

# Interim report January-December 2014

(All figures in brackets refer to the corresponding period in 2013)

Net sales for the fourth quarter amounted to SEK 3,231 million (2,909). Organic growth was a 3 per cent (neg: 1). Operating profit for the period excluding restructuring costs of SEK 107 million (–) amounted to SEK 240 million (199), corresponding to an operating margin of 7.4 per cent (6.8). Currency gains of approximately SEK 5 million (losses: 20) affected the Group's operating profit excluding restructuring costs. Profit after tax including restructuring costs amounted to SEK 57 million (98), corresponding to earnings per share of SEK 0.33 (0.59). Operating cash flow amounted to SEK 301 million (210). The Board of Directors proposes a dividend of SEK 1.75 per share.

The market is deemed to have improved slightly compared with the year-earlier period. The UK market continued to grow and the Nordic market increased slightly. Combined, other relevant markets remained unchanged.

Organic sales growth was 3 per cent (neg: 1). Currency effects impacted net sales positively for the quarter in an amount of SEK 186 million (neg: 17).

The gross margin fell to 41.4 per cent (42.0), negatively impacted by a changed sales mix and the effect of the acquisition of Rixonway Kitchens, which was only partially offset by higher sales values.

Operating profit increased primarily due to higher sales values and lower costs.

Currency gains of approximately SEK 5 million (losses: 20) affected the Group's operating profit, of which SEK 15 million (0) comprised translation effects and negative SEK 10 million (neg: 20) transaction effects.

Restructuring costs primarily pertained to the transition to the Group's common standard dimension in Magnet and in Finland, but also to costs relating to the sale of Hygena and the acquisition of Rixonway Kitchens announced during the fourth quarter.

Return on capital employed including restructuring costs amounted to 8.9 per cent over the past twelve-month period (14.6), negatively affected by goodwill impairment in Hygena in the third quarter.

Operating cash flow rose as a result of the positive change in working capital and higher earnings generation compared with the preceding year.

## Comments from the CEO

"Sales increased in our two largest regions and organic growth totalled 3 per cent. The operating margin continued to improve, meaning that it has now strengthened for a full eleven consecutive quarters.

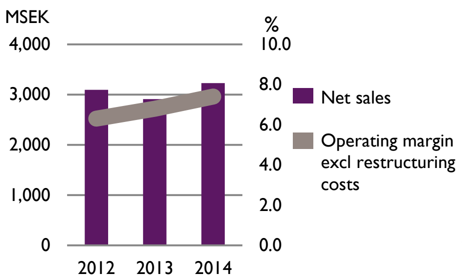
We expect to finalise the divestment of Hygena shortly. Following this transaction and with the additional improvement opportunities that we have, we will come closer to our operating-margin target of 10 per cent, although I do not expect the target to be achieved as early as 2015.

We are continuing to work on generating organic growth through a number of initiatives. The transition to the Group's standard dimension is progressing according to plan and we are now focusing on the successful integration of Rixonway Kitchens," says Morten Falkenberg, President and CEO.

| | Oct-Dec | | | Jan-Dec | | |
|---|---|---|---|---|---|---|
| **Nobia Group summary** | 2013 | 2014 | Change, % | 2013 | 2014 | Change, % |
| Net sales, SEK m | 2,909 | 3,231 | 11 | 11,773 | 12,392 | 5 |
| Gross margin, % | 42.0 | 41.4 | – | 41.0 | 41.8 | – |
| Operating margin before depreciation and impairment, % | 10.4 | 9.7 | – | 9.2 | 9.9 | – |
| Operating profit (EBIT), SEK m | 199 | 240 | 21 | 690 | 845 | 22 |
| Operating margin, % | 6.8 | 7.4 | – | 5.9 | 6.8 | – |
| Profit after financial items, SEK m | 176 | 220 | 25 | 596 | 769 | 29 |
| Profit/loss after tax, SEK m | 98 | 57 1) | -42 | 350 | -27 2) | – |
| Earnings/loss per share excl restructuring, after dilution, SEK | 0.59 | 0.85 | 44 | 2.29 | 3.20 | 40 |
| Earnings/loss per share, after dilution, SEK | 0.59 | 0.33 | -44 | 2.10 | -0.17 | – |
| Operating cash flow, SEK m | 210 | 301 | 43 | 601 | 779 | 30 |

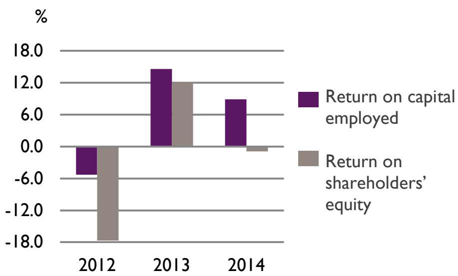
All figures, except for net sales, profit after tax and operating cash flow are adjusted for restructuring costs.
Additional information about restructuring costs is provided on pages 3-5, 7 and 10.
1) Affected by restructuring costs of SEK 87 million.
2) Affected by restructuring costs of SEK 564 million.

### Net sales and operating margin, Oct-Dec



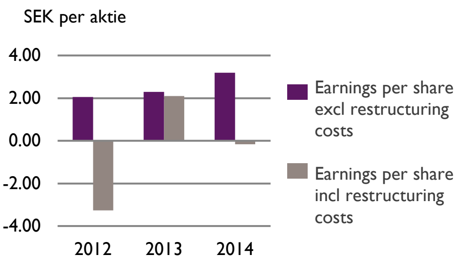

Net sales amounted to SEK 3,231 million and operating margin to 7.4 per cent.

### Profitability trend including restructuring costs




Return on capital employed including restructuring costs was 8.9 per cent during the past twelve-month period.

### Earnings/loss per share




Earnings per share after dilution excluding restructuring costs amounted to SEK 3.20 over the past twelve-month period.

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# Analysis of net sales and regional reporting

Currency gains of SEK 186 million (losses: 17) impacted fourth-quarter net sales. Organic growth was positive in the Nordic and UK regions, but negative in the Continental Europe region. Combined, organic growth was 3 per cent (neg: 1).

| Analysis of net sales | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| | % | SEK m | % | SEK m |
| **2013** | | **2,909** | | **11,773** |
| Organic growth | 3 | 83 | 0 | -11 |
| – of which UK region | 1 | 15 | 1 | 35 |
| – of which Nordic region | 6 | 73 | 2 | 85 |
| – of which Continental Europe region | -1 | -5 | -5 | -131 |
| Currency effect | 6 | 186 | 6 | 675 |
| Divested operations[1)] | 0 | -4 | -1 | -102 |
| Acquired operations[2)] | 2 | 57 | 0 | 57 |
| **2014** | **11** | **3,231** | **5** | **12,392** |

1) Pertains to the sale of Optifit on 1 May 2013.
2) Pertains to the acquisition of Rixonway Kitchens, which was consolidated on 1 November 2014.

