

▲ SALES rise to SEK 2,566.2 million  
(Q1/Q2 2007: SEK 2,532.1 million)

▲ PROFIT AFTER NET FINANCIAL  
ITEMS falls to SEK 144.0 million  
(SEK 194.9 million)

▲ PROFIT AFTER TAX falls to  
SEK 101.4 million (SEK 140.2 million)

▲ EARNINGS PER SHARE  
total SEK 1.07 (SEK 1.49)

▲ ACQUISITION OF  
- KNV Umweltgerechte Energietechnik  
GmbH, Austria  
- TermaTech A/S, Denmark  
- 51% stake in CJSC EVAN, Russia

INTERIM REPORT  
1 JANUARY - 30 JUNE

# 2008



## The Chief Executive's Report

First-half sales slightly up on last year.  
Profits down, as anticipated – but full-year  
forecast remains cautiously optimistic.

Sales growth for the first half of 2008 was 1.3% (organic growth: 0.3%). Last year's first-half figures were 20.6% and 12.9% respectively. While the current economic climate has dampened demand in a number of market segments where consumer sales dominate, all of our business areas are continuing to capture new shares of the market.

The fact that our operating profit has fallen by 15.2% is largely attributable to two factors: relentless rises in the costs of materials that we have not yet been able to fully compensate ourselves for, and a significantly different approach to stockbuilding in the first half of this year compared to the corresponding period last year, which has resulted in lower absorption of indirect costs. In contrast to the first half of 2007, when our stock-in-trade rose by SEK 502 million, the first six months of 2008 have seen a SEK 6 million reduction in the stocks we hold.

Unlike previous years, we have resolved to make no attempt this year to even out the variations in seasonal demand by building up stocks during the first six months. Instead we will do all we can to meet what is traditionally a greater level of demand during the second half of the year through a temporary increase in production capacity. This change in production patterns will see a shift in earnings from the first to the second half of the year.

Despite the shaky economy, material costs continue to rise and are a cause of considerable concern. As always at NIBE, we have endeavoured to compensate for these rises by increasing productivity, making technical improvements and changing suppliers, but we have also been forced to raise prices to our customers. Even so, we have not yet been able to fully offset the effect of spiralling material costs. We must therefore implement further price adjustments in the third quarter.

Net financial expense has risen by SEK 16.3 million during the first six months as a result of greater borrowing and higher interest rates. This means that profit after net financial items has fallen by 26.1%.

During the remainder of the year the rate of investment in existing operations will be significantly lower as work on NIBE Stoves' new production plant and production warehouse, both located in Markaryd, is now complete and these units are operational.

For **NIBE Element** there are two sides to the picture: demand for consumer-oriented products continues to decline, while demand for products for industry remains good, especially in the energy sector.

Intensive efforts are being made to adapt operations to this situation.

**NIBE Heating** experienced a recovery in the Swedish heat-pump market during the second quarter to a level almost on a par with that for the second quarter last year, and the German heat pump market also started to move in the right direction during Q2.

Most of the other markets in which we work are generally showing a great deal of interest in heat pumps.

The integration of the business area's two latest acquisitions, KNV Umweltgerechte Energietechnik GmbH of Austria and the majority-owned CJSC EVAN of Russia, has proceeded according to plan during the second quarter.

**NIBE Stoves's** rather weak development in sales is due entirely to the fall-off in demand in Sweden and Denmark. In contrast, however, it seems that we can now see the light at the end of the tunnel in the German market, and other foreign markets, too, are developing well.

NIBE Stoves' acquisition of TermaTech in Denmark has strengthened the business area by paving the way for a broader product programme on several markets where we are already established.

The new wood-stove production plant, which has now been formally opened, will create good opportunities for continued profitable expansion.

### Prospects for 2008

With regard to the internal situation we can confirm that we started 2008 with fixed costs that were SEK 50 million lower than in 2007. We will continue to raise productivity, reduce our material costs and slim down stocks even further.

NIBE still enjoys a healthy financial position and our ambitions with regard to takeovers remain strong.

We stand well prepared for further organic expansion, but we have been cautious about building up stocks ahead of the autumn or increasing our fixed costs until the signals from the market are more positive.

Against this background, we remain cautiously positive about 2008, at the same time as we recognise that we are, of course, dependent on developments in the world around us.

