



Preliminary Report on 2000 Operations

--- Strong organic growth with record earnings ---

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- Invoiced sales rose 34% to SEK 1,121 M (837).
 - Profit after net financial items amounted to SEK 123 M (36).
 - Earnings per share after full tax totalled SEK 13.29 (2.67).
 - It is proposed a doubling of the dividend to SEK 2.80 (1.40).
 - Continued successes in telecom equipment industry. Invoiced sales rose 53%. The segment accounted for 48% of the year's sales.
 - Valuable co-operation agreements signed with Ericsson, Flextronics and Alcatel.
 - Expansion of capacity in China, the UK and North America, and a new establishment in Estonia.
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Fourth quarter of 2000

The positive trend during the first nine months continued during the fourth quarter. Invoiced sales rose 37% to SEK 321 M, compared with the corresponding period in the preceding year (234). Order bookings totalled SEK 312 M (228), an increase of 37%.

The increase in invoicing is attributable to favourable demand in largely all markets. The increasing volumes for networks in the telecom equipment industry continue to have a positive affect on Nefab.

Nefab's invoicing to the telecom equipment industry during the quarter amounted to SEK 156 M (101), a 55% increase compared with the same period in 1999, with this segment thus accounting for almost half of sales. Other market segments were up during the quarter by about 23%.

Profit, after net financial items, for the fourth quarter amounted to SEK 32 M (12).

Full year 2000

Invoiced sales in the full year 2000 amounted to SEK 1,121 M (837), a 34% increase. Order bookings amounted to SEK 1,126 M (842), an increase of 34%.

All geographic markets report growth exceeding 20%.

Telecom equipment industry

Nefab is strengthening its position as a world market leader for deliveries of packaging to the telecom equipment industry. Sales increased by 53% to SEK 534 M (349) and thus accounted for about 48% of Group sales.

A co-operation agreement was signed in the beginning of the year with Ericsson. In addition to deliveries of complete packaging solutions, Nefab will assist Ericsson by providing consulting services in technical packaging matters. The agreement took effect on January 1, 2001.

At the close of December, a co-operation agreement was reached with Flextronics International pursuant to deliveries of complete packaging solutions to Flextronics' industrial park in Gdansk, Poland.

After year-end, a global agreement was signed with Alcatel. The agreement stipulates that Nefab, as first tier supplier, will provide Alcatel with know-how in the packaging area, and deliver complete packaging solutions.

Nefab's deliveries to the telecom equipment industry pertain particularly to packaging of equipment for fixed and mobile networks. Less than 10% of the packaging is for telephones.

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The automotive industry and other market segments

For the automotive industry segment, invoiced sales totalled SEK 95 M (75), an increase of 28%, corresponding to 8% of Group sales.

During the year, important agreements were signed with two major cable assembly suppliers for delivery of packaging solutions. Both agreements pertain to return systems for deliveries between subcontractors and vehicle assembly plants in Europe.

Invoiced sales to other market segments increased by 19% to SEK 492 M (413).

Complete packaging solutions

Increasingly, Nefab's product line is being converted from delivering a single packaging to offering the customer a total solution. The product thus becomes a combination of analysis, consultation and delivery of both in-house produced and purchased products. In line with this development, the operations of MK Specialemballage have been acquired. The company, which is located in Bålsta outside Stockholm in Sweden, produces and sells packaging materials to Swedish industry. Annual sales amount to about SEK 40 M. The products consist of customized cushioning and securing packaging assemblies produced from plastic foam.

Earnings

Profit after net financial items for the year amounted to SEK 123 M (36), of which SEK 7 M was the discounted current value of the surplus funds from SPP.

The earnings improvement is attributable to higher sales volumes and the resulting increase in capacity utilization, with overhead costs remaining relatively stable. Improvements were noted in virtually all markets.

Tax costs for the year have been reduced by SEK 3.6 M as a result of a ruling from the Administrative Court of Appeal regarding a case involving Nefab's income tax returns for 1989. The tax reduction corresponds to SEK 0.52 per share.

