

# NIBE

– world-class solutions in sustainable energy



▲ **SALES** totalled SEK 1,462.3 million  
(Q1 2010: SEK 1,303.2 million)

▲ **PROFIT AFTER NET FINANCIAL ITEMS**  
was SEK 133.9 million  
(SEK 96.2 million)

▲ **PROFIT AFTER TAX**  
was SEK 100.1 million  
(SEK 70.2 million)

▲ **EARNINGS** per share totalled  
SEK 1.06 (SEK 0.75)

▲ **ACQUISITION OF**

- operations of Thermtec Ltd, UK
- Element Division of Electrolux Professional AG, Switzerland
- 31% stake in the Schulthess Group AG, Switzerland
- remaining 25% stake in CJSC EVAN, Russia

## Interim report 2011

1 January – 31 March



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# Promising start to 2011 – intensive takeover activity

In the first quarter of 2011 the NIBE Group grew its sales by 12.2% overall while organic growth amounted to 4.8%. During the corresponding period last year, sales fell by 0.2% including acquired sales and by 0.4% excluding acquired sales.

Demand continues to show a steady improvement, although there are big differences between market segments and geographical regions. On the whole, trends are positive in Northern and Central Europe, America and Asia, whereas demand in Southern Europe remains weak.

I believe that the gradual recovery in the global economy, together with high energy prices, increasing environmental awareness and our own large-scale, long-term investments in product development and marketing will pave the way to good growth and profitability for the NIBE Group.

In view of the fact that the bulk of both sales and earnings is concentrated in the second half of the year, we are once again using the first six months to build up our customary stocks of finished products and critical components in order to ensure good levels of delivery reliability later on.

Operating profit has improved by 17.4%, compared with the first quarter in 2010. This is chiefly attributable to higher sales volumes, improved productivity and a firm grip on fixed costs. On the other hand, the prices of the materials used to manufacture our end-products continue to rise, and exchange rate trends, when translated at Group level, have had a negative effect on both sales and profit.

Profit after net financial items improved by 39.2% compared with the first quarter in 2010 – primarily as a result of exchange gains of SEK 16.3 million on the repayment of bank loans in foreign currencies, but thanks also to a reduction in net borrowing.

Investments in existing operations totalled SEK 41.9 million, compared with figures of SEK 25.9 million in the first quarter of 2010 and SEK 52.6 million for the rate of depreciation according to plan. We anticipate, however, that the rate of investment for the current year will be on a par with planned depreciation.

Our aim is to achieve sales of SEK 10 billion by the end of 2012 without compromising our healthy levels of profitability. Based on sales for 2009 of SEK 5,751.2 million, this requires average annual growth of 20%, which is in line with our long-term financial objectives. Expansion will be divided equally between organic and acquired growth.

The market for our products and the potential takeover candidates are both out there, and it is our considered opinion that we have the necessary prerequisites within the Group, together with the motivation and the financial strength that is needed to achieve this target.

During the first quarter NIBE acquired the operations of Thermtec in the UK and those of the Element Division of Electrolux AG in Switzerland. Together the two units have sales of approximately SEK 95 million and will be integrated into NIBE Element.

At the beginning of April, NIBE signed an

agreement to acquire a 31% stake in the heating technology company Schulthess Group AG, which is listed on the Swiss stock exchange. The shares were purchased from the company's five largest shareholders. At the same time a public offer was made to all remaining shareholders to purchase their shares at the same price. The Schulthess board has recommended its shareholders to accept the offer during the acceptance period, which runs from 9 May to 6 June.

The Schulthess Group is one of Europe's leading suppliers of heat pumps sold under the Alpha-Innotec and Novelan brands. The company also makes high-quality, energy-efficient products for cooling, ventilation, solar energy and washing technology under the KKT Kraus, Genvex and Schulthess labels.

The Schulthess Group has annual sales of approximately SEK 2,100 million and a workforce of just over 1,000. Its operations will form a separate legal entity within NIBE Energy Systems. The aim of the takeover is to create a leading European supplier of sustainable energy solutions that will provide a platform for more rapid growth on the continent and a springboard for expansion outside Europe.

April also saw the acquisition of the final tranche of 25% of the equity in CJSC EVAN. This Russian company, which has annual sales of approximately SEK 120 million and forms part of NIBE Energy Systems, was consolidated into the NIBE Group as a wholly owned subsidiary in April.

