

# BE GROUP QUARTER 2 REPORT 2007

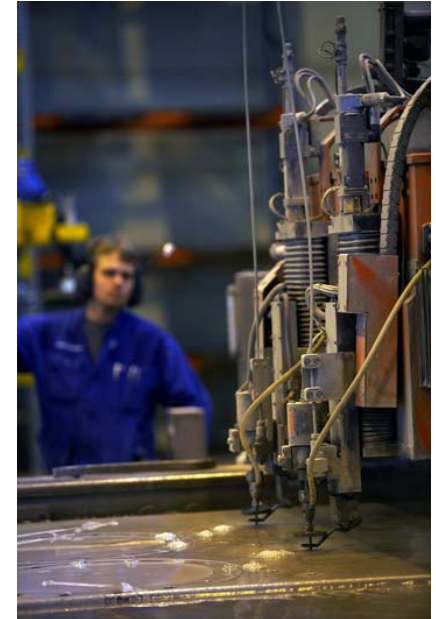
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*Håkan Jeppsson, CEO  
Torbjörn Clementz, CFO*



# Highlights Q2 2007

- Higher profits
  - EBIT + 31 %
  - Underlying EBITA + 48 %
- Continued strong demand with higher prices
- Nickel and stainless base prices fell
- Common branding in all markets
- Service volumes highest ever, 34 % of total
- Representation office in China



# Financial Summary Q2 2007

(MSEK)	2007	2006	
Net Sales	2,073	1,621	+28%
Operating profit (EBIT)	170	130	+31%
Profit after tax	118	88	+34%
Earnings/share	2.36	1.69	+40%
Paid dividend	3.50		

# Highlights Q1-Q2 2007

- Best first six months ever
- Stronger growth in Sweden and Finland than expected
- Continued strong growth in Eastern Europe
- Very high alloy surcharges for stainless
- Improved underlying margins on all levels
- Stronger competition for acquisitions



