Quality Rooms

Quarterly Report 2/2009

Iso3 is an insulated framework materiel that contributes to reducing energy needs in buildings.
The new product prevents thermal bridges and is specially developed to satisfy the new 200mm insulation requirements.

MOELVEN®

Profit and Loss Account

NOK mill.	2nd Quarter			1st half-year			Total	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Operating revenues	**1,771.7**	2,202.3	2,119.4	**3,227.9**	4,153.6	4,107.9	**7,657.7**	7,944.0
Depreciation	**48.2**	48.3	45.6	**95.1**	95.0	89.6	**199.2**	177.0
Cost of goods sold	**1,162.5**	1,475.3	1,209.7	**2,121.6**	2,698.0	2,394.4	**4,998.3**	4,621.2
Operating expenses	**537.0**	597.5	534.9	**1,077.3**	1,169.1	1.069.1	**2,315.5**	2,156.2
Operating profit	**24.0**	81.3	329.2	**-66.1**	191.5	554.8	**144.7**	989.6
Income from associates	**-0.5**	-0.1	-0.4	**0.4**	-0.4	-1.7	**-2.2**	0.1
Interest and other financial income	**8.7**	3.2	2.6	**21.4**	9.2	4.9	**10.8**	8.8
Interest and other financial expenses	**-17.3**	-12.8	-10.0	**-40.4**	-23.2	-18.4	**-45.9**	-26.3
Operating result before tax	**14.9**	71.6	321.4	**84.7**	177.1	539.6	**107.4**	972.2
Estimated tax cost	**4.2**	20.0	90.5	**-23.7**	49.6	152.1	**26.2**	276.8
Net profit	**10.7**	**51.5**	230.9	**-61.0**	127.5	387.5	**81.2**	695.4
Minority share	**-0.9**	0.2	2.6	**-2.1**	1.6	3.5	**-0.8**	4.1
Majority share	**11.6**	51.3	228.3	**-58.9**	125.9	384.0	**82.0**	691.3

Balance Sheet

NOK mill.	Change in 2nd Quarter			Per 30.06.			Per 31.12.	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Intangible assets	**-0.6**	0.5	-0.8	**6.5**	9.7	6.8	**7.6**	7.1
Tangible assets	**43.3**	23.0	15.6	**1,369.7**	1,244.0	1,114.6	**1,392.1**	1,214.9
Financial assets	**0.8**	-0.7	2.6	**50.2**	59.5	75.9	**49.6**	58.9
Total fixed assets	**43.5**	22.8	17.4	**1,426.4**	1,313.2	1,197.3	**1,449.3**	1,280.9
Stocks	**-212.4**	-90.1	103.2	**939.0**	1,378.1	1,106.2	**1,174.4**	1,301.9
Receivables	**254.6**	176.3	183.2	**1,229.5**	1,296.8	1,321.7	**936.3**	943.7
Deposits	**41.9**	-17.5	-40.4	**69.9**	39.8	70.2	**29.8**	77.7
Total current assets	**84.1**	68.7	246.0	**2,238.4**	2,714.7	2,498.1	**2,140.5**	2,323.3
Total assets	**127.6**	91.5	263.4	**3,664.8**	4,027.9	3,695.4	**3,589.8**	3,604.2
Share capital*	**0.0**	0.0	0.0	**647.7**	647.7	647.7	**647.7**	647.7
Other equity and capitall	**24.3**	43.9	219.4	**937.9**	1,049.0	949.9	**1,049.0**	922.0
Total equity	**24.3**	43.9	219.4	**1,585.6**	1,696.7	1,597.6	**1,696.7**	1,569.7
Long-term liabilities	**26.6**	352.4	86.4	**1,013.1**	1,056.6	821.4	**845.6**	408.1
Current liabilities	**76.7**	-304.8	-42.4	**1,066.1**	1,274.6	1,276.4	**1,047.5**	1,626.4
Total liabilities	**103.3**	47.6	44.0	**2,079.2**	2,331.2	2,097.8	**1,893.1**	2,034.5
Total equity and liabilities	**127.6**	91.5	263.4	**3,664.8**	4,027.9	3,695.4	**3,589.8**	3,604.2

