Ballingslöv International AB (publ)

ID number 556556-2807

INTERIM REPORT

Second quarter 2007 (Q 2)

- Net sales increased by 31 percent*) to SEK 753.1 M (577.0). Organic growth was 15 percent based on the Group's current structure
- Net income for the period increased by 58 percent to SEK 72.3 M (45.7)
- Earnings per share increased by 58 percent and amounted to 6.74 (4.26)
- Operating income increased by 37 percent to SEK 93.2 M (67.9) corresponding to an operating margin of 12.4 percent (11.8)
- Cash flow from current operations amounted to SEK 90.8 M (48.8)

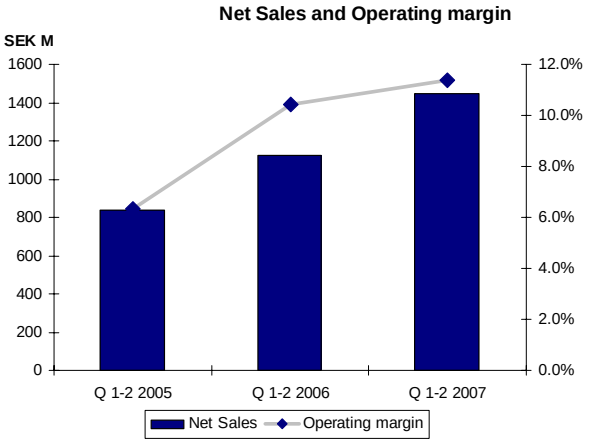
January-June 2007

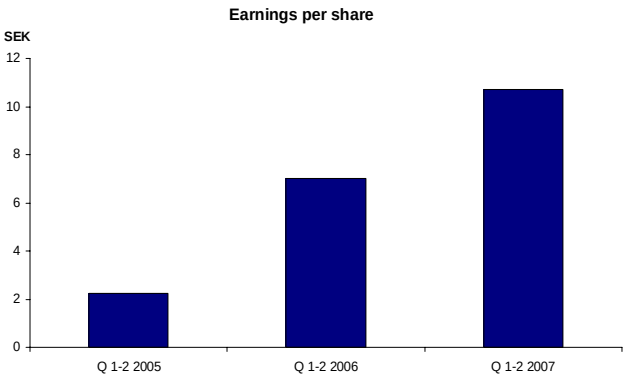
- Net sales increased by 29 percent*) to SEK 1 449.9 M (1 121.6). Organic growth was 14 percent based on the Group's current structure
- Net income for the period increased by 53 percent to SEK 115.1 M (75.3)
- Earnings per share increased by 53 percent and amounted to 10.73 (7.02)
- Operating income increased by 41 percent to SEK 164.9 M (116.7) corresponding to an operating margin of 11.4 percent (10.4
- Cash flow from current operations amounted to SEK 91.2 M (77.8)

*)
Geisler A/S was consolidated in the Group as from November 2006.
3BO A/S was consolidated in the Group as from January 2007

Ballingslöv Group in summary

	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006	July/june 2006/2007
Net sales, SEK M	753.1	577.0	1 449.9	1 121.6	2 274.1	2 602.4
Operating income before depreciation, SEK M (EBITDA)	116.0	84.2	208.4	148.9	296.1	355.6
EBITDA-margin, %	15.4	14.6	14.4	13.3	13.0	13.7
Operating income, SEK M (EBIT)	93.2	67.9	164.9	116.7	229.9	278.1
Operating margin (EBIT-margin), %	12.4	11.8	11.4	10.4	10.1	10.7
Income before taxes, SEK M	82.6	63.4	142.3	105.8	202.2	238.7
Net income for the period, SEK M	72.3	45.7	115.1	75.3	144.7	184.5
Earnings per share, SEK	6.74	4.26	10.73	7.02	13.49	17.19





Market Areas

Nordic Region

The market during the six month period has continued to show healthy growth both in the renovation and the new construction segment. Especially in Sweden the new construction segment has shown a good development, while in Denmark it has been somewhat weaker. Continuing strong economic growth with low interest rate, increased employment combined with high level of interest in designed kitchen, bathrooms and storage have been important factors to drive the demand.

Growth in the flat-pack segment has continued to be strong.

Development in the distribution network continue according to plan in all subsidiaries and among others Kvik has opened ten new shops during the six month period, including the first shop opened in Spain.

