



Year-end report January-December 2016

(All values in brackets refer to the corresponding period in 2015.)

October-December 2016*

- Net sales for the fourth quarter amounted to SEK 3,155 million (3,016), negatively impacted by currency effects of SEK 114 million.
- Organic growth was 5 per cent (4).
- Operating profit amounted to SEK 297 million (283), corresponding to an operating margin of 9.4 per cent (9.4).
- Currency losses had an impact of approximately SEK 50 million on the Group's operating profit, of which a negative SEK 5 million in translation effects and a negative SEK 45 million in transaction effects.
- Loss after tax amounted to SEK 264 million (profit: 128), corresponding to a loss per share of SEK 1.56 (earnings: 0.77).
- Operating cash flow amounted to SEK 480 million (292).
- The Board proposes a dividend of SEK 3.00 per share (2.50).

* Poggenpohl was reclassified as discontinued operations in the fourth quarter of 2016. Comparative figures in the income statement and cash-flow statement have been restated. See page 7.

Nobia Group summary

	Oct-Dec			Jan-Dec		
	2015	2016	Change, %	2015	2016	Change, %
Net sales, SEK m	3,016	3,155	5	12,266	12,648	3
Gross margin, %	39.5	37.5	–	40.0	39.0	–
Operating margin before depreciation and impairment, %	11.6	11.6	–	12.1	12.5	–
Operating profit (EBIT), SEK m	283	297	5	1,189	1,298	9
Operating margin, %	9.4	9.4	–	9.7	10.3	–
Profit after financial items, SEK m	268	286	7	1,132	1,247	10
Profit/loss after tax, SEK m	128	-264	–	828	455	-45
Profit/loss after tax excl IAC, SEK m	203	184	-9	903	903	0
Earnings/loss per share after dilution, SEK	0.77	-1.56	–	4.92	2.70	-45
Earnings/loss per share excl IAC after dilution, SEK	1.21	1.09	-10	5.36	5.36	0
Operating cash flow, SEK m	292	480	64	770	1,031	34

Comments from the CEO

“Organic growth remained positive in the fourth quarter, primarily driven by increased sales to the Nordic project market. I am also pleased with the sales growth and profitability that we achieved in the tough UK market. The price for Poggenpohl was below our expectations, but the divestment of Poggenpohl entails an improved operating margin for Nobia. For the full-year 2016, an operating margin of 10.3 per cent was reached, despite significant negative currency effects. Thus, the operating margin target is achieved. Going forward, we will continue to focus on profitable growth, both organically and through acquisitions,” says President and CEO Morten Falkenberg.

Consolidated net sales, earnings and cash flow

The market in total is deemed to have improved slightly during the fourth quarter compared with the year-earlier period.

Sales increased organically 5 per cent (4). Currency losses of SEK 114 million (gains: 85) affected sales for the quarter. Commodore and CIE, which were consolidated on 1 November 2015, generated sales of SEK 199 million (68) in the fourth quarter of 2016.

The gross margin declined to 37.5 per cent (39.5), mainly due to negative currency effects.

Operating profit improved, positively affected by higher sales values, increased volumes and lower costs, and negatively impacted primarily by currency effects.

The return on operating capital was 32.5 per cent for the past twelve-month period (Jan-Dec 2015: 32.2). The return on equity was 13.0 per cent for the past twelve-month period (Jan-Dec 2015: 24.1).

Loss from discontinued operations amounted to SEK 502 million (loss: 79), of which SEK 448 million was related to impairment of Poggenpohl.

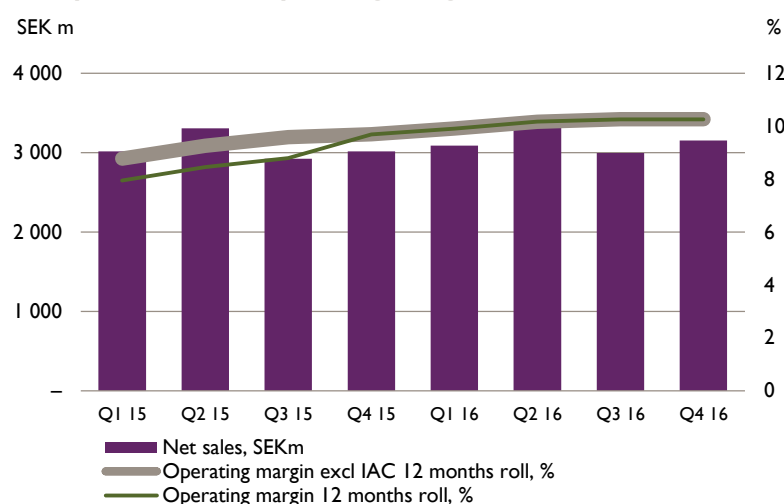
Operating cash flow improved mainly as a result of a positive change in working capital.

Analysis of net sales

	Oct-Dec	
	%	SEK m
2015		3,016
Organic growth	5	141
– of which Nordic region	9	121
– of which UK region	1	20
– of which CE region	0	0
Currency effect	-4	-114
Sales to Hygena	-1	-19
Acquired operations ¹	4	131
2016	5	3,155

¹ Pertains to the acquisition of Commodore and CIE, which was consolidated on 1 November 2015.

Group net sales and operating margin



Currency effect on operating results

SEK m	Trans- lation effect	Trans- action effect	Total effect
	Oct-Dec	Oct-Dec	Oct-Dec
Nordic region	10	-15	-5
UK region	-15	-30	-45
CE region	0	0	0
Group	-5	-45	-50

Net sales and profit by region

	Nordic Oct-Dec		UK Oct-Dec		Central Europe Oct-Dec		Group- wide and eliminations Oct-Dec		Group Oct-Dec		
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	Change, %
SEK m											
Net sales from external customers	1,421	1,609	1,471	1,416	124	130	-	-	3,016	3,155	5
Net sales from other regions	0	0	-	-	1	0	-1	0	-	-	-
Net sales	1,421	1,609	1,471	1,416	125	130	-1	0	3,016	3,155	5
Gross profit	554	644	592	493	40	36	5	10	1,191	1,183	-1
Gross margin, %	39.0	40.0	40.2	34.8	32.0	27.7	-	-	39.5	37.5	-
Operating profit/loss	172	237	154	93	1	5	-44	-38	283	297	5
Operating margin, %	12.1	14.7	10.5	6.6	0.8	3.8	-	-	9.4	9.4	-

Nordic region

October-December 2016

- The Nordic kitchen market grew year-on-year. The increase in newbuilds was the main reason for the growth, while the consumer segment was weaker than in the preceding year.
- Fourth-quarter net sales amounted to SEK 1,609 million (1,421).
- Organic growth was 9 per cent (5). Currency gains of SEK 67 million (losses: 27) impacted net sales for the quarter.
- Gross profit amounted to SEK 644 million (554) and the gross margin to 40.0 per cent (39.0).
- Operating profit amounted to SEK 237 million (172) and the operating margin was 14.7 per cent (12.1).
- Currency losses totalling about SEK 5 million impacted operating profit, of which a positive SEK 10 million in translation effects and a negative SEK 15 million in transaction effects.

