

Markaryd, Sweden, May 14, 2008

First quarter weaker than last year, as anticipated – forecast for year as a whole remains positive for NIBE

In today's interim report for the period January–March 2008, NIBE reports a downturn in both sales and profits.

- Sales totalled SEK 1,237 million (Q1 2007: SEK 1,285 million)
- Profit after net financial items was SEK 70 million (SEK 108.7 million)
- Earnings per share total SEK 0.52 (SEK 0.83)
- Acquisition of KNV in Austria, TermaTech in Denmark and a further 26% stake in CJSC EVAN of Russia.

“As anticipated, this year has seen a weaker start in terms of both sales and profits than last year's very strong first-quarter result,” says Gerteric Lindquist, CEO of NIBE Industrier.

“The downturn in the market that we observed in the second half of last year has continued to prevail during the first quarter of 2008. However, there are two sides to the picture: while there is a decline in demand for consumer products, demand remains good for the products we supply to our industrial users.

“The deterioration in operating profit is chiefly attributable to lower sales volumes and a big difference in stock-building between the first quarter this year and the first quarter of 2007, which has resulted in a lower absorption of fixed costs.

“Experience from last year's over-optimistic stock-building activities has taught us that this year we must make greater efforts to cope with what traditionally is a much greater level of demand during the second half of the year by temporarily raising our production capacity. This change in our pattern of production means that there will be a shift in profits from the first to the second half of the year.

“We are continuing to win new shares of the market in all three business areas, and we have made three more strategically important acquisitions of companies with good profitability in Austria, Denmark and Russia.

“Our faith in the future remains firm and our focus long-term. This is illustrated, for example, by our new, state-of-the-art wood-stove production facility that is currently being brought online and that will pave the way for our continued expansion and an improvement in productivity.

“Our view of the prospects for 2008 remains cautiously positive at the same time as we recognise that we are, of course, dependent on developments in the world around us,” concludes Gerteric Lindquist.

Yours sincerely,
NIBE Industrier AB

Benny Torstensson
Information Manager

Further information: The CEO presents the interim report over the phone and answers questions on Thursday May 15 at 09.00. Tel. +46 (0)8 506 269 04

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PRESS release

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***NIBE Industrier AB**, which has its head office in Markaryd in the south of Sweden, currently employs 5,500 people and has annual sales of some SEK 5 billion (approx. EUR 542 million). The company has been listed on the Stockholm Stock Exchange (Large Cap) since 1997.*

NIBE Industrier consists of three business areas: NIBE Element, NIBE Heating and NIBE Stoves, all engaged in product development, manufacturing and marketing. Production takes place in Sweden, Norway, Finland, Denmark, Poland, the Czech Republic, Italy, Spain, the Netherlands, England and China. The product range is as follows:

***NIBE Element:** components and systems for electric heating applications, primarily tubular and foil elements.*

***NIBE Heating:** heat pumps, water heaters, biofuel products and district-heating equipment.*

***NIBE Stoves:** wood-burning stoves and chimney systems sold under the Handöl, Contura, Cronspisen, Roslagsspisen, Nordpeis and Varde brands.*

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