



Interim report Q2 • 2014

Interim report January-June 2014

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

Net sales for the second quarter amounted to SEK 3,314 million (3,262). Organic growth totalled negative 3 per cent (pos: 2). No restructuring costs (36) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 275 million (249), corresponding to an operating margin of 8.3 per cent (7.6). Currency effects of approximately negative SEK 10 million (neg: 15) affected the Group's operating profit, of which positive SEK 15 million (neg: 15) comprised translation effects and negative SEK 25 million (0) comprised transaction effects. Profit after tax and including restructuring costs totalled SEK 192 million (137), corresponding to earnings per share of SEK 1.14 (0.81). Operating cash flow amounted to SEK 175 million (237).

In total, market performance was deemed to be unchanged compared with the year-earlier period. The UK market grew, yet at a lower rate. The Nordic kitchen market and Nobia's combined primary markets in Continental Europe are deemed to have remained unchanged.

Organic sales growth was negative 3 per cent (pos: 2). Currency effects impacted net sales positively for the quarter in an amount of SEK 167 million (neg: 177). Optifit, which was divested on 1 May 2013, reported external sales of SEK 28 million in the second quarter of 2013.

The gross margin rose to 42.1 per cent (41.2), positively impacted by higher sales values and lower prices of materials, only partly offset by exchange-rate fluctuations and lower sales volumes.

Operating profit increased primarily due to the improved gross margin and cost savings.

Currency effects of approximately negative SEK 10 million (neg: 15) affected the Group's operating profit, of which positive SEK 15 million (neg: 15) comprised translation effects and negative SEK 25 million (0) transaction effects.

Return on capital employed including restructuring costs amounted to

16.2 per cent over the past twelve-month period (Jan-Dec 2013: 14.6).

Operating cash flow decreased primarily as a result of the negative change in working capital.

Comments from the CEO

"Sales for the second quarter were impacted by a lower number of delivery days compared with the year-earlier period. The Group's gross margin for the past twelve-month period is once again at a record level and the operating margin for the quarter is the highest in six years.

The reduction in the complexity of the range is proceeding and Magnet's transition to the Group's common standard dimension is progressing according to plan. The Finnish operations are next in line to undergo the transition.

Seven of our brands launched new websites during the first six months of the year and by the end of the year twelve brands will have converted to the same online platform.

Our growth strategy includes both digital investments and improved sales processes, as well as an increased number of stores and acquisitions," says Morten Falkenberg, President and CEO.

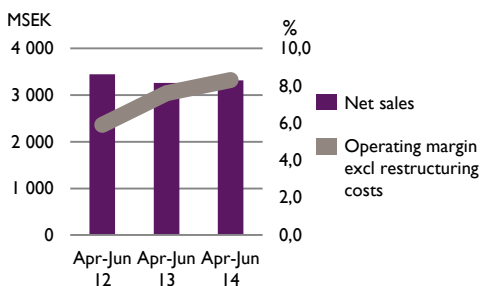
Nobia Group summary	Apr-Jun			Jan-Jun			Jan-Dec	Jul-Jun	Change, %
	2013	2014	Change, %	2013	2014	Change, %	2013	2013/2014	
Net sales, SEK m	3,262	3,314	2	6,066	6,211	2	11,773	11,918	1
Gross margin, %	41.2	42.1	-	40.6	41.4	-	41.0	41.4	-
Operating margin before depreciation and impairment, %	10.6	11.1	-	8.3	9.3	-	9.2	9.7	-
Operating profit (EBIT), SEK m	249	275	10	311	372	20	690	751	9
Operating margin, %	7.6	8.3	-	5.1	6.0	-	5.9	6.3	-
Profit after financial items, SEK m	228	263	15	264	336	27	596	668	12
Profit after tax incl restructuring, SEK m	137	192	40	162	239	48	350	427	22
Earnings per share excl restructuring, after dilution, SEK	1.01	1.14	13	1.16	1.42	22	2.29	2.56	12
Earnings per share incl restructuring, after dilution, SEK	0.81	1.14	41	0.97	1.42	46	2.10	2.56	22
Operating cash flow, SEK m	237	175	-26	184	307	67	601	724	20

All figures, except for net sales, profit after tax and operating cash flow are adjusted for restructuring costs.

Additional information about restructuring costs is provided on pages 7 and 11.

