Interim report [1)]
January – March 2005

27 April 2005

Key figures	Jan.-Mar. 2005	Jan.-Mar. 2004	Jan.-Dec. 2004	Apr.-Mar. 2004/05
Net sales, SEK m	2,854	2,813	11,337	11,378
Operating profit before depreciation, SEK m (EBITDA)	268	281	1,212	1,199
Operating profit, SEK m (EBIT)	193	212	930	911
Operating margin, %	6.8	7.5	8.2	8.0
Profit after financial items, SEK m	173	188	840	825
Profit after tax, SEK m	125	134	592	583
Earnings per share, after dilution, SEK	2.15	2.32	10.23	10.07
Return on capital employed, %			23.1	21.6
Return on equity, %			25.7	23.5

First quarter 2005 compared to first quarter 2004

- Net sales rose to SEK 2,854 million (2,813)
- Continued strong growth in the Nordic region and falling sales in the UK
- Sales adjusted for exchange rate effects and comparable units fell by 1 per cent
- The operating profit (EBIT) fell to SEK 193 million (212)
- The operating margin was 6.8 per cent (7.5)
- The profit after financial items fell to SEK 173 million (188)
- The profit after tax was SEK 125 million (134)
- Earnings per share after dilution fell by 7 per cent to SEK 2.15 (2.32)
- Integration of EWE-FM is proceeding according to plan
- Further cost-cutting actions are being implemented in the UK business

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Financial information is also available on Nobia's website: www.nobia.se

[1)] The values for 2004 have been recalculated due to the transition to IFRS accounting and amended classification of pensions. The balance between the current and previous accounting principles are available in supplement 1 of this report.

Nobia Group January – March 2005

Continued strong growth in the Nordic region and falling sales in the UK

Sales rose by 1 per cent to SEK 2,854 million (2,813). Adjusted for currency effects and comparable units, sales fell by 1 per cent. The decline in organic growth can be explained by falling demand in the UK and by factors such as fewer delivery days, stock reductions in distribution channels and measures for smoothing the pace of production in the UK unit, Magnet. Sales in the UK business fell by 9 per cent excluding currency effects. Demand in the Nordic business continued to be strong and organic growth was 10 per cent. Sales in the Continental European business for comparable units and adjusted for currency effects fell by 1 per cent. This was mainly due to falling demand and sales in the Netherlands.

The Group's operating profit for the period fell by 9 per cent to SEK 193 million (212) and the operating margin was reduced to 6.8 per cent (7.5). Earnings per share after dilution fell by 7 per cent to SEK 2.15 (2.32). The fall in profit is mainly due to lower sales volumes in the UK business. Magnet, the UK business unit, is implementing further actions to cut costs and streamline the organisation. Costs for the additional actions are estimated to be SEK 30 million and will have a negative impact on the operating profit during Q2. Savings as a result of the programme are estimated to be around SEK 30 million over the year and estimated to have an effect from June.

Integration of the latest acquisition, the Austrian kitchen manufacturer EWE-FM, is proceeding according to plan. Sales of kitchens in Austria are seasonal. In line with this, EWE-FM did not contribute to the operating profit in Q1.

Market developments in first quarter 2005 compared to first quarter 2004
Demand in the UK is estimated to have fallen by 3-4 per cent, mainly as a result of less activity in the housing market. Demand on the Nordic market is estimated to have increased by around 6 per cent in total. Demand on Nobia's main markets in Continental Europe (Germany, the Netherlands and Austria) is estimated to have fallen by around 3 per cent.

Net sales and results

Net sales rose by 1 per cent to SEK 2,854 million (2,813). The acquisition of EWE-FM contributed SEK 121 million. Adjusted for currency effects and for comparable units, sales fell by 1 per cent [2)].

The operating profit fell to SEK 193 million (212) mainly as a result of the lower sales volumes in the UK business. The Nordic business increased its operating profit as a result of higher volumes and improved cost efficiency. The businesses in the UK and Continental Europe reported lower operating profit mainly as a result of lower sales. EWE-FM did not contribute to the operating profit in Q1.

Financial items amounted to SEK -20 million (-24). The improvement in financial items is mainly due to lower net debt compared to the same period last year.
The profit after financial items fell by 8 per cent to SEK 173 million (188).

The tax cost for the period was SEK -48 million (-54), which represents a tax rate of 27.7 per cent (28.7).

