

**Magnet**

**Magnet TRADE**

**Gower**

**Alca**  
KITCHEN

**PARMA**  
KITCHEN

**PETRA**  
KITCHEN

**netto**  
KITCHEN

**HH**

**INVITA**

**uno form**

**GÖR DET SELV**

**INTUO**

**Marbodal**

**myresjökök**

**NOREMA**

**sigdal**

**ewe**  
Zur Zeit sparsamere

**FM**  
DIE KÜCHE ZUM LEBEN

**OPTI  
FIT**  
Die Küche - Das Bad

**poggen  
poh**

**hygena**

**Interior  
Solutions**



**nobia**

# Interim report Q4

11 February 2011



## Q4: 6 per cent organic growth

### Positive growth trend, especially in the Nordics

- Net sales 3,605m (3,782)

### Margins continue to improve, cost reductions accelerated

- Gross margin 39.3% (38.7)
- EBIT 193 m (166)
- EBIT margin 5.4% (4.4)
- Restructuring costs totalled 281 m (26)
- Profit after tax incl. restructuring costs -110 m (104)
- EPS including restructuring costs -0.66 (0.62)
- 20 m net currency effects on EBIT (-25)

### Positive cash flow

- Operating cash flow 97 m (89)

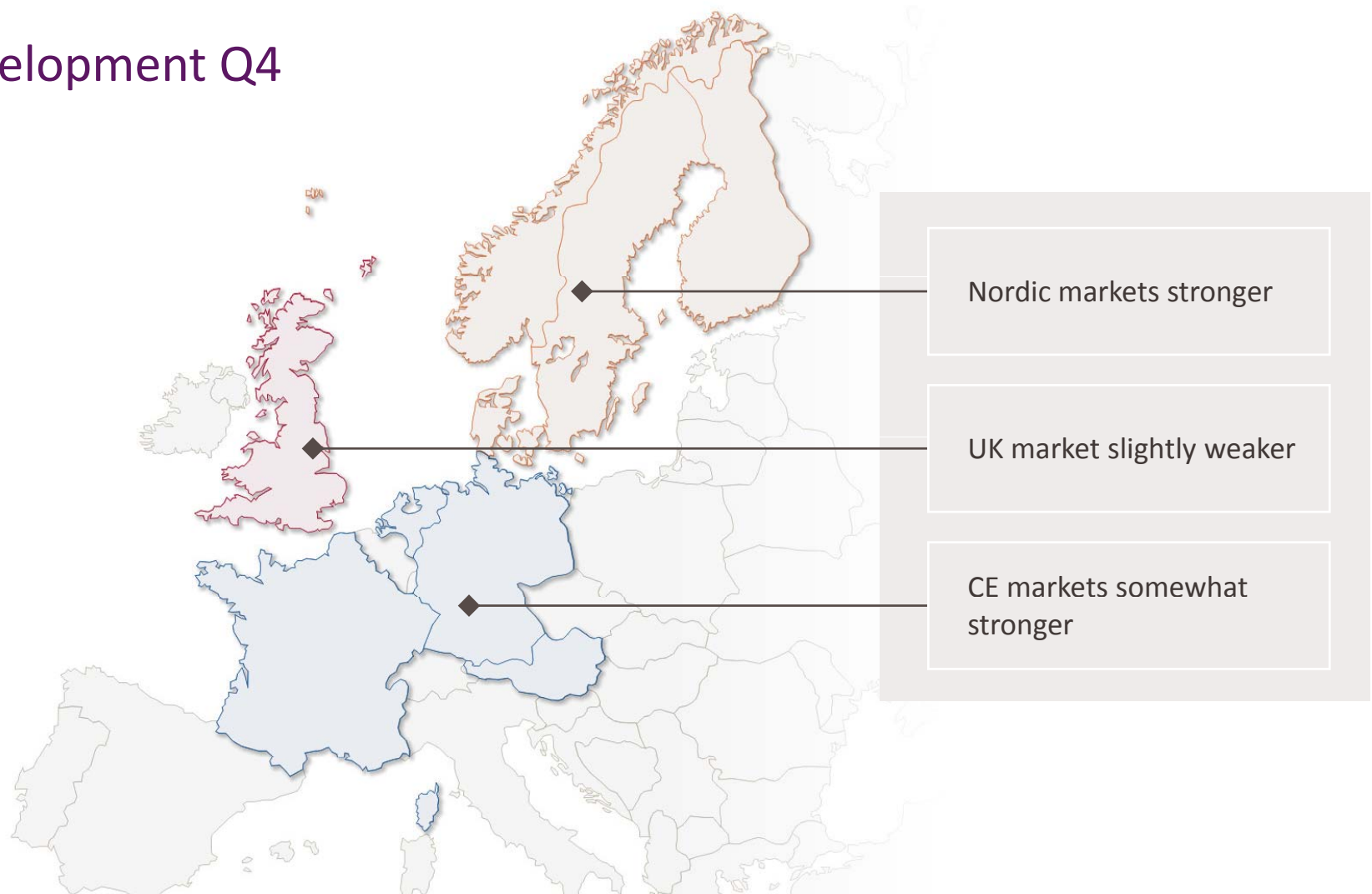
### Cost reduction initiative launched

- Affects 385 employees and 35 stores
- Cost of 244 m in operating results (included in restructuring of 281 m)
- Estimated annual savings are 100-125 m

Currency=SEK



## Market development Q4



Coming from a low level

## UK region in Q4: Price and mix lift margins

- Organic growth -1%
- Better margins on the back of improved price and product mix
- Positive one-off in 2009 of 42 m affects comparability of EBIT margin
- Restructuring costs total 91 m, of which 86 m for the cost reduction initiative



	2010 Oct-Dec	2009 Oct-Dec
Net sales SEK m	1,291	1,399
Gross margin	39.2%	37.3%
EBIT SEK m	86	114
EBIT margin	6.7%	8.1%

Excluding restructuring costs

## Nordic region Q4: Strong performance

- Organic growth 16%
- Volume and productivity improvements driving margin
- Restructuring costs total 34 m, include, alongside dissolvment of a former reserve of 9 m, cost for savings measures of 43 m



	2010 Oct-Dec	2009 Oct-Dec
Net sales SEK m	1,392	1,302
