

A large graphic of a keyhole is centered on the page. The keyhole is filled with a blue and white abstract, motion-blurred background. A golden key is inserted into the keyhole, with its head at the bottom and its shaft extending upwards. The key has a circular head and a shaft with several notches. The keyhole's outline is black.

**Interim Report
January-June 2003**

Highlights Q2 2003



Financial

- Growth trend in earnings and net profit continues
- Operating profit Q2 all-time high

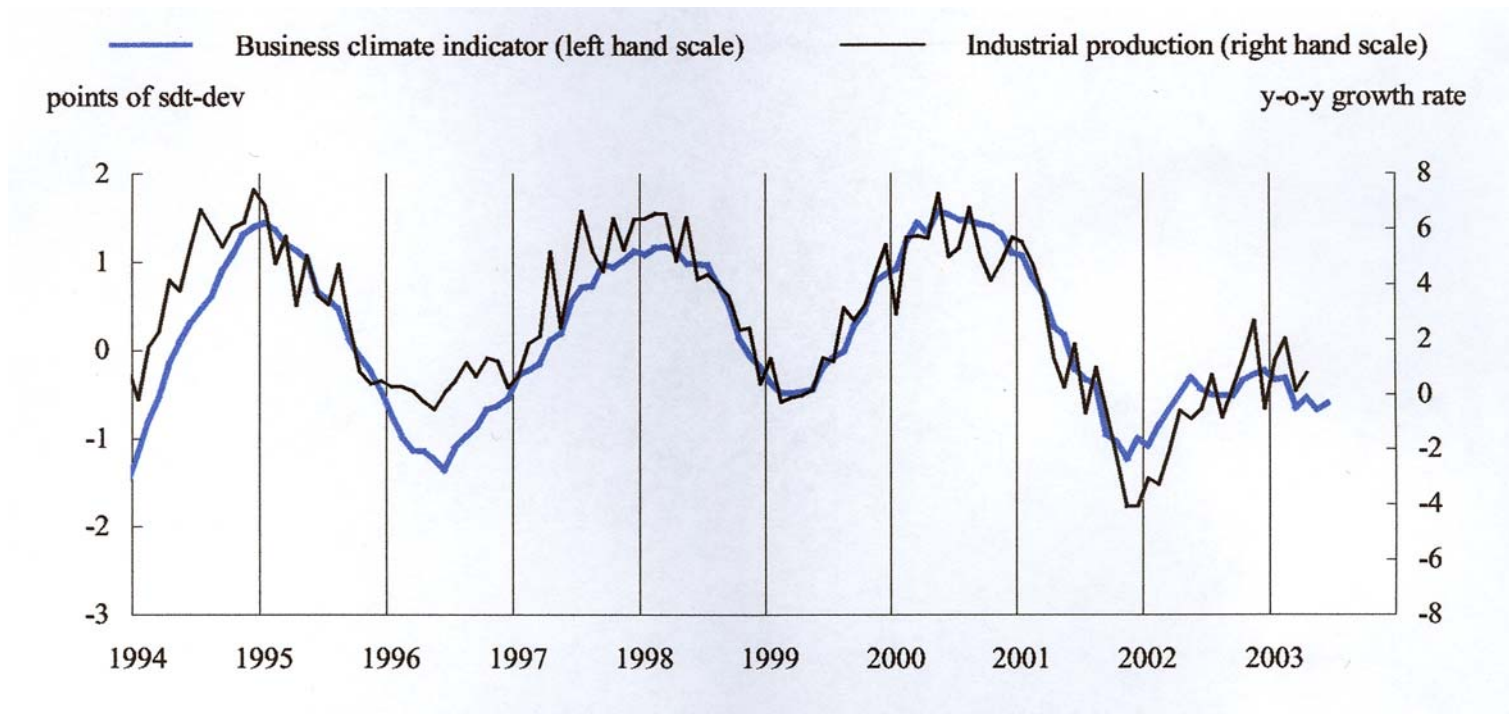
Market and operational

- Weak European profiles market
- Record volumes in North America
- Heat Transfer strong growth in volumes

