

NIBE

– world-class solutions in sustainable energy



- **SALES** totalled
SEK 4,838.5 million (SEK 4,412.6 million)
- **PROFIT AFTER NET FINANCIAL ITEMS**
was SEK 432.4 million (SEK 375.7 million)
- **PROFIT AFTER TAX**
was SEK 330.7 million (SEK 284.7 million)
- **EARNINGS** per share before and after dilution
were SEK 3.00 (SEK 2.58)
- **ACQUISITION OF**
– operations in Technibel SAS, France
- **PUBLIC OFFER FOR**
– US-based WaterFurnace Renewable Energy Inc.

Interim Report 2 2014



Gerteric Lindquist
Managing Director and CEO

Chief Executive's Report

Positive first half-year with high acquisition activity

Group sales for the first half of the year grew by 9.7% (-0.3%). In organic terms, sales rose by 6.9% (-8.6%). In addition to improved demand, sales for the first half of the year were also positively affected by the weaker Swedish krona.

Demand was clearly better than in the same period last year, but, as noted previously, it should be remembered that the market for the entire first half of 2013 was especially cautious.

The variations in demand during the first six months of the year reflect a fragile economic recovery. Although demand was good in the first quarter, it was relatively weak in the first half of the second quarter but recovered once again in the latter part of the quarter.

In light of this, we are maintaining our focus on costs and significant flexibility in production. As before, we are also allocating considerable resources to constantly improving productivity. Together with continued market share growth, this has enabled us to further improve our operating margin.

Most of NIBE Energy Systems' main markets are showing stable performance, with the exception of both the Finnish and Dutch markets, which are both suffering from considerably weaker production of single-family housing. However, the new product launches over recent quarters have been very well received by the market.

For NIBE Element, demand is continuing to improve within most market segments in Europe, North America and Asia. Combined with successful product development, this is generating continued healthy organic growth.

The overall European wood stove market is considered to be at the same level as last year. For NIBE Stoves, the positive performance in Sweden and the UK has been the major highlight. Along with a number of successful product launches, this has enabled continued stable organic growth.

In line with our established strategy, we have remained active in the ongoing consolidation of the sector within our three respective business areas.

The first quarter saw the acquisition of operations from French heat pump company Technibel, which has annual sales of just over SEK 105 million. This will form the basis for NIBE Energy Systems' continued expansion in France.

At the end of June, NIBE entered into a conditional agreement to acquire 100% of shares in North American heat pump company WaterFurnace Renewable Energy Inc., which has annual sales of

some SEK 800 million and an operating margin of approximately 17%. The company is one of the very leading heat company producers in North America and is a good fit for NIBE Energy Systems' strategy to be a market leader in renewable energy solutions for a comfortable indoor climate. The acquisition is conditional on approval by WaterFurnace's owners at an extraordinary meeting of the company's shareholders on 18 August.

During the period, two small bolt-on acquisitions were made within NIBE Element comprising total sales of around SEK 25 million.

Operating profit for the first half-year improved by 17.5% compared with the corresponding period last year and the operating margin rose from 9.0% to 9.7%. Operating profit was also positively affected by the weaker Swedish krona.

Profit after financial items improved by 15.1% in the first half-year compared with the corresponding period in 2013, leading to a profit margin of 8.9% versus 8.5% for the same period last year.

Outlook for 2014

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

In terms of markets, most of our exposure is towards countries with strong economies.

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

We will be defending our margins through continual initiatives to improve productivity and by taking a cautious approach to fixed costs. There will also be a considerable focus on professional marketing and a high pace of product development.

Previous wording, fifth paragraph

Combined with an increasing number of positive economic signals, we can look to the future with confidence.

New wording, fifth paragraph

This means we can look to the future with confidence.

Markaryd, 15 August 2014

Gerteric Lindquist
Managing Director & CEO

Financial targets

- Average annual sales growth of 20%.
- An operating margin 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

15 August 2014

11.00 (C.E.T) Teleconference (in English);

Presentation of Interim Report 2 2014 and opportunity to ask questions.

NOTE - registration on our website www.nibe.com is required in order to access the presentation images during the conference.

To listen to the presentation by phone, call +46 8 519 990 30

14 November 2014

Interim Report 3, Jan - Sept 2014

12 February 2015

Year-end report 2014

April 2015

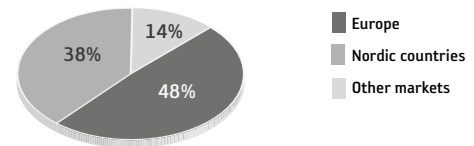
Annual Report 2014

11 May 2015

Interim Report 1, Jan - March 2015

Annual General Meeting 2015

Group sales by geographical region



Sales

Group net sales for the period totalled SEK 4,838.5 million (SEK 4,412.6 million). This corresponds to growth of 9.7%, of which 6.9% was organic growth. Acquired operations accounted for SEK 125.3 million of the total SEK 425.9 million increase in sales.

