

# BE Q4

Interim report  
BE Group AB (publ)  
Year-end report 2014  
Malmö, February 5, 2015



## FOURTH QUARTER 2014

- Net sales fell by 3 percent compared with the same period last year, amounting to SEK 1,009 M (1,039).
- The operating result weakened to SEK -30 M (-8) and the underlying operating result to SEK -9 M (-4).
- Cash flow after investments was SEK 46 M (36).
- The result after tax was SEK -45 M (-15).
- Earnings per share amounted to SEK -0.61 (-0.29).
- During the period, the Czech operations, previously classified as operations for sale, were reinstated as ordinary operations. As a result the Income statement and Balance sheet has been recalculated as from 2012 and the operating result has been impacted by an impairment of SEK 14 M.

## FULL-YEAR 2014

- Sales fell by 4 percent compared with the same period last year, amounting to SEK 4,202 M (4,355).
- The operating result weakened to SEK -17 M (-8) and the underlying operating result to SEK 18 M (36).
- Cash flow after investments was SEK -30 M (-65).
- The result after tax was SEK -73 M (-51).
- Earnings per share amounted to SEK -1.07 (-1.02).
- The Board of Directors proposes that no dividend be paid to shareholders for the financial year 2014.
- The Board of Directors will recommend a rights issue of approx. SEK 250 M.

**BE Group**, listed on the NASDAQ OMX Stockholm exchange, is a trading and service company in steel and other metals. BE Group provides various forms of service for steel, stainless steel and aluminium applications to customers primarily in the construction and engineering sectors. In 2014, the Group reported sales of SEK 4.2 Bn. BE Group has about 800 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at [www.begroup.com](http://www.begroup.com).

## Developments in the fourth quarter of 2014 Group

Consolidated net sales decreased by 3 percent compared with the preceding year, amounting to SEK 1,009 M (1,039). The decrease is explained by a reduction in tonnage of 11 percentage points offset by positive price and mix effects of 6 percentage points and currency effects of 2 percentage points. The tonnage decreased with 2 percentage points in Sweden and increased with 8 percentage points in Finland.

Consolidated gross profit amounted to SEK 124 M (127), corresponding to a gross margin of 12.3 percent (12.2). The operating result decreased to SEK -30 M (-8). The operating result has been impacted by inventory losses of SEK -1 M (-4) and non-recurring costs of SEK -20 M. The non-recurring costs consists of impairments of SEK 14 M in the Czech Republic and SEK 6 M in BE Group Produktion Eskilstuna. Adjusted for inventory losses and non-recurring costs the underlying result weakened to SEK -9 M (-4) due to lower sales.

The operating margin amounted to -3.0 percent (-0.7) and the underlying operating margin was -0.9 percent (-0.4).

### Reclassification of the operations in Czech

During the period, the Czech operations, which have been reported as operations for sale since 2012, were reinstated as ordinary operations in the company's accounts. Consequently, the income statements and balance sheets for 2012 and onwards have been recalculated. In connection with the reversal, impairment of SEK 14 million was recognized in the

assets of the company and was charged against the operating result for the period.

### Sales by business solution

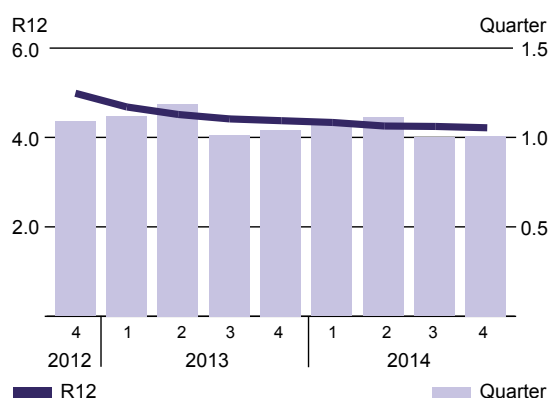
BE Group's sales are conducted via three sales solutions: inventory sales, production service sales and direct sales. Of total net sales for the fourth quarter, shipments from Group facilities accounted for 87 percent (83), which is broken down as follows: inventory sales 50 percentage points (47) and production service sales 37 percentage points (36).

