



BE GROUP INTERIM REPORT JANUARY – JUNE 2009

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Q2 2009

- Market highlights
 - Some stability in demand on a low level
 - Destocking continued and is still ongoing
 - Downward price trend continued more than expected
 - Price stability at the end of the quarter



Q2 2009

- Financial highlights

- Negative operating profit (EBIT) due to lower tonnage and stock losses
- Net sales decrease 49% with tonnage decrease of 39% compared to Q2 2008
- Sales price decrease of 12% compared to Q1 2009
- Delivered tonnage decreased with 7% compared to Q1 2009
- Reduction of working capital and net debt

- Operational highlights

- Cost saving program develops well
- Adjustment to current business level ongoing



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Cost saving program on track

- Program initiated late 2008 running better and faster than plan
- Savings of at least 150 MSEK during 2009, realized savings of 80 MSEK during H1
- Negotiations with unions finalized in Finland with layoffs during H2 for all employees
- Very strict cost control
- No “non-essential” investments

Financial key figures Q2 2009

<i>SEK M</i>	Q1 2009	Q2 2009	Q2 2008	Change SEK M
Net sales	1,309	1,071	2,116	-1,045
Underlying EBITA	4	-10	162	-172
<i>% of Sales</i>	<i>0.3%</i>	<i>Neg</i>	<i>7.6%</i>	-
Inventory gain/loss	-95	-85	39	-124
EBITA	-91	-95	251	-346
<i>% of Sales</i>	<i>Neg</i>	<i>Neg</i>	<i>11.9%</i>	-
Earnings before tax	-120	-93	251	-344
Net earnings	-94	-74	200	-274
EPS (SEK)	-1.88	-1.49	4.01	-5.50
Cash-flow before change in net debt	18	92	105	-13
Net debt	982	940	694	246
Net debt / Equity	97%	107%	71%	-



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Financial key figures Q1-Q2 2009

<i>SEK M</i>	Q1-Q2 2009	Q1-Q2 2008	Change SEK M
Net sales	2,380	4,111	-1,731
Underlying EBITA	-6	305	-311
<i>% of Sales</i>	Neg	7.4%	-
Inventory gain/loss	-180	32	-212
EBITA	-186	387	-573
<i>% of Sales</i>	Neg	9.4%	-
Earnings before tax	-213	378	-591
Net earnings	-168	294	-462
EPS (SEK)	-3.37	5.89	-9,26
Cash-flow before change in net debt	110	113	-3
Net debt	940	694	246
Net debt / Equity	107%	71%	-



