Earnings loss for BE Group, but positive cash flow of nearly SEK 100M

THE SECOND QUARTER

- Net sales declined by 49% compared to 2008 to SEK 1,071M (2,116) and shipped tonnage declined by 39%. Positive currency effects improved net sales by 7%.
- Underlying EBITA[1] was a loss of SEK 10M (162), resulting in a margin of negative 1.0% (7.6).
- The result of operations was a loss of SEK 96M (250) attributable to the tonnage downturn and lower prices, which have led to inventory losses of SEK 85M (39).
- Earnings per share[2] declined to a loss of SEK 1.49 (4.01) and underlying earnings per share[2] to a loss of SEK 0.19 (2.72).
- Working capital reduction of SEK 190M contributed to cash flow of SEK 92M before change in net debt.
- BE Group's cost savings programme has resulted in savings of SEK 80M in 2009 to date. Total effects this year of at least SEK 150M.
- The logistics centre in Ostrava, Czech Republic, went operational at mid-year and will enable more efficient stock management and distribution in BE Group's markets.

THE FIRST HALF

- Net sales declined by 42% to SEK 2,380M (4,111) with a tonnage decline of 36%.
- The operating result declined to a loss of SEK 189M (385) including inventory losses of SEK 180M (32).
- Underlying EBITA[1] was a loss of SEK 6M (305), with a margin of negative 0.3% (7.4).
- Earnings per share[2] declined to a loss of SEK 3.37 (5.89) and underlying earnings per share[2] to a loss of SEK 0.63 (4.69).

1) Definitions are provided on page 18
2) EPS both before and after dilution

Figures in parantheses refer to the corresponding period 2008 unless otherwise stated.

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 sectors. 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 about 900 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.com.

Market and business environment

The severe global recession ongoing since the second half of 2008 continued in the second quarter, along with low global demand for steel and other metals.

The latest statistics from the World Steel Association (WSA) report global steel production of 449 million tonnes for the period of January-May, a 22% decline compared to the same period in 2008. The figure is strongly dependent on unchanged production for the period in China, which represents 48% of total production. Production in the EU countries declined by 44%. Notably, global production in May, the last month for which statistics have been reported, was 21% below the figure for May 2008, but 7% higher than in April 2009. Inventory reductions across the entire value chain from steel producers to steel users, continued in parallel. In light of ongoing inventory reductions, actual steel consumption is believed to be higher than current production levels.

Development in BE Group's markets reflects the general economic trend in all material respects. Slightly better demand was recorded in Sweden at the end of the second quarter. Also during the latter part of the quarter, stabilization of both demand and purchase prices was noted in CEE. Activity remained low in all industrial sectors in Finland, which was affected by the economic downturn later than Sweden. Overall, shipped tonnage for BE Group was 7% lower than in Q1.

BE Group's average purchase and sales prices continued falling, as expected, and resulted in inventory losses. The decline in sales prices levelled off in the latter part of the period. The strong inventory reduction measures continued successfully during the quarter.

Outlook

In its latest forecast issued at the end of April, the WSA predicted that total global demand for commercial steel will decline by about 15% in 2009. Europe is expected to experience the second-largest downturn after NAFTA, with a demand slide of more than 25%. However, the WSA is expecting stabilization in the latter half of 2009 and a modest recovery of the global market in 2010.

During the rest of the year, BE Group expects purchase prices in general to stabilize and to rise for certain product groups. Prices for long and flat products are expected to flatten at the 2005 level. Purchase prices for stainless steel are expected to rise in the third quarter due to price increases for alloy metals. However, the expected stability in the price trend during the second half will depend on how steel producers adjust production volume.

For the full year of 2009, BE Group expects, as before, considerably weaker demand and lower sales prices than for the full year of 2008. The steep downturn in demand has flattened and there are indications of a weak recovery. However, any recovery will not be evident until late in the third quarter, at the earliest, since demand is expected to remain low during the vacation months of July and August.

The adjustment of inventory levels will continue in the third quarter and is expected to correspond to demand in the latter part of the year. BE Group expects substantially lower inventory losses in the second half than in the last two quarters due to lower inventories and price stabilization.

