

NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 9,192.3 million (Q1-Q4 2011 8,139.8 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 1,007.6 million (SEK 941.2 million)
- **PROFIT AFTER TAX** was SEK 765.7 million (SEK 691.5 million)
- **EARNINGS** per share were SEK 6.95 (SEK 6.87)
- **THE BOARD PROPOSES** a dividend of SEK 2.00/share (SEK 2.00/share)
- **ACQUISITION OF**
 - remaining 1.3% stake in the Schulthess Group AG, Switzerland
 - 70% stake in Akvaterm Oy, Finland
 - element operations of Springfield Wire Inc., USA
 - 60% of shares in the Stovax Heating Group Ltd, UK (2013)
 - Eltwin Group, Denmark (2013)

Summary of Annual Report 2012



Gerteric Lindquist
Managing Director and CEO

Chief Executive's Report

Stable margins and resolute internationalisation – despite a weaker second half

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%.

Calendar

19 February 2013

11.00 (C.E.T.) Telephone conference (in English). The CEO presents the summary of the annual report by phone and answers questions.
Tel. +46 (0)8-505 564 76

April 2013

Annual Report 2012

15 May 2013

Interim Report Jan – March 2013
Annual General Meeting

16 August 2013

Interim Report Jan – June 2013

15 November 2013

Interim Report Jan – Sept 2013

Group sales rose by 12.9% in 2012. However, as acquired growth for the year amounted to 19.4%, this means that sales contracted by 6.5% in organic terms. In 2011 sales rose by 25.0% and organic sales by 4.6%.

Demand has fluctuated wildly over the past year. There were already signs of a slowdown back in the fourth quarter of 2011, but the market recovered somewhat in the first six months of 2012 and even generated some organic growth. In the third quarter, however, the downturn was unmistakable with a 13% fall in organic sales. This was then followed by a 11% fall in organic sales in the fourth quarter. The effect of the decrease in volumes was compounded by the negative impact on earnings of a strong Swedish krona.

There has been a marked downturn in the vast majority of markets and in most product segments. Nevertheless, Central Europe – Germany, in particular – Eastern Europe and North America have proved to be relatively robust in withstanding the economic headwinds.

In contrast, the Swedish market has seen the greatest drop in demand compared with 2011 in all three business areas. Not since the early 1990s has demand been so weak in our segments of the domestic market. The main reasons for this are the extremely low number of new builds, lower electricity prices and, of course, the financial uncertainty that has rattled nerves throughout the year.

It is gratifying, therefore, to be able to report that we have succeeded in improving our own market shares despite the worrying market situation both here at home and internationally. The main reasons for this success are good quality, a consistent distribution strategy and a product range offering outstanding technical performance.

In late autumn the Swedish Energy Agency published the results of extensive tests of the ground-source/geothermal heat pumps and exhaust-air heat pumps on the domestic market. The findings clearly demonstrate that NIBE ground-source, geothermal and exhaust-air heat pumps perform best in the vast majority of benchmark tests and offer homeowners the best value for money.

In view of the weak market trends we have successively adapted production capacity and reduced our fixed costs. Neither of these measures, however, has necessitated any reduction in our R&D or sales workforce.

Stockbuilding for NIBE Energy Systems and NIBE Stoves, which traditionally takes place over the first six months in order to meet peak-season demand in the second half of the year, was less extensive in 2012. Instead there was a greater focus on introducing more flexible seasonal working hours for production staff. The results of this modified approach to production needs have been so positive in terms of productivity and delivery reliability that we intend to continue with this system in the future.

Despite the challenging market situation we have continued to pursue our strategy of expanding our business

through international acquisitions.

NIBE signed an agreement to acquire the Eltwin Group, a Danish industrial electronics manufacturer, in June 2012, and in August NIBE acquired 70% of the shares in the Finnish accumulator tank manufacturer, Akvaterm.

Shortly before the end of the year we took over the element manufacturing business of the US company, Springfield Wire, and at the end of January this year we acquired a 60% stake in the Stovax Heating Group in the UK.

These four acquisitions, which are described in more detail on the following page, are all strategically appropriate and have the added advantage of making NIBE less vulnerable to fluctuations in demand in the Swedish market.

Operating profit improved by 5.0% compared with 2011, while the operating margin of 11.3% was lower than the previous year's figure of 12.2%. The strong Swedish krona had a negative effect on the year's operating profit, but it should also be noted that earnings for 2011 were charged with SEK 61.8 million in acquisition costs as opposed to a figure of just SEK 14.5 million in 2012.

