

NIBE

– world-class solutions in sustainable energy



- **SALES** totalled
SEK 7,677.4 million (SEK 6,957.5 million)
- **PROFIT AFTER NET FINANCIAL ITEMS**
was SEK 823.9 million (SEK 713.6 million)
- **PROFIT AFTER TAX**
was SEK 634.7 million (SEK 547.8 million)
- **EARNINGS** per share before and after
dilution were SEK 5.76 (SEK 4.97)
- **ACQUISITION OF**
 - operations in Technibel SAS, France
 - North American WaterFurnace Renewable Energy Inc.
 - remaining 90% of North American Enertech Global LLC (November)

Interim Report 3 2014



Gerteric Lindquist
Managing Director and CEO

Chief Executive's Report

Stable NIBE with healthy growth and a strong earnings trend

Group sales for the first nine months of the year grew by 10.3% (3.9%). In organic terms, sales rose by 7.0% (-5.0%). In addition to better demand, sales for the first nine months of the year were also positively affected by the weaker Swedish krona.

Demand was clearly better than in the same period last year, but it should be remembered that demand during the first six months of 2013 was relatively weak, and recovered slightly in the third quarter.

The fluctuations in demand this year reflect an economic trend with considerable ups and downs. This has been exemplified in that demand was good in Q1, varied from month to month in Q2 and continued to display a similar pattern in Q3. While the healthy level of demand in the first quarter was probably partly attributable to the mild winter in Europe, which facilitated heat pump installations, the mild autumn is likely to have had the opposite effect on demand in Q3 for, primarily wood-burning stoves.

This uncertainty in the market has meant that we are maintaining a strong focus on costs, greater flexibility in production and high demands for continual growth in productivity. Combined with a persistent increase in market share, this has enabled further improvement in our operating margin.

Several of NIBE Energy Systems' main markets in Europe are adopting a cautious approach, largely due to the sluggish pace of private home construction. Despite this market situation we have still managed to increase sales, owing to a combination of proactive marketing and new products that have been positively received by the market.

Demand has remained good for NIBE Element within most market segments, both in North America and Asia. On the whole this has also applied to Europe, but recently there has been a degree of uncertainty. The relatively healthy level of demand, successful product development and increased market presence have together generated continued positive organic growth.

So far this year the total European wood stove market is considered to have been somewhat weaker than last year, which is mainly thought to be down to the unsettled economic situation and, to a certain extent the mild weather at the beginning of the autumn. Despite this, several successful product launches and market initiatives have enabled continued stable growth.

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

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

At the end of August, NIBE acquired 100% of

shares in US 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 leading heat pump producers in North America within ground-source/geothermal heat pumps designed for smaller properties and single family homes.

At the beginning of November, NIBE acquired the remaining 90% of shares in North American heat pump company Enertech Global LLC, which has annual sales of some SEK 245 million and an operating margin of approximately 10%. The company is a significant player within ground-source/geothermal heat pumps for single family homes.

During the period, three small bolt-on acquisitions were made within NIBE Element comprising total sales of around SEK 35 million.

Operating profit for the first nine months of the year improved by 17.0% compared with the corresponding period last year and the operating margin rose from 10.9% to 11.5%. Operating profit was also positively affected by the weaker Swedish krona.

Profit after financial items improved by 15.5% compared with the corresponding period in 2013, leading to a profit margin of 10.7% versus 10.3% 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

This means we can look to the future with confidence.

New wording, fifth paragraph

The fourth quarter is expected to be characterised by a weak economic outlook in Europe, offset by a relatively strong trend in North America and Asia.

We therefore conclude that full-year earnings will exceed those of last year by a healthy margin.

Markaryd, Sweden, 14 November 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

14 November 2014

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

Presentation of Interim Report 3 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 99 353

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

Sales

Group net sales totalled SEK 7,677.4 million (SEK 6,957.5 million). This corresponds to growth of 10.3%, of which 7.0% was organic growth. Acquired operations accounted for SEK 231.1 million of the total SEK 719.9 million increase in sales.

Earnings

Profit for the period after net financial items was SEK 823.9 million. This equates to a 15.5% increase in earnings compared with SEK 713.6 million for the corresponding period in 2013. Operating profit for the period includes non-recurring items, among them capital gains from the sale of property, which had a net positive effect on operating profit of SEK 14.5 million. Profit for the period has been charged with acquisition expenses of SEK 26.8 million versus SEK 8.1 million for the same period last year. Return on equity was 16.3% (16.2%).

Since a major acquisition was completed in the third quarter, it is difficult to compare some of the key figures with previous periods. This is because the new acquisition is only included in the consolidated income statement from the beginning of September, whereas in the consolidated balance sheet it is included for the entire quarter. See also under the heading "Key figures" on page 9, where selected pro forma key figures for the last 12-month period are reported.