### Outlook for 2011

Our corporate philosophy and our product programme with their focus on sustainability and saving energy are ideally suited to the times in which we are living.

Our financial position is extremely robust, which means we are well placed to make new acquisitions.

Our own strengths, together with the continuing improvement in the economy and high energy prices, mean that we feel positive about the prospects for 2011.

### Financial targets

- ▲ Average annual sales growth of 20%
- ▲ Average operating profit of at least 10% of sales over a full business cycle in each business area
- ▲ Average return on equity of at least 20% after standard deductions for tax over a full business cycle
- ▲ Equity/assets ratio of at least 30%.

Markaryd, Sweden – 11 May 2011.

Gerteric Lindquist  
Chief Executive Officer

### Calendar

#### 11 May 2011

11.00 (C.E.T.) Telephone conference (in English). The CEO presents the interim report by phone and answers questions.

Tel. +46 (0)8-506 853 31

#### 11 May 2011

17.00 (C.E.T.) Annual General Meeting

#### 16 August 2011

Interim report, January–June 2011

#### 7 September 2011

Capital Markets Day in Markaryd, Sweden

#### 15 November 2011

Interim report  
January–September 2011

## Sales

Group net sales for the period January–March 2011 totalled SEK 1,462.3 million (Q1 2010: SEK 1,303.2 million). This represents overall growth of 12.2% and organic growth of 4.8%. Acquired sales accounted for SEK 97.0 million of the total growth in sales of SEK 159.1 million.

## Earnings

Profit for the reporting period after net financial items was SEK 133.9 million, corresponding to a growth in earnings of 39.2% compared with the figure of SEK 96.2 million for the corresponding period in 2010. Net financial items for the period were affected positively by exchange gains of SEK 16.3 million relating to the repayment of bank loans in foreign currencies.

Return on equity was 15.7% (Q1 2010: 12.9%).

## Acquisitions

Early in 2011 the business operations of the UK company Thermtec Ltd were acquired and integrated into NIBE Element's existing operations in the UK. Thermtec sales total approximately SEK 20 million a year and the company's operating margin averages around 6%. Thermtec's business operations were consolidated into the NIBE Element business area with effect from January.

In January 2011 agreement was also reached on the acquisition of the Element Division in Electrolux Professional AG of Switzerland. These business operations, with annual sales of approximately SEK 75 million and an operating margin averaging around 10%, were consolidated into the NIBE Element business area at the beginning of March.

## Important events after the end of the reporting period

In April agreement was reached on the acquisition of a 31% stake in the heating technology company Schulthess Group AG, which is listed on the Swiss stock exchange. The Schulthess board has recommended that its shareholders accept the voluntary public tender offer that has been made for all the remaining shares. The acceptance period for Schulthess shareholders is 9 May–6 June, and it is expected that a preliminary decision can be published on 7 June.

For further details relating to the acquisition, please refer to our homepage [www.nibe.com](http://www.nibe.com).

Also in April, NIBE acquired the remaining 25% stake in CJSC EVAN of Russia. As a result, operations in the company, which forms part of NIBE Energy Systems, have been consolidated as a wholly owned subsidiary with effect from April.

## Investments

Group investments for the period January–March totalled SEK 117.0 million (Q1 2010: SEK 25.9 million). SEK 75.1 million of this sum relates to corporate acquisitions (SEK 0.0 million), while the remaining SEK 41.9 million (SEK 25.9 million) is mainly investments in machinery and equipment, and in buildings for existing operations.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 77.5 million (Q1 2010: SEK 106.6 million). Cash flow after changes in working capital was negative, SEK -28.9 million (SEK 59.7 million).

Interest-bearing liabilities totalled SEK 1,257.3 million at the end of the period, compared with SEK 1,132.8 million when the year began.

At the end of March, the Group had liquid funds of SEK 1,489.8 million as against SEK 1,664.1 million at the beginning of the year. During the period, the Group's overdraft facilities have been increased by SEK 9.7 million.

