



PRESS RELEASE

Annual General Meeting, Nefab AB (publ)

The Annual General Meeting of shareholders in Nefab AB was held on May 24, 2007.

Financial statements

The Annual General Meeting adopted the income statement and balance sheet as well as the consolidated income statement and balance sheet for 2006. The Board of Directors and the President were discharged from liability for the fiscal year.

Dividend

In accordance with the Board's proposal, the Meeting resolved to distribute an ordinary dividend of 1.20 SEK per share plus an extra dividend of 1.20 SEK per share amounting to a total of 2.40 SEK per share. Previous year the dividend was 1.00 SEK per share. The record date for the dividend this year is May 29, 2007. The dividend is expected to be distributed through VPC on June 1, 2007.

Board of Directors

Ing-Marie Nordgren, Jochum Pihl, Björn Svedberg, Hans Nilsson, Reinhold Geijer, Cecilia Daun-Wennborg, Sune Karlsson and Lars-Åke Rydh were re-elected as Board members for the forthcoming year. Björn Svedberg was elected Board Chairman. The fees to the Board for the forthcoming fiscal year were set at a total of SEK 1,500,000, of which SEK 500,000 to the Chairman of the Board, SEK 100,000 to the representatives of the principal owner and SEK 200,000 to other Board members except the President, who does not receive a Board fee.

Election of auditors

Authorized Public Accountant Bertel Enlund, Ernst & Young was elected as auditor and Authorized Public Accountant Anders Johansson was elected as deputy auditor for the period 2007-2010.

Nomination procedure

The Annual General Meeting took decision on the nomination procedure for Board members and auditors. The proposal entails establishing a Nomination Committee based on ownership at May 31. The three largest owners in the Company each appoint a member of the Committee. Reconciliation will take place at September 30 to ensure that the Committee still consists of representatives for the three largest owners. Any changes in the Committee's composition will be made if necessary. The Nomination Committee's term will extend until such time as a new Committee is formed.

Authorization for the Board to decide on new issues in conjunction with company acquisitions

The Annual General Meeting resolved to authorize the Board, during the period until the next Annual General Meeting, to decide on new issues, with waiver of the shareholders' preferential rights, of not more than 2,700,000 Series B shares. The authorization pertains to new issues in conjunction with company acquisitions and shall be made on market terms.

Guidelines for remunerations to senior executives

The Annual General Meeting adopted the guidelines for remunerations to senior executives in accordance with the material in the notice convening the Meeting. The guidelines are presented in an Appendix to this press release.

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**Financial information**

Interim Report January – June 2007
Interim Report January – September 2007
Year-end Report 2007

August 16, 2007
October 30, 2007
February 13, 2008

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Alfta May 24, 2007

Lars-Åke Rydh
President and CEO

Appended
President's speech at the Annual General Meeting
Guidelines for remunerations to senior executives

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 slightly above SEK 1.9 billion. The Nefab share is listed on OMX Nordic Exchange, category Mid Cap.

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President's speech at Nefab's 2007 Annual General Meeting

Mr. Chairman, shareholders and participants in the meeting:

A year goes by quickly and today we meet once again to summarize a Nefab fiscal year. Last year I began my presentation with a brief account of the Nefab share's positive development since its listing in 1996 – 11 years ago. I am proud to be able to report yet another strong year. Since listing of the share, invoicing has increased from SEK 500 million to almost SEK 2 billion, corresponding to annual growth of nearly 13%. We grew 27% over the past year, both organically and due to acquisitions. Growth was 15% for the first quarter of this year.

As a result of this growth, earnings per share increased from SEK 1.27 in 1996 to SEK 4.61 in 2006. For shareholders, this has entailed an increase in value from the introductory price of SEK 10.25 per share to the current price of approximately SEK 80 per share.

What are these results due to? The platform is the vision that we embraced early on: *The global partner for complete packaging solutions*. This vision has led us to build, year upon year, a global presence, partnerships and a complete range of products.

Record growth levels

Nefab's invoicing increased by 27% in 2006. The strong world economy and the successes of a number of our major customers, particularly within the telecom equipment industry, contributed to this advance. As we review the year, we can also state that we have increased our market share, both through organic growth and through acquisitions.

The year has been characterized by strong demand but also by high volatility in raw materials prices. The prices for wood-based input goods continued to rise sharply in the first part of 2007. This was primarily due to demand, though the weather was also a factor. We obtain large volumes from Russia and the most recent winter – or more accurately, absence of winter – created unfavorable conditions for logging. Frozen ground is necessary for effectively transporting timber out of the forest. Accordingly, an imbalance between supply and demand will persist until at least the end of the year.

Customers have long resisted absorbing this sort of cost increase. However, the price increases are presently so significant that we, like other suppliers, have no choice but to adjust our own prices. We are currently in discussion with certain important customers. Our goal is full compensation, though we believe that accomplishing this may involve a time lag following price increases for input goods.

Yield exceeds the financial goal

During the year, we invested both through acquisitions and in increasing the manufacturing capacity of existing facilities. These investments were financed through our own cash flow and our net liabilities are once again almost zero. Through focusing on working capital, we have been able to limit capital employed to a level consistent with a good return. The overall goal of generating a 15% return on shareholders' equity has been exceeded.



