BE GROUP

BE Group AB (publ)

Year-end report 2008

Improved full-year earnings for BE Group in 2008 despite lower profitability in the fourth quarter

FOURTH QUARTER

- Net sales declined by 6.6% compared to Q4 2007 to SEK 1,683M (1,803) and shipped tonnage declined by 15.7%.
- Operating loss of SEK 16M (82) owing to weaker demand and exceptional items of SEK 18M (-) charged against profit. Earnings were lowered by inventory losses of SEK 32M (-24).
- Underlying EBITA[1)] was SEK 35 (106) and the underlying EBITA margin was 2.1% (5.9).Earnings per share[2)] declined to a loss of SEK 0.58 (1.08) and underlying earnings per share to SEK 0.15 (1.42).
- A cost savings programme has been implemented to lower total annual costs by approximately SEK 100M within 12-15 months. The programme includes discontinuation of operations in St Petersburg, Russia.
- After the end of the year, Lars Bergström was appointed the new president and CEO of BE Group, effective spring 2009.
- BE Group expects weak development in 2009 with poorer demand and lower margins than in 2008. The cost savings programme is expected to have positive effects already in the first quarter.

FULL YEAR

- BE Group has acquired two companies in the Czech Republic and a Joint Venture was formed with ArcelorMittal in Sweden during the year.
- Net sales rose 0.8% compared to 2007 to SEK 7,713M (7,650) while shipped tonnage declined by 0.6%.
- Operating profit rose 4.4% to SEK 532M (510) while underlying EBITA [1)] declined by 16.8% to SEK 459M (552) and the underlying EBITA margin decreased to 6.0% (7.2).
- Earnings per share[2)] increased to SEK 7.58 (7.06) while underlying earnings per share[2)] declined to SEK 6.17 (7.58).
- Proposed dividend to shareholders of SEK 1.00 per share (3.50).

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1) Definitions are provided on page 19.
2) EPS both before and after dilution.

BE Group, listed on the Nasdaq OMX Nordic Stock Exchange since November 2006, is one of the leading trading and service companies in steel and other metals in Europe. The company has about 10,000 customers, primarily within the construction and engineering industries. BE Group provides service in the steel, stainless steel and aluminium sectors. The company's sales in 2008 were SEK 7.7 billion. BE Group has over 1,000 employees in ten countries in northern Europe, where Sweden and Finland are its largest markets. The head office is in Malmö, Sweden. Read more about BE Group at www.begroup.

Market and business environment

The global economic slowdown in late 2008 brought a steep downturn in demand for steel and other metals. This broke the multi-year trend of demand growth and sharply rising steel prices that had characterized much of the financial year.

The World Steel Association (WSA) reported that global steel production in 2008 dropped 1.2% from the 2007 level to 1,330 million tonnes. The full year figure obscures the steep downturn in September-December in the wake of lower demand. Global steel production in December declined 24% compared to December 2007. Despite production cutbacks, prices for commercial steel and scrap fell in the fourth quarter.

Development during the year in BE Group's markets reflects movements in the general economy. The favourable trend for most of the year was followed by a slump in the autumn that accelerated towards the end of the year. In Sweden, the cooldown and falling volumes were recorded somewhat earlier, in Q3. Demand in Finland resisted the general downturn longer, but decelerated faster in the fourth quarter. Demand in Central and Eastern Europe weakened during the quarter. The rapid downturn in purchase prices also triggered price competition in the region due to high inventory levels when the economic downturn began.

Outlook

From the short-term perspective, the world steel market is characterized by uncertainty stemming from the global financial crisis and economic trend. There has been widespread caution among steel industry customers, which combined with inventory reductions at several levels has exacerbated uncertainty about underlying demand and price trends in the near future. The WSA responded by postponing its short-term forecast from early October 2008 to April 2009. The WSA issued a statement in October that it expects demand for steel to grow in 2009 and in the long term outperform GDP growth.

The price slump in the fourth quarter continued in Q1 2009, causing inventory losses for BE Group. Based on the low demand forecast, BE Group also expects the underlying margin to be squeezed. At present, BE Group expects the purchase price to become more stable after Q1 than in late 2008 and early 2009.

BE Group is forecasting weak development for the full year in 2009 with poorer demand and lower margins than in 2008. BE Group expects purchase prices to be lower for the full year 2009 compared to 2008, with lower sales prices likely as a result. However, the company is forecasting continued growth in Central and Eastern Europe, buoyed by the acquisitions carried out by the Group in 2008.

The Group has responded to the generally weaker trend with a cost savings programme initiated in late 2008. The objective is to lower total annual costs by approximately SEK 100M within 12-15 months. The cost savings programme is expected to have positive effects already in the first quarter.

BE Group will maintain its strategy of increasing the service component of sales in 2009. This will involve continued investments in processing and new skills to create higher value for BE Group and its customers. Additionally, BE Group is continuing the effort to identify acquisition opportunities with the aim of carrying out strategic acquisitions.

Financial targets	Figures	Outcome 2008
Underlying sales growth	>5%	neg%
Underlying EBITA margin	>6%	6.0%
Underlying return on operating capital	>40%	39.5%
Net debt/total equity	<150%	91.2%
Net debt/underlying EBITDA	<3 (multiple)	2.0 (multiple)

Financial targets

BE Group has five financial targets for operations, which are measured over a rolling 12-month period. The underlying sales growth target was not met in 2008, due to weak economic development in the second half. The structural transactions and higher working capital led to an increase in operating capital which had negative impact on underlying return on operating capital. As a result, the outcome for underlying return on operating capital is slightly below target. The other targets were met during the last 12-month period, including capital structure targets.

The financial targets are based on underlying earnings and return measurements in order to clearly illustrate the operational trend. Underlying earnings are derived by adjusting reported earnings for exceptional items and inventory gains and losses (see definitions on page 19). BE Group applies an internal calculation model, which has not been reviewed by the auditors. The outcomes for growth, profitability and return are measured over an economic cycle, while capital structure targets refer to a normal situation. Temporary deviations may occur, for instance in conjunction with acquisitions.

