

# NIBE

– world-class solutions in sustainable energy



▲ **SALES** totalled SEK 3,080.9 million  
(Q1-Q2 2010: SEK 2,751.6 million)

▲ **PROFIT AFTER NET FINANCIAL ITEMS**  
was SEK 274.3 million  
(SEK 207.6 million)

▲ **PROFIT AFTER TAX**  
was SEK 203.9 million  
(SEK 152.6 million)

▲ **EARNINGS** per share totalled  
SEK 2.17 (SEK 1.65)

▲ **ACQUISITION OF**

- operations of Thermtec Ltd, UK
- Element Division of Electrolux Professional AG, Switzerland
- remaining 25% stake in CJSC EVAN, Russia
- 98.7% stake in the Schulthess Group AG, Switzerland (July 2011)
- Element Division of Emerson Electric Co, USA (August 2011)

## Interim report 2011

1 January – 30 June



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# Strong first six months – major strategic acquisitions

Over the first six months of 2011 the NIBE Group grew its sales by 12.0% overall with organic growth totalling 6.8%. During the corresponding period last year, overall growth was 6.4% and organic growth was 3.7%.

Demand for our products has risen in Northern and Central Europe, America and Asia, but remains weak in Southern Europe.

In view of the fact that the bulk of both sales and earnings is concentrated in the second half of the year, we have again used the first six months to build up our stocks in order to ensure good levels of delivery reliability during the peak season for sales.

Operating profit has risen by 18.3% compared with the result for the corresponding period last year. This is chiefly attributable to higher sales volumes, improved productivity and a firm grip on fixed costs. On the other hand, material costs have continued to rise and exchange rate trends, when translated at Group level, have had a negative effect on sales and earnings. Our second quarter profits have also been charged with acquisition costs totalling approximately SEK 20 million. It is likely that profits will be charged with a further SEK 40 million in acquisition costs during the second half of the year.

Profit after net financial items improved by 32.1% compared with the first six months of 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 121.3 million, compared with figures of SEK 63.8 million for the first half of 2010 and SEK 105.7 million for the rate of depreciation according to plan. We anticipate that the rate of investment for the current year will be on a par with planned depreciation.

Early in the year NIBE acquired the operations of Thermtec Ltd in the UK and those of the Element Division of Electrolux AG in Switzerland. Together these two businesses, which have now been integrated into NIBE Element, have sales of approximately SEK 95 million a year. The second quarter saw NIBE acquire the remaining 25% stake in CJSC EVAN, Russia.

Otherwise our acquisition activities during the first half of the year have been dominated by the takeover of the Schulthess Group AG, a heating technology company listed on the Swiss stock exchange. Following a thorough analysis, the purchase of an initial stake in the company of just over 31% and a public offer at the beginning of April to acquire the remaining shares, NIBE now owns 98.7% of the company's shares. The company is to be consolidated into the NIBE Group with effect from August of this year.

Since 40% of the capital used to buy the Schulthess shares was raised by a directed issue of 16,119,437 new class B shares to Schulthess shareholders in July, the total number of NIBE shares has now risen to 110,039,437. From 10 August the NIBE share has a secondary listing on the SIX Swiss Exchange.

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 and solar energy, in addition to washing machines under the KKT Kraus, Genvex and Schulthess labels.

The Schulthess Group has annual sales of approximately SEK 2,100 million (at an exchange rate of CHF 1 = SEK 7) and a workforce of just over 1,000. It will form a separate legal entity within NIBE Energy Systems. The aim 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 into the wider world.

During the first half of 2011 Schulthess Group sales totalled CHF 139.6 million, the same figure as for the corresponding period last year. The steep rise in the value of the Swiss franc in 2011 has had a negative effect on revenues when translating the figures for Schulthess at Group level.

The Schulthess Group reported pre-tax profits of CHF 13.9 million for the first half-year, but these have been charged with CHF 3.1 million in acquisition costs. During the same period last year profits totalled CHF 2.6 million after restructuring expenses of CHF 6.6 million.

Today NIBE also acquired the Element Division of Emerson Heating Products from Emerson Electric Co of the USA.

Emerson Heating Products, established in 1917, is headquartered in Murfreesboro in Tennessee, USA, but also has extensive manufacturing operations in Mexico and China. The division reports annual sales of SEK 485 million (at an exchange rate of USD 1 = SEK 6.50) and an operating margin in excess of 10%. The product range consists of electric heating elements and heating systems used primarily in air-conditioning plant and white goods. This acquisition will add new technology to the NIBE Element product portfolio, particularly in the climate control segment. The business employs just over 1,100 people. Operations will be integrated into the NIBE Element business area and are expected to be consolidated with effect from October 2011.

