

Quarterly Report

- Operating profit after nine months was NOK 107.5 million and NOK 31.6 million in third quarter separately.
- Positive development for the Timber Industry Group especially within sawmilling.
- Low level of working capital results in decreased financial cost.
- Strategy for the Moelven Group approved by the board on September 12.
- The strategy focuses on increased sales of wood based building materials in Scandinavia.

Member of Finnforest Corporation

MOELVEN[®]



3/2002

Profit and Loss Account	NOK mill.	3 rd Quarter			Nine months			Total	
		2002	2001	2000*	2002	2001	2000*	2001	2000*
Operating revenues		1,064.5	1,017.1	1,162.2	3,443.1	3,268.2	3,570.9	4,516.4	4,745.9
Depreciation		37.7	61.8	39.0	109.8	137.7	122.5	161.4	159.8
Cost of goods sold		647.3	630.9	696.5	2,090.4	1,980.7	2,160.5	2,762.7	2,937.9
Operating expenses		347.9	342.9	351.8	1,135.4	1,096.0	1,125.0	1,499.7	1,425.2
Operating profit		31.6	-18.5	74.9	107.5	53.8	162.9	92.7	223.0
Income from associates		-1.2	-0.5	-0.6	-0.6	0.3	0.0	0.1	0.9
Interest and other financial income		2.0	6.1	5.5	6.0	18.6	11.5	11.8	15.6
Interest and other financial expenses		-11.5	-20.1	-24.4	-36.7	-62.2	-68.5	-65.5	-79.9
Operating result before tax		20.9	-33.0	55.4	76.2	10.5	105.9	39.1	159.6
Taxes - not payable		6.1	-9.3	15.6	21.8	2.9	9.7	12.7	24.3
Minority interests		1.6	0.0	0.1	2.2	0.7	0.1	0.5	0.0
Net profit		16.4	-23.7	39.9	56.6	8.3	96.3	26.9	135.3
Proforma, incl. Forestia AS for 2000									
Operating revenues		1,064	1,017	1,162	3,443	3,268	3,653	4,516	4,828
Depreciation		38	62	39	110	138	123	161	160
Cost of goods sold		995	973	1,048	3,226	3,076	3,367	4,262	4,445
Operating profit/loss		31	-18	75	108	54	163	93	223
Net operating margin (in %)		3.0	-1.8	6.5	3.1	1.7	4.5	2.1	4.6
Gross operating margin (in %)		6.5	4.3	9.8	6.3	5.9	7.8	5.6	7.9

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

Balance Sheet	NOK mill.	Change in 3 rd Quarter			Per 30.09			Per 31.12	
		2002	2001	2000*	2002	2001	2000	2001	2000
Intangible assets		-20.0	8.2	-16.6	34.0	68.4	85.7	59.0	72.7
Tangible assets		-26.3	-39.9	-1.1	767.7	760.6	875.7	805.4	824.8
Financial assets		-3.5	0.9	17.4	139.8	184.7	171.7	147.6	177.3
Total fixed assets		-49.8	-30.8	-0.3	941.5	1,013.7	1,133.1	1,012.0	1,074.8
Stocks		-166.2	-51.2	-151.7	606.1	753.9	814.2	743.9	702.9
Receivables and deposits		-4.7	-31.5	7.2	768.0	634.2	678.2	636.9	567.5
Total current assets		-170.9	-82.7	-144.5	1,374.1	1,370.1	1,492.4	1,380.8	1,270.4
Total assets		-220.7	-113.5	-144.8	2,315.6	2,383.8	2,625.5	2,392.8	2,345.2
Share capital*		0.0	0.0	-3.1	579.8	579.8	586.2	579.8	573.1
Other equity and capital		45.0	-26.4	26.7	353.6	308.6	325.2	299.1	305.7
Total equity		45.0	-26.4	23.6	933.4	888.4	911.4	878.9	878.8
Long-term liabilities		-199.0	-114.8	-141.6	753.8	822.1	1,108.4	816.7	795.3
Current liabilities		-66.7	27.7	-26.8	628.4	673.3	605.7	697.2	671.1
Total liabilities		-265.7	-87.1	-168.4	1,382.2	1,495.4	1,714.1	1,513.9	1,466.4
Total equity and liabilities		-220.7	-113.5	-144.8	2,315.6	2,383.8	2,625.5	2,392.8	2,345.2
Net interest bearing debt		-181	-110	-127	622	805	1,029	772	719
Capital employed		-136	-137	-104	1,555	1,693	1,940	1,651	1,598
Working capital		-112	-123	-86	887	976	1,082	899	816
Changes in total equity for the Group									
Opening balance		918.3	914.8	887.8	878.9	878.8	629.1	878.8	629.1
Changes due to new accounting act		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss		16.4	-23.7	39.9	56.6	8.3	96.3	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		0.1	-2.7	-8.9	0.1	-9.4	6.7	-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		0.2	0.0	-7.4	0.0	11.4	-15.1	11.4	-35.6
Minority interests		-1.6	0.0	0.0	-2.2	-0.7	-0.1	-0.5	0.0
Changes for year/period		15.1	-26.4	23.6	54.5	9.6	282.3	0.1	249.7
Total equity		933.4	888.4	911.4	933.4	888.4	911.4	878.9	878.8

