

Quarterly Report

- Operating profit for first six months of year up to NOK 75.9 million
- 99.5% of shares owned by four shareholders, and Group is no longer listed on the Oslo Stock Exchange
- Mr. Frode Alhaug resigned from his position as President and CEO on 1 July; new President and CEO is Bo B. Borgström
- Efficient use of production facilities and working capital generates solid return
- Profit picture this year expected to be somewhat better than in previous year

MOELVEN[®]



2/2002

Profit and Loss Account	2 nd Quarter			1 st half-year			Total	
	2002	2001	2000*	2002	2001	2000*	2001	2000*
Operating revenues	1,246.0	1,150.5	1,282.7	2,378.6	2,251.1	2,408.7	4,516.4	4,745.9
Depreciation	35.8	37.6	41.3	72.1	75.9	83.5	161.4	159.8
Cost of goods sold	763.2	696.7	798.7	1,443.1	1,349.8	1,464.0	2,762.7	2,937.9
Operating expenses	394.4	376.3	392.9	787.5	753.1	773.2	1,499.7	1,425.2
Operating profit	52.6	39.9	49.8	75.9	72.3	88.0	92.7	223.0
Income from associates	0.4	0.7	0.5	0.6	0.8	0.6	0.1	0.9
Interest and other financial income	0.2	6.0	0.1	4.0	12.5	6.0	11.8	15.6
Interest and other financial expenses	-11.1	-21.0	-17.8	-25.2	-42.1	-44.1	-65.5	-79.9
Operating result before tax	42.1	25.6	32.6	55.3	43.5	50.5	39.1	159.6
Taxes - not payable	12.0	7.2	-10.7	15.7	12.2	-5.9	12.7	24.3
Minority interests	0.2	0.3	0.2	0.6	0.7	0.0	0.5	0.0
Net profit	30.3	18.7	43.5	40.2	32.0	56.4	26.9	135.3
Proforma, incl. Forestia AS for 2000								
Operating revenues	1,246	1,150	1,283	2,379	2,251	2,491	4,516	4,828
Depreciation	36	38	41	72	76	84	161	160
Cost of goods sold	1,157	1,072	1,192	2,231	2,103	2,319	4,262	4,445
Operating profit/loss	53	41	50	76	72	88	93	223
Net operating margin (in %)	4.3	3.5	3.9	3.2	3.2	3.5	2.1	4.6
Gross operating margin (in %)	7.1	6.8	7.1	6.2	6.6	6.9	5.6	7.9

*) The figures for 2000 include Forestia AS (the timber industry business) from 17 January.

