

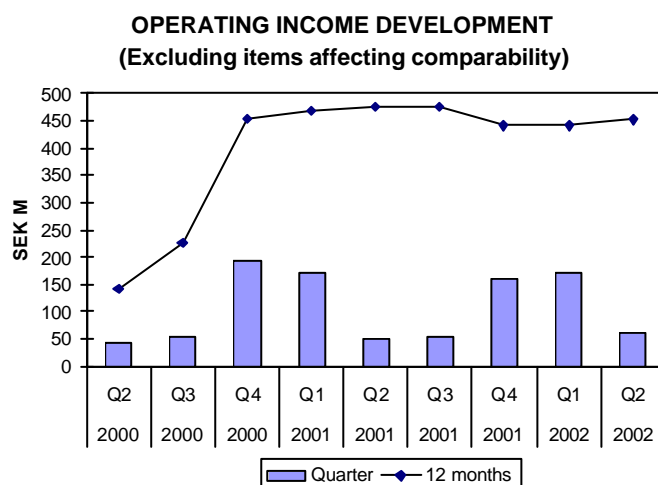
Press Release from Esselte AB

2002-07-19

**Report on operations for the six months ended
June 30, 2002**

**Improvement in net income for the second quarter due to lower
restructuring costs and reduced financial expenses**

- Gross margin improved 1.0% to 29.7% compared to the second quarter last year
- Operating income excluding items affecting comparability increased by 18% to SEK 60 million (51) despite weak markets
- Restructuring costs were SEK 47 million compared to SEK 196 million last year
- Financial expenses were reduced by SEK 43 million to SEK 22 million
- Net income was SEK –5 million, compared to SEK –126 million last year
- J.W. Childs has decided to implement the recommended public offer to the shareholders of Esselte for all shares of Esselte AB (publ)
- De-listing from Stockholmsbörsen and London Stock Exchange is planned for 01 August 2002



Results for the second quarter

Sales for the second quarter were SEK 2,401 million (2,453), a decrease of 2.1%. Change in sales for comparable exchange rates and units was +0.6% compared to last year. In spite of the economic slowdown in the US and several European countries, sales held up well. DYMO was the best performing product category with sales of SEK 364 million (344).

The gross margin was 29.7%, an improvement of 1.0% compared to last year.

Operating income excluding items affecting comparability was SEK 60 million compared to SEK 51 million last year, an increase of 18%. However, it should be noted that the Curtis computer accessories business had a breakeven result this year compared to a loss of SEK 57 million the same period last year.

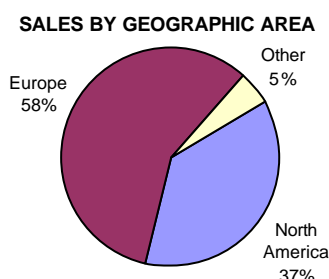
Included in the operating expenses for this year is a provision of approximately SEK 36 million, related to the long-term incentive programme and advisory fees related to the recommended offer from J.W. Childs Equity Partners III, L.P. to purchase all the outstanding shares of EsseLte AB.

Operating income including items affecting comparability was SEK 13 million (-145). A restructuring charge of SEK 47 million was taken in the second quarter this year relating to the earlier announced modernisation of manufacturing in Stuttgart. Last year, a one-off restructuring charge of SEK 196 million related to the Curtis business was taken.

The net financial expense was SEK –22 million compared to SEK – 65 million last year, mainly explained by reduced debt and significantly reduced market rates.

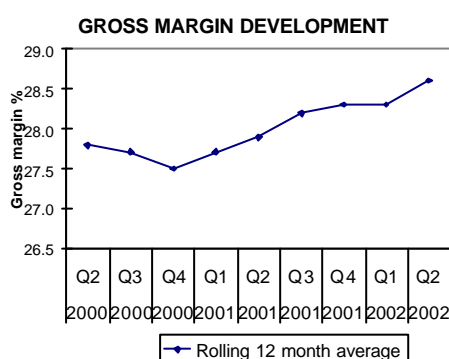
Results for the six months

Continued weak global markets affecting sales



Sales for the six months were SEK 5,047 million (5,340). The reason for the sales decrease of 5.5% is weak global markets, affecting sales in Germany and in the USA among other countries.

Change in sales for comparable exchange rates and units was -4.6% compared to last year.

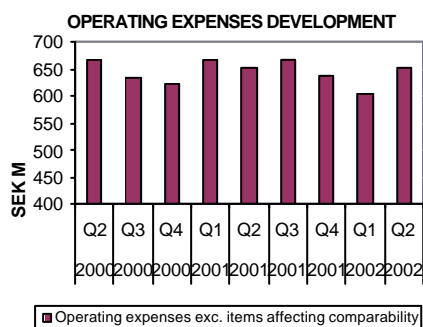


The gross margin was 29.5% (28.9%). The improvement, in spite of the volume loss in the production plants, is due to Essekte's continued cost reduction programme in the supply chain.

