BE GROUP
INTERIM REPORT
JANUARY – MARCH 2010

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Signs of market improvement

Market highlights

- Increased demand towards the end of the quarter after a weak start
- General improvement within engineering sector
- Harsh winter had impact on construction activities in Sweden
- Lower prices compared to Q4 mainly due to product mix
- Price increases from mid March onwards

Operational highlights

- Some indications of re-stocking
- Focus on cost level in recovery phase
- Continued tight management of supply chain and inventory

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Financials Q1 – back on positive result in March

Financial highlights

- Weak result for quarter due to slow start
- Net sales decreased 18% with tonnage in line with last year
- Operating result (EBITA) improved to -26 MSEK (-91)
- Inventory losses at lower level as prices bottomed out
- Positive result in all business areas for the month of March

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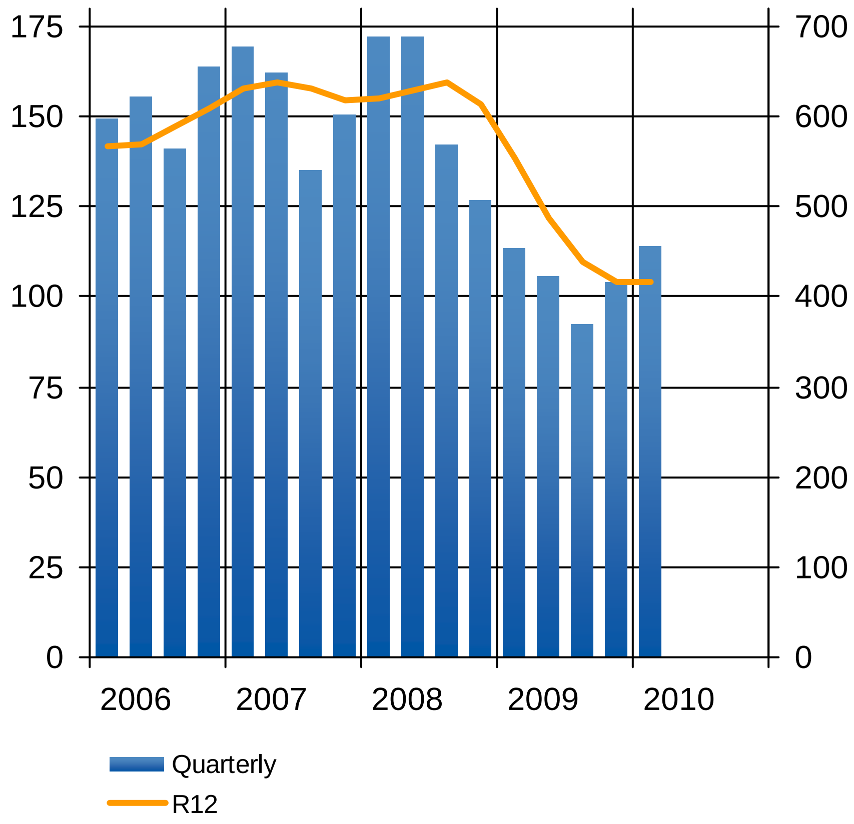
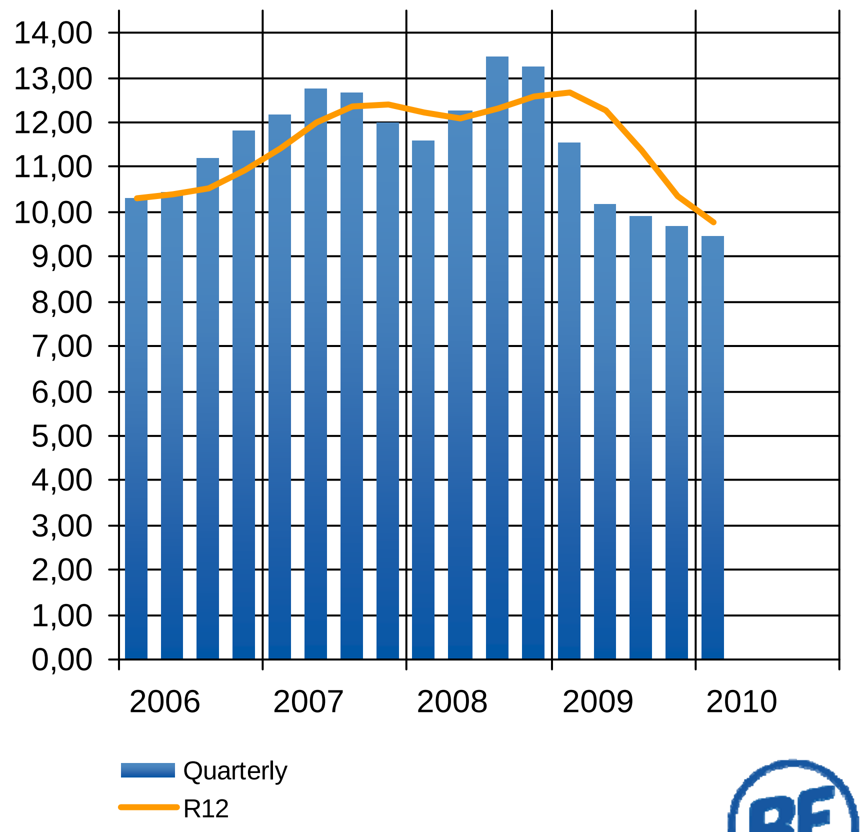
Decrease in tonnage and prices have bottomed out

Tonnage ('000 tons)
Quarterly and rolling 12 months



Average sales price (SEK/kg)
Quarterly and rolling 12 months



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Q1 – Improvements due to lower inventory losses

SEK M	Q1 2010	Q1 2009	Change SEK M	Q4 2009
Net sales	**1,074**	1,309	-235	1,011
Underlying EBITA	**-8**	6	-14	9
% of Sales	***Neg***	*0.4%*	-	*0.8%*
Inventory gain/loss	**-18**	-97	79	-32
EBITA	**-26**	-91	65	-31
% of Sales	***Neg***	*Neg*	-	*Neg*
Earnings before tax	**-32**	-120	88	-51
Net earnings	**-25**	-94	69	-35
EPS (SEK)	**-0.50**	-1.88	1.38	-0.71
Cash-flow before change in net debt	**-60**	18	-78	52
Net debt	**814**	982	-168	777
Net debt / Equity	**107%**	97%	-	97%

