



Interim report Q3 • 2013

Interim report January-September 2013

(All figures in brackets refer to the corresponding period in 2012)

Net sales for the third quarter amounted to SEK 2,798 million (2,863). Organic growth totalled 2 per cent (neg: 5). No restructuring costs (26) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 180 million (142), corresponding to an operating margin of 6.4 per cent (5.0). Profit after tax and including restructuring costs totalled SEK 90 million (62), corresponding to earnings per share of SEK 0.55 (0.37). Operating cash flow amounted to SEK 207 million (123).

In total, activity on Nobia's markets remained low during the third quarter. The UK market continued to grow, but from a low level. The Nordic market is estimated to have remained unchanged, while the Continental Europe market weakened.

Organic sales grew by 2 per cent (neg: 5). Currency effects impacted net sales negatively for the quarter in an amount of SEK 34 million (neg: 105). Optifit, which was divested during the second quarter 2013, reported external sales of SEK 74 million in the third quarter 2012.

The gross margin improved to 40.7 per cent (40.1), positively impacted by higher sales values, which more than compensated for negative currency effects.

Operating profit increased primarily due to the strengthened gross margin but also as a result of cost savings.

Currency effects of approximately negative SEK 25 million (pos:10) affected operating profit excluding restructuring costs, of which negative SEK 5 million (neg: 5) comprised translation effects and negative SEK 20 million (pos: 15) transaction effects.

Return on capital employed including restructuring costs amounted to

negative 1.7 per cent over the past twelve-month period (Jan-Dec 2012: neg: 5.3).

Operating cash flow improved primarily as a result of higher earnings generation and lower investments compared with the preceding year.

Comments from the CEO

"Nobia's organic growth remained positive throughout the third quarter. Growth in the UK offset the negative trend in Continental Europe.

In the UK, our volumes increased in both B2B and through Magnet stores. Once again, the Nordic region showed profitability that comfortably exceeded the target of a 10-per-cent operating margin for the entire Group.

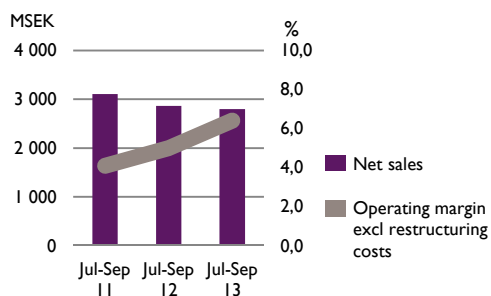
The sales decline in Continental Europe is mainly attributable to the divestment of Optifit and major project deliveries in Poggenpohl during the year-on-year period. However, the trend for Hygena remains negative and we are now implementing a number of changes, yet we realise that these measures will take time to generate results.

Our focus on both efficiency and growth stands firm. In parallel with proactive initiatives in all units, we are assessing potential acquisitions in order to create profitable growth," says Morten Falkenberg, President and CEO.

Nobia Group summary	Jul-Sep			Jan-Sep			Jan-Dec	Oct-Sep	Change, %
	2012	2013	Change, %	2012	2013	Change, %	2012	2012/2013	
Net sales, SEK m	2,863	2,798	-2	9,246	8,864	-4	12,343	11,961	-3
Gross margin, %	40.1	40.7	-	39.8	40.6	-	40.3	41.0	-
Operating margin before depreciation and impairment, % (EBITDA)	8.3	9.8	-	7.2	8.8	-	7.8	9.0	-
Operating profit (EBIT)	142	180	27	369	491	33	565	687	22
Operating margin, %	5.0	6.4	-	4.0	5.5	-	4.6	5.7	-
Profit after financial items, SEK m	121	156	29	298	420	41	469	591	26
Profit/loss after tax, SEK m	62	90	45	132	252	91	-545	-425	-22
Earnings/loss per share excl restructuring, after dilution, SEK	0.48	0.55	15	1.22	1.71	40	2.06	2.55	24
Earnings/loss per share, after dilution, SEK	0.37	0.55	49	0.79	1.51	91	-3.27	-2.54	-22
Operating cash flow, SEK m	123	207	68	104	391	-	237	524	-

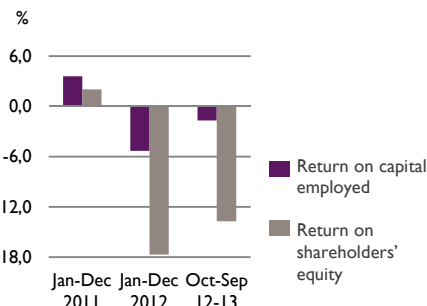
Profit/loss after tax and operating cash flow are reported including restructuring costs. An adjustment for nonrecurring tax effects is also included in the calculation of earnings per share excluding restructuring costs. Further information about restructuring costs is available on pages 3-5, 7 and 11.

Net sales and operating margin, Jul-Sep



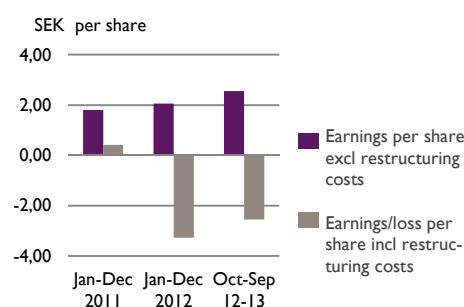
Net sales amounted to SEK 2,798 million and operating margin to 6.4 per cent.

