

NEFAB

Interim report January - June 2002

- Invoiced sales amounted to SEK 507 M (597), down 15%.
 - Invoicing to the telecom equipment industry accounted for 39% (47) of consolidated sales.
 - Profit after financial items amounted to SEK 23 M (41).
 - Earnings per share after full tax was SEK 2.02 (4.24).
 - Cash flow after investments amounted to SEK 61 M (-47).
 - Continued strong financial position. Equity/assets ratio amounted to 44.5% and the liquidity reserve was SEK 225 M.
 - Continued successes in the Asian markets in the area of complete packaging solutions.
-

Second quarter 2002

Invoiced sales in the second quarter amounted to SEK 260 M (296), down 12% compared with the year-earlier period. Order bookings amounted to SEK 276 M (284), a decline of 3%.

Profit after financial items during the second quarter amounted to SEK 13 M (17).

First half year 2002

Invoiced sales in the first half of 2002 amounted to SEK 507 M (597), a decline of 15%. Order bookings amounted to SEK 522 M (595), down 12%.

Europe

Invoiced sales to customers in Europe during the first six months amounted to SEK 390 M (437), a decline of 11%.

The decline in invoicing is entirely attributable to customers in the telecom equipment industry. Invoicing to other market segments is largely unchanged compared with a year earlier.

Marketing efforts in Eastern Europe have been intensified. Invoicing to customers in Estonia, Poland, Hungary and the Czech Republic is increasing continually from prior lower levels.

Asia

Invoiced sales in the Asian market during the period amounted to SEK 72 M (76), a decline of 5%.

Customers in the telecom equipment sector account for a majority of sales. During the first months of 2002, Nefab added several new customers. A significant number of the new sales involve complete packaging solutions, where the proportion of products produced by Nefab is low.

During the period, Nefab received an order from Andrew Corporation in China. The order involves annual invoicing of about SEK 25 M. Andrew Corporation is a leading global supplier of communications equipment, systems and service. The product program includes cabling and antennas. Nefab becomes a full-service supplier and provides all packaging material needed to handle the customer's products.

North and South America

Invoiced sales to customers in North and South America during the period amounted to SEK 43 M (84), down 48%. SEK 8 M (41) of invoicing was to customers in the telecom equipment industry. Invoicing to other market segments amounted to SEK 35 M (43), a decline of 19%.

The situation in the Brazilian market continues to be strained. Since the market for telecom equipment is currently very weak, marketing efforts are being focused on other customer segments, primarily the automotive industry. Uncertainty in the financial markets affects Nefab's operations in Brazil, resulting in increased financing expenses.

Telecom equipment industry

Invoiced sales to customers in the telecom equipment industry declined by 28% to SEK 200 M (278), corresponding to 39% of consolidated sales (47).

The percentage of invoicing to the telecom equipment industry was highest in Asia, while other markets show a stronger concentration to other engineering industries.

Nefab's packaging solutions for customers in the telecom equipment industry are utilized primarily for mobile infrastructure products. The downturn in invoicing that began approximately one year ago has now been halted and invoicing during the first as well as the second quarter was just under the level reported during the fourth quarter 2001.

The automotive industry and other market segments

Invoiced sales to customers within the automotive industry rose 1% to SEK 54 M (53), corresponding to 11% of consolidated sales (9). Sales to the automotive industry are project oriented. A significant portion of invoiced sales consists of reusable packaging systems.

Invoiced sales to other market segments decreased by 5% to SEK 253 M (266).

Earnings

Profit after financial items for the period amounted to SEK 23 M (41).

The comprehensive restructuring that was implemented during the preceding financial year affected the Group's fixed costs in a positive manner. This is particularly true for fixed manufacturing costs.

The weakening of the Brazilian currency resulted in exchange-rate losses of slightly more than SEK 2 M, which is charged against net financial items in the period. After the close of the reporting period, a further weakening of the Brazilian currency was noted. The uncertainty in the currency is related to the forthcoming elections in Brazil.

