

▲ **SALES** rise to SEK 5,810.5 million  
(2007: 5,402.5 million)

▲ **PROFIT AFTER NET FINANCIAL ITEMS**  
rises to SEK 516.7 million (2007: 445.0  
million)

▲ **PROFIT AFTER TAX**  
rises to SEK 376.1 million (2007: 314.7  
million)

▲ **EARNINGS** per share total SEK  
3.94 kr (SEK 3.35 kr)

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

▲ **ACQUISITION OF**  
– KNV Umweltgerechte Energietechnik GmbH,  
Austria  
– 51% stake in CJSC EVAN, Russia  
– TermaTech A/S, Denmark  
– Business operations of Alpe SA, Mexico



## The Chief Executive's Report

# Good profit growth in 2008 – return to traditional seasonal pattern with weaker first half and stronger second half of the year

Group sales grew by 7.6%, of which 4.5% was organic. The corresponding growth figures in 2007 were 9.0% and 3.7% respectively.

There was weaker demand for market segments with a typical consumer profile, while market segments chiefly focusing on renewable energy were in greater demand. All three business areas also continued to gain market share.

Operating profit for the whole of 2008 rose by 18.4% compared to the figures for 2007. This was mainly attributable to higher sales, lower costs and healthy profits in the newly acquired companies.

Profit after net financial items climbed by 16.1% compared to 2007, despite the SEK 25.6 million drop in net financial items, which was mainly due to a higher interest rate.

In 2008 we re-adopted a production pattern that involved temporarily increasing production capacity in the second half of the year, which is a period of much higher demand, instead of – as in more recent years – stockpiling during the first six months to manage our delivery commitments during the peak season. This changed production pattern led to a shift in profit from the first to the second half of the year, because the absorption of certain indirect costs during the first half was appreciably lower or non-existent.

A certain normalisation of material prices finally became noticeable towards the end of the year. Together with a number of internal improvement measures and changes in suppliers, this had a positive impact on operating profit. For the year as a whole, however, currency trends in our manufacturing countries with lower payroll expenses had the opposite effect, although seen from our perspective, this situation did show a significant improvement towards the end of the year.

Investments in existing operations amounted to SEK 237.5 million, of which SEK 148.2 million were made in the first half of the year and SEK 89.3 million in the second half. As the new NIBE Stoves factory and the new production warehouse in Markaryd are now in operation, investments will return to a level that is more in line with the annual depreciation rate.

Our long-term goal is to double our 2006 sales figures to achieve sales of SEK 10 billion by 2011, while still retaining healthy profitability. We believe that we have the internal prerequisites to achieve this goal.

If an upturn in the economy takes time to materialise, however, this goal will naturally be more difficult to attain within the timeframe. On the other hand, a prolongation of the weak economy may also create opportunities for restructuring and company acquisitions.

**NIBE Element** has had to work hard to adapt operations to a problematic and unpredictable situation. Weaker demand for products in more consumer-oriented segments, stronger demand in industrial and energy-related segments and dramatic fluctuations in material prices and exchange rates have called for considerable flexibility and business acumen. The fact that the business area's sales have continued to rise and that operating profit has inched above last year's level must be regarded as a strong achievement in view of the circumstances.

The acquisition of Alpe, a Mexican company, is further evidence of our strategy to establish NIBE as a global supplier.

Our target of a 10% operating margin remains, but to attain this it is important that the economy recovers to a more normal level.

**NIBE Heating** reported good demand for heat pumps in virtually all foreign markets, while demand in the domestic market levelled off. The upward trend in energy prices, uncertainty with regard to energy supplies, and ambitions to boost the share of renewable energy are all contributing to an upsurge in interest in heat pumps throughout Europe. Our successes in this market are attributable to our broad range of high-performance products, consistent marketing and further internationalisation through both organic growth and acquisitions.

In 2008 NIBE acquired KNV, an Austrian company, and 51% of the shares in the Russian company EVAN. We also established a subsidiary in Switzerland.

The improved operating margin is a hallmark of genuine strength and the result of volume growth and good cost control.

**NIBE Stoves** reported significantly weaker demand in the domestic Nordic market as a result of the significantly weakened economy. In several other markets demand improved despite the financial situation – probably thanks to government grants for conversions and unease about energy price trends and energy supply.

