



Interim report
January - March 2009

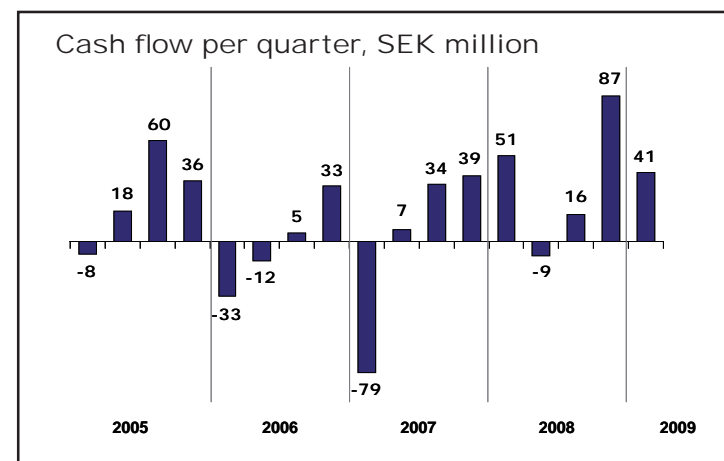
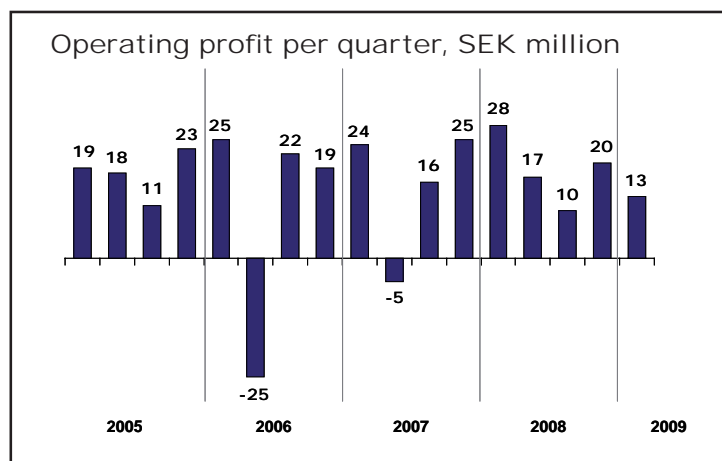


Interim report January-March 2009

“The market downturn had a negative impact on volumes and profit for the first quarter, particularly in the Euroland countries, and we are taking continued steps to reduce our costs,” says Bong’s President and CEO Anders Davidsson. “In spite of a tough market, we delivered a strong cash flow and sustained growth in our ProPac segment.”

First quarter: January-March 2009

- Net sales SEK 520 million (526)
- ProPac sales SEK 60 million (52)
- Operating profit SEK 13 MSEK (28)
- Profit after tax SEK 3 million (12)
- Basic earnings per share of SEK 0,22 (0,90)
- Cash flow after investing activities SEK 41 million (51)
- New ProPac acquisition completed: 45% of UK-based Packaging First



Bong is a leading European provider of specialised packaging and envelope products and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Two important growth areas in the Group are the new ProPac packaging concept and Russia. The Group has annual sales of approximately SEK 2 billion and some 1,200 employees in around 13 countries. Bong has a strong market position, particularly in Northern Europe, and the Group sees attractive opportunities for further expansion and development. Bong is a public limited company and its shares are quoted on the NASDAQ OMX Nordic Stock Exchange Stockholm (Small Cap).

MARKET AND INDUSTRY

Demand for envelopes in Western Europe continued to decline in the first quarter as an effect of economic slowing and inventory reduction among the distributors. The European Envelope Manufacturers Association's (FEPE) volume statistics for the first quarter were not yet available at the time of this report, but Bong's own assessment is that the market shrank by 15-20% compared to the first quarter of 2008. The DM segment was harder hit by the market downturn than traditional administrative envelopes. Russia and Eastern Europe have a falling demand, after several years of strong growth. The Russian market contracted by an estimated 10% during the first quarter, and the Baltic market by around 20%.

In response to lower demand, the industry has continued to scale down both production and capacity. For example, Mayer has closed a factory in England and Intermail has announced an upcoming relocation of envelope manufacturing from Denmark to its factory in Sweden. Furthermore, several manufacturers are taking steps to decrease their staffing and the number of machines. One typical measure is reduced working hours.