Fourth quarter development

Group

Sales declined in the fourth quarter due to sharply weaker demand.

Net sales decreased by 6.6% to SEK 1,683M (1,803). The downturn is due to a tonnage decline for comparable units of 19.5% and deconsolidation of thin plate operations in Sweden, which reduced sales by 4.3 percentage points. The tonnage decline was offset by acquired sales of 5.8 percentage points, positive price and mix changes of 6.0 percentage points and currency effects of 5.4 percentage points. The sales decrease for comparable units was 8.7%.

Price increases for commercial steel during the year increased the average sales price by 10.7% per kg to SEK 13.27 (11.99) compared to Q4 2007, but the average sales price decreased by 1.6 % in relation to Q3 2008.

Consolidated gross profit declined to SEK 197M (260), resulting in a gross margin of 11.7% (14.4). Earnings were adversely affected by inventory losses of SEK 32M (-24). The underlying gross margin was 13.6% (15.7), with the downturn due primarily to margin pressure related to lower demand in all business areas.

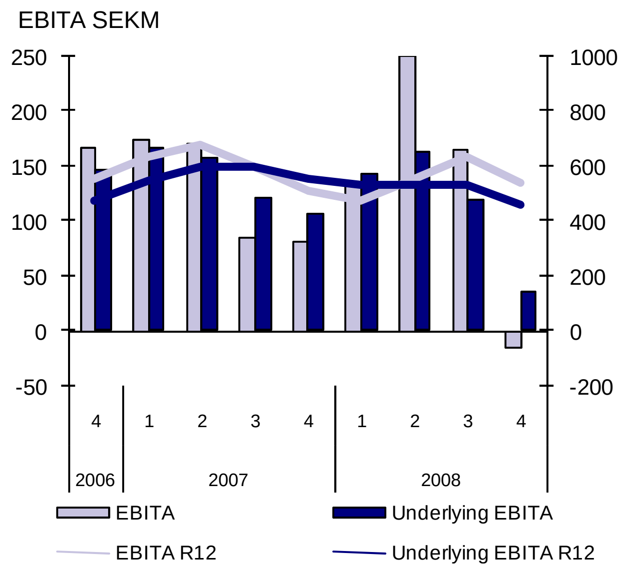
EBITA decreased to SEK -15M (82) and underlying EBITA, adjusted for inventory losses and exceptional items, declined to SEK 35 (106).

Net exceptional items of SEK 18M comprise one-time costs of SEK 26M connected to the cost savings programme. This is offset by a higher than expected capital gain of SEK 8M resulting from the joint venture with ArcelorMittal.

Fourth quarter sales and profit development

(SEKM)	Outcome	Comparable units
Net sales 2007	**1,803**	**1,694**
Net sales 2008	**1,683**	**1,547**
Operating profit 2007	**82**	**71**
Reversal of amortization of intangible assets	0	0
EBITA 2007	**82**	**71**
Inventory losses	24	24
Underlying EBITA 2007	**106**	**95**
Changes in tonnage, price, mix and gross margin	-54	-53
Overhead costs	-17	-9
Underlying EBITA 2008	**35**	**33**
Exceptional items	-18	-26
Inventory losses	-32	-29
EBITA 2008	**-15**	**-22**
Less amortization of intangible assets	-1	0
Operating profit 2008	**-16**	**-22**

The decline in underlying EBITA is attributable mainly to lower tonnage and margin pressure due to lower demand. The effects were partially offset by a favourable price and mix change.



Overhead costs were higher than in 2007, primarily due to bad debt losses, additional costs in acquired companies and currency effects.

The EBITA margin declined to -0.9% (4.6) while the underlying EBITA margin was 2.1% (5.9). The underlying EBITA margin was 2.1% (5.6) for comparable units.

BE Group's share of earnings from the joint venture with ArcelorMittal was SEK 2M for the fourth quarter.

Cost savings programme

BE Group initiated a cost savings programme in December in response to weaker demand and the uncertain market outlook. The objective is to lower BE Group's total annual costs by approximately SEK 100M within 12-15 months.

BE Group expects a reduction in force of approximately 120 people. The reductions will be mainly in Sweden, Finland, Poland and Latvia, but other markets will be affected. The savings programme will begin having an impact in Q1 2009 and will be fully effective by Q1 2010.

BE Group has also decided to discontinue operations at its facility in St Petersburg, Russia. Operations began in 2006 and in 2008 sales were SEK 16M with an EBITA loss of SEK 5M. The business will be closed during the first half of 2009 and will affect a total of 13 employees. Estimated costs for the closure of SEK 10M were charged against fourth-quarter earnings in 2008. Over the long term, Russia remains an interesting market for BE Group, but for now resources in the CEE business area will be focused on other regions in Central and Eastern Europe.

One-time costs for the programme amount to SEK 26M and were charged against earnings in the fourth quarter of 2008.

Development per distribution channel

BE Group's sales are made through three distribution channels: inventory sales, service sales and direct sales. Generally, margins are highest in the more advanced segment of service sales and lowest in direct sales. BE Group is striving to increase the service component of sales by improving industrial skills and investing in sites dedicated to a variety of production services. The Group intends to increase the service component of sales to 50% within the next three to four years.

Shipments from Group facilities accounted for 83% (81) of total net sales for the fourth quarter, distributed between inventory sales at 51% (49) and service sales at 32% (32). The service component of total tonnage was 29% (34). The lower service component compared to 2008 is related to deconsolidation of thin plate operations in Sweden and acquisitions in the Czech Republic. The service component has increased to 32% (31) for comparable units.

Development commercial steel

Sales of commercial steel was on par with the previous year. Expressed in tonnage, sales declined by 16% and the average sales price increased by 19% to SEK 11.15 (9.37). Overall, commercial steel generated 77% (72) of BE Group's net sales.

