Interim report Q4 • 2012

Continued margin improvements

(All figures in brackets refer to the corresponding period in 2011)

Net sales for the fourth quarter amounted to SEK 3,097 million (3,239). Organic growth was a negative 2 per cent (neg: 10). Operating profit excluding net restructuring costs of SEK 739 million (189) amounted to SEK 196 million (80), corresponding to an operating margin of 6.3 per cent (2.5). Operating profit for the period was impacted by goodwill impairment of SEK 492 million pertaining to Hygena. In this interim report, this impairment has been added to restructuring costs for the quarter under the heading “Restructuring costs.” Loss after tax including restructuring costs and impairment of deferred tax assets was SEK 675 million (loss: 90), corresponding to a loss per share of SEK 4.04 (loss: 0.53). The Board of Directors proposes a dividend of SEK 0.50 per share.

Nobia’s sales for the fourth quarter compared with the year-earlier period were adversely impacted by a weaker market performance in all regions.

Negative currency effects of SEK 64 million (neg: 12) impacted net sales for the quarter. Sales declined 2 per cent organically.

The gross margin was 42.0 per cent (39.0), positively impacted by price increases, currency effects and productivity improvements.

Operating profit improved, mainly due to the strengthened gross margin, but also to other cost savings.

Currency effects contributed approximately SEK 30 million (neg: 5) to operating profit excluding restructuring costs, of which negative SEK 5 million (0) in translation effects and SEK 35 million (neg: 5) in transaction effects.

Net restructuring costs charged to operating profit amounted to SEK 739 million, of which SEK 513 million pertained to the impairment of goodwill, primarily in Hygena. Restructuring costs also included impairment of fixed assets in Germany, expenses relating to commitments for the former window supplier Oakworth Joinery in the UK, savings measures in Poggenpohl and store refurbishments in Hygena.

The return on capital employed including restructuring costs was negative 5.4 per cent over the past twelve-month period (3.6).

Operating cash flow amounted to SEK 133 million (neg: 127) and the improvement was primarily driven by higher earnings generation and a positive change in working capital.

Comments from the CEO

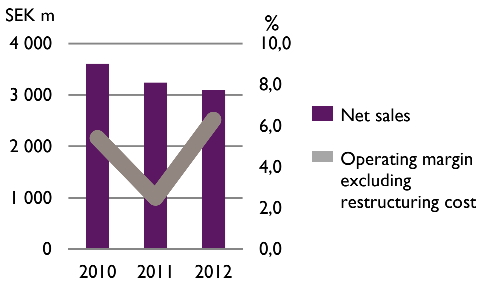
“A key reason for our success in improving the operating margin, despite weak markets and lower income, was the major savings that were implemented. Since 2010, about 1,000 employees have left the Group and accumulated annual savings amount to approximately SEK 250 million from 2013. We have also introduced a largely Group-wide range and taken important steps towards a more efficient production structure.

In 2013, we will continue to optimise the use of the company’s assets and be proactive regarding cost savings. I am convinced that our margin target of 10 per cent will be achieved once demand rises,” says Morten Falkenberg, President and CEO.

	Oct-Dec			Jan-Dec		
Nobia Group summary	2011	2012	Change, %	2011	2012	Change, %
Net sales, SEK m	3,239	3,097	-4	13,114	12,343	-6
Gross margin, %	39.0	42.0	–	39.1	40.3	–
Operating margin before depreciation and impairment, % (EBITDA)	5.6	9.6	–	7.0	7.8	–
Operating profit (EBIT)	80	196	–	518	565	9
Operating margin, %	2.5	6.3	–	3.9	4.6	–
Profit after financial items, SEK m	63	174	–	435	472	9
Profit/loss after tax, SEK m	-90	-675 1)	–	69	-543 2)	–
Earnings/loss per share, after dilution, SEK	-0.53	-4.04	–	0.42	-3.25	–
Operating cash flow, SEK m	-127	133	–	9	237	–

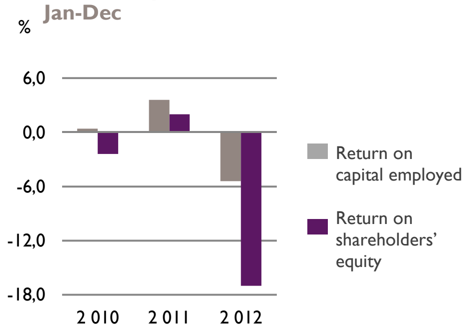
All figures except net sales, profit/loss after tax, earnings/loss per share and operating cash flow have been adjusted for restructuring costs.
Further information about restructuring costs is available on pages 3–5, 7 and 10.
1) Impacted by impairment of deferred tax assets of SEK 116 million, see page 7.
2) Impacted by impairment of deferred tax assets of SEK 49 million, see page 7.

Net sales and operating margin Oct-Dec



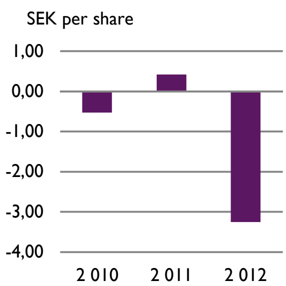
Net sales amounted to SEK 3,097 million and the operating margin to 6.3 per cent.

Profitability trend Jan-Dec



The return on capital employed including restructuring costs was negative 5.4 per cent over the past twelve-month period.

Earnings/loss per share Jan-Dec



Loss per share after dilution amounted to SEK 3.25 over the past twelve-month period.

