Interim Report
January - March 2002

26 April 2002

Key figures	January - March 2002	2001	Jan-Dec 2001	Apr-March 2001/02*
Net sales, SEK m	2 404	1 443	8 283	9 244
Operating profit before depreciation and amortisation of goodwill, SEK m (EBITDA)	238	126	821	933
Operating profit before amortisation of goodwill, SEK m (EBITA)	173	85	588	676
Operating profit, SEK m (EBIT)	157	79	537	615
Operating margin, %	6,5	5,5	6,5	6,7
Profit after financial items, SEK m	121	72	414	463
Earnings per share after full dilution, SEK	15.34	10.23	51.10	56.11
Return on capital employed, %			15.5	15.8
Return on shareholders' equity, %			16.2	17.7

* Magnet included as of May 2001

- Net sales increased by 67 per cent to SEK 2,404 million (1,443).
- Operating margin excluding items affecting comparability increased from 4.0 per cent to 6.5 per cent.
- Profit after financial items increased by 68 per cent to SEK 121 million (72).
- Earnings per share after full dilution increased by 50 per cent to SEK 15.34 (10.23)
- Earnings per share after full dilution last twelve months amounted to SEK 56.11.
- Continued improvement in profit in Nordic and UK operation.
- Operating profit maintained at the same level as previous year in the Continental European operation despite significantly weakened demand.
- Operating margin improved mainly as a result of increased average order values, reduction of purchasing costs and increased productivity.

If you have any questions about this report, please contact:
Fredrik Cappelen, President and CEO, Lennart Rappe, Executive Vice President and CFO,
Katarina Sivander, Communications Manager, tel. +46 8 440 16 00
Financial information is also available on Nobia's website: www.nobia.se

The Nobia Group January – March 2002

THE GROUP

Nobia's focus on profitable sales channels, profitable products, efficient production and component supply is the main explanation of the margin improvement in the first quarter. Profits for the Nordic and UK operations have increased further, with a significant increase in the operating margin in the UK. The greatest impact of the internal rationalisation measures has been felt in the Continental European operation, where operating profit remains on the same level as the same period previous year, despite a significantly weakened market.

The enhanced work on the Group purchasing strategy has resulted in reduced purchasing costs, which helped to improve the Group's operating margin. The greatest cost reductions in percentage terms were achieved in the most recently acquired business units.

Net sales and profit

Net sales for the period January-March increased by 67 per cent to SEK 2,404 million (1,443). Magnet, which was acquired in 2001 and which is reported in the accounts from May 2001, contributed SEK 1,065 million. Sales for comparable units amounted to SEK 1,339 million (1,443). Sales during this period were negatively affected by lower sales on the Continental European market, primarily in Germany, and the fact that there were approximately 4 per cent fewer delivery days than in the corresponding period the previous year.

Operating profit increased by 99 per cent to SEK 157 million (79). The operating margin amounted to 6.5 per cent (5.5). The preceding year's operating profit included items affecting comparability to the value of SEK 22 million. Excluding items affecting comparability the operating margin increased from 4.0 per cent to 6.5 per cent. Excluding goodwill amortisation, the operating margin amounted to 7.2 per cent (5.9).

The tax authorities have imposed a tax surcharge of SEK 4 million in respect of the 1997 fiscal year. The Fiscal Court of Appeal found against Nobia. Nobia does not intend to appeal the ruling. The cost is accounted for in the period's operating profit.

The effect of increased goodwill amortisation was SEK -10 million.

Financial items amounted to SEK -36 million (-7). The higher level of debt in conjunction with the acquisition of Magnet meant higher interest expenditure compared to the same period last year.

Profit after financial items increased by 68 per cent to SEK 121 million (72).

The tax cost for the period was SEK -42 million (-23), which corresponds to a tax rate of 34.7 per cent. Excluding non-deductible amortisation on Group goodwill, the rate of tax was 30.7 per cent.

Profit after tax amounted to SEK 79 million (49), making the earnings per share SEK 15.34 (10.23) after full dilution.

Investments and cash flow

Cash flow from current activities before investments amounted to SEK -57 million (-59). The Group has a seasonally negative cash flow during the first quarter of the year as a result of the fact that the demand for working capital increases at that time. The increase in working capital amounted to SEK 228 million (130), and was mainly due to a build-up of accounts receivable and payments of bonuses to customers in connection with full-year sales achieved in the previous year.

Investments in fixed assets amounted to SEK 64 million (18). These were primarily investments in retail outlets and replacement investments in production equipment.