### 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%.

### Financial information

- 14 August 2008, 11.00 (C.E.T.) Telephone conference.  
*The CEO presents the interim report by phone and answers questions.*  
Tel. +46 (0)8-506 269 04
- 13 November 2008 Interim report, Jan–Sept 2008
- 13 February 2009 Summary of Annual Report 2008
- 14 May 2009 Annual General Meeting of Shareholders
- 14 May 2009 Interim report, Jan – March 2009

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

Markaryd, Sweden – 14 August 2008

Gerteric Lindquist  
Managing Director and Chief Executive Officer

## Sales

The Group generated net sales of SEK 2,566.2 million from January to June, which is an increase of 1.3% compared with the figure of SEK 2,532.1 million for the first half of 2007. Organic growth was 0.3%. The overall increase of SEK 34.1 million includes acquired sales of SEK 25.7 million.

## Earnings

Profit for the period after net financial items was SEK 144.0 million. This is 26.1% less than for the corresponding period in 2007, when the figure was SEK 194.9 million. Return on equity was 13.3% (corresponding period 2007: 21.5%).

## Acquisitions

In January NIBE acquired the Austrian heat pump company KNV Umweltgerechte Energietechnik GmbH, which has annual sales of approximately SEK 50 million and pre-tax profits of approximately SEK 5 million. The company now forms part of the NIBE Heating business area.

In May NIBE acquired a 51% stake in CJSC EVAN of Russia, after approval from the Russian competition authority, the Federal Antimonopoly Service. CJSC EVAN, which has annual sales of approximately SEK 100 million and pre-tax profits of around SEK 20 million, forms part of the NIBE Heating business area.

## Important events after the end of the reporting period

In early July NIBE acquired the Danish company TermaTech A/S with annual sales of approximately SEK 55 million and pre-tax profits of approximately SEK 8 million. The company forms part of the NIBE Stoves business area.

In early July an agreement was also signed that gives NIBE an option to acquire the Danish company Lotus Heating Systems A/S in 2010. Lotus is one of Denmark's leading manufacturers of sheet metal woodstoves with annual sales of around SEK 100 million.

## Investments

Between January and June Group investments totalled SEK 245.2 million (SEK 191.1 million). SEK 97.0 million of this sum (SEK 13.2 million) relates to corporate acquisitions, while the remaining SEK 148.2 million (SEK 177.9 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 139.4 million (SEK 155.8 million). Cash flow after changes in working capital was SEK 65.0 million (SEK -344.0 million).

Interest-bearing liabilities totalled SEK 2,288.1 million at the end of the reporting period, compared with SEK 2,005.2 million at the beginning of the year.

At the end of June the Group had liquid funds of SEK 687.6 million as against SEK 853.0 million at the beginning of the year. During the period the Group's overdraft facilities were extended by SEK 52.8 million.

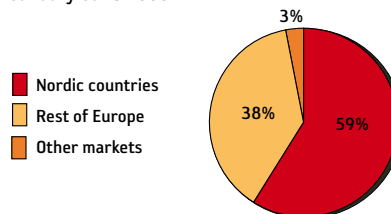
The equity/assets ratio at the end of the period was 32.1%, compared with 34.2% at the beginning of the year and 29.3% at the corresponding point last year.

## Parent company

Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. During the period January to June revenues totalled SEK 1.3 million (SEK 1.2 million) with a profit after financial items of SEK 131.5 million (SEK 144.0 million). At the end of the period, the parent company had liquid funds of SEK 235.2 million, compared with SEK 230.9 million at the beginning of the year.

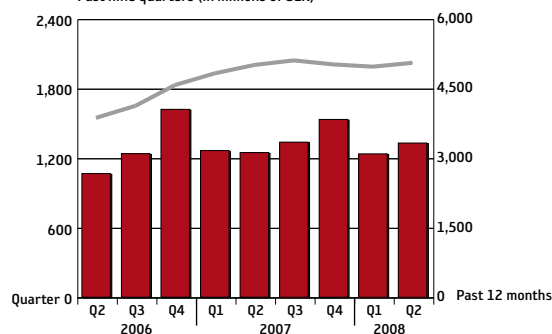
## Group sales by geographic region

January-June 2008



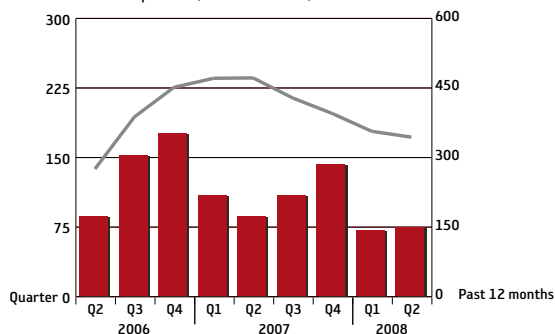
## Net Sales

Past nine quarters (in millions of SEK)