Analysis of net sales and regional reporting

Negative currency effects of SEK 64 million (neg: 12) impacted fourth-quarter sales. Organic growth was negative in the UK and the Nordic region, but positive in the Continental Europe region. Combined, organic growth was negative 2 per cent (neg: 10).

Analysis of net sales

	Oct-Dec		Jan-Dec	
	%	SEK m	%	SEK m
2011		3,239		13,114
Organic growth	–2	-78	–5	-715
– of which UK region	–8	-83	–12	-558
– of which Nordic region	–1	-14	1	43
– of which Continental Europe region	3	24	–6	-191
Currency effect	–2	-64	0	-56
2012	–4	3,097	–6	12,343

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	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	Change, %
Net sales	**1,093**	**1,013**	**1,382**	**1,332**	**764**	**752**	**–**	**–**	**3,239**	**3,097**	**-4**
Net sales from other regions	1	5	0	0	2	2	-3	-7	–	–	–
Net sales	**1,094**	**1,018**	**1,382**	**1,332**	**766**	**754**	**-3**	**-7**	**3,239**	**3,097**	**-4**
Gross profit excluding restructuring costs	423	420	548	549	279	318	12	15	1,262	1,302	3
Gross margin excluding restructuring costs, %	38.7	41.3	39.7	41.2	36.4	42.2	–	–	39.0	42.0	–
Operating profit excluding restructuring costs	46	66	126	165	-59	3	-33	-38	80	196	–
Operating margin excluding restructuring costs, %	4.2	6.5	9.1	12.4	-7.7	0.4	–	–	2.5	6.3	–
Operating profit/loss	**37**	**22**	**96**	**156**	**-188**	**-162**	**-54**	**-559**	**-109**	**-543**	**–**
Operating margin, %	3.4	2.2	6.9	11.7	-24.5	-21.5	–	–	-3.4	-17.5	–

UK region

Net sales for the fourth quarter amounted to SEK 1,018 million (1,094). Organic growth was a negative 8 per cent (neg: 15). Net restructuring costs of SEK 44 million (9) were charged to operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 66 million (46) and the operating margin was 6.5 per cent (4.2). Total currency effects of approximately SEK 20 million (neg: 5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of SEK 20 million.

Kitchen market

Macroeconomic turbulence continued to have an adverse effect on consumers' willingness to make large investments. The kitchen market is continuing to decline, albeit at a lower rate than previously.

Nobia

Sales declined both to corporate customers (B2B sales) and through Magnet's store network. Magnet's sales fell primarily in joinery, largely due to the bankruptcy of window supplier Oakworth Joinery in February 2012. However, kitchen sales in Trade were slightly better compared with the preceding year.

Positive currency effects of SEK 8 million (neg: 8) impacted net sales for the quarter.

The gross margin improved, primarily as a result of lower raw material prices, a more favourable sales mix and a positive currency effect.

Operating profit excluding restructuring costs rose mainly due to the strengthened gross margin, but also other cost savings.

Restructuring costs for the period primarily pertained to the introduction of the Group-wide range and measures related to the bankruptcy of Oakworth Joinery.

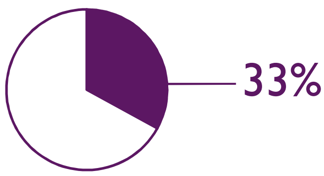
Measured in local currency, operating profit for the region totalled GBP 6.1 million (4.3).

Quarterly data in SEK	2011				2012			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	1,142	1,137	1,108	1,094	973	1,084	967	1,018
Gross profit excl restructuring costs, SEK m	442	430	424	423	387	431	384	420
Gross margin excl restructuring costs, %	38.7	37.8	38.3	38.7	39.8	39.8	39.7	41.3
Operating profit excl restructuring costs, SEK m	54	57	66	46	27	51	37	66
Operating margin excl restructuring costs, %	4.7	5.0	6.0	4.2	2.8	4.7	3.8	6.5
Operating profit, SEK m	54	52	56	37	27	8	36	22
Operating margin, %	4.7	4.6	5.1	3.4	2.8	0.7	3.7	2.2

Quarterly data in GBP	2011				2012			
	I	II	III	IV	I	II	III	IV
Net sales, GBP m	110.0	111.2	106.2	103.0	91.7	98.8	90.8	95.3
Gross profit excl restructuring costs, GBP m	42.5	42.2	40.6	39.8	36.5	39.3	36.1	39.1
Gross margin excl restructuring costs, %	38.6	37.9	38.2	38.6	39.8	39.8	39.8	41.1
Operating profit excl restructuring costs, GBP m	5.2	5.6	6.3	4.3	2.5	4.7	3.5	6.1
Operating margin excl restructuring costs, %	4.7	5.0	5.9	4.2	2.7	4.7	3.9	6.4
Operating profit/loss, GBP m	5.2	5.1	5.3	3.5	2.5	0.7	3.4	2.1
Operating margin, %	4.7	4.6	5.0	3.4	2.7	0.7	3.7	2.2

Store trend, Oct-Dec	
Renovated or relocated	–
Newly opened, net	2
Number of kitchen stores (own)	212

Percentage of consolidated net sales, fourth quarter



Our brands

Gower Interior Solutions Magnet

Nordic region

Net sales for the fourth quarter amounted to SEK 1,332 million (1,382). Organic growth was a negative 1 per cent (0). Net restructuring costs of SEK 9 million (30) were charged against operating profit for the quarter. Operating profit excluding restructuring costs totalled SEK 165 million (126) and the operating margin was 12.4 per cent (9.1). Total positive currency effects of about SEK 5 million (neg: 5) on operating profit excluding restructuring costs comprised a negative translation effect of SEK 5 million and a positive transaction effect of SEK 10 million.