Structural

- RCA transaction completed: Secures largest acquisition for the Sapa group

Business climate indicator and industrial production for the euro area



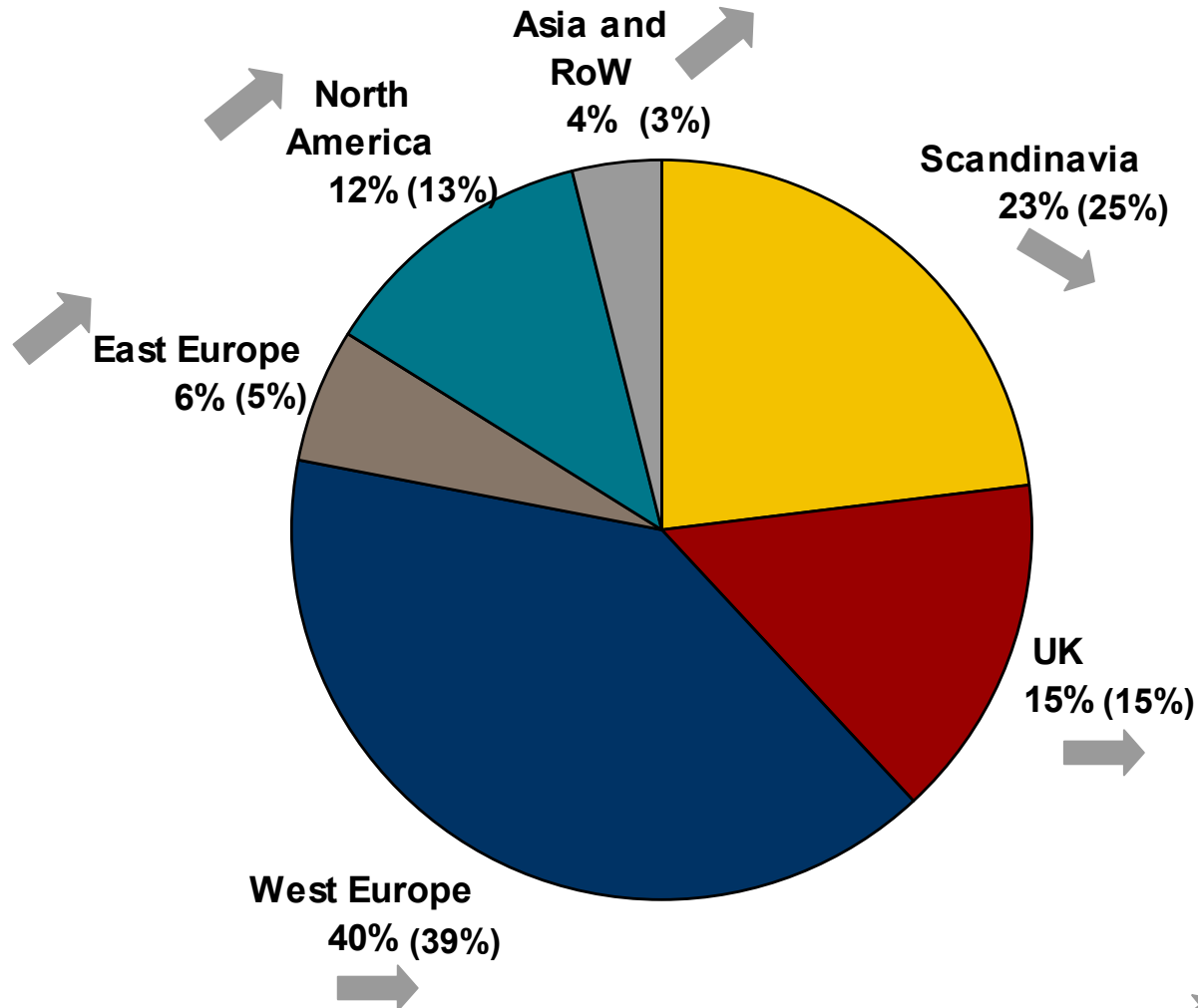


US and European markets moving out of synch

The US extrusion market is undergoing something of a renaissance, at least by the miserable standards of the last three years. The Spring ordering season appeared to have been compressed into May and June, and lead times have increased accordingly. Falling interest rates continue to stimulate the construction sector, and commercial transport is recovering well. Margins for 6063 distributor standards are in the 44-52¢/lb range.

The European situation is much more depressing for extruders. Barring a few areas of support, most sectors are battling against declining macroeconomic sentiment. German prices for 6063 standards have eased to a range of €2.03-2.15/kg from domestic mills. The good news is that offshore mills are not increasing their market share in spite of the stronger euro, as buyers still prefer to source from local suppliers who can offer very short lead times.

