



BE GROUP

BE Group AB (publ)

Interim report January-June 2011

Malmö, July 14, 2011

Continued growth for BE Group in the second quarter

SECOND QUARTER 2011

- Net sales rose by 14 percent compared with the year-earlier period, amounting to SEK 1,597 M (1,399). Shipped tonnage rose by 7 percent.
- The operating result decreased to SEK 66 M (86) as a consequence of lower inventory gains. The operating margin amounted to 4.2 percent (6.2). The underlying operating result¹⁾ amounted to SEK 43 M (46).
- Profit after tax was SEK 44 M (46).
- Earnings per share²⁾ were SEK 0.89 (0.92) and underlying earnings per share²⁾ were SEK 0.55 (0.31).
- During the quarter, a decision was made to make investments in Finland and Poland to strengthen BE Group's production service offering.

THE FIRST SIX MONTHS OF 2011

- Net sales amounted to SEK 3,116 M (2,473), with shipped tonnage rising by 14 percent.
- The operating result improved to SEK 111 M (58) and the underlying operating result¹⁾ improved to SEK 90 M (36). The operating margin amounted to 3.6 percent (2.3).
- Earnings per share²⁾ rose to SEK 1.35 (0.42) and underlying earnings per share²⁾ to SEK 1.05 (0.08).
- During the first six months of the year, the Swedish metal processing group RTS was acquired.
- The operations in Denmark were closed. Costs of SEK 4 M for the closure were charged against the operating result.

1) Definitions page 17.

2) Earnings per share are both before and after dilution.

BE Group, listed on the Nasdaq OMX Stockholm exchange, is one of Europe's leading trading and service companies for steel and other metals. 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 2010, the Group reported sales of SEK 5.1Bn. BE Group has more than 900 employees in ten countries, with Sweden and Finland being its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com

Market and business environment

BE Group's development in the second quarter was characterized by continued growth in relation to the immediately preceding quarter. Demand for the Group's products and services essentially reflected that of the European distribution market. Following a weaker start to the quarter, demand improved in May but then weakened again somewhat towards the end of the quarter. This weakening at the end of the quarter is mainly thought to have been caused by the approaching vacation period combined with uncertainty among customers regarding future steel price trends. Compared with the situation a few years ago, the general market climate is now pervaded by greater volatility. This is most evident in the short-term nature of pricing for steel from steel producers.

Areas of strategic focus

BE Group continues to work intensively on measures to generate profitable growth in all markets. By means of an attractive customer offering, the Group consciously seeks to increase its sales including production services to customers with operations in several of the Group's markets.

During the quarter, decisions were made to further extend the facility in Lapua, Finland and to establish a new production service center in Trebaczew, Poland. The completion of a new production facility for Lecor Ståltechnik in Kungälv, Sweden and the commencement of production for the investments completed at the production unit in Lahti, Finland are progressing.

In addition, several activities are in progress throughout BE Group to improve business processes and to raise the Group's efficiency.

Outlook

BE Group expects that demand in its markets will continue to rise during the second half of 2011. Signals from engineering customers in both Finland and Sweden indicate continued growth. Deliveries to the Swedish construction sector are also expected to increase in the future. Demand is also expected to continue to improve for Business Area CEE. Implemented and planned investments to increase production services in all markets and the acquisitions that have been made are also expected to have a favorable impact on BE Group's earnings trend.

Given an unchanged product mix, the average sales price is currently expected to decline somewhat in the third quarter.

Developments in the second quarter of 2011 Group

Net sales rose by 14 percent compared with the year-earlier period, amounting to SEK 1,597 M (1,399). The increase is attributable to an increase in tonnage of 7 percentage points, positive price and mix effects amounting to 8 percentage points and an acquisition effect of 2 percentage points. Currency effects impacted net sales negatively by 3 percentage points.

The average sales price was 7 percent higher than in the year-earlier period and 3 percent higher than in the first quarter of 2011. Adjusted for currency effects, the increase was 3 percent and 2 percent respectively.

Consolidated gross profit amounted to SEK 233 M (249), resulting in a gross margin of 14.6 percent (17.8). The weakened gross margin is primarily attributable to higher production costs from extended production capacity that have yet to achieve its full impact in terms of sales and earnings.

The operating result weakened to SEK 66 M (86) as a consequence of higher production costs and lower inventory gains. Realized inventory gains totaled SEK 23 M (40), resulting in an underlying operating result of SEK 43 M (46). Acquired units contributed SEK 1 M to the operating result.

The operating margin was 4.2 percent (6.2) and the underlying operating margin was 2.7 percent (3.3).

Net sales and earnings trend in the second quarter

(SEK M)	Outcome Apr-Jun
Net sales 2010	1,399
Net sales 2011	1,597
Operating result (EBIT) 2010	86
Inventory gains	-40
Underlying EBIT 2010	46
Tonnage-, price-, mix- and gross margin effects	4
Changes in overheads, etc.	-7
Underlying EBIT 2011	43
Inventory gains	23
Operating result (EBIT) 2011	66

Sales by sales channel

BE Group's sales are conducted through three sales channels: production sales, inventory sales and direct sales. Of total net sales for the second quarter, shipments from Group facilities accounted for 82

percent (79), which is broken down as follows: inventory sales 53 percentage points (53) and production sales 29 percentage points (26).

