

Interim Report

January-June
2017



” Also the second quarter developed according to plan and the improvement in earnings continued compared with the previous year. Sales in light packaging was slightly lower in the quarter compared to the previous year. Bong has many interesting ongoing projects in this area, and there are reasons to believe that the growth will gain new momentum in the second half of the year. Cash flow during the second quarter was affected negatively by the stock building that occurred prior to the holiday period in order to secure our customers’ deliveries, says Bong’s CEO Håkan Gunnarsson. ”

April - June 2017

- Net sales decreased with 4 percent to SEK 481 million (500)
- Operating profit before depreciation increased to SEK 19 million (5)
- Operating profit increased to SEK 7 million (-8)
- Non-recurring items amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -8 million (-20)
- Earnings per share amounted to SEK -0.04 (-0.10)
- Cash flow after investing activities amounted to SEK -12 million (20)

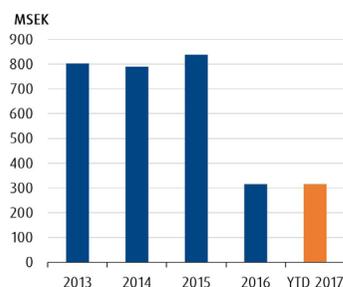
January - June 2017

- Net sales decreased with 4 percent to SEK 1,026 million (1,066)
- Operating profit before depreciation increased to SEK 49 million (30)
- Operating profit increased to SEK 26 million (4)
- Non-recurring items amounted to SEK 0 million (0)
- Earnings after tax amounted to SEK -5 million (323)
- Earnings per share amounted to SEK -0.03 (1.58)
- Cash flow after investing activities amounted to SEK 7 million (27)

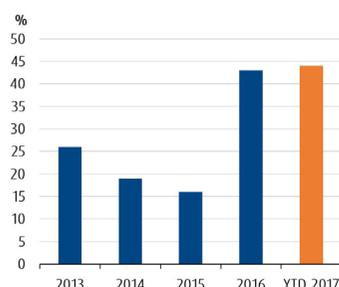
Key Ratios MSEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Net sales	481	500	1,026	1,066	2,094	2,135
EBITDA	19	5	49	30	80	61
Non-recurring items	0	0	0	0	0	-18 ¹⁾
Adjusted EBITDA	19	5	49	30	80	79
Adjusted EBITDA - margin. %	3.9%	1.1%	4.8%	2.8%	3.8%	3.7%
EBIT	7	-8	26	4	31	9
Non-recurring items, financial net	-	-	-	430	-	430 ²⁾
EBT	-4	-18	3	415	-19	393
Earnings after tax	-8	-20	-5	323	-31	297
Earning per share, SEK	-0.04	-0.10	-0.03	1.58	-0.16	1.42
Cash flow after investing activities	-12	20	7	27	10	30
Equity/ asset ratio. %	43.9%	44.3%	43.9%	44.3%	43.9%	43.3%

1) Restructuring cost SEK -18.2 million
2) Refinancing transaction SEK 430 million

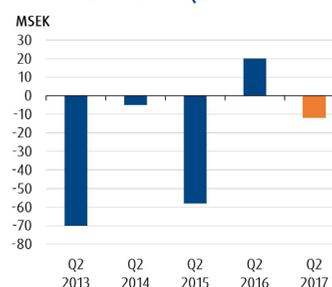
Net debt



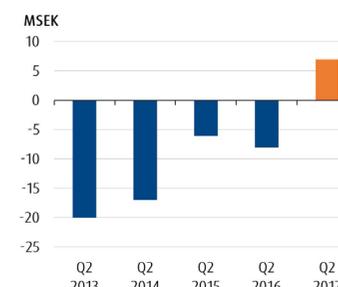
Equity ratio



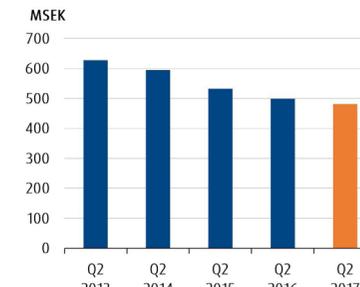
Cash flow after investing activities - Q2