Net sales per region first half 2003

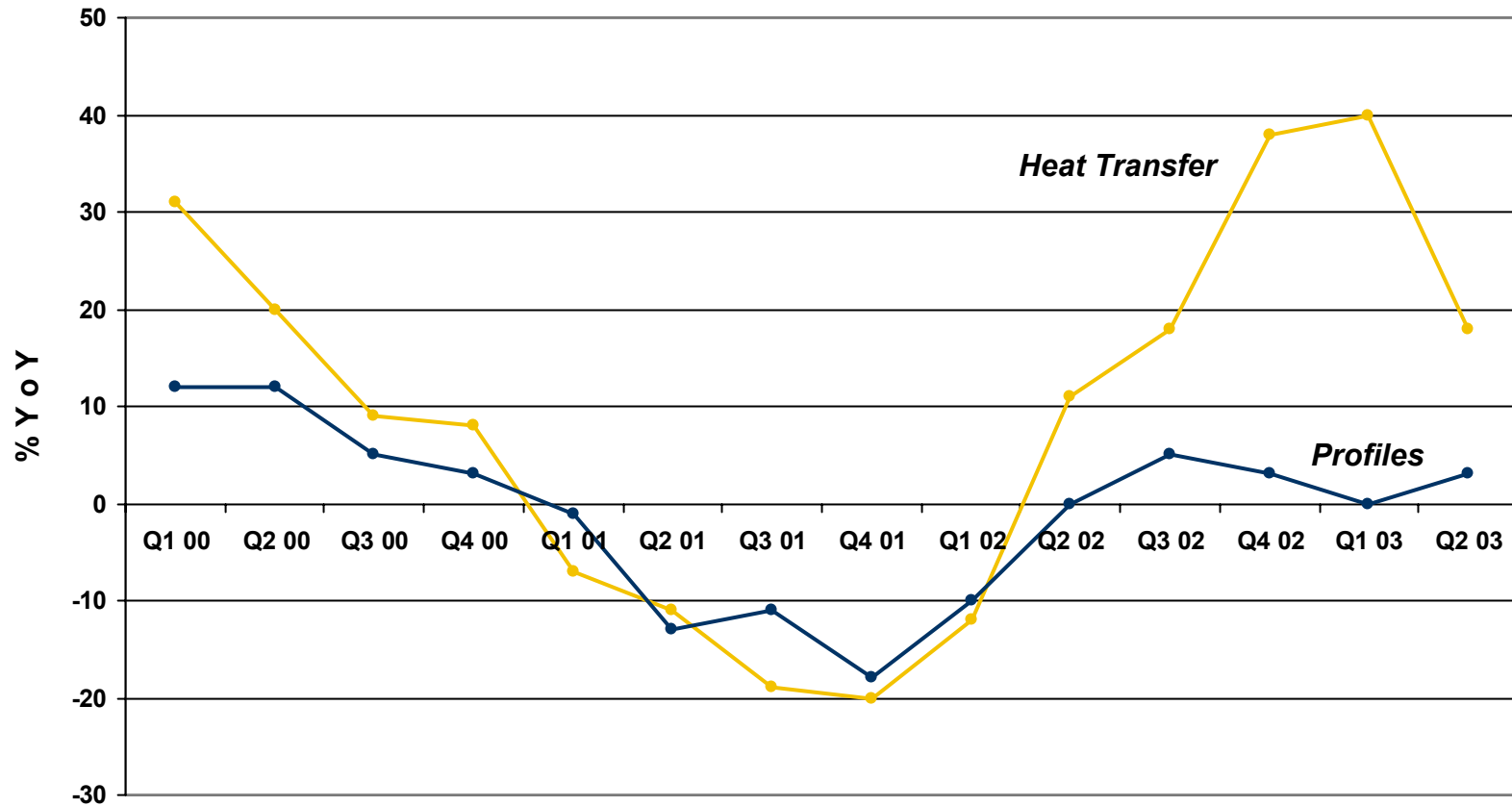


(First half 2002)

↑ ↓ = Volume trend YoY

Volume changes in deliveries

Q2 03¹

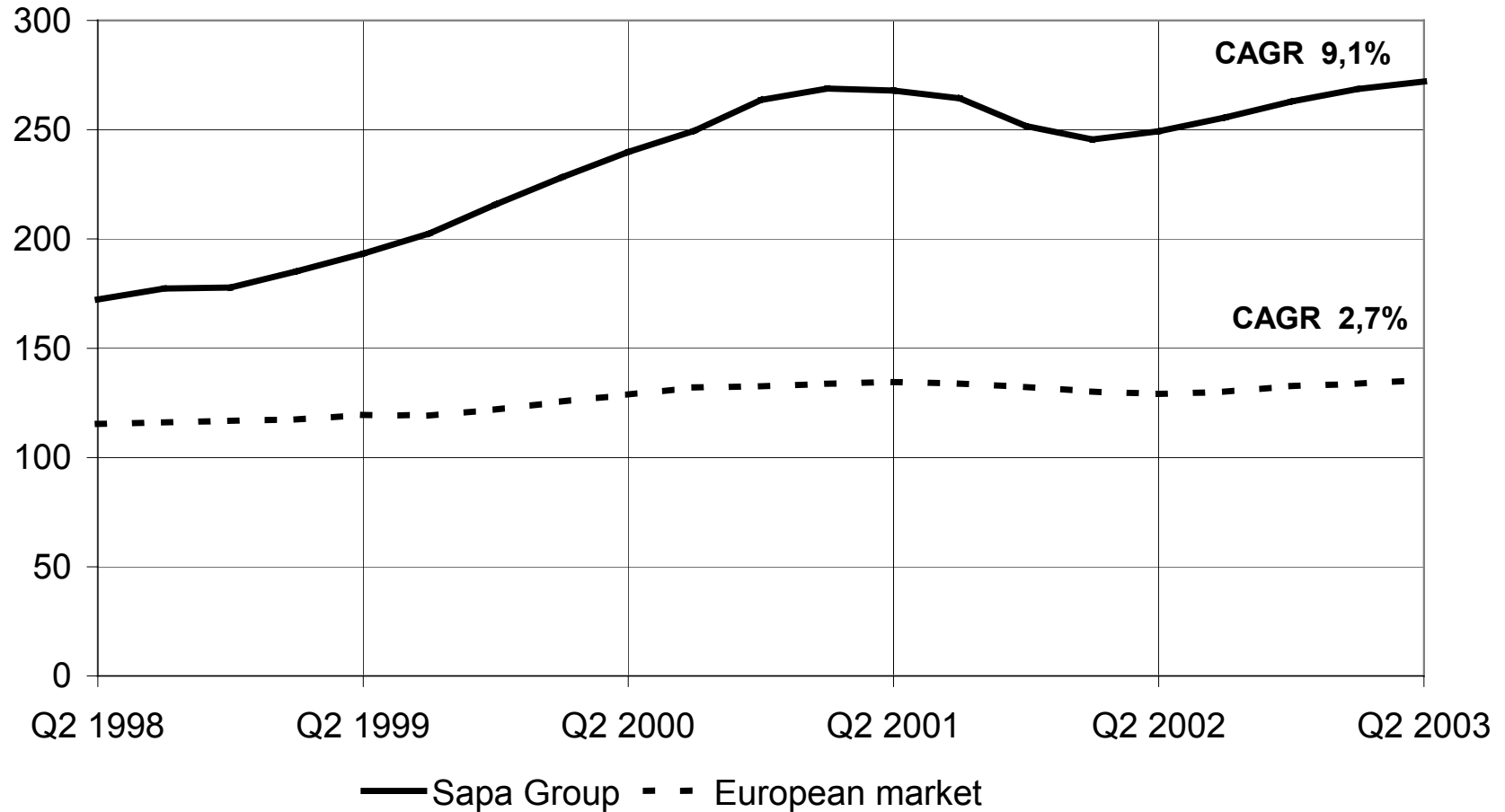


¹Excluding acquired companies (Sapa Portugal and Sapa Inc)