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

| | UK | | Nordic | | Continental Europe | | Group-wide and eliminations | | Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Oct-Dec | | Oct-Dec | | Oct-Dec | | Oct-Dec | | Oct-Dec | | |
| SEK m | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | Change, % |
| **Net sales from external customers** | **1,003** | **1,192** | **1,275** | **1,381** | **631** | **658** | **–** | **–** | **2,909** | **3,231** | **11** |
| Net sales from other regions | 26 | 30 | 0 | 1 | 1 | 1 | -27 | -32 | – | – | – |
| **Net sales** | **1,029** | **1,222** | **1,275** | **1,382** | **632** | **659** | **-27** | **-32** | **2,909** | **3,231** | **11** |
| Gross profit excluding restructuring costs | 422 | 496 | 521 | 553 | 277 | 286 | 3 | 3 | 1,223 | 1,338 | 9 |
| Gross margin excluding restructuring costs, % | 41.0 | 40.6 | 40.9 | 40.0 | 43.8 | 43.4 | – | – | 42.0 | 41.4 | – |
| Operating profit excluding restructuring costs | 73 | 86 | 162 | 193 | 2 | 10 | -38 | -49 | 199 | 240 | 21 |
| Operating margin excluding restructuring costs, % | 7.1 | 7.0 | 12.7 | 14.0 | 0.3 | 1.5 | – | – | 6.8 | 7.4 | – |
| **Operating profit/loss** | **73** | **3** | **162** | **187** | **2** | **2** | **-38** | **-59** | **199** | **133** | **-33** |
| Operating margin, % | 7.1 | 0.2 | 12.7 | 13.5 | 0.3 | 0.3 | – | – | 6.8 | 4.1 | – |

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, FM and Intuo in Austria, as well as Poggenpohl globally.

Nobia generates profitability by combining economies of scale with attractive kitchen offerings. The Group has approximately 6,900 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 fourth quarter amounted to SEK 1,222 million (1,029). Organic growth was 1 per cent (8). Operating profit excluding restructuring costs of SEK 83 million (–) amounted to SEK 86 million (73) and the operating margin was 7.0 per cent (7.1). Currency gains of approximately SEK 20 million (losses: 10) on operating profit comprised a translation effect of SEK 10 million and a transaction effect of SEK 10 million.

### Kitchen market

The UK kitchen market continued to grow, particularly in the lower price segments.

### Nobia

Organic sales growth was primarily attributable to increased B2B sales. Sales via Magnet were unchanged compared with the year-earlier period. Magnet's sales to the project segment increased, which however was offset by lower sales to builders (Trade).

Rixonway Kitchens, which was acquired during the quarter and has been included in Nobia's UK region since 1 November 2014, generated net sales of SEK 57 million during the final two months of the year.

Currency gains of SEK 117 million (losses: 13) impacted net sales for the quarter.

The gross margin declined as a result of a changed sales mix and the effect of the acquisition of Rixonway Kitchens, which was only partly offset by higher sales values and positive currency effects.

Operating profit excluding restructuring costs improved based on positive currency effects, lower prices of materials and higher sales values. Operating profit was adversely affected by seasonally low volumes in Rixonway Kitchens.

Restructuring costs for the period pertains to Magnet's transition to the Group's common standard dimension, but also to costs arising in connection with the acquisition of Rixonway Kitchens.

In January 2015, more than 85 per cent of the kitchens sold via Magnet had the Group's common standard dimension.

The Simply Magnet range that was launched in the third quarter was well-received by customers.

Measured in local currency, operating profit for the region totalled GBP 7.4 million (6.9).

### Quarterly data in SEK

| | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | I | II | III | IV | I | II | III | IV |
| Net sales, SEK m | 991 | 1,086 | 1,034 | 1,029 | 1,099 | 1,173 | 1,208 | 1,222 |
| Gross profit excl restructuring costs, SEK m | 394 | 429 | 407 | 422 | 444 | 477 | 505 | 496 |
| Gross margin excl restructuring costs, % | 39.8 | 39.5 | 39.4 | 41.0 | 40.4 | 40.7 | 41.8 | 40.6 |
| Operating profit excl restructuring costs, SEK m | 32 | 77 | 65 | 73 | 51 | 103 | 108 | 86 |
| Operating margin excl restructuring costs, % | 3.2 | 7.1 | 6.3 | 7.1 | 4.6 | 8.8 | 8.9 | 7.0 |
| Operating profit, SEK m | 32 | 77 | 65 | 73 | 51 | 103 | 108 | 3 |
| Operating margin, % | 3.2 | 7.1 | 6.3 | 7.1 | 4.6 | 8.8 | 8.9 | 0.2 |

### Quarterly data in GBP

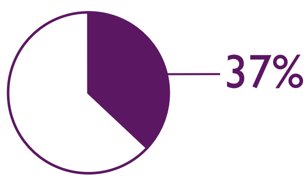
| | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | I | II | III | IV | I | II | III | IV |
| Net sales, GBP m | 99.1 | 108.0 | 101.7 | 97.6 | 102.7 | 105.7 | 103.8 | 104.1 |
| Gross profit excl restructuring costs, GBP m | 39.4 | 42.6 | 40.1 | 40.1 | 41.5 | 42.9 | 43.4 | 42.3 |
| Gross margin excl restructuring costs, % | 39.7 | 39.5 | 39.4 | 41.0 | 40.4 | 40.6 | 41.8 | 40.6 |
| Operating profit excl restructuring costs, GBP m | 3.2 | 7.6 | 6.5 | 6.9 | 4.8 | 9.4 | 9.3 | 7.4 |
| Operating margin excl restructuring costs, % | 3.2 | 7.0 | 6.4 | 7.1 | 4.7 | 8.9 | 8.9 | 7.1 |
| Operating profit, GBP m | 3.2 | 7.6 | 6.5 | 6.9 | 4.8 | 9.4 | 9.3 | 0.0 |
| Operating margin, % | 3.2 | 7.0 | 6.4 | 7.1 | 4.7 | 8.9 | 8.9 | 0.0 |

### Store trend, Oct-Dec

| | |
|---|---|
| Renovated or relocated | – |
| Newly opened, net | 7* |
| Number of own kitchen stores | 208 |

*whereof 4 stores in Rixonway Kitchens.

### Percentage of consolidated net sales, fourth quarter




Our brands

Gower Interior Solutions Magnet rixonway kitchens



# Nordic region

Net sales for the fourth quarter amounted to SEK 1,382 million (1,275). Organic growth was 6 per cent (neg: 3). Operating profit excluding restructuring costs of SEK 6 million (–) totalled SEK 193 million (162) and the operating margin was 14.0 per cent (12.7). Currency losses of approximately SEK 20 million (losses: 10) on operating profit comprised a translation effect of SEK 5 million and a transaction effect of negative SEK 25 million.

### Kitchen market

The Nordic kitchen market increased slightly compared with the year-earlier period. The professional customer developed favourably, while consumer demand remained cautious. Sweden was the strongest market.

### Nobia

Organic sales growth was primarily attributable to the professional segment, although sales to the consumer segment also increased.

Sales in the professional segment rose in all markets except for the Finnish market. Sales to consumers increased in Sweden and Denmark, but declined in Norway and Finland.

Currency gains of SEK 33 million (losses: 17) impacted net sales for the quarter.

The gross margin weakened, negatively affected by currency effects and a changed sales mix, and positively impacted by higher sales values.

Operating profit excluding restructuring costs improved as a result of higher sales values and cost savings, which offset negative currency effects.

