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2002

- Continued growth – net sales increase to SEK 878.2 million (figure for corresponding period 2001: SEK 745.2 m)
- Profit after net financial items rises to SEK 44.3 million (SEK 35.1 m)
- Acquisition of a further 10.8% stake in Jøtul ASA of Norway
- Acquisition of the Italian company REBA s.r.l.
- Earnings per share for the most recent 12-month period amount to SEK 15.30 (SEK 12.58)

Interim Report
1 January – 30 June 2002



The Chief Executive's Report

Strong first six months

Of the 17.8% increase in growth recorded during the first half of this year 8.1% is organic, and the increase in profits after net financial items amounts to 26.2%.

Both sales and profits have continued to develop well during the second quarter of 2002 even if, relatively speaking, the improvements are slightly less than those I was able to report after the first three months of the year.

NIBE Element is, step by step, achieving its ambition of consolidating its position on the European and North American markets for elements. The second quarter, for example, saw the acquisition of the Italian manufacturer REBA s.r.l. and the reinforcement of the business area's North American sales organisation.

The operating margin has continued to shrink during the first six months of the year. This is due partly to the fact that the operating margin for the two latest acquisitions has been below the levels of the other units, and partly to the substantial costs incurred in coordinating foil element operations within the recently acquired Norells and Calesco companies.

The harmonisation process among our Swedish tubular element units was completed during the course of the last financial year.

NIBE Heating continues to report stable growth in terms of both sales and operating profit, and the success of its expansion in export markets such as Germany and Finland also gives cause for satisfaction.

This confirms once again the importance of a consistent distribution philosophy, long-termism as the base for customer relations and an aggressive product development strategy as the motor in our work.

Second-quarter earnings trends for the business area's Polish operations showed an improvement on those for the first three months of the year, and we intend to continue to implement the current programme of cost-cutting and reorganisation in order to ensure the sustainability of satisfactory operating margins.

NIBE Stoves continues to develop in the right direction, which is especially gratifying. As before, this success provides a good illustration of what can be achieved through a combination of pioneering product development work and professional marketing.

In June we made use of our option to acquire a further 10.8% of the shares in Jøtul ASA, bringing NIBE's overall stake in the company to 21.7%.

Prospects for 2002

We continue to remain positive in our expectations of the way in which business for NIBE will develop during the remainder of the year, and, against this background, our opinion is that both sales and profits for 2002 will exceed those for 2001.

Financial information

15 November 2002; Interim Report, January – September 2002

14 February 2003; Summary of Annual Report 2002

These reports will be made available via the NIBE Industrier website – www.nibe.se – under the heading "Financial Information" on the same day on which they are released.

Markaryd, Sweden, 15 August 2002

Gerteric Lindquist

Managing Director and Chief Executive Officer

Sales

Group sales for the period January to June totalled SEK 878.2 million (corresponding period 2001: SEK 745.2 million), which is equivalent to growth of 17.8%. Of the overall increase in turnover of SEK 133.0 million, SEK 72.0 million derives from acquired companies: SEK 64.5 million for NIBE Element, SEK 6.7 million for NIBE Heating and SEK 0.8 million for NIBE Stoves.

Profits

Profit for the period after net financial items amounted to SEK 44.3 million, producing a growth in profits of 26.2% compared with the same period in 2001, when the corresponding figure was SEK 35.1 million. Return on equity was 13.3% (12.3%).

Investments

From January to June 2002 the Group invested SEK 91.0 million (SEK 59.4 million) in fixed assets. Of this figure SEK 35.2 million (SEK 22.6 million) relates to the acquisition of companies. The remaining SEK 55.8 million (SEK 36.8 million) was invested in equipment, machinery and buildings in existing units.

