

NIBE

– World-class solutions in sustainable energy



▲ **SALES** totalled SEK 8,139.8 million
(Q1-Q4 2010: SEK 6,511.5 million)

▲ **PROFIT AFTER NET FINANCIAL ITEMS**
was SEK 941.2 million (SEK 745.1 million)

▲ **PROFIT AFTER TAX**
was SEK 691.5 million (SEK 553.1 million)

▲ **EARNINGS** per share totalled
SEK 6.87 (SEK 5.84)

▲ **THE BOARD PROPOSES** a dividend of
SEK 2.00/share (SEK 1.75/share)

▲ **ACQUISITION OF**

- operations in Thermtec Ltd, UK
- Element Division of Electrolux Professional AG, Switzerland
- remaining 25% stake in CJSC EVAN, Russia
- 98.7% stake in the Schulthess Group AG, Switzerland
- Element Division of Emerson Electric Co, USA
- 10% stake in Enertech Global LLC, USA

Summary of Annual Report 2011



Gerteric Lindquist
Managing Director and CEO

Chief Executive's Report

A strong 2011 sees strategic moves to strengthen our international position

During the course of 2011 the NIBE Group grew its sales by a total of 25.0%, with organic growth totalling 4.6%. In comparison, overall growth for 2010 was 13.2% and organic growth was 7.3%.

Over the year as a whole demand remained stable or showed a modest rise in Northern and Central Europe, North America and Asia, while remaining weak in Southern Europe.

In the fourth quarter, however, overall demand within our product areas was somewhat lower than in the corresponding period in 2010. The reason for this would appear to be the combination of widespread caution arising from the uncertainties within the economic system and an unusually mild autumn and early winter across the whole of Europe.

In view of the current situation in the world around us it is gratifying to be able to report that all three of our business areas continued to consolidate their positions in the market both in the fourth quarter and over the year as a whole. Much of this success can be attributed to our resolute, long-term focus on the development of high-quality, high-performance products and to the integrity and objectivity of our marketing.

2011 was also our most intensive year to date in terms of acquisitions. Through these acquisitions we have continued to pursue our strategic objective of gradually strengthening our position in the international arena. The companies acquired will add sales of close to SEK 3 billion a year to the Group's net sales and contribute good and stable levels of profitability.

NIBE Element has acquired three lines of business with aggregate sales of approximately SEK 580 million a year. All three acquisitions will make a positive contribution to the business area's profitability while also reinforcing our market positions and technology base. In this context it is pleasing to report that NIBE Element has now established a firm foothold in the North American market.

NIBE Energy Systems has been strengthened by one major acquisition and two smaller partial ones. The takeover of the Schulthess Group adds approximately SEK 2,250 million to the business area's annual sales at very good levels of profitability. Here, too, the acquisition advances our positions in the market and broadens our product base. Elsewhere, thanks to two partial takeovers, the business area's operations in Russia are now wholly owned by NIBE, and a bridgehead has been established into the North American heat-pump market – an exciting development that feels very much like the natural next step to take. (For further details, please see page 3.)

The customary process of stock-building for NIBE Energy Systems and NIBE Stoves during the first six months was well balanced to this year's needs and, together with a temporary increase in the production workforce during the second half of 2011, enabled us to maintain good levels of delivery reliability throughout our peak sales period.

Operating profit was 24.5% up on the figure for 2010, thanks chiefly to higher sales volumes, improved productivity and a continued firm grip on costs. It has, however, been a roller-coaster ride for material costs: after a troublesome start to the year with steep increases material prices fell slightly in the third quarter, only to begin climbing once again as the fourth quarter drew to a close. Exchange rate trends have, when translated at Group level, had a negative impact on the figures for both sales and earnings. In addition, profits for the year have also been charged with acquisition expenses of SEK 61.8 million, with SEK 6.6 million of this total recognised in the fourth-quarter accounts.

Profit after net financial items rose by 26.3% compared with the figure for 2010 – primarily as a result of exchange gains of SEK 16.3 million on the repayment of bank loans in foreign currencies.

Investments in existing operations totalled SEK 333.4 million. While this is somewhat higher than depreciation according to plan for the year of SEK 274.5 million, the investment rate in 2009 and 2010 was well below the depreciation according to plan. We anticipate that the rate of investment for the current year will be on a par with depreciation according to plan.

Outlook for 2012

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.

Although the financial markets remain in turmoil, our own strengths, high oil prices and hints of a recovery in optimism in various parts of the world encourage us to be cautiously positive about the prospects for 2012.

