

NIBE

bringing warmth to the world



- Sales rise to SEK 3,869.3 million (Q1–Q3 2006: SEK 3,337.8 m)
- Profit after net financial items falls to SEK 303.0 million (SEK 326.1 m)
- Profit after tax falls to SEK 211.1 million (SEK 228.6 m)
- Earnings per share total SEK 2.25 (SEK 2.43)
- Acquisition of Lübcke Rail A/S, Denmark
- NIBE Heating and NIBE Stoves adapt stock and cost levels to market changes

interim report

1 January – 30 September 2007



NIBE Element continues to develop positively – Heating and Stoves adapt stock and cost levels to market changes

THE CHIEF EXECUTIVE'S REPORT

Growth in sales over the first nine months of the year totalled 15.9%, with organic growth of 8.5%. The figures for the corresponding period last year were 26.1% and 20.1% respectively.

In the main, developments on most of NIBE Element's markets remain positive, but overall demand for heat-pumps has slackened in both Germany and Sweden. In addition, there has been a sharp downturn in the market for wood-burning stoves in Germany and Denmark. As a result, operating profit has fallen by 1.4% and profit after net financial items by 7.1%.

In view of the fact that peak-season sales are now expected to be significantly lower than anticipated when stocks were being built up during the first half of the year, major reductions in production at the Markaryd unit for the rest of the year were announced in a press release on 20 September. This will enable a return to more normal stock levels by the end of the year. The cut-backs in personnel that are now under way will, together with other cost-cutting measures, reduce our fixed costs for 2008 by SEK 50 million compared with this year's figures.

NIBE Element's restructuring programme is now in its final phase. The last of the planned transfers of production to units in Eastern Europe and China will take place in the fourth quarter.

Good organic growth means that the business area has continued to capture market share, which, in combination with the restructuring programme, has had a positive effect on operating profit and margins. At the same time increased capacity in Eastern Europe and China paves the way for continued competitive expansion.

Although the price of nickel has fallen sharply in recent months, raw material prices remain at historically high levels. Together with fluctuating exchange rates this makes for a turbulent situation in the market.

NIBE Heating's steep first-half increase in volumes was brought to an abrupt halt in the third quarter by the downturn in the Swedish and German heat-pump markets.

The reversal in the Swedish market is probably the result of the withdrawal of state conversion subsidies for the installation of, for example, ground-source and geothermal heat pumps. In Germany the situation is attributable to a sharp fall in the production of single-family homes – also a result of the removal of subsidies. All the other markets on which Heating is active continue to show growth.

The lower operating margin is attributable, in the main, to fixed costs that are excessive in relation to the development of volumes, and to steep increases in the price of materials for which we have been unable to compensate. In addition, the collapse of the pellets market has meant that the pellet-burner manufacturer Naturenergi Iwabo, acquired in 2006, has generated a large loss. Operations in Kilafors have therefore been wound up and transferred to Metro Therm in Kalmar. From early 2008, this business's cost structure will make a reasonable operating margin within reach, even when sales volumes are low.

In view of the fact that demand is now expected to remain weak throughout the fourth quarter, work has been under way since the end of September to adapt stock levels and fixed costs to the current state of the market.

Our marketing and product development work, however, continues with undiminished vigour. We believe that the current dip in the market in Sweden and Germany is merely temporary, and that rising energy prices, increased environmental awareness and a gradual lessening of the effects of the withdrawal of subsidies suggest that prospects for the heat pump market throughout Europe look good for a long time to come.

NIBE Stoves' third-quarter sales also failed to match last year's levels. The reason, as in the first half of 2007, is the sharp decline in the overall market for wood-burning stoves in Germany and Denmark, two of NIBE Stoves' main markets. Sales trends remain positive on other foreign markets, while volumes in Sweden are more or less on a par with last year's.

As already mentioned, the contraction of the German market as a whole is probably due to a combination of higher VAT, a mild winter, overstocks at the start of the year, lower than anticipated rises in energy prices and a sharp fall in new home production. With the exception of the increase in VAT, which is specific to Germany, similar factors are probably also behind the decline in the Danish market.

The reduction in operating margin is due to the fall in invoiced sales, the cost of extensive marketing work, several product launches, and costs incurred in closing down the Varde Group's Lodur store concept.

As with NIBE Heating, since the end of September work has been under way to adapt stock levels and the cost base to the current state of the market.

Marketing and product development work continues with the same intensity as before.