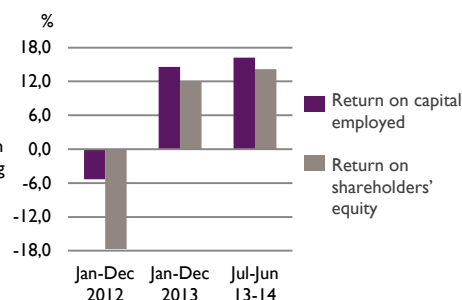
1) In the calculation of earnings per share excluding restructuring costs, an adjustment is also made for nonrecurring tax effects.

Net sales and operating margin, Apr-Jun



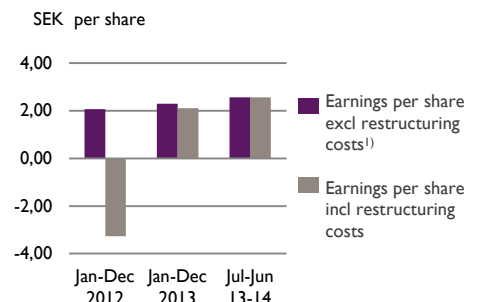
Net sales amounted to SEK 3,314 million and operating margin to 8.3 per cent.

Profitability trend including restructuring costs



Return on capital employed including restructuring costs was 16.2 per cent during the past twelve-month period.

Earnings/loss per share



Earnings per share after dilution excluding restructuring costs¹⁾ amounted to SEK 2.56 over the past twelve-month period.



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Analysis of net sales and regional reporting

Positive currency effects of SEK 167 million (neg: 177) impacted second-quarter net sales. Organic growth was negative in all regions and combined amounted to negative 3 per cent (pos: 2).

Analysis of net sales	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
2013		3,262		6,066
Organic growth	-3	-87	0	-9
- of which UK region	-2	-21	0	-2
- of which Nordic region	-2	-26	2	40
- of which Continental Europe region	-5	-40	-4	-47
Currency effect	5	167	4	256
Divested operations ¹⁾	-1	-28	-2	-102
2014	2	3,314	2	6,211

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

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

SEK m	UK Apr-Jun		Nordic Apr-Jun		Continental Europe Apr-Jun		Group-wide and eliminations Apr-Jun		Group Apr-Jun		Change, %
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	
Net sales from external customers	1,058	1,143	1,449	1,447	755	724	-	-	3,262	3,314	2
Net sales from other regions	28	30	0	1	1	0	-29	-31	-	-	-
Net sales	1,086	1,173	1,449	1,448	756	724	-29	-31	3,262	3,314	2
Gross profit	429	477	612	599	300	312	3	6	1,344	1,394	4
Gross margin, %	39.5	40.7	42.2	41.4	39.7	43.1	-	-	41.2	42.1	-
Operating profit/loss excluding restructuring costs	77	103	224	207	-10	0	-42	-35	249	275	10
Operating margin excluding restructuring costs, %	7.1	8.8	15.5	14.3	-1.3	0.0	-	-	7.6	8.3	-
Operating profit/loss	77	103	224	207	-46	0	-42	-35	213	275	29
Operating margin, %	7.1	8.8	15.5	14.3	-6.1	0.0	-	-	6.5	8.3	-

Nobia develops and sells kitchens through some twenty strong brands in Europe, including Magnet in the UK; Hygena in France; HTH, Norema, Sigdal, Invita, Marbodol 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 6,600 employees and net sales of about SEK 12 billion. The Nobia share is listed on the NASDAQ OMX Stockholm under the short name NOBI. Website: www.nobia.com.



UK region

Net sales for the second quarter amounted to SEK 1,173 million (1,086). Organic growth was negative 2 per cent (pos: 8). No restructuring costs (–) impacted operating profit for the quarter. Operating profit amounted to SEK 103 million (77) and the operating margin was 8.8 per cent (7.1). Currency effects of approximately positive SEK 10 million (neg: 5) on operating profit comprised a translation effect of SEK 10 million and a transaction effect of SEK 0 million.

Kitchen market

The UK kitchen market continued to grow, although at a lower rate. The lower market growth was attributable to all price segments.

Nobia

The decline in organic sales growth was attributable to lower sales volumes via Magnet stores. Sales of kitchens to both consumers (Retail) and builders (Trade) fell, while sales of joinery products increased. B2B sales rose during the quarter.

Positive currency effects of SEK 105 million (neg: 96) impacted net sales for the quarter.

The gross margin improved, positively impacted by higher sales values and positive currency effects, only partly offset by lower volumes and a changed sales mix.

Operating profit increased as a result of the improved gross margin and cost savings.

Magnet's transition to the Group's common standard dimension is proceeding according to plan.

Measured in local currency, operating profit for the region totalled GBP 9.4 million (7.6).

