Interim Report Q3 • 2010

Continued margin improvements

(All figures in brackets refer to the corresponding period in 2009)

Sales for the third quarter amounted to SEK 3,228 million (3,568). Organic growth was negative 1 per cent. Operating profit, excluding restructuring costs of SEK 76 million (14), amounted to SEK 153 million (107), corresponding to an operating margin of 4.7 per cent (3.0). Profit after tax and restructuring costs totalled SEK 42 million (37), corresponding to earnings per share of SEK 0.25 (0.22). Operating cash flow amounted to SEK 283 million (117).

Nobia's sales during the third quarter declined as a result of negative currency effects, the sale of Pronorm and somewhat negative organic growth.

Operating profit improved by SEK 46 million, mainly due to implemented price increases, reduced costs and more efficient production.

Currency effects of SEK 10 million (neg: 20) had a positive effect on earnings, of which negative SEK 10 million (pos: 7) in translation effects and positive SEK 20 million (neg: 27) in transaction effects.

Return on capital employed including restructuring costs amounted to 4.1 per cent (1.0) over the past twelve-month period.

Operating cash flow strengthened and amounted to SEK 283 million (117), primarily due to lower tied-up working capital.

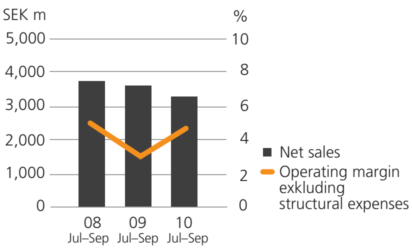
Comments from the CEO

"Demand in the Nordic region is increasing, particularly in the new builds segment. In the UK, the propensity to renovate is being dampened by the economic climate, but Nobia continues to strengthen its market position there. Restructuring work in Hygena is proceeding according to plan and refurbishment of the entire store chain is being planned. In line with the established strategy, we are continuing to rationalise and further develop the organisation, with its new building blocks, Commercial (brands, sales channels), Operations (range, production, sourcing, logistics) and Shared Services (IT, HR, Finance), with the aim of building a stronger Nobia," says Morten Falkenberg, President and CEO since October 6.

Nobia Group Summary	Jul–Sep			Jan–Sep			Oct–Sep	Jan–Dec
	2010	2009	Change, %	**2010**	2009	Change, %	2009/10	2009
Net sales, SEK m	3,228	3,568	–10	10,480	11,636	–10	14,262	15,418
Gross margin, %	40.3	37.4	–	39.0	36.1	–	38.9	36.7
Operating margin before depreciation and impairment losses, % (EBITDA)	8.1	6.5	–	6.3	5.1	–	6.6	5.6
Operating profit, SEK m (EBIT)	153	107	43	324	180	80	490	346
Operating margin, %	4.7	3.0	–	3.1	1.5	–	3.4	2.2
Profit after financial items, SEK m	132	89	48	261	113	131	419	271
Profit/loss after tax, SEK m	42	37	14	21	–183	111	125	–79
Earnings per share, after dilution, SEK	0.25	0.22	14	0.13	–1.10	112	0.75	–0.47
Operating cash flow, SEK m	283	117	142	544	714	–24	633	803

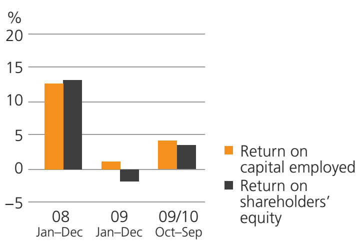
All figures except "Net sales", "Profit/loss after tax," "Earnings per share" and "Operating cash flow" have been adjusted for restructuring costs. Further information about restructuring costs is available on page 11.

Net sales and operating margin



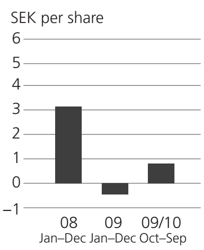
Net sales for the second quarter amounted to SEK 3,228 million and the operating margin was 4.7 per cent.

Profitability trend



Return on capital employed amounted to 4.1 per cent during the past 12-month period.

Earnings per share



Earnings per share after dilution amounted to SEK 0.75 over the most recent 12-month period.

Analysis of net sales and regional reporting

Sales for the third quarter were impacted negatively by translation effects totalling SEK 229 million (pos: 180). Organic growth was positive in the Nordic region, but negative in the other two regions and totalled negative 1 per cent.

Analysis of net sales	Jul–Sep		Jan–Sep	
	%	SEK m	%	SEK m
2009		3,568		11,636
Organic growth	–1	–32	–2	–180
– of which UK region[1)]	–1	–20	–1	–27
– of which Nordic region[1)]	10	102	–2	–74
– of which Continental Europe region[1)]	–11	–115	–4	–129
Currency effect and other	–6	–229	–7	–796
Acquired units[2)]	0	15	1	65
Discontinued units[3)]	–3	–94	–2	–245
2010	–10	3,228	–10	10,480

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

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

	UK Jul–Sep		Nordic Jul–Sep		Continental Europe Jul–Sep		Other and Group adjustments Jul–Sep		Group Jul–Sep		
SEK m	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	Change %
Net sales	**1,263**	**1,361**	**1,091**	**1,039**	**875**	**1,170**	**–1**	**–2**	**3,228**	**3,568**	**–10**
Gross profit excluding restructuring costs	507	492	418	367	363	466	12	10	1,300	1,335	–3
Gross margin excluding restructuring costs, %	40.1	36.1	38.3	35.3	41.5	39.8			40.3	37.4	
Operating profit/loss excluding restructuring costs	101	65	63	15	6	47	–17	–20	153	107	43
Operating margin excluding restructuring costs, %	8.0	4.8	5.8	1.4	0.7	4.0			4.7	3.0	
Operating profit/loss	**94**	**65**	**15**	**15**	**–12**	**33**	**–20**	**–20**	**77**	**93**	**–17**
Operating margin, %	7.4	4.8	1.4	1.4	–1.4	2.8			2.4	2.6	

Further information about restructuring costs is available on page 11.