Operating income

Operating income excluding items affecting comparability increased by 4% to SEK 234 million (225) despite a difficult trading climate. Off-setting the decrease in sales of 5.5% is a 0.6% gross margin improvement and a 4.8% reduction in operating expenses.

Essekte's UK business has made a small profit for the first time in many years through cost focus, improved contracts and mix of sales. The supply chain unit in Poland is also delivering significantly improved results compared to last year.



Operating expenses have decreased by 4.8% to SEK 1,257 million (1,320). Essekte is continuing its expense reduction efforts throughout the group.

The operating margin excluding items affecting comparability was 4.6% (4.2%).

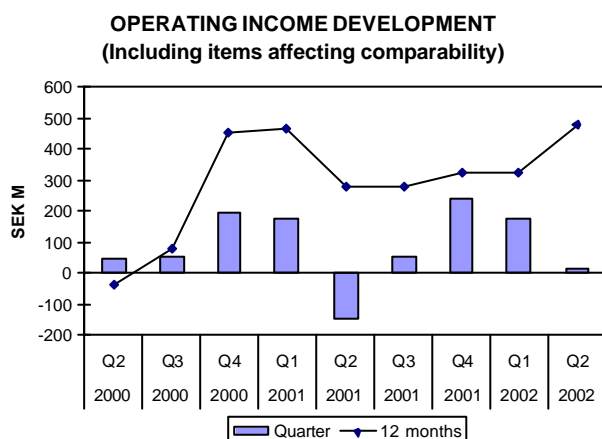
Items affecting comparability

A restructuring charge of SEK 47 million was taken in the second quarter relating to the earlier announced investment into modernisation of manufacturing in Stuttgart. This investment facilitates a simpler production flow leading to substantial savings in direct costs.

The simplification of production also means an opportunity for indirect cost savings via a reduction of the infrastructure at the German unit. In total, approximately 220 employees will be affected. The cost saving programme will further strengthen the Esselte-Leitz competitive position in Germany.

Operating income including items affecting comparability

Operating income including items affecting comparability was SEK 187 million compared to SEK 29 million last year. The improvement is mainly due to last year's restructuring charge of SEK 196 million, related to the Curtis business.



Income before and after tax

Income before tax was SEK 133 million (-122). The net financial expense was SEK -54 million (-151), an improvement of SEK 97 million. There are three principal reasons for the lower financial expenses.

Firstly, Esselte has reduced external debt from SEK 3,676 million on June 30, 2001 to SEK 2,364 million on June 30, 2002 a decrease of over SEK 1,3 billion.

Secondly, market rates have been reduced significantly during the last 12 months.

Thirdly, Esselte had, during the first quarter 2001, a foreign exchange loss of a one-off nature in the Turkish subsidiary. The Turkish lira was devalued by 40%.

Net income was SEK 80 million, compared to SEK – 73 million for the same period last year.

Operating cash flow

Cash flow from operations increased by 22% to SEK 300 million (246). This increase is mainly generated by the reduced financial expenses.

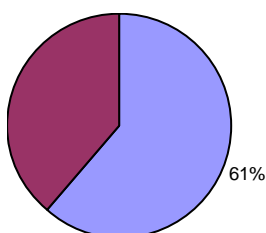
Long- and short-term debt has been reduced from SEK 2,774 in December 2001 to 2,364 in June 2002 reflecting the strong cash flow and a weakening of the US dollar. Net investments in fixed assets for the period were SEK 41 million (129).

The strong focus on strengthening the balance sheet has lead to an equity-assets ratio of 34.2% compared to 29.9% on December 31, 2001.

PRODUCT CATEGORIES

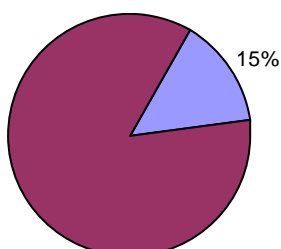
From January 2002, the composition of the product categories has changed. The Product category "Development Categories" has been removed and therefore Binding & Lamination products are now included in "Workspace" and Curtis computer accessories in "Other Products".

Filing



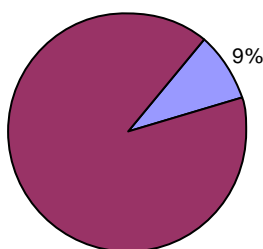
Sales were SEK 3,094 million (3,273), a decrease of 5.5%. Continued weak demand in North America and Europe affected sales. The positive sales development in some Eastern- and Southern European markets continued.

