

# Quarterly report

2/2008



*Moelven Nordia AS has supplied the interior layout for Smedvik Eiendom's new building outside of Stavanger.  
Product: Nordia Flush Front. Building architect: Petter Giske at Multiconsult in Stavanger. Interior architect: Torun Lie. Photo: Guro Waksvik*

**MOELVEN®**

## Profit and Loss Account

NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
	2008	2007	2006	2008	2007	2006	2007	2006
Operating revenues	2,202.3	2,119.4	1,715.7	4,153.6	4,107.9	3,272.7	7,944.0	6,692.4
Depreciation	48.3	45.6	43.5	95.0	89.6	86.4	177.0	177.6
Cost of goods sold	1,475.3	1,209.7	1,105.1	2,698.0	2,394.4	2,080.5	4,621.2	4,218.9
Operating expenses	597.5	534.9	476.5	1,169.1	1,069.1	964.5	2,156.2	1,922.7
<b>Operating profit</b>	<b>81.3</b>	<b>329.2</b>	<b>90.5</b>	<b>191.5</b>	<b>554.8</b>	<b>141.2</b>	<b>989.6</b>	<b>373.2</b>
Income from associates	-0.1	-0.4	-0.8	-0.4	-1.7	-1.0	0.1	-3.9
Interest and other financial income	3.2	2.6	3.7	9.2	4.9	6.9	8.8	7.1
Interest and other financial expenses	-12.8	-10.0	-12.7	-23.2	-18.4	-24.4	-26.3	-40.0
<b>Operating result before tax</b>	<b>71.6</b>	<b>321.4</b>	<b>80.7</b>	<b>177.1</b>	<b>539.6</b>	<b>122.7</b>	<b>972.2</b>	<b>336.4</b>
Estimated tax cost	20.0	90.5	23.1	49.6	152.1	35.4	276.8	96.9
Minority interests	-0.2	-2.6	-0.2	-1.6	-3.5	0.3	-4.1	0.2
<b>Net profit</b>	<b>51.3</b>	<b>228.2</b>	<b>57.4</b>	<b>125.9</b>	<b>383.9</b>	<b>87.6</b>	<b>691.3</b>	<b>239.7</b>

## Balance Sheet

NOK mill.	Change in 2 <sup>nd</sup> Quarter			Per 30.06.			Per 31.12.	
	2008	2007	2006	200	2007	2006	2007	2006
Intangible assets	0.5	-0.8	1.6	9.7	6.8	11.0	7.1	8.4
Tangible assets	23.0	15.6	25.5	1,244.0	1,114.6	1,025.3	1,214.9	1,135.6
Financial assets	-0.7	2.6	-3.5	59.5	75.9	91.8	58.9	73.8
<b>Total fixed assets</b>	<b>22.8</b>	<b>17.4</b>	<b>23.6</b>	<b>1,313.2</b>	<b>1,197.3</b>	<b>1,128.1</b>	<b>1,280.9</b>	<b>1,217.8</b>
Stocks	-90.1	103.2	-94.4	1,378.1	1,106.2	967.6	1,301.9	846.5
Receivables	176.3	183.2	178.5	1,296.8	1,321.7	1,072.5	943.7	955.7
Deposits	-17.5	-40.4	43.6	39.8	70.2	62.9	77.7	51.6
<b>Total current assets</b>	<b>68.7</b>	<b>246.0</b>	<b>127.7</b>	<b>2,714.7</b>	<b>2,498.1</b>	<b>2,103.0</b>	<b>2,323.3</b>	<b>1,853.8</b>
<b>Total assets</b>	<b>91.5</b>	<b>263.4</b>	<b>151.3</b>	<b>4,027.9</b>	<b>3,695.4</b>	<b>3,231.1</b>	<b>3,604.2</b>	<b>3,071.6</b>
Share capital*	0.0	0.0	0.0	647.7	647.7	647.7	647.7	647.7
Other equity and capital	43.9	219.4	59.0	1,049.0	949.9	516.6	922.0	586.0
<b>Total equity</b>	<b>43.9</b>	<b>219.4</b>	<b>59.0</b>	<b>1,696.7</b>	<b>1,597.6</b>	<b>1,164.3</b>	<b>1,569.7</b>	<b>1,233.7</b>
Long-term liabilities	352.4	86.4	78.5	1,056.6	821.4	1,057.4	408.1	670.9
Current liabilities	-304.8	-42.4	13.8	1,274.6	1,276.4	1,009.4	1,626.4	1,167.0
<b>Total liabilities</b>	<b>47.6</b>	<b>44.0</b>	<b>92.3</b>	<b>2,331.2</b>	<b>2,097.8</b>	<b>2,066.8</b>	<b>2,034.5</b>	<b>1,837.9</b>
<b>Total equity and liabilities</b>	<b>91.5</b>	<b>263.4</b>	<b>151.3</b>	<b>4,027.9</b>	<b>3,695.4</b>	<b>3,231.1</b>	<b>3,604.2</b>	<b>3,071.6</b>

