



*Quality rooms*

## Quarterly report 4/2013

Strandparken in Sundbyberg is the Stockholm area's first eight-storey house built entirely of wood. The house facade is shavings of Western Red Cedar (WRC) from Moelven. Architect: Wingårdhs Arkitektkontor. Developer: Folkhem. Photographer: David Bicho/Deviz Binoaz.

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	2 096,6	1 962,3	8 009,4	8 121,5
Operating profit	35,6	-33,6	-44,7	16,9
EBITDA	108,4	30,2	226,9	267,8
Net operating margin/EBIT	1,7 %	-1,7 %	-0,6 %	0,2 %
Gross operating margin/EBITDA	5,2 %	1,5 %	2,8 %	3,3 %
Value change of financial instruments to fair value	-12,0	-2,7	5,5	-7,9
Profit before tax	-0,7	-57,0	-117,1	-64,3
Profit per share in NOK	-0,03	-0,32	-0,71	-0,36
Cash flow from operational activities, in NOK per share	1,32	0,88	0,67	1,49
Total equity *	15,9	43,6	1 518,2	1 543,6
Equity ratio *	1,5 %	2,1 %	33,4 %	35,6 %
Total assets *	-158,2	-144,6	4 539,8	4 342,1
Investments	86,9	95,9	351,2	339,4
Return on capital employed *	2,1 %	-2,0 %	-1,5 %	0,5 %
Capital employed *	-68,2	18,1	3 020,1	2 780,7
Net interest-bearing liabilities *	-84,2	-32,3	1 476,0	1 211,3
Net working capital *	-204,2	-244,9	1 793,3	1 719,9
Number of employees *	3	-33	3 276	3 375
Sick leave percentage *	-0,2 %	0,0 %	5,3 %	5,4 %
Frequency of accidents with absence, H1 value *	-1,9	-0,5	16,0	15,0
Number of shareholders	953	956	953	956
Average number of shares (mill)	129,5	129,5	129,5	129,5

- Revenues in the fourth quarter were NOK 2,096.6 million (NOK 1,962.3 million) and the operating profit was NOK 35.6 million (minus NOK 33.6 million)
- Year-to-date revenues were NOK 8,009.4 million (NOK 8,121.5 million) and the operating profit was minus NOK 44.7 million (NOK 16.9 million)
- Internal improvement measures have had an effect
- The Building Systems division has a better order backlog than normal for the season
- Positive development in finished goods prices for the Timber and Wood divisions
- Low access to saw logs in certain regions

### *In brief*

The fourth quarter developed normally for the season, with good demand for the Group's products and services until activity diminished in the run-up to Christmas. In the international market for industrial wood the fourth quarter resulted in a continued improvement in demand and activity levels. Total production in the Nordic countries has increased, but manufacturers' inventories of finished goods remain low and prices are rising. In addition, weakened Scandinavian currencies have contributed to strengthening the competitive power of the Group's units.

The finished goods prices for the Wood division's products also increased towards the end of the year, but less than for industrial wood. The gross margins for the division have therefore not risen as quickly as for Timber. The mild early winter gave poor logging conditions in the forest, and access to saw logs has been challenging in some geographic regions. A suspension of operations has not been necessary in the same way as it was in 2012, but several units have had reduced productivity due to more frequent readjustments of the production plants than would have been necessary with higher timber inventories. The price of saw logs has been rising, while the prices of chips and fibre products have fallen. For the log-consuming units this reduces the positive effect on earnings from better market prices and realised effects from efficiency measures.

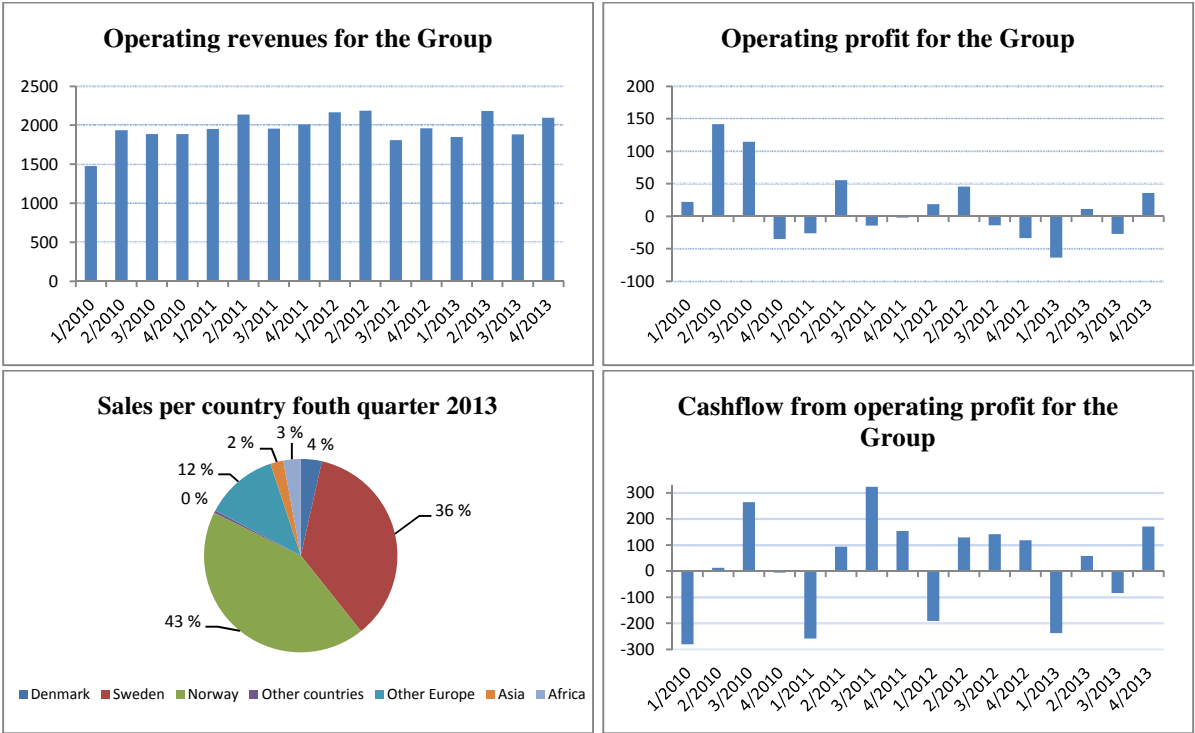
For the Building Systems division the inflow of new orders has been good. At the start of 2014 the division has a total order backlog that is broadly composed and about NOK 100 million higher than at the same time in the previous year.