Financial situation

The Group's capital employed amounted to SEK 4,171 million compared to SEK 4,237 million at the end of last year. Exchange rate effects on working capital, resulting from the strengthening of the Swedish krona during the period, led to a reduction of SEK 154 million.

Net debt was SEK 2,127 million compared to 2,078 at the start of the year. The change was primarily due to the net of cash flow from operations, which amounted to SEK -108 million and a SEK 61 million reduction as a result of the strengthening of the Swedish krona.

The effect of exchange rate differences on the shareholders' equity was SEK -94 million as a result of the strengthening of the Swedish krona. Shareholders' equity amounted to SEK 1,760 million, compared to SEK 1,776 million at the start of the year.

At the end of the period *equity/assets ratio* was 28.1 per cent, compared to 27.8 at the start of the year. The net debt/equity ratio was 1.21 compared with 1.17 at the start of the year.

At the end of the period the Group had available credit in the amount of SEK 545 million, excluding liquid funds, of which approved but non-utilised overdraft facilities accounted for SEK 221 million.

BUSINESS REGIONS

The Nordic operation

Demand in the Nordic market is estimated to be unchanged from the same period the previous year.

Net sales amounted to SEK 834 million (815), corresponding to an increase of 2 per cent. Excluding currency effects, sales were largely unchanged, with an increase in Sweden and Denmark and a reduction in Norway and Finland. Nobia's sales benefited from increased new construction activity in Sweden and Norway.
In Denmark, HTH's expansion of the HTH Gør Det Selv (DIY) stores resulted in increased sales of flat-pack kitchens. In Sweden too, sales of flat-pack kitchens increased and new sales outlets were established through major DIY chains.

Operating profit rose by 22 per cent to SEK 82 million (67). The operating margin in the Nordic operation amounted to 9.8 per cent (8.2). The improvement in the margin was, among other things, due to lower purchasing costs, a greater focus on product and customer segments with higher average order values and increased productivity.

During the first quarter, Marbodal introduced an extended service concept at selected retailers to further increase the customer focus. In February, HTH opened a new store in Stockholm, which is now the largest kitchen interiors store in Sweden.

The switch in production at Norema, including both the move from production to assembly and the introduction of the K-20 standardised carcass platform, is progressing according to plan, Marbodal is expected to begin the production of cabinet components for Norema during the third quarter.

The Continental European operation

Demand in the German kitchen interiors market is estimated to have weakened approximately 15 per cent compared to the same period last year. The furniture retail sector in Germany was also in deep recession during the first quarter of 2002. Demand in the Netherlands has also declined.

Net sales amounted to SEK 512 million (632), which equates to a decrease of 19 per cent. Currency effects accounted for 2 per cent of the decrease. Excluding the closure of Star Beka and the effects of currency differences, the fall was around SEK 100 million or 16 per cent, which is roughly equal to the contraction of the market.

In 2001, Nobia implemented a number of measures to create the conditions for long-term profitability, but which in the short term led to a decrease in turnover. The biggest impact was caused by the closure of Star Beka which entailed a consolidation of production and, at the same time, a reduction in the number of customers based on profitability, and Poggenpohl's decision to cut the number of sales outlets in Germany by two thirds, based on profitability and brand positioning.

Poggenpohl's exports outside Continental Europe were lower compared to the same period last year. This was primarily due to lower sales to the new construction market in the USA, which was weak at the beginning of the year.

The operating result amounted to SEK 2 million (6). The operating margin was 0.4 per cent (0.9). The effect of lower sales was mainly countered by lower purchase costs and the focus on more profitable product and customer segments. Fixed costs were further reduced during the period. Opportunities for new cost savings have been identified and a rationalisation programme will be introduced.

Poggenpohl continued with the introduction of its new uniform store concept to its retailers. Pronorm presented a new range in February, which is marketed under the private label Designo by Germany's biggest purchasing organisation, MHK. The kitchens will be sold in specialist kitchen studios in Germany and in a number of neighbouring countries. The programme has met with a great deal of interest and the first deliveries are expected to be made during the second quarter this year. The transfer of the customer base from the closed down Star Beka to Pronorm has been carried out according to plan.

The UK operation

Demand in the UK is estimated to be unchanged compared to the same period last year.

Net sales during the period amounted to SEK 1,065 million. Excluding currency effects, this was the same as the corresponding period last year. Magnet was acquired with effect from May 2001, and consequently no comparative figures for the first quarter 2001 are included in the Group accounts.