Profitability trend including restructuring costs



Return on capital employed including restructuring costs was negative 1.7 per cent during the past twelve-month period.

Earnings/loss per share



Earnings per share after dilution excluding restructuring costs amounted to SEK 2.55 over the past twelve-month period.



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Analysis of net sales and regional reporting

Negative currency effects of SEK 34 million (neg: 105) impacted third-quarter net sales. Organic growth was positive in the UK, unchanged in the Nordic region, and negative in Continental Europe. Combined, organic growth was positive 2 per cent (neg: 5).

Analysis of net sales	Jul-Sep		Jan-Sep	
	%	SEK m	%	SEK m
2012		2,863		9,246
Organic growth	2	42	0	7
– of which UK region ¹⁾	10	92	6	174
– of which Nordic region ¹⁾	0	0	–2	–71
– of which Continental Europe region ¹⁾	–7	–53	–4	–95
Changed reporting period in the UK	0	1	1	65
Currency effect	–1	–34	–4	–330
Divested operations ²⁾	–3	–74	–1	–124
2013	–2	2,798	–4	8,864

1) Organic growth for each region. Sales between regions were eliminated in the Group's organic growth.

2) Pertains to the sale of Optifit on 1 May 2013.

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	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	Change, %
Net sales from external customers	963	1,009	1,100	1,104	800	685	–	–	2,863	2,798	-2
Net sales from other regions	4	25	1	0	2	0	–7	–25	–	–	–
Net sales	967	1,034	1,101	1,104	802	685	-7	-25	2,863	2,798	-2
Gross profit excluding restructuring costs	384	407	422	439	334	288	8	5	1,148	1,139	–1
Gross margin excluding restructuring costs, %	39.7	39.4	38.3	39.8	41.6	42.0	–	–	40.1	40.7	–
Operating profit excluding restructuring costs	37	65	101	136	42	9	–38	–30	142	180	27
Operating margin excluding restructuring costs, %	3.8	6.3	9.2	12.3	5.2	1.3	–	–	5.0	6.4	–
Operating profit/loss	36	65	101	136	17	9	-38	-30	116	180	55
Operating margin, %	3.7	6.3	9.2	12.3	2.1	1.3	–	–	4.1	6.4	–

Nobia develops and sells kitchens through some twenty strong brands in Europe, including Magnet in the UK; Hygena in France; HTH, Norema, Sigdal, Invita, Marbodal in Scandinavia; Petra, Parma and A la Carte in Finland; Ewe, Intuo and FM in Austria, as well as Poggenpohl globally.

Nobia generates profitability by combining economies of scale with attractive kitchen offerings. The Group has approximately 6,600 employees and net sales of about SEK 12 billion. The Nobia share is listed on the NASDAQ OMX Stockholm under the short name NOBI. Website: www.nobia.com.



UK region

Net sales for the third quarter amounted to SEK 1,034 million (967). Organic growth was 10 per cent (neg: 14). No restructuring costs (1) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 65 million (37) and the operating margin was 6.3 per cent (3.8). Currency effects of approximately negative SEK 10 million (pos: 5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of negative SEK 10 million.

Kitchen market

The UK kitchen market continued to grow, but from a low level. Consumer confidence has strengthened, but the underlying macroeconomic situation remains uncertain.

Nobia

The organic sales growth was not only a result of an improved market, but also of successful sales work. Sales increased to both B2B customers and through Magnet's store network. While Magnet's sales to consumers accounted for the largest increase, sales to Magnet Trade

also rose. Increased sales through Magnet Trade were attributable to joinery products.

Negative currency effects of SEK 47 million (pos: 19) impacted net sales for the quarter.

The gross margin declined, mainly as a result of negative currency effects, which were only partially offset by higher sales volumes and lower prices for materials.

Operating profit improved, largely due to higher sales volumes.

Measured in local currency, operating profit for the region totalled GBP 6.5 million (3.5).

Quarterly data in SEK

	2012				2013		
	I	II	III	IV	I	II	III
Net sales, SEK m	973	1,084	967	1,018	991	1,086	1,034
Gross profit excl restructuring costs, SEK m	387	431	384	420	394	429	407
Gross margin excl restructuring costs, %	39.8	39.8	39.7	41.3	39.8	39.5	39.4
Operating profit excl restructuring costs, SEK m	27	51	37	66	32	77	65
Operating margin excl restructuring costs, %	2.8	4.7	3.8	6.5	3.2	7.1	6.3
Operating profit, SEK m	27	8	36	22	32	77	65
Operating margin, %	2.8	0.7	3.7	2.2	3.2	7.1	6.3

Quarterly data in GBP

	2012				2013		
	I	II	III	IV	I	II	III
Net sales, GBP m	91.7	98.8	90.8	95.3	99.1	108.0	101.7
Gross profit excl restructuring costs, GBP m	36.5	39.3	36.1	39.1	39.4	42.6	40.1
Gross margin excl restructuring costs, %	39.8	39.8	39.8	41.1	39.7	39.5	39.4
Operating profit excl restructuring costs, GBP m	2.5	4.7	3.5	6.1	3.2	7.6	6.5
Operating margin excl restructuring costs, %	2.7	4.7	3.9	6.4	3.2	7.0	6.4
Operating profit, GBP m	2.5	0.7	3.4	2.1	3.2	7.6	6.5
Operating margin, %	2.7	0.7	3.7	2.2	3.2	7.0	6.4

Store trend, Jul-Sep

Renovated or relocated	-
Newly opened, net	-1
Number of kitchen stores (own)	208

Percentage of consolidated net sales, third quarter



Our brands

Gover



Magnet



Nordic region

Net sales for the third quarter amounted to SEK 1,104 million (1,101). Organic growth was 0 per cent (neg: 2). No restructuring costs (0) impacted operating profit for the quarter. Operating profit excluding restructuring costs totalled SEK 136 million (101) and the operating margin was 12.3 per cent (9.2). Currency effects of approximately negative SEK 10 million (pos: 5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of negative SEK 10 million.