\*129,542,384 shares at NOK 5.-, adjusted to account for 1,100 own shares.

## Key figures

NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
	2008	2007	2006	2008	2007	2006	2007	2006
Net operating margin /EBIT (in %)	3.7	15.5	5.3	4.6	13.5	4.3	12.5	5.6
Gross operating margin/EBITDA (in %)	5.9	17.7	7.8	6.9	15.7	7.0	14.7	8.2
Earnings per share (in NOK)	0.40	1.78	0.44	0.98	2.99	0.67	5.28	1.85
Cash flow per share (in NOK)	0.96	2.88	0.99	2.11	4.96	1.64	9.00	3.71
Equity ratio (in %)	0.1	3.1	0.1	42.1	43.2	36.0	43.6	40.2
Investments	71.2	69.9	61.0	126.9	117.0	96.6	292.4	244.6
Return on capital employed (in %)	13.5	62.0	18.3	17.2	54.0	13.6	52.7	19.6
Capital employed	199.4	111.5	-83.9	2,273.3	2,036.2	2,103.0	1,801.4	1,752.0
Net interest bearing debt	369.2	40.2	-18.7	812.5	465.1	875.8	154.0	466.7
Net working capital	102.2	305.6	116.3	2,083.3	1,793.1	1,559.7	1,621.4	1,208.6
Number of employees	3,465	3,292	3,194	3,503	3,321	3,228	3,425	3,210
Sickness absence rate (in %)	5.46	5.84	5.73	5.78	6.20	5.97	6.32	5.89
Number of injuries with absence	20.0	15.2	13.6	19.7	17.0	16.5	17.5	17.3
Number of shareholders	967	972	984	967	972	984	967	972
Average number of shares	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284

The quarterly report has been prepared using the same accounting principles as those used in the annual accounts and according to NGAAP.

## Director's report

- Substantially reduced demand for sawn wood compared to second quarter last year slows down production in the sawmill sector
- Reduced start-up of new housing projects in Scandinavia; however, down from an earlier extremely high level
- Stable order situation continues for Building Systems division
- Operating revenues the first six months totalled NOK 4 154 million (4 108), of which NOK 2 202 million (2 119) in the second quarter
- Operating profit the first six months totalled NOK 192 million (555), of which NOK 81 million (329) in the second quarter

### Highlights

Low demand trade cycle combined with high production and stock levels have resulted in continued reduced market prices in the second quarter.

In spite of reduced prices for timber compared to last year, the reduction has been significantly less than the reduction in prices for finished products; thus resulting in unsatisfactory profitability for the sawmills.

Housing construction in Scandinavia is slowing, although from an earlier high level, while business activity in the renovation and rehabilitation segment is continuing at a high rate. Demand for planed products has thus remained more stable in the domestic market in Scandinavia. Increased focus on the Scandinavian market by companies that previously exported their products has caused an increase in competition and additional pressure on prices.

Apart from a decline in the demand from the housing segment for module-based buildings, the Building Systems division has not been influenced by the change in economic conditions. The division has had a positive development throughout the quarter, with improved results compared to the same period last year.