Sales trend in commercial steel

Net sales rose 14 percent to SEK 1,159 M (1,018). In terms of tonnage the increase was 8 percent. Overall, commercial steel accounted for 73 percent (73) of BE Group's net sales. The average sales price rose 5 percent. Compared with the preceding quarter, the sales price rose 4 percent.

Sales trend in stainless steel

Compared with the year-earlier period, BE Group's sales of stainless steel rose 10 percent and amounted to SEK 271 M (245). The proportion of net sales represented by stainless steel declined slightly and amounted to 17 percent (18). Over the quarter, the sales price for stainless steel rose by 10 percent compared with the year-earlier period and was 1 percent higher than in the preceding quarter.

Sales by customer segment

In the second quarter, OEM customers and their partners accounted for the largest share of sales, 52 percent (53); project customers for 23 percent (23); pre-processing companies for 16 percent (15); and retailers for 9 percent (9).

Business areas

Business area Sweden

Following a weak start, demand in the Swedish market strengthened gradually over the quarter. The increase in demand is attributable to customers in both the engineering and construction sectors. The increase in the construction sector followed the

normal seasonal pattern. Net sales rose by 11 percent to SEK 748 M (673) compared with the year-earlier period. The average sales price rose by 14 percent and shipped tonnage decreased by 2 percent. Sales from acquired units amounted to SEK 34 M.

The operating result weakened to SEK 32 M (40) primarily due to lower inventory gains. The operating margin amounted to 4.3 percent (5.9). The integration of acquired companies Lecor Stålteknik and RTS Produktion is ongoing. The acquired companies have yet to achieve full impact in the consolidated earnings. The previously approved investment totaling SEK 38 M in a new production facility for prefabricated construction steel for Lecor Stålteknik in Kungälv, is expected to be brought into operation in the third quarter.

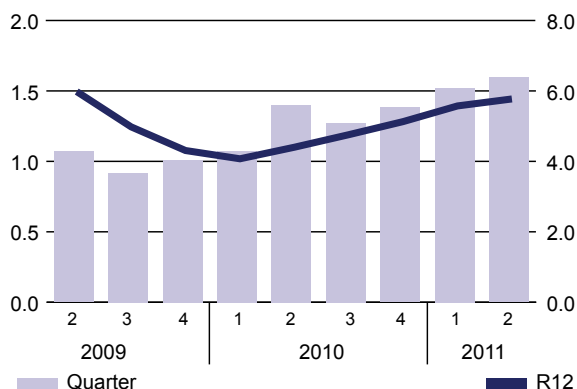
Adjusted for inventory gains of SEK 8 M (17), the underlying operating result amounted to SEK 24 M (23). As a proportion of total sales, production sales increased to 24 percent (18) as a result of sales generated by acquired units.

Business Area Finland

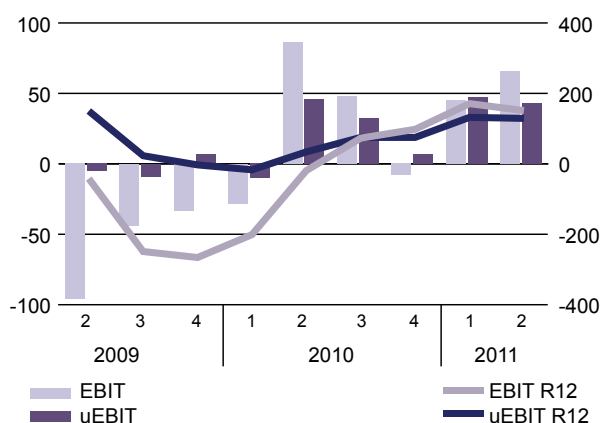
In Finland, demand from customers in the engineering sector was relatively stable in the quarter, although a certain weakening was noted at the end of the period. This is mainly assessed to be due to uncertainty regarding future steel price trends leading to purchases being postponed. Net sales amounted to SEK 574 M (507), an increase of 13 percent. Shipped tonnage rose by 7 percent. The average sales price in EUR rose by 14 percent compared with the year-earlier period and by 6 percent compared with the first quarter of 2011.

The operating result amounted to SEK 44 M

Net sales, SEK Bn
Quarter and rolling 12 months



Operating result (EBIT), SEK M
Quarter and rolling 12 months



(48), with an operating margin of 7.7 percent (9.4). The lower margin is associated with a lower gross margin caused by price pressure in the latter part of the quarter and the fact that costs for extended production capacity have yet to have full impact on sales. Adjusted for inventory gains of SEK 15 M (15), the underlying operating result amounted to SEK 29 M (33). Currency translation effects impacted the operating result negatively by SEK 4 M. Production sales as a proportion of total sales continued to increase and amounted to 47 percent (45).

The previously approved investment of SEK 14 M in increased production capacity at the Lahti facility was completed in the second quarter and will be brought into operation following the vacation period. During the quarter, a decision was made to invest in the extension of the production service facility in Lapua. BE Group's investment in production equipment amounts to SEK 20 M and is mainly expected to burden cash flow in the first quarter of 2012. The extension is expected to be brought into operation in the spring of 2012, with activities being carried out in leased premises. The investment will strengthen BE Group's capacity in advanced production service for engineering customers.