Profit after net financial items improved by 7.1%, but the profit margin of 11.0% was below the level of 11.6% reported in 2011. Net financial items in 2012 were affected positively by exchange rate gains of SEK 27.8 million relating to the repayment of bank loans in foreign currencies. Exchange rate gains for 2011 totalled SEK 16.3 million.

In connection with the acquisition of the Schulthess Group, a target was set to achieve synergy effects totalling SEK 84 million before the end of 2013. Following synergy effects of just over SEK 30 million on the Group's operating profit in 2012, we now anticipate achieving around a further SEK 30 million in synergies in 2013 and the remainder during the course of 2014.

Outlook for 2013

Our corporate philosophy and our product programme with their focus on sustainability and saving energy are well suited to the times in which we are living.

In terms of markets, most of our exposure is towards countries with strong economies.

Our financial position remains robust, which means that we are well placed to make new acquisitions.

While we wait for demand to pick up once again, our operational focus will be on defending our margins through continual initiatives to improve productivity and by observing great caution with regard to our fixed costs.

Markaryd, Sweden – 19 February 2013

Gerteric Lindquist
Managing Director and CEO

Sales

Group net sales for 2012 totalled SEK 9,192.3 million (2011: SEK 8,139.8 million). This represents overall growth of 12.9%. Acquired sales accounted for SEK 1,577.8 million or 19.4% of the total growth in sales, which means that organic growth for the reporting period fell by 6.5%.

Earnings

Profit for the year after net financial items was SEK 1,007.6 million. Compared with the figure of SEK 941.2 million for 2011, this equates to growth in earnings of 7.1%. Profit for the year has been charged with acquisition expenses of SEK 14.5 million, compared to a figure of SEK 61.8 million in 2011. Net financial items for the year were affected positively by exchange gains of SEK 27.8 million (SEK 16.3 million) relating to the repayment of bank loans in foreign currencies. Growth in earnings was 0.8% after adjustments for the effects of these balance sheet items.

The Swedish parliament's decision to reduce corporate tax from 26.3% to 22.0% during the year has had a positive effect of SEK 6.6 million on the profit after tax.

Return on equity was 15.8% (19.9%).

Acquisitions

In April NIBE acquired the remaining 1.3% of shares in the Schulthess Group AG for a consideration of SEK 58.6 million through a process of compulsory redemption. In part-payment for 40% of this consideration, a directed issue of 214,201 new class B shares at SEK 102.00 per share was made on 20 April. The remaining 60% was paid in cash. The new issue has raised the total number of NIBE shares to 110,253,638.

In June NIBE reached an agreement to acquire the Eltwin Group (Denmark), which produces steering and control technology for the energy sector. Eltwin reports annual sales of some SEK 85 million and an operating margin of approximately 9%. It will be consolidated into the NIBE Element business area with effect from March 2013.

In August NIBE acquired 70% of the shares in Akvaterm Oy (Finland), a manufacturer of accumulator tanks. Akvaterm has annual sales of approximately SEK 60 million and an operating margin of around 15%. It was consolidated into the NIBE Energy Systems business area in September. Agreement has been reached to acquire the remaining 30% stake in 2015. The acquisition values are provisional.

At the end of December NIBE acquired the element manufacturing operations of Springfield Wire Inc. (USA), with annual sales of approximately SEK 330 million and an operating margin of approximately 4%. The main focus of business activities, which are carried out in the USA, Mexico and China, is the manufacture of tubular elements for use in white goods and various industrial applications. The North American units will be integrated into the NIBE Group's existing operations, while the Chinese business will continue to function independently. Operations were consolidated into the NIBE Element business area on 31 December. The acquisition values are provisional.

Important events after the end of the year

At the end of January 2013 NIBE acquired a 60% stake in the English wood-stove manufacturer, Stovax Heating Limited, which has annual sales of some SEK 380 million and an operating margin of approximately 15%. With a product range that includes both wood-fired and gas-fired stoves, Stovax commands a leading position in its domestic market. Stovax operations will be consolidated into the NIBE Stoves business area with effect from February 2013. Agreement has also been reached on the acquisition of the remaining 40% of shares in the company in 2016.

Investments

Group investments for the year amounted to SEK 477.5 million (SEK 5,560.2 million). A total of SEK 226.0 million of this sum relates to corporate acquisitions (SEK 5,226.8 million), while the remaining SEK 251.5 million (SEK 333.4 million) is mainly investments in machinery and equipment in existing operations.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 1,072.5 million (SEK 882.2 million). Cash flow after changes in working capital was SEK 1,019.3 million (SEK 1,120.1 million).

Interest-bearing liabilities at the end of 2012 totalled SEK 4,434.8 million, compared with SEK 4,850.3 million at the start of the year.