UK Region

Net sales in the third quarter amounted to SEK 1,263 million (1,361). Organic growth was negative 1 per cent. Operating profit for the quarter was charged with restructuring costs of SEK 7 million (–) for the ongoing efficiency measures being implemented in the operations. Operating profit, excluding restructuring costs, strengthened to SEK 101 million (65) and the operating margin, excluding restructuring costs, was 8.0 per cent (4.8). The currency effect on operating profit comprised negative translation effects of about SEK 5 million (net negative 10 in 2009).

Kitchen market

Demand in the UK kitchen market is deemed to have weakened somewhat compared with the corresponding quarter in the preceding year.

Nobia

Despite a weaker market, there was stable development in the region's sales, albeit with some variations. Sales increased in Magnet Trade and in business-to-business channels, while they declined in Magnet Retail.

The positive earnings trend is attributable to implemented price increases and lower costs.

The gross margin, excluding restructuring costs, improved to 40.1 per cent (36.1).

Measured in local currency, the region's operating profit excluding restructuring costs amounted to GBP 9.0 million (5.3).

Quarterly data in SEK

	2010			2009			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,263	1,360	1,284	1,399	1,361	1,494	1,369
Gross profit excluding restructuring costs, SEK m	507	543	473	522	492	532	454
Gross margin excluding restructuring costs, %	40.1	39.9	36.8	37.3	36.1	35.6	33.2
Operating profit excluding restructuring costs, SEK m	101	98	41	114	65	26	31
Operating margin excluding restructuring costs, %	8.0	7.2	3.2	8.1	4.8	1.7	2.3
Operating profit, SEK m	94	89	41	114	65	26	31
Operating margin, %	7.4	6.5	3.2	8.1	4.8	1.7	2.3

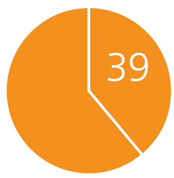
Quarterly data in GBP

	2010			2009			
	III	II	I	IV	III	II	I
Net sales, GBP m	112	120.4	114.6	122.2	113.8	121.9	113.6
Gross profit excluding restructuring costs, GBP m	45.0	48.1	42.2	45.5	41.1	43.4	37.7
Gross margin excluding restructuring costs, %	40.1	40.0	36.8	37.2	36.1	35.6	33.2
Operating profit excluding restructuring costs, GBP m	9.0	8.8	3.6	9.7	5.3	2.2	2.6
Operating margin excluding restructuring costs, %	8.0	7.3	3.1	7.9	4.7	1.8	2.3
Operating profit, GBP m	8.3	7.9	3.6	9.7	5.3	2.2	2.6
Operating margin, %	7.4	6.6	3.1	7.9	4.7	1.8	2.3

Store trend, July–September

Refurbished or relocated	0
Newly opened, net	0
Number of kitchen stores (Group-owned)	221

Percentage of consolidated net sales, third quarter, %



Brands

Magnet Gower Interior Solutions Magnet TRADE

Nordic Region

Net sales in the third quarter amounted to SEK 1,091 million (1,039). Organic growth was 10 per cent. Restructuring costs of SEK 48 million (–) were charged to the operating profit for the quarter, and excluding these costs, operating profit was SEK 63 million (15). The operating margin strengthened to 5.8 per cent (1.4). The positive currency effect on operating profit of SEK 5 million (neg: 15) comprised transaction effects of positive SEK 10 million and about negative SEK 5 million in translation effects.

Kitchen market

The Nordic kitchen market as a whole is deemed to have performed positively compared with the corresponding quarter in the preceding year. The positive trend was particularly evident in the Finnish market.

Nobia

The sales trend was favourable in all main markets. Negative currency effects of SEK 65 million impacted the net sales for the quarter.

In the Finnish and Norwegian markets, sales for new builds and renovation increased.

Increased volumes and improved productivity strengthened operating profit, but restructuring costs for the relocation of kitchen production from Älmhult to Tidaholm were charged to profit for the quarter in an amount of SEK 51 million (-), of which SEK 3 million was charged to the Group. Excluding these costs, operating profit totalled SEK 63 million (15).

The gross margin excluding restructuring costs improved to 38.3 per cent (35.3).

