nobia

Interim report Q3 • 2012

Improved margins

(All figures in brackets refer to the corresponding period in 2011)

Net sales for the third quarter amounted to SEK 2,863 million (3,109). Organic growth was a negative 5 per cent (0). Operating profit excluding net restructuring costs of SEK 26 million (113) amounted to SEK 142 million (126), corresponding to an operating margin of 5.0 per cent (4.1). Profit after tax and including restructuring costs was SEK 62 million (loss: 8), corresponding to earnings per share of SEK 0.37 (loss: 0.05). Operating cash flow amounted to SEK 123 million (124).

Nobia's sales for the third quarter were adversely impacted by weaker market development in all regions.

Negative currency effects of SEK 105 million (neg: 109) impacted net sales for the quarter. Sales declined 5 per cent organically.

The gross margin was 40.1 per cent (38.5), positively impacted by lower material prices, price increases and currency gains.

Operating profit improved, mainly a result of cost savings, lower material prices and price increases, which more than offset lower volumes and a negatively changed sales mix.

Currency effects contributed approximately SEK 10 million (neg: 5) to operating profit excluding restructuring costs, of which negative SEK 5 million (neg: 5) in translation effects and SEK 15 million (0) in transaction effects.

Net restructuring costs amounted to SEK 26 million (113), primarily related to store refurbishments in France and savings measures in Poggenpohl.

The return on capital employed including restructuring costs was 3.2 per cent over the past twelve-month period (Jan–Dec 2011: 3.6).

Operating cash flow amounted to SEK 123 million (124). Higher earnings generation and lower payments for structural measures offset increased investments during the quarter.

Comments from the CEO

"Our efforts to enhance efficiency through cost savings and increased co-ordination have begun to generate results. Despite a weaker market trend and lower sales in the UK and the Nordic regions, the Group's gross margin and operating margin strengthened year-on-year.

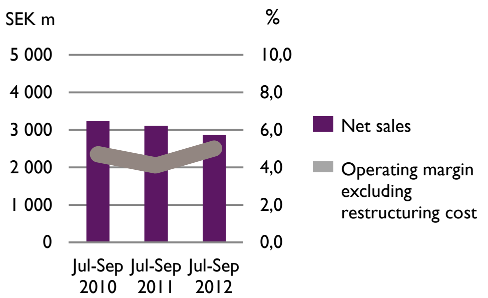
It is also gratifying to see that growth was shown in the Continental Europe region. Project sales deferred during the first half of 2012 were delivered in the third quarter. The French refurbishment programme progressed as planned and the refurbished stores performed well.

Due to anticipations of a continued weak market scenario, the focus in the near future will be on continuous efficiency enhancements in all of the Group's business units," says Morten Falkenberg, President and CEO.

	Jul-Sep			Jan-Sep			Jan-Dec	Oct-Sep
Nobia Group summary	2011	2012	Change, %	2011	2012	Change, %	2011	2011/2012
Net sales, SEK m	3,109	2,863	–8	9,875	9,246	–6	13,114	12,485
Gross margin, %	38.5	40.1	–	39.1	39.8	–	39.1	39.6
Operating margin before depreciation and impairment (EBITDA), %	7.2	8.3	–	7.4	7.2	–	7.0	6.8
Operating profit (EBIT), SEK m	126	142	13	438	369	–16	518	449
Operating margin, %	4.1	5.0	–	4.4	4.0	–	3.9	3.6
Profit after financial items, SEK m	103	121	17	372	298	–20	435	361
Profit/loss after tax, SEK m	–8	62	–	159	132	–17	69	42
Earnings/loss per share, after dilution, SEK	–0.05	0.37	–	0.95	0.79	–17	0.42	0.21
Operating cash flow, SEK m	124	123	–1	136	104	–24	9	–23

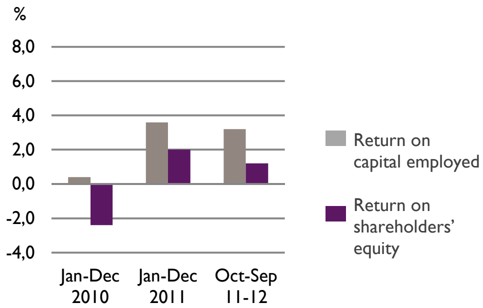
All figures except net sales, profit/loss after tax, earnings/loss per share and operating cash flow have been adjusted for restructuring costs.
Further information about restructuring costs is available on pages 3–5, 7 and 11.

Net sales and operating margin



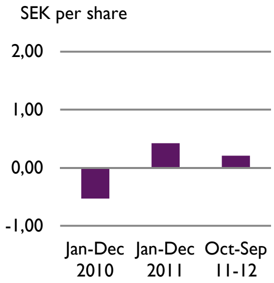
Net sales amounted to SEK 2,863 million and the operating margin to 5.0 per cent.

Profitability trend



The return on capital employed including restructuring costs was 3.2 per cent over the past twelve-month period.

Earnings/loss per share



Earnings per share after dilution amounted to SEK 0.21 over the past twelve-month period.

Analysis of net sales and regional reporting

Negative currency effects of SEK 105 million (neg: 109) impacted third-quarter sales. Organic growth was negative in the UK and the Nordic region, but positive in the Continental Europe region. Combined, organic growth was down 5 per cent (0).