## Profit after financial items

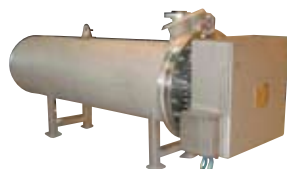
Past nine quarters (in millions of SEK)



## NIBE Industrier - Group

Key figures		2008	2007	Past	Full yr
		Q1-2	Q2-2	12 mths	2007
Net sales	SEK m	2,566.2	2,532.1	5,436.6	5,402.5
Growth	%	1.3	20.6	0.9	9.0
of which acquired	%	1.0	7.7	2.3	5.3
Operating profit	SEK m	193.0	227.6	493.4	528.0
Operating margin	%	7.5	9.0	9.1	9.8
Profit after net fin's	SEK m	144.0	194.9	394.1	445.0
Profit margin	%	5.6	7.7	7.2	8.2

# NIBE Element



## Sales and earnings

Invoiced sales totalled SEK 929.7 million, compared with SEK 907.3 million for the corresponding period last year. Of the total increase of SEK 22.4 million, SEK 4.2 million relates to acquired businesses, which means that organic growth for the period was 2.0%. Operating profit for the period was SEK 55.1 million, compared with SEK 64.1 million for the corresponding period in 2007. This represents an operating margin of 5.9%, compared with last year's figure of 7.1%. The operating margin over the past 12 months is 5.8%.

## Market

Invoiced sales and orders received in the first half have been lower than for the corresponding period last year in consumer-oriented segments, particularly those relating to domestic heating and white goods. The downturn first became apparent in the second quarter of 2007 and has continued since then.

Growth in the industrial segments, on the other hand, continues to be strong, both for project sales and for the sale of components and systems for professional products. However, across the board demand from industry, especially in southern Europe and the USA, is slowing.

Product development work with a special focus on system products has led to a gradual increase in these products' share of total sales, particularly in the energy sector.

## Operations

While we have successively adapted our capacity to correspond to lower levels of demand in certain consumer-oriented product segments, at the same time we are increasing capacity to meet the rise in demand from the project-oriented energy sector.

To make the best use of capital tied up and to reduce logistics costs, extensive efforts are being made to transfer administration to our low-cost units in order to facilitate deliveries direct to end-customers.

Metal prices remain at historically high levels even if the fall in the price of nickel has paved the way for a slight reduction from the peaks experienced in the second quarter last year.

However, wild fluctuations in metal prices and exchange rates continue to cause turbulence in the market and to confuse the competitive situation in certain segments. The picture is complicated by steep rises in payroll expenses, energy costs and freight charges, all of which have a dramatic impact on the end price of products, especially those manufactured in low-cost countries.

To offset the negative effects of these spiralling costs NIBE continues to invest a great deal of effort in boosting productivity at the same time as it acknowledges the need to raise prices in certain segments.

To summarise, current activities are focused on increasing delivery capacity with regard to energy-related project activities and reducing capacity for deliveries within the consumer-related volume business.

<b>NIBE Element</b>		<b>2008</b>	<b>2007</b>	<b>Past</b>	<b>Full yr</b>
<b>Key figures</b>		<b>Q1-2</b>	<b>Q1-2</b>	<b>12 mths</b>	<b>2007</b>
Net sales	SEK m	929.7	907.3	1,801.6	1,779.1
Growth	%	2.5	22.4	6.0	16.0
Operating profit	SEK m	55.1	64.1	104.0	113.0
Operating margin	%	5.9	7.1	5.8	6.4
Assets	SEK m	1,563.7	1,461.3	1,563.7	1,489.7
Liabilities	SEK m	1,462.5	1,390.1	1,462.5	1,381.2
Investm. (fixed assets)	SEK m	33.5	29.7	74.9	71.1
Depreciation	SEK m	29.0	26.8	56.2	54.0

# NIBE Heating



## Sales and earnings

Invoiced sales totalled SEK 1,404.6 million, compared with SEK 1,379.2 million for the corresponding period last year. Of the total increase of SEK 25.4 million, SEK 21.5 million relates to acquired businesses, which means that organic growth for the period was 0.3%.

