



Press release from Bong Ljungdahl AB

The cyclical weakening in demand that we have noted for some time, intensified and spread further geographically during the second quarter of 2001. The European envelope market is estimated to have declined by some 6 per cent in volume during the first half of 2001 in relation to the same period last year.

Bong's sales have been adversely affected, and are provisionally estimated to have amounted to some MSEK 1,250 (1,176) for the first six months of 2001. This is an increase of approximately 6 per cent in value terms, although it represents a decline in volume of some 8 per cent for comparable units.

This shortfall in sales will have a relatively serious impact on profitability, and the profit for the second quarter will be significantly lower than for the corresponding period in 2000. We expect economic conditions to remain weak, which will have a further negative effect on sales during the second half of 2001. The profit for 2001 as a whole is therefore expected to be significantly less than last year's.

The far-reaching restructuring of the Group's production facilities during the first half-year, which has significantly lowered the Group's efficiency and productivity during the transition period, is now virtually completed and the production capacity is now approaching the planned level.

A complete report for the first half of 2001 will be published on August 17.

Kristianstad July 4, 2001
Lennart Pihl
President and CEO

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Bong is a fast expanding international envelope company. The Group has an annual turnover of some MSEK 2,500 and around 1,900 employees. It has an annual production of some 16 billion envelopes at factories in Sweden, Denmark, Norway, Finland, Germany, Great Britain, Ireland, Belgium, Poland and Estonia. In recent years, Bong has played an active part in the current process of restructuring in the European envelope industry and sees significant potential for further expansion and development. Bong is a public company and its shares are listed on the OM Stockholm Stock Exchange's Attract 40 list.

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