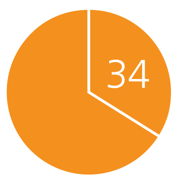
Quarterly data in SEK

	2010			2009			
	III	II	I	IV	III	II	I
Net sales, SEK m	1,091	1,401	1,208	1,302	1,039	1,499	1,394
Gross profit, excluding restructuring costs, SEK m	418	550	448	481	367	542	471
Gross margin, excluding restructuring costs, %	38.3	39.3	37.1	36.9	35.3	36.2	33.8
Operating profit, excluding restructuring costs, SEK m	63	115	17	64	15	91	17
Operating margin, excluding restructuring costs, %	5.8	8.2	1.4	4.9	1.4	6.1	1.2
Operating profit/loss, SEK m	15	115	17	56	15	66	–212
Operating margin, %	1.4	8.2	1.4	4.3	1.4	4.4	–15.2

Store trend, July–September

Refurbished or relocated	–
Newly opened, net	0
Number of stores	285
of which franchise	194
of which Group-owned	91

Percentage of consolidated net sales, third quarter, %



Brands

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

Continental Europe Region

Net sales in the third quarter declined to SEK 875 million (1,170), mainly due to weaker sales in the French company Hygena, as well as the divestment of Pronorm earlier in the year. Organic growth was negative 11 per cent. Profit for the quarter was charged with restructuring costs for Hygena of SEK 18 million (14). Excluding these expenses, operating profit amounted to SEK 6 million (47). The positive currency effect on operating profit was approximately SEK 10 million (net positive 5 in 2009).

Kitchen market

On the whole, demand in Nobia's largest markets (France, Germany and Austria) is deemed to have developed positively compared with the year-earlier period.

Nobia

The negative organic sales trend of 11 per cent was primarily attributable to lower sales volumes in the French company Hygena.

Costs for restructuring Hygena's logistics system amounted to SEK 18 million and costs are also expected to be charged to future quarters before the adjustment work is fully completed. A review of Hygena's customer offering is in progress, as is planning for a future refurbishment of the store network. Hygena currently has 153 stores.

The negative earnings trend for the quarter was primarily attributable to lower volumes and higher costs in France. However, both Optifit and Ewe-FM improved their operating profit compared with the preceding year.

The gross margin, excluding restructuring costs, rose to 41.5 per cent (39.8).

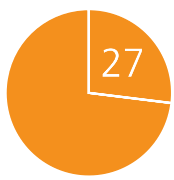
Quarterly data in SEK

	2010			2009			
	III	II	I	IV	III	II	I
Net sales. SEK m	875	1,040	967	1,082	1,170	1,325	1,048
Gross profit excluding restructuring costs, SEK m	363	400	358	419	466	521	364
Gross margin excluding restructuring costs, %	41.5	38.5	37.0	38.7	39.8	39.3	34.7
Operating profit/loss excluding restructuring costs, SEK m	6	10	–60	13	47	24	–58
Operating margin excluding restructuring costs, %	0.7	1.0	–6.2	1.2	4.0	1.8	–5.5
Operating profit/loss, SEK m	–12	–11	–84	–5	33	19	–67
Operating margin, %	–1.4	–1.1	–8.7	–0.5	2.8	1.4	–6.4

Store trend, July–September

Refurbished or relocated	–
Newly opened, net	–
Number of stores	191
of which franchise	1
of which Group-owned	190

Percentage of consolidated net sales, third quarter, %



Brands

poggenpohl hygena OPTIFIT ewe FM MARLIN

Consolidated earnings, cash flow and financial position January–September 2010

Total sales for the first three quarters amounted to SEK 10,480 million (11,636). Organic growth was negative 2 per cent. Profit was charged with restructuring costs of SEK 230 million (282). Operating profit before restructuring costs amounted to SEK 324 million (180). The profit after tax and restructuring costs was SEK 21 million (loss: 183), corresponding to earnings per share of SEK 0.13 (loss: 1.10). Operating cash flow amounted to SEK 544 million (714).

Nobia's sales trend for the period January to September was positive in the Nordic region and negative in the other two regions.

The gross margin excluding restructuring costs strengthened to 39.0 per cent (36.1).

The positive earnings trend compared with the year-earlier period was attributable to the implementation of price increases, a more favourable sales mix and lower costs. Restructuring costs of SEK 230 million (282) were charged to consolidated operating profit.

Operating profit was not affected by currency effects, since the translation effect of negative SEK 10 million and the transaction effect of positive SEK 10 million offset each other.

Net financial items amounted to an expense of SEK 63 million (expense: 67). Net financial items include the net of return on pension assets and interest expense for pension liabilities corresponding to SEK 27 million (expense: 31).

Net interest amounted to an expense of SEK 24 million (expense: 46).

The profit per share for the interim period including restructuring costs amounted to SEK 0.13 (loss: 1.10).

The return on capital employed was 4.1 per cent (1.0 for full-year 2009) and return on shareholders' equity amounted to 3.4 per cent (neg: 1.9 for full-year 2009), including restructuring costs for the most recent 12-month period.

Nobia's investments in fixed assets amounted to SEK 243 million (224), of which SEK 64 million (112) pertained to store investments.

Goodwill at the end of the period amounted to SEK 2,714 million (2,978), corresponding to 75 per cent (79) of the Group's shareholders' equity. The change in goodwill is mainly attributable to translation effects and the impairment relating to the divestment of Pronorm.

Net debt including pension provisions declined by SEK 811 million during the period, primarily due to the divestment of Pronorm and Culinoma during the year, translation effects and positive operating cash flow. Net debt at the end of September amounted to SEK 1,615 million (2,471), of which SEK 601 million pertains to pensions (679). The debt/equity ratio amounted to 45 per cent (66).