At the end of the year, the Group had liquid funds of SEK 1,710.1 million as against SEK 1,659.8 million at the start of the year.

The equity/assets ratio at the year-end was 42.6%, compared with 38.2% at the start of the year.

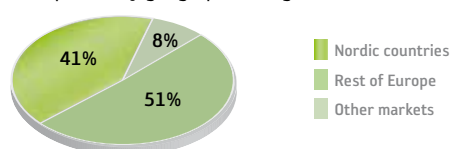
Parent

Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the year amounted to SEK 4.9 million (SEK 3.1 million) and profit after financial items was SEK 600.7 million (SEK 255.8 million). At the year-end, the parent company had liquid funds of SEK 480.7 million, compared with SEK 403.1 million at the start of the year.

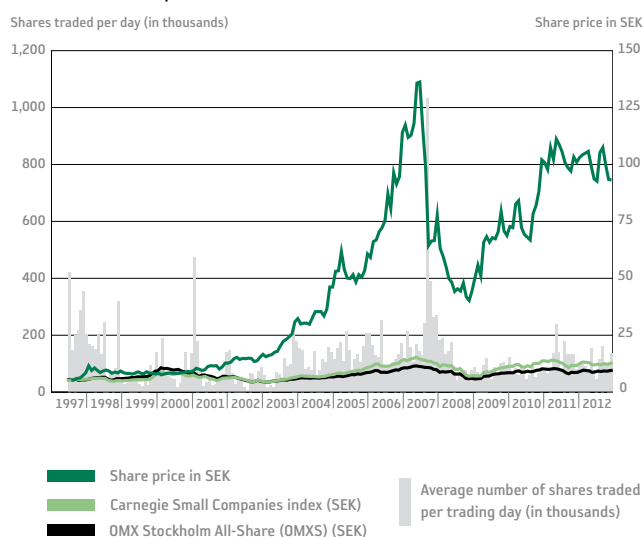
Key Figures – Group

		2012	2011
Net sales	SEK m	9,192.3	8,139.8
Growth	%	12.9	25.0
of which acquired	%	19.4	20.4
Operating profit	SEK m	1,041.3	991.3
Operating margin	%	11.3	12.2
Profit after net financial items	SEK m	1,007.6	941.2
Profit margin	%	11.0	11.6
Equity/assets ratio	%	42.6	38.2
Return on equity	%	15.8	19.9

Group sales by geographical region



NIBE share performance



Sales and profits

Sales for the year totalled SEK 5,901.1 million, compared with SEK 4,987.7 million in 2011. This is an increase of SEK 913.4 million, but as this includes SEK 1,210.8 million from sales in acquired businesses, it means that organic growth for the year was negative and fell by 6.0%

Operating profit totalled SEK 810.8 million, compared with SEK 770.8 million in 2011. The operating margin was 13.7% compared with a figure of 15.5% for the previous year.

Year in brief

Throughout 2012, alongside work to adapt operations to developments in our various European markets, much of the focus was on integrating the Schulthess Group's business activities in order to achieve the desired synergies after our acquisition of Schulthess in 2011.

Demand in the European heat-pump market fluctuated greatly over the year, not only from month to month, but also from country to country. The economic downturn, financial uncertainty and low levels of new construction all had a negative effect on sales trends. There was, however, some growth in the markets in Eastern Europe and Germany, while those in Central Europe and the Nordic countries – with the exception of Sweden – remained fairly stable. Thanks to an increased market presence and a strong, all-round offer, we were able to increase sales in most of our chosen markets outside Sweden.

Most surprising, perhaps, is that the steepest drop in demand was seen in Sweden, which is currently considered to have one of Europe's most robust economies. After a weak start to the year, followed by signs of a recovery in the second quarter, sales of heat pumps suddenly plummeted by almost 30% in the second half of the year. New builds of single-family homes have fallen to a level not seen since the recession of 1992–94 and the replacement market has contracted significantly at the same time. On the positive side, however, we have succeeded in increasing our market share in all product segments, and our overall share of the market in Sweden is higher now than it has ever been.

The market for traditional water heaters and for district-heating products has remained more or less stable both in the Nordic countries and in the rest of Europe, whereas demand for pellet-fired products and conventional domestic boilers is still very sluggish. Tougher energy-efficiency requirements in Europe

are driving demand for heat-pump installations for hot water, which presents the business area with good opportunities for future growth.

Weak sales trends, particularly in Sweden, together with the effects of a stronger Swedish krona, have had a negative impact on both sales and operating profit. Despite this, our success in consistently matching production capacity to demand and keeping a firm grip on fixed costs means that we have been able to limit the effects on the business area's operating margin.

