

▲ **SALES** rise to SEK 5,402.5 million (2006: SEK 4,958.0 m)

▲ **PROFIT AFTER NET FINANCIAL ITEMS** falls to SEK 445.0 million (SEK 501.5 m)

▲ **PROFIT AFTER TAX** falls to SEK 314.7 million (SEK 350.8 m)

▲ **EARNINGS PER SHARE** amount to SEK 3.35 (SEK 3.74)

▲ **THE BOARD PROPOSES** an unchanged shareholders' dividend of SEK 1.15 per share

▲ **ACQUISITION OF**
- Lübcke Rail A/S, Denmark
- 25% stake CJSC EVAN, Russia



The Chief Executive's Report

2007 - a strong start, but a weaker second half

Growth in the Group totalled 9% in 2007, with organic growth of 3.7%. This compares to figures of 29.8% and 22.5% respectively for 2006. Overall growth has been impeded by a general slow-down in demand in several market segments and on several markets, particularly in the second half of the year. This is a result, not least, of the phasing out of consumer grants and subsidies, widespread concern among end-users over an impending downturn in the economy and the disinclination to invest that this inevitably leads to.

Even so, all three business areas are continuing to capture new shares of the market as a result of successful product development work and aggressive marketing.

For 2007 as a whole the Group reported an operating profit that was 5.0% down on 2006 results: correspondingly, profit after net financial items was 11.3% down on 2006.

However, while developments in volumes and earnings in 2007 failed to meet expectations, this has not altered our view of the future potential of the NIBE Group: our long-term objectives remain unchanged – not least our commitment to achieve sales of SEK 10 billion by 2011 without compromising profitability.

The withdrawal of government grants and the slight dip in the economy are phenomena of a transient character. The market for our products has much to gain from current, far more dominant trends, such as escalating energy prices and the need for more efficient and environmentally adapted heating alternatives.

NIBE Element's good organic growth of 12% shows that we are continuing to win new market shares. This owes much to the success of new components and system products for the strongly expanding energy sector and to the effectiveness of our marketing. On 1 June Lübcke Rail A/S was acquired as a further strategic step towards increasing the proportion of components and system products in the business area's portfolio of products. At the same time our increased manufacturing capacity in both Eastern Europe and China paves the way for our continued expansion and competitiveness.

The operating margin has also improved, despite wild fluctuations in raw material prices and exchange rates that have proved difficult to protect ourselves against and also wrought havoc in the market.

NIBE Element's restructuring programme, which has had a major impact on internal operations since its launch in the autumn of 2005, was brought to a close in the fourth quarter, having followed the schedule and kept to budget. This means we have now taken another step towards achieving an operating margin of 10%.

NIBE Heating's strong growth in volumes during the first half of 2007 tailed off after the summer, due in no small measure to a downturn in the Swedish and German heat pump markets. In the main, this is probably the result of the withdrawal of subsidies and grants, but while there are also signs of concern about the economy, all of Heating's other markets continue to grow. Organic growth of 4% is, clearly, less than what we have become accustomed to, but it is gratifying to note that we are still capturing new shares of the market.

In the absence of the anticipated growth in volumes the business area's fixed costs have become excessive, and this, compounded by steep rises in material prices, has eaten into the operating margin. In consequence a programme to reduce stocks and cut costs was initiated in the autumn, chiefly in Markaryd, to adapt output to the current state of the market. Marketing and product development work, however, are continuing with undiminished vigour.

The latest acquisitions, of CJSC EVAN in Russia in December and KNV in Austria in January, both offer further evidence of our strategy of increasing sales through a broader market presence.

NIBE Stoves' sales volumes did not quite match last year's level, slipping by 6.1% after several years' of strong growth. While the markets in Sweden, Norway and Finland as a whole have contracted slightly, they remain at high levels. In Denmark and Germany, on the other hand, the downturn has been very sharp.

Fortunately our market share continues to rise in all of our main markets, and developments are also very positive in our other foreign markets.

