nobia

Annual Report 2009

Contents

The Board of Directors and President of Nobia AB, Corporate Registration Number 556528-2752, hereby present the Annual Report and consolidated financial statements for the 2009 fiscal year. The Board of Directors' Report is presented on pages 8–27.

The kitchen featured on the cover is a product from the Brittish company Magnet.

This English version of the Annual Report represents a translation from the Swedish original.

2009 in summary

Nobia's 2009 net sales amounted to SEK 15,418 million (15,991). Organic growth was negative 10 per cent. Earnings for 2009 were charged with structural expenses for plant closures.

Operating profit amounted to SEK 346 million (933) before these structural expenses and SEK 38 million (915) after structural expenses. Loss after tax totalled SEK 79 million (profit: 529), corresponding to a loss per share of SEK 0.47 (earnings: 3.13). Measures to improve cash flow generated an improvement of SEK 803 million (163). The Board of Directors proposes that no dividend be paid for the 2009 fiscal year.

First quarter

The year began with weak demand for kitchens, intensified competition and pressed margins. The currency situation with a weak SEK and GBP in relation to the EUR adversely affected earnings. Restructuring of the supply chain commenced in a bid to divest three plants in the Nordic region to improve the efficiency of the production structure. The positive operating cash flow was due to such factors as lower tied up working capital, lower tax paid and reduced investments.

Second quarter

The recession continued to impact demand. Price consciousness rose and customer purchasing processes were more protracted. Cash flow continued to strengthen compared with the preceding year.

Third quarter

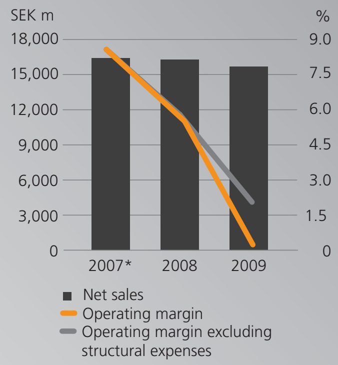
Lower demand for new builds in the Nordic region had a negative effect on operating profit, although sales in all price segments and sales channels in the UK region increased. Sales also rose in Austria during the quarter, and the positive trend in operating cash flow continued.

Fourth quarter

A certain stabilisation in demand could be discerned and Nobia's sales in the UK region surpassed levels for the year-earlier period. Sales in the other regions fell, but were able to offset the decline in volumes by increasing prices. In addition, the positive effects of the structural measures could be seen in the Nordic region. Earnings continued to be impacted by structural expenses and currency effects.

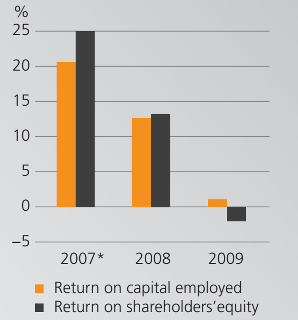
Key figures	2009	2008	Change, %
Net sales, SEK m	15,418	15,991	–4
Operating profit excluding structural expenses before depreciation and impairment losses, SEK m (EBITDA)	870	1,410	–38
Operating profit excluding structural expenses, SEK m (EBIT)	346	933	–63
Operating margin excluding structural expenses, %	2.2	5.8	–
Operating profit before depreciation and impairment losses, SEK m (EBITDA)	640	1,394	–54
Operating profit, SEK m (EBIT)	38	915	–96
Operating margin, %	0.2	5.7	–
Profit/loss after financial items, SEK m	–37	752	–105
Earnings after tax, SEK m	–79	529	–115
Earnings per share, after dilution, SEK	–0.47	3.13	–115
Earnings per share after dilution, excluding structural expenses, SEK	0.96	3.18	–70
Operating cash flow, SEK m	803	163	393
Return on capital employed, %	1.0	12.6	–
Return on shareholders' equity, %	–1.9	13.2	–

Net sales and operating margin
January–December



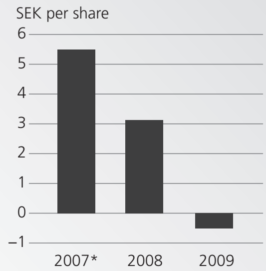
Net sales amounted to SEK 15,418 million. The operating margin amounted to 0.2 per cent and excluding structural expenses to 2.2 per cent.

Profitability trend
January–December



Return on capital employed amounted to 1.0 per cent during the past 12-month period.

Earnings per share
January–December



Loss per share for the year including structural expenses amounted to SEK 0.47.

*Values for 2007 have not been restated in accordance with IAS 38.

A trying year, yet one that inspires confidence

The kitchen market in Europe remained very much under the influence of the deep recession. Both the market and Nobia's earnings declined sharply in 2009. In the midst of the crisis we focused on reducing costs and strengthening cash flow. We also gathered our strengths and seized the opportunity to think differently. In doing so, we reached a turning point: beginning in 2010 Nobia will implement the necessary strategic and organisational changes to create long-term profitability and growth. Our aim is to be a world-class kitchen company.

Overall, the company's financial results for the year are anything but satisfactory. Nobia's 2009 sales amounted to SEK 15,418 million (15,991). Organic growth was negative 10 per cent. Loss per share amounted to SEK 0.47 (earnings: 3.13) and loss after tax to SEK 79 million (profit: 529). Earnings for 2009 were charged with significant structural expenses, primarily for plant closures. Excluding these structural expenses, operating profit totalled SEK 346 million (933). Measures to enhance the cash flow generated an improvement of SEK 803 million (163).

Demand weakened in all markets in 2009. The largest decline was noted in the Nordic region where demand in the new-builds segment, in particular, fell considerably. Nobia's sales declined in pace with market weakening, both in the Nordic and Continental Europe regions.

Signs of recovery

Nevertheless, signs of recovery could be seen. Despite the decline in the market, Nobia's sales in the UK increased, resulting in the capture of market shares. We now have a lower cost base for our production in the Nordic region. In Norway, HTH achieved great success with its economy-segment offering to price-conscious customers. HTH also captured market shares in Denmark, one of the reasons being a honed and simplified online purchasing process.

Strategy review

We reviewed our strategic direction in 2009, which involved some 60 employees from various different functions in the company. The commitment and determination of this work demonstrated the strength of our organisation. Working together, we looked reality straight in the eye by studying business-environment analyses and reviewing market data and market analyses of consumer transactions and our transactions with major customers. We assessed our brand positions and channel strategy.

Growth quadrupled in ten years

Nobia has a history of success in both organic and acquired growth. Our method of working closely with customers based on intense entrepreneurial efforts has provided us with strong local positions in many markets and several customer segments. We have a broad range of products and strong brands that meet essentially all customer demands. We are a leading player in the European kitchen market, but our organic growth has waned. In difficult times as those we have experienced in the past two years, the complexity of our local product lines and local supply chains have generated very small margins. Our customer offerings and brand profiles have, with a few exceptions, not been sufficiently clear to create growth. Furthermore, Nobia has not yet penetrated significant markets and customer segments, in terms of both existing and new markets in Europe.

We have reported and addressed this situation for several years, particularly in the past year when we took many steps to industrialise Nobia without losing our entrepreneurship. We closed three plants in the Nordic region and divested one in the UK. We relocated production from Germany to the UK to better capitalise on our production capacity and we closed 12 depots in France and opened a large distribution centre there. We successively conducted aggressive market drives in the UK and in Norway. We developed our portfolio of more than 700 stores and we successfully focused on strengthening cash flow. All in 2009 alone.

Profitable growth

But that is not enough. We need to raise the attractiveness of our offering and even more radically enhance the efficiency of our value chain more quickly and with greater impact to create profitable growth, regardless of fluctuations in the business cycle. Accordingly, we are promoting a joint vision for the Group and have defined what needs to be done and how we can best organise ourselves for the task at hand. We need to convert co-operation into implementation in the operations to increase profitability and growth throughout the Group. We have called this change process “A better way.”

We have divided the organisation into two units: Commercial and Operations. Commercial will develop our customer relations by using attractive, scalable concepts and a distinct brand strategy. Operations’ task is to optimise the product range, production, sourcing and logistics for the entire Group. We will retain our entrepreneurial strength in our brands that will serve as the driving forces in the Commercial division. Through Operations, we will industrialise Nobia throughout the value chain to strengthen the competitiveness of the brands. The process has already started and the change programme is scheduled to be in place from 2010 to 2014.

I feel confident that with Nobia’s dedicated employees at all levels of the company, we will see the emergence of a stronger Nobia. We will ensure that at every stage of the change process we will maintain the highest level of delivery quality to our customers and that we safeguard the momentum of the daily business. Once the process has been completed, we will have a world-class Nobia.

Preben Bager
President and CEO

Vision

World-class kitchen specialist

Strategic direction

1. Attractive customer offerings and distinct brands
2. Efficiency throughout the entire value chain

Business concept

Nobia offers attractive kitchen solutions in selected market segments through a number of strong brands.

We create value for the customers by delivering superior function, design and quality and simplifying purchasing, delivery and installation.

In addition to attractive customer offerings, the basis for profitable growth and increased market shares is an efficient supply chain.

Business overview 2009

	Net sales, %	Operating profit excluding structural expenses, SEK m	Operating profit/loss SEK m	Average number of employees	Number of stores, Group-owned and franschise
UK region	36	236	236	2,720	222
Nordic region	34	187	–75	2,636	291
Continental Europe region*	30	26	–20	2,544	191
Group total, SEK m**	15,418	346	38	7,930	704

* Excluding Culinoma.
** Including Nobia's headquarters and Group adjustments.
*** A plant in Germany was divested after the end of the fiscal year.

Business units 2009	Number of production units ***	Brands
In the UK region, Magnet manufactures and sells kitchens to end customers through Group-owned stores. At many of its stores, Magnet also offers kitchen and joinery products through the Magnet Trade concept. Nobia supplies flat-pack kitchens to multiple retailers under the Gower and Interior Solutions brands. Nobia has 222 Group-owned stores in the region. Read more on pages 20–21	4	Magnet, Gower, Magnet TRADE, Interior Solutions
Kitchens are manufactured and sold in Scandinavia through the Sigdal, Norema, Marbodal, HTH, Myresjökök, Uno form and Invita brands. In Finland, kitchens are manufactured and sold under A la Carte, Parma and Petra. The Nordic brands are positioned in different price segments from flat-pack kitchens in the economy segment to luxury kitchens, and all kitchens are sold to both private and corporate customers. Nobia has 87 Group-owned and 204 franchise stores in the region. Read more on pages 22–23	7	HTH, uno form, INVITA, A la Carte, PARMA, PETRA, sigdal, NOREMA, Marbodal, myresjökök
In the Continental Europe region, Poggenpohl manufactures kitchens in the premium price segment that are sold worldwide. In France and northeast Spain, Hygena sells kitchen solutions in the economy price segment though its own chain of stores. EWE/FM manufactures and sells kitchens in the middle price segment that are sold through independent kitchen studios in primarily Germany and the Netherlands, and to furniture stores and other retailers in Austria, respectively. Optifit's economy-segment kitchens are sold to Hygena in France and to corporate customers, primarily in Germany. Nobia has 189 Group-owned and two franchise stores in the region. Read more on pages 24–25	4	poggenpohl, OPTIFIT, ewe, FM, hygena, MARLIN

Financial targets

Nobia's strategic objective is to be the leading kitchen specialist in Europe. The aims of Nobia's financial targets are to generate favourable financial returns for shareholders and long-term healthy growth in value.

The company steers its operations towards the financial targets described below.

Profit growth

Earnings per share shall increase on average by 12 per cent per year over a business cycle. Nobia will achieve this by:

- attaining organic growth that is 2–3 per cent higher than market growth
- growing through acquisitions
- achieving an operating margin (EBIT) that amounts to at least 10 per cent at Group level over a business cycle.

Financial strength

The debt/equity ratio shall not exceed 100 per cent. A temporary elevation of the debt/equity ratio is acceptable in conjunction with acquisitions. A long-term significantly lower debt/equity ratio shall be adjusted by an extra dividend to shareholders or the buy-back of own shares.

Dividends

Dividends to shareholders shall on average comprise at least 30 per cent of net profit after tax. However, decisions regarding the amount of the dividend will be made in relation to the company's capital structure at the time.

Profitable growth and margin improvement

The growth target for earnings per share will be achieved by consistently following established strategies. The target will be attained through organic sales growth and via corporate acquisitions, and by improving the operating margin in all operations to achieve the Group's operating-margin targets over a long period. These aims can be summarised as a clearly defined target for increasing earnings per share over time.

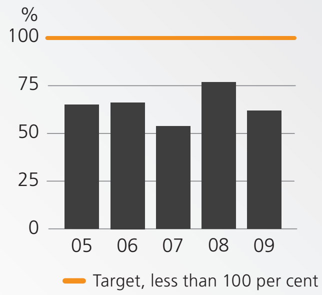
The earnings-per-share measurement has been selected as the Group's main target, since it summarises the effects of growth, the operating margin, capital effectiveness and the price of acquired units and chosen financing methods. An advantage of this measurement is that it is easy to derive from the financial statements.

The table on the adjoining page shows Nobia's earnings per-share trend since 2005.

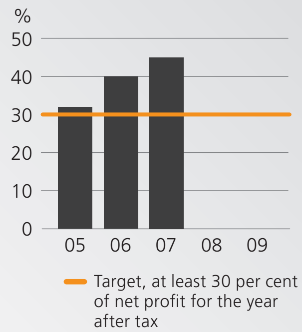
Growth strategy

Nobia's growth strategy is conditional on investments in both corporate acquisitions and in existing businesses. Nobia evaluates and assesses investments based on the cash-related repayment period and the return on invested capital. Return on invested capital is a decisive factor for the evaluation of an acquisition. The required return on investments in corporate acquisitions is determined according to Nobia's weighted cost

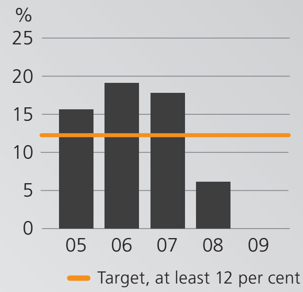
Debt/equity ratio



Dividend



Growth in earnings per share, annual change



2–3 per cent higher than market growth

Over a business cycle, this is Nobia's target for organic growth.

of capital. This cost of capital is partly comprised of the capital market's required return for investment in the Nobia share and partly by the interest on Nobia's loan financing. Sales growth, divided between organic and acquired growth between 2005 and 2009, is shown in the adjacent table.

The target is for Nobia to achieve an operating margin (EBIT) of at least 10 per cent at Group level over a business cycle, without ever hindering efforts to take advantage of business opportunities in operations with a high capital-turnover rate and return on capital, but with a relatively low profit margin.

The business units are governed by targets for net sales, operating profit, operating margin and tied-up capital. The target figures are based on past outcomes, comparative data from benchmarking and taking into account external factors, such as the economic climate. The margin targets for some business operations can be lowered without adversely affecting the Group's return on capital. This applies, for example, to certain sales of accessories with low value-added and a high rate of capital turnover.

As stated above, return on invested capital is a decisive factor in decisions on corporate acquisitions, meaning that it is possible to acquire operations with a lower operating margin than the Group's target.

Earnings per share after dilution, 2005–2009

	2009	2008	2007	2006	2005
Earnings per share, SEK	–0.47	3.13	5.50	4.93[1]	3.67[1]
Annual change, %	N/A	–44	12	34	8.52
Average [2] annual growth, %	*N/A*	*6.2*	*17.8*	*19.1*	*15.5*

1) Adjusted for 3:1 split.
2) Calculated during the period 2001–2009.

Sales growth 2005–2009

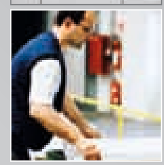
%	**2009**	2008	2007	2006	2005
Organic change	–10	0	7	11	3
Acquisitions, divestments and currency effects	6	–1	1	14	7
Total growth	**–3.6**	**–0.9**	**7.0**	**25.3**	**9.7**
Average[1] annual growth	*8.1*	*9.9*	*11.8*	*13.5*	*10.7*

1) Calculated during the period 2001–2009.

Operating margin per region

%	**2009**	2008	2007	2006	2005
UK	4.2	5.6	8.6	7.9	5.8
Nordic	–1.4	8.4	12.3	13.7	14.1
Continental Europe	–0.4	4.6	5.9	6.1	5.4
Group	**0.2**	**5.7**	**8.4**	**8.5**	**8.0**

Strategic direction

	Challenge	Solution	Result
Commercial 	How can we reach and serve our customers in a better way?	More clearly defined brand strategy. Increased market presence.	Distinct brands with attractive, competitive product offerings. Higher sales.
Operations 	How can we become more efficient?	Harmonised assortments. Fewer and larger production units.	Cost efficiency in sourcing and production.

A stronger Nobia

Strategy

Nobia strives to be a world-class kitchen specialist. We take the best aspects of our entrepreneurial culture and combine them with advantages of economies of scale.

We develop our customer relations by offering attractive, scalable concepts and a well-defined brand strategy, which allows customers to see what makes each brand unique and perceive its added value. Nobia's brands and the knowledge of consumer preferences shall also contribute to strengthening corporate customers' business.

To achieve efficiency in the value chain, Nobia must capitalise on economies of scale. The number of items will be reduced by more than half by using common kitchen carcass standards and agreed platforms for the various product categories. Longer series and a brand-independent production organisation will facilitate continued streamlining and specialisation. As a result, Nobia will become a more attractive partner to suppliers and increase the percentage of sourcing from low-cost countries.

Effective this year, the company will be divided into two units: Commercial, where the main focus will be on brands, and Operations, which will be responsible for optimising product ranges, production, sourcing and logistics. This strategic change process is scheduled to be in place from 2010 to 2014.

The two strategic cornerstones

1. Attractive customer offerings and distinct brands
2. Efficiency throughout the entire value chain

1. Attractive customer offerings and distinct brands

Nobia works with clearly defined scalable customer offerings – concepts based on knowledge of customer preferences. Under the framework of these concepts, Nobia works with distinct, attractive brands. A small number of brands will be prioritised for international growth, whereas other brands will be regional or local supplements.

By applying knowledge of customers and the market, the company develops uniform offerings for each specific target group. Nobia has accelerated the development of its defined and scalable offerings – concepts based on knowledge of what customers want. Offering well-known brands is not enough; these brands also need a clear position in the consciousness of the target group. Nobia's customers will be able to see what makes each brand unique and perceive its added value.

An overall concept and brand strategy generates attractive offerings with dedicated brands for selected markets.

Hygena, HTH, Magnet and Poggenpohl are examples of brands that have the potential to be developed in new geographic markets.

Deep interest in Nobia's brands among end customers also makes the company more attractive in the eyes of corporate customers. This is a large and important customer group that is offered customised solutions with a wide selection of brands and service levels. Nobia's knowledge of Europe's kitchen consumers and kitchen markets strengthen corporate-customer business. The Group has many examples of successful partnerships.

In summary, Nobia develops a range of scalable concepts with unique added value intended for the various customer segments of end consumers and corporate customers. The offerings range from the economy to the luxury segments. Nobia takes full advantage of the company's optimal knowledge to increase the effectiveness of all its customer offerings. The brand portfolio is being honed such that each brand has been given a well-defined assignment of strengthening its position within the framework of the scalable concepts. Some brands will receive a broader assignment and others may be slightly repositioned to strengthen and clarify Nobia's overall market position.

Examples of brand positions

Hygena
"Great kitchens at budget prices for DIY enthusiasts."
Hygena, based in France, targets private customers in the economy segment.

HTH
"Kitchens for the quality-conscious family at competitive prices."
HTH, based in Scandinavia, targets private and corporate customers in the middle price segment.

Magnet
"High-quality kitchens that meet individual function, design and service requirements."
Magnet, based in the UK, targets private customers in the upper-middle price segment.

Poggenpohl
"The ultimate kitchen in terms of function, design and service."
Poggenpohl is in the luxury segment and targets private and corporate customers throughout the world.

With a multi-brand and multi-channel strategy, Nobia can attain a stronger market position in selected markets.

"Nobia shall have the most in-demand brands in the market

2. Efficiency throughout the entire value chain

Nobia is strengthening the competitiveness of its offerings by optimising its product range, production, sourcing, logistics, marketing, sales and distribution.

Nobia is Europe's leading kitchen manufacturer but has not yet fully capitalised on its economies of scale. Development of product lines and production has mainly been carried out locally, meaning that Nobia has not taken sufficient advantage of the size of the Group. The number of items in stock has grown to a level where consumers are not receiving any added value and Nobia has lost competitiveness. Complexity drives costs and it all starts with the product range.

Fewer items

Nobia and all of the brand managers reviewed all of the product categories that make up a kitchen. These reviews identified the platforms that are to form the basis of each product category and the number of variants in which a consumer or corporate customer can perceive the added value. This work method will more than halve the number items, reduce the number of suppliers, create significantly longer product series and gather resources for product development.

Shared carcass standard

The number of kitchen carcass standards is the basis of the ongoing product-range adjustments. Nobia has already made good progress in this work with the K20 platform. As a result of the change process, it will be possible to more than halve the number of components, which will create significant economies of scale at all stages.

Fewer and larger suppliers, more sourcing from low-cost countries

A co-ordinated product range will generate larger volumes for each component, which in turn will lead to longer series for suppliers, greater potential for production specialisation and a more efficient supply chain. Sourcing from low-cost countries will rise to 12 per cent within two years, up from the current level of 1.5 per cent.

Nobia will become a better and more qualified partner for its suppliers.

Fewer production units

Capacity utilisation and production specialisation can increase by making the production units brand-independent over time. Nobia will gradually further focus its production to fully capitalise on the size of the company. The number of plants was reduced from 20 to 16 in the preceding year and will continue to gradually decline. This move will also lead to a more streamlined investment program. The plant closures and other structural measures implemented in 2009 reduced Nobia's annual costs by SEK 140 million with full effect from 2010. It will now be quicker and more efficient to pursue this approach.

"Nobia will lead the development of the modern kitchen

Organisation

Nobia's ongoing organisational change has two purposes: Making the offerings to customers more attractive and the brands distinct, and fully capitalising on Nobia's size.

Effective 2010, Nobia will be divided into two general units, Commercial and Operations. Commercial will develop customer relations by using attractive, scalable concepts and a distinct brand strategy. Operations will optimise the product range, production, sourcing and logistics for the entire Group. Nobia's staff functions will support Commercial and Operations and facilitate and simplify processes. The company's entrepreneurial strength will be retained in its brands which serve as the driving forces in the Commercial division. Through Operations, Nobia will be industrialised throughout the value chain to strengthen the competitiveness of the brands. The process has already started and the change programme is scheduled to be in place from 2010 to 2014.

Brands have a key role in Commercial division

The most important experience is created when customers come into contact with Nobia's customer offerings and meet the Nobia employees that will guide them in turning their vision into a reality. Under Nobia's changed organisational structure, each Unit Manager of the Commercial division (brands) will be responsible for relationships with current and future customers within the framework of Nobia's concept and brand strategy.

- The brand has own responsibility for profitability.
- The brand has marketing and sales responsibility.
- The brand manages its own stores and develops its other sales channels.
- The brand defines its own product range together with the Operations division and provides basic market information for product development.
- The brand receives additional assistance from the Group in concept development and innovation, and has a more efficient supply chain at all stages.

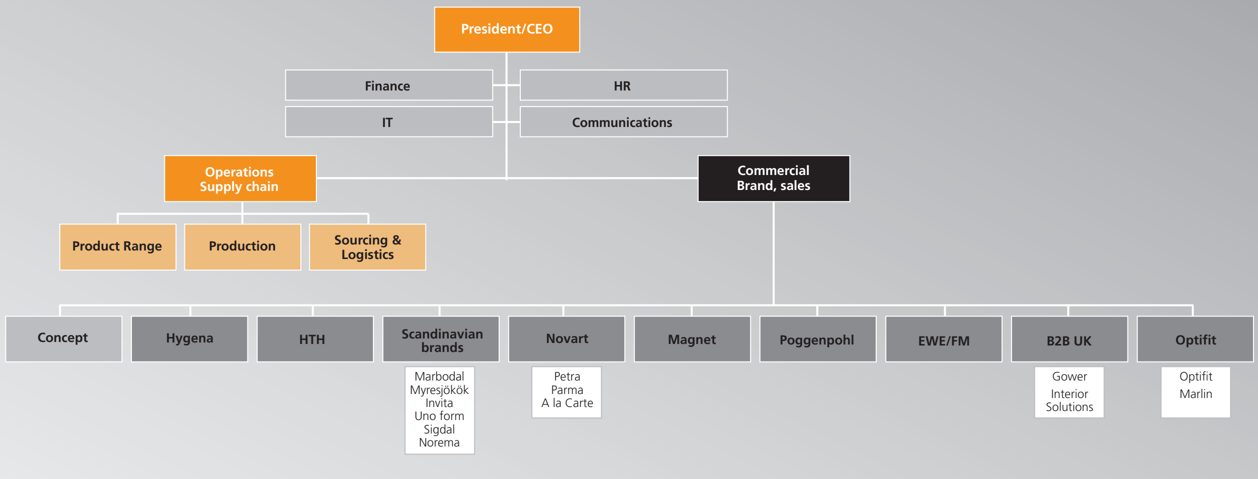
Target for Operations: more efficient supply chain

Having an efficient supply chain gives the brands the optimal conditions with which to succeed. The Operations division is responsible for the product range, production, sourcing and logistics. Individual plants will no longer be linked to a specific brand but instead will produce several brands or specialise in a particular type of production. Efficiency and high capacity utilisation are the key focus areas.

Governance model for product development

Nobia's aim is to lead the development of the modern kitchen. To ensure that its knowledge of customers is converted to innovation, Nobia is creating a common arena in which brand managers and product range managers can jointly assume responsibility for product development. The offerings will be created and produced centrally at the Nobia level.

Nobia has also further developed its governance models for strategy and decision-making processes, which provide cost control and form the basis of enhanced profitability.


President/CEO
Finance
HR
IT
Communications
Operations
Supply chain
Commercial
Brand, sales
Product Range
Production
Sourcing &
Logistics
Concept
Hygena
HTH
Scandinavian
brands
Novart
Magnet
Poggenpohl
EWE/FM
B2B UK
Optifit
Marbodal
Myresjökök
Invita
Uno form
Sigdal
Norema
Petra
Parma
A la Carte
Gower
Interior
Solutions
Optifit
Marlin

Financial overview

Demand for kitchens in Nobia's primary markets has gradually weakened since the start of 2008, which resulted in lower sales in 2009 compared with the preceding year. The rate of decline in demand abated in late 2009. An extensive structure programme was implemented to offset lower sales volumes and attain a lower cost base. The Nordic region was affected the most with three plant closures in 2009.

Nobia Group Summary

	Jan–Dec		
	2009	2008	Change, %
Net sales, SEK m	15,418	15,991	–4
Operating profit excluding structural expenses before depreciation and impairment losses, SEK m (EBITDA)	870	1,410	–38
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Return on capital employed, %	1.0	12.6	–
Return on shareholders' equity, %	–1.9	13.2	–

Significant events

In 2009, extensive restructuring measures were implemented in the Nordic region. The plants in Forssa in Finland, Jevnaker in Norway and Bording in Denmark were divested. HTH took over a further 14 stores from franchise holders in 2009, meaning that 80 per cent of the HTH stores in Denmark are now Group-owned. During the year, HTH launched a flat-pack kitchen concept in the economy segment in Norway that doubled its market share.

Production volumes were transferred from the Continental Europe region to the UK region aimed at enhancing the efficiency of logistics and minimising currency risks in the sale of flat-pack kitchens in the UK market. The logistics changes in French company Hygena continued in order to enhance the efficiency of deliveries to customers. The change is scheduled to be completed in 2010.

The window manufacturing operations in Keighley in the UK region were divested in accordance with the company's focus on kitchens.

A pension liability in Magnet was renegotiated from a defined-benefit to a defined-contribution pension for new earnings from 2010 and onwards, which improved earnings for 2009 by SEK 42 million.

The Group's earnings and financial position

Loss per share for the year after dilution amounted to SEK 0.47 (earnings: 3.13). Earnings per share for the year after dilution excluding structural expenses amounted to SEK 0.96 kronor (3.18). Net sales totalled SEK 15,418 million (15,991).

The Group's organic growth, meaning the change in net sales for comparable units and adjusted for currency effects, declined 10 per cent compared with the year-earlier period. Organic growth for the UK region rose, while organic growth for the Nordic Continental Europe regions declined.

The expansion of the store network continued during the year, albeit at a slower rate. At year-end, the total number of stores was 704 (694). The total number of stores includes Group-owned and franchise stores.

The Group's operating profit amounted to SEK 38 million (915). Lower volumes, structural expenses of SEK 308 million (18) and currency fluctuations had an adverse impact on earnings. The operating margin amounted to 0.2 per cent (5.7). Operating profit excluding structural expenses totalled SEK 346 million (933). The operating margin excluding structural expenses was 2.2 per cent (5.8).

In the UK region, net sales rose 4 per cent due to a stronger market position and higher volumes in all sales channels. In the Nordic region, net sales declined 12 per cent. Net sales fell 24 per cent after adjustments for additional sales through HTH's takeover of franchise stores in Denmark and currency effects. Net sales in the Continental Europe region were 3 per cent lower than in 2008. Adjusted for currency effects, net sales declined 13 per cent.

Financial items amounted to an expense of SEK 75 million (expense: 163). Net financial items also included the net of returns on pension assets and interest expense on pension liabilities corresponding to a negative amount of SEK 40 million (neg: 32). Loss after financial items declined to SEK 37 million (profit: 752).

Tax revenue of SEK 35 million (expense: 216) was primarily attributable to capitalised loss carryforwards and tax refunds in the UK. Loss after tax declined to SEK 79 million (profit: 529)

Operating cash flow for the period rose to SEK 803 million (163). The improvement in operating cash flow compared with the year-earlier period was mainly attributable to the effects of lower working capital tied-up, lower tax paid and a lower investment level.

