

NIBE

bringing warmth to the world



- Sales rise to SEK 2,532.1 million (Q2 2006: SEK 2,100.2 m)
- Profit after net financial items rises to SEK 194.9 million (SEK 174.7 m)
- Profit after tax rises to SEK 140.2 million (SEK 123.1 m)
- Earnings per share total SEK 1.49 (SEK 1.31)
- Acquisition of Løbcke Rail A/S, Denmark

interim report

1 January – 30 June 2007



Strong development for NIBE Element and NIBE Heating, but a weak first half for NIBE Stoves

THE CHIEF EXECUTIVE'S REPORT

Growth in sales over the first six months totalled 20.6%, with organic growth of 12.9%. The figures for the corresponding period last year were 25.8% and 19.7% respectively.

All three business areas are continuing to capture new shares of the market. The overall markets for NIBE Element and NIBE Heating have continued to develop positively, whereas the market for NIBE Stoves has backed significantly, particularly in Germany and Denmark.

Operating profit for the period has risen by 14.1% and profit after net financial items by 11.6%.

NIBE Element's restructuring programme continues to proceed as planned and is set to be completed on schedule during the second half of this year. We are now beginning to see the effects of the measures taken, and the operating margin for the first six months has risen from 5.2% last year to 7.1% this year. Good organic growth of 18.6% indicates that we are continuing to capture new shares of the market. This growth and the improvement in operating margin both confirm that the business area's strategy is right.

Price trends for the business area's most important raw materials have been particularly problematical. In consequence we have again had to adjust our prices upwards during the second quarter.

NIBE Heating continues to expand, and organic growth for the period was 18.3%. Most growth derives from sales outside Sweden, with both heat pumps and water heaters performing well.

Since our acquisition of Naturenergi Iwabo AB around a year ago and our entry into the pellet-burner business, the market for pellet-boilers and pellet-burners has undergone a dramatic contraction. As a result, developments have in no way lived up to our expectations, and the company's result for the first six months of the year is a negative one.

The loss on the pellet-burner side, together with the relentless increases in raw material prices, means that the operating margin remains unchanged despite good growth. We implemented a price adjustment at the start of the second half of the year.

NIBE Stoves' fall in volumes is the first for many years. The reason for this is significant declines in the overall markets in Germany and Denmark. NIBE Stoves' exposure to these two markets is very great. Sales on other markets have developed positively.

The background to the contraction of the German market as a whole is probably a combination of increased VAT, a mild winter, overstocks in resellers' warehouses at the end of 2006 and less dramatic developments in energy prices. With the exception of the increase in VAT, the same reasons are also behind the decline in the market in Denmark.

However, the good economic climate in Germany and Denmark suggests that the sharp decline in the overall market for stoves in these two countries is of a temporary nature. It is therefore our opinion that conditions in these markets will return to normal during the second half of the year.

The reduction in operating margin is due to the decline in invoiced sales, the cost of extensive marketing work and a large number of product launches, and further costs incurred in closing down the Varde Group's Lodur store concept. From September onwards only one Lodur store will remain and we believe that we will also be able to close this outlet during the autumn.

Our new series of models has been very well received, but the effects of invoiced sales will not be felt until the second half of the year.

The expansion of production capacity in Markaryd continues as planned and we anticipate being able to start to use the new facilities early in 2008.

Prospects for 2007

Earlier assessment

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

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

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

Against this background, we believe that the NIBE Group will develop well in 2007.

Current assessment

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

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

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

It is therefore our opinion that sales will continue to develop well for the NIBE Group although with a continued somewhat lower rate of growth in earnings during 2007.

Financial information

15 November 2007	Interim report, January – September 2007
14 February 2008	Summary of Annual Report 2007
14 May 2008	Annual General Meeting of Shareholders
14 May 2008	Interim report January – March 2008

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

Markaryd, Sweden – 15 August 2007

Gert Eric Lindquist
Managing Director and Chief Executive Officer

Sales

The Group generated net sales of SEK 2,532.1 million from January to June 2007 (Jan-June 2006: SEK 2,100.2 million). This equates to overall growth of 20.6%, and organic growth of 12.9%. Of the total sales increase of SEK 431.9 million, SEK 162.7 million derived from acquisitions.