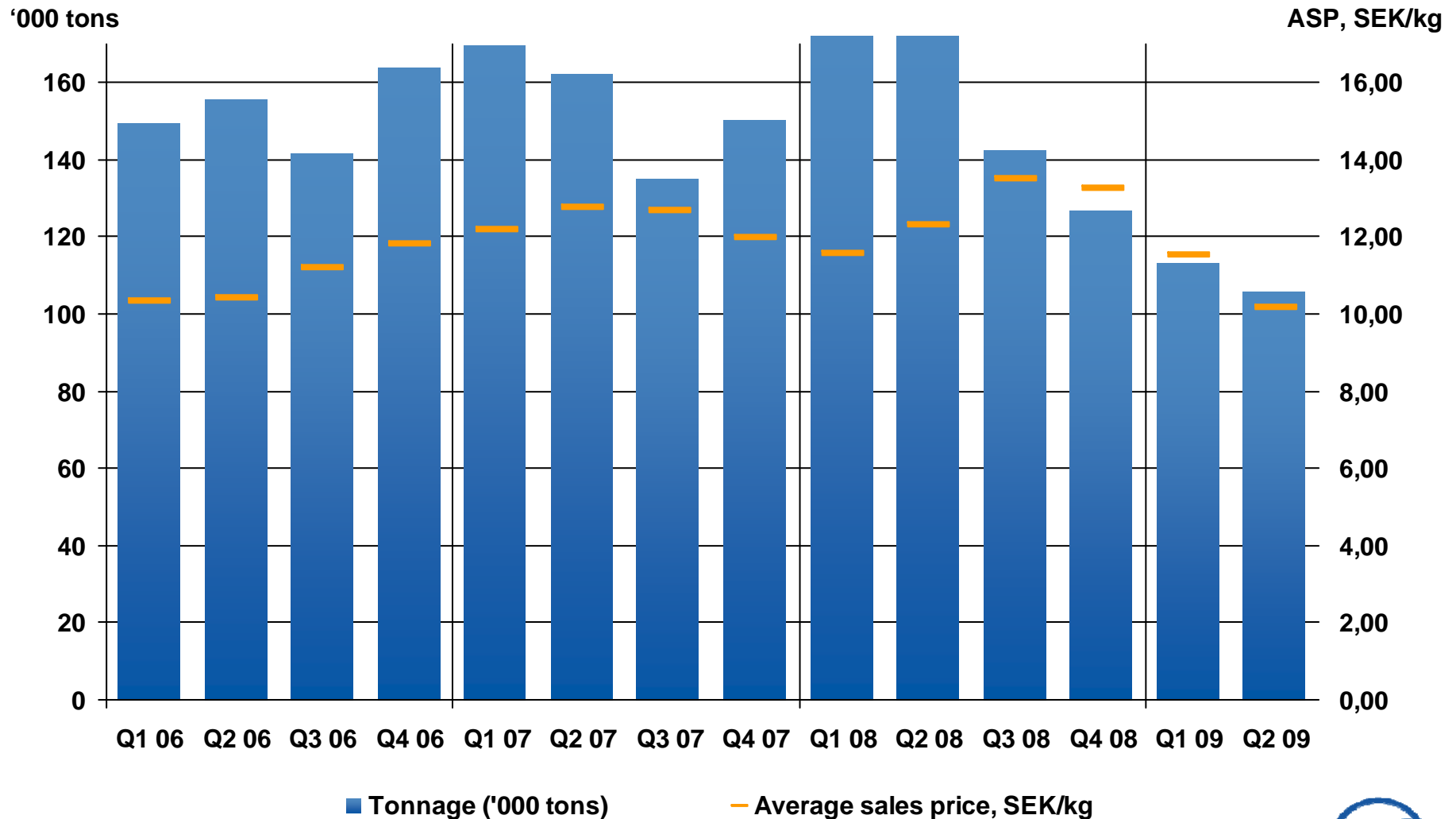
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Sales development