### NET SALES AND EARNINGS TREND IN THE FOURTH QUARTER

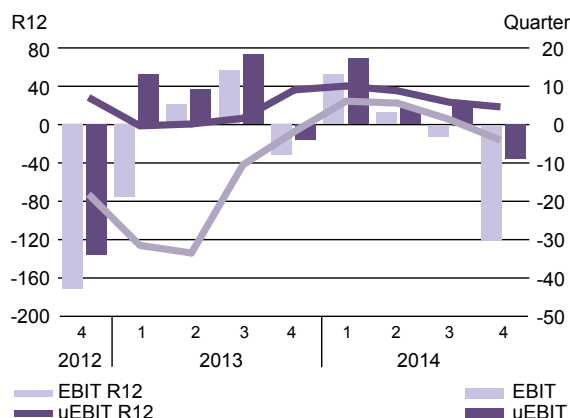
(SEK M)

<b>Net sales 2013</b>	<b>1 039</b>
<b>Net sales 2014</b>	<b>1 009</b>
<b>Operating result 2013</b>	<b>-8</b>
Inventory losses	4
Non-recurring items	-
<b>Underlying operating result 2013</b>	<b>-4</b>
Tonnage-, price- and mix effects	-4
Change in gross margin	0
Changes in overhead costs	-1
<b>Underlying operating result 2014</b>	<b>-9</b>
Inventory gains	-1
Non-recurring items	-20
<b>Operating result 2014</b>	<b>-30</b>

### Net sales, SEK Bn Rolling 12 months and quarter



### Operating result (EBIT), SEK M Rolling 12 months and quarter



## Sales trend by product area

For commercial steel, which combined accounts for 70 percent (72) of BE Group's net sales, fell by 5 percent, amounting to SEK 707 M (749). Shipped tonnage decreased by 11 percent.

Average prices for product area stainless steel were higher compared with the same period last year. As a consequence, sales rose by 23 percent to SEK 201 M (163). Overall, stainless steel accounted for 20 percent (16) of net sales.

## Business areas

### Business Area Sweden

Compared with the preceding year, the pace of sales was lower in the beginning of the quarter and higher towards the end. In total, tonnage for the quarter fell by 2 percent and net sales by 1 percent, amounting to SEK 439 M (445).

The operating result improved to SEK 5 M (1) and the underlying operating result to SEK 5 M (0).

### Business Area Finland

The pace of sales in the fourth quarter strengthened somewhat compared with the third quarter, in contrast to last year. Compared with the preceding year, delivered tonnage increased by 8 percent, and net sales amounted to SEK 431 M (381). Of the 13 percent increase in net sales, about 5 percent was attributable to currency effects.

The operating result improved to SEK 5 M (-3) and, adjusted for inventory losses, the underlying operating result rose to SEK 7 M (2). The improvement was a consequence of the increased sales.

The Baltic distribution operations, which is a part of the business area, all reported positive earnings in the period.

### Other Units

Other Units consists of the operations in Poland, the Czech Republic and Slovakia, as well as the Swedish companies Lecor Stålteknik and BE Group Produktion Eskilstuna with its subsidiary in Estonia.

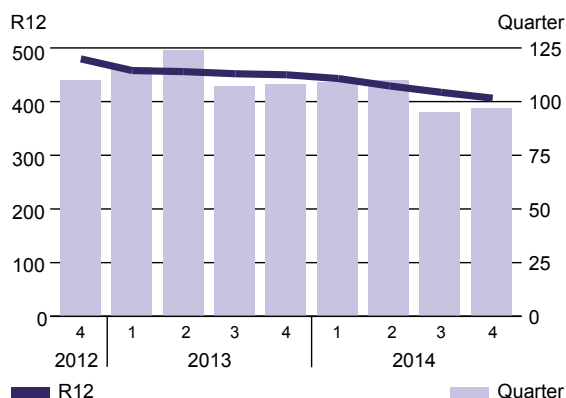
Compared with the preceding year, Other Units' combined net sales were 33 percent lower and amounted to SEK 154 M (232), driven primarily by lower sales in the Czech Republic and Slovakia. Sales on these markets were negatively affected by the decision to discontinue the rebar operations and material supply problems as a consequence of the crisis in Ukraine. The operating result weakened to SEK -26 M (-9). Adjusted for non-recurring costs related to the reinstatement of the Czech operations and adjustments in the assets of BE Group Produktion Eskilstuna of SEK -6 M, the underlying operating result was SEK -7 M (-9).

