

# NIBE

bringing warmth to the world

- Sales rise to SEK 3,161.0 million (corresponding figure for 2003: SEK 2,451.1 million)
- Profit after net financial items rises to SEK 352.4 million (SEK 217.8 million)
- Profit after tax rises to SEK 255.3 million (SEK 144.4 million)
- Earnings per share rise to SEK 10.87 (SEK 6.15)
- The Board proposes a dividend of SEK 3.00 per share (SEK 1.85)
- Acquisition of the Finnish Kaukora Group
- Capital gain of SEK 37.5 million on sale of shares in Jøtul

Summary of Annual Report

# 2004



## 2004 – A highly successful year

### THE CEO'S COMMENTS

It gives me great pleasure to report on yet another year of successes for NIBE.

Strong growth, both in terms of sales and profits, has made 2004 by far the best year ever for the group.

Of the 29% increase in sales over past twelve months, half is organic, half acquired. Our organic growth owes much not only to the current state of the market, which remains favourable for NIBE Heating and NIBE Stoves, but also to our aggressive marketing strategies and the success of our product development work.

The market for NIBE Element's products remains tough. Nevertheless, the business area has achieved a not insubstantial increase in organic growth thanks to its firm focus on product development and marketing, coupled with the ability to give customers added value in the form of systems solutions, closeness to the market and flexibility.

Acquired growth consists in part of contributions from the METRO THERM Group, which was acquired in October 2003, and from the NETEK, Shel and Kaukora operations acquired during 2004.

The positive trend in earnings during 2004 underpins our confidence that we will achieve our long-term objective of sales of SEK 5 billion by 2007.

Growth in profits was almost 62%, but approximately 20% of this total was of a one-off character, attributable to the sale of the Group's stake in the Norwegian company, Jøtul. The main factors behind the remaining improvement in profits are the good growth in sales and the success of our efforts to boost productivity.

It is worth noting that NIBE Element's result for 2004 shows a clear improvement, and the business area remains on target to achieve its objective of an operating margin of 10% by 2007 at the latest.

NIBE Element is also continuing to expand its manufacturing capacity for high-volume products both in eastern Europe and in China at the same time as its units in western Europe are tending to specialise more and more in supplying components to manufacturers of professional equipment and to industrial customers. This strategy will enable us to continue our active involvement in the ongoing restructuring and development of the element industry.

NIBE Heating's position on the Nordic market is very strong, particularly after the acquisition of the METRO THERM and Kaukora groups. The operating margin also remains good, providing ideal conditions for creating the profitable platform which is essential for the business area's continued expansion into Europe, both organically and via new takeovers.

A major investment programme designed to pave the way for anticipated organic growth and defined improvements in productivity is now under way. Once this programme has been completed in 2005, the level of investments in NIBE Heating is expected to be somewhat lower.

Further resources will be made available, however, to widen the scope of NIBE Heating's product development work. This will safeguard the business area's leading position in the industry with regard to technology and technical performance.

For NIBE Stoves the Jøtul affair is now well and truly over. The capital gain on the sale of Jøtul shares together with the extra dividend issued has added a further SEK 43.2 million to the NIBE Group's net financial income.

The extremely strong growth in volumes and profitability achieved as a result of the NIBE Stoves' aggressive marketing, intensive product development activities and efficient production processes bodes well as the business area is poised to take on a more international role, which to a great degree is also expected to be based on acquisitions.

### Prospects for 2005

Given that demand remains strong and the investments made to increase production capacity and improve efficiency bear fruit, we are highly optimistic about NIBE's opportunities to continue to go from strength to strength in 2005.

### Economic objectives

- Average growth of 20% per year
- Operating profit for each business area of at least 10% of sales over a complete business cycle
- Return on equity over a business cycle of at least 20% after standard deductions for tax
- Equity/assets ratio in the Group in excess of 30% at all times.

### Shareholders' dividend

The Board of Directors has resolved to propose to the Annual General Meeting of Shareholders that the shareholders' dividend for 2004 be increased from SEK 1.85 to SEK 3.00 per share, corresponding to a total pay-out of SEK 70.4 million.

### Annual General Meeting

The Annual General Meeting of Shareholders will take place at 17.00 (5.00 p.m.) on Wednesday 11 May 2005 at the NIBE Marketing Centre (Marknadscenter) in Markaryd, Sweden.