Earnings per share amounted to SEK 13.29 (2.67). The surplus funds from SPP account for SEK 0.71 per share. The return on capital employed was 29.9% (12.4).

Capacity and investments

Group investments amounted to SEK 86 M (37). Of the investments, SEK 41 M pertained to machinery and SEK 45 M to buildings.

Capacity utilization during the year was high in virtually all production units. To increase the capacity and ensure a high delivery precision, decisions were made to proceed with a number of investment projects. During October, the operations in China were moved to new premises. Consequently, capacity for the Asia market is doubled. A new plant is being constructed in Canada and will be in operation by February this year. The operations in the UK were moved in February to a more appropriate property. It was also decided to establish a new production unit in Estonia. It is projected that production can start up during autumn this year. In total, these four projects involve investments totalling upwards of SEK 100 M during a 12-month period.

Financial position

The equity/assets ratio on December 31 was 44.8% (44.1). Shareholders' equity per share amounted to SEK 47.82 (34.65). The Group's liquid assets on the same date amounted to SEK 121 M (91), including unutilized credit facilities.

Outlook for 2001

It is expected that demand from customers in the telecom equipment industry will continue to increase during 2001, despite the nervousness that characterized the market at the beginning of the current year. Other market segments are more difficult to judge considering the overall trend in the economy.

As a whole, continued strong growth is anticipated for 2001.

Proposed dividend

The Board is recommending to the Annual General Meeting a doubling of the per share dividend to SEK 2.80 (1.40). The total dividend will amount to SEK 19.3 M (9.7).

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Profit and loss accounts (SEK M)	0001-0012	9901-9912	9801-9812	9701-9712
Net sales	1,121	837	747	664
Cost of sold goods	<u>-811</u>	<u>-612</u>	<u>-545</u>	<u>-468</u>
Gross profit	310	225	202	196
Selling expenses	-105	-103	-101	-74
Administrative expenses	-81	-76	-76	-65
Other operating income	<u>7</u>	-	-	-
Operating profit	131	46	25	57
Net financial items	<u>-8</u>	<u>-10</u>	<u>-4</u>	<u>-1</u>
Profit after net financial items	123	36	21	56
Taxes	<u>-31</u>	<u>-18</u>	<u>-12</u>	<u>-17</u>
Net profit for the year	<u>92</u>	<u>18</u>	<u>9</u>	<u>38</u>
<i>Depreciation included above</i>	38	37	32	24
Balance sheets (SEK M)	001231	991231	981231	971231
Fixed assets	305	247	253	197
Current assets	433	303	279	228
Equity capital	330	239	239	235
Provisions	31	28	26	18
Long-term liabilities	159	125	131	55
Current liabilities	218	158	136	117
Total capital	738	550	532	425
<i>Of which interest-bearing liabilities</i>	175	141	142	60
Cash flow statements (SEK M)	0001-0012	9901-9912	9801-9812	9701-9712
Operating profit	131	46	25	57
Depreciation, financial net and taxes	<u>-1</u>	<u>9</u>	<u>15</u>	<u>8</u>
Cash flow from the year's operations	130	55	40	65
Change in working capital	-57	-19	-35	-10
Net investments in fixed assets	<u>-86</u>	<u>-37</u>	<u>-84</u>	<u>-58</u>
Cash flow after investments	-13	-1	-79	-3
Dividend	-10	-10	-10	-8
Financing	<u>35</u>	<u>-5</u>	<u>86</u>	<u>6</u>
Changes in liquid funds	12	-16	-3	-5

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Key Ratios	0001-0012	9901-9912	9801-9812	9701-9712
Operating margin, %	11.7	5.5	3.3	8.6
Profit margin, %	11.0	4.3	2.8	8.4
Return on equity capital, %	32.2	7.7	3.7	17.2
Return on total capital, %	20.6	8.8	6.0	14.7
Return on capital employed, %	29.9	12.4	8.4	21.0
Equity/assets ratio, %	44.8	44.1	45.4	56.6
Employees, yearly average	1096	908	805	714
Net investments, SEK M	86	37	84	58

