BONG LJUNGDAHL AB

Interim report

January – March 2008

"The year got off to a good start and we are now beginning to see the positive earnings effects of our restructuring programmes and price increases" says Bong's President and CEO Anders Davidsson. "I am most satisfied with the strong cash flow, but efforts to reduce working capital have borne fruit fast."

- Net sales for the first quarter amounted to SEK 526 million (540), of which the now discontinued Bong Polska accounted for SEK 0 million (10).
- Bong's ProPac packaging venture showed continued rapid growth and made up approximately 11 per cent of the Group's total sales for the quarter (9).
- Operating profit improved to SEK 28 million (24) and profit after tax totalled SEK 12 million (9). Earnings per share after dilution were SEK 0.88 (0.65).
- Cash flow after investing activities was SEK 51 million (-79). The Group's working capital was further reduced.
- The envelope factory in Tampere was closed according to plan during the first quarter.

SEK M	**Q1 2008**	**Q1 2007**	**Q1- 4 2007**
Net sales	526	540	1,991
Operating profit	28	24	60
Adjusted operating profit	28	24	[1] 68
Profit before tax	16	12	12
Profit after tax	12	9	16
Cash flow after investing activities	51	-79	1

1) *Excluding net restructuring charges and capital gains, SEK -8 million.*

MARKET
The total European envelope market shrank somewhat during the first quarter compared to the same period of last year.

Market development in Scandinavia was slightly positive in the first quarter, despite lower demand for administrative envelopes. Demand in Finland and the Baltic countries was on par with the preceding year. Growth in the German, UK and the Benelux markets slowed during the first quarter. The previous exports from Germany to the UK fell sharply at the beginning of the year due to weakening of the British pound. In the Russian market, growth remained rapid. Envelope prices in all markets rose as an effect of the past year's surging costs for paper, energy and salaries/wages.

The market for addressed DM continued to gain momentum throughout Europe and there is an ongoing tendency towards more frequent but smaller and more individualised mailings. To meet this trend, Bong is investing through both the expansion of its internal overprint capacity and acquisitions. Growth for addressed DM, in particular, is partly offsetting declining volumes of administrative mail in Western Europe.

Traditional retail and distance shopping, i.e. via the Internet and mail order, are also expected to expand further, which will create growth opportunities for Bong's ProPac packaging concept. Market demand in this segment remained strong during the first quarter.

Consolidation of the industry is continuing. 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 per cent. Bong's assessment is that the consolidation process will continue until 3-4 companies control 75 per cent of the market.

SALES AND PROFIT, JANUARY-MARCH 2008
Consolidated sales for the first quarter reached SEK 526 million (540), including a negative impact of 1.5 per cent from the discontinued unit in Poland (Bong Polska). Sales for comparable units were down by 7 per cent due to lower volumes and up by 6 per cent as a result of changes in the price/product mix. Exchange rate movements had a marginal effect on first quarter sales.

The Group's gross margin recovered further during the period. This was especially evident in Germany, where the volume was deliberately cut back compared to the same period of last year at the same time that the price level was raised significantly. Consolidated profit improved markedly over the previous year, despite the fact that Easter fell during the first quarter and in spite of a substantial inventory reduction in the UK. The key factors behind the period's earnings growth were higher prices and lower costs following the completed restructuring programmes.