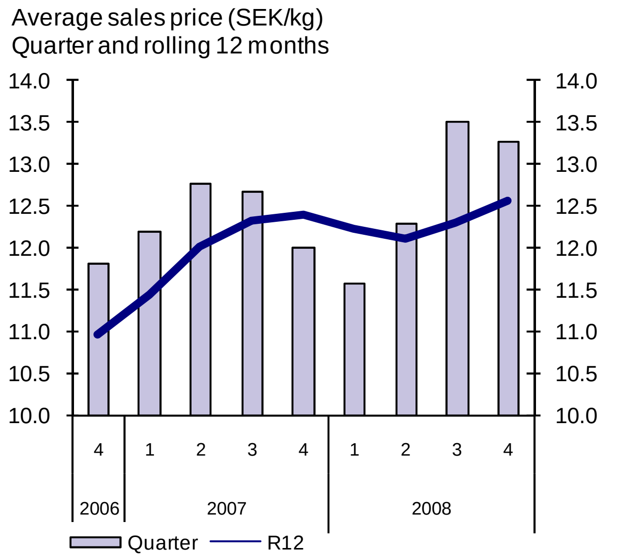
The percentage of net sales generated by long products increased to 36% (31), while flat products remained at 35% (35).

On a full year basis, long products accounted for a higher 33% (29) of net sales and flat products increased to 36% (33) of net sales.

Development stainless steel and aluminium

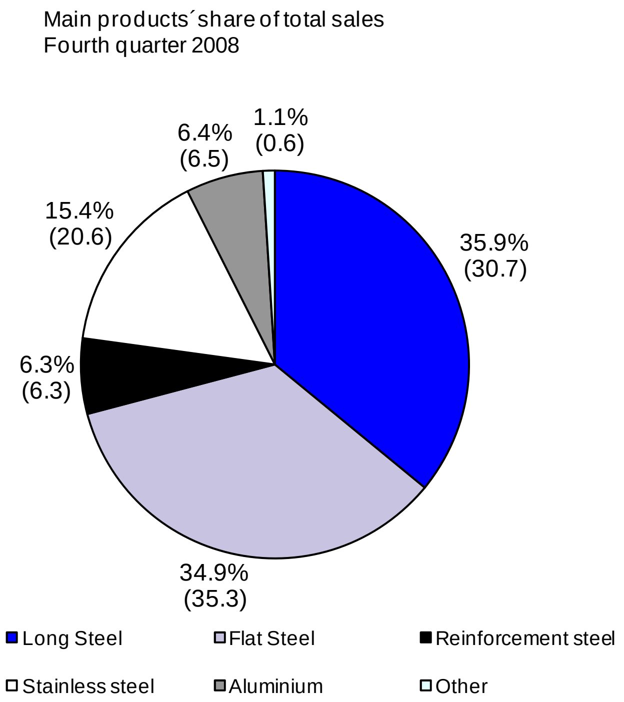
BE Group's sales of stainless steel declined by 30% in the fourth quarter to SEK 259M (372) compared to Q4 2007. The percentage of net sales generated by stainless steel during the quarter declined to 15% (21). Sold tonnage was 22% lower than for Q4 2007. The average sales price rose 1% compared to Q3 2008 and declined by 10% compared to Q4 2007.

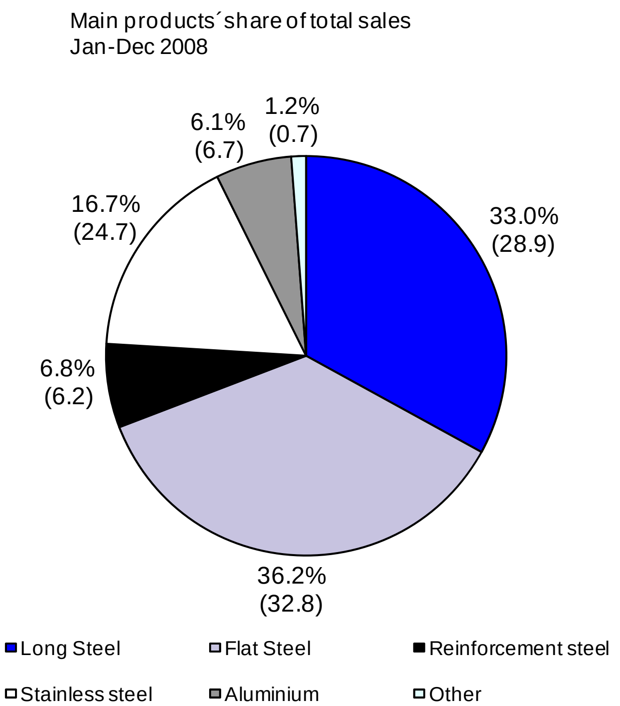
BE Group's purchase price for stainless steel consists of a base price for the primary steel product and an alloy surcharge. Prices to customers for the majority of BE Group



sales are based on the base price and no profit margin is taken on the alloy surcharge. Alloy surcharges with no mark-up accounted for SEK 64M (140) or 4% (8) of total consolidated sales for the quarter.

Stainless steel generated 17% (25) of total consolidated sales for the full year 2008. Sales amounted to SEK 1,290M (1,889), of which alloy surcharges with no mark-up accounted for SEK 372M (763), equal to 5% (10) of total sales.





Aluminium sales declined in the fourth quarter by 8% to SEK 108M (118) or 6% (6) of total net sales.

Aluminium sales for the full year 2008 were SEK 473M (510) or 6% (7) of total net sales.

Business areas

Business area Sweden

Net sales declined by 22.3% to SEK 741M (954) due to a tonnage downturn of 34.1% attributable to deconsolidation of thin plate operations and generally lower demand. Tonnage declined by 24% for comparable units.

EBITA declined to SEK 7M (60), primarily due to the lower tonnage. Earnings were also charged with one-time costs of SEK 14M related to the cost savings programme. Underlying EBITA declined to SEK 30M (73). The EBITA margin was 1.0% (6.3) and the underlying EBITA margin was 4.1% (7.6). BE Group’s share of earnings from the joint venture with ArcelorMittal was SEK 2M. The service component of net sales increased to 26.6% (26.4), despite the deconsolidation of thin plate operations.

