

# NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 6,696.3 million (Q2 2011: SEK 5,362.5 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 681.4 million (SEK 557.7 million)
- **PROFIT AFTER TAX** was SEK 511.2 million (SEK 421.1 million)
- **EARNINGS** per share totalled SEK 4.64 (SEK 4.31)
- **ACQUISITION OF**
  - remaining 1.3% of Schulthess Group AG, Switzerland
  - Eltwin Group, Denmark
  - 70% stake in Akvaterm Oy, Finland

## Interim report 2012

1 January – 30 September



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# A stable NIBE sees a clear slowdown in the economy

The NIBE Group grew its business by 24.9% during the first nine months of 2012. However, with acquired growth accounting for 29.0% of sales, organic growth for the period actually decreased by 4.1%.

In the first half of the year, although demand was uneven in terms of both markets and products, there was some slight organic growth overall. During the third quarter, however, the effects of the economic downturn became noticeable; this, compounded by the persistent strength of the Swedish krona, saw organic growth shrink by 13.0%. As acquired sales growth for the third quarter totalled 12.5%, overall sales for the quarter finished 0.5% below the total for the corresponding period in 2011.

The downturn in the economy has been felt in virtually all of our markets and across the product range, with Central and Eastern Europe and North America best weathering the storm. Sales in Germany, for example, which is now the Group's largest foreign market, have risen for all three business areas. Also on the positive side, despite this difficult market situation, we have succeeded in improving our market shares.

For all three business areas it is in the Swedish market that the contrast between this year and last is most evident. This is surprising, given that the Swedish economy is widely regarded as one of the most robust in Europe at the moment. It is quite a few years since demand for our products here has been at such low ebb. Among the factors playing a part in the current state of the market are, of course, the historically low levels of new builds and unusually low electricity prices. Also, uncertainty and financial unease in the world around us tend to make consumers more cautious about investing in capital goods. While it is gratifying to note that we have increased our overall share of the Swedish market, these gains are unable to compensate for the decline in the market as a whole.

One of the main factors behind our success in the market is, of course, the proven performance of our heat pumps, most recently substantiated by the Swedish Energy Agency in its report of extensive tests of geothermal heat pumps. The NIBE range, with the best results in a clear majority of measured values, emerges clearly as the best choice for Swedish homeowners in terms of performance and value for money.

We have successively adapted production capacity and fixed costs in response to developments in the market. If the market continues to deteriorate, however, further measures will need to be taken. Operating profit has risen by 24.0% compared with the first nine months of 2011 and the operating margin of 11.0% is the same as it was this time last year. The strength of the Swedish krona has had a negative impact on operating profit, but operating profit for the first nine months of 2011 was affected by acquisition costs of slightly more than SEK 55 million compared with just over SEK 5 million this year.

Profit after net financial items has risen by 22.2% compared with last year. The profit margin is 10.2%, compared with 10.4% in 2011, although it should be borne in mind

that net financial items last year were positively affected by exchange gains of SEK 16.3 million following the repayment of bank loans in foreign currencies.

Investment in existing operations in the first nine months totalled SEK 144.7 million, compared with SEK 197.1 during the correspond period last year. The rate of investment for 2012 as a whole is anticipated to be just over half the planned rate of depreciation.

The two major corporate acquisitions from 2011 continue to progress according to plan. The acquisition of Alpha-InnoTec (Schulthess) has strengthened NIBE Energy Systems' standing in the European market, while the takeover of Emerson Heating Products' Element Division has given NIBE Element a stronger market position in both North America and Asia.

In August NIBE acquired a 70% stake in Akvaterm Oy, a Finnish manufacturer of accumulator tanks, with annual sales of approximately SEK 60 million and an operating margin of around 15%. Akvaterm was consolidated in September. The remaining 30% of shares will be acquired in 2015.

## Outlook for 2012

### Previous wording

Our corporate philosophy and our product programme with their focus on sustainability and saving energy are well suited to the times in which we are living.

In terms of markets, most of our exposure is towards countries with strong economies.

Our financial position remains robust, which means that we are well placed to make new acquisitions.

If the Swedish krona maintains its current strength throughout the year, this will have a negative effect on both sales and profits. However, our own strengths, high oil prices and signs of some optimism in various parts of the world encourage us to remain cautiously positive about the prospects for 2012.

### New wording

Our corporate philosophy and our product programme with their focus on sustainability and saving energy are well suited to the times in which we are living.

In terms of markets, most of our exposure is towards countries with strong economies.

Our financial position remains robust, which means that we are well placed to make new acquisitions.

Demand in the fourth quarter is anticipated to be weaker than last year. Despite the uncertainty surrounding the current situation in the world around us, it is our opinion that we can still look forward to a reasonable level of profit for the year as a whole.