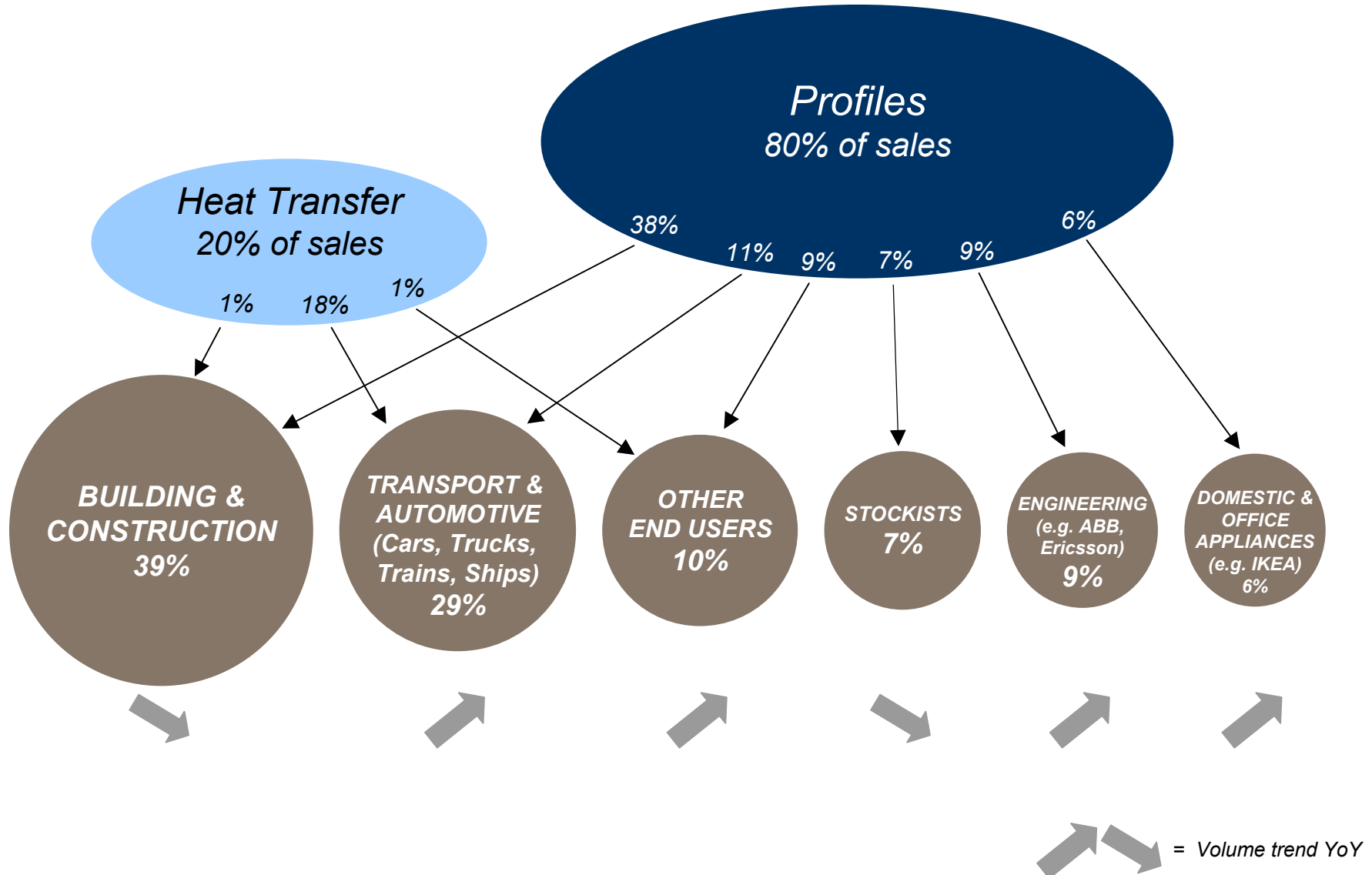
Volume growth Q2 03



Index ton
1991=100



Our customers first half 2003



New/ongoing orders first half 2003

sapa:



Loudspeakers for Sony
– the co-operation
continues (Sapa in
Poland)



Sapa Pressweld: orders for roof-
rails from Thule UK



Reduced machining
Simplified assembly
work: Made by Sapa in
solariums for Ergoline