Comments on performance

Organic growth was attributable to increased sales to the project segment, which was partially countered by lower sales to the consumer segment. Sales in the project segment grew in all markets, with the largest increase noted in Sweden, Norway and Finland. The downturn in consumer sales pertained to all markets, but Sweden and Denmark in particular.

The improvement in gross margin was mainly driven by higher sales values and lower prices of materials, which was partly offset by a negative sales mix.

The improvement in operating profit was the result of higher sales volumes, increased sales values and lower costs.

In March 2017, HTH will introduce a new concept – HTH GO – where the most popular kitchen models will be available as ready-to-assemble. Sections of stores will be dedicated to HTH GO and a separate web platform comprising a number of digital services will be offered. Denmark is the first market for the launch, then it will gradually be introduced in the other Nordic countries.

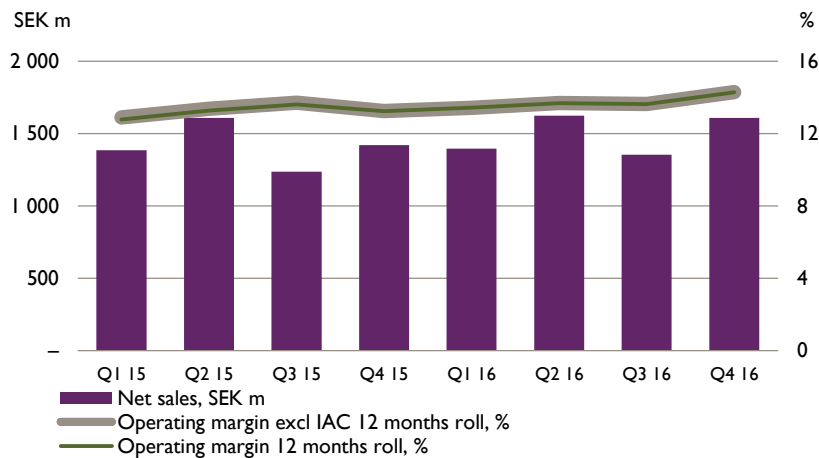
Share of consolidated net sales, fourth quarter



Store trend, Oct-Dec 2016

Renovated or relocated	–
Newly opened/closed, net	-1
Number of own kitchen stores	51

Net sales and operating margin



Our brands

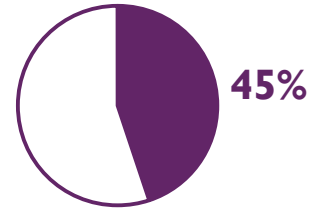


UK region

October-December 2016

- The UK kitchen market is deemed to have weakened slightly year-on-year. The results of the referendum on leaving the EU increased the macroeconomic uncertainty and weakened the consumer confidence. The low-price segment appears to be less affected by the increased uncertainty.
- Fourth-quarter net sales amounted to SEK 1,416 million (1,471).
- Organic growth was 1 per cent (3). Currency losses of SEK 187 million (gains: 112) impacted net sales for the quarter.
- Gross profit amounted to SEK 493 million (592) and the gross margin to 34.8 per cent (40.2).
- Operating profit amounted to SEK 93 million (154) and the operating margin was 6.6 per cent (10.5).
- Currency losses totalling about SEK 45 million impacted operating profit, of which a negative SEK 15 million comprised translation effects and a negative SEK 30 million transaction effects.

Share of consolidated net sales, fourth quarter



Store trend, Oct-Dec 2016

Renovated or relocated	–
Newly opened/closed, net	6
Number of own kitchen stores	212

Comments on performance

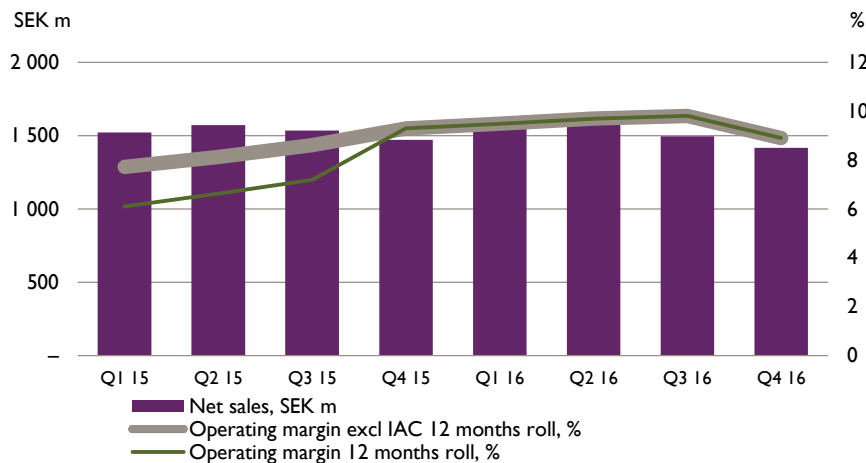
Organic sales growth was due to higher sales to builders' merchants and DIY chains. Magnet's sales to the consumer segment (Retail) and the professional segment (Trade) were unchanged. In Retail, sales of the Simply Magnet range increased, while project sales rose in Trade.

Commodore and CIE, acquired on 1 November 2015, reported sales of SEK 199 million (68) for the fourth quarter of 2016.

The gross margin declined, mainly due to negative currency effects.

The decline in operating profit was primarily the result of the lower gross margin and the positive non-recurring effect in the fourth quarter of 2015 related to the dissolution of a provision for additional purchase consideration for the acquisition of Rixonway.