Investments in fixed assets totalled SEK 346 million (733), of which SEK 154 million (388) related to investments in the store network.

The Group's capital employed amounted to SEK 7,095 million (8,042) at the end of the period.

Net debt amounted to SEK 2,426 million (3,181) at year-end. This decrease was primarily due to a positive operating cash flow of SEK 803 million. The debt/equity ratio amounted to 62 per cent at year-end (77 at the beginning of the year).

Provisions for pensions, which are included in net debt, amounted to SEK 656 million (718) at the end of the year. Unrecognised actuarial losses at year-end 2009 amounted to a total of SEK 60 million (gains: 200).

Shareholders' equity at year-end amounted to SEK 3,394 million (4,195).

The equity/assets ratio amounted to 38 per cent (37) at year-end.

Nobia's credit framework, which is valid until June 2011, amounts to SEK 6 billion, excluding overdraft facilities. At the end of December 2009, SEK 2.4 billion had been utilised.

Significant events after the end of the year

In February, Nobia presented a new organisational model and a new work method for the Group. Production and sourcing will be co-ordinated to take advantage of Nobia's size, while the Group's brands will be positioned to more clearly meet customer demands. April 2010 will signal the start of the new organisation and the several years of change activities that will result in a stronger Group. The aim is to enhance profitability and increase growth by fully capitalising on Nobia's economies of scale in the market and supply chain. This change process is scheduled to be in place from 2010 to 2014.

Later in February, Nobia announced that Pronorm and its holding in Culinoma in Germany were to be divested to the DeMandemaker Groep (DMG). The deal is to be seen as part of Nobia's strategy of focusing on attractive customer offerings, distinct brands and a more efficient supply chain with fewer and larger plants. The sale included the Pronorm kitchen plant in Vlotho, whose largest end customers are DMG and Culinoma, and Culinoma's 87 kitchen studios in Germany with the brands Plana, Marquardt, Vesta, Asmo and Küchenpohl. For further information, refer to Note 35, page 62.

Future outlook

Demand for kitchen products normally follows the same economic cycle as other consumer discretionary products. The rate of the sharp decline in demand at the beginning of 2009 abated toward the end of the year. The effect of the sales decline was partially offset by lower costs and higher prices. The structural measures completed in 2009 are expected to generate annual savings of approximately SEK 140 million from 2010. In light of the current economic climate, it is difficult to predict when an improvement in the demand trend will emerge.

Personnel

The average number of personnel in 2009 was 7,930 compared with 8,682 in 2008. The decrease is due to adjustments to production capacity and is primarily attributable to the Nordic region.

The reorganisation of Nobia with the aim of becoming a world-class kitchen specialist requires innovative thinking and motivated employees. For this reason, competence sourcing at all levels is a key process at Nobia. A second key process is creating a joint approach to working on HR issues throughout the Group. Nobia's Group-level HR function is responsible for ensuring a standardised approach to working on employee-related issues and is also responsible for developing and supporting Nobia's managers by providing recruitment tools, skills analyses and change leadership. HR is also reviewing such remuneration issues as fixed and variable salary, pensions and incentive programmes.

Environment

In Sweden, the Group conducts licensed operations within Marbodal AB and Myresjökök AB in accordance with the Swedish Environmental Code. These operations impact the external environment mainly through noise and emissions to air from the surface treatment of wood details. The County Administrative Board is the decision-making authority in these issues.

An inspection programme for the Tidaholm plant was reviewed and several improvements made in 2009. This programme was submitted to the County Administrative Board for approval. The programme has been examined and suggestions on making certain supplements were noted. An updated programme will be submitted to the County Administrative Board in March 2010.

Myresjökök's appeal against one of the conditions of its licence pertaining to noise levels at the Älmhult plant was addressed in 2009. The condition will remain in place.

Emissions levels for volatile organic compounds are well within the limits stipulated by the permits for both Marbodal and Myresjökök. The licensed production operations in Sweden correspond to less than 10 per cent of consolidated net sales.

Nobia also responded to the Carbon Disclosure Project (CDP) questionnaire in 2009.

A more detailed account of Nobia's sustainability work is described on pages 67–70 .

Parent Company

The Parent Company is a limited liability company domiciled in Sweden. The address of the head office is: Klarabergsviadukten 70 A, SE-107 24, Stockholm. The Parent Company is listed on the NASDAQ OMX in Stockholm. Information regarding the Nobia share and its owners can be found on pages 64–65.

The Parent Company's operations comprise Group-wide functions and the ownership of subsidiaries. Profit after net financial items amounted to SEK 2 million (279) and primarily comprised Group contributions received and dividends from subsidiaries.

The share and ownership structure

Nobia's share capital amounts to SEK 58,430,237, divided between 175,293,458 shares with a quotient value of SEK 0.33. Each share, apart from own shares, entitles the holder to one vote and the right to a share of the company's capital and profits. Nobia has only one class of share.

In 2007 and 2008, Nobia repurchased a total of 8,162,300 own shares at a value of SEK 468,056,934 under the authorisation mandate granted by the 2007 and 2008 Annual General Meeting. The total number of shares bought back corresponds to 4.7 per cent of the total number of shares. The aim was to enable whole or partial acquisition financing through payment using treasury shares, as well as to adjust the company's capital structure to thereby contribute to higher shareholder value. The mandate enables the buy-back of a maximum of 10 per cent of the total number of registered shares in the company. No additional shares were bought back in 2009.

The ten largest owners held 57.2 per cent of the votes. The single largest shareholder in Nobia, SäkI AB's shareholding, represented 11.0 per cent of the number of votes of all shares.

Nobia's lenders have prepared a clause that may entail the termination of all loans if the control of the company were to be significantly altered. If any one party, or jointly with other parties (under formal or informal forms) gains control of the company, the lender is entitled to terminate all outstanding loans for payment. The term "control of the company" pertains to control of more than half of the total number of votes or capital or the acquisition of direct and decisive influence over the appointment of the Board of Directors or members of Group management. Control of the company is also deemed to arise if a party, alone or jointly with other parties, can exercise direct and decisive influence over the company's financial and strategic position.

If such a situation were to arise whereby the control of the company were to be significantly altered, the lender and Nobia shall begin negotiations that shall last for a maximum of 30 days. The aim of these negotiations is to reach an agreement between the lender and Nobia. If an agreement is not reached, the lender is entitled to terminate all outstanding loans for immediate payment.

More information on share capital and shareholders is presented on pages 64–65.

Remuneration guidelines and other employment conditions for Group management 2009

The guidelines for 2009 correspond with the proposed guidelines for 2010 below, which are essentially based on agreements signed with each member of Group management.

Motion on guidelines and other employment conditions for Group management 2010

The Board of Directors of Nobia AB proposes that the 2010 Annual General Meeting decide on the following motion pertaining to guidelines for determining remuneration and employment conditions for the President and other members of Group management. Group management currently comprises 16 people.

Remuneration Committee

The Board of Directors appoints a Remuneration Committee from within its ranks. The Committee's tasks include preparing proposals with respect to remuneration for the President, and to reach decisions on remuneration proposals for managers who report directly to the President.

Proposed guidelines for 2010

Nobia's policy stipulates that total remuneration shall correspond to market levels. A continuous International Position Evaluation is performed to secure the market levels in each country.

Members of Group management receive both a fixed and a variable salary portion. The fundamental principle is that the variable salary portion may amount to a maximum of 30 per cent of fixed annual salary. The exception to this principle is the President whose variable salary portion may amount to a maximum of 50 per cent of fixed annual salary. Exceptions may also be made for other senior executives following a decision by the Board.

The variable salary portion is normally divided between several targets: 1) The Group's earnings; 2) Earnings in the business unit for which the manager is responsible; and 3) Individual/qualitative targets. The fundamental principle is that 50 per cent of the maximum variable salary portion for each quantitative target is paid when the budgeted profit level is attained, with a subsequent rising scale of up to 100 per cent. No variable salary portion is paid if these targets are not met. Individual/qualitative targets may amount to a maximum of 50 per cent of the total variable salary portion.

The variable salary portion is based on a period of service of one year. The targets for the President are determined by the Board. The targets for other senior executives are determined by the President following recommendations from the Remuneration Committee.

In the event of a maximum outcome, which presupposes that all bonus-related targets are fulfilled, the variable salary costs for Group management may be expected to amount to approximately SEK 13,100,000 (excluding social security contributions). The calculation is based on the current composition of Group management.

Members of Group management are entitled to a pension under the ITP system or equivalent. The proposed age of retirement is 65. In addition to the ITP plan, members of Group management are entitled to an increased occupational pension premium on salary portions amounting to more than 30 basic amounts.

Employment contracts for Group management include provisions regulating remuneration and termination of employment. In accordance with these agreements, employment may usually be terminated at the request of the employee with a period of notice of six months and at the request of the company with a period of notice of 12 months. In addition, the President may receive severance pay amounting to 12 months' salary in the event of termination of employment at the request of the company. Severance pay shall be deducted against any salary received from a new employer.

Following decisions taken at the Annual General Meeting, the Group has implemented an annual employee share option scheme since 2005. The purpose is to further strengthen the commitment of senior executives to and ownership in the company, and to attract, motivate and retain key employees in the Group. The allotment of employee share options is free of charge, but the allotment is conditional on a rising scale based on the average increase in earnings per share during the vesting period, which is three years. Accordingly, the earnings trend determines the number of employee share options that may be exercised of the total number of allotted employee share options. The 2009 employee share option scheme encompasses a total of about 150 senior executives, including members of Group management.

In accordance with the figures reported at the 2007, 2008 and 2009 Annual General Meetings, employee share options may lead to costs for the Nobia Group in the form of social security contributions and accounting costs as stipulated in IFRS 2. The social security contributions are estimated at approximately 20 per cent of the growth in value of the employee share options. For the 2007, 2008 and 2009 programmes, the earnings trend determines the number of employee share options that may be exercised of the total number of allotted employee share options.

The employee share option scheme proposal to be presented to the 2010 Annual General Meeting proposes that the President and Group management be allotted 820,000 options free of charge. The options are calculated to have a value on allotment in accordance with IFRS 2 that amounts to SEK 9.60. The options have a vesting period of three years and may be exercised only if the option holder is both a Nobia employee on the date of exercise and earnings per share have risen at a certain rate over a three-year period. If the average growth in earnings per share is less than 5 per cent per year, no options may be exercised and the recognised cost over the three-year vesting period will be zero. If, instead, growth in earnings per share is at least 15 per cent per year, all options can be exercised and the maximum cost of the scheme under IFRS 2 will be attained, which is expected to total approximately SEK 7.9 million over the three-year vesting period. The level of social security costs related to the scheme will depend on the value of the options on the exercise date, should the requirements of continued employment at Nobia and growth in earnings per share be fulfilled. Social security contributions to the President and Group management are expected to amount to approximately 25 per cent, which, if the value of the options on the exercise date is the same as it was on the allotment date (SEK 9.60) will result in a cost over the three years of a total of slightly less than SEK 2 million, if the employment and earnings per share conditions are fully met.

The Board is entitled to deviate from the guidelines described above if the Board finds there to be reasonable grounds in a particular case.

Proposed appropriation of profits

The following profits in the Parent Company are at the disposition of the Annual General Meeting:

Share premium reserve	52,225,486
Unappropriated profit brought forward	1,687,022,888
Net profit for the year	5,539,883
Total SEK	**1,744,788,257**

The Board of Directors proposes that profits at the disposition of the Annual General Meeting be appropriated as follows:

To be carried forward	1,744,788,257
Total SEK	**1,744,788,257**

The Board of Directors proposes that no dividend be paid for the 2009 fiscal year. This proposal is motivated on the grounds of the loss after tax for the fiscal year, and the aim is to strengthen the financial position and scope of the company and the Group in light of recent market trends, the company's financial commitments and future structural measures.

UK region

Net sales rose 4 per cent to SEK 5,623 million (5,383). Operating profit declined 21 per cent to SEK 236 million (300). The operating margin was 4.2 per cent (5.6).

Despite a weak kitchen market, Nobia's sales increased. The competition situation in the UK market changed to Nobia's advantage. The overall performance of Nobia's sales for the year in the UK was better than the market, which led to strengthened market shares.

Investments in the store network had a positive impact on the sales trend. The expanded customer offering with a lower price entry level boosted the sales performance of the store channel.

The operating margin weakened as a result of negative currency effects, price competition and higher sales in the lower price segment. In addition, costs for the establishment of new stores and a changed sales mix were charged to net profit for the year. However, profit was strengthened by a nonrecurring effect of SEK 42 million pertaining to changes to pension conditions.

Currency effects adversely affected earnings in the amounts of negative SEK 70 million.

A net total of seven new stores were opened in 2009. Accordingly, the total number of Group-owned kitchen stores in the UK amounted to 222 at year-end, of which slightly less than two thirds comprise combined Retail and Trade stores.

Sales channels

In the UK region, Nobia is represented by Magnet, Magnet Trade, Interior Solutions and Gower. Magnet directly targets end-consumers through its wholly owned kitchen studios in the middle price segment. Magnet Trade is the distribution channel to professional customers and local joinery and construction companies. Interior Solutions and Gower mainly supply flat-pack kitchens to multiple retailers.

The Trade concept

Magnet's Trade concept is adapted for the small-scale professional construction sector and contains a narrower range of products with improved product availability. The kitchens are rigid and are in stock for immediate delivery. Magnet Trade stores also offer a limited range of building materials.

The UK kitchen market

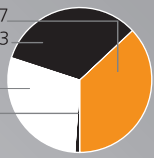
The UK kitchen market is characterised by a small number of large players dominating one half of the market and many smaller, local and regional kitchen companies, as well as many independent retailers, operating in the other half. The UK market weakened compared with the preceding year, although the rate of decline gradually decreased over the course of the year.

Higher market shares

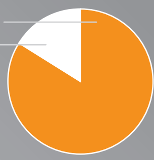
The changed competition situation and interest in kitchens strengthened Nobia's market position in the UK.

Sales per product, %

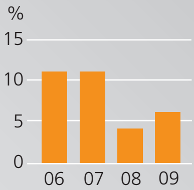
Sales channels, %



Sales per business unit, %



Organic growth net sales



The UK region accounts for

36%

of the Group's net sales

Quarter	**2009** IV	III	II	I	2008 IV	III	II	I
Net sales, SEK m	1,399	1,361	1,494	1,369	1,250	1,285	1,424	1,424
Operating profit/loss excluding structural expenses, SEK m	114	65	26	31	–30	81	117	132
Operating margin excluding structural expenses, %	8.1	4.8	1.7	2.3	–2.4	6.3	8.2	9.3
Operating profit/loss, SEK m	114	65	26	31	–30	81	117	132
Operating margin, %	8.1	4.8	1.7	2.3	–2.4	6.3	8.2	9.3

Key figures	**2009**	2008	Change, %
Net sales, SEK m	5,623	5,383	4
Operating profit excluding structural expenses, SEK m	236	300	–21
Operating margin excluding structural expenses, %	4.2	5.6	
Operating profit, SEK m	236	300	–21
Operating margin, %	4.2	5.6	
Operating capital, SEK m	991	1,237	–20
Return on operating capital excluding structural expenses, %	24	24	
Return on operating capital, %	24	24	
Investments, SEK m	58	237	–76
Average number of employees	2,720	2,916	–7

Kitchen stores	Group-owned
UK	222
Total	222

Store trend	
Refurbished or relocated	0
Newly opened, net	7

Nordic region

Net sales declined 12 per cent to SEK 5,234 million (5,955). Operating loss amounted to 75 million (profit: 498). The operating margin was negative 1.4 per cent (pos: 8.4). Earnings were charged with SEK 262 million in structural expenses, primarily attributable to three plant closures.

Sales in the region fell during the year, primarily the result of significantly weaker demand for new builds and a subdued renovation activity level. Adjusted for additional sales through the takeover of franchise stores in HTH and currency effects, net sales declined 24 per cent.

The significant decline in volume in the region and structural expenses due to the closure of plants in Finland, Norway and Denmark had a negative impact on operating profit. The aim of concentrating the supply chain to fewer production units is to enhance the efficiency of the supply chain and permanently reduce production costs.

Currency effects adversely affected earnings in the amounts of negative SEK 40 million.

HTH's low-price sales in Norway further strengthened market shares. HTH also consolidated its market position in Denmark during the year.

The number of Group-owned stores rose by 13 as a result of HTH's acquisition of franchise stores. Accordingly, the number of Group-owned stores at year-end totalled 87 (74).

Strong brands

In Sweden, Myresjökök sells complete kitchen solutions mainly to the project market, such as construction companies and prefab house manufacturers. Marbodal sells kitchens to the building materials sector, DIY chains, construction companies, franchise stores and independent retailers.

In Finland, A La Carte, Parma and Petra kitchens are sold through franchise stores such as KeittiöMaailma and Nettokeittiöt, to builders' merchants and to construction companies.

In Norway, the Norema and Sigdal brands offer rigid kitchens in the middle price segment through kitchen studios, to retailers and to construction companies.

Danish brands HTH, Uno form and Invita offer complete kitchen solutions to both the consumer market and project market throughout Scandinavia.

Approximately 30 per cent of Nobia sales in the Nordic region in 2009 pertained to new builds, primarily via construction companies and prefab housing.

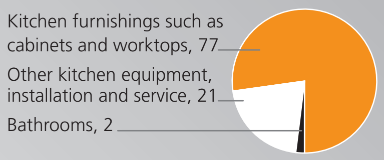
The Nordic kitchen market

The Nordic kitchen market features a small number of large players paralleled with many small, local and regional kitchen companies. Demand in the Nordic market weakened during the year, mainly as a result of a lower level of new builds and renovation activities. The introduction of the ROT tax deduction on home renovations was also introduced in Denmark in 2009, but had the greatest impact in the Swedish market.

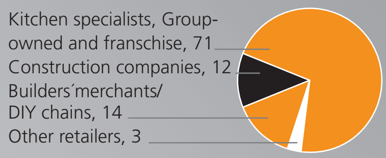
First to have BASTA certification

Myresjökök is the first and currently only kitchen supplier in Sweden that has received BASTA certification. The aim of the BASTA system is to speed up the phasing out of hazardous substances in construction materials.

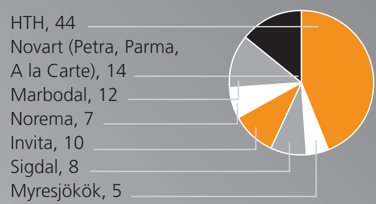
Sales per product, %



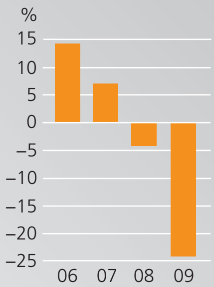
Sales channels, %



Sales per business unit, %



Organic growth net sales



Nordic region accounts for

34%

of the Group's net sales

Quarter	2009 IV	2009 III	2009 II	2009 I	2008 IV	2008 III	2008 II	2008 I
Net sales, SEK m	1,302	1,039	1,499	1,394	1,476	1,293	1,773	1,413
Operating profit excluding structural expenses, SEK m	64	15	91	17	46	92	241	127
Operating margin excluding structural expenses, %	4.9	1.4	6.1	1.2	3.1	7.1	13.6	9.0
Operating profit/loss, SEK m	56	15	66	–212	38	92	241	127
Operating margin, %	4.3	1.4	4.4	–15.2	2.6	7.1	13.6	9.0

Key figures	2009	2008	Change, %
Net sales, SEK m	5,234	5,955	–12
Operating profit excluding structural expenses, SEK m	187	506	–63
Operating margin excluding structural expenses, %	3.6	8.5	
Operating profit/loss, SEK m	–75	498	–115
Operating margin, %	–1.4	8.4	
Operating capital, SEK m	1,117	1,619	–31
Return on operating capital excluding structural expenses, %	17	31	
Return on operating capital, %	–7	31	
Investments, SEK m	160	261	–39
Average number of employees	2,636	3,157	–17

Kitchen stores	Group-owned	Franchise
Sweden	5	29
Denmark	59	40
Norway	19	38
Finland	0	81
Other countries	4	16
Total	87	204

Store trend	
Refurbished or relocated	2
Newly opened, net	1

Continental Europe region

Net sales declined 3 per cent to SEK 4,625 million (4,750). Operating loss amounted to SEK 20 million (profit: 217). The operating margin was negative 0.4 per cent (pos: 4.6).

The sales trend in the region was negative during the year, primarily attributable to Hygena's lower sales in the French market, which were primarily due to the general decline in demand and also the fierce competition in the lower price segments. An extensive change process in logistics at Hygena is continuing to enhance the efficiency of deliveries to customers.

The decline in earnings for the year was mainly due to the decrease in volumes, but also to the negative price and sales mix effects coupled with structural expenses in France and Germany. The sales trend in Austria was positive during the year.

Positive currency effects of SEK 20 million and cost savings offset the weakening in earnings. Structural measures of SEK 49 million that have been implemented, mainly concerning Hygena's changed distribution structure to customers, were charged to earnings.

A net total of three new Group-owned stores were opened in 2009, and the number of Group-owned stores at year-end amounted to 189 (186).

Sales channels

The Continental Europe region comprises Nobia's businesses in Germany, France and Austria.

In Germany, Nobia sells flat-pack kitchens from Optifit in the economy segment to other business units in the Group, but also to DIY chains and other corporate customers The Marlin bathroom range is also developed and produced by Optifit. Exclusive complete kitchen solutions from Poggenpohl are sold in the upper price segment to both corporate customers directly and to private individuals through Group-owned stores and retailers around the world. The German Pronorm brand sells rigid kitchens in the middle price segment.

In France, Nobia is represented by Hygena's kitchen store chain encompassing 154 Group-owned stores. Hygena is one of the leading players in the economy segment and also has three stores in the Barcelona area of Spain.

EWE-FM offers rigid kitchen solutions, primarily via furniture stores but also through independent stores in Austria.

The Continental European kitchen market

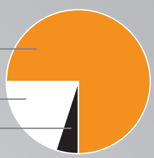
The German market is characterised by a small number of large kitchen producers, while the retailer sector is more fragmented. Purchasing organisations are highly influential in kitchen distribution in Germany and Austria. The French retailer sector primarily comprises a number of specialist kitchen store chains and DIY and furniture distributors.

The downturn in the region in 2009 is attributable to all primarily markets except for the Austrian market.

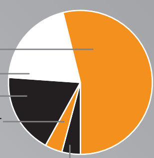
Poggenpohl – the strongest brand

Poggenpohl is number-one among German kitchen companies and is ranked sixth on the list of 30 leading German premium brands, according to a survey commissioned by business weekly *Wirschaftswoche.*

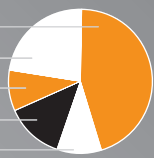
Sales per product, %



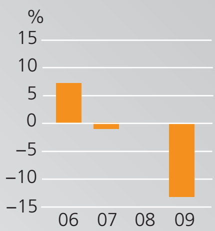
Sales channels, %



Sales per business unit, %



Organic growth net sales



Continental Europe region accounts for

30%

of the Group's net sales

	2009				2008			
Quarter	IV	III	II	I	IV	III	II	I
Net sales, SEK m	1,082	1,170	1,325	1,048	1,290	1,129	1,307	1,024
Operating profit/loss excluding structural expenses, SEK m	13	47	24	–58	126	31	87	–17
Operating margin excluding structural expenses, %	1.2	4.0	1.8	–5.5	9.8	2,7	6.7	–1.7
Operating profit/loss, SEK m	–5	33	19	–67	116	31	87	–17
Operating margin, %	–0.5	2.8	1.4	–6.4	9.0	2.7	6.7	–1.7

Key figures	**2009**	2008	Change, %
Net sales, SEK m	4,625	4,750	–3
Operating profit excluding structural expenses, SEK m	26	227	–89
Operating margin excluding structural expenses, %	0.6	4.8	
Operating profit/loss, SEK m	–20	217	–109
Operating margin, %	–0.4	4.6	
Operating capital, SEK m	953	1,176	–19
Return on operating capital excluding structural expenses, %	3	19	
Return on operating capital, %	–2	18	
Investments, SEK m	129	235	–45
Average number of employees	2,544	2,575	–1

Kitchen stores	Group-owned	Franchise
France	151	1
US	12	
UK	8	
Germany*	9	1
Other countries	9	
Total	189	2

Store trend	
Refurbished or relocated	0
Newly opened, net	2

*Pronorm was divested after the end of the financial year.

Risks and risk management

Nobia is exposed to both commercial and financial risk. Commercial risks can be divided into strategic, operating and legal/political risks. Financial risks are attributable to currencies, interest rates, liquidity, credit granting, prices of raw materials and financial instruments.

The aim of Nobia's risk management is to create awareness of risks and consequently limit, control and manage them, whilst safeguarding business opportunities and strengthening profitability.

Identified material risks are managed on an ongoing basis at all levels in Nobia and in strategic planning. The Board of Directors is responsible to the shareholders for the company's risk management. Company management regularly reports on risk issues to the Board.

Strategic risks

Corporate-governance and policy risks

Corporate-governance and policy risks are managed by Nobia continuously developing its internal control.

The internal dissemination of appropriate information is ensured through the company's management systems and processes. A more detailed description is provided in the Group Management section of the Corporate Governance Report on page 78.

Business-development risk

Risks associated with business development, such as company acquisitions, are managed by using a systematic process (known as due diligence) and subsequent follow-ups of acquisitions compared with original plans.

More long-term risks are initially addressed by the Board during its annual Group strategy planning meeting. In conjunction with this, Nobia's business development is evaluated and discussed based on external and internal considerations.

Operating risks

Market and competition

Nobia operates in markets exposed to competition, many of which are relatively mature, meaning that underlying demand in normal market circumstances is relatively stable. Price competition is intense in the economy segment.

Demand for Nobia's products is influenced by trends in the housing market, as well as housing prices, the number of property transactions and access to financing for housing. About 80 per cent of the European market comprises renovation purchases and about 20 per cent new builds. Nobia's strategy is based on large-scale product supply, product development and the utilisation of the positioning of the Group's strong brands in the various markets and sales channels. Nobia's offerings are also based on the strategy of offering added value to customers in the form of complete solutions with accessories and installation.

Market risks rose at the start of 2009 as a result of the sharp fall in demand in Nobia's markets, although the rate of decline subsequently diminished.

Customers

Consumer products are sold through Group-owned stores and retailers. The increase in the number of Group-owned stores is a deliberate strategy to gain greater influence over the offering to end-customers that will allow for such advantages as co-ordination of the Group's supply chain. A higher percentage of Group-owned stores will entail a larger share of fixed costs, which increases risk but also provides more opportunities for Nobia to profile its concepts with greater added value. Another risk is that retailers are unable to fulfil their commitments under established contracts, which may have a negative effect on sales.

New-build kitchens, also known as project sales, are sold directly to regional and local construction companies via a specialised sales organisation. Concentrating on these large separate customers entails an increased credit risk. Approximately 25 per cent of the Group's total sales are exposed to this market.

Supply chain

A total of about 60 per cent of Nobia's cost structure comprises variable costs (raw materials, components, accessories), about 30 per cent semi-variable costs (personnel costs, marketing and maintenance) and about 10 per cent fixed costs (rents, depreciation, insurance). The division of costs is relatively equal between the primary markets, except that the UK and France have a slightly higher percentage of fixed costs due to their extensive store networks.

Nobia's proprietary production mainly comprises the production and assembly of cabinets and doors, together with purchased components. Production has sufficient flexibility to cope with fluctuations in demand and, accordingly, has a relatively high percentage of temporary labour.

In 2009, Nobia purchased materials and components valued at approx SEK 5.5 billion, of which about a quarter pertained to raw materials (such as chipboard), one half components (such as handles and hinges) and a quarter goods for resale (such as appliances). The underlying raw materials that the Group is primarily exposed to are wood, steel, aluminium and plastics. Cost variations can be caused by changes in the prices of raw materials in the global market or the company's suppliers' ability to deliver. Nobia's sourcing organisation works closely with its suppliers to ensure efficient flows of materials.

The Group's production supply is continuously evaluated to secure low product costs.

Property risks in the form of loss of production, for example, in the event of a fire, are minimised by the business units conducting annual technical risk inspections of manufacturing units jointly with the Group's insurers. Preventive measures are continuously implemented to reduce the risk of disruptions in the operations.

Political and legal risks

Nobia's products are encompassed by international and local regulations regarding environmental impact and other effects arising in the production of products, for example, the release of exhaust fumes and emissions, noise and safety. Nobia works continuously with its operations to adjust to the necessary expectations and requirements. The company is well aware of the demands in these areas for the near future and, provided that they do not significantly change, the current products and ongoing development activities are deemed to be sufficient to meet such requirements. Additional information can be found in the Sustainability section on page 67.

Changes in local tax legislation in the countries in which Nobia conducts operations may affect demand for the company's products. Subsidies for new builds and/or renovations or changes to the taxation of residential properties may influence trends in demand. The ROT tax deduction on home renovations in many of the Nordic countries is an example of this.

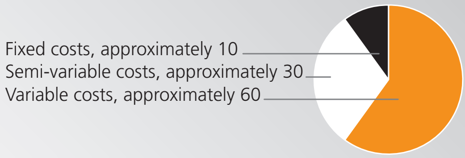
Human capital risks

Nobia endeavours to be an attractive employer, which is a key success factor. To ensure future availability of expertise and motivated employees, manager sourcing and managerial development is administered by a central unit at Nobia. Read more about this in the Sustainability section on page 69.

