nobia

Year-end Report
Q4 | 2009

Lower profit but improved cash flow

(All figures in brackets refer to the corresponding period in 2008)

Nobia's sales for 2009 amounted to SEK 15,418 million (15,991). Organic growth was negative 10 per cent. Profit for 2009 was charged with structural expenses in the form of plant closures. Operating profit was SEK 346 million (933) before these structural expenses and SEK 38 million (915) after structural expenses. Loss after tax was 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.

Demand weakened in all markets in 2009. The largest decline was noted in the Nordic region where demand in primarily the new-builds segment fell substantially. However, a reduction in the rate of decline was seen towards the end of the year.

Despite the weakening in the market, Nobia's sales in the UK rose and market shares were captured as a result. In other regions, sales fell in pace with the market decline.

Operating profit excluding structural expenses amounted to SEK 346 million (933), entailing an operating margin of 2.2 per cent (5.8). The effect of the decline in volume was slightly offset by higher prices, lower indirect costs and SEK 42 million from changes to pension conditions. Currency effects remained negative at SEK 90 million (110). The currency loss was primarily attributable to the GBP/EUR rate.

The programme to reduce the number of plants was implemented according to plan. The total structural expenses amounted to SEK 308 million (18).

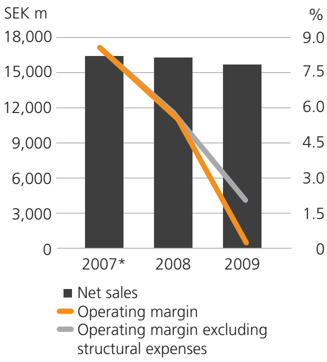
Comments from the CEO

"We implemented an extensive restructuring programme, which is expected to generate total annual savings of approximately SEK 140 million. We already started seeing the effects of the programme in 2009. I am also gratified that we saw the results of our many years of marketing investments by capturing higher market shares in the UK in 2009. Over the next year, we will continue our focus on strengthening our brands and enhancing the efficiency of our supply chain," says Preben Bager, President and CEO.

	Oct–Dec			Jan–Dec		
Nobia Group Summary	2009	2008	Change, %	2009	2008	Change, %
Net sales, SEK m	3,782	3,989	–5	15,418	15,991	–4
Operating profit excluding structural expenses before depreciation and impairment losses, SEK m (EBITDA)	282	255	11	870	1,410	–38
Operating profit excluding structural expenses, SEK m (EBIT)	166	125	33	346	933	–63
Operating margin excluding structural expenses, %	4.4	3.1	–	2.2	5.8	–
Operating profit before depreciation and impairment losses, SEK m (EBITDA)	250	239	5	640	1,394	–54
Operating profit/loss, SEK m (EBIT)	140	107	31	38	915	–96
Operating margin, %	3.7	2.7	–	0.2	5.7	–
Profit/loss after financial items, SEK m	132	58	128	–37	752	–105
Profit/loss after tax, SEK m	104	29	259	–79	529	–115
Earnings per share, after dilution, SEK	0.62	0.17	265	–0.47	3.13	–115
Earnings per share after dilution, excluding structural expenses, SEK	0.75	0.22	241	0.96	3.18	–70
Operating cash flow, SEK m	89	66	35	803	163	393
Return on capital employed, %	–	–	–	1	12.6	–
Return on shareholders' equity, %	–	–	–	–1,9	13.2	–

Net sales and operating margin

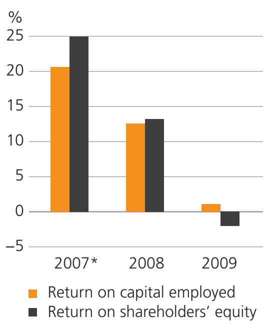
January–December



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

Profitability trend

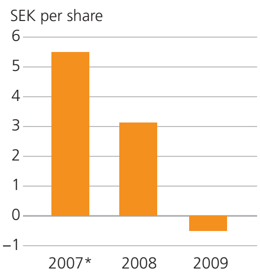
January–December



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

Earnings per share

January–December



Loss per share after dilution including structural expenses amounted to SEK 0.47.

* Values for 2007 have not been restated in accordance with the new accounting principle, refer to page 8.

Fourth quarter net sales and operating profit

Net sales amounted to SEK 3,782 million (3,989) for the fourth quarter. Organic growth was negative 4 per cent. Operating profit for the period rose SEK 140 million (107), which is primarily attributable to the positive earnings trend in the UK. Operating profit excluding structural expenses was SEK 166 million (125), with an operating margin of 4.4 per cent (3.1).

Price increases partly offset the decline in volume during the quarter. Operating profit for the period was also strengthened by lower indirect costs as a result of the structural measures implemented during the past year. Structural expenses for the fourth quarter totalled SEK 26 million (18) and the currency effect was negative in the amount of SEK 25 million (neg: 45).

