Interim report January-December 2013

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

Net sales for the fourth quarter amounted to SEK 2,909 million (3,097). Organic growth totalled negative 1 per cent (neg: 2). No restructuring costs (739) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 199 million (196), corresponding to an operating margin of 6.8 per cent (6.3). Profit after tax and including restructuring costs totalled SEK 98 million (loss: 677), corresponding to earnings per share of SEK 1.13 (neg: 4.06). Operating cash flow amounted to SEK 210 million (133). The Board proposes a dividend of SEK 1.00 (0.50) per share.

In total, market performance was deemed to be unchanged compared with the year-earlier period. The UK market continued to grow, but from a low level. The Nordic market is estimated to have remained unchanged, while the main markets in Continental Europe weakened.

Organic sales fell 1 per cent (neg: 2). Currency effects impacted net sales negatively for the quarter in an amount of SEK 17 million (neg: 64). Optifit, which was divested during the second quarter of 2013, reported sales of SEK 77 million in the fourth quarter of 2012. The changed reporting period in the UK had an adverse impact of SEK 74 million on sales compared with the fourth quarter of 2012.

The gross margin was 42.0 per cent (42.0), positively impacted by higher sales values and negatively affected by currency effects and lower sales volumes.

Operating profit excluding restructuring costs increased primarily due to higher sales values and cost savings. Currency effects of approximately negative SEK 20 million (pos: 30) affected operating profit excluding restructuring costs, of which SEK 0 million (neg: 5) comprised translation effects and negative SEK 20 million (pos: 35) transaction effects.

Return on capital employed including restructuring costs amounted to 14.6 per cent over the past twelve-month period (neg. 5.3).

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

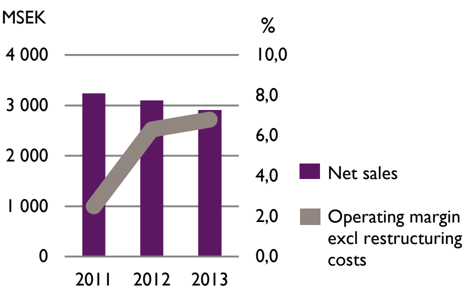
Comments from the CEO

"The sales trend in the UK was positive, but could only partly offset the negative growth in the Nordic and Continental Europe regions. The Nordic region again reported strong profitability and the merger of the Myresjökök and Marbodal brands has been successful to date.

Our ambitions for 2014 are high. We are marketing Nobia's new innovations and enhanced sales processes are being introduced in our stores. We are increasing our digital investments and developing websites and other digital aids for our customers. In addition, we are seeking new distribution partnerships. An example is our partnership with Finnish company Isku, which we believe will add sales of about EUR 10 million when the some 20 stores are completed by year-end," says Morten Falkenberg, President and CEO.

	Oct-Dec			Jan-Dec		
Nobia Group summary	2012	2013	Change, %	2012	2013	Change, %
Net sales, SEK m	3,097	2,909	-6	12,343	11,773	-5
Gross margin, %	42.0	42.0	–	40.3	41.0	–
Operating margin before depreciation and impairment, (EBITDA), %	9.6	10.4	–	7.8	9.2	–
Operating profit (EBIT), SEK m	196	199	2	565	690	22
Operating margin, %	6.3	6.8	–	4.6	5.9	–
Profit after financial items, SEK m	171	176	3	469	596	27
Profit/loss after tax, SEK m	-677 [2)]	98	–	-545 [3)]	350	–
Earnings/loss per share excl restructuring, after dilution[1)], SEK	0.84	1.13	35	2.06	2.29	11
Earnings/loss per share, after dilution, SEK	-4.06	1.13	–	-3.27	2.10	–
Operating cash flow, SEK m	133	210	58	237	601	–

Net sales and operating margin, Oct-Dec

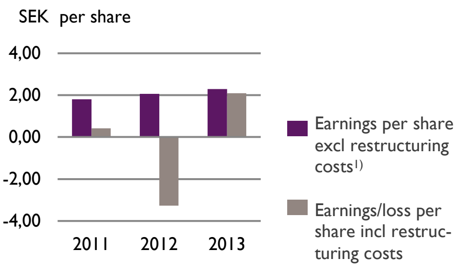


Net sales amounted to SEK 2,909 million and operating margin to 6.8 per cent.

Profitability trend including restructuring costs

Return on capital employed including restructuring costs was 14.6 per cent during the past twelve-month period.

Earnings/loss per share



Earnings per share after dilution excluding restructuring costs[1)] amounted to SEK 2.29 over the past twelve-month period.

