nobia

Year-end Report
Q4 | 2007

2007 earnings per share rose by 12 per cent

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

Sales for kitchen company Nobia rose by 7 per cent in 2007 to SEK 16,622 million (15,590). Profit after tax rose by 11 per cent to SEK 958 million (865). Earnings per share amounted to SEK 5.50 (4.93) after dilution. The Board of Directors proposes a dividend of SEK 2.50 per share (2.00 after the 3:1 split).

Organic growth for the full-year amounted to 7 per cent (11). Growth is primarily attributable to increased sales in the UK, where organic growth reached 11 per cent, and higher sales of accessories. Operating profit for the year was strengthened and amounted to SEK 1,353 million (1,327).

Operating profit was negatively affected by more expensive raw materials and costs associated with shortcomings in delivery reliability, while increased sales and lower corporate taxes had a positive impact.

Fourth quarter

Operating profit for the fourth quarter amounted to SEK 349 million (347). The operating margin was 8.1 per cent (8.6)

Operating profit was positively impacted by higher sales volumes, but negatively impacted by more expensive raw materials and costs for shortcomings in delivery reliability and currency effects.

Towards the end of the year, demand for kitchens weakened in Nobia's primary markets, except for France and Sweden. Organic growth for the quarter amounted to 6 percent.

Comments from the CEO

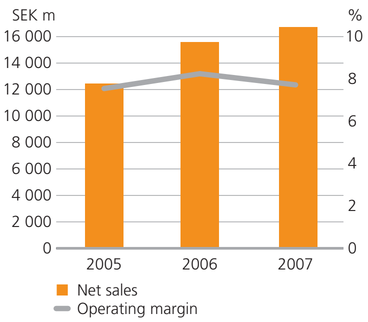
"We are pleased that our delivery capabilities have been restored in the Nordic region, that our market position in the UK was strengthened and that we invested in the development of stores. Through the joint-venture Culinoma, we have made three acquisitions and thereby created a market position in Germany that can be further developed. We are continuing to pursue our work in line with the established strategy," says President and CEO Fredrik Cappelen.

Nobia Group Summary

	Oct–Dec			Jan–Dec		
	2007	2006	Change, %	2007	2006	Change, %
Net sales, SEK m	4,298	4,056	6	16,622	15,590	7
Operating profit before depreciation, SEK m (EBITDA)	452	458	–1	1,790	1,745	3
Operating profit, SEK m (EBIT)	349	347	1	1,353	1,327	2
Operating margin, %	8.1	8.6	–	8.1	8.5	–
Profit after financial items, SEK m	325	321	1	1,247	1,210	3
Profit after tax, SEK m	282	230	23	958	865	11
Earnings per share, after dilution, SEK[1]	1.64	1.31	25	5.50	4.93	12
Operating cash flow, SEK m	96	144	–33	949	881	8
Return on capital employed, %	–	–	–	20.6	20.9	–
Return on equity, %	–	–	–	25.0	25.4	–

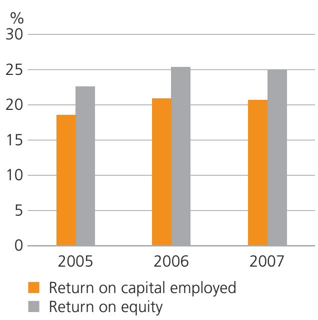
[1] Adjusted for 3:1 split decided at the 2007 Annual General Meeting.

Net sales and operating margin,
January–December



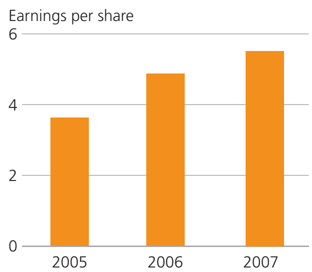
Net sales increased by 7 per cent in 2007 and amounted to SEK 16,622 million.

Profitability trend,
January–December



Return on capital employed amounted to 20.6 per cent in 2007.

Earnings per share,
January–December



Earnings per share after dilution amounted to SEK 5.50 in 2007.

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nobia

Year-end Report
Q4 | 2007

Fourth quarter net sales and operating profit

Net sales amounted to SEK 4,298 million (4 056) during the fourth quarter, corresponding to an increase of 6 per cent. Organic growth was 6 per cent. Operating profit amounted to SEK 349 million (347) and the operating margin was 8.1 per cent (8.6).