Changes to pension conditions in the UK company Magnet from defined-benefit to defined-contribution plans for new earnings from 2010 and onwards, improved operating profit for the period by SEK 42 million.

Continued restraint regarding investments boosted the operating cash flow for the period to SEK 89 million (66).

At the end of the period, Nobia had a total of 704 kitchen studios (694), comprising 498 Group-owned stores and 206 franchise stores. In addition, Culinoma has 87 kitchen stores in Germany (88).

Net sales and profit/loss per region (operating segment)

	UK Oct–Dec		Nordic Oct–Dec		Continental Europe Oct–Dec		Other and Group adjustments Oct–Dec		Group Oct–Dec		
SEK m	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	Change, %
Net sales from external customers	1,399	1,250	1,302	1,476	1,081	1,263	–	–	3,782	3,989	–5
Net sales from other regions	–	–	–	–	1	27	–1	–27	–	–	–
Total net sales	**1,399**	**1,250**	**1,302**	**1,476**	**1,082**	**1,290**	**–1**	**–27**	**3,782**	**3,989**	**–5**
Operating profit/loss excluding structural expenses	114	–30	64	46	13	126	–25	–17	166	125	33
Operating margin excluding structural expenses, %	8.1	–2.4	4.9	3.1	1.2	9.8	–	–	4.4	3.1	–
Operating profit/loss including structural expenses	**114**	**–30**	**56**	**38**	**–5**	**116**	**–25**	**–17**	**140**	**107**	**31**
Operating margin, %	8.1	–2.4	4.3	2.6	–0.5	9.0	–	–	3.7	2.7	–

Analysis of net sales	Oct–Dec	
	%	SEK m
2008		3,989
Organic growth	–4	–168
– of which UK region[1]	19	239
– of which Nordic region[1]	–17	–220
– of which Continental Europe region[1]	–16	–210
Currency effect and other	–1	–51
Acquired units[2]	0	12
2009	–5	3,782

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

Magnet in the UK, HTH in the Nordic countries, Hygena in France and Poggenpohl globally are some of the kitchen brands in the Nobia Group. Nobia develops and sells complete kitchen solutions and generates value by utilising economies of scale.

The Group has approximately 8,000 employees and net sales of about SEK 15 billion. The Nobia share is listed on NASDAQ OMX Nordic Exchange in Stockholm under the short name NOBI. Website: www nobia.com. Read more about the company under "About Nobia." Financial information can be found under "Investors."

UK region

Net sales amounted to SEK 1,399 million (1,250) for the fourth quarter. Organic growth was 19 per cent. Operating profit for the period rose to SEK 114 million (loss: 30) and the operating margin was 8.1 per cent (neg: 2.4).

Kitchen market

Demand in the UK kitchen market is deemed to have been on a level with the year-earlier period.

Nobia

All price segments and sales channels in the region reported higher sales. Increases in volumes strengthened our market position and operating profit for the quarter was also boosted by nonrecurring effects, comprising renegotiated pension liabilities in Magnet and the divestment of the window plant in Keighley in accordance with Nobia's strategy of specialising the operations in kitchens.

No structural expenses were charged to the region.

Currency effects, primarily pertaining to procurement in EUR, had a negative impact on operating profit of approximately SEK 15 million (neg: 30).

Measured in local currency, the region's operating profit amounted to GBP 9.7 million (neg: 2.6).

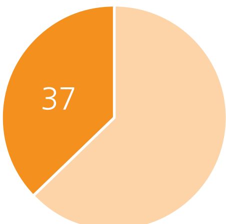
Quarterly data in SEK

	2009				2008			
	IV	III	II	I	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, 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

Quarterly data in GBP

	2009				2008			
	IV	III	II	I	IV	III	II	I
Net sales, GBP m	122.2	113.8	121.9	113.6	102.0	108.0	120.6	114.6
Operating profit/loss, GBP m	9.7	5.3	2.2	2.6	–2.6	6.8	10.0	10.6
Operating margin, %	7.9	4.7	1.8	2.3	–2.5	6.3	8.3	9.2

Percentage of consolidated net sales, fourth quarter, %



Store trend, January–December

Refurbished or relocated	0
Newly opened, net	7
Number of kitchen stores (Group-owned)	222

Brands

Magnet Gower Magnet TRADE

Nordic region

Net sales amounted to SEK 1,302 million (1,476) for the fourth quarter. Organic growth was negative 17 per cent. Operating profit for the period improved to SEK 56 million (38) and operating profit for the period excluding structural expenses amounted to 64 million (46), with an operating margin of 4.9 per cent (3.1).

Kitchen market
The Nordic kitchen market continued to deteriorate during the quarter compared with the year-earlier period, although the rate of decline slowed over the course of the quarter.

Nobia
Lower sales were primarily attributable to the new-builds market, a segment that declined by about 25 per cent compared with the year-earlier period.

