Interim Report

January-March

2013

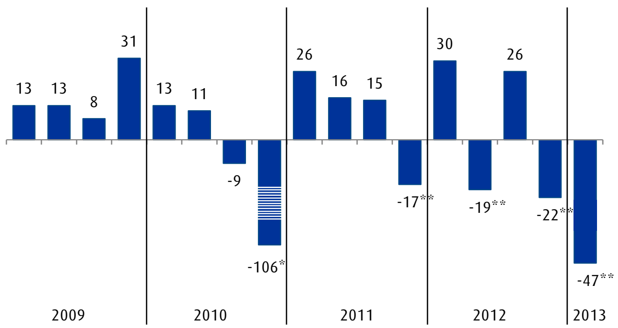
BONG

"The weak economy in Europe, relatively few working days and the appreciation of the Swedish krona against other currencies all had a negative impact on sales and earnings on the first quarter," says Bong's President and CEO Anders Davidsson. "The extensive cost-cutting programme announced in the year-end report continues according to plan, and has largely already been carried out. The programme is expected to produce annual savings of about SEK 80 million, of which approximately SEK 60 million will have an immediate impact in 2013."

January-March 2013

- Net sales SEK 677 million (816)
- Propac sales SEK 106 million (120)
- Operating earnings SEK -47 million (30), including non-recurring cost for the new cost-cutting programme of SEK -60 million (0)
- Earnings after tax were SEK -47 million (9), including non-recurring cost for the new cost-cutting programme of SEK -60 million (0)
- Cash flow after investments SEK -16 million (-19)
- Earnings per share SEK –2.71 (0.54)

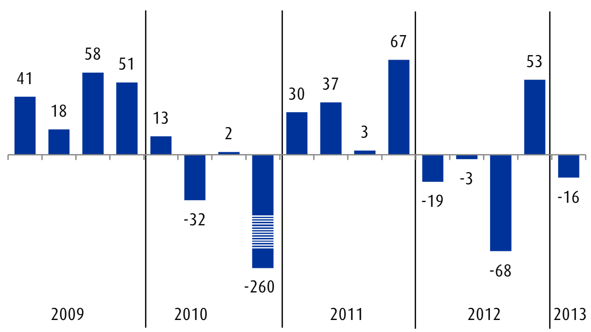
Operating Profit by quarter, SEK M



* Including costs related to the merger with Hamelin's envelope division and other non-recurring items for a total of -136 SEK M

** Restructuring costs included with -23 SEK M in Q4 2011 and -40 SEK M in Q2 2012 and -17 SEK M in Q4 2012, and -60 MSEK in Q1 2013

Cash Flow by quarter, SEK M



Bong is a leading provider of specialised packaging and envelope products in Europe, offering solutions for distribution and packaging of information, advertising materials and lightweight goods. Important growth areas in the Group are the Propac packaging concept and Russia. The Group has annual sales of approximately SEK 3 billion and about 2,100 employees in 15 countries. Bong has strong market positions in the majority of key markets in Europe, and the Group sees interesting possibilities for continued expansion and development. Bong is a public limited company whose stock is quoted on the NASDAQ OMX Stockholm (Small Cap).

Market and industry

The European envelope market remained weak during the first quarter. After relatively good activity in January, fewer number working days and growing economic concerns in Europe had a negative impact on the market in February and March. Activity in Germany and France in particular was lower than the same period in 2012. According to trade association FEPE, volumes declined by about 13 per cent compared with Q1 2012. Bong's assessment is that the markets in Eastern Europe and Russia will continue to grow by about 5 per cent annually.

Consolidation of the envelope market continued during the quarter as Papyrus sold its envelope manufacturing operation in Germany to Mayer. Reportedly, the factory will be closed during the second quarter 2013. Papyrus' share of the German market is estimated at 7-8 per cent. All key players are working on adjusting costs and capacity.

The packaging market, where Bong markets the Propac range, is much bigger than the envelope market. The market is also much more complex. Market statistics for the niches where Bong is active are lacking or difficult to obtain. In Bong's assessment, demand for packages used in sectors including e-commerce, mail order and retail is still growing and strong growth potential is expected over time. In the short run, however, the weak economy also impacts demand for Propac.