[2)] Excluding EWE-FM that was acquired effective from 1 January 2005, the German business unit Goldreif that was closed down in 2004, and excluding three Poggenpohl studios acquired in 2004.

The profit after tax was SEK 125 million (134), which represents earnings per share after dilution of SEK 2.15 (2.32).

Cash flow and investments

Cash flow after investments but before corporate acqusitions amounted to SEK -40 million (-13). The deterioration in cash flow is a result of lower operating profit, higher tax payments and increased investments. This has partly been counteracted by a lower build-up of working capital due to seasonal variations, compared to the same period last year.

Investments in fixed assets amounted to SEK 82 million (60), mainly attributable to continued capacity enhancing investments in the Danish business unit HTH and continued store investments in the British business unit Magnet.

Financial position

The Group's capital employed rose to SEK 4,571 million compared to SEK 4,391 million at year-end. This has occurred after taking account of the reclassification of pension liabilities, which cut the amount of capital employed, and the introduction of International Financial Reporting Standards (IFRS), which increased capital employed. Currency effects have boosted capital employed by SEK 116 million.

Net debt rose at the period's end and was SEK 1,602 million compared to SEK 1,195 million at year-end 2004. The change in net debt consists of an increase as a result of the acquisition of EWE-FM of SEK 317 million and currency effects of SEK 54 million. The negative net cash flow from current activities of SEK 36 has also added to greater net debt.

Provisions for pensions, which are part of deductible items in capital employed, amounted to SEK 892 million at the end of the period, compared to SEK 850 million at year-end 2004. The change is mainly attributable to the acquisition of EWE-FM.

The translation effect on equity amounted to SEK 60 million. Equity at the end of the period was SEK 2,741 million, compared to SEK 2,557 million at year-end 2004 after taking the introduction of IFRS into account.

The equity/assets ratio at the end of the period was 35.4 per cent, unchanged from opening balance 2005. The debt/equity ratio was 58 per cent compared to 47 per cent at the beginning of 2005 after taking the transition to IFRS into account. The changes are mainly a result of the acquisition of EWE-FM.

BUSINESS REGIONS

The UK business

Net sales fell by 12 per cent to SEK 1,207 million (1,368). Excluding currency effects, sales fell by 9 per cent. Demand on the UK market is estimated to have fallen during the same period by around 3-4 per cent.

Sales of kitchen, wardrobe and bedroom interiors and joinery fell by a total of 8 per cent compared to first quarter previous year and adjusted for currency effects.

The reported drop in sales is attributable to fewer delivery days compared to the same period last year, stock reductions by customers holding stock and the closure of five loss-making stores. To prepare for order-based production at the Magnet business unit, measures have been taken to smooth the pace of production and increase delivery quality. This has meant fewer deliveries of consumer kitchens in the quarter. The order book for consumer kitchens at the end of the period was higher than at the same time last year. Within the framework of the ongoing store investment programme at Magnet, six refurbished stores were re-opened for the January Sales.

The operating profit was negatively affected by lower sales volumes and fell to SEK 80 million (122). The gross margins for both rigid and flat-pack kitchen interiors improved. Store overheads have increased as a result of improved service and staffing in the stores. The losses at the C.P. Hart bathroom business continued during the period.

The operating margin was 6.6 per cent (8.9).

Measures already being implemented to improve profitability in the UK business are proceeding according to plan. The upgrading of the store network is continuing with refurbishment of existing stores, relocation and closure of loss-making stores. During the first quarter manufacturing doors at Keighley was closed down. Magnet's factory in Darlington is continuing work to reorganise the factory for order-based production. In addition, Magnet initiated additional actions in the second quarter to cut costs and streamline the organisation. Organisational changes are being made at Magnet's kitchen and joinery business to get a sharper focus on professional customers and reduce costs. The bathroom business at C.P. Hart will be streamlined with the kitchen business being transferred to Poggenpohl. Savings will be made in connection with this move. Costs for the new actions are estimated at SEK 30 million and will negatively impact profits in the second quarter. Savings are estimated to be around SEK 30 million on an annual basis and be effectual from June 2005.

The Nordic business

Net sales rose 11 per cent to SEK 1,062 million (961). Excluding currency effects the rise was 10 per cent. Demand from both the renovation and new construction sector was strong during the period throughout the Nordic region and sales increased in all Nordic countries except Finland. The highest rate of increase was reported in Sweden. Fewer delivery days than in previous year did however limit the sales increase to a certain extent. Demand in the Nordic countries is estimated to have increased by around 6 per cent during the period. Four new stores opened during the period.