Analysis of net sales

	Jul-Sep		Jan-Sep	
	%	SEK m	%	SEK m
2011		3,109		9,875
Organic growth	–5	–141	–6	–638
– of which UK region	–14	–160	–14	–475
– of which Nordic region	–2	–24	1	57
– of which Continental Europe region	6	48	–8	–215
Currency effect	–3	–105	0	9
2012	–8	2,863	–6	9,246

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

	UK		Nordic		Continental Europe		Group-wide and eliminations		Group		
	Jul-Sep		Jul-Sep		Jul-Sep		Jul-Sep		Jul-Sep		
SEK m	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	Change, %
Net sales from external customers	1,108	963	1,192	1,100	809	800	–	–	3,109	2,863	–8
Net sales from other regions	–	4	–	1	2	2	–2	–7	–	–	–
Net sales	**1,108**	**967**	**1,192**	**1,101**	**811**	**802**	**–2**	**–7**	**3,109**	**2,863**	**–8**
Gross profit excluding restructuring costs	424	384	452	422	310	334	10	8	1,196	1,148	–4
Gross margin excluding restructuring costs, %	38.3	39.7	37.9	38.3	38.2	41.6	–	–	38.5	40.1	–
Operating profit/loss excluding restructuring costs	66	37	102	101	–18	42	–24	–38	126	142	13
Operating margin excluding restructuring costs, %	6.0	3.8	8.6	9.2	–2.2	5.2	–	–	4.1	5.0	–
Operating profit/loss	**56**	**36**	**86**	**101**	**–98**	**17**	**–31**	**–38**	**13**	**116**	**–**
Operating margin, %	5.1	3.7	7.2	9.2	–12.1	2.1	–	–	0.4	4.1	–

nobia

UK region

Net sales for the third quarter amounted to SEK 967 million (1,108). Organic growth was a negative 14 per cent (neg: 5). Net restructuring costs of SEK 1 million (10) were charged to operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 37 million (66) and the operating margin was 3.8 per cent (6.0). Currency effects on operating profit excluding restructuring costs totalled approximately SEK 5 million (neg: 15) comprising a translation effect of SEK 0 million and a transaction effect of SEK 5 million.

Kitchen market

Demand in the UK weakened compared with the year-earlier period. Macroeconomic turbulence had an adverse effect on consumers' willingness to purchase kitchens.

Nobia

Sales declined both to corporate customers (B2B sales) and through Magnet's store network. Magnet's sales fell primarily within Trade and regarding joinery, largely due to the bankruptcy of window supplier Oakworth Joinery in February 2012.

Negative currency effects of SEK 19 million (neg: 89) impacted net sales for the quarter.

The gross margin strengthened, primarily as a result of the positive effects of sales and raw material prices, as well as cost reductions.

Operating profit declined, primarily due to the negative volume trend, which was only partially offset by lower material prices, price increases and cost reductions.

Restructuring costs for the period primarily pertained to costs for the introduction of the range in Magnet stores.

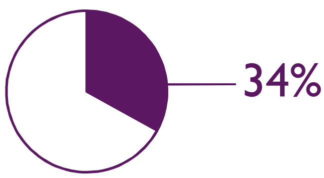
Measured in local currency, operating profit for the region totalled GBP 3.5 million (6.3).

Quarterly data in SEK	2011				2012		
	I	II	III	IV	I	II	III
Net sales, SEK m	1,142	1,137	1,108	1,094	973	1,084	967
Gross profit excl restructuring costs, SEK m	442	430	424	423	387	431	384
Gross margin excl restructuring costs, %	38.7	37.8	38.3	38.7	39.8	39.8	39.7
Operating profit excl restructuring costs, SEK m	54	57	66	46	27	51	37
Operating margin excl restructuring costs, %	4.7	5.0	6.0	4.2	2.8	4.7	3.8
Operating profit, SEK m	54	52	56	37	27	8	36
Operating margin, %	4.7	4.6	5.1	3.4	2.8	0.7	3.7

Quarterly data in GBP	2011				2012		
	I	II	III	IV	I	II	III
Net sales, GBP m	110.0	111.2	106.2	103.0	91.7	98.8	90.8
Gross profit excl restructuring costs, GBP m	42.5	42.2	40.6	39.8	36.5	39.3	36.1
Gross margin excl restructuring costs, %	38.6	37.9	38.2	38.6	39.8	39.8	39.8
Operating profit excl restructuring costs, GBP m	5.2	5.6	6.3	4.3	2.5	4.7	3.5
Operating margin excl restructuring costs, %	4.7	5.0	5.9	4.2	2.7	4.7	3.9
Operating profit/loss, GBP m	5.2	5.1	5.3	3.5	2.5	0.7	3.4
Operating margin, %	4.7	4.6	5.0	3.4	2.7	0.7	3.7

Store trend, Jul-Sep	
Renovated or relocated	–
Newly opened, net	–
Number of kitchen stores (own)	210

Percentage of consolidated net sales, third quarter



Our brands

Gower Interior Solutions Magnet

Nordic region

Net sales for the third quarter amounted to SEK 1,101 million (1,192). Organic growth was a negative 2 per cent (pos: 10). Marginal restructuring costs (16) were charged against operating profit for the quarter. Operating profit excluding restructuring costs totalled SEK 101 million (102) and the operating margin was 9.2 per cent (8.6). Positive currency effects of about SEK 5 million (10) on operating profit excluding restructuring costs comprised a negative translation effect of SEK 5 million and a positive transaction effect of SEK 10 million.