### Financial information schedule

April 2005;	Annual Report for 2004
11 May 2005;	Interim Report January – March 2005
11 May 2005;	Annual General Meeting
17 August 2005;	Interim Report January – June 2005
15 November 2005;	Interim Report January – September 2005

These financial reports are posted on the NIBE Industrier website – [www.nibe.se](http://www.nibe.se) – under the heading "The Group" (Financial Information) on the day on which they are made public.

Markaryd, Sweden – 15 February 2005

Gert Eric Lindquist  
Managing Director and Chief Executive Officer

## Sales

Net sales for the NIBE Group totalled SEK 3,161.0 million in 2004 (2003: SEK 2,451.1 million), equivalent to overall growth of 29.0%, of which 14.5% was organic. Of the total increase in sales of SEK 709.9 million, the sum of SEK 354.5 million was acquired.

## Profits

Profit for the year after net financial items was SEK 352.4 million. This equates to a growth in profit of 61.8% compared with earnings for 2003 (SEK 217.8 million). The 2004 result includes foreign exchange earnings and share dividends totalling SEK 5.7 million, as well as a capital gain of SEK 37.5 million.

Return on equity was 33.6% compared to the previous year's figure of 26.1%.

NIBE Industrier sold its 21.7% stake in Jøtul ASA on 1 September 2004. The purchase sum consisted of an initial consideration and an additional consideration. This additional consideration, to be paid by 30 June 2005 at the latest, is contingent on how large a portion of the agreed guaranteed amount it will be necessary to use. As the sale involves a capital gain of at least SEK 37.5 million, this figure will be added to financial income over the reporting period.

## Investments

The NIBE Group's investments in fixed assets during the year totalled SEK 418.9 million (SEK 433.0 million): SEK 220.0 million of this was in corporate acquisitions (SEK 262.7 million) with the remaining SEK 198.9 million being invested in plant, machinery and buildings in existing units (SEK 170.3 million).

## Cash flow and financial position

Cash flow from operating activities before the change in working capital totalled SEK 381.8 million (SEK 240.7 million). Cash flow after the change in working capital was SEK 299.8 million (SEK 186.0 million). The increase in working capital of SEK 82.0 million (SEK 54.7 million) since the start of the year is due chiefly to the expansion of the Group's business operations.

Interest-bearing liabilities at the year-end totalled SEK 812.5 million. The corresponding liabilities at the start of the year amounted to SEK 658.3 million. The increase over the year is due to investments in the Group's production facilities and corporate acquisitions.

Group liquid assets rose from SEK 340.6 million at the start of 2004 to SEK 382.6 million at the year end. During the year Group overdraft facilities were reduced by SEK 2.3 million.

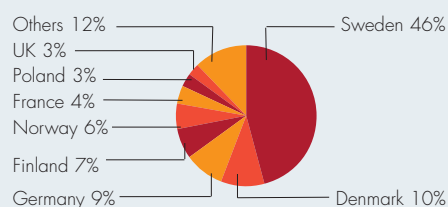
The equity/assets ratio at the year-end was 35.0% compared to 34.6% at the start of the year.

## Parent company

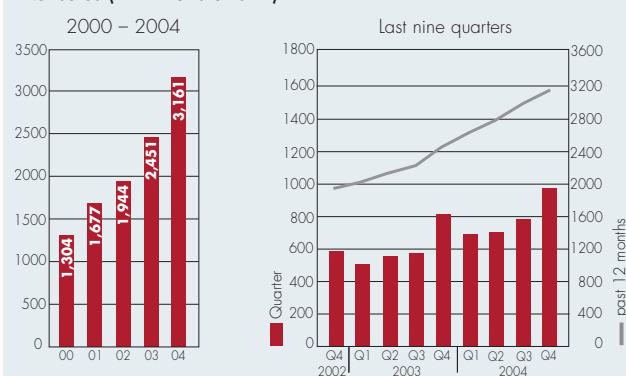
The activities of the parent company include Group executive management functions, certain shared Group functions and the financing of takeovers and acquisitions. Parent company sales during the year totalled SEK 2.1 million (SEK 2.1 million) and the profit after net financial items was SEK 94.0 million (SEK 38.3 million). Liquid assets at the end of the reporting period totalled SEK 222.4 million, compared to SEK 189.9 million at the start of the year.

