BE Group AB (publ)

Interim report January-September 2009

Malmö, 22 October 2009

Continued strong cash flow but weak demand

THIRD QUARTER

- Net sales amounted to SEK 917M (1,919), down 52%. Currency effects had a positive impact of 5% on net sales. Shipped tonnage declined 35%.
- The operating result deteriorated to a loss of SEK 44M (163) due to reduced tonnage and lower prices, resulting in inventory losses of SEK 35M (46).
- Underlying EBITA[1)] declined to a loss of SEK 7M (119).
- Earnings per share[2)] declined to a loss of SEK 0.92 (2.27) and underlying earnings per share[2)] to a loss of SEK 0.39 (1.32).
- Working capital was further reduced by SEK 155M, generating cash flow of SEK 78M before change in net debt.
- BE Group's cost-savings programme was intensified during the quarter resulting in savings of SEK 120M to date in 2009, of which SEK 40M during the third quarter. The total cost reduction is expected to amount to at least SEK 170M in 2009.
- Stefan Eklund was appointed new head of the Sweden business area and President of BE Group Sverige AB. Most recently, he held the position of President of Skanska Installation and he will assume his new position at year-end.

INTERIM PERIOD JANUARY–SEPTEMBER

- Net sales declined 45% to SEK 3,297M (6,030) with a 36% reduction in tonnage.
- The operating result deteriorated to a loss of SEK 233M (548) and included inventory losses totalling SEK 223M (78). Underlying EBITA[1)] amounted to a loss of SEK 5M (424).
- Earnings per share[2)] declined to a loss of SEK 4.31 (8.16) and the underlying earnings per share[2)] to a loss of SEK 0.90 (6.01).

1) Definitions are provided on page 20.

2) Earnings per share relate to both before and after dilution

BE Group, listed on the Nasdaq OMX Stockholm, 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 just under 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.

Market and business environment

The sharp downturn in the global economy, ongoing since the second half of 2008, adversely affected the third quarter, resulting in continued low demand for steel and other metals worldwide.

According to the latest statistics from the World Steel Association (WSA), the global production of steel for the January-August period amounted to 759 million tonnes, down 18% compared with the year-earlier period. This figure was significantly impacted by a 5% increase in production in China, which represents 49% of total production. Production in EU countries declined 41%.

Production in EU countries reached its lowest level in April, and the production level in August was 14% higher than figures reported in April.

Efforts to reduce inventory levels throughout the value chain, from steel producers to steel users, continued during the quarter and are expected to continue at the distributor level during the fourth quarter. Inventory levels increased in August, the last reported month for European distributors. This corresponds with normal seasonal pattern. Taking into account the ongoing inventory reductions, the real consumption of steel is deemed to exceed current production levels.

Demand for steel in the EU has declined to levels equalling those experienced in the early 1990s. The general assessment is that steel prices have bottomed out at a level corresponding to the price level prevailing in 2005.

Developments in the BE Group's markets essentially reflect the general economic trend. The third quarter was influenced by low levels of activity during the holiday period. In Sweden, the view is that a slight improvement occurred in the engineering industry while activity in the construction industry slowed somewhat following the summer.

A recovery in terms of demand and sales prices was noted in Central and Eastern Europe (CEE). In Finland, which was impacted by the recession later than Sweden, low levels of activity continued in all industry areas.

Overall, the Group's shipped tonnage for the third quarter was down 12% on the second quarter of 2009.

Outlook

In its latest forecast issued in mid-October, the WSA predicted that total global demand for commercial steel will decline by about 9% in 2009. This represents an improvement compared with the spring forecast, in which a decline of more than 14% was predicted. After NAFTA, Europe is expected to account for the largest downturn, with a fall in demand of more than 32%.

The WSA expects a recovery in the global market in 2010, with forecast growth of just over 9%. In the EU, this increase is expected to exceed 12%.

For full-year 2009, BE Group expects, as before, considerably weaker demand and lower sales prices than for full-year 2008. For the fourth quarter of 2009, BE Group expects purchase prices and, consequently, sales prices to continue to rise slightly. However, the price trend depends on how production volumes at the steel producer level are adjusted to current demand levels.

In the fourth quarter, demand is expected to rise somewhat from the low level reported at the end of the third quarter. However, the long-term growth rate is difficult to assess at the current time.

Adaptation and optimisation of inventory levels will continue during the fourth quarter. Given the lower inventory levels and the increase in sales prices, the Group's inventory losses are expected to be significantly lower than those recognised earlier in 2009.The assessment is that fourth-quarter inventory levels will be adjusted to the demand scenario prevailing.

The Group's cost-savings programme was gradually expanded during the year. Total cost reductions in 2009 are expected to amount to at least SEK170M.

In accordance with BE Group's long-term strategy, efforts will continue to be made to increase the service share of sales. This will be accomplished through continued focus on production service and skills enhancement to create added value for both the Group and its customers. Combined with these forward-looking initiatives, several activities are in progress aimed at enhancing BE Group's efficiency and competitiveness.

Development in the third quarter

Group

Due to weak demand, sales continued to decline in the third quarter and were significantly lower than the figure reported in the corresponding period in the preceding year.

Net sales declined 52% and amounted to SEK 917M (1,919). The tonnage decline for comparable units was 36 percentage points. The price and mix change negatively impacted net sales by 22 percentage points. These negative effects were offset by positive currency effects of 5 percentage points. The sales decline for comparable units was 53%.

The average sales price per kg was down 27% compared with the year-earlier period and totalled SEK 9.91 (13.49). The Group's average sales price decreased 2% compared with the second quarter, primarily due to a relatively large share of sales in CEE. Shipped tonnage declined 12% between the second and third quarters, which, in terms of seasons, is a lower rate of decline than earlier years and is an effect of a slight recovery in CEE.

Consolidated gross profit amounted to SEK 97M (334), resulting in a gross margin of 10.6% (17.4). Profit was negatively impacted by inventory losses totalling SEK 35M (46). The underlying gross margin amounted to 14.1% (15.0).