Taking into account the nonrecurring items in 2006, operating profit improved in the UK region, although it was lower in the Nordic and Continental Europe regions.

The acquisition of the German Asmo Group within the framework of the joint-venture Culinoma was completed during the fourth quarter. This was the third acquisition in Germany during the year.

During the period, an agreement was reached to divest the UK bathroom chain C. P. Hart. This transaction was completed at the beginning of 2008.

In light of the increasingly co-ordinated supply chain, it was decided at the beginning of 2008 to consolidate the Marbodal and Myresjökök business units in Sweden and the Norema and Sigdal business units in Norway.

Refer to the following pages for a more detailed description of each region.

Net sales and profit per region,
fourth quarter

	Net sales Oct–Dec			Operating profit Oct–Dec			Operating margin, % Oct–Dec	
SEK m	2007	2006	Change, %	2007	2006	Change, %	2007	2006
UK[1]	1,565	1,416	11	130	134	–3	8.3	9.5
Nordic[2]	1,485	1,380	8	157	176	–11	10.6	12.8
Continental Europe[3]	1,272	1,286	–1	85	81	5	6.7	6.3
Other countries and Group adjustments	–24	–26	–	–23	–44	–	–	–
Group[4]	4,298	4,056	6	349	347	1	8.1	8.6

[1] The preceding year's profit includes nonrecurring items amounting to SEK 27 million.
[2] The preceding year's profit includes nonrecurring items amounting to an expense of SEK 19 million.
[3] The preceding year's profit includes nonrecurring items amounting to an expense of SEK 13 million.
[4] Accordingly, the preceding year's profit includes nonrecurring items amounting to a net expense of SEK 5 million.

Analysis of net sales	Jan–Mar	Apr–Jun	July–Sep	Oct–Dec		Jan–Dec	
	%	%	%	%	SEK m	%	SEK m
2006					4,056		15,590
Organic growth	8	6	6	6	222	7	933
– of which the UK region[1]	9	8	12	14	202	11	595
– of which the Nordic region[1]	9	7	6	5	71	7	362
– of which the Continental Europe region[1]	7	1	–5	–7	–52	–1	–22
Currency effect	–1	–1	0	0	–11	0	–65
Acquired units	5	0	1	1	58	2	275
Discontinued oeprations[2]	–1	–1	0	–1	–27	–1	–111
2007	11	4	6	6	4,298	7	16,622

[1] Organic growth for 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.

Nobia is the leading kitchen company in Europe with operations in some ten countries. The Group manufactures and sells complete kitchen solutions through many strong local and international brands, including Magnet in the UK, HTH in the Nordic region, Hygena in France and Poggenpohl internationally. Sales are generated through specialised kitchen studios, retailers and direct to corporate customers. Nobia creates profitable and sustainable growth by enhancing efficiency and making acquisitions. Nobia has about 8,500 employees and annual net sales of approximately SEK 16.5 billion. The Nobia share is listed on the OMX Nordic Exchange Stockholm AB under the shortname NOBI, in the Large Cap segment and the Consumer Discretionary sector. Nobia is included in the OMX Stockholm Benchmark Index.

More information is available at www.nobia.com.

UK region

Net sales rose by 11 per cent to SEK 1,565 million (1,416) during the fourth quarter. Organic growth amounted to 14 per cent. Operating profit amounted to SEK 130 million (134) and the operating margin was 8.3 per cent (9.5).

Operating profit was positively affected by higher sales volumes and improved productivity in the supply chain.

Profit for the preceding year included a positive nonrecurring item amounting to SEK 27 million. Excluding this item, operating profit improved by 21 per cent and amounted to SEK 130 million (107). Accordingly, the operating margin strengthened to 8.3 per cent (7.6).

The positive sales trend shows the strongest growth figures for rigid kitchens in the Trade channel. This sales channel focuses on the small-scale professional construction sector. In 2007, Magnet introduced a new concept in its Trade stores. The concept involves a narrower range of products, more products in stock and thereby improved availability of goods and a more active sales force.

The rapid roll-out of new and renovated kitchen stores and the new Trade concept are market activities that initially pressed the operating margin.

