

Quality Rooms



## Quarterly Report 2/2010

*At Slemmestad outside of Oslo, Moelven ByggModul AS has built three apartment blocks containing 50 apartments.  
Romerike Arkitekter AS, Rortunet Eiendom AS, Slemmestad*

**MOELVEN**<sup>®</sup>

## Profit and Loss Account

NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
	2010	2009	2008	2010	2009	2008	2009	2008
<b>Operating revenues</b>	<b>1,936.9</b>	1,771.7	2,202.3	<b>3,413.7</b>	3,227.9	4,153.6	<b>6,247.8</b>	7,657.7
Depreciation	<b>48.9</b>	48.2	48.3	<b>100.3</b>	95.1	95.0	<b>202.5</b>	199.2
Cost of goods sold	<b>1,206.7</b>	1,162.5	1,475.3	<b>2,085.6</b>	2,121.6	2,698.0	<b>3,899.2</b>	4,998.3
Operating expenses	<b>539.9</b>	537.0	597.5	<b>1,064.2</b>	1,077.3	1,169.1	<b>2,055.0</b>	2,315.5
<b>Operating profit</b>	<b>141.4</b>	24.0	81.3	<b>163.6</b>	- 66.1	191.5	<b>91.1</b>	144.7
Income from associates	- 1.4	- 0.5	- 0.1	- 1.9	0.4	- 0.4	- 1.7	- 2.2
Interest and other financial income	<b>3.0</b>	1.7	3.2	<b>6.1</b>	5.7	9.2	<b>9.9</b>	10.8
Interest and other financial expenses	- 12.8	- 10.3	- 12.8	- 22.2	- 24.7	- 23.2	- 41.1	- 45.9
<b>Operating result before tax</b>	<b>130.2</b>	14.9	71.6	<b>145.6</b>	- 84.7	177.1	<b>58.2</b>	107.4
Estimated tax cost	<b>35.0</b>	4.2	20.0	<b>39.3</b>	- 23.7	49.6	<b>18.0</b>	26.2
<b>Net profit</b>	<b>95.2</b>	10.7	51.5	<b>106.3</b>	- 61.0	127.5	<b>40.2</b>	81.2
Minority share	<b>0.2</b>	- 0.9	0.2	- 0.8	- 2.1	1.6	- 3.1	- 0.8
Majority share	<b>95.0</b>	11.6	51.3	<b>107.1</b>	- 58.9	125.9	<b>43.3</b>	82.0

