

Date/Datum

Our ref./Unser Zeichen

October 17, 2003
Your letter/Ihre Nachricht vom

CL/bh
Your ref./Ihr Zeichen



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

Dear Sir or Madam,

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

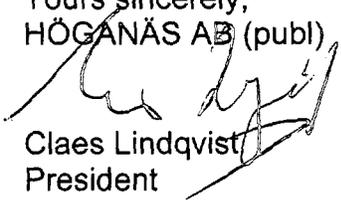
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The enclosed information is being furnished to the Securities and Exchange Commission (the "Commission") pursuant to the exemption from the Securities Exchange Act of 1934 (the "Exchange Act") afforded by Rule 12g3-2(b) thereunder.

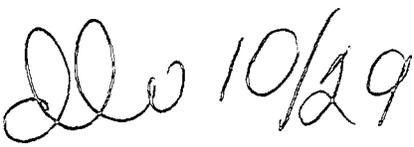
This information is being furnished under Paragraph (1) of Rule 12g3-2(b) with the understanding that such information and documents will not be deemed to be "filed" with the Commission or otherwise subject to the liabilities of Section 18 of the Exchange Act and that neither this letter nor the furnishing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

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FINANCIAL

Encl. Interim Report January – September 2003
Press release - Organizational News



Press release

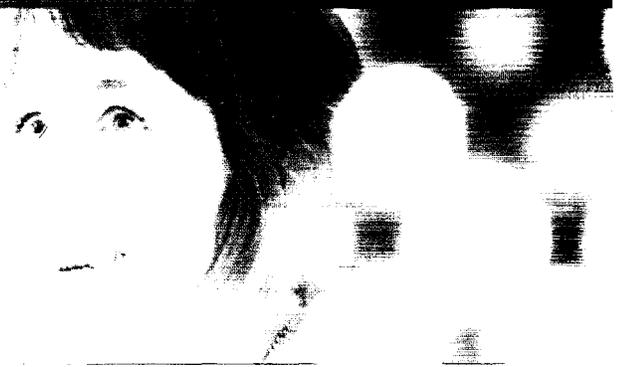
Björn Peters, CFO of Höganäs AB, has decided to pass on to consultancy and as a consequence he ends his employment within Höganäs AB.

During an interim period Björn Peters will assist the Höganäs Group within the areas accounting and finance.

Höganäs 8 October 2003

Claes Lindqvist
President & CEO

e. 103 216
No. 82-375



Höganäs AB

Interim Report January - September 2003

20
03



Interim Report January-September 2003

Highlights

◦ Net sales	MSEK 2,813	+13%
◦ Income after tax	MSEK 244	-1%
◦ Earnings per share	SEK 7.10	(7.20)
◦ Income before tax	MSEK 364	+3%
◦ Operating margin	14.0%	(15.8)
◦ Equity/assets ratio	40%	(43)

Market situation

Höganäs' turnover increased by MSEK 318 to MSEK 2 813 (2 495) during the first nine months of 2003. The acquisition of SCM Metal Products, Inc. boosted turnover by MSEK 502. The rate of exchange of the Swedish krona was 10% higher compared to the previous year. Sales volumes on the North American market (exclusive of SCM) rose as a result of higher market shares. There was also a strong increase in volume on Other Asian Markets (i.e. except Japan).

The low rate of production within the automotive industry has negatively affected the volume growth of iron powder as well as Coldstream/SCM powder. The volume of sales (excluding semis) rose during the period by 4% (+10% including acquisition) compared to 2002. Volumes were up by 1% in Europe and down by 2% in Japan. The increase on Other Asian Markets was 8%, and volumes on Other Markets rose by 10%.

Press powders recorded an increase in volume of 6%. The rise amounted to 1% in Europe, 1% on the Japanese market and 11% on Other Asian Markets. This included an increase of 24% in China. Other Markets were up by 11%.

The volume of other iron powders fell by 1%. Volumes were down by 3% in Europe and 4% on Other Asian Markets, but up by 8% on Other Markets.

With the acquisition of SCM, volumes of both Coldstream and SCM products are aggregated for purposes of reporting. Sales volume rose altogether by 229% (the increase for Coldstream powders was 3%). Further particulars are given in the table at the top of the page opposite.

During the third quarter turnover rose by MSEK 104 to MSEK 895 (791). The SCM acquisition raised turnover by MSEK 158. The value of the Swedish krona appreciated by about 8% compared to the third quarter of the previous year.

Volumes increased by 2% (+8% including acquisition). The increase in volume of press powders was 3%, with Other Asian Markets up by 4% and Other Markets by 14%. Volumes of other iron powders fell by 3%, while those of Coldstream powders rose by 4%.

Financial position

Operating income amounted to MSEK 394 (394).

