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Securities and Exchange  
Commission  
Division of Corporation Finance  
Room 3094 (3-6)  
450 Fifth Street, N.W.  
WASHINGTON, D.C. 20549  
USA

Attention: Special Counsel, Office of  
International Corporate Finance

PROCESSED

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Dear Sir or Madam,

Re.: Rule 12g3-2(b)  
File No. 82-3754

THOMSON  
FINANCIAL

SUPPL

The enclosed information is being furnished to the Securities and Exchange Commission (the "Commission") pursuant to the exemption from the Securities Exchange Act of 1934 (the "Exchange Act") afforded by Rule 12g3-2(b) thereunder.

This information is being furnished under Paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act and that neither this letter nor the furnishing of such information and documents shall constitute an admission for any purpose that Höganäs AB is subject to the Exchange Act.

Yours sincerely,  
HÖGANÄS AB (publ)

Claes Lindqvist  
President

Encl. Interim Report January – September 2002

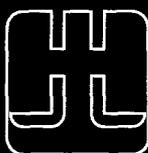


**Höganäs AB**

*Luft 1293-2/b)*

**Interim Report January - September 2002**

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# Höganäs AB (publ)

## Interim Report January - September 2002

### Highlights

• Net sales	MSEK 2 495	+1%
• Income before tax <sup>1)</sup>	MSEK 355	+7%
• Operating margin <sup>1)</sup>	15.8%	(15.0)
• Equity/assets ratio	43%	(41)

<sup>1)</sup> Includes items affecting comparabilities MSEK -27

### Market situation

Höganäs' turnover during the first nine months of 2002 increased by 1% to MSEK 2 495 (2 466). The rate of exchange of the Swedish krona was 3% stronger than in the corresponding period of the previous year. Sales on the North American market increased markedly, largely as a result of higher market shares. There was also a substantial increase in sales in Asia outside Japan, whereas volumes in Europe were slightly down.

The volume of sales (excluding semis) during the first nine months of the year rose by 8% compared to 2001. Volumes in Europe and in Japan fell by 3%. Volumes in the rest of Asia rose by 20%. Other Markets recorded a volume increase of close to 30%.

Press powders recorded an increase in volume of 12%. The volume sold to European markets was down by 3%, while the volume on the Japanese market was up by 5%. On other Asian markets volumes rose by 27%. That figure includes an increase of 36% in Taiwan, 14% in South Korea and 26% in China. The increase on other markets was 40%.

The volume of other iron powders decreased by 4%. The decline affected all markets except Other Markets, which increased by 5%. Sales of Coldstream powders increased by 11%.

During the third quarter the turnover\* decreased by 2% to MSEK 791. Höganäs currency index fell by 9% (the Swedish krona was stronger) but the volumes increased during the period by 11%. Volumes rose on all markets during the third quarter. Press powders recorded an overall increase of 15%, other powders of 2% and Coldstream powders of 3%. Further information is given in the table at the top of the page opposite.

### Financial position

Operating income in the first nine months of the year amounted to MSEK 394 (369). This includes an allocation of MSEK 27 to the Höganäs Pension Foundation under the heading of items affecting comparabilities.

Other operating income and expenses included a net exchange gain of MSEK +24 (-76) from forward contracts.

The operating margin for the period was 15.8% (15.0%). If items affecting comparabilities are excluded, the margin was 16.8% (15.0%).

The net result of the Group's financial income and expenses was MSEK -39 (-37). Cash flow before investments for the period was MSEK 643 (64).

Income before taxes amounted to MSEK 355 (332), an increase of MSEK 23.

The equity-assets ratio amounted to 43% (41%).

### Acquisition

At the end of the third quarter Höganäs' stake in Höganäs India Ltd amounted to 94%. The process of delisting the company from the stock exchange has now been completed.

### Investments

Investments in fixed assets by the Group during the period amounted to MSEK 224 (699).

### Finances

The Group's net debt was reduced by MSEK 246 during the period. Its debt-equity ratio was 78%.

### Events after the end of the reporting period

The pension insurance company Alecta announced at the beginning of October that it had frozen payments of surplus funds until further notice, and that more information would be forthcoming on 30 October. The amount owing to Höganäs by Alecta at the end of the third quarter was MSEK 8.