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. Operations come under the business area NIBE Energy Systems from February onwards.

At the end of August, NIBE acquired 100% of the shares in the 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 total purchase price amounted to 378.3 million Canadian dollars, which is approximately SEK 2.4 billion. The acquisition value is still provisional. The company has been consolidated in the business area NIBE Energy Systems from September onwards. See pages 5 and 9 for further information.

During the period, three smaller bolt-on acquisitions were also made comprising total annual sales of around SEK 35 million.

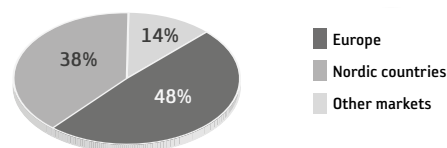
Significant events after the end of the period

At the beginning of November, NIBE acquired the remaining 90% of shares in North American heat pump company Enertech Global LLC, which has annual sales of some SEK 245 million and an operating margin of approximately 10%. The company is being consolidated in the business area NIBE Energy Systems from November onwards.

Investments

Group investments for the period January–September amounted to SEK 2,576.0 million (SEK 835.2 million). A total of SEK 2,396.7 million (SEK 589.3 million) of this sum relates to acquisitions. The remaining SEK 179.3 million (SEK 245.9 million) is mainly investments in machinery

Group sales by geographical region



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 878.2 million (SEK 839.9 million). Cash flow after changes in working capital amounted to SEK 579.0 million (SEK 506.2 million).

Interest-bearing liabilities at the end of the period amounted to SEK 7,425.4 million, compared with SEK 4,591.3 million at the start of the year. The increase is mainly due to loan financing for the period's acquisitions.

At the end of September the Group had cash and cash equivalents of SEK 2,284.2 million as against SEK 2,369.2 million at the start of the year.

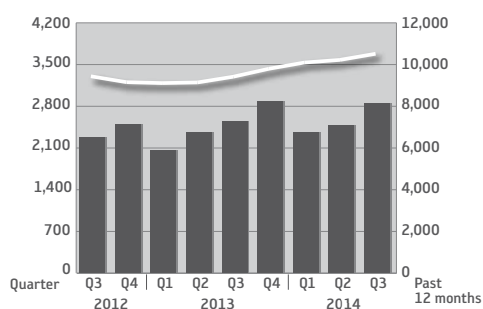
The equity/assets ratio at the end of the period was 35.8%, compared with 43.0% at the start of the year and 40.3% at the corresponding point last year.

Parent

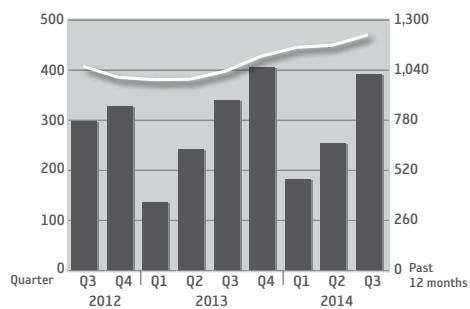
Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 7.0 million (SEK 6.3 million) and profit after financial items was SEK 878.6 million (SEK 480.9 million). At the end of the reporting period the parent company had cash and cash equivalents of SEK 1,069.4 million compared with SEK 979.5 million at the start of the year.

NIBE Group Key figures		2014	2013	Past	2013
		Q1-3	Q1-3	12 mths	full-year
Net sales	SEK m	7,677.4	6,957.5	10,553.5	9,833.6
Growth	%	10.3	3.9	11.6	7.0
of which acquired	%	3.3	8.9	5.2	9.3
Operating profit	SEK m	885.0	756.1	1,308.1	1,179.2
Operating margin	%	11.5	10.9	12.4	12.0
Profit after net financial items	SEK m	823.9	713.6	1,227.7	1,117.4
Profit margin	%	10.7	10.3	11.6	11.4
Equity/assets ratio	%	35.8	40.3	35.8	43.0
Return on equity	%	16.3	16.2	17.0	16.7

Net sales
Past nine quarters (in millions of SEK)

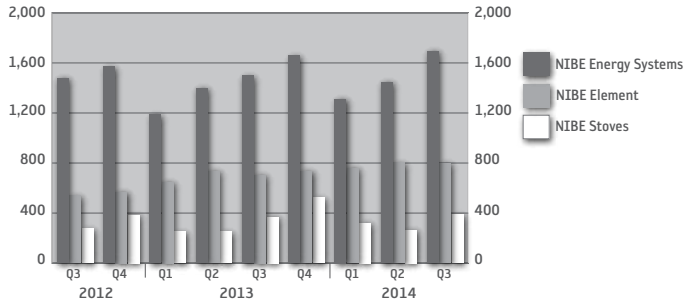


Profit after financial items
Past nine quarters (in millions of SEK)

