nobia

Year-end Report
Q4 | 2008

Decline in kitchen market

(All figures in brackets refer to the corresponding period in 2007. New accounting principle applied in 2008, refer to page 8.)

Nobia's sales for the full-year 2008 amounted to SEK 15,991 million (16,134). Profit after tax amounted to SEK 555 million (958). Earnings per share amounted to SEK 3.29 (5.50) after dilution. The proposed divdend amounts to SEK 1.25 (2.50) per share.

Demand for kitchens weakened gradually throughout the year, first in the new-build segment in the Nordic region and subsequently in the renovation segment in all of Nobia's primary markets.

Operating profit amounted to SEK 951 million (1,353) and the operating margin was 5.9 per cent (8.4). Lower volumes, a changed sales mix, investments in the store sector and exchange-rate effects had a negative impact on operating profit for the year. Exchange-rate effects amounted to approximately negative SEK 110 million, distributed between translation effects of SEK 30 million and transaction effects of SEK 80 million, primarily caused by a weaker GBP and SEK against a strengthened EUR and USD.

Operating cash flow amounted to SEK 42 million (949), which is attributable to such factors as weaker operating profit and increased working capital tied-up.

Net debt was charged with acquisitions of stores in Denmark and Germany during the year.

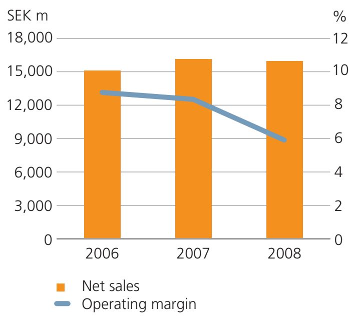
Comments from the CEO

"The weaker economy with a decline in demand has accelerated Nobia's extensive work on simplifying and enhancing the efficiency of the Group's structure. Fewer units will lead to lower costs, efficiency improvements and a rational supply chain. We are now adapting production by closing or reducing production at several units. The aim of these and other measures is to significantly strengthen the cash flow. Nobia has strong brand and market positions which we will continue to enhance," says President and CEO Preben Bager.

Nobia Group Summary	Oct–Dec			Jan–Dec		
	2008	2007	Change, %	2008	2007	Change, %
Net sales, SEK m	3,989	4,183	–5	15,991	16,134	–1
Operating profit before depreciation, SEK m (EBITDA)	251	452	–44	1,430	1,790	–20
Operating profit, SEK m (EBIT)	119	349	–66	951	1,353	–30
Operating margin, %	3.0	8.3	–	5.9	8.4	–
Profit after financial items, SEK m	70	325	–78	788	1,247	–37
Profit after tax, SEK m	38	282	–87	555	958	–42
Earnings per share, after dilution, SEK	0.22	1.64	–87	3.29	5.50	–40
Operating cash flow, SEK m	38	96	–	42	949	–
Return on capital employed, %	–	–	–	13.0	20.6	–
Return on shareholders' equity, %	–	–	–	13.7	25.0	–

The Board proposes that the dividend for the 2008 fiscal year be SEK 1.25 per share.

Net sales and operating margin
January–December

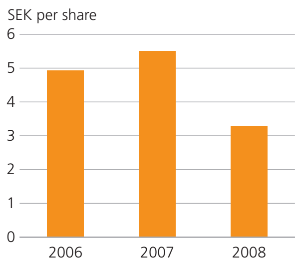


Net sales amounted to SEK 15,991 million in 2008 and the operating margin was 5.9 per cent.

Profitability trend
January–December

Return on capital employed amounted to 13 per cent during the past 12-month period.

Earnings per share
January–December



Earnings per share after dilution amounted to SEK 3.29.

Box 70376 | 107 24 Stockholm, Sweden | Office address: Klarabergsviadukten 70 A5 | Tel +46 (0)8-440 16 00 | Fax +46 (0)8-503 826 49 | www.nobia.se
Corporate Registration Number: 556528-2752 | Registered office Stockholm, Sweden

nobia

Year-end Report
Q4 | 2008

Consolidated net sales and operating profit in fourth quarter

Net sales amounted to SEK 3,989 million (4,183) during the fourth quarter. Organic growth was negative 10 per cent. Operating profit amounted to SEK 119 million (349) and the operating margin was 3.0 per cent (8.3). Earnings per share for the period amounted to SEK 0.22 (1.64) after dilution.

Operating profit for the period declined due to lower volumes, a changed sales mix, exchange-rate effects and structural costs. The exchange-rate effects amounted to approximately negative SEK 45 million, of which SEK 5 million pertains to positive translation effects and the remaining SEK 50 million to negative transaction effects.

Operating profit was negatively affected by the establishment of new stores in Poggenpohl, Hygena and Magnet, as well as the ongoing restructuring of Novart and efficiency-enhancement measures in Hygena's logistics, totalling SEK 33 million.