Earnings per share for the period amounted to SEK 2.02 (4.24). Return on capital employed was 10.2% (19.0).

Capacity and investments

Net Group investments for the period amounted to an expenditure of SEK 15 M (78). After eliminating production in the UK, the industrial property was sold, generating proceeds of SEK 27 M. Investments during the period of SEK 12 M pertained to machinery and inventory.

Changes in exchange rates between year-end and the closing date for the period resulted in a decline in the book value of the Group's fixed assets of about SEK 17 M.

Financial position

The equity/assets ratio at June 30 was 44.5% (43.2). Shareholders' equity per share amounted to SEK 50.30 (51.37). The Group's liquid assets on the closing date, including unutilized credit facilities, amounted to SEK 225 M (105).

Cash flow during the first half year was very positive. The sale of property of the English company freed up SEK 27 M, while improvements were made in terms of operating capital. Cash flow after investments during the period amounted to SEK 61 M, compared with a negative SEK 47 M in the preceding year.

Group equity, which at the beginning of the year amounted to SEK 369 M, was increased by net earnings of SEK 14 M for the period and, including a translation difference of SEK 17 M and dividends paid of SEK 19 M, amounted to SEK 347 M at the end of the period.

Outlook for 2002

The previously submitted forecast indicated great uncertainty regarding the time for a subsequent recovery within the telecom equipment industry. This uncertainty remains.

Parent Company

Operations in Nefab AB comprise Group management, financing and coordination of marketing, production and business development. Sales during the first half year amounted to SEK 24 M (30) and profit after net financial items was SEK 33 M (15).

NEFAB

Profit and loss accounts (SEK M)	0204-0206 3 months	0104-0106 3 months	0201-0206 6 months	0101-0106 6 months	0107-0206 12 months	0101-0112 12 months
Net sales	260	296	507	597	1.030	1.121
Cost of goods sold	-189	-218	-372	-437	-756	-821
Gross profit	71	78	135	160	274	300
Selling expenses	-32	-32	-63	-64	-124	-126
Administration expenses	-23	-23	-44	-45	-90	-90
Other operation income	-	-	-	-	-	-
Operating profit	16	23	28	51	60	84
Net financial items	-3	-6	-5	-10	-11	-17
Profit after net financial items	13	17	23	41	49	67
Taxes	-5	-6	-9	-12	-19	-22
Net profit for the year	8	11	14	29	30	45
<i>Depreciation included above</i>	13	12	25	23	50	49
<i>Profit per share, full tax, SEK</i>	1.14	1.64	2.02	4.24	4.27	6.49

Balance sheets (SEK M)	020630	010630	020630	011231
Intangible assets	23	32	23	26
Tangible assets	301	326	301	354
Financial assets	8	19	8	6
Inventories etc.	118	139	118	130
Current assets	259	286	259	248
Cash and bank	72	22	72	44
Equity capital	347	355	347	369
Provisions	48	31	48	46
Long-term liabilities	201	226	201	214
Current liabilities	185	212	185	179
Total capital	781	824	781	808
<i>Of which interest-bearing liabilities</i>	213	241	213	229

Cash flow statements (SEK M)	0204-0206	0104-0106	0201-0206	0101-0106	0107-0206	0101-0112
Operating profit	16	22	28	51	61	84
Depreciation, financial net and taxes	4	1	11	1	28	18
Cash flow from the year's operations	20	23	39	52	89	102
Changes in working capital	-2	2	7	-21	20	-8
Net investments in fixed assets	-5	-19	+15	-78	-36	-129
Cash flow after investments	13	6	61	-47	73	-35
Dividend	-19	-19	-19	-19	-19	-19
Financing	6	15	-14	65	-4	75
Changes in liquid funds	0	2	28	-1	50	21