Sales for the period increased for certain brands and sales channels, such as HTH in Norway.

Approximately half of the sales decline was offset by price adjustments, although the improvement in operating profit was mainly driven by implemented structural measures.

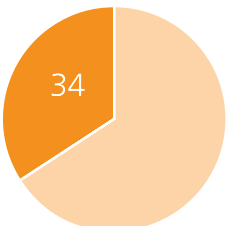
Structural expenses pertaining to plant closures amounted to SEK 8 million (8) during the period.

At the end of the fourth quarter, the divestment process of Nobia's plants in Forssa in Finland, Jevnaker in Norway and Bording in Denmark had been completed. Stuctural measures are expected to generate total annual savings of approximately SEK 130 million.

Quarterly data in SEK

	2009				2008			
	IV	III	II	I	IV	III	II	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

Percentage of consolidated net sales, fourth quarter, %



Store trend, January–December

Refurbished or relocated	2
Newly opened, net	1
Number of stores	291
of which franchise	204
of which Group-owned	87

Brands

HTH
PETRA KEITTIÖT
uno form
A la Carte KEITTIÖT
INVITA
PARMA KEITTIÖT
sigdal
Marbodal
NOREMA
myresjökök

Continental Europe region

Net sales amounted to SEK 1,082 million (1,290) for the fourth quarter. Organic growth was negative 16 per cent. Operating loss for the period declined compared with the preceding year to SEK 5 million (profit: 116). Operating profit for the period excluding structural expenses amounted to SEK 13 million (126), with an operating margin of 1.2 per cent (9.8).

Kitchen market

The Continental Europe kitchen market continued to deteriorate during the quarter compared with the year-earlier period, although the rate of decline slowed over the course of the quarter.

Nobia

Sales fell in both Germany and France during the period. Project sales for Poggenpohl also declined during the period.

Implemented cost-saving measures were unable to offset lower volumes and the mix shifts towards lower price segments. The ongoing restructuring of Hygena's logistics and delivery systems to customers negatively impacted both sales and earnings.

Structural expenses pertaining to Hygena in France totalled SEK 18 million (10) for the period.

Currency effects of about negative SEK 5 million (neg: 5) were charged to operating profit.

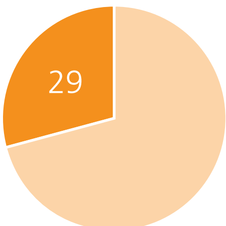
Culinoma

Net sales for the quarter in the joint-venture Culinoma in Germany amounted to SEK 446 million (376). Nobia's share of Culinoma's net result for the fourth quarter was SEK 10 million (22).

Quarterly data in SEK

	2009				2008			
	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 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

Percentage of consolidated net sales, fourth quarter, %



Store trend, January–December

Refurbished or relocated	0
Newly opened, net	2
Number of stores	191
of which franchise	2
of which Group-owned	189
Culinoma	87
of which franchise	27
of which Group-owned	60

Brands

poggenpohl, hygena, OPTIFIT, ewe, FM, pronorm

Included in the joint-venture Culinoma

ASMO KÜCHEN, PLANA KÜCHENLAND, MARQUARDT KÜCHEN, vesta KÜCHEN

Consolidated earnings, cash flow and financial position January–December 2009

Loss per share for the year amounted to SEK 0.47 (pos: 3.13). Loss after tax amounted to SEK 79 million (profit: 529) and operating profit to SEK 38 million (915). Excluding structural expenses, earnings per share for the year totalled SEK 0.96 (3.18) and operating profit (EBIT) SEK 346 million (933). Operating profit was negatively impacted by net currency effects of approximately SEK 90 million (110), of which about SEK 15 million pertained to translation effects and about 75 million to transaction effects.

Fiscal 2009 was characterised by lower sales and earnings but improved cash flow and the initial effects of implemented structural measures.

Net financial items amounted to an expense of SEK 75 million (expense: 163). Net financial items include the net of return on pension assets and interest expense for pension liabilities corresponding to a negative SEK 40 million (neg: 32). Net interest amounted to an expense of SEK 35 million (expense: 131). This decrease was due to lower interest rates and lower net debt.

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

Operating cash flow for the period amounted to SEK 803 million (163). The improvement was mainly attributable to lower working capital tied-up, lower tax paid and a lower investment level.

The return on capital employed for the past 12-month period was 1.0 per cent (12.6). Return on shareholders' equity for the past 12-month period amounted to negative 1.9 per cent (13.2).

Nobia's investments in fixed assets amounted to SEK 346 million (733), of which SEK 154 million (388) was related to store investments.

Net debt including pension provisions declined by SEK 755 million during the year and amounted to SEK 2,426 million (3,181). This decrease was primarily due to a positive operating cash flow.

The debt/equity ratio amounted to 62 per cent at year-end (77).

