

W

B

H

Z

Annual Report 2001

NIBE brings warmth to the world

NIBE Industrier is a European heating technology company whose business operations are organised in three separate business areas



NIBE Element

for components and systems
for electric heating



NIBE Heating

for domestic heating products



NIBE Stoves

for wood-burning stoves
and associated products

Our vision is to create a world-class heating technology company.

Our mission statement is to offer high-quality, innovative heating products.
The basis for this is the NIBE Group's wide-ranging expertise in the fields of development,
manufacturing and marketing.

The NIBE share has been listed on the Stockholm Stock Exchange's O list since 1997.

Contents

The NIBE Group	
Information	2
2001 – Summary of the Financial Year	3
The NIBE Group at a Glance	3
The Chief Executive’s Report	4
NIBE Shares	6
Business Concept	8
Management Philosophy	10
Human Resources	12
Quality	14
Environment	15
The History of the NIBE Group	16
Operations of the Business Areas	
NIBE Element	18
NIBE Heating	22
NIBE Stoves	26
Financial information	
Five-year review	30
Income Statements	38
Quarterly data	39
Balance Sheets	40
Cash Flow Statements	42
Notes to the Accounts	43
The Work of the Board of Directors	50
Audit Report	51
The Board of Directors, Auditors and Senior Executives	52



NIBE

INDUSTRI

Information

Annual General Meeting

The Annual General Meeting of shareholders will take place at NIBE's Marknadscenter in Markaryd, Sweden, on Thursday 16 May 2002 at 5 pm.

Dividend

The Board of Directors will propose to the Annual General Meeting a dividend of SEK 4.25 per share for the financial year 2001, equivalent to a total pay-out of SEK 24.9 million. If this proposal is accepted, the dividend should be sent out by the Swedish Central Securities Depository (Värdepapperscentralen VPC AB) on Monday, 27 May 2002.

Financial information

The complete annual report, and call to the AGM is sent to all shareholders, and published on our website: www.nibe.se.

Shareholders' diary

16 May 2002	Annual General Meeting
16 May 2002	First quarter report January – March 2002
15 August 2002	Second quarter report January – June 2002
15 November 2002	Third quarter report January – Sept. 2002



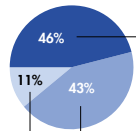
Summary of the financial year

2001 – a year of proven strengths

- Net sales rose to SEK 1,677.1 million (figure for 2000: SEK 1,304.2 million)
- Growth totalled 28.6% of which 17.8% was organic
- Profit after net financial items rose to SEK 122.3 million (SEK 106.6 million) excluding SPP refunds
- Operating cash flow totalled SEK 14.7 million (SEK –8.7 million)
- Earnings per share rose to SEK 14.24 (SEK 12.54) excluding SPP refunds
- The Board of Directors proposes a dividend of SEK 4.25 per share (SEK 3.75)
- Four corporate acquisitions were made during 2001 of companies with aggregate annual sales equivalent to approximately SEK 160 million:
 - Roslagsspisen, a very well-known brand for fire inserts for open fires
 - Norells Sweden AB, specialists in heating elements for rear-view mirrors
 - Svend A Nielsen A/S, specialists in industrial heating applications
 - Heise Systemtechnik OHG, NIBE Heating's German importer.

The NIBE Group at a glance

NIBE Industrier comprises 3 business areas, each with its own operational management responsible for financial performance. Financing, currency management, takeovers, startups and financial control are dealt with at Group level, as are HR and other policy issues. The parent company NIBE Industrier AB (registered office in Markaryd, Sweden) has been registered on the Stockholm Stock Exchange's O list since 1997. Market value at 31 December 2001 was SEK 1,127 million.



NIBE Element is the market leader in northern Europe and one of the leading European manufacturers of components and systems for electric heating applications. Customers are industrial users and components users.

Net sales 2001	SEK 782.7 million
Growth	+ 29.2%
Export sales	79%
Operating profit	SEK 46.9 million
Operating margin	6.0%

NIBE Heating is the market leader in Sweden and one of the leading manufacturers of domestic heating products in Scandinavia and Poland. Customers are the RMI sector (Renovation, Maintenance, Improvement) and the new housing market.

Net sales 2001	SEK 730.3 million
Growth	+ 32.2%
Export sales	29%
Operating profit	SEK 79.3 million
Operating margin	10.9%

NIBE Stoves is the market leader in wood-burning stoves in Sweden. Customers are private homeowners in the new and existing housing market and holiday homes sector.

Net sales 2001	SEK 177.8 million
Growth	+ 14.2%
Export sales	23%
Operating profit	SEK 17.8 million
Operating margin	10.0%



Gerteric Lindquist, Managing Director

The Chief Executive's Report

Sales and profits

Group sales climbed by 28.6% to SEK 1,677.1 million, with organic growth accounting for 17.8% of this figure.

Profit after net financial items improved by 14.7% to SEK 122.3 million.

The return on equity for the year was 19.9%, which is well in line with our long-term target of 20%.

Market development

On the whole development has been good for all three business areas in all markets with the sole exception of Poland, where the economic recession has bitten hard.

For NIBE Element the generally positive development of the market has been reinforced by marketing successes for several of its special products, such as foil and aluminium heating elements.

The strong growth for NIBE Heating under what have been generally favourable market conditions has been further boosted by the steep increase in demand for exhaust-air and ground-source heat pumps.

NIBE Stoves has also enjoyed similar success with regard to market share, thanks chiefly to the introduction of a new series of stoves with a totally new design.

All three business areas have based their success on the strategy of providing the market with the best products at the most competitive prices possible.

Product development

One market trend that has become equally apparent to all three business areas is external pressure to increase the pace of product development, which, ultimately of course, leads to ever shorter life cycles for the products we manufacture. This pattern, however, suits us well, as it has always been our practice to invest substantial

Continued growth founded on profitability

Five years have passed since the introduction of the NIBE Industrier share on the Stockholm Stock Exchange. Our prospectus outlined our financial objectives which, averaged out over a complete business cycle, corresponded to 20% growth per annum, a 20% return on equity and an operating margin of 10% for each individual business area.

We are therefore proud to report that, over the past five years, volumes have grown by 22.1% with slightly in excess of half of this figure being organic growth, and that the return on equity has been 21.7%. Operating margins for the business areas average 11.3% for NIBE Stoves, 10.1% for NIBE Heating and 7.5% for NIBE Element.

resources in research and development as part of our unceasing efforts to make our products even better and even greater value for money.

The success of NIBE Element in segments such as aluminium and foil elements provides a good illustration of the recognition that customers are prepared to give to professional, unstinting product development work.

The new generation of ground-source heat pumps from NIBE Heating is another example of the market's instantaneous liking for improved technology and good design. The trade fair at the Stockholm International Exhibition Centre in Älvsjö in March of this year saw NIBE launch no less than five new heat-pump solutions and two new domestic boilers – all resulting from product development projects carried out in 2001. These new products have been extremely well received. In addition, a brand new series of electric water heaters has been introduced in Poland during the year and here too the reception was highly positive.

Demand for the initial quartet of new models in the new European range of wood-burning stoves that NIBE Stoves launched in the spring of 2001 has exceeded expectations, and further additions to this collection together with a brand new chimney system were introduced to an appreciative audience at the trade fair in Stockholm early this year.

Continuous improvement

NIBE Element has carried out two major reorganisations during the year, incurring substantial one-off costs, but at the same time laying the foundations for necessary

improvements in profits. Operations in the two Swedish tubular element manufacturers Backer and Bröderna Håkansson were coordinated back at the beginning of 2001 under the name Backer BHV AB. Subsequently, at the same time as a brand new production unit for aluminium elements has been commissioned, manufacture has been reorganised in two specialist production units, concentrating on large and small series respectively.

Restructuring work has also been carried out within the foil element business, with Calesco's manufacturing operations in Kolbäck, Sweden, focusing on the capital intensive aspects of production while the labour-intensive assembly process has been transferred to a newly built unit in Poland.

The biggest change in 2001 for NIBE Heating was the increase in capacity of its production unit for electric water-heaters at Biawar in Poland following modernisation and rationalisation work. A new enamelling shop was also set up in Poland.

Shortly after NIBE Stoves' new production plant was inaugurated in the summer of 2000, it became obvious that there were a number of shortcomings in the layout of the premises and the balance in the assembly line. These problems were, however, remedied in the first half of 2001 and the ensuing improvements played a major part in ensuring that NIBE Stoves was able to report satisfactory profitability for the year as a whole.

Acquisitions

Four acquisitions (two relating to NIBE Element and one each for NIBE Heating and NIBE Stoves) were made during the

year of companies with aggregate sales of around SEK 160 million. This brought the total of takeovers and new establishments over the past eight years to 22.

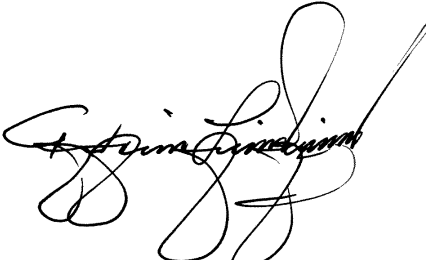
At the end of 2001 the NIBE Group acquired 10.9% of the shares in Jøtul ASA of Norway, with an option to purchase a further 10.8%. Jøtul is one of Europe's leading names in cast-iron stoves with a strong position not only in Norway, but also in the USA, France and elsewhere. The company is quoted on the Oslo stock market and has annual sales of some SEK 550 million.

Future prospects

Our target of annual growth of 20% stands fast, as does our ambition to achieve sales of SEK 2.4 billion in 2003 without compromising profitability.

The opportunities for expansion both via acquisitions and through organic growth are deemed good, and this, coupled with the prospects for continued growth in market share and the positive results of our ongoing internal rationalisation work, means that we can look to the remainder of 2002 with confidence.

Markaryd, Sweden, April 2002



Gerteric Lindquist
Managing Director and Chief Executive

NIBE shares

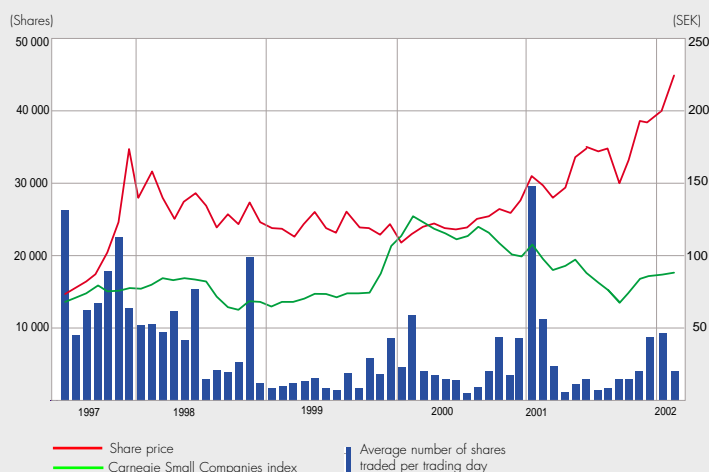
Changes in share capital

Year		Increase in share capital (SEK)	Par value (SEK)	Total number of shares	Total share capital (SEK)
1990	New issue ¹⁾	6,950,000	100	70,000	7,000,000
1991	Bonus issue	40,000,000	100	470,000	47,000,000
1994	Split 10:1 ²⁾	–	10	4,700,000	47,000,000
1997	New issue	11,700,000	10	5,870,000	58,700,000

¹⁾ Private placing to existing shareholders at a subscription price of SEK 100 per share.

²⁾ Change in the par value of each share from SEK 100 to SEK 10.

NIBE share performance



Share data

		2001	2000	¹⁾ 1999	1998	1997
Number of shares		5,870,000	5,870,000	5,870,000	5,870,000	5,870,000
Year-end share price	SEK	192.00	137.00	121.00	124.00	173.00
EPS (after full tax)	SEK	14.24	14.67 (12.54)	10.92	8.56	7.80
Equity per share	SEK	82.31	68.81	56.14	49.52	42.10
Proposed dividend	SEK	4.25	3.75	3.00	2.50	2.00
Price/equity		2.33	1.99	2.16	2.50	4.11
Dividend yield	%	2.21	2.74	2.48	2.02	1.16
Operating cash flow/share	SEK	2.50	-1.49 (-2.26)	4.70	-1.59	6.87
Payout ratio	%	29.8	25.6 (29.9)	27.5	29.2	25.6
PE ratio after full tax		13.5	9.3 (10.9)	11.1	14.5	22.2
Market value	SEK million	1,127	804	710	728	1,016
EBIT multiple	times	10.5	7.7 (8.9)	8.6	10.3	16.1
EV/sales	times	0.84	0.77 (0.78)	0.72	0.83	1.40
Share turnover	%	17.4	24.0	13.8	36.7	40.2
Beta value		0.45	0.41	0.51	0.57	0.54
Volatility		0.09	0.05	0.06	0.11	0.14

¹⁾ Key ratios in parentheses are computed excluding items affecting comparability (i.e. premium refunds from SPP).

NIBE Industrier AB's "B" shares were floated on the OM Stockholm Stock Exchange's OTC list (now the O list) on 16 June 1997 following the issue of 1,170,000 new "B" shares. The subscription price was SEK 70 per share.

Share capital

NIBE Industrier AB has a share capital of SEK 58.7 million, divided into 940,008 "A"-shares and 4,929,992 "B" shares, each with a par value of SEK 10. Every "A" share carries ten votes at the Annual General Meeting and every "B" share one vote. All shares carry the same entitlement to the company's assets and profits. 100 shares make up a round lot. At the close of 2001 the company had no outstanding convertible loans or options which could risk diluting the share capital.

Share performance and turnover

During 2001 the NIBE share increased in value by 40% from SEK 137 to SEK 192. During the same period the Carnegie Small Companies Index fell by 15%. At the end of 2001 the market value of NIBE, based on the latest price paid, amounted to SEK 1,127 million. By 28 February 2002 the share had risen to SEK 224 to produce a market value of SEK 1,315 million.

The number of NIBE shares traded during the year totalled 1,020,107, equivalent to a share turnover rate of 17%.

Dividend policy

The aim is that in the long term the company will distribute a dividend equivalent to 25–30% of Group profit after full tax. The Board is proposing a dividend of SEK 4.25 per share for the 2001 financial year, which is 29.8% of Group profit after full tax.

Ownership

NIBE had 3,137 shareholders on 31 December 2001. The ten largest shareholders held 64.4% of the votes and 41.9% of the capital.

Shareholder value

To increase turnover in NIBE shares and give both current and future owners the opportunity to evaluate the business as fairly as possible, management is continually striving to develop and improve the financial information relating to the company by taking an active role in meetings with analysts, investors and the media.

During the year NIBE shares have been tracked and analysed by the following banks and brokers:

D. Carnegie: Gustav Heyman,
Tel +46 (0)8-676 88 00

Enskilda Securities: Leif Pettersson,
Tel +46 (0)8-522 295 00

JP Nordiska: Henrik Alveskog,
Tel +46 (0)8-791 48 00

Swedbank Markets: Mats Larsson,
Tel +46 (0)8-585 900 00

Acquisition and transfer of own shares

At the previous annual general meeting of shareholders the board was empowered to make decisions concerning the acquisition and transfer of the Group's own shares in order to facilitate and, in some instances, enable future takeovers by using the company's shares as payment. NIBE has neither acquired nor transferred any of its own shares during the course of the year.

The Board will place a new proposal before the annual general meeting concerning the buy-back of up to 10% of the shares in the company.

Major shareholders

(Source: VPC AB share register 28 Dec 2001)

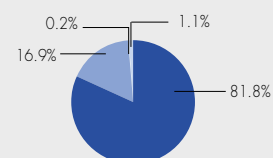
Name	Number of shares	Voting share (%)
Board and senior executives ¹⁾	1,691,488	45.7
Melker Schörling private and via companies	750,960	20.0
6th Allmänna Pensionsfonden	342,700	2.4
Livförsäkrings AB SKANDIA	316,000	2.2
Didner & Gerge Aktiefond	264,600	1.8
Roburs Småbolagsfond - Sweden	189,000	1.3
AMF Pensionsaktiefond - Sweden	187,900	1.3
Svalder AB	153,200	1.0
Other holdings (3,112 shareholders)	1,974,152	24.3
Total	5,870,000	100.0

¹⁾ For Board of Directors, see also page 52.

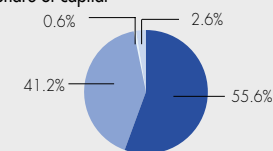
Shareholder categories

(VPC AB share register 28 Dec 2001)

Share of voting rights



Share of capital



■ Swedish private individuals
■ Swedish institutional investors
■ Foreign private individuals
■ Foreign institutional investors

Shareholder structures (Source: VPC AB share register 28 Dec 2001)

Shareholding	Number of shareholders	Share of ownership (%)	Number of shares	Proportion of shares (%)
1 - 500	2,693	85.8	489,001	8.3
501 - 1,000	257	8.2	222,132	3.8
1,001 - 5,000	124	4.0	269,654	4.6
5,001 - 10,000	19	0.6	129,927	2.2
10,001 - 50,000	20	0.6	503,228	8.6
50,001 - 100,000	10	0.3	715,038	12.2
100,001 -	14	0.5	3,541,020	60.3
Total	3,137	100.0	5,870,000	100.00

Definitions

EPS (after full tax)

Earnings after full tax divided by the average number of shares in issue.

Equity per share

Equity divided by total number of shares in issue.

Price/equity

The year-end share price divided by the year-end equity per share.

Dividend yield

Dividend as a percentage of the year-end share price.

Operating cash flow per share

Cash flow after investments but before acquisitions of companies/operations divided by the average number of shares in issue.

Payout ratio

Dividends as a percentage of earnings per share.