Earnings

Profit for the quarter after net financial items was SEK 432.4 million. This equates to a 15.1% increase in earnings compared with the SEK 375.7 million for the corresponding period in 2013. Profit for the period has been charged with acquisition expenses of SEK 11.4 million versus SEK 6.9 million for the same period last year. Return on equity was 16.1% (16.0%).

Acquisitions

At the start of February NIBE acquired operations in French company Technibel SAS, which has annual sales of approximately SEK 105 million. Technibel is solely a sales company for air conditioning products and heat pumps under the well-established Technibel brand.

At the end of June, NIBE entered into an agreement to acquire 100% of shares in North American heat pump company WaterFurnace Renewable Energy Inc., which has annual sales of some SEK 800 million and an operating margin of approximately 17%. The company is listed on the Canada's Toronto Stock Exchange, and according to the agreement the company's shareholders will receive 30.60 Canadian dollars in cash for each share. The total purchase price is calculated to be approximately SEK 2.4 billion. Completion of the transaction is partly conditional on approval by shareholders representing at least two-thirds of votes at an extraordinary meeting of the shareholders in WaterFurnace in August. Owners of around 25% of the shares have already committed to vote for approval.

During the period, two smaller bolt-on acquisitions were made comprising total annual sales of around SEK 25 million.

Investments

Group investments for the period January–June amounted to SEK 160.2 million (SEK 674.5 million). A total of SEK 42.3 million (SEK 525.2 million) of this sum relates to acquisitions. The remaining SEK 117.9 million (SEK 149.3 million) is mainly investments in machinery and equipment in

existing operations. The investment with regard to acquisitions is based on initial purchase prices as well as an estimate of additional consideration to be paid.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 501.3 million (SEK 526.5 million). Cash flow after changes in working capital amounted to SEK 170.8 million (SEK 208.2 million).

Interest-bearing liabilities at the end of the period amounted to SEK 4,796.5 million, compared with SEK 4,591.3 million at the start of the year.

At the end of June the Group had liquid funds of SEK 2,136.3 million as against SEK 2,369.2 million at the start of the year.

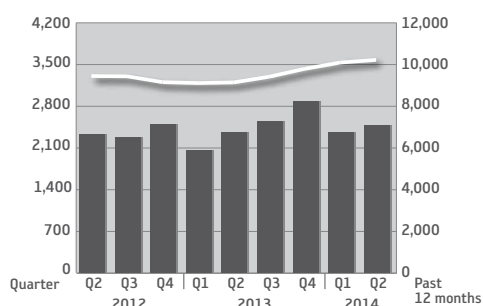
The equity/assets ratio at the end of the period was 42.8%, compared with 43.0% at the start of the year and 39.3% at the corresponding point last year.

Parent

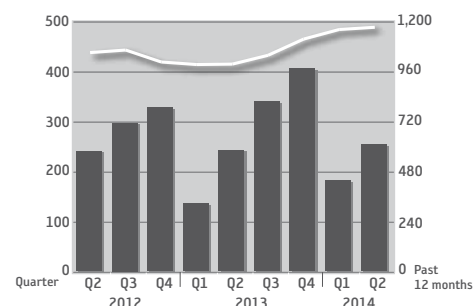
Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 4.9 million (SEK 4.1 million) and profit after financial items was SEK 884.5 million (SEK 488.5 million). At the end of the reporting period the parent company had liquid funds of SEK 1,116.1 million compared with SEK 979.5 million at the start of the year.

NIBE Group		2014	2013	Past	2013
Key figures		Q1-2	Q1-2	12 mths	full-year
Net sales	SEK m	4,838.5	4,412.6	10,259.5	9,833.6
Growth	%	9.7	- 0.3	11.8	7.0
of which acquired	%	2.8	8.3	6.7	9.3
Operating profit	SEK m	468.7	398.9	1,249.0	1,179.2
Operating margin	%	9.7	9.0	12.2	12.0
Profit after net financial items	SEK m	432.4	375.7	1,174.1	1,117.4
Profit margin	%	8.9	8.5	11.4	11.4
Equity/assets ratio	%	42.8	39.3	42.8	43.0
Return on equity	%	16.1	16.0	17.1	16.7

Net sales
Past nine quarters (in millions of SEK)