Markaryd, Sweden - 15 November 2012

Gerteric Lindquist  
Managing Director and CEO

## 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 calendar

### 15 November 2012

Interim Report Jan - Sept 2012

11.00 (C.E.T.) Telephone conference (in English). The CEO presents the interim report by phone and answers questions. Tel. +46 (0)8-505 598 12

### 19 February 2013

Summary of Annual Report 2012

### April 2013

Annual Report 2012

### 15 May 2013

Interim Report Jan - March 2013

Annual General Meeting

## Sales

Group net sales for the period January–September 2012 totalled SEK 6,696.3 million (Q1–3 2011: SEK 5,362.5 million). This represents overall growth of 24.9%. Growth through acquired sales totalled SEK 1,556.2 million or 29.0%, which means that organic growth fell by 4.1%.

## Profit

Profit for the reporting period after net financial items was SEK 681.4 million. This represents a 22.2% increase in profit compared with the figure of SEK 557.7 million for the corresponding period in 2011. Profit for the period was affected by acquisition costs of SEK 5.4 million, compared with costs of SEK 55.2 million during the corresponding period in 2011. However, net financial items for the corresponding period last year were affected positively by exchange gains of SEK 16.3 million relating to the repayment of bank loans in foreign currencies. If the effect of these items is disregarded, growth in earnings was 15.1%.

Return on equity was 17.3% (18.5%).

## Acquisitions

In April NIBE acquired the remaining 1.3% of shares in the Schulthess Group AG for a consideration of SEK 58.6 million through a process of compulsory redemption. In part-payment for 40% of this consideration, a directed issue of 214,201 new class B shares at SEK 102.00 per share was made on 20 April. The remaining 60% was paid in cash, reflecting the same acquisition model as that used for NIBE's earlier acquisition of its 98.7% stake in Schulthess. The new issue has raised the total number of NIBE shares to 110,253,638.

In June NIBE reached an agreement to acquire the Danish Eltwin Group, which produces steering and control technology for the energy sector. Eltwin reports annual sales of some SEK 85 million and an operating margin of approximately 9%. It is expected to be consolidated into the NIBE Element business area in the first quarter of 2013.

In August NIBE acquired 70% of the shares in Akvaterm Oy of Finland. Akvaterm, for whom accumulator tanks are the flagship product, has annual sales of approximately SEK 60 million and an operating margin of around 15%. It was consolidated into the NIBE Energy Systems business area in September. Agreement has been reached to acquire the remaining 30% stake in 2015.

## Investments

Group investments for January–September totalled SEK 213.7 million (SEK 5,400.0 million). Corporate acquisitions account for SEK 69.0 million (SEK 5,202.9 million) of this total. The remaining SEK 144.7 million (SEK 197.1 million) relate mainly to investment in machinery and equipment in existing operations.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 675.3 million (SEK 471.9 million). Cash flow after changes in working capital was SEK 289.9 million (SEK 160.3 million).

Interest-bearing liabilities totalled SEK 4,702.6 million at the end of the period, compared with SEK 4,850.3 million at the start of the year.

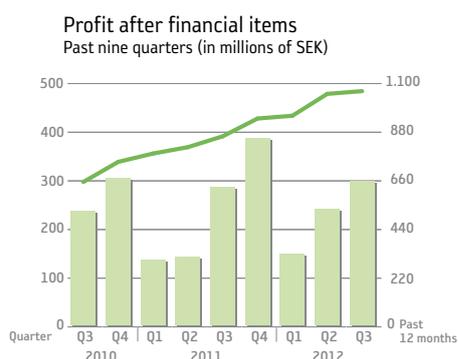
At the end of September, the Group had liquid funds of SEK 1,395.1 million as against SEK 1,659.8 million at the beginning of the year.

The equity/assets ratio at the end of the period was 39.3%, compared with 38.2% at the start of the year and 37.0% at the corresponding point last year.

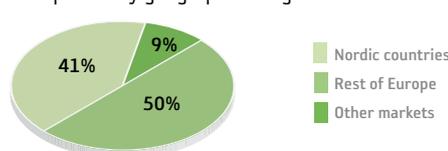
## Parent

Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period January–September amounted to SEK 3.9 million (SEK 2.6 million) and profit after financial items was SEK 537.9 million (SEK 240.0 million). At the end of the period, the Parent had liquid funds of SEK 225.7 million, compared with SEK 403.1 million at the start of the year.