Operating profit/loss - Q2



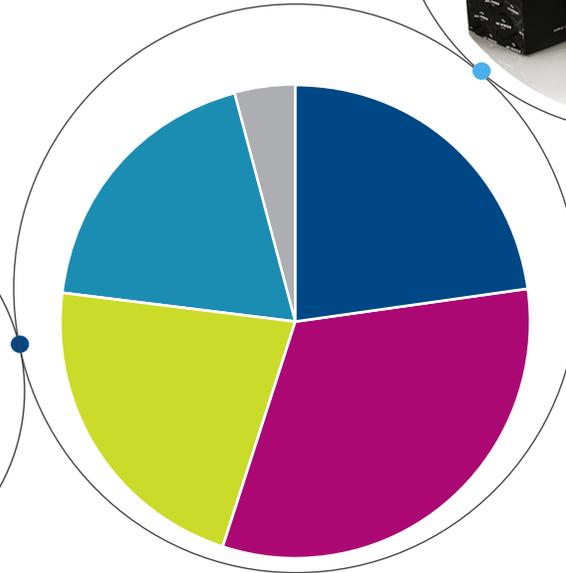
Net sales - Q2



This is the Bong Group

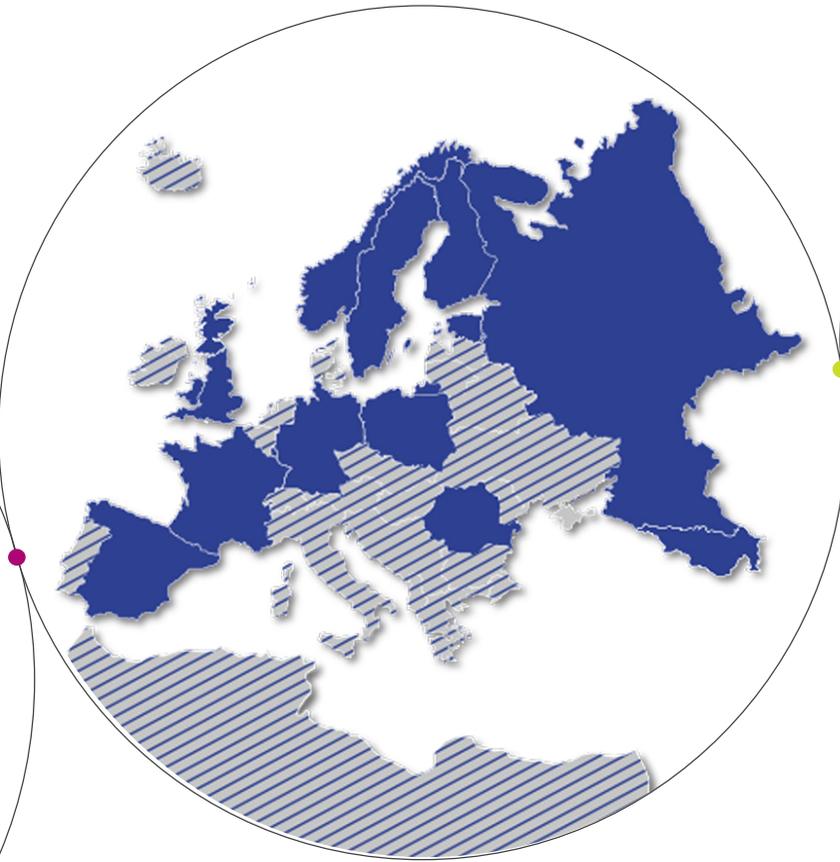
Bong is one of the leading providers of specialty packaging and envelope products in Europe and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are packaging within retail and e-commerce and the envelope market within Eastern Europe. The Group has annual sales of approximately SEK 2.1 billion and about 1,500 employees in 15 countries.

Bong has strong market positions in most of the important markets in Europe and the Group sees interesting possibilities for continued development. Bong is a public limited company and its shares are listed on Nasdaq Stockholm (Small Cap).



Sales to geographical areas 2017

- Nordic/Baltics/Russia, 22%
- Central Europe, 32%
- France and Spain, 24%
- United Kingdom, 18%
- Others, 4%



- Production and sales
- Sales

Market and industry

During the first half year of 2017, Bongs statistics shows that the European envelope market volume have decreased by approximately 4% compared to the same period previous year. There is a slightly negative effect in this quarter due to the "easter effect" between the years which represent three working days less. Bongs estimation is that the market will decline approximately 5% during 2017.

The restructuring process and consolidation of the industry will continue, but at a slower pace than the market decline. Large overcapacity will remain. One of our main competitors on the European market, Mayer Kuvert, sold their production site for overprinting in Austria to IMARCOGroup. Furthermore, BlessOF in Germany, which is part of Mayer Kuvert, has applied for the opening of a self-administration procedure in order to pursue necessary restructuring and restructuring measures without insolvency administrators. This will reduce the overcapacity in the German market.