Our expansion strategy remains unchanged and we are continuing to invest wholeheartedly in product and market development, with particular emphasis on climate-controlled system solutions for heating, cooling, ventilation and energy recovery.

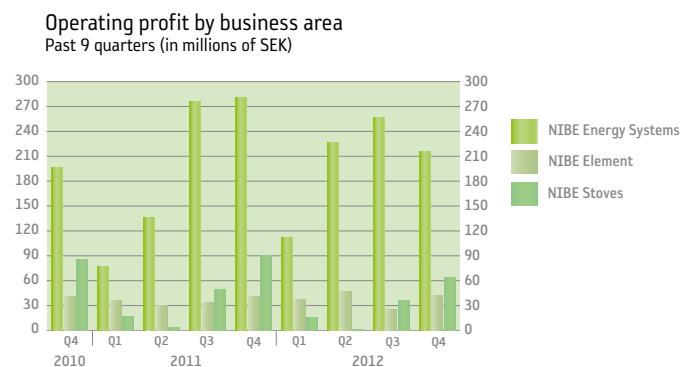
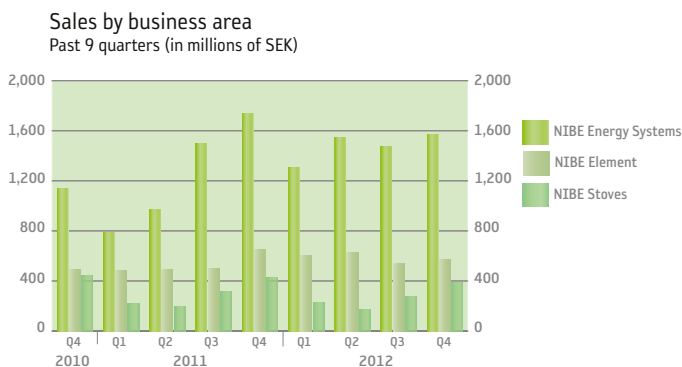
Towards the end of the year the Swedish Energy Agency published detailed test reports for ground-source/geothermal heat pumps and exhaust-air heat pumps. NIBE heat pumps emerged as the undisputed best choice for homeowners, with the highest scores in most of the functions and features tested. Such clear evidence that our products are first-class in terms of sophistication and performance confirms the soundness of our product development strategy.

The acquisition of a stake in the Finnish accumulator tank manufacturer, Akvaterm Oy, in August showed positive results during the autumn. Accumulator tanks, with their ability to store heat effectively regardless of the original heat source, are becoming an increasingly important component in heating systems.

NIBE Energy Systems

Key Figures		2012	2011
Net sales	SEK m	5,901.1	4,987.7
Growth	%	18.3	33.9
Operating profit	SEK m	810.8	770.8
Operating margin	%	13.7	15.5
Assets	SEK m	8,108.3	8,187.3
Liabilities	SEK m	7,069.0	7,098.0
Investments (fixed assets)	SEK m	176.2	191.7
Depreciation	SEK m	247.0	167.8

Business Area Trends



Sales and profits

Sales for the year totalled SEK 2,336.8 million, compared with SEK 2,124.1 million in 2011. This is an increase of SEK 212.7 million, but as this includes SEK 367.0 million from sales in acquired businesses, it means that organic growth for the year was negative and fell by 7.3%

Operating profit totalled SEK 151.3 million, compared with SEK 141.3 million in 2011. The operating margin was 6.5% compared with a figure of 6.7% for the previous year.

Year in brief

During 2012, thanks to a number of new strategic acquisitions, we continued to move ever closer towards our goal of becoming a global supplier with an all-round range.

The takeover of element manufacturing operations in Springfield Wire Inc. in the USA towards the end of the year strengthened our position as one of the absolute front runners among North American heating element manufacturers. The work of integration has already begun by coordinating production in Springfield Wire's US and Mexican plants with NIBE's existing operations in North America.

In June agreement was reached on the acquisition of the Danish Eltwin Group, which develops, manufactures and sells industrial electronics, thus fulfilling our ambition to complement our product range with energy measuring and control technologies. R&D collaboration with Eltwin has already commenced and is making very good progress. During the autumn Eltwin has invested in building up its manufacturing unit for volume products in Poland and, under the terms of the agreement, will not be consolidated into the NIBE Group until 2013.

In the first quarter of 2012 NIBE acquired Strukturgruppen AB, a well-established Swedish supplier of industrial electric applications to customers in the Nordic region.

Sales on the international element market fluctuated wildly during the year. After a slow start, demand rose sharply in the second quarter only to fall back again in the final six months of the year. The downturn was greatest in Northern and Southern Europe, with demand in Central Europe remaining somewhat more stable. In North America, however, sales were much brisker.