Earnings

Profit for the period after net financial items was SEK 194.9 million. This is an increase of 11.6% over the same period in 2006, when profit after financial items totalled SEK 174.7 million.

Return on equity was 21.5% (24.0%).

Acquisitions

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

Investments

Between January and June, the Group invested SEK 191.1 million (SEK 209.7 million). Of this figure, SEK 13.2 million (SEK 89.4 million) relates to corporate acquisitions, with the main part of the remaining SEK 177.9 million (SEK 120.3 million) representing investments in machinery and equipment in existing operations.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 155.8 million for the period (SEK 159.0 million). The negative cash flow after changes in working capital of SEK -344.0 million (SEK -50.0 million) is a result of stock-building in preparation for the peak season later in the year.

Interest-bearing liabilities totalled SEK 2,104.0 million at the end of the period, up from SEK 1,457.5 million at the beginning of the year.

At the end of June the Group had liquid funds of SEK 545.4 million, as against SEK 783.6 million at the start of the year. During the period, the Group's overdraft facilities were extended by SEK 359.3 million.

The equity/assets ratio was 29.3% at the end of the period, compared with 32.9% at the start of the year and 30.3% at the corresponding point last year.

Parent company

Parent company activities comprise Group executive management functions, certain shared Group functions and financing for acquisitions. During the period January-June, revenues totalled SEK 1.2 million (SEK 1.2 million) with a profit after financial items of SEK 144.0 million (SEK 94.4 million). At the end of the period, the parent company had liquid funds of SEK 213.6 million, compared with SEK 79.3 million at the start of the year.

Financial targets

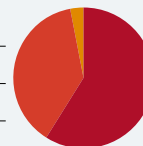
- Average annual sales growth of 20%
- Average annual operating profit of at least 10% of sales over a full business cycle in each business area
- Average annual return on equity of at least 20% after standard deductions for tax over a full business cycle
- Equity/assets ratio of at least 30%.

GROUP

Group sales by geographic region

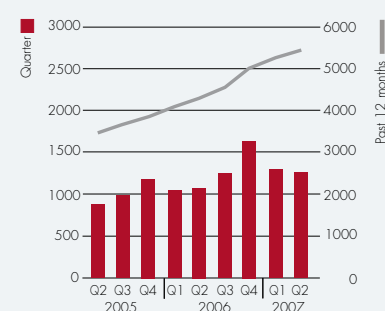
January – June 2007

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



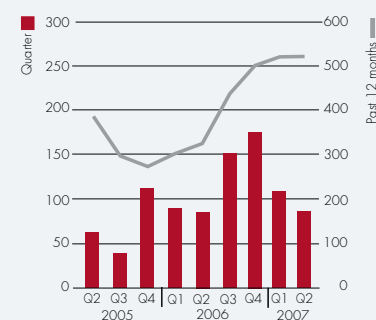
Net sales

Past nine quarters (in millions of SEK)



Profit after financial items

Past nine quarters (in millions of SEK)



NIBE Industrier – Group

Key figures		2007 Q1–2	2006 Q1–2	Past 12 months	Full year 2006
Net sales	MSEK	2,532.1	2,100.2	5,389.9	4,958.0
Growth	%	20.6	25.8	26.8	29.8
of which acquired	%	7.7	6.1	7.9	7.3
Operating profit	MSEK	227.6	199.5	584.1	556.0
Operating margin	%	9.0	9.5	10.8	11.2
Profit after net fin's	MSEK	194.9	174.7	521.7	501.5
Profit margin	%	7.7	8.3	9.7	10.1



NIBE ELEMENT

Sales and earnings

Invoiced sales amounted to SEK 907.3 million, compared with SEK 741.4 million for the corresponding period in 2006. Of the SEK 165.9 million increase in sales, SEK 27.7 million relates to acquired businesses, which means that organic growth was 18.6%.