Key figures	Oct–Dec			Jan–Dec		
	2009	2008	Change, %	2009	2008	Change, %
Profit/loss after financial items, SEK m	132	58	127.6	–37	752	–104.9
Profit/loss after tax, SEK m	104	29	258.6	–79	529	–114.9
Tax rate, %	–	41.6	–	–	28.9	–
Earnings per share, after dilution, SEK	0.62	0.17	264.7	–0.47	3.13	–115.0

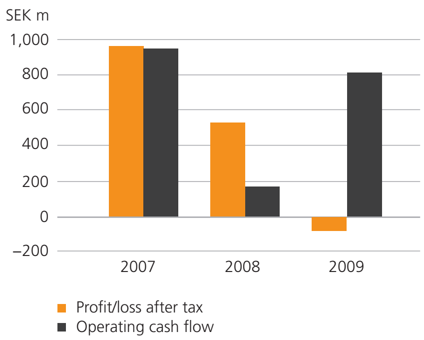
Net sales and profit/loss per region (operating segment)

	UK Jan–Dec		Nordic Jan–Dec		Continental Europe Jan–Dec		Other and Group adjustments Jan–Dec		Group Jan–Dec		
SEK m	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	Change, %
Net sales from external customers	5,623	5,383	5,234	5,955	4,561	4,653	–	–	15,418	15,991	–4
Net sales from other regions	–	–	–	–	64	97	–64	–97	–	–	–
Total net sales	**5,623**	**5,383**	**5,234**	**5,955**	**4,625**	**4,750**	**–64**	**–97**	**15,418**	**15,991**	**–4**
Operating profit/loss excluding structural expenses	236	300	187	506	26	227	–103	–100	346	933	–63
Operating margin excluding structural expenses, %	4.2	5.6	3.6	8.5	0.6	4.8	–	–	2.2	5.8	–
Operating profit/loss including structural expenses	236	300	–75	498	–20	217	–103	–100	38	915	–96
Operating margin including structural expenses, %	4.2	5.6	–1.4	8.4	–0.4	4.6	–	–	0.2	5.7	–
Financial items	–	–	–	–	–	–	–	–	–75	–163	–54
Profit/loss before tax and divested operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–37**	**752**	**–105**

Sales analysis	Jan–Mar	Apr–Jun	Jul–Sep	Oct–Dec		Jan–Dec	
	%	%	%	%	SEK m	%	SEK m
2008					3,989		15,991
Organic growth	–12	–15	–9	–4	–168	–10	–1,601
– Of which UK region[1)]	–1	1	5	19	239	6	309
– Of which Nordic region[1)]	–22	–28	–30	–17	–220	–24	–1,331
– Of which Continental Europe region[1)]	–14	–15	–6	–16	–210	–13	–610
Currency effect and other	7	10	5	–1	–51	5	818
Acquired units[2)]	4	1	1	0	12	1	210
2009	–1	–4	–3	–5	3,782	–4	15,418

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

Profit/loss and cash flow, January–December



Restructuring measures

Structural expenses for the year amounted to SEK 308 million (18). Of the total amount of structural expenses of SEK 326 million, SEK 130 million impacted cash flow in 2009. An additional SEK 60 million is expected to affect cash flow in 2010.

In total, structural measures implemented during the year are expected to generate annual savings of approximately SEK 140 million.

About 80 per cent of structural expenses are tax deductible.

Divested operations

The loss from divested operations during the year amounted to SEK 77 million (loss: 7) and pertained to the sale of the window manufacturing unit in the UK and the divestment of kitchen stores in Denmark. Refer to Note 1 on page 14.

Company acquisitions and divestments

During the year, Nobia Denmark took over eight companies with HTH franchise stores in Denmark, see Note 1 on page 15. One of these companies is recognised as “Assets held for sale” in accordance with IFRS 5.

In addition to these company acquisitions, three stores were acquired as part of acquisitions of assets and liabilities.

Personal

The number of employees at the end of the year amounted to 8,297 (8,871). The decrease was due to adjustments of production capacity and was primarily attributable to the Nordic region. The average number of employees during the year was 7,930 (8,682).

Annual General Meeting

The Annual General Meeting will be held on 30 March 2010 at 5:00 p.m. at Summit, Grev Turegatan 30 in Stockholm. The Annual Report is scheduled to be published in English on www.nobia.com on 15 April and in printed form on 23 April.

Proposed dividend

The Board of Directors proposes that no dividend be paid for the 2009 fiscal year. For further information, refer to the forthcoming Notice to the Annual General Meeting on www.nobia.com.

Related-party transactions, Parent Company

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 6 million (45) during the year. The Parent Company reported earnings from participations in Group companies amounting to SEK 22 million (321).

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks.

The market risk increased at the beginning of the year due to a sharp decline in demand in Nobia's markets. Since then, demand has successively recovered somewhat. Nobia continues to capitalise on synergies and economies of scale by harmonising product lines, co-ordinating production and enhancing purchasing efficiency.