### Outlook for 2011

#### Previous wording

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.

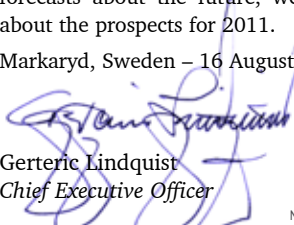
#### New wording

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 remains robust.

While the turmoil in the financial markets in recent weeks has made it more difficult to make any accurate forecasts about the future, we still remain positive about the prospects for 2011.

Markaryd, Sweden – 16 August 2011.

  
Gerteric Lindquist  
Chief Executive Officer

### 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%.

### Calendar

#### 16 August 2011

11.00 (C.E.T.) Telephone conference (in English). The CEO presents the interim report by phone and answers questions. Tel. +46 (0)8-505 629 32

#### 7 September 2011

Capital Markets Day in Markaryd, Sweden

#### 15 November 2011

Interim report  
January–September 2011

#### 16 February 2012

Summary of Annual Report for 2011

#### April 2012

Annual report 2011

#### 10 May 2012

Interim report, Jan–March 2012  
Annual General Meeting 2012

## Sales

Group net sales for the period January–June 2011 totalled SEK 3,080.9 million (Q1–Q2 2010: SEK 2,751.6 million). This represents overall growth of 12.0%, while organic growth for the period was 6.8%. Acquired sales accounted for SEK 142.6 million of the total growth in sales of SEK 329.3 million.

## Earnings

Profit for the reporting period after net financial items was SEK 274.3 million, corresponding to growth in earnings of 32.1% compared with the figure of SEK 207.6 million for the corresponding period in 2010. Second quarter profits have been charged with acquisition costs of SEK 19.9 million. 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 16.2% (Q1–Q2 2010: 14.4%).

## 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.

In April agreement was reached on the acquisition of a 31.1% stake in the heating technology company Schulthess Group AG, which is listed on the Swiss stock exchange. Following the recommendation made by the Schulthess board, shareholders representing 67.6% of the share capital subsequently accepted the voluntary public tender offer for the remaining shares. This has enabled NIBE to acquire a total of 98.7% of the shares in the company. Transactions with the owners of these shares were finalised on 29 July 2011, thus paving the way for Schulthess to be consolidated into the NIBE Energy Systems business area with effect from August 2011. The total purchase price for the takeover is CHF 637.5 million: 60% in cash and 40% in the form of a directed issue of new shares.

For further details relating to the acquisition, you are kindly referred to our homepage [www.nibe.com](http://www.nibe.com).

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

## Important events after the end of the reporting period

Today agreement was reached with Emerson Electric Co of the USA on the acquisition of the company's element manufacturing operations, Emerson Heating Products, with just over 1,100 employees and sales

of approximately SEK 485 million a year. It is anticipated that this business, which reports an operating margin in excess of 10%, will be consolidated into the NIBE Element business area with effect from October 2011. This acquisition expands the NIBE Element product portfolio to include new climate control technology and adds extensive manufacturing and sales operations in North America and China.

## Investments

Group investments for the period January–June amounted to SEK 228.6 million (Q1–Q2 2010: SEK 151.0 million). A total of SEK 107.3 million of this sum relates to corporate acquisitions (SEK 87.2 million), while the remaining SEK 121.3 million (SEK 63.8 million) is mainly investments in machinery and equipment in existing operations.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 230.3 million (Q1–Q2 2010: SEK 240.4 million). Cash flow after changes in working capital was SEK 11.6 million (SEK 41.6 million).

Interest-bearing liabilities totalled SEK 1,504.0 million at the end of the period, compared with SEK 1,132.8 million when the year began.

At the end of June, the Group had liquid funds of SEK 1,345.5 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 42.5 million.

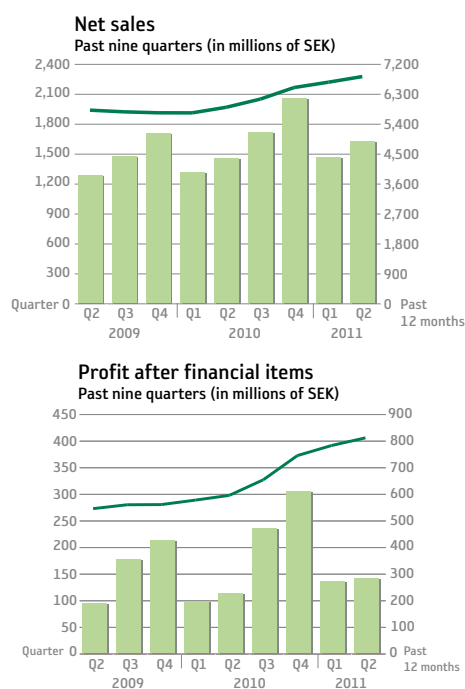
The equity/assets ratio at the end of the period was 44.8%, compared with 48.2% at the beginning of the year and 41.3% at the corresponding point last year.