Operating profit for the period was SEK 140.3 million, compared with SEK 158.2 million for the corresponding period in 2007. This represents an operating margin of 10.0%, compared with last year's figure of 11.5%. The operating margin over the past 12 months is 10.4%.

## Market

The Swedish market for heat pumps as a whole was weaker in the first quarter of 2008 than in Q1 2007, but recovered in the second quarter to a level almost on a par with last year's. This recovery was most noticeable for ground-source and geothermal heat pumps. By increasing our share of the overall Swedish heat-pump market we have consolidated our market position even further during the first half of the year.

The Swedish market for electric water heaters and district-heating products also remains stable, whereas the market for conventional domestic water heaters and boilers continues to shrink. Interest in pellet products remains relatively low both in Sweden and abroad.

Virtually all our foreign markets are showing increased interest in heat pumps and other energy-efficient solutions. Most markets are reporting increased sales: in those that are not, the main reason appears to be the faltering economy rather than waning in interest our products.

Growth in the German heat-pump market improved significantly in the second quarter compared to the corresponding period last year, when we first noticed what we were confident was merely a temporary slowdown. There are several reasons for the recovery: these include clear conditions relating to the German government's programme of subsidies, the rising price of oil and gas, and increased interest in energy-efficient solutions for indoor comfort. At the same time, competition has grown considerably more intense, with an ever increasing number of companies moving into the market.

## Operations

The integration of our most recent acquisition, KNV Umweltgerechte Energietechnik GmbH in Austria, and of the majority owned CJSC EVAN of Russia has continued during the second quarter.

So far this year production has been deliberately maintained at a much lower level than in previous years. This reflects our decision no longer to build up stocks during the first six months. This means, however, that production must be increased significantly during the second half of the year in order to keep pace with demand during the peak season for sales.

Our persistent focus on costs together with the cost-cutting programme implemented last year mean that our fixed costs are much lower than they were in the second quarter of 2007.

Work to wind up manufacturing operations in Trelleborg and transfer production to Poland and Markaryd is proceeding to plan and is scheduled for completion during the fourth quarter.

Steep price increases for raw materials, particularly steel, must be compensated by higher sales prices both in Sweden and abroad.

A large number of new products are being introduced on a rolling schedule throughout the business area's entire international organisation.

<b>NIBE Heating</b>		<b>2008</b>	<b>2007</b>	<b>Past</b>	<b>Full yr</b>
<b>Key figures</b>		<b>Q1-2</b>	<b>Q1-2</b>	<b>12 mths</b>	<b>2007</b>
Net sales	SEK m	1,404.6	1,379.2	2,885.2	2,859.9
Growth	%	1.8	31.1	0.1	11.9
Operating profit	SEK m	140.3	158.2	299.7	317.6
Operating margin	%	10.0	11.5	10.4	11.1
Assets	SEK m	2,407.3	2,230.1	2,407.3	2,160.9
Liabilities	SEK m	1,676.0	1,630.8	1,676.0	1,452.5
Investm. (fixed assets)	SEK m	41.2	65.7	123.6	148.1
Depreciation	SEK m	46.1	41.9	89.7	85.5



# NIBE Stoves



## Sales and earnings

Invoiced sales totalled SEK 301.5 million, compared with SEK 314.6 million for the corresponding period last year. As there are no acquisitions to affect comparisons, this equates to a reduction in sales of 4.2%. Operating profit for the period was SEK 5.4 million, compared with SEK 15.1 million for the corresponding period in 2007. This represents an operating margin of 1.8%, compared with last year's figure of 4.8%. The operating margin over the past 12 months is 12.2%.

## Market

Throughout the second quarter demand for wood-stove products remained weaker than during the corresponding period last year. Much of the decline in sales has its origins in consumer uncertainty about the future of the economy and in the exceptionally mild winter. Our position on the market, however, remains very strong.