Net sales and operating margin



Our brands

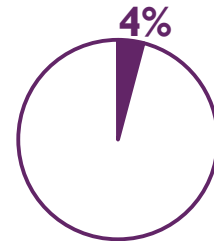


Central Europe region

October-December 2016

- Nobia’s market in the Central Europe Region is deemed to have grown slightly year-on-year.
- Fourth-quarter net sales amounted to SEK 130 million (125).
- Organic growth was 0 per cent (neg: 3). Currency gains of SEK 6 million (0) impacted net sales for the quarter.
- Gross profit amounted to SEK 36 million (40) and the gross margin to 27.7 per cent (32.0).
- Operating profit amounted to SEK 5 million (1) and the operating margin was 3.8 per cent (0.8).
- Currency effects totalling about SEK 0 million impacted operating profit, of which SEK 0 million comprised translation effects and SEK 0 million transaction effects.

Share of consolidated net sales, fourth quarter



Store trend, Oct-Dec 2016

Renovated or relocated	–
Newly opened/closed, net	–
Number of kitchen stores in discontinued operation	36

Comments on performance

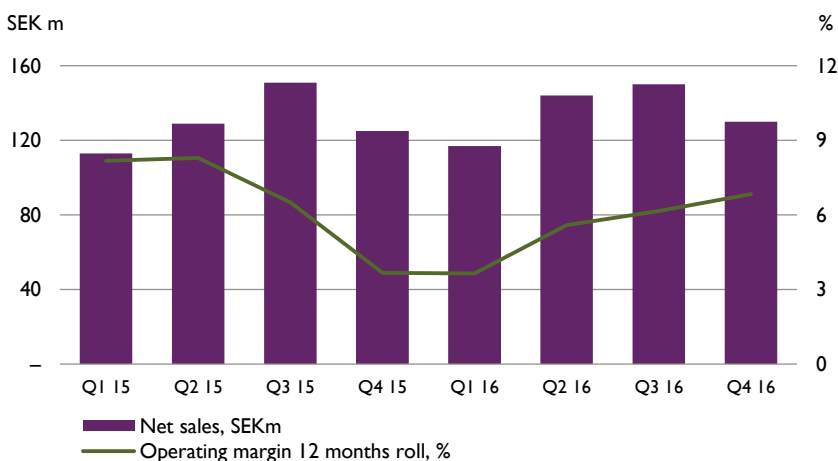
The region’s organic sales trend, which following the reclassification of Poggenpohl to discontinued operations comprises only revenues from the operations in Austria, was unchanged for the fourth quarter. Sales to Austrian furniture chains declined, which was compensated by increased sales to retailers, purchasing organisations and export.

The gross margin weakened, mainly due to lower sales volumes and reduced productivity.

The improvement in operating profit was primarily the result of lower costs, which offset the weaker gross margin.

On 19 December 2016, Nobia agreed on the sale of Poggenpohl to German group Adcuram and in connection with this Poggenpohl was reclassified as discontinued operations. The divestment of Poggenpohl was completed on 31 January 2017, see page 7.

Net sales and operating margin



Our brands



Group January-December 2016

January-December 2016

- Net sales for 2016 amounted to SEK 12,648 million (12,266).
- Organic growth was 4 per cent (7).
- Operating profit amounted to SEK 1,298 million (1,189), corresponding to an operating margin of 10.3 per cent (9.7).
- Currency losses of about SEK 180 million impacted operating profit, of which a negative SEK 60 million comprised translation effects and a negative SEK 120 million transaction effects.
- Profit after tax amounted to SEK 455 million (828), corresponding to earnings per share of SEK 2.70 (4.92).
- Operating cash flow amounted to SEK 1,031 million (770).

Sales increased organically by 4 per cent (7), distributed as 6 per cent (8) in the Nordic region, 1 per cent (6) in the UK and 3 per cent (neg: 6) in Central Europe. Currency losses of SEK 611 million (gains: 705) impacted net sales.

Commodore and CIE reported sales of SEK 712 million for the year (68).

Operating profit improved, mainly as the result of increased sales, lower prices of materials and the acquisition of Commodore and CIE.

Group-wide items and eliminations reported an operating loss of SEK 140 million (loss: 146).

Operating cash flow increased mainly as the result of lower investments and a positive change in working capital.

Nobia's investments in fixed assets amounted to SEK 290 million (410), of which SEK 69 million (93) pertained to store investments.

Analysis of net sales

	Jan-Dec	
	%	SEK m
2015		12,266
Organic growth	4	434
– of which Nordic region	6	334
– of which UK region	1	83
– of which CE region	3	17
Currency effect	-5	-611
Sales to Hygena	-1	-86
Acquired operations ¹	5	645
2016	3	12,648

¹ Pertains to the acquisition of Commodore och CIE, which was consolidated on 1 November 2015.

Currency effect on operating results

SEK m	Trans-	Trans-	Total
	lation effect	action effect	effect
	Jan-Dec	Jan-Dec	Jan-Dec
Nordic region	0	-65	-65
UK region	-60	-55	-115
CE region	0	0	0
Group	-60	-120	-180

Net sales and profit by region

SEK m	Nordic		UK		Central Europe		Group-wide and eliminations		Group		
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	Change, %
Net sales from external customers	5,651	5,987	6,099	6,122	516	539	–	–	12,266	12,648	3
Net sales from other regions	1	1	–	–	2	2	-3	-3	–	–	–
Net sales	5,652	5,988	6,099	6,122	518	541	-3	-3	12,266	12,648	3
Gross profit	2,254	2,402	2,463	2,323	161	172	28	36	4,906	4,933	1
Gross margin, %	39.9	40.1	40.4	37.9	31.1	31.8	–	–	40.0	39.0	–
Operating profit/loss	749	856	567	545	19	37	-146	-140	1,189	1,298	9
Operating margin, %	13.3	14.3	9.3	8.9	3.7	6.8	–	–	9.7	10.3	–
Net financial items	–	–	–	–	–	–	–	–	-57	-51	11
Profit after financial items	–	–	–	–	–	–	–	–	1,132	1,247	10

Other information

Financing

Net debt including pension provisions amounted to SEK 493 million (774) on 31 December 2016. The debt/equity ratio was 14 per cent (20) at the end of the period.

Existing loan facilities on 31 December 2016 amounted to SEK 1,800 million, of which SEK 1,000 million comprised a syndicated bank loan expiring in 2019, and SEK 800 million comprised a bond loan from AB SEK Securities (Swedish Export Credit Corporation) expiring in May 2017. The bank loan of SEK 1,000 million was unutilised at the end of the period.

Net financial items amounted to an expense of SEK 51 million (expense: 57). Net financial items include the net of returns on pension assets and interest expense on pension liabilities corresponding to an expense of SEK 34 million (expense: 42). The net interest expense amounted to SEK 17 million (expense: 15).