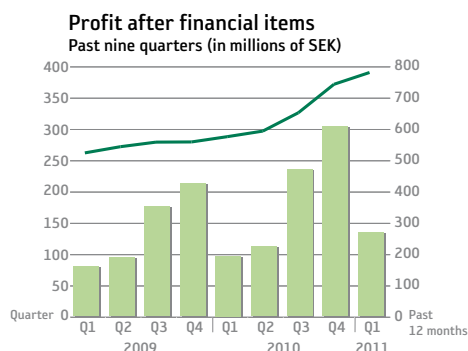
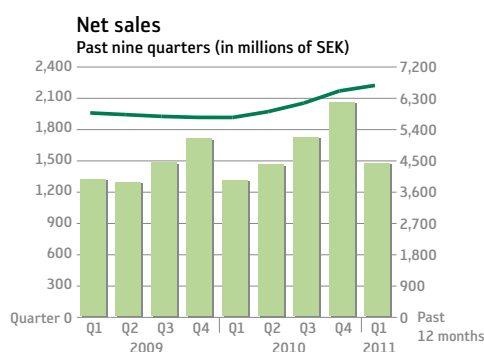
The equity/assets ratio at the end of the period was 48.5%, compared with 48.2% at the beginning of the year and 47.0% at the corresponding point last year.

## Parent company

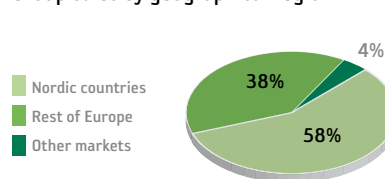
Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period January–March amounted to SEK 1.6 million (Q1 2010: SEK 1.6 million) with a profit after financial items of SEK 11.6 million (SEK -10.3 million). At the end of the period, the parent company had liquid funds of SEK 954.6 million, compared with SEK 1,057.6 million at the beginning of the year.

## Key Figures – Group

		2011	2010	Past	2010
		Q1	Q1	12 mths full year	12 mths full year
Net sales	SEK m	1,462.3	1,303.2	6,670.6	6,511.5
Growth	%	12.2	-0.2	16.0	13.2
of which acquired	%	7.4	0.2	7.6	5.9
Operating profit	SEK m	125.1	106.6	814.6	796.1
Operating margin	%	8.6	8.2	12.2	12.2
Profit after net financial items	SEK m	133.9	96.2	782.8	745.1
Profit margin	%	9.2	7.4	11.7	11.4
Equity/assets ratio	%	48.5	47.0	48.5	48.2
Return on equity	%	15.7	12.9	24.1	23.4



## Group sales by geographical region



## NIBE Share performance



## Sales and earnings

Invoiced sales for the reporting period totalled SEK 483.3 million, compared with SEK 427.7 million for the corresponding period last year. SEK 33.6 million of this SEK 55.6 million increase relates to sales in acquired businesses, which means that organic growth for the period was 5.1%.

Operating profit totalled SEK 36.2 million, compared with SEK 30.9 million for the corresponding period last year. This represents an operating margin of 7.5% as against a figure of 7.2% for the first quarter of 2010. The operating margin for the past 12 months is 7.2%.

## The market

Sales have continued to develop positively over the first few months of 2011 and are now at a significantly higher level than this time last year.

Demand for NIBE Element products has risen steadily throughout the quarter, as has project-based business linked to investments in the offshore oil and gas industries, segments that tend to be the last to react to any dips and upturns in the economy.

Generally speaking, the Northern European markets have developed most strongly with a broad-based recovery in most product segments, and particularly good development in product groups related to transport and renewable energy. Demand has improved in Asia and America too, but the mood in Southern Europe remains cautious.

Our assessment is that, on the whole, stock levels among our customers are once again back to normal. This means that deliveries are now closely matched to current needs.

We continue to work on product development, launching products with increased system content and focusing on market segments that can be expected to deliver good growth regardless of the state of the economy. These include the renewable energy, energy efficiency and infrastructure segments.

In our resistors product area, where many customers work in the energy-saving and renewable energy segments, we will be launching a number of interesting products and applications in the first half of the year, for example in the windpower and energy sectors. We are also gradually expanding our portfolio of products that incorporate functions for measuring and control in addition to the actual heating elements.

## Operations

We are gradually increasing production capacity to keep pace with the rise in demand.

Intensive efforts are also being made to ensure that the integration of Lund & Sørensen, Thermtec and the element division of Electrolux Professional AG acquired in late 2010/early 2011 proceeds according to plan, so that this work can be completed on schedule during the autumn.

Improvements in the global economy have led to higher prices and longer delivery times for most raw materials. To offset increases in our costs, we must therefore successively implement a number of price rises.

