

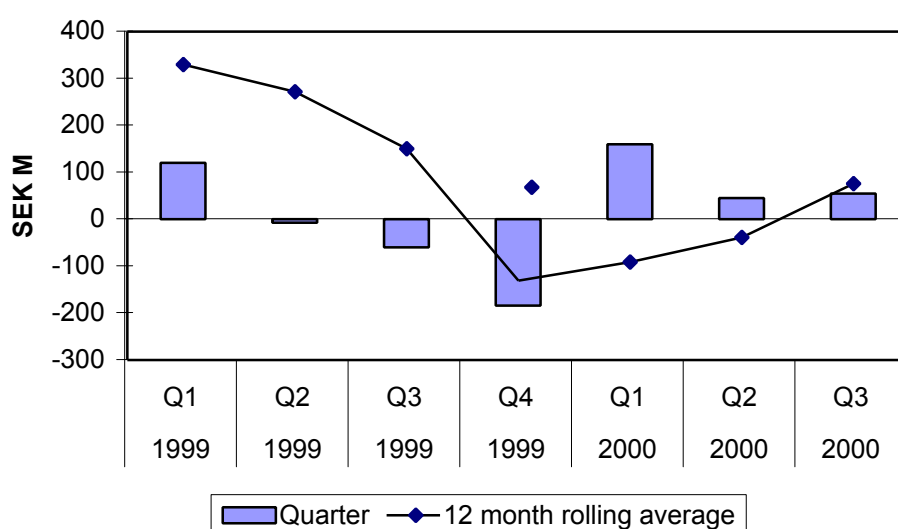
Press Release from Esselte AB
2000-10-20

REPORT ON OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, JUNE

- Five times higher operating income for the first nine months: SEK 261 million compared to SEK 53 million in 1999.
- Operating income in the third quarter was SEK 56 million compared to a loss of SEK 60 million last year.
- Strong sales growth continued in North America and Eastern Europe.
- Sales increased in the third quarter for all major product categories.
- Earnings per share for January – September increased to SEK 2.70 (0.50).

“Three good quarters show significant progress in restoring profits in Esselte. Everybody strive in the same direction implementing our strategy” comments Anders Igel, President and CEO.

OPERATING INCOME DEVELOPMENT



Results for third quarter

Sales for the third quarter were SEK 2,645 million (2,592), an increase of 2.0%. The organic sales growth was 1.6%.

Filing & Document Management increased sales in the quarter by 6.6% compared to the same period last year. The comparable sales increases for Identification Labelling and Workspace were 2.6% and 3.2%, respectively.

In the USA and Canada, sales continued the strong development from previous quarters. In countries such as Poland, China, Mexico, Portugal, Czech Republic and Brazil sales increased with more than 20%.

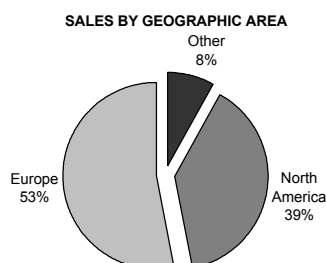
The gross margin was 26.2% (26.6%) in the third quarter.

Sales and marketing expenses were down by 4% compared to last year. Administrative expenses decreased by 10% due to continuing reductions of the Group's headquarter expenses.

Operating income for the quarter was SEK 56 million compared to a loss of SEK 60 million last year.

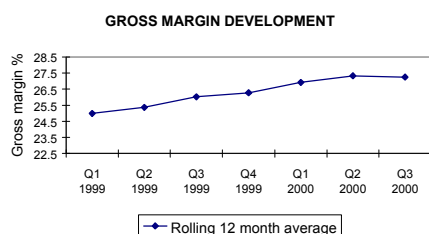
Results for the nine months

Strong sales growth in North America



Sales for the nine months were SEK 8,131 million (8,291). The decrease in sales of 1.9% relates primarily to divested units in the USA, UK and Sweden. The organic growth was 0.1% for the period.

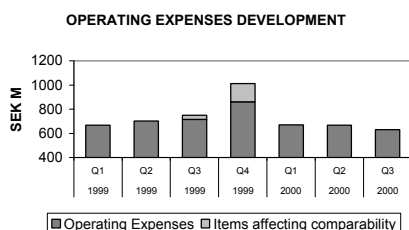
Sales in the USA and Canada have increased strongly this year. The markets in the Nordic countries and France and Australia had a weak development in sales.



The gross margin was 27.5% (26.2%). The increase was among other things due to improved product mix.

