

NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 6,343 million (SEK 6,115 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 645 million (SEK 572 million)
- **PROFIT AFTER TAX** was SEK 480 million (SEK 439 million)
- **EARNINGS** per share before and after dilution were SEK 1.09 (SEK 1.00)
- **ACQUISITION OF**
 - North American company Heatron Inc.
 - remaining 40% of shares in British company Stovax Heating Group Ltd.
 - 50% of shares in Air Site AB
 - operations of the Italian company ATE Electronics
 - North American company Climate Control Group Inc. (July)

Interim report 2 · 2016



CEO Gerteric Lindquist's report

A positive first six months for all three business areas

Group sales grew by 3.7% in the first half of the year, including organic growth of 1.7%. Organic sales growth weakened as the Swedish krona strengthened, the reverse of the situation in the first six months of 2015.

The general demand situation in Europe has varied from industry to industry and country to country. However, cautious optimism has been noted overall. Developments continued to be slightly more favourable in North America and Asia. The general exception is the oil and gas industry, which continues to be plagued by low commodity prices, which in turn affect the market segments directly related to these industries.

We are pleased to report that all three of our business areas continued to succeed in both taking market share and improving their margins. This proof of our strength is the result of our tireless work to constantly strive for improvements, to never rest on our laurels and to work inquisitively to reveal the requirements that may be relevant in the future.

In the NIBE Climate Solutions business area, the acquisition of the US Climate Control Group is without doubt the biggest event as well as being the biggest acquisition ever, in terms of sales, for both the business area and the Group. In terms of products, the acquisition adds heat pumps, fan convectors, ventilation units and refrigeration systems/chillers. The acquisition means that we now offer a serious range of sustainable energy solutions in the commercial property segment in North America too. Our objective is to work with other companies in the business area, primarily on purchasing, production and administration, to further accelerate the margin improvement work already started in the Climate Control Group.

The NIBE Element business area continues to meet its target of having a stable, long-term operating margin of at least 10%. On a rolling 12-month basis, the operating margin is now 10.2% although deliveries to the oil and gas industry are extremely low. Entirely in accordance with our strategy, our products range is, in principle, comprehensive. We have an appropriate production-based presence on all major industrialised continents and our sustainability profile is being continuously enhanced.

The success at NIBE Stoves is a good illustration of how important it is to always strive to maintain good, lasting profitability and combine this with always leading the way in terms of proactive product development, rational production and professional marketing. No compromise is possible in any of these areas if operations are to develop positively. Our customers must always be offered reasonably priced products that combine the highest quality, timeless design and optimum environmental performance and efficiency.

Our ambitions in terms of acquisitions remain

high. So far this year, four new company acquisitions were completed, with total sales of just over SEK 2,600 million. Two small supplementary businesses and the remaining 40% of the shares in the British company Stovax were also acquired.

The acquisition of the Climate Control Group has limited our immediate financial capacity for further large acquisitions, and that is why the preferential rights issue announced in May is being planned for this autumn.

The level of investment in our existing businesses amounted to SEK 145 million in the first half of the year, compared with SEK 146 million last year, and a depreciation rate of SEK 242 million.

Operating profit for the first half-year improved by 11.8% compared with the corresponding period last year and the operating margin rose from 10.3% to 11.1%. The stronger krona had a weakening effect on the operating profit as well.

Profit after financial items improved by 12.8% in the first half-year compared with the corresponding period last year, leading to a profit margin of 10.2% versus 9.4% for the same period last year.

Outlook for 2016

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times in which we are living.
- We are well-prepared to be proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control measures, will guarantee persistently healthy margins.

Previous wording

- As with previous years, it is hard to predict how economic trends, currency concerns and the currently low energy prices will affect the Group, but we remain cautiously positive about the year overall.

New wording

As with previous years, it is hard to predict how economic trends, currency concerns, the currently low energy prices and the political turbulence in several parts of the world which has been increasing will affect the Group, but we remain cautiously positive about the year overall.

Markaryd, 19 August 2016


Gerteric Lindquist
Managing Director and CEO

Sales

Group net sales totalled SEK 6,343 million (SEK 6,115 million). This corresponds to growth of 3.7%, of which 1.7% was organic. Acquired operations accounted for SEK 125 million of the total SEK 228 million increase in sales.

Earnings

Profit for the period after net financial items was SEK 645 million. This equates to a 12.8% increase in earnings compared with the same period in 2015. Back then, profit after net financial items amounted to SEK 572 million. Profit for the period was charged with acquisition expenses of SEK 28 million versus SEK 4 million for the previous year. Return on equity was 17.3% (16.6%).

Acquisitions

North American company Heatron Inc. was acquired in the first quarter. It mainly produces foil elements, high power elements and thick film elements for high-tech industries in the North American market. The company has sales of approximately SEK 250 million and employs around 240 people. The company's operations were consolidated under the NIBE Element business area as of March 2016. The acquisition value is still provisional.