Business Area CEE

The markets in Central and Eastern Europe continued to show growth as a consequence of increased demand from customers primarily in the engineering sector. A certain weakening was noted at the end of the quarter due to uncertainty among customers regarding future steel price trends.

Net sales rose 21 percent to SEK 307 M (254), mainly as a consequence of an increase in shipped tonnage of 20 percent. The average sales price was 1 percent higher compared with both the year-earlier period and the first quarter of 2011.

The operating result weakened to SEK 1 M (8), with an operating margin of 0.4 percent (3.1). The weakening is mainly attributable to lower underlying gross margins due to a declining price trend over the quarter and lower inventory gains. The underlying operating result amounted to SEK 1 M (0). Within the business area, efforts continue to enhance efficiency.

As a stage in developing the production offering to customers in several markets, a decision was made during the quarter to establish a new production center in Trebaczew, Poland. The increased capacity will mainly be used to meet existing demand from international customers. The total investment in production equipment amounts to SEK 15 M and operations will be conducted in leased premises. During the quarter, SEK 3 M was invested and the remainder is expected to burden cash flow in the second half of 2011. Operations are expected to commence at the end of 2011.

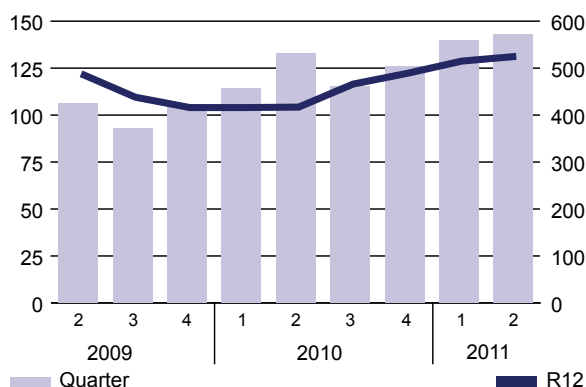
The process of recruiting a new business area manager is under way, with Per Gullstrand having left BE Group at the end of June.

Net financial items and tax

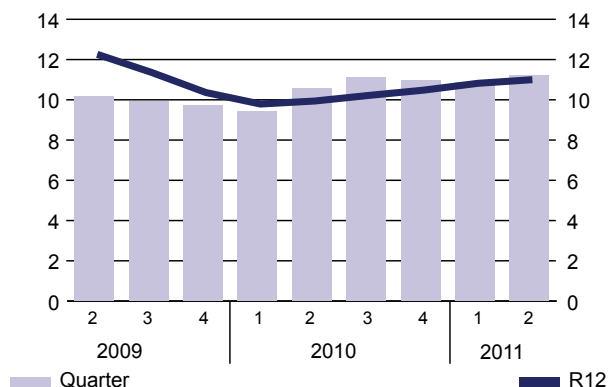
Consolidated net financial items for the second quarter amounted to an expense of SEK 9 M (27), of which the net interest expense accounted for SEK 9 M (8). On an annual basis, this corresponds to 4.4 percent (3.8) of net interest-bearing liabilities, which averaged SEK 817 M (823) during the quarter. In 2010, net financial items were affected negatively by exchange rate differences and costs attributable to the refinancing that has been carried out.

The tax expense for the quarter amounted to SEK 13 M (13), equivalent to 23 percent (21) of earnings before tax.

Tonnage, thousands of tonnes
Quarter and rolling 12 months



Average sales price, SEK/kg
Quarter and rolling 12 months



Cash flow

Cash flow before changes in net debt was negative in the amount of SEK 52 M (negative 30). Cash flow from operating activities improved to a negative SEK 15 M (negative 20) in the period. Cash flow from investing activities weakened to a negative SEK 37 M (negative 10), while cash flow from financing activities was negative in the amount of SEK 3 M (positive 3).

Capital, investments and return

Consolidated working capital amounted to SEK 569 M (557) at the end of the period. Working capital tied-up improved, amounting to 8 percent (9).

Of the investments of SEK 37 M (10) made during the quarter, investments in tangible assets amounted to SEK 30 M (4) and were primarily attributable to Lecor Stålteknik's new production facility and to production equipment in Finland. In addition, investments in intangible assets amounted to SEK 7 M (6) and involve the development of the Group's IT platform.

Return on operating capital (excluding intangible assets) decreased to 33 percent (39) due to the lower operating result.

Financial position and liquidity

Consolidated cash and equivalents were SEK 92 M (105) at the end of the period. At the end of the first six months of the year, the Group had unutilized credit facilities totaling SEK 343 M.

Consolidated interest-bearing net debt amounted to SEK 851 M (832) at the end of the period. BE Group's total credit facilities amount to SEK 1,270 M. The maturity date for 94 percent of the credit facility is May 2013.

At the end of the period, consolidated equity totaled SEK 866 M (797), while the net debt/equity ratio amounted to 98 percent (104).

Development in the first six months of 2011

Group

Compared with the preceding year, consolidated net sales rose 26 percent in the first six months of the year, amounting to SEK 3,116 M (2,473). The improvement is attributable to an increase in shipped tonnage of 13 percentage points, positive price and mix effects amounting to 14 percentage points and an acquisition effect of 3 percentage points. Currency effects impacted net sales negatively by 4 percentage points.