Profit/loss after tax and operating cash flow are recognised including restructuring costs. Additional information about restructuring costs is provided on pages 3–5, 7 and 10.
1) In the calculation of earnings per share excluding restructuring costs, an adjustment is also made for nonrecurring tax effects.
2) Affected by impairment of goodwill of SEK 492 million and impairment of deferred tax assets of SEK 116 million.
3) Affected by impairment of goodwill of SEK 492 million and impairment of deferred tax assets of SEK 49 million.

nobia

Analysis of net sales and regional reporting

Negative currency effects of SEK 17 million (neg: 64) impacted fourth-quarter net sales. Organic growth was positive in the UK and negative in the Nordic and Continental Europe regions. Combined, organic growth was negative 1 per cent (neg: 2).

Analysis of net sales

	Oct-Dec		Jan-Dec	
	%	SEK m	%	SEK m
2012		3,097		12,343
Organic growth	–1	–20	0	–13
– of which UK region 1)	8	76	6	251
– of which Nordic region 1)	–3	–39	–2	–109
– of which Continental Europe region 1)	–9	–58	–5	–153
Changed reporting period in the UK	–2	–74	0	–9
Currency effect	–1	–17	–3	–347
Divested operations 2)	–2	–77	–2	–201
2013	–6	2,909	–5	11,773

1) Organic growth for each region. Sales between regions were eliminated in the Group's organic growth.
2) Pertains to the sale of Optifit on 1 May 2013.

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

	UK		Nordic		Continental Europe		Group-wide and eliminations		Group		
	Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec		Oct-Dec		
SEK m	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	Change, %
Net sales from external customers	**1,013**	**1,003**	**1,332**	**1,275**	**752**	**631**	**–**	**–**	**3,097**	**2,909**	**-6**
Net sales from other regions	5	26	0	0	2	1	-7	-27	–	–	–
Net sales	**1,018**	**1,029**	**1,332**	**1,275**	**754**	**632**	**-7**	**-27**	**3,097**	**2,909**	**-6**
Gross profit excluding restructuring costs	420	422	549	521	318	277	15	3	1,302	1,223	-6
Gross margin excluding restructuring costs, %	41.3	41.0	41.2	40.9	42.2	43.8	–	–	42.0	42.0	–
Operating profit excluding restructuring costs	66	73	165	162	3	2	-38	-38	196	199	2
Operating margin excluding restructuring costs, %	6.5	7.1	12.4	12.7	0.4	0.3	–	–	6.3	6.8	–
Operating profit/loss	**22**	**73**	**156**	**162**	**-162**	**2**	**-559**	**-38**	**-543**	**199**	**–**
Operating margin, %	2.2	7.1	11.7	12.7	-21.5	0.3	–	–	-17.5	6.8	–

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 6,500 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 1,029 million (1,018). Organic growth was 8 per cent (neg: 8). No restructuring costs (44) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 73 million (66) and the operating margin was 7.1 per cent (6.5). Currency effects of approximately negative SEK 10 million (pos: 20) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of negative SEK 10 million.

Kitchen market

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

Nobia

The organic sales growth was primarily attributable to sales to B2B customers, but sales via Magnet also rose. Sales of kitchens through Magnet increased as much as sales of joinery products.

The changed reporting period had an adverse impact of SEK 74 million on sales compared with the fourth quarter of 2012. However, there will be full comparability from the first quarter 2014.

Negative currency effects of SEK 13 million (pos: 8) impacted net sales for the quarter.

The gross margin declined slightly, negatively impacted by currency effects and a changed sales mix, and positively impacted by a favourable price trend.

Operating profit excluding restructuring costs improved, largely due to higher sales values.

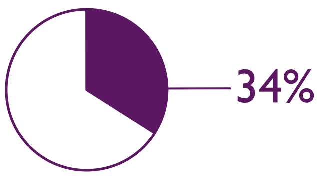
Measured in local currency, operating profit for the region totalled GBP 6.9 million (6.1).

Quarterly data in SEK	2012				2013			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	973	1,084	967	1,018	991	1,086	1,034	1,029
Gross profit excl restructuring costs, SEK m	387	431	384	420	394	429	407	422
Gross margin excl restructuring costs, %	39.8	39.8	39.7	41.3	39.8	39.5	39.4	41.0
Operating profit excl restructuring costs, SEK m	27	51	37	66	32	77	65	73
Operating margin excl restructuring costs, %	2.8	4.7	3.8	6.5	3.2	7.1	6.3	7.1
Operating profit, SEK m	27	8	36	22	32	77	65	73
Operating margin, %	2.8	0.7	3.7	2.2	3.2	7.1	6.3	7.1

Quarterly data in GBP	2012				2013			
	I	II	III	IV	I	II	III	IV
Net sales, GBP m	91.7	98.8	90.8	95.3	99.1	108.0	101.7	97.6
Gross profit excl restructuring costs, GBP m	36.5	39.3	36.1	39.1	39.4	42.6	40.1	40.1
Gross margin excl restructuring costs, %	39.8	39.8	39.8	41.1	39.7	39.5	39.4	41.0
Operating profit excl restructuring costs, GBP m	2.5	4.7	3.5	6.1	3.2	7.6	6.5	6.9
Operating margin excl restructuring costs, %	2.7	4.7	3.9	6.4	3.2	7.0	6.4	7.1
Operating profit, GBP m	2.5	0.7	3.4	2.1	3.2	7.6	6.5	6.9
Operating margin, %	2.7	0.7	3.7	2.2	3.2	7.0	6.4	7.1