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

Key figures

NOK mill.	2nd Quarter			1st half-year			Total	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Net operating margin /EBIT (in %)	**1.4**	3.7	15.5	**-2.0**	4.6	13.5	**1.9**	12.5
Gross operating margin/EBITDA (in %)	**4.1**	5.9	17.7	**0.9**	6.9	15.7	**4.5**	14.7
Earnings per share (in NOK)	**0.08**	0.40	1.78	**-0.47**	0.98	2.99	**0.63**	5.37
Cash flow from operations per share (in NOK)	**0.95**	0.03	1.18	**-0.24**	-2.89	0,99	**1.67**	7.80
* Equity ratio (in %)	**-0.9**	0.1	3.1	**43.3**	42.1	43.2	**47.3**	43.6
Investments	**71.2**	71.2	69.9	**134.5**	126.9	117.0	**345.9**	292.4
Return on capital employed (in %)	**4.0**	13.5	62.0	**-4.7**	17.2	54.0	**6.6**	52.7
* Capital employed	**7.9**	199.4	111.5	**2,474.6**	2,273.3	2,036.2	**2,326.8**	1,801.4
* Net interest bearing debt	**-51.9**	369.2	40.2	**765.3**	812.5	465.1	**599.9**	154.0
* Net working capital	**71.1**	102.2	305.6	**1,669.9**	2,083.3	1,793.1	**1,552.4**	1,621.4
* Number of employees	**-87**	76	59	**3,067**	3,503	3,321	**3,285**	3,425
Sickness absence rate (in %)	**5.86**	5.46	5.84	**5.92**	5.78	6.20	**5.64**	6.32
Number of injuries with absence	**19.4**	20.0	15.2	**18.0**	19.7	17.0	**18.3**	17.5
Number of shareholders	**970**	967	972	**970**	967	972	**969**	967
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

* Table for second quarter shows changes compared to last quarter.
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

- **Operating income during Q2 amounted to NOK 1, 772 million (2 ,202) and during the first half-year to NOK 3, 228 million (4, 154)**
- **Operating result for Q2 was NOK 24 million (81) and for the first half-year minus NOK 66 million (plus 192)**
- **Positive developments in the price of industrial timber due to reduced production and stock levels in general**
- **Weak but stable order situation for the Building Systems division**
- **Seasonal high demand for building materials**

Key features

Demand for the Group's products and services improved during the second quarter as is normal. However, the overall level of demand is lower than it has been in recent years. Many players within the timber industry have been forced to reduce output substantially. Total production has exceeded the market demand, causing prices, particularly those for industrial timber, to rise.

The initiatives that were instigated during the previous two quarters have had a positive impact on cost levels during the second quarter, and the Group is now better adapted to lower levels of activity.

Improvements in both market conditions and the order situation have given an increase in production within a number of units, and employees who have been affected by short-term capacity adjustments are now back in full employment. This particularly applies to the Group's Norwegian companies, where the labour legislation allows temporary leave to be used, in contrast to the Swedish legislation. The Swedish companies are therefore less flexible in adapting themselves to the current sharp fluctuations in demand and prices.

Within the Building Systems division, ever-increasing competition and price pressure is apparent. This is due to reduced new-build activity and the fact that many players have spare capacity. The refurbishment and extension market has experienced higher levels of activity than new-build, and the division's order backlog was stable during the second quarter.

In order to maintain the best possible cash flow, the Group has reduced its investment activity to only cover essential maintenance and upgrades, in addition to strategically important investments. This latter fact, in addition to projects that have already been commenced means that investment activity will not begin to decrease until the second half-year.