Kitchen market

The Nordic kitchen market weakened year-on-year. The decline was primarily due to a weaker trend in the consumer segment, but also the professional segment is considered to have weakened somewhat, primarily at the end of the period.

Nobia

The sales decrease was attributable to markets in Sweden and Denmark. The decline mainly derived from the consumer segment, but growth in the professional segment was also negative at the end of the period.

Negative currency effects of SEK 67 million (neg: 8) impacted net sales for the quarter.

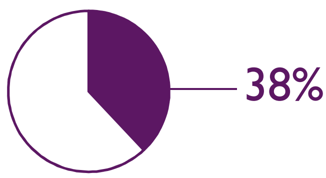
The gross margin improved, primarily as a result of price increases and lower material prices.

The marginal decrease in earnings mainly resulted from lower volumes, which were partially offset by lower costs and positive price effects. Positive effects were generated by the coordination of production in Sweden.

Quarterly data in SEK	2011				2012		
	I	II	III	IV	I	II	III
Net sales, SEK m	1,270	1,432	1,192	1,382	1,319	1,481	1,101
Gross profit excl restructuring costs, SEK m	466	553	452	548	500	590	422
Gross margin excl restructuring costs, %	36.7	38.6	37.9	39.7	37.9	39.8	38.3
Operating profit excl restructuring costs, SEK m	75	159	102	126	106	179	101
Operating margin excl restructuring costs, %	5.9	11.1	8.6	9.1	8.0	12.1	9.2
Operating margin, SEK m	69	148	86	96	106	171	101
Operating margin, %	5.4	10.3	7.2	6.9	8.0	11.5	9.2

Store trend, Jul-Sep	
Renovated or relocated	–
Newly opened, net	–2
Number of kitchen stores (own and franchise)	252
Of which franchise	178
Of which own	74

Percentage of consolidated net sales, third quarter



Our brands

Continental Europe region

Net sales for the third quarter amounted to SEK 802 million (811). Organic growth was 6 per cent (neg: 6). Net restructuring costs of SEK 25 million (80) were charged to operating profit for the quarter. Operating profit excluding restructuring costs amounted to 42 million (loss: 18) and the operating margin was 5.2 per cent (neg: 2.2). Currency effects of approximately SEK 0 million (0) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of SEK 0 million.

Kitchen market

Overall demand in the region's main markets is deemed to have weakened compared with the year-earlier period, due to the macro-economic uncertainty.

Nobia

The organic increase in sales was attributable to higher volumes in Hygena and Poggenpohl. Poggenpohl's sales increased primarily as a result of increased project sales, partially deriving from previously deferred deliveries to customers in Asia. Hygena's sales in comparable stores increased.

Negative currency effects of SEK 57 million (neg: 12) impacted net sales for the quarter.

The gross margin strengthened, mainly a result of higher volumes and lower costs, but also positive price effects.

The earnings improvement resulted primarily from higher volumes, cost savings and price increases.

Restructuring costs for the period derived primarily from store refurbishments in Hygena and cost-cutting measures in Poggenpohl.

During the quarter, 16 Hygena stores were refurbished. This means that only a few stores remain in the extensive refurbishment programme, which is scheduled for completion in the fourth quarter. A possible relocation of the remaining ten stores is being considered.

Quarterly data in SEK	2011				2012		
	I	II	III	IV	I	II	III
Net sales, SEK m	798	993	811	766	645	888	802
Gross profit excl restructuring costs, SEK m	316	414	310	279	244	357	334
Gross margin excl restructuring costs, %	39.6	41.7	38.2	36.4	37.8	40.2	41.6
Operating profit excl restructuring costs, SEK m	-34	41	-18	-59	-76	22	42
Operating margin excl restructuring costs, %	-4.3	4.1	-2.2	-7.7	-11.8	2.5	5.2
Operating profit/loss, SEK m	-22	36	-98	-188	-79	11	17
Operating margin, %	-2.8	3.6	-12.1	-24.5	-12.2	1.2	2.1

Store trend, Jul-Sep	
Renovated or relocated	16
Newly opened, net	–
Number of kitchen stores (own and franchise)	163
Of which franchise	1
Of which own	162

Percentage of consolidated net sales, third quarter

Consolidated earnings, cash flow and financial position January–September 2012

Net sales for the first nine months amounted to SEK 9,246 million (9,875). Organic growth was a negative 6 per cent (pos: 1). Operating profit excluding net restructuring costs of SEK 100 million (145) amounted to SEK 369 million (438), corresponding to an operating margin of 4.0 per cent (4.4). Profit after tax and including restructuring costs was SEK 132 million (159), corresponding to earnings per share of SEK 0.79 (0.95). Operating cash flow totaled SEK 104 million (136).

The kitchen markets in Europe developed negatively during the first nine months of 2012.

Nobia's organic growth was negative 6 per cent, specified as follows: negative 14 per cent in the UK, positive 1 per cent in the Nordic region and negative 8 per cent in Continental Europe.

Currency effects made a positive contribution of SEK 9 million (neg: 668) on net sales.

Currency effects on operating profit excluding restructuring costs amounted to approximately SEK 20 million (25), comprising a translation effect of SEK 0 million (neg: 30) and a transaction effect of SEK 20 million (pos: 55).

Operating profit of SEK 369 million (438) was negatively impacted by lower volumes, which could only partly be offset by price increases and lower costs.

Group-wide items and eliminations resulted in an operating loss of SEK 120 million (loss: 64). This decline was due to a reallocation between central and local activities and certain nonrecurring items.

