payroll overheads

Of the cost of goods sold, sales and administrative costs, salaries, other remuneration and payroll overheads amount to the following:

	2000		1999	
SEK M *Subsidiaries in*	Wages and other remuneration	Payroll overheads (of which pension costs)	Wages and other remuneration	Payroll overheads (of which pension costs)
Sweden	251	130 (16)	318	166 (23)
Denmark	314	18 (13)	260	12 (9)
Norway	127	42 (4)	55	21 (2)
Finland	79	47 (19)	125	62 (27)
Germany	451	100 (5)	63	42 (1)
The UK	6	1 (0)	4	0 (0)
France	2	1 (0)	0	0 (0)
USA	26	4 (0)	0	0 (0)
Austria	1	0 (0)	0	0 (0)
Switzerland	11	2 (2)	0	0 (0)
The Netherlands	3	0 (0)	0	0 (0)
Belgium	0	0 (0)	0	0 (0)
The Group	1,271	345 (59)	825	303 (62)
Less companies acquired, before acquisition date	– 484	–113 (–12)		
The Group	787	232 (47)		

Salaries and other remuneration broken-down per country and between members of the board and other employees:

	2000		1999	
SEK M	Board and CEO	Other employees	Board and CEO	Other employees
Subsidiaries				
Sweden	8	243	3	315
Denmark	3	311	2	258
Norway	3	124	2	53
Finland	1	78	2	123
Germany	8	444	1	62
The UK	1	5	1	3
France	1	1		
USA	2	24		
Austria	1	0		
Switzerland	2	8		
The Netherlands	1	2		
Belgium	0	0		
The Group	31	1,240	11	814
Less companies acquired before acquisition date	– 15	– 469		
The Group	16	771		

Senior management remuneration

Chairman of the Board

The Chairman of the Board received board fees totalling SEK 267,000 for the financial year 2000.

CEO

The CEO received SEK 2,581,000 in salary and a bonus of SEK 506,000 for 1999's results.

In addition to the normal pension, in accordance with the general pension schemes (ATP and AFP), the CEO has the right to an ITP pension scheme (supplementary pension for salaried employees in industry). The CEO also has the right to the same salary for 24 months if employment is terminated by the employer. However, the amount will be reduced in the event of any subsequent new employment.

Other Group management

Other Group management, consisting of seven people, received salaries during the financial year amounting to SEK 8,339,000, and bonuses of SEK 1,226,000 for 1999's results.

4 Items affecting comparability

	The Group 2000
Capital loss from the sale of the door business	– 104
Capital gain from sale of Svenska Fönster and BorDörren	108
Costs of pension agreements	– 22
Refund of SPP pension funds	64
Total	46

	The Group 1999
Capital gain from the property sold in Stockholm	7
Provision for German kitchen business	– 42
Provision for manufacturing equipment in the door business	– 5
Total	– 40

5 Result from financial investments

	The Group		The Parent Company	
	2000	1999	2000	1999
Profit from shares in subsidiaries				
Dividends	—	—	15	—
Write-down	—	—	– 9	—
Other interest income and similar profit/loss items				
Interest income	9	3	0	0
Interest expenses and similar profit/loss items				
Interest expenses	– 50	– 51	– 13	– 11
Total	– 41	– 48	– 7	– 11

6 Remuneration to Auditors

	The Group		The Parent Company	
	2000	1999	2000	1999
Auditing, PricewaterhouseCoopers	6	3	—	—
Other assignments besides auditing PricewaterhouseCoopers	3	1	—	—

The parent company's fees are invoiced via the subsidiary Nobia Nordisk Bygginterior AB.

7 Tax on profit for the year

	The Group		The Parent Company	
	2000	1999	2000	1999
Corporation tax	– 59	– 39	0	0
Deferred tax	– 56	– 44	4	3
Total tax for the year	– 115	– 83	4	3

Nobia Nordisk Bygginteriör is involved in a tax lawsuit, regarding 1997's tax assessment.

The tax authority has invoked a tax surcharge of SEK 4 million. During 1999, the county administrative court found against Nobia. The verdict has been appealed against. Provision for this has not been made and in Nobia's opinion it is a tax surcharge that should not be paid.

For calculations of deferred tax liabilities and receivables see note 21.