The Group's cost savings programme, which was initiated in late 2008 and expanded in Q1, is proceeding as planned. Cost savings of about SEK 80M have been achieved to date. The estimated total cost reduction in 2009 will be at least SEK 150M.

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

Financial targets

BE Group has five financial targets for operations, which are measured over a rolling 12-month period.

The financial targets are based on underlying earnings and return measurements in order to clearly illustrate the operational trend. Underlying measurements are recognized earnings and returns, adjusted for exceptional items and inventory gains/losses (see definitions on page 18). The calculations are based on BE Group's internal model. The outcomes for growth, profitability and return are measured over an economic cycle, while the capital structure targets refer to a normal situation.

Financial targets	Targets	Outcome last 12 months
Underlying sales growth	>5%	Neg.
Underlying EBITA margin	>6%	2.5%
Underlying return on operating capital	>40%	11.6%
Net debt divided by shareholders' equity	<150%	107%
Net debt/underlying EBITDA	<3 (multiple)	4.8 (multiple)

Second quarter development

Group

The downturn continued in the second quarter due to weak demand and sales were significantly lower than in Q2 2008, which was BE Group's best quarter ever.

Net sales declined by 49% to SEK 1, 071M (2,116). The tonnage decline for comparable units was 38 percentage points. A price and mix change reduced net sales by 17 percentage points and deconsolidation of the thin plate operations in Sweden by a further 3 percentage points. These negative effects were partly offset by acquired sales of 2 percentage points and positive currency effects of 7 percentage points. The sales decrease for comparable units was 50%.

Second quarter net sales and profit development

(SEKM)	Outcome Apr-Jun	Comparable units
Net sales 2008	**2,116**	**2,048**
Net sales 2009	**1,071**	**1,034**
Operating profit 2008	**250**	**191**
Reversal of amortization of intangible assets	1	1
EBITA 2008	**251**	**192**
Inventory gains	-39	-38
Exceptional items	-50	-
Underlying EBITA 2008	**162**	**154**
Changes in tonnage, price, mix and gross margin	-194	-188
Overhead costs	22	27
Underlying EBITA 2009	**-10**	**-7**
Inventory losses	-85	-78
EBITA 2009	**-95**	**-85**
Less amortization of intangible assets	-1	-1
Operating loss 2009	**-96**	**-86**

At SEK 10.15 (12.29), the average sales price per kg was 17% lower than in Q2 2008. Average sales prices stabilized towards the end of the quarter and declined 12% compared to Q1. Shipped tonnage decreased by 7% between the first and second quarters.

Consolidated gross profit was SEK 71M (388), resulting in a gross margin of 6.6% (18.3). Inventory losses of SEK 85M (39) had negative impact on earnings. The underlying gross margin improved compared to the last two quarters and amounted to 14.5% (16.5).

EBITA was a loss of SEK 95M (251). The comparison figure includes a capital gain of SEK 50M. Underlying EBITA was a loss of SEK 10M (162). The earnings downturn is attributable to lower tonnage and lower sales prices. The decline is partly offset by lower costs, mainly arising from the positive effects of the cost savings programme.

The EBITA margin was negative at 8.9% (11.9) and the underlying EBITA margin was negative at 1.0% (7.6). For comparable units, the underlying EBITA margin was negative at 0.7% (7.5).