Other operating income and expenses reflect the Group's total exchange results, which came to MSEK +108 (+13). This includes the result from forward contracts, amounting to MSEK +118 (+24). Not considering forward contracts, the stronger krona has drawn down operating income by MSEK 76 in 2003 compared to 2002.

The operating margin for the period was 14.0% (15.8).

The net result of the Group's financial income and expenses was MSEK -30 (-39). The cash flow for the year before investments amounted to MSEK 657 (637).

Income before taxes amounted to MSEK 364 (355), an increase of MSEK 9.

The Group's tax rate was 2.5 percentage points higher than in 2002; this was a result of fiscal effects associated with Höganäs' hedging of its equity in foreign subsidiaries.

The equity-assets ratio was 40% (43).

Investments

Investment in fixed assets by the Group totaled MSEK 216 (224) including MSEK 145 in Sweden and MSEK 31 in Brazil; the latter referred to completion of a powder annealing line and custom mixing station.

Finances

The Group's net debt increased by MSEK 297 this year, amounting to MSEK 1 654 at the end of the third quarter. Its debt-equity ratio was 0.88 (0.78).

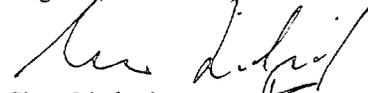
Parent Company

Invoicing by the Parent Company during the period amounted to MSEK 1 444 (1 600), including MSEK 645 invoiced to Group companies. Income after financial income and expenses was MSEK 407 (441). Cash & Bank at September 30, 2003 totaled MSEK 24 (43), not counting unutilized overdraft facilities. Investments amounted to MSEK 144 (83).

Outlook

The market trend is expected to continue weak during the fourth quarter of the year. However, the forecast previously given for the whole of 2003 still stands, viz. that income before taxes is expected to be higher than in 2002.

Höganäs, October 13, 2003



Claes Lindqvist
President and Chief Executive Officer

Volume development (tons) per application area and market

Markets	Press Powder			Other Iron Powder ³⁾			Coldstream/SCM Products ⁴⁾		
	Q3	Q3 ¹⁾	12months ²⁾	Q3	Q3 ¹⁾	12months ²⁾	Q3	Q3 ¹⁾	12months ²⁾
Europe	22800	-1%	+4%	5800	-1%	-3%	1460	+18%	+17%
Japan	7700	-4%	+5%	1700	-32%	-26%	230	+102%	+89%
Asia (excl. Japan)	14800	+4%	+16%	3500	-15%	-2%	1250	+231%	+158%
Others	13100	+14%	+15%	6200	+16%	+12%	3880	+1348%	+962%
Totally	58400	+3%	+9%	17300	-3%	-2%	6820	+241%	+182%

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

⁴⁾ As from January 1, 2003, SCM is included

Consolidated income statements, MSEK

	July-Sept		Jan-Sept		Rolling 12-	Year
	2003	2002	2003	2002	months	2002
Net sales	895	791	2,813	2,495	3,567	3,249
Cost of sales	<u>-714</u>	<u>-570</u>	<u>-2,160</u>	<u>-1,741</u>	<u>-2,711</u>	<u>-2,292</u>
Gross profit	181	221	653	754	856	957
Selling expenses	-49	-43	-147	-138	-194	-185
Administrative expenses	-36	-33	-117	-109	-152	-144
R&D expenses	-32	-32	-103	-99	-137	-133
Items affecting comparabilities	0	-27	0	-27	-2	-25
Other income	42	10	115	33	132	50
Other expenses	<u>-2</u>	<u>8</u>	<u>-7</u>	<u>-20</u>	<u>-2</u>	<u>-15</u>
Operating income	104	104	394	394	505	505
Financial income	6	8	22	24	31	33
Financial expenses	<u>-15</u>	<u>-22</u>	<u>-52</u>	<u>-63</u>	<u>-70</u>	<u>-81</u>
Income before tax	95	90	364	355	466	457
Taxes	-36	-27	-120	-108	-152	-140
Minority share	-	-	-	-	-	-
Net income	59	63	244	247	314	317
Operating margin,%	11.6	13.1	14.0	15.8	14.2	15.5
Earnings per share, SEK (after actual tax)	1.70	1.90	7.10	7.20	9.10	9.20

Consolidated balance sheets, MSEK

	30 Sept	31 Dec	30 Sept
	2003	2002	2002
Intangible assets	219	170	181
Tangible assets	2,786	2,660	2,668
Financial assets	62	83	87
Inventory	789	631	614
Short-term receivables	745	584	560
Cash and bank	<u>85</u>	<u>77</u>	<u>116</u>
Total assets	4,686	4,205	4,226
Shareholders' equity	1,882	1,827	1,812
Minority interests	1	2	3
Interest-bearing liabilities	1,739	1,434	1,531
Non interest-bearing liabilities	<u>1,064</u>	<u>942</u>	<u>880</u>
Total shareholders' equity and liabilities	4,686	4,205	4,226
Equity/assets ratio	40%	44%	43%
Number of employees	1,601	1,397	1,380