During the first quarter, the remaining 40% of shares in the British company Stovax Heating Group Ltd. were acquired. The company has a market-leading position on the British stove market.

A 50% stake in Swedish company Air-Site AB was acquired in April. The company, which has sales of SEK 26 million, is a ventilation knowledge company and was consolidated under the NIBE Climate Solutions business area as of April 2016. The acquisition value is still provisional.

The operations of the Italian resistor manufacturer ATE Electronics were acquired in June. The company has sales of SEK 30 million and was consolidated under the NIBE Element business area as of June 2016. The acquisition value is still provisional.

Significant events after the end of the period

The North American company Climate Control Group Inc. was acquired at the beginning of July. The company has sales of approximately SEK 2,300 million, an operating margin of approximately 7.3% and around 1,250 employees. Climate Control Group Inc. is one of North America's leading manufacturers in the field of heating, ventilation and air conditioning of commercial buildings and

detached homes and will be consolidated under the NIBE Climate Solutions business area as of July 2016.

Investments

During the period, the Group made investments totalling SEK 516 million (SEK 263 million). A total of SEK 371 million (SEK 117 million) of the investments relate to acquisitions of operations. The remaining SEK 145 million (SEK 146 million) is mainly investments in machinery and equipment in existing operations. The investment amount 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 698 million (SEK 665 million). Cash flow after changes in working capital amounted to SEK 368 million (SEK 394 million).

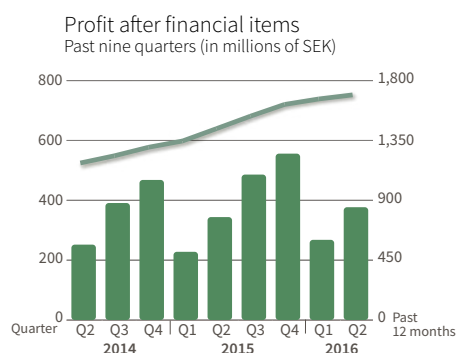
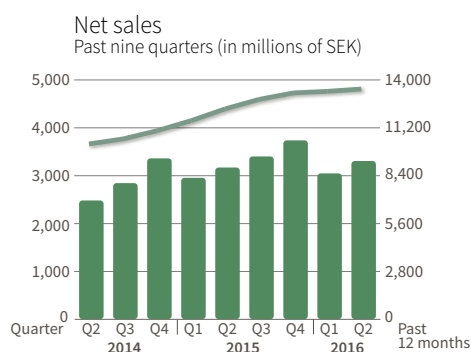
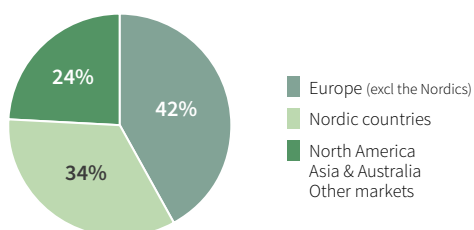
Interest-bearing liabilities at the end of the period amounted to SEK 10,979 million, compared with SEK 7,282 million at the start of the year. At the end of June, a bank credit of SEK 3,000 million was raised, under the existing credit agreement, to finance the acquisition of Climate Control Group Inc. The credit was recognised as a current interest-bearing liability in the consolidated balance sheet. The financial scope for further future acquisitions is therefore limited, for which reason a rights issue is planned for the autumn as announced last May. At the end of June the Group had cash and cash equivalents of SEK 5,030 million as against SEK 2,195 million at the start of the year. The equity/assets ratio at the end of the period was 34.5%, compared with 39.9% at the start of the year and 36.4% 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 6 million (SEK 6 million) and profit after financial items was SEK 658 million (SEK 792 million). At the beginning of the year, the parent transferred all its receivables from subsidiaries and all of its liabilities to credit institutions to the wholly owned subsidiary NIBE Treasury AB. The parent's bank balances were also transferred, so at the end of the reporting period available cash and cash equivalents totalled SEK 1 million compared with SEK 266 million at the start of the year. The parent's non-current interest-bearing liabilities now consist of bond loans and liabilities to NIBE Treasury AB.

NIBE Group Key figures		2016 Q1-2	2015 Q1-2	Past 12 mths	2015 Full year
Net sales	SEK m	6,343	6,115	13,471	13,243
Growth	%	3.7	26.4	9.4	20.0
of which acquired	%	2.0	14.3	3.9	9.5
Operating profit	SEK m	703	629	1,774	1,700
Operating margin	%	11.1	10.3	13.2	12.8
Profit after net financial items	SEK m	645	572	1,687	1,614
Profit margin	%	10.2	9.4	12.5	12.2
Equity/assets ratio	%	34.5	36.4	34.5	39.9
Return on equity	%	17.3	16.6	17.9	18.0

Group sales by geographical region



Business area NIBE Climate Solutions

Sales and profit

Sales for the period totalled SEK 3,756 million, compared with SEK 3,670 million for the corresponding period last year. The increase in sales was SEK 86 million with acquired sales accounting for SEK 7 million of this sum, which means that organic growth was 2.2%. Operating profit for the period totalled SEK 487 million, compared with SEK 458 million the previous year. This equates to an operating margin of 13.0% compared with 12.5% for the previous year. This means that the operating margin for the past 12 months is 15.3%.