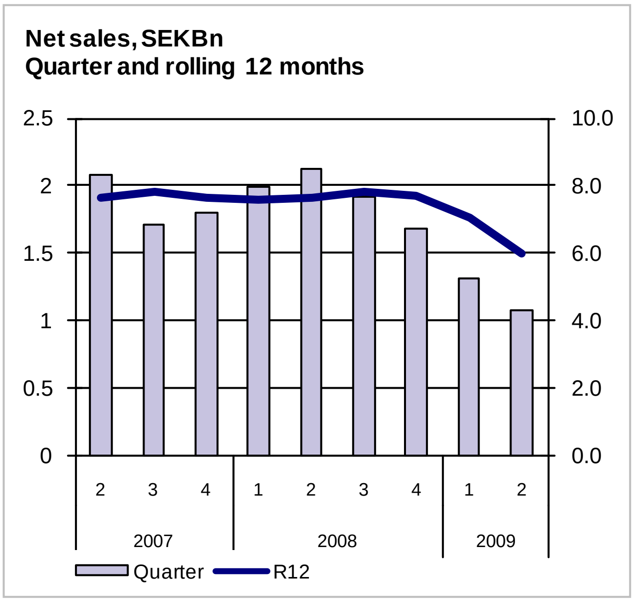
Cost savings programme

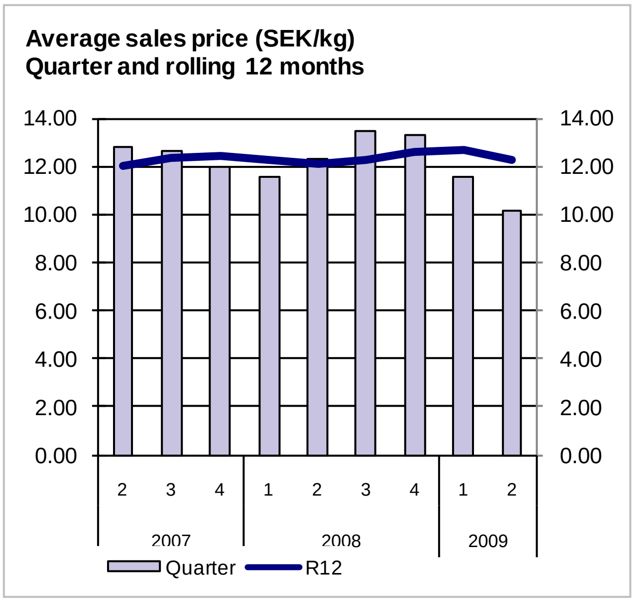
In response to the severe recession, BE Group has been running a comprehensive cost savings programme since late 2008. The objective is to lower the Group's total costs by at least SEK 150M in 2009. The cost savings programme is developing as planned and the total savings effect in the first half is an estimated SEK 80M. Of that amount, savings of approximately SEK 45M were achieved in the second quarter.

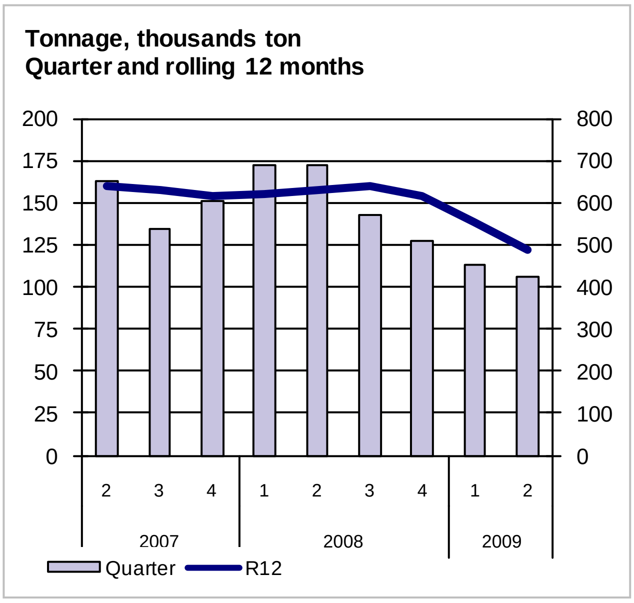
Development per distribution channel

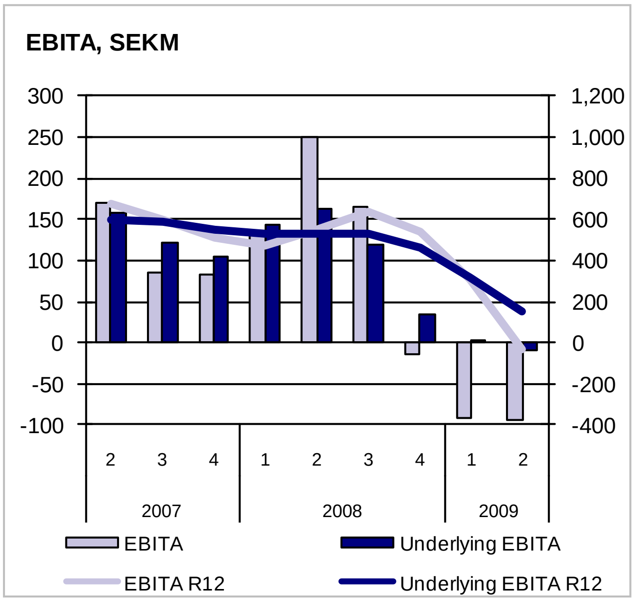
BE Group's sales are made through three distribution channels: inventory sales, service sales and direct sales.

