nobia

Interim report
Q1 | 2008

Operating profit amounted to SEK 225 million (285)

(All figures in brackets refer to the corresponding period in 2007. New accounting principle applied in 2008, refer to page 8.)

Nobia's sales during the first quarter of 2008 amounted to SEK 3,835 million (3,870). Profit after tax amounted to SEK 138 million (181). Organic growth was 2 per cent. Earnings per share amounted to SEK 0.80 (1.03) after dilution.

The fewer number of delivery days due to the early Easter and an unfavourable exchange-rate trend decreased Nobia's earnings. Demand weakened in many of Nobia's primary markets compared with the year-earlier period.

Operating profit for the quarter amounted to SEK 225 million (285) and the operating margin was 5.9 per cent (7.4). Operating profit for the quarter includes capital gains of SEK 21 million from the sale of the UK bathroom chain C.P. Hart.

The reduced cash flow compared with the corresponding period in the preceding year is attributable to non-recurring effects.

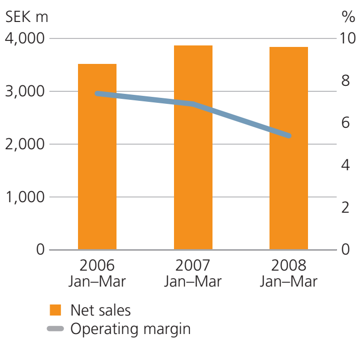
The store portfolio was further developed during the period. A total of 13 franchise stores were acquired in Denmark, corresponding to a third of HTH's store sales in the country, in a bid to strengthen the company's influence over distribution in HTH.

Comments from the CEO

"The operations performed well in the UK region, but we need to better adapt to the weaker market in the Nordic region. We are also continuing our work on developing and enhancing the efficiency of our structure in the Continental Europe region," says President and CEO Preben Bager.

Nobia Group Summary	Jan–Mar			Apr–Mar	Jan–Dec
	2008	2007	Change, %	2007/08	2007
Net sales, SEK m	3,835	3,870	–1	16,099	16,134
Operating profit before depreciation, SEK m (EBITDA)	335	393	–15	1,732	1,790
Operating profit, SEK m (EBIT)	225	285	–21	1,293	1,353
Operating margin, %	5.9	7.4		8.0	8.4
Profit after financial items, SEK m	191	259	–26	1,179	1,247
Profit after tax, SEK m	138	181	–24	915	958
Earnings per share, after dilution, SEK	0.80	1.03	–22	5.28	5.50
Operating cash flow, SEK m	–116	334	–135	499	949
Return on capital employed, %	–	–	–	19.2	20.6
Return on equity, %	–	–	–	22.5	25.0

Net sales and operating margin

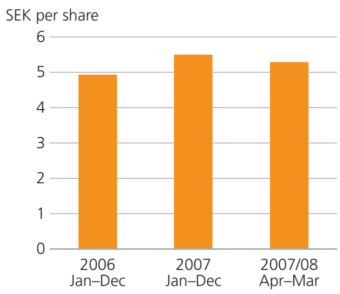


Net sales amounted to SEK 3,835 million and the operating margin to 5.9%.

Profitability trend

Return on capital employed amounted to 19.2 per cent during the past 12-month period.

Earnings per share



Earnings per share after dilution amounted to SEK 5.28 during the past 12-month period.

Box 70376 | 107 24 Stockholm, Sweden | Office address: Klarabergsviadukten 70 A5 | Tel +46 (0)8-440 16 00 | Fax +46 (0)8-503 826 49 | www.nobia.se
Corporate Registration Number: 556528-2752 | Registered office Stockholm, Sweden

nobia

Interim report
Q1 | 2008

First quarter net sales and operating profit

Net sales amounted to SEK 3,835 million (3,870) during the first quarter. The exchange-rate effect on sales was negative in the amount of SEK 90 million. Organic growth was 2 per cent due to continued favourable growth in the UK. Operating profit amounted to SEK 225 million (285) and the operating margin was 5.9 per cent (7.4). Excluding the capital gain of SEK 21 million attributable to the divestment of C.P. Hart, the operating margin amounted to 5.3 per cent.