Restructuring costs for the period pertains to the Finnish operation's transition to the Group's common standard dimension.

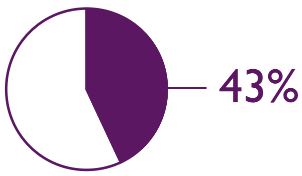
In Norway, Norema launched a limited, attractively priced kitchen range entitled Norema Best Price during the fourth quarter.

In Finland, the Finnish brand portfolio will be streamlined in 2015 by phasing out the Parma brand and instead focusing resources on strengthening the A la Carte and Petra brands.

| Quarterly data in SEK | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | I | II | III | IV | I | II | III | IV |
| Net sales, SEK m | 1,200 | 1,449 | 1,104 | 1,275 | 1,262 | 1,448 | 1,123 | 1,382 |
| Gross profit excl restructuring costs, SEK m | 476 | 612 | 439 | 521 | 503 | 599 | 457 | 553 |
| Gross margin excl restructuring costs, % | 39.7 | 42.2 | 39.8 | 40.9 | 39.9 | 41.4 | 40.7 | 40.0 |
| Operating profit excl restructuring costs, SEK m | 111 | 224 | 136 | 162 | 128 | 207 | 138 | 193 |
| Operating margin excl restructuring costs, % | 9.3 | 15.5 | 12.3 | 12.7 | 10.1 | 14.3 | 12.3 | 14.0 |
| Operating profit, SEK m | 111 | 224 | 136 | 162 | 128 | 207 | 138 | 187 |
| Operating margin, % | 9.3 | 15.5 | 12.3 | 12.7 | 10.1 | 14.3 | 12.3 | 13.5 |

| Store trend, Oct-Dec | |
|---|---|
| Renovated or relocated | – |
| Newly opened, net | -1 |
| Number of own kitchen stores | 68 |

**Share of consolidated net sales, fourth quarter**




Our brands



# Continental Europe region

Net sales for the fourth quarter amounted to SEK 659 million (632). Organic growth was a negative 1 per cent (neg: 9). Operating profit excluding restructuring costs of SEK 8 million (–) amounted to SEK 10 million (2) and the operating margin was 1.5 per cent (0.3). Currency gains of approximately SEK 5 million (0) on operating profit comprised a translation effect of SEK 0 million and a transaction effect of SEK 5 million.

**Kitchen market**

The overall market trend in Nobia's main markets remained unchanged. The German market grew slightly, while both the French and Austrian markets performed negatively during the period.

**Nobia**

The decline in organic sales was attributable to the French kitchen chain Hygena and the operations in Austria.

The increased sales in Poggenpohl were primarily the result of higher project deliveries in Asia and the US.

Currency gains of SEK 36 million (14) impacted net sales for the quarter.

The gross margin fell as a result of higher prices of materials and negative mix effects, which were only partly offset by higher sales values and positive currency effects.

Operating profit excluding restructuring costs improved primarily due to cost savings and higher sales values, which offset negative mix effects and lower volumes.

Restructuring costs for the period were related to the divestment of Hygena.

In the fourth quarter, Nobia signed an agreement for the divestment of Hygena to the French kitchen company Fournier Group for EUR 20 million, on a cash and debt-free basis. An application for approval of the transaction has been submitted to the French competition authorities and the transaction is expected to be finalised during the first quarter of 2015.

| Quarterly data in SEK | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| | I | II | III | IV | I | II | III | IV |
| Net sales, SEK m | 622 | 756 | 685 | 632 | 561 | 724 | 647 | 659 |
| Gross profit excl restructuring costs, SEK m | 240 | 300 | 288 | 277 | 226 | 312 | 299 | 286 |
| Gross margin excl restructuring costs, % | 38.6 | 39.7 | 42.0 | 43.8 | 40.3 | 43.1 | 46.2 | 43.4 |
| Operating profit excl restructuring costs, SEK m | -48 | -10 | 9 | 2 | -39 | 0 | 18 | 10 |
| Operating margin excl restructuring costs, % | -7.7 | -1.3 | 1.3 | 0.3 | -7.0 | 0.0 | 2.8 | 1.5 |
| Operating profit/loss, SEK m | -48 | -46 | 9 | 2 | -39 | 0 | 18 | 2 |
| Operating margin, % | -7.7 | -6.1 | 1.3 | 0.3 | -7.0 | 0.0 | 2.8 | 0.3 |

| Store trend, Oct-Dec | |
|---|---|
| Renovated or relocated | – |
| Newly opened, net | – |
| Number of own kitchen stores | 160 |

**Percentage of consolidated net sales, fourth quarter**


Our brands



# Consolidated earnings, cash flow and financial position January-December 2014

Net sales for 2014 amounted to SEK 12,392 million (11,773). Organic growth totalled 0 per cent (0). Operating profit excluding restructuring costs of SEK 433 million (36) amounted to SEK 845 million (690), corresponding to an operating margin of 6.8 per cent (5.9). Loss after tax and including restructuring costs was SEK 27 million (profit: 350), corresponding to earnings per share of negative SEK 0.17 (pos: 2.10). Operating cash flow amounted to SEK 779 million (601).

Nobia's organic growth during the period totalled 0 per cent (0), specified as follows: positive 1 per cent (6) in the UK, 2 per cent (neg: 2) in the Nordic region and negative 5 per cent (neg: 5) in the Continental Europe region.

Currency effects had a positive impact of SEK 675 million (neg: 347) on net sales. The divestment of Optifit had an adverse effect of SEK 102 million on sales compared with 2013. The acquisition of Rixonway Kitchens in the fourth quarter of 2014 had a positive impact of SEK 57 million on sales compared with 2013.

Currency gains on operating profit amounted to approximately SEK 10 million (losses: 60), comprising a translation effect of positive SEK 50 million (neg: 20) and a transaction effect of negative SEK 40 million (neg: 40).

Operating profit excluding restructuring costs strengthened primarily due to higher sales values and lower prices for materials, which offset lower volumes.

An operating loss of SEK 158 million (loss: 143) excluding restructuring costs was reported for Group-wide items and eliminations.

Net financial items amounted to an expense of SEK 78 million (expense: 94). Net financial items include the net of return on pension assets and interest expense for pension liabilities corresponding to an expense of SEK 41 million (expense: 41).

The net interest expense totalled SEK 37 million (expense: 53).

Operating cash flow improved, primarily as a result of higher earnings generation compared with the year-earlier period.

The return on capital employed including restructuring costs over the past twelve-month period amounted to 8.9 per cent (14.6) and the return on shareholders' equity including restructuring costs was a negative 0.9 per cent (12.0). The return over the past twelve-month period was adversely affected by goodwill impairment pertaining to Hygena, and regarding return on shareholders' equity, impairment of deferred tax receivables, in the third quarter of 2014.

Nobia's investments in fixed assets amounted to SEK 316 million (251), of which SEK 135 million (87) was related to store investments.

Goodwill at the end of the period amounted to SEK 2,278 million (2,153), corresponding to 71 per cent (68) of the Group's shareholders' equity. Net debt including pension provisions amounted to SEK 1,206 million (1,176). The debt/equity ratio was 38 per cent at the end of the period (37).

