



- ▲ **SALES** decreased to SEK 5,751.2 million (2008: SEK 5,810.5 million)
- ▲ **PROFIT AFTER NET FINANCIAL ITEMS** rose to SEK 560.9 million (SEK 516.7 million)
- ▲ **PROFIT AFTER TAX** rose to SEK 412.1 million (SEK 376.1 million)
- ▲ **EARNINGS** per share totalled SEK 4.36 (SEK 3.94)
- ▲ **THE BOARD PROPOSES** a dividend of SEK 1.30 per share (SEK 1.15 per share)
- ▲ **ACQUISITION OF**
  - a further 24% stake in CJSC EVAN, Russia
  - Sol & Energiteknik AB, Sweden
  - business operations of Bencon Oy, Finland



## The Chief Executive's Report

# Good earnings trends and successful internal fine-tuning – a platform for future growth

Group net sales for 2009 backed by 1% including acquisitions and by 2.9% excluding acquisitions. In 2008 growth including and excluding acquisitions was 7.6% and 4.5% respectively.

Notwithstanding the weak economy, both NIBE Energy Systems (formerly NIBE Heating) and NIBE Stoves have not only reported a slight growth in sales, but have also improved both operating profits and operating margins. This illustrates the importance of our strong standing in the renewable energy product area.

As a subcontracting supplier NIBE Element has, in contrast, been hard hit by our customers' reduced orders for components and materials in the wake of a steep decline in demand from most industries. An extensive and consistently applied programme to adapt to the new situation has not succeeded in fully offsetting the effects of these lower sales, and consequently both operating profit and operating margin have fallen.

In spite of non-recurring costs of some SEK 35 million for overcapacity, lay-offs, etc., the Group has improved its operating profit by 1%, thanks chiefly to more reasonably priced raw materials and improvements in productivity. Translated at Group level, currency trends have had a positive impact on sales, but have not affected operating profit.

Profit after net financial items was up 8.6% compared with the full-year figures for 2008. This significant improvement is attributable to marked reductions in interest rates in all of our main markets and to reductions in our borrowing. On the other hand, exchange losses on loans in foreign subsidiaries have impacted negatively on net financial items.

Investments in existing operations totalled SEK 145.3 million in 2009, compared with SEK 237.5 million in 2008 and with the current rate of depreciation according to plan of SEK 210.2 million. Recent investments mean that all of our production plants meet very high levels of quality and productivity and are therefore well prepared to cope with significant expansion: as a result, the rate of investment over the next few years will be on a par with or slightly below the rate of depreciation according to plan.

Our ability to rapidly adapt costs and production to the prevailing market conditions is and always has been one of the NIBE Group's strongest assets. In 2009 we have demonstrated this by making substantial reductions in costs and staffing levels in areas where, in our opinion, this will not have any detrimental long-term effects on the company, while at the same time mobilising resources for product development and marketing, which experience has taught us will be to our advantage in the future. All three of our business areas successfully launched a large number of truly first-rate new products in their markets in 2009 and now we are raising the tempo even further.

In purely financial terms and with regard to the Group's balance sheet our progress is also clear to see. Operating cash flow for 2009 totalled SEK 748.4 million, compared with SEK 416.5 million in 2008. Net borrowing has been reduced from SEK 1,800.4 million to SEK 1,169.9 million. Working capital as a percentage of sales fell from 27.5% to 22.9%, and the equity/assets ratio rose from 36.7% to 45.7%.

Since the beginning of 2007 our objective has been to achieve sales of SEK 10 billion by 2011 at the latest, while still retaining healthy profitability. The current state of the economy has, however, necessitated that this target be deferred until 2012. Over the next three

years our ambition is to acquire companies with aggregate sales in excess of SEK 2 billion while growing our business organically by the same amount. There is absolutely no doubt that the potential takeover candidates and the market for our products are both out there, and it is our considered opinion that we have the right internal qualifications and the right motivation for the next phase in our expansion. The name change from NIBE Heating to NIBE Energy Systems is one step in this process of growth which, to all intents and purposes, will be concentrated in our markets outside Sweden. The new name also better describes the business area's already broad portfolio of products and prepares the ground for a future expansion.

### Outlook for 2010

We are convinced that it is inevitable that efforts to build a sustainable society will continue to make their mark on the world around us throughout the foreseeable future. This means that NIBE's corporate philosophy and product programme are ideally suited to the times in which we are living.

Our financial position is robust, our production plants are well invested and the products we launched in 2009 have been well received by the market.

The combination of our own strengths together with the first signs of what seems to be renewed faith in the future encourages us to be cautiously optimistic about our prospects for 2010.