Nobia's borrowing falls due for payment in 2011 and about 40 per cent of the company's credit framework has been utilised. Nobia fulfils the covenants for the loans.

For a more detailed description of risks and risk management, refer to pages 30-31 of Nobia's 2008 Annual Report.

New accounting policies 2009

Following changes to IAS 38 Intangible Assets, with effect from 1 January 2009, Nobia recognises advertising and promotional costs when the material to be used in these activities becomes available to Nobia. In 2008 and earlier periods, Nobia allocated costs for catalogues and television advertising, for example, when these promotion activities took place. The full-year effect on costs for 2008 restated in accordance with the new policy amounts to SEK 36 million. Comparative figures for 2008 costs, operating profit, operating margin, profit after tax and earnings per share have been restated in this report.

According to the revised IAS 1 Presentation of Financial Statements, a report on comprehensive income, which requires that income and costs previously recognised directly against shareholders' equity, must be reported as a statement of comprehensive income as of the first quarter of 2009. Nobia has decided to present the statement of comprehensive income separated into two reports. The statement of changes in shareholders' equity is adjusted to concur with the statement of comprehensive income.

IAS 14 Segment Reporting was replaced by IFRS 8 Operating Segments on 1 January 2009. Nobia's operating segments according to IFRS 8 are the Group's three regions: UK, Nordic and Continental Europe. These operating segments are the same as the earlier secondary segments, i.e. the Group's three regions.

Accounting policies

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting policies are applied in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which concur with the provisions of recommendation RFR 2.2.

From 2009, Nobia has changed the accounting policies described above. In all other respects, the same accounting policies were applied as in Nobia's 2008 Annual Report.

For further information

Please contact any of the following on +46 (0) 8 440 16 00 or +46 (0) 707 65 59 00:

- Preben Bager, President and CEO
- Lennart Rappe, Acting CFO
- Ingrid Yllmark, IRO

Presentation

The interim report will be presented on 12 February at 10:30 a.m. CET in a webcasted teleconference that can be followed on Nobia's website. To participate in the teleconference, call one of the following numbers:

- From Sweden +46 (0) 8 50 520 270
- From the UK +44 (0) 208 817 9301
- From the US +1 718 354 1226.

Next report

The next reports will be published on 27 April, and then on 19 July 2010.

Stockholm, 12 February 2010

Preben Bager
President and CEO

Nobia AB Corporate Registration Number 556528-2752

This year-end report is unaudited.

The information in this interim report is such that Nobia AB (publ) is obliged to publish in accordance with the Swedish Securities Market Act. The information was released to the media for publication on 12 February at 8:00 a.m. CET.

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Corporate Registration Number: 556528-2752 I The registered office of the Board of Directors is in Stockholm, Sweden

Consolidated income statement

SEK m	Oct–Dec 2009[6)]	Oct–Dec 2008[5)]	Jan–Dec 2009[4)]	Jan–Dec 2008[3)]
Net sales	3,782	3,989	15,418	15,991
Cost of goods sold	–2,329	–2,558	–9,976	–10,161
Gross profit	**1,453**	**1,431**	**5,442**	**5,830**
Selling and administrative expenses	–1,384	–1,380	–5,482	–5,034
Other income/expenses	61	33	80	98
Share in profit of associated companies Note 2	10	23	–2	21
Operating profit	**140**	**107**	**38**	**915**
Net financial items	–8	–49	–75	–163
Profit/loss after financial items	**132**	**58**	**–37**	**752**
Tax	21	–22	35	–216
Profit/loss after tax from continuing operations	**153**	**36**	**–2**	**536**
Loss from divested operations, net after tax Note 1	–49	–7	–77	–7
Profit/loss after tax	**104**	**29**	**–79**	**529**
Profit/loss after tax attributable to:				
Parent Company shareholders	104	29	–79	529
Minority interests	0	0	0	0
Profit/loss after tax	**104**	**29**	**–79**	**529**
Total depreciation	133	128	519	475
Total impairment	–23	4	83	4
Operating margin, %	3.7	2.7	0.2	5.7
Return on capital employed, %			1.0	12.6
Return on shareholders' equity, %			–1.9	13.2
Earnings per share, before dilution, SEK[1)]	0.62	0.17	–0.47	3.13
Earnings per share, after dilution, SEK[1)]	0.62	0.17	–0.47	3.13
Number of shares at end of period before dilution, 000s[2)]	167,131	167,131	167,131	167,131
Average number of shares before dilution, 000s[2)]	167,131	167,131	167,131	168,718
Number of shares after dilution at end of period 000s[2)]	167,131	167,131	167,131	167,131
Average number of shares after dilution, 000s[2)]	167,131	167,131	167,131	168,718