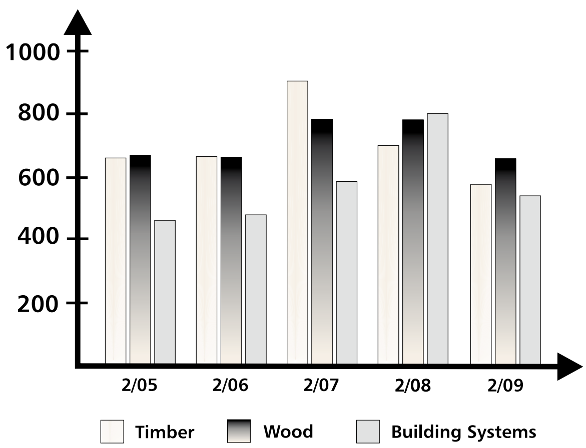
Construction of the new project factory for Moelven Töreboda AB began in June. Concurrently with the construction of the project factory, Mariestad Töreboda Energi AB is constructing a bio energy plant. The bio energy plant is scheduled for completion in 2010 and will supply district heating to neighbouring industry, which currently makes extensive use of fossil fuels. The bio fuel will be supplied by Moelven to the plant. This partnership will have a positive environmental impact through the greater use of environmentally friendly energy and reduced transportation needs.

Moelven Nössemark AB started use of its new timber intake in May. The start-up was a great success and provides an excellent basis for the further upgrading of the sawmill, which is planned for next year.

The extension to the terminal building at Oslo Airport Gardermoen was officially opened at the end of May. The new building has a floor area of 4,000m², split between two floors, and the glulam structures in the terminal were supplied entirely by Moelven Glulam.

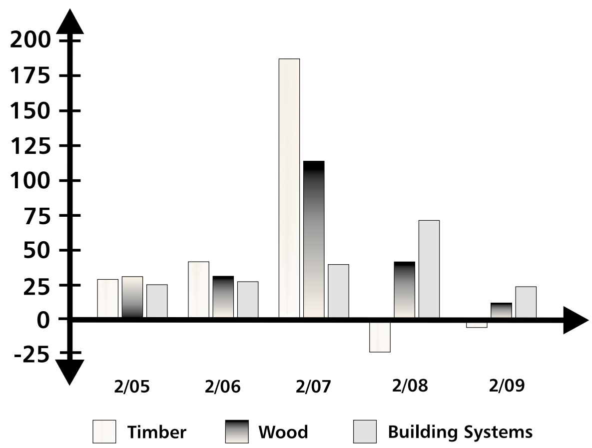
Operating revenues

NOK mill.



Operating profit

NOK mill.



Operating revenues and result

Operating revenues for the Group in the second quarter totalled NOK 1 771.7 million (2 202.3), with a result of NOK 24 million (81.3). For the first half of the year 2009 the operating revenues totalled NOK 3 227.9 million (4 153.6), while the operating result was minus NOK 66.1 million (plus 191.5).

A seasonal improvement in demand, higher prices for industrial wood and savings from cost-cutting measures helped boost the result in the second quarter, which as expected was considerably higher than during the first quarter. However, the result for the year so far is still significantly weaker compared to the same period last year when prices were falling, but the financial crisis had still not yet impacted the markets.

As a result of the levelling off -- or in some areas an increase in -- prices, there has not been a need to write-down stocks during the quarter. Despite the tremendous improvement, the Timber division still has the weakest margins, and the division had, including provisions in the accounts for restructuring costs totalling NOK 8 million, a negative result also during the second quarter. The Wood and Building Systems divisions both posted positive results.

The ordinary pre-tax result for the first half of the year was minus NOK 84.7 million (plus 177,1), while the result after accounting for taxes and minority interests totalled minus NOK 58.9 million (plus 125.9)

Investments, balance sheet and financing

Cost-cutting measures and efforts designed to ensure a positive cash flow have been emphasized during a period of weak earnings and slow cash flow. Reducing investment activity has been among the measures directed at improving cash flow. However, the Group does have satisfactory liquidity reserves and long-term financing. Hence, emphasis has been on reducing investment activities gradually and implementing necessary maintenance and important strategic investments in relation to original plans. Investments totalling NOK 71.2 million (71.2) were made in the second quarter, while a total of NOK 134.5 million (126.9) were made during the first half of the year. The largest single investments in the second quarter were the completion of projects at Numedal, Nössemark and Trysil, as well as the start-up of the construction of the new project factory at Moelven Töreboda.