The main reason for the drop in demand is the widespread downturn in industrial production. However, this was compounded by weaker than anticipated second-half sales of a number of products in the indoor comfort segment

after what had appeared to be a recovery around the middle of the year. We believe that these declining sales are linked to the poor performance of the construction sector and the increased pressure that some of our customers are experiencing from low-price competition. In contrast, project-related operations, mostly for the oil and gas industries, developed positively over the year.

Sales of resistors, a product area that serves many customers who are active in the energy-saving and renewable energy segments, also slowed and fell as the year progressed, mostly as a result of downward trends for the wind power industry.

Production capacity has been adapted to these lower levels of demand and measures have been taken to reduce fixed costs. Nevertheless, we remain steadfast in our resolve to pursue an aggressive marketing and product development strategy. We have therefore continued our commitment to R&D work and launched new products with an enhanced system content, gradually increasing the proportion of products that, in addition to the heating elements themselves, incorporate functions for measuring and control.

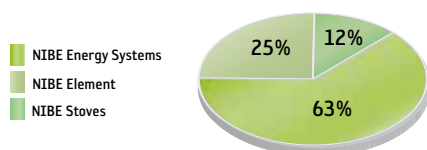
Work also continued to integrate the companies acquired in 2011. This involved, for example, turning the various North American plants into specialist units and merging operations in China. While these measures delivered the positive results we had expected, earnings for the year were undermined by the steep fall in volumes during the autumn.

In view of the current turmoil around raw material prices and exchange rates and the effect this has on pricing and competitiveness, it is an advantage for us to have production units in different currency zones. Even so, the rise in value of the Swedish krona has had a negative effect on both sales and earnings.

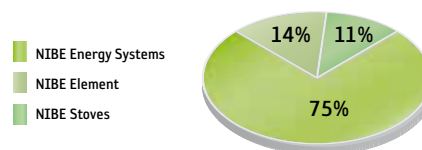
NIBE Element

Key Figures		2012	2011
Net sales	SEK m	2,336.8	2,124.1
Growth	%	10.0	20.7
Operating profit	SEK m	151.3	141.3
Operating margin	%	6.5	6.7
Assets	SEK m	2,425.0	2,354.1
Liabilities	SEK m	2,244.8	2,192.0
Investments (fixed assets)	SEK m	82.9	76.7
Depreciation	SEK m	79.5	65.3

Business area contributions to sales



Business area contributions to profit



Sales and profits

Sales for the year totalled SEK 1,064.4 million, compared with SEK 1,153.0 million in 2011. As there were no acquisitions to affect comparisons, this means that organic growth for the year was negative and fell by SEK 88.6 million or 7.7%

Operating profit totalled SEK 115.8 million, compared with SEK 161.4 million in 2011. The operating margin was 10.9% compared with a figure of 14.0% for the previous year.

Year in brief

Despite tough market conditions we increased our share of all our major markets in 2012. Much of this success is attributable to our consistent approach to marketing through a strong European network of dealers and agents, but also to our frequent launches of new products.

Widespread financial uncertainty, compounded by historically low levels of construction in Sweden and several of our other most important markets, plus an unusually mild autumn and early winter, had a negative effect on sales of wood-stove products throughout virtually all of Europe.

The decline was most noticeable in Sweden, where consumers are showing great reluctance to invest in capital goods and home renovation projects. Also, since it has become increasingly common to install wood-stoves in new builds, the steep decline in the number of new homes under construction has also affected sales badly. Nevertheless, despite the gravity of this state of affairs, we succeeded in defending our share of the Swedish market in 2012.

The situation is similar in most of our other markets. The exception here is Germany, where sales remained relatively good and volumes were fairly stable throughout the year.

We adapted production capacity to meet lower levels of incoming orders while also taking advantage of the opportunity to build up and maintain optimum stock levels to safeguard our delivery commitments for new and old models during the busy autumn period.