To take advantage of economies of scale, Nobia intensified the harmonisation of its product lines and the co-ordination of the supply chain during the fourth quarter. The organisation with fewer business units that was introduced in the autumn contributed to more rapid decision-making and more efficient processes.

At the end of the year, Nobia had a total of 694 stores (655), comprising 475 (403) Group-owned stores and 219 (252) franchise stores. In addition, the joint-venture Culinoma has 88 kitchen stores in Germany (79).

Net sales and profit per region, fourth quarter

	Net sales Oct–Dec			Operating profit Oct–Dec			Operating margin, % Oct–Dec	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	1,250	1,542[4)]	–19	–20	130[5)]	–115	–1.6	8.4
Nordic	1,476	1,436	3	38	157	–76	2.6	10.9
Continental Europe	1,290	1,229	5	117	85	38	9.0	6.9
Other and Group adjustments	–27	–24	–	–16	–23	–	–	–
Group	3,989	4,183	–5	119	349	–66	3.0	8.3

Analysis of net sales

	Oct–Dec	
	%	SEK m
2007		4,183
Organic growth	–10	–393
– of which UK region[1)]	–9	–129
– of which Nordic region[1)]	–15	–212
– of which Continental Europe region[1)]	–4	–49
Currency effect	1	58
Acquired units[2)]	5	193
Discontinued operations[3)]	–1	–52
2008	–5	3,989

1) Organic growth for each organisational region.
2) Acquired units refers to the stores HTH took over in Denmark.
3) Discontinued operations are C.P. Hart in the UK region and Optifit's flat-pack bathroom operations in the Continental Europe region last year.
4) Includes C.P. Hart in the amount of SEK 57 million.
5) Includes C.P. Hart in the amount of SEK 4 million.

Nobia is the company behind several strong European kitchen brands, such as Magnet in the UK, HTH in the Nordic countries and Poggenpohl worldwide. The Group manufactures and sells complete kitchen solutions and generates value by utilising economies of scale.

Nobia has approximately 9,000 employees and net sales of about SEK 16 billion. The Nobia share is listed on the Nasdaq OMX Nordic Exchange in Stockholm under the short name NOBI. More information is available at www.nobia.se.

UK region

Net sales amounted to SEK 1,250 million (1,542) during the fourth quarter. Organic growth was negative 9 per cent. Operating loss amounted to SEK 20 million (profit: 130) and the operating margin was negative 1.6 per cent (8.4).

The declining demand in the UK was attributable to all sales channels. In addition to the loss of revenue, operating profit for the period was adversely affected by exchange-rate effects in the amount of SEK 30 million, primarily attributable to the weaker GBP and the stronger EUR. New stores, which have not yet become profitable and increased sales in the Trade channel, with its product mix characterised by lower margins, also contributed to the negative earnings trend for the period.

Production capacity is continuously adjusted. The number of employees has declined by 121 compared with 2007.

One new store was added during the quarter, which entails a continued low rate of expansion compared with the previous level.

At year-end, the number of Group-owned stores in the region, of which slightly less than two-thirds are mixed sites with both Retail and Trade sales, amounted to 215 (197).

Trend in the kitchen market during the fourth quarter

The UK kitchen market continued to weaken towards the end of the year. However, the competitive situation in the renovation segment has diminished since the competitor MFI left the market at the end of the period.

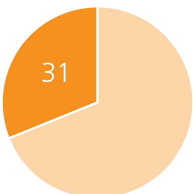
Quarterly data in SEK

	2008				2007			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	1,250	1,285	1,424	1,424	1,542	1,492	1,538	1,440
Operating profit, SEK m	–20	87	120	146	130	125	136	126
Operating margin, %	–1.6	6.8	8.4	10.2	8.4	8.4	8.8	8.8

Quarterly data in GBP

	2008				2007			
	IV	III	II	I	IV	III	II	I
Net sales, GBP m	102.0	108.0	120.6	114.6	117.2	109.4	112.7	105.1
Operating profit, GBP m	–1.7	7.3	10.2	11.7	9.9	9.2	9.9	9.2
Operating margin, %	–1.6	6.8	8.4	10.2	8.4	8.4	8.8	8.8

Percentage of consolidated net sales,
fourth quarter, %



Store trend,
January–December

Refurbished or relocated	26
Newly opened, net	18
Number of kitchen stores (Group-owned)	215

Brands in the UK region

Magnet Gower Magnet TRADE

Nordic region

Net sales amounted to SEK 1,476 million (1,436) during the fourth quarter. Organic growth was negative 15 per cent. Operating profit amounted to SEK 38 million (157) and the operating margin was 2.6 per cent (10.9).

The region's net sales for the fourth quarter increased based on HTH's acquisition of franchise stores in Denmark. Adjusted for the additional sales, net sales in the region declined during the period.

The decline in demand was particularly noticeable in Sweden and Norway.

Exchange-rate effects negatively impacted operating profit for the period in the amount of about SEK 10 million.

