

## INTERIM REPORT JANUARY–SEPTEMBER 2008



**WOOD FOR LIFE**

# Interim Report January–September 2008

- Consolidated net sales for the January – September 2008 period amounted to SEK 3,886 million (4,680). The reduction compared to the same period the previous year is the result of both lower prices and volumes. Net sales for the third quarter amounted to SEK 1,124 million (1,355).
- Operating profit for the January – September 2008 period amounted to SEK -174 million (703), which is SEK 877 million less than the same period the previous year. The weaker result is mainly an effect of lower selling prices and sustained high raw material costs. The operating profit for the third quarter amounted to SEK -97 million (220).
- Profit after tax for the January – September 2008 period amounted to SEK -155 million (486). Earnings per share amounted to SEK -4.98 (15.38).
- Cash flow from operating activities for the January – September 2008 period amounted to SEK 175 million (190). The cash flow for the third quarter amounted to SEK 237 million (240). The positive cash flow in 2008 is mainly related to reduced stock levels.
- During the January – September 2008 period stock levels were reduced by SEK 278 million, of which around SEK 200 million relates to the third quarter.
- In the first quarter a decision was taken to scale down production equivalent to 200,000 m<sup>3</sup> of sawn wood. With effect from 1 September this, combined with previous production cuts, represents a 20% reduction in production levels on an annual basis. Seskarö sawmill was closed in the second quarter.

	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept	2007 Jan.-Sept	2007/08 Oct.-Sept.	2007 Jan.-Dec
<b>Setra Group – Group</b>						
Net sales, SEK m	<b>1,124</b>	1,355	<b>3,886</b>	4,680	<b>5,265</b>	6,059
Operating profit, SEK m	<b>-97</b>	220	<b>-174</b>	703	<b>-106</b>	771
Operating margin, %	<b>-8.6</b>	16.2	<b>-4.5</b>	15.0	<b>-2.0</b>	12.7
Profit after tax, SEK m	<b>-81</b>	153	<b>-155</b>	486	<b>-113</b>	528
Earnings per share, SEK (no dilution)	<b>-2.59</b>	4.83	<b>-4.98</b>	15.38	<b>-3.64</b>	16.72
Cash flow from operating activities, SEK m	<b>237</b>	240	<b>175</b>	190	<b>41</b>	56
Return on operating capital, % (rolling 12 months)					<b>-5.0</b>	40.3
Debt/equity ratio, %					<b>85</b>	59



### CEO's comments

Setra is reporting an operating loss of SEK 97 million for the third quarter. The decline in profit compared to the same period the previous year is an effect of both lower prices and volumes. A large portion of the operating loss is attributable to the units in northern Sweden. Despite the weak result, on the positive side stock levels have fallen and the accumulated cash flow is in line with the previous year. Setra's stocks of finished products were at a lower level at the end of the quarter than the same period last year.

Setra has implemented extensive measures to cut production, and the new production level is now 20% lower on an annual basis than the previous year. The decision to scale down production which was taken at the beginning of the year was intended to be a short-term measure. Today we believe that the new production level will be sustained throughout this financial year, although additional measures cannot be excluded.

We believe that the construction market, especially under the pressure of the financial crisis, will decline further. The next few quarters will continue to be tough, with weak profits and margins throughout the industry. To gain a better balance between supply and demand in a situation where we are continuing to see a fall in wood product consumption, it is crucial that the large production cuts announced by the major European producers are actually implemented.

Kent Torwald  
*President and CEO*



### Market overview, wood products

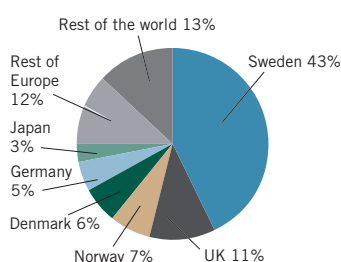
Setra's sales consist primarily of sawn and planed wood products. Most of these products are exported to regions such as Northern Europe, the Mediterranean countries, the Middle East and Japan. Most of the products Setra manufactures are used directly or indirectly for construction and homes. Developments in the construction market and general economic growth trends are therefore the main drivers of demand for Setra's products.

Under the pressure of a serious financial crisis, the construction market in Europe, which is Setra's main market,

has declined sharply. The full impact has not, however, been felt due to the volume of orders that construction companies are working with. Examples from the UK show that the number of housing mortgages granted for private new construction has fallen to a record low level, while public housing construction and infrastructure projects are going ahead.

Growth in the European economies is expected to continue to decline and is estimated over the next couple of quarters to approach zero growth. Recent developments in the world's financial markets have not improved this estimation.