Business area Finland

Finland is reporting net sales of SEK 672M (682), a decrease of 1.6%. The steep downturn in demand in the second half of the quarter led to a 17.9% reduction in total tonnage. The tonnage downturn was offset by a favourable currency effect.

EBITA declined to SEK 14M (38) and underlying EBITA to SEK 22M (48). The earnings decline is due to lower tonnage and margins in the face of lower demand. Earnings were also affected by one-time costs of SEK 2M related to the cost savings programme.

The EBITA margin decreased to 2.1% (5.6) and the underlying EBITA margin to 3.2% (7.1). The service component of net sales, including materials, was 46.6% (46.9).

Business area CEE

The acquisitions of the Czech companies Czechprofil and Ferram Steel, consolidated in the Group as of January 23 and July 15 respectively, brought strong growth improvement for BE Group during the quarter. CEE is reporting a 45.6% sales increase to SEK 305M (209) and a tonnage increase of 68.3%. The increases are related to the acquired companies in the Czech Republic. Tonnage declined by 17.3% for comparable units.

EBITA declined to a loss of SEK 34M (2). Underlying EBITA was a loss of SEK 15M (3). The EBITA margin and underlying EBITA margin were negative, compared to the margins of 1.0% and 1.3%, respectively, in 2007. EBITA was affected by higher overhead costs related to acquired companies, provisions for bad debts and exchange rate losses. Earnings were also affected by one-time costs of SEK

10M related to the closure of operations in St Petersburg, Russia.

Due in part to the general market downturn, which triggered heavy price pressure, the business area is not yet demonstrating satisfactory profitability.

Aimed at reducing capital tied-up, inventory was deliberately reduced during the interim period, which had negative impact on earnings and margins.

Inventories and customers were coordinated as part of the integration of the acquired companies with BE Group's pre-existing operations in the Czech Republic. Several initiatives have been launched, which will include a new logistics centre in Ostrava within the framework of existing operations to efficiently supply the Czech Republic and neighbouring markets in Slovakia and southern Poland.

Net financial items and tax

The Group is reporting net finance expense for the fourth quarter of SEK 14M (expense: 6) including net interest expense of SEK 14M (expense: 10). Annualized, this is equivalent to 5.4% (5.4) of net interest-bearing liabilities, which averaged SEK 1,035M (723) during the quarter. Net finance expense was affected slightly by exchange rate differences.

Based on this outcome, the Group benefits from a tax asset of SEK 1M (-22), corresponding to 4.6% (28.7) of profit before tax. The relatively low tax asset is due primarily to closure costs and the reported loss in Russia, in which tax assets were not recognized., BE Group is reporting a loss after tax of SEK 29M (54) a decline compared to 2007. Earnings per share after dilution were negative SEK 0.58 (1.08). Underlying earnings per share after dilution were SEK 0.15 (1.42).

Cash flow

Cash flow underperformed 2007 and was SEK 74M (229) for the fourth quarter.

Cash flow from operating activities was SEK 154M (293). The primary reasons for the decrease were the smaller reduction of working capital compared to 2007, due to poorer demand, and lower earnings during the quarter. Cash flow from financing activities was negative at SEK 26M (-26), including SEK 22M (27) related to tangible assets. Cash flow from financing activities was negative at SEK 54M (-38).

Development for the full year

Group

BE Group is reporting consolidated net sales of SEK 7,713M (7,650), an overall increase of 0.8% compared to 2007. The increase was distributed mainly among acquired growth of 4.3 percentage points, positive currency effects of 2.3 percentage points and price and mix changes of 0.6 percentage points. The increases were offset by a tonnage decline for comparable units of 4.0 percentage points and deconsolidation of thin plate operations in Sweden, which reduced sales by 2.4 percentage points. The sales decrease for comparable units was 1.2%.

At SEK 12.57 (12.40), the average sales price per kg rose 1.4% compared to 2007.

Net sales and profit development for the full year 2008

(SEKM)	Outcome	Comparable units
Net sales 2007	**7,650**	**7,225**
Net sales 2008	**7,713**	**7,141**
Operating profit 2007	**510**	**470**
Reversal of amortization of intangible assets	2	2
EBITA 2007	**512**	**472**
Inventory losses	40	39
Underlying EBITA 2007	**552**	**511**
Changes in tonnage, price, mix and gross margin	-15	-29
Overhead costs	-78	-63
Underlying EBITA 2008	**459**	**419**
Inventory gains	46	45
Exceptional items	33	-26
EBITA 2008	**538**	**438**
Less amortization of intangible assets	6	2
Operating profit 2008	**532**	**436**

Consolidated gross profit increased to SEK 1,238M (1,167). Reported gross profit includes inventory gains of SEK 46M (-40). The gross margin improved to 16.1% (15.3).

EBITA rose to SEK 538M (512) while underlying EBITA declined to SEK 459M (552). EBITA was affected by net exceptional items of SEK 33M. These items included a capital gain of SEK 58M related to the joint venture with ArcelorMittal and one-time costs for the cost savings programme of SEK 26M. The EBITA margin improved to 7.0% (6.7) while the underlying EBITA margin declined to 6.0% (7.2). The underlying EBITA margin was 5.9% (7.1) for comparable units.

Business areas

Business area Sweden

Sweden is reporting sales of SEK 3,576M (4,072), a decrease of 12.2%. The sales decrease for comparable units was 8.6%. EBITA declined to SEK 302M (310). Underlying EBITA declined to SEK 254M (327). The EBITA margin was 8.4% (7.6) and the underlying EBITA margin was 7.1% (8.0). EBITA was affected by net exceptional items of SEK 45M related to the capital gain of SEK 58M in connection with establishing the joint venture with ArcelorMittal and costs of SEK 13M for the cost savings programme.

Business area Finland

Finland is reporting sales of SEK 3,057M (2,999), an increase of 1.9%. EBITA was SEK 274M (227) and underlying EBITA amounted to SEK 238M (249). The EBITA margin improved to 9.0% (7.6), while the underlying EBITA margin declined to 7.8% (8.3).