Sales of kitchen and bathroom interiors remained unchanged while the average order value rose. The range of goods and services provided has been extended, primarily through greater penetration of installation services. Supplies of flat-pack kitchens were introduced under a new agreement with the DIY chain Homebase. So far, these kitchens are sold in 28 outlets and the aim is for 150 outlets during this year. Cabinet components are produced by the sister company Optifit, and Marbodal supplies painted fronts. Sales of joinery products increased slightly during the period.

The operating profit was SEK 110 million. The operating margin was 10.3 per cent, which represents a significant increase on the figure for last year. The rationalisation programme introduced during the previous year brought about a further reduction of the cost level during the period. Operating profit was boosted by lower purchasing costs, as well as a profit from the sale of a lease, following Magnet's store relocation programme.

Parent company

The parent company is involved with group-wide activities and owns the subsidiaries. The parent company had a profit after financial items of SEK 6 million (-4).

Employees

At the end of the period, the Group employed 6,138 staff (4,250). The increase is largely explained by the acquisition of Magnet. For comparable units, this corresponds to a reduction of around 280 employees, of which approximately 220 in the Continental European operation.

Accounting principles

Nobia complies with the recommendations of the Swedish Financial Accounting Standards Council.

For definitions of key figures and ratios, please see Nobia's 2000 annual report.

Stockholm, 26 April 2002

Fredrik Cappelen
President and CEO

Nobia AB corporate registration no. 556528-2752

Audit report for Nobia AB in respect of the interim report for 1 January – 31 March 2002

We have reviewed this interim report in accordance with the recommendations of the Swedish Institute for Authorised Public Accountants.

A review is far more limited than an audit. The review did not reveal any circumstances that would suggest that the interim report does not satisfy the requirements of the law governing annual reports.

Stockholm, 26 April 2002

Öhrlings PricewaterhouseCoopers AB
Robert Barnden
Authorised Public Accountant

Interim report for the period January-June will be published 26 August 2002.

Nobia is Europe's leading kitchen interiors company with pro forma sales of approximately SEK 10 billion and some 6 000 employees. Nobia sells its strong brands mainly through its specialist kitchen studios. The units in the UK account for 42 per cent of the Group's pro forma sales, those in the Nordic countries 32 per cent and in Continental Europe 26 per cent. Nobia is driving forward the modernisation of the kitchens sector with an industrial approach that encompasses the co-ordination of production and purchasing and the internal pooling of expertise. The Group is owned by Industri Kapital, Skanska, Norsk Kjøkken Invest and the company's management team.

Nobia AB, Box 70376, 107 24 Stockholm, tel: +46 (0)8-440 16 00, fax: +46 (0)8-440 16 20

Income statement

SEK m	January - March 2002	2001	Jan - Dec 2001	April-March 2001/02*
Net sales	2 404	1 443	8 283	9 244
Cost of goods sold	-1 467	-932	-5 126	-5 661
Gross profit	937	511	3 157	3 583
Selling expenses	-664	-365	-2 139	-2 438
Administrative expenses	-120	-94	-446	-472
Other operating income/expenses	20	11	-6	3
Items affecting comparability	0	22	22	0
Operating profit before amortisation of goodwill	173	85	588	676
Amortisation of goodwill	-16	-6	-51	-61
Operating profit	157	79	537	615
Net financial items	-36	-7	-123	-152
Profit after financial items	121	72	414	463
Taxes	-42	-23	-160	-179
Minority shares in profit/loss for the period	0	0	0	0
Net profit for the year	79	49	254	284
Operating margin excl. amortisation of goodwill, %	7.2	5.9	7.1	7.3
Operating margin, %	6.5	5.5	6.5	6.7
Return on capital employed, %			15.5	15.8
Return on shareholders' equity, %			16.2	17.7
Share data				
EPS before dilution, SEK	16.97	10.59	54.72	61.10
EPS after dilution, SEK	15.34	10.23	51.10	56.11
EPS excl. goodwill, before dilution	20.41	11.88	65.71	74.22
EPS excl. goodwill, after dilution	18.44	11.48	61.35	68.17
No. of shares before dilution	4 655 077	4 628 393	4 655 077	4 655 077
Average no. of shares before dilution	4 655 077	4 627 899	4 641 735	4 648 406
No. of shares after dilution	5 151 209	4 791 025	5 151 209	5 151 209
Average no. of shares after dilution	5 151 209	4 790 531	4 971 117	5 061 163

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* Magnet included as of May 2001