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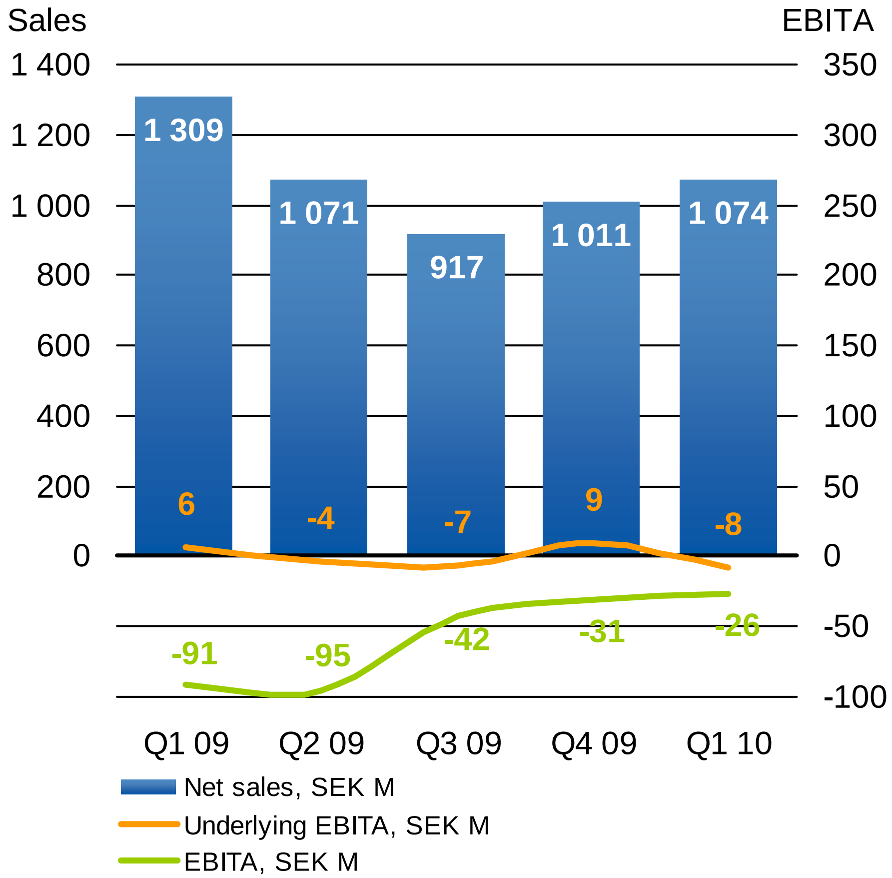
Underlying EBITA still around break-even

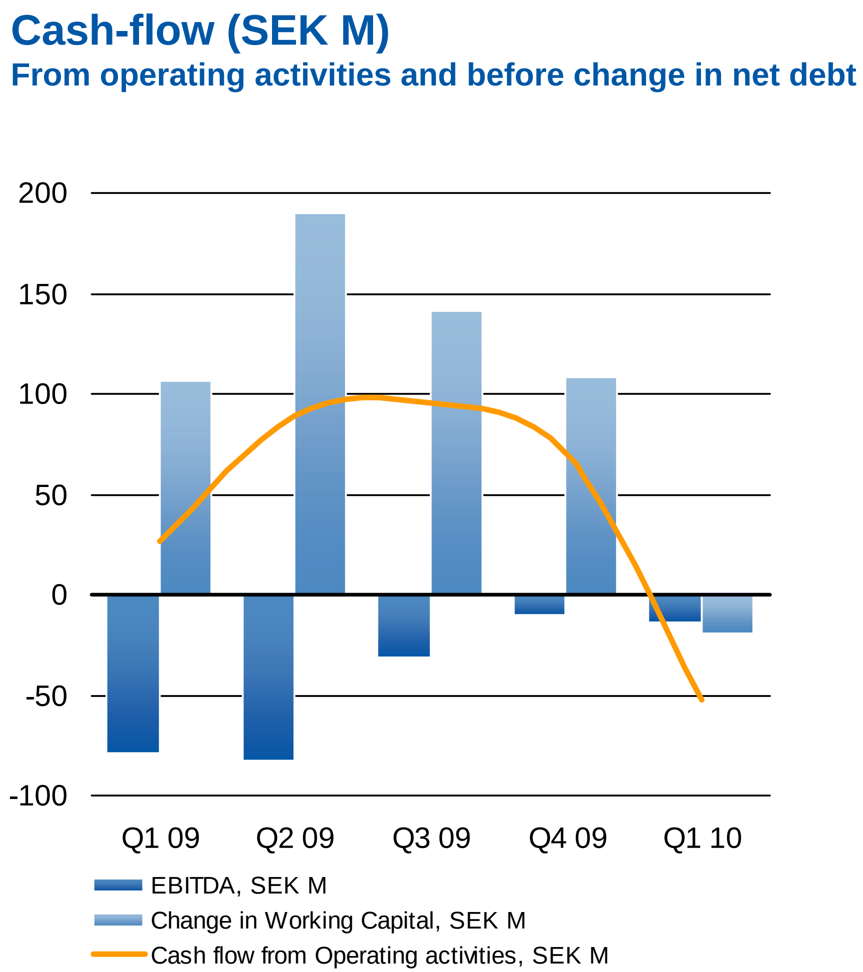
Sales, EBITA and uEBITA (SEK M)

Quarterly actuals



- Positive demand trend during the quarter – tonnage in-line with Q1 09
- Average sales price of 9.44 SEK/kg down 18% vs Q1 and 3% vs Q4 09
- Positive impact from cost saving program
- Consequences from hard winter

