



Quality rooms

Quarterly Report 4/009

*The school at Islands Brygge in Copenhagen is clad with fire-retardant cedar wood from Moelven.
Architect: Lars Clausen. Photo: Ivan Brodey*

MOELVEN®

Profit and Loss Account	NOK mill.	4 th Quarter			Total		
		2009	2008	2007	2009	2008	2007
		Operating revenues	1,498.5	1,724.1	1,983.2	6,247.8	7,657.7
Depreciation	57.4	55.6	44.1	202.5	199.2	177.0	
Cost of goods sold	842.5	1,078.4	1,139.9	3,899.2	4,998.3	4,621.2	
Operating expenses	536.9	643.0	623.4	2,055.0	2,315.5	2,156.2	
Operating profit	61.7	-52.9	175.8	91.1	144.7	989.6	
Income from associates	-1.6	-1.3	1.5	-1.7	-2.2	0.1	
Interest and other financial income	0.7	0.8	0.0	22.0	10.8	8.8	
Interest and other financial expenses	-6.8	-12.7	-1.5	-53.2	-45.9	-26.3	
Operating result before tax	54.0	-66.1	175.8	58.2	107.4	972.2	
Estimated tax cost	16.8	-22.4	47.1	18.0	26.2	276.8	
Net profit	37.2	-43.7	128.7	40.2	81.2	695.4	
Minority shares	-0.1	-1.1	-0.2	-3.1	-0.8	4.1	
Majority shares	37.3	-42.6	128.9	43.3	82.0	691.3	

Balance Sheet	NOK mill.	Change in 4 th Quarter			Per 31.12		
		2009	2008	2007	2009	2008	2007
		Intangible assets	7.3	-3.7	1.2	13.3	7.6
Tangible assets	-30.4	100.9	97.7	1,336.7	1,392.1	1,214.9	
Financial assets	-5.5	-10.1	-13.6	45.1	49.6	58.9	
Total fixed assets	-28.6	87.1	85.3	1,395.1	1,449.3	1,280.9	
Stocks	93.0	9.9	308.9	898.6	1,174.4	1,301.9	
Receivables	-207.6	-322.9	-365.0	875.7	936.3	943.7	
Deposits	17.2	11.9	-9.2	70.5	29.8	77.7	
Total current assets	-97.4	-301.1	-65.3	1,844.8	2,140.5	2,323.3	
Total assets	-126.0	-214.0	20.0	3,239.9	3,589.8	3,604.2	
Share capital*	0.0	0.0	0.0	647.7	647.7	647.7	
Other equity and capital	25.9	-2.4	-189.5	1,021.7	1,049.0	922.0	
Total equity	25.9	-2.4	-189.5	1,669.4	1,696.7	1,569.7	
Long-term liabilities	-53.0	7.2	-73.6	664.7	845.6	408.1	
Current liabilities	-98.9	-218.8	283.1	905.8	1,047.5	1,626.4	
Total liabilities	-151.9	-211.6	209.5	1,570.5	1,893.1	2,034.5	
Total equity and liabilities	-126.0	-214.0	20.0	3,239.9	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.	4 th Quarter			Total		
		2009	2008	2007	2009	2008	2007
		Net operating margin /EBIT (in %)	4.1	-3.1	8.9	1.5	1.9
Gross operating margin/EBITDA (in %)	7.9	0.2	11.1	4.7	4.5	14.7	
Earnings per share (in NOK)	0.29	-0.34	1.00	0.31	0.63	5.37	
Cash flow per share (in NOK)	1.06	0.92	3.08	3.43	1.67	7.80	
*Equity ratio (in %)	2.7	2.6	-5.5	51.5	47.3	43.6	
Investments	43.8	128.1	122.6	216.1	345.9	292.4	
Return on capital employed (in %)	8.5	-9.5	35.7	3.9	6.6	52.7	
*Capital employed	-20.2	159.4	-193.4	2,323.7	2,326.8	1,801.4	
*Net interest bearing debt	-92.4	-16.1	-49.3	368.4	599.9	154.0	
*Net working capital	-98.2	-250.2	-59.5	1,280.5	1,552.4	1,621.2	
*Number of employees	-72	-169	90	2,992	3,285	3,425	
Sickness absence rate (in %)	5.80	5.32	6.31	5.97	5.64	6.32	
Number of injuries with absence	14.8	19.9	14.2	16.4	18.3	17.5	
Number of shareholders	966	969	967	966	969	967	
Average number of shares	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284	129 541 284	

* The table shows changes since last quarter.