During the period, Nobia continued to amortise its loans, which explains the lower interest expense and reduced net debt.

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

	UK Jan–Sep		Nordic Jan–Sep		Continental Europe Jan–Sep		Other and Group adjustments Jan–Sep		Group Jan–Sep		
SEK m	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	**2010**	2009	Change %
Net sales from external customers	3,907	4,224	3,700	3,932	2,873	3,480	–	–	10,480	11,636	–10
Net sales from other regions	–	–	–	–	9	63	–9	–63	–	–	–
Total net sales	**3,907**	**4,224**	**3,700**	**3,932**	**2,882**	**3,543**	**–9**	**–63**	**10,480**	**11,636**	**–10**
Gross profit/loss excluding restructuring costs	1,523	1,478	1,416	1,380	1,121	1,351	29	–9	4,089	4,200	–3
Gross margin excluding restructuring costs, %	39.0	35.0	38.3	35.1	38.9	38.1	–	–	39.0	36.1	–
Operating profit/loss excluding restructuring costs	240	122	195	123	–44	13	–67	–78	324	180	80
Operating margin excluding restructuring costs, %	6.1	2.9	5.3	3.1	–1.5	0.4	–	–	3.1	1.5	–
Operating profit/loss (EBIT)	224	122	147	–131	–107	–15	–170	–78	94	–102	192
Operating margin, %	5.7	2.9	4.0	–3.3	–3.7	–0.4	–	–	0.9	–0.9	–
Financial items	–	–	–	–	–	–	–	–	–63	–67	6
Profit/loss after financial items, SEK m	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**31**	**–169**	118

Restructuring measures in progress

Restructuring costs for the January to September period totalled SEK 230 million (282). This includes the loss of SEK 72 million from the divestment of Culinoma and Pronorm in the first quarter.

The restructuring costs for the January to September period pertaining to the French company Hygena amounted to SEK 91 million and for the reorganisation of the UK region to SEK 16 million. The relocation of Myresjökök's kitchen production from Älmhult to Tidaholm gave rise to restructuring costs of SEK 51 million.

Structural measures to date this year have impacted cash flow in an amount of SEK 105 million, of which SEK 30 million is attributable to restructuring measures implemented in 2009.

At the end of the period, the remaining restructuring provisions amounted to SEK 62 million.

Divested operations and fixed assets for sale

In 2008 and 2009, Nobia acquired a total of ten stores from franchisees in Denmark with the intention of selling these onward. Two of these stores were sold onward in 2009. An additional five stores were acquired during the January–September period of 2010 and four were sold onward. The stores sold onward in 2010 generated a capital gain of SEK 11 million. At the end of September 2010, Nobia in Denmark had a total of nine stores that were reported as discontinued operations and divestment group held for sale, in accordance with IFRS 5, and reported in the Nordic region.

Profit from the stores for the period January–September 2010 was negative SEK 1 million (loss: 28), including capital gains of SEK 11 million.

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

Company acquisitions and divestments

During the first quarter of 2010, Nobia divested its German subsidiary Pronorm and its 50-per cent ownership share in Culinoma. The divestment generated an accounting loss of SEK 72 million and positive cash flow of SEK 491 million.

Pronorm's share of the Nobia Group's net sales amounted to slightly more than 2 per cent during the period January–September 2009.

No further divestments were made since. No corporate acquisitions were made during the year.

Personnel

The number of employees at the end of the period amounted to 8,097 (8,306). The decrease was due to adjustments in production capacity and the divestment of Pronorm. The average number of employees during the interim period was 7,646 (7,920).

Related-party transactions, Parent Company

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 1 million (–) during the January – September period.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks. Deman in Nobia's primary markets was weak during the first half of the year. Since then, a successive increase in demand has been noted in the new builds segment in the Nordic region.

Nobia's work to capitalise on synergies and economies of scale by harmonising product lines, co-ordinating production and enhancing purchasing efficiency is proceeding to plan.

For a more detailed description of risks and risk management, refer to pages 26–27 of Nobia's 2009 Annual Report.

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 2.3.

In this interim report, Nobia has applied the same accounting policies as were applied as in the 2009 Annual Report, except for the new policies stated below.

Currency effect (EBIT)	Translation effect		Transaction effect		Total effect	
	Q3	Jan-Sep	Q3	Jan-Sep	Q3	Jan-Sep
UK region	–5	–15	0	–20	–5	–35
Nordic region	–5	–15	+10	+40	+5	+25
Continental Europe region	0	+20	+10	–10	+10	+10
Group	–10	–10	+20	+10	+10	0

New accounting policies 2010

Revised IFRS 3 Business Combinations and the amended IAS 27 Consolidated and Separate Financial Statements are applied effective 1 January 2010. The change includes the following adjustments: 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 the introduction of two alternative methods for recognising non-controlling interests and goodwill, either at fair value, meaning that goodwill is included in the non-controlling interest, or the non-controlling 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 owners and should be recognised in shareholders' equity, which is a change to Nobia's former policy of recognising surplus amounts as goodwill.

Relevant components of the changes will be applied prospectively and, since Nobia did not make any acquisitions during the interim period, the above amended policies have not yet impacted Nobia's financial statements.