While the envelope market continues to decline the light packaging market, where Bong is present, is still growing and is a large and fragmented market. Light packaging represents approximately 20% of Bongs annual sales and during the first half year of 2017 Bongs sales of light packaging products have increased with approximately 3% compared to the same period previous year. The machines for production of paper carrier are still producing at high capacity and is a product that Bong see large opportunities for due to the EU-legislation that will ban usage of plastic bags in Europe within a few years. This ban has already been implemented in a number of European countries. Paper carrier bags in combination with gift packaging also means that Bong can offer a complete concept to its customers which is available in all possible designs.

Sales and profit

January - June 2017

Consolidated sales for the period reached SEK 1,026 million (1,066). Exchange rate fluctuations had a positive impact on sales of SEK 17 million compared with 2016. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures which had a negative impact on Bong's gross earnings.

Despite lower sales, operating profit amounted to SEK 26 million (4), due to the new lower cost structure after the restructuring programs. During the period operating profit was affected by a non-recurring profit of SEK 5 million attributable to renegotiated pension agreements in Norway. Furthermore, it has been decided to move all the production from Tönsberg in Norway to Kristianstad in Sweden. This action will result in annual savings of approximately SEK 8 million and is expected to be completed during the third quarter 2017. No provisions for restructuring costs has been made.

No non-recurring items has affected the result.

Net financial items for the period, excluding non-recurring items, amounted to SEK -23 million (-19). Non-recurring items, related to the refinancing transaction, amounted to SEK 430 million, note 1.

Earnings before tax were SEK 3 million (415) and reported earnings after tax were SEK 5 million (323).

Bong's total light packaging sales amounted to SEK 186 million (180). Currency fluctuations had a positive impact on light packaging sales of SEK 3 million compared with the corresponding period in 2016.

Sales and profit

April - June 2017

Consolidated sales for the period reached SEK 481 million (500). Exchange rate fluctuations had a positive impact on sales of SEK 12 million compared with 2016. The main reason for the drop in sales is the continued downturn in the envelope market, which resulted in both lower volumes and pricing pressures which had a negative impact on Bong's gross earnings.

Despite lower sales, operating profit amounted to SEK 7 million (-8), due to the lower cost structure as a result of the previous restructuring programs.

Net financial items for the period, excluding non-recurring items, amounted to SEK -12 million (-10).

Earnings before tax were SEK -4 million (-18) and reported earnings after tax were SEK -8 million (-20).

Bong's total light packaging sales amounted to SEK 89 million (92). Currency fluctuations had a positive impact on light packaging sales of SEK 2 million compared with the corresponding period in 2016.

Cash flow and investments

The cash flow after investing activities decreased to SEK 7 million (27) compared to previous year. Cash flow from operating activities amounted to SEK 4 million (-15). Working capital had a positive effect on the cash flow of SEK 6 million (53). Restructuring programs had negative impact of SEK -13 million (-19). Net investments in the period had a negative impact amounting to SEK -2 million (-11). Only minor asset sales were made in the period.

Financial position

Cash and cash equivalents at 30 June 2017 amounted to SEK 92 million, including the escrow account of SEK 19 million (SEK 90 million at 31 December 2016, including the escrow account of SEK 12 million). The Group had unutilized credit facilities of SEK 10 million on the same date. Total available cash and cash equivalents thus amounted to SEK 102 million, including the escrow account of 19 MSEK. Consolidated equity at the end

of June 2017 was SEK 693 million (SEK 697 million at 31 December 2016). Translation of the net asset value of foreign subsidiaries to Swedish krona and changes in the fair value of pension debt and derivative instruments increased consolidated equity by SEK 3 million. The interest bearing net loan debt amounted to SEK 315 million (SEK 315 million at 31 December 2016).

Employees

The average number of employees during the period was 1,467 (1,589). The Group had 1,462 (1,556) employees at the end of June 2017. Bong has intensively worked on improving productivity and adjusting staff to meet current demand and the reduction is the result of the implemented restructuring measures.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and certain Group management functions. Sales were SEK 1.7 million (0.5) and earnings before tax for the period were SEK -11 million (247). Non-recurring items 2016, related to the refinancing transaction, amounted to SEK 229 million

Events after the end of the period

No material events have occurred after the end of the period.