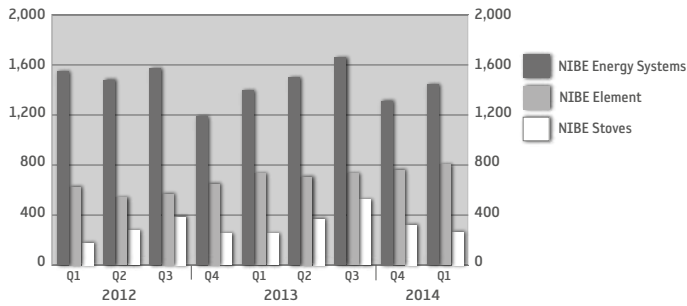


Profit after financial items
Past nine quarters (in millions of SEK)

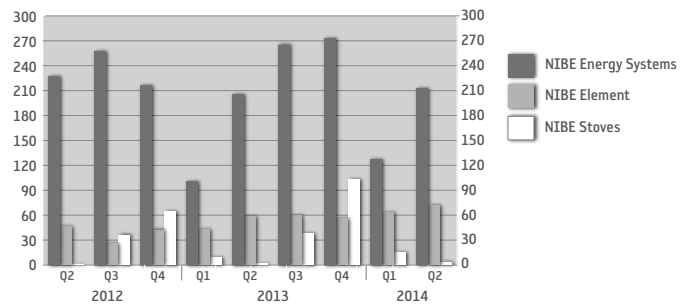


Business Area trends

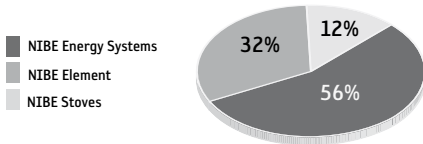
Sales by business area
Past 9 quarters (in millions of SEK)



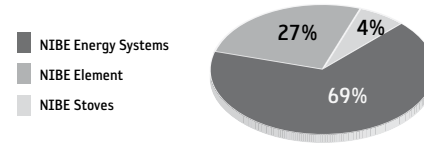
Operating profit by business area
Past 9 quarters (in millions of SEK)



Business area contributions to sales



Business area contributions to profit



International sales seminar

Internationalisation of operations continues. In the spring NIBE Energy Systems held an international sales seminar in Markaryd, Sweden with representatives from around 30 markets on the theme of "Future growth based on NIBE's newly developed range of products".



Sales and profit

Sales for the period totalled SEK 2,757.8 million, compared with SEK 2,583.0 million for the corresponding period last year. The increase in sales was SEK 174.8 million with acquired sales accounting for SEK 45.2 million of this sum, which means that organic growth was 5.1%.

Operating profit for the period totalled SEK 339.2 million, compared with SEK 306.5 million the previous year. This equated to an operating margin of 12.3% compared with 11.9% for the previous year. This means that the operating margin for the past 12 months is 14.8%.

Market

Overall, the slightly improving market trend appears to be persisting in a number of European markets, although this is from a relatively low level and temporary local declines are also occurring. Demand in the second quarter has generally been slightly weaker than in the first quarter, which we believe is a slip back following the very strong demand, in relative terms, of the first quarter, which was mainly due to considerably more installations than normal made possible by the unusually mild winter.

Increased new construction of single-family houses and the goal of increasing the overall use of renewable energy in Europe is contributing to growth. Demand is a fairly good reflection of the economic conditions in the respective countries, but the four largest heat-pump markets in Europe, i.e. France, Germany, Sweden and Switzerland, are continuing to show stable development. However, the Dutch market, where we have considerable market presence, has been weak, owing mainly to an exceptionally low rate of new housing production.

Despite an unsettled political situation, a number of markets in Eastern European are showing sales growth and performed strongly in the first half-year.

The general trend in Europe is to recover energy from both outdoor and indoor air, which fits well with our development focus and our latest product launches.

The UK's RHI (Renewable Heating Incentive) financial support programme, which was launched at the start of April, has gone well and our sales on the UK market are showing considerable growth. We also believe our newly introduced heat pump models have good opportunities for expansion on this market.

Although there was something of a slump in demand on the Swedish heat pump market in the middle of the second quarter, overall it showed growth in the first half of the year. Products for larger properties have increased significantly following last year's decline, and it is also in this segment that we are gaining most market share. Our total market share for heat pumps has also increased, and as a result we have further strengthened our already solid market position. The rest of the Nordic

heat pump market is also showing stable performance, with the exception of Finland which showed a decline, mainly as a result of a general economic slowdown in that country.

For traditional electric water-heaters, performance in the Nordic and European markets remains stable, while sales of conventional domestic boilers remain sluggish. With more stringent legal requirements regarding energy efficiency in the production of hot water, the market for heat pumps used solely for heating hot water looks set to expand, which we regard as a good opportunity for growth.

Operations

Internationalisation of operations continues. In the spring an international sales seminar was held in Markaryd, Sweden with representatives from about 30 markets based around the theme of "Future growth based on NIBE's newly developed range of products".