PE ratio (after full tax)

Year-end share price divided by earnings per share.

Market value

Year-end share price multiplied by the total number of shares in issue.

EBIT multiple

Market value plus net debt (interest-bearing liabilities less financial current assets) plus minority interests divided by operating profit.

EV/sales

Enterprise value - the total of market value, net debt (interest-bearing liabilities less financial current assets) and minority interests - divided by net sales.

Share turnover

The total number of shares sold during the year as a percentage of average number of shares in issue.

Beta value

Correlation between the share price and the Stockholm Stock Exchange all-share index.

Volatility

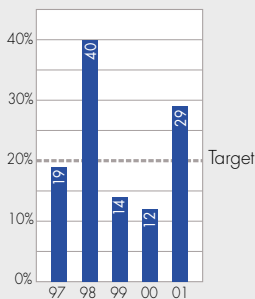
The standard deviation in the share's closing price each month.

Business concept

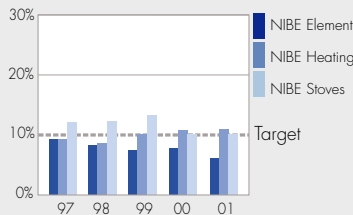
The way forward

Objective fulfilment

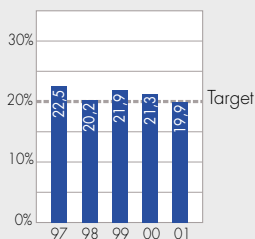
Growth



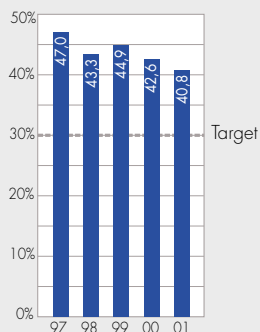
Operating margin (excl. SPP)



Return on equity (excl. SPP)



Equity/Assets ratio



Vision

Our vision is to create a world-class heating company.

Mission statement

Our mission is to offer high-quality, innovative heating products through our three business areas: NIBE Element, NIBE Heating and NIBE Stoves. This work will build on the NIBE Group's wide-ranging expertise in the fields of development, manufacturing and marketing.

Objectives

NIBE Industrier's main objective is to combine powerful and sustainable growth with healthy profitability, so creating value for shareholders, providing an interesting and stimulating workplace for employees, and attracting satisfied, loyal, long-term customers who value the peace of mind that the NIBE Group offers them.

The Group has four overall financial targets:

- to achieve average year-on-year growth of 20%, half of which is to be organic.
- to report average annual operating profit for each of the three business areas equivalent to at least 10% of net sales over a business cycle.
- to achieve an average annual return on equity over a business cycle of at least 20% after standard deductions for tax.
- to ensure that the equity/assets ratio does not fall below 30%.

Growth

will be maintained through:

- a greater market share in priority markets
- a focus on new markets and segments, preferably with the help of unique products
- strategic acquisitions in selected markets, preferably with strong brands and complementary products.

Competitiveness

will be improved through:

- the continual development of leading-edge products in cooperation with the market and customers
- constant rationalisation of the production process through mechanisation and automation, supported by the optimum utilisation of working time through a flexible wage system
- standardisation, the coordination of components and modularisation
- economies of scale thanks to large volumes in purchasing and production
- the use of IT support for product development, purchasing, production, sales, marketing and finance
- modern designs that reflect the quality and performance of our products.

Profitability

will be maintained through:

- faster growth than competitors
- optimising costs, minimising the amount of tied-up capital and consistently strengthening competitiveness
- high levels of value-added
- brand-building
- activity in a number of different markets and segments, so reducing sensitivity to fluctuations in demand
- benchmarking internally and externally
- the integration of newly acquired units in line with the 3-phase model: analysis-improvement-growth.

Corporate culture

will be further strengthened by:

- training and developing individual employees and the organisation as a whole
- retaining existing key employees and recruiting new ones
- employee share schemes.

Customer satisfaction

will be further improved through:

- a broad range of products that ensures that each and every customer benefits from optimal solutions
- the best service and customer support
- high quality
- competitive prices.

Genuine concern for the environment

will play a key role in product development, from the choice of materials, through production and use to recycling.

Sincerity and an ethical approach

will characterise the company and its employees in terms of both internal relations and dealings with shareholders, customers, suppliers, the authorities and society in general.



Management philosophy



Over the years eight principles have assumed ever increasing significance for our operations. They provide the foundation we need to continue to expand without losing sight of our profitability targets. These eight principles are the “glue” that holds the NIBE Group and its employees together.

New employees should never be in any doubt as to the principles that underpin our work and permeate the working environment they are joining.

Our hope is that these eight principles – together with our objectives, strategies and past growth in sales and profit – will create among existing and prospective shareholders alike the long-term confidence that the company needs to thrive and prosper.

- Profitability – our number one priority
- High productivity
- In-house product development
- Quality-mindedness
- Staff commitment and the potential to develop
- Concentration on three core areas
- First number one at home – then the leap abroad
- Long-term, clearly defined ownership

Eight factors behind our success

Profitability – our number one priority

The Group’s profitability target is that each business area should report an operating margin of 10% over a full business cycle.

Neither of the two original companies in the NIBE Group – Backer and NIBE – has ever had to report an operating loss in its year-end accounts. This creates respect not only for the fact that it is always possible to earn money even when market conditions are tough, but also for the insight that profitability is less a question of what industry you work in and more a matter of the people you work with and their drive to succeed.

We are also convinced that healthy profitability is the largest single factor contributing to a sense of security and job satisfaction, and that a profitable company will always attract skilled new employees.

Furthermore we believe good profitability to be the most important prerequisite for sustained strong growth

High productivity

The independence of the NIBE Group and its expansion over the years are largely a consequence of high productivity based on uncomplicated organisational structures, rational production processes, good utilisation of time and capacity, and a workforce motivated by a flexible wage system.

We are firmly convinced that flexible wage systems are highly significant for the success of an industrial company. It seems only natural to motivate employees who excel in their work with the prospect of higher earnings, and this in turn, provides further incentive for even greater efforts on their part.

The new IT economy’s tools for rationalising administration tie in very well with our philosophy in a number of areas, including design tools, purchasing efficiency, production management, order management and marketing.

In-house product development

The NIBE Group believes in investing substantial resources in product development. This not only enables us to react rapidly to and cope immediately with demands in an ever changing market, but also means that we can quickly offer customers the best solution in any given situation.

Leading-edge product development plays a key role in helping NIBE to break into new markets and win market share. It is also important for objectively assessing the solutions produced by competitors.

Maintaining the highest standards in product development also strengthens the company's image and sends out important signals to competitors and potential takeover candidates.

Quality-mindedness

All the major manufacturing units in the NIBE Group are ISO 9001 accredited, although this is, in practice, little more than a formal acknowledgement of the quality-minded approach which has characterised the thinking in these companies ever since they were first set up.

Quality can never be achieved simply by a one-off bid to get a certificate to hang on the wall. Quality is something created day by day by the unflagging efforts of everyone at every level in a company always to do things that little bit better, and by always being receptive to ideas as to how things can be improved.

The future will see environmental awareness gaining in importance as a complement to the quality of the products themselves.

Work is under way on the environmental accreditation of our production units, and NIBE AB has already received full ISO 14001 accreditation.

Staff commitment and potential

The companies within the Group are renowned for having a sterling team spirit. Their straightforward organisational structure gives individual workers freedom with accountability, allowing talented people to assume responsible positions early in their career. Managers should never act solely as executive decision-makers, but retain the direct operational involvement which gives them a crucial insight into their job and helps to minimise overall payroll costs. We endeavour to have a low turnover of staff, both to maintain levels of skills and flexibility within the company and to safeguard quality and consistency.

Keeping and developing the employees a company already has plays a vital role in success whenever there is a steady influx of new staff, both via recruitment drives and via acquisitions.

Concentration on three core areas

Our operations concentrate on heating products. The fact that we have been working with tubular elements since our very earliest beginnings in 1949, with domestic heating since 1952 and with wood stoves since 1965 has focused attention on what always can and must be improved within the bounds of current operations, at the same time as it has kept risk exposure at a reasonable level.

Besides the obvious benefits for our existing operations, this focused approach serves as an exceptionally valuable instrument when analysing potential takeovers within our three core areas.

From the initial evaluation stage onwards it enables us to form a clear picture of what can be improved following a takeover, by comparing the figures with our own key figures and ratios. This is communicated to the relevant corporate management prior to a takeover to guarantee understanding and facilitate implementation when the time for acquisition is ripe.

As our avowed intention is to continue to acquire companies (in most instances foreign ones) at a rapid rate, this analysis instrument is set to play an even more important role in the future.

First number one at home – then the leap abroad

This philosophy is based on experience. Firstly, a strong position in the domestic market is essential for creating credibility abroad.

Secondly, venturing abroad is an expensive business which takes a long time, so stable finances generated in the domestic market are crucial for reaching the ultimate goal.

Thirdly, there must be some guarantee of the capacity to fulfil orders from the new export market once they begin to flow in. Trying to build up markets at home and abroad at the same time all too often ends up with domestic customers receiving preferential treatment.

Given that each of NIBE's three business areas is already the market leader in its respective field in Sweden, we will need to look elsewhere in Europe both for continued organic growth and, more particularly, for further corporate acquisitions in the years to come.

We intend to approach our foreign forays on the basis of the "ripple" effect: first we will focus on our Nordic neighbours, then Europe and, ultimately, other continents.

Long-term, clearly defined ownership

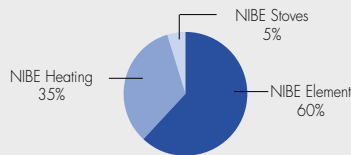
Continuity of ownership is one of the principal factors behind the success of the companies in the NIBE Group, and this has enabled the Group to devote itself to developing its various operations.

At the same time as it broadened the ownership structure, the stock market flotation provided the NIBE Group with the substantial amounts of capital needed to fund its continued expansion.

It was also especially important to carry out the flotation in a way which enabled us to remain fully independent. The significance of this independence has become apparent in conjunction with a number of acquisitions, where it has proved vital to be able to point to the independence of the NIBE Group and its long-term industrial ambitions.

Human Resources

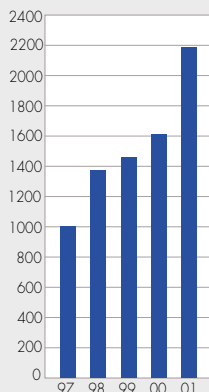
Employees – by business area



Key figures

	2001	2000	1999
Average number of employees	2,183	1,617	1,475
administrative staff	25%	25%	25%
production staff	75%	75%	75%
males	72%	74%	75%
females	28%	26%	25%
Average age	40 yrs	40 yrs	39 yrs
Average years of employment	9 yrs	10 yrs	10 yrs
Workforce turnover	10%	8%	7%
Number of graduates	113	85	68
Employees in Sweden	45%	61%	63%
Employees abroad	55%	39%	37%

Average number of employees



Our ambition is to be an attractive employer for those people already working for us and an appealing alternative for those looking for work.

NIBE's human resources philosophy is based on a straightforward, common sense approach that has evolved naturally without any need for "preaching" since the company first began 50 years ago.

New employees

As a consequence of the rapid growth of the NIBE Group we have recruited large numbers of new employees and will continue to do so in the future. The most important criterion in all new recruitment is that candidates are familiar with and can identify with the company's basic values: this means feeling an affinity for simplicity, forthrightness and, not least, an entrepreneurial spirit.

Foreign acquisitions in recent years have seen a surge in the number of workers in Sweden and abroad. HR philosophies are important in a climate of increasing internationalisation and future success owes much to ensuring that staff are "on your wavelength" from the moment the takeover is announced. In our experience, our HR policy continues to serve us well even far beyond the borders of Sweden.

Hands-on management

Management that includes a hands-on managerial style alongside more conventional executive and operational functions produces managers who are more skilled and better respected.

Being a manager at NIBE means setting a good example and conducting oneself in an ethical manner. This requires a great deal of hard work and commitment from individuals, but we believe it is crucial in order to attract the right kind of staff and vouchsafe the professionalism the company needs to radiate in order to succeed.

We seek to promote a frank, honest dialogue between employees at all levels.

We believe that this reduces the number of conflicts and helps us to talk our way to solutions when conflicts do arise – leaving us free to concentrate most of our efforts and energy towards meeting the challenges that face us outside the company.

Opportunities for development

Never easing off, but always remaining on the look-out for new opportunities and challenges in product development, production, marketing, staff development or organisational improvement is a keystone of our corporate culture.

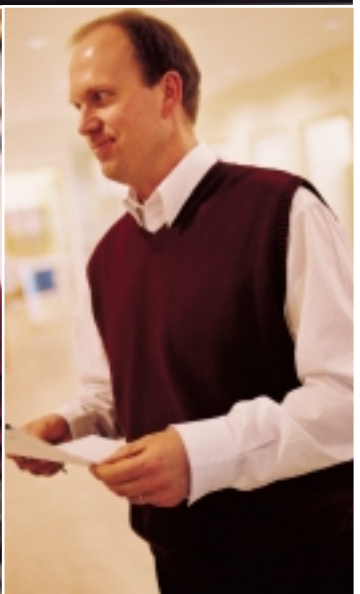
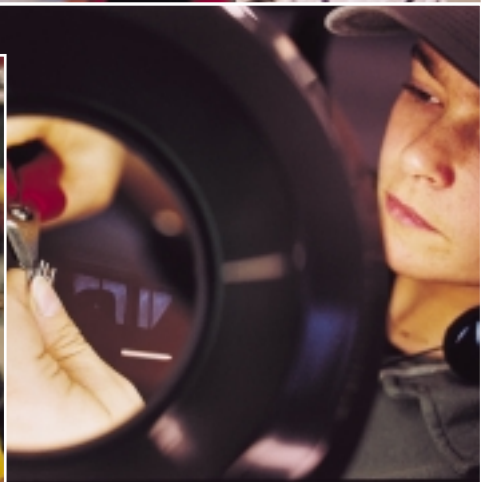
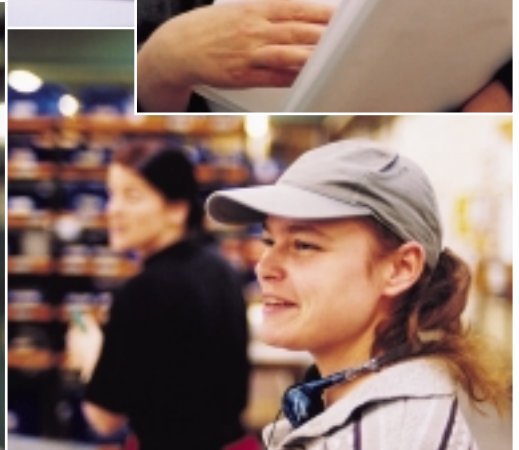
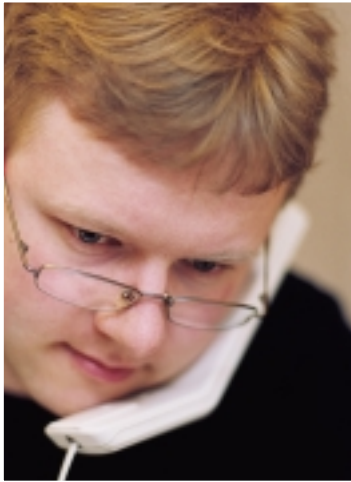
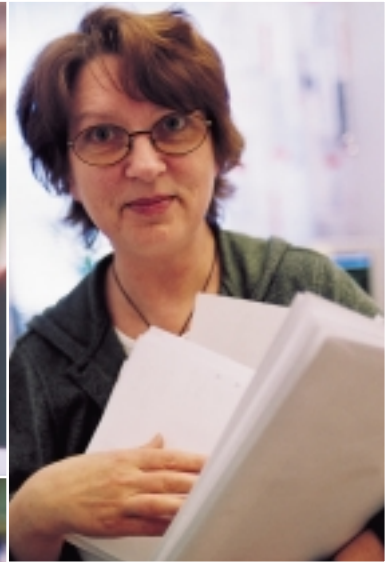
All workers need to be kept updated about developments in their own areas of expertise. For this reason appropriate training that meets real-life needs is vitally important and, in order to strengthen us in preparation for the challenges awaiting us in the future, we work with skills development on a continuous basis.

The speed of the Group's expansion provides plenty of opportunity for internal career advancement. This is not only a natural aspect of our HR philosophy, but will also facilitate the long-term recruitment of experienced co-workers from within the company to senior management positions.

Tomorrow's NIBE employees

We have numerous dealings with a variety of educational institutions, one of which is Chalmers University of Technology in Göteborg whose students get to know us via work placement schemes and dissertation work. Today a university degree is an increasingly essential merit when recruiting new staff and we have taken on some 70 graduates in recent years.

It is also important for us to have an extensive work experience programme and study visits for students of all ages. On these occasions today's students and tomorrow's workforce are given a natural introduction to the wide variety of job opportunities available at NIBE at the same time as they can form their own objective impressions of what working life is like in a modern manufacturing industry.





Quality

Total quality increasingly important

The NIBE Group's basic view of product and service quality is that this must be so high that it constitutes a good reason to buy a product. If we are to meet customer demands, it is crucial that our quality policy provides the basis for all our work and that every employee views quality as his or her responsibility.

To live up to these high goals we run regular staff training programmes in areas such as product knowledge and quality techniques. Production environments and manufacturing equipment are continually being developed and improved.

Continuous improvement is a key concept at NIBE, and is, in part, the responsibility of our quality and project groups. Quantifiable quality targets have been set and performance is monitored regularly. We work closely with customers and suppliers to develop our operations, and frequently compare ourselves with the world around us in our endeavours to ensure we lead the way in our three specialist areas.