Development during July-September

(SEKM)	Outcome Jul-Sep	Comparable units
Net sales 2008	**1,919**	**1,919**
Net sales 2009	**917**	**910**
Operating profit 2008	**163**	**163**
Reversal of amortisation of intangible assets	2	2
EBITA 2008	**165**	**165**
Inventory gains	-46	-46
Underlying EBITA 2008	**119**	**119**
Changes in tonnage, price, mix and gross margins	-159	-160
Overhead costs, etc.	33	34
Underlying EBITA 2009	**-7**	**-7**
Inventory losses	-35	-35
EBITA 2009	**-42**	**-42**
Less amortisation of intangible assets	-2	-2
Operating loss 2009	**-44**	**-44**

EBITA amounted to a loss of SEK 42M (65). Underlying EBITA was a loss of SEK 7M (119). The decline in earnings was attributable to reduced tonnage and lower sales prices. The deterioration was offset by lower overheads, as a result of the Group's cost-savings programme.

The EBITA margin was a negative 4.6% (8.6) and the underlying EBITA margin was a negative 0.8% (6.2).

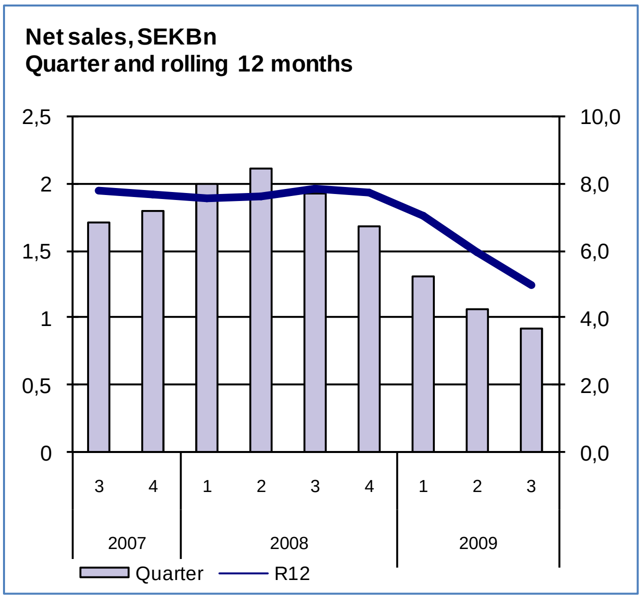
Cost-savings programme

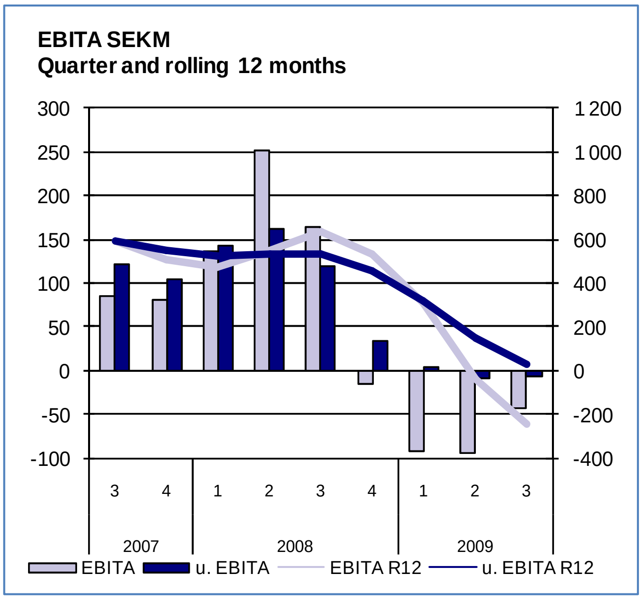
To counter the effects of the severe recession, BE Group has been implementing a comprehensive cost-savings programme since late 2008. The programme was expanded at the beginning of the fourth quarter through further efficiency measures in the Finnish operation. The objective is to reduce the Group's cost base by at least SEK 170M in 2009. This is an increase of SEK 20M compared with the figure announced earlier. For the first nine months of 2009, the total impact of the cost-savings programme was estimated at about SEK 120M, of which effects realised in the third quarter accounted for approximately SEK 40M. Nonrecurring costs totalling SEK 26M for the cost-savings programme were taken into account in full during the fourth quarter of 2008. As a step in the ongoing efficiency measures, the operations in Lahti will be combined to one facility.

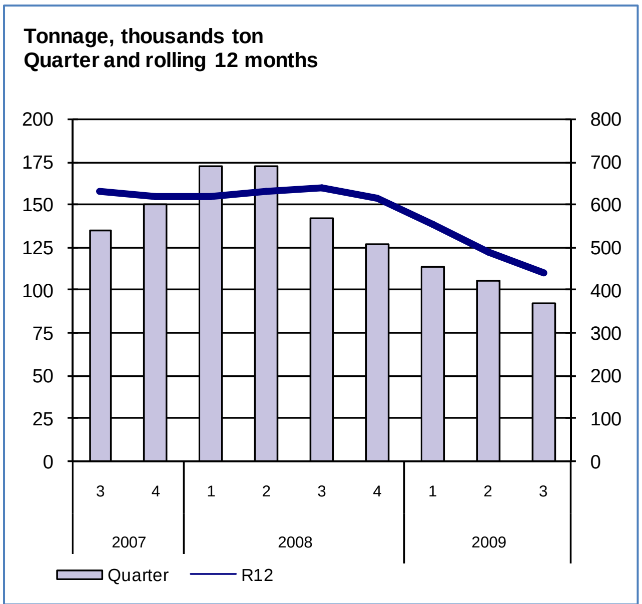
Development per distribution channel

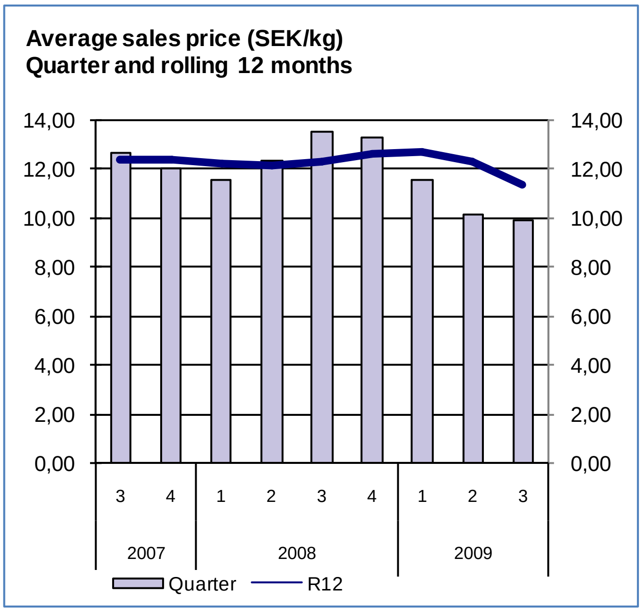
BE Group's sales are conducted through three distribution channels: inventory sales, service sales and direct sales.