Shareholders' dividend

The Board of Directors has resolved to propose to the Annual General Meeting a dividend of SEK 2.00 per share for 2011, corresponding to a total pay-out of SEK 220.1 million.

Annual General Meeting

The Annual General Meeting of shareholders will take place at 17.00 (5.00 p.m.) on Thursday, 10 May 2012 at NIBE in Markaryd.

Markaryd, Sweden – 16 February 2012

Gerteric Lindquist
Managing Director and CEO

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

16 February 2012

11.00 (C.E.T.) Telephone conference (in English). The CEO presents the interim report by phone and answers questions. Tel. +46 (0)8-505 629 32

April 2012

Annual Report 2011

10 May 2012

Interim Report, Jan–March 2012
Annual General Meeting

15 August 2012

Interim Report, Jan–June 2012

15 November 2012

Interim Report, Jan–Sept 2012

Sales

Group net sales for 2011 totalled SEK 8,139.8 million (2010: SEK 6,511.5 million). This represents overall growth of 25.0%, while organic growth for the period was 4.6%. Acquired sales accounted for SEK 1,328.0 million of the total growth in sales of SEK 1,628.3 million.

Earnings

Profit for the year after net financial items was SEK 941.2 million. Compared with the figure of SEK 745.1 million for 2010, this equates to growth in earnings of 26.3%. Profit for the year has been charged with acquisition expenses of SEK 61.8 million. Net financial items for the year were affected positively by exchange gains of SEK 16.3 million relating to the repayment of bank loans in foreign currencies.

Return on equity was 19.9% (23.4%). However, as two major acquisitions were made during the third quarter, this makes comparisons with some key figures for previous reporting periods difficult. For more information, please refer to the text under the heading "Key figures" on page 7, which gives pro-forma key figures for the most recent 12-month period.

Acquisitions

Early in 2011 the business operations of the UK company Thermtec Ltd were acquired and integrated into NIBE Element's existing operations in the UK. Thermtec sales total approximately SEK 20 million a year and the company's operating margin has averaged around 6%. Business operations were consolidated into the NIBE Element business area with effect from January.

In March NIBE acquired the Element Division of Electrolux Professional AG of Switzerland. These operations, with annual sales of approximately SEK 75 million and an operating margin that has averaged around 10%, were consolidated into the NIBE Element business area at the beginning of March.

In April agreement was reached on the acquisition of a 31.1% stake in the heating technology company Schulthess Group AG, listed on the Swiss stock exchange. A voluntary public tender offer for the remaining shares was subsequently accepted by shareholders representing 67.6% of the share capital, thus enabling NIBE to acquire a total of 98.7% of the shares in the company. After transactions were finalised on 29 July 2011, Schulthess was consolidated into the NIBE Energy Systems business area with effect from August. The total consideration for the acquisition, including expenses for the compulsory redemption of shares, amounted to SEK 4,812 million: 60% of this sum was paid in cash, while the remainder took the form of a directed issue of 16,119,437 new class B shares in NIBE Industrier AB on the acquisition date. The value of these shares has been calculated using a market value of SEK 108.25 per share on the acquisition date. This raises the current number of NIBE shares to a total of 110,039,437. From 10 August the NIBE share has also been listed on the SIX Swiss Exchange. The remaining 1.3% stake in the company will be purchased by compulsory redemption.

The Schulthess Group is one of Europe's leading suppliers of heat pumps sold under the Alpha-InnoTec and Novelan brands. The company also manufactures high quality, energy-efficient products for cooling, ventilation and solar energy, as well as washing machines and tumble dryers under the KKT Kraus, Genvex and Schulthess labels. Schulthess has annual sales of approximately SEK 2,250 million, a profit margin averaging well over 10% and a workforce of just over 1,000.

The acquisition balance is still preliminary. For further details relat-

ing to the acquisition, you are kindly referred to our homepage: www.nibe.com.

In April NIBE acquired the remaining 25% stake in CJSC EVAN of Russia. The company, which forms part of NIBE Energy Systems, was consolidated as a wholly owned subsidiary with effect from April.

In mid-September NIBE acquired Emerson Heating Products, the element manufacturing division of Emerson Electric Co. of the USA. The division has annual sales of approximately SEK 485 million and just over 1,100 employees in the USA, Mexico and China. These operations, consolidated into the NIBE Element business area with effect from 15 September, report an operating margin in excess of 10%. The acquisition expands the NIBE Element product portfolio to include new climate control technology and adds extensive manufacturing and sales operations in North America and China. The acquisition balance is preliminary.