Due to the lower demand for new builds in Finland, a decision was made during the period to concentrate production to one plant. This means that the plant in Forssa will be closed in the summer of 2009.

In October, HTH launched a new concept and product programme in the Norwegian market for flat-pack kitchens in the economy segment.

HTH and Invita were merged into a single business unit in Denmark. The aim of the change is to generate economies of scale in purchasing, production and administration.

The number of employees in the region has risen as a result of acquired stores, but has also declined to adapt production capacity. Excluding acquired operations, the number of employees fell by 239 compared with 2007.

At year-end, the number of Nobia kitchen stores in the region totalled 290 (285), of which 74 are Group-owned and 216 are franchise stores.

Negotiations were recently commenced with employee representatives to discuss reductions at a production unit in Norway and one in Denmark.

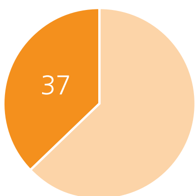
Trend in the kitchen market during the fourth quarter

The slowdown noted during the year, primarily driven by lower activity levels in new-builds, accelerated in the fourth quarter. The market downturn encompasses all Nordic countries and also affects demand for renovations.

Quarterly data in SEK

	2008				2007			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	1,476	1,293	1,773	1,413	1,436	1,192	1,529	1,410
Operating profit, SEK m	38	92	242	126	157	120	225	183
Operating margin, %	2.6	7.1	13.6	8.9	10.9	10.1	14.7	13.0

Percentage of consolidated net sales,
fourth quarter, %



Store trend,
January–December

Refurbished or relocated	6
Newly opened, net	5
Number of kitchen stores (Group-owned and franchise)	290

Brands in the Nordic region

Sweden: Marbodal, myresjökök

Denmark: HTH, INVITA, uno form

Finland: A la Carte Keittiöt, PETRA Keittiöt, PARMA Keittiöt

Norway: sigdal, NOREMA

Continental Europe region

Net sales amounted to SEK 1,290 million (1,229) during the fourth quarter. Organic growth was negative 4 per cent. Operating profit for the quarter amounted to SEK 117 million (85) and the operating margin was 9.0 per cent (6.9).

The strengthened operating profit is attributable to such factors as the improvement in both the Austrian operations and Optifit in Germany, and that Hygena's autumn campaign was well-received despite a weak French market.

Exchange-rate effects from Culinoma had a positive impact on operating profit for the period in the amount of SEK 20 million, but otherwise negatively affected profit by approximately SEK 5 million.

Newly opened stores and continuous adjustments to production capacity have led to the total number of employees rising by 95 compared with the year-earlier period.

At the end of the fourth quarter, the number of Group-owned kitchen stores in the region totalled 186 (170) and the number of franchise stores three (3). Culinoma comprised an additional 88 stores (79).

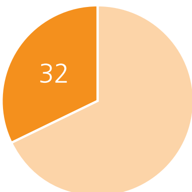
Trend in the kitchen market during the fourth quarter

Demand in the region's primary markets weakened during the period.

Quarterly data in SEK

	2008				2007			
	IV	III	II	I	IV	III	II	I
Net sales, SEK m	1,290	1,129	1,307	1,024	1,229	1,073	1,301	1,062
Operating profit, SEK m	117	32	87	–16	85	64	119	5
Operating margin, %	9.0	2.8	6.7	–1.6	6.9	5.9	9.1	0.5

Percentage of consolidated net sales,
fourth quarter, %



Store trend,
January–December

Refurbished or relocated	5
Newly opened, net	16
Number of kitchen stores (Group-owned and franchise)	189

Brands in the Continental Europe region

Austria: ewe (... und nicht irgendeine Küche), FM (Die Küche zum Leben)

France: hygena

Germany: poggenpohl, Optifit (Die Küche · Das Bad), pronorm (Einbauküchen)

Consolidated earnings, cash flow and financial position January–December 2008

Earnings per share after dilution amounted to SEK 3.29 per share (5.50) for the year. Profit for the period after tax amounted to SEK 555 million (958). Exchange-rate effects had a negative impact on operating profit amounting to about SEK 100 million in the UK region and approximately SEK 20 million in the Continental Europe region. Operating profit in the Nordic region was positively impacted by exchange-rate effects of about SEK 10 million.

Lower volumes, a changed sales mix, investments in the store network and exchange-rate effects adversely affected operating profit for the year. Net financial items amounted to negative SEK 163 million (neg: 106). Net interest amounted to negative SEK 131 million (neg: 75). This decline in net interest is due to higher average net debt and higher interest rates. Net financial items includes the net of returns on pension assets and interest expense on pension liabilities corresponding to negative SEK 32 million (expense: 31).

The tax rate of 28.9 per cent (23.2) that was applied to the period's earnings is the estimated weighted average tax rate for the full fiscal year. The difference is due to revaluations of deferred tax assets, partly resulting from changed tax rates in Denmark and Germany.