The new production plant in Markaryd was opened at the end of the second quarter as planned. Although we have not yet reached the intended productivity levels, we have fulfilled our delivery commitments.

The drop in volume, rise in depreciation costs and diminishing profitability in our Polish unit – due to the rise in the value of the zloty – led to a further reduction in operating margin in 2008, although this does still remain above the target level.

Our work to boost sales volumes is ongoing through resolute and aggressive product development, our own new marketing projects, and acquisitions, such as TermaTech, a Danish company acquired in 2008.

### Outlook for 2009

The market for our products will benefit from society's attempts to substantially increase the proportion of renewable energy and endeavours to make significant reductions in greenhouse gas emissions.

Internally we will continue our work to improve productivity, cut material costs and further reduce our tied up capital.

We will retain the same production model as in 2008, which means that profit distribution during the year will follow a pattern similar to that in 2008.

Additional resources will be invested in product development.

NIBE's financial position remains robust, providing the necessary foundations for further organic growth and acquisitions. Therefore, despite the fact that the global economy is currently in recession, we venture to remain cautiously optimistic about the year as a whole.

### 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 2008, corresponding to a total payout 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 14 May 2009 at NIBE in Markaryd.

### Financial information

Telephone conference: 13 February 2009 at 11.00 (C.E.T.). The CEO will present the summary of the annual report by phone and answer questions. Tel. +46 (0)8-566 363 29.

April 2009	Annual report for the 2008 financial year
14 May 2009	Interim report, January – March 2009
14 May 2009	Annual General Meeting
14 August 2009	Interim report, January – June 2009
13 November 2009	Interim report, January – September 2009

The financial reports will be published on the NIBE Industrier website [www.nibe.com](http://www.nibe.com) on the same day that they are made public.

Markaryd, 13 February 2009

Gertur Lindquist  
Chief Executive Officer



## Sales

The Group generated net sales of SEK 5,810.5 million (2007: SEK 5,402.5 million), which is an increase of 7.6%. Organic growth was 4.5%. The overall increase of SEK 408.0 million includes acquired sales of SEK 169.7 million.

## Earnings

Profit for the year after net financial items was SEK 516.7 million, a growth in earnings of 16.1% over 2007. Return on equity was 21.3% (2007: 22.6%).

## Acquisitions

In January NIBE acquired the Austrian heat pump company KNV Umweltgerechte Energietechnik GmbH, which has annual sales of approximately SEK 50 million and pre-tax profits of around SEK 5 million. The company now forms part of the NIBE Heating business area.

In May NIBE acquired a 51% stake in CJSC EVAN of Russia, after approval from the Russian competition authority. CJSC EVAN, which has annual sales of SEK 100 million and pre-tax profits of around SEK 20 million, forms part of the NIBE Heating business area. NIBE has an option to acquire the remaining 49% of the shares.

In July NIBE acquired the Danish company TermaTech A/S with annual sales of approximately SEK 55 million and pre-tax profits of approximately SEK 8 million. The company forms part of the NIBE Stoves business area.

In early July an agreement was signed that gives NIBE an option to acquire the Danish company Lotus Heating Systems A/S in 2010. Lotus is one of Denmark's leading manufacturers of sheet metal wood-stoves with annual sales of around SEK 100 million.

In September NIBE acquired the Mexican element manufacturer Alpe SA, with annual sales of approximately SEK 76 million and pre-tax profits of some SEK 8 million. The company forms part of the NIBE Stoves business area.

## Investments

During the year, Group investments totalled SEK 407.6 million (2007: SEK 404.1 million). SEK 170.1 million of this sum (2007: SEK 13.2 million) relates to corporate acquisitions, while the remaining SEK 237.5 million (2007: SEK 390.9 million) is mainly investments in machinery and equipment, and in buildings for current operations.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 480.0 million (2007: SEK 439.5 million). Cash flow after changes in working capital was SEK 654.0 million (2007: SEK 40.1 million).

Interest-bearing liabilities totalled SEK 2,152.0 million at the end of the year, compared with SEK 2,005.2 million at the beginning of the year.

At the end of the year, the Group had liquid funds of SEK 1,143.6 million as against SEK 853.0 million at the beginning of the year. During the year, the Group's overdraft facilities were extended by SEK 155.6 million.

The equity/assets ratio at the end of the year was 36.7%, compared with 34.2% at the beginning of the year.