Sales and profit

January – March 2013

Bong posted consolidated sales in the first quarter of SEK 677 million (816). Exchange rate fluctuations had an impact on sales of SEK -26 million during the period compared with 2012. A calendar-related effect between the years had an impact on sales of about SEK -30 million.

Bong's total Propac sales decreased versus 2012 in part because of negative calendar effect (SEK -5 million) and currency effect (SEK -4 million), and a decision to discontinue certain unprofitable distribution business.

Operating profit was SEK -47 million (30) including restructuring costs. The previously announced restructuring costs for 2013 were posted in their entirety in the period, amounting to SEK 60 million. The restructuring costs, which primarily entail adjusting operations to lower demand, essentially affect the entire Group. No corresponding restructuring costs were posted during the corresponding period in 2012. The new cost-cutting program is expected to generate annual savings of about SEK 80 million, of which approximately SEK 60 million will have an immediate impact in 2013.

Net financial items during the quarter totalled SEK -16 million (-17), earnings before tax were SEK -64 million (13) and reported result after tax was SEK -47 million (9).

Cash flow and investments

Cash flow after investing activities was SEK -16 million (-19). Investing activities and acquisitions during the period had a net impact on cash flow of SEK -4 million (-15), including acquisitions for SEK -6 million and other net investments of SEK 2 million.

Financial position

The three-year financing agreement that enabled the merger between Bong and Hamelin's envelope division 2010 is expiring in the fall of 2013. Negotiations with the lending banks about a refinancing are ongoing and are expected to be concluded in the near future. In this context, the Board is intending to strengthen the capital base of the company. The intention is to take the necessary decisions and to give more detailed information during the month of June.

Cash and cash equivalents at 31 March 2013 amounted to SEK 62 million (112 at 31 December 2012). The Group had unutilised credit facilities of SEK 200 million on the same date. Total available cash and cash equivalents amounted to SEK 262 million.

Consolidated equity at 31 March 2013 was SEK 298 million (SEK 372 million at 31 December 2012).Translation of the net asset value of foreign subsidiaries to Swedish crowns and changes in the fair value of derivative instruments reduced consolidated equity by SEK 25 million.

Interest-bearing net loan debt declined by SEK 15 million to SEK 990 million during the period (1,005 at 31 December 2012). Translation of net loans in foreign currency to Swedish crowns reduced the Group's net loan debt by SEK 29 million.

Net debt increased with SEK 48 million as a consequence of changes in IAS19 (see paragraph Accounting policies)

Employees

The average number of employees during the period was 2,136 (2,296). The Group had 2,103 (2,293) employees at the end of March 2013. The large reduction is the result of restructuring measures taken over the past twelve months. Bong continually works on improving productivity and downsizing staffing to meet current demand.

Parent Company

The Parent Company's business extends to management of operating subsidiaries and Group management functions. Sales were SEK 9 million (9) and earnings before tax were SEK 25 million (-10).

Acquisitions

Angus & Wright

In January 2013, Bong exercised its option to acquire the remaining 50% stake in the part-owned British company Angus & Wright. The company, which sells packaging machines along with cold seal materials to e-commerce and mail order companies, is being consolidated beginning with January and initially only a minor impact on the Group's performance is expected.

Events after the end of the reporting period

Renewal of the Tyvek® agreement between Bong and DuPont will continue to increase Bong's sale of packaging.

The exclusive agreement between Bong and DuPont for production, marketing and sales of Tyvek® envelopes, bags and postal packaging solutions in Western Europe has been renewed for an additional three years. Bong's sales of the Tyvek® products covered by this agreement are now on a level of approximately SEK 80 million per year. The renewed Tyvek® agreement is expected to continue to make a positive contribution to Bong's performance.

Risks and opportunities

Business risks for the Bong Group are primarily related to market development and various types of financial risks. For further information, please refer to Bong's annual report and website bong.com.

Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Application was consistent with the accounting principles outlined in the 2012 annual report and the interim report should be read along with those principles. Please refer to Bong's 2012 annual report for a specification of the new amendments, interpretations and standards that took effect 1 January 2013, other than what is stated below.

IAS19 "Employee benefits", amendment. This amendment entails the discontinuation of the corridor approach, that all actuarial gains and losses are now to be recognised in Other comprehensive income as they arise and that past service cost will be recognised on an ongoing basis. According to the new standard, instead of interest expenses and expected return on plan assets, financial income/expense will be recognised net by applying a discounting rate equivalent to that used to discount the pension liability, to the Group's net debt. Costs for the year's pension vesting and financial income/expenses are recognised net in profit or loss. The amended standard came into force on January 1, 2013 with retroactive application.

The transition effects on the balance sheet, shareholders' equity, income statement and Other comprehensive income for the 2012 comparative year are as follows:

Shareholders' equity at 1 January 2012 was negatively impacted by SEK 35 million net after tax as a result of the recognition of unrealised actuarial losses and taking into account special employer's contributions and an increase in deferred tax assets. Accordingly, this entailed an increase of SEK 48 million in pension provisions and an increase in deferred tax assets of about SEK 13 million.

Net income for financial year 2012 was also restated in accordance with the new principles, which entailed a negative impact of a total of about

SEK 1 million after tax. The amended standard also had a negative impact on operating result for financial year 2012 of SEK 1 million, which entails a marginally positive impact on tax expense. The effect is spread evenly over the year. The amended standard had a negative impact on earnings per share of 5 öre for financial year 2012 and 1 öre per share for the January-March 2012 reporting period.

The impact on Other comprehensive income for 2012 was positive with a total of about SEK 4 million net after tax attributable to actuarial gains that arose during the period. The revaluation result is also distributed evenly throughout the year.

The total negative effect on shareholders' equity at 31 December 2012 was about SEK 35 million. Accordingly, at the end of 2012 the new policy resulted in an increase of SEK 48 million in pension provisions and of SEK 14 million in deferred tax assets, compared with earlier policies.

Malmö on 22 May 2013

Anders Davidsson
President and Chief Executive Officer

This report has not been subject to examination by the company's auditors.

Presentation of report

The report will be presented at a teleconference on 23 May at 10:00 a.m. The conference telephone number is +46 (0)8 5052 0110. Slides for the teleconference will be available on our website www.bong.com on 23 May att 08:00 am.

For further information, please contact

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Scheduled reports:

- Interim report January – June 2013, 12 July 2013
- Interim Report January- September 2013, 21 November 2013
- Year-end Report 2013, February 2014

Interim report 31 March 2013

INCOME STATEMENT IN SUMMARY SEK M	Jan–Mar 2013 3 month	Jan–Mar 2012 3 month	Apr 2012- Mar 2013 12 month	Jan-Dec 2012 12 month
Revenue	676.8	816.3	2,806.4	2,945.9
Cost of goods sold	-549.9	-652.0	-2,297.5	-2,399.6
Gross profit	127.0	164.3	508.9	546.3
Selling expenses	-68.5	-70.6	-262.6	-264.8
Administrative expenses	-57.7	-65.2	-231.1	-238.7
Other operating income and expenses	-48.0	1.8	-77.8	-28.1
Operating profit	-47.2	30.3	-62.7	14.8
Net financial items	-16.3	-17.2	-70.4	-71.3
Result before tax	-63.5	13.1	-133.0	-56.4
Income tax	16.2	-3.9	21.2	1.1
Net result for the year	-47.4	9.1	-111.8	-55.3
Total comprehensive income attributable to:				
Share holders in Parent Company	-47.4	9.2	-112.6	-56.0
Non-controlling interests	0.0	-0.1	0.8	0.7
Basic earnings per share	-2.71	0.54	-6.40	-3.15
Diluted earnings per share	-2.71	0.51	-6.40	-3.15
Average number of shares. basic	17,480,995	17,480,995	17,480,995	17,480,995
Average number of shares. diluted	18,727,855	18,727,855	18,727,855	18,727,855