Cash-flow with normal seasonality

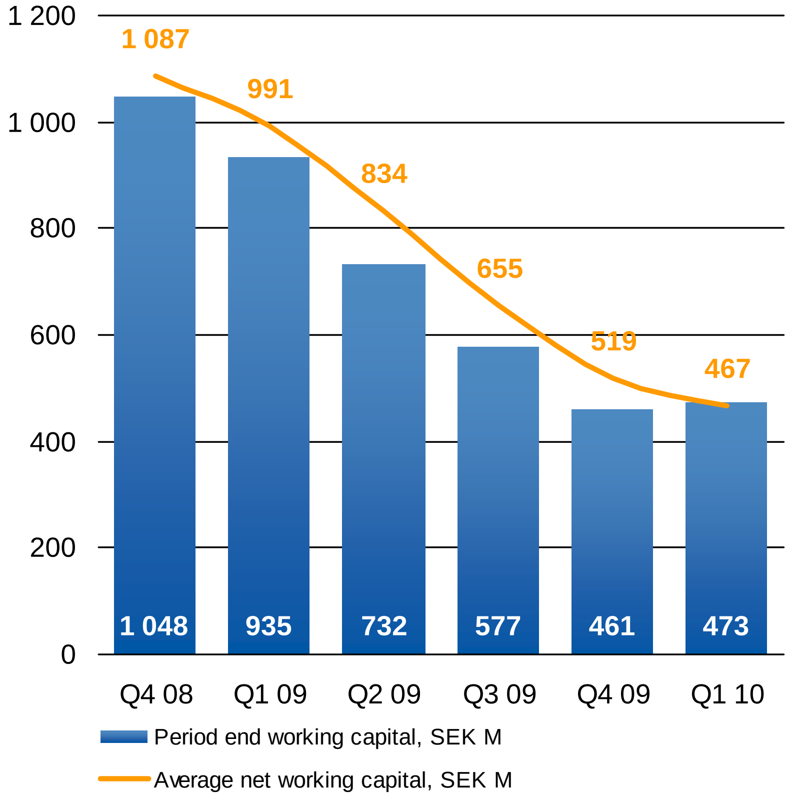


- Normal seasonality pattern in working capital increase
- Last years positive cash-flow driven by working capital reduction
- Investments on low level with common IT platform being prioritized

Working capital control key in upcoming recovery

Working capital (SEK M)

Average and period end balance



Note: W/C amounts are consolidated at balance day exchange rates,

- Improved working capital ratio
- Reduction of inventory days
- Tight credit control
- Working capital key focus area also in recovery phase

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BUSINESS AREAS STATUS Q1 2010

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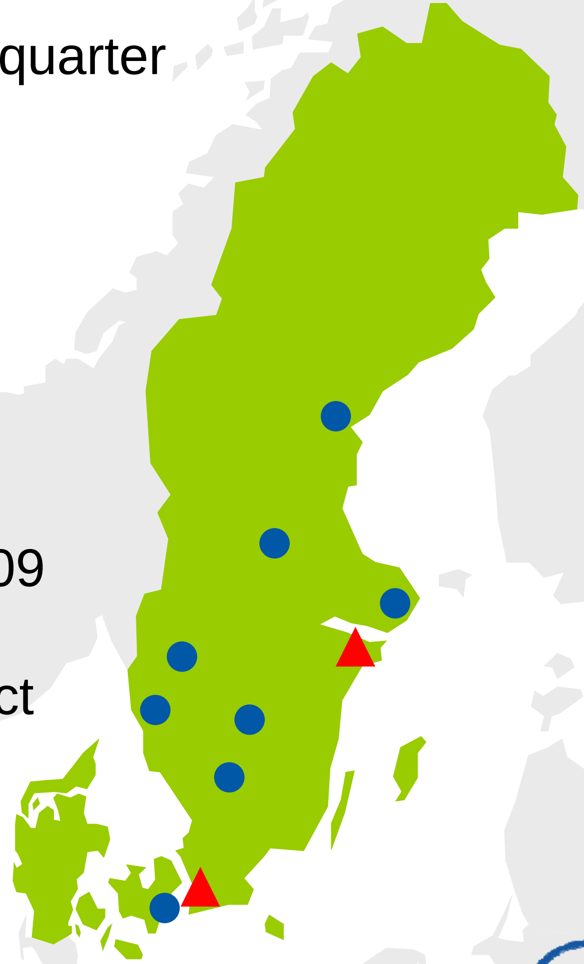
BA Sweden – some improvements but weak result

- Gradual improvement in demand during the quarter
- Harsh winter affected demand from construction industry
- Net sales down 15% vs Q1 2009 due to lower prices
- Tonnage increased by 2% compared Q4 2009
- Unfavorable channel mix had negative impact on margins and profit
- Denmark included in business area Sweden



