

NIBE

bringing warmth to the world

- Sales rise to SEK 1,669.8 million (Jan – June 2004: SEK 1,398.5 m)
- Profit after financial items rises to SEK 122.9 million (SEK 113.2 m)
- Profit after tax rises to SEK 83.9 million (SEK 81.8 m)
- Earnings per share amount to SEK 3.54 (3.46)
- Acquisition of Northstar AS (Norway)
- Restructuring programme for NIBE Element

interim report

1 January – 30 June 2005



Sustained strong growth Restructuring programme for NIBE Element

THE CHIEF EXECUTIVE'S REPORT

The first six months of 2005 saw sales grow by 19.4%, with 9.8% organic growth. The corresponding first-half figures for 2004 were 31.4% and 13.2% respectively

Sales figures during the period January to June last year were inflated by efforts to clear a substantial backlog of orders from the autumn of 2003, but the lower organic growth so far in 2005 is also due to a slight tail-off in demand in the early months of the year. Fortunately, towards the end of the reporting period demand made a clear recovery.

Operating profit grew by 14.0% and profit after net financial items by 8.6%.

NIBE Element continues to grow its volumes despite a great deal of turbulence in the market. Nonetheless, high material prices and the costs involved in transferring production from western Europe to low-cost countries have eaten into the business area's profits. It is our opinion that, in principle, all our labour-intensive manufacturing processes in western Europe must be moved to countries where production costs are lower.

Up to now the restructuring costs this incurs (approximately SEK 12 million in the first six months of this year alone) have been recognised under operating activities. Current and future restructuring measures require the transfer of a further 200 jobs to eastern Europe and Asia.

In view of this, we have decided to set aside a structural reserve of SEK 65–70 million, which will impact on our third-quarter profits. On completion of the programme, which is expected to take between 18 and 24 months, the effect will be to increase annual earnings by around SEK 40 million.

NIBE Heating has continued to develop strongly as a whole, both in terms of organic growth and as regards its operating margin.

It is also gratifying to note the interest generated by the new series of ground-source heat pumps scheduled for delivery from mid-August onwards.

The business area's two latest acquisitions, Metro Therm and Kaukora are also continuing to develop positively.

NIBE Stoves has grown its volumes more modestly over the first six months of this year than in 2004, but this can be explained by extraordinarily high sales figures in the late winter and spring of 2004 relating to a large backlog of orders from the previous autumn.

The business area's operating margin remains very good and there is a lot of interest in the market for the new series of wood-burning stoves to be delivered from the third quarter onwards.

Moreover, the recent acquisition of the Northstar Group brings added strength to the business area, both in terms of products and production facilities.

Prospects for 2005

Given our expectations of sustained strong demand and the investments we have made to increase production capacity and improve efficiency, we remain confident about the future.

After a slightly subdued start to the year demand recovered well in the second quarter, and we believe that it will remain good for the year as a whole.

We expect earnings to develop positively for the remainder of 2005, although the structural reserve of SEK 65–70 million set aside for NIBE Element will affect profits for the third quarter and, as a result, for the year as a whole.

Wording in the first-quarter report:

Given our expectations of sustained strong demand and the investments we have made to increase production capacity and improve efficiency, we remain confident about the future.

The economic cycle appears to have peaked in both Sweden and the rest of Europe – our two principal markets – during the spring, which makes it somewhat harder to predict short-term movements in demand for our products. Assuming that the slowdown is not too dramatic, however, we expect to continue to go from strength to strength in 2005.

Financial information

15 November 2005 Interim report, January – September 2005

6 October 2005 Capital Market Day

14 February 2006 Summary of Annual Report 2005

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

Markaryd, Sweden – 17 August 2005

Gertie Lindquist
Managing Director and Chief Executive Officer

Transition to International Financial Reporting Standards (IFRS)

This interim report for the second quarter of 2005 is the NIBE Group's second financial report to be presented in accordance with International Financial Reporting Standards (IFRS). It has been prepared on the basis of IAS 34 (Interim Financial Reporting), which corresponds to the requirements set out in the Swedish Financial Accounting Standards Council's recommendation RR 31 (Interim Reporting for Groups).

