nobia INTERIM REPORT • JANUARY–SEPTEMBER 2007 Q3

Continued favourable organic growth

(Figures in brackets refer to the corresponding period in 2006.)

Sales for kitchen company Nobia rose by 6 per cent during the third quarter to SEK 3,861 million (3,631). Organic growth amounted to 6 per cent. Profit after tax amounted to SEK 189 million (189). Earnings per share rose by 2 per cent to SEK 1.09 (1.07) after dilution.

Operating profit was SEK 272 million (280) and the operating margin was 7.0 per cent (7.7).

Demand for kitchens remained stable in all of Nobia's principal markets, except for Germany and the Netherlands, where demand declined. Continued elevated prices for raw materials resulted in upward pressure on purchasing costs, which consequently had a negative impact on the operating margin.

Effective from the second quarter, Plana is included in 50 per cent-owned Culinoma's accounts and Marquardt is included from 1 September. After the end of the interim period, Culinoma signed an agreement for an additional acquisition in Germany, namely the Asmo Group.

At the end of the third quarter, Nobia excluding Culinoma had a total of 661 stores (Group-owned and franchise) meaning that a total of 14 new stores have been opened since the beginning of the year.

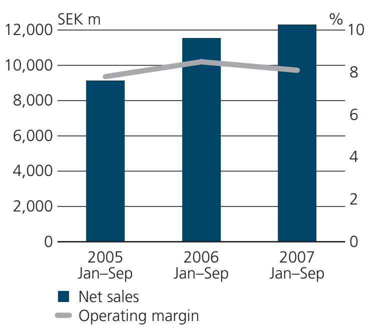
Comments from the CEO:

"The development in the UK region is satisfactory with increased sales and a strengthened operating margin, and in the Continental Europe region we are continuing to strengthen the retailer stage, most recently with the acquisition of Asmo in Germany. At the same time, we can state that the realignment in the Nordic region has cost more than expected, with one of the consequences being shortcomings in delivery capacity. However, if we look at the end of the period, we can see that the measures we have taken have started to generate effects," says President and CEO Fredrik Cappelen.

Nobia Group summary	Jul–Sep			Jan–Sep			Oct–Sep	Jan–Dec
	2007	2006	change, %	2007	2006	change, %	2006/07	2006
Net sales, SEK m	3,861	3,631	6	12,324	11,534	7	16,380	15,590
Operating profit before depreciation, SEK m (EBITDA)	383	387	–1	1,338	1,287	4	1,796	1,745
Operating profit, SEK m (EBIT)	272	280	–3	1,004	980	2	1,351	1,327
Operating margin, %	7.0	7.7	–	8.1	8.5	–	8.2	8.5
Profit after financial items, SEK m	244	250	–2	922	889	4	1,243	1,210
Profit after tax, SEK m	189	189	0	676	635	6	906	865
Earnings per share, after dilution, SEK[1)]	1.09	1.07	2	3.87	3.62	7	5.18	4.93
Operating cash flow, SEK m	205	142	44	853	737	16	997	881
Return on capital employed, %	–	–	–	–	–	–	20.9	20.9
Return on equity, %	–	–	–	–	–	–	24.1	25.4

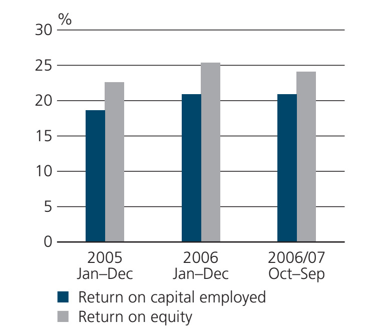
1) Adjusted for 3:1 split.

NET SALES AND OPERATING MARGIN



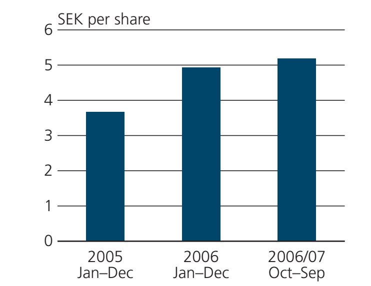
Net sales increased by 7 per cent during January–September 2007 and amounted to SEK 12,324 million.

PROFITABILITY TREND



Return on capital employed amounted to 20.9 per cent during the most recent 12-month period, that is October 2006–September 2007.

EARNINGS PER SHARE



Earnings per share after dilution amounted to SEK 5.18 during the most recent 12-month period, that is October 2006–September 2007.

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Corporate Registration Number
556528-2752
Registered office Stockholm, Sweden

Third-quarter net sales and operating profit

Net sales amounted to SEK 3,861 million (3,631) during the third quarter, corresponding to an increase of 6 per cent. Organic growth was 6 per cent. Operating profit amounted to SEK 272 million (280), which is 3 per cent weaker than the preceding year. The operating margin was 7.0 per cent (7.7).