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

Board of Directors' report

- Fourth quarter operating revenues total NOK 1 499 mill (1 724), while fourth quarter operating profit was NOK 61.7 mill (minus 52.9)
- Solid quarterly result for the Timber division
- Improved result compared to last year for the Wood division
- Low order reserves and slower business activity for the Building Systems due to low rate of new projects and completion of existing projects

Highlights

The Fourth quarter figures reflect the normal seasonal decline in overall demand for the Group's products and services. The additional changed conditions following in the wake of the financial crisis has contributed to making market conditions in the fourth quarter in 2009 significantly different from the same period in 2008.

The Group's sawmills, strongly impacted by the financial crisis in 2008, experienced solid demand and a positive price development for their products in the fourth quarter 2009.

Due to the slow rate of new housing, the Group's companies supplying builders' merchants experienced a weak market, but the continued strong market for rehabilitation and additions helped sustain solid demand. This is particularly true in Sweden where the government's introduction of an economic stimulus package in connection with the financial crisis, allowing private households tax deductions for rehabilitation projects, has had a positive effect.

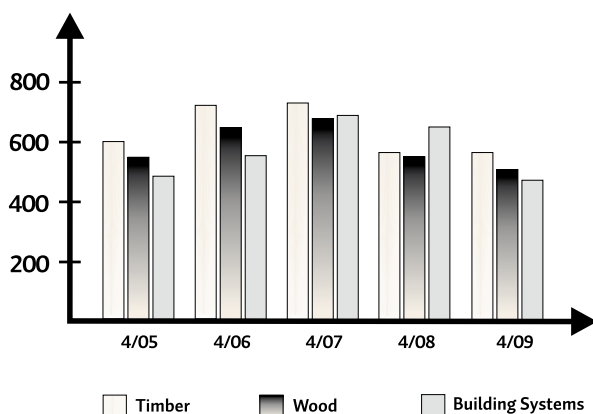
The Building Systems division, which delivered an excellent quarterly result in the fourth quarter of 2008, had significantly more difficult market conditions and a lower rate of business activity in the fourth quarter 2009. This is particularly true for the building module companies. The Building Systems division is normally the last of the three divisions to be affected by changes in market conditions. The reason for this is that the division's products and services come later in the building process compared to the Timber and Wood divisions. As current projects are being completed, however, the slower rate of new project start-ups has resulted in falling order reserves and the need to reduce capacity for this division as well.

All of 2009 has been characterised by major organisational adjustments in order to adapt the activity and cost level to new market conditions. Unfortunately, extensive staff reductions were necessary in 2009. The Board expresses their thanks to all the employees and employee representatives for constructive collaboration in connection with the difficult staff reduction issues. In the fourth quarter, the total reduction in the number of employees was 72 (from 3064 to 2992). For all of 2009, the reduction totalled 293 (from 3 285 at the beginning of the year). Another 50 employees were temporarily laid off at the end of the fourth quarter 2009.

A rainy summer and autumn created difficult harvesting conditions in the forest. Combined with unfavourable market conditions for both wood pulp and sawn wood, this led to a reduced pace of harvesting activity and less availability of raw materials for the Group's timber consuming units, particularly in Norway. These supply problems caused difficult operating conditions in the fourth quarter for some of the units. For the Group's Swedish business units, forest timber stocks have helped keep production as planned. Colder weather and increased prices for sawn timber helped boost timber supplies toward the end of the year. Still, at the end of the year, timber stocks were 300 000 m³ less than at the start of the year. The rate of investment activity in 2009 was reduced in order to maintain an adequate cash flow. But necessary maintenance and strategically important investments were carried out as planned. In the fourth quarter, the Board gave a green light to implement plans for expanding the bio energy facility at Moelven Langmoen in Brumunddal. Energy production will primarily be based on the use of chippings and bark from logs.

