

Effects of amendments to IAS 19 Employee Benefits

Up until 31 December 2012, Nobia applied the corridor method when recognising the Group's pension liabilities. The updated standard, IAS 19 Employee Benefits, no longer permits the application of the corridor method. This entails that actuarial gains and losses on commitments are to be recognised in other comprehensive income. The standard also requires that the company uses the same interest rate when discounting pension commitments as when calculating the expected return on plan assets. The difference between actual and calculated returns on plan assets is also recognised in other comprehensive income.

The updated standard is applicable from 1 January 2013 with full retroactive application. For Nobia, the standard entails an increase in pension liabilities and a corresponding reduction, taking into consideration tax effects, in profit brought forward.

As per 31 December 2012, unrecognised actuarial losses in the Group amounted to SEK 290 million, and these losses have thus increased pension liabilities, with SEK 223 million of the amount reducing shareholders' equity and SEK 67 million increasing deferred tax assets. Nobia classifies pension liabilities as a financial liability and accordingly net debt was impacted by the change in pension liabilities.

The changed method for calculating the return on plan assets that is recognised in profit and loss has not been affected to any material extent.

The effects on the 2012 quarterly financial statements are presented in the table below, including the opening balance for 2012. The effects on the consolidated income statement are relatively minor, except for other comprehensive income, which is why the effects have not been reported separately below.

The effects of this accounting change are presented in more detail in the following pages.

	Jan-Dec 2011			Jan-Mar 2012			Jan-Jun 2012			Jan-Sep 2012			Jan-Dec 2012		
	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated
Total comprehensive income/loss	N/A	N/A	N/A	-46	69	23	67	28	95	-2	-15	-17	-639	-85	-724

	31 Dec 2011			31 Mar 2012			30 Jun 2012			30 Sep 2012			31 Dec 2012		
	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated	Actual	Adjustment	Restated
Total fixed assets	5,556	46	5,602	5,471	22	5,493	5,468	35	5,503	5,264	46	5,310	4,715	67	4,782
Total current assets	2,860		2,860	3,105		3,105	3,052		3,052	2,842		2,842	2,496		2,496
Total assets	8,416	46	8,462	8,576	22	8,598	8,520	35	8,555	8,106	46	8,152	7,211	67	7,278
Total shareholders' equity	3,525	-138	3,387	3,481	-69	3,412	3,596	-110	3,486	3,525	-153	3,372	2,885	-223	2,662
Total long-term liabilities	2,282	184	2,466	2,435	91	2,526	2,210	145	2,355	2,057	199	2,256	1,929	290	2,219
Total long-term liabilities	2,609		2,609	2,660		2,660	2,714		2,714	2,524		2,524	2,397		2,397
Total shareholders' equity and liabilities	8,416	46	8,462	8,576	22	8,598	8,520	35	8,555	8,106	46	8,152	7,211	67	7,278

	31 dec 2011		31 mar 2012		30 jun 2012		30 sep 2012		31 dec 2012						
	Actual	Restated	Actual	Restated	Actual	Restated	Actual	Restated	Actual	Restated					
Nyckeltal															
Equity/assets ratio, %	42%	40%	41%	40%	42%	41%	43%	41%	40%	37%					
Debt/equity ratio, %	45%	52%	52%	56%	46%	51%	43%	51%	49%	64%					
Net debt, SEK m	1,586	184	1,770	1,814	91	1,905	1,646	145	1,791	1,509	199	1,708	1,417	290	1,707
Capital employed, closing balance, SEK m	5,269	46	5,315	5,510	22	5,532	5,388	35	5,423	5,205	46	5,251	4,479	67	4,546

Condensed consolidated income statement
according to new accounting principle

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
SEK m	2012				2012
Net Sales	2,934	3,449	2,863	3,097	12,343
Cost of goods sold	-1,791	-2,100	-1,724	-1,937	-7,552
Gross profit	1,143	1,349	1,139	1,160	4,791
Sales and administration expenses	-1,133	-1,203	-1,035	-1,643	-5,014
Other income/expenses	0	-3	12	-60	-51
Operating profit	10	143	116	-543	-274
Net financial items	-23	-27	-21	-25	-96
Profit/loss after financial items	-13	116	95	-568	-370
Tax	5	-30	-25	-105	-155
Profit/loss after tax from continuing operations	-8	86	70	-673	-525
Profit/loss from discontinued operations, net after tax	-4	-4	-8	-4	-20
Profit/loss after tax	-12	82	62	-677	-545
Total profit attributable to:					
Parent Company shareholders	-12	82	62	-678	-546
Non-controlling interests	0	0	0	1	1
Total profit /loss after tax	-12	82	62	-677	-545
Return on capital employed, %					-5.3
Return on shareholders equity, %					-17.7
Earnings per share before dilution, SEK ¹⁾	-0.07	0.49	0.37	-4.06	-3.27
Earnings per share after dilution, SEK ¹⁾	-0.07	0.49	0.37	-4.06	-3.27