Kitchen market

The Nordic kitchen market is deemed to remain unchanged compared with the same period in the preceding year. Consumer demand rose slightly, while the professional segment weakened.

Nobia

Organic sales growth remained unchanged during the period. Lower deliveries to the professional segment were offset by higher consumer sales, particularly in Sweden and Denmark. In the professional segment, sales declined in all markets except for Finland.

Currency effects of SEK 4 million (neg: 67) impacted net sales for the quarter.

The gross margin improved, mainly due to increased sales values and productivity improvements, but also to lower prices for materials.

Operating profit increased, due to the strengthened gross margin, as well as the cost savings generated by store closures and personnel cutbacks.

Nobia has decided to merge the Marbodál and Myresjökök brands. The joint Marbodál brand offers a broader range to both consumers and professional customers. Resources are thereby concentrated to one brand.

Quarterly data in SEK

	2012				2013		
	I	II	III	IV	I	II	III
Net sales, SEK m	1,319	1,481	1,101	1,332	1,200	1,449	1,104
Gross profit excl restructuring costs, SEK m	500	590	422	549	476	612	439
Gross margin excl restructuring costs, %	37.9	39.8	38.3	41.2	39.7	42.2	39.8
Operating profit excl restructuring costs, SEK m	106	179	101	165	111	224	136
Operating margin excl restructuring costs, %	8.0	12.1	9.2	12.4	9.3	15.5	12.3
Operating profit, SEK m	106	171	101	156	111	224	136
Operating margin, %	8.0	11.5	9.2	11.7	9.3	15.5	12.3

Store trend, Jul-Sep

Renovated or relocated	–
Newly opened, net	-2
Number of kitchen stores	245
-of which franchise	179
-of which own	66

Share of consolidated net sales, third quarter



Our brands

Alcaanto

AMAR DEL BELY

H&H

INVITA

Marbodál

myresjökök

netto
KEITTIÖT

NOREMA

PARMA

KEITTIÖT

PETRA

sigdal

uno form



Continental Europe region

Net sales for the third quarter amounted to SEK 685 million (802). Organic growth was negative 7 per cent (pos: 6). No restructuring costs (25) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 9 million (42) and the operating margin was 1.3 per cent (5.2). Currency effects of approximately negative SEK 5 million (0) on operating profit excluding restructuring costs comprised a translation effect of negative SEK 5 million and a transaction effect of SEK 0 million.

Kitchen market

The market trend was negative during the period. The lower level of activity was notable in all of Nobia's main markets throughout the region.

Nobia

The decline in sales was attributable to all business units, but primarily to Hygena and Poggenpohl. The year-on-year comparison was impacted by the divestment of Optifit during the second quarter of 2013 and major project deliveries in Poggenpohl during the third quarter of 2012.

Currency effects of SEK 13 million (neg: 57) impacted net sales for the quarter.

The gross margin improved, mainly due to higher sales values, which

more than offset the lower sales volume and negative currency effects.

Operating profit was negatively impacted by lower sales volumes, including the effect generated by the divestment of Optifit, which was only partially offset by the strengthened gross margin and cost savings.

During the quarter, Nobia's kitchen brand Goldreif was reintroduced, with a complete range including handleless cabinets and classic kitchens. Goldreif kitchens are sold through Poggenpohl stores as of October 2013.

An action programme is being implemented in Hygena to generate profitable growth. A new sales management team has been recruited and a stricter discount structure has been introduced. Two stores were also refurbished during the third quarter.

Quarterly data in SEK

	2012				2013		
	I	II	III	IV	I	II	III
Net sales, SEK m	645	888	802	754	622	756	685
Gross profit excl restructuring costs, SEK m	244	357	334	318	240	300	288
Gross margin excl restructuring costs, %	37.8	40.2	41.6	42.2	38.6	39.7	42.0
Operating profit excl restructuring costs, SEK m	-76	22	42	3	-48	-10	9
Operating margin excl restructuring costs, %	-11.8	2.5	5.2	0.4	-7.7	-1.3	1.3
Operating profit/loss, SEK m	-79	11	17	-162	-48	-46	9
Operating margin, %	-12.2	1.2	2.1	-21.5	-7.7	-6.1	1.3

Store trend, Jul-Sep

Renovated or relocated	2
Newly opened, net	0
Number of kitchen stores	162
-of which franchise	1
-of which own	161

Percentage of consolidated net sales, third quarter



Our brands





Consolidated earnings, cash flow and financial position January–September 2013

Net sales for the first nine months amounted to SEK 8,864 million (9,246). Organic growth totalled 0 per cent (neg: 6). Operating profit excluding restructuring costs of SEK 36 million (100) amounted to SEK 491 million (369), corresponding to an operating margin of 5.5 per cent (4.0). Profit after tax and including restructuring costs was SEK 252 million (132), corresponding to a profit per share of SEK 1.51 (0.79). Operating cash flow amounted to SEK 391 million (104).