## Net financial items and tax

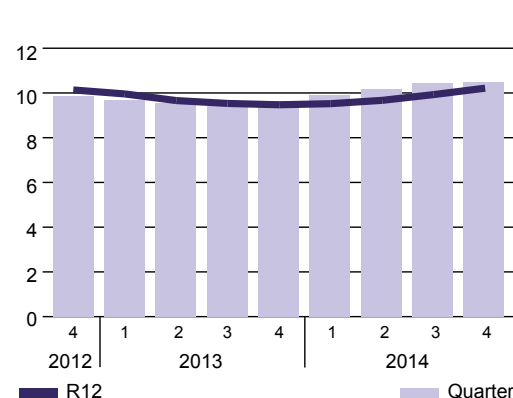
Consolidated net financial items for the fourth quarter amounted to SEK -13 M (-16), of which net interest accounted for SEK -8 M (-10). On an annual basis, consolidated net interest corresponded to 4.3 percent (4.5) of interest-bearing net debt.

Tax for the quarter amounted to SEK -2 M (9). The negative tax was mainly due to adjustments of deferred tax receivables related to loss-making operations.

## Tonnage, thousands of tonnes Rolling 12 months and quarter



## Average sales prices, SEK/kg Rolling 12 months and quarter\*



\*The increase caused by the company's average selling prices are a result of currency and mix effects and not of generally rising steel prices. The selling price of stainless steel has increased due to higher alloying additions and a shift toward more expensive materials. In addition to this the average prices is affected positively by lower sales in the Czech Republic and Slovakia as well as stronger euro average prices.

## Cash flow

Cash flow after investments was SEK 46 M (36). The cash flow from operating activities was SEK 49 M (42) and the cash flow from investing activities was SEK -3 M (-6).

## Development over the 2014 full year

### Group

Net sales fell by 4 percent compared with the preceding year, amounting to SEK 4,202 M (4,355). The decrease is explained by a reduction in tonnage of 10 percentage points which is offset by positive price and mix effects of 4 percentage points and currency effects of 2 percentage points.

The operating result amounted to SEK -17 M (-8). Adjusted for inventory losses of SEK -6 M (-14) and non-recurring items of SEK -29 M (-30), the underlying operating result decreased to SEK 18 M (36). The underlying weakening in results was primarily attributable to lower sales and a somewhat weaker gross margin. This was offset to some extent by lower overhead costs.

The operating margin amounted to -0.4 percent (-0.2) and the underlying operating margin was 0.4 percent (0.8).

### NET SALES AND EARNINGS TREND OVER THE 2014 FULL YEAR

(SEK M)

<b>Net sales 2013</b>	<b>4,355</b>
<b>Net sales 2014</b>	<b>4,202</b>
<b>Operating result 2013</b>	<b>-8</b>
Inventory losses	14
Non-recurring items	30
<b>Underlying operating result 2013</b>	<b>36</b>
Tonnage-, price and mix effects	-20
Change in gross margin	-8
Changes in overhead costs	10
<b>Underlying operating result 2014</b>	<b>18</b>
Inventory losses	-6
Non-recurring items	-29
<b>Operating result 2014</b>	<b>-17</b>

## Business areas

### Business Area Sweden

The business area reported sales of SEK 1,776 M (1,889) – a decrease of 6 percent, compared with the preceding year, due to shipped tonnage being 6 percent lower. The operating result amounted to SEK 31 M (19) and the underlying operating result to SEK 31 M (37). The weakening in the underlying result was due to lower sales, partially offset by lower overhead costs. Last year, the operating result was affected by non-recurring costs attributable to restructuring.

### Business Area Finland

Business Area Finland's sales rose 6 percent compared with the preceding year, amounting to SEK 1,715 M (1,619). Shipped tonnage rose by 2 percent, which, combined with a 5 percent higher exchange rate for the euro, accounts for the increase in sales. The operating result improved to SEK 32 M (14) and the underlying operating result, adjusted for inventory losses and non-recurring items, to SEK 40 M (29). The improvement in results is explained by higher sales, lower inventory losses and non-recurring costs.

### Other Units

Net sales for the business area declined by 18 percent to SEK 776 M (947), while shipped tonnage decreased by 32 percent. The decision taken 2013 to discontinue the company's rebar business in the Czech and Slovakian markets account for 28 percentage points of the decline in tonnage.

The operating result amounted to SEK -49 M (-26) and the underlying operating result to SEK -28 M (-25). The operating result was negatively affected by non-recurring costs of SEK 21 M.

### Net financial items and tax

Consolidated net financial items amounted to SEK -55 M (-58), of which net interest amounted to SEK -34 M (-39), which corresponded to 4.4 percent (4.7) of interest-bearing net debt.

Tax for the period amounted to SEK -1 M (15). The negative tax rate was mainly due to adjustments of deferred tax receivables related to loss making operations.

## Cash flow

Cash flow after investments was SEK -30 M (-65). Cash flow after investments amounted to SEK -5 M (-35) and cash flow from operating activities amounted to SEK -25 M (-30).

