BONG LJUNGDAHL AB
Interim report
January - September 2006

Restructuring and sustained earnings growth

- Net sales for the first nine months of 2006 rose by 11 per cent to SEK 1,462 (1,312) million, of which acquired units contributed 10 per cent. Third quarter sales were up by 5 per cent to SEK 431 (412) million, of which acquired units contributed 8 per cent.

- Adjusted profit before tax continued to improve, reaching SEK 38 (28) million for the first nine months of the year. Profit before tax was SEK -7 (19) million. For the third quarter, profit before tax was SEK 12 (2) million.

- Earnings per share after dilution were SEK 1.78 [3)] (1.51).

- The underlying cash flow remains strong and amounted to SEK 50 (44) million for the nine-month period. After acquisitions for a total of SEK 38 million and restructuring charges of SEK 52 million, cash flow after financing activities was SEK -40 (69) million.

- Operating margin, calculated on adjusted profit for the first nine months, improved to 4.5 per cent (4,3).

- The previously announced restructuring measures in Germany, Finland and Belgium are proceeding according to plan and will result in a reduction of 125 positions over a two-year period. Upon completion, the annual savings are estimated at SEK 48 million.

- As previously announced, Bong acquired 60 per cent of the Netherlands-based packaging wholesaler VOET International on 1 October.

SEK M	**Q3 2006**	**Q3 2005**	**Q1- 3 2006**	**Q1- 3 2005**
Net sales	431	412	1462	1312
Operating profit	22	11	21	47
Adjusted operating profit	22	[1)] 19	[2)] 66	[1)] 56
Profit before tax	12	2	-7	19
Adjusted profit before tax	12	[1)] 11	[2)] 38	[1)] 28
Cash flow after investing activities	5	60	-40	69

1) Excluding capital gains of SEK 16 million on the sale of a property and restructuring charges of SEK -24 million.
2) Excluding restructuring charges of SEK 45 million.
3) Earnings per share for the nine-month period were SEK -0.57 (1.11), including one-time items of SEK -31.5 million (-5.7) after tax. The calculation is based on 13,651,180 (13,464,180) shares.

BONG LJUNGDAHL AB
Uddevägen 3 • Box 516 • SE-291 25 Kristianstad
Tel. +46 (0)44-20 70 00 • Fax. +46 (0)44-20 70 91
Public limited company (publ.) Corp. reg. no. 556034-1579
www.bongljungdahl.se

MARKET

Demand in the European envelope market softened slightly in the first nine months of the year. The German market showed low activity during the third quarter, with some improvement in September, and shrank by an estimated 1-2 per cent overall compared with the previous year. Volumes in the Swedish market remained stable and were helped by the national elections and a robust economy. The total Scandinavian market shrank by 3 per cent, which also applied to the Finnish market. The UK also saw a decline in demand, with volumes falling by an estimated 4-5 per cent. The Eastern European market continued to develop favourably with volume growth of 5-10 per cent in several countries.

Consolidation of the industry and downsizing of production capacity continued in the third quarter. Mayer Kuvert acquired Klausnitzer, an agent with annual sales of around SEK 40 million. Furthermore, Mayer Kuvert and Danish Bording announced the formation of an alliance in which Mayer will produce a large share of Bording's volumes. The Belgian envelope manufacturer EEC, with an annual volume of around 1 billion envelopes, cancelled payments in the third quarter and is now in liquidation. In all likelihood, the company will be wound up. In addition, Mayer Kuvert announced a 30-person staff reduction at its Irish factory after having announced the closure of one of its newly acquired production facilities in the UK during the second quarter. The five largest envelope manufacturers in Europe command around 70 (65) per cent of the total market.

Sustained growth in the direct mail market was driven by an accelerating shift from traditional TV and radio advertising to more targeted direct mail and Internet marketing. Distance shopping, i.e. via the Internet and mail order, continued to increase in all markets and boosted demand for protective envelopes and packages designed specifically for these mail items. Over time, rising demand for this type of higher value-added products is expected to compensate for the decrease in traditional administrative mail.

SALES AND PROFIT JANUARY-SEPTEMBER 2006

Total Group sales for the first nine months of 2006 grew by around 11 per cent year-on-year to SEK 1,462 (1,312) million, of which approximately 10 per cent was attributable to acquired units. For comparable units, the volume was up by 2 per cent. Exchange rate fluctuations had a positive sales impact of 1 per cent, while changes in prices and the product mix reduced sales by 2 per cent.