Agreement was reached early in November on the acquisition of an initial 10% stake in the US heat-pump manufacturer Enertech Global LLC, with an option to acquire the remaining shares. Enertech sales total slightly more than SEK 200 million a year with an operating margin of just over 5%.

Investments

Group investments for the year amounted to SEK 5,560.2 million (SEK 405.9 million). A total of SEK 5,226.8 million of this sum relates to corporate acquisitions (SEK 239.7 million), while the remaining SEK 333.4 million (SEK 166.2 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 882.2 million (SEK 825.7 million). Cash flow after changes in working capital was SEK 1,120.1 million (SEK 787.0 million).

Interest-bearing liabilities at the end of 2011 totalled SEK 4,850.3 million, compared with SEK 1,132.8 million at the start of the year.

At the end of the year, the Group had liquid funds of SEK 1,635.7 million as against SEK 1,664.1 million at the start of the year.

The equity/assets ratio at the end of the period was 38.2%, compared with 48.2% at the start of the year.

Parent company

Parent company activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the year amounted to SEK 3.1 million (SEK 2.7 million) and profit after financial items was SEK 255.8 million (SEK 203.3 million). At the end of the year, the parent company had liquid funds of SEK 378.9 million, compared with SEK 1,057.6 million at the start of the year.

Key figures – Group

		2011	2010
Net sales	MSEK	8,139.8	6,511.5
Growth	%	25.0	13.2
of which acquired	%	20.4	5.9
Operating profit	MSEK	991.3	796.1
Operating margin	%	12.2	12.2
Profit after net financial items	MSEK	941.2	745.1
Profit margin	%	11.6	11.4
Equity/assets ratio	%	38.2	48.2
Return on equity	%	19.9	23.4

Sales and earnings

Sales for the year totalled SEK 2,124.1 million, compared with SEK 1,759.7 million in 2010. SEK 257.8 million of this SEK 364.4 million increase relates to sales in acquired businesses, which means that organic growth for the year was 6.1%.

Operating profit totalled SEK 141.3 million, compared with SEK 124.5 million in 2010. The operating margin was 6.7% (2010: 7.1%).

Year in brief

Two strategically important acquisitions were made in 2011.

Following the acquisition of Emerson Heating Products, the element division of Emerson Electric Co. in the USA, NIBE Element has now taken the mantle as one of the frontrunners within its product segment in the North American market. Integration is fully under way and the company's units in China and Mexico are being integrated into NIBE Element's existing operations in these countries.

In the first quarter NIBE acquired the element manufacturing operations of Electrolux Professional AG, one of Switzerland's leading names in electric heating elements. Operations there are being successfully run by the previous management team.

In addition, the UK heating element company Thermtec Ltd was acquired early in the year and has since been integrated into NIBE Element's existing operations in the UK.

Sales in most market segments developed positively in 2011, although as the year drew to a close there was a drop in demand from certain product areas within the consumer sector.

The trends were positive in investment-related market segments, such as those linked to the offshore industry and to railway infrastructure projects, the latter following decisions in a number of countries to increase investments in this area.

Sales in the resistors product area, where many customers are active in the energy-saving and renewable energy segments, also developed well

throughout the year. We launched a number of new products for this market, and these have been extremely well received.

Generally speaking, the markets in Northern and Central Europe developed well, while those in Southern Europe and the UK remained sluggish. Trends in the North American and Asian markets remained positive throughout the year.

We continue to expand our portfolio of products that, in addition to the heating elements themselves, incorporate functions for measuring and control. A number of current R&D projects are focusing on broadening our offer of products like these that have an enhanced system content.

Raw material prices varied over the year, and volatility in exchange rates also continued to cause turbulence in some markets and confused the competitive situation in certain segments.

The relatively large variations in demand between different market segments have necessitated continuous vigilance in adapting capacity in our production plants around the world. Parallel with this, a number of organisational changes have also been implemented. The costs for these changes, totalling SEK 10 million, have been charged to the fourth-quarter accounts.