**Net sales by geographic market  
January – September 2008**



- Model of a residential block called Ekorren in central Skellefteå where Setra started constructing homes and garages made from wood in September 2008.

The problem in the wood products market is the imbalance that has prevailed between supply and demand. As a result of the production cuts that have been implemented and that are increasingly being implemented in the large producer nations, the stock situation is largely under control and a degree of price stabilisation has been noted. A decline in felling levels, export duties that continue to be imposed by Russia and a relative higher demand for raw materials from the pulp and paper industry in the third quarter have also helped lower wood product production. To this we can add the growing problem of reduced access to working capital as a result of the crisis in the banking system.

### The raw materials market

Setra's raw materials consist of pine and spruce sawlogs from Swedish forests. Setra's main raw material suppliers are Sveaskog and Mellanskog. Setra has its own small purchasing operation in the Norrbotten and Västerbotten regions. In September 2008 Setra started a local purchasing organisation in Vimmerby.

The increased Russian export duties have caused players in the Swedish raw material market to reduce the amount of wood they import, which has resulted in rising pulpwood prices. Pulpwood price trends also to some extent affect sawlog prices, particularly for the small dimensions.

In the third quarter sawlog prices have in general remained stable or have fallen. Price reductions have been greater in southern Sweden than in the north.

Setra's spruce sawlog stocks at the beginning of the year were unusually large, due mainly to the production cuts implemented in the fourth quarter of 2007. In line with a normal annual variation and an adjustment to a lower total production volume, the sawlog stocks decreased during the year.

### Group net sales

The Group's net sales for the January – September period amounted to SEK 3,886 million (4,680), a reduction of 17% compared to the same period last year. The reduction is a result of both lower prices and lower sales volumes.

Net sales for the third quarter amounted to SEK 1,124 million (1,355).

Setra's goal is to increase the percentage of processed products from 10% in 2005 to at least 25% in 2009. For the January – September 2008 period, processed products made up 19% (19) of the total deliver volume.

### Group earnings

The operating profit for January – September amounted to SEK -174 million (703), which is a decline of SEK 877 million on the same period the previous year. The decline is mainly an effect of lower prices and sustained high raw material costs. The operating profit for the January – September 2008 period includes a capital gain of SEK 10 million for a supplementary payment from the sale of Ceos Industriprodukter AB in 2006. The operating profit for the third quarter was SEK -97 million (220).

The operating margin for the January – September period amounted to -4.5% (15.0). The operating margin for the third quarter amounted to -8.6% (16.2).

The profit after net financial items for the January – September period amounted to SEK -215 million (675). Net financial items amounted to SEK -41 million (-28). Profits after net financial items for the third quarter amounted to SEK -112 million (212).

The profit after tax for the January – September period amounted to SEK -155 million (486). Tax income amounted to SEK 60 million (-189), which is equivalent to around 28% of pre-tax profit.

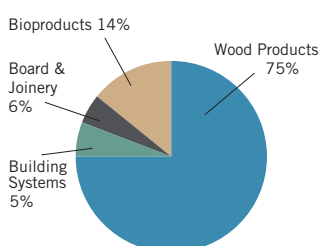
### Net sales and earnings by division

#### Wood Products

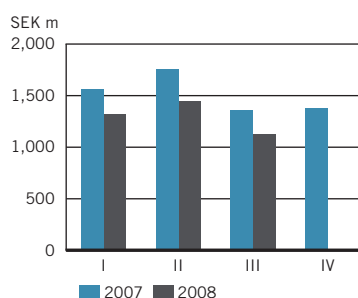
Wood Products is Setra's largest division. It produces and sells sawn wood and processed products to manufacturers and the building materials trade. Exports make up around 70% of sales.

Net sales for the January – September period amounted to SEK 2,929 million (3,686) or 75% (79) of the Group's total net sales. The total volume of sawn and processed wood products delivered in the January – September period

**Net sales by division  
January – September 2008**



**Net sales  
by quarter**



amounted to 1,506,000 (1,624,000) m<sup>3</sup>.

Setra continued to experience a negative development in its wood products sales in the third quarter in most markets, both in terms of prices and volume. The decline in sales has been particularly significant in the markets in the UK and Spain, which are important markets for Setra. Sales in the North African markets, on the other hand, continue to develop well. The Japanese market is also starting to show signs of some recovery.

The financial crisis, slowing of construction activity in most European countries and large producer stocks of finished products all explain the weak development in the market. As a result of measures to cut production in combination with efforts to improve sales, Setra's stock levels were greatly reduced during the period.