Store trend, Oct-Dec	
Renovated or relocated	–
Newly opened, net	–
Number of kitchen stores (own)	208

Percentage of consolidated net sales, fourth quarter



Our brands

Gower

Interior Solutions

Magnet

Nordic region

Net sales for the fourth quarter amounted to SEK 1,275 million (1,332). Organic growth was negative 3 per cent (neg: 1). No restructuring costs (9) impacted operating profit for the quarter. Operating profit excluding restructuring costs totalled SEK 162 million (165) and the operating margin was 12.7 per cent (12.4). Currency effects of approximately negative SEK 10 million (pos: 5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of negative SEK 10 million.

Kitchen market

The Nordic kitchen market is expected to remain unchanged compared with the same period in the preceding year. The professional segment weakened and also consumer demand is deemed to have declined.

Nobia

The decline in organic sales was attributable to both reduced deliveries to the professional segment and lower consumer sales in primarily Norway and Sweden. In the professional segment, sales declined mainly in Denmark and Norway.

Negative currency effects of SEK 17 million (neg: 36) impacted net sales for the quarter.

The gross margin fell due to negative currency effects and lower volumes, which was partially offset by lower prices for materials and productivity improvements.

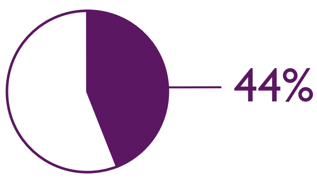
Operating profit excluding restructuring costs declined as a result of lower sales volumes and a weaker gross margin. Cost savings could only partly offset the lower gross profit.

The merger of the Marbodal and Myresjökök brands is progressing according to plan and the response from customers has been positive.

Quarterly data in SEK	2012				2013			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	1,319	1,481	1,101	1,332	1,200	1,449	1,104	1,275
Gross profit excl restructuring costs, SEK m	500	590	422	549	476	612	439	521
Gross margin excl restructuring costs, %	37.9	39.8	38.3	41.2	39.7	42.2	39.8	40.9
Operating profit excl restructuring costs, SEK m	106	179	101	165	111	224	136	162
Operating margin excl restructuring costs, %	8.0	12.1	9.2	12.4	9.3	15.5	12.3	12.7
Operating profit, SEK m	106	171	101	156	111	224	136	162
Operating margin, %	8.0	11.5	9.2	11.7	9.3	15.5	12.3	12.7

Store trend, Oct-Dec	
Renovated or relocated	–
Newly opened, net	-1
Number of kitchen stores	244
-of which franchise	173
-of which own	71

Share of consolidated net sales, fourth quarter



Our brands

Continental Europe region

Net sales for the fourth quarter amounted to SEK 632 million (754). Organic growth was negative 9 per cent (pos: 3). No restructuring costs (165) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 2 million (3) and the operating margin was 0.3 per cent (0.4). Currency effects of approximately SEK 0 million (5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of SEK 0 million.

Kitchen market

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

Nobia

The decline in sales was attributable to all business units, but primarily to the French chain Hygena.

In the fourth quarter of 2012, Optifit, which was divested in the second quarter 2013, had sales of SEK 77 million.

Currency effects of SEK 14 million (neg: 36) impacted net sales for the quarter.

The gross margin improved, mainly due to higher sales values and lower prices of materials.

Operating profit excluding restructuring costs was negatively impacted by lower sales volumes, which was only partially offset by the strengthened gross margin and cost savings in Hygena.

An action programme is being implemented in Hygena to generate profitable growth, but it is estimated that some time will be necessary before these measures will start yielding results.

Quarterly data in SEK	2012				2013			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	645	888	802	754	622	756	685	632
Gross profit excl restructuring costs, SEK m	244	357	334	318	240	300	288	277
Gross margin excl restructuring costs, %	37.8	40.2	41.6	42.2	38.6	39.7	42.0	43.8
Operating profit excl restructuring costs, SEK m	-76	22	42	3	-48	-10	9	2
Operating margin excl restructuring costs, %	-11.8	2.5	5.2	0.4	-7.7	-1.3	1.3	0.3
Operating profit/loss, SEK m	-79	11	17	-162	-48	-46	9	2
Operating margin, %	-12.2	1.2	2.1	-21.5	-7.7	-6.1	1.3	0.3

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

Percentage of consolidated net sales, fourth quarter

Our brands

nobia

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

Net sales for the full-year 2013 amounted to SEK 11,773 million (12,343). Organic growth totalled 0 per cent (neg: 5). Operating profit excluding restructuring costs of SEK 36 million (839) amounted to SEK 690 million (565), corresponding to an operating margin of 5.9 per cent (4.6). Profit after tax and including restructuring costs was SEK 350 million (loss: 545), corresponding to earnings per share of SEK 2.10 (loss: 3.27). Operating cash flow amounted to SEK 601 million (237).