Worktops

The integration between the worktop companies dfi and Geisler, - Geisler was acquired November 2006 -, continues according to plan. The work with brand related matters is finalized, the joint product range and sales material will be launched during the autumn, reallocation of production between the factories continues and common organization in sales and in administration has, for a while, been in operation. At the year end 2007/2008 the two companies will be mergered into one company.

Worktop products have been more and more important components in the kitchen, because of new materials and new designs that continuously are launched. Through this and increased export activities the product area is expected to get a good growth.

Storage products

3BO A/S was acquired in the beginning of January 2007. 3 BO develops, manufactures and distributes sliding-door wardrobes and shower walls. Sales and distributions take place through kitchen shops and builders merchants primarily in the Scandinavian market.

The integration of 3BO in the Group has followed our plans and synergies will be achieved both on the income- and the cost side.

UK

The demand in our market segment, new construction of privately built small homes, has roughly been unchanged.

Financial accounts

Net sales and operating income second quarter

Net sales increased during the second quarter by 31 percent to SEK 753.1 M (577.0). Organic growth was approximately 15 percent based on the Group's current structure.

Operating income was SEK 93.2 M (67.9) an increase by 37 percent. Operating margin was 12.4 percent (11.8).

Net sales in the Nordic region increased by 32 percent to SEK 662.3 M (500.3). The organic growth was approximately 15 percent. [1)]

Operating income in the Nordic region was SEK 85.5 M (62.4), an increase by 37 percent corresponding to an operating margin of 12.9 percent (12.5). Operating income in the Nordic region has been positively effected by growth in sales, Group co-ordination and high utilization of production capabilities. The income has been negatively effected by higher raw material prices and changes in currency.

Net sales in UK increased during the second quarter by 18 percent to SEK 90.8 M(76.7). Operating income amounted to SEK 7.7 M (5.5) corresponding to an operating margin of 8.5 percent (7.2). Improved productivity, competitive delivery precision and strengthened sales work and sales organization have positively effected sales and income.

[1)] Net sales and operating income from other Europe are included in the Nordic region by SEK 19.3 M (8.1) and SEK -1.4 M (-1.2).

Net sales and income January-June

Net sales during the period was SEK 1 449.9 M (1 121.6) an increase by 29 percent. Organic growth was approximately 14 percent based on the Group´s current structure.

Operating income was SEK 164.9 M (116.7) an increase by 41 percent.
Operating margin was 11.4 percent (10.4).

Income before tax for the period was SEK 142.3 M (105.8), an increase by 34 percent compared to the same period last year. Net income for the period was SEK 115.1 M (75.3), an increase by 53 percent compared to the same period last year. The net income after tax has been positively effected by changed corporate income tax in Denmark. The tax rate is changed from 28 percent to 25 percent with effect from 1 January 2007. The effect on the net income after tax amounted to SEK 13.2 M, whereof SEK 7.7 M is an one off item. The effect on the profit is accounted for in the second quarter.

Net sales in Nordic region increased by 34 percent to SEK 1 285.5 M (962.3). The organic growth was approximately 16 percent. [2)]

Operating income in Nordic region was SEK 154.6 M (107.6), an increase by 44 percent corresponding to an operating margin of 12.0 percent (11.2). Operating income in the Nordic region has been positively effected by growth in sales, Group co-operation and high utilization of production capabilities. The income has been effected negatively by higher raw material prices and changes in currency.

Net sales in UK increased by 3 percent to SEK 164.4 M (159.3). Operating income was SEK 10.3 M (9.1), corresponding to an operating margin of 6.3 percent (5.7). Improved productivity, competitive delivery precision and strengthened sales work and sales organization have positively effected sales and income during the second quarter with a gradual increased effect during the period.

[2)] Net sales and operating income from other Europe are included in the Nordic region by SEK 34.8 M (13.4) and SEK -3.3 M (-2.9). Operating income has been effected by different start-up costs related to new shops, introduction, marketing etc.

Cash flow

Group cash flow from operations during the period was SEK 91.2 M (77.8). Cash flow from the Nordic region was SEK 91.6 M (68.1) and in UK SEK -0.4 M (9.7).

Net investments and depreciation

The Group's net investment during the period was SEK 183.2 M (35.6) whereof for the acquisition of 3BO SEK 130.3 M and tangible fixed assets SEK 52.9 M (35.6). Depreciation according to plan regarding intangible fixed assets amounted to SEK 32.3 M (25.9). Amortization of intangible assets was SEK 11.2 M (6.3). Amortization of intangible assets related to acquisitions amounted to SEK 7.4 M (3.2).