Quarterly data in SEK

	2013				2014	
	I	II	III	IV	I	II
Net sales, SEK m	991	1,086	1,034	1,029	1,099	1,173
Gross profit, SEK m	394	429	407	422	444	477
Gross margin, %	39.8	39.5	39.4	41.0	40.4	40.7
Operating profit, SEK m	32	77	65	73	51	103
Operating margin, %	3.2	7.1	6.3	7.1	4.6	8.8

Quarterly data in GBP

	2013				2014	
	I	II	III	IV	I	II
Net sales, GBP m	99.1	108.0	101.7	97.6	102.7	105.7
Gross profit, GBP m	39.4	42.6	40.1	40.1	41.5	42.9
Gross margin, %	39.7	39.5	39.4	41.0	40.4	40.6
Operating profit, GBP m	3.2	7.6	6.5	6.9	4.8	9.4
Operating margin, %	3.2	7.0	6.4	7.1	4.7	8.9

Store trend, Apr-Jun

Renovated or relocated	–
Newly opened, net	-2
Number of own kitchen stores	204

Percentage of consolidated net sales, second quarter



Our brands

Gower

Interior
Solutions

Magnet



Nordic region

Net sales for the second quarter amounted to SEK 1,448 million (1,449). Organic growth was negative 2 per cent (pos: 1). No restructuring costs (–) impacted operating profit for the quarter. Operating profit totalled SEK 207 million (224) and the operating margin was 14.3 per cent (15.5). Currency effects of approximately negative SEK 20 million (neg: 5) on operating profit comprised a translation effect of SEK 5 million and a transaction effect of negative SEK 25 million.

Kitchen market

The Nordic kitchen market is deemed to have remained unchanged compared with the year-earlier period. Growth in the Swedish market compensated for the decline in the markets in Norway and Finland.

Nobia

The negative trend in organic sales was primarily attributable to lower deliveries to the professional segment, but was also related to fewer delivery days compared with the year-earlier period.

In the professional segment, sales declined in all markets, except for the Danish market. The increase in the consumer segment was

attributable to Sweden.

Positive currency effects of SEK 26 million (neg: 49) impacted net sales for the quarter.

The gross margin declined primarily due to negative currency effects, which were only partly offset by higher sales values.

Operating profit declined as an effect of the decrease in gross margin and lower sales volumes.

In Finland, seven franchise stores (Keittömaalima) were introduced in Isku stores and an additional 17 such points of sales will open in 2014.

In Sweden, the Marbodal and Myresjökök brands have been integrated, which received a positive response from customers.

Quarterly data in SEK

	2013				2014	
	I	II	III	IV	I	II
Net sales, SEK m	1,200	1,449	1,104	1,275	1,262	1,448
Gross profit, SEK m	476	612	439	521	503	599
Gross margin, %	39.7	42.2	39.8	40.9	39.9	41.4
Operating profit, SEK m	111	224	136	162	128	207
Operating margin, %	9.3	15.5	12.3	12.7	10.1	14.3

Store trend, Apr-Jun

Renovated or relocated	–
Newly opened, net	-1
Number of own kitchen stores	69

Share of consolidated net sales, second quarter



Our brands





Continental Europe region

Net sales for the second quarter amounted to SEK 724 million (756). Organic growth was negative 5 per cent (neg: 6). No restructuring costs (36) impacted operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 0 million (loss: 10) and the operating margin was 0.0 per cent (neg: 1.3). Currency effects of approximately SEK 0 million (neg: 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 overall market trend in Nobia's combined primary markets in the region was unchanged. The French kitchen market continued to display a negative trend.

Nobia

The decline in sales was attributable to the French chain Hygena, while sales for the other brands in the region increased.

In the second quarter of 2013, Optifit, which was divested on 1 May 2013, reported external sales of SEK 28 million.

Positive currency effects of SEK 37 million (neg: 35) impacted net sales for the quarter.

The gross margin strengthened, primarily as a result of higher sales values and lower costs.

Operating profit improved as a result of the improved gross margin, which compensated for the lower sales volumes.

In Hygena, an action programme to generate profitable growth is being implemented with support from the organisation in the UK. However, it is estimated that it will be some time before these measures will start yielding results.

Quarterly data in SEK

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

Store trend, Apr-Jun

Renovated or relocated	-
Newly opened, net	-1
Number of own kitchen stores	160

Percentage of consolidated net sales, second quarter



Our brands

ewe
and other registered brands

FM
Die Köche zum Leben

hygena

goldreif

INTUO

**poggen
pohl**



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Consolidated earnings, cash flow and financial position January–June 2014

Net sales for the first six months amounted to SEK 6,211 million (6,066). Organic growth totalled 0 per cent (neg: 1). No restructuring costs (36) impacted operating profit for the period. Operating profit excluding restructuring costs amounted to SEK 372 million (311), corresponding to an operating margin of 6.0 per cent (5.1). Profit after tax and including restructuring costs was SEK 239 million (162), corresponding to earnings per share of SEK 1.42 (0.97). Operating cash flow amounted to SEK 307 million (184).

