

Markaryd, Sweden – 21 Sept. 2006

NIBE acquires Czech Republic's largest manufacturer of electric water heaters – DZ Drazice

NIBE Industrier AB has reached an agreement to take over the Czech company DZ Drazice (Druzstevni zavody Drazice – strojirna s.r.o.) located north of Prague. DZ Drazice will form part of the NIBE Heating business area.

DZ Drazice is the Czech Republic's leading name in the development, manufacture and marketing of electric water heaters. In addition to serving a large domestic market DZ Drazice exports to a number of countries. The company has a long history. Founded in 1900, it has, like NIBE, been making electric water heaters since the 1950s. In recent years the company has expanded considerably and operations have been modernised.

DZ Drazice has approximately 250 employees, annual sales amounting to the equivalent of around SEK 200 million and pre-tax profits of slightly more than 10 percent of that figure.

“The acquisition of DZ Drazice means that NIBE continues to expand on the international market,” says Gerteric Lindquist, CEO for NIBE Industrier. “That fits in well with our strategy of becoming the market leader for heat pumps, electric water heaters and biofuel equipment in Europe.

“We see plenty of potential for DZ Drazice to continue to grow, both through its own efforts and via NIBE's existing organisation. At the same time, it is also our intention to use DZ Drazice as a platform for sales of our heat pumps in the Czech Republic and Slovakia. In addition to the opportunities this presents for boosting our sales in the future, it will also improve production flexibility.”

There will be no changes to the management of DZ Drazice, nor to the brands or organisational structure of the company, which will continue to be led by the current managing director, Ludek Semerad.

Customary due diligence has already been carried out and DZ Drazice will therefore be consolidated into the NIBE Group with effect from 1 October 2006.

Yours sincerely
NIBE Industrier AB

Benny Torstensson
Information Manager

For further information, please phone +46 (0)433 - 73 000 or +46 (0)70 – 530 20 71.

NIBE Industrier AB, which has its head office in Markaryd in the south of Sweden, currently employs 4,800 people and has annual sales of some SEK 4,7 billion (approx. EUR 510 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, water heaters biofuel equipment and district heating equipment.*

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

NIBE INDUSTRIER AB

Postadress

Box 14
285 21 MARKARYD

Telefon

0433 - 73 000

Telefax

0433 - 73192

Org nr

55 63 74 - 8309