Operating cash flow for the period amounted to SEK 42 million (949). This decrease is primarily explained by the following factors: lower operating profit, increased working capital tied-up, investments in Group-owned stores, and higher preliminary tax paid. Cash flow for 2007 was positively impacted by the nonrecurring effect of SEK 155 million pertaining to the final payment of the sale of a property in the UK. Brand-strengthening initiatives increased sales and administrative expenses by approximately SEK 400 million.

The return on capital employed for the year was 13.0 per cent (20.6). Return on shareholders' equity amounted to 13.7 per cent (25.0).

Nobia's investments in fixed assets amounted to SEK 733 million (678), of which SEK 388 million (300) is related to store investments.

Net debt including pension provisions rose by SEK 957 million from the beginning of the year and at the end of the period amounted to SEK 3,181 million (2,224). This increase mainly comprises dividends paid, acquisitions of HTH stores and the buy-back of shares. The debt/equity ratio amounted to 76 per cent on 31 December 2008 (54 per cent on 1 January 2008).

Key ratios	Oct–Dec			Jan–Dec		
	2008	2007	Change, %	2008	2007	Change, %
Profit after financial items, SEK m	70	325	–78	788	1,247	–37
Profit after tax, SEK m	38	282	–87	555	958	–42
Tax rate, %	–	–	–	28.9	23.2	–
Earnings per share, after dilution, SEK	0.22	1.64	–87	3.29	5.50	–40

Net sales and profit per region, January–December

	Net sales			Operating profit			Operating margin	
SEK m	2008	2007	Change, %	2008	2007	Change, %	2008	2007
UK	5,383	6,012[1]	–10	333	517[2]	–36	6.2	8.6
Nordic	5,955	5,567	7	498	685	–27	8.4	12.3
Continental Europe	4,750	4,665	2	220	273	–19	4.6	5.9
Other and Group adjustments	–97	–110	–	–100	–122	–	–	–
Group	15,991	16,134	–1	951	1,353	–30	5.9	8.4

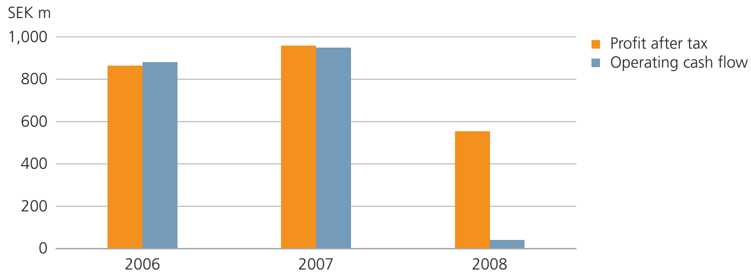
[1] Includes C.P. Hart in the amount of SEK 232 million.
[2] Includes C.P. Hart in the amount of SEK 13 million.

Consolidated earnings, cash flow and financial position

Analysis of net sales	Jan–Mar	Apr–Jun	Jul–Sep	Oct–Dec		Jan–Dec	
	%	%	%	%	SEK m	%	SEK m
2007					4,183		16,134
Organic growth	2	7	1	–10	–393	0	8
– of which UK region[1]	12	10	3	–9	–129	4	237
– of which Nordic region[1]	–6	7	–4	–15	–212	–4	–226
– of which Continental Europe region[1]	–2	1	5	–4	–49	0	–4
Currency effect	–2	–4	–5	1	58	–2	–392
Acquired units[2]	1	2	4	5	193	3	486
Discontinued operations[3]	–2	–1	–2	–1	–52	–2	–245
2008	–1	3	–2	–5	3,989	–1	15,991

[1] Organic growth for each organisational region
[2] Acquired units refers to the stores HTH took over in Denmark.
[3] Discontinued operations are C.P. Hart in the UK region and Optifit's flat-pack bathroom operations in the Continental Europe region last year.

Profit and cash flow, January–December



Company acquisitions and divestments
In October, the joint-venture Culinoma acquired German company Küchenpohl with two stores in the Bielefeld area. Culinoma is reported in accordance with the equity method.

Events after the end of the period
Negotiations commenced with employee representatives to discuss reductions at the production units in Jevnaker in Norway and Bording in Denmark. This initiative is based on the lower demand for kitchens and on the ongoing efficiency improvements of the supply chain in the Nobia Group.

Personnel
The number of personnel at the end of the year amounted to 8,871 (8,726). The increase is primarily attributable to the acquisitions of HTH stores in Denmark and the establishment of new stores in other markets. The average number of personnel during the year was 8,682 (8,526). Adjusted for C.P. Hart and new and acquired stores, the number of employees declined by about 300 during the year.

Related-party transactions, Parent Company
The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 45 million (52) during the year. The Parent Company reported earnings from participations in Group companies amounting to SEK 321 million (2,001).