Even so, lower sales, extensive investments in marketing and the restructuring of the Varde Group have combined to reduce Stoves' operating margin. Here, too, a programme was launched in the autumn to reduce stocks and cut costs, particularly in Markaryd.

Marketing and product development activities, however, remain unaffected, and the market has reacted highly positively to our new series of models.

Over the coming months the new production facility in Markaryd will gradually come into use and all production should be transferred there during the second quarter.

Prospects for 2008

With regard to the internal situation we can confirm that we are starting 2008 with fixed costs SEK 50 million less than in 2007, and that we will continue to raise productivity, reduce our material costs and slim down stocks even further.

NIBE still enjoys a healthy financial position and our ambitions with regard to takeovers in 2008 remain strong.

We stand well prepared for further organic expansion but will be prudent about building up stocks ahead of the autumn or increasing our fixed costs until the signals from the markets are more positive.

Against this background, we remain cautiously positive about 2008, at the same time as we recognise that we are, of course, dependent on developments in the world around us.

Shareholders' dividend

The Board of Directors has resolved to propose to the Annual General Meeting an unchanged dividend of SEK 1.15 per share for 2007, corresponding to a total pay-out of SEK 108.0 million.

Annual General Meeting

The Annual General Meeting of Shareholders will take place at 17.00 (5.00 p.m.) on Wednesday 14 May 2008 at NIBE in Markaryd, Sweden.

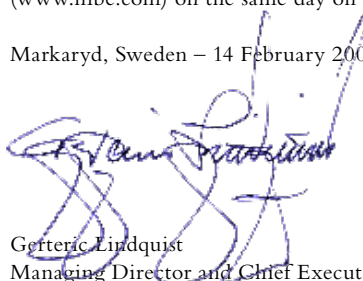
Financial information

Telephone conference: 14 February 2008, 11.00 (C.E.T.). The CEO presents the summary of the annual report and answers questions. Tel. +46 (0)8-506 269 04

April 2008	Annual Report for 2007
14 May 2008	Interim report, January – March 2008
14 May 2008	Annual General Meeting of Shareholders
14 August 2008	Interim report, January – June 2008
13 November 2008	Interim report, January – September 2008

These financial reports will be posted on the NIBE Industrier website (www.nibe.com) on the same day on which they are made public.

Markaryd, Sweden – 14 February 2008


Göteric Lindquist
Managing Director and Chief Executive Officer

Sales

Group net sales totalled SEK 5,402.5 million in 2007 (2006: SEK 4,958.0 million). This equates to overall growth of 9.0%, and organic growth of 3.7%. Of the total sales increase of SEK 444.5 million, SEK 262.8 million derived from acquisitions.

Earnings

Profit for the year after net financial items was SEK 445.0 million. This is 11.3% below earnings for 2006.

Return on equity was 22.6% (2006: 31.3%).

Acquisitions

In June NIBE acquired the Danish company Løbcke Rail A/S with annual sales of around SEK 20 million and an operating profit of around SEK 3 million. The company, which makes railway switch heating systems, now forms part of the NIBE Element business area.

In December agreement was reached on the acquisition of a 25% stake in the Russian company CJSC EVAN, which has annual sales of around SEK 70 million and an operating margin before tax of just over 20%. The company, a market leader in Russia's electric boiler and large water-heater segments, will form part of the NIBE Heating business area. Ultimately the intention is to incorporate EVAN as a wholly owned subsidiary, but at this stage the acquisition is still dependent on approval from the Russian competition authorities.

Important events after the end of the year

In January 2008 agreement was also reached on the takeover of the Austrian heat pump company KNV Umweltgerechte Energietechnik GmbH, which has annual sales of around SEK 50 million and pre-tax profits of approximately SEK 5 million. This company will form part of NIBE Heating and will be consolidated with effect from January 2008.

Investments

The Group invested SEK 404.1 million during 2007 (2006: SEK 526.4 million). Of this figure, SEK 13.2 million (SEK 289.8 million) relates to corporate acquisitions. The remaining SEK 390.9 million (SEK 236.6 million) represents investments in machinery and equipment, and in buildings in existing operations.