The trend in exchange rates, particularly the USD and the GBP, had a negative impact on operating profit in the amount of approximately SEK 25 million. In addition, profit was negatively affected by about SEK 25 million due to the lower number of delivery days since Easter fell in the first quarter.

In local currency, earnings in the UK improved as a result of a positive trend in volumes.

During the period, the Swedish business units Marbodal and Myresjökök, and the Norwegian business units Norema and Sigdal respectively, were merged in order to capitalise on co-ordination advantages.

At the end of the period, Nobia had a total of 661 stores, comprising 423 Group-owned stores and 238 franchise stores. Culinoma also has 85 stores in Germany.

Net sales and profit per region, first quarter

	Net sales Jan–Mar			Operating profit Jan–Mar			Operating margin, % Jan–Mar	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	1,424	1,440	–1	146	126	16	10.2	8.8
Nordic	1,413	1,410	0	126	183	–31	8.9	13.0
Continental Europe	1,024	1,062	–4	–16	5	–420	–1.6	0.5
Other countries and Group adjustments	–26	–42	–	–31	–29	–	–	–
Group	3,835	3,870	–1	225	285	–21	5.9	7.4

Analysis of net sales

	Jan–Mar	
	%	SEK m
2007		3,870
Organic growth	2	83
– of which region UK[1]	12	172
– of which Nordic region[1]	–6	–80
– of which Continental Europe region[1]	–2	–22
Currency effect	–2	–90
Acquired units[2]	1	47
Discontinued operations[3]	–2	–75
2008	–1	3,835

[1] Organic growth for each organisational region.
[2] Acquired units refers to the stores HTH took over in Denmark.
[3] Discontinued operations are C.P. Hart 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 growth by working according to the company's strategic cornerstones. Nobia has about 8,500 employees and annual net sales of approximately SEK 16 billion. The Nobia share is listed on the OMX Nordic Exchange Stockholm under the shortname NOBI, in 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 amounted to SEK 1,424 million (1,440) during the first quarter. Currency effects have negatively impacted sales by SEK 132 million. Organic growth amounted to 12 per cent. Operating profit amounted to SEK 146 million (126) and the operating margin was 10.2 per cent (8.8). Excluding the capital gain from the divestment of C.P. Hart, the operating margin remained unchanged.

The period was characterised by higher sales volumes than in the preceding year with the strongest growth figures for rigid kitchens and joinery products in the Trade channel. The new Trade concept focusing on the small-scale professional construction sector has now been introduced to all of Magnet's Trade stores.

This market venture and the roll-out of new and renovated kitchen stores initially pressed operating margin. New stores contributed SEK 30 million in increased sales.

Operating profit during the period was positively impacted by increased sales, but negatively affected by currency effects. In local currency, earnings in the UK improved by 9 per cent excluding capital gains.

The divestment of UK bathroom chain C.P. Hart was concluded, which contributed SEK 21 million in capital gains to profit for the quarter.

The number of kitchen stores in the region at the end of the first quarter totalled 201. Four new stores were opened.

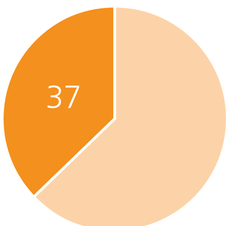
Trend in the kitchen market during the period

The decline seen in the UK kitchen market at the end of 2007 continued at the beginning of 2008.

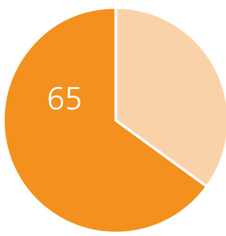
Quarterly data

	2008	2007			
	I	IV	III	II	I
Net sales, SEK m	1,424	1,542	1,492	1,538	1,440
Operating profit, SEK m	146	130	125	136	126
Operating margin, %	10.2	8.4	8.4	8.8	8.8

Percentage of consolidated net sales, first quarter, %



Percentage of consolidated operating profit, first quarter, %



Store trend, January–March

Refurbished or relocated	4
Newly opened, net	4
Number of kitchen stores (Group-owned)	201

Brands in the UK region

Magnet Gower

nobia

Interim report
Q1 | 2008

Nordic region

Net sales during the first quarter amounted to SEK 1,413 million (1,410). Organic growth was negative 6 per cent. An early Easter had the greatest impact in the Nordic region and operating profit amounted to SEK 126 million (183) and the operating margin was 8.9 per cent (13.0).