Market

After several years of halting development on the European heat pump market, we are experiencing a change on a number of important markets. Fortunately, the first quarter growth on the German market continued during the second quarter and we also increased our market share. The potential for heat pump technology remains high in Germany, but high taxes on electricity combined with record low oil and gas prices are preventing faster conversion. In Finland, which also constitutes a major European market for heat pumps, last year's sharp decline has now bottomed out. The market remains dominated by ground-source/geothermal heat pumps but increased demand for air/water heat pumps is contributing to stable growth in our Finnish heat pump operations. The weaker economic conditions in Eastern Europe are contributing to cautious market growth and a lower rate of expansion in our local operations. However, with our wide product range we have been able to compensate for market downturns in some of the countries.

The heat pump market continued to grow in Sweden in the first half of 2016 despite the reduced home improvement subsidy. Increased construction of detached homes is contributing to organic growth, while our market share continues to increase. There is stable growth on the other Scandinavian markets and we have also enhanced our market position there.

On the North American market, there is marked interest in increased use of renewable energy, but the use of fossil fuels continues to dominate. Historically low prices for gas and oil are counteracting rapid conversion to more eco-friendly alternatives. During the first half of the year, the heat pump market for detached homes declined but this is estimated to be a short-term phenomenon. The market for large properties has developed more positively, meaning that our greater focus on new products in this area is timely. We are maintaining our position as the market leader for heat pumps for detached homes and, with the acquisition of the North American

market leader in heat pumps for large properties, Climate Master (part of the Climate Control Group), we are considerably enhancing our presence in heat pumps for the commercial property sector. Our North American operations in cooling applications continue to be strong with both good growth and profitability.

For traditional electric water-heaters, performance in the Nordic and other European markets is stable, while sales of conventional domestic boilers remain sluggish. Tougher energy efficiency requirements are also driving demand for heat pump installations for hot water only.

Operations

The acquisition of the North American Climate Control Group (CCG), as announced in conjunction with the previous interim report, was completed in early July following approval by the North American competition authorities. CCG is the leading manufacturer of HVAC solutions* for commercial buildings and detached homes on the North American market and well known for its brands ClimateMaster, IEC, ClimateCraft and ClimaCool. Its operations, with annual sales of approximately SEK 2,300 million and 1,259 employees, are a good match for our existing operations in the USA and enhance NIBE's position on the market. CCG, our biggest acquisition to date in terms of sales, will add important know-how and new products and provide considerably greater access to the commercial properties segment.

Through the partial acquisition of the Swedish ventilation company Air-Site AB, which was completed in April, NIBE has taken another strategically important step towards integrating heating and refrigeration with ventilation. Joint development work has already started and will result in optimised concept solutions for ventilation and heat pumps in large properties.

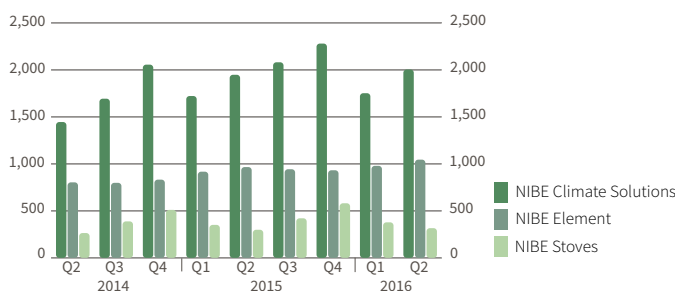
An international seminar titled 'Step Forward' was held at the end of May. The seminar focused on the need for NIBE Climate Solutions to assume a clear position on climate issues and show the world that we have the tools to create a more sustainable future, with product solutions that enhance energy efficiency, use renewable energy and thus contribute to reducing environmental impact.

Our production capacity and delivery capability fully satisfy market expectations and we are pleased to note that our internal quality management work, which has been a top priority, continues to result in improved product quality. We continue to prioritise maintaining our operating margin, which involves introducing cost-saving measures in both production and other areas of the business.

