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Interim Report, January – March 2007

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- Invoicing rose 15% to SEK 498 M (431). At translation with unchanged exchange rates, invoicing increased by 19%.
 - The Chinese market accounts for slightly less than half of the growth in invoicing and now represents one fifth of the Group's total invoicing.
 - Profit after financial items amounted to SEK 42 M (35). Net profit amounted to SEK 31 M (27).
 - Earnings per share amounted to SEK 1.12 (0.96).
 - As a result of the high demand for wood-containing raw materials in Europe, the cost for important input materials is rising sharply. Nefab's prices to customers are renegotiated continually.
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First quarter of 2007

Invoiced sales in the first quarter remained favorable and amounted to SEK 498 M (431), up 15% compared with the year-earlier period. Translation using exchange rates for 2006 would have resulted in invoicing that was SEK 15 M higher. Accordingly, the increase in invoicing excluding exchange-rate differences was 19%. Orders received amounted to SEK 512 M (444), an increase of 15%.

The market in China showed the highest growth, where invoicing rose a full 50%.

All market segments reported favorable growth, but the order pace was strongest in telecom.

The development from being a product-oriented company to a supplier of complete solutions continues. The share of trading products and services amounted to 37% of invoicing (35) during the quarter.

Profit after financial items during the first quarter amounted to SEK 42 M (35).

Cash flow after investing activities amounted to SEK 1 M (neg: 38).

Nordic countries

Invoicing from companies in the Nordic region during the quarter amounted to SEK 144 M (128), up 12%.

The Swedish market has developed well compared with the first quarter in the preceding year. Invoicing increased by 15%. The invoicing trend in the other Nordic markets was more modest.

Operating profit in the region amounted to SEK 14 M (13).

Europe (excluding Nordic region)

Invoicing from companies in the rest of Europe in the first quarter amounted to SEK 208 M (198), an increase of 5%. Translation using exchange rates for 2006 would have resulted in invoicing that was SEK 3 M higher. Accordingly, the invoicing increase excluding exchange-rate differences amounted to 7%.

Nefab's focus on the German market is beginning to yield results. Invoicing rose by slightly less than 30%. Companies in the Benelux area, which was strengthened in the past years through two acquisitions, also show favorable growth.

Operations in the UK are being conducted in a weakening export market and this is reflected in invoicing of the company, which declined compared with a year earlier.

Operating profit in the region amounted to SEK 11 M (17).

Asia and America

Invoicing from companies in Asia and North and South America during the period amounted to SEK 146 M (105), an increase of 39%. Translation using exchange rates for 2006 would have resulted in invoicing in the first quarter that was SEK 12 M higher. Accordingly, the invoicing increase excluding exchange-rate differences amounted to 50%.

Invoicing from companies in Asia showed a positive trend, increasing by 50% to SEK 96 M (64). To strengthen

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capacity on the Chinese market, two investment decisions were made in autumn 2006: to establish a new production facility in Beijing area and to expand operations in Shenzhen in southern China. Both facilities are expected to be in operations during the second half of 2007.

During the first quarter, the minority interest in the company operated by Nefab in Singapore was acquired. The acquisition covered the remaining 40% of the shares in the company for a purchase consideration of SEK 3 M. In addition, the seller has the possibility of receiving a small supplemental payment. The acquisition resulted in, after deduction of deferred taxes, a consolidated surplus value of SEK 2 M, which was allocated to amortizable intangible assets. It is assessed that the acquisition will affect the Group's earnings per share marginally positive.

Invoicing in Asia is largely based on deliveries to the electronics and telecom industries.

Invoicing in North and South America during the quarter amounted to SEK 50 M (41), up 22%.

Operating profit for the Asia and America segment amounted to SEK 18 M (8).

Telecom

Invoicing to customers in the telecom industry increased by 24% to SEK 186 M (150), corresponding to 37% (35) of consolidated sales.

Automotive

Invoicing to customers in the automotive industry rose 11% to SEK 50 M (45), corresponding to 10% (11) of consolidated sales.

Industry

Invoicing to the industry segment amounted to SEK 262 M (236), up 11%. The industry segment thereby accounted for 53% (53) of Group invoicing.

Earnings

Consolidated profit after financial items for the quarter amounted to SEK 42 M (35).

Demand is high for wood-containing input materials in Europe. For Nefab, this results in sharply increased prices for plywood as well as timber. The cost increases impact successively, but to and including the first quarter only affected gross margin slightly. Prices to customers are renegotiated continually. The assessment is that cost increases impact more rapidly than what Nefab can fully offset through higher prices to customers.

Changes in exchange rates affected earnings marginally. Operating profit was impacted slightly negatively, while net financial items contain certain minor currency gains.

Tax expenses for the period amounted to 26% (23) of profit after financial net.