Kitchen market

The Nordic kitchen market weakened year-on-year. Demand from consumers remained low and growth in the professional segment has waned. Norway remained the market that posted the strongest performance in the region.

Nobia

The sales decrease was mainly attributable to the Finnish markets and could only be partly offset by the continued positive trend in the Nordic market.

The professional segment as a whole displayed a positive trend, despite lower sales in Finland and Sweden. Consumer sales fell, with the decline driven by the negative trend in the markets in Denmark and Finland.

Negative currency effects of SEK 36 million (neg: 4) impacted net sales for the quarter.

The gross margin improved, primarily as a result of price increases, but also due to improved productivity that mainly arose through the co-ordination of production in Sweden and a positive currency effect.

The improvement in earnings was mainly driven by the strengthened gross margin, but also other costs savings.

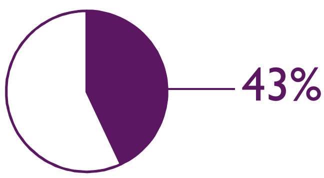
Quarterly data in SEK

	2011				2012			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	1,270	1,432	1,192	1,382	1,319	1,481	1,101	1,332
Gross profit excl restructuring costs, SEK m	466	553	452	548	500	590	422	549
Gross margin excl restructuring costs, %	36.7	38.6	37.9	39.7	37.9	39.8	38.3	41.2
Operating profit excl restructuring costs, SEK m	75	159	102	126	106	179	101	165
Operating margin excl restructuring costs, %	5.9	11.1	8.6	9.1	8.0	12.1	9.2	12.4
Operating margin, SEK m	69	148	86	96	106	171	101	156
Operating margin, %	5.4	10.3	7.2	6.9	8.0	11.5	9.2	11.7

Store trend, Oct-Dec

Renovated or relocated	–
Newly opened, net	–2
Number of kitchen stores	250
– of which franchise	179
– of which Group-owned	71

Percentage of consolidated net sales, fourth quarter



Our brands

Continental Europe region

Net sales for the fourth quarter amounted to SEK 754 million (766). Organic growth was 3 per cent (neg: 17). Net restructuring costs of SEK 165 million (129) were charged to operating profit for the quarter. Operating profit excluding restructuring costs amounted to SEK 3 million (loss: 59) and the operating margin was 0.4 per cent (neg: 7.7). Total currency effects of approximately SEK 5 million (5) on operating profit excluding restructuring costs comprised a translation effect of SEK 0 million and a transaction effect of SEK 5 million.

Kitchen market

Demand in the Continental Europe region weakened due to the macro-economic uncertainty. The lower level of activity was largely attributable to the main markets in the region.

Nobia

The organic increase in sales was primarily driven by higher deliveries to Poggenpohl and underlying growth in Hygena. Poggenpohl's sales increased primarily as a result of increased consumer sales in own stores in Europe and the US. Hygena's underlying volume growth more than offset the effects of store closures and a negative market trend.

Negative currency effects of SEK 36 million (neg: 2) impacted net sales for the quarter.

The gross margin strengthened, mainly as a result of price increases, productivity improvements and higher sales volumes combined with lower costs.

Operating profit improved primarily due to the strengthened gross margin, but also other cost savings.

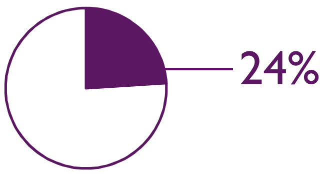
Restructuring costs for the period were related to store refurbishments in Hygena, cost savings in Poggenpohl and the impairment of fixed assets in Optifit. Refer to page 7 for more information about the plans for Optifit.

During the fourth quarter, three Hygena stores were refurbished. This means that all Hygena stores have now been refurbished, apart from some ten stores for which relocation is being considered.

Quarterly data in SEK	2011				2012			
	I	II	III	IV	I	II	III	IV
Net sales, SEK m	798	993	811	766	645	888	802	754
Gross profit excl restructuring costs, SEK m	316	414	310	279	244	357	334	318
Gross margin excl restructuring costs, %	39.6	41.7	38.2	36.4	37.8	40.2	41.6	42.2
Operating profit excl restructuring costs, SEK m	-34	41	-18	-59	-76	22	42	3
Operating margin excl restructuring costs, %	-4.3	4.1	-2.2	-7.7	-11.8	2.5	5.2	0.4
Operating profit/loss, SEK m	-22	36	-98	-188	-79	11	17	-162
Operating margin, %	-2.8	3.6	-12.1	-24.5	-12.2	1.2	2.1	-21.5

Store trends, Oct-Dec	
Renovated or relocated	3
Newly opened, net	–1
Number of kitchen stores	162
– of which franchise	1
– of which Group-owned	161

Percentage of consolidated net sales, fourth quarter



Our brands

ewe FM hygena INTUO MARLIN OPTIFIT poggenpohl

Consolidated earnings, cash flow and financial position January–December 2012

Net sales for 2012 amounted to SEK 12,343 million (13,114). Organic growth totalled a negative 5 per cent (neg: 2). Operating profit excluding net restructuring costs of SEK 839 million (334) amounted to SEK 565 million (518), corresponding to an operating margin of 4.6 per cent (3.9). Loss after tax and including restructuring costs was SEK 543 million (profit: 69), corresponding to a loss per share of SEK 3.25 (0.42). Operating cash flow amounted to SEK 237 million (9).