NEFAB

Key ratios

	0204-0206	0104-0106	0201-0206	0101-0106	0107-0206	0101-0112
Operating margin, %	6.4	7.7	5.5	8.7	5.8	7.4
Profit margin, %	5.1	5.8	4.5	6.9	4.7	6.0
Return on equity capital, %	8.8	12.7	7.8	17.1	8.4	12.8
Return on total capital, %	8.8	11.2	7.4	13.4	7.8	11.1
Return on capital employed, %	12.2	15.6	10.2	19.0	10.8	15.5
Equity/assets ratio, %	44.5	43.2	44.5	43.2	44.5	45.8
Employees, yearly average	1,058	1,100	1,021	1,120	989	1,038
Net investments, SEK M	5	19	- 15	78	36	129

Key ratios per share

Profit per share, full tax, SEK	1.14	1.64	2.02	4.24	4.27	6.49
Equity capital per share, SEK			50.30	51.37	50.30	53.47
Number of shares at the end of the period, in thousands	6,907	6,907	6,907	6,907	6,907	6,907
Share price on closing day, SEK			102.00	120.00	102.00	114.00

For definitions, see Annual Report for 2001.

Financial reports

Interim Report, January-September 2002	October 30, 2002
Year-end Report 2002	February 13, 2003
Interim Report, January-March 2003	April 29, 2003
Annual General Meeting	May 9, 2003

For additional information, contact Lars-Åke Rydh, President and CEO, tel +46-70-592 45 70, e-mail lars-ake.rydh@nefab.se, Chief Financial Officer, Anna Stålenbring, tel +46-70-814 23 44, e-mail anna.stalenbring@nefab.se

Stockholm August 13, 2002

Lars-Åke Rydh
CEO and President

This interim report is unaudited. The interim report was prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council.

Information about Nefab

Nefab delivers complete packaging solutions to international industrial groups, primarily within the telecom equipment and automotive industries. Nefab companies are located in Europe, North and South America and Asia. Invoiced sales in 2001 amounted to SEK 1.1 billion. The Nefab share is listed on the OM Stockholm Exchange.

Nefab AB (publ)
Östra Storgatan 20 . P O Box 2184 . SE-550 02 Jönköping . Sweden
Telephone +46(0)36-345050 . Telefax +46(0)36-150444 . Organization No. 556226-8143
Homepage: www.nefab.com . E-mail: info@nefab.se
The registered office of the board of directors is in Ovanåker, Sweden