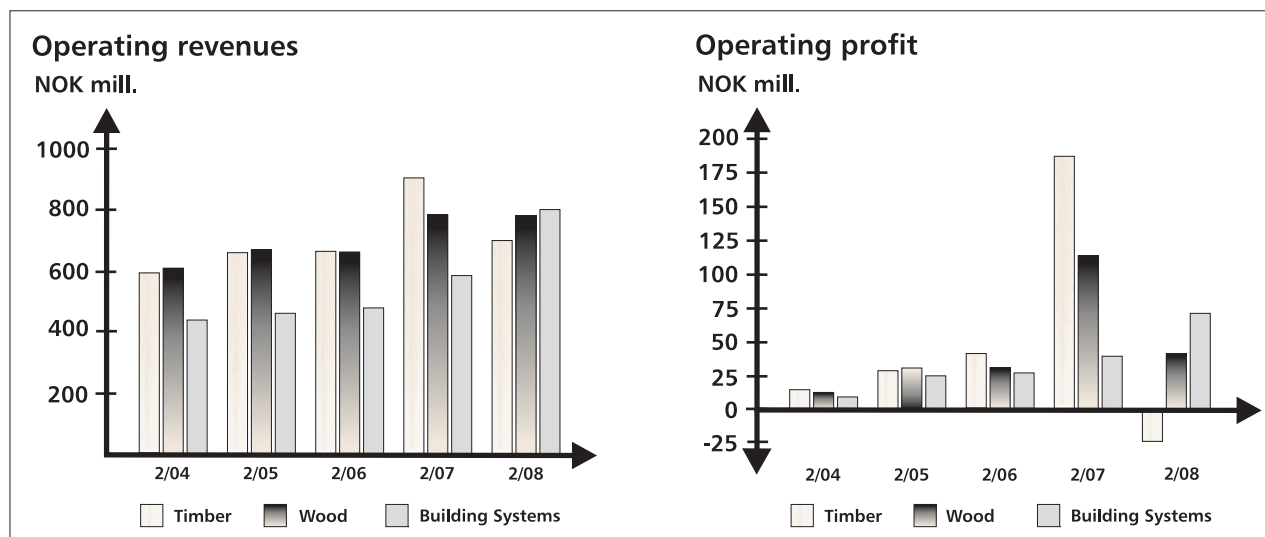
The Board of Moelven Tom Heurlin AB decided in the second quarter to close down the company's sawmill business. The background for the decision is the existing operating conditions, which combined with old and outdated facili-

ties made it impossible to operate the plant at a profit. The company will instead focus efforts on, and further develop, the division's planing business. The closure of the sawmill will result in laying off 32 employees. The employees will be offered a packaged designed to help them find new employment, if possible within the Moelven Group.

In May, Moelven Limtre AS entered into a contract for the expansion of the Terminal Building at the Oslo International Airport Gardermoen. The contract involves deliveries of glulam support structures for the roof of the Terminal Building. Moelven Limtre AS supplied similar structures to the existing Terminal Building.

In June, Moelven Limtre AS and the Norwegian Road Authority were awarded Innlandet's wood prize (2008) for their innovative work developing glulam bridges that combine aesthetics and design with long spans and heavy traffic loads. The laminated timber bridges have lately become an important area of focus for the Moelven Group's laminated timber business in both Sweden and Norway.

Together with Moelven Limtre AS, the Group's 47 per cent-owned subsidiary, Moelven Massivtre AS, is responsible for delivering support structures, as well as floor, wall and roof elements, for the housing project Egenes Park in Stavanger. A total of 56 apartments and a nursery school are being built at Egenes Park. The project is one of the Nordic countries' largest structures in solid wood.



## Operating revenues and profit

Operating revenues and profit for the Group in the second quarter totalled 2 202.3 million (2 119.4) and NOK 81.3 million (329.2), respectively. For the first six months, operating revenues totalled NOK 4 153.6 million (4 107.9), with an operating profit at NOK 191.5 million (554.8).

Overall operating revenues increased compared to the previous year. The increase is due to the Building Systems division, while operating revenues decreased for both the Timber and Wood divisions, primarily as a result of the slower economic conditions. Although the Building Systems division had an increase in operating profit compared to the previous year, it is the significant fall in operating profit for the Timber and Wood divisions that causes the substantial decrease in overall operating profit for the Group.

Ordinary pre-tax profit the first six months of the year were NOK 177.1 million (539.6). Profit after taxes and minority interests totalled NOK 125.9 million (383.9)

## Investments, balance sheet and financing

Total investments during the second quarter were NOK 71.2 million (69.9). Investments overall for the first six months of the year totalled NOK 126.9 million (117).

The increase in the investment level is consistent with the Group's long-term strategy plan. The 2008-plans give a significant increase in the investment level compared to the previous year. The main share of investments will be implemented during the summer holidays when it is normal to stop production anyway, and this should thus not impact the cash flow or balance sheet until the second half of the year.