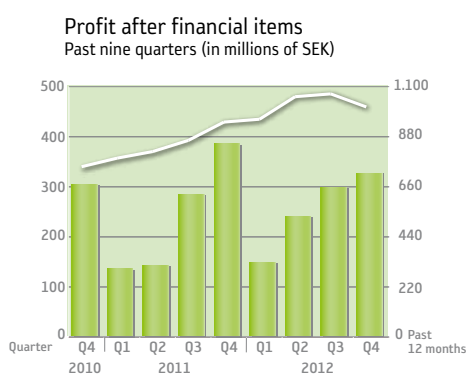
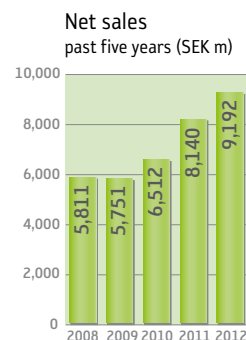
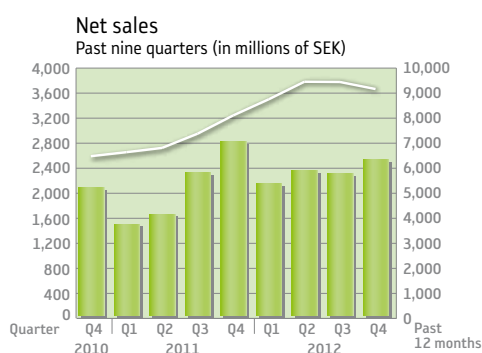
In terms of earnings, despite the adjustments in capacity and an unwavering focus on costs throughout the year, we were still unable to fully compensate for the fall in sales volumes. As a result, our operating margin declined slightly. Even so, we chose not to deviate from our long-term expansion strategy of investing in product development and marketing. That this is, indeed, the right strategy to pursue would seem to be confirmed by the fact that all of the new products we launched during the first six months of the year were received very positively by the market.

We took a new step in our expansion strategy in January 2013 by acquiring a 60% stake in the English wood-stove manufacturer, Stovax Heating Limited, which is the number one name in its field in the UK. In addition to annual sales of some SEK 380 million, an operating margin of 15% and a position as the UK market leader, Stovax also brings to the NIBE Group new technology in the form of a large range of gas-fired products. The remaining 40% of shares in the company will be acquired in 2016.

NIBE Stoves

Key Figures		2012	2011
Net sales	SEK m	1,064.4	1,153.0
Growth	%	- 7.7	0.8
Operating margin	SEK m	115.8	161.4
Operating margin	%	10.9	14.0
Assets	SEK m	1,037.6	1,074.3
Liabilities	SEK m	525.5	553.4
Investments (fixed assets)	SEK m	21.0	38.8
Depreciation	SEK m	42.0	41.4

Group Financial Trends



Income statements

	Group				Parent	
	Q 4 2012	Q 4 2011	2012	2011	2012	2011
(in millions of SEK)						
Net sales	2,496.0	2,777.3	9,192.3	8,139.8	4.9	3.1
Cost of goods sold	- 1,608.7	- 1,827.0	- 6,032.1	- 5,341.7	0.0	0.0
Gross profit	887.3	950.3	3,160.2	2,798.1	4.9	3.1
Selling expenses	- 455.8	- 452.0	- 1,709.4	- 1,429.3	0.0	0.0
Administrative expenses	- 144.0	- 152.8	- 540.3	- 527.1	- 27.1	- 33.9
Other income	19.8	54.1	130.8	149.6	0.1	0.0
Operating profit	307.3	399.6	1,041.3	991.3	- 22.1	- 30.8
Net financial items	18.9	- 16.1	- 33.7	- 50.1	622.8	286.6
Profit after net financial items	326.2	383.5	1,007.6	941.2	600.7	255.8
Appropriations	0.0	0.0	0.0	0.0	- 1.1	0.0
Tax	- 71.7	- 113.1	- 241.9	- 249.7	- 1.3	- 1.4
Net profit	254.5	270.4	765.7	691.5	598.3	254.4
Net profit attributable to						
Parent shareholders	254.5	270.4	765.7	691.1	598.3	254.4
Non-controlling interest	0.0	0.0	0.0	0.4	0.0	0.0
Net profit	254.5	270.4	765.7	691.5	598.3	254.4
<i>Includes depreciation according to plan as follows</i>	93.0	92.6	368.4	274.5	0.0	0.0
<i>Net profit per share in SEK*</i>	2.31	2.46	6.95	6.87		
<i>*There are no programmes that entail dilution</i>						
Net profit	254.5	270.4	765.7	691.5	598.3	254.4
Other recognised income						
Cash flow hedges	- 7.1	6.5	1.5	- 8.4	0.0	0.0
Hedge of net investment	- 90.8	110.8	69.9	197.7	68.6	201.6
Exchange differences	140.7	- 245.2	- 192.8	- 370.3	0.0	0.0
Tax attributable to other recognised income	37.0	- 25.6	- 6.9	- 49.6	- 6.3	- 53.0
Total other recognised income	79.8	- 153.5	- 128.3	- 230.6	62.3	148.6
Total recognised income	334.3	116.9	637.4	460.9	660.6	403.0
Total recognised income attributable to						
Parent shareholders	334.3	117.0	637.4	460.6	660.6	403.0
Non-controlling interest	0.0	- 0.1	0.0	0.3	0.0	0.0
Total recognised income	334.3	116.9	637.4	460.9	660.6	403.0