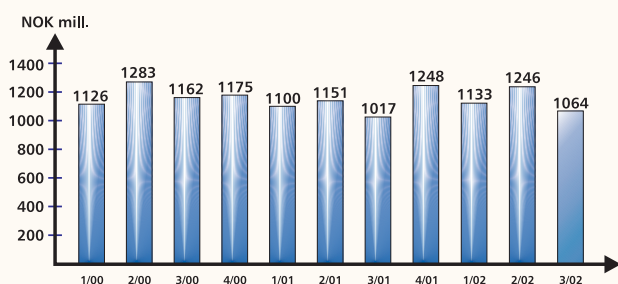
*119,042,384 shares at NOK 5.-, adjusted to account for 3,089,071 own shares.

Cash Flow Statement <small>NOK mill.</small>	Change in 3 rd Quarter			Nine months			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
Net cash flow from operations	190.2	140.9	164.2	206.3	-8.8	-138.5	68.2	135.7
Cash from operating profit	69.4	45.1	60.4	181.0	151.1	194.4	194.8	250.7
Cash flow from working capital	120.8	95.8	103.8	25.3	-159.9	-332.9	-126.6	-115.0
Cash flow from/to investments	-34.2	-24.0	-29.9	-75.7	-91.7	-63.1	-101.9	-78.7
Cash flow from/to financing	-132.2	-111.5	-141.7	-94.8	65.8	190.3	15.7	-24.4
Net cash flow for the period	23.8	5.4	-7.4	35.8	-34.7	-11.3	-18.0	32.6
Liquid funds	23.8	5.4	-7.4	80.5	30.0	20.8	44.7	62.7
Unutilised credit facilities	102.3	-339.4	170.0	550.5	500.6	490.0	555.0	603.5
Available liquid funds	126.1	-334.0	162.6	631.0	530.6	510.8	599.7	666.2
Add. net investm. as a result of acquis. and sales:								
Current assets	-	-	-	-	1.0	219.3	46.4	189.1
Fixed assets	-	-	-	-	5.8	305.3	65.0	277.7
Liquid funds	-	-	-	-	0.9	0.0	19.0	0.7
Total assets	-	-	-	-	7.7	524.6	130.4	467.5
Equity	-	-	-	-	2.3	194.5	31.0	201.2
Interest bearing debt	-	-	-	-	0.0	124.5	37.0	77.0
Interest free debt	-	-	-	-	5.4	205.6	62.4	189.3
Total capital	-	-	-	-	7.7	524.6	130.4	467.5

2001: Acquisition of Kristiania Entreprenør AS.

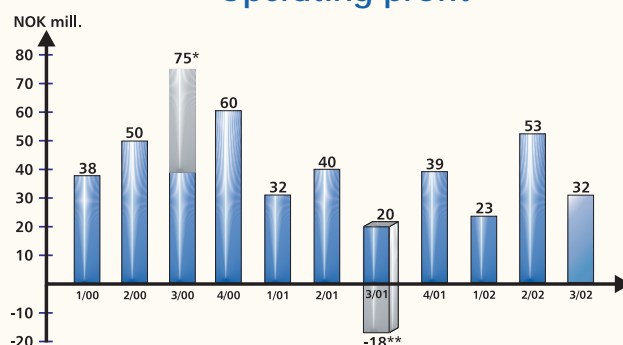
2000: Acquisition of Forestia AS (the timber industry business). Sale of 40% share in Limtræ Danmark AS.

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>	3 rd Quarter			Nine months			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
Net operating margin (in %)	3.0	-1.8	6.4	3.1	1.6	4.6	2.1	4.7
Gross operating margin (in %)	6.5	4.3	9.8	6.3	5.9	8.0	5.6	8.1
Return on capital employed (in %)	7.8	2.4	15.0	8.9	5.1	12.6	5.7	15.3
Earnings per share (in NOK)	0.14	-0.21	0.34	0.49	0.07	0.82	0.23	1.16
Cash flow per share (in NOK)	0.60	0.39	0.52	1.56	1.31	1.67	1.69	2.15
Inv. in fixed assets, excl. acquisition (NOK mill.)	36	29	31	78	95	54	105	77
Equity ratio (in%)	40.3	37.3	34.7	40.3	37.3	34.7	36.7	37.5
Total oper. revenue outside Scandinavia (in %)	27	26	31	27	26	31	26	29
Number of employees	3,120	3,027	3,158	3,116	3,047	3,147	3,149	3,046
Number of shareholders	999	2,243	4,285	998	1,196	4,315	1,196	4,244
Average number of shares	115 953 313	114 780 174	116 351 562	115 953 313	114 914 807	116 740 794	115 449 913	116 843 965