Balance Sheet	Change in 2 nd Quarter			Per 30.06			Per 31.12	
	2002	2001	2000*	2002	2001	2000*	2001	2000*
Intangible assets	-12.9	-6.5	7.0	41.1	60.2	102.3	59.0	72.7
Tangible assets	-14.1	-8.7	-36.5	779.9	800.5	876.8	805.4	824.8
Financial assets	-0.8	5.8	3.9	142.5	183.8	154.3	147.6	177.3
Total fixed assets	-27.8	-9.4	-25.6	963.5	1,044.5	1,133.4	1,012.0	1,074.8
Stocks	-67.4	-36.4	70.6	704.9	787.1	965.9	743.9	702.9
Receivables and deposits	13.3	-29.2	110.0	786.0	665.7	671.0	636.9	567.5
Total current assets	-54.1	-65.6	180.6	1,490.9	1,452.8	1,636.9	1,380.8	1,270.4
Total assets	-81.9	-75.0	155.0	2,454.4	2,497.3	2,770.3	2,392.8	2,345.2
Share capital**	0	7.9	126.1	579.8	579.8	589.3	579.8	573.1
Other equity and capital	30.3	22.1	-86.9	338.9	335.0	298.5	299.1	305.7
Total equity	30.3	30.0	39.2	918.7	914.8	887.8	878.9	878.8
Long-term liabilities	-45.9	5.6	269.8	906.9	936.9	1,250.0	816.7	795.3
Current liabilities	-66.3	-110.6	-154.0	628.8	645.6	632.5	697.2	671.1
Total liabilities	-112.2	-105.0	115.8	1,535.7	1,582.5	1,882.5	1,513.9	1,466.4
Total equity and liabilities	-81.9	-75.0	155.0	2,454.4	2,497.3	2,770.3	2,392.8	2,345.2
Net interest bearing debt	-21	140	35	782	915	1,156	772	719
Capital employed	10	170	74	1,701	1,830	2,044	1,651	1,598
Working capital	0	155	148	999	1,099	1,168	899	816
Changes in total equity for the Group								
Opening balance	888.4	884.8	848.6	878.9	878.8	629.1	878.8	629.1
Changes in acc. with new accounting act	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss	30.3	18.7	43.5	40.2	32.0	56.4	26.9	135.3
Total from capital expansion	0.0	0.0	0.0	0.0	0.0	194.5	0.0	194.5
Foreign currency translation	-0.6	-1.7	3.6	-0.6	-6.7	15.5	-8.0	-2.8
Provisions for dividend	0.0	0.0	0.0	0.0	0.0	0.0	-29.7	-41.7
Own shares	0.8	13.3	-7.7	0.8	11.4	-7.7	11.4	-35.6
Minority interests	-0.2	-0.3	-0.2	-0.6	-0.7	0.0	-0.5	0.0
Changes for year/period	30.3	30.0	39.2	39.8	36.0	258.7	0.1	249.7
Total equity	918.7	914.8	887.8	918.7	914.8	887.8	878.9	878.8

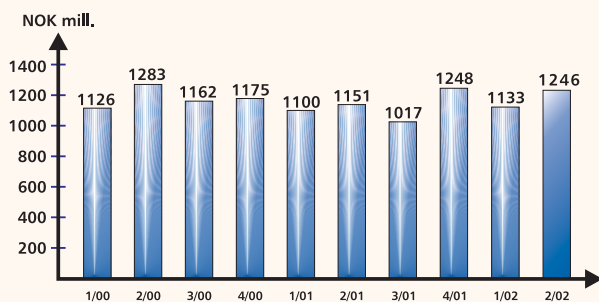
**119,042,384 shares at NOK 5.-, amended to account for 3,089,071 own shares.

Cash Flow Statement <small>NOK mill.</small>	Change in 2 nd Quarter			1 st half-year			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
Net cash flow from operations	31.3	-119.4	-134.3	16.1	-149.7	-302.7	68.2	135.7
Cash from operating profit	63.0	51.5	74.1	111.6	106.0	134.0	194.8	250.7
Cash flow from working capital	-31.7	-170.9	-208.4	-95.5	-255.7	-436.7	-126.6	-115.0
Cash flow from/to investments	-32.5	-41.0	-10.7	-41.5	-67.7	-33.2	-101.9	-78.7
Cash flow from/to financing	-36.3	83.7	152.7	37.4	177.3	332.0	15.7	-24.4
Net cash flow for the period	-37.5	-76.7	7.7	12.0	-40.1	-3.9	-18.0	32.6
Liquid funds	-37.5	-76.7	7.7	56.7	22.6	28.2	44.7	62.7
Unutilised credit facilities	6.2	376.7	-301.0	448.2	840.0	320.0	555.0	603.5
Available liquid funds	-31.3	300.0	-290.9	504.9	862.6	348.2	599.7	666.2
Add. net investm. as a result of acquis. and sales:								
Current assets	-	-	-	0.0	1.0	219.3	46.4	189.1
Fixed assets	-	-	-	0.0	5.8	305.3	65.0	277.7
Liquid funds	-	-	-	0.0	0.9	0.0	19.0	0.7
Total assets	-	-	-	0.0	7.7	524.6	130.4	467.5
Equity	-	-	-	0.0	2.3	194.5	31.0	201.2
Interest bearing debt	-	-	-	0.0	0.0	124.5	37.0	77.0
Interest free debt	-	-	-	0.0	5.4	205.6	62.4	189.3
Total capital	-	-	-	0.0	7.7	524.6	130.4	467.5

2001: Acquisition of Kristiania Entreprenør AS.