NIBE Element

Key figures		2011	2010
Net sales	MSEK	2,124.1	1,759.7
Growth	%	20.7	6.1
Operating profit	MSEK	141.3	124.5
Operating margin	%	6.7	7.1
Assets	MSEK	2,354.1	1,487.4
Liabilities	MSEK	2,192.0	1,343.5
Investments in fixed assets	MSEK	76.7	48.5
Depreciation	MSEK	65.3	61.3

NIBE Stoves

Sales and earnings

Sales for the year totalled SEK 1,153.0 million, compared with SEK 1,144.2 million in 2010. This increase of SEK 8.8 million includes SEK 16.9 million from sales in acquired businesses, which means that organic growth for the year fell by 0.7%.

Operating profit totalled SEK 161.4 million, compared with SEK 152.8 million in 2010. The operating margin was 14.0% (2010: 13.4%).

Year in brief

The European market for wood stoves did not emerge unscathed from the economic uncertainties of the past year, but the outcome varied quite considerably from country to country. Thanks to our strong position throughout the region, however, NIBE Stoves captured new shares of the market in 2011. This owes much to our consistent approach to marketing via direct distribution to an extensive network of dealers and a strong product portfolio characterised by modern design, high levels of performance and a steady stream of new models.

The Swedish wood-stove market contracted after the historically relatively high level of demand we saw in 2010. Demand in the fourth quarter of 2011 was weak, due in part to the economic situation and the unusually mild weather.

In Norway overall demand was good, with only a slight dip towards the end of a year that had otherwise seen brisk sales of wood-stove products. This downturn is, however, expected to be temporary – the consequence of the mild weather and low electricity prices rather than an indicator of the economic situation. In Denmark demand showed signs of recovery in 2011 after declining over recent years.

The market in Germany has picked up as the nation's economy has improved, with relatively high energy prices helping to boost demand. In France, however, the wood stove market continued to contract as the

economy dipped and state subsidies for energy-saving initiatives were reduced.

A large number of new freestanding wood stoves, many of them smaller models with a lower heating output and a lower price-tag, were launched in 2011 and met with great success. This is a type of product that is increasingly in demand from consumers in many of our major markets.

After previously marketing a number of brands, we have now consolidated all our Swedish products under the Contura label, which is our largest brand in terms of sales. This change has been very well received by the market and represents an important step towards developing a strong brand that will facilitate our continued international expansion.

Our production plants, which include some of the most efficient in the industry, have kept busy throughout the year and we have been able to maintain high levels of delivery reliability for both new and existing products.

NIBE Stoves

Key figures		2011	2010
Net sales	MSEK	1,153.0	1,144.2
Growth	%	0.8	21.8
Operating profit	MSEK	161.4	152.8
Operating margin	%	14.0	13.4
Assets	MSEK	1,074.3	1,074.8
Liabilities	MSEK	553.4	610.4
Investments in fixed assets	MSEK	38.8	26.2
Depreciation	MSEK	41.4	41.7

Sales and earnings

Sales for the year totalled SEK 4,987.7 million, compared with SEK 3,725.1 million in 2010. SEK 1,053.3 million of this SEK 1,262.6 million increase relates to sales in acquired businesses, which means that organic growth for the year was 5.6%.

Operating profit totalled SEK 770.8 million, compared with SEK 544.7 million in 2010. The operating margin was 15.5% (2010: 14.6%).

Year in brief

In 2011 NIBE Energy Systems took two important steps forward in the form of a major acquisition in Europe and new inroads into the North American market.

The acquisition of the Schulthess Group AG, a Swiss heating technology company listed on the national stock exchange, is the largest so far undertaken by NIBE, and the inclusion of the two companies Alpha-InnoTec and Genvex strengthens our position in Europe as a market leader in the heat-pump segment. Sales and earnings have met expectations, the integration has had a positive effect on business throughout the autumn, and work on optimising synergies is proceeding according to the plan presented in conjunction with the takeover.

Agreement was reached early in November on the acquisition of an initial 10% stake in the US heat-pump manufacturer Enertech Global LLC, with an option to acquire the remaining shares. This partial takeover is the first strategic step towards increasing our presence in the North American market and experiences of collaboration to date have been highly positive.

The overall market for heat pumps in Sweden contracted in 2011, most noticeably in the fourth quarter, but the fact that we have increased our share to a record level ensured that the development of our own sales remained acceptable. The market for ground-source and geothermal heat pumps remains stable, with an increase in demand for products for large properties. While demand for air/water heat pumps continues to plummet in Sweden, it is the opposite story the further south in Europe one goes. Reductions in domestic new builds in Sweden resulted in a downturn in demand for exhaust-air heat pumps, which are installed in around four out of five new homes.

