

Increased growth and improved profit

The kitchen company Nobia increased its net sales in the first quarter by 27 per cent to SEK 3,615 million (2,854). Organic growth amounted to 14 per cent. Net profit rose by 38 per cent and earnings per share amounted to SEK 2.97 (2.15). The operating margin strengthened to 7.7 per cent (7.1). Operating cash flow totalled SEK 202 million (11).

Operating profit for the quarter increased by 38 per cent to SEK 278 million (202). The improved operating profit can be attributed to strengthened market positions in several of Nobia's primary markets, combined together with greater demand and improved efficiency in several units. All regions improved their operating profit, with the most significant improvement in the Nordic operations. The acquired French company Hygena contributed positively to earnings per share.

Comments from the CEO:

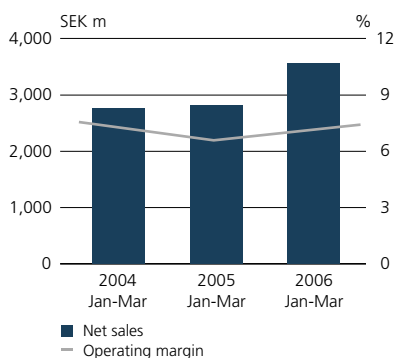
"We have had a favourable start to 2006 and the European kitchen market is currently in an exciting phase," says President and CEO Fredrik Cappelen. "The market in the UK stabilised and our operations recorded improved profits. Our Nordic operations are continuing to demonstrate solid growth and in Continental Europe, our acquisition of the French chain Hygena strengthened operating profit."

Nobia Group Summary

	Jan - Mar		Change	Apr - Mar	Jan - Dec
	2006	2005		2005/06	2005
Net sales, SEK m	3,615	2,854	27%	13,203	12,442
Operating profit before depreciation, SEK m (EBITDA)	372	277	34%	1,397	1,302
Operating profit, SEK m (EBIT)	278	202	38%	1,069	993
Operating margin, %	7.7	7.1		8.1	8.0
Profit after financial items, SEK m	248	173	43%	960	885
Profit after tax, SEK m	173	125	38%	689	641
Earnings per share, after full dilution, SEK	2.97	2.15	38%	11.84	11.01
Return on capital employed, %				19.3	18.6
Return on equity, %				23.2	22.6

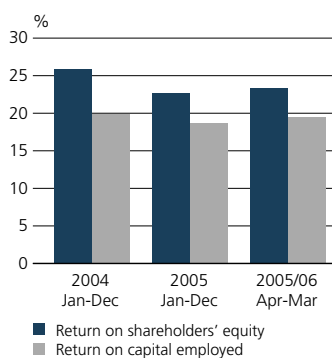
Classification of pensions has been changed, see Accounting Principles, page 7.

Net sales and operating margin



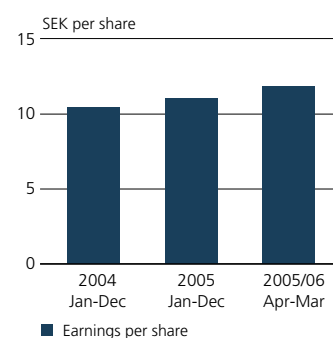
Net sales for the period increased by 27 per cent and amounted to SEK 3,615 million.

Profitability trend



Return on capital employed amounted to 19.3 per cent.

Earnings per share



Earnings per share after full dilution amounted to SEK 11.84 during the most recent 12-month period.

Profits and financial position

The French kitchen chain Hygena Cuisines was acquired from UK company MFI Furniture Group Plc in February 2006. Hygena is included in Nobia's consolidated accounts from acquisition date. The acquisition was financed by raising loans and the effect on net debt amounted to SEK 1,101 million.

Net sales amounted to SEK 3,615 million (2,854) during the first quarter, corresponding to an increase of 27 per cent. Organic growth was 14 per cent. The French business unit Hygena contributed an amount of SEK 252 million to net sales.