Operating profit for the period totalled SEK 64.1 million, compared with SEK 38.2 million for the corresponding period in 2006. This represents an operating margin of 7.1% compared with the preceding year's figure of 5.2%. Operating profit over the past 12 months is 6.0%.

During the first six months of the year SEK 13.2 million from the restructuring reserve was utilised for the changes in progress. At the end of the second quarter SEK 14.7 million remained in the restructuring reserve.

Market

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

Demand has fallen slightly for products in certain segments of the home-heating market during the first half of the year as stocks were high throughout the entire distribution chain after last year's peak season.

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

Operations

Operations continue to be influenced by the restructuring programme approved in 2005. This mainly involves transferring manufacturing equivalent to 200 full-time production jobs to our units in Eastern Europe and Asia, and increasing specialisation among the various units in order to reap the benefits of economies of scale. Implementation is proceeding according to plan and will be finalised by the end of the year. The results are already beginning to have a positive effect on operating profit.

During the autumn the rise in demand will be met by increased capacities in both our Polish and Chinese operations.

Metal prices have been extremely high during the year, but more recently the price of nickel has fallen. Large fluctuations in price over a relatively short period of time create uncertainty and turbulence in some of our markets, as stocks of raw materials and contractual obligations vary between the various players in the market.

In June, as part of a strategy to develop NIBE Element's business towards an increased proportion of OEM components, the Danish company Lübcke Rail A/S was acquired. Lübcke is a European leader in railway switch point heating systems, and has annual sales of SEK 19.0 million and an operating profit of SEK 2.9 million.

NIBE Element		2007	2006	Past 12	Full year
Key figures		Q1-2	Q1-2	months	2006
Net sales	MSEK	907.3	741.4	1,699.8	1,533.9
Growth	%	22.4	18.9	20.1	18.2
Operating profit	MSEK	64.1	38.2	102.1	76.2
Operating margin	%	7.1	5.2	6.0	5.0
Assets	MSEK	1,461.3	1,262.3	1,461.3	1,347.4
Liabilities	MSEK	1,390.1	1,209.8	1,390.1	1,293.5
Investm. (fixed assets)	MSEK	29.7	29.3	54.4	54.0
Depreciation	MSEK	26.8	24.1	51.7	49.0



NIBE HEATING

Sales and earnings

Invoiced sales totalled SEK 1,379.2 million, compared with SEK 1,051.7 million for the corresponding period last year. Of the SEK 327.5 million increase in sales, SEK 135.0 million is attributable to acquisitions, which means that organic growth amounted to 18.3%.

Operating profit was SEK 158.2 million, compared with SEK 120.8 million for the corresponding period last year. This equates to an operating margin of 11.5%, which is the same level as for the corresponding period last year. The operating margin for the past 12 months is 12.9%.

Market

Whereas demand continues to fall in the Swedish heat-pump market for ground-source/geothermal heat pumps, the market for air/water heat pumps and exhaust air heat pumps is actually expanding slightly. Our own position on the Swedish heat-pump market has been further reinforced during the year as we have gained new shares of the market in all product areas.

The Swedish market for electric water heaters and district-heating products remains stable.

Interest remains low for pellet-fired boilers and pellet burners, both in Sweden and abroad. However, pellet prices in Europe have stopped rising and are actually lower than before on several markets.

All our foreign markets report good increases in invoiced sales and several of them have exceeded expectations. The European heat-pump market is growing, but so, too, is the number of players, leading to more intense competition at local level. However, as heat pumps are rapidly acquiring a reputation as a heating technique that reduces CO2 emissions, the opportunities for the future look positive in a world that is increasingly environmentally aware and energy conscious.

Sales of water heaters and district-heating products continue to reflect market growth, and we are gradually increasing the number of markets on which we are active.

Operations

The new generation of air/water heat pumps launched in the spring has been warmly received both in Sweden and abroad. The concept includes a number of products to strengthen our position in the expanding European market for these pumps.

As a consequence of prolonged strong growth, particularly on our foreign markets, manufacturing capacities for water heaters will be increased in our units in Poland and the Czech Republic. Increased sales of heat pumps also require us to make further expansions to production capacity, initially in Sweden.