At the end of the second quarter, the Group's total assets on book for the Group amounted to NOK 4 027.9 million (3 695.4). The increase is primarily due to increased stock holdings of both raw materials and finished goods in the Timber and Wood divisions, combined with the consequences of Moelven Trysil AS becoming part of the Group as of November 2007.

Cash flow from profit and loss items during the second quarter was NOK 123.8 million (372.7), corresponding to NOK 0.96 per share (2.88). For the first six months of the year, cash flow from profit and loss items totalled NOK 273.1 million (642.9), corresponding to NOK 2.11 per share (4.96).

Net interest-bearing debt was NOK 812.5 million (465.1) at the end of the second quarter. The main reasons for the increase are dividends totalling NOK 336.8 million being paid out in May and the increase in capital tied up in stock in the Timber and Wood divisions.

Approximately half of the Group's assets are registered on book in Swedish kroner, and the exchange rate development from 0.8617 on 30.06.07 to 0.8457 on 30.06.08 resulted in a reduction in the balance sheet totalling approximately NOK 30 million.

Equity at the end of the second quarter was NOK 1 696.7 million (1 597.6). The figure corresponds to NOK 13.10 (12.33) per share. The equity ratio was 42.1 per cent (43.2). Converting the figures for the Group's Swedish subsidiaries at the same exchange rate as at the end of the second quarter 2007, the resulting equity figure would be approximately NOK 1710 million which corresponds to an equity ratio of approximately 42 per cent.

Divisions	NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
		2008	2007	2006	2008	2007	2006	2007	2006
<b>Operating revenues</b>									
<b>Timber</b>		690.2	897.2	662.5	1,413.7	1,728.1	1,336.6	3,136.4	2,642.0
<b>Wood</b>		783.1	787.6	661.6	1,410.7	1,476.4	1,172.7	2,914.5	2,453.4
<b>Building Systems</b>		797.7	584.8	480.0	1,479.4	1,186.8	947.7	2,382.8	1,937.5
Laminated Timber		159.7	128.6	108.5	268.1	235.8	196.4	483.1	424.9
Electrical installation		120.7	92.5	54.8	219.7	177.3	101.3	358.4	219.4
Modular Buildings		316.8	215.9	177.6	604.0	478.2	383.7	944.4	736.1
Modular System Interiors		210.4	156.1	147.0	402.6	314.9	283.6	633.8	593.6
<b>Others/Eliminations</b>		-68.7	-150.2	-88.4	-150.2	-283.4	-184.3	-489.8	-340.5
<b>The Group</b>		2,202.4	2,119.4	1,715.7	4,153.6	4,107.9	3,272.7	7,944.0	6,692.4
<b>Operating profit/loss</b>									
<b>Timber</b>		-24.2	187.7	42.2	18.6	315.1	68.9	544.4	166.7
<b>Wood</b>		42.5	111.7	30.1	65.6	183.4	40.1	324.4	113.0
<b>Building Systems</b>		70.2	39.0	26.0	119.1	75.9	46.6	159.4	121.8
Laminated Timber		11.6	6.3	6.2	16.4	11.6	8.9	24.4	25.4
Electrical installations		2.6	2.2	0.5	4.4	4.9	-0.1	5.9	3.7
Modular Buildings		33.3	15.0	8.6	57.5	32.0	19.1	66.0	37.8
Modular System Interiors		22.2	15.5	10.7	40.8	27.5	18.6	63.0	54.8
<b>Others</b>		-7.2	-9.2	-7.8	-11.8	-19.6	-14.4	-38.6	-28.3
<b>The Group</b>		81.3	329.2	90.5	191.5	554.8	141.2	989.6	373.2

## Division

### Timber

Operating revenues for the second quarter were NOK 690.2 million (897.2). The operating result was a loss of NOK 24.2 million (+187.7). For the first six months of the year, operating revenues totalled NOK 1 413.7 (1 728.1), with an operating profit amounting to NOK 18.6 (315.1).