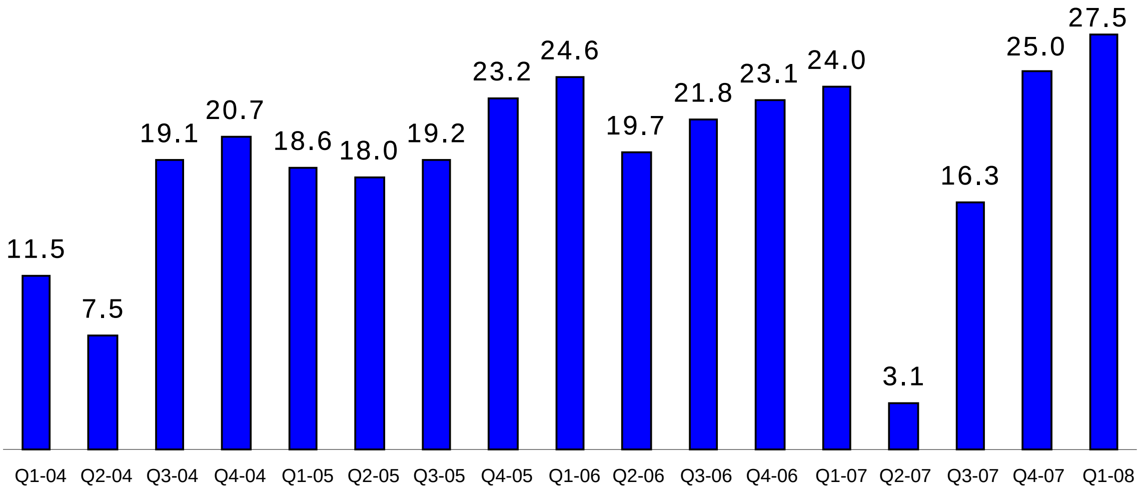
Operating profit improved to SEK 28 million (24) and profit before tax to SEK 16 million (12). Net financial items totalled SEK -12 million (-12). Profit after tax was SEK 12 million (9).

In the first quarter the envelope factory in Tampere was closed according to plan and its production was transferred to Kaavi and the Group's factory in Estonia. The Finnish restructuring project is scheduled for completion in the summer of 2008.

The ProPac venture is moving forward with high and stable growth. Sales to existing ProPac customers are increasing and the Group's new ProPac organisation is working to cultivate new customers in several European markets. The Russian business is showing positive development with sustained robust growth.

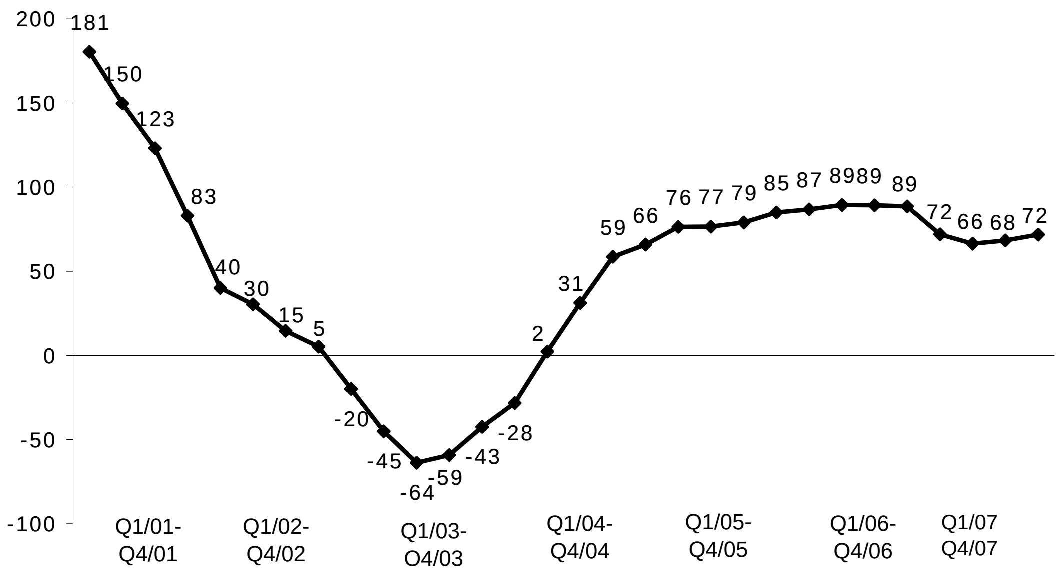
The quarterly profit trend since the first quarter of 2004 is shown in Diagram 1 below.

Diagram 1: Adjusted operating profit by quarter
SEK M, excluding one-time items



Rolling 4-quarter operating profit improved to SEK 72 million after the first quarter (diagram 2).