Key Figures – Group		2012 Q 1-3	2011 Q 1-3	past 12 mths	2011 full year
Net sales	SEK m	6,696.3	5,362.5	9,473.6	8,139.8
Growth	%	24.9	20.1	27.9	25.0
of which acquired	%	29.0	13.2	30.9	20.4
Operating profit	SEK m	734.0	591.7	1,133.6	991.3
Operating margin	%	11.0	11.0	12.0	12.2
Profit after net financial items	SEK m	681.4	557.7	1,064.9	941.2
Profit margin	%	10.2	10.4	11.2	11.6
Equity/assets ratio	%	39.3	37.0	39.3	38.2
Return on equity	%	17.3	18.5	17.5	19.9



## Group sales by geographical region



## NIBE share performance



## Sales and profits

Sales for the reporting period totalled SEK 4,330.0 million, compared with SEK 3,252.6 million for the corresponding period last year, an increase of SEK 1,077.4 million. With sales of SEK 1,192.7 million attributable to acquired businesses, this means that organic growth for the period fell by 3.5%.

Operating profit for the period totalled SEK 594.9 million, compared with SEK 489.6 million for the corresponding period last year. The operating margin was 13.7%, compared with 15.1% last year, bringing the operating margin for the past 12 months to 14.4%.

## Market

The European market for heat pumps has been more cautious in the second half of the year, albeit with significant local variations. The main reason for this weak demand is assumed to be low levels of activity in new builds, both family homes and larger commercial properties, together with the effects of a general downturn in the economy and the financial uncertainty surrounding the euro.

Markets in Eastern Europe are developing positively, while first-half growth in the German market has started to level out in recent months. Despite this, we have strengthened our own position in the German market both through organic growth and as a result of last year's acquisition of the German heat-pump manufacturer, Alpha-InnoTec (Schulthess). The situation in Switzerland, France and our Nordic neighbours remains stable, whereas demand in the UK and the Netherlands continues to be sluggish.

The partial recovery in the Swedish heat-pump market in the second quarter has been followed by a sharp contraction in the third. With the number of new homes being built falling far below the industry's own forecasts to the same low level as during the 1992–94 recession, the replacement market now accounts for the overwhelming majority of heat-pump sales. However, this market is also contracting rapidly. The heat-pump market for larger premises, where the potential for growth is generally considered to be good, is also showing signs of a slight downturn. The steep fall in new builds is widely attributed to tougher mortgage rules and the general financial unease. Economic uncertainty has also impacted on the replacement market, while relatively low electricity prices have eroded the incentive to invest in heat pumps. On a positive note, however, we have increased our own market share in all product segments.

The market for conventional electric water-heaters remains stable in the Nordic countries as in the rest of Europe, while sales of pellets products and traditional domestic boilers continue to be weak. Ever stricter energy-efficiency requirements in Europe are fuelling interest for heat pumps used solely to heat

domestic hot water, and we see plenty of potential for the business area to grow in this segment.

## Operations

With the integration of the business activities of the Schulthess Group proceeding according to plan and cooperation between the various units running smoothly, the prospects for achieving the targets for synergies in the areas identified appear to be good. Schulthess companies are meeting the targets set for them in terms of sales and profitability.

Weak sales development, particularly in Sweden, and the current strength of the Swedish krona have had a negative impact on both sales and profits. Production capacity has been systematically matched to falling demand and we have kept a very close eye on fixed costs.

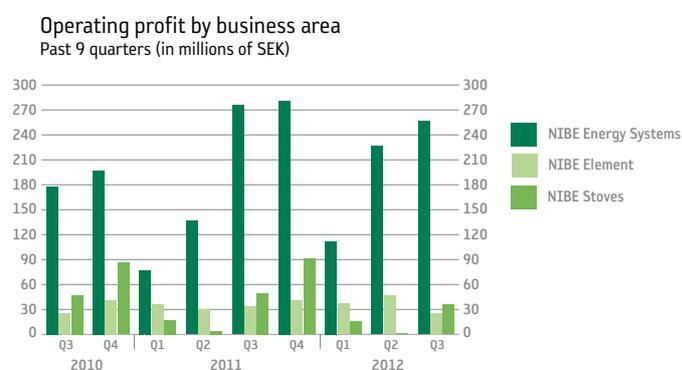
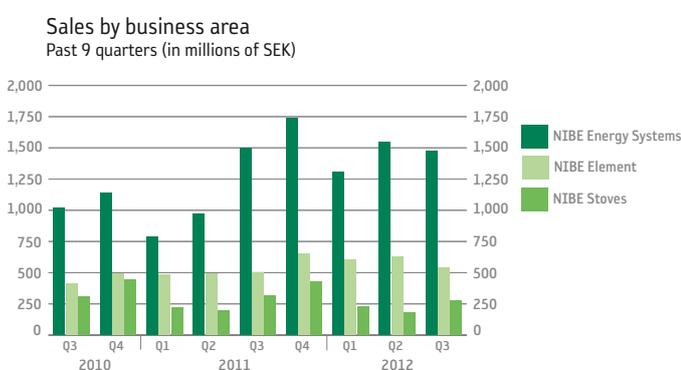
In order to further advance our market position, a number of marketing activities have been conducted in our major European markets. Increasing emphasis is being placed on climate-smart system solutions in which heating, cooling, ventilation and energy recovery are all sold as a single package.

