

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 Nasdaq OMX Nordic Exchange Mid Cap.

INTERIM REPORT JANUARY – MARCH 2010

- **The Group's net turnover was SEK 241.8 M (251.0) which, adjusted for exchange rate changes, was a volume increase of 4 per cent**
- **Operating profit increased by 7 per cent to SEK 16.0 M (14.9), with an operating margin of 6.6 per cent (5.9)**
- **Profit after financial items increased to SEK 20.2 M (13.4)**
- **The Group's profit after tax increased to SEK 14.7 M (9.9)**
- **Earnings per share increased to SEK 1.18 (0.80)**

Group	Q1 2010	Q1 2009	Full year 2009
Net turnover, SEK M	241.8	251.0	829.0
Operating profit/loss, SEK M	16.0	14.9	-27.1 ¹
Operating margin, %	6.6	5.9	neg.
Profit/loss after financial items, SEK M	20.2	13.4	-30.7
Profit margin, %	8.4	5.3	neg.
Profit/loss after tax, SEK M	14.7	9.9	-21.2
Earnings/loss per share, SEK	1.18	0.80	-1.69
Return on capital employed (ROCE), cumulative, %	7.7	6.8	neg.
Return on equity (ROE), cumulative, %	10.0	5.9	neg.
Equity/assets ratio, %	54.3	54.8	54.4

¹ Includes nonrecurring item of SEK -14 M

Managing Director's statement

Positive news for VBG GROUP TRUCK EQUIPMENT

It feels good to observe that the market has begun its long, slow climb back up to more normal levels. Even though this will probably take time, there is no doubt that the market is once again growing, slowly but surely, in most segments.

Another very important bit of news we got during the first quarter was that the far-reaching restructuring programmes that were carried out during 2009 in the production and supply chain have now resulted in a lower break-even level, better flexibility and thereby potentially better operating margins even at lower volumes. As always when big changes occur, some running-in and fine adjustments remain to be done in the processes that have been relocated from Germany to Sweden (new coupling factory) and from Belgium to the Czech Republic (new plant for sliding roofs). We also view this work of refining our processes as a natural part of the organisation's constant improvement work.

A consolidated and stronger RINGFEDER POWER TRANSMISSION

Last year was dominated by extensive efforts to incorporate the acquired Gerwah Group. At the same time, the market was adversely affected by the global financial crisis. The last three quarters of last year saw declining turnover and a low operating margin.

It is gratifying to note that we have now managed to create a consolidated, stronger business area. The turnover figures for the first quarter show a recovery, and the operating margin is once again above 15 per cent.

2010 – an exciting year of growth and profits

I view the future with confidence and look forward to continued growth and an upward earnings trend in 2010. It is, however, difficult to predict the rate at which the recovery will occur in the different markets. I persist in my previous judgement that the growth rate will probably be low during the first six months, increasing somewhat in the latter part of 2010.

Our long-range focus and the far-reaching changes that have been implemented during the past year within the Group's two business areas have created good prospects for the future.

During 2010 we will continue to be restrictive on the cost side, and in both business areas we will focus on reducing tied-up capital and thereby securing and further improving liquidity, which is already good. High priority is also being given to further aggressive efforts in product and market development within both VBG GROUP TRUCK EQUIPMENT and RINGFEDER POWER TRANSMISSION.

When it comes to structural growth in the form of acquisitions and corporate start-ups in new countries, this work will continue according to previously established strategies.

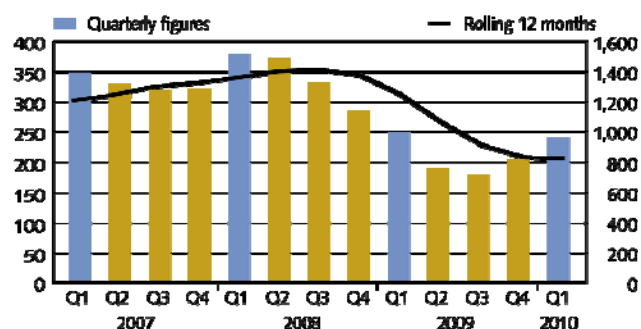
Anders Birgersson
Managing Director and CEO