To reduce stock levels and improve cash flow, Setra decided in February to implement a production scale down equivalent to 200,000 m<sup>3</sup>. These measures will have an impact from 1 September and will affect the sawmills in Lövhölm, Färila, Heby, Nyby and Kastet. The production cuts also affect the employees at the processing units in Valbo and Skutskär as well as the distribution centre in Katrineholm. A total of around 100 employees have been given notice.

The co-determination negotiations in the second quarter conducted according to the Swedish Co-Determination Act (MBL) regarding the closure of Seskarö sawmill in Haparanda municipality were concluded at the end of June. A total of around 60 employees have been given notice.

The operation profit for Wood Products including Bioproducts for the January – September period amounted to SEK -160 million (742). The operating profit was negatively affected by lower prices and volumes for sawn wood products as well as by sustained high raw material costs. The majority of the decline in profits is related to the operations in northern Sweden. The operating profit for Wood Products including Bioproducts for the third quarter amounted to SEK -99 million (228).

### Bioproducts

The Bioproducts division is responsible for the sale of chips, sawdust, bark and other products generated in connection with sawing and processing. The customers are found in the pulp and paper industry and the energy sector.

Net sales for the January – September period amounted to SEK 528 million (545) or 14% (12) of the Group's net sales.

Raw chips, which are sold to the pulp and paper industry, are the most important products in terms of value. Sawdust and bark go to the energy sector and are mainly sold under annual contracts before the beginning of each heating season. Most of the sales contracts signed for sawdust and bark for the 2008 – 2009 heating season involve rising prices. The price of bioproducts has increased, but a lower total production volume of sawn wood will cause the volume of bioproducts to fall during the year.

The operating profit for Bioproducts is reported with the Wood Products division's profit.

### Board & Joinery

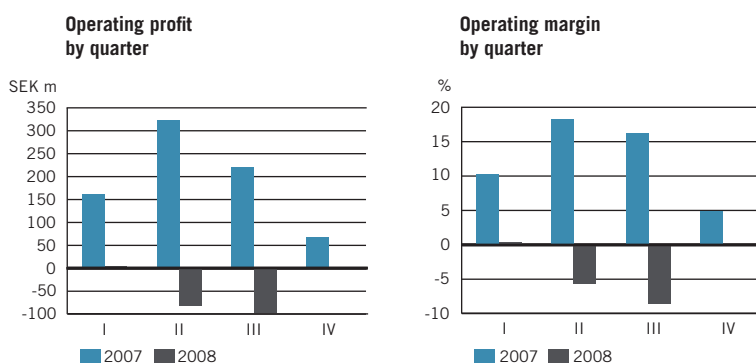
This division purchases, sells and distributes board and joinery products to the Swedish building materials trade.

Net sales for the January – September period amounted to SEK 225 million (342) or 6% (7) of the Group's total net sales.

Sales growth was weak during the third quarter compared to the same period the previous year. Apart from the lower demand, sales volumes have been negatively affected by the strategic work that is under way to streamline the product range and increase the percentage of products imported by Setra. Sales of doors and frames imported by Setra continued to develop well in the third quarter.

The division will continue to improve efficiency and in autumn 2008, will move all of its storage and logistics activity to Katrineholm. From this location, eco-friendly logistics solutions using rail services will be offered to locations throughout Sweden. The existing storage unit in Skärholmen will be closed down in the first quarter of 2009.

The operating profit for Board & Joinery for the January





– September period amounted to SEK 2 million (-9). The profit for the period includes a capital gain of SEK 10 million for a supplementary payment from the sale of Ceos Industriprodukter AB in 2006. It also includes a net effect of SEK 5 million in the third quarter for the sale of property in Katrineholm and the cost of closing down the storage unit in Skärholmen. The previous year includes the cost of closing down a distribution centre in the amount of SEK -9 million. The operating profit for the third quarter amounted to SEK 1 million (1).

### Building Systems

Building Systems is responsible for Setra's construction offering. This comprises construction solutions made from glulam, the Trälyftet building system and industrial production of construction units and modules at Setra's Plusshus factories. Setra Plusshus' profits are reported as part of the divisions as of January 2008.

Net sales in the January – September amounted to SEK 204 million (107) or 5% (2) of the Group's total net sales.

The main markets for glulam are Sweden, Germany and Japan. Sales in the Swedish market continued to grow to the building materials trade as well as to industry and construction project customers. In terms of volume, glulam exports have been weak in the period.

Deliveries from Setra Plusshus have remained strong, although the decline in the construction market in the third quarter has started to impact order intake to some extent.