## Capital and investments

At the end of the period, consolidated working capital amounted to SEK 426 M (388) and average working capital tied up was 10 percent (9).

Investments over the year amounted to SEK 7 M (43).

## Financial position and liquidity

In the first quarter of 2014, a rights issue was completed with preferential rights for existing shareholders. The rights issue brought BE Group SEK 154 M after transaction costs. The proceeds from the issue have been used to amortize loans.

In the first quarter, a new three-year credit agreement was signed with Skandinaviska Enskilda Banken and Svenska Handelsbanken. The total credit facility amounts to SEK 1,250 M, including guarantee facilities, and matures in February 2017. The facility was first utilized at the end of March.

At the end of the period, consolidated cash and equivalents were SEK 73 M (57) and consolidated interest-bearing net debt amounted to SEK 754 M (851).

At the end of the period, equity totaled SEK 715 M (627), while the net debt/equity ratio improved to 105 percent (136).

## Organization, structure and employees

The number of employees decreased to 766 compared with 807 at the beginning of the year. The average number of employees during the year amounted to 776 (853).

## Contingent liabilities

The Group's contingent liabilities amounted to SEK 33 M (23).

## Parent Company

Sales for the Parent Company, BE Group AB (publ), amounted to SEK 43 M (58) during the period and derived from intra-Group services. The operating result weakened to SEK -32 M (-19) due to lower internal invoicing.

Net financial items amounted to SEK -104 M (-50), this weakening is primarily the result of the impairment of shareholdings in subsidiaries and Group-internal receivables. The result before tax was SEK -154 M (-28) and the result after tax was SEK -131 M (-24).

The Parent Company invested SEK 0 M (1) in intangible assets during the year. At the end of the period, the Parent Company's cash and equivalents were SEK 31 M (19).

## Outlook

The demand on the Group's markets are expected to increase somewhat during 2015.

## Recommendation of a rights issue

In order to strengthen the Group's financial flexibility, the Board of Directors has, together with the company's lenders, agreed to propose a rights issue of approximately SEK 250 M to the Annual General Meeting. The rights issue will be carried out during the second quarter.

## Related-party transactions and significant changes in ownership

In connection with the implementation of the rights issue and in accordance with the published prospectus, guarantor compensation has been paid to AB Traction, Anders Ullberg, Petter Stillström and Kimmo Väkiparta. In other regards, no transactions have taken place between BE Group and related parties that have had a material impact on the company's position and results.

## 2015 Annual General Meeting

The Annual General Meeting of BE Group AB will be held on May 7, 2015, at 3 p.m. in Malmö, Sweden. Additional information is available from the company's website.

## Dividend proposal

The Board of Directors proposes that no dividend be paid for the 2014 financial year.

## 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 2013 Annual Report, which was published in March 2014. No new significant risks or uncertainties have arisen since that date

## Accounting principles

The interim report is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's interim report has been 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 2013 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.

In other regards, the new standards and interpretations that have entered force effective from the 2014 financial year have had no effect on the financial reporting

## Future reporting dates

During 2015, BE Group AB (publ) intends to publish financial information on the following dates:

- The 2014 Annual Report will be available at the end of March/beginning of April 2015
- The Interim Report for January-March 2015 will be published on May 7, 2015
- The 2015 Annual General Meeting will be held in Malmö on May 7, 2015
- The Interim Report for January-June 2015 will be published on July 17, 2015.
- The Interim Report for January-September 2015 will be published on October 22, 2015

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](mailto:info@begroup.com)

Malmö, February 5, 2015

BE Group AB (publ)



**Lars Engström**

Acting 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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This year-end report presents information 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. This information was submitted for publication on February 5, 2015 at 7.45 a.m. CET

## Condensed consolidated income statement

(SEK M)	Note	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Net sales		1,009	1,039	4,202	4,355
Cost of goods sold	1	-885	-912	-3,675	-3,808
<b>Gross profit</b>		<b>124</b>	<b>127</b>	<b>527</b>	<b>547</b>
Selling expenses	1	-108	-109	-419	-426
Administrative expenses	1	-26	-27	-99	-108
Other operating income and expenses	2	-20	1	-27	-22
Participation in joint venture		0	0	1	1
<b>Operating profit/loss</b>		<b>-30</b>	<b>-8</b>	<b>-17</b>	<b>-8</b>
Financial items		-13	-16	-55	-58
<b>Profit/loss before tax</b>		<b>-43</b>	<b>-24</b>	<b>-72</b>	<b>-66</b>
Tax		-2	9	-1	15
<b>Profit/loss for the period</b>		<b>-45</b>	<b>-15</b>	<b>-73</b>	<b>-51</b>
Earnings per share		-0.61	-0.29	-1.07	-1.02
Earnings per share after dilution		-0.61	-0.29	-1.07	-1.02