Our new series of models have been very well received, and we expect these to sell well in the fourth quarter. Moreover, far-reaching changes in the cost structure of the Varde Group lead us to believe that operating profit will be in positive territory during the rest of the year.

The new production plant in Markaryd will soon be complete and ready for use early in 2008, enabling us to make significant improvements to productivity.

Prospects for 2007

Earlier assessment

We believe that demand for the products of NIBE Element and NIBE Heating will remain good, whereas demand for NIBE Stoves' products will be more seasonal than previously, with a stronger second half to the year.

We believe that our strong market position and product range will help us to capture further shares of our market segments.

The restructuring programme for NIBE Element due to be completed before the end of 2007 will also lead to an improvement in earnings.

It is therefore our opinion that sales will develop well for the NIBE Group, albeit with a somewhat lower rate of growth in 2007.

Current assessment

In accordance with the press release issued on 20 September, it is our collective opinion that the NIBE Group will report an increase in sales of approximately 10%, while pre-tax profits are expected to be approximately 10% lower than last year.

Markaryd, Sweden – 15 November 2007

Gerteric Lindquist
Managing Director and Chief Executive Officer

Sales

The Group generated net sales of SEK 3,869.3 million from January to September 2007 (Jan–Sept 2006: SEK 3,337.8 million). This equates to overall growth of 15.9%, and organic growth of 8.5%. Of the total sales increase of SEK 531.5 million, SEK 245.8 million derived from acquisitions.

Earnings

Profit for the period after net financial items was SEK 303.0 million. This is 7.1% below earnings for the same period in 2006, when profit after financial items totalled SEK 326.1 million.

Return on equity was 21.6% (28.5%).

Acquisitions

In June NIBE acquired the Danish company Lübcke Rail A/S with annual sales of SEK 19.0 million and an operating profit of SEK 2.9 million. The company makes railway switch point heating systems and now forms part of the NIBE Element business area.

Investments

Between January and September, the Group invested SEK 278.4 million (SEK 253.1 million). Of this figure, SEK 13.3 million (SEK 89.6 million) relates to corporate acquisitions. Most of the remaining SEK 265.1 million (SEK 163.5 million) represents investments in machinery and equipment, and in buildings in existing operations.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 266.4 million for the period (SEK 301.6 million). There was a negative cash flow after changes in working capital of SEK –368.9 million (SEK –23.3 million). The change is due to stock-building in the first half of the year, which proved to be far too great in relation to actual needs during the peak season.

Interest-bearing liabilities totalled SEK 2,211.6 million at the end of the period: the amount at the beginning of the year was SEK 1,457.5 million.

At the end of September the Group had liquid funds of SEK 489.7 million, as against SEK 783.6 million at the start of the year. During the period, the Group's overdraft facilities were extended by SEK 413.8 million.

The equity/assets ratio was 29.8% at the end of the period, compared with 32.9% at the start of the year and 31.4% at the corresponding point last year.

Parent company

Parent company activities comprise Group executive management functions, certain shared Group functions and financing for acquisitions. During the period January–September, revenues totalled SEK 1.9 million (SEK 1.8 million) with a profit after financial items of SEK 133.5 million (SEK 86.2 million). At the end of the period, the parent company had liquid funds of SEK 139.2 million, compared with SEK 79.3 million at the start of the year.

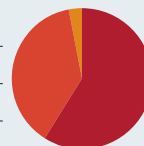
NIBE Industrier – Group		2007	2006	Past 12	Full year
Key figures		Q1–3	Q1–3	months	2006
Net sales	MSEK	3,869.3	3,337.8	5,489.5	4,958.0
Growth	%	15.9	26.1	21.7	29.8
of which acquired	%	7.4	6.0	8.1	7.3
Operating profit	MSEK	360.1	365.2	550.9	556.0
Operating margin	%	9.3	10.9	10.0	11.2
Profit after net fin's	MSEK	303.0	326.1	478.4	501.5
Profit margin	%	7.8	9.8	8.7	10.1