Diagram 2: Adjusted operating profit, rolling 4 quarters
SEK M, excluding one-time items



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

First quarter cash flow after investing activities was SEK 51 million (-79). Cash flow from operating activities before changes in working capital was SEK 46 million (30).

In the first quarter working capital was reduced by SEK 14 million compared to the sharp increase of SEK 73 million in the same period of last year. The decrease in working capital was achieved through controlled inventory reduction and longer credit times from suppliers. Price increases led to an increase in trade receivables.

FINANCIAL POSITION

Cash and cash equivalents at 31 March 2008 totalled SEK 44 million (31 Dec. 2007: SEK 24 million). Granted but unutilised credits amounted to SEK 350 million (31 Dec. 2007: SEK 318 million).

Consolidated equity at 31 March 2008 amounted to SEK 575 million (31 Dec. 2007: SEK 572 million). Translation of the net assets of foreign subsidiaries to Swedish kronor reduced consolidated equity by SEK 9 million.

In the first three months of 2008 the net loan debt decreased by SEK 58 million to SEK 771 million (31 Dec. 2007: SEK 829 million). The positive cash flow reduced the net loan debt by SEK 51 million and exchange rate movements reduced it by approximately SEK 7 million. The net debt/equity ratio was 1.34 (31 Dec. 2007: 1.45).

The equity/assets ratio at 31 March 2008 was 32 per cent (31 Dec. 2007: 33 per cent). The Group's target is an equity/assets ratio of at least 30 per cent over time.

CAPITAL EXPENDITURE

Net expenditure on property plant and equipment during the first quarter amounted to SEK 9 million (35). Net expenditure for the year-earlier quarter included the acquisition of Lober.

EMPLOYEES

The average number of employees during the first quarter was 1,270 (1,379). At the end of March 2008, the number of employees was 1,244 (1,385).

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 -10 million (-16). No investments were made during the period (0). Cash and cash equivalents in the Parent Company at 31 March 2008 totalled SEK 6.9 million (31 Dec. 2007: SEK 4.1 million).

KEY EVENTS AFTER THE END OF THE REPORTING PERIOD

In order to continue its rapid growth in Russia over the next few years, the Group's Russia subsidiary signed an agreement in early Mat to purchase a large new industrial property in Kaluga. Most of the purchase price of over SEK 20 million will be paid during the second quarter, and will be financed through utilisation of already granted credit limits. The property will be made ready during the summer and occupancy is expected to take place in the fourth quarter.

Together with the ProPac venture Bong has come to an agreement to acquire another 28% of the Dutch packaging company VOET International June 1, 2008. With this acquisition Bong will own 88% of VOET with an option to acquire remaining 12% latest 2012.

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.

Previous wording:
In view of the measures taken during the second half of 2007, operating profit for 2008 is expected to be higher than that for 2007.

Kristianstad, 15 May 2008

BONG LJUNGDAHL AB

Anders Davidsson
President and CEO

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

The interim report will be presented in a teleconference starting at 3:00 p.m. on 15 May. The number to the teleconference is +46 (0) 8 5052 0110. By 2:00 p.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, 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 – June 2008	*27 August 2008 (note change of date)*
Interim report January – September 2008	*12 November 2008 (note change of date)*
Year-end report 2008	*20 February 2009*
Interim report January-March 2009	*May 2009*

Bong is a European leading envelope- and packaging company and offers solutions for distribution and packaging of information, advertisements and lightweight goods. The Group has strong growth in their new line of packaging solutions ProPac and in Russia, where own production and sales office recently have been established. The Group has annual sales of approximately SEK 2 billion, some 1,300 employees in Sweden, Norway, Denmark, Finland, Estonia, Latvia, Lithuania, UK, Netherlands, Belgium, Germany, Poland and Russia. Bong has a very 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.