For further information

Please contact any of the following on +46 (0) 8 440 16 00 or +46 (0) 708 65 59 00:

- Morten Falkenberg, President and CEO
- Mikael Norman, CFO
- Ingrid Yllmark, IRO

Presentation

The interim report will be presented on Friday, 22 October 2010 at 10:00 a.m. CET in a teleconference that can be followed on Nobia's website. To participate in the teleconference, call one of the following numbers:

- Sweden +46 (0) 8 505 598 53
- UK +44 (0) 203 043 24 36
- US +1 866 458 40 87

Next report

The next reports will be published on 11 February 2011 and then on 28 April 2011. The Annual General Meeting will be held on 30 March 2011 in Stockholm.

Stockholm, 22 October 2010

Morten Falkenberg
President and CEO

Nobia AB Corporate Registration Number 556528-2752

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

Review report

Introduction

We reviewed the interim report of Nobia AB (publ) at September 30, 2010 and the nine-month period ending on that date. The Board of Directors and the President are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the interim financial information based on our review.

Approach and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope than an audit conducted in accordance with Standards on Auditing in Sweden RS and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not, in all material aspects, been compiled in accordance with IAS 34 Interim reporting and the Swedish Annual Accounts Act, and for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 22 October 2010

KPMG AB

Helene Willberg
Authorized Public Accountant

Consolidated income statement

SEK m	Jul–Sep 2010	Jul–Sep 2009	Jul–Sep 2010	Jul–Sep 2009	Oct–Sep 2009/10	Jan–Dec 2009
Net sales	3,228	3,568	10,480	11,636	14,262	15,418
Cost of goods sold	–1,988	–2,251	–6,490	–7,647	–8,819	–9,976
Gross profit	**1,240**	**1,317**	**3,990**	**3,989**	**5,443**	**5,442**
Selling and administrative expenses	–1,154	–1,236	–3,830	–4,098	–5,214	–5,482
Other income/expenses	–9	16	–58	19	3	80
Share in profit of associated companies	0	–4	–8	–12	2	–2
Operating profit/loss	**77**	**93**	**94**	**–102**	**234**	**38**
Net financial items	–21	–18	–63	–67	–71	–75
Profit/loss after financial items	**56**	**75**	**31**	**–169**	**163**	**–37**
Tax	–10	–25	–9	14	12	35
Profit/loss after tax from continuing operations	**46**	**50**	**22**	**–155**	**175**	**–2**
Gain/loss from divested operations, net after tax	–4	–13	–1	–28	–50	–77
Profit/loss after tax	**42**	**37**	**21**	**–183**	**125**	**–79**
Profit/loss after tax attributable to:						
Parent Company shareholders	42	37	21	–183	125	–79
Non-controlling interests	0	0	0	0	0	0
Profit/loss after tax	**42**	**37**	**21**	**–183**	**125**	**–79**
Total depreciation	109	120	339	386	472	519
Total impairment	23	11	69	106	46	83
Gross margin, %	38.4	36.9	38.1	34.3	38.2	35.3
Operating margin, %	2.4	2.6	0.9	–0.9	1.6	0.2
Return on capital employed, %					4.1	1.0
Return on shareholders' equity, %					3.4	–1.9
Earnings per share, before dilution, SEK[1]	0.25	0.22	0.13	–1.10	0.75	–0.47
Earnings per share, after dilution, SEK[1]	0.25	0.22	0.13	–1.10	0.75	–0.47
Number of shares at end of period before dilution, 000s[2]	167,131	167,131	167,131	167,131	167,131	167,131
Average number of shares before dilution, 000s[2]	167,131	167,131	167,131	167,131	167,131	167,131
Number of shares after dilution at end of period, 000s[2]	167,131	167,131	167,131	167,131	167,131	167,131
Average number of shares after dilution, 000s[2]	167,131	167,131	167,131	167,131	167,131	167,131

1) Earnings per share attributable to the Parent Company's shareholders.
2) Excluding treasury shares.

Consolidated statement of comprehensive income

	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
Profit/loss after tax	42	37	21	–183	125	–79
Other comprehensive income						
Exchange-rate differences attributable to translation of foreign operations	–241	–368	–362	–139	–300	–77
Cash-flow hedges before tax	26	16	14	–61	7	–68
Tax attributable to change in hedging reserve for the period	–7	–5	–4	17	–2	19
Other comprehensive income	**–222**	**–357**	**–352**	**–183**	**–295**	**–126**
Total comprehensive loss	**–180**	**–320**	**–331**	**–366**	**–170**	**–205**
Total comprehensive income attributable to:						
Parent Company shareholders	–179	–320	–330	–366	–169	–205
Non-controlling interests	–1	0	–1	0	–1	0
Total comprehensive profit/loss	**–180**	**–320**	**–331**	**–366**	**–170**	**–205**

Specification of restructuring costs

Restructuring costs per function	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
Cost of goods sold	–60	–18	–99	–211	–108	–220
Selling and administrative expenses	–16	10	–105	–56	–138	–89
Other income/expenses	–	–6	–26	–15	–10	1
Total restructuring cost	**–76**	**–14**	**–230**	**–282**	**–256**	**–308**

Restructuring costs per region	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
UK	–7	–	–16	–	–16	–
Nordic region	–48	–	–48	–254	–56	–262
Continental Europe	–18	–14	–63[1)]	–28	–81[2)]	–46
Other and Group adjustments	–3	–	–103[3)]	–	–103[3)]	–
Group	**–76**	**–14**	**–230**	**–282**	**–256**	**–308**

1) Pertains to gains of SEK 28 million from the divestment of Culinoma and Pronorm and restructuring costs of SEK 91 million in Hygena.
2) Pertains to gains of SEK 28 million from the divestment of Culinoma and Pronorm and restructuring costs of SEK 109 million in Hygena.
3) Pertains primarily to gains from the divestment of Culinoma and Pronorm.

