nobia

Interim Report
Q3 | 2008

Nobia prepares for a weaker kitchen market

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

Nobia's net sales for the third quarter of 2008 amounted to SEK 3,690 million (3,748). Profit after tax amounted to SEK 105 million (189). Organic growth was 1 per cent. Earnings per share amounted to SEK 0.63 (1.09) after dilution.

Demand in the third quarter weakened in the new-build sector in the Nordic region and in the consumer sector in the UK and France.

Operating profit for the quarter amounted to SEK 186 million (272) and the operating margin was 5.1 per cent (7.3). Exchange-rate effects, primarily in GBP and USD, had a negative impact on operating profit for the period in the amount of approximately SEK 30 million, distributed between translation and transaction effects.

Operating cash flow amounted to SEK 142 million (205).

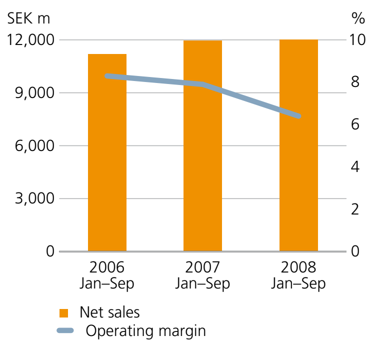
Further measures were initiated in all business units during the quarter to combat weaker demand.

Comments from the CEO

"We are now preparing for more difficult times by continuously adjusting production capacity. In addition, we have introduced cost-saving programmes in our various business units. We are continuing to slow the pace of the establishment of new stores, although we are also launching concepts to capture new customer groups," says President and CEO Preben Bager.

Nobia Group Summary	Jul–Sep			Jan–Sep			Oct–Sep	Jan–Dec
	2008	2007	Change, %	2008	2007	Change, %	2007/08	2007
Net sales, SEK m	3,690	3,748	–2	12,002	11,951	0	16,185	16,134
Operating profit before depreciation, SEK m (EBITDA)	305	383	–20	1,179	1,338	–12	1,631	1,790
Operating profit, SEK m (EBIT)	186	272	–32	832	1,004	–17	1,181	1,353
Operating margin, %	5.1	7.3	–	6.9	8.4	–	7.3	8.4
Profit after financial items, SEK m	146	244	–40	718	922	–22	1,043	1,247
Profit after tax, SEK m	105	189	–44	517	676	–24	799	958
Earnings per share, after dilution, SEK	0.63	1.09	–42	3.06	3.87	–21	4.70	5.50
Operating cash flow, SEK m	142	205	–	4	853	–	100	949
Return on capital employed, %	–	–	–	–	–	–	18.2	20.6
Return on shareholders' equity, %	–	–	–	–	–	–	20.3	25.0

Net sales and operating margin

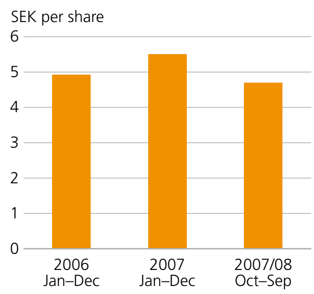


Net sales amounted to SEK 12,002 million during January–September and the operating margin was 6.9 per cent.

Profitability trend

Return on capital employed amounted to 18.2 per cent during the past 12-month period.

Earnings per share



Earnings per share after dilution amounted to SEK 4.70 during the past 12-month period.

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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 3,690 million (3,748) during the third quarter. Organic growth was 1 per cent. Operating profit amounted to SEK 186 million (272) and the operating margin was 5.1 per cent (7.3).

Exchange-rate effects had a negative impact on operating profit in the amount of approximately SEK 30 million, of which SEK 14 million pertains to translation effects and the remaining SEK 16 million to transaction effects.

Indirect costs for the quarter rose by about SEK 50 million due to the takeover of franchise stores in Denmark.

To take advantage of economies of scale, Nobia has downsized its operations to fewer business units during the third quarter. The aim of this change is to more quickly achieve co-ordination of the product range, production and external supply chain.

At the end of the period, Nobia had a total of 686 stores (660 at year-end), comprising 452 (397) Group-owned stores and 234 (259) franchise stores. In addition, the joint-venture Culinoma has 89 kitchen stores in Germany (79 at year-end).