There was little in the way of any major change in the European heating market in 2011. With several countries struggling with weak economies and low levels of new builds, demand remains stubbornly low. Traditional heating solutions are still being installed in a large proportion of new builds, but knowledge about heat pump technology and the benefits it offers is steadily growing among consumers. Evidence of this can be found in the fact that the European heat-pump market continues to expand, despite the continent's troubled economies and some reductions in state subsidies. Sales have developed positively in Germany, and the market has now stabilised in France after a sharp decline in sales in 2009 and 2010. Thanks to an improved market presence and a strong, all-round product offer, we have increased sales in more or less all the countries where we are active.

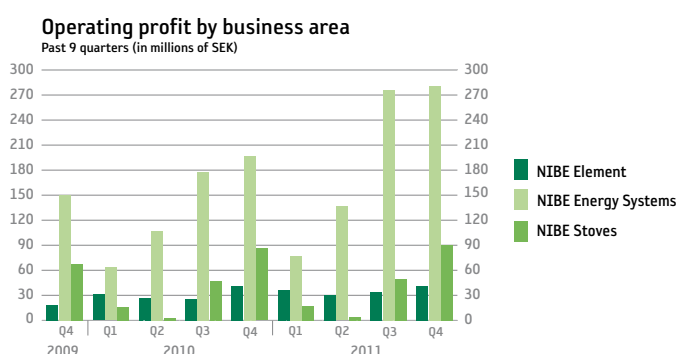
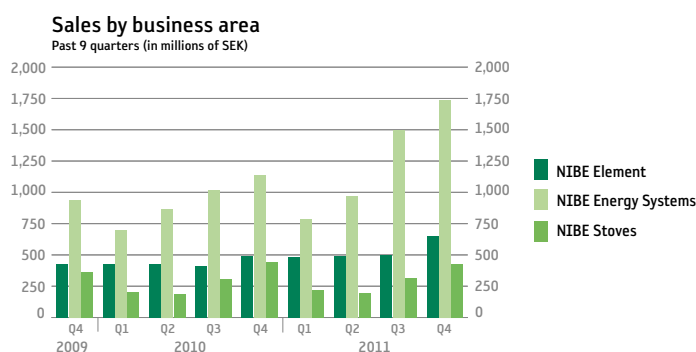
The market for water heaters is developing steadily both here in Sweden and in the rest of Europe, whereas demand for district-heating products, conventional domestic boilers and pellet-fuelled products remains weak.

Our product development work has continued with the same high intensity and we can now offer optimal all-round solutions to meet virtually every need for indoor climate comfort and hot water, for properties both large and small.

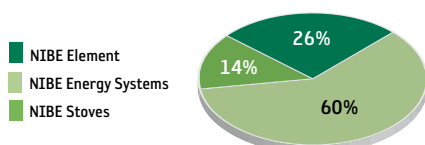
NIBE Energy Systems

Key figures		2011	2010
Net sales	MSEK	4,987.7	3,725.1
Growth	%	33.9	13.4
Operating profit	MSEK	770.8	544.7
Operating margin	%	15.5	14.6
Assets	MSEK	8,187.3	2,642.0
Liabilities	MSEK	7,098.0	1,486.6
Investments in fixed assets	MSEK	191.7	92.1
Depreciation	MSEK	167.8	112.9