Business area CEE

CEE recorded sustained growth. Sales increased by 57.8% to SEK 1,230M (780), with the increase related mainly to acquisitions. EBITA declined to negative SEK 20M (9). Underlying EBITA declined to negative SEK 14M (10). The EBITA margin was negative for the full year (1.2), as was the underlying EBITA margin (1.2). Earnings during the year were affected by one-time costs of SEK 10M for closing operations in St Petersburg.

Net financial items and tax

The Group is reporting net finance expense for 2008 of SEK 30M (expense: 23) including net interest expense of SEK 44M (expense: 32). Net interest expense is equal to 5.6% (4.9) of net interest-bearing liabilities, which averaged SEK 796M (655) for the full year. Based on current rate forecasts, interest expense for the full year 2009 has been estimated at about 3%.

Tax expense for the year was SEK 124M (134), equal to 24.7% (27.5) of profit before tax. The lower tax percentage is due mainly to the non-taxable capital gain originating from the formation of the joint venture in Sweden. Profit after tax was higher than in 2007 and amounted to SEK 378M (353).

Earnings per share after dilution were SEK 7.58 (7.06). Underlying earnings per share after dilution were SEK 6.17 (7.58).

Cash flow

BE Group had negative cash flow of SEK 151M (-38) in 2008. The decrease is mainly attributable to acquisitions. Cash flow from operating activities improved slightly to SEK 222M (215). Working capital excluding tax has increased by SEK 61M since December 31, 2007. Cash flow from investing activities was negative at SEK 258M (-58), including SEK 199M used for acquisitions. Cash flow from financing activities was negative at SEK 105M (-196). Cash used in the amount of SEK 175M for the dividend to shareholders and SEK 4M for buyback of treasury shares was offset by a net change in interest-bearing liabilities of SEK 74M.

Capital, investments and return

BE Group had working capital of SEK 1,050M (728) at year-end. The increase is attributable to growth in CEE and higher inventories in Finland. Average working capital tied-up during the year increased to 11.6% (9.6) due to acquisitions and higher inventories. Working capital is at seasonally low level around the end of the year.

Capital expenditures of SEK 282M (63) during the year were allocated as follows: acquisitions of fixed assets in acquired companies, SEK 218M (-); other tangible assets, SEK 44M (62); other intangible assets, SEK 20M (0). Capital expenditures for fixed assets refer primarily to production service equipment and investments in conjunction with ongoing development of the corporate IT platform.

Return on operating capital (excluding intangible assets) declined to 46.2% (58.6). The investment in the joint venture with ArcelorMittal, acquisitions in the Czech Republic and higher working capital combined resulted in an increase in average operating capital.

BE Group decided during the year to invest about SEK 57M in production service machinery, mainly in Lapua and Lahti, Finland, but also in Sweden. Some of these investments have been postponed as part of the savings programme and are now schedule for completion in 2010.

Financial position and liquidity

As of December 31, BE Group had cash and cash equivalents of SEK 125M (259). At year-end unutilized credit facilities of SEK 235M were available, and SEK 342M in unutilized credit facilities earmarked for acquisitions.

Consolidated net interest-bearing liabilities were SEK 1,006M (593) as of year-end. The increase is primarily attributable to higher working capital financing and new loans raised in connection with acquisitions. BE Group's total credit facilities amount to SEK 1,685M. The annual amortization is about SEK 29M at the prevailing exchange rate. The maturity date for 91% of the credit facility is December 2011.

Net debt/underlying EBITDA was a multiple of 2.0 (1.0) at year-end.

Consolidated equity as of December 31 was SEK 1,103M (849) while the net debt/equity ratio was 91.2% (69.8).

The consolidated balance sheet includes goodwill of SEK 651M related to the Swedish and Finnish operations and the companies acquired in the Czech Republic during the year. In connection with impairment testing, the recoverable amount was assessed as higher than the carrying amount.

Organization, structure and employees

The average number of employees during the year was 1,023 (940). BE Group had 1,038 employees (959) as of December 31. The increase is primarily attributable to acquisitions in the Czech Republic. The cost savings programme is expected to bring a reduction in force of about 120 people in 2009.

Contingent liabilities

BE Group has contingent liabilities of SEK 362M, unchanged since December 2007.

Change of president and chief executive officer

President and Chief Executive Officer Håkan Jeppsson will leave his position with BE Group on February 15, 2009 to take up the equivalent position with Inwido, a company in the Ratos Group.

After the end of the year, the board of directors of BE Group appointed Lars Bergström the new president and CEO of BE Group, effective spring 2009. Lars Bergström has a long professional history in the Swedish engineering sector, including several positions with the ABB Group. He also served as president and CEO of KMT, Karoline Machine Tools, which was a listed company during his five years at the helm. Most recently, he was president and CEO of HTC Group.

Deputy CEO Torbjörn Clementz has been appointed acting CEO in the interim.

Czech acquisitions

In line with the strategy of growth in Central and Eastern Europe, BE Group acquired two companies in the Czech Republic during the year. With the acquisitions of Ferram Steel and Czechprofil, BE Group has multiplied turnover in the Czech Republic tenfold to become one of the four largest distributors in the country with annual pro forma sales of nearly SEK 750M. BE Group's sales in the Czech Republic totalled SEK 80M in 2007. The acquired companies made a positive contribution to BE Group's growth in 2008 and are generating cost and capital synergies in combination with the Group's pre-existing operations in the Czech Republic.

BE Group adopted the final acquisition analysis for Czechprofil in the fourth quarter. The preliminary analysis was adjusted for additional acquisition costs and business assets in the opening balance. Recognized goodwill has been increased by SEK 7M, and the adjustment of the opening balance has enhanced earnings by SEK 0.4M. This was recognized in its entirety in the fourth quarter. The main reason for the adjustment was that Czechprofil had recognized prepaid expenses that do not meet IFRS standards for capitalization.

In BE Group's judgement, the acquisition would have affected net sales by approximately SEK 250M and EBITA by about SEK 20M for the full year if it had been finalized as of January 1, 2008. This is due to Ferram's strong earnings trend during the first half of 2008.