## Parent company

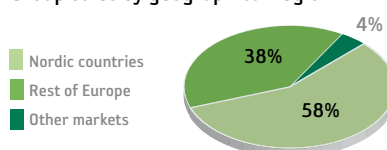
Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period January–June amounted to SEK 2.0 million (Q1–Q2 2010: SEK 2.0 million) with a profit after financial items of SEK 255.1 million (SEK 176.5 million). At the end of the period, the parent company had liquid funds of SEK 879.4 million, compared with SEK 1,057.6 million at the beginning of the year.

## Key Figures – Group

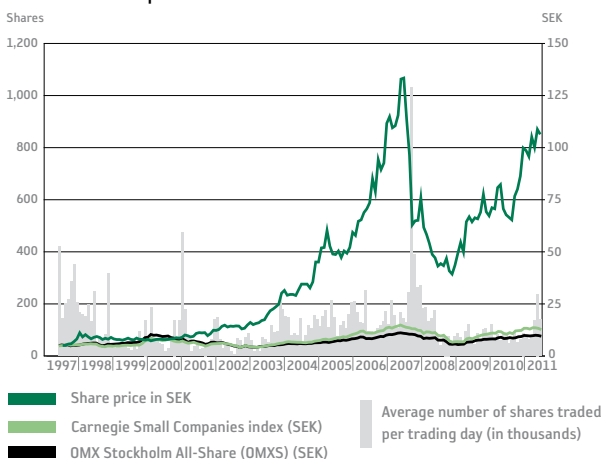
		2011	2010	Past	2010
		Q1-2	Q1-2	12 mths	Full year
Net sales	SEK m	3,080.9	2,751.6	6,840.8	6,511.5
Growth	%	12.0	6.4	15.6	13.2
of which acquired	%	5.2	2.7	7.0	5.9
Operating profit	SEK m	277.1	234.3	838.9	796.1
Operating margin	%	9.0	8.5	12.3	12.2
Profit after net financial items	SEK m	274.3	207.6	811.8	745.1
Profit margin	%	8.9	7.5	11.9	11.4
Equity/assets ratio	%	44.8	41.3	44.8	48.2
Return on equity	%	16.2	14.4	25.5	23.4



## Group sales by geographical region



## NIBE Share performance



## Sales and earnings

Sales for the reporting period totalled SEK 974.0 million, compared with SEK 853.1 million for the corresponding period last year. SEK 79.2 million of this SEK 120.9 million increase relates to sales in acquired businesses, which means that organic growth for the period was 4.9%.

Operating profit totalled SEK 66.3 million, compared with SEK 58.0 million for the corresponding period last year. This means that the operating margin for the reporting period remains unchanged at 6.8%, bringing the operating margin for the past 12 months to 7.1%.

## The market

Sales have continued to develop positively and ended the reporting period at a significantly higher level than this time last year.

Demand for NIBE Element's products continues to rise and the first half of the year has also seen an increase in project-based business linked to investments in the offshore oil and gas industries: these segments tend to be the last to react to any dips and upturns in the economy.

Generally speaking, the best developments have been in Northern and Central European markets, with across-the-board increases in most product segments, especially those related to transport and renewable energy. In Southern Europe and the UK, however, the trends have been weaker and, while Asia continues to develop positively, demand in America also remains sluggish in certain segments.

It seems fair to assume that, on the whole, stock levels among our customers have returned to normal, so our deliveries now reflect current needs more closely.

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.

During the first half of the year we have launched a number of interesting products in our resistors product area, which serves many

customers in the energy-saving and renewable energy segments. We expect these new products to translate into increased sales over the coming months.

We are also gradually expanding our portfolio of products that, in addition to the heating elements themselves, also incorporate functions for measuring and control.

## Operations

Production capacity is gradually being stepped up to keep pace with the rise in demand.

Intensive efforts are also under way to ensure that the integration of operations acquired in late 2010/early 2011 proceeds according to plan, so that this work can be completed on schedule during this coming autumn.