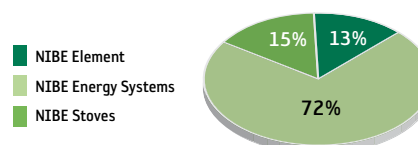
Business Area Trends



Business area contributions to sales



Business area contributions to profit



Group Financial Trends

Income statements

	Group				Parent company	
	Q4 2011	Q4 2010	2011	2010	2011	2010
(in millions of SEK)						
Net sales	2,777.3	2,047.3	8,139.8	6,511.5	3.1	2.7
Cost of goods sold	- 1,827.0	- 1,292.8	- 5,341.7	- 4,274.0	0.0	0.0
Gross profit	950.3	754.5	2,798.1	2,237.5	3.1	2.7
Selling expenses	- 452.0	- 360.2	- 1,429.3	- 1,159.1	0.0	0.0
Administrative expenses	- 152.8	- 122.9	- 527.1	- 409.6	- 33.9	- 18.5
Other income	54.1	43.9	149.6	127.3	0.0	0.0
Operating profit	399.6	315.3	991.3	796.1	- 30.8	- 15.8
Net financial items	- 16.1	- 12.2	- 50.1	- 51.0	286.6	219.1
Profit after net financial items	383.5	303.1	941.2	745.1	255.8	203.3
Tax	- 113.1	- 74.7	- 249.7	- 192.0	- 1.4	0.0
Net profit	270.4	228.4	691.5	553.1	254.4	203.3
Net profit attributable to						
Parent company shareholders	270.4	226.7	691.1	548.5	254.4	203.3
Non-controlling interest	0.0	1.7	0.4	4.6	0.0	0.0
Net profit	270.4	228.4	691.5	553.1	254.4	203.3
<i>Includes depreciation according to plan as follows</i>	92.6	53.6	274.5	215.9	0.0	0.0
<i>Net profit per share*</i>	2.46	2.41	6.87	5.84		
<i>*There are no programmes that entail dilution</i>						
Net profit	270.4	228.4	691.5	553.1	254.4	203.3
Other recognised income						
Market value of future currency contracts	5.2	1.5	- 7.4	- 0.4	0.0	0.0
Market value of future commodity contracts	1.3	0.5	- 1.0	0.4	0.0	0.0
Currency hedge	110.8	22.8	197.7	91.5	201.6	85.9
Translation of loans to subsidiaries	- 15.3	2.1	9.7	- 4.6	0.0	0.0
Translation of foreign subsidiaries	- 229.9	- 26.0	- 380.0	- 199.4	0.0	0.0
Tax attributable to other recognised income	- 25.6	- 6.8	- 49.6	- 23.5	- 53.0	- 22.6
Total other recognised income	- 153.5	- 5.9	- 230.6	- 136.0	148.6	63.3
Total recognised income	116.9	222.5	460.9	417.1	403.0	266.6
Total recognised income attributable to						
Parent company shareholders	117.0	220.8	460.6	413.3	403.0	266.6
Non-controlling interest	- 0.1	1.7	0.3	3.8	0.0	0.0
Total recognised income	116.9	222.5	460.9	417.1	403.0	266.6

Balance Sheet summaries

	Group		Parent company	
	31 Dec 2011	31 Dec 2010	31 Dec 2011	31 Dec 2010
(in millions of SEK)				
Intangible assets	5,642.4	1,188.5	0.0	0.0
Tangible assets	1,897.6	1,275.7	0.0	0.0
Financial assets	135.5	59.0	6,991.8	1,829.4
Total non-current assets	7,675.5	2,523.2	6,991.8	1,829.4
Inventories	1,679.6	1,118.1	0.0	0.0
Current receivables	1,377.7	1,097.8	14.5	5.6
Cash equivalents	1,007.1	409.5	203.1	138.7
Total current assets	4,064.4	2,625.4	217.6	144.3
Total assets	11,739.9	5,148.6	7,209.4	1,973.7
Equity	4,487.2	2,482.7	2,657.4	677.6
Non-current liabilities and provisions, non-interest bearing	937.1	397.0	152.3	98.6
Non-current liabilities and provisions, interest bearing	4,320.5	952.2	3,946.4	1,101.9
Current liabilities and provisions, non-interest bearing	1,465.3	1,136.1	72.5	17.4
Current liabilities and provisions, interest bearing	529.8	180.6	380.8	78.2
Total equity and liabilities	11,739.9	5,148.6	7,209.4	1,973.7

Key figures

		2011	2010	2009	2008	2007
Growth	%	25.0	13.2	-1.0	7.6	9.0
Operating margin	%	12.2	12.2	11.0	10.8	9.8
Profit margin	%	11.6	11.4	9.8	8.9	8.2
Investments in fixed assets	MSEK	5,560.2	405.9	217.9	407.6	404.1
Unappropriated liquid assets	MSEK	1,659.8	1,664.1	1,572.3	1,143.6	853.0
Working capital, incl. cash and bank	MSEK	2,069.2	1,308.7	1,315.0	1,598.3	1,482.1
Working capital/net sales ¹⁾	%	25.4	20.1	22.9	27.5	27.4
Interest-bearing liabilities/Equity	%	108.1	45.6	69.4	113.9	129.6
Solidity (Equity/Assets ratio) ²⁾	%	38.2	48.2	45.7	36.7	34.2
Return on capital employed ³⁾	%	16.0	22.2	16.8	17.1	17.2
Return on equity ⁴⁾	%	19.9	23.4	20.2	21.3	22.6
Net debt/EBITDA ⁵⁾	times	3.0	0.7	1.4	2.2	2.6
Interest coverage ratio ⁶⁾	times	10.7	11.8	7.3	4.8	5.