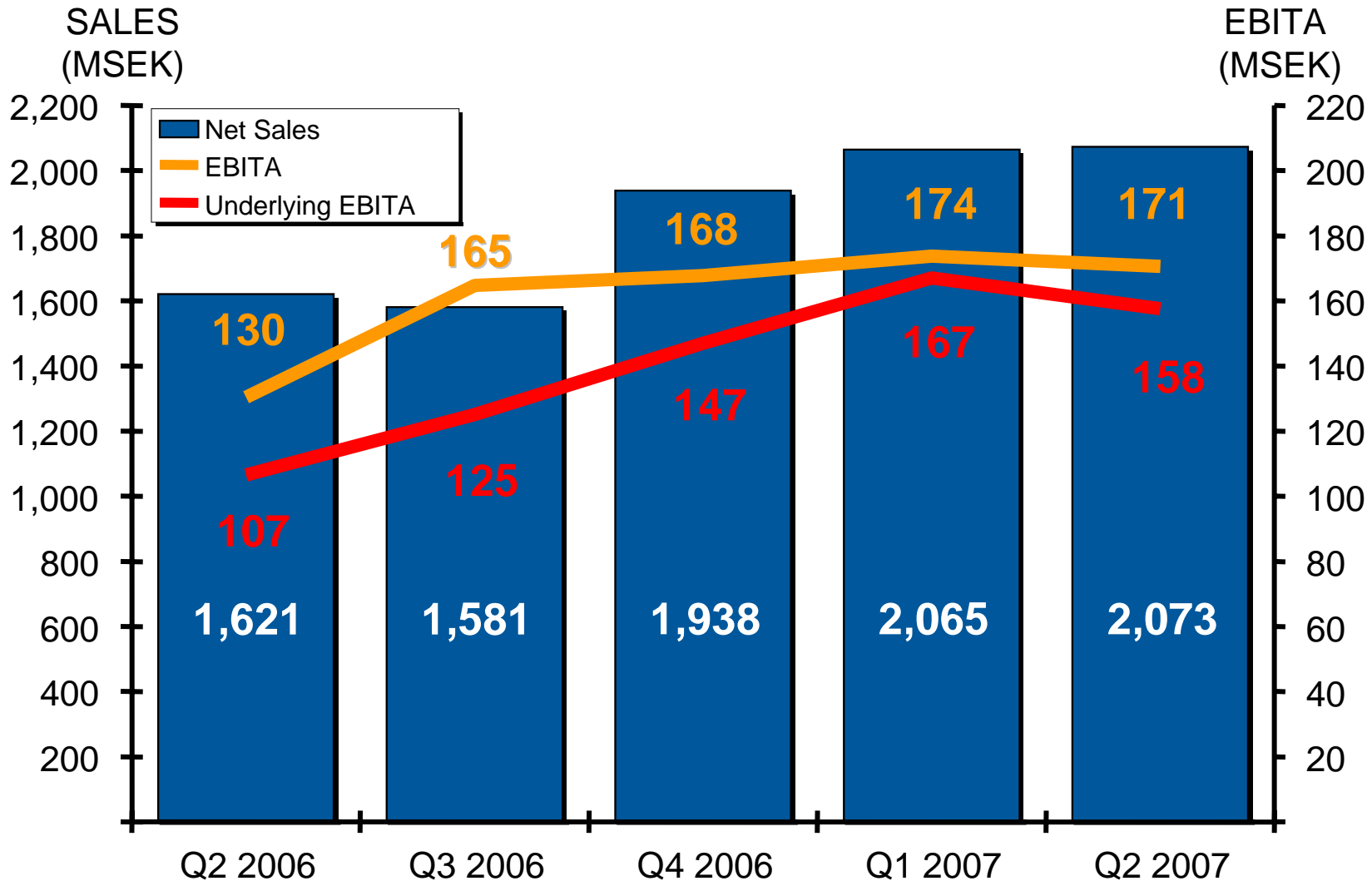
# Financial Summary Q1-Q2 2007

(MSEK)	2007	2006	
Net Sales	4,138	3,163	+31%
Operating profit (EBIT)	343	219	+57%
Profit after tax	244	152	+61%
Earnings/share	4.88	2.89	+69%
Paid dividend	3.50		