The accounting principles applied in this interim report are detailed on pages 52–54 of NIBE's annual report for 2004, which state that IFRS applies with effect from 2005 and that the comparative figures for 2004 are to be restated in line with the new principles, except where the transitional rules for financial instruments dictate otherwise.

All accounting data and key figures in this interim report affected by the transition to IFRS have been restated. The effects of restating the comparative figures for both the first quarter of 2004 and for 2004 as a whole are presented on page 7 of this report.

The most significant transition effect is in respect of depreciation on goodwill. Goodwill is no longer be depreciated, but is instead subject to an annual impairment test. The goodwill items underwent an impairment test in 2004, and in no case was the carrying amount found to exceed the recoverable amount.

Minority interests have been reclassified so as to be included under the heading of "Equity" in the balance sheet and under "Net profit" in the income statement.

In line with the rules for the adoption of IFRS, the new principles for financial instruments are being applied only to those parts of the accounts that relate to 2005.

IFRS 1 requires reporting to comply with the IFRS in force on 31 December 2005. Given that the approval process in the EU is not yet complete, there may yet be changes to IFRS which could impact on the information presented in this report.

Sales

The Group generated net sales of SEK 1,669.8 million in the first six months of 2005 (corresponding figure for January–June 2004: SEK 1,398.5 million). This equates to growth of 19.4%, of which 9.8% was organic.

Of the total sales increase of SEK 271.3 million, SEK 133.8 million derived from acquisitions.

Earnings

Profit for the period after net financial items was SEK 122.9 million, up 8.6% from the total of SEK 113.2 million for January to June 2004.

Return on equity was 19.3% (23.9%).

Investments

The Group invested SEK 92.2 million (SEK 92.4 million) in fixed assets during the period. These investments were made in existing units.

Cash flow and financial position

Cash flow from operating activities amounted to SEK 123.6 million (SEK 105.4 million) before changes in working capital, and SEK –66.4 million (SEK –32.5 million) after these changes. The increase in working capital of SEK 190.0 million (SEK 137.9 million) during the period was due primarily to stockbuilding ahead of the peak autumn season.

Interest-bearing liabilities totalled SEK 1,098.7 million at the end of the period. The increase from SEK 812.5 million at the beginning of the year is due to investments in the Group's production facilities and stockbuilding.

The Group had liquid funds of SEK 365.1 million at the end of June 2005, compared with SEK 382.6 million at the beginning of the year. The Group's overdraft facilities were extended by SEK 180.7 million during the period.

The equity/assets ratio was 32.6% at the end of the period, compared with 35.7% at the beginning of the year and 32.2% at the end of June last year.

Parent company

The parent company's activities comprise Group executive management functions, certain shared Group functions and financing for acquisitions. The first six months of 2005 brought sales of SEK 1.3 million (SEK 0.9 million) and a profit after financial items of SEK 80.0 million (SEK 65.6 million). Liquid funds totalled SEK 161.5 million at the end of the period, compared with SEK 222.4 million at the beginning of the year.

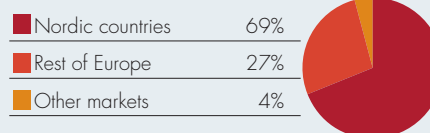
Financial targets

- 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%.

GROUP

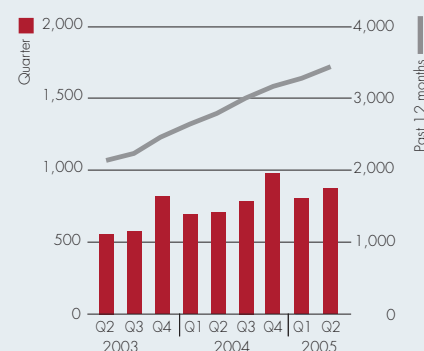
Group sales by geographic region

(Jan – June 2005)