The integration of the French operations of Technibel SAS, which was acquired in February, is proceeding according to the established plan and it is believed that they will form an important platform for future expansion.

The end of June saw publication of the conditional agreement on the acquisition of North American heat pump manufacturer WaterFurnace Renewable Energy Inc., a market leader in North America within ground/geothermal heat pumps aimed at the mass market segment for smaller properties. The company, which has annual sales of approximately SEK 800 million with a 17% operating margin, will be able to provide us with market-specific products and solutions for an energy-efficient comfortable indoor climate under the well-known brands of WaterFurnace and GeoStar. This will bolster our position as a global market leader within sustainable energy solutions. See page 3, Acquisitions, for further information about this transaction.

NIBE Energy Systems		2014	2013	Past	2013
Key figures		Q1-2	Q1-2	12 mths	full-year
Net sales	SEK m	2,757.8	2,583.0	5,914.6	5,739.9
Growth	%	6.8	- 9.4	5.0	- 2.7
of which acquired	%	1.7	1.0	1.0	0.7
Operating profit	SEK m	339.2	306.5	876.9	844.2
Operating margin	%	12.3	11.9	14.8	14.7
Assets	SEK m	8,378.9	7,957.4	8,378.9	8,098.6
Liabilities	SEK m	1,171.8	1,054.2	1,171.8	1,067.7
Investments in fixed assets	SEK m	87.5	68.6	204.6	185.7
Depreciation	SEK m	117.7	118.9	239.2	240.4

Expansion on the North American market

The end of June saw publication of the conditional agreement on the acquisition of North American heat pump manufacturer WaterFurnace Renewable Energy Inc., a market leader in North America within ground/geothermal heat pumps aimed at the mass market segment for small properties. The company is headquartered in Fort Wayne, Indiana, where its main production is based.



Sales and profit

Sales for the period totalled SEK 1,562.2 million, compared with SEK 1,384.3 million for the corresponding period last year. The increase in sales was SEK 177.9 million with acquired sales accounting for SEK 39.6 million of this sum, which means that organic growth was 10.0%.

Operating profit for the period totalled SEK 135.1 million, compared with SEK 100.8 million the previous year. This equates to an operating margin of 8.6% compared with 7.3% for the same period last year. This means that the operating margin for the past 12 months is 8.4%.

Market

Demand on the international element market continued to show positive development in the first half of the year. This is due to gradual strengthening of industrial activity in Northern Europe and a stabilisation of the Southern European market following several years of decline.

The North American and Asian markets are demonstrating continued stable growth across most segments.

In terms of the different segments, products relating to renewable and energy-efficient residential heating have generally increased. In particular, the recent unusually cold winter in North America had a positive affect on demand.

In the domestic appliance market, demand was stable in Europe and, following weaker performance early on in the year in North America, we are now seeing a slight increase in demand.

Within the industrial sector, products related to energy production for oil, gas and wind power have enjoyed good growth. We have successfully launched a number of unique products, which has further strengthened our market presence and position in this sector. We also see good opportunities for further expansion in this area.

Our unique technical solutions for the control and regulation of electric motors has also enjoyed strong growth and good potential, as new efficiency requirements for this type of product are constantly being introduced by both local and transnational authorities.

The transport sector, which includes both the automotive industry and rail-based traffic, also saw positive performance in the first half of the year. A number of new innovative products were launched and new customer projects were implemented, most of which related to improving environmental performance.

Operations

We are continuing to successfully take structural measures to create competitive units within each market segment. This involves further investments within automation and mechanisation, as well as a major focus on the development of production technology and implementation of extensive programmes of measures to ensure necessary productivity improvements. All of these steps are aimed at achieving our targeted operating margin level.

Our market presence was further strengthened in both North America and Asia as we continue to expand our sales organisation, particularly for industrial and commercial products.

We made two small bolt-on acquisitions in the second quarter. In order to further bolster our opportunities to supply complete solutions for customers in the energy sector, we acquired a small control engineering business in Denmark with annual sales of approximately SEK 20 million. We also purchased our Australian distributor of elements and thermostats, which has annual sales of around SEK 5 million. Based on this business, the aim is to further develop the attractive Australian market, primarily based on products from our Asian units.

Raw material prices and exchange rates remain volatile, which is having a considerable effect on pricing and competitiveness. Our globalisation provides us with a real advantage in having production units in different currency zones.