During the period, an agreement was reached to divest the UK bathroom chain C. P. Hart. This transaction was completed at the beginning of 2008.

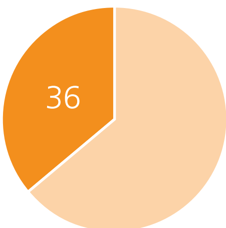
The number of kitchen and Trade stores in the region at the end of the fourth quarter totalled 197. A further 100 Magnet showrooms are scheduled to open in the next few years.

The UK kitchen market noted a certain weakening towards the end of the period.

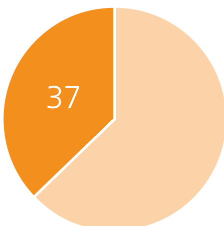
Quarterly data

	2007				2006			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	**1,565**	1,514	1,562	1,465	1,416	1,357	1,445	1,354
Operating profit, SEK m	**130**	125	136	126	134	94	111	100
Operating margin, %	**8.3**	8.3	8.7	8.6	9.5	6.9	7.7	7.4

Percentage of consolidated net sales, fourth quarter



Percentage of consolidated operating profit, fourth quarter



Store trend, January–December

Refurbished or relocated	18
Newly opened, net	2
Number of kitchen stores (Group-owned)	197

Brands in the UK region

Magnet Gower

Nordic region

During the fourth quarter, net sales amounted to SEK 1,485 million (1,380). Organic growth was 5 per cent. Operating profit amounted to SEK 157 million (176) and the operating margin was 10.6 per cent (12.8).

The positive sales trend in the region weakened slightly during the fourth quarter. This slowdown was attributable to the Finnish and Danish new-build market. Sales to the renovation market showed the highest level of growth, with an increased proportion of accessories and, thereby, higher average order values.

Profit for the preceding year was negatively impacted by a nonrecurring item amounting to SEK 19 million.

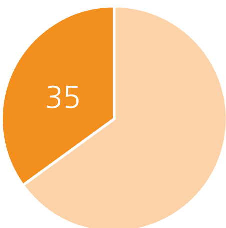
Operating profit was negatively affected by higher raw material costs, particularly board material and costs as a result of shortcomings in delivery reliability. However, these costs successively decreased during the quarter. Productivity in the plant in the Danish business unit HTH improved during the quarter and the delivery problems encountered in the summer and autumn have now been resolved.

Demand for new-builds in Sweden continued to develop positively during the period, while overall demand in the Nordic markets weakened.

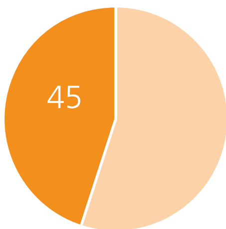
Quarterly data

	2007				2006			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	**1,485**	1,235	1,589	1,465	1,380	1,155	1,507	1,365
Operating profit, SEK m	**157**	120	225	183	176	149	241	176
Operating margin, %	**10.6**	9.7	14.2	12.5	12.8	12.9	16.0	12.9

Percentage of consolidated net sales, fourth quarter



Percentage of consolidated operating profit, fourth quarter



Store trend, January–December

Refurbished or relocated	3
Newly opened, net	–6
Number of kitchen stores (Group-owned or franchise)	285

Brands in the Nordic region

Sweden

Denmark

Finland

Norway

Continental Europe region

Net sales, excluding the joint-venture Culinoma, essentially remained unchanged during the fourth quarter. Sales declined by 1 per cent to SEK 1,272 million (1,286). Organic growth amounted to negative 7 per cent. Operating profit was SEK 85 million (81) and the operating margin was 6.7 per cent (6.3).

Sales of wholly owned stores performed positively, particularly for Hygena in France and Poggenpohl in Europe. However, sales declined in Germany, Austria and the Netherlands and to non-European export markets.

Profit for the preceding year was negatively impacted by a nonrecurring item amounting to SEK 13 million.