Group trend (SEK M)	Q1 2010	Full year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full year 2008	Q4 2008	Q3 2008	Q2 2008
Net turnover	241.8	829.0	206.6	180.1	191.3	251.0	1,376.7	286.7	333.8	374.8
Operating profit/loss	16.0	-27.1 ²	-9.5	-21.2 ²	-11.3	14.9	123.1 ¹	-36.4 ¹	41.6	53.7
Operating margin, %	6.6	neg.	neg.	neg.	neg.	5.9	8.9	neg.	12.5	14.3
Profit/loss after fin. items	20.2	-30.7	-15.0	-18.3	-10.8	13.4	108.6	-44.1	38.1	50.7
Profit margin, %	8.4	neg.	neg.	neg.	neg.	5.3	7.9	neg.	11.4	13.5
Profit/loss after tax	14.7	-21.2	-11.8	-12.2	-7.1	9.9	73.1	-31.4	24.7	34.7
Earnings/loss per share, SEK	1.18	-1.69	-0.94	-0.97	-0.58	0.80	5.85	-2.51	1.98	2.77
ROCE (cumulative), %	7.7	neg.	neg.	neg.	0.8	6.8	16.1	16.1	29.8	33.7
ROE (cumulative), %	10.0	neg.	neg.	neg.	0.8	5.9	12.2	12.2	23.9	28.5
Equity/assets ratio, %	54.3	54.4	54.4	55.2	56.1	54.8	56.0	56.0	58.9	56.8

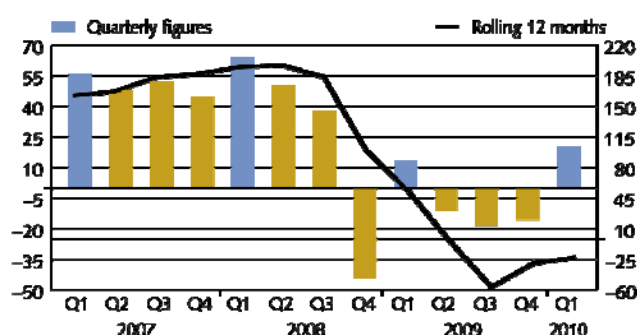
¹ Includes nonrecurring item of SEK -46 M

² Includes nonrecurring item of SEK -14 M

Net turnover, SEK M



Profit after financial items, SEK M



Consolidated turnover and earnings

Turnover declined by just under 4 per cent to SEK 241.8 M (251.0) compared with the same period last year. But taking into account the strengthening of the Swedish currency, which has affected the translation of sales in the Group's foreign subsidiaries, the actual volume change was an increase of about 4 per cent.

Operating profit increased by 7.4 per cent to SEK 16.0 M (14.9), with an operating margin of 6.6 per cent (5.9). Profit after financial items was SEK 20.2 M (13.4), giving a margin of 8.4 per cent (5.3).

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 increased to SEK 1.18 (0.80).

Return on capital employed improved to 7.7 per cent (6.8), and return on equity increased to 10.0 per cent (5.9). The Group's equity/assets ratio declined marginally compared with the end of the year, amounting to 54.3 per cent (54.4).

Capital expenditures

The Group's capital expenditures during the first quarter amounted to SEK 5.8 M (98.4, of which 94.6 pertained to the acquisition of the Gerwah Group).

Financial position

Equity decreased during the first quarter to SEK 575.7 M (595.0 at year-end), which is explained by the fact that the comprehensive loss was SEK 19.3 after the profit for the period of SEK 14.3 M had been affected by translation differences totalling SEK -34.0 M.

The equity/assets ratio declined marginally during the first quarter to 54.3 per cent (54.4 at year-end).

Cash and cash equivalents amounted to SEK 46.6 M at the end of the period (37.7 at year-end), with an additional SEK 48.7 M in credit facilities granted but not utilised (43.5).

The Group's interest-bearing net debt fell by SEK 44.0 M during the period, amounting to SEK 249.8 M at 31 March (293.8 at year-end).

The ratio of interest-bearing net debt to equity was 0.43 at the end of March (0.49 at 31 December 2009).

Cash flow

Cash flow from operating activities during the first quarter amounted to SEK 39.3 M (101.4). Capital expenditures during the period amounted to SEK 5.8 M (77.3). The Group amortised loans and reduced current financial liabilities by a total of SEK 23.3 M. Net cash flow during the period was SEK 10.2 M (19.2).

Personnel

On 31 March 2010 there were 426 employees (466 at year-end) in the VBG GROUP, including 162 (155 at year-end) in Sweden.

During the first quarter of 2010 the Group employed an average of 420 persons (460 during the same period last year). Of these, 168 (155) were active in Sweden. The cost of salaries and social security contributions was SEK 62.4 M (72.6).

Per share data

Earnings per share for the period amounted to SEK 1.18 (0.80). Equity per share at 31 March 2010 was SEK 46.05, compared with SEK 54.41 on the same date the previous year and SEK 47.59 at year-end.