Since Easter 2008 fell in the first quarter, there were fewer delivery days than the same quarter in 2007, which had a negative effect on both sales and earnings. Sales and earnings were also adversely impacted by lower demand for new builds in all Nordic countries apart from Sweden. Earnings were impacted by lower cost efficiency.

The Swedish business units Marbodal and Myresjökök and the Norwegian business units Norema and Sigdal, respectively, were merged during the quarter. The aim of this initiative is to co-ordinate administrative functions and product lines to facilitate the co-ordination of the supply chain.

The HTH business unit took over a total of 13 franchise stores in Denmark during the period. The acquisition of these operations contributed SEK 47 million in increased sales.

At the end of the first quarter, the number of Nobia Group-owned kitchen stores in the region totalled 50 and the number of franchise stores 236.

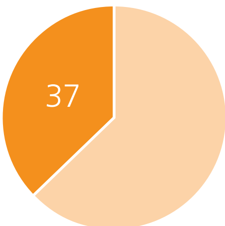
Trend in the kitchen market during the period

The performance of the Swedish kitchen market remained stable, while the other Nordic kitchen markets weakened during the first months of the year. This downturn is mainly attributable to demand for new builds.

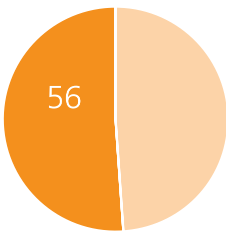
Quarterly data

	2008	2007			
	I	IV	III	II	I
Net sales, SEK m	1,413	1,436	1,192	1,529	1,410
Operating profit, SEK m	126	157	120	225	183
Operating margin, %	8.9	10.9	10.1	14.7	13.0

Percentage of consolidated net sales, first quarter, %



Percentage of consolidated operating profit, first quarter, %



Store trend,
January–March

Refurbished or relocated	4
Newly opened, net	1
Number of kitchen stores (Group-owned)	286

Brands in the Nordic region

Sweden: Marbodal, myresjökök

Denmark: HTH, INVITA, uno form

Finland: A la Carte Keittiöt, PETRA Keittiöt, PARMA Keittiöt

Norway: sigdal, NOREMA

nobia

Interim report
Q1 | 2008

Continental Europe region

Net sales during the first quarter amounted to SEK 1,024 million (1,062). Organic growth was negative 2 per cent. Operating loss amounted to SEK 16 million (5) and the operating margin was negative at 1.6 per cent (0.5).

Sales declined in Germany, in the North American market and in Austria which had a negative impact on earnings.

Earnings were impacted by lower cost efficiency. Operating profit was also negatively affected by exchange-rate differences, particularly the USD.

The joint-venture Culinoma in Germany, which is reported in accordance with the equity method, negatively impacted operating profit for the quarter in the amount of SEK 5 million.

Many change projects aimed at strengthening the market positions of the brands and enhancing profitability are under way in the region. These adjustment activities will initially have a negative impact on operating profit. Activities that took place during the period include:

- A restructuring of the German B2B operations is under way.
- The co-ordination of Culinoma's supply chain in Germany is continuing.
- Hygena opened one new store in France and prepared the establishment of the first two stores of the spring in Spain and continued the transfer of the supply chain to Nobia's flows. Integration is progressing according to plan and the entire range of products is expected to have been completely transferred by mid-year 2008.
- Two new Group-owned Poggenpohl stores were opened in Europe and one was closed. A decision was made to establish two new stores in the US.

At the end of the first quarter, the number of Group-owned kitchen stores in the region totalled 172 and the number of franchise stores was two.