INTERIM REPORT 31 MARCH 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	Jan-Mar 2008	Jan-Mar 2007	Apr 2007-Mar 2008	Jan-Dec 2007
Net sales	525.5	540.4	1,976.5	1,991.4
Cost of goods sold	-408.8	-424.8	-1,587.5	-1,603.5
Gross profit	116.7	115.6	389.0	387.9
Selling expenses	-49.5	-56.9	-202.2	-209.6
Administrative expenses	-39.5	-37.9	-149.3	-147.7
Other operating income and expenses	-0.2	3.2	26.0	29.3
Operating profit	27.5	24.0	63.6	60.1
Net financial items	-11.8	-11.5	-48.1	-47.8
Profit before tax	15.7	12.5	15.5	12.3
Income tax	-3.7	-3.7	3.6	3.6
Profit after tax	12.0	8.8	19.1	15.9
Profit for the period attributable to minority interest	-0.1	-0.1	-0.4	-0.4
Basic earnings per share	0.90	0.67	1.45	1.19
Diluted earnings per share	0.88	0.65	1.41	1.17

CONSOLIDATED BALANCE SHEETS IN SUMMARY (SEK M)		31 Mar 2008	31 Mar 2007	31 Dec 2007
Assets				
Intangible assets	1)	351.8	353.9	356.4
Tangible assets		598.8	650.8	621.2
Financial assets		146.0	93.4	111.7
Inventories		269.1	302.0	279.9
Current receivables		365.7	396.1	362.5
Cash and cash equivalents		44.0	35.5	24.2
Total assets		**1,775.4**	**1,831.7**	**1,755.9**
Equity and liabilities				
Equity	2)	574.7	564.7	571.6
Long-term liabilities	3)	724.2	427.5	692.2
Current liabilities	3)	476.5	839.5	492.1
Total equity and liabilities		**1,775.4**	**1,831.7**	**1,755.9**
1) Of which, goodwill		348.9	350.2	353.1
2) Of which, minority interest		0.2	0.4	0.7
3) Of which, interest-bearing		815.2	940.9	853.4

KEY RATIOS

		Jan-Mar 2008	Jan-Mar 2007	Apr 2007-Mar 2008	Jan-Dec 2007
Diluted earnings per share, SEK	1)	0.88	0.65	1.41	1.17
Ditto calculated on adjusted profit, SEK	1)	0.88	0.65	1.84	1.63
Basic earnings per share, SEK		0.90	0.67	1.45	1.19
Ditto calculated on adjusted profit, SEK		0.90	0.67	1.90	1.66
Diluted equity per share, SEK		44.21	44.22	44.21	43.98
Ditto before dilution, SEK		43.78	43.34	43.78	43.98
Operating margin, %	2)	5.2	4.4	3.6	3.4
Profit margin, %	2)	3.0	2.3	1.2	1.0
Return on equity, %	2)	-	-	4.43	3.9
Return on capital employed, %	2)	-	-	5.9	5.5
Equity/assets ratio, %		32.4	30.8	32.4	32.8
Net debt/equity ratio, times		1.34	1.60	1.34	1.45
EDITDA/net financial items, times		4.2	4.1	3.2	3.2
Capital employed, SEK M		1,389.9	1,505.6	1,389.9	1,424.9
Interest-bearing net loan debt, SEK M		771.2	904.9	771.2	829.1
No. of shares outstanding at end of period before dilution		13,128,227	13,029,124	13,128,227	13,128,227
No. of shares outstanding at end of period after dilution		13,428,227	13,651,180	13,428,227	13,428,227
Average number of shares before dilution		13,128,227	13,021,109	13,040,135	13,079,425
Average number of shares after dilution		13,428,227	13,651,180	13,428,227	13,379,425

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

2) Calculated on profit as stated below.

Operating profit according to the consolidated profit and loss account	27.5	24.0	63.6	60.1
Capital gain on the sale of property, plant and equipment	-	-	12.7	12.7
Restructuring charges	-	-	-21.0	-21.0
Adjusted operating profit	27.5	24.0	71.9	68.4

CHANGES IN CONSOLIDATED EQUITY (SEK M)	Jan-Mar 2008	Jan-Mar 2007	Jan-Dec 2007
Opening balance for the period	571.6	537.8	537.8
Dividends	-	-	-13.0
Payment for warrants	-	-	0.1
Conversion of convertible debentures		0.7	6.8
Translation differences	-8.9	17.4	24.0
Profit for the period	12.0	8.8	15.9
Closing balance for the period	**574.7**	**564.7**	**571.6**