The operating result rose to SEK 111 M (58). Adjusted for inventory gains of SEK 25 M (22) and costs for the closure of the Danish operations, the underlying operating result amounted to SEK 90 M

(36). The improvement in profit is attributable to increased sales. The operating margin improved to 3.6 percent (2.3) and the underlying operating margin improved to 2.9 percent (1.4).

Net sales and earnings trend in the first six months

(SEK M)	Outcome Jan-Jun
Net sales 2010	2,473
Net sales 2011	3,116
Operating result (EBIT) 2010	58
Inventory gains	-22
Underlying EBIT 2010	36
Tonnage-, price-, mix- and gross margin effects	66
Changes in overheads, etc.	-12
Underlying EBIT 2011	90
Inventory gains	25
Total non-recurring items	-4
Operating result (EBIT) 2011	111

Business areas

Business area Sweden

Business Area Sweden reported sales of SEK 1,488 M (1,184), an increase of 26 percent. Shipped tonnage rose by 9 percent. Sales from acquired units amounted to SEK 66 M.

The operating result amounted to SEK 49 M (35) and underlying operating result to SEK 45 M (23). The Swedish metal processing group RTS, with operations in Eskilstuna, Sweden and Rapla, Estonia, as well as a smaller operation in Romania was acquired in the first quarter. The acquisition strengthens BE Group's production offering to larger engineering customers. The operations are consolidated into BE Group as of the date in February on which ownership changed hands and are expected to have a positive effect on earnings in 2011. The structure of the acquisition and the purchase amount were accounted for in BE Group's interim report for the first quarter of 2011. The final balance sheet for the transfer will be completed within a year of the acquisition.

Business Area Finland

Business Area Finland's sales rose by 25 percent to SEK 1,120 M (893). The operating result improved to SEK 77 M (46) and the underlying operating result improved to SEK 62 M (43). The improvement in result is primarily attributable to an 18 percent increase in tonnage.

Business Area CEE

Business Area CEE's sales rose by 25 percent to SEK 571 M (458). The increase in tonnage amounted to 15 percent. The operating result improved to SEK 4 M (loss 5) and the underlying operating result improved to SEK 2 M (loss 12). The improvement in profit is attributable to higher sales.

Net financial items and tax

The Group's net financial items for the first half of 2011 amounted to an expense of SEK 18 M (31), of which the net interest expense accounted for SEK 18 M (18). On an annual basis, this corresponds to 4.3 percent (4.6) of net interest-bearing liabilities, which averaged SEK 825 M (808) during the first six months.

The tax expense for the first six months amounted to SEK 26 M (6), equivalent to 28 percent (24) of earnings before tax.

Cash flow

During the first half of 2011, cash flow before changes in net debt was SEK 11 M (negative 90). Cash flow from operating activities was SEK 74 M (negative 72). The improvement in cash flow is attributable to improved earnings and a balanced increase in working capital.

Cash flow from investing activities was a negative SEK 63 M (negative 18). Cash flow from financing activities was SEK 0 M (positive 5).

Organization, structure and employees

The number of employees rose to 950 compared with 910 at the start of the year and 873 at the corresponding time last year. The average number of employees during the period amounted to 940 (886). The increase is entirely attributable to acquisitions of companies.

Contingent liabilities

The Group's contingent liabilities amounted to SEK 146 M, unchanged since December 2010.

Parent Company

Sales for the Parent Company, BE Group AB (publ) amounted to SEK 27 M (21) during the period and derived from intra-Group services. The operating result amounted to a negative SEK 21 M (negative 21). The loss before tax amounted to SEK 14 M (12) and the loss after tax amounted to SEK 3 M (9).

During the period, the Parent Company invested SEK 9 M (13) in intangible assets and SEK 12 M in shares in subsidiaries. At the end of the period, the Parent Company's cash and equivalents were SEK 35 M (67).

At the end of the quarter, BE Group AB (publ) held 409,862 treasury shares.

Significant events after the end of the period

No significant events have taken place after the end of the period.

Related-party transactions

No transactions took place between BE Group and related parties that had a material impact on the Group's financial position and results.

Significant risks and uncertainties

BE Group's profits and financial position are affected by a large number of factors. The principal risks and factors of uncertainty can be divided into sector and market risks, strategic and operational risks, and financial risks. Fluctuations in economic trends and steel prices, together with changes among suppliers, customers and personnel represent risk factors that affect the Group's financial performance and cash flow. The financial risks consist of currency, interest-rate, refinancing and credit risks. The financial risk exposure is explained in the 2010 Annual Report published in March 2011. No new significant risks or uncertainties have arisen since that date.

Annual General Meeting 2011

At BE Group AB's Annual General Meeting of April 28, 2011, Roger Bergqvist, Cecilia Edström, Marita Jaatinen, Lars Olof Nilsson and Lars Spongberg were re-elected as board members. Anders Ullberg was elected as a new board member and as the new Chairman of the Board. Carl-Erik Ridderstråle and Joakim Larsson had declined re-election.

The Annual General Meeting approved the Board of Director's proposal to pay no dividend to shareholders.