In line with the expansion strategy that we have laid down, we have continued to invest in both product development and marketing activities. Early in November the Swedish Energy Agency published a detailed test report for geothermal heat pumps that showed clearly that NIBE is the best choice for the majority of Swedish homeowners, thereby confirming that our product development strategy continues to meet expectations.

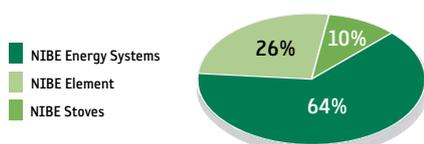
In August NIBE acquired a 70% stake in Akvaterm Oy, a Finnish manufacturer of accumulator tanks. NIBE has also reached an agreement to acquire the remaining 30% of shares in 2015. Accumulator tanks are becoming an increasingly important component in heating systems thanks to their ability to store energy regardless of the heating source.

NIBE Energy Systems Key Figures		2012 Q1-3	2011 Q 1-3	past 12 mths	2011 full year
Net sales	SEK m	4,330.0	3,252.6	6,065.1	4,987.7
Growth	%	33.1	25.9	38.0	33.9
Operating profit	SEK m	594.9	489.6	876.1	770.8
Operating margin	%	13.7	15.1	14.4	15.5
Assets	SEK m	8,286.3	8,315.9	8,286.3	8,187.3
Liabilities	SEK m	7,504.8	7,206.8	7,504.8	7,098.0
Investments (fixed assets)	SEK m	98.2	118.9	171.0	191.7
Depreciation	SEK m	183.4	105.4	245.8	167.8

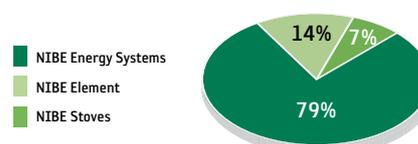
## Business Area trends



### Business area contributions to sales



### Business area contributions to profit



## Sales and profits

Sales for the reporting period totalled SEK 1,768.7 million, compared with SEK 1,474.0 million for the corresponding period last year, an increase of SEK 294.7 million. As sales of SEK 363.5 million were attributable to acquired business, this means that organic growth for the period fell by 4.7%.

Operating profit totalled SEK 109.3 million, compared with SEK 100.0 million for the corresponding period last year. The operating margin was 6.2%, compared with 6.8% last year, bringing the operating margin for the past 12 months to 6.2%.

## Market

Demand in the international market for heating elements has been very uneven so far in 2012. After a weak start to the year, there was a distinct improvement in the second quarter, before sales dipped again in the third quarter. Northern and Southern Europe have seen the steepest declines, while demand has remained stable in Central Europe. In the North American market, on the other hand, the trend has been distinctly more positive.

Over the past quarter demand has fallen in most of the business area's product segments, mostly as a consequence of the general slowdown in industrial production in our major markets. This has been exacerbated by the renewed downturn in demand for certain product sectors in the indoor comfort segment after signs of a recovery in the second quarter. We believe this is due chiefly to the slump in the construction industry, but also to the increased competition that some of our customers are facing from low price products.

We have also seen falling demand in the resistors product area, which has a large proportion of customers in the energy-efficiency and renewable energy sectors. Here sales have been particularly sluggish in the wind power segment both in Europe and Asia.

Project-related operations, most of which are linked to the oil and gas industries, have continued to develop positively.

Sales trends during the rest of the year depend on how the economy develops. While it appears that our customers' stocks are still at normal levels, there is a great deal of uncertainty and caution among customers.

# NIBE Stoves

## Sales and profits

Sales for the reporting period totalled SEK 678.4 million, compared with SEK 728.4 million for the corresponding period last year. As there is no acquired business to affect the comparison, this means that sales fell by SEK 50.0 million and that organic growth was negative at -6.9%.

Operating profit totalled SEK 51.4 million, compared with SEK 70.7 million for the corresponding period in 2011. The operating margin was 7.6%, compared with 9.7% last year. The operating margin for the past 12 months is 12.9%.

## Market

Ever since the beginning of the year the uncertainty affecting the global economy has had a negative impact on the wood-stove market more or less throughout Europe. Also, we have had to wait until much later in the autumn for peak demand to kick in and this, too, has undermined sales.

Demand for wood-stove products in Sweden has fallen sharply and the market is now at a historically low level. Consumers have adopted a much more cautious attitude to investing in capital goods and home renovation projects, and this downturn in the market is exacerbated by the record low numbers of newly built private homes. However, despite these challenges, we have succeeded in defending our share of the market.