Of total net sales for the third quarter, shipments from Group facilities accounted for 82% (83), which is broken down as follows: inventory sales 55 percentage points (52) and service sales 27 percentage points (31). The decline in the service share was primarily due to the larger proportion of sales, in relative terms, in CEE business area.









Development in commercial steel

The drop in prices for commercial steel continued during the quarter and the average sales price per kg decreased 32% to SEK 7.78 (11.41). Compared with the preceding quarter, the sales price declined 6%. Net sales for commercial steel amounted to SEK 657M (1,491). Expressed in terms of tonnage, sales contracted by 35%. Overall, commercial steel accounted for 72% (78) of BE Group's net sales.

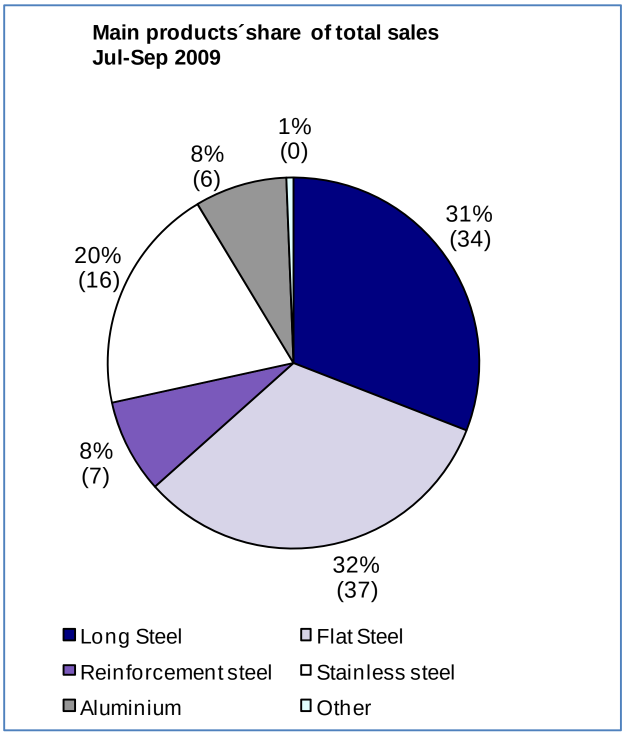
The proportion of net sales accounted for by long products fell to 31% (34), while the proportion of flat products declined to 32% (37).

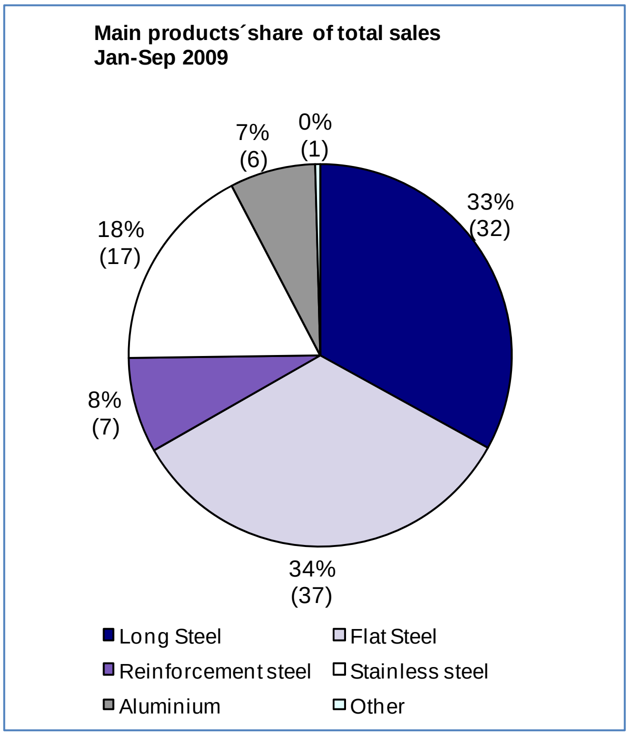
Development in stainless steel and aluminium

The sales price for stainless steel rose during the quarter partly due to higher prices for nickel and other alloy metals. The average sales price was down 16% on the third quarter in 2008 and up 9% compared with the second quarter of the current year.

Compared with the year-earlier period, BE Group's sales of stainless steel declined 40% and amounted to SEK 182M (300). The proportion of net sales represented by stainless steel increased to 20% (16). Sold tonnage was down 28% on the year-earlier period.

Aluminium sales declined 34% during the quarter and totalled SEK 74M (112), corresponding to 8% (6) of total net sales.





Business areas

Business area Sweden

Weak demand was noted in Sweden during the quarter. Compared with the year-earlier period, net sales declined during the quarter as a whole by 46% to SEK 444M (823) primarily due to a 29% drop in tonnage. The average sales price was down 24% on the corresponding quarter in 2008. Compared with the second quarter of 2009, the sales price rose 3%, while tonnage declined 21%.

Despite the decline in net sales and low activity levels during the holiday period, the business area reported positive EBITA of SEK 11M (64). The cost-savings programme proceeded according to plan and made a positive contribution to earnings. Lower business volumes resulted in a reduction in EBITA to SEK 4M (75). Inventory losses amounted to SEK 7M (gain: 10), of which a loss of SEK 3M was related to the joint venture ArcelorMittal BE Group SSC AB.