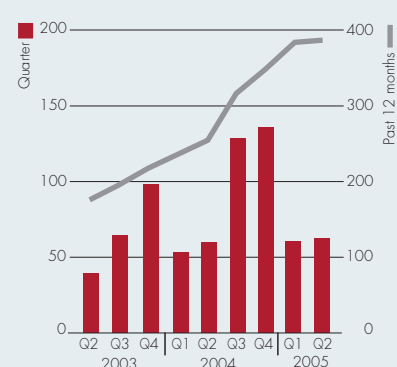
Net sales

(Past nine quarters, in millions of SEK)



Profit after financial items

(Past nine quarters, in millions of SEK)



NIBE Industrier – Group

Key figures		2005 Q1+2	2004 Q1+2	Past 12 months	Full year 2004
Net sales	(MSEK)	1,669.8	1,398.5	3,432.3	3,161.0
Growth	(%)	19.4	31.4	23.2	29.0
of which acquired	(%)	9.6	18.2	10.6	14.5
Operating profit	(MSEK)	138.1	121.1	382.4	365.4
Operating margin	(%)	8.3	8.7	11.1	11.6
Profit after net fin's	(MSEK)	122.9	113.2	386.9	377.2
Net profit margin	(%)	7.4	8.1	11.3	11.9



NIBE ELEMENT

Sales and earnings

First-half sales totalled SEK 623.5 million, compared with SEK 560.3 million for the corresponding period last year. Of the total sales increase of SEK 63.2 million, SEK 31.3 million derived from acquisitions, which means that organic growth was 5.7%.

Operating profit was SEK 15.4 million, compared with SEK 32.2 million last year. The operating margin fell from 5.7% for the period January – June 2004 to 2.5%, to give an operating margin of 4.3% for the twelve months to 30 June.

Market

In terms of volumes the market as a whole has remained stable during the second quarter, albeit with considerable variations between different markets and product groups.

The positive news from the Nordic countries owes much to strong contract sales. By contrast, the trend in Germany has been negative: demand is weak in many customer segments, particularly in the automotive industry and for consumer products. However, we believe that we will continue to increase our share of the market as a whole.

We are engaged in intensive product development work in several market segments with a firm focus on all-round system solutions. Test deliveries of several of these products have been made during the second quarter.

Operations

Unrelenting pressure on prices for high-volume elements (especially those used in small appliances and white goods) and high raw material prices have eaten into the business area's operating margin.

To meet increasingly fierce pressure on prices, a far-reaching restructuring programme has begun to transfer labour-intensive production to low-cost countries. Inevitably, this incurs considerable costs for terminating operations at some sites and starting up work at others. So far these costs (approximately SEK 12 million during the first six months of 2005) have been recognised under operating activities.

The remaining part of this work involves transferring a further 200 jobs to units with lower labour costs. In view of this, we have decided to set aside a structural reserve of SEK 65–70 million, which will impact on third-quarter profits.

On completion of the programme, which is expected to take between 18 and 24 months, the effect will be to increase annual earnings by around SEK 40 million.

We believe that this restructuring programme, together with intensive product development and marketing efforts, will help us to achieve satisfactory levels of profitability both for the current range in our industry-oriented units in western Europe and for the high-volume range being transferred.

NIBE Element

Key figures		2005 Q1+2	2004 Q1+2	Past 12 months	Full year 2004
Net sales	(MSEK)	623.5	560.3	1,209.8	1,146.6
Growth	(%)	11.3	7.9	10.0	8.3
Operating profit	(MSEK)	15.4	32.2	51.5	68.3
Operating margin	(%)	2.5	5.7	4.3	6.0
Assets	(MSEK)	1,138.5	866.0	1,138.5	970.8
Liabilities	(MSEK)	1,058.5	752.2	1,058.5	844.2
Investm. (fixed assets)	(MSEK)	44.0	48.1	123.9	128.0
Depreciation	(MSEK)	21.0	17.3	39.8	36.1



NIBE HEATING

Sales and earnings

Sales totalled SEK 866.1 million, compared with SEK 672.8 million for the corresponding period last year. Of the total sales increase of SEK 193.3 million, SEK 102.6 million derived from acquisitions. Organic growth was 13.5%.

