



## Press Release

February 5, 2008

### Earnings continue high for BE Group

BE Group's underlying earnings were significantly better in 2007 than in 2006. Higher prices and the increased service component of sales contributed to strengthening the margin. Turbulence in the stainless steel market, resulting in lower tonnage and margins, had adverse impact on earnings in the second half.

- Underlying EBITA for 2007, excluding exceptional items and adjusted for inventory gains/losses, rose to SEK 552M (474). The underlying EBITA margin increased to 7.2% (7.1). Underlying EBITA for the fourth quarter was SEK 106M (147), with an underlying EBITA margin of 5.9% (7.6).
- Profit after tax for the full year was SEK 353M (395), corresponding to earnings per share after dilution of SEK 7.06 (7.60). Net profit for the fourth quarter was SEK 54M (125) with earnings per share of SEK 1.08 (2.50).
- Net sales rose by 14.5% for the full year to SEK 7,650M (6,681). Net sales in the fourth quarter amounted to SEK 1,803M (1,938).
- BE Group has acquired Czechprofil in the Czech Republic.
- Agreement with ArcelorMittal to form a joint venture within thin sheets in the Swedish market.
- Proposed dividend of SEK 3.50 per share (3.50).

It is difficult at this point to forecast the Group's development for the full year of 2008, due to factors including the presumed lower industrial growth rate and generally higher inventories. However, BE Group expects demand in Sweden and Finland to remain at a relatively high level during the first half. Sustained strong demand is expected in the Central and Eastern European markets but, as in 2007, BE Group is forecasting a somewhat weaker trend in the Baltic countries.

BE Group President and Chief Executive Officer Håkan Jeppsson's remarks on the report:

"BE Group delivered its best underlying earnings ever and excellent performance in 2007, despite the turbulence during the year, especially in the stainless steel market. We can also report that BE Group's returns are outperforming the other internationally listed companies in the steel and metal trading sector."

"We are extremely pleased to have made the purchase of Czechprofil, which strengthens the Group's position, primarily in the Czech steel market. Market



consolidation in Central and Eastern Europe is expected to continue and BE Group is participating in this development. We have also entered into a key strategic alliance through the agreement to form a joint venture within thin sheets with ArcelorMittal, the world's largest steel producer. This enhances our already strong position in Sweden."

"In the next few years, we intend to sharpen focus on service to strengthen our competitiveness, profitability and growth. This will involve stepping up investments in advanced production and new skills to create higher value for BE Group and our customers. Another key mandate – when the opportunity presents itself – will be to carry out additional strategic acquisitions."

**If you have any questions, please contact:**

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A press conference by telephone will be held in English, at 09.00 (CET), on the telephone number below. Hosting the conference: Håkan Jeppsson, CEO, and Torbjörn Clementz, CFO, at BE Group.

To take part in the conference, please register online beforehand by using the following registration link:

<https://eventreg2.conferencing.com/webportal3/reg.html?Acc=404314&Conf=184076>

If you don't have access to internet, please register your participation a few minutes before the conference is due to start on +46 (0)8 5052 0114.

The information in the year-end report is such that BE Group AB (publ) is required to publish pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication on February 5, 2008 at 7.30 a.m. CET.

*BE Group, listed on the Stockholm Stock Exchange since November 24, 2006, is one of the leading trading and service companies in 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 the steel, stainless steel and aluminium sectors. The company's sales in 2007 were SEK 7.7 billion. BE Group has approximately 1 000 employees in ten countries in northern Europe, where Sweden and Finland are its largest markets. The head office is in Malmö, Sweden. Read more about BE Group at [www.begroup.com](http://www.begroup.com).*