Financial position

Group liquid assets at the end of June 2002 totalled SEK 139.9 million as against SEK 182.8 million at the start of the year. The Group's bank overdraft facilities have been increased during the course of the reporting period by a total of SEK 44.7 million, of which SEK 6.1 million has accrued as a result of acquisitions. The reduction in unappropriated liquid assets is largely due to the building up of stocks to enable NIBE Stoves and NIBE Heating to meet demand during their peak season in the autumn.

Equity/assets ratio was 35.8%, compared to 40.8% at the start of the year.

Parent company

The activities of the parent company include Group management functions and certain other support functions for the Group as a whole. Turnover during the period January to June totalled SEK 2.2 million (SEK 0.8 million) and profit after financial items was SEK 29.9 million (SEK 14.0 million). Liquid assets at the end of the reporting period totalled SEK 73.7 million compared to a figure of SEK 108.0 million at the start of the year.

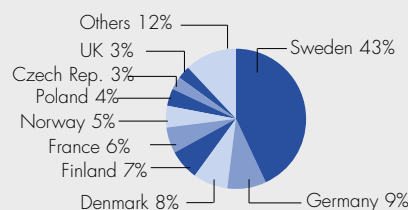
Economic objectives

- Average growth of 20% per year
- Operating profit for each business area of at least 10% of sales over a business cycle
- Return on equity over a business cycle of at least 20% after standard deductions for tax
- Equity/assets ratio in excess of 30% at all times.

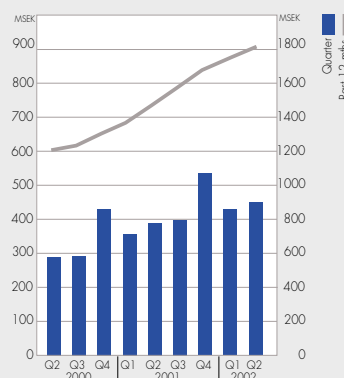
NIBE Industrier – Group

Key figures		2002 Q1-2	2001 Q1-2	Past 12 months	Full year 2001
Net sales	(MSEK)	878.2	745.2	1,810.1	1,677.1
Growth	(%)	+ 17.8	+ 28.0	+ 23.4	+ 28.6
of which acquired	(%)	+ 9.7	+ 12.2	+ 9.7	+ 10.8
Operating profit	(MSEK)	53.8	41.9	146.1	134.2
Operating margin	(%)	6.1	5.6	8.1	8.0
Profit after net fin. items	(MSEK)	44.3	35.1	131.5	122.3
Net profit margin	(%)	5.0	4.7	7.3	7.3

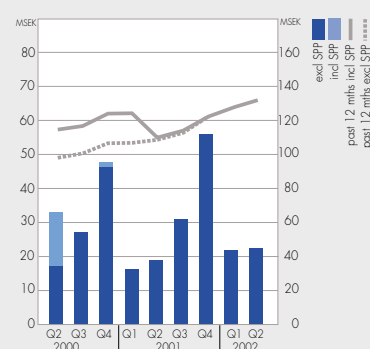
The NIBE Group's sales by geographical market Jan-June 2002



The NIBE Group's sales over the past nine quarters



The NIBE Group's profit after financial items over the past nine quarters





NIBE Element

Sales and profit

Invoiced sales rose to SEK 460.1 million compared to SEK 371.2 million for the corresponding period in 2001. The overall increase of SEK 88.9 million includes SEK 64.5 million from acquired companies, yielding a figure of 6.6% for organic growth.

Operating profit rose to SEK 25.5 million (SEK 21.9 million). This means that the operating margin slipped slightly from the previous year's first-half figure of 5.9% to 5.5%, bringing the operating margin for the past twelve months to 5.8%.

While the new acquisitions as a whole have certainly contributed to the increase in profits during the first six months of the year, they have nevertheless had a negative effect on the operating margin when compared with the situation in 2001.

The market

The second quarter has seen some fluctuations in the way the market has developed. Overall demand fell at the start of the second quarter although there were great differences between product groups. For example, demand was weak in the manufacturers' market for consumer products in Europe and for industrial products for the telecom sector. By the end of June, however, there was a marked improvement in orders, not least among customers in the automotive industry.