### Parent Company

Invoicing by the Parent Company during the period amounted to MSEK 1 600 (1 598), including MSEK 716 invoiced to Group companies. Income after financial income and expenses was MSEK 441 (295). Cash & Bank at 30 September 2002 totalled MSEK 43 (34), not counting unutilized overdraft facilities. Investments totalled MSEK 83 (120).

### Outlook

The forecast previously given for the whole of 2002 still stands, viz. that income before taxes (excluding items affecting comparabilities) is expected to be better than in 2001.

Höganäs, 15 October 2002

Claes Lindqvist

  
President and Chief Executive Officer

## Volume development (tons) per application area and market

Markets	Press Powder			Other Iron Powder <sup>3)</sup>			Coldstream Powder		
	Q3	Q3 <sup>1)</sup>	12months <sup>2)</sup>	Q3	Q3 <sup>1)</sup>	12months <sup>2)</sup>	Q3	Q3 <sup>1)</sup>	12months <sup>2)</sup>
Europe	23100	+ 3%	- 6%	6000	0%	- 8%	1240	0%	+ 1%
Japan	8000	+ 9%	0%	2500	- 8%	- 20%	110	+ 23%	+ 7%
Asia (excl. Japan)	14500	+37%	+ 15%	3900	+ 10%	- 1%	380	+ 16%	+17%
Others	11700	+ 25%	+ 25%	5400	+ 5%	+ 3%	270	- 5%	+ 6%
<b>Totally</b>	<b>57300</b>	<b>15%</b>	<b>+ 4%</b>	<b>17700</b>	<b>+ 2%</b>	<b>- 5%</b>	<b>1990</b>	<b>+ 3%</b>	<b>+ 4%</b>

<sup>1)</sup> %- change compared with corresponding quarter previous year    <sup>2)</sup> %- change rolling 12-months    <sup>3)</sup> excl. semi finished powders

## Consolidated income statements, MSEK

	Jan - Sept 2002	Sept 2001	Year 2001
Net sales	2,495	2,466	3,245
Cost of sales	<u>-1,741</u>	<u>-1,709</u>	<u>-2,246</u>
<b>Gross profit</b>	<b>754</b>	<b>757</b>	<b>999</b>
Selling expenses	-138	-143	-203
Administrative expenses	-109	-102	-139
R&D expenses	-99	-84	-115
Items affecting comparabilities	-27	-	-117
Other income	33	2	2
Other expenses	<u>-20</u>	<u>-61</u>	<u>-93</u>
<b>Operating income</b>	<b>394</b>	<b>369</b>	<b>334</b>
Financial income	24	9	19
Financial expenses	<u>-63</u>	<u>-46</u>	<u>-58</u>
<b>Income before tax</b>	<b>355</b>	<b>332</b>	<b>295</b>
Taxes	-108	-96	-85
Minority share	<u>-</u>	<u>-1</u>	<u>-1</u>
<b>Net income</b>	<b>247</b>	<b>235</b>	<b>209</b>
Operating margin, %	15.8	15.0	10.3
Earnings per share, SEK (after actual tax)	7.20	6.80	6.00

## Consolidated balance sheets, MSEK

	30 Sept 2002	31 Dec 2001
Intangible assets	181	207
Tangible assets	2,668	2,794
Financial assets	87	92
Inventory	614	697
Short-term receivables	560	540
Cash and bank	<u>116</u>	<u>78</u>
<b>Total assets</b>	<b>4,226</b>	<b>4,408</b>
Shareholders' equity	1,812	1,744
Minority interests	3	6
Interest-bearing liabilities	1,531	1,739
Non interest-bearing liabilities	<u>880</u>	<u>919</u>
<b>Total shareholders' equity and liabilities</b>	<b>4,226</b>	<b>4,408</b>
Equity/assets ratio	43%	40%

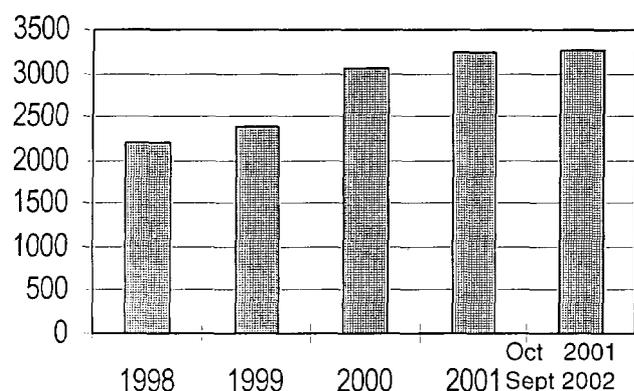
## FINANCIAL INFORMATION

Höganäs intends to publish the following financial information during 2003:

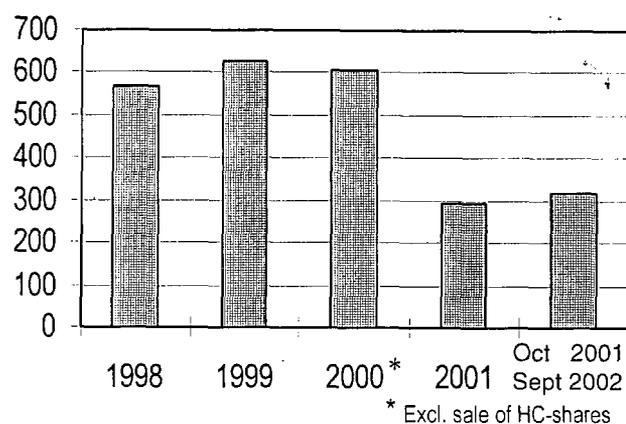
- Year end report on 31 January
- Annual report in mid-March
- Interim report for first quarter on 14 April
- Interim report for first six months on 11 July
- Interim report for first nine months on 13 October

This interim report has not been subjected to scrutiny by company's auditors.

Net sales, MSEK



Income before taxes, MSEK



Consolidated Quarterly data MSEK	July - Sept		April - June		Jan - March		Oct - Dec	
	2002	2001	2002	2001	2002	2001	2001	2000
Net sales	791	805	872	851	832	810	779	828
Operating expenses	- 602	- 643	- 656	- 668	- 635	- 630	- 648	- 615
Items affecting comparabilities	- 27	-	-	-	-	-	-117	-
Depreciation	-58	-53	-61	-53	-62	-50	-49	-45
<b>Operating income</b>	<b>104</b>	<b>109</b>	<b>155</b>	<b>130</b>	<b>135</b>	<b>130</b>	<b>- 35</b>	<b>168</b>
Income before tax	90	97	142	117	123	118	- 37	159
Net income	63	70	97	83	87	82	- 26	122
Operating margin, %	13.1	13.5	17.8	15.3	16.2	16.0	- 4.5	20.3
Operating margin, % excl. items affecting comparabilities	16.6	13.5	17.8	15.3	16.2	16.0	10.5	20.3
<b>Key indicators</b>								
Earnings per share, SEK	1.90	2.00	2.80	2.40	2.50	2.40	- 0.80	3.50
Equity, SEK/share	52.60	51.50	50.60	49.60	52.80	51.50	50.50	51.10
Number of shares, 1000's	34,502	34,527	34,502	34,527	34,502	34,527	34,502	35,198
Number of shares, average 1000's	34,502	34,527	34,502	34,527	34,502	34,862	34,515	35,198
<b>Consolidated Cash Flow analysis, MSEK</b>					<b>2002</b>		<b>2001</b>	
					Jan - Sept		Jan - Sept	
Cash flow before change in working capital					627		221	
Change in working capital					16		- 157	
Acquisitions					- 5		- 61	
Disposals					-		-	
Net investments					- 224		- 699	
Change in long-term receivables, provisions and liabilities					11		37	
<b>Cash flow after investments</b>					<b>425</b>		<b>- 659</b>	
Buy back of own shares					-		- 116	
Dividend					-155		- 155	
Change in financing					- 208		923	
Translation difference and others					- 24		22	
<b>Change in liquid funds</b>					<b>38</b>		<b>15</b>	
<b>Changes in shareholders' equity, MSEK</b>					<b>2002</b>		<b>2001</b>	
					Jan - Sept		Jan - Sept	
Balance brought forward					1,744		1,798	
Net income					247		235	
Buy back of own shares					-		- 116	
Dividend					- 155		- 155	
Translation difference					- 24		17	
<b>Balance carried forward</b>					<b>1,812</b>		<b>1,779</b>	
<b>Return on shareholders' equity (rolling 12-months)</b>					<b>12.3%</b>		<b>20.6%</b>	