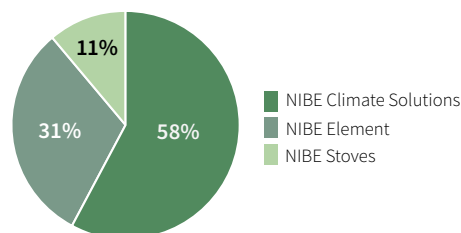
Business area trends

*HVAC stands for 'heating, ventilation and air conditioning'

Sales per business area, last nine quarters (SEK million)



Each business area's share of total sales (Q1-2 2016)





Museum Tower is the tallest residential building in Dallas. With its modern architecture, it is a unique and attractive residential property. The construction consortium chose ClimateMaster to supply the heat pump system for the entire building. ClimateMaster is the best known brand of the recently acquired Climate Control Group, the leading manufacturer of HVAC solutions for commercial buildings and detached homes on the North American market.

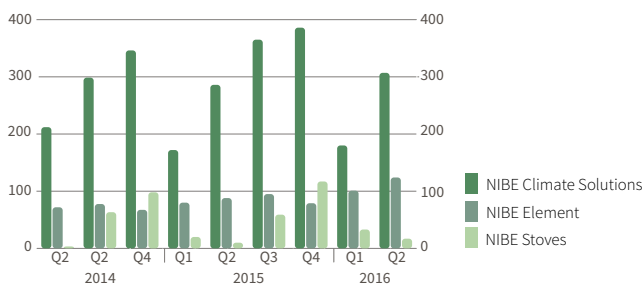


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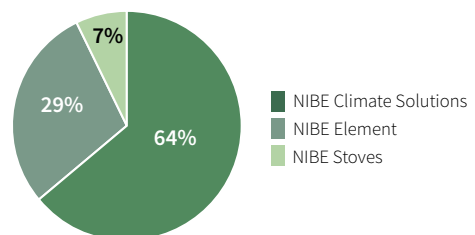
NIBE Climate Solutions

Key figures		2016 Q1-2	2015 Q1-2	Past 12 mths	2015 Full year
Net sales	SEK m	3,756	3,670	8,118	8,031
Growth	%	2.4	33.1	9.4	23.4
of which acquired	%	0.2	22.9	3.8	13.9
Operating profit	SEK m	487	458	1,238	1,209
Operating margin	%	13.0	12.5	15.3	15.1
Assets	SEK m	16,721	13,269	16,721	13,107
Liabilities	SEK m	1,470	1,356	1,470	1,468
Investments in non-current assets	SEK m	92	104	221	232
Depreciation	SEK m	155	154	312	311

Operating profit per business area, last nine quarters (SEK million)



Each business area's share of total profit (Q1-2 2016)



Business area NIBE Element

Sales and profit

Sales for the period totalled SEK 2,024 million, compared with SEK 1,883 million for the corresponding period last year. The increase in sales was SEK 141 million with acquired sales accounting for SEK 117 million of this sum, which means that organic growth was 1.3%.

Operating profit for the period totalled SEK 225 million, compared with SEK 168 million the previous year. This equates to an operating margin of 11.1% compared with 8.9% for the previous year. This means that the operating margin for the past 12 months is 10.2%.

Market

Overall, demand on the international element market grew during the first half of the year.

The European element market grew slightly, with the German market enjoying good growth over an extended period of time. Both consumer products and products for the automotive industry and commercial equipment grew. On the other hand, the market for oil and gas industry products continued to see a sharp fall in orders as a result of considerably lower levels of investment in this industry due to very low oil and gas prices. The market for rail-based traffic displayed healthy growth within both infrastructure and vehicles.

Our control and measurement investments have produced good results, particularly in relation to inverter control of electric motors, which contributes to increased energy efficiency. The resistor range has been expanded with innovative solutions for the growing energy sector.

The North American market displayed stable growth in a number of product segments. This applies to the domestic appliance and comfort segment as well as products for the automotive industry and commercial applications. In the automotive industry, increased requirements for eco-friendly vehicles and growing interest in electric cars mean new business opportunities. The oil and gas industry grew slowly in North America as well. The acquisition of the North American element company Heatron, which was completed during the first quarter, has opened up a number of interesting new business opportunities in several high-tech market segments.

The Asian market has also experienced healthy growth. As we can see a trend towards relocating production from Asia to Europe

NIBE Element

Key figures		2016 Q1-2	2015 Q1-2	Past 12 mths	2015 Full year
Net sales	SEK m	2,024	1,883	3,900	3,758
Growth	%	7.5	20.5	11.0	17.7
of which acquired	%	6.2	3.9	5.6	4.4
Operating profit	SEK m	225	168	399	342
Operating margin	%	11.1	8.9	10.2	9.1
Assets	SEK m	3,930	3,402	3,930	3,360
Liabilities	SEK m	850	734	850	738
Investments in non-current assets	SEK m	48	48	117	118
Depreciation	SEK m	59	57	116	114