The packaging market, in which Bong is active with its ProPac range, is much larger than the envelope market, and significantly more multifaceted. As a result, it is virtually impossible to find relevant market statistics for the niches where Bong operates. Packages that are used in e-commerce, mail order and the retail trade have most likely been impacted by the market recession to a certain degree, but are expected to have major growth potential in a longer perspective.

SALES AND PROFIT JANUARY- MARCH 2009

Consolidated sales for the first quarter reached SEK 520 million (526). Foreign exchange effects and the consolidation of Lober had a positive impact and helped Bong to maintain sales at a stable level compared to previous year. In an otherwise tough market, ProPac grew by 15%.

Operating profit was SEK 13 million (27) and net financial items totalled SEK -9 million (-12). Profit before tax amounted to SEK 4 million (16) and profit after tax was SEK 3 million (12).

The drop in profit compared to the previous year is mainly attributable to shrinking volumes, which resulted in a lower contribution to cover fixed costs. Much of the increase in selling and administrative expenses for the quarter is explained by weakening of the Swedish krona against the euro and costs for the consolidation of Lober. Reduction of finished goods inventories as part of the Group's efforts to free up working capital had an effect of SEK -0.3 million on profit for the quarter.

COST-CUTTING MEASURES

In response to lower demand, Bong is working intensively with several different measures aimed at minimising the Group's costs. Staff cuts have been made on both the direct and indirect side in several countries, contracts for purchasing of freight and energy have been renegotiated and unused space is in the process of being leased to other companies. In addition, several of Bong's factories have reduced their working hours, stopped all overtime work and use of contract staff and decided to implement an earlier and extended summer holiday. All in all, these steps are expected to yield cost savings of SEK 20-25 million on an annual basis.

Bong is preparing a further reduction in working hours, temporary redundancies, etc., as a means for offsetting a continued downturn in the economy. In a first step, these measures can reduce costs by an additional SEK 10-15 annually.

CASH FLOW

Cash flow after investing activities was SEK 41 million (51). In the first quarter of 2009, working capital decreased by SEK 21 million at the same time that the sale of an unused manufacturing property in Germany generated a positive cash flow of SEK 14 million.

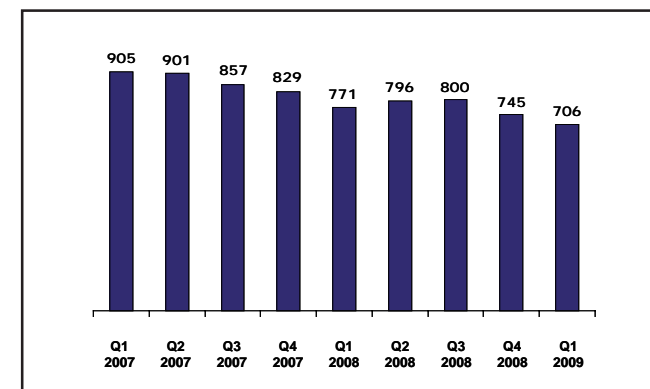
FINANCIAL POSITION

Cash and cash equivalents at 31 March 2009 totalled SEK 119 million (SEK 99 million at 31 December 2008). The sum of cash and cash equivalents and granted but unutilised credits was SEK 316 million (SEK 378 million at 31 December 2008).

Consolidated equity at 31 March 2009 amounted to SEK 628 million (SEK 629 million at 31 December 2008). Translation of the net assets of foreign subsidiaries to Swedish kronor increased consolidated equity by SEK 21 million.

In the first quarter the interest-bearing net loan debt decreased by SEK 39 million to SEK 706 million (SEK 745 million at 31 December 2008). The net loan debt was reduced by SEK 41 million through a positive cash flow and increased by SEK 2 million as a result of exchange rate movements.

Net loan debt, SEK million



INVESTMENTS

The period's net expenditure on property, plant and equipment amounted to SEK 1 million (9), at the same time that the sale of a property in Germany generated a positive cash flow of SEK 14 million. The result was a disinvestment of SEK 13 million during the quarter.

EMPLOYEES

The average number of employees during the quarter was 1 233 (1 270). The number of employees at 31 March 2009 was 1 223 (1 244).

MANAGEMENT SHARE ACQUISITION

In January 2009 the members of Bong's executive management team acquired 540,000 shares, equal to 4.1% of the company. Following the transaction Bong's executive management team holds 617,700 shares, equal to 4.6% of the total share capital. After the transaction, Bong's President and CEO Anders Davidsson has a total holding of 182,600 shares in the company.