8 Intangible assets

	The Group	
Goodwill	2000	1999
Opening acquisition values	173	159
Sales and scrapping	0	0
Corporate sales	– 25	0
Corporate acquisitions	343	26
Translation differences	6	– 12
Closing accumulated acquisition values	497	173
Opening amortization	47	40
Sales and scrapping	0	2
Corporate sales	– 2	0
Corporate acquisitions	12	0
Amortization for the year	9	6
Translation differences	1	– 1
Closing accumulated amortization	67	47
Closing planned residual value	430	126
Other intangible assets		
Opening acquisition values	20	15
Investments for the year	5	1
Sales and scrapping	– 2	0
Corporate acquisitions	75	0
Reclassification	12	5
Translation differences	4	– 1
Closing accumulated acquisition values	114	20
Opening amortization	12	10
Sales and scrapping	– 2	0
Corporate acquisitions	54	0
Reclassification	8	0
Amortization for the year	5	3
Translation differences	3	– 1
Closing accumulated amortization	80	12
Opening write-downs	0	0
Write–downs for the year	2	0
Closing accumulated write-downs	2	0
Closing planned residual value	32	8

9 Tangible assets

Equipment, tools, fixtures and fittings	The Group 2000	1999
Opening acquisition value	161	204
Investments for the year	17	13
Sales and scrapping	– 39	– 23
Corporate sales	– 48	0
Corporate acquisitions	223	4
Reclassification	– 1	– 28
Translation differences	12	– 9
Closing acquisition value	325	161
Opening depreciation	124	166
Depreciation for the year	16	15
Sales and scrapping	– 31	– 21
Corporate sales	– 35	0
Corporate acquisitions	140	1
Reclassification	3	– 30
Translation differences	8	– 7
Closing depreciation	225	124
Closing planned residual value	100	37
Investments in progress		
Opening balance	12	6
Investments started during the year	10	12
Investments completed during the year	– 1	– 5
Corporate sales	– 20	
Translation differences	1	– 1
Closing balance	2	12
Advances for tangible assets		
Opening balance	2	0
Reallocations during the year	– 1	2
Closing balance	1	2
Machinery and other technical assets		
Opening acquisition value	1,208	1,174
Investments for the year	40	42
Sales and scrapping	– 24	– 59
Corporate sales	– 645	0
Corporate acquisitions	536	50
Reclassification	– 11	35
Translation differences	29	– 34
Closing acquisition value	1,133	1,208
Opening depreciation	896	845
Depreciation for the year	48	66
Sales and scrapping	– 21	– 55
Corporate sales	– 519	0
Corporate acquisitions	370	27
Reclassification	– 11	33
Translation differences	19	– 20
Closing depreciation	782	896
Opening write-downs	0	0
Write–downs for the year	10	0
Closing accumulated write-downs	10	0
Closing planned residual value	341	312

	The Group 2000	1999
Buildings		
Opening acquisition value	512	468
Investments for the year	14	6
Sales and scrapping	– 1	– 18
Corporate sales	– 258	0
Corporate acquisitions	762	76
Translation differences	25	– 20
Closing acquisition value	1,054	512
Opening depreciation	273	263
Depreciation for the year	17	14
Sales and scrapping	0	– 4
Corporate sales	– 123	0
Corporate acquisitions	161	12
Translation differences	10	– 12
Closing depreciation	338	273
Opening write-ups	106	118
Write-ups for the year	0	0
Sales and scrapping	0	– 12
Corporate sales	– 32	—
Closing accumulated write-ups	74	106
Opening depreciation of write-ups	– 11	– 7
Depreciation for the year of write-ups	– 1	– 4
Closing depreciation of write-ups	– 12	– 11
Closing planned residual value	802	356
Land		
Opening acquisition value	30	23
Investments for the year	1	0
Sales and scrapping	– 1	– 1
Corporate sales	– 16	
Corporate acquisitions	115	9
Translation differences	4	– 1
Closing acquisition value	133	30
Opening depreciation	2	2
Depreciation for the year	1	0
Sales and scrapping	– 1	0
Corporate acquisitions	15	0
Translation differences	0	0
Closing depreciation	17	2
Opening write-ups	13	13
Corporate sales	– 5	0
Write-ups for the year	0	0
Closing accumulated write-ups	8	13
Closing planned residual value	124	41
Tax assessment of property in Sweden	93	168