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

| | UK | | Nordic | | Continental Europe | | Group-wide and eliminations | | Group | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Jan-Dec | | Jan-Dec | | Jan-Dec | | Jan-Dec | | Jan-Dec | | |
| SEK m | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | 2013 | **2014** | Change, % |
| **Net sales from external customers** | **4,055** | **4,590** | **5,027** | **5,213** | **2,691** | **2,589** | **–** | **–** | **11,773** | **12,392** | **5** |
| Net sales from other regions | 85 | 112 | 1 | 2 | 4 | 2 | -90 | -116 | – | – | – |
| **Total net sales** | **4,140** | **4,702** | **5,028** | **5,215** | **2,695** | **2,591** | **-90** | **-116** | **11,773** | **12,392** | **5** |
| Gross profit excl restructuring costs | 1,652 | 1,922 | 2,048 | 2,112 | 1,105 | 1,123 | 19 | 17 | 4,824 | 5,174 | 7 |
| Gross margin excl restructuring costs, % | 39.9 | 40.9 | 40.7 | 40.5 | 41.0 | 43.3 | – | – | 41.0 | 41.8 | – |
| Operating profit excl restructuring costs | 247 | 348 | 633 | 666 | -47 | -11 | -143 | -158 | 690 | 845 | 22 |
| Operating margin excl restructuring costs, % | 6.0 | 7.4 | 12.6 | 12.8 | -1.7 | -0.4 | – | – | 5.9 | 6.8 | – |
| Operating profit (EBIT) | 247 | 265 | 633 | 660 | -83 | -19 | -143 | -494 | 654 | 412 | -37 |
| Operating margin, % | 6.0 | 5.6 | 12.6 | 12.7 | -3.1 | -0.7 | – | – | 5.6 | 3.3 | – |
| Financial items | – | – | – | – | – | – | – | – | -94 | -78 | 17 |
| **Profit after financial items** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **560** | **334** | **-40** |



**Planned divestment of Hygena**

On 24 September 2014, Nobia announced that the company had received an offer to sell its French kitchen chain Hygena to the French kitchen company Fournier Group for a purchase consideration of EUR 20 million on a cash and debt-free basis. Consultation subsequently took place with Hygena's employee representatives, a sales agreement was signed and an application submitted to the French competition authorities. In conjunction with signing the sales agreement, Hygena's net assets were reclassified to Disposal group held for sale, in accordance with IFRS 5.

The transaction is expected to be finalised during the first quarter of 2015.

The sale of Hygena is expected to improve Nobia's operating margin. For 2014, Hygena's net sales amounted to SEK 1,098 million and operating loss excluding restructuring costs to approximately SEK 125 million.

The divestment of Hygena is expected to have a negative impact on earnings of approximately SEK 500 million, primarily attributable to impairment of goodwill and deferred tax assets, and is recognised as a restructuring cost.

In light of the planned sale of Hygena, Hygena's total goodwill value of SEK 328 million as per the closing day rate on 31 December 2014 was impaired in the third-quarter accounts. This impairment is recognised under Group-wide and eliminations. In addition, Hygena's deferred tax assets were impaired from SEK 151 million to SEK 0 on 30 September 2014, which was charged to the tax expense for the year.

During the fourth quarter of 2014, Nobia incurred additional costs of SEK 12 million related to the divestment of Hygena.

When the transaction is completed, the purchasing company will pay Nobia a purchase consideration of EUR 20 million.

**Restructuring measures in progress**

Restructuring costs pertain to certain nonrecurring costs; see page 10. Restructuring costs of SEK 564 million impacted profit after tax for 2014, of which SEK 433 million was charged to operating profit, SEK 151 million pertained to the impairment of deferred tax assets, negative SEK 22 million pertained to other tax effects and SEK 2 million was charged to net financial items.

The restructuring costs charged to operating profit for the year primarily pertain to the impairment of goodwill in Hygena of SEK 328 million, but also to the transition to the Group's common standard dimension in Magnet in the UK and in Finland, and costs related to the divestment of Hygena and the acquisition of Rixonway Kitchens.

Approved and implemented restructuring measures of SEK 76 million (133) were charged to cash flow, of which 56 (133) derived from previous years' approved restructuring measures.

**Earnings for discontinued operations**

Nobia holds a number of stores, which were acquired from franchisees with the intention of selling these on. At the end of 2013, Nobia had four stores in Denmark and four stores in Sweden, a total of eight stores.

During the first six months of 2014, two additional stores were acquired in Sweden, of which one was sold on during the third quarter. Two stores were sold on during the fourth quarter. At the end of the fourth quarter, Nobia had four stores in Denmark and three stores in Sweden, which are recognised in the Nordic region as Discontinued operations and Disposal group held for sale, in accordance with IFRS 5.

Loss after tax for these stores amounted to SEK 17 million (loss: 15) during the January-December 2014 period.

**Corporate acquisitions and divestments**

It was announced on 9 December 2014 that Nobia had acquired Rixonway Kitchens, a large kitchen supplier in the UK market, and a leader in the social housing segment. The seller was August Equity LLP and the management of Rixonway Kitchens. The purchase consideration amounted to GBP 31 million on a cash and debt-free basis, and a variable cash consideration of a maximum of GBP 3 million, conditional upon the company's business performance.

The acquisition of Rixonway strengthens Nobia's position in the UK kitchen market. Through synergy effects in primarily sourcing and administration, Nobia expects the acquisition to have a positive effect on the Group's operating margin and earnings per share from 2015.

Rixonway Kitchens has been included in Nobia's financial statements since 1 November 2014. Rixonway Kitchens has annual net sales of approximately GBP 40 million and an EBIT margin of about 10 per cent.

**Personnel**

The number of employees at the end of the period was 6,925 (6,544). The increase in the number of employees since the third quarter was primarily due to the acquisition of Rixonway Kitchens, which had 463 employees at the end of the year.

**Organisation and management changes**

The regional organisational structure was strengthened to optimise production, co-ordinate sourcing and harmonise commercial activities between the business units in each region. In connection with this organisational change, the areas of responsibility for Lars Bay-Smidt, Peter Kane and Christian Rösler, were extended regarding the operations in each region.

Following the divestment of Hygena, the Continental Europe region will be renamed Central Europe region.

On 31 December 2014, Titti Lundgren, EVP and Head of Marketing, left Nobia.

From 1 January 2015 the following persons became members of Nobia's Group Management: Nick Corlett, EVP Sourcing and Product Management; Rune Stephansen, EVP Head of Commercial Sweden; Ole Dalsbø, EVP Head of Commercial Norway, Erkka Lumme, EVP Head of Commercial Finland, Annica Hagen, EVP Brand Portfolio and Innovation, and Kim Lindqvist, EVP Digital and Media Strategy.

**Currency effects on operating result***

| | Translation effect | | Transaction effect | | Total effect | |
|---|---|---|---|---|---|---|
| SEK m | Q4 | Jan-Dec | Q4 | Jan-Dec | Q4 | Jan-Dec |
| UK region | 10 | 35 | 10 | 25 | 20 | 60 |
| Nordic region | 5 | 15 | -25 | -75 | -20 | -60 |
| Continental Europe region | 0 | 0 | 5 | 10 | 5 | 10 |
| **Group** | **15** | **50** | **-10** | **-40** | **5** | **10** |

* Pertains to effects excluding restructuring costs.