Both operating profit and operating margin improved in all regions. Operating profit rose by 38 per cent to SEK 278 million (202). Operating margin increased by 7.7 per cent (7.1). The improvement in operating profit is primarily a result of increased sales, improvements to internal efficiency and the acquisition of Hygena.

Compared with the first quarter of the preceding year, the current period contains a higher number of delivery days, mainly in the Nordic region, which had a positive impact on sales and operating profit.

Net sales and profit by region

SEK m	Net sales			Operating profit/loss			Operating margin	
	Jan - Mar		Change	Jan - Mar		Change	Jan - Mar	
	2006	2005		2006	2005		2006	2005
UK	1,354	1,207	12%	100	88	14%	7.4%	7.3%
Nordic	1,365	1,062	29%	176	120	47%	12.9%	11.3%
Continental Europe	929	615	51%	38	19	100%	4.1%	3.1%
Other and Group adjustments	-33	-30		-36	-25			
Group	3,615	2,854	27%	278	202	38%	7.7%	7.1%

Net financial items totalled a negative amount of SEK 30 million (neg: 29). Net interest expense amounted to SEK 20 million (20). Net financial items also include the net amount of return and interest on pension assets/liabilities corresponding to a loss of SEK 10 million (loss: 9).

SEK m	Jan - Mar		Change
	2006	2005	
Profit after financial items	248	173	43%
Profit after tax	173	125	38%
Tax rate, %	30	28	
Earnings per share after full dilution	2,97	2,15	38%

Earnings per share increased by 38 per cent during the first quarter. During the most recent 12-month period, earnings per share amounted to SEK 11.84.

Operating cash flow¹⁾ improved and amounted to SEK 202 million (11). The turnover rate of working capital continued to rise compared with the corresponding quarter in the preceding year.

Investments amounted to SEK 99 million (82). Net debt rose by SEK 1,097 million, primarily as the result of the acquisition of Hygena and the approved share dividend. Accordingly, the debt/equity ratio amounted to 100 per cent at the end of the quarter (65 per cent at the beginning of the year).

Return on capital employed during the most recent 12-month period amounted to 19.3 per cent (18.6 per cent for the full-year 2005). Return on shareholders' equity amounted to 23.2 per cent (22.6 per cent for the full-year 2005).

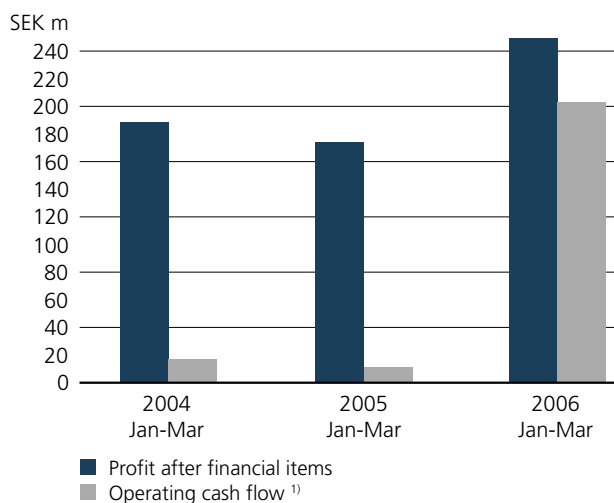
¹⁾ Cash flow after investments adjusted for investments in corporate acquisitions and financial investments.

Analysis of net sales

	Jan - Mar SEK m	Change
2005	2,854	
Organic growth	398	14%
– of which, the UK region ¹⁾	105	9%
– of which, the Nordic region ¹⁾	270	25%
– of which, the Continental Europe region ¹⁾	23	4%
Currency effect	111	4%
Acquired units	252	9%
2006	3,615	27%