## Balance Sheet

NOK mill.	Change in 2 <sup>nd</sup> Quarter			Per 30.06.			Per 31.12.	
	2010	2009	2008	2010	2009	2008	2009	2008
Intangible assets	<b>32.7</b>	- 0.6	0.5	<b>46.4</b>	6.5	9.7	<b>13.3</b>	7.6
Tangible assets	<b>62.8</b>	43.3	23.0	<b>1,409.5</b>	1,369.7	1,244.0	<b>1,336.7</b>	1,392.1
Financial assets	- 0.3	0.8	- 0.7	<b>46.7</b>	50.2	59.5	<b>45.1</b>	49.6
<b>Total fixed assets</b>	<b>95.2</b>	43.5	22.8	<b>1,502.6</b>	1,426.4	1,313.2	<b>1,395.1</b>	1,449.3
Stocks	<b>169.3</b>	- 212.4	- 90.1	<b>1,335.7</b>	939.0	1,378.1	<b>898.6</b>	1,174.4
Receivables	<b>327.5</b>	254.6	176.3	<b>1,387.2</b>	1,229.5	1,296.8	<b>875.7</b>	936.3
Deposits	<b>22.6</b>	41.9	- 17.5	<b>45.7</b>	69.9	39.8	<b>70.5</b>	29.8
<b>Total current assets</b>	<b>518.9</b>	84.1	68.7	<b>2,768.6</b>	2,238.4	2,714.7	<b>1,844.8</b>	2,140.5
<b>Total assets</b>	<b>614.1</b>	127.6	91.5	<b>4,271.2</b>	3,664.8	4,027.9	<b>3,239.9</b>	3,589.8
Share capital*	<b>0.0</b>	0.0	0.0	<b>647.7</b>	647.7	647.7	<b>647.7</b>	647.7
Other equity and capitall	<b>111.5</b>	24.3	43.9	<b>1,132.7</b>	937.9	1,049.0	<b>1,001.0</b>	1,049.0
<b>Total equity</b>	<b>111.5</b>	<b>24.3</b>	<b>43.9</b>	<b>1,780.4</b>	1,585.6	1,696.7	<b>1,648.7</b>	1,696.7
Long-term liabilities	<b>316.5</b>	<b>26.6</b>	<b>352.4</b>	<b>1,209.9</b>	1,013.1	1,056.6	<b>664.7</b>	845.6
Current liabilities	<b>186.1</b>	<b>76.7</b>	- 304.8	<b>1,280.9</b>	1,066.1	1,274.6	<b>926.5</b>	1,047.5
Total liabilities	<b>502.6</b>	<b>103.3</b>	<b>47.6</b>	<b>2,490.8</b>	2,079.2	2,331.2	<b>1,591.2</b>	1,893.1
<b>Total equity and liabilities</b>	<b>614.1</b>	<b>127.6</b>	<b>91.5</b>	<b>4,271.2</b>	<b>3,664.8</b>	<b>4,027.9</b>	<b>3,239.9</b>	<b>3,589.8</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	
	2010	2009	2008	2010	2009	2008	2009	2008
Net operating margin /EBIT (in %)	<b>7.3</b>	1.4	3.7	<b>4.8</b>	- 2.0	4.6	<b>1.5</b>	1.9
Gross operating margin/EBITDA (in %)	<b>9.8</b>	4.1	5.9	<b>7.7</b>	0.9	6.9	<b>4.7</b>	4.5
Earnings per share (in NOK)	<b>0.73</b>	0.08	0.40	<b>0.82</b>	- 0.47	0.98	<b>0.31</b>	0.63
Cash flow from operations per share (in NOK)	- 0.76	0.95	0.03	- 2.93	- 0.24	- 2.89	<b>3.41</b>	1.67
* Equity ratio (in %)	- 4.0	- 0.9	0.1	<b>41.7</b>	43.3	42.1	<b>50.9</b>	47.3
Investments	<b>52.6</b>	71.2	71.2	<b>103.9</b>	134.5	126.9	<b>222.2</b>	345.9
Return on capital employed (in %)	<b>21.5</b>	4.0	13.5	<b>13.7</b>	- 4.7	17.2	<b>3.9</b>	6.6
* Capital employed	<b>378.1</b>	7.9	199.4	<b>2,773.1</b>	2,474.6	2,273.3	<b>2,087.6</b>	2,326.8
* Net interest bearing debt	<b>244.0</b>	- 51.9	369.2	<b>947.0</b>	765.3	812.5	<b>368.4</b>	599.9
* Net working capital	<b>365.8</b>	71.1	102.2	<b>2,014.4</b>	1,669.9	2,083.3	<b>1,280.5</b>	1,552.4
* Number of employees	<b>170</b>	- 87	76	<b>3,175</b>	3,067	3,503	<b>2,992</b>	3,285
Sickness absence rate (in %)	<b>4.89</b>	5.86	5.46	<b>5.45</b>	5.92	5.78	<b>5.97</b>	5.64
Number of injuries with absence	<b>12.5</b>	19.4	20.0	<b>20.0</b>	18.0	19.7	<b>16.4</b>	18.3
Number of shareholders	<b>969</b>	970	967	<b>969</b>	970	967	<b>969</b>	969
Average number of shares	<b>129 541 284</b>	129 541 284	129 541 284	<b>129 541 284</b>	129 541 284	129 541 284	<b>129 541 284</b>	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

- Q2 operating revenues totaled NOK 1 937 million (1 772); NOK 3 414 million (3 228) for the first six months of the year.
- Q2 profit totaled NOK 141 million (24); NOK 164 million (minus 66) for the first six months of the year.
- Moelven acquired Eco Timber AS and Sør-Tre Bruk AS with subsidiary Granvin Bruk AS.

### Highlights

After a cold winter with a low construction activity throughout Scandinavia, demand for the Group's products and services rose during the second quarter in line with the normal seasonal upturn in the spring.

Prices for sawn wood increased in the second quarter compared to last year. Even though overall production volume increased, the higher price level is due to a continuing low supply level overall. Demand is still weak, however, compared to the peak in 2007. Price developments for sawn wood and pulpwood have contributed to pushing up timber prices significantly, and profit margins for the timber-consuming plants are therefore under pressure. In some sectors, prices for timber have reached levels that are out of line with the current price level for sawn wood. The Building Systems division is still experiencing a challenging market situation, but with an increasing market demand in Sweden. For the division overall, both production and order reserves rose during the second quarter.