Demand in Norway continues to be relatively good and our own sales are developing positively. In Denmark, however, demand remains very weak, partly as a result of the economic slow-down, but also because of uncertainty about the recently introduced restrictions for stove emissions. All the products we sell on the Danish market do, however, meet the new limits.

After a protracted decline the German wood-stove market has stagnated at a generally low level. However, as dealers' stocks return to normal and energy prices continue to rise, we believe that demand will improve in the months to come.

Our sales in France continue to develop in a very positive way.

## Operations

The market has reacted positively to the launch of several new products under the Handöl, Nordpeis and Varde Ovne brands in the second quarter. Delivery of the first of these new stoves is scheduled in time for autumn.

The task of transferring production from existing facilities to the new plant in Markaryd is complete, and we are now proud owners of the most modern and efficient wood-stove production plant in the whole of Europe.

So far this year production has been deliberately maintained at a much lower level than in previous years. This reflects our decision no longer to build up stocks during the first six months. This means, however, that production must be increased significantly during the second half of the year in order to keep pace with demand during the peak season for sales.

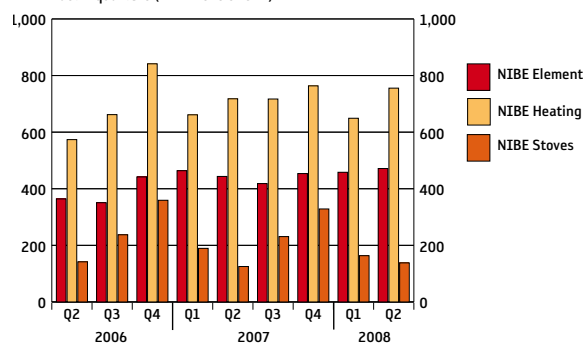
Measures to make savings among both administrative staff and production workers have now been completed and our fixed costs are now significantly lower than in the second half of 2007.

The acquisition of TermaTech A/S of Denmark and the option to acquire Lotus Heating Systems A/S in 2010 are also complete. TermaTech has been consolidated with effect from July 1 and will make a positive contribution to the business area's operating result for the current year.

<b>NIBE Stoves</b>		<b>2008</b>	<b>2007</b>	<b>Past</b>	<b>Full yr</b>
<b>Key figures</b>		<b>Q 1-2</b>	<b>Q1-2</b>	<b>12 mths</b>	<b>2007</b>
Net sales	SEK m	301.5	314.6	861.1	874.1
Growth	%	- 4.2	- 5.9	- 5.5	- 6.1
Operating profit	SEK m	5.4	15.1	105.1	114.8
Operating margin	%	1.8	4.8	12.2	13.1
Assets	SEK m	932.7	902.1	932.7	942.9
Liabilities	SEK m	612.6	601.6	612.6	593.0
Investm. (fixed assets) SEK m		62.9	82.9	146.6	166.6
Depreciation	SEK m	14.4	11.9	26.7	24.2

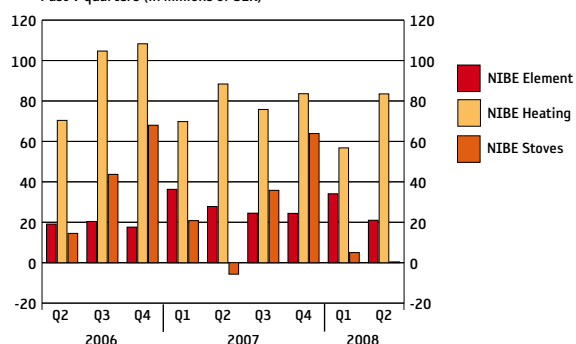
## Sales by business area

Past 9 quarters (in millions of SEK)

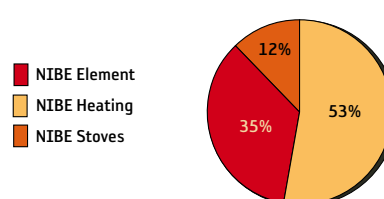


## Operating profit by business area

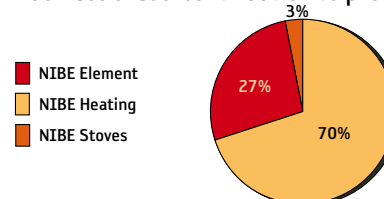
Past 9 quarters (in millions of SEK)