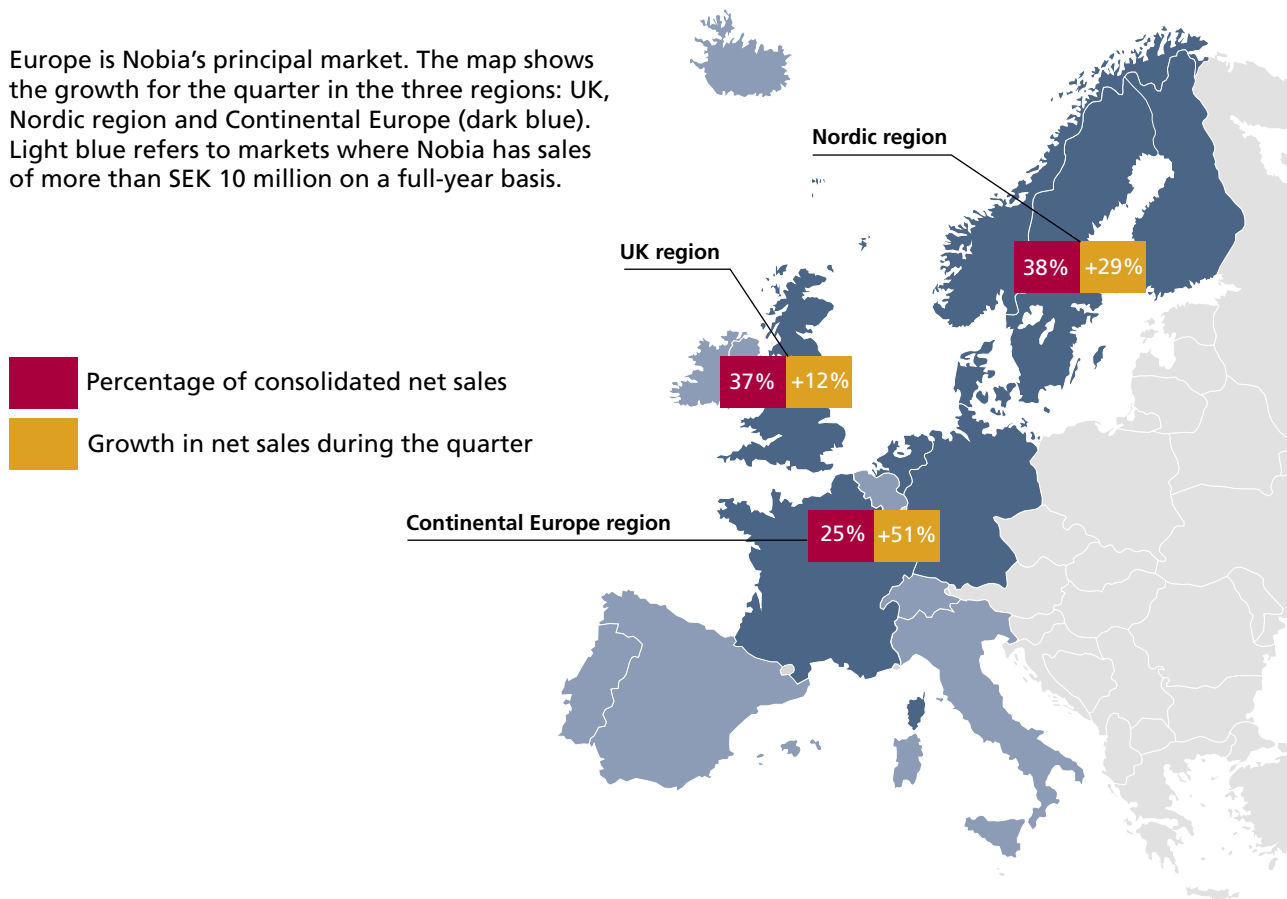
¹⁾ Organic growth in each the region.

Results and cash flow



¹⁾ Cash flow after investments adjusted for investments in corporate acquisitions and financial investments.

Europe is Nobia's principal market. The map shows the growth for the quarter in the three regions: UK, Nordic region and Continental Europe (dark blue). Light blue refers to markets where Nobia has sales of more than SEK 10 million on a full-year basis.