1) Earnings per share attributable to the Parent Company's shareholders.
2) Excluding treasury shares.
3) The line for selling and administrative expenses has been adjusted due to the changed accounting policy regarding expenses for advertising and other sales promotion activities, and was reduced by SEK 36 million.
4) Structural expenses of negative SEK 220 million were included in Cost of goods sold, of a negative SEK 89 million in Selling and administrative expenses and of positive SEK 1 million in Other income/expenses.
5) The line for selling and administrative expenses has been adjusted due to the changed accounting policy regarding expenses for advertising and other sales promotion activities. The figure for the fourth quarter of 2008 was reduced by SEK 11 million.
6) Structural expenses of negative SEK 9 million were included in Cost of goods sold, of a negative SEK 33 million in Selling and administrative expenses and of positive SEK 16 million in Other income/expenses. Favourable effects during the quarter pertaining to other income/expenses were attributable to a reclassification between functions.

Consolidated statement of comprehensive income

	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
Profit/loss after tax	104	29	–79	529
Other comprehensive income				
Exchange-rate differences attributable to translation of foreign operations	62	103	–77	93
Cash-flow hedges before tax	–7	61	–68	51
Tax attributable to change in hedging reserve for the period	2	–20	19	–17
Other comprehensive income	**57**	**144**	**–126**	**127**
Total comprehensive income	**161**	**173**	**–205**	**656**
Total comprehensive income attributable to:				
Parent Company shareholders	161	173	–205	656
Minority interests	0	0	0	0
Total comprehensive income	**161**	**173**	**–205**	**656**

Consolidated balance sheet

SEK m	31 Dec 2009	31 Dec 2008
ASSETS		
Goodwill	3,037	3,056
Other intangible fixed assets	171	127
Tangible fixed assets	2,924[1)]	3,426
Long-term receivables	416	413
Participations in associated companies	58	76
Deferred tax assets	293	258
Total fixed assets	**6,899**	**7,356**
Inventories	1,212	1,465
Accounts receivable	1,441	1,527
Other receivables	445	574
Total current receivables	*1,886*	*2,101*
Cash and cash equivalents	384	332
Assets held for sale Note 1	75	43
Total current assets	**3,557**	**3,941**
Total assets	**10,456**	**11,297**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,449	1,449
Reserves	20	156
Profit brought forward	2,401	2,485
Total shareholders' equity attributable to Parent Company shareholders	*3,928*	*4,148*
Minority interests	6	6
Total shareholders' equity	**3,934**	**4,154**
Provisions for pensions	656	718
Other provisions	190	137
Deferred tax liabilities	225	291
Other long-term liabilities, interest-bearing	2,456[2)]	3,119
Total long-term liabilities	**3,527**	**4,265**
Current liabilities, interest-bearing	50	50
Current liabilities, non-interest-bearing	2,905[3)]	2,793
Liabilities attributable to assets held for sale Note 1	40	35
Total current liabilities	**2,995**	**2,878**
Total shareholders' equity and liabilities	**10,456**	**11,297**
BALANCE-SHEET RELATED KEY RATIOS		
Equity/assets ratio, %	38	37
Debt/equity ratio, %	62	77
Net debt, SEK m	2,426	3,181
Capital employed, closing balance, SEK m	7,095	8,042

1) The change between January and December 2009 is mainly attributable to depreciation and impairments, and exchange-rate differences on translation.
2) The change between January and December 2009 is mainly attributable to loan repayments.
3) The change between January and December 2009 is mainly attributable to structural expenses and higher provisions in the UK.

Statement of changes in consolidated shareholders' equity

	Attributable to Parent Company shareholders							
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total	Minority interests	Total share-holders' equity
Opening balance, 1 January 2008	58	1,442	8	11	2,631	4,150	6	4,156
Adjustment for changed accounting policy (IAS 38)	–	–	–	–	–16	–16	–	–16
Adjusted opening balance, 1 January 2008	**58**	**1,442**	**8**	**11**	**2,615**	**4,134**	**6**	**4,140**
Total comprehensive income for the period	–	–	93	34	529	656	1	657
Employee share option scheme, allocation of employee share option scheme	–	–13	–	–	–	–13	–	–13
Payment for issued shares	0	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**
Total comprehensive income for the period	–	–	–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**

