BONG LJUNGDAHL AB

Interim report
January – June 2008

"We have significantly improved our performance compared to the first half of last year", says Bong's President and CEO Anders Davidsson. "Our focus on business segments with higher value added, such as ProPac, and our efforts to free up working capital are gradually having a positive impact."

- Net sales for the first half of 2008 amounted to SEK 989 million (1,013) of which SEK 463 million (472) referred to the second quarter.
- Bong's ProPac packaging venture showed continued rapid growth and made up 11% of the Group's total sales for the six-month period.
- Operating profit improved to SEK 44 million (19) in the first half of 2008 and profit after tax totalled SEK 14 million (-4). Diluted earnings per share were SEK 1.05 (-1.28).
- Cash flow after investing activities for the first six months was SEK 42 million (-72).
- An additional 28% of the shares in the Dutch packaging company Voet International were acquired in June, bringing Bong's total holding in Voet up to 88%.

SEK M	**Q2 2008**	**Q2 2007**	**Q1-2 2008**	**Q1-2 2007**
Net sales	463	472	989	1,013
Operating profit	17	-5	44	19
Profit after tax	2	-13	14	-4
Cash flow after investing activities	-9	7	42	-72

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MARKET
Declining demand was noted in the second quarter as a result of a more challenging economic environment in Europe. The European Envelope Manufacturers Association (FEPE) reported a volume decrease of 4% in the first quarter compared to the same period of 2007 and the assessment is that the second quarter was even weaker. Signals from Bong's markets indicate roughly the same pattern in all Western European countries, while Eastern Europe with countries like Poland and Russia showed sustained positive development and volume growth of 10-15% compared to 2007. Prices rose in all markets during the first half of the year, mainly as an effect of higher costs that have affected industry in the past year in the form of av more expensive raw materials, transports, electricity and salaries.

The volume of administrative mail, consisting of invoices, account statements, etc., decreased slightly in all Western European markets during the first half of 2008. This is consistent with recent years' gradual falling trend in this segment, where demand is assessed to be only marginally dependent on the economical cycle.

The DM segment contracted sharply in the second quarter compared to the year-earlier period. In pace with economic slowing and declining domestic consumption, the senders' marketing budgets are also being reduced. The postponement and/or cancellation of DM campaigns is having an especially tangible impact on demand for long-run offset printed envelopes. For custom printing, i.e. printing on finished white envelopes in short runs, demand has been more stable and in certain cases even increased during the first half compared to 2007.

Distance trading, i.e. via the Internet and mail order, is also expected to expand further, which will create growth opportunities for Bong's ProPac packaging concept. Market demand in this segment remained strong throughout the six-month period.

Consolidation of the industry continued through the first half of 2008. In April 2008 Mayer Kuvert acquired German BlessOF, which was on the verge of bankruptcy. Prior to acquisition, BlessOF had annual sales of close to EUR 50 million and was one of Europe's 10 largest envelope companies. Following Mayer's takeover of BlessOF, the five largest envelope manufacturers in Europe have a combined market share of approximately 72%. Bong's assessment is that the consolidation process will continue until 3-4 companies control 75% of the market.

SALES AND PROFIT, JANUARY-JUNE 2008
Consolidated sales for the first half of 2008 reached SEK 989 million (1,013), to which the discontinued unit in Poland (Bong Polska) made a negative contribution of -2%, or SEK -23 million. Sales for comparable units were down by 7% due to lower volumes and up by 8% as a result of changes in the price/product mix. Exchange rate movements had an effect of -1% on sales for the period.

Operating profit improved to SEK 44 million (19) and profit before tax to SEK 18 million (-4). Net financial items totalled SEK -26 million (-23) and was effected negatively with SEK -2 million due to exchange rates losses. Profit after tax was SEK 14 million (-4).

The Group's gross margin for the period strengthened compared to 2007. This was especially evident in Germany. The key factors behind the period's earnings growth were higher prices, a better product mix, lower costs following the completed restructuring programmes.

In the first quarter the envelope factory in Tampere, Finland 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 ProPac venture is continuing with high and stable growth in the first half of the year, and accounted for approximately 11% of total Group 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. Order intake for the autumn has been good, and indicates sustained growth in ProPac's share of consolidated sales throughout the remainder of the year.