GROUP

Group sales by geographic region

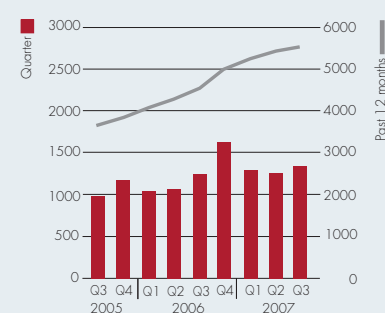
January – September 2007

Nordic countries	59%
Rest of Europe	38%
Other markets	3%



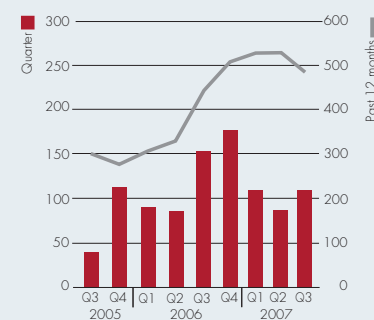
Net sales

Past nine quarters (in millions of SEK)



Profit after financial items

Past nine quarters (in millions of SEK)



Financial targets

- Average annual sales growth of 20%
- Average annual operating profit of at least 10% of sales over a full business cycle in each business area
- Average annual 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

15 November 2007; The CEO presents the interim report over the phone and answers questions at 11.00 C.E.T.

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14 February 2008 Summary of Annual Report 2007

14 May 2008 Annual General Meeting of Shareholders

14 May 2008 Interim report, January – March 2008

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



NIBE ELEMENT

Sales and earnings

Invoiced sales amounted to SEK 1,325.5 million, compared with SEK 1,092.1 million for the corresponding period in 2006. Of the SEK 233.4 million increase in sales, SEK 44.4 million relates to acquired businesses, which gives a figure of 17.3% for organic growth.

Operating profit for the period totalled SEK 88.6 million, compared with SEK 58.6 million for the corresponding period in 2006. This represents an operating margin of 6.7% compared with the preceding year's figure of 5.4%. Operating profit over the past 12 months is 6.0%.

During the first nine months of the year SEK 20.3 million from the restructuring reserve was utilised for the changes in progress. At the end of the third quarter SEK 7.6 million remained in the restructuring reserve.

Market

Sales and order books have remained good in most segments of the market. Growth has been strong particularly in the industrial segments, both in terms of project sales and OEM component sales for professional products.

The fall in demand for certain home-heating products, such as electric radiators, during the first half of the year has continued and became more marked in the third quarter, despite the fact that this is traditionally the peak season for this type of product. We have also detected increased competition in this segment from low-cost countries.

Product development work is focusing more on components and OEM products, and these products' share of sales is gradually expanding, especially in the energy sector.

The market for resistors continues to develop positively. The product range has been expanded further to create a greater market both geographically and in terms of the number of alternatives offered.

Operations

Operations continue to be influenced by the restructuring programme approved in 2005. Implementation, which mainly involves transferring production equivalent to around 200 full-time jobs to our units in Eastern Europe and Asia, is proceeding according to plan: the final transfer of around 30 full-time posts will take place in the fourth quarter of 2007. The results are already beginning to have a positive effect on operating profit.

Capacity is being expanded in our Polish and Chinese operations to meet an increase in demand. The new factory that opened in China in September is big enough to double capacity in China and to extend the product range for the professional sector, where the main focus will be on the local Chinese market.

Metal prices remain at historically high levels, despite a fall in nickel prices that has slightly reduced our costs for raw materials from the second quarter's all-time high. Wild fluctuations in the prices of metals and in currency exchange rates have created turbulence in the market and confused the situation as regards competition in certain segments of the market.

NIBE Element

Key figures		2007 Q1-3	2006 Q1-3	Past 12 months	Full year 2006
Net sales	MSEK	1,325.5	1,092.1	1,767.3	1,533.9
Growth	%	21.4	17.6	21.0	18.2
Operating profit	MSEK	88.6	58.6	106.2	76.2
Operating margin	%	6.7	5.4	6.0	5.0
Assets	MSEK	1,459.8	1,293.6	1,459.8	1,347.4
Liabilities	MSEK	1,377.8	1,238.9	1,377.8	1,293.5
Investm. (fixed assets)	MSEK	47.6	41.0	60.6	54.0
Depreciation	MSEK	40.1	36.3	52.8	49.0



NIBE HEATING

Sales and earnings

Invoiced sales totalled SEK 2,096.3 million, compared with SEK 1,713.6 million for the corresponding period last year. Of the SEK 382.7 million increase in sales, SEK 201.3 million is attributable to acquisitions, which means that organic growth amounted to 10.6%.

Operating profit was SEK 234.0 million, compared with SEK 225.5 million for the corresponding period last year. This equates to an operating margin of 11.2%, compared with 13.2% for the corresponding period last year. The operating margin for the past 12 months is 11.6%.