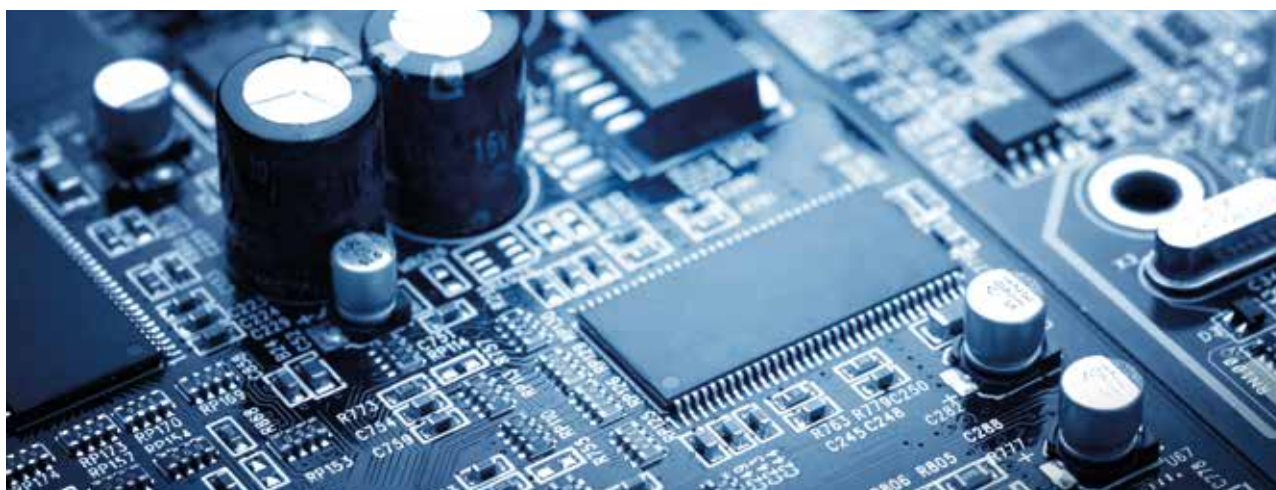
and North America, particularly due to rising costs in China, we are gradually focusing our Asian production units more on the domestic market in Asia.

Operations

We are continuing our work to change our profit centres' focus and activities to ensure that they remain competitive in their respective market segments. To ensure stable achievement of our operating margin target of 10%, further investments are also being made in robotisation and automation, as well as productivity enhancement measures.

The operations of the Italian resistor company ATE Electronics were acquired in June. The company manufactures electrical resistors for a number of different market segments, including in particular power electronics, the rail industry and new sustainable energy solutions. The company has annual sales of approximately SEK 30 million and an operating margin in excess of 10%. A few small supplementary acquisitions were also completed in the commercial sector during the second quarter, usefully enhancing existing units.

Raw material prices and exchange rates remain turbulent, with a considerable effect on pricing and competitiveness. Raw material prices are historically low. In this business climate, having a globalised organisation with production units in different currency zones gives us a clear advantage.



The recently acquired Italian company ATE Electronics specialises in manufacturing electrical resistors for a number of different market segments, including power electronics, the rail industry and new sustainable energy solutions. One example is loadbanks for testing battery backup for data centres.

Business area NIBE Stoves

Sales and profit

Sales for the period totalled SEK 694 million, compared with SEK 650 million for the corresponding period last year. Since the comparison is not affected by any acquisitions, this means organic growth of SEK 44 million, or 6.8%.

Operating profit for the period totalled SEK 50 million, compared with SEK 30 million the previous year. This equates to an operating margin of 7.2% compared with 4.7% for the previous year. This means that the operating margin for the past 12 months is 13.4%.

Market

The market situation in Scandinavia for stove products improved during the first half of the year, while growth weakened on several major European markets such as Germany and France. Total demand also fell slightly in the UK, although from a high level.

Our assessment is that we enhanced our position on all markets covered during the first half of the year. This is the result of the previous year's successful product launches and continued marketing initiatives.

Demand for stove products continues to grow in Sweden, although the rate of growth was slightly lower at the end of the period. Good economic growth, low interest rates and increased construction of single-family homes are positive factors driving demand. Market growth was also strong in Norway despite signals that the Norwegian economy was slowing.

Demand in Denmark has increased sharply since the authorities decided, at the end of last year, to introduce subsidies to phase out old stove products with inefficient combustion. The assessment is that the total amount set aside for the subsidies will last for most of the present year.

In the UK, the trend from last year continues, with a clear shift in demand from wood-fired to gas-fired products as a result of the current low price of gas. Demand for electric products, primarily decorative fireplaces, also increased. The overall assessment is that the market as a whole has declined slightly so far this year and it is currently difficult to assess how the referendum result will affect growth in demand during the autumn season.

The market situation in Germany and France remains weak as a result of low gas and oil prices and uncertain economic growth, but there are now some signs of recovery.