CONSOLIDATED CASH FLOW STATEMENTS (SEK M)	Jan-Mar 2008	Jan-Mar 2007	Apr 2007-Mar 2008	Jan-Dec 2007
Operating activities				
Operating profit	27.5	24.0	63.6	60.1
Depreciation, amortisation and impairment	22.6	23.7	91.3	92.4
Financial items	-11.8	-11.5	-45.7	-45.4
Paid tax	-2.2	-3.4	-10.0	-11.2
Other non-cash items	10.0	-3.0	-2.3	-15.3
Cash flow from operating activities before changes in working capital	46.1	29.8	96.9	80.6
Changes in working capital	13.9	-73.3	74.3	-12.9
Cash flow from operating activities	**60.0**	**-43.5**	**171.2**	**67.7**
Cash flow from investing activities	-9.1	-35.4	-40.4	-66.7
Cash flow after investing activities	**50.9**	**-78.9**	**130.8**	**1.0**
Cash flow from financing activities	-30.8	75.0	-122.2	-16.4
Cash flow for the period	**20.1**	**-3.9**	**8.6**	**-15.5**
Cash and cash equivalents at beginning of period	24.2	38.4	35.5	38.4
Exchange rate difference in cash and cash equivalents	-0.3	1.0	-0.1	1.2
Cash and cash equivalents at end of period	**44.0**	**35.5**	**44.0**	**24.1**

QUARTERLY DATA GROUP (SEK M)	1/2008	4/2007	3/2007	2/2007	1/2007	4/2006	3/2006	2/2006	1/2006
Net sales	525.5	517.6	461	472.4	540.4	522.5	431.1	474.5	556.4
Operating expenses	-498.0	-492.6	-444.7	-477.6	-516.4	-504.0	-409.4	-499.8	-531.8
Operating profit	**27.5**	**25.0**	**16.3**	**-5.2**	**24.0**	**18.5**	**21.7**	**-25.3**	**24.6**
Net financial items	-11.8	-10.2	-14.6	-11.5	-11.5	-9.4	-9.5	-9.1	-9.6
Profit before tax	**15.7**	**14.8**	**1.7**	**-16.7**	**12.5**	**9.1**	**12.2**	**-34.4**	**15.0**
Capital gain, sale of property, plant and equipment				12.7		15.9			
Restructuring charges				-21.0		-20.5		-45.0	
				-8.3		-4.6		-45.0	
Adjusted operating profit	**27.5**	**25.0**	**16.3**	**3.1**	**24.0**	**23.1**	**21.7**	**19.7**	**24.6**
Adjusted profit before tax	**15.7**	**14.8**	**1.7**	**-8.4**	**12.5**	**13.7**	**12.2**	**10.6**	**15.0**

PARENT COMPANY PROFIT AND LOSS ACCOUNTS IN SUMMARY (SEK M)	Jan-Mar 2008	Jan-Mar 2007
Net sales	0.0	0.0
Cost of goods sold	0.0	0.0
Gross profit	0.0	0.0
Selling expenses	0.0	0.0
Administrative expenses	-9.3	-6.5
Other operating income and expenses	-1.1	1.0
Operating profit	-10.4	-5.5
Net financial items	0.4	-10.1
Profit before appropriations and tax	-10.0	-15.6
Appropriations		
Income tax	-	-0.4
Profit after tax	-10.0	-16.0

PARENT COMPANY BALANCE SHEETS IN SUMMARY (SEK M)	31 Mar 2008	31 Dec 2007
Assets		
Tangible assets	3.9	3.1
Financial assets	1,251.7	1,249.5
Current receivables	58.9	62.7
Cash and cash equivalents	6.9	4.1
Total assets	**1,321.4**	**1,319.4**
Equity and liabilities		
Equity	554.3	564.3
Untaxed reserves	0.9	0.9
Provisions	12.7	12.7
Long-term liabilities	630.8	519.1
Current liabilities	122.7	222.4
Total equity and liabilities	**1,321.4**	**1,319.4**