NIBE Element		2011	2010	Past	2010
Key Figures		Q1	Q1	12 mths	full year
Net sales	SEK m	483.3	427.7	1,815.2	1,759.7
Growth	%	13.0	- 4.3	10.7	6.1
Operating profit	SEK m	36.2	30.9	129.8	124.5
Operating margin	%	7.5	7.2	7.2	7.1
Assets	SEK m	1,602.4	1,454.9	1,602.4	1,487.4
Liabilities	SEK m	1,437.2	1,301.8	1,437.2	1,343.5
Investments (fixed assets)	SEK m	15.3	8.8	55.0	48.5
Depreciation	SEK m	14.9	15.1	61.1	61.3

# NIBE Stoves



## Sales and earnings

Invoiced sales for the reporting period totalled SEK 222.1 million, compared with SEK 208.9 million for the corresponding period last year. The SEK 16.9 million increase was wholly attributable to sales in acquired businesses, which means that organic growth for the period fell by 1.8% or SEK 3.7 million.

Operating profit totalled SEK 17.1 million, compared with SEK 16.1 million for the corresponding period last year. The operating margin was 7.7%, the same as that for the first quarter of 2010. The operating margin for the past 12 months is 13.3%.

## The market

Demand for wood-stove products remains high in Sweden despite flattening out somewhat after a couple of years of very steep growth. While factors such as the continued interest in home make-overs, government tax relief on renovation projects, and the long, cold winters of recent years have had a positive impact on demand, rising interest rates and a reduction in the number of domestic new builds have had the opposite effect.

In Norway the brisk demand for wood-stove products that we saw last year has continued into this year, driven by a strong domestic economy, high consumption and spiralling energy prices.

In Denmark, where the economic recovery has been slower, demand for wood-stove products remains at much the same level as last year.

In other major markets, such as Germany and France, demand in the early months of the year has fallen in comparison with 2010. Despite a strong national economy and rising energy prices, German consumers remain generally cautious about investing in solid fuel stoves.

## Operations

A large number of new products have been launched during the reporting period, and reactions from the market have been very positive. The product launches will continue throughout the spring with a variety of activities in our various main markets. For example, the products were prominently showcased at the major international ISH trade fair in Frankfurt in March to demonstrate that NIBE is one of the undisputed front-runners in wood-stove products here in Europe.

To strengthen our market position further and build a strong brand in Europe, we have opted to consolidate all our Swedish brands under the Contura label. This change has already been implemented and during the course of the year we will continue to develop all aspects of our market communication.

Our extensive marketing activities during the first six months of the year are expected to produce their most visible results during the second half, which is traditionally the peak season for the sale of our products.

NIBE Stoves		2011	2010	Past	2010
Key Figures		Q1	Q1	12 mths	full year
Net sales	SEK m	222.1	208.9	1,157.4	1,144.2
Growth	%	6.3	5.7	21.8	21.8
Operating profit	SEK m	17.1	16.1	153.7	152.8
Operating margin	%	7.7	7.7	13.3	13.4
Assets	SEK m	1,061.3	955.9	1,061.3	1,074.8
Liabilities	SEK m	596.4	546.3	596.4	610.4
Investments (fixed assets)	SEK m	9.1	6.3	29.0	26.2
Depreciation	SEK m	10.1	9.7	42.1	41.7

## Sales and earnings

Invoiced sales for the reporting period totalled SEK 784.4 million, compared with SEK 698.5 million for the corresponding period last year. SEK 46.5 million of the total increase of SEK 85.9 million relates to sales in acquired businesses, which means that organic growth for the period was 5.6%.

Operating profit totalled SEK 77.1 million, compared with SEK 63.2 million for the corresponding period last year. This represents an operating margin of 9.8% as against a figure of 9.0% for the first quarter of 2010. The operating margin for the past 12 months is 14.7%.

## The market

As a whole, the Swedish heat-pump market continues to develop steadily. Growth is strongest in the ground-source/geothermal heat-pump segment, while the market for air/water heat pumps continues to contract. There has also been a slight downturn in sales of exhaust-air heat pumps, a segment where much of the volume is dependent on domestic new builds, which have unexpectedly dipped during the first quarter. Construction industry sources blame the fall in new builds on the introduction of a "mortgage ceiling" and expectations of higher interest rates.

NIBE Energy Systems, however, continues to enjoy a very strong position in all heat-pump segments in its domestic market.

While construction in the rest of Europe has still not recovered after the deep downturn, in Germany the important heat-pump market has reversed recent trends to show clear signs of growth during the first quarter. We have also seen an end to the free-fall in the French market as the situation there has stabilised. In Finland, Holland and the UK demand is once again developing positively on the back of rising oil prices and improvements in the economy. Also, despite all the budgetary restraints, most countries have still retained their various subsidies, albeit at more modest levels.

