

nobia



Year-end report 2008

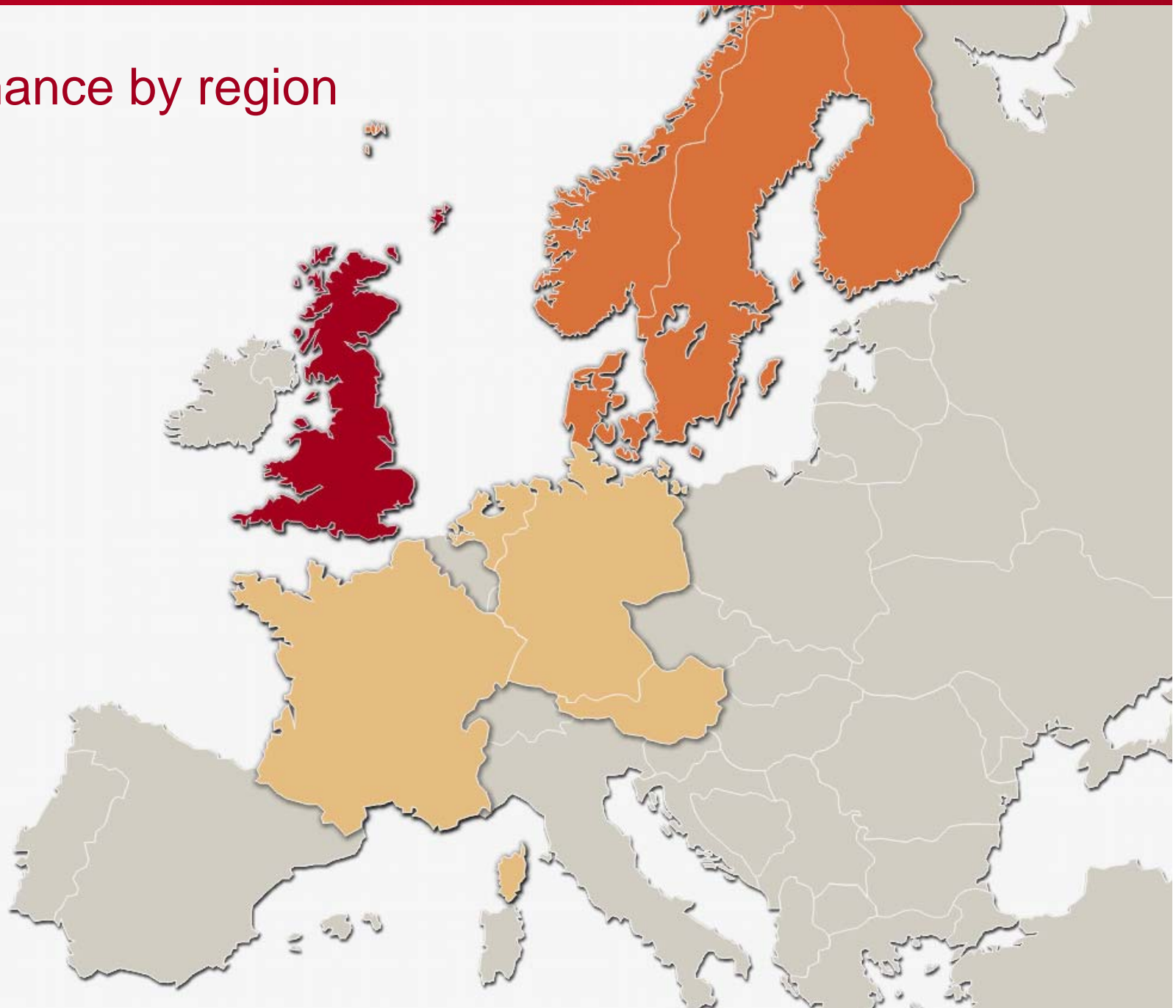
11 February 2009

Accelerated market decline during the quarter

Q4 in brief

- Net sales were SEK 3,989 m (4,183)
- Organic growth was negative 10%
- Operating profit was SEK 119 m (349)
- Operating margin was 3.0% (8.3)
- Cash flow was SEK 38 m (96)

Performance by region



UK kitchen market in Q4

- Continued decline in the kitchen market towards the end of the year
- A number of competitors filed for bankruptcy



UK region in Q4, local currency

	2008 Oct-Dec	2007 Oct-Dec	Change
Net sales, GBP m	102.0	117.2*	-13%
Operating profit, GBP m	-1.7	9.9**	neg.
Operating margin	-1.6%	8.4%	

*C.P: Hart included with GBP 4.2 m

**C.P. Hart included with GBP 0.3 m

- Decreased sales
- Currency effects on operating profit SEK -30 m
- Trade sales increased
- Lower store expansion rate: one new store



Magnet

Gower

UK region in Q4

	2008 Oct-Dec	2007 Oct-Dec	Change
Net sales, SEK m	1,250	1,542*	-19%
Operating profit, SEK m	-20	130**	neg.
Operating margin	-1.6%	8.4%	