Nobia's organic growth during the period totalled 0 per cent (neg: 5), specified as follows: positive 6 per cent (neg: 12) in the UK, negative 2 per cent (pos: 1) in the Nordic region and negative 5 per cent (neg: 6) in the Continental Europe region.

Currency effects had a negative impact of SEK 347 million (neg: 56) on net sales. The divestment of Optifit had an adverse effect of SEK 201 million on sales compared with the preceding year. The changed reporting period in the UK had a negative impact of SEK 9 million compared with 2012.

Currency effects on operating profit excluding restructuring costs amounted to approximately negative SEK 60 million (pos: 50), comprising a translation effect of negative SEK 20 million (neg: 5) and a transaction effect of negative SEK 40 million (pos: 55).

Operating profit excluding restructuring costs improved due to increased sales values, lower prices for materials, productivity improvements and cost savings, which offset the negative impact of currency effects and lower sales volumes.

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

Net financial items amounted to an expense of SEK 94 million (expense: 96). 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: 42).

The net interest expense totalled SEK 53 million (expense: 57).

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

The return on capital employed over the past twelve-month period amounted to 14.6 per cent (neg: 5.3) and the return on shareholders' equity was 12.0 per cent (neg: 17.7).

Nobia's investments in fixed assets amounted to SEK 251 million (393), of which SEK 87 million (217) was related to store investments.

Goodwill at the end of the period amounted to SEK 2,153 million (2,102), corresponding to 68 per cent (79) of the Group's shareholders' equity.

Net debt including pension provisions amounted to SEK 1,176 million (1,707). The debt/equity ratio was 37 per cent at the end of the period (64).

Nobia's credit facilities excluding overdraft facilities amounted to SEK 2.8 billion at year-end, of which SEK 2 billion was unutilised. SEK 1.5 billion of the credit facilities was subsequently terminated at Nobia's request.

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

	UK Jan-Dec		Nordic Jan-Dec		Continental Europe Jan-Dec		Group-wide and eliminations Jan-Dec		Group Jan-Dec		
SEK m	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	Change, %
Net sales from external customers	**4,030**	**4,055**	**5,232**	**5,027**	**3,081**	**2,691**	**–**	**–**	**12,343**	**11,773**	**-5**
Net sales from other regions	12	85	1	1	8	4	-21	-90	–	–	–
Total net sales	**4,042**	**4,140**	**5,233**	**5,028**	**3,089**	**2,695**	**-21**	**-90**	**12,343**	**11,773**	**-5**
Gross profit excl restructuring costs	1,622	1,652	2,061	2,048	1,253	1,105	43	19	4,979	4,824	-3
Gross margin excl restructuring costs, %	40.1	39.9	39.4	40.7	40.6	41.0	–	–	40.3	41.0	–
Operating profit excl restructuring costs	181	247	551	633	-9	-47	-158	-143	565	690	22
Operating margin excl restructuring costs, %	4.5	6.0	10.5	12.6	-0.3	-1.7	–	–	4.6	5.9	–
Operating profit (EBIT)	93	247	534	633	-213	-83	-688	-143	-274	654	–
Operating margin, %	2.3	6.0	10.2	12.6	-6.9	-3.1	–	–	-2.2	5.6	–
Financial items	–	–	–	–	–	–	–	–	-96	-94	2
Profit after financial items	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**-370**	**560**	**–**

Restructuring measures in progress

Restructuring costs pertain to certain nonrecurring costs, see page 10. Restructuring costs for the period January-December amounted to SEK 36 million (839) and pertained to costs incurred by the divestment of Optifit.

Approved and implemented restructuring measures of SEK 133 million (224) were charged to cash flow, of which the total amount (167) derived from the preceding year's restructuring measures.

Divested operations and fixed assets held for sale

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

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

Loss after tax for these stores amounted to SEK 15 million (loss: 20) during the period January-December 2013.

Corporate acquisitions and divestments

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

The divestment resulted in an expense of SEK 150 million for the fourth quarter of 2012 and for the second quarter of 2013 an additional expense of SEK 36 million. Of the expenses for the divestment of Optifit, about SEK 60 million affects cash flow, of which about SEK 40 million impacted the cash flow for 2013.

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

Personnel

The number of employees at the end of the period amounted to 6,544 (6,934). The decline was primarily due to the divesture of Optifit, which had 225 employees at the start of the year. Employees who are currently on leave of absence were excluded from the number of employees from the first quarter of 2013 and the number of employees for the preceding year has been adjusted according to the same definition.

Annual General Meeting

Nobia's Annual General Meeting will be held on 9 April 2014 at 3:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, in Stockholm.

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 10 March.

The Annual Report is scheduled to be published on www.nobia.com on 19 March and distributed in printed form on 26 March.

The authorisation regarding the acquisition of treasury shares granted by the 2013 Annual General Meeting was not exercised.