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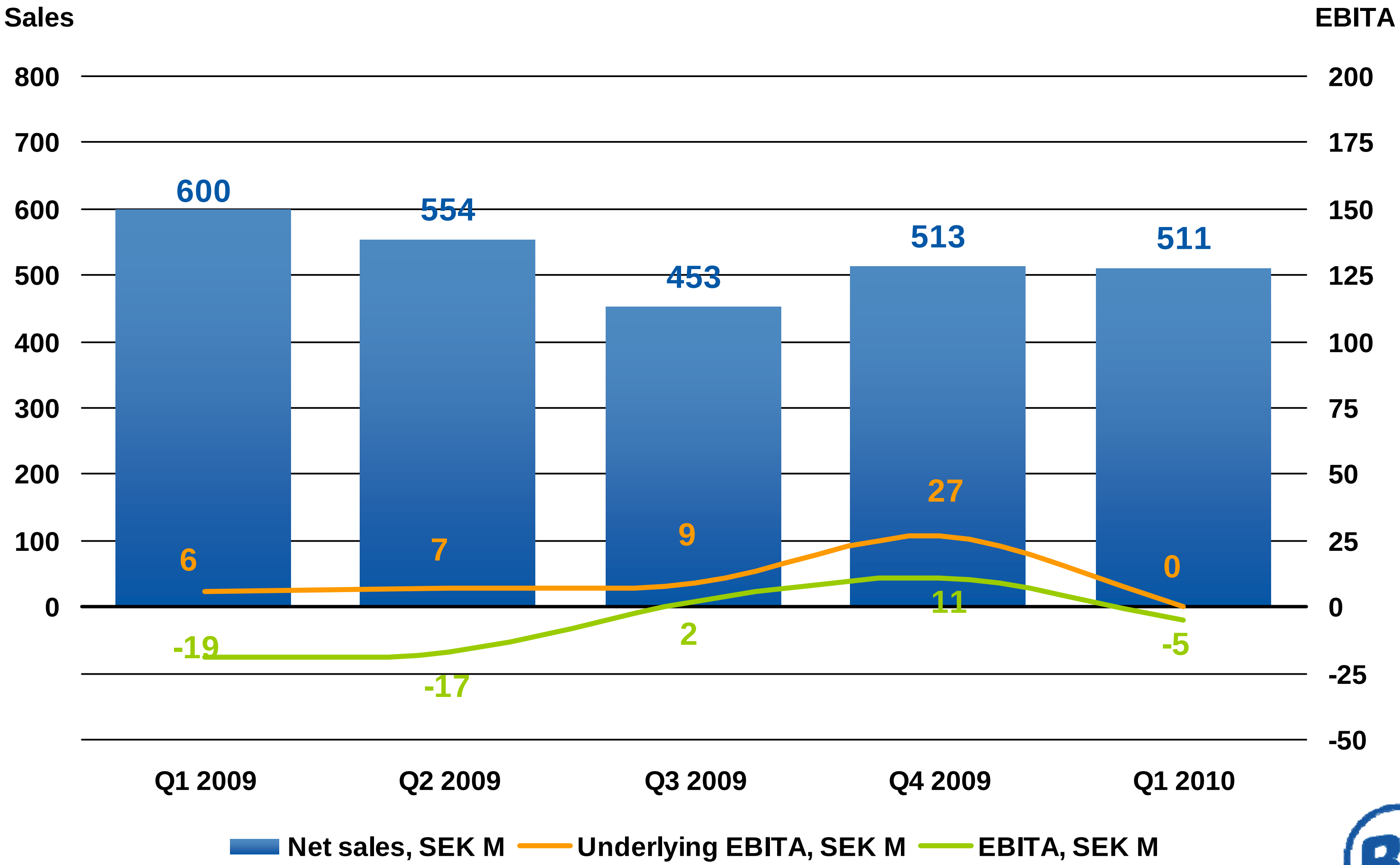
BA Sweden – unfavorable sales mix had negative impact on profit



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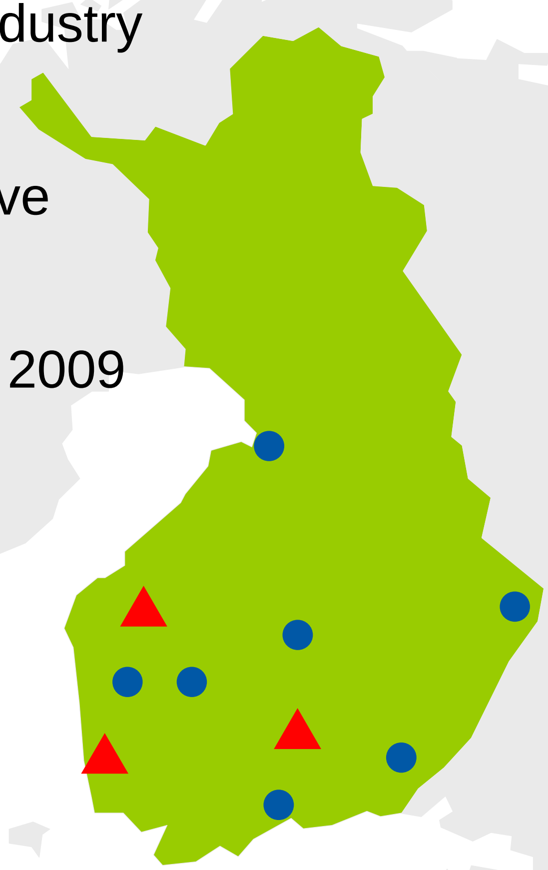
BA Finland – Significant recovery during March

- Higher activity within Finnish engineering industry
- Net sales decrease of 24% vs Q1 2009 mainly due to lower sales prices and negative currency effects
- Increased tonnage of 26% compared to Q4 2009
- Temporary lay-offs continues to generate cost savings
- Inventory losses eases off