Cash flow and financial position

Cash flow from operating activities before changes in working capital was SEK 439.5 million for 2007 (2006: SEK 489.9 million). Cash flow after changes in working capital was SEK 40.1 million (SEK 396.5 million).

Interest-bearing liabilities totalled SEK 2,005.2 million at the end of the year: the amount at the start of 2007 was SEK 1,457.5 million.

At the year-end the Group had liquid funds of SEK 853.0 million, as against SEK 783.6 million at the start of 2007. During the year, the Group's overdraft facilities were extended by SEK 549.7 million.

The equity/assets ratio rose to 34.2% by the end of the year, compared with 32.9% at the start of 2007.

Parent company

Parent company activities comprise Group executive management functions, certain shared Group functions and financing for acquisitions. During 2007, revenues totalled SEK 2.4 million (SEK 2.3 million) with a profit after financial items of SEK 178.4 million (SEK 96.3 million). The parent company had liquid funds of SEK 230.9 million at the year-end, compared with SEK 79.3 million at the start of 2007.

Financial targets

- Average annual sales growth of 20%
- Average annual operating profit of at least 10% of sales over a full business cycle in each business area
- Average annual return on equity of at least 20% after standard deductions for tax over a full business cycle
- Equity/assets ratio of at least 30%.

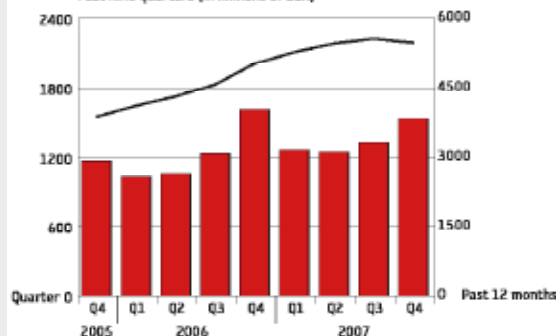
NIBE INDUSTRIER – GROUP		2007	2006
Net Sales	(MSEK)	5,402.5	4,958.0
Growth	%	9.0	29.8
of which acquired	%	5.3	7.3
Operating profit	(MSEK)	528.0	556.0
Operating margin	%	9.8	11.2
Profit after net fin. items	(MSEK)	445.0	501.5
Net profit margin	%	8.2	10.1

Sales by geographic region



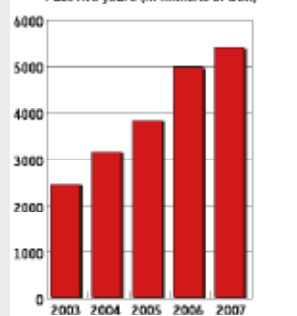
Net sales

Past nine quarters (in millions of SEK)



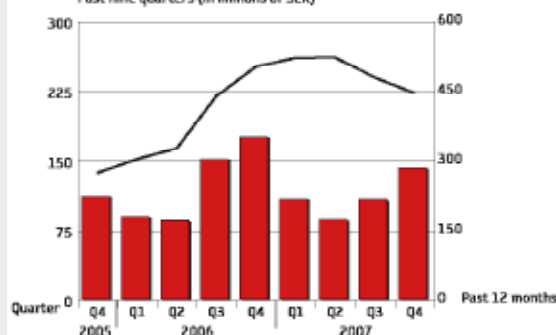
Net sales

Past five years (in millions of SEK)



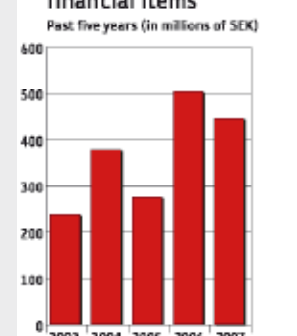
Profit after financial items

Past nine quarters (in millions of SEK)



Profit after financial items

Past five years (in millions of SEK)



NIBE Element



Sales and earnings

Invoiced sales for the year totalled SEK 1,779.1 million, compared to SEK 1,533.9 million in 2006.