The work on strengthening the region's market positions and increasing profitability is continuing:

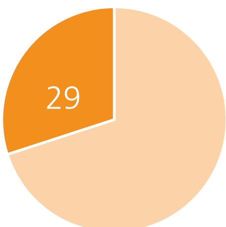
- At year-end, the joint-venture Culinoma was Germany's leading kitchen retail chain with 77 stores under three brands. Culinoma impacted operating profit for the quarter in an expense of SEK 2 million.
- The development and expansion of Hygena stores in France continued, as did the planning for establishing the first stores in Spain.
- The transfer of Hygena's supply chain to Nobia's chain is progressing according to plan, and at year-end encompassed about 70 per cent of the product range. Integration is expected to be completed during the first half of 2008.
- During the period, Nobia decided to increase the establishment of Group-owned Poggenpohl stores. Over the next four years, the current 27 stores are planned to be expanded by 40-60 new stores in large cities, primarily in Europe and the US.

Overall, these activities, combined with lower sales volumes and higher prices of raw materials, generated costs that, in addition to currency effects, negatively impacted operating profit for the period.

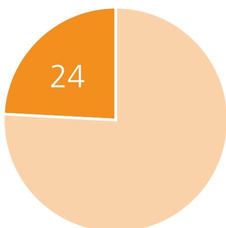
Demand in the Continental European markets fell in Germany, the Netherlands and Austria, while demand rose in France.

Quarterly data	2007				2006			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	**1,272**	1,121	1,348	1,111	1,286	1,143	1,360	929
Operating profit, SEK m	**85**	64	119	5	81	67	104	38
Operating margin, %	**6.7**	5.7	8.8	0.4	6.3	5.9	7.6	4.1

Percentage of consolidated net sales, fourth quarter



Percentage of consolidated operating profit, fourth quarter



Store trend, January–December

Refurbished or relocated	—
Newly opened, net	3
Number of kitchen stores (Group-owned or franchise)	173

Brands in the Continental Europe region

Austria

France

Germany

Consolidated earnings, cash flow and financial position 2007

Earnings per share after dilution for the year amounted to SEK 5.50 per share (4.93), which corresponds to an increase of 12 per cent. Organic growth in 2007 amounted to 7 per cent (11). Operating profit for the year was strengthened and amounted to SEK 1,353 million (1,327).

More expensive raw materials, costs associated with shortcomings in quality, and currency changes had a negative impact on net profit for the year, while Nobia benefited from increased sales and lower corporate tax rates. Growth in earnings per share for the year corresponded to Nobia's targets.

If Hygena had been included from the beginning of 2006, operating profit for the year would have been lower. Accordingly, for comparable units, operating profit was SEK 74 million better than in the preceding year.

Net financial items amounted to negative SEK 106 million (neg: 117). Net interest amounted to negative SEK 75 million (neg: 77). Net financial items includes the net of returns and interest on pension assets/commitments corresponding to an expense of SEK 31 million (expense: 40).

The tax rate of 23.2 per cent (28.5) 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 revaluations of deferred tax assets, partly resulting from corporate tax rate reforms in Denmark and Germany. The return on capital employed for 2007 was 20.6 per cent (20.9 per cent for 2006). Return on equity amounted to 25.0 per cent (25.4 per cent for 2006).

Nobia's investments in fixed assets amounted to SEK 678 million (532), of which approximately SEK 300 million is related to store investments.

Net debt declined by SEK 236 million from the beginning of the year, and at year-end amounted to SEK 2,224 million. Operating cash flow for the period amounted to SEK 949 million, which reduced net debt. Dividends and buy-backs increased net debt. The debt/equity ratio amounted to 54 per cent at year-end (66 per cent at the beginning of the year).

Key ratios

	Oct–Dec			Jan–Dec		
	2007	2006	Change, %	2007	2006	Change, %
Profit after financial items, SEK m	325	321	1	1,247	1,210	3
Profit after tax, SEK m	282	230	23	958	865	11
Tax rate, %	–	–	–	23.2	28.5	–
Earnings per share, after dilution, SEK[1]	1.64	1.31	25	5.50	4.93	12

1) Adjusted for 3:1 split.