Net sales and profit per region, third quarter

	Net sales Jul–Sep			Operating profit Jul–Sep			Operating margin, % Jul–Sep	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	1,285	1,492[4]	–14	87	125[5]	–30	6.8	8.4
Nordic	1,293	1,192	8	92	120	–23	7.1	10.1
Continental Europe	1,129	1,073	5	32	64	–50	2.8	5.9
Other and Group adjustments	–17	–9	–	–25	–37	–		
Group	3,690	3,748	–2	186	272	–32	5.1	7.3

Analysis of net sales

	Jul–Sep	
	%	SEK m
2007		3,748
Organic growth	1	36
– of which region UK[1]	3	44
– of which Nordic region[1]	–4	–48
– of which Continental Europe region[1]	5	50
Currency effect	–5	–170
Acquired units[3]	4	137
Discontinued operations[2]	–2	–61
2008	–2	3,690

[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.
[4] Includes C.P. Hart in the amount of SEK 63 million.
[5] Includes C.P. Hart in the amount of SEK 5 million.

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 1,285 million (1,492) during the third quarter. Organic growth was 3 per cent. Operating profit amounted to SEK 87 million (125) and the operating margin was 6.8 per cent (8.4).

Declining demand in the UK was most clearly seen in the consumer sector, while the Trade channel with sales of rigid kitchens and joinery products to local joinery companies continued to grow. This growth has impacted net sales to a greater extent than operating profit.

A total of nine new stores were added during the quarter, which meant that the rate of expansion was slower than planned.

A decision was made during the period to merge Magnet and Gower into one business unit, resulting in a co-ordinated product range and other cost-efficiency measures.

Operating profit was negatively affected by exchange-rate effects of SEK 22 million during the period.

Excluding the C.P. Hart bathroom operations and measured in local currency, operating profit in the region declined by 17 per cent.

At the end of the third quarter, the number of Group-owned stores in the region amounted to 214. Slightly less than two-thirds of stores have both consumer and Trade sales.

Trend in the kitchen market during the period

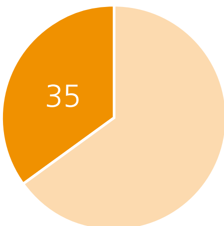
The UK kitchen market has weakened further.

Quarterly data

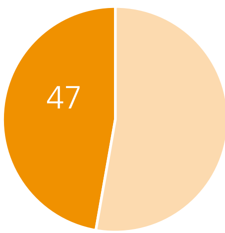
	2008			2007			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,285	1,424	1,424	1,542	1,492[1]	1,538	1,440
Operating profit, SEK m	87	120	146	130	125[2]	136	126
Operating margin, %	6.8	8.4	10.2	8.4	8.4	8.8	8.8

[1] Includes C.P. Hart in the amount of SEK 63 million.
[2] Includes C.P. Hart in the amount of SEK 5 million.

Percentage of consolidated net sales, third quarter, %



Percentage of consolidated operating profit, third quarter, %



Store trend,
January–September

Refurbished or relocated	13
Newly opened, net	17
Number of kitchen stores (Group-owned)	214

Brands in the UK region

Magnet Gower

Nordic region

Net sales amounted to SEK 1,293 million (1,192) during the third quarter. Organic growth was negative 4 per cent. Operating profit amounted to SEK 92 million (120) and the operating margin was 7.1 per cent (10.1).

Based on HTH's takeover of franchise stores in Denmark, the region's net sales for the third quarter rose by approximately SEK 150 million. Adjusted for the additional sales, net sales declined during the period.

Due to the lower demand for new builds in Finland, statutory co-operation procedure talks on adjustments to the production capacity of Nobia's Finnish business unit Novart were initiated during the period.

During the third quarter, HTH introduced a new concept and product programme in the Norwegian market for flat-pack kitchens in the economy segment, which was launched on 1 October.

The business units in Norway and Sweden were merged during the period. Product-range co-ordination and cost-efficiency measures are underway within the framework of this merger and in other business units in the region.

Operating profit for the period was negatively affected by exchange-rate effects of SEK 3 million.

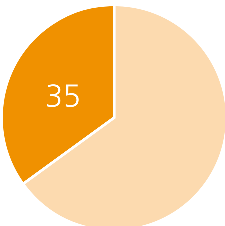
At the end of the third quarter, the number of Nobia Group-owned kitchen stores in the region totalled 59 and the number of franchise stores 232.

