

VBG GROUP AB (publ) in Vänersborg is the Parent Company of an international engineering Group with wholly-owned manufacturing and sales companies in Europe, India and the USA. The Group's operations are divided into two business areas, VBG GROUP TRUCK EQUIPMENT and RINGFEDER POWER TRANSMISSION, with products that are marketed under strong, well-known brands. VBG GROUP AB's Series B share was introduced on the stock exchange in 1987 and is listed on OMX Nordiska Börs Mid Cap.

INTERIM REPORT JANUARY- MARCH 2008

- **The Group's net turnover increased by 9 per cent to SEK 381.4 M (348.7)**
- **Operating profit rose by 9 per cent to SEK 64.2 M (59.0), with an operating margin of 16.8 per cent (16.9)**
- **Profit after financial items increased by 14 per cent to SEK 63.9 M (55.9)**
- **The Group's profit after tax increased to SEK 45.1 M (38.9)**
- **Earnings per share improved by 16 per cent to SEK 3.61 (3.11)**

Group	Q1 2008	Q1 2007	Full year 2007
Net turnover, SEK M	381.4	348.7	1,323.3
Operating profit, SEK M	64.2	59.0	213.2
Operating margin, %	16.8	16.9	16.1
Profit after financial items, SEK M	63.9	55.9	201.5
Profit margin, %	16.8	16.0	15.2
Profit after tax, SEK M	45.1	38.9	133.1
Earnings per share, SEK	3:61	3.11	10.64
Return on capital employed (ROCE), cumulative, %	37.4	38.9	34.0
Return on equity (ROE), cumulative, %	32.6	36.1	28.3
Equity/assets ratio, %	58.2	47.7	56.3

Managing Director's statement

Chairman of the Board Richard Persson has left us

It was with great sorrow and grief that I and all employees in the Group received the news that our chairman, Richard Persson, died suddenly on April 20th at the age of 70. His many years of service, among other things as Managing Director for 29 years and then as Chairman of the Board, have been of great importance for the development of the company. We will remember Richard as a well liked, knowledgeable and dedicated leader. Richard had declined re-election at the AGM to both VBG GROUP AB's Board of Directors and the Board of the Herman Krefting Foundation for Allergy and Asthma Research. At their most recent meeting, the Board of Directors decided to appoint Richard Persson honorary chairman of VBG GROUP AB, a distinction previously accorded only to the company's founder, Herman Krefting.

Stable start to an exciting 2008

The Group's turnover and earnings for the first quarter were the best ever in absolute terms with a turnover of SEK 381 M and profit before tax of SEK 64 M. It is also notable that before 2005, the Group had never, in its more than 50 years of operation, had a full-year profit that was better than the profit for the first quarter of the year.

The restructuring of RINGFEDER POWER TRANSMISSION, which was completed in 2004, the entrance into the trailer business in 2005 through the acquisition of EDSCHA/SESAM sliding roofs, and a strong world-leading position in coupling equipment for heavy trucks and trailers through the VBG and RINGFEDER brands, are all interacting factors that, in combination with a strong economy, have contributed to this fantastic trend.

Earnings per share has developed equally positively, largely due to the fact that no new capital has been contributed since 1997 when RINGFEDER was acquired.

It is a little more difficult to foresee how the rest of 2008 will develop. So far we have not noticed any slackening in demand, but there is some uncertainty as to whether the strong growth seen so far in the trailer business will continue. There are some signals indicating a certain slowdown, while on the truck side it feels as if the growth rate in Europe will remain stable at a high level.

More worrying are the sharply rising steel prices, which are feeding through to product prices throughout the industry. Here we foresee intensive negotiations to transfer this cost increase to the next link in the value chain.