Operating profit improved during the third quarter in the UK region. The Nordic and Continental Europe regions reported lower profit than the corresponding quarter last year. Refer to the following pages for a more detailed description of each region.

Net sales and profit per region, third quarter

	Net sales Jul–Sep			Operating profit Jul–Sep			Operating margin, % Jul–Sep	
SEK m	**2007**	**2006**	**Change, %**	**2007**	**2006**	**Change, %**	**2007**	**2006**
UK	1,514	1,357	12	125	94	34	8.3	6.9
Nordic	1,235	1,155	7	120	149	–20	9.7	12.9
Continental Europe	1,121	1,143	–2	64	67	–5	5.7	5.9
Other countries and Group adjustments	–9	–24	–	–37	–30	–	–	–
Group	**3,861**	**3,631**	**6**	**272**	**280**	**–3**	**7.0**	**7.7**

Analysis of net sales	**Jan–Mar**	**Apr–Jun**	**July–Sep**		**Jan–Sep**	
	%	**%**	**%**	**SEK m**	**%**	**SEK m**
2006				3,631		11,534
Organic growth	8	6	6	205	7	701
– of which, the UK region[1)]	9	8	12	*155*	10	*393*
– of which, the Nordic region[1)]	9	7	6	*66*	7	*292*
– of which, Continental Europe region[1)]	7	1	–5	*–32*	1	*20*
Currency effect	–1	–1	0	14	–1	–54
Acquired units	5	0	1	27	2	217
Discontinued operations[2)]	–1	–1	0	–16	–1	–74
2007	11	4	6	3,861	7	12,324

1) Organic growth in each organisational region.
2) Discontinued operations are the bedroom operations in the UK region and Optifit's flat-pack bathroom operations in the Continental Europe region.

As the leading kitchen company in Europe, Nobia is championing the consolidation of the European kitchen industry. Nobia creates profitable growth by enhancing efficiency and making acquisitions. The Nobia Group works with more than 20 strong brands in many European countries. Sales are mainly generated through specialised kitchen studios, both wholly owned and franchised. The Group has about 8,000 employees and net sales of approximately SEK 16 billion. Nobia is listed on the OMX Nordic Exchange in Stockholm. More information is available at www.nobia.com.

UK region

Net sales rose by 12 per cent to SEK 1,514 million (1,357) during the third quarter. Organic growth amounted to 12 per cent. Operating profit improved to SEK 125 million (94) and the operating margin was strengthened to 8.3 per cent (6.9).

The region had a positive sales trend in all segments. Performance was particularly positive for rigid kitchens in the Trade segment. Profit was positively impacted by both larger volumes and improved productivity in the supply of goods. The Trade concept is aimed towards small local builders and entails a more streamlined product range, more products in the warehouse and thereby improved availability, and a more active sales force. This concept has essentially been introduced to all of Magnet's 156 Trade stores. A total of 220 new sales personnel were recruited during the year. The rapid roll-out resulted in initial costs and lower productivity in the distribution stage compared with the year-earlier period.

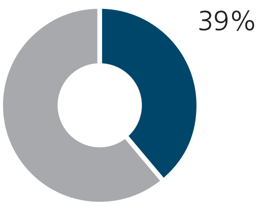
At the end of the third quarter, the number of kitchen and bathroom stores in the region totalled 200 and a further 100 Magnet showrooms are scheduled to open in the next few years, of which some ten showrooms will open during the remainder of 2007.

The UK kitchen market remained stable during the quarter.

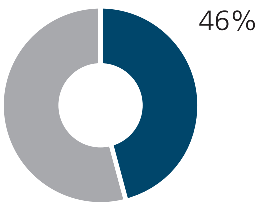
Quarterly data

	2007			2006			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,514	1,562	1,465	1,416	1,357	1,445	1,354
Operating profit, SEK m	125	136	126	134	94	111	100
Operating margin, %	8.3	8.7	8.6	9.5	6.9	7.7	7.4

PERCENTAGE OF CONSOLIDATED NET SALES



PERCENTAGE OF CONSOLIDATED OPERATING PROFIT



STORE TREND, JANUARY–SEPTEMBER

Refurbished or relocated	21
Newly opened, net	7
Number of kitchen stores (Group-owned)	195
Bathroom stores (C.P. Hart)	5

Brands in the UK region

Magnet Gower C.P. HART BATHROOMS

Nordic region

During the third quarter, net sales amounted to SEK 1,235 million (1,155). Organic growth was 6 per cent. Operating profit amounted to SEK 120 million (149) and the operating margin was 9.7 per cent (12.9).