### Shareholders' dividend

The Board of Directors has resolved to propose to the Annual General Meeting a dividend of SEK 1.30 per share for 2009, corresponding to a total payout of SEK 122.1 million.

### Annual General Meeting

The Annual General Meeting of Shareholders will take place at 17.00 (5.00 p.m.) on Monday, 17 May 2010 at NIBE in Markaryd.

### Financial information

Telephone conference: 16 February 2010 at 11.00 (C.E.T.).

The CEO will present the summary of the annual report by phone and answer questions. Tel. +46 (0)8-506 269 30

|                  |   |
|------------------|---|
| April 2010       | Annual report for the 2009 financial year |
| 17 May 2010      | Interim report, January – March 2010      |
| 17 May 2010      | Annual General Meeting                    |
| 17 August 2010   | Interim report, January – June 2010       |
| 16 November 2010 | Interim report, January – September 2010  |

The financial reports will be published on the NIBE Industrier website [www.nibe.com](http://www.nibe.com) on the same day that they are made public.

Markaryd, Sweden – 16 February 2010

Gerteric Lindquist  
Chief Executive Officer

## Sales

The Group generated net sales of SEK 5,751.2 million (2008: SEK 5,810.5 million), which represents a decrease of 1.0%. Acquired sales growth totalled SEK 107.3 million, which means that organic sales fell by SEK 166.6 million.

## Earnings

Profit for the year after net financial items was SEK 560.9 million, corresponding to a growth in earnings of 8.6% compared with 2008. Return on equity was 20.2% (2008: 21.3%).

## Acquisitions

At the end of March NIBE acquired a further 24% stake in CJSC EVAN, a Russian company with annual sales of approximately SEK 100 million and pre-tax profits of around SEK 20 million. The company now forms part of NIBE Energy Systems, which currently holds 75% of the shares. The remaining 25% stake will be acquired in 2011.

Early in May NIBE acquired Sol & Energiteknik AB, a specialist in solar energy with annual sales of approximately SEK 20 million and an operating profit of around SEK 1 million. The company was consolidated into NIBE Energy Systems in May.

Also in early May NIBE acquired the Finnish company Bencon Oy with annual sales of approximately SEK 7 million. Bencon, which specialises in electrical measurements, control equipment and electric heating solutions, has formed part of NIBE Element since May.

## Investments

During the year, Group investments totalled SEK 217.9 million (2008: SEK 407.6 million). SEK 72.6 million of this sum (2008: SEK 170.1 million) relates to corporate acquisitions, while the remaining SEK 145.3 million (2008: SEK 237.5 million) is mainly investments in machinery and equipment, and in buildings for current operations.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 676.3 million (2008: SEK 480.0 million). Cash flow after changes in working capital was SEK 893.7 million (2008: SEK 654.0 million).

Interest-bearing liabilities totalled SEK 1,519.0 million at the end of the year, compared with SEK 2,152.0 million at the beginning of the year.

At the end of the year, the Group had liquid funds of SEK 1,572.3 million as against SEK 1,143.6 million at the beginning of the year. During the year, the Group's overdraft facilities were reduced by SEK 24.4 million.

The equity/assets ratio at the end of the year was 45.7%, compared with 36.7% at the beginning of the year.

## Parent company

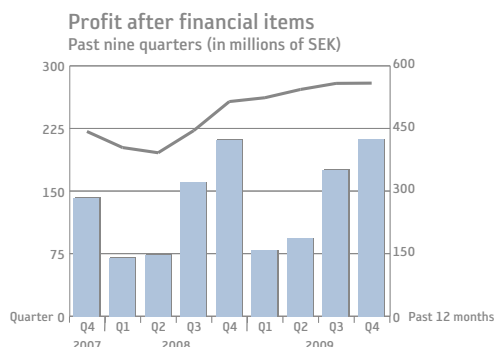
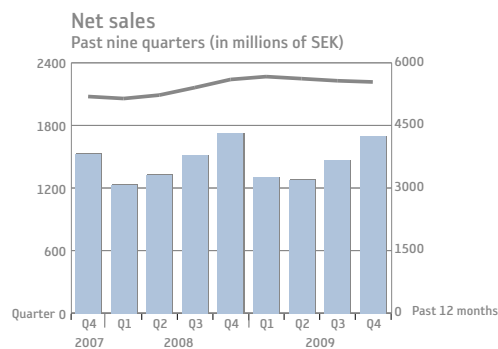
Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. During the year, sales amounted to SEK 2.4 million (2008: SEK 2.4 million) with a profit after financial items of SEK 217.8 million (2008: SEK 185.5 million). At the end of the year, the parent company had liquid funds of SEK 234.0 million, compared with SEK 181.3 million at the beginning of the year.