Refinancing of the Group's long-term debt was completed in May. The Group now has a satisfactory long-term situation for liquidity reserves and a financial position that will secure further development of the Group in accordance with its strategic plan and vision. As a step in this development, the Group acquired Sør-Tre Bruk AS in June, which owns 67 percent of Granvin Bruk AS. A contract to acquire Eco Timber AS was signed at about the same time. These recent acquisitions will strengthen the Group's distribution chain, increase the product range and expand expertise in the area of specialty wood products. The acquired companies will be part of the Wood division.

In June, Moelven Limtre AS was awarded the regional innovation prize from The Confederation of Norwegian

Enterprises (NHO). The Moelven company received the prize for consistent innovative efforts throughout its productive 50-year history. The company's most recent project is unique on a global scale: the company will be supplying glulam turbine blades for a floating power plant that will extract energy from tidal streams at Gimsøystraumen in Nordland.

### Operating revenues and profit

Operating revenues and profit for the Group in the second quarter totalled NOK 1 936.9 million (1 771.7) and NOK 141.4 million (24.0), respectively. Total operating revenues for the first six months of the year were NOK 3 413.7 million (3 227.9), with an operating profit of NOK 163.6 million (minus 66.1). The accumulated operating profit figure includes a one-off gain of NOK 22 million arising from a reduction in AFP (pension scheme) commitments.

The main reasons for the improved operating profits are better operating conditions, the effect of cost-cutting measures and higher prices for finished goods in the Timber and Wood divisions.

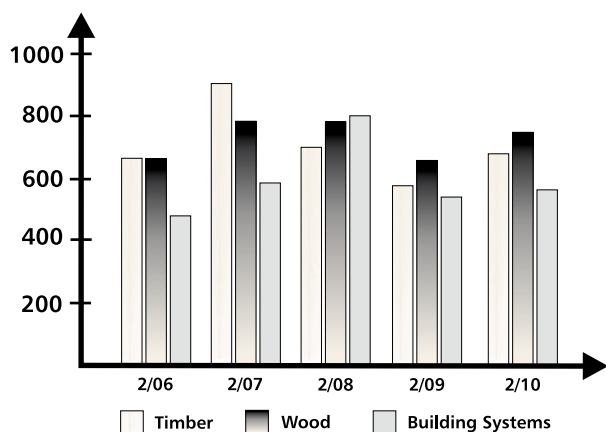
Ordinary pre-tax result for the first six months of the year was NOK 145.6 million (minus 84.7). The end result after taxes and minority interests was NOK 107.1 million (minus 58.9).

### Investments, balance sheet and financing

Investments excluding acquisitions totalled NOK 52.6 million (71.2) in the second quarter. For the first six months of the year, total investments amounted to NOK 103.9 million (134.5). For all the investment projects, focus has been on improving the safety conditions at the production facilities in order to reduce the injury rate.

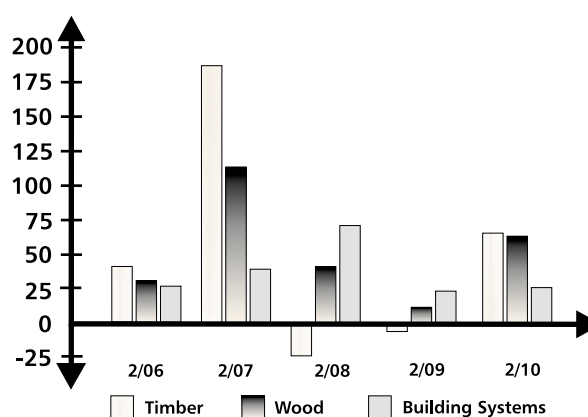
### Operating revenues

NOK mill.



### Operating profit

NOK mill.



In addition to ordinary investments, the acquisition of businesses in the second quarter resulted in an increase in the Group's fixed assets totaling NOK 52 million and an activation of goodwill totalling NOK 32 million. The Group's total assets on book at the end of the first six months of the year amounted to NOK 4 271.2 million (3 664.8). The increase arising as a result of the acquisitions amounts to NOK 218 million. In addition, project holdings, stock levels and overall receivables have also increased due to a higher activity level compared to the same period last year. The exchange rate between NOK and SEK has varied only slightly and has not resulted in any significant changes in the balance sheet figures.

