



Quality Rooms

Quarterly report 4/2012

MOELVEN[®]

Amounts in NOK million	Fourth quarter		12 months		Total
	2012	2011	2012	2011	2010
Operating revenues	1 962.3	2 011.5	8 121.5	8 059.9	7 184.5
Operating profit	-33.6	-2.1	16.9	12.9	254.0
EBITDA	30.2	57.5	267.8	238.8	466.1
Net operating margin/EBIT	-1.7 %	-0.1 %	0.2 %	0.2 %	3.5 %
Gross operating margin/EBITDA	1.5 %	2.9 %	3.3 %	3.0 %	6.5 %
Value change of financial instruments to fair value	-2.7	-17.1	-7.9	-60.1	34.2
Profit before tax	-57.0	-14.5	-64.3	-112.4	245.8
Profit per share in NOK	-0.32	-0.15	-0.36	-0.66	1.39
Cash flow from operational activities, in NOK per share	0.92	1.23	1.53	2.06	-0.69
Total equity *	43.6	-63.8	1 543.6	1 540.0	1 755.4
Equity ratio *	2.5 %	-0.9 %	35.9 %	35.5 %	42.1 %
Total assets *	-144.6	-68.1	4 342.1	4 333.9	4 167.7
Investments	95.9	110.3	339.4	386.6	258.4
Return on capital employed *	-2.0 %	-0.3 %	0.5 %	0.5 %	10.2 %
Capital employed *	18.1	-173.2	2 780.7	2 652.4	2 671.1
Net interest-bearing liabilities *	-32.3	-50.6	1 211.3	1 086.9	888.6
Net working capital *	-244.9	-286.5	1 719.9	1 730.9	1 771.5
Number of employees *	-33	34	3 375	3 482	3 270
Sick leave percentage *	0.0 %	-0.1 %	5.4 %	5.2 %	5.5 %
Frequency of accidents with absence, H1 value *	-0.5	0.1	15.0	16.4	19.3
Number of shareholders	956	956	956	956	961
Average number of shares (mill)	129.5	129.5	129.5	129.5	129.5

* The first column shows the change in value during the quarter

- Revenues in the fourth quarter were NOK 1,962.3 million (NOK 2,011.5 million) and the operating profit was minus NOK 33.6 million (minus NOK 2.0 million)
- Year-to-date revenues were NOK 8,121.5 million (NOK 8,059.9 million) and the operating profit was NOK 16.9 million (NOK 12.9 million)
- Challenging market conditions for the divisions Timber and Wood have yielded unsatisfactory results
- In the Building Systems division both the Modular Buildings and Modular System Interiors companies showed improved earnings in challenging markets
- There was a normal level of working capital for the season

Highlights

Macroeconomic uncertainty and a low level of activity in Europe and the US contributed to the overall demand in the export markets showing a weaker development than is normal for the season. There has been a satisfactory level of activity in the Middle East and North Africa, but these markets represent a smaller volume than the main markets in Europe. The Swedish krona has weakened since the last quarter and contributed to an improvement in the competitiveness of the export-oriented sawmill units in Sweden. The weak economic development in Europe continued to create increased pressure on the Scandinavian market. This has primarily been noticeable in Sweden, but a falling level of activity and strong competition, as well as a relatively weak Swedish krona in relation to the Norwegian krone has resulted in an increasing number of Swedish players turning to the Norwegian market. Overall the units with little or no sales outside of Scandinavia have nevertheless experienced better general conditions than export-oriented units. Housing starts have fallen to a very low level in Sweden, while the level in Norway has been satisfactory. The level of activity in the building materials trade fell somewhat more than normal for the season in both Norway and Sweden. The supply of saw logs has been satisfactory, and the purchase prices have been reduced through renegotiation of the supply contracts in the fourth quarter. The prices for wood chip products fell at the same time and reduced somewhat the effect of the saw logs price reduction. The level of building and construction activity showed a normal seasonal decline in the fourth quarter. The industry is still marked by hard competition as a result of high capacity on the supplier side. In some segments where the transport distances are not of great importance, there has been increased competition from foreign suppliers.

For the Wood division there is still a satisfactory demand for interior products with a high degree of processing. We are

engaged in continuous product development, and, as a result of this, new types of surface treatments have been launched, for example. Moelven Vänerply AB has also developed a new type of construction plywood that is specially adapted to the new Swedish standard for wet room walls. Moelven Wood has launched a broad range of its interior and exterior products in Iceland through its sales office in Denmark. The products were essentially only available in Norway, Sweden and Denmark earlier.

In the Timber division, investment projects to increase the degree of processing have also been completed, and ordinary production will start soon at Moelven Tom Heurlin AB and Moelven Profil AS. The aim of both of these investments has been to enhance the efficiency of the operations and increase the creation of value at the same time by enabling additional adaptation of the products according to the needs of the customers.