The market launch of Trälyftet, Setra's building system for multi-storey buildings made from wood, is progressing according to plan. In Skellefteå, where Setra is constructing homes and garages made from wood in a residential block called Ekkoren, construction started on the parking garage in September.

The operating profit for Building Systems for the January – September period amounted to SEK 9 million (2). The operating profit for the third quarter amounted to SEK 6 million (1).

### Earnings per share

Earnings per share for the January – September period amounted to SEK -4.98 (15.38). Earnings per share for the third quarter amounted to SEK -2.59 (4.83). There is no dilution since there are no convertible loans or warrants.

### Investments

Investments in property, plant and equipment for the January – September 2008 period amounted to SEK 156 million (93). Larger investments in progress are log sorting in Skinnskatteberg, a new band saw line in Nyby, a paint shop in Kvarnåsen and modernisation of a saw line in Hasselfors. In view of the weak market, Setra has decided to postpone the start of an investment in an integrated planing line in Hasselfors.

### Acquisitions

#### Plusshus

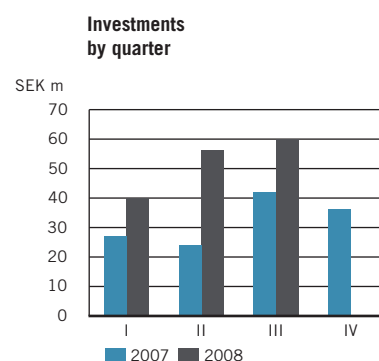
In January Setra increased its ownership of the industrial building manufacturer, Plusshus, from 15% to 51%. Plusshus manufactures and sells prefabricated construction units and modules from its own factories in Arvidsjaur and Kristinehamn. The company, which doubled its annual sales over a three-year period to around SEK 150 million, has around 80 employees.

Setra and Plusshus have had a close and successful partnership for a number of years. This will now be intensified as part of the process of commercialising Trälyftet, Setra's industrial building system for multi-storey buildings made from wood. The subsidiary, renamed Setra Plusshus AB, is now part of Setra's Building Systems division.

The purchase price paid including a new share issue, amounts to SEK 27 million. A preliminary acquisition analysis shows that the net of identifiable assets and liabilities amounted to SEK 11 million, and goodwill of SEK 16 million will be reported.

#### Barkevik Bruk

In April, following approval by the Norwegian competition authorities, the acquisition of all shares in the Norwegian moulding specialist Barkevik Bruk AS was concluded. The



company, which is one of Norway's leading manufacturers of pine and oak mouldings, has 45 employees. Barkevik's annual sales have doubled over the past three years and amount to just over SEK 125 million. The company's operations are located in Helgeroa about 150 kilometres south of Oslo.

This acquisition strengthens Setra's position in the Norwegian market and expands the current offering to the Norwegian building materials trade, both in terms of products and logistics. Before the acquisition, Setra was already an important supplier for Barkevik, providing high quality pine raw material for mouldings. The company will continue to be operated by its current management under the new name of Setra Barkevik.

A preliminary acquisition analysis shows that the net of identifiable assets and liabilities amounts to SEK 32 million, and goodwill of SEK 21 million will be reported.

### Cash flow, financial position and liquidity

The cash flow from operating activities for the January – September period amounted to SEK 175 million (190). The cash flow in the third quarter amounted to SEK 237 million (240) and was positively affected by reduced stock levels. In the January – September period stock levels were reduced by SEK 278 million, of which around SEK 200 million relates to the third quarter.

Interest-bearing net debt on 30 September amounted to SEK 972 million (650). The net debt at the beginning of the year was SEK 818 million. The debt/equity ratio on 30 September amounted to 85% (47). At the beginning of the year the debt/equity ratio was 59%. The equity ratio on 30 September was 37% (43).

As of 30 September the Group's overdraft facility had been utilised in the amount of SEK 130 million. At the beginning of the year the utilised portion of the overdraft facility was SEK 75 million. The Group's overdraft facility has a limit of SEK 700 million.

### Personnel

The average number of employees for the January – September 2008 period amounted to 1,449 (1,459).

The figure for January – September 2008 period includes around 130 employees from the recently acquired subsidiaries Setra Plusshus and Setra Barkevik.

### Parent Company

The Parent Company is mainly involved in group-wide management and administration.

The Parent Company's profit after financial items for the January – September period amounted to SEK 8 million (-10). The Parent Company has not made any investments in intangible assets or property, plant and equipment. The utilised portion of the overdraft facility amounted to SEK 163 million as of 30 September. At the beginning of the year SEK 108 million of the overdraft facility had been utilised.

### Material risks and uncertainties

Due to the nature of its operations, the Group is exposed to both operating and financial risk.