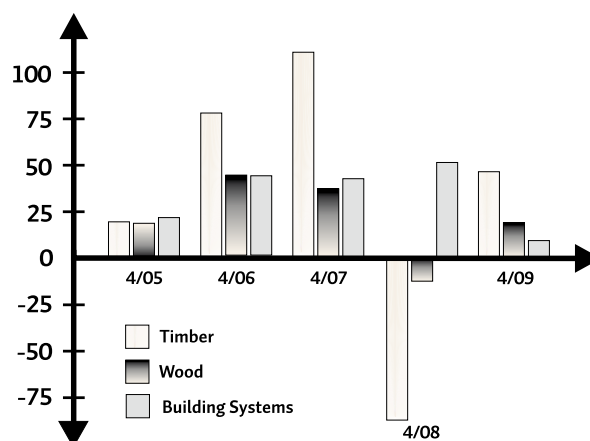
Operating revenues

NOK mill.



Operating profit

NOK mill.



Total investments amounted to about NOK 50 million, which shall increase capacity at the plant to 50 – 60 GWh.

An employee at Moelven Våler died in a tragic work accident on December 1st in connection with work in a wood dryer. Police and work safety authorities are investigating the incident. Independent of this investigation, however, the company is conducting its own review of specific risk areas in addition to a comprehensive safety review of the entire facility.

Operating revenues and results

Operating revenues in the fourth quarter were lower than the same period last year and totalled NOK 1 498.5 million (1 724.1). The largest reduction in business activity was in the Building Systems division, the two other divisions experienced a fall in demand and activity already in the second half of 2008. Operating profit for the quarter improved compared to the same period last year and ended at NOK 61.7 million (minus 52.9). This was due to cost-cutting measures which have been implemented in order to adapt the Group to the new market conditions in connection with the financial crisis, and to market prices which have developed favourably for the Timber and Wood divisions in the second half of the year. Accumulated for the year, operating revenues totalled NOK 6 247.8 million (7 657.7), with an operating profit of NOK 91.1 million (144.7). The ordinary pre-tax result totalled NOK 58.2 million (107.4). After taxes and minority interests, the final result was NOK 43.3 million (82.0)

Investments, balance sheet and financing

Investments totalling NOK 43.8 million (128.1) were made in the fourth quarter. The lower rate compared to last year is due to many strategic investment projects having been completed and a limited initiation of new projects in order to

ensure positive cash flow. Total investments excluding acquisitions in 2009 totalled NOK 216.1 million (345.9), which includes investments to ensure a normal maintenance programme, and some strategically important projects.

Cash flow from operations in the fourth quarter totalled NOK 137.2 million (117.7), which corresponds to NOK 1.06 per share (0.92). A reduction in stock of finished products in the Timber and Wood divisions and improved profit are the primary reasons for the higher cash flow compared to last year. Stocks of raw materials are also lower as a result of insufficient supply in some regions. Within the Building Systems division, the completion of projects has released capital. The accumulated cash flow figure from operations was NOK 444.9 million (214.5), and corresponds to NOK 3.43 per share (1.67).

Last year's cash flow figure was also affected by the payment of NOK 337 in dividends and NOK 225 million in taxes for the accounting year 2007. The background for the higher cash flow figure in 2009 compared to 2008 is the combination of changes in stock of finished products and raw materials and the mentioned one-off payments made last year.

Total assets at the end of 2009 were NOK 3 239.9 (3 589.8). In addition to the reduction in restricted capital, the decrease is partially due to a weaker Swedish krone. Approximately half of the Group's assets are recorded in SEK. The change in exchange rate from 0.90 at the end of 2008 to 0.81 in 2009 has caused a reduction in the balance totalling approximately NOK 187 million.