Product quality is already high, but work is constantly under way to bring about improvements, focusing particularly on areas such as delivery times, delivery reliability, product development and customer service in order to develop our operations to meet market needs for total quality. How successful we are in achieving this will be a key factor behind our continued growth in an increasingly competitive market.

Quality assurance

Major manufacturing units within the NIBE Group already have well established ISO 9001 accredited quality systems. The aim is for all units, regardless of size, to be ISO 9001 certified over the coming years.

The quality management system is used to steer operations in the direction of the aims we have established. Both quality work and constant improvements increasingly focus on the customer in order to meet market demands and expectations, although the emphasis does vary somewhat between business areas as a consequence of the different business areas' own unique conditions.

As a subcontractor to industry, NIBE Element is extremely dependent on maintaining a consistently high product quality, so all products are tested before despatch.

The very highest quality is also an essential prerequisite for products from NIBE Heating, especially in the case of high-tech functions and components that must always perform flawlessly for the end-user. Products are therefore tested after each stage of the manufacturing process and extensive checks and inspections are carried out prior to despatch.

For NIBE Stoves quality means not only functionality and performance, but also the fact that all the components used are of a high standard and that the end product has an impeccable finish.

Environment

Continued growth with reduced environmental impact

A number of units in the NIBE Group are already ISO 14001 certified and the rest work in accordance with the principles laid down in this internationally recognised environmental management system.

Under the motto "Continued growth and reduced environmental impact" our environmental work focuses on five key areas:

- reducing emissions
- reducing waste
- increasing energy efficiency
- reducing the use of environmentally harmful chemicals
- using natural resources more efficiently

The provision of training and open information encourages staff to contribute to continual improvement, so reducing our impact on the world around us and helping to create the right conditions for long-term sustainable development.

Environmental key figures relating to 100 kilos of manufactured product have been introduced throughout the NIBE Group to enable us to monitor the results of our environmental work and identify any trends. This has already revealed positive and measurable effects in the form of reduced waste, more efficient use of materials and fewer emissions to air and water.

Besides focusing on environmental impact that can be translated into measurable indicators, the Group always takes account of the environment when developing new products or changing its processes. Due consideration is also given to the future recycling potential of new products.

A number of projects are under way with a view to finding and verifying technical solutions that provide more environmentally friendly alternatives to current manufacturing methods. At the same time as this work has been accorded top priority, we are also careful always to subject any proposed changes to a programme of rigorous tests to ensure that important characteristics such as the service life and reliability of products are not jeopardised.

Group history

1949	Nils Bernerup establishes Backer in Sösdala in southern Sweden to manufacture electric tubular heating elements using Christian Backer's patent.
1952	Nils Bernerup establishes NIBE-Verken in Markaryd in southern Sweden.
1955	NIBE starts manufacturing electric water-heaters.
1965	NIBE begins subcontracted production of Handöl's wood-burning stoves.
1969	Backer sets up a subsidiary in Norway.
1980	NIBE buys the wood-burning stove manufacturer Handöl.
1989	NIBE Industrier is founded by senior executives at NIBE and Backer together with two external investors. NIBE Industrier acquires NIBE and Backer and today's three distinct business areas gradually take shape.
1994	NIBE Element gains a foothold in the Polish market through the acquisition of a 32% share in the Polish tubular element manufacturer OBR. NIBE Stoves takes over the wood-burning stove manufacturer Contura.
1995	NIBE Heating acquires the operations of the Danish water-heater and boiler manufacturer Vølund Varmeteknik. NIBE Element acquires the Finnish tubular element manufacturer Loval.
1996	NIBE Heating takes over TMV-Pannan's boiler manufacturing operations.
1997	The NIBE share is introduced on the Stockholm Stock Exchange on 16 June. OBR becomes a wholly owned subsidiary of NIBE Element. NIBE Heating takes over heat-pump manufacturer Energi-Produkter in Diö (Sweden). NIBE Heating sets up a subsidiary in Poland.
1998	NIBE Element takes over the tubular heating element manufacturers Bröderna Håkansson and JEVI in Denmark, as well as foil element manufacturer Calesco. NIBE Heating acquires the heat-pump operations of Lodam (Denmark).
1999	NIBE Heating takes over Finnish water-heater manufacturer Haato Varaajat.
2000	NIBE Stoves acquires Cronspisen Kakelugnar. NIBE Element acquires the element manufacturing operations of Italy's FER, Coates in Norway, and ETA and Eltop in the Czech Republic. NIBE Heating takes over the Polish water-heater manufacturer Biawar.
2001	NIBE Stoves takes over the fire-insert manufacturer Roslagsspisen. NIBE Element takes over foil element manufacturer Norells (Sweden) and the Danish element producer S.A. Nielsen. NIBE Heating takes over its German importing agent Heise Systemtechnik.
2002	NIBE Stoves begins the year by acquiring 10.9% of the shares in Jøtul, a stove manufacturer quoted on the Norwegian stock market, with an option of a further 10.8%.

Operations



NIBE Element



NIBE Heating



NIBE Stoves



Christer Fredriksson, Business Area Manager

NIBE Element

Business review – 2001

As a whole the market has shown very good growth and, despite keen competition on prices in certain volume segments, we have reinforced our position and increased our market shares.

A number of major structural changes have been implemented aimed at reducing manufacturing costs and improving profitability. This, it is hoped, will make us even more competitive in the future.

We have, for example, transferred high-cost foil-element assembly work from Calesco in Sweden to our new production unit in Poland at the same time as the manufacture of these elements at Kolbäck (Sweden) has been modernised and rationalised.

We have also coordinated the production of the tubular elements made in Sweden, with each of the various manufacturing units specialising in a particular area. This has not only reduced costs and overheads, but also led to improved levels of service towards the different market segments.

Of course, changes like this have meant substantial expenses of a one-off nature over the year and these, together with increased costs for the raw materials and components used and relentless pressure on prices, are the main reason for last year's deterioration in operating margin.

In September 2001 NIBE acquired Norells Sweden AB, which specialises in the manufacture of foil elements for rear-view mirrors. This production will be integrated into existing foil element operations in Sweden and Poland during 2002.

In December a takeover agreement was signed with Svend A. Nielsen A/S of Denmark, which specialises in industrial electric heating applications and thus brings a number of interesting, new products under the NIBE umbrella.

These new acquisitions have aggregate annual sales of around SEK 130 million.

NIBE Element is one of Europe's leading manufacturers and the market leader in northern Europe for components and systems for electric heating. Its mission statement is to supply these to both manufacturers and users of heating products. The market can be divided into two main groups: OEM (Original Equipment Manufacturing), where the element is used as a component in the customer's product, and Industry, where the element is used in the customer's own manufacturing process or as a spare part.

NIBE Element's range includes various technologies to serve the needs of many different areas of application;

- Tubular elements
- Aluminium elements
- Foil elements
- PTC elements
- High-energy elements
- Heating cables
- Ceramic elements

The business area's objective is to report growth of at least 20% per annum, half of it organic, and to achieve an operating profit of at least 10% of sales over a complete business cycle.

NIBE Element's strategy is to rank among Europe's leading manufacturers. To do this it will make suitable acquisitions to increase the number of domestic markets on which it operates. In its domestic markets it will maintain a local presence and sell a complete range: elsewhere the main focus will be on medium to large-scale serial production. Unique special products will be marketed worldwide.

NIBE Element

Outlook for 2002

The full effects of the structural changes in the manufacture of foil and tubular elements that were implemented in 2001 are expected to manifest themselves in the first half of 2002.

Work began in the first quarter of 2002 on reorganising Norells' production and coordinating operations with Calesco, and this will be completed some time next year. Here the effects should begin to make themselves felt in the second half of 2003.

The market situation has continued to remain good in the early months of 2002, but developments are difficult to predict.

There are no signs of any letup in the increasingly fierce price war in the high volume segments, but at least it looks as if purchase prices as a whole may be slightly lower this year than last.

All in all, a steady, stable development of the market together with the positive effects of the structural changes we have made encourages us to look to 2002 with confidence and optimism.

Market

The market for components and systems for electric heating is not dependent on developments in any single industry, but rather on those in a number of industries, such as construction, mechanical engineering and household appliances. This means

that, in the short term, the market tends to follow general economic trends, while in the long term it keeps pace with the GDP.

Manufacturing industries in Europe are currently undergoing a fairly major process of restructuring, with labour-intensive production work being transferred to low-cost countries in Eastern Europe and Asia.

This means that economic growth in low-cost countries is expected to be high over the next few years, partly as a result of this influx of production from Western Europe and partly thanks to these nations' own buoyant GDP growth. Market development in Western Europe, on the other hand, will depend to a great degree on the performance of light engineering industries serving industrial customers.

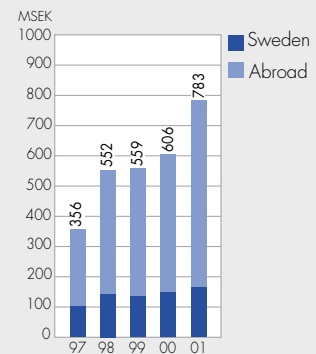
The increasing tendency for customers to cluster into ever larger groups and conglomerates, eager to coordinate their purchases to maximise economies of scale is good news for us, as we are represented in a number of national markets.

Many customers are also more interested than before in buying complete systems. This too presents us with new business opportunities and goes hand in hand with the trend to integrate heating elements with some kind of temperature control.

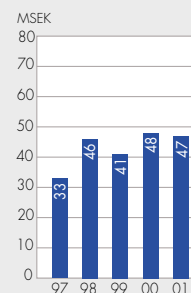
Industry trends

Since the mid 1990s the industry has seen a series of structural changes. Traditionally this has been an industry of small family businesses with a strong, local presence. Now, however, instead of passing from

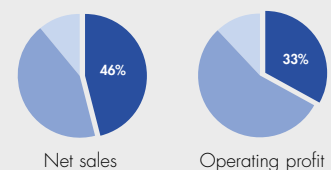
Net sales



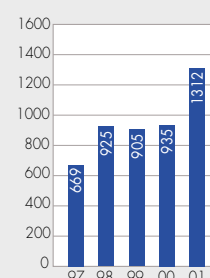
Operating profit



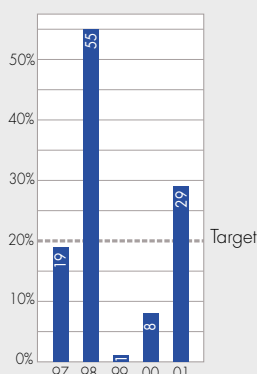
NIBE Element's contribution to Group net sales and operating profit – 2001



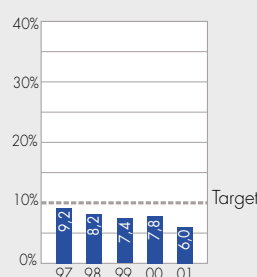
Average number of employees

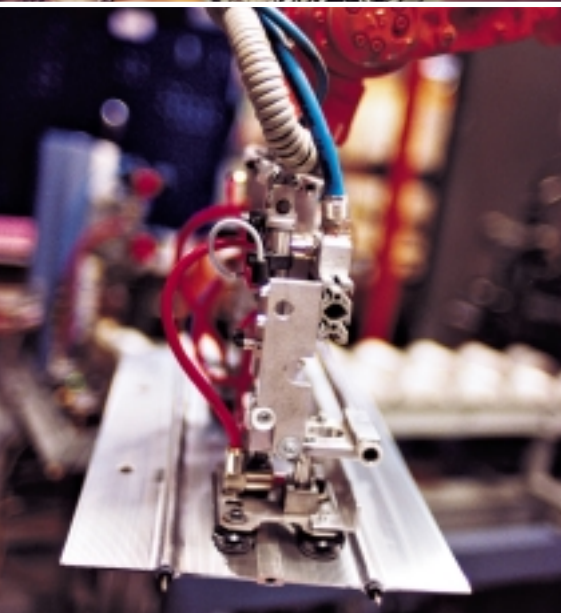


Objective fulfilment – growth



Objective fulfilment – operating margin





NIBE Element

one generation to another, it is the norm for these companies to be sold as it becomes increasingly difficult to survive on local business alone.

This means that the industry is gradually evolving towards a nucleus of suppliers who are active throughout the whole of Europe and can offer a wide range of products. These are, however, complemented by a number of specialists and smaller manufacturers still working with local industrial clients.

Several competitors have followed NIBE's lead in establishing production units in low-cost countries, which means that price competition remains fierce in several product areas and the situation as a whole is more aggressive than it used to be.

Products

NIBE Element's product range comprises mainly components and systems for electric heating applications.

Tubular elements – by far the biggest product – are used in a wide spectrum of applications from mass-produced electric

irons to customised process heaters for the offshore industry. While the basic technology has remained unchanged for years, the products themselves have been gradually perfected in terms of performance, quality and manufacturing cost.

There has been a huge leap in market demand for foil elements. The basic product, an etched metallic foil laminated with a layer of insulation, is often used in conjunction with new technology in telecoms and medicine, but another major application is as a heating element in rear-view mirrors. Thanks to the recent acquisition of Norells, NIBE Element has now become one of the world's leading manufacturers in this area.

One of the strategies behind our acquisitions has been to complement our basic range with specialist products and make NIBE Element a full-breadth supplier of all sorts of systems and components for electric heating, including high-energy elements and strip elements for the plastics industry, thick-film elements for high temperature applications and flat-oval elements for rail-car bogies.

Nibe Element's products can be divided into the following product groups according to their areas of application:

Product group	Application	Product
Water heating	Water heaters	Heaters, tubular elements
Space heating	Electric radiators	Tubular elements in aluminium
Consumer products	Electric cookers	Fan oven/Tubular elements
	Water beds	Foil elements
	Irons	Tubular elements
	Washing machines	Circuit breaker/Tubular elements
Vehicles	Engine pre-heaters	Immersion heaters, tub. elements
	Rear-view mirrors	Foil elements
	Interior heaters	PTC elements
Special products	Railway switching heaters	Flat-oval tubular elements
	Parabolic antennas	Foil elements
	Radio base stations	Foil elements
Plastics industry	Extrusion machines	High-energy elements
Standard range	Frost protection	Heating cables

NIBE Element

Research and Development

Research and development work at NIBE Element consists, in principle, of three separate stages.

Most product development is undertaken in conjunction with our customers to arrive at a solution ideally suited to their specific needs. However, parallel with this, we also carry out our own fundamental R&D work, for example, to integrate control functions into the products. On occasions, concept solutions are developed that can be used by a number of customers and industries.

Process development is carried out to optimise our products with regard to the choice of material, quality and technical performance. In 2001 this work has focused on optimising the use of raw materials.

Production development devises and tests new production methods and machinery designed to rationalise manufacture, and, as a result, industrial robots now carry out certain production processes.

Production

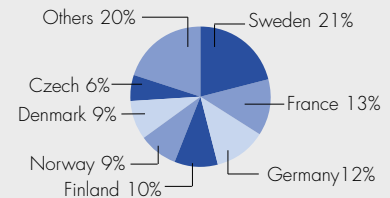
NIBE Element has thirteen different production units in Europe. The main reason for spreading production across so many countries is that our ability to supply small and medium-sized series quickly is one of our competitive strengths. However, the various units are gradually becoming more and more specialised when it comes to large series and unique products.

As a result of this specialisation process, the two Swedish tubular element manufacturers now concentrate on volume products and industrial production respectively.

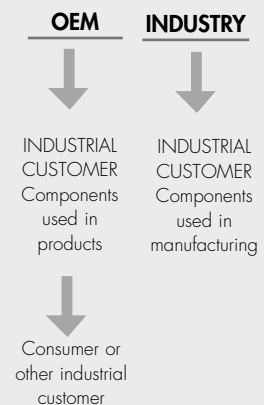
The next step will be to integrate production from the newly acquired Norells company into existing foil element operations in Sweden and Poland.

The Polish and Czech units provide access to low-cost production in modern factories, which is absolutely essential to hone the business area's competitive edge.

Sales by geographical market



Distribution



Opportunities and threats

- + Industry restructuring and expansion through acquisitions
- + Purchasing and production synergies
- + Market position on domestic markets allows marketing of a broader range of products
- + Strong brands
- + Rational, flexible production
- + Access to rational, low-cost production
- + Market position as one of the leading manufacturers in Europe
- New technologies
- Greater competition
- Cost trends in Scandinavia
- Low-price competition
- Product liability and series faults





Kjell Ekermo, Business Area Manager

NIBE Heating

Business review – 2001

NIBE Heating's extremely dynamic growth in sales (over 30%) owes a great deal to the sales of heat pumps in Sweden. The trend towards choosing a heat pump as a heating alternative both for newly built properties and when renovating existing homes has fuelled strong growth for this product segment, and the appeal of our new generation of heat pumps has enabled us to increase our share of the market at the same time as our efficient new product workshop has lived up to all our expectations as regards reliable delivery times and quality assurance.

While demand for water heaters has remained stable, the market for domestic boilers has continued to decline (chiefly as a result of rising oil prices), yet in both segments we have succeeded in defending our strong position in relation to our competitors.

Sales have also developed favourably in other Scandinavian markets and in Germany, although the uncertain economic situation in Poland has had a negative effect on local sales there. We have added extra muscle to the management team of our Polish subsidiary and the production plant has been modernised to restore profitability and boost sales.

Work has also started on modernising and rationalising heater production and metal-working operations in Markaryd (Sweden) in order to further improve our competitiveness. This work is expected to continue throughout the whole of next year.

The Swedish export organisation has also been strengthened to enable us to speed up the pace of expansion abroad.