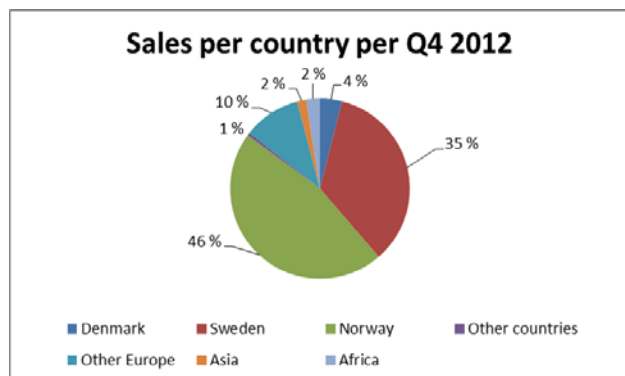
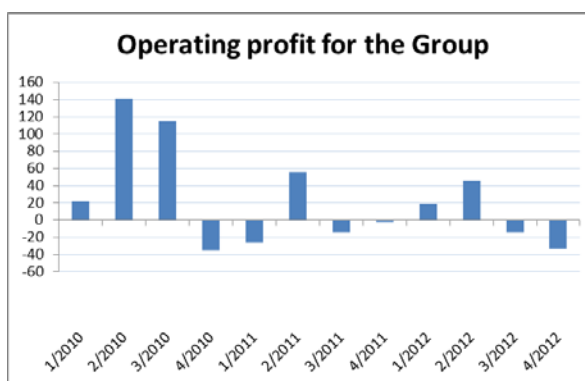
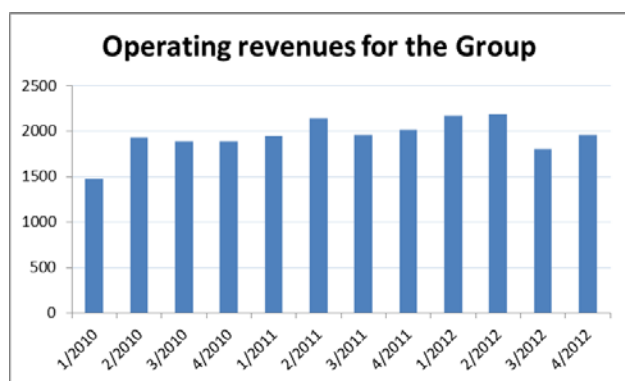
Moelven Limtre AS will supply two bridges over the national road Rv 3 in Østerdalen. The company will also supply a bridge over the railway north of Minnesund. In a market with strong competition, this is yet another confirmation of Moelven Limtre AS's position as a leading supplier of large glulam structures.

Revenues and results

The Wood division and glulam companies have shown a reduction in revenues for the quarter compared with the same period last year due to the lower level of activity on the market. The Timber division and Modular System Interiors contributed to the revenues for the year being higher than last year. The weakened operating result for the quarter is attributed primarily to the development of the margin in the Timber division and losses in the concluding phase of individual projects in Electrical Installations.

Financial expenses declined significantly compared with the previous year. The main reason for this is the reduction in unrealised losses on financial hedging instruments, which are used to hedge exchange rates, interest rates and power prices. Non-cash items related to such hedging instruments totalled minus NOK 2.7 million (minus NOK 17.1 million) for the quarter and minus NOK 7.9 million (minus NOK 60.1 million) for the year. The change in the market value of the hedging instruments reflects that the interest rate levels for both the Norwegian krone and Swedish krona fell significantly less throughout the year than was the case in 2011.

The reason for the positive change in comprehensive income is the recognition of income from a reduction in the pension liabilities as a result of actuarial calculations based on updated assumptions. The most important change in relation to earlier calculations is the use of the market interest rate for covered bonds as a basis for the discount rate. The government bond rate was used previously as the basis. This recognition of income does not have any impact on the cash flow.



Investments, balance sheet and funding

The investment activity in 2012 is linked solely to the upgrading and maintenance of the existing operations. In the fourth quarter of 2011 the Group acquired the operations of the window component manufacturer H Profil AS. This acquisition entailed an increase of NOK 33 million in fixed assets.

At year end, the Group's total assets were reported as NOK 4,342.1 million (NOK 4,333.9 million).

Cash flow from operating activities in the fourth quarter was NOK 118.7 million (NOK 153.9 million), which corresponds to NOK 0.92 per share (NOK 1.23). The cash flow from operating activities for the year was NOK 197.6 million (NOK 266.0 million), which corresponds to NOK 1.53 per share (NOK 2.10). Cash flow from income statement items improved somewhat in 2012, while cash flow from working capital items contributed to a decline in cash flow from operating activities compared with last year. The changes in working capital are within the normal scope of variation in relation to the Group's size, and they cannot be attributed to any isolated large items.

Net interest-bearing debt was NOK 1,211.3 million (1,086.9 million) at the end of the fourth quarter, and the liquidity reserve was NOK 492.3 million (615.8 million). Financial leases totalling NOK 41.9 million (NOK 54.1 million) are included in the net interest-bearing liabilities. The Group's financing is based on syndicated loan facilities with a negative security declaration and covenants relating to key figures from the balance sheet. At the end of the year the key figures were well within the requirements of the loan agreements.

At the end of the fourth quarter the equity was NOK 1,543.6 million (NOK 1,540.0 million). This corresponds to NOK 11.91 (11.98) per share and an equity ratio of 35.9 per cent (35.5). Part of the Group's equity is connected with ownership of foreign subsidiaries, mainly in Sweden, and is therefore exposed to fluctuations in the exchange rate. The extent and consequences of likely exchange rate fluctuations are within acceptable risk limits. In the fourth quarter of 2012 exchange rate fluctuations resulted in an unrealised reduction in equity of NOK 13.0 million (increase of NOK 15.5 million). For 2012 as a whole there has been an unrealised reduction of NOK 12.6 million (reduction of 0.5 million).