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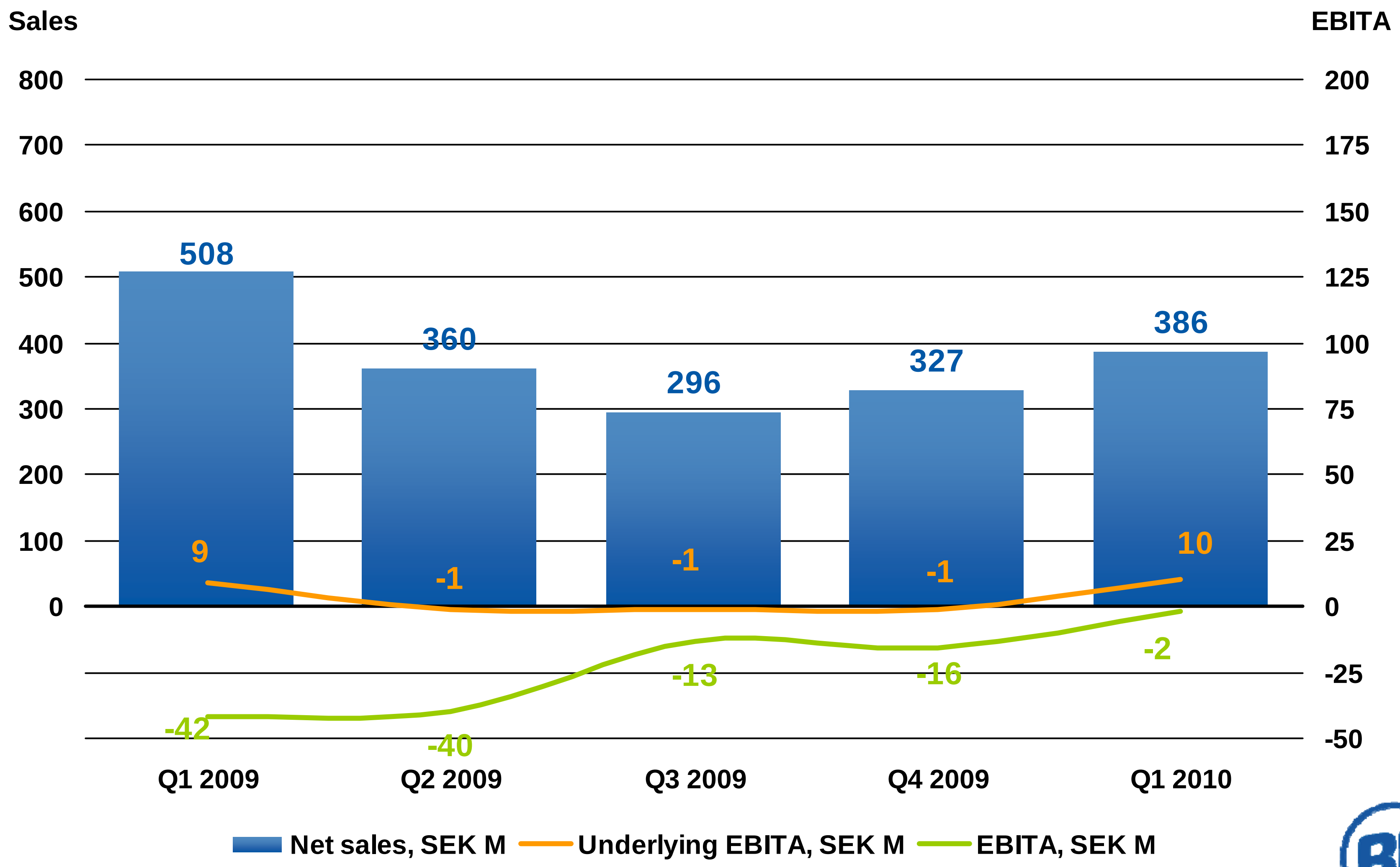
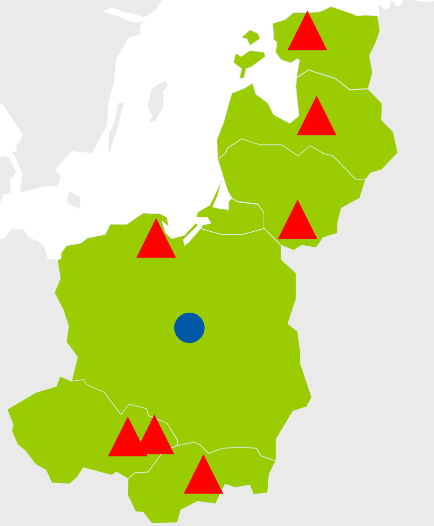
BA Finland – best quarter since Q4 2008



BA CEE – market recovery continued during the quarter

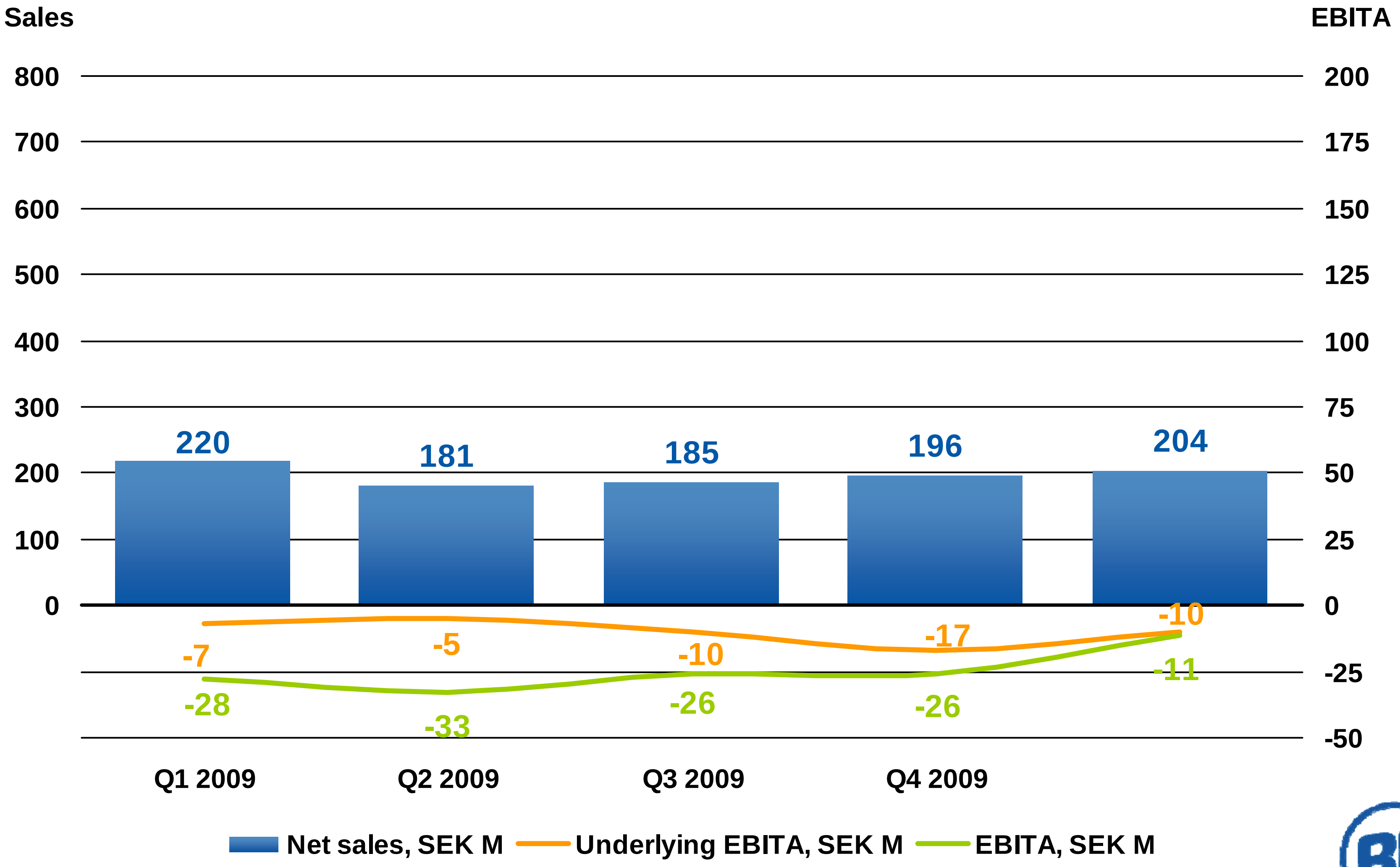
- Net sales decrease of 7% vs Q1 2009 with tonnage up by 13%
- Tonnage increase of 5% vs Q4 2009 and prices unchanged
- Positive effects from cost saving
- The earnings trend remains unsatisfactory
- Credit risks and available cash at customers limiting growth
- Ostrava logistic centre in key role in successful reduction of inventory levels