However, the strong Swedish krona tends to undermine the effect on sales of the relatively good growth in volumes that we have seen in our foreign markets.

Interest in energy-efficiency and renewable energy is increasing across Europe, particularly among owners of and tenants in large properties.

The market for water heaters is developing steadily both here in Sweden and in the rest of Europe, whereas demand for pellet-fuelled products and conventional domestic boilers remains sluggish.

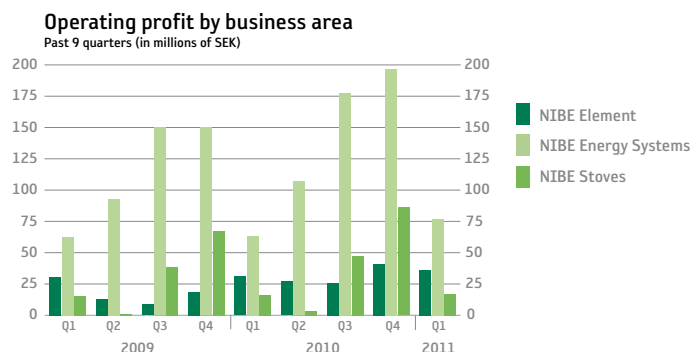
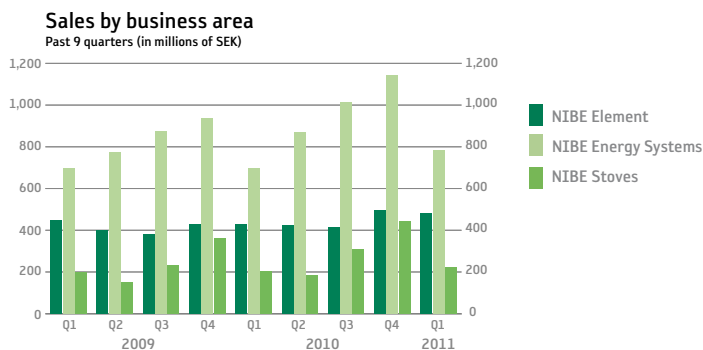
## Operations

In March NIBE Energy Systems made its biggest ever investment in the ISH trade fair in Frankfurt, Europe's largest heating technology fair. The business area's entire product range was on show together with a large number of innovations. These were all very well received and have strengthened NIBE's position on the European heating market even further.

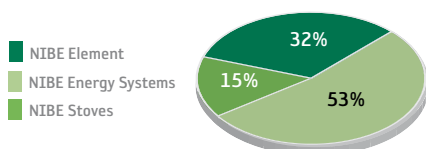
On April 11 NIBE announced its intention to make its biggest acquisition to date, when agreements were signed with several major shareholders to acquire a 31% stake in the listed Swiss heating technology company, Schulthess. At the same time a public takeover bid was made for the remainder of the shares. The Schulthess Group is one of continental Europe's leading heat pump manufacturers and also develops, manufactures and markets high-quality, energy-efficient products for cooling, ventilation, solar energy and washing technology. The Group has a very strong market position in Germany, Switzerland and Austria and a product portfolio that provides an excellent complement to our own. The Group has annual sales of SEK 2,100 million and 1,000 employees. The aim of the transaction is to create a company that will lead the way in Europe in the field of sustainable energy solutions.

NIBE Energy Systems Key Figures		2011	2010	Past	2010
		Q1	Q1	12 mths	full year
Net sales	SEK m	784.4	698.5	3,811.1	3,725.1
Growth	%	12.3	0.0	16.0	13.4
Operating profit	SEK m	77.1	63.2	558.6	544.7
Operating margin	%	9.8	9.0	14.7	14.6
Assets	SEK m	2,637.3	2,373.2	2,637.3	2,642.0
Liabilities	SEK m	1,443.6	1,301.7	1,443.6	1,486.6
Investments (fixed assets)	SEK m	26.0	17.2	100.9	92.1
Depreciation	SEK m	27.6	27.5	113.0	112.9