Shipments from Group facilities accounted for 84% (83) of total net sales for the second quarter distributed between inventory sales at 53percentage points (49) and service sales at 31percentage points (34). The lower service share compared to Q2 2008 is related primarily to deconsolidation of thin plate operations in Sweden. At 32% (33), the service share of total sales was slightly lower than in Q2 2008 for comparable units.









Development commercial steel

The price downturn for commercial steel continued during the quarter and the average sales price per kg declined by 18% to SEK 8.31 (10.18). The sales price declined by 15% compared to Q1 of this year.

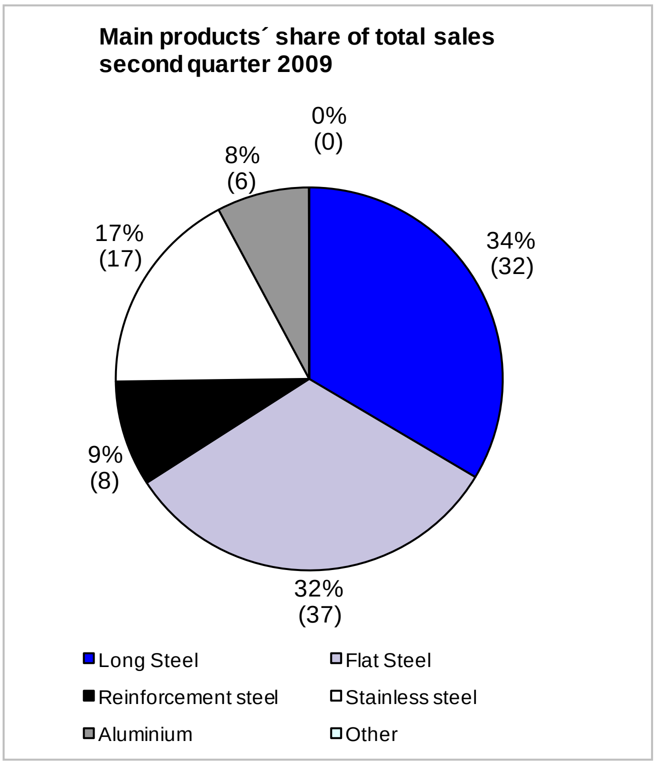
Net sales of commercial steel amounted to SEK 801M (1,617). Expressed in tonnage, sales declined by 39%. Overall, commercial steel generated 75% (77) of BE Group's net sales.

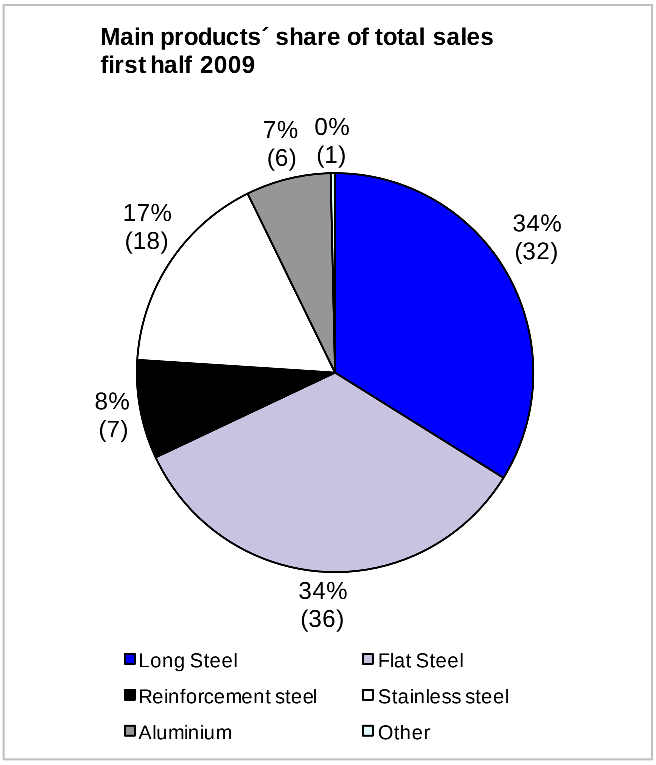
The percentage of net sales generated by long products increased to 34% (32), while flat products declined to 32% (37).