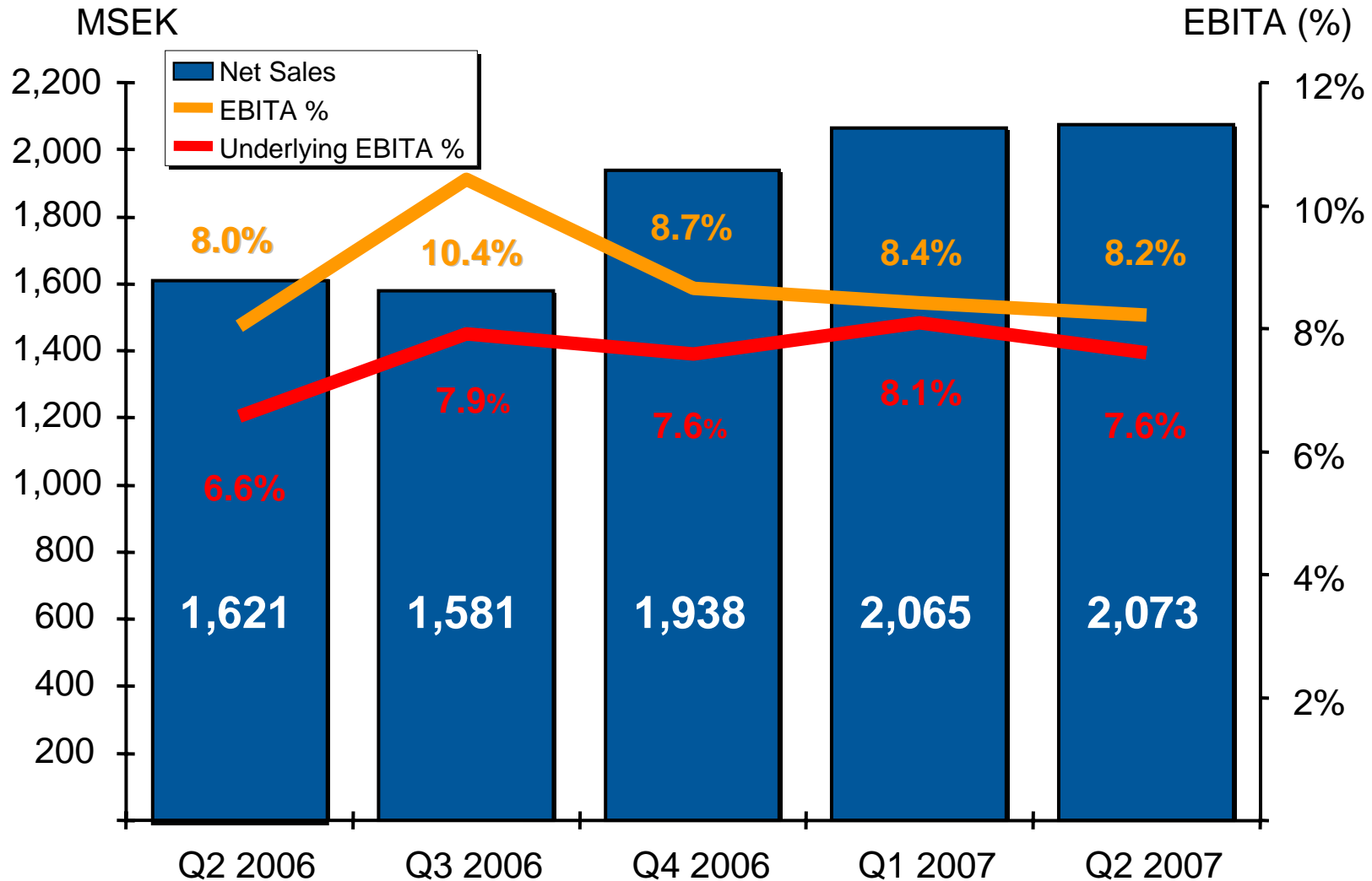
# Financial Targets

	TARGET	ACTUAL 12m
<b>Underlying growth</b>	<b>&gt;5%</b>	<b>11.9%</b>
<b>Underlying EBITA-margin</b>	<b>&gt;6%</b>	<b>7.8%</b>
<b>Underlying ROOC</b>	<b>&gt;40%</b>	<b>77.5%</b>
<b>Net debt/equity</b>	<b>&lt;150%</b>	<b>96.4%</b>
<b>Net DEBT/underlying EBITDA</b>	<b>&lt;3 times</b>	<b>1.1 times</b>