10 Financial assets

	The Parent Company	
Shares in subsidiaries	2000	1999
Opening acquisition value	456	456
Acquisitions of subsidiaries	910	0
Reclassification	0	0
Closing accumulated acquisition value	1,366	456

11 Shares in subsidiaries

Nobia AB's shares and participations in Group companies	Company Reg. No.	Reg. office	Share of equity %	No. of shares/part.	Book value
Nobia Nordisk Bygginteriör AB	**556060-1006**	**Göteborg**	**100**	**100**	**456**
Lovene Dörr AB	556038-1724	Göteborg	100		
Svensk Dörrteknik AB	556088-0014	Göteborg	100		
Sigdal Kjøkken AS			100		
Star Byggprodukter AB	556000-8145	Göteborg	100		
Marbodal AB	556038-0072	Tidaholm	100		
-Marbodal Oy			100		
Nobia Interiör AB	556039-2440	Tidaholm	100		
HTH Køkkener A/S			100		
-HTH Kök Svenska AB	556187-3190	Helsingborg	100		
-Danica Køkkener A/S			100		
-HTH Kök A/S			100		
-HTH Kitchen Ltd			100		
Swedoor Bauelementevertrieb GmbH			100		
Star Möbelwerk GmbH			99.95		
-Star Trade Vertriebs GmbH			100		
-Star Interiors Ltd			100		
Novart Oy			100		
Swedoor Industriprodukter AB	556012-6392	Göteborg	100		
Nobia Köksinvest AB	556062-9502	Värnamo	100		
-KB Kvadraten	916836-4959	Värnamo	100		
Myresjökök AB	**556048-3256**	**Älmhult**	**100**	**30,000**	**79**
Poggenpohl Möbelwerke GmbH		**Herford**	**98.57**	**6**	**528**
Poggenpohl Group UK Ltd			100		
Poggenpohl France SARL			100		
Poggenpohl US Inc.			100		
-Poggenpohl US Holding Inc.			100		
-Poggenpohl Central Inc.			100		
-Poggenpohl Northeast Inc.			100		
-Poggenpohl Southeast Inc.			100		
-Poggenpohl West Inc.			100		
Poggenpohl GesmbH			100		
Poggenpohl Group Schweiz AG			100		
Poggenpohl AB	556323-2551	Stockholm	100		
Poggenpohl A/S			100		
Poggenpohl Nederland BV			100		
Poggenpohl Belgium NV			100		
Poggenpohl Service GmbH			100		
Rose Küche Beteiligungs GmbH			100		

note 11 cont.

Nobia AB's shares and participations in Group companies	Company Reg. No.	Reg. office	Share of equity %	No. of shares/part.	Book value
Möbelwerkstätten Josef Ritter GmbH			100		
Goldreif Möbelfabrik GmbH			100		
Pronorm Gieschwa Möbel GmbH			100		
Optifit Jaka-Möbel GmbH			100		
-Eurofit Vertriebs-GmbH			100		
-Marlin Bad-Möbel GmbH			100		
Norema AS		**Jevnaker**	**100**	**20,000**	**152**
Norema Försäljnings AB	**556236-4280**	**Stockholm**	**100**	**1,000**	**0**
Invita Køkkener A/S		**Bording**	**100**	**6,000,000**	**151**
Invita Detail & Projekt A/S					
Total					**1,366**

12 Prepaid expenses and accrued income

	The Group 2000	1999
Prepaid rent	6	6
Bonus from suppliers	25	9
Other costs/revenues	23	20
Total	54	35

13 Liquid funds

	The Group 2000	1999
Cash and bank balances	221	135

The Group's unused credit facilities, which are not included in liquid funds, totalled SEK 288 m (280 m) at the year end.

14 Change in shareholders' equity

The Group	Share capital	Restricted reserves	Non-restricted equity	Total
Opening balance, 1 Jan.	31	422	–102	351
Non-cash issue	15	870		885
Change in translation differences		22		22
Transfers between restricted and non-restricted equity		– 1	1	0
Profit for the year			105	105
Closing balance, 31 Dec.	46	1,313	4	1,363

Parent company	Share capital	Share premium reserve	Statutory reserve	Non-restricted equity	Total
Opening balance, 1 Jan.	31		281		312
Non-cash issue	15	870			885
Group contribution				13	13
Tax on Group contribution				– 4	– 4
Loss for the year				– 3	– 3
Closing balance, 31 Dec.	46	870	281	6	1,203

The share capital is made up of 4,427,404 class A shares, and 200,000 class B shares at a nominal SEK 10 each.