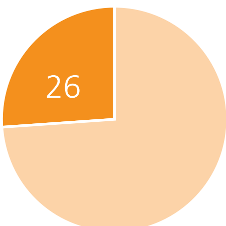
Trend in the kitchen market during the period

In general, the trend in demand in the region's primary European markets was stable during the first months of the year.

Quarterly data

	2008	2007			
	I	IV	III	II	I
Net sales, SEK m	1,024	1,229	1,073	1,301	1,062
Operating profit, SEK m	–16	85	64	119	5
Operating margin, %	–1.6	6.9	5.9	9.1	0.5

Percentage of consolidated net sales, first quarter, %



Percentage of consolidated operating profit, first quarter, %

Store trend, January–March

Refurbished or relocated	0
Newly opened, net	1
Number of kitchen stores (Group-owned)	174

Brands in the Continental Europe region

Austria

France

Germany

Consolidated earnings, cash flow and financial position at the end of the first quarter 2008

Earnings per share after dilution amounted to SEK 0.80 per share (1.03) after the three first months of the year. During the past 12-month period, earnings per share amounted to SEK 5.28. Operating profit for the period (EBIT) amounted to SEK 225 million (285).

Net financial items amounted to negative SEK 34 million (neg: 26). Net interest amounted to negative SEK 26 million (neg: 19). This decline is due to higher average borrowing and higher interest rates. Net financial items includes the net of returns on pension assets and interest expense on pension liabilities corresponding to negative SEK 8 million (neg: 7).

The tax rate of 28 per cent (30) that was applied to the period's earnings is the estimated weighted average tax rate for the full fiscal year. One of the reasons for the changed tax rate is the lower corporate tax rate in Germany and the UK.

The return on capital employed for the past 12-month period was 19.2 per cent (20.6 per cent for the full-year 2007). Return on shareholders' equity for the past 12-month period amounted to 22.5 per cent (25.0 per cent for the full-year 2007).

Nobia's investments in fixed assets amounted to SEK 158 million (113), of which SEK 66 million is related to store investments.

Net debt rose by SEK 202 million from the beginning of the year, and at the end of the period amounted to SEK 2,426 million. Operating cash flow for the period amounted to negative SEK 116 million (334). In addition to lower earnings and higher investments, the decline in cash flow is explained by the build-up of working capital related to the Magnet Trade concept and interest and tax payment adjustments between quarters. The cash flow for the preceding year included positive nonrecurring effects such as tax rebates and sales proceeds from Keighley totalling approximately SEK 180 million. The debt/equity ratio amounted to 59 per cent at the end of March (54 per cent at the beginning of the year).

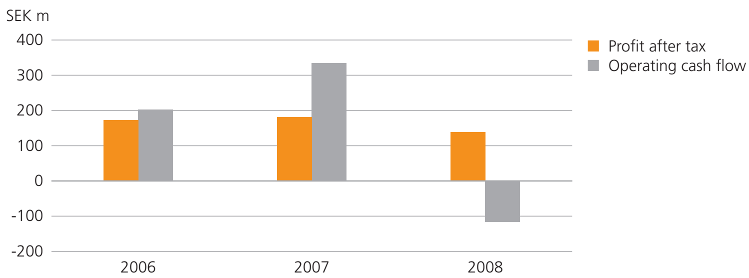
Key ratios	Jan–Mar		
	2008	2007	Change, %
Profit after financial items, SEK m	191	259	–26
Profit after tax, SEK m	138	181	–24
Tax rate, %	28.0	30.0	–
Earnings per share, after dilution, SEK	0.80	1.03	–22

Net sales and profit per region, January–March

	Net sales			Operating profit			Operating margin, %	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	1,424	1,440	–1	146	126	16	10.2	8.8
Nordic	1,413	1,410	0	126	183	–31	8.9	13.0
Continental Europe	1,024	1,062	–4	–16	5	–420	–1.6	0.5
Other countries and Group adjustments	–26	–42	–	–31	–29	–	–	–
Group	3,835	3,870	–1	225	285	–21	5.9	7.4

Consolidated earnings, cash flow and financial position

Profit and cash flow, January–March



Company acquisitions and divestments

During the period, the HTH business unit took over a total of 13 franchise stores in Denmark and the divestment of the UK bathroom chain C.P. Hart was completed. This divestment contributes SEK 21 million in capital gains to profit for the quarter.