Overall we believe that NIBE Element has increased its shares of the markets during the period, partly as a result of organic growth in existing units and partly through new acquisitions.

Operations

The prices of key components remain stable for the present.

The first six months of 2002 have seen the implementation of a far-reaching restructuring programme at our two foil manufacturing companies, Calesco and Norells. However, as the main thrust of this work has taken place during the second quarter, we do not expect this to translate into a positive effect on profits until the second half of the year.

Parallel with the process of transferring the manufacture of labour-intensive volume products to production plants in Poland and the Czech Republic, the Scandinavian units are engaged in intensive product development work for the somewhat less price-sensitive and more high-tech industrial segment.

The work of coordinating the product ranges and marketing channels of the various units has now entered a more intensive phase.

Acquisitions

In July NIBE Heating acquired the Italian industrial element manufacturer REBA s.r.l., which specialises in different types of elements for the engineering industry in northern Italy. REBA is the ideal complement, both geographically and in terms of its product range, to our existing Italian company, Backer FER. REBA has 15 employees and an annual turnover of SEK 10 million.

NIBE Element Key figures	2002 Q1-2	2001 Q1-2	Past 12 months	Full year 2001
Net sales (MSEK)	460.1	371.2	871.6	782.7
Growth (%)	+ 23.9	+ 27.3	+ 27.2	+ 29.2
Operating profit (MSEK)	25.5	21.9	50.5	46.9
Operating margin (%)	5.5	5.9	5.8	6.0



NIBE Heating

Sales and profit

Invoiced sales rose to SEK 349.5 million compared to SEK 317.3 million for the corresponding period in 2001. The overall increase of SEK 32.2 million includes SEK 6.7 million from acquired companies, yielding a figure of 8.0% for organic growth.

Operating profit rose to SEK 28.3 million (SEK 24.0 million). This means that the operating margin rose from the previous year's first-half figure of 7.6% to 8.1%, bringing the operating margin for the past twelve months to 11.0%.

The market

The second quarter has been characterised by an expanding market for ground-source heat pumps in Sweden, even if the rate of growth has slowed somewhat since 2001. There has also been a steep rise in the overall market for water heaters during the reporting period, and NIBE Heating has increased its shares of the markets for both heaters and heat pumps.

The Swedish market for traditional domestic heaters, which was previously in free fall, now seems to have stabilised. While there still remains a market for such heaters, it is clear that heat pumps have now become the number one choice in newly built homes and when replacing existing equipment.

On the export side the period has seen dramatic increases in sales, especially in Germany and Finland. This is the result of concerted efforts in marketing and of our work to reinforce our marketing organisations. Although the numbers of new homes being built in Germany are falling, there has been a surge of interest in heat pumps. In Poland, however, the country's weak economy means that purchasing power remains low, and this continues to affect our own operations in the country.

Operations

During the first six months of the year we have launched a number of efficient, new, domestic heating products, which have further consolidated our position as the market leader in our segment Sweden.

In order to satisfy the traditionally high demand for our products in the autumn at the same time as we can offer the market's most reliable delivery times, we have gradually built up our stocks over the past six months.

The Polish production unit is now increasingly used for manufacturing heating products within product segments that are subject to particularly keen price competition in the European market.

NIBE Heating Key figures	2002 Q1-2	2001 Q1-2	Past 12 months	Full year 2001
Net sales (MSEK)	349.5	317.3	762.5	730.3
Growth (%)	+ 10.1	+ 34.8	+ 20.2	+ 32.2
Operating profit (MSEK)	28.3	24.0	83.6	79.3
Operating margin (%)	8.1	7.6	11.0	10.9



NIBE Stoves

Sales and profit

Invoiced sales rose to SEK 76.7 million compared to SEK 63.7 million for the corresponding period in 2001. The overall increase of SEK 13.0 million includes only SEK 0.8 million from acquired companies, yielding a figure of 19.2% for organic growth.