Nobia's organic growth during the period totalled 0 per cent (neg: 6), specified as follows: positive 6 per cent (neg: 14) in the UK, negative 2 per cent (pos: 1) in the Nordic region and negative 4 per cent (neg: 8) in the Continental Europe region.

Currency effects had a negative impact of SEK 330 million (pos: 9) on net sales. The changed reporting period in the UK had a positive impact, compared with the year-earlier period, of SEK 65 million. The divestment of Optifit had a negative impact on net sales of SEK 124 million compared with the first nine months of 2012.

Currency effects on operating profit excluding restructuring costs amounted to approximately negative SEK 40 million (pos: 20), comprising a translation effect of negative SEK 20 million (0) and a transaction effect of negative SEK 20 million (pos: 20).

Operating profit excluding restructuring costs improved by increased sales values, lower prices for materials, productivity improvements and cost savings.

Group-wide items and eliminations reported an operating loss excluding restructuring costs of SEK 105 million (loss: 120).

Net financial items amounted to an expense of SEK 71 million

(expense: 71). 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: 27).

The net interest expense totalled SEK 42 million (expense: 44).

Operating cash flow was affected by higher earnings generation, lower investments and decreased payments of restructuring costs.

The return on capital employed over the past twelve-month period amounted to negative 1.7 per cent (Jan-Dec 2012: neg: 5.3) and the return on shareholders' equity was negative 13.7 per cent (Jan-Dec 2012: neg: 17.7). The return over the past twelve-month period was affected by goodwill impairment of SEK 492 million pertaining to Hygena in the fourth quarter of 2012.

Nobia's investments in fixed assets amounted to SEK 161 million (262), of which SEK 60 million (173) was related to store investments.

Goodwill at the end of the period amounted to SEK 2,089 million (2,590), corresponding to 73 per cent (77) of the Group's shareholders' equity.

Net debt including pension provisions amounted to SEK 1,462 million (1,708). The debt/equity ratio was 51 per cent at the end of the period (51).

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

SEK m	UK Jan-Sep		Nordic Jan-Sep		Continental Europe Jan-Sep		Group-wide and eliminations Jan-Sep		Group Jan-Sep		Change, %
	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	
Net sales from external customers	3,017	3,052	3,900	3,752	2,329	2,060	-	-	9,246	8,864	-4
Net sales from other regions	7	59	1	1	6	3	-14	-63	-	-	-
Total net sales	3,024	3,111	3,901	3,753	2,335	2,063	-14	-63	9,246	8,864	-4
Gross profit excl restructuring costs	1,202	1,230	1,512	1,527	935	828	28	16	3,677	3,601	-2
Gross margin excl restructuring costs, %	39.7	39.5	38.8	40.7	40.0	40.1	-	-	39.8	40.6	-
Operating profit excl restructuring costs	115	174	386	471	-12	-49	-120	-105	369	491	33
Operating margin excl restructuring costs, %	3.8	5.6	9.9	12.5	-0.5	-2.4	-	-	4.0	5.5	-
Operating profit (EBIT)	71	174	378	471	-51	-85	-129	-105	269	455	69
Operating margin, %	2.3	5.6	9.7	12.5	-2.2	-4.1	-	-	2.9	5.1	-
Financial items	-	-	-	-	-	-	-	-	-71	-71	0
Profit after financial items	-	-	-	-	-	-	-	-	198	384	94



Restructuring measures in progress

Restructuring costs pertain to certain nonrecurring costs, see page 11. Restructuring costs for the period January-September amounted to SEK 36 million (100) and pertained to costs incurred by the divestment of Optifit.

Approved and implemented restructuring measures of SEK 96 million (149) were charged to cash flow, of which the total amount (114) derived from the preceding year's restructuring measures.

Divested operations and fixed assets held for sale

Nobia holds a number of stores, which has been acquired from franchisees with the intention of selling these on. At the end of 2012, Nobia had four stores in Denmark and three stores in Sweden, a total of seven stores.

Two stores in Denmark were sold on in the first quarter of 2013. During the second quarter of 2013, one store was acquired in Sweden. During the third quarter of 2013, two stores were acquired in Denmark. At the end of the third quarter of 2013, Nobia had four stores in Denmark and four stores in Sweden, which are recognised in the Nordic region as Discontinued operations and a divestment group held for sale, in accordance with IFRS 5.

Loss after tax for these stores amounted to SEK 10 million (loss: 16) during the period January-September 2013.

Corporate acquisitions and divestments

During the second quarter of 2013 Nobia divested its operations in the Optifit Group to the management of Optifit. The background to this management buyout (MBO) was a relocation of the manufacturing under the Hygena brand from Stemwede to the Group's production unit in Darlington in the UK. The remaining operations in Stemwede would generate a negative result and also not have any other positive effect for Nobia. Furthermore, the costs for divesting the continuing operations would be significant.

The divestment resulted in an expense of SEK 150 million for the fourth quarter of 2012 and for the second quarter of 2013 an additional expense of SEK 36 million. Of the expenses for the divestment of Optifit, about SEK 60 million affects cash flow, of which about SEK 30 million impacted the cash flow during the second quarter and third quarter.