NIBE Element		2014	2013	Past	2013
Key figures		Q1-2	Q1-2	12 mths	full-year
Net sales	SEK m	1,562.2	1,384.3	2,999.7	2,821.8
Growth	%	12.9	12.7	20.3	20.8
of which acquired	%	2.9	16.1	10.7	18.2
Operating profit	SEK m	135.1	100.8	251.0	216.7
Operating margin	%	8.6	7.3	8.4	7.7
Assets	SEK m	2,933.4	2,726.5	2,933.4	2,758.2
Liabilities	SEK m	610.9	554.2	610.9	547.6
Investments in fixed assets	SEK m	30.9	41.8	72.1	83.0
Depreciation	SEK m	49.7	44.1	97.3	91.7



New innovative launches in the transport sector

A number of new innovative products were launched and new customer projects were implemented, most of which related to improving environmental performance.

Sales and profit

Sales for the period totalled SEK 584.3 million, compared with SEK 503.4 million for the corresponding period last year. The increase in sales was SEK 80.9 million with acquired sales accounting for SEK 40.5 million of this sum, which means that organic growth was 8.1%.

Operating profit totalled SEK 18.4 million, compared with SEK 10.5 million for the corresponding period last year. The operating margin rose from 2.1% last year to 3.1%. This means that the operating margin for the past 12 months is 10.8%.

Market

Following a slightly stronger start to the year and relatively healthy demand for wood stove products on a number of our markets in Europe, performance in the second quarter was more in line with last year. Traditionally, the second quarter accounts for the smallest proportion of total annual sales, while the second half of the year, especially the fourth quarter, is the key peak season.

In Scandinavia, demand in Sweden continues to improve, thanks largely to increased production of single-family houses and renovation of housing. The recent interest rate cut and the relatively stable Swedish economy is likely to benefit us in Sweden, which remains an important market. In Denmark too we have noted a slight improvement in demand, although the comparative figures for both markets are at historically very low levels. In Norway, which saw a weak start to the year, the trend is currently slightly more positive.

The improvement in the European economy is still tentative, which has meant that demand for wood stove products in countries like Germany has not taken off and we believe that the first half of the year is actually slightly weaker than the same period last year.

In the UK, however, demand for wood stove products has continued to develop well from a level that was already comparatively high. Demand is being driven by the strong UK economy and generous financing options in conjunction with house purchases.

In Northern Europe, demand is still greatest for freestanding wood stoves and wood-burning inserts with a modern design, two segments that constitute the main focus of our product range. Interest in pellet-fired stoves has increased in Southern Europe, particularly in the French mar-

ket where wood-fired products take something of back seat to pellet-fired stoves, especially in newly constructed single-family housing.

Operations

Last year saw a large number of product launches under all of our well-known brands, which is a considerable contributory factor in the sales increase in the first half of this year.

This year we have consciously had a slightly slower pace of product launches to ensure we achieve the optimal sales effects from the newly launched products. However, our overall investment in product development has not decreased and a large number of new products will be launched over the coming 24 months. A key new product this year is an upgraded version of the highly popular free-standing Contura 500 stove series, which with its simple and timeless design and its characteristic side glass has become something of a trendsetter in the industry and one of the top-selling products in Europe. We estimate that deliveries of the new version will begin in the third quarter.

The pace of production in our manufacturing units was at a high and consistent level in the first half of the year. In order to meet the traditional peak season in the autumn, during the spring we implemented a well-balanced build-up of inventory of finished products, which, in view of the considerably longer lead times in the autumn, will enable us to maintain a high security of supply.

NIBE Stoves		2014	2013	Past	2013
Key figures		Q1-2	Q1-2	12 mths	full-year
Net sales	SEK m	584.3	503.4	1,476.2	1,395.3
Growth	%	16.1	25.3	26.6	31.1
of which acquired	%	8.0	35.0	25.1	36.9
Operating profit	SEK m	18.4	10.5	159.7	151.8
Operating margin	%	3.1	2.1	10.8	10.9
Assets	SEK m	1,647.9	1,518.5	1,647.9	1,592.2
Liabilities	SEK m	236.7	184.0	236.7	206.1
Investments in fixed assets	SEK m	13.1	12.5	27.3	26.6
Depreciation	SEK m	27.5	24.8	55.3	52.6



Update of trend-setting Contura 500

A key new product this year is an upgraded version of the highly popular free-standing Contura 500 stove series, which with its simple and timeless design has become something of a trendsetter in the industry and one of the top-selling products in Europe.