THE GROUP

As a result of the change in ownership structure, the Group has the past months developed a strategy for the coming years that was adopted by the board in September. The strategy will lead the Group in a similar direction as earlier, yet with a special focus on increasing business activities in Sweden, Norway and Denmark. The Moelven Timber Group, which consists of sawmills, planing mills and laminated timber factories, will continue to be an active participant in the development of the wood-processing industry in the region. Emphasis will be put on increasing the share of wood-based construction materials sold through builders' merchants in Scandinavia. The emphasis in the project sector of the laminated timber business will be on developing wooden based load carrying constructions including other engineered wood products such as e.g. LVL. The Moelven Modular Building Group will continue work on strengthening the Group's position in building modules and module-based interior layouts. Further the strategy calls for a development involving both organic growth and acquisitions.

In relation to the Group's main shareholder, Finnforest Oyj, synergies will be achieved by dividing up the markets geographically. The Moelven Group will concentrate on the Scandinavian market, while other parts of the Finnforest Corporation

will focus on other geographical regions. Several of the businesses in the Moelven and Finnforest Groups run operations that involve sales activities that necessarily encompass various geographical regions; this type of sales activity will continue and synergy benefits will be gained here by co-ordinating sales and/or distribution activities.

Operating profit and result

The Group's operating revenues after nine months was NOK 3443.1 million (3268.2). The sale of wooden building materials and building modules has contributed significantly to the higher figure. Operating profit totalled NOK 107.5 million (53.8). The improved result is partly due to non-recurring costs totalling NOK 39 million being charged to the accounts for the same period last year in connection with the closing of two sawmills and two planing mills. The sawmills in the Moelven Timber Group show a clear improvement in profit, even after accounting for non-recurring costs, while the building module business in the Moelven Building Group posted a weaker result.

Finance costs totalled NOK 30.7 million (43.6), and the reduction compared with previous years is due to better control of working capital both in the wood-processing and building industries.

Ordinary result after financial costs totalled NOK 76.2 million

(10.5), while profit after taxes and minority interests totalled NOK 56.6 million (8.3), corresponding to NOK 0.49 (0.07) per share.

For the third quarter alone, operating revenues amounted to NOK 1064.5 million (1017.1), and operating profit was NOK 31.6 million (-18.5). Excluding non-recurring costs, the operating profit for the third quarter the previous year amounted to NOK 20.5 million. Looking at the third quarter alone, the sawmills in the Moelven Timber Group account for the greatest improvement, while the building module business in the Moelven Building Group posted a weaker result than the year before. Profit after taxes and minority interest was NOK 16.4 million (-23.7), compared to a result excluding non-recurring costs of NOK 4.3 million. The result per share for the quarter was NOK 0.14.

Balance and financing

At the end of the third quarter, the Group had total assets amounting to NOK 2315.6 million (2383.8). Employed capital totalled NOK 1555 million (1701). The amount of working capital is lower than normal for this time of year. Return on capital employed was 8.9 percent (5.1) for the first nine months of the year, while for the third quarter alone the total was 7.8 percent (2.4). Net interest bearing debt was NOK 622 million (805), and liquidity reserves totalled NOK 631

Moelven Timber Group, Main Figures

	3 rd Quarter			Nine months			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
NOK mill.								
Operating revenues								
Moelven Timber Group	794.9	750.4	941.1	2,554.7	2,460.8	2,849.6	3,324.6	3,685.7
Timber - sawmills	523.3	501.3	607.0	1,758.5	1,780.4	2,064.8	2,398.9	2,723.3
Wood - timber processing	334.8	286.1	343.4	978.8	857.0	953.1	1,160.7	1,222.1
Laminated Timber	87.5	88.7	128.1	265.2	285.7	399.2	383.4	536.0
Operating profit/loss								
Moelven Timber Group	33.5	-38.0	50.7	94.3	6.1	117.5	24.3	151.9
Timber - sawmills	17.8	-51.1	24.5	65.6	-14.3	81.9	1.2	94.1
Wood - timber processing	16.1	14.5	20.6	34.2	25.6	25.8	32.0	41.7
Laminated Timber	-0.4	-1.4	5.6	-5.5	-5.2	9.8	-8.9	16.1

million (531). The liquidity reserve is for the most part in the form of long-term drawing rights. Equity totalled NOK 933.4 million (888.4), corresponding to an equity ratio of 40.3 percent (37.3). Cash flow from profit and loss items was for the first nine months NOK 181.0 million (151.1), corresponding to NOK 1.60 per share (1.31). Investments in fixed assets thus far this year totalled NOK 78 million (95).