Development stainless steel and aluminium

The price downturn for stainless steel tapered off during the quarter, partly due to higher prices for nickel and other alloy metals. BE Group's sales of stainless steel declined by 48% compared to Q2 2008 to SEK 187M (358). The percentage of total net sales generated by stainless steel was unchanged at 17% (17). Sold tonnage was 27% lower than in 2008. The average sales price was 29% lower than in Q2 2008 and 7% lower than in Q1 of this year.

Aluminium sales declined by 35% during the quarter to SEK 83M (127), equal to 8% (6) of total net sales.





Business areas

Business area Sweden

A minor recovery was noted in Sweden at the end of the period. Compared to 2008, net sales declined during the quarter as a whole by 47% to SEK 546M (1,034), primarily attributable to a tonnage downturn of 38%. The decrease in tonnage was 31% for comparable units. The average sales price was 13% lower than in Q2 2008. The sales price fell 12% compared to Q1 2009, while tonnage rose 6%.

The business area is reporting positive EBITA of SEK 2M (87), despite the downturn in net sales. The cost savings programme has developed as planned and has made a positive earnings contribution. EBITA declined to a loss of SEK 16M (151) due to lower business volume and continued inventory losses of SEK 18M (14). The comparison figure includes a capital gain of SEK 50M. The EBITA margin was negative at 2.9% (14.6), while the underlying EBITA margin was 0.4% (8.4).

Business area Finland

Low activity across all industrial sectors continued in Finland, which was affected by the economic downturn later than Sweden. Net sales decreased by 57% to SEK 360M (839). Shipped tonnage declined by 51%. The average sales price in EUR declined by 23%. Consolidated in SEK, the decline was 12% compared to Q2 2008. The sales price fell 12% compared to Q1 2009, while tonnage declined by 18%. Price stabilization was recorded towards the end of the quarter.

EBITA decreased to a loss of SEK 40M (102) and underlying EBITA to a loss of SEK 1M (83). The earnings downturn is attributable to lower tonnage and lower sales prices. The price downturn resulted in inventory losses of SEK 39M (19) during the quarter. The ongoing cost savings programme reduced overheads during the quarter. The EBITA margin for the quarter was negative at 11.1% (12.1). The underlying EBITA margin was also negative at 0.3% (9.9). Service sales including materials increased to 49% (47) of net sales.

The successful effort to reduce inventories continued during the quarter and the value of inventory has declined since March 31 by SEK 116M to SEK 296M.

Business area CEE

Fierce competition and inventory reductions continued to characterize the CEE markets. A beginning stabilization of demand and purchase prices was noted during the latter part of the quarter. Net sales in CEE declined by 34% to SEK 190M (288), while tonnage declined by 10%. The tonnage decline for comparable units was 35%. Tonnage declined 13% compared to Q1. Severe price pressure reduced the average sales price by 35% compared to Q2 2008 and by 13% compared to the first quarter of 2009.

EBITA declined to a loss of SEK 34M (6), primarily due to negative price effects and inventory losses of SEK 28M (7). Effects of the ongoing cost savings programme have had positive impact on total overhead costs.

Underlying EBITA was a loss of SEK 6M (-1). The EBITA margin declined and was negative at 17.9% (2.0). The underlying EBITA margin was also negative, at 3.0% (-0.4).

Development of a logistics centre continued during the quarter within the framework of existing operations in Ostrava. The new logistics centre went operational at mid-year, bringing economies of scale and opportunities to more efficiently supply BE Group's markets.