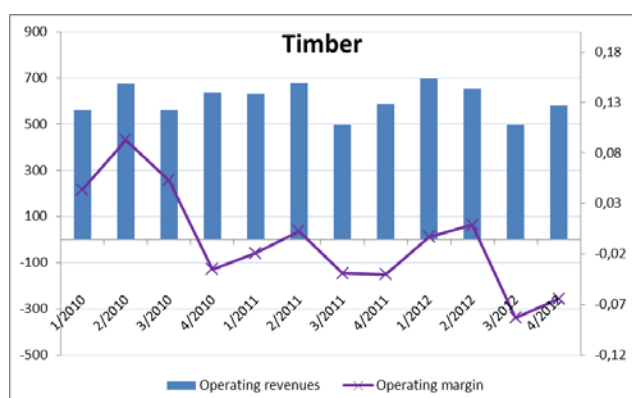
Divisions

Timber

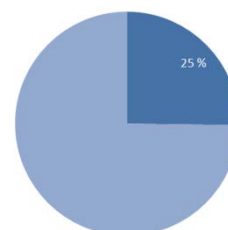
Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Sales to external customers	481.2	468.7	2 047.5	1 956.3
Sales to internal customers	100.9	120.0	380.7	437.8
Operating revenues	582.1	588.7	2 428.2	2 394.1
Depreciation and impairment	25.9	23.3	99.9	90.3
Operating profit	-37.2	-23.6	-74.6	-52.4
Operating margin in per cent	-6.4 %	-4.0 %	-3.1 %	-2.2 %
Net operating capital (% of operating revenues)	-0.8 %	-1.1 %	18.6 %	18.4 %
Total assets *	-23.8	155.5	1 579.1	1 592.2
Equity *	11.9	34.2	710.2	749.8
Capital employed *	38.9	128.3	1 244.5	1 186.6
Return on capital employed *	-1.9 %	-1.0 %	-6.0 %	-4.3 %
Investments *	30.8	60.6	151.6	144.2
Number of employees *	0	36	696	692

* The first column shows the change in value during the quarter

The sawmills in the Timber division have experienced challenging market conditions throughout the quarter. This applies in particular to the export markets, where the strong Scandinavian currencies have given competitors with a cost base in euros an advantage. The debt crisis, lack of economic growth and a weak belief in the future remain the primary reasons for the low level of market activity in Europe. This has resulted in greater competition in Scandinavia and increased the volume of deliveries to North Africa and the Middle East. The delivery volumes for the quarter were lower than the same period last year, and production cuts were implemented in December to avoid the build-up of excessive inventory. For the wood chip products, a high overall supply and reduced demand has resulted in falling prices for several product categories. The supply of saw logs has been satisfactory. The ongoing operational savings and efficiency improvement measures, combined with somewhat lower raw material costs, compensate in part for the lower gross margin.



Timber's share of the Group's external revenues as of the fourth quarter of 2012

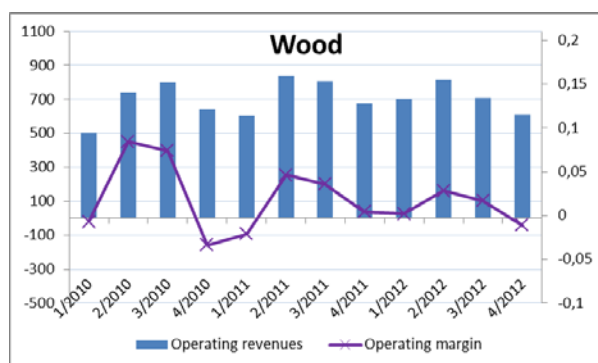


Wood

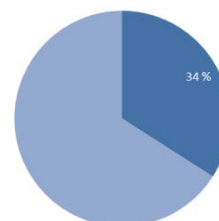
Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Sales to external customers	596.0	661.5	2 763.7	2 852.0
Sales to internal customers	15.6	16.1	73.2	80.4
Operating revenues	611.6	677.6	2 836.9	2 932.4
Depreciation and impairment	24.8	24.6	99.1	89.5
Operating profit	-7.0	2.4	29.6	57.6
Operating margin in per cent	-1.1 %	0.4 %	1.0 %	2.0 %
Net operating capital (% of operating revenues)	0.5 %	0.7 %	28.7 %	29.9 %
Total assets *	-85.6	-77.1	1 905.8	1 975.7
Equity *	-6.0	-65.0	791.4	768.0
Capital employed *	2.2	-72.5	1 362.9	1 362.6
Return on capital employed *	-1.4 %	-1.1 %	2.4 %	4.6 %
Investments *	41.1	31.5	132.7	169.5
Number of employees *	-3	-21	1 063	1 114

* The first column shows the change in value during the quarter

The companies in the Wood division are less exposed to the export markets than the Timber units. The lower construction activity in Sweden and a lower level of activity in general in the builders merchants trade entailed increased competition in the construction wood segment in the fourth quarter. The timber-consuming units in the division, which are located primarily in Norway, face the same challenges as the sawmills in the Timber division with regard to imbalances between the finished good and raw material prices. The level of activity in the interior segment has been satisfactory, and the increasing demand trend for surface treated products continued. Weak prices and falling volumes overall have made it necessary to implement certain restructuring and rationalisation measures. Significant savings have been realised throughout the year. Efforts to adapt the operations to the lower level of activity in the market will continue in 2013.