Option schemes

The company has issued a number of options to subscribe for a total of 162,623 of the company's A shares, at SEK 100 per share. If the options are exercised at their redemption price, it will mean a subscription for A shares totalling a maximum SEK 1,632,320. The holder of the options has the right to subscribe for shares until 30 September 2005.

In conjunction with the company's acquisition of Skanska's and Norema's kitchen businesses, the company issued two promissory notes, each with 430,293 detachable warrants giving the right to subscribe for shares in the company. Industri Kapital 1994 Limited subscribed for both promissory notes. In connection therewith, Industri Kapital 1994 Limited entered options agreements with Skanska and Norema meaning that each of the companies had warrants free of charge to acquire a maximum 430,293 warrants to subscribe for new shares, as a consequence of Industri Kapital 1994 Limited supplying information in respective options agreements regarding the conditions at Nobia to show they were incorrect and that the company would suffer damage as a result.

15 Other provisions

The provisions refer to the restructuring measures decided for the acquired businesses. Provisions have been made in connection with the acquisitions. Original provisions amount to SEK 300 million. A disintegration has been made during the year against costs for restructuring of the acquired companies of SEK 48 million, whereby provisions at the end of the year amounted to SEK 252 million.

16 Liabilities to credit institutions

Maturity SEK m	
Within 1 year	236
Between 1–5 years	267
Longer than 5 years	42
Total	545

The above statement excludes the subordinated loan explained in note 17. Bank overdraft facilities granted to the Group amount to SEK 377 million (416 m).

17 Subordinated loan

The loan is subordinated to other liabilities from a risk viewpoint, and falls due for payment in September 2005. The Intermediate Capital Group in London, which also holds the options, granted the loan. The shares of Nobia Nordisk Bygginteriör AB have been pledged as security for the loan.

18 Accrued expenses and deferred income

	The Group		The Parent Company	
	2000	1999	2000	1999
Bonus to customers	65	45	—	—
Accrued salaries	111	104	—	—
Accrued payroll overheads and pensions	20	36	—	—
Accrued interest	6	6	1	0
Other costs	138	92	—	—
Total	340	283	1	0

19 Pledged assets

	The Group		The Parent Company	
	2000	1999	2000	1999
Liabilities to credit institutions				
Chattel mortgages	475	479	—	—
Property mortgages	286	13	—	—
Shares in subsidiaries	723	413	456	456
Other current assets	19	—	—	—
Pension provisions				
Property mortgages	5	29	—	—
Total pledged assets	1,508	934	456	456

20 Contingent liabilities

	The Group		The Parent Company	
	2000	1999	2000	1999
Sureties	0	3	25	28
Guarantees	27	25	0	0
Total contingent liabilities	27	28	25	28

21 Deferred tax

The Group's deferred tax for the year of SEK –56 m (–44 m) is accounted for as a tax expense in the consolidated income statement. The deferred tax expense for the year relates to the non-utilized provision in Sweden and Germany.

The Group's deferred tax liability totals SEK 100 m (47 m) and consists of estimated tax on untaxed reserves and consolidated adjustments.

The Group's deferred tax recoverable totals SEK 73 m (95 m). Deferred tax is a net amount of the tax recoverable for the loss carried forward and the tax liability arising from the adjusted values of assets in the consolidated accounts.

22 Purchases and sales between subsidiaries and the parent company

Sale to or purchase from other associated companies have not occurred during the year.

23 Average number of employees

	2000		1999	
Subsidiaries	Number of employees	Of which male	Number of employees	Of which male
Sweden	998	800	1,289	1,055
Denmark	1,009	729	812	590
Norway	520	322	250	181
Finland	510	346	740	515
Germany	1,526	1,199	232	189
The UK	17	11	11	7
France	4	2	0	0
USA	47	22	0	0
Austria	2	1	0	0
Switzerland	22	10	0	0
The Netherlands	7	7	0	0
Belgium	1	1	0	0
Sub-total	4,663	3,450	3,334	2,537
Less companies acquired before acquisition date	– 1,660	– 1,208		
Group total	3,003	2,242	3,334	2,537

24 Provisions for pensions

	2000	1999
FPG/PRI-pensions	22	55
Other pensions	57	1
Total	79	56

25 Acquisitions of subsidiaries

The Poggenpohl Group and Norema Group were acquired with effect from October and November 2000 respectively.