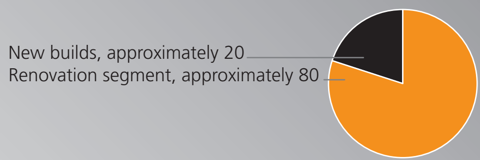
Financial risks

In addition to strategic and operating risks, Nobia is exposed to a variety of financial risks. The most significant financial risks are related to currencies, interest rates, liquidity, borrowing and credit granting, financial instruments and pensions. All of these risks are managed in accordance with the Finance Policy, which is adopted by the Board on an annual basis. For further information regarding financial risks, refer to Note 2 (Financial risks) and Note 24 (Provisions for pensions) on pages 43 and 56.

Cost structure of the Nobia Group, %



Distribution of sales, %



Consolidated income statement

SEK m	Note	**2009**	2008
Net sales	3	15,418	15,991
Costs of goods sold	4, 6, 7, 8, 24	–9,976	–10,161
Gross profit		**5,442**	**5,830**
Selling expenses	4, 6, 7, 8, 24	–4,592	–4,204
Administrative expenses	4, 5, 6, 7, 8, 24	–890	–830
Other operating income		145	150
Other operating expenses	7	–65	–52
Share of profit after tax of associated companies	14, 15	–2	21
Operating profit		**38**	**915**
Financial income	9	41	50
Financial expenses	9	–116	–213
Profit/loss after financial items		**–37**	**752**
Tax on net profit for the year	10, 25	35	–216
Net profit for the year from continuing operations		**–2**	**536**
Loss from discontinued operations, net after tax	32	–77	–7
Net profit/loss for the year		**–79**	**529**
Net profit/loss for the year attributable to:			
Parent Company shareholders		–79	529
Minority interests		0	0
Net profit/loss for the year		**–79**	**529**
Earnings per share, before dilution, SEK[1]	22	–0.47	3.13
Earnings per share, after dilution, SEK[1]	22	–0.47	3.13
Earnings per share for continuing operations, before dilution, SEK	22	–0.01	3.18
Earnings per share for continuing operations, after dilution, SEK	22	–0.01	3.18
Number of shares before dilution[2]	22	167,131,158	167,131,158
Average number of shares before dilution[2]	22	167,131,158	168,718,492
Number of shares after dilution[2]	22	167,131,158	167,131,158
Average number of shares after dilution[2]	22	167,131,158	168,718,492

1) Earnings per share attributable to Parent Company shareholders.
2) Shares outstanding, less own shares.

Consolidated statement of comprehensive income

SEK m	Note	**2009**	2008
Net profit/loss for the year		–79	529
Other comprehensive income			
Exchange-rate differences attributable to translation of foreign operations		–77	93
Cash-flow hedges before tax	21	–68	51
Tax attributable to change in hedging reserve for the period	21	19	–17
Other comprehensive income for the year		**–126**	**127**
Total comprehensive income for the year		**–205**	**656**
Total comprehensive income for the year attributable to:			
Parent Company shareholders		–205	656
Minority interests		0	0
Total comprehensive income for the year		**–205**	**656**

Comments on and analysis of the income statement

Net sales declined 4 per cent to SEK 15,418 million (15,991). For comparable units and adjusted for currency effects, net sales remained unchanged. Acquired units contributed SEK 210 million (486). The relationship is shown in the table below.

Analysis of net sales	I %	II %	III %	IV %	Jan–Dec %	Jan–Dec SEK m
2008						15,991
Organic growth	–12	–15	–9	–4	–10	–1,601
– of which, UK region[1)]	–1	1	5	19	6	309
– of which, Nordic region[1)]	–22	–28	–30	–17	–24	–1,331
– of which, Continental Europe region[1)]	–14	–15	–6	–16	–13	–610
Currency effect	7	10	5	–1	5	818
Acquired units[2)]	4	1	1	0	1	210
2009	–1	–4	–3	–5	–4	15,418

1) Organic growth for each region.
2) Acquired units refers to the stores HTH took over in Denmark in 2008 and 2009.

Net sales and profit per region

SEK m	UK region **2009**	UK region 2008	Nordic region **2009**	Nordic region 2008	Continental Europe region **2009**	Continental Europe region 2008	Other and Group adjustments **2009**	Other and Group adjustments 2008	Group **2009**	Group 2008
Net sales from external customers	5,623	5,383	5,234	5,955	4,561	4,653	–	–	15,418	15,991
Net sales from other regions	–	–	–	–	64	97	–64	–97	0	0
Total net sales	**5,623**	**5,383**	**5,234**	**5,955**	**4,625**	**4,750**	**–64**	**–97**	**15,418**	**15,991**
Operating profit excluding structural expenses	236	300	187	506	26	227	–103	–100	346	933
Operating margin excluding structural expenses, %	4.2	5.6	3.6	8.5	0.6	4.8	–	–	2.2	5.8
Operating profit	236	300	–75	498	–20	217	–103	–100	38	915
Operating margin %	4.2	5.6	–1.4	8.4	–0.4	4.6	–	–	0.2	5.7

Structural measures were implemented in the Nordic and Continental Europe regions in 2009. Operating profit in the Nordic region was negatively impacted in the amount of SEK 262 million (neg: 8) and operating profit in the Continental Europe region by negative SEK 46 million (neg: 10), totalling a negative effect of SEK 308 million (neg: 18).

Depreciation/amortisation of and impairment losses on fixed assets for the year amounted to SEK 602 million (479).

Quaterly data per region	2009				2008			
SEK m	IV	III	II	I	IV	III	II	I
Net sales								
UK	1,399	1,361	1,494	1,369	1,250	1,285	1,424	1,424
Nordic	1,302	1,039	1,499	1,394	1,476	1,293	1,773	1,413
Continental Europe	1,082	1,170	1,325	1,048	1,290	1,129	1,307	1,024
Other and Group adjustments	–1	–2	–27	–34	–27	–17	–27	–26
Group	**3,782**	**3,568**	**4,291**	**3,777**	**3,989**	**3,690**	**4,477**	**3,835**
Operating profit excluding structural expenses								
UK	114	65	26	31	–30	81	117	132
Nordic	64	15	91	17	46	92	241	127
Continental Europe	13	47	24	–58	126	31	87	–17
Other and Group adjustments	–25	–20	–34	–24	–17	–24	–28	–31
Group	**166**	**107**	**107**	**–34**	**125**	**180**	**417**	**211**
Operating margin excluding structural expenses, %								
UK	8.1	4.8	1.7	2.3	–2.4	6.3	8.2	9.3
Nordic	4.9	1.4	6.1	1.2	3.1	7.1	13.6	9
Continental Europe	1.2	4.0	1.8	–5.5	9.8	2.7	6.7	–1.7
Group	**4.4**	**3.0**	**2.5**	**–0.9**	**3.1**	**4.9**	**9.3**	**5.5**
Operating profit								
UK	114	65	26	31	–30	81	117	132
Nordic	56	15	66	–212	38	92	241	127
Continental Europe	–5	33	19	–67	116	31	87	–17
Other and Group adjustments	–25	–20	–34	–24	–17	–24	–28	–31
Group	**140**	**93**	**77**	**–272**	**107**	**180**	**417**	**211**
Operating margin, %								
UK	8.1	4.8	1.7	2.3	–2.4	6.3	8.2	9.3
Nordic	4.3	1.4	4.4	–15.2	2.6	7.1	13.6	9
Continental Europe	–0.5	2.8	1.4	–6.4	9	2.7	6.7	–1.7
Group	**3.7**	**2.6**	**1.8**	**–7.2**	**2.7**	**4.9**	**9.3**	**5.5**

Consolidated balance sheet

SEK m	Note	**31 Dec 2009**	31 Dec 2008
ASSETS			
Intangible assets	11		
Goodwill		3,037	3,056
Other intangible assets		171	127
		3,208	**3,183**
Tangible fixed assets	12		
Land and buildings		1,542	1,834
Investments in progress and advance payments		21	148
Plant and machinery		846	900
Equipment, tools, fixtures and fittings		515	544
		2,924	**3,426**
Interest-bearing long-term receivables (IB)	13	350	347
Other long-term receivables	13	66	66
Participations in associated companies	14, 15	58	76
Deferred tax assets	25	293	258
Total fixed assets		**6,899**	**7,356**
Inventories			
Raw materials and consumables		348	453
Products in process		96	146
Finished products		533	124
Goods for resale		235	742
		1,212	**1,465**
Current receivables			
Tax receivables		43	70
Accounts receivable	2	1,441	1,527
Derivative instruments	17	7	80
Interest-bearing current receivables (IB)		2	27
Other receivables	2	125	174
Prepaid expenses and accrued income	18	268	223
Assets held for sale	32	75	43
		1,961	**2,144**
Cash and cash equivalents (IB)	19	384	332
Total current assets		**3,557**	**3,941**
Total assets		**10,456**	**11,297**
Of which, interest-bearing items		736	706

SEK m	Note	**31 Dec 2009**	31 Dec 2008
SHAREHOLDERS' EQUITY AND LIABILITIES			
Attributable to Parent Company shareholders			
Share capital	20	58	58
Other contributed capital		1,449	1,449
Other reserves	21	20	156
Profit brought forward		2,401	2,485
		3,928	**4,148**
Minority interests		6	6
Total shareholders' equity		**3,934**	**4,154**
Provision for guarantees		16	24
Provisions for pensions (IB)	24	656	718
Deferred tax liabilities	25	225	291
Other provisions	26	174	113
Liabilities to credit institutes (IB)	2, 27	2,446	3,088
Other liabilities (IB)	2	10	31
Total long-term liabilities		**3,527**	**4,265**
Liabilities to credit institutes (IB)	2, 27	0	0
Overdraft facilities (IB)	2, 19	48	50
Other liabilities (IB)	2	2	0
Advance payment from customers		290	311
Accounts payable	2	1,189	965
Current tax liabilities		21	107
Derivative instruments	17	12	3
Other liabilities	2	420	428
Accrued expenses and deferred income	28	973	979
Liabilities attributable to assets held for sale	32	40	35
Total current liabilities		**2,995**	**2,878**
Total shareholders' equityand liabilities		**10,456**	**11,297**
Of which, interest-bearing items (IB)		3,162	3,887

Information on consolidated pledged assets and contingent liabilities is provided in Notes 30 and 31 on page 61.

Changed accounting policies are applied retroactively. Since changes to amounts are insignificant, no third balance sheet is provided. The changes are described in Note 1 on page 38.

Comments on and analysis of the balance sheet

Goodwill

At the end of 2009, reported goodwill amounted to SEK 3,037 million (3,056). The carrying amount of goodwill according to plan is specified by cash-generating units as follows:

SEK m	**2009**
Nobia UK	1,116
Hygena	959
Nobia DK	355
Nobia SweNo	163
Other	444
Total	**3,037**

Goodwill has been allocated to cash-generating units (CGU) when these units were acquired. Nobia has eight CGUs, which in organisational terms correspond to the company's business units. Goodwill is subject to an annual impairment test by calculating the expected cash flow discounted by a weighted average cost of capital (WACC) after tax. The value in use calculated in conjunction with this is compared with the carrying amount, including goodwill, for each CGU.

The starting point of the calculation is the estimated future cash flows based on the financial budget for the forthcoming fiscal year. A forecast for the next four years is prepared based on this budget and expectations regarding market trends in the years ahead.

Significant assumptions applied to the calculation of the expected cash flow include the growth in net sales, operating margin, and investment and working capital requirements. In order to extrapolate the cash flows outside the first five years, a growth rate of 2 per cent is applied to all CGUs. The operating margin and working capital requirements are expected to increase and normalise compared with budgeted levels, while investments are assumed to reflect a reinvestment level.

The weighted average cost of capital is calculated on the average debt/equity ratio for large companies in similar industries and costs for borrowed and shareholders' equity. The cost of shareholders' equity is determined on the basis of the assumption that all investors require at least the same level of return as for risk-free government bonds, with an additional risk premium for the estimated risks assumed when they invest in CGUs. The risk premium has been established based on the long-term historical return on the stock market for large companies in similar industries by taking into consideration the risk profile of each business unit. The required return on debt-financed capital is also calculated on the return on risk-free government bonds and by applying a borrowing margin based on an estimated company-specific risk. The required return and tax rate for each CGU is influenced by the various interest and tax rates in different countries.

The Group's weighted cost of capital before tax amounted to 12.0 per cent (10.7) in 2009 and after tax to 8.6 per cent (7.6). In total, the utilised cost of capital after tax for 2009 is in the interval 8.3–9.2 per cent (7.2–8.1).

No impairment requirements on the amounts of goodwill found in the Group on 31 December 2009 were identified from the impairment tests performed. Calculations indicate that the value in use exceeds the carrying amount. In the company's opinion, reasonable changes in the most important assumptions on which the calculations are made would not result in the recoverable amount falling below the carrying amount.

Financing

Net debt declined and amounted at the end of the period to SEK 2,426 million (3,181). The change in net debt primarily derived from a positive operating cash flow of SEK 803 million, which reduced net debt, and the acquisitions of subsidiaries at an amount of SEK 69 million, which increased net debt. Consequently, the debt/equity ratio amounted to 62 per cent at the end of the year (77 per cent at the beginning of the year). The change in net debt is shown in the table below.

Analysis of net debt

SEK m	**2009**	2008
Opening balance	3,181	2,224
Translation differences	–60	64
Operating cash flow	–803	–163
Interest paid	52	121
Acquisition of subsidiaries and associated companies	69	298
Divestment of subsidiaries	–	–44
Change in pension liabilities	–13	51
Dividend	0	430
Buy-back of shares	–	220
New share issue	–	–20
Closing balance	**2,426**	**3,181**

The components of net debt are described in the table below. Unrealised actuarial losses on the pension liability at the end of 2009 totalled SEK 60 million (gains: 200).

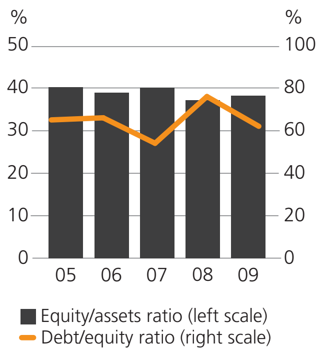
Components of net debt

SEK m	**2009**	2008
Bank loans, etc.	2,496	3,138
Provisions for pensions	656	718
Leasing	10	31
Cash and cash equivalents	–384	–332
Other financial receivables	–352	–374
Total	**2,426**	**3,181**

Change in consolidated shareholders’ equity

SEK m	Share capital	Other contri-buted capital	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total	Minority interests	Total share-holders’ equity
	Attributable to Parent Company shareholders							
Opening balance, 1 January 2008	**58**	**1,442**	**8**	**11**	**2,631**	**4,150**	**6**	**4,156**
Adjustment for changed accounting policy (IAS38)	–	–	–	–	–16	–16	–	–16
Adjusted opening balance, 1 January 2008	**58**	**1,442**	**8**	**11**	**2,615**	**4,134**	**6**	**4,140**
Comprehensive income for the year	–	–	93	34	529	656	1	657
Employee share option scheme								
– Allocation of employee share option scheme	–	–13	–	–	–	–13	–	–13
Payment of issued shares	–	20	–	–	–	20	–	20
Dividend	–	–	–	–	–429	–429	–1	–430
Buy-back of shares	–	–	–	–	–220	–220	–	–220
Closing balance, 31 December 2008	**58**	**1,449**	**101**	**45**	**2,495**	**4,148**	**6**	**4,154**
Opening balance, 1 January 2009	**58**	**1,449**	**101**	**45**	**2,495**	**4,148**	**6**	**4,154**
Comprehensive income for the year	–	–	–77	–49	–79	–205	0	–205
Dividend	–	–	–	–	–	–	0	0
Change in minority interests in associated companies	–	–	–	–	–15	–15	–	–15
Closing balance, 31 December 2009	**58**	**1,449**	**24**	**–4**	**2,401**	**3,928**	**6**	**3,934**

Equity/assets ratio and debt/equity ratio



Consolidated cash-flow statement and comments

SEK m	Note	**2009**	2008
Operating activities			
Operating profit		38	915
Depreciation/amortisation/impairment		602	479
Adjustments for non-cash items, etc.		32	–92
Income tax paid		–84	–369
Change in inventories		221	4
Change in receivables		79	211
Change in operating liabilities		173	–344
Cash flow from operating activities		**1,061**	**804**
Investing activities			
Investments in tangible fixed assets		–292	–702
Investments in intangible fixed assets		–54	–31
Sale of tangible fixed assets		101	112
Acquisition of subsidiaries	32	–64	–297
Divestment of subsidiaries		–	16
Interest received		41	48
Increase in interest-bearing assets		–17	–115
Decrease in interest-bearing assets		30	–
Other items in investing activities		–13	–20
Cash flow from investing activities		**–268**	**–989**
Operating cash flow before acquisitions/divestments of subsidiaries, interest, increase/decrease in interest-bearing assets		**803**	**163**
Operating cash flow before acquisitions/divestments of subsidiaries, interest, increase/decrease in interest-bearing assets		793	–185
Financing activities			
Interest paid		–93	–169
Increase in interest-bearing liabilities		–	1,221
Decrease in interest-bearing liabilities		–638	–192
New share issue		–	20
Dividend to Parent Company's shareholders		–	–429
Dividend to minority shareholders		0	–1
Buy-back of shares		–	–220
Cash flow from financing activities		**–731**	**230**
Cash flow for the year excluding exchange-rate differences in cash and cash equivalents		**62**	**45**
Cash and cash equivalents at the beginning of the year		**332**	**270**
Cash flow for the year		62	45
Exchange-rate differences in cash and cash equivalents		–10	17
Cash and cash equivalents at year-end		**384**	**332**

Comments on the cash-flow statement

The cash flow from operating activities amounted to SEK 1,061 million (804). Working capital increased cash flow by SEK 473 million (decrease: 129) and is primarily attributable to lower inventories and increased current liabilities.

Adjustments for non-cash items amounted to SEK 32 million (negative: 92) as specified in the table below.

Adjustments for non-cash items

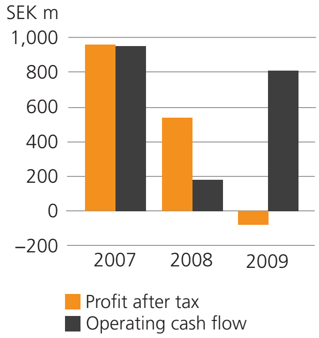
SEK m	**2009**	2008
Capital gains on fixed assets	–7	–37
Capital gains attributable to divestments of companies	–	–20
Provisions	113	17
Gains on changes to pension conditions	–42	–
Other	–32	–52
Total	**32**	**–92**

Investments in fixed assets amounted to SEK 346 million (733). The decrease was primarily attributable to lower investments in the store network. Other items in investing activities, excluding acquisitions and divestments of companies, had a negative impact on the cash flow.

Operating cash flow, that is, the cash flow after investments, but excluding the acquisitions and divestment of companies, interest and increases/decreases in interest-bearing assets, amounted to SEK 803 million (163). The improvement is primarily attributable to the effects of tied-up capital, lower tax paid and a lower investment level.

Profit and cash flow

January–December



Parent Company

Parent Company income statement

SEK m	Note	2009	2008
Net sales		53	77
Administrative expenses	4, 5, 8, 24	–74	–97
Operating loss		**–21**	**–20**
Profit from shares in Group companies	9	22	321
Divestment of shares in associated companies		–	–4
Financial income	9	18	36
Financial expenses	9	–17	–54
Profit after financial items		**2**	**279**
Tax on net profit for the year	10	4	10
Net profit for the year		**6**	**289**

Parent Company cash-flow statement

SEK m	Note	2009	2008
Operating			
Operating loss		–21	–20
Dividend received	9	22	321
Interest received	9	18	37
Interest paid	9	–17	–54
Tax paid		–15	–6
Cash flow from operating activities before changes in working capital		**–13**	**278**
Change in liabilities		384	–152
Change in receivables		–290	488
Cash flow from operating activities		**81**	**614**
Investing activities			
Other long-term receivables		1	1
Shares and participations		–	0
Provision for pensions		2	2
Cash flow from investing activities		**3**	**3**
Financing activities			
Option premiums		–	0
Buy-back of shares		–	–220
New share issue		–	20
Group contributions		16	36
Dividend paid		–	–429
Cash flow from financing activities		**16**	**–593**
Cash flow for the year		**100**	**24**
Cash and cash equivalents at beginning of the year		**70**	**46**
Cash flow for the year		100	24
Cash and cash equivalents at year-end		**170**	**70**

Parent Company balance sheet

SEK m	Note	31 Dec, 2009	31 Dec, 2008
ASSETS			
Fixed assets			
Financial fixed assets			
Shares and participations in Group companies	13, 16	1,379	1,379
Other securities held as fixed assets		2	1
Associated companies	14, 15	57	57
Total fixed assets		**1,438**	**1,437**
Current assets			
Current receivables			
Accounts receivable		3	3
Receivables from Group companies		2,097	1,860
Receivables from associated companies		332	306
Other receivables		3	0
Prepaid expenses and accrued income		26	2
Cash and cash equivalents	19	170	70
Total current assets		**2,631**	**2,241**
Total assets		**4,069**	**3,678**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	20	58	58
Statutory reserve		1,671	1,671
		1,729	**1,729**
Non-restricted shareholders' equity			
Share premium reserve		52	52
Buy-back of shares		–468	–468
Profit brought forward		2,155	1,867
Net profit/loss for the year		6	289
		1,745	**1,740**
Total shareholders' equity		**3,474**	**3,469**
Provisions for pensions	24	**7**	**5**
Current liabilities			
Liabilities to credit institutes		41	42
Accounts payable		5	2
Liabilities to Group companies		521	134
Other liabilities		4	13
Accrued expenses and deferred income	28	17	13
Total current liabilities		**588**	**204**
Total shareholders' equity, provisions and liabilities		**4,069**	**3,678**
Pledged assets	30	2	1
Contingent liabilities	31	2,698	3,345

Change in shareholders' equity – Parent Company

SEK m	Note	Share capital	Statutory reserve[1)]	Share premium reserve	Buy-back of shares	Profit brought forward	Total shareholders' equity
Opening balance, 1 January 2008		**58**	**1,671**	**33**	**–248**	**2,282**	**3,796**
Group contributions received		–	–	–	–	36	36
Tax effect of Group contributions		–	–	–	–	–9	–9
Net profit for the year		–	–	–	–	289	289
Employee share option scheme							
– Allocation of employee share option scheme		–	–	–	–	–13	–13
Payment of issued shares		0	–	19	–	–	19
Buy-back of shares		–	–	–	–220	–	–220
Dividend	23	–	–	–	–	–429	–429
Shareholders' equity, 31 December 2008		**58**	**1,671**	**52**	**–468**	**2,156**	**3,469**
Opening balance, 1 January 2009		**58**	**1,671**	**52**	**–468**	**2,156**	**3,469**
Group contribution received		–	–	–	–	16	16
Tax effect of Group contributions		–	–	–	–	–5	–5
Exchange-rate differences on expanded investments in associated companies		–	–	–	–	–12	–12
Net profit for the year		–	–	–	–	6	6
Shareholders' equity, 31 December 2009		**58**	**1,671**	**52**	**–468**	**2,161**	**3,474**

1) Of the Parent Company's statutory reserve, SEK 1,390 million (1,390) comprises contributed shareholders' equity.

Notes

Note 1 Significant accounting policies

Compliance with standards and legislation
Nobia's consolidated financial statements are prepared in accordance with International Financial Reporting Standards, IFRS, as approved by the International Accounting Standards Board (IASB) and the interpretation statements from the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU). The Swedish Financial Reporting Board's recommendation RFR 1:2 Supplementary Accounting Rules for Groups was also applied.

The Parent Company applies the same accounting policies as the Group except in the cases described below under the section entitled "Parent Company accounting policies". The Annual Report and the consolidated financial statements were approved for issue by the Board of Directors and President on 10 March 2010. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented to the Annual General Meeting on 30 March 2010.

Principles applied in the preparation of the financial statements
Assets and liabilities are recognised at historic acquisition value (cost), except for certain financial assets and liabilities. Financial assets and liabilities measured at fair value comprise derivative instruments.

Receivables and liabilities and income and expenses are offset only if required or expressly permitted in an accounting recommendation.

The Parent Company's functional currency is Swedish kronor (SEK), which is also the presentation currency for the Parent Company and Group. Accordingly, the financial statements are presented in SEK. All amounts are stated in SEK million (SEK m), unless otherwise stated.

Preparing the financial statements in accordance with IFRS requires that company management make assessments, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. The actual outcome may differ from these estimates and assessments. Estimates and assumptions are regularly reviewed. Changes to estimates are recognised in the period in which the change is made if the change affects only that period, or in the period in which the change is made and future periods if the change affects both current periods and future periods. Assessments made by company management in the application of IFRS that have a significant impact on the financial statements and estimates made that may lead to significant adjustments in the financial statements of future fiscal years are primarily the following:

– Assumptions regarding impairment testing of goodwill
The Group regularly performs impairment tests of goodwill in accordance with the accounting policies described under "Intangible assets" on page 40. The assumptions and assessments made pertaining to expected cash flows and the discount rate in the form of weighted average cost of capital are described under "Comments on and analysis of the balance sheet." Forecasts of future cash flows are based on the approved budget and assumptions on the rate of growth and investment requirements.

– Assumptions regarding income tax
Since the Group is liable to pay taxes in many different countries, assessments are made to determine the Group-wide provisions for income tax in each country. Liabilities for expected tax-audit issues are recognised based on assessments of whether an additional tax obligation will arise. The probability of whether tax receivables can be realised through future taxable income is assessed. Refer also to the accounting policies described under "Taxes" on page 41 and in Note 25 on page 58. There are currently no indications that the risk of such material adjustments to carrying amounts is significant in 2010.

The significant accounting principles stated below, with the exceptions stated, are applied consistently to all of the periods presented in the consolidated financial statements. Furthermore, the Group's accounting principles were consistently applied by the Group companies regarding associated companies, where necessary, by making adjustments to the Group's policies. Certain comparative figures were reclassified to concur with the presentation of this year's financial statements as presented below.

Fixed assets and long-term liabilities essentially comprise amounts that are expected to be recovered or paid after more than 12 months calculated from the closing date. Current assets and current liabilities comprise amounts that are expected to be recovered or paid within 12 months calculated from the closing date.

Changed accounting policies
The changed accounting policies applied by the Group from 1 January 2009 are described below. Other amendments to IFRS applicable from 2009 did not have any material effect on the Group's financial statements.

– Presentation of financial statements
The Nobia Group has applied the amended IAS1 Presentation of Financial Statements since 1 January 2009. The amendment entails that income and expenses previously recognised directly in shareholders' equity are now recognised in other comprehensive income, which Nobia presents in a separate statement entitled "Statement of comprehensive income" directly after the income statement. Comparative periods have been changed throughout this Annual Report to follow this new presentation format. Since the changes affect only the presentation, no amounts pertaining to earnings per share or any other items in the financial statements have been altered.

– Disclosure regarding segments
The Group has applied the new IFRS 8 Operating Segments, which replaces IAS 14 Segment Reporting, since 1 January 2009. The application of IFRS 8 did not involve any change to the division of segments for Nobia since the secondary segments identified under IAS 14 correspond to the segments monitored by Group management (which comprises the chief operating decision maker). The company is continuing to apply the same accounting policies in its operating segments as in the consolidated financial statements, in other words, IFRS. Consequently, none of the amounts recognised were changed compared with previously recognised amounts.

– Disclosure regarding financial instruments
The amendments to IFRS 7 Financial Instruments: Disclosures effective 1 January 2009 impacted Nobia's financial statements from the 2009 Annual Report. The amendment primarily involves new disclosure requirements regarding financial instruments measured at fair value. The instruments are divided into three levels according to the quality of the inputs in the measurement. This hierarchy of levels determines the manner in which and what types of disclosures are to be presented regarding the instruments. Level 3, which comprises the inputs with the lowest quality, involves greater disclosure requirements than the other levels. These disclosure requirements primarily affected Note 29 below. In addition, the amendments to IFRS 7 entail several changes regarding disclosures on liquidity risk.

According to the IFRS 7 transition regulations, comparative figures for the disclosures required by the amendments do not need to be provided for the first year of adoption. The company has decided not to provide comparative information for 2008. No changes were made to the amounts in the financial statements since the amendments do not affect the determination of recognised amounts.

The Group has applied amended IAS 23 Borrowing Costs since 1 January 2009. The amendment entails that the Group capitalises the borrowing costs in the cost of qualifying assets for which the commencement date is on or after 1 January 2009. Borrowing costs were previously charged to earnings in the period to which they were attributable instead of being capitalised. The amendment is applied prospectively in accordance with the transition rules of IAS 23. In 2009, the amended accounting policy did not have any effect since Nobia did not conduct any major construction work.

The amendments to IFRS 2 Share-based Payment pertaining to vesting conditions and cancellations, which came into effect on 1 January 2009, did not have any effect since Nobia does not apply and has not applied conditions that are not vesting conditions in its employee share option schemes.

Under the amendment to IAS 38 Intangible Fixed Assets, from 1 January 2009 Nobia recognises expenses for advertising and sales-promotion measures when the materials to be used in these activities become available to the company. In 2008 and earlier periods, Nobia allocated expenses for catalogues and television advertising for example when the sales-promotion measures took place. The full-year effect in amounts for 2008 restated in accordance with the new policy entail SEK 36 million in increased selling expenses, a 0.2 percentage point decrease in operating margin, a SEK 26 million decrease in profit after tax and a SEK 0.16 decline in earnings per share after dilution. The effect of the changed accounting policy in the balance sheet at year-end 2008 reduced inventories by SEK 15 million and prepaid expenses by SEK 42 million, increased deferred tax assets by SEK 16 million and reduced shareholders' equity by SEK 41 million. Comparative figures for 2008 in terms of expenses, operating profit, operating margin, profit after tax, earnings per share, inventories, prepaid expenses, deferred tax assets and shareholders' equity have been restated in this Annual Report.

In accordance with IAS 1 Presentation of Financial Statements, a third balance sheet is required if the company applied an accounting policy retroactively. Nobia has decided not to present a third balance sheet since the changes to amounts are insignificant.