Net financial items amounted to an expense of SEK 71 million (expense: 66). Net financial items include the net of return on pension assets and interest expense for pension liabilities corresponding to an expense of SEK 28 million (expense: 22).

Net interest expense totalled SEK 44 million (expense: 46).

Operating cash flow was adversely affected by lower earnings generation and a higher investment level, which were only partly offset by the improvement in working capital.

The return on capital employed over the past twelve-month period amounted to 3.2 per cent (Jan–Dec 2011: 3.6) and the return on shareholders' equity was 1.2 per cent (Jan–Dec 2011: 2.0).

Nobia's investments in fixed assets amounted to SEK 262 million (221), of which SEK 173 million (91) pertained to store investments, primarily in Hygena.

Goodwill at the end of the period amounted to SEK 2,590 million (2,736), or 73 per cent (74) of the Group's shareholders' equity.

Net debt including pension provisions amounted to SEK 1,509 million (1,466). The debt/equity ratio was 43 per cent at the end of the period (40).

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

	UK		Nordic		Continental Europe		Group-wide and eliminations		Group		
	Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		Jan-Sep		
SEK m	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	Change, %
Net sales from external customers	3,387	3,017	3,894	3,900	2,594	2,329	–	–	9,875	9,246	-6
Net sales from other regions	–	7	–	1	8	6	-8	-14	–	–	–
Total net sales	**3,387**	**3,024**	**3,894**	**3,901**	**2,602**	**2,335**	**-8**	**-14**	**9,875**	**9,246**	**-6**
Gross profit excl restructuring costs	1,296	1,202	1,471	1,512	1,040	935	53	28	3,860	3,677	-5
Gross margin excl restructuring costs, %	38.3	39.7	37.8	38.8	40.0	40.0	–	–	39.1	39.8	–
Operating profit excl restructuring costs	177	115	336	386	-11	-12	-64	-120	438	369	-16
Operating margin excl restructuring costs, %	5.2	3.8	8.6	9.9	-0.4	-0.5	–	–	4.4	4.0	–
Operating profit (EBIT)	162	71	303	378	-84	-51	-88	-129	293	269	-8
Operating margin, %	4.8	2.3	7.8	9.7	-3.2	-2.2	–	–	3.0	2.9	–
Financial items	–	–	–	–	–	–	–	–	-66	-71	-8
Profit after financial items	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**227**	**198**	**-13**

Restructuring measures in progress

Restructuring costs pertain to certain nonrecurring costs; see page 11. Net restructuring costs for the period January–September amounted to SEK 100 million (145) and primarily pertained to costs for introducing the Group-wide range in the UK, but also to store refurbishments in Continental Europe and relocation of production in the Nordic region.

Approved and implemented restructuring measures of SEK 149 million (179) were charged to cash flow, of which SEK 114 million (107) derived from restructuring measures decided in the preceding year.

Negotiations in Stemwede

Nobia has commenced union negotiations concerning a relocation of product manufacturing under the Hygena brand from Stemwede in Germany to the company's production facilities in the UK, and a closure of the operations for sales and manufacturing of kitchens in Stemwede, which are primarily conducted to German DIY retailers. How and when this can be carried out depends on the outcome of the negotiations and could lead to a need for provisions and impairment losses in the fourth quarter.

Divested operations and fixed assets held for sale

In the period 2010-2011, Nobia acquired a number of stores from franchisees with the intention of selling these on. At the end of 2011, Nobia had two stores in Denmark and four stores in Sweden, a total of six stores, which are recognised in the Nordic region as discontinued operations and a divestment group held for sale in accordance with IFRS 5. No change took place in the first six months of 2012, but another store was acquired in Denmark during the third quarter.

Loss after tax for these stores amounted to SEK 16 million (loss: 6) for the period January–September 2012.

Nobia intends to divest one production property in both Denmark and Sweden in 2012. These properties are recognised in accordance with IFRS 5 under assets held for sale in the Nordic region.

Corporate acquisitions and divestments

No corporate acquisitions or divestments were made during the period January–September 2012.

Personnel

The number of employees at the end of the period was 7,425 (7,737). The decrease was primarily due to savings measures in all regions.

Nomination Committee

Owners representing 53 per cent of the share capital and votes in Nobia have appointed a Nomination Committee comprising the following members: Thomas Billing (Chairman of the Nomination Committee), Nordstjernan; Fredrik Palmstierna, Latour; Ricard Wennerklint, If Skadeförsäkring; Björn Franzon, Swedbank Robur funds, and Johan Molin, Chairman of the Board.

Nobia's shareholders are welcome to submit comments and proposals to the Nomination Committee. Please contact: Tomas Billing, Chairman of the Nomination Committee, tel: +46 8 788 50 00 or by post to Nobia AB, Valberedningen, Box 70376, SE-107 24 Stockholm.

The Annual General Meeting will be held in Stockholm on Thursday, 11 April 2013.

Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 45 million (62) during the period.

The Parent Company reported no earnings from participations in Group companies (112).

Other matters

In September, the Swedish government proposed that corporation tax be lowered from 26.3 per cent to 22 per cent as of 1 January 2013. If the proposed tax reduction is introduced, Nobia's deferred tax liabilities and receivables on 31 December 2012 will decrease, to the extent that they are attributable to Swedish units. An analysis of the effects has been initiated and will be completed during the fourth quarter.

