BONG LJUNGDAHL AB
Interim report
January – September 2008

"Despite slower demand, we delivered a significant improvement in earnings compared to the previous year," says Bong's President and CEO Anders Davidsson. "We are continuing our strenuous efforts to free up working capital and develop growth areas with higher value added, such as ProPac."

- Net sales for the first nine months of 2008 are reported at SEK 1,429 million (1,474). On a like-for-like basis and at fixed exchange rates, net sales for the same period of 2007 amounted to SEK 1,433 million.

- Bong's ProPac packaging venture showed continued rapid growth and made up 13% (10) of the Group's total sales for the third quarter.

- Operating profit for the nine-month period improved to SEK 54 million (35) and profit after tax was SEK 12 million (-4). Diluted earnings per share amounted to SEK 0.91 (-0.27).

- Cash flow after investing activities for the nine-month period was SEK 57 million (-38).

- In response to declining demand, 46 employees in Germany and Scandinavia were made redundant in the third quarter and two envelope machines were sold. Parallel to this, Bong has adapted its inventories and production levels. The net cost of these measures amounted to approximately SEK 5 million, all of which was recognised in the third quarter.

SEK M	**Q3 2008**	**Q3 2007**	**Q1-3 2008**	**Q1-3 2007**
Net sales	441	461	1429	1474
Operating profit	10	16	54	35
Profit after tax	-2	0	12	-4
Cash flow after investing activities	16	34	57	-38

MARKET

Third quarter demand in the Western European envelope market was negatively affected by a general economic downturn and ongoing financial unrest. The pattern was similar in all Western European countries, with a relatively strong start to the year followed by a gradual volume decline in the second and third quarters that reached its lowest point in August. Overall, the market contracted by 5-6% over the nine-month period. In Eastern Europe, however, envelope volumes continued to rise in markets like Poland and Russia.

The period saw further growth in demand for custom printing, consisting of printing on finished white envelopes in short runs, while the market for direct mail (DM) was affected by cut-backs in marketing investments, not least in the financial sector.

Distance shopping, i.e. shopping via the Internet and mail order, continued to expand in a trend that is benefiting Bong’s ProPac packaging concept.

In September Bong announced that it joined five other worldwide leaders in the envelope and packaging industry in forming a strategic alliance called the International Envelope Coalition. The alliance covers five continents and was formed in order to enhance the products and services available to the global marketplace. The members of the alliance, aside from Bong, are Tension of the USA, Hamelin of France, Vigamil of Chile, King of Japan and Wigg & Son of Australia.

The industry’s consolidation continued through the third quarter of 2008. In October Europe’s largest envelope producer, Mayer Kuvert, acquired the envelope production business of Herlitz in Germany. Following this transaction the five largest envelope manufacturers in Europe, which include Bong, have a combined market share of approximately 72%.

SALES AND PROFIT, JANUARY-SEPTEMBER 2008

Consolidated sales for the first nine months of 2008 reached SEK 1,429 million (1,474). The discontinued unit in Poland (Bong Polska) made a negative contribution of -1.6%, or approximately SEK -23 million, to sales for the nine-month period. Exchange rate movements had a negative effect of 1.2%, or around SEK -18 million.

Operating profit improved to SEK 54 million (35) and profit before tax to SEK 15 million (-3). Net financial items totalled SEK -39 million (-38). Profit after tax was SEK 12 million (-4).

The Group’s gross margin for the period strengthened compared to 2007. The key factors behind this earnings growth were higher prices, a better product mix and lower costs following the completed restructuring programmes.

In the first quarter Bong’s envelope factory in Tampere was closed according to plan and its production was transferred partly to Kaavi and partly the Group’s factory in Estonia. The Finnish restructuring project was completed in late summer 2008.

The second and third quarters saw a slight drop demand in all Western European envelope markets due to a general economic downturn and financial turbulence, which also affected Bong through lower volumes. In order to meet this lower demand, Bong is continuously adapting its staffing and capacity.

So far this year the Group has incurred costs for termination of staff in Scandinavia and Germany, as well as double rents in Finland and Russia in connection with the relocation of operation in these countries. The resulting net cost of approximately SEK 2 million, which has been partly offset by capital gains on the sale of equipment, was recognised in full in operating profit for the period.

The Group is working systematically to free up working capital, among other things by reducing inventory levels. As part of these efforts Bong is changing over to production on an on-demand basis. These costs were charged to operating profit in an amount of SEK 0.3 million.

The ProPac venture continued with high and stable growth during the period and accounted for approximately 11% (9) of total consolidated sales. The Group's new ProPac organisation is working to cultivate new customers in several European markets at the same time that ProPac sales to existing customers have grown.