Nobia's organic growth during the period totalled 0 per cent (neg: 1), specified as follows: 0 per cent (pos: 4) in the UK, positive 2 per cent (neg: 3) in the Nordic region and negative 4 per cent (neg: 3) in the Continental Europe region.

Currency effects had a positive impact of SEK 256 million (neg: 297) on net sales. The divestment of Optifit had an adverse effect of SEK 102 million on sales compared with the year-earlier period.

Currency effects on operating profit amounted to approximately negative SEK 10 million (neg: 15), comprising a translation effect of positive SEK 20 million (neg: 15) and a transaction effect of negative SEK 30 million (0).

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

Group-wide items and eliminations reported an operating loss of SEK 78 million (loss: 75).

Net financial items amounted to an expense of SEK 36 million (expense: 47). Net financial items include the net of return on pension

assets and interest expense for pension liabilities corresponding to an expense of SEK 16 million (expense: 18).

The net interest expense totalled SEK 20 million (expense: 29).

Operating cash flow improved primarily as a result of higher earnings generation and a positive change in working capital compared with the year-earlier period.

The return on capital employed including restructuring costs over the past twelve-month period amounted to 16.2 per cent (Jan-Dec 2013: 14.6) and the return on shareholders' equity including restructuring costs was 14.2 per cent (Jan-Dec 2013: 12.0).

Nobia's investments in fixed assets amounted to SEK 121 million (110), of which SEK 57 million (40) was related to store investments.

Goodwill at the end of the period amounted to SEK 2,257 million (2,088), corresponding to 66 per cent (74) of the Group's shareholders' equity.

Net debt including pension provisions amounted to SEK 1,095 million (1,592). The debt/equity ratio was 32 per cent at the end of the period (57).

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

SEK m	UK Jan-Jun		Nordic Jan-Jun		Continental Europe Jan-Jun		Group-wide and eliminations Jan-Jun		Group Jan-Jun		Change, %
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	
Net sales from external customers	2,043	2,218	2,648	2,709	1,375	1,284	–	–	6,066	6,211	2
Net sales from other regions	34	54	1	1	3	1	-38	-56	–	–	–
Total net sales	2,077	2,272	2,649	2,710	1,378	1,285	-38	-56	6,066	6,211	2
Gross profit	823	921	1,088	1,102	540	538	11	9	2,462	2,570	4
Gross margin, %	39.6	40.5	41.1	40.7	39.2	41.9	–	–	40.6	41.4	–
Operating profit excl restructuring costs	109	154	335	335	-58	-39	-75	-78	311	372	20
Operating margin excl restructuring costs, %	5.2	6.8	12.6	12.4	-4.2	-3.0	–	–	5.1	6.0	–
Operating profit/loss (EBIT)	109	154	335	335	-94	-39	-75	-78	275	372	35
Operating margin, %	5.2	6.8	12.6	12.4	-6.8	-3.0	–	–	4.5	6.0	–
Financial items	–	–	–	–	–	–	–	–	-47	-36	23
Profit after financial items	–	–	–	–	–	–	–	–	228	336	47



Restructuring measures in progress

Restructuring costs pertain to certain nonrecurring costs, see page 11. No restructuring costs (36) impacted operating profit for the first six months. Approved and implemented restructuring measures of SEK 20 million (80) were charged to cash flow, of which the total amount (80) derived from previous years' approved 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 2013, Nobia had four stores in Denmark and four stores in Sweden, a total of eight stores.

During the first six months of 2014, two additional stores were acquired in Sweden. At the end of the second quarter, Nobia had four stores in Denmark and six 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 9 million (loss: 6) during the period January-June 2014.

Corporate acquisitions and divestments

On 1 May 2013, the operations in the Optifit Group were divested to the local management of Optifit in conjunction with the relocation of manufacturing under Hygena to the UK. The divestment resulted in an expense of SEK 150 million for the fourth quarter of 2012 and an additional expense of SEK 36 million for the second quarter of 2013. Of the expenses for the divestment, about SEK 60 million affects cash flow, of which about SEK 40 million impacted the cash flow for 2013 and SEK 2 million impacted cash flow in the first six months of 2014.

The production relocation and the divestment of Optifit 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 6,593 (6,631).