Liquidity and financial position

At the end of period, the Group's liquid assets amounted to SEK 178.1 M, compared to SEK 273.6 M at the beginning of the year. Net debt included provisions for pensions was SEK 1 022.2 M, compared to 847.4 M at the beginning of the year. During the six month period the net debt has increased by SEK 174.8 M.

The consolidated equity/assets ratio was 30.1 percent at the end of the period, compared to SEK 30.0 percent at the beginning of the year.

Available credits and liquid assets amounted to SEK 466 M at the end of the period.

Employees

The Group had 1 506 employees at the end of the period, an increase by 124 persons compared to the beginning of the year which of 68 employees from acquired companies. Average number of employees during the period was 1 454 (1 136).

Parent company

The parent company conducts no operations of its own and thus reported no net sales during the period. The parent company reported a profit after tax of SEK 58.0 M (66.5).

The Ballingslöv share

At the end of the period, the number of outstanding shares amounted to 10.725.758. The average number of shares during the period was 10.725.758 (10.525.758). At the end of the period, the company had no holdings of its own shares.

Accounting principles

This interim report adheres to IAS 34 Interim Financial Reporting and RR 31 "delårsrapportering för koncerner". Accounting principles and computation are consistent with the annual report. The new and revised IFRS-principles adopted by EU in force from 1 January 2007 have not any significant impact on the Group's account.

Risk and related factors

The Group and the parent company's risks and related factors include risks associated with the business in the form of raw material price risks, product risks, insurance risks and legal risks. In addition there are other financial risks such as financing risks, liquidity risks, interest risks, currency risks, credit and counterparty risks.
A detailed description of the Group's financial risk management is provided in Ballingslöv International's Annual Report for 2006 (pages 48-50, Note 3)

Assurarance
The Board of directors and the President certify that the interim report gives a true and fair overview of the Parent Company's and Group's operations, their financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and other companies in the Group.

Ballingslöv August 21, 2007

Ballingslöv International AB (publ)

Martin Svalstedt Chairman	Bengt A Dahl	Håkan Eriksson
Svend Holst-Nielsen	Ronny Nilsson	Lars-Åke Helgesson
Cecilia Geijer	Aina Nilsson Ström	Mikael Jonson

Nils-Erik Danielsson
President and CEO

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

Future reporting dates

Interim report: January - September 2007	October 24, 2007
Year End Statement: January - December 2007	February 8, 2008

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Interim report January-June 2007

FINANCIAL STATEMENTS
CONDENSED CONSOLIDATED INCOME STATEMENT

SEK M	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006	July/june 2006/2007
Net sales	753.1	577.0	1 449.9	1 121.6	2 274.1	2 602.4
Cost of goods sold	-478.7	-360.3	-928.7	-711.1	-1 450.1	-1 667.7
Gross profit	**274.4**	**216.7**	**521.2**	**410.5**	**824.0**	**934.7**
Selling expenses	-136.2	-110.2	-271.2	-223.2	-458.3	-506.3
Administrative expenses	-42.5	-35.0	-82.1	-66.0	-131.9	-148.0
Other operating income and expenses (including R&D expenses)	-2.5	-3.6	-3.0	-4.6	-3.9	-2.3
Operating income	**93.2**	**67.9**	**164.9**	**116.7**	**229.9**	**278.1**
Interest income and similar income/loss items	3.1	3.8	5.5	6.5	11.3	10.3
Interest expense and similar income/loss items	-13.7	-8.3	-28.1	-17.4	-39.0	-49.7
Income after financial items	**82.6**	**63.4**	**142.3**	**105.8**	**202.2**	**238.7**
Taxes	-10.3	-17.7	-27.2	-30.5	-57.5	-54.2
Net income for the period	**72.3**	**45.7**	**115.1**	**75.3**	**144.7**	**184.5**
Earnings per share	6.74	4.26	10.73	7.02	13.49	17.19
Income was charged with:						
Depriciation of tangible assets amounting to	16.7	13.2	32.3	25.9	51.0	57.4
Amortization of intangible assets amounting to	6.1	3.1	11.2	6.3	15.1	20.0