Consolidated statement of comprehensive income
according to new accounting principle

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
SEK m	2012				2012
Profit/loss after tax	-12	82	62	-677	-545
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange-rate differences attributable to translation					
of foreign operations	-35	28	-126	33	-100
Cash flow hedges before tax	2	1	-3	11	11
Tax attributable to change in hedging reserve for the period	0	-1	1	-3	-3
	-33	28	-128	41	-92
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans	92	-50	-59	-91	-108
Tax relating to items that will not be reclassified	-24	12	13	20	21
	68	-38	-46	-71	-87
Other comprehensive income/loss	35	-10	-174	-30	-179
Total comprehensive income/loss	23	72	-112	-707	-724
Total comprehensive income attributable to:					
Parent Company shareholders	23	72	-112	-708	-725
Non-controlling interests	0	0	0	1	1
Total comprehensive income/loss	23	72	-112	-707	-724

Condensed consolidated income statement
according to previous accounting policy

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
SEK m	2012				2012
Net Sales	2,934	3,449	2,863	3,097	12,343
Cost of goods sold	-1,791	-2,100	-1,724	-1,937	-7,552
Gross profit	1,143	1,349	1,139	1,160	4,791
Sales and administration expenses	-1,133	-1,203	-1,035	-1,643	-5,014
Other income/expenses	0	-3	12	-60	-51
Operating profit	10	143	116	-543	-274
Net financial items	-23	-27	-21	-22	-93
Profit/loss after financial items	-13	116	95	-565	-367
Tax	5	-30	-25	-106	-156
Profit/loss after tax from continuing operations	-8	86	70	-671	-523
Profit/loss from discontinued operations, net after tax	-4	-4	-8	-4	-20
Profit/loss after tax	-12	82	62	-675	-543
Total profit attributable to:					
Parent Company shareholders	-12	82	62	-676	-544
Non-controlling interests	0	0	0	1	1
Total profit /loss after tax	-12	82	62	-675	-543
Return on capital employed, %					-5.4
Return on shareholders equity, %					-17.0
Earnings per share before dilution, SEK ¹⁾	-0.07	0.49	0.37	-4.04	-3.25
Earnings per share after dilution, SEK ¹⁾	-0.07	0.49	0.37	-4.04	-3.25

Consolidated statement of comprehensive income
according to previous accounting principle

	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
SEK m	2012				2012
Profit/loss after tax	-12	82	62	-675	-543
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Exchange-rate differences attributable to translation					
of foreign operations	-36	31	-129	30	-104
Cash flow hedges before tax	2	1	-3	11	11
Tax attributable to change in hedging reserve for the period	0	-1	1	-3	-3
	-34	31	-131	38	-96
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit pension plans	-	-	-	-	-
Tax relating to items that will not be reclassified	-	-	-	-	-
	-	-	-	-	-
Other comprehensive income/loss	-34	31	-131	38	-96
Total comprehensive income/loss	-46	113	-69	-637	-639
Total comprehensive income attributable to:					
Parent Company shareholders	-46	113	-69	-638	-640
Non-controlling interests	0	0	0	1	1
Total comprehensive income/loss	-46	113	-69	-637	-639