The market situation for sawn wood has changed strongly since 2007. From a situation with a strong demand surplus, increased production capacity, reduction in exports from Europe to the US and expectations of a fall in consumption of sawn wood resulted in a reversed situation with supply surplus and a corresponding price drop. This fall in prices for sawn wood both in the domestic and international markets continued in the second quarter, and has fallen even more than earlier anticipated. Raw material prices are falling, but yet less than the fall in prices for finished products. The situation with falling prices and high stock levels of both raw materials and finished products has caused significant write-downs of stock values in the second quarter. With the exception of some problems starting up the new trimming facility at Valåsen, operations in the second quarter have been good. A consequence of the quarterly result will be to implement further measures to adapt the division to the current market situation. In addition to the investments that will be made to improve utilization of raw materials and reduce production costs, the measures will include closing down sawmill activities at Moelven Tom Heurlin AB and reducing production output at several plants by reducing the number of shifts.

### Wood

Operating revenues in the second quarter totalled NOK 783.1 million (787.6), while operating profit was NOK 42.5 million (111.7). For the first six months of the year, operating revenues totalled NOK 1 410.7 (1 476.4), with operating profit at NOK 65.6 (183.4).

The falling market prices for sawn wood have led to a downward pressure on prices for the Wood division's products as well. A lower rate of activity in the building industry at the same time results in a reduced demand, although compared to an earlier extremely high activity level. The activity level within the renovation and rehabilitation segment has remained more stable than the start-up of new projects, contributing to limiting the fall in demand. The Wood division also had to write down stock values of both

raw materials and finished products in order to reflect current market prices. In order to be able to satisfy the high demand throughout the entire peak season, stock levels are normally quite high at the end of the first six months of the year, which means that the effect of the write down in stock is significant. The Wood division is also strongly influenced by prices for timber, even though a significant share of sawn wood is used as raw material. For some time now investments have been made in equipment designed to optimise the use of raw materials. The last example of this is the start-up of a new 3D log scanner at Moelven Østerdalsbruket AS. In the current market situation, in which timber prices are not following the fall in market prices, the focus on increasing efficiency of operations will continue, while at the same time the level of output needs to be adjusted somewhat.

Mr. Dag Sand retired at the end of the first six months of the year. Mr. Bjarne Hønningstad (36) is appointed new managing director and has already assumed the position.

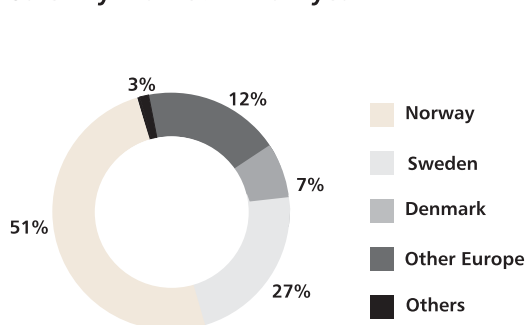
### Building Systems

Operating revenues in the second quarter totalled NOK 797.7 million (584.8), with an operating profit at NOK 70.2 million (39.0). For the first six months of the year, operating revenues totalled NOK 1 479.4 (1 186.8), with an operating profit at NOK 119.1 (75.9).

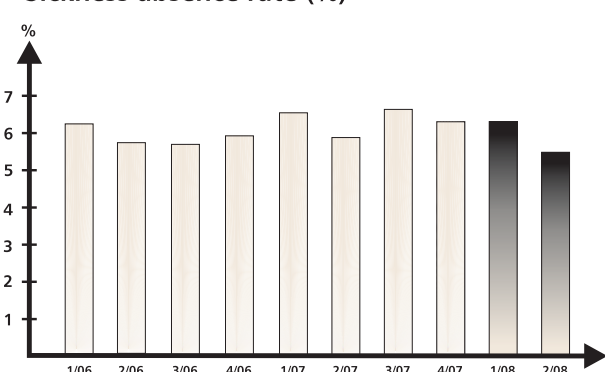
With the exception of the decrease in demand for module-based housing, market activity has been high and the order situation stable. Profit for the second quarter is the second highest ever for the division. At Moelven Nordia AS, production capacity at the factory was increased by starting up another shift at the start of the second quarter in order to be able to deliver sufficient materials for ongoing projects. There are signs of a somewhat weaker demand, but the current order situation and demand implies that any lower activity level will likely not take place until some time in the future. Access to qualified labour is still a challenge despite increased unemployment in the building trade.

Moelven Töreboda AB opened the company's new office building in the second quarter. The building's architectural design came about based on ideas from the employees, and the building materials used are primarily taken from Moelven production facilities. The architectural and material choice thus also makes the building a showroom for several of the Group's products.