New IFRSs, amendments and interpretations that have not yet been applied

When the consolidated financial statements were prepared on 31 December 2009, a number of standards and interpretations had been published that had not yet come into effect. Nobia did not apply any standards or interpretations in 2009 in advance. The amended standards that may affect Nobia's accounting policies when introduced are as follows. Revised IFRS 3 Business Combination and amended IAS 27 Consolidated and Separate Financial Statements include the following changes: definitions of operations are changed, transaction costs attributable to business combinations are to be expensed, conditional purchase considerations are to be determined at fair value on the acquisition date and the effects of remeasuring liabilities related to conditional purchase considerations are to be recognised as income or an expense in net profit for the year. Another new feature is that the introduction of two alternative methods for recognising minority interests and goodwill, either at fair value, meaning that goodwill is included in the minority interest, or the minority interest comprising a portion of net assets. The selection of these two methods will be made individually on an acquisition by acquisition basis. Furthermore, additional transactions occurring after a controlling influence has been obtained are considered to be a transaction with others and should be recognised in shareholders' equity, which is a change to Nobia's currency policy which entails recognising the surplus amount as goodwill. The revised and amended standards will be applied from the next fiscal year, effective 1 January 2010. These changes will have only prospective effects on Nobia.

The new IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement by 2013. The IASB has published the first of at least three parts that will jointly form IFRS 9. The first part addresses the classification and measurement of financial assets. The categories of financial assets found in IAS 39 will be replaced by two categories: measurement at fair value or amortised cost. Amortised cost is utilised for instruments held to collect the any contractual cash flows, which comprise payments of principal and interest on the principal outstanding. Other financial assets are recognised at fair value and the fair value option provided under IAS 39 is retained. Changes in fair value are to be recognised in earnings except for changes in the value of equity instruments that are not held for trading and for which on initial recognition changes in value are recognised in other comprehensive income. Changes in value of derivatives in hedge accounting are not affected by this part of IFRS 9, but are recognised until future notice in accordance with IAS 39. Due to the fact that Nobia's financial assets comprise accounts and loan receivables, derivatives in cash-flow hedges and cash and cash equivalents, the changes introduced in this part of IFRS 9 are not expected to have any or only insignificant effects on the financial statements. Nobia has not made any decision on whether the new policies are to be applied in advance or from 2013.

Other new and changed accounting policies with future application are, preliminarily, not deemed to have an effect on accounting or lead to additional disclosure requirement.

Consolidated financial statements

The consolidated financial statements include all subsidiaries in which the Group has the right to form financial and operational strategies in a manner usually associated with shareholdings amounting to more than 50 per cent of the voting rights.

The consolidated financial statements have been prepared in accordance with the purchase method of accounting. The cost of a corporate acquisition comprises the fair value of assets provided as remuneration, issued equity instruments and incurred or assumed liabilities on the transfer date, plus expenses directly attributable to the acquisition. The subsidiaries' acquired equity is determined as the difference between the fair value of identifiable assets, assumed liabilities and contingent liabilities based on a market assessment at the date of acquisition. The acquired subsidiaries' equity is eliminated in its entirety, which means that the Group's equity therefore includes only that portion of the subsidiaries' equity provided after the acquisition.

If the consolidated cost of the shares exceeds the value of the company's net assets recognised in the acquisition analysis, the difference is recognised as Group goodwill. If the cost falls below the value of the company's net assets, the difference is recognised directly in profit and loss.

Subsidiaries acquired during the year are included in the consolidated financial statements from the date on which the Group assumes a controlling influence in the company and at the amounts pertaining to the period after the acquisition.

Divested subsidiaries are excluded from the consolidated financial statements from the date on which the Group's control of the company ceases.

Inter-Group transactions, such as income, expense, receivables, liabilities and Group contributions are eliminated in their entirety.

Inter-Group profits are eliminated in their entirety, without consideration of minority shares.

The Group applies the principle of recognising minority shareholdings as transactions with third parties.

Translation of foreign subsidiaries

The financial statements of subsidiaries are prepared in the local currency, that is the functional currency used in the country in which the company conducts operations. Swedish kronor, SEK, is utilised in the consolidated financial statements, which is the Parent Company's functional currency and also the Group's reporting currency. This means that the earnings and financial position of all Group companies that have a functional currency that is different to the reporting currency are translated to the Group's reporting currency of SEK. Foreign subsidiaries' assets and liabilities are translated at the closing-date rate and all income-statement items are translated at the average exchange rate for the year. Translation differences are recognised in other comprehensive income and in a separate reserve in consolidated shareholders' equity.

	Closing-date rate		Average	
Significant exchange rates	**31 Dec 2009**	31 Dec 2008	**2009**	2008
DKK	1.39	1.47	1.43	1.29
EUR	10.35	10.94	10.62	9.61
GBP	11.49	11.25	11.93	12.09
NOK	1.24	1.10	1.22	1.17
USD	7.21	7.75	7.65	6.58

Recognition of associated companies

Associated companies are those companies in which the Group exercises a significant but not controlling influence over operational and financial control, usually entailing a holding of between 20 and 50 per cent of the voting rights. Investments in associated companies are recognised in the Group's accounts in accordance with the equity method. The equity method means that participations in an associated company are recognised at cost on the acquisition date and are subsequently adjusted by the Group's share of the change in the associated company's net assets as well as depreciation and impairment losses on Group goodwill, and surplus and deficit values. Participations in associated companies are recognised in accordance with the equity method from the date on which the significant influence is acquired.

The accumulated profits of associated companies that are not paid as dividends are recognised under "Profit brought forward" in the consolidated balance sheet. The Group's profit brought forward is reduced by the accumulated portion of losses in associated companies. Unrealised inter-Group profit is eliminated by the portion accruing to the Group.

Shares in profit of associated companies are recognised on separate lines in the consolidated income statement and consolidated balance sheet. Shares in profit of associated companies are recognised in operating profit in the consolidated income statement since the holdings are operations-based. Shares in profit of associated companies are recognised after tax.

When the Group's share of recognised losses in associated companies exceeds the carrying amount of the shares in the consolidated accounts, the value of the participation is reduced to zero. Recognition of losses is also affected against long-term financial transactions without collateral, whose financial implication constitutes a part of the owning company's net investment in the associated company. Continued losses are not recognised unless the Group has provided guarantees to cover losses arising in the associated company. The equity method is applied up to the date the significant influence ceases.

Joint ventures

In terms of accounting, joint ventures are defined as companies for which the Group, through co-operative agreements with one or more parties, has a joint controlling influence over operational and financial control. Participations in joint ventures are consolidated in accordance with the equity method; see Recognition of associated companies.

Segment reporting
An operating segment is a part of the Group that conducts business activities from which it can generate income and incur expenses and for which independent financial information is available. Furthermore, the results of an operating segment are monitored by the company's chief operating decision maker to evaluate them and to allocate resources to the operating segment. Nobia's operating segments are the Group's three regions: the UK, Nordic and Continental Europe regions. The division of the business units by region is based on the geographic domicile of the units. Refer to Note 3 on page 45 for a more detailed description of this divisions and a presentation of the operating segments.

Revenue recognition
The company recognises revenue when the risk and benefit associated with the goods has been transferred to the customer in accordance with the terms of delivery. In cases where installation services are provided, revenue is recognised when the service has been completed. Sales are recognised net after VAT, discounts and exchange-rate differences for sales in foreign currency and returns. Inter-Group sales are eliminated in the consolidated financial statements.

Government assistance
Government subsidies are recognised in the balance sheet as deferred income when there is reasonable assurance that the subsidy will be received and the Group will fulfil the conditions associated with the subsidy. Subsidies are allocated systematically in the income statement in the same manner and over the same periods as the costs for which the subsidies are intended to cover.

Financial income and expenses
Financial income and expenses comprise interest income on bank balances and receivables, dividend income, interest expense on loans and pension liabilities, as well as exchange-rate differences on financial items.

Interest income on receivables and interest expense on liabilities are calculated in accordance with the effective interest rate method. The effective interest rate is the interest rate that results in the present value of all future receipts and disbursements during the interest-rate maturity period becoming equal to the carrying amount of the receivable or liability. The calculation includes all fees paid or received by contractual parties that are part of the effective interest rate, meaning transaction costs and surplus and deficit values.

Taxes
Tax expenses for the year comprise current tax and deferred tax. Income taxes are recognised in net profit for the year except when the underlying transaction is recognised in other comprehensive income or in shareholders' equity, whereby the associated tax effects are recognised in other comprehensive income or in shareholders' equity.

Current tax is tax that is to be paid or received regarding the current year, by applying the tax rates determined or that have been determined in principle on the closing date. This item also includes adjustments to current tax attributable to previous periods.

Deferred tax is calculated according to the balance-sheet method on all temporary differences arising between recognised and fiscal values of assets and liabilities.

The tax effect attributable to tax loss carryforwards that could be utilised against future profits is capitalised as a deferred tax asset. This applies to both accumulated loss carryforwards at the date of acquisition and losses arising thereafter.

Valuations take place at the tax rate applying on the closing date. Deferred tax is recognised in the balance sheet as a fixed asset or long-term liability. The income tax liability is recognised as a current receivable or liability.

If the actual outcome differs from the amounts first recognised, the differences will affect current tax and deferred tax in the period in which these calculations are made.

Tangible fixed assets
Tangible fixed assets are recognised at cost with deductions for depreciation and possible impairments. Cost includes expenses that can be directly attributed to the acquisition. Expenses for improvements to the asset's performance, exceeding the original level, increase the asset's carrying amount. The borrowing costs of the cost of any assets established from 1 January 2009 that comprise qualifying assets are expensed. Expenses for repairs, maintenance and any interest expenses are recognised as costs in profit and loss in the period in which they arise.

In the event that an asset's carrying amount exceeds its estimated recoverable amount, the asset is written down to its recoverable amount, which is charged to operating profit.

In the income statement, operating profit is charged with straight-line depreciation, which is calculated on the original cost and is based on the estimated useful lives of the assets as follows:

Kitchen displays	2–4 years
Office equipment and vehicles	3–5 years
Buildings	15–40 years
Plant and machinery	6–12 years
Equipment, tools, fixtures and fittings	6–12 years

Land is not depreciated.

Fixed assets/disposal groups held for sale and discontinued operations
Discontinued operations comprise important operations that have been divested or comprise a divestment group held for sale as well as subsidiaries that are acquired for the purpose of subsequently being sold. Profit after tax from discontinued operations is recognised on a separate line in profit and loss.

The significance of a group of assets and liabilities being classified as held for sale is that the carrying amounts are recovered primarily by being sold and not by being used. All assets included in the group are presented on a separate line among assets and all of the group's liabilities are presented on a separate line among liabilities. The group is valued at the lower of the carrying amount and fair value, less selling expenses. Changes in value are recognised in profit.

Intangible assets
Goodwill comprises the amount by which the cost of the acquired operation exceeds the established fair value of identifiable net assets, as recognised in the acquisition analysis. In connection with the acquisition of operations, goodwill is allocated to cash-generating units. Nobia has eight cash-generating units which, in organisational terms, correspond to the company's business units. Since goodwill has an indeterminable useful life, it is not amortised annually. Instead, goodwill is subject to impairment testing either annually or when an indication of an impairment requirement arises. The carrying amount comprises the cost less any accumulated impairment losses. A description of the method and assumptions applied when conducting impairment tests is found under "Goodwill" in "Comments on and analysis of the balance sheet" on page 33.

Other intangible assets, primarily patents and licences, are recognised at cost less accumulated amortisation and possible impairments. Amortisation takes place according to the straight-line method based on the estimated useful life of the asset (three to five years).

Research and product development
Costs for product development are expensed immediately as and when they arise.

Product development within the Group is mainly in the form of design development and is conducted continuously to adapt to current style trends. This development is relatively fast, which is the reason that no portion of the costs for product development is recognised as an intangible asset. The Group does not carry out research and development in the true sense of such work, or to any significant extent.

Leasing agreements
Leasing agreements concerning fixed assets in which the Group essentially carries the same risks and enjoys the same benefits that direct ownership would entail are classified as financial leasing. Financial leasing is recognised at the start of the leasing period at the lower of the leasing object's fair value and the present value of minimum leasing fees. Financial leasing agreements are recognised in the balance sheet as fixed assets and financial liabilities, respectively. Future leasing payments are divided between repayment of the liabilities and financial expenses whereby each accounting period is charged with an amount of interest corresponding to a fixed-interest rate on the liability recognised during the respective period. Leasing assets are amortised according to the same principles that apply to other assets of the same type. Costs for leasing contracts are divided between amortisation and interest in the income statement.

Leasing of assets, where the lessor essentially remains the owner of the asset, is classified as operational leasing. Leasing fees are recognised on a straight-line basis during the leasing period. Operational leasing agreements are recognised in profit and loss as an operating expense. Leasing of cars and computers is normally treated as operational leasing. The value of these leasing agreements is not considered to be significant.

Inventories

Inventories comprise finished and semi-manufactured products and raw materials. Inventories are valued according to the first-in, first-out (FIFO) principle, at the lower of the cost and net sales value on the closing date. The net sales value comprises the estimated sales value in the ongoing operations less selling expenses. Finished and semi-manufactured products are valued at manufacturing cost including raw materials, direct labour, other direct expenses and production-related overheads based on normal production. Borrowing costs are not included in inventory valuations.

Deductions are made for inter-Group profits arising in conjunction with deliveries between companies in the Group.

Receivables

Receivables are recognised at the amounts that are expected to be received after individual assessment.

Financial instruments

Financial instruments recognised in the balance sheet include cash and cash equivalents, loan receivables, accounts receivable and derivative instruments on the asset side. On the liability side, there are accounts payable, loan liabilities and derivative instruments.

– Recognition in and derecognition from the balance sheet

A financial asset or a financial liability is entered in the balance sheet when the company becomes a party in accordance with the contractual terms of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. A liability is recognised when the counterparty has performed a service and a contractual payment obligation arises, even if an invoice has not been received. Accounts payable are recognised when an invoice has been received.

A financial asset is derecognised from the balance sheet when the rights resulting from the agreement have been realised, expire or the company loses control over them. The same applies to a part of a financial asset. A financial liability is derecognised from the balance sheet when the obligation resulting from the agreement has been realised or is extinguished in some other manner. The same applies to a part of a financial liability.

A financial asset and a financial liability may only be offset against each other and recognised net in the balance sheet if there is a legal right to offset the amounts and the intention is to settle the items in a net amount or to simultaneously sell the asset and settle the debt.

The acquisition or divestment of financial assets is recognised on the date of transaction for on demand transactions, which is the date when the company undertakes to acquire or sell the asset.

– Classification and measurement

Financial instruments that are not derivative instruments are initially recognised at cost corresponding to the instrument's fair value plus transaction costs. On initial recognition, a financial instrument is classified on the basis of the purpose underlying the acquisition of the instrument. This classification determines how the financial instrument is measured after initial recognition, in the manner described below. For the recognition of derivative instruments, refer to Cash-flow hedges below.

– Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are valued at the closing-date rate. Exchange-rate fluctuations pertaining to operating receivables and liabilities are recognised in operating profit, while exchange-rate fluctuations pertaining to financial receivables and liabilities are recognised in net financial items.

– Accounts receivable

Accounts receivable are initially recognised at fair value and subsequently at amortised cost, less any provisions for decreases in value. Such a provision is established when there is objective evidence that the Group will not receive all amounts that have fallen due for payment according to the original conditions of the receivable. The amount of the provision comprises the difference between the carrying amount of the assets and the present value of estimated future cash flows. The amount of the provision is recognised in profit and loss.

– Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances and short-term investments with maturities not exceeding three months.

– Financial liabilities

All transactions pertaining to financial liabilities are recognised on the settlement date. Liabilities are valued at amortised cost.

– Cash-flow hedges

The currency forward contracts and currency options used for hedging highly probable forecasted sales and material purchases in foreign currency are recognised in the balance sheet at fair value. Changes in their value are recognised in other comprehensive income and the accumulated changes in value in a separate component of shareholders' equity (the hedging reserve) until the hedged flow impacts net profit for the year, whereby the accumulated changes in value of the hedging instrument are reclassified to net profit for the year.

Impairment losses

The carrying amounts of the Group's assets are tested annually for indications of any impairment requirement. IAS 36 is applied for the impairment testing of assets other than financial assets, which are tested according to IAS 39, assets held for resale and disposal groups that are recognised according to IFRS 5, inventories, plan assets used for the financing of employee benefits and deferred tax assets. For the exempted assets mentioned above, the carrying amount is tested in accordance with the relevant standard.

– Impairment testing of tangible and intangible assets, and participation in subsidiaries, associated companies, joint ventures, etc.

If there is an indication of an impairment requirement, the recoverable value of the asset is tested in accordance with IAS 36 (see below). For goodwill, other intangible assets with an indefinite useful life and intangible assets that are not yet ready for use, the recoverable value is calculated annually. When testing for impairment requirements, if it is not possible to establish essentially independent cash flows for an individual asset, the assets must be grouped at the lowest level at which it is possible to identify essentially independent cash flows, known as cash-generating units.

Impairment losses are recognised when the carrying amount of an asset or a cash-generating unit (group of units) exceeds the recoverable value. Impairment losses are charged against the income statement. Impairment losses related to assets attributable to a cash-generating unit (group of units) are primarily allocated to goodwill. Subsequently, a proportional impairment of other assets included in the unit (group of units) is effected.

The recoverable value is the higher of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discounting factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

– Impairment testing of financial assets

At every reporting occasion, the company evaluates whether there is any objective evidence to suggest that a financial asset or group of assets is subject to an impairment requirement. Objective evidence comprises observable conditions that have occurred and that have had a negative impact on the ability to recover the cost, as well as material and protracted decreases in the fair value of an investment in a financial instrument classified as an available-for-sale financial asset. For accounts receivable, objective evidence comprises, for example, payment difficulties among customers or imminent corporate reconstructions.

– Impairment reversal

An impairment loss on assets that come under the scope of IAS 36 is reversed if there is an indication that the impairment requirement is no longer pertinent and that there has been a change in the assumptions upon which the calculation of the recoverable value was based. However, an impairment loss on goodwill is never reversed. A reversal is only performed to the extent that the carrying amount of the asset after the reversal does not exceed the carrying amount that would have been recognised, less depreciation wherever applicable, if no impairment had been posted.

An impairment loss on loan receivables and accounts receivable recognised at amortised cost is reversed if the previous reasons for the impairment loss no longer exist and full payment can be expected to be received from the customer.

Provisions

Provisions are recognised in the balance sheet among current and long-term liabilities, when the Group has a legal or informal obligation deriving from an occurred event and that it is probable that an outflow of resources will be required to settle the obligation and the amount concerned can be reliably estimated. A provision differs from other liabilities since the date of payment or the amount required to settle the provision is uncertain.

Note 1 cont'd.

– Restructuring

A provision for restructuring is recognised once a detailed and formal restructuring plan has been adopted and the restructuring process has either commenced or been publically announced. No provisions are established for future operating expenses.

– Guarantees

A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data and a total appraisal of the potential outcomes in relation to the probabilities associated with the outcomes.

Contingent liabilities

A contingent liability is recognised when the company has a possible obligation deriving from an occurred event whose existence will be confirmed only by one or more uncertain future events, or when there is an obligation that has not been recognised as a liability or provision because it is not probable that an outflow of resources will be required, or alternatively because it is not possible to sufficiently reliably estimate the amount concerned.

Shareholders' equity

When shares are repurchased, shareholders' equity is reduced by the entire amount paid.

Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

Earnings per share

The calculation of earnings per share is based on consolidated net profit attributable to the Parent Company's shareholders and on the weighted average number of shares outstanding during the year. When calculating earnings per share after dilution, the average number of shares outstanding is adjusted to take into account the dilutive effects of potential common shares, which during the recognised periods pertain to options issued to employees. The options are dilutive if the profit targets of the share option scheme have been fulfilled on the reporting date and if the exercise price is lower than the share price. Dilution is greater, the greater the difference between the exercise price and the share price. The exercise price is adjusted by a supplement to the value of future services related to the equity-settled employee share option scheme recognised as share-based payment in accordance with IFRS 2.

Employee benefits

– Pensions

Within the Group, there are a number of both defined-contribution and defined-benefit pension plans. In Sweden, Norway, and in some Group companies in Germany, Austria and the UK, employees are covered by defined-benefit pension plans. In other countries and companies, employees are covered by defined-contribution pension plans.

Plans for which the company's obligations are limited to the fees the company has undertaken to pay are classified as defined-contribution pension plans. The company's obligations for defined-contribution pension plans are recognised as a cost in earnings at the rate at which they are vested by the employees performing services on behalf of the company for a period of time.

The Group's defined-benefit pension plans state the amount of pension benefit that an employee, or a former employee, will receive after retirement based upon their salary and the number of years of service. Pension obligations for defined-benefit plans are recognised according to common principles and calculation methods and are calculated by considering future salary increases and inflation, among other factors. The Group carries the risk that the promised benefit will be paid.

There are both funded and unfunded defined-benefit plans within the Group. Funded pension plans are mainly financed on the basis of contributions paid to pension funds.

Regarding defined-benefit plans, the pension commitment is calculated in accordance with the Projected Unit Credit method. This method allocates the cost of pensions at the rate at which the employees perform services for the company that increase their entitlement to future remuneration. This calculation is performed annually by independent actuaries. The company's obligations are valued at the present value of expected future cash flows using a discount rate corresponding to interest on high-quality corporate bonds or government bonds issued in the same currency in which the remuneration will be paid and with terms comparable with the term of pension liability in question.

Actuarial gains and losses may arise when the present value of commitments and the fair value of plan assets are established. Such gains and losses arise either because the fair value differs from the previous assumption or because the assumption has changed. The portion of accumulated actuarial gains and losses at the end of the preceding year exceeding a corridor of plus or minus 10 per cent of the largest of the present value of the commitments or the fair value of the plan assets is recognised in income over the employees' estimated average remaining period of service.

For funded plans, the Group recognises pension obligations in the consolidated balance sheet as a liability comprising the net of the estimated present value of the commitments and the fair value of plan assets. Funded plans with net assets, that is, plans with assets exceeding the pension commitment, are recognised as financial fixed assets.

The net amount of interest on pension liabilities and the expected return on accompanying plan assets is recognised as part of net financial items. For defined-contribution plans, the company pays fixed contributions to an external legal entity.

When the pension cost established in the legal entity differs from that in the Group, a provision or a receivable is recognised pertaining to the special payroll tax based on this difference. Such a provision or receivable is not present valued.

– Other long-term remuneration

The Group operates schemes for remuneration in connection with anniversaries and to employees with long service.

Actuarial gains and losses may arise when the present value of commitments and the fair value of plan assets are established. Unlike the reporting of benefit-defined pension plans, actuarial gains and losses are recognised immediately and no corridor is applied.

The discount rate is established on the basis of high-quality corporate bonds or government bonds issued in the same currency as the remuneration that is to be paid and with maturities equivalent to the commitments in question.

– Share option scheme

The Group has an employee share option scheme. The fair value of allotted employee share options is recognised as a personnel cost at a corresponding amount recognised directly in shareholders' equity. The fair value is calculated on the date of allotment and allocated over the vesting period. The recognised cost corresponds to the fair value of an estimate of the number of options expected to be earned. This cost is adjusted in subsequent periods to reflect the actual number of options earned. An adjustment is made only when default is due to conditions stipulating a certain level of profit growth or continued employment, and not when default is due solely to the share price being lower than the exercise price. In countries where employee share options may give rise to costs in the form of social security contributions, a cost is recognised allocated over the vesting period. The provision for social security contributions is based on the fair value of the operations on each reporting occasion and ultimately when the options are exercised or expire without being exercised.

– Short-term remuneration

Short-term remuneration to employees is calculated without discounting and is recognised as a cost when the related services are obtained. A provision is posted for the anticipated cost of profit shares and bonus payments when the Group has a current legal or informal obligation to make such payments, due to the services being obtained from the employees and it being possible to reliably estimate the obligation.

– Payments in connection with employment termination

A cost for payments arising in connection with the laying-off of employees is recognised only if the company is legally obliged to terminate employment in advance of the normal date. When such payment is made as an offering to encourage voluntary retirement, it is recognised as a cost if it is probable that the offer will be accepted and the number of employees who will accept the offering can be reliably estimated.

Parent Company accounting policies

The Parent Company has prepared its Annual Report in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2.2 Accounting for Legal Entities. The Financial Reporting Board's statements for listed companies were also applied. RFR 2.2 entails that the Parent Company applies all IFRSs adopted by the EU and statements to the annual report of the legal entity as far as possible under the framework of the Annual Accounts Act and the Swedish Pension Obligations Vesting Act and with respect to the connection between accounting and taxation. The Recommendation states the exceptions and additions to IFRS that are to be made. Overall, the Recommendation entails differences between the Group's and the Parent Company's accounting policies in the areas stated below. The accounting policies for the Parent Company described below were applied consistently to all periods presented in the Parent Company's financial statements.

– Changed accounting policies
In addition to, or as opposed to, the changed accounting policies for the Group described above, the following changes impacted the Parent Company in 2009.

The changes to IFRS 1 First-Time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements pertaining to "Cost of an investment in a Subsidiary, Jointly – Controlled Entity or Associate" have been applied since 1 January 2009. This change entails that the Parent Company always recognise dividends from subsidiaries in their entirety as income in net profit for the year. Previously, dividends that were larger than profits accrued after the acquisition of the subsidiary reduced the carrying amount of the participations in the subsidiary. The change had only an insignificant effect on amounts in items in the Parent Company's financial statements.

In accordance with RFR 2.2, the Parent Company has decided not to apply the amended IAS 1 Presentation of Financial Statements and instead will retain the same report structure as utilised in 2008.

– Classification and presentation format
The Parent Company's income statement and balance sheet are presented following the format stipulated in the Annual Accounts Act. The differences compared with IAS 1 Presentation of Financial Statements, which was applied to the presentation of the consolidated financial statements, primarily pertain to the statement of other comprehensive income and the statement of changes in shareholders' equity.

– Subsidiaries, associated companies and joint ventures
Participations in subsidiaries, associated companies and joint ventures are recognised in the Parent Company in accordance with the cost method.

– Leased assets
All leasing agreements in the Parent Company are recognised in accordance with operational leasing regulations.

– Employee benefits
The Parent Company applies other principles for the calculation of defined-benefit plans than those stipulated in IAS 19. The Parent Company follows the provisions of the Pension Obligations Vesting Act and the Swedish Financial Supervisory Authority's regulations since this is a condition for eligibility for rights to tax deductions. The significant differences compared with the IAS 19 regulations pertain to how the discount rate is determined, the calculation of defined-benefit commitments based on current salary levels with no assumptions regarding future salary increases and that all actuarial gains and losses are recognised in profit and loss when they arise. The Parent Company recognises the fair value of employee share options issued to employees of subsidiaries as shareholders' contributions by recognition in shareholders' equity and the value of the shares in the subsidiary.

– Group contributions and shareholders' contributions
The Parent Company's recognises Group contributions and shareholders' contributions in accordance with the statement from the Swedish Financial Reporting Board (UFR 2). Shareholders' contributions are recognised directly against the shareholders' equity of the recipient and capitalised in the shares and participations of the donor unless impairment losses are required. Group contributions are recognised according to financial implication, meaning that Group contributions paid with the intention of minimising the Group's total tax are recognised directly against profit brought forward less current tax effects.

– Anticipated dividends
Anticipated dividends from subsidiaries are recognised if the Parent Company has the sole right to decide the amount of the dividend and the Parent Company has made a decision on the amount of the dividend prior to the publication of the Parent Company's financial statements.

– Financial instruments
Due to the connection between reporting and taxation, the regulations regarding financial instruments and hedge accounting provided in IAS 39 are not applied in the Parent Company.

– Financial guarantees
The Parent Company's financial guarantee agreements primarily comprise guarantees on behalf of subsidiaries, joint ventures and associated companies. Under a financial guarantee, the company has an obligation to compensate the holder of a debt instrument for losses incurred by this holder due to a specific debtor not fulfilling their payment duties that are due in accordance with the terms and conditions of the agreement. In the recognition of financial guarantee agreements, the Parent Company applies a relaxation rule permitted by the Financial Reporting Board, in contrast to the provisions of IAS 39. This relaxation rule pertains to financial guarantee agreements issued on behalf of subsidiaries, associated companies and joint ventures. The Parent Company recognises financial guarantee agreements as a provision in the balance sheet when the company has a commitment for which it is probable that payment will be required to settle the commitment.

Note 2 Financial risks

Foreign exchange risk
In 2009, Nobia applied a centralised approach to the management of currency hedging of commercial flows in a bid to ensure stronger central control of exposures and also to take advantage of total volumes. Nobia's policy is to hedge approximately 80 per cent of the forecast flows, 0–3 months in the future, 60 per cent 4–6 months in the future, 40 per cent 7–9 months in the future and 100 per cent of contracted projects. The principal currency combinations were the SEK against the NOK and the EUR against the GBP. A weakening of the NOK by 5 per cent on an annual basis would reduce profit by about SEK 8 million and impact on shareholders' equity in the amount of about SEK 5 million. A 5-per cent weakening in the GBP against the EUR would reduce profit by about SEK 24 million and impact shareholders' equity in the amount of about SEK 17 million. Total exposure in 2009, expressed in SEK and after setting off counteracting flows, amounted to SEK 2,104 million, of which SEK 1,200 million was hedged. At the end of 2009, the hedged volume was SEK 859 million.

Unrealised gains and losses will be transferred to the income statement at various points in time within 12 months.