*C.P. Hart included with SEK 57 m

**C.P. Hart included with SEK 4 m



Magnet

Gower

Nordic kitchen market in Q4

- Accelerated slowdown in demand in all Nordic markets – both new-build and renovation



Nordic region Q4

	2008 Oct-Dec	2007 Oct-Dec	Change
Net sales, SEK m	1,476	1,436	3%
Operating profit, SEK m	38	157	-76%
Operating margin	2.6%	10.9%	



- Decline in sales like for like of 15%, affects profit SEK -80 m
- Net currency effects SEK -10 m (weaker SEK and NOK)
- Structural production initiatives SEK -20 m (Novart, Norema, Myresjökök)



myresjökök



uno form®



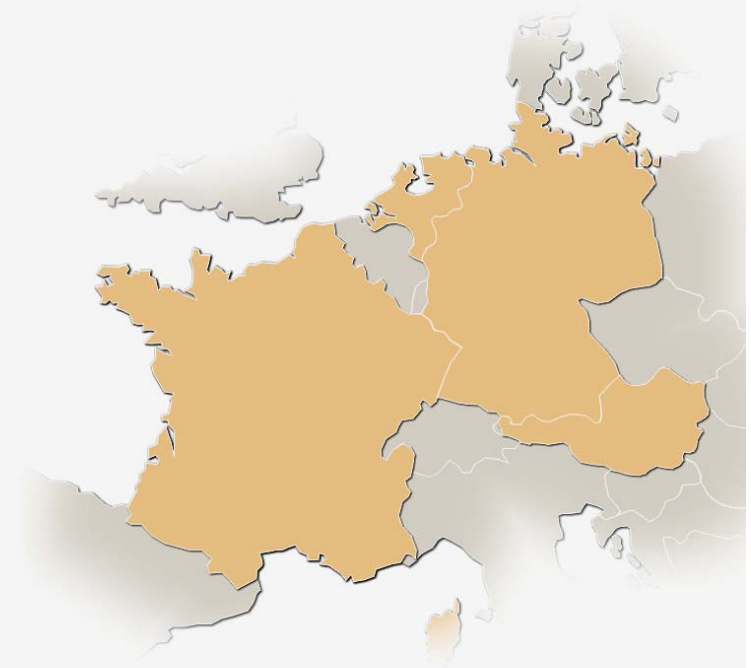
Nordic region in Q4

- Production in Finland will be concentrated to one plant by Q3 2009
- HTH and Invita consolidated into one business unit in Denmark
- Danish sales increased by SEK 190 m through takeover of HTH franchise stores (actual sales decreased)
- HTH introduced new flat-pack concept in Norway in October



Continental European kitchen market in Q4

- Demand in all main markets weakened during the period



Continental Europe region Q4

	2008 Oct-Dec	2007 Oct-Dec	Change
Net sales, SEK m	1,290	1,229	5%
Operating profit, SEK m	117	85	38%
Operating margin	9.0%	6.9%	



- Culinoma contributed SEK 22 m to operating profit (-2)
- Pronorm/EWE/FM and Optifit improved performance



Decline in demand affected sales and profit

Full year 2008

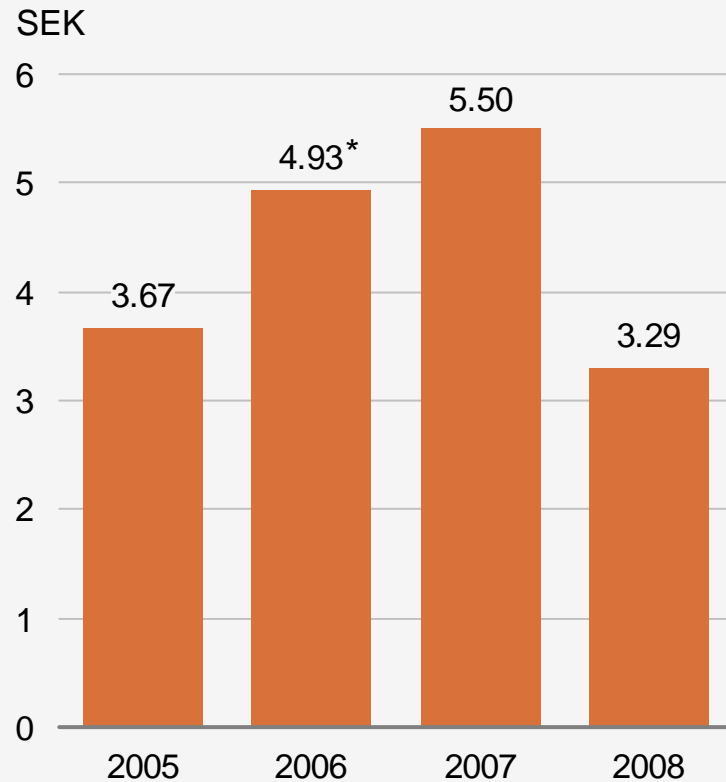
- Net sales declined slightly to SEK 15,991 m (16,134)
- Organic growth was flat
- Operating profit (EBIT) was down by 30% to SEK 951 m (1,353)
- Net profit amounted to SEK 555 m (958)
- EPS after dilution was SEK 3.29 (5.50)
- Operating margin was 5.9% (8.4)
- Operating cash flow was SEK 42 m (949)