## Parent company

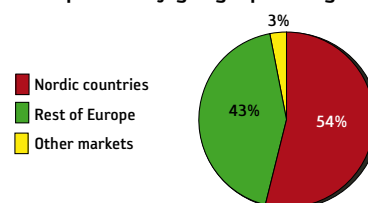
Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. During the year, sales amounted to SEK 2.4 million (2007: SEK 2.4 million) with a profit after financial items of SEK 185.5 million (2007: SEK 178.4 million). At the end of the year, the parent company had liquid funds of SEK 181.3 million, compared with SEK 230.9 million at the beginning of the year.

## Financial targets

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

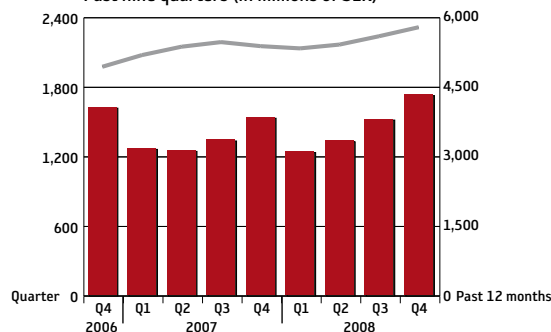
Key figures - Group		2008	2007
Net sales	SEK m	5,810.5	5,402.5
Growth	%	7.6	9.0
of which acquired	%	3.1	5.3
Operating profit	SEK m	625.3	528.0
Operating margin	%	10.8	9.8
Profit after net financial items	SEK m	516.7	445.0
Profit margin	%	8.9	8.2

## Group sales by geographic region



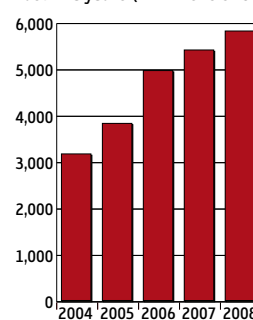
## Net Sales

Past nine quarters (in millions of SEK)



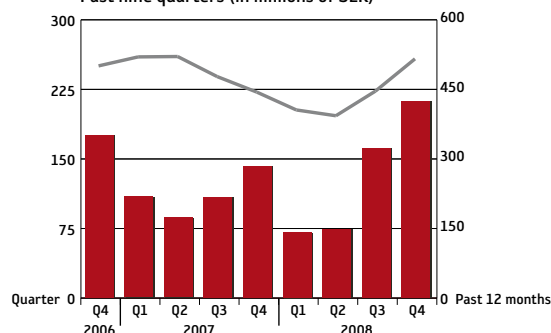
## Net Sales

Past five years (in millions of SEK)



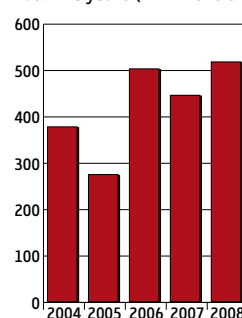
## Profit after financial items

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 totalled SEK 1,879.3 million, compared with SEK 1,779.1 for 2007. Of the total increase of SEK 100.2 million, SEK 21.4 million relates to acquired businesses, which means that organic growth for the period was 4.4%. Operating profit was SEK 115.4 million, compared with SEK 113.0 million for the preceding year. This represents an operating margin of 6.1%, compared with 6.4% last year.

### The year in brief

Invoiced sales and orders received during 2008 were lower than for the previous year in all markets, particularly those relating to traditional domestic heating. Alternative products in the domestic heating segment, however, such as components and systems for heat pumps, continued to do well.

Demand in the industrial segments remained strong overall, although there was a decline in demand in some industrial segments towards the end of the year, especially in construction-related areas. Nevertheless, demand for elements and resistors used for energy-saving applications and energy production has remained good and the trend is positive, too, for equipment for investments in rail infrastructure.

In response to the fall in demand towards the end of the year, we reduced the workforce in the majority of production units with the aim of adjusting capacity to match the reduced demand in certain product segments.

The prices of most base metals fell sharply during the latter part of the year, but this was offset by changes in exchange rates. Due to the major fluctuations in metal prices and exchange rates, both the competitive situation and the market situation remain turbulent in many markets. The picture is further complicated by the substantial increases in wage costs and other production costs in certain low-cost countries. It is our considered opinion that our strategy of spreading volume production over several currency areas and geographical regions gives us a strong competitive advantage and greater flexibility when external factors are changing as drastically as they have done in recent years.