At the end of the first six months of the year, the Group's total assets were valued at NOK 3 664.8 million (4 027.9). The reduction is due primarily to a decrease in project holdings, as well as lower stock levels and receivables due to reduced activity. A weaker Swedish krone compared to last year has contributed to reducing the balance by approximately NOK 25 million.

Cash flow from operations in the second quarter totalled NOK 122.7 million (4.2), corresponding to NOK 0.95 per share (0.03). Cash flow from operations after the first six months of the year totalled minus NOK 31.0 million (minus 374.8), corresponding to minus NOK 0.24 per share (minus 2.89). The total cash flow figure last year was influenced by the distribution of dividends amounting to NOK 337 million, in addition to the payment of NOK 225 million in taxes for the 2007 accounting year.

Net interest-bearing debt totalled NOK 765.3 million (812.5) at the end of the second quarter. Liquidity reserves increased to NOK 598.9 million, compared to NOK 574.6 last year.

Equity at the end of the second quarter totalled NOK 1 585.6 million (1 696.7), which corresponds to NOK 12.24 (13.10) per share. The equity ratio was 43.3 percent (42.1).

Divisions

NOK mill.	2nd Quarter			1st half-year			Total	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Operating revenues								
Timber	**575.7**	690.2	897.2	**1,111.2**	1,413.7	1,728.1	**2,472.4**	3,136.4
Wood	**657.1**	783.1	787.6	**1,108.2**	1,410.7	1,476.4	**2,634.0**	2,914.5
Building Systems	**546.3**	797.7	584.8	**1,019.9**	1,479.4	1,186.8	**2,748.0**	2,382.8
Laminated Timber	**104.1**	159.7	128.6	**180.4**	268.1	235.8	**524.1**	483.1
Electrical installation	**106.3**	120.7	92.5	**194.9**	219.7	177.3	**435.5**	358.4
Modular Buildings	**164.6**	316.8	215.9	**314.4**	604.0	478.2	**1,030.7**	944.4
Modular System Interiors	**175.4**	210.4	156.1	**338.0**	402.6	314.9	**784.3**	633.8
Others/Eliminations	**-7.4**	-68.7	-150.2	**-11.4**	-150.2	-283.4	**-196.7**	-489.8
The Group	**1,771.7**	2,202.3	2,119.4	**3,227.9**	4,153.6	4,107.9	**7,657.7**	7,944.0
Operating profit/loss								
Timber	**-3.9**	-24.2	187.7	**-54.5**	18.6	315.1	**-143.3**	544.4
Wood	**10.8**	42.5	111.7	**-27.0**	65.6	183.4	**80.3**	324.4
Building Systems	**24.1**	70.2	38.8	**30.8**	119.1	75.9	**235.1**	159.4
Laminated Timber	**3.1**	11.6	6.3	**0.1**	16.4	11.6	**38.5**	24.4
Electrical installations	**2.2**	2.6	2.2	**4.8**	4.4	4.9	**8.5**	5.9
Modular Buildings	**7.6**	33.3	15.0	**5.0**	57.5	32.0	**94.2**	66.0
Modular System Interiors	**11.3**	22.7	15.5	**20.9**	40.8	27.5	**93.9**	63.0
Others	**-7.0**	-7.2	-9.0	**-15.4**	-11.8	-19.6	**-27.4**	-38.6
The Group	**24.0**	81.3	329.2	**-66.1**	191.5	554.8	**144.7**	989.6

Divisions

Timber

Operating revenues in the second quarter totalled NOK 575.7 million (690.2), while the operating result was minus NOK 3.9 million (minus 24.2). For the first six months of the year, operating revenues totalled NOK 1 111.2 (1 413.7) and the operating result amounted to minus NOK 54.5 (plus 18.6).