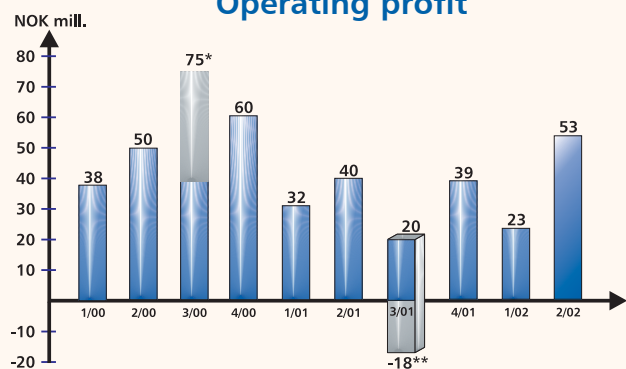
2000: Acquisition of Forestia AS (the timber industry business). Sale of 40% share in Limtræ Danmark AS.

Operating revenues



Quarterly in 2000 – 2002

Operating profit



Quarterly in 2000 – 2002

*) Includes a non-recurring income of NOK 34 mill.

***) Includes NOK 39 million in non-recurring costs in connection with restructuring efforts.

Key figures <small>NOK mill.</small>	2 nd Quarter			1 st half-year			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
Net operating margin (in %)	4.2	3.5	3.9	3.2	3.2	3.7	2.1	4.7
Gross operating margin (in %)	7.1	6.7	7.1	6.2	6.6	7.1	5.6	8.1
Return on capital employed (in %)	12.4	9.1	9.8	9.1	8.4	9.5	5.7	15.3
Earnings per share (in NOK)	0.26	0.16	0.37	0.35	0.28	0.49	0.23	1.16
Cash flow per share (in NOK)	0.54	0.45	0.64	0.96	0.92	1.16	1.69	2.15
Inv. in fixed assets, excl. acquisition (NOK mill.)	29	38	12	42	66	23	105	77
Equity ratio (in%)	37.4	36.6	32.0	37.4	36.6	32.0	36.7	37.5
Total oper. revenue outside Scandinavia (in %)	26	27	31	26	27	31	26	29
Number of employees	3,109	3,040	3,170	3,124	3,047	3,170	3,149	3,046
Number of shareholders	1,005	3,678	4,301	1,001	3,290	4,254	1,196	4,244
Average number of shares	115 953 313	114 613 141	116 575 179	115 953 313	114 645 541	115 962 329	115 449 913	116 843 965

THE GROUP

The ordinary general meeting of Moelven Industrier ASA voted to delist the company from the Oslo Stock Exchange, and the last day of listing for the company was 28 May. Today the company has 1001 shareholders - four of the largest shareholders control 99.5 percent of the shares. The four largest shareholders are Metsäliitto Osuuskunta (16.3%), Finnforest Oyj (60.9%), which is a fully owned subsidiary of Metsäliitto Osuuskunta, Glommen Fond AS (14.8%) and Mjøsen Skogeierforening (7.5%). All of the four largest shareholders have long-term interests in the wood working industry, and have signed a shareholder's agreement in which they commit themselves to developing Moelven as a leading supplier of woodbased building products and accompanying services mainly to the Scandinavian market.

As a result of the change in the shareholder's situation, President and CEO Frode Alhaug resigned from his position on 1 July. Mr. Bo B. Borgström, Deputy President of Finnforest (special responsibility for Scandinavia), has taken over the position as Moelven's new President and CEO effective 1 July.