The accounts are made based on the assumption of continued operations. At the end of 2009, equity on book totalled NOK 1 669.4 million (1 696.7), which corresponds to an equity ratio of 51.5 percent (47.3).

Some of the Group's equity is linked to ownership in Swedish subsidiaries and is thus vulnerable to fluctuations in the exchange rate between Norwegian and Swedish krone.

Divisions	4 th Quarter			Total		
	2009	2008	2007	2009	2008	2007
Operating revenues	NOK mill.					
Timber	560.6	559.7	739.4	2,166.8	2,472.4	3,136.4
Wood	502.3	549.2	659.7	2,227.4	2,634.0	2,914.6
Building Systems	468.0	635.4	673.8	1,933.0	2,748.0	2,382.8
Laminated Timber	109.5	116.2	134.7	397.1	524.1	483.1
Electrical installations	110.0	108.4	100.8	397.5	435.5	358.4
Modular Buildings	91.3	209.4	267.6	513.0	1,030.7	944.4
Modular System Interiors	162.4	206.7	180.0	644.8	784.3	633.8
Others/Eliminations	- 32.4	- 20.2	- 89.7	- 79.4	- 196.7	- 489.8
The Group	1,498.5	1,724.1	1,983.2	6,247.8	7,657.7	7,944.0
Operating profit/loss						
Timber	47.3	- 81.1	107.9	12.7	- 143.3	544.4
Wood	19.3	- 13.2	37.8	43.2	80.3	324.4
Building Systems	6.8	50.6	43.2	61.4	235.1	159.4
Laminated Timber	- 2.5	5.9	3.3	4.0	38.5	24.4
Electrical installations	2.1	2.4	0.2	9.0	8.5	5.9
Modular Buildings	- 6.0	12.1	19.4	1.5	94.2	66.0
Modular System Interiors	13.2	30.2	20.1	46.9	93.9	63.0
Others	- 11.7	- 9.2	- 13.1	- 26.2	- 27.4	- 38.6
The Group	61.7	- 52.9	175.8	91.1	144.7	989.6

Potential rate fluctuations have been assessed to be within acceptable level of risk, so parts of this currency exposure have not been insured through hedging contracts. In 2009, the rate fluctuation had a negative effect on equity totalling NOK 67.5 million, while the rate development in 2008 had a positive effect totalling NOK 45.8 million.

Due to seasonal variations in accessibility to raw materials and the demand for finished products, the Group's overall debt varies from NOK 300 to 350 million from the lowest point -- usually in the fourth quarter -- to the highest point -- normally in the second quarter. The Group's long-term financing is secured through long-term drawing facilities, which makes it possible to adapt the debt to seasonal variations. At the end of the year, the remaining part of the long-term financing was 1.5 years.

Divisions

Timber

Operating revenues in the fourth quarter totalled NOK 560.6 million (559.7), with operating profit at NOK 47.3 million (minus 81.1). Accumulated operating revenues totalled NOK 2 166.8 mill (2 472.4), with accumulated profit at NOK 12.7 million (minus 143.3).

The number of employees at the end of the fourth quarter was 661 (799).

Operating revenues in the fourth quarter ended at about the same level as last year, but the underlying trend in price and volume is quite different compared to 2008. In 2009 both capacity and supply volumes were lower. The reduction in volume, however, was offset by an increase in market prices which developed in the second half of the year. The higher operating profit in the fourth quarter was due to a combination of capacity reductions and efficiency measures implemented at the start of the year, in addition to the fact that market prices for sawn wood have improved. The fourth quarter in 2008 was also characterized by a fall in prices for both sawn wood and logs, the latter of which made it necessary to write down the value of raw material stocks. The availability of raw materials has been very difficult in the fourth quarter, particularly in Norway. Low raw material stock levels have caused operational problems at some sites.