Operating profit was SEK 97.0 million, compared with SEK 66.3 million last year. The operating margin for the period was 11.2% (9.9% in the first half of 2004), while the operating margin for the twelve months to 30 June was 13.4%.

Market

After a somewhat cautious start to the year sales have grown month by month during the second quarter both in Sweden and abroad.

Demand for heat pumps in Sweden has risen during the second quarter. Although the market here continues to be dominated by ground-source/geothermal heat pumps, the greatest growth has taken place in exhaust-air heat pumps. The energy savings from these pumps are considerably lower than those that can be achieved with ground-source/geothermal heat pumps, but installation is much simpler and less expensive. Heat pump sales have also developed well on our prioritised foreign markets.

The Nordic market for electric water heaters and district-heating products remains stable, while the Swedish market for traditional domestic boilers continues to decline.

In Germany we strengthened our market position and increased sales significantly in the second quarter, despite the country's economic slowdown. In Poland, on the other hand, sales have stagnated.

Operations

The second quarter has been dominated by activities in conjunction with the launch of the new geothermal heat pump (which has a coefficient of performance in excess of 5.0) and the new control system that we have developed in-house. A large number of installation engineers have been trained in the new products, deliveries of which are scheduled to begin in mid-August.

Operations in the newly acquired Metro Therm group (Denmark) and Kaukora (Finland) continue to develop in the right direction.

In June highly negative, one-sided media reports suggested that a quarter of all ground-source heat pumps break down within four years. This is quite untrue, both for our own products and for those of our competitors. At the same time, results of an extensive survey conducted by the Swedish Consumer Agency, the Swedish Energy Agency and the Swedish National Testing and Research Institute showed that more than 91% of ground-source heat pump owners are satisfied with performance and reliability – a result which is more in keeping with our own customer surveys.

NIBE Heating

Key figures		2005 Q1+2	2004 Q1+2	Past 12 months	Full year 2004
Net sales	(MSEK)	866.1	672.8	1,786.4	1,593.1
Growth	(%)	28.7	57.3	32.7	44.7
Operating profit	(MSEK)	97.0	66.3	240.1	209.4
Operating margin	(%)	11.2	9.9	13.4	13.1
Assets	(MSEK)	1,518.0	1,050.3	1,518.0	1,347.1
Liabilities	(MSEK)	1,140.6	698.2	1,140.6	937.3
Investm. (fixed assets)	(MSEK)	24.7	29.9	289.5	294.7
Depreciation	(MSEK)	29.9	22.0	55.0	47.0



NIBE STOVES

Sales and earnings

Sales grew from SEK 183.6 million for the corresponding period last year to SEK 195.2 million. The whole of this SEK 11.6 million increase was organic, which means that organic growth totalled 6.3%.

Operating profit was SEK 33.9 million, compared with SEK 30.3 million last year. The operating margin for January–June rose from 16.5% in 2004 to 17.4%, which equates to an operating margin for the twelve months to 30 June of 23.0%.

Market

Demand for wood-stove products remains good in Sweden and the second quarter finished slightly stronger than in 2004. After several years of constant growth, the market as a whole has flattened out and first-half sales in Sweden remained roughly at last year's level.

Sales in our prioritised foreign markets – Norway, Finland, Denmark and Germany – have developed very well, despite the fact that the wood-stove market as a whole has stagnated in these countries.

We have intensified our marketing efforts during the first six months of the year and the establishment of a foothold in several “new” markets bodes well for a continued increase in foreign sales throughout the rest of 2005.

Operations

Our new Handöl series has now been launched in all our markets and interest has been very positive. With their innovative design and bold lines, these new models broaden our overall product portfolio and pave the way for us to grow our share of the market for lightweight wood-burning stoves. The first deliveries will be made during the third quarter, so consumers will be able to commence installations in the autumn.

Consistently high rates of production without any interruptions during the first six months have enabled us to build up stocks of finished products in order to meet the levels of demand anticipated during the peak autumn season.