In accordance with the proposal by the Board of Directors, the Meeting adopted guidelines for the remuneration of senior executives in line with the guidelines adopted by the Annual General Meeting in 2010. The Meeting approved the Board's proposal for the introduction of a share savings plan ("Share Savings Scheme 2011") encompassing at most 600,000 BE Group shares (including shares required to cover social security contributions), corresponding to 1.20 percent of the total number of shares and votes in the company. The Meeting also authorized the Board to decide, on one or more occasions prior to the 2012 Annual General Meeting, on the transfer of treasury shares with the purpose of financing corporate acquisitions. Such transfers may diverge from shareholders' preferential rights to the extent

this does not exceed the number of treasury shares held by BE Group at the time of the Board's decision and that is not needed as matching or performance shares or to cover social security contributions in accordance with current share savings plans.

Finally, the Meeting resolved, in accordance with the Board's proposal, to authorize the Board to decide, on one or more occasions prior to the next Annual General Meeting, on the issue of new shares in the company for settlement in cash, offset, or in kind, and with or without preferential rights for shareholders. The authorization is limited to at most five million shares, corresponding to 10 percent of the share capital in the company.

Additional information on the Board members, the Annual General Meeting and the decisions is available from the company's website.

Accounting principles

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's financial statements are prepared in compliance with the Swedish Annual Accounts Act and the Swedish

Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Refer to the 2010 Annual Report for details of the Group's accounting principles and definitions of certain terms. The principles applied are unchanged in relation to those applied in the Annual Report. The new standards and interpretations that have entered into force effective from the 2011 financial year have had no effect on the Group's financial reporting.

Future reporting dates

During 2011, BE Group AB (publ) intends to publish financial information on the following dates:

- The Interim Report for January-September 2011 will be published on October 27, 2011.
- The year-end report for 2011 will be published in February 2012.

Financial information is available in Swedish and English from BE Group's website and can be ordered by calling +46 (0)40 38 42 00 or e-mailing: info@begroup.com

The Board of Directors and the President provide their assurance that this interim report provides an accurate overview of the operations, position and earnings of the Group and the Parent Company, and that it also describes the principal risks and sources of uncertainty faced by the Parent Company and its subsidiaries.

Malmö, July 14, 2011
BE Group AB (publ)

Anders Ullberg
Chairman of the Board

Roger Bergqvist
Board member

Cecilia Edström
Board member

Marita Jaatinen
Board member

Lars Olof Nilsson
Board member

Lars Spongberg
Board member

Thomas Berg
Employee Representative

Kerry Johansson
Employee Representative

Roger Johansson
President and CEO

This report has not been reviewed by the company's auditors.

Questions concerning this report may be directed to:

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The information in this report 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 July 14, 2011 at 11:00 a.m. CET.

Condensed consolidated income statement

(SEK M)	Note	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Net sales		1,597	1,399	3,116	2,473	5,129	5,772
Cost of goods sold		-1,364	-1,150	-2,668	-2,093	-4,396	-4,971
Gross profit		233	249	448	380	733	801
Selling expenses		-130	-126	-256	-248	-495	-503
Administrative expenses		-43	-42	-85	-80	-155	-160
Other operating income and expenses	1	1	1	-2	1	5	2
Participation in joint venture		5	4	6	5	10	11
Operating profit/loss		66	86	111	58	98	151
Financial items		-9	-27	-18	-31	-56	-43
Profit/loss before tax		57	59	93	27	42	108
Tax		-13	-13	-26	-6	-13	-33
Profit/loss for the period		44	46	67	21	29	75
Amortization of intangible assets		6	1	10	3	12	19
Depreciation of tangible assets		11	12	22	24	47	45
Earnings per share		0.89	0.92	1.35	0.42	0.58	1.51
Earnings per share after dilution		0.89	0.92	1.35	0.42	0.58	1.51

Consolidated statement of comprehensive income

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Profit/loss for the period	44	46	67	21	29	75
Other comprehensive income						
Translation differences	19	-23	17	-52	-80	-11
Hedging of net investments in foreign subsidiaries	-12	16	-12	37	61	12
Tax attributable to items in other comprehensive income	3	-3	3	-8	-14	-3
Total other comprehensive income	10	-10	8	-23	-33	-2
Comprehensive income for the period	54	36	75	-2	-4	73

Note 1 Non-recurring items*

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Closure of the Danish operations	-	-	-4	-	-	-4
Total non-recurring items	-	-	-4	-	-	-4

* Recognised in Other operating income and expenses

Condensed consolidated balance sheet

(SEK M)	2011 30 Jun	2010 30 Jun	2010 31 Dec
Goodwill	702	633	692
Other intangible assets	83	80	81
Tangible assets	300	286	267
Investment in joint venture	124	124	129
Financial assets	2	2	2
Deferred tax assets	33	36	34
Total non-current assets	1,244	1,161	1,205
Inventories	831	676	683
Accounts receivables	716	709	575
Other receivables	91	82	87
Cash and equivalents	92	105	80
Assets held for sale	2	-	2
Total current assets	1,732	1,572	1,427
Total assets	2,976	2,733	2,632
Equity	866	797	787
Non-current interest-bearing liabilities	867	874	854
Provisions	16	16	16
Deferred tax liability	69	55	62
Total non-current liabilities	952	945	932
Current interest-bearing liabilities	78	66	71
Accounts payables	830	716	598
Other current liabilities	239	194	227
Other current provisions	11	15	17
Total current liabilities	1,158	991	913
Total equity and liabilities	2,976	2,733	2,632