The reduction in operating margin is due to increases in the cost of materials that it has not been able to compensate for fully through higher sales prices, and to overheads that proved to be excessively high in relation to actual sales.

Market

While demand for ground-source/geothermal heat pumps in Sweden has continued to fall, the market for air/water heat pumps has expanded slightly. The market for exhaust-air pumps slowed during the third quarter and is now back to last year's level. However, our position on the Swedish heat-pump market has strengthened during the year.

The Swedish market for electric water heaters and district heating products remains stable. No great change has been apparent either in the market for pellet products, where demand remains very weak.

The important German heating market has slowed successively and significantly during the year and is now contracting in most segments. Heat pump sales have grown this year, but much less than anticipated and third-quarter demand was below last year's level. One major contributory factor is that the construction of new houses has plummeted, partly as a result of the phasing-out of interest subsidies for single-family homes. However, with rising oil and gas prices, increased environmental awareness and the forecast recovery of the home construction sector, we believe that Germany will soon become an important growth market for heat pumps once again.

Elsewhere foreign markets are showing ever greater interest in heat pumps and invoiced sales are rising, not least in Eastern Europe. On many markets state subsidies for energy-saving heating solutions have been introduced or are under discussion, but these tend to make market trends less stable and more unpredictable.

Sales of water heaters are progressing very well, especially in Eastern Europe, where production capacity is being expanded in both Poland and the Czech Republic.

Operations

Intensive efforts are currently under way to adapt production rates and the fixed cost base to lower rates of growth. A major project to save materials has already been implemented. Parallel with this, potential new foreign markets are being investigated with undiminished vigour.

NIBE Heating

Key figures		2007 Q1-3	2006 Q1-3	Past 12 months	Full year 2006
Net sales	MSEK	2,096.3	1,713.6	2,937.8	2,555.1
Growth	%	22.3	23.1	28.2	29.8
Operating profit	MSEK	234.0	225.5	342.2	333.8
Operating margin	%	11.2	13.2	11.6	13.1
Assets	MSEK	2,314.4	1,733.0	2,314.4	2,023.6
Liabilities	MSEK	1,664.0	1,197.1	1,664.0	1,437.5
Investm. (fixed assets)	MSEK	90.6	80.6	128.0	118.0
Depreciation	MSEK	63.9	52.1	83.7	71.9



NIBE STOVES

Sales and earnings

Invoiced sales totalled SEK 545.5 million, compared with SEK 571.9 million for the corresponding period last year. As there are no acquisitions to affect the comparison, this equates to a fall in sales of 4.6%. Operating profit for the period was SEK 50.9 million, as against SEK 92.6 million for the corresponding period in 2006. This represents an operating margin of 9.3%, compared with 16.2% last year. The operating margin for the past 12 months is 13.1%.

The reduction in operating margin is attributable to lower than anticipated sales so far this year, combined with extensive marketing investments, many product launches and the cost of phasing out the Varde Group's Lodur store concept.

Market

In Sweden, demand for wood stove products remains at a relatively high level, albeit somewhat lower this year than last. There is a clear trend towards environmentally sound, lightweight stoves with a modern design. Our focus on Swan-marked products reflects the mood of the times, and we have consolidated our position on the market during the year.

In Norway growth is slow compared with last year, but our own sales have developed well. Here, too, interest is strongest in freestanding stoves with a modern design.

In Germany the market for stoves has contracted dramatically compared with 2006, which must now be considered an exceptional year. The recovery is fairly slow and, as a result of negative factors such as an increase in VAT early in the year, an unusually mild winter, overstocks among resellers at the start of the year and a reduction in new homes built, the market as a whole is more or less back at 2005 levels. Even so, our position on the German market remains very strong.

The Danish stove market has also contracted compared with 2006, even if the downturn there is less dramatic than in Germany. Our position in Denmark also remains strong.

Sales on our other foreign markets are generally developing in the right direction, and our work there is progressing positively.

Operations

As a result of lower than anticipated sales, production has been scaled down in both Markaryd and Denmark.

This year's far-reaching changes to the Varde Group have reversed the business's negative profits trend and operations are now once more in the black.

The new models that have been launched during the year have been very well received by the market. The effect of these sales on the balance sheet will make itself felt in the second half of the year, in particular during the fourth quarter.