*By basing figures on a pro-forma income statement for the latest 12-month period, which includes units acquired during the period and their respective 12-month income statements, the following fairer presentation of key ratios may be obtained

¹⁾ Working capital would be approximately 22%

²⁾ Equity/assets ratio would be approximately 39%

³⁾ Return on capital employed would be approximately 13%

⁴⁾ Return on equity would be approximately 17 %

⁵⁾ Net debt/EBITDA would be approximately 2.5 times

⁶⁾ Interest coverage ratio would be approximately 10.6 times

Cash flow analysis

(in millions of SEK)	2011	2010
Cash flow from operating activities	882.2	825.7
Change in working capital	237.9	- 38.7
Investment activities*	- 3,815.2	- 405.9
Financing activities*	3,300.9	- 297.2
Exchange rate difference in liquid assets	- 8.2	- 23.5
Change in liquid assets	597.6	60.4

* The year's investments have been financed in part by means of a non-cash issue, which has been recognised net in the cash-flow analysis

Data per share ¹⁾	2011	2010	2009	2008	2007
Net profit per share (total 110,039,437 shares) SEK	6.87	5.84	4.36	3.94	3.35
Equity per share SEK	40.78	26.34	23.24	20.04	16.48
Closing day share price SEK	101.75	102.75	69.00	44.40	78.00

¹⁾ Directed issue of 16,119,437 shares completed in August 2011. Net profit per share for 2011 has been calculated using a weighted average of the number of outstanding shares.

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 2010.

Change in equity

(in millions of SEK)	2011	2010
Equity brought forward	2,482.7	2,190.0
Directed issue	1,744.9	0.0
Transaction expenses, new issue	- 3.8	0.0
Shareholders' dividend	- 164.4	- 122.1
Dividend to non-controlling interests	- 0.6	- 2.3
Acquisition of participations from non-controlling interests	- 32.5	0.0
Total recognised income for the period	460.9	417.1
Equity carried forward ¹⁾	4,487.2	2,482.7

¹⁾ The proportion of this relating to non-controlling interests at the end of the reporting period was SEK 0.0 million, against SEK 8.7 million at the start of the year. SEK 8.4 million of the reduction is attributable to the acquisition of participations from non-controlling interests.

Accounting principles

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's Year-End Report for 2011 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting principles as those adopted for this report are described in the company's Annual Report for 2010 (pp. 64-66). Reporting for the parent company 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 principles apply as those described on page 65 of the company's Annual Report for 2010.

Quarterly data

Consolidated Income Statements

(in millions of SEK)	2011				2010				2009
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Net sales	1,462.3	1,618.6	2,281.6	2,777.3	1,303.2	1,448.4	1,712.6	2,047.3	1,697.9
Operating expenses	-1,337.2	-1,466.6	-1,967.0	-2,377.7	-1,196.6	-1,320.7	-1,466.1	-1,732.0	-1,470.6
Operating profit	125.1	152.0	314.6	399.6	106.6	127.7	246.5	315.3	227.3
Net financial expenses	8.8	-11.6	-31.2	-16.1	-10.4	-16.3	-12.1	-12.2	-15.1
Profit after net financial expenses	133.9	140.4	283.4	383.5	96.2	111.4	234.4	303.1	212.2
Tax	-33.8	-36.6	-66.2	-113.1	-26.0	-29.0	-62.3	-74.7	-53.8
Net profit	100.1	103.8	217.2	270.4	70.2	82.4	172.1	228.4	158.4

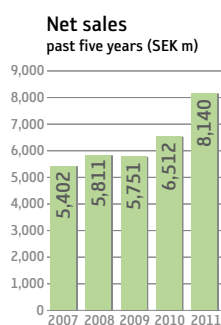
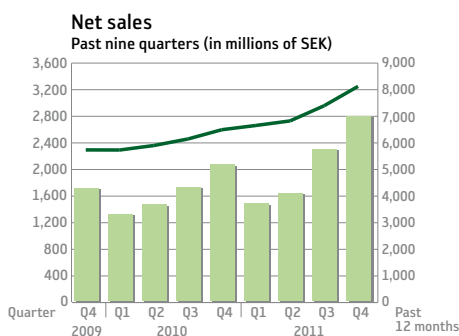
Net Sales – Business Areas