## Business areas' contribution to sales



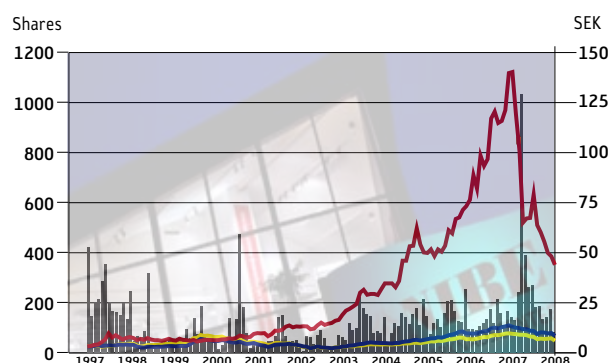
## Business areas' contribution to profit



## NIBE share performance

— Share price in SEK  
 — Carnegie Small Companies index (SEK)  
 — OMX Stockholm All-Share (OMXS) (SEK)

Average number of shares traded per trading day (in thousands)



## THE NIBE GROUP - FINANCIAL TRENDS



### Consolidated Income Statement

(in millions of SEK)	Group						Parent company	
	Q2 2008	Q2 2007	Jan - June 2008	Jan - June 2007	Past 12 mths	Full yr 2007	Jan - June 2008	Jan - June 2007
Net sales	1,329.7	1,247.3	2,566.2	2,532.1	5,436.6	5,402.5	1.3	1.2
Cost of goods sold	- 954.9	- 876.5	- 1,834.2	- 1,785.1	-3,877.3	- 3,828.2	0.0	0.0
<b>Gross profit</b>	<b>374.8</b>	<b>370.8</b>	<b>732.0</b>	<b>747.0</b>	<b>1,559.3</b>	<b>1,574.3</b>	<b>1.3</b>	<b>1.2</b>
Selling expenses	- 216.3	- 213.3	- 431.7	- 420.1	- 849.8	- 838.2	0.0	0.0
Administrative expenses	- 82.1	- 76.6	- 155.3	- 146.5	-301.1	- 292.3	- 9.2	- 10.3
Other income	23.4	23.9	48.0	47.2	85.0	84.2	0.0	0.3
<b>Operating profit</b>	<b>99.8</b>	<b>104.8</b>	<b>193.0</b>	<b>227.6</b>	<b>493.4</b>	<b>528.0</b>	<b>- 7.9</b>	<b>- 8.8</b>
Net financial items	- 26.0	- 18.6	- 49.0	- 32.7	- 99.3	- 83.0	139.4	152.8
<b>Profit after net financial items</b>	<b>73.8</b>	<b>86.2</b>	<b>144.0</b>	<b>194.9</b>	<b>394.1</b>	<b>445.0</b>	<b>131.5</b>	<b>144.0</b>
Tax	- 20.8	- 23.6	- 42.6	- 54.7	- 118.2	- 130.3	0.0	0.0
<b>Net profit</b>	<b>53.0</b>	<b>62.6</b>	<b>101.4</b>	<b>140.2</b>	<b>275.9</b>	<b>314.7</b>	<b>131.5</b>	<b>144.0</b>
Minority participation in net profit	0.6	0.0	0.6	0.0	0.6	0.0	0.0	0.0
Incl. dep. according to plan as follows	44.9	41.1	89.5	80.6	172.6	163.7	0.0	0.0