Corporate acquisitions and divestments

Nobia announced on 19 December 2016 that it has agreed with the German group Adcuram to divest the German luxury kitchen manufacturer Poggenpohl for a cash consideration corresponding to an equity value of EUR 10 million, subject to customary closing day adjustments. In connection with this, Poggenpohl was reclassified as Discontinued operations in accordance with IFRS 5.

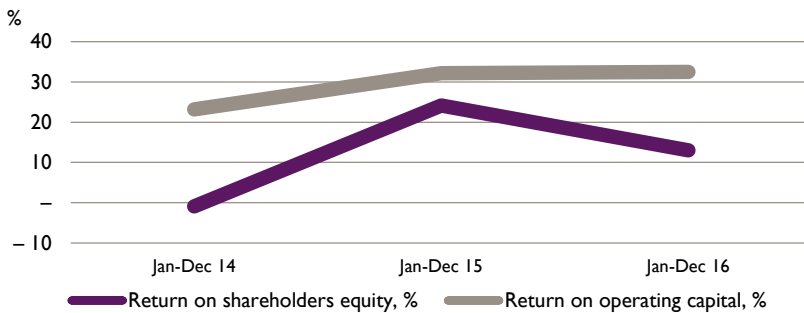
On 31 January 2017, Nobia completed the divestment of Poggenpohl, after gaining approval from the competition authorities in Germany and Austria. Nobia thus received cash consideration of approximately EUR 10 million and payment of an internal loan of about EUR 8 million.

Nobia announced on 12 November 2015 the acquisition of Commodore and CIE, two companies active in the private developer market in the UK. The purchase price consisted of GBP 28 million on a cash and debt-free basis, and a variable cash consideration of a maximum GBP 4 million, conditional upon the business performance. In the fourth quarter of 2016, GBP 2 million was paid in variable consideration. Commodore and CIE are consolidated in Nobia's accounts as of 1 November 2015.

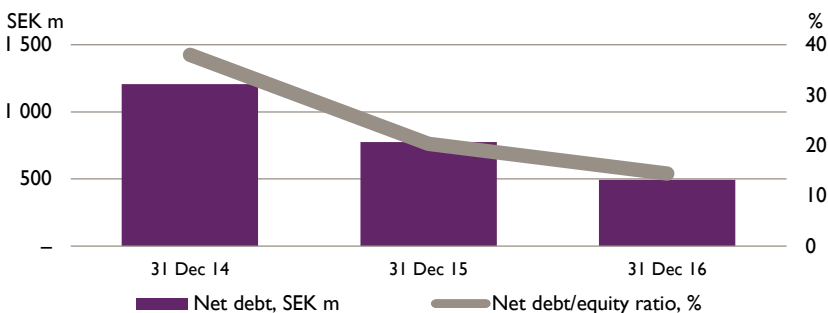
Earnings from discontinued operations

From the fourth quarter of 2016, Poggenpohl's operations are reported as discontinued operations in accordance with IFRS 5. The full-year 2015 and the period January-September 2016 have been restated with regard to the income statement, organic growth, specification of items affecting comparability, cash-flow statement and comparative data per region. These restatements are presented as an appendix to this report available on the Nobia website under Investor Relations and Reports and presentations.

Return on shareholders' equity and operating capital



Net debt and net debt/equity ratio



Loss after tax from discontinued operations for 2016 amounted to SEK 523 million (loss: 41), of which a loss of SEK 448 million pertained to impairment of assets in Poggenpohl, a loss of SEK 73 million to Poggenpohl's current earnings and costs related to the sale of Poggenpohl, a gain of SEK 5 million to the divestment of a provision related to the sale of Hygena and a loss of SEK 7 million to the stores acquired from franchisees with the intention of subsequently selling on. Loss after tax from discontinued operations for 2015 amounted to SEK 41 million, of which a loss of SEK 44 million referred to Poggenpohl's current earnings, a profit of SEK 58 million to the divestment of Hygena, a loss of SEK 51 million to Hygena's current earnings and a loss of SEK 4 million referred to the stores acquired from franchisees with the intention of subsequently selling on.

At the end of 2015, Nobia had five stores reported as Discontinued operations and disposal group held for sale, in accordance with IFRS 5. In 2016, two of these stores were sold on in Denmark and one store was closed. On 31 December 2016, Nobia had one store in Denmark and one store in Sweden, a total of two stores, recognised in accordance with IFRS 5.

Items affecting comparability

Nobia recognises items affecting comparability separately to distinguish the performance of the underlying operations. Items affecting comparability refer to items that affect comparisons insofar as they do not recur with the same regularity as other items.

No items affecting comparability impacted operating profit for the January-December 2016 period (-). Loss from discontinued operations was impacted by items affecting comparability of SEK 448 million (75) that did not affect cash flow. Approved and implemented restructuring measures for prior years were charged against cash flow for the period in the amount of SEK 1 million (23).

Financial targets

Nobia's Board of Directors has decided on a revised growth target, according to which sales are to grow organically and through acquisitions by an average of 5 per cent per year. Previously, Nobia aimed to achieve organic growth that is 2-3 per cent higher than market growth and also growth through acquisitions.

Nobia's other financial targets are unchanged:

- The operating margin is to amount to more than 10 per cent over a business cycle.
- The debt/equity ratio is not to exceed 100 per cent. A temporary elevation of the debt/equity ratio is acceptable in conjunction with acquisitions.
- Dividends to shareholders are on average to comprise 40–60 per cent of net profit after tax.

Personnel

The number of employees on 31 December 2016 was 6,445 (6,539). Poggenpohl had 481 employees at year-end.

Changes in management

Mikael Norman, CFO, left Nobia on 31 October and Kristoffer Ljungfelt took office as the new CFO on 1 November 2016. Kristoffer Ljungfelt previously served as the Business Area Director for Sigdal and Finance Director for Nobia Norway and the Nordic region.

David Thorne, CIO, became a member of Nobia Group management on 6 October 2016.

Annual General Meeting

Nobia's Annual General Meeting will be held on Thursday, 6 April 2017 at 4:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90 in Stockholm, Sweden.

The Annual Report is scheduled to be published on the Nobia website on 16 March and distributed in printed form to those who have requested such a version.

Nomination Committee proposals

Fredrik Palmstierna and Thore Ohlsson, who have been members of the Nobia Board since 2006 and 2007, respectively, have declined re-election at the 2017 AGM.

The Nomination Committee proposes that George Adams and Jill Little be elected new Board members and proposes re-election of Tomas Billing, Morten Falkenberg, Lilian Fossum Biner, Nora Førisdal Larssen, Stefan Jacobsson, Christina Ståhl and Ricard Wennerklint. The Nomination Committee also proposes Tomas Billing as Chairman of the Board.