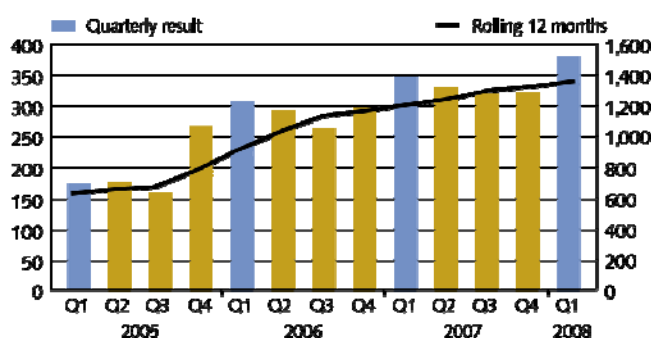
Furthermore, through its company in the USA, RINGFEDER POWER TRANSMISSION has to contend with a greatly weakened American dollar. They have coped well so far, and the entire business area exhibited continued strong organic growth of over 30 per cent during the first quarter, with an operating margin of 20 per cent.

We believe the economy will continue to be strong throughout 2008, even though the growth rate will probably fall off slightly in some market segments. We are keeping a close watch on developments and maintaining our preparedness to adapt to fluctuations in the markets. Flexibility and a sound balance between fixed and variable costs are imperative for sustaining good profitability over time.

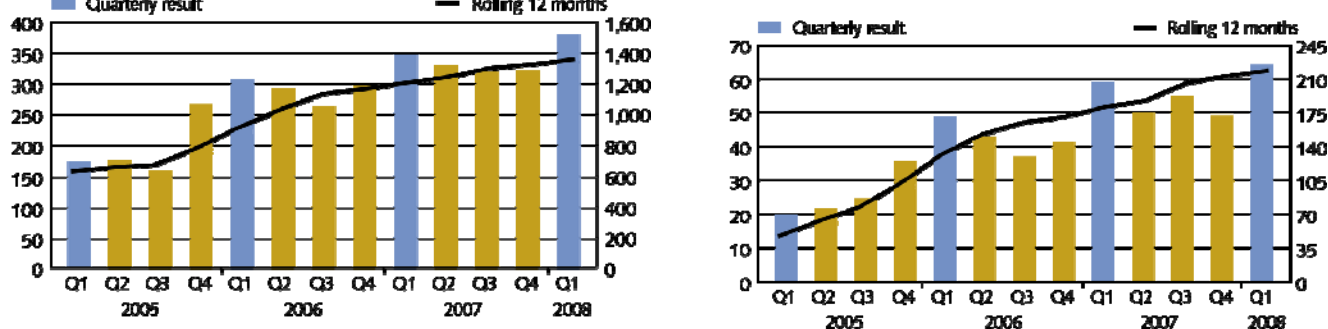
Anders Birgersson
Managing Director and CEO

Group trend (SEK M)	Q1 2008	Full year 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006
Net turnover	381.4	1,323.3	322.6	320.3	331.7	348.7	1,163.1	298.1	263.4	292.9
Operating profit	64.2	213.2	49.1	55.0	50.1	59.0	170.5	41.5	37.0	43.0
Operating margin, %	16.8	16.1	15.2	17.2	15.1	16.9	14.7	13.9	14.1	14.7
Profit after fin. items	63.9	201.5	44.9	52.5	48.2	55.9	165.8	40.4	35.1	43.0
Profit margin, %	16.8	15.2	13.9	16.4	14.5	16.0	14.3	13.6	13.3	14.7
Profit after tax	45.1	133.1	27.4	34.5	32.3	38.9	111.9	27.8	24.6	28.0
Earnings per share, SEK	3.61	10.64	2.19	2.76	2.58	3.11	8.95	2.22	1.97	2.24
ROCE (cumulative), %	37.4	34.0	34.0	35.0	35.6	38.9	29.8	29.8	28.8	31.3
ROE (cumulative), %	32.6	28.3	28.3	31.4	32.9	36.1	30.3	30.3	31.1	34.4
Equity/assets ratio, %	58.2	56.3	56.3	50.7	49.0	47.7	47.8	47.8	44.1	40.1

Net turnover, SEK M



Profit after financial items, SEK M



Consolidated turnover and earnings

The turnover of SEK 381.4 M (348.7) entails an increase of more than 9 per cent compared with the same period last year. The actual volume increase was just under 8 per cent, since a slightly stronger Euro, in combination with a much weaker US dollar, affected the translation of sales in foreign subsidiaries positively by about 1.3 per cent.