The kitchen markets in Europe developed negatively in 2012.

Nobia's organic growth was negative 5 per cent (neg: 2), specified as follows: negative 12 per cent (neg: 8) in the UK, positive 1 per cent (7) in the Nordic region and negative 6 per cent (neg: 6) in Continental Europe.

Currency effects made a negative contribution of SEK 56 million (neg: 681) on net sales.

Currency effects on operating profit excluding restructuring costs amounted to approximately SEK 50 million (20), comprising a negative translation effect of SEK 5 million (neg: 30) and a positive transaction effect of SEK 55 million (50).

Operating profit excluding restructuring costs was positively impacted by price increases and lower costs.

Group-wide items and eliminations resulted in an operating loss of SEK 158 million (loss: 97). This decline was due to a reallocation between central and local activities and certain nonrecurring items.

Net financial items amounted to an expense of SEK 93 million (expense: 83). Net financial items include the net of return on pension assets and interest expense for pension liabilities corresponding to an expense of SEK 39 million (expense: 27).

Net interest expense totalled SEK 57 million (expense: 58).

Operating cash flow was positively affected by an improved working capital, improved earnings generation and lower investment level.

The return on capital employed over the past twelve-month period amounted to negative 5.4 per cent (pos: 3.6) and the return on shareholders' equity was negative 17.0 per cent (pos: 2.0) for the same period.

Nobia's investments in fixed assets amounted to SEK 393 million (471), of which SEK 217 million (291) pertained to store investments, primarily in Hygena.

Goodwill at the end of the period, after an impairment loss of SEK 513 million, amounted to SEK 2,102 million (2,681), or 73 per cent (76) of the Group's shareholders' equity.

Net debt including pension provisions amounted to SEK 1,417 million (1,586). The debt/equity ratio was 49 per cent (45) at the end of the period.

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

	UK		Nordic		Continental Europe		Group-wide and eliminations		Group		
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		
SEK m	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	Change, %
Net sales from external customers	4,480	4,030	5,276	5,232	3,358	3,081	–	–	13,114	12,343	-6
Net sales from other regions	1	12	0	1	10	8	-11	-21	–	–	–
Total net sales	**4,481**	**4,042**	**5,276**	**5,233**	**3,368**	**3,089**	**-11**	**-21**	**13,114**	**12,343**	**-6**
Gross profit excl restructuring costs	1,719	1,622	2,019	2,061	1,319	1,253	65	43	5,122	4,979	-3
Gross margin excl restructuring costs, %	38.4	40.1	38.3	39.4	39.2	40.6	–	–	39.1	40.3	–
Operating profit excl restructuring costs	223	181	462	551	-70	-9	-97	-158	518	565	9
Operating margin excl restructuring costs, %	5.0	4.5	8.8	10.5	-2.1	-0.3	–	–	3.9	4.6	–
Operating profit (EBIT)	199	93	399	534	-272	-213	-142 [1]	-688 [2]	184	-274	–
Operating margin, %	4.4	2.3	7.6	10.2	-8.1	-6.9	–	–	1.4	-2.2	–
Financial items	–	–	–	–	–	–	–	–	-83	-93	-12
Profit after financial items	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**101**	**-367**	**–**

1) Impairment of Group-wide surplus values.
2) Impairment of goodwill and Group-wide surplus values.

Relocation of production for Hygena and planned sale of Optifit and Marlin

Nobia signed a letter of intent with Optifit's management team regarding the divestment of all assets in the Optifit Group, including production and sales of kitchens, and production and sales of bathroom furniture sold under the Marlin brand, and associated production sites and machinery in Stemwede, Germany.

The background to this management buyout (MBO), which will be subject to the approval of the Annual General Meeting on 11 April 2013, is that manufacturing under the Hygena brand will be relocated from Stemwede to Nobia's production units in the UK and that the local management team expressed an interest in running the remaining operations in Stemwede.

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

The planned sale resulted in an expense of SEK 150 million for the fourth quarter, of which SEK 60 million is expected to impact cash flow and will have an impact in 2013.

Impairment of goodwill and deferred tax assets in Hygena

In light of the negative trend of the French economy in general, an impairment requirement of SEK 492 million attributable to Hygena was identified prior to the closing of the 2012 accounts. Before impairment, reported under the heading "Group-wide and eliminations", reported goodwill amounted to SEK 798 million. For the same reason, deferred tax assets were impaired by SEK 116 million, which was charged to tax expenses for the fourth quarter. Of deferred tax assets recognised on 1 January 2012, SEK 49 million has been impaired, which was charged to the tax expense for the full-year. At year-end 2012, Hygena's deferred tax assets amounted to SEK 113 million.

Restructuring measures in progress

Restructuring costs pertain to certain nonrecurring costs; see page 10. Net restructuring costs of SEK 839 million (334) were charged to operating profit for 2012, of which SEK 739 million (189) was charged to operating profit for the fourth quarter. Restructuring costs for the year primarily pertained to the impairment of goodwill and fixed assets, which were recognised prior to the closing of the accounts and thus impacted profit for the fourth quarter. Structural measures in 2012 also related to costs the savings programme, store refurbishments in France and expenses for the introduction of the Group-wide range.