UK region

Net sales rose by 12 per cent to SEK 1,354 million (1,207). Organic growth amounted to 9 per cent. The positive sales trend is attributable to both rigid and flat-pack kitchens in the consumer segment. Sales of kitchens to professional customers in Magnet's trade segment also performed positively, whereas sales of joinery products decreased.

Operating profit rose to SEK 100 million (88). Profits improved as a result of higher sales volumes, in which the percentage of accessories such as white goods increased. Cost savings implemented in the previous year had a positive effect on profits during the quarter.

The transition to order-based production in Magnet is underway and is expected to be completed by mid-year, according to plan.

The development of the store network is continuing as planned and is driving our growth. The aim is to establish stores with a clearly profiled exterior and a pleasant interior in attractive locations. Nobia has a total of 200 stores in the UK. This number remained unchanged during the quarter.

Gower's position as the leading supplier of flat-pack kitchens to multiple retailers in the UK strengthened during the period.

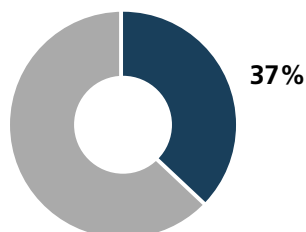
The bathroom operation C. P. Hart improved its revenues and reported positive earnings for the first quarter.

The UK kitchen market stabilised during the first quarter due to increased activity in the housing market.

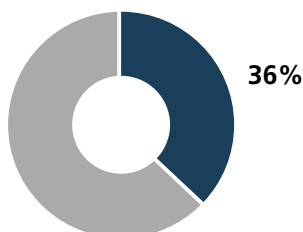
Quarterly data

	2006		2005			
	I	IV	III	II	I	
Net sales, SEK m	1,354	1,300	1,223	1,307	1,207	
Operating profit, SEK m	100	84	68	51	88	
Operating margin, %	7.4	6.5	5.6	3.9	7.3	

Percentage of consolidated net sales



Percentage of consolidated operating profit



Brands in the UK region

Magnet Gower



Nordic region

Net sales increased by 29 per cent to SEK 1,365 million (1,062). Organic growth amounted to 25 per cent. The strong sales trend is attributable to all of the Nordic countries and segments. Demand in Finland and Sweden was primarily driven by intense activity in new construction. Our market positions strengthened during the quarter due to the activities conducted to enhance relations with professional customers and due to continued investments in stores.

Organic growth was high for both flat-pack and rigid kitchens. In addition, the percentage of accessories, such as white goods, increased, contributing to the upturn in average order values. Growth was positively affected by the higher number of delivery days compared with the same period in the previous year.

Operating profit rose by 47 per cent to SEK 176 million (120). The improvement in operating profit is a result of higher sales volumes and greater internal efficiency. There was a high level of capacity utilisation during the quarter.

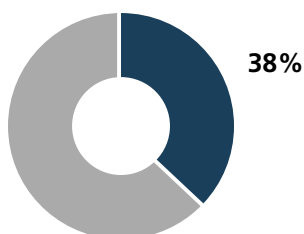
The development of the store network continued with four stores undergoing refurbishment or relocation and the addition of one new store during the quarter. Nobia has a total of 334 stores, both its own and franchises, in the Nordic region.

The Nordic kitchen market continued to grow as a result of more intense activity in both new construction and renovation.

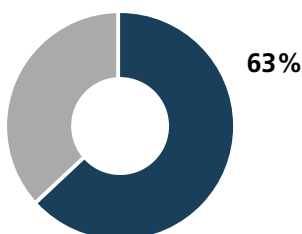
Quarterly data

	2006		2005		
	I	IV	III	II	I
Net sales, SEK m	1,365	1,287	1,039	1,381	1,062
Operating profit, SEK m	176	190	137	225	120
Operating margin, %	12.9	14.8	13.2	16.3	11.3

Percentage of consolidated operating profit



Percentage of consolidated net sales



Brands in the Nordic region

Sweden



Denmark



Finland



Norway



Continental Europe region

Net sales rose by 51 per cent to SEK 929 million (615). The consolidation of the recent acquisition of the French company Hygena contributed SEK 252 million or 41 per cent to the growth in sales. Organic growth totalled four per cent and was primarily attributable to exports outside the principal Continental European markets.