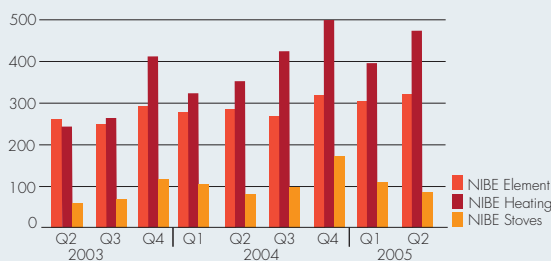
In July NIBE acquired the operations of Northstar AS of Norway, one of the leading European manufacturers of concrete surrounds for fireboxes with its own range of fireplace inserts. The company has 170 employees, most of them at the production plant in Poland, and annual sales of approximately SEK 130 million. This new acquisition extends the range of products that NIBE Stoves can offer and strengthens its market position in northern Europe. Consolidation will take place with effect from August 2005.

NIBE Stoves Key figures	2005 Q1+2	2004 Q1+2	Past 12 months	Full year 2004
Net sales (MSEK)	195.2	183.6	463.6	452.0
Growth (%)	6.3	44.7	25.9	45.1
Operating profit (MSEK)	33.9	30.3	106.6	103.0
Operating margin (%)	17.4	16.5	23.0	22.8
Assets (MSEK)	299.1	240.4	299.1	296.6
Liabilities (MSEK)	104.2	143.1	104.2	80.8
Investm. (fixed assets) (MSEK)	19.0	5.7	63.8	50.5
Depreciation (MSEK)	5.8	4.7	11.2	10.1

BUSINESS AREAS

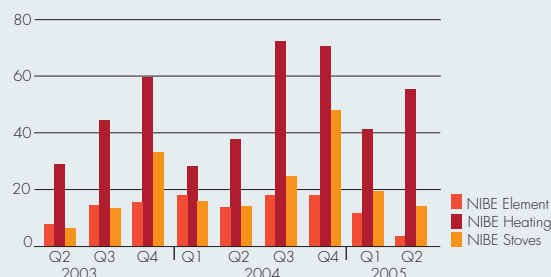
Sales by business area

over the past 9 quarters (in millions of SEK)



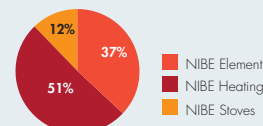
Operating profit by business area

over the past 9 quarters (in millions of SEK)



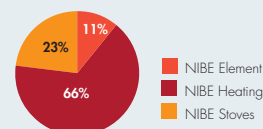
Business areas' contribution to sales

January – June 2005



Business areas' contribution to operating profit

January – June 2005



SHARE PERFORMANCE





THE NIBE GROUP – FINANCIAL TRENDS

Consolidated Income Statement

(in millions of SEK)	Q2 2005	Q2 2004	Jan – June 2005	Jan – June 2004	Past 12 months	Full year 2004
Net sales	868.9	704.6	1,669.8	1,398.5	3,432.3	3,161.0
Cost of goods sold	- 617.5	- 491.0	- 1,187.9	- 985.6	- 2,373.1	- 2,170.8
Gross profit	251.4	213.6	481.9	412.9	1,059.2	990.2
Selling expenses	- 139.0	- 115.9	- 261.1	- 218.0	- 514.2	- 471.1
Administrative expenses	- 57.0	- 40.7	- 107.1	- 87.8	- 196.3	- 177.0
Other income	13.2	4.6	24.4	14.0	33.7	23.3
Operating profit	68.6	61.6	138.1	121.1	382.4	365.4
Net financial items	- 6.3	- 1.8	- 15.2	- 7.9	4.5	11.8
Profit after net financial items	62.3	59.8	122.9	113.2	386.9	377.2
Tax	- 19.9	- 17.9	- 39.0	- 31.4	- 105.3	- 97.7
Net profit	42.4	41.9	83.9	81.8	281.6	279.5
Minority participation in profit after tax	0.4	0.4	0.8	0.5	1.4	1.1
Includes depreciation according to plan as follows:	29.1	23.2	58.4	45.6	109.3	96.5