Net sales and profit per region

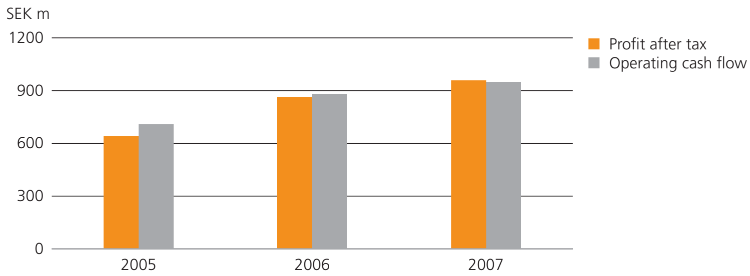
Januari–December

	Net sales			Operating profit			Operating margin, %	
SEK m	2007	2006	Change, %	2007	2006	Change, %	2007	2006
UK[1]	6,106	5,572	10	517	439	18	8.5	7.9
Nordic[2]	5,774	5,407	7	685	742	–8	11.9	13.7
Continental Europe[3]	4,852	4,718	3	273	290	–6	5.6	6.1
Other countries and Group adjustments	–110	–107	–	–122	–144	–	–	–
Koncernen[4]	16,622	15,590	7	1,353	1,327	2	8.1	8.5

1) The preceding year's profit includes nonrecurring items amounting to SEK 27 million.
2) The preceding year's profit includes nonrecurring items amounting to an expense of SEK 19 million.
3) The preceding year's profit includes nonrecurring items amounting to an expense of SEK 13 million.
4) Accordingly, the preceding year's profit includes nonrecurring items amounting to a net expense of SEK 5 million.

Consolidated earnings, cash flow and financial position

Profit and cash flow,
January–December



Company acquisition
Nobia's 50-per cent owned joint-venture company Culinoma implemented three acquisitions in 2007. All of the shares in Plana Küchenland were acquired in April, and the majority of Marquardt Küchen was acquired in July and the Asmo Group was acquired in October. Culinoma is reported in Nobia in accordance with the equity method.

Events after the end of the period
In January 2008, Nobia announced that it was to continue to consolidate its supply chain, and with respect to this adapt its organisation in the Nordic region. This involves consolidating Sigdal and Norema in Norway, and Myresjökök and Marbodal in Sweden into a single business unit in each respective country.

During the period, an agreement was reached to divest the UK bathroom chain C. P. Hart. The transaction was completed at the beginning of 2008. The capital gain will be marginal.

Personal
The number of personnel at year-end amounted to 8,726, compared with 8,258 at the beginning of the year. The average number of personnel during the year was 8,526 (7,968).

Related-party transactions, Parent Company
The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 52 million (41) during the period. The Parent Company reported earnings from participations in Group companies amounting to SEK 2,001 million (353), 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 2007, 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 treasury shares. The acquisition of treasury shares was conducted during the second and third quarters on the OMX Nordic Exchange Stockholm at an average price of approximately SEK 85. Accordingly, Nobia owns 2,928,700 treasury shares, corresponding to 1.7 per cent of the total number of shares issued in Nobia. On average, the number of treasury shares amounted to 1,056,002 during the year. The total number of shares issued by Nobia is 174,444,510.

Annual General Meeting
The Annual General Meeting will be held on 1 April 2008 at 5:00 p.m. at Södra Paviljongen in Stockholm. The proposed record date for the right to receive dividends is 4 April 2008. Payment of dividends via VPC is expected to take place on 9 April 2008. The Annual Report is scheduled to be published on www.nobia.com on 6 March and in printed form on 14 March.

Proposed dividend
The Board proposes that the dividend for the 2007 fiscal year be SEK 2.50 per share (corresponding to SEK 2.00 after the 3:1 split). Based on the number of shares at year-end 2007, the proposed dividend amounts to SEK 428,789,525 million and corresponds to 45 per cent of net profit for the year attributable to the Parent Company's shareholders. Nobia's dividend policy states that, on average, the dividend to shareholders shall correspond to not less than 30 per cent of profit after tax.

Consolidated earnings, cash flow and financial position

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. 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.

Changed accounting principle
Effective 1 January 2008, conditional discounts will, in accordance with IAS 18:10, be reported as reduced sales. Restatement for previous years will be announced in good time prior to the first interim report of 2008. The effect of this change primarily amounts to approximately SEK 490 million for 2007 figures.

Appendices
1. Financial reports
2. Net sales, operating profit and margin per 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 year-end report will be presented on 8 February 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)8 505 202 70.

Change of President
Fredrik Cappelen will stand down as President of the company at the Annual General Meeting on 1 April. The process of appointing a successor is underway.

Next report
The next reports will be published on 25 April 2008, and then 18 July and 24 October.