NIBE Stoves

Key figures		2016 Q1-2	2015 Q1-2	Past 12 mths	2015 Full year
Net sales	SEK m	694	650	1,695	1,652
Growth	%	6.8	11.3	9.4	11.4
of which acquired	%	0.0	0.0	0.0	0.0
Operating profit	SEK m	50	30	227	206
Operating margin	%	7.2	4.7	13.4	12.5
Assets	SEK m	1,781	1,777	1,781	1,814
Liabilities	SEK m	253	236	253	265
Investments in non-current assets	SEK m	15	15	34	34
Depreciation	SEK m	27	28	55	56

Operations

Following increased sales in the spring and to guarantee good delivery capacity and high delivery reliability in the coming autumn season, production capacity has been considerably increased in our Swedish production unit, where we primarily manufacture sheet steel stove products and complete chimney systems. In our other production units, capacity utilisation was also much higher during the first half of the year. Productivity was also improved as a result of rationalisation.

Last year's extensive product launches, which were received very positively by the market, were a contributing factor to the organic growth during the first half of the year. So far this year, we have launched slightly fewer products, but the rate of product development remains high and is an essential part of our ambitions to increase market share and grow organically on both existing and new markets.



The production plant in Markaryd, Sweden, primarily manufactures sheet steel stove products and complete chimney systems for the brands Contura and Premodul by Contura. The rate of production was increased considerably during the first half of the year to meet an expected increase in demand and guarantee both good delivery capacity and high delivery reliability for the coming peak season during autumn and winter 2016.

Income Statement summaries

(SEK m)	Group						Parent	
	Q2 2016	Q2 2015	Jan-June 2016	Jan-June 2015	Past 12 mths	Full year 2015	Jan-June 2016	Jan-June 2015
Net sales	3,301	3,165	6,343	6,115	13,471	13,243	6	6
Cost of goods sold	-2,110	-2,026	-4,092	-3,966	-8,587	-8,461	0	0
Gross profit	1,191	1,139	2,251	2,149	4,884	4,782	6	6
Selling expenses	-571	-582	-1,156	-1,158	-2,369	-2,371	0	0
Administrative expenses	-241	-215	-455	-423	-870	-838	-33	-39
Other operating revenue	26	24	63	61	129	127	0	0
Operating profit	405	366	703	629	1,774	1,700	-27	-33
Net financial items	-28	-22	-58	-57	-87	-86	685	825
Profit after net financial items	377	344	645	572	1,687	1,614	658	792
Tax	-98	-75	-165	-133	-409	-377	0	0
Net profit	279	269	480	439	1,278	1,237	658	792
Net profit attributable to Parent shareholders	279	269	480	439	1,278	1,237	658	792
Includes depreciation according to plan as follows	122	121	242	239	483	480	0	0
Net profit per share before and after dilution in SEK	0.63	0.61	1.09	1.00	2.90	2.80		

Statement of comprehensive income

Net profit	279	269	480	439	1,278	1,237	658	792
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	-8	-8	0	0
Tax	0	0	0	0	2	2	0	0
	0	0	0	0	-6	-6	0	0
Items that may be reclassified to profit or loss								
Cash flow hedges	-5	7	14	3	9	-2	9	0
Hedge of net investment	-42	49	-24	-443	46	-373	-22	-433
Exchange differences	336	-134	267	570	-74	229	0	0
Tax	10	-13	3	97	-13	81	3	95
	299	-91	260	227	-32	-65	-10	-338
Total other comprehensive income	299	-91	260	227	-38	-71	-10	-338
Total comprehensive income	578	178	740	666	1,240	1,166	648	454
Total comprehensive income attributable to Parent shareholders	578	178	740	666	1,240	1,666	648	454

Balance Sheet summaries

(SEK m)	Group			Parent		
	30/06/2016	30/06/2015	31/12/2015	30/06/2016	30/06/2015	31/12/2015
Non-current intangible assets	10,579	10,463	10,209	0	0	0
Property, plant and equipment	2,166	2,117	2,117	0	0	0
Financial assets	503	482	467	8,640	9,698	9,755
Total non-current assets	13,248	13,062	12,793	8,640	9,698	9,755
Inventories	2,548	2,346	2,115	0	0	0
Current receivables	2,126	2,026	1,901	87	104	269
Current investments	40	208	347	0	0	0
Cash and bank balances	4,613	1,387	1,448	1	504	266
Total current assets	9,327	5,967	5,811	88	608	535
Total assets	22,575	19,029	18,604	8,728	10,306	10,290
Equity	7,799	6,928	7,428	4,233	3,841	3,954
Untaxed reserves	0	0	0	1	1	1
Non-current liabilities and provisions, non-interest-bearing	1,647	2,003	1,605	250	512	204
Non-current liabilities and provisions, interest-bearing	7,757	7,841	7,118	4,216	5,696	5,657
Current liabilities and provisions, non-interest-bearing	2,150	1,981	2,289	28	39	376
Current liabilities and provisions, interest-bearing	3,222	276	164	0	217	98
Total equity and liabilities	22,575	19,029	18,604	8,728	10,306	10,290