Trend in the kitchen market during the period
Demand in the Nordic market as a whole has declined, primarily as a result of decreased activity in the new-build sector.

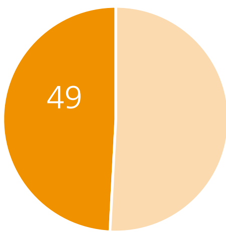
Quarterly data

	2008			2007			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,293	1,773	1,413	1,436	1,192	1,529	1,410
Operating profit, SEK m	92	242	126	157	120	225	183
Operating margin, %	7.1	13.6	8.9	10.9	10.1	14.7	13.0

Percentage of consolidated net sales, third quarter, %



Percentage of consolidated operating profit, third quarter, %



Store trend, January–September

Refurbished or relocated	6
Newly opened, net	6
Number of kitchen stores (Group-owned and franchise)	291

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

Continental Europe region

Net sales amounted to SEK 1,129 million (1,073) during the third quarter. Organic growth was 5 per cent. Operating profit for the quarter amounted to SEK 32 million (64) and the operating margin was 2.8 per cent (5.9).

The focus on new Hygena stores in France and on Poggenpohl stores in Europe continued during the period, although at a slower pace. In addition, one store was established in Spain and another establishment is being prepared.

The work on implementing a more efficient logistics system for Hygena in France intensified during the third quarter.

A decision was made during the period to consolidate German company Pronorm with Austrian company EWE/FM and form a single business unit. Product-range co-ordination and cost-efficiency measures are being implemented within the merged unit.

Exchange-rate fluctuations affected operating profit negatively in the amount of SEK 5 million.

The joint-venture Culinoma had a marginally positive impact on operating profit for the quarter.

At the end of the third quarter, the number of Group-owned kitchen stores in the region totalled 179 and the number of franchise stores two. Culinoma comprised an additional 89 stores.

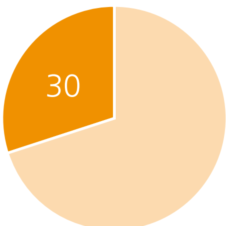
Trend in the kitchen market during the period

Demand in the region's primary markets weakened during the period.

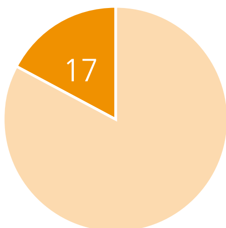
Quarterly data

	2008			2007			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,129	1,307	1,024	1,229	1,073	1 ,301	1,062
Operating profit, SEK m	32	87	–16	85	64	119	5
Operating margin, %	2.8	6.7	–1.6	6.9	5.9	9.1	0.5

Percentage of consolidated net sales, third quarter, %



Percentage of consolidated operating profit, third quarter, %



Store trend, January–September

Refurbished or relocated	4
Newly opened, net	8
Number of kitchen stores (Group-owned and franchise)	181

Brands in the Continental Europe region

Austria: ewe, FM

France: hygena

Germany: poggenpohl, OPTIFIT, pronorm

Consolidated earnings, cash flow and financial position January–September 2008

Earnings per share after dilution amounted to SEK 3.06 per share (3.87) for the period January–September. During the past 12-month period, earnings per share amounted to SEK 4.70. Operating profit for the period (EBIT) amounted to SEK 832 million (1,004). Exchange-rate effects had a negative impact on operating profit amounting to about SEK 86 million in the UK region and approximately SEK 17 million in the Continental Europe region. Operating profit in the Nordic region had a positive impact of about SEK 13 million.

Net financial items amounted to negative SEK 114 million (neg: 82). Net interest amounted to negative SEK 91 million (neg: 60). This decline in net interest is due to higher average net debt 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 23 million (expense: 22).

The tax rate of 28.0 per cent (26.7) 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 dissolved reserves in Sweden and the UK in the preceding year.

Operating cash flow for the period amounted to SEK 4 million (853). This decrease is primarily explained by the following factors: lower earnings, higher preliminary tax paid, lower advance payments in the consumer stage particularly in the UK and France, shifts in payments between periods and nonrecurring effects during the preceding year amounting to SEK 180 million.