Consolidated cash-flow statement

SEK m	Oct–Dec 2009	Oct–Dec 2008	Jan–Dec 2009	Jan–Dec 2008
Operating activities				
Operating profit	140	107	38	915
Depreciation/Impairment	110[1)]	132	602[2)]	479
Adjustments for non-cash items	–84	–37	32	–92
Tax paid	–12	–49	–84	–369
Change in working capital	–4	128	473	–129
Cash flow from operating activities	**150**	**281**	**1,061**	**804**
Investing activities				
Investments in fixed assets	–122	–257	–346	–733
Other items in investing activities	61	42	88	92
Acquisition of subsidiaries/associated companies	–35	–75	–64	–297
Divestment of subsidiaries	–	–	–	16
Cash flow from investing activities	**–96**	**–290**	**–322**	**–922**
Operating cash flow before acquisition/divestment of subsidiaries	**89**	**66**	**803**	**163**
Operating cash flow after acquisition/divestment of subsidiaries	54	–9	739	–118
Financing activities				
Interest paid	–2	–28	–52	–121
Change in interest-bearing assets	2	–67	13	–115
Change in interest-bearing liabilities	52	196	–638[3)]	1,029
New share issue	–	–	–	20
Buy-back of shares	–	–	–	–220
Dividend	–	–	0	–430
Cash flow from financing activities	**52**	**101**	**–677**	**163**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**106**	**92**	**62**	**45**
Cash and cash equivalents at beginning of the period	**275**	**223**	**332**	**270**
Cash flow for the period	106	92	62	45
Exchange-rate differences in cash and cash equivalents	3	17	–10	17
Cash and cash equivalents at period-end	**384**	**332**	**384**	**332**

1) Impairment amounted to SEK 23 million, pertaining entirely to machinery and equipment. Positive impairment for the quarter was partly due to the reclassification of impairment attributable to machinery in the window manufacturing unit in Keighley in the UK in conjunction with the divestment of the unit. Impairment is reported on the line Loss from divested operations, net after tax.
2) Impairment amounted to SEK 83 million, of which buildings accounted for SEK 51 million, machinery for SEK 25 million, kitchen displays for SEK 5 million and inventories for SEK 2 million.
3) Loan repayments totalling SEK 551 million were made in the period from January to December.

Analysis of net debt SEK m	Oct–Dec 2009	Oct–Dec 2008	Jan–Dec 2009	Jan–Dec 2008
Opening balance	**2,471**	**3,042**	**3,181**	**2,224**
Translation differences	40	76	–60	64
Operating cash flow	–89	–66	–803	–163
Interest paid	2	28	52	121
Acquisition of subsidiaries/associated companies	38	76	69	298
Divestment of subsidiaries	–	–	–	–44
Change in pension liabilities	–36	25	–13	51
Dividend	–	–	–	430
Buy-back of shares	–	–	–	220
New share issue	–	–	–	–20
Closing balance	**2,426**	**3,181**	**2,426**	**3,181**

Notes

Note 1 Company acquisitions

In the period from January to December, the HTH unit of Nobia Denmark acquired 100 per cent of eight companies with 11 franchise stores in Denmark, of which three stores will be sold onward. Excluding these stores, the companies generated net sales of SEK 167 million during the period. The acquisition analysis below is preliminary since the final acquisition value measured at fair value has not yet been established. 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.

Acquired net assets and goodwill
SEK m

Purchase consideration, including acquisition costs	63
Fair value of acquired net assets	–40
Goodwill	**23**

Assets and liabilities included in the acquisition SEK m	Fair value	Acquired carrying amount
Cash and bank balances	–1	–1
Tangible fixed assets	25	25
Intangible fixed assets	7	3
Inventories	7	7
Receivables	44	44
Liabilities	–34	–34
Interest-bearing liabilities	–5	–5
Taxes	–2	–2
Deferred tax, net	–1	0
Acquired net assets	**40**	**37**

Cash-regulated purchase consideration, including acquisition costs	63
Cash and cash equivalents in acquired subsidiaries	1
Reduction of consolidated cash and cash equivalents at the time of acquisition	**64**

Divested 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 the stores onward. These stores are recognised as discontinuing operations and disposal groups held for sale in accordance with IFRS 5 and are recognised in the Nordic region segment. One of the stores acquired in 2008 was sold onward during the first quarter of 2009.

Three additional stores were acquired during the second half of the year from franchise holders in Denmark with the intention of being sold onward.

The loss from these stores amounted to SEK 16 million (loss: 7) for full-year 2009. The loss for the fourth quarter was SEK 4 million (loss: 7).

In 2009, Nobia divested window manufacturing in the UK. The loss from the operations and loss from divestment are recognised in the income statement as discontinuing operations and disposal groups held for sale in accordance with IFRS 5, and are reported in the UK region operating segment. The loss for the window manufacturing for the full-year 2009 was SEK 61 million, of which loss from divestment was SEK 38 million. The loss for the fourth quarter amounted to SEK 44 million, of which loss from divestment was SEK 38 million.

Nobia intends to divest a production property in Denmark in 2010. In accordance with IFRS 5, the property is recognised under assets held for sale in the Nordic region operating segment.