Condensed consolidated balance sheet
according to new accounting principle

SEK m	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2011
ASSETS				
Goodwill	2,658	2,675	2,590	2,102
Other intangible fixed assets	232	224	205	197
Tangible fixed assets	2,039	2,019	1,941	1,961
Long-term receivables	56	56	54	53
Deferred tax assets	508	529	520	469
Total fixed assets	5,493	5,503	5,310	4,782
Inventories	1,011	1,004	1,006	929
Accounts receivable	1,349	1,416	1,172	941
Other receivables	463	417	425	384
<i>Total current receivables</i>	<i>1,812</i>	<i>1,833</i>	<i>1,597</i>	<i>1,325</i>
Cash and cash equivalents	209	141	165	171
Assets held for sales	73	74	74	71
Total current assets	3,105	3,052	2,842	2,496
Total assets	8,598	8,555	8,152	7,278
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	58	58	58	58
Other capital contributions	1,461	1,463	1,461	1,458
Reserves	-411	-384	-511	-472
Profit brought forward	2,300	2,345	2,360	1,613
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,408</i>	<i>3,482</i>	<i>3,368</i>	<i>2,657</i>
Non-controlling interests	4	4	4	5
Total shareholders' equity	3,412	3,486	3,372	2,662
Provision for pension	647	706	742	819
Other provision	348	330	313	302
Deferred tax liabilities	202	200	191	161
Other long-term liabilities, interest-bearing	1,329	1,119	1,010	937
Total long-term liabilities	2,526	2,355	2,256	2,219
Current liabilities, interest-bearing	144	112	126	127
Current liabilities, non interest-bearing	2,514	2,599	2,395	2,161
Liabilities attributable to assets held for sale	2	3	3	109
Total long-term liabilities	2,660	2,714	2,524	2,397
Total shareholders' equity and liabilities	8,598	8,555	8,152	7,278
BALANCE-SHEET RELATED KEY RATIOS				
Equity/assets ratio, %	40	41	41	37
Debt/equity ratio, %	56	51	51	64
Net debt, SEK m	1,905	1,791	1,708	1,707
Capital employed, closing balance, SEK m	5,532	5,423	5,251	4,546

Condensed consolidated balance sheet
according to previous accounting policy

SEK m	31 Mar 2012	30 Jun 2012	30 Sep 2012	31 Dec 2011
ASSETS				
Goodwill	2,658	2,675	2,590	2,102
Other intangible fixed assets	232	224	205	197
Tangible fixed assets	2,039	2,019	1,941	1,961
Long-term receivables	56	56	54	53
Deferred tax assets	486	494	474	402
Total fixed assets	5,471	5,468	5,264	4,715
Inventories	1,011	1,004	1,006	929
Accounts receivable	1,349	1,416	1,172	941
Other receivables	463	417	425	384
<i>Total current receivables</i>	<i>1,812</i>	<i>1,833</i>	<i>1,597</i>	<i>1,325</i>
Cash and cash equivalents	209	141	165	171
Assets held for sales	73	74	74	71
Total current assets	3,105	3,052	2,842	2,496
Total assets	8,576	8,520	8,106	7,211
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	58	58	58	58
Other capital contributions	1,461	1,463	1,461	1,458
Reserves	-412	-381	-512	-474
Profit brought forward	2,370	2,452	2,514	1,838
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,477</i>	<i>3,592</i>	<i>3,521</i>	<i>2,880</i>
Non-controlling interests	4	4	4	5
Total shareholders' equity	3,481	3,596	3,525	2,885
Provision for pension	556	561	543	529
Other provision	348	330	313	302
Deferred tax liabilities	202	200	191	161
Other long-term liabilities, interest-bearing	1,329	1,119	1,010	937
Total long-term liabilities	2,435	2,210	2,057	1,929
Current liabilities, interest-bearing	144	112	126	127
Current liabilities, non interest-bearing	2,514	2,599	2,395	2,161
Liabilities attributable to assets held for sale	2	3	3	109
Total current liabilities	2,660	2,714	2,524	2,397
Total shareholders' equity and liabilities	8,576	8,520	8,106	7,211
BALANCE-SHEET RELATED KEY RATIOS				
Equity/assets ratio, %	41	42	43	40
Debt/equity ratio, %	52	46	43	49
Net debt, SEK m	1,814	1,646	1,509	1,417
Capital employed, closing balance, SEK m	5,510	5,388	5,205	4,479

Statement of changes in consolidated shareholders' equity
according to new accounting principle

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-138	-138	-	-138
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,244	3,383	4	3,387
Profit for the period	-	-	-		-	-12	-12	0	-12
Other comprehensive income/loss for the period	-	-	-35		2	68	35	0	35
Total comprehensive income for the period	-	-	-35		2	56	23	0	23
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option	-	2	-		-	-	2	-	2
Closing balance, 31 March 2012	58	1,461	-405		-6	2,300	3,408	4	3,412