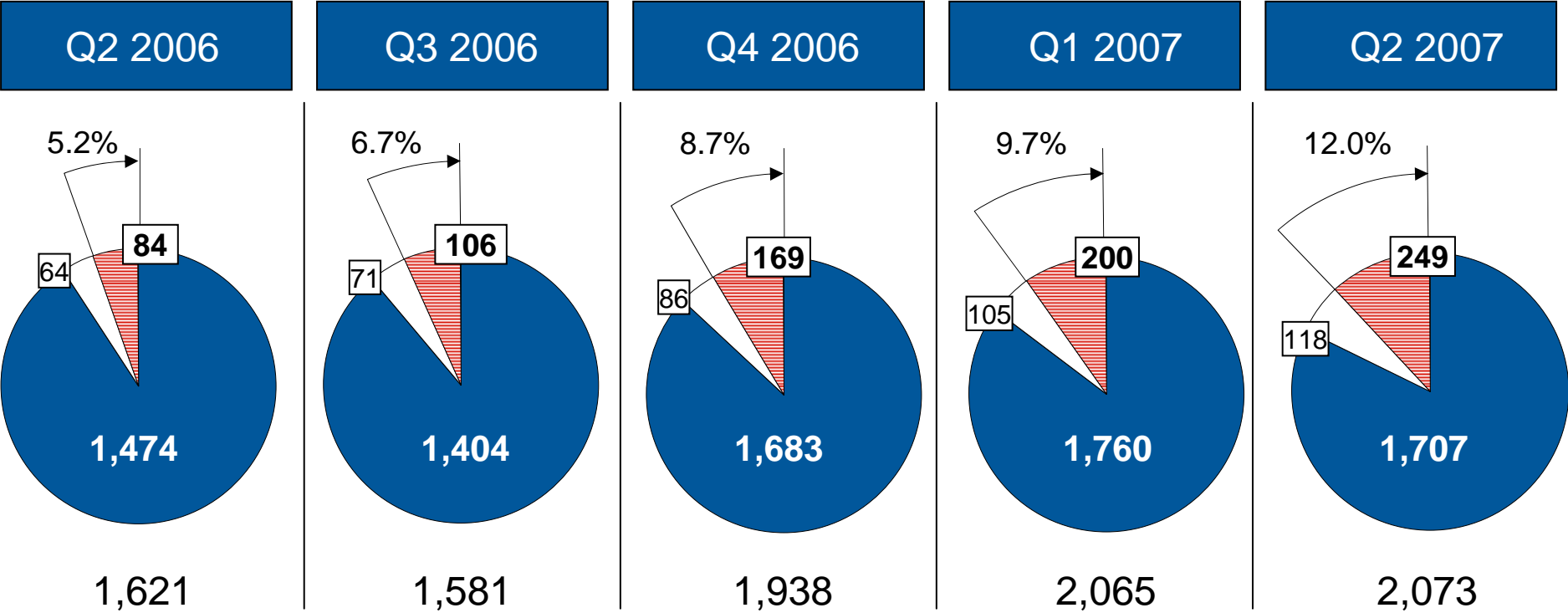
# BE Group - Quarterly development



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# Increase in Alloy Surcharge

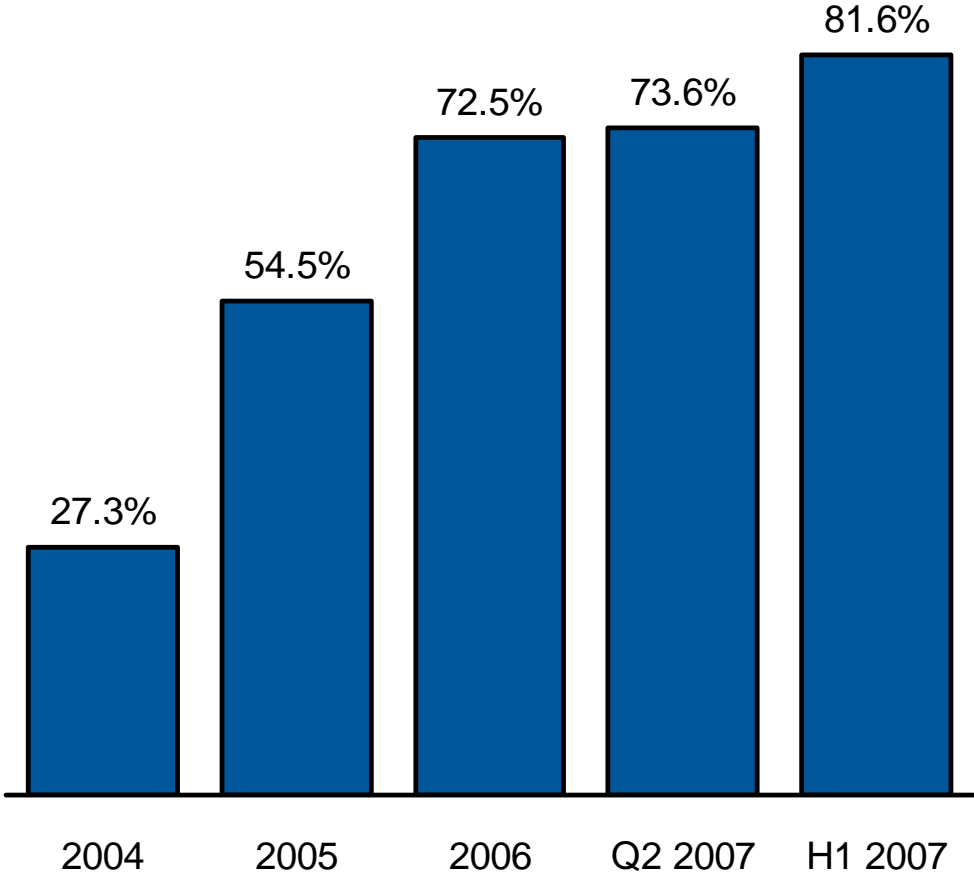


- Alloy Surcharge without Contribution
- Alloy Surcharge with Contribution
- Net Sales excluding Surcharge