Wood's share of the Group's external revenues as of the fourth quarter of 2012



Building Systems

Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Sales to external customers	757.5	740.1	2 796.1	2 651.7
Sales to internal customers	2.3	3.8	3.2	14.1
Operating revenues	759.8	743.9	2 799.3	2 665.8
Depreciation and impairment	9.4	8.8	38.1	36.0
Operating profit	23.1	31.4	97.0	50.8
Operating margin in per cent	3.0 %	4.2 %	3.5 %	1.9 %
Net operating capital (% of operating revenues)	-3.8 %	-5.4 %	12.5 %	10.4 %
Total assets *	56.9	98.5	1 243.3	1 217.9
Equity *	-48.8	-102.5	494.0	463.1
Capital employed *	-49.5	-120.8	603.1	526.7
Return on capital employed *	0.7 %	4.9 %	18.3 %	10.0 %
Investments *	23.1	16.8	46.3	38.3
Number of employees *	-26	18	1 486	1 542

* The first column shows the change in value during the quarter

Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Operating revenues	97.8	127.3	420.4	470.7
Depreciation and impairment	3.6	4.3	16.7	18.2
Operating profit	-1.3	2.4	8.0	4.3
Operating margin in per cent	-1.3 %	1.9 %	1.9 %	0.9 %
Investments *	6.8	3.2	20.8	10.2
Number of employees *	-10	-7	239	266

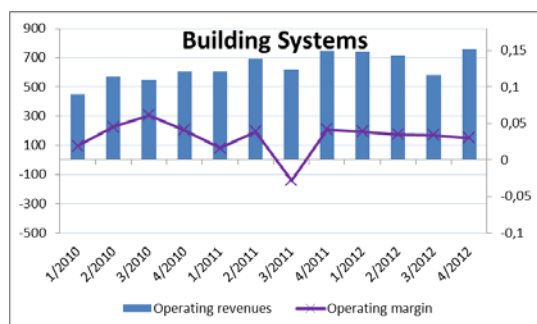
Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Operating revenues	142.3	125.7	523.5	497.4
Depreciation and impairment	0.5	0.4	1.7	1.8
Operating profit	-31.1	-5.8	-36.5	-46.6
Operating margin in per cent	-21.9 %	-4.6 %	-7.0 %	-9.4 %
Investments *	0.0	0.1	0.1	1.5
Number of employees *	-13	-2	254	302

Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Operating revenues	315.0	336.7	1 135.1	1 138.8
Depreciation and impairment	3.7	3.3	13.8	10.9
Operating profit	21.6	18.9	60.2	59.0
Operating margin in per cent	6.9 %	5.6 %	5.3 %	5.2 %
Investments *	15.5	13.3	23.6	23.0
Number of employees *	6	11	549	524

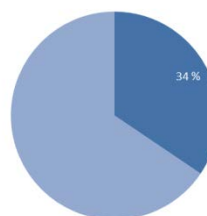
Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Operating revenues	212.6	173.6	764.1	605.6
Depreciation and impairment	1.6	0.7	5.9	5.0
Operating profit	33.9	15.7	65.3	34.0
Operating margin in per cent	15.9 %	9.0 %	8.5 %	5.6 %
Investments *	0.8	0.1	1.7	3.5
Number of employees *	-9	16	444	450

The Building Systems division has primarily Norway and Sweden as its market. The level of market activity has declined in general somewhat more than is normal for the season. The hesitant attitude in the market has entailed fewer contracts for new projects than expected, especially for the Modular System Interiors companies. The order backlog is nevertheless satisfactory and normal for the division as a whole. The companies in the division have maintained their market positions in challenging markets with stiff competition. Capacity adjustments and measures to raise efficiency are being implemented nevertheless throughout the entire division to adapt the operations to the prevailing general conditions.

Both the Modular Buildings in Sweden and Modular System Interiors companies delivered results that were better than the same period last year. In Electrical Systems unsatisfactory operations for certain large complex projects have resulted in major losses during the quarter. The Electrical Installations business also generated major losses in 2011, and in 2012 extensive measures were implemented to improve cost control and project management, as well as to scale down the operations.



Building System's share of the Group's external revenues as of the fourth quarter of 2012



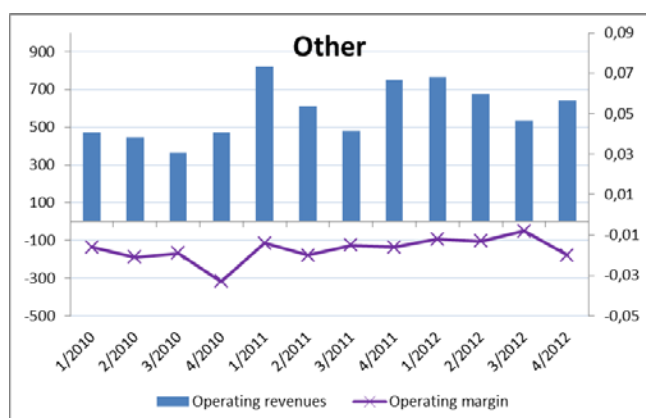
Other businesses

Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Sales to external customers	127.8	141.2	514.2	599.9
Sales to internal customers	513.3	650.7	2 102.5	2 077.3
Operating revenues	641.1	791.9	2 616.7	2 677.2
Depreciation and impairment	3.6	2.8	13.8	10.0
Operating profit	-12.6	-12.1	-35.1	-43.0
Operating margin in per cent	-2.0 %	-1.5 %	-1.3 %	-1.6 %
Net operating capital (% of operating revenues)	-3.8 %	-5.5 %	4.0 %	5.1 %
Total assets *	19.8	-528.3	2 330.2	2 343.3
Equity *	81.4	26.2	1 032.5	1 034.1
Capital employed *	20.8	-575.2	1 827.7	1 813.7
Return on capital employed *	-0.5 %	1.5 %	-0.4 %	0.5 %
Investments *	1.3	1.2	8.9	34.6
Number of employees *	-4	1	130	134