Cash flow from operations in the second quarter was minus NOK 98.1 million (122.7), which corresponds to minus NOK 0.76 per share (0.95). For the first six months of the year, cash flow from operations totalled minus NOK 379.4 million (minus 31.0), corresponding to minus NOK 2.93 per share (minus 0.24). Cash flow from P/L-items is improved considerably compared to last year, but the new acquisitions and increased restricted capital results in a reduction in the total cash flow from operational activity. The income gain caused by the reduction in AFP (pension scheme) commitments does not have an impact on this year's cash flow.

Net interest-bearing debt was NOK 947.0 million (765.3) at the end of the second quarter. As a consequence, liquidity reserves sank to NOK 517.8 million, compared to NOK 598.9 for the same period last year.

The Group's refinancing of long-term debt for a new five-year period took effect on May 18th. Drawing rights totaling MNOK 1 050 will continue as before, while the interest rate was adjusted to account for current market conditions. Based on the same rate of drawing as earlier, the new interest rate will lead to an increase in the Group's overall financial annual

costs of about MNOK 10. With the exception of the new interest rate, the refinancing agreement has similar terms to the Group's earlier long-term loan agreements.

Equity at the end of the second quarter totalled NOK 1 780.4 million (1 585.6), which corresponds to NOK 13.74 (12.24) per share. The equity ratio was 41.7 percent (43.3).

A portion of the Group's equity is related to ownership in Swedish subsidiaries and is thus exposed to fluctuating exchange rates. The scope and consequences of likely rate fluctuations is kept within acceptable risk levels, however, and no hedging agreements have been entered into to reduce the risk. In the second quarter 2009, exchange rate fluctuations had a positive impact on equity totalling NOK 13.6 million. The overall impact in 2009 was a loss of NOK 67.5 million. Fluctuations in exchange rates resulted in an unrealized gain of NOK 16.3 million in the second quarter of 2010; the corresponding figure for the first six months of the year was NOK 25.4 million.

## Divisions

### Timber

Operating revenues in the second quarter totalled NOK 676.1 million (575.7), with operating profit at NOK 63.1 million (minus 3.9). For the first half of the year, operating revenues totalled NOK 1 238.5 million (1 111.2), with operating profit for the same period at NOK 87.8 million (minus 54.5). The accumulated operating profit figure includes a one-off gain of NOK 5 million arising as a result of a reduction in AFP (pension scheme) commitments.

Demand for the Timber division's products was solid in the second quarter, but price levels are now showing signs of leveling off, which is a consequence of an increase in overall

Divisions	NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
		2010	2009	2008	2010	2009	2008	2009	2008
<b>Operating revenues</b>									
<b>Timber</b>		676.1	575.7	690.2	1,238.5	1,111.2	1,413.7	2,166.8	2,472.4
<b>Wood</b>		740.1	657.1	783.1	1,242.1	1,108.2	1,410.7	2,227.4	2,634.0
<b>Building Systems</b>		569.0	546.3	797.7	1,020.2	1,019.9	1,479.4	1,933.0	2,748.0
Laminated Timber		121.9	104.1	159.7	211.6	180.4	268.1	397.1	524.1
Electrical installation		96.9	106.3	120.7	191.4	194.9	219.7	397.5	435.5
Modular Buildings		200.2	164.6	316.8	333.4	314.4	604.0	513.0	1,030.7
Modular System Interiors		158.8	175.4	210.4	298.7	338.0	402.6	644.8	784.3
Others/Eliminations		-48.2	-7.4	-68.7	-87.1	-11.4	-150.2	-79.4	-196.7
<b>The Group</b>		<b>1,936.9</b>	<b>1,771.7</b>	<b>2,202.3</b>	<b>3,413.7</b>	<b>3,227.9</b>	<b>4,153.6</b>	<b>6,247.8</b>	<b>7,657.7</b>
<b>Operating profit/loss</b>									
<b>Timber</b>		63.1	-3.9	-24.2	87.8	-54.5	18.6	12.7	-143.3
<b>Wood</b>		62.3	10.8	42.5	59.0	-27.0	65.6	43.2	80.3
<b>Building Systems</b>		25.5	24.1	70.2	34.0	30.8	119.1	61.4	235.1
Laminated Timber		6.9	3.1	11.6	4.5	0.1	16.4	4.0	38.5
Electrical installations		2.1	2.2	2.6	5.5	4.8	4.4	9.0	8.5
Modular Buildings		10.7	7.6	33.3	12.2	5.0	57.5	1.5	94.2
Modular System Interiors		5.8	11.3	22.7	11.8	20.9	40.8	46.9	93.9
<b>Others</b>		-9.5	-7.0	-7.2	-17.2	-15.4	-11.8	-26.2	-27.4
<b>The Group</b>		<b>141.4</b>	<b>24.0</b>	<b>81.3</b>	<b>163.6</b>	<b>-66.1</b>	<b>191.5</b>	<b>91.1</b>	<b>144.7</b>