Key ratios per share

Profit per share, full tax, SEK	13.29	2.67	1.27	5.46
Equity capital per share, SEK	47.82	34.65	34.58	34.04
Dividend per share, SEK *)	2.80	1.40	1.40	1.40
Direct yield, % *)	1.9	1.8	1.6	1.0
Number of shares at the end of the period, in thousands	6,907	6,907	6,907	6,907
Share price on closing day, SEK	147.50	78.00	85.00	137.00

For definitions, see Annual Report for 1999.

*) Proposed dividend for 2000.

Annual General Meeting

The Annual General Meeting will be held in Alfa on Saturday, May 19, 2001 at 2:00 p.m. Information concerning the notification procedure prior to the Meeting is provided in the Annual Report, which will be mailed to the shareholders in early April.

Financial reports

Annual Report for 2000	April 2001
Interim Report, January-March 2001	May 4, 2001
Annual General Meeting	May 19, 2001
Interim Report, January-June 2001	August 15, 2001
Interim Report, January-September 2001	October 31, 2001

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Kettering, England, February 14, 2001

Lars-Åke Rydh
President and CEO

Information about Nefab

Nefab delivers complete packaging solutions to international industrial groups, in mainly the telecom equipment and automotive industries. Nefab companies are located in Europe, North and South America and Asia. Annual sales amount to approximately SEK 1.1 billion. The Nefab share is listed on the OM Stockholm Exchange.

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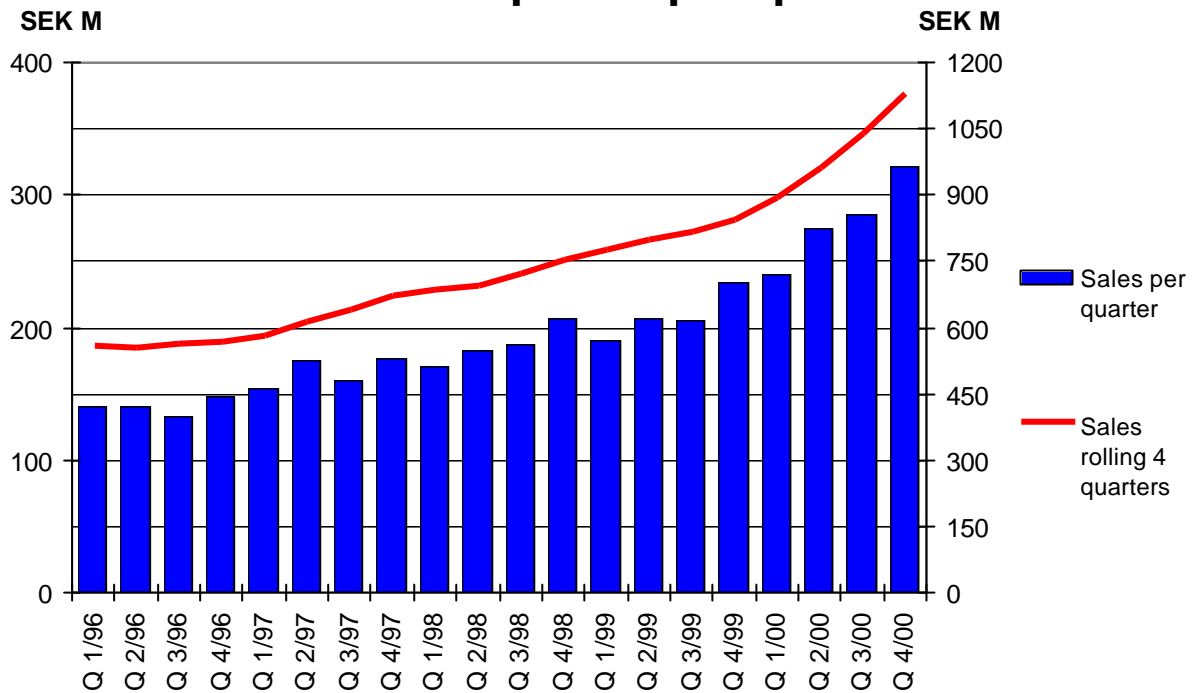
Quarterly data

