



PRESS RELEASE

Nefab signs agreement with Flextronics regarding deliveries of packaging for Microsoft's game console X-box

Nefab informed on the 1st of October regarding an agreement with a contract manufacturer in China. The agreement has been made with Flextronics Industrial (Zhuhai) Co Ltd and Nefab will deliver packaging material to Microsoft's X-box game console, which is manufactured by Flextronics.

The transaction is expected to increase Nefab's invoicing by about USD 11 M during the next 12 months.

The agreement is a so-called VMI (Vendor Managed Inventory) contract. This means that Nefab operates the logistics hub from which packaging material is delivered "just-in-time" to the production line. The packaging material, comprising both consumer and transport packaging, is being procured from a number of selected suppliers.

"This represents a breakthrough for Nefab in two respects," says Lars-Åke Rydh, President of Nefab. "This is the first time that a transaction of this size is based totally on our general packaging, service and logistics expertise, without involving the products we produce ourselves. Our aim to deliver a total solution rather than a single product has resulted in the proportion of service and nonproprietary products currently accounting for about 25% of invoicing," continues Rydh. "The transaction also represents a breakthrough regarding deliveries to the consumer products industry, where previously our presence was marginal."

Nefab already has an extensive cooperation with Flextronics in Europe, Asia and South America.

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Jönköping, October 8, 2002

Lars-Åke Rydh
President and CEO

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 Stockholmsbörsen.

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