Stockholm, 8 February 2008

Fredrik Cappelen
President and CEO

Nobia AB Corporate Registration Number 556528-2752

This year-end report is unaudited.

Appendix 1 | Financial reports

Consolidated income statement

SEK m	Oct–Dec 2007	Oct–Dec 2006	Jan–Dec 2007	Jan–Dec 2006
Net sales	4,298	4,056	16,622	15,590
Cost of goods sold	–2,669	–2,495	–10,245	–9,525
Gross profit	**1,629**	**1,561**	**6,377**	**6,065**
Sales and administrative expenses	–1,270	–1,233	–5,071	–4,788
Other income / expenses	–10	20	50	52
Share in profit of associated companies	0	–1	–3	–2
Operating profit	**349**	**347**	**1,353**	**1,327**
Net financial expenses	–24	–26	–106	–117
Profit after financial items	**325**	**321**	**1,247**	**1,210**
Tax	–43	–91	–289	–345
Profit after tax	**282**	**230**	**958**	**865**
Profit after tax attributable to:				
Parent Company shareholders	282	230	958	864
Minority interests	0	0	0	1
Profit after tax	**282**	**230**	**958**	**865**
Total depreciation	103	111	437	418
Operating margin, %	8.1	8.6	8.1	8.5
Return on capital employed, %			20.6	20.9
Return on equity, %			25.0	25.4
Earnings per share, before dilution, SEK[1] [2]	1.64	1.32	5.54	4.98
Earnings per share, after dilution, SEK[1] [2]	1.64	1.31	5.50	4.93
Number of shares at year-end before dilution, 000s[3]	171,516	173,631	171,516	173,631
Average number of shares at year-end before dilution, 000s[3]	171,516	173,577	172,709	173,469
Number of shares after dilution, 000s[3]	172,473	175,824	172,882	175,611
Average number of shares after dilution, 000s[3]	172,473	175,770	174,076	175,449

[1] Earnings per share attributable to Parent Company's shareholders.
[2] Adjusted for 3:1 split.
[3] Outstanding shares

Appendix 1 | Financial reports

Consolidated balance sheet

SEK m	31 Dec 2007	31 Dec 2006
ASSETS		
Goodwill	2,786	2,764
Other intangible fixed assets	97	93
Tangible fixed assets	3,052	2,860
Long-term receivables	265	118
Participations in associated companies	54	1
Deferred tax assets	273	175
Total fixed assets	**6,527**	**6,011**
Inventories	1,480	1,356
Accounts receivable	1,573	1,441
Other receivables	440	587
Total current receivables	*2,013*	*2,028*
Cash and cash equivalents	270	229
Total current assets	**3,763**	**3,613**
Total assets	**10,290**	**9,624**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,442	1,412
Reserves	19	–13
Profit brought forward	2,631	2,270
Total equity and provisions attributable to Parent Company shareholders	*4,150*	*3,727*
Minority interest	6	7
Total shareholders' equity	**4,156**	**3,734**
Provisions for pensions	829	899
Other provisions	133	190
Deferred tax liabilities	269	214
Other long-term liabilities. interest-bearing	1,720	1,653
Total long-term liabilities	**2,951**	**2,956**
Current liabilities, interest-bearing	161	178
Current liabilities, non-interest-bearing	3,022	2,756
Total current liabilities	**3,183**	**2,934**
Total shareholders' equity and liabilities	**10,290**	**9,624**
BALANCE-SHEET RELATED KAY RATIOS		
Equity/assets ratio, %	40	39
Debt/equity ratio, %	54	66
Net debt, SEK m	2,224	2,460
Capital employed, closing balance, SEK m	6,866	6,464