Consolidated balance sheet

SEK m	30 Sep 2010	30 Sep 2009	31 Dec 2009
ASSETS			
Goodwill	2,714	2,978	3,037
Other intangible fixed assets	229	112	171
Tangible fixed assets	2,322[1]	2,978	2,924
Long-term receivables	62[2]	409	416
Participations in associated companies	–	48	58
Deferred tax assets	369	316	293
Total fixed assets	**5,696**	**6,841**	**6,899**
Inventories	1,025	1,250	1,212
Accounts receivable	1,391	1,549	1,441
Other receivables	299	425	445
Total current receivables	*1,690*	*1,974*	*1,886*
Cash and cash equivalents	273	275	384
Assets held for sale	61	92	75
Total current assets	**3,049**	**3,591**	**3,557**
Total assets	**8,745**	**10,432**	**10,456**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,451	1,449	1,449
Reserves	–331	–37	20
Profit brought forward	2,422	2,297	2,401
Total shareholders' equity attributable to Parent Company shareholders	*3,600*	*3,767*	*3,928*
Non-controlling interests	5	6	6
Total shareholders' equity	**3,605**	**3,773**	**3,934**
Provisions for pensions	601	679	656
Other provisions	194	198	190
Deferred tax liabilities	187	232	225
Other long-term liabilities, interest-bearing	1,180[3]	2,380	2,456
Total long-term liabilities	**2,162**	**3,489**	**3,527**
Current liabilities, interest-bearing	119	39	50
Current liabilities, non-interest-bearing	2,848	3,092	2,905
Liabilities attributable to assets held for sale	11	39	40
Total current liabilities	**2,978**	**3,170**	**2,995**
Total shareholders' equity and liabilities	**8,745**	**10,432**	**10,456**
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	41	36	38
Debt/equity ratio, %	45	66	62
Net debt, SEK m	1,615	2,471	2,426
Capital employed, closing balance, SEK m	5,505	6,872	7,095

1) The change between January and September 2010 is mainly attributable to the divestment of Pronorm and exchange-rate differences on translation.
2) The change between January and September 2010 is mainly attributable to claim on Culinoma in conjunction with divestment.
3) The change between January and September 2010 is mainly attributable to loan repayments

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	Non-controlling interests	Total shareholders' equity
Opening balance, 1 January 2009	58	1,449	101	45	2,495	4,148	6	4,154
Total comprehensive income for the period	–	–	–139	–44	–183	–366	0	–366
Change in non-controlling interests in associated companies	–	–	–	–	–15	–15	–	–15
Closing balance, 30 September 2009	**58**	**1,449**	**–38**	**1**	**2,297**	**3,767**	**6**	**3,773**
Opening balance, 1 January 2010	58	1,449	24	–4	2,401	3,928	6	3,934
Total comprehensive income for the period	–	–	–361	10	21	–330	–1	–331
Allocation of employee share option scheme	–	2	–	–	–	2	–	2
Closing balance, 30 September 2010	**58**	**1,451**	**–337**	**6**	**2,422**	**3,600**	**5**	**3,605**

Consolidated cash-flow statement

SEK m	Jul–Sep 2010	Jul–Sep 2009	Jan–Sep 2010	Jan–Sep 2009	Oct–Sep 2009/10	Jan–Dec 2009
Operating activities						
Operating profit/loss	77	93	94	–102	234	38
Depreciation/Impairment	132[3]	131[4]	408[1]	492[2]	518	602[5]
Adjustments for non-cash items	50	–40	100	116	16	32
Tax paid	–3	–5	–8	–72	–20	–84
Change in working capital	116	14	174	477	170	473
Cash flow from operating activities	**372**	**193**	**768**	**911**	**918**	**1 061**
Investing activities						
Investments in fixed assets	–81	–81	–243	–224	–365	–346
Other items in investing activities	–8	5	19	27	80	88
Acquisition of companies	–	–1	–	–29	–35	–64
Divestment of companies	–	–	491	–	491	–
Cash flow from investing activities	**–89**	**–77**	**267**	**–226**	**171**	**–322**
Operating cash flow before acquisition/divestment of companies	**283**	**117**	**544**	**714**	**633**	**803**
Operating cash flow after acquisition/divestment of companies	283	116	1,035	685	1,089	739
Financing activities						
Interest paid	–13	–8	–23	–50	–25	–52
Change in interest-bearing assets	7	36	6	11	8	13
Change in interest-bearing liabilities	–229	–246	–1,096[6]	–690[7]	–1,044	–638[8]
Dividend	–	–	–	–	0	0
Cash flow from financing activities	**–235**	**–218**	**–1,113**	**–729**	**–1,061**	**–677**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**48**	**–102**	**–78**	**–44**	**28**	**62**
Cash and cash equivalents at beginning of the period	**247**	**400**	**384**	**332**	**275**	**332**
Cash flow for the period	48	–102	–78	–44	28	62
Exchange-rate differences in cash and cash equivalents	–22	–23	–33	–13	–30	–10
Cash and cash equivalents at period-end	**273**	**275**	**273**	**275**	**273**	**384**