SALES AND PROFIT, JULY-SEPTEMBER 2008

Consolidated sales for the third quarter amounted to SEK 441 million (461). Foreign exchange losses had a negative impact of 1%, on sales for the quarter, equal to approximately SEK -5 million.

Demand decreased in the third quarter as a result of a general economic downturn and financial turbulence. This has also affected Bong through lower volumes, particularly in August, although sales recovered in September and exceeded the level for the same month of 2007. In response to lower demand, 46 employees have been made redundant in Scandinavia and Germany and two envelope machines have been sold.

In the third quarter the Group incurred costs for termination of employees in Scandinavia and Germany, as well as double rents in Finland and Russia in connection with the relocation of operations in these countries. The resulting net cost of approximately SEK 2 million, which has been partly offset by capital gains on the sale of equipment, was recognised in operating profit.

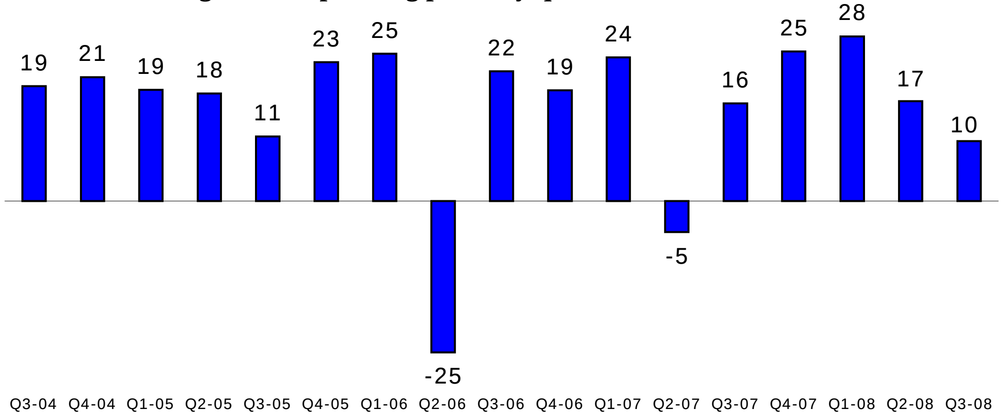
The Group's efforts to minimise working capital continued with undiminished strength in the third quarter. Through an active shift to more on-demand production, Bong has succeeded in reducing its inventories of finished products. Costs for these measures were charged to operating profit in an amount of approximately SEK 3 million.

ProPac showed sustained rapid growth in pace with establishment of the new sales organisation. Furthermore, production and deliveries ahead of the Christmas season are now starting to have a positive impact. ProPac accounted for around 13% (10) of the Group's total sales for the quarter.

Operating profit was SEK 10 million (16). Net financial items totalled SEK -12 million (-15), where the year-on-year improvement is mainly due to a significantly lower net loan debt in the current year. Profit before tax amounted to SEK -2 million (2) and reported profit after tax was SEK -2 million (0).

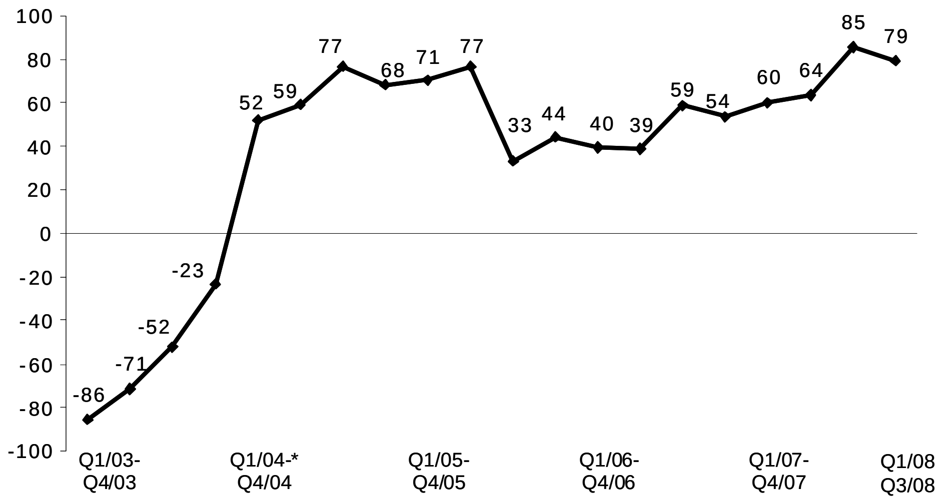
The quarterly profit trend since the third quarter of 2004 is shown in Diagram 1 below.