Annual General Meeting
The Annual General Meeting will be held on 2 April 2009 at 5:00 p.m. at Summit, Grev Turegatan 30 in Stockholm. The proposed record date for the right to receive dividends is 7 April 2009. Payment of dividends via VPC is expected to take place on 14 April 2009. The Annual Report is scheduled to be published in English on www.nobia.com on 8 April and in printed form on 24 April.

Proposed dividend
The Board proposes that the dividend for the 2008 fiscal year be SEK 1.25 per share. Based on the number of shares at year-end 2008, the proposed dividend amounts to SEK 208,913,947.50 and corresponds to 38 per cent of net profit for the year attributable to the Parent Company's shareholders. Nobia's dividend policy states that, on average, the dividend to shareholders shall correspond to not less than 30 per cent of profit after tax.

Consolidated earnings, cash flow and financial position

Significant risks for the Group and Parent Company

Nobia is exposed to strategic, operating and financial risks.

The most relevant risk is market risk and resulting volume losses, meaning lower demand arising from such external factors as reduced purchasing power and higher unemployment due to the financial crisis.

Nobia's refinancing risk is currently limited since primary borrowing falls due for payment in 2011 and only about 50 per cent of the company's credit framework has been utilised. Nobia currently fulfils the covenants of the loan by a solid margin.

The risk of price pressure will increase in line with a prolonged economic downturn. Nobia offsets this risk by coordinating purchasing and production.

No other material risks, other than those described above, are currently deemed to be relevant.

For a more detailed description of risks and risk management, refer to page 37 of Nobia's 2007 Annual Report.

Buy-back of shares

In accordance with the authorisation granted by the Annual General Meeting on 1 April 2008, the Board of Nobia decided to acquire the company's own shares on 24 April. The aim was to enable whole or partial acquisition financing through payment using Group shares, as well as to adjust the company's capital structure. The acquisition was conducted during the period on the Nasdaq OMX in Stockholm at an average price of SEK 42. Accordingly, Nobia owns 8,162,300 own shares, corresponding to 4.7 per cent of the total number of shares issued in Nobia. On average, the number of own shares amounted to 4,086,410 for the period January–December. The total number of shares issued by Nobia is 175,293,458.

No shares were bought back during the fourth quarter.

Accounting principles

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting principles are applied in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which concur with the provisions of recommendation RFR 2.1.

From 2008, Nobia has changed its accounting principle regarding conditional discounts, which, effective 1 January, is reported as reduced sales. Conditional discounts were previously reported as cost of goods sold. The full-year effect on sales amounts to SEK 453 million for 2008 and SEK 488 million for 2007 figures. Operating profit is not affected by the change. Comparative figures for net sales and the operating margin in 2007 have been restated in this interim report. In all other respects, the same accounting principles and methods of calculation were applied as in the most recent Annual Report.

Appendices

1. Financial reports
2. Net sales, operating profit and margin per region
3. Quarterly data
4. Definitions of the key ratios in the report

For further information

Please contact any of the following on
+46 (0) 8 440 16 00 or +46 (0) 708 65 59 00:

- Preben Bager, President and CEO
- Gun Nilsson, CFO
- Ingrid Yllmark, Director Communications & IR

Presentation

The interim report will be presented on Wednesday, 11 February at 10:00 a.m. CET at a teleconference that can be followed on Nobia's website.

To participate in the teleconference, call one of the following numbers:
From Sweden 08-50 520 270
From the UK 0208-817 9301
From the US 718-354 1226

Next report

The next reports will be published on 24 April 2009, and then 17 July.

Stockholm, 11 February 2009

Preben Bager
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 11 February at 8:00 a.m. CET.

Appendix 1 | Financial reports

Consolidated income statement

	Oct–Dec		Jan–Dec	
SEK m	2008	2007[3]	2008	2007[3]
Net sales	3,989	4,183	15,991	16,134
Cost of goods sold	–2,558	–2,670	–10,161	–10,245
Gross profit	**1,431**	**1,513**	**5,830**	**5,889**
Sales and administrative expenses	–1,368	–1,154	–4,998	–4,583
Other income/expenses	33	–10	98	50
Share in profit of associated companies	23	0	21	–3
Operating profit	**119**	**349**	**951**	**1,353**
Net financial expenses	–49	–24	–163	–106
Profit after financial items	**70**	**325**	**788**	**1,247**
Tax	–25	–43	–226	–289
Profit after tax from continuing operations	**45**	**282**	**562**	**958**
Loss from divested operations, net after tax	–7	–	–7	–
Profit after tax	**38**	**282**	**555**	**958**
Profit after tax attributable to:				
Parent Company shareholders	38	282	555	958
Minority interests	0	0	0	0
Profit after tax	**38**	**282**	**555**	**958**
Total depreciation	132	103	479	437
Operating margin, %	3.0	8.3	5.9	8.4
Return on capital employed, %			13.0	20.6
Return on shareholders' equity, %			13.7	25.0
Earnings per share, before dilution, SEK[1]	0.22	1.64	3.29	5.54
Earnings per share, after dilution, SEK[1]	0.22	1.64	3.29	5.50
Number of shares at end of period before dilution, 000s[2]	167,131	171,516	167,131	171,516
Average number of shares before dilution, 000s[2]	167,131	171,516	168,718	172,709
Number of shares after dilution at end of period, 000s[2]	167,131	172,473	167,131	172,882
Average number of shares after dilution, 000s[2]	167,131	172,473	168,718	174,076

1) Earnings per share attributable to Parent Company's shareholders.
2) Outstanding shares.
3) The lines for net sales and cost of goods sold have been adjusted due to the changed accounting principle regarding conditional discounts.