The classic American mailbox –
one-piece mailbox by Sapa Inc

Sapa in brief



	April-June 2003	April-June 2002	Change	Jan-June 2003	Jan-June 2002	Change
Net sales, MSEK	2,833	2,937	-4%	5,592	5,758	-3%
Operating Profit, MSEK	169	136	+24%	320	237	+35%
Operating margin, %	6.0	4.6	1.4	5.7	4.1	1.6
Profit after fin. items, MSEK	155	122	+27%	291	204	+43%
Net profit, MSEK	103	82	+26%	195	138	+41%
Earnings per share, SEK	2.80	2.20	+26%	5.30	3.75	+41%
Deliveries, tonnes	79,050	75,200	+5%	155,840	145,960	+7%

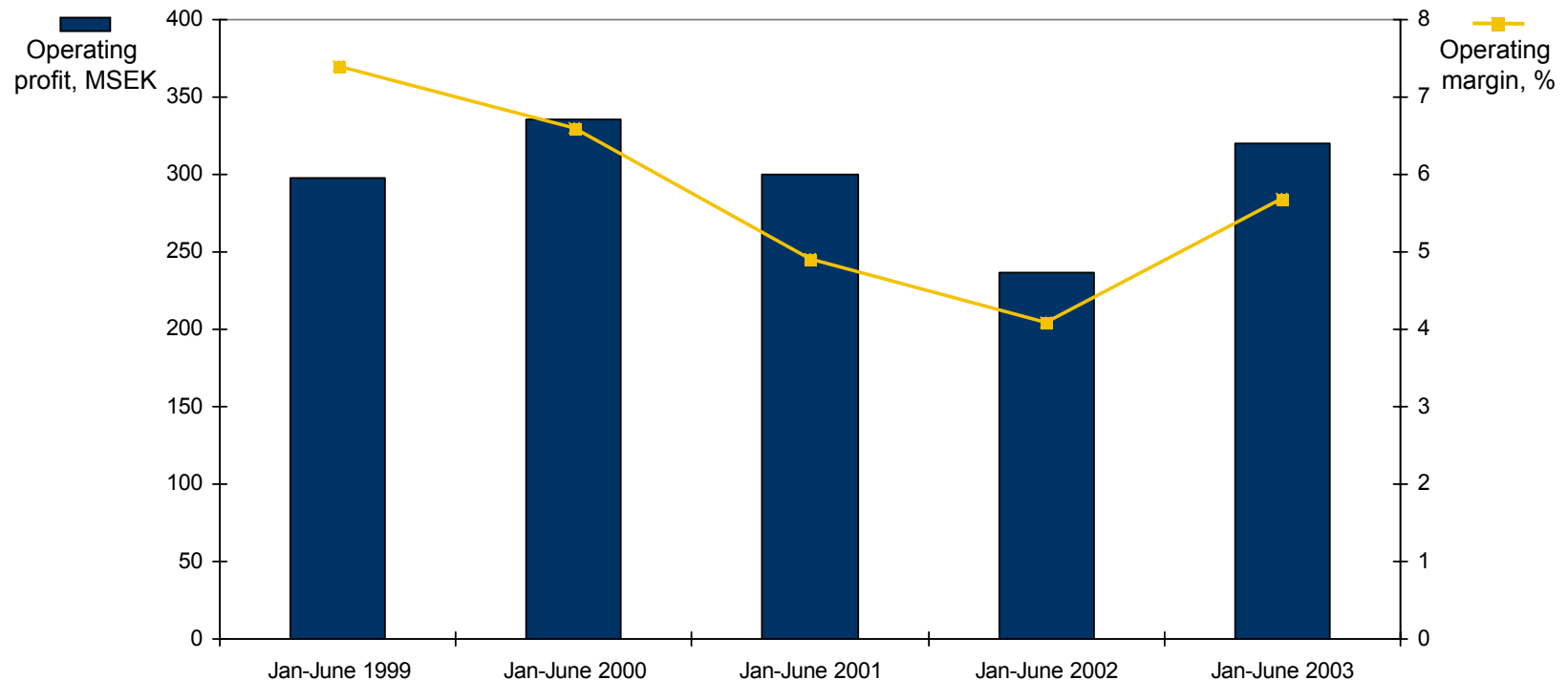
Change in net sales (%)