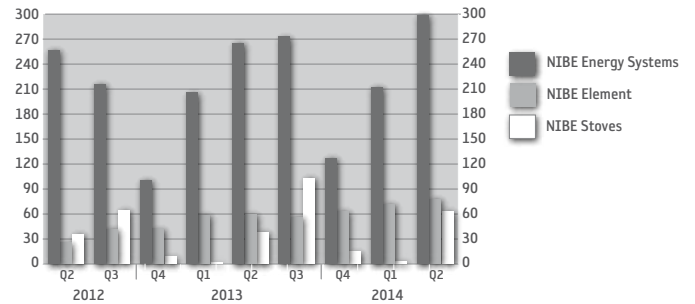


Business Area trends

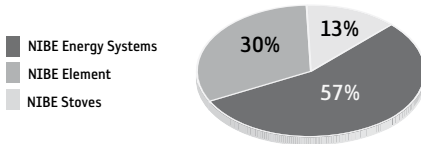
Sales by business area
Past 9 quarters (in millions of SEK)



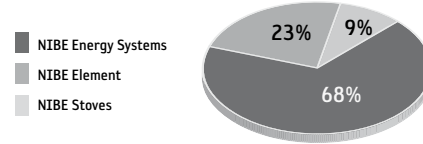
Operating profit by business area
Past 9 quarters (in millions of SEK)



Business area contributions to sales



Business area contributions to profit



JUST



NIBE Energy Systems launches a new Junior Sales Development Programme – JUST

Nine, well-educated international young people with a passion for sales have been selected from among 400 applicants to join the Junior Sales Development Programme. NIBE Energy Systems is investing in the future by offering these new employees a unique opportunity to launch their careers with NIBE. An international training programme combined with practical sales experience over a period of two years will create a future sales platform characterised by the new generation's customer perspective. Belgium, Holland, Germany, the UK and Switzerland are all represented on the programme.

NIBE Energy Systems

Sales and profit

Sales for the period totalled SEK 4,451.4 million, compared with SEK 4,081.9 million for the corresponding period last year. The increase in sales was SEK 369.5 million with acquired sales accounting for SEK 145.2 million of this sum, which means that organic growth was 5.5%.

Operating profit for the period totalled SEK 637.8 million, compared with SEK 571.4 million the previous year. This equated to an operating margin of 14.3% compared with 14.0% for the previous year. This means that the operating margin for the past 12 months is 14.9%.

Market

The persistently cautious European economy and an unsettled political situation in Eastern Europe are also affecting the development of the European heat pump market, albeit with local variations. In Europe, the pace of growth in new builds of private homes levelled off in the third quarter, which has caused demand to stagnate on most markets.

The market trend of using energy recovery from both outdoor and indoor air is continuing and fits well with our development focus and our latest product launches. This has also contributed to our organic growth in a relatively weak market.

Demand on our key markets Germany, Switzerland and the UK was slightly sluggish during the third quarter and the market in Finland remains weak, while other North European markets are displaying a stable trend. The heat pump market in France, which is now entirely dominated by air heat pumps, has once again experienced some growth, which is pleasing to see.

Despite an unsettled political situation, the positive trend is holding on a number of markets in Eastern Europe and several of our businesses have given a robust performance.

After several years of tentative development in a weaker economic climate, the total North American heat pump market has once again begun to grow, as are our own businesses, all of which have shown noticeable positive development.

Some modest growth is also discernible on the Swedish heat pump market in and following the third quarter. Products for larger properties have shown the largest percentage of market growth, and it is also in this area that we are gaining most market share. An increase in new-builds of private homes is also generating a positive impact on growth. Our total market share for heat pumps has increased significantly, and as a result we have further strengthened our already solid market position.

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

Operations

With the objective of continuing to increase our market share on the European market we are currently involved in proactive marketing

Positive trend on several markets in Eastern Europe

Our Czech subsidiary DZ Drazice, which manufactures domestic boilers, was acquired in 2006 and is now one of NIBE Energy Systems' highest-performing companies. Since the acquisition, the company has grown to become market leader in the Czech Republic with regard to domestic boilers and heat pumps. An increasingly large proportion of the company's commercial development comprises exports of high-quality domestic boilers produced in-house to some 20 different markets. This foreign expansion has resulted in a market-leading position in Russia with regard to indirectly heated domestic boilers. 2014 saw the introduction of the latest generation of domestic boilers to satisfy future energy-saving requirements and standards. The products have a smart control function to control water heating, which will optimise energy consumption.

initiatives, including expanding sales resources and participation in a considerable number of major and small trade fairs.

The acquisition of North American heat pump manufacturer WaterFurnace Renewable Energy Inc. strengthens our position as global market leader within sustainable energy solutions, providing us with market-adapted products and solutions for energy-efficient indoor climate. WaterFurnace is a market leader in the US and Canada for ground-source/geothermal heat pumps designed for the smaller properties segment. The products are marketed under the brands WaterFurnace and GeoStar in North America, and WFI in China.