## Consolidated statement of comprehensive income

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
<b>Profit/loss for the period</b>	<b>-45</b>	<b>-15</b>	<b>-73</b>	<b>-51</b>
<b>Other comprehensive income</b>				
<b>Items that have, or may be, reclassified to profit/loss for the period</b>				
Translation differences	16	9	26	11
Hedging of net investments in foreign subsidiaries	-14	-4	-24	-5
Tax attributable to items in other comprehensive income	3	1	5	1
<b>Items that will not be reclassified to profit/loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>7</b>
<b>Comprehensive income for the period</b>	<b>-40</b>	<b>-9</b>	<b>-66</b>	<b>-44</b>

## Condensed consolidated balance sheet

(SEK M)	Note	2014 31 Dec	2013 31 Dec
Goodwill		616	610
Other intangible assets		47	70
Tangible assets		253	292
Investment in joint venture		127	127
Financial assets		0	1
Deferred tax assets		48	32
<b>Total non-current assets</b>		<b>1,091</b>	<b>1,132</b>
Inventories		565	526
Accounts receivables		407	384
Other receivables		80	79
Cash and equivalents		73	57
<b>Total current assets</b>		<b>1,125</b>	<b>1,046</b>
<b>Total assets</b>		<b>2,216</b>	<b>2,178</b>
<b>Equity</b>		<b>715</b>	<b>627</b>
Non-current interest-bearing liabilities		723	858
Deferred tax liability		44	37
<b>Total non-current liabilities</b>		<b>767</b>	<b>895</b>
Current interest-bearing liabilities		104	51
Accounts payables		498	465
Other current liabilities		127	135
Other current provisions		5	5
<b>Total current liabilities</b>		<b>734</b>	<b>656</b>
<b>Total equity and liabilities</b>		<b>2,216</b>	<b>2,178</b>



## Condensed consolidated cash-flow statement

(SEK M)	Note	2014	2013	2014	2013
		Oct-Dec	Oct-Dec	Full-year	Full-year
Profit/loss before tax		-43	-24	-72	-66
Adjustment for non-cash items		35	2	84	50
Income tax paid		6	2	8	-8
Change in working capital		51	62	-45	-6
<b>Cash flow from operating activities</b>		<b>49</b>	<b>42</b>	<b>-25</b>	<b>-30</b>
Investments in intangible assets		0	0	0	-1
Investments in tangible assets		-3	-6	-6	-41
Divestment of subsidiary		-	0	-	5
Other cash flow from investing activities		0	0	1	2
<b>Cash flow after investments</b>		<b>46</b>	<b>36</b>	<b>-30</b>	<b>-65</b>
Cash flow from financing activities		-25	-12	45	14
<b>Cash flow for the period</b>		<b>21</b>	<b>24</b>	<b>15</b>	<b>-51</b>
Exchange-rate difference in cash and equivalents		1	0	1	-1
<b>Change in cash and equivalents</b>		<b>22</b>	<b>24</b>	<b>16</b>	<b>-52</b>

## Condensed statement of changes in equity

(SEK M)	2014	2013	2014	2013
	Oct-Dec	Oct-Dec	Full-year	Full-year
<b>Equity at beginning of period</b>	<b>755</b>	<b>636</b>	<b>627</b>	<b>673</b>
Effect of changed accounting principles	-	-	-	-
<b>Adjusted equity at beginning of period</b>	<b>755</b>	<b>636</b>	<b>627</b>	<b>673</b>
Comprehensive income for the period	-40	-9	-66	-44
Dividend	-	-	-	-
New share issue	-	-	154	-
Acquisition/sales of treasury shares	-	0	0	0
Share Savings Scheme	-	0	0	-2
<b>Equity at end of period</b>	<b>715</b>	<b>627</b>	<b>715</b>	<b>627</b>

## Notes

### Note 1 Amortizations and depreciations

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Amortization of intangible assets	6	4	24	16
Depreciation of tangible assets	11	11	41	42
<b>Total amortizations and depreciations</b>	<b>17</b>	<b>15</b>	<b>65</b>	<b>58</b>

### Note 2 Non-recurring items

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Severance pay, CEO	0	-	-6	-
Impairment of assets	-20	-	-20	-
Costs for profitability improvement measures	0	-	-3	-30
<b>Total non-recurring items</b>	<b>-20</b>	<b>-</b>	<b>-29</b>	<b>-30</b>

### Note 3 Valuation of financial assets and liabilities

In all material respects fair value coincides with the carrying amount in the balance sheet for financial assets and liabilities.