VBG GROUP TRUCK EQUIPMENT

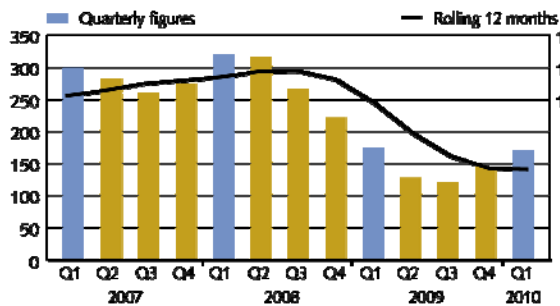
- Turnover amounted to SEK 169.8 M (174.7), which, adjusted for exchange rate changes, represented a volume increase of 3 per cent
- Operating profit increased by 48 per cent to SEK 8.3 M (5.6)

VBG GROUP TRUCK EQUIPMENT (SEK M)	Q1 2010	Full year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full year 2008	Q4 2008	Q3 2008	Q2 2008
Net turnover	169.8	568.9	144.7	121.6	127.9	174.7	1,123.7	221.0	265.8	316.2
Operating profit/loss	8.3	-33.0 ²	-8.1	-17.6 ²	-12.9	5.6	93.5 ¹	-41.4 ¹	31.0	48.3
Operating margin, %	4.9	neg.	neg.	neg.	neg.	3.2	8.3	neg.	11.7	15.3

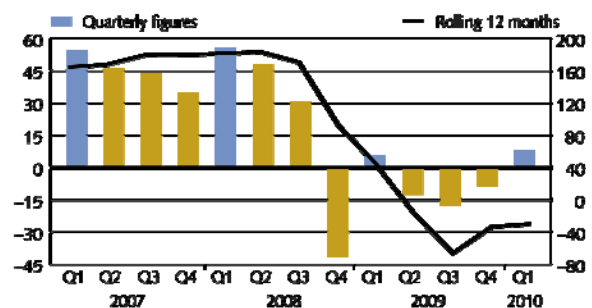
¹) Includes nonrecurring item of SEK -46.0 M

²) Includes nonrecurring item of SEK -10.2 M

Net turnover, SEK M



Operating profit, SEK M



First quarter 2010

Turnover for the first quarter amounted to SEK 169.8 M, which was 2.8 per cent lower than the same period last year (174.7). The actual volume change was positive, however, an increase of 3 per cent, since a stronger Swedish krona during the quarter affected the translation of the sales of foreign Group companies negatively.

It is clear that the markets for all product areas and in virtually all geographical areas where the business area is active are growing, albeit at a slow rate. Compared with the fourth quarter of 2009, turnover increased by 17 per cent, and in relation to the bottom levels during the second quarter and the three preceding quarters the increase was about 35 per cent. Turnover for the first quarter was still far below the levels reported during the record year 2008, however.

The extensive restructuring measures that were carried out during 2009 began to show an effect during the first quarter, which contributed to the 48 per cent increase in operating profit to SEK 8.3 M (5.6). The operating margin increased to 4.9 per cent (3.2).

Turnover by market (SEK M)	Q1 2010	Full year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full year 2008	Q4 2008	Q3 2008	Q2 2008
Sweden	39.4	129.0	32.2	25.2	30.3	41.3	201.7	45.1	43.7	55.8
Other Nordic countries	23.2	86.6	20.4	15.6	21.0	29.6	146.0	37.6	29.4	36.7
Germany	44.6	157.0	40.5	34.4	36.7	45.4	354.1	59.3	91.1	105.8
Other European countries	48.1	154.4	39.0	31.8	34.0	49.6	365.8	69.6	81.9	103.6
Rest of world	14.5	41.9	12.6	14.6	5.9	8.8	56.1	9.4	19.7	14.3
VBG GROUP TRUCK EQUIPMENT	169.8	568.9	144.7	121.6	127.9	174.7	1,123.7	221.0	265.8	316.2

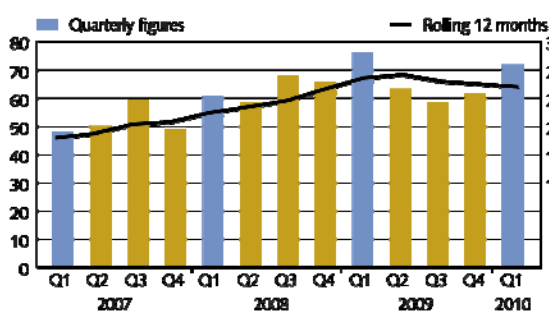
RINGFEDER POWER TRANSMISSION

- Turnover amounted to SEK 72.0 M (76.3), which, adjusted for exchange rate changes, represented a volume increase of 6 per cent
- Operating profit decreased by 9 per cent to SEK 11.3 M (12.4)