Demand from the new construction sector strengthened in Q1. Sales of flat-packed products continued to grow, though at a slower rate than before, and made up around 5 per cent of sales in the Nordic business.

The operating profit increased by 29 per cent to SEK 120 million (93). The operating margin in the Nordic business improved and reached 11.3 per cent (9.7). Both the operating profit and operating margin were positively affected by increased sales volumes and increased average order values, plus improved cost-efficiency.

The Continental European business

Net sales climbed 20 per cent to SEK 615 million (511). The acquisition of EWE-FM contributed SEK 121 million. Excluding currency effects and for comparable units [3)], sales fell by 1 per cent.

[3)] Excluding EWE-FM that was acquired effective from 1 January 2005, the German business unit Goldreif that was closed down in 2004, and excluding three Poggenpohl studios acquired in 2004.

Demand fell in total by 3 per cent on the German, Dutch and Austrian markets. Sales on the German market were similar to the same period last year, while sales continued to fall in the Netherlands. Lower exports to the US were compensated for by higher sales to other export markets.

The operating profit before amortisation of goodwill was SEK 18 million (22). The operating margin was 3.0 per cent (4.3). Lower sales volumes, continued price competition and negative currency effects have negatively impacted profits. The Austrian business unit, EWE-FM, acquired with effect from 1 January 2005, did not contribute to profit in the first quarter. This is in line with usual seasonal variations.

Parent company

The parent company is involved in Group-wide activities and owns the subsidiaries. The loss after net financial items was SEK 9 million (-8).

Employees

At the end of the period, the Group had 6,826 employees, compared with 6,254 at year-end 2004. The increase is mainly attributable to the acquisition of EWE-FM.

Accounting principles

This interim report has been prepared in accordance with International Financial Reporting Standards, IFRS - IAS 34, Interim Financial Reporting. Nobia's consolidated accounts are being prepared in accordance with IFRS from 1 January 2005. Comparable figures from 2004 have been recalculated in accordance with IFRS 1.

Up to the end of 2004, Nobia applied the recommendations of the Swedish Financial Accounting Standards Council. The areas where IFRS deviate from the recommendations of the Swedish Financial Accounting Standards Council and which are applicable for Nobia are the reporting of company acquisitions, minority interests and financial instruments. Other IFRS accounting principles applicable for Nobia are in substance with the recommendations of the Swedish Financial Accounting Standards Council. For Nobia, the transition to IFRS has not had any significant impact on the company's income statement and balance sheets except for reporting of goodwill. In accordance with IFRS, goodwill is no longer amortised on a straight-line basis but will instead be tested regularly for impairment.

Within the framework of the finance policy established by the Board, Nobia hedges its commercial currency exposure. According to Nobia's previous accounting principles, hedging instruments used for hedging and held until maturity were not valued at the market rate. Nobia applies hedging accounting for contracts that meet the criteria stated in IAS 39. IAS 39 is being applied for the first time from 1 January 2005 without any requirement for recalculation of the 2004 figures for comparison.

The 2004 Annual Report included details about the effects on the most significant items and an indication of how the financial position would have been different if IFRS had been applied instead of the accounting principles valid in 2004.

Supplement 1 presents details of how the transition to IFRS has affected Nobia's accounts and explains how comparable figures for 2004 have been recalculated.

The effects of the transition to IFRS stated in this report and in supplement 1 are preliminary and based on the principles valid now. IFRS is subject to continuous review and approval by the EU, which is why changes may be made up to 31 December 2005.

From 2005 Nobia will report the net sum of discounted interest on pension provisions and the expected return on associated plan assets as part of the operating profit/loss. Up to 2004 this net sum has been reported under financial items. As a consequence, from 2005 pension provisions will be a deduction item when calculating capital employed. Comparable figures for 2004 have been recalculated using the principle for classification used from 2005. The effects of this change have been reported in the 2004 Annual Report and in supplement 1 of this interim report.

With exception of the above adaptations to IFRS, Nobia has applied the same accounting principles and calculation methods for the consolidated accounts as used in the most recent Annual Report.