Operating profit rose by 9 per cent to SEK 64.2 M (59.0), with an operating margin of 16.8 per cent (16.9). Profit after financial items increased by 14 per cent to SEK 63.9 M (55.9), equivalent to a margin of 16.8 per cent (16.0).

The consolidated profit contains Group-wide overheads of SEK 3.6 M (3.1), which have not been allocated to the operating profits of the different business areas. Earnings per share after tax rose sharply by 16 per cent to SEK 3.61 (3.11).

Return on capital employed was 37.4 per cent (38.9) and return on equity was 32.6 per cent (36.1). The Group's equity/assets ratio rose compared with the end of last year, amounting to 58.2 per cent (56.3).

Capital expenditures

The Group's capital expenditures during the first quarter amounted to SEK 5.0 M (5.0).

Financial position

Equity increased during the first quarter to SEK 573.3 M (532.9) and was affected by SEK -4.7 M in differences in the translation of net assets in foreign currencies.

The equity/assets ratio increased to 58.2 per cent (56.3).

Cash and cash equivalents amounted to SEK 55.0 M at the end of the period (44.4), with an additional SEK 139.9 M in credit facilities granted but not utilised.

The Group's interest-bearing net debt fell by SEK 32.7 M during the period, amounting to SEK 122.1 M at 31 March (154.8).

The ratio of interest-bearing net debt to equity was 0.21 at the end of March (0.29).

Cash flow

Cash flow from operating activities amounted to SEK 40.3 million (0.6). Capital expenditures during the period amounted to SEK 8.8 M (5.0). The Group amortised loans and reduced current financial liabilities by a total of SEK 20.8 M. Net cash flow during the period was SEK 10.7 M (-0.9).

Personnel

On 31 March 2008 there were 432 employees (430) in the VBG GROUP, including 169 (164) in Sweden.

During the first quarter of 2008 the Group employed an average of 426 persons (427). Of these, 162 (160) were active in Sweden. The cost of salaries and social security contributions was SEK 65.0 M (61.4).

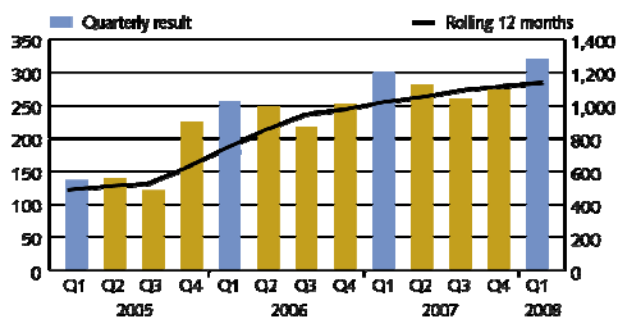
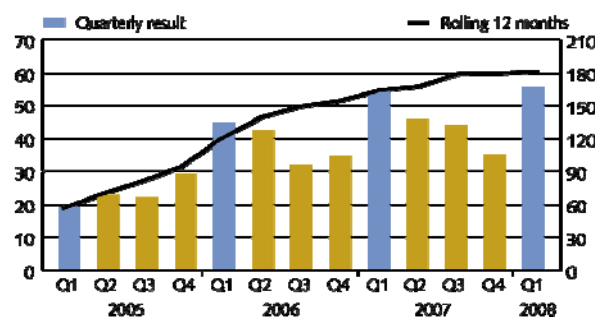
Per share data

Earnings per share for the period amounted to SEK 3.61 (3.11). Equity per share at 31 March 2008 was SEK 45.86, compared with SEK 36.51 one year earlier.