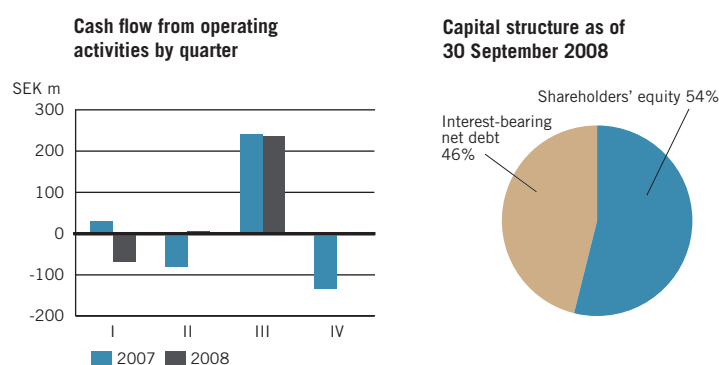
The Group's profitability and financial position are mainly affected by development in the building sector and trends in sawn and planed wood products prices. As a consequence of the high level of stocks among producers and a weaker construction situation, the wood products market was characterised by price pressure and weak profitability.

Setra's raw material costs account for around 50% of operating expenses. The raw material price trends can therefore have a significant impact on earnings.

The Group's main financial risk is currency risk, since a significant portion of revenues are invoiced in foreign currencies, mainly EUR and GBP. Currency risk is managed by anticipated flows being hedged through forward contracts. As of 30 September around 75% of Setra's transaction exposure for the subsequent 12-month period was hedged.

The Parent Company's risks are primarily of a financial nature and mainly relate to management of the Group's currency risk.

A complete account of identified risks and the company's risk management is provided in the 2007 Annual Report.



### Related party transactions

Apart from transactions with its subsidiaries, the Parent Company has had no transactions with related parties.

The Group's significant related party transactions have consisted of transactions with the principal shareholders Sveaskog and Mellanskog. Most of the Group's sawlog purchases, amounting to around 50% of operating expenses, and sales of bioproducts, have taken place through Sveaskog and Mellanskog.

### Future prospects

The Board believes that the 2008 margins and profits will be significantly lower than in 2007.

### Annual General Meeting 2009

The Annual General Meeting will be held on 27 April 2009 in Solna.

### Accounting principles

This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and for the Parent Company in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for Legal Entities. The accounting principles applied for the Group and the Parent Company are the same as those used in the preparation of the most recent Annual Report.

Solna, 29 October 2008

The Board of Directors for Setra Group AB (publ),  
corp. reg. no. 556034-8483

Hans Karlander <i>Chairman of the Board</i>	Almar Burvall <i>Board member</i>	Lars Gabrielsson <i>Board member</i>
Eva-Britt Gustafsson <i>Board member</i>	Lars Holmgren <i>Board member</i>	Anna-Greta Lundh <i>Board member</i>
Gunnar Olofsson <i>Board member</i>	Kenneth Fendinge <i>Board member Employee representative</i>	Karin Pedersen <i>Board member Employee representative</i>
Gösta Utterström <i>Board member Employee representative</i>	Kent Torwald <i>President and CEO</i>	

*This annual report has been reviewed by the company's auditors.  
The review report is on page 9.*

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### Financial calendar

3 February 2009 Year-end report  
27 April 2009 Interim report, January – March 2009



## Review report

To the Board of Directors for Setra Group AB (publ.)  
Corp. reg. no. 556034-8483

### Introduction

We have reviewed the financial report for Setra Group AB (publ) for the period 1 January 2008 – 30 September 2008. It is the responsibility of the Board of Directors and the CEO to prepare and present these interim financial statements in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express an opinion on the interim financial statements based on our review.

### Focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially limited in scope compared to the focus and scope of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the opinion expressed based on a review does not give the same level of assurance as an opinion expressed on the basis of an audit.

### Conclusion

On the basis of our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material aspects, prepared in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Solna, 29 October 2008

KPMG AB

Ola Forsberg

*Authorised Public Accountant*



- All Setra's raw materials meet the criteria for controlled wood as required by the FSC and PEFC forest certification systems. Both systems guarantee, through slightly different standards, that forests are cultivated and felled in a way that is sustainable in the long-term.