Currency effect (EBIT)*

	Translation effect		Transaction effect		Total effect	
SEK m	Q3	Jan-Sep	Q3	Jan-Sep	Q3	Jan-Sep
UK region	0	5	5	0	5	5
Nordic region	–5	–5	10	20	5	15
Continental Europe region	0	0	0	0	0	0
Group	**–5**	**0**	**15**	**20**	**10**	**20**

* Pertains to effects excluding restructuring costs.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 30-31 of the 2011 Annual Report. Demand in the Nordic professional market was weakly positive during the first six months, but has declined somewhat during the third quarter. Demand in other markets continued to be weak. This means that combined production and deliveries are still at a low level. Nobia continues to capitalise on synergies and economies of scale by harmonising the product range, co-ordinating production and enhancing purchasing efficiency. Nobia's balance sheet contains goodwill of SEK 2,590 million. The value of this asset item is tested if there are any indications of a decline in value and at least annually. Nobia's balance sheet also contains deferred tax assets, the value of which is dependent on Hygena reporting fiscal earnings. It is therefore critical to maintain the positive trend created by restructuring measures in Hygena to avoid impairment losses on goodwill and deferred tax assets. The uncertainties arising in regard to Stemwede in Germany are presented above.

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 Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. In this interim report, Nobia has applied the same accounting policies as were applied in the 2011 Annual Report.

New or revised IFRS and interpretive statements from the IFRS Interpretations Committee (IFRS IC) will come into effect in forthcoming fiscal years and were not applied in advance to the preparation of these financial statements.

For further information

Please contact any of the following on: +46 (0)8 440 16 00 or +46 (0)705 95 51 00:

- Morten Falkenberg, President and CEO
- Mikael Norman, CFO
- Lena Schattauer, Head of Investor Relations

Presentation

The interim report will be presented on Friday, 26 October at 9:00 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:

- From Sweden: +46 (0)8 506 307 79
- From the UK: +44 (0)844 571 8957
- From the US: +1 866 682 8490

Financial calendar

13 February 2013	Year-end report Jan-Dec 2012
30 April 2013	Interim report Jan-Mar 2013

Stockholm, 26 October 2012

Morten Falkenberg
President and CEO

Nobia AB, Corporate Registration Number 556528-2752

Report on Review of Interim Financial Information

Introduction

We have reviewed the interim report of Nobia AB (publ) as of September 30, 2012 and for the nine-month period then ended. The Board of directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. 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 based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the group and in accordance with the Annual Accounts Act for the parent company.

Stockholm 26 October, 2012

KPMG AB

Helene Willberg
Authorized public accountant

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 26 October at 7:30 a.m. CET.

Box 70376 • SE-107 24 Stockholm, Sweden • Visiting address: Klarabergsviadukten 70 A5 • Tel +46 8-440 16 00 • Fax +46 8-503 826 49 • www.nobia.se
Corporate Registration Number: 556528-2752 • The registered office of the Board of Directors is in Stockholm, Sweden

Condensed consolidated income statement

SEK m	Jul-Sep 2011	Jul-Sep 2012	Jan-Sep 2011	Jan-Sep 2012	Jan-Dec 2011	Oct-Sep 2011/12
Net sales	3,109	2,863	9,875	9,246	13,114	12,485
Cost of goods sold	-1,934	-1,724	-6,046	-5,615	-8,066	-7,635
Gross profit	**1,175**	**1,139**	**3,829**	**3,631**	**5,048**	**4,850**
Selling and administration expenses	-1,166	-1,035	-3,535	-3,371	-4,851	-4,687
Other income/expenses	4	12	-1	9	-13	-3
Operating profit	**13**	**116**	**293**	**269**	**184**	**160**
Net financial items	-23	-21	-66	-71	-83	-88
Profit/loss after financial items	**-10**	**95**	**227**	**198**	**101**	**72**
Tax	4	-25	-62	-50	-16	-4
Profit/loss after tax from continuing operations	**-6**	**70**	**165**	**148**	**85**	**68**
Profit/loss from divested operations, net after tax	-2	-8	-6	-16	-16	-26
Profit/loss after tax	**-8**	**62**	**159**	**132**	**69**	**42**
Total depreciation	97	96	289	296	390	397
Total impairment	55	-1	63	18	58	13
Gross margin, %	37.8	39.8	38.8	39.3	38.5	38.8
Operating margin, %	0.4	4.1	3.0	2.9	1.4	1.3
Return on capital employed, %	–	–	–	–	3.6	3.2
Return on shareholders equity, %	–	–	–	–	2.0	1.2
Earnings per share before dilution, SEK[1]	-0.05	0.37	0.95	0.79	0.42	0.21
Earnings per share after dilution, SEK[1]	-0.05	0.37	0.95	0.79	0.42	0.21
Number of shares at period end before dilution, 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
Number of shares after dilution at period end, 000s[2]	167,131	167,230	167,151	167,222	167,131	167,222
Average number of shares after dilution, 000s[2]	167,131	167,230	167,151	167,176	167,131	167,165

1) Earnings/loss per share attributable to Parent Company shareholders.
2) Excluding treasury shares.