## Financial targets

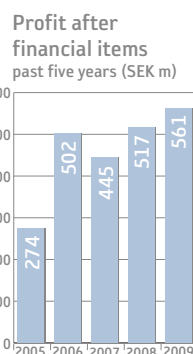
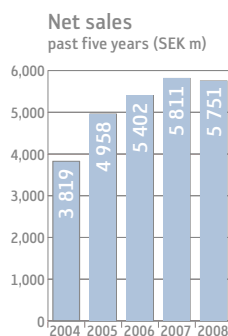
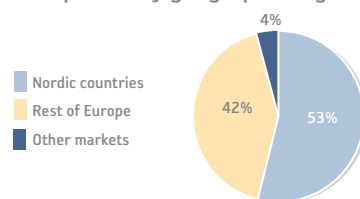
- ▲ Average annual sales growth of 20%
- ▲ Average operating profit of at least 10% of sales over a full business cycle in each business area
- ▲ Average return on equity of at least 20% after standard deductions for tax over a full business cycle
- ▲ Equity/assets ratio of at least 30%.

## Key Figures –Group

|                             |       | 2009    | 2008    |
|-----------------------------|-------|---------|---------|
| Net sales                   | SEK m | 5,751.2 | 5,810.5 |
| Growth                      | %     | - 1.0   | 7.6     |
| of which acquired           | %     | 1.9     | 3.1     |
| Operating profit            | SEK m | 631.3   | 625.3   |
| Operating margin            | %     | 11.0    | 10.8    |
| Profit after net fin. items | SEK m | 560.9   | 516.7   |
| Profit margin               | %     | 9.8     | 8.9     |



## Group sales by geographic region



## NIBE Element

### Sales and earnings

Sales totalled SEK 1,659.0 million, compared with SEK 1,879.3 million for 2008. SEK 52.9 million of this figure relates to acquired business, which means that organic sales fell by SEK 273.2 million or 14.5%. Operating profit was SEK 70.4 million, compared with SEK 115.4 million for the preceding year. This represents an operating margin of 4.2%, compared with 6.1% last year.

### The year in brief

For NIBE Element the downturn in the economy began to make itself felt as early as autumn 2007 with the first signs of a drop in demand from the white goods and car industries. Subsequently this gradually spread to the sector for professional equipment and finally to investment-related projects.

It is our opinion that volumes in the markets for our products in Europe, North America and Asia have fallen by 25–30% in the intervening period. This is partly due to cutbacks in production in response to falling demand among our customers, but also to the substantial reductions in stocks implemented during this period. As the effects of the fall in demand became increasingly noticeable, we reduced the workforce in the majority of production units to adapt capacity to the lower demand. Overall during the downturn we slimmed down our workforce by just over 20%, incurring costs for lay-offs and overcapacity last year that are estimated to be in the region of SEK 25 million.

In autumn 2009 we saw a rise in demand from the white goods and car industries, which were the first sectors to be affected by the downturn. As we believe that our customers have now reduced their stocks as far as they can, this suggests that we should see some increase in demand as their future orders will need to keep pace with actual sales.

Our product development work and the marketing of both system products and products that are of strategic future interest, particularly within the energy efficiency and infrastructure segments, has continued as before, so our resources within these areas have been unaffected. Our focus is on segments with the potential to deliver good growth even if the general economic downturn persists. For example, resources have been allocated under the name NIBE Wind Components to a special venture to develop and market a product range of components and systems for the windpower industry.

To make the best possible use of capital tied up, reduce logistics costs and improve customer services, we have made extensive efforts to transfer administration and responsibility for logistics to our low-cost production units.

Prices of most raw materials rose slightly towards the end of the year and are now at what can be considered normal levels. Exchange rates remained volatile throughout 2009, causing turbulence in some markets and confusing the competitive situation in certain segments.

In spring 2009 NIBE took over the operations of the Finnish company, Bencon Oy. Bencon, which has annual sales of SEK 7 million and specialises in electrical measurements, control equipment and electric heating solutions, has been integrated into our Finnish industrial company, Meyer Vastus Oy.

| Key Figures – NIBE Element |       | 2009    | 2008    |
|----------------------------|-------|---------|---------|
| Net sales                  | SEK m | 1,659.0 | 1,879.3 |
| Growth                     | %     | - 11.7  | 5.6     |
| Operating profit           | SEK m | 70.4    | 115.4   |
| Operating margin           | %     | 4.2     | 6.1     |
| Assets                     | SEK m | 1,448.9 | 1,671.6 |
| Liabilities                | SEK m | 1,301.4 | 1,514.5 |
| Investm. (fixed assets)    | SEK m | 33.1    | 39.1    |
| Depreciation               | SEK m | 63.6    | 59.2    |

## NIBE Energy Systems

### Sales and earnings

Sales totalled SEK 3,284.5 million, compared with SEK 3,216.4 million for 2008. SEK 23.6 million of the SEK 68.1 million increase in invoiced sales derives from acquisitions, which means that organic growth for the period was 1.4%. Operating profit totalled SEK 455.8 million, compared with SEK 432.2 million last year. This represents an operating margin of 13.9% compared with the preceding year's figure of 13.4%.