Norway, too, has seen a fall in demand compared with 2011. This trend intensified in the third quarter, despite the fact that in Norway the number of private homes being built remains relatively high. This development sends a clear signal that the Norwegian market is also being affected by the uncertainty in the global economy.

In Denmark the market remains very weak, chiefly as a consequence of the nation's faltering economy.

In Germany, where demand was somewhat brisker in the first six months, the overall market levelled off in the third quarter and sales are now more or less the same as in 2011.

## Operations

During the first six months a lot of work was done to integrate the acquisitions made in 2011, transforming the North American units into specialist manufacturing plants, merging our various operations in China into a single unit, etc. In addition, operations in Backer ELC in Switzerland have moved into new, more rational premises. However, the positive effect of all these changes on earnings during the rest of the year risks being compromised by the current fall in volumes.

Production capacity has been systematically matched to falling demand and measures are constantly being taken to reduce fixed costs. Notwithstanding this, we aim to continue our marketing offensives and the development of new products, particularly those with an enhanced system content. The proportion of products that incorporate measuring and control functions in addition to the actual heating element is increasing all the time.

In view of the current turbulence in raw material prices and exchange rates – highly significant factors for our pricing and competitiveness – it is a great advantage for us to have manufacturing units in different currency zones. The strength of the Swedish krona, however, is having a negative effect on both sales and profits.

NIBE Element Key Figures		2012 Q 1-3	2011 Q 1-3	past 12 mths	2011 full year
Net sales	SEK m	1,768.7	1,474.0	2,418.8	2,124.1
Growth	%	20.0	16.4	22.9	20.7
Operating profit	SEK m	109.3	100.0	150.6	141.3
Operating margin	%	6.2	6.8	6.2	6.7
Assets	SEK m	2,276.4	2,320.8	2,276.4	2,354.1
Liabilities	SEK m	2,128.7	2,152.6	2,128.7	2,192.0
Investments (fixed assets)	SEK m	47.1	50.8	73.0	76.7
Depreciation	SEK m	60.1	45.7	79.7	65.3

The French market as a whole continues to contract. However, traditionally designed products have been hit hardest, while we have benefited from an upswing in demand for products with more modern designs.

Despite these difficult conditions, we have on the whole succeeded in maintaining sales volumes outside Sweden, thereby strengthening our position in all our chosen markets in Europe.

## Operations

All of the new products we launched during the first six months were very well received by the market and were ready, as planned, for delivery in time for the peak season. We believe that this will further consolidate our market position in the fourth and final quarter.

While production has been carefully matched to the reduction in incoming orders, we have nevertheless built up sufficient stocks to maintain a high level of delivery reliability during the autumn, which is our traditional peak season for sales.

In addition to the challenging market situation, the strength of the Swedish krona has also had a negative effect on both sales and profits.

NIBE Stoves Key Figures		2012 Q 1-3	2011 Q 1-3	past 12 mths	2011 full year
Net sales	SEK m	678.4	728.4	1,103.1	1,153.0
Growth	%	- 6.9	3.9	- 5.8	0.8
Operating profit	SEK m	51.4	70.7	142.0	161.4
Operating margin	%	7.6	9.7	12.9	14.0
Assets	SEK m	1,120.0	1,198.4	1,120.0	1,074.3
Liabilities	SEK m	654.7	724.2	654.7	553.4
Investments (fixed assets)	SEK m	13.8	30.1	22.5	38.8
Depreciation	SEK m	31.9	30.8	42.5	41.4