For definitions of key figures, see Nobia's Annual Report for 2004. Definitions of key figures for Nobia have not been affected by the transition to IFRS except for capital employed and return on capital employed. As explained in the 2004 Annual Report and above, the classification of pension provisions has been changed from 2005.

Stockholm April 27, 2005

Fredrik Cappelen
President and CEO

Nobia AB, corporate reg. no. 556528-2752.

This report has not been reviewed by the company's auditor.

The interim report for the period January – June 2005 will be submitted on July 19, 2005.

Nobia is Europe's leading kitchen interiors company. The Group operates in a number of European markets under strong brand names. Nobia's own specialist kitchen stores and franchise stores are responsible for most of the Group's sales. Nobia is leading the consolidation of the European kitchen market and creating profitable growth by making efficiency improvements and acquisitions, taking an industrial approach. The Group had sales of SEK 11.3 billion in 2004 and has around 6 700 employees. Nobia is listed on the Stockholm Stock Exchange's O-list.

EWE-FM • Gower • HTH • Invita • Magnet • Marbodal • Myresjökök • Norema • Novart • Optifit • Poggenpohl • Pronorm • Sigdal

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Income statement

	January-March		Jan.-Dec.	Apr.-Mar.
SEK m	**2005**	**2004**	**2004**	**2004/05**
Net sales	2,854	2,813	11,337	11,378
Cost of goods sold	-1,745	-1,730	-6,923	-6,938
Gross profit	**1,109**	**1,083**	**4,414**	**4,440**
Selling and administrative expenses	-928	-868	-3,500	-3,560
Other operating income/expenses	12	-3	19	34
Share of loss/profit of associates	0	0	-3	-3
Operating profit	**193**	**212**	**930**	**911**
Net financial items	-20	-24	-90	-86
Profit after financial items	**173**	**188**	**840**	**825**
Taxes	-48	-54	-247	-241
Profit after tax	**125**	**134**	**593**	**584**
Profit after tax attributable to:				
Parent company´s shareholders	125	134	592	583
Minority interests	0	0	1	1
Profit after tax	125	134	593	584
Total depreciation	75	69	282	288
Operating margin, %	6.8	7.5	8.2	8.0
Return on capital employed, %			23.1	21.6
Return on equity, %			25.7	23.5
Data per share				
EPS before dilution, SEK	2.17	2.32	10.27	10.12
EPS after dilution, SEK	2.15	2.32	10.23	10.07
Number of shares before dilution	57,669,220	57,669,220	57,669,220	57,669,220
Average number of shares before dilution	57,669,220	57,669,220	57,669,220	57,669,220
Number of shares after dilution	58,074,850	57,856,171	57,915,278	57,977,206
Average number of shares after dilution	58,074,850	57,856,171	57,915,278	57,977,206

Balance sheet

SEK m	31 March 2005	31 March 2004	31 Dec. 2004
Assets			
Fixed assets			
Goodwill	1,923	1,718	1,645
Other intangible fixed assets	32	28	28
Tangible fixed assets	2,251	2,147	2,093
Deferred tax	177	272	163
Other financial fixed assets	62	59	43
Total fixed assets	**4,445**	**4,224**	**3,972**
Current assets			
Inventories	1,324	1,310	1,147
Accounts receivable, trade	1,355	1,327	1,057
Other receivables	428	342	433
Cash and bank balances	201	149	616
Total current assets	**3,308**	**3,128**	**3,253**
Total assets	**7,753**	**7,352**	**7,225**
Equity and liabilities			
Total equity	**2,741**	**2,361**	**2,557**
Long term liabilities			
Provision for pensions	892	881	850
Deferred tax	137	208	151
Other provisions	49	58	58
Other long-term liabilities, interest bearing	1,726	1,894	1,776
Long-term liabilities	**2,804**	**3,041**	**2,835**
Current liabilities			
Current liabilities, interest-bearing	104	74	58
Current liabilities, non-interest-bearing	2,104	1,876	1,775
Current liabilities	**2,208**	**1,950**	**1,833**
Total equity and liabilities	**7,753**	**7,352**	**7,225**

Key figures relating to the balance sheet

Equity/assets ratio, %	35.4	32.1	35.4
Debt/equity ratio, %	58	76	47
Net debt, SEK m	1,602	1,791	1,195
Capital employed, closing balance, SEK m	4,571	4,329	4,391