SALES AND PROFIT, APRIL-JUNE 2008

Consolidated sales for the second quarter amounted to SEK 463 million (472). The discontinued unit in Poland (Bong Polska) had a negative impact of -3% on sales, or approximately SEK 13 million. Sales for comparable units were down by 7% due to lower volumes, but increased by 10% owing to changes in the price/product mix. Exchange rate movements had an effect of -2% on sales.

Operating profit was SEK 17 million (-5). The year-on-year improvement is mainly explained by strong recovery in the German operation and the recognition of SEK 8 million in restructuring charges during the second quarter of 2007.

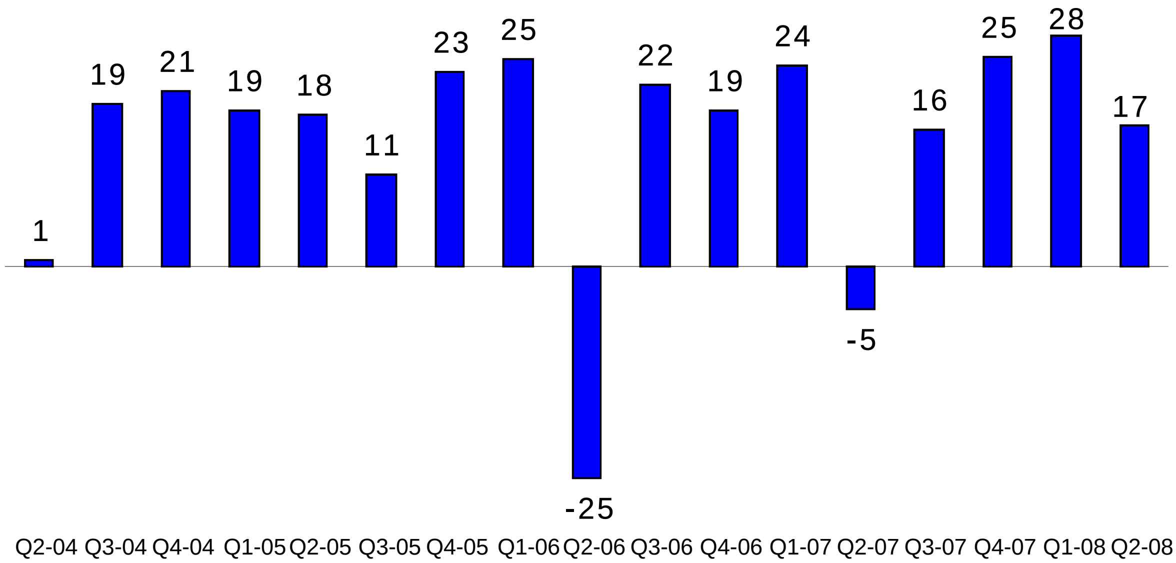
Falling demand was noted in all Western European markets, particularly in the second quarter. Bong is meeting this lower demand through ongoing adaptations in the organisation.

Gross margin for the second quarter improved significantly over the year-earlier period thanks to the introduction of price increases in all markets and a better product and customer mix.

Net financial items totalled SEK -15 million (-12) and was effected negatively with SEK -2 million due to exchange rates losses and profit before tax amounted to SEK 2 million (-17).The reported profit after tax was SEK 2 million (-12).

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

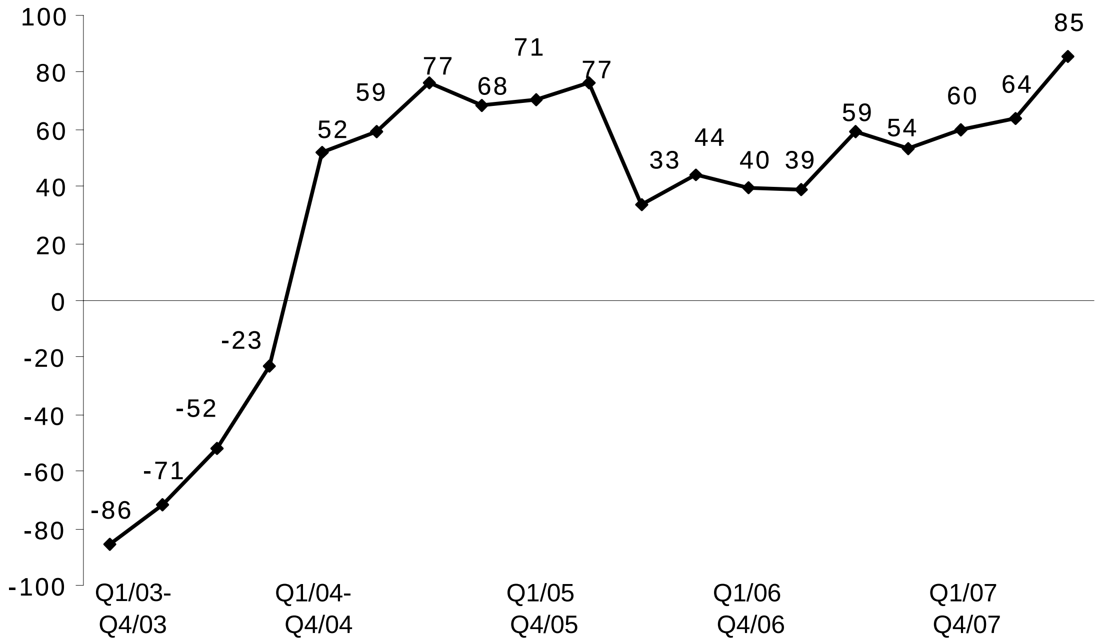
Diagram 1: Operating profit by quarter, SEK M