Operating revenues and profit

The Group's operating revenues the first six months was NOK 2378.6 million, compared to NOK 2251.1 million for the same period last year. The sale of wooden building products and building modules has particularly contributed to the increase. Operating profit totalled NOK 75.9 million (72.3), and there were no significant differences in operating profit for any of the business areas compared to previous years.

Finance costs totalled NOK 21.2 million, which is lower than the year before (29.6). The decline is due to a lower rate of tied up capital and a lower interest level, especially for Swedish krona. Ordinary pre-tax profit was NOK 55.3 million (43.5), while profit after taxes totalled NOK 40.2 million (32.0). Profit per share totalled NOK 0.35 (0.28).

For the second quarter alone, operating revenues amounted to NOK 1246.0 million (1150.5) and operating profit was NOK 52.6 million (39.9). Profit after taxes was NOK 30.3 million (18.7), corresponding to NOK 0.26 (0.16) per share. The improvement in profit is primarily due to gains in the Moelven Timber Group business area.

Balance and financing

At the end of the second quarter, the Group had assets amounting to NOK 2454.4 million (2497.3). Employed capital totalled NOK 1701 million (1830). The reduction in tied up capital is due to a more efficient utilisation of the means of production, better control of working capital and a weaker Swedish krona.

Return on employed capital the first six months was 9.1 percent (8.4) and for the second quarter alone totalled 12.4 percent (9.1). The increase is due both to improved operating profit and a reduction in tied up capital.

Net interest bearing debt was NOK 782 million (915), and liquidity reserves totalled NOK 504.9 million (862.6). The liquidity reserve is for the most part of a long-term nature and gives the Group considerable financial flexibility. Equity totalled NOK 918.7 million (914.8), corresponding to an equity ratio of 37.4 percent (36.6).

Cash flow from profit and loss items was for the first six months NOK 111.6 million (106.0), corresponding to NOK 0.96 per share (0.92). Investments in fixed assets for the first six months totalled NOK 41.9 million (65.6).

Moelven Timber Group, Main Figures

	2 nd Quarter			1 st half-year			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
NOK mill.								
Operating revenues								
Moelven Timber Group	936.6	880.0	1,040.5	1,759.8	1,710.4	1,908.5	3,324.6	3,685.7
Timber - sawmills	629.7	626.2	773.8	1,235.2	1,279.1	1,457.8	2,398.9	2,723.3
Wood - timber processing	366.1	306.7	335.5	644.0	570.9	609.7	1,160.7	1,222.1
Laminated Timber	95.9	99.0	148.0	177.7	197.0	271.1	383.4	536.0
Operating profit/loss								
Moelven Timber Group	46.3	21.8	39.0	60.8	44.1	66.8	24.3	151.9
Timber - sawmills	32.5	14.9	27.7	47.8	36.8	57.4	1.2	94.1
Wood - timber processing	14.7	8.7	5.8	18.1	11.1	5.2	32.0	41.7
Laminated Timber	-0.9	-1.8	5.5	-5.1	-3.8	4.2	-8.9	16.1

BUSINESS AREAS

MOELVEN TIMBER GROUP

Operating revenues for the Moelven Timber Group have been somewhat higher than in previous years, despite the closing down of three production units. For the saw-mills in Moelven Timber, production and sales have developed as expected. The demand has been high for both spruce and pine products, and this trend seems to be continuing into the second half of the year. This may lead to a price increase for most product types, calculated in the purchasing country's currency. An unusually strong Norwegian krone will nonetheless mean that the level of profitability on exports from Norway will in many cases be unsatisfactory. The planing mills at Moelven Wood have also experienced solid demand for most of the division's products - this is especially true of products used for construction purposes. The increased focus on marketing and distribution has generated positive results.