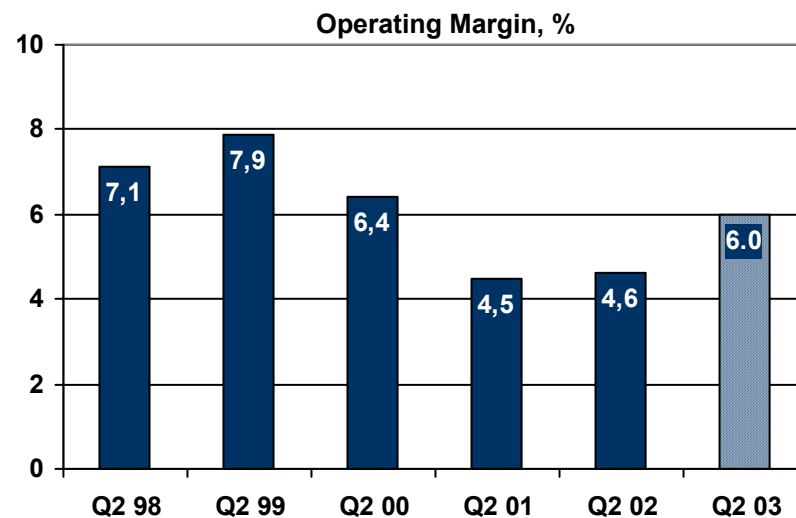
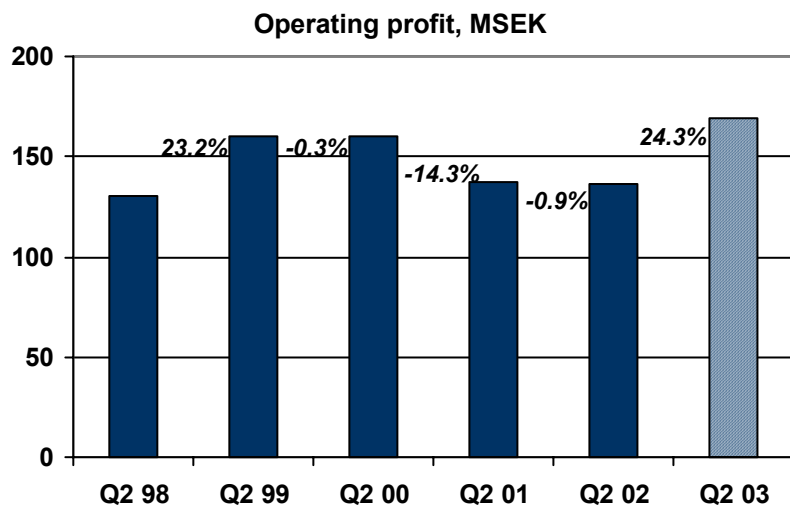
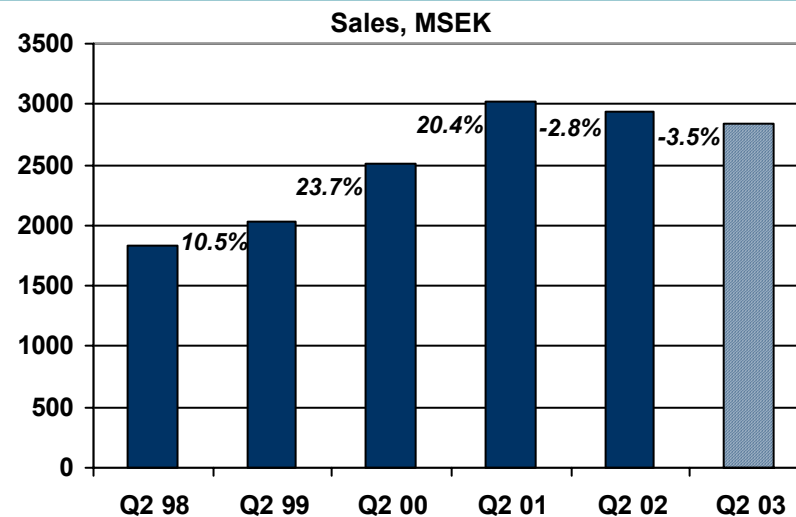
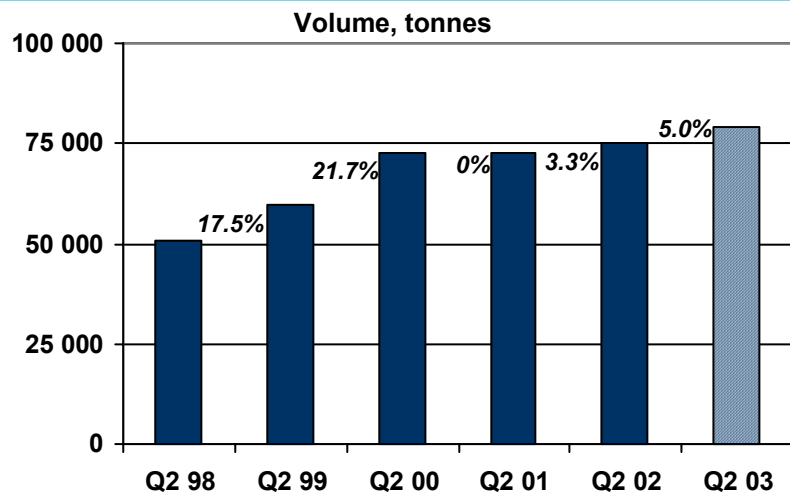
	Q1	Q2	First half
2002 net sales (MSEK)	2,821	2,937	5,758
Volume	+9	+5	+7
Metal price and mix	-7	-8	-7
Currency effect	-5	-5	-5
Structural	+1	+4	+2
Total change	-2	-4	-3
2003 net sales (MSEK)	2,758	2,833	5,592

First half 2003

- Profit growth trend continues
- Continued weak market in Europe for Profiles
- Positive signs in the US profiles market
- Heat Transfer solid growth in volume and profit



Q2 03¹



¹Sapa current structure, excluding non-recurring items

Balance Sheet



MSEK	June 30, 2003	June 30, 2002	31 Dec, 2002
Intangible fixed assets	1,047.2	1,024.6	1,001.2
Tangible fixed assets	3,016.9	2,646.6	2,625.7
Financial fixed assets	168.2	43.4	27.1
Inventories	1,874.0	1,427.4	1,423.3
Current receivables	3,069.0	2,577.2	2,222.8
Liquid funds	583.3	444.2	747.2
TOTAL ASSETS	9,758.6	8,163.4	8,047.3
Shareholders' equity	3,759.7	3,652.8	3,878.7
Interest-bearing liabilities and provisions	2,883.5	1,967.7	1,834.7
Interest-free liabilities and provisions	3,115.4	2,542.9	2,333.8
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,758.6	8,163.4	8,047.3
Net debt	2,300	1,524	1,088