STATEMENT OF COMPREHENSIVE INCOME SEK M	Jan–Mar 2013	Jan–Mar 2012	Apr 2012- Mar 2013	Jan-Dec 2012
Net result for the year	-47.4	9.1	-111.8	-55.3
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Actuarial loss on post employment benefit obligations [1])	0.0	1.3	4.0	5.4
	0.0	1.3	4.0	5.4
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges [2])	1.6	0.3	3.4	2.1
Hedging of net investments	31.3	13.5	54.2	36.5
Exchange rate differences	-51.8	-13.5	-88.9	-50.6
Income tax relating to components of other comprehensive income	-5.8	-3.9	-11.7	-9.8
	-24.7	-3.6	-43.0	-21.9
Other comprehensive income for the period, net of tax	-24.7	-2.2	-39.0	-16.5

cont.

Cont'd. Statement of comprehensive income	Jan–Mar 2013	Jan–Mar 2012	Apr 2012-Mar 2013	Jan–Dec 2012
TOTAL COMPREHENSIVE INCOME	-72.1	6.9	-150.8	-71.8
Total comprehensive income attributable to:				
Share holders in Parent Company	-72.1	7.0	-151.6	-72.5
Non-controlling interests	0.0	-0.1	0.8	0.7

1) No actuarial gain/loss is deemed to have occurred during the period of post-employment benefits

2) Cash flow hedges	Jan–Mar 2013	Jan–Mar 2012	Apr 2012-Mar 2013	Jan–Dec 2012
Interest rate swaps - cash flow hedges	1.1	0.5	2.2	1.6
Currency forwards - cash flow hedges	0.5	-0.2	1.2	0.5
Total cash flow hedges	1.6	0.3	3.4	2.1

CONSOLIDATED BALANCE SHEETS IN SUMMARY SEK M	31 Mar 2013	31 Mar 2012	31 Dec 2012
Assets			
Intangible assets [1])	561.2	598.1	576.1
Tangible assets	476.4	568.4	511.4
Financial assets	153.1	134.3	133.9
Inventories	312.1	347.8	312.0
Current receivables	502.4	578.6	505.0
Cash and cash equivalents	61.5	134.5	112.3
Total assets	2,066.7	2,361.6	2,150.6
Equity and liabilities			
Equity [2])	297.8	464.3	371.5
Non-current liabilities [3])	344.7	1,070.5	975.2
Current liabilities [4]), [5])	1,424.2	826.9	803.9
Total equity and liabilities	2,066.7	2,361.6	2,150.6

	31 Mar 2013	31 Mar 2012	31 Dec 2012
1) Of which goodwill	522.0	564.0	539.8
2) Of which non-controlling interests	0.0	0.6	-12.0
3) Of which interest-bearing	242.8	970.8	896.9
4) Of which interest-bearing	808.9	120.5	170.0

5) Financial assets and liabilities at fair value

The table shows the Group's financial assets and liabilities in the form of derivatives measured at fair value. All financial derivatives measured at fair value are in Category 2. These include interest rate swaps and foreign exchange contracts and the valuation is based on the forward interest rates derived from observable yield curves.

2013-03-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0	3.7
Currency forwards - cash flow hedges	1.8	1.0
Currency forwards - held for trading	0	4.1
Total	1.8	8.8

2012-12-31	Assets	Liabilities
Interest rate swaps - cash flow hedges	0	4.7
Currency forwards - cash flow hedges	1.1	0.7
Currency forwards - held for trading	0.1	1.0
Total	1.2	6.4

Other financial assets and liabilities

Fair value of the following financial assets and liabilities is estimated to be equal to book value:

- Trade receivables and other receivables
- Other current receivables
- Cash and cash equivalents
- Long-term and short-term loans
- Trade payables and other liabilities
- Other financial assets and liabilities

Information about netting of financial assets and liabilities

The Group does not apply net recognition for any of its other significant assets and liabilities and has no netting agreements with financial counterparties.