The financial figures for the fourth quarter include a one-off gain of NOK 7 million stemming from the sale of an industrial property after the liquidation of Moelven Elverum and a write-down totalling NOK 8.5 million on the measuring facility at Moelven Valåsen.

Wood

Operating revenues in the fourth quarter totalled NOK 502.3 million (549.2), with operating profit at NOK 19.3 million (minus 13.2). Accumulated operating revenues totalled NOK 2 227.4 million (2 634.0), with corresponding profit at NOK 43.2 million (80.3).

The number of employees at the end of the fourth quarter was 856 (880).

The fall in operating revenues in the fourth quarter compared to last year is due to weaker sales in the Norwegian and Danish markets. The market in Sweden has been stable throughout the entire year, and the volume sold in the Swedish market in the fourth quarter 2009 was higher compared to the same quarter last year. The new-build rate is at a very low level in both Norway and Sweden, and the demand for the division's products is primarily driven by the high level of activity in the rehabilitation and additions market. The Swedish market in particular has remained solid throughout the year as a result of the authorities' stimulus package introduced in the wake of the financial crisis. The higher result compared to last year is in large part due to the effect of capacity reductions and efficiency measures implemented at the start of the year. As with the Timber division, the timber consuming units in the Wood division have experienced disruptions in operations due to problems with the availability of raw materials. The supply difficulties have reduced efficiency both for the sawmills and their affiliated planing mills.

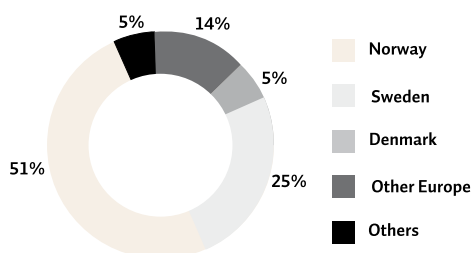
Building Systems

Operating revenues in the fourth quarter totalled NOK 468.0 million (635.4), with operating profit at NOK 6.8 mill (50.6). Accumulated operating revenues were NOK 1 933.0 million (2 748.0), and operating profit totalled NOK 61.4 million (235.1).

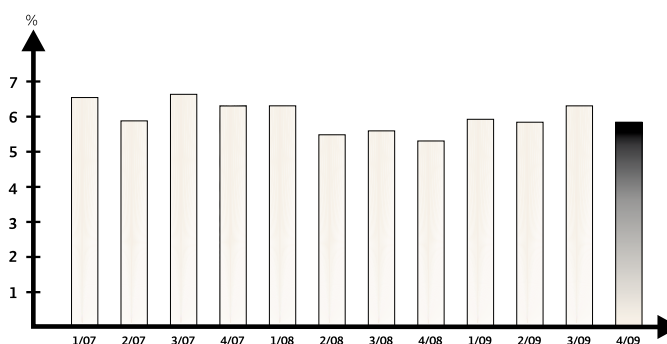
The total number of employees at the end of the fourth quarter was 1 379 (1 516).

The activity level in the fourth quarter was also significantly reduced compared to the same period in 2008, when new projects helped sustain the existing activity level. In general, new-build activity has fallen in 2009, while the level of activity in the rehabilitation and additions market has remained more stable. The reduced operating profit is due to the negative price development caused by excess capacity and fewer new projects. The companies in the division retained and in some cases improved their market position. Order reserves at the end of the fourth quarter 2009 were higher compared to the year before, primarily because of a better situation for the module companies in Sweden. There is a strong focus on

Sales By Market Area Total



Sickness absence rate (%)



the profitability of each project, and capacity adjustments are being made rather than participating in projects that generate insufficient earnings. Despite this strategy, the negative price development has resulted in reduced profitability of the order reserves.

The Swedish market for the module companies showed signs of improving in the fourth quarter. However, the activity level is still very low and significant capacity reductions have been implemented. In the Norwegian market, business activity has been falling in the second half of the year and few new projects are being launched. The legal possibility to temporary lay off employees in Norway, however, makes it possible in the Norwegian part of the business to more quickly adapt to market fluctuations. The negative result in the fourth quarter is a consequence of reduced business activity and production stops due to weak order reserves.