Operating profit rose to SEK 5.6 million (SEK 1.1 million). This means that the operating margin rose from the previous year's first-half figure of just 1.7% to 7.3%, bringing the operating margin for the past twelve months to 11.7%.

The dramatic improvement in profit compared with the same period in 2001 is the result of increased sales, improved productivity at the manufacturing stage, and the effect of savings arising from the integration of Cronspisen into the other operations of NIBE Stoves.

The market

The Swedish market for stoves continues to develop positively, thanks to the fact that an upswing in the sales of capital items as a whole has coincided with the underlying general interest in home furnishing products.

Demand has been good in all product segments, but there is a clear trend towards models with new, more international designs, such as the Contura 600 series.

Export sales have developed very strongly despite a generally lower level of demand in many northern European markets.

NIBE Stoves' success in this regard owes much to our unstinting product development work and consistent sales strategy.

Operations

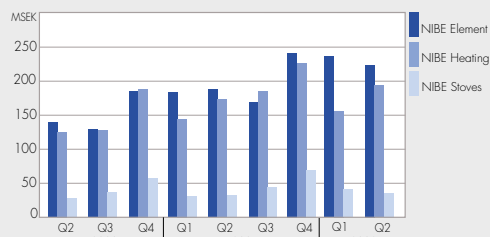
NIBE Stoves is the only company on the Swedish market that can also offer its own chimney system for use with its products. This product segment accounts for a substantial portion of sales in Sweden.

At the end of June a new chimney system was launched. The new chimney – easier to assemble than previous models and available in a stainless material – will strengthen our position in the market for this kind of product, especially as it can also be used with stoves that do not form part of our own product range.

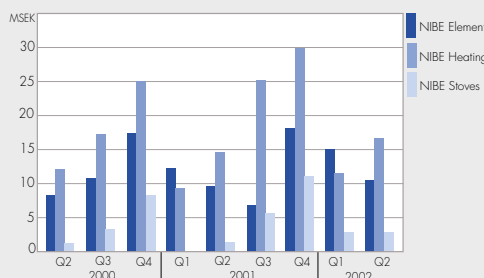
The pace of production at our plant in Markaryd has remained consistently high throughout the first six months of the year, contributing to a healthy level of productivity and providing us with the stocks we need to be able to maintain good delivery reliability during our peak season from September through November.

NIBE Stoves Key figures	2002 Q1–2	2001 Q1–2	Past 12 months	Full year 2001
Net sales (MSEK)	76.7	63.7	190.9	177.8
Growth (%)	+ 20.4	+ 5.8	+ 19.9	+ 14.2
Operating profit (MSEK)	5.6	1.1	22.3	17.8
Operating margin (%)	7.3	1.7	11.7	10.0

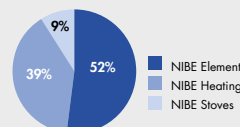
Sales by business area over the past 9 quarters



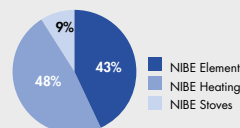
Operating profit by business area over the past 9 quarters



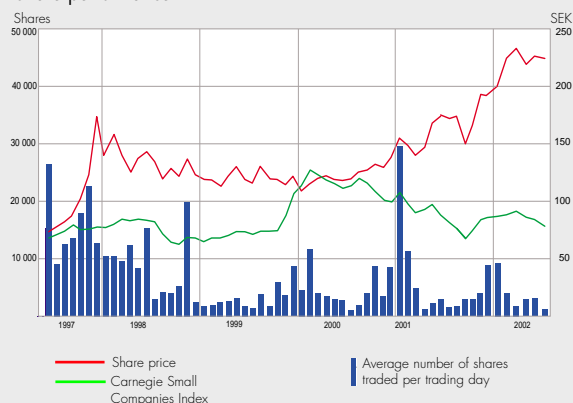
Business areas' contribution to sales: Jan – June 2002