Approved and implemented restructuring measures of SEK 224 million (241) were charged to cash flow, of which SEK 167 million (122) derived from restructuring measures decided in the preceding year.

Divested operations and fixed assets held for sale

In the period 2010-2011, Nobia acquired a number of stores from franchisees with the intention of selling these on. At the end of 2011, Nobia had two stores in Denmark and four stores in Sweden, a total of six stores, which are recognised in the Nordic region as discontinued operations and a divestment group held for sale in accordance with IFRS 5.

No change took place in the first six months of 2012, but another store was acquired in Denmark during the third quarter, and in the fourth quarter another two stores were acquired, one in Denmark and one in Sweden, while two stores in Sweden were sold on. At year-end 2012, Nobia had four stores in Denmark and three in Sweden.

Loss after tax for these stores amounted to SEK 20 million (loss: 16).

A production property in both Denmark and Sweden, which were previously recognised in accordance with IFRS 5 as Assets held for sale, are recognised from the fourth quarter 2012 as tangible assets in accordance with IAS 16 Property, Plant and Equipment. It is Nobia's continued intention to divest these properties.

Considering the information stated above regarding the plans for Optifit and Marlin, the net assets for these operations are recognised in accordance with IFRS 5 as assets held for sale in the Continental Europe region.

Corporate acquisitions and divestments

No corporate acquisitions or divestments were made during 2012.

Personnel

The number of employees at the end of the period was 7,187 (7,430). The decrease was primarily due to savings measures in all regions.

Annual General Meeting

Nobia's Annual General Meeting will be held on 11 April 2013 at 5:00 p.m. at Lundqvist & Lindqvist Klara Strand Konferens, Klarabergsviadukten 90, in Stockholm.

The Nomination Committee's proposals will be published not later than in conjunction with the release of the notice of the Annual General Meeting on March 12.

The Annual Report is scheduled to be published on www.nobia.com on 21 March and in printed form on 28 March.

The authorisation regarding the acquisition of treasury shares granted by the 2012 Annual General Meeting was not exercised.

Proposed dividend

The Board proposes that a dividend of SEK 0.50 per share be paid for the 2012 fiscal year. The proposal entails a total dividend of approximately SEK 84 million, corresponding to 2.3 per cent of the Parent Company's and 2.9 per cent of the Group's equity. The record day for payment of the dividend is 16 April.

Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 57 million (41) during the period.

The Parent Company reported a profit of SEK 231 million (193) from participations in Group companies.

Currency effect (Operating profit)*

	Translation effect		Transaction effect		Total effect	
SEK m	Q4	Jan-Dec	Q4	Jan-Dec	Q4	Jan-Dec
UK region	0	5	20	20	20	25
Nordic region	–5	–10	10	30	5	20
Continental Europe region	0	0	5	5	5	5
Group	**–5**	**–5**	**35**	**55**	**30**	**50**

* Pertains to effects excluding restructuring costs.

Events after the end of the year

On 1 February 2013, Dominique Maupu took office as Executive President and Head of Hygena. In conjunction with this, Per Kaufmann left Nobia.

Other matters

On 1 January 2013, Swedish corporation tax was lowered from 26.3 per cent to 22.0 per cent. Nobia's deferred tax liabilities and receivables from Swedish units are thus recognised at this new tax rate from 31 December 2012, with a marginal effect.

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks, which are described on pages 30-31 of the 2011 Annual Report. Demand in the Nordic professional market was favourable in 2012, whereas the consumer segment weakened during the year. Demand in the UK and Continental Europe remained weak. Overall, market conditions are deemed to remain challenging in 2013. This means that total production and deliveries continue to be at a low level. Nobia is continuing to capitalise on synergies and economies of scale by harmonising the product range, co-ordinating production and enhancing purchasing efficiency. Nobia's balance sheet contains goodwill of SEK 2,102 million. The value of this asset item is tested if there are any indications of a decline in value and at least annually. The uncertainties arising in regard to Stemwede in Germany are presented above.

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. In this interim report, Nobia has applied the same accounting policies as were applied in the 2011 Annual Report.

New or revised IFRS and interpretive statements from the IFRS Interpretations Committee (IFRS IC) will come into effect in forthcoming fiscal years and were not applied in advance to the preparation of these financial statements.

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 Wednesday, 13 February at 9:00 a.m. CET in a teleconference that can be followed on Nobia's website. To participate in the teleconference, call one of the following numbers:

- From Sweden: +46 (0)8 506 307 79
- From the UK: +44 (0)844 571 8957
- From the US: +1 866 682 8490

Financial calendar

11 April 2013	2013 Annual General Meeting
30 April 2013	Interim report Jan-Mar 2013
19 July 2013	Interim report Jan-Jun 2013
25 October 2013	Interim report Jan-Sep 2013

Stockholm, 13 February 2013

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 2013 at 7:30 a.m. CET.