Balance Sheet summaries

	Group		Parent	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
(in millions of SEK)				
Intangible assets	5,598.2	5,642.4	0.0	0.0
Tangible assets	1,880.8	1,897.6	0.0	0.0
Financial assets	133.8	135.5	7,148.9	6,991.8
Total non-current assets	7,612.8	7,675.5	7,148.9	6,991.8
Inventories	1,685.0	1,679.6	0.0	0.0
Current receivables	1,338.8	1,377.7	22.9	14.5
Cash equivalents	934.3	1,007.1	80.7	203.1
Total current assets	3,958.1	4,064.4	103.6	217.6
Total assets	11,570.9	11,739.9	7,252.5	7,209.4
Equity	4,926.0	4,487.2	3,119.4	2,657.4
Untaxed reserves	0.0	0.0	1.1	0.0
Non-current liabilities and provisions, non-interest bearing	889.8	937.1	187.5	152.4
Non-current liabilities and provisions, interest bearing	3,930.8	4,320.5	3,530.0	3,946.3
Current liabilities and provisions, non-interest bearing	1,320.3	1,465.3	29.7	72.5
Current liabilities and provisions, interest bearing	504.0	529.8	384.8	380.8
Total equity and liabilities	11,570.9	11,739.9	7,252.5	7,209.4

Key figures		2012	2011	2010	2009	2008
Growth	%	12.9	25.0	13.2	- 1.0	7.6
Operating margin	%	11.3	12.2	12.2	11.0	10.8
Profit margin	%	11.0	11.6	11.4	9.8	8.9
Investments in fixed assets	SEK m	477.5	5,560.2	405.9	217.9	407.6
Unappropriated liquid assets	SEK m	1,710.1	1,659.8	1,664.1	1,572.3	1,143.6
Working capital, incl. cash and bank as share of net sales	SEK m %	2,133.8 23.2	2,069.2 25.4	1,308.7 20.1	1,315.0 22.9	1,598.3 27.5
Working capital, excl. cash and bank as share of net sales	SEK m %	1,199.5 13.0	1,062.2 13.0	899.1 13.8	965.8 16.8	1,249.0 21.5
Interest-bearing liabilities/Equity	%	90.0	108.1	45.6	69.4	113.9
Solidity (Equity/Assets ratio)	%	42.6	38.2	48.2	45.7	36.7
Return on capital employed	%	11.8	16.0	22.2	16.8	17.1
Return on equity	%	15.8	19.9	23.4	20.2	21.3
Net debt/EBITDA	times	2.5	3.0	0.7	1.4	2.2
Interest coverage ratio	times	11.1	10.7	11.8	7.3	4.8

Data per share		2012	2011	2010	2009	2008
Net profit per share ¹⁾ (total 110,253,638 shares)	SEK	6.95	6.87	5.84	4.36	3.94
Equity per share	SEK	44.68	40.78	26.34	23.24	20.04
Closing day share price	SEK	93.75	101.75	102.75	69.00	44.40

1) Directed issue of 214,201 shares in April 2012. Net profit per share has been calculated on a weighted average of the number of shares outstanding. The average number of shares was 110,182,238 in 2012 and 100,636,432 in 2011.

Statement of cash flow

(in millions of SEK)	2012	2011
Cash flow from operating activities	1,072.5	882.2
Change in working capital	- 53.2	237.9
Investment activities*	- 477.5	- 3,815.2
Financing activities*	- 586.8	3,300.9
Exchange rate difference in liq. ass.	- 27.8	- 8.2
Change in liquid assets	- 72.8	597.6

* The previous year's investments were financed in part by a non-cash issue that was recognised net in the statement of cash flow.

Change in equity

(in millions of SEK)	2012	2011
Equity brought forward	4,487.2	2,482.7
Directed issue	21.8	1,744.9
Transaction expenses, new issue	0.0	- 3.8
Shareholders' dividend	- 220.5	- 164.4
Forfeited shareholder dividends*	0.1	0.0
Dividend to non-controlling interests	0.0	- 0.6
Acquisition of participations from non-controlling interests	0.0	- 32.5
Total recog. income for the period	637.4	460.9
Equity carried forward	4,926.0	4,487.2

* Dividends from 2002 that have not been redeemed and have therefore expired.