The Nomination Committee proposes the election of accounting firm Deloitte AB for the period until the conclusion of the 2018 AGM.

The Nomination Committee's complete proposals will be published in connection with the publication of the notice of the AGM on 7 March at the latest.

Proposed dividend

The Board proposes that a dividend of SEK 3.00 per share be paid for the 2016 fiscal year, corresponding to 56 per cent of earnings per share after tax excluding items affecting comparability for the year. The proposal entails a total dividend of approximately SEK 505 million. The record day for payment of the dividend is 10 April 2017.

Transfer of treasury shares

In 2016, Nobia transferred 192,163 shares. The purpose of the transfer was to deliver shares under a Performance Share Plan resolved by Nobia's 2013 Annual General Meeting.

The 2013 Performance Share Plan encompassed approximately 100 senior executives and was based on participants investing in Nobia shares that were locked into the plan. Each Nobia share invested in under the framework of the plan entitled participants, following a vesting period of approximately three years and provided that certain conditions were fulfilled, to allotment of matching and performance shares in Nobia.

As per 31 December 2016, Nobia's holding of treasury shares amounted to 6,819,990.

Significant risks in the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 37-39 of the 2015 Annual Report. During the January-December 2016 period, the overall market trend is deemed to have improved slightly year-on-year. However, the overall market situation is deemed to remain challenging. 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 as at 31 December 2016 contained goodwill of SEK 2,359 million (2,551). The value of this asset item is tested if there are any indications of a decline in value and at least once annually.

Stockholm, 7 February 2017

Morten Falkenberg
President and CEO

Nobia AB, Corporate Registration Number 556528-2752

This Year-end Report is unaudited.

Condensed consolidated income statement

SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Net sales	3,016	3,155	12,266	12,648
Cost of goods sold	-1,825	-1,972	-7,360	-7,715
Gross profit	1,191	1,183	4,906	4,933
Selling and administrative expenses	-922	-909	-3,748	-3,682
Other income/expenses	14	23	31	47
Operating profit	283	297	1,189	1,298
Net financial items	-15	-11	-57	-51
Profit/loss after financial items	268	286	1,132	1,247
Tax	-61	-48	-263	-269
Profit/loss after tax from continuing operations	207	238	869	978
Profit/loss from discontinued operations, net after tax	-79	-502	-41	-523
Profit/loss after tax	128	-264	828	455
Total profit attributable to:				
Parent Company shareholders	130	-264	829	456
Non-controlling interests	-2	0	-1	-1
Total profit/loss	128	-264	828	455
Total depreciation ¹	66	62	302	287
Total impairment ¹	1	8	-5	0
Gross margin, %	39.5	37.5	40.0	39.0
Operating margin, %	9.4	9.4	9.7	10.3
Return on operating capital, %	-	-	32.2	32.5
Return on shareholders equity, %	-	-	24.1	13.0
Earnings per share before dilution, SEK ²	0.77	-1.57	4.93	2.71
Earnings per share after dilution, SEK ²	0.77	-1.56	4.92	2.70
Number of shares at period end before dilution, 000s ³	168,281	168,473	168,281	168,473
Average number of shares before dilution, 000s ³	168,270	168,473	168,060	168,425
Number of shares after dilution at period end, 000s ³	168,684	168,674	168,657	168,676
Average number of shares after dilution, 000s ³	168,662	168,674	168,517	168,664

¹ Excluding depreciation and impairment recognised on the line "Profit/loss from discontinued operations, net after tax".

² Earnings per share attributable to the Parent Company shareholders.

³ Excluding treasury shares.

Consolidated statement of comprehensive income

SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Profit/loss after tax	128	-264	828	455
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange-rate differences attributable to translation of foreign operations	-124	-36	-89	-172
Cash flow hedges before tax	-7	-3	4	-8
Tax attributable to change in hedging reserve for the period	1	1	-1	2
	-130	-38	-86	-178
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	108	214	170	-312
Tax relating to remeasurements of defined benefit pension plans	-22	-42	-34	49
	86	172	136	-263
Other comprehensive income/loss	-44	134	50	-441
Total comprehensive income/loss	84	-130	878	14
Total comprehensive income/loss attributable to:				
Parent Company shareholders	86	-130	879	15
Non-controlling interests	-2	0	-1	-1
Total comprehensive income/loss	84	-130	878	14

Condensed consolidated balance sheet

SEK m	31 Dec	
	2015	2016
ASSETS		
Goodwill	2,551	2,359
Other intangible fixed assets	146	126
Tangible fixed assets	1,722	1,384
Long-term receivables, interest-bearing (IB)	3	3
Long-term receivables	34	28
Deferred tax assets	241	176
Total fixed assets	4,697	4,076
Inventories	934	857
Accounts receivable	1,269	1,240
Current receivables, interest-bearing (IB)	5	1
Other receivables	391	320
<i>Total current receivables</i>	<i>1,665</i>	<i>1,561</i>
Cash and cash equivalents (IB)	765	1,005
Assets held for sale	8	506
Total current assets	3,372	3,929
Total assets	8,069	8,005
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,478	1,481
Reserves	-79	-257
Profit brought forward	2,361	2,133
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,818</i>	<i>3,415</i>
Non-controlling interests	4	4
Total shareholders' equity	3,822	3,419
Provisions for pensions (IB)	732	894
Other provisions	122	79
Deferred tax liabilities	133	84
Other long-term liabilities, interest-bearing (IB)	811	6
Total long-term liabilities	1,798	1,063
Current liabilities, interest-bearing (IB)	4	801
Current liabilities	2,442	2,393
Liabilities attributable to assets held for sale	3	329
Total current liabilities	2,449	3,523
Total shareholders' equity and liabilities	8,069	8,005
BALANCE-SHEET RELATED KEY RATIOS		
Equity/assets ratio, %	47	43
Debt/equity ratio, %	20	14
Net debt, closing balance, SEK m	774	493
Operating capital, closing balance, SEK m	4,596	3,912
Capital employed, closing balance, SEK m	5,369	5,182