Proposed dividend

The Board proposes that a dividend of SEK 1.00 per share be paid for the 2013 fiscal year, corresponding to 48 per cent of net profit for the year. The proposal is in line with the defined dividend policy that the dividend is, on average, to be in the interval of 30–60 per cent of net profit for the year. The proposal entails a total dividend of approximately SEK 167 million. The record day for payment of the dividend is 14 April.

Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 77 million (57) during the period.

The Parent Company reported a profit of SEK 244 million (231) from participations in Group companies.

Events after the end of the year

A partnership agreement between Nobia and Finnish interior design company Isku was presented in January 2014. Under the agreement, Nobia will have exclusive rights to sell kitchens in Isku's stores. Isku's kitchen sales amount to approximately EUR 10 million. Nobia intends to introduce the Keittömaailma ("Kitchen world") franchise concept in about 20 Isku stores throughout Finland during 2014.

Financial instruments

The carrying amounts of the Group's financial assets are an approximation of their fair values. Financial instruments measured at fair value in the balance sheet are forward agreements comprised of assets at a value of SEK 10 million (31 Dec 2012: 6) and liabilities at a value of SEK 7 million (31 Dec 2012: 6). The measurement of these items is attributable to level 2 of the fair value hierarchy, meaning based directly or indirectly on observable market data.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 34-35 of the 2012 Annual Report. The Nordic market is deemed to have weakened slightly compared with the preceding year. Demand in the UK is deemed to have increased from a low level, while demand in Continental Europe declined. Overall, market conditions are deemed to remain challenging. This means that total production and deliveries 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 2,153 million. The value of this asset item is tested if there are any indications of a decline in value and at least annually.

Currency effect (EBIT)*

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

* Pertains to effects excluding restructuring costs.

Accounting policies

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting policies are applied in accordance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. Other than the new accounting policies for 2013 described below, Nobia has applied the same accounting policies in this interim report as were applied in the 2012 Annual Report.

New accounting policies 2013

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

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

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

For further information

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

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

Presentation

The interim report will be presented on Thursday, 13 February 2014 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)20 336 453 74
- From the US: +1 855 753 22 30

Financial calendar

9 April 2014	2014 Annual General Meeting
28 April 2014	Interim report Jan-Mar 2014
21 July 2014	Interim report Jan-Jun 2014
28 October 2014	Interim report Jan-Sep 2014

Stockholm, 13 February 2014

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 2014 at 8:00 a.m. CET.

Box 70376 • 107 24 Stockholm, Sweden • Street address: Klarabergsviadukten 70 A5 • Tel 08-440 16 00 • Fax 08-503 826 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	2012	**2013**	2012	**2013**
Net sales	3,097	2,909	12,343	11,773
Cost of goods sold	-1,937	-1,686	-7,552	-6,949
Gross profit	**1,160**	**1,223**	**4,791**	**4,824**
Selling and administration expenses	-1,643	-1,039	-5,014	-4,163
Other income/expenses	-60	15	-51	-7
Operating profit	**-543**	**199**	**-274**	**654**
Net financial items	-25	-23	-96	-94
Profit/loss after financial items	**-568**	**176**	**-370**	**560**
Tax	-105	-73	-155	-195
Profit/loss after tax from continuing operations	**-673**	**103**	**-525**	**365**
Profit/loss from discontinued operations, net after tax	-4	-5	-20	-15
Profit/loss after tax	**-677**	**98**	**-545**	**350**
Total profit attributable to:				
Parent Company shareholders	-678	98	-546	351
Non-controlling interests	1	0	1	-1
Total profit/loss	**-677**	**98**	**-545**	**350**
Total depreciation	99	97	395	377
Total impairment	600	6	618	13
Gross margin, %	37.5	42.0	38.8	41.0
Operating margin, %	-17.5	6.8	-2.2	5.6
Return on capital employed, %	–	–	-5.3	14.6
Return on shareholders equity, %	–	–	-17.7	12.0
Earnings per share before dilution, SEK[1]	-4.06	1.13	-3.27	2.10
Earnings per share after dilution, SEK[1]	-4.06	1.13	-3.27	2.10
Number of shares at period end before dilution, 000s[2]	167,131	167,131	167,131	167,131
Average number of shares after dilution, 000s[2]	167,131	167,131	167,131	167,131
Number of shares after dilution at period end, 000s[2]	167,131	167,366	167,131	167,351
Average number of shares after dilution, 000s[2]	167,131	167,366	167,131	167,310