The production level of industrial timber in Europe has exceeded the decrease in demand and this has led to a reduction of stock at the plants. The result has been higher prices for industrial wood in the second quarter after having been falling since autumn 2007. At Moelven Valåsen AB, where significant reductions were announced in the first quarter, these plans have been scaled down. The cost of restructuring has been accounted for in the accounts for the second quarter with NOK 8 million. Production has been running satisfactorily during the period, in parallel with the implementation of investments, restructuring and cost-cutting measures. Even though the division's margins have improved during the second quarter, the margin level is still quite low, and it will be necessary to continue to have a strong focus on increasing efficiency.

In addition to a number of minor investments in maintenance and strategic areas, the largest investment programme for the division is upgrading the plant at Moelven Nössemark AB. The successful start-up of the timber intake facility during the second quarter provides a good basis for further growth and efficiency in the region. The next phase of the investment programme is planned for 2010.

Wood

Operating revenues in the second quarter totalled NOK 657.1 million (783.1), while the operating result was NOK 10.8 million (42.5). During the first six months, operating revenues totalled NOK 1 108.2 million (1 410.7), and the operating result totalled minus NOK 27.0 million (plus 65.6).

New-build activity has been very slow in the second quarter throughout Scandinavia, both in the commercial and residential building sectors. The high season and high activity in the refurbishment and extension sectors have, however, helped sustain demand for the division's products. At the end of the second quarter, all of the companies in the division are on schedule to meet the originally planned production targets.

The final investments in the new impregnation facility at Moelven Edanesågen AB and Moelven Soknabruket AB were made during the second quarter. The start-up of both projects have been successful, and have, combined with the normalisation of production volumes, contributed to more cost-effective operations.

The Wood division has also focussed on cutting costs and has improved profitability significantly compared to previous quarters. There is still a large amount of uncertainty regarding future market developments, however, and it will be necessary to continue focusing on improved efficiency.

Investments in the new finger jointing and pre-cutting facility at Moelven Eidsvold Værk AS were completed during the second quarter. The facility will provide building timber in ready-cut lengths for producers of other building products such as roof trusses.

Building Systems

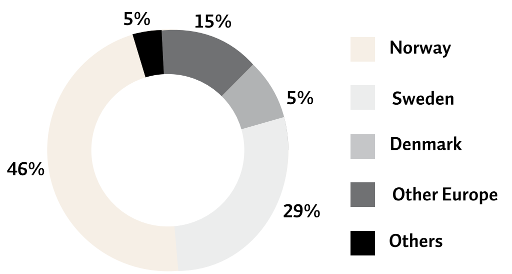
Operating revenues in the second quarter totalled NOK 546.3 million (797.7), while the operating result was NOK 24.1 million (70.2). In the first six months of the year, operating revenues totalled NOK 1 019.9 (1 479.4), while the operating result was NOK 30.8 million (119.1).

Of all the Moelven divisions, the Building Systems division has been the least impacted by the slow economic conditions. The reason has been their focus on the less impacted refurbishment and extension sectors, existing service and maintenance agreements and the fact that the Interior Layout companies supply products and services that are delivered late in the building process. During the second quarter, a high number of building projects were completed, and fewer larger projects were started. This has resulted in more intense competition for existing projects, but Moelven's companies have succeeded in meeting this increased competition. While the Laminated Timber and the Interior Layout companies are experiencing satisfactory demand from the refurbishment and extension markets and to some degree from smaller building projects, the companies in the Modular Building area have been more affected by the reduction in the market for larger projects. All three business areas in the division have implemented capacity reductions and cost-cutting measures in order to adapt costs to the reduced activity level.

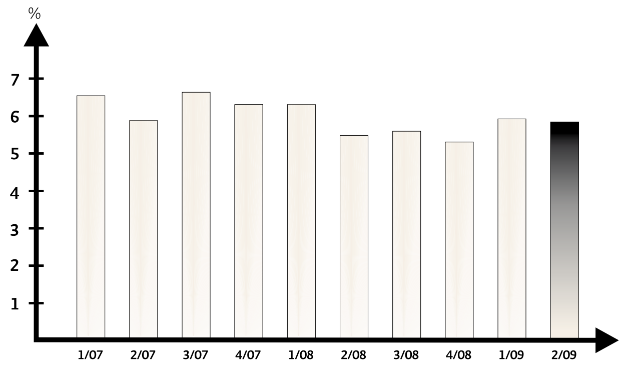
Other businesses

In addition to the parent company, Moelven Industrier ASA, this business division includes common services such as timber acquisitions, bio energy, R&D, finances, insurance, IT, real estate, communications and HR. A few other smaller business units and assets not related to the Group's core business activities are included in this division as well.