Changes consolidated equity

SEK m	31 March 2005	31 March 2004	31 Dec. 2004
Opening balance	**2,557**	**2 ,667**	**2,667**
Effect of changes in accounting principles	-	-517	-541
Effect of adopting IFRS, minority interest	-	6	6
Effect of adopting IFRS, currency hedge reserve	7	-	-
Adjusted opening balance	**2,564**	**2,156**	**2,132**
Currency translation differences	60	71	-38
Change in currency hedge reserve	-8	-	-
Total change in equity not reported in the income statement	**52**	**71**	**-38**
Net profit for the year	125	134	593
Dividend	-	-	-130
Closing balance	**2,741**	**2,361**	**2,557**

Accumulated currency translation differences recognized directly in equity amounted to SEK 22 million (71).

Cash flow statement

SEK m	January-March 2005	January-March 2004	Jan.-Dec. 2004	Apr.-Mar. 2004/05
Current activities				
Operating profit	193	212	930	911
Depreciation	75	69	282	288
Adjustment for items not included in the cash flow	-16	6	-29	-51
Interest and tax	-60	-32	-239	-267
Changes in working capital	-170	-207	46	83
Cash flow from operating activities	**22**	**48**	**990**	**964**
Investment activities				
Investments in tangible fixed assets	-82	-60	-370	-392
Acquisition of subsidiaries	-317	-	-31	-348
Other items included in investment activities	20	-1	14	35
Cash flow from investment activities	**-379**	**-61**	**-387**	**-705**
Financing activities				
Changes in loan debt	-63	8	-5	-76
Dividend	-	-	-130	-130
Cash flow from financing activities	**-63**	**8**	**-135**	**-206**
Cash flow for the period excluding exchange rate differences in liquid funds	**-420**	**-5**	**468**	**53**
Opening balance, liquid funds	**616**	**154**	**154**	**149**
Cash flow for the period	**-420**	**-5**	**468**	**53**
Effects of exchange rate changes in liquid funds	**5**	**0**	**-6**	**-1**
Closing balance, liquid funds	**201**	**149**	**616**	**201**

Analysis of net debt

SEK m	January-March 2005	January-March 2004	Jan.-Dec. 2004
Opening balance	1,195	1,676	1,676
Translation differences	54	107	-10
Cash flow from current activities including investments etc.	36	8	-632
Acquisition of subsidiaries	317	-	31
Dividend	-	-	130
Closing balance	**1,602**	**1,791**	**1,195**

Net sales, operating profit and operating margin per business region

Net sales

	January-March		Jan.-Dec.	Apr-Mar.
SEK m	**2005**	**2004**	**2004**	**2004/05**
UK business	1,207	1,368	5,295	5,134
Nordic business	1,062	961	4,116	4,217
Continental European business	615	511	2,031	2,135
Other and Group adjustments	-30	-27	-105	-108
Group	**2,854**	**2,813**	**11,337**	**11,378**

Operating profit

	January-March		Jan.-Dec.	Apr.-Mar.
SEK m	**2005**	**2004**	**2004**	**2004/05**
UK business	80	122	355	313
Nordic business	120	93	551	578
Continental European business	18	22	128	124
Other and Group adjustments	-25	-25	-104	-104
Group	**193**	**212**	**930**	**911**

Operating margin

	January-March		Jan.-Dec.	Apr.-Mar.
%	**2005**	**2004**	**2004**	**2004/05**
UK business	6.6	8.9	6.7	6.1
Nordic business	11.3	9.7	13.4	13.7
Continental European business	3.0	4.3	6.3	5.8
Group	**6.8**	**7.5**	**8.2**	**8.0**

Business regions are defined according to where products are made and distributed.

Net sales, operating profit and operating margin per business region
Quarterly data

	2005	2004			
Net sales, SEK m	**I**	**IV**	**III**	**II**	**I**
UK business	1,207	1,250	1,341	1,336	1,368
Nordic business	1,062	1,116	890	1,149	961
Continental European business	615	509	500	511	511
Other and Group adjustments	-30	-25	-24	-29	-27
Group	**2,854**	**2,850**	**2,707**	**2,967**	**2,813**

Operating profit, SEK m					
UK business	80	63	78	92	122
Nordic business	120	171	113	174	93
Continental European business	18	32	36	38	22
Other and Group adjustments	-25	-30	-22	-27	-25
Group	**193**	**236**	**205**	**277**	**212**

Operating margin, %					
UK business	6.6	5.0	5.8	6.9	8.9
Nordic business	11.3	15.3	12.7	15.1	9.7
Continental European business	3.0	6.3	7.2	7.4	4.3
Group	**6.8**	**8.3**	**7.6**	**9.3**	**7.5**

Business regions are defined according to where products are made and distributed.