### The year in brief

Overall the Swedish market for heat pumps remains stable, albeit with certain variations within the different product segments. During the second half of the year demand for ground source and geothermal heat pumps rose relatively steeply, but the fall-off in the number of private homes being built had a negative effect on exhaust-air heat pumps. The main reason for the increase in the number of ground source/geothermal heat pump installations – the heating solution that delivers the greatest energy savings for the customer – is thought to be simplified routines for tax relief for private individuals on home renovation and improvement projects.

The market for electric water heaters remains stable both here at home and elsewhere in Europe, while demand for district-heating products, conventional domestic boilers and pellets-fired products has stayed weak.

After the sharp downturn in the global economy in autumn 2008, the heat pump market for Europe as a whole stagnated last year. This was mainly due to the dramatic drop in the construction of new homes and apartments more or less throughout the continent. The market in Germany fell steeply and reductions in subsidies in France saw the market there contract significantly. However, we were able to compensate for the decline in these markets by increasing our market share and by increasing sales elsewhere, primarily in the U.K., Poland and Austria. Interest in energy efficiency and in making more use of products for renewable energy in the future remains generally strong in all of Europe.

Following the intensification of our research and development activities in the renewable energy segment, last year witnessed our most successful product launches to date. The entire market – from installation engineers to service technicians and end-users – reacted very positively to our new generation of ground source/geothermal heat pumps and to the new NIBE split air/water heat pumps, thus confirming our position at home and abroad as a world leader in heat pump technology.

The market also reacted positively towards the products of the Swedish solar panel specialist Sol & Energiteknik AB and operations are now being expanded in Sweden and abroad. The company, acquired in May, has annual sales of some SEK 20 million.

At the end of March a further 24% stake was acquired in CJSC EVAN, increasing our ownership to 75%. The company, which has 150 employees and annual sales of approximately SEK 100 million reported some slight growth and continued good profitability in 2009, despite the weak state of the Russian economy.

| Key Figures – NIBE Energy Systems |       | 2009    | 2008    |
|-----------------------------------|-------|---------|---------|
| Net sales                         | SEK m | 3,284.5 | 3,216.4 |
| Growth                            | %     | 2.1     | 12.5    |
| Operating profit                  | SEK m | 455.8   | 432.2   |
| Operating margin                  | %     | 13.9    | 13.4    |
| Assets                            | SEK m | 2,355.8 | 2,467.2 |
| Liabilities                       | SEK m | 1,294.9 | 1,511.7 |
| Investm. (fixed assets)           | SEK m | 103.5   | 89.7    |
| Depreciation                      | SEK m | 108.0   | 95.8    |

## NIBE Stoves

### Sales and earnings

Sales totalled SEK 939.4 million, compared with SEK 863.6 million for 2008. SEK 30.9 million of the total of SEK 75.8 million in increased sales relates to acquired businesses, which means that organic growth for the period was 5.2%.

Operating profit was SEK 122.2 million, compared with SEK 96.2 million for 2008. This represents an operating margin of 13.0%, compared with last year's figure of 11.1%.

### The year in brief

After a few years when demand for wood-stove products has fallen in Sweden as a result of the general slowdown in the economy, the market stabilised at much the same level as in 2008 despite the dramatic fall in the number of new builds. Low interest rates and the introduction of simpler routines for tax relief for private individuals on home renovation and improvement projects had a positive effect on demand.

As far as the other Nordic markets are concerned, developments in Norway mirrored those in Sweden, while the general economic downturn and plummeting construction levels – especially in Finland – saw demand for wood-stove products fall further both there and in Denmark.

In Germany demand for wood-stove products remained relatively good throughout the year, while in France the market has been bolstered by government subsidies for the purchase of wood stoves. One trend common to virtually all our main markets was that demand in the fourth quarter was significantly stronger than at the end of 2008.

We still enjoy a very strong position in our main markets, thanks to consistent marketing work and direct distribution to a well developed network of resellers. We also offer a broad product programme with the combustion technology, environmental adaptation and design that today's market demands.