Events after the end of the interim period

Fredrik Cappelen stepped down as President and member of the Board of Directors on 1 April. Preben Bager, former head of Nobia's UK region, was appointed as the new President and Board member.

Personnel

The number of personnel at the end of the period amounted to 9,026, compared with 8,726 at the beginning of the year. The average number of personnel during the quarter was 8,525 (8,184).

Annual General Meeting

The Annual General Meeting resolved to pay a dividend for the fiscal year 2007 of SEK 2.50 per share. The Meeting re-elected Board members Stefan Dahlbo, Bodil Eriksson, Hans Larsson, Wilhelm Laurén, Harald Mix, Thore Ohlsson, Lotta Stalin and Fredrik Palmstierna. Preben Bager, President and CEO of Nobia, was elected to the Board. Hans Larsson was re-elected as Chairman. Fredrik Cappelen stepped down as President and Board member.

The Annual General Meeting resolved to proceed with a performance-related employee share option scheme for 2008, entailing that in 2008, approximately 200 senior executives of the Nobia Group will be allotted an overall total of 2,650,000 employee share options free-of-charge. The number of options that can be exercised is determined by the average increase in earnings per share during the three-year period 2008–2010. Each employee share option carries entitlement to one share in Nobia.

The Annual General Meeting resolved to authorise the Board to acquire and transfer treasury shares during the period until the next Annual General Meeting subject to the conditions described in greater detail in the complete resolution.

The detailed description of the employee share option scheme, the share buy-back authorisation and other resolutions made by the Annual General Meeting and material from the President's address to the Meeting are available on Nobia's website.

Related-party transactions, Parent Company

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 19 million (0) during the period. The Parent Company reported earnings from participations in Group companies amounting to SEK 0 million (0).

Significant risks for the Group and Parent Company

Nobia works with risk-management programmes 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 37 of Nobia's 2007 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.

Consolidated earnings, cash flow and financial position

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.

Buy-back of treasury shares

On 24 April, Nobia's Board of Directors decided to exercise the authorisation from the 2007 Annual General Meeting to acquire treasury shares, primarily to enable, either entirely or in part, the financing of acquisitions through payments using treasury shares as well as adapting the capital structure. Acquisitions will be made on the OMX Nordic Exchange Stockholm at a price within the registered price interval applicable at any time. It will not be possible to make acquisitions for a period of 30 days prior to the publication of an interim report, including the actual day of publication.

Nobia currently owns 2,928,700 shares. The total number of shares issued by Nobia is currently 174,569,510.

New accounting principle 2008

As previously announced in the Year-end Report 2007, Nobia has changed its accounting principle regarding conditional discounts. Effective 1 January 2008, conditional discounts will, in accordance with IAS 18:10, be reported as reduced sales. Conditional discounts were previously reported as cost of goods sold. The full-year effect on sales amounts to approximately SEK 490 million for 2007 figures. Operating profit is not affected by the change.

Comparative figures for net sales and the operating margin in 2007 have been restated in this interim report.

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 Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for Legal Entities. The same accounting principles and methods of calculation were applied as in the most recent Annual Report.

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:

- Preben Bager, President and CEO
- Jan Johansson, CFO
- Ingrid Yllmark, Director Communications & IR

Presentation

The interim report will be presented on 25 April at 10:00 a.m. CET at a teleconference that can be followed on Nobia's website.

To participate in the teleconference, call one of the following numbers:
From Sweden +46 (0) 8 50 520 270
From the UK +44 (0) 208 817 9301
From the US +1 718 354 1226.

Next report

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

Stockholm, 25 april 2008

Preben Bager
President and CEO

Nobia AB Corporate Registration Number 556528-2752

This interim report is unaudited.

The information in this interim report is such that Nobia AB (publ) is obliged to publish in accordance with the Swedish Securities Market Act. The information was released to the media for publication on 25 April at 8.00 a.m. CET.