Consolidated balance sheet

SEK m	31 Dec 2008	31 Dec 2007
ASSETS		
Goodwill	3,056	2,786
Other intangible fixed assets	127	97
Tangible fixed assets	3,426	3,052
Long-term receivables	413	266
Participations in associated companies	76	53
Deferred tax assets	242	273
Total fixed assets	**7,340**	**6,527**
Inventories	1,480	1,480
Accounts receivable	1,527	1,573
Other receivables	616	440
Total current receivables	*2,143*	*2,013*
Cash and cash equivalents	332	270
Assets held for sale	43	
Total current assets	**3,998**	**3,763**
Total assets	**11,338**	**10,290**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Share capital	58	58
Other capital contributions	1,449	1,442
Reserves	155	19
Profit brought forward	2,527	2,631
Total equity attributable to Parent Company shareholders	*4,189*	*4,150*
Minority interests	6	6
Total shareholders' equity	**4,195**	**4,156**
Provisions for pensions, see Note 2, page 13	718	829
Other provisions	137	133
Deferred tax liabilities	291	269
Other long-term liabilities, interest-bearing	3,119	1,720
Total long-term liabilities	**4,265**	**2,951**
Current liabilities, interest-bearing	50	161
Current liabilities, non-interest-bearing	2,793	3,022
Liabilities attributable to assets held for sale	35	
Total current liabilities	**2,878**	**3,183**
Total shareholders' equity and liabilities	**11,338**	**10,290**
BALANCE-SHEET RELATED KEY RATIOS		
Equity/assets ratio, %	37	40
Debt/equity ratio, %	76	54
Net debt, SEK m	3,181	2,224
Capital employed, closing balance, SEK m	8,083	6,866

Consolidated change in shareholders' equity

	Attributable to Parent Company shareholders						
	Share capital	Other capital contributed	Reserves	Profit brought forward	Total	Minority interests	Total share-holders' equity
Opening balance, 1 January 2007	**58**	**1,412**	**–13**	**2,270**	**3,727**	**7**	**3,734**
Exchange-rate differences attributable to translation of foreign operations	–	–	24	–	24	0	24
Cash-flow hedges before tax	–	–	11	–	11	–	11
Tax attributable to change in hedging reserve for the period	–	–	–3	–	–3	–	–3
Total renevues and expenses reported directly against shareholders' equity	**–**	**–**	**32**	**–**	**32**	**0**	**32**
Net profit for the period	–	–	–	958	958	0	958
Total reported revenues and expenses	**–**	**–**	**32**	**958**	**990**	**0**	**990**
Employee share option scheme							
– Allocation of employee share option scheme	–	11	–	–	11	–	11
Payment for issued shares	0	19	–	–	19	–	19
Dividend	–	–	–	–349	–349	–1	–350
Buy-back of shares	–	–	–	–248	–248	–	–248
Closing balance, 31 December 2007	**58**	**1,442**	**19**	**2,631**	**4,150**	**6**	**4,156**
Opening balance, 1 January 2008	**58**	**1,442**	**19**	**2,631**	**4,150**	**6**	**4,156**
Exchange-rate differences attributable to translation of foreign operations	–	–	92	–	92	1	93
Cash-flow hedges before tax	–	–	47	–	47	–	47
Tax attributable to change in hedging reserve for the period	–	–	–13	–	–13	–	–13
Total renevues and expenses reported directly against shareholders' equity	**–**	**–**	**126**	**–**	**126**	**1**	**127**
Net profit for the period	–	–	10	545	555	0	555
Total reported revenues and expenses	**–**	**–**	**136**	**545**	**681**	**1**	**682**
Employee share option scheme							
– Allocation of employee share option scheme	–	–13	–	–	–13	–	–13
Payment for issued shares	0	20	–	–	20	–	20
Dividend[1)]	–	–	–	–429	–429	–1	–430
Buy-back of shares	–	–	–	–220	–220	–	–220
Closing balance, 31 December 2008	**58**	**1,449**	**155**	**2,527**	**4,189**	**6**	**4,195**

[1)] The dividend to shareholders in the Parent Company was resolved by the Annual General meeting on 1 April and was paid on 9 April 2008.