Production, sales and warehouse facilities

Pure sales facilities

CEE - some improvements in EBITA but still on unsatisfactory level



Market outlook

- World Steel Association expects a recovery in apparent growth of 11% 2010 compared to a decline of 7% 2009
- Expected recovery 2010 in EU 27 is 14% - a significant improvement from -35% 2009
- Steel producers have reacted on increases of raw material prices
- Significant prices increases during Q2
- Improvements in demand expected 2010 due to improved business climate and restocking

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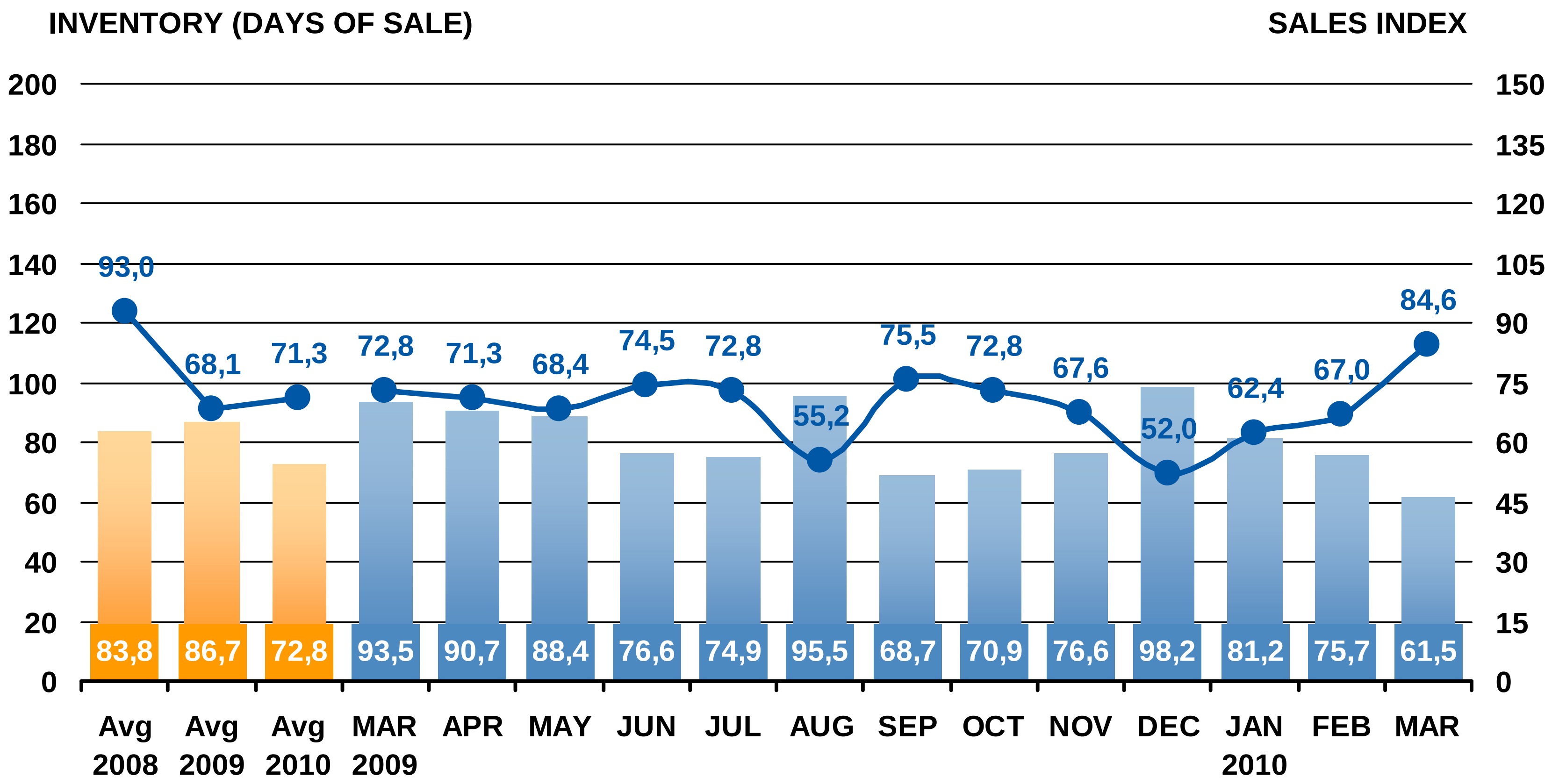
Sales volumes in March increased significantly among European distributors



Source: DISMET MARKET MONITORING, MARCH 2009-MARCH 2010

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BE Group going forward

- Improvement in demand from mid March onwards
- Increase in tonnage has continued during April
- Positive impact for BE Group from improved business climate and restocking
- Continued tight cost control during recovery phase
- Focus on cash flow and capital efficiency
- Closely work with customers to increase sales and value creation
- Speedy adaptation to changes in the market is vital due to lack of long term visibility

Summary of a challenging quarter

- All business areas showed positive operating result in March
- Substantial improvements in Finland
- Underlying EBITA more or less on break even
- Improvement of working capital employed
- Signals of recovery with increased demand and higher prices during the second quarter

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Key strengths with BE Group

- Well positioned for the recovery phase
- Strong market position on main markets, Sweden and Finland
- Growth possibilities in CEE
- Substantial cost reductions have improved efficiency

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APPENDIX
FINANCIAL INFORMATION