1) Impairment amounted to SEK 69 million and pertained to goodwill in Pronorm and buildings and machinery in Myresjökök.
2) Impairment amounted to SEK 106 million, of which buildings accounted for SEK 54 million, machinery SEK 44 million, kitchen displays for SEK 6 million and inventory for SEK 2 million.
3) Impairment amounted to SEK 23 million, of which SEK 22 million pertained to buildings and SEK 1 million to machinery both in Myresjökök.
4) Impairment amounted to SEK 11 million, which pertained entirely to buildings.
5) 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.
6) Loan repayments totalling SEK 2,446 million were made and new loans totalling SEK 1,392 million were raised in the January-September period.
7) Loan repayments totalling SEK 601 million were made during the January to September period.
8) Loan repayments totalling SEK 551 million were made during the January to December period.

Analysis of net debt SEK m	Jul–Sep 2010	Jul–Sep 2009	Jan–Sep 2010	Jan–Sep 2009	Oct–Sep 2009/10	Jan–Dec 2009
Opening balance	**1,896**	**2,769**	**2,426**	**3,181**	**2,471**	**3,181**
Translation differences	–41	–196	–155	–100	–115	–60
Operating cash flow	–283	–117	–544	–714	–633	–803
Interest paid	13	7	23	50	25	52
Acquisition of companies	0	1	–	31	38	69
Divestment of companies	–	–	–160	–	–160	–
Change in pension liabilities	30	7	25	23	–11	–13
Closing balance	**1,615**	**2,471**	**1,615**	**2,471**	**1,615**	**2,426**

Parent Company

Parent Company income statement	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
Net sales	18	23	44	40	57	53
Administrative expenses	–21	–17	–72	–52	–94	–74
Other income/expenses	–	–	–33	0	–33	–
Operating profit/loss	**–3**	**6**	**–61**	**–12**	**–70**	**–21**
Profit from shares in Group companies	–	–	0	–	22	22
Other financial income and expenses	10	8	–6	1	–6	1
Profit/loss after financial items	**7**	**14**	**–67**	**–11**	**–54**	**2**
Tax on profit for the period	0	0	0	0	4	4
Profit/loss for the year	**7**	**14**	**–67**	**–11**	**–50**	**6**

Parent Company balance sheet	30 Sep		31 Dec
MSEK m	**2010**	2009	2009
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,380	1,379	1,379
Other investments held as fixed assets	3	2	2
Associated companies	–	57	57
Total fixed assets	**1,383**	**1,438**	**1,438**
Current assets			
Current receivables			
Accounts receivable	23	7	3
Receivables from Group companies	3,330	3,273	2,097
Receivables from associated companies	–	328	332
Other receivables	3	3	3
Prepaid expenses and accrued income	13	20	26
Cash and cash equivalents	55	82	170
Total current assets	**3,424**	**3,713**	**2,631**
Total assets	**4,807**	**5,151**	**4,069**
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	58	58	58
Statutory reserve	1,671	1,671	1,671
	1,729	**1,729**	**1,729**
Non-restricted shareholders' equity			
Share premium reserve	54	52	52
Buy-back of shares	–468	–468	–468
Profit brought forward	2,173	2,141	2,155
Profit for the year	–67	–11	6
	1,692	**1,714**	**1,745**
Total shareholders' equity	**3,421**	**3,443**	**3,474**
Provisions for pensions	**9**	**7**	**7**
Noncurrent liabilities			
Liabilities to credit institutes	800	–	–
Current liabilities			
Liabilities to credit institutes	112	29	41
Accounts payable	2	0	5
Liabilities to Group companies	446	1,643	521
Other liabilities	5	7	4
Accrued expenses and deferred income	12	22	17
Total current liabilities	**577**	**1,701**	**588**
Total shareholders' equity, provisions and liabilities	**4,807**	**5,151**	**4,069**
Pledged assets	3	2	2
Contingent liabilities	629	3,345	2,698

Comparative data per region*

Net sales	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
UK	1,263	1,361	3,907	4,224	5,306	5,623
Nordic	1,091	1,039	3,700	3,932	5,002	5,234
Continental Europe	875	1,170	2,882	3,543	3,964	4,625
Other and Group adjustments	–1	–2	–9	–63	–10	–64
Group	**3,228**	**3,568**	**10,480**	**11,636**	**14,262**	**15,418**

Gross profit excluding restructuring costs	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
SEK m	**2010**	2009	**2010**	2009	2009/10	2009
UK	507	492	1,523	1,478	2,045	2,000
Nordic	418	367	1,416	1,380	1,897	1,861
Continental Europe	363	466	1,121	1,351	1,540	1,770
Other and Group adjustments	12	10	29	–9	69	31
Group	**1,300**	**1,335**	**4,089**	**4,200**	**5,551**	**5,662**

Gross margin excluding restructuring costs	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
%	**2010**	2009	**2010**	2009	2009/10	2009
UK	40.1	36.1	39.0	35.0	38.5	35.6
Nordic	38.3	35.3	38.3	35.1	37.9	35.6
Continental Europe	0.7	39.8	38.9	38.1	38.8	38.3
Group	**40.3**	**37.4**	**39.0**	**36.1**	**38.9**	**36.7**