Consolidated cash-flow statement

SEK m	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
Operating activities				
Operating profit	119	349	951	1,353
Depreciation	132	103	479	437
Adjustments for non-cash items	–28	–2	–77	–90
Interest paid	–28	–14	–121	–75
Tax paid	–49	–102	–369	–260
Change in working capital	111	–101	–187	45
Cash flow from operating activities	**257**	**233**	**676**	**1,410**
Investing activities				
Investments in fixed assets	–257	–232	–733	–678
Acquisition of subsidiaries/associated companies, Note 1, page 13	–75	–49	–297	–64
Divestment of subsidiaries	–	–	16	–
Other items in investing activities	–27	93	–24	15
Cash flow from investing activities	**–359**	**–188**	**–1,038**	**–727**
Cash flow before financing activities	**–102**	**45**	**–362**	**683**
Financing activities				
Change in interest-bearing liabilities	194	–73	1,037	–66
New share issue	–	–	20	19
Buy-back of shares	–	–	–220	–248
Dividend	–	–	–430	–350
Cash flow from financing activities	**194**	**–73**	**407**	**–645**
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	**92**	**–28**	**45**	**38**
Cash and cash equivalents at beginning of the period	**223**	**292**	**270**	**229**
Cash flow for the period	92	–28	45	38
Exchange-rate differences in cash and cash equivalents	17	6	17	3
Cash and cash equivalents at period-end	**332**	**270**	**332**	**270**

Analysis of net debt

SEK m	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
Opening balance	**3,042**	**2,261**	**2,224**	**2,460**
Translation differences	76	2	64	22
Operating cash flow	–38	–96	–42	–949
Acquisition of subsidiaries/associated companies	76	48	298	70
Divestment of subsidiaries	–	–	–44	–
Change in pension liabilities	25	9	51	42
Dividend	–	–	430	350
Buy-back of shares	–	–	220	248
New share issue	–	–	–20	–19
Closing balance	**3,181**	**2,224**	**3,181**	**2,224**

Note 1 — Company acquisitions

During the year, Nobia acquired 100 per cent of eight companies with franchise stores in Denmark through its HTH business unit. The companies generated net sales of SEK 915 million during the year. The acquisition analysis for the most recently acquired companies below is preliminary since the final acquisition value at fair value has not yet been established.

Acquired net assets and goodwill, SEK m	
Purchase consideration, including acquisition costs	304
Fair value of acquired net assets	–109
Goodwill	**195**

Goodwill is attributable to the assessed future profit-generating capacity.

Assets and liabilities included in the acquisition, SEK m	Fair value	Acquired carrying amount
Cash and bank balances	7	7
Tangible fixed assets	41	41
Intangible fixed assets	31	4
Inventories	36	36
Receivables	153	153
Liabilities	–137	–137
Financial liabilities	0	0
Tax	–12	–12
Deferred tax, net	–10	–3
Acquired net assets	**109**	**89**

Cash-regulated purchase consideration, including acquisition costs	304
Cash and cash equivalents in acquired subsidiaries	–7
Reduction of consolidated cash and cash equivalents at the time of acquisition	**297**

Note 2 – Pension provisions

There are several defined-benefit pension plans within the Group, whereby the employees' right to remuneration after termination of employment is based upon final salary and period of service. These plans are primarily found in the UK.

Important actuarial assumptions on closing date, %	2008	2007
Discount rate	6.20	5.60
Expected return on plan assets	6.05	6.10
Future annual salary increases	4.05	4.20
Future annual pension increases	3.05	3.20

An AA-rated corporate bond index with an expected duration equal to the pension assumption was the guiding principle for determining the discount rate. The expected return for each class of asset was weighted based on the division of assets in accordance with the investment policy. The division of shares was 45 per cent equities, 28 per cent corporate bonds and other fixed-income securities, and 27 per cent other assets. The return on equities and other assets was lower in 2008, which increased the actuarial loss. Since the discount rate has risen as a result of a higher return index on AA-rated corporate bonds, the actuarial gain in the defined-benefit commitment has increased, meaning that total net debt at year-end 2008 was lower than at year-end 2007. This is primarily attributable to the company's payments in 2008 being higher than its pension costs. Translated from GBP to SEK, net debt declines further between 2007 and 2008, since the GBP has weakened against the SEK.

Parent Company income statement

SEK m	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
Net sales	16	23	77	62
Administrative expenses	–26	–27	–97	–88
Operating loss	**–10**	**–4**	**–20**	**–26**
Profit from shares in Group companies	321	533	321	2,001[1)]
Divestment of participations in associated companies	–4		–4	0
Other financial income and expenses	–15	–9	–18	–6
Profit after financial items	**292**	**520**	**279**	**1,969**
Tax on net profit for the period	10	9	10	9
Net profit for the period	**302**	**529**	**289**	**1,978**

1) Primarily pertains to dividends from Nobia NBI AB.