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. There has not been any change to significant risks and uncertain positions since Bong's annual report for 2016 was released. For further information, please refer to Bong's annual report and website bong.com.

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2016 annual report and the interim report should be read along with those principles. Please refer to Bong's 2016 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2017.

Kristianstad 12 July 2017

Christian Paulsson
Chairman of the Board

Stéphane Hamelin
Member of the Board

Mikael Ekdahl
Member of the Board

Eric Joan
Member of the Board

Stefan Lager
Member of the Board

Helena Persson
Member of the Board

Christer Muth
Member of the Board

Peter Harrysson
Member of the Board

Håkan Gunnarsson

Chief Executive Officer & Member of the Board

This report has not been subject to examination by the company's auditors.

Håkan Gunnarsson
Chief Executive Officer

Additional information

Håkan Gunnarsson, CEO for Bong AB. Tel +46 44-20 70 00 (switchboard)

Financial Calendar:

- Interim Report January–September, 2017, 16 November 2017
- Year End Report 2017, 15 February 2018
- Interim Report January–March, 2018, May 2018
- Interim Report January–June, 2018, July 2018
- Interim Report January–September, 2018, November 2018

Income statement in summary

MSEK	Note	Apr-Jun 2017 3 month	Apr-Jun 2016 3 month	Jan-Jun 2017 6 month	Jan-Jun 2016 6 month	Jul 2016- Jun 2017 12 month	Jan-Dec 2016 12 month
Revenue		480.7	499.8	1,025.9	1,066.5	2,094.0	2,134.5
Cost of goods sold		-388.3	-421.8	-833.8	-887.6	-1,707.9	-1,761.7
Gross profit		92.4	78.0	192.2	178.9	386.1	372.9
Selling expenses		-43.0	-46.7	-88.3	-96.1	-183.6	-191.4
Administrative expenses		-40.0	-39.6	-74.8	-79.9	-150.2	-155.2
Other operating income and expenses		-1.9	0.8	-3.0	1.0	-21.4	-17.4
Operating profit		7.4	-7.5	26.1	3.9	31.0	8.8
Net financial items		-11.6	-10.2	-23.1	-19.1	-49.8	-45.8
Non-recurring items, financial net	1				429.9		429.9
Result before tax		-4.2	-17.7	3.0	414.7	-18.8	392.9
Income tax		-4.2	-2.2	-7.6	-91.7	-11.7	-95.8
Net result		-8.3	-19.9	-4.6	323.0	-30.5	297.1
Total comprehensive income attributable to:							
Share holders in Parent Company		-9.3	-20.1	-6.2	322.7	-33.7	295.2
Non-controlling interests		0.9	0.2	1.6	0.3	3.1	1.9
Basic earnings per share		-0.04	-0.10	-0.03	1.58	-0.16	1.42
Diluted earnings per share		-0.04	-0.07	-0.03	1.37	-0.16	1.26
Basic earnings per share, excluding non-recurring items		-	-0.10	-	-0.52	-	-0.64
Diluted earnings per share, excluding non-recurring items		-	-0.07	-	-0.41	-	-0.64
Average number of shares, basic		211,205,058	203,629,301	211,205,058	156,659,604	211,205,058	207,417,179
Average number of shares, diluted		251,205,058	241,861,624	251,205,058	183,932,331	251,205,058	246,533,341
STATEMENT OF COMPREHENSIVE INCOME							
MSEK		Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Net result for the year		-8.3	-19.9	-4.6	323.0	-30.5	297.1
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Actuarial loss on post employment benefit obligations		-1.1	-8.0	-1.1	-15.6	-4.8	-19.2
		-1.1	-8.0	-1.1	-15.6	-4.8	-19.2
Items that may be reclassified subsequently to profit or loss:							
Cash flow hedges	2	0.0	0.0	0.0	-0.9	0.0	-0.9
Hedging of net investments		-1.7	-3.3	-0.7	-10.5	-1.5	-11.3
Exchange rate differences		2.4	12.4	3.8	5.8	13.8	15.9
Income tax relating to components of other comprehensive income		0.8	2.4	0.5	6.2	0.8	6.4
		1.5	11.5	3.7	0.7	13.1	10.1
Other comprehensive income for the period, net of tax		0.3	3.6	2.6	-14.9	8.4	-9.1
Total comprehensive income		-8.0	-16.4	-2.1	308.1	-22.2	288.0
Total comprehensive income attributable to:							
Share holders in Parent Company		-7.8	-16.5	-2.6	307.7	-24.2	286.1
Non-controlling interests		-0.2	0.2	0.5	0.3	2.0	1.9