PARENT COMPANY

The activities of the Parent Company include administration of operating subsidiaries and Group management functions. Net sales are reported at SEK 0 million (0) and the period's loss before tax was SEK 26 million (10).

No capital expenditure was incurred during the period (0). The sum of cash and cash equivalents and granted but unutilised credits was SEK 316 million (SEK 378 million at 31 December 2008).

SUBSEQUENT EVENTS

ProPac acquisition in England

As announced in a separate press release dated 4 May 2009, Bong has acquired 45% of the UK-based packaging wholesaler Packaging First Limited as part of its strategy for growth in various packaging solutions. Bong has an option to acquire an additional 40% of the company within a period of three years. The acquisition

is expected to make a positive contribution to Bong's profit starting in the second quarter of 2009. Packaging First was established around ten years ago and currently has annual sales of approximately SEK 25 million (GBP 2.2 million).

OPPORTUNITIES AND RISKS

The risks arising in Bong's operations are related primarily to market development and different types of financial risk. For further information about the Group's opportunities and risks, see Bong's annual report and website www.bongljungdahl.se.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. For a description of the new amendments, revisions, interpretations and standards effective for periods beginning on or after 1 January 2009, see Bong's annual report for 2008.

One of these changes, the revised IAS 1 Presentation of Financial Statements, has mainly involved changes in presentation of the income statement and statement of changes in equity. The applied accounting policies correspond to those used in the most recently published annual report.

OUTLOOK

In view of the unpredictable situation in the global economy, Bong has chosen not to make any forecast for the full year 2009.

Kristianstad, 14 May 2009
BONG LJUNGDAHL AB

Anders Davidsson
President and CEO

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

Presentation of the report

The interim report will be presented in a telephone conference starting at 9:00 a.m. on 15 May 2009. The number to the telephone conference is +46 (0)8 5052 0110. By 8:00 a.m. at the latest, pictures will be available on our website www.bongljungdahl.se.

Additional information

For additional information 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:

- Interim report January-June, Augusti 21, 2009
- Interim report January-September, 13 november 2009
- Year-end-report 2009, February 2010



**CONSOLIDATED PROFIT AND
LOSS ACCOUNTS IN SUMMARY
(SEK M)**

	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Net sales	520,1	525,5	1 931,7	1 937,1
Cost of goods sold	-403,7	-408,8	-1 544,6	-1 549,8
Gross profit	116,4	116,7	387,0	387,3
Selling expenses	-56,6	-49,5	-191,0	-183,8
Administrative expenses	-45,9	-39,5	-150,9	-144,5
Other operating income and expenses	-0,7	-0,2	14,7	15,3
Operating profit	13,1	27,5	59,9	74,3
Net financial items	-8,9	-11,8	-51,3	-54,2
Profit before tax	4,2	15,7	8,6	20,1
Income tax	-1,3	-3,7	-7,2	-9,6
Profit after tax	2,9	12,0	1,5	10,5
Profit for the period attributable to minority interest	1,0	-0,1	1,1	0,0
Basic earnings per share, SEK	0,22	0,90	0,12	0,80
Diluted earnings per share, SEK	0,22	0,88	0,12	0,78
Average number of shares, basic	13 128 227	13 128 227	13 128 227	13 128 227
Average number of shares, diluted	13 332 227	13 428 227	13 332 227	13 332 227

**COMPREHENSIVE INCOME
(SEK M)**

	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Profit after tax	2,9	12,0	1,5	10,5
Other comprehensive income				
Cash flow hedges	-18,6	-	-32,3	-13,7
Hedging of net investments	-10,1	-0,7	-25,0	-15,6
Translation differences	20,6	-8,8	97,2	67,8
Revaluationreserve on acquisitions of shares in subsidiaries			3,3	3,3
Income tax relating to components of other comprehensive income	3,7	0,6	21,3	18,2
Other comprehensive income after tax	-4,4	-8,9	64,5	60,0
TOTAL PROFIT	-1,5	3,1	65,9	70,5

Total profit assignable to:

Shareholders in parent company	-2,8	3,0	63,8	69,6
Minority interest	1,3	0,1	2,1	0,9