Income Statement summaries

(in millions of SEK)	Group						Parent	
	Q2	Q2.	Jan-June	Jan-June	Past12 mths	Full-year	Jan-June	Jan-June
	2014	2013	2014	2013		2013	2014	2013
Net sales	2,477.2	2,350.2	4,838.5	4,412.6	10,259.5	9,833.6	4.9	4.1
Cost of goods sold	- 1,614.4	- 1,553.9	- 3,191.1	- 2,962.2	- 6,690.7	- 6,461.8	0.0	0.0
Gross profit	862.8	796.3	1,647.4	1,450.4	3,568.8	3,371.8	4.9	4.1
Selling expenses	- 456.2	- 426.3	- 910.8	- 822.5	- 1,826.8	- 1,738.5	0.0	0.0
Administrative expenses	- 168.5	- 143.5	- 325.2	- 282.7	- 622.2	- 579.7	- 19.6	- 19.4
Other operating income	34.2	28.3	57.3	53.7	129.2	125.6	0.0	0.0
Operating profit	272.3	254.8	468.7	398.9	1,249.0	1,179.2	- 14.7	- 15.3
Net financial items	- 20.1	- 13.3	- 36.3	- 23.2	- 74.9	- 61.8	899.2	503.8
Profit after net financial items	252.2	241.5	432.4	375.7	1,174.1	1,117.4	884.5	488.5
Tax	-59.8	- 55.6	- 101.7	- 91.0	- 270.1	- 259.4	0.0	0.0
Net profit	192.4	185.9	330.7	284.7	904.0	858.0	884.5	488.5
Net profit attributable to Parent shareholders	192.4	185.9	330.7	284.7	904.0	858.0	884.5	488.5
<i>Includes depreciation according to plan as follows</i>	<i>97.5</i>	<i>95.3</i>	<i>194.8</i>	<i>187.9</i>	<i>391.5</i>	<i>384.6</i>	<i>0.0</i>	<i>0.0</i>
<i>Net profit per share before and after dilution in SEK</i>	<i>1.74</i>	<i>1.69</i>	<i>3.00</i>	<i>2.58</i>	<i>8.20</i>	<i>7.78</i>		

Statement of comprehensive income

Net profit	192.4	185.9	330.7	284.7	904.0	858.0	884.5	488.5
Other comprehensive income								
Items that will not be reclassified to profit or loss								
Actuarial gains and losses in retirement benefit plans	0.0	0.0	0.0	0.0	35.4	35.4	0.0	0.0
Tax	0.0	0.0	0.0	0.0	- 7.5	- 7.5	0.0	0.0
	0.0	0.0	0.0	0.0	27.9	27.9	0.0	0.0
Items that may be reclassified to profit or loss								
Cash flow hedges	- 0.9	- 11.4	1.0	- 5.9	1.7	- 5.1	0.4	0.0
Hedging of net investment	- 122.2	- 127.4	- 142.7	- 3.6	- 221.2	- 82.1	- 142.0	- 3.7
Exchange differences	262.1	248.2	287.7	- 39.3	447.0	120.0	0.0	0.0
Tax	27.1	31.0	31.0	2.5	47.8	19.2	31.2	0.8
	166.1	140.4	177.0	- 46.3	275.3	52.0	- 110.4	- 2.9
Total other comprehensive income	166.1	140.4	177.0	- 46.3	303.2	79.9	- 110.4	- 2.9
Total comprehensive income	358.5	326.3	507.7	238.4	1,207.2	937.9	774.1	485.6
Total comprehensive income attributable to Parent shareholders	358.5	326.3	507.7	238.4	1,207.2	937.9	774.1	485.6

Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	30 Jun 2014	30 Jun 2013	31 Dec 2013	30 Jun 2014	30 Jun 2013	31 Dec 2013
Intangible non-current assets	6,381.2	6,059.5	6,153.6	0.0	0.0	0.0
Property, plant and equipment	1,908.1	1,855.0	1,889.1	0.1	0.0	0.0
Non-current financial assets	173.6	166.0	155.2	8,230.0	8,285.0	8,187.4
Total non-current assets	8,462.9	8,080.5	8,197.9	8,230.1	8,285.0	8,187.4
Inventories	2,093.6	1,884.8	1,760.0	0.0	0.0	0.0
Current receivables	1,691.8	1,634.3	1,414.7	61.4	60.8	72.9
Current investments	2.3	0.0	3.0	0.0	0.0	0.0
Cash and bank balances	1,367.1	802.1	1,591.2	716.1	260.0	579.5
Total current assets	5,154.8	4,321.2	4,768.9	777.5	320.8	652.4
Total assets	13,617.7	12,401.7	12,966.8	9,007.6	8,605.8	8,839.8
Equity	5,824.0	4,875.8	5,575.4	3,875.8	3,384.5	3,360.8
Untaxed reserves	0.0	0.0	0.0	1.1	1.1	1.1
Non-current liabilities and provisions, non-interest bearing	1,262.8	1,245.4	1,267.2	510.1	530.6	517.5
Non-current liabilities and provisions, interest bearing	4,580.4	4,316.4	4,390.7	4,445.2	4,300.0	4,796.7
Current liabilities and provisions, non-interest bearing	1,734.4	1,530.2	1,532.9	17.7	16.8	22.6
Current liabilities and provisions, interest bearing	216.1	433.9	200.6	157.7	372.8	141.1
Total equity and liabilities	13,617.7	12,401.7	12,966.8	9,007.6	8,605.8	8,839.8