production and the unstable financial situation in Europe. Availability of raw materials has been good, but price levels are rising and will lead to unsatisfactory margins, if prices for sawn wood decline or level off. Operating conditions in the second quarter have been good, and -- combined with the effects of cost-cutting measures -- have contributed to a higher result from operations compared to last year.

A decision was made in April to invest in a new timber log haul system at Moelven Mjøsbruket AS. The investment will total approximately NOK 34 million, and installation will take place in the summer of 2011. The investment will ensure better utilization of raw materials, additional capacity and improved health, environment and safety conditions at the plant. In combination with the enhanced drying capacity made possible with the new heating plant installed in 2008, the new system will bring the technical standard at the sawmill to a very high level..

### Wood

Operating revenues in the second quarter totalled NOK 740.0 million (657.1), with operating profit at NOK 62.3 million (10.8). For the first six months of the year, operating revenues totalled NOK 1 242.1 (1 108.2), with an operating profit of NOK 59.0 (minus 27.0). The accumulated operating profit figure includes a one-off gain of NOK 9 million arising from a reduction in AFP (pension scheme) commitments. Demand for planed wood products has developed in consistency with normal seasonal fluctuations. Price developments for sawn wood in Europe have had an impact on prices in Scandinavia and resulted in slightly higher prices for planed wood products as well. Higher prices for sawn wood have together with an increase in timber prices, however, led to higher prices for raw materials for the division. The availability of timber for the timber-consuming units has been satisfactory in the second quarter, and operating conditions have been favourable. The investment in a new control system for the sawmill at Moelven Soknabruket AS has improved capacity and efficiency at the plant.

In June, the Group acquired all of the shares in Eco Timber AS and in Sjør-Tre Bruk AS, which in turn owns 67 percent of the shares in Granvin Bruk AS. Sjør-Tre Bruk AS is a leading company in the field of pressure impregnated wood and wood protection in Norway. The company's headquarter and production facilities are located in Kragerø municipality and the company has 28 employees. Sjør-Tre Bruk AS is also the majority owner of Granvin Bruk AS in Hardanger, which employs 38 employees. Sales in 2010 are expected to total

approximately NOK 300 million. The companies will as part of the Moelven Group strengthen the Group's distribution capabilities and become an important bridgehead toward customers in the southern and western parts of Norway . Eco Timber AS serves the Norwegian market through an extensive dealer network offering products such as Siberian larch, heat-treated wood and various flooring products. The company's offices and four employees are located in Stange. Total sales in 2010 are expected to be approximately NOK 30 million. A large share of the company's sales is project related, which involves finding solutions in close collaboration with architects. Eco Timber will boost the Group's expertise and product range in the project market.

### Building Systems

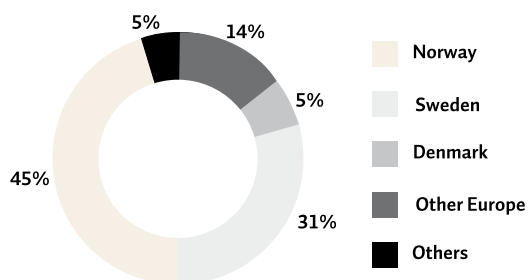
Operating revenues in the second quarter totalled NOK 569.0 million (546.3), with an operating profit at NOK 25.5 million (24.1). Operating revenues for the first six months of the year totalled NOK 1 020.2 (1 019.9), with an operating profit at NOK 34.0 (30.8). The accumulated operating profit figure includes a one-off gain of NOK 7 million arising from a reduction in AFP (pension scheme) commitments.