The effect of these transactions on acquired assets and liabilities, the purchase sum and the effect on the consolidated liquid assets were as follows.

	2000
Goodwill	330
Intangible fixed assets	21
Tangible fixed assets	950
Deferred tax	73
Financial fixed assets	16
Stock	305
Other current assets	647
Provisions	– 309
Long-term liabilities	– 180
Current liabilities	– 502
Deferred tax liabilities	– 93
Total purchase price	1,258
Non-cash issue	– 885
Liquid funds in acquired company	– 92
Loans taken	– 75
Effect of consolidated liquid assets from acquisitions for the year	206
Payment of purchase price for previous years' acquisitions*	65
Total cash flow attributable to investments in the subsidiary	271

**) Refers to acquisition in December 1999 of Svenska Fönster.*

26 Sale of subsidiaries

During the year the door business and the Svenska Fönster Group were sold. The effect of this transaction on acquired assets and liabilities, purchase price and effect on the consolidated liquid funds was as follows:

	2000
Goodwill	23
Intangible fixed assets	0
Tangible fixed assets	360
Deferred income taxes recoverable	3
Financial fixed assets	6
Stock	184
Other current assets	187
Provisions	– 11
Long-term liabilities	– 66
Deferred tax liabilities	– 17
Current liabilities	– 340
Capital gain/loss	4
Total purchase price	333
Increase/Decrease in receivables from subsidiaries sold	75
Liquid funds in subsidiaries sold	– 16
Total cash flow attributable to sale of subsidiaries	392

27 Operational leasing contracts

The nominal value of future contracted leasing fees, concerning contracts where the remaining duration exceed one year are divided as follows:

	The Group		The Parent Company	
	2000	1999	2000	1999
Fall due for payment 2001	14	11	—	—
Fall due for payment 2002	11	10	—	—
Fall due for payment 2003	7	9	—	—
Fall due for payment 2004	5	5	—	—
Fall due for payment 2005	2	4	—	—

Göteborg, 2 April 2001

Jan Bengtsson

Karsten Bomann Jonsen

Fredrik Cappelen
Managing Director

Hans Larsson
Chairman

Wilhelm Laurén

Christian Lorenzen

Harald Mix

Thomas Nilsson

Flemming Østergaard

Our Audit Report was submitted on 5 April 2001
Öhrlings PricewaterhouseCoopers AB
Robert Barnden
Authorized public accountant

Audit Report

To the Annual General Meeting of Nobia AB, Company reg. no. 556528-2752

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Nobia AB for the year 2000. These accounts and the administration of the company are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit for the parent company be dealt with in accordance with the proposals in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Göteborg, 5 April 2001

Öhrlings PricewaterhouseCoopers AB

Robert Barnden

Authorized Public Accountant

Group Management

1 Henning Storm
2 Jorma Lehtovuori
3 Björn Arnestad
4 Lennart Rappe
5 Friedhelm Meyer
6 Peter Petersson
7 Fredrik Cappelen
8 Preben Bager

Ingemar Tärnskär
(not in picture)

Group Management from 2001

Fredrik Cappelen
Stockholm, born 1957. Managing Director and CEO. Employed since 1995.
Shareholding in Nobia AB: 33,620 shares

Lennart Rappe
Göteborg, Sweden, born 1944.
Executive Vice President, CFO.
Employed since 1999.
Shareholding in Nobia AB: 6,172 shares

Peter Petersson
Göteborg, Sweden, born 1951.
Vice President, Business Development/ Human Resources/Communications.
Employed since 1995.
Shareholding in Nobia AB: 13,440 shares

Henning Storm
Ølgod, Denmark, born 1955. Vice President, Corporate Marketing.
Employed at HTH since 1981.
Shareholding in Nobia AB: 3,840 shares

Preben Bager
Silkeborg, Denmark, born 1948.
Business Unit Manager HTH.
Employed at HTH since 1989.
Shareholding in Nobia AB: 20,000 shares

Jorma Lehtovuori
Lahti, Finland, born 1952.
Business Unit Manager Novart.
Employed at Novart since 1985.
Shareholding in Nobia AB: 1,000 shares

Friedhelm Meyer
Bad Salzuflen, Germany, born 1940.
Business Unit Manager Pronorm and acting Business Unit Manager Poggenpohl.
Employed at Pronorm since 1991.
Shareholding in Nobia AB: 0 shares