Change to management

On 31 May 2014, Lars Völkel, Executive Vice President, Luxury Retail & Professional, left Nobia. The process of recruiting a replacement is underway.

On 30 June 2014, Ingemar Tärnskar, Executive Vice President, Supply Chain Operations, left Nobia. In connection with this, Michael Larsen was appointed Executive Vice President, Supply Chain Operations. Michael Larsen previously served as the Head of Production and Logistics in Nobia's Danish operation.

Transfer of treasury shares

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

The number of shares that will be transferred during the period until the 2015 Annual General Meeting is based on the number of employee share options that will actually be utilised, but will not exceed 1,035,000.

In June 2014, Nobia transferred 330,000 bought-back shares. On 30 June 2014, Nobia held 7,832,300 treasury shares.

For current information regarding the implementation of the transfer of bought-back shares, refer to Nasdaq OMX's website.

Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 68 million (42) during the period.

The Parent Company reported a profit of SEK 17 million (0) from participations in Group companies.

Financial instruments

The carrying amounts of the Group's financial assets and liabilities are an approximation of their fair values. Financial instruments measured at fair value in the balance sheet are forward agreements and an interest swap comprised of assets at a value of SEK 7 million (31 Dec 2013: 10) and liabilities at a value of SEK 22 million (31 Dec 2013: 7). The measurement of these items is attributable to level 2 of the fair value hierarchy, meaning based on indirectly observable market data.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 35-37 of the 2013 Annual Report. During the first six months of 2014, the overall Nordic market is deemed to have remained unchanged. Demand in the UK is deemed to have increased, but at a lower rate, while demand in Continental Europe remained weak. Overall, market conditions are deemed to remain challenging. This means that total production and deliveries remain at a low level. Nobia is continuing to capitalise on synergies and economies of scale by harmonising the product range, co-ordinating production and enhancing purchasing efficiency. Nobia's balance sheet contains goodwill of SEK 2,257 million. The value of this asset item is tested if there are any indications of a decline in value and at least annually.

Events after the end of the second quarter

Nobia agreed a new syndicated loan of SEK 1 billion with a small group of banks. The term is five years. Nobia also has a bond loan from AB SEK Securities (Swedish Export Credit Corporation) of SEK 800 million, which expires in 2017 with an option for Nobia to terminate the loan for repayment in 2015.

Currency effects on operating result*

SEK m	Translation effect		Transaction effect		Total effect	
	Q2	Jan-Jun	Q2	Jan-Jun	Q2	Jan-Jun
UK region	10	15	0	10	10	25
Nordic region	5	5	-25	-40	-20	-35
Continental Europe region	0	0	0	0	0	0
Group	15	20	-25	-30	-10	-10

* Pertains to effects excluding restructuring costs.



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Accounting policies

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

New accounting policies 2014

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

For further information

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

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

Presentation

The interim report will be presented on Monday, 21 July 2014 at 14:00 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

27 October 2014	Interim report January-September 2014
13 February 2015	Interim report January-December 2014
27 April 2015	Interim report January-March 2015



The Board of Directors and CEO assure that the six-month report provides a fair view of the Parent Company's and the Group's operations, financial position and profits, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 July 2014

Johan Molin
Chairman

Nora Førisdal Larssen

Thore Ohlsson

Fredrik Palmstierna

Lilian Fossum Biner

Ricard Wennerklint

Stefan Jacobsson

Morten Falkenberg
President and CEO

Per Bergström
Employee representative

Marie Ströberg
Employee representative

This interim report is unaudited.

Nobia AB, Corporate Registration Number 556528-2752

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 21 July 2014 at 13:00 CET.

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Corporate Registration Number: 556528-2752 • The registered office of the Board of Directors is in Stockholm, Sweden