Q2 2004 legal settlement excluded

Rolling 4-quarter operating profit improved and amounted to SEK 85 million after the second quarter. (Diagram 2)

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



Q2 2004 legal settlement excluded

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 42 million (-72). Cash flow from operating activities was SEK 82 million (-22).

Working capital was reduced by SEK 11 million In the first six months of 2008, compared to a sharp increase of SEK 47 million in the same period of last year. The decrease in working capital has been achieved through maintenance of stable inventory levels 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 has a combined effect of SEK – 20 million on cash flow in the second quarter.

FINANCIAL POSITION

Cash and cash equivalents at 30 June 2008 totalled SEK 55 million (31 Dec. 2007: SEK 24 million). Granted but unutilised credits amounted to SEK 301 million (31 Dec. 2007: SEK 318 million.)

Consolidated equity at 30 June 2008 amounted to SEK 569 million (31 Dec. 2007: SEK 572 million). The positive profit after tax increased consolidated equity by SEK 14 million, while shareholder dividends decreased it by 14 million. Translation of the net assets of foreign subsidiaries to Swedish kronor reduced consolidated equity by SEK 3 million.

In the first six months of 2008 the net loan debt decreased by SEK 33 million to SEK 796 million (31 Dec. 2007: SEK 829 million). The positive cash flow reduced the net loan debt by SEK 42 million and shareholder dividends increased it by SEK 14 million. Exchange rate movements reduced the net loan debt by around SEK 5 million. The net debt/equity ratio was 1.40 (31 Dec. 2007: 1.45) and the equity/assets ratio at 30 June 2008 was 32% (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 during the period amounted to SEK 44 million (50). In the second quarter of 2008 Bong acquired an industrial building 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 quarter of 2007 included the acquisition of the German envelope printer Lober.

EMPLOYEES

The average number of employees during the first half of 2008 was 1,270 (1,382). At the end of June 2008, the number of employees was 1,209 (1,346).

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 -8.5 million (-27). No capital expenditure was incurred during the period (0). Granted but unutilised credits amounted to SEK 301 million (31 Dec. 2007: SEK 318 million).

ACQUISITION OF ADDITIONAL 28% IN VOET INTERNATIONAL

In line with the Group's ProPac venture, Bong acquired an additional 28% of the shares in the Dutch packaging company Voet International VOF on 1 June 2008. Bong now has total holding of 88% in Voet, with an option to acquire the remaining 12% by 2012 at the latest.

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 the paper price can vary quickly according to the market situation. Although Bong can normally compensate for higher paper prices by raising its customer prices, the competitive situation 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.

The Board of Directors and the CEO give their assurance that the semi-annual report provides a true and fair picture of the business activities, financial position and results of operations of the Parent Company and the Group, and describes the significant risks and uncertainties to which the Parent Company and the Group companies are exposed.

Kristianstad, 26 August 2008

Mikael Ekdahl Board Chairman	Peter Harrysson Board member	Patrick Holm Board member
Camilla Wendt Board member	Christian W Jansson Board member	Ulrika Eriksson Board member
Alf Tönnesson Deputy Chairman	Anders Davidsson Board member, President and CEO	

Review report

We have reviewed the interim report for Bong Ljungdahl AB (publ) for the period from 1 January 2008 to 30 June 2008. The Board of Directors and CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion based on an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material aspects, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act.