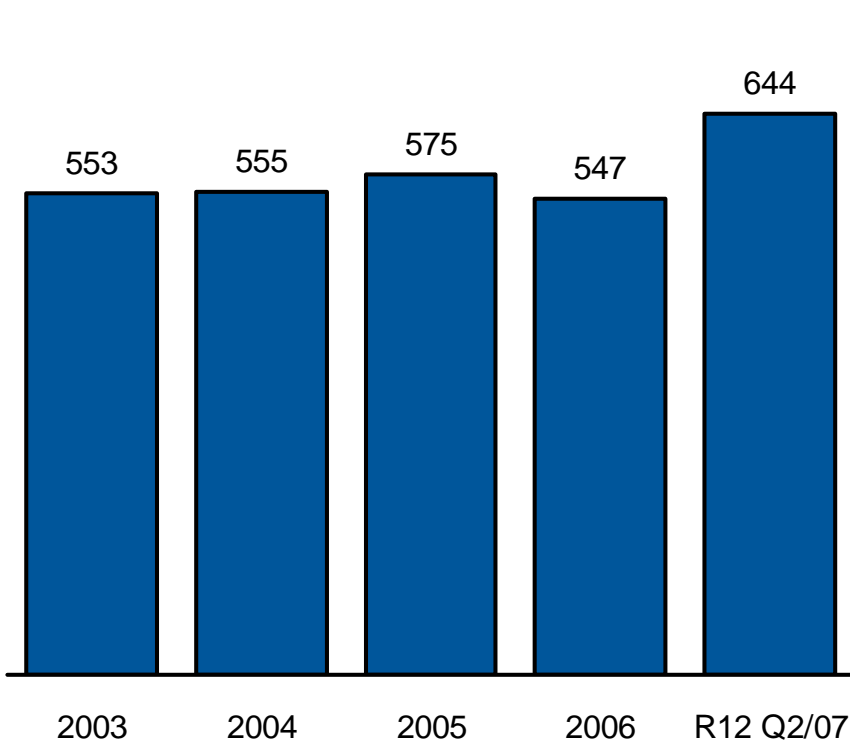
# High, Improving Underlying Return on Capital

Underlying Return on Operating Capital

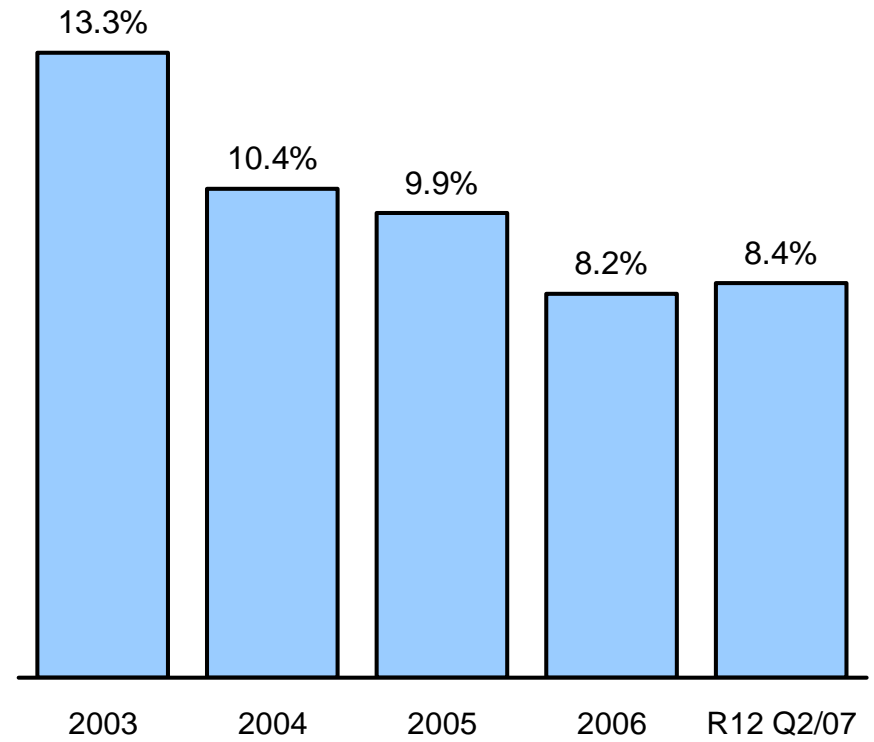


# Working Capital Reductions

Average Net Working Capital (MSEK)