To reduce the level of capital tied up and minimise logistics costs, extensive efforts have been made to transfer administration to our low-cost units in order to facilitate direct deliveries to customers. This has resulted in a steady reduction in costs and improved customer service.

During the year, intensive product development work continued, with the aim of increasing the proportion of system products and strategic future products, particularly in the fields of energy efficiency and infrastructure.

In September NIBE acquired the operations of the Mexican element company, Alpe SA. Alpe has 300 employees, annual sales of SEK 76 million and pre-tax profits of approximately 10%. It is one of the leading element manufacturers in Mexico, operating in both the industrial and volume sectors. The company also supplies the US market, both directly and indirectly.

#### Key figures – NIBE Element

		2008	2007
Net sales	MSEK	1,879.3	1,779.1
Growth	%	5.6	16.0
Operating profit	MSEK	115.4	113.0
Operating margin	%	6.1	6.4
Assets	MSEK	1,671.6	1,489.7
Liabilities	MSEK	1,514.5	1,381.2
Investm. (fixed assets)	MSEK	39.1	71.1
Depreciation	MSEK	59.2	54.0

## NIBE Heating



### Sales and earnings

Invoiced sales totalled SEK 3,216.4 million, compared with SEK 2,859.9 million for 2007. Of the total increase of SEK 356.5 million, SEK 95.4 million relates to acquired businesses, which means that organic growth for the period was 9.1%. Operating profit was SEK 432.2 million, compared with SEK 317.6 million for the preceding year. This represents an operating margin of 13.4%, compared with last year's figure of 11.1%.

### The year in brief

The Swedish market for heat pumps has stabilised after last year's decline.

The Swedish market for electric water heaters and district-heating products remains stable, whereas the market for domestic water heaters and boilers continues to shrink, as does the market for pellet products. This led to the closure of the manufacturing unit in Trelleborg during the year, and the transfer of domestic water heater/boiler production and accumulator production to our manufacturing units in Poland and Markaryd respectively.

The market for air/water heat pumps is expanding in the majority of European markets. The main reason for this is the improvement in the products themselves, together with simpler installation and the continued existence of installation and conversion grants in a number of markets. The level of interest and the market for geothermal and ground-source heat pumps continues to grow as before in most countries.

New construction of houses is falling in virtually all markets, and this has an impact on our sales of heat pumps. The potential of the replacement market, however, remains very large. This has enabled us to fully compensate for the weaker performance of the construction sector with increased sales on the replacement market and increased market share in new construction.

In line with the growing global interest in energy-efficient heating and indoor comfort products that have a low environmental impact, political resolutions were made during the year aimed at increasing the use of renewable energy and reducing carbon dioxide emissions. A decision on this was taken by the European Parliament to encourage the expanded use of devices such as heat pumps.

During the year we increased our sales in virtually all foreign markets, primarily as a result of stronger positions in the heat-pump segment. The strong increase in foreign sales, especially during the second half of the year, has meant that, despite major investments in expanding production capacity, delivery capacity has not been totally satisfactory.

The cost-cutting programme we implemented during the second half of 2007 in combination with an increase in invoiced sales has, however, led to a distinct improvement in the operating margin.

At the beginning of the year, we acquired the Austrian heat pump specialists KNV Umweltgerechte Energietechnik GmbH, which has annual sales of around SEK 50 million, pre-tax profits of SEK 5 million and some 20 employees. In the second quarter we acquired 51% of the shares in the Russian company, CJSC EVAN, which is a market leader in Russia in electric boilers. The company has annual sales of around SEK 100 million, a pre-tax profit level of just over 20% and 150 employees. The integration of both operations has gone well, despite the fact that the Russian market exhibited signs of instability at the end of the year, largely as a result of the financial crisis.

In September, we established a subsidiary in Switzerland with a special focus on the heat pump market.