Björn Arnestad
Stabekk, Norway, born 1946.
Business Unit Manager Norema.
Employed at Norema since 2000.
Shareholding in Nobia AB: 0 shares

Ingemar Tärnskär
Kullavik, Sweden, born 1961. Vice President, Production/Purchase/Logistics.
Employed since 1 March 2001.
Shareholding in Nobia AB: 6,172 shares

Business Unit Managers

Ulrich Galla, Goldreif and Star Beka
Preben Bager, HTH
Leif Nygård, Invita
Anders Reuthammar, Marbodal
Per Andersson, Myresjökök
Björn Arnestad, Norema
Jorma Lehtovuori, Novart
Elmar Duffner, Optifit
Friedhelm Meyer, Pronorm and acting business unit manager Poggenpohl
Egil Wold, Sigdal

The Board

Hans Larsson
Stockholm, born 1942, Chairman, Board Member since 1996. Chairman of NCC AB and Biolight International AB. Board Member of, amongst others, Bilia AB, Handelsbanken, Holmen AB and Nordstjernan AB.
Shareholding in Nobia AB: 13,000 shares

Wilhelm Laurén
Stockholm, born 1943, Board Member since 1996. Chairman of Elektrokoppar Holding AB and Enermet Group.
Board Member of, amongst others, Martinssongruppen and Drott AB.
Shareholding in Nobia AB: 3,000 shares

Harald Mix
Stockholm, born 1960, Vice Chairman, Board Member since 1996, Deputy MD of Industri Kapital AB. Vice Chairman of Elektrokoppar Holding AB. Board Member of Intrum Justitia Holding NV, Mac Gregor International AB, Nordkemi Oy (Neste Chemicals), Oriflame International SA.
Shareholding in Nobia AB: 0

Thomas Nilsson
London, born 1948, Board Member since 1998, MD of Firesteed Limited. Board Member of WM-data AB, Nilörngruppen AB and Fulcrum Invest Equity N.V.
Shareholding in Nobia AB: 3,000

Christian Lorenzen
Hamburg, born 1962, Board Member since 1999. Director of Industri Kapital GmbH and Industri Kapital Ltd, London. Board Member of FONA Holding A/S. Vice Chairman of Tholstrup Cheese Holding A/S.
Shareholding in Nobia AB: 0

Jan Bengtsson
Eslöv, Sweden, born 1958, Board Member since 2000. CFO Skanska Telecom Networks.
Shareholding in Nobia AB: 0

Karsten Bomann Jonsen
Bekkestua, Norway, born 1950, Board Member since 2000. President of Selvaag Gruppen A/S. Chairman of the Board of Selvaag Eiendomsförvaltning, Isolitt and Selvaag SpinOff. Member of the Board of Selvaagbygg and Selvaag Omsorg.
Shareholding in Nobia AB: 0

Flemming Østergaard
Skodsborg, Denmark, born 1943, Board Member since 1997. MD Parken Sport & Entertainment A/S. Chairman of Promovator A/S, Skodsborg Fysioterapi ApS, Driftsselskabet Parken A/S and York & Duck Holding ApS. Board Member of, amongst others Albatros Travel A/S, JLG Entreprise A/S.
Shareholding in Nobia AB: 3,000 shares

Fredrik Cappelen
Stockholm, born 1957, Board Member since 1996. Employed as MD of Stora Byggprodukter AB in 1995. MD and CEO of Nobia AB since 1996.
Shareholding in Nobia AB: 33,620 shares

Deputy

Erik Larsson
Stockholm, born 1971, Board Member since 2000. Associate Director of Industri Kapital AB.
Shareholding in Nobia AB: 0

Employee representatives on Nobia Nordisk Bygginteriör's Board

Inga Andersen
Ølgod, Denmark, born 1951, employee representative since 2000. Employed at HTH Køkkener A/S, Ølgod since 1973.
Shareholding in Nobia AB: 0

Kjell-Ole Marken
Eggedal, Norway, born 1967, employee representative since 2000. Employed at Sigdal A/S, Nedre Eggedal since 1986.
Shareholding in Nobia AB: 0