Supplement 1 to the Q1 2005 interim report

Transition to IFRS (International Financial Reporting Standards)

From 1 January 2005 Nobia's accounting principles comply with IFRS (International Financial Reporting Standards). Comparable figures for 2004 in this interim report have therefore been recalculated using IFRS. The effects of the transition to IFRS on the balance sheets and income statements, cash flow statements and key indicators are presented below.

The effects of the transition to IFRS presented below are preliminary and based upon the current standards, which can be changed up to 31 December 2005.

Company acquisitions

The accounting rules for surplus value in the form of goodwill in company acquisitions have been changed. Acquisitions completed in 2004 and after shall be re-calculated in accordance with IFRS 3, Business Combinations. These new rules mean that a more detailed break-down shall be made of the surplus values in the acquisition. During the transition to the new rules, Nobia will apply the voluntary exemptions that are valid for retroactive application in accordance with IFRS 1, First time adoption of IFRS. As a result no adjustments will be made for acquisitions made before 2004.

Goodwill will no longer be amortised on a straight-line basis according to IFRS 3. Instead the value of goodwill relating to cash-generating units shall be tested for impairment each year on 31 December. In the 2004 Annual Report on page 39 there are details of the break-down of goodwill among cash-generating units along with the assessments and assumptions made when testing for an impairment requirement. The goodwill values that existed in the Nobia Group on 31 December 2004 have been tested and it has been established that no indications of impairments were found.

Minority interests

Minority interests are now disclosed within equity and shall not be deducted from the profit/loss, in accordance with IAS 1 Presentation of Financial Statements. Minority interests shall, however, be disclosed separately under equity. In the profit/loss after tax for the period it shall be specified which amount is attributable to the parent company's shareholders and which amount accrues to the minority interests.

Financial instruments

Nobia hedges its commercial currency exposure within the framework of the financial policy established by the Board. In line with Nobia's previous accounting principles, the derivatives that were used as hedging instruments and were held until maturity were not valued at market rates. On the introduction of IFRS and IAS 39 concerning financial instruments, outstanding currency hedging contracts on 1 January 2005 were valued at the market rate and the net sum of unrealised rate profits and losses was allocated to a currency hedge reserve under equity. Nobia applies hedge accounting to the contracts that meet the criteria for it according to IAS 39. IAS 39 is being applied for the first time from 1 January 2005 without any requirement for recalculation of the 2004 figures for comparison.

Translation differences

On the transition to IFRS Nobia is making the optional exemptions sanctioned in IFRS 1 which enables the accumulated rate differences arising from the recalculation of foreign subsidiaries into SEK, the Group's currency, to be re-set to zero. Accumulated translation differences are reported separately under equity from 1 January 2004.

Effects of IFRS on the Income Statement for 2004

SEK m	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.
Operating profit (EBIT)					
According to former accounting principles	197	260	190	221	868
Change in classification of pensions [1]	-8	-8	-9	-8	-33
Operating profit before effects of IFRS	189	252	181	213	835
Adjustment for former goodwill amortisation	23	25	24	23	95
Adjusted operating profit (EBIT)	**212**	**277**	**205**	**236**	**930**
Profit after financial items					
According to former accounting principles	165	226	162	192	745
Adjustment for former goodwill amortisation	23	25	24	23	95
Adjusted profit after financial items	**188**	**251**	**186**	**215**	**840**
Profit after tax					
According to former accounting principles	111	149	102	135	497
Adjustment for former goodwill amortisation	23	25	24	23	95
Adjustment for minority interests [2]	0	0	0	1	1
Adjusted profit after tax	**134**	**174**	**126**	**159**	**593**