DYMO



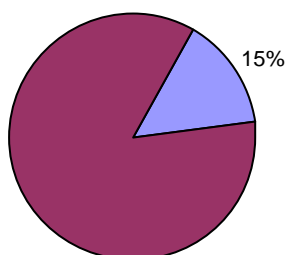
Sales of DYMO branded products were SEK 750 million (716), an increase of 4.7%. Strong sales in North America for both LabelMakers and LabelWriters coupled with a positive sales development in Southern- and Central Europe was behind the increase in sales. Sales development in Northern Europe and UK was negative.

Workspace



Workspace includes products such as staplers, perforators, moulded plastics and Binding & Lamination. Sales were SEK 456 million (477), a decrease of 4.4%, affected by the slow economy.

Other Products



Other Products include printer supplies, ring binder mechanisms, computer accessories and traded articles. Sales were reduced to SEK 747 million (874) of which a decrease of SEK 76 million relates to divestments.

Recommended offer to the shareholders of Esselte AB (publ)

On May 24, 2002, J.W. Childs Equity Partners III, L.P. ("J.W. Childs"), through its affiliate J.W. Childs Acquisition Sweden AB, announced a recommended offer to purchase all the outstanding shares of Esselte AB (publ). On July 11, 2002, J.W. Childs announced that all conditions of the offer have been met and J.W. Childs has therefore decided to implement the offer. Following J.W. Childs announcement, the Board of Directors of Esselte AB (publ) has applied for the Esselte shares to be de-listed from Stockholmsbörsen and the London Stock Exchange with effect as from 01 August, 2002. The final day for trading on either exchange is planned to be July 31, 2002.

Extra General Meeting

The shareholders of Esselte AB (publ) have been convened to an Extra General Meeting on August 1, 2002 for the purpose of electing new Directors to the Board.

Other

On May 15, 2002, Anders Igel left his position as CEO of Esselte and Ulrik Svensson, the CFO of Esselte, was appointed acting CEO. Following the completion of the acquisition by J.W. Childs (see above), Magnus Nicolin will become Chief Executive Officer and President of Esselte.

Accounting principles

This report is prepared according to the Annual Accounts Act and the standards issued by the Swedish Accounting Standards Council. There have been no changes in the accounting principles applied compared to last year except for new standards applicable for Esselte. These are;

RR 1:00, RR 15, RR 16, RR 17, RR 21 and RR 23. It is the company's opinion that the above standards have no material effect on the financial reports.

For comparative figures, the balance sheet and the cash flow statement are not identical in this report compared to the annual report 2001 due to minor re-classifications.

This report has not been reviewed by the auditors.

Solna 19 July, 2002.

Esselte AB (publ)

Ulrik Svensson

Acting CEO

Esselte is the leading global office supplies manufacturer with annual sales of approx. SEK 11 billion, subsidiaries in 25 countries, selling office products in over 120 countries and employing approx. 6,200 people.

Esselte makes it easier for people to organize the modern workplace. Our principal brands are: DYMO, Pendaflex, Leitz and Esselte.

To learn more about Esselte, visit our website at www.esselte.com.

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SIX MONTHS ENDED 30 JUNE 2002

CONSOLIDATED INCOME STATEMENT	April - June		January - June		Full Year
	2002	2001	2002	2001	2001
SEK millions					
Net sales	2,401	2,453	5,047	5,340	10,853
Cost of goods sold	-1,687	-1,749	-3,556	-3,795	-7,786
Gross profit	714	704	1,491	1,545	3,067
Selling expenses	-367	-421	-749	-849	-1,678
Administrative expenses	-222	-177	-398	-346	-715
Goodwill amortization (Note)	-24	-25	-48	-50	-99
Other operating expenses	-41	-30	-62	-75	-133
Operating income exc. items aff. comparability	60	51	234	225	442
Items affecting comparability	-47	-196	-47	-196	-118
Operating income inc. items aff. comparability	13	-145	187	29	324
Financial income and expense	-22	-65	-54	-151	-240
Income after financial items	-9	-210	133	-122	84
Tax	4	84	-53	49	-34
Net income	-5	-126	80	-73	50
Number of shares	34,239,628	34,239,628	34,239,628	34,239,628	34,239,628
Income per share exc. items aff. comparability - SEK	1.20	-0.20	3.70	1.30	2.50
Income per share inc. items aff. comparability - SEK	-0.10	-3.70	2.30	-2.10	1.50
Depreciation and amortization	105	181	211	295	528