Balance sheet in summary

MSEK	Note	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets				
Intangible assets	3	599.9	600.2	600.7
Tangible assets		214.5	231.5	228.8
Financial assets	4	145.5	149.3	147.1
Inventories		201.7	203.5	186.5
Current receivables		326.7	354.8	356.2
Cash and cash equivalents	5	92.2	84.8	89.9
Total assets		1,580.5	1,624.1	1,609.2
Equity and liabilities				
Equity	6	693.1	719.1	697.3
Non-current liabilities	7	430.0	416.7	430.1
Current liabilities	8	457.5	488.2	481.8
Total equity and liabilities		1,580.5	1,624.1	1,609.2

CHANGES IN EQUITY

MSEK	Note	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Opening balance for the period		697.3	317.1	317.1
Write-down of share capital		-	-1.0	-
New share issue		-	99.1	99.1
Bond loan / Convertible loan		-1.7	8.2	6.6
Dividend		-0.8	-0.5	-1.5
Transaction cost		-	-11.9	-12.0
Non-controlling interests		0.4	0.3	0.0
Total comprehensive income		-2.1	307.7	288.0
Closing balance for the period	9	693.1	719.1	697.3

Cash flow statement

MSEK	Note	Apr-Jun 2017 3 month	Apr-Jun 2016 3 month	Jan-Jun 2017 6 month	Jan-Jun 2016 6 month	Jul 2016- Jun 2017 12 month	Jan-Dec 2016 12 month
Operating activities							
Operating profit		7.4	-7.5	26.1	3.9	31.0	8.8
Depreciation amortisation and impairment		11.1	12.8	22.9	25.9	48.8	51.8
Financial items	10	-9.3	-10.2	-18.5	-21.7	-45.2	-48.4
Tax paid		-4.7	1.8	-11.7	-1.6	-15.4	-5.4
Other non-cash items	10	-1.9	-4.0	-14.9	-21.4	11.6	5.1
Cash flow from operating activities before changes in working capital		2.6	-7.1	3.8	-15.0	30.7	11.9
Changes in working capital							
Inventories		-16.6	3.4	-14.8	9.1	4.5	28.5
Current receivables		9.7	14.8	19.3	22.9	12.8	16.4
Current operating liabilities		-6.1	9.1	1.1	20.9	-22.5	-2.7
Cash flow from operating activities		-10.4	20.2	9.4	38.0	25.6	54.2
Cash flow from investing activities							
Aquisition of intangible and tangible assets incl. advanced payments to suppliers		-2.9	-1.9	-4.0	-13.1	-18.7	-27.7
Disposal of intangible and tangible assets		1.5	1.8	1.5	2.2	2.7	3.4
Cash flow from investing activities		-1.4	-0.2	-2.5	-10.8	-15.9	-24.3
Cash flow after investing activities		-11.8	20.0	6.9	27.1	9.7	29.9
Cash flow from financing activities							
Proceeds from borrowings		-4.1	5.5	-3.9	8.3	-1.9	10.3
Amortization of loans		0.0	-15.0	0.0	-195.0	0.0	-195.0
Dividend*		0.0	-0.5	-0.8	-0.5	-1.8	-1.5
Cash flow from financing activities		-4.1	-9.5	-4.6	-187.2	-3.7	-186.2
Cash flow for the period		-15.9	10.5	2.2	-160.0	6.0	-156.3
Cash and cash equivalents at beginning of period		108.3	74.1	89.9	244.3	84.8	244.3
Exchange rate difference in cash and cash equivalents		-0.2	0.2	0.1	0.5	1.4	1.9
Cash and cash equivalents at end of period		92.2	84.8	92.2	84.8	92.2	89.9

*Dividend to external owner in subsidiary

Notes

(MSEK)

Note 1 - Non recurring items

During the period 2016 Bong completed the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 429.9 million affect the financial income and SEK 85 million have been expensed as a tax expense related to deferred tax assets on loss carried forward.

Note 2 - Financial assets and liabilities

The table below shows the Group's financial assets and liabilities in the form of derivatives measured at fair value. All financial derivatives measured at fair value are in Category 2. These include interest rate swaps and foreign exchange contracts and the valuation is based on the forward interest rates derived from observable yield curves.