Sales By Market Area 1st Quarter



Sickness absence rate (%)



The number of employees at the end of the second quarter in this division totalled 92 (91), of which 24 (26) are female. 42 (37) of the employees work in Sweden and 50 (54) work in Norway.

The book value of assets not dependent on operations was approximately NOK 10 million (15.0).

Operating revenues during Q2 for the unit totalled NOK 204.9 million (384.4), while the operating result was minus NOK 6.9 million (minus 7.2). For the first six months of the year, operating revenues totalled NOK 504.2 million (789.4), while the operating result was minus 15.3 (minus 11.8).

Employees

The overall rate of sick leave in the second quarter was 5.86 percent (5.46) or 14 600 (11 375) full workdays. For the first six months of the year, the overall rate of sick leave was 5.92 percent (5.78) or 30 075 (23 783) full workdays. In all there were
172 296 (199 732) full workdays in the second quarter, and 347 238 (391 773) in the first six months of the year. Absenteeism due to long-term sick leave totalled 3.32 percent (3.03) in the second quarter and 3.09 (2.87) in the first six months.

The rate of absenteeism has increased somewhat in the second quarter compared to the same period last year. The increase is however marginal and must be viewed in the context of the Group undergoing an extremely demanding restructuring process. The working relationship with the employees and the employee trade unions has been very good and has contributed strongly to the Group having succeeded in implementing the cost-cutting measures.

The goal of reducing the overall rate of absenteeism to maximum five percent still stands. Among the measures implemented to reduce the rate of absenteeism are special health insurance for employees, work environment surveys, incentive schemes for low rates of absenteeism in specific businesses and an activity encouraging bicycling.

At the end of the first six months of the year, the Group had a total of 3 067 (3 503) employees. In all, 1 711 (1 843) of these are employed in Norwegian companies, 1 324 (1 626) in Swedish companies, 22 (24) in Danish companies and 10 (10) in other countries. In all there are 290 (342) female and 2 777 (3 161) male employees.

The number of personal injuries resulting in sick leave in the second quarter totalled 25 (30) and 47 (58) in the first six months of the year. For Q2, the figure corresponds to 19.4 (20.0) injuries per million work hours ("H1 value"), and for the first six months of the year the overall figure is 18.0 (19.7).

Even though the rate of injuries at the Moelven Group is at the same level compared to other business sectors, the rate is unacceptably high. The aim is to halve the current H1 value within the next two years.

The most common injuries are from cuts, falls, squeezes, in addition to injuries to eyes and accidents involving nail guns. In order to increase awareness of possible causes of accidents and near-accidents even better, a new reporting system will be employed during the second half of the year. In addition, the safety campaign "Home whole" will be run in all of 2010. These measures will be implemented in addition to ongoing safety work.

International Accounting Standards (IFRS)

The presented IFRS figures show the main effect that reporting according to IFRS principles would have on the accounts. The main differences compared to using NGAAP principles are in the reporting of pension commitments, the use of financial instruments and the treatment of dividends. If IFRS had been used since 2005, then pension commitments would have had a one-off effect on equity reduction amounting to NOK 55 million. The effect of using financial instruments varies in relation to market valuation at the time the figures are reported. Volatility in the financial markets has been unusually high during the current economic crisis, which will cause large variations in the market value of hedging instruments. At the end of last year, the value of existing hedge contracts is a loss of NOK 113 million compared to market rates at 31.12.08. At the end of the second quarter, this loss was reduced to NOK 57 million, which in the IFRS accounts represents NOK 56 million for the first six months (NOK 6 million for the second quarter alone). Moelven's hedging philosophy is based on the idea that it is the underlying operations that must serve as the basis for profitability. The main purpose of hedging interest and currency exposure is therefore to reduce rate fluctuations and ensure predictability.