Similar to previous quarters, the highest growth rate was reported in the Finnish and Norwegian markets.

Organic growth was primarily attributable to increased sales to the new-build segment and the continued increase in the proportion of accessories, which has raised the average order values.

The on-going measures to solve the delivery problems at the HTH business unit in Denmark caused by adjustments for increased productivity in the plant, as reported in the interim report for the second quarter, have not been implemented at a satisfactory rate. Continued high quality shortfall costs impacted profit and the margin negatively. The measures taken to ensure delivery ability and to reduce cost levels began generating effects at the end of the period.

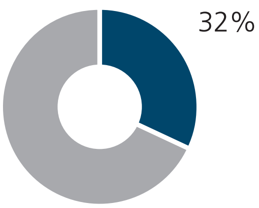
The decline in profit compared with the preceding year corresponds to the profit discrepancy in HTH.

Demand in the Nordic region remains stable with a slight weakening in the new-build segment in Denmark and Finland.

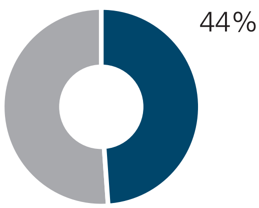
Quarterly data

	2007			2006			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,235	1,589	1,465	1,380	1,155	1,507	1,365
Operating profit, SEK m	120	225	183	176	149	241	176
Operating margin, %	9.7	14.2	12.5	12.8	12.9	16.0	12.9

PERCENTAGE OF CONSOLIDATED NET SALES



PERCENTAGE OF CONSOLIDATED OPERATING PROFIT



STORE TREND, JANUARY–SEPTEMBER

Refurbished or relocated	18
Newly opened, net	3
Number of kitchen stores (Group-owned or franchise)	291

Brands in the Nordic region

Sweden	Denmark	Finland	Norway
Marbodal, myresjökök	HTH, GØR DET SELV HTH, uno form, INVITA	A la Carte Keittiöt, PETRA Keittiöt, PARMA Keittiöt, netto Keittiöt	Sigdal, NOREMA

Continental Europe region

Net sales, excluding the joint-venture Culinoma, declined during the third quarter by 2 per cent to SEK 1,121 million (1,143). Organic growth amounted to negative 5 per cent. Operating profit was SEK 64 million (67). The operating margin was 5.7 per cent (5.9).

The sales trend for Hygena in France remained positive. Sales in Austria and exports to the UK also increased. However, sales in Germany, the Netherlands and export markets outside Europe declined.

Investments are continuing to be made in the retailer stage as part of the work to strengthen the region's market positions and enhance profitability:

- Nobia's associated company Culinoma was established in February 2007 with the aim of becoming Germany's leading kitchen retail chain. Three kitchen store networks were acquired during the year (Plana, Marquardt and Asmo), with total annual sales in the retailer stage of approximately EUR 180 million through 77 stores. Concepts and the co-ordination of purchasing are being reviewed within the framework of the integration of these acquisitions.
- At the end of the period, Hygena had 140 stores in France and an additional 50-75 stores are scheduled to open in 2008-2009 when the integration of the internal supply of goods has been completed. In addition, the work to establish stores in Spain in 2008 is underway. Internal deliveries of goods to Hygena rose during the third quarter and now encompass approximately 60 per cent of the product range. Integration is expected to be fully completed during 2008.
- During the period, Poggenpohl increased its sales through Group-owned stores, which now total 27.

The realignment to more retail-oriented sales has led to the continuation of the work to adapt the supply chain:

- In the economy price segment, bathroom interiors are no longer manufactured for the DIY market.
- The internal sourcing in the economy and middle price segments is being concentrated to fewer and larger customers.

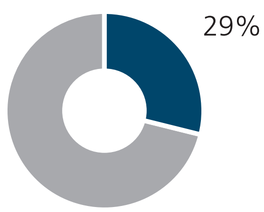
Overall, the change process entails further costs over a transition period that negatively affect profit. Profit for the period was also negatively impacted by the high costs of raw materials and currency effects.

The Continental European markets have had a stable development in demand, with the exception of Germany and the Netherlands.

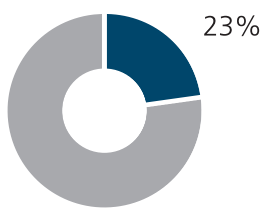
Quarterly data

	2007			2006			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,121	1,348	1,111	1,286	1,143	1,360	929
Operating profit, SEK m	64	119	5	81	67	104	38
Operating margin, %	5.7	8.8	0.4	6.3	5.9	7.6	4.1

PERCENTAGE OF CONSOLIDATED NET SALES



PERCENTAGE OF CONSOLIDATED OPERATING PROFIT



STORE TREND, JANUARY–SEPTEMBER

Refurbished or relocated	8
Newly opened, net	4
Number of kitchen stores (Group-owned or franchise)	170

Brands in the Continental Europe region

Austria

France

Germany

Consolidated earnings, cash flow and financial position

During the first nine months of the year, earnings per share after dilution amounted to SEK 3.87 per share (3.62), which corresponds to an increase of 7 per cent. During the most recent 12-month period, earnings per share after dilution amounted to SEK 5.18.