## Annual General Meeting

Nobia's Annual General Meeting will be held on 14 April 2015 at 3:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, in Stockholm.

The present Chairman of Nobia, Johan Molin, has declined re-election at the 2015 Annual General Meeting. The Nomination Committee has proposed Tomas Billing and Christina Ståhl as new Board members. The Nomination Committee has also proposed Tomas Billing as the new Board Chairman of Nobia.

The Nomination Committee's complete proposals will be published not later than in conjunction with the release of the notice of the Annual General Meeting on 13 March.

The Annual Report is scheduled to be published on www.nobia.com on 24 March and distributed in printed form on 31 March.

## Dividend policy and proposed dividend

The Board has revised the dividend policy to the objective that the average dividend shall be 40–60 per cent of net profit after tax. The former target was that the average dividend should be at least 30–60 per cent of net profit after tax.

The Board proposes that a dividend of SEK 1.75 per share be paid for the 2014 fiscal year, corresponding to 7.9 per cent of the Parent Company's shareholders' equity and 9.2 per cent of the Group's shareholders' equity. The proposal entails a total dividend of approximately SEK 293 million. The record day for payment of the dividend is 16 April 2015.

## Transfer of treasury shares

The Board of Directors of Nobia has decided to transfer repurchased shares based on the authorisation granted by the 2014 Annual General Meeting. The purpose of the transfer is to deliver shares under an employee share option scheme, according to which each employee share option carries entitlement to the acquisition of one Nobia share during the period from and including 31 May 2014 up to and including 31 December 2015 at an exercise price of SEK 54.10. This employee share option scheme was decided at the 2011 Annual General Meeting and is described in more detail in the 2013 Annual Report.

In June 2014, Nobia transferred 330,000 repurchased shares and 65,000 shares were transferred in November. On 31 December 2014, Nobia held 7,767,300 treasury shares.

The number of additional shares under the aforementioned employee share option scheme that will be transferred during the period until the 2015 Annual General Meeting is based on the number of employee share options that will actually be utilised, but will not exceed 640,000.

For current information regarding the implementation of the transfer of repurchased shares, refer to the stock exchange's website.

## Financing

In July 2014, Nobia agreed a new syndicated loan of SEK 1 billion with a small group of banks. The term is five years. Nobia also has a bond loan from AB SEK Securities (Swedish Export Credit Corporation) of SEK 800 million, which expires in 2017.

## Related party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 118 million (77) during the period.

The Parent Company reported profit of SEK 312 million (244) from participations in Group companies.

## Financial instruments

Financial instruments measured at fair value in the balance sheet are forward agreements comprised of assets at a value of SEK 20 million (10) and liabilities at a value of SEK 24 million (7). 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 35-37 of the 2013 Annual Report. During the January-December 2014 period, the overall Nordic market is deemed to have remained unchanged. Demand in the UK is considered to have increased slightly, while demand in Continental Europe remained weak. Overall, market conditions are deemed to remain challenging. This means that total production and deliveries remain 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 2,278 million. The value of this asset item is tested annually and if there are any indications of a decline in value.

## 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. Nobia has applied the same accounting policies in this interim report as were applied in the 2013 Annual Report.

## New accounting policies for 2014

New or revised IFRS and interpretations from the IFRS Interpretation Committee (IFRS IC) did not have any effect on the Group's or the Parent Company's financial position, earnings or other disclosures.

## 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, 13 February 2015 at 9:00 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)8 505 564 74
- From the UK: +44 (0)203 364 5374
- From the US: +1 855 753 22 30

## Financial calendar

| | |
|---|---|
| 14 April 2015 | 2015 Annual General Meeting |
| 27 April 2015 | Interim report January-March 2015 |
| 20 July 2015 | Interim report January-June 2015 |
| 30 October 2015 | Interim report January-September 2015 |

Stockholm, 13 February 2015

Morten Falkenberg
*President and CEO*

Nobia AB, Corporate Registration Number 556528-2752

*This Year-end Report is unaudited.*

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 13 February 2015 at 8:00 a.m. CET.

Box 70376 • SE-107 24 Stockholm, Sweden • Street address: Klarabergsviadukten 70 A5 • Tel +46 (0)8 440 16 00 • Fax +46 (0)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

| | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| Net sales | 2,909 | 3,231 | 11,773 | 12,392 |
| Cost of goods sold | -1,686 | -1,950 | -6,949 | -7,275 |
| **Gross profit** | **1,223** | **1,281** | **4,824** | **5,117** |
| Selling and administration expenses | -1,039 | -1,132 | -4,163 | -4,707 |
| Other income/expenses | 15 | -16 | -7 | 2 |
| **Operating profit** | **199** | **133** | **654** | **412** |
| Net financial items | -23 | -22 | -94 | -78 |
| **Profit/loss after financial items** | **176** | **111** | **560** | **334** |
| Tax | -73 | -52 | -195 | -344 |
| **Profit/loss after tax from continuing operations** | **103** | **59** | **365** | **-10** |
| Profit/loss from discontinued operations, net after tax | -5 | -2 | -15 | -17 |
| **Profit/loss after tax** | **98** | **57** | **350** | **-27** |
| **Total profit attributable to:** | | | | |
| Parent Company shareholders | 98 | 57 | 351 | -28 |
| Non-controlling interests | 0 | 0 | -1 | 1 |
| **Total profit/loss** | **98** | **57** | **350** | **-27** |
| Total depreciation | 97 | 81 | 377 | 378 |
| Total impairment | 6 | 10 | 13 | 344 |
| Gross margin, % | 42.0 | 39.6 | 41.0 | 41.3 |
| Operating margin, % | 6.8 | 4.1 | 5.6 | 3.3 |
| Return on capital employed, % | - | - | 14.6 | 8.9 |
| Return on shareholders equity, % | - | - | 12.0 | -0.9 |
| Earnings per share before dilution, SEK[1)] | 0.59 | 0.34 | 2.10 | -0.17 |
| Earnings per share after dilution, SEK[1)] | 0.59 | 0.33 | 2.10 | -0.17 |
| Number of shares at period end before dilution, 000s[2)] | 167,131 | 167,526 | 167,131 | 167,526 |
| Average number of shares after dilution, 000s[2)] | 167,131 | 167,504 | 167,131 | 167,334 |
| Number of shares after dilution at period end, 000s[2)] | 167,366 | 168,002 | 167,351 | 167,526 |
| Average number of shares after dilution, 000s[2)] | 167,366 | 167,982 | 167,310 | 167,334 |