Consolidated change in equity

	Attributable to Parent Company shareholders						
	Share capital	Other capital contributed	Reserves	Profit brought forward	Total	Minority interests	Total shareholders' 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	—	—	–136	—	–136	0	–136
Cash-flow hedges before tax	—	—	4	—	4	—	4
Tax attributable to change in hedging reserve for the year	—	—	–1	—	–1	—	–1
Total transactions reported directly against equity	—	—	**–133**	—	**–133**	**0**	**–133**
Net profit for the year	—	—	—	864	864	1	865
Total reported revenues and expenses	—	—	**133**	**864**	**731**	**1**	**732**
Employee share options scheme							
– Value of employee services	—	7	—	—	7	—	7
Payment for issued shares	0	14	—	—	14	—	14
Dividend	—	—	—	–202	–202	–1	–203
Closing balance, 31 December 2006	**58**	**1,412**	**–13**	**2,270**	**3,727**	**7**	**3,734**
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	—	—	24	—	24	0	24
Cash-flow hedges before tax	—	—	11	—	11	—	11
Tax attributable to change in hedging reserve for the year	—	—	–3	—	–3	—	–3
Total transactions reported directly against equity	—	—	**32**	—	**32**	**0**	**32**
Net profit for the year	—	—	—	958	958	0	958
Total reported revenues and expenses	**—**	—	**32**	**958**	**990**	**0**	**990**
Employee share options scheme							
– Value of employee services	—	11	—	—	11	—	11
Payment for issued shares	0	19	—	—	19	—	19
Dividend[1]	—	—	—	–349	–349	–1	–350
Buy-back of shares	—	—	—	–248	–248	—	–248
Closing balance, 31 December 2007	**58**	**1,442**	**19**	**2,631**	**4,150**	**6**	**4,156**

[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

	Oct–Dec		Jan–Dec	
SEK m	2007	2006	2007	2006
Operating activities				
Operating profit	349	347	1,353	1,327
Depreciation	103	111	437	418
Adjustments for non-cash items	–2	–38	–90	–46
Interest paid	–14	–12	–75	–76
Tax paid	–102	–153	–260	–359
Change in working capital	–101	18	45	36
Cash flow from operating activities	**233**	**273**	**1,410**	**1,300**
Investing activities				
Investments in fixed assets	–232	–190	–678	–532
Acquisition of subsidiaries/associated companies	–49	17	–64	–1,084
Other items in investing activities	93	42	15	89
Cash flow from investing activities	**–188**	**–131**	**–727**	**–1,527**
Financing activities				
Change in interest-bearing liabilities	–73	–148	–66	401
New share issue	—	2	19	14
Buy-back of shares	—	—	–248	—
Dividend	—	—	–350	–202
Cash flow from financing activities	**–73**	**–146**	**–645**	**213**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**–28**	**–4**	**38**	**–14**
Cash and cash equivalents at beginning of the year	**292**	**235**	**229**	**251**
Cash flow for the period	–28	–4	38	–14
Exchange-rate differences in cash and cash equivalents	6	–2	3	–8
Cash and cash equivalents at period-end	**270**	**229**	**270**	**229**

Analysis of net debt

	Oct–Dec		Jan–Dec	
SEK m	2007	2006	2007	2006
Opening balance	**2,261**	**2,635**	**2,460**	**2,058**
Translation differences	2	–33	22	–53
Operating cash flow	–96	–144	–949	–881
Acquisition of subsidiaries	48	–17	70	1,084
Change in pension liabilities	9	21	42	64
Dividend	—	—	350	202
Buy-back of shares	—	—	248	
New share issue	—	–2	–19	–14
Closing balance	**2,224**	**2,460**	**2,224**	**2,460**

Appendix 1 | Financial reports

Parent Company income statement

	Jan–Dec	
SEK m	2007	2006
Net sales	62	40
Administrative expenses	–88	–96
Operating profit	**–26**	**–56**
Profit from shares in Group companies	2,001	353
Other financial income and expenses	–6	–6
Profit after financial items	**1,969**	**291**
Tax on net profit for the year	9	17
Net profit for the year	**1,978**	**308**

Parent Company balance sheet

	31 Dec	31 Dec
SEK m	2007	2006
ASSETS		
Fixed assets		
Shares and participations in Group companies	1,389	1,380
Associated companies	61	4
Total fixed assets	**1,450**	**1,384**
Current assets		
Current receivables		
Accounts receivable	4	—
Receivables from Group companies	2,453	1,086
Receivables from associated companies	191	0
Other receivables	2	0
Prepaid expenses and accrued income	9	1
Cash and cash equivalents	46	0
Total current assets	**2,705**	**1,087**
Total assets	**4,155**	**2,471**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Shareholders' equity		
Restricted shareholders' equity		
Share capital	58	58
Statutory reserve	1,671	1,671
	1,729	**1,729**
Non-restricted shareholders' equity		
Share premium reserve	33	14
Buy-back of shares	–248	—
Profit brought forward	304	258
Net profit for the year	1 978	308
	2,067	**580**
Total shareholders' equity	**3,796**	**2,309**
Provisions for pensions	**3**	**2**
Current liabilities		
Liabilities to credit institutes	87	—
Accounts payable	6	5
Liabilities to Group companies	231	130
Other liabilities	22	9
Accrued expenses and deferred income	10	16
Total current liabilities	**356**	**160**
Total shareholders' equity, provisions and liabilities	**4,155**	**2,471**
Pledged assets	–	–
Contingent liabilities	2,107	1,832