Net financial items amounted to negative SEK 82 million (neg: 91). Net interest amounted to negative SEK 60 million (neg: 62). Net financial items includes the net of returns and interest on pension assets/commitments corresponding to an expense of SEK 22 million (expense: 29).

The tax rate of 26.7 per cent (28.6) that was applied to the period's earnings is the estimated weighted average tax rate for the full fiscal year. The lower tax rate for the current year is attributable to dissolved reserves in Sweden and the UK.

The return on capital employed during the most recent 12-month period was 20.9 per cent (20.9 per cent for full-year 2006). The return on equity amounted to 24.1 per cent during the most recent 12-month period (25.4 per cent for full-year 2006).

Nobia's investments in fixed assets amounted to SEK 446 million (342) of which, approximately SEK 173 million is related to store investments. Other items in the investing activities, which during the third quarter amounted to negative SEK 125 million, primarily comprise the financing of Culinoma in the form of participating interests and loans.

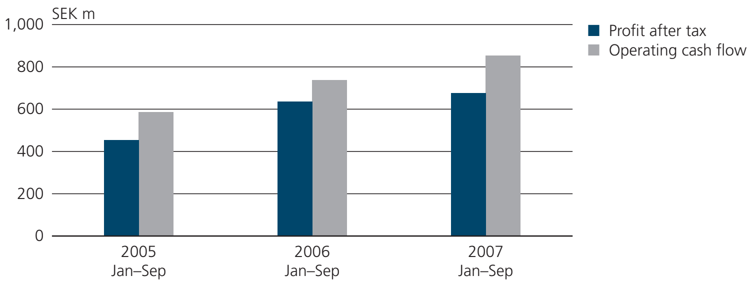
Net debt declined by SEK 199 million from the beginning of the year and amounted to SEK 2,261 million on 30 September. Operating cash flow for the period amounted to SEK 853 million, which reduced net debt. The dividend paid during the period of SEK 350 million and the buy-back of shares totalling SEK 248 million increased the net debt. The debt/equity ratio amounted to 59 per cent at the end of September (66 per cent at the beginning of the year).

Key ratios

	Jul–Sep			Jan–Sep		
	2007	**2006**	**Change, %**	**2007**	**2006**	**Change, %**
Profit after financial items, SEK m	244	250	–2	922	889	4
Profit after tax, SEK m	189	189	0	676	635	6
Tax rate, %	22.5	24.4	–	26.7	28.6	–
Earnings per share, after dilution, SEK[1]	1.09	1.07	2	3.87	3.62	7

[1] Adjusted for 3:1 split.

Profit and cash flow



Company acquisition
The 50-per cent owned joint-venture company Culinoma acquired all of the shares in Plana Küchenland Lizenz & Marketing GmbH at the beginning of April 2007, and the majority of German company Marquardt Küchen GmbH & Co KG in mid-July 2007. Culinoma is reported in Nobia in accordance with the equity method.

Event after the end of the period
On 12 October 2007, Nobia's associated company Culinoma signed an agreement for acquisition of the Asmo Group in Germany. The acquisition is conditional upon approval from the appropriate competition authorities.

Personnel
The number of personnel at the end of the period amounted to 8,712, compared with 8,258 at the beginning of the year. The average number of personnel during the nine-month period was 8,428 (7,659).

Related-party transactions
The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 19 million (0) during the period. The Parent Company reports earnings from participations in Group companies amounting to SEK 1,468 million (0), representing dividends from subsidiaries. The period's change in receivables from Group companies essentially comprises Group contributions and dividends received from subsidiaries.

Buy-back of shares
On 25 April, the Board of Nobia decided to exercise the authorisation granted by the 2007 Annual General Meeting for the acquisition of the company's own shares, primarily aimed at enabling, wholly or partly, acquisition financing through payment using Group shares. The acquisition of own shares was conducted during the third quarter on the OMX Nordic Exchange in Stockholm at an average price of slightly below SEK 85. Accordingly, Nobia owns 2,928,700 own shares, corresponding to 1.7 per cent of the total number of shares issued in Nobia. On average, the number of own shares amounted to 1,056,002 during the year. The total number of shares issued by Nobia is 174,444,510.