Stefan Eklund was appointed new head of the Sweden business area and President of BE Group Sverige AB. He most recently held the position of President of Skanska Installation. Stefan Eklund has extensive experience in the field of industrial operations and sales of services to companies in the construction and industrial sectors. Henrik Fries, who has been acting Business Area Manager, Sweden, for the past year will assume a position outside the Group.

Business area Finland

In Finland, which was impacted by the recession at a later stage than Sweden, extremely low levels of activity continued to characterise all industrial sectors. Net sales amounted to SEK 296M (770), down 62%. Shipped tonnage declined 52%. Expressed in EUR, the average sales price fell 27%. Consolidated in SEK, the decline was 20% compared with the corresponding quarter in 2008. Sales prices rose 3% in relation to the second quarter, while tonnage decreased 16%.

EBITA decreased to a loss of SEK 13M (profit: 89) and underlying EBITA was a loss of SEK 1M (58). The decline in earnings resulted from reduced tonnage and lower sales prices. The decline in prices resulted in inventory losses totalling SEK 11M (32). Overheads were reduced during the quarter due to the ongoing savings programme. Service sales including materials fell slightly to 46% (47) of net sales.

Given the continued low level of demand, the current cost-savings programme was intensified and additional temporary lay-offs were implemented.

During the quarter, efforts to reduce inventory levels continued successfully and the inventory value has been reduced by 60% since 31 December 2008.

CEE business area

A slight recovery was noted in the markets in Central and Eastern Europe during the third quarter.

Demand and price levels increased during the latter part of the quarter. Net sales for the business area declined 46% to SEK 194M (361), while tonnage decreased 15% compared with the year-earlier period. The tonnage decline for comparable units was 21%. Compared with the preceding quarter, tonnage decreased by 5%. The average sales price was down 37% on the year-earlier period and down 3% on the second quarter.

EBITA declined to a loss of SEK 28M (3), primarily due to negative price effects and inventory losses totalling SEK 17M (4). Effects attributable to the cost-savings programme currently in progress had a positive impact on overhead costs. During the quarter, the business area was charged with provisions for doubtful receivables totalling SEK 5M, mainly related to the Slovakian operation. Underlying EBITA amounted to a loss of SEK 12M (0).

At the beginning of the quarter, a logistics centre was established within the parameters of the existing business in Ostrava, in the Czech Republic. This new centre will offer economies of scale and the possibility to supply the Group's markets in a more efficient manner.

Net financial items and tax

For the third quarter, the Group's net financial items amounted to an expense of SEK 14M (9), of which net interest expense accounted for SEK 12M (12). On an annual basis, this corresponds to 5.6% (5.6) of net interest-bearing liabilities, which averaged SEK 888M (879) during the quarter.

Tax income for the quarter amounted to SEK 12M (41), equivalent to 20.8% (26.7) of profit before tax.

Cash flow

Cash flow before changes in net debt amounted to SEK 78M (277). Cash flow from operating activities was SEK 95M (121). The improvement mainly derived from the reduction in working capital, which during the quarter amounted to SEK 141M (231) before currency translation, but this was offset by lower earnings. Cash flow from investing activities was a negative SEK 17M (156, of which acquisitions accounted for a negative 146). Cash flow from financing activities was a negative SEK 10M (157, of which new loans raised in conjunction with acquisitions accounted for SEK 152M).

Development during January–September

Group

During the reporting period, consolidated net sales declined 45% to SEK 3,297M (6,030). The decrease in tonnage for comparable units accounted for 36 percentage points. A negative price and mix change, in addition to deconsolidation of thin plate operations in Sweden that took place in June 2008, impacted net sales by 15 and 3 percentage points, respectively. These negative effects were offset by acquired sales of 2 percentage points and positive currency effects of 6 percentage points. Sales for comparable units declined 46%.

A downward price trend prevailed for much of the period and, compared with the corresponding period in 2008, the average sales price declined 15% to SEK 10.59 (12.39).

Consolidated gross profit deteriorated to SEK 248M (1,041), resulting in a gross margin of 7.5% (17.3). Earnings were negatively impacted by inventory losses totalling SEK 223M (78). The underlying gross margin was 13.9% (16.0).

Net sales and profit development during January-September

(SEKM)	Outcome Jan-Sep	Comparable units
Net sales 2008	**6,030**	**5,861**
Net sales 2009	**3,297**	**3,181**
Operating profit 2008	**548**	**478**
Reversal of amortisation of intangible assets	4	4
EBITA 2008	**552**	**482**
Inventory gains	-78	-77
Exceptional items	-50	-
Underlying EBITA 2008	**424**	**405**
Changes in tonnage, price, mix gross margin	-503	-492
Overhead costs, etc.	74	86
Underlying EBITA 2009	**-5**	**-1**
Inventory losses	-223	-212
EBITA 2009	**-228**	**-213**
Less amortisation of intangible assets	-5	-4
Operating loss 2009	**-233**	**-217**

EBITA deteriorated to a loss of SEK 228M (552) and underlying EBITA was a loss of SEK 5 M (424). The decrease in earnings was attributable to reduced tonnage and sales prices. The decline was somewhat offset by lower overheads, primarily attributable to positive effects generated by the cost-savings programme.

The EBITA margin deteriorated to a loss of 6.9% (9.2), while the underlying EBITA margin was negative 0.2% (7.0).

Business areas

Business area Sweden

Business area Sweden reported sales of SEK 1,574M (2,835), down 44% mainly due to reduced tonnage. The decline in net sales for comparable units was 41%.

EBITA amounted to a loss of SEK 29M (295), while underlying EBITA totalled SEK 27M (223). The decline was primarily related to reduced tonnage and sales prices.

The joint venture ArcelorMittal BE Group SSC AB was reported in accordance with the BE Group's calculation model. After the close of the second quarter, adjustments of inventory gains and losses were made in line with BE Group's calculation model. The interim period was charged with inventory losses totalling SEK 11M related to the jointly owned company, of which SEK 8M was attributable to the first six months of 2009. The effects in the first half of 2009 are now recognized in this report and previously reported underlying results adjusted subsequently. Total inventory losses in the business area amounted to SEK 56M.