Consolidated Balance Sheet summary

(in millions of SEK)	30 June 2005	30 June 2004	31 Dec 2004
Intangible assets	318.5	193.4	304.7
Tangible assets	933.1	700.0	875.7
Financial assets	18.7	57.6	10.6
Total fixed assets	1,270.3	951.0	1,191.0
Inventories	834.2	646.1	690.2
Current receivables	642.2	477.9	525.4
Investments	0.5	2.6	0.9
Cash and bank	110.1	76.3	88.6
Total current assets	1,587.0	1,202.9	1,305.1
Total assets	2,857.3	2,153.9	2,496.1
Equity	930.1	694.6	891.6
Provisions	200.4	173.0	192.7
Long-term liabilities, non-interest bearing	27.8	3.2	34.1
Long-term liabilities, interest bearing	980.6	733.3	708.6
Current liabilities, non-interest bearing	621.2	498.8	586.9
Current liabilities, interest bearing	97.2	51.0	82.2
Total equity and liabilities	2,857.3	2,153.9	2,496.1

Cash flow analysis

(in millions of SEK)	Jan – June 2005	Jan – June 2004	Full year 2004
Cash flow from trading activities	123.6	105.4	381.8
Change in working capital	- 190.0	- 137.9	- 82.0
Investment activities	- 92.2	- 92.5	- 305.1
Financing activities	185.7	119.2	11.4
Exchange rate diff. in liquid assets	- 5.6	0.6	1.0
Change in liquid assets	21.5	- 5.2	7.1

Share data

	Jan – June 2005	Jan – June 2004	Full year 2004
Net profit per share (total 23,480,000 shares)	SEK 3.54	3.46	11.86
Equity per share	SEK 39.43	29.47	37.83
Closing day share price	SEK 199.00	140.00	184.00

Change in equity

(in millions of SEK)	Jan – June 2005	Jan – June 2004	Full year 2004
Equity brought forward	891.6	646.9	646.9
Effect of change in accounting principles ¹⁾	3.3	5.5	5.5
Adjusted equity brought fwd	894.9	652.4	652.4
Shareholders' dividend	- 70.4	- 43.4	- 43.4
Market value of commercial future currency contracts after deductions for tax	- 4.3	0.0	0.0
Translation difference ²⁾	26.0	3.8	3.1
Profit for the period	83.9	81.8	279.5
Equity carried forward ³⁾	930.1	694.6	891.6

¹⁾ The new recommendation IAS 39 (Financial Instruments) applies with effect from 1 January 2005. As a result of this, Equity brought forward in 2005 has risen by SEK 3.3 million after deductions for tax. Adjustments relating to 2004 are explained under the heading "The effect of IFRS on equity 2004" on page 7.

2) Breakdown of translation difference (in millions of SEK)	Jan – June 2005	Jan – June 2004	Full year 2004
Translation of foreign subsidiaries	33.7	4.5	2.9
Loans to subsidiaries	2.8	- 0.1	- 1.4
Currency hedging	- 10.5	- 0.6	1.6
Total	26.0	3.8	3.1

³⁾ Minority participations totalled SEK 4.3 million at the end of the reporting period as compared to SEK 3.3 million at the start of the financial year.

Key figures

	Jan – June 2005	Jan – June 2004	Full year 2004
Growth	% 19.4	31.4	29.0
Operating margin	% 8.3	8.7	11.6
Net profit margin	% 7.4	8.1	11.9
Investments in fixed assets	MSEK 92.2	92.4	418.9
Unappropriated liquid assets	MSEK 365.1	244.0	382.6
Working capital, incl. cash + bank	MSEK 868.6	653.1	636.0
Interest-bearing liabilities/Equity	% 118.1	116.1	91.1
Solidity (Equity/Assets ratio)	% 32.6	32.2	35.7
Return on capital employed	% 15.2	18.1	27.1
Return on equity	% 19.3	23.9	34.8