Constantly rising material prices necessitate an even more stringent rationalisation of our production organisation, modifications to our production concept and greater flexibility than before in changing suppliers.

NIBE Heating		2007	2006	Past 12	Full year
Key figures		Q1-2	Q1-2	months	2006
Net sales	MSEK	1,379.2	1,051.7	2,882.7	2,555.1
Growth	%	31.1	21.4	33.8	29.8
Operating profit	MSEK	158.2	120.8	371.2	333.8
Operating margin	%	11.5	11.5	12.9	13.1
Assets	MSEK	2,230.1	1,671.3	2,230.1	2,023.6
Liabilities	MSEK	1,630.8	1,205.8	1,630.8	1,437.5
Investm. (fixed assets)	MSEK	65.7	58.8	124.9	118.0
Depreciation	MSEK	41.9	34.8	79.0	71.9



NIBE STOVES

Sales and earnings

Invoiced sales totalled SEK 314.6 million, compared with SEK 334.5 million for the corresponding period last year. As there are no acquisitions to affect the comparison, this equates to a reduction in sales of 5.9%. Operating profit for the period was SEK 15.1 million, as against SEK 48.9 million for the corresponding period in 2006. This represents an operating margin of 4.8%, compared with 14.6% last year. The operating margin for the past 12 months is 13.9%.

Lower than anticipated sales during the first half of the year, combined with extensive marketing investments, many product launches and further costs incurred in phasing out the Varde Group's Lodur store concept, have all played their part in a substantial reduction of the operating margin.

Market

In Sweden, although demand for wood stove products fell slightly during the second quarter compared with figures for the same period in 2006, it remains at a relatively high and stable level. Thanks to a comprehensive product programme and a consistent marketing strategy, our position in the market is very strong.

In Norway demand remains strong, with an increase in interest in particular for freestanding stoves with a modern design. The broader portfolio of products is helping us to consolidate our position in the market in Norway.

In Germany and Denmark demand for stoves has remained sluggish during the second quarter. The main reasons for the contraction of the German market are the increase in VAT at the start of the year, an unusually mild autumn and winter and overstocks among resellers at the end of 2006. Even so, the position that we have now established for ourselves on the German market remains very strong and has been reinforced in a shrinking market.

On our other foreign markets sales are generally developing in the right direction, and our own investments are showing positive progress.

Operations

During the spring we launched a very large number of new products under the Handöl, Varde Ovne and Nordpeis labels. These products have, without exception, been very well received by our customers. The work of selling these new models to dealers has begun and the products will be ready for delivery in time for the all-important peak season. The effect of these sales on the balance sheet will be noticed during the second half of the year.

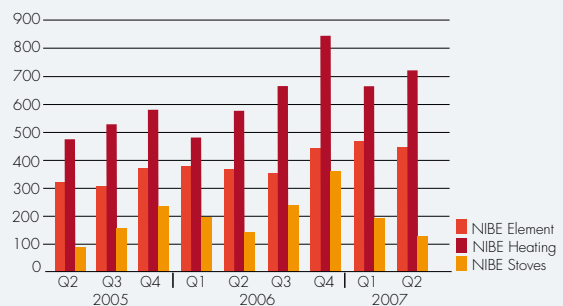
Construction of the new production plant for stoves in Markaryd is proceeding to schedule, and the plant is expected to be operational early in 2008. Parallel with this, the production unit in Poland is being expanded to be able to assure deliveries of our Nordpeis products.

NIBE Stoves		2007	2006	Past 12	Full year
Key figures		Q1-2	Q1-2	months	2006
Net sales	MSEK	314.6	334.5	911.3	931.2
Growth	%	- 5.9	71.4	25.9	59.3
Operating profit	MSEK	15.1	48.9	126.8	160.6
Operating margin	%	4.8	14.6	13.9	17.2
Assets	MSEK	902.1	708.9	902.1	764.0
Liabilities	MSEK	601.6	460.8	601.6	439.5
Investm. (fixed assets)	MSEK	82.9	31.9	121.7	70.7
Depreciation	MSEK	11.9	9.0	23.0	20.1