Business area Finland

Business area Finland reported sales totalling SEK 1,164M (2,385), down 51%. Reduced tonnage and sales prices had a significant impact on EBITA, which declined to a loss of SEK 95M (260). Underlying EBITA amounted to SEK 7M (216). The service share of sales rose to 48% (47).

CEE business area

Sales for the business area CEE amounted to SEK 622 M (925), down 33%. The decline for comparable units was 47%.

EBITA declined to a loss of SEK 92M (13). Underlying EBITA deteriorated to a loss of SEK 27M (1).

The reduced sales and weakened earnings were due to the decline in tonnage and lower sales prices.

Net financial items and tax

The Group's net financial items for the reporting period amounted to an expense of SEK 38M (16), of which net interest expense accounted for SEK 29M (30). On an annual basis, this corresponds to 4.1% (5.4) of the net interest-bearing liabilities, which averaged SEK 941M (744) during the period. Net financial items were negatively impacted by exchange-rate differences in the amount of SEK 6 M (16).

Tax income for the January-September period amounted to SEK 57M (125), corresponding to 20.9% (23.6) of earnings before tax.

Cash flow

During the first nine months of the year, cash flow amounted to SEK 188M (164) before changes in net debt. Cash flow from operating activities amounted to SEK 212M (68). The improvement was mainly attributable to a reduction in working capital. Cash flow from investing activities was a negative SEK 24M (232, of which negative SEK 199M was attributable to acquisitions). Cash flow from financing activities was a negative SEK 158M (-51) due to repayment of financial liabilities and paid dividends.

Capital, investments and return

Consolidated working capital amounted to SEK 577M (1,126) on September 30. Robust measures to reduce working capital were implemented, resulting in a reduction of SEK 471M since year-end 2008. During the interim period, inventory was reduced by SEK 642M to SEK 628M, a decrease of 51%. Measured in tonnes, the reduction was 39%.

Of the capital expenditures during the period totalling SEK 38M (248, comparative figure includes acquisitions), capital expenditures in tangible assets accounted for SEK 20M (24) and intangible assets for SEK 18M (14). Capital expenditures related mainly to investments in conjunction with the ongoing development of the Group's IT platform and investments linked to the restructuring of the operation in Lahti, Finland. As part of the Group's savings programme, a number of previously approved investments were postponed.

Return on operating capital (excluding intangible assets) deteriorated and was negative for the period (66.9%). Due to acquisitions, average operating capital increased compared with the year-earlier period.

Financial position and liquidity

At the end of the period, the Group's cash and cash equivalents amounted to SEK 158M (45). BE Group had unutilised credit facilities totalling SEK 219M at 30 September.

The Group's net interest-bearing liabilities declined during the period by SEK 104M and amounted to SEK 836M (1,064) at the end of the period. The decline was the result of successful efforts to reduce working capital. Since 31 December 2008, net indebtedness has decreased by SEK 170M. During the period, loan repayments were made totalling SEK 93M. BE Group's total credit facilities amounted to SEK 1,198M. The maturity date for 95% of the credit facility is December 2011.

At 30 September, consolidated equity totalled SEK 833M (1,099), while the net debt/equity ratio amounted to 100% (97).

Organisation, structure and employees

During the period, the cost-savings programme mainly entailed reductions in the workforce in Sweden, Finland and the Czech Republic, wage cuts in several markets in CEE and temporary layoffs in Finland. The number of employees has been reduced to 880 compared with 1,038 at the beginning of the year.

Contingent liabilities

The Group's contingent liabilities amount to SEK 362M, unchanged compared with year-end 2008.

Parent Company

Sales for the Parent Company BE Group AB (publ) amounted to SEK 38M (39) during the period and derived from intra-Group services. An operating loss of SEK 16M (loss: 23) was reported. Net financial items were positive and amounted to SEK 233M (157) as a result of exchange-rate gains and dividends received from subsidiaries. Profit before tax totalled SEK 217M (134) and profit after tax amounted to SEK 222M (145).

The Parent Company invested SEK 18 M (13) in intangible assets during the period. At the end of the period, the Parent Company's cash and cash equivalents were SEK 102M (9).

Financial targets

BE Group has five financial business targets that are measured over a 12-month rolling period.

The financial targets are based on underlying earnings and return measurements to clearly illustrate the performance of the operational business. Underlying earnings comprise recognised profit/loss adjusted for exceptional items and inventory gains/losses (see definitions on page 20). The calculations are based on BE Group's internal model. This model has not been reviewed by the company's auditor.

The outcomes for growth, profitability and return are measured over an economic cycle, while the capital structure targets relate to a normal situation.

Financial targets	Target	Outcome, last 12 months
Underlying sales growth	>5%	Neg.
Underlying EBITA margin	>6%	0.6%
Underlying return on operating capital	>40%	2.4%
Net debt /shareholders' equity	<150%	100%
Net debt/underlying EBITDA	<3 (multiple)	10.4 (multiple)

Significant events after the close of the period

No significant event took place after the close of the period.

Related-party transactions

Nordic Capital Funds owns 20.6% of the shares in BE Group AB through Trenor Holding Limited, Jersey. At 30 September 2009, no transactions had taken place between the Group and Trenor Holding Limited.

Transactions between the Parent Company and related parties are disclosed in the notes on page 19.

Nominating Committee

In accordance with the company's established principles relating to corporate governance, the Nominating Committee, with the Chairman of the Board as the convenor, has been appointed. The Nominating Committee comprises: Ulf Rosberg, representing Nordic Capital, KG Lindvall, representing Swedbank Robur Funds, Frank Larsson, representing Handelsbanken Funds, Torbjörn Callvik, representing Skandia Life Assurance and Carl-Erik Ridderstråle as Chairman of BE Group AB.

2010 Annual General Meeting

The Annual General Meeting of BE Group will be held on Tuesday, 27 April 2010, at 4:00 p.m. in Malmö, Sweden.

Further information is available on the company's website.

Share Savings Scheme

At the Annual General Meeting of the BE Group on 13 May, the Board's motions regarding remuneration of senior executives and the introduction of a share savings scheme ("Share Savings Scheme 2009") for executives in Group Management and management teams in the business areas were adopted.