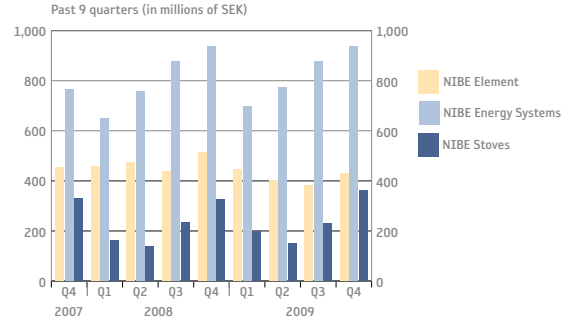
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Work at the new production facility in Markaryd, which was opened in the summer of 2008, focused last year on fine-tuning. Because the highly positive results of this work did not make themselves felt until the end of the year and in view of the fact that, by the middle of the year, we had carried out the planned reductions in our stock levels, delivery reliability was less than satisfactory throughout most of the autumn. Now the plant is fully functional, but there is, as always, scope for further improvements in productivity.

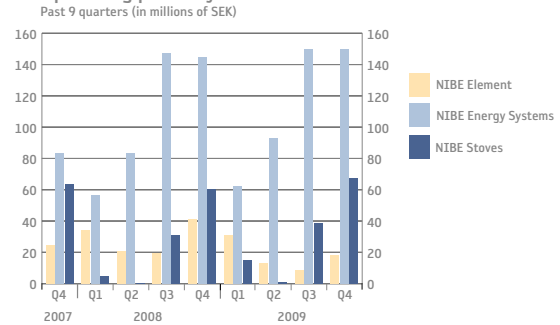
In 2008 an agreement was signed giving us the option to acquire the Danish company Lotus Heating Systems A/S in 2010. Lotus is one of Denmark's leading manufacturers of steel-bodied wood-stoves, with sales totalling approximately SEK 120 million a year. It is our intention to realise this option towards the end of the first quarter of this year.

| Key Figures – NIBE Stoves |       | 2009    | 2008    |
|---------------------------|-------|---------|---------|
| Net sales                 | SEK m | 939.4   | 863.6   |
| Growth                    | %     | 8.8     | -1.2    |
| Operating profit          | SEK m | 122.2   | 96.2    |
| Operating margin          | %     | 13.0    | 11.1    |
| Assets                    | SEK m | 1,014.4 | 1,038.5 |
| Liabilities               | SEK m | 604.2   | 680.6   |
| Investm. (fixed assets)   | SEK m | 16.9    | 77.0    |
| Depreciation              | SEK m | 38.6    | 33.3    |

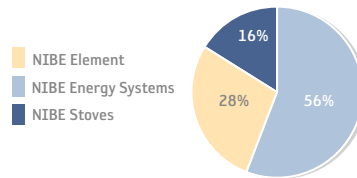
### Sales by business area



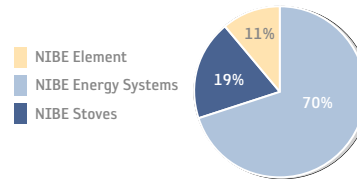
### Operating profit by business area



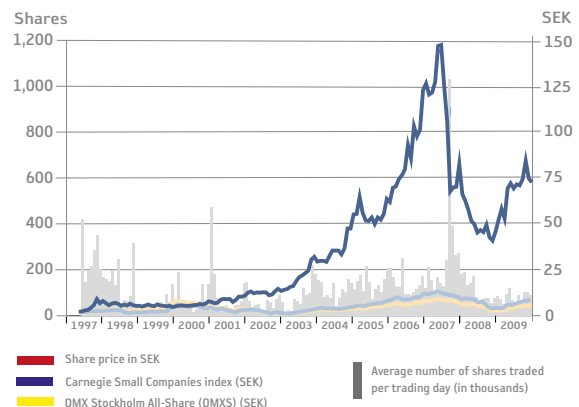
### Business areas' contribution to sales