2017-06-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.6
Total	0.0	0.6

2016-06-30	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.3
Total	0.0	0.3

2016-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0.0	0.0
Currency forwards - cash flow hedges	0.0	0.0
Currency forwards - held for trading	0.0	0.3
Total	0.0	0.3

* For the above contracts, the following amounts are found in the hedge reserve under Total comprehensive income; interest rate swaps - cash flow hedges SEK 0 million, currency forwards - cash flow hedges SEK 0 million.

Other financial assets and liabilities

Fair value of the following financial assets and liabilities is estimated to be equal to book value:

- Trade receivables and other receivables
- Other current receivables
- Cash and cash equivalents
- Long-term and short-term loans
- Trade payables and other liabilities
- Other financial assets and liabilities

Information about netting of financial assets and liabilities

The Group does not apply net recognition for any of its other significant assets and liabilities and has no netting agreements with financial counterparties.

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 3 - Intangible assets			
Goodwill	565.5	558.8	563.3
Other intangible assets	34.4	41.4	37.5
Total	599.9	600.2	600.7

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 4 - Financial assets			
Deferred tax	143.4	143.5	144.2
Other financial assets	2.1	5.8	2.9
Total	145.5	149.3	147.1

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 5 - Cash and cash equivalent			
Cash and cash equivalent	72.9	84.8	77.9
Escrow account	19.3	-	12.0
Total	92.2	84.8	89.9

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 6 - Equity			
Non-controlling interests	9.3	8.7	10.5

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 7 - Non-current liabilities			
Interest-bearing loans	386.2	379.9	389.8
Deferred tax	24.5	23.7	24.5
Other liabilities	19.2	13.1	15.8
Total	430.0	416.7	430.1

In connection with the issuance 2016 of the bonds, the bondholders also were awarded shares and options without consideration with a total fair value of SEK 37.3 million. This is considered to be a bundled transaction in which the proceeds from the bond issue will be allocated on the relative fair value of the respective financial instrument that the bondholder received. Thus, a total of about SEK 37.3 million of the total proceeds was allocated to shares and options, which are recognized in equity and a corresponding amount is reduced the value of the loan. The difference, compared to the principal amount of the loan at the time of issue is accrued as an additional financial expense debit the income statement respectively the equity.

	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
Note 8 - Current liabilities			
Interest-bearing	0.0	5.3	2.9
Other current liabilities	457.5	482.9	478.8
Total	457.5	488.2	481.8

Note 9 - Changes in equity

The number of shares at the end of the period was 211,205,058 with a quotient value of approximately SEK 1.12. The share capital amounts to approximately SEK 236,549,664.32.

Bong completed in 2016 the acquisition of its lending banks claims amounting to SEK 602.1 million whereof SEK 95.2 million affected the equity.

Note 10 - Financial- and other non-cash items 2016

In order to clarify the actual cash flow statement related to received financial income an adjustment has been made. Financial income, received, has due to that reason been adjusted with SEK -432.5 million, other non-cash items has been adjusted with SEK +432.5 million.

QUARTERLY DATA. GROUP

MSEK	2/2017	1/2017	4/2016	3/2016	2/2016	1/2016	4/2015	3/2015	2/2015	1/2015	4/2014	3/2014	2/2014	1/2014	4/2013	3/2013
Net Revenue	480.7	545.2	579.0	489.0	499.8	566.7	612.8	560.2	532.7	639.3	676.7	600.6	593.6	662.0	664.2	594.6
Operating expenses	-473.3	-526.5	-564.2	-498.9	-507.3	-555.3	-612.3	-557.4	-539.0	-641.5	-729.8	-610.0	-610.2	-705.7	-677.9	-622.9
Operating profit	7.4	18.6	14.8	-9.9	-7.5	11.4	0.6	2.9	-6.2	-2.2	-53.1	-9.4	-16.6	-43.7	-13.7	-28.3
Net financial items	-11.6	-11.5	-14.6	-12.1	-10.2	421.0	-15.8	-12.1	-13.5	-13.6	-13.4	-13.3	-13.0	-15.8	-18.7	-15.0
Profit before tax	-4.2	7.2	0.2	-22.0	-17.7	432.4	-15.3	-9.2	-19.7	-15.8	-66.5	-22.6	-29.6	-59.5	-32.4	-43.3