The return on capital employed for the past 12-month period was 18.2 per cent (20.6 per cent for the full-year 2007). Return on shareholders' equity for the past 12-month period amounted to 20.3 per cent (25.0 per cent for the full-year 2007).

Nobia's investments in fixed assets amounted to SEK 476 million (446), of which SEK 227 million (173) is related to store investments.

Net debt rose by SEK 818 million from the beginning of the year and at the end of the period amounted to SEK 3,042 million (2,261). Net debt was increased during the period by dividends paid of SEK 430 million and the buy-back of shares totalling SEK 220 million. The debt/equity ratio amounted to 76 per cent on 30 September (54 per cent on 1 January).

Key ratios	Jul–Sep			Jan–Sep		
	2008	2007	Change, %	2008	2007	Change, %
Profit after financial items, SEK m	146	244	–40	718	922	–22
Profit after tax, SEK m	105	189	–44	517	676	–24
Tax rate, %	28.0	22.5	–	28.0	26.7	–
Earnings per share, after dilution, SEK	0.63	1.09	–42	3.06	3.87	–21

Net sales and profit per region, January–September

	Net sales			Operating profit			Operating margin, %	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	4,133	4,470[1]	–8	353	387[2]	–9	8.5	8.7
Nordic	4,479	4,131	8	460	528	–13	10.3	12.8
Continental Europe	3,460	3,436	1	103	188	–45	3.0	5.5
Other and Group adjustments	–70	–86	–	–84	–99	–	–	–
Group	12,002	11,951	0	832	1,004	–17	6.9	8.4

1) Includes C.P. Hart in the amount of SEK 177 million.
2) Includes C.P. Hart in the amount of SEK 8 million.

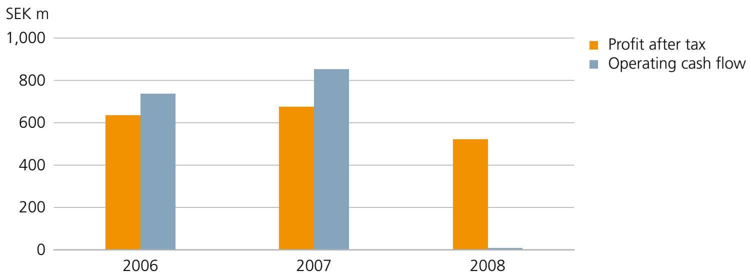
Consolidated earnings, cash flow and financial position

Analysis of net sales

	Jan–Mar	Apr–Jun	Jul–Sep	Jan–Sep	
	%	%	%	%	SEK m
2007					11,951
Organic growth	2	7	1	3	402
– of which UK region[1)]	12	10	3	9	366
– of which Nordic region[1)]	–6	7	–4	0	–14
– of which Continental Europe region[1)]	–2	1	5	1	45
Currency effect	–2	–4	–5	–4	–451
Acquired units[2)]	1	2	4	2	293
Discontinued operations[3)]	–2	–1	–2	–2	–193
2008	–1	3	–2	0	12,002

[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 this year and Optifit's flat–pack bathroom operations in the Continental Europe region last year

Profit and cash flow, January–September



Company acquisitions and divestments

The German Vesta Group has been part of Culinoma since 1 July. Vesta is Culinoma's fourth acquisition since the joint-venture company was founded by Nobia AB and De MandemakersGroep Holding BV at the beginning of 2007. Culinoma is reported in accordance with the equity method.

Events after the end of the period

HTH launched a new concept and product programme for flat-pack kitchens in the economy segment in the Norwegian market on 1 October.

In October, the joint-venture Culinoma acquired German company Küchenpohl with two kitchen stores in the Bielefeld area.

HTH and Invita were merged into a single business unit in Denmark on October 24. The aim of the change is to generate economies of scale in purchasing and production.

Personnel

The number of personnel at the end of the period amounted to 9,006, compared with 8,726 at the beginning of the year. This increase is primarily attributable to the acquisitions of HTH stores in Denmark. The average number of personnel during the interim period was 8,248.

Related-party transactions, Parent Company

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 42 million (19) during the January–September period. The Parent Company reported earnings from participations in Group companies amounting to SEK 0 million (1,468).