### Revenues and results

The Timber and Wood divisions had a higher level of activity for the quarter than for the same period in 2012. Both market prices and volumes developed positively, while improvement measures contributed to making production more cost-effective. Within Building Systems the extent of the Electrical Systems business has been reduced as planned to a significantly lower level, while the other business areas had an activity level that is similar to the fourth quarter last year.

Net financial expenses for the quarter were a little higher than for the same period in 2012. This is due to unrealised losses on financial hedging instruments, which are used to hedge exchange rates, interest rates and power prices. Non-cash items related to this totalled minus NOK 12.0 million (minus NOK 2.7 million) for the quarter and plus NOK 5.5 million (minus NOK 7.9 million) for the year. The negative result from the hedging instruments for the quarter is chiefly due to the weakening of NOK and to some extent SEK, as well as the fall in electricity prices.

For the year, the interest rate hedging instruments give a significantly positive result, while the exchange rate and power price hedging instruments are negative. The Group's average margin on debt financing was unchanged from the corresponding period last year, but interest rate expenses increased due to a higher level of debt during the quarter.



## Investments, balance sheet and funding

The investment activity in 2013 is linked solely to the upgrading and maintenance of the existing operations. In the fourth quarter investments totalling NOK 86.9 million (NOK 95.9 million) were undertaken, after the majority of the planned investments for the year were completed in the quarter. The largest single projects that were completed were the rebuilding of the planning mill at Moelven Eidsvold Værk AS and the modernisation of Moelven Vänerply AB. For the year, total investments came to NOK 351.2 million (NOK 339.4 million).

It has been decided to reduce investments significantly in 2014 in order to contribute to improving cash flow for the Group. Such a reduction is possible because the Group in recent years has completed extensive investments of a strategic nature, as well as major investments in upgrading, maintenance and adaptation. For the Group as a whole the total amount of decided investments will be reduced by about NOK 150 million compared with 2013. Investments will be largely directed towards necessary maintenance and upgrades that are natural to implement in conjunction with maintenance.

At year end, the Group's total assets were reported as NOK 4,539.8 million (NOK 4,342.1 million). About half of the Group's total assets come from Group companies with SEK as the accounting currency. Translated at the same exchange rate as in 2012 the total assets would have been appr. NOK 200 lower.

Cash flow from operating activities in the fourth quarter was NOK 170,4 million (NOK 118.7 million), which corresponds to NOK 1.32 per share (NOK 0.88). The cash flow from operating activities for the year was NOK 86,2 million (NOK 197.6 million), which corresponds to NOK 0.67 per share (NOK 1.49).

Net interest-bearing debt was NOK 1,476.0 million (NOK 1,211.3 million) at the end of the fourth quarter, and the liquidity reserve was NOK 278.4 million (NOK 492.3 million). Financial leases are included in net interest-bearing debt, amounting to NOK 33.8 million (NOK 41.9 million).

At the end of the fourth quarter the equity was NOK 1,518.2 million (NOK 1,543.6 million). This corresponds to NOK 11.72 (NOK 11.91) per share and an equity ratio of 33.4 per cent (35.6). Part of the Group's equity is connected with ownership of foreign subsidiaries, mainly in Sweden, and is therefore exposed to fluctuations in the exchange rate. The extent and consequences of likely exchange rate fluctuations are within acceptable risk limits. In the fourth quarter of 2013, exchange rate fluctuations resulted in an unrealised increase in equity of NOK 6.7 million (reduction of NOK 13.0 million). For 2013 as a whole there has been an unrealised increase of NOK 58.4 million (reduction of NOK 12.6 million).

## Divisions

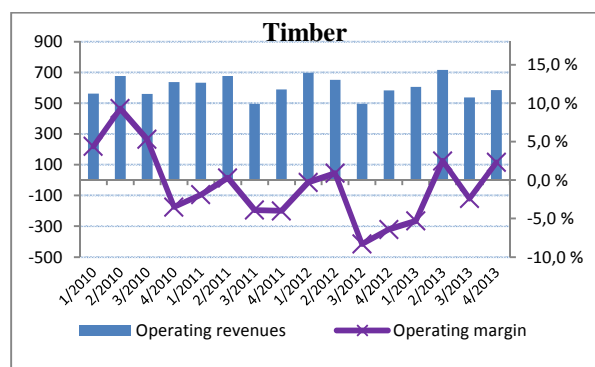
### Timber

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Sales to external customers	585,8	481,2	2 195,1	2 047,5
Sales to internal customers	104,9	100,9	359,8	380,7
Operating revenues	690,7	582,1	2 554,9	2 428,2
Depreciation and impairment	32,9	25,9	116,0	99,9
Operating profit	15,8	-37,2	-11,6	-74,6
Operating margin in per cent	2,3 %	-6,4 %	-0,5 %	-3,1 %
Net operating capital (% of operating revenues)	-0,7 %	-0,8 %	17,7 %	18,6 %
Total assets *	73,3	-23,8	1 684,3	1 579,1
Equity *	79,8	11,9	748,4	710,2
Capital employed *	55,4	38,9	1 277,5	1 244,5
Return on capital employed *	2,0 %	-1,9 %	-0,9 %	-6,0 %
Investments *	22,6	30,8	119,5	151,6
Number of employees *	2	0	677	696