Note 2 Culinoma Group

Culinoma Group (100%)	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
Income	502	555	1,866	1,581
Expenses	–484	–510	–1,864	–1,538
Profit after tax	**18**	**45**	**2**	**43**

	31 Dec	
SEK m	2009	2008
Fixed assets	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**

Parent Company

Parent Company income statement	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
Net sales	13	16	53	77
Administrative expenses	–21	–26	–74	–97
Operating loss	**–8**	**–10**	**–21**	**–20**
Divestment of participations in associated companies	0	–4	–	–4
Profit from shares in Group companies	31	321	22	321
Other financial income and expenses	–10	–15	1	–18
Profit after financial items	**13**	**292**	**2**	**279**
Tax on profit for the period	4	10	4	10
Profit for the year	**17**	**302**	**6**	**289**

Parent Company balance sheet	31 Dec	
SEK m	2009	2008
ASSETS		
Fixed assets		
Shares and participations in Group companies	1,379	1,379
Other investments held as fixed assets	2	1
Associated companies	57	57
Total fixed assets	**1,438**	**1,437**
Current assets		
Current receivables		
Accounts receivable	3	3
Receivables from Group companies	3,180	1,860
Receivables from associated companies	332	306
Other receivables	3	0
Prepaid expenses and accrued income	26	2
Cash and cash equivalents	170	70
Total current assets	**3,714**	**2,241**
Total assets	**5,152**	**3,678**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Shareholders' equity		
Restricted shareholders' equity		
Share capital	58	58
Statutory reserve	1,671	1,671
	1,729	**1,729**
Non-restricted shareholders' equity		
Share premium reserve	52	52
Buy-back of shares	–468	–468
Profit brought forward	2,155	1,867
Profit for the year	6	289
	1,745	**1,740**
Total shareholders' equity	**3,474**	**3,469**
Provisions for pensions	**7**	**5**
Current liabilities		
Liabilities to credit institutes	41	42
Accounts payable	5	2
Liabilities to Group companies	1,604	134
Other liabilities	4	13
Accrued expenses and deferred income	17	13
Total current liabilities	**1,671**	**204**
Total shareholders' equity, provisions and liabilities	**5,152**	**3,678**
Pledged assets	2	1
Contingent liabilities	2,698	3,345

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

Net sales	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
UK	1,399	1,250	5,623	5,383
Nordic	1,302	1,476	5,234	5,955
Continental Europe	1,082	1,290	4,625	4,750
Other and Group adjustments	–1	–27	–64	–97
Group	**3,782**	**3,989**	**15,418**	**15,991**

Operating profit/loss excluding structural expenses	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
UK	114	–30	236	300
Nordic	64	46	187	506
Continental Europe	13	126	26	227
Other and Group adjustments	–25	–17	–103	–100
Group	**166**	**125**	**346**	**933**

Operating margin excluding structural expenses	Oct–Dec		Jan–Dec	
%	2009	2008	2009	2008
UK	8.1	–2.4	4.2	5.6
Nordic	4.9	3.1	3.6	8.5
Continental Europe	1.2	9.8	0.6	4.8
Group	**4.4**	**3.1**	**2.2**	**5.8**

Operating profit/loss	Oct–Dec		Jan–Dec	
SEK m	2009	2008	2009	2008
UK	114	–30	236	300
Nordic	56	38	–75	498
Continental Europe	–5	116	–20	217
Other and Group adjustments	–25	–17	–103	–100
Group	**140**	**107**	**38**	**915**

Operating margin	Oct–Dec		Jan–Dec	
%	2009	2008	2009	2008
UK	8.1	–2.4	4.2	5.6
Nordic	4.3	2.6	–1.4	8.4
Continental Europe	–0.5	9.0	–0.4	4.6
Group	**3.7**	**2.7**	**0.2**	**5.7**

Net sales and profit/loss per region (operating segment) are also described on page 6.

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

Quarterly data

Net sales	2009				2008			
SEK m	IV	III	II	I	IV	III	II	I
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/loss excluding structural expenses	2009				2008			
SEK m	IV	III	II	I	IV	III	II	I
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	2009				2008			
%	IV	III	II	I	IV	III	II	I
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	9.0
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/loss	2009				2008			
SEK m	IV	III	II	I	IV	III	II	I
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	2009				2008			
%	IV	III	II	I	IV	III	II	I
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	9.0
Continental Europe	–0.5	2.8	1.4	–6.4	9.0	2.7	6.7	–1.7
Group	**3.7**	**2.6**	**1.8**	**–7.2**	**2.7**	**4.9**	**9.3**	**5.5**

Definitions of key figures

Capital employed
Total assets less non-interest-bearing provisions and liabilities.

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

Earnings per share
Profit for the period divided by a weighted average number of outstanding shares during the year.

EBITDA
Profit before depreciation and impairment.

Equity/assets ratio
Equity including minority interests as a percentage of total assets.

Net debt
Total of interest-bearing liabilities and interest-bearing provisions less interest-bearing assets. Interest-bearing provisions refer 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.

Operating margin
Operating profit as a percentage of net sales.

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

Return on shareholders' equity
Profit for the period as a percentage of average shareholders' equity. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.