Nomination Committee

Owners representing 42.2 per cent of the capital in Nobia have appointed a Nomination Committee comprising the following members: Chairman, Fredrik Palmstierna, SäkI; Peter Lindell, AMF; Åsa Nisell, Swedbank Robur; Stefan Charette, Öresund, and Hans Larsson, Nobia Board Chairman.

Nobia shareholders are welcome to submit comments and proposals to the Nomination Committee via Fredrik Palmstierna, Chairman of the Nomination Committee, telephone +46 (0) 8 679 66 77.

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.

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.

The Group's risks and uncertainties are described in further detail in the 2007 Annual Report. It is difficult to assess the current demand trend.

Buy-back of shares

In accordance with the authorisation granted by the Annual General Meeting on 1 April, the Board of Nobia decided to acquire the company's own shares on 24 April. The aim was to enable whole or partial acquisition financing through payment using Group shares, as well as to adjust the company's capital structure. The acquisition was conducted during the period on the OMX Nordic Exchange in Stockholm at an average price of SEK 42. Accordingly, Nobia owns 8,162,300 own shares, corresponding to 4.7 per cent of the total number of shares issued in Nobia. On average, the number of own shares amounted to 4,086,410 for the period January–September. The total number of shares issued by Nobia is 175,293,458.

No shares were bought back during the third quarter.

Accounting principles

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting principles are applied in accordance with the Annual Accounts Act and the Swedish Securities Market Act, which concur with the provisions of recommendation RFR 2.1.

From 2008, Nobia has changed its accounting principle regarding conditional discounts, which, effective 1 January, is 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. In all other respects, 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
- Gun Nilsson, CFO
- Ingrid Yllmark, Director Communications & IR

Presentation

The interim report will be presented on Friday, 24 October 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 11 February 2009, and then 24 April. The Annual General Meeting will be held in Stockholm on 2 April 2009 at 5:00 p.m.

Stockholm, 24 October 2008

Preben Bager
President and CEO

Nobia AB Corporate Registration Number 556528-2752

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 24 October at 8:00 a.m. CET.

Review report

Introduction
We have reviewed the interim report of Nobia AB (publ), Corporate Registration Number 556528-2752 for the period 1 January to 30 September 2008. 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, 24 October 2008

KPMG AB

Helene Willberg
Authorised Public Accountant

Appendix 1 | Financial reports

Consolidated income statement

SEK m	Jul–Sep 2008	Jul–Sep 2007[3]	Jan–Sep 2008	Jan–Sep 2007[3]	Oct–Sep 2007/08	Jan–Dec 2007[3]
Net sales	3,690	3,748	12,002	11,951	16,185	16,134
Cost of goods sold	–2,324	–2,396	–7,603	–7,575	–10,273	–10,245
Gross profit	**1,366**	**1,352**	**4,399**	**4,376**	**5,912**	**5,889**
Sales and administrative expenses	–1,187	–1,093	–3,630	–3,429	–4,784	–4,583
Other income / expenses	7	14	65	60	55	50
Share in profit of associated companies	0	–1	–2	–3	–2	–3
Operating profit	**186**	**272**	**832**	**1,004**	**1,181**	**1,353**
Net financial expenses	–40	–28	–114	–82	–138	–106
Profit after financial items	**146**	**244**	**718**	**922**	**1,043**	**1,247**
Tax	–41	–55	–201	–246	–244	–289
Profit after tax	**105**	**189**	**517**	**676**	**799**	**958**
Profit after tax attributable to:						
Parent Company shareholders	105	189	517	676	799	958
Minority interests	0	0	0	0	0	0
Profit after tax	**105**	**189**	**517**	**676**	**799**	**958**
Total depreciation	119	111	347	334	450	437
Operating margin, %	5.0	7.3	6.9	8.4	7.3	8.4
Return on capital employed, %	–	–	–	–	18.2	20.6
Return on shareholders' equity, %	–	–	–	–	20.3	25.0
Earnings per share, after dilution, SEK[1]	0.63	1.10	3.06	3.90	4.70	5.54
Earnings per share, after dilution, SEK[1]	0.63	1.09	3.06	3.87	4.70	5.50
Number of shares at end of period before dilution, 000s[2]	167,131	171,515	167,131	171,515	167,131	171,516
Average number of shares before dilution, 000s[2]	167,131	171,730	169,248	173,107	170,095	172,709
Number of shares after dilution at end of period, 000s[2]	167,131	172,794	167,131	172,965	167,192	172,882
Average number of shares after dilution, 000s[2]	167,131	173,008	169,248	174,556	170,155	174,076

[1] Earnings per share attributable to Parent Company's shareholders.
[2] Outstanding shares.
[3] The lines for net sales and cost of goods sold have been adjusted due to the changed accounting principle regarding conditional discounts.