The company, which has been listed on the Toronto Stock Exchange since 1993, has 267 employees and head offices in Fort Wayne, USA. Sales in 2013 amounted to approximately SEK 800 million, with an operating margin of 17%. So far this year the company has seen growth of 10%, with a persistently healthy operating margin.

Highly effective cooperation is facilitating the integration process and synergies have initially been identified within primarily purchasing and product development.

To further consolidate our market position in North America, NIBE acquired the remaining 90% of shares in North American heat pump company Enertech Global LLC at the beginning of November. The company has head offices and development operations in Greenville, Illinois, while production is based in Mitchell, South Dakota. Enertech has a strong market position within ground-source/geothermal heat pumps for private homes.

NIBE Energy Systems		2014	2013	Past	2013
Key figures		Q1-3	Q1-3	12 mths	full-year
Net sales	SEK m	4,451.4	4,081.9	6,109.4	5,739.9
Growth	%	9.1	- 5.7	8.1	- 2.7
of which acquired	%	3.6	0.9	2.6	0.7
Operating profit	SEK m	637.8	571.4	910.6	844.2
Operating margin	%	14.3	14.0	14.9	14.7
Assets	SEK m	11,710.9	8,032.1	11,710.9	8,098.6
Liabilities	SEK m	1,312.2	1,091.4	1,312.2	1,067.7
Investments in non-current assets	SEK m	140.7	130.7	195.7	185.7
Depreciation	SEK m	178.8	177.6	241.6	240.4



Sales and profit

Sales totalled SEK 2,360.6 million, compared with SEK 2,088.8 million for the corresponding period last year. The increase in sales was SEK 271.8 million, with acquired sales accounting for SEK 45.4 million of this sum, which means that organic growth was 10.8%.

Operating profit for the period totalled SEK 212.7 million, compared with SEK 160.7 million the previous year. This equates to an operating margin of 9.0% compared with 7.7% for the same period last year. This means that the operating margin for the past 12 months is 8.7%.

Market

Following the positive trend on the international element market during the first half of the year, demand in Q3 has shown more variation between different geographical markets and sectors.

On the European market, overall volumes are continuing to develop in a positive direction, while the order backlog is becoming shorter. This is due to customer uncertainty with regard to economic developments, coupled with a continued focus on reducing tied-up capital throughout the entire supply chain. 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 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 an 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 both our global market presence and position in this sector. There is a slight risk that falling oil prices may have an impact on the market situation within this segment in future.

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 various authorities.

New solutions based on heat-pump technology have been launched on the market. These are used in our customers' products to achieve lower energy consumption in, for example, commercial dishwashers and tumble dryers.

The transport sector, which includes both the automotive industry and rail-based traffic, continues to give a positive performance. A number of new innovative products were launched and new customer

projects were implemented, several of which related to improving environmental performance. These customer projects have also caused the long-term order backlog for deliveries over the next few years to increase.

Operations

We are continuing to take structural measures to create competitive units within each market segment, with the aim of achieving our target of a 10% operating margin. This involves further investments within automation and mechanisation, as well as a focus on production technology analysis and programmes of measures to ensure continual improvements in productivity and efficiency. These measures have been successful, which is also reflected in our increased operating margin.

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 a small bolt-on acquisition in the third quarter. In order to further strengthen our focus on supplying complete solutions for our customers' projects in the energy sector, we acquired a Norwegian sheet metal working business with annual sales of approximately SEK 10 million.

Raw material prices and exchange rates remain volatile, which is having a considerable effect on pricing and competitiveness. In this situation, having production units in different currency zones gives us a clear advantage.

NIBE Element		2014	2013	Past	2013
Key figures		Q1-3	Q1-3	12 mths	full-year
Net sales	SEK m	2,360.6	2,088.8	3,093.6	2,821.8
Growth	%	13.0	18.1	16.4	20.8
of which acquired	%	2.2	17.5	6.0	18.2
Operating profit	SEK m	212.7	160.7	268.7	216.7
Operating margin	%	9.0	7.7	8.7	7.7
Assets	SEK m	3,007.8	2,693.1	3,007.8	2,758.2
Liabilities	SEK m	601.3	533.0	601.3	547.6
Investments in non-current assets	SEK m	55.8	59.7	79.1	83.0
Depreciation	SEK m	75.2	69.3	97.6	91.7



Future environmental requirements demand new solutions

New, innovative products were launched in the transport sector and new customer projects were implemented, several of which related to improving environmental performance, for example battery heaters and electric vehicles. These customer projects have also meant that the number of orders for the next few years has increased.

Sales and profit

Sales totalled SEK 972.4 million, compared with SEK 872.1 million for the corresponding period last year. The increase in sales was SEK 100.3 million with acquired sales accounting for SEK 40.5 million of this sum, which means that organic growth was 6.9%.