Adjusted operating profit was SEK 66 (56) million.

The previously announced restructuring measures in Germany, Finland and Belgium commenced during the period. In Germany, these measures are a result of the acquisition of RCT Kuvert in January 2006. The total programme involves a reduction of 125 positions over a two-year period. Upon completion, the annual savings are expected to reach SEK 48 million. The costs for these measures, amounting to SEK 45 million, were charged against profit for the second quarter. Including the above-mentioned one-time costs, operating profit for January-September was SEK 21 (47) million.

Bong continues its efforts within protective packaging in several European markets. The packaging segment accounts for a relatively small share of the Group sales, around 7 per cent, but is rapidly gaining importance for Bong.

The start-up in Russia is proceeding according to plan. The official inauguration of the factory in Kaluga took place in September and production is increasing steadily month by month. All in all, the Russian investment has led to a total charge of around SEK 6 million against Bong's profit for the first nine months of the year.

Net financial items amounted to SEK -28 (-28) million. Adjusted profit before tax was SEK 38 (28) million.

Operating margin, calculated on adjusted profit, improved to 4.5 per cent (4.3).

SALES AND PROFIT JULY-SEPTEMBER 2006

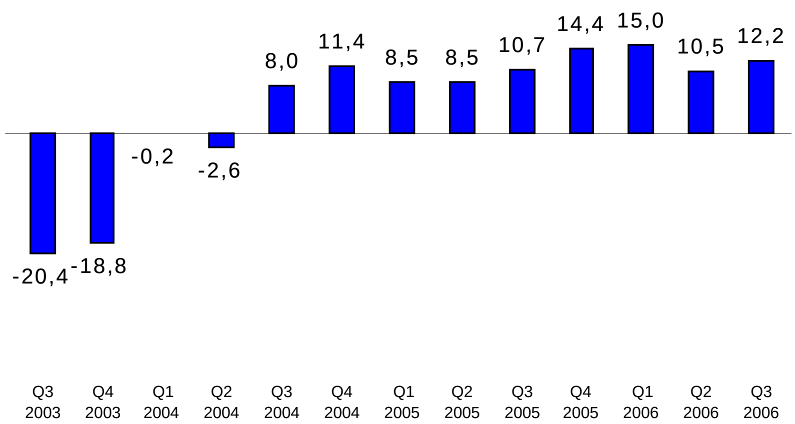
Total Group sales for the third quarter rose by approximately 5 per cent year-on-year to SEK 431 (412) million. Although it is becoming more difficult to report the acquired units separately as these are successively integrated with the existing units, it is estimated that the acquired units accounted for 8 per cent of the period's sales growth. The volume in comparable units was unchanged. Exchange rate fluctuations increased sales by around 1 per cent, while changes in prices and the product mix reduced sales by approximately 2 per cent. The third quarter saw a continuation of the Group's positive earnings trend with an operating profit of SEK 22 million (SEK 19 million excluding one-time items of SEK -8 million).

Activities in the third quarter were influenced by the ongoing production realignment in Germany. In connection with this, a large number of envelope machines and employees were transferred from RCT's factory in Hilden to Bong's facility in Wuppertal. Furthermore, Bong continued the process of moving machines internally between various factories in the Group in order to attain production synergies. These relocations led to a temporary drop in productivity as a number of machines were shut down during the move.

Net financial items are reported at SEK -10 (-9) million. Profit before tax was SEK 12 million (SEK 11 million excluding one-time items of SEK -8 million).

The quarterly profit trend since the third quarter of 2003 is shown in Diagram 1 below.