Key figures

		Jan-June 2016	Jan-June 2015	Full year 2015
Growth	%	3.7	26.4	20.0
Operating margin	%	11.1	10.3	12.8
Profit margin	%	10.2	9.4	12.2
Investments in non-current assets	SEK m	516	263	531
Cash and cash equivalents	SEK m	5,030	2,064	2,195
Working capital, incl. cash and bank balances as share of net sales	SEK m %	7,177 53.3	3,986 32.4	3,522 26.6
Working capital, excl. cash and bank balances as share of net sales	SEK m %	2,523 18.7	2,391 19.4	1,727 13.0
Interest-bearing liabilities/Equity	%	140.8	117.2	98.0
Equity/assets ratio	%	34.5	36.4	39.9
Return on capital employed	%	11.3	11.0	12.1
Return on equity	%	17.3	16.6	18.0
Net debt/EBITDA	times	2.8	3.3	2.5
Interest coverage ratio	times	5.6	9.1	12.3

Data per share

		Jan-June 2016	Jan-June 2015	Full year 2015
Net profit per share (total 441,014,552 shares)	SEK	1.09	1.00	2.80
Equity per share	SEK	17.68	15.71	16.84
Closing day share price	SEK	69.80	56.23	71.13

All key figures per share were recalculated following the 4:1 split implemented in May 2016

Statement of cash flow – summaries

(SEK m)	Jan-June 2016	Jan-June 2015	Full year 2015
Cash flow from operating activities	698	665	1,717
Change in working capital	- 330	- 271	222
Investment activities	- 765	- 232	- 555
Financing activities	3,199	- 606	- 1,600
Exchange difference in cash and cash equivalents	56	58	30
Change in cash and cash equivalents	2,858	- 386	- 186

Change in equity – summaries

(SEK m)	Jan-June 2016	Jan-June 2015	Full year 2015
Equity brought forward	7,428	6,560	6,560
Shareholders' dividend	- 369	- 298	- 298
Comprehensive income for the period	740	666	1,166
Equity carried forward	7,799	6,928	7,428

Financial instruments recognised at fair value

(SEK m)	30 June 2016	30 June 2015	31 Dec. 2015
Current receivables			
Currency futures	1	1	2
Commodity futures	1	0	0
Total	2	1	2
Financial assets			
Interest rate derivatives	21	0	6
Current liabilities and provisions, non-interest-bearing			
Currency futures	5	10	14
Commodity futures	2	5	7
Total	7	15	21
Non-current liabilities and provisions, interest-bearing			
Interest rate derivatives	0	3	0

No instruments have been offset in the statement of financial position, therefore all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 2 in the Annual Report for 2015. 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 2015.

Quarterly data

Consolidated income statements (SEK m)	2016		2015				2014		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	3,042	3,301	2,950	3,165	3,396	3,732	2,477	2,839	3,356
Operating expenses	- 2,744	- 2,896	- 2,687	- 2,799	- 2,892	- 3,165	- 2,204	- 2,423	- 2,856
Operating profit	298	405	263	366	504	567	273	416	500
Net financial items	- 30	- 28	- 35	- 22	- 18	- 11	- 21	- 24	- 32
Profit after net financial items	268	377	228	344	486	556	252	392	468
Tax	- 67	- 98	- 58	- 75	- 112	- 132	- 59	- 88	- 121
Net profit	201	279	170	269	374	424	193	304	347
Net sales, business areas									
NIBE Climate Solutions	1,752	2,004	1,722	1,948	2,081	2,280	1,445	1,693	2,056
NIBE Element	979	1,045	917	966	943	932	803	799	832
NIBE Stoves	378	316	351	299	421	581	264	388	511
Elimination of Group transactions	- 67	- 64	- 40	- 48	- 49	- 61	- 35	- 41	- 43
Group total	3,042	3,301	2,950	3,165	3,396	3,732	2,477	2,839	3,356
Operating profit, business areas									
NIBE Climate Solutions	180	307	172	286	365	386	212	299	346
NIBE Element	101	124	80	88	95	79	72	78	67
NIBE Stoves	33	17	20	10	59	117	3	64	98
Elimination of Group transactions	- 16	- 43	- 9	- 18	- 15	- 15	- 14	- 25	- 11
Group total	298	405	263	366	504	567	273	416	500

NIBE shares

NIBE's class B shares are listed on the NASDAQ OMX Stockholm Exchange, Large Cap list, with a secondary listing on the SIX Swiss Exchange in Zürich. The NIBE share's closing price on 30 June 2016 was SEK 69.80.