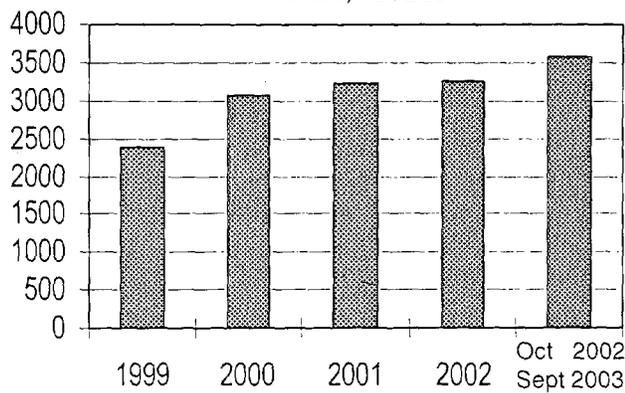
This interim report has not been subjected to scrutiny by company's auditors.

FINANCIAL INFORMATION

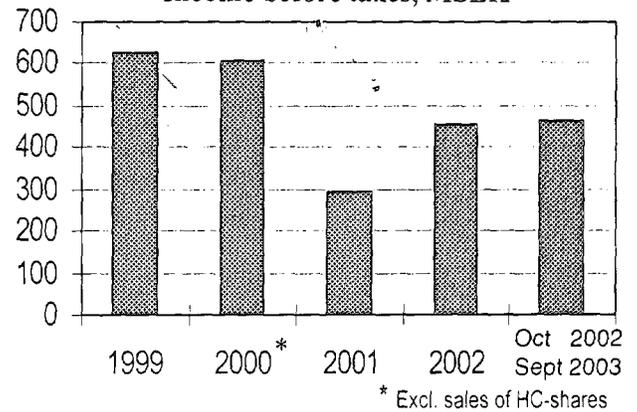
Höganäs intends to publish the following financial information during 2004:

- Year end report on January 30
- Annual report in mid-March
- Interim report for first quarter on April 15
- Interim report for first six months on July 14
- Interim report for first nine months on October 14

Net sales, MSEK



Income before taxes, MSEK



Consolidated Quarterly data, MSEK	July - Sept		April - June		Jan - March		Oct - Dec	
	2003	2002	2003	2002	2003	2002	2002	2001
Net sales	895	791	935	872	983	832	754	779
Operating expenses	- 717	- 602	- 723	- 656	- 759	- 635	- 592	- 648
Items affecting comparabilities	-	-27	9	-	- 9	-	2	- 117
Depreciation	- 74	- 58	- 71	- 61	- 75	- 62	- 53	- 49
Operating income	104	104	150	155	140	135	111	- 35
Income before tax	95	90	138	142	131	123	102	- 37
Net income	59	63	94	97	91	87	70	- 26
Operating margin, %	11.6	13.1	16.0	17.8	14.2	16.2	14.7	- 4.5
Operating margin, % excl. items affecting comparabilities	11.6	16.6	15.1	17.8	15.2	16.2	14.5	10.5
Key indicators								
Earnings per share, SEK	1.70	1.90	2.70	2.80	2.70	2.50	2.00	- 0.80
Equity, SEK/share	55.00	52.60	53.50	50.60	55.90	52.80	53.40	50.50
Number of shares, 1000's	34,217	34,502	34,217	34,502	34,217	34,502	34,217	34,502
Number of shares, average 1000's*	34,217	34,502	34,217	34,502	34,217	34,502	34,360	34,515
Consolidated Cash Flow analysis, MSEK			Jan - Sept 2003		Jan - Sept 2002			
Cash flow before change in working capital			681		693			
Change in working capital			- 24		- 56			
Acquisitions			-560		- 5			
Disposals			-		-			
Net investments			-216		-224			
Cash flow after investments			-119		408			
Buy back of own shares			-		-			
Dividend			-171		-155			
Change in financing			305		-208			
Cash flow for the period			15		45			
Liquid funds, opening balance			77		78			
Exchange rate difference in liquid funds			-7		-7			
Liquid funds, closing balance			85		116			
Changes in shareholders' equity, MSEK			Jan - Sept 2003		Jan - Sept 2002			
Balance brought forward			1,827		1,744			
Net income			244		247			
Buy back of own shares			-		-			
Dividend			-171		-155			
Translation difference			-18		-24			
Balance carried forward			1,882		1,812			
Return on equity (rolling 12-months)			17.0%		12.3%			
Return on capital employed (rolling 12-months)			14.5%		10.6%			
Debt/equity ratio			0.88		0.78			

*) Outstanding call options do not cause equity dilution as present value of the offer price exceeds actual value.

Höganäs

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