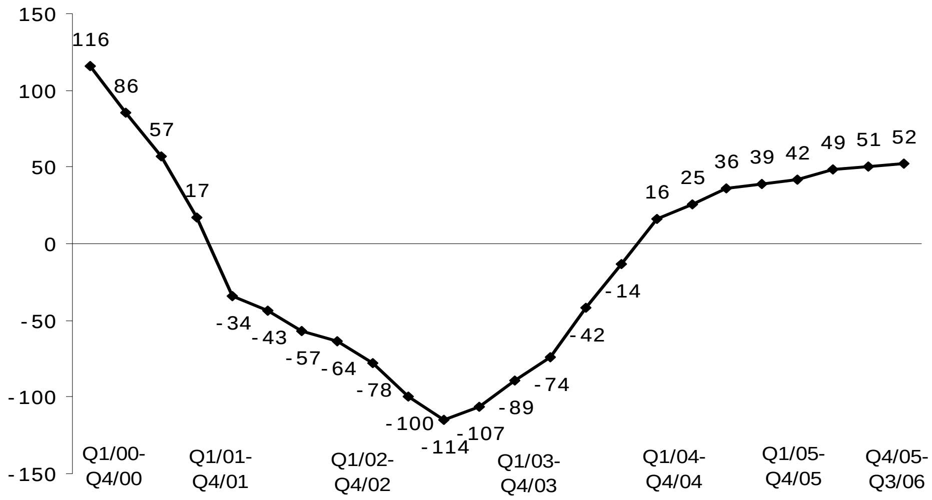
Fig. 1: Adjusted profit before tax by quarter
SEK M, excluding one-time items



* According to the earlier accounting rules, profit for 2003 was charged with goodwill amortisation of around SEK 5 million per quarter. Following the transition to IFRS on 1 January 2004, goodwill is no longer amortized.

Adjusted rolling 4-quarter profit continued to improve and amounted to SEK 52 million after the third quarter. (Diagram 2)

Fig. 2: Adjusted profit before tax, rolling 4 quarters
SEK M, excluding one-time items



* According to the earlier accounting rules, profit for periods prior to 2004 was charged with goodwill amortisation of around SEK 5 million per quarter. Following the transition to IFRS on 1 January 2004, goodwill is no longer amortized.

CASH FLOW
The underlying cash flow remained strong and amounted to SEK 50 million for the period January-September.

Acquisitions for a total of SEK 38 million (RCT, SMEAD, Nova) were made during the period. Cash flow was also burdened by total restructuring charges of SEK 52 million. Of this amount, SEK 29 million referred to a one-time effect on accounts payable in RCT arising on transition to a more favourable payment pattern which enables the Group to utilise cash discounts, while SEK 23 million was related to outgoing payments connected to the German and Belgian restructuring programmes.

Cash flow after investing activities, but before acquisitions, for the first nine months thus amounted to SEK -2 million (69). After acquisitions for a total of SEK -38 million, cash flow for the period January-September was SEK -40 million (69).

Third quarter cash flow after investing activities amounted to SEK 5 million (60), and was negatively affected by outgoing payments of SEK 15 million related to restructuring programmes.

FINANCIAL POSITION
Cash and cash equivalents at 30 September 2006 totalled SEK 26 million (31 Dec. 2005: SEK 69 million) excluding granted but unutilised bank overdraft facilities of SEK 136 million (31 Dec. 2005: SEK 181 million).

In connection with corporate acquisitions, Bong raised new loans of approximately SEK 105 million in addition to utilisation of existing credit lines.

Consolidated equity at 30 September 2006 was SEK 545 million (31 Dec. 2005: SEK 561 million). Translation of the net assets of foreign subsidiaries to Swedish kronor decreased consolidated equity by SEK 9 million.

During the period, Bong's net loan debt increased by SEK 147 million to SEK 853 million (31 Dec. 2005: SEK 706 million), including assumed net loan debts of SEK 114 million in the acquired units. Net loan debt was increased by SEK 40 million due to the negative cash flow, but was reduced by around SEK 7 million as an effect of exchange rate movements. The net debt/equity ratio was 1.57 (31 Dec. 2005: 1.26).

The equity ratio at 30 September was 31 per cent (31 Dec. 2005: 34 per cent). The Group's target is an equity ratio of at least 30 per cent over time.

CAPITAL EXPENDITURE
Net investments in fixed assets during the nine-month period amounted to SEK 51 million (SEK 13 million excluding property sales). The year's net investments include combined company acquisitions of SEK 38 million and ongoing net investments of SEK 13 million.

PERSONNEL
The average number of employees during the period was 1,382 (1,296), including 150 employees in acquired units. At the end of September 2006, the number of employees was 1,390 (1,238).

HIGHER PAPER PRICES
During the period January-September, several suppliers of uncoated fine paper raised their prices and announced upcoming price hikes in the fourth quarter. Bong has raised, and will continue to raise, its prices correspondingly. The price increases affect Bong's customers in all countries.