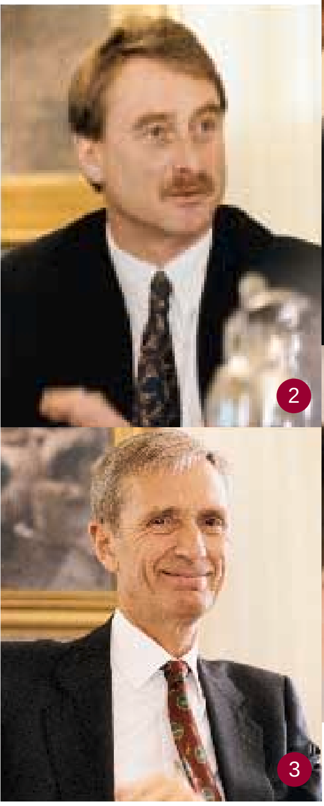
Hans Dahlén
Tidaholm, Sweden, born 1959, employee representative since 1999. Employed at Marbodal, Tidaholm.
Shareholding in Nobia AB: 0

Olle Harrius
Tidaholm, Sweden, born 1949, employee representative since 1998. Employed at Marbodal, Tidaholm since 1971.
Shareholding in Nobia AB: 0

Auditors

Robert Barnden
Huddinge, born 1946. Authorized public accountant
Öhrlings PricewaterhouseCoopers

Claes Thimfors
Göteborg, born 1956. Authorized public accountant (deputy)
Öhrlings PricewaterhouseCoopers





Jan Bengtsson 1
Karsten Bomann Jonsen 2
Hans Larsson 3
Willhelm Laurén 4
Kjell-Ole Marken 5
Inga Andersen 6
Thomas Nilsson 7

8 Erik Larsson
9 Harald Mix
10 Flemming Østergaard
11 Christian Lorenzen
12 Fredrik Cappelen
13 Olle Harrius
Hans Dahlén (not in picture)

Five-year summary

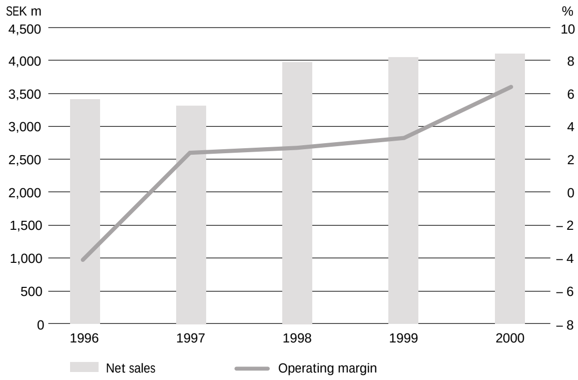
SEK m	2000	1999	1998	1997	1996
Income statement					
Net sales	4,102	4,049	3,977	3,316	3,412
Change in per cent	1	2	20	– 3	—
Gross profit	1,325	1,176	1,082	873	—
Operating profit/loss	261	132	110	79	– 139
Financial income	9	3	3	3	7
Financial expenses	– 50	– 51	– 59	– 45	– 35
Profit/loss after financial items	**220**	**84**	**54**	**37**	**– 167**
Tax	– 115	– 83	– 33	– 34	33
Net profit for the year	**105**	**1**	**21**	**3**	**5**
Balance sheet					
Fixed assets	1,975	1,000	1,052	910	1,062
Stock	614	447	385	371	380
Receivables	835	608	498	395	450
Liquid funds	221	135	160	157	153
Total assets	**3,645**	**2,190**	**2,095**	**1,833**	**2,045**
Shareholders' equity	1,363	351	375	324	309
Minority	5	—	—	—	—
Non-interest bearing provisions	378	89	83	123	268
Interest bearing provisions	79	56	25	13	47
Non-interest bearing liabilities	1,025	905	798	699	842
Interest bearing liabilities	795	789	814	674	579
Total shareholders' equity and liabilities	**3,645**	**2,190**	**2,095**	**1,833**	**2,045**
Net debt [1]	601	710	680	530	473
Capital employed [2]	2,242	1,131	1,214	1,011	935
Key figures					
Operating margin, % [3]	6.4	3.3	2.7	2.4	– 4.1
Profit/loss after financial items as a percentage of net sales	5.4	2.1	1.3	1.1	– 4.9
Turnover rate of capital employed, times [4]	1.8	3.6	3.3	3.4	1.7
Return on capital employed, % [5]	22.2	11.2	10.2	8.4	– 14.1
Return on equity, % [6]	17.2	0	6.0	0.9	1.6
Interest cover ratio, times [7]	4.4	2.6	1.9	1.8	– 3.8
Net debt/equity	0.4	2.0	1.8	1.6	1.5
Equity/assets ratio, % [8]	37.4	16.0	17.9	17.7	15,1
Cash flow before investments	156	126	127	– 121	—
Investments	87	74	87	101	98
Personnel					
Average number of employees	3,003	3,334	3,529	3,092	3,605
Net sales per employee SEK 000	1,366	1,214	1,140	1,079	951
Salaries and other remuneration	787	825	825	718	804