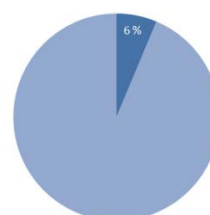
* The first column shows the change in value during the quarter

Other businesses include Moelven Industrier ASA and the common services HR and Communications and ICT, as well as economics, finance and insurance. Saw log supply and sales of chips and energy products are included through the companies Moelven Skog AB, Moelven Virke AS and Vänerbränsle AB. Moelven Bioenergi AS is also included.

Variability in revenues in this area is largely due to changes in revenues from sales of saw logs from Moelven Skog AB and Moelven Virke AS to the Group's timber-consuming units. These internal sales do not have a material effect on the income statement for this business area. The improvement in the operating result for the year is due to lower costs for other common services.



Other's share of the Group's external revenues as of the fourth quarter of 2012



Employees

In the fourth quarter, total absence due to illness was 4.63 per cent (5.10). For the year as a whole absence due to illness was 5.40 per cent (5.20), and long-term absence accounted for 2.33 per cent (2.46).

Even if the absence due to illness increased during the quarter, this change is within the natural range of variation without any isolated main causes. For the year as a whole, absence due to illness in 2012 was higher than last year. In a period of challenging conditions, such as the Group finds itself in now, efforts to improve the working environment and prevent absence are especially important in order to provide the necessary drive and adaptability within the organisation.

The number of personal injuries resulting in absence was 20 during the quarter (25) and 84 (89) for the year as a whole. This corresponds to an H1 value for the quarter of 12.9 (16.6) and 15.0 (16.4) for the year as a whole. Even if the H1 value has declined by 8.5 per cent on an annual basis compared with last year, and 22.3 per cent compared with 2010, there are still many employees who are injured on the job. This trend shows that the various measures implemented over the last three years have had an effect, even if we have still not achieved our objective of avoiding that people are injured on the job at Moelven. In parallel to our efforts to form attitudes, importance is also attached to skills upgrading and investments in safer machinery and equipment.

The Group had a total of 3,375 employees (3,482) at the end of the year. A total of 1,769 (1,790) were employed in Norwegian companies, 1,578 (1,635) in Swedish companies, 21 (42) in Danish companies and 11 (12) in other countries. There are 388 (407) women and 2,987 (3,075) men.

Employees	Per fourth quarter 2012				Per fourth quarter 2011			
	Male	Female	%Female	Total	Male	Female	%Female	Total
Timber	614	82	13.4 %	696	600	92	15.3 %	692
Wood	890	173	19.4 %	1 063	936	178	19.0 %	1 114
Building Systems	1 385	101	7.3 %	1 486	1 435	107	7.5 %	1 542
Others	98	32	32.7 %	130	104	30	28.8 %	134
The Group	2 987	388	11.50 %	3 375	3 075	407	11.69 %	3 482

Sickness absence rate in %	Per fourth quarter	
	2012	2011
Timber	4.55 %	4.09 %
Wood	5.30 %	5.20 %
Building Systems	6.02 %	5.95 %
Others	3.54 %	3.09 %
The Group	5.40 %	5.24 %

H1 Value	Per fourth quarter	
	2012	2011
Timber	16.5	20.8
Wood	18.5	13.9
Building Systems	13	17.8
Others	0.0	0.0
The Group	15.0	16.4

Outlook

The lower level of activity in the market has made it necessary to implement savings measures and capacity adjustments beyond what was originally planned for the previous year. The implemented measures will gradually have a greater effect in the first quarter. In addition to the seasonally low level of activity that normally marks the first quarter, no immediate improvement in the underlying market conditions is expected. Internal improvement work will therefore still have high priority. Even though the euro has strengthened somewhat against the Scandinavian currencies during the quarter, the exchange rate continues to be at a level that weakens the competitiveness of the Group's units compared with companies whose cost base is in euros. Raw material prices have declined somewhat, but the effect is lessened by falling wood chip product prices. Positive signals from other areas such as the Middle East, North Africa and the US, combined with generally unsatisfactory profitability in the sawmill industry leading to capacity adjustments, indicate that an improvement in the international market balance for industrial timber can be expected in the medium term. Good growth is still expected in the Norwegian construction market, but a weak performance is expected in Sweden. In Denmark a very weak market is still expected.

The Board is of the opinion that the Group has adequate solvency and access to liquidity over the long term to undertake the necessary market adaptations. Investment activity will be adjusted to match the ongoing development of cash flow and market conditions. Overall the Board expects that the Group's operating result for the first quarter will be weaker than the previous year, but the year as a whole is expected to be somewhat better.