The assessment of the fair value of the financial assets has been carried out in accordance with level 2 as defined by

IFRS 7.27 A, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2013 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

## Segment reporting

### Net sales per segment

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
<b>Sweden</b>	<b>439</b>	<b>445</b>	<b>1,776</b>	<b>1,889</b>
- External	428	434	1,734	1,831
- Internal	11	11	42	58
<b>Finland</b>	<b>431</b>	<b>381</b>	<b>1,715</b>	<b>1,619</b>
- External	430	381	1,713	1,612
- Internal	1	0	2	7
<b>Other units</b>	<b>154</b>	<b>232</b>	<b>776</b>	<b>947</b>
- External	150	225	755	909
- Internal	4	7	21	38
<b>Parent Company and consolidated items</b>	<b>-15</b>	<b>-19</b>	<b>-65</b>	<b>-100</b>
<b>Group</b>	<b>1,009</b>	<b>1,039</b>	<b>4,202</b>	<b>4,355</b>

### Shipped tonnage per segment (thousands of tonnes)

	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	40	40	160	169
Finland	42	39	172	168
Other units	16	28	86	126
Parent Company and consolidated items	-1	1	-7	-8
<b>Group</b>	<b>97</b>	<b>108</b>	<b>411</b>	<b>455</b>

### Operating profit/loss (EBIT) per segment

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	5	1	31	19
Finland	5	-3	32	14
Other units	-26	-9	-49	-26
Parent Company and consolidated items	-14	3	-31	-15
<b>Group</b>	<b>-30</b>	<b>-8</b>	<b>-17</b>	<b>-8</b>

### Operating margin per segment

	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	1.0%	0.1%	1.7%	1.0%
Finland	1.3%	-0.7%	1.9%	0.9%
Other units	-17.1%	-3.7%	-6.4%	-2.7%
<b>Group</b>	<b>-3.0%</b>	<b>-0.7%</b>	<b>-0.4%</b>	<b>-0.2%</b>

## Segment reporting

### Underlying operating profit/loss (uEBIT) per segment<sup>1) 2)</sup>

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	5	0	31	37
Finland	7	2	40	29
Other units	-7	-9	-28	-25
Parent Company and consolidated items	-14	3	-25	-5
<b>Group</b>	<b>-9</b>	<b>-4</b>	<b>18</b>	<b>36</b>

<sup>1)</sup> 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 acquisition value and the cost of goods sold at replacement cost. The Group's internal model is used to calculate inventory gains and losses and has not been subject for review by the Group's auditor.

<sup>2)</sup> During 2014, a reallocation of costs for intra-Group services have been made. This has affected operating profit positively by SEK 6 M in Sweden, SEK 4 M in Finland, SEK 6 M in Other units and negatively by SEK 16 M in the parent company. During the quarter, the operating profit has been positively affected by SEK 4 M in Sweden, SEK 3 M in Finland, SEK 5 M in Other units and negatively by SEK 12 M in the parent company.

### Underlying operating margin per segment

	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	1.0%	0.1%	1.7%	2.0%
Finland	1.6%	0.4%	2.3%	1.8%
Other units	-4.5%	-3.7%	-3.6%	-2.6%
<b>Group</b>	<b>-0.9%</b>	<b>-0.4%</b>	<b>0.4%</b>	<b>0.8%</b>

### Depreciation per segment

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	3	3	13	15
Finland	5	5	19	18
Other units	3	3	11	10
Parent Company and consolidated items	6	4	22	15
<b>Group</b>	<b>17</b>	<b>15</b>	<b>65</b>	<b>58</b>

### Investments in tangible and intangible assets per segment

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Sweden	0	0	1	6
Finland	2	4	4	21
Other units	2	2	2	15
Parent Company and consolidated items	0	0	0	1
<b>Group</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>43</b>