Key figures		Jan-June 2014	Jan-June 2013	Full-year 2013
Growth	%	9.7	- 0.3	7.0
Operating margin	%	9.7	9.0	12.0
Profit margin	%	8.9	8.5	11.4
Investments in fixed assets	SEK m	160.2	674.5	911.6
Unappropriated liquid assets	SEK m	2,136.3	1,574.3	2,369.2
Working capital, incl. cash and bank balances as share of net sales	SEK m %	3,204.3 31.2	2,357.1 25.7	3,035.3 30.9
Working capital, excl. cash and bank balances as share of net sales	SEK m %	1,837.2 17.9	1,555.0 16.9	1,444.1 14.7
Interest-bearing liabilities/Equity	%	82.4	97.4	82.3
Equity/assets ratio	%	42.8	39.3	43.0
Return on capital employed	%	12.5	11.5	12.4
Return on equity	%	16.1	16.0	16.7
Net debt/EBITDA	times	2.1	2.8	1.9
Interest coverage ratio	times	6.5	9.1	12.4

Data per share		Jan-June 2014	Jan-June 2013	Full-year 2013
Net profit per share (total 110,253,638 shares)	SEK	3.00	2.58	7.78
Equity per share	SEK	52.82	44.22	50.57
Closing day share price	SEK	210.00	105.30	145.00

Financial instruments measured at fair value	30 June 2014	30 June 2013	31 Dec 2013
(in millions of SEK)			
Current receivables			
Currency futures	7.7	6.0	7.2
Raw materials futures	1.8	0.0	0.3
Total	9.5	6.0	7.5
Current liabilities and provisions, non interest-bearing			
Currency futures	12.5	8.6	11.0
Raw materials futures	0.0	2.1	0.5
Total	12.5	10.7	11.5

No instruments have been offset in the statement of financial position, so all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 2 in the Annual Report for 2013. In respect of other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 7 in the Annual Report for 2013.

Statement of cash flow – summaries		Jan-June 2014	Jan-June 2013	Full-year 2013
(in millions of SEK)				
Cash flow from operating activities		501.3	526.5	1,255.4
Change in working capital		- 330.5	- 318.3	- 186.2
Investment activities		- 151.8	- 330.4	- 474.8
Financing activities		- 267.9	- 3.8	50.6
Exchange difference in liquid funds		24.8	- 6.2	11.9
Change in liquid assets		- 224.1	- 132.2	656.9

Change in equity – summaries		Jan-June 2014	Jan-June 2013	Full-year 2013
(in millions of SEK)				
Equity brought forward		5,575.4	4,857.9	4,857.9
Shareholders' dividend		- 259.1	- 220.5	- 220.5
Repaid dividend to shareholders ¹⁾		0.0	0.0	0.1
Total comprehensive income for the period		507.7	238.4	937.9
Equity carried forward		5,824.0	4,875.8	5,575.4

¹⁾ Dividends from 2003 that have not been redeemed and have therefore expired.

Quarterly data

Consolidated income statements (in millions of SEK)	2014		2013				2012		
	Q 1	Q 2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	2,361.3	2,477.2	2,062.4	2,350.2	2,544.9	2,876.1	2,318.4	2,271.2	2,496.0
Operating expenses	- 2,164.9	- 2,204.9	- 1,918.3	- 2,095.4	- 2,187.7	- 2,453.0	- 2,054.5	- 1,958.9	- 2,190.9
Operating profit	196.4	272.3	144.1	254.8	357.2	423.1	263.9	312.3	305.1
Net financial items	- 16.2	- 20.1	- 9.9	- 13.3	- 19.3	- 19.3	- 24.6	- 16.6	18.9
Profit after net financial items	180.2	252.2	134.2	241.5	337.9	403.8	239.3	295.7	324.0
Tax	- 41.9	- 59.8	- 35.4	- 55.6	- 74.8	- 93.6	- 59.5	- 72.6	- 71.7
Net profit	138.3	192.4	98.8	185.9	263.1	310.2	179.8	223.1	252.3
Net sales Business Areas									
NIBE Energy Systems	1,312.5	1,445.3	1,185.3	1,397.7	1,498.9	1,658.0	1,548.8	1,477.8	1,571.1
NIBE Element	758.7	803.5	649.8	734.5	704.5	733.0	624.4	540.5	568.1
NIBE Stoves	320.2	264.1	252.3	251.1	368.7	523.2	175.9	276.5	386.0
Elimination of Group transactions	- 30.1	- 35.7	- 25.0	- 33.1	- 27.2	- 38.1	- 30.7	- 23.6	- 29.2
Group total	2,361.3	2,477.2	2,062.4	2,350.2	2,544.9	2,876.1	2,318.4	2,271.2	2,496.0
Operating profit Business Areas									
NIBE Energy Systems	127.2	212.0	101.1	205.4	264.9	272.8	226.6	256.7	212.5
NIBE Element	63.2	71.9	42.4	58.4	59.9	56.0	46.6	25.7	43.2
NIBE Stoves	15.0	3.4	8.9	1.6	38.3	103.0	0.4	35.9	64.4
Elimination of Group transactions	- 9.0	- 15.0	- 8.3	- 10.6	- 5.9	- 8.7	- 9.7	- 6.0	- 15.0
Group total	196.4	272.3	144.1	254.8	357.2	423.1	263.9	312.3	305.1