Earnings per share for the quarter amounted to SEK 1.12 (0.96). The return on shareholders' equity was 20.6% (20.8), compared with the company's goal of at least 15%.

In recent years, Nefab has completed a number of acquisitions. The total surplus value, at March 31, amounted to SEK 72 M, of which SEK 60 M related to amortizable intangible assets and SEK 12 M to goodwill. Annual amortization of surplus value currently amounts to nearly SEK 11 M.

Capacity and investments

Net investments by the Group during the quarter amounted to SEK 15 M (53). Company acquisitions with a value of SEK 3 M (42) are included.

Financial position

The equity/assets ratio at March 31 was 52.5% (50.4). Shareholders' equity per share was SEK 22.52 (18.99). Group cash and cash equivalents on the closing date, including unutilized credit facilities, amounted to SEK 347 M (311).

Cash flow after investing activities during the year amounted to SEK 1 M, compared with a negative cash flow of SEK 38 M for the preceding year. The value for the preceding year includes investments and working capital build-up in conjunction with company acquisitions of a negative SEK 52 M.

Annual Report

The 2006 Annual Report was distributed to the company's shareholders at the beginning of April 2007. The annual report is also available on the company's website, www.nefab.com.

Future financial reports

Annual General Meeting
Interim report, January-June 2007
Interim report, January-September 2007

May 24, 2007
August 16, 2007
October 30, 2007

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Profit and loss accounts (SEK M)

	0701-0703 3 months	0601-0603 3 months	0604-0703 12 months	0601-0612 12 months
Net sales	498	431	1 970	1 903
Cost of goods sold	<u>-363</u>	<u>-309</u>	<u>-1 431</u>	<u>-1 377</u>
Gross profit	135	122	539	526
Selling expenses	-55	-51	-218	-214
Administrative expenses	-36	-34	-138	-136
Other operating income/expenses	<u>-2</u>	-	<u>-3</u>	<u>-1</u>
Operating profit	42	37	180	175
Net financial items	-	<u>-2</u>	<u>-4</u>	<u>-6</u>
Profit after net financial items	42	35	176	169
Taxes	<u>-11</u>	<u>-8</u>	<u>-44</u>	<u>-41</u>
Net profit	<u>31</u>	<u>27</u>	<u>132</u>	<u>128</u>
<i>Depreciation included above</i>	14	14	67	67
<i>Earnings per share, SEK *)</i>	1.12	0.96	4.77	4.61
<i>*) both before and after full dilution</i>				

Balance sheets (SEK M)

	070331	060331	070331	061231
Goodwill	12	16	12	12
Other intangible assets	65	70	65	62
Tangible assets	269	272	269	260
Financial assets	24	19	24	24
Inventories etc.	183	144	183	156
Current assets	505	402	505	489
Cash and cash equivalents	128	119	128	116
Equity	622	525	622	585
Long-term liabilities	158	157	158	130
Current liabilities	406	360	406	404
Balance sheet total	1 186	1 042	1 186	1 119
<i>Of which interest-bearing liabilities</i>	169	175	169	160

Cash-flow statements (SEK M)

	0701-0703	0601-0603	0604-0703	0601-0612
Operating profit	42	37	180	175
Depreciation, financial net and taxes	<u>2</u>	<u>4</u>	<u>18</u>	<u>20</u>
Cash flow from the year's operations before changes in working capital	44	41	198	195
Changes in working capital	-28	-26	-100	-98
Net investments in fixed assets	<u>-15</u>	<u>-53</u>	<u>-50</u>	<u>-88</u>
Cash flow after investments	1	-38	48	9
Dividend	-	-	-28	-28
Financing	<u>11</u>	<u>9</u>	<u>-11</u>	<u>-13</u>
Changes in liquid funds	12	-29	9	-32

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Key ratios

	0701-0703	0601-0603	0604-0703	0601-0612
Gross margin, %	27.0	28.3	27.4	27.7
Operating margin, %	8.4	8.6	9.2	9.2
Net margin, %	8.4	8.1	8.9	8.9
Return on equity, %	20.6	20.8	23.0	23.6
Return on total capital, %	15.1	15.0	16.5	17.0
Return on capital employed, %	22.7	22.1	24.7	25.2
Equity/assets ratio, %	52.5	50.4	52.5	52.3
Employees, yearly average	1 877	1 626	1 885	1 818
Net investments, SEK M	15	53	50	88

Key ratios per share

Earnings per share, SEK <i>(both before and after full dilution)</i>	1.12	0.96	4.77	4.61
Equity per share on closing day, SEK	22.52	18.99	22.52	21.16
Number of shares at the end of the Period, in thousands	27 629	27 629	27 629	27 629
Share price on closing day, SEK	80.25	61.00	80.25	81.75

Operating segments (SEK M)

Net sales

Nordic countries	144	128	546	531
Europe (excl. Nordic)	208	198	855	845
Asia and America	146	105	568	527
Total	498	431	1 970	1 903

Operating profit

Nordic countries	14	13	53	52
Europe (excl. Nordic)	11	17	64	70
Asia and America	18	8	65	55
Undistributed costs	-1	-1	-2	-2
Total	42	37	180	175

Changes in Shareholders' Equity (SEK M)

	0701-0703	0601-0603	0601-0612
At beginning of the period	585	501	501
Dividend	-	-	-28
Translation differences	6	-3	-16
Net profit	31	27	128
At end of the period	622	525	585

For definitions, refer to the 2006 Annual Report.

