
Strong earnings for Setra in 2006

Setra, Sweden's largest wood products company, reports a continued strong profit trend. Operating profit for 2006 amounted to SEK 257 million (-105), an improvement of SEK 362 million compared with the previous year. Profit after financial items was SEK 212 million (-154). Consolidated net sales rose, primarily as an effect of higher prices, to SEK 5,844 million (5,378). Cash flow from operating activities for the full year amounted to SEK 430 million (-39).

The fourth quarter of 2006 was Setra's strongest-ever quarter in terms of earnings. More than half of the operating profit for the year, SEK 132 million (-44), is attributable to this quarter.

Kent Torwald, President and CEO: "The market was strong which provided scope for a very favourable price development. But the earnings improvement is also a result of extensive work within Setra with a sharpened business focus through efficiency enhancements and efforts related to both costs and revenues.

"It is highly gratifying that this positive profit trend is accompanied by an even better cash flow." Cash flow from operating activities for the full year amounted to SEK 430 million (-39).

Setra has a clear strategy to increase the value-added of its wood products and will concentrate its resources in this direction. Natural steps in line with this strategy were taken during the fourth quarter with the acquisition of Rolfs Såg & Hyvleri AB and the sale of the board specialist company Ceos Industriprodukter AB. As part of ongoing efficiency enhancements, a decision was made at the start of the year to close the sawmill in Skästra and concentrate special sawing of veneer logs to Horndal.

"Although the market will probably not experience the same exceptional price rises as in 2006, the overall assessment is that market conditions will remain favourable during the current year," says Torwald.

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The complete year-end report can be accessed at www.setragroup.com under "Financial reports".

Setra Group

Setra, Sweden's largest wood products company, sells wood-based products and solutions to the building trade and industrial customers. The Group has 1,400 employees and annual sales of approximately SEK 6 billion, of which exports – primarily to the UK, Denmark, Germany, Spain, Norway and Japan – account for about 55%.

Setra operates 19 production units in Sweden for manufacture of sawn timber, panels, mouldings, floors and gluelam beams. Setra's industrial construction system is called "Trälyftet".

Setra has some 2,400 shareholders. The largest shareholders are Sveaskog AB (50%), Skogsägarna Mellanskog ekonomisk förening (26%) and Lantbrukarnas Ekonomi AB (LRF) (23%). Other shareholders own approximately 1% of the shares. For more information, visit www.setragroup.com