Business areas' contribution to profits: Jan – June 2002



Share performance





NIBE Group – financial trends

Consolidated Income Statement

(MSEK)	2nd Quarter 2002	2nd Quarter 2001	Jan – June 2002	Jan – June 2001	Past 12 months	Full year 2001
Net sales	449.3	389.5	878.2	745.2	1,810.1	1,677.1
Cost of goods sold	- 329.0	- 293.1	- 644.2	- 564.3	- 1,322.6	- 1,242.7
Gross profit	120.3	96.4	234.0	180.9	487.5	434.4
Selling expenses	- 70.6	- 53.8	- 130.6	- 102.5	- 249.6	- 221.5
Administrative expenses	- 25.4	- 23.1	- 54.9	- 43.2	- 104.0	- 92.3
Other income	+ 2.5	+ 3.1	+ 5.3	+ 6.7	+ 12.2	+ 13.6
Operating profit	26.8	22.6	53.8	41.9	146.1	134.2
Net financial items	- 4.3	- 3.7	- 9.5	- 6.8	- 14.6	- 11.9
Profit after net financial items	22.5	18.9	44.3	35.1	131.5	122.3
Tax	- 7.5	- 7.9	- 16.2	- 12.9	- 42.2	- 38.9
Minority participation in profit after tax	+ 0.2	+ 0.1	+ 0.4	+ 0.1	+ 0.5	+ 0.2
Net profit	15.2	11.1	28.5	22.3	89.8	83.6
<i>Totals include depreciation acc. to plan as follows</i>	<i>17.9</i>	<i>15.1</i>	<i>35.6</i>	<i>29.1</i>	<i>65.1</i>	<i>58.7</i>

Consolidated Balance Sheet summary

(MSEK)	30 June 2002	30 June 2001	31 Dec 2001
Intangible assets	95.7	78.1	84.8
Tangible assets	410.3	347.8	394.5
Financial assets	42.8	9.6	26.2
Total fixed assets	548.8	435.5	505.5
Inventories	416.2	329.8	331.6
Current receivables	310.5	280.6	289.2
Investments	0.0	0.8	3.1
Cash and bank	45.9	33.3	53.4
Total current assets	772.6	644.5	677.3
Total assets	1,321.4	1,080.0	1,182.8
Equity	473.6	421.5	483.2
Minority interest	2.2	3.1	3.0
Provisions	106.3	102.6	102.4
Long-term non-interest-bearing liabilities	7.9	0.2	0.2
Long-term interest-bearing liabilities	398.6	273.1	274.1
Current non-interest-bearing liabilities	296.6	254.2	282.7
Current interest-bearing liabilities	36.2	25.3	37.2
Total equity and liabilities	1,321.4	1,080.0	1,182.8

Cash flow analysis

(MSEK)	Jan – June 2002	Jan – June 2001	Full yr 2001
Cash flow from trading activities	+ 53.4	+ 28.6	+ 134.5
Change in working capital	- 79.1	- 30.7	- 11.6
Investment activities	- 78.5	- 65.2	- 151.0
Financing activities	+ 98.0	+ 64.8	+ 45.4
Exchange rate difference in liquid assets	- 1.3	+ 1.5	+ 1.8
Change in liquid assets	- 7.5	- 1.0	+ 19.1

Change in equity

(MSEK)	Jan – June 2002	Jan – June 2001	Full yr 2001
Amount at start of period	483.2	403.9	403.9
Shareholders' dividend	- 24.9	- 22.0	- 22.0
Exchange rate difference charged directly against equity	- 6.4	+ 7.1	+ 4.9
Translation difference	- 6.8	+ 10.2	+ 12.8
Profit for the period	+ 28.5	+ 22.3	+ 83.6
Equity carried forward	473.6	421.5	483.2