Operating profit totalled SEK 81.7 million, compared with SEK 48.8 million for the corresponding period last year. The operating margin rose from 5.6% last year to 8.4%. This means that the operating margin for the past 12 months is 12.3%. Operating profit for the period includes non-recurring items, among them capital gains from the sale of property, which had a net positive effect on operating profit of SEK 14.5 million. Excluding the non-recurring items, the operating margin would have been 6.9% for the period and 11.4% for the past 12 months.

Market

Despite a slightly stronger start, the European wood stove market has so far this year seen weaker development, with the exception of a few individual markets. The main reason for this is the lack of economic recovery. Furthermore, the unusually warm autumn weather has temporarily impacted on demand at the start of the important peak season. Under these challenging market conditions we have managed to achieve organic growth, thereby bolstering our position.

Following a reasonably stable first half of the year in Sweden and Denmark, with demand at roughly the same level as last year, the market dipped in Q3. Demand for wood-stove accessories is therefore at historically low levels, despite a slight increase in the number of new-builds. In Norway, the market is continuing to shrink, which is due to a cautious approach among consumers, paired with a noticeable decrease in the number of new-builds.

In the UK, demand remains healthy and is at a high level, however the pace of growth has eased off slightly. The strong demand is largely down to the country's improved economic situation and increased housing construction activity, owing to generous financing opportunities. Following several years of increased demand, a number of companies have joined this market, which is why competition is on the rise.

After a strong start to the year, demand in Germany has flagged due to a weaker economic trend, combined with low gas and oil prices. The French economy has also dipped and total demand for wood-stove accessories has fallen sharply so far this year, while interest in pellet-fired stoves is continuing to rise.

After several years of discussions in the EU regarding new ecodesign requirements, agreement has finally been reached on standard limits

regarding efficiency and emissions, which will apply to local wood-fired stoves. All products that are sold in Europe must satisfy the new requirements by 2022, and in addition, an energy labelling system will be introduced. All our products already satisfy these requirements in principle. Even so, it is extremely positive for the industry to have a clear set of guidelines for product development, and in the long term it will mean an even clearer focus on better products with a reduced environmental impact.

Operations

The sales increase so far this year is largely the result of our extensive product launches last year, which are now gaining full traction. We have been able to increase our market share owing to consistent development of new, interesting products at competitive prices and persistently proactive marketing efforts.

Our product development activities are focused on two areas. Firstly we are broadening our offering with new products within new market segments, and secondly we are developing new, attractive models in our main segment of free-standing wood-burning stoves. To further strengthen our product development capacity we have invested in a completely new laboratory at our plant in Markaryd. This will go into operation in the fourth quarter this year and become a state-of-the-art laboratory, one of the foremost in our industry in Europe. This is a significant initiative in helping us to develop and refine combustion technology in our products, thus making the products even more efficient and further reducing emissions.

NIBE Stoves		2014	2013	Past	2013
Key figures		Q1-3	Q1-3	12 mths	full-year
Net sales	SEK m	972.4	872.1	1,495.6	1,395.3
Growth	%	11.5	28.6	18.9	31.1
of which acquired	%	4.6	36.0	15.1	36.9
Operating profit	SEK m	81.7	48.8	184.7	151.8
Operating margin	%	8.4	5.6	12.3	10.9
Assets	SEK m	1,774.5	1,616.0	1,774.5	1,592.2
Liabilities	SEK m	276.6	243.3	276.6	206.1
Investments in non-current assets	SEK m	5.4	18.9	13.2	26.6
Depreciation	SEK m	41.5	39.7	54.4	52.6

Ecodesign and energy labelling

The Ecodesign and Energy Labelling Directive is a significant tool in the EU's efforts to achieve a 20% reduction in energy consumption by the year 2020. Ecodesign requirements mean that in future, products must have a certain level of energy efficiency and resource efficiency to be used within the EU. The energy labelling requirements provide details to consumers about a product's degree of energy efficiency, thereby enabling them to make informed choices.