# Consolidated income statement

SEK m	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept.	2007 Jan.-Sept.	2007/08 Oct.-Sept.	2007 Jan.-Dec.
Net sales	1,124	1,355	3,886	4,680	5,265	6,059
Other operating income	13	10	33	28	45	40
	1,137	1,365	3,919	4,708	5,310	6,099
Change in inventories of product in progress and finished goods	-184	90	-205	210	-72	343
Raw material and consumables	-485	-656	-2,045	-2,288	-2,813	-3,056
Goods for resale	-84	-110	-273	-327	-379	-433
Other external costs	-292	-278	-917	-954	-1,246	-1,283
Personnel costs	-152	-152	-520	-526	-709	-715
Depreciation according to plan	-37	-36	-112	-111	-150	-149
Impairment	-	-	-	-	-23	-23
Other operating expenses	0	-3	-21	-9	-24	-12
<b>Operating profit</b>	<b>-97</b>	<b>220</b>	<b>-174</b>	<b>703</b>	<b>-106</b>	<b>771</b>
Net financial items	-15	-8	-41	-28	-49	-36
<b>Profit after financial items</b>	<b>-112</b>	<b>212</b>	<b>-215</b>	<b>675</b>	<b>-155</b>	<b>735</b>
Tax	31	-59	60	-189	42	-207
<b>Profit for the period</b>	<b>-81</b>	<b>153</b>	<b>-155</b>	<b>486</b>	<b>-113</b>	<b>528</b>
<b>Profit attributable to:</b>						
Equity holders of the parent company	-82	153	-158	486	-116	528
Minority interests	1	0	3	0	3	-
Earnings per share, SEK (no dilution)	-2.59	4.83	-4.98	15.38	-3.64	16.72

## Net sales and operating profit by division

SEK m	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept.	2007 Jan.-Sept.	2007/08 Oct.-Sept.	2007 Jan.-Dec.
<b>Net sales</b>						
Wood products	856	1,053	2,929	3,686	3,972	4,729
Bioproducts	140	164	528	545	730	747
Board & Joinery	70	108	225	342	333	450
Building Systems	58	30	204	107	230	133
	1,124	1,355	3,886	4,680	5,265	6,059
SEK m	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept.	2007 Jan.-Sept.	2007/08 Oct.-Sept.	2007 Jan.-Dec.
<b>Operating profit</b>						
Wood Products incl. Bioproducts	-99	228	-160	742	-79	823
Board & Joinery	1	1	2	-9	7	-4
Building Systems	6	1	9	2	6	-1
Shared and Group eliminations	-5	-10	-25	-32	-40	-47
	-97	220	-174	703	-106	771

Non-recurring items are included in Board & Joinery in the amount of SEK 15 million in the January – September 2008 and October – September 2007/08 periods, and SEK 5 million in the July – September 2008 period, and SEK -9 million in the January – September 2007 and January – December 2007 periods. In Wood Products incl. Bioproducts, non-recurring items amount to SEK -55 million in the October – September 2007/08 and January – December 2007 periods.

# Consolidated balance sheet and changes in equity

SEK m	2008 30 Sept.	2007 30 Sept.	2007 31 Dec.
<i>Non-current assets</i>			
Goodwill	164	126	126
Other intangible non-current assets	7	9	9
Property, plant and equipment	1,104	1,026	999
Financial assets	5	9	10
Deferred tax assets	129	47	53
	<b>1,409</b>	<b>1,217</b>	<b>1,197</b>
<i>Current assets</i>			
Inventories	948	1,017	1,194
Trade receivables	590	742	616
Other current assets	150	182	125
Cash and cash equivalents	16	97	-
	<b>1,704</b>	<b>2,038</b>	<b>1,935</b>
<b>Total assets</b>	<b>3,113</b>	<b>3,255</b>	<b>3,132</b>
<i>Equity</i>	<b>1,139</b>	1,386	1,390
<i>Non-current liabilities</i>			
Interest-bearing liabilities	818	703	699
Interest-bearing provisions	29	27	27
Deferred tax liability	147	121	111
	<b>994</b>	<b>851</b>	<b>837</b>
<i>Current liabilities</i>			
Interest-bearing liabilities	149	17	92
Trade payables	392	481	408
Other non-interest-bearing liabilities	381	453	326
Non-interest-bearing provisions	58	67	79
	<b>980</b>	<b>1,018</b>	<b>905</b>
<b>Total equity and liabilities</b>	<b>3,113</b>	<b>3,255</b>	<b>3,132</b>
Pledged assets	50	7	7
Contingent liabilities	7	1	5

## Statement of changes in equity

SEK m	2008 30 Sept.	2007 30 Sept.	2007 31 Dec.
Opening equity	1,390	939	939
Changes in hedging reserve	-33	6	-28
Translation differences in equity etc.	1	0	-5
Profit for the period	-155	486	528
Dividend	-79	-43	-43
Acquisition of minority	15	-1	-1
<b>Closing equity</b>	<b>1,139</b>	<b>1,386</b>	<b>1,390</b>

The number of shares on 30 September 2008 was 31,706,672. The average number of shares corresponds to the number of shares.