Sales By Market 1<sup>st</sup> Half-year



Sickness absence rate (%)



## Other businesses

In addition to the parent company, Moelven Industrier ASA, this business division includes common services such as timber acquisitions, R&D, finances, insurance, IT, communications and human resources. A few other smaller business units and assets not related to the Group's core business activities are included in this division as well. At the end of the second quarter, this included a total of 91 employees, of which 26 are female. Thirty-seven employees work in Sweden and 54 in Norway. The book value of assets not relating to operations totalled approximately NOK 15.0 million (20.0).

Operating revenues for the division in the second quarter were NOK 84.8 million (49.6), and there was an operating loss of NOK 7.2 million (-9.0). For the first six months of the year, operating revenues totalled NOK 189.4 million (99.2), with an operating loss of 11.8 million (-19.6).

## Employees

Absenteeism due to illness in the second quarter of 2008 was 5.46 per cent (5.84) or 11 375 (11 260) full workdays. For the first six months of the year, overall absenteeism was 5.78 per cent (6.20) or 23 783 (24 023) full workdays. In all, there were 199 732 (184 430) workdays during the second quarter, and 391 773 (368 430) in the first six months of the year. The rate of absenteeism due to long-term sick leave totalled 3.03 per cent (3.05) in the second quarter and 2.87 (2.95) in the first six months.

The rate of absenteeism has declined in 2008. Targeted efforts are under way in several areas to reduce absenteeism even further toward the goal of maximum 5 per cent.

The number of personal injuries resulting in subsequent sick leave in the quarter was 30 (21) and 58 (47) in the first six months of the year. These figures correspond to 20.0 (15.2) injuries resulting in sick leave per million work hours for the quarter, and 19.7 (17.0) for the first six months of the year. The number of personal injuries is unacceptable, and ongoing efforts are intensified with the aim of reducing the number of injuries. In addition to installing concrete safety mechanisms on machines and equipment that represent a safety risk, the main focus will be on increasing safety awareness, training managers in health, environment and safety routines and improving safety regulations. For all new investments, emphasis will be put on increasing safety and work environment at the same time.

At the end of the first six months of the year, the Group had a total of 3 503 (3 321) employees. Of the total number of employees, 1 843 (1 720) work in Norwegian companies,

1 626 (1 577) in Swedish companies, 24 (20) in Danish companies and 10 (4) in other countries. Overall, there are 342 (312) female and 3 161 (3 099) male employees in the Group.

## International Accounting Standards (IFRS)

Since Moelven Industrier ASA is not publicly listed, the company is not obliged to publicise accounts in accordance with International Financial Reporting Standards (IFRS). The accounts have been prepared based on Norwegian accounting standards, while the main effect of reporting using IFRS from 2005 are presented in a separate table. The major differences in using IFRS are in the reporting of pension commitments, the use of financial instruments and the treatment of dividends.

## Outlook

Based on the current solid backlog of orders and continued high market activity for the businesses in the Building Systems division, the Board expects that the current activity level will remain stable throughout 2008, but with a slight weakening toward the end of the year. The planing division, Wood, is registering a lower rate of start-up for new housing in Scandinavia, but there is still a solid level of activity in the rehabilitation and maintenance segment. Competition for most products is more intense compared to a year ago, which is mostly the result of increased capacity being directed at the Scandinavian market. For the sawmill division, Timber, the international market for sawn wood will continue to be characterized by excess supply, combined with a somewhat weaker demand compared to a year ago. This imbalance will cause unsatisfactory margins for this division in the second half of the year.

Access to raw materials and other component products is good for all of the Group's businesses, and prices are expected to remain stable or somewhat falling.

The Group is into the third year of a major investment program aimed at improving the efficiency of operations. The programme is on schedule and in 2008 a total of approximately NOK 400 million will be invested in projects that will be completed and operation initiated during autumn 2008 and during the first quarter of 2009.

Operating revenues and profit in 2008 are expected to be significantly lower than in 2007, but the Board anticipates that the financial figures will be satisfactory in light of the change in economic conditions and seen from a historical perspective.