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

Condensed consolidated income statement

	Oct-Dec		Jan-Dec	
SEK m	2011	2012	2011	2012
Net sales	3,239	3,097	13,114	12,343
Cost of goods sold	-2,020	-1,937	-8,066	-7,552
Gross profit	**1,219**	**1,160**	**5,048**	**4,791**
Selling and administration expenses	-1,316	-1,643	-4,851	-5,014
Other income/expenses	-12	-60	-13	-51
Operating profit	**-109**	**-543**	**184**	**-274**
Net financial items	-17	-22	-83	-93
Profit/loss after financial items	**-126**	**-565**	**101**	**-367**
Tax	46	-106	-16	-156
Profit/loss after tax from continuing operations	**-80**	**-671**	**85**	**-523**
Profit/loss from divested operations, net after tax	-10	-4	-16	-20
Profit/loss after tax	**-90**	**-675**	**69**	**-543**
Total profit attributable to:				
Parent Company shareholders	-89	-676	70	-544
Non-controlling interests	-1	1	-1	1
Total profit/loss after tax	**-90**	**-675**	**69**	**-543**
Total depreciation	101	99	390	395
Total impairment	-5	600	58	618
Gross margin, %	37.6	37.5	38.5	38.8
Operating margin, %	-3.4	-17.5	1.4	-2.2
Return on capital employed, %	–	–	3.6	-5.4
Return on shareholders equity, %	–	–	2.0	-17.0
Earnings per share before dilution, SEK[1)]	-0.53	-4.04	0.42	-3.25
Earnings per share after dilution, SEK[1)]	-0.53	-4.04	0.42	-3.25
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	167,131	167,131	167,131
Average number of shares after dilution, 000s[2)]	167,131	167,131	167,131	167,131

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

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Consolidated statement of comprehensive income

SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
Profit/loss after tax	-90	-675	69	-543
Other comprehensive income				
Exchange-rate differences attributable to translation of foreign operations	-67	30	11	-104
Cash flow hedges before tax	-9	11	-9	11
Tax attributable to change in hedging reserve for the period	2	-3	2	-3
Other comprehensive income/loss	**-74**	**38**	**4**	**-96**
Total comprehensive income/loss	**-164**	**-637**	**73**	**-639**
Total comprehensive income attributable to:				
Parent Company shareholders	-163	-638	74	-640
Non-controlling interests	-1	1	-1	1
Total comprehensive income/loss	**-164**	**-637**	**73**	**-639**

Specification of restructuring costs [1]

Restructuring costs per function SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
Cost of goods sold	-43	-142	-74	-188
Selling and administrative expenses	-128	-545	-235	-595
-Of which impairment of goodwill in Hygena	*–*	*-492*	*–*	*-492*
Other expenses	-18	-52	-25	-56
Total restructuring costs	**-189**	**-739**	**-334**	**-839**

Restructuring costs per region SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
UK	-9	-44	-24 [2]	-88 [5]
Nordic	-30	-9	-63	-17 [6]
Continental Europe	-129	-165	-202 [3]	-204 [7]
Group-wide and eliminations	-21	-521	-45 [4]	-530 [8]
-Of which impairment of goodwill in Hygena	*–*	*-492*	*–*	*-492*
Group	**-189**	**-739**	**-334**	**-839**

1) Refers to costs affecting operating profit.
2) Impairment amounted to SEK 3 million and pertained to inventory.
3) Impairment amounted to SEK 29 million and pertained to store fittings and kitchen displays.
4) Impairment amounted to SEK 17 million and pertained to building.
5) Impairment amounted to SEK 16 million and pertained to kitchen displays.
6) Impairment amounted to SEK 11 million and pertained to goodwill, buildings and machinery.
7) Impairment amounted to SEK 71 million and pertained mainly to building and machinery.
8) Impairment amounted to SEK 519 million and pertained to goodwill and building.

Condensed consolidated balance sheet

	31 Dec	
SEK m	2011	**2012**
ASSETS		
Goodwill	2,681	2,102
Other intangible fixed assets	249	197
Tangible fixed assets	2,111	1,961
Long-term receivables	59	53
Deferred tax assets	456	402
Total fixed assets	**5,556**	**4,715**
Inventories	1,005	929
Accounts receivable	1,210	941
Other receivables	422	384
Total current receivables	*1,632*	*1,325*
Cash and cash equivalents	152	171
Assets held for sale	71	71
Total current assets	**2,860**	**2,496**
Total assets	**8,416**	**7,211**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,459	1,458
Reserves	-378	-474
Profit brought forward	2,382	1,838
Total shareholders' equity attributable to Parent Company shareholders	*3,521*	*2,880*
Non-controlling interests	4	5
Total shareholders' equity	**3,525**	**2,885**
Provisions for pensions	565	529
Other provisions	404	302
Deferred tax liabilities	207	161
Other long-term liabilities, interest-bearing	1,106	937
Total long-term liabilities	**2,282**	**1,929**
Current liabilities, interest-bearing	73	127
Current liabilities, non-interest-bearing	2,534	2,161
Liabilities attributable to assets held for sale	2	109
Total current liabilities	**2,609**	**2,397**
Total shareholders' equity and liabilities	**8,416**	**7,211**
BALANCE-SHEET RELATED KEY RATIOS		
Equity/assets ratio, %	42	40
Debt/equity ratio, %	45	49
Net debt, SEK m	1,586	1,417
Capital employed, closing balance, SEK m	5,269	4,479