Nomination Committee
Owners representing 37 per cent of the capital and votes in Nobia have appointed a Nomination Committee to propose the following matters to the 2008 Annual General Meeting:

- Election of the Board Chairman, other Board Members and any remuneration for committee work,
- Chairman of the Annual General Meeting,

The composition of the Nomination Committee is as follows: Chairman of the Nomination Committee Stefan Charette, Öresund; Peter Lindell, AMF; K. G. Lindvall, Robur; Fredrik Palmstierna, SäkI, and Hans Larsson, Board Chairman.

Nobia shareholders are welcome to submit comments and proposals to the Nomination Committee via Stefan Charette, Chairman of the Nomination Committee, telephone +46 (0)8 402 33 00.

Significant risks for the Group and Parent Company
Nobia works with risk-management programs and risk assessments are conducted regularly, aimed at:

- Identifying significant risks
- Prioritising the significant risks based on their potential impact and the probability that they will occur in the next few years
- Ensuring that management has established control systems for handling risks.

In addition to Nobia's financial risks, comprising currency, interest and borrowing risks, as well as credit and liquidity risks, Nobia has opted to divide risks into a further two main areas: 1) strategic risks and 2) operating risks. A summary of the Group's significant identified risks is provided below. The Parent Company's risks mainly comprise financial risks, which are described in detail on page 38 of Nobia's 2006 Annual Report.

Strategic risks
Risks associated with business development, such as company acquisitions, are handled by Nobia establishing and further developing procedures for due diligence surveys. Corporate governance and policy risks are averted by Nobia continuing to develop internal control.

Operating risks
Nobia's operating risks mainly comprise revenue and earnings risks, such as the business cycle and demand, supplier risks in the form of availability and prices of raw materials, property risks in the form of lost production as a result of fire, human capital risks and political risks.

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. The preparation of financial reports in accordance with IFRS requires that company management makes accounting assessments and estimates and also makes assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, revenue and expenses. The actual outcome can deviate from these estimates and assessments. For the Parent Company, accounting principles are applied in accordance with the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendation RR32. The same accounting principles and methods of calculation were applied as in the most recent Annual Report.

Appendices
1. Financial reports
2. Net sales, earnings and margins by region
3. Quarterly data
4. Definitions of the key ratios in the report

For further information
Please contact any of the following on +46 (0)8-440 16 00 or 46 (0)708 65 59 00:
- Fredrik Cappelen, President and CEO
- Jan Johansson, CFO
- Ingrid Yllmark, Director Communications & IR

Presentation
The interim report will be presented on 25 October at 10:00 a.m. CET at a teleconference that can be followed on Nobia's website. To participate in the teleconference, call +46 (0)8-505 20270.

Next report
The next reports will be published on 8 February 2008, and then 25 April, 18 July and 24 October. The Annual General Meeting will be held in Stockholm on 1 April at 5:00 p.m.

Stockholm, 25 October 2007

Fredrik Cappelen
President and CEO

Nobia AB Corporate Registration Number 556528-2752

Nobia shall publicise this type of information according to Swedish exchange and clearing regulations.
The information was made public on 25 October 2007 at 8:00 a.m.

Review report

Introduction

We have reviewed the interim report of Nobia AB (publ), Corporate Registration Number 556528-2752 as per 30 September 2007 and the nine-month period ending on this date. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the interim financial information based on our review.

The focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled for the Group in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act and for the Parent Company in accordance with the Swedish Annual Accounts Act.

Stockholm, 25 October 2007

KPMG Bohlins AB

Helene Willberg
Authorised Public Accountant

Appendix 1. Financial reports
– Consolidated income statement

	Jul–Sep		Jan–Sep		Oct–Sept	Jan–Dec
SEK m	**2007**	**2006**	**2007**	**2006**	**2006/07**	**2006**
Net sales	3,861	3,631	12,324	11,534	16,380	15,590
Cost of goods sold	–2,396	–2,234	–7,575	–7,030	–10,070	–9,525
Gross profit	**1,465**	**1,397**	**4,749**	**4,504**	**6,310**	**6,065**
Selling and administrative expenses	–1,206	–1,121	–3,802	–3,555	–5,035	–4,788
Other income/expenses	14	5	60	32	80	52
Share in profit of associated companies	–1	–1	–3	–1	–4	–2
Operating profit	**272**	**280**	**1,004**	**980**	**1,351**	**1,327**
Net financial expenses	–28	–30	–82	–91	–108	–117
Profit after financial items	**244**	**250**	**922**	**889**	**1,243**	**1,210**
Income tax	–55	–61	–246	–254	–337	–345
Profit after tax	**189**	**189**	**676**	**635**	**906**	**865**
Profit after tax attributable to:						
Parent Company shareholders	189	188	676	634	906	864
Minority interests	0	1	0	1	0	1
	189	**189**	**676**	**635**	**906**	**865**
Total depreciation	111	107	334	307	445	418
Operating margin, %	7.0	7.7	8.1	8.5	8.2	8.5
Return on capital employed, %	–	–	–	–	20.9	20.9
Return on shareholders' equity, %	–	–	–	–	24.1	25.4
Earnings per share, before dilution, SEK[1) 2)]	1.10	1.09	3.90	3.66	5.23	4.98
Earnings per share, after dilution, SEK[1) 2)]	1.09	1.07	3.87	3.62	5.18	4.93
Number of shares before dilution, 000s[3)]	171,515	173,550	171,515	173,550	171,515	173,632
Average number of shares before dilution, 000s[3)]	171,730	173,550	173,107	173,433	173,225	173,470
Number of shares after dilution, 000s[3)]	172,794	175,410	172,965	175,317	172,963	175,612
Average number of shares after dilution, 000s[3)]	173,008	175,410	174,556	175,200	174,673	175,450