Diagram 1: Operating profit by quarter, SEK M



Rolling 4-quarter operating profit amounted to SEK 79 million after the third quarter. (Diagram 2)

Diagram 2: Rolling 4-quarter operating profit, SEK M



Excluding the effect arising on settlement of a legal dispute in Q2 2004.

According to the earlier accounting rules, profit for periods prior to 2004 was charged with goodwill amortisation of around SEK 5 million per quarter. Following the transition to IFRS on 1 January 2004, goodwill is no longer amortised.

CASH FLOW
The period's cash flow after investing activities was SEK 57 million (-38). Cash flow from operating activities was SEK 107 million (24). Working capital was reduced by SEK 20 million in the first nine months of the year, compared to an increase of SEK 30 million for the same period of 2007. The decrease in working capital has been achieved through active inventory management and longer credit times from suppliers.

The purchase of a new industrial property in Kaluga, Russia, and the acquisition of an additional 28% of the shares in Voet had a combined effect of SEK – 21 million on cash flow for the period.

Third quarter cash flow after investing activities was SEK 16 million (34). The weaker cash flow compared to the previous year is explained by the combined effects of a lower operating profit and a smaller reduction in working capital.

FINANCIAL POSITION
Cash and cash equivalents at 30 September 2008 totalled SEK 104 million (31 Dec. 2007: SEK 24 million).

Granted but unutilised credits amounted to SEK 235 million (31 Dec. 2007: SEK 318 million).

At the end of 2007, Bong entered into a new agreement with two Swedish business banks to secure the Group's total external financing requirement. The agreement runs until December 2010.

Consolidated equity at 30 September 2008 amounted to SEK 583 million (31 Dec. 2007: SEK 572 million). The positive profit after tax increased consolidated equity by SEK 12 million, while shareholder dividends reduced it by SEK 14 million. Translation of the net assets of foreign subsidiaries to Swedish kronor reduced consolidated equity by SEK 13 million.

In the first nine months of 2008 the net loan debt decreased by SEK 29 million to SEK 800 million (31 Dec. 2007: SEK 829 million). The positive cash flow reduced the net loan debt by SEK 57 million, while shareholder dividends and exchange rate movements increased it by SEK 29 million. The net debt/equity ratio at 30 September 2008 was 1.37 (31 Dec. 2007: 1.45) and the equity/assets ratio was 31% (31 Dec. 2007: 33). The Group's target is an equity/assets ratio of at least 30% over time.

CAPITAL EXPENDITURE

Net expenditure on property, plant and equipment and acquisitions during the period amounted to SEK 50 million (62). In the second quarter of 2008 Bong acquired an envelope factory in Kaluga, Russia, for SEK 22 million. During the same period, an additional 28% of the shares were acquired in Voet International VOF. Net expenditure for the same period of 2007 included the acquisition of the German envelope printer Lober.

EMPLOYEES

The average number of employees during the nine-month period was 1,270 (1,348). At the end of September 2008, the number of employees was 1,234 (1,334).

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 profit before tax at SEK -29 million (-32). No capital expenditure was incurred during the period (0). Granted but unutilised credits amounted to SEK 235 million (31 Dec. 2007: SEK 318 million).

OPPORTUNITIES AND RISKS

The risks arising in Bong's operations are related primarily to the market and the Group's financing arrangements.

The envelope market is still in the midst of a transitional phase characterised by growth in Eastern Europe but stagnation in Western Europe due to a shrinking volume of administrative mail. At the same time, there are opportunities for growth in the ProPac segment and DM/custom printing.

Uncoated fine paper is the single most important input material for Bong and accounts for over half of the total cost mass. The paper market is cyclical and paper prices can vary rapidly depending on changes in the market situation. Although Bong is normally able to compensate for higher paper costs by raising its customer prices, competitive conditions in the market can lead to delays in passing on price increases to the customers.

Through its operations the Group is exposed to a number of financial risks such as foreign exchange risk, interest rate risk and credit risk. The overall risk management policy focuses on unpredictability in the financial markets and strives to minimise potentially undesirable effects on the Group's results. The Group uses derivatives to hedge certain risk exposure. Risk management is handled by a central finance function that identifies, assesses and hedges financial risks in close cooperation with the Group's operating units.

For further information about the Group's opportunities and risks, see Bong's annual report at 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. The applied accounting policies correspond to those used in the most recently published annual report.

FUTURE OUTLOOK
Operating profit for 2008 is expected to exceed that for 2007.