## THE NIBE GROUP

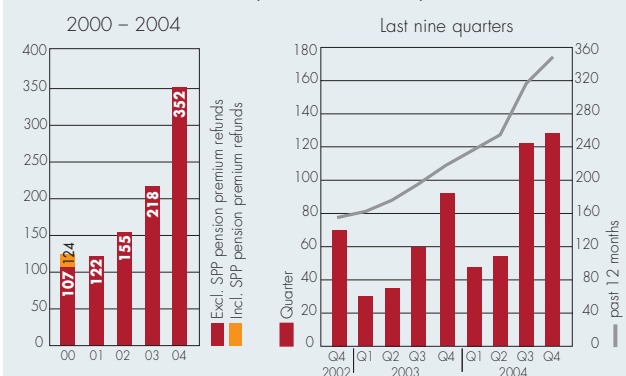
### Net sales by country 2004



### Net sales (in millions of SEK)



### Profit after financial items (in millions of SEK)



## NIBE Industrier – Group

Key figures		2004	2003
Net sales	(MSEK)	3,161.0	2,451.1
Growth	(%)	+ 29.0	+ 26.1
of which acquired	(%)	+ 14.5	+ 11.3
Operating profit	(MSEK)	340.6	233.8
Operating margin	(%)	10.8	9.5
Profit after net fin. items	(MSEK)	352.4	217.8
Net profit margin	(%)	11.1	8.9



NIBE ELEMENT

## Sales and profits

Invoiced sales for the year totalled SEK 1,146.6 million compared to SEK 1,058.6 million in 2003. Of the overall increase of SEK 88.0 million, SEK 40.8 million is attributable to acquisitions, which yields a figure of 4.5% for organic growth.

Operating profit was SEK 53.0 million (2003: SEK 41.2 million), resulting in an increase in operating margin from 3.9% to 4.6%.

## The year in brief

Sales and earnings trends on our domestic markets have varied from segment to segment. While there has been some growth among customers manufacturing equipment for professional or industrial use, most customers working with consumer products are facing increasingly fierce competition from low-price products from Asia.

The process of structural change in the white goods industry and among suppliers of small consumer appliances is constantly accelerating as more and more production is being transferred from western to eastern Europe and to China.

NIBE Element has implemented a number of measures to counter the effects of this. The expansion of our operations in Poland, scheduled for completion during the second half of 2005, will double the capacity for tubular elements and significantly increase that for foil elements and load resistors.

In addition, the takeover of the UK-based Shel Group has provided us with low-cost capacity in China as an alternative to our Polish and Czech units. In the autumn operations were extended to pave the way towards manufacturing a wider range, and further production was moved from Shel in England. In time the unit in China will increasingly serve as a base for marketing and supplies for the whole of Asia. Parallel with the expansion of tubular element production, a new foil element unit has been started in China.

During the year work has continued on transforming our production facilities in western Europe into specialist units at the same time as labour-intensive and price-sensitive products have been transferred to units in eastern Europe. The manufacture of load resistors, for instance, has been concentrated in Denmark, while other production has moved to Poland. Rationalisation measures have been introduced in all units.

Raw materials prices have rocketed during the year. To some degree price increases have been passed on to the customer, but we have also stepped up our efforts to optimise products with regard to technical design and materials in an attempt to reduce the impact of these price rises.

To prepare the ground for further organic growth we have established new market platforms in European markets where we do not at present have our own subsidiaries. In addition, we are extending the range and increasing the number of components we can supply for several customer segments.

## NIBE Element

Key figures		2004	2003
Net sales	(MSEK)	1,146.6	1,058.6
Growth	(%)	+ 8.3	+ 13.5
Operating profit	(MSEK)	53.0	41.2
Operating margin	(%)	4.6	3.9
Assets	(MSEK)	955.5	798.1
Liabilities	(MSEK)	843.6	690.9
Investm. in fixed assets	(MSEK)	128.0	124.0
Depreciation	(MSEK)	51.4	46.6



NIBE HEATING

## Sales and profits

Invoiced sales for the year totalled SEK 1,593.1 million compared to SEK 1,100.6 million in 2003. Of the overall increase of SEK 492.5 million, SEK 313.7 million is attributable to acquisitions, which yields a figure of 16.2% for organic growth.

Operating profit was SEK 200.8 million (2003: SEK 145.7 million), resulting in an operating margin of 12.6%, compared to 13.2% last year.