The production relocation and the divestment are expected to have a positive effect of approximately SEK 25 million per year on Nobia's operating profit and also entail lower sales of approximately SEK 380 million per year.

Personnel

The number of employees at the end of the period amounted to 6,563 (7,191). The decline was primarily due to the divestiture of Optifit, which had 225 employees at year-end. Employees who are currently on leave of absence were excluded from the number of employees from the first quarter of 2013 and the number of employees for the preceding year has been adjusted according to the same definition.

Nomination committee

Owners representing about 52 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: Thomas Billing, Chairman of the Nomination Committee, tel: +46 8 788 5000 or by post to Nobia AB, Valberedningen, Box 70376, SE-107 24 Stockholm.

The Annual General Meeting will be held in Stockholm on Wednesday, 9 April 2014 at 15:00 pm.

Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 64 million (45) during the first nine months. The Parent Company reported a profit of SEK 0 million (0) from participations in Group companies.

Financial instruments

The carrying amounts of the Group's financial assets are an approximation of their fair values. Financial instruments measured at fair value in the balance sheet are forward agreements comprised of assets at a value of SEK 16 million (31 Dec 2012: 6) and liabilities at a value of SEK 7 million (31 Dec 2012: 6). The measurement of these items is attributable to level 2 of the fair value hierarchy, meaning based directly or indirectly on observable market data.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 34-35 of the 2012 Annual Report. Demand in the Nordic professional market weakened slightly during the first half of 2013, whereas the consumer segment remained weak. During the third quarter total demand is deemed to have been unchanged. Demand in the UK is deemed to have increased from a low level, while demand in Continental Europe declined. Overall, market conditions are deemed to remain challenging. This means that total production and deliveries continue to be at a low level. Nobia is continuing 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 2,089 million. The value of this asset item is tested if there are any indications of a decline in value and at least annually.

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. Other than the new accounting policies for 2013 described below, Nobia has applied the same accounting policies in this interim report as were applied in the 2012 Annual Report.

Currency effect (EBIT)*

SEK m	Translation effect		Transaction effect		Total effect	
	Q3	Jan-Sep	Q3	Jan-Sep	Q3	Jan-Sep
UK region	0	-10	-10	-15	-10	-25
Nordic region	0	-10	-10	0	-10	-10
Continental Europe region	-5	0	0	-5	-5	-5
Group	-5	-20	-20	-20	-25	-40

* Pertains to effects excluding restructuring costs.



New accounting policies 2013

Revised IAS 1 Presentation of Financial Statements. This change pertains to how items in other comprehensive income are presented. The items are divided into two categories: translation differences and gains/losses on cash-flow hedges are to be recognised in a category in other comprehensive income, and actuarial gains and losses on defined-benefit pension plans are to be recognised in a separate category in other comprehensive income. The first category represents items that may be reclassified to net profit for the period in the future, whereas the second category represents items that will not be reclassified to net profit for the period in the future.

Amended IAS 19 Employee Benefits. This amendment entails that the corridor method used in the recognition of defined-benefit pension plans will be discontinued. The remeasurement of defined-benefit pension plans (actuarial gains and losses on commitments and the difference between actual and calculated returns on plan assets) is to be immediately recognised in other comprehensive income.

As per 31 December 2012, unrecognised actuarial losses in the Group amounted to SEK 290 million. These losses have increased pension liabilities for 2012 in this interim report, with SEK 223 million of the amount reducing shareholders' equity and SEK 67 million increasing deferred tax assets. The changed method for calculating the return on plan assets that is recognised in profit and loss will not change significantly. These restatements are presented in an appendix available from Nobia's website under Investor Relations/Reports and presentations.

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, 25 October 2013 at 10:00 a.m. CET in a webcast 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)8 445 718 957
- From the US: +1 866 682 84 90

Financial calendar

13 February 2014	Interim report Jan-Dec 2013
28 April 2014	Interim report Jan-Mar 2014

Stockholm, 25 October 2013

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 30 September 2013 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, 25 October 2013

KPMG AB

Helene Willberg
Authorised 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 25 October, 2013 at 8:00 a.m. CET.

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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		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
Net sales	2,863	2,798	9,246	8,864	12,343	11,961
Cost of goods sold	-1,724	-1,659	-5,615	-5,263	-7,552	-7,200
Gross profit	1,139	1,139	3,631	3,601	4,791	4,761
Selling and administration expenses	-1,035	-970	-3,371	-3,124	-5,014	-4,767
Other income/expenses	12	11	9	-22	-51	-82
Operating profit	116	180	269	455	-274	-88
Net financial items	-21	-24	-71	-71	-96	-96
Profit/loss after financial items	95	156	198	384	-370	-184
Tax	-25	-62	-50	-122	-155	-227
Profit/loss after tax from continuing operations	70	94	148	262	-525	-411
Profit/loss from discontinued operations, net after tax	-8	-4	-16	-10	-20	-14
Profit/loss after tax	62	90	132	252	-545	-425
Total profit attributable to:						
Parent Company shareholders	62	91	132	253	-546	-425
Non-controlling interests	0	-1	0	-1	1	0
Total profit/loss	62	90	132	252	-545	-425
Total depreciation	96	90	296	280	395	379
Total impairment	-1	5	18	7	618	607
Gross margin, %	39.8	40.7	39.3	40.6	38.8	39.8
Operating margin, %	4.1	6.4	2.9	5.1	-2.2	-0.7
Return on capital employed, %	-	-	-	-	-5.3	-1.7
Return on shareholders equity, %	-	-	-	-	-17.7	-13.7
Earnings per share before dilution, SEK ¹⁾	0.37	0.55	0.79	1.51	-3.27	-2.54
Earnings per share after dilution, SEK ¹⁾	0.37	0.55	0.79	1.51	-3.27	-2.54
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⁾	167,230	167,344	167,222	167,360	167,131	167,131
Average number of shares after dilution, 000s ²⁾	167,230	167,344	167,176	167,323	167,131	167,131

1) Earnings/loss per share attributable to Parent Company shareholders.