Kristianstad, 11 November 2008
BONG LJUNGDAHL AB

Anders Davidsson
President and CEO

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

The interim report will be presented in a teleconference starting at 10:00 a.m. on 12 November 2008. The telephone number to the teleconference is +46 (0)8 5052 0110. By 9:00 a.m., at the latest, pictures for the teleconference will be available on our website www.bongljungdahl.se

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Financial calendar:

Year-end report 2008	*18 February 2009*
Interim report January-March 2009	*14 May 2009*
2009 Annual General Meeting	*14 May 2009, Kristianstad*
Interim report January-June 2009	*August 2009*
Interim report January-September 2009	*November 2009*

Bong is one of Europe's leading envelope companies and offers solutions for distribution and packaging of information, advertising materials and lightweight goods. Two key growth areas in the Group are the new ProPac packaging concept and Russia, where Bong has recently established its own manufacturing facility and sales organisation. The Group has annual sales of approximately SEK 2 billion and some 1,200 employees in Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, the UK, the Netherlands, Belgium, Germany, Poland and Russia. Bong has a strong market position, particularly in Northern Europe, and the Group sees attractive opportunities for further expansion and development. Bong is a publicly listed company and its shares are quoted on the OMX Nordic Stock Exchange Stockholm (the Stockholm Stock Exchange).

INTERIM REPORT 30 JUNE 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	Jul -Sep 2008	2007	Jan -Sep 2008	2007	Oct 2007 -Sep 2008	Jan -Dec 2007
Net sales	440,7	461,0	1 429,3	1 473,8	1 946,9	1 991,4
Cost of goods sold	-362,5	-365,1	-1 141,9	-1 198,2	-1 547,2	-1 603,5
Gross profit	78,1	95,9	287,4	275,6	399,7	387,9
Selling expenses	-40,0	-46,5	-138,5	-157,7	-190,3	-209,6
Administrative expenses	-33,5	-32,7	-104,5	-109,2	-142,9	-147,7
Other operating income and expenses	5,4	-0,4	9,7	26,3	12,7	29,3
Operating profit	10,0	16,3	54,2	35,1	79,2	60,1
Net financial items	-12,3	-14,6	-38,8	-37,6	-49,3	-47,8
Profit before tax	-2,3	1,7	15,4	-2,5	29,9	12,3
Income tax	0,4	-1,6	-3,2	-1,1	1,5	3,6
Profit after tax	-1,9	0,1	12,2	-3,6	31,4	15,9
Profit for the period attributable to minority interest	0,0	-0,1	0,1	-0,3	-0,1	-0,4
Basic earnings per share	-0,15	0,01	0,93	-0,27	2,40	1,19
Diluted earnings per share	-0,15	0,01	0,91	-0,27	2,37	1,17

CONSOLIDATED BALANCE SHEETS IN SUMMARY (SEK M)		30 Sep 2008	30 Sep 2007	31 Dec 2007
Assets				
Intangible assets	1)	366,3	350,5	356,4
Tangible assets		609,8	627,5	621,2
Financial assets		155,8	90,9	111,7
Inventories		274,5	298,9	279,9
Current receivables		372,5	385,6	362,5
Cash and cash equivalents		104,4	23,2	24,2
Total assets		**1 883,3**	**1 776,6**	**1 755,9**
Equity and liabilities				
Equity	2)	583,0	542,0	571,6
Long-term liabilities	3)	784,6	370,6	692,2
Current liabilities	4)	515,7	864,0	492,1
Total equity and liabilities		**1 883,3**	**1 776,6**	**1 755,9**
1) Of which, goodwill		363,5	347,2	353,1
2) Of which, minority interest		0,1	0,6	0,7
3) Of which, interest bearing		717,3	336,5	661,7
4) Of which, interest bearing		187,4	544,4	191,7

KEY RATIOS		Jan-Sep 2008	Jan-Sep 2007	Oct 2007-Sep 2008	Jan - Dec 2007
Diluted earnings per share, SEK	1)	0,91	-0,27	2,35	1,17
Basic earnings per share, SEK		0,93	-0,27	2,38	1,19
Diluted equity per share, SEK		44,77	41,80	44,77	43,98
Ditto before dilution		44,41	41,29	44,41	43,54
Operating margin, %		3,8	2,9	4,1	3,0
Profit margin, %		1,1	0,3	1,5	0,6
Return on equity, %		-	-	5,4	2,8
Return on capital employed, %		-	-	6,4	4,9
Equity/assets ratio, %		31,0	29,7	31,0	32,8
Net debt/equity ratio, times		1,37	1,58	1,37	1,45
Capital employed, SEK M		1 487,7	1 422,9	1 487,7	1 424,9
Interest-bearing net loan debt, SEK M		800,3	857,3	800,3	829,1
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	13 428 227
Average number of shares, basic		13 128 227	13 030 622	13 128 227	13 079 425
Average number of shares, diluted		13 332 227	13 428 227	13 332 227	13 379 425