PARENT COMPANY
The activities of the Parent Company include administration of operating subsidiaries and Group management functions. Net sales amounted to SEK 0 (0) million and the period's profit before tax was SEK 103 (-22) million. During the nine-month period, a shareholders' contribution corresponding to SEK 119 million was made to Bong Deutschland GmbH. Net investments in other fixed assets were of marginal significance (0). During the first half of the year, the company carried out an intra-group share transfer related to the subsidiaries in the UK and Norway.

The Parent Company's cash and cash equivalents totalled SEK 0 million (31 Dec. 2005: SEK 0 million) excluding granted but unutilised bank overdraft facilities of SEK 17 (30) million.

RESTRUCTURING PROGRAMMES IN GERMANY, FINLAND AND BELGIUM
As announced earlier, restructuring measures were initiated in the reporting period, primarily in Germany and Finland but also in Belgium. The measures will lead to a reduction of 125 positions over a two-year period. Upon completion, the annual cost savings are expected to reach SEK 48 million. These measures were charged against second quarter profit as a one-time cost of SEK 45 million.

The restructuring programme in Germany is a result of the co-ordination of Bong's German operations in the Düsseldorf area following the acquisition of RCT. These activities mainly consist of a major streamlining of production resources at Bong's factory in Wuppertal and RCT's facility in Hilden. Parallel to this, a number of functions are being merged, such as sales, finance & accounting and administration. All in all, the number of employees will be reduced by 55 during 2006

In Finland, the realignment of the production structure has been started and envelope manufacturing will be successively transferred to Bong's factory in Kaavi, while the printing operations will be concentrated in Tampere. This restructuring process will be completed in the first half of 2008 and will lead to a reduction of about 600 positions in the Finnish operations.

Increased co-ordination between the production units in Belgium and Germany has led to excess capacity. As a result, the workforce in Bong's Belgian subsidiary was reduced by 10 people during the second quarter.

KEY EVENTS AFTER THE END OF THE REPORTING PERIOD

On 12 October Bong signed an agreement to acquire 60 percent of the packaging wholesaler VOET International in Rotterdam, The Netherlands. The deal will be financed through the utilisation of existing credit facilities. Bong also has an option to purchase an additional 20 per cent of the company in three years and the remaining 20 per cent in five years.

VOET International is specialised in purchasing and distribution of a wide range of packaging solutions for catalogues and products purchased via the Internet or mail order. VOET International has a strong market position mainly in the Benelux region and has started to expand into several other European countries during the past few years. Net sales in 2005 reached approximately Euro 3 million.

The acquisition of VOET International is consistent with the Group's strategy to grow in different types of packaging solutions in the coming years. VOET International has built up a wide assortment of packaging products and will now also sell Bong's own range of packaging solutions – ProPac.

VOET International is expected to make a positive contribution to Bong's earnings from the fourth quarter of 2006.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The applied accounting standards correspond to those used in the most recently published annual report.

FUTURE OUTLOOK

Bong anticipates a continued positive earnings trend in the coming year and expects pre-tax profit for 2006 to exceed the previous year's level.

Kristianstad, Sweden, 6 November 2006

BONG LJUNGDAHL AB

Anders Davidsson
President & CEO

This interim report has not been subject to special review by the company's auditors.

The interim report will be presented in a teleconference starting at 4:00 p.m. on 6 November. The number to the teleconference is +46 (0) 8 5052 0114. By 3:00 p.m., at the latest, pictures related to the teleconference will be available on our website www.bongljungdahl.se

For additional information about the interim report, please contact Anders Davidsson, President and CEO of Bong Ljungdahl AB. Telephone (switchboard) +46 (0)44 20 70 00, (direct) +46 (0)44 20 70 80, (mobile) +46 (0)70 545 70 80.

Financial calendar:

Year-end report 2006	*February 2007*
Interim report January – March 2007	*10 May 2007*
Interim report January – June 2007	*August 2007*

Bong is one of Europe's leading envelope companies. The Group has annual sales of approximately SEK 2 billion, some 1,400 employees and an annual manufacturing capacity of around 18 billion envelopes at its factories in Sweden, Denmark, Norway, Finland, Poland, Germany, Belgium, the UK, Ireland, Russia, Estonia and Lithuania. Bong has a very strong market position, particularly in Northern Europe, and conducts sales and marketing in thirteen European countries through its own sales organisations. The Group sees attractive opportunities for further expansion and development. Bong is a publicly listed company and its shares are quoted on the Stockholm Stock Exchange.