Condensed consolidated cash-flow statement

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Profit/loss before tax	57	59	93	27	42	108
Adjustment for non-cash items	15	14	31	20	53	64
Income tax paid	6	-7	-1	-14	-26	-13
Change in working capital	-93	-86	-49	-105	-126	-70
Cash flow from operating activities	-15	-20	74	-72	-57	89
Investments in intangible assets	-7	-6	-10	-13	-24	-21
Investments in tangible assets	-30	-4	-46	-5	-15	-56
Acquisitions of subsidiaries	0	-	-7	-	-16	-23
Other cash flow from investing activities	0	0	0	0	2	2
Cash flow before change in net debt	-52	-30	11	-90	-110	-9
Cash flow from financing activities	-3	3	0	5	4	-1
Cash flow for the period	-55	-27	11	-85	-106	-10
Exchange-rate difference in cash and equivalents	1	-3	1	-7	-11	-3
Change in cash and equivalents	-54	-30	12	-92	-117	-13

Condensed statement of changes in equity

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Equity at beginning of period	811	760	787	798	798	797
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	811	760	787	798	798	797
Comprehensive income for the period	54	36	75	-2	-4	73
Acquisition/sales of treasury shares	-	-	2	0	-10	-8
Share Savings Scheme	1	1	2	1	3	4
Equity at end of period	866	797	866	797	787	866

Segment reporting

Net sales per segment

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	748	673	1,488	1,184	2,425	2,729
- External	740	660	1,469	1,159	2,378	2,688
- Internal	8	13	19	25	47	41
Finland	574	507	1,120	893	1,846	2,073
- External	559	493	1,095	871	1,796	2,020
- Internal	15	14	25	22	50	53
CEE	307	254	571	458	981	1,094
- External	298	246	552	443	955	1,064
- Internal	9	8	19	15	26	30
Parent Company and consolidated items	-32	-35	-63	-62	-123	-124
Group	1,597	1,399	3,116	2,473	5,129	5,772

Shipped tonnage per segment (thousands of tonnes)

	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden*	58	59	117	107	209	219
Finland	48	45	97	83	165	179
CEE	40	33	75	65	130	140
Parent Company and consolidated items	-3	-4	-6	-8	-15	-13
Group	143	133	283	247	489	525

*Previously reported tonnage for Sweden has, during the fourth quarter 2010, been adjusted due to an internal change of allocation principle. The effect for the second quarter 2010 is an increase of 1 (thousands of tonnes).

Operating profit/loss (EBIT) per segment

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	32	40	49	35	73	87
Finland	44	48	77	46	81	112
CEE	1	8	4	-5	-22	-13
Parent Company and consolidated items	-11	-10	-19	-18	-34	-35
Group	66	86	111	58	98	151

Operating margin per segment

	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	4.3%	5.9%	3.3%	2.9%	3.0%	3.2%
Finland	7.7%	9.4%	6.9%	5.1%	4.4%	5.4%
CEE	0.4%	3.1%	0.7%	-1.0%	-2.3%	-1.2%
Group	4.2%	6.2%	3.6%	2.3%	1.9%	2.6%

Segment reporting

Underlying operating profit/loss (uEBIT) per segment¹⁾

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	24	23	45	23	56	78
Finland	29	33	62	43	78	97
CEE	1	0	2	-12	-25	-11
Parent Company and consolidated items	-11	-10	-19	-18	-34	-35
Group	43	46	90	36	75	129

1) Operating profit/loss (EBIT) adjusted for inventory gains and losses and non-recurring items. Inventory gains and losses are the differences between the cost of goods sold at historical cost and the cost of goods sold valued at replacement cost. The company's internal model is used to calculate inventory gains and losses and has not been subject for review by the company's auditor.

Underlying operating margin per segment

	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	3.2%	3.4%	3.0%	1.9%	2.3%	2.8%
Finland	5.0%	6.5%	5.5%	4.8%	4.2%	4.7%
CEE	0.4%	0.1%	0.3%	-2.5%	-2.5%	-1.0%
Group	2.7%	3.3%	2.9%	1.4%	1.5%	2.2%

Depreciation per segment

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	5	4	9	9	18	18
Finland	5	6	10	12	22	20
CEE	3	3	6	6	12	12
Parent Company and consolidated items	4	0	7	0	7	14
Group	17	13	32	27	59	64

Investments in tangible and intangible assets per segment

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sweden	21	1	37	1	76	112
Finland	6	3	14	4	7	17
CEE	3	0	4	0	1	5
Parent Company and consolidated items	7	6	10	13	24	21
Group	37	10	65	18	108	155