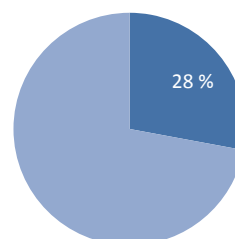
\* The first column shows the change in value during the quarter

The positive development in the international market for industrial wood continued in the fourth quarter. The market balance has improved, and both the price levels and delivery volumes for the quarter were higher than for the corresponding period in 2012. The improvements in prices were reinforced by the Scandinavian currencies, measured against the currencies of the key export markets, being weaker than in the same period of 2012. It has not been necessary to limit production towards the end of 2013, in contrast to the previous year. The mild start to the winter gave good operating conditions, and in conjunction with the realisation of savings from implemented efficiency measures, this contributed to an improvement in productivity in both the sawmills and the industrial component companies.

Access to saw logs was lower than desired in certain geographic areas. This had a slightly negative effect on productivity in the affected units due to the need to adjust production lines more frequently. The prices of sawn timber rose in the quarter, while the prices for chips and fibre products were declining.



Timber's share of the Groups sale to external customers



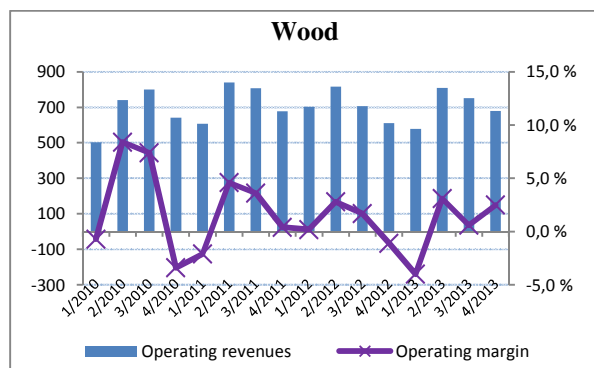


## Wood

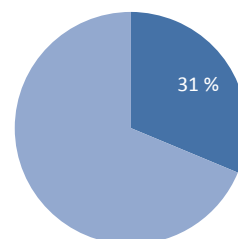
Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Sales to external customers	655,9	596,0	2 748,0	2 763,7
Sales to internal customers	22,9	15,6	72,5	73,2
Operating revenues	678,8	611,6	2 820,4	2 836,9
Depreciation and impairment	27,6	24,8	104,9	99,1
Operating profit	16,7	-7,0	23,5	29,6
Operating margin in per cent	2,5 %	-1,1 %	0,8 %	1,0 %
Net operating capital (% of operating revenues)	-2,8 %	0,5 %	28,4 %	28,7 %
Total assets *	-99,0	-85,6	1 957,7	1 905,8
Equity *	-17,0	-6,0	788,2	791,4
Capital employed *	-59,9	2,2	1 414,6	1 362,9
Return on capital employed *	1,1 %	-1,4 %	1,8 %	2,4 %
Investments *	45,1	41,1	174,7	132,7
Number of employees *	-20	-3	1 011	1 063

\* The first column shows the change in value during the quarter

Overall, the market activity was better than in the corresponding period in 2012. The Danish market continues to be affected by low activity, while the markets in both Sweden and Norway had higher demand and better price levels than in the same period last year. As with the sawmills in Timber, the log-consuming units within Wood had some operational disruptions and reduced productivity as the result of lower raw material inventories than desired. Beyond this the operating conditions in the quarter were good. The companies in the Wood division use both industrial wood and sawn timber as raw materials. Raw material prices rose during the quarter, and the price changes occur more rapidly than it is possible to compensate for through increases to the finished goods prices.



Wood's share of the Groups sale to external customers



## Building Systems

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Sales to external customers	692,2	757,5	2 505,3	2 796,1
Sales to internal customers	1,6	2,3	8,8	3,2
Operating revenues	693,8	759,8	2 514,1	2 799,3
Depreciation and impairment	8,5	9,4	38,0	38,1
Operating profit	14,5	23,1	-19,1	97,0
Operating margin in per cent	2,1 %	3,0 %	-0,8 %	3,5 %
Net operating capital (% of operating revenues)	-2,3 %	-3,8 %	14,4 %	12,5 %
Total assets *	-6,0	56,9	1 189,9	1 243,3
Equity *	63,9	-48,8	544,1	494,0
Capital employed *	27,0	-49,5	637,6	603,1
Return on capital employed *	4,7 %	0,7 %	-2,1 %	18,3 %
Investments *	13,5	23,1	43,4	46,3
Number of employees *	20	-26	1 460	1 486

\* The first column shows the change in value during the quarter

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	117,6	97,8	403,8	420,4
Depreciation and impairment	2,6	3,6	15,2	16,7
Operating profit	0,2	-1,3	-6,5	8,0
Operating margin in per cent	0,2 %	-1,3 %	-1,6 %	1,9 %
Investments *	5,7	6,8	21,3	20,8
Number of employees *	-1	-10	239	239