Efforts related to the closure of operations in St Petersburg will continue throughout 2009.

Net financial items and tax

The Group is reporting net finance income for the second quarter of SEK 3M (1) including net interest expense of SEK 6M (expense: 9). Annualized, this is equivalent to 2.3% (5.5) of net interest-bearing liabilities, which averaged SEK 961M (659) during the quarter. Exchange rate differences of SEK 8M (10) had positive impact on net financial items.

Tax income for the quarter was SEK 19M (-51), or 20.6% (20.2) of the loss before tax.

BE Group is reporting a loss after tax of SEK 74M (profit: 200). Earnings per share after dilution were negative SEK 1.49 (4.01). Underlying earnings per share after dilution were also negative at SEK 0.19 (2.72).

Cash flow

Cash flow before change in net debt amounted to SEK 92M (105). Cash flow from operating activities was SEK 90M (131). The primary reason for the decrease was lower earnings during the quarter, but this was offset by a reduction in working capital during the quarter amounting to SEK 190M (-35). Cash flow from investing activities was SEK 2M (-27), including a dividend of SEK 14M from the joint venture with ArcelorMittal. Cash used for financing activities was SEK 79M (-204) due to amortization of financial liabilities and distribution of dividends.

Development in the first half

Group

Consolidated net sales during the first half declined by 42% to SEK 2,380M (4,111). The tonnage downturn for comparable units accounted for 39 percentage points. A negative price and mix change reduced sales by 9 percentage points, while deconsolidation of thin plate operations in Sweden, which occurred in June 2008, reduced sales by 4 percentage points. These negative effects were offset by acquired sales of 3 percentage points and positive currency effects of 7 percentage points. The sales decrease for comparable units was 42%.

The price trend continued downward for most of the period and the average sales price declined by 9% compared to the first half of 2008, to SEK 10.87 (11.94).

Consolidated gross profit declined to SEK 151M (708), resulting in a gross margin of 6.3% (17.2). Inventory losses of SEK 180M (32) had negative impact on earnings. The underlying gross margin was 13.9% (16.4).

EBITA declined to a loss of SEK 186M (387) and underlying EBITA to a loss of SEK 6M (305). The decrease in earnings is attributable to lower tonnage and sales prices. The decline is partly offset by lower costs, primarily arising from the positive effects of the cost savings programme.

The EBITA margin declined to a negative 7.8% (9.4), while the underlying EBITA margin was also negative at 0.3% (7.4).

Net sales and profit development in the first half

(SEKM)	Outcome Jan-Jun	Comparable units
Net sales 2008	**4,111**	**3,942**
Net sales 2009	**2,380**	**2,270**
Operating profit 2008	**385**	**315**
Reversal of amortization of intangible assets	2	2
EBITA 2008	**387**	**317**
Inventory gains	-32	-32
Exceptional items	-50	-
Underlying EBITA 2008	**305**	**285**
Changes in tonnage, price, mix and gross margin	-344	-333
Overhead costs	33	45
Underlying EBITA 2009	**-6**	**-3**
Inventory losses	-180	-168
EBITA 2009	**-186**	**-171**
Less amortization of intangible assets	-3	-2
Operating loss 2009	**-189**	**-173**

Business areas

Business area Sweden

Sweden is reporting sales of SEK 1,130M (2,012). The decrease of 44% is due mainly to lower tonnage. Sales declined by 38% for comparable units.

EBITA amounted to a loss of SEK 33M (220) and underlying EBITA to SEK 8M (159). The EBITA margin decreased to negative 2.9% (10.9) and the underlying EBITA margin to 0.7% (7.9).

Business area Finland

Finland is reporting sales of SEK 868M (1,615), a decrease of 46%. EBITA declined to a loss of SEK 82M (170). Underlying EBITA was SEK 8M (158). The EBITA margin was negative at 9.4% (10.5), while the underlying EBITA margin was 1.0% (9.8). The service share of sales rose to 49% (47).

Business area CEE

CEE generated sales of SEK 428M (564), a decrease of 24%. The decrease was 45% for comparable units.