The Laminated Timber division is still facing very intense price pressures on standard products for the international markets. As a result of this and the unfavourable Norwegian currency situation, major changes have been made in the Norwegian factories in the first six months and production is now to a larger extent focused on customer-adapted products for deliveries to local markets. This has had a negative effect on the profit during the period, but should generate a more positive effect in the future. The Group's Swedish laminated timber business also has somewhat higher deliveries of customer-adapted products to local markets than during the same period last year. The Swedish business has also a better starting point for exports of stan-

dard products, and half of the deliveries go to selected industrial customers, particularly in Japan.

Operating revenues the first six months for the Moelven Timber Group were NOK 1759.8 million (1710.4), and operating profit was NOK 60.8 million (44.1). The second quarter alone generated operating revenues of NOK 936.6 million (880.0), with operating profit at NOK 46.3 million (21.8).

MOELVEN BUILDING GROUP

Operating revenues for the Moelven Building Group were somewhat higher the first six months of the year compared to the year before. Market conditions have been somewhat more difficult than expected in several of the Building Group's business areas and the increase in operating revenues is primarily due to the acquisition of new businesses in the Modular Buildings division. The demand for system interiors for commercial buildings has been slower as a result of the lower activity in the new building sector in several regions in Sweden and Norway. In addition, the government's announcement regarding the elimination of a special Norwegian investment tax has led to a certain shift in the R + M sector (Repair and Maintenance). This means that the order book for the third quarter is better than normal, while the Swedish market is characterised by lower activity on the part of certain major customers.

For the Modular Buildings division, the activity level has been normal the first six months of the year, while the order composition has resulted in uneven capacity utilisation. There have also been certain problems with respect to the efficiency at one of the plants, which has had a negative effect on the operating profit. The order stock for Modular

Buildings is less than normal at the start of the third quarter.

Operating revenues for the Moelven Building Group the first six months were NOK 628.6 million (551.9) and operating profit totalled NOK 22.5 million (27.2). For the second quarter alone, operating revenues were NOK 312.9 million (274.7) and the operating profit was NOK 9.3 million (15.9).

OTHER BUSINESSES

This business area includes the Group's parent company, business units supplying certain services - such as IT and Finance - to the Group's operative businesses, as well as certain minor activities which are not viewed as core businesses. Operating revenues for the first six months were NOK 33.6 million (30.3), with an operating loss of NOK 7.4 million (1.0). For the second quarter alone, operating revenues totalled 17.7 million (15.5), with an operating loss of NOK 3.0 million (2.2).

OUTLOOK

The Moelven Timber Group expects the high activity level to continue and anticipates a favorable price development for industrial spruce and pine timber in the second six months of the year. Prices are expected to remain stable for planed products and other wood-based building products. The strong Norwegian krone will cause a certain amount of pressure on third quarter profits. The Moelven Building Group expects the same level of activity during the second half of the year, and the Board expects that the Group's overall result will be somewhat higher compared to previous year.

Jessheim, 12 July 2002.

Board of Moelven Industrier ASA

Moelven Building Group, Main Figures

NOK mill.

	2 nd Quarter			1 st half-year			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
Operating revenues								
Moelven Building Group	312.9	274.7	265.5	628.6	551.9	525.1	1,230.0	1,094.3
Modular Buildings	165.4	129.9	115.4	337.1	257.2	259.6	590.0	542.9
Modular System Interiors	147.8	145.6	150.1	292.0	295.8	265.5	641.9	551.4
Operating profit/loss								
Moelven Building Group	9.3	15.9	11.6	22.5	27.2	27.6	71.9	71.0
Modular Buildings	3.6	6.0	2.3	8.7	8.8	9.8	30.4	29.0
Modular System Interiors	5.7	9.9	9.3	13.8	18.4	17.8	41.4	42.0

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Moelven Industrier is a Scandinavian industrial group that supplies products and associated services to the European building market. Most of the manufacturing activities take place in Norway and Sweden, while close to 30% of sales go to markets outside of Scandinavia.

The Group's businesses employ more than 3000 persons and have a total annual turnover of some NOK 5 billion. The Group's close to forty business units are organised into two business areas: the Moelven Timber Group and the Moelven Building Group.