#### Key figures – NIBE Heating

		2008	2007
Net sales	MSEK	3,216.4	2,859.9
Growth	%	12.5	11.9
Operating profit	MSEK	432.2	317.6
Operating margin	%	13.4	11.1
Assets	MSEK	2,467.2	2,160.9
Liabilities	MSEK	1,511.7	1,452.5
Investm. (fixed assets)	MSEK	89.7	148.1
Depreciation	MSEK	95.8	85.5

# NIBE Stoves



## Sales and earnings

Invoiced sales totalled SEK 863.6 million, compared with SEK 874.1 million for 2007. As SEK 52.8 million of the increased sales relates to acquired businesses, this means that organic growth for the period was negative at -7.2%.

Operating profit was SEK 96.2 million, compared with SEK 114.8 million for 2007. This represents an operating margin of 11.1%, compared with last year's figure of 13.1%.

## The year in brief

After a number of years of relatively high and stable demand for wood stoves in Sweden the market has weakened significantly during the past year. The poorer market performance can largely be explained as a general reduction in demand for durables due to the deteriorating economic climate.

In the other Nordic markets, demand for wood stoves has fallen appreciably due to the general slowdown in the economy, with a resulting reluctance on the part of consumers to invest in durables.

In Germany, on the other hand, demand recovered significantly in comparison to the preceding year, which was abnormally weak. The increase in demand is partly explained by the serious concerns consumers have about rising energy prices.

Demand for wood stoves in France has been high in recent years, thanks to state grants for the purchase of these heating sources. The grants will continue in future years, but the level will be somewhat lower with effect from the beginning of 2009.

Overall in our principal markets we retain a very strong market position as a result of our consistent marketing efforts and direct distribution to a well-organised retail network. In addition, we have a broad product range that offers the combustion technology, environmental profile and design that the market wants.

Our new production facility in Markaryd came on stream during the year, and despite a slight dip in capacity in connection with the transfer to the new plant, delivery capacity has matched market demand. The plant will be fully up and running during 2009.

The cost-cutting programme adopted in autumn 2007 was fully implemented during the year at the same time as we adjusted inventory levels to market requirements. The fall in volume, substantial depreciation/amortisation costs on the new wood-stove factory and deteriorating profitability at our Polish manufacturing unit as a result of the changes in the exchange rate for the zloty have all combined to lead to a reduction in operating profit despite the cost reductions that have been implemented.

During the year production at Varde Ovne in Denmark was shut down and volume production was transferred to the new production plant in Markaryd, while the production of short series was outsourced to external suppliers.

At mid-year we acquired TermaTech A/S, Denmark, which is a full-range supplier of connecting flues and accessories for all types of wood stoves. These products complement the rest of the business area's range very well. TermaTech has annual sales of SEK 55 million and a pre-tax profit of SEK 8 million.

An option was signed during the year for the acquisition of Lotus Heating Systems A/S in 2010. Lotus is one of Denmark's leading manufacturers of sheet metal wood-stoves, with annual sales in the region of SEK 100 million.

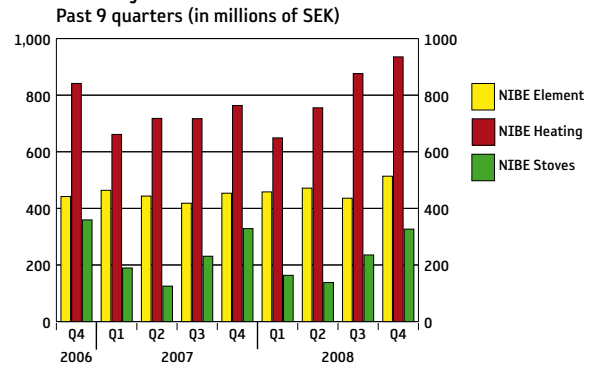
### Key figures - NIBE Stoves

		2008	2007
Net sales	MSEK	863.6	874.1
Growth	%	-1.2	-6.1
Operating profit	MSEK	96.2	114.8
Operating margin	%	11.1	13.1
Assets	MSEK	1,038.5	942.9
Liabilities	MSEK	680.6	593.0
Investm. (fixed assets)	MSEK	77.0	166.6
Depreciation	MSEK	33.3	24.2