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

# Consolidated statement of comprehensive income

| SEK m | Oct-Dec 2013 | Oct-Dec **2014** | Jan-Dec 2013 | Jan-Dec **2014** |
|---|---|---|---|---|
| Profit/loss after tax | 98 | 57 | 350 | -27 |
| **Other comprehensive income** | | | | |
| **Items that may be reclassified subsequently to profit or loss** | | | | |
| Exchange-rate differences attributable to translation of foreign operations | 121 | 112 | 109 | 369 |
| Cash flow hedges before tax | -5 | 25 | 4 | -5 |
| Tax attributable to change in hedging reserve for the period | 1 | -5 | -1 | 1 |
| | **117** | **132** | **112** | **365** |
| **Items that will not be reclassified to profit or loss** | | | | |
| Remeasurements of defined benefit pension plans | 131 | -25 | 150 | -202 |
| Tax relating to remeasurements of defined benefit pension plans | -33 | 6 | -37 | 41 |
| | **98** | **-19** | **113** | **-161** |
| **Other comprehensive income/loss** | **215** | **113** | **225** | **204** |
| **Total comprehensive income/loss** | **313** | **170** | **575** | **177** |
| **Total comprehensive income/loss attributable to:** | | | | |
| Parent Company shareholders | 313 | 170 | 576 | 176 |
| Non-controlling interests | 0 | 0 | -1 | 1 |
| **Total comprehensive income/loss** | **313** | **170** | **575** | **177** |

# Specification of restructuring costs 1)

| **Restructuring costs per function**<br>SEK m | Oct-Dec 2013 | Oct-Dec **2014** | Jan-Dec 2013 | Jan-Dec **2014** |
|---|---|---|---|---|
| Cost of goods sold | – | -57 | – | -57 |
| Selling and administrative expenses | – | -38 | – | -364 |
| *-Whereof impairment of goodwill in Hygenga* | *–* | *-2* | *–* | *-328* |
| Other expenses | – | -12 | -36 | -12 |
| **Total restructuring costs** | **–** | **-107** | **-36** | **-433** |

| **Restructuring costs per region**<br>SEK m | Oct-Dec 2013 | Oct-Dec **2014** | Jan-Dec 2013 | Jan-Dec **2014** |
|---|---|---|---|---|
| UK | – | -83 | – | -83 2) |
| Nordic | – | -6 | – | -6 |
| Continental Europe | – | -8 | -36 | -8 |
| Group-wide and eliminations | – | -10 | – | -336 |
| *-Whereof impairment of goodwill in Hygenga* | *–* | *-2* | *–* | *-328* |
| **Group** | **–** | **-107** | **-36** | **-433** |

1) Refers to costs affecting operating profit. Restructuring costs affects profit after tax for the fourth quarter of SEK 87 million and for the period January-December 2014 of SEK 564 million.
2) Impairment of SEK 17 million referring to Kitchen Exhibitions.



# Condensed consolidated balance sheet

| SEK m | 31 dec 2013 | 31 dec **2014** |
|---|---|---|
| **ASSETS** | | |
| Goodwill | 2,153 | 2,278 |
| Other intangible fixed assets | 176 | 158 |
| Tangible fixed assets | 1,876 | 1,672 |
| Long-term receivables | 55 | 35 |
| Deferred tax assets | 410 | 303 |
| **Total fixed assets** | **4,670** | **4,446** |
| Inventories | 849 | 853 |
| Accounts receivable | 949 | 1,091 |
| Other receivables | 424 | 403 |
| *Total current receivables* | *1,373* | *1,494* |
| Cash and cash equivalents | 278 | 470 |
| Assets held for sale | 15 | 592 |
| **Total current assets** | **2,515** | **3,409** |
| **Total assets** | **7,185** | **7,855** |
| **SHAREHOLDERS' EQUITY AND LIABILITIES** | | |
| Share capital | 58 | 58 |
| Other capital contributions | 1,463 | 1,470 |
| Reserves | -366 | 7 |
| Profit brought forward | 1,999 | 1,656 |
| *Total shareholders' equity attributable to Parent Company shareholders* | *3,154* | *3,191* |
| Non-controlling interests | 4 | 5 |
| **Total shareholders' equity** | **3,158** | **3,196** |
| Provisions for pensions | 654 | 869 |
| Other provisions | 209 | 159 |
| Deferred tax liabilities | 162 | 143 |
| Other long-term liabilities, interest-bearing | 806 | 811 |
| **Total long-term liabilities** | **1,831** | **1,982** |
| Current liabilities, interest-bearing | 2 | 4 |
| Current liabilities, non-interest-bearing | 2,192 | 2,313 |
| Liabilities attributable to assets held for sale | 2 | 360 |
| **Total current liabilities** | **2,196** | **2,677** |
| **Total shareholders' equity and liabilities** | **7,185** | **7,855** |
| **BALANCE-SHEET RELATED KEY RATIOS** | | |
| Equity/assets ratio, % | 44 | 41 |
| Debt/equity ratio, % | 37 | 38 |
| Net debt, SEK m | 1,176 | 1,206 |
| Capital employed, closing balance, SEK m | 4,620 | 4,880 |



# 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 | SEK m | Share capital | Other capital contributions | Exchange-rate differences attributable to translation of foreign operations |
| Opening balance, 1 January 2013 | 58 | 1,458 | -470 | 0 | 1,611 | 2,657 | 5 | 2,662 |
| Profit/loss for the period | – | – | – | – | 351 | 351 | -1 | 350 |
| Other comprehensive income/loss for the period | – | – | 109 | 3 | 113 | 225 | 0 | 225 |
| **Total comprehensive income for the period** | **–** | **–** | **109** | **3** | **464** | **576** | **-1** | **575** |
| Dividend | – | – | – | – | -84 | -84 | – | -84 |
| Allocation of employee share option and share saving schemes | – | 5 | – | – | – | 5 | – | 5 |
| **Closing balance, 31December 2013** | **58** | **1,463** | **-361** | **3** | **1,991** | **3,154** | **4** | **3,158** |
| | | | | | | | | |
| Opening balance, 1 January 2014 | 58 | 1,463 | -361 | 3 | 1,991 | 3,154 | 4 | 3,158 |
| Profit/loss for the period | – | – | – | – | -28 | -28 | 1 | -27 |
| Other comprehensive income/loss for the period | – | – | 369 | -4 | -161 | 204 | 0 | 204 |
| **Total comprenhensive income/loss for the period** | **–** | **–** | **369** | **-4** | **-189** | **176** | **1** | **177** |
| Dividend | – | – | – | – | -167 | -167 | 0 | -167 |
| Allocation of employee share option and share saving schemes | – | 7 | – | – | – | 7 | – | 7 |
| Treasury shares sold | – | – | – | – | 21 | 21 | – | 21 |
| **Closing balance, 31December 2014** | **58** | **1,470** | **8** | **-1** | **1,656** | **3,191** | **5** | **3,196** |

