

BE Group acquires 50 percent of ArcelorMittal SSC AB and forms a joint venture within the Swedish steel service centre market for thin sheets

Today it has been agreed that BE Group acquires 50 percent of ArcelorMittal SSC AB in Karlstad. The company, which is wholly-owned by the world's largest steel company, Arcelor Mittal, reported sales of about SEK 400M during 2006.

Through this strategically important step BE Group and ArcelorMittal establish a joint venture for the service processing and sale of thin sheets on the Swedish market. Accordingly opportunities are made to create long-term growth and profitability on an important market. Today BE Group is cutting and slitting thin sheets in its premises in Borlänge and by merging this business with ArcelorMittal's the third largest player on the Swedish market is reached with a 20 percent market share and with sales amounting to more than SEK 800M.

The ambitions with the joint venture company are:

- Growth in the Swedish market for thin sheets
- Improved service to customers and by that increased value creation
- Increased effectiveness in a larger structure
- Strengthened and stabilized long-term profitability

BE Group President and CEO Håkan Jeppsson comments the transaction as follows:

- The market for cutting (to length) and slitting of thin sheets in Sweden is large and important for BE Group on a long-term basis. By merging our business in Borlänge with ArcelorMittal's in Karlstad an important step is taken on a market that needs to be consolidated.

- We are very pleased and proud to be part of this kind of transaction with the world's largest steel producer. With ArcelorMittal we get a very strong partner, which will guarantee quality products, technical skills and secured supply of raw material.

The purchase-sum will be paid by BE Group by transferring the thin sheet business in Borlänge through a non-cash issue and by a cash payment of SEK 15M. The ownership in the new company will be accounted as an associated company in BE Group's books. By spin-off of the existing business, capital gains are generated for BE Group amounting to approximately SEK 50M. The final amount is based on the balance sheet at the time of the taking over.

The transaction is subject to compliance with the Competition Authorities. The parties anticipate that the joint venture company shall commence its business during the first quarter of 2008.

Further information is given by:

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The information in this press release 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 25 January 2008 at 1.05 p.m..

BE Group, listed on the Stockholm Stock Exchange since 24 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 the steel, stainless steel and aluminium sectors. The company's sales in 2006 were SEK 6.7 billion. BE Group has approximately 950 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