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 2011	58	1,453	-381	-1	2,312	3,441	5	3,446
Profit for the period	–	–	–	–	70	70	-1	69
Other comprehensive income/loss for the period	–	–	11	-7	–	4	0	4
Total comprenhensive income/loss for the period	**–**	**–**	**11**	**-7**	**70**	**74**	**-1**	**73**
Dividend	–	–	–	–	–	–	0	0
Allocation of employee share option scheme	–	6	–	–	–	6	–	6
Closing balance, 31 December 2011	**58**	**1,459**	**-370**	**-8**	**2,382**	**3,521**	**4**	**3,525**
Opening balance, 1 January 2012	58	1,459	-370	-8	2,382	3,521	4	3,525
Profit for the period	–	–	–	–	-544	-544	1	-543
Other comprehensive income/loss for the period	–	–	-104	8	–	-96	0	-96
Total comprehensive income for the period	**–**	**–**	**-104**	**8**	**-544**	**-640**	**1**	**-639**
Dividend	–	–	–	–	–	–	–	–
Allocation of employee share option and share saving schemes	–	-1	–	–	–	-1	–	-1
Closing balance, 31 December 2012	**58**	**1,458**	**-474**	**0**	**1,838**	**2,880**	**5**	**2,885**

Condensed consolidated cash-flow statement

SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
Operating activities				
Operating profit	-109	-543	184	-274
Depreciation/Impairment	96	699	448 [1]	1,013 [2]
Adjustments for non-cash items	150	95	179	114
Tax paid	-9	-70	-82	-155
Change in working capital	-37	75	-316	-138
Cash flow from operating activities	**91**	**256**	**413**	**560**
Investing activities				
Investments in fixed assets	-250	-131	-471	-393
Other items in investing activities	32	8	67	70
Interest received	4	6	8	11
Change in interest-bearing assets	2	0	5	0
Cash flow from investing activities	**-212**	**-117**	**-391**	**-312**
Operating cash flow before acquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	**-127**	**133**	**9**	**237**
Operating cash flow after aquisition/divestment of companies, interest, increase/decrease of interest-bearing assets	-121	139	22	248
Financing activities				
Interest paid	-16	-16	-66	-65
Change in interest-bearing liabilities	66	-119	-159 [3]	-159 [4]
Dividend	0	-	0	-
Cash flow from financing activities	**50**	**-135**	**-225**	**-224**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**-71**	**4**	**-203**	**24**
Cash and cash equivalents at beginning of the period	**228**	**165**	**356**	**152**
Cash flow for the period	-71	4	-203	24
Exchange-rate differences in cash and cash equivalents	-5	2	-1	-5
Cash and cash equivalents at period-end	**152**	**171**	**152**	**171**

1) Impairment amounted to SEK 58 million, of which SEK 17 million pertained to property, SEK 21 million to machinery and other technical equipment , SEK 12 million to kitchen displays, SEK 4 million to buildings and SEK 4 million to equipment.
2) 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 to kitchen displays and SEK 10 million to land.
3) Loan repayments totalling SEK 130 million.
4) Loan repayments totalling SEK 160 million.

Analysis of net debt

SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
Opening balance	**1,466**	**1,509**	**1,510**	**1,586**
Translation differences	-31	15	-5	-32
Operating cash flow	127	-133	-9	-237
Interest paid, net	12	10	58	54
Change in pension liabilities	12	16	32	46
Dividend	0	–	0	–
Closing balance	**1,586**	**1,417**	**1,586**	**1,417**

Parent Company

Condensed Parent Company income statement

SEK m	Oct-Dec 2011	Oct-Dec 2012	Jan-Dec 2011	Jan-Dec 2012
Net sales	15	20	80	65
Administrative expenses	-36	-45	-145	-157
Operating loss	**-21**	**-25**	**-65**	**-92**
Profit from shares in Group companies	81	231	193	231
Other financial income and expenses	0	-24	-70	-41
Profit/loss after financial items	**60**	**182**	**58**	**98**
Tax on profit/loss for the period	0	0	-1	0
Profit/loss for the period	**60**	**182**	**57**	**98**

Parent Company balance sheet

SEK m	31 Dec 2011	31 Dec 2012
ASSETS		
Fixed assets		
Shares and participations in Group companies	1,250	2,229 [1)]
Total fixed assets	**1,250**	**2,229**
Current assets		
Current receivables		
Accounts receivable	25	15
Receivables from Group companies	3,832	2,792 [1)]
Other receivables	2	7
Prepaid expenses and accrued income	10	32
Cash and cash equivalents	33	61
Total current assets	**3,902**	**2,907**
Total assets	**5,152**	**5,136**
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	2,188	2,242
Profit/loss for the period	57	98
	1,829	**1,924**
Total shareholders' equity	**3,558**	**3,653**
Provisions for pensions	**8**	**10**
Long-term liabilities		
Liabilities to credit institutes	800	800
Current liabilities		
Liabilities to credit institutes	71	127
Accounts payable	9	16
Liabilities to Group companies	644	501
Other liabilities	3	5
Accrued expenses and deferred income	59	24
Total current liabilities	**786**	**673**
Total shareholders' equity, provisions and liabilities	**5,152**	**5,136**
Pledged assets	–	–
Contingent liabilities	535	329

1) The change compared with the preceding year primarily pertains to shareholders' contributions to Poggenpohl Möbelwerke GmbH and Nobia Sverige AB, whereby internal receivables were used for the contributions.