During the first six months of 2011 certain costs have been incurred in connection with the work of restructuring and modernising production in Mexico. It is anticipated that we will begin to see the positive effects of these measures during the second half of the year.

Raw material prices stabilised somewhat in the second quarter but, as exchange rates remain volatile, the competitive situation in certain markets continues to pose problems.

NIBE Element		2011	2010	Past	2010
Key Figures		Q1-2	Q1-2	12 mths	Full year
Net sales	SEK m	974.0	853.1	1,880.6	1,759.7
Growth	%	14.2	0.5	13.1	6.1
Operating profit	SEK m	66.3	58.0	132.8	124.5
Operating margin	%	6.8	6.8	7.1	7.1
Assets	SEK m	1,660.9	1,451.0	1,660.9	1,487.4
Liabilities	SEK m	1,505.9	1,322.2	1,505.9	1,343.5
Investments (fixed assets)	SEK m	33.9	24.7	57.7	48.5
Depreciation	SEK m	30.1	30.2	61.2	61.3

# NIBE Stoves

## Sales and earnings

Sales for the reporting period totalled SEK 414.5 million, compared with SEK 393.1 million for the corresponding period last year. SEK 16.9 million of this SEK 21.4 million increase was attributable to sales in acquired businesses, which means that organic growth for the period was 1.1%.

Operating profit totalled SEK 21.0 million, compared with SEK 19.3 million for the corresponding period last year. The operating margin was 5.1%, slightly up on the figure of 4.9% for the first half year of 2010. The operating margin for the past 12 months is 13.3%.

## The market

Demand for wood-stove products remains relatively high in Sweden, but higher interest rates and increased anxiety over the economy as a whole are likely to have a negative impact on growth.

In Norway, driven by a strong domestic economy and high consumption, the market for wood-stove products has developed positively over the first six months, whereas demand in Denmark remains at a relatively low level.

The market situation in Germany has improved as the year has progressed: here consumer unease about high energy prices is expected to drive demand during the second half of the year.

In France, demand for wood-stove products seems set to remain on a par with last year's.

## Operations

Once again, the quarter has seen intense activity around a large number of new product launches. Reactions from the market have been very positive, reflecting the fact that Scandinavian designed products are

currently very much in vogue and widely regarded as combining good value for money with environmentally responsible solutions.

These new product series have been effectively integrated into production in our state-of-the-art plant in Markaryd, Sweden. The production rate has been high from the outset, enabling us to supply showroom models to retailers throughout Europe in good time before the peak season for sales.

Production at the Markaryd plant has remained high throughout the first six months. Together with some carefully balanced stockpiling at the business area's other units, this has put us in a good position to be able to deliver quickly and reliably during the remaining six months of the year, which traditionally are the peak period for sales.

The work of consolidating all of our Swedish brands under the Contura label has been completed. This gives us a clear platform for building a strong brand for wood-stove products in the rest of Europe, and we are now continuing the work of fine-tuning our market communication in all areas.

NIBE Stoves		2011	2010	Past	2010
Key Figures		Q1-2	Q1-2	12 mths	Full year
Net sales	SEK m	414.5	393.1	1,165.5	1,144.2
Growth	%	5.4	13.0	18.4	21.8
Operating profit	SEK m	21.0	19.3	154.5	152.8
Operating margin	%	5.1	4.9	13.3	13.4
Assets	SEK m	1,111.7	1,064.8	1,111.7	1,074.8
Liabilities	SEK m	675.6	669.7	675.6	610.4
Investments (fixed assets)	SEK m	20.3	13.2	33.3	26.2
Depreciation	SEK m	20.4	20.7	41.4	41.7

## Sales and earnings

Sales for the reporting period totalled SEK 1,754.1 million, compared with SEK 1,567.0 million for the corresponding period last year. SEK 46.5 million of the total increase of SEK 187.1 million relates to sales in acquired businesses, which means that organic growth for the period was 9.0%.

Operating profit totalled SEK 213.7 million, compared with SEK 170.2 million for the corresponding period last year. This represents an operating margin of 12.2%, up from 10.9% for the first half of 2010. The operating margin for the past 12 months is 15.0%.

## The market

Overall, the first six months have seen a slight contraction in the Swedish heat-pump market. The ground-source/geothermal heat-pump segment is still growing, both among private homeowners and property companies, but the decline in the market for air/water heat pumps continues. There has also been a slight downturn in sales of exhaust-air heat pumps. This segment is highly dependent on domestic new builds and the number of new homes under construction has fallen over the past six months. Construction industry sources blame this on the introduction of a "mortgage ceiling" and higher interest rates.