\* The first column shows the change in value during the quarter

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	59,6	142,3	257,4	523,5
Depreciation and impairment	0,4	0,5	1,4	1,7
Operating profit	-7,4	-31,1	-48,0	-36,5
Operating margin in per cent	-12,4 %	-21,9 %	-18,7 %	-7,0 %
Investments *	0,0	0,0	0,0	0,1
Number of employees *	-3	-13	176	254

\* The first column shows the change in value during the quarter

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	323,1	315,0	1 156,6	1 135,1
Depreciation and impairment	3,8	3,7	14,2	13,8
Operating profit	4,9	21,6	-13,6	60,2
Operating margin in per cent	1,5 %	6,9 %	-1,2 %	5,3 %
Investments *	8,9	15,5	17,6	23,6
Number of employees *	14	6	584	549

\* The first column shows the change in value during the quarter

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	201,9	212,6	733,3	764,1
Depreciation and impairment	-0,1	1,6	5,2	5,9
Operating profit	16,8	33,9	49,0	65,3
Operating margin in per cent	8,3 %	15,9 %	6,7 %	8,5 %
Investments *	-1,1	0,8	4,5	1,7
Number of employees *	10	-9	461	444

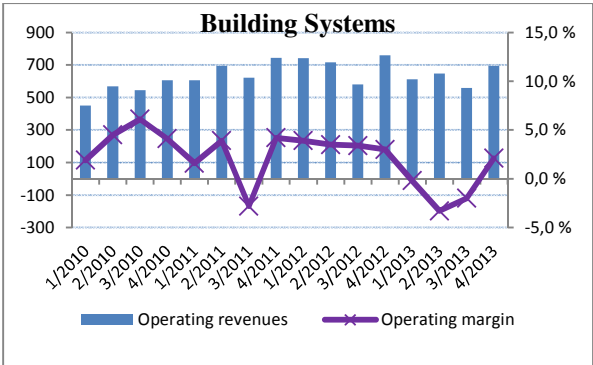
\* The first column shows the change in value during the quarter

The Modular Buildings companies had a good inflow of new orders in both Norway and Sweden. The competition from foreign companies, particularly in Norway, has diminished. This is due to several having had their earnings reduced as the result of quality challenges and also because of the weakness of the Scandinavian currencies. The project within the Building Module business on the Swedish side, which caused a substantial recorded loss in the third quarter, is now completed and delivered to the customer. No additional unforeseen costs were incurred, and the case is now being dealt with by the Group's insurance provider. Productivity in Sweden has been good. The business in Norway had a positive development in productivity towards the end of the period, but is still behind the target. This is the main reason for the weakness of the result compared with the same period last year. In both the Norwegian and Swedish businesses extensive work is being carried out to determine what types of projects ought to be prioritised in the plants in order to optimise quality and financial considerations, while holding project risk at an acceptable level.

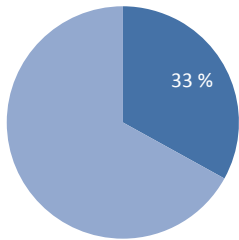
The Laminated Timber business had a very strong inflow of new orders in Norway, while the Swedish business is facing more challenging market conditions. It is primarily the bridge projects that have developed positively on the Norwegian side, and at the turn of the year the factory had operations planned for large parts of the first six months. In Sweden the capacity is adapted to a Swedish market in which activity lies at a low level.

Activity in the markets in which the Modular System Interiors companies operate has been good in the major cities, but with strong competition. Towards the end of the quarter there was a seasonally normal reduction in the activity level. Both the Norwegian and the Swedish parts of the business have adapted well to the prevailing market conditions. The main reason for the dip in results compared with last year is reduced price levels in the project markets. The administrative merger of the two companies is developing as planned, and is contributing to strengthening both innovativeness and efficiency.

The extent of the Electrical Installations business is markedly reduced and the company is now directing its activity towards smaller projects within the defined areas and towards service assignments. The improvement in results is chiefly due to not recording project losses to the same extent as occurred in the corresponding period in 2012.



Building Systems' share of the Groups sale to external customers





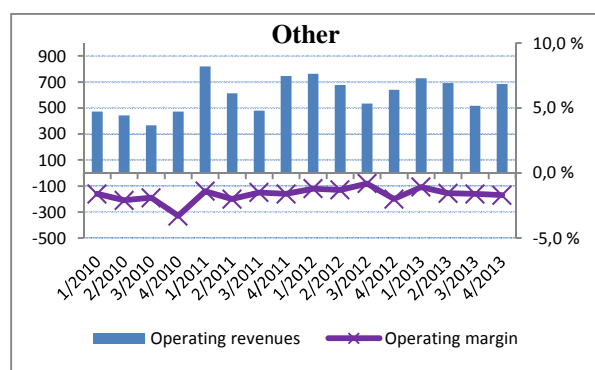
## Other businesses

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Sales to external customers	190,7	127,8	645,3	514,2
Sales to internal customers	492,5	513,3	1 978,4	2 102,5
Operating revenues	683,2	641,1	2 623,7	2 616,7
Depreciation and impairment	3,8	3,6	12,8	13,8
Operating profit	-11,4	-12,6	-37,5	-35,1
Operating margin in per cent	-1,7 %	-2,0 %	-1,4 %	-1,3 %
Net operating capital (% of operating revenues)	-2,5 %	-3,8 %	7,0 %	4,0 %
Total assets *	10,8	19,8	2 695,7	2 330,2
Equity *	-74,7	81,4	1 015,4	1 032,5
Capital employed *	-78,6	20,8	2 162,0	1 827,7
Return on capital employed *	-0,2 %	-0,5 %	-0,2 %	-0,4 %
Investments *	5,8	1,3	13,6	8,9
Number of employees *	1	-4	128	130

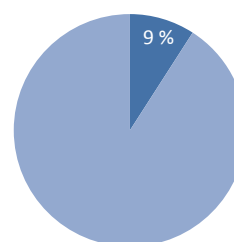
\* The first column shows the change in value during the quarter

Other businesses include Moelven Industrier ASA, with the group support functions in economics, finance, insurance, communication, HR and ICT. As a common function for the Group's mechanical wood business, lumber supply and sales of wood chips and energy products are centralised in the companies Moelven Skog AB, Moelven Virke AS and Vänerbränsle AB. Moelven Bioenergi AS is also included.