Accounting policies

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 2014 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". Segment-based reporting has been amended compared with previous periods so that liabilities in segments are now only recognised if they are operating liabilities. Comparative figures for previous periods have been adjusted correspondingly. In other respects, the same accounting policies as those adopted for this report are described on pages 66–68 of the company's Annual Report for 2013. Reporting for the Parent 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, these have taken place to the same extent as in the previous year and the same accounting policies apply as those described on page 66 of the company's Annual Report for 2013.

Risks and uncertainties

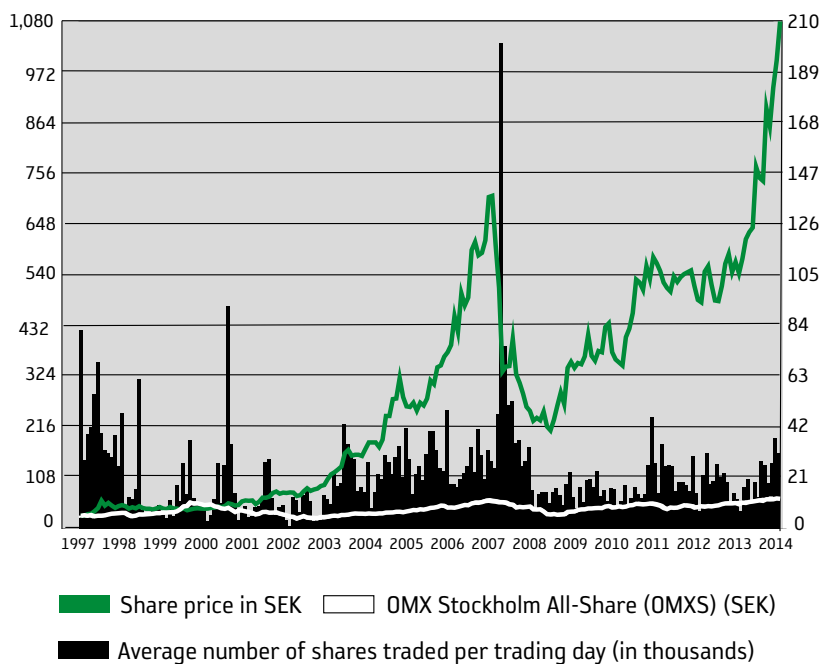
NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient 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 2013.

NIBE shares

NIBE's class B shares are listed on the NASDAQ OMX Stockholm Exchange, Large Cap list. The NIBE share's closing price at 30 June 2014 was SEK 210.00. In the first and second quarters of 2014, NIBE's share price rose by 44.8%, from SEK 145.00 to SEK 210.00. During the same period, the OMX Stockholm All-share index (OMXS) increased by 14.0%. This means that, at the end of June 2014 the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 23,153.3 million. A total of 17,442,095 NIBE shares were traded, which corresponds to a share turnover of 31.6% in the first half of 2014.

Shares traded per day (in thousands)

Share price in SEK



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

Markaryd, 15 August 2014

Arvid Gierow
Chairman of the Board

Georg Brunstam
Director

Eva-Lotta Kraft
Director

Hans Linnarson
Director

Anders Pålsson
Director

Gerteric Lindquist
Managing Director & CEO

The information in this report has not been subjected to review by the company's auditors.
For other information and definitions, please refer to the company's Annual Report for 2013.



NIBE is an international heating technology company with business operations organised in three separate business areas; NIBE Energy Systems, NIBE Element and NIBE Stoves. Our vision is to create world-class solutions in sustainable energy. Our mission is to offer energy technology products and solutions that combine high quality with innovation. This work builds on the NIBE Group's wide-ranging expertise in product development, manufacturing and marketing.

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 08.00 (C.E.T.) on 15 August 2014.

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

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