## The year in brief

The Swedish market for heat pumps expanded even further during 2004 from the already very high level of 2003. Overall demand has increased for all types of heat pumps and we have strengthened our market position in several segments. The main factors behind this steep growth in the market are high electricity and oil prices, a rise in the number of single-family homes being built and an increased market for renovations and replacements.

NIBE Heating has also strengthened its position even further on the Nordic water-heating market as a result of recent acquisitions in Denmark and Finland, and today the business area enjoys a leading position on a stable market.

The recent decline in the market for domestic water heaters continued in 2004. The market for oil-fired boilers is minimal and the boiler segment is now dominated by equipment that utilises other energy sources.

There has also been strong growth on all our foreign markets. Consumer interest for energy-saving products continues to grow, which has proved especially beneficial for heat pump sales.

Following substantial investments in rationalisation and modernisation the year has seen an increase in production capacity in our units both in Sweden and abroad. A new assembly shop has been built in Poland and the new production plant for stainless steel water heaters is now up and running in Markaryd, Sweden.

Work with rationalising the operations of the Danish METRO THERM Group and integrating them into the NIBE Group has produced good growth in sales and profits, particularly in the district-heating segment.

In October NIBE acquired the Finnish Kaukora Group, which currently has annual sales corresponding to approximately SEK 200 million. The strategy behind the takeover is to consolidate NIBE Heating's Nordic platform in order to provide the best possible springboard to the rest of Europe.

## NIBE Heating

Key figures		2004	2003
Net sales	(MSEK)	1,593.1	1,100.6
Growth	(%)	+ 44.7	+ 35.0
Operating profit	(MSEK)	200.8	145.7
Operating margin	(%)	12.6	13.2
Assets	(MSEK)	1,338.5	875.9
Liabilities	(MSEK)	936.4	548.9
Investm. in fixed assets	(MSEK)	294.7	281.8
Depreciation	(MSEK)	55.6	32.0



## NIBE STOVES

### Sales and profits

Invoiced sales for the year totalled SEK 452.0 million compared to SEK 311.6 million in 2003. The overall increase of SEK 140.4 million is organic, which yields a figure of 45.1% for organic growth.

Operating profit was SEK 102.1 million (2003: SEK 59.2 million), resulting in an increase in operating margin from 19.0% to 22.6%.

### The year in brief

In Sweden demand for wood-burning products has been very strong and the market as a whole is expected to remain at the same high level as last year. The reasons for this are a combination of the generally good state of the economy, high energy prices and a keen interest among homeowners in renovating their properties.

Our own share of the market has risen significantly over the past twelve months. This owes much to the appeal of our product range and to aggressive marketing measures, particularly during the autumn, which is our peak season for sales.

In Norway there has been a slight downturn in the market compared with last year's record levels. Our own sales, however, have risen sharply as we have captured new shares on this market as well.

In Germany interest in wood-burning products is slowly but surely beginning to recover from what has long been a relatively low level. For our part, this, together with the fact that we have a product range well suited to the German market, has resulted in a highly positive development in sales.

We intensified our marketing measures in Denmark in 2004, and here too the results have been reflected in a sharp rise in sales. Sales in other targeted markets in Europe have also developed positively during the year.

Thanks to high levels of production during the first six months of 2004 which enabled us to stockpile products as planned in preparation for our second-half sales peak, the delivery situation has remained satisfactory throughout the year. Production capacity has also risen gradually over the period as a result of further investments in equipment.

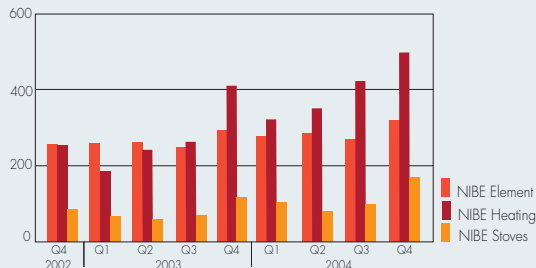
Very strong growth in volumes – 100% organic – in combination with high levels of capacity utilisation in our production plants has made a significant contribution to this year's strong operating result.