2) Excluding treasury shares.



Consolidated statement of comprehensive income

MSEK	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
Profit/loss after tax	62	90	132	252	-545	-425
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange-rate differences attributable to translation of foreign operations	-125	-12	-133	-12	-102	19
Cash flow hedges before tax	-3	-5	0	9	11	20
Tax attributable to change in hedging reserve for the period	1	1	0	-2	-3	-5
	-127	-16	-133	-5	-94	34
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit pension plans	-60	-49	-17	20	-106	-69
Tax relating to remeasurements of defined benefit pension plans	13	11	1	-5	21	15
	-47	-38	-16	15	-85	-54
Other comprehensive income/loss	-174	-54	-149	10	-179	-20
Total comprehensive income/loss	-112	36	-17	262	-724	-445
Total comprehensive income/loss attributable to:						
Parent Company shareholders	-112	37	-17	263	-725	-445
Non-controlling interests	0	-1	0	-1	1	0
Total comprehensive income/loss	-112	36	-17	262	-724	-445

Specification of restructuring costs ¹⁾

Restructuring costs per function SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
Cost of goods sold	-9	-	-46	-	-188	-142
Selling and administrative expenses	-17	0	-50	0	-595	-545
-Whereof impairment of goodwill in Hygena	-	-	-	-	-492	-492
Other expenses	0	-	-4	-36	-56	-88
Total restructuring costs	-26	0	-100	-36	-839	-775

Restructuring costs per region SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	-1	-	-44 ²⁾	-	-88 ⁴⁾	-44
Nordic	0	0	-8 ³⁾	0	-17 ⁵⁾	-9
Continental Europe	-25	-	-39	-36	-204 ⁶⁾	-201
Group-wide and eliminations	0	-	-9	-	-530 ⁷⁾	-521
-Whereof impairment of goodwill in Hygena	-	-	-	-	-492	-492
Group	-26	0	-100	-36	-839	-775

1) Refers to costs affecting operating profit.

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 16 million and pertained to kitchen displays.

5) Impairment amounted to SEK 11 million and pertained to goodwill, buildings and machinery.

6) Impairment amounted to SEK 71 million and pertained mainly to buildings and machinery.

7) Impairment amounted to SEK 519 million and pertained to goodwill and buildings.



Condensed consolidated balance sheet

SEK m	30 Sep		31 Dec
	2012	2013	2012
ASSETS			
Goodwill	2,590	2,089	2,102
Other intangible fixed assets	205	165	197
Tangible fixed assets	1,941	1,850	1,961
Long-term receivables	54	53	53
Deferred tax assets	520	466	469
Total fixed assets	5,310	4,623	4,782
Inventories	1,006	869	929
Accounts receivable	1,172	1,122	941
Other receivables	425	444	384
<i>Total current receivables</i>	<i>1,597</i>	<i>1,566</i>	<i>1,325</i>
Cash and cash equivalents	165	149	171
Assets held for sale	74	18	71
Total current assets	2,842	2,602	2,496
Total assets	8,152	7,225	7,278
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,461	1,462	1,458
Reserves	-511	-477	-472
Profit brought forward	2,360	1,797	1,613
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,368</i>	<i>2,840</i>	<i>2,657</i>
Non-controlling interests	4	4	5
Total shareholders' equity	3,372	2,844	2,662
Provisions for pensions	742	774	819
Other provisions	313	229	302
Deferred tax liabilities	191	160	161
Other long-term liabilities, interest-bearing	1,010	807	937
Total long-term liabilities	2,256	1,970	2,219
Current liabilities, interest-bearing	126	38	127
Current liabilities, non-interest-bearing	2,395	2,372	2,161
Liabilities attributable to assets held for sale	3	1	109
Total current liabilities	2,524	2,411	2,397
Total shareholders' equity and liabilities	8,152	7,225	7,278
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	41	39	37
Debt/equity ratio, %	51	51	64
Net debt, SEK m	1,708	1,462	1,707
Capital employed, closing balance, SEK m	5,251	4,463	4,546



Statement of changes in consolidated shareholders' equity

SEK m	Attributable to Parent Company shareholders						Non-controlling interests	Total shareholders equity
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total		
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/loss 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
Allocation of employee share option and share saving schemes	-	2	-	-	-	2	-	2
Closing balance, 30 September 2012	58	1,461	-503	-8	2,360	3,368	4	3,372
Opening balance, 1 January 2013	58	1,458	-472	0	1,613	2,657	5	2,662
Profit/loss for the period	-	-	-	-	253	253	-1	252
Other comprehensive income/loss for the period	-	-	-12	7	15	10	0	10
Total comprehensive income/loss for the period	-	-	-12	7	268	263	-1	262
Dividend	-	-	-	-	-84	-84	-	-84
Allocation of employee share option and share saving schemes	-	4	-	-	-	4	-	4
Closing balance, 30 September 2013	58	1,462	-484	7	1,797	2,840	4	2,844