VBG GROUP TRUCK EQUIPMENT

- Turnover increased by 7 per cent to SEK 320.7 M (300.8)
- Operating profit increased by 2 per cent to SEK 55.6 M (54.3)

VBG GROUP Truck Equipment (SEK M)	Q1 2008	Full year 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006
Net turnover	320.7	1,116.9	273.8	260.8	281.5	300.8	975.0	252.9	217.3	248.6
Operating profit	55.6	179.7	35.2	44.1	46.1	54.3	154.5	34.8	32.2	42.6
Operating margin, %	17.3	16.1	12.9	16.9	16.4	18.0	15.8	13.8	14.8	17.1

Net turnover, SEK M

Profit after financial items, SEK M


VBG GROUP TRUCK EQUIPMENT increased turnover by 7 per cent to SEK 320.7 M (300.8) during the first quarter. A weaker Swedish krona during the quarter affected the translation of turnover in foreign subsidiaries positively by 2.3 per cent.

The European transport market continued to be strong during the period, resulting in good demand for the business area's brands and products.

Operating profit increased to SEK 55.6 M (54.3), with a slightly lower margin of 17.3 per cent (18.0).

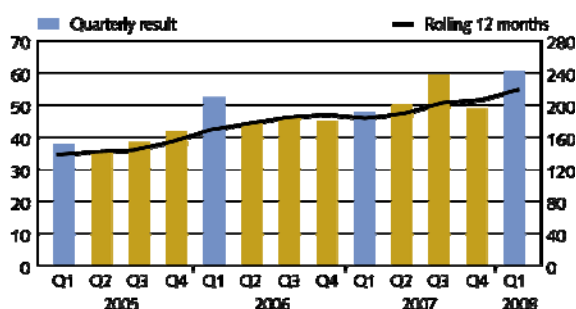
Turnover by market (SEK M)	Q1 2008	Full year 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006
Sweden	57.1	197.3	53.0	38.6	50.3	55.4	169.1	40.0	35.5	44.6
Other Nordic countries	42.3	145.7	36.1	30.4	38.8	40.4	132.6	33.6	29.4	34.3
Germany	97.9	358.7	87.4	89.9	87.7	93.7	313.8	86.1	75.0	75.0
Rest of Europe	110.7	364.6	88.8	82.8	96.4	96.6	311.2	80.1	64.8	83.4
Rest of world	12.7	50.6	8.5	19.1	8.3	14.7	48.3	13.1	12.6	11.3
Truck Equipment	320.7	1,116.9	273.8	260.8	281.5	300.8	975.0	252.9	217.3	248.6

RINGFEDER POWER TRANSMISSION

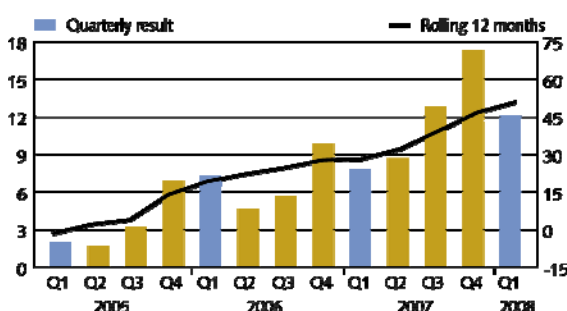
- Turnover increased by 27 per cent to SEK 60.7 M (47.9)
- Operating profit increased by 55 per cent to 12.1 SEK M (7.8)

RINGFEDER POWER TRANSM. SEK M	Q1 2008	Full year 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006
Net turnover	60.7	206.4	48.9	59.4	50.2	47.9	188.1	45.2	46.1	44.3
Operating profit	12.1	46.6	17.3	12.8	8.7	7.8	27.6	9.9	5.7	4.7
Operating margin, %	20.0	22.6	35.4	21.5	17.3	16.4	14.7	21.9	12.4	10.6

Net turnover, SEK M



Operating profit, SEK M



The business area, which develops, manufactures and markets products for power transmission and damping for a number of different industrial sectors as well as the train and aircraft industries, reported a very strong first quarter in 2008. Turnover increased by 27 per cent to SEK 60.7 M (47.9), and taking into account the much weaker American dollar and slightly stronger Euro, the actual volume increase is estimated to be over 30 per cent. The market continued to be strong and the business area is strengthening its position in the market.

Operating profit rose by 55 per cent to SEK 12.1 M (7.8), and the operating margin increased to 20.0 per cent (16.4).