### Business areas' contribution to profit



### NIBE share performance



# Group Financial Trends

## Income Statements

| (in millions of SEK)                                      | Group          |                | Parent company |              |
|---|----------------|----------------|----------------|--------------|
|   | 2009           | 2008           | 2009           | 2008         |
| Net sales   | 5,751.2        | 5,810.5        | 2.4            | 2.4          |
| Cost of goods sold  | -3,928.6       | -4,108.7       | 0.0            | 0.0          |
| <b>Gross profit</b>                                       | <b>1,822.6</b> | <b>1,701.8</b> | <b>2.4</b>     | <b>2.4</b>   |
| Selling expenses  | -992.2         | -917.7         | 0.0            | 0.0          |
| Administrative expenses                                   | -371.5         | -347.1         | -21.7          | -20.0        |
| Other income  | 172.4          | 188.3          | 0.0            | 0.1          |
| <b>Operating profit</b>                                   | <b>631.3</b>   | <b>625.3</b>   | <b>-19.3</b>   | <b>-17.5</b> |
| Net financial items                                       | -70.4          | -108.6         | 237.1          | 203.0        |
| <b>Profit after net financial items</b>                   | <b>560.9</b>   | <b>516.7</b>   | <b>217.8</b>   | <b>185.5</b> |
| Tax   | -148.8         | -140.6         | -0.1           | -0.1         |
| <b>Net profit</b>   | <b>412.1</b>   | <b>376.1</b>   | <b>217.7</b>   | <b>185.4</b> |
| <b>Other recognised income</b>                            |                |                |                |              |
| Market value of future currency contracts                 | 17.4           | -13.5          |                |              |
| Market value of future commodity contracts                | 0.1            | 0.0            |                |              |
| Currency hedge  | 35.2           | -96.3          |                |              |
| Translation of loans to subsidiaries                      | -4.3           | 20.3           |                |              |
| Translation of foreign subsidiaries                       | -36.1          | 138.7          |                |              |
| Tax attributable to other recognised income               | -12.9          | 23.1           |                |              |
| <b>Total other recognised income</b>                      | <b>-0.6</b>    | <b>72.3</b>    |                |              |
| <b>Total recognised income</b>                            | <b>411.5</b>   | <b>448.4</b>   |                |              |
| <b>Net profit attributable to</b>                         |                |                |                |              |
| Parent company shareholders                               | 409.1          | 369.8          |                |              |
| Minority interest   | 3.0            | 6.3            |                |              |
| <b>Net profit</b>   | <b>412.1</b>   | <b>376.1</b>   |                |              |
| <b>Total recognised income attributable to</b>            |                |                |                |              |
| Parent company shareholders                               | 409.1          | 442.0          |                |              |
| Minority interest   | 2.4            | 6.4            |                |              |
| <b>Total recognised income</b>                            | <b>411.5</b>   | <b>448.4</b>   |                |              |
| <i>Includes depreciation according to plan as follows</i> | 210.2          | 188.3          |                |              |
| <i>Net profit per share*</i>                              | 4.36           | 3.94           |                |              |

\*There are no programmes that entail dilution

## Key figures

|                                      | 2009          | 2008    | 2007    | 2006    | 2005  |
|--------------------------------------|---------------|---------|---------|---------|-------|
| Growth                               | % -1.0        | 7.6     | 9.0     | 29.8    | 20.8  |
| Operating margin                     | % 11.0        | 10.8    | 9.8     | 11.2    | 8.1   |
| Profit margin                        | % 9.8         | 8.9     | 8.2     | 10.1    | 7.2   |
| Investments in fixed assets          | SEK m 217.9   | 407.6   | 404.1   | 526.4   | 375.7 |
| Unappropriated liq. assets           | SEK m 1,572.3 | 1,143.6 | 853.0   | 783.6   | 595.4 |
| Working capital, incl. cash and bank | SEK m 1,315.0 | 1,598.3 | 1,482.1 | 1,034.3 | 812.3 |
| Interest-bearing liabilities/Equity  | % 69.4        | 113.9   | 129.6   | 113.6   | 110.9 |
| Solidity (Equity/Assets ratio)       | % 45.7        | 36.7    | 34.2    | 32.9    | 33.0  |
| Return on capital employed           | % 16.8        | 17.1    | 17.2    | 22.9    | 16.4  |
| Return on equity                     | % 20.2        | 21.3    | 22.6    | 31.3    | 20.4  |