Condensed consolidated income statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
Net sales	3,262	3,314	6,066	6,211	11,773	11,918
Cost of goods sold	-1,918	-1,920	-3,604	-3,641	-6,949	-6,986
Gross profit	1,344	1,394	2,462	2,570	4,824	4,932
Selling and administration expenses	-1,104	-1,118	-2,154	-2,215	-4,163	-4,224
Other income/expenses	-27	-1	-33	17	-7	43
Operating profit	213	275	275	372	654	751
Net financial items	-21	-12	-47	-36	-94	-83
Profit after financial items	192	263	228	336	560	668
Tax	-51	-66	-60	-88	-195	-223
Profit after tax from continuing operations	141	197	168	248	365	445
Loss from discontinued operations, net after tax	-4	-5	-6	-9	-15	-18
Profit after tax	137	192	162	239	350	427
Total profit attributable to:						
Parent Company shareholders	137	192	162	239	351	428
Non-controlling interests	0	0	0	0	-1	-1
Total profit/loss	137	192	162	239	350	427
Total depreciation	95	93	190	194	377	381
Total impairment	1	-1	2	11	13	22
Gross margin, %	41.2	42.1	40.6	41.4	41.0	41.4
Operating margin, %	6.5	8.3	4.5	6.0	5.6	6.3
Return on capital employed, %	-	-	-	-	14.6	16.2
Return on shareholders equity, %	-	-	-	-	12.0	14.2
Earnings per share before dilution, SEK ¹⁾	0.82	1.15	0.97	1.43	2.10	2.56
Earnings per share after dilution, SEK ¹⁾	0.81	1.14	0.97	1.42	2.10	2.56
Number of shares at period end before dilution, 000s ²⁾	167,131	167,461	167,131	167,461	167,131	167,461
Average number of shares after dilution, 000s ²⁾	167,131	167,241	167,131	167,186	167,131	167,159
Number of shares after dilution at period end, 000s ²⁾	167,307	167,777	167,306	167,759	167,351	167,735
Average number of shares after dilution, 000s ²⁾	167,286	167,551	167,280	167,473	167,310	167,418

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

2) Excluding treasury shares.



Consolidated statement of comprehensive income

MSEK	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
Profit after tax	137	192	162	239	350	427
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange-rate differences attributable to translation of foreign operations	150	180	0	206	109	315
Cash flow hedges before tax	10	2	14	-15	4	-25
Tax attributable to change in hedging reserve for the period	-2	-1	-3	3	-1	5
	158	181	11	194	112	295
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit pension plans	122	-18	69	-45	150	36
Tax relating to remeasurements of defined benefit pension plans	-28	4	-16	9	-37	-12
	94	-14	53	-36	113	24
Other comprehensive income	252	167	64	158	225	319
Total comprehensive income	389	359	226	397	575	746
Total comprehensive income attributable to:						
Parent Company shareholders	389	359	226	397	576	747
Non-controlling interests	0	0	0	0	-1	-1
Total comprehensive income	389	359	226	397	575	746

Specification of restructuring costs ¹⁾

Restructuring costs per function SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
Cost of goods sold	-	-	-	-	-	-
Selling and administrative expenses	-	-	-	-	-	-
Other expenses	-36	-	-36	-	-36	-
Total restructuring costs	-36	-	-36	-	-36	-
Restructuring costs per region						
SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	-	-	-	-	-	-
Nordic	-	-	-	-	-	-
Continental Europe	-36	-	-36	-	-36	-
Group-wide and eliminations	-	-	-	-	-	-
Group	-36	-	-36	-	-36	-

1) Refers to costs affecting operating profit.



Condensed consolidated balance sheet

SEK m	30 Jun		31 Dec
	2013	2014	2013
ASSETS			
Goodwill	2,088	2,257	2,153
Other intangible fixed assets	178	196	176
Tangible fixed assets	1,891	1,827	1,876
Long-term receivables	53	57	55
Deferred tax assets	481	445	410
Total fixed assets	4,691	4,782	4,670
Inventories	890	925	849
Accounts receivable	1,279	1,303	949
Other receivables	472	491	424
<i>Total current receivables</i>	<i>1,751</i>	<i>1,794</i>	<i>1,373</i>
Cash and cash equivalents	165	410	278
Assets held for sale	16	23	15
Total current assets	2,822	3,152	2,515
Total assets	7,513	7,934	7,185
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	58	58
Other capital contributions	1,461	1,466	1,463
Reserves	-461	-164	-366
Profit brought forward	1,744	2,045	1,999
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>2,802</i>	<i>3,405</i>	<i>3,154</i>
Non-controlling interests	5	4	4
Total shareholders' equity	2,807	3,409	3,158
Provisions for pensions	726	690	654
Other provisions	241	191	209
Deferred tax liabilities	163	161	162
Other long-term liabilities, interest-bearing	927	805	806
Total long-term liabilities	2,057	1,847	1,831
Current liabilities, interest-bearing	110	22	2
Current liabilities, non-interest-bearing	2,538	2,653	2,192
Liabilities attributable to assets held for sale	1	3	2
Total current liabilities	2,649	2,678	2,196
Total shareholders' equity and liabilities	7,513	7,934	7,185
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	37	43	44
Debt/equity ratio, %	57	32	37
Net debt, SEK m	1,592	1,095	1,176
Capital employed, closing balance, SEK m	4,570	4,926	4,620