### Consolidated Balance Sheet summary

(in millions of SEK)	Group			Parent company	
	30 June 2008	30 June 2007	31 Dec 2007	30 June 2008	30 June 2007
Intangible assets	808.5	692.5	732.2	0.0	0.0
Tangible assets	1,456.0	1,233.9	1,374.4	0.1	0.2
Financial assets	43.3	30.5	35.7	1,870.8	1,726.5
<b>Total non-current assets</b>	<b>2,307.8</b>	<b>1,956.9</b>	<b>2,142.3</b>	<b>1,870.9</b>	<b>1,726.7</b>
Inventories	1,338.0	1,510.1	1,344.0	0.0	0.0
Current receivables	1,056.4	895.0	829.3	4.9	27.1
Current investments	0.0	0.1	0.0	0.0	0.0
Cash equivalents	166.3	187.0	207.9	15.7	41.4
<b>Total current assets</b>	<b>2,560.7</b>	<b>2,592.2</b>	<b>2,381.2</b>	<b>20.6</b>	<b>68.5</b>
<b>Total assets</b>	<b>4,868.5</b>	<b>4,549.1</b>	<b>4,523.5</b>	<b>1,891.5</b>	<b>1,795.2</b>
Equity	1,561.1	1,333.1	1,547.7	397.2	374.6
Untaxed reserves	0.0	0.0	0.0	0.1	0.1
Non-current liabilities and provisions. non-interest bearing	207.5	226.8	210.2	0.0	20.6
Non-current liabilities and provisions. interest bearing	2,149.6	1,980.0	1,866.5	1,407.1	1,311.5
Current liabilities and provisions. non-interest bearing	811.8	885.2	760.3	5.4	12.9
Current liabilities and provisions. interest bearing	138.5	124.0	138.8	81.7	75.5
<b>Total equity and liabilities</b>	<b>4,868.5</b>	<b>4,549.1</b>	<b>4,523.5</b>	<b>1,891.5</b>	<b>1,795.2</b>

### Cash flow analysis

(in millions of SEK)	Jan - June 2008	Jan - June 2007	Full yr 2007
Cash flow from operating activities	139.4	155.8	439.5
Change in working capital	- 74.4	- 499.8	- 399.4
Investment activities	- 245.2	- 191.1	- 404.1
Financing activities	133.1	501.7	343.6
Exchange rate diff. in liquid assets	5.5	2.1	10.0
<b>Change in liquid assets</b>	<b>- 41.6</b>	<b>- 31.3</b>	<b>- 10.4</b>

### Data per share

	Jan - June 2008	Jan - June 2007	Full yr 2007
Net profit per share (total 93,920,000 shares)	SEK 1.07	1.49	3.35
Equity per share	SEK 16.61	14.19	16.48
Closing day share price	SEK 44.00	137.50	78.00

### Key figures

	Jan - June 2008	Jan - June 2007	Full yr 2007
Growth	% 1.3	20.6	9.0
Operating margin	% 7.5	9.0	9.8
Profit margin	% 5.6	7.7	8.2
Investments in fixed assets	SEK m 245.2	191.1	404.1
Unappropriated liq. assets	SEK m 687.6	545.4	853.0
Working capital, incl cash and bank	SEK m 1,610.4	1,583.0	1,482.1
Interest-bearing liabilities/Equity	% 146.6	157.8	129.6
Solidity (Equity/Assets ratio)	% 32.1	29.3	34.2
Return on capital employed	% 10.8	15.1	17.2
Return on equity	% 13.3	21.5	22.6



## Change in equity

(in millions of SEK)	Jan - June 2008	Jan - June 2007	Full yr 2007
Equity brought forward	1,547.7	1,283.5	1,283.5
Shareholders' dividend	- 108.0	- 108.0	- 108.0
Market value of commercial future currency contracts after deductions for tax	- 3.2	- 1.9	1.3
Exchange rate difference <sup>1)</sup>	23.2	19.3	56.2
Profit for the period	101.4	140.2	314.7
<b>Equity carried forward <sup>2)</sup></b>	<b>1,561.1</b>	<b>1,333.1</b>	<b>1,547.7</b>

<sup>1)</sup> Breakdown of exchange rate diff. (in millions of SEK)	Jan - June 2008	Jan - June 2007	Full yr 2007
Translation of foreign subsidiaries	38.2	27.9	84.9
Loans to subsidiaries	0.5	- 0.3	- 0.2
Currency hedge	- 15.5	- 8.3	- 28.5
<b>Total</b>	<b>23.2</b>	<b>19.3</b>	<b>56.2</b>

<sup>2)</sup>Minority participations were SEK 0,7 million at the end of the reporting period and SEK 0.0 million at the start at the financial year.