NEFAB

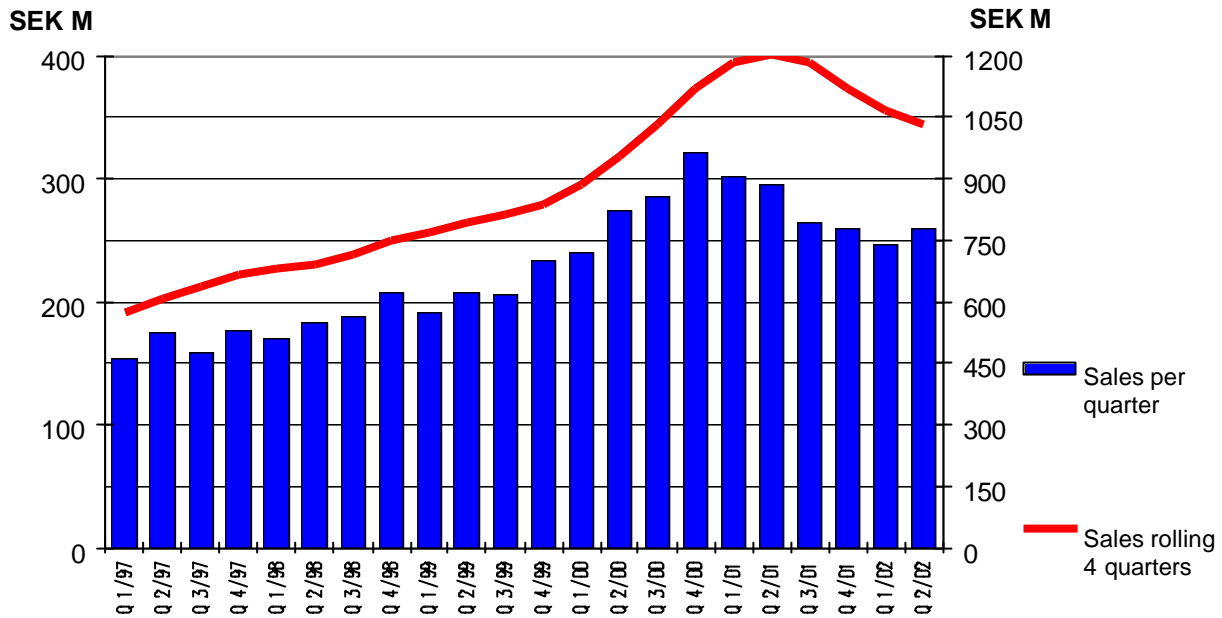
Quarterly data

	Q1/00	Q2/00	Q3/00	Q4/00	Q1/01	Q2/01	Q3/01	Q4/01	Q1/02	Q2/02
Net sales	240	275	285	321	301	296	264	260	246	260
Cost of goods sold	<u>-172</u>	<u>-198</u>	<u>-207</u>	<u>-234</u>	<u>-219</u>	<u>-218</u>	<u>-195</u>	<u>-189</u>	<u>-182</u>	<u>-189</u>
Gross profit	68	77	78	87	82	78	69	71	64	71
Selling expenses	-24	-26	-24	-31	-31	-32	-30	-33	-31	-32
Administration expenses	-21	-19	-19	-22	-22	-23	-20	-25	-21	-23
Other operation income	-	7	-	-	-	-	-	-	-	-
Operation profit	23	39	35	34	29	23	19	13	12	16
Net financial items	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-2</u>	<u>-5</u>	<u>-6</u>	<u>-4</u>	<u>-2</u>	<u>-2</u>	<u>-3</u>
Profit after net financial items	21	37	33	32	24	17	15	11	10	13
Taxes	<u>-4</u>	<u>-10</u>	<u>-9</u>	<u>-8</u>	<u>-6</u>	<u>-6</u>	<u>-7</u>	<u>-3</u>	<u>-4</u>	<u>-5</u>
Net profit	17	27	24	24	18	11	8	8	6	8
Fixed assets	243	254	265	305	362	377	394	386	346	332
Current assets	335	377	414	433	460	447	422	422	446	449
Equity capital	256	274	305	330	357	355	365	369	368	347
Provisions	26	26	26	31	31	31	31	46	47	48
Long-term liabilities	124	147	142	159	208	226	223	214	193	201
Current liabilities	172	184	206	218	226	212	197	179	184	185
Total capital	578	631	679	738	822	824	816	808	792	781
Operation margin, %	9.6	11.6*	12.4	10.7	9.6	7.7	7.1	5.0	4.6	6.4
Profit margin, %	8.8	10.8*	11.7	9.9	8.1	5.8	5.5	4.2	3.9	5.1
Return on equity capital, %	28.0	33.1*	33.3	29.7	20.9	12.7	8.2	8.9	6.6	8.8
Return on total capital, %	16.6	21.4*	21.9	19.5	15.1	11.2	9.3	7.0	6.1	8.8
Return on capital employed, %	23.8	30.8*	31.9	28.6	21.6	15.6	12.6	9.4	8.3	12.2
Equity/assets ratio, %	44.3	43.5	45.0	44.8	43.5	43.2	44.8	45.8	46.5	44.5
Profit per share, full tax, SEK	2.51	3.17*	3.49	3.41	2.60	1.64	1.07	1.18	0.87	1.14
Equity capital per share, SEK	37.01	39.60	44.16	47.82	51.63	51.37	52.80	53.47	53.22	50.30
Share price on closing day, SEK	70	94	120	147.5	122	120	83	114	130	102

* Calculated with SPP recovery excluded.

NEFAB

Sales development per quarter



Earnings trend per quarter (SPP-recovery excluded)