Parent Company balance sheet

SEK m	31 Dec 2008	31 Dec 2007
ASSETS		
Fixed assets		
Shares and participations in Group companies	1,379	1,389
Long-term receivables	1	
Associated companies	57	61
Total fixed assets	**1,437**	**1,450**
Current assets		
Current receivables		
Accounts receivable	3	4
Receivables from Group companies	1,860	2,453
Receivables from associated companies	306	191
Other receivables	–	2
Prepaid expenses and accrued income	2	9
Cash and cash equivalents	70	46
Total current assets	**2,241**	**2,705**
Total assets	**3,678**	**4,155**
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	33
Buy-back of shares	–468	–248
Profit brought forward	1,867	304
Net profit for the period	289	1,978
	1,740	**2,067**
Total shareholders' equity	**3,469**	**3,796**
Provisions for pensions	**5**	**3**
Current liabilities		
Liabilities to credit institutes	42	87
Accounts payable	2	6
Liabilities to Group companies	134	231
Other liabilities	13	22
Accrued expenses and deferred income	13	10
Total current liabilities	**204**	**356**
Total shareholders' equity, provisions and liabilities	**3,678**	**4,155**
Pledged assets	–	–
Contingent liabilities	3,345	2,107

Net sales, operating profit and operating margin per region*

Net sales

SEK m	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
UK	1,250	1,542	5,383	6,012
Nordic	1,476	1,436	5,955	5,567
Continental Europe	1,290	1,229	4,750	4,665
Other and Group adjustments	–27	–24	–97	–110
Group	**3,989**	**4,183**	**15,991**	**16,134**

Operating profit

SEK m	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
UK	–20	130	333	517
Nordic	38	157	498	685
Continental Europe	117	85	220	273
Other and Group adjustments	–16	–23	–100	–122
Group	**119**	**349**	**951**	**1,353**

Operating margin

%	Oct–Dec 2008	Oct–Dec 2007	Jan–Dec 2008	Jan–Dec 2007
UK	–1.6	8.4	6.2	8.6
Nordic	2.6	10.9	8.4	12.3
Continental Europe	9.0	6.9	4.6	5.9
Group	**3.0**	**8.3**	**5.9**	**8.4**

*) A region is defined according to where the products are manufactured and distributed.

Appendix 3 | Quarterly data

Net sales, operating profit and operating margin per region*, quarter by quarter

Net sales

	2008				2007			
SEK m	IV	III	II	I	IV	III	II	I
UK	1,250	1,285	1,424	1,424	1,542	1,492	1,538	1,440
Nordic	1,476	1,293	1,773	1,413	1,436	1,192	1,529	1,410
Continental Europe	1,290	1,129	1,307	1,024	1,229	1,073	1,301	1,062
Other and Group adjustments	–27	–17	–27	–26	–24	–9[3]	–35[2]	–42[1]
Group	**3,989**	**3,690**	**4,477**	**3,835**	**4,183**	**3,748**	**4,333**	**3,870**

1) SEK –5 million of the amount is attributable to the elimination of internal sales within the Continental Europe region.
2) SEK –10 million of the amount is attributable to the elimination of internal sales within the Continental Europe region.
3) Included in the amount is an adjustment corresponding to SEK 15 m.

Operating profit

	2008				2007			
SEK m	IV	III	II	I	IV	III	II	I
UK	–20	87	120	146[1]	130	125	136	126
Nordic	38	92	242	126	157	120	225	183
Continental Europe	117	32	87	–16	85	64	119	5
Other and Group adjustments	–16	–25	–28	–31	–23	–37	–33	–29
Group	**119**	**186**	**421**	**225**	**349**	**272**	**447**	**285**

1) Operating profit amounts to SEK 125 million, excluding the sale of C.P. Hart.

Operating margin

	2008				2007			
%	IV	III	II	I	IV	III	II	I
UK	–1.6	6.8	8.4	10.2[1]	8.4	8.4	8.8	8.8
Nordic	2.6	7.1	13.6	8.9	10.9	10.1	14.7	13.0
Continental Europe	9.0	2.8	6.7	–1.6	6.9	5.9	9.1	0.5
Group	**3.0**	**5.1**	**9.4**	**5.9**	**8.3**	**7.3**	**10.3**	**7.4**

1) The operating margin amounts to 8.8 per cent, excluding the sale of C.P. Hart.

*) A region is defined according to where the products are manufactured and distributed.

Appendix 4 | Definitions of the key ratios in the report

Return on shareholders' equity
Profit for the year 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.

Net debt
Total of interest-bearing debt and interest-bearing provisions less interest-bearing assets. Interest-bearing provisions refer to pension liabilities.

Operating cash flow
Cash flow after investments, adjusted for investments in company acquisitions and financial investments.

Operating margin
Operating profit as a percentage of net sales.

Debt/equity ratio
Net debt as a percentage of shareholders' equity, including minority interests.

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

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

Equity/assets ratio
Equity including minority interests as a percentage of total assets.