Cash Flow



MSEK	Jan-June 2003	Jan-June 2002	Jan-Dec 2002
Operating profit	320.1	236.8	483.0
Depreciations	224.7	227.9	448.2
Other items not affecting liquidity	-3.0	-50.4	-84.8
Interest received / paid	-28.0	-43.3	-67.1
Income tax paid	-58.0	-66.0	-100.9
Change in working capital	-250.3	-7.2	148.9
CASH FLOW FROM ONGOING OPERATIONS	205.5	297.8	827.3
New and replacement investments	-113.0	-162.1	-302.9
Company acquisitions / divestments	-398.4	-	-32.5
Sales of fixed assets and changes in financial fixed assets	1.5	21.0	67.1
CASH FLOW AFTER INVESTMENTS	-304.4	156.7	559.0
Financing	380.5	-469.3	-557.2
Share issue / repurchase of shares	-16.7	-52.5	-70.9
Dividend	-201.5	-182.3	-182.3
CASH FLOW	-142.1	-547.3	-251.4

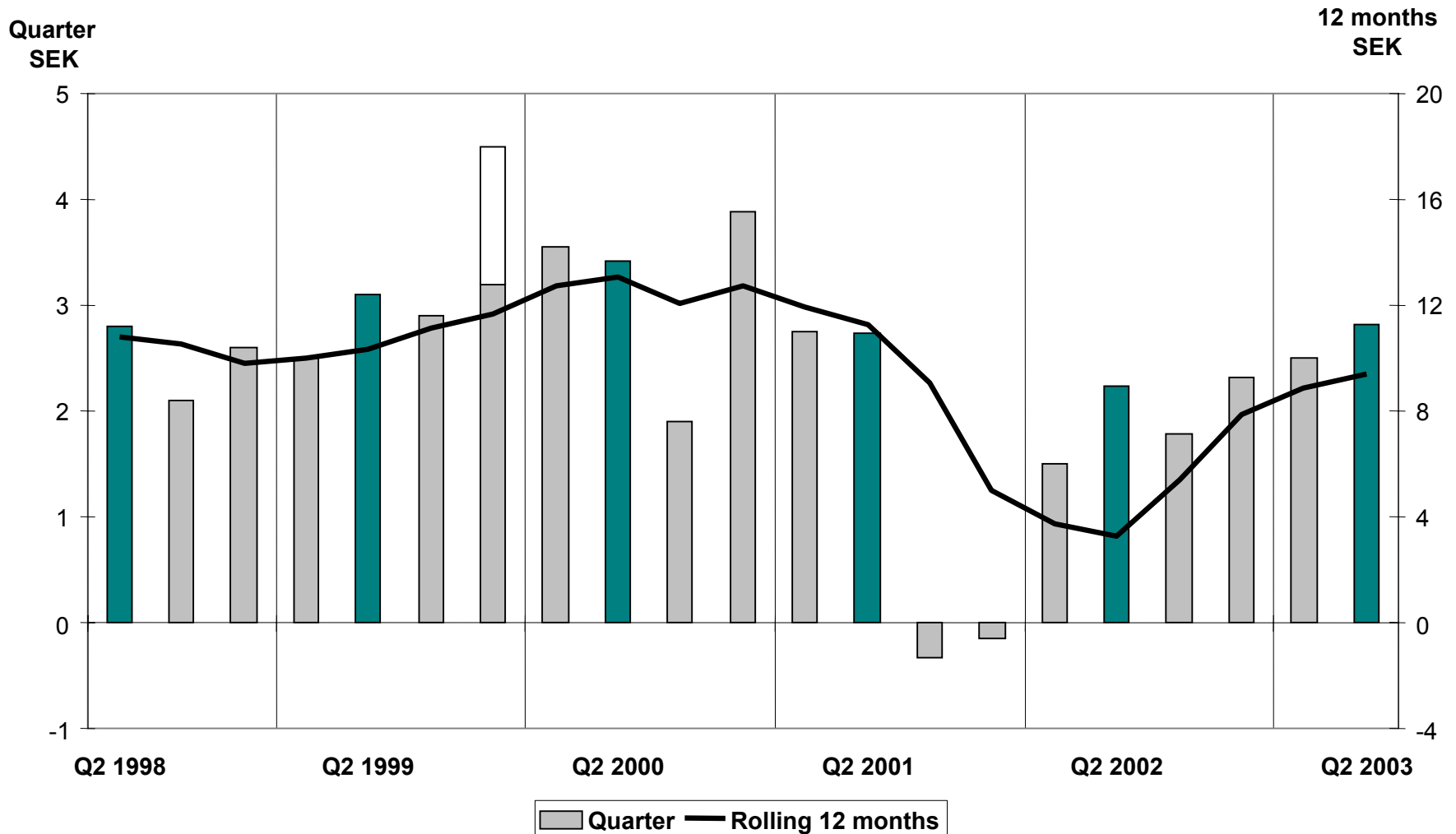
Key Figures¹



	Jan-June 2003	Jan-June 2002	Full Year 2002
Earnings per share, SEK	5.30	3.75	7.85
Return on shareholders' equity, %	9.0	3.1	7.5
Shareholders' equity per share, SEK	102.85	100.75	105.80
Return on capital employed, %	10.9	5.5	9.0
Operating margin, %	5.7	4.1	4.4
Capital turnover rate, Multiple	2.1	2.0	2.1
Equity/assets ratio, %	39	45	48
Debt/equity ratio	0.61	0.42	0.28
Net debt, MSEK	2,300	1,524	1,088
New and replacement investments, MSEK	113	162	303
Average number of employees	6,655	6,506	6,526
Number of outstanding shares, 000s	36,624	36,426	36,339