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Consolidated balance sheet

SEK m	30 Sep 2008	30 Sep 2007	31 Dec 2007
ASSETS			
Goodwill	2,895	2,771	2,786
Other intangible fixed assets	120	89	97
Tangible fixed assets	3,199	2,923	3,052
Long-term receivables	323	266	266
Participations in associated companies	51	7	53
Deferred tax assets	239	145	273
Total fixed assets	**6,827**	**6,201**	**6,527**
Inventories	1,588	1,487	1,480
Accounts receivable	1,847	1,820	1,573
Other receivables	538	398	440
Total current receivables	*2,385*	*2,218*	*2,013*
Cash and cash equivalents	223	292	270
Total current assets	**4,196**	**3,997**	**3,763**
Total assets	**11,023**	**10,198**	**10,290**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,459	1,440	1,442
Reserves	4	–20	19
Profit brought forward	2,499	2,349	2,631
Total equity attributable to Parent Company shareholders	*4,020*	*3,827*	*4,150*
Minority interests	5	6	6
Total shareholders' equity	**4,025**	**3,833**	**4,156**
Provisions for pensions	754	842	829
Other provisions	124	150	133
Deferred tax liabilities	269	200	269
Other long-term liabilities, interest-bearing	2,631	1,720	1,720
Total long-term liabilities	**3,778**	**2,912**	**2,951**
Current liabilities, interest-bearing	173	213	161
Current liabilities, non-interest-bearing	3,047	3,240	3,022
Total current liabilities	**3,220**	**3,453**	**3,183**
Total shareholders' equity and liabilities	**11,023**	**10,198**	**10,290**
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	37	38	40
Debt/equity ratio, %	76	59	54
Net debt, SEK m	3,042	2,261	2,224
Capital employed, closing balance, SEK m	7,583	6,607	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 shareholders' 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	–	–	0	–	0	0	0
Cash-flow hedges before tax	–	–	–10	–	–10	–	–10
Tax attributable to change in hedging reserve for the period	–	–	3	–	3	–	3
Total transactions reported directly against shareholders' equity	**–**	**–**	**–7**	**–**	**–7**	**–**	**–7**
Net profit for the period	–	–	–	676	676	0	676
Total reported revenues and expenses	**–**	**–**	**–7**	**676**	**669**	**0**	**669**
Employee share option scheme							
– Value of employee services	–	9	–	–	9	–	9
Payment for issued shares	0	19	–	–	19	–	19
Dividend	–	–	–	–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**
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	–	–	–8	–	–8	0	–8
Cash-flow hedges before tax	–	–	–10	–	–10	–	–10
Tax attributable to change in hedging reserve for the period	–	–	3	–	3	–	3
Total transactions reported directly against shareholders' equity	**–**	**–**	**–15**	**–**	**–15**	**0**	**–15**
Net profit for the period	–	–	–	517	517		517
Total reported revenues and expenses	**–**	**–**	**–15**	**517**	**502**	**–**	**502**
Employee share option scheme							
– Value of employee services	–	–3	–	–	–3	–	–3
Payment for issued shares	0	20	–	–	20	–	20
Dividend[1)]	–	–	–	–429	–429	–1	–430
Buy-back of shares	–	–	–	–220	–220	–	–220
Closing balance, 30 September 2008	**58**	**1,459**	**4**	**2,499**	**4,020**	**5**	**–4,025**

1) The dividend to shareholders in the Parent Company was resolved by the Annual General meeting on 1 April and was paid on 9 April 2008.