Key figures

	Jan – June 2002	Jan – June 2001	Full yr 2001
Growth (%)	+ 17.8	+ 28.0	+ 28.6
Operating margin (%)	6.1	5.6	8.0
Net profit margin (%)	5.0	4.7	7.3
Investments in fixed assets (MSEK)	91.0	59.4	155.4
Unappropriated liquid assets (MSEK)	139.9	110.0	182.8
Working capital incl. cash & bank (MSEK)	439.8	364.9	357.4
Interest-bearing liabilities/Equity (%)	97.1	76.1	69.9
Solidity (Equity/assets ratio) (%)	35.8	39.0	40.8
Return on capital employed (%)	12.7	12.4	19.0
Return on equity (%)	13.3	12.3	19.9

Share data

	Jan – June 2002	Jan – June 2001	Full yr 2001
EPS after full tax (total 5,870,000 shares) (SEK)	4.86	3.80	14.24
Equity per share (SEK)	80.68	71.81	82.31
Closing day share price (SEK)	224.00	174.00	192.00

Quarterly data

NIBE Group – Income statement

(MSEK)	2002		2001				2000		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	428.9	449.3	355.7	389.5	397.6	534.3	289.4	292.7	429.2
Operating expenses	-401.9	-422.5	-336.4	-366.9	-362.2	-477.4	-270.3	-263.3	-380.6
Items affecting comparability 1)	0.0	0.0	0.0	0.0	0.0	0.0	+16.1	0.0	+1.3
Operating profit	27.0	26.8	19.3	22.6	35.4	56.9	35.2	29.4	49.9
Net financial items	-5.2	-4.3	-3.1	-3.7	-4.2	-0.9	-2.0	-2.4	-2.2
Profit after net financial items	21.8	22.5	16.2	18.9	31.2	56.0	33.2	27.0	47.7
Tax	-8.7	-7.5	-5.0	-7.9	-9.5	-16.5	-10.4	-8.2	-14.2
Minority share of profit after tax	+0.2	+0.2	0.0	+0.1	0.0	+0.1	-0.1	-0.1	+0.2
Profit after tax	13.3	15.2	11.2	11.1	21.7	39.6	22.7	18.7	33.7

Net sales – Business Areas

(MSEK)	2002		2001				2000		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
NIBE Element	236.5	223.6	183.3	187.9	169.7	241.8	139.3	128.8	185.2
NIBE Heating	156.1	193.4	144.3	173.0	186.0	227.0	125.1	128.4	188.8
NIBE Stoves	40.8	35.9	31.7	32.0	44.7	69.4	27.4	37.6	57.9
Eliminations of Group transactions	-4.5	-3.6	-3.6	-3.4	-2.8	-3.9	-2.4	-2.1	-2.7
Group	428.9	449.3	355.7	389.5	397.6	534.3	289.4	292.7	429.2

Operating profit – Business Areas

(MSEK)	2002		2001				2000		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
NIBE Element	15.1	10.4	12.3	9.6	6.9	18.1	8.3	10.8	17.4
NIBE Heating	11.6	16.7	9.4	14.6	25.2	30.1	12.1	17.3	25.1
NIBE Stoves	2.8	2.8	-0.3	1.4	5.6	11.1	1.3	3.3	8.3
Eliminations of Group transactions 2)	-2.5	-3.1	-2.1	-3.0	-2.3	-2.4	+13.5	-2.0	-0.9
Group	27.0	26.8	19.3	22.6	35.4	56.9	35.2	29.4	49.9

1) Refers to repayments from the SPP pensions insurance surplus.

2) Eliminations include the effect on profits of repayments from the SPP surplus totalling SEK 17.4 million.

This Interim Report has been produced in accordance with the recommendations of the Swedish Financial Accounting Standards Council. Those recommendations that came into effect in 2002 have not affected the profit or financial position. For further information about accounting principles and definitions you are kindly referred to the NIBE Group's Annual Report for 2001.

This Interim Report has not been the subject of a special audit by the company's auditors.



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