1) Earnings per share attributable to Parent Company shareholders.
2) Adjusted for 3:1 split.
3) Outstanding shares.

Appendix 1. Financial reports
– Consolidated balance sheet

	30 Sep		31 Dec
SEK m	**2007**	**2006**	**2006**
ASSETS			
Goodwill	2,771	2,815	2,764
Other intangible assets	89	90	93
Tangible fixed assets	2,923	2,925	2,860
Other long-term receivables	266	109	118
Participations in associated companies	7	1	1
Deferred tax assets	145	223	175
Total fixed assets	**6,201**	**6,163**	**6,011**
Inventories	1,487	1,427	1,356
Accounts receivable	1,820	1,647	1,441
Other receivables	398	373	587
Total current receivables	*2,218*	*2,020*	*2,028*
Cash and cash equivalents	292	235	229
Total current assets	**3,997**	**3,682**	**3,613**
Total assets	**10,198**	**9,845**	**9,624**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,440	1,406	1,412
Reserves	–20	77	–13
Profit brought forward	2,349	2,040	2,270
Total equity and provisions attributable to Parent Company shareholders	*3,827*	*3,581*	*3,727*
Minority interests	6	7	7
Total shareholders' equity	**3,833**	**3,588**	**3,734**
Provisions for pensions	842	900	899
Other provisions	150	119	190
Deferred tax liabilities	200	227	214
Other long-term liabilities, interest-bearing	1,720	1,850	1,653
Total long-term liabilities	**2,912**	**3,096**	**2,956**
Current liabilities, interest-bearing	213	153	178
Current liabilities, non-interest bearing	3,240	3,008	2,756
Total current liabilities	**3,453**	**3,161**	**2,934**
Total shareholders' equity and liabilities	**10,198**	**9,845**	**9,624**
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	38	36	39
Debt/equity ratio, %	59	73	66
Net debt, SEK m	2,261	2,635	2,460
Capital employed, closing balance, SEK m	6,607	6,489	6,464

Appendix 1. Financial reports
– Consolidated change in equity

	Attributable to Parent Company shareholders						
	Share capital	Other capital con-tributed	Reserves	Profit brought forward	Total	Minority interests	Total share-holders' equity
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	–	–	–50	–	–50	0	–50
Currency hedge reserve after taxes	–	–	7	–	7		7
Total transactions reported directly against equity	–	–	**–43**	–	**–43**	**0**	**–43**
Net profit for the year	–	–	–	634	634	1	635
Total reported revenues and expenses	–	–	**–43**	**634**	**591**	**1**	**592**
Employee share options scheme							
– Value of employee services	–	3	–	–	3	–	3
Payment for issued shares	0	12	–	–	12	–	12
Dividend	–	–	–	–202	–202	–1	–203
Closing balance, 30 September 2006	**58**	**1,406**	**77**	**2,040**	**3,581**	**7**	**3,588**
Opening balance, 1 January 2007	**58**	**1,412**	**–13**	**2,270**	**3,727**	**7**	**3,734**
Exchange-rate differences attributable to translation of foreign operations	–	–	0	–	0	0	0
Currency hedge reserve after taxes	–	–	–7	–	–7	–	–7
Total transactions reported directly against equity	–	–	**–7**	–	**–7**	**0**	**–7**
Net profit for the year	–	–	–	676	676	0	676
Total reported revenues and expenses	–	–	**–7**	**676**	**669**	**0**	**669**
Employee share options scheme							
– Value of employee services	–	9	–	–	9	–	9
Payment for issued shares	0	19	–	–	19	–	19
Dividend[1)]	–	–	–	–349	–349	–1	–350
Buy-back of shares	–	–	–	–248	–248	–	–248
Closing balance, 30 September 2007	**58**	**1,440**	**–20**	**2,349**	**3,827**	**6**	**3,833**

1) The dividend to shareholders in the Parent Company was resolved by the Annual General Meeting on 29 March and was paid on 10 April 2007.