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
Profit/loss after tax	-8	62	159	132	69	42
Other comprehensive income						
Exchange-rate differences attributable to translation of foreign operations	105	-129	78	-134	11	-201
Cash flow hedges before tax	-6	-3	0	0	-9	-9
Tax attributable to change in hedging reserve for the period	2	1	0	0	2	2
Other comprehensive income/loss	**101**	**-131**	**78**	**-134**	**4**	**-208**
Total comprehensive income/loss	**93**	**-69**	**237**	**-2**	**73**	**-166**
Total profit attributable to:						
Parent Company shareholders	-8	62	159	132	70	43
Non-controlling interests	0	0	0	0	-1	-1
Total profit/loss	**-8**	**62**	**159**	**132**	**69**	**42**
Total comprehensive income attributable to:						
Parent Company shareholders	93	-69	237	-2	74	-165
Non-controlling interests	0	0	0	0	-1	-1
Total comprehensive income/loss	**93**	**-69**	**237**	**-2**	**73**	**-166**

Specification of restructuring costs

Restructuring costs per function	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
Cost of goods sold	-21	-9	-31	-46	-74	-89
Selling and administrative expenses	-86	-17	-107	-50	-235	-178
Other expenses	-6	0	-7	-4	-25	-22
Total restructuring costs	**-113**	**-26**	**-145**	**-100**	**-334**	**-289**

Restructuring costs per region	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
				2)	4)	
UK	-10	-1	-15	-44 3)	-24	-53
Nordic	-16	0	-33 1)	-8	-63 5)	-38
Continental Europe	-80	-25	-73	-39	-202 6)	-168
Group-wide and eliminations	-7	0	-24	-9	-45	-30
Group	**-113**	**-26**	**-145**	**-100**	**-334**	**-289**

1) Impairment amounted to SEK 55 million and pertained to buidings and kitchen displays.
2) Impairment amounted to SEK 16 million and pertained to kitchen displays.
3) Impairment amounted to SEK 2 million and pertained to machinery.
4) Impairment amounted to SEK 3 million and pertained to inventory.
5) Impairment amounted to SEK 29 million and pertained to store fittings and kitchen displays in Hygena.
6) Impairment amounted to SEK 17 million and pertained to property in Germany.

Condensed consolidated balance sheet

	30 Sep		31 Dec
SEK m	2011	2012	2011
ASSETS			
Goodwill	2,736	2,590	2,681
Other intangible fixed assets	271	205	249
Tangible fixed assets	2,032	1,941	2,111
Long-term receivables	60	54	59
Deferred tax assets	458	474	456
Total fixed assets	**5,557**	**5,264**	**5,556**
Inventories	1,009	1,006	1,005
Accounts receivable	1,407	1,172	1,210
Other receivables	352	425	422
Total current receivables	*1,759*	*1,597*	*1,632*
Cash and cash equivalents	228	165	152
Assets held for sale	81	74	71
Total current assets	**3,077**	**2,842**	**2,860**
Total assets	**8,634**	**8,106**	**8,416**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,457	1,461	1,459
Reserves	-304	-512	-378
Profit brought forward	2,471	2,514	2,382
Total shareholders' equity attributable to Parent Company shareholders	*3,682*	*3,521*	*3,521*
Non-controlling interests	5	4	4
Total shareholders' equity	**3,687**	**3,525**	**3,525**
Provisions for pensions	573	543	565
Other provisions	301	313	404
Deferred tax liabilities	212	191	207
Other long-term liabilities, interest-bearing	1,007	1,010	1,106
Total long-term liabilities	**2,093**	**2,057**	**2,282**
Current liabilities, interest-bearing	122	126	73
Current liabilities, non-interest-bearing	2,730	2,395	2,534
Liabilities attributable to assets held for sale	2	3	2
Total current liabilities	**2,854**	**2,524**	**2,609**
Total shareholders' equity and liabilities	**8,634**	**8,106**	**8,416**
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	43	43	42
Debt/equity ratio, %	40	43	45
Net debt, SEK m	1,466	1,509	1,586
Capital employed, closing balance, SEK m	5,389	5,205	5,269

Statement of changes in consolidated shareholders' equity

	Attributable to Parent Company shareholders							
SEK m	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 share-holders equity
Opening balance, 1 January 2011	58	1,453	-381	-1	2,312	3,441	5	3,446
Profit for the period	–	–	–	–	159	159	0	159
Other comprehensive income/loss for the period	–	–	78	0	–	78	0	78
Total comprenhensive income/loss for the period	**–**	**–**	**78**	**0**	**159**	**237**	**0**	**237**
Dividend	–	–	–	–	–	–	–	–
Allocation of employee share option scheme	–	4	–	–	–	4	–	4
Closing balance, 30 September 2011	**58**	**1,457**	**-303**	**-1**	**2,471**	**3,682**	**5**	**3,687**
Opening balance, 1 January 2012	58	1,459	-370	-8	2,382	3,521	4	3,525
Profit for the period	–	–	–	–	132	132	0	132
Other comprehensive income/loss for the period	–	–	-134	0	–	-134	0	-134
Total comprehensive income for the period	**–**	**–**	**-134**	**0**	**132**	**-2**	**0**	**-2**
Dividend	–	–	–	–	–	–	–	–
Allocation of employee share option and share saving schemes	–	2	–	–	–	2	–	2
Closing balance, 30 September 2012	**58**	**1,461**	**-504**	**-8**	**2,514**	**3,521**	**4**	**3,525**

