

## BE Group's cash flow remains strong

- Continued weak demand in the Group's markets with a slight increase in demand in Central and Eastern Europe.
- Net sales in the third quarter declined 52% to SEK 917M (1,919), with a 35% reduction in tonnage.
- The operating result deteriorated to a loss of SEK 44M (163) due to reduced tonnage and lower sales prices, resulting in inventory losses of SEK 35M.
- Despite the fall in sales, underlying EBITA declined to a loss of SEK 7M (119)
- Working capital was further reduced by SEK 155M, which contributed to a continued strong cash flow.
- Cost savings proceeded as planned and estimated cost reductions of at least SEK170M are expected in 2009.

BE Group's President and CEO Lars Bergström made the following comments regarding the report:

"As expected, the third quarter was characterised by weak demand in most of BE Group's markets. A slight recovery was noted mainly in Central and Eastern Europe. Accordingly, volumes remained low and a stable recovery is not expected to occur until 2010 at the earliest. It is currently difficult to assess the long-term rate of development. For full-year 2009, we expect, as before, considerably weaker demand and lower sales prices than for full-year 2008.

"Global demand for steel is once again rising, with anticipated price increases as a result. Major infrastructure projects are being launched as part of government budget plans in several of BE Group's markets. However, an atmosphere of uncertainty currently surrounds the launch date and scope of these initiatives.

"Efforts to reduce working capital continued in a successful manner and resulted in strong cash flow in the third quarter. Cash flow was SEK 78M (neg: 277) before change in net debt. The cost-savings programme also proceeded favourably and was successfully expanded. To date in 2009, the Group's cost base has been reduced by about SEK 120M. Total savings during the year are expected to be at least SEK170M, of which SEK 40M in the third quarter. As part of efficiency initiatives, operations in Lahti, Finland, will be combined to one facility.

"Since we forecast a continued underlying trend of rising demand for our services to companies, we are continuing to develop this area of our offering," explains Lars Bergström.



During the third quarter, Stefan Eklund was appointed new head of the Sweden business area. He most recently held the position of President of Skanska Installation and will assume his new role at year-end 2009.

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A press conference hosted by Lars Bergström and Torbjörn Clementz will be held in English at 9:00 a.m. for the press and market analysts. The conference may be followed via webcast or by phone (see information below).

If you wish to participate via webcast and/or ask questions at the press conference, please copy and paste the following link into your web browser to register online. Make sure to include the full link.

<http://wcc.webeventservices.com/view/wl/r.htm?e=170275&s=1&k=8137EFC445800D1444C76A0F1735B426&cb=blank>

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.

The information in this press release is such that BE Group AB (publ) is required to disclose pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 22 October 2009 at 7:30 a.m.

*BE Group, listed on the Nasdaq OMX Stockholm since November 2006, is one of the leading trading and service companies for steel and other metals in Europe. The Group has about 10,000 customers, primarily in the construction and engineering industries. BE Group provides various forms of service for steel, stainless steel and aluminium applications. In 2008, the company reported sales totalling 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 located in Malmö, Sweden. Read more about BE Group at [www.begroup.com](http://www.begroup.com).*