Condensed consolidated cash-flow statement

SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
<i>Operating activities</i>						
Operating profit	116	180	269	455	-274	-88
Depreciation/Impairment	95	95	314 ¹⁾	287 ²⁾	1,013 ³⁾	986
Adjustments for non-cash items	1	2	19	31	114	126
Tax paid	-22	-15	-85	-78	-155	-148
Change in working capital	4	-8	-213	-157	-138	-82
Cash flow from operating activities	194	254	304	538	560	794
<i>Investing activities</i>						
Investments in fixed assets	-91	-51	-262	-161	-393	-292
Other items in investing activities	20	4	62	14	70	22
Interest received	0	0	5	2	11	8
Change in interest-bearing assets	0	-1	0	-2	0	-2
Divestment of operations	-	1	-	-28	-	-28
Cash flow from investing activities	-71	-47	-195	-175	-312	-292
Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	123	207	104	391	237	524
Operating cash flow after acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	123	207	109	363	248	502
<i>Financing activities</i>						
Interest paid	-12	-14	-49	-47	-65	-63
Change in interest-bearing liabilities	-81	-206	-40 ⁴⁾	-252 ⁵⁾	-159 ⁶⁾	-371
Dividend	-	-	-	-84	-	-84
Cash flow from financing activities	-93	-220	-89	-383	-224	-518
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	30	-13	20	-20	24	-16
Cash and cash equivalents at beginning of the period	141	165	152	171	152	165
Cash flow for the period	30	-13	20	-20	24	-16
Exchange-rate differences in cash and cash equivalents	-6	-3	-7	-2	-5	0
Cash and cash equivalents at period-end	165	149	165	149	171	149

1) Impairment amounted to SEK 18 million, of which SEK 2 million pertained to machinery and SEK 16 million to kitchen displays.

2) Impairment amounted to SEK 7 million and pertained to buildings.

3) Impairment amounted to SEK 618 million, of which SEK 513 million pertained to goodwill, SEK 2 million to other intangible assets, SEK 57 million to buildings, SEK 18 million to machinery and equipment, SEK 18 million to kitchen displays and SEK 10 million to land.

4) Loan repayments totalling SEK 80 million.

5) Loan repayments totalling SEK 130 million.

6) Loan repayments totalling SEK 160 million.

Analysis of net debt SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
Opening balance	1,791	1,592	1,586	1,707	1,586	1,708
Changed accounting principle, pensions	-	-	184	-	184	-
Divestment of operations	-	-1	-	28	-	28
Translation differences	-41	3	-49	-19	-37	-7
Operating cash flow	-123	-207	-104	-391	-237	-524
Interest paid, net	12	14	44	45	54	55
Remeasurements of defined benefit pension plans	59	48	17	-19	108	72
Other change in pension liabilities	10	13	30	27	49	46
Dividend	-	-	-	84	-	84
Closing balance	1,708	1,462	1,708	1,462	1,707	1,462



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Parent Company

Condensed Parent Company income statement

SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
Net sales	16	21	45	64	65	84
Administrative expenses	-33	-35	-112	-121	-157	-166
Operating loss	-17	-14	-67	-57	-92	-82
Profit from shares in Group companies	0	-	0	-	231	231
Other financial income and expenses	2	-3	-17	-31	-41	-55
Profit/loss after financial items	-15	-17	-84	-88	98	94
Tax on profit/loss for the period	0	0	0	0	0	0
Profit/loss for the period	-15	-17	-84	-88	98	94

Parent Company balance sheet

SEK m	30 Sep		31 Dec
	2012	2013	2012
ASSETS			
Fixed assets			
Shares and participations in Group companies	1,251	2,230	2,229 ¹⁾
Total fixed assets	1,251	2,230	2,229
Current assets			
<i>Current receivables</i>			
Accounts receivable	3	21	15
Receivables from Group companies	3,712	2,604	2,792 ¹⁾
Other receivables	5	7	7
Prepaid expenses and accrued income	31	36	32
Cash and cash equivalents	40	53	61
Total current assets	3,791	2,721	2,907
Total assets	5,042	4,951	5,136
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	58	58	58
Statutory reserve	1,671	1,671	1,671
	1,729	1,729	1,729
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	52	52	52
Buy-back of shares	-468	-468	-468
Profit brought forward	2,246	2,260	2,242
Profit/loss for the period	-84	-88	98
	1,746	1,756	1,924
Total shareholders' equity	3,475	3,485	3,653
Provisions for pensions			
	9	11	10
Long-term liabilities			
Liabilities to credit institutes	800	800	800
Current liabilities			
Liabilities to credit institutes	125	36	127
Accounts payable	11	7	16
Liabilities to Group companies	598	581	501
Other liabilities	3	7	5
Accrued expenses and deferred income	21	24	24
Total current liabilities	758	655	673
Total shareholders' equity, provisions and liabilities	5,042	4,951	5,136
Pledged assets	-	-	-
Contingent liabilities	379	166	329

1) The change compared with end of the third quarter in 2012 primarily pertains to shareholders' contributions to Poggenpohl Möbelwerke GmbH and Nobia Sverige AB, whereby internal receivables were used for the contributions.