Condensed consolidated cash-flow statement

	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
Operating activities						
Operating profit	13	116	293	269	184	160
Depreciation/Impairment	152	95	352 [1)]	314 [2)]	448 [3)]	410
Adjustments for non-cash items	40	1	29	19	179	169
Tax paid	-20	-22	-73	-85	-82	-94
Change in working capital	-6	4	-279	-213	-316	-250
Cash flow from operating activities	**179**	**194**	**322**	**304**	**413**	**395**
Investing activities						
Investments in fixed assets	-81	-91	-221	-262	-471	-512
Other items in investing activities	26	20	35	62	67	94
Interest received	0	0	4	5	8	9
Change in interest-bearing assets	-1	0	3	0	5	2
Cash flow from investing activities	**-56**	**-71**	**-179**	**-195**	**-391**	**-407**
Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	**124**	**123**	**136**	**104**	**9**	**-23**
Operating cash flow after aquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	123	123	143	109	22	-12
Financing activities						
Interest paid	-16	-12	-50	-49	-66	-65
Change in interest-bearing liabilities	-90	-81	-225 [4)]	-40 [5)]	-159 [6)]	26
Dividend	-	-	-	-	0	0
Cash flow from financing activities	**-106**	**-93**	**-275**	**-89**	**-225**	**-39**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**17**	**30**	**-132**	**20**	**-203**	**-51**
Cash and cash equivalents at beginning of the period	**205**	**141**	**356**	**152**	**356**	**228**
Cash flow for the period	17	30	-132	20	-203	-51
Exchange-rate differences in cash and cash equivalents	6	-6	4	-7	-1	-12
Cash and cash equivalents at period-end	**228**	**165**	**228**	**165**	**152**	**165**

1) Impairment amounted to SEK 63 million, of which SEK 44 million pertained to buildings, SEK 2 million to machinery and SEK 17 million to kitchen displays.
2) Impairment amounted to SEK 18 million, of which SEK 2 million pertained to machinery and SEK 16 million to kitchen displays.
3) Impairment amounted to SEK 58 million, of which SEK 17 million pertained to property, SEK 21 million to machinery and other technical equipment , SEK 12 million to kitchen displays, SEK 4 million to buildings and SEK 4 million to equipment.
4) Loan repayments totalling SEK 260 million.
5) Loan repayments totalling 80 million.
6) Loan repayments totalling 130 million.

Analysis of net debt	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
Opening balance	**1,541**	**1,646**	**1,510**	**1,586**	**1,510**	**1,466**
Translation differences	25	-36	26	-47	-5	-78
Operating cash flow	-124	-123	-136	-104	-9	23
Interest paid, net	16	12	46	44	58	56
Change in pension liabilities	8	10	20	30	32	42
Dividend	–	–	–	–	0	0
Closing balance	**1,466**	**1,509**	**1,466**	**1,509**	**1,586**	**1,509**

Parent Company

Condensed Parent Company income statement	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
Net sales	14	16	65	45	80	60
Administrative expenses	-30	-33	-109	-112	-145	-148
Operating loss	**-16**	**-17**	**-44**	**-67**	**-65**	**-88**
Profit from shares in Group companies	100	0	112	0	193	81
Other financial income and expenses	-28	2	-70	-17	-70	-17
Profit/loss after financial items	**56**	**-15**	**-2**	**-84**	**58**	**-24**
Tax on profit/loss for the period	-1	0	-1	0	-1	0
Profit/loss for the period	**55**	**-15**	**-3**	**-84**	**57**	**-24**

Parent Company balance sheet	30 Sep		31 Dec
SEK m	2011	2012	2011
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,249	1,251	1,250
Total fixed assets	**1,249**	**1,251**	**1,250**
Current assets			
Current receivables			
Accounts receivable	5	3	25
Receivables from Group companies	3,983	3,712	3,832
Other receivables	3	5	2
Prepaid expenses and accrued income	17	31	10
Cash and cash equivalents	122	40	33
Total current assets	**4,130**	**3,791**	**3,902**
Total assets	**5,379**	**5,042**	**5,152**
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	52	52	52
Buy-back of shares	-468	-468	-468
Profit brought forward	2,185	2,246	2,188
Profit/loss for the period	-3	-84	57
	1,766	**1,746**	**1,829**
Total shareholders' equity	**3,495**	**3,475**	**3,558**
Provisions for pensions	**8**	**9**	**8**
Long-term liabilities			
Liabilities to credit institutes	800	800	800
Current liabilities			
Liabilities to credit institutes	123	125	71
Accounts payable	7	11	9
Liabilities to Group companies	895	598	644
Other liabilities	2	3	3
Accrued expenses and deferred income	49	21	59
Total current liabilities	**1,076**	**758**	**786**
Total shareholders' equity, provisions and liabilities	**5,379**	**5,042**	**5,152**
Pledged assets	–	–	–
Contingent liabilities	433	379	535

Comparative data per region

Net sales	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
UK	1,108	967	3,387	3,024	4,481	4,118
Nordic	1,192	1,101	3,894	3,901	5,276	5,283
Continental Europe	811	802	2,602	2,335	3,368	3,101
Group-wide and eliminations	-2	-7	-8	-14	-11	-17
Group	**3,109**	**2,863**	**9,875**	**9,246**	**13,114**	**12,485**

Gross profit excluding restructuring costs	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
UK	424	384	1,296	1,202	1,719	1,625
Nordic	452	422	1,471	1,512	2,019	2,060
Continental Europe	310	334	1,040	935	1,319	1,214
Group-wide and eliminations	10	8	53	28	65	40
Group	**1,196**	**1,148**	**3,860**	**3,677**	**5,122**	**4,939**