# Consolidated cash flow statement

SEK m	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept.	2007 Jan.-Sept.	2007/08 Oct.-Sept.	2007 Jan.-Dec.
<b>Operating activities</b>						
Profit after financial items	-112	212	-215	675	-155	735
Adjustment for non-cash items, etc.	21	30	89	119	161	191
	-91	242	-126	794	6	926
Paid tax	0	0	17	0	-128	-145
<b>Cash flow from operating activities before change in working capital</b>	<b>-91</b>	<b>242</b>	<b>-109</b>	<b>794</b>	<b>-122</b>	<b>781</b>
<i>Cash flow from change in working capital</i>						
Change in inventories	196	-82	278	-304	101	-481
Change in operating receivables	159	81	65	-83	223	75
Change in operating liabilities	-27	-1	-59	-217	-161	-319
<b>Cash flow from operating activities</b>	<b>237</b>	<b>240</b>	<b>175</b>	<b>190</b>	<b>41</b>	<b>56</b>
<b>Investment activities</b>						
Acquisition of subsidiary, net effect on liquidity	-	-3	-63	-3	-63	-3
Purchase of property, plant and equipment and intangible non-current assets	-60	-42	-156	-93	-192	-129
Sale of property, plant and equipment	-	-	-	-	2	2
Change in financial assets	0	2	0	0	0	0
<b>Cash flow from investment activities</b>	<b>-60</b>	<b>-43</b>	<b>-219</b>	<b>-96</b>	<b>-253</b>	<b>-130</b>
<b>Financing activities</b>						
Change in financing liabilities	-185	-100	139	-313	210	-242
Dividend	-	-	-79	-43	-79	-43
<b>Cash flow from financing activities</b>	<b>-185</b>	<b>-100</b>	<b>60</b>	<b>-356</b>	<b>131</b>	<b>-285</b>
<b>Cash flow for the period (change in cash and cash equivalents)</b>	<b>-8</b>	<b>97</b>	<b>16</b>	<b>-262</b>	<b>-81</b>	<b>-359</b>
Cash and cash equivalents at beginning of period	24	-	-	359	97	359
Exchange difference in cash and cash equivalents	0	0	0	0	0	0
<b>Cash and cash equivalents at end of period</b>	<b>16</b>	<b>97</b>	<b>16</b>	<b>97</b>	<b>16</b>	<b>-</b>

## Change in financial net debt

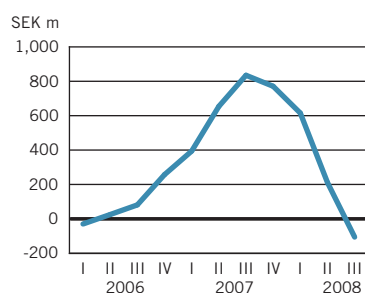
SEK m	3 months		9 months		12 months	
	2008 July-Sept.	2007 July-Sept.	2008 Jan.-Sept.	2007 Jan.-Sept.	2007/08 Oct.-Sept.	2007 Jan.-Dec.
Opening financial net debt	-1,149	-847	-818	-700	-650	-700
Cash flow						
Operating activities before change in working capital	-91	242	-109	794	-122	781
Change in working capital	328	-2	284	-604	163	-725
Investment activity	-60	-43	-219	-96	-253	-130
Dividend	-	-	-79	-43	-79	-43
Financial net debt in acquired subsidiaries	-	-	-32	-	-32	-
<b>Closing financial net debt</b>	<b>-972</b>	<b>-650</b>	<b>-972</b>	<b>-650</b>	<b>-972</b>	<b>-818</b>