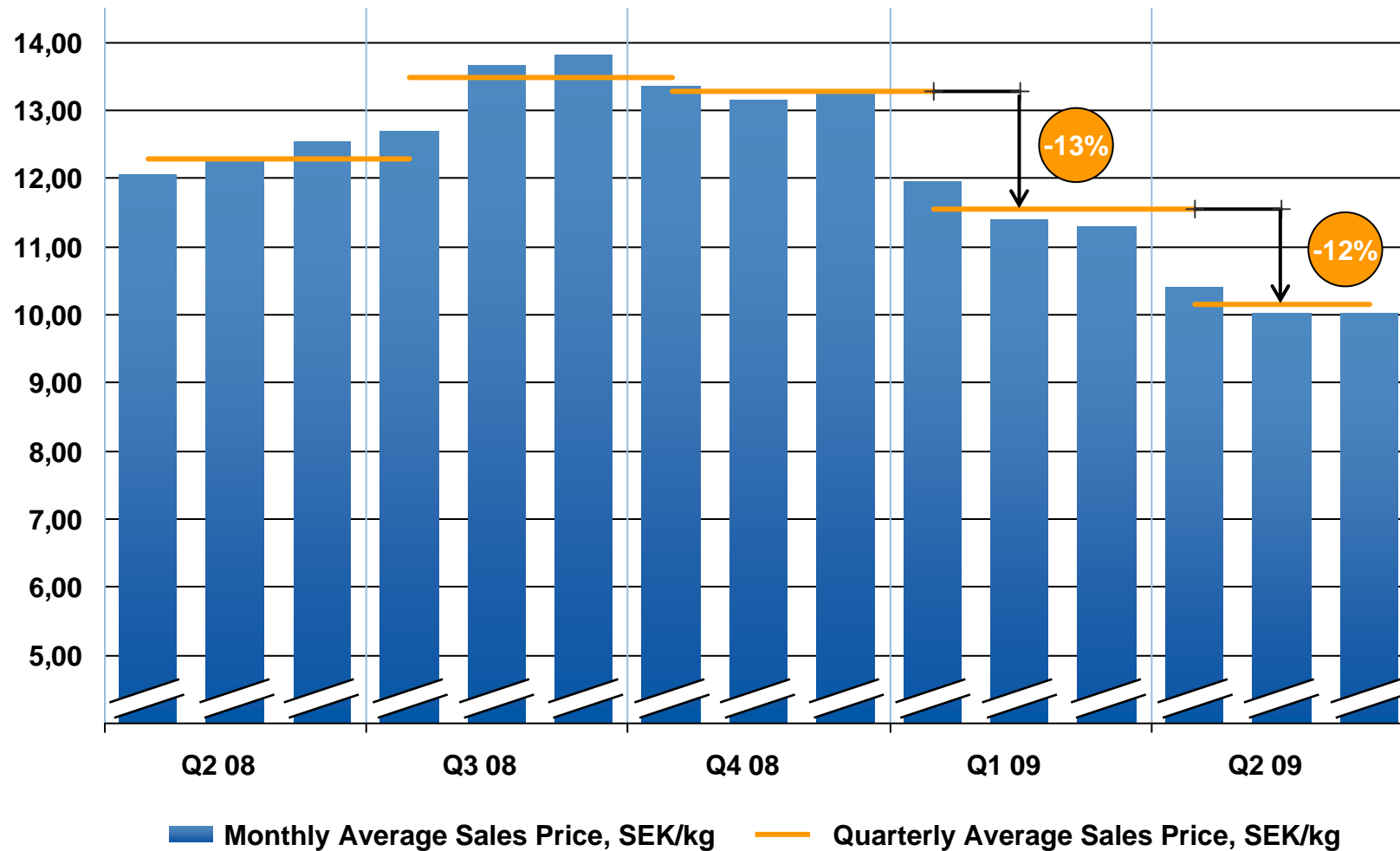
	Q1 2009	Q2 2009	Q2 2008	Change %
Tonnage	113.4	105.5	172.2	-39
ASP (SEK/kg)	11.54	10.15	12.29	-17
Net sales (SEK M)	1,309	1,071	2,116	-49

Sales Growth Q2/09 vs. Q2/08	-49%
- Organic	-38%
- Price/mix	-17%
- Acquisition in Czech Republic	+2%
- Deconsolidation of TSC Sweden	-3%
- Currency	+7%