**CONSOLIDATED BALANCE SHEETS
IN SUMMARY (SEK M)**

	31 Mar 2009	31 Mar 2008	31 Dec 2008
Assets			
Intangible assets	433,0	351,8	428,7
Tangible assets	608,9	598,8	642,8
Financial assets	107,2	146,0	99,0
Inventories	257,7	269,1	258,9
Current receivables	357,5	365,7	345,0
Cash and cash equivalent	119,3	44,0	99,1
Total assets	1 883,7	1 775,4	1 873,4
Equity and liabilities			
Equity	627,5	574,7	629,0
Long-term liabilities	755,5	724,2	747,9
Current liabilities	500,6	476,5	496,5
Total equity and liabilities	1 883,7	1 775,4	1 873,4
1) Of which, goodwill	430,2	348,9	426,2
2) Of which, minority interest	2,9	0,2	1,6
3) Of which interest bearing	726,8	657,0	725,5
4) Of which interest bearing	98,1	158,2	118,3

**CHANGES IN CONSOLIDATED
EQUITY (SEK M)**

	Jan-Mar 2009	Jan-Mar 2008	Jan-Dec 2008
Opening balance for the period	629,0	571,6	571,6
Dividends paid	-	-	-13,1
Total profit	-1,5	3,1	70,5
Closing balance for the period	627,5	574,7	629,0

**CONSOLIDATED CASH FLOW STATEMENTS
(MSEK)**

	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Operating activities				
Operating profit	13,1	27,5	59,9	74,3
Depreciation, amortisation and impairment	24,3	22,6	96,4	94,7
Financial items	-8,9	-11,8	-51,3	-54,2
Paid tax	-1,3	-2,2	-13,3	-14,3
Other non-cash items	-19,5	10,0	-37,8	-8,3
Cash flow from operating activities before changes in working capital	7,7	46,1	53,9	92,3
Changes in working capital	20,7	13,9	115,0	108,2
Cash flow from operating activities	28,4	60,0	168,9	200,5
Cash flow from investing activities	12,9	-9,1	-34,2	-56,2
Cash flow after investing activities	41,3	50,9	134,7	144,3
Cash flow from financing activities	-22,2	-30,8	-63,7	-72,3
Cash flow for the period	19,1	20,1	71,0	71,9
Cash and cash equivalents at beginning of period	99,1	24,2	44,0	24,3
Exchange rate difference in cash and cash equivalent	1,2	-0,3	4,3	2,9
Cash and cash equivalents at end of period	119,3	44,0	119,3	99,1

KEY RATIOS

	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Operating margin, %	2,5	5,2	3,1	3,8
Profit margin, %	0,8	3,0	0,5	1,0
Return on equity, %	-	-	0,3	1,8
Return on capital employed, %	-	-	2,8	5,6
Equity/assets ratio, %	33,3	32,4	33,3	33,6
Net debt/equity ratio, times	1,12	1,34	1,12	1,18
Net debt loan/EBITDA	-	-	4,5	4,4
Capital employed, SEK M	1 452,4	1 389,9	1 452,4	1 472,7
Interest bearing net loan debt, SEK M	705,6	771,2	705,6	744,7

DATA PER SHARE

	Jan-Mar 2009	Jan-Mar 2008	Apr 2008- Mar 2009	Jan-Dec 2008
Basic earnings per share, SEK	0,22	0,90	0,12	0,80
Diluted earnings per share, SEK	0,22	0,88	0,12	0,78
Equity per share before dilution, SEK	47,80	43,78	47,80	47,91
Diluted equity per share, SEK	48,11	44,21	47,77	48,22
Basic number of shares outstanding at end of period	13 128 227	13 128 227	13 128 227	13 128 227
Diluted number of shares outstanding at end of period	13 332 227	13 428 227	13 332 227	13 332 227
Average number of shares, basic	13 128 227	13 128 227	13 128 227	13 128 227
Average number of shares, diluted	13 332 227	13 428 227	13 332 227	13 332 227

1) The dilution effect is not taken into account when it leads to a better result

FINANCIAL OVERVIEW

	2008	2007	2006	2005	2004
Net sales, SEK M	1937	1991	1985	1782	1807
Operating profit, SEK M	74	60	40	71	52 ¹⁾
Profit before tax, SEK M	10	16	-1	23	7 ¹⁾
Cash flow after investing activities	144	1	-7	105	77
Operating margin, %	3,8	3,0	2,0	4,0	2,9 ¹⁾
Profit margin, %	1,0	0,6	0,1	1,9	0,6 ¹⁾
Capital rate of turnover, times	1,1	1,1	1,2	1,1	1,0
Return on equity, %	1,8	2,8	neg	4,3	1,4 ¹⁾
Return on capital employed, %	5,6	4,9	3,1	5,3	4,0 ¹⁾
Equity/assets ratio, %	34	33	31	34	30
Net loan debt, SEK M	745	829	807	706	775
Net debt/equity ratio, times	1,18	1,45	1,50	1,26	1,52
Net loan debt/EBITDA, times	4,4	5,4	5,7	4,1	5,1 ¹⁾
EBITDA/finnet financial items, times	3,1	3,2	3,8	4,6	3,6 ¹⁾
Average number of employees	1241	1346	1379	1280	1391