## Key data

(SEK M unless otherwise stated)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
<b>Earnings measurements</b>				
Operating profit/loss (EBIT)	-30	-8	-17	-8
<b>Margin measurements</b>				
Gross margin	12.3%	12.2%	12.5%	12.6%
Operating margin	-3.0%	-0.7%	-0.4%	-0.2%
<b>Capital structure</b>				
Net debt	754	851	754	851
Net debt/equity ratio	105%	136%	105%	136%
Equity/assets ratio	32%	29%	32%	29%
Working capital (average)	452	413	439	404
Capital employed (average)	1,567	1,545	1,581	1,542
Operating capital (excluding intangible assets) (average)	836	817	835	793
Working capital tied-up	11%	10%	10%	9%
<b>Return</b>				
Return on capital employed	-7.8%	-1.9%	-1.1%	-0.5%
Return on operating capital (excluding intangible assets)	-11.7%	-1.6%	0.8%	1.1%
Return on equity	-24.4%	-9.2%	-10.0%	-7.9%
<b>Per share data</b>				
Earnings per share (SEK)	-0.61	-0.29	-1.07	-1.02
Earnings per share after dilution (SEK)	-0.61	-0.29	-1.07	-1.02
Equity per share (SEK)	9.64	12.68	9.64	12.68
Cash flow from operating activities per share (SEK)	0.66	0.85	-0.37	-0.61
Shares outstanding at period end (thousands) <sup>1)</sup>	74,190	49,438	74,190	49,438
Average number of shares (thousands) <sup>1)</sup>	74,190	49,438	68,005	49,433
Diluted average number of shares (thousands) <sup>1)</sup>	74,190	49,440	68,016	49,450
<b>Other</b>				
Average number of employees	766	817	782	853

<sup>1)</sup> The numbers for 2014 includes new shares issued.

## Supplementary disclosures

(SEK M unless otherwise stated)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
<b>Sales by main products</b>				
Long steel	274	271	1,117	1,137
Flat steel	384	399	1,622	1,637
Reinforcement steel	49	79	217	385
<i>Total commercial steel</i>	<i>707</i>	<i>749</i>	<i>2,956</i>	<i>3,159</i>
Stainless steel	201	163	765	714
Aluminium	47	45	188	196
Other	54	82	293	286
<b>Total sales</b>	<b>1,009</b>	<b>1,039</b>	<b>4,202</b>	<b>4,355</b>
<b>Growth</b>				
Sales growth	-3%	-4%	-4%	-13%
– organic tonnage growth	-11%	-3%	-10%	-6%
– price and mix changes	6%	-3%	4%	-6%
– currency effects	2%	2%	2%	-1%
<b>Adjusted earnings measurements</b>				
Underlying operating profit/loss (uEBIT)	-9	-4	18	36
Underlying EBITA	-3	0	42	52
<b>Adjusted margin measurements</b>				
Underlying gross margin	12.5%	12.6%	12.7%	12.9%
Underlying operating margin	-0.9%	-0.4%	0.4%	0.8%
Underlying EBITA margin	-0.3%	0.0%	1.0%	1.2%
<b>Adjusted return</b>				
Underlying return on operating capital (excluding intangible assets)	-1.7%	0.2%	5.0%	6.6%
<b>Adjusted per share data</b>				
Underlying earnings per share (SEK)	-0.33	-0.24	-0.58	-0.21
Underlying earnings per share after dilution (SEK)	-0.33	-0.24	-0.58	-0.21
<b>Adjusted capital structure</b>				
Net debt/underlying EBITDA (multiple)	-	-	9.1	9.1
<b>Other</b>				
Inventory gains and losses	-1	-4	-6	-14
Shipped tonnage (thousands of tonnes)	97	108	411	455
Average sales prices (SEK/kg)	10.49	9.66	10.24	9.58

## Condensed parent company income statement

(SEK M)	2014 Oct-Dec	2013 Oct-Dec	2014 Full-year	2013 Full-year
Net sales	3	15	43	58
Administrative expenses	-19	-16	-71	-69
Other operating income and expenses	3	1	-4	-8
<b>Operating profit/loss</b>	<b>-13</b>	<b>0</b>	<b>-32</b>	<b>-19</b>
Financial items	-93	-53	-104	-50
<b>Profit/loss after financial items</b>	<b>-106</b>	<b>-53</b>	<b>-136</b>	<b>-69</b>
Appropriations	-18	41	-18	41
<b>Profit/loss before tax</b>	<b>-124</b>	<b>-12</b>	<b>-154</b>	<b>-28</b>
Tax	11	-6	23	4
<b>Profit/loss for the period, or comprehensive income for the period</b>	<b>-113</b>	<b>-18</b>	<b>-131</b>	<b>-24</b>