# Group Financial Trends

## Income statements

(in millions of SEK)	Group						Parent	
	Q 3 2012	Q 3 2011	Jan – Sept 2012	Jan – Sept 2011	past 12 mths	full year 2011	Jan – Sept 2012	Jan – Sept 2011
Net sales	2,271.2	2,281.6	6,696.3	5,362.5	9,473.6	8,139.8	3.9	2.6
Cost of goods sold	- 1,472.1	- 1,422.6	- 4,423.4	- 3,514.7	- 6,250.4	- 5,341.7	0.0	0.0
<b>Gross profit</b>	<b>799.1</b>	<b>859.0</b>	<b>2,272.9</b>	<b>1,847.8</b>	<b>3,223.2</b>	<b>2,798.1</b>	<b>3.9</b>	<b>2.6</b>
Selling expenses	- 400.0	- 412.9	- 1,253.6	- 977.3	- 1,705.6	- 1,429.3	0.0	0.0
Administrative expenses	- 125.2	- 165.7	- 396.3	- 374.3	- 549.1	- 527.1	- 20.7	- 16.3
Other income	38.4	34.2	111.0	95.5	165.1	149.6	0.0	0.0
<b>Operating profit</b>	<b>312.3</b>	<b>314.6</b>	<b>734.0</b>	<b>591.7</b>	<b>1,133.6</b>	<b>991.3</b>	<b>- 16.8</b>	<b>- 13.7</b>
Net financial items	- 16.6	- 31.2	- 52.6	- 34.0	- 68.7	- 50.1	554.7	253.7
<b>Profit after net financial items</b>	<b>295.7</b>	<b>283.4</b>	<b>681.4</b>	<b>557.7</b>	<b>1,064.9</b>	<b>941.2</b>	<b>537.9</b>	<b>240.0</b>
Tax	- 72.6	- 66.2	- 170.2	- 136.6	- 283.3	- 249.7	0.0	0.0
<b>Net profit</b>	<b>223.1</b>	<b>217.2</b>	<b>511.2</b>	<b>421.1</b>	<b>781.6</b>	<b>691.5</b>	<b>537.9</b>	<b>240.0</b>
<b>Net profit attributable to</b>								
Parent shareholders	223.1	217.2	511.2	420.7	781.6	691.1	537.9	240.0
Non-controlling interest	0.0	0.0	0.0	0.4	0.0	0.4	0.0	0.0
<b>Net profit</b>	<b>223.1</b>	<b>217.2</b>	<b>511.2</b>	<b>421.1</b>	<b>781.6</b>	<b>691.5</b>	<b>537.9</b>	<b>240.0</b>
<i>Includes depreciation according to plan as follows</i>	<i>89.7</i>	<i>76.2</i>	<i>275.4</i>	<i>181.9</i>	<i>368.0</i>	<i>274.5</i>	<i>0.0</i>	<i>0.0</i>
<i>Net profit per share, in SEK*</i>	<i>2.02</i>	<i>2.07</i>	<i>4.64</i>	<i>4.31</i>	<i>7.10</i>	<i>6.87</i>		
<i>*There are no programmes that entail dilution</i>								
<b>Net profit</b>	<b>223.1</b>	<b>217.2</b>	<b>511.2</b>	<b>421.1</b>	<b>781.6</b>	<b>691.5</b>	<b>537.9</b>	<b>240.0</b>
<b>Other recognised income</b>								
Market value of future currency contracts	3.6	- 6.8	7.2	- 12.6	12.4	- 7.4	0.0	0.0
Market value of future commodity contracts	2.3	- 0.9	1.4	- 2.3	2.7	- 1.0	0.0	0.0
Currency hedge	140.9	116.9	160.7	86.9	271.5	197.7	151.0	92.0
Translation of loans to subsidiaries	- 13.0	23.9	- 13.7	25.0	- 29.0	9.7	0.0	0.0
Translation of foreign subsidiaries	- 265.0	- 181.7	- 319.8	- 150.0	- 549.8	- 380.0	0.0	0.0
Tax attributable to other recognised income	- 38.4	- 33.5	- 43.9	- 24.1	- 69.4	- 49.6	- 39.7	- 24.2
<b>Total other recognised income</b>	<b>- 169.6</b>	<b>- 82.1</b>	<b>- 208.1</b>	<b>- 77.1</b>	<b>- 361.6</b>	<b>- 230.6</b>	<b>111.3</b>	<b>67.8</b>
<b>Total recognised income</b>	<b>53.5</b>	<b>135.1</b>	<b>303.1</b>	<b>344.0</b>	<b>420.0</b>	<b>460.9</b>	<b>649.2</b>	<b>307.8</b>
<b>Total recognised income attributable to</b>								
Parent shareholders	53.5	135.1	303.1	343.6	420.1	460.6	649.2	307.8
Non-controlling interest	0.0	0.0	0.0	0.4	- 0.1	0.3	0.0	0.0
<b>Total recognised income</b>	<b>53.5</b>	<b>135.1</b>	<b>303.1</b>	<b>344.0</b>	<b>420.0</b>	<b>460.9</b>	<b>649.2</b>	<b>307.8</b>

## Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	30 Sept 2012	30 Sept 2011	31 Dec 2011	30 Sept 2012	30 Sept 2011	31 Dec 2011
Intangible assets	5,387.9	5,623.1	5,642.4	0.0	0.0	0.0
Tangible assets	1,815.2	1,909.7	1,897.6	0.0	0.0	0.0
Financial assets	129.5	77.8	135.5	7,126.7	7,012.0	6,991.8
<b>Total non-current assets</b>	<b>7,332.6</b>	<b>7,610.6</b>	<b>7,675.5</b>	<b>7,126.7</b>	<b>7,012.0</b>	<b>6,991.8</b>
Inventories	1,795.9	1,864.9	1,679.6	0.0	0.0	0.0
Current receivables	1,681.3	1,743.0	1,377.7	193.3	17.3	14.5
Cash equivalents	862.4	592.1	1,007.1	50.8	0.0	203.1
<b>Total current assets</b>	<b>4,339.6</b>	<b>4,200.0</b>	<b>4,064.4</b>	<b>244.1</b>	<b>17.3</b>	<b>217.6</b>
<b>Total assets</b>	<b>11,672.2</b>	<b>11,810.6</b>	<b>11,739.9</b>	<b>7,370.8</b>	<b>7,029.3</b>	<b>7,209.4</b>
Equity	4,591.7	4,368.9	4,487.2	3,108.1	2,560.8	2,657.4
Non-current liabilities and provisions, non-interest bearing	937.1	758.1	937.1	218.2	125.3	152.3
Non-current liabilities and provisions, interest bearing	4,211.6	4,771.5	4,320.5	3,668.7	4,186.8	3,946.4
Current liabilities and provisions, non-interest bearing	1,440.8	1,691.0	1,465.3	11.4	81.1	72.5
Current liabilities and provisions, interest bearing	491.0	221.1	529.8	364.4	75.3	380.8
<b>Total equity and liabilities</b>	<b>11,672.2</b>	<b>11,810.6</b>	<b>11,739.9</b>	<b>7,370.8</b>	<b>7,029.3</b>	<b>7,209.4</b>

## Statement of cash flow

(in millions of SEK)	Jan – Sept 2012	Jan – Sept 2011	full year 2011
Cash flow from operating activities	675.3	471.9	882.2
Change in working capital	- 385.4	- 311.6	237.9
Investment activities	- 213.7	- 5,400.0	- 3,815.2*
Financing activities	- 155.0	5,417.7	3,300.9*
Exchange rate difference in liquid assets	- 65.9	4.6	- 8.2
<b>Change in liquid assets</b>	<b>- 144.7</b>	<b>182.6</b>	<b>597.6</b>

\* Investments for the full year 2011 were financed in part via a non-cash issue recognised net in the statement of cash flow.

## Change in equity

(in millions of SEK)	Jan – Sept 2012	Jan – Sept 2011	full year 2011
Equity brought forward	4,487.2	2,482.7	2,482.7
Directed issue	21.8	1,744.9	1,744.9
Transaction expenses, new issue	0.0	- 5.1	- 3.8
Shareholders' dividend	- 220.5	- 164.4	- 164.4
Forfeited shareholder dividends*	0.1	0.0	0.0
Dividend to non-controlling interests	0.0	- 0.7	- 0.6
Acquisition of participations from non-controlling interests	0.0	- 32.5	- 32.5
Total recognised income for the period	303.1	344.0	460.9
<b>Equity carried forward</b>	<b>4,591.7</b>	<b>4,368.9</b>	<b>4,487.2</b>

\* Dividends from 2002 that have not been claimed and are thus considered to be forfeited.

## Data per share<sup>1)</sup>

		Jan – Sept 2012	Jan – Sept 2011	full year 2011
Net profit per share (total 110,253,638 shares)	SEK	4.64	4.31	6.87
Equity per share	SEK	41.65	39.70	40.78
Closing day share price	SEK	108.25	99.25	101.75

1) Directed issue of 214,201 shares in April 2012. Net profit per share has been calculated on a weighted average of the number of shares outstanding.

## Key figures

		Jan – Sept 2012	Jan – Sept 2011	full year 2011
Growth	%	24.9	20.1	25.0
Operating margin	%	11.0	11.0	12.2
Profit margin	%	10.2	10.4	11.6
Investments in fixed assets	SEK m	213.7	5,400.0	5,560.2
Unappropriated liquid assets	SEK m	1,395.1	1,781.5	1,659.8
Working capital, incl. cash and bank	SEK m	2,407.8	2,287.9	2,069.2
Working capital/net sales	%	25.4	30.9	25.4
Interest-bearing liabilities/Equity	%	102.4	114.3	108.1
Solidity (Equity/Assets ratio)	%	39.3	37.0	38.2
Return on capital employed	%	12.6	14.6	16.0
Return on equity	%	17.3	18.5	19.9
Net debt/EBITDA	times	2.6	3.9	3.0
Interest coverage ratio	times	9.6	9.5	10.7