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Quarterly data (SEK M)

	Q2/04	Q3/04	Q4/04	Q1/05	Q2/05	Q3/05	Q4/05	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07
Net sales	326	341	350	337	379	375	410	431	472	477	523	498
Cost of goods sold	-232	-249	-261	-248	-281	-271	-302	-309	-344	-342	-382	-363
Gross profit	94	92	89	89	98	104	108	122	128	135	141	135
Selling expenses	-37	-36	-37	-38	-44	-44	-46	-51	-52	-55	-56	-55
Administrative expenses	-24	-21	-24	-28	-27	-28	-34	-34	-32	-33	-36	-36
Other operating income/expenses	-	-	-1	1	1	2	1	-	-	1	-2	-2
Operating profit	33	35	27	24	28	34	29	37	44	48	47	42
Net financial items	-2	-	-1	-	2	-1	1	-2	-4	-1	-	-
Profit after net financial items	31	35	26	24	30	33	30	35	40	47	47	42
Taxes	-8	-10	-5	-6	-8	-8	-7	-8	-10	-13	-10	-11
Net profit	23	25	21	18	22	25	23	27	30	34	37	31
Fixed assets	278	271	276	292	333	328	341	377	366	356	356	370
Current assets	533	553	560	549	531	562	642	665	677	752	763	816
Equity	406	429	444	467	450	475	501	525	518	555	585	622
Long-term liabilities	112	112	89	89	93	90	150	157	154	142	130	158
Current liabilities	293	283	303	285	321	325	332	360	371	411	404	406
Balance sheet total	811	824	836	841	864	890	983	1 042	1 043	1 108	1 119	1 186
Gross margin, % *)	28.8	27.2	25.5	26.5	26.0	27.9	26.4	28.3	27.1	28.4	27.0	27.0
Operating margin, %	10.0	10.4	7.8	7.1	7.3	9.0	7.0	8.6	9.3	10.1	8.9	8.4
Net margin, %	9.4	10.2	7.6	7.1	7.9	8.7	7.4	8.1	8.5	9.8	8.9	8.4
Return on equity, %	22.4	23.7	19.4	15.9	19.0	21.3	18.5	20.8	23.0	25.6	25.6	20.6
Return on total capital, %	16.8	17.7	13.5	11.7	13.2	15.7	13.7	15.0	17.0	18.0	17.1	15.1
Return on capital employed, %	25.4	27.3	20.9	17.8	19.9	23.8	20.3	22.1	25.5	27.5	26.0	22.7
Equity/assets ratio, %	50.1	52.1	53.1	55.6	52.1	53.5	51.0	50.4	49.8	50.1	52.3	52.5
Earnings per share, SEK	0.82	0.90	0.76	0.66	0.79	0.89	0.82	0.96	1.09	1.24	1.32	1.12
Equity per share, SEK	14.69	15.53	16.05	16.90	16.29	17.20	18.12	18.99	18.77	20.09	21.12	22.52
Share price on closing day, SEK	39.50	39.75	44.63	48.00	47.70	47.20	55.75	61.00	62.00	64.25	81.75	80.25

For definitions, refer to the 2006 Annual Report.

*) Gross margin = Gross profit divided by Net sales.

Share-related key figures are restated taking into account the split carried out in June 2005.

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting and valuation principles were applied as in the most recent annual report.