BUSINESS AREAS

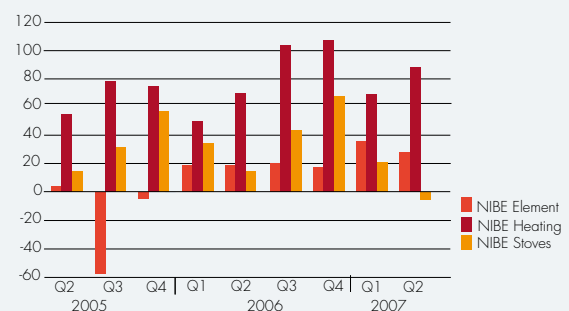
Sales by business area

over the past 9 quarters (in millions of SEK)



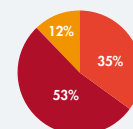
Operating profit by business area

over the past 9 quarters (in millions of SEK)



Business areas' contribution to sales

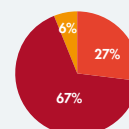
January - June 2007



■ NIBE Element
■ NIBE Heating
■ NIBE Stoves

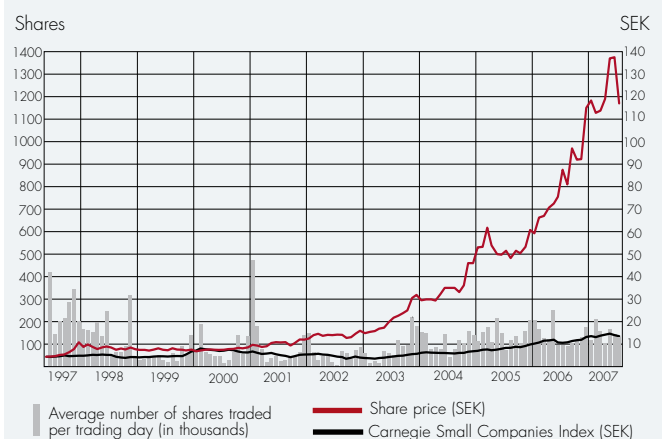
Business areas' contribution to operating profit

January - June 2007



■ NIBE Element
■ NIBE Heating
■ NIBE Stoves

SHARE PERFORMANCE





THE NIBE GROUP – FINANCIAL TRENDS

Consolidated Income Statement

(in millions of SEK)	Group						Parent company	
	Q2 2007	Q2 2006	Jan – June 2007	Jan – June 2006	Past 12 months	Full year 2006	Jan – June 2007	Jan – June 2006
Net sales	1,247.3	1,066.4	2,532.1	2,100.2	5,389.9	4,958.0	1.2	1.2
Cost of goods sold	- 876.5	- 739.3	- 1,785.1	- 1,462.8	- 3,731.3	- 3,409.0	0.0	0.0
Gross profit	370.8	327.1	747.0	637.4	1,658.6	1,549.0	1.2	1.2
Selling expenses	- 213.3	- 176.0	- 420.1	- 342.1	- 864.2	- 786.2	0.0	0.0
Administrative expenses	- 76.6	- 65.4	- 146.5	- 125.6	- 287.3	- 266.4	- 10.3	- 9.8
Other income	23.9	12.9	47.2	29.8	77.0	59.6	0.3	0.0
Operating profit	104.8	98.6	227.6	199.5	584.1	556.0	- 8.8	- 8.6
Net financial items	- 18.6	- 13.2	- 32.7	- 24.8	- 62.4	- 54.5	152.8	103.0
Profit after net financial items	86.2	85.4	194.9	174.7	521.7	501.5	144.0	94.4
Tax	- 23.6	- 24.8	- 54.7	- 51.6	- 153.8	- 150.7	0.0	0.0
Net profit	62.6	60.6	140.2	123.1	367.9	350.8	144.0	94.4
Minority participation in profit after tax	0.0	- 0.5	0.0	0.0	0.0	0.0	0.0	0.0
Incl. depreciation acc. to plan as follows	41.1	34.6	80.6	68.0	153.6	141.0	0.0	0.0

