

Markaryd, Sweden – 8 Nov. 2006

NIBE acquires the operations of Heatrod Element

NIBE Industries has entered final negotiations with Baxi Heating UK Limited to take over their Heatrod Element's business.

The Heatrod operation, situated outside Norwich, is one of the leading producers for industrial heating elements in the UK. The business has 60 employees and a turnover of ca. £4 m. The business was established 1961.

The plan is to move the manufacturing to other NIBE Element factories. The volume business of Heatrod will be moved to the low cost production units of NIBE Element in China and eastern Europe. The industrial business will be moved to NIBE Elements subsidiary Shel in Manchester, which already is concentrated on industrial elements.

“The combined industrial activities will establish NIBE Element as the clear market leader in the industrial heating sector in the UK”, says Gerteric Lindquist, CEO for NIBE Industrier.

The closure of the existing Heatrod factory is planned to be finalised within 12 months.

Baxi Heating UK will now start consultation with representatives for employees on the proposals.

“The planned acquisition of the Heatrod Elements business means that NIBE continues its strategy to establish the group as market leader for the supply of heating elements in the main markets in Europe”, says Gerteric Lindquist.

Consolidation of the Heatrod Element business into the NIBE group will commence December 1st, 2006.

Yours sincerely
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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.*

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