CONDENSED CONSOLIDATED BALANCE SHEETS

SEK M	30.06.07	30.06.06	31.12.06
ASSETS			
Intangible fixed assets	1 055.6	759.3	890.1
Tangible fixed assets	507.6	400.5	476.8
Financial fixed assets	36.2	39.6	33.8
Total fixed assets	**1 599.4**	**1 199.4**	**1 400.7**
Inventories etc	258.2	204.6	219.4
Current receivables	437.9	367.0	297.9
Cash and bank balances	178.1	122.9	273.6
Total current assets	**874.2**	**694.5**	**790.9**
Total assets	**2 473.6**	**1 893.9**	**2 191.6**
SHAREHOLDERS´ EQUITY AND LIABILITIES			
Shareholders´equity	**743.3**	**600.4**	**658.0**
Minority interests	**0.1**	**0.2**	**0.1**
Provisions	227.4	224.6	214.8
Long-term liabilities	1 088.0	739.4	949.9
Current liabilities	414.8	329.3	368.8
Total liabilities	**1 730.2**	**1 293.3**	**1 533.5**
Total shareholders´ equity and liabilities	**2 473.6**	**1 893.9**	**2 191.6**
The above liabilities include:			
Interest-bearing liabilities and provisions	1 200.3	865.7	1 121.0
Non interest-bearing liabilities and provisions	529.9	427.6	412.5
Net debt	1 022.2	742.8	847.4

CONDENSED CONSOLIDATED CASH-FLOW STATEMENTS

SEK M	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006
Current operations					
Income before financial items	93.2	67.9	164.9	116.7	229.9
Depreciation and other items not afffecting liquidity	22.6	14.6	41.9	31.8	50.1
Net interest income/expenses	-4.6	-9.1	-15.4	-11.7	-22.8
Tax paid	-9.7	-30.6	-25.6	-41.3	-58.8
Cash flow from current operations before changes in working capital	**101.5**	**42.8**	**165.8**	**95.5**	**198.4**
Changes in working capital	**-10.7**	**6.0**	**-74.6**	**-17.7**	**60.3**
Cash flow from current operations	**90.8**	**48.8**	**91.2**	**77.8**	**258.7**
Cash flow from investment operations	**-28.4**	**-15.7**	**-183.2**	**-35.6**	**-279.5**
Cash flow from financing operations [1)]	**-49.1**	**-60.7**	**-5.8**	**-66.1**	**147.9**
Cash flow for the period	**13.3**	**-27.6**	**-97.8**	**-23.9**	**127.1**
Liquid assets at the beginning of the period	163.8	149.7	273.6	146.0	146.0
Exchange rate difference in liquid assets	1.0	0.8	2.3	0.8	0.5
Liquid assets at end of period	**178.1**	**122.9**	**178.1**	**122.9**	**273.6**
1) Cash flow from financing operations					
Dividend, parent company:	-48.3	-37.5	-48.3	-37.5	-37.5
Additional purchase price, Kvik:		-27.2	-26.8	-27.2	-27.2
Dividend, acquired company (anticipated in the acquisition):					
Change of loan:	-0.8		69.3		213.9
Increased utilization of bank overdraft facility:					
Decreased utilization of bank overdraft facility:		4.0		-1.4	-1.3
Other:					
	-49.1	**-60.7**	**-5.8**	**-66.1**	**147.9**

Key Data

	Q 1-2 2007	Q 1-2 2006	Full year 2006
Gross margin including goodwill amortization, %	36.0	36.6	36.2
EBITDA-margin, %	14.4	13.3	13.0
Operating margin (EBIT) %	11.4	10.4	10.1
Income margin %	9.8	9.4	8.9
Interest coverage ratio, multiple	6.0	7.1	6.2
Debt/equity ratio, multiple	1.6	1.4	1.7
Net debt, including penion provisions, SEK M	1 022.2	742.8	847.5
Return on capital employed, %			15.6
Return on equity, %			23.7
Equity/assets ratio %	30.1	31.7	30.0
Average number of employees	1 454	1 136	1 187

Data per share

	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006
Earnings per share, SEK	6.74	4.26	10.73	7.02	13.49
Shareholders equity per share, SEK					61.33
Dividend per share					4.50
Average number of shares during period, millions	10.73	10.73	10.73	10.73	10.73
Number of shares at end of period, millions	10,73	10.73	10.73	10.73	10.73