Source: Swedish Energy Agency



Income Statement summaries

(in millions of SEK)	Group						Parent	
	Q3 2014	Q3 2013	Jan-Sept 2014	Jan-Sept 2013	Past 12 mths	full-year 2013	Jan-Sept 2014	Jan-Sept 2013
Net sales	2,838.9	2,544.9	7,677.4	6,957.5	10,553.5	9,833.6	7.0	6.3
Cost of goods sold	-1,801.3	-1,653.8	-4,992.4	-4,616.0	-6,838.2	-6,461.8	0.0	0.0
Gross profit	1,037.6	891.1	2,685.0	2,341.5	3,715.3	3,371.8	7.0	6.3
Selling expenses	-489.6	-428.0	-1,400.4	-1,250.5	-1,888.4	-1,738.5	0.0	0.0
Administrative expenses	-180.2	-136.2	-505.4	-418.9	-666.2	-579.7	-56.0	-27.5
Other operating income	48.5	30.3	105.8	84.0	147.4	125.6	0.0	0.0
Operating profit	416.3	357.2	885.0	756.1	1,308.1	1,179.2	-49.0	-21.2
Net financial items	-24.8	-19.3	-61.1	-42.5	-80.4	-61.8	927.6	502.1
Profit after net financial items	391.5	337.9	823.9	713.6	1,227.7	1,117.4	878.6	480.9
Tax	-87.5	-74.8	-189.2	-165.8	-282.8	-259.4	0.0	0.0
Net profit	304.0	263.1	634.7	547.8	944.9	858.0	878.6	480.9
Net profit attributable to Parent shareholders	304.0	263.1	634.7	547.8	944.9	858.0	878.6	480.9
<i>Includes depreciation according to plan as follows</i>	<i>100.7</i>	<i>98.7</i>	<i>295.5</i>	<i>286.6</i>	<i>393.5</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>2.76</i>	<i>2.39</i>	<i>5.76</i>	<i>4.97</i>	<i>8.57</i>	<i>7.78</i>		

Statement of comprehensive income

Net profit	304.0	263.1	634.7	547.8	944.9	858.0	878.6	480.9
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	4.1	2.0	5.1	-3.9	3.8	-5.1	0.4	0.0
Hedging of net investment	-94.1	9.6	-236.8	6.0	-324.9	-82.1	-236.1	5.9
Exchange differences	112.4	-28.3	400.0	-67.7	587.7	120.0	0.0	0.0
Tax	19.5	-2.8	50.5	-0.2	70.0	19.2	51.9	-1.3
	41.9	-19.5	218.8	-65.8	336.6	52.0	-183.8	4.6
Total other comprehensive income	41.9	-19.5	218.8	-65.8	364.5	79.9	-183.8	4.6
Total comprehensive income	345.9	243.6	853.5	482.0	364.5	937.9	694.8	485.5
Total comprehensive income attributable to Parent shareholders	345.9	243.6	853.5	482.0	1,309.4	937.9	694.8	485.5

Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	30 Sep 2014	30 Sep 2013	31 Dec 2013	30 Sep 2014	30 Sep 2013	31 Dec 2013
Intangible non-current assets	8,987.3	6,005.3	6,153.6	0.0	0.0	0.0
Property, plant and equipment	1,957.8	1,864.2	1,889.1	0.0	0.0	0.0
Non-current financial assets	308.7	173.1	155.2	9,251.0	8,235.2	8,187.4
Total non-current assets	11,253.8	8,042.6	8,197.9	9,251.0	8,235.2	8,187.4
Inventories	2,163.0	1,816.8	1,760.0	0.0	0.0	0.0
Current receivables	2,122.4	1,755.2	1,414.7	65.8	61.2	72.9
Current investments	78.6	0.0	3.0	0.0	0.0	0.0
Cash and bank balances	1,604.7	1,096.7	1,591.2	768.6	424.8	579.5
Total current assets	5,968.7	4,668.7	4,768.9	834.4	486.0	652.4
Total assets	17,222.5	12,711.3	12,966.8	10,085.4	8,721.2	8,839.8
Equity	6,169.9	5,119.5	5,575.4	3,796.6	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	1,713.8	1,280.5	1,267.2	497.1	525.3	517.5
Non-current liabilities and provisions, interest-bearing	7,155.2	4,327.5	4,390.7	5,556.7	4,649.1	4,796.7
Current liabilities and provisions, non-interest-bearing	1,913.4	1,604.8	1,532.9	23.7	23.1	22.6
Current liabilities and provisions, interest-bearing	270.2	379.0	200.6	210.2	138.1	141.1
Total equity and liabilities	17,222.5	12,711.3	12,966.8	10,085.4	8,721.2	8,839.8

Key figures		Jan-Sept 2014	Jan-Sept 2013	full-year 2013
Growth	%	10.3	3.9	7.0
Operating margin	%	11.5	10.9	12.0
Profit margin	%	10.7	10.3	11.4
Investments in non-current assets	SEK m	2,576.0	835.2	911.6
Unappropriated liquid assets	SEK m	2,284.2	1,857.4	2,369.2
Working capital, incl. cash and bank balances as share of net sales	SEK m %	3,785.0 35.9	2,685.0 28.4	3,035.3 30.9
Working capital, excl. cash and bank balances as share of net sales ¹⁾	SEK m %	2,180.3 20.7	1,588.3 16.8	1,444.1 14.7
Interest-bearing liabilities/Equity	%	120.3	91.9	82.3
Equity/assets ratio ²⁾	%	35.8	40.3	43.0
Return on capital employed ³⁾	%	11.4	11.8	12.4
Return on equity ⁴⁾	%	16.3	16.2	16.7
Net debt/EBITDA ⁵⁾	times	3.4	2.5	1.9
Interest coverage ratio ⁶⁾	times	9.1	11.1	12.4