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

Consolidated statement of comprehensive income

MSEK	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
Profit/loss after tax	-677	98	-545	350
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange-rate differences attributable to translation of foreign operations	33	121	-100	109
Cash flow hedges before tax	11	-5	11	4
Tax attributable to change in hedging reserve for the period	-3	1	-3	-1
	41	**117**	**-92**	**112**
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit pension plans	-91	131	-108	150
Tax relating to remeasurements of defined benefit pension plans	20	-33	21	-37
	-71	**98**	**-87**	**113**
Other comprehensive income/loss	**-30**	**215**	**-179**	**225**
Total comprehensive income/loss	**-707**	**313**	**-724**	**575**
Total comprehensive income/loss attributable to:				
Parent Company shareholders	-708	313	-725	576
Non-controlling interests	1	0	1	-1
Total comprehensive income/loss	**-707**	**313**	**-724**	**575**

Specification of restructuring costs [1)]

Restructuring costs per function SEK m	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
Cost of goods sold	-142	–	-188	–
Selling and administrative expenses	-545	–	-595	–
-Whereof impairment of goodwill in Hygena	*-492*	–	*-492*	–
Other expenses	-52	–	-56	-36
Total restructuring costs	**-739**	–	**-839**	**-36**

Restructuring costs per region SEK m	Oct-Dec 2012	Oct-Dec 2013	Jan-Dec 2012	Jan-Dec 2013
UK	-44	–	-88 [2)]	–
Nordic	-9	–	-17 [3)]	–
Continental Europe	-165	–	-204 [4)]	-36
Group-wide and eliminations	-521	–	-530 [5)]	–
-Whereof impairment of goodwill in Hygena	*-492*	–	*-492*	–
Group	**-739**	–	**-839**	-36

1) Refers to costs affecting operating profit.
2) Impairment amounted to SEK 16 million and pertained to kitchen displays .
3) Impairment amounted to SEK 11 million and pertained to goodwill, buildings and machinery.
4) Impairment amounted to SEK 71 million and pertained mainly to buildings and machinery.
5) Impairment amounted to SEK 519 million and pertained to goodwill and buildings.

Condensed consolidated balance sheet

	31 Dec	
SEK m	2012	**2013**
ASSETS		
Goodwill	2,102	2,153
Other intangible fixed assets	197	176
Tangible fixed assets	1,961	1,876
Long-term receivables	53	55
Deferred tax assets	469	410
Total fixed assets	**4,782**	**4,670**
Inventories	929	849
Accounts receivable	941	949
Other receivables	384	424
Total current receivables	*1,325*	*1,373*
Cash and cash equivalents	171	278
Assets held for sale	71	15
Total current assets	**2,496**	**2,515**
Total assets	**7,278**	**7,185**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,458	1,463
Reserves	-472	-366
Profit brought forward	1,613	1,999
Total shareholders' equity attributable to Parent Company shareholders	*2,657*	*3,154*
Non-controlling interests	5	4
Total shareholders' equity	**2,662**	**3,158**
Provisions for pensions	819	654
Other provisions	302	209
Deferred tax liabilities	161	162
Other long-term liabilities, interest-bearing	937	806
Total long-term liabilities	**2,219**	**1,831**
Current liabilities, interest-bearing	127	2
Current liabilities, non-interest-bearing	2,161	2,192
Liabilities attributable to assets held for sale	109	2
Total current liabilities	**2,397**	**2,196**
Total shareholders' equity and liabilities	**7,278**	**7,185**
BALANCE-SHEET RELATED KEY RATIOS		
Equity/assets ratio, %	37	44
Debt/equity ratio, %	64	37
Net debt, SEK m	1,707	1,176
Capital employed, closing balance, SEK m	4,546	4,620

Statement of changes in consolidated shareholders' equity

	Attributable to Parent Company shareholders							
SEK m	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total share-holders equity
Opening balance, 1 January 2012	58	1,459	-370	-8	2,382	3,521	4	3,525
Changed accounting principle, pensions	–	–	–	–	-138	-138	–	-138
Recalculated opening balance, 1 January 2012	58	1,459	-370	-8	2,244	3,383	4	3,387
Profit/loss for the period	–	–	–	–	-546	-546	1	-545
Other comprehensive income/loss for the period	–	–	-100	8	-87	-179	0	-179
Total comprehensive income for the period	**–**	**–**	**-100**	**8**	**-633**	**-725**	**1**	**-724**
Allocation of employee share option and share saving schemes	–	-1	–	–	–	-1	–	-1
Closing balance, 31 December 2012	**58**	**1,458**	**-470**	**0**	**1,611**	**2,657**	**5**	**2,662**
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 comprenhensive income/loss 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, 31 December 2013	**58**	**1,463**	**-361**	**3**	**1,991**	**3,154**	**4**	**3,158**