Of the overall increase of SEK 245.2 million, SEK 61.5 million is attributable to acquisitions, giving a figure for organic growth of 12.0%.

Operating profit was SEK 113.0 million (2006: SEK 76.2 million). This gives an operating margin of 6.4%, compared to 5.0% for the year before.

During the past year the remaining SEK 28.1 million of the reserves earmarked for restructuring costs have been used: the reserves have now been fully utilised.

The year in brief

NIBE Element has seen strong sales growth in most product and market segments during 2007 thanks both to expansion in several segments of the market and to an increase in market shares.

High energy prices are fuelling strong growth among companies working with new, more efficient and eco-friendlier heating products such as heat pumps and those involved in alternative energy sources such as wind power. Even so, we have observed a downward trend in certain of these segments during the year, especially where demand is – at least in part – driven by energy conversion grants.

Oil prices remain high and, with them, investments in extraction and refining. We supply various system solutions based on explosion-proof technology and enjoy a reputation as a European leader in this field. High oil prices also mean a steep rise in the market for the resistors that are an integral part of energy-saving control and regulation equipment.

For several years we have been involved in systematic development work to increase our sales of all-round solutions for electric heating. This has been highly successful and launches of several new products during the year have boosted sales in this segment.

Metal prices reached historically high levels in 2007, at the same time as wild fluctuations in prices – particularly for nickel – and in exchange rates have created turbulence in the markets and confused the situation with regard to competition in certain product segments.

Internally, operations have also been influenced by the restructuring programme approved in 2005, where the focus has been on transferring production equivalent to around 200 full-time jobs to our units in Eastern Europe and Asia. This has proceeded according to plan and was completed in the fourth quarter of 2007.

Production capacity in our Chinese operations has been doubled and the product programme has been expanded, primarily to serve the needs of the local Chinese market.

During the fourth quarter one of our English manufacturing units was closed and all production in the UK is now concentrated to the plant in Manchester.

In June NIBE Element acquired the Danish company Løbcke Rail A/S with six employees, annual sales of approximately SEK 20 million and operating profit of around SEK 3 million. This acquisition is a strategic step towards increasing the proportion of system products in the NIBE Element portfolio.

Key figures – NIBE Element		2007	2006
Net sales	(MSEK)	1,779.1	1,533.9
Growth	%	16.0	18.2
Operating profit	(MSEK)	113.0	76.2
Operating margin	%	6.4	5.0
Assets	(MSEK)	1,489.7	1,347.4
Liabilities	(MSEK)	1,381.2	1,293.5
Investments (fixed assets)	(MSEK)	71.1	54.0
Depreciation	(MSEK)	54.0	49.0

NIBE Heating



Sales and earnings

Invoiced sales for the year totalled SEK 2,859.9 million, compared to SEK 2,555.1 million in 2006.

Of the overall increase of SEK 304.8 million, SEK 201.3 million is attributable to acquisitions, giving a figure for organic growth of 4.0%.

Operating profit was SEK 317.6 million (2006: SEK 333.8 million). This gives an operating margin of 11.1%, compared to 13.1% for the year before.

Significantly lower than anticipated sales, excessive fixed costs and steep increases in material prices are the main reasons for the reduction in the year's operating margin.

The year in brief

After years of strong growth, sales on the Swedish heat pump market dipped relatively steeply in 2007. The biggest fall was in the high-volume market for ground-source/geothermal heat pumps – the result of the fact that conversion grants were discontinued at the start of the year. For other types of heat pump the reduction was minimal.

The phasing out of grants and steep rises in the price of pellets also contributed to a dramatic contraction in the markets for pellet burners and pellet boilers in 2007, both in Sweden and in Europe as a whole. We have therefore restructured our pellet product operations to reflect the current situation. The Swedish market for electric water-heaters and district heating products has remained stable while demand for conventional domestic water heaters continues to decline.