# Quarterly data

## Consolidated Income Statements

(in millions of SEK)	2012			2011				2010		
	Q 1	Q 2	Q 3	Q 1	Q 2	Q 3	Q 4	Q 3	Q 4	
Net sales	2,106.7	2,318.4	2,271.2	1,462.3	1,618.6	2,281.6	2,777.3	1,712.6	2,047.3	
Operating expenses	- 1,948.9	- 2,054.5	- 1,958.9	- 1,337.2	- 1,466.6	- 1,967.0	- 2,377.7	- 1,466.1	- 1,732.0	
<b>Operating profit</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>125.1</b>	<b>152.0</b>	<b>314.6</b>	<b>399.6</b>	<b>246.5</b>	<b>315.3</b>	
Net financial expenses	- 11.4	- 24.6	- 16.6	8.8	- 11.6	- 31.2	- 16.1	- 12.1	- 12.2	
<b>Profit after net financial expenses</b>	<b>146.4</b>	<b>239.3</b>	<b>295.7</b>	<b>133.9</b>	<b>140.4</b>	<b>283.4</b>	<b>383.5</b>	<b>234.4</b>	<b>303.1</b>	
Tax	- 38.1	- 59.5	- 72.6	- 33.8	- 36.6	- 66.2	- 113.1	- 62.3	- 74.7	
<b>Net profit</b>	<b>108.3</b>	<b>179.8</b>	<b>223.1</b>	<b>100.1</b>	<b>103.8</b>	<b>217.2</b>	<b>270.4</b>	<b>172.1</b>	<b>228.4</b>	

## Net Sales – Business Areas

(in millions of SEK)	2012			2011				2010		
	Q 1	Q 2	Q 3	Q 1	Q 2	Q 3	Q 4	Q 3	Q 4	
NIBE Energy Systems	1,303.4	1,548.8	1,477.8	784.4	969.7	1,498.5	1,735.1	1,016.0	1,142.1	
NIBE Element	603.8	624.4	540.5	483.3	490.7	500.0	650.1	412.7	493.9	
NIBE Stoves	226.0	175.9	276.5	222.1	192.4	313.9	424.6	307.9	443.2	
Elimination of Group transactions	- 26.5	- 30.7	- 23.6	- 27.5	- 34.2	- 30.8	- 32.5	- 24.0	- 31.9	
<b>Group</b>	<b>2,106.7</b>	<b>2,318.4</b>	<b>2,271.2</b>	<b>1,462.3</b>	<b>1,618.6</b>	<b>2,281.6</b>	<b>2,777.3</b>	<b>1,712.6</b>	<b>2,047.3</b>	

## Operating profit – Business Areas

(in millions of SEK)	2012			2011				2010		
	Q 1	Q 2	Q 3	Q 1	Q 2	Q 3	Q 4	Q 3	Q 4	
NIBE Energy Systems	111.6	226.6	256.7	77.1	136.6	275.9	281.2	177.7	196.8	
NIBE Element	37.0	46.6	25.7	36.2	30.1	33.7	41.3	25.7	40.8	
NIBE Stoves	15.1	0.4	35.9	17.1	3.9	49.7	90.7	47.4	86.1	
Elimination of Group transactions	- 5.9	- 9.7	- 6.0	- 5.3	- 18.6	- 44.7	- 13.6	- 4.3	- 8.4	
<b>Group</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>125.1</b>	<b>152.0</b>	<b>314.6</b>	<b>399.6</b>	<b>246.5</b>	<b>315.3</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 third quarter of 2012 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this interim report are described in the company's Annual Report for 2011 (pp. 66-68). Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ("Reporting for Legal Entities").

In the case of transactions with associates, the same accounting principles apply as those described on page 67 of the company's Annual Report for 2011.

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

Markaryd, Sweden – 15 November 2012



Arvid Gierow  
Chairman of the Board



Georg Brunstam  
Board member



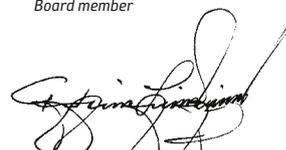
Eva-Lotta Kraft  
Board member



Hans Linnarson  
Board member



Anders Pålsson  
Board member



Gerteric Lindquist  
CEO

## Review report

We have reviewed the financial information in the financial report for NIBE Industrier AB (publ) for the period 1 January to 30 September 2012. The Board of Directors of the company and the Managing Director/CEO are jointly responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of the review

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

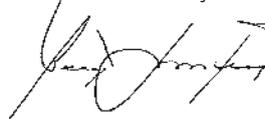
be identified if an audit were to be carried out. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this interim report does not, in all material respects, accord with IAS 34 and the Swedish Annual Accounts Act as far as the consolidated accounts are concerned, and is in accordance with the Swedish Annual Accounts Act as far as the financial accounts for the Parent are concerned.

Markaryd, Sweden – 15 November 2012

Mazars SET Revisionsbyrå AB



Bengt Ekenberg  
Authorised Public Accountant

For other information and definitions, please refer to the company's Annual Report for 2011.

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 7.00 (C.E.T.) on 15 November 2012.

Please e-mail any questions you may have with regard to this interim report to:  
Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se;  
Hans Backman, CFO, hans.backman@nibe.se



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