Order reserves increased further through the second quarter, as did production volumes. Market improvements have been primarily registered in the housing segment in Sweden, and the Swedish module producers are benefitting the most from the increase in market activity. In Norway, all employees are back at work after lay-offs earlier in the year, but the rate of new-orders is still unstable despite a few major orders. The market situation for the Interior Layout companies is still challenging, but the companies have adjusted capacity and cost levels appropriately to current conditions and are achieving satisfactory results. Demand for glulam has increased as expected after a cold and snowy winter with unusually low demand. The investment in a new production hall with added processing capacity at Moelven Tøreboda is progressing according to plans and the new facility will be fully operational by the end of the year. The electrical and engineering business has achieved satisfactory results also in the second quarter. The business has expanded its range of services to include both building and industrial automation.

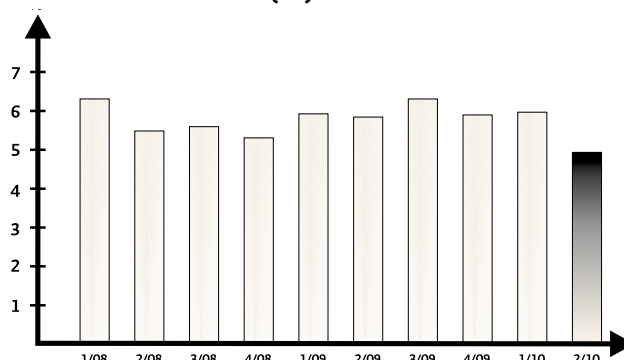
### Other businesses

In addition to the parent company, Moelven Industrier ASA, this business division includes common services such as timber acquisition, bioenergy, research and development, finances, insurance, IT, communications and human resources.

Sales By Market Area 2 Quarters



Sickness absence rate (%)



A few other smaller business units and assets not related to the Group's core business activities are included in the division as well.

Operating revenues for the division in the second quarter totalled NOK 443.7 million (204.9), with an operating loss of NOK 9.6 million (minus 6.9). For the first six months of the year, operating revenues totalled NOK 916.5 million (504.2) with an operating loss of 17.3 (minus 15.3).

The accumulated operating result figure includes a one-off gain of NOK 1 million arising from a reduction in AFP (pension scheme) commitments.

## Employees

The overall rate of sick leave in the second quarter was 4.89 percent (5.86), which is equal to 8 663 (10 656) full workdays. For the first six months of the year, the overall rate of sick leave was 5.45 percent (5.92), which is equal to 19 245 (21 792) full workdays. In all, there were 171 304 (172 296) full workdays during the second quarter, and 339 063 (347 238) in the first six months of the year. Absenteeism due to long-term sick leave totalled 2.66 percent (3.32) in the second quarter and 2.89 (3.09) in the first six months of the year. Being unable to come to work is a strain for the employees affected. The Moelven Group has a long-term goal that the rate of sick leave in total shall not exceed five percent, and is working continuously towards this goal. A single percentage point change in sick leave translates into a NOK 25 million gain or loss for the Group on an annual basis.

The number of personal injuries resulting in sick leave in the quarter was 16 (25), and 51 (47) for the first six months of the year. For the second quarter overall, the figure represents 12.5 (19.4) injuries per million work hours, and for the first six months the figure is 20.1 (18.0). Even though the rate of injuries has fallen after having been unusually high this past winter, the level is still unacceptable and several measures have been implemented aimed at reducing the injury rate. In order to put additional focus on safety, the "Whole home prize" has been established, which is awarded to a person or business unit that through systematic and target-oriented efforts has contributed to improving safety at the workplace. At the end of the first six months of the year, the Group had a total of 3 175 (3 067) employees. Overall, 1 810 (1 711) of the employees work in Norwegian companies, 1 313 (1 324) in Swedish, 40 (22) in Danish and 12 (10) in other countries. The company has a total of 294 (290) female employees and 2 881 (2 777) male employees.

## International Accounting Standards (IFRS)

The published IFRS figures are unrevised, but show the main effect of reporting according to IFRS standards. The main difference compared to using NGAAP involves the reporting of pension commitments, the use of financial instruments and the treatment of dividends. The use of financial instruments refers to unrealized gains or losses that vary depending on market assessment of the instrument at the time of reporting. At the end of the second quarter, the market assessment of financial instruments showed an unrealized loss of NOK 29.3 million, resulting in an expense totalling NOK 8.5 million in the second quarter. For the first half of the year, the market value assessment would have given an income totalling NOK 0.6 million.