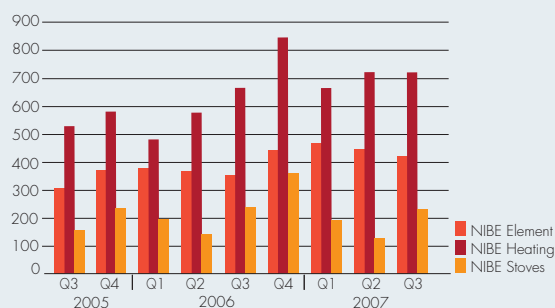
The construction of the new plant for stoves in Markaryd is proceeding to schedule, and the unit is expected to start production early in 2008. Work on the production facility in Poland is now complete, and the unit will become operational towards the end of the fourth quarter.

NIBE Stoves		2007	2006	Past 12	Full year
Key figures		Q1-3	Q1-3	months	2006
Net sales	MSEK	545.5	571.9	904.8	931.2
Growth	%	- 4.6	63.5	12.2	59.3
Operating profit	MSEK	50.9	92.6	118.9	160.6
Operating margin	%	9.3	16.2	13.1	17.2
Assets	MSEK	1,018.6	808.2	1,018.6	764.0
Liabilities	MSEK	691.2	534.3	691.2	439.5
Investm. (fixed assets)	MSEK	124.1	44.2	150.6	70.7
Depreciation	MSEK	18.2	14.1	24.2	20.1

BUSINESS AREAS

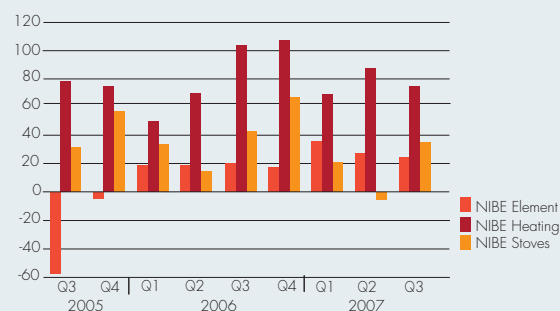
Sales by business area

over the past 9 quarters (in millions of SEK)



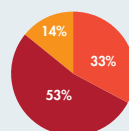
Operating profit by business area

over the past 9 quarters (in millions of SEK)



Business areas' contribution to sales

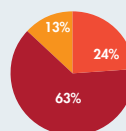
January – September 2007



■ NIBE Element
■ NIBE Heating
■ NIBE Stoves

Business areas' contribution to operating profit

January – September 2007



■ NIBE Element
■ NIBE Heating
■ NIBE Stoves

SHARE PERFORMANCE





THE NIBE GROUP – FINANCIAL TRENDS

Consolidated Income Statement

(in millions of SEK)	Group						Parent company	
	Q3 2007	Q3 2006	Jan – Sep 2007	Jan – Sep 2006	Past 12 months	Full year 2006	Jan – Sep 2007	Jan – Sep 2006
Net sales	1,337.2	1,237.6	3,869.3	3,337.8	5,489.5	4,958.0	1.9	1.8
Cost of goods sold	- 952.5	- 826.8	- 2,737.6	- 2,289.6	- 3,857.0	- 3,409.0	0.0	0.0
Gross profit	384.7	410.8	1,131.7	1,048.2	1,632.5	1,549.0	1.9	1.8
Selling expenses	- 202.7	- 191.1	- 622.8	- 533.2	- 875.8	- 786.2	0.0	0.0
Administrative expenses	- 63.5	- 61.7	- 210.0	- 187.3	- 289.1	- 266.4	- 14.0	- 13.5
Other income	14.0	7.7	61.2	37.5	83.3	59.6	0.3	0.0
Operating profit	132.5	165.7	360.1	365.2	550.9	556.0	- 11.8	- 11.7
Net financial items	- 24.4	- 14.3	- 57.1	- 39.1	- 72.5	- 54.5	145.3	97.9
Profit after net financial items	108.1	151.4	303.0	326.1	478.4	501.5	133.5	86.2
Tax	- 37.2	- 45.9	- 91.9	- 97.5	- 145.1	- 150.7	0.0	0.0
Net profit	70.9	105.5	211.1	228.6	333.3	350.8	133.5	86.2
Minority participation in profit after tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Incl. depreciation acc. to plan as follows	41.6	34.6	122.2	102.6	160.6	141.0	0.0	0.0