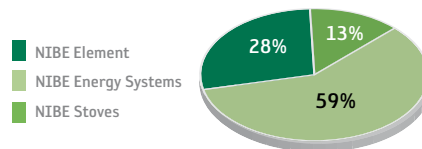
## Business Area Trends



### Business areas' contribution to sales



### Business areas' contribution to profit



# Group Financial Trends

## Income statements

(in millions of SEK)	Group				Parent company	
	Jan – Mar 2011	Jan – Mar 2010	Past 12 mths	Full year 2010	Jan – Mar 2011	Jan – Mar 2010
Net sales	1,462.3	1,303.2	6,670.6	6,511.5	1.6	1.6
Cost of goods sold	- 1,009.3	- 885.3	- 4,398.0	- 4,274.0	0.0	0.0
<b>Gross profit</b>	<b>453.0</b>	<b>417.9</b>	<b>2,272.6</b>	<b>2,237.5</b>	<b>1.6</b>	<b>1.6</b>
Selling expenses	- 269.1	- 249.6	- 1,178.6	- 1,159.1	0.0	0.0
Administrative expenses	- 89.8	- 88.0	- 411.4	- 409.6	- 5.1	- 6.4
Other income	31.0	26.3	132.0	127.3	0.0	0.0
<b>Operating profit</b>	<b>125.1</b>	<b>106.6</b>	<b>814.6</b>	<b>796.1</b>	<b>- 3.5</b>	<b>- 4.8</b>
Net financial items	8.8	- 10.4	- 31.8	- 51.0	15.1	- 5.5
<b>Profit after net financial items</b>	<b>133.9</b>	<b>96.2</b>	<b>782.8</b>	<b>745.1</b>	<b>11.6</b>	<b>- 10.3</b>
Tax	- 33.8	- 26.0	- 199.8	- 192.0	- 1.8	0.0
<b>Net profit</b>	<b>100.1</b>	<b>70.2</b>	<b>583.0</b>	<b>553.1</b>	<b>9.8</b>	<b>- 10.3</b>
<b>Net profit attributable to</b>						
Parent company shareholders	99.7	70.0	578.2	548.5	9.8	- 10.3
Non-controlling interest	0.4	0.2	4.8	4.6	0.0	0.0
<b>Net profit</b>	<b>100.1</b>	<b>70.2</b>	<b>583.0</b>	<b>553.1</b>	<b>9.8</b>	<b>- 10.3</b>
<i>Includes depreciation according to plan as follows</i>	<i>52.6</i>	<i>52.2</i>	<i>216.3</i>	<i>215.9</i>	<i>0.0</i>	<i>0.0</i>
<i>Net profit per share*</i>	<i>1.06</i>	<i>0.75</i>	<i>6.16</i>	<i>5.84</i>		
<i>*There are no programmes that entail dilution</i>						
<b>Net profit</b>	<b>100.1</b>	<b>70.2</b>	<b>583.0</b>	<b>553.1</b>	<b>9.8</b>	<b>- 10.3</b>
<b>Other recognised income</b>						
Market value of future currency contracts	- 2.8	8.1	- 11.3	- 0.4	0.0	0.0
Market value of future commodity contracts	- 0.7	0.0	- 0.3	0.4	0.0	0.0
Currency hedge	- 16.7	31.8	43.0	91.5	- 15.2	30.4
Translation of loans to subsidiaries	- 2.3	- 0.3	- 6.6	- 4.6	0.0	0.0
Translation of foreign subsidiaries	- 25.2	- 65.9	- 158.7	- 199.4	0.0	0.0
Tax attributable to other recognised income	5.3	- 9.9	- 8.3	- 23.5	4.0	- 8.0
<b>Total other recognised income</b>	<b>- 42.4</b>	<b>- 36.2</b>	<b>- 142.2</b>	<b>- 136.0</b>	<b>- 11.2</b>	<b>22.4</b>
<b>Total recognised income</b>	<b>57.7</b>	<b>34.0</b>	<b>440.8</b>	<b>417.1</b>	<b>- 1.4</b>	<b>12.1</b>
<b>Total recognised income attributable to</b>						
Parent company shareholders	57.3	33.6	437.0	413.3	- 1.4	12.1
Non-controlling interest	0.4	0.4	3.8	3.8	0.0	0.0
<b>Total recognised income</b>	<b>57.7</b>	<b>34.0</b>	<b>440.8</b>	<b>417.1</b>	<b>- 1.4</b>	<b>12.1</b>

