



Press Release

July 16, 2009

Strong cash flow for BE Group

- The steep downturn in demand has flattened and there are indications of a weak recovery.
- Net sales declined in the second quarter by 49% to SEK 1,071M (2,116) with a sharp downturn in tonnage.
- Operating loss of SEK 96M (250) attributable to lower tonnage and sales prices, which have led to inventory losses of SEK 85M.
- Reduction in working capital of SEK 190M contributed to positive cash flow.
- The cost savings programme is proceeding as planned and estimated cost reductions of at least SEK 150M are expected in 2009.

BE Group President and CEO Lars Bergström's remarks on the report:

"The downturn in demand flattened in the second quarter, but at a low level. A weak increase in demand in Sweden late in the quarter contributed to the positive underlying EBITA reported by our Swedish operations, but overall tonnage was lower than in Q1."

"Despite continued declines in tonnage and sales prices that have dropped more than expected, we have successfully maintained earnings in an acceptable manner. For BE Group as a whole, we are reporting an improved underlying gross margin compared to the last two quarters."

Efforts to reduce working capital and adjust inventories to current demand generated positive cash flow of SEK 92M (105) before the change in net debt. The cost savings programme also continued developing well and has thus far lowered BE Group's costs by approximately SEK 80M.

"For the full year of 2009, we expect, as before, considerably weaker demand and lower sales prices than for the full year of 2008. We do not expect the recovery to show up until late in the third quarter, at the earliest, since demand is likely to be low during the industrial holiday months of July and August."

"We will continue adjusting inventory levels and believe inventory losses will subside during the second half, when we also expect inventories to correspond to demand," Lars Bergström explains.



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A logistics centre went operational at mid-year within the framework of existing operations in Ostrava, Czech Republic. This provides BE Group the opportunity to coordinate shipments from joint purchases in Central Europe to BE Group's operations in Scandinavia and the Baltic countries in a more efficient and environmentally benign way.

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A press conference in English will be held at 1:00 p.m. for the press and market analysts. The conference may be followed by phone or via webcast (see information below). The press conference will be hosted by Lars Bergström and Torbjörn Clementz.

If you wish to participate via webcast and/or ask questions at the press conference, please follow the [link](#) to register online.

Those who do not have access to the Internet may register by phone on **+46 (0)8 5052 0110** a few minutes before the conference begins.

<p>The information presented here is such that BE Group AB (publ) is required to publish pursuant to the Swedish Securities Markets Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on July 16, 2009 at 11:00 a.m. CET.</p>
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BE Group, listed on the OMX Nordic Exchange, Stockholm since November 2006, is one of the leading trading and service companies within steel and other metals in Europe. The company has about 10,000 customers, primarily within the construction and engineering industries. BE Group provides service in steel, stainless steel and aluminium sectors. The company's sales in 2008 were SEK 7.7 billion. BE Group has about 900 employees in ten countries in northern Europe, where Sweden and Finland are its largest markets. The head office is in Malmö, Sweden. For more information, you are invited to visit us online at www.begroup.com.