IFRS	NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
		2007	2007	2006	2008	2007	2006	2007	2006
<b>Profit and Loss Account</b>									
EBITDA		129.7	374.9	134.1	286.6	644.5	227.6	1,166.6	560.8
EBIT		82.8	330.1	91.7	194.2	556.5	143.4	992.8	387.7
Result before tax		74.1	327.4	97.8	187.2	537.9	144.9	971.5	361.5
<b>Balance Sheet</b>									
Change in 2 <sup>nd</sup> Quarter									
Per 30.06									
Per 31.12									
	NOK mill.	2008	2007	2006	2008	2007	2006	2007	2006
Equity		-290.7	126.8	39.3	1,676.0	1,568.0	1,133.0	1,878.0	1,301.9
Total assets		93.5	262.9	161.4	4,042.6	3,697.1	3,244.0	3,607.5	3,060.7
Equity ratio		-8.3	0.4	-0.6	41.5	42.4	34.9	52.1	42.5

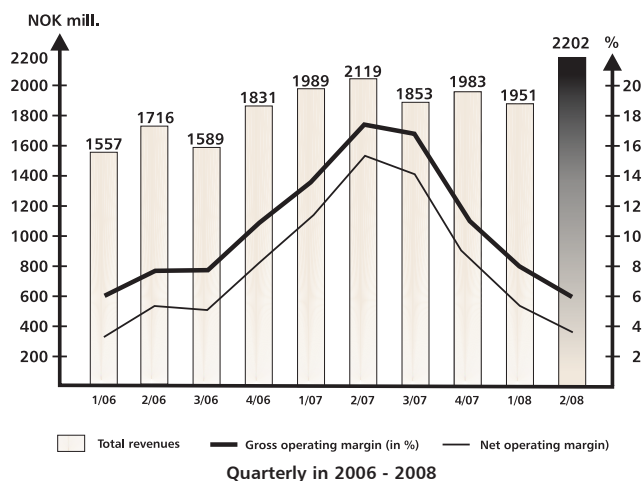
## Changes in total equity for the Group

NOK mill.	Change in 2 <sup>nd</sup> Quarter			Per 30.06.			Per 31.12.	
	2008	2007	2006	2008	2007	2006	2007	2006
<b>Opening balance</b>	<b>1,652.8</b>	<b>1,378.2</b>	<b>1,105.3</b>	<b>1,569.7</b>	<b>1,233.7</b>	<b>1,076.4</b>	<b>1,233.7</b>	<b>1,076.4</b>
Profit/loss	51.5	230.9	57.6	127.5	387.5	87.3	695.4	239.5
Foreign currency translation	-7.4	-8.9	1.6	1.1	-20.1	0.3	-22.6	14.8
Provisions for dividend	0.0	0.0	0.0	0.0	0.0	0.0	-336.8	-97.2
Minority interests	-0.2	-2.6	-0.2	-1.6	-3.5	0.3	0.0	0.2
<b>Changes for year/period</b>	<b>43.9</b>	<b>219.4</b>	<b>59.0</b>	<b>127.0</b>	<b>363.9</b>	<b>87.9</b>	<b>336.0</b>	<b>157.3</b>
<b>Total equity NGAAP</b>	<b>1,696.7</b>	<b>1,597.6</b>	<b>1,164.3</b>	<b>1,696.7</b>	<b>1,597.6</b>	<b>1,164.3</b>	<b>1,569.7</b>	<b>1,233.7</b>
IFRS effects				-20.7	-29.6	-31.3	308.3	68.2
<b>Total equity IFRS</b>				<b>1,676.0</b>	<b>1,568.0</b>	<b>1,133.0</b>	<b>1,878.0</b>	<b>1,301.9</b>