Some 25 employees have accepted participation in the Share Savings Scheme 2009. During the third quarter, earnings were charged with SEK 1M related to Share Savings Schemes 2007-2009. For further information related to the scheme, refer to information about the Annual General Meeting on the company's website.

Significant risks and uncertainties

BE Group is exposed to business and financial risks in its daily operations. Fluctuations in steel prices, exchange rates and interest rates comprise risk factors that affect the Group's financial performance and cash flow.

BE Group is also exposed to refinancing and liquidity risks as well as credit and counterparty risks. The financial risk exposure is explained in the 2008 Annual Report published in March 2009. No new significant risks or uncertainties have arisen since that date.

Accounting principles

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. Refer to the 2008 Annual Report for details of the Group's accounting principles and definitions of certain terms. The accounting principles applied have not changed other than with respect to the new standards and interpretations that took effect at the beginning of the 2009 financial year. However, these new standards have had no impact on the financial statements and have only affected how the information is presented, primarily by reason of amendments to IAS 1 Presentation of Financial Statements and the implementation of IFRS 8 Operating Segments. Please refer to the interim report for the first quarter of 2009 for a more detailed description of these changes.

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 2.2 Accounting for Legal Entities.

Future reporting dates

BE Group AB (publ) intends to publish its year-end report on 10 February 2010. The 2010 Annual Report will be available at the end of March 2010.

The interim report for the January-March period will be published on 27 April 2010.

Malmö, 22 October 2009
BE Group AB (publ)

Lars Bergström
President and CEO

This report has been reviewed by the company's auditors.

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 22 October at 7:30 a.m.

Question concerning this report may be directed to:

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Report on Review of Interim Financial Information

To the Board of Directors of BE Group AB (publ)
Corporate number 556578-4724

Introduction

We have reviewed the interim financial information (Interim Report) of BE Group AB (publ) as at September 30, 2009, and the nine month period then ended. The Board of Directors and the CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to issue a report on the Interim Report based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swedish Standards on Auditing RS and other generally accepted auditing standards in Sweden and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent company in accordance with the Annual Accounts Act.

Malmö, October 22, 2009

KPMG AB

Alf Svensson
Authorized Public Accountant

Condensed consolidated income statement

(SEKM)	Note	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Net sales		917	1,919	3,297	6,030	7,713	4,980
Cost of goods sold		-820	-1,585	-3,049	-4,989	-6,475	-4,535
Gross profit		**97**	**334**	**248**	**1,041**	**1,238**	**445**
Selling expenses		-109	-135	-372	-416	-567	-523
Administrative expenses		-32	-37	-105	-132	-170	-143
Other operating revenue and expenses	**1**	1	-5	-1	47	22	-26
Share of earnings in joint venture		-1	6	-3	8	9	-2
Operating profit (loss)		**-44**	**163**	**-233**	**548**	**532**	**-249**
Financial items		-14	-9	-38	-16	-30	-52
Profit (loss) before tax		**-58**	**154**	**-271**	**532**	**502**	**-301**
Tax		12	-41	57	-125	-124	58
Profit (loss) for the period		**-46**	**113**	**-214**	**407**	**378**	**-243**
Amortization of intangible assets		2	2	5	4	5	6
Depreciation of tangible assets		12	11	37	33	46	50
Earnings per share		-0.92	2.27	-4.31	8.16	7.58	-4.89
Earnings per share after dilution		-0.92	2.27	-4.31	8.16	7.58	-4.89

Consolidated statement of comprehensive income

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Profit (loss) for the period	**-46**	**113**	**-214**	**407**	**378**	**-243**
Other comprehensive income						
Translation differences	-21	18	-23	21	97	53
Hedging of net investments in foreign subsidiaries	22	-9	23	-9	-61	-29
Tax attributable to items in other comprehensive income	-5	3	-5	3	17	9
Total other comprehensive income	**-4**	**12**	**-5**	**15**	**53**	**33**
Comprehensive income for the period	**-50**	**125**	**-219**	**422**	**431**	**-210**

Note 1 Exceptional items[1)]

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full-year	Rolling 12 months
Capital gain referring to capital contributed in kind to joint venture	-	-	-	50	59	9
One-time costs related to cost-savings programme	-	-	-	-	-26	-26
Total exceptional items	**-**	**-**	**-**	**50**	**33**	**-17**

1) Recognised in Other operating revenue and expenses

Condensed consolidated balance sheet

(SEKM)	2009 30 Sep	2008 30 Sep	2008 31 Dec
Goodwill	649	631	651
Other intangible assets	63	44	48
Tangible assets	328	333	356
Investment in joint venture	121	137	138
Financial assets	3	2	4
Deferred tax assets	42	7	7
Total non-current assets	**1,206**	**1,154**	**1,204**
Inventories	628	1,244	1,270
Trade receivables	603	1,174	711
Other operating receivables	79	64	99
Cash and cash equivalents	158	45	125
Assets held for sale	**1,468**	**2,527**	**2,205**
Total current assets	**2,674**	**3,681**	**3,409**
Equity	**833**	**1,099**	**1,103**
Non-current interest-bearing liabilities	921	998	1,041
Provisions	10	13	12
Deferred tax liability	66	85	85
Total non-current liabilities	**997**	**1,096**	**1,138**
Current interest-bearing liabilities	77	114	93
Trade payables	553	1,037	781
Other current liabilities	180	319	251
Other current provisions	34	16	43
Liabilities associated with assets held for sale	**844**	**1,486**	**1,168**
Total current liabilities	**2,674**	**3,681**	**3,409**