Appendix 1 | Financial reports

Consolidated cash-flow statement

SEK m	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
Operating activities						
Operating profit	186	272	832	1,004	1,181	1,353
Depreciation	119	111	347	334	450	437
Adjustments for non-cash items	10	–39	–49	–88	–51	–90
Interest paid	–33	–20	–93	–61	–107	–75
Tax paid	–62	–47	–320	–158	–422	–260
Change in working capital	33	84	–298	146	–399	45
Cash flow from operating activities	**253**	**361**	**419**	**1,177**	**652**	**1,410**
Investing activities						
Investments in fixed assets	–158	–181	–476	–446	–708	–678
Acquisition of subsidiaries/associated companies, Note 1	–16	–	–222	–15	–271	–64
Divestment of subsidiaries	–	–	16	–	16	–
Other items in investing activities	22	–125	3	–78	96	15
Cash flow from investing activities	**–152**	**–306**	**–679**	**–539**	**–867**	**–727**
Financing activities						
Change in interest-bearing liabilities	–91	95	843	7	770	–66
New share issue	–	–	20	19	20	19
Buy-back of shares	–	–74	–220	–248	–220	–248
Dividend	–1	–	–430	–350	–430	–350
Cash flow from financing activities	**–92**	**21**	**213**	**–572**	**140**	**–645**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**9**	**76**	**-47**	**66**	**–75**	**38**
Cash and cash equivalents at beginning of the period	**207**	**224**	**270**	**229**	**292**	**229**
Cash flow for the period	9	76	–47	66	–75	38
Exchange-rate differences in cash and cash equivalents	7	–8	0	–3	6	3
Cash and cash equivalents at period-end	**223**	**292**	**223**	**292**	**223**	**270**

Analysis of net debt

SEK m	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
Opening balance	**3,102**	**2,410**	**2,224**	**2,460**	**2,261**	**2,460**
Translation differences	56	–29	–12	20	–10	22
Operating cash flow	–142	–205	–4	–853	–100	–949
Acquisition of subsidiaries/associated companies	16	–	222	22	270	70
Divestment of subsidiaries	–	–	–44	–	–44	–
Change in pension liabilities	9	11	26	33	35	42
Dividend	1	–	430	350	430	350
Buy-back of shares	–	74	220	248	220	248
New share issue	–	–	–20	–19	–20	–19
Closing balance	**3,042**	**2,261**	**3,042**	**2,261**	**3,042**	**2,224**

Note 1 – Company acquisitions

During the first six months of the year, Nobia acquired 100 per cent of six companies with franchise stores in Denmark through its HTH business unit. The companies generated net sales of SEK 589 million during the period. Two companies were acquired during the third quarter, and another acquisition will take place during the fourth quarter.
The acquisition analysis below is preliminary since the final acquisition value at fair value has not yet been established.

Acquired net assets and goodwill, SEK m	
Purchase consideration, including acquisition costs	230
Fair value of acquired net assets	–96
Goodwill	**134**

Goodwill is attributable to the assessed future profit-generating capacity.

Assets and liabilities included in the acquisition, SEK m	Fair value	Acquired carrying amount
Cash and bank balances	8	8
Tangible fixed assets	54	22
Intangible fixed assets	24	5
Inventories	24	24
Receivables	117	117
Liabilities	–108	–108
Tax	–8	–8
Deferred tax, net	–15	–2
Acquired net assets	**96**	**58**

Cash-regulated purchase consideration, including acquisition costs	230
Cash and cash equivalents in acquired subsidiaries	–8
Reduction of consolidated cash and cash equivalents at the time of acquisition	**222**

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Parent Company income statement

SEK m	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
Net sales	22	–	62	34	90	62
Administrative expenses	–22	–11	–71	–56	–103	–88
Operating profit	**0**	**–11**	**–9**	**–22**	**–13**	**–26**
Profit from shares in Group companies	–	–	–	1,468[1)]	533	2,001
Other financial income and expenses	0	–2	–3	3	–12	–6
Profit after financial items	**0**	**–13**	**–12**	**1,449**	**508**	**1,969**
Tax on net profit for the period	0	0	0	0	9	9
Net profit for the period	**0**	**–13**	**–12**	**1,449**	**517**	**1,978**