CHANGES IN CONSOLIDATED EQUITY, GROUP SEK M	Jan–Mar 2013	Jan–Mar 2012	Jan–Dec 2012
Opening balance for the period	371.5	495.9	495.9
Dividends paid	-	-	-0.4
Non-controlling interests	-1.6	-	-13.6
Actuarial loss on post employment benefit obligations	0.0	-38.6	-38.6
Total comprehensive income	-72.1	6.9	-71.8
Closing balance for the period	297.8	464.3	371.5

QUARTERLY DATA, GROUP SEK M	1/2013	4/2012	3/2012	2/2012	1/2012	4/2011	3/2011	2/2011	1/2011	4/2010	3/2010	2/2010	1/2010
Net Revenue	676.8	762.3	655.6	711.7	816.3	849.7	751.2	747.3	854.4	938.8	417.7	468.4	501.3
Operating expenses	-724.0	-784.7	-629.6	-730.7	-786.1	-866.8	-736.3	-731.1	-828.4	-1,045.1	-426.5	-457.4	-488.1
Operating profit	-47.2	-22.4	26.0	-19.0	30.3	-17.1	14.9	16.3	26.1	-106.3	-8.8	11.0	13.2
Net financial items	-16.3	-19.4	-17.4	-17.3	-17.2	-17.4	-13.8	-17.8	-13.7	-16.9	-9.2	-8.2	-6.7
Profit before tax	-63.5	-41.7	8.6	-36.4	13.1	-34.5	1.1	-1.6	12.4	-123.2	-18.0	2.7	6.5

CONSOLIDATED CASH FLOW STATEMENTS SEK M	Jan-Mar 2013	Jan-Mar 2012	Apr 2012– Mar 2013	Jan–Dec 2012
Operating activities				
Operating profit	-47.2	30.3	-62.7	14.8
Depreciation, amortisation and impairment	23.3	25.3	100.2	102.1
Financial items	-16.3	-17.2	-70.4	-71.3
Tax paid	-9.9	-6.3	-26.0	-22.4
Other non-cash items	47.5	-6.2	29.7	-23.8
Cash flow from operating activities before changes in working capital	-2.7	25.9	-29.2	-0.6
Changes in working capital	-9.1	-30.3	18.4	-1.1
Cash flow from operating activities	-11.8	-4.3	-10.8	-1.7
Cash flow from investing activities	-3.9	-15.2	-24.5	-35.8
Cash flow after investing activities	-15.7	-19.5	-35.3	-37.5
Cash flow from financing activities	-33.1	2.6	-34.1	0.0
Cash flow for the period	-48.8	-16.9	-69.4	-37.5
Cash and cash equivalents at beginning of period	112.3	151.4	134.5	151.4
Exchange rate difference in cash and cash equivalents	-2.0	0.0	-3.7	-1.6
Cash and cash equivalents at end of period	61.5	134.5	61.5	112.3

KEY RATIOS	Jan-Mar 2013	Jan-Mar 2012	Apr 2012– Mar 2013	Jan–Dec 2012
Operating profit %	-7.0	3.7	-2.2	0.5
Profit margin %	-9.4	1.6	-4.7	-1.9
Return on equity %	-	-	neg	neg
Return on capital employed %	-	-	neg	1.0
Equity/assets ratio %	14.4	20.4	14.4	17.3
Gearing ratio times	3.33	2.07	3.33	2.70
Net loan debt/EBITDA	-	-	28.05	8.59
Capital employed SEK M	1,349.6	1,627.3	1,349.6	1,488.4
Interest-bearing net loan debt SEK M	990.3	1,006.7	990.3	1,004.6

DATA PER SHARE	Jan-Mar 2013	Jan-Mar 2012	Apr 2012– Mar 2013	Jan–Dec 2012
Basic earnings per share SEK	-2.71	0.54	-6.40	-3.15
Diluted earnings per share SEK 1)	-2.71	0.51	-6.40	-3.15
Basic equity per share SEK	17.04	27.80	17.04	21.25
Diluted equity per share SEK	16.57	26.62	16.57	20.50
Basic number of shares outstanding at end of period	17,480,995	17,480,995	17,480,995	17,480,995
Diluted number of shares outstanding at end of period	18,727,855	18,727,855	18,727,855	18,727,855
Average number of shares basic	17,480,995	17,480,995	17,480,995	17,480,995
Average number of shares diluted	18,727,855	18,727,855	18,727,855	18,727,855