Effects of IFRS on key ratios in the Income Statement for 2004

	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.
Operating margin, %					
According to former accounting principles	7.0	8.8	7.0	7.8	7.7
Operating margin after reclassification of pensions [1]	6.7	8.5	6.7	7.5	7.4
Adjusted operating margin	**7.5**	**9.3**	**7.6**	**8.3**	**8.2**
Return on capital employed, %					
According to former accounting principles					18.5
Return on capital employed after adjustment for IAS 19 OB 2004 [3]					18.0
Return on capital employed after reclassification of pensions [4]					21.0
Adjusted return on capital employed					**23.1**
Return on equity, % [5]					
According to former accounting principles					19,6
Return on equity after adjustment for IAS 19 OB 2004[3]					22.0
Adjusted return on equity					**25.7**
EPS before dilution, SEK [6]					
According to former accounting principles	1.92	2.58	1.77	2.34	8.62
Adjusted EPS before dilution	**2.32**	**3.02**	**2.19**	**2.75**	**10.27**
EPS after dilution, SEK [6]					
According to former accounting principles	1.92	2.57	1.76	2.33	8.59
Adjusted EPS after dilution	**2.32**	**3.00**	**2.18**	**2.73**	**10.23**

1) The previously reported operating profit is adjusted for the amended classification of pensions. The net worth of the discounted interest on pension liabilities and expected return on associated plan assets, previously reported as net financial items, has negatively impacted the operating profit. The reclassification of pensions has mainly affected the operating profit in the UK business.

2) Profit after tax is now reported before deductions for minority interests. The profit after tax is specified separately concerning the part of the profit attributable to the parent company's shareholders and minority interests respectively.

3) As of 1 January 2004, Nobia is implementing the Swedish Financial Accounting Standards Council's recommendation RR 29 on remuneration to Employees. In accordance with RR29/IAS 19 the opening provisions for pensions on 1 January 2004 were adjusted, after deduction for deferred tax, directly against equity.

4) As a result of reclassification of pensions the pension liabilities now constitute a deduction when calculating capital employed.

5) Return on equity refers to the profit for the year attributable to the parent company's shareholders as a percentage of the average equity with deduction for minority interests.

6) EPS attributable to the parent company's shareholders, i.e. after deduction for the minority interest of the profit after tax. Even prior to the introduction of IFRS the EPS was the part of the profit that was attributable to the parent company's shareholders.

Effects of IFRS on the balance sheet

Assets, SEK m	2004 1 Jan.	31 Mar.	30 Jun.	30 Sep.	31 Dec.	2005 1 Jan.
Goodwill						
According to former accounting principles	1,619	1,694	1,677	1,613	1,554	1,645
Adjustment for former goodwill amortisation	-	24	48	70	91	-
Adjusted goodwill value	**1,619**	**1,718**	**1,725**	**1,683**	**1,645**	**1,645**
Total assets						
According to former accounting principles	6,460	7,328	7,293	7,085	7,134	7,225
Adjustment for deferred tax etc. according to IAS 19 [1)]	223	-	-	-	-	-
Adjustment for former goodwill amortisation	-	24	48	70	91	-
Unrealised exchange gains [2)]	-	-	-	-	-	10
Adjusted total assets	**6,683**	**7,352**	**7,341**	**7,155**	**7,225**	**7,235**

Equity and liabilities, SEK m	2004 1 Jan.	31 Mar.	30 Jun.	30 Sep.	31 Dec.	2005 1 Jan.
Equity						
According to former accounting principles	2,667	2,331	2,320	2,385	2,459	2,557
Adjusted for effects of IAS 19 [1)]	-541	-	-	-	-	-
Adjustment for former goodwill amortisation	-	24	48	70	91	-
Adjusted for minority interests [3)]	6	6	6	6	7	-
Provision to hedge reserve [2)]	-	-	-	-	-	7
Adjusted total equity	**2,132**	**2,361**	**2,374**	**2,461**	**2,557**	**2,564**
Total long-term liabilities						
According to former accounting principles	1,741	1,894	1,767	1,597	1,776	2,835
Adjusted pension provisions according to IAS 19 [1)]	764	-	-	-	-	-
Adjustment for provisions [4)]	353	1,147	1,133	1,110	1,059	-
Deferred tax on provision to hedge reserve [2)]	-	-	-	-	-	3
Adjusted total long-term liabilities	**2,858**	**3,041**	**2,900**	**2,707**	**2,835**	**2,838**
Total equity and liabilities						
According to former accounting principles	6,460	7,328	7,293	7,085	7,134	7,225
Adjusted for effects of IAS 19 [1)]	223	-	-	-	-	-
Adjustment for former goodwill amortisation	-	24	48	70	91	-
Provision to hedge reserve [2)]	-	-	-	-	-	10
Adjusted total equity and liabilities	**6,683**	**7,352**	**7,341**	**7,155**	**7 225**	**7 235**