Appendix 1. Financial reports
– Consolidated cash-flow statement

SEK m	Jul–Sep 2007	Jul–Sep 2006	Jan–Sep 2007	Jan–Sep 2006	Oct–Sept 2006/07	Jan–Dec 2006
Operating activities						
Operating profit	272	280	1,004	980	1,351	1,327
Depreciation	111	107	334	307	445	418
Adjustments for non-cash items	–39	–2	–88	–8	–126	–46
Interest paid	–20	–25	–61	–64	–73	–76
Tax paid	–47	–46	–158	–206	–311	–359
Change in working capital	84	–141	146	18	164	36
Cash flow from operating activities	**361**	**173**	**1,177**	**1,027**	**1,450**	**1,300**
Investing activities						
Investments in fixed assets	–181	–109	–446	–342	–636	–532
Acquisition of subsidiaries/associated companies	–	–	–15	–1,101	2	–1,084
Other items in investing activities	–125	66	–78	47	–36	89
Cash flow from investing activities	**–306**	**–43**	**–539**	**–1,396**	**–670**	**–1,527**
Financing activities						
Change in interest-bearing liabilities	95	–193	7	549	–141	401
New share issue	–	–	19	12	21	14
Buy-back of shares	–74	–	–248	–	–248	–
Dividend	–	–	–350	–202	–350	–202
Cash flow from financing activities	**21**	**–193**	**–572**	**359**	**–718**	**213**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**76**	**63**	**66**	**–10**	**62**	**–14**
Cash and cash equivalents at beginning of the year	**224**	**289**	**229**	**251**	**235**	**251**
Cash flow for the period	76	–63	66	–10	62	–14
Exchange-rate difference in cash and cash equivalents	–8	9	–3	–6	–5	–8
Cash and cash equivalents at year-end	**292**	**235**	**292**	**235**	**292**	**229**

Analysis of net debt

SEK m	Jul–Sep 2007	Jul–Sep 2006	Jan–Sep 2007	Jan–Sep 2006	Oct–Sept 2006/07	Jan–Dec 2006
Opening balance	**2,410**	**2,733**	**2,460**	**2,058**	**2,635**	**2,058**
Translation differences	–29	24	20	–20	–13	–53
Operating cash flow	–205	–142	–853	–737	–997	–881
Acquisition of subsidiaries	–	–	22	1101	5	1084
Change in pension liabilities	11	20	33	43	54	64
Dividend	–	–	350	202	350	202
Buy-back of shares	74	–	248	–	248	–
New share issue	–	–	–19	–12	–21	–14
Closing balance	**2,261**	**2,635**	**2,261**	**2,635**	**2,261**	**2,460**

Appendix 1. Financial reports

– Parent Company income statement

	Jul–Sep		Jan–Sep		Oct–Sept	Jan–Dec
SEK m	**2007**	**2006**	**2007**	**2006**	**2006/07**	**2006**
Net sales	–	–	34	–1	75	40
Administrative expenses	–11	–17	–56	–65	–87	–96
Operating profit	**–11**	**–17**	**–22**	**–66**	**–12**	**–56**
Profit from shares in Group companies	–	–	1,468	–	1,821	353
Other financial income and expenses	–2	0	3	–2	–1	–6
Profit after financial items	**–13**	**–17**	**1,449**	**–68**	**1,808**	**291**
Tax on net profit for the year					17	17
Net profit for the year	**–13**	**–17**	**1,449**	**–68**	**1,825**	**308**

– Parent Company balance sheet

	30 Sep		
SEK m	**2007**	**2006**	**31 Dec 2006**
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,388	1,377	1,380
Associated companies	12	4	4
Total fixed assets	**1,400**	**1,381**	**1,384**
Current assets			
Current receivables			
Accounts receivable	3	–	–
Receivables from Group companies	1,777	674	1,086
Receivables from associated companies	197	0	0
Other receivables	0	0	0
Prepaid expenses and accrued income	1	1	1
Cash and cash equivalents	0	0	0
Total current assets	**1,978**	**675**	**1,087**
Total assets	**3,378**	**2,056**	**2,471**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	58	58	58
Statutory reserve	1,671	1,671	1,671
	1,729	**1,729**	**1,729**
Non-restricted shareholders' equity			
Share premium reserve	33	12	14
Buy-back of shares	–248	–	–
Profit brought forward	227	211	258
Net profit for the year	1,449	–68	308
	1,461	**155**	**580**
Total shareholders' equity	**3,190**	**1,884**	**2,309**
Provisions for pensions	**2**	**2**	**2**
Current liabilities			
Liabilities to credit institutes	135	–	–
Accounts payable	4	5	5
Liabilities to Group companies	35	152	130
Other liabilities	2	1	9
Accrued expenses and deferred income	10	12	16
Total current liabilities	**186**	**170**	**160**
Total shareholders' equity, provisions and liabilities	**3,378**	**2,056**	**2,471**