KEY RATIOS

	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Operating margin, %	2.5	0.4	1.5	0.4
Return on equity, %*	-	-	neg	neg
Return on capital employed, %* 1)	-	-	2.3	1.8
Equity/assets ratio, %*	43.9	44.3	43.9	43.3
Net debt/equity ratio times*	0.45	0.42	0.45	0.45
Net loan debt/EBITDA*	-	-	3.95	-
Capital employed, SEK M*	1,079.3	1,104.4	1,079.3	1,090.0
Interest-bearing net loan debt, SEK M*	314.9	300.5	314.9	314.8

1) Return on capital employed

Earnings after financial revenues	25.3	20.5
Average capital employed	1,084.6	1,158.9

For the key figures above, are those marked * considered to be APM (Alternative Performance Measures) and not follow IFRS. They are judged however by management to be important to show shareholders the Group's underlying performance, profitability and financial position. It should be noted that these measures, as defined, may not be comparable to similarly titled measures used by other companies. For definitions see page 11.

DATA PER SHARE

	Jan-Jun 2017	Jan-Jun 2016	Jul 2016- Jun 2017	Jan-Dec 2016
Basic earnings per share, SEK	-0.03	1.58	-0.16	1.42
Diluted earnings per share, SEK 2)	-0.03	1.37	-0.16	1.42
Basic earnings per share, excluding non-recurring items	-	-0.52	-	-0.64
Diluted earnings per share, excluding non-recurring items	-	-0.41	-	-0.64
Basic equity per share, SEK	3.28	3.40	3.28	3.30
Diluted equity per share, SEK	3.28	2.86	3.28	2.96
Basic number of shares outstanding at end of period	211,205,058	211,205,058	211,205,058	211,205,058
Diluted number of shares outstanding at end of period	251,205,058	251,205,058	251,205,058	251,205,058
Average number of shares basic	211,205,058	203,629,301	211,205,058	207,417,179
Average number of shares diluted	251,205,058	241,861,624	251,205,058	246,533,341

2) The number of options amounts to maximum 40,000,000. Each option gives the right to subscribe for one share in Bong. All options were used before 29 February 2016. Subscription for shares based on the options shall take place by 1 February 2019. Upon subscription, the price per share is 1.15 SEK. Bongs average share price during the year is below 1.15 SEK which is why no dilution effect is taken into consideration.

Five-year summary

Key ratios	2016	2015	2014	2013	2012
Net sales. MSEK	2,135	2,345	2,533	2,564	2,946
Operating profit/loss. MSEK	9	-5	-123	-109	15
Extraordinary items. financial net. MSEK	430				
Profit/loss after tax. MSEK	297	-64	-150	-141	-55
Cash flow after investing activities. MSEK	30	-75	94	-91	-38
Operating margin. %	0.4	-0.2	-4.8	-4.3	0.5
Capital turnover rate. times	1.3	1.2	1.3	1.2	1.3
Return on equity. %	neg	neg	neg	neg	neg
Average capital employed. MSEK	1,159	1,343	1,375	1,586	1,527
Return on capital employed. %	1.8	neg	neg	neg	1.0
Equity ratio. %	43	16	19	26	17
Net loan debt. MSEK	315	837	790	802	1,005
Net loan debt/equity. times	0.45	2.64	2.09	1.54	2.70
Net debt/EBITDA. times	5.2	11.9	neg	neg	8.6
Average number of employees	1,556	1,763	1,873	2,051	2,271
Number of shares					
Basic number of shares outstanding at end of period	211,205,058	156,659,604	156,659,604	156,659,604	17,480,995
Diluted number of shares outstanding at end of period	251,205,058	183,932,331	183,932,331	183,932,331	18,727,855
Average basic number of shares	207,417,179	156,659,604	156,659,604	63,873,865	17,480,995
Average diluted number of shares	246,533,341	183,932,331	183,932,331	73,796,014	18,727,855
Earnings per share					
Before dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
After dilution. SEK	1.42	-0.41	-0.96	-2.20	-3.20
Earnings per share. before dilution. excluding non-recurring items	-0.64	-	-	-	-
Earnings per share. after dilution. excluding non-recurring items	-0.64	-	-	-	-
Equity per share					
Before dilution. SEK	3.30	2.02	2.41	3.33	21.25
After dilution. SEK	3.30	1.95	2.27	3.06	20.50
Cash flow from operating activities per share					
Before dilution. SEK	0.26	-0.95	0.62	-0.40	-0.10
After dilution. SEK	0.26	-0.81	0.53	-0.34	-0.09
Other data per share					
Dividend. SEK	0.00	0.00	0.00	0.00	0.00
Quoted market price on the balance sheet date. SEK	0.9	1.3	1.1	1.5	9.7
P/E-ratio. times	0.61	neg	neg	neg	neg
Adjusted P/E-ratio. times	neg	-	-	-	-
Price/Equity before dilution. %	27	62	46	45	45
Price/Equity after dilution. %	27	65	49	49	47

For definitions see page 11

Definitions

This Report includes both financial ratios based on concepts defined in IFRS, APMs (Alternative Performance Measures) according to ESMA's definition and other company-specific ratios. The ratios are defined below.