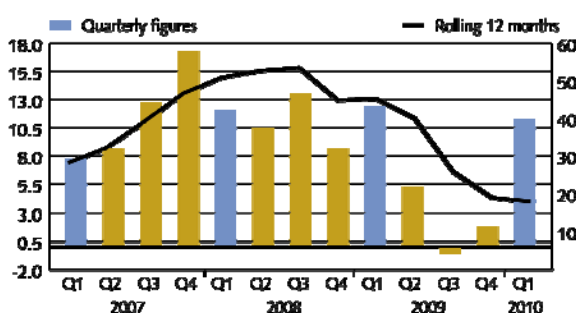
RINGFEDER POWER TRANSMISSION, SEK M	Q1 2010	Full year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full year 2008	Q4 2008	Q3 2008	Q2 2008
Net turnover	72.0	260.1	61.9	58.5	63.4	76.3	253.0	65.7	68.0	58.6
Operating profit/loss	11.3	18.9 ¹	1.8	-0.6 ¹	5.3	12.4	44.9	8.7	13.6	10.5
Operating margin, %	15.7	7.3	2.9	neg.	8.4	16.3	17.7	13.2	20.0	17.9

¹ Includes nonrecurring item of SEK -3.7 M

Net turnover, SEK M



Operating profit, SEK M



First quarter 2010

Turnover amounted to SEK 72.0 M, which was 5.6 per cent lower than the first quarter of last year (76.3). Taking into account the stronger Swedish krona, the actual volume change was actually an increase of 6 per cent. The first quarter was a strong quarter in terms of earnings. Even though the operating profit of SEK 11.3 M was 9 per cent lower than the first quarter of last year (12.4), it was a substantial improvement compared with the preceding three quarters. Last year was dominated by extensive efforts to incorporate the acquired Gerwah Group, resulting in a consolidated, stronger business area where the operating margin for the first quarter of the year once again exceeds 15 per cent, amounting to 15.7 per cent (16.3).

Turnover by market (SEK M)	Q1 2010	Full year 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Full year 2008	Q4 2008	Q3 2008	Q2 2008
Europe	34.6	115.6	27.9	27.0	26.9	33.8	99.2	23.6	24.9	24.9
North America	28.5	113.0	24.2	25.5	28.0	35.3	115.2	32.0	31.9	25.5
Rest of world	8.9	31.5	9.8	6.0	8.5	7.2	38.6	10.1	11.2	8.2
RINGFEDER POWER TRANSMISSION	72.0	260.1	61.9	58.5	63.4	76.3	253.0	65.7	68.0	58.6

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, which 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 4.8 M during the first quarter of 2010 (5.4). The profit after dividends from Group companies and financial items amounted to SEK 7.4 M (loss: 3.0).

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 2.3.

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 2009.

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 2009, Note 2.

Outlook for 2010

The company makes no forecast.

Financial information 2010/2011

Interim report 6 months	25 August 2010
Interim report 9 months	26 October 2010
Year-end report	17 February 2011
Interim report 3 months	3 May 2011
Annual General Meeting	3 May 2011

Related party transactions

There have been no related party transactions in 2010 that have significantly affected the company's financial position and results. Related party transactions in 2009 are disclosed in Note 5 in the annual report for 2009.

Vänersborg, 27 April 2010

VBG GROUP AB (publ)

Anders Birgersson

Managing Director and CEO

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

For further information please contact:

Anders Birgersson, Managing Director and CEO

Telephone: +46 521 27 77 67, +46 702 27 77 78

E-mail: anders.birgersson@vbggroup.com

Consolidated Income Statement and Statement of Comprehensive Income – Highlights (SEK M)	Q1 Jan-Mar 2010	Q1 Jan-Mar 2009	Full year 2009
Net turnover	241.8	251.0	829.0
Cost of goods sold	-155.6	-152.8	-547.5 ¹
Selling expenses	-44.1	-56.3	-201.3
Administrative expenses	-23.0	-23.4	-89.8
Research and development costs	-4.8	-4.8	-22.2
Other operating income and expenses	1.7	1.2	4.7
Operating profit/loss	16.0	14.9	-27.1
Net financial items	4.2	-1.5	-3.6
Profit/loss after financial items	20.2	13.4	-30.7
Tax	-5.5	-3.5	9.5
Profit/loss for the period **	14.7	9.9	-21.2
Depreciation and amortisation charged to profit	-9.7	-9.0	-36.9
** Attributable to:			
Parent Company's shareholders	14.7	9.9	-21.2
Earnings/loss per share after tax	1.18	0.80	-1.69
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
Other comprehensive income			
Profit/loss for the period	14.7	9.9	-21.2
Translation differences pertaining to foreign operations	-38.3	4.9	-41.2
Translation differences pertaining to hedge accounting for net investments in foreign operations	4.3	0.7	5.2
Other comprehensive income, net after tax	-34.0	5.6	-36.0
Total comprehensive income for the period ***	-19.3	15.5	-57.2
*** Attributable to:			
Parent Company's shareholders	-19.3	15.5	-57.2