The interior layout companies experienced increasing competition and price pressures throughout the year in both Norway and Sweden. Market activity is expected to remain at a low level, and capacity adjustments have been implemented.

The companies supplying laminated timber also experienced a fall in new project orders as well as tough competition. Within the contract sector, deliveries of glulam bridges are still an important part of the business. A total of four bridges over E6 in Norway will be delivered during the winter of 2010. There is a stable demand for standard glulam products because of solid activity in the renovation and additions market. The negative quarterly result is due to normal seasonal fluctuations and extra cost allocations arising from capacity adjustments instituted at Moelven Töreboda in the first six months of 2010.

A major share of the electro-engineering business' contracts are long-term maintenance contracts, and this is the company in the Group that has experienced the least reduction in result in the fourth quarter. The company is still experiencing a difficult market situation, however, and has had to carry out cost-cutting measures and certain strategic changes in order to maintain profitability.

The building activity is currently at a lower level than what is necessary to cover long-term demand. This is particularly true of the housing segment, but applies to the commercial building segment as well. During a period of time in which capacity reductions are needed to maintain sustainable economic results, the focus is on retaining the core expertise needed to uphold a solid market position for the time when growth returns. Strategic adjustments are also being made through investments, in which the building of a new glulam factory at Töreboda is the largest project.

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, 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. At the end of the fourth quarter, there were a total of 96 (90) employees in this division, of which 26 (24) are female. 47 (39) work in Sweden and 49 (51) work in Norway.

Operating revenues in the fourth quarter totalled NOK 265.0 million (118.7), with an operating loss of NOK 11.7 million (-9.2). Accumulated operating revenues were NOK 965.1 million (388.5), with an accumulated operating loss of NOK 26.2 million (-27.4). The increase in operating revenues compared to last year is due to consolidation issues involving internal sales of timber and chipping products.

Employees

The overall rate of sick leave in the fourth quarter was 5.80 percent (5.32) or 10 394 (10 841) full workdays. In all, there were a total of 170 511 (194 551) workdays in the fourth quarter. Sick leave due to long-term illness totalled 2.93 percent (2.59).

The number of personal injuries resulting in sick leave in the quarter was 19 (29), which corresponds to 14.8 (19.9) injuries per million working hours. The rate of injuries developed in a positive direction in 2008, but is still at an unacceptable level. Additional focus will therefore in the time ahead be put on reducing these figures. Among the planned measures are stricter reporting routines for injuries, near-accidents and risk areas. The campaign "Whole home" with a focus on improving safety-prevention attitudes will run throughout 2010.

At the end of the fourth quarter, the Group had a total of 2 992 (3 285) employees. In all, 1 686 (1 756) of these employees were employed in Norwegian companies, 1 259 (1 492) in Swedish, 36 (27) in Danish and 11 (10) in other countries. Overall, there are 283 female and 2 709 male employees.

International Accounting Standards (IFRS)

The IFRS figures show the main effect if the accounts had been reported according to IFRS standards. The main differences in using IFRS are in the reporting of pension commitments, the use of financial instruments and the treatment of dividends. The effect of financial instruments will vary in

IFRS	NOK mill.	4 th Quarter			Total		
		2009	2008	2007	2009	2008	2007
Profit and Loss Account							
EBITDA		122.0	10.7	220.0	296.6	352.0	1,166.6
EBIT		65.1	- 45.5	176.6	96.0	156.0	992.8
Result before tax		54.6	- 156.7	178.2	146.0	5.8	971.5
Balance Sheet							
	NOK mill.	Change in 4 th Quarter			Total		
		2009	2008	2007	2009	2008	2007
Equity		26.6	- 62.3	149.2	1,632.6	1,601.3	1,878.0
Total assets		- 100.4	- 239.6	20.3	3,266.8	3,580.4	3,607.5
Equity ratio		2.3	1.2	3.9	50.0	44.7	52.1