	Q1/98	Q2/98	Q3/98	Q4/98	Q1/99	Q2/99	Q3/99	Q4/99	Q1/00	Q2/00	Q3/00	Q4/00
Net sales	170	182	188	207	191	207	205	234	240	275	285	321
Costs for goods sold	<u>-122</u>	<u>-132</u>	<u>-136</u>	<u>-155</u>	<u>-143</u>	<u>-152</u>	<u>-147</u>	<u>-170</u>	<u>-172</u>	<u>-198</u>	<u>-207</u>	<u>-234</u>
Gross profit	48	50	52	52	48	55	58	64	68	77	78	87
Selling expenses	-23	-25	-23	-30	-26	-27	-22	-28	-24	-26	-24	-31
Administrative expenses	-17	-19	-18	-22	-18	-18	-18	-22	-21	-19	-19	-22
Other operating income	-	-	-	-	-	-	-	-	-	7	-	-
Operating profit	8	6	11	0	4	10	18	14	23	39	35	34
Net financial items	<u>-1</u>	<u>0</u>	<u>-2</u>	<u>-1</u>	<u>-3</u>	<u>-2</u>	<u>-3</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>
Profit after net financial items	7	6	9	-1	1	8	15	12	21	37	33	32
Taxes	<u>-2</u>	<u>-3</u>	<u>-5</u>	<u>-2</u>	<u>-3</u>	<u>-6</u>	<u>-6</u>	<u>-3</u>	<u>-4</u>	<u>-10</u>	<u>-9</u>	<u>-8</u>
Net profit for the year	5	3	4	-3	-2	2	9	9	17	27	24	24
Fixed assets	207	215	245	247	241	240	236	246	243	254	265	305
Current assets	243	263	273	275	266	286	283	304	335	377	414	433
Equity capital	235	229	235	233	223	216	222	239	256	274	305	330
Provisions	18	18	22	26	26	26	26	27	26	26	26	31
Long-term liabilities	72	104	137	131	140	148	126	126	124	147	142	159
Current liabilities	125	127	124	132	118	136	145	158	172	184	206	218
Total capital	450	478	518	522	507	526	519	550	578	631	679	738
Operating margin, %	4.8	3.2	5.6	0.2	2.2	5.1	8.8	5.8	9.6	11.6*	12.4	10.7
Profit margin, %	4.3	3.2	4.4	-0.3	0.3	3.9	7.5	5.2	8.8	10.8*	11.7	9.9
Return on equity capital, %	8.2	4.6	6.5	-4.2	-4.1	4.6	16.4	16.1	28.0	33.1*	33.3	29.7
Return on total capital, %	7.9	5.9	8.8	1.6	3.6	8.4	13.9	10.6	16.6	21.4*	21.9	19.5
Return on capital employed, %	11.1	8.2	12.1	2.2	4.9	11.5	19.6	15.2	23.8	30.8*	31.9	28.6
Equity/assets ratio, %	52.3	48.4	45.7	45.1	44.5	41.6	43.4	44.1	44.3	43.5	45.0	44.8
Profit per share, full tax, SEK	0.69	0.39	0.54	-0.36	-0.34	0.36	1.30	1.34	2.51	3.17*	3.49	3.41
Equity capital per share, SEK	34.07	33.09	3.96	33.68	32.29	31.26	32.22	34.65	37.01	39.60	44.16	47.82
Share price on closing day, SEK	131	119	98	85	60	64	57	78	70	94	120	148

* Calculated with SPP recovery excluded.

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Sales development per quarter



Earnings trend per quarter