For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2008

## Balance Sheet summaries

| (in millions of SEK)   | Group          |                | Parent company |                |
|--|----------------|----------------|----------------|----------------|
|  | 31 Dec 2009    | 31 Dec 2008    | 31 Dec 2009    | 31 Dec 2008    |
| Intangible assets  | 1,018.4        | 944.7          | 0.0            | 0.0            |
| Tangible assets  | 1,398.8        | 1,500.5        | 0.0            | 0.1            |
| Financial assets   | 57.0           | 63.3           | 1,645.1        | 1,947.6        |
| <b>Total non-current assets</b>                              | <b>2,474.2</b> | <b>2,508.5</b> | <b>1,645.1</b> | <b>1,947.7</b> |
| Inventories  | 1,038.0        | 1,227.5        | 0.0            | 0.0            |
| Current receivables  | 932.2          | 1,059.1        | 11.0           | 7.7            |
| Current investments  | 0.0            | 2.3            | 0.0            | 0.0            |
| Cash equivalents   | 349.1          | 349.3          | 28.0           | 10.5           |
| <b>Total current assets</b>                                  | <b>2,319.3</b> | <b>2,638.2</b> | <b>39.0</b>    | <b>18.2</b>    |
| <b>Total assets</b>  | <b>4,793.5</b> | <b>5,146.7</b> | <b>1,684.1</b> | <b>1,965.9</b> |
| Equity   | 2,190.0        | 1,888.7        | 533.1          | 400.5          |
| Untaxed reserves   | 0.0            | 0.0            | 0.0            | 0.1            |
| Non-current liabilities and provisions, non-interest bearing | 239.1          | 246.9          | 0.6            | 0.0            |
| interest bearing   | 1,360.0        | 1,971.2        | 1,051.5        | 1,461.4        |
| Current liabilities and provisions, non-interest bearing     | 845.3          | 859.1          | 16.3           | 5.1            |
| interest bearing   | 159.1          | 180.8          | 82.6           | 98.8           |
| <b>Total equity and liabilities</b>                          | <b>4,793.5</b> | <b>5,146.7</b> | <b>1,684.1</b> | <b>1,965.9</b> |

## Cash flow analysis

| (in millions of SEK)                      | 2009        | 2008         |
|---|-------------|--------------|
| Cash flow from operating activities       | 676.3       | 480.0        |
| Change in working capital                 | 217.4       | 174.0        |
| Investment activities                     | -217.9      | -407.6       |
| Financing activities                      | -667.8      | -122.2       |
| Exchange rate difference in liquid assets | -8.2        | 17.2         |
| <b>Change in liquid assets</b>            | <b>-0.2</b> | <b>141.4</b> |

## Data per share\*)

|  | 2009      | 2008  | 2007  | 2006   | 2005  |
|--|-----------|-------|-------|--------|-------|
| Net profit per share (total 93,920,000 shares) | SEK 4.36  | 3.94  | 3.35  | 3.74   | 1.94  |
| Equity per share                               | SEK 23.24 | 20.04 | 16.48 | 13.67  | 10.92 |
| Closing day share price                        | SEK 69.00 | 44.40 | 78.00 | 115.00 | 60.75 |

\*) All key figures per share have been recomputed to reflect the 4-for-1 share split carried out in June 2006.

## Change in equity

| (in millions of SEK)                        | 2009           | 2008           |
|---|----------------|----------------|
| Equity brought forward                      | 1,888.7        | 1,547.7        |
| Shareholders' dividend                      | -108.0         | -108.0         |
| Change in minority participations           | -2.2           | 0.6            |
| Total recognised income for the year        | 411.5          | 448.4          |
| <b>Equity carried forward <sup>1)</sup></b> | <b>2,190.0</b> | <b>1,888.7</b> |

<sup>1)</sup> Minority participations were SEK 7.2 million at the end of the reporting period and SEK 7.0 million at the start at the financial year.

# Quarterly data

## Consolidated Income Statements

| (in millions of SEK)                       | 2009         |              |              |              | 2008        |             |              |              | 2007         |
|--|--------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|--------------|
|  | Q1           | Q2           | Q3           | Q4           | Q1          | Q2          | Q3           | Q4           | Q4           |
| Net sales                                  | 1,305.4      | 1,280.6      | 1,467.3      | 1,697.9      | 1,236.5     | 1,329.7     | 1,517.5      | 1,726.8      | 1,533.2      |
| Operating expenses                         | -1,198.8     | -1,178.4     | -1,272.1     | -1,470.6     | -1,143.3    | -1,229.9    | -1,324.5     | -1,487.5     | -1,365.3     |
| <b>Operating profit</b>                    | <b>106.6</b> | <b>102.2</b> | <b>195.2</b> | <b>227.3</b> | <b>93.2</b> | <b>99.8</b> | <b>193.0</b> | <b>239.3</b> | <b>167.9</b> |
| Net financial expenses                     | -27.2        | -8.6         | -19.5        | -15.1        | -23.0       | -26.0       | -31.9        | -27.7        | -25.9        |
| <b>Profit after net financial expenses</b> | <b>79.4</b>  | <b>93.6</b>  | <b>175.7</b> | <b>212.2</b> | <b>70.2</b> | <b>73.8</b> | <b>161.1</b> | <b>211.6</b> | <b>142.0</b> |
| Tax  | -22.2        | -25.8        | -47.0        | -53.8        | -21.8       | -20.8       | -44.6        | -53.4        | -38.4        |
| <b>Net profit</b>                          | <b>57.2</b>  | <b>67.8</b>  | <b>128.7</b> | <b>158.4</b> | <b>48.4</b> | <b>53.0</b> | <b>116.5</b> | <b>158.2</b> | <b>103.6</b> |