Nevertheless, NIBE Energy Systems has not only continued to increase its share of the overall heat-pump market, but also defended its strong position in other segments in its domestic market, where district-heating products have historically accounted for only a small share of sales.

The European market has still not fully recovered after the slower growth and low levels of construction of recent years. Some local markets, however, are showing an upswing in our product areas and interest in energy efficiency and renewable energy remains keen. Growth is strongest in Finland, where demand is being driven by high oil prices and increased interest in renewable energy.

The German and UK heat-pump markets are also developing positively. The UK government's ambitious "Green Deal" aims to provide

a long-term solution to improving energy-efficiency and the use of renewables, in part by upgrading subsidies for using renewable fuels.

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.

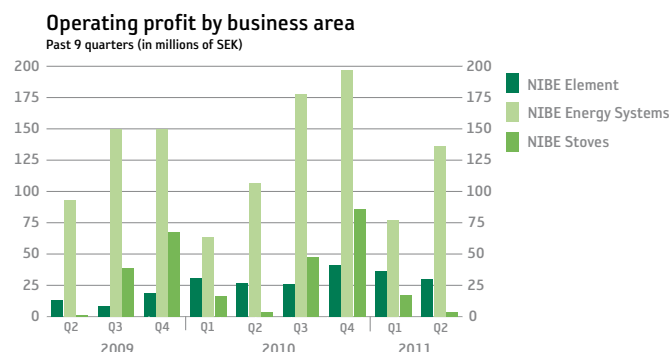
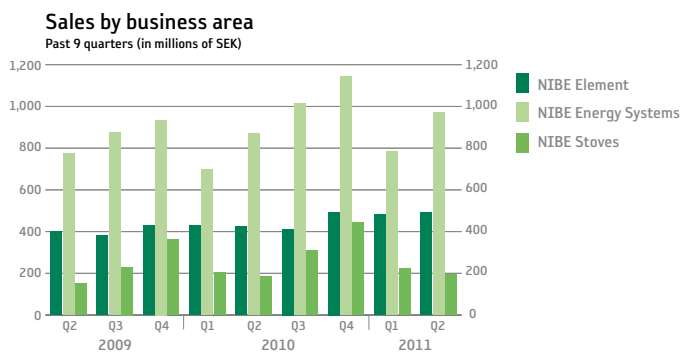
## Operations

In late July/early August NIBE finalised transactions relating to the purchase of the remaining shares in the Schulthess Group AG, which is listed on the Swiss stock exchange. NIBE now owns 98.7% of the shares and voting rights in this heating technology company.

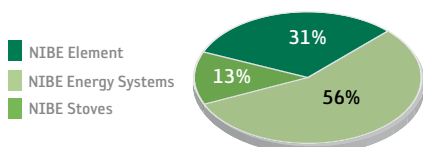
As a result of this acquisition, the largest so far undertaken by NIBE, we have strengthened our position in Europe as a market leader in the heat-pump segment and increased our presence on the expanding European market for products that use energy from renewable sources. The takeover has given us a much broader product platform in several segments – heat pumps, cooling, ventilation and solar energy, as well as energy-efficient washing machines and tumble-dryers. The Schulthess Group, with annual sales of approximately SEK 2,100 million (at an exchange rate of CHF 1 = SEK 7) and 1,000 employees, is to be consolidated with effect from August 2011.

NIBE Energy Systems		2011	2010	Past	2010
Key Figures		Q1-2	Q1-2	12 mths	Full year
Net sales	SEK m	1,754.1	1,567.0	3,912.3	3,725.1
Growth	%	11.9	6.4	15.8	13.4
Operating profit	SEK m	213.7	170.2	588.2	544.7
Operating margin	%	12.2	10.9	15.0	14.6
Assets	SEK m	2,826.3	2,721.1	2,826.3	2,642.0
Liabilities	SEK m	1,708.0	1,771.6	1,708.0	1,486.6
Investments (fixed assets)	SEK m	64.1	38.1	118.1	92.1
Depreciation	SEK m	55.3	56.5	111.7	112.9