SEK m	Capital employed per currency	Interest-bearing loans and lease liabilities
SEK	766	552
EUR	2,610	1,128
GBP	2,370	733
DKK	983	695
USD	102	41
NOK	229	13
Other	35	0
Total	**7,095**	**3,162**

Credit risk
Nobia is active in many markets and in several distribution channels. Depending on the type of distribution channel, the customer base comprises both professional customers and consumers. For these reasons, credit management and payment terms must be adapted to each business unit's business logic and distribution channels within the framework of the credit policy established by the Group. The credit policy stipulates that credit ratings shall be based on at least one credit report from a reputable credit rating institute. Credit assessments are continuously performed on customers who make regular purchases. Credit insurance is utilised for certain markets and customer categories. Collateral is often required when credit is granted to customers with low buying frequencies. Counterparty risk pertaining to banks is deemed to be very minor. The total credit risk amounted to SEK 2,368 million.

Financial exposure
Nobia's policy for financing foreign assets involves financing capital employed with external borrowings in the corresponding currency in order to minimise the impact of exchange-rate fluctuations on the debt/equity ratio. Group loans are handled by Nobia's head office. The head office supplies the subsidiaries with funds through an internal bank. These loans are raised in local currencies, which minimises the effects of exchange-rate fluctuations on profits. As a supplementary measure, currency contracts may be entered into to avoid exposure. Given the current debt/equity ratio and currency distribution of capital employed, approximately 41 per cent of foreign capital employed must be financed through borrowing in local currencies. In combination with this policy, other forms of capitalisation may be utilised in each country to optimise the Group's tax situation. Nobia's financial exposure policy does not involve hedging equity.

Note 2 cont'd.

Interest-rate risk

Interest-rate exposure is managed centrally, meaning that the head office is responsible for identifying and managing interest-rate risks. Nobia uses short, fixed-interest terms. Nobia's approach is that times of high interest rates usually coincide with healthy demand in society at large. In 2009, the fixed-interest rate term was 1–3 months. A rise in interest rates by 100 basis points would reduce profit by about SEK 24 million.

Refinancing risk

Nobia applies a centralised approach to the Group's financing, which means that all financing takes place in Nobia AB or Nobia Sverige AB. Most of Nobia's borrowing is in the form of a syndicated bank loan. The syndicate comprises ten banks. The current agreement expires in June 2011. The loan has three covenants: leverage (net debt to EBITDA), gearing (net debt to equity) and interest cover (EBITDA to net interest expenses). Nobia's policy is to obtain long-term lines of credit that are compatible with the Group's long-term acquisition strategy. This must, however, be balanced against the need for low credit costs. In addition to the syndicated loan, Nobia has local overdraft facilities.

The table below shows the maturity of all of Nobia's loans:

Year of maturity, SEK m	2010	2011
Loans and lines of credit	–	6,000
Of which, utilised	–	2,446

Capital management

The debt/equity ratio may not exceed 100 per cent. A temporary elevation of the debt/equity ratio is acceptable. Dividends shall on average comprise at least 30 per cent of net profit after tax. The debt/equity ratio amounted to 62 per cent (77) at year-end. The decreased debt/equity ratio is primarily due to substantial improvement in cash flow, which could be utilised to repay loans.

Liquidity risk

Daily liquidity is tracked with the help of carefully prepared liquidity forecasts. Liquidity is controlled centrally with the aim of using available liquidity effectively, at the same time as necessary reserves are available.

Commercial exposure	USD	EUR	NOK	CHF	GBP	SEK	DKK
Currency contracts							
2010, local currencies	3	42	199	5	3	91	–
Total, SEK m[1)]	**21**	**431**	**247**	**35**	**34**	**91**	**–**
Fair value, SEK m	1	1	–6	–1	0	0	–
Net flow							
Net flow 2009, local currencies	–5	–87[3)]	349	12	11	227	–16
Net flow 2009, SEK m[2)]	–36	–922[3)]	424	88	134	227	–23
Hedged volume, SEK m[2)]	2	608	–333	–70	–116	–70	–

1) Flows restated at closing-date rate, SEK.
2) Restated apply average rate in 2009.
3) In addition, EUR 24 million pertains to flows against DKK, corresponding to SEK 252 million.

Analysis of maturity for financial liabilities including accounts payable

			2009						2008					
Group, SEK m	Currency	Nominal amount, original currency	Total	Within 1 month	1–3 months	3 months –1 year	1–5 years	5 years or longer	Total	Within 1 month	1–3 months	3 months –1 year	1–5 years	5 years or longer
Bank loans (IB)														
Bank loans	SEK	489	489	–	–	–	489	–	1,010	–	–	–	1,010	–
Bank loans	EUR	99	1,027	–	–	–	1,027	–	1,157	–	–	–	1,157	–
Bank loans	GBP	18	204	–	–	–	204	–	182	–	–	–	182	–
Bank loans	DKK	492	685	–	–	–	685	–	686	–	–	–	686	–
Bank loans	NOK	0	0	–	–	–	0	–	33	–	–	–	33	–
Bank loans	USD	6	41	–	–	–	41	–	20	–	–	–	20	–
Other liabilities														
Forward agreements*	SEK		1	0	0	1	–	–	–	–	–	–	–	–
Forward agreements*	EUR		3	0	1	2	–	–	–	–	–	–	–	–
Forward agreements*	GBP		0	0	0	0	–	–	–	–	–	–	–	–
Forward agreements*	DKK		–	–	–	–	–	–	–	–	–	–	–	–
Forward agreements*	NOK		6	1	2	3	–	–	–	–	–	–	–	–
Forward agreements*	CHF		1	0	0	1	–	–	1	0	1	0	–	–
Forward agreements*	USD		0	0	0	0	–	–	1	0	1	0	–	–
Currency options*	SEK		0	0	0	–	–	–	–	–	–	–	–	–
Currency options*	NOK		1	0	1	–	–	–	1	–	–	1	–	–
Overdraft facilities (IB)	SEK		48	–	–	48	–	–	50	–	–	50	–	–
Financial lease liabilities (IB)	SEK		10	–	–	–	10	–	30	–	–	–	30	–
Other liabilities (IB)	SEK		2	–	2	–	–	–	1	–	1	–	–	–
Accounts payable and other liabilities	SEK		1,609	1,154	344	93	18		1,393	999	266	125	3	–
Total			**4,127**	**1,155**	**350**	**148**	**2,474**	**–**	**4,565**	**999**	**269**	**176**	**3,121**	**–**
Interest-bearing liabilities (IB)			2,506						3,169					

* The value of forward agreements and currency options is included in the item "Accrued expenses and deferred income."

Age analysis, accounts receivable and other receivables, SEK m	**2009** Gross	**2009** Of which, impairment losses	2008 Gross	2008 Of which, impairment losses
Non-due accounts receivable	1,207	–	1,026	–
Past-due accounts receivable 0–30 days	274	18	450	4
Past-due accounts receivable > 30 days–90 days	121	15	158	25
Past-due accounts receivable > 90 days–180 days	40	14	59	14
Past-due accounts receivable > 180 days–360 days	43	41	40	17
Past-due accounts receivable > 360 days	19	50	66	38
Total receivables	**1,704**	**138**	**1,799**	**98**

Deposit account for impairment losses on accounts receivable and other receivables, SEK m	**2009**	2008
Opening balance	98	96
Reversal of previously posted impairment losses	–12	–22
Impairment losses for the year	54	40
Confirmed losses	0	–25
Translation differences	–2	9
Closing balance	**138**	**98**

An impairment loss is recognised when obvious reasons are deemed to exist that the company will not receive the entire or part of the amount due. Obvious reasons may, in this context, pertain to external information that establishes that a receivable is doubtful. An impairment loss is initially recognised for each individual receivable. Group-wise impairment losses are recognised for a group of receivables with similar credit properties and characteristics.

Note 3 Operating segments

The Group's business activities are divided into operating segments based on a management approach, meaning the parts of the operations monitored by the company's chief operating decision maker. The Group's operations are organised such that Group management monitors the earnings, returns and cash flow generated by the Group's regions.

Each operating segment has a manager who is responsible for the operations and who regularly reports the outcome of the operating segment's performance and resource requirements to Group management. These regions comprise the Group's operating segments since Group management monitors the operations' earnings and decides on the allocation of resources based on the regions. Accordingly, the Group's internal reporting is structured so that Group management can monitor the performance and earnings of all of the regions. The following operating segments were identified: UK region, Nordic region and Continental Europe region.

Nobia considers the Group's income from kitchens, bathrooms and storage to comprise a single product group since bathrooms and storage represent such a small per-centage of the Group's total balance sheet, income statement and cash-flow analysis.

Net sales and profit/loss per region

	UK region		Nordic region		Continental Europe region		Groupwide and eliminations		Group	
SEK m	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Net sales from external customers	5,623	5,383	5,234	5,955	4,561	4,653	–	–	15,418	15,991
Net sales from other regions	–	–	–	–	64	97	–64	–97	0	0
Total net sales	**5,623**	**5,383**	**5,234**	**5,955**	**4,625**	**4,750**	**–64**	**–97**	**15,418**	**15,991**
Depreciation/amortisation	–135	–124	–184	–156	–176	–172	–24	–23	–519	–475
Share in profit of associated companies	–	–	–	–	–	–	–	–	–2	21
Operating profit	**236**	**300**	**–75**	**498**	**–20**	**217**	**–103**	**–100**	**38**	**915**
Financial income									41	50
Financial expenses									–116	–213
Profit/loss before tax and divested operations									**–37**	**752**
Impairment losses	–	–	–74	–4	–9	–	–	–	–83	–4
Structural expenses	–	–	–262	–8	–46	–10	–	–	–308	–18
Profit on changes to pension conditions	42	–	–	–	–	–	–	–	42	–

Note 3 cont'd.

Total assets and liabilities per region	UK region		Nordic region		Continental Europe region		Groupwide and eliminations		Group	
SEK m	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Total assets	**3,443**	**3,408**	**3,281**	**3,294**	**2,544**	**2,980**	**1,188**	**1,615**	**10,456**	**11,297**
Total assets include:										
Proportions of equity in associated companies and joint ventures	–	–	–	–	58	76	–	–	58	76
Investments in fixed assets	57	237	160	261	129	235	0	0	346	733
Total liabilities	**1,596**	**1,597**	**2,746**	**2,458**	**1,552**	**1,824**	**628**	**1,263**	**6,522**	**7,142**

Geographic areas, Group	Income from external customers[1]		Fixed assets[2]	
SEK m	**2009**	2008	**2009**	2008
Sweden	1,059	1,290	307	308
Denmark	2,164	2,274	939	1,073
Norway	1,250	1,486	199	234
Finland	735	860	198	220
UK	5,791	5,628	1,946	1,994
France	2,113	2,198	1,418	1,529
Germany	634	622	686	776
Austria	536	476	360	392
Netherlands	228	253	3	5
USA	176	170	49	45
Other countries	732	734	27	33
Total	**15,418**	**15,991**	**6,132**	**6,609**

1) Net sales from external customers based on customers' geographic domicile.
2) Fixed assets that are not financial instruments, deferred tax assets, assets associated with benefits after employment termination or rights under insurance agreements.

Note 4 Salaries, other remuneration and social security costs

	2009		2008	
SEK m	Salaries and other remuneration	Social security costs (of which, pension costs)	Salaries and other remuneration	Social security costs (of which, pension costs)
Subsidiaries in:				
Sweden	222	96	264	109
		(23)		(25)
Denmark	684	66	755	79
		(60)		(57)
Norway	168	41	209	49
		(8)		(7)
Finland	100	59	110	67
		(29)		(31)
Germany	426	82	416	78
		(0)		(0)
Austria	161	57	146	52
		(21)		(18)
UK	853	76	749	70
		(25)		(27)
France	282	118	283	112
		(20)		(18)
USA	37	7	36	7
		(1)		(1)
Switzerland	24	4	18	3
		(–)		(–)
Poland	6	1	5	1
		(1)		(0)
Netherlands	1	0	0	0
		(–)		(–)
Spain	3	1	1	0
		(–)		(–)
Japan	1	0	–	–
		(–)		(–)
Total subsidiaries	**2,968**	**608**	**2,992**	**627**
		(188)		**(184)**
Parent Company	**26**	**15**	**32**	**16**
		(7)		**(7)**
Group[1]	**2,994**	**623**	**3,024**	**643**
		(195)		**(191)**

1) Excludes costs for share-based remuneration.

Total remuneration costs for employees

SEK m	**2009**	2008
Salaries and other remuneration	2,994	3,024
Social security costs	428	452
Pension costs – defined-contribution plans	147	142
Pension costs – defined-benefit plans	24	25
Costs for special employer's contributions and tax on returns	24	24
Costs for allotted share options 2005–2009 (Note 20)	–	–4
Costs for allotted employee share options 2006–2010 (Note 20)	–	–11
Costs for allotted employee share options 2007–2011 (Note 20)	–	–2
Costs for allotted employee share options 2008–2012 (Note 20)	–	0
Costs for allotted employee share options 2009–2013 (Note 20)	–	–
Total costs for employees	**3,617**	**3,650**

Salaries and other remuneration for the Parent Company

SEK m	**2009**	2008
Senior management	18	17
Other employees	8	15
Total Parent Company1)	**26**	**32**

1) Excludes costs for share-based remuneration.

Salaries and other remuneration for the Group

SEK m	**2009**	2008
Board and Presidents of subsidiaries	35	41
Other employees of subsidiaries	2,933	2,951
Total subsidiaries	**2,968**	**2,992**
Group1)	**2,994**	**3,024**

1) Excludes costs for share-based remuneration.

Remuneration and other benefits, 2009, SEK m	Basic salary, Directors' fee	Variable remuneration	Other benefits	Pension cost	Share-based payment	Other remuneration	Total	Pension commitments
Chairman of the Board								
Hans Larsson	0.8	–	–	–	–	–	0.8	–
Board members								
Stefan Dahlbo	0.3	–	–	–	–	–	0.3	–
Bodil Eriksson	0.3	–	–	–	–	–	0.3	–
Wilhelm Laurén	0.3	–	–	–	–	–	0.3	–
Joakim Rubin	0.2	–	–	–	–	–	0.2	–
Fredrik Palmstierna	0.3	–	–	–	–	–	0.3	–
Thore Ohlsson	0.3	–	–	–	–	–	0.3	–
Lotta Stalin	0.3	–	–	–	–	–	0.3	–
Former Board members								
Harald Mix	0.1	–	–	–	–	–	0.1	–
President								
Preben Bager	6.7	0.8	0.1	2	–	–	9.6	2.3
Other members of Group management	26.3	2	1.2	3.5	–	–	33	0.9
Total	**35.9**	**2.8**	**1.3**	**5.5**	**–**	**–**	**45.5**	**3.2**

Remuneration and other benefits, 2008, SEK m	Basic salary, Directors' fee	Variable remuneration	Other benefits	Pension cost	Share-based payment	Other remuneration	Total	Pension commit-ments
Chairman of the Board								
Hans Larsson	0.8	–	–	–	–	–	0.8	–
Board members								
Stefan Dahlbo	0.3	–	–	–	–	–	0.3	–
Bodil Eriksson	0.3	–	–	–	–	–	0.3	–
Wilhelm Laurén	0.3	–	–	–	–	–	0.3	–
Harald Mix	0.3	–	–	–	–	–	0.3	–
Fredrik Palmstierna	0.3	–	–	–	–	–	0.3	–
Thore Ohlsson	0.3	–	–	–	–	–	0.3	–
Lotta Stalin	0.3	–	–	–	–	–	0.3	–
President								
Preben Bager	4.9	0.7	0	1.2	0.2	–	7.0	1.0
Former President								
Fredrik Cappelen	1.5	–	0	0.7	–	–	2.2	2.0
Other members of Group management	15.4	1.5	0.5	2.3	1.8	–	21.5	0.4
Total	**24.7**	**2.2**	**0.5**	**4.2**	**2.0**	**–**	**33.6**	**3.4**

Note 4 cont'd.

Sickness absence in Parent Company, %	**2009**	2008
Total sickness absence as a percentage of ordinary working hours	1.1	0.3
Percentage of total sickness absence pertaining to uninterrupted sickness absence of 60 days or more	0.0	0.0
Sickness absence as a percentage of each group's ordinary working hours:		
Sickness absence by gender		
Men	1.6	0.4
Women	0.5	0.0
Sickness absence by age category		
29 years of age or younger	–	–
30–49 years of age	0.8	0.0
50 years of age or older	1.8	1.2

The average number of employees and number of men and women among Board members and senior managers are described in Note 34, see page 61.

Remuneration to senior management

– Board and Chairman of the Board

Remuneration to the Chairman and members of the Board is determined by resolutions taken at the Annual General Meeting. No special fees are paid for committee work. Board members who are employed by Nobia do not receive a separate Directors' fee. Board members elected by the Annual General Meeting receive a fixed fee of SEK 315,000 per member and the Chairman receives SEK 790,000, making a total of SEK 2,995,000. The Chairman of the Board has no pension benefits, severance pay agreement or other benefits. Employee representatives receive a study and preparation fee of SEK 26,000 per person per year.

– President

The President received SEK 6,691,033 in salary and benefits for the 2009 fiscal year plus a bonus related to results for 2009 of SEK 812,500.

In addition to the normal pension in accordance with the Swedish National Insurance Act (ATP and AFP), the President has the pension benefits corresponding to 20 per cent of pensionable salary. Pensionable salary means fixed annual salary. For 2009, the premium cost was SEK 1,577,567. The retirement age is 65. The President has the right to 12 months' notice plus severance pay equivalent to 12 months' salary if employment is terminated by Nobia. However, the amount of the severance pay will be reduced in the event the President receives a salary from another employer. If employment is terminated by the President, six months' notice must be given.

– Other Group management

Other Group management, comprising 13 people since September 2008, of whom five are employed in the Parent Company, received salaries and benefits during the fiscal year amounting to SEK 27,565,841 plus variable salary portions based on results for 2009 of SEK 2,010,039. Group management has the right to ITP pensions or an equivalent scheme. The age of retirement is 65. In addition, management has the right to an increased occupational pension premium of 20 per cent on salary portions amounting to more than 30 basic amounts.

– Variable salary portion

The fundamental principle for the variable salary portion for the business unit managers and Group management is that such portions may amount to a maximum bonus of 30 per cent of fixed annual salary. The exception is the President whose variable salary portion may amount to a maximum bonus of 50 per cent of fixed annual salary. Exceptions may also be made for other senior managers following a decision by the Board. The variable portion is based on an earning period of one year. The outcome depends on the extent to which predetermined targets are met. The targets for the President are set by the Board of Directors. The President sets the targets for other senior managers following recommendations from the Board Remuneration Committee.

– Remuneration Committee

The Board of Directors appoints a Remuneration Committee from within its ranks. The Committee's tasks include preparing proposals with respect to remuneration for the President, and to reach decisions on remuneration proposals for managers that report directly to the President. For information about the Committee and its members, see page 73.

– Group management's employee contracts

The contracts include provisions regarding remuneration and termination of employment. Under these agreements, employment may be terminated by the employee with a six-month period of notice and by the company with a 12-month period of notice. The employment contracts normally contain a non-competition clause that applies for the employment term and an additional period of 12 months.

– Share option scheme 2005–2012

At the 2005 Annual General Meeting, a resolution was made in accordance with the Board's proposal to implement an incentive scheme in the form of a performance-related employee share option scheme. This resolution comprised the first stage in annually recurring identical incentive schemes. It was also followed by resolutions passed at the 2006, 2007 and 2008 Annual General Meetings.

– Share option scheme 2009–2013

At the 2009 Annual General Meeting a resolution was made in accordance with the Board's proposal to continue the same incentive scheme implemented in previous years in the form of a performance-based share option scheme. This means that approximately 150 senior executives in the Nobia Group will be allotted a total of 2,300,000 employee share options. Each employee share option carries entitlement to the acquisition of shares in Nobia AB during the period from and including 31 May 2012 up to and including 1 March at a predetermined exercise price of SEK 35.30 kronor. The right to utilise these employee share options requires that on the exercise date the holder is an employee of the Nobia Group and that during the 2009–2012 fiscal years the Nobia Group increases its earnings per share compared with the 2008 fiscal year such that the total increase in earnings per share corresponds to an average annual increase in earnings per share of at least 0.5 per cent and a maximum of 15.0 per cent. The annual increase in earnings per share influences the number of options that can be received.

The table below is a summary of key data concerning the schemes. Fair value has been established using the Black & Scholes valuation model:

	Share option scheme 2005–2013					
Scheme	Exercise period	Exercise price, SEK per share	Theoretic value of the options, SEK per share	Share value at allotment, SEK per share	Volatility in per cent	Risk-free interest rate in per cent
2005–2009	31 May 2008–1 March 2009	41.57	5.07	37.77	24	2.71
2006–2010	31 May 2009–1 March 2010	88.37	13.13	80.34	26	3.31
2007–2011	31 May 2010–1 March 2011	101.30	14.20	92.10	24	4.09
2008–2012	31 May 2011–1 March 2012	44.40	6.16	42.00	32.5	4.32
2009–2013	31 May 2012–1 March 2013	35.30	5.47	29.40	35	2.17

Premature exercise is expected to occur during the exercise period. This entails that exercise is expected to occur in the middle of each particular option scheme. Historical volatility is assumed to match the estimation of future volatility.

The entitlement to exercise the employee share options presupposes that the option holder remains an employee of the Nobia Group and that earnings per share increases to the extent that the total increase in earnings per share corresponds to an average annual increase in earnings per share of at least 5.0 per cent and a maximum of 15.0 per cent.

Assuming a maximum increase in earnings and full exercise, the number of employee share options from the various schemes will be as follows:

	Allotment of options				
Scheme	President	Other members of Group management	Other employees	Total	Original dividend
2005–2009	–	–	–	–	1,830,000
2006–2010	–	39,000	1,154,700	1,193,700	1,830,000
2007–2011	–	15,000	1,356,000	1,371,000	1,830,000
2008–2012	65,000	385,000	1,857,500	2,307,500	2,592,500
2009–2013	70,000	470,000	1,702,000	2,242,000	2,292,000
Total	**135,000**	**909,000**	**6,070,200**	**7,114,200**	**10,374,500**

Future dilution effects from the four current schemes are reduced since persons included in the scheme have left Nobia. An average of 69 per cent of the original number of options issued remain.

The costs of the schemes are presented in the table below:

	Accumulated costs			**2009**			2008		
Scheme	Acc. IFRS 2 cost	Acc. soc. costs	Total cost	IFRS 2 cost	Soc. costs	Total cost	IFRS 2 cost	Soc. costs	Total cost
2005–2009	7	0	7	–	–	–	0	–4	–4
2006–2010	–	–	–	–	–	–	–11	0	–11
2007–2011	–	–	–	–	–	–	–2	0	–2
2008–2012	–	–	–	–	–	–	–	–	–
2009–2013	–	–	–	–	–	–	–	–	–
	7	**0**	**7**	**–**	**–**	**–**	**–13**	**–4**	**–17**

Changes in the number of outstanding share options and their weighted average exercise price were as follows:

	2009		2008	
	Average exercise price, SEK per share	Number of options	Average exercise price, SEK per share	Number of options
As per 1 January	66.30	6,852,200	70.46	5,996,950
Allotted	35.30	2,292,000	44.40	2,592,500
Expired	41.57	–1,321,500	23.50	–38,002
Forfeited	73.77	–708,500	73.58	–850,300
Utilised	–	0	23.50	–848,948
As per 31 December	**60.16**	**7,114,200**	**66.30**	**6,852,200**

Of the 7,114,200 outstanding options (6,582,200), it was possible to exercise 1,193,700 options (1,321,500). Options utilised in 2009 resulted in 0 shares (848,948) being issued at a price of SEK – each (23.50).

Outstanding share options at year-end had the following expiry dates and exercise prices:

		Shares	
Expiry date	Exercise price, SEK per share	**2009**	2008
1 March 2009	41.57	–	1,321,500
1 March 2010	88.37	1,193,700	1 426,200
1 March 2011	101.30	1,371,000	1,565,000
1 March 2012	44.40	2,307,500	2,539,500
1 March 2013	35.30	2,242,000	–
		7,114,200	**6,852,200**

Note 5 Remuneration to auditors

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Audit assignment				
KPMG	12	11	2	2
Total	**12**	**11**	**2**	**2**
Other assignments in addition to audit assignment[1)]				
KPMG	4	4	1	2
Total	**4**	**4**	**1**	**2**

1) Predominantly advisory services in audit-related matters such as accounting and tax.

The audit assignment relates to the examination of the Annual Report and accounts, and the administration by the Board of Directors and the President, other tasks the company's auditors are obligated to perform, and advice or other assistance prompted by observations during such examination or the performance of such tasks. Everything else is other assignments.

Note 6 Depreciation and impairment losses per activity

	Depreciation		Impairment losses	
SEK m	**2009**	2008	**2009**	2008
Cost of goods sold	–168	–169	–69	0
Selling expenses	–299	–249	–13	–4
Administrative expenses	–52	–57	–1	0
Total depreciation and impairment losses	**–519**	**–475**	**–83**	**–4**

Note 7 Specification by type of costs

SEK m	**2009**	2008
Raw materials	–6,905	–6,685
Costs for remuneration to employees (Note 4)	–3,617	–3,650
Depreciation and impairment losses (Note 6)	–602	–479
Freight costs	–751	–627
Operational leasing costs, primarily stores (Note 8)	–641	–645
Other operating expenses	–3,007	–3,161
Total operating expenses	**–15,523**	**–15,247**

Note 8 Operational lease contracts

The nominal values of contracted future leasing fees, including rent for stores, where the remaining term exceeds one year, are specified as follows (pertains mainly to rental contracts for premises):

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Paid during the year	641	645	0	0
Falling due for payment within one year	726	753	0	0
Falling due for payment between one and five years	2,211	2,126	0	0
Falling due for payment later	1,335	1,258	0	0
Total	**4,272**	**4,137**	**0**	**0**

The nominal values of rental contracts that are re-let, where the remaining term exceeds one year, are specified as follows:

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Falling due for payment within one year	67	147	0	0
Falling due for payment between one and five years	186	364	0	0
Falling due for payment later	43	81	0	0
Total	**296**	**592**	**0**	**0**

Note 9 Financial income and expenses

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Profit from participations in Group companies				
Dividends	–	–	22	321
Financial income				
Interest income, current	28	29	16	10
Exchange-rate differences	13	21	2	26
Financial expenses				
Interest expense	–76	–153	–17	–54
Interest expense pertaining to pension liability	–40	–32	–	–
Divestment of shares in associated companies	–	–	–	–4
Exchange-rate differences	0	–28	0	0
Total	**–75**	**–163**	**23**	**299**

Note 10 Tax on net profit for the year

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Current tax expenses for the period	–33[1)]	–241	4	10
Deferred tax	68	25	–	–
Tax on net profit for the year	**35**	**–216**	**4**	**10**

1) This amount includes tax revenue attributable to the earlier period of SEK 59 million that primarily pertain to the repayment of tax in the UK.

Tax revenue on net profit for the year comprised 41.4 per cent of profit before tax. In 2008, the tax expense accounted for 28.9 per cent of profit before tax. The higher tax rate during the current year was due mainly to taxes attributable to earlier periods. The difference between the recognised tax (41.4 per cent) and the anticipated tax on the Group's profits before tax calculated at the local tax rate for Sweden (26.3 per cent) is explained in the table below.

In the Parent Company, Group contributions and associated tax effects are recognised directly against shareholders' equity at a tax effect of an income of SEK 4 million (income: 10). Accordingly, the remaining recognised current tax refers to tax accrued on earnings recognised before Group contributions. Group contributions are recognised directly against shareholders' equity. The difference between the nominal and effective tax rate primarily pertains to dividends from subsidiaries.

%	**2009**	2008
Local tax rate in Sweden	26.3	28
Different local tax rates	1.8	1.9
Tax relating to earlier periods	41.3	1.0
Non-tax deductible income	24.7	–4.1
Non-deductible costs	–49.2	4.6
Changed corporate tax rate in Sweden, Germany and Denmark	–	–1.1
Other	–3.5	–1.4
Recognised effective tax	**41.4**	**28.9**

Note 25 on page 58 explains the calculation of deferred tax liabilities and assets.

Note 11 Intangible assets

Goodwill, SEK m	**2009**	2008
Opening carrying amount	3,056	2,786
Corporate acquisitions	23	199
Goodwill arising from acquisition of net assets	14	6
Reclassifications	4	–
Translation differences	–60	65
Closing carrying amount	**3,037**	**3,056**

Other intangible assets, SEK m		
Opening cost	347	258
Investments for the year	40	25
Sales and scrapping	–2	–2
Corporate acquisitions	10	27
Reclassifications	39	–4
Translation differences	–17	43
Closing accumulated cost	**417**	**347**
Opening amortisation	220	161
Sales and scrapping	–1	–1
Amortisation for the year	37	34
Corporate acquisitions	3	–
Reclassifications	0	–2
Translation differences	–13	28
Closing accumulated amortisation	**246**	**220**
Closing carrying amount	**171**	**127**
Of which		
Software	74	21
Brands	23	25
Other	74	81
Closing carrying amount	**171**	**127**

No interest was capitalised in the closing cost.

Note 12 Tangible fixed assets

Buildings, SEK m	**2009**	2008
Opening cost	3,241	2,890
Investments for the year	56	233
Sales and scrapping	–53	–60
Company sales	–	–50
Reclassifications	–102[1)]	4
Translation differences	–102	224
Closing cost including written-up amount	**3,040**	**3,241**
Opening depreciation and impairment losses	1,664	1,416
Sales and scrapping	–28	–24
Company sales	–	–42
Reclassifications	–64[2)]	2
Depreciation for the year	172	167
Impairment losses	51	–
Translation differences	–66	145
Closing depreciation and impairment losses	**1,729**	**1,664**
Closing residual value according to plan	**1,311**	**1,577**
Closing accumulated depreciation	**1,646**	**1,629**

1) This amount includes negative SEK 104 million pertaining to the reclassification of available-for-sale assets.
2) This amount includes negative SEK 63 million pertaining to the reclassification of available-for-sale assets.