Fluctuations in revenues within the area of Other businesses are largely due to the developments in activity within the common functions for the mechanical wood industry. The main activity is internal sales which do not materially affect the results within the business area. In order to safeguard access to saw-logs and market opportunities for chip and energy products in the region that was affected by the closure of Södra Cell Tofte, a train solution was established to transport pulp wood and chips to Sweden. The arrangement entails increased external sales due to pulp wood now being purchased and subsequently sold externally. The business is based on fixed agreements on both the customer and supplier sides, and the risk is low. Lower costs for the Group's other common functions is the reason for the improvement in operating profit for the quarter.



Other's share of the Groups sale to external customers



## Employees

In the fourth quarter, total absence due to illness was 4.96 per cent (5.37), where 2.33 per cent (2.49) represents long-term absence. For the year, total absence due to illness was 5.35 per cent (5.40), where 2.34 per cent (2.33) represents long-term absence. In total the change in absence due to illness compared with the previous year lies within a natural range of variation without any specific main reason. The aim of having absence due to illness below 5 per cent continues to be a goal, and the work to achieve this is ongoing. For the Norwegian part of the business long-term absence has been falling for several years, and this trend also continued in the fourth quarter. The number of personal injuries resulting in absence was 17 during the quarter (20) and 88 (71) for the year as a whole. This corresponds to an H1 value for the quarter of 15 (12.9) and 16.0 (15.0) for the year as a whole. Irrespective of the increase during 2013, the H1 figure (number of personal injuries resulting in absence per million hours worked) is at an unacceptably high level. The Group's target figure for H1 is 0. Efforts to achieve this target have been further intensified, beyond previous levels. Following a prolonged period with extensive investments in safer machinery and equipment, the most important measures being implemented are raising employee awareness, management training programmes in HSE as well as improved safety procedures and clearer workplace descriptions.

Employees	Per fourth quarter 2013				Per fourth quarter 2012			
	Male	Female	%Female	Total	Male	Female	%Female	Total
Timber	603	74	12,3 %	677	614	82	13,4 %	696
Wood	836	175	20,9 %	1 011	890	173	19,4 %	1 063
Building Systems	1 365	95	7,0 %	1 460	1 385	101	7,3 %	1 486
Others	97	31	32,0 %	128	98	32	32,7 %	130
The Group	2 901	375	11,4 %	3 276	2 987	388	11,5 %	3 375

Sickness absence rate in %	12 months	
	2013	2012
Timber	4,90 %	4,55 %
Wood	5,08 %	5,30 %
Building Systems	5,97 %	6,02 %
Others	2,42 %	3,54 %
The Group	5,35 %	5,40 %

H1 Value	12 months	
	2013	2012
Timber	26,6	16,5
Wood	15,2	18,5
Building Systems	13,0	13,0
Others	0,0	0,0
The Group	16,0	15,0

## Outlook

We expect to see a continued improvement in international market prices for industrial wood in the first quarter. Demand is slowly rising, and manufacturers' inventories of finished goods remain at low levels. At the same time NOK and SEK, measured against the most important export currencies EUR, GBP and USD, are at levels that offer a better starting point in the competition for export markets than we have seen in many years.

There has been a decline in housing construction in both Norway and Sweden during 2013. This trend is expected to continue in the first quarter. However the main part of the Group's deliveries is made to the renovation, reconstruction and extension market, which are more stable than the new build market. Except for the decline in housing construction, the activity level is expected to follow normal seasonal variations with low activity in the first quarter.

For the Building Systems division demand in the building and construction sector in Scandinavia is expected to remain at the current level, with normal seasonal variations throughout the year. For the first quarter this entails a reduction in the level of activity. At the start of 2014 the division has a good and broadly composed order backlog, and a better starting point than there was at the start of 2013. The companies have adjusted their capacities and cost structures to the prevailing market conditions, and also have somewhat less competition from foreign companies due to exchange rate developments.

Access to timber during the fourth quarter has been challenging due to poor logging conditions. The situation improved with the change in weather that occurred in January 2014 but there continues to be uncertainty regarding the long-term consequences in the raw material market and the market for chip products as a result of major changes in the paper and cellulose industry in Norway.

The Board is not satisfied with the Group's profit before tax of minus NOK 117.1 million for 2013. A number of measures have been identified, implemented and closely followed up in order to improve the results of ongoing operations and reduce the risk of loss related to certain projects. A project has also been commenced to release working capital and no investments will be undertaken beyond necessary maintenance and certain smaller improvements in connection with this. The Board expects that the measures in aggregate will give the Group a positive cash flow, also in a situation with demanding framework conditions. The Board is of the opinion that the Group has adequate solvency and access to liquidity over the long term to undertake any necessary adaptations. The Group's long-term debt initially matures in 2015 and the refinancing process has already begun.

The Board expects the Group's profit in 2014 to be significantly better than in 2013.