At the end of 2001, as a step towards providing an important springboard for planned expansion, NIBE acquired its German importer of heating technology, Heise Systemtechnik OHG. The company has annual sales of approximately SEK 30 million and boasts high levels of expertise in the areas of heating and ventilation.

NIBE Heating is one of Sweden's and Scandinavia's biggest manufacturers of domestic heating products. Its mission statement is to supply homes with products that provide domestic hot water and ensure a comfortable indoor temperature. Over the years the range has developed from fairly basic products to high-tech solutions for heating, ventilation, cooling and heat recovery.

Sales can be divided into the following five product areas

- heat pumps
- domestic boilers
- water heaters for direct and indirect heating
- instantaneous water-heating elements
- the sub-contracted production of corrosion-protected pressure vessels

The business area's objective is growth of at least 20% per annum, half of it organic, and an operating profit of at least 10% of sales over a complete business cycle.

NIBE Heating's strategy is to consolidate its position as the market leader in Sweden, improve its already strong position in the rest of Scandinavia and Poland and gradually develop new domestic markets elsewhere in Europe.

NIBE Heating

Outlook for 2002

As interest among consumers for environmentally friendly, energy-saving products begins to take off both in Sweden and abroad, our opportunities to grow even further in these markets expand.

The construction of new homes in Sweden, which has the greatest effect on exhaust-air heat pumps, is expected to remain at roughly the same level as in 2001, while growth on the RMI market (Renovations, Modernisations, Improvements), which governs the demand for ground-source heat pumps, is expected to continue to be positive. Overall it would appear that the market for domestic water boilers may shrink somewhat over the next twelve months or so, whereas that for electric water heaters is anticipated to remain stable. On the whole, the opportunities for defending, consolidating or strengthening our market position in the various product areas are considered to be very good.

The business area's expansion into Europe continues. There are plans to establish new platforms for our export sales at the same time as the operations of the existing units abroad are developed and the distribution methods on certain markets are refined even further. We are accorded sales in countries outside Sweden high priority because it is here that we believe the best opportunities for growth exist.

However, our main objective for the coming year is to continue our expansion without compromising our good profitability.

Market

Sweden

The Swedish market, which is NIBE Heating's operational base, can be divided into two segments: the construction of new single-family homes and the home improvement (RMI) sector, which currently accounts for the lion's share of sales.

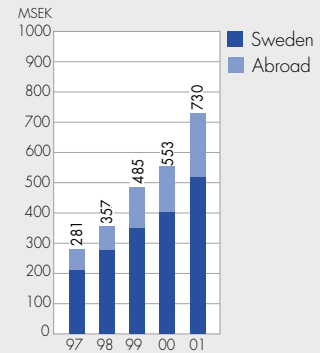
As interest rates have fallen there has been a steady rise in the numbers of new single-family homes built in Sweden, from about 4,000 a year in the mid 1990s to around 9,000 – a level that is expected to hold good for 2002 as well. However, this still needs to be put into perspective by recalling that just over ten years ago, the figure was well over 25,000.

The widespread interest in investing in the home that has blossomed in recent years has led to an increase in the RMI market at the same time as spiralling energy prices have created a healthy demand for cost-efficient heating alternatives.

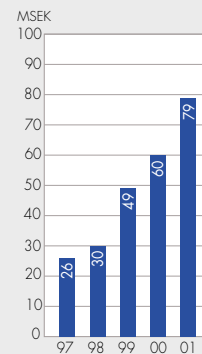
Export markets

Following the acquisition of Biawar, Poland has become the business area's largest foreign market, and, while the uncertain economic situation in the country has led to a downturn in the market in general, the rationalisation programme introduced at the factory has ensured that Biawar has been able to maintain its position as a market leader and continue to remain profitable.

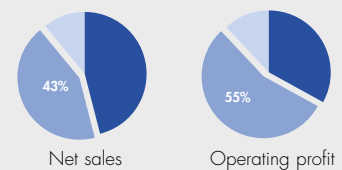
Net sales



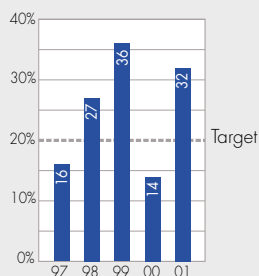
Operating profit



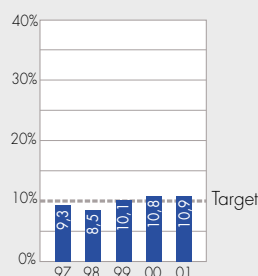
NIBE Heating's contribution to Group net sales and operating profit – 2001



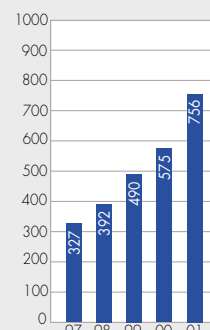
Objective fulfilment – growth



Objective fulfilment – operating margin



Average number of employees





NIBE Heating

At the same time Biawar provides a platform for the cost-effective manufacture of products that help us to expand in segments that are subject to keen price competition in other markets.

In our neighbouring Scandinavian markets of Finland and Denmark we sell a complete range of products adapted to local requirements under local brand names. While interest in energy-efficient heating solutions such as heat pumps etc. has increased, sales in these markets are still dominated by traditional domestic boilers and electric water-heaters.

Germany, which is a very important market for us, continues to develop in the right direction. There is considerable enthusiasm here for saving energy and people are concerned about improving the indoor environment, two factors which help to push the market for heat pumps to new heights every year. The acquisition of our German importer gives us a useful springboard to the future in Germany and helps us consolidate our leading position in the German market for exhaust-air heat pumps. We have also established a reputation there as a reliable supplier of customised water-heaters.

Industry trends

There is a lively debate taking place in most of our markets about reducing total energy consumption by making better use of economic and environmentally friendly heating alternatives.

In both Sweden and the rest of Europe the trend is towards environmentally adapted products which can be recycled at the end of their useful life. Today there are more standards and statutory regulations aimed at governing the efficiency of the combustion process and minimising emissions than ever before, and the requirements for ventilation and heat recovery in new properties are tougher than ever.

Although prices are moving increasingly into line in the various European markets, price differentials do still exist since both

products and distribution methods vary from country to country.

There is a large number of companies of all sizes in Europe which manufacture electric heaters and domestic boilers. Many of these are now setting up factories in low-cost countries to fight the keen competition on price, and NIBE Heating's modernised production plant in Poland provides the company with an excellent opportunity to assert itself on tomorrow's hotly contested European market.

NIBE is taking an active part in the process of structural rationalisation that the European heating and sanitation industry is currently undergoing and our expertise in heat-pump technology and our breadth in manufacturing electric water-heaters are two decisive factors in this process that speak loudly in our favour.

Products

NIBE Heating has a wide range of domestic heating products that enables each end-user to choose a solution that best suits his or her needs. Our unique ability to offer a choice of three different types of protection against corrosion – stainless steel, copper or enamel – underscores our resolve to satisfy the personal requirements of each and every customer.

We take pains to ensure that the hallmarks of our products are:

- unsurpassed technical performance
- a high degree of innovation
- a competitive price
- high quality

In order to live up to this we maintain a sharp focus on the development, production and marketing chain, while working ceaselessly to increase its efficiency.

2001 saw the launch of our new generation of heat pumps. These totally redesigned products were introduced both in Sweden and abroad and played a major role in increasing sales.

NIBE Heating

New boilers and electric water-heaters have also been introduced. One new family of water-heaters, marketed under the "HIT" name and developed initially for the Polish market looks set to reap success elsewhere in Europe too.

Research and Development

Urgent market demands for better energy efficiency and environmentally sound, cost-effective heating solutions make great demands on our R&D work, for the products of the future must be characterised by features such as:

- improved efficiency and better energy use
- improved control options (remote communication/control)
- convertability (heating in winter/cooling in summer)
- recyclability and other evidence of environmental adaptation
- continuous improvements in design
- better all-round economy

A substantial portion of our development resources is allocated to the heat pump business, where much of the work is innovation-driven. Market demands are highly varied and the ambition is to meet different wishes with a basic concept that is as standardised as possible, yet offers the potential to make market adaptations.

The technology for domestic boilers and water heaters is well established and so resources focus on developing high quality, cost-efficient, environmentally adapted products. Design has also become an increasingly significant feature for the end-user.

IT is becoming increasingly important even in domestic heating products, among other things for regulating energy consumption and controlling the indoor climate.

Production

Over recent years production has been organised in a number of workshops in order to streamline, rationalise and modernise the manufacturing process.

Most of the products in the NIBE Heating range are manufactured at our plant in Markaryd (Sweden), but some water heaters are also produced in Finland and Poland. All domestic boilers are made at the production unit in Trelleborg (Sweden).

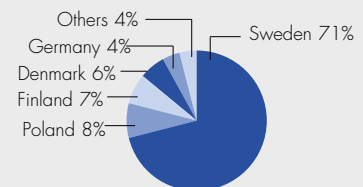
The new heat pump factory in Markaryd that was taken into operation in 2000 has paved the way for the increase in volume that we have achieved during the year. The plant is widely considered to be the most modern in Europe and has been built so that it is big enough to cater for large-scale manufacturing with rational production flows in what is an extremely clean environment. It is currently running at about 70% of full capacity, but this can be raised considerably with relative ease.

The Polish production plant has been much modernised and rationalised during the year to provide access to low-cost production facilities both for the Polish domestic market and for segments of the market that are subjected to fierce price competition elsewhere.

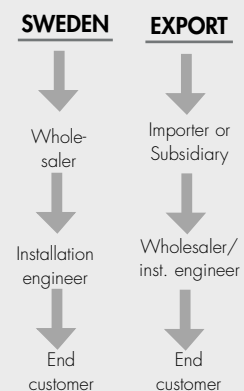
The next stage in the optimisation of our production facilities has begun with the modernisation of the heater workshop and metal-working shop in Markaryd.

And, as we firmly believe that one path to success lies in passing on to our customers the results of improvements in efficiency, we have taken the initiative to gradually reduce the price levels of several of our products over the years.

Sales by geographical market



Distribution



Opportunities and threats

- + A very large market outside Scandinavia
- + Strong brands
- + Broad range of products
- + Europe's most modern heat-pump plant
- + Access to low-cost production
- + Highly advanced in-house production
- + Political decisions on energy/environment
- + Expansion through acquisitions
- Hastily introduced laws, official decisions, energy taxes etc.
- Greater competition
- New technologies outside our current areas of expertise
- Low-price competition
- New distribution channels



Niklas Gunnarsson, Business Area Manager

NIBE Stoves

Business review – 2001

Demand for stoves in Sweden has on the whole been good. The interest in investing in home comforts, especially home decoration and interior design, remains strong and is one of the reasons for this positive development. The market for lightweight stoves with a modern design has continued to expand, while demand for heavier stoves has stagnated.

Our new series of stoves with a brand new, "international" design introduced during the spring, has proved to be a sales success on all the markets where it has been launched. The performance of these products is excellent and they are perceived by dealers and consumers as offering very good value for money.

Thanks to new, improved models and effective marketing efforts, sales of stoves from the range of the Roslagsspisen company have also developed positively.

Foreign sales have continued to develop favourably, particularly in Germany and Norway where they have risen steeply. This success is the result of increased marketing activities in combination with the launch of new products. The focus is now turning to the Finnish market, where the effect of increased marketing is expected to impact on results in 2002.

The first half of the year saw some essential modifications to the layout and balance of the new production plant in Markaryd, and the impact of these together with high sales volumes sparked a steep rise in operating profit towards the end of the year that helped to compensate for the business area's weak start to 2001.

In a move designed to rationalise marketing at the same time as it reduces costs, Cronspisen Kakelugnar AB ceased trading as an independent subsidiary at the end of 2001 and, since the beginning of this year, tiled stoves are now a separate product group within NIBE Stoves.

NIBE Stoves is Sweden's biggest manufacturer of wood-burning stoves and the clear market leader in the country. Its mission statement is to supply the market with space heating solutions for indoor areas in the form of wood-burning stoves and chimney systems that are both environmentally friendly and efficient.

The base in the product range is a series of products with a distinctive Scandinavian design that have been adapted to meet the requirements of our chosen foreign markets both in appearance and combustion technology. The range comprises five product groups:

- Wood-burning stoves in steel plate or with soapstone/tiled surrounds
- Masonry stoves
- Cast-iron stoves
- Tiled stoves
- Fire inserts

The business area's objective is to report growth of at least 20% per annum, half of it organic, and to achieve an operating profit of at least 10% of sales over a complete business cycle.

NIBE Stoves' strategy is to supply a wide and complete range of wood-burning products in order to confirm and consolidate its position as the market leader in Sweden. Foreign sales will be developed continuously to rise to 30% of sales within the next few years or so.

NIBE Stoves

At the turn of the year the NIBE Group acquired 10.9% of the shares in Jøtul ASA with an option on a further 10.8%. Jøtul, which is quoted on the Norwegian stock market and has annual sales of around SEK 550 million, is one of Europe's leading manufacturers of cast-iron stoves. In addition to Norway, it also has a strong position on the market in countries such as the USA and France.

Outlook for 2002

We believe that demand for wood-burning stoves etc. will remain good in Sweden and that the market will remain at its current, stable level. Last year's new product launches and acquisitions, together with our continued aggressive marketing and yet more new products, lay the foundations for us to consolidate our position on the Swedish market.

Although forecasts for the prospects for the various foreign markets in which we are active vary wildly, the success of last year's marketing exercises and the enthusiastic reception for our newly launched products leave us convinced that we can increase sales abroad in 2002.

For this reason we anticipate a positive development in our sales figures for 2002, especially as the full-year effects of the changes in production in Markaryd and the integration of the Cronspisen business begin to benefit the business area.

Market

Sweden

The market for wood-burning stoves tends to follow the business cycle, with the purchase of capital items increasing during times of economic prosperity. However, energy prices and government energy policies also impact on demand. Demand for wood-burning stoves has increased constantly since the mid 1990s thanks to the positive economic situation and increased consumption of Swedish households.

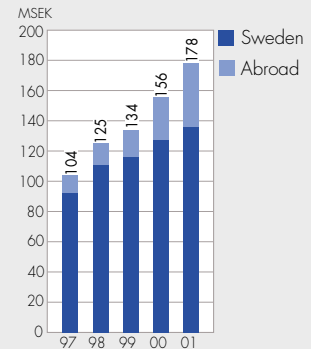
While the main bulk of sales is still to home-owners and people with weekend cottages, sales to new housing are rising constantly as more and more house-buyers choose a wood-burning stove as an additional source of heat for their new home.

Thanks to its broad and comprehensive range of products, NIBE Stoves is the clear market leader in Sweden. Our aim is to defend and strengthen this position by pro-active marketing and a steady stream of attractive, new products.

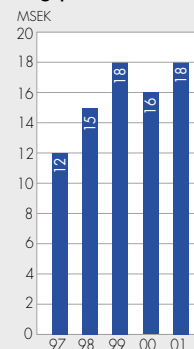
Export markets

Developments have been positive too on our foreign markets over the past few years, with one or two local variations as a result of national economic development and political decisions on the energy front. For example, the overall market in Germany and Denmark shrank last year, while electricity price hikes in Norway saw that market expand substantially. All round, our own sales development has been highly positive on all the markets where we are active.

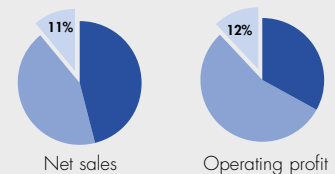
Net sales



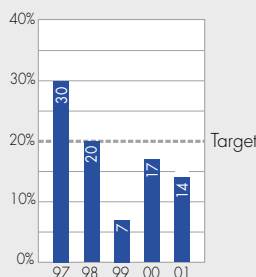
Operating profit



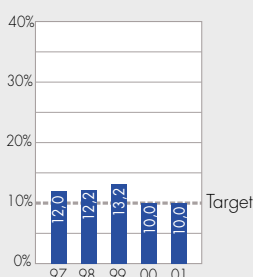
NIBE Stoves' contribution to Group net sales and operating profit – 2001



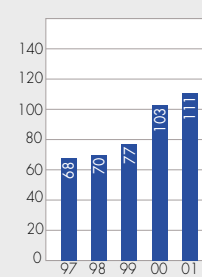
Objective fulfilment – growth



Objective fulfilment – operating margin



Average number of employees





NIBE Stoves



Demand varies from country to country in terms of product design, materials and technology. The Swedish market is dominated by stoves with a Swedish design, manufactured in steel plate. Finnish consumers favour warm-body stoves finished in stone or tiles, while the Norwegians prefer cast-iron models or cast-iron inserts with a masonry surround. The Germans and Danes share relatively similar tastes and tend to choose lightweight, steel-plate stoves with contemporary styling. Such variations in taste are generally the result of a specific style having been established in a market by domestic manufacturers.

Industry trends

Over the past ten years the Swedish market has been totally restructured from a large number of small manufacturers to a handful of big names. NIBE has been a driving force behind this development, acquiring many of the market's best-known brands and setting a trend among competitors to build up large ranges to cater for all tastes.

In our neighbouring Scandinavian markets, however, the situation is somewhat different: Norway has only a few domestic stove-builders and the market is dominated by just one big name, Finland has several fairly large companies, mostly specialising in heavy, warm-body stoves, and Denmark has many small or medium-size manufacturers, almost all of them producing stoves in steel-plate and many with a long tradition of supplying the German market. There are also a number of manufacturers of all sizes in Central Europe, for whom wood-burning stoves are just one of many different types of product in their range.

In most markets the trend is away from big, bulky, heat-accumulating products towards relatively inexpensive, lightweight stoves, and it is here that we believe tomorrow's growth is to be found, in the segment of the market offering competitively priced products with a conspicuous element of design.