relation to the market value assessment at the time of reporting. The volatility of the financial markets has been abnormally high during the financial crisis and this has particularly affected small currencies such as the Norwegian and Swedish kroner, which weakened considerably. Interest rates also fell significantly. At the end of the fourth quarter 2008, a market-value assessment showed an unrealised loss of NOK 115 million. Both the Norwegian and Swedish krone grew in strength in 2009, while interest rates remained low. At the end of the year, there were unrealised losses on financial instruments totalling NOK 30 million, which gives an accumulated income in the IFRS accounts totalling NOK 85 mil-

lion and minus NOK 2 million for the fourth quarter alone.

The Moelven Group's hedging policy is based on the idea that underlying business operations, rather than financial transactions, must serve as the basis for profitability. The main reason for hedging interest rates and exchange rate risk is to reduce rate fluctuations and ensure predictability.

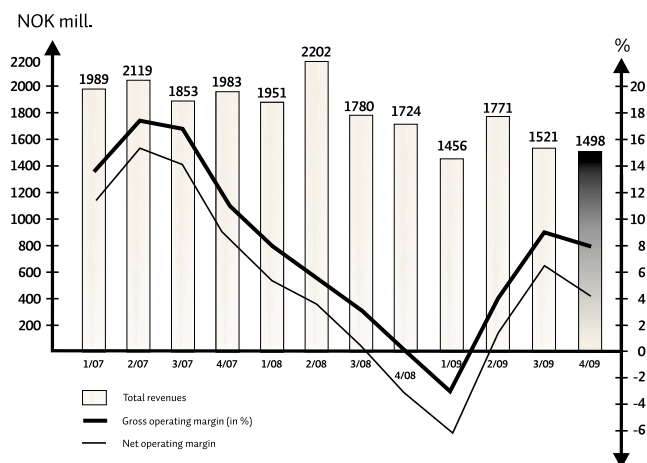
Future prospects

The Board anticipates that 2010 will be a year with less need for major adjustments than what was required in 2009, which was a year in which we adapted to strongly changed

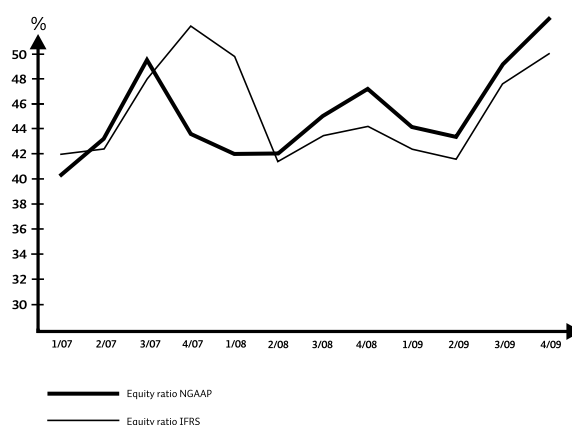
Changes in total equity for the Group	Change in 4 th Quarter			Total		
	NOK mill.					
	2009	2008	2007	2009	2008	2007
Opening balance	1,643.5	1,699.1	1,759.2	1,696.7	1,569.7	1,233.7
Profit/loss	37.2	- 43.7	128.7	40.2	81.2	695.4
Foreign currency translation	- 11.3	41.3	18.6	- 67.5	45.8	- 22.6
Provisions for dividend	0.0	0.0	- 336.8	0.0	0.0	- 336.8
Change in reclassified assets	25.9	- 2.4	- 189.5	- 27.3	127.0	336.0
Total equity NGAAP	1,669.4	1,696.7	1,569.7	1,669.4	1,696.7	1,569.7
IFRS effects				- 36.8	- 95.4	308.3
Total equity IFRS	1,632.6	1,601.3	1,878.0			