Operating income five times higher than last year

Operating income increased to SEK 261 million (53) for the nine months. The income is in line with the Groups internal objective to restore profits.



The operating income for the previous year includes restructuring costs of SEK 68 million.

Selling and marketing expenses decreased by 1% compared to previous year, administrative expenses decreased by 11%.

Operating income for the period January – September includes goodwill amortization and depreciation on goodwill allocated to fixed assets in relation to the acquisition of Leitz of a total of SEK 116 million (130). Depreciation on goodwill allocated to fixed assets is included in cost of goods sold with SEK 46 million.

The operating margin was 3.2% (1.0%) for the nine months.

Items affecting comparability

Surplus funds from SPP (Swedish Staff Pensions Society) allocated to Essekte companies in Sweden was included in the income for the second quarter according to the recommendations of the Swedish Financial Accounting Standards Council. The income was discounted to the amount of SEK 168 million. Essekte received SEK 42 million from SPP in the third quarter. The remaining SEK 126 million are included in the balance sheet as financial assets.

In the second quarter a provision of SEK 168 million relating to the accelerated restructuring of the European supply chain was included. This provision is included in the balance sheet as operating provisions .

Items affecting comparability in the previous year of SEK 34 million refers to the provision for closing down the operations in Japan.

Income before tax

Income before tax for the nine months was SEK 153 million (-8). The net financial expenses includes non-recurring hedge gains of SEK 45 million (40) reported in the first and second quarter. These hedge gains are a consequence of Essekte's decision to discontinue the practice of hedging equity in foreign currencies. All hedge contracts have now been settled.

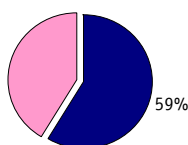
Cash flow

The cash flow from operations was SEK 291 million (294). The working capital for the Group increased by SEK 230 million mainly due to increased inventories. The group has initiated a capital reduction program in quarter three, which has not yet shown results in the balance sheet. The low net investments for the period compensated for the increase in working capital.

The Swedish krona weakened during the third quarter. In an EsseLte-weighted currency rates index for capital employed, the weakening was 4%, resulting in an increase of capital employed of SEK 199 million.

Product categories

Filing & Document Management

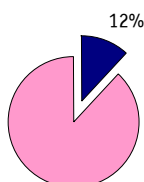


Sales grew by 3% to SEK 4,759 million (4,605) in the first nine months of the year.

The sales growth was very good in the USA, Canada, Belgium and Poland, while the sales development in France and UK were weak.

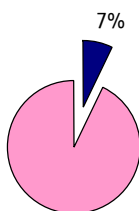
File folders and suspension filing reported healthy sales growth.

Identification Labelling



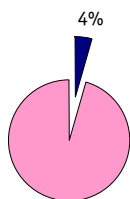
Sales of Dymo branded products grew by 3% to SEK 973 million (941). Canada, USA, Germany and Australia reported the highest sales growth. The markets in the Nordic countries and Italy had a weak development of sales. Sales of PC Label Writers continued to develop very strongly.

Workspace



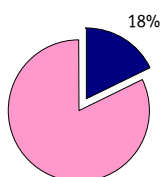
Workspace includes products such as staplers, perforators and moulded plastics. Sales decreased by 2% to SEK 597 million (607). The demand in the largest market, Germany, was weak. Italy, Belgium, Denmark and Norway had high sales growth for the nine months. Workspace products for the consumer segment reported high sales growth due to the launch of Tag-It branded products, principally staplers and perforators.

Development categories



The two development categories are Lamination & Binding and Curtis Computer Products. Lamination & Binding developed well with 16% sales growth. Curtis sales decreased by 4% compared to 1999. Sales for development categories increased by 2 % to SEK 353 million (347).

Other products



Other products includes the separate businesses such as Bensons, Monti, Letraset and Tarifold. Sales decreased to SEK 1,449 million (1,789). Divestments in 1999 and 2000 have reduced sales by SEK 188 million.

Esselte is the leading provider of office supplies world-wide. A global group with annual sales exceeding SEK 11 billion, subsidiaries in 31 countries, selling office products in over 100 countries and employing over 7 000 people.

Esselte brings innovation, efficiency and style to the way people work in the office and at home. Our principal brands are: Dymo, Pendaflex, Leitz and Curtis.

Esselte AB is listed on the Stockholm and London stock exchanges. To learn more about Esselte, visit our website at www.esselte.com.

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Attachment: Tables, 2 pages