Operating profit increased by 100 per cent to SEK 38 million (19). The improvement in operating profit is primarily a result of acquired units and higher sales volumes.

Hygena sells kitchen interiors in France from the low-cost segment to the medium-priced segment. Hygena offers complete kitchen and bathroom solutions based on flat-pack products with a choice of service level – up to complete installation in the home. Hygena conducts no manufacturing of its own. The company has approximately 900 employees. The integration of Hygena has begun and is proceeding according to plan.

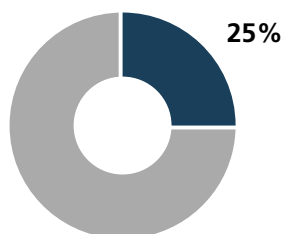
At the end of the quarter, there were a total of 159 company-owned stores in the Continental Europe regions. Most of these stores, 138, are located in France.

The Continental European kitchen market now appears to have stabilised after several years of decline. In recent years, France has performed better than the rest of the region, which also occurred in the first quarter. Demand in Germany, the Netherlands and Austria remained generally unchanged during the first quarter.

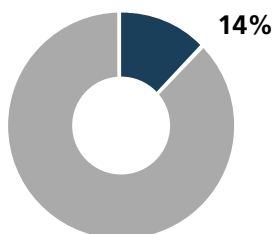
Quarterly data

	2006	2005			
	I	IV	III	II	I
Net sales, SEK m	929	737	691	704	615
Operating profit, SEK m	38	41	43	45	19
Operating margin, %	4.1	5.5	6.2	6.4	3.1

Percentage of consolidated net sales



Percentage of consolidated operating profit



Brands in the Continental Europe region

Austria



France



Germany



Parent Company

The Parent Company's operations include Group-wide functions and the ownership of the subsidiaries. The loss after financial items amounted to SEK 16 million (loss: 9).

Personnel

The number of personnel at the end of the period amounted to 7,860, compared with 6,778 at the beginning of the year. This increase is primarily attributable to the acquisition of Hygena.

Annual General Meeting

The Annual General Meeting adopted the dividend amount of SEK 3.50 per share for the 2005 financial year.

The Annual General Meeting re-elected Board members Fredrik Cappelen, Stefan Dahlbo, Bodil Eriksson, Hans Larsson, Wilhelm Laurén, Harald Mix, Thomas Nilsson and Ingrid Osmundsen. Fredrik Palmstierna, President of Säkl, was elected as a new Board member. Hans Larsson was elected Chairman of the Board.

The Annual General Meeting decided to progress with the three-year employee stock options programme that was introduced in 2005. This means that for 2006, approximately 150 senior executives in the Nobia Group will be allotted free of charge a total of a maximum of 610,000 employee stock options. The number of options that can be utilised is determined by the average increase in earnings per share during the three-year period from 2006 to 2008. Each employee stock option carries entitlement to one Nobia share.

A detailed description of the employee stock options programme is available on Nobia's website, where the minutes of the Annual General Meeting containing the other decisions made can also be found.

The presentation held by President and CEO Fredrik Cappelen at the Annual General Meeting is also available for downloading from Nobia's website.

Accounting principles

This interim report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and the Swedish Financial Accounting Standards Council's recommendation RR 31 "Interim Reports for Groups", and regarding the Parent Company, RR 32 "Reporting for Legal Entities." The same accounting principles and method of calculation as applied in the most recent annual report were also applied in this interim report. The new/revised IFRS principles adopted by the EU and effective 1 January 2006 have no accounting effects on Nobia's consolidated accounts.