### NIBE Stoves

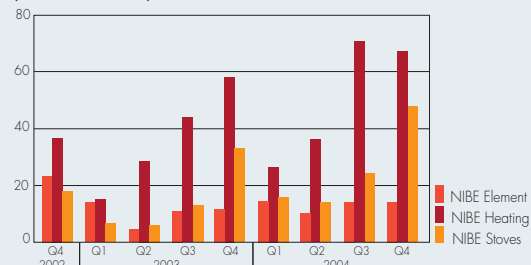
Key figures		2004	2003
Net sales	(MSEK)	452.0	311.6
Growth	(%)	+ 45.1	+ 47.4
Operating profit	(MSEK)	102.1	59.2
Operating margin	(%)	22.6	19.0
Assets	(MSEK)	295.7	208.5
Liabilities	(MSEK)	80.7	100.5
Investm. in fixed assets	(MSEK)	50.5	16.5
Depreciation	(MSEK)	11.0	7.6

## BUSINESS AREAS

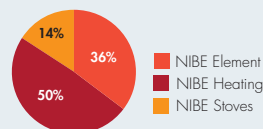
Sales by business area over the past 9 quarters  
(in millions of SEK)



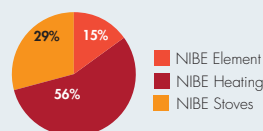
Operating profit by business area over the past 9 quarters  
(in millions of SEK)



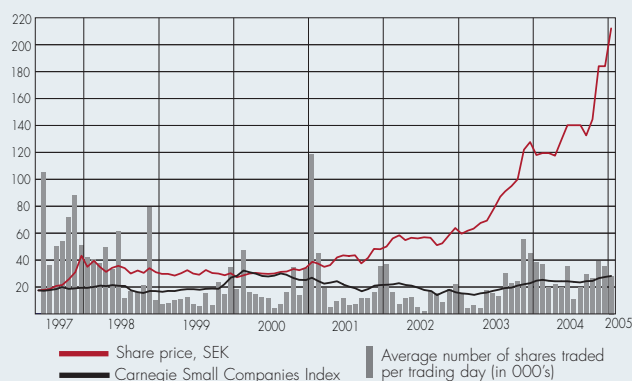
Business areas' contribution to sales 2004



Business areas' contribution to profits 2004



## SHARE PERFORMANCE





## THE NIBE GROUP – FINANCIAL TRENDS

### Consolidated Income Statement

(in millions of Swedish kronor)	2004	2003
Net sales	3,161.0	2,451.1
Cost of goods sold	- 2,172.1	- 1,736.3
<b>Gross profit</b>	<b>988.9</b>	<b>714.8</b>
Selling expenses	- 494.1	- 360.5
Administrative expenses	- 177.5	- 144.8
Other income	+ 23.3	+ 24.3
<b>Operating profit</b>	<b>340.6</b>	<b>233.8</b>
Net financial items	+ 11.8	- 16.0
<b>Profit after net financial items</b>	<b>352.4</b>	<b>217.8</b>
Tax	- 96.0	- 72.9
Minority participation in profit after tax	- 1.1	- 0.5
<b>Net profit</b>	<b>255.3</b>	<b>144.4</b>
<i>Totals include depreciation according to plan as follows</i>	121.3	89.5

### Change in equity

(in millions of Swedish kronor)	2004	2003
Equity at beginning of period	646.9	553.2
Effect of change in accounting principles <sup>1)</sup>	+ 3.3	-
Adjusted equity at beginning of period	650.2	553.2
Shareholders' dividend	- 43.4	- 32.3
Translation difference <sup>2)</sup>	+ 3.1	- 18.4
Profit for the year	+ 255.3	+ 144.4
<b>Equity carried forward</b>	<b>865.2</b>	<b>646.9</b>

1) With effect from 1 January 2004 the new recommendation RR29 has been applied to the accounts. This relates to the remuneration of employees and is based on IAS 19. A one-off effect of this has been to raise the level of equity by SEK 3.3 million.