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Comparative data per region

Net sales SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	967	1,034	3,024	3,111	4,042	4,129
Nordic	1,101	1,104	3,901	3,753	5,233	5,085
Continental Europe	802	685	2,335	2,063	3,089	2,817
Group-wide and eliminations	-7	-25	-14	-63	-21	-70
Group	2,863	2,798	9,246	8,864	12,343	11,961

Gross profit excluding restructuring costs SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	384	407	1,202	1,230	1,622	1,650
Nordic	422	439	1,512	1,527	2,061	2,076
Continental Europe	334	288	935	828	1,253	1,146
Group-wide and eliminations	8	5	28	16	43	31
Group	1,148	1,139	3,677	3,601	4,979	4,903

Gross margin excluding restructuring costs %	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	39.7	39.4	39.7	39.5	40.1	40.0
Nordic	38.3	39.8	38.8	40.7	39.4	40.8
Continental Europe	41.6	42.0	40.0	40.1	40.6	40.7
Group	40.1	40.7	39.8	40.6	40.3	41.0

Operating profit excluding restructuring costs SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	37	65	115	174	181	240
Nordic	101	136	386	471	551	636
Continental Europe	42	9	-12	-49	-9	-46
Group-wide and eliminations	-38	-30	-120	-105	-158	-143
Group	142	180	369	491	565	687

Operating margin excluding restructuring costs %	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	3.8	6.3	3.8	5.6	4.5	5.8
Nordic	9.2	12.3	9.9	12.5	10.5	12.5
Continental Europe	5.2	1.3	-0.5	-2.4	-0.3	-1.6
Group	5.0	6.4	4.0	5.5	4.6	5.7

Operating profit SEK m	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	36	65	71	174	93	196
Nordic	101	136	378	471	534	627
Continental Europe	17	9	-51	-85	-213	-247
Group-wide and eliminations	-38	-30	-129	-105	-688	-664
Group	116	180	269	455	-274	-88

Operating margin %	Jul-Sep		Jan-Sep		Jan-Dec	Oct-Sep
	2012	2013	2012	2013	2012	2012/13
UK	3.7	6.3	2.3	5.6	2.3	4.7
Nordic	9.2	12.3	9.7	12.5	10.2	12.3
Continental Europe	2.1	1.3	-2.2	-4.1	-6.9	-8.8
Group	4.1	6.4	2.9	5.1	-2.2	-0.7



Quarterly data per region

Net sales SEK m	2012				2013		
	I	II	III	IV	I	II	III
UK	973	1,084	967	1,018	991	1,086	1,034
Nordic	1,319	1,481	1,101	1,332	1,200	1,449	1,104
Continental Europe	645	888	802	754	622	756	685
Group-wide and eliminations	-3	-4	-7	-7	-9	-29	-25
Group	2,934	3,449	2,863	3,097	2,804	3,262	2,798

Gross profit excluding restructuring costs SEK m	2012				2013		
	I	II	III	IV	I	II	III
UK	387	431	384	420	394	429	407
Nordic	500	590	422	549	476	612	439
Continental Europe	244	357	334	318	240	300	288
Group-wide and eliminations	14	6	8	15	8	3	5
Group	1,145	1,384	1,148	1,302	1,118	1,344	1,139

Gross margin excluding restructuring costs %	2012				2013		
	I	II	III	IV	I	II	III
UK	39.8	39.8	39.7	41.3	39.8	39.5	39.4
Nordic	37.9	39.8	38.3	41.2	39.7	42.2	39.8
Continental Europe	37.8	40.2	41.6	42.2	38.6	39.7	42.0
Group	39.0	40.1	40.1	42.0	39.9	41.2	40.7

Operating profit excluding restructuring costs SEK m	2012				2013		
	I	II	III	IV	I	II	III
UK	27	51	37	66	32	77	65
Nordic	106	179	101	165	111	224	136
Continental Europe	-76	22	42	3	-48	-10	9
Group-wide and eliminations	-35	-47	-38	-38	-33	-42	-30
Group	22	205	142	196	62	249	180

Operating margin excluding restructuring costs %	2012				2013		
	I	II	III	IV	I	II	III
UK	2.8	4.7	3.8	6.5	3.2	7.1	6.3
Nordic	8.0	12.1	9.2	12.4	9.3	15.5	12.3
Continental Europe	-11.8	2.5	5.2	0.4	-7.7	-1.3	1.3
Group	0.7	5.9	5.0	6.3	2.2	7.6	6.4

Operating profit SEK m	2012				2013		
	I	II	III	IV	I	II	III
UK	27	8	36	22	32	77	65
Nordic	106	171	101	156	111	224	136
Continental Europe	-79	11	17	-162	-48	-46	9
Group-wide and eliminations	-44	-47	-38	-559	-33	-42	-30
Group	10	143	116	-543	62	213	180

Operating margin %	2012				2013		
	I	II	III	IV	I	II	III
UK	2.8	0.7	3.7	2.2	3.2	7.1	6.3
Nordic	8.0	11.5	9.2	11.7	9.3	15.5	12.3
Continental Europe	-12.2	1.2	2.1	-21.5	-7.7	-6.1	1.3
Group	0.3	4.1	4.1	-17.5	2.2	6.5	6.4



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 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).