Significant risks and uncertainty factors

BE Group is exposed to business and financial risks in ongoing operations. Movements in steel prices, exchange rates and interest rates are risk factors which affect the Group's financial performance and cash flow. BE Group is also exposed to refinancing and liquidity risk, as well as credit and counterparty risk. The financial risk exposure is explained in the 2007 annual report presented in March 2008. No new significant risks or uncertainty factors have arisen since that date.

Acquisition of treasury shares

The AGM held 15 May 2008 authorized BE Group AB (publ) to acquire a maximum of 430,000 treasury shares prior to the 2009 AGM as part of the Share Savings Scheme adopted by the AGM ("Share Savings Scheme 2008"). Based on the authorization, BE Group acquired 144,300 shares in the fourth quarter at an average price of SEK 26.46 per share. Following the acquisition, BE Group holds 264,300 treasury shares.

For further disclosures about the Share Savings Scheme, please refer to the information about the annual general meeting on the BE Group website.

Related party transactions

Prior to the initial public offering on November 24, 2006 the Group was under the controlling influence of Nordic Capital Funds, which owned 85.4% of shares in the parent company. As of December 31, 2008, Nordic Capital Funds owned 20.6% of the shares through Trenor Holding Limited, Jersey. As of December 31, there were no transactions between the Group and Trenor Holding Limited.

Transactions between the parent company and related parties are disclosed in the notes on page 16.

Significant events after the end of the year

As noted, a new president and CEO was appointed after the end of the financial year.

Parent

The parent company BE Group AB (publ) is reporting sales, which consist of internal Group services, of SEK 54M (16) for the year. The parent company is reporting an operating loss of SEK 36M (-36). Net financial income totalled SEK 263M (131) due to exchange rate gains and distributed dividends from subsidiaries. Profit before appropriations and tax was SEK 227M (95) and profit after tax was SEK 254M (115).

The parent company invested SEK 215M (15) in shares in subsidiaries during the year related to the acquisitions of Czechprofil and Ferram in the Czech Republic, and SEK 18M (-) in intangible assets. At the end of the period, the parent company had cash and cash equivalents of SEK 50M (200).

Accounting principles

The year-end report was prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the European Commission for application within the European Union. The interim report was prepared in compliance with IAS 34, Interim Financial Reporting, and the Swedish Annual Accounts Act. Please refer to the 2007 annual report for details of the company's accounting principles and definitions of certain terms. The accounting principles applied have not changed. The parent company’s financial reports are prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 2.1 Accounting for Legal Entities.

The company elected early application in 2007 of the new IAS/IFRS standards which took effect on January 1, 2008, IFRIC 11 Group and Treasury Share Transactions. The amendments to IAS 39 and IFRS 7 adopted by the EU in October 2008 for application beginning July 1, 2008 have no significant effect on the consolidated financial statements.

Annual general meeting

The annual general meeting of shareholders in BE Group will be held Wednesday, May 13, 2009 at 4 p.m. in Malmö. Information about the place of the meeting, how shareholders can register to attend and when proposals to be addressed at the meeting must be submitted will be provided in a separate press release and published well in advance of the meeting on the BE Group website.

BE Group’s audited annual report will be made available on the company’s website and at the head office on Spadegatan in Malmö no later than April 14, 2009.

Proposed dividend

The board of directors and chief executive officer are proposing a cash dividend to shareholders of SEK 1.00 per share (3.50), equal to 13% of profit after tax.

According to BE Group’s dividend policy, the Group will distribute at least 50% of profit after tax, over time. In BE Group’s judgement, this is a balanced level based on the Group’s net debt/equity ratio, operating risks associated with the business, consolidated cash flow and the acquisitions strategy.

The lower dividend is in response to the current uncertain market situation and the need to ensure sufficient short- and long-term access to liquidity for the Group.

Nominating Committee

A Nominating Committee has been appointed in accordance with the company’s adopted principles of corporate governance, which shall be convened by the chairman, Carl-Erik Ridderstråle. The members of the Nominating Committee are: Ulf Rosberg, representing Nordic Capital; K.G. Lindvall, representing Swedbank RoburFonder; Frank Larsson, representing Handelsbanken Fonder; Torbjörn Callvik representing Livsförsäkringsaktiebolaget Skandia; and Carl-Erik Ridderstråle, Chairman of BE Group AB (publ).

Future reporting dates

BE Group AB (publ) plans to publish financial information in 2009 on the following dates:

- Annual report 2008: April 2009
- Interim report January-March: April 24
- Annual General Meeting: May 13 in Malmö
- Interim report January-June: July 16
- Interim report January-September: October 22

Malmö, February 5, 2009
BE Group AB (publ)

Håkan Jeppsson
President and Chief Executive Officer

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

The information in this report is such that BE Group AB (publ) is required to make public under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on February 5 at 07.30 CET.

Questions concerning this report may be directed to:

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Condensed consolidated income statement

(SEKM)	Note	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Net sales		1,682.8	1,802.7	7,713.1	7,650.2
Cost of goods sold		-1,485.4	-1,542.9	-6,474.6	-6,483.1
Gross profit		**197.4**	**259.8**	**1,238.5**	**1,167.1**
Selling expenses		-150.8	-129.8	-567.1	-497.8
Administrative expenses		-38.1	-49.2	-170.3	-156.4
Other operating revenue and expenses	1	-26.4	0.8	21.7	-3.0
Share of earnings in joint venture		1,6	-	9.4	-
Operating profit		**-16.3**	**81.6**	**532.2**	**509.9**
Financial items		-14.1	-6.1	-30.3	-23.0
Profit before tax		**-30.4**	**75.5**	**501.9**	**486.9**
Tax		1.4	-21.7	-124.0	-134.0
Profit for the period		**-29.0**	**53.8**	**377.9**	**352.9**
Amortization of intangible assets		1.5	0.5	5.3	1.8
Depreciation of tangible assets		13.7	10.6	46.4	40.1
Earnings per share		-0.58	1.08	7.58	7.06
Earnings per share after dilution		-0.58	1.08	7.58	7.06