The main goal of Moelven's hedging policy is to eliminate financial risks as far as possible, so that it is the core business and not financial transactions that serve as the basis for profitability.

## Outlook

Overall business activity in the construction market is expected to have reached the bottom in 2010, but there are large variations depending on region and market segment. The rehabilitation and addition market has been the most stable, and the new-build housing market seems to take off earlier than does the market for new commercial and industrial buildings. Deliveries of building materials through chains of builders' merchants are expected to follow normal seasonal fluctuations, with continued high activity in the third quarter and a downturn expected toward the end of the year. Order reserves for the Building Systems division are increasing, with the strongest increase in the Swedish building module businesses. Prices for sawn wood in the European market have increased the first six months of the year, and market conditions are expected to remain favourable throughout the third quarter.

The Board of Moelven expects the annual result for 2010 to be significantly higher than the previous year.

Board of Moelven Industrier ASA  
Moelv, 9 July 2010

IFRS	NOK mill.	2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
		2010	2009	2008	2010	2009	2008	2009	2008
<b>Profit and Loss Account</b>									
EBITDA		190.3	72.3	129.7	263.9	29.1	286.6	296.6	352.0
EBIT		141.4	24.6	82.8	163.6	- 65.1	194.2	96.0	156.0
Result before tax		121.7	29.6	74.1	146.3	- 27.9	187.2	146.0	5.8
<b>Balance Sheet</b>									
NOK mill.									
		Change in 2 <sup>nd</sup> Quarter			Per 30.06			Per 31.12	
		2010	2009	2008	2010	2009	2008	2009	2008
Equity		84.6	35.1	-290.7	1,744.0	1,526.2	1,676.0	1,632.6	1,601.3
Total assets		608.9	128.0	93.5	4,305.5	3,656.3	4,042.6	3,266.8	3,580.4
Equity ratio		- 4.4	- 0.5	- 8.3	40.5	41.7	41.5	50.0	44.7

## Changes in total equity for the Group

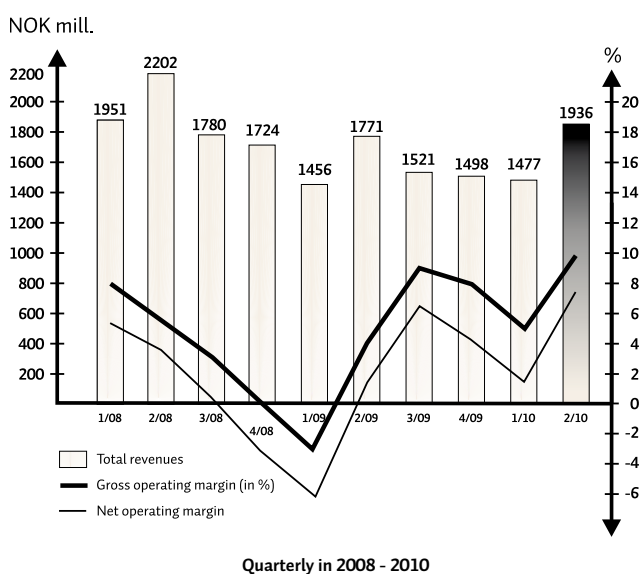
NOK mill.	Change in 2 <sup>nd</sup> Quarter			Per 30.06.			Per 31.12.	
	2010	2009	2008	2010	2009	2008	2009	2008
<b>Opening balance</b>	<b>1,668.9</b>	1,561.3	1,652.8	<b>1,648.7</b>	1,696.7	1,569.7	<b>1,696.7</b>	1,569.7
Profit/loss	<b>95.2</b>	10.7	51.5	<b>106.3</b>	- 61.0	127.5	<b>40.2</b>	81.2
Foreign currency translation	<b>16.3</b>	13.6	-7.6	<b>25.4</b>	- 50.1	- 0.5	<b>- 67.5</b>	45.8
Provisions for dividend	<b>0.0</b>	0.0	0.0	<b>0.0</b>	0.0	0.0	<b>- 20.7</b>	0.0
Changes for year/period	<b>111.5</b>	24.3	43.9	<b>131.7</b>	- 111.1	127.0	<b>- 48.0</b>	127.0
<b>Total equity NGAAP</b>	<b>1,780.4</b>	1,585.6	1,696.7	<b>1,780.4</b>	1,585.6	1,696.7	<b>1,648.7</b>	1,696.7
IFRS effects				<b>- 36.4</b>	- 59.4	- 20.7	<b>- 16.1</b>	- 95.4
<b>Total equity IFRS</b>				<b>1,744.0</b>	1,526.2	1,676.0	<b>1,632.6</b>	1,601.3