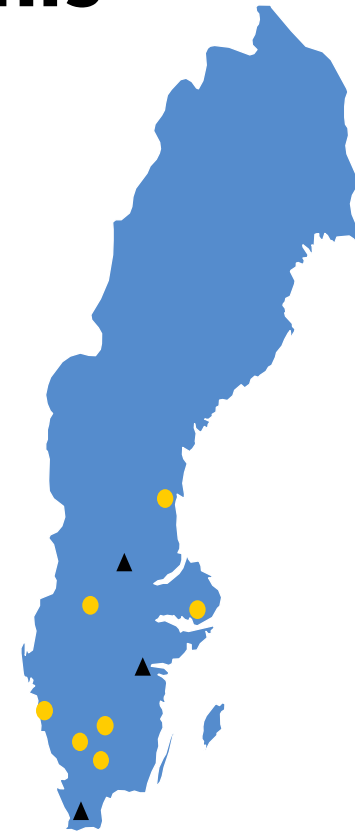


Average Net Working Capital / Sales



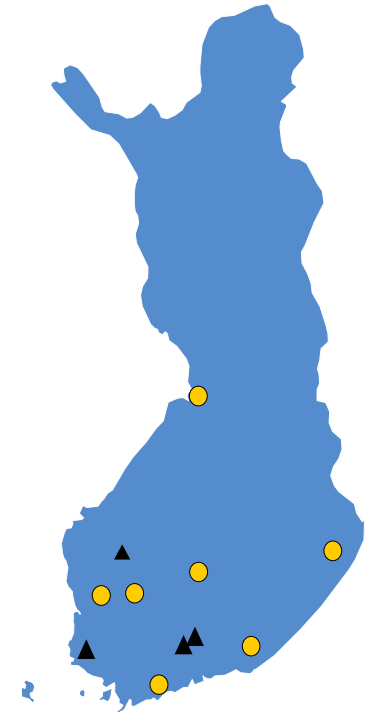
# Business area Sweden - Highlights

- Strong sales growth in a strong market
- Increasing profits and highest returns ever
- Restructuring to be concluded during summer
- Margin pressure due to alloy surcharges
- Successful cost savings



# Business area Finland - Highlights

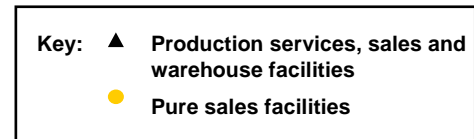
- Strong growth in a very strong market
- Strong demand for production services
- Lower profit margins
- Improved production efficiency
- Some capacity shortage



Key: ▲ Production, sales and warehouse facilities  
● Pure sales facilities

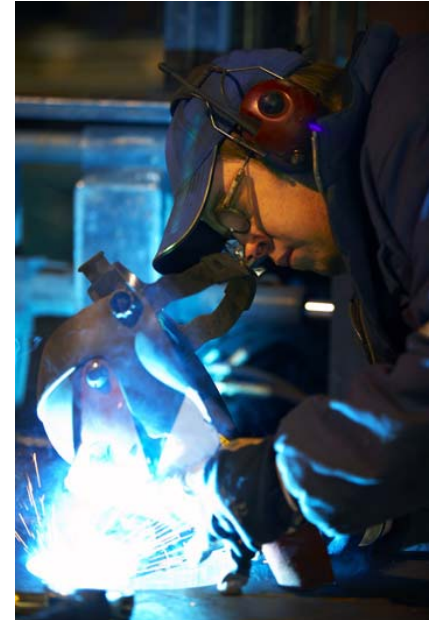
# Business area New Markets - Highlights

- Market demand and growth still strong
- Profitability starting to turn up
- Increase in service sales from low level
- Contribution margins not satisfying
- Increased competition for acquisition targets