Condensed consolidated cash-flow statement

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Profit (loss) before tax	-58	154	-271	532	502	-301
Adjustment for non-cash items	13	-9	37	-61	-17	81
Income tax paid	-1	-35	9	-169	-202	-24
Change in working capital	141	-231	437	-234	-61	610
Cash flow from operating activities	**95**	**-121**	**212**	**68**	**222**	**366**
Capital expenditure in intangible assets	-6	-4	-18	-14	-20	-24
Capital expenditure in tangible assets	-11	-9	-20	-24	-45	-41
Acquisitions of subsidiaries	-	-146	-	-199	-199	0
Other cash flow from investing activities	0	3	14	5	6	15
Cash flow before change in net debt	**78**	**-277**	**188**	**-164**	**-36**	**316**
Cash flow from financing activities	-10	157	-158	-51	-105	-211
Cash flow for the period	**68**	**-120**	**30**	**-215**	**-141**	**105**
Exchange-rate difference in cash and cash equivalents	-3	0	3	2	7	8
Change in cash and cash equivalents	**65**	**-120**	**33**	**-213**	**-134**	**113**

Condensed statement of changes in equity

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Equity at beginning of period	**882**	**973**	**1,103**	**849**	**849**	**1,099**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**882**	**973**	**1,103**	**849**	**849**	**1,099**
Comprehensive income for the period	-50	125	-219	422	431	-210
Dividend	-	-	-50	-175	-175	-50
Acquisition of treasury shares	-	-	-	-	-4	-4
Share Savings Scheme	1	1	-1	3	2	-2
Equity at end of period	**833**	**1,099**	**833**	**1,099**	**1,103**	**833**

Segment reporting

Net sales per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	**444**	**823**	**1,574**	**2,835**	**3,576**	**2,315**
- External	437	804	1,544	2,770	3,497	2,271
- Internal	7	19	30	65	79	44
Finland	**296**	**770**	**1,164**	**2,385**	**3,057**	**1,836**
- External	290	758	1,147	2,346	3,008	1,809
- Internal	6	12	17	39	49	27
CEE	**194**	**361**	**622**	**925**	**1,230**	**927**
- External	191	357	606	915	1,208	899
- Internal	3	4	16	10	22	28
Parent Company and consolidated items	**-17**	**-35**	**-63**	**-115**	**-150**	**-98**
Group	**917**	**1,919**	**3,297**	**6,030**	**7,713**	**4,980**

EBITA per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	4	75	-29	295	302	-22
Finland	-13	89	-95	260	274	-81
CEE	-28	3	-92	13	-21	-126
Parent Company and consolidated items	-5	-2	-12	-16	-18	-14
Group	**-42**	**165**	**-228**	**552**	**537**	**-243**

EBITA margin per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	1.0%	9.1%	-1.9%	10.4%	8.4%	-1.0%
Finland	-4.2%	11.6%	-8.1%	10.9%	9.0%	-4.4%
CEE	-14.6%	0.9%	-14.8%	1.4%	-1.7%	-13.6%
Parent Company and consolidated items	-	-	-	-	-	-
Group	**-4.6%**	**8.6%**	**-6.9%**	**9.2%**	**7.0%**	**-4.9%**

Segment reporting

Underlying EBITA per segment[1)]

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	11	64	27	223	253	57
Finland	-1	58	7	216	238	29
CEE	-12	0	-27	1	-14	-42
Parent Company and consolidated items	-5	-3	-12	-16	-18	-14
Group	**-7**	**119**	**-5**	**424**	**459**	**30**

1) EBITA adjusted for inventory gains and losses and exceptional 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.

Underlying EBITA margin per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	2.4%	7.8%	1.7%	7.9%	7.1%	2.4%
Finland	-0.4%	7.5%	0.6%	9.1%	7.8%	1.6%
CEE	-6.2%	0.0%	-4.3%	0.1%	-1.2%	-4.5%
Parent Company and consolidated items	-	-	-	-	-	-
Group	**-0.8%**	**6.2%**	**-0.2%**	**7.0%**	**6.0%**	**0.6%**

Depreciation per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	5	5	14	15	19	18
Finland	6	6	18	16	22	24
CEE	3	2	10	6	10	14
Parent Company and consolidated items	0	0	0	0	0	0
Group	**14**	**13**	**42**	**37**	**51**	**56**

Investments in tangible and intangible assets per segment

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Sweden	2	2	6	7	16	15
Finland	8	3	12	14	25	23
CEE	0	153	2	214	223	11
Parent Company and consolidated items	7	4	18	13	18	23
Group	**17**	**162**	**38**	**248**	**282**	**72**

Key data

(SEKM unless otherwise stated)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Earnings measurements						
EBITA	-42	165	-228	552	537	-243
Margin measurements						
Gross margin	10.6%	17.4%	7.5%	17.3%	16.1%	8.9%
EBITA margin	-4.6%	8.6%	-6.9%	9.2%	7.0%	-4.9%
Operating margin	-4.8%	8.5%	-7.1%	9.1%	6.9%	-5.0%
Capital structure						
Net debt	836	1,064	836	1,064	1,006	836
Net debt/equity ratio	100.4%	96.9%	100.4%	96.9%	91.2%	100.4%
Equity/assets ratio	31.1%	29.9%	31.1%	29.9%	32.3%	31.1%
Working capital (average)	655	953	823	857	895	884
Operating capital (average)	1,745	1,915	1,899	1,709	1,789	1,952
Operating capital (excluding intangible assets) (average)	1,036	1,274	1,193	1,101	1,162	1,252
Working capital tied-up	17.8%	12.4%	18.7%	10.7%	11.6%	17.7%
Return						
Return on operating capital (%)	-10.1%	34.1%	-16.4%	42.8%	29.7%	-12.7%
Return on operating capital (excluding intangible assets) (%)	-16.4%	51.8%	-25.5%	66.9%	46.2%	-19.4%
Return on equity (%)	-21.4%	43.7%	-29.8%	56.2%	38.1%	-24.7%
Per share data						
Earnings per share (SEK)	-0.92	2.27	-4.31	8.16	7.58	-4.89
Earnings per share after dilution (SEK)	-0.92	2.27	-4.31	8.16	7.58	-4.89
Equity per share (SEK)	16.74	22.04	16.74	22.04	22.17	16.74
Cash flow from operating activities per share (SEK)	1.91	-2.43	4.25	1.37	4.46	7.36
Shares outstanding at period end (thousands)	49,736	49,880	49,736	49,880	49,736	49,736
Average number of shares (thousands)	49,736	49,880	49,736	49,880	49,853	49,745
Diluted average number of shares (thousands)	49,746	49,884	49,744	49,883	49,857	49,753
Other						
Average number of employees	888	1,031	938	1,007	1,023	960