## Cash Flow Statement

NOK mill.	Change in 2 <sup>nd</sup> Quarter			1 <sup>st</sup> half-year			Total	
	2010	2009	2008	2010	2009	2008	2009	2008
Net cash flow from operations	<b>- 98.1</b>	122.7	4.2	<b>- 379.4</b>	- 31.0	- 374.8	<b>441.1</b>	214.5
Cash from operating result	<b>182.4</b>	54.1	123.8	<b>223.7</b>	1.3	273.1	<b>248.0</b>	334.4
Cash flow from working capital	<b>- 280.5</b>	68.6	- 119.6	<b>- 603.1</b>	- 32.3	- 647.9	<b>193.1</b>	- 119.9
Cash flow from/to investments	<b>- 137.7</b>	- 71.0	- 76.1	<b>- 190.6</b>	- 134.4	- 127.3	<b>- 211.8</b>	- 332.5
Cash flow from/to financing	<b>258.4</b>	- 9.8	54.4	<b>545.2</b>	205.5	464.2	<b>- 188.6</b>	70.1
Net cash flow for the period	<b>22.6</b>	41.9	- 17.5	<b>- 24.8</b>	40.1	- 37.9	<b>40.7</b>	- 47.9
Liquid funds	<b>22.6</b>	41.9	- 17.5	<b>45.7</b>	69.9	39.8	<b>70.5</b>	29.8
Unutilised credit facilities	<b>- 158.4</b>	16.6	- 335.2	<b>472.1</b>	529.0	534.8	<b>918.0</b>	752.2
Available liquid funds	<b>- 135.8</b>	58.5	- 352.7	<b>517.8</b>	598.9	574.6	<b>988.5</b>	782.0

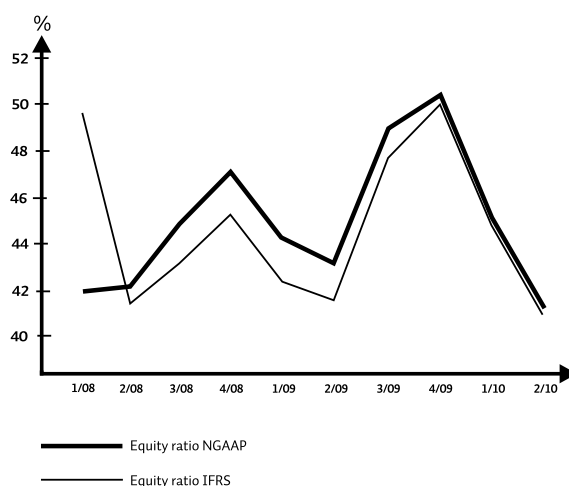
As a result of the acquisitions made i Q2, the cash flow from free capital has been reduced with NOK 75.9 million, investment activities with NOK 85.3 million and financial activities increased with NOK 164.1 million.

## Revenues and margins



Quarterly in 2008 - 2010

## Equity ratio



Quarterly in 2008 - 2010

**SENDER:**  
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## 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 2010.

It is the Board and the CEO's belief that that accounts for the first six months of 2010 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 2010. 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 2010.

  
Svein E. Skorstad

  
Elisabeth Bjøre

  
Elisabeth Krokeide

  
Gunde Haglund

  
Pål Tajet

  
Torstein Opdahl

  
Martin Fauchald

  
Hans Rindal/CEO

## About Moelven

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 wideranging 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 49 separate business units in Norway, Sweden and Denmark with a total of 3 175 employees.

The Moelven Group is owned by Glommen Skog (25.1 per cent) Eidsiva Vekst AS (23,8 per cent), Agri MI AS (15,8 per cent), Viken Skog BA (11.9 per cent), Mjøsen Skog BA (11.7 per cent), AT Skog BA (7.3 per cent) and Havass Skog BA (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**