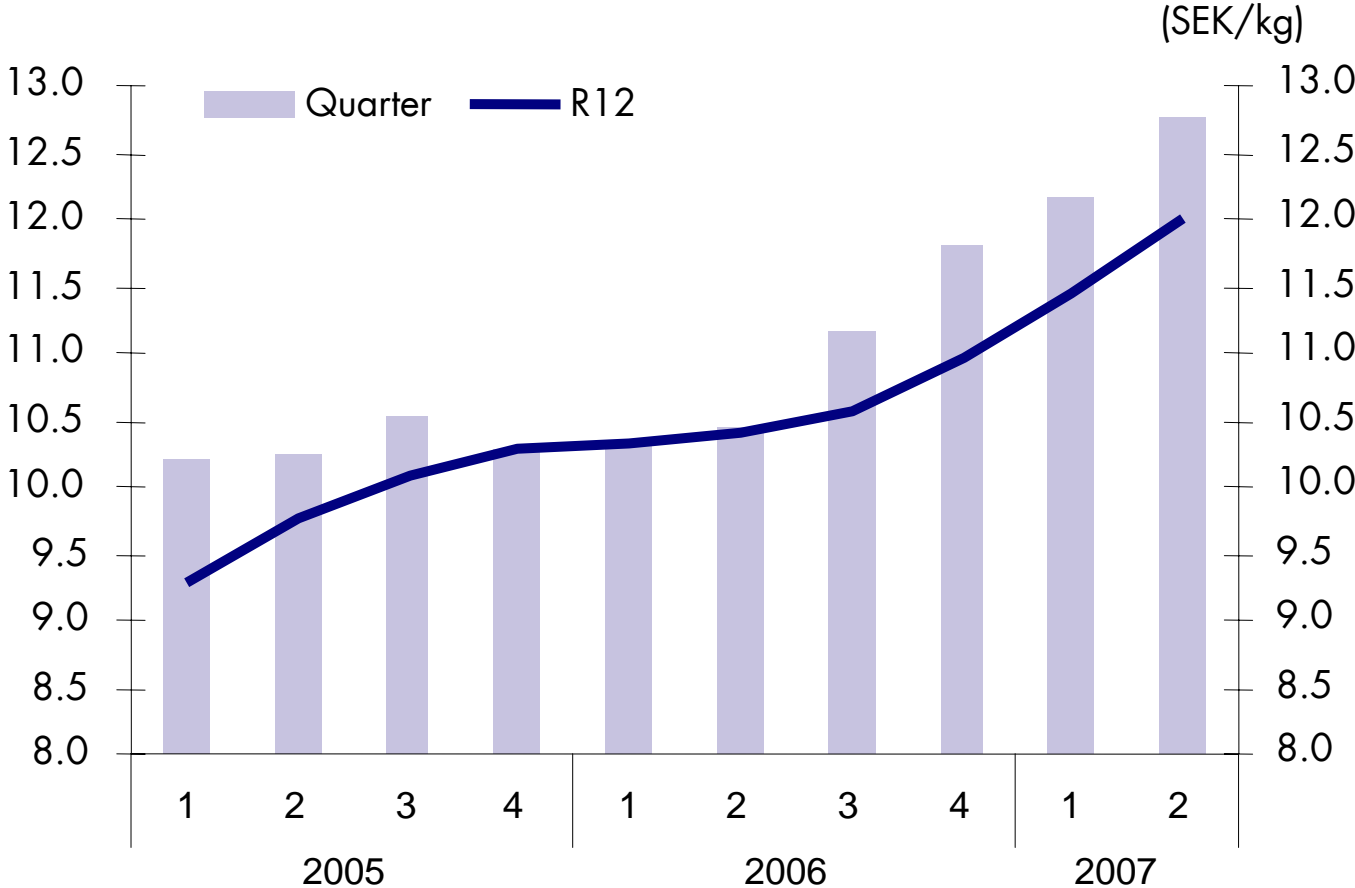


# Market outlook

- Healthy demand in the Nordic region as well as in Eastern and Central Europe
- Continued strong global steel markets with high production costs
- Lower growth rate to be expected
- Stable high carbon steel prices in Q3
- Lower stainless prices and alloy surcharges



# BE Group Average Sales Prices



# Going forward in 2007

- Systematic search for acquisitions
- Service development to be speeded up
- Coordinating BE Group further
- Continued focus on underlying performance





**BE GROUP**

**BE STRONGER WITH BE**



**BE GROUP**