# Condensed consolidated cash-flow statement

| SEK m | Oct-Dec 2013 | Oct-Dec **2014** | Jan-Dec 2013 | Jan-Dec **2014** |
|---|---|---|---|---|
| *Operating activities* | | | | |
| Operating profit | 199 | 133 | 654 | 412 |
| Depreciation/Impairment | 103 | 91 | 390[1] | 722[2] |
| Adjustments for non-cash items | -13 | 97 | 18 | 99 |
| Tax paid | -81 | -84 | -159 | -194 |
| Change in working capital | 85 | 160 | -72 | 12 |
| **Cash flow from operating activities** | **293** | **397** | **831** | **1,051** |
| | | | | |
| *Investing activities* | | | | |
| Investments in fixed assets | -90 | -109 | -251 | -316 |
| Other items in investing activities | 7 | 13 | 21 | 44 |
| Interest received | 2 | 4 | 4 | 6 |
| Change in interest-bearing assets | 0 | 0 | -2 | 1 |
| Acquisition of operations | – | -250 | – | -250 |
| Divestment of operations | -10 | -14 | -38 | -16 |
| **Cash flow from investing activities** | **-91** | **-356** | **-266** | **-531** |
| **Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets** | **210** | **301** | **601** | **779** |
| Operating cash flow after aquisition/divestment of companies, interest, increase/decrease of interest-bearing assets | 202 | 41 | 565 | 520 |
| | | | | |
| *Financing activities* | | | | |
| Interest paid | -11 | -13 | -58 | -43 |
| Change in interest-bearing liabilities | -66 | -145 | -318[3] | -190[4] |
| Treasury shares sold | – | 3 | – | 21 |
| Dividend | – | – | -84 | -167 |
| **Cash flow from financing activities** | **-77** | **-155** | **-460** | **-379** |
| **Cash flow for the period excluding exchange-rate differences in cash and cash equivalents** | **125** | **-114** | **105** | **141** |
| | | | | |
| **Cash and cash equivalents at beginning of the period** | **149** | **546** | **171** | **278** |
| Cash flow for the period | 125 | -114 | 105 | 141 |
| Exchange-rate differences in cash and cash equivalents | 4 | 38 | 2 | 51 |
| **Cash and cash equivalents at period-end** | **278** | **470** | **278** | **470** |

1) Impairment amounted to SEK 13 million of which SEK 6 million pertained to buildings, SEK 5 million to machinery and equipment and SEK 2 million to kitchen exhibitions.
2) Impairment amounted to SEK 351 million of which SEK 328 million pertained to goodwill, SEK 2 million to other intangible assets and SEK 21 million to kitchen exhibitions. Reverse of previous impairment amounted to SEK 7 million and refers to buidings.
3) Loan repayments totalling SEK 130 million.
4) Loan repayments totalling SEK 100 million.

| **Analysis of net debt** SEK m | Oct-Dec 2013 | Oct-Dec **2014** | Jan-Dec 2013 | Jan-Dec **2014** |
|---|---|---|---|---|
| **Opening balance** | **1,462** | **1,099** | **1,707** | **1,176** |
| Acquisition of operations | – | 361 | – | 361 |
| Divestment of operations | 10 | 14 | 38 | 16 |
| Translation differences | 20 | 2 | 1 | 14 |
| Operating cash flow | -210 | -301 | -601 | -779 |
| Interest paid, net | 9 | 9 | 54 | 37 |
| Remeasurements of defined benefit pension plans | -131 | 18 | -150 | 195 |
| Other change in pension liabilities | 16 | 7 | 43 | 40 |
| Dividend | – | – | 84 | 167 |
| Treasury shares sold | – | -3 | – | -21 |
| **Closing balance** | **1,176** | **1,206** | **1,176** | **1,206** |



# Note 1 – Corporate acquisitions

### Note 1 – Corporate acquisitions

On 9 December 2014, Nobia acquired the UK kitchen company Rixonway Kitchens by acquiring 100 per cent of the shares in Rollfold Holdings Limited. The company is a leader in the social housing segment.
Rixonway Kitchens generated sales of SEK 57 million after the acquisition. Net profit for the year from the acquisition dates and sales and earnings as if the company had been owned since the start of the year are not reported. The acquisition analysis below is preliminary since the acquisition amounts of fair value had not been finally determined.

Goodwill is attributable to synergies that are expected to be achieved through additional co-ordination of sourcing, production distribution and administration.

### Acquired net assets and goodwill

| SEK m | |
|---|---|
| Purchase consideration | 252 |
| Additional purchase consideration | 35 |
| Fair value of acquired net assets | -27 |
| **Goodwill** | **260** |

### Assets and liabilities included in the acquisition

| SEK m | Fair value | Expected value |
|---|---|---|
| Cash and cash balances | 2 | 2 |
| Tangible assets | 112 | 112 |
| Intangible assets | 2 | 2 |
| Inventories | 23 | 23 |
| Receivables | 90 | 90 |
| Liabilities | -86 | -86 |
| Interest-bearing liabilities | -112 | -112 |
| Taxes, net | -3 | -3 |
| Deferred taxes, net | -1 | -1 |
| **Acquired net assets** | **27** | **27** |

| | |
|---|---|
| Purchase consideration paid in cash | 252 |
| Cash and cash equivalents in acquired subsidiaries | 2 |
| Reduction in the Group's cash and cash equivalents in conjunction with acquisition | 250 |



# Parent Company

| Condensed Parent Company income statement | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| Net sales | 13 | 20 | 77 | 118 |
| Administrative expenses | -46 | -84 | -167 | -238 |
| **Operating loss** | **-33** | **-64** | **-90** | **-120** |
| Profit from shares in Group companies | 244 | 295 | 244 | 312 |
| Other financial income and expenses | -10 | -17 | -41 | -39 |
| **Profit/loss after financial items** | **201** | **214** | **113** | **153** |
| Tax on profit/loss for the period | 0 | 0 | 0 | 1 |
| **Profit/loss for the period** | **201** | **214** | **113** | **154** |

| Parent Company balance sheet | 31 dec | |
|---|---|---|
| SEK m | 2013 | **2014** |
| **ASSETS** | | |
| **Fixed assets** | | |
| Shares and participations in Group companies | 2,231 | 2,234 |
| **Total fixed assets** | **2,231** | **2,234** |
| | | |
| **Current assets** | | |
| *Current receivables* | | |
| Accounts receivable | 13 | 8 |
| Receivables from Group companies | 2,501 | 3,195 |
| Other receivables | 6 | 12 |
| Prepaid expenses and accrued income | 47 | 54 |
| Cash and cash equivalents | 152 | 184 |
| **Total current assets** | **2,719** | **3,453** |
| **Total assets** | **4,950** | **5,687** |
| | | |
| **SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES** | | |
| **Shareholders' equity** | | |
| *Restricted shareholders' equity* | | |
| Share capital | 58 | 58 |
| Statutory reserve | 1,671 | 1,671 |
| | **1,729** | **1,729** |
| *Non-restricted shareholders' equity* | | |
| Share premium reserve | 52 | 52 |
| Buy-back of shares | -468 | -447 |
| Profit brought forward | 2,261 | 2,215 |
| Profit/loss for the period | 113 | 154 |
| | **1,958** | **1,974** |
| **Total shareholders' equity** | **3,687** | **3,703** |
| | | |
| **Provisions for pensions** | **11** | **13** |
| **Long-term liabilities** | | |
| Liabilities to credit institutes | 800 | 800 |
| **Current liabilities** | | |
| Liabilities to credit institutes | 0 | 0 |
| Accounts payable | 14 | 22 |
| Liabilities to Group companies | 406 | 1,110 |
| Other liabilities | 4 | 2 |
| Accrued expenses and deferred income | 28 | 37 |
| **Total current liabilities** | **452** | **1,171** |
| **Total shareholders' equity, provisions and liabilities** | **4,950** | **5,687** |
| Pledged assets | – | – |
| Contingent liabilities | 172 | 179 |