A 4:1 split was implemented on 31 May

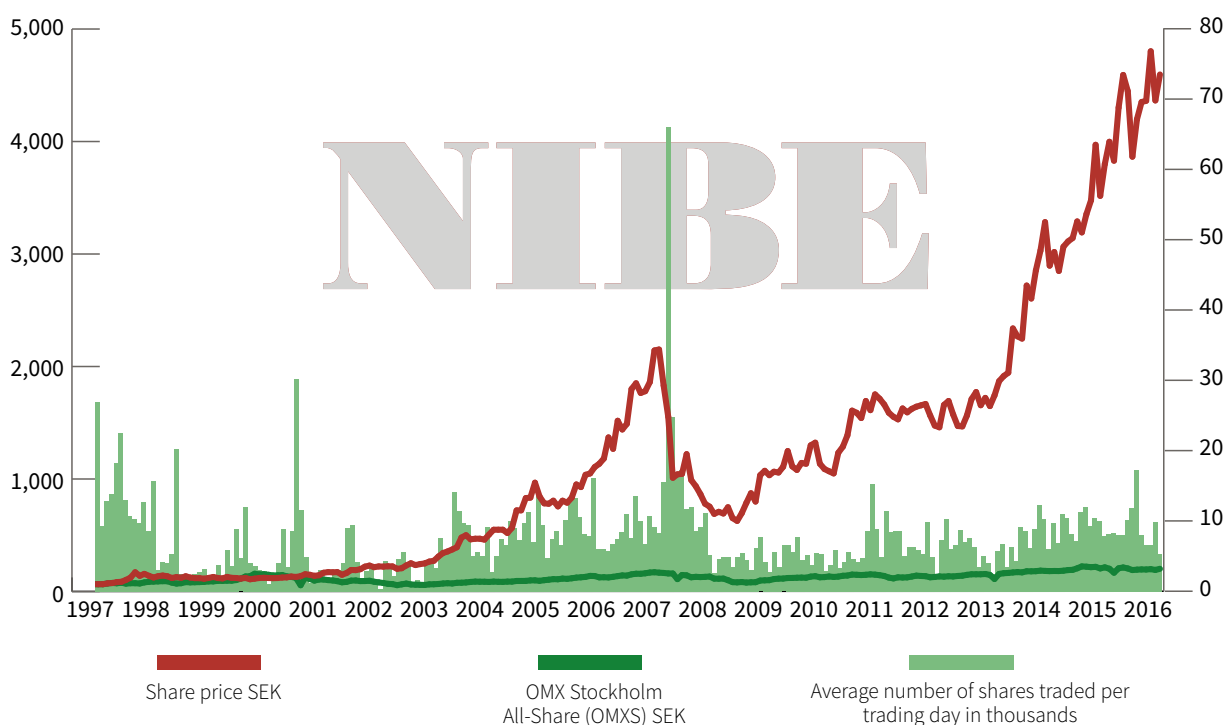
2016. In the first half of 2016, NIBE's share price declined by 1.9%, from SEK 71.13 to SEK 69.80. During the same period, the OMX Stockholm All-share (OMXS) decreased by **6.8%**.

At the end of June 2016, the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 30,783 million.

A total of 77,015,841 NIBE shares were traded, which corresponds to a share turnover of 34.9% in the first half of 2016. All figures were recalculated taking into account the 4:1 split in May 2016.

Number of shares traded per trading day in thousands

Share price in SEK

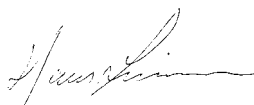


Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with the International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the second quarter of 2016 has been drawn up in accordance with IAS 34 'Interim Financial Reporting'. The same accounting policies have been applied as those described on pages 66-68 of the company's Annual Report for 2015. 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 2015.

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, 19 August 2016



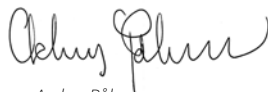
Hans Linnarson
Chairman of the Board




Georg Brunstam
Director



Eva-Lotta Kraft
Director



Anders Pålsson
Director



Helene Richmond
Director



Gerteric Lindqvist
Managing Director and CEO

The information in this report has not been subjected to scrutiny by the company's auditors.
For other information on definitions, please refer to the company's Annual Report for 2015.

Calendar

19 August 2016

11:00 (C.E.T) Teleconference (in English);

Presentation of Interim Report 2 2016 and opportunity to ask questions.

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 8 566 426 97.

17 November 2016

Interim Report 3, Jan – Sept 2016

16 February 2017

Year-end report 2016

April 2017

Annual Report 2016

11 May 2017

Interim Report 1, Jan – March 2017

Annual General Meeting 2017

Financial targets

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



NIBE is an international heating technology company with business operations organised in three separate business areas: NIBE Climate Solutions, 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 19 August 2016.

Please email any questions you have with regard to this report to:
Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se
Hans Backman, CFO, hans.backman@nibe.se

NIBE

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