The Board of Moelven Industrier ASA

Moelv, 23 January 2014

## Condensed quarterly financial statements for Moelven Group fourth quarter 2013

### *Profit and loss and total comprehensive income*

Amounts in NOK million	Fourth quarter		12 months	
	2013	2012	2013	2012
Operating revenues	2 096,6	1 962,3	8 009,4	8 121,5
Depreciation	72,9	63,8	271,6	250,9
Cost of goods sold	1 279,2	1 232,3	5 184,7	5 264,3
Payroll expenses	474,0	470,0	1 750,1	1 727,1
Other operating expenses	235,0	229,9	847,7	862,4
<b>Operating profit</b>	<b>35,6</b>	<b>-33,6</b>	<b>-44,7</b>	<b>16,9</b>
Income from associates	0,0	-2,1	0,0	-3,7
Value change of financial instruments to fair value	-12,0	-2,7	5,5	-7,9
Other financial income	4,8	4,6	20,2	15,8
Other financial expenses	-28,9	-23,2	-98,1	-85,5
<b>Profit before tax</b>	<b>-0,7</b>	<b>-57,0</b>	<b>-117,1</b>	<b>-64,3</b>
Estimate income tax	3,2	-16,0	-24,5	-17,3
<b>Net profit</b>	<b>-3,9</b>	<b>-41,1</b>	<b>-92,6</b>	<b>-47,1</b>
Non-controlling interest share	-0,2	-0,1	-1,6	-1,8
Owner of parent company share	-3,7	-40,9	-91,0	-45,3
Earnings per share (in NOK)	0,0	-0,3	-0,7	-0,4
Statement of comprehensive income				
Net profit	-3,9	-41,1	-92,6	-47,1
Other comprehensive income				
<i>Items that are not reclassified subsequently to profit or loss</i>				
Actuarial gains (losses) on defined-benefit pension schemes	18,8	116,5	18,8	64,8
Income tax on items that are not reclassified to profit or loss	-5,1	-32,6	-5,1	-18,1
	13,7	83,9	13,7	46,6
<i>Items that may be reclassified subsequently to profit or loss</i>				
Translation differences	6,7	-13,0	58,4	-12,6
Proportion of other income and costs in associated companies	0,0	0,0	0,0	0,0
Other changes	-0,7	12,8	-5,0	16,6
Income tax on items that may be reclassified to profit or loss	0,0	0,0	0,0	0,0
	6,0	-0,2	53,4	4,0
Other comprehensive income, net of tax	19,7	83,7	67,1	50,7
<b>Total comprehensive income for the period</b>	<b>15,8</b>	<b>42,6</b>	<b>-25,5</b>	<b>3,6</b>
<b>Comprehensive income assigned to:</b>				
Owners of parent company	16,0	42,8	-23,9	5,4
Non-controlling interests	-0,2	-0,1	-1,6	-1,8

## Condensed statement of financial position

Amounts in NOK million	Per 31.12	
	2013	2012
Intangible assets	48,4	53,3
Tangible fixed assets	1 876,6	1 702,5
Financial fixed assets	8,1	7,2
<b>Total fixed assets</b>	<b>1 933,1</b>	<b>1 763,0</b>
Inventory	1 263,6	1 289,9
Receivables	1 317,2	1 263,4
Liquid assets	25,9	25,8
<b>Total current assets</b>	<b>2 606,7</b>	<b>2 579,1</b>
<b>Total assets</b>	<b>4 539,8</b>	<b>4 342,1</b>
Share capital*	647,7	647,7
Other equity	870,4	895,9
<b>Total equity</b>	<b>1 518,2</b>	<b>1 543,6</b>
Provisions	143,1	184,3
Long term interest-bearing liabilities	1 321,3	1 131,0
Long term interest-free liabilities	2,3	2,7
<b>Total long term liabilities</b>	<b>1 466,7</b>	<b>1 318,1</b>
Short term interest-bearing liabilities	180,6	106,0
Short term liabilities	1 374,3	1 374,4
<b>Total short term liabilities</b>	<b>1 554,9</b>	<b>1 480,4</b>
<b>Total liabilities</b>	<b>3 021,7</b>	<b>2 798,5</b>
<b>Total equity and liabilities</b>	<b>4 539,8</b>	<b>4 342,1</b>

## Statement of changes in equity for the Group

Amounts in NOK million	Equity assigned to owners of parent company					Non-controlling interests	Total equity
	Share capital	Share premium funds	Own shares	Other equity	Total		
Total per 1.1.2012	647,7	180,7	0,0	698,3	1 526,7	13,3	1 540,0
<b>Comprehensive income for the period</b>							
<b>Net profit</b>	0,0	0,0	0,0	-45,2	-45,2	-1,8	-47,0
<b>Other comprehensive income</b>							
Translation differences	0,0	0,0	0,0	-12,6	-12,6	0,0	-12,6
Other changes	0,0	0,0	0,0	16,6	16,6	0,0	16,6
Actuarial gains (losses) on defined-benefit pension schemes	0,0	0,0	0,0	64,8	64,8	0,0	64,8
Income tax on other comprehensive income	0,0	0,0	0,0	-18,1	-18,1	0,0	-18,1
<b>Other comprehensive income (net of tax)</b>	0,0	0,0	0,0	50,7	50,7	0,0	50,7
<b>Transactions with owners, entered directly against equity</b>							
Purchase of non-controlling interests	0,0	0,0	0,0	2,4	2,4	-2,4	0,0
Effect of acquisition	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dividend to owners	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Share based payment transactions	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total transactions with owners</b>	0,0	0,0	0,0	2,4	2,4	-2,4	0,0
<b>Total as at 31.12.2012</b>	<b>647,7</b>	<b>180,7</b>	<b>0,0</b>	<b>706,1</b>	<b>1 534,5</b>	<b>9,1</b>	<b>1 543,6</b>
Total per 1.1.2013	647,7	180,7	0,0	706,1	1 534,5	9,1	1 543,6
<b>Comprehensive income for the period</b>							
<b>Net profit</b>	0,0	0,0	0,0	-91,0	-91,0	-1,6	-92,6
<b>Other comprehensive income</b>							
Translation differences	0,0	0,0	0,0	58,4	58,4	0,0	58,4
Other changes	0,0	0,0	0,0	-5,0	-5,0	0,0	-5,0
Actuarial gains (losses) on defined-benefit pension schemes	0,0	0,0	0,0	18,8	18,8	0,0	18,8
Income tax on other comprehensive income	0,0	0,0	0,0	-5,1	-5,1	0,0	-5,1
<b>Other comprehensive income (net of tax)</b>	0,0	0,0	0,0	67,1	67,1	0,0	67,1
<b>Transactions with owners, entered directly against equity</b>							
Purchase of non-controlling interests	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Effect of acquisition	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Dividend to owners	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Share based payment transactions	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total transactions with owners</b>	0,0	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total as at 31.12.2013</b>	<b>647,7</b>	<b>180,7</b>	<b>0,0</b>	<b>682,2</b>	<b>1 510,6</b>	<b>7,6</b>	<b>1 518,2</b>