Statement of changes in consolidated shareholders' equity

SEK m	Attributable to Parent Company shareholders					Total	Non-controlling interests	Total shareholders equity
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward			
Opening balance, 1 January 2013	58	1,458	-472	0	1,613	2,657	5	2,662
Profit for the period	-	-	-	-	162	162	0	162
Other comprehensive income/loss for the period	-	-	0	11	53	64	0	64
Total comprehensive income for the period	-	-	0	11	215	226	0	226
Dividend	-	-	-	-	-84	-84	-	-84
Allocation of employee share option and share saving schemes	-	3	-	-	-	3	-	3
Closing balance, 30 June 2013	58	1,461	-472	11	1,744	2,802	5	2,807
Opening balance, 1 January 2014	58	1,463	-361	3	1,991	3,154	4	3,158
Profit for the period	-	-	-	-	239	239	0	239
Other comprehensive income/loss for the period	-	-	206	-12	-36	158	0	158
Total comprehensive income/loss for the period	-	-	206	-12	203	397	0	397
Dividend	-	-	-	-	-167	-167	0	-167
Allocation of employee share option and share saving schemes	-	3	-	-	-	3	-	3
Treasury shares sold	-	-	-	-	18	18	-	18
Closing balance, 30 June 2014	58	1,466	-155	-9	2,045	3,405	4	3,409



Condensed consolidated cash-flow statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
<i>Operating activities</i>						
Operating profit	213	275	275	372	654	751
Depreciation/impairment	96	92	192 ¹⁾	205 ²⁾	390 ³⁾	403
Adjustments for non-cash items	33	0	29	-4	18	-15
Tax paid	-34	-36	-63	-88	-159	-184
Change in working capital	-23	-95	-149	-72	-72	5
Cash flow from operating activities	285	236	284	413	831	960
<i>Investing activities</i>						
Investments in fixed assets	-55	-67	-110	-121	-251	-262
Other items in investing activities	7	6	10	15	21	26
Interest received	1	2	2	2	4	4
Change in interest-bearing assets	0	-3	-1	-2	-2	-3
Divestment of business	-29	-1	-29	-2	-38	-11
Cash flow from investing activities	-76	-63	-128	-108	-266	-246
Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	237	175	184	307	601	724
Operating cash flow after acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	209	173	156	305	565	714
<i>Financing activities</i>						
Interest paid	-17	-6	-33	-22	-58	-47
Change in interest-bearing liabilities	-88	36	-46 ⁴⁾	-11 ⁵⁾	-318 ⁶⁾	-283
Treasury shares sold	-	18	-	18	-	18
Dividend	-84	-167	-84	-167	-84	-167
Cash flow from financing activities	-189	-119	-163	-182	-460	-479
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	20	54	-7	123	105	235
Cash and cash equivalents at beginning of the period	140	348	171	278	171	165
Cash flow for the period	20	54	-7	123	105	235
Exchange-rate differences in cash and cash equivalents	5	8	1	9	2	10
Cash and cash equivalents at period-end	165	410	165	410	278	410

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

2) Impairment amounted to SEK 11 million and pertained to kitchen displays.

3) 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.

4) Loan prepayments totalling SEK 10 million.

5) No raised loan or loan repayment.

6) Loan repayments totalling SEK 130 million.

Analysis of net debt

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
Opening balance	1,803	1,104	1,707	1,176	1,707	1,592
Divestment of business	29	1	29	2	38	11
Translation differences	13	-9	-22	-2	1	21
Operating cash flow	-237	-175	-184	-307	-601	-724
Interest paid, net	16	4	31	20	54	43
Remeasurements of defined benefit pension plans	-121	15	-67	42	-150	-41
Other change in pension liabilities	5	6	14	15	43	44
Dividend	84	167	84	167	84	167
Treasury shares sold	-	-18	-	-18	-	-18
Closing balance	1,592	1,095	1,592	1,095	1,176	1,095



Parent Company

Condensed Parent Company income statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
Net sales	20	35	43	64	77	63
Administrative expenses	-48	-53	-86	-101	-167	-129
Operating loss	-28	-18	-43	-37	-90	-66
Profit from shares in Group companies	-	17	-	17	244	244
Other financial income and expenses	-20	1	-28	-15	-41	-29
Profit/loss after financial items	-48	0	-71	-35	113	149
Tax on profit/loss for the period	0	0	0	0	0	0
Profit/loss for the period	-48	0	-71	-35	113	149