Developments on most of our foreign markets have been positive during the year. Interest in energy-efficient products for heating and indoor comfort continues to increase as gas and oil prices rise. This benefits our expansion in Europe, where our sales have risen especially strongly in eastern Europe.

In Germany, on the other hand, the very strong growth in heat pump sales over recent years was checked in 2007 by a sharp fall in the number of new homes under construction following the withdrawal of state subsidies. As construction companies constitute a significant portion of our customer base, this had a negative impact on our sales growth. However, new political decisions in Germany late in 2007 have reintroduced grants for energy-saving measures, including the installation of heat pumps.

During the autumn NIBE Heating worked intensively to adapt production rates and fixed costs to lower levels of demand at the same time as work continued on the comprehensive material savings project.

Towards the end of the year NIBE acquired a 25% share in CJSC EVAN, the leading Russian brand for electric boilers, with 150 employees, annual sales of some SEK 70 million and an operating margin before tax of just over 20%. The intention is to gradually extend our holdings to make EVAN a wholly owned subsidiary and the platform for the business area's other products in the huge Russian market.

Early in 2008 the Austrian heat pump company KNV Umweltgerechte Energietechnik GmbH was also acquired. KNV has 18 employees, annual sales of around SEK 50 million and pre-tax profits of approximately SEK 5 million. This acquisition ensures NIBE Heating of a prominent position on the expanding Austrian heat pump market.

Key figures – NIBE Heating		2007	2006
Net sales	(MSEK)	2,859.9	2,555.1
Growth	%	11.9	29.8
Operating profit	(MSEK)	317.6	333.8
Operating margin	%	11.1	13.1
Assets	(MSEK)	2,160.9	2,023.6
Liabilities	(MSEK)	1,452.5	1,437.5
Investments (fixed assets)	(MSEK)	148.1	118.0
Depreciation	(MSEK)	85.5	71.9

NIBE Stoves



Sales and earnings

Invoiced sales for the year totalled SEK 874.1 million, compared to SEK 931.2 million in 2006. As there were no acquisitions to affect the result, this equates to a reduction in sales of 6.1%.

Operating profit was SEK 114.8 million (2006: SEK 160.6 million), giving an operating margin of 13.1%, compared to 17.2% for the year before.

The reduction in operating margin is due to significantly lower than anticipated sales combined with extensive marketing investments, many product launches and the cost of phasing out the Varde Group's Lodur store concept.

The year in brief

While demand for wood stove products in Sweden fell slightly during the year, the market as a whole remains at a relatively high level, driven mainly by current high levels of consumption, strong figures from the construction industry and the general interest in home improvement projects. Our position as a market leader has been underpinned by forceful marketing and a large number of launches of Swan-marked environmentally adapted products that reflect the mood of the times.

Developments in the other Nordic markets have varied. Sales of stove products in Norway have been relatively strong, and, while demand fell in the fourth quarter, our own share of the market continues to grow thanks to a series of successful product launches supported by a strong network of distributors. While sales in Finland remain stable and at a high level, demand has fallen sharply in Denmark.