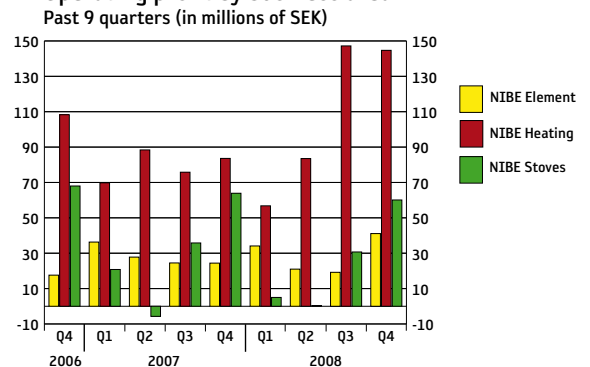
# DIAGRAMS Business Areas



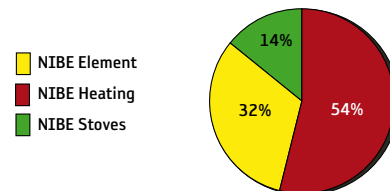
## Sales by business area



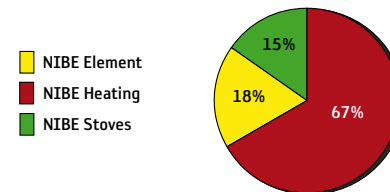
## Operating profit by business area



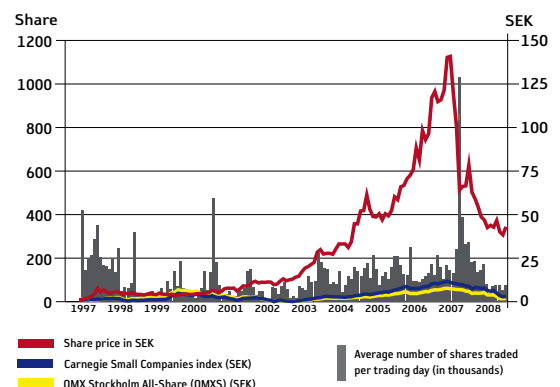
## Business areas' contribution to sales



## Business areas' contribution to profit



## NIBE share performance



# THE NIBE GROUP

## Financial trends



### Consolidated Income Statement

(in millions of SEK)	Group		Parent company	
	2008	2007	2008	2007
Net sales	5,810.5	5,402.5	2.4	2.4
Cost of goods sold	-4,108.7	-3,828.2	0.0	0.0
<b>Gross profit</b>	<b>1,701.8</b>	<b>1,574.3</b>	<b>2.4</b>	<b>2.4</b>
Selling expenses	-917.7	-838.2	0.0	0.0
Administrative expenses	-347.1	-292.3	-20.0	-19.3
Other income	188.3	84.2	0.1	0.8
<b>Operating profit</b>	<b>625.3</b>	<b>528.0</b>	<b>-17.5</b>	<b>-16.1</b>
Net financial items	-108.6	-83.0	203.0	194.5
<b>Profit after net financial items</b>	<b>516.7</b>	<b>445.0</b>	<b>185.5</b>	<b>178.4</b>
Tax	-140.6	-130.3	-0.1	0.0
<b>Net profit</b>	<b>376.1</b>	<b>314.7</b>	<b>185.4</b>	<b>178.4</b>
Minority participation in net profit	6.3	0.0	0.0	0.0
Incl. dep. according to plan as follows	188.3	163.7	0.1	0.1
Net profit per share*	3.94	3.35		

\*There are no programmes that lead to dilution.

### Consolidated Balance Sheet summary

(in millions of SEK)	Group		Parent company	
	2008.12.31	2007.12.31	2008.12.31	2007.12.31
Intangible assets	944.7	732.2	0.0	0.0
Tangible assets	1,500.5	1,374.4	0.1	0.1
Financial assets	63.3	35.7	1,947.6	1,627.6
<b>Total non-current assets</b>	<b>2,508.5</b>	<b>2,142.3</b>	<b>1,947.7</b>	<b>1,627.7</b>
Inventories	1,227.5	1,344.0	0.0	0.0
Current receivables	1,059.1	829.3	7.7	13.9
Current investments	2.3	0.0	0.0	0.0
Cash equivalents	349.3	207.9	10.5	2.8
<b>Total current assets</b>	<b>2,638.2</b>	<b>2,381.2</b>	<b>18.2</b>	<b>16.7</b>
<b>Total assets</b>	<b>5,146.7</b>	<b>4,523.5</b>	<b>1,965.9</b>	<b>1,644.4</b>
Equity	1,888.7	1,547.7	400.5	389.3
Untaxed reserves	0.0	0.0	0.1	0.1
Non-current liabilities and provisions non-interest bearing	246.9	210.2	0.0	0.0
interest bearing	1,971.2	1,866.5	1,461.4	1,161.6
Current liabilities and provisions non-interest bearing	859.1	760.3	5.1	13.9
interest bearing	180.8	138.8	98.8	79.5
<b>Total equity and liabilities</b>	<b>5,146.7</b>	<b>4,523.5</b>	<b>1,965.9</b>	<b>1,644.4</b>