[1)] Primarily pertains to dividends from Nobia NBI AB

Parent Company balance sheet

SEK m	30 Sep 2008	30 Sep 2007	31 Dec 2007
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,387	1,388	1,389
Associated companies	61	12	61
Total fixed assets	**1,448**	**1,400**	**1,450**
Current assets			
Current receivables			
Accounts receivable	5	3	4
Receivables from Group companies	2,902	1,777	2,453
Receivables from associated companies	244	197	191
Other receivables	0	0	2
Prepaid expenses and accrued income	13	1	9
Cash and cash equivalents	0	0	46
Total current assets	**3,164**	**1,978**	**2,705**
Total assets	**4,612**	**3,378**	**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	52	33	33
Buy-back of shares	–468	–248	–248
Profit brought forward	1,850	227	304
Net profit for the period	–12	1,449	1,978
	1,422	**1,461**	**2,067**
Total shareholders’ equity	**3,151**	**3,190**	**3,796**
Provisions for pensions	**4**	**2**	**3**
Current liabilities			
Liabilities to credit institutes	131	135	87
Accounts payable	1	4	6
Liabilities to Group companies	1,297	35	231
Other liabilities	16	2	22
Accrued expenses and deferred income	12	10	10
Total current liabilities	**1,457**	**186**	**356**
Total shareholders’ equity, provisions and liabilities	**4,612**	**3,378**	**4,155**
Pledged assets	–	–	–
Contingent liabilities	2,951	2,107	2,107

Appendix 2 | Net sales, operating profit and margin per region

Net sales, operating profit and operating margin per region*

Net sales

SEK m	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
UK	1,285	1,492	4,133	4,470	5,675	6,012
Nordic	1,293	1,192	4,479	4,131	5,915	5,567
Continental Europe	1,129	1,073	3,460	3,436	4,689	4,665
Other and Group adjustments	–17	–9	–70	–86	–94	–110
Group	**3,690**	**3,748**	**12,002**	**11,951**	**16,185**	**16,134**

Operating profit

SEK m	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
UK	87	125	353[1]	387	483	517
Nordic	92	120	460	528	617	685
Continental Europe	32	64	103	188	188	273
Other and Group adjustments	–25	–37	–84	–99	–107	–122
Group	**186**	**272**	**832**	**1,004**	**1,181**	**1,353**

1) Operating profit amounts to SEK 333 million, excluding the sale of C.P. Hart.

Operating margin

%	Jul–Sep 2008	Jul–Sep 2007	Jan–Sep 2008	Jan–Sep 2007	Oct–Sep 2007/08	Jan–Dec 2007
UK	6.8	8.4	8.5[1]	8.7	8.5	8.6
Nordic	7.1	10.1	10.3	12.8	10.4	12.3
Continental Europe	2.8	5.9	3.0	5.5	4.0	5.9
Group	**5.1**	**7.3**	**6.9**	**8.4**	**7.3**	**8.4**

1) The operating margin amounts to 8.1 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	III	II	I	IV	III	II	I
UK	1,285	1,424	1,424	1,542	1,492	1,538	1,440
Nordic	1,293	1,773	1,413	1,436	1,192	1,529	1,410
Continental Europe	1,129	1,307	1,024	1,229	1,073	1,301	1,062
Other and Group adjustments	–17	–27	–26	–24	–9[3]	–35[2]	–42[1]
Group	**3,690**	**4,477**	**3,835**	**4,183**	**3,748**	**4,333**	**3,870**

[1] SEK –5 million of the amount is attributable to the elimination of internal sales within the Continental Europe region.
[2] SEK –10 million of the amount is attributable to the elimination of internal sales within the Continental Europe region.
[3] Included in the amount is an adjustment corresponding to SEK 15 m.

Operating profit

	2008			2007			
SEK m	III	II	I	IV	III	II	I
UK	87	120	146[1]	130	125	136	126
Nordic	92	242	126	157	120	225	183
Continental Europe	32	87	–16	85	64	119	5
Other and Group adjustments	–25	–28	–31	–23	–37	–33	–29
Group	**186**	**421**	**225**	**349**	**272**	**447**	**285**

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

Operating margin

	2008			2007			
%	III	II	I	IV	III	II	I
UK	6.8	8.4	10.2[1]	8.4	8.4	8.8	8.8
Nordic	7.1	13.6	8.9	10.9	10.1	14.7	13.0
Continental Europe	2.8	6.7	–1.6	6.9	5.9	9.1	0.5
Group	**5.1**	**9.4**	**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 shareholders' equity
Profit for the period 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 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.