Condensed consolidated cash-flow statement

SEK m	Oct-Dec 2012	Oct-Dec **2013**	Jan-Dec 2012	Jan-Dec **2013**
Operating activities				
Operating profit	-543	199	-274	654
Depreciation/Impairment	699	103	1,013 [1]	390 [2]
Adjustments for non-cash items	95	-13	114	18
Tax paid	-70	-81	-155	-159
Change in working capital	75	85	-138	-72
Cash flow from operating activities	**256**	**293**	**560**	**831**
Investing activities				
Investments in fixed assets	-131	-90	-393	-251
Other items in investing activities	8	7	70	21
Interest received	6	2	11	4
Change in interest-bearing assets	0	0	0	-2
Divestment of business	–	-10	–	-38
Cash flow from investing activities	**-117**	**-91**	**-312**	**-266**
Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	**133**	**210**	**237**	**601**
Operating cash flow after aquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	139	202	248	565
Financing activities				
Interest paid	-16	-11	-65	-58
Change in interest-bearing liabilities	-119	-66	-159 [3]	-318 [4]
Dividend	–	–	–	-84
Cash flow from financing activities	**-135**	**-77**	**-224**	**-460**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**4**	**125**	**24**	**105**
Cash and cash equivalents at beginning of the period	**165**	**149**	**152**	**171**
Cash flow for the period	4	125	24	105
Exchange-rate differences in cash and cash equivalents	2	4	-5	2
Cash and cash equivalents at period-end	**171**	**278**	**171**	**278**

1) Impairment amounted to SEK 618 million, of which SEK 513 million pertained to goodwill, SEK 2 million to other intangible assets, SEK 57 million to buildings, SEK 18 million to machinery and equipment, SEK 18 million to kitchen displays and SEK 10 million to land.
2) 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 displays.
3) Loan repayments totalling SEK 160 million.
4) Loan repayments totalling SEK 130 million.

Analysis of net debt

SEK m	Oct-Dec 2012	Oct-Dec **2013**	Jan-Dec 2012	Jan-Dec **2013**
Opening balance	**1,708**	**1,462**	**1,586**	**1,707**
Changed accounting principle, pensions	–	–	184	–
Divenstment of business	–	10	–	38
Translation differences	12	20	-37	1
Operating cash flow	-133	-210	-237	-601
Interest paid, net	10	9	54	54
Remeasurements of defined benefit pension plans	91	-131	108	-150
Other change in pension liabilities	19	16	49	43
Dividend	–	–	–	84
Closing balance	**1,707**	**1,176**	**1,707**	**1,176**

Parent Company

Condensed Parent Company income statement	Oct-Dec		Jan-Dec	
SEK m	2012	**2013**	2012	**2013**
Net sales	20	13	65	77
Administrative expenses	-45	-46	-157	-167
Operating loss	**-25**	**-33**	**-92**	**-90**
Profit from shares in Group companies	231	244	231	244
Other financial income and expenses	-24	-10	-41	-41
Profit/loss after financial items	**182**	**201**	**98**	**113**
Tax on profit/loss for the period	0	0	0	0
Profit/loss for the period	**182**	**201**	**98**	**113**

Parent Company balance sheet	31 Dec	
SEK m	2012	**2013**
ASSETS		
Fixed assets		
Shares and participations in Group companies	2,229	2,231
Total fixed assets	**2,229**	**2,231**
Current assets		
Current receivables		
Accounts receivable	15	13
Receivables from Group companies	2,792	2,501
Other receivables	7	6
Prepaid expenses and accrued income	32	47
Cash and cash equivalents	61	152
Total current assets	**2,907**	**2,719**
Total assets	**5,136**	**4,950**
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	-468
Profit brought forward	2,242	2,261
Profit/loss for the period	98	113
	1,924	**1,958**
Total shareholders' equity	**3,653**	**3,687**
Provisions for pensions	**10**	**11**
Long-term liabilities		
Liabilities to credit institutes	800	800
Current liabilities		
Liabilities to credit institutes	127	0
Accounts payable	16	14
Liabilities to Group companies	501	406
Other liabilities	5	4
Accrued expenses and deferred income	24	28
Total current liabilities	**673**	**452**
Total shareholders' equity, provisions and liabilities	**5,136**	**4,950**
Pledged assets	–	–
Contingent liabilities	294	172

Comparative data per region

Net sales	Oct-Dec		Jan-Dec	
SEK m	2012	**2013**	2012	**2013**
UK	1,018	1,029	4,042	4,140
Nordic	1,332	1,275	5,233	5,028
Continental Europe	754	632	3,089	2,695
Group-wide and eliminations	-7	-27	-21	-90
Group	**3,097**	**2,909**	**12,343**	**11,773**

Gross profit excluding restructuring costs	Oct-Dec		Jan-Dec	
SEK m	2012	**2013**	2012	**2013**
UK	420	422	1,622	1,652
Nordic	549	521	2,061	2,048
Continental Europe	318	277	1,253	1,105
Group-wide and eliminations	15	3	43	19
Group	**1,302**	**1,223**	**4,979**	**4,824**

Gross margin excluding restructuring costs	Oct-Dec		Jan-Dec	
%	2012	**2013**	2012	**2013**
UK	41.3	41.0	40.1	39.9
Nordic	41.2	40.9	39.4	40.7
Continental Europe	42.2	43.8	40.6	41.0
Group	**42.0**	**42.0**	**40.3**	**41.0**