Key data

(SEK M unless otherwise stated)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Earnings measurements						
Operating profit/loss (EBIT)	66	86	111	58	98	151
Margin measurements						
Gross margin	14.6%	17.8%	14.4%	15.4%	14.3%	13.9%
Operating margin	4.2%	6.2%	3.6%	2.3%	1.9%	2.6%
Capital structure						
Net debt	851	832	851	832	842	851
Net debt/equity ratio	98.2%	104.4%	98.2%	104.4%	107.0%	98.2%
Equity/assets ratio	29.1%	29.2%	29.1%	29.2%	29.9%	29.1%
Working capital (average)	524	515	522	497	528	551
Operating capital (average)	1,654	1,602	1,645	1,593	1,619	1,651
Operating capital (excluding intangible assets) (average)	873	888	867	877	893	899
Working capital tied-up	8.2%	9.2%	8.4%	10.0%	10.3%	9.5%
Return						
Return on operating capital (%)	16.1%	21.6%	13.5%	7.3%	6.0%	9.1%
Return on operating capital (excluding intangible assets) (%)	33.1%	39.3%	27.9%	13.9%	12.4%	18.9%
Return on equity (%)	21.0%	23.4%	16.3%	5.4%	3.7%	9.2%
Per share data						
Earnings per share (SEK)	0.89	0.92	1.35	0.42	0.58	1.51
Earnings per share after dilution (SEK)	0.89	0.92	1.35	0.42	0.58	1.51
Equity per share (SEK)	17.47	16.02	17.47	16.02	15.90	17.47
Cash flow from operating activities per share (SEK)	-0.31	-0.39	1.49	-1.45	-1.15	1.79
Shares outstanding at period end (thousands)	49,590	49,749	49,590	49,749	49,505	49,590
Average number of shares (thousands)	49,590	49,749	49,567	49,744	49,656	49,568
Diluted average number of shares (thousands)	49,633	49,786	49,618	49,784	49,704	49,626
Other						
Average number of employees	955	887	940	886	909	902

Supplementary disclosures

(SEK M unless otherwise stated)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Sales by main products						
Long steel	450	399	879	716	1,478	1,641
Flat steel	575	489	1,122	879	1,829	2,072
Reinforcement steel	134	130	245	201	408	452
<i>Total commercial steel</i>	<i>1,159</i>	<i>1,018</i>	<i>2,246</i>	<i>1,796</i>	<i>3,715</i>	<i>4,165</i>
Stainless steel	271	245	541	446	887	982
Aluminium	86	91	171	167	352	356
Other ¹⁾	81	45	158	64	175	269
Total sales	1,597	1,399	3,116	2,473	5,129	5,772
¹⁾ Sales by acquired units are included under "Other"						
Growth						
Sales growth	14%	31%	26%	4%	19%	31%
- organic tonnage growth	7%	25%	13%	12%	17%	18%
- price and mix changes	8%	10%	14%	-3%	6%	15%
- currency effects	-3%	-5%	-4%	-5%	-5%	-4%
- acquisitions	2%	-	3%	-	1%	2%
Adjusted earnings measurements						
Underlying operating profit/loss (uEBIT)	43	46	90	36	75	129
Underlying EBITA	49	47	100	39	87	148
Adjusted margin measurements						
Underlying gross margin	13.4%	15.0%	13.6%	14.5%	13.9%	13.5%
Underlying operating margin	2.7%	3.3%	2.9%	1.4%	1.5%	2.2%
Underlying EBITA margin	3.1%	3.4%	3.2%	1.6%	1.7%	2.6%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	22.7%	21.3%	22.9%	8.8%	9.8%	16.5%
Adjusted per share data						
Underlying earnings per share (SEK)	0.55	0.31	1.05	0.08	0.26	1.23
Underlying earnings per share after dilution (SEK)	0.55	0.31	1.05	0.08	0.26	1.23
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	-	-	-	-	6.3	4.4
Other						
Inventory gains and losses	23	40	25	22	23	26
Shipped tonnage (thousands of tonnes)	143	133	283	247	489	525
Average sales prices (SEK/kg)	11.20	10.49	11.03	9.99	10.48	11.00

Condensed parent company income statement

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Net sales	13	10	27	21	45	51
Administrative expenses	-24	-21	-48	-42	-84	-90
Operating profit/loss	-11	-11	-21	-21	-39	-39
Financial items	-13	-9	7	9	-44	-46
Profit/loss before tax	-24	-20	-14	-12	-83	-85
Tax	6	5	11	3	5	13
Profit/loss for the period	-18	-15	-3	-9	-78	-72

Statement of comprehensive income - parent company

(SEK M)	2011 Apr-Jun	2010 Apr-Jun	2011 Jan-Jun	2010 Jan-Jun	2010 Full-year	Rolling 12 months
Profit/loss for the period	-18	-15	-3	-9	-78	-72
Other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-18	-15	-3	-9	-78	-72

Condensed parent company balance sheet

(SEK M)	2011 30 Jun	2010 30 Jun	2010 31 Dec
Intangible assets	66	59	64
Tangible assets	0	0	0
Financial assets	1,394	1,332	1,381
Interest-bearing receivables, Group companies	54	75	54
Deferred tax assets	1	3	0
Total non-current assets	1,515	1,469	1,499
Current interest-bearing receivables, Group companies	291	293	251
Receivables, Group companies	36	28	55
Other operating receivables	32	26	20
Cash and equivalents	35	67	25
Total current assets	394	414	351
Total assets	1,909	1,883	1,850
Equity	851	909	850
Non-current interest-bearing liabilities	851	859	837
Provisions	1	0	1
Total non-current liabilities	852	859	838
Current interest-bearing liabilities	-	0	-
Current interest-bearing liabilities, Group companies	102	73	69
Accounts payables	7	6	9
Liabilities to Group companies	56	22	19
Other current liabilities	41	14	65
Total current liabilities	206	115	162
Total equity and liabilities	1,909	1,883	1,850
Pledged assets	1,313	1,321	1,310
Contingent liabilities	71	114	95