As of 2006, Nobia reports the net amount of discounted interest on pension liabilities and the expected return on associated plan assets as part of financial items. As a consequence of this change, pension liabilities are included in the calculation of net debt as of 2006. Comparative figures for 2004 and 2005 are restated according to this principle for the classification of pension liabilities applied from 2006.

Appendices

1. The Group in brief
2. Net sales, earnings and margins by business area
3. Note 1 Acquisitions

For further information

Please contact any of the following on +46 8 440 16 00:

- Fredrik Cappelen, President and CEO
- Jan Johansson, CFO
- Ingrid Yllmark, Director Communications & IR

Presentation

The interim report will be presented on Thursday, 27 April 2006 at 9:30 am at Grand Hotel, Royals festvåning, in Stockholm, Sweden. It is also possible to follow the presentation via Nobia's website or participate via telephone conference on +44 (0) 207 154 26 38.

Next report

The next report will be presented on 19 July 2006, and subsequently on 26 October 2006 and 7 February 2007.

For definitions of key ratios, see Nobia's 2005 Annual Report.

Stockholm, 27 April 2006

Fredrik Cappelen
President and CEO

Nobia AB, Corporate Registration Number 556528-2752

This report is unaudited.

Nobia is Europe's leading kitchen company. The Group works with strong brands in several European markets. Sales are mainly through specialised kitchen studios, managed internally or through franchises. Nobia leads the consolidation of the European kitchen industry and, by using an industrial approach, creates profitable growth by implementing greater efficiency and making acquisitions. In 2005, the Group reported sales of SEK 12.4 billion and currently has approximately 7,800 employees. Nobia is listed on the Attract 40 List of the Stockholm Stock Exchange's O-List.

Appendix 1. Income statement

SEK m	Jan - Mar		Apr - Mar	Jan - Dec
	2006	2005	2005/06	2005
Net sales	3,615	2,854	13,203	12,442
Cost of goods sold	-2,220	-1,745	-8,054	-7,579
Gross profit	1,395	1,109	5,149	4,863
Selling and administrative expenses	-1,134	-919	-4,105	-3,890
Other income/expenses	17	12	26	21
Share in profit of associated companies	0	0	-1	-1
Operating profit	278	202	1,069	993
Net financial expenses	-30	-29	-109	-108
Profit after financial items	248	173	960	885
Income tax	-75	-48	-271	-244
Profit after tax	173	125	689	641
Profit after tax attributable to:				
Parent Company shareholders	173	125	688	640
Minority interests	0	0	1	1
Profit after tax	173	125	689	641
Total depreciation/amortisation/impairment	94	75	328	309
Operating margin, %	7.7	7.1	8.1	8.0
Return on capital employed, %			19.3	18.6
Return on shareholders' equity, %			23.2	22.6
Earning per share, before dilution, SEK ¹⁾	3.00	2.17	11.93	11.10
Earning per share, after dilution, SEK ¹⁾	2.97	2.15	11.84	11.01
Number of shares before dilution	57,848,220	57,669,220	57,848,220	57,679,720
Average number of shares before dilution	57,735,887	57,669,220	57,690,595	57,673,928
Number of shares after dilution	58,384,945	58,074,850	58,274,191	58,143,803
Average number of shares after dilution	58,272,612	58,074,850	58,116,566	58,138,011

¹⁾ Earnings per share attributable to Parent Company shareholders.

Classification of pensions has changed, see Accounting Principles, page 7.