Consolidated Balance Sheet summary

(in millions of SEK)	Group			Parent company	
	30 June 2007	30 June 2006	30 Dec 2006	30 June 2007	30 June 2006
Intangible assets	692.5	532.0	670.3	0.0	0.0
Tangible assets	1,233.9	1,040.9	1,116.3	0.2	0.2
Financial assets	30.5	35.4	28.2	1,726.5	1,165.2
Total non-current assets	1,956.9	1,608.3	1,814.8	1,726.7	1,165.4
Inventories	1,510.1	1,020.0	1,007.9	0.0	0.0
Current receivables	895.0	761.3	857.0	27.1	14.1
Current investments	0.1	2.6	4.8	0.0	0.0
Cash equivalents	187.0	144.0	218.3	41.4	1.8
Total current assets	2,592.2	1,927.9	2,088.0	68.5	15.9
Total assets	4,549.1	3,536.2	3,902.8	1,795.2	1,181.3
Equity	1,333.1	1,070.3	1,283.5	374.6	336.6
Non-current liabilities and provisions, non-interest bearing	226.8	241.4	247.8	20.7	7.3
Non-current liabilities and provisions, interest bearing	1,980.0	1,373.4	1,317.8	1,311.5	767.2
Current liabilities and provisions, non-interest bearing	885.2	723.5	914.0	12.9	12.9
Current liabilities and provisions, interest bearing	124.0	127.6	139.7	75.5	57.3
Total equity and liabilities	4,549.1	3,536.2	3,902.8	1,795.2	1,181.3

Cash flow analysis

(in millions of SEK)	Jan – June 2007	Jan – June 2006	Full year 2006
Cash flow from operating activities	155.8	159.0	489.9
Change in working capital	- 499.8	- 209.0	- 93.4
Investment activities	- 191.1	- 209.7	- 526.4
Financing activities	501.7	273.5	221.0
Exchange rate diff. in liquid assets	2.1	- 2.0	- 5.0
Change in liquid assets	- 31.3	11.8	86.1

Data per share*)

	Jan – June 2007	Jan – June 2006	Full year 2006
Net profit per share (total 93,920,000 shares)	SEK 1.49	1.31	3.74
Equity per share	SEK 14.19	11.40	13.67
Closing day share price	SEK 137.50	75.50	115.00

Key figures

	Jan – June 2007	Jan – June 2006	Full year 2006
Growth	% 20.6	25.8	29.8
Operating margin	% 9.0	9.5	11.2
Profit margin	% 7.7	8.3	10.1
Investments in fixed assets	MSEK 191.1	209.7	526.4
Unappropriated liquid assets	MSEK 545.4	400.0	783.6
Working capital, incl. cash + bank	MSEK 1,583.0	1,076.8	1,034.3
Interest-bearing liabilities/Equity	% 157.8	140.2	113.6
Solidity (Equity/Assets ratio)	% 29.3	30.3	32.9
Return on capital employed	% 15.1	17.0	22.9
Return on equity	% 21.5	24.0	31.3

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

Change in equity

(in millions of SEK)	Jan – June 2007	Jan – June 2006	Full year 2006
Equity brought forward	1,283.5	1,031.0	1,031.0
Shareholders' dividend	- 108.0	- 70.4	- 70.4
Market value of commercial future currency contracts after deductions for tax	- 1.9	7.3	3.5
Exchange rate difference ¹⁾	19.3	- 15.7	- 26.4
Acquisition of minority participations	0.0	- 5.0	- 5.0
Profit for the period	140.2	123.1	350.8
Equity carried forward ²⁾	1,333.1	1,070.3	1,283.5

¹⁾ Breakdown of exchange rate difference (in millions of SEK)	Jan – June 2007	Jan – June 2006	Full year 2006
Translation of foreign subsidiaries	27.9	- 20.0	- 40.0
Loans to subsidiaries	- 0.3	- 1.7	- 1.6
Currency hedging	- 8.3	6.0	15.2
Total	19.3	- 15.7	- 26.4