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

CHANGES IN CONSOLIDATED EQUITY (SEK M)	Jan-Sep 2008	Jan-Sep 2007	Jan-Dec 2007
Opening balance for the period	571,6	537,8	537,8
Dividends paid	-13,8	-13,0	-13,0
Payment for warrants		-	0,1
Conversion of convertible debentures		6,8	6,8
Translation differences	12,9	14,0	24,0
Profit for the period	12,2	-3,6	15,9
Closing balance for the period	**582,9**	**542,0**	**571,6**

CONSOLIDATED CASH FLOW STATEMENTS (SEK M)	Jul - Sep 2008	Jul - Sep 2007	Jan-Sep 2008	Jan-Sep 2007	Oct 2007 -Sep 2008	Jan - Dec 2007
Operating activities						
Operating profit	10,0	16,3	54,2	35,1	79,2	60,1
Depreciation, amortisation and impairment	23,0	26,0	68,3	71,4	89,2	92,4
Financial items	-12,3	-14,6	-38,8	-37,3	-46,9	-45,4
Paid tax	-1,0	-3,7	-4,8	-9,3	-6,7	-11,2
Other non-cash items	-4,1	4,2	8,1	-6,5	-0,7	-15,3
Cash flow from operating activities before changes in working capital	15,6	28,2	87,0	53,4	114,1	80,6
Changes in working capital	9,1	17,4	20,2	-29,9	37,1	-12,9
Cash flow from operating activities	**24,7**	**45,6**	**107,2**	**23,5**	**151,2**	**67,7**
Cash flow from investing activities	**-9,0**	**-11,8**	**-49,9**	**-61,8**	**-54,8**	**-66,7**
Cash flow after investing activities	**15,7**	**33,8**	**57,3**	**-38,3**	**96,4**	**1,0**
Cash flow from financing activities	**33,4**	**-42,6**	**22,9**	**22,4**	**-16,2**	**-16,4**
Cash flow for the period	**49,1**	**-8,8**	**80,2**	**-15,9**	**80,2**	**-15,5**
Cash and cash equivalents at beginning of period	55,3	32,2	24,20	38,4	23,2	38,4
Exchange rate difference in cash and cash equivalents	0,0	-0,2	0,0	0,7	0,9	1,2
Cash and cash equivalents at end of period	**104,4**	**23,2**	**104,4**	**23,2**	**104,4**	**24,1**

QUARTELY DATA GROUP (SEK M)	3/2008	2/2008	1/2008	4/2007	3/2007	2/2007	1/2007	4/2006	3/2006	2/2006	1/2006
Net sales	440,7	463,0	525,5	517,6	461	472,4	540,4	522,5	431,1	474,5	556,4
Operating expenses	-430,7	-446,3	-498,0	-492,6	-444,7	-477,6	-516,4	-504,0	-409,4	-499,8	-531,8
Operating profit	**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	-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	**-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*	**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*	**-2,3**	**2,0**	**15,7**	**14,8**	**1,7**	**-8,4**	**12,5**	**13,7**	**12,2**	**10,6**	**15,0**

*Adjusted according to information in previous interim reports.

PARENT COMPANY PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	Jan -Sep 2008	Jan -Sep 2007
Net sales	0,0	0,0
Cost of goods sold	0,0	0,0
Gross profit	0,0	0,0
Selling expenses		
Administrative expenses	-23,4	-18,3
Other operating income and expenses	0,0	0,0
Operating profit	-23,4	-18,3
Net financial items	-6,0	-12,9
Profit before tax	-29,4	-31,2
Income tax	0,6	-0,3
Profit after tax	-28,8	-31,5

PARENT COMPANY BALANCE SHEETS IN SUMMARY (SEK M)	30 Sep 2008	31 Dec 2007
Assets		
Tangible assets	3,3	3,1
Financial assets	1 233,8	1 249,5
Current receivables	63,7	62,7
Cash and cash equivalents	60,0	4,1
Total assets	**1 360,8**	**1 319,4**
Equity and liabilities		
Equity	522,6	564,3
Untaxed reserves	0,0	0,9
Provisions	12,8	12,7
Non-current liabilities	589,3	519,1
Currents liabilities	236,1	222,4
Total equity and liabilities	**1 360,8**	**1 319,4**