In Sweden and the rest of Scandinavia most of our sales are made via specialist dealers with their own showrooms. These specialist stores stock well-known names and good quality products and sell on the basis of their expertise and high levels of service.

In Europe, on the other hand, a new distribution channel has evolved over the past ten years or so to complement the existing specialist showrooms. Here the gigantic European multiples and DIY chains are able to sell wood-burning stoves at very low prices. These products are almost always made in low-cost countries and the quality is generally low; for example, the best-known brands are hardly ever found in superstores like these.

Today many of the companies involved in producing wood-burning stoves have their own substantial resources for research and development, but notwithstanding this, some successful models are plagiarised, produced in low-cost countries and sold at low prices, first and foremost by the big European multiples. This suggests that in future it will be more than product technology alone that determines a manufacturer's success. The long-term planning of a company, its financial stability, environmental standing and ability to show the proper concern for its dealers and end-customers will all grow in importance over the years to come.



NIBE Stoves

Products

NIBE Stoves develops and sells its own products under the Handöl, Contura, Cronspisen and Roslagsspisen brands, and has sole rights in Sweden for the sale of products from Morsø (Denmark) and Vermont (USA), both of which enjoy an extremely strong position in their respective domestic markets. As these brands are so strong, particularly on the domestic market, all have been protected as trademarks.

For customers who do not already have a chimney in their homes NIBE offers a complete modular chimney system specially designed for use with its products.

Although each national market still tends to be dominated by products manufactured locally, products are clearly becoming more and more similar in Europe in terms of function and design. We believe that the "international" look – lightweight fire-boxes with uncluttered lines and large expanses of glass – will increase on all of our sales markets. This is proved not least by the sales success following last year's launch of this kind of design with a choice of optional surrounds – an encouraging example of perception and good timing.

Research and Development

NIBE Stoves has a long tradition of product development. Substantial resources are allocated to developing combustion technology, primarily to minimise the impact of our products on the environment and improve their efficiency.

Product design accounts for much of the development work, as products follow home furnishing trends closely. To maintain an attractive and profitable range in both the short and the long term, development

projects are created around both existing fire-boxes and totally new combustion chambers and models. We have a very clear strategy governing what we believe a successful range of models should look like, and the sales performance of all our models is continuously assessed with an eye to profitability.

The general trend is for new models to be developed and launched with increasing rapidity, and thanks to our rational product development process, where much of the work is carried out in a 3D computer environment supported by prototype testing in our state-of-the-art laboratory, we have been able to reduce development times significantly.

As we owe much of our success to the appeal of our designs among consumers, we endeavour always to protect the design of new models by registering them with the relevant authorities.

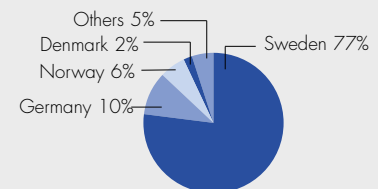
Production

The majority of our own products are made at the modern production plant in Markaryd that was inaugurated in 2000 and finally completed after fine-tuning of the layout etc. during the first half of 2001.

Cronspisen tiled stoves are manufactured at a separate factory in Emmaboda in southern Sweden as the production process involved is entirely different from that for other wood-burning stoves. The capacity of these plants ties in well with projected future growth.

At present the manufacture of all Roslagsspisen products is subcontracted.

Sales by geographical market



Distribution



Opportunities and threats

- + Sales potential in some segments of the domestic market
- + Huge export market
- + Strong, in-house product development
- + Strong brands
- + Broad range of products
- + Different types of products for different customer needs reduce exposure to risk
- + Rational production
- + Expansion through acquisitions
- Hastily introduced energy policies
- Local authority decisions on restrictions of wood-burning products
- Low-price competition
- General economic climate



Leif Gustavsson, Financial Director

Five-year review

Consolidated Income Statement

Income statement over five years

At the end of 2001, NIBE Industrier had been quoted on the Stockholm Stock Exchange for five years. Over this period, sales and profits have risen steadily. The target has been annual growth of 20%. During the five-year period, sales rose from SEK 735.8 million to SEK 1,677.1 million. This has taken place partly through organic growth, and partly through an aggressive acquisitions strategy that has seen over twenty corporate or operational takeovers.

Over the five-year period, growth has averaged 22.1%, of which 12.7% is attributable to organic growth and 9.4% to acquired sales.

The profit target has been for the Group's business areas to achieve, on average, an operating margin of at least 10%, and for the Group's return on equity to average 20%.

NIBE Element's operating margin over the five-year period amounted to 7.5% on average. NIBE Heating's operating margin averaged 10.1% over the period, while NIBE Stoves' average operating margin was 11.3%.

Over the five-year period, the Group's return on equity averaged 21.0% excluding SPP, and 21.7% including SPP.

Income Statements

(in millions of SEK)	2001	2000	1999	1998	1997
Net sales	1,677.1	1,304.2	1,168.2	1,026.8	735.8
Cost of goods sold	- 1,242.7	- 959.5	- 864.6	- 781.6	- 554.3
Gross profit	434.4	344.7	303.6	245.2	181.5
Selling expenses	- 221.5	- 175.9	- 150.8	- 116.2	- 86.3
Administrative expenses	- 92.3	- 67.5	- 62.6	- 53.5	- 38.0
Items affecting comparability ¹⁾	-	+ 17.4	-	-	-
Other operating income	+ 13.6	+ 12.3	+ 7.7	+ 7.1	+ 6.7
Operating profit	134.2	131.0	97.9	82.6	63.9
Net financial items	- 11.9	- 7.0	- 3.8	- 7.1	- 4.6
Profit after net financial items	122.3	124.0	94.1	75.5	59.3
Tax	- 38.9	- 37.9	- 29.8	- 25.1	- 18.1
Minority participation in profit after tax	+ 0.2	-	- 0.2	- 0.1	-
Profit for the year	83.6	86.1	64.1	50.3	41.2
<i>Includes following amounts of depreciation according to plan</i>	<i>58.7</i>	<i>46.3</i>	<i>41.4</i>	<i>34.6</i>	<i>26.6</i>

¹⁾ Refers to premium surplus from SPP

Income Statement 2001

Net sales

The NIBE Group's net sales rose 28.6% in 2001 to a figure of SEK 1,677.1 million (2000: 1,304.2 million), with volumes increasing in all three of the Group's business areas. Business for NIBE Element showed an increase of 29.2%, of which 14.5% was attributable to organic growth and 14.7% to acquisitions. NIBE Heating reported the greatest increase: 32.2%, with 23.3% attributable to organic growth and the remaining 8.9% deriving from acquisitions. For NIBE Stoves growth totalled 14.2%, of which 12.4% was organic and 1.8% acquired.

The Group's net sales outside Sweden rose by SEK 230.3 million to SEK 866.4 million (SEK 636.1 million). As such, net sales abroad accounted for 51.7% (48.8%) of total net sales. Group net sales in the Swedish market climbed by 21.3% to SEK 810.7 million (SEK 668.1 million).

Organic growth accounted for SEK 231.5 million of the total SEK 372.9 million increase in Group net sales. The remaining SEK 141.4 million came from acquisitions, with SEK 89.5 million of this figure attributable to NIBE Element, SEK 49.1 million to NIBE Heating and SEK 2.8 million to NIBE Stoves.

Operating profit

Group operating profit for 2001 rose to SEK 134.2 million, an increase of 18.1% over last year's figure excluding the effect of the SPP premium refunds. The operating margin was 8.0% (8.7%) excluding SPP.

The greatest increase in operating profit was the SEK 19.7 million reported by NIBE Heating, an improvement of 33.1%

on the previous year. For NIBE Stoves, despite a weak start to the year, the increase was SEK 2.2 million (14.1%), while NIBE Element reported a loss of SEK 600,000 or -1.3% as a result of increased pressure on prices and rising raw materials costs. The result was also affected by one-off costs in connection with the reorganisation of the Swedish part of the business.

Goodwill

Operating profit was charged with goodwill amortisation of SEK 11.7 million (SEK 10 million). Goodwill for operations acquired during the year is included from the date of the acquisition. On a full-year basis this equates to SEK 12.5 million.

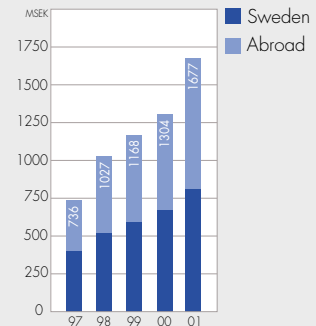
Profit after financial items

Profit after financial items rose by 14.7% to SEK 122.3 million (SEK 106.6 million) excluding SPP refunds to yield a net profit margin of 7.3% against a figure for 2000 of 8.2% excluding, or 9.5% including premium refunds from SPP. Net interest expenses for the Group rose from SEK 7 million in 2000 to SEK 11.9 million in 2001, with about 25% of this increase due to rising interest rates and the rest to an increased need for borrowing.

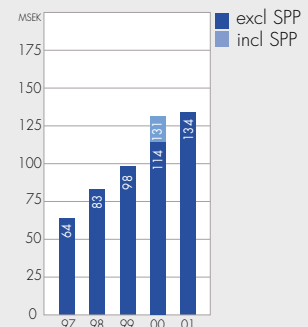
Tax

The tax charged totalled SEK 38.9 million (SEK 37.9 million), equivalent to an effective tax rate of 31.8% (30.6%). The nominal tax rate in Sweden is 28%. The main reason for the higher effective tax rate is primarily non-deductible goodwill amortisation charges and unutilised loss carry-forwards, but also the fact that some of the earnings were generated by foreign subsidiaries liable to pay higher tax rates.

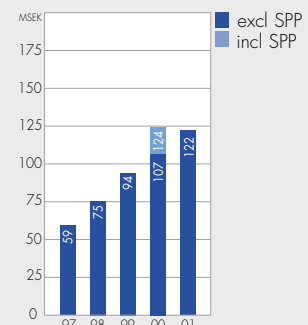
Net sales 1997 – 2001



Operating profit 1997 – 2001

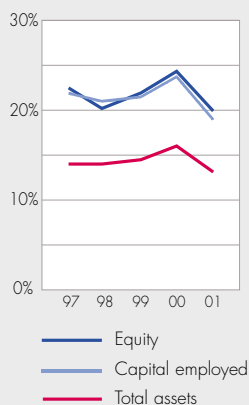


Profit after financial items 1997 – 2001

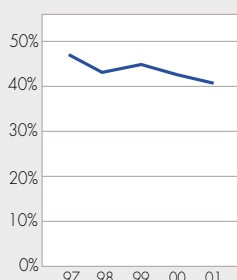


Consolidated balance sheet and key ratios

Return 1997 – 2001



Equity/assets ratio 1997 – 2001



Balance sheet over five years

Over the five-year period, the balance sheet total has risen from SEK 525.4 million to SEK 1,182.8 million. Inventories and current receivables, which consist mainly of accounts receivable relating to trade, make up just over 50% of the balance sheet total. Both these items are, in principle, directly related to sales, and, thereby, to growth. Intangible assets consist chiefly of goodwill arising in connection with the acquisition of companies or operations. The standard depreciation for goodwill is over 10 years, but strategic acquisitions may be written off over 20 years. All goodwill to date is being depreciated over 10 years.

The increase in financial assets between 1999 and 2000 is made up largely of the present value of future payments of surplus funds from SPP. These funds will gradually be deducted from the pension premiums due to be paid over the next few years. The increase in financial assets between 2000 and 2001 consists of deposits for the acquisition of Heise

Systemtechnik in Germany and S.A Nielsen in Denmark. The companies were taken over in January 2002.

Provisions relate mainly to pension liabilities and deferred taxation. Long-term and current interest-bearing liabilities are exclusively loans from banks and other financial institutions. In the latest five-year period these increased from SEK 78.3 million to SEK 311.3 million. The increase arose partly through the expansion of existing units in the NIBE Group, and partly through interest-bearing liabilities already incurred by companies or operations acquired.

The Group's target is that the equity ratio should not fall below 30%. Over the five-year period, the equity ratio has averaged 43.7%.

Balance sheet 2001

Equity ratio and return

The Group's equity ratio at the year-end was 40.8% (42.6%). Equity including minority shares amounted to SEK 486.2 million (SEK 408.3 million).

Balance Sheets

(in millions of SEK)	2001	2000	1999	1998	1997
Intangible fixed assets	84.8	77.5	68.7	69.0	30.1
Tangible fixed assets	394.5	303.6	219.1	208.0	166.5
Financial fixed assets	26.2	10.2	1.4	3.2	1.8
Total fixed assets	505.5	391.3	289.2	280.2	198.4
Inventories	331.6	289.8	223.7	199.7	138.5
Current liabilities	289.2	232.2	186.4	151.5	106.2
Current investments	3.1	0.7	0.9	3.6	0.0
Cash and bank	53.4	34.3	34.1	36.2	82.3
Total current assets	677.3	557.0	445.1	391.0	327.0
Total assets	1,182.8	948.3	734.3	671.2	525.4
Equity	483.2	403.9	329.6	290.7	247.1
Minority participation	3.0	4.4	0.6	0.5	0.0
Provisions	102.4	92.0	78.6	72.4	64.3
Long-term liabilities, non-interest bearing	0.2	0.2	0.2	0.6	0.7
Long-term liabilities, interest bearing	274.1	190.5	122.1	124.5	60.7
Current liabilities, non-interest bearing	282.7	237.3	185.8	167.0	135.0
Current liabilities, interest bearing	37.2	20.0	17.4	15.5	17.6
Total equity and liabilities	1,182.8	948.3	734.3	671.2	525.4

The Group's target is for a long-term return on equity of 20%. During 2001, return on equity was 19.9% (21.3% excluding SPP, 24.3% including SPP). The return on capital employed was 19.0% (20.9% excluding SPP, 23.7% including SPP). For the business areas, the profitability target is that the operating margin over an econo-

mic cycle should average at least 10% for each profit centre. NIBE Heating's operating margin was 10.9% (10.8%). NIBE Stoves' was 10.0% (10.0%) and NIBE Element's 6.0% (7.8%). The operating margin for the Group as a whole was 8.0% (8.7%).

Liquid resources

The Group's liquid resources at the close of the financial year amounted to SEK 53.4 million (SEK 34.3 million), to which should be added unutilised bank overdraft facilities totalling SEK 129.4 million (SEK 109.5 million). During the year, the Group's overdraft facilities increased by SEK 14.6 million, of which SEK 10.0 million was added through acquisitions.

Key figures and ratios		2001	2000 ¹⁾	2000 ²⁾	1999	1998 ³⁾	1997
Net sales	SEK million	1,677.1	1,304.2	1,304.2	1,168.2	1,026.8	735.8
Growth	%	+ 28.6	+ 11.6	+ 11.6	+ 13.8	+ 39.5	+ 19.3
Profit after net financial items	SEK million	122.3	106.6	124.0	94.1	75.5	59.3
Net investments in fixed assets	SEK million	151.0	124.6	132.9	58.8	127.4	36.0
Gross margin	%	11.5	12.3	13.6	11.9	11.4	12.3
Operating margin	%	8.0	8.7	10.0	8.4	8.0	8.7
Net profit margin	%	7.3	8.2	9.5	8.1	7.4	8.1
Capital employed	SEK million	823.7	629.4	641.9	492.7	453.4	345.9
Equity	SEK million	483.2	391.4	403.9	329.6	290.7	247.1
Return on capital employed	%	19.0	20.9	23.7	21.5	21.0	21.8
Return on equity	%	19.9	21.3	24.3	21.9	20.2	22.5
Return on total assets	%	13.1	14.1	16.0	14.5	14.0	14.0
Asset turnover	times	1.57	1.57	1.55	1.66	1.72	1.56
Equity/assets ratio	%	40.8	42.0	42.6	44.9	43.3	47.0
Proportion of risk-bearing capital	%	46.4	48.3	48.7	51.5	50.0	54.3
Operating cash flow	SEK million	14.7	- 13.3	- 8.7	27.5	- 9.3	36.3
Interest cover	times	8.1	11.1	12.8	13.4	10.0	9.7
Interest-bearing liabilities/Equity	%	69.9	59.7	57.8	49.3	55.8	40.0
Average number of employees		2,183	1,617	1,617	1,475	1,390	1,067

1) Excluding SPP 2) Including SPP

3) The Swedish Financial Accounting Standards Council's recommendation RR 8 (Accounting for the effects of changes in exchange rates) has been used.

Definitions

Growth

Percentage change in net sales compared with previous year.

Gross margin

Operating profit before depreciation as a percentage of net sales.

Operating margin

Operating profit as a percentage of net sales.

Net profit margin

Pre-tax profit as a percentage of net sales.

Capital employed

Total assets minus non-interest-bearing liabilities and deferred taxes.

Equity

Taxed equity plus untaxed reserves minus tax.

Return on capital employed

Profit after net financial items plus financial expenses as a percentage of average capital employed.

Return on equity

Profit after net financial items minus tax at standard rate (28%) as a percentage of average equity.

Return on total assets

Profit after net financial items plus financial expenses as a percentage of the average balance sheet total.

Asset turnover

Net sales divided by the average balance sheet total.

Equity/assets ratio

Assets as a percentage of the balance sheet total.

Proportion of risk-bearing capital

Equity, including minority participations and deferred taxes, as a percentage of the balance sheet total.

Operating cash flow

Cash flow after investments but before the acquisition of companies/operations.

Interest cover

Profit after net financial items plus financial expenses divided by financial expenses.

Interest-bearing liabilities/equity

Interest-bearing liabilities as a percentage of equity.



The consolidated cash flow analysis

Five-year cash flow

Cash flow before changes in working capital

Over the latest five-year period, cash flow from day-to-day operations has shown a positive trend. During 2000, SEK 17.4 million was received in repayments from SPP. These funds will be utilised over the next four years.