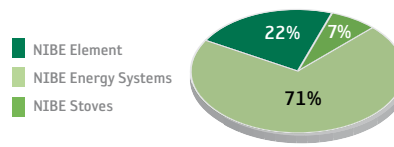
## Business Area Trends



### Business areas' contribution to sales



### Business areas' contribution to profit



# Group Financial Trends

## Income statements

(in millions of SEK)	Group						Parent company	
	Q2 2011	Q2 2010	Jan - June 2011	Jan - June 2010	Past 12 mths	Full year 2010	Jan - June 2011	Jan - June 2010
Net sales	1,618.6	1,448.4	3,080.9	2,751.6	6,840.8	6,511.5	2.0	2.0
Cost of goods sold	-1,082.8	-979.9	-2,092.1	-1,865.2	-4,500.9	-4,274.0	0.0	0.0
<b>Gross profit</b>	<b>535.8</b>	<b>468.5</b>	<b>988.8</b>	<b>886.4</b>	<b>2,339.9</b>	<b>2,237.5</b>	<b>2.0</b>	<b>2.0</b>
Selling expenses	-295.3	-270.9	-564.4	-520.5	-1,203.0	-1,159.1	0.0	0.0
Administrative expenses	-118.8	-106.5	-208.6	-194.5	-423.7	-409.6	-11.6	-15.3
Other income	30.3	36.6	61.3	62.9	125.7	127.3	0.0	0.0
<b>Operating profit</b>	<b>152.0</b>	<b>127.7</b>	<b>277.1</b>	<b>234.3</b>	<b>838.9</b>	<b>796.1</b>	<b>-9.6</b>	<b>-13.3</b>
Net financial items	-11.6	-16.3	-2.8	-26.7	-27.1	-51.0	264.7	189.8
<b>Profit after net financial items</b>	<b>140.4</b>	<b>111.4</b>	<b>274.3</b>	<b>207.6</b>	<b>811.8</b>	<b>745.1</b>	<b>255.1</b>	<b>176.5</b>
Tax	-36.6	-29.0	-70.4	-55.0	-207.4	-192.0	0.0	0.0
<b>Net profit</b>	<b>103.8</b>	<b>82.4</b>	<b>203.9</b>	<b>152.6</b>	<b>604.4</b>	<b>553.1</b>	<b>255.1</b>	<b>176.5</b>
<b>Net profit attributable to</b>								
Parent company shareholders	103.8	85.3	203.5	155.3	596.7	548.5	255.1	176.5
Non-controlling interest	0.0	-2.9	0.4	-2.7	7.7	4.6	0.0	0.0
<b>Net profit</b>	<b>103.8</b>	<b>82.4</b>	<b>203.9</b>	<b>152.6</b>	<b>604.4</b>	<b>553.1</b>	<b>255.1</b>	<b>176.5</b>
<i>Includes depreciation according to plan as follows</i>	53.1	55.3	105.7	107.5	214.1	215.9	0.0	0.0
<i>Net profit per share*</i>	1.11	0.91	2.17	1.65	6.35	5.84		
<i>*There are no programmes that entail dilution</i>								
<b>Net profit</b>	<b>103.8</b>	<b>82.4</b>	<b>203.9</b>	<b>152.6</b>	<b>604.4</b>	<b>553.1</b>	<b>255.1</b>	<b>176.5</b>
<b>Other recognised income</b>								
Market value of future currency contracts	-3.0	-10.2	-5.8	-2.1	-4.1	-0.4	0.0	0.0
Market value of future commodity contracts	-0.7	-0.8	-1.4	-0.8	-0.2	0.4	0.0	0.0
Currency hedge	-13.3	18.2	-30.0	50.0	11.5	91.5	-26.2	49.1
Translation of loans to subsidiaries	3.4	-1.8	1.1	-2.1	-1.4	-4.6	0.0	0.0
Translation of foreign subsidiaries	57.0	-52.6	31.8	-118.5	-49.1	-199.4	0.0	0.0
Tax attributable to other recognised income	4.0	-1.8	9.3	-11.7	-2.5	-23.5	6.9	-12.9
<b>Total other recognised income</b>	<b>47.4</b>	<b>-49.0</b>	<b>5.0</b>	<b>-85.2</b>	<b>-45.8</b>	<b>-136.0</b>	<b>-19.3</b>	<b>36.2</b>
<b>Total recognised income</b>	<b>151.2</b>	<b>33.4</b>	<b>208.9</b>	<b>67.4</b>	<b>558.6</b>	<b>417.1</b>	<b>235.8</b>	<b>212.7</b>
<b>Total recognised income attributable to</b>								
Parent company shareholders	151.2	36.7	208.5	70.3	551.5	413.3	235.8	212.7
Non-controlling interest	0.0	-3.3	0.4	-2.9	7.1	3.8	0.0	0.0
<b>Total recognised income</b>	<b>151.2</b>	<b>33.4</b>	<b>208.9</b>	<b>67.4</b>	<b>558.6</b>	<b>417.1</b>	<b>235.8</b>	<b>212.7</b>