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

Net sales

	Jul–Sep		Jan–Sep		Oct–Sept	Jan–Dec
SEK m	**2007**	**2006**	**2007**	**2006**	**2006/07**	**2006**
UK	1,514	1,357	4,541	4,156	5,957	5,572
Nordic region	1,235	1,155	4,289	4,027	5,669	5,407
Continental Europe	1,121	1,143	3,580	3,432	4,866	4,718
Other countries and Group adjustments	–9	–24	–86	–81	–112	–107
Group	**3,861**	**3,631**	**12,324**	**11,534**	**16,380**	**15,590**

Operating profit/loss

	Jul–Sep		Jan–Sep		Oct–Sept	Jan–Dec
SEK m	**2007**	**2006**	**2007**	**2006**	**2006/07**	**2006**
UK	125	94	387	305	521	439
Nordic region	120	149	528	566	704	742
Continental Europe	64	67	188	209	269	290
Other countries and Group adjustments	–37	–30	–99	–100	–143	–144
Group	**272**	**280**	**1,004**	**980**	**1,351**	**1,327**

Operating margin

	Jul–Sep		Jan–Sep		Oct–Sept	Jan–Dec
%	**2007**	**2006**	**2007**	**2006**	**2006/07**	**2006**
UK	8.3	6.9	8.5	7.3	8.7	7.9
Nordic region	9.7	12.9	12.3	14.1	12.4	13.7
Continental Europe	5.7	5.9	5.3	6.1	5.5	6.1
Group	**7.0**	**7.7**	**8.1**	**8.5**	**8.2**	**8.5**

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

Appendix 3. Quarterly data

– Net sales, operating profit/loss and operating margin per region*

Net sales

	2007			2006			
SEK m	**III**	**II**	**I**	**IV**	**III**	**II**	**I**
UK	1,514	1,562	1,465	1,416	1,357	1,445	1,354
Nordic region	1,235	1,589	1,465	1,380	1,155	1,507	1,365
Continental Europe	1,121	1,348	1,111	1,286	1,143	1,360	929
Other countries and Group adjustments	–9[3]	–35[2]	–42[1]	–26	–24	–24	–33
Group	**3,861**	**4,464**	**3,999**	**4,056**	**3,631**	**4,288**	**3,615**

Operating profit/loss

	2007			2006			
SEK m	**III**	**II**	**I**	**IV**	**III**	**II**	**I**
UK	125	136	126	134	94	111	100
Nordic region	120	225	183	176	149	241	176
Continental Europe	64	119	5	81	67	104	38
Other countries and Group adjustments	–37	–33	–29	–44	–30	–34	–36
Group	**272**	**447**	**285**	**347**	**280**	**422**	**278**

Operating margin

	2007			2006			
%	**III**	**II**	**I**	**IV**	**III**	**II**	**I**
UK	8.3	8.7	8.6	9.5	6.9	7.7	7.4
Nordic region	9.7	14.2	12.5	12.8	12.9	16.0	12.9
Continental Europe	5.7	8.8	0.4	6.3	5.9	7.6	4.1
Group	**7.0**	**10.0**	**7.1**	**8.6**	**7.7**	**9.8**	**7.7**

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

[1] SEK –5 m of the amount is attributable to the elimination of internal sales within the Continental European region.

[2] SEK –10 m of the amount is attributable to the elimination of internal sales within the Continental European region.

[3] Included in the amount is an adjustment corresponding to SEK 15 m.

Appendix 4. Definitions of the key ratios in the report

Return on equity
Profit for the year as a percentage of average equity. The calculation of average equity has been adjusted for increases and decreases in capital.

Return on capital employed
Profit after financial revenue as a percentage of average capital employed. The calculation of average capital employed has been adjusted for acquisitions and divestments.

Net debt
Total of interest-bearing debt and interest-bearing provisions less interest-bearing assets. Interest-bearing provisions refer to pension liabilities

Operating cash flow
Cash flow after investments, adjusted for investments in company acquisitions and financial investments.

Operating margin
Operating profit as a percentage of net sales.

Debt/equity ratio
Net borrowing liability as a percentage of equity, including minority interests.

Capital employed
Total assets less non-interest-bearing provisions and liabilities.

Earnings per share
Profit for the period divided by a weighted average number of outstanding shares during the year.

Equity/assets ratio
Equity including minority interests as a percentage of total assets.