Gross margin excluding restructuring costs	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
%	2011	2012	2011	2012	2011	2011/12
UK	38.3	39.7	38.3	39.7	38.4	39.5
Nordic	37.9	38.3	37.8	38.8	38.3	39.0
Continental Europe	38.2	41.6	40.0	40.0	39.2	39.1
Group	**38.5**	**40.1**	**39.1**	**39.8**	**39.1**	**39.6**

Operating profit excluding restructuring costs	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
UK	66	37	177	115	223	161
Nordic	102	101	336	386	462	512
Continental Europe	-18	42	-11	-12	-70	-71
Group-wide and eliminations	-24	-38	-64	-120	-97	-153
Group	**126**	**142**	**438**	**369**	**518**	**449**

Operating margin excluding restructuring costs	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
%	2011	2012	2011	2012	2011	2011/12
UK	6.0	3.8	5.2	3.8	5.0	3.9
Nordic	8.6	9.2	8.6	9.9	8.8	9.7
Continental Europe	-2.2	5.2	-0.4	-0.5	-2.1	-2.3
Group	**4.1**	**5.0**	**4.4**	**4.0**	**3.9**	**3.6**

Operating profit	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
SEK m	2011	2012	2011	2012	2011	2011/12
UK	56	36	162	71	199	108
Nordic	86	101	303	378	399	474
Continental Europe	-98	17	-84	-51	-272	-239
Group-wide and eliminations	-31	-38	-88	-129	-142	-183
Group	**13**	**116**	**293**	**269**	**184**	**160**

Operating margin	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
%	2011	2012	2011	2012	2011	2011/12
UK	5.1	3.7	4.8	2.3	4.4	2.6
Nordic	7.2	9.2	7.8	9.7	7.6	9.0
Continental Europe	-12.1	2.1	-3.2	-2.2	-8.1	-7.7
Group	**0.4**	**4.1**	**3.0**	**2.9**	**1.4**	**1.3**

Quarterly data per region

Net sales	2011				2012		
SEK m	I	II	III	IV	I	II	III
UK	1,142	1,137	1,108	1,094	973	1,084	967
Nordic	1,270	1,432	1,192	1,382	1,319	1,481	1,101
Continental Europe	798	993	811	766	645	888	802
Group-wide and eliminations	-3	-3	-2	-3	-3	-4	-7
Group	**3,207**	**3,559**	**3,109**	**3,239**	**2,934**	**3,449**	**2,863**

Gross profit excluding restructuring costs	2011				2012		
SEK m	I	II	III	IV	I	II	III
UK	442	430	424	423	387	431	384
Nordic	466	553	452	548	500	590	422
Continental Europe	316	414	310	279	244	357	334
Group-wide and eliminations	16	27	10	12	14	6	8
Group	**1,240**	**1,424**	**1,196**	**1,262**	**1,145**	**1,384**	**1,148**

Gross margin excluding restructuring costs	2011				2012		
%	I	II	III	IV	I	II	III
UK	38.7	37.8	38.3	38.7	39.8	39.8	39.7
Nordic	36.7	38.6	37.9	39.7	37.9	39.8	38.3
Continental Europe	39.6	41.7	38.2	36.4	37.8	40.2	41.6
Group	**38.7**	**40.0**	**38.5**	**39.0**	**39.0**	**40.1**	**40.1**

Operating profit excluding restructuring costs	2011				2012		
SEK m	I	II	III	IV	I	II	III
UK	54	57	66	46	27	51	37
Nordic	75	159	102	126	106	179	101
Continental Europe	-34	41	-18	-59	-76	22	42
Group-wide and eliminations	-24	-16	-24	-33	-35	-47	-38
Group	**71**	**241**	**126**	**80**	**22**	**205**	**142**

Operating margin excluding restructuring costs	2011				2012		
%	I	II	III	IV	I	II	III
UK	4.7	5.0	6.0	4.2	2.8	4.7	3.8
Nordic	5.9	11.1	8.6	9.1	8.0	12.1	9.2
Continental Europe	-4.3	4.1	-2.2	-7.7	-11.8	2.5	5.2
Group	**2.2**	**6.8**	**4.1**	**2.5**	**0.7**	**5.9**	**5.0**

Operating profit	2011				2012		
SEK m	I	II	III	IV	I	II	III
UK	54	52	56	37	27	8	36
Nordic	69	148	86	96	106	171	101
Continental Europe	-22	36	-98	-188	-79	11	17
Group-wide and eliminations	-38	-19	-31	-54	-44	-47	-38
Group	**63**	**217**	**13**	**-109**	**10**	**143**	**116**

Operating margin	2011				2012		
%	I	II	III	IV	I	II	III
UK	4.7	4.6	5.1	3.4	2.8	0.7	3.7
Nordic	5.4	10.3	7.2	6.9	8.0	11.5	9.2
Continental Europe	-2.8	3.6	-12.1	-24.5	-12.2	1.2	2.1
Group	**2.0**	**6.1**	**0.4**	**-3.4**	**0.3**	**4.1**	**4.1**

Definitions

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
Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities 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, interest received, increase/decrease of interest-bearing assets.

Region
Region corresponds to operating segment according to IFRS 8.

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

Operating margin
Operating profit as a percentage of net sales.

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

Equity/assets ratio
Shareholders' equity, including non-controlling interests, as a percentage of total assets.

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

Currency effects
Translation effects refer to the currency effects arising when foreign results and balance sheets are translated to SEK.
Transaction effects refer to the currency effects arising when purchases or sales are made in currency other than the currency of the producing country (functional currency).