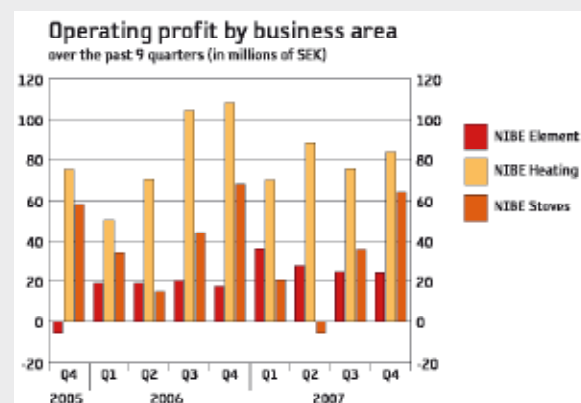
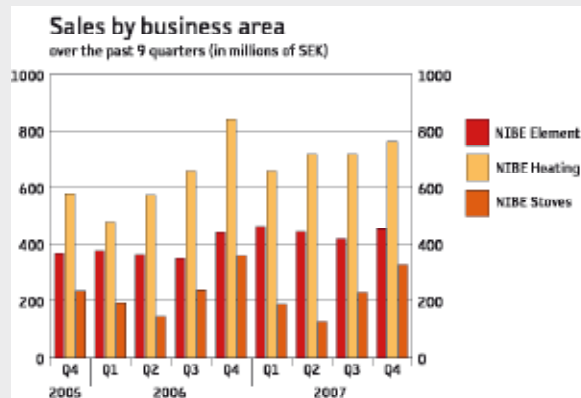
The German market for stoves contracted dramatically compared with 2006, which must now be considered an exceptional year. The significantly lower demand is the result of negative factors such as an increase in VAT early in 2007, overstocks among resellers at the start of the year, an unusually mild winter, and a reduction in new homes. As neither 2006 nor 2007 can be considered truly representative years, we now await the stabilisation of the German market in the coming months. Our position in the industry remains very strong thanks to our systematic distribution strategy and ongoing product development activities.

Sales on our other foreign markets continue to develop well.

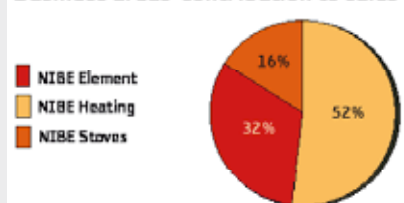
Both production and fixed costs have been scaled down during the autumn to meet the lower level of demand. At the same time, construction of the new production plant is proceeding according to schedule and the facility will be brought into use starting early in 2008.

During the year far-reaching changes to the Varde Group have been made to improve profitability. A decision has been made to transfer the manufacture of large-volume series to the new Markaryd plant and smaller volume series to external suppliers. The production unit in Denmark will close at the end of June 2008, after which Varde Ovne will operate solely as a sales and development unit.

Key figures - NIBE Stoves		2007	2006
Net sales	(MSEK)	874.1	931.2
Growth	%	-6.1	59.3
Operating profit	(MSEK)	114.8	160.6
Operating margin	%	13.1	17.2
Assets	(MSEK)	942.9	764.0
Liabilities	(MSEK)	593.0	439.5
Investments (fixed assets)	(MSEK)	166.6	70.7
Depreciation	(MSEK)	24.2	20.1



Business areas' contribution to sales



Business areas' contribution to operating profit



Share performance



THE NIBE GROUP - FINANCIAL TRENDS



Consolidated Income Statement

(in millions of SEK)	Group		Parent company	
	2007	2006	2007	2006
Net sales	5,402.5	4,958.0	2.4	2.3
Cost of goods sold	-3,828.2	-3,409.0	0.0	0.0
Gross profit	1,574.3	1,549.0	2.4	2.3
Selling expenses	-838.2	-786.2	0.0	0.0
Administrative expenses	-292.3	-266.4	-19.3	-17.3
Other income	84.2	59.6	0.8	0.0
Operating profit	528.0	556.0	-16.1	-15.0
Net financial items	-83.0	-54.5	194.5	111.3
Profit after net financial items	445.0	501.5	178.4	96.3
Tax	-130.3	-150.7	0.0	-0.3
Net profit	314.7	350.8	178.4	96.0
Minority participation in profit after tax	0.0	0.0	0.0	0.0
Includes depreciation according to plan as follows	163.7	141.0	0.1	0.1

Change in equity

(in millions of SEK)	2007	2006
Equity brought forward	1,283.5	1,031.0
Shareholders' dividend	-108.0	-70.4
Market value of commercial future currency contracts after deductions for tax	1.3	3.5
Exchange rate difference ¹⁾	56.2	-26.4
Acquisition of minority participations	0.0	-5.0
Profit for year	314.7	350.8
Equity carried forward²⁾	1,547.7	1,283.5

¹⁾ Breakdown of exchange rate difference (MSEK)	2007	2006
Translation of foreign subsidiaries	84.9	-40.0
Loans to subsidiaries	-0.2	-1.6
Translation of business acquisition loans	-28.5	15.2
Total	56.2	-26.4

²⁾ Minority participations were SEK 0 million at the end of the reporting period compared to SEK 0 million at the start of the financial year.