Kristianstad, 26 August 2008

Eric Salander *Authorised Public Accountant*	*Mathias Carlsson* *Authorised Public Accountant*

The interim report will be presented in a teleconference starting at 10:00 a.m. on 27 August. The number to the teleconference is +46 (0) 8 5052 0114. By 9:00 a.m., at the latest, pictures for the teleconference will be available on our website *www.bongljungdahl.se*

For additional information about the interim report, please contact Anders Davidsson, VD President and CEO of Bong Ljungdahl AB. Telephone (switchboard) +46 (0)44 20 70 00, (direct) +46 (0)44 20 70 80, (mobile) +46 (0)70 545 70 80.

Financial calendar:

Interim report January – September 2008	*12 November 2008*
Year-end report 2008	*20 February 2009*
Interim report January – March 2009	*May 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 strong 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)	Apr -Jun 2008	Apr -Jun 2007	Jan -Jun 2008	Jan -Jun 2007	Jul 2007 -Jun 2008	Jan -Dec 2007
Net sales	463,0	472,4	988,6	1 012,8	1 967,2	1 991,4
Cost of goods sold	-364,8	-408,3	-773,7	-833,1	-1 544,1	-1 603,5
Gross profit	98,2	64,1	214,9	179,7	423,1	387,9
Selling expenses	-43,7	-54,3	-93,1	-111,3	-191,4	-209,6
Administrative expenses	-42,3	-38,6	-81,8	-76,5	-153,0	-147,7
Other operating income and expenses	4,5	23,5	4,2	26,7	6,8	29,3
Operating profit	16,7	-5,2	44,2	18,8	85,5	60,1
Net financial items	-14,7	-11,5	-26,5	-22,9	-51,4	-47,8
Profit before tax	2,0	-16,7	17,7	-4,2	34,2	12,3
Income tax	0,1	4,2	-3,6	0,5	-0,5	3,6
Profit after tax	2,1	-12,5	14,1	-3,7	33,7	15,9
Profit for the period attributable to minority interest	0,2	-0,1	0,1	-0,1	-0,4	-0,4
Basic earnings per share	0,17	-0,96	1,07	-0,28	2,54	1,19
Diluted earnings per share	0,17	-0,96	1,05	-0,28	2,51	1,17

CONSOLIDATED BALANCE SHEETS IN SUMMARY (SEK M)		30 Jun 2008	30 Jun 2007	31 Dec 2007
Assets				
Intangible assets	1)	357,1	352,3	356,4
Tangible assets		606,6	647,3	621,2
Financial assets		147,5	92,5	111,7
Inventories		279,8	317,4	279,9
Current receivables		359,7	384,1	362,5
Cash and cash equivalents		55,3	32,2	24,2
Total assets		**1 806,0**	**1 825,8**	**1 755,9**
Equity and liabilities				
Equity	2)	568,6	541,7	571,6
Long-term liabilities	3)	737,1	378,3	692,2
Current liabilities	3)	500,3	905,8	492,1
Total equity and liabilities		**1 806,0**	**1 825,8**	**1 755,9**
1) Of which, goodwill		354,4	348,8	353,1
2) Of which, minority interest		0,2	0,4	0,7
3) Of which, interest bearing		850,8	933,8	853,4

KEY RATIOS		Jan-Jun 2008	Jan-Jun 2007	Jul 2007-Jun 2008	Jan - Dec 2007
Diluted earnings per share, SEK	1)	1,05	-0,28	2,51	1,17
Basic earnings per share, SEK		1,07	-0,28	2,54	1,19
Diluted equity per share, SEK		43,69	41,78	43,69	43,98
Ditto before dilution		43,31	41,26	43,31	43,54
Operating margin, %		4,5	1,9	4,3	3,0
Profit margin, %		1,8	-0,4	1,7	0,6
Return on equity, %		-	-	5,9	2,8
Return on capital employed, %		-	-	6,7	4,9
Equity/assets ratio, %		31,5	29,7	31,5	32,8
Net debt/equity ratio, times		1,40	1,66	1,40	1,45
EBITDA/net financial items		3,4	2,7	3,5	3,2
Capital employed, SEK M		1 419,5	1 475,5	1 419,5	1 424,9
Interest-bearing net loan debt, SEK M		795,6	901,1	795,6	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-Jun 2008	Jan-Jun 2007	Jan-Dec 2007
opening balance for the period	571,6	537,8	537,8
Dividends paid	-13,8	-13,1	-13,0
Payment for warrants		-	0,1
Conversion of convertible debentures		6,8	6,8
Translation differences	-3,3	14,0	24,0
Profit for the period	14,1	-3,8	15,9
Closing balance for the period	**568,6**	**541,7**	**571,6**