¹ Includes nonrecurring item of SEK -14 M

Consolidated Balance Sheet – Highlights (SEK M)	31/03 2010	31/03 2009	31/12 2009
Goodwill	272.5	306.6	289.5
Other intangible assets	67.9	84.2	73.9
Property, plant and equipment	212.1	177.6	222.8
Long-term investments	10.8	5.2	11.1
Total non-current assets	563.3	573.6	597.3
Inventories	273.0	333.7	303.0
Receivables	177.7	246.2	156.5
Cash on hand, demand deposits and short-term investments	46.6	88.1	37.7
Total current assets	497.3	668.0	497.2
TOTAL ASSETS	1,060.6	1,241.6	1,094.5
Equity	575.7	680.2	595.0
Non-current liabilities	216.9	280.1	230.5
Current liabilities	268.0	281.3	269.0
TOTAL EQUITY AND LIABILITIES	1,060.6	1,241.6	1,094.5

Changes in Group equity (SEK M)	3 mon 2010	3 mon 2009	Full year 2009
Opening equity according to Balance Sheet at 31 December	595.0	664.7	664.7
Total comprehensive income/loss for the period	-19.3	15.5	-57.2
Dividend			-12.5
Equity at end of period	575.7	680.2	595.0

Cash Flow Statement – Highlights (SEK M)	3 mon 2010	3 mon 2009	Full year 2009
Cash flow from operating activities before changes in working capital	23.1	8.2	-36.8
Change in working capital	16.2	93.2	55.6
Cash flow from operating activities	39.3	101.4	18.8
Cash flow from investing activities	-5.8	-77.3	-41.7
Cash flow from financing activities	-23.3	-4.9	-5.1
Cash flow for the year	10.2	19.2	-28.0
Cash and cash equivalents at start of year	37.7	68.0	68.0
Translation difference, cash and cash equivalents	-1.3	0.9	-2.3
Cash and cash equivalents at end of period	46.6	88.1	37.7
Unutilised overdraft facilities	48.7	106.0	43.5
Total cash and cash equivalents available	95.3	194.1	81.2

Key figures for Group	3 mon 2010	3 mon 2009	Full year 2009
Profit margin (ROS), %	8.4	5.3	neg.
Return on equity (ROE), %	10.0	5.9	neg.
Return on capital employed (ROCE), %	7.7	6.8	neg.
Equity/assets ratio, %	54.3	54.8	54.4
Equity per share, SEK	46.05	54.41	47.59
Cash flow per share (before change in working capital), SEK	1.84	0.65	-2.94
Share price at end of period, SEK	82.00	50.25	70.75
Number of employees, average	420	460	445

Parent Company Income Statement (SEK M)	Q1 Jan-Mar 2010	Q1 Jan-Mar 2009	Full year 2009
Net turnover	4.8	5.4	23.3
Operating expenses	-9.0	-8.0	-31.2
Operating profit/loss	-4.2	-2.6	-7.9
Net financial items	11.6	-0.4	40.1
Profit/loss after financial items	7.4	-3.0	32.2
Appropriations	-	-	1.9
Tax	-1.4	0.8	-0.1
Profit/loss for the period after tax and comprehensive income/loss for the period	6.0	-2.2	34.0

Parent Company Balance Sheet (SEK M)	31/03 2010	31/03 2009	31/12 2009
Other intangible assets	17.8	20.1	18.4
Property, plant and equipment	8.4	9.4	8.7
Long-term investments	563.4	563.2	563.4
Total non-current assets	589.6	592.7	590.5
Receivables	101.0	49.9	118.9
Cash on hand, demand deposits and short-term investments	11.9	35.9	9.8
Total current assets	112.9	85.8	128.7
TOTAL ASSETS	702.5	678.5	719.2
Equity	366.0	336.4	360.0
Untaxed reserves	26.8	28.7	26.8
Provisions	8.3	7.7	8.0
Non-current liabilities	26.8	112.5	31.1
Current liabilities	274.6	193.2	293.3
TOTAL EQUITY AND LIABILITIES	702.5	678.5	719.2