Gross margin	38.0%	36.9%
EBIT SEK m	136	64
EBIT margin	9.8%	4.9%

Excluding restructuring costs

## Continental Europe region Q4: Back to positive growth

- Organic growth 2%
- Strongest sales development in Austria and Germany, but improvement also in France
- Gross margin improved on the back of price increases and better product mix
- Restructuring costs total 151 m, of which 115 m for the cost reduction initiative



	2010 Oct-Dec	2009 Oct-Dec
Net sales SEK m	923	1,082
Gross margin	41.2%	38.7%
EBIT SEK m	11	13
EBIT margin	1.2%	1.2%

Excluding restructuring costs



## Q4: Group profit development



### Positive factors

- Higher volumes
- More efficient production
- Increased sales prices and better product mix



### Negative factor

- Uncertainty in the UK

SEK m	2010 Oct-Dec	2009 Oct-Dec
Gross margin	39.3%	38.7%
EBIT SEK m	193	166
EBIT margin	5.4%	4.4%

Excluding restructuring costs



## Full-year 2010: Positive trends

- Net sales declined to 14,085m (15,418) mainly due to currency effects
- Organic growth was 0%
- Gross margin improved 2.4 pp to 39.1% (36.7)
- EBIT improved to 517m (346) at a margin of 3.7% (2.2)
- Restructuring costs totalled 511m (308)
- Profit after tax incl. restructuring costs was -89 m (-79)
- EPS including restructuring costs was -0.53 (-0.47)
- Net currency effects on EBIT were 20m (-90)

SEK m	2010 Jan-Dec	2009 Jan-Dec
Gross margin	39.1%	36.7%
EBIT SEK m	517	346
EBIT margin	3.7%	2.2

Excluding restructuring costs

Currency=SEK

## Strengthened financial position

### Operating cash flow

- Further reduction of working capital achieved

### Net debt

- Reduced by 916 m mainly due to the divestment of Culinoma/Pronorm and positive cash flow, but also reduced pension liability

SEK m	2010 Jan-Dec	2009 Jan-Dec
Change in working capital	132	473
Operating cash flow	641	803

SEK m	2010 31 Dec	2009 31 Dec
Net debt	1,510	2,426
- of which pensions	587	656
Net debt/equity	44%	62%

## Creating the leading kitchen specialist