### Change in equity

(in millions of SEK)	2008	2007
Equity brought forward	1,547.7	1,283.5
Shareholders' dividend	-108.0	-108.0
Market value of commercial future currency contracts after deductions for tax	-9.9	1.3
Exchange rate difference <sup>1)</sup>	82.2	56.2
Change in minority participations	0.6	0.0
Profit for year	376.1	314.7
<b>Equity carried forward <sup>2)</sup></b>	<b>1,888.7</b>	<b>1,547.7</b>
<b><sup>1)</sup> Breakdown of exchange rate diff. (MSEK)</b>	<b>2008</b>	<b>2007</b>
Translation of foreign subsidiaries	138.7	84.9
Loans to subsidiaries	14.9	-0.2
Currency hedge	-71.4	-28.5
<b>Total</b>	<b>82.2</b>	<b>56.2</b>

<sup>2)</sup> Minority participations were SEK 7.0 million at the end of the reporting period and SEK 0.0 million at the start at the financial year.

### Cash flow analysis

(in millions of SEK)	2008	2007
Cash flow from operating activities	480.0	439.5
Change in working capital	174.0	-399.4
Investment activities	-407.6	-404.1
Financing activities	-122.2	343.6
Exchange rate diff. in liquid assets	17.2	10.0
<b>Change in liquid assets</b>	<b>141.4</b>	<b>-10.4</b>

### Data per share \*)

	2008	2007	2006	2005	2004
Net profit per share (total 93,920,000 shares)	MSEK 3.94	3.35	3.74	1.94	2.97
Equity per share	MSEK 20.04	16.48	13.67	10.92	9.46
Closing day share price	MSEK 44.40	78.00	115.00	60.75	46.00

\*) All key figures per share have been recomputed to reflect the 4-for-1 share split

### Key figures

	2008	2007	2006	2005	2004
Growth	% 7.6	9.0	29.8	20.8	29.0
Operating margin	% 10.8	9.8	11.2	8.1	11.6
Profit margin	% 8.9	8.2	10.1	7.2	11.9
Investments in fixed assets	SEK m 407.6	404.1	526.4	375.7	305.1
Unappropriated liq. assets	SEK m 1,143.6	853.0	783.6	595.4	382.6
Working capital, incl cash and bank	SEK m 1,598.3	1,482.1	1,034.3	812.3	636.0
Interest-bearing liabilities/Equity	% 113.9	129.6	113.6	110.9	91.1
Solidity (Equity/Assets ratio)	% 36.7	34.2	32.9	33.0	35.7
Return on capital employed	% 17.1	17.2	22.9	16.4	27.1
Return on equity	% 21.3	22.6	31.3	20.4	34.8

For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2007.

# QUARTERLY DATA



## Consolidated Income Statement

(in millions of SEK)	2008				2007				2006
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Net sales	1,236.5	1,329.7	1,517.5	1,726.8	1,284.8	1,247.3	1,337.2	1,533.2	1,620.2
Operating expenses	-1,143.3	-1,229.9	-1,324.5	-1,487.5	-1,162.0	-1,142.5	-1,204.7	-1,365.3	-1,429.4
<b>Operating profit</b>	<b>93.2</b>	<b>99.8</b>	<b>193.0</b>	<b>239.3</b>	<b>122.8</b>	<b>104.8</b>	<b>132.5</b>	<b>167.9</b>	<b>190.8</b>
Net financial expenses	-23.0	-26.0	-31.9	-27.7	-14.1	-18.6	-24.4	-25.9	-15.4
<b>Profit after net financial expenses</b>	<b>70.2</b>	<b>73.8</b>	<b>161.1</b>	<b>211.6</b>	<b>108.7</b>	<b>86.2</b>	<b>108.1</b>	<b>142.0</b>	<b>175.4</b>
Tax	-21.8	-20.8	-44.6	-53.4	-31.1	-23.6	-37.2	-38.4	-53.2
<b>Net profit</b>	<b>48.4</b>	<b>53.0</b>	<b>116.5</b>	<b>158.2</b>	<b>77.6</b>	<b>62.6</b>	<b>70.9</b>	<b>103.6</b>	<b>122.2</b>