2) Translation difference: break-down

(in millions of SEK)	2004	2003
Translation of foreign subsidiaries	2.9	- 12.7
Loans to subsidiaries	- 1.4	- 5.8
Hedging (currencies)	1.6	0.1
<b>Total</b>	<b>3.1</b>	<b>- 18.4</b>

### Key figures

		2004	2003	2002	2001	2000	<sup>4)</sup>
Growth	(%)	+ 29.0	+ 26.1	+ 15.9	+ 28.6	+ 11.6	
Operating margin	(%)	10.8	9.5	9.1	8.0	10.0	(8.7)
Net profit margin	(%)	11.1	8.9	8.0	7.3	9.5	(8.2)
Investments in fixed assets	(MSEK)	418.9	433.0	147.1	155.4	141.2	
Unappropriated liquid assets	(MSEK)	382.6	340.6	263.2	182.8	143.8	
Working capital, incl. cash and bank balances	(MSEK)	636.0	494.4	410.7	357.5	299.7	
Interest-bearing liabilities/Equity	(%)	93.9	101.8	65.7	69.9	57.8	
Solidity (Equity/Assets ratio)	(%)	35.0	34.6	41.8	40.8	42.6	
Return on capital employed	(%)	25.8	21.8	20.8	19.0	23.7	(20.9)
Return on equity	(%)	33.6	26.1	21.5	19.9	24.3	(21.3)

### Share data<sup>3)</sup>

		2004	2003	2002	2001	2000	<sup>4)</sup>
Net earnings per share (total 23,480,000 shares)	(SEK)	10.87	6.15	4.50	3.56	3.67	(3.14)
Equity per share	(SEK)	36.85	27.55	23.56	20.58	17.20	
Closing-day share price	(SEK)	184.00	127.50	63.75	48.00	34.25	

<sup>3)</sup> All key figures per share have been recalculated with regard to the 4:1 share split effected in June 2003.

<sup>4)</sup> All key figures/ratios in parentheses have been calculated excluding items affecting comparability, namely refunds from the SPP insurance surplus.

### Consolidated Balance Sheet summary

(in millions of Swedish kronor)	31 Dec 2004	31 Dec 2003
Intangible assets	280.2	191.6
Tangible assets	875.7	659.3
Financial assets	10.6	47.2
<b>Total fixed assets</b>	<b>1,166.5</b>	<b>898.1</b>
Inventories	690.2	445.6
Current receivables	525.4	443.3
Investments	0.9	2.3
Cash and bank	88.6	81.5
<b>Total current assets</b>	<b>1,305.1</b>	<b>972.7</b>
<b>Total assets</b>	<b>2,471.6</b>	<b>1,870.8</b>
Equity	865.2	646.9
Minority interest	3.3	2.2
Provisions	191.3	160.8
Long-term non-interest-bearing liabilities	34.1	6.5
Long-term interest-bearing liabilities	708.6	576.1
Current non-interest-bearing liabilities	586.9	422.6
Current interest-bearing liabilities	82.2	55.7
<b>Total equity and liabilities</b>	<b>2,471.6</b>	<b>1,870.8</b>

### Cash flow analysis

(in millions of Swedish kronor)	2004	2003
Cash flow from operating activities	381.8	+ 240.7
Change in working capital	- 82.0	- 54.7
Investment activities	- 305.1	- 350.7
Financing activities	11.4	+ 180.6
Exchange rate difference in liquid assets	1.0	- 1.5
<b>Change in liquid assets</b>	<b>+ 7.1</b>	<b>+ 14.4</b>

## QUARTERLY DATA

### Consolidated Income Statement

(in millions of Swedish kronor)	2004				2003				2002
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Net sales	693.9	704.6	785.0	977.5	508.5	555.8	574.1	812.7	590.4
Operating expenses	- 640.0	- 648.7	- 679.0	- 852.7	- 475.6	- 520.4	- 508.2	- 713.1	- 514.9
<b>Operating profit</b>	<b>53.9</b>	<b>55.9</b>	<b>106.0</b>	<b>124.8</b>	<b>32.9</b>	<b>35.4</b>	<b>65.9</b>	<b>99.6</b>	<b>75.5</b>
Net financial income/expense	- 6.1	- 1.8	+ 16.4	+ 3.3	- 2.8	- 0.3	- 5.7	- 7.2	- 6.0
<b>Profit after net financial income/expense</b>	<b>47.8</b>	<b>54.1</b>	<b>122.4</b>	<b>128.1</b>	<b>30.1</b>	<b>35.1</b>	<b>60.2</b>	<b>92.4</b>	<b>69.5</b>
Tax	- 13.1	- 17.5	- 27.2	- 38.2	- 10.3	- 12.1	- 19.2	- 31.3	- 20.6
Minority share of profit after tax	- 0.1	- 0.4	- 0.3	- 0.3	+ 0.1	- 0.1	- 0.1	- 0.4	+ 0.1
<b>Net profit</b>	<b>34.6</b>	<b>36.2</b>	<b>94.9</b>	<b>89.6</b>	<b>19.9</b>	<b>22.9</b>	<b>40.9</b>	<b>60.7</b>	<b>49.0</b>