1) As of 1 January 2004, Nobia is implementing the Swedish Financial Accounting Standards Council's recommendation RR 29 on remuneration to Employees. In accordance with RR29/IAS 19 the opening provisions for pensions on 1 January 2004 were adjusted, after deduction for deferred tax, directly against equity.
2) Provision for unrealised exchange gains on forward agreements on 1 January 2005 concerning hedge accounting according to IAS 39. Provisions for the hedge reserve in equity after consideration is taken for deferred tax liability. Deferred tax liability is part of provisions in long-term liabilities.
3) The minority interest of equity is now reported on its own as part of equity instead of previously on its own outside equity.
4) Long-term provisions are now reported as a part of long-term liabilities.

Effects of IFRS on key ratios in balance sheet 2004

	31 Mar.	30 Jun.	30 Sep.	31 Dec.
Equity/assets ratio, %				
According to former accounting principles	31.9	31.9	33.7	34.6
Adjusted equity/assets ratio	**32.1**	**32.3**	**34.4**	**35.4**
Debt/equity ratio, %				
According to former accounting principles [1)]	77	73	62	48
Adjusted debt/equity ratio	**76**	**71**	**60**	**47**
Net debt, SEK m				
Formerly reported net debt including pension provisions	2,672	2,570	2,343	2,045
Change in classification of pensions [1)]	-881	-876	-862	-850
Effects of IFRS	-	-	-	-
Adjusted net debt	**1,791**	**1,694**	**1,481**	**1,195**
Capital employed, closing balance SEK m				
According to former accounting principles	5,186	5,066	4,876	5,150
Change in classification of pensions [1)]	-881	-876	-862	-850
Adjustment for former goodwill amortisation	24	48	70	91
Adjusted capital employed	**4,329**	**4,238**	**4,084**	**4,391**

1) 2004's values adjusted for reclassification of pensions. Pensions are now part of a deductible in capital employed.

Effects of IFRS on the cash flow statement for 2004

SEK m	Jan.-Mar.	Apr.-Jun.	Jul.-Sep.	Oct.-Dec.	Jan.-Dec.
Current activities					
Operating profit					
According to former accounting principles	197	260	190	221	868
Change in classification of pensions [1)]	-8	-8	-9	-8	-33
Operating profit before effects of IFRS	189	252	181	213	835
Adjustment for former goodwill amortisation	23	25	24	23	95
Adjusted operating profit	**212**	**277**	**205**	**236**	**930**
Amortisation					
According to former accounting principles	92	96	95	94	377
Adjustment for former goodwill amortisation	-23	-25	-24	-23	-95
Adjusted amortisation	**69**	**71**	**71**	**71**	**282**
Adjustment for items not included in the cash flow					
According to former accounting principles	-2	-8	2	-54	-62
Change in classification of pensions [1)]	8	8	9	8	33
Adjusted items not included in the cash flow	**6**	**0**	**11**	**-46**	**-29**
Change in working capital					
According to former accounting principles	-182	10	26	212	66
Change in classification of pensions [1)]	-25	5	0	0	-20
Adjusted change in working capital	**-207**	**15**	**26**	**212**	**46**
Cash flow from current activities					
According to former accounting principles	73	302	254	381	1010
Change in classification of pensions [1)]	-25	5	0	0	-20
Adjusted cash flow from current activities	**48**	**307**	**254**	**381**	**990**
Financing activities					
Change to debt					
According to former accounting principles	-17	-70	-199	261	-25
Change in classification of pensions [1)]	25	-5	0	0	20
Adjusted change to debt	**8**	**-75**	**-199**	**261**	**-5**
Cash flow from financing activities					
According to former accounting principles	-17	-200	-199	261	-155
Change in classification of pensions [1)]	25	-5	0	0	20
Adjusted cash flow from financing activities	**8**	**-205**	**-199**	**261**	**-135**

1) The previously reported operating profit for 2004 has been adjusted for the change in classification of pensions. The net amount of the discounted interest on pension liabilities and expected return on associated plan assets, previously reported in net financial items, has negatively impacted the operating profit. As a result of the reclassification concerning pensions, the pension payments are made up of a deduction item when calculating cash flow for current activities.