## Net Sales – Business Areas

(in millions of SEK)	2008				2007				2006
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	458.2	471.5	435.9	513.7	463.8	443.5	418.2	453.6	441.8
NIBE Heating	649.1	755.5	876.4	935.4	661.3	717.9	717.1	763.6	841.5
NIBE Stoves	163.5	138.0	235.4	326.7	189.4	125.2	230.9	328.6	359.3
Elimination of Group transactions	-34.3	-35.3	-30.2	-49.0	-29.7	-39.3	-29.0	-12.6	-22.4
<b>Group</b>	<b>1,236.5</b>	<b>1,329.7</b>	<b>1,517.5</b>	<b>1,726.8</b>	<b>1,284.8</b>	<b>1,247.3</b>	<b>1,337.2</b>	<b>1,533.2</b>	<b>1,620.2</b>

## Operating profit – Business Areas

(in millions of SEK)	2008				2007				2006
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	34.1	21.0	19.2	41.1	36.3	27.8	24.5	24.4	17.6
NIBE Heating	56.8	83.5	147.2	144.7	69.8	88.4	75.8	83.6	108.3
NIBE Stoves	5.0	0.4	30.7	60.1	20.8	-5.7	35.8	63.9	68.0
Elimination of Group transactions	-2.7	-5.1	-4.1	-6.6	-4.1	-5.7	-3.6	-4.0	-3.1
<b>Group</b>	<b>93.2</b>	<b>99.8</b>	<b>193.0</b>	<b>239.3</b>	<b>122.8</b>	<b>104.8</b>	<b>132.5</b>	<b>167.9</b>	<b>190.8</b>

## Accounting principles

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). The summary of the Annual Report for 2008 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this summary are described in the company's Annual Report for 2007 (pp. 52–55). The IFRS standards that came into force in 2008 have had no effect on this summary. Reporting for the parent company follows the Swedish Annual Accounts Act and recommendation RFR 2.1 of the Swedish Financial Reporting Board, "Accounting for Legal Entities".

For transactions with related parties, the principles applied are the same as those described on page 53 of the company's Annual Report for 2007.

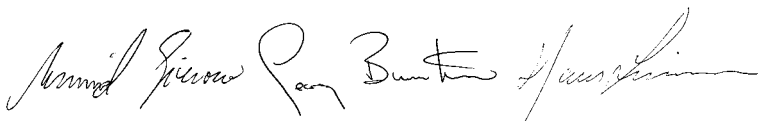
## Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 20 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 form a natural part of continuous follow-up 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 2007.



This summary of the annual report for 2008 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.

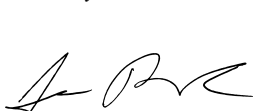
Markaryd, Sweden – 13 February 2009



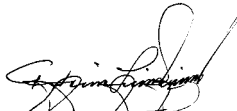
Arvid Gierow  
Chairman of the Board

Georg Brunstam  
Director

Hans Linnarson  
Director



Arne Frank  
Director



Gerteric Lindquist  
Director  
CEO

### Auditor's report – Review of interim report

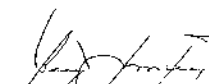
We have reviewed the financial information in the summary of the annual report for NIBE Industrier AB (publ) for the period 1 January to 31 December 2008. Management is responsible for the preparation and presentation of this financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this summary based on our review.

We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 if an audit were to be carried out. 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 company's annual report does not, in all material respects and in accordance with IAS 34, give an accurate picture of the company's financial position as per 31 December 2008, and of the company's financial earnings and cash flow for the twelve-month period up to that date.

Markaryd, Sweden – 13 February 2009

SET Revisionsbyrå AB



Bengt Ekenberg  
Authorised Public Accountant

The information in this summary of the company's annual report is that which NIBE Industrier AB is required by Swedish law to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was released to the media for publication at 08.30 CET on 13 February 2009.

If you have any questions with regard to this financial report, please contact:  
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gerteric.lindquist@nibe.se  
Leif Gustavsson, CFO  
leif.gustavsson@nibe.se

**NIBE**

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