Consolidated income statement

SEK m	Jan–Mar 2008	Jan–Mar 2007	Apr–Mar 2007/08	Jan–Dec 2007
Net sales	3,835	3,870	16,099	16,134
Cost of goods sold	–2,479	–2,475	–10,249	–10,245
Gross profit	**1,356**	**1,395**	**5,850**	**5,889**
Sales and administrative expenses	–1,161	–1,125	–4,619	–4,583
Other income/expenses	35	15	70	50
Share in profit of associated companies	–5	0	–8	–3
Operating profit	**225**	**285**	**1,293**	**1,353**
Net financial expenses	–34	–26	–114	–106
Profit after financial items	**191**	**259**	**1,179**	**1,247**
Tax	–53	–78	–264	–289
Profit after tax	**138**	**181**	**915**	**958**
Profit after tax attributable to:				
Parent Company shareholders	138	181	915	958
Minority interests	0	0	0	0
Profit after tax	**138**	**181**	**915**	**958**
Total depreciation	110	108	439	437
Operating margin, %	5.9	7.4	8.0	8.4
Return on capital employed, %			19.2	20.6
Return on shareholders' equity, %			22.5	25.0
Earnings per share, before dilution, SEK[1]	0.80	1.04	5.31	5.54
Earnings per share, after dilution, SEK[1]	0.80	1.03	5.28	5.50
Number of shares at year-end before dilution, 000s[2]	171,641	174,404	171,641	171,516
Average number of shares at year-end before dilution, 000s[2]	171,557	173,889	172,126	172,709
Number of shares after dilution, 000s[2]	172,290	175,979	172,742	172,882
Average number of shares after dilution, 000s[2]	172,206	175,464	173,228	174,076

1) Earnings per share attributable to Parent Company's shareholders.
2) Outstanding shares

Appendix 1 | Financial reports

Consolidated balance sheet

SEK m	31 Mar 2008	31 Mar 2007	31 Dec 2007
ASSETS			
Goodwill	2,775	2,837	2,786
Other intangible fixed assets	110	93	97
Tangible fixed assets	3,025	2,918	3,052
Long-term receivables	283	116	266
Participations in associated companies	49	1	53
Deferred tax assets	233	169	273
Total fixed assets	**6,475**	**6,134**	**6,527**
Inventories	1,515	1,462	1,480
Accounts receivable	1,801	1,760	1,573
Other receivables	556	506	440
Total current receivables	*2,357*	*2,266*	*2,013*
Cash and cash equivalents	228	410	270
Total current assets	**4,100**	**4,138**	**3,763**
Total assets	**10,575**	**10,272**	**10,290**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,448	1,433	1,442
Reserves	–158	80	19
Profit brought forward	2,769	2,102	2,631
Total equity and provisions attributable to Parent Company shareholders	*4,117*	*3,673*	*4,150*
Minority interest	6	6	6
Total shareholders' equity	**4,123**	**3,679**	**4,156**
Provisions for pensions	717	861	829
Other provisions	127	187	133
Deferred tax liabilities	260	225	269
Other long-term liabilities, interest-bearing	1,875	1,695	1,720
Total long-term liabilities	**2,979**	**2,968**	**2,951**
Current liabilities, interest-bearing	295	76	161
Current liabilities, non-interest-bearing	3,178	3,549	3,022
Total current liabilities	**3,473**	**3,625**	**3,183**
Total shareholders' equity and liabilities	**10,575**	**10,272**	**10,290**
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	39	36	40
Debt/equity ratio, %	59	69	54
Net debt, SEK m	2,426	2,537	2,224
Capital employed, closing balance, SEK m	7,010	6,661	6,866