CONSOLIDATED BALANCE SHEET	30 June		31 March		31 Dec
	2002	2001	2002	2001	2001
SEK millions					
Intangible fixed assets	1,183	1,347	1,223	1,409	1,298
Tangible fixed assets	1,832	2,144	1,950	2,126	2,078
Financial fixed assets	799	802	893	785	944
Inventories	1,432	2,056	1,409	2,066	1,510
Short term receivables	2,255	2,337	2,287	2,510	2,444
Cash and bank	68	313	59	243	45
Assets	7,569	8,999	7,821	9,139	8,319
Shareholders' equity	2,589	2,321	2,531	2,568	2,485
Provisions for pensions	509	490	488	483	500
Provisions, other	276	301	258	249	310
Long term liabilities, interest bearing	1,051	2,395	1,227	2,391	1,358
Short term liabilities, interest bearing	1,313	1,281	1,312	1,180	1,416
Short term liabilities, non-interest bearing	1,831	2,211	2,005	2,268	2,250
Shareholders' equity and liabilities	7,569	8,999	7,821	9,139	8,319
Capital structure					
Capital employed	4,743	5,681	4,975	5,795	5,208
Net financial liabilities	2,155	3,360	2,444	3,227	2,723
Shareholders' equity per share, SEK	75.60	67.80	73.90	75.00	72.60
Equity/assets ratio - %	34.2%	25.8%	32.4%	28.1%	29.9%
Number of employees					
Number of employees - end of period	6,230	6,519	6,354	6,975	6,462

KEY FIGURES	April - June		January - June		Full Year
	2002	2001	2002	2001	2001
Excluding items affecting comparability					
Gross profit margin	29.7%	28.7%	29.5%	28.9%	28.3%
Operating expenses / sales	27.2%	26.6%	24.9%	24.7%	24.2%
Operating margin	2.5%	2.1%	4.6%	4.2%	4.1%
Including items affecting comparability					
Gross profit margin	29.7%	28.7%	29.5%	28.9%	28.3%
Operating expenses / sales	29.2%	34.6%	25.8%	28.4%	25.3%
Operating margin	0.5%	-5.9%	3.7%	0.5%	3.0%
12 months moving values			July - June		Full Year
			2002	2001	2001
Rate of capital turnover			2.1	2.0	1.9
Return on capital employed			9.4%	4.9%	5.8%
Return on shareholders' equity			8.1%	0.1%	2.1%

Note : Excludes depreciation on fair market valuation of fixed assets related to the acquisition of Leitz in 1998. This is included in cost of goods sold at a value of SEK 31 m (31) for the period January to June 2002.



SIX MONTHS ENDED 30 JUNE 2002

CONSOLIDATED CASH FLOW STATEMENT		April - June		January - June	
SEK millions		2002	2001	2002	2001
<i>Operations</i>					
Operating income including items affecting comparability		13	-145	187	29
Depreciation and amortization		105	181	211	295
Other non-cash items		96	67	101	85
Financial items and income taxes paid		-42	-130	-91	-238
Change in working capital		-51	157	-108	75
Cash flow from operations		121	130	300	246
<i>Investments</i>					
Investment in / divestment of operations		0	34	0	34
Net investment in fixed assets		-23	-83	-41	-129
Change in financial assets		-10	108	8	140
Cash flow from investments		-33	59	-33	45
<i>Financing</i>					
Dividend paid		-34	-68	-34	-68
Change in financial liabilities		-56	-55	-205	-120
Other		12	-5	-3	-17
Cash flow from financing		-78	-128	-242	-205
Net cash flow		10	61	25	86
Cash and bank at beginning of period		59	244	45	208
Exchange difference in cash and bank		-1	8	-2	19
Cash and bank at end of period		68	313	68	313

CHANGE IN SHAREHOLDERS' EQUITY		January - June	
SEK millions		2002	2001
At beginning of period		2,485	2,588
Dividend paid to shareholders		-34	-68
Change in translation differences		58	-126
Net income		80	-73
At end of period		2,589	2,321

NET SALES BY PRODUCT CATEGORY		April - June		January - June	
SEK millions		2002	2001	2002	2001
Filing		1,442	1,475	3,094	3,273
DYMO		364	344	750	716
Workspace		220	221	456	477
Other products		375	413	747	874
Total		2,401	2,453	5,047	5,340

SHARE OF NET SALES BY COUNTRY		January - June	
		2002	2001
USA		33%	33%
Germany		18%	18%
France		6%	6%
UK		4%	4%
Canada		4%	4%
Italy		4%	4%
Netherlands		4%	4%
Sweden		4%	3%
Spain		4%	3%
Denmark		3%	3%
Other countries		16%	18%
Total		100%	100%