Chinese operations continue to develop well

Most of our geographic markets have demonstrated healthy growth and returns. I am especially pleased with our significant Chinese operations, which continue positive development. Our largest unit is in Wuxi. We opened a new plant there in 2006. The occasion was celebrated with the traditional lion dance and with a ribbon-cutting ceremony in which the Nordgren/Pihl family participated. I want to show some interior photos for the sake of those of you who for some reason have gotten the impression that Chinese industries are characterized by disarray and poor work environments. This is the entrance to the Wuxi plant. Of course you feel welcome! We move on to a photo of the open-plan office where our order takers work. The same building houses our technical center, which includes an exhibition room that serves as a pleasant space for receiving customers. Connected to this exhibition room is a busy laboratory, where we perform tests and trials together with customers. You cannot help being impressed by the level of activity throughout the plant. Productivity is excellent. Another striking aspect of the operation is the success that has been achieved in creating efficient flows. Despite an extremely high level of activity, the plant is never cluttered – a contrast to what is often seen in Europe.

Demand is also excellent. Our most important customer segment is the telecom industry. The following photographs show a small selection of customer applications from this segment. The end customers in these cases are Ericsson, Alcatel and Nokia. Our efforts to expand capacity involve two large investment projects. In northern China, not far from Beijing, we are building a new facility that we expect to be finished this summer. Construction goes quickly in China. Just a few months have passed since cement pumps started pumping at the site. The building is already complete and the first equipment is being installed. Soon it will be time for the lion dance again!

Now we move southward to Dong Guan. Here too, we have outgrown our old facilities. We expect that this building will be operational in October. Another lion dance will be performed late in the autumn!

The Chinese economy is not the only one that is developing quickly. The same thing is happening in, among other places, India. Accordingly, we decided to commence operations in this exciting country during the past year. The market is growing quickly and many of our global customers are already in place. It is a basic conviction of ours that creating a favorable market position requires getting involved at any early stage.

Our North American operations remain modest and represent approximately 6% of our total invoicing. However, our presence in North America is of the highest importance for establishing and building relationships with global customers, who are often based on this continent. The early part of 2007 has been favorable for our North American operations, which are contributing more and more to the Group's earnings.

Europe continues to do well, even if prospects vary somewhat from one country to the next. Germany is showing favorable development and our focus on the German market is increasing. We are growing organically but also through acquisitions. We acquired three units during the year, in Spain, Hungary and Sweden. In addition, a number of negotiations were broken off, because we deemed the sellers' price expectations to be overly optimistic. However, we continue to look for opportunities. I feel that our current organizational structure and experience allow us to take on somewhat larger companies than previously. Nor does our financial position represent any obstacle.

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Telecom equipment industry accounts for a third of invoicing

Slightly more than a third of Nefab's invoicing is related to the telecom equipment industry. We are the leading supplier of packaging for mobile infrastructure, with more than half of the global market. Major customers belonging to this segment have enjoyed positive development during this year, which generated extensive business for Nefab. Our deliveries of packaging for mobile phones increased in 2006. The reason for this is that Nefab's own outer packaging products represent an excellent alternative in connection with deliveries to markets characterized by significant risk for theft.

Somewhat more than half of our sales are to the industry segment. The customer base is well-diversified and we are growing both organically and through acquisitions. A sub-segment within the industry segment is that of medical-technology – a market that is becoming increasingly important for us.

Our strategy of broadening our product offerings in order to be a complete supplier is reflected by statistics. The number of new products is growing and an increasing part of the selection is being purchased from sub-suppliers. We are progressively developing our ability to serve as a professional representative for other manufacturers. We currently represent an interesting channel for some important suppliers. At the same time, we are moving in the opposite direction with regard to certain special products, for example, by increasing production of shock-absorbing material at our own plants.

Increased efforts at production coordination

During the year, we also worked intensively to improve what we call Operations, which includes procurement of raw materials, production and IT. Investments in manufacturing capacity in low-cost countries in recent years have enabled us to optimize the mix of products produced at the various plants. We are also investing in a new group-wide business system. The project has gone well and at this point the system has been or is in the course of being implemented in half of the Group's units.

Future expectations

Nefab operates in a large but fragmented market. Although our market share is small, our position is unique. Ideas, products and concepts can be copied and imitated, but building an international structure that functions well involves patient, long-term effort. We have focused on building such a structure for more than 35 years. It is my absolute conviction that our greatest competitive advantage in the future will be our ability to coordinate cross-border transactions. Our global presence is what sets us apart! Everything points to a continuation of the trend towards industrial globalization and this offers good possibilities.

I look forward to more opening ceremonies and lion dances!

Shareholders, I hereby conclude my presentation on the 2006 activities of the Nefab Group.

Thank you for your attention!



Guidelines for remunerations to senior executives in Nefab

Senior executives in Nefab comprise the President of Nefab AB and the members of the Group management team as defined in the company's annual report. The Remuneration Committee in Nefab AB's Board of Directors handles remuneration matters for senior executives. The Board and the Remuneration Committee propose to the Annual General Meeting the guidelines for remunerations to the senior executives in accordance with the following:

- Remunerations and terms for senior executives shall be based on local market terms and conditions.
- The total terms for senior executives shall comprise a weighted mix of fixed salary, variable remuneration, pension benefits, other benefits and terms for termination of employment.
- Cash remuneration shall comprise fixed salary and variable remuneration. The variable remuneration shall be maximized to 50% of annual salary. The variable remuneration shall be based on a combination of quantitative and qualitative goals.
- Pension benefits shall be defined contribution. The pension age shall be 65.
- Other benefits than fixed salary, variable remuneration and pension benefits shall be applied restrictively. Salary exchanges against car benefits or pension benefits may occur.
- Salary during the notification period for termination of employment and severance pay combined shall not exceed 24 months of salary.

The Board shall have the right to deviate from the guidelines if in a specific case there are special reasons to justify it.