## Balance Sheet summaries

(in millions of SEK)	Group			Parent company		
	31 March 2011	31 March 2010	31 Dec 2010	31 March 2011	31 March 2010	31 Dec 2010
Intangible assets	1,222.0	983.8	1,188.5	0.0	0.0	0.0
Tangible assets	1,269.4	1,361.1	1,275.7	0.0	0.0	0.0
Financial assets	60.9	48.3	59.0	1,882.8	1,669.6	1,829.4
<b>Total non-current assets</b>	<b>2,552.3</b>	<b>2,393.2</b>	<b>2,523.2</b>	<b>1,882.8</b>	<b>1,669.6</b>	<b>1,829.4</b>
Inventories	1,240.8	1,113.4	1,118.1	0.0	0.0	0.0
Current receivables	1,080.4	928.5	1,097.8	6.6	2.2	5.6
Cash equivalents	365.3	297.1	409.5	41.1	14.3	138.7
<b>Total current assets</b>	<b>2,686.5</b>	<b>2,339.0</b>	<b>2,625.4</b>	<b>47.7</b>	<b>16.5</b>	<b>144.3</b>
<b>Total assets</b>	<b>5,238.8</b>	<b>4,732.2</b>	<b>5,148.6</b>	<b>1,930.5</b>	<b>1,686.1</b>	<b>1,973.7</b>
Equity	2,540.4	2,224.0	2,482.7	676.2	545.2	677.6
Non-current liabilities and provisions, non-interest bearing	380.2	232.9	397.0	96.9	0.7	98.6
Non-current liabilities and provisions, interest bearing	1,085.5	1,246.1	952.2	1,064.4	1,047.1	1,101.9
Current liabilities and provisions, non-interest bearing	1,061.0	876.0	1,136.1	18.3	14.5	17.4
Current liabilities and provisions, interest bearing	171.7	153.2	180.6	74.7	78.6	78.2
<b>Total equity and liabilities</b>	<b>5,238.8</b>	<b>4,732.2</b>	<b>5,148.6</b>	<b>1,930.5</b>	<b>1,686.1</b>	<b>1,973.7</b>

## Cash flow analysis

(in millions of SEK)	Jan – Mar 2011	Jan – Mar 2010	Full year 2010
Cash flow from operating activities	77.5	106.6	825.7
Change in working capital	- 106.4	- 46.9	- 38.7
Investment activities	- 117.0	- 25.9	- 405.9
Financing activities	102.6	- 80.0	- 297.2
Exchange rate difference in liquid assets	- 0.9	- 5.8	- 23.5
<b>Change in liquid assets</b>	<b>- 44.2</b>	<b>- 52.0</b>	<b>60.4</b>

## Change in equity

(in millions of SEK)	Jan – Mar 2011	Jan – Mar 2010	Full year 2010
Equity brought forward	2,482.7	2,190.0	2,190.0
Shareholders' dividend	0.0	0.0	- 122.1
Dividend to non-controlling interests	0.0	0.0	- 2.3
Total recognised income for the year	57.7	34.0	417.1
<b>Equity carried forward <sup>1)</sup></b>	<b>2,540.4</b>	<b>2,224.0</b>	<b>2,482.7</b>

<sup>1)</sup> Minority participations were SEK 9.1 million at the end of the reporting period and SEK 8.7 million at the start at the financial year.

## Data per share

		Jan – Mar 2011	Jan – Mar 2010	Full year 2010
Net profit per share (total 93,920,000 aktier)	SEK	1.06	0.75	5.84
Equity per share	SEK	26.95	23.60	26.34
Closing day share price	SEK	108.25	83.00	102.75

## Key figures

		Jan – Mar 2011	Jan – Mar 2010	Full year 2010
Growth	%	12.2	- 0.2	13.2
Operating margin	%	8.6	8.2	12.2
Profit margin	%	9.2	7.4	11.4
Investments in fixed assets	SEK m	117.0	25.9	405.9
Unappropriated liq. assets	SEK m	1,489.8	1,561.6	1,664.1
Working capital, incl. cash and bank	SEK m	1,453.8	1,309.8	1,308.7
Interest-bearing liabilities/ Equity	%	49.5	62.9	45.6
Solidity (Equity/Assets ratio)	%	48.5	47.0	48.2
Return on capital employed	%	15.7	12.2	22.2
Return on equity	%	15.7	12.9	23.4