Land and land improvements, SEK m	**2009**	2008
Opening cost	289	275
Investments for the year	2	4
Sales and scrapping	–13	–15
Corporate acquisitions	–	–
Reclassifications	0	–
Translation differences	–11	25
Closing cost including written-up amount	**267**	**289**
Opening depreciation	32	27
Depreciation for the year	1	1
Sales	5	–
Translation differences	–2	4
Closing depreciation	**36**	**32**
Closing carrying amount	**231**	**257**
Closing accumulated depreciation	**36**	**32**
Tax assessment value for property in Sweden	**110**	**110**
Closing carrying amount	**85**	**89**

Investments in progress, SEK m	**2009**	2008
Opening balance	96	95
Investments initiated during the year	30	33
Investments completed during the year	–103	–26
Translation differences	–3	–6
Closing carrying amount	**20**	**96**

Plant and machinery, SEK m	**2009**	2008
Opening cost	2,804	2,587
Investments for the year	67	178
Sales and scrapping	–194	–35
Company sales	–	–4
Reclassifications	101	24
Translation differences	–40	54
Closing cost including written-up amount	**2,738**	**2,804**
Opening depreciation and impairment losses	1,904	1,756
Sales and scrapping	–168	–31
Company sales	–	–3
Reclassifications	–	1
Depreciation for the year	162	148
Impairment losses	24	–
Translation differences	–30	33
Closing depreciation and impairment losses	**1,892**	**1,904**
Closing carrying amount	**846**	**900**
Closing accumulated depreciation	**1,853**	**1,889**

Equipment, tools, fixtures and fittings, SEK m	**2009**	2008
Opening cost	1,282	1,009
Investments for the year	136	203
Sales and scrapping	–102	–79
Corporate acquisitions	26	76
Company sales	–	–15
Reclassifications	17	1
Translation differences	–36	87
Closing cost	**1,323**	**1,282**
Opening depreciation and impairment losses	738	607
Sales and scrapping	–65	–61
Corporate acquisitions	1	36
Company sales	–	–14
Reclassifications	–2	0
Depreciation for the year	147	125
Impairment losses	8	4
Translation differences	–19	41
Closing depreciation and impairment losses	**808**	**738**
Closing carrying amount	**515**	**544**
Closing accumulated depreciation	**788**	**725**

Advance payments for tangible fixed assets, SEK m	**2009**	2008
Opening balance	52	2
Expenses during the year	1	51
Reclassifications	–52	–1
Closing carrying amount	**1**	**52**

No interest was capitalised in the closing cost.

Note 13 Financial fixed assets

Other long-term receivables, SEK m	Group 2009	Group 2008
Deposits	59	59
Long-term loans to retailers	8	10
Financial leasing receivable	8	29
Other interest-bearing receivables	338	314
Other	3	1
Total	**416**	**413**

Shares and participations in Group companies, SEK m	Parent Company 2009	Parent Company 2008
Opening cost	1,379	1,389
Acquisition of subsidiaries[1)]	–	–10
Closing cost	**1,379**	**1,379**

1) Acquisition of subsidiaries, refer to Note 16 on page 53.

Note 14 Investments in associated companies

Shares in associated companies, SEK m	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
Opening balance	–	1	–	4
Participations in net profit for the year	–	–	–	–
Acquisitions for the year	–	–	–	–
Sales for the year	–	–1	–	–4
Capital contribution	–	–	–	–
Exchange-rate differences	–	0	–	–
Closing balance	**–**	**–**	**–**	**0**

The Group sold its participation in UAB Domingos Durelés in 2008.

Note 15 Participating interests in joint ventures

The Group holds 50 per cent of the shares in Culinoma AG, which is jointly owned with De Mandemakers Groep Holding B.V. Joint ventures are recognised in accordance with the equity method.

SEK m	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
Carrying amount, 1 January	76	52	57	57
Participation in profit/loss	–2[1)]	21	–	–
Translation differences	–1	3	–	–
Other changes in the joint venture's shareholders' equity	–15	–	–	–
Carrying amount, 31 December	**58**	**76**	**57**	**57**

1) The participation in profit/loss for the year includes an earnings adjustment pertaining to Nobia's share of profit/loss of negative SEK 3 million recognised in previous years in Culinoma.

The figures presented below refer to Culinoma Group AG.

SEK m	2009	2008
Income	1,866	1,581
Expenses	–1,864	–1,538
Profit after tax	2	43
Fixed asset	907	890
Current assets	336	436
Total assets	1,243	1,326
Current liabilities	255	353
Long-term liabilities	885	836
Total liabilities	1,140	1,189
Net assets/net liabilities	**103**	**137**
Nobia's share of net assets/net liabilities	**51**	**68**
Equity/assets ratio, %	8.2	10.3
Net debt, SEK m	686	642
Capital employed, SEK m	884	861
Number of stores	87	88

Note 16 Shares and participations in subsidiaries

Nobia AB's holdings of shares and participations in operating Group companies, %.

	Corporate Registration Number	Domicile	Share of equity, %	No. of shares	Carrying amount 2009	Carrying amount 2008
Nobia Sverige AB	556060-1006	Stockholm	100	100	456	456
Sigdal Kjøkken AS		Kolbotn	100			
Marbodal AB	556038-0072	Tidaholm	100			
Marbodal OY*		Helsinki	100			
HTH Køkkener A/S		Ølgod	100			
HTH Kök Svenska AB	556187-3190	Helsingborg	100			
HTH Køkkenforum Køge A/S		Køge	100			
HTH Køkkenforum Naestved A/S		Naestved	100			
HTH Køkkenforum Holstebro ApS		Holstebro	100			
Gør Det Selv HTH Holstebro ApS		Holstebro	100			
HTH Øst A/S		Copenhagen	100			
HTH Aalborg A/S		Aalborg	100			
HTH Køkkenforum Aabenraa A/S		Aabenraa	100			
HTH Gruppen Fyn A/S		Odense	100			
HTH Køkkenforum Århus A/S		Aarhus	100			
Gør Det Selv HTH Århus A/S		Aarhus	100			
HTH Gør Det Selv Aars ApS		Aars	100			
HTH Gør Det Selv Viborg ApS		Viborg	100			
HTH Køkkenforum Viborg ApS		Viborg	100			
HTH Skive-Silkeborg A/S		Silkeborg	100			
HTH Gør Det Selv Silkeborg A/S		Silkeborg	100			
HTH Handel 5 A/S*		Kolding	100			
HTH Handel A/S*		Ølgod	100			
HTH Handel 6 A/S*		Ølgod	100			
HTH Handel 4 A/S*		Ølgod	100			
HTH Roskilde ApS*		Roskilde	100			
HTH Ekspert w. Kuchni S.p.z.o.o.		Warsaw	83,8			
Novart OY		Nastola	100			
Nobia Holding (UK) Limited		Darlington	100			
Magnet Ltd		Darlington	100			
Hiveserve Ltd		Darlington	100			
Larkflame Ltd		Darlington	100			
Magnet (Retail) Ltd		Dublin	100			
Aqua Ware Ltd*		Darlington	100			
Magnet Group Trustees Ltd*		Darlington	100			
Magnet Group Ltd*		Darlington	100			
Flint Properties Ltd*		Darlington	100			
Eastham Ltd*		Darlington	100			
Hyphen Fitted Furniture Ltd*		Darlington	100			
Magnet Distribution Ltd*		Darlington	100			
The Penrith Joinery Company Ltd*		Darlington	100			
Magnet & Southerns Ltd*		Darlington	100			
Magnet Furniture Ltd*		Darlington	100			
Magnet Joinery Ltd*		Darlington	100			
Magnet Manufacturing Ltd*		Darlington	100			
Magnet Retail Ltd*		Darlington	100			
Magnet Supplies Ltd*		Darlington	100			
Magnet Industries Ltd*		Darlington	100			
Magnet Kitchens Ltd*		Darlington	100			
Firenzi Kitchens Ltd*		Darlington	100			
Gower Group Ltd		Halifax	100			
Gower Furniture Ltd		Halifax	100			
Charco Ninety-Nine Ltd		Halifax	100			
WOR Ltd*		Halifax	100			
Gower Windows Ltd*		Halifax	100			
Eurostyle Furniture Ltd*		Halifax	100			
Beverly Doors Ltd*		Halifax	100			

Note 16 cont'd.

	Corporate Registration Number	Domicile	Share of equity, %	No. of shares	Carrying amount 2009	Carrying amount 2008
Working Systems Ltd*		Halifax	100			
Perfectshot Ltd*		Halifax	100			
Addspace Products Ltd*		Halifax	100			
Gower Garden Furniture Ltd*		Halifax	100			
Lovene Dörr AB*	556038-1724	Gothenburg	100			
Star Möbelwerk GmbH*		Herford	99.95			
Nobia Interiör AB*	556039-2440	Tidaholm	100			
Swedoor Bauelementevertrieb Gmbh*		Herford	100			
Nobia Köksinvest AB*	556062-9502	Värnamo	100			
Myresjökök AB	556048-3256	Älmhult	100	30,000	77	77
Poggenpohl Möbelwerke GmbH		Herford	98.57		532	532
Poggenpohl Group UK Ltd		London	100			
Norman Glen Kitchens & Interiors Ltd		London	100			
Wigmore Street Kitchens Ltd		London	100			
Ultimate Kitchens (Pimlico) Ltd		London	100			
Poggenpohl Austria Gmbh		Vienna	100			
Poggenpohl France SARL		Montesson Cedex	100			
Poggenpohl Nederland BV		Veldhoven	100			
SA Poggenpohl Belgium NV*		Gent	100			
Poggenpohl US Inc.		Fairfield, NJ	100			
Poggenpohl Group Schweiz AG		Littau	100			
Poggenpohl AB	556323-2551	Stockholm	100			
Poggenpohl A/S		Copenhagen	100			
Poggenpohl Japan Co Ltd		Tokyo	100			
Möbelwerkstätten Josef Ritter GmbH*		Herford	100			
Poggenpohl Forum Gmbh		Herford	100			
Goldreif Möbelfabrik GmbH*		Herford	100			
Pronorm Einbauküchen Gmbh		Vlotho	100			
WKF Wehdemer Komponentfertigung Gmbh*		Stemwede	100			
Optifit Jaka-Möbel GmbH		Stemwede	100			
Marlin Bad-Möbel GmbH		Stemwede	100			
Nobia Holding France SAS		Seclin	100			
Hygena Cuisines SAS		Seclin	100			
Hygena Cuisines Spain SAU		Barcelona	100			
Norema AS		Jevnaker	100	20,000	154	154
Invita Køkkener A/S		Bording	100	6,000,000	151	151
Invita Detail & Projekt A/S		Bording	100			
Invita Retail A/S		Bording	100			
Invita Köksstudio AB	556634-7497	Malmö	100			
Invita Handel ApS*		Roskilde	100			
Norema Försäljnings AB*	556236-4280	Stockholm	100	1,000	0	0
Nobia Beteiligungs-GmbH		Wels	100		2[1)]	2[1)]
Nobia Liegenschafts- und Anlagenverwaltungs-GmbH		Wels	100		1[1)]	1[1)]
EWE Küchen GmbH		Wels	100			
FM Küchen GmbH		Linz	100			
Other					6	6
Total					**1,379**	**1,379**

1) The company is 1 per cent-owned by Nobia AB and 99 per cent-owned by the subsidiary, Nobia Sverige AB. The details concern the 1 per cent holding.
* The company is dormant.

Note 17 Derivative instruments

SEK m	Group Carrying amount 2009	Group Fair value 2009	Parent Company Carrying amount 2009	Parent Company Fair value 2009
Forward agreements, transaction exposure – assets	7	7	–	–
Forward agreements, transaction exposure – liabilities	12	12	–	–
Total	**–5**	**–5**	**–**	**–**

Unrealised gains and losses totalling a net loss of SEK 4 million in shareholders' equity for forward agreements as per 31 December 2009 will be reported in the income statement at different times within 12 months of the closing date. For information about forward agreements, see Note 2 Financial risks on page 43.

Note 18 Prepaid expenses and accrued income

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Prepaid rent	47	68	–	1
Bonus from suppliers	66	71	9	–
Prepaid bank charges	2	5	–	–
Insurance policies	12	7	1	–
Accrued income from property sales and rental contracts	8	2	–	–
Other	133	70	15	1
Total	**268**	**223**	**25**	**2**

Note 19 Cash and cash equivalents

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Cash and bank balances	384	332	170	70

Unutilised credit facilities, which are not included in cash and cash equivalents, totalled SEK 512 million (563) in the Group, and SEK 412 million (443) in the Parent Company at the end of the year. In addition to the overdraft facilities, the company has unutilized credit commitments of SEK 3,554 million (2,912).

Note 20 Share capital

	No. of registered shares	No. of shares outstanding
As per 1 January 2008	**174,444,510**	**171,515,810**
Employee share option scheme – issued shares	848,948	848,948
Buy-back of own shares	–	–5,233,600
As per 31 December 2008	**175,293,458**	**167,131,158**
Employee share option scheme – issued shares	–	–
Buy-back of own shares	–	–
As per 31 December 2009	**175,293,458**	**167,131,158**

The share capital amounts to SEK 58,430,237. The par value per share is SEK 0.33. All of the registered shares are fully paid. All shares are ordinary shares of the same type. Nobia owns 8,162,300 bought back shares (8,162,300). Bought back shares are not reserved for issue according to the option agreement or other sale.

Note 21 Reserves in shareholders' equity

A specification of changes in shareholders' equity is provided on pages 34 and 37.

SEK m	Translation differences	Hedging reserve	Total
Opening balance, 1 January 2008	**8**	**11**	**19**
Exchange-rate differences attributable to translation of foreign operations	92	–	92
Exchange-rate differences attributable to translation of foreign operations transferred to profit for the year	1	–	1
Cash-flow hedges, before tax	–	51	51
Tax attributable to change in hedging reserve for the year	–	–17	–17
Closing balance, 31 December 2008	**101**	**45**	**146**
Opening balance, 1 January 2009	**101**	**45**	**146**
Exchange-rate differences attributable to translation of foreign operations	–77	–	–77
Cash-flow hedges, before tax	–	–68	–68
Tax attributable to change in hedging reserve for the year	–	19	19
Closing balance, 31 December 2009	24	–4	20

Note 22 Earnings per share

Earnings per share before dilution

Earnings per share before dilution are calculated by dividing profit attributable to the Parent Company's shareholders by the weighted average number of outstanding ordinary shares during the period.

	2009	2008
Profit attributable to Parent Company's shareholders, SEK m	–79	529
Profit from continuing operations, SEK m	–2	536
Profit from discontinued operations, SEK m	–77	–7
Weighted average number of outstanding ordinary shares before dilution	167,131,158	168,718,492
Earnings per share before dilution, SEK	–0.47	3.13
Earnings per share before dilution, for continuing operations, SEK	–0.01	3.18
Earnings per share before dilution, for discontinued operations, SEK	–0.46	–0.04

Earnings per share before dilution

To calculate earnings per share after dilution, the weighted average number of outstanding ordinary shares is adjusted for the dilution effect of all potential ordinary shares. These potential ordinary shares are attributable to the employee share options that were allotted to senior executives in 2005, 2006, 2007, 2008 and 2009. Refer also to Notes 4 and 20 on pages 46 and 55.

A dilution effect arises if the issue price is lower than the fair value of the ordinary shares. The dilution effect appears as the difference between the number of shares that option holders are entitled to subscribe for, and the number of shares valued at fair value and to which the subscription payment corresponds. The difference is treated as an issue of shares for which the company does not receive any payment.

At present, the options from the five share option schemes are not dilutive, but they may be in future. Three circumstances must prevail and apply to Nobia for the options not to result in any dilutive effect. The first circumstance is that the exercise price for the options exceeds the average share price during the part of the year when the options were outstanding. The second is that the earnings per share that have been achieved to date fail to fulfil the earnings conditions without the contribution of future profits. The third is that during an unprofitable year (earnings from continuing operations), Nobia will not be able to calculate dilution from options; the company will have to turn a profit before dilution can occur. If the effect of these circumstances ceases, the said schemes will become dilutive.

	2009	2008
Weighted average number of outstanding ordinary shares	167,131,158	168,718,492
Employee share option scheme 2005, 2006, 2007, 2008, 2009	–	–
Weighted average number of outstanding ordinary shares after dilution	167,131,158	168,718,492
Earnings per share after dilution, SEK	–0.47	3.13
Earnings per share after dilution, from continuing operations, SEK	–0.01	3.18
Earnings per share after dilution, from discontinued operations, SEK	–0.46	–0.04

Note 23 Dividend per share

At the Annual General Meeting on 30 March 2010, the Board of Directors proposes that no dividend be paid for the 2009 financial year. During 2009, no dividend was paid for the 2008 financial year. SEK 0.3 million was paid to minority shareholders in subsidiaries. During 2008, SEK 429 million was paid for the 2007 financial year (SEK 2.50 per share), and SEK 1 million was paid to minority shareholders in subsidiaries.

Note 24 Provisions for pensions

Defined-benefit pension plans, Group

Provisions for pensions, SEK m	**2009**	2008
Defined-benefit pension plans	656	718

There are several defined-benefit pension plans within the Group, whereby the employee's right to remuneration after termination of employment is based upon final salary and period of service. These plans are primarily found in the UK.

Commitments for old-age pensions and family pensions for salaried employees in Sweden are secured on the basis of the FPG/PRI system and insurance primarily with Alecta. According to statement UFR 3 from the Swedish Financial Reporting Board, the insurance with Alecta is a multi-employer defined-benefit plan. Since the Group did not have access to information in the 2009 fiscal year that would make it possible to report this plan as a defined-benefit plan, ITP pension plans secured on the basis of insurance with Alecta have been reported as defined-contribution plans. Fees for pension insurance with Alecta for the year amounted to SEK 2.1 million (1.9). On 31 December 2009, Alecta's surplus, which can be distributed between the policy holder and/or the persons insured in the form of the collective consolidation rate amounted to 141 per cent (112 per cent in December 2008). The collective consolidation rate comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which are not in agreement with IAS 19.

The amounts recognised in the consolidated balance sheet have been calculated as follows:

SEK m	**2009**	2008
Present value of funded obligations	2,060	1,676
Fair value of plan assets	–1,462	–1,273
	598	**403**
Present value of unfunded obligations	118	115
Unrecognised actuarial gains (+)/losses (–)	–60	200
Net liability in balance sheet	**656**	**718**

The net liability for defined-benefit plans amounting to SEK 656 million (718) is reported in its entirety in the "Provisions for pensions" item in the consolidated balance sheet.

The largest portion of the net liability at the end of the year pertains to pension plans in the UK.

Changes in the defined-benefit pension commitments during the year were as follows:

SEK m	**2009**	2008
At beginning of the year	1,791	2,250
Costs for service during current year	25	25
Interest expense	112	115
Contributions from plan participants	3	3
Actuarial losses (+)/gains (–)	354	–278
Exchange-rate differences	26	–251
Reclassification from defined-benefit to defined-contribution pension plans	–45	–3
Benefits paid	–88	–70
Amount at year-end	**2,178**	**1,791**

The change in fair value of plan assets during the year was as follows:

SEK m	2009	2008
At beginning of the year	1,273	1,668
Expected return on plan assets	72	82
Actuarial losses (–)/gains (+)	81	–304
Exchange-rate differences	25	–197
Employer contributions	89	92
Employee contributions	3	3
Benefits paid	–81	–71
Amount at year-end	**1,462**	**1,273**

The amounts reported in the consolidated income statement are as follows:

SEK m	2009	2008
Costs for service during current year	24	25
Interest expense	112	115
Expected return on plan assets	–72	–83
Actuarial net losses reported during the year	–3	–3
Gains at change in pension conditions[1]	–42	–
Total pension costs	**19**	**54**

1) Pertains to change in pension conditions for defined-benefit to defined-contribution for new earnings in 2010 and onward in the British company Magnet.

Costs in the consolidated income statement are divided between the following items:

SEK m	2009	2008
Cost of goods sold	3	3
Selling expenses	4	4
Administrative expenses	–28	15
Net financial items	40	32
Total pension costs	**19**	**54**

The actual return on the plan assets of the pension plans amounted to SEK 167 million (neg: 222).

Principal actuarial assumptions on the closing date:

%	2009	2008
Discount rate	5.7	6.2
Expected return on plan assets	6.3	6.1
Future annual salary increases	4.5	4.1
Future annual pension increases	3.5	3.1

Life expectancy

The expected average number of years of life remaining after retirement at 65 years of age is as follows:

	2009	2008
On closing date		
Men	20.9	20.3
Women	23.7	23.1
20 years after closing date		
Men	21.3	21.3
Women	25	24

Plan assets comprise the following:

%	2009	2008
Shares	46	45
Interest-bearing securities	22	27
Other	32	28
	100	**100**

The expected return on plan assets was determined by taking into consideration the current level of expected return on risk-free investments, the historic estimated risk premium on the other assets encompassed by the investment policy in question and the estimate of expected future return for each type of asset. The expected return for each type of asset was weighted on the distribution of assets in the applicable investment policy.

Contributions to remuneration plans after employment has been completed are expected to amount to SEK 63 million for the 2010 fiscal year.

SEK m	2009	2008	2007	2006	2005
Present value of defined-benefit commitments	2,178	1,791	2,250	2,442	2,636
Fair value of plan assets	1,462	1,273	1,668	1,704	1,600
Deficit/surplus	**716**	**518**	**582**	**738**	**1,036**
Experience-based adjustments of defined-benefit commitments	–89	0	0	233	4
Experience-based adjustments of plan assets	95	–280	–54	54	148

Total pension costs reported in the consolidated income statement are as follows:

Pension costs, SEK m	2009	2008
Total costs for defined-benefit plans	24	25
Total costs for defined-contribution plans	147	142
Costs for special employer's contribution and tax on returns from pension	24	24
Total pension costs	**195**	**191**

Defined-benefit pension plans, Parent Company

Provisions for pensions, SEK m	2009	2008
Statutory provisions for the safeguarding of FPG/PRI pensions	7	5

The costs are reported in the Parent Company's income statement as follows:

Defined-benefit plans, SEK m	2009	2008
Administrative expenses	2	1

The total pension cost reported in the Parent Company's income statement is as follows:

Pension costs, SEK m	2009	2008
Total costs for defined-benefit plans	1	1
Total costs for defined-contribution plans	5	4
Costs for special employer's contribution and tax on returns from pension funds.	1	1
Total pension costs	**7**	**6**

The Parent Company's pension liabilities are calculated at a discount rate of 3.8 per cent (3.8).

The assumptions are calculated based on the salary levels applicable on the closing date. No payment of defined-benefit pension plans in the Parent Company is expected in 2010.

Note 25 Deferred tax

The change in deferred tax assets/tax liabilities for the year, Group

	2009			2008		
SEK m	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Opening balance	258	291	–33	273	269	4
Reported in income statement	31	–37	68	–4	–29	25
Exchange-rate differences	2	–9	11	–18	22	–40
Corporate acquisitions	–	1	–1	1	12	–11
Change in forward agreements	2	–17	19	0	17	–17
Other changes	0	–4	4	6	0	6
Closing balance	**293**	**225**	**68**	**258**	**291**	**–33**

The change in deferred tax assets/tax liabilities for the year Deferred tax assets	Defined-benefit pension plans	Other temporary differences	Loss carryforwards	Total
As per 1 January 2008	**211**	**44**	**18**	**273**
Reported in profit for the year	–14	12	–2	–4
Reported in other comprehensive income	–	6	–	6
Reclassification	–	0	–	–
Corporate acquisitions	–	1	–	1
Exchange-rate differences	–23	3	2	–18
As per 31 December 2008	**174**	**66**	**18**	**258**
Reported in profit for the year	–23	–8	62	31
Reported in other comprehensive income	–	2	–	2
Reclassification	4	–4	–	–
Corporate acquisitions	–	–	–	–
Other changes	–	0	–	0
Exchange-rate differences	4	–1	–1	2
As per 31 December 2009	**159**	**55**	**79**	**293**

Deferred tax liabilities	Temporary differences in fixed assets	Other	Total
As per 1 January 2008	**245**	**24**	**269**
Reported in profit for the year	–40	11	–29
Reported in other comprehensive income	–	17	17
Reclassification	–4	4	–
Corporate acquisitions	12	–	12
Exchange-rate differences	22	0	22
As per 31 December 2008	**235**	**56**	**291**
Reported in profit for the year	4	–41	–37
Reported in other comprehensive income	–	–17	–17
Reclassification	–6	6	–
Corporate acquisitions	1	–	1
Other changes	1	–5	–4
Exchange-rate differences	–11	2	–9
As per 31 December 2009	**224**	**1**	**225**

The change in loss carryforwards pertains primarily to France. After that, deferred tax assets at the end of the year were primarily attributable to France and the US. The loss carryforward attributable to the US will expire in 2010 or later. The value of the loss carryforward for which a deferred tax asset is not recognised amounts to SEK 36 million (34) and is primarily attributable to the US and Germany.

Nobia does not recognise any deferred tax attributable to temporary differences relating to investments in subsidiaries or associated companies. Any future effects (with holding tax and other deferred tax for profit taking within the Group) are reported when Nobia is no longer able to govern the reversal of such differences or when, for other reasons, it is no longer improbable that reversals will be made in the foreseeable future. These possible future effects are not deemed to have any relation to the overall amount of the temporary differences.

Note 26 Other provisions

SEK m	Unutilised tenancy rights	Dilapidations	Guarantee commitments	Other long-term employee benefits	Structural costs	Other	Total
As per 1 January 2009	**33**	**1**	**1**	**73**	**3**	**2**	**113**
Expensed in the consolidated income statement							
– Additional provisions	61	14	–	6	144	1	226
– Reversed unutilised amounts	–1	–	–	–2	–	–1	–4
Reclassification	–	–	–1	–11	10	1	–1
Utilised during the year	–37	0	–	–2	–118	–1	–158
Translation differences	1	0	0	–4	0	1	–2
As per 31 December 2009	**57**	**15**	**0**	**60**	**39**	**3**	**174**

Note 27 Liabilities to credit institutes

Maturity structure, SEK m	**2009**	2008
Within 1 year	0	0
Between 1 and 5 years	2,446	3,088
Longer than 5 years	–	–
Total	**2,446**	**3,088**

Note 28 Accrued expenses and deferred income

	Group		Parent Company	
SEK m	**2009**	2008	**2009**	2008
Bonuses to customers	110	93	–	–
Accrued salary-related costs	339	320	8	11
Accrued interest	1	14	–	–
Rents	48	41	–	–
Other	475	511	9	2
Total	**973**	**979**	**17**	**13**

Note 29 Financial assets and liabilities

Group 2009

SEK m	Derivatives used in hedge accounting	Accounts and loan receivables	Other liabilities	Total carrying amount	Fair value
Long-term interest-bearing receivables	–	350	–	350	350*
Other long-term receivables	–	66	–	66	66*
Accounts receivable	–	1,441	–	1,441	1,441*
Current interest-bearing receivables	–	2	–	2	2*
Other receivables	7	125	–	132	132*
Total	**7**	**1,984**	**–**	**1,991**	**1,991**
Long-term interest-bearing liabilities	–	–	2,456	2,456	2,420
Current interest-bearing liabilities	–	–	50	50	50*
Accounts payable	–	–	1,189	1,189	1,189*
Other liabilities	12	–	420	432	432*
Total	**12**	**–**	**4,115**	**4,127**	**4,091**
Unrecognised gains/losses	–	–	–	–	–

Group 2008

SEK m	Derivatives used in hedge accounting	Accounts and loan receivables	Other liabilities	Total carrying amount	Fair value
Long-term interest-bearing receivables	–	347	–	347	347*
Other long-term receivables	–	66	–	66	66*
Accounts receivable	–	1,527	–	1,527	1,527*
Current interest-bearing receivables	–	27	–	27	27*
Other receivables	80	174	–	254	254*
Total	**80**	**2,141**	**–**	**2,221**	**2,221**
Long-term interest-bearing liabilities	–	–	3,119	3,119	3,119*
Current interest-bearing liabilities	–	–	50	50	50*
Accounts payable	–	–	965	965	965*
Other liabilities	3	–	428	431	431*
Total	**3**	**–**	**4,562**	**4,565**	**4,565**
Unrecognised gains/losses	–	–	–	–	–

* The carrying amount is considered to be an acceptable approximation of fair value.

Exchange-rate gains and losses pertaining to the operations are recognised in operating income and operating expense in the net amount of SEK 12 million (7). Financial exchange-rate gains and losses are recognised in net financial items in the amount of SEK 13 million (neg: 7).

Note 29 cont'd.

Parent Company 2009

SEK m	Accounts and loan receivables	Other liabilities	Total carrying amount	Fair value
Accounts receivable	3	–	3	3*
Other receivables	3,515	–	3,515	3,515*
Total	**3,518**	**–**	**3,518**	**3,518**
Current interest-bearing liabilities	–	1,645	1,645	1,645*
Accounts payable	–	5	5	5*
Other liabilities	–	4	4	4*
Total	**–**	**1,654**	**1,654**	**1,654**
Unrecognised gains/losses	–	–	–	–

Parent Company 2008

SEK m	Accounts and loan receivables	Other liabilities	Total carrying amount	Fair value
Accounts receivable	3	–	3	3*
Other receivables	2,166	–	2,166	2,166*
Total	**2,169**	**–**	**2,169**	**2,169**
Current interest-bearing liabilities	–	42	42	42*
Accounts payable	–	2	2	2*
Other liabilities	–	147	147	147*
Total	**–**	**191**	**191**	**191**
Unrecognised gains/losses	–	–	–	–

* The carrying amount is deemed to be an acceptable approximation of the fair value.