Balance sheet

SEK m	31 Mar 2002	31 Mar 2001	31 Dec 2001
Assets			
Fixed assets			
Goodwill	1 152	430	1 215
Other intangible fixed assets	47	31	41
Tangible fixed assets	2 180	1 345	2 284
Deferred tax	120	74	135
Other financial fixed assets	38	42	44
Total fixed assets	**3 537**	**1 922**	**3 719**
Current assets			
Stock	1 173	540	1 178
Accounts receivable, trade	1 056	777	977
Other receivables	253	92	182
Cash and bank balances	264	181	362
Total current assets	**2 746**	**1 589**	**2 699**
Total assets	**6 283**	**3 511**	**6 418**
Shareholders' equity and liabilities			
Shareholders' equity	1 760	1 447	1 776
Minority interests	6	5	6
Provision for pensions, interest-bearing	72	72	74
Provision for taxes	113	80	126
Other provisions	302	263	341
Total provisions	**487**	**414**	**541**
Long-term liabilities, interest-bearing	**2 312**	**488**	**2 335**
Current liabilities, interest-bearing	21	204	46
Current liabilities, non-interest-bearing	1 697	952	1 714
Current liabilities	**1 718**	**1 156**	**1 760**
Total shareholders' equity and liabilities	**6 283**	**3 511**	**6 418**

Change in the Group's shareholders' equity

	31 Mar 2002	31 Mar 2001	31 Dec 2001
Opening shareholders' equity, January 1	1 776	1 363	1 363
Change in translation differences	-94	35	148
Profit for the year	79	49	254
New share issue			11
Other changes	0	0	0
Closing shareholders' equity	1 760	1 447	1 776

Balance sheet-related key figures

	31 Mar 2002	31 Mar 2001	31 Dec 2001
Equity/assets ratio, %	28.1	41.4	27.8
Net debt, closing balance*)	2 127	568	2 078
Capital employed, closing balance	4 171	2 217	4 237

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*) The net debt was reduced by a receivable in the form of pension funds from Alecta.

Cash flow statement

SEK m	January – March 2002	2001	Jan - Dec 2001
Current activities			
Operating profit	157	79	537
Depreciation	81	47	284
Adjustment for items not included in cash flow	-25	-33	-214
Interest, dividends and tax	-41	-22	-193
Changes in working capital	-228	-130	137
Cash flow from current activities	**-57**	**-59**	**551**
Investment activities			
Investments in fixed assets	-64	-18	-226
Sale of subsidiary		144	144
Acquisition of subsidiary	-1	-2	-1 561
Other items included in investment activities	14	13	16
Cash flow from investment activities	**-51**	**137**	**-1 627**
Financing activities			
Loans raised	25	-	2 073
New issue of shares	-	-	11
Amortisation of liabilities	-4	-127	-885
Cash flow from financing activities	**21**	**-127**	**1 199**
Cash flow for the year excl. exchange rate differences in liquid funds	**-88**	**-49**	**123**

Net sales, operating profit and operating margin by region

	Net sales			**Operating profit**			**Operating margin**		
	Jan-Mar		**Jan-Dec**	**Jan-Mar**		**Jan-Dec**	**Jan-Mar**		**Jan-Dec**
SEK m	2002	2001	2001	2002	2001	2001	2002	2001	2001
Nordic operation	834	815	3 311	82	67	355	9.8%	8.2%	10.7%
Continental European operation	512	632	2 459	2	6	70	0.4%	0.9%	2.8%
UK business operation	1 065		2 527	110		219	10.3%		8.7%
Items affecting comparability					22	22			
Amortisation of goodwill				-16	-6	-51			
Consolidated adjustment and other	-7	-4	-14	-21	-10	-78			
Total	2 404	1 443	8 283	157	79	537	6.5%	5.5%	6.5%

Net sales and profit per region
Quarterly figures

	2002	2001			
SEK m	I	IV	III	II	I
Net sales					
Nordic operation	834	889	730	877	815
Continental European operation	512	600	591	636	632
UK operation	1 065	957	983	587	
Consolidated adjustments and other	-7	-3	-3	-4	-4
Total	**2 404**	**2 443**	**2 301**	**2 096**	**1 443**
Operating profit					
Nordic operation	82	100	82	106	67
Continental European operation	2	16	16	32	6
UK operation	110	87	92	40	
Items affecting comparability					22
Amortisation of goodwill	-16	-16	-16	-13	-6
Consolidated adjustments and other	-21	-33	-13	-22	-10
Total	**157**	**154**	**161**	**143**	**79**
Operating margin, %					
Nordic operation	9.8	11,3	11.2	12.1	8.2
Continental European operation	0.4	2.7	2.7	5.0	0.9
UK operation	10.3	9.1	9.4	6.8	
Total	**6.5**	**6.3**	**7.0**	**6.8**	**5.5**