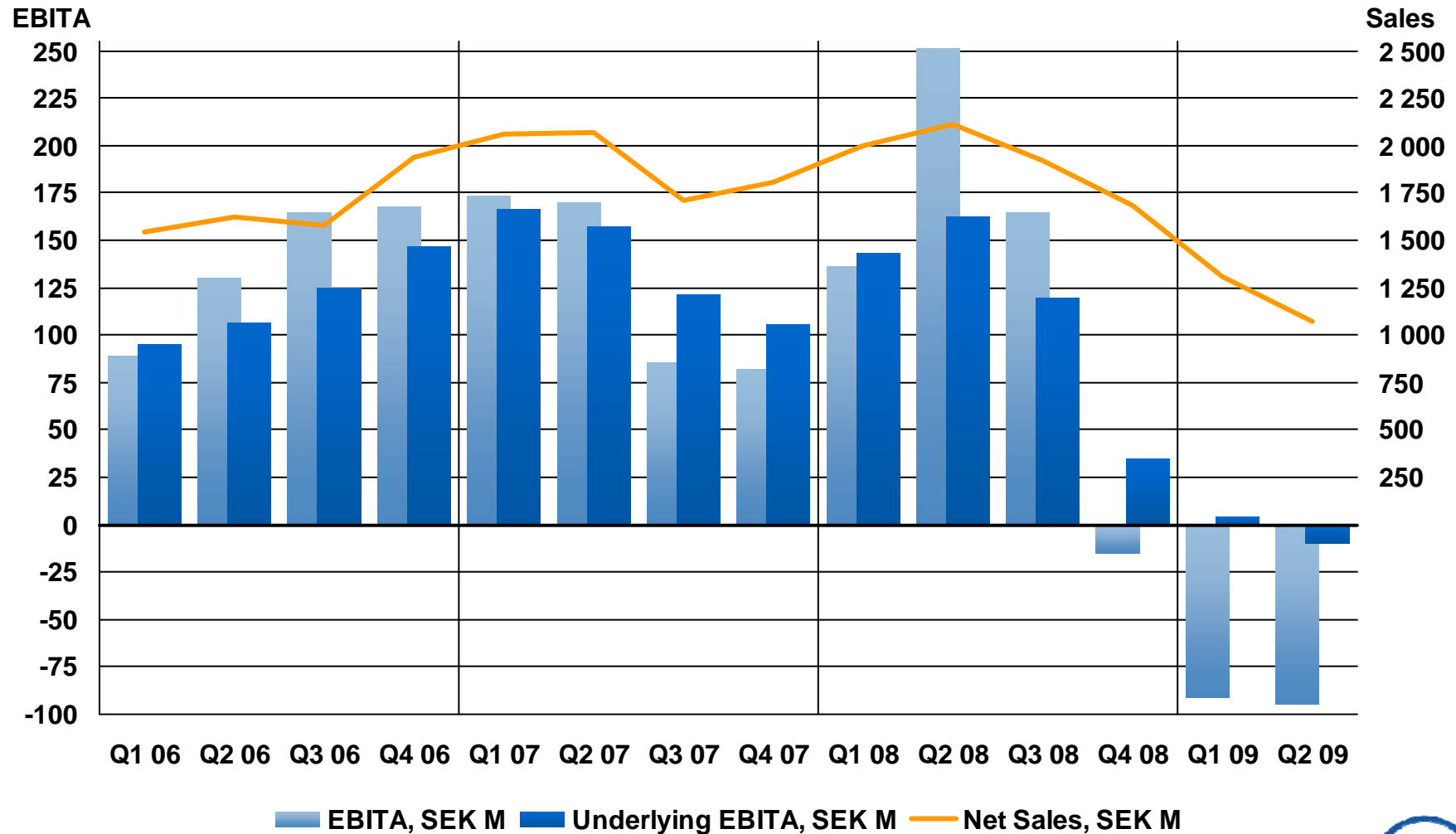
Dramatic decrease of tonnage and prices