Summary quarterly accounts for the Moelven Group for the third quarter of 2012

Profit and loss account and total comprehensive income

Amounts in NOK million	Fourth quarter		12 months	
	2012	2011	2012	2011
Operating revenues	1 962.3	2 011.5	8 121.5	8 059.9
Depreciation	63.8	59.6	250.9	225.9
Cost of goods sold	1 232.3	1 275.6	5 264.3	5 341.1
Payroll expenses	470.0	438.9	1 727.1	1 605.9
Other operating expenses	229.9	239.5	862.4	874.0
Operating profit	-33.6	-2.1	16.9	12.9
Income from associates	-2.1	-0.7	-3.7	-0.7
Value change of financial instruments to fair value	-2.7	-17.1	-7.9	-60.1
Other financial income	4.6	14.9	15.8	15.6
Other financial expenses	-23.2	-9.5	-85.5	-80.2
Profit before tax	-57.0	-14.5	-64.3	-112.4
Estimate income tax	-16.0	5.5	-17.3	-26.6
Net profit	-41.1	-20.0	-47.1	-85.8
Non-controlling interest share	-0.1	-1.0	-1.8	-2.6
Owner of parent company share	-40.9	-19.0	-45.3	-83.2
Earnings per share (in NOK)	-0.3	-0.2	-0.4	-0.7
Statement of comprehensive income				
Net profit	-41.1	-20.0	-47.1	-85.8
Other comprehensive income				
<i>Items that are not reclassified subsequently to profit or loss</i>				
Actuarial gains (losses) on defined-benefit pension schemes	116.5	0.0	64.8	-49.0
Income tax on items that are not reclassified to profit or loss	-32.6	0.0	-18.1	13.7
	83.9	0.0	46.6	-35.3
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation differences	-13.0	13.5	-12.6	-0.5
Proportion of other income and costs in associated companies	0.0	0.0	0.0	0.0
Other changes	12.8	-6.0	16.6	-5.3
Income tax on items that may be reclassified to profit or loss	0.0	0.0	0.0	0.0
	-0.2	7.5	4.0	-5.8
Other comprehensive income, net of tax	83.7	7.5	50.7	-41.1
Total comprehensive income for the period	42.6	-12.5	3.6	-126.9
Comprehensive income assigned to:				
Owners of parent company	42.8	-11.5	5.4	-124.3
Non-controlling interests	-0.1	-1.0	-1.8	-2.6

Consolidated balance sheet

Amounts in NOK million	Per 31.12	
	2012	2011
Intangible assets	53.3	58.1
Tangible fixed assets	1 702.5	1 669.7
Financial fixed assets	7.2	17.7
Total fixed assets	1 763.0	1 745.5
Inventory	1 289.9	1 343.9
Receivables	1 263.4	1 219.0
Liquid assets	25.8	25.5
Total current assets	2 579.1	2 588.4
Total assets	4 342.1	4 333.9
Share capital*	647.7	647.7
Other equity	895.9	892.3
Total equity	1 543.6	1 540.0
Provisions	184.3	278.6
Long term interest-bearing liabilities	1 131.0	1 109.4
Long term interest-free liabilities	2.7	3.1
Total long term liabilities	1 318.1	1 391.0
Short term interest-bearing liabilities	106.0	0.0
Short term liabilities	1 374.4	1 402.9
Total short term liabilities	1 480.4	1 402.9
Total liabilities	2 798.5	2 793.9
Total equity and liabilities	4 342.1	4 333.9

*129.542.384 shares á NOK 5,-, adjusted for 1.100 own shares.

Consolidated statement of changes in equity

Amounts in NOK million	Equity assigned to owners of parent company					Non-controlling interests	Total equity
	Share capital	Share premium funds	Own shares	Other equity	Total		
Total per 1.1.2011	647.7	180.7	0.0	910.1	1 738.5	16.9	1 755.4
Comprehensive income for the period							
Net profit	0.0	0.0	0.0	-83.2	-83.2	-2.6	-85.8
Other comprehensive income							
Translation differences	0.0	0.0	0.0	-0.5	-0.5	0.0	-0.5
Other changes	0.0	0.0	0.0	-8.6	-8.6	0.0	-8.6
Actuarial gains (losses) on defined-benefit pension schemes	0.0	0.0	0.0	-49.0	-49.0	0.0	-49.0
Income tax on other comprehensive income	0.0	0.0	0.0	13.7	13.7	0.0	13.7
Other comprehensive income (net of tax)	0.0	0.0	0.0	-44.3	-44.3	0.0	-44.3
Transactions with owners, entered directly against equity							
Purchase of non-controlling interests	0.0	0.0	0.0	0.0	0.0	-1.0	-1.0
Effect of acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend to owners	0.0	0.0	0.0	-84.2	-84.2	0.0	-84.2
Share based payment transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total transactions with owners	0.0	0.0	0.0	-84.2	-84.2	-1.0	-85.2
Total as at 31.12.2011	647.7	180.7	0.0	698.3	1 526.7	13.3	1 540.0
Total per 1.1.2012	647.7	180.7	0.0	698.3	1 526.7	13.3	1 540.0
Comprehensive income for the period							
Net profit	0.0	0.0	0.0	-45.2	-45.2	-1.8	-47.1
Other comprehensive income							
Translation differences	0.0	0.0	0.0	-12.6	-12.6	0.0	-12.6
Other changes	0.0	0.0	0.0	16.6	16.6	0.0	16.6
Actuarial gains (losses) on defined-benefit pension schemes	0.0	0.0	0.0	64.8	64.8	0.0	64.8
Income tax on other comprehensive income	0.0	0.0	0.0	-18.1	-18.1	0.0	-18.1
Other comprehensive income (net of tax)	0.0	0.0	0.0	50.7	50.7	0.0	50.7
Transactions with owners, entered directly against equity							
Purchase of non-controlling interests	0.0	0.0	0.0	2.4	2.4	-2.4	0.0
Effect of acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividend to owners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share based payment transactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total transactions with owners	0.0	0.0	0.0	2.4	2.4	-2.4	0.0
Total as at 31.12.2012	647.7	180.7	0.0	706.1	1 534.5	9.1	1 543.6