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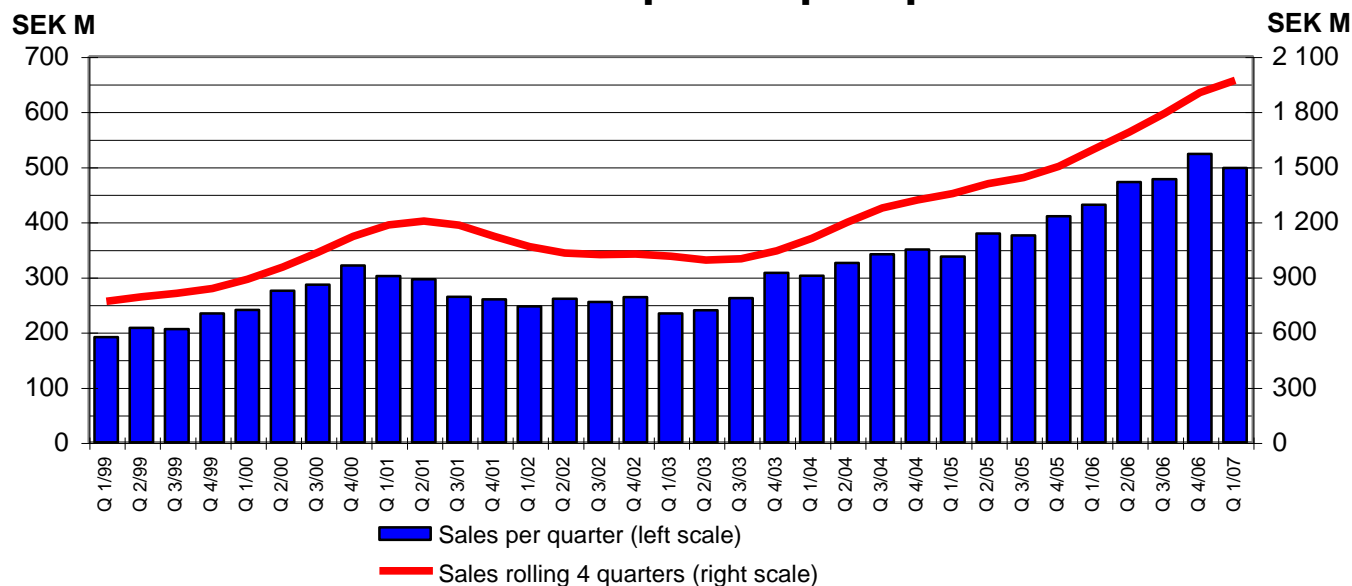
Stockholm, April 26, 2007

Lars-Åke Rydh
President and CEO

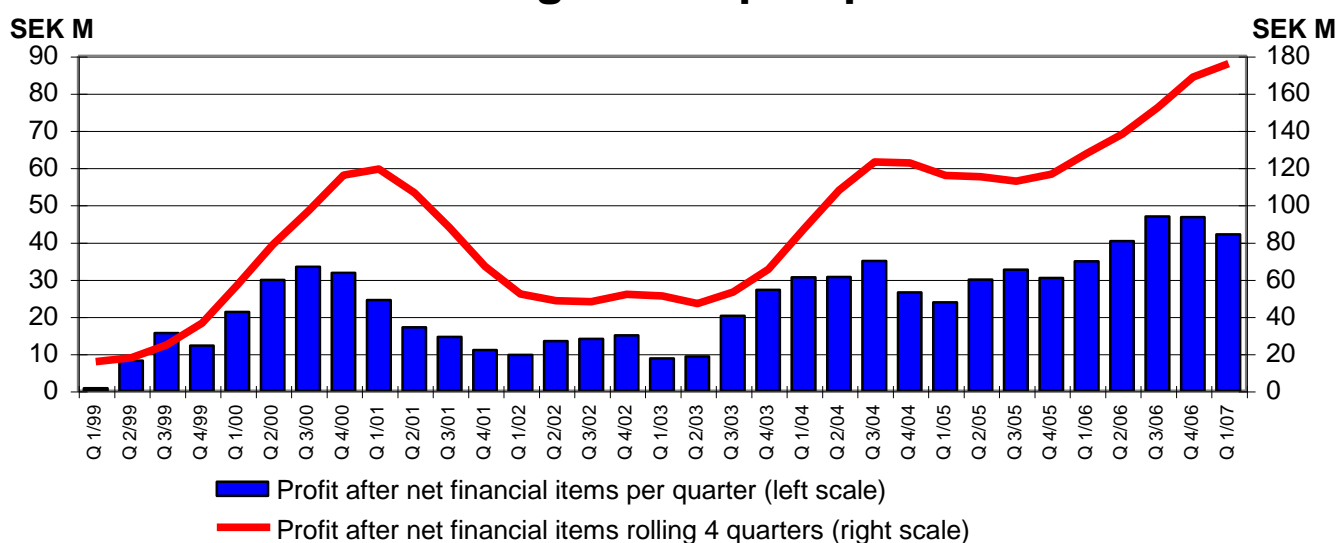
This report has not been examined by the Company's auditors.

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Sales development per quarter



Earnings trend per quarter



Quarters to Q4/03 are reported in accordance with the Swedish Financial Accounting Standards Council's recommendations. Other quarters are reported in accordance with IFRS.

Facts about Nefab

Nefab delivers complete packaging solutions to international industrial groups, primarily within the telecom and automotive industries. Nefab companies are located in Europe, North and South America and Asia. Invoiced sales in 2006 amounted to SEK 1.9 billion. The Nefab share is listed on OMX Nordic Exchange, category Mid Cap.

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