Appendix: Financial summary

	2009				2010				Full year	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2009	R12
Tonnage	113	106	93	104	114				416	417
Net Sales	1,309	1,071	917	1,011	1,074				4,308	4,073
EBITA	-91	-95	-42	-31	-26				-259	-194
% of Sales	*-6.9%*	*-8.9%*	*-4.6%*	*-3.1%*	*-2.4%*				*-6.0%*	*-4.8%*
Underlying EBITA	6	-4	-7	9	-8				4	-10
% of Sales	*0.4%*	*-0.4%*	*-0.8%*	*0.8%*	*-0.8%*				*0.1%*	*-0.3%*
Net earnings	-94	-74	-46	-35	-25				-249	-180
Earnings/share[1]	-1.88	-1.49	-0.92	-0.71	-0.50				-5.00	-3.62
Cash flow[2]	18	92	78	52	-60				240	162
Working Capital[3]	935	732	577	461	473				461	473
Operating Capital[4]	1,351	1,203	1,036	906	857				1,125	1,015
Underlying ROOC(%)	1.7	-1.3	-2.7	3.8	-3.8				0.3	-1.0

[1] Earnings per share after dilution
[2] Cash flow before change in Net Debt
[3] Period end working capital
[4] Period average Operating Capital excl intangible assets

