

Markaryd, Sweden – April 17, 2008

NIBE acquires TermaTech A/S and signs option agreement on acquisition of Lotus Heating Systems A/S

NIBE Industrier AB has reached an agreement on the acquisition of TermaTech A/S in Malling, Denmark, and signed an option agreement on the acquisition of Lotus Heating Systems A/S in Langeskov, Denmark, in 2010. Both lines of business will form part of the NIBE Stoves business area.

TermaTech is a supplier of a full range of accessories for stoves using solid-fuel, such as connecting flues and pipes, hearth plates and chimney systems, as well as a limited range of wood-burning stoves manufactured in sheet metal. The company operates solely as a trading company. In recent years TermaTech has reported high and stable levels of profitability and sales for 2007 totalled approximately 45 million Danish kroner (more than 6 million euros), with pre-tax profits of more than 6 million Danish kroner (approx. 805,000 euros). Sales are made mostly to the building trade in Denmark and Germany. The company employs around 10 people.

“TermaTech’s product range is a very good complement to the NIBE Stoves’ programme, and we see good opportunities for continued expansion partly through our existing distribution channels and partly through new establishments,” says Gerteric Lindquist, CEO for NIBE Industrier.

Lotus’s sales totalled approximately 80 million Danish kroner (almost 11 million euros) in 2007. The company is Denmark’s leading supplier of sheet metal wood-stoves to the domestic building trade and also has significant sales in other European markets, the foremost being Germany. This is a result of the company’s successful product development work in recent years.

“The agreement to defer the acquisition of Lotus until 2010 is a consequence of the fact that the company’s management has recently embarked upon a comprehensive restructuring programme and now wishes to see this through to completion. The process is scheduled to be fully completed by early 2010,” says Gerteric Lindquist.

“As part of this restructuring process, some of Lotus’s production will be transferred to NIBE Stoves’ new production plant in Markaryd, Sweden. In all other respects Lotus will continue to act as a totally independent company in the market,” Gerteric Lindquist explains. The management for TermaTech and Lotus Heating Systems will retain their current roles in their respective companies.

The acquisitions are subject to customary due diligence.

Yours sincerely,
NIBE Industrier AB

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