Key data - multi-quarter summary

(SEK M unless otherwise stated)	2011 Apr-Jun	2011 Jan-Mar	2010 Oct-Dec	2010 Jul-Sep	2010 Apr-Jun	2010 Jan-Mar	2009 Oct-Dec	2009 Jul-Sep	2009 Apr-Jun
Net sales	1,597	1,519	1,383	1,273	1,399	1,074	1,011	917	1,071
Earnings measurements									
Operating profit/loss (EBIT)	66	45	-8	48	86	-28	-33	-44	-96
Underlying operating profit/loss (uEBIT)	43	47	7	32	46	-10	7	-9	-5
Underlying EBITA	49	51	11	37	47	-8	9	-7	-4
Margin measurements									
Operating margin	4.2%	2.9%	-0.6%	3.8%	6.2%	-2.6%	-3.3%	-4.8%	-8.9%
Underlying operating margin	2.7%	3.1%	0.5%	2.5%	3.3%	-0.9%	0.7%	-1.0%	-0.5%
Underlying EBITA margin	3.1%	3.3%	0.8%	2.9%	3.4%	-0.8%	0.8%	-0.8%	-0.4%
Capital structure									
Net debt	851	783	842	876	832	814	777	836	940
Net debt/equity ratio	98.2%	96.5%	107.0%	107.9%	104.4%	107.1%	97.4%	100.4%	106.6%
Equity/assets ratio	29.1%	26.8%	29.9%	29.7%	29.2%	29.2%	31.8%	31.1%	32.4%
Operating capital (excluding intangible assets) (average)	873	836	916	947	888	857	906	1,036	1,203
Working capital tied-up	8.2%	8.2%	10.4%	11.7%	9.2%	10.9%	12.8%	17.8%	19.5%
Return									
Return on operating capital (excluding intangible assets)	33.1%	23.5%	-1.7%	22.4%	39.3%	-7.0%	-13.9%	-16.4%	-31.7%
Underlying return on operating capital (excluding intangible assets)	22.7%	24.2%	5.0%	15.8%	21.3%	-3.8%	3.8%	-2.7%	-1.3%
Return on equity	21.0%	11.5%	-9.1%	12.9%	23.4%	-12.8%	-17.3%	-21.4%	-31.2%
Per share data									
Earnings per share (SEK)	0.89	0.46	-0.37	0.52	0.92	-0.50	-0.71	-0.92	-1.49
Underlying earnings per share (SEK)	0.55	0.50	-0.13	0.29	0.31	-0.23	-0.09	-0.92	-0.09
Equity per share (SEK)	17.47	16.36	15.90	16.39	16.02	15.28	16.05	16.74	17.73
Cash flow from operating activities per share (SEK)	-0.31	1.80	1.18	-0.89	-0.39	-1.05	1.41	1.91	1.80
Other									
Average number of employees	970	935	889	882	887	882	882	888	917
Inventory gains and losses	23	2	-15	16	40	-18	-32	-35	-91
Shipped tonnage (thousands of tonnes)	143	140	126	116	133	114	104	93	106
Average sales prices (SEK/kg)	11.20	10.86	10.98	11.00	10.49	9.44	9.70	9.91	10.15

Definitions of key data

SUPPLEMENTARY DISCLOSURES

Growth

Sales growth	Change from the preceding period as a percentage of net sales.
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Adjusted earnings measurements

Underlying operating profit/loss (uEBIT)	Operating profit/loss (EBIT) before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses).
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Underlying EBITA	EBITA before exceptional items adjusted for inventory gains and losses (deductions for gains and additions for losses).
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Adjusted margin measurements

Underlying gross margin	Underlying gross profit as a percentage of net sales. The underlying gross profit is the reported gross profit adjusted for inventory gains and losses (deductions for gains and additions for losses) exclusive inventory gains and losses related to joint venture.
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Underlying operating margin	Underlying operating profit/loss (uEBIT) as a percentage of net sales.
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Underlying EBITA margin	Underlying EBITA as a percentage of net sales.
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Adjusted return

Underlying return on operating capital (excluding intangible assets)	Annualized underlying EBITA as a percentage of average operating capital excluding goodwill and other intangible assets. Underlying EBITA is EBITA before non-recurring items and adjusted for profits and losses (deductions for profits and additions for losses). EBITA is operating profit before amortization of intangible assets.
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Adjusted per share data

Underlying earnings per share (SEK)	Profit for the period before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses) and including the tax effect of the adjustments divided by the average number of shares during the period.
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Underlying earnings per share after dilution (SEK)	Profit for the period before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses) and including the tax effect of the adjustments divided by the average number of shares after dilution during the period.
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Adjusted capital structure

Net debt/underlying EBITDA	Annualized net debt divided by underlying EBITDA. Underlying EBITDA is EBITDA before non-recurring items and adjusted for profits and losses (deductions for profits and additions for losses). EBITDA is operating profit before depreciation and amortization.
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Other

Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement price.
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Please refer to the 2010 annual report for other definitions of key data.