Supplementary disclosures

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Growth						
Sales growth	-52.2%	12.3%	-45.3%	3.1%	0.8%	-36.4%
- organic tonnage growth	-35.8%	-0.5%	-36.2%	1.0%	-4.0%	-36.4%
- price and mix changes	-21.9%	6.1%	-14.6%	-1.4%	0.6%	-5.4%
- currency effects	5.1%	2.2%	6.4%	1.4%	2.3%	6.2%
- acquisitions	0.4%	7.8%	1.9%	3.8%	4.3%	2.8%
- divested operations	0.0%	-3.3%	-2.8%	-1.8%	-2.4%	-3.6%
Adjusted earnings measurements						
Underlying EBITA	-7	120	-5	424	459	30
Adjusted margin measurements						
Underlying gross margin	14.1%	15.0%	13.9%	16.0%	15.5%	13.8%
Underlying EBITA margin	-0.8%	6.2%	-0.2%	7.0%	6.0%	0.6%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	-2.7%	37.4%	-0.6%	51.4%	39.5%	2.4%
Adjusted per share data						
Underlying earnings per share (SEK)	-0.39	1.32	-0.90	6.01	6.17	-0.75
Underlying earnings per share after dilution (SEK)	-0.39	1.32	-0.90	6.01	6.17	-0.75
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	-	-	-	-	2.0	10.4
Other						
Inventory gains and losses	-35	46	-223	78	46	-255
Shipped tonnage (thousands of tonnes)	92.6	142.3	311.4	486.6	613.5	438.3
Average sales prices (SEK/kg)	9.91	13.49	10.59	12.39	12.57	11.36

Condensed Parent Company income statement

(SEKM)	2009 Jul-Sep	2008 Jul-Sep	2009 Jan-Sep	2008 Jan-Sep	2008 Full-year	Rolling 12 months
Net sales	12	14	38	39	54	53
Administrative expenses	-18	-18	-54	-62	-80	-72
Other operating revenue and expenses	-	-	-	-	-10	-10
Operating profit (loss)	**-6**	**-4**	**-16**	**-23**	**-36**	**-29**
Financial items	13	-15	233	157	263	339
Profit (loss) before tax	**7**	**-19**	**217**	**134**	**227**	**310**
Tax	-1	5	5	11	26	20
Profit (loss) for the period	**6**	**-14**	**222**	**145**	**253**	**330**

Condensed Parent Company balance sheet

(SEKM)	2009 30 Sep	2008 30 Sep	2008 31 Dec
Intangible assets	35	13	18
Tangible assets	1	1	1
Financial assets	1,259	1,269	1,259
Interest-bearing receivables, Group companies	84	26	30
Deferred tax assets	4	1	0
Total non-current assets	**1,383**	**1,310**	**1,308**
Current interest-bearing receivables, Group companies	465	290	389
Receivables, Group companies	29	30	126
Other operating receivables	45	15	48
Cash and cash equivalents	102	9	50
Total current assets	**641**	**344**	**613**
Total assets	**2,024**	**1,654**	**1,921**
Equity	**903**	**557**	**732**
Non-current interest-bearing liabilities	905	973	1,017
Provisions	0	0	0
Total non-current liabilities	**905**	**973**	**1,017**
Current interest-bearing liabilities	28	27	29
Current interest-bearing liabilities, Group companies	125	66	76
Trade payables	5	4	6
Liabilities to Group companies	41	8	45
Other current liabilities	17	19	16
Total current liabilities	**216**	**124**	**172**
Total equity and liabilities	**2,024**	**1,654**	**1,921**

Pledged assets and contingent liabilities - Parent Company

(SEKM)	2009 30 Sep	2008 30 Sep	2008 31 Dec
Pledged assets	**1,247**	**1,237**	**1,264**
Contingent liabilities	**8**	**61**	**12**

Note 1 Related-party transactions

The Parent Company has had the following related-party transactions

(SEKM)	Period	Sales of services	Purchases of services	Interest income	Interest expense	Dividend Received (+)/ or paid (-)	Claims on related parties on balance day	Debt to related parties on balance day
Subsidiaries	Jan-Sep 2009	38	-11	21	-7	235	577	166
	Jan-Sep 2008	39	-9	19	-10	173	346	74

There have been no transactions with Nordic Capital Funds except dividends approved by the AGM. No director or key management personnel has now or in the past had any direct or indirect participation in any business transactions between the individual and the Company that are or were unusual in nature with regard to terms and conditions. The Group has not extended loans, provided warranties, or provided financial guarantees for any director or key management personnel.

Definitions of key data

SUPPLEMENTARY DISCLOSURES

Growth	
Sales growth	Change from the preceding period as a percentage of net sales.
Adjusted growth	
Underlying sales growth	Change in net sales from operations since the comparative period, measured as a percentage and adjusted for changes in market prices and currency effects.
Adjusted earnings measurements	
Underlying EBITA	EBITA before exceptional items adjusted for inventory gains and losses (deductions for gains and additions for losses).
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.
Underlying EBITA margin	Underlying EBITA as a percentage of net sales. Underlying EBITA is EBITA before exceptional items and adjusted for inventory gains and losses (deductions for gains and additions for losses).
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 exceptional items and adjusted for profits and losses (deductions for profits and additions for losses). EBITA is operating profit before amortization of intangible assets.
Adjusted per share data	
Underlying earnings per share (SEK)	Profit for the period before exceptional 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.
Underlying earnings per share after dilution (SEK)	Profit for the period before exceptional 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.
Adjusted capital structure	
Net debt/underlying EBITDA	Annualized net debt divided by underlying EBITDA. Underlying EBITDA is EBITDA before exceptional items and adjusted for profite and losses (deductions for profite and additions for losses). EBITDA is operating profit before amortization.
Other	
Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold where the goods have been valued at replacement price.

Please refer to the 2008 Annual Report for other definitions of key data.