Determination of fair value financial instruments

Level 1 according to prices listed in an active market for the same instrument
Level 2 based directly or indirectly on observable market information not included in Level 1
Level 3 based on input that is not observable in the market

Group 2009

SEK m	Level 1	Level 2	Level 3	Total
Long-term interest-bearing receivables	–	–	–	–
Other long-term receivables	–	–	–	–
Accounts receivables	–	–	–	–
Current interest-bearing receivables	–	–	–	–
Other receivables	–	7	–	7
Total	**–**	**7**	**–**	**7**
Long-term interest-bearing liabilities	–	–	–	–
Current interest-bearing liabilities	–	–	–	–
Accounts payable	–	–	–	–
Other liabilities	–	12	–	12
Total	**–**	**12**	**–**	**12**

Parent Company 2009

SEK m	Level 1	Level 2	Level 3	Total
Accounts receivables	–	–	–	–
Other receivables	–	–	–	–
Total	**–**	**–**	**–**	**–**
Current interest-bearing liabilities	–	–	–	–
Accounts payable	–	–	–	–
Other liabilities	–	–	–	–
Total	**–**	**–**	**–**	**–**
Unrecognised gains/losses	–	–	–	–

Note 30 Pledged assets

SEK m	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
For liabilities to credit institutes				
Floating charges	–	–	–	–
Endowment assurance	2	1	2	1
Property mortgage	–	–	–	–
Total pledged assets	**2**	**1**	**2**	**1**

Note 31 Contingent liabilities and commitments

The Group has contingent liabilities pertaining to sub-contractor guarantees, pension liabilities, bank guarantees for loans and other guarantees and other considerations that arise in normal commercial operations. No significant liabilities are expected to arise through these contingent liabilities. Based on the company's assessment, no provision has been posted for ongoing tax cases. The amounts involved are not considered to have any significant effect on the company's results or financial position.

In their normal business activities, the Group and the Parent Company have posted the following guarantees and contingent liabilities:

SEK m	Group 2009	Group 2008	Parent Company 2009	Parent Company 2008
Securities for pension commitments	1	0	11	10
Other contingent liabilities	258	238	2,687	3,335
Total	**259**	**238**	**2,698**	**3,345**

Note 32 Corporate acquisitions/ discontinued operations

During the year, Nobia DK acquired 100 per cent of eight companies with 11 franchise stores in Denmark through its HTH business unit, of which three are intended for further divestment.

Excluding these three stores, the company generated sales of SEK 167 million after the acquisition. Information pertaining to sales and profits as if the companies had been owned from the beginning of the year has not been collected and summarized, since the size of the acquisition is not significant. The acquisition analysis below is preliminary for the acquisitions made during the fourth quarter since the fair-value costs had not been finally determined.

Acquired net assets and goodwill, SEK m	2009	2008
Purchase consideration, including costs	63	304
Fair value of acquired net assets	–40	–105
Goodwill	**23**	**199**

Goodwill is attributable to synergies expected to be achieved through additional co-ordination of the product offering, in the customer-service organisation and in distribution.

Assets and liabilities included in the acquisition, SEK m	2009 Fair value	2009 Acquired carrying amount	2008 Fair value	2008 Acquired carrying amount
Cash and cash equivalents	–1	–1	7	7
Tangible fixed assets	25	25	41	41
Intangible fixed assets	7	3	27	–
Inventories	7	7	36	36
Receivables	44	44	153	153
Liabilities	–34	–34	–137	–137
Financial liabilities	–5	–5	0	0
Taxes, net	–2	–2	–12	–12
Deferred tax, net	–1	0	–10	–3
Acquired net assets	**40**	**37**	**105**	**85**

SEK m	2009	2008
Purchase consideration settled in cash	63	304
Additional purchase consideration	–	–
Cash and cash equivalents in acquired subsidiaries	1	–7
Change in the Group's cash and cash equivalents in conjunction with acquisitions	**64**	**297**

Discontinued operations and fixed assets held for sale

In 2008 and the first quarter of 2009, Nobia acquired a total of seven stores from franchise holders in Denmark with the intention of subsequently selling further. The stores are reported as discontinued operations and disposal groups held for sale in accordance with IFRS 5 and are reported in the Nordic region segment. One of the stores that was acquired in 2008 was sold in 2009. In addition, three more stores were acquired during the second half of the year from franchise holders in Denmark with the intention to sell onward. The stores reported a loss of SEK 16 million (loss: 7).

During 2009, Nobia divested its window production in the UK. The income statement includes earnings from operations as well as earnings from divestment of discontinued operations in accordance with IFRS 5 and reported in the UK segment. Earnings from window production including income from the divestment amounted to a negative SEK 61 million, of which the income from divestment was a negative SEK 38 million.

Nobia intends to divest a production property in Denmark in 2010. The property is reported according to IFRS 5 under assets held for sale in the Nordic region segment.

Note 33 Related-party transactions

No sales of goods were made to and no purchases of goods were made from the Parent Company to other Group companies during the year. Group-wide services are invoiced to subsidiaries. A specification of subsidiaries is presented in Note 16 on page 53.

Goods were purchased and sold between Nobia and associated companies during the year. Sales amounted to SEK 106 million (89). The closing balance at the end of the year as a result of these transactions amounted to SEK 10 million (21), refer also to Note 14 and 15, on page 52.

Remuneration was paid to senior executives during the year; refer also to Note 4, on page 46.

Note 34 Average number of employees

Subsidiaries in:	2009 Average no. of employees	2009 Of whom, men	2008 Average no. of employees	2008 Of whom, men
Sweden	702	631	728	538
Denmark	1,263	833	1,531	1,052
Norway	311	142	454	236
Finland	368	260	466	331
Germany	942	750	981	756
Austria	442	363	446	367
UK	2,769	2,173	2,967	2,351
France	990	523	981	509
US	62	28	65	33
Switzerland	33	26	26	18
Poland	31	31	25	25
The Netherlands	2	2	2	2
Spain	12	5	10	4
Japan	3	3	–	–
Group	**7,930**	**5,770**	**8,682**	**6,222**
Of which, Parent Company	13	8	16	12

Note 34 cont'd.

	2009		2008	
	Number on closing date	Of whom, men, %	Number on closing date	Of whom, men, %
Board members	81	77	70	77
President and other senior executives	98	85	96	90
Group	**179**	**80**	**166**	**83**

Several people are members of more than one of the subsidiaries' Boards of Directors or management groups.

	2009		2008	
	Number on closing date	Of whom, men, %	Number on closing date	Of whom, men, %
Board members	13	77	13	77
President and other senior executives	11	82	14	86
Group	**24**	**83**	**27**	**81**

Note 35 Events after closing date

In February, Nobia presented a new organisational model and a new work method for the Group. Production and sourcing will be co-ordinated to take advantage of Nobia's size, while the Group's brands will be positioned to more clearly meet customer demands. 1 April 2010 will signal the start of the new organisation and the several years of change activities that will result in a stronger Group.

At the end of February, Nobia announced that the Pronorm subsidiary in Vlotho, Germany and its 50 per cent-owned holding in Culinoma were to be divested. The buyer is Nobia's joint venture partner in Culinoma, the Dutch kitchen retailer DeMandemaker Groep (DMG). The transaction is in line with Nobia's strategy to focus on proprietary brands with attractive customer offerings, as well as to generate an efficient supply chain with fewer and larger plants.

The Board of Directors and President verify that the Annual Report has been compiled in compliance with generally accepted accounting policies in Sweden, and the consolidated financial statements with the international accounting standards, referred to in the European Parliament's and Council of Europe's Regulation (EC) No.1606/2002 dated 19 July 2002 regarding the application of international accounting standards. The Annual Report and the consolidated financial statements provide a true and fair view of the Parent Company's and the Group's financial position and earnings. The Reports of the Board of Directors for both the Group and the Parent Company provide a fair overview of the Group's and the Parent Company's operations, financial positions and earnings and describe the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

The consolidated income statement and balance sheet will be presented to the Annual General Meeting for adoption on 30 March 2010.

Stockholm, 10 March 2010

Hans Larsson
Chairman

Stefan Dahlbo   Bodil Eriksson   Wilhelm Laurén   Thore Ohlsson

Fredrik Palmstierna   Joakim Rubin   Lotta Stalin

Preben Bager
President

Per Bergström
Employee representative

Olof Harrius
Employee representative

Our Audit Report was submitted on 10 March 2010

KPMG AB

Helene Willberg
Authorised Public Accountant

The information in this Annual Report is such that Nobia AB (publ) is obliged to disclose in accordance with the Swedish Securities Market Act. Nobia AB (publ) has published an interim report on the fourth quarter of 2009 and a year-end report. The information was released for publication at 8:00 a.m. on 12 February by means of a press release and was published on the www.nobia.com website. The Annual Report was published on Nobia's website in Swedish on 16 March at 12:00 noon.

Audit Report

To the Annual General Meeting of Nobia AB (publ)
Corporate Registration Number 556528-2752

We have audited the annual accounts, the consolidated financial statements, the accounting records and the administration of the Board of Directors and the President of Nobia AB (publ) for the year 2009. The company's annual accounts are included in the printed version of this document on pages 8–62. The Board of Directors and the President are responsible for these accounts and the administration of the company as well as for the application of the Annual Accounts Act when preparing the annual accounts and the application of international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act when preparing the consolidated financial statements. Our responsibility is to express an opinion on the annual accounts, the consolidated financial statements and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable, but not absolute, assurance that the annual accounts and the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting policies used and their application by the Board of Directors and the President and significant estimates made by the Board of Directors and the President when preparing the annual accounts and consolidated financial statements as well as evaluating the overall presentation of information in the annual accounts and the consolidated financial statements. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any Board member or the President has, in any other way, acted in contravention of the Companies Act., the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view of the company's financial position and results of operations in accordance with generally accepted accounting policies in Sweden. The consolidated financial statements have been prepared in accordance with international financial reporting standards IFRS as adopted by the EU and the Annual Accounts Act and give a true and fair view of the Group's financial position and results of operations. The statutory Board of Directors' Report is consistent with the other parts of the annual accounts and the consolidated financial statements.

We recommend to the annual meeting of shareholders that the income statement and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the Board of Directors' Report and that the members of the Board of Directors and the President be discharged from liability for the fiscal year.

Stockholm, 10 March 2010
KPMG AB

Helene Willberg
Authorised Public Accountant

The Nobia share

The Nobia share more than doubled in value in 2009 and the closing price of the share on the NASDAQ OMX in Stockholm was SEK 41.90 (16.80), corresponding to a market capitalisation of slightly more than SEK 7 billion (3). No dividends were paid for the 2008 fiscal year.

During the same period, the NASDAQ OMX Stockholm's index for manufacturers of consumer discretionary products and services (SX25 Consumer Discretionary) fell by 54 per cent.

A total of 108,578,324 Nobia shares at a value of SEK 3,100 million were traded on the NASDAQ OMX in Stockholm in 2009. The highest and lowest prices during the year were SEK 50.50 and SEK 14.15, respectively. The turnover rate, or number of shares traded in relation to the total number of shares in the company, was 56 per cent, which can be compared with 65 per cent for Mid Cap Stockholm and 126 per cent for Large Cap Stockholm.

An average of 432,583 Nobia shares were traded every day at a value of SEK 12 million.

Share capital, number of shares

On 31 December 2009, Nobia's share capital amounted to SEK 58,430,237, distributed between an unchanged total number of shares, namely 175,293,458 shares, each with a par value of SEK 0.33. Each share, except for repurchased treasury shares, entitles the holder to one vote and carries the same entitlement to the company's capital and profits. Changes in share capital and the number of shares over time are shown in the following tables.

The Nobia share is listed on the NASDAQ OMX in Stockholm under the short name NOBI, and is in the Mid Cap segment and Consumer Discretionary sector. Nobia is included in the NASDAQ OMX Stockholm Benchmark Index.

Follow Nobia on the Internet throughout the year, www.nobia.com. Up-to-date information such as share prices, financial key figures and financial presents are presented and published on the website.

Ownership structure

On 31 December 2009, Nobia had 4,876 shareholders (6,349), down 23 per cent compared with the year-earlier period. The percentage of registered shares held by foreign owners amounted to 24 per cent at year end (21).

The ten largest shareholders held 59.6 per cent of the votes. Nobia's Group management had combined holdings of 1,801,482 shares at the end of the year, corresponding to 1.1 per cent of the capital and votes. Nobia's Board members owned 2,225,300 shares in the company at the end of the year, corresponding to 1.3 per cent of the capital and votes.

Dividend policy and proposed dividend

One of Nobia's financial targets is that dividends to shareholders shall correspond to at least 30 per cent of profit after tax. When preparing dividend proposals, investment requirements, acquisition opportunities, liquidity and the financial position of the company are taken into consideration. Nobia's average dividend has been 33 per cent since the company was first listed on the stock exchange in 2002.

The Board and President recommend that no dividend be paid for the 2009 fiscal year.

Contact with the stock market

Contact with the stock market is primarily based on quarterly financial reports, press releases and company presentations of Nobia. In 2009, 79 meetings with investors and analysts took place in Sweden and abroad.

At year-end, the following securities brokers and banks regularly tracked Nobia's progress: ABG Sundal Collier, Carnegie, Danske Bank, Deutsche Bank, Handelsbanken, Nordea, SEB Enskilda, Swedbank, Ålandsbanken and Öhmans.

Facts in brief

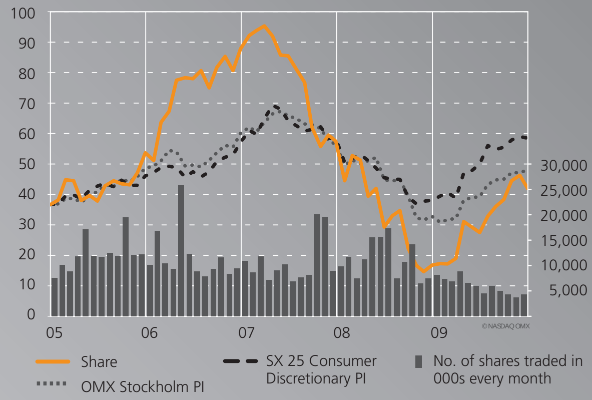
- The share has been listed on the NASDAQ OMX in Stockholm under the short name NOBI since 2002
- The Nobia share is in the Mid Cap segment and Consumer Discretionary sector, and is included in the NASDAQ OMX Stockholm Benchmark Index.
- Nobia is the only kitchen company listed on the NASDAQ OMX in Stockholm.
- Three quarters of shareholders are Swedish.

Data per share

	2009	2008	2007	2006[2]	2005[2]
Earnings per share before dilution, SEK	–0.47	3.29	5.54	4.98	3.70
Earnings per share after dilution, SEK	–0.47	3.29	5.50	4.93	3.67
Dividend per share, SEK	0[1]	0	2.50	2.00	1.17
Yield, %	0	0	4.40	2.30	2.20
P/E-ratio	68	5	10	18	15
Shareholders' equity per share, SEK	22	24	24	21	18

1) According to Board proposal.
2) Restated after split 3:1 in 2007.

Share price trend



Nobia's ten largest owners, 31 December 2009

	No. of shares	Share of capital, %	Accumulated share, %	Share of votes, %	Accumulated share of votes, %
Säkl	18,400,050	10.5	10.5	11.0	11.0
Swedbank Robur	16,315,063	9.3	19.8	9.8	20.8
IF Skadeförsäkring	14,632,850	8.3	28.1	8.8	29.6
Öresund	12,340,565	7.0	35.1	7.4	37.0
CapMan Group	12,255,033	7.0	42.1	7.3	44.3
Lannebo funds	7,213,000	4.1	46.2	4.3	48.6
SIX SIS AG	5,404,420	3.1	49.3	3.2	51.8
SSB CL Omnibus	4,815,499	2.7	52.0	2.9	54.7
Didner & Gerge	4,113,787	2.3	54.3	2.5	57.2
Carlson funds	4,070,304	2.3	56.6	2.2	59.6
Total	**99,560,571**	**56.6**		**59.6**	

Source: Euroclear Sweden
Through buy-backs, Nobia owns 8,162,300 treasury share corresponding to 4.7 per cent of the total number of shares issued.

Ownership structure, 31 December 2009

	No. of shares	No. of shareholders	Percentage of shares, %	Percentage of shareholders, %
1–500	467,535	2,194	0.3	45.0
501–1,000	767,682	938	0.4	19.2
1,001–2,000	996,880	617	0.6	12.6
2,001–5,000	1,782,456	538	1.0	11.0
5,001–10,000	1,549,463	207	0.9	4.3
10,001–20,000	1,724,428	116	1.0	2.4
20,001–50,000	2,968,887	93	1.7	1.9
50,001–100,000	2,762,067	38	1.6	0.8
100,001–	162,274,060	135	92.5	2.8
Total	**175,293,458**	**4,876**	**100.0**	**100.0**

Change in share capital

Year	Transaction	Change in no. of shares	Change in share capital	Total share capital	Total number of shares	Par value
1995	Company founded	10,000	100,000	100,000	10,000	10
1996	New issue	2,990,000	29,900,000	30,000,000	3,000,000	10
1997	New issue	126,220	1,262,200	31,262,200	3,126,220	10
1998	New issue	4,425	44,250	31,306,450	3,130,645	10
2000	Non-cash issue[1]	987,636	9,876,360	41,182,810	4,118,281	10
2000	Non-cash issue[2]	509,123	5,091,230	46,274,040	4,627,404	10
2001	Non-cash issue[1]	989	9,890	46,283,930	4,628,393	10
2001	New issue	26,684	266,840	46,550,770	4,655,077	10
2002	New issue	297,944	2,979,440	49,530,210	4,953,021	10
2002	New issue	113,901	1,139,010	50,669,220	5,066,922	10
2002	Split 10:1	45,602,298	–	50,669,220	50,669,220	1
2002	New issue	7,000,000	7,000,000	57,669,220	57,669,220	1
2005	New issue	10,500	10,500	57,679,720	57,679,720	1
2006	New issue	170,500	170,500	57,850,220	57,850,220	1
2007	New issue	27,000	27,000	57,877,220	57,877,220	1
2007	New issue	257,450	257,450	58,134,670	58,134,670	1
2007	Split 3:1	116,269,340	0	58,134,670	174,404,010	0.33
2007	New issue	40,500	13,365	58,148,035	174,444,510	0.33
2008	New issue	848,948	282,202	58,430,237	175,293,458	0.33
2009	–	–	–	58,430,237	175,293,458	0.33

1) Refers to aquisition of Poggenpohl.
2) Refers to aquisition of Norema/Invita.

Sustainable enterprising

Nobia's sustainability activities focus on two primary areas: the environment and social responsibility. Each business unit pursues sustainability matters based on centrally adopted guidelines that prioritise energy efficiency, lower emissions and employee development.

Nobia co-ordinates production, logistics, purchasing and administration within the Group, which generates both financial and knowledge-related synergies. Internal benchmarking and knowledge exchange advance the Group's endeavours to continuously improve its customer offering, efficiency and profitability. It also aids the development of sustainable enterprising and provides inspiration to promote environment-related and social issues throughout the Group.

Choosing a kitchen has become a matter of lifestyle, which elevates the importance of strong brands. Increased demand for sustainable and environmentally adapted products creates new challenges and business opportunities for Nobia.

Nobia's stakeholders

Nobia's key stakeholders are customers, employees, shareholders, suppliers and partners. Nobia is held accountable to its stakeholders for pursuing and developing financially successful and long-term sustainable operations.

Environmental awareness

Environmental activities at Nobia are integrated with the operations of each business unit. A Sustainability Policy containing guidelines on Nobia's priority areas is in place at Group level. The business units then adopt individual environmental targets and strategies based on these guidelines.

Nobia's core operations comprise the manufacture, assembly and sale of kitchens and accessories. It is also these parts of the operations, combined with transports, that generate the greatest environmental impact. The following areas in the production of kitchens are prioritised in environmental activities:

- Energy consumption (electricity and heating)
- Choice of materials (such as types of wood and chemicals)
- Surface treatment (use of paint and emissions from solvents)
- Waste (recycling and reducing waste)
- Carbon-dioxide emissions (from transportation and production)
- Packaging (volumes and types of materials)

The most common material in the production area is chipboard. A total of 80 per cent of all chipboard materials used for manufacturing within the Group is recycled material. Waste products from production can be used for heating production plants.

Environmental work during the year

The plant in Halifax reduced its waste volumes by 53 per cent and its electricity consumption by 12 per cent per 100 cabinet panels.

The Darlington plant lowered its total emissions of solvents by 20 per cent and energy consumption for heating was reduced by 35 per cent.

Nobia UK reduced its waste volumes to landfills by increasing the level of inventory control, sorting and recycling. Magnet received Forestry Stewardship Council (FSC) certification for several of its product groups in 2009. Gower continued to participate in the Furniture Industry Sustainability Program.

Magnet certified under TrustMark scheme

TrustMark is a scheme supported by the British government, consumer groups and the building industry aimed at helping consumers find reliable and reputable companies for improvements and repairs inside and outside the home.

Magnet became the first UK kitchen retailer to be certified under the TrustMark scheme. Magnet's processes and procedures were examined in detail before it was given this mark of quality for service and installation. Certain processes were altered so that they could be approved. Magnet undergoes regular inspections to ensure that the required quality levels in workmanship, sound trading practices and financial stability are maintained.

The majority of Myresjökök's and Norema's product ranges were Swan Nordic Ecolabel certified in 2009, which was obtained to guarantee environmentally friendly manufacturing. The Swan Nordic Ecolabel also ensures that these kitchen ranges have fulfilled the strict quality tests regarding resistance, strength, safety and stability. The treatment techniques using water-based and UV-tempered paint systems resulted in major improvements to the working environments at the companies' plants.

Myresjökök became the first kitchen supplier in Sweden to be registered under the BASTA system. This system was established by major construction companies in Sweden and its aim is to speed up the phasing out of dangerous substances in construction products. The criteria are based on the EU chemicals regulation REACH.

During the year, HTH removed worktops from its product lines that did not have FSC certification and was making preparations to obtain its own FSC certification in 2010.

Environmental certification for plants

All of Nobia's plants fulfil the environmental requirements established in each country. The production units in each country have had their licences assessed according to applicable environmental legislation.

Nobia's aim is that all manufacturing plants shall have environmental certification. Acquiring environmental certification forms the basis of systematic environmental activities. At the end of 2009, 15 (15) of the Group's 16 (20) production units had obtained ISO 14001:2004 certification and/or were registered according to the EU's Eco-Management and Audit Scheme (EMAS).

Reducing emissions

Two elements of Nobia's operations generate the greatest environmental impact. The first is greenhouse-gas emissions from transport vehicles and manufacturing and the second is emissions of volatile organic compounds from solvents used in surface treatments of cabinet doors.

The percentage of water-based and UV-tempered paint and lacquer for surface treatments remained stable compared with the year-earlier period. The advantage of these products is that they give off minimal emissions compared with organic solvents. At the end of 2009, approximately 48 per cent (48) of all surface treatments in Nobia were based on water-based and UV-tempered paint and lacquer.

Nobia endeavours to optimise product transportation and logistics flows to minimise the environmental impact caused by transportation. A Group-wide video-conferencing system is used to minimise use of passenger transportation for internal meetings. Telephone conferences and online technology are also used to exchange information.

Nobia's climate activities: Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an independent, non-profit organisation aimed at measuring the emissions of greenhouse gases from companies. CDP seeks information from companies on business risks and opportunities based on their environmental impact from emissions of greenhouse gases. Nobia has responded to the CDP questionnaire since 2006. The company's responses are available from CDP's website at www.cdproject.net.

Key Performance Indicators

Based on Group targets, Key Performance Indicators are broken down to measureable targets at business-area or plant level, allowing benchmarking to continuously improve the KPIs.

Hunger Project in Sweden

Meals play a central role in kitchen-based operations. Nobia believes that having enough food to eat is a human right. However, this is not the case for many people today. For this reason, since 2006 Nobia has supported the work of the Hunger Project, which aims to eliminate hunger in the world.

The Hunger Project is a non-profit, non-political and non-religious organisation that assists people living in hunger to build sustainable development in their community, primarily through education, self-identification of problems, establishing goals and achieving change though their own efforts.

The Hunger Project conducts change programmes in 13 countries in the African continent, Central and South America, India and Bangladesh. Nobia's financial support has, for example, led to 125 women in India being trained in leadership.

Read more at www.hungerprojektet.se.

HUNGER PROJEKTET

All business units report their use of environmentally harmful substances, amounts of waste and emissions and use of raw materials. These reports are used to create KPIs for measuring the consumption of materials, energy and emissions in the manufacturing process. Nobia has utilised the same KPIs since 2002.

Evaluation of sub-contractors

Nobia demands that all of its sub-contractors have long-term sustainable solutions. The company has developed an evaluation process which includes regular on-site visits to its suppliers. The evaluation process and work to ensure that suppliers adhere to Nobia's central guidelines for environmental impact, work conditions and social and ethical issues is called the Supplier Quality Process (SQP). Every supplier must have undergone this process and been approved to serve as a sub-contractor to the Nobia Group. Evaluations are performed regardless of whether the supplier is new or already has an existing agreement with Nobia. The evaluation process also provides guidelines on how any potential shortcomings are to be identified and managed with respect to the environmental aspects of production and the work environment for the supplier's employees.

Nobia opened a purchasing office in Shanghai in China in 2008, where the company can ensure the on-site monitoring of suppliers in Asia.

Employees

Innovative and motivated employees form the foundation of Nobia's vision of becoming a world-class kitchen specialist. Accordingly, competence sourcing at all levels is a key process at Nobia.

A second key Nobia process is creating a joint method for working with HR issues throughout the Group. The reorganisation of Nobia will open doors between the Group's companies and countries and offer new opportunities for employees seeking an international career path. A solid overview and standardised processes in the entire organisation must be in place to fully capitalise on employee potential.

Nobia's central Group HR function is responsible for establishing joint guidelines and work methods that support Nobia's strategic direction. The HR function also assumes responsibility for developing and supporting Nobia's managers by providing tools for recruitment, skills analyses and change leadership. In addition, HR reviews such remuneration issues as fixed and variable salary, pension and incentive programmes.

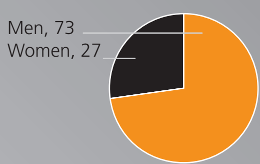
Key Performance Indicators	2009	2008
Environmental management systems		
Operations with certified environmental management systems, % of Group sales[1]	87	83
Greenhouse gasses		
Greenhouse-gas emissions from transportation of products and personnel, kg/cabinet	3.23	2.37
Greenhouse-gas emissions from heating and manufacturing, kg/cabinet	6.90	6.51
Volatile organic compounds		
VOC emissions, kg/100 lacquered fronts	6.56	5.13
Energy		
Electricity, KWh/cabinet	9.42	9.64
Packaging material		
Material use, kg/cabinet	1.59	1.51

1) Manufacturing prices

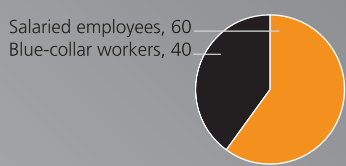
Number of employees	2009	2008
Total number of employees, 31 December	8,297	8,871
Average number of employees	7,930	8,682

Average age and sickness absence	2009	2008
Average age	41	41
Sickness absence as a percentage of working hours	4.3	4.3

Distribution between men and women, %



Distribution between salaried employees and blue-collar workers, %



Improved indoor environment with HTH

A healthy indoor environment is essential for enjoying the time you spend in your home. Construction materials that give off harmful substances or unpleasant odours increase the risks of headaches, irritated eyes and allergies in adults and children alike, particularly those that are already sensitive to such substances.

HTH is working proactively to improve the indoor environments of its customers and now all of HTH's kitchens have been awarded the Danish Indoor Climate Label.

What does the Indoor Climate Label mean?

The Indoor Climate Label is a guarantee that all materials used by HTH in its kitchens have been tested for a wide range of substances that may emit irritating odours or irritate mucous membranes. These tests were carried out by independent experts in external laboratories.

The Danish Indoor Climate Label is a voluntary label for building materials, furniture and furnishings that is administered by the Danish Technological Institute. The Label's symbol is a small green house containing a hawthorn leaf. The Indoor Climate Label is not comparable with the Swan Nordic Eco Label, rather it is a label that imposes demands on the properties of materials, primarily in terms of the substances they release in indoor environments.

The right materials

HTH has consciously selected the materials its uses so that they have as minimal an effect on the indoor environment as possible. This is reflected in the company's choice of wood products, adhesives and lacquers. HTH is the only Danish kitchen manufacturer that has been awarded the Danish Indoor Climate Label.

As the largest kitchen manufacturer in the Nordic region, HTH's ambition is to encourage the entire kitchen market to develop in a "greener" direction and obtaining the Indoor Climate Label is part of this venture. HTH has worked with a series of environmental issues regarding kitchen manufacturing, for example, use of materials and energy consumption. HTH also places demands on its suppliers, such as that they supply wood with FSC certification, which promotes socially and environmentally sustainable use of the world's forests.