Future prospects

Despite some positive signals in macro-economic key figures and guideline indicators during the second quarter, the financial crisis is expected to continue to impact the markets for a long time to come. New-build activity remains low, unemployment is rising and it is expected to take time before the recovery starts.

IFRS	2nd Quarter			1st half-year			Total	
NOK mill.	**2009**	2008	2007	**2009**	2008	2007	**2008**	2007
Profit and Loss Account								
EBITDA	**72.3**	129.7	374.9	**29.1**	286.6	644.5	**352.0**	1,166.6
EBIT	**24.6**	82.8	330.1	**-65.1**	194.2	556.5	**156.0**	992.8
Result before tax	**29.6**	74.1	327.4	**-27.9**	187.2	537.9	**5.8**	971.5

	Change in 2nd Quarter			Per 30.06			Per 31.12	
NOK mill.	**2009**	2008	2007	**2009**	2008	2007	**2008**	2007
Balance Sheet								
Equity	**35.1**	-290.7	126.8	**1,526.2**	1,676.0	1,568.0	**1,601.3**	1,878.0
Total assets	**128.0**	93.5	262.9	**3,656.3**	4,042.6	3,697.1	**3,580.4**	3,607.5
Equity ratio	**-0.5**	-8.3	0.4	**41.7**	41.5	42.4	**44.7**	52.1

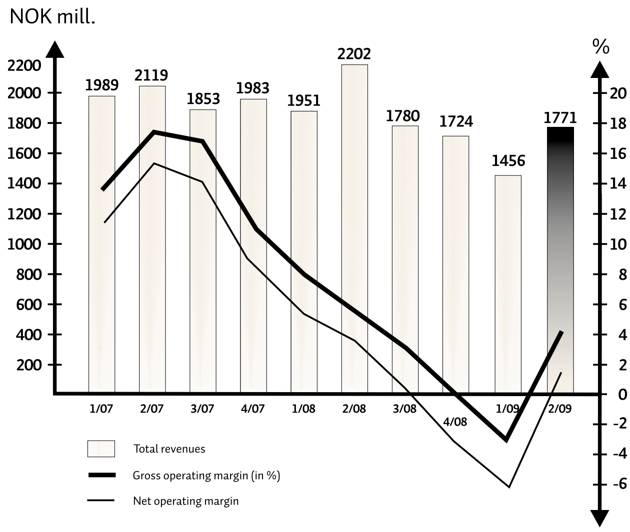
Changes in total equity for the Group

NOK mill.	Change in 2nd Quarter			Per 30.06.			Per 31.12.	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Opening balance	**1,561.3**	1,652.8	1,378.2	**1,696.7**	1,569.7	1,233.7	**1,569.7**	1,233.7
Profit/loss	**10.7**	51.5	230.9	**-61.0**	127.5	387.5	**81.2**	695.4
Foreign currency translation	**13.6**	-7.6	-11.5	**-50.1**	-0.5	-23.6	**45.8**	-22.6
Provisions for dividend	**0.0**	0.0	0.0	**0.0**	0.0	0.0	**0.0**	-336.8
Changes for year/period	**24.3**	43.9	219.4	**-111.1**	127.0	363.9	**127.0**	336.0
Total equity NGAAP	**1,585.6**	1,696.7	1,597.6	**1,585.6**	1,696.7	1,597.6	**1,696.7**	1,569.7
IFRS effects				**-59.4**	-20.7	-29.6	**-95.4**	308.3
Total equity IFRS				**1,526.2**	1,676.0	1,568.0	**1,601.3**	1,878.0