Consolidated statement of cash flow

Amounts in NOK million	Per 31.12	
	2012	2011
CASH FLOW FROM OPERATIONAL ACTIVITIES:		
Net profit	-47.1	-85.8
<i>Adjustments to reconcile net profit with net cash flow from operations:</i>		
Depreciation	250.9	225.9
Impairment	0.0	0.0
Income from associated companies	3.7	0.7
Tax paid	-8.5	-22.5
Unpaid pension costs entered as costs and unreceived pension funds entered as income	-12.5	-14.3
Loss (profit) on sale of fixed assets	-0.8	-1.7
Net value change of financial instruments to fair value	7.9	60.1
Income tax	-17.3	-26.6
<i>Changes in operating assets and liabilities:</i>		
Changes in inventory	54.0	-34.3
Changes in accounts receivable and other receivables	-44.5	-15.1
Changes in trade accounts payable	-67.9	54.7
Changes in provisions and benefits to employees	-3.2	1.3
Changes in short-term liabilities excluding borrowing	82.8	124.0
Cash flow from operational activities	197.6	266.4
CASH FLOW FROM INVESTMENT ACTIVITIES:		
Investment in plant and equipment exc. acquisition	-339.4	-386.6
Net cash outlay on acquisition	-1.0	0.0
Receipts from sale of fixed assets	11.9	11.7
Sale of other long-term investments	6.1	0.1
Acquisition of subsidiary, net of cash	0.0	-4.7
Cash flow from investment activities	-322.4	-379.6
CASH FLOW FROM FINANCING ACTIVITIES:		
Raising short term debt	209.8	95.1
Repayment of short term debt	-208.6	-106.1
Change in bank overdrafts	104.8	-67.9
Purchase of non-controlling interests	-2.3	-1.0
Change in long term debt (borrowing facility)	31.1	288.5
Changes in other long-term liabilities	-9.8	-11.8
Payment of dividend	0.0	-84.2
Cash flow from financial activities	125.1	112.5
Net increase (reduction) in liquid assets during year	0.3	-0.7
Liquid assets start of period	25.5	26.2
Effect of exchange rate changes on liquid assets	0.0	0.0
Liquid assets end of period	25.8	25.5
Cash and cash equivalents		
Liquid assets	25.8	25.5
Unused drawing rights	466.5	590.3
Restricted bank deposits	0.0	0.0
Cash and cash equivalents	492.3	615.8

Notes to the summary consolidated quarterly financial statements

Note 1 – General information

Moelven Industrier ASA is a public limited liability company, registered in Norway. The company's head office is at Industriveien 2, 2390 Moelv, Norway.

The summary consolidated financial statements for the fourth quarter of 2012 ended 31 December 2012 include Moelven Industrier ASA and its subsidiaries (collectively referred to as the "Group") and the Group's interests in associated companies.

The annual accounts for 2011 are available at www.moelven.no.

Note 2 – Statement of conformity

The consolidated financial statements for the fourth quarter of 2012 have been prepared in accordance with the requirements of IAS 34 "Interim Financial Reporting" which have been approved by the EU. The interim financial statements do not include all the information required in a complete annual report and ought to be read in conjunction with the consolidated financial statements for 2011.

The summary consolidated quarterly financial statements were approved by the Board on 24 January 2013.

Note 3 – Accounting policies

The accounting policies adopted in the quarterly financial statements is the same as those in the consolidated financial statements for 2011.

Note 4 – Critical judgements and estimates

The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect both which accounting policies are applied and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts may differ from the estimated amounts.

In preparing these summary quarterly financial statements management has applied the same critical judgements in applying the accounting policies as it made when preparing the consolidated financial statements for 2011 and the principal sources of estimate uncertainty are the same when preparing these summary quarterly accounts as for the consolidated accounts for 2011.

Note 5 – Pensions and taxes

The calculations of pension costs and pension liabilities are undertaken annually by actuaries. In the quarterly accounts pension costs and pension liabilities are based on forecasts from actuaries. The income tax expense is determined in each quarter on the basis of the expected annual income tax expense.

Note 6 – Seasonal fluctuations

Demand for the Group's products and services are normally subject to variability throughout the year. This involves a low season during the first quarter, increasing activity and a peak season over the second and third quarters, and diminishing activity in the final part of the fourth quarter.

Due to the annual seasonal variation in raw material access and market activity, the Group's working capital varies by NOK 300 million to NOK 400 million from its highest level in May/June to its lowest in November/December.