Parent Company balance sheet

SEK m	30 Jun		31 Dec
	2013	2014	2013
ASSETS			
Fixed assets			
Shares and participations in Group companies	2,230	2,231	2,231
Total fixed assets	2,230	2,231	2,231
Current assets			
<i>Current receivables</i>			
Accounts receivable	11	31	13
Receivables from Group companies	2,562	2,297	2,501
Other receivables	7	10	6
Prepaid expenses and accrued income	37	52	47
Cash and cash equivalents	29	186	152
Total current assets	2,646	2,576	2,719
Total assets	4,876	4,807	4,950
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	58	58	58
Statutory reserve	1,671	1,671	1,671
	1,729	1,729	1,729
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	52	52	52
Buy-back of shares	-468	-450	-468
Profit brought forward	2,259	2,210	2,261
Profit/loss for the period	-71	-35	113
	1,772	1,777	1,958
Total shareholders' equity	3,501	3,506	3,687
Provisions for pensions	10	12	11
Long-term liabilities			
Liabilities to credit institutes	800	800	800
Current liabilities			
Liabilities to credit institutes	118	0	0
Accounts payable	13	12	14
Liabilities to Group companies	403	449	406
Other liabilities	11	6	4
Accrued expenses and deferred income	20	22	28
Total current liabilities	565	489	452
Total shareholders' equity, provisions and liabilities	4,876	4,807	4,950
Pledged assets	-	-	-
Contingent liabilities	286	173	172



Comparative data per region

Net sales SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	1,086	1,173	2,077	2,272	4,140	4,335
Nordic	1,449	1,448	2,649	2,710	5,028	5,089
Continental Europe	756	724	1,378	1,285	2,695	2,602
Group-wide and eliminations	-29	-31	-38	-56	-90	-108
Group	3,262	3,314	6,066	6,211	11,773	11,918

Gross profit excluding restructuring costs SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	429	477	823	921	1,652	1,750
Nordic	612	599	1,088	1,102	2,048	2,062
Continental Europe	300	312	540	538	1,105	1,103
Group-wide and eliminations	3	6	11	9	19	17
Group	1,344	1,394	2,462	2,570	4,824	4,932

Gross margin excluding restructuring costs %	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	39.5	40.7	39.6	40.5	39.9	40.4
Nordic	42.2	41.4	41.1	40.7	40.7	40.5
Continental Europe	39.7	43.1	39.2	41.9	41.0	42.4
Group	41.2	42.1	40.6	41.4	41.0	41.4

Operating profit excluding restructuring costs SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	77	103	109	154	247	292
Nordic	224	207	335	335	633	633
Continental Europe	-10	0	-58	-39	-47	-28
Group-wide and eliminations	-42	-35	-75	-78	-143	-146
Group	249	275	311	372	690	751

Operating margin excluding restructuring costs %	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	7.1	8.8	5.2	6.8	6.0	6.7
Nordic	15.5	14.3	12.6	12.4	12.6	12.4
Continental Europe	-1.3	0.0	-4.2	-3.0	-1.7	-1.1
Group	7.6	8.3	5.1	6.0	5.9	6.3

Operating profit SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	77	103	109	154	247	292
Nordic	224	207	335	335	633	633
Continental Europe	-46	0	-94	-39	-83	-28
Group-wide and eliminations	-42	-35	-75	-78	-143	-146
Group	213	275	275	372	654	751

Operating margin %	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2013	2014	2013	2014	2013	2013/14
UK	7.1	8.8	5.2	6.8	6.0	6.7
Nordic	15.5	14.3	12.6	12.4	12.6	12.4
Continental Europe	-6.1	0.0	-6.8	-3.0	-3.1	-1.1
Group	6.5	8.3	4.5	6.0	5.6	6.3



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Quarterly data per region

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

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

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

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

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

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

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



Definitions

Return on shareholders' equity

Profit for the period as a percentage of average shareholders' equity. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.

Return on capital employed

Profit after financial revenue as a percentage of average capital employed. The calculation of average capital employed has been adjusted for acquisitions and divestments.

Gross margin

Gross profit as a percentage of net sales.

EBITDA

Profit before depreciation and impairment.

Net debt

Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities include pension liabilities.

Operating cash flow

Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of subsidiaries, interest received, increase/decrease of interest-bearing assets.

Region

Region corresponds to operating segment according to IFRS 8.

Earnings per share

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

Operating margin

Operating profit as percentage of net sales.

Debt/equity ratio

Net debt as a percentage of shareholders' equity, including non-controlling interests.

Equity/assets ratio

Shareholders' equity, including non-controlling interests, as a percentage of total assets.

Capital employed

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

Currency effects

Translation effects refer to the currency effects arising when foreign results and balance sheets are translated to SEK.

Transaction effects refer to the currency effects arising when purchases or sales are made in currency other than the currency of the producing country (functional currency).