Working capital

Working capital, measured as current assets minus current liabilities, must be within the range of 20 – 25% of sales for all units in the Group. Over the past five years, the Group's working capital has averaged around 22% of sales.

Investment in existing operations

Over the last two years, investment in existing operations has been significantly greater than in previous years. The construction of new production plants for NIBE Heating, along with the restructuring of the Swedish tubularelement factories has led to increased investment.

Acquisition of businesses

Over the years, NIBE Industrier has pursued an aggressive acquisitions strategy. In the five-year period, 17 corporate and operational acquisitions have been carried out, of which ten were in the business area NIBE Element, five in NIBE Heating and two in NIBE Stoves. The intention is to continue with this aggressive acquisitions strategy in the future.

Financing

In connection with the company's flotation on the Stockholm Stock Exchange in 1997, a new issue was made, which realised SEK 79.1 million. The issue funds, together with internally generated cash flow and traditional bank financing, were used to carry out acquisitions and investment in existing operations over the five-year period.

Share dividends

NIBE Industrier's aim is that share dividends should amount to 25 – 30% of the net profit for the year after full tax. Over the five-year period, share dividends have been in the range 27 – 30% of the net profit for the year after full tax, excluding SPP.

Cash flow analysis

(in millions of SEK)	2001	2000	1999	1998	1997
Cash flow before change in working capital	134.5	139.3	101.9	82.8	74.0
Change in working capital	- 11.6	- 48.6	- 31.5	- 43.9	- 9.7
Cash flow from operating activities	122.9	90.7	70.4	38.9	64.3
Investments in current operations	- 108.2	- 99.4	- 42.9	- 48.2	- 28.0
Operational cash flow	14.7	- 8.7	27.5	- 9.3	36.3
Acquisition of companies	- 42.8	- 33.5	- 15.9	- 79.2	- 8.0
Cash flow after investments	- 28.1	- 42.2	11.6	- 88.5	28.3
Financing	67.4	59.5	2.8	52.7	42.7
Dividend to shareholders	- 22.0	- 17.6	- 14.7	- 11.7	- 6.0
Cash flow for the year	17.3	- 0.3	- 0.3	- 47.5	65.0
Liquid funds at the beginning of the year	34.3	34.1	36.2	82.3	18.0
Exchange rate difference in liquid funds	1.8	0.5	- 1.8	1.4	- 0.7
Liquid funds at year-end	53.4	34.3	34.1	36.2	82.3

Cash flow 2001

Cash flow from day-to-day activities

The consolidated cash flow after changes in working capital amounted to SEK 122.9 million (SEK 77.9 million excluding SPP, SEK 90.7 million including SPP).

Investment

Acquisitions by the Group of operations/ subsidiary companies totalled SEK 42.8 million (SEK 33.5 million). Investment in the existing units at the start of the year was in total SEK 108.2 million (SEK 99.4 million), allocated as follows:

SEK million	2001	2000
Machinery and equipment	60.1	44.2
Properties	8.6	39.4
Construction in progress	23.5	2.4
Other fixed assets	16.0	13.4
	108.2	99.4

Consequently, cash flow after investment amounted to SEK – 28.1 million compared to a figure of SEK – 42.2 million in 2000.

Operating cash flow, i.e. after investment but excluding acquisitions of operations/ subsidiary companies, totalled SEK 14.7 million (SEK – 8.7 million).

Credit from financial institutions and pension institutions

SEK million	2001	2000
Loans at variable interest rates and a repayment period of 10 years	248.4	142.3
Utilised part of bank overdraft facilities variable interest rates granted	62.9	68.2
Provisions for pensions	26.2	23.1
Total interest-bearing liabilities	337.5	233.6
Unutilised bank overdraft facilities	129.4	109.5
Total credit available	466.9	343.1

The Group's total interest-bearing liabilities at the year-end amounted to SEK 337.5 million (SEK 233.6 million). The average interest expense for total interest-bearing liabilities was equivalent to 5.7% (5.2%).

Acquisitions

During 2001, four acquisitions were made, of which two were outside Sweden;

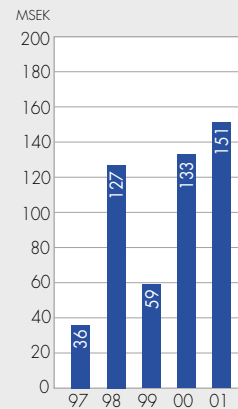
Roslagsspisen, with annual sales of around SEK 5 million, consolidated with effect from 1 March.

Norells Sweden AB, with annual sales of around SEK 85 million, consolidated with effect from 1 October.

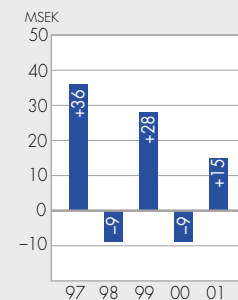
Svend A Nielsen A/S, with annual sales of around SEK 40 million, consolidated with effect from 1 January 2002.

Heise Systemtechnik OHG, with annual sales of around SEK 30 million, consolidated with effect from 1 January 2002.

Net investment in fixed assets 1997 – 2001



Operational cash flow 1997 – 2001





The Group's risk management

Dependence on customers

All three business areas work with a wide range of customers. None are so dependent on any one customer or group of customers that the loss of that customer/group could seriously affect the profitability of the business area in question.

Bad debt losses

In operations where goods or services are supplied against subsequent payment, bad debt losses cannot be completely avoided. To minimise the risks, annual credit assessments are undertaken on large credits. The credit period is normally 30 days. In certain cases, shorter or longer credit periods are required.

In our judgement, the Group has a highly effective system of credit safeguards, and this has ensured that the Group has not been affected by bad debt losses to any significant extent.

Dependence on suppliers

All components in the products sold by the Group's three business areas are supplied by a number of suppliers in Europe and the rest of the world. When selecting suppliers, a thorough review is carried out of the supplier's ability to meet the Group's requirements. We always have alternative suppliers for all the components we use.

In our judgement, the Group would not suffer any serious harm as a result of an individual supplier being unable to meet our stipulated requirements.

Materials prices

A fairly significant proportion of the NIBE Group's products consists of materials the prices of which are determined in US dollars and quoted on the London Metal

Exchange. In order to counteract any over-dependence on individual currencies and markets, the purchasing process has been globalised.

Other operating expenses

Other operating expenses follow the price trends in the markets in which the Group operates.

Currency risks

Day-to-day transactions

68.2% (69.3%) of Group invoicing from Sweden is in Swedish kronor (SEK). For invoicing and purchasing denominated in another currency, the Group hedges the estimated future net flow over the year for a period of 6 – 12 months. The total net flow of foreign currency translated into SEK in 2001 was approximately SEK 253 million. The largest net inflows during the year arose in FRF (SEK 90 million) and in DEM (SEK 84 million), while the largest outflows were in USD (SEK 36 million) and euros/EUR (SEK 21 million).

Investments in foreign currency

The value of foreign net assets according to the consolidated balance sheet as at 31 December 2001, totalled around SEK 233 million, of which amounts corresponding to SEK 96 million represented net assets in PLN, SEK 47 million in FIM, SEK 38 million in CZK, SEK 21 million in NOK, SEK 17 million in DKK, SEK 8 million in EUR and SEK 6 million in ITL.

If the Swedish krona were to fall by 1% against the currencies mentioned, this would mean that Group equity would increase by SEK 2.3 million. If the Swedish krona strengthens by 1% against the named currencies, there would be an equivalent decrease in equity.

Interest rate risks

The Group's interest-bearing liabilities amounted to SEK 337.5 million at the year-end. The average interest rate was 5.7%. A change in interest rates of 1%, with liabilities remaining constant, would entail an improvement/deterioration in results of SEK 3.4 million for the Group.

Sensitivity analysis

The Group is exposed to a number of risk factors which affect the trend of results. Several of these risks are outside the Group's control. The table shows the effect of various changes on the Group's result. The changes are based on the income statement for 2001.

Future capital requirements

The Group's cash flow is good, and is expected to remain so. This is highly significant for the Group's ability to carry out any necessary investment and to ensure that other commitments can be fulfilled. The Group also has an aggressive policy with respect to the acquisition of operations. The policy aims at growth of 20% per year, of which half is to derive from organic growth and half from acquired operations.

In any particular year, the total capital requirement may exceed internal cash flow. It is expected that this shortfall will be met partly through the traditional banking system and partly through the stock market.

Risks relating to disputes over patents and other matters

The Group holds few patents and only for components which form part of finished products. However, NIBE does have a number of registered designs and registered trademarks. As far as we are aware, we have not infringed any third party's patent. None of the Group's operating companies is involved in any material legal disputes.

Other risks

We are of the opinion that the Group has adequate cover in respect of traditional insurance risks such as fire, theft, liability and so on. The excess on our policies is between one and five times the so called "basic amount" prescribed in Sweden for calculations of this kind.

Within the Group's product area, there is always a risk that a series fault could lead to product recalls, through faults in materials or for other reasons. These risks are minimised by the fact that the majority of Group companies are certified in accordance with ISO 9001. Certification means that there are control procedures for both internal processes and manufacturing and for the use of components manufactured by other suppliers. As additional risk cover for similar events, insurance policies have been taken out.

Sensitivity analysis

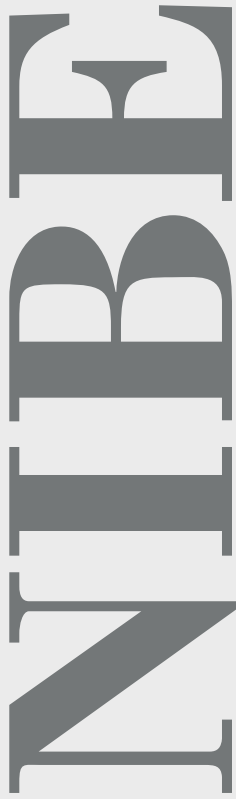
	Basis for calc. SEK m	Change %	Impact SEK m
Net sales (margin constant)	1,677.1	+/- 1.0	6.7
Operating margin (volume constant)		+/- 0.1	1.7
Material costs	704.0	+/- 1.0	7.0
Payroll expenses	507.0	+/- 1.0	5.1
Interest-bearing liabilities (Interest rate constant)	337.5	+/- 10.0	1.9
Interest rate % (interest-bearing liabilities constant)	5.7%	+/- 1.0	3.4

Based on Income Statement for 2001

Sensitivity to currency movements in foreign net assets

	SEK change %	Impact SEK m
Swedish krona rises against all currencies in which NIBE Industrier has assets	+ 1.0	- 2.3
Swedish krona falls against all currencies in which NIBE Industrier has assets	- 1.0	+ 2.3

Based on net assets at 31 Dec 2001



Annual Accounts 2001

Income Statements

(in millions of SEK)	Note 1	Group		Parent company	
		2001	2000	2001	2000
Net sales	Note 2	1,677.1	1,304.2	1.5	1.9
Cost of goods sold		- 1,242.7	- 959.5	-	-
Gross profit		434.4	344.7	1.5	1.9
Selling expenses		- 221.5	- 175.9	-	-
Administrative expenses	Note 3	- 92.3	- 67.5	- 8.0	- 7.6
Items affecting comparability	Note 5	-	17.4	-	-
Other operating income		13.6	12.3	-	-
Operating profit	Notes 2 - 6	134.2	131.0	- 6.5	- 5.7
Profit from financial investments					
Profit from participations in Group companies	Note 7	-	-	40.2	38.8
Interest income and similar items	Note 8	5.3	3.5	3.4	4.4
Interest expense and similar items	Note 9	- 17.2	- 10.5	- 6.9	- 6.5
Profit after financial items		122.3	124.0	30.2	31.0
Appropriations	Note 10	-	-	- 0.1	-
Tax on the profit for the year	Note 11	- 38.9	- 37.9	- 0.1	- 0.1
Minority participation in profit after tax		0.2	-	-	-
Profit for the year		83.6	86.1	30.0	30.9

Quarterly data

Consolidated Income Statement

(in millions of SEK)	2001				2000			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Net sales	355.7	389.5	397.6	534.3	292.9	289.4	292.7	429.2
Operating expenses	- 336.4	- 366.9	- 362.2	- 477.4	- 276.4	- 270.3	- 263.3	- 380.6
Items affecting comparability ¹⁾	-	-	-	-	-	+ 16.1	-	+ 1.3
Operating profit	19.3	22.6	35.4	56.9	16.5	35.2	29.4	49.9
Net financial income/expenses	- 3.1	- 3.7	- 4.2	- 0.9	- 0.4	- 2.0	- 2.4	- 2.2
Pre-tax profit	16.2	18.9	31.2	56.0	16.1	33.2	27.0	47.7
Tax	- 5.0	- 7.9	- 9.5	- 16.5	- 5.1	- 10.4	- 8.2	- 14.2
Minority share of profit for the year after tax	-	+ 0.1	-	+ 0.1	-	- 0.1	- 0.1	+ 0.2
Net profit for the year	11.2	11.1	21.7	39.6	11.0	22.7	18.7	33.7

Net sales – by business area

(in millions of SEK)	2001				2000			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
NIBE Element	183.3	187.9	169.7	241.8	152.3	139.3	128.8	185.2
NIBE Heating	144.3	173.0	186.0	227.0	110.3	125.1	128.4	188.8
NIBE Stoves	31.7	32.0	44.7	69.4	32.8	27.4	37.6	57.9
Group eliminations	- 3.6	- 3.4	- 2.8	- 3.9	- 2.5	- 2.4	- 2.1	- 2.7
Group	355.7	389.5	397.6	534.3	292.9	289.4	292.7	429.2

Operating profit – by business area

(in millions of SEK)	2001				2000			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
NIBE Element	12.3	9.6	6.9	18.1	11.0	8.3	10.8	17.4
NIBE Heating	9.4	14.6	25.2	30.1	5.1	12.1	17.3	25.1
NIBE Stoves	- 0.3	1.4	5.6	11.1	2.7	1.3	3.3	8.3
Group eliminations ²⁾	- 2.1	- 3.0	- 2.3	- 2.4	- 2.3	+ 13.5	- 2.0	- 0.9
Group	19.3	22.6	35.4	56.9	16.5	35.2	29.4	49.9

¹⁾ Refers to premium refunds from SPP.

²⁾ The effect on the profit of refunds of SEK 17.4 million from SPP is included under the heading "Group eliminations".

Balance Sheets

(in millions of SEK)	Note 1	Group		Parent company	
		31 Dec 2001	31 Dec 2000	31 Dec 2001	31 Dec 2000
Assets					
Fixed assets					
Intangible fixed assets					
Goodwill	Note 12	82.0	75.6	-	-
Other intangible assets	Note 13	2.8	1.9	-	-
Total		84.8	77.5	-	-
Tangible fixed assets					
Land and buildings	Note 14	162.8	152.6	-	-
Plant and machinery	Note 15	196.5	141.5	0.3	-
Construction in progress	Note 16	35.2	9.5	-	-
Total		394.5	303.6	0.3	-
Financial fixed assets					
Long-term securities held		0.1	0.1	-	-
Shares in subsidiaries	Note 18	-	-	279.0	279.0
Receivables from Group companies		-	-	47.1	61.5
Deferred income taxes recoverable	Note 11	0.9	-	-	-
Other long-term receivables		25.2	10.1	15.7	-
Total		26.2	10.2	341.8	340.5
Total fixed assets		505.5	391.3	342.1	340.5
Current assets					
Inventories					
Raw materials and consumables		183.8	155.8	-	-
Work in progress		66.3	60.4	-	-
Finished products and goods for resale		81.5	73.6	-	-
Total		331.6	289.8	-	-
Current receivables					
Accounts receivable – trade		255.1	212.1	-	-
Receivables from Group companies		-	-	1.4	0.4
Income taxes recoverable		1.6	0.5	0.2	-
Other receivables		22.6	12.0	0.1	-
Prepaid expenses and accrued income		9.9	7.6	0.1	0.1
Total		289.2	232.2	1.8	0.5
Current investments	Note 17	3.1	0.7	-	-
Cash and bank		53.4	34.3	-	-
Total current assets		677.3	557.0	1.8	0.5
Total assets		1,182.8	948.3	343.9	341.0

(in millions of SEK)	Group		Parent company	
	31 Dec 2001	31 Dec 2000	31 Dec 2001	31 Dec 2000
Equity and liabilities				
Equity	<i>Note 19</i>			
Restricted equity				
Share capital	58.7	58.7	58.7	58.7
Restricted reserves	86.8	76.8	74.9	74.9
Total	145.5	135.5	133.6	133.6
Non-restricted equity				
Non-restricted reserves	254.1	182.3	49.6	40.7
Profit for the year	83.6	86.1	30.0	30.9
Total	337.7	268.4	79.6	71.6
Total equity	483.2	403.9	213.2	205.2
Minority participation in equity	3.0	4.4	-	-
Untaxed reserves				
Tax allocation reserves	-	-	3.0	3.0
Accum. difference between booked depreciation and depreciation acc. to plan	-	-	0.1	-
Total untaxed reserves	-	-	3.1	3.0
Provisions				
Provisions for pensions	26.2	23.1	-	-
Provisions for taxes	<i>Note 11</i>	62.4	53.4	-
Guarantee risk reserve	10.0	8.7	-	-
Other provisions	<i>Note 20</i>	3.8	6.8	-
Total provisions	102.4	92.0	-	-
Long-term liabilities	<i>Note 21</i>			
Bank overdraft facilities	<i>Note 22</i>	62.9	68.2	-
Liabilities to Group companies		-	-	28.5
Liabilities to credit institutions		211.2	122.3	84.7
Pension liabilities		0.2	0.2	-
Total long-term liabilities	274.3	190.7	113.2	120.7
Current liabilities				
Liabilities to credit institutions		37.2	20.0	11.1
Accounts payable – trade		113.1	90.3	-
Advance payments from customers		1.0	0.5	-
Liabilities to Group companies		-	-	0.2
Tax liability		8.1	13.6	-
Other liabilities		34.3	28.1	-
Accrued expenses and deferred income	<i>Note 23</i>	126.2	104.8	3.1
Total current liabilities	319.9	257.3	14.4	12.1
Total equity and liabilities	1,182.8	948.3	343.9	341.0
Pledged assets	<i>Note 24</i>	763.1	626.8	251.2
Contingent liabilities	<i>Note 25</i>	1.8	1.9	24.7