## Net Sales – Business Areas

| (in millions of SEK)              | 2009           |                |                |                | 2008           |                |                |                | 2007           |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                   | Q1             | Q2             | Q3             | Q4             | Q1             | Q2             | Q3             | Q4             | Q4             |
| NIBE Element                      | 447.1          | 401.8          | 381.1          | 429.0          | 458.2          | 471.5          | 435.9          | 513.7          | 453.6          |
| NIBE Energy Systems               | 698.5          | 773.9          | 876.9          | 935.2          | 649.1          | 755.5          | 876.4          | 935.4          | 763.6          |
| NIBE Stoves                       | 197.7          | 150.1          | 230.2          | 361.4          | 163.5          | 138.0          | 235.4          | 326.7          | 328.6          |
| Elimination of Group transactions | -37.9          | -45.2          | -20.9          | -27.7          | -34.3          | -35.3          | -30.2          | -49.0          | -12.6          |
| <b>Group</b>                      | <b>1,305.4</b> | <b>1,280.6</b> | <b>1,467.3</b> | <b>1,697.9</b> | <b>1,236.5</b> | <b>1,329.7</b> | <b>1,517.5</b> | <b>1,726.8</b> | <b>1,533.2</b> |

## Operating profit – Business Areas

| (in millions of SEK)              | 2009         |              |              |              | 2008        |             |              |              | 2007         |
|-----------------------------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                                   | Q1           | Q2           | Q3           | Q4           | Q1          | Q2          | Q3           | Q4           | Q4           |
| NIBE Element                      | 30.7         | 13.1         | 8.5          | 18.1         | 34.1        | 21.0        | 19.2         | 41.1         | 24.4         |
| NIBE Energy Systems               | 62.6         | 93.0         | 150.1        | 150.1        | 56.8        | 83.5        | 147.2        | 144.7        | 83.6         |
| NIBE Stoves                       | 15.2         | 1.1          | 38.7         | 67.2         | 5.0         | 0.4         | 30.7         | 60.1         | 63.9         |
| Elimination of Group transactions | -1.9         | -5.0         | -2.1         | -8.1         | -2.7        | -5.1        | -4.1         | -6.6         | -4.0         |
| <b>Group</b>                      | <b>106.6</b> | <b>102.2</b> | <b>195.2</b> | <b>227.3</b> | <b>93.2</b> | <b>99.8</b> | <b>193.0</b> | <b>239.3</b> | <b>167.9</b> |

## Accounting principles

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Summary of the company's Annual Report for 2009 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this summary are described in the company's Annual Report for 2008 (pp. 52–55), with the exception of the revised IAS 1 "Presentation of Financial Statements". The amendments to IAS 1 mean that items previously reported directly under equity are now reported in the income statement as part of recognised income. This applies to items under equity that do not comprise transactions with shareholders. Reporting for the parent company follows the Swedish Annual Accounts Act and recommendation RFR 2.2 of the Swedish Financial Accounting Standards Council ("Reporting of Legal Entities").

For transactions with related parties, the principles applied are the same as those described on page 53 of the company's Annual Report for 2008.

## 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 continuous 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 2008.

This Summary of the Annual 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.

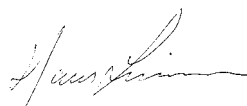
Markaryd, Sweden – 16 February 2010



Arvid Gierow  
Chairman of the Board



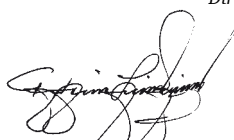
Georg Brunstam  
Director



Hans Linnarson  
Director



Arne Frank  
Director



Gerteric Lindquist  
CEO

## Auditor's report

### Introduction

We have reviewed the financial information in the summary of the annual report for NIBE Industrier AB (publ) for the period 1 January to 31 December 2009. Management is responsible for the preparation and presentation of this financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this summary based on our review.

### The Scope of the Review

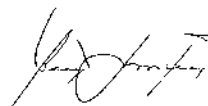
We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially more limited in scope than an audit that is conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified if an audit were to be carried out. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this summary of the company's annual report does not, in all material respects and in accordance with IAS 34 and the Swedish Annual Accounts Act, give an accurate picture of the company's financial position as per 31 December 2009, and of the company's financial earnings and cash flow for the twelve-month period up to that date.

Markaryd, Sweden – 16 February 2010

SET Revisionsbyrå AB



Bengt Ekenberg  
Authorised Public Accountant

The information in this summary of the company's annual report is that which NIBE Industrier AB is required by Swedish law to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released to the media for publication at 08.30 CET on 16 February 2010.

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

**NIBE**

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