Statement of changes in consolidated shareholders' equity

Attributable to Parent Company shareholders

SEK m	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total shareholders equity
Opening balance, 1 January 2015	58	1,470	8	-1	1,656	3,191	5	3,196
Profit/loss for the period	-	-	-	-	829	829	-1	828
Other comprehensive income/loss for the period	-	-	-89	3	136	50	0	50
Total comprehensive income for the period	-	-	-89	3	965	879	-1	878
Dividend	-	-	-	-	-294	-294	0	-294
Allocation of employee share option and share saving schemes	-	8	-	-	-	8	-	8
Treasury shares sold	-	-	-	-	34	34	-	34
Closing balance, 31 December 2015	58	1,478	-81	2	2,361	3,818	4	3,822
Opening balance, 1 January 2016	58	1,478	-81	2	2,361	3,818	4	3,822
Profit/loss for the period	-	-	-	-	456	456	-1	455
Other comprehensive income/loss for the period	-	-	-172	-6	-263	-441	0	-441
Total comprehensive income/loss for the period	-	-	-172	-6	193	15	-1	14
Dividend	-	-	-	-	-421	-421	0	-421
Share of Group contribution - Non-controlling interest	-	-	-	-	-	-	1	1
Allocation of share saving schemes	-	3	-	-	-	3	-	3
Closing balance, 31 December 2016	58	1,481	-253	-4	2,133	3,415	4	3,419

Condensed consolidated cash-flow statement

SEK m	okt-dec		jan-dec	
	2015	2016	2015	2016
<i>Operating activities</i>				
Operating profit	283	299	1,189	1,298
Operating profit/loss for discontinued operations	-89	-453	-41	-466
Depreciation/Impairment	87	408	346 ¹	657 ²
Adjustments for non-cash items	106	82	66	95
Tax paid	-86	-88	-216	-230
Change in working capital	119	334	-199	-73
Cash flow from operating activities	420	582	1,145	1,281
<i>Investing activities</i>				
Investments in fixed assets	-140	-119	-410	-290
Other items in investing activities	12	17	35	40
Interest received	2	0	6	1
Change in interest-bearing assets	-2	1	-1	4
Acquisition of operations	-348	-	-348	0
Divestment of operations	-2	-	230	-
Cash flow from investing activities	-478	-101	-488	-245
Operating cash flow before acquisition/divestment of operations interests, increase/decrease of interest-bearing assets	292	480	770	1 031
Total cash flow from operating and investing activities	-58	481	657	1 036
<i>Financing activities</i>				
Interest paid	-1	-5	-20	-21
Change in interest-bearing liabilities	-18	-14	-30 ³	-130 ⁴
Treasury shares sold	2	-	34	-
Dividend	-	-	-294	-421
Cash flow from financing activities	-17	-19	-310	-572
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	-75	462	347	464
Cash and cash equivalents at beginning of the period	863	812	470	765
Cash flow for the period	-75	462	347	464
Exchange-rate differences in cash and cash equivalents	-23	-8	-52	37
Cash and cash equivalents at period-end	765	1,266	765	1,266 ⁵

1 Impairment amounted to SEK 5 million and pertained to plant and machinery SEK 1 million, buildings SEK 1 million and kitchen displays SEK 10 million. Reversal of previous impairment amounted to SEK 7 million and pertained to kitchen displays.

2 Impairment amounted to SEK 332 million and pertained to land and buildings SEK 151 million, plant and machinery SEK 28 million, equipment, tools, fixtures and fittings SEK 47 million, kitchen displays SEK 46 million, goodwill SEK 58 million and other intangible assets SEK 2 million.

3 Consists mainly of pension payments. No repayment or raising of loans during the period.

4 No repayment of loans raised. No repayment or raising of loans during the period.

5 Of which SEK 261 million is recognised on the row Assets held for sale.

Analysis of net debt

SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Opening balance	808	1,159	1,206	774
Acquisition of operations	353	–	353	0
Divestment of operations	2	–	-230	–
Translation differences	7	14	24	-31
Operating cash flow	-292	-480	-770	-1,031
Interest paid, net	-1	5	14	20
Remeasurements of defined benefit pension plans	-108	-214	-170	312
Other change in pension liabilities	7	9	87	28
Dividend	–	–	294	421
Treasury shares sold	-2	–	-34	–
Closing balance	774	493	774	493

Note 1 – 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 2015 Annual Report.

Note 2 – References

Segment information – page 6.

Loan and shareholders' equity transactions – pages 7 and 8.

Divestment of operations – pages 7 and 8.

Items affecting comparability – page 8.

Note 3 – Financial instruments – fair value

The carrying amounts of the Group's financial assets and liabilities, recognised as amortised cost, are a reasonable approximation of their fair values. Financial instruments measured at fair value in the balance sheet are forward agreements and an interest swap (matured on 24 November 2016) comprised of assets at a value of SEK 9 million (31 Dec 2015: 18) and liabilities at a value of SEK 12 million (31 Dec 2015: 14). The measurement of these items is attributable to level 2 of the fair value hierarchy, meaning based on indirectly observable market data. The supplementary purchase consideration of SEK 53 million pertaining to the acquisition of Commodore and CIE is conditional upon the business performance and is valued at level 3 of the fair value hierarchy. In the fourth quarter of 2016, SEK 22 million was paid. The remaining provision amounts to SEK 22 million restated at the applicable closing day rate.

Note 4 – Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 217 million (199) during the January-December 2016 period. The Parent Company reported profit of SEK 667 million (416) from participations in Group companies.

Parent Company

Condensed Parent Company income statement

SEK m	Oct-Dec		Jan - Dec	
	2015	2016	2015	2016
Net sales	48	47	200	219
Administrative expenses	-73	-94	-262	-301
Operating loss	-25	-47	-62	-82
Profit from shares in Group companies	416	-76	416	-76
Other financial income and expenses	-22	-8	-49	-1
Profit/loss after financial items	369	-131	305	-159
Tax on profit/loss for the period	0	-19	0	-20
Profit/loss for the period	369	-150	305	-179

Parent Company balance sheet

SEK m	31 Dec	
	2015	2016
ASSETS		
Fixed assets		
Shares and participations in Group companies	2,084	1,469
Total fixed assets	2,084	1,469
Current assets		
<i>Current receivables</i>		
Accounts receivable	1	1
Receivables from Group companies	2,863	2,868
Other receivables	13	3
Prepaid expenses and accrued income	59	47
Cash and cash equivalents	472	949
Total current assets	3,408	3,868
Total assets	5,492	5,337
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES		
Shareholders' equity		
<i>Restricted shareholders' equity</i>		
Share capital	58	58
Statutory reserve	1,671	1,671
	1,729	1,729
<i>Non-restricted shareholders' equity</i>		
Share premium reserve	52	52
Buy-back of shares	-402	-391
Profit brought forward	2,071	1,948
Profit/loss for the period	305	-179
	2,026	1,430
Total shareholders' equity	3,755	3,159
Provisions for pensions		
	15	16
Long-term liabilities		
Liabilities to credit institutes	800	-
Current liabilities		
Liabilities to credit institutes	0	800
Accounts payable	18	15
Liabilities to Group companies	864	1,276
Other liabilities	11	27
Accrued expenses and deferred income	29	44
Total current liabilities	922	2,162
Total shareholders' equity, provisions and liabilities	5,492	5,337