¹Key ratios calculated based on rolling twelve-month values

Earnings per share¹



¹Excluding non-recurring items

RCA acquisition

- RCA consolidated as from the acquisition date of 23 June 2003
- Bid period 25 June 2003 – 18 July 2003
- Acceptance level published 23 July
- Payment to sellers 25 July 2003

*Estimated to contribute positively
to earnings already 2nd half 2003*

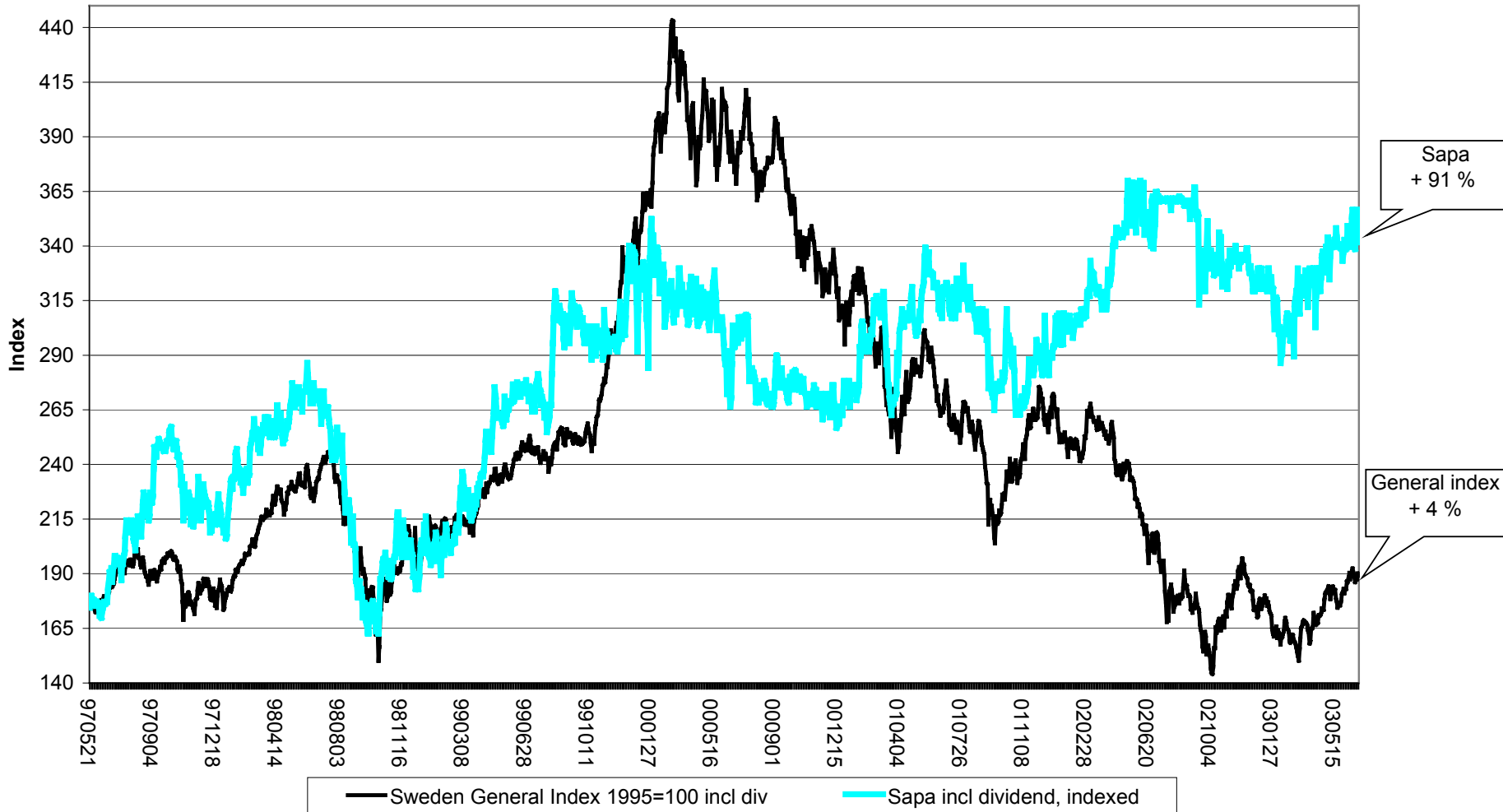
Sapa outlook full year 2003



“The business climate in Europe continues to be weak, with no signs of improvement in the short-term perspective. The situation in the US has improved over the last months, but it is too early to tell if this improvement will last. The uncertainty remains but, as stated earlier, the development of the profit is expected to continue positively during the remainder of the year.”

Q2 report, July 2003

Sapa shareholder value since IPO incl dividends





The Sapa Group Interim Report
for the 3rd quarter
will be published on 17 October, 2003