Note 1 Exceptional items[1)]

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Capital gain referring to capital contributed in kind to joint venture	8.2	-	58.5	-
Wind-up of operations in St Petersburg	-10.0	-	-10.0	-
One-time costs related to cost savings programme	-15.7	-	-15.7	-
Total exceptional items	**-17.5**	**-**	**32.8**	**-**

[1)] Recognized in Other operating revenue and expenses

Condensed consolidated balance sheet

(SEKM)	2008 Dec 31	2007 Dec 31
Goodwill	651.4	544.5
Other intangible assets	48.2	4.5
Tangible assets	355.4	248.1
Investment in joint venture	138.2	-
Financial assets	3.6	2.1
Deferred tax assets	7.0	4.2
Total fixed assets	**1,203.8**	**803.4**
Inventories	1,269.7	942.6
Trade receivables	710.6	690.9
Other operating receivables	99.3	67.8
Cash and cash equivalents	124.9	258.5
Assets held for sale	-	86.8
Total current assets	**2,204.5**	**2,046.6**
Total assets	**3,408.3**	**2,850.0**
Equity	**1,102.5**	**848.9**
Long-term interest-bearing liabilities	1,041.2	840.3
Provisions	12.5	1.0
Deferred tax liability	84.6	71.5
Total long-term liabilities	**1,138.3**	**912.8**
Current interest-bearing liabilities	93.1	13.1
Trade payables	781.2	743.2
Other current liabilities	250.6	274.4
Other current provisions	42.6	16.7
Liabilities associated with assets held for sale	-	40.9
Total current liabilities	**1,167.5**	**1,088.3**
Total equity and liabilities	**3,408.3**	**2,850.0**

Condensed consolidated cash flow statement

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Profit before tax	-30.4	75.5	501,9	486.9
Adjustment for non-cash items	43.4	-12.2	-17.0	24.5
Income tax paid	-31.9	-44.3	-201.2	-142.3
Change in working capital	172.9	273.6	-61.3	-153.9
Cash flow from operating activities	**154.0**	**292.6**	**222.4**	**215.2**
Capital expenditure in tangible assets	-5.6	-0.1	-19.5	-0.7
Capital expenditure in tangible assets	-21.8	-27.1	-45.3	-60.7
Acquisitions of subsidiaries	-0.2	-	-199.3	-
Other cash flow from investing activities	1.5	0.8	6.1	3.5
Cash flow from investing activities	**-26.1**	**-26.4**	**-258.0**	**-57.9**
Cash flow from financing activities	**-53.7**	**-37.7**	**-105.2**	**-195.7**
Cash flow for the period	**74.2**	**228.5**	**-140.8**	**-38.4**
Exchange rate difference in cash and cash equivalents	5.3	3.5	7.2	7.6
Change in cash and cash equivalents	**79.5**	**232.0**	**-133.6**	**-30.8**

Condensed statement of changes in equity

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Equity at beginning of period	**1,099.1**	**782.6**	**848.9**	**664.2**
Effect of changed accounting principles	-	-	-	-
Adjusted equity at beginning of period	**1,099.1**	**782.6**	**848.9**	**664.2**
Translation differences	75.3	19.3	96.5	26.9
Hedging of net investments in foreign subsidiaries after tax	-37.3	-7.6	-43.7	-12.3
Total equity after changes in assets value recognized directly in equity, excluding transactions with the company's owners	**1,137.1**	**794.3**	**901.7**	**678.8**
Profit for the period	-29.0	53.8	377.9	352.9
Total equity after changes in net asset value excluding transactions with the company's owners	**1,108.1**	**848.1**	**1,279.6**	**1,031.7**
Dividend	-	-	-174.6	-175.0
Acquisition of treasury shares	-3.8	-	-3.8	-9.4
Share Savings Scheme	-1.8	0.8	1.3	1.6
Equity at end of period	**1,102.5**	**848.9**	**1,102.5**	**848.9**

Segment reporting

Net sales per segment

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Sweden	741.4	953.9	3,576.2	4,071.9
Finland	671.6	682.3	3,056.6	2,999.4
CEE	304.8	209.3	1,230.2	779.7
Parent company and consolidated items	-35.0	-42.8	-149.9	-200.8
Group	**1,682.8**	**1,802.7**	**7,713.1**	**7,650.2**

EBITA per segment

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Sweden	7.1	60.2	302.2	309.6
Finland	14.2	38.4	273.9	226.7
CEE	-33.8	2.0	-20.5	9.1
Parent company and consolidated items	-2.3	-18.5	-18.1	-33.7
Group	**-14.8**	**82.1**	**537.5**	**511.7**

Depreciation per segment

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Sweden	4.8	5.3	19.3	19.3
Finland	5.7	4.9	21.9	19.3
CEE	4.7	0.9	10.3	3.2
Parent company and consolidated items	0.0	0.0	0.2	0.1
Group	**15.2**	**11.1**	**51.7**	**41.9**

Capital expenditure in tangible and intangible assets per segment

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Sweden	9.1	2.8	16.1	23.5
Finland	10.8	21.4	25.3	31.6
CEE	8.9	4.1	222.6	7.2
Parent company and consolidated items	4.3	0.3	17.6	0.5
Group	**33.1**	**28.6**	**281.6**	**62.8**

Condensed parent company income statement

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Net sales	15.0	-2.6	53.7	16.2
Administrative expenses	-18.4	-15.3	-79.8	-52.5
Other operating revenue and expenses	-10.0	0.0	-10.0	0.0
Operating profit	**-13.4**	**-17.9**	**-36.1**	**-36.3**
Financial items	105.5	154.7	262.7	131.0
Profit before tax	**92.1**	**136.8**	**226.6**	**94.7**
Tax	16.2	8.5	26.9	20.5
Profit for the period	**108.3**	**145.3**	**253.5**	**115.2**