Consolidated Balance Sheet summary

(in millions of SEK)	Group			Parent company	
	30 Sep 2007	30 Sep 2006	31 Dec 2006	30 Sep 2007	30 Sep 2006
Intangible assets	699.4	535.2	670.3	0.0	0.0
Tangible assets	1,277.4	1,049.2	1,116.3	0.1	0.2
Financial assets	32.7	32.8	28.2	1,755.6	1,158.6
Total non-current assets	2,009.5	1,617.2	1,814.8	1,755.7	1,158.8
Inventories	1,507.8	985.7	1,007.9	0.0	0.0
Current receivables	1,035.6	974.9	857.0	29.2	20.0
Current investments	0.2	3.0	4.8	0.0	0.0
Cash equivalents	181.3	147.3	218.3	27.7	1.4
Total current assets	2,724.9	2,110.9	2,088.0	56.9	21.4
Total assets	4,734.4	3,728.1	3,902.8	1,812.6	1,180.2
Equity	1,411.5	1,169.2	1,283.5	356.7	328.3
Non-current liabilities and provisions, non-interest bearing	227.8	243.9	247.8	20.4	7.3
Non-current liabilities and provisions, interest bearing	2,085.8	1,391.9	1,317.8	1,346.4	783.1
Current liabilities and provisions, non-interest bearing	883.4	811.8	914.0	12.5	12.8
Current liabilities and provisions, interest bearing	125.9	111.3	139.7	76.6	48.7
Total equity and liabilities	4,734.4	3,728.1	3,902.8	1,812.6	1,180.2

Cash flow analysis

(in millions of SEK)	Jan – Sep 2007	Jan – Sep 2006	Full year 2006
Cash flow from operating activities	266.4	301.6	489.9
Change in working capital	- 635.3	- 324.9	- 93.4
Investment activities	- 278.4	- 253.1	- 526.4
Financing activities	606.7	293.7	221.0
Exchange rate diff. in liquid assets	3.6	- 2.2	- 5.0
Change in liquid assets	- 37.0	15.1	86.1

Data per share*)

	Jan – Sep 2007	Jan – Sep 2006	Full year 2006
Net profit per share (total 93,920,000 shares)	SEK 2.25	2.43	3.74
Equity per share	SEK 15.03	12.45	13.67
Closing day share price	SEK 64.50	97.00	115.00

Key figures

	Jan – Sep 2007	Jan – Sep 2006	Full year 2006
Growth	% 15.9	26.1	29.8
Operating margin	% 9.3	10.9	11.2
Profit margin	% 7.8	9.8	10.1
Investments in fixed assets	MSEK 278.4	253.1	526.4
Unappropriated liquid assets	MSEK 489.7	391.4	783.6
Working capital, incl. cash + bank	MSEK 1,715.6	1,187.8	1,034.3
Interest-bearing liabilities/Equity	% 156.7	128.6	113.6
Solidity (Equity/Assets ratio)	% 29.8	31.4	32.9
Return on capital employed	% 15.4	20.2	22.9
Return on equity	% 21.6	28.5	31.3

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

Change in equity

(in millions of SEK)	Jan – Sep 2007	Jan – Sep 2006	Full year 2006
Equity brought forward	1,283.5	1,031.0	1,031.0
Shareholders' dividend	- 108.0	- 70.4	- 70.4
Market value of commercial future currency contracts after deductions for tax	- 1.7	2.3	3.5
Exchange rate difference ¹⁾	26.6	- 17.3	- 26.4
Acquisition of minority participations	0.0	- 5.0	- 5.0
Profit for the period	211.1	228.6	350.8
Equity carried forward ²⁾	1,411.5	1,169.2	1,283.5

1) Breakdown of exchange rate difference (in millions of SEK)	Jan – Sep 2007	Jan – Sep 2006	Full year 2006
Translation of foreign subsidiaries	43.0	- 24.0	- 40.0
Loans to subsidiaries	- 0.8	- 1.6	- 1.6
Currency hedging	- 15.6	8.3	15.2
Total	26.6	- 17.3	- 26.4

²⁾ Minority participations were SEK 0.0 million at the end of the reporting period and SEK 0.0 million at the start of the financial year.