Cash Flow Statement	Change in 4 th Quarter			Total		
	NOK mill.					
	2009	2008	2007	2009	2008	2007
Net cash flow from operations	137.2	117.7	402.7	444.9	214.5	1,013.7
Cash from operating result	119.4	8.9	226.8	249.6	334.4	1,165.6
Cash flow from working capital	17.8	108.8	175.9	195.3	- 119.9	- 151.9
Cash flow from/to investments	- 33.6	- 112.9	- 143.2	- 205.2	- 332.5	- 304.0
Cash flow from/to financing	- 86.4	7.1	- 268.7	- 199.0	70.1	- 683.6
Net cash flow for the period	17.2	11.9	- 9.2	40.7	- 47.9	26.1
Liquid funds	17.2	11.9	- 9.2	70.5	29.8	77.7
Unutilised credit facilities	77.0	15.6	63.6	918.0	752.2	1,160.6
Available liquid funds	94.2	27.5	54.4	988.5	782.0	1,238.3

Revenues and margins



Equity ratio



Quarterly In 2007 – 2009

Quarterly in 2007 – 2009

SENDER:
Moelven Industrier ASA
P.O. Box 134, NO-2391 Moelv
Tel. +47 62 34 70 00
Fax. +47 62 34 71 88
www.moelven.com
post@moelven.com

market conditions caused by the financial crisis. Construction activity and demand for wood-based building materials continues to be at a low level.

It is expected a continued stable market for renovation and additions projects. At the same time, the availability of wood-based building materials is expected to increase due to better margins and easier access to raw materials. Timber prices will increase somewhat in accordance with already made contracts. Timber availability is expected to be satisfactory, delivery agreements for the first third/half of the year are for the most part already negotiated.

A continued low activity level is expected for the Building Systems division in 2010. The renovation and additions market is expected to continue at the current activity level, while the rate of new project starts is expected to increase slightly. The interior layout companies have experienced a gradual decrease in business activity in 2009, and this development is expected to continue into 2010. Measures intended to adapt capacity are therefore under implementation. Market activity for the module companies in Sweden are showing signs of improvement, while the Norwegian part of the module business continues to report a low rate of new orders. For the

laminated timber companies, bridge projects and the production of standard glulam beams is a good basis for profitable business operations in the year ahead. The electrical and engineering business has solid order reserves for both new installations and service contracts, and should experience solid business activity in the year to come.

The first quarter, which is a low season for all divisions, is expected to be challenging also in 2010, but still with an improved result compared to last year. The latter part of the year is not expected to be as strong as in 2009. For the year overall, the Board expects a moderately higher profit figure.

Despite the many challenges in 2009, the Group experienced positive cash flow and at the end of the year is in a solid financial position. The process of refinancing loans, due to be completed before the second half of 2011 is underway. The Group is therefore well prepared financially to face a challenging year with an expected increase in business activity.

Board of Moelven Industrier ASA
Moelv, 25 January 2010

Moelven - Supplying good rooms

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

The sawmills in the Timber division supply processed wood products to customers in Scandinavia and the rest of Europe. Customers use products from Moelven as inserts in their own production processes. In addition, chippings and bark products from Moelven are used in the pulp, particle-board and bio fuel industries. The processing companies in the Wood division supply builder's merchants in Scandinavia with a wide range of building and interior products. An important competitive edge is the division's efficient distribution system, which can offer customers quick and accurate deliveries of a wide range of products. The companies in the Building Systems division supply flexible system solutions for interior walls, modular housing, electrical systems and

load-bearing constructions in glulam to contract customers and contractors, primarily in Norway and Sweden. The division focuses heavily on further developing concepts and systems together with customers and experts in the fields of architecture, design and construction. The Group consists of a total of 46 operative business units in Norway, Sweden and Denmark, and there are a total of 2992 employees.

The following shareholders have ownership interests in the Moelven Group: Glommen Skog (25.1 percent), Eidsiva MI AS (23.8 percent), Agri MI AS (15.8 percent), Viken Skog (11.9 percent), Mjøsen Skog (11.7 percent), AT Skog (7.3 percent) and Havass Skog (4.0 percent). Most of the remaining 0.4 percent is owned by private investors.

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