## QUARTERLY DATA

### Consolidated Income Statement

(in millions of SEK)	2008			2007				2006		
	Q 1	Q 2	Q1	Q2	Q3	Q4	Q2	Q3	Q 4	
Net sales	1,236.5	1,329.7	1,284.8	1,247.3	1,337.2	1,533.2	1,066.4	1,237.6	1,620.2	
Operating expenses	- 1,143.3	- 1,229.9	- 1,162.0	- 1,142.5	- 1,204.7	- 1,365.3	- 967.8	- 1,071.9	- 1,429.4	
<b>Operating profit</b>	<b>93.2</b>	<b>99.8</b>	<b>122.8</b>	<b>104.8</b>	<b>132.5</b>	<b>167.9</b>	<b>98.6</b>	<b>165.7</b>	<b>190.8</b>	
Net financial expenses	- 23.0	- 26.0	- 14.1	- 18.6	- 24.4	- 25.9	- 13.2	- 14.3	- 15.4	
<b>Profit after net financial expenses</b>	<b>70.2</b>	<b>73.8</b>	<b>108.7</b>	<b>86.2</b>	<b>108.1</b>	<b>142.0</b>	<b>85.4</b>	<b>151.4</b>	<b>175.4</b>	
Tax	- 21.8	- 20.8	- 31.1	- 23.6	- 37.2	- 38.4	- 24.8	- 45.9	- 53.2	
<b>Net profit</b>	<b>48.4</b>	<b>53.0</b>	<b>77.6</b>	<b>62.6</b>	<b>70.9</b>	<b>103.6</b>	<b>60.6</b>	<b>105.5</b>	<b>122.2</b>	

### Net sales - Business Areas

(in millions of SEK)	2008			2007				2006		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	458.2	471.5	463.8	443.5	418.2	453.6	364.0	350.7	441.8	
NIBE Heating	649.1	755.5	661.3	717.9	717.1	763.6	573.6	661.9	841.5	
NIBE Stoves	163.5	138.0	189.4	125.2	230.9	328.6	141.8	237.4	359.3	
Elimination of Group transactions	- 34.3	- 35.3	- 29.7	- 39.3	- 29.0	- 12.6	- 13.0	- 12.4	- 22.4	
<b>Group</b>	<b>1,236.5</b>	<b>1,329.7</b>	<b>1,284.8</b>	<b>1,247.3</b>	<b>1,337.2</b>	<b>1,533.2</b>	<b>1,066.4</b>	<b>1,237.6</b>	<b>1,620.2</b>	

### Operating profit - Business Areas

(in millions of SEK)	2008			2007				2006		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	34.1	21.0	36.3	27.8	24.5	24.4	19.1	20.4	17.6	
NIBE Heating	56.8	83.5	69.8	88.4	75.8	83.6	70.4	104.7	108.3	
NIBE Stoves	5.0	0.4	20.8	- 5.7	35.8	63.9	14.5	43.7	68.0	
Elimination of Group transactions	- 2.7	- 5.1	- 4.1	- 5.7	- 3.6	- 4.0	- 5.4	- 3.1	- 3.1	
<b>Group</b>	<b>93.2</b>	<b>99.8</b>	<b>122.8</b>	<b>104.8</b>	<b>132.5</b>	<b>167.9</b>	<b>98.6</b>	<b>165.7</b>	<b>190.8</b>	

## Accounting principles

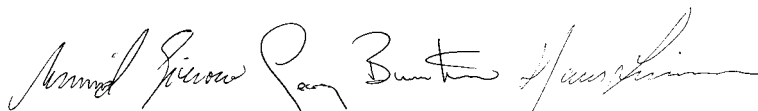
NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Interim Report for the second quarter of 2008 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this summary are described in the company's Annual Report for 2007 (pp. 52-55). The IFRS standards that came into force in 2008 have had no effect on this interim report. Reporting for the parent company follows recommendation RR.32 of the Swedish Financial Accounting Standards Council ("Reporting of Legal Entities").

## Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in some 15 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 continuous follow-up 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 2007.

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

Markaryd, Sweden – 14 August 2008



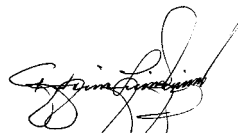
Arvid Gierow  
*Chairman of the Board*

Georg Brunstam

Hans Linnarson



Arne Frank



Gerteric Lindquist  
*Managing Director & CEO*

This Interim Report has not been the subject of a special audit by the company's auditors. For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2007.

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 08.30 a.m. (C.E.T.) on 14 August 2008.

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

Gerteric Lindquist, Managing Director & CEO,  
gerteric.lindquist@nibe.se

Leif Gustavsson, CFO,  
leif.gustavsson@nibe.se

---

**NIBE**  
**INDUSTRIER**

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