

Markaryd, Sweden, 5 July 2005

NIBE declares intention to take over Northstar AS - and further strengthen NIBE Stoves

NIBE Industrier AB is making an offer to the owners of Norway's Northstar AS which would see NIBE acquire all their shares in the company.

NIBE has already been assured of a 72.8% stake in the company by the major shareholders. The offer from NIBE will remain open until 15 July 2005.

Northstar AS is the parent company for the two operating companies, Northstar Spzoo in Poland and Nordpeis AS in Norway.

Northstar was established in 1989 and has enjoyed a sustained period of strong expansion over recent years. It is one of the European leaders in developing, manufacturing and selling concrete surrounds for stoves.

More recently Northstar has become an all-round supplier within the industry by expanding the scope of its activities to include the development not only of its own fire-boxes for these concrete surrounds, but also of cast-iron solid-fuel stoves.

Northstar has Norway as its main sales market, complemented by the other Nordic countries, Germany and the Baltic states – all of which are important markets. All manufacturing takes place in Poland.

The Northstar Group has approximately 170 employees (150 in Poland and 20 in Norway) and annual sales of some NOK 110 million (approx. EUR 14 million), generating pre-tax profits of around NOK 20 million (approx. EUR 2.5 million).

“The strategy behind the acquisition is to complement the NIBE Stoves range at the same time as we gain access to production facilities in Poland,” explains Gerteric Lindquist, CEO for NIBE Industrier.

“The takeover will also consolidate our status in Norway, where Northstar – via its Nordpeis arm – is already one of the leading players in the market. Northstar has been a subcontractor to the NIBE Group for many years. This means, of course, that we have a very good insight into the company, and we have no plans to make any changes to the company's operative management.”

The takeover is scheduled to take place before the end of August 2005.

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 more than 4,000 people and has annual sales of some SEK 3.5 billion (approx. EUR 370 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 and Morsø brands.*

NIBE INDUSTRIER AB

Postadress

Box 14
285 21 MARKARYD

Telefon

0433 - 73 000

Telefax

0433 - 73192

Org nr

55 63 74 - 8309