

Markaryd, Sweden, 28 April 2006

## **NIBE acquires Naturenergi Iwabo – and complements its range in the biofuel sector**

NIBE Industrier AB has signed an agreement to acquire the business operations of Naturenergi Iwabo AB, located in Kilafors (Bollnäs) in Sweden. Naturenergi will form part of the NIBE Heating business area.

Naturenergi markets and sells high quality burners for heating homes and commercial properties in an environmentally friendly manner by using renewable sources of fuel such as pellets, wood chips, grain and sawmill waste. Manufacturing operations are subcontracted to suppliers in the vicinity of Kilafors.

Naturenergi has eleven employees, annual sales of SEK 43 million and pre-tax profits of approximately SEK 3 million. The company, which can trace its roots back to the 1930s, has been producing heating equipment since 1955. This makes Naturenergi the oldest established and most experienced manufacturer of small-scale, biomass-fuelled heating solutions in Sweden.

The acquisition is contingent on the customary due diligence procedures. The actual takeover is therefore scheduled to take place around the middle of June 2006.

“This acquisition provides further confirmation of our strategy to make NIBE a company with a range that includes all types of heating equipment,” says Gerteric Lindquist, President and CEO of NIBE Industrier. “By offering an all-round range and maintaining our position in the front rank of the industry, we can give customers the peace of mind and sense of security they seek – no matter what kind of heating system they are looking for.”

No changes will be made to the corporate management of Naturenergi, nor to the company’s trademarks or organisation. Naturenergi’s managing director, Sten Eriksson, will continue to lead the company.

“We believe that the greatest synergies will be on the marketing side. Thanks to our well established sales organisations in Scandinavia and the rest of Europe, we expect to increase sales volumes substantially,” says Gerteric Lindquist.

Yours sincerely  
NIBE Industrier AB

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*NIBE Industrier AB, which has its head office in Markaryd in the south of Sweden, currently employs 4,500 people and has annual sales of some SEK 3.8 billion (approx. EUR 408 million). The company has been listed on the Stockholm Stock Exchange’s O-List since 1997.*

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

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

***NIBE Heating:** heat pumps, domestic boilers, water heaters and district heating equipment.*

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

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