## Condensed parent company balance sheet

(SEK M)	2014 31 Dec	2013 31 Dec
Intangible assets	36	58
Tangible assets	0	0
Financial assets	1,193	1,203
<b>Total non-current assets</b>	<b>1,229</b>	<b>1,261</b>
Current receivables	291	292
Cash and equivalents	31	19
<b>Total current assets</b>	<b>322</b>	<b>311</b>
<b>Total assets</b>	<b>1,551</b>	<b>1,572</b>
<b>Equity</b>	<b>595</b>	<b>572</b>
<b>Non-current liabilities</b>	<b>749</b>	<b>830</b>
<b>Current liabilities</b>	<b>207</b>	<b>170</b>
<b>Total equity and liabilities</b>	<b>1,551</b>	<b>1,572</b>
<b>Pledged assets</b>	<b>1,322</b>	<b>1,309</b>
<b>Contingent liabilities</b>	<b>75</b>	<b>135</b>

## Key data – multi-quarter summary

(SEK M unless otherwise stated)	2014 Okt-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar	2013 Okt-Dec	2013 Jul-Sep	2013 Apr-Jun	2013 Jan-Mar	2012 Okt-Dec
Net sales	1,009	998	1,112	1,083	1,039	1,012	1,185	1,119	1,088
<b>Earnings measurements</b>									
Operating profit/loss (EBIT)	-30	-3	3	13	-8	14	5	-19	-43
Underlying operating profit/loss (uEBIT)	-9	6	4	17	-4	18	9	13	-34
Underlying EBITA	-3	12	10	23	0	22	13	17	-30
<b>Margin measurements</b>									
Operating margin	-3.0%	-0.3%	0.3%	1.2%	-0.7%	1.4%	0.4%	-1.7%	-4.0%
Underlying operating margin	-0.9%	0.6%	0.3%	1.5%	-0.4%	2.0%	0.7%	1.2%	-3.2%
Underlying EBITA margin	-0.3%	1.1%	0.9%	2.1%	0.0%	2.4%	1.1%	1.6%	-2.8%
<b>Capital structure</b>									
Net debt	754	785	776	743	851	884	844	822	779
Net debt/equity ratio	105%	104%	101%	96%	136%	139%	132%	128%	116%
Equity/assets ratio	32%	32%	33%	33%	29%	27%	27%	27%	29%
Capital employed (average)	1,567	1,600	1,617	1,581	1,545	1,546	1,528	1,540	1,580
Operating capital (excluding intangible assets) (average)	836	868	852	817	817	816	785	767	814
Working capital tied-up	11%	12%	10%	10%	10%	11%	9%	9%	10%
<b>Return</b>									
Return on capital employed	-7.8%	-0.5%	0.7%	3.2%	-1.9%	3.5%	1.4%	-4.9%	-10.9%
Return on operating capital (excluding intangible assets)	-11.7%	1.7%	4.2%	9.2%	-1.6%	8.6%	4.7%	-7.7%	-19.4%
Underlying return on operating capital (excluding intangible assets)	-1.7%	5.6%	5.1%	11.1%	0.2%	10.7%	6.9%	9.1%	-14.9%
Return on equity	-24.4%	-8.3%	-3.9%	-2.7%	-9.2%	-0.6%	-5.2%	-16.4%	-23.2%
<b>Per share data</b>									
Earnings per share (SEK)	-0.61	-0.22	-0.10	-0.06	-0.29	-0.02	-0.16	-0.54	-0.81
Underlying earnings per share (SEK)	-0.33	-0.09	-0.09	-0.03	-0.24	0.08	-0.12	0.10	-0.67
Equity per share (SEK)	9.64	10.18	10.39	10.46	12.68	12.87	12.93	12.96	13.63
Cash flow from operating activities per share (SEK)	0.66	-0.11	-0.24	-0.65	0.85	-0.69	0.17	-0.92	1.95
<b>Other</b>									
Average number of employees	766	769	787	804	817	842	864	887	899
Inventory gains and losses	-1	0	-1	-4	-4	-4	-4	-2	-9
Shipped tonnage (thousands of tonnes)	97	95	110	109	108	107	124	116	110
Average sales prices (SEK/kg)	10.49	10.45	10.17	9.90	9.66	9.42	9.53	9.69	9.83



## Definitions of key data

### SUPPLEMENTARY DISCLOSURES

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#### Growth

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Sales growth	Change in net sales from the preceding period in percent.
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#### Adjusted earnings measurements

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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 non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses).
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#### Adjusted margin measurements

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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).
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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

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Underlying return on operating capital (excluding intangible assets)	Annualized underlying EBITA as a percentage of average operating capital excluding goodwill and other intangible assets.
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#### Adjusted per share data

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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

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

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Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost.
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Please refer to the 2013 annual report for other definitions of key data.