Turnover by market (SEK M)	Q1 2008	Full year 2007	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Full year 2006	Q4 2006	Q3 2006	Q2 2006
Europe	25.8	79.6	19.7	23.5	18.0	18.4	63.0	16.4	15.5	14.5
North America	25.8	97.6	22.9	26.1	24.6	24.0	93.2	20.3	22.3	23.6
Rest of world	9.1	29.2	6.3	9.8	7.6	5.5	31.9	8.5	8.3	6.2
Power Transmission	60.7	206.4	48.9	59.4	50.2	47.9	188.1	45.2	46.1	44.3

Parent Company

VBG GROUP AB's operations are primarily focused on managing, developing and coordinating the Group. The assets in the Parent Company consist primarily of shares in subsidiaries and trademarks. The company also owns the industrial property in Vänersborg as well as certain plant and equipment that is rented by the subsidiary VBG GROUP TRUCK EQUIPMENT AB.

The objective is that the Group's intellectual property in the form of trademarks and other rights should be gathered in the Parent Company. VBG GROUP AB focuses on maintaining and developing all the Group's trademarks and rights.

The Parent Company's net turnover pertains primarily to intra-Group services, licence revenues and rentals and amounted to SEK 5.3 M during the quarter of 2008 (3.9). The profit after dividends from Group companies and financial items was SEK 9.9 M (loss: 2.3).

Accounting principles

The VBG GROUP applies International Financial Reporting Standards (IFRSs) as adopted by the EU in its consolidated accounts. This report has been prepared in accordance with IAS 34, Interim Financial Reporting, and the Swedish Annual Reports Act.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Reports Act and RFR 2.1.

The accounting principles that have been applied in the preparation of this report, as well as definitions of key figures etc., are described in Note 1 of VBG GROUP AB's annual report for 2007.

Risks and uncertainty factors

The Group's and the Parent Company's significant risk and uncertainty factors include business-related operational risks in the form of commodity risks, product risks, development risks, intellectual property risks, environmental risks and political risks. To these can be added financial risks such as financing risks, liquidity risks, interest rate risks, currency risks and credit and counterparty risks.

For a more detailed description of the Group's risks and risk management, see VBG GROUP AB's annual report for 2007, Note 2.

Outlook for 2008

The market outlook for 2008 is judged to be good for the Group's two business areas, even though certain signals indicate a slower growth rate in the trailer sector. The Group's turnover is expected to be slightly higher than in 2007. The consequences of increased steel prices, the American dollar, generally increasing competition on the market and stepped-up marketing activities are factors that will affect the Group's earnings to a varying extent. The overall assessment is that earnings are expected to be on the same level as in 2007.

Financial information

report 6 months	18 August 2008
Interim report 9 months	23 October 2008
Year-end report 2008	February 2009

Interim

Vänersborg, 13 May 2008

VBG GROUP AB (publ)**Anders Birgersson**

Managing Director and CEO

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

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Consolidated Income Statement – Highlights (SEK M)	Q1 Jan-Mar 2008	Q1 Jan-Mar 2007	Full year 2007
Net turnover	381.4	348.7	1,323.3
Cost of goods sold	-238.7	-215.1	-813.5
Selling expenses	-47.9	-43.2	-184.3
Administrative expenses	-22.9	-29.1	-93.3
Research and development costs	-5.1	-4.0	-18.3
Other operating income/expenses	-2.6	1.7	0.7
Operating profit	64.2	59.0	213.2
Net financial items	-0.3	-3.1	-11.7
Profit after financial items	63.9	55.9	201.5
Tax	-18.8	-17.0	-68.4
Profit after tax	45.1	38.9	133.1
Depreciation and amortisation charged to profit	-7.6	-7.3	-29.3
Earnings per share after tax	3.61	3.11	10.64
Number of shares at end of period ¹ ('000)	12,502	12,502	12,502
Average number of shares during the period	12,502	12,502	12,502
Number of own shares at end of period	1,192	1,192	1,192
Average number of own shares	1,192	1,192	1,192