Data per share

Number of shares

Basic number of shares outstanding at end of period	13 128 227	13 128 227	13 017 298	13 004 986	13 004 986
Diluted number of shares outstanding at end of period	13 332 227	13 428 227	13 651 180	13 651 180	13 351 180
Average number of shares before dilution	13 128 227	13 079 425	13 006 000	13 004 986	13 004 986
Average number of shares after dilution	13 332 227	13 379 425	13 651 180	13 511 180	13 351 180

Earnings per share

Before dilution, SEK	0,80	1,19	-0,04	1,79	4,03
After dilution, SEK	0,78	1,17	-0,04	1,74	3,95

Equity per share

Before dilution, SEK	47,91	43,54	41,31	43,17	39,23
After dilution, SEK	48,22	43,98	42,30	44,09	39,79

Other data per share

Dividend, SEK	1,00 ²⁾	1,00	1,00	0,00	0,00
Quoted market price on the balance sheet date, SEK	12	42	68	64	35
P/E-ratio, times	15	36	neg	37	9
Price/book value before dilution, %	25	96	165	148	89
Price/book value after dilution, %	25	96	160	145	88

¹⁾ Excluding the settlement of a legal dispute

²⁾ Proposal from the Board

QUARTERLY DATA

GROUP (SEK M)	1/2009	4/2008	3/2008	2/2008	1/2008	4/2007	3/2007	2/2007	1/2007	4/2006	3/2006	2/2006	1/2006
Net sales	520,1	507,8	440,7	463,0	525,5	517,6	461,0	472,4	540,4	522,5	431,1	474,5	556,4
Operating expenses	-507,0	-487,8	-430,7	-446,3	-498,0	-492,6	-444,7	-477,6	-516,4	-504,0	-409,4	-499,8	-531,8
Operating profit	13,1	20,1	10,0	16,7	27,5	25,0	16,3	-5,2	24,0	18,5	21,7	-25,3	24,6
Net financial items	-8,9	-15,4	-12,3	-14,7	-11,8	-10,2	-14,6	-11,5	-11,5	-9,4	-9,5	-9,1	-9,6
Profit before tax	4,2	4,7	-2,3	2,0	15,7	14,8	1,7	-16,7	12,5	9,1	12,2	-34,4	15,0
Capital gain, sale of PPE								12,7		15,9			
Restructuring charges								-21,0		-20,5		-45,0	
								-8,3		-4,6		-45,0	
Adjusted operating profit	13,1	20,1	10,0	16,7	27,5	25,0	16,3	3,1	24,0	23,1	21,7	19,7	24,6
Adjusted profit before tax	4,2	4,7	-2,3	2,0	15,7	14,8	1,7	-8,4	12,5	13,7	12,2	10,6	15,0

PARENT COMPANY PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	Jan-Mar 2009	Jan-Mar 2008
Net sales	0,0	0,0
Cost of goods sold	0,0	0,0
Gross profit	0,0	0,0
Administrative expenses	-8,6	-9,3
Other operating income and expenses	1,2	-1,1
Operating profit	-7,4	-10,4
Net financial items	-22,0	0,4
Profit before appropriations and tax	-29,4	-10,0
Income tax	-	-
Profit after tax	-29,4	-10,0

PARENT COMPANY BALANCE SHEETS IN SUMMARY (SEK M)	31 Mar 2009	31 Dec 2008
Assets		
Tangible assets	2,9	3,5
Financial assets	1 284,3	1 245,2
Current receivables	100,0	110,5
Cash and cash equivalents	21,0	0,0
Total assets	1 408,2	1 359,2
Equity and liabilities		
Equity	546,4	570,9
Untaxed reserves	0,9	0,9
Provisions	12,2	12,3
Non-current liabilities	593,2	596,5
Current liabilities	255,5	178,6
Total equity and liabilities	1 408,2	1 359,2