Comparative data per region

Net sales, SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Nordic	1,421	1,609	5,652	5,988
UK	1,471	1,416	6,099	6,122
Central Europe	125	130	518	541
Group-wide and eliminations	-1	0	-3	-3
Group	3,016	3,155	12,266	12,648

Gross profit, SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Nordic	554	644	2,254	2,402
UK	592	493	2,463	2,323
Central Europe	40	36	161	172
Group-wide and eliminations	5	10	28	36
Group	1,191	1,183	4,906	4,933

Gross margin, %	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Nordic	39.0	40.0	39.9	40.1
UK	40.2	34.8	40.4	37.9
Central Europe	32.0	27.7	31.1	31.8
Group	39.5	37.5	40.0	39.0

Operating profit, SEK m	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Nordic	172	237	749	856
UK	154	93	567	545
Central Europe	1	5	19	37
Group-wide and eliminations	-44	-38	-146	-140
Group	283	297	1,189	1,298

Operating margin, %	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Nordic	12.1	14.7	13.3	14.3
UK	10.5	6.6	9.3	8.9
Central Europe	0.8	3.8	3.7	6.8
Group	9.4	9.4	9.7	10.3

Quarterly data per region

Net sales, SEK m	2015				2016			
	I	II	III	IV	I	II	III	IV
Nordic	1,385	1,609	1,237	1,421	1,398	1,626	1,355	1,609
UK	1,522	1,571	1,535	1,471	1,578	1,633	1,495	1,416
Central Europe	113	129	151	125	117	144	150	130
Group-wide and eliminations	-1	-1	0	-1	-2	0	-1	0
Group	3,019	3,308	2,923	3,016	3,091	3,403	2,999	3,155

Gross profit, SEK m	2015				2016			
	I	II	III	IV	I	II	III	IV
Nordic	550	659	491	554	548	673	537	644
UK	604	636	631	592	621	636	573	493
Central Europe	37	36	48	40	36	50	50	36
Group-wide and eliminations	8	6	9	5	10	6	10	10
Group	1,199	1,337	1,179	1,191	1,215	1,365	1,170	1,183

Gross margin, %	2015				2016			
	I	II	III	IV	I	II	III	IV
Nordic	39.7	41.0	39.7	39.0	39.2	41.4	39.6	40.0
UK	39.7	40.5	41.1	40.2	39.4	38.9	38.3	34.8
Central Europe	32.7	27.9	31.8	32.0	30.8	34.7	33.3	27.7
Group	39.7	40.4	40.3	39.5	39.3	40.1	39.0	37.5

Operating profit, SEK m	2015				2016			
	I	II	III	IV	I	II	III	IV
Nordic	151	254	172	172	163	271	185	237
UK	94	156	163	154	111	175	166	93
Central Europe	5	2	11	1	5	13	14	5
Group-wide and eliminations	-39	-34	-29	-44	-34	-39	-29	-38
Group	211	378	317	283	245	420	336	297

Operating margin, %	2015				2016			
	I	II	III	IV	I	II	III	IV
Nordic	10.9	15.8	13.9	12.1	11.7	16.7	13.7	14.7
UK	6.2	9.9	10.6	10.5	7.0	10.7	11.1	6.6
Central Europe	4.4	1.6	7.3	0.8	4.3	9.0	9.3	3.8
Group	7.0	11.4	10.8	9.4	7.9	12.3	11.2	9.4

Reconciliation of alternative performance measures

Nobia presents certain financial performance measures in the interim report that are not defined according to IFRS, known as alternative performance measures. Nobia believes that these measures provide valuable complementary information to investors and the company's management since they facilitate assessments of trends and the company's performance. Because not all companies calculate performance measures in the same way, these are not always comparable with those measures used by other companies. Consequently, the performance measures are not to be seen as replacements for measures defined according to IFRS. For definitions of the performance measures that Nobia uses, see pages 22-24.

	Oct-Dec		Jan-Dec	
	%	SEK m	%	SEK m
Analysis of net sales Nordic Region				
2015		1,421		5,651
Organic growth	9	121	6	334
Currency effects	5	67	0	2
2016	13	1,609	6	5,987

	Oct-Dec		Jan-Dec	
	%	SEK m	%	SEK m
Analysis of net sales UK Region				
2015		1,471		6,099
Organic growth	1	20	1	83
Currency effects	13	-187	10	-619
Sales to Hygena	-1	-19	-1	-86
Acquired operations	9	131	11	645
2016	-4	1,416	0	6,122

	Oct-Dec		Jan-Dec	
	%	SEK m	%	SEK m
Analysis of net sales Central Europe Region				
2015		124		516
Organic growth	0	0	3	17
Currency effects	5	6	1	6
2016	5	130	4	539

	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Operating profit before depreciation and impairment, SEK m				
Operating profit	283	297	1,189	1,298
Depreciation and impairment	67	70	297	287
Operating profit before depreciation and impairment	350	367	1,486	1,585
Net sales	3,016	3,155	12,266	12,648
% of Net sales	11.6%	11.6%	12.1%	12.5%

	Oct-Dec		Jan-Dec	
	2015	2016	2015	2016
Profit/loss after tax excluding IAC, SEK m				
Profit/loss after tax	128	-264	828	455
Items affecting comparability net after tax	75	448	75	448
Profit/loss after tax excluding IAC	203	184	903	903

Reconciliation of alternative performance measures, cont.