## Balance Sheet summaries

(in millions of SEK)	Group			Parent company		
	30 June 2011	30 June 2010	31 Dec 2010	30 June 2011	30 June 2010	31 Dec 2010
Intangible assets	1,256.4	1,153.9	1,188.5	0.0	0.0	0.0
Tangible assets	1,301.3	1,323.2	1,275.7	0.0	0.0	0.0
Financial assets	74.3	45.4	59.0	1,913.4	1,756.3	1,829.4
<b>Total non-current assets</b>	<b>2,632.0</b>	<b>2,522.5</b>	<b>2,523.2</b>	<b>1,913.4</b>	<b>1,756.3</b>	<b>1,829.4</b>
Inventories	1,419.5	1,278.5	1,118.1	0.0	0.0	0.0
Current receivables	1,173.1	1,061.6	1,097.8	24.8	1.8	5.6
Cash equivalents	342.3	334.6	409.5	31.6	23.7	138.7
<b>Total current assets</b>	<b>2,934.9</b>	<b>2,674.7</b>	<b>2,625.4</b>	<b>56.4</b>	<b>25.5</b>	<b>144.3</b>
<b>Total assets</b>	<b>5,566.9</b>	<b>5,197.2</b>	<b>5,148.6</b>	<b>1,969.8</b>	<b>1,781.8</b>	<b>1,973.7</b>
Equity	2,494.0	2,147.2	2,482.7	749.0	623.7	677.6
Non-current liabilities and provisions, non-interest bearing	386.8	323.7	397.0	100.5	0.8	98.6
Non-current liabilities and provisions, interest bearing	1,314.6	1,530.6	952.2	1,035.7	1,075.1	1,101.9
Current liabilities and provisions, non-interest bearing	1,182.1	1,034.2	1,136.1	9.3	5.7	17.4
Current liabilities and provisions, interest bearing	189.4	161.5	180.6	75.3	76.5	78.2
<b>Total equity and liabilities</b>	<b>5,566.9</b>	<b>5,197.2</b>	<b>5,148.6</b>	<b>1,969.8</b>	<b>1,781.8</b>	<b>1,973.7</b>

## Cash flow analysis

(in millions of SEK)	Jan – June 2011	Jan – June 2010	Full year 2010
Cash flow from operating activities	230.3	240.4	825.7
Change in working capital	- 218.7	- 198.8	- 38.7
Investment activities	- 228.6	- 151.0	- 405.9
Financing activities	143.6	104.7	- 297.2
Exchange rate difference in liquid assets	6.2	- 9.8	- 23.5
<b>Change in liquid assets</b>	<b>- 67.2</b>	<b>- 14.5</b>	<b>60.4</b>

## Change in equity

(in millions of SEK)	Jan – June 2011	Jan – June 2010	Full year 2010
Equity brought forward	2,482.7	2,190.0	2,190.0
Shareholders' dividend	- 164.4	- 122.1	- 122.1
Dividend to non-controlling interests	- 0.7	- 2.3	- 2.3
Acquisition of participations from non-controlling interests	- 32.5	14.2	0.0
Total recognised income for the year	208.9	67.4	417.1
<b>Equity carried forward <sup>1)</sup></b>	<b>2,494.0</b>	<b>2,147.2</b>	<b>2,482.7</b>

<sup>1)</sup> Minority participations in this total were SEK 0.0 million at the end of the reporting period and SEK 8.7 million at the start at the financial year. SEK 8.4 million of this reduction is attributable to the acquisition of participations from non-controlling interests.

## Data per share

		Jan – June 2011	Jan – June 2010	Full year 2010
Net profit per share (total 93,920,000 shares)	SEK	2.17	1.65	5.84
Equity per share	SEK	26.55	22.69	26.34
Closing day share price	SEK	109.50	69.50	102.75

## Key figures

		Jan – June 2011	Jan – June 2010	Full year 2010
Growth	%	12.0	6.4	13.2
Operating margin	%	9.0	8.5	12.2
Profit margin	%	8.9	7.5	11.4
Investments in fixed assets	SEK m	228.6	151.0	405.9
Unappropriated liq. assets	SEK m	1,345.5	1,151.7	1,664.1
Working capital, incl. cash and bank	SEK m	1,563.4	1,478.9	1,308.7
Interest-bearing liabilities/Equity	%	60.3	78.8	45.6
Solidity (Equity/Assets ratio)	%	44.8	41.3	48.2
Return on capital employed	%	16.0	12.8	22.2
Return on equity	%	16.2	14.4	23.4