ADJUSTED EARNINGS PER SHARE BEFORE AND AFTER DILUTION

Profit after tax, excluding extraordinary net financial item divided by average number of shares before and after dilution.

AVERAGE CAPITAL EMPLOYED

Capital employed at beginning of year plus capital employed at year-end divided by two.

AVERAGE EQUITY

Shareholders' equity at beginning of year plus equity at year-end divided by two.

ADJUSTED P/E RATIO, TIMES

Share price divided by adjusted earnings per share.

AVERAGE TOTAL ASSETS

Total assets at beginning of year plus total assets at year-end divided by two.

CAPITAL TURNOVER, TIMES

Net sales by average total assets. Capital Asset turnover is a measure of how effectively the Group uses its assets.

EARNINGS PER SHARE BEFORE AND AFTER DILUTION

Profit after tax divided by the average number of shares before and after dilution.

EQUITY TO ASSETS RATIO, PER CENT

Shareholders' equity divided by total assets. Equity to assets ratio is a measure of the Group's financial strength.

EBITDA

Operating income before depreciation and amortization.

ESMA

The European Securities and Markets Authority. ESMA is the European Union's body for monitoring the financial markets.

EXTRAORDINARY NET FINANCIAL ITEM

Net total gain from the refinancing transactions in 2016.

IFRS

International Financial Reporting Standards. An International accounting standard that Bong applies.

NET DEBT

Interest-bearing liabilities and provisions less liquid funds and interest-bearing receivables.

NET DEBT/EBITDA, TIMES

Net debt divided by EBITDA. Net debt/EBITDA is a measure of the Group's financial strength.

NET DEBT TO EQUITY, TIMES

Net debt divided by equity. Net debt to equity is a measure of the Group's financial strength.

OPERATING MARGIN, PER CENT

Operating profit divided by net sales. Operating margin is a measure of profitability. It measures how much of revenues remains after operating expenses.

P/E RATIO, TIMES

Share price divided by earnings per share.

RETURN ON CAPITAL EMPLOYED, PER CENT

Earnings after financial income divided by average capital employed. For 2016 the extraordinary net financial item has been excluded. This measure shows the return of the Group's total balance sheet, excluding non-interest-bearing debt. It is a profitability measure independent of the Group's indebtedness. It complements the measure return on equity.

RETURN ON EQUITY, PER CENT

Earnings after tax divided by average equity. For 2016 the extraordinary net financial item has been excluded. This measure measures the return on shareholders' funds for the year and is useful in comparisons of other investments with the same risk profile.

SHARE PRICE/EQUITY, PER CENT

Price per share divided by equity per share.

Parent company

INCOME STATEMENT IN SUMMARY

MSEK	Jan-Jun 2017	Jan-Jun 2016
Revenue	1.7	0.5
Gross profit	1.7	0.5
Administrative expenses	-8.2	-4.5
Operating profit/loss	-6.5	-4.0
Non-recurring items finance net	-	228.5
Net financial items	-4.4	23.0
Result	-10.9	247.4
Income tax	-	-15.9
Net result	-10.9	231.5

STATEMENT OF COMPREHENSIVE INCOME

MSEK	Jan-Jun 2017	Jan-Jun 2016
Net Result for the year	-10.9	231.5
Other comprehensive income		
Net financial items reported directly in consolidated equity:		
Cash flow hedges	0.0	0.0
Income tax relating to components of other comprehensive income	0.0	0.0
Net result, Other comprehensive income	0.0	0.0
Total comprehensive income	-10.9	231.5

BALANCE SHEET IN SUMMARY

MSEK	30 Jun 2017	31 Dec 2016
Assets		
Financial assets	1,563.0	1,564.0
Current receivables	3.2	1.6
Cash and cash equivalents	19.8	12.0
Total Assets	1,586.0	1,577.6
Equity and liabilities		
Equity	1,199.4	1,211.9
Non-current liabilities	176.5	168.5
Current liabilities	210.2	197.1
Total equity and liabilities	1,586.0	1,577.6