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-138	-138	-	-138
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,244	3,383	4	3,387
Profit for the period	-	-	-		-	70	70	0	70
Other comprehensive income/loss for the period	-	-	-7		2	30	25	0	25
Total comprehensive income for the period	-	-	-7		2	100	95	0	95
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option and performance share plan	-	4	-		-	-	4	-	4
Closing balance, 30 June 2012	58	1,463	-377		-6	2,344	3,482	4	3,486

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-138	-138	-	-138
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,244	3,383	4	3,387
Profit for the period	-	-	-		-	132	132	0	132
Other comprehensive income/loss for the period	-	-	-133		0	-16	-149	0	-149
Total comprehensive income for the period	-	-	-133		0	116	-17	0	-17
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option and performance share plan	-	2	-		-	-	2	-	2
Closing balance, 30 September 2012	58	1,461	-503		-8	2,360	3,368	4	3,372

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-138	-138	-	-138
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,244	3,383	4	3,387
Profit for the period	-	-	-		-	-546	-546	1	-545
Other comprehensive income/loss for the period	-	-	-100		8	-87	-179	0	-179
Total comprehensive income for the period	-	-	-100		8	-633	-725	1	-724
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option and performance share plan	-	-1	-		-	-	-1	-	-1
Closing balance, 31 December 2012	58	1,458	-470		0	1,611	2,657	5	2,662

Statement of changes in consolidated shareholders' equity
according to previous accounting policy

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-	-	-	-
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Profit for the period	-	-	-		-	-12	-12	0	-12
Other comprehensive income/loss for the period	-	-	-36		2	-	-34	0	-34
Total comprehensive income for the period	-	-	-36		2	-12	-46	0	-46
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option	-	2	-		-	-	2	-	2
Closing balance, 31 March 2012	58	1,461	-406		-6	2,370	3,477	4	3,481

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-	-	-	-
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Profit for the period	-	-	-		-	70	70	0	70
Other comprehensive income/loss for the period	-	-	-5		2	-	-3	0	-3
Total comprehensive income for the period	-	-	-5		2	70	67	0	67
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option and performance share plan	-	4	-		-	-	4	-	4
Closing balance, 30 June 2012	58	1,463	-375		-6	2,452	3,592	4	3,596

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-	-	-	-
Recalculated 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 performance share plan	-	2	-		-	-	2	-	2
Closing balance, 30 September 2012	58	1,461	-504		-8	2,514	3,521	4	3,525

SEK m	Share capital	Other capital contributions	Exchange rate differences attributable to translation of		Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
			foreign operations						
Opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	-	-	-		-	-	-	-	-
Recalculated opening balance, 1 January 2012	58	1,459	-370		-8	2,382	3,521	4	3,525
Profit for the period	-	-	-		-	-544	-544	1	-543
Other comprehensive income/loss for the period	-	-	-104		8	-	-96	0	-96
Total comprehensive income for the period	-	-	-104		8	-544	-640	1	-639
Dividend	-	-	-		-	-	-	-	-
Allocation of employee share option and performance share plan	-	-1	-		-	-	-1	-	-1
Closing balance, 31 December 2012	58	1,458	-474		0	1,838	2,880	5	2,885

Analysis of net debt

according to new accounting principle

SEK m	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
	2012				2012
Opening balance	1,586	1,905	1,791	1,708	1,586
Changed accounting principle, pensions	184	-	-	-	184
Translation differences	-15	7	-41	12	-37
Operating cash flow	217	-198	-123	-133	-237
Interest paid, net	15	17	12	10	54
Remeasurements of defined benefit pension plans	-92	50	59	91	108
Other change in pension liabilities	10	10	10	19	49
Dividend	-	-	-	-	-
Closing balance	1,905	1,791	1,708	1,707	1,707

Analysis of net debt

according to previous accounting policy

SEK m	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Dec
	2012				2012
Opening balance	1,586	1,814	1,646	1,509	1,586
Changed accounting principle, pensions	-	-	-	-	-
Translation differences	-13	2	-36	15	-32
Operating cash flow	217	-198	-123	-133	-237
Interest paid, net	15	17	12	10	54
Remeasurements of defined benefit pension plans	-	-	-	-	-
Other change in pension liabilities	9	11	10	16	46
Dividend	-	-	-	-	-
Closing balance	1,814	1,646	1,509	1,417	1,417