## Cashflow statement for the Group

Amounts in NOK million	Per 31.12	
	2013	2012
<b>CASH FLOW FROM OPERATIONAL ACTIVITIES:</b>		
Net profit	-92,6	-47,1
<i>Adjustments to reconcile net profit with net cash flow from operations:</i>		
Depreciation	271,6	250,9
Impairment	0,0	0,0
Income from associated companies	0,0	3,7
Tax paid	-4,4	-8,5
Unpaid pension costs entered as costs and unreceived pension funds entered as income	-9,2	-12,5
Loss (profit) on sale of fixed assets	-0,6	-0,8
Net value change of financial instruments to fair value	-5,3	7,9
Income tax	-24,5	-17,3
<i>Changes in operating assets and liabilities:</i>		
Changes in inventory	24,0	54,0
Changes in accounts receivable and other receivables	-52,1	-44,5
Changes in trade accounts payable	-39,8	-67,9
Changes in provisions and benefits to employees	3,3	-3,2
Changes in short-term liabilities excluding borrowing	15,8	82,8
<b>Cash flow from operational activities</b>	<b>86,2</b>	<b>197,6</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES:</b>		
Investment in plant and equipment exc. acquisition	-351,2	-339,4
Net cash outlay on acquisition	0,0	-1,0
Receipts from sale of fixed assets	0,7	11,9
Sale of other long-term investments	0,0	6,1
Acquisition of subsidiary, net of cash	0,0	0,0
<b>Cash flow from investment activities</b>	<b>-350,5</b>	<b>-322,4</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Raising short term debt	223,0	209,8
Repayment of short term debt	-223,1	-208,6
Change in bank overdrafts	74,7	104,8
Purchase of non-controlling interests	0,0	-2,3
Change in long term debt (borrowing facility)	198,6	31,1
Changes in other long-term liabilities	-8,8	-9,8
Payment of dividend	0,0	0,0
<b>Cash flow from financial activities</b>	<b>264,4</b>	<b>125,1</b>
<b>Net increase (reduction) in liquid assets during year</b>	<b>0,1</b>	<b>0,3</b>
Liquid assets start of period	25,8	25,5
Effect of exchange rate changes on liquid assets	0,0	0,0
<b>Liquid assets end of period</b>	<b>25,9</b>	<b>25,8</b>
<b>Cash and cash equivalents</b>		
Liquid assets	25,9	25,8
Unused drawing rights	252,5	466,5
Restricted bank deposits	0,0	0,0
<b>Cash and cash equivalents</b>	<b>278,4</b>	<b>492,3</b>

## Notes to the summary consolidated quarterly financial statements

### ***Note 1 – General information***

Moelven Industrier ASA is a public limited liability company, registered in Norway. The company's head office is at Industriveien 2, 2390 Moelv, Norway. The summary consolidated financial statements for the fourth quarter of 2013 ended the 31<sup>th</sup> of December 2013 include Moelven Industrier ASA and its subsidiaries (collectively referred to as the “Group”) and the Group's interests in associated companies. The annual accounts for 2012 are available at [www.moelven.no](http://www.moelven.no).

### ***Note 2 – Statement of conformity***

The consolidated financial statements for the fourth quarter of 2013 have been prepared in accordance with the requirements of IAS 34 “Interim Financial Reporting” which have been approved by the EU. The interim financial statements do not include all the information required in a complete annual report and ought to be read in conjunction with the consolidated financial statements for 2012.

The summary consolidated quarterly financial statements were approved by the Board on 23 January 2014.

### ***Note 3 – Accounting policies***

The accounting policies adopted in the quarterly financial statements are the same as those in the consolidated financial statements for 2012.

### ***Note 4 – Critical judgements and estimates***

The preparation of quarterly financial statements requires management to make judgements, estimates and assumptions that affect both which accounting policies are applied and the reported amounts of assets, liabilities, revenues and expenses. Actual amounts may differ from the estimated amounts.

In preparing these summary quarterly financial statements management has applied the same critical judgements in applying the accounting policies as it made when preparing the consolidated financial statements for 2012 and the principal sources of estimate uncertainty are the same when preparing these summary quarterly accounts as for the consolidated accounts for 2012.