Nobia 1996–2000

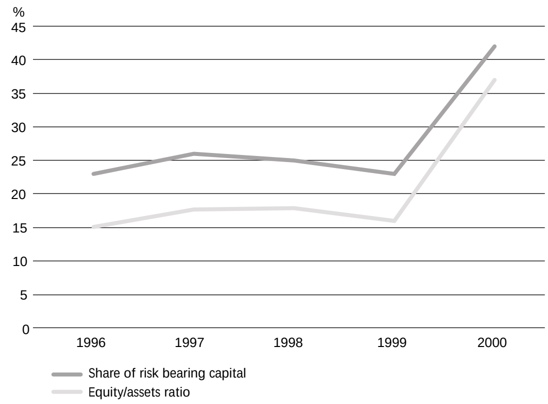
Nobia was formed in 1996 by IndustriKapital, in connection with the acquisition of the STORA Group's business area Stora Byggprodukter.

Activities at the time were generating a loss. By concentrating business on the home market in the Nordic region and introducing cost cutting/efficiency programmes, it was possible to create profitability in the business. The diagrams below show the development in financial terms.

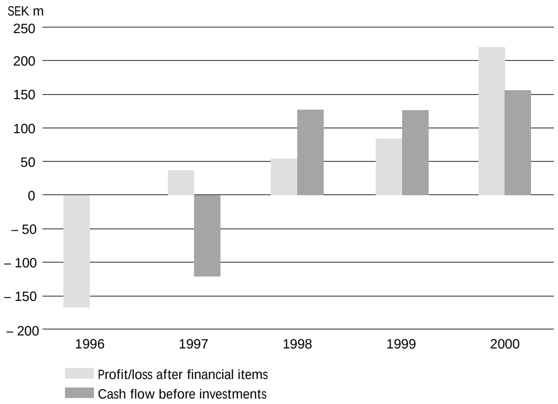
Net sales and operating margin 1996–2000



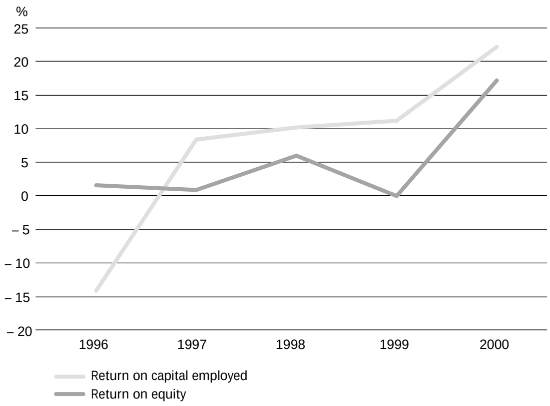
Risk bearing capital – equity/assets ratio 1996–2000



Profit/loss – cash flow 1996–2000



Return on capital employed 1996–2000



Definitions

1 Net debt
The sum of interest bearing liabilities and provisions less interest bearing assets.

2 Capital employed
Balance sheet total less non-interest bearing provisions and liabilities.

3 Operating margin
Operating profit/loss as a percentage of net sales.

4 Turnover rate of capital employed
Net sales divided by average capital employed.

5 Return on capital employed
Profit/loss after financial income as a percentage of average capital employed. Capital employed has been adjusted for sales and acquisitions.

6 Return on equity
Net profit for the year as a percentage average shareholders' equity. Shareholders' equity has been adjusted for sales and acquisitions.

7 Interest cover ratio
Profit/loss after financial income divided by financial expenses.

8 Equity/assets ratio
Shareholders' equity as a percentage of the balance sheet total.

9 Earnings per share
Net profit for the year divided by a balanced average number of shares during the year.

10 Risk bearing capital
Shareholders' equity and subordinated loan as a percentage of the balance sheet total.

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