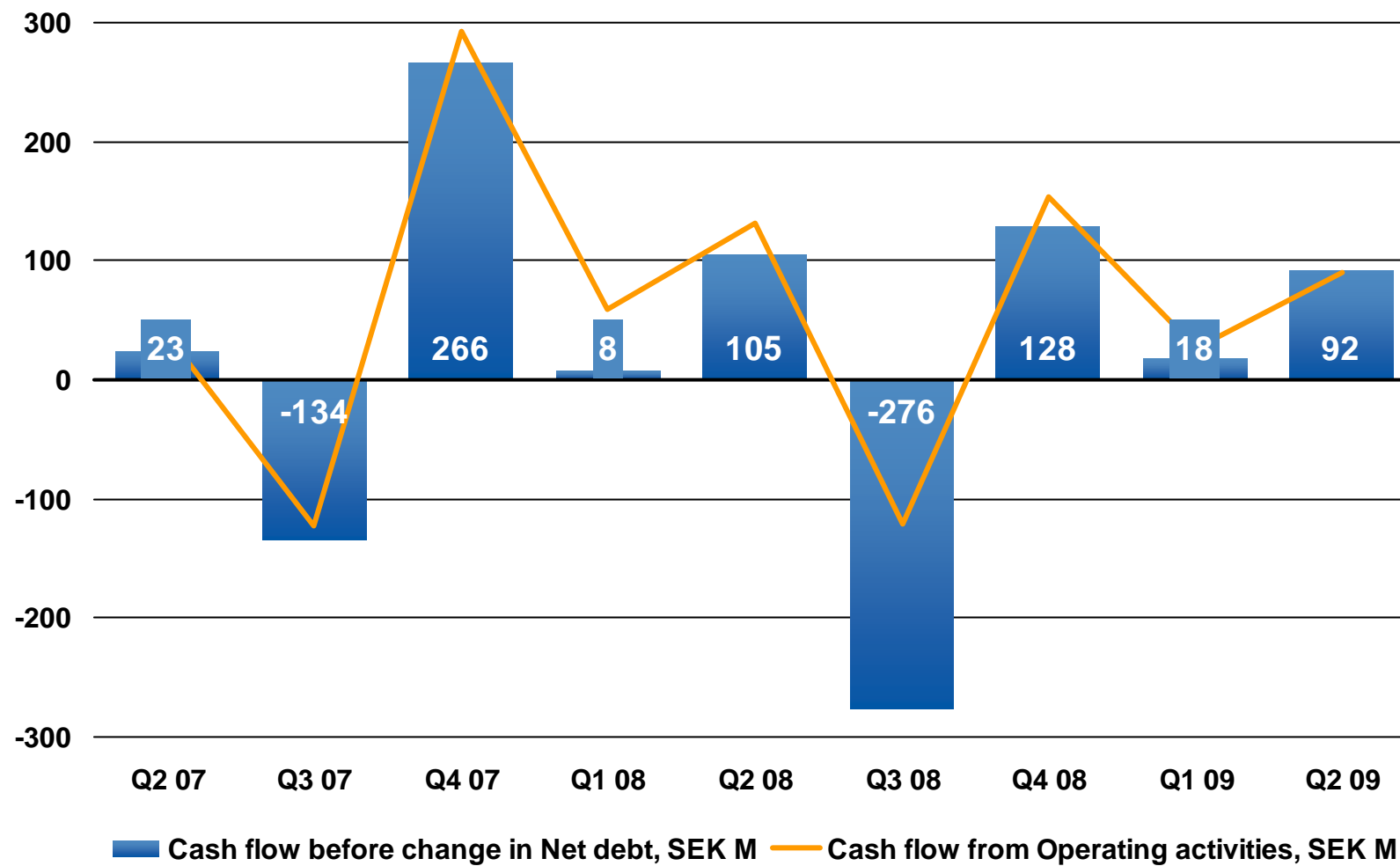
Average sales price development