Consolidated Balance Sheet summary

(in millions of SEK)	Group		Parent company	
	31.Dec.07	31.Dec.06	31.Dec.07	31.Dec.06
Intangible assets	732.2	670.3	0.0	0.0
Tangible assets	1,374.4	1,116.3	0.1	0.2
Financial assets	35.7	28.2	1,627.6	1,419.3
Total non-current assets	2,142.3	1,814.8	1,627.7	1,419.5
Inventories	1,344.0	1,007.9	0.0	0.0
Current receivables	829.3	857.0	13.9	16.9
Current investments	0.0	4.8	0.0	0.0
Cash equivalents	207.9	218.3	2.8	1.0
Total current assets	2,381.2	2,088.0	16.7	17.9
Total assets	4,523.5	3,902.8	1,644.4	1,437.4
Equity	1,547.7	1,283.5	389.3	346.3
Untaxed reserves	0.0	0.0	0.1	0.1
Non-current liabilities and provisions				
non-interest bearing	210.2	247.8	0.0	31.0
interest bearing	1,866.5	1,317.8	1,161.6	971.9
Current liabilities and provisions				
non-interest bearing	760.3	914.0	13.9	13.0
interest bearing	138.8	139.7	79.5	75.1
Total equity and liabilities	4,523.5	3,902.8	1,644.4	1,437.4

Cash flow analysis

(in millions of SEK)	2007	2006
Cash flow from operating activities	439.5	489.9
Change in working capital	-399.4	-93.4
Investment activities	-404.1	-526.4
Financing activities	343.6	221.0
Exchange rate diff. in liquid assets	10.0	-5.0
Change in liquid assets	-10.4	86.1

Data per share *)

		2007	2006	2005	2004	2003
Net profit per share (total 93,920,000 shares)	MSEK	3.35	3.74	1.94	2.97	1.73
Equity per share	MSEK	16.48	13.67	10.92	9.46	7.08
Closing day share price	MSEK	78.00	115.00	60.75	46.00	31.88

*) All key figures per share have been recomputed to reflect the 4-for-1 share split carried out in June 2006.

Key figures

		2007	2006	2005	2004	2003
Growth	%	9.0	29.8	20.8	29.0	26.1
Operating margin	%	9.8	11.2	8.1	11.6	10.3
Net profit margin	%	8.2	10.1	7.2	11.9	9.7
Investments in fixed assets	MSEK	404.1	526.4	375.7	305.1	350.6
Unappropriated liquid assets	MSEK	853.0	783.6	595.4	382.6	340.6
Working capital, inc. cash + bank	MSEK	1,482.1	1,034.3	812.3	636.0	492.9
Interest-bearing liabilities/Equity	%	129.6	113.6	110.9	91.1	98.7
Solidity (Equity/Assets ratio)	%	34.2	32.9	33.0	35.7	35.3
Return on capital employed	%	17.2	22.9	16.4	27.1	23.2
Return on equity	%	22.6	31.3	20.4	34.8	27.6

For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2006.



QUARTERLY DATA

Consolidated Income Statement

(in millions of SEK)	2007				2006				2005
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
Net sales	1,284.8	1,247.3	1,337.2	1,533.2	1,033.8	1,066.4	1,237.6	1,620.2	1,171.8
Operating expenses	-1,162.0	-1,142.5	-1,204.7	-1,365.3	-932.9	-967.8	-1,071.9	-1,429.4	-1,048.8
Operating profit	122.8	104.8	132.5	167.9	100.9	98.6	165.7	190.8	123.0
Net financial expenses	-14.1	-18.6	-24.4	-25.9	-11.6	-13.2	-14.3	-15.4	-11.4
Profit after net financial expenses	108.7	86.2	108.1	142.0	89.3	85.4	151.4	175.4	111.6
Tax	-31.1	-23.6	-37.2	-38.4	-26.8	-24.8	-45.9	-53.2	-33.1
Net profit	77.6	62.6	70.9	103.6	62.5	60.6	105.5	122.2	78.5