Appendix 1. Balance sheet

ASSETS, SEK m	31 Mar		31 Dec
	2006	2005	2005
Goodwill	2,820	1,923	1,975
Other intangible assets	86	32	33
<i>Total intangible assets</i>	<i>2,906</i>	<i>1,955</i>	<i>2,008</i>
Land and buildings	1,807	1,333	1,419
Investments in progress and advance payments	50	66	38
Plant and machinery	703	603	706
Equipment, tools, fixtures and fittings	397	249	290
<i>Total tangible assets</i>	<i>2,957</i>	<i>2,251</i>	<i>2,453</i>
Other long-term receivables	72	60	53
Participations in associated companies	2	2	3
Deferred tax assets	222	177	206
<i>Total financial fixed assets</i>	<i>296</i>	<i>239</i>	<i>262</i>
Total fixed assets	6,159	4,445	4,723
Inventory	1,406	1,324	1,253
Accounts receivable	1,662	1,355	1,262
Other receivables	453	428	429
<i>Total current receivables</i>	<i>2,115</i>	<i>1,783</i>	<i>1,691</i>
Cash and bank balances	477	201	251
Total current assets	3,998	3,308	3,195
Total assets	10,157	7,753	7,918
SHAREHOLDERS' EQUITY AND LIABILITIES, SEK m	2006	31 Mar 2005	31 Dec 2005
Share capital	58	58	58
Other capital contributions	1,404	1,389	1,391
Other reserves	96	21	120
Retained earnings	1,579	1,266	1,608
<i>Total equity and provisions attributable to Parent Company shareholders</i>	<i>3,137</i>	<i>2,734</i>	<i>3,177</i>
Minority interests	7	7	7
Total shareholders' equity	3,144	2,741	3,184
Provisions for pensions	870	892	915
Provisions for taxes	228	137	186
Other provisions	114	49	101
Other long-term liabilities, interest-bearing	2,404	1,726	1,152
Total long-term liabilities	3,616	2,804	2,354
Current liabilities, interest-bearing	388	104	277
Current liabilities, non-interest bearing	3,009	2,104	2,103
Total current liabilities	3,397	2,208	2,380
Total shareholders' equity and liabilities	10,157	7,753	7,918
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	31	35	40
Debt/equity ratio, %	100	91	65
Net debt, SEK m	3,155	2,494	2,058
Capital employed, closing balance, SEK m	6,806	5,463	5,528

Classification of pensions has changed, see Accounting Principles, page 7.

Appendix 1. Change in equity

SEK m	Attributable to Parent Company shareholders						Total shareholders' equity
	Share capital	Other capital contributions	Other reserves	Retained earnings	Total	Minority interests	
Opening balance, 1 January 2005	58	1,389	-38	1,141	2,550	7	2,557
Currency hedge reserve after taxes			7		7		7
Adjusted opening balance, 1 January 2005	58	1,389	-31	1,141	2,557	7	2,564
Exchange-rate differences attributable to translation of foreign operations			158		158	0	158
Currency hedge reserve after taxes			-7		-7		-7
Total transactions reported directly in equity	-	-	151	-	151	0	151
Net profit for the year				640	640	1	641
Employee stock options programme							
- Value of employee services		1			1		1
- Payment for issued shares	0	1			1		1
Dividend				-173	-173	-1	-174
Closing balance, 31 December 2005	58	1,391	120	1,608	3,177	7	3,184
Opening balance, 1 January 2006	58	1,391	120	1,608	3,177	7	3,184
Exchange-rate differences attributable to translation of foreign operations			-24		-24	0	-24
Currency hedge reserve after taxes			0		0		0
Total transactions reported directly in equity	-	-	-24	-	-24	0	-24
Net profit for the year				173	173	0	173
Employee stock option programme							
- Value of employee services		1			1		1
- Payment for issued shares	0	12			12		12
Dividend ¹⁾				-202	-202		-202
Closing balance, 31 March 2006	58	1,404	96	1,579	3,137	7	3,144

¹⁾ Dividends to Parent Company's shareholders were decided by the Annual General Meeting on 29 March and payment was made on 6 April 2006.