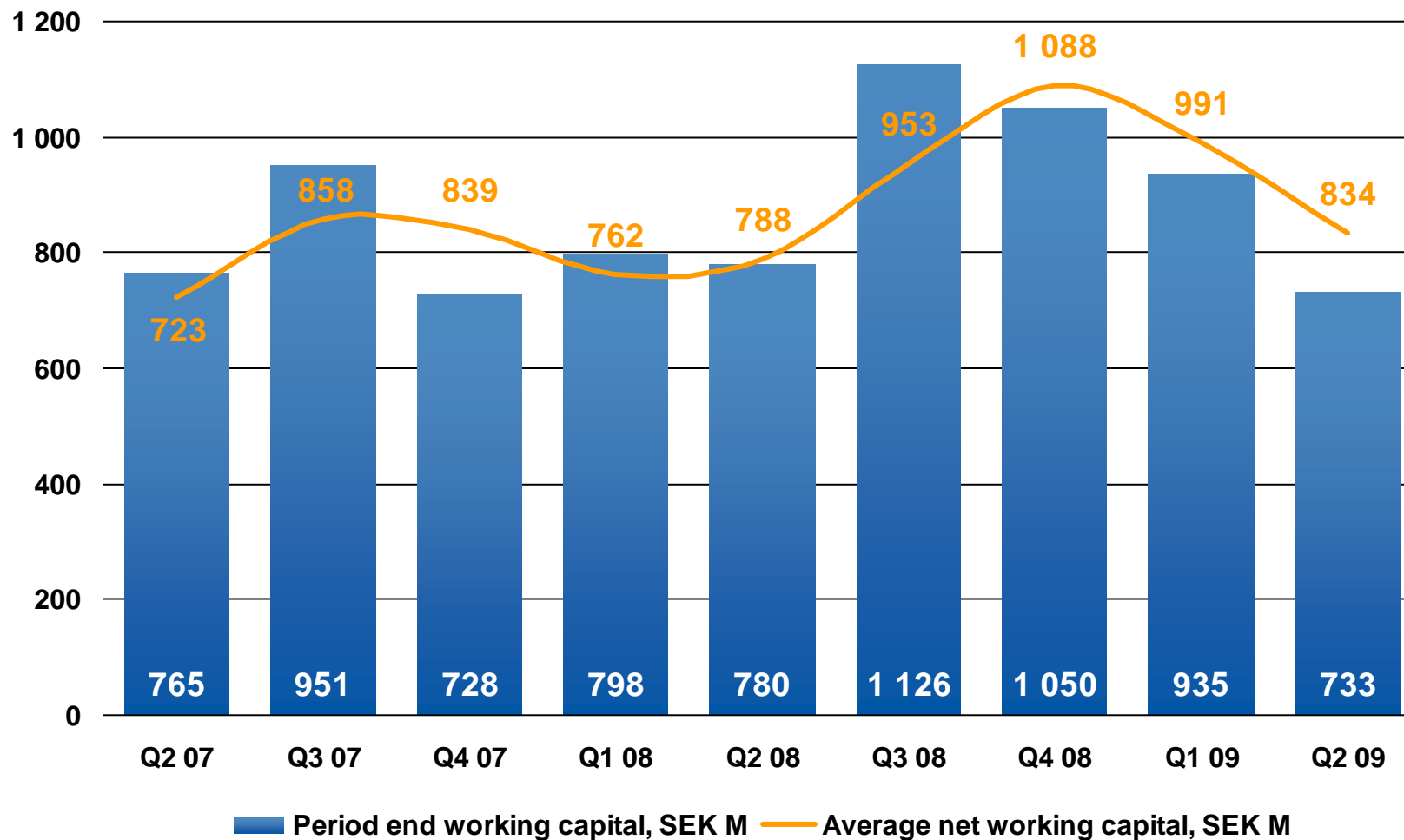
EBITA hit by lower tonnage and stock losses