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

Financial overview

KEY RATIOS	2012	2011	2010	2009	2008
Revenue sales SEK M	2,946	3,203	2,326	1,915	1,937
Operating profit/loss SEK M	15	40	–91	65	74
Profit after tax SEK M	-55	–16	–97	24	10
Cash flow after investing activities SEK M	-38	137	–277	169	144
Operating margin %	0.5	1.3	–3.9	3.4	3.8
Profit margin %	-1.9	–0.7	–5.6	1.4	1.0
Capital turnover rate times	1.3	1.3	1.2	1.1	1.1
Return on equity %	neg	neg	neg	3.6	1.8
Return on capital employed %	1.0	2.6	neg	5.5	5.6
Equity ratio %	17	21	21	36	34
Net loan debt SEK M	1,005	947	1,062	589	745
Net debt/equity ratio times	2.70	1.91	2.00	0.98	1.18
Net loan debt/EBITDA times	8.6	6.3	42.7	3.8	4.4
EBITDA/net financial items times	1.7	2.4	0.6	4.5	3.1
Average number of employees	2,271	2,431	1,540	1,220	1,270
Data per share					
Number of shares					
Basic number of shares outstanding at end of period	17,480,995	17,480,995	17,480,995	13,128,227	13,128,227
Diluted number of shares outstanding at end of period	18,727,855	18,727,855	18,727,855	13,230,227	13,332,227
Average basic number of shares	17,480,995	17,480,995	14,216,419	13,128,227	13,128,227
Average diluted number of shares	18,727,855	18,727,855	14,528,134	13,230,227	13,332,227
Earnings per share					
Basic SEK	-3.15	–1.04	–6.97	1.65	0.80
Diluted SEK	-3.15	–1.04	–6.97	1.63	0.78
Equity per share					
Basic SEK	21.25	28.37	30.39	45.56	47.91
Diluted SEK	20.50	26.48	28.37	45.77	48.22
Cash flow from operating activities per share					
Basic SEK	-0.10	8.53	3.01	13.98	15.27
Diluted SEK	-0.09	7.96	2.81	13.87	15.04
Other data per share					
Dividend SEK	0.00	0.00	1.00	1.00	1.00
Quoted market price on the balance sheet date SEK	10	18	32	21	12
P/E ratio times	neg	neg	neg	13	15
Price/book value after dilution %	45	63	105	46	25
Price/equity after dilution %	47	68	113	46	25

PARENT COMPANY PROFIT AND LOSS ACCOUNTS IN SUMMARY	Jan–Mar	Jan–Mar
SEK M	2013	2012
Revenue	9.1	9.1
Gross profit	9.1	9.1
Administrative expenses	-18.2	-19.5
Other operating income and expenses	6.5	2.6
Operating profit/loss	-2.7	-7.8
Net financial items	27.7	-2.3
Result	25.0	-10.1
Income tax	-5.3	0.0
Net result	19.7	-10.1

STATEMENT OF COMPREHENSIVE INCOME	Jan–Mar	Jan–Mar
SEK M	2013	2012
Profit after tax	19.7	-10.1
Other comprehensive income		
Cash flow hedges	1.4	0.7
Income tax relating to components of other comprehensive income	-0.3	-0.2
Other comprehensive income after tax	1.1	0.5
Total comprehensive income	20.8	-9.6

PARENT COMPANY BALANCE SHEETS IN SUMMARY	31 mar	31 dec
SEK M	2013	2012
Assets		
Intangible assets	27.1	24.6
Tangible assets	2.3	2.5
Financial assets	1,975.0	1,971.6
Current receivables	150.0	175.1
Cash and cash equivalents	15.8	42.5
Total assets	2,170.2	2,216.3
Equity and liabilities		
Equity	738.7	717.9
Provisions	11.3	11.5
Non-current liabilities	392.6	1,083.8
Current liabilities	1,027.6	403.0
Total equity and liabilities	2,170.2	2,216.3