BUSINESS AREAS

MOELVEN TIMBER GROUP

Market conditions for most of the companies in Moelven Timber Group were good during the third quarter and the outlook for the rest of the year is stable. Prices in local currency for rough sawn timber were either stable or somewhat higher in most markets. For businesses located in Norway, the strong Norwegian kroner put pressure on margins. The demand for processed building materials from the planing mills and laminated timber was satisfactory in the Scandinavian markets, while the international markets for standard laminated timber still showed a slightly negative trend.

Operating revenues the first nine months were NOK 2554.7 million (2460.8). Operating profit for the Moelven Timber Group after the first nine months of the year was NOK 94.3 million (6.1), and the sawmill business was the primary contributor to the higher result. Excluding non-

recurring costs last year, the improvement was NOK 49.2 million. Operating revenues in the third quarter alone were NOK 794.9 million (750.4), and operating profit totalled NOK 33.5 million (-38.0). The figures for the third quarter last year included non-recurring cost of NOK 39 million, which was related to the closing of two sawmills and two planing mills.

MOELVEN BUILDING GROUP

The activity in the commercial building market in Norway and Sweden, which is this business area's most important market segment, have varied depending on region, something that has led to a somewhat uneven utilisation of capacity at certain production units. The situation has been normal for the building module companies in Sweden and the interior layout business in large parts of Norway, while the shift in projects and reduced activity from certain major customers have had a negative effect on other parts of the business. The profit picture in the business area Modular Buildings is also influenced by a high costs at the construction site for two projects and a more complex product mix than usual.

Operating revenues for the first nine months were NOK 904.6 million (821.7). Operating profit for the Moelven Building Group the first nine months was NOK 28.6 million (47.1), and the decrease in profit is primarily linked to poorer results in the business area Modular Buildings.

For the third quarter alone, operating revenues were NOK 276.0 million (269.8), and the operating profit was NOK 6.1 million (19.9).

Other businesses

This business area includes the Group's parent company, business units supplying various services - such as IT, Communications and Finance - to the group's operative businesses, as well as certain minor activities which are not viewed as core businesses. Operating revenues the first nine months were NOK 46.6 million (45.1), with an operating loss of NOK 15.4 million (0.6). The decrease in profit is due to the one-time costs involved in adapting the Group's strategy and businesses to the new ownership structure.

OUTLOOK

The stock and market situation for the Moelven Timber Group seems to indicate that the activity level for the rest of the year will remain at a satisfactory level for most of the units that are part of this business area. The order stock for the Building Group is overall satisfactory, both in terms of size and composition, and the board expects a normalisation of profits for the fourth quarter. The Board anticipates that the Group's overall profit this year will be somewhat higher than in the previous year.

Moelv, 28 October 2002.

Board of Moelven Industrier ASA

Moelven Building Group, Main Figures

	3 rd Quarter			Nine months			Total	
	2002	2001	2000	2002	2001	2000	2001	2000
NOK mill.								
Operating revenues								
Moelven Building Group	276.0	269.8	232.2	904.6	821.7	757.3	1,230.0	1,094.3
Modular Buildings	143.1	136.2	122.2	480.2	393.4	381.8	590.0	542.9
Modular System Interiors	133.3	133.7	110.0	425.3	429.5	375.5	641.9	551.4
Operating profit/loss								
Moelven Building Group	6.1	19.9	23.2	28.6	47.1	50.8	71.9	71.0
Modular Buildings	-2.4	10.1	12.2	6.3	18.9	22.0	30.4	29.0
Modular System Interiors	8.5	9.8	11.0	22.3	28.2	28.8	41.4	42.0

Sender:

Moelven Industrier ASA
P.O.Box 134, N-2391 Moelv
Tel.: +47 62 34 70 00
Fax: +47 62 36 92 80
www.moelven.com
post@moelven.com
HUGIN Online:
<http://huginonline.no/MOE/>

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.

Finnforest Corporation, owned by the Metsäliitto Group, is Europe's biggest international mechanical wood group with a turnover of EUR 1.7 billion. Moelven Industrier ASA is Finnforest's majority-owned Norwegian-based subsidiary. Operations are grouped into two industrial divisions: Engineered Wood and Solid Wood. Finnforest's main geographical

markets are Market West, Market East, Scandinavia and Finland, Its customers include industrial end users, DIY stores, building suppliers and timber merchants, building contractors and developers. Finnforest Corporation operates in over 20 countries and employs over 7,500 people.