EBITA declined to a loss of SEK 64M (10). Underlying EBITA declined to a loss of SEK 15M (1). The EBITA margin was negative at 14.9% (1.8) and the underlying EBITA margin was negative at 3.4% (0.2).

Net financial items and tax

The Group is reporting net finance expense for the first half of 2009 of SEK 24M (expense: 7) including net interest expense of SEK 16M (expense: 18). Annualized, this is equivalent to 3.4% (5.6) of net interest-bearing liabilities, which averaged SEK 976M (637) during the first half. Exchange rate differences of SEK 7M had negative impact on net financial items.

Tax income for the first half was SEK 45M (-84), or 21.0% (22.3) of the loss before tax.

BE Group is reporting a loss after tax of SEK 168M (profit: 294). Earnings per share after dilution were negative SEK 3.37 (5.89). Underlying earnings per share after dilution were also negative, SEK 0.63 (4.69).

Cash flow

Cash flow before change in net debt was SEK 110M (113) for the first half of 2009. Cash flow generated from operating activities was SEK 117M (190). The primary reason for the decrease was lower earnings during the half year period. Cash used for investing activities was SEK 7M (-77). Cash flow used for financing activities was SEK 148M (-208) due to amortization of financial liabilities and distributed dividends.

Capital, investments and returns

BE Group had working capital of SEK 733M (780) on June 30. Strong measures to reduce working capital have been implemented and have resulted in a reduction of SEK 296M since the first of January. Inventory was reduced by SEK 529M during the first half to SEK 741, a 42% decrease.

Capital expenditures of SEK 21M during the period (86; the comparison figure includes acquisitions) were allocated between tangible assets at SEK 9M (15) and intangible assets at SEK 12M (10). The capital expenditures refer primarily to investments in conjunction with ongoing development of the corporate IT platform and investments in connection with the restructuring of operations in Lahti, Finland. Some previously decided investments have been postponed as part of BE Group's savings programme.

The final purchase price analysis for Ferram Steel a.s. which was acquired in 2008 was adopted during the period. No material adjustments were made to the preliminary purchase price analysis.

Return on operating capital (excluding intangible assets) declined and was negative for the period (79.8%). Acquisitions resulted in an increase in average operating capital compared to the same period in 2008.

Financial position and liquidity

BE Group had cash and cash equivalents of SEK 93M (166) at the end of the period. As of June 30, BE Group had available, unutilized credit facilities of SEK 227M.

As of the end of the period, consolidated net interest-bearing liabilities were SEK 940M (694). The increase is due primarily to loans raised in connection with acquisitions. Net debt has declined by SEK 66M since December 31, 2008. Amortizations totalling SEK 99M were carried out during the first half. As of the end of the second quarter, BE Group had total credit facilities of SEK 1,235M. The maturity date for 96% of the credit facility is December 2011. In light of the current market situation and as a result of ongoing discussions with the bank, an agreement has been met to cancel the acquisition credit facility of SEK 339M.

Consolidated equity as of June 30 was SEK 882M (973) while the net debt/equity ratio was 107% (71).

Organization, structure and employees

The cost savings programme has entailed reductions in force during the period in Sweden and the Czech Republic, wage reductions in several markets in CEE and temporary layoffs in Finland. The total workforce has declined from 1,038 to 895 since the first of January. A large part of the workforce in Finland will be affected by temporary layoffs during the second half.

Contingent liabilities

BE Group has contingent liabilities of SEK 362M, unchanged since year-end 2008.

Parent

The parent company BE Group AB (publ) is reporting sales of SEK 26M (25) for the period, which consist entirely of internal Group services. The parent is reporting an operating loss of SEK 10M (-19). Net financial income totalled SEK 220M (173) due to distributed dividends from subsidiaries. Profit before tax was SEK 210M (154) and profit after tax was SEK 216M (159).

The parent company invested SEK 11M (10) in intangible assets during the period. At the end of the period, the parent company had cash and cash equivalents of SEK 52M (118).

Change of president and CEO

Lars Bergström took up the position as the new president and CEO of BE Group AB in March. Mr Bergström has a long professional history in the Swedish engineering sector. Most recently, he served as president and CEO of HTC Group.