# Quarterly data

## Consolidated Income Statements

(in millions of SEK)	2011				2010				2009	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
Net sales	1,462.3	1,618.6	1,303.2	1,448.4	1,712.6	2,047.3	1,280.6	1,467.3	1,697.9	
Operating expenses	- 1,337.2	- 1,466.6	- 1,196.6	- 1,320.7	- 1,466.1	- 1,732.0	- 1,178.4	- 1,272.1	- 1,470.6	
<b>Operating profit</b>	<b>125.1</b>	<b>152.0</b>	<b>106.6</b>	<b>127.7</b>	<b>246.5</b>	<b>315.3</b>	<b>102.2</b>	<b>195.2</b>	<b>227.3</b>	
Net financial expenses	8.8	- 11.6	- 10.4	- 16.3	- 12.1	- 12.2	- 8.6	- 19.5	- 15.1	
<b>Profit after net financial expenses</b>	<b>133.9</b>	<b>140.4</b>	<b>96.2</b>	<b>111.4</b>	<b>234.4</b>	<b>303.1</b>	<b>93.6</b>	<b>175.7</b>	<b>212.2</b>	
Tax	- 33.8	- 36.6	- 26.0	- 29.0	- 62.3	- 74.7	- 25.8	- 47.0	- 53.8	
<b>Net profit</b>	<b>100.1</b>	<b>103.8</b>	<b>70.2</b>	<b>82.4</b>	<b>172.1</b>	<b>228.4</b>	<b>67.8</b>	<b>128.7</b>	<b>158.4</b>	

## Net Sales – Business Areas

(in millions of SEK)	2011				2010				2009	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	483.3	490.7	427.7	425.4	412.7	493.9	401.8	381.1	429.0	
NIBE Energy Systems	784.4	969.7	698.5	868.5	1,016.0	1,142.1	773.9	876.9	935.2	
NIBE Stoves	222.1	192.4	208.9	184.2	307.9	443.2	150.1	230.2	361.4	
Elimination of Group transactions	- 27.5	- 34.2	- 31.9	- 29.7	- 24.0	- 31.9	- 45.2	- 20.9	- 27.7	
<b>Group</b>	<b>1,462.3</b>	<b>1,618.6</b>	<b>1,303.2</b>	<b>1,448.4</b>	<b>1,712.6</b>	<b>2,047.3</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				2009	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	36.2	30.1	30.9	27.1	25.7	40.8	13.1	8.5	18.1	
NIBE Energy Systems	77.1	136.6	63.2	107.0	177.7	196.8	93.0	150.1	150.1	
NIBE Stoves	17.1	3.9	16.1	3.2	47.4	86.1	1.1	38.7	67.2	
Elimination of Group transactions	- 5.3	- 18.6	- 3.6	- 9.6	- 4.3	- 8.4	- 5.0	- 2.1	- 8.1	
<b>Group</b>	<b>125.1</b>	<b>152.0</b>	<b>106.6</b>	<b>127.7</b>	<b>246.5</b>	<b>315.3</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 second 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").

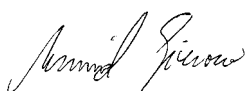
In the case of transactions with associates, the same accounting principles apply as those described on page 65 of the company's Annual Report for 2010.

## 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 – 16 August 2011



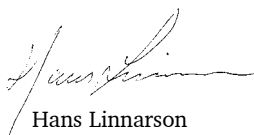
Arvid Gierow  
Chairman of the Board




Georg Brunstam  
Director



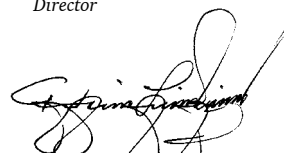
Eva-Lotta Kraft  
Director



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 7.00 (C.E.T.) on 16 August 2011.

Please e-mail any questions you have with regard to this interim report to:  
Gerteric Lindquist, MD and Group CEO, [gerteric.lindquist@nibe.se](mailto:gerteric.lindquist@nibe.se);  
Leif Gustavsson, CFO, [leif.gustavsson@nibe.se](mailto:leif.gustavsson@nibe.se)

**NIBE**

NIBE Industrier AB (publ) · Box 14, SE-285 21 Markaryd, SWEDEN  
Tel +46 (0)433 - 73 000 · Fax +46 (0)433 - 73 192  
[www.nibe.com](http://www.nibe.com) · Corporate identity number: 55 63 74 - 8309