Comparative data per region

Net sales	Oct-Dec		Jan-Dec	
SEK m	2011	2012	2011	2012
UK	1,094	1,018	4,481	4,042
Nordic	1,382	1,332	5,276	5,233
Continental Europe	766	754	3,368	3,089
Group-wide and eliminations	-3	-7	-11	-21
Group	**3,239**	**3,097**	**13,114**	**12,343**

Gross profit excluding restructuring costs	Oct-Dec		Jan-Dec	
SEK m	2011	2012	2011	2012
UK	423	420	1,719	1,622
Nordic	548	549	2,019	2,061
Continental Europe	279	318	1,319	1,253
Group-wide and eliminations	12	15	65	43
Group	**1,262**	**1,302**	**5,122**	**4,979**

Gross margin excluding restructuring costs	Oct-Dec		Jan-Dec	
%	2011	2012	2011	2012
UK	38.7	41.3	38.4	40.1
Nordic	39.7	41.2	38.3	39.4
Continental Europe	36.4	42.2	39.2	40.6
Group	**39.0**	**42.0**	**39.1**	**40.3**

Operating profit excluding restructuring costs	Oct-Dec		Jan-Dec	
SEK m	2011	2012	2011	2012
UK	46	66	223	181
Nordic	126	165	462	551
Continental Europe	-59	3	-70	-9
Group-wide and eliminations	-33	-38	-97	-158
Group	**80**	**196**	**518**	**565**

Operating margin excluding restructuring costs	Oct-Dec		Jan-Dec	
%	2011	2012	2011	2012
UK	4.2	6.5	5.0	4.5
Nordic	9.1	12.4	8.8	10.5
Continental Europe	-7.7	0.4	-2.1	-0.3
Group	**2.5**	**6.3**	**3.9**	**4.6**

Operating profit	Oct-Dec		Jan-Dec	
SEK m	2011	2012	2011	2012
UK	37	22	199	93
Nordic	96	156	399	534
Continental Europe	-188	-162	-272	-213
Group-wide and eliminations	-54	-559	-142	-688
Group	**-109**	**-543**	**184**	**-274**

Operating margin	Oct-Dec		Jan-Dec	
%	2011	2012	2011	2012
UK	3.4	2.2	4.4	2.3
Nordic	6.9	11.7	7.6	10.2
Continental Europe	-24.5	-21.5	-8.1	-6.9
Group	**-3.4**	**-17.5**	**1.4**	**-2.2**

Quarterly data per region

Net sales	2011				2012			
SEK m	I	II	III	IV	I	II	III	IV
UK	1,142	1,137	1,108	1,094	973	1,084	967	1,018
Nordic	1,270	1,432	1,192	1,382	1,319	1,481	1,101	1,332
Continental Europe	798	993	811	766	645	888	802	754
Group-wide and eliminations	-3	-3	-2	-3	-3	-4	-7	-7
Group	**3,207**	**3,559**	**3,109**	**3,239**	**2,934**	**3,449**	**2,863**	**3,097**

Gross profit excluding restructuring costs	2011				2012			
SEK m	I	II	III	IV	I	II	III	IV
UK	442	430	424	423	387	431	384	420
Nordic	466	553	452	548	500	590	422	549
Continental Europe	316	414	310	279	244	357	334	318
Group-wide and eliminations	16	27	10	12	14	6	8	15
Group	**1,240**	**1,424**	**1,196**	**1,262**	**1,145**	**1,384**	**1,148**	**1,302**

Gross margin excluding restructuring costs	2011				2012			
%	I	II	III	IV	I	II	III	IV
UK	38.7	37.8	38.3	38.7	39.8	39.8	39.7	41.3
Nordic	36.7	38.6	37.9	39.7	37.9	39.8	38.3	41.2
Continental Europe	39.6	41.7	38.2	36.4	37.8	40.2	41.6	42.2
Group	**38.7**	**40.0**	**38.5**	**39.0**	**39.0**	**40.1**	**40.1**	**42.0**

Operating profit excluding restructuring costs	2011				2012			
SEK m	I	II	III	IV	I	II	III	IV
UK	54	57	66	46	27	51	37	66
Nordic	75	159	102	126	106	179	101	165
Continental Europe	-34	41	-18	-59	-76	22	42	3
Group-wide and eliminations	-24	-16	-24	-33	-35	-47	-38	-38
Group	**71**	**241**	**126**	**80**	**22**	**205**	**142**	**196**

Operating margin excluding restructuring costs	2011				2012			
%	I	II	III	IV	I	II	III	IV
UK	4.7	5.0	6.0	4.2	2.8	4.7	3.8	6.5
Nordic	5.9	11.1	8.6	9.1	8.0	12.1	9.2	12.4
Continental Europe	-4.3	4.1	-2.2	-7.7	-11.8	2.5	5.2	0.4
Group	**2.2**	**6.8**	**4.1**	**2.5**	**0.7**	**5.9**	**5.0**	**6.3**

Operating profit	2011				2012			
SEK m	I	II	III	IV	I	II	III	IV
UK	54	52	56	37	27	8	36	22
Nordic	69	148	86	96	106	171	101	156
Continental Europe	-22	36	-98	-188	-79	11	17	-162
Group-wide and eliminations	-38	-19	-31	-54	-44	-47	-38	-559
Group	**63**	**217**	**13**	**-109**	**10**	**143**	**116**	**-543**

Operating margin	2011				2012			
%	I	II	III	IV	I	II	III	IV
UK	4.7	4.6	5.1	3.4	2.8	0.7	3.7	2.2
Nordic	5.4	10.3	7.2	6.9	8.0	11.5	9.2	11.7
Continental Europe	-2.8	3.6	-12.1	-24.5	-12.2	1.2	2.1	-21.5
Group	**2.0**	**6.1**	**0.4**	**-3.4**	**0.3**	**4.1**	**4.1**	**-17.5**

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 a 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).