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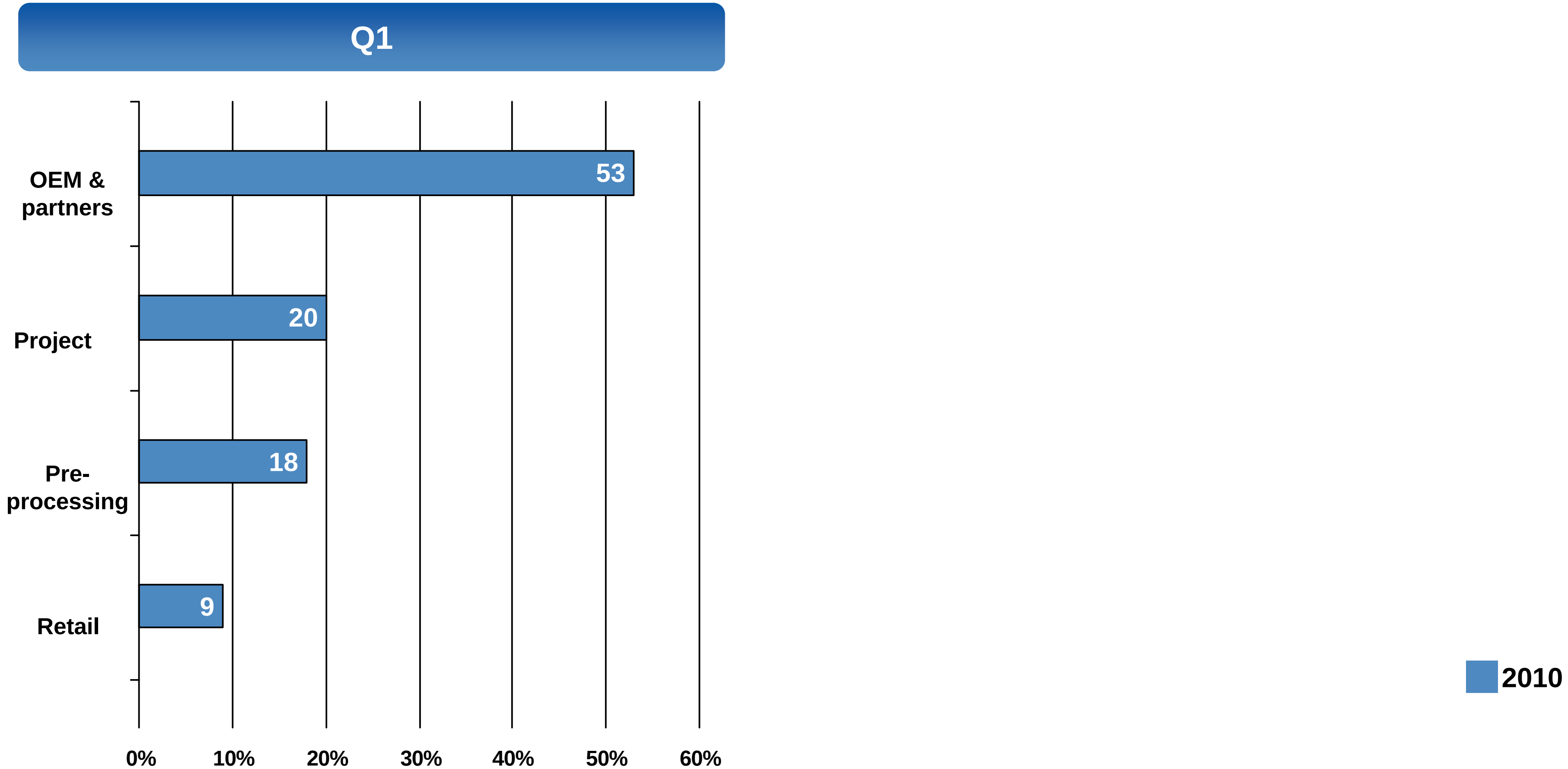
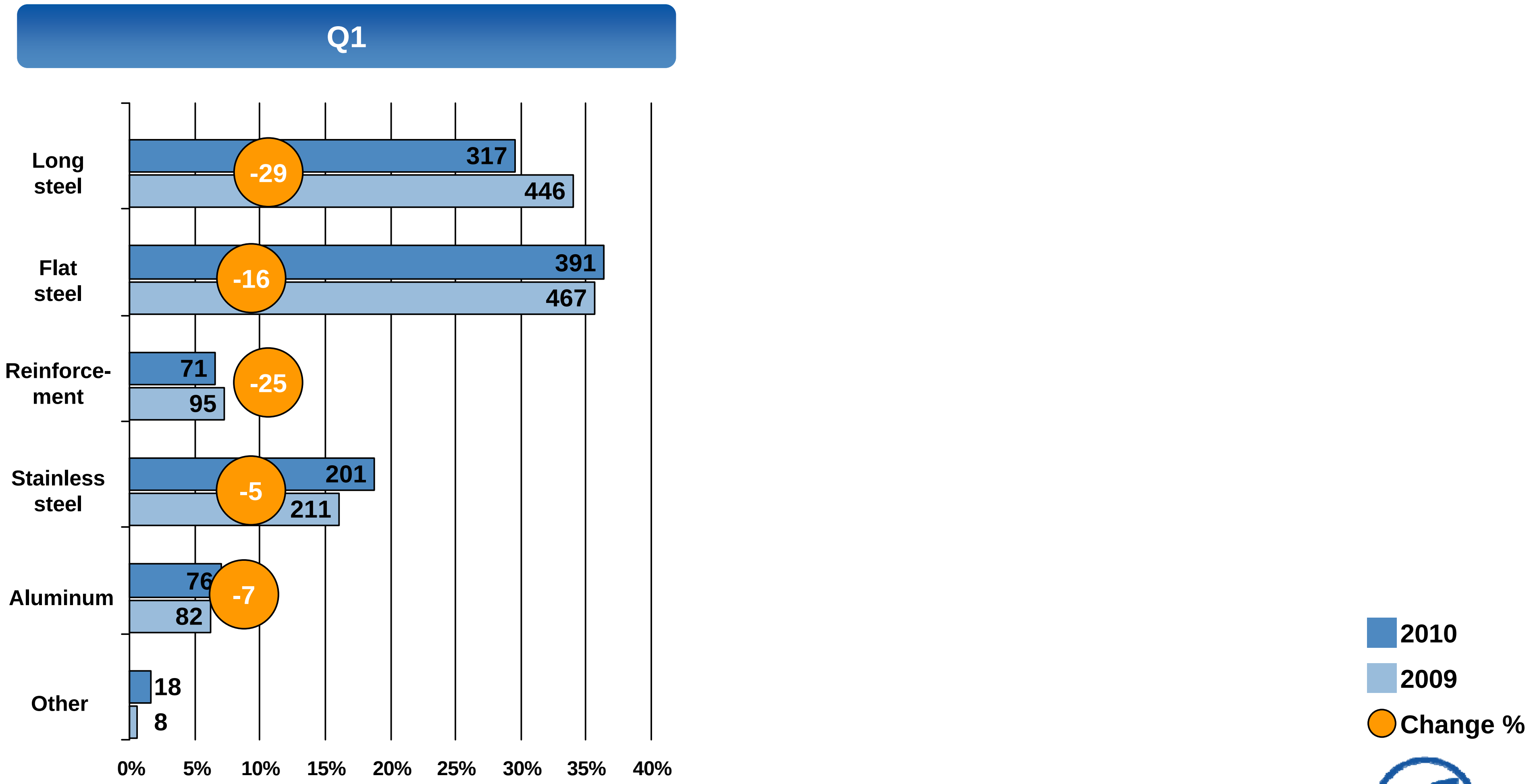
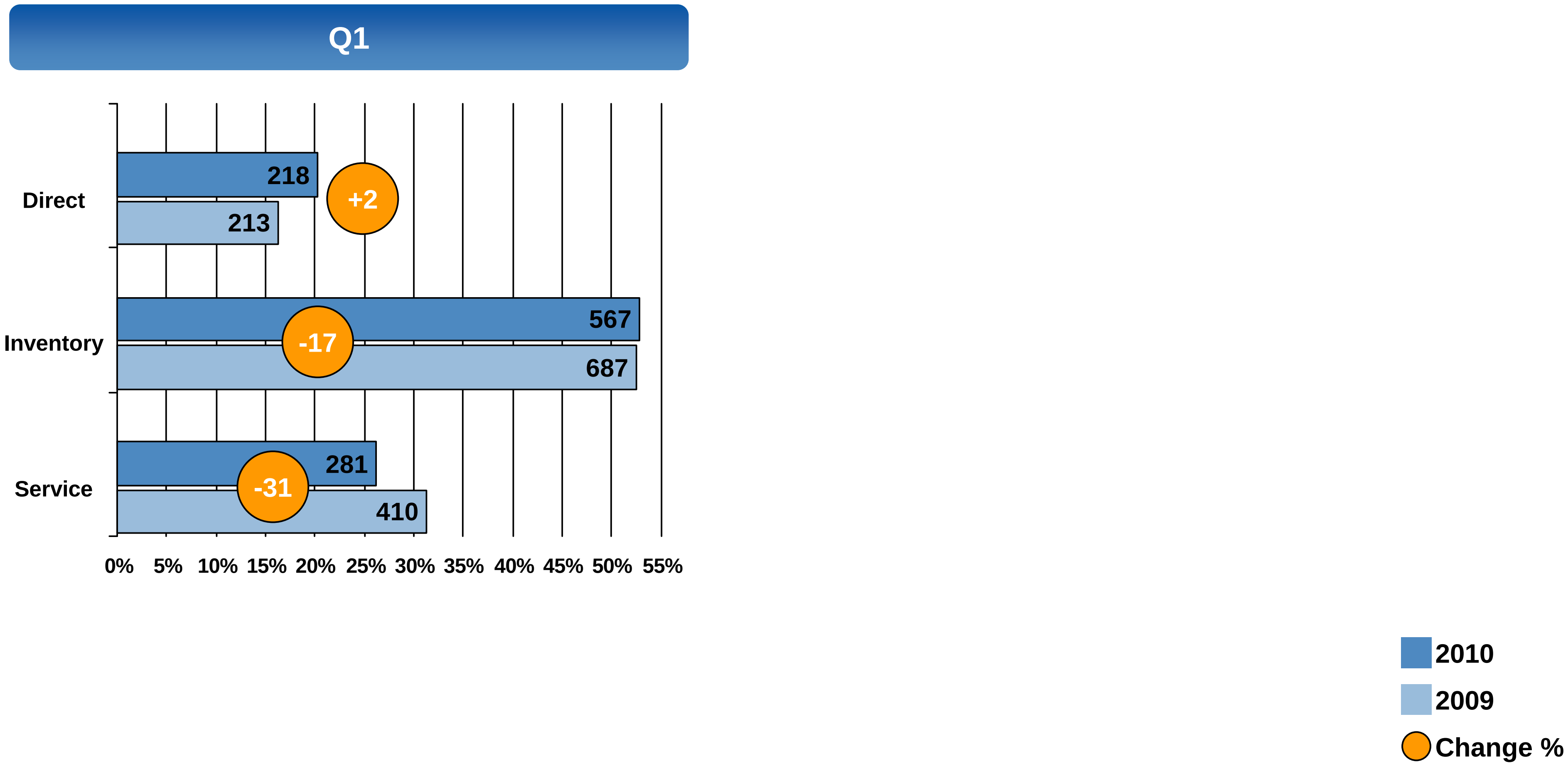
Appendix: Sales per customer segment



Appendix: Sales per product area



Appendix: Sales per channel

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