Condensed parent company balance sheet

(SEKM)	2008 Dec 31	2007 Dec 31
Intangible assets	17.5	-
Tangible assets	0.7	0.7
Financial assets	1,259.3	1,054.6
Interest-bearing receivables, group companies	30.1	8.5
Deferred tax assets	-	0.2
Total fixed assets	**1,307.6**	**1,064.0**
Current interest-bearing receivables, group companies	388.7	111.0
Receivables, group companies	125.9	247.5
Other operating receivables	47.8	15.9
Cash and cash equivalents	50.3	200.0
Total current assets	**612.7**	**574.4**
Total assets	**1,920.3**	**1,638.4**
Equity	**731.8**	**582.8**
Long-term interest-bearing liabilities	1,016.7	823.3
Provisions	0.1	0.1
Total long-term liabilities	**1,016.8**	**823.4**
Current interest-bearing liabilities	28.9	12.1
Current interest-bearing liabilities, group companies	75.7	198.6
Trade payables	5.8	7.9
Liabilities to group companies	44.9	1.4
Other current liabilities	16.4	12.2
Total current liabilities	**171.7**	**232.2**
Total equity and liabilities	**1,920.3**	**1,638.4**

Pledged assets and contingent liabilities - parent company

(SEKM)	2008 Dec 31	2007 Dec 31
Pledged assets	**1,263.6**	**1,229.4**
Contingent liabilities	**11.7**	**27.9**

Note 1 Related party transactions

The parent company has had the following related party transactions

Related party	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
Nordic Capital Funds	Full year 2008	-	-	-	-	-36.1	-	-
	Full year 2007	-	-	-	-	-63.6	-	-
Subsidiaries	Full year 2008	53.7	-13.5	26.1	-14.2	172.9	384.7	120.6
	Full year 2007	16.2	-3.7	17.1	-10.5	168.0	367.0	200.0

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.

Key data

(SEKM unless otherwise stated)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Earnings measurements				
EBITA	-14.8	82.1	537.5	511.7
Margin measurements				
Gross margin	11.7%	14.4%	16.1%	15.3%
EBITA margin	-0.9%	4.6%	7.0%	6.7%
Operating margin	-1.0%	4.5%	6.9%	6.7%
Capital structure				
Net debt	1,005.8	592.8	1,005.8	592.8
Net debt/equity ratio	91.2%	69.8%	91.2%	69.8%
Equity/assets ratio	32.3%	29.8%	32.3%	29.8%
Working capital (average)	1,086.8	839.4	895.4	734.7
Operating capital (average)	2,135.9	1,538.3	1,789.2	1,421.1
Operating capital (excluding intangible assets) (average)	1,448.5	990.6	1,162.4	873.7
Working capital tied-up	16.1%	11.6%	11.6%	9.6%
Return				
Return on operating capital (%)	-3.0%	21.2%	29.7%	35.9%
Return on operating capital (excluding intangible assets) (%)	-4.1%	33.1%	46.2%	58.6%
Return on equity (%)	-10.5%	26.4%	38.1%	46.1%
Per share data				
Earnings per share (SEK)	-0.58	1.08	7.58	7.06
Earnings per share after dilution (SEK)	-0.58	1.08	7.58	7.06
Equity per share (SEK)	22.17	17.02	22.17	17.02
Cash flow from operating activities per share (SEK)	3.09	5.87	4.46	4.31
Shares outstanding at period end (thousands)	49,736	49,880	49,736	49,880
Average number of shares (thousands)	49,773	49,880	49,853	49,967
Average number of shares after dilution (thousands)	49,773	49,880	49,857	49,967
Other				
Average number of employees	1,042	959	1,023	940

Supplementary disclosures

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Growth				
Sales growth	-6.6%	-7.0%	0.8%	14.5%
- organic tonnage growth	-19.5%	-8.4%	-4.0%	1.1%
- price and mix changes	6.0%	0.6%	0.6%	13.3%
- currency effects	5.4%	0.8%	2.3%	0.1%
- acquisitions	5.8%	-	4.3%	-
- divested operations	-4.3%	-	-2.4%	-
Adjusted earnings measurements				
Underlying EBITA	34.6	105.7	459.0	551.9
Adjusted margin measurements				
Underlying gross margin	13.6%	15.7%	15.5%	15.8%
Underlying EBITA margin	2.1%	5.9%	6.0%	7.2%
Adjusted return				
Underlying return on operating capital (excluding intangible assets)	9.5%	42.7%	39.5%	63.2%
Adjusted per share data				
Underlying earnings per share (SEK)	0.15	1.42	6.17	7.58
Underlying earnings per share after dilution (SEK)	0.15	1.42	6.17	7.58
Adjusted capital structure				
Net debt/underlying EBITDA (multiple)	-	-	2.0	1.0
Other				
Inventory gains and losses	-31.9	-23.6	45.7	-40.2
Shipped tonnage (thousands of tonnes)	126.8	150.4	613.5	617.1
Average sales prices (SEK/kg)	13.27	11.99	12.57	12.40

Underlying EBITA per segment[1]

(SEKM)	2008 Oct-Dec	2007 Oct-Dec	2008 Full year	2007 Full year
Sweden	30.4	73.0	253.6	327.3
Finland	21.8	48.5	237.8	248.6
CEE	-15.3	2.8	-14.3	9.7
Parent company and consolidated items	-2.3	-18.6	-18.1	-33.7
Group	**34.6**	**105.7**	**459.0**	**551.9**

[1] EBITA adjusted for inventory gains and losses and exceptional items. Inventory gains and losses are the difference between the cost of goods sold at historical cost and the cost of food sold at the replacement price. The company's internal model is used to calculate inventory gains and losses.

Definitions of key data

Capital structure	
Operating capital [1]	Tangible assets, goodwill and other intangible assets, deferred tax assets, investments in joint venture and working capital less deferred tax liabilities, provisions (long-term and current) and other long-term liabilities. The measure is an average for the period based on quarterly data.

1) The definition has been changed to reflect the inclusion of investments in joint venture in operating capital. The change does not require any restatement of key figures for previous periods.

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).
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 gains and losses (deductions for gains 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 gains and losses (deductions for gains 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 2007 annual report for other definitions of key data.