INTERIM REPORT, 30 SEPTEMBER 2006

CONSOLIDATED PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	July-Sept 2006 3 mths	July-Sept 2005 3 mths	Jan-Sept 2006 9 mths	Jan-Sept 2005 9 mths	Oct 2005-Sept 2006 12 mths	Jan-Dec 2005 12 mths
Net sales	431.1	411.8	1 462.0	1,312.1	1,932.0	1,782.1
Cost of goods sold	-334.5	-347.0	-1 178.6	-1,068.3	-1,554.3	-1,444.0
Gross profit	96.6	64.8	283.4	243.8	377.7	338.1
Selling expenses	-44.3	-37.3	-155.7	-109.1	-192.5	-145.9
Administrative expenses	-30.6	-35.8	-113.8	-110.3	-151.5	-148.0
Other operating income and expenses	0.1	19.1	7.2	23.0	10.6	26.4
Operating profit	21.8	10.8	21.1	47.4	44.3	70.6
Net financial items	-9.6	-8.5	-28.3	-28.1	-37.1	-36.9
Profit before tax	12.2	2.3	-7.2	19.3	7.2	33.7
Tax	-6.0	0.5	-0.2	-4.5	-6.1	-10.4
Profit after tax	6.2	2.8	-7.4	14.8	1.1	23.3

Profit for the period is attributable in full to equity holders of the Parent Company

Earnings per share before dilution	0.48	0.21	-0.57	1.14	0.08	1.79
Earnings per share after dilution	0.46	0.21	-0.57	1.11	0.10	1.74

CONSOLIDATED BALANCE SHEETS IN SUMMARY (SEK M)		30 Sept 2006	30 Sept 2005	31 Dec 2005
Assets				
Intangible assets	1)	337.2	329.3	330.9
Tangible assets		685.4	652.5	642.7
Financial assets		56.8	62.6	57.2
Inventories		284.4	242.9	227.0
Current receivables		365.3	321.5	308.4
Cash and cash equivalents		26.3	78.8	69.2
Total assets		**1,755.4**	**1,687.6**	**1,635.4**
Equity and liabilities				
Equity	2)	545.2	549.5	561.4
Long-term liabilities	3)	472.7	529.1	492.9
Current liabilities	3)	737.5	609.0	581.1
Total equity and liabilities		**1,755.4**	**1,687.6**	**1,635.4**
1) Of which, goodwill		333.0	324.4	326.3
2) Of which, minority interest		0.4	-	-
3) Of which, interest-bearing		881.9	814.8	777.1

KEY RATIOS		Jan-Sept 2006	Jan-Sept 2005	Oct 2005-Sept 2006	Jan-Dec 2005
Earnings per share after dilution, SEK	1)	-0.57	1.11	0.10	1.74
Ditto calculated on adjusted profit, SEK	1)	1.78	1.51	2.40	1.99
Earnings per share before dilution, SEK		-0.57	1.14	0.08	1.79
Ditto calculated on adjusted profit, SEK		1.86	1.57	2.51	2.05
Equity per share after dilution, SEK		42.90	43.21	42.90	44.09
Ditto before dilution, SEK		41.92	42.25	41.92	43.17
Operating margin, %	2)	4.5	4.3	4.6	4.4
Profit margin, %	2)	2.6	2.1	2.7	2.4
Return on equity, %	2)	-	-	5.9	4.9
Return on capital employed, %	2)	-	-	6.5	5.9
Equity ratio, %		31.1	32.6	31.1	34.3
Net debt/equity ratio, times		1.57	1.34	1.57	1.26
Interest coverage ratio, times	2)	2.3	2.0	2.3	2.1
Capital employed, SEK M		1,427.1	1,364.3	1,427.1	1,338.6
Interest-bearing net loan debt, SEK M		853.4	733.7	853.4	706.1
No. of shares outstanding at end of period before dilution		13,004,986	13,004,986	13,004,986	13,004,986
No. of shares outstanding at end of period after dilution		13,651,180	13,651,180	13,651,180	13,651,180
Average number of shares before dilution		13,004,986	13,004,986	13,004,986	13,004,986
Average number of shares after dilution		13,651,180	13,464,180	13,651,180	13,511,180

1) The dilution effect is not taken into account when it leads to a higher profit.
2) Calculated on adjusted profit as stated below.