QUARTERLY DATA

Consolidated Income Statement

(in millions of SEK)	2007			2006				2005	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q3	Q4
Net sales	1,284.8	1,247.3	1,337.2	1,033.8	1,066.4	1,237.6	1,620.2	977.5	1,171.8
Operating expenses	- 1,162.0	- 1,142.5	- 1,204.7	- 932.9	- 967.8	- 1,071.9	- 1,429.4	- 928.5	- 1,048.8
Operating profit	122.8	104.8	132.5	100.9	98.6	165.7	190.8	49.0	123.0
Net financial expenses	- 14.1	- 18.6	- 24.4	- 11.6	- 13.2	- 14.3	- 15.4	- 9.9	- 11.4
Profit after net financial expenses	108.7	86.2	108.1	89.3	85.4	151.4	175.4	39.1	111.6
Tax	- 31.1	- 23.6	- 37.2	- 26.8	- 24.8	- 45.9	- 53.2	- 17.8	- 33.1
Net profit	77.6	62.6	70.9	62.5	60.6	105.5	122.2	21.3	78.5

Net sales – Business Areas

(in millions of SEK)	2007			2006				2005	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q3	Q4
NIBE Element	463.8	443.5	418.2	377.4	364.0	350.7	441.8	305.2	369.0
NIBE Heating	661.3	717.9	717.1	478.1	573.6	661.9	841.5	525.4	577.3
NIBE Stoves	189.4	125.2	230.9	192.7	141.8	237.4	359.3	154.6	234.8
Elimination of Group transactions	- 29.7	- 39.3	- 29.0	- 14.4	- 13.0	- 12.4	- 22.4	- 7.7	- 9.3
Group	1,284.8	1,247.3	1,337.2	1,033.8	1,066.4	1,237.6	1,620.2	977.5	1,171.8

Operating profit – Business Areas

(in millions of SEK)	2007			2006				2005	
	Q1	Q2	Q3	Q1	Q2	Q3	Q4	Q3	Q4
NIBE Element	36.3	27.8	24.5	19.1	19.1	20.4	17.6	- 58.9	- 5.5
NIBE Heating	69.8	88.4	75.8	50.4	70.4	104.7	108.3	79.0	75.4
NIBE Stoves	20.8	- 5.7	35.8	34.4	14.5	43.7	68.0	31.9	57.8
Elimination of Group transactions	- 4.1	- 5.7	- 3.6	- 3.0	- 5.4	- 3.1	- 3.1	- 3.0	- 4.7
Group	122.8	104.8	132.5	100.9	98.6	165.7	190.8	49.0	123.0

Accounting principles

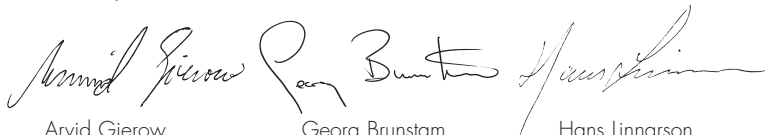
NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Interim Report for the third quarter of 2007 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this summary are described in the company's Annual Report for 2006 (pp. 52–54). The IFRS standards that came into force in 2007 have had no effect on this interim report. Reporting for the parent company follows recommendation RR32 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 around 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 the continuous follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2006.

This third-quarter report provides an accurate summary of the business activities, 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 – 15 November 2007



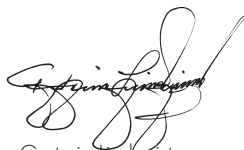
Arvid Gierow
Chairman of the Board

Georg Brunstam

Hans Linnarson



Bill Tunbrant



Gerteric Lindquist
Managing Director and CEO

For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2006.

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

Auditor's review of interim report

We have reviewed the accompanying interim report for NIBE Industrier AB for the period January 1 to September 30, 2007. It is the Board of Directors and the Managing Director/CEO who are jointly responsible for the preparation and presentation of this financial information. Our responsibility is to express a conclusion on the financial information based on our review.

The review has been conducted in accordance with the Standard on Review Engagements SÖG 2410 (issued by FAR/SRS, the institute for the accountancy profession in Sweden). This means that we have planned and conducted the review in order to ascertain with a limited amount of certainty that the financial information contains no significant errors. A review consists chiefly of making inquiries with the company's personnel, and applying analytical procedures to review the company's accounts. In consequence, our attestation is based on more limited information compared with an audit. For this reason, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the interim report does not, in all material respects, accord with IAS 34 and the Swedish Annual Accounts Act.

Markaryd, Sweden – 15 November 2007

SET Revisionsbyrå AB



Willard Möller
Authorised Public Accountant

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