Positive cashflow through working capital decrease



Substantial reduction of working capital



Note: Working capital amounts are consolidated at balance day exchange rates,





BUSINESS AREAS STATUS Q2

BA Sweden – underlying profit despite downturn

- Slight recovery during June
- Net sales down 47% compared to Q2 2008
- Tonnage increase 6% compared to Q1 2009
- Average sales prices 12% below Q1 2009
- EBITA result affected by the lower tonnage and inventory losses
- Underlying positive EBITA despite the downturn
- Cost saving on track

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- ▲ Production, sales and warehouse facilities
● Pure sales facilities



BA Finland – Finnish industry on low activity levels

- The low activity in Finnish industry continued
- Net sales decrease of 57% compared to Q2 2008
- Tonnage down 18% and prices decreased 12% from Q1 2009
- Substantial inventory losses
- Some stability in prices during June
- Increased service share of sales to 49%
- Strong inventory reduction with 28% in value during Q2
- Cost savings on track

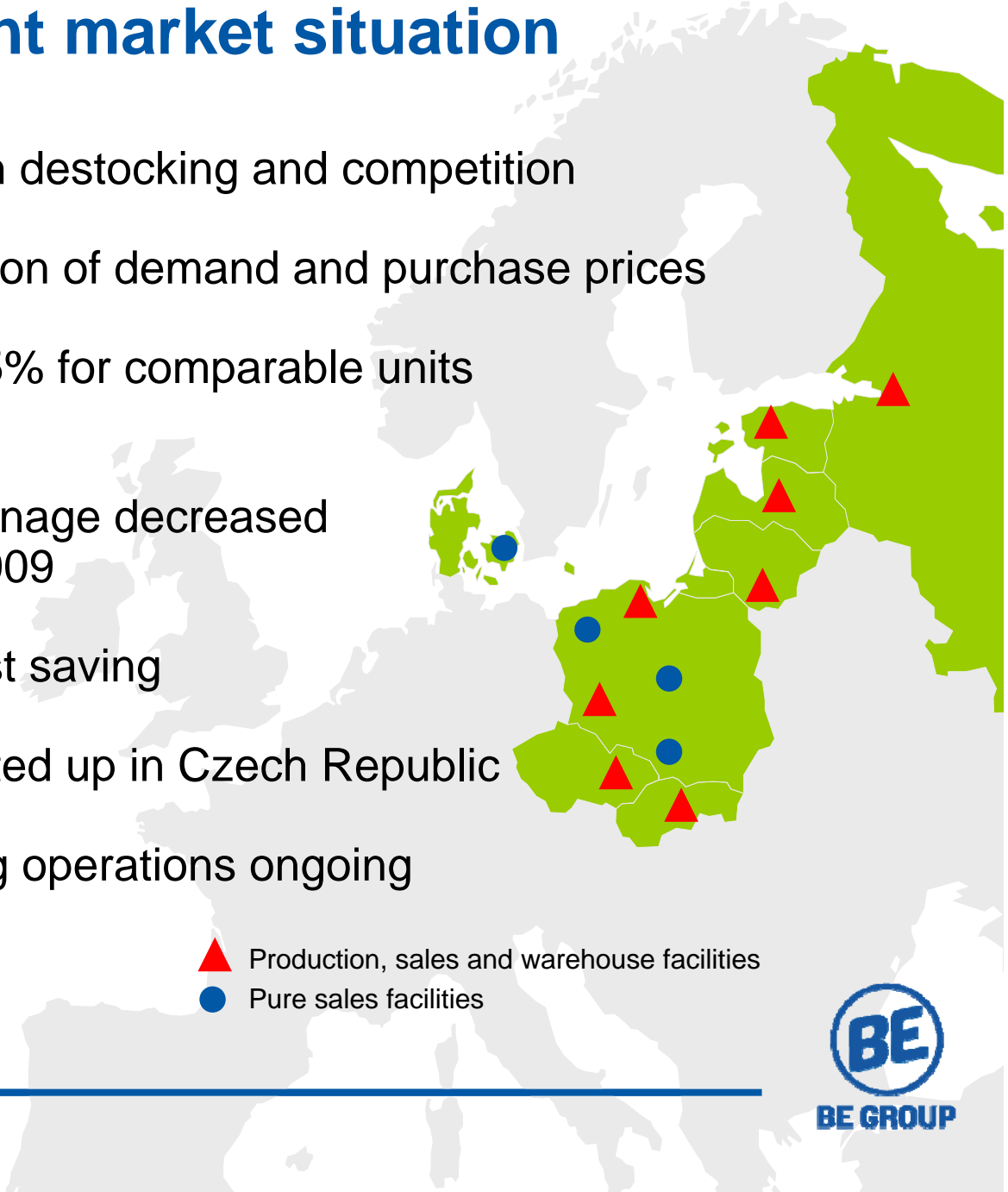


▲ Production, sales and warehouse facilities
● Pure sales facilities



BA CEE – turbulent market situation

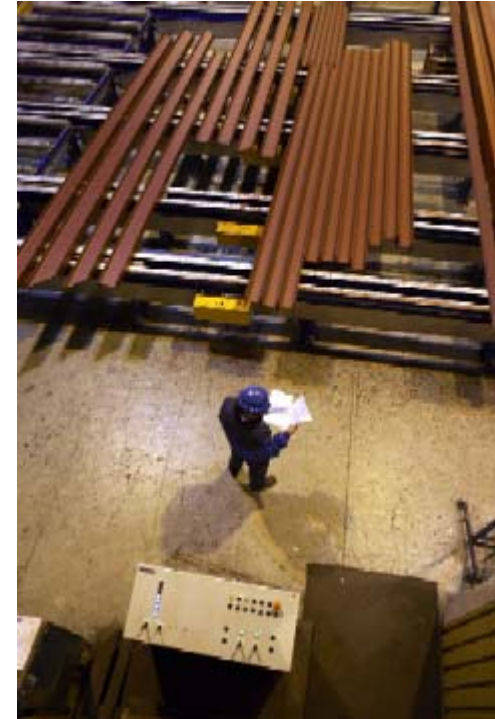
- Very tough situation with destocking and competition
- Some signs of stabilization of demand and purchase prices
- Tonnage decrease of 35% for comparable units compared to Q2 2008
- Both sales price and tonnage decreased 13% compared to Q1 2009
- Positive effects from cost saving
- BE Group Logistics started up in Czech Republic
- Closure of St Petersburg operations ongoing

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- ▲ Production, sales and warehouse facilities
 - Pure sales facilities



Market outlook

- Uncertainty still surrounds the global steel market
- Demand in Europe is expected to decrease more than 25% in 2009 according to WSA
- High stock levels - destocking delayed to H2
- Stability in purchasing prices during H2 with price increases for some product areas
- Price stability is depending on production output control



BE Group going forward in 2009

- Substantial lower demand and prices compared to 2008
- Signs of weak recovery
- Inventory losses easing off
- Low activity expected during summer months
- Service development in focus
- Cost saving program continues according to plan
- Continued focus on cashflow and reduction of working capital
- Initiatives to increase sales and efficiency





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