Net sales - Business Areas

(in millions of SEK)	2007				2006				2005
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
NIBE Element	463.8	443.5	418.2	453.6	377.4	364.0	350.7	441.8	369.0
NIBE Heating	661.3	717.9	717.1	763.6	478.1	573.6	661.9	841.5	577.3
NIBE Stoves	189.4	125.2	230.9	328.6	192.7	141.8	237.4	359.3	234.8
Elimination of Group transactions	-29.7	-39.3	-29.0	-12.6	-14.4	-13.0	-12.4	-22.4	-9.3
Group	1,284.8	1,247.3	1,337.2	1,533.2	1,033.8	1,066.4	1,237.6	1,620.2	1,171.8

Operating profit - Business Areas

(in millions of SEK)	2007				2006				2005
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
NIBE Element	36.3	27.8	24.5	24.4	19.1	19.1	20.4	17.6	-5.5
NIBE Heating	69.8	88.4	75.8	83.6	50.4	70.4	104.7	108.3	75.4
NIBE Stoves	20.8	-5.7	35.8	63.9	34.4	14.5	43.7	68.0	57.8
Elimination of Group transactions	-4.1	-5.7	-3.6	-4.0	-3.0	-5.4	-3.1	-3.1	-4.7
Group	122.8	104.8	132.5	167.9	100.9	98.6	165.7	190.8	123.0

Accounting principles

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). This Summary of the Annual Report for 2007 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles adopted for this summary are described in the company's Annual Report for 2006 (pp. 52-54). The IFRS standards that came into force 2007 have had no effect on this summary. Reporting for the parent company follows recommendation RR32 of the Swedish Financial Accounting Standards Council ("Reporting of Legal Entities").

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 15 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continuous follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2006.

This summary of the annual report provides an accurate picture of the business activities, financial position and earnings of the parent company and the Group, and describes any significant risks and uncertainties faced by the parent company and the companies that form part of the Group.

Markaryd, Sweden – 14 February 2008

Arvid Gierow *Georg Brunstam* *Hans Linnarson*

Arvid Gierow
Chairman of the Board

Georg Brunstam

Hans Linnarson

Bill Tunbrant

Bill Tunbrant

Gerteric Linnquist

Gerteric Linnquist
CEO

Auditor's review

We have reviewed the financial report for NIBE Industrier AB (publ) for the period 1 January to 31 December 2007. It is the Board of Directors and the Managing Director/CEO who are jointly responsible for the preparation and presentation of this financial information in accordance with IAS 34. Our responsibility is to express a conclusion on the financial information based on our review.

The review has been conducted in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by FAR/SRS, the institute for the accountancy profession in Sweden. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially more limited in scope than an audit that is conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion that is expressed on the basis of a review does not give the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that this summary of the annual report does not, for the Group's part, in all material respects accord with IAS 34 and the Swedish Annual Accounts Act, and, for the parent company's part, with the Swedish Annual Accounts Act.

Markaryd, Sweden – 14 February 2008

SET Revisionsbyrå AB

Willard Möller

Willard Möller
Authorised Public Accountant



Bringing warmth to the world

NIBE Industrier is a European heating technology company whose business operations are organised in three separate business areas: NIBE Element, NIBE Heating and NIBE Stoves.



Our vision is to create a world-class heating company.



Our mission is to offer high-quality, innovative heating products. This work builds on the NIBE Group's wide-ranging expertise in the fields of development, manufacturing and marketing.

NIBE Industrier AB is obliged by Swedish law (The Securities Market Act and/or the Financial Instruments Trading Act) to publish the information in this summary of the NIBE Group's annual report. This information was made available to the media for publication at 8.30 a.m. (C.E.T.) on 14 February 2008.

Please e-mail any questions you have with regard to this summary to:

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