Appendix 1. Cash-flow statement

SEK m	Jan - Mar		Apr - Mar	Jan - Dec
	2006	2005	2005/06	2005
<i>Operating activities</i>				
Operating profit	278	202	1,069	993
Depreciation	94	75	328	309
Adjustments for non-cash items, etc.	-6	-25	-9	-28
Interest and tax	-77	-60	-277	-260
Change in working capital	12	-127	262	123
Cash flow from operating activities	301	65	1,373	1,137
<i>Investing activities</i>				
Investments in fixed assets	-99	-82	-489	-472
Acquisition of subsidiaries	Note 1 -1,101	-317	-1,101	-317
Other items in investing activities	4	20	16	32
Cash flow from investing activities	-1,196	-379	-1 574	-757
<i>Financing activities</i>				
Change in borrowings	1,323	-106	842	-587
New share issue	12		13	1
Dividend	-202 ¹⁾		-376	-174 ²⁾
Cash flow from financing activities	1,133	-106	479	-760
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	238	-420	278	-380
Cash and cash equivalents at beginning of the year	251	616	201	616
Cash flow for the period	238	-420	278	-380
Exchange-rate difference in cash and cash equivalents	-12	5	-2	15
Cash and cash equivalents at year-end	477	201	477	251
Analysis of net debt				
SEK m	Jan - Mar		Jan - Dec	
	2006	2005	2005	
Opening balance	2,058	2,045	2,045	
Translation differences	-8	88	169	
Cash flow from operating activities including investments, etc.	-202	-11	-708	
Acquisition of subsidiaries	1,101	317	322	
Change in pension liabilities	16	55	57	
Dividend	202 ¹⁾	-	174 ²⁾	
New share issue	-12	-	-1	
Closing balance	3,155	2,494	2,058	

¹⁾ Dividends to Parent Company's shareholders were decided by the Annual General Meeting on 29 March and payment was made on 6 April 2006.

²⁾ Including dividends of SEK 1 million to minority shareholders in subsidiaries.

Classification of pensions has changed, see Accounting Principles, page 7.

Appendix 2. Net sales, operating profit and operating margin by region

Net sales

SEK m	Jan - Mar		Apr - Mar	Jan - Dec
	2006	2005	2005/06	2005
UK region	1,354	1,207	5,184	5,037
Nordic region	1,365	1,062	5,072	4,769
Continental Europe region	929	615	3,061	2,747
Other and Group adjustments	-33	-30	-114	-111
Group	3,615	2,854	13,203	12,442

Operating profit

SEK m	Jan - Mar		Apr - Mar	Jan - Dec
	2006	2005	2005/06	2005
UK region	100	88	303	291
Nordic region	176	120	728	672
Continental Europe region	38	19	167	148
Other and Group adjustments	-36	-25	-129	-118
Group	278	202	1,069	993

Operating margin

%	Jan - Mar		Apr - Mar	Jan - Dec
	2006	2005	2005/06	2005
UK region	7.4	7.3	5.8	5.8
Nordic region	12.9	11.3	14.4	14.1
Continental Europe region	4.1	3.1	5.5	5.4
Other and Group adjustments				
Group	7.7	7.1	8.1	8.0

A region is defined according to where the products are manufactured and distributed.

Appendix 3. Note 1 Acquisitions

In February 2006, Nobia acquired 100 per cent of the French kitchen fittings company Hygena Cuisines SA from MFI UK Ltd. The chain store sells kitchens under the brand name Hygena.

The acquisition analysis presented below is preliminary since the fair values of the acquisition values have not been finally determined.

Acquired net assets and goodwill, SEK m

Purchase price including acquisition costs	1,267
Fair value of acquired net assets	-408
Goodwill	859

Goodwill is attributable to the estimated ability to generate earnings in the future.

Assets and liabilities included in the acquisition, SEK m

	Fair value	Acquired book value
Cash and cash equivalents	166	166
Tangible fixed assets	527	402
Intangible fixed assets	55	55
Financial fixed assets	19	19
Inventories	101	98
Receivables	91	91
Liabilities	-517	-517
Other provisions	-8	-4
Deferred taxes, net	-26	
Acquired net assets	408	310

Cash-settled purchase price including acquisition costs	1,267
Cash and cash equivalents in acquired subsidiaries	-166
Change in Group's cash and cash equivalents attributable to acquisition	1,101