1 The company has no outstanding warrants or convertibles.

Consolidated Balance Sheet – Highlights (SEK M)	31 Mar 2008	31 Mar 2007	31 Dec 2007
Goodwill	220.2	219.9	222.6
Other intangible assets	64.9	63.3	62.2
Property, plant and equipment	138.0	148.7	140.7
Long-term investments	2.1	1.3	2.1
Total non-current assets	425.2	433.2	427.6
Inventories	244.4	226.7	250.4
Receivables	260.9	263.5	223.9
Cash on hand, demand deposits and short-term investments	55.0	33.5	44.4
Total current assets	560.3	523.7	518.7
TOTAL ASSETS	985.5	956.9	946.3
Equity	573.3	456.4	532.9
Interest-bearing non-current liabilities	139.3	172.0	149.3
Non-interest-bearing non-current liabilities	60.7	58.2	61.9
Interest-bearing current liabilities	37.9	57.4	49.9
Non-interest-bearing current liabilities	174.3	212.9	152.3
TOTAL EQUITY AND LIABILITIES	985.5	956.9	946.3

Changes in Group equity (SEK M)	3 mon 2008	3 mon 2007	Full year 2007
Opening equity according to Balance Sheet at 31 December	532.9	406.7	406.8
Translation differences	-4.7	10.7	18.0
Profit after tax	45.1	38.9	133.1
Dividend			-25.0
Equity at end of period	573.3	456.4	532.9

Cash Flow Statement – Highlights (SEK M)	3 mon 2008	3 mon 2007	Full year 2007
Cash flow from operating activities before changes in working capital	58.8	50.6	146.3
Change in working capital	-18.5	-50.0	-59.1
Cash flow from operating activities	40.3	0.6	87.2
Cash flow from investing activities	-8.8	-5.0	-16.6
Cash flow from financing activities	-20.8	3.5	-61.0
Cash flow for the year	10.7	-0.9	9.6
Cash and cash equivalents at start of year	44.4	33.7	33.7
Translation difference, cash and cash equivalents	-0.1	0.7	1.1
Cash and cash equivalents at end of period	55.0	33.5	44.4
Unutilised overdraft facilities	139.9	119.6	129.1
Total cash and cash equivalents available	194.9	153.1	173.5

Key figures for Group	3 mon 2008	3 mon 2007	Full year 2007
Profit margin (ROS), %	16.8	16.0	15.2
Return on equity (ROE), %	32.6	38.9	28.3
Return on capital employed (ROCE), %	37.4	36.1	34.0
Equity/assets ratio, %	58.2	47.7	56.3
Visible equity per share, SEK	45.86	36.51	42.62
Cash flow per share (before change in working capital), SEK	4.70	4.04	11.70
Share price at end of period, SEK	118.00	119.00	124.50
Number of employees, average	426	427	422

Parent Company Income Statement (SEK M)	Q1 Jan-Mar 2008	Q1 Jan-Mar 2007	Full year 2007
Net turnover	5.3	3.9	28.5
Operating expenses	-9.3	-6.2	-32.9
Operating loss	-4.0	-2.3	-4.4
Net financial items	13.9	0.0	56.8
Profit/loss after financial items	9.9	-2.3	52.4
Appropriations	-	-	-3.1
Tax	0.8	2.7	-2.0
Profit after tax	10.7	0.4	47.3

Parent Company Balance Sheet (SEK M)	31 Mar 2008	31 Mar 2007	31 Dec 2007
Other intangible assets	21.1	22.5	21.6
Property, plant and equipment	10.4	10.6	10.7
Long-term investments	491.5	461.9	491.5
Total non-current assets	523.0	495.0	523.8
Receivables	13.3	27.7	40.2
Cash on hand, demand deposits and short-term investments	10.0	4.4	4.6
Total current assets	23.3	32.1	44.8
TOTAL ASSETS	546.3	527.1	568.6
Equity	277.5	244.9	266.8
Untaxed reserves	28.4	25.2	28.4
Provisions	11.9	11.0	11.6
Non-current liabilities	56.3	93.3	66.3
Current liabilities	172.2	152.7	195.5
TOTAL EQUITY AND LIABILITIES	546.3	527.1	568.6