QUARTERLY DATA

Consolidated Income Statement

(in millions of SEK)	2005		2004				2003		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	800.9	868.9	693.9	704.6	785.0	977.5	555.8	574.1	812.7
Operating expenses	- 731.4	- 800.3	- 634.4	- 643.0	- 673.0	- 845.2	- 515.9	- 503.6	- 707.3
Operating profit	69.5	68.6	59.5	61.6	112.0	132.3	39.9	70.5	105.4
Net financial expenses	- 8.9	- 6.3	- 6.1	- 1.8	+ 16.4	+ 3.3	- 0.3	- 5.7	- 7.2
Profit after net financial expenses	60.6	62.3	53.4	59.8	128.4	135.6	39.6	64.8	98.2
Tax	- 19.1	- 19.9	- 13.5	- 17.9	- 27.6	- 38.7	- 12.4	- 19.6	- 31.8
Net profit	41.5	42.4	39.9	41.9	100.8	96.9	27.2	45.2	66.4

Net sales – Business Areas

(in millions of SEK)	2005		2004				2003		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
NIBE Element	304.1	319.4	275.9	284.4	268.2	318.1	260.3	247.1	292.3
NIBE Heating	394.2	471.9	321.9	350.9	422.7	497.6	242.0	262.6	410.3
NIBE Stoves	109.9	85.3	104.2	79.4	97.7	170.7	58.8	69.1	115.6
Elimination of Group transactions	- 7.3	- 7.7	- 8.1	- 10.1	- 3.6	- 8.9	- 5.3	- 4.7	- 5.5
Group	800.9	868.9	693.9	704.6	785.0	977.5	555.8	574.1	812.7

Operating profit – Business Areas

(in millions of SEK)	2005		2004				2003		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
NIBE Element	11.7	3.7	18.3	13.9	18.1	18.0	8.1	14.7	15.7
NIBE Heating	41.6	55.4	28.3	38.0	72.5	70.6	29.2	44.5	59.9
NIBE Stoves	19.5	14.4	16.1	14.2	24.7	48.0	6.4	13.6	33.3
Elimination of Group transactions	- 3.3	- 4.9	- 3.2	- 4.5	- 3.3	- 4.3	- 3.8	- 2.3	- 3.5
Group	69.5	68.6	59.5	61.6	112.0	132.3	39.9	70.5	105.4

Effects of the transition to IFRS

The effect of IFRS on equity 2004

(in millions of SEK)	Jan – June 2004	Jan – June 2004	Full year 2004	Full year 2004
	acc. to IFRS	acc. to quarterly report	acc. to IFRS	acc. to Annual report
Equity brought forward (1 Jan 2004)	646.9	646.9	646.9	646.9
Effect of change in accounting principles ¹⁾	3.3	0.0	3.3	3.3
Effect of change in accounting principles ²⁾	2.2	0.0	2.2	0.0
Adjusted equity brought fwd (1 Jan 2004)	652.4	646.9	652.4	650.2
Shareholders' dividend	- 43.4	- 43.4	- 43.4	- 43.4
Translation difference	3.8	3.8	3.1	3.1
Profit for the period ³⁾	81.8	70.8	279.5	255.3
Equity carried forward	694.6	678.1	891.6	865.2

¹⁾ Equity has risen by SEK 3.3 million as a result of applying IAS 19 (Employee benefits).

²⁾ Equity has risen by SEK 2.2 million as a result of the reclassification of minority participations.

³⁾ The effect of IFRS on the profit for the period is indicated in the table below.

	Jan – June 2004	Full year 2004
Profit for the period acc. to Swedish accounting principles	70.8	255.3
Depreciation of goodwill	11.3	24.8
Minority shareholding	0.5	1.1
Deferred tax on IFRS adjustments	- 0.8	- 1.7
Profit for the period acc. to IFRS	81.8	279.5

This Interim Report has not been the subject of a special audit by the company's auditors. For information concerning definitions, please refer to the Annual Report for NIBE Industrier for 2004.

NIBE – bringing warmth to the world

NIBE Industrier is a European heating technology company whose business operations are organised in three separate business areas: NIBE Element, NIBE Heating and NIBE Stoves.

- Our vision is to create a world-class heating company.
- Our mission is to offer high-quality, innovative heating products. This work builds on the NIBE Group's wide-ranging expertise in the fields of development, manufacturing and marketing.



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