Appendix 2 | Quarterly data

Net sales, operating profit and operating margin per region*

Net sales

	Oct–Dec		Jan–Dec	
SEK m	2007	2006	2007	2006
UK	1,565	1,416	6,106	5,572
Nordic region	1,485	1,380	5,774	5,407
Continental Europe	1,272	1,286	4,852	4,718
Other countries and Group adjustments	–24	–26	–110	–107
Group	**4,298**	**4,056**	**16,622**	**15,590**

Operating profit

	Oct–Dec		Jan–Dec	
SEK m	2007	2006	2007	2006
UK[1)]	130	134	517	439
Nordic region[2)]	157	176	685	742
Continental Europe[3)]	85	81	273	290
Other countries and Group adjustments	–23	–44	–122	–144
Group[4)]	**349**	**347**	**1,353**	**1,327**

1) The preceding year's profit includes nonrecurring items amounting to SEK 27 million.
2) The preceding year's profit includes nonrecurring items amounting to an expense of SEK 19 million.
3) The preceding year's profit includes nonrecurring items amounting to an expense of SEK 13 million.
4) Accordingly. the preceding year's profit includes nonrecurring items amounting to a net expense of SEK 5 million.

Operating margin

	Oct–Dec		Jan–Dec	
%	2007	2006	2007	2006
UK	8.3	9.5	8.5	7.9
Nordic region	10.6	12.8	11.9	13.7
Continental Europe	6.7	6.3	5.6	6.1
Group	**8.1**	**8.6**	**8.1**	**8.5**

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

Appendix 3 I Quarterly data

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

Net sales

	2007				2006			
SEK m	IV	III	II	I	IV	III	II	I
UK	1,565	1,514	1,562	1,465	1,416	1,357	1,445	1,354
Nordic region	1,485	1,235	1,589	1,465	1,380	1,155	1,507	1,365
Continental Europe	1,272	1,121	1,348	1,111	1,286	1,143	1,360	929
Other countries and Group adjustments	–24	–9[3]	–35[2]	–42[1]	–26	–24	–24	–33
Group	**4,298**	**3,861**	**4,464**	**3,999**	**4,056**	**3,631**	**4,288**	**3,615**

[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.

Operating profit

	2007				2006			
SEK m	IV	III	II	I	IV	III	II	I
UK	130	125	136	126	134[1]	94	111	100
Nordic region	157	120	225	183	176[2]	149	241	176
Continental Europe	85	64	119	5	81[3]	67	104	38
Other countries and Group adjustments	–23	–37	–33	–29	–44	–30	–34	–36
Group[4]	**349**	**272**	**447**	**285**	**347[4]**	**280**	**422**	**278**

[1] The preceding year's profit includes nonrecurring items amounting to SEK 27 million.

[2] The preceding year's profit includes nonrecurring items amounting to an expense of SEK 19 million.

[3] The preceding year's profit includes nonrecurring items amounting to an expense of SEK 13 million.

[4] Accordingly. the preceding year's profit includes nonrecurring items amounting to a net expense of SEK 5 million.

Operating margin

	2007				2006			
%	IV	III	II	I	IV	III	II	I
UK	8.3	8.3	8.7	8.6	9.5	6.9	7.7	7.4
Nordic region	10.6	9.7	14.2	12.5	12.8	12.9	16.0	12.9
Continental Europe	6.7	5.7	8.8	0.4	6.3	5.9	7.6	4.1
Group	**8.1**	**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.

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 interest, tax paid, investments in company acquisitions and financial investments.

Operating margin
Operating profit as a percentage of net sales.

Debt/equity ratio
Net debt 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.