Consolidated change in shareholders' equity

	Attributable to Parent Company shareholders						
	Share capital	Other capital contributed	Reserves	Profit brought forward	Total	Minority interests	Total share-holders' equity
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	–	–	96	–	96	0	96
Cash-flow hedges before tax	–	–	–5	–	–5	–	–5
Tax attributable to change in hedging reserve for the year	–	–	2	–	2	–	2
Total transactions reported directly against shareholders' equity	**–**	**–**	**93**	**–**	**93**	**0**	**93**
Net profit for the year	–	–	–	181	181	0	181
Total reported revenues and expenses	**–**	**–**	**93**	**181**	**274**	**0**	**274**
Employee share option scheme							
– Value of employee services	–	3	–	–	3	–	3
Payment for issued shares	0	18	–	–	18	–	18
Dividend	–	–	–	–349	–349	–	–349
Acquisition of subsidiaries	–	–	–	–	–	–1	–1
Closing balance, 31 March 2007	**58**	**1,433**	**80**	**2,102**	**3,673**	**6**	**3,679**
Opening balance, 1 January 2008	**58**	**1,442**	**19**	**2,631**	**4,150**	**6**	**4,156**
Exchange-rate differences attributable to translation of foreign operations	–	–	–181	–	–181	0	–181
Cash-flow hedges before tax	–	–	6	–	6	–	6
Tax attributable to change in hedging reserve for the year	–	–	–2	–	–2	–	–2
Total transactions reported directly against shareholders' equity	**–**	**–**	**–177**	**–**	**–177**	**0**	**–177**
Net profit for the year	–	–	–	138	138	0	138
Total reported revenues and expenses	**–**	**–**	**–177**	**138**	**–39**	**0**	**–39**
Employee share option scheme							
– Value of employee services	–	3	–	–	3	–	3
Payment for issued shares	0	3	–	–	3	–	3
Closing balance, 31 March 2008	**58**	**1,448**	**–158**	**2,769**	**4,117**	**6**	**4,123**

Appendix 1 | Financial reports

Consolidated cash-flow statement

	Jan–Mar		Apr–Mar	Jan–Dec
SEK m	2008	2007	2007/08	2007
Operating activities				
Operating profit	225	285	1,293	1,353
Depreciation	110	108	439	437
Adjustments for non-cash items	–26	–12	–104	–90
Interest paid	–27	–14	–88	–75
Tax paid	–116	–37	–339	–260
Change in working capital	–130	105	–190	45
Cash flow from operating activities	**36**	**435**	**1,011**	**1,410**
Investing activities				
Investments in fixed assets	–158	–113	–723	–678
Acquisition of subsidiaries/associated companies	–182	–7	–239	–64
Divestment of subsidiaries	17	–	17	–
Other items in investing activities	–15	6	–6	15
Cash flow from investing activities	**–338**	**–114**	**–951**	**–727**
Financing activities				
Change in interest-bearing liabilities	263	–167	364	–66
New share issue	3	18	4	19
Buy-back of shares	–	–	–248	–248
Dividend	–	–	–350	–350
Cash flow from financing activities	**266**	**–149**	**–230**	**–645**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**–36**	**172**	**–170**	**38**
Cash and cash equivalents at beginning of the year	**270**	**229**	**410**	**229**
Cash flow for the period	–36	172	–170	38
Exchange-rate differences in cash and cash equivalents	–6	9	–12	3
Cash and cash equivalents at period-end	**228**	**410**	**228**	**270**

Analysis of net debt

	Jan–Mar		Jan–Dec
SEK m	2008	2007	2007
Opening balance	**2,224**	**2,460**	**2,460**
Translation differences	–85	53	22
Operating cash flow	116	–334	–949
Acquisition of subsidiaries/associated companies	182	16	70
Divestment of subsidiaries	–17	–	–
Change in pension liabilities	9	11	42
Dividend	–	349	350
Buy-back of shares	–	–	248
New share issue	–3	–18	–19
Closing balance	**2,426**	**2,537**	**2,224**

Appendix 1 | Financial reports

Parent Company income statement

SEK m	Jan–Mar 2008	Jan–Mar 2007
Net sales	19	–
Administrative expenses	–26	–21
Operating profit	**–7**	**–21**
Profit from shares in Group companies	–	–
Other financial income and expenses	–2	5
Profit after financial items	**9**	**–16**
Tax on net profit for the year	0	0
Net profit for the year	**–9**	**–16**