Cash flow statements

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Operating activities				
Operating profit	134.2	131.0	- 6.5	- 5.7
+ depreciation charged to this profit	58.7	46.3	-	-
- minority participation in profits	0.2	-	-	-
Total	193.1	177.3	- 6.5	- 5.7
Interest received and similar items	5.3	3.1	3.3	4.4
Interest paid and similar items	- 17.9	- 10.6	- 6.9	- 6.5
Tax paid	- 46.0	- 30.5	- 0.3	- 0.7
Cash flow before change in working capital	134.5	139.3	- 10.4	- 8.5
Change in working capital				
Change in inventories	- 17.0	- 47.0	-	-
Change in current receivables	- 30.8	- 26.2	- 1.1	0.5
Change in current liabilities	36.2	24.6	2.5	- 1.2
Cash flow from operating activities	122.9	90.7	- 9.0	- 9.2
Investment activities				
Net investment in long-term securities	-	-	-	-
Net investment in plant and machinery	- 60.1	- 44.2	- 0.3	-
Net investment in land and buildings	- 8.6	- 39.4	-	-
Change in construction in progress	- 23.5	- 2.4	-	-
Net investment in goodwill	-	- 4.0	-	-
Net investment in other intangible fixed assets	- 1.4	- 0.7	-	-
Change in long-term receivables	- 14.6	- 8.7	- 1.4	- 20.2
Cash flow from investment activities	- 108.2	- 99.4	- 1.7	- 20.2
Operational cash flow	14.7	- 8.7	- 10.7	- 29.4
Acquired companies	- 42.8	- 33.5	-	- 0.4
Financing activities				
Change in minority interest	- 2.0	3.5	-	-
Profit from participation in Group companies	-	-	40.2	38.8
Amortisation of long-term loans	- 25.1	- 19.6	- 9.6	- 11.2
Other changes in long-term liabilities and provisions	94.5	75.6	2.1	19.8
Dividend to shareholders	- 22.0	- 17.6	- 22.0	- 17.6
Cash flow from financing activities	45.4	41.9	10.7	29.8
Cash flow for the year	17.3	- 0.3	0.0	0.0
Liquid funds at the beginning of the year	34.3	34.1	-	-
Exchange rate difference in liquid funds	1.8	0.5	-	-
Liquid funds at year-end	53.4	34.3	0.0	0.0

Notes to the Accounts

Note 1 Accounting and valuation principles

The NIBE Group observes the provisions of the Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations. The accounting principles are unchanged unless otherwise stated.

Consolidated accounts

The consolidated accounts cover the parent company NIBE Industrier AB (publ) and subsidiaries in which NIBE Industrier directly or indirectly holds more than 50% of the votes, or has a dominating influence. Companies acquired/sold are included in the Group income statement for the period during which they were owned. The consolidated accounts have been drawn up in accordance with the purchase method, using recommendation RRO1 of the Swedish Financial Accounting Standards Council.

The income statements and balance sheets of foreign subsidiaries are translated using the current method. This means that the assets and liabilities of foreign subsidiaries are translated at the closing day rate, while all income statement items are translated at the average rate for the year. Translation differences are booked directly against Group equity.

Recommendation RRO1 means that the equity in the acquired company is determined on the basis of a market valuation of assets and liabilities on the date of acquisition. This market valuation constitutes Group acquisition cost. The difference between the acquisition value of the shares in the subsidiary and the value of the equity calculated in the acquisition analysis is recorded as Group goodwill. Only that part of the subsidiary's unrestricted equity that can be allotted to the parent company without a need to write down the shares, is included in Group non-restricted equity.

In the consolidated balance sheet, untaxed reserves are divided into deferred tax liability under "Provisions" and non-distributable funds under "Restricted equity". Appropriations involving changes in untaxed reserves are omitted from the consolidated balance sheet. The tax portion of these changes is recorded with the tax expense for the year in the income statement and the equity portion is included in the profit for the year. The rate for calculating deferred tax in Swedish subsidiaries is 28%, and for foreign subsidiaries, the relevant tax rate in the individual countries. The required provisions have been made for intra-group profits.

Minority participations in the profit for the year are entered separately in the consolidated income statement. Minority participations in the equity of subsidiary companies are entered separately in the consolidated balance sheet.

Revenue recognition

Revenue from the sale of goods is recorded on delivery in accordance with the terms of sale and carriage. Sales are recorded net after VAT and discounts.

Accounting of income tax

Reported income tax includes actual tax, adjustments for the previous year's actual tax and changes in deferred tax. All income tax liabilities and income taxes recoverable are valued at the nominal amount in accordance with the tax regulations and tax rates which have been approved or announced and which there is good reason to believe will be confirmed.

For items reported in the income statement, the associated tax effects are also reported in the income statement. Tax is accounted for directly against equity if the tax is attributable to items which are accounted for directly against equity.

Deferred tax is calculated in accordance with the balance sheet method for all essentially temporary differences that arise between the value in the accounts and the value for tax purposes of assets and liabilities. The temporary differences arose mainly through untaxed reserves.

Due to the connection between accounting and taxation, the deferred tax liability on untaxed reserves is reported in the accounts of the parent company, as part of untaxed reserves.

Leasing

The Group applies the Swedish Financial Accounting Standards Council's recommendation RR6 in respect of finance leases. Before 2001, the value of finance leases entered into was not significant.

Receivables

Receivables have been entered at the amount which, after individual assessment, it is estimated will be paid.

Receivables and liabilities in foreign currencies

Receivables/liabilities in foreign currencies are valued according to the Swedish Financial Accounting Standards Council's recommendation RR8 "Accounting for the effects of changes in exchange rates".

Fixed assets

Depreciation according to plan has been based on acquisition value and is calculated with reference to estimated economic life. The following depreciation rates have been used:

Goodwill	10%
Other intangible assets	10 – 20%
Buildings	3.33 – 5%
Land improvements	3.75 – 5%
Plant and machinery	10 – 25%
Fixtures and fittings in premises	4%

The estimated economic life of goodwill is based both on the financial history of the companies and businesses acquired and their future prospects from the point of view of market strategy. Together with the potential for the companies' product range and current distribution systems, which are normally linked to well-known agents and dealers occupying positions in the leading ranks of the market, this motivates an economic life of 10 years for goodwill.

Inventories

Inventories are valued at the lower of acquisition value or replacement cost for raw materials, consumables and finished goods, and at manufacturing cost for manufactured goods. In no case are stocks entered above actual value. Interest is not included in stock values. Deliveries between Group companies are priced at market prices. Intra-Group profits on Group company inventories are eliminated in the consolidated accounts. These eliminations affect operating profit/loss. Deductions are made as necessary for obsolescence.

Research and development

R&D costs are included in their entirety for the year in which they are incurred.

Note 2 Distribution of net sales and operating profits

Distribution by business area

(in millions of SEK)	Net sales		Operating profit	
	2001	2000	2001	2000
NIBE Element	782.7	605.6	46.9	47.5
NIBE Heating	730.3	552.6	79.3	59.6
NIBE Stoves	177.8	155.7	17.8	15.6
Group adjustments	- 13.7	- 9.7	- 9.8	8.3
Group total	1,677.1	1,304.2	134.2	131.0

Distribution by geographical market

(in millions of SEK)	Net sales	
	2001	2000
Scandinavia	1,143.2	957.3
Europe excluding Scandinavia	509.1	335.8
Other markets	24.8	11.1
Group total	1,677.1	1,304.2

Note 3 Payments to the auditors

In 2001 the NIBE Group paid SEK 1.3 million for auditing services (of which SEK 0.1 million relates to the parent company), and SEK 0.7 million for services other than auditing (of which SEK 0.1 million relates to the parent company).

(in millions of SEK)	Auditing	Other assignments
SET Revisionsbyrå AB	0.6	0.1
Others	0.7	0.6
Total	1.3	0.7

Note 4 Salaries, remunerations and social security contributions

Salaries and other remunerations

(in millions of SEK)	2001	2000
Parent company	3.1	2.9
Subsidiaries	375.6	320.3
Group total	378.7	323.2

(in millions of SEK)	2001		2000	
	Social security contribs.	(of which pension expenses)	Social security contribs.	(of which pension expenses)
Parent company	1.8	0.6	1.5	0.5
Subsidiaries	124.6	19.5	108.1	15.5
Group total	126.4	20.1	109.6	16.0

Of the parent company's pension costs, SEK 0.3 million (SEK 0.3 million) relate to the MD. There are no outstanding pension obligations to the Board and MD. The corresponding sum for the Group is SEK 1.2 million (SEK 1.1 million). Outstanding Group pensions to the previous Board/MD total SEK 0.2 million (SEK 0.2 million).

Note 4 (continued)

Salaries and other remuneration distributed by country and between the Board/Managing Director and other employees

(in millions of SEK)	2001		2000	
	Board and MD	Other employees	Board and MD	Other employees
Parent company	1.8	1.3	1.6	1.3
Subsidiaries in				
Sweden ¹⁾	2.2	227.8	2.4	217.8
Norway	0.5	15.0	0.5	12.3
Finland	1.4	58.8	1.1	48.9
Denmark	0.9	28.9	0.7	24.9
France	-	1.9	-	-
Poland	3.3	17.4	2.6	7.1
Czech Republic	0.6	8.7	-	0.1
Italy	0.9	7.0	0.3	1.6
USA	-	0.3	-	-
Group total	11.6	367.1	9.2	314.0

¹⁾ (of which bonus SEK 0.2 million and SEK 0 million respectively)

Average number of employees 2001

(in millions of SEK)	2001		2000	
	Number of employees	Males	Number of employees	Males
Parent company	4	2	4	2
Subsidiaries in				
Sweden	968	788	976	787
Norway	48	35	45	31
Finland	290	150	269	136
Denmark	94	63	89	61
France	11	1	-	-
Poland	464	340	220	167
Czech Republic	266	161	5	3
Italy	37	23	9	3
USA	1	-	-	-
Group total	2,183	1,563	1,617	1,190

Agreement on severance pay:

Applies only to the Managing Director of the parent company for whom an agreement has been reached on severance pay amounting to one year's salary.

Note 5 Items affecting comparability

(in millions of SEK)	Group	
	2001	2000
SPP refunds	–	17.4

Note 6 Operational leasing agreements

During the year the accounts have been charged with leasing fees totalling SEK 1.4 million that relate to operational leasing agreements.

The nominal value of agreed future leasing fees in the Group as a whole for contracts with more than 12 months yet to run is as follows:

Due for payment 2002	SEK 1.4 million
Due for payment 2003 – 2006	SEK 1.4 million

Note 7 Result from participations in Group companies

(in millions of SEK)	Parent company	
	2001	2000
Group contributions	10.2	8.0
Dividend	3.0	30.8
Total	40.2	38.8

Note 8 Interest income and similar items

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Interest income, Group companies	–	–	3.4	2.8
Interest income, others	2.1	1.7	–	–
Other financial income	3.2	1.8	–	1.6
Total	5.3	3.5	3.4	4.4

Note 9 Interest expense and similar items

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Interest expense, Group companies	–	–	1.3	1.2
Interest expense, others	16.3	10.2	5.6	5.3
Other financial expenses	0.9	0.3	–	–
Total	17.2	10.5	6.9	6.5

Note 10 Appropriations

(in millions of SEK)	Parent company	
	2001	2000
Difference between booked depreciation and depreciation according to plan	0.1	–
Total	0.1	–

Note 11 Tax

With effect from 1 January 2001, the Group and parent company adopted the Swedish Financial Accounting Standards Council's recommendation RR9 on income taxes. The adjustment to the accounts is not deemed to constitute a change in accounting principles.

Tax on profit for the year (in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Actual tax for the year	31.6	32.9	–	0.1
Actual tax attrib. to preceding year	0.1	0.1	0.1	–
Deferred tax	7.2	4.9	–	–
Total	38.9	37.9	0.1	0.1

Deferred tax expense/recoverable

(in millions of SEK)	Group		Parent company	
	2001		2001	
Tax expense relating to temporary differences	10.0		–	
Tax recoverable relating to temporary differences	– 2.8		–	
Total	7.2		–	

Tax in respect of items reported directly against equity

(in millions of SEK)	Group		Parent company	
	2001		2001	
Deferred tax attributable to exchange rate differences on transactions in foreign currencies	1.3		–	

Difference between the Group's tax expense and the tax expense based on current tax rate

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Reported profit before tax	122.3	124.0	30.1	31.0
Tax at current tax rate	34.2	34.7	8.4	8.7
Depreciation of goodwill	2.5	2.1	–	–
Non-deductible expenses	1.7	0.5	–	–
Non-taxable earnings	– 1.6	–	–	–
Dividends from subsidiaries	–	–	– 8.4	– 8.6
Adjust: tax for preceding year	0.1	0.1	0.1	–
Loss carry-forward	2.7	0.5	–	–
Effect of foreign tax rates	0.4	0.3	–	–
Tax rcvble: reduct. in tax rates	–	–	–	–
Other	– 1.1	– 0.3	–	–
Reported tax expense	38.9	37.9	0.1	0.1

Note 11 (continued)

Tax rates

The current tax rate has been calculated on the basis of the tax rate which applies for the parent company and amounts to 28% (28%).

Temporary differences

Temporary differences arise in the event that the value in the accounts and the value for tax purposes of assets or liabilities differ. Temporary differences in respect of the following items have resulted in deferred tax liabilities and deferred tax recoverable.

Deferred tax liability

(in millions of SEK)	Group		Parent company	
	2001		2001	
Group surplus value in fixed assets	11.9		–	
Untaxed reserves	49.8		–	
Other	0.7		–	
Total	62.4		–	

Deferred tax recoverable

(in millions of SEK)	Group		Parent company	
	2001		2001	
Provision for pension commitments	0.6		–	
Other	0.3		–	
Total	0.9		–	

Deferred tax liabilities in respect of temporary differences attributable to investments in subsidiary companies are not reported as the parent company can determine the date for the reversal of the temporary differences.

Note 12 Goodwill

(in millions of SEK)	Group	
	2001	2000
Acquisition value		
Acquisition value b/f	109.1	91.4
Investment for the year	14.1	16.2
Reclassifications	0.5	–
Translation differences	4.1	1.5
Accumulated acquisition value carried forward	127.8	109.1
Depreciation brought forward	33.5	23.1
Reclassifications	0.2	–
Depreciation for the year	11.7	10.0
Translation differences	0.4	0.4
Accumulated depreciation carried forward	45.8	33.5
Book value carried forward	82.0	75.6

Note 13 Other intangible assets

Rights of tenancy, patents, licences, trademarks etc.

(in millions of SEK)	Group	
	2001	2000
Acquisition value		
Acquisition value b/f	2.4	0.6
Investment for the year	1.5	1.6
Sales and disposals	- 0.1	-
Translation differences	0.4	0.2
Accumulated acquisition value carried forward	4.2	2.4
Depreciation brought forward	0.5	0.2
Sales and disposals	- 0.1	-
Depreciation for the year	0.9	0.2
Translation differences	0.1	0.1
Accumulated depreciation carried forward	1.4	0.5
Book value carried forward	2.8	1.9

Note 14 Land and buildings

(in millions of SEK)	Group	
	2001	2000
Acquisition value		
Acquisition value b/f	231.6	171.7
Investment for the year	14.2	57.1
Sales and disposals	- 0.6	-
Translation differences	6.7	2.8
Accumulated acquisition value carried forward	251.9	231.6
Depreciation brought forward	79.9	72.9
Sales and disposals	- 0.5	-
Depreciation for the year	8.4	6.6
Translation differences	1.9	0.4
Accumulated depreciation carried forward	89.7	79.9
Revaluation brought forward	0.9	1.1
Depreciation for the year on revalued amount	- 0.3	- 0.2
Accumulated revaluation carried forward	0.6	0.9
Book value carried forward	162.8	152.6
of which, in Sweden	62.4	63.2
Assessed tax value (Sweden)	49.8	47.6
of which, land	10.5	9.6

New construction, renovations and rebuilds for 2000 – 2001 have not yet been assessed for tax purposes.