Net debt SEKm	31 Dec	
	2015	2016
Provisions for pensions (IB)	732	894
Other long-term liabilities, interest-bearing (IB)	811	6
Current liabilities, interest-bearing (IB)	4	801
Interest-bearing liabilities booked as liabilities attributable to assets held for sale (IB)	-	62
Interest-bearing liabilities	1,547	1,763
Long-term receivables, interest -bearing (IB)	-3	-3
Current receivables, interest-bearing (IB)	-5	-1
Interest-bearing assets booked as assets held for sale (IB)	-	-261
Cash and cash equivalents (IB)	-765	-1005
Interest-bearing assets	-773	-1270
Net debt	774	493

Operating capital SEK m	31 Dec	
	2015	2016
Total assets	8,069	8,005
Other provisions	-122	-79
Deferred tax liabilities	-133	-84
Current liabilities, non interest-bearing	-2,442	-2,393
Liabilities attributable to assets held for sale, non interest-bearing	-3	-267
Non-interest-bearing liabilities	-2,700	-2,823
Capital employed	5,369	5,182
Interest-bearing assets	-773	-1009
Interest-bearing assets booked as assets held for sale (IB)	-	-261
Operating capital	4,596	3,912

Average operating capital SEK m	31 Dec	
	2015	2016
OB Operating capital	4,402	4,596
OB Net operating assets discontinued operations	-838	-535
CB Operating capital	4,596	3,912
CB Net operating assets discontinued operations	-535	22
Average operating capital before adjustments of acquisition and divestments	3,813	3,998
Adjustment for acquisitions and divestments not occurred in the middle of the period	-118	0
Average operating capital	3,695	3,998

Average equity SEK m	31 Dec	
	2015	2016
OB Equity attributable to Parent Company shareholders	3,191	3,818
CB Equity attributable to Parent Company shareholders	3,818	3,415
Average equity before adjustment of increases and decreases in capital	3,505	3,617
Adjustment for increases and decreases in capital not occurred in the middle of the period	-67	-106
Average equity	3,438	3,511

Definitions

Performance measure	Calculation	Use
Return on equity	Net profit for the period as a percentage of average shareholders' equity attributable to Parent Company shareholders based on opening and closing balances for the period. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.	Return on equity shows the total return on shareholder's capital in accounting terms and reflects the effects on both the operational profitability and financial gearing. The measure is primarily used to analyse shareholder profitability over time.
Return on operating capital	Operating profit as a percentage of average operating capital based on opening and closing balances for the period excluding net assets attributable to discontinued operations. The calculation of average operating capital has been adjusted for acquisitions and divestments.	Return on operating capital shows how well the operation uses the net capital that is tied up in the company. It reflects how both cost and capital-efficiency net sales are generated, meaning the combined effect of the operating margin and the turnover rate of operating capital. The measure is used in comparisons of profitability between operations in the Group and to view the Group's profitability over time.
Gross margin	Gross profit as a percentage of net sales.	This measure reflects efficiency of the part of the operation that is primarily linked to production and logistics. It is used to monitor cost efficiency in this part of the operation.
EBITDA	Earnings before depreciation/amortisation and impairment.	To simplify, this measure shows the earnings-generating cash flow in the operation. It provides a view of the ability of the operation, in absolute terms, to generate resources for investment and payment to financiers and is used for comparisons over time.
Items affecting comparability	Items that affect comparability in so far as they do not reoccur with the same regularity as other items.	Reporting items affecting comparability separately clearly shows the performance of the underlying operation.
Net debt	Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities include pension liabilities.	Net debt is used to monitor the debt trend and see the level of the refinancing requirement. The measure is used as a component in the debt/equity ratio.
Operating capital	Capital employed excluding interest-bearing assets.	Operating capital shows the amount of capital required by the operation to conduct its core operation. This is the capital that generates operating profit. It is mainly used to calculate the return on operating capital.

Performance measure	Calculation	Use
Operating cash flow	Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of operations, interest received, increase/decrease in interest-bearing assets.	The measure comprises the cash flow generated by the underlying operation. The measure is used to show the amount of funds at the company's disposal for paying financiers of loans and equity or for use in growth through acquisitions.
Organic growth	Change in net sales excluding acquisitions and divestments and changes in exchange rates.	Organic growth facilitates a comparison of sales over time by comparing the same operation and excluding currency effects.
Region	Region corresponds to an operating segment under IFRS 8.	
Earnings per share	Net profit for the period divided by a weighted average number of outstanding shares during the period.	
Operating margin	Operating profit as a percentage of net sales.	The measure reflects the operating profitability of the operation. It is used to monitor the flexibility and efficiency of the operation, before taking into account capital tied up. The performance measure is used both internally in governance and monitoring of the operation, and for benchmarking with other companies in the industry.
Debt/equity ratio	Net debt as a percentage of shareholders' equity including non-controlling interests.	A measure of the ratio between the Group's two forms of financing. The measure shows the percentage of the loan capital in relation to capital invested by the owners, and is thus a measure of the financial strength but also the gearing effect of lending. A higher debt/equity ratio means a higher financial risk and higher financial gearing.
Equity/assets ratio	Shareholders' equity including non-controlling interests as a percentage of balance-sheet total.	This measure reflects the company's financial position and thus its long-term solvency. A healthy equity ratio/strong financial position provides preparedness for managing periods of economic downturns and financial preparedness for growth. It also provides a minor advantage in the form of financial gearing.
Capital employed	Balance-sheet total less non-interest-bearing provisions and liabilities.	The capital that shareholders and lenders have placed at the company's disposal. It shows the net capital invested in the operation, such as operating capital, with additions for financial assets.

**Performance
measure****Calculation****Use****Currency effects**

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

Information to shareholders

For further information

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

- Morten Falkenberg, President and CEO
- Kristoffer Ljungfelt, CFO
- Lena Schattauer, Head of Communication and Investor Relations

Presentation

The interim report will be presented on Tuesday, 7 February 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)8 505 564 74
- From the UK: +44 (0)203 364 5374
- From the US: +1 855 753 22 30

Financial calendar

6 April 2017	Annual General Meeting 2017
28 April 2017	Interim report January-March 2017
21 July 2017	Interim report January-June 2017
27 October 2017	Interim report January-September 2017

This information is such that Nobia is obliged to make public pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on 7 February 2017 at 8:00 a.m. CET.

Nobia develops and sells kitchens through some twenty strong brands in Europe, including Magnet in the UK; HTH, Norema, Sigdal, Invita, Marbodol in Scandinavia; Petra and A la Carte in Finland and Ewe, FM and Intuo in Austria. Nobia generates profitability by combining economies of scale with attractive kitchen offerings. The Group has approximately 6,000 employees and net sales of about SEK 13 billion. The Nobia share is listed on the Nasdaq Stockholm under the ticker NOBI. Website: www.nobia.com

Box 70376 • 107 24 Stockholm, Sweden • Office address: Klarabergsviadukten 70 A5 • Tel +46 8 440 16 00 • Fax +46 8 503 826 49 • www.nobia.com. Corporate Registration Number: 556528-2752 • Board domicile: Stockholm, Sweden