Operating profit excluding restructuring costs	Oct-Dec		Jan-Dec	
SEK m	2012	**2013**	2012	**2013**
UK	66	73	181	247
Nordic	165	162	551	633
Continental Europe	3	2	-9	-47
Group-wide and eliminations	-38	-38	-158	-143
Group	**196**	**199**	**565**	**690**

Operating margin excluding restructuring costs	Oct-Dec		Jan-Dec	
%	2012	**2013**	2012	**2013**
UK	6.5	7.1	4.5	6.0
Nordic	12.4	12.7	10.5	12.6
Continental Europe	0.4	0.3	-0.3	-1.7
Group	**6.3**	**6.8**	**4.6**	**5.9**

Operating profit	Oct-Dec		Jan-Dec	
SEK m	2012	**2013**	2012	**2013**
UK	22	73	93	247
Nordic	156	162	534	633
Continental Europe	-162	2	-213	-83
Group-wide and eliminations	-559	-38	-688	-143
Group	**-543**	**199**	**-274**	**654**

Operating margin	Oct-Dec		Jan-Dec	
%	2012	**2013**	2012	**2013**
UK	2.2	7.1	2.3	6.0
Nordic	11.7	12.7	10.2	12.6
Continental Europe	-21.5	0.3	-6.9	-3.1
Group	**-17.5**	**6.8**	**-2.2**	**5.6**

Quarterly data per region

Net sales	2012				2013			
SEK m	I	II	III	IV	I	II	III	IV
UK	973	1,084	967	1,018	991	1,086	1,034	1,029
Nordic	1,319	1,481	1,101	1,332	1,200	1,449	1,104	1,275
Continental Europe	645	888	802	754	622	756	685	632
Group-wide and eliminations	-3	-4	-7	-7	-9	-29	-25	-27
Group	**2,934**	**3,449**	**2,863**	**3,097**	**2,804**	**3,262**	**2,798**	**2,909**

Gross profit excluding restructuring costs	2012				2013			
SEK m	I	II	III	IV	I	II	III	IV
UK	387	431	384	420	394	429	407	422
Nordic	500	590	422	549	476	612	439	521
Continental Europe	244	357	334	318	240	300	288	277
Group-wide and eliminations	14	6	8	15	8	3	5	3
Group	**1,145**	**1,384**	**1,148**	**1,302**	**1,118**	**1,344**	**1,139**	**1,223**

Gross margin excluding restructuring costs	2012				2013			
%	I	II	III	IV	I	II	III	IV
UK	39.8	39.8	39.7	41.3	39.8	39.5	39.4	41.0
Nordic	37.9	39.8	38.3	41.2	39.7	42.2	39.8	40.9
Continental Europe	37.8	40.2	41.6	42.2	38.6	39.7	42.0	43.8
Group	**39.0**	**40.1**	**40.1**	**42.0**	**39.9**	**41.2**	**40.7**	**42.0**

Operating profit excluding restructuring costs	2012				2013			
SEK m	I	II	III	IV	I	II	III	IV
UK	27	51	37	66	32	77	65	73
Nordic	106	179	101	165	111	224	136	162
Continental Europe	-76	22	42	3	-48	-10	9	2
Group-wide and eliminations	-35	-47	-38	-38	-33	-42	-30	-38
Group	**22**	**205**	**142**	**196**	**62**	**249**	**180**	**199**

Operating margin excluding restructuring costs	2012				2013			
%	I	II	III	IV	I	II	III	IV
UK	2.8	4.7	3.8	6.5	3.2	7.1	6.3	7.1
Nordic	8.0	12.1	9.2	12.4	9.3	15.5	12.3	12.7
Continental Europe	-11.8	2.5	5.2	0.4	-7.7	-1.3	1.3	0.3
Group	**0.7**	**5.9**	**5.0**	**6.3**	**2.2**	**7.6**	**6.4**	**6.8**

Operating profit	2012				2013			
SEK m	I	II	III	IV	I	II	III	IV
UK	27	8	36	22	32	77	65	73
Nordic	106	171	101	156	111	224	136	162
Continental Europe	-79	11	17	-162	-48	-46	9	2
Group-wide and eliminations	-44	-47	-38	-559	-33	-42	-30	-38
Group	**10**	**143**	**116**	**-543**	**62**	**213**	**180**	**199**

Operating margin	2012				2013			
%	I	II	III	IV	I	II	III	IV
UK	2.8	0.7	3.7	2.2	3.2	7.1	6.3	7.1
Nordic	8.0	11.5	9.2	11.7	9.3	15.5	12.3	12.7
Continental Europe	-12.2	1.2	2.1	-21.5	-7.7	-6.1	1.3	0.3
Group	**0.3**	**4.1**	**4.1**	**-17.5**	**2.2**	**6.5**	**6.4**	**6.8**

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 interst-bearing assets.

Region
Region corresponds to operating segment according to IFRS 8.

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

Operating margin
Operating profit as percentage of net sales.

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

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

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

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