Cash Flow Statement

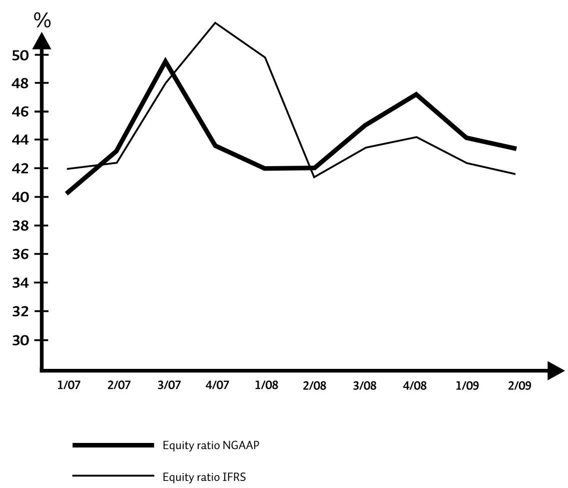
NOK mill.	Change in 2nd Quarter			1st half-year			Total	
	2009	2008	2007	**2009**	2008	2007	**2008**	2007
Net cash flow from operations	**122.7**	4.2	152.7	**-31.0**	-374.8	128.2	**214.5**	1,013.7
Cash from operating result	**54.1**	123.8	372.7	**1.3**	273.1	642.9	**334.4**	1,165.6
Cash flow from working capital	**68.6**	-119.6	-220.0	**-32.3**	-647.9	-514.7	**-119.9**	-151.9
Cash flow from/to investments	**-71.0**	-76.1	-68.9	**-134.4**	-127.3	-108.0	**-332.5**	-304.0
Cash flow from/to financing	**-9.8**	54.4	-124.2	**205.5**	464.2	-1.6	**70.1**	-683.6
Net cash flow for the period	**41.9**	-17.5	-40.4	**40.1**	-37.9	18.6	**-47.9**	26.1
Liquid funds	**41.9**	-17.5	-40.4	**69.9**	39.8	70.2	**29.8**	77.7
Unutilised credit facilities	**16.6**	-335.2	95.7	**529.0**	534.8	880.5	**752.2**	1,160.6
Available liquid funds	**58.5**	-352.7	55.3	**598.9**	574.6	950.7	**782.0**	1,238.3

Revenues and margins



Quarterly in 2007 - 2009

Equity ratio



Quarterly in 2007 - 2009

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Timber prices will increase starting in the third quarter, thereby causing raw material costs for the Group's timber-consuming units to rise.
Still, the Timber Division expects further positive developments internationally as regards the price of industrial timber. Although the second quarter represents the high season, the price developments primarily stem from the fact that supply has fallen more than demand. There is uncertainty as to how long the period of price rises will continue. If demand does not increase before production picks up again, there is a risk that prices will fall sharply once again. Cost-reducing initiatives will have additional positive impact during the second half-year.

The seasonal high level of activity is expected to continue for the Wood Division during the third quarter, with healthy demand for the division's products, principally from the refurbishment and extension market. The level of new-build activity is not expected to increase significantly. The realisation of cost-reducing initiatives continues.
For the Building Systems Division, activity levels in the refurbishment and extension market are expected to remain stable during the third quarter. Initiative packages launched by the authorities in connection with the financial crisis are also expected to have a gradually increasing effect on projects involving public buildings in Norway.

The fourth quarter is expected to be more challenging for the Group's businesses due to the seasonal downturn in demand. The Group has however implemented cost-reducing initiatives during 2009 that better equip the Group to face another low season.

The Group's solvency is satisfactory and the Group's external financing is not due for refinancing until the start of the second half of 2011. The Group is therefore financially well-equipped to cope with a period of challenging market conditions.

Even with improved results during the rest of 2009, the Board unfortunately still foresees a negative year end result.

Board of Moelven Industrier ASA
Moelv, 10 july 2009

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 2009.

It is the Board and the CEO's belief that that accounts for the first six months of 2009 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 2009. 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, 9 July 2009.

Svein E. Skorstad | *Elisabeth Bjøre* | *Elisabeth Krokeide* | *Gunde Haglund*

Pål Tajet | *Torstein Opdahl* | *Martin Fauchald* | *Hans Rindal/CEO*

More information:
www.moelven.com