(in millions of SEK)	2011				2010				2009
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	483.3	490.7	500.0	650.1	427.7	425.4	412.7	493.9	429.0
NIBE Energy Systems	784.4	969.7	1,498.5	1,735.1	698.5	868.5	1,016.0	1,142.1	935.2
NIBE Stoves	222.1	192.4	313.9	424.6	208.9	184.2	307.9	443.2	361.4
Elimination of Group transactions	-27.5	-34.2	-30.8	-32.5	-31.9	-29.7	-24.0	-31.9	-27.7
Group	1,462.3	1,618.6	2,281.6	2,777.3	1,303.2	1,448.4	1,712.6	2,047.3	1,697.9

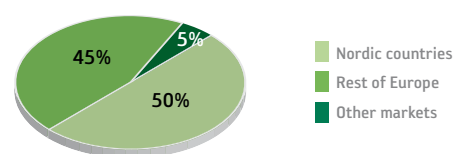
Operating Profit – Business Areas

(in millions of SEK)	2011				2010				2009
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
NIBE Element	36.2	30.1	33.7	41.3	30.9	27.1	25.7	40.8	18.1
NIBE Energy Systems	77.1	136.6	275.9	281.2	63.2	107.0	177.7	196.8	150.1
NIBE Stoves	17.1	3.9	49.7	90.7	16.1	3.2	47.4	86.1	67.2
Elimination of Group transactions ¹⁾	-5.3	-18.6	-44.7	-13.6	-3.6	-9.6	-4.3	-8.4	-8.1
Group	125.1	152.0	314.6	399.6	106.6	127.7	246.5	315.3	227.3

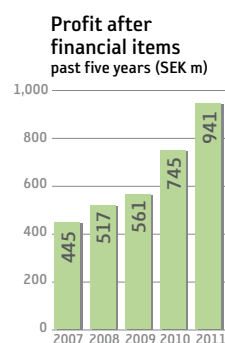
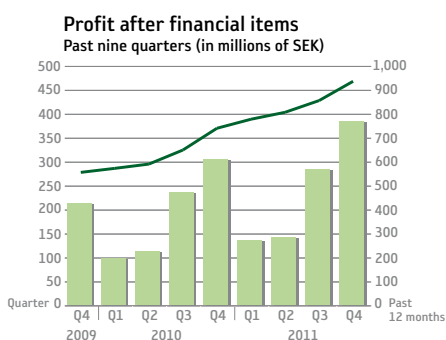
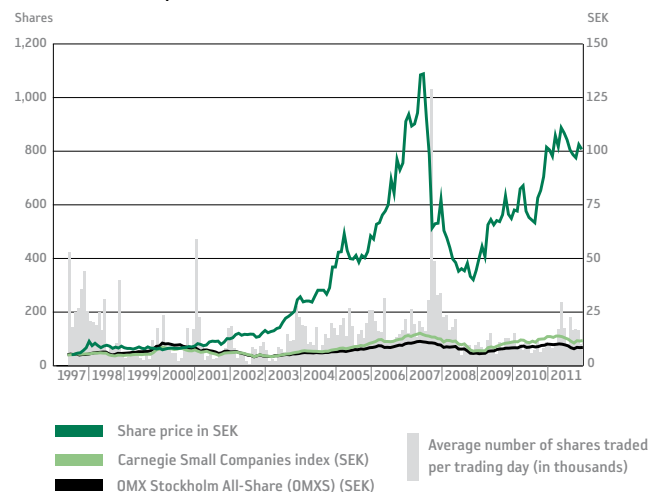
¹⁾ Includes acquisition expenses 2010 and 2011



Group sales by geographical region



NIBE share performance



This year-end 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 – 16 February 2012



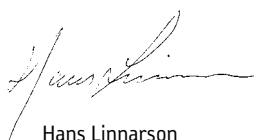
Arvid Gierow
Chairman of the Board



Georg Brunstam
Director



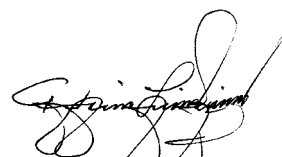
Eva-Lotta Kraft
Director



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 2011. 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

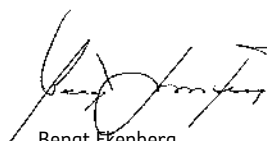
We have conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and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

Markaryd, Sweden – 16 February 2012
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 2010.



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 07.00 (C.E.T.) on 16 February 2012.

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

NIBE

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