# Quarterly data and key figures for the Group

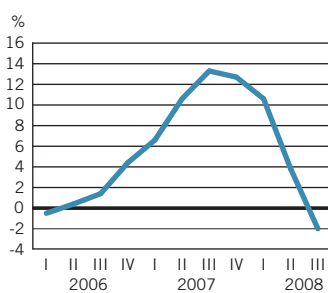
SEK m	2008			2007				
	III	II	I	Full year	IV	III	II	I
Net sales	1,124	1,445	1,317	6,059	1,379	1,355	1,760	1,565
Other operating income	13	5	15	40	12	10	7	11
	1,137	1,450	1,332	6,099	1,391	1,365	1,767	1,576
Operating costs	-1,197	-1,494	-1,290	-5,156	-1,262	-1,109	-1,407	-1,378
Depreciation and impairment	-37	-38	-37	-172	-61	-36	-38	-37
<b>Operating profit</b>	<b>-97</b>	<b>-82</b>	<b>5</b>	<b>771</b>	<b>68</b>	<b>220</b>	<b>322</b>	<b>161</b>
Net financial items	-15	-15	-11	-36	-8	-8	-10	-10
<b>Profit after financial items</b>	<b>-112</b>	<b>-97</b>	<b>-6</b>	<b>735</b>	<b>60</b>	<b>212</b>	<b>312</b>	<b>151</b>
Tax	31	27	2	-207	-18	-59	-88	-42
<b>Profit for the period</b>	<b>-81</b>	<b>-70</b>	<b>-4</b>	<b>528</b>	<b>42</b>	<b>153</b>	<b>224</b>	<b>109</b>
Earnings per share, SEK (no dilution)	-2.59	-2.22	-0.17	16.72	1.35	4.83	7.11	3.44

Key figures	2008			2007				
	III	II	I	Full year	IV	III	II	I
Operating margin, %	-8.6	-5.7	0.4	12.7	4.9	16.2	18.3	10.3
Return on net operating assets, % (rolling 12 months)	-5.0	9.4	30.3	40.3	40.3	45.1	33.4	21.6
Return on equity, % (rolling 12 months)	-8.9	9.7	34.0	45.4	45.4	55.6	48.4	36.3
Equity ratio, %	36.6	37.4	42.1	44.4	44.4	42.6	39.1	31.5
Debt/equity ratio, %	85	90	66	59	59	47	69	68
Interest cover, times	neg.	neg.	0.5	16.6	6.7	20.2	25.0	12.5

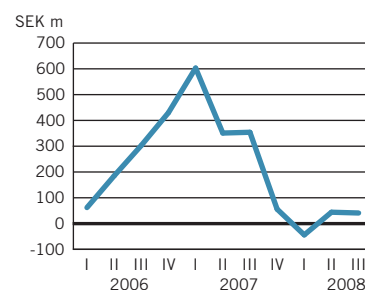
Operating profit rolling 12 months



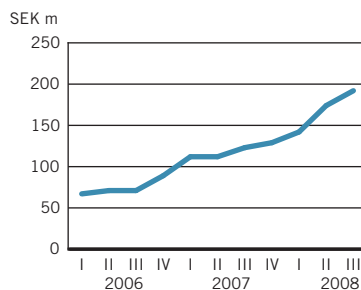
Operating margin rolling 12 months



Cash flow from operating activities rolling 12 months



Investments rolling 12 months





# Parent Company income statement

SEK m	3 months		9 months		12 months
	2008	2007	2008	2007	2007
	July-Sept.	July-Sept.	Jan.-Sept.	Jan.-Sept.	Jan.-Dec.
Other operating income	6	10	17	28	40
	6	10	17	28	40
Other external costs	-8	-9	-26	-22	-36
Employee benefit costs	-6	-6	-21	-20	-28
<b>Operating profit/loss</b>	<b>-8</b>	<b>-5</b>	<b>-30</b>	<b>-14</b>	<b>-24</b>
Net financial items	10	3	38	4	8
<b>Profit/loss after financial items</b>	<b>2</b>	<b>-2</b>	<b>8</b>	<b>-10</b>	<b>-16</b>
Tax	0	0	0	0	4
<b>Profit/loss for the period</b>	<b>2</b>	<b>-2</b>	<b>8</b>	<b>-10</b>	<b>-12</b>

# Parent Company balance sheet

SEK m	2008 30 Sept.	2007 30 Sept.	2007 31 Dec
<i>Non-current assets</i>			
Intangible non-current assets	2	1	2
Property, plant and equipment	0	0	0
Financial assets	218	679	679
Deferred tax assets	1	16	1
	221	696	682
<i>Current assets</i>			
Current receivables	1,759	855	1,073
Cash and bank balances	-	67	-
	1,759	922	1,073
<b>Total assets</b>	<b>1,980</b>	<b>1,618</b>	<b>1,755</b>
<i>Equity</i>	893	916	965
<i>Provisions</i>	0	1	0
<i>Long-term liabilities</i>			
Interest-bearing liabilities	700	600	600
<i>Current liabilities</i>			
Interest-bearing liabilities	163	-	108
Other non-interest-bearing liabilities	224	101	82
	387	101	190
<b>Total equity and liabilities</b>	<b>1,980</b>	<b>1,618</b>	<b>1,755</b>
Pledged assets	-	-	-
Contingent liabilities	35	3	34