Quarterly data

Consolidated Income Statements

(in millions of SEK)	2012				2011				2010
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
Net sales	2,106.7	2,318.4	2,271.2	2,496.0	1,462.3	1,618.6	2,281.6	2,777.3	2,047.3
Operating expenses	- 1,948.9	- 2,054.5	- 1,958.9	- 2,188.7	- 1,337.2	- 1,466.6	- 1,967.0	- 2,377.7	- 1,732.0
Operating profit	157.8	263.9	312.3	307.3	125.1	152.0	314.6	399.6	315.3
Net financial expenses	- 11.4	- 24.6	- 16.6	18.9	8.8	- 11.6	- 31.2	- 16.1	- 12.2
Profit after net financial expenses	146.4	239.3	295.7	326.2	133.9	140.4	283.4	383.5	303.1
Tax	- 38.1	- 59.5	- 72.6	- 71.7	- 33.8	- 36.6	- 66.2	- 113.1	- 74.7
Net profit	108.3	179.8	223.1	254.5	100.1	103.8	217.2	270.4	228.4

Net Sales – Business Areas

(in millions of SEK)	2012				2011				2010
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
NIBE Energy Systems	1,303.4	1,548.8	1,477.8	1,571.1	784.4	969.7	1,498.5	1,735.1	1,142.1
NIBE Element	603.8	624.2	540.5	568.1	483.3	490.7	500.0	650.1	493.9
NIBE Stoves	226.0	175.9	276.5	386.0	222.1	192.4	313.9	424.6	443.2
Elimination of Group transactions	- 26.5	- 30.7	- 23.6	- 29.2	- 27.5	- 34.2	- 30.8	- 32.5	- 31.9
Group	2,106.7	2,318.4	2,271.2	2,496.0	1,462.3	1,618.6	2,281.6	2,777.3	2,047.3

Operating profit – Business Areas

(in millions of SEK)	2012				2011				2010
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 4
NIBE Energy Systems	111.6	226.6	256.7	215.9	77.1	136.6	275.9	281.2	196.8
NIBE Element	37.0	46.6	25.7	42.0	36.2	30.1	33.7	41.3	40.8
NIBE Stoves	15.1	0.4	35.9	64.4	17.1	3.9	49.7	90.7	86.1
Elimination of Group transactions ¹⁾	- 5.9	- 9.7	- 6.0	- 15.0	- 5.3	- 18.6	- 44.7	- 13.6	- 8.4
Group	157.8	263.9	312.3	307.3	125.1	152.0	314.6	399.6	315.3

* Including acquisition expenses.

Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's year-end report for 2012 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting policies as those adopted for this report are described in the company's Annual Report for 2011 (pp. 66–68). Reporting for the parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ("Reporting for Legal Entities"). In the case of transactions with associates, the same accounting policies apply as those described on page 67 of the company's Annual Report for 2011.

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 40 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 continual 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 2011.

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

Markaryd, Sweden – 19 February 2013



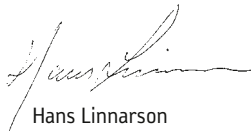
Arvid Gierow
Chairman of the Board



Georg Brunstam
Director



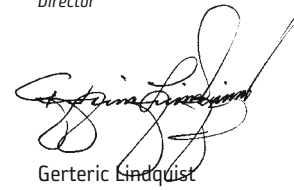
Eva-Lotta Kraft
Director



Hans Linnarson
Director



Anders Pålsson
Director



Gerteric Lindquist
Managing Director & CEO

Auditor's review of year-end report

We have reviewed the financial report for NIBE Industrier AB (publ) for the period 1 January to 31 December 2012. The company's Board of Directors and the CEO are responsible for the preparation and presentation of this report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this year-end report based on our review.

Focus and scope of the review

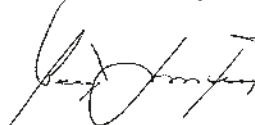
We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and 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 International Standards on Auditing, ISA 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this year-end report does not, in all material respects, accord with IAS 34 and the Swedish Annual Accounts Act as far as the consolidated accounts are concerned, and in accordance with the Swedish Annual Accounts Act as far as the financial accounts for the parent are concerned.

Markaryd, Sweden – 19 February 2013

Mazars SET Revisionsbyrå AB



Bengt Ekenberg
Authorised Public Accountant

For further information concerning definitions, we refer you to the Annual Report for NIBE Industrier for 2011.



NIBE is an international heating technology company with business operations organised in three separate business areas, NIBE Element, NIBE Energy Systems and NIBE Stoves. Our vision is to create world-class solutions in sustainable energy. Our mission is to offer energy technology products and solutions that combine high quality with innovation. This work builds on the NIBE Group's wide-ranging expertise in the fields of product 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 year-end report. This information was made available to the media for publication at 08.00 (C.E.T.) on 19 February 2013.

Please e-mail any questions you have with regard to this year-end report to:

Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se;

Hans Backman, CFO, hans.backman@nibe.se

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