Parent Company balance sheet

SEK m	31 Mar 2008	31 Mar 2007	31 Dec 2007
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,392	1,382	1,389
Associated companies	61	4	61
Total fixed assets	**1,453**	**1,386**	**1,450**
Current assets			
Current receivables			
Accounts receivable	2	–	4
Receivables from Group companies	2,524	953	2,453
Receivables from associated companies	211	0	191
Other receivables	0	1	2
Prepaid expenses and accrued income	12	4	9
Cash and cash equivalents	10	0	46
Total current assets	**2,759**	**958**	**2,705**
Total assets	**4,212**	**2,344**	**4,155**
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	35	14	33
Buy-back of shares	–248	–	–248
Profit brought forward	2,285	586	304
Net profit for the year	–9	–16	1,978
	2,063	**584**	**2,067**
Total shareholders' equity	**3,792**	**2,313**	**3,796**
Provisions for pensions	**3**	**2**	**3**
Current liabilities			
Liabilities to credit institutes	185	0	87
Accounts payable	3	4	6
Liabilities to Group companies	197	13	231
Other liabilities	21	2	22
Accrued expenses and deferred income	11	10	10
Total current liabilities	**417**	**29**	**356**
Total shareholders' equity, provisions and liabilities	**4,212**	**2,344**	**4,155**
Pledged assets	–	–	–
Contingent liabilities	2,107	1,832	2,107

Net sales, operating profit and operating margin per region*

Net sales

	Jan–Mar		Apr–Mar	Jan–Dec
SEK m	2008	2007	2007/08	2007
UK	1,424	1,440	5,996	6,012
Nordic region	1,413	1,410	5,570	5,567
Continental Europe	1,024	1,062	4,627	4,665
Other and Group adjustments	–26	–42	–94	–110
Group	**3,835**	**3,870**	**16,099**	**16,134**

Operating profit

	Jan–Mar		Apr–Mar	Jan–Dec
SEK m	2008	2007	2007/08	2007
UK	146[1)]	126	537	517
Nordic region	126	183	628	685
Continental Europe	–16	5	252	273
Other and Group adjustments	–31	–29	–124	–122
Group	**225**	**285**	**1,293**	**1,353**

1) Operating profit amounts to SEK 125 million, excluding the sale of C.P. Hart.

Operating margin

	Jan–Mar		Apr–Mar	Jan–Dec
%	2008	2007	2007/08	2007
UK	10.2[1)]	8.8	9.0	8.6
Nordic region	8.9	13.0	11.3	12.3
Continental Europe	–1.6	0.5	5.4	5.9
Group	**5.9**	**7.4**	**8.0**	**8.4**

1) The operating margin amounts to 8.8 per cent excluding the sale of C.P. Hart.

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

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

Net sales

	2008	2007			
SEK m	I	IV	III	II	I
UK	1,424	1,542	1,492	1,538	1,440
Nordic region	1,413	1,436	1,192	1,529	1,410
Continental Europe	1,024	1,229	1,073	1,301	1,062
Other and Group adjustments	–26	–24	–9[3)]	–35[2)]	–42[1)]
Group	**3,835**	**4,183**	**3,748**	**4,333**	**3,870**

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

	2008	2007			
SEK m	I	IV	III	II	I
UK	146[1)]	130	125	136	126
Nordic region	126	157	120	225	183
Continental Europe	–16	85	64	119	5
Other and Group adjustments	–31	–23	–37	–33	–29
Group	**225**	**349**	**272**	**447**	**285**

1) Operating profit amounts to SEK 125 million, excluding the sale of C.P. Hart.

Operating margin

	2008	2007			
%	I	IV	III	II	I
UK	10.2[1)]	8.4	8.4	8.8	8.8
Nordic region	8.9	10.9	10.1	14.7	13.0
Continental Europe	–1.6	6.9	5.9	9.1	0.5
Group	**5.9**	**8.3**	**7.3**	**10.3**	**7.4**

1) The operating margin amounts to 8.8 per cent excluding the sale of C.P. Hart.

*) 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 shareholders' equity. The calculation of average shareholders' 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 shareholders' 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.