CONSOLIDATED CASH FLOW STATEMENTS (SEK M)	Apr - Jun 2008	Apr - Jun 2007	Jan-Jun 2008	Jan-Jun 2007	Jul 2007 -Jun 2008	Jan - Dec 2007
Operating activities						
Operating profit	16,7	-5,2	44,2	18,8	85,5	60,1
Depreciation, amortisation and impairment	22,6	21,7	45,2	45,4	92,2	92,4
Financial items	-14,6	-11,5	-26,4	-23,0	-51,3	-45,4
Paid tax	-1,6	-2,2	-3,8	-5,6	-8,9	-11,2
Other non-cash items	2,2	-7,3	12,2	-10,4	-12,6	-15,3
Cash flow from operating activities before changes in working capital	25,3	-4,5	71,4	25,2	104,9	80,6
Changes in working capital	-2,8	26,0	11,1	-47,3	45,5	-12,9
Cash flow from operating activities	**22,5**	**21,5**	**82,5**	**-22,1**	**150,4**	**67,7**
Cash flow from investing activities	**-31,8**	**-14,6**	**-40,9**	**-50,0**	**-35,7**	**-66,7**
Cash flow after investing activities	**-9,3**	**6,9**	**41,6**	**-72,1**	**114,7**	**1,0**
Cash flow from financing activities	**20,4**	**-10,0**	**-10,4**	**65,0**	**-91,8**	**-16,4**
Cash flow for the period	**11,1**	**-3,1**	**31,2**	**-7,1**	**22,8**	**-15,5**
Cash and cash equivalents at beginning of period	44,0	35,5	24,1	38,4	32,2	38,4
Exchange rate difference in cash and cash equivalents	0,2	-0,2	0,0	0,9	0,3	1,2
Cash and cash equivalents at end of period	**55,3**	**32,2**	**55,3**	**32,2**	**55,3**	**24,1**

QUARTELY DATA GROUP (SEK M)	2/2008	1/2008	4/2007	3/2007	2/2007	1/2007	4/2006	3/2006	2/2006	1/2006
Net sales	463,0	525,5	517,6	461	472,4	540,4	522,5	431,1	474,5	556,4
Operating expenses	-446,3	-498,0	-492,6	-444,7	-477,6	-516,4	-504,0	-409,4	-499,8	-531,8
Operating profit	**16,7**	**27,5**	**25,0**	**16,3**	**-5,2**	**24,0**	**18,5**	**21,7**	**-25,3**	**24,6**
Net financial items	-14,7	-11,8	-10,2	-14,6	-11,5	-11,5	-9,4	-9,5	-9,1	-9,6
Profit before tax	**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*	**16,7**	**27,5**	**25,0**	**16,3**	**3,1**	**24,0**	**23,1**	**21,7**	**19,7**	**24,6**
Adjusted profit before tax*	**2,0**	**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 -Jun 2008	Jan -Jun 2007
Net sales	0,0	0,0
Cost of goods sold	0,0	0,0
Gross profit	0,0	0,0
Selling expenses	0,2	0,0
Administrative expenses	-16,1	-14,4
Other operating income and expenses	-1,1	0,0
Operating profit	-17,0	-14,4
Net financial items	8,0	-12,6
Profit before tax	-9,0	-27,0
Income tax	0,5	-0,4
Profit after tax	-8,5	-27,4

PARENT COMPANY BALANCE SHEETS IN SUMMARY (SEK M)	30 Jun 2008	31 Dec 2007
Assets		
Tangible assets	3,7	3,1
Financial assets	1 241,6	1 249,5
Current receivables	71,1	62,7
Cash and cash equivalents	0,0	4,1
Total assets	**1 316,4**	**1 319,4**
Equity and liabilities		
Equity	544,1	564,3
Untaxed reserves	-	0,9
Provisions	12,9	12,7
Non-current liabilities	552,9	519,1
Currents liabilities	206,5	222,4
Total equity and liabilities	**1 316,4**	**1 319,4**