Five-year summary

SEK m	**2009**	2008[3]	2007[2]	2006	2005
Income statement					
Net sales	15,418	15,991	16,134	15,590	12,442
Change in per cent	–4	–1	3	25	10
Gross profit	5,442	5,830	5,889	6,065	4,863
Operating profit	38	915	1,353	1,327	993
Financial income	41	50	23	17	26
Financial expenses	–116	–213	–129	–134	–134
Profit/loss after financial items	**–37**	**752**	**1,247**	**1,210**	**885**
Tax on net profit for the year	35	–216	–289	–345	–244
Profit/loss from continuing operations	–2	536	958	865	641
Loss from discontinued operations, net after tax	–77	–7	–	–	–
Net profit/loss for the year	**–79**	**529**	**958**	**865**	**641**
Net profit/loss for the year attributable to:					
Parent Company shareholders	–79	529	958	864	640
Minority interests	0	0	0	1	1
Net profit/loss for the year	**–79**	**529**	**958**	**865**	**641**
Balance sheet					
Fixed assets	6,899	7,356	6,527	6,011	4,723
Inventories	1,212	1,465	1,480	1,356	1,253
Current receivables	1,886	2,101	2,013	2,028	1,691
Cash and cash equivalents	384	332	270	229	251
Assets held for sale	75	43	–	–	–
Total assets	**10,456**	**11,297**	**10,290**	**9,624**	**7,918**
Shareholders' equity	3,928	4,148	4,150	3,727	3,177
Minority interests	6	6	6	7	7
Non-interest-bearing provisions	–	–	–	–	–
Interest-bearing provisions	–	–	–	–	–
Non-interest-bearing liabilities	3,320	3,221	3,424	3,160	2,390
Interest-bearing liabilities	3,162	3,887	2,710	2,730	2,344
Liabilities attributable to assets held for sale	40	35	–	–	–
Total shareholders' equity and liabilities	**10,456**	**11,297**	**10,290**	**9,624**	**7,918**
Net debt including pensions	2,426	3,181	2,224	2,460	2,058
Capital employed	7,095	8,042	6,866	6,464	5,528
Key figures					
Operating margin, %	0.2	5.7	8.4	8.5	8.0
Operating profit before depreciation/amortisation (EBITDA)	640	1,394	1,790	1,745	1,302
Operating margin before depreciation/amortisation, %	4.2	8.7	11.1	11.2	10.5
Profit/loss after financial items as a percentage of net sales	–0.2	4.7	7.7	7.8	7.1
Turnover rate of capital employed, multiple	2.2	2.0	2.3	2.4	2.3
Return on capital employed, %	1.0	12.6	20.6	20.9	18.6
Return on shareholders' equity, %	–1.9	13.2	25.0	25.4	22.6
Debt/equity ratio, %	62	77	54	66	65
Equity/assets ratio, %	38	37	40	39	40
Cash flow from operating activities	1,061	804	1,410	1,300	1,137
Investments	346	733	678	532	472
Earnings per share after dilution	–0.47	3.13	5.50	4.93[1]	3.67[1]
Dividend per share, SEK	0[4]	0	2.50	2.00	1.17
Personnel					
Average no. of employees	7,930	8,682	8,526	7,968	6,573
Net sales per employee, SEK 000s	1,858	1,803	1,849	1,957	1,893
Salaries and other remuneration	2,994	3,024	2,783	2,591	2,140

1) 2005–2006 was adjusted for the 3:1 split approved at the 2007 Annual General Meeting.
2) 2007 was adjusted for changed accounting policy of conditional discounts.
3) The full-year 2008 was adjusted for changed accounting policy of cost recognition.
4) According to Board proposal.

Corporate Governance Report

This report is unaudited.

Nobia AB is a Swedish public limited liability company domiciled in Stockholm, Sweden. The company is the Parent Company of the Nobia Group. The basis for the control of the Group includes the Articles of Association, the Swedish Companies Act and the regulations issued by the NASDAQ OMX in Stockholm.

Nobia applies the Swedish Code of Corporate Governance (the Code), which companies listed on the NASDAQ OMX in Stockholm are obligated to apply. Nobia monitors developments in the area of corporate governance and continuously adapts its corporate-governance principles to create value for its owners and other stakeholders. The Nobia Group has an information and IR policy adopted by the Board to ensure appropriate and standardised provision of information to all shareholders.

Nobia complies with the Code with one exception, which is the regulation that a Board member may not be the Chairman of the Nomination Committee. This deviation is explained below under the Nomination Committee heading.

2009 Annual General Meeting

The 2009 Annual General Meeting was held on 2 April 2009 at Summit, Grev Turegatan 30 in Stockholm. Board Chairman Hans Larsson was elected Chairman of the Meeting. With regard to the fact that Nobia's sales and earnings were lower than expected during the first months of 2009 and with the aim of creating financial scope for rapidly implementing efficiency enhancements in the production structure, the Annual General Meeting accepted the Board of Directors' new recommendation that no dividends be paid to shareholders for the 2008 fiscal year. In addition, the Meeting adopted the proposals that the number of Board members should be nine excluding alternates, the fees to be paid to the Board and the Board Chairman, and the election of Board members. Joakim Rubin, partner at CapMan group, was elected a new Board member. Harald Mix declined re-election. All other Board members were re-elected. The Code and the NASDAQ OMX in Stockholm's Listing Agreement contain certain requirements regarding the composition of the Board of Directors. According to these requirements, the majority of the Board members elected by the Annual General Meeting shall be independent in relation to the company and company management. Furthermore, at least two of these Board members shall also be independent in relation to the company's largest shareholders. Nobia's Board of Directors fulfils these requirements.

The complete minutes from the Annual General Meeting are available on Nobia's website at www.nobia.com.

Nomination Committee

In accordance with a decision of the Annual General Meeting, the Chairman of the Board is responsible for convening the company's four largest shareholders not later than the end of the third quarter, each of whom shall appoint one member of the Nomination Committee. Should any of the four largest shareholders refrain from appointing a member, the next largest owner shall be presented with the opportunity to appoint a member. Should more than one shareholder refrain from its right to appoint a member of the Nomination Committee, only the next eight largest owners shall be asked to appoint a member, unless more than these eight largest shareholders need be asked in order for the Nomination Committee to comprise at least three members. In addition, the Chairman of the Board may be appointed as a member of the Nomination Committee. The Nomination Committee should be chaired by an owner representative. The tasks of the Nomination Committee are to submit proposals to the Annual General Meeting on the election of the Board of Directors, the Chairman and, when applicable, auditors, on fees for the Board of Directors, the Chairman and auditors and on the Chairman of the Annual General Meeting. In addition, the Nomination Committee shall submit proposals to the Annual General Meeting on decisions for the principles of the composition of the Nomination Committee.

The members of the Nomination Committee for 2009–2010 were: Fredrik Palmstierna from SäkI (Chairman of the Nomination Committee), Åsa Nisell from Swedbank Robur funds, Conny Karlsson from CapMan, and Stefan Charette from Öresund and, following a decision by the other members of the Nomination Committee, Board Chairman Hans Larsson. The Nomination Committee's reasoning behind the election of a Board member (Fredrik Palmstierna) as the Chairman of the Committee is that the largest shareholder, in terms of the number of votes, should naturally lead the work of the Nomination Committee. No remuneration is paid to the Committee members.

The Nomination Committee held six minuted meetings prior to the 2010 Annual General Meeting. The basis of the Nomination Committee's work included the company's strategies and priorities and an evaluation of the Board, its size and composition.

The Nomination Committee's proposals regarding the election of Board members and Board Chairman were published on 16 December 2009. The Nomination Committee's complete proposals are presented in the notice to attend the Annual General Meeting and an explanatory statement regarding the proposal is simultaneously published on Nobia's website. The principles for the composition of the Nomination Committee are available at www.nobia.com.

Work of the Board of Directors

The Board of Directors of Nobia AB comprises nine standard Board members elected by the Annual General Meeting and two Board members with two alternates appointed by the employees. A presentation of the Board members is found on pages 76–77. The President is a member of the Board. Other executives in the company participate at Board meetings to make presentations and to serve as Secretary. The Board held eight scheduled meetings and four extraordinary meetings during the 2009 fiscal year.

The work of the Board of Directors follows a fixed agenda for each Board meeting, including such matters as business status, investments, budget, interim reports and annual accounts. The Chairman leads and delegates the work of the Board and ensures that matters not included in the fixed agenda are addressed. The Board's work is also regulated by the rules of procedure adopted annually by the Board governing the distribution of duties between the Board and the President. In 2009, the Board's work focused on discussing issues concerning Group strategy and on matters pertaining to the future structure and organisation of the company, as well as monitoring action plans due to the lower demand situation in the autumn of 2008 and most of 2009. The Secretary at the Board meetings was Gun Nilsson, CFO, who succeeded Lennart Rappe on 2 April 2009. Attendance at Board meetings during the year is shown in the table on page 75.

The annual evaluation of the work of the President and the Board in 2009 was performed by the Chairman conducting individual interviews with each Board member. The results of these interviews, which followed an agenda distributed in advance, were subsequently discussed by the Board and decisions were taken to implement the relevant measures in the forthcoming year.

The Board does not have a separate audit committee. Instead, the Board in its entirety strives to maintain a close relationship with the company's auditors to ensure that the Board satisfactorily monitors significant issues concerning the company's accounts, accounting routines, management of the company's assets and level of internal control. Accordingly, control issues to be discussed by the Board are addressed by the Board in its entirety, except for the President who does not participate in discussions regarding these matters since he is a member of company management. To ensure that the Board's information requirements are met in this respect, the company's auditors report to the Board at least three times a year. Part of the auditors' presentation of information to the Board takes place in the absence of the company's executives.

The form in which these reports are to be prepared is documented in the Board's rules of procedure.

The audit process is structured such that reports from the auditors are received in connection with the planning of this year's audit, in conjunction with internal control and hard-close audits in the autumn and finally, in conjunction with the adoption of the annual accounts. In addition, the auditors also present an annual account of the consulting assignments that have been performed by the audit firm.

In August 2009, the auditors presented and discussed the focus and scope of the audit, which also took particular consideration of the risk perspective regarding internal control and reporting of the IT audit performed. At the meeting in October, the auditors reported on the self-assessment of the internal control that the company's business units perform annually. Also at this meeting, the auditors presented their observations from the hard-close audit.

The examination of the annual accounts for 2009 was presented at the Board meeting in February 2010.

Remuneration Committee

The Board appoints a Remuneration Committee from within its ranks, which for the period until the 2010 Annual General Meeting comprises Hans Larsson (Chairman), Bodil Eriksson and Stefan Dahlbo. The Committee's task is to prepare proposals to the Board relating to the company's remuneration programme (pension policy, employee share option scheme, bonus scheme, etc.) as well as the remuneration and employment terms for the President. The Committee also has the task of making decisions on the President's proposals regarding remuneration and other employment terms for the managers who report to the President. In addition, the Committee shall ensure that the company has an adequate programme to ensure the supply of managers and their development, and a model for evaluating the performance of the President. Furthermore, the Committee submits proposals to the Annual General Meeting regarding principles for remuneration and other employment terms for company managers. The Committee held three meetings during the year.

Remuneration to senior executives

All senior executives in the management group are offered, under a main principle, a basic salary supplemented with variable remuneration comprising a maximum of 30 per cent of fixed annual salary when individual (and primarily quantitative) targets are met. For the President, this variable salary portion may total a maximum of 50 per cent of annual salary. In addition, approximately 150 managers have also been offered the opportunity to participate in a long-term employee share option scheme described in more detail in the Board of Directors' Report. The remuneration and benefits of senior executives are also described on this page.

Group management

Group management, refer to pages 78–79, holds regular Group-management meetings led by the President. In addition, the President, CFO and Chief Operating Officer meet the management group of each business unit locally three times a year.

Group management strives to maintain close contact with each business unit in order to support and provide assistance and tools for increasing efficiency, marketing, business development and internal exchanges of knowledge.

Auditors

KPMG AB was elected as the company's auditors for a four-year mandate at the 2007 Annual General Meeting. The Auditor in Charge is Helene Willberg, Authorised Public Accountant. The interaction of the auditors with the Board is described above. Nobia's purchases of services from this firm, in addition to audit assignments, are described in Note 5, page 49.

The Board's description of internal control and risk management systems regarding the financial reporting for the 2009 fiscal year

The Board of Directors is responsible for the internal control of the company in accordance with the Swedish Companies Act and the Code. This description has been prepared in accordance with Sections 10.5 and 10.6 of the Code according to the wording prior to 1 February 2010, meaning that it is thereby limited to the internal control of financial reporting.

Control environment and steering documents

Nobia builds and organises its operations based on decentralised responsibility for profitability.

Nobia does not currently have an internal audit function. The Board has discussed this matter and found the existing monitoring and evaluation structure of the company to be suitable. External services may also be engaged in the context of certain special examinations. The decision on this issue is reviewed every year.

The basis for the internal control of financial reporting is the control environment that comprises the company's organisation, decision-making procedures, authority and responsibility, as documented and communicated in steering documents such as internal policies, guidelines, manuals and codes. Examples include the division of responsibility between the Board on the one hand and the President and other bodies established by the Board on the other, as well as instructions for attestation rights, accounting and reporting.

All documentation concerning principles and methods for reporting, internal controls and monitoring are collected in Nobia's Financial & Administration Manual. This Manual is available to all relevant employees on the company's intranet.

Each business unit manager is ultimately responsible for maintaining a high level of internal control, and the finance manager at each unit is responsible for following up and ensuring daily compliance with Nobia's accounting procedures and policies. These instructions are included in the aforementioned manual.

Risk management

The company has introduced methods for risk assessment and risk management to ensure that the risks to which the company are exposed are managed within the established frameworks.

The risks identified concerning financial reporting are managed in the company's control structure and are monitored and assessed continuously by the company. One of the tools used for this purpose is self-assessment, a process that is performed and evaluated annually. Risk assessments are described in more detail on pages 26–27.

Financial information

The company has established information and communication channels in order to support the completeness and accuracy of the financial reporting, for example, through steering documents in the form of internal policies, guidelines, manuals and codes regarding the financial reporting applied by the appropriate employees.

The company monitors compliance with these steering documents and measures the efficiency of control structures. In addition, the company's information and communication channels are monitored to ensure that these channels are appropriate for the financial reporting. Furthermore, the company has developed checklists to ensure full compliance with the disclosure requirements in the financial statements.

Monitoring by the Board

The outcome of the company's risk assessment and risk management processes is addressed each year by the Board, which ensures that these processes include all material areas and provide balanced guidelines for the various executives.

The Board receives monthly financial reports and each Board meeting addresses the company's and Group's financial position.

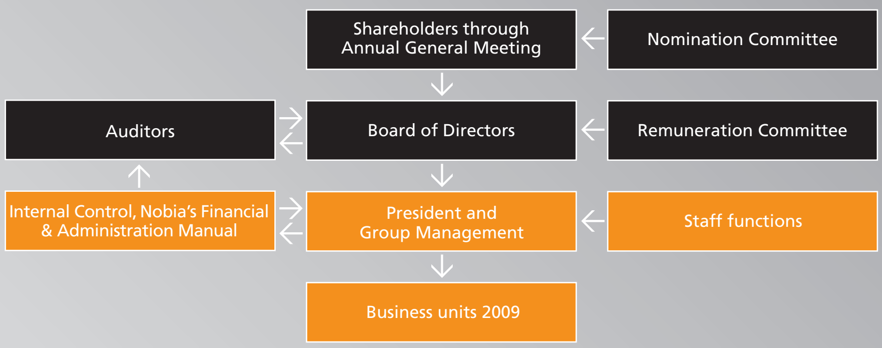
The company's Internal Control function, which is an integrated part of the central Finance function, performs reviews of the internal control and its work in this area follows a plan approved by the Board. The results of these reviews, the measures to be taken and their status are reported to the Board.

Articles of Association

Nobia's Articles of Association regulate the focus of the operations, share capital and how and when notification of the Annual General Meeting is to take place. The full text of the Articles of Association is available from the Nobia website, www.nobia.com.

On 31 December 2009, the share capital in Nobia AB amounted to SEK 58,430,237 divided between 175,293,458 shares in one class of share. The quotient value is SEK 0.33 per share. Each share, except for bought-back treasury shares, entitles the holder to one vote and carries the same entitlement to the company's assets and profits. The Nobia share and ownership structure are described in more detail on pages 64–65.

Overview of governance at Nobia



Key external regulations:

- Companies Act
- Accounting legislation
- NASDAQ OMX in Stockholm's Listing Agreement
- Swedish Code of Corporate Governance

Key internal regulations:

- Articles of Association
- Internal policies, guidelines, manuals, codes and checklists
- Nobia Financial & Administration Manual
- Risk management processes

Board of Directors in 2009

		Board meetings, 12 meetings in total	Remuneration Committee 3 meetings in total	Year of birth	Board member since	Nationality	Independence
Hans Larsson	Chairman	12	3/3	1942	1996	Swedish	independent
Preben Bager	President and CEO	12		1948	2008	Danish	dependent[1]
Stefan Dahlbo	Board member	11	3/3	1959	2004	Swedish	independent
Bodil Eriksson	Board member	12	3/3	1963	2003	Swedish	independent
Wilhelm Laurén	Board member	12		1943	1996	Swedish	independent
Harald Mix	Board member	3		1960	1996	Swedish	independent
Thore Olsson	Board member	11		1943	2007	Swedish	independent
Lotta Stalin	Board member	12		1954	2007	Swedish	independent
Fredrik Palmstierna	Board member	12		1946	2006	Swedish	dependent[2]
Joakim Rubin	Board member	8		1960	2009	Swedish	independent
Per Bergström	Employee representative	12		1960	2000	Swedish	
Olof Harrius	Employee representative	10		1949	1998	Swedish	
Kjell Sundström	Employee representative[3]	12		1953	2007	Swedish	
Marie Nilsson	Employee representative	12		1973	2007	Swedish	

1) President
2) Dependent in relation to major shareholders
3) Alternate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Board of Directors

Hans Larsson 1.
Born 1942. B.Sc. Business Economics. Chairman since 1998, Board member since 1996. Chairman of Remuneration Committee. Independent.
Other board assignments: Chairman of Handelsbanken, Attendo and Valedo Partners Fund 1. Board member of Holmen.
Previous employment: President of Swedish Match, Esselte and Nordstjernan. Previous chairmanships include NCC, Bilspedition/BTL, Sydsvenska Kemi and Althin Medical.
Holding in Nobia: 365,000 shares.

Preben Bager 2.
Born 1948. President and CEO of Nobia AB since April 2008. Joined HTH in 1989. Joined Nobia in 1996.
Other board assignments: Board member of Dansk Cater, Cane Line Furniture and Jensens Bøfhus.
Previous employment: Executive Vice President of Nobia, Senior Vice President UK, Business Unit Manager Magnet and HTH, President of Bianca Yachts, Sales Manager at Domino Furniture and President of Danica Køkkener.
Holding in Nobia: 1,515,500 shares, 164,000 employee share options, 300,000 call options.

Stefan Dahlbo 3.
Born 1959. B.Sc. Business Administration. Board member since 2004. President of Investment AB Öresund. Independent.
Other board assignments: Chairman of Klövern. Board member of Investment AB Öresund and HQ.
Previous employment: President of Hagströmer & Qviberg.
Holding in Nobia: 20,800 shares.

Bodil Eriksson 4.
Born 1963. Berghs School of Communication. Board member since 2003. Member of Remuneration Committee, Executive Vice President of Apotek Hjärtat. Independent.
Other board assignments: Board member of Intellecta.
Previous employment: Senior Vice President, Communications and Investor Relations at SCA, Vice President at Axfood, Communications Director at Volvo Cars.
Holding in Nobia: 900 shares.

Wilhelm Laurén 5.
Born 1943. B.Sc. Economics. Board member since 1996. Independent.
Other board assignments: Chairman of Swedestart Life Science kb and Euromaint. Board memberships include Moventas Oy.
Previous employment: Vice President and CFO Fläktgruppen and Vice President of ABB.
Holding in Nobia: 90,000 shares.

Joakim Rubin 6.
Born 1960. Board member since 2009. Civil engineer industrial finance. Senior partner at CapMan Group. Independent.
Previous employment: Handelsbanken Capital Markets Head of Corporate Finance and Debt Capital Markets.
Holding in Nobia: 0 shares.

Thore Ohlsson 7.
Born 1943. Board member since 2007. President of Elimexo. Independent.
Other board assignments: Chairman of Bastec, Thomas Frick and Tretorn. Vice Chairman of Puma AG. Board member of Elite Hotels.
Previous employment: President and CEO of Aritmos with wholly owned companies ABU-Garcia, Etonic Inc., Monark-Crescent, Stiga, Tretorn and Puma AG (84%). President of Trianon, Etonic Inc. and Tretorn. CEO of Tretorn.
Holding in Nobia: 30,000 shares.

Lotta Stalin 8.
Born 1954. Board member since 2007. President of Bele Verksamhetsutveckling. Independent.
Previous employment: President of Kuusakoski Sweden, Business Area Manager of FMV Logistics, Business Area Manager and Vice President of Poolimon, Line Manager Electrolux, President of Överums Bruk, Plant Manager Electrolux Storkök.
Holding in Nobia: 1,500 shares.

Fredrik Palmstierna 9.
Born 1946. B.Sc. Business Economics, MBA. Board member since 2006. President of Säkl since 1997. Dependent in relation to major shareholder.
Other board assignments: Chairman of Investment AB Latour. Board member of Securitas, Säkl, Hultafors, Fagerhult and Academic Work.
Holding in Nobia: 201,000 shares.

Employee representatives
Per Bergström 10.
Born 1960. Employee representative since 2000. Employed at Marbodal since 1976.
Holding in Nobia: 600 shares.

Olof Harrius 11.
Born 1949. Employee representative since 1998. Employed at Marbodal since 1971.
Holding in Nobia: 0 shares.

Kjell Sundström 12.
Born 1953. Alternate, employee representative since 2007. Employed at Myresjökök since 1992.
Holding in Nobia: 0 shares.

Marie Nilsson 13.
Born 1973. Alternate, employee representative since 2007. Employed at Myresjökök since 2006.
Other board assignments: Board member of Myresjökök.
Holding in Nobia: 0 shares.

Auditors
KPMG AB
Auditor in Charge, Authorised Public Accountant:
Helene Willberg
Other auditing assignments:
Cloetta and Ortivus.

Group management

Preben Bager 1.
Born 1948. President and CEO of Nobia AB since 2008. Joined HTH in 1989. Joined Nobia in 1996.
Previous employment: Executive Vice President of Nobia, Senior Vice President UK, Business Unit Manager Magnet and HTH, President of Bianca Yachts, Sales Manager at Domino Furniture and President of Danica Køkkener.
Holding in Nobia AB: 1,515,500 shares, 164,000 employee share options, 300,000 call options.

Mikael Norman 2.
Born 1958. CFO. Joined Nobia in 2010.
Previous employment: Group controller Electrolux.
Holding in Nobia AB: 0 shares.
Gun Nilsson was employed as CFO until 15 January 2010.

Thomas Myringer 3.
Born 1960. Human Resources. Joined Nobia in 2003.
Previous employment: Human Resources Manager at Skanska Europe, Skanska Management Institute, Skanska International Civil Engineering and Skanska Bostäder.
Holding in Nobia AB: 1,500 shares, 84,500 employee share options.

Jonas Hård 4.
Born 1971. IT. Joined Nobia in 2010.
Previous employment: Controller and IT positions at Electrolux, Vin & Sprit and Maxxium Worldwide.
Holding in Nobia AB: 2,000 shares

Ingrid Yllmark 5.
Born 1963. Communications and IR. Joined Nobia in 2006.
Previous employment: Management positions within Communications at SJ, Akzo Nobel, Pronator and Philipson Bil.
Holding in Nobia AB: 65,000 employee share options.

Göran Westerberg 6.
Born 1971. Chief Operations Officer. Joined Nobia in 2009.
Previous employment: Deputy Business Area Manager Bedroom and Bathroom Global at IKEA, Managing Director at IKEA Trading India Pvt. Ltd., Regional Manager at IKEA South Asia, Material Area Manager at IKEA Trading India Pvt. Ltd.
Holding in Nobia AB: 2,000 shares, 50,000 employee share options.

Björn Block 7.
Born 1974. Product Range. Employed at Marbodal since 2004 and i Nobia since 2010.
Previous employment: Design and Product Development at Nobia SweNo.
Holding in Nobia AB: 2,000 shares.

Ingemar Tärnskär 8.
Born 1961. Production. Joined Nobia in 1998.
Previous employment: Supply Director at Magnet, Vice President Supply at Nobia, Business Area Manager Doors at Nobia.
Holding in Nobia AB: 10,000 shares, 111,500 employee share options.

Mats Rignell 9.
Born 1959. Sourcing and Logistics. Joined Nobia in 2010.
Previous employment: Purchasing positions at IKEA, SCA, Mölnlycke and Åkerlund & Rausing.
Holding in Nobia AB: 4,200 shares.

Nick Friend 10.
Born 1957. Joined Nobia in 2007. Business Unit: Hygena.
Previous employment: Business Unit Manager at Gower, senior positions at Baxi Group.
Holding in Nobia AB: 0 shares, 45,000 employee share options.

Henrik Karup Jørgensen 11.
Born 1963. Employed at Nobia Denmark since 2008. Business Unit: Scandinavian brands and HTH.
Previous employment: COO Royal Greenland A/S, President of Royal Greenland Seafood GmbH, HR Manager Royal Greenland A/S, Purchasing Director KNI A/S, Department Store Manager Salling A/S.
Holding in Nobia AB: 2,107 shares, 95,000 employee share options.

Jorma Lehtovuori 12.
Born 1952. Employed at Novart since 1985. Business Unit: Novart.
Holding in Nobia AB: 7,500 shares, 137,000 employee share options.

Peter Kane 13.
Born 1965. Employed at Magnet since 1984. Business Unit: Magnet.
Previous employment: Senior positions at Magnet.
Holding in Nobia AB: 15,525 shares.

Elmar Duffner 14.
Born 1960. Employed at Poggenpohl since 2003. Business Unit: Poggenpohl
Previous employment: Business Unit Manager Optifit 1999–2002.
Holding in Nobia AB: 115,350 shares, 117,000 employee share options.

Christian Rösler 15.
Born 1967. Employed at EWE-FM since 2007. Business Unit: EWE/FM.
Previous employment: Senior managerial positions at IKEA Austria.
Holding in Nobia AB: 45,000 employee share options.

Leo Brecklinghaus 16.
Born 1959. Employed at Optifit since 2000. Business Unit: Optifit.
Previous employment: Production Manager Huelsta Furniture.
Holding in Nobia AB: 18,000 shares, 81,000 employee share options.


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2010 Annual General Meeting

The shareholders of Nobia AB (publ) are invited to the Annual General Meeting on Tuesday, 30 March 2010 at 5:00 p.m. at Summit, Grev Turegatan 30, Stockholm.

Right to participate in the Annual General Meeting
Shareholders who wish to participate in the Annual General Meeting must
- Firstly be included in the shareholders' register maintained by Euroclear Sweden AB as of Wednesday, 24 March 2010, and,
- Secondly notify the company of their participation not later than 4:00 p.m. on Wednesday, 24 March 2010.

Notification of attendance
Notification of attendance at the Annual General Meeting may be made
- by e-mail to lisa.ahnberg@nobia.com
- by telephone at +46 8 440 16 00
- by fax at +46 8 503 826 49
- by mail to Nobia AB, Box 70376, SE-107 24 Stockholm, Sweden

This notification shall state:
- the shareholder's name
- personal identity number/Corporate Registration Number
- address and daytime telephone number
- shareholding
- information about any assistants (not more than two assistants) and information on any representatives who may accompany the shareholder to the Meeting

When applicable, complete authorisation documents, such as registration certificates, shall be appended.

Proxy
Shareholders represented by proxy shall issue a written power of attorney for the proxy. If the power of attorney is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document ("certificate") for the legal entity shall be appended to the notification of attendance. The power of attorney and certificate may not be more than one year old. The power of attorney in original and, where applicable, the certificate, should be sent by post to the company at the address stated above in good time prior to the Annual General Meeting. Proxy forms are available from www.nobia.com.

Nominee shares
Shareholders whose shares have been registered with a nominee must, through the bank or securities broker administering the shares, temporarily re-register their shares in their own names with Euroclear Sweden AB in order to be entitled to participate in the Annual General Meeting. Such re-registration must have been completed not later than Wednesday, 24 March 2010. A request for re-registration must be made well in advance of this date.

Dividend
The Board of Directors proposes that no dividend be paid for the 2009 fiscal year.

Distribution policy
The Nobia Annual Report is published in English and Swedish, and is available for download from the Group's website, www.nobia.com. Printed versions of the Annual Report are sent to shareholders and other stakeholders who have expressly requested such a version.

Definitions

Capital employed
Balance-sheet total less non-interest-bearing provisions and liabilities.

Debt/equity ratio
Net debt as a percentage of shareholders' equity including minority interests.

Earnings per share
Net profit for the year divided by a weighted average number of shares during the year.

EBITDA
Earnings before depreciation/amortisation and impairment losses.

Equity/assets ratio
Shareholders' equity including minority interests as a percentage of the balance-sheet total.

Gross debt
The total of interest-bearing liabilities and interest-bearing provisions.

Net debt
The total of interest-bearing liabilities and interest-bearing provisions, less interest-bearing assets. Interest-bearing provisions pertains to pension liabilities.

Operating cash flow
Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of subsidiaries, interest and the increase/decrease in interest-bearing assets.

Operating capital
Non-interest-bearing fixed and current assets, less non-interest-bearing liabilities. Current and deferred tax is not included in the calculation of operating capital. Operating capital at business-area level excludes all consolidated surplus values.

Operating margin
Operating profit as a percentage of net sales.

P/E ratio
The share price at year-end divided by earnings per share after dilution.

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

Return on operating capital
Operating profit as a percentage of operating capital.

Return on shareholders' equity
Net profit for the year as a percentage of average shareholders' equity. The calculation of average shareholders' equity has been adjusted for capital increases and reductions.

Turnover rate of capital employed
Net sales divided by average capital employed.

Financial information 2010

30 March	Annual General Meeting
27 April	Interim Report January–March
19 July	Interim Report January–June
23 October	Interim Report January–September

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nobia

Nobia develops and sells kitchens through some 20 strong brands in Europe, including Magnet in the UK, Hygena in France, HTH in the Nordic countries and Poggenpohl globally. Nobia generates profitability by combining economies of scale with attractive kitchen offerings.

The Group has approximately 8,000 employees and net sales of slightly more than SEK 15 billion. The Nobia share is listed on the NASDAQ OMX Stockholm under the short name NOBI.

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