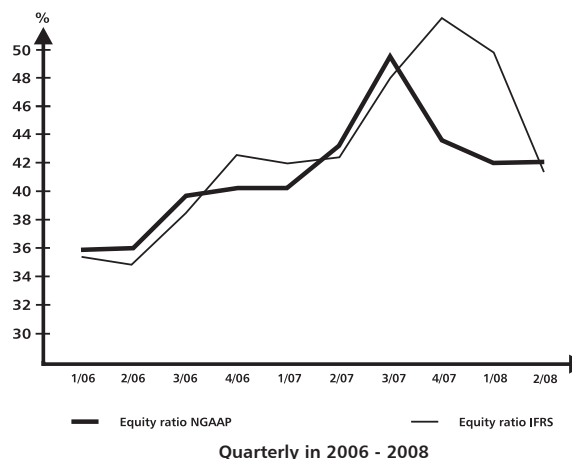
## Cash Flow Statement

NOK mill.	Change in 2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
	2008	2007	2006	2008	2007	2006	2007	2006
<b>Net cash flow from operations</b>	<b>4.2</b>	<b>152.7</b>	<b>134.6</b>	<b>-374.8</b>	<b>128.2</b>	<b>29.9</b>	<b>1,013.7</b>	<b>512.3</b>
Cash from operating result	123.8	372.7	127.6	273.1	642.9	212.9	1,165.6	480.6
Cash flow from working capital	-119.6	-220.0	7.0	-647.9	-514.7	-183.0	-151.9	31.7
Cash flow from/to investments	-76.1	-68.9	-55.0	-127.3	-108.0	-69.4	-304.0	-196.4
Cash flow from/to financing	54.4	-124.2	-36.0	464.2	-1.6	72.8	-683.6	-293.9
<b>Net cash flow for the period</b>	<b>-17.5</b>	<b>-40.4</b>	<b>43.6</b>	<b>-37.9</b>	<b>18.6</b>	<b>33.3</b>	<b>26.1</b>	<b>22.0</b>
Liquid funds	-17.5	-40.4	43.6	39.8	70.2	62.9	77.7	51.6
Unutilised credit facilities	-335.2	95.7	-17.5	534.8	880.5	524.3	1,160.6	907.6
<b>Available liquid funds</b>	<b>-352.7</b>	<b>55.3</b>	<b>26.1</b>	<b>574.6</b>	<b>950.7</b>	<b>587.2</b>	<b>1,238.3</b>	<b>959.2</b>

## Revenues and margins



## Equity ratio



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www.huginonline.no/MOE/

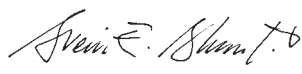
## Statement by the Board and CEO

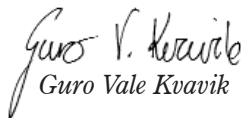
The Board and the CEO of Moelven Industrier ASA have today reviewed and endorsed the company's financial statements covering the first six months of the year and the overall consolidated accounts for the Moelven Group as of 30 June 2008.

It is the Board and the CEO's belief that that accounts for the first six months of 2008 have been prepared in compliance with accepted accounting

standards, and that the information presented in the accounts provide a reliable representation of the Group's assets, debt, financial situation and overall results as of 30 June 2008. It is the Board and the managing director's firm belief that the financial statements also provide an accurate overview of the most central risk factors that the business faces in the next accounting period.

Moelv, 10 July 2008.

  
Svein E. Skorstad

  
Guro Vale Kvavik


  
Elisabeth Krokeide

  
Gunde Haglund

  
Pål Tajet

  
Torstein Opdahl

  
Martin Fauchald

  
Hans Rindal/CEO

## Moelven - Supplying good rooms

Moelven is organised into three divisions: Timber, Wood and Building Systems.

The sawmills in the Timber division supply sawn timber products to businesses in Scandinavia and the rest of Europe. Customers use the products as elements in their own production processes. In addition, chippings and bark products are delivered to and used in the pulp & paper, particle board and bio-energy industries. The processing companies in the Wood division supply the retail chains in Scandinavia with a wide range of construction and interior products. An important competitive advantage is the Wood division's efficient and rational distribution system that can offer customers quick and accurate deliveries from a wide-ranging product assortment. The businesses in the Building Systems division supply flexible system

interiors for interior walls, modular buildings, electrical installations and load-bearing glulam constructions for project customers, primarily in Norway and Sweden. The division is heavily committed to developing concepts and systems together with customers and experts within the fields of architecture, design and construction

The Group consists of a total of 46 separate business units in Norway, Sweden and Denmark with a total of 3 503 employees.

The Moelven Group is owned by Eidsiva MI AS (39.6 per cent), Glommen Skog (25.1 per cent), Viken Skog (11.9 per cent), Mjøsen Skog (11.7 per cent), AT Skog (7.3 per cent) and Havass Skog (4.0 per cent). Private individuals own most of the remaining 0.4 per cent.

*Moelven's existence is based on providing quality rooms for people. It is a promise we give our customers, and we shall keep that promise by using high-quality raw materials, modern production methods and equipment, a high degree of processing, strategic logistics and distribution systems, advanced expertise, good consultants and by being a leader in product development.*

More information:  
[www.moelven.com](http://www.moelven.com)