Operating profit/loss excluding restructuring costs	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
MSEK	**2010**	2009	**2010**	2009	2009/10	2009
UK	101	65	240	122	354	236
Nordic	63	15	195	123	259	187
Continental Europe	6	47	–44	13	–31	26
Other and Group adjustments	–17	–20	–67	–78	–92	–103
Group	**153**	**107**	**324**	**180**	**490**	**346**

Operating margin excluding restructuring costs	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
%	**2010**	2009	**2010**	2009	2009/10	2009
UK	8.0	4.8	6.1	2.9	6.7	4.2
Nordic	5.8	1.4	5.3	3.1	5.2	3.6
Continental Europe	0.7	4.0	–1.5	0.4	–0.8	0.6
Group	**4.7**	**3.0**	**3.1**	**1.5**	**3.4**	**2.2**

Operating profit/loss	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
MSEK	**2010**	2009	**2010**	2009	2009/10	2009
UK	94	65	224	122	338	236
Nordic	15	15	147	–131	203	–75
Continental Europe	–12	33	–107	–15	–112	–20
Other and Group adjustments	–20	–20	–170	–78	–195	–103
Group	**77**	**93**	**94**	**–102**	**234**	**38**

Operating margin	Jul–Sep		Jan–Sep		Oct–Sep	Jan–Dec
%	**2010**	2009	**2010**	2009	2009/10	2009
UK	7.4	4.8	5.7	2.9	6.4	4.2
Nordic	1.4	1.4	4.0	–3.3	4.1	–1.4
Continental Europe	–1.4	2.8	–3.7	–0.4	–2.8	–0.4
Group	**2.4**	**2.6**	**0.9**	**–0.9**	**1.6**	**0.2**

Quarterly data

Net sales	2010			2009			
SEK M	III	II	I	IV	III	II	I
UK	1,263	1,360	1,284	1,399	1,361	1,494	1,369
Nordic	1,091	1,401	1,208	1,302	1,039	1,499	1,394
Continental Europe	875	1,040	967	1,082	1,170	1,325	1,048
Other and Group adjustments	–1	–5	–3	–1	–2	–27	–34
Group	**3,228**	**3,796**	**3,456**	**3,782**	**3,568**	**4,291**	**3,777**

Gross profit excluding restructuring costs	2010			2009			
MSEK	III	II	I	IV	III	II	I
UK	507	543	473	522	492	532	454
Nordic	418	550	448	481	367	542	471
Continental Europe	363	400	358	419	466	521	364
Other and Group adjustments	12	9	8	40	10	–18	–1
Group	**1,300**	**1,502**	**1,287**	**1,462**	**1,335**	**1,577**	**1,288**

Gross margin excluding restructuring costs	2010			2009			
%	III	II	I	IV	III	II	I
UK	40.1	39.9	36.8	37.3	36.1	35.6	33.2
Nordic	38.3	39.3	37.1	36.9	35.3	36.2	33.8
Continental Europe	41.5	38.5	37.0	38.7	39.8	39.3	34.7
Group	**40.3**	**39.6**	**37.2**	**38.7**	**37.4**	**36.8**	**34.1**

Operating profit/loss excluding restructuring costs	2010			2009			
SEK m	III	II	I	IV	III	II	I
UK	101	98	41	114	65	26	31
Nordic	63	115	17	64	15	91	17
Continental Europe	6	10	–60	13	47	24	–58
Other and Group adjustments	–17	–28	–22	–25	–20	–34	–24
Group	**153**	**195**	**–24**	**166**	**107**	**107**	**–34**

Operating margin excluding restructuring costs	2010			2009			
%	III	II	I	IV	III	II	I
UK	8.0	7.2	3.2	8.1	4.8	1.7	2.3
Nordic	5.8	8.2	1.4	4.9	1.4	6.1	1.2
Continental Europe	0.7	1.0	–6.2	1.2	4.0	1.8	–5.5
Group	**4.7**	**5.1**	**–0.7**	**4.4**	**3.0**	**2.5**	**–0.9**

Operating profit/loss	2010			2009			
SEK m	III	II	I	IV	III	II	I
UK	94	89	41	114	65	26	31
Nordic	15	115	17	56	15	66	–212
Continental Europe	–12	–11	–84	–5	33	19	–67
Other and Group adjustments	–20	–28	–122	–25	–20	–34	–24
Group	**77**	**165**	**–148**	**140**	**93**	**77**	**–272**

Operating margin	2010			2009			
%	III	II	I	IV	III	II	I
UK	7.4	6.5	3.2	8.1	4.8	1.7	2.3
Nordic	1.4	8.2	1.4	4.3	1.4	4.4	–15.2
Continental Europe	–1.4	–1.1	–8.7	–0.5	2.8	1.4	–6.4
Group	**2.4**	**4.3**	**–4.3**	**3.7**	**2.6**	**1.8**	**–7.2**

Definitions of key figures

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

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

Gross margin
Gross profit as a percentage of net sales.

EBITDA
Profit before depreciation and impairment.

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

Operating cash flow
Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of subsidiaries.

Region
Region corresponds to operating segment according to IFRS 8.

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

Operating margin
Operating profit as a percentage of net sales.

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

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

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