
Six-month report January-June 2007: Substantial profit boost for Setra

- Consolidated net sales in January-June 2007 amounted to SEK 3,325 million (2,971). The increase compared with the same period in the previous year is mainly due to higher prices. During the second quarter, net sales rose 14% compared with the same period in 2006.
- Operating profit for the first half of 2007 amounted to SEK 483 million (86), an improvement of SEK 397 million compared with the first half of 2006. The improvement in earnings is mainly due to a higher gross profit margin as well as completed efficiency enhancements. Operating profit for the second quarter amounted to SEK 322 million (62).
- Profit after tax for the period January-June amounted to SEK 333 million (67). Earnings per share reached SEK 42.19 (8.45).

Kent Torwald, President and CEO, comments:

“The very good operating profit for the second quarter of SEK 322 million means that Setra achieved an historically high operating margin of 18%.

Demand for sawn and planed wood products remained very strong but there are some signs of a weaker trend for whitewood products. The market’s ability to absorb planned or anticipated price increases for raw material will affect development in the future.

As part of efforts to meet the increased demand in the energy market, Setra is now strengthening its organisation for the sale of bioproducts. In addition, 25% of the shares in the biofuel company Naturbränsle i Mellansverige AB were acquired in the second quarter.”

The complete Six-month Report January-June 2007 can be accessed at www.setragroup.com, under Financial reports.

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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 some 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 16 production units in Sweden for manufacture of sawn timber, panels, mouldings, floors and glulam. Setra’s industrial building 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) (22%). Other shareholders own approximately 2% of the shares. More information is available at www.setragroup.com