CHANGES IN SHAREHOLDERS´ EQUITY

SEK M	30.06.07	30.06.06	31.12.06
Shareholders´ equity at beginning of period	658.1	566.6	566.6
Translation differences/currency differences	30.4	-10.1	-36.8
Pensions			9.1
Hedging of net investment	-11.9	6.1	12.0
Dividends	-48.3	-37.5	-37.5
Minority interests		0.2	
Net income for the period	115.1	75.3	144.7
Shareholders´ equity at end of period	**743.4**	**600.6**	**658.1**

SALES, INCOME BY MARKET AREA

	Nordic			Great Britain			Group		
	Q 1-2 2007	Q 1-2 2006	Full year 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006
Net sales, SEK M	1 285.5	962.3	1 980.4	164.4	159.3	293.7	1 449.9	1 121.6	2 274.1
Sales growth, %	33.5	42.7	28.7	3.2	-3.7	-11.4	29.3	33.5	21.6
Operating income before depreciation, SEK M (EBITDA)	193.1	134.8	275.1	15.3	14.1	23.4	208.4	148.9	296.1
EBITDA-margin, %	15.0	14.0	13.9	9.3	8.9	8.0	14.4	13.3	13.0
Operating income, SEK M (EBIT)	154.6	107.6	216.6	10.3	9.1	13.3	164.9	116.7	229.9
Operating margin (EBIT-margin), %	12.0	11.2	10.9	6.3	5.7	4.5	11.4	10.4	10.1

NET SALES AND INCOME BY MARKET AREA - QUARTERLY DATA

SEK M	Q 2 2007	Q 1 2007	Q 4 2006	Q 3 2006	Q 2 2006	Q 1 2006
Net sales						
Nordic	662.3	623.2	567.9	450.2	500.3	462.0
Great Britain	90.8	73.6	64.3	70.1	76.7	82.6
Group	**753.1**	**696.8**	**632.2**	**520.3**	**577.0**	**544.6**
Operating income (EBIT)						
Nordic	85.5	69.1	68.2	40.8	62.4	45.2
Great Britain	7.7	2.6	1.0	3.2	5.5	3.6
Group	**93.2**	**71.7**	**69.2**	**44.0**	**67.9**	**48.8**
Operating margin						
Nordic	12.9	11.1	12.0	9.1	12.5	9.8
Great Britain	8.5	3.5	1.6	4.6	7.2	4.4
Group	**12.4**	**10.3**	**10.9**	**8.5**	**11.8**	**9.0**

PARENT COMPANY CONDENSED INCOME STATEMENT

Mkr	Q 2 2007	Q 2 2006	Q 1-2 2007	Q 1-2 2006	Full year 2006
Administrative expenses	-3.1	-1.8	-4.7	-3.1	-3.0
Operating income	**-3.1**	**-1.8**	**-4.7**	**-3.1**	**-3.0**
Profit/loss from shares in Group companies	84.9	67.6	84.9	67.6	101.5
Interest income and similar income/loss items	0.0	8.0	0.1	9.3	19.2
Interest expense and similar income/loss items	-1.5	-3.9	-32.8	-7.7	-18.0
Income after financial items	**80.3**	**69.9**	**47.5**	**66.1**	**99.7**
Year-end allocations					71.1
Taxes	1.3	-0.5	10.5	0.4	-30.8
Net income for the period	**81.6**	**69.4**	**58.0**	**66.5**	**140.0**

PARENT COMPANY CONDENSED BALANCE SHEETS

Mkr	30.06.07	30.06.06	31.12.06
ASSETS			
Financial fixed assets	1 171.3	879.9	1 041.4
Total fixed assets	**1 171.3**	**879.9**	**1 041.4**
Current receivables	13.9	28.8	0.1
Receivables from Group companies	72.3	81.6	143.3
Cash and bank balances	40.8	1.6	84.5
Total current assets	**127.0**	**112.0**	**227.9**
Total assets	**1 298.3**	**991.9**	**1 269.3**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	**531.8**	**392.9**	**522.1**
Minority interests	**0.0**	**0.0**	**0.0**
Untaxed reserves		71.2	
Long-term liabilities	751.3	481.4	670.4
Current liabilities	15.2	46.4	76.8
Total liabilities	**766.5**	**599.0**	**747.2**
Total shareholders' equity and liabilities	**1 298.3**	**991.9**	**1 269.3**