A pro forma income statement for the latest 12-month period, including units acquired during the period with their respective latest 12-month income statements, provides more accurate key figures as follows;

¹⁾ Working capital would amount to approx. 19.1%

²⁾ Equity/assets ratio would be approx. 36.2%

³⁾ Return on capital employed would be approx. 10.9%

⁴⁾ Return on equity would be approx. 16.7%

⁵⁾ Net debt/EBITDA would be approx. 3.1 times

⁶⁾ Interest cover ratio would be approx. 10.1 times

Data per share		Jan-Sept 2014	Jan-Sept 2013	full-year 2013
Net profit per share (total 110,253,638 shares)	SEK	5.76	4.97	7.78
Equity per share	SEK	55.96	46.43	50.57
Closing day share price	SEK	182.20	122.40	145.00

Financial instruments measured at fair value	30 Sept 2014	30 Sept 2013	31 Dec 2013
(in millions of SEK)			
Current receivables			
Currency futures	10.7	2.4	7.2
Commodity futures	1.0	0.0	0.3
Total	11.7	2.4	7.5
Current liabilities and provisions, non-interest-bearing			
Currency futures	10.2	4.1	11.0
Commodity futures	0.4	1.2	0.5
Total	10.6	5.3	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

(in millions of SEK)	Jan-Sept 2014	Jan-Sept 2013	full-year 2013
Cash flow from operating activities	878.2	839.9	1,255.4
Change in working capital	- 299.2	- 333.7	- 186.2
Investment activities	- 2,510.1	- 407.9	- 474.8
Financing activities	1,898.5	73.6	50.6
Exchange difference in liquid assets	46.1	- 9.5	11.9
Change in liquid assets	13.5	162.4	656.9

Change in equity – summaries

(in millions of SEK)	Jan-Sept 2014	Jan-Sept 2013	full-year 2013
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⁾	0.1	0.1	0.1
Total comprehensive income for the period	853.5	482.0	937.9
Equity carried forward	6,169.9	5,119.5	5,575.4

¹⁾ Dividends from 2003 and 2004 that have not been redeemed and have therefore expired.

Acquisition of WaterFurnace Renewable Energy Inc.

The NIBE Group completed the acquisition of shares in North American heat pump company WaterFurnace Renewable Energy Inc. on 22 August 2014. The total purchase price amounted to 378.3 million Canadian dollars, which is approximately SEK 2.4 billion. The purchase price consisted of 100% cash. The acquisition value is still provisional. See pages 3 and 5 for further information about the company's operations.

Consideration consists of the following

(in millions of SEK)	
Fair value of net assets acquired	610.7
Goodwill	1,740.5
Cash consideration	2,351.2
Cash and cash equivalents in acquired companies	- 50.3
Effect on the Group's cash and cash equivalents	2,300.9

Goodwill is attributable to the profitability of the operations acquired, as well as to the synergy effects, particularly in material supply and product development, that are anticipated within the Group.

The acquired net assets are as follows:

(in millions of SEK)	Fair values	Acquired carrying amounts
Intangible non-current assets	689.5	109.9
Property, plant and equipment	43.7	43.7
Non-current financial assets	21.5	21.5
Inventories	62.4	62.4
Current receivables	192.0	192.0
Current investments	51.8	51.8
Cash and bank balances	50.3	50.3
Non-current liabilities and provisions, non-interest- bearing	- 419.6	- 202.2
Current liabilities and provisions, non-interest-bearing	- 80.9	- 80.9
Net assets acquired	610.7	248.5

Acquired current receivables comprise SEK 200.5 million, of which SEK 192.0 million is expected to be settled. Acquired non-current liabilities and provisions mainly comprise warranty provisions.