# Comparative data per region

| Net sales | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| UK | 1,029 | 1,222 | 4,140 | 4,702 |
| Nordic | 1,275 | 1,382 | 5,028 | 5,215 |
| Continental Europe | 632 | 659 | 2,695 | 2,591 |
| Group-wide and eliminations | -27 | -32 | -90 | -116 |
| **Group** | **2,909** | **3,231** | **11,773** | **12,392** |

| Gross profit excluding restructuring costs | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| UK | 422 | 496 | 1,652 | 1,922 |
| Nordic | 521 | 553 | 2,048 | 2,112 |
| Continental Europe | 277 | 286 | 1,105 | 1,123 |
| Group-wide and eliminations | 3 | 3 | 19 | 17 |
| **Group** | **1,223** | **1,338** | **4,824** | **5,174** |

| Gross margin excluding restructuring costs | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| % | 2013 | **2014** | 2013 | **2014** |
| UK | 41.0 | 40.6 | 39.9 | 40.9 |
| Nordic | 40.9 | 40.0 | 40.7 | 40.5 |
| Continental Europe | 43.8 | 43.4 | 41.0 | 43.3 |
| **Group** | **42.0** | **41.4** | **41.0** | **41.8** |

| Operating profit excluding restructuring costs | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| UK | 73 | 86 | 247 | 348 |
| Nordic | 162 | 193 | 633 | 666 |
| Continental Europe | 2 | 10 | -47 | -11 |
| Group-wide and eliminations | -38 | -49 | -143 | -158 |
| **Group** | **199** | **240** | **690** | **845** |

| Operating margin excluding restructuring costs | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| % | 2013 | **2014** | 2013 | **2014** |
| UK | 7.1 | 7.0 | 6.0 | 7.4 |
| Nordic | 12.7 | 14.0 | 12.6 | 12.8 |
| Continental Europe | 0.3 | 1.5 | -1.7 | -0.4 |
| **Group** | **6.8** | **7.4** | **5.9** | **6.8** |

| Operating profit | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| SEK m | 2013 | **2014** | 2013 | **2014** |
| UK | 73 | 3 | 247 | 265 |
| Nordic | 162 | 187 | 633 | 660 |
| Continental Europe | 2 | 2 | -83 | -19 |
| Group-wide and eliminations | -38 | -59 | -143 | -494 |
| **Group** | **199** | **133** | **654** | **412** |

| Operating margin | Oct-Dec | | Jan-Dec | |
|---|---|---|---|---|
| % | 2013 | **2014** | 2013 | **2014** |
| UK | 7.1 | 0.2 | 6.0 | 5.6 |
| Nordic | 12.7 | 13.5 | 12.6 | 12.7 |
| Continental Europe | 0.3 | 0.3 | -3.1 | -0.7 |
| **Group** | **6.8** | **4.1** | **5.6** | **3.3** |



# Quarterly data per region

| Net sales | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| SEK m | I | II | III | IV | I | II | III | IV |
| UK | 991 | 1,086 | 1,034 | 1,029 | 1,099 | 1,173 | 1,208 | 1,222 |
| Nordic | 1,200 | 1,449 | 1,104 | 1,275 | 1,262 | 1,448 | 1,123 | 1,382 |
| Continental Europe | 622 | 756 | 685 | 632 | 561 | 724 | 647 | 659 |
| Group-wide and eliminations | -9 | -29 | -25 | -27 | -25 | -31 | -28 | -32 |
| **Group** | **2,804** | **3,262** | **2,798** | **2,909** | **2,897** | **3,314** | **2,950** | **3,231** |

| Gross profit excluding restructuring costs | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| SEK m | I | II | III | IV | I | II | III | IV |
| UK | 394 | 429 | 407 | 422 | 444 | 477 | 505 | 496 |
| Nordic | 476 | 612 | 439 | 521 | 503 | 599 | 457 | 553 |
| Continental Europe | 240 | 300 | 288 | 277 | 226 | 312 | 299 | 286 |
| Group-wide and eliminations | 8 | 3 | 5 | 3 | 3 | 6 | 5 | 3 |
| **Group** | **1,118** | **1,344** | **1,139** | **1,223** | **1,176** | **1,394** | **1,266** | **1,338** |

| Gross margin excluding restructuring costs | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| % | I | II | III | IV | I | II | III | IV |
| UK | 39.8 | 39.5 | 39.4 | 41.0 | 40.4 | 40.7 | 41.8 | 40.6 |
| Nordic | 39.7 | 42.2 | 39.8 | 40.9 | 39.9 | 41.4 | 40.7 | 40.0 |
| Continental Europe | 38.6 | 39.7 | 42.0 | 43.8 | 40.3 | 43.1 | 46.2 | 43.4 |
| **Group** | **39.9** | **41.2** | **40.7** | **42.0** | **40.6** | **42.1** | **42.9** | **41.4** |

| Operating profit excluding restructuring costs | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| SEK m | I | II | III | IV | I | II | III | IV |
| UK | 32 | 77 | 65 | 73 | 51 | 103 | 108 | 86 |
| Nordic | 111 | 224 | 136 | 162 | 128 | 207 | 138 | 193 |
| Continental Europe | -48 | -10 | 9 | 2 | -39 | 0 | 18 | 10 |
| Group-wide and eliminations | -33 | -42 | -30 | -38 | -43 | -35 | -31 | -49 |
| **Group** | **62** | **249** | **180** | **199** | **97** | **275** | **233** | **240** |

| Operating margin excluding restructuring costs | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| % | I | II | III | IV | I | II | III | IV |
| UK | 3.2 | 7.1 | 6.3 | 7.1 | 4.6 | 8.8 | 8.9 | 7.0 |
| Nordic | 9.3 | 15.5 | 12.3 | 12.7 | 10.1 | 14.3 | 12.3 | 14.0 |
| Continental Europe | -7.7 | -1.3 | 1.3 | 0.3 | -7.0 | 0.0 | 2.8 | 1.5 |
| **Group** | **2.2** | **7.6** | **6.4** | **6.8** | **3.3** | **8.3** | **7.9** | **7.4** |

| Operating profit | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| SEK m | I | II | III | IV | I | II | III | IV |
| UK | 32 | 77 | 65 | 73 | 51 | 103 | 108 | 3 |
| Nordic | 111 | 224 | 136 | 162 | 128 | 207 | 138 | 187 |
| Continental Europe | -48 | -46 | 9 | 2 | -39 | 0 | 18 | 2 |
| Group-wide and eliminations | -33 | -42 | -30 | -38 | -43 | -35 | -357 | -59 |
| **Group** | **62** | **213** | **180** | **199** | **97** | **275** | **-93** | **133** |

| Operating margin | 2013 | | | | 2014 | | | |
|---|---|---|---|---|---|---|---|---|
| % | I | II | III | IV | I | II | III | IV |
| UK | 3.2 | 7.1 | 6.3 | 7.1 | 4.6 | 8.8 | 8.9 | 0.2 |
| Nordic | 9.3 | 15.5 | 12.3 | 12.7 | 10.1 | 14.3 | 12.3 | 13.5 |
| Continental Europe | -7.7 | -6.1 | 1.3 | 0.3 | -7.0 | 0.0 | 2.8 | 0.3 |
| **Group** | **2.2** | **6.5** | **6.4** | **6.8** | **3.3** | **8.3** | **-3.2** | **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.

**Earings 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).