# Quarterly data

## Consolidated Income Statements

(in millions of SEK)	2011					2010				
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Net sales	1,462.3	1,303.2	1,448.4	1,712.6	2,047.3	1,305.4	1,280.6	1,467.3	1,697.9	
Operating expenses	- 1,337.2	- 1,196.6	- 1,320.7	- 1,466.1	- 1,732.0	- 1,198.8	- 1,178.4	- 1,272.1	- 1,470.6	
<b>Operating profit</b>	<b>125.1</b>	<b>106.6</b>	<b>127.7</b>	<b>246.5</b>	<b>315.3</b>	<b>106.6</b>	<b>102.2</b>	<b>195.2</b>	<b>227.3</b>	
Net financial expenses	8.8	- 10.4	- 16.3	- 12.1	- 12.2	- 27.2	- 8.6	- 19.5	- 15.1	
<b>Profit after net financial expenses</b>	<b>133.9</b>	<b>96.2</b>	<b>111.4</b>	<b>234.4</b>	<b>303.1</b>	<b>79.4</b>	<b>93.6</b>	<b>175.7</b>	<b>212.2</b>	
Tax	- 33.8	- 26.0	- 29.0	- 62.3	- 74.7	- 22.2	- 25.8	- 47.0	- 53.8	
<b>Net profit</b>	<b>100.1</b>	<b>70.2</b>	<b>82.4</b>	<b>172.1</b>	<b>228.4</b>	<b>57.2</b>	<b>67.8</b>	<b>128.7</b>	<b>158.4</b>	

## Net Sales – Business Areas

(in millions of SEK)	2011					2010				
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
NIBE Element	483.3	427.7	425.4	412.7	493.9	447.1	401.8	381.1	429.0	
NIBE Energy Systems	784.4	698.5	868.5	1,016.0	1,142.1	698.5	773.9	876.9	935.2	
NIBE Stoves	222.1	208.9	184.2	307.9	443.2	197.7	150.1	230.2	361.4	
Elimination of Group transactions	- 27.5	- 31.9	- 29.7	- 24.0	- 31.9	- 37.9	- 45.2	- 20.9	- 27.7	
<b>Group</b>	<b>1,462.3</b>	<b>1,303.2</b>	<b>1,448.4</b>	<b>1,712.6</b>	<b>2,047.3</b>	<b>1,305.4</b>	<b>1,280.6</b>	<b>1,467.3</b>	<b>1,697.9</b>	

## Operating profit – Business Areas

(in millions of SEK)	2011					2010				
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
NIBE Element	36.2	30.9	27.1	25.7	40.8	30.7	13.1	8.5	18.1	
NIBE Energy Systems	77.1	63.2	107.0	177.7	196.8	62.6	93.0	150.1	150.1	
NIBE Stoves	17.1	16.1	3.2	47.4	86.1	15.2	1.1	38.7	67.2	
Elimination of Group transactions	- 5.3	- 3.6	- 9.6	- 4.3	- 8.4	- 1.9	- 5.0	- 2.1	- 8.1	
<b>Group</b>	<b>125.1</b>	<b>106.6</b>	<b>127.7</b>	<b>246.5</b>	<b>315.3</b>	<b>106.6</b>	<b>102.2</b>	<b>195.2</b>	<b>227.3</b>	

## Accounting principles

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Interim Report for the first quarter of 2011 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this interim report are described in the company's Annual Report for 2010 (pp. 64–66). Reporting for the parent company follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ("Reporting for Legal Entities").

In the case of transactions with associates, the same accounting principles apply as those described on page 65 of the company's Annual Report for 2010.

## Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 20 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2010.

This interim report provides an accurate picture of the business activities, financial position and earnings of the parent company and the Group, and describes any significant risks and uncertainties faced by the parent company and the companies that form part of the Group.

Markaryd, Sweden – 11 May 2011



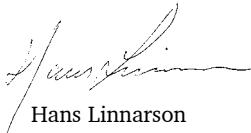
Arvid Gierow  
Chairman of the Board



Georg Brunstam  
Director



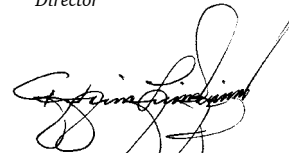
Eva-Lotta Kraft  
Director



Hans Linnarson  
Director



Anders Pålsson  
Director



Gerteric Lindquist  
CEO

This interim report has not been subjected to scrutiny by the company's auditors. For other information and definitions, please refer to the company's Annual Report for 2010.

NIBE Industrier AB is obliged by Swedish law (The Securities Market Act and/or The Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 9.00 (C.E.T.) on 11 May 2011.

Please e-mail any questions you have with regard to this interim report to:  
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