Quarterly data

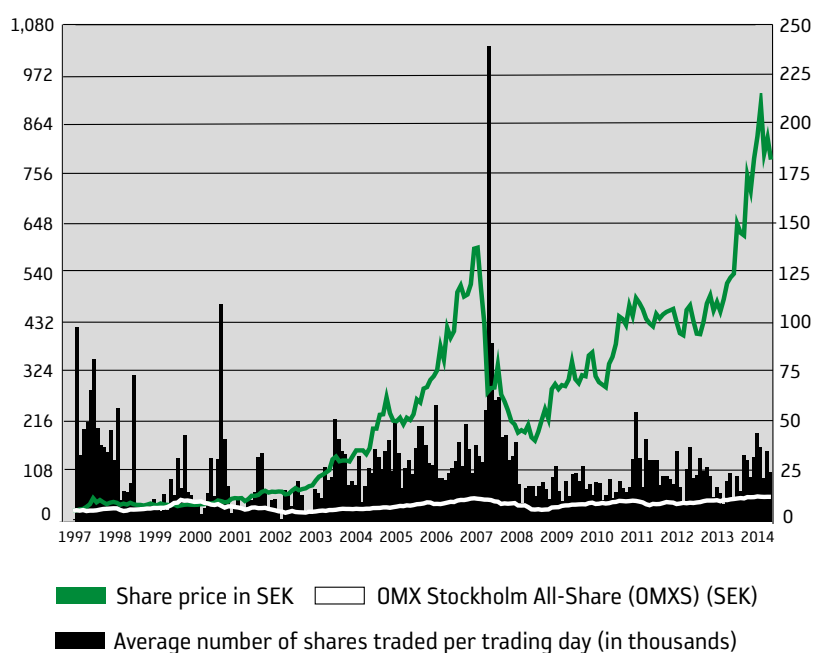
Consolidated income statements (in millions of SEK)	2014			2013				2012	
	Q 1	Q 2	Q 3	Q 1	Q 2	Q 3	Q 4	Q 3	Q 4
Net sales	2,361.3	2,477.2	2,838.9	2,062.4	2,350.2	2,544.9	2,876.1	2,271.2	2,496.0
Operating expenses	- 2,164.9	- 2,204.9	- 2,422.6	- 1,918.3	- 2,095.4	- 2,187.7	- 2,453.0	- 1,958.9	- 2,190.9
Operating profit	196.4	272.3	416.3	144.1	254.8	357.2	423.1	312.3	305.1
Net financial items	- 16.2	- 20.1	- 24.8	- 9.9	- 13.3	- 19.3	- 19.3	- 16.6	18.9
Profit after net financial items	180.2	252.2	391.5	134.2	241.5	337.9	403.8	295.7	324.0
Tax	- 41.9	- 59.8	- 87.5	- 35.4	- 55.6	- 74.8	- 93.6	- 72.6	- 71.7
Net profit	138.3	192.4	304.0	98.8	185.9	263.1	310.2	223.1	252.3
Net sales Business Areas									
NIBE Energy Systems	1,312.5	1,445.3	1,693.6	1,185.3	1,397.7	1,498.9	1,658.0	1,477.8	1,571.1
NIBE Element	758.7	803.5	798.4	649.8	734.5	704.5	733.0	540.5	568.1
NIBE Stoves	320.2	264.1	388.1	252.3	251.1	368.7	523.2	276.5	386.0
Elimination of Group transactions	- 30.1	- 35.7	- 41.2	- 25.0	- 33.1	- 27.2	- 38.1	- 23.6	- 29.2
Group total	2,361.3	2,477.2	2,838.9	2,062.4	2,350.2	2,544.9	2,876.1	2,271.2	2,496.0
Operating profit Business Areas									
NIBE Energy Systems	127.2	212.0	298.6	101.1	205.4	264.9	272.8	256.7	212.5
NIBE Element	63.2	71.9	77.6	42.4	58.4	59.9	56.0	25.7	43.2
NIBE Stoves	15.0	3.4	63.3	8.9	1.6	38.3	103.0	35.9	64.4
Elimination of Group transactions	- 9.0	- 15.0	- 23.2	- 8.3	- 10.6	- 5.9	- 8.7	- 6.0	- 15.0
Group total	196.4	272.3	416.3	144.1	254.8	357.2	423.1	312.3	305.1

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 September 2014 was SEK 182.20. In the first to third quarters of 2014, NIBE's share price rose by 25.7%, from SEK 145.00 to SEK 182.20. During the same period, the OMX Stockholm All-share index (OMXS) increased by 5.6%. This means that, at the end of 2014 the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 20,088 million. A total of 25,196,052 NIBE shares were traded, which corresponds to a share turnover of 30.5% in the first three quarters of 2014.

Shares traded per day (in thousands)

Share price in SEK

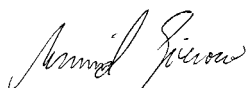


Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the third 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.

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, Sweden, 14 November 2014



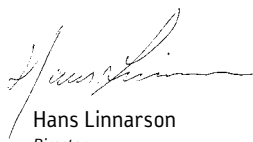
Arvid Gierow
Chairman of the Board



Georg Brunstam
Director



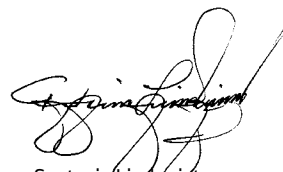
Eva-Lotta Kraft
Director



Hans Linnarson
Director



Anders Pålsson
Director



Gerteric Lindquist
Managing Director & CEO

Review report

We have reviewed the summary interim financial information (interim report) of Nibe Industrier AB as of 30 September 2014 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We 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 of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and conse-

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.

quently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Markaryd, Sweden, 14 November 2014
KPMG AB



Alf Svensson
Authorised Public Accountant
Senior Auditor



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 14 November 2014.

Please e-mail 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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