Adjusted profit:	Jan-Sept 2006	Jan-Sept 2005	Oct 2005-Sept 2006	Jan-Dec 2005
Operating profit according to the consolidated profit and loss account	**21.1**	**47.4**	**44.2**	**70.6**
Capital gain on the sale of fixed assets	-	-16.0	-	-16.0
Restructuring charges	45.0	24.4	45.0	24.4
Adjusted operating profit	**66.1**	**55.8**	**89.2**	**79.0**

CHANGES IN CONSOLIDATED EQUITY (SEK M)	Jan-Sept 2006	Jan-Sept 2005	Jan-Dec 2005
Opening balance for the period	561.4	510.2	510.2
Payment for warrants	-	1.6	1.6
Increase in minority interest in connection with company start-up	0.5	-	-
Translation differences	-9.3	22.9	26.3
Profit for the period	-7.4	14.8	23.3
Closing balance for the period	**545.2**	**549.5**	**561.4**

CONSOLIDATED CASH FLOW STATEMENTS	July - Sept		Jan - Sept		Oct 2005-	Jan - Dec
	2006	2005	2006	2005	Sept 2006	2005
(SEK M)	3 mths	3 mths	9 mths	9 mths	12 mths	12 mths
Operating activities						
Operating profit	21.9	10.8	21.1	47.4	44.3	70.6
Depreciation and impairment charges	25,1	25.0	77.9	76.2	102.4	100.7
Financial items	-9.6	-8.5	-28.3	-28.1	-37.1	-36.9
Paid tax	-0.1	-0.9	-4.3	-6.0	-4.8	-6.5
Other non-cash items	-7.1	-17.8	-10.4	-22.1	-8.8	-20.5
Cash flow from operating activities before change in working capital	30.2	8.6	56.0	67.4	96.0	107.4
Change in working capital	-23.4	16.0	-45.1	-19.4	-39.2	-13.5
Cash flow from operating activities	**6.8**	**24.6**	**10.9**	**48.0**	**56.8**	**93.9**
Cash flow from investing activities	**-1.4**	**35.0**	**-50.6**	**21.5**	**-60.5**	**11.6**
Cash flow after investing activities	**5.4**	**59.6**	**-39.7**	**69.5**	**-3.7**	**105.5**
Cash flow from financing activities	**-21.2**	**-18.2**	**-2.3**	**-31.6**	**-47.9**	**-77.2**
Cash flow for the period	**-15.8**	**41.4**	**-42.0**	**37.9**	**-51.6**	**28.3**
Cash and cash equivalents at beginning of period	42.0	37.5	69.2	38.6	78.8	38.6
Exchange rate difference in cash and cash equivalents	0.1	-0.1	-0.9	2.3	-0.9	2.3
Cash and cash equivalents at end of period	**26.3**	**78.8**	**26.3**	**78.8**	**26.3**	**69.2**

QUARTERLY DATA GROUP (SEK M)	3/2006	2/2006	1/2006	4/2005	3/2005	2/2005	1/2005	4/2004	3/2004	2/2004	1/2004
Net sales	431.1	474.5	556.4	470.1	411.8	446.6	453.7	454.8	418.2	444.3	490.1
Operating expenses	-409.3	-499.8	-531.8	-446.9	-401.0	-428.6	-435.1	-434.1	-399.0	-382.1	-478.6
Operating profit	**21.8**	**-25.3**	**24.6**	**23.2**	**10.8**	**18.0**	**18.6**	**20.7**	**19.2**	**62.2**	**11.5**
Net financial items	-9.6	-9.1	-9.6	-8.8	-8.5	-9.5	-10.1	-9.3	-11.1	-10.1	-11.7
Profit before tax	**12.2**	**-34.4**	**15.0**	**14.4**	**2.3**	**8.5**	**8.5**	**11.4**	**8.1**	**52.1**	**-0.2**
Capital gain on sale of fixed assets					16.0				12.4		
Impairment charges											
Restructuring charges		-45.0			-24.4				-12.3	-6.8	
Final settlement in Bauwens dispute										61.5	
		-45.0			-8.4				0.1	54.7	
Adjusted operating profit	**21.8**	**19.7**	**24.6**	**23.2**	**19.2**	**18.0**	**18.6**	**20.7**	**19.1**	**7.5**	**11.5**
Adjusted profit before tax	**12.2**	**10.6**	**15.0**	**14.4**	**10.7**	**8.5**	**8.5**	**11.4**	**8.0**	**-2.6**	**-0.2**