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

QUARTERLY DATA

Consolidated Income Statement

(in millions of SEK)	2007				2006				2005	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
Net sales	1,284.8	1,247.3	1,033.8	1,066.4	1,237.6	1,620.2	868.9	977.5	1,171.8	
Operating expenses	- 1,162.0	- 1,142.5	- 932.9	- 967.8	- 1,071.9	- 1,429.4	- 800.3	- 928.5	- 1,048.8	
Operating profit	122.8	104.8	100.9	98.6	165.7	190.8	68.6	49.0	123.0	
Net financial expenses	- 14.1	- 18.6	- 11.6	- 13.2	- 14.3	- 15.4	- 6.3	- 9.9	- 11.4	
Profit after net financial expenses	108.7	86.2	89.3	85.4	151.4	175.4	62.3	39.1	111.6	
Tax	- 31.1	- 23.6	- 26.8	- 24.8	- 45.9	- 53.2	- 19.9	- 17.8	- 33.1	
Net profit	77.6	62.6	62.5	60.6	105.5	122.2	42.4	21.3	78.5	

Net sales – Business Areas

(in millions of SEK)	2007				2006				2005	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	463.8	443.5	377.4	364.0	350.7	441.8	319.4	305.2	369.0	
NIBE Heating	661.3	717.9	478.1	573.6	661.9	841.5	471.9	525.4	577.3	
NIBE Stoves	189.4	125.2	192.7	141.8	237.4	359.3	85.3	154.6	234.8	
Elimination of Group transactions	- 29.7	- 39.3	- 14.4	- 13.0	- 12.4	- 22.4	- 7.7	- 7.7	- 9.3	
Group	1,284.8	1,247.3	1,033.8	1,066.4	1,237.6	1,620.2	868.9	977.5	1,171.8	

Operating profit – Business Areas

(in millions of SEK)	2007				2006				2005	
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4	
NIBE Element	36.3	27.8	19.1	19.1	20.4	17.6	3.7	- 58.9	- 5.5	
NIBE Heating	69.8	88.4	50.4	70.4	104.7	108.3	55.4	79.0	75.4	
NIBE Stoves	20.8	- 5.7	34.4	14.5	43.7	68.0	14.4	31.9	57.8	
Elimination of Group transactions	- 4.1	- 5.7	- 3.0	- 5.4	- 3.1	- 3.1	- 4.9	- 3.0	- 4.7	
Group	122.8	104.8	100.9	98.6	165.7	190.8	68.6	49.0	123.0	

Accounting principles

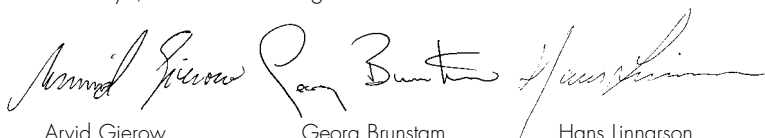
NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Interim Report for the second quarter of 2007 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this summary are described in the company's Annual Report for 2006 (pp. 52-54). The IFRS standards that came into force in 2007 have had no effect on this interim report. Reporting for the parent company follows recommendation RR32 of the Swedish Financial Accounting Standards Council ("Reporting of Legal Entities").

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 15 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continuous follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's annual report for 2006.

This first half-year report provides an accurate summary of the business activities, position and earnings of the parent company and the Group, and describes any significant risks and uncertainties faced by the parent company and the companies that form part of the Group.

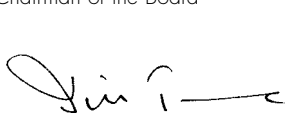
Markaryd, Sweden – 15 August 2007



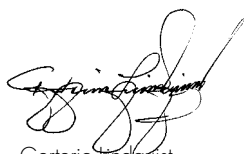
Arvid Gierow
Chairman of the Board

Georg Brunstam

Hans Linnarson



Bill Tunbrant



Gerteric Lindquist
Managing Director and CEO

This Interim Report has not been the subject of a special audit by the company's auditors. For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2006.

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

NIBE
INDUSTRIER

NIBE Industrier AB (publ)
Box 14, SE-285 21 MARKARYD, Sweden
Tel +46 433-73000 • Fax +46 433-73192
Corp. ID: 55 63 74 - 8309 • www.nibe.com