Profit development

SEK m	2008 Oct-Dec	Change	2008 Jan-Dec	Change
Operating profit before depreciation, SEK m (EBITDA)	251	-44%	1,430	-20%
Operating profit, SEK m (EBIT)	119	-66%	951	-30%
Pre-tax profit	70	-78%	788	-37%
Net profit	38	-87%	555	-42%

- Lower volumes
- Currency effects
- Store investments
- Costs for structural changes

Earnings per share fell



■ Earnings per share after dilution and split 3:1

*) Earnings per share were SEK 4.72 in 2006 for comparable units.

Nobia's goal for profit growth:

Earnings per share shall increase over a business cycle by an average of 12%.

Average increase 2001-2008 is 7%

Financial position

SEK m	2008 Jan-Dec	2007 Jan-Dec
Investments	733	678
Operating cash flow	42	949

SEK m	2008 31 Dec	2007 31 Dec
Net debt	3,181	2,224
Net debt/equity	76%	54%

Decline in cash flow

- Weaker operating profit
- Increased working capital tied-up
- Acquisition of HTH franchise stores
- Higher store investments
- Higher taxes paid

Proposed dividend

- SEK 1.25 per share (2.50)
- The total dividend amounts to SEK 209 m based on the number of shares at year-end 2008
- Corresponds to 38% of net profit for the year attributable to the Parent Company's shareholders

39 new stores during 2008

Brand by region	Year-end 2007	New	Closed	Net change	Year-end 2008
Marbodal	7	0	0	0	7
Myresjökök	4	0	0	0	4
HTH	121	2	0	2	123
Invita	50	1	0	1	51
Norema	21	0	-1	-1	20
Sigdal	8	1	0	1	9
Novart brands	74	4	-2	2	76
Nordic	285	55	-50	5	290
Poggenpohl	31	5	-2	3	34
Hygena	142	13	0	13	155
Cont. Europe	173	18	-2	16	189
Magnet, UK	197	19	-1	18	215
Total Nobia	655	92	-53	39	694

2008 in brief

Accelerated market decline during 2008

Adaptation of production capacity and coordination of supply

- Manufacturing in Finland concentrated to one plant
- Rationalisation of Hygena's logistics structure begun
- Established purchasing organisation in Shanghai

Strengthened customer offering – brands and channels

- Continued growth within Magnet Trade
- Hygena concept tested in Spain
- HTH flat-pack concept introduced in Norway; increased market share
- Poggenpohl rolled out Porsche Design kitchen

Fewer and larger business units – from 14 to 8

- Greater synergy effects within assortments, sourcing and administration

Events after year end

- Downsizing at Norema plant in Norway begun
- Shift of Invita's production and administration in Denmark to the HTH plant announced
- Fewer competitors in the UK affecting January sales

Main priorities

- Adapt quickly to the economic downturn
 - Adjust production
 - Capture synergies
- Focus on cash management
- Strengthen customer offering in both retail and B2B channels

**Annual General Meeting
2 April**

**Next report
24 April**



Preben Bager, CEO:

Streamline Nobia - our improvement potential

Since Nobia is a group of acquired companies, it has a wide product assortment and operates in many sites. Nobia has great potential to gain economies of scale through harmonization of its product assortment, consolidation of factories and rationalisation of administration.

During 2008, Nobia has moved towards fewer and larger business units (from 14 to 8) in order to more forcefully gain economies of scale:

- Fewer business units makes the the product harmonisation process less complex and leads to fewer suppliers and lower purchase prices.
- Sub-scale assembly operations are consolidated into larger operations in fewer business units, which will serve several brands.
 - Such initiatives have been announced in Finland, Denmark and Norway.
- The consolidation into fewer business units eliminates administration that earlier took place in several business units.

The execution of the activities above is a main strategic program within Nobia in 2009.

Net sales analysis – organic growth

	Oct-Dec SEK m	Change	Jan-Dec SEK m	Change
2007	4,183		16,134	
Organic growth	-393	-10%	8	0%
- UK region*	-129	-9%	237	4%
- Nordic region*	-212	-15%	-226	-4%
- Continental European region*	-49	-4%	-4	0%
Currency effects	58	1%	-392	-2%
Acquisitions	193	5%	486	3%
Discontinued operations	-52	-1%	-245	-2%
2008	3,989	-5%	15,991	-1%

* Organic growth within each region.

Performance by region 2008

SEK m	Net sales Jan-Dec		Operating profit Jan-Dec		Operating margin Jan-Dec	
	2008	Change	2008	Change	2008	2007
UK	5,383	-10%	333	-36%	6.2%	8.6%
Nordic	5,955	7%	498	-27%	8.4%	12.3%
Continental Europe	4,750	2%	220	-19%	4.6%	5.9%
Other and Group adjustments	-97		-100			
Group	15,991	-1%	951	-30%	5.9%	8.4%