As normal, the first quarter has been affected by the low season and increased working capital in advance of the high season.

Note 7 - Tangible fixed assets

Amounts in NOK million	Per 31.12	
	2012	2011
Book value per 1.1	1 715.3	1 585.1
Acquisitions	339.4	386.6
Business combinations	0.0	0.0
Disposals	-1.9	-10.0
Depreciations	-250.9	-225.9
Transfers	-42.2	-3.0
Translation differences	-15.2	-17.5
Book value per 30.06	1 744.5	1 715.3

Note 8 - Financial instruments

Amounts in NOK million	Per 31.12.2012			Per 31.12.2011		
	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value
Currency derivatives	3.2	-2.0	1.2	4.8	-0.8	4.0
Interest rate derivatives	0.0	-62.0	-62.0	0.0	-55.1	-55.1
Power derivatives	0.0	-8.9	-8.9	0.0	-10.7	-10.7
Total	3.2	-72.9	-69.7	4.8	-66.6	-61.8

Amounts in NOK million	Per 31.12.2011			Per 31.12.2010		
	Positive fair value	Negative fair value	Net fair value	Positive fair value	Negative fair value	Net fair value
Currency derivatives	4.8	-0.8	4.0	12.1	-1.6	10.6
Interest rate derivatives	0.0	-55.1	-55.1	0.0	-25.7	-25.7
Power derivatives	0.0	-10.7	-10.7	12.5	0.0	12.5
Total	4.8	-66.6	-61.8	24.6	-27.2	-2.6

Note 9 – Operating segments

The divisions are divided in accordance with Moelven's three core activities: Timber (industrial goods), Wood (building products) and Building Systems (projects). There is also a division named "Other" in which the remaining units are placed. The divisions are built up around independent subsidiaries with activities clearly defined within the divisions. All transactions between the divisions are conducted on normal commercial terms. The split into divisions differs from the formal legal ownership structure. See the consolidated financial statements for 2011 for further information about segments.

Below is a reconciliation of the profit before taxes in the reporting segments with the company's profit before taxes.

Amounts in NOK million	Fourth quarter	
	2012	2011
Timber	-98.0	-42.7
Wood	0.8	33.7
Building Systems	98.9	22.6
Other	-66.1	-111.8
Profit before tax in segments	-64.3	-98.1
Eliminations	0.0	0.0
Profit before tax in Group Accounts	-64.3	-98.1

Note 10 – Related parties

Transactions with the owners are performed in some areas of the ordinary activities. Among other things, this relates to purchase of timber, where the Norwegian forest owner cooperatives are suppliers. There will also be deliveries of biofuel from the Moelven Group to a bioenergy plant owned by Eidsiva Energi AS, with possible buy-back of bioenergy for Moelven's industries in connection with the energy plant. Eidsiva Energi Marked AS trade electric power to Moelven's Norwegian industrial operations. All these transactions have in common that the arm's length principle shall be applied. Where other suppliers can offer better prices or terms, these will be used. About 40 per cent of Moelven's total purchasing requirement for timber of 4 million cubic metres comes via the Norwegian forest owner cooperatives.

Moelven's supply of energy raw materials to Eidsiva's bioenergy plant represents between 40 and 50 GWh on an annual basis, while buying back energy represents between 20 and 30 GWh. Net delivery of energy raw materials is 20 GWh. The extent of the sale of electrical power corresponds to about 40 per cent of Moelven's total consumption of 185 GWh.

Moelven has a long tradition of running its operations in accordance with all the laws and ethical guidelines of the industry and is of the opinion that competition is positive for all parties in industry. In order to ensure that this culture is maintained, ethical guidelines and guidelines for complying with legislation on competition have been devised.

Note 11 - Events after the balance sheet date

There have not been any events after the balance sheet date which would have an impact on the income, expenses, assets and liabilities disclosed in the quarterly financial statements.

Moelven is organised into three divisions: Timber, Wood and Building Systems. There is also an Other Businesses reporting area, which consists of the holding companies, supply businesses and bioenergy companies. The sawmills in Timber supply sawed wood products and components to industrial customers in Scandinavia and the rest of Europe, the Middle East and North Africa. The industrial customers use the products as intermediate goods in their own production. Shavings, chip and bark products are also supplied and are used in the pulp, chipboard and biofuel industry. The companies in Wood supply the building products trade in Scandinavia with a broad range of building and interior products. A critical competitive advantage is the division's efficient distribution system, which offers customers rapid and precise deliveries of a broad range of products. The companies within Building Systems deliver flexible system solutions for interior walls, modular buildings, electrical installations and load-bearing structures in glulam to projects and contractor clients, principally in Norway and Sweden. The division focuses on developing concepts and systems in collaboration with the customers and experts within architecture, design and construction. In total, the Group is composed of 52 operating units in Norway and Sweden and has 3 375 employees. Moelven also has its own sales offices in Denmark, England, Germany and the Netherlands. The Moelven Group is owned by Glommen Skog BA (25.1 per cent), Eidsiva Vekst AS (23.8 per cent), Agri MI AS (15.8 per cent), Viken Skog BA (11.9 per cent), Mjøsen Skog BA (11.7 per cent), AT Skog BA (7.3 per cent) and Havass Skog BA (4.0 per cent). Most of the remaining 0.4 per cent is owned by private individuals.

Moelven gir folk gode rom

For mer informasjon:
www.moelven.com