### Net sales – Business Areas

(in millions of Swedish kronor)	2004				2003				2002
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	275.9	284.4	268.2	318.1	258.9	260.3	247.1	292.3	255.7
NIBE Heating	321.9	350.9	422.7	497.6	185.7	242.0	262.6	410.3	252.3
NIBE Stoves	104.2	79.4	97.7	170.7	68.1	58.8	69.1	115.6	86.4
Elimination of Group transactions	- 8.1	- 10.1	- 3.6	- 8.9	- 4.2	- 5.3	- 4.7	- 5.5	- 4.0
<b>Group</b>	<b>693.9</b>	<b>704.6</b>	<b>785.0</b>	<b>977.5</b>	<b>508.5</b>	<b>555.8</b>	<b>574.1</b>	<b>812.7</b>	<b>590.4</b>

### Operating profit – Business Areas

(in millions of Swedish kronor)	2004				2003				2002
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	14.6	10.2	14.1	14.1	14.0	4.5	11.0	11.7	23.3
NIBE Heating	26.6	36.2	70.8	67.2	15.0	28.6	43.8	58.3	36.8
NIBE Stoves	15.9	14.0	24.4	47.8	6.6	6.1	13.4	33.1	18.1
Elimination of Group transactions	- 3.2	- 4.5	- 3.3	- 4.3	- 2.7	- 3.8	- 2.3	- 3.5	- 2.7
<b>Group</b>	<b>53.9</b>	<b>55.9</b>	<b>106.0</b>	<b>124.8</b>	<b>32.9</b>	<b>35.4</b>	<b>65.9</b>	<b>99.6</b>	<b>75.5</b>

### The impact of IFRS on the NIBE Group's accounts

With effect from 2005 the accounting principles in the NIBE Group will be adapted to International Financial Reporting Standards (IFRS) in accordance with the requirements of the European Commission (EC). The interim report for the first quarter of 2005 will be the NIBE Group's first IFRS-based report. The most significant impact of the change in accounting principles will be in the amortisation of goodwill. Goodwill will no longer be amortised; instead goodwill will be tested annually for impairment. The Group's goodwill items have been tested for amortisation and in no instance has the book value been found to exceed the recoverable amount. In addition, minority interest will be reclassified as one of the components of equity on the balance sheet and as part of the net result on the income statement. IAS 16 requires a more detailed breakdown of fixed assets, and this is expected to have a marginal impact on the depreciation period for assets.

IAS 39 ("Financial Instruments, Recognition and Measurement") as endorsed by the EC will impact on the balance as per 1 January 2005, but in accordance with the rules drawn up to facilitate convergence, the

comparative figures will not have to be restated. The NIBE Group applies hedge accounting to currency forward contracts, which are agreed with the intention of safeguarding the value of forecasted flows. The introduction of IAS 39 means that currency forward contracts will be assessed at their "fair value" and shown on the balance sheet.

(in millions of Swedish kronor)	Equity after adjustment for RR29		Result 2004
	1 Jan 04	31 Dec 04	
<b>Bal. c/f according to Swe. accounting</b>	<b>650.2</b>	<b>865.2</b>	<b>255.3</b>
Amortisation of goodwill	0.0	24.8	24.8
Minority interest	0.0	3.3	1.1
Deferred tax on IFRS adjustments	0.0	- 1.7	- 1.7
<b>Total IFRS adjustments</b>	<b>0.0</b>	<b>26.4</b>	<b>24.2</b>
<b>Bal. c/f according to IFRS accounting</b>	<b>650.2</b>	<b>891.6</b>	<b>279.5</b>

The information contained in this summary follows the recommendations of the Swedish Financial Accounting Standards Council. One new recommendation came into force in 2004, namely RR29 Remuneration to Employees. The introduction of this recommendation has effected a change in the accounting principles, the impact of which is shown and explained in the table headed "Change in equity". For further information concerning definitions, we kindly refer you to the Annual Report for NIBE Industrier for 2003.



NIBE Industrier AB (publ) • Box 14 • SE 285 21 MARKARYD • SWEDEN  
Corporate ID number: 55 63 74 - 8309