### ***Note 5 – Pensions and taxes***

The calculations of pension costs and pension liabilities are undertaken annually by actuaries. In the quarterly accounts pension costs and pension liabilities are based on forecasts from actuaries. The income tax expense is determined in each quarter on the basis of the expected annual income tax expense.

### ***Note 6 – Seasonal fluctuations***

Demand for the Group's products and services is normally subject to variability throughout the year. This involves a low season during the first quarter, increasing activity and a peak season over the second and third quarters, and diminishing activity in the final part of the fourth quarter.

Due to the annual seasonal variation in raw material access and market activity, the Group's working capital varies by NOK 300 million to NOK 400 million from its highest level in May/June to its lowest in November/December.

### ***Note 7 - Tangible fixed assets***

Amounts in NOK million	Per 31.12	
	2013	2012
Book value per 1.1	1 744,4	1 715,3
Acquisitions	351,2	339,4
Business combinations	0,0	0,0
Disposals	-0,7	-1,9
Depreciations	-271,6	-250,9
Transfers	-4,0	-42,2
Translation differences	94,5	-15,2
Book value per 31.03	1 913,8	1 744,5

### ***Note 8 - Financial instruments***

Amounts in NOK million	Per 31.12.2013		
	Positive fair value	Negative fair value	Net fair value
Currency derivatives	2,3	-7,4	-5,0
Interest rate derivatives	0,0	-44,8	-44,8
Power derivatives	0,0	-14,6	-14,6
Total	2,3	-66,7	-64,4

Amounts in NOK million	Per 31.12.2012		
	Positive fair value	Negative fair value	Net fair value
Currency derivatives	3,2	-2,0	1,2
Interest rate derivatives	0,0	-62,0	-62,0
Power derivatives	0,0	-8,9	-8,9
Total	3,2	-72,9	-69,7

### ***Note 9 – Operating segments***

The divisions are divided in accordance with Moelven's three core activities: Timber (industrial goods), Wood (building products) and Building Systems (projects). There is also a division named "Other" in which the remaining units are placed. The divisions are built up around independent subsidiaries with activities clearly defined within the divisions. All transactions between the divisions are conducted on normal commercial terms. The split into divisions differs from the formal legal ownership structure. See the consolidated financial statements for 2012 for further information about segments.

Below is a reconciliation of the profit before taxes in the reporting segments with the company's profit before taxes.

Amounts in NOK million	Per 31.12	
	2013	2012
Timber	-40,9	-98,0
Wood	-7,4	0,8
Building Systems	-19,0	98,9
Other	-49,9	-66,1
Profit before tax in segments	-117,1	-64,3
Eliminations	0,0	0,0
Profit before tax in Group Accounts	-117,1	-64,3

### ***Note 10 – Related parties***

Transactions with the owners are performed in some areas of the ordinary activities. Among other things, this relates to purchase of saw logs, where the Norwegian forest owner cooperatives are suppliers. There will also be deliveries of biofuel from the Moelven Group to a bioenergy plant owned by Eidsiva Energi AS, with possible buy-back of bioenergy for Moelven's industries in connection with the energy plant. Eidsiva Energi Marked AS trade electric power to Moelven's Norwegian industrial operations. All these transactions have in common that the arm's length principle shall be applied. Where other suppliers can offer better prices or terms, these will be used. About 40 per cent of Moelven's total purchasing requirement for saw log of 4 million cubic metres comes via the Norwegian forest owner cooperatives.

Moelven' supply of energy raw materials to Eidsiva's bioenergy plant represents between 40 and 50 GWh on an annual basis, while buying back energy represents between 20 and 30 GWh. Net delivery of energy raw materials is 20 GWh. The extent of the sale of electrical power corresponds to about 40 per cent of Moelven's total consumption of 185 GWh.

Moelven has a long tradition of running its operations in accordance with all the laws and ethical guidelines of the industry and is of the opinion that competition is positive for all parties in industry. In order to ensure that this culture is maintained, ethical guidelines and guidelines for complying with legislation on competition have been devised.

### ***Note 11 - Events after the balance sheet date***

There have not been any events after the balance sheet date which would have an impact on the income, expenses, assets and liabilities disclosed in the quarterly financial statements.

Moelven is organised into four divisions: Timber, Wood, Building Systems and Other. The sawmills in Timber supply sawed wood products and components to industrial customers in Scandinavia and the rest of Europe. These use the products as intermediate goods in their own production. Shavings, chip and bark products are also supplied and are used in the pulp, chipboard and biofuel industry. The processing companies in Wood supply the building products trade in Scandinavia with a broad range of building and interior products. A critical competitive advantage is the division's efficient distribution system which offers customers rapid and precise deliveries of a broad range of products. The companies within Building Systems deliver flexible system solutions for interior walls, modular buildings, electrical installations and load-bearing structures in glulam to projects and contractor clients, principally in Norway and Sweden. Other comprises holding companies, supply businesses and bioenergy companies. The division is heavily focused on developing concepts and systems in collaboration with the customers and experts within architecture, design and construction. In total, the Group is composed of 52 operating units in Norway and Sweden and has 3,276 employees. Moelven also has its own sales offices in Denmark, England, Germany and the Netherlands. The Moelven Group is owned by Glommen Skog SA (25.1 per cent), Eidsiva Vekst AS (23.8 per cent), Agri MI AS (15.8 per cent), Viken Skog SA (11.9 per cent), Mjøsen Skog SA (11.7 per cent), AT Skog SA (7.3 per cent) and Havass Skog SA (4.0 per cent). Most of the remaining 0.4 per cent is owned by private individuals.

## Quality rooms

More information:

[www.moelven.com](http://www.moelven.com)

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