Note 15 Plant and machinery

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Acquisition value				
Acquisition value b/f	358.3	301.4	-	-
Acquisition value in companies taken over	23.9 ¹⁾	-	-	-
Investment for the year	81.1	56.6	0.3	-
Sales and disposals	- 15.4	- 4.0	-	-
Reclassifications	- 0.5	-	-	-
Translation differences	10.5	4.3	-	-
Accumulated acquisition value carried forward	457.9	358.3	0.3	-
Depreciation brought forward	216.8	188.8	-	-
Depreciation in takeovers	12.3 ¹⁾	-	-	-
Sales and disposals	- 8.6	- 2.6	-	-
Reclassifications	- 0.1	-	-	-
Depreciation for the year	37.5	29.3	-	-
Translation differences	3.5	1.3	-	-
Accumulated depreciation carried forward	261.4	216.8	-	-
Book value carried forward	196.5	141.5	0.3	-

1) Accounted for gross w.e.f. 2001

Note 16 Construction in progress

(in millions of SEK)	Group	
	2001	2000
Amount at start of year	9.5	6.6
Expenses accrued during year	37.6	25.5
Re-allocations made during the year	- 13.2	- 23.0
Translation differences	1.3	0.4
Amount at year-end	35.2	9.5

Note 17 Current investments

	Acquisition value	Market value	Book value
Listed shares	0.9	0.8	0.8
Securities	2.3	2.3	2.3
Total	3.2	3.1	3.1

Note 18 Shares in subsidiaries

(in millions of SEK)	Proportion of capital	Number of shares	Book value
NIBE AB	100%	400,000	103.2
Backer BHV AB (formerly Backer Elektro-Värme AB)	100%	37,170	55.3
Loval Oy	100%	768	39.6
Bröderna Håkansson Värme AB	100%	15,000	13.4
Jevi A/S	100%	1	29.9
Calesco Foil AB	100%	10,500	37.5
Handöl-Form AB	100%	1,000	0.1
Group total			279.0

Shares owned via subsidiaries

(in millions of SEK)	Proportion of capital	Number of shares
Backer Elektro CZ s.r.o.	100.0 %	
Backer FER s.r.l.	100.0 %	
Backer OBR SP z.o.o.	100.0 %	10,000
Brakon Norge A/S	100.0 %	10
Cronspisen Kakelugnar AB	100.0 %	5,500
Ellop Praha s.r.o.	100.0 %	
Kiloval Oy	100.0 %	33
Meyer Vastus AB. Oy	90.0 %	18
NIBE Biawar SP z.o.o.	91.4 %	76,807
NIBE Polska SP z.o.o.	100.0 %	10,480
Norells Automotive Inc	100.0 %	100
Norells France SA	99.8 %	12,405
Norells Sweden AB	100.0 %	3,250
Norske Backer A/S	100.0 %	12,000

Note 18 (continued)

Details of subsidiaries	Corporate identity number	Registered office
Backer BHV AB	556053 - 0569	Hässleholm, Sweden
Backer Elektro CZ s.r.o.	60469617	Prague, Czech Rep.
Backer FER s.r.l.	REA: 173478 (Ferrara)	Sant'Agostino, Italy
Backer OBR SP z.o.o.		Pyrzyce, Poland
Brakon Norge A/S	953 122 561	Jevnaker, Norway
Bröderna Håkansson Värme AB	556108-0259	Höör, Sweden
Calesco Foil AB	556000-5034	Hallstahammar, Sweden
Cronspisen Kakelugnar AB	556480-3806	Emmaboda, Sweden
Ellop Praha s.r.o.		Miretice, Czech Rep.
Handöl-Form AB	556194 - 1393	Markaryd, Sweden
Jevi A/S	12 85 42 77	Vejle, Denmark
Kiloval Oy	438.072	Lovisa, Finland
Loval Oy	379.654	Lovisa, Finland
Meyer Vastus AB. Oy	224.101	Monninkylä, Finland
NIBE AB	556056 - 4485	Markaryd, Sweden
NIBE Biawar SP z.o.o.		Bialystok, Poland
NIBE Polska SP z.o.o.		Warnice, Poland
Norells Automotive Inc		Chicago, USA
Norells France SA		Dieuze, France
Norells Sweden AB	556184 - 3581	Västerås, Sweden
Norske Backer A/S	919 799 064	Kongsvinger, Norway

Note 19 Equity

Group

(in millions of SEK)	Share capital	Restricted reserves	Translation difference	Non-restricted reserves	Total equity
Amount at beginning of year	58.7	76.8	0.6	267.8	403.9
Shareholders' dividend				- 22.0	- 22.0
Transfer between restricted/non-restricted capital		7.2		- 7.2	
Exchange rate differences charged directly against equity		2.8		2.1	4.9
Translation difference			12.8		12.8
Profit for the year				83.6	83.6
Amount at year-end	58.7	86.8	13.4	324.3	483.2

Parent company

Share capital consists of 940,008 "A" shares and 4,929,992 "B" shares, both categories with a par value of SEK 10 per share.

(in millions of SEK)	Share capital	Share premium reserve	Statutory reserve	Non-restricted equity	Total equity
Amount at beginning of year	58.7	67.4	7.5	71.6	205.2
Shareholders' dividend				- 22.0	- 22.0
Profit for the year				+ 30.0	+ 30.0
Amount at year-end	58.7	67.4	7.5	79.6	213.2

Note 20 Other provisions

(in millions of SEK)	Group	
	2001	2000
Restructuring reserve, Biawar	3.4	5.0
Dissolved during the year	- 3.4	- 1.9
Translation difference	-	0.3
Amount in restructuring reserve at year-end	0.0	3.4
Other provisions at start of year	3.4	-
Increase in other provisions	0.2	3.4
Translation difference	0.2	-
Amount at year-end	3.8	6.8

Note 21 Long-term liabilities

The following list is of that part of long-term liabilities which fall due for payment more than five years from the accounting year-end.

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Liabilities				
to credit institutions	97.1	50.7	14.6	10.5
to Group companies	-	-	28.5	28.5
Pension liabilities	0.1	0.1	-	-
Amount of year-end	97.2	50.8	43.1	39.0

Note 22 Bank overdraft facilities

The sum of bank overdraft facilities granted in the Group as a whole amounted to SEK 192.3 million (SEK 177.7 million). During the year these have risen by SEK 14.6 million, of which SEK 10.0 million have been added as a result of acquisitions.

Group non-restricted equity

The NIBE Group's non-restricted equity totalled SEK 337.7 million at the end of 2001. On this occasion there is no proposal to transfer any funds to restricted reserves.

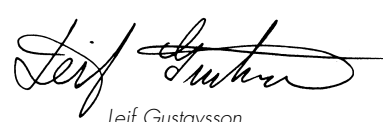
Markaryd, Sweden, 19 March 2002



Bengt Hjelm
Chairman of the Board



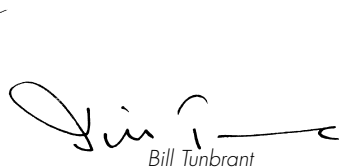
Arvid Gierow



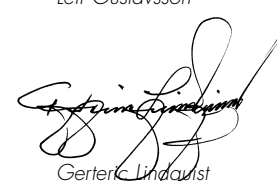
Leif Gustavsson



Sam Strömersten



Bill Tunbrant



Gerteric Lingquist
Chief Executive Officer and MD

Note 23 Accrued expenses and deferred income

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Accrued salaries	53.6	44.7	1.1	0.9
Accrued social security contribs.	29.9	24.7	0.8	0.6
Other items	42.7	35.4	1.2	0.7
Amount at year-end	126.2	104.8	3.1	2.2

Note 24 Pledged assets

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Floating charges	125.7	93.3	-	-
Real estate mortgages	81.8	79.3	-	-
Equipment, fixtures etc. with retention of title	3.7	-	-	-
Liabilities	19.2	-	15.6	-
Shares in subsidiaries ¹⁾	532.7	454.2	235.6	229.9
Total pledged assets	763.1	626.8	251.2	229.9

¹⁾ Liabilities for which shares have been used as collateral 97.1 85.4 38.7 48.4

Note 25 Contingent liabilities

(in millions of SEK)	Group		Parent company	
	2001	2000	2001	2000
Pension obligations which have not been taken up among liabilities or provisions	1.6	1.5	-	-
Contingent liabilities in favour of other Group companies	-	-	24.7	24.4
Other contingent liabilities	0.2	0.4	-	-
Total contingent liabilities	1.8	1.9	24.7	24.4

Appropriation of profits

The Board of Directors and Managing Director propose that the profits at the disposal of the Annual General Meeting of Shareholders, namely the sum of SEK 79,607,000 be appropriated as follows:

Shareholders' dividend	24,947,000
Carried forward	54,660,000
	<u>79,607,000</u>



The Board's work and remuneration

The Board of NIBE Industrier consists of six Board members elected by the Annual General Meeting. Employees of the company may, where necessary, be called in to appear before the Board to explain the background to specific issues or act as an expert resource. At its regular meetings the Board deals with standing items on its agenda to be reviewed in accordance with its mandate. The Board itself deals with all matters of consequence and has not set up any working committees.

During 2001 the Board convened on 11 occasions, six of which were conducted as telephone conferences. Board meetings were held in connection with the publication of interim reports and the year-end unaudited figures, with the company's budget and with major investments and take-overs. Minutes were taken at all meetings.

Once a month the Board receives a report on the company's financial performance and position. The Managing Director is in continual contact with the Chairman of the Board.

The Board received remuneration totalling SEK 475,000 for 2001, of which the

Chairman received SEK 190,000 in accordance with a resolution passed by the Board. No remuneration is paid to members of the Board employed by Group companies. There are no agreements on future pensions/severance pay or any other benefits for either the Chairman of the Board or any other Board members, with the sole exception of severance pay for the Managing Director. If the company terminates the contract of the Managing Director, he is entitled to six months' paid notice and severance pay equivalent to 12 months' salary. The Managing Director received salary and other remuneration totalling SEK 1,228,000 in 2001 and also has free use of a company car. Salaries to other senior executives in the group amounted to SEK 3,226,000. The senior executives also have company cars.

As an incentive, certain employees in key positions have a right to a performance-related bonus which is payable if certain targets are met. The size of this bonus is, however, limited to an amount equivalent to a maximum of three monthly salaries.

Audit Report

To the General Meeting of Shareholders in NIBE Industrier AB (publ)

Corporate ID number 556374-8309

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the Board of Directors and the Managing Director of NIBE Industrier AB for the financial year 2001. These accounts and the administration of the Company are the responsibility of the Board and the Managing Director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the Board and the Managing Director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the Company in order to be able to determine the liability, if any, to the Company of any Board Member or the Managing Director. We also examined whether any Board

Member or the Managing Director has, in any other way, acted in contravention of the Swedish Companies Act, the Annual Accounts Act, or the articles of association of the company. We believe that our audit provides reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the Company's and the Group's financial position and results of operations in accordance with generally accepted accounting standards in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets of the Parent Company and the Group be adopted, that the profit of the Parent Company be dealt with in accordance with the proposal in the administration report, and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Markaryd, Sweden, 26 March 2002

SET Revisionsbyrå AB



Willard Möller

Authorised Public Accountant



Board

Bengt Hjelm (born 1943)

Chairman and Board member since 1989. Graduate in business administration and, since 1980, MD of Hjelm & Rohman AB consultancy, specialists in corporate management, acquisitions and directorships. Shareholding (incl. wife's holding) in NIBE Industrier: 94,008 A shares and 224,352 B shares.

Gerteric Lindquist (born 1951)

Board member since 1989. Chief Executive. MD, NIBE Industrier AB and NIBE AB. Graduate in engineering and business administration. NIBE employee since 1988. Shareholding in NIBE Industrier: 94,035 A shares and 222,715 B shares.

Arvid Gierow (born 1943)

Board member since 1997. Graduate in business administration. Chairman of the Boards of ALMI Företagspartner Skåne AB, Marka Pac AB, Pronea Miljöteknik AB and board member of Bong Ljungdahl AB, SHB, Stortorget, Helsingborg and Qualidus AB. Shareholding in NIBE Industrier: 5,400 B shares

Leif Gustavsson (born 1945)

Board member since 1994. Financial Director, NIBE Industrier AB. Economics graduate. NIBE employee since 1966. Board member of Markaryd Sparbank savings bank. Shareholding in NIBE Industrier: 94,008 A shares and 191,621 B shares.

Sam Strömersten (born 1955)

Board member since 2001. Graduate in engineering. Business Area Manager for Tetra Pak's Processing Systems. Shareholding in NIBE Industrier: 0.

Bill Tunbrant (born 1950)

Board member since 1997. Graduate in engineering. MD for Cramo Instant AB. Shareholding in NIBE Industrier: 400 B shares.



Bill Tunbrant



Bengt Hjelm



Sam Strömersten



Gerteric Lindquist



Arvid Gierow



Leif Gustavsson

Senior executives

Gerteric Lindquist (born 1951)

See Board profile.

Leif Gustavsson (born 1945)

See Board profile.

Christer Fredriksson (born 1955)

Graduate in engineering. Business Area Manager for NIBE Element and MD for Backer BHV AB. NIBE employee since 1992. Shareholding in NIBE Industrier: 23,490 A shares and 44,810 B shares.

Kjell Ekermo (born 1956)

Graduate in engineering. Business Area Manager for NIBE Heating. NIBE employee since 1998. Shareholding in NIBE Industrier: 700 B shares.

Niklas Gunnarsson (born 1965)

Engineer. Business Area Manager for NIBE Stoves and MD of Cronspisen Kakelugn AB. NIBE employee since 1987. Shareholding in NIBE Industrier: 700 B shares.



Willard Möller



Kjell Ekermo



Christer Fredriksson



Niklas Gunnarsson

Auditor

SET Revisionsbyrå AB

Chief Auditor: Willard Möller (born 1943)
Authorised Public Accountant.

Group HQ

NIBE Industrier AB
Box 14
SE - 285 21 MARKARYD
Sweden
Tel +46 433 - 73 000
Fax +46 433 - 73 192

NIBE Element

NIBE Element
SE - 280 10 SÖSDALA
Sweden
Tel +46 451 - 661 00
Fax +46 451 - 614 37

NIBE Heating

NIBE Heating
Box 14
SE - 285 21 MARKARYD
Sweden
Tel +46 433 - 73 000
Fax +46 433 - 73 190

NIBE Stoves

NIBE Stoves
Box 134
SE - 285 23 MARKARYD
Sweden
Tel +46 433 - 75 100
Fax +46 433 - 75 140

www.nibe.com

Backer BHV AB
SE - 280 10 SÖSDALA
Sweden
Tel +46 451 - 661 00
Fax +46 451 - 614 37

Backer Elektro CZ s.r.o.
Polická 444
CZ - 539 01 HLINSKO
Czech Republic
Tel +420 454 362 672
Fax +420 454 313 389

Backer FER s.r.l.
Via Statale 255 no 293
IT - 440 47 SANT' AGOSTINO
Italy
Tel +39 - 05 - 32 35 00 00
Fax + 39 - 05 - 32 35 03 60

Backer OBR SP z.o.o.
u.l. Glowackiego 39
PL - 74 200 PYRZYCE
Poland
Tel +48 - 915 70 27 27
Fax +48 - 915 70 22 88

Calesco Foil AB
Västeråsvägen 9
SE- 730 40 KOLBÄCK
Sweden
Tel +46 220 - 453 00
Fax +46 220 - 453 50

NIBE AB
Box 14
SE - 285 21 MARKARYD
Sweden
Tel +46 433 - 73 000
Fax + 46 433 - 73 190

Haato Varaajat
Branch of NIBE AB Sweden
PL 36, Polstjärnevägen 17
FI - 01450 VANDA
Finland
Tel +358 - 9 - 836 21 60
Fax +358 - 9 - 836 21 643

NIBE AB
Box 14
SE - 285 21 MARKARYD
Sweden
Tel +46 433 - 73 000
Fax + 46 433 - 73 190

Eltop Praha s.r.o
CZ - 539 55 MIRETICE 32
Czech Republic
Tel +420 454 344 176
Fax +420 454 344 419

JEVI A/S
Godthåbsvej 7
DK - 7100 VEJLE
Denmark
Tel +45 - 75 83 02 11
Fax +45 - 75 72 29 00

Loyal Oy
Pl 112, Vintergatan 5
FI - 07901 LOVISA
Finland
Tel +358 - 19 - 517 31
Fax +358 19 532 955

Norells Automotive Inc.
The Rice Building
815 West Van Buren Suite 305
CHICAGO, IL 60607
USA
Tel +1 - 312 - 455 8121
Fax +1 - 312 - 455 8131

NIBE Biawar SP z.o.o.
Al. Jana Pawla II 57
PL-15 - 703 BIALYSTOK
Poland
Tel +48 - 85 - 651 38 59
Fax +48 - 85 - 651 03 80

NIBE Systemtechnik GmbH
Zöllnerstraße 43
DE - 29221 CELLE
Germany
Tel +49 - 5141 - 7 54 65
Fax +49 - 5141 - 74 08 26

Cronspisen Kakelugnar
Branch of NIBE AB
Långgatan 2
SE - 361 21 EMMABODA
Sweden
Tel +46 471 - 130 57
Fax + 46 471 - 130 68

Norells France SA
Parc d'Activités
F - 57260 DIEUZE
France
Tel +33 387 86 86 87
Fax +33 387 86 85 90

Norells Sweden AB
Sigurdsgatan 35
SE - 721 30 Västerås
Sweden
Tel +46 21 - 120 120
Fax +46 21 - 121 155

Norske Backer A/S
Postboks 203
NO - 2201 KONGSVINGER
Norway
Tel +47 - 628 - 28 828
Fax +47 - 628 17 456

Oy Meyer Vastus AB
FI - 07230 MONNINKYLÄ
Finland
Tel +358 - 19 - 574 02 00
Fax +358 - 19 - 574 02 20

Svend A. Nielsen A/S
Gillelejevej 30
Esbonderup
DK - 3230 GRÆSTED
Denmark
Tel +45 - 48 - 39 88 88
Fax +45 - 48 - 39 88 98

TMV-Pannan
Branch of NIBE AB
Maskingatan 2
231 66 TRELLEBORG
Sweden
Tel +46 410 - 151 80
Fax +46 410 - 544 60

Vølund Varmeteknik
Branch of NIBE AB Sweden
Brogårdsvej 7
DK - 6920 VIDEBÆK
Denmark
Tel +45 - 97 - 17 20 33
Fax +45 - 97 - 17 29 33



NIBE Industrier AB (publ) • Box 14 • SE-285 21 MARKARYD, Sweden
Corporate identity number 55 63 74 - 8309