Related party transactions

Nordic Capital Funds owns 20.6% of equity in BE Group AB through Trenor Holding Limited, Jersey. As of June 30, 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 17.

Significant events after the end of the period

No significant events have occurred since the end of the period.

Annual general meeting

At the annual general meeting of shareholders in BE Group held May 13, the sitting board of directors was re-elected and Roger Johansson was elected to the board for the first time.

The AGM approved the dividend of SEK 1.00 per share (3.50) proposed by the board of directors. The total dividend was SEK 50M and was distributed on May 22.

In accordance with the board's motion, the AGM adopted executive remuneration policies and approved the motion to implement Share Savings Scheme 2009 and authorize the board to resolve to acquire and transfer shares necessary to implement the scheme. The board was also empowered to resolve to acquire and transfer treasury shares to enable the board to adjust the company's capital structure and finance acquisitions. The AGM also voted in favour of a conditional amendment of the articles of association by which notices of the AGM will be made via advertisement in *Post- och Inrikes Tidningar* and on the company website with only a brief announcement that notice has been issued published in *Svenska Dagbladet*.

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

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 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 uncertainty factors 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. Please refer to the 2008 annual report for details of the company'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 which took effect as of the beginning of the 2009 financial year. However, the new standards have had no impact on the accounts 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 see 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) plans to publish the interim report for the period of January-September on October 22 and the year-end report in February 2010.

The board of directors and chief executive officer affirm that the mid-year interim report provides a true and fair view of the company and the Group's operations, financial position and performance and describes the significant risks and uncertainty factors relevant to the parent company and other BE Group companies.

Malmö, July 16, 2009
BE Group AB (publ)

Carl-Erik Ridderstråle *Chairman of the Board*	**Roger Bergqvist** *Director*	**Cecilia Edström** *Director*	**Roger Johansson** *Director*
Joakim Karlsson *Director*	**Lars Olof Nilsson** *Director*	**Lars Spongberg** *Director*	**Thomas Berg** *Employee Representative*
Kerry Johansson *Employee Representative*	**Lars Bergström** *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 July 16 at 11.00 CET.

Questions concerning this report may be directed to:

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Condensed consolidated income statement

(SEKM)	Note	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Net sales		1,071	2,116	2,380	4,111	7,713	5,982
Cost of goods sold		-1,000	-1,728	-2,229	-3,403	-6,475	-5,301
Gross profit		**71**	**388**	**151**	**708**	**1,238**	**681**
Selling expenses		-129	-143	-263	-282	-567	-548
Administrative expenses		-36	-48	-73	-95	-170	-148
Other operating revenue and expenses	**1**	0	51	-2	52	22	-32
Share of earnings in joint venture		-2	2	-2	2	9	5
Operating profit (loss)		**-96**	**250**	**-189**	**385**	**532**	**-42**
Financial items		3	1	-24	-7	-30	-47
Profit (loss) before tax		**-93**	**251**	**-213**	**378**	**502**	**-89**
Tax		19	-51	45	-84	-124	5
Profit (loss) for the period		**-74**	**200**	**-168**	**294**	**378**	**-84**
Amortization of intangible assets		1	1	3	2	5	6
Depreciation of tangible assets		12	10	25	22	46	49
Earnings per share		-1.49	4.01	-3.37	5.89	7.58	-1.69
Earnings per share		-1.49	4.01	-3.37	5.89	7.58	-1.69

Consolidated statement of comprehensive income

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Profit (loss) for the period	**-74**	**200**	**-168**	**294**	**378**	**-84**
Other comprehensive income						
Translation differences	-5	6	-2	3	97	92
Hedging of net investments in foreign subsidiaries	-2	-2	1	0	-61	-60
Tax attributable to items in other comprehensive income	1	1	0	0	17	17
Total other comprehensive income	**-6**	**5**	**-1**	**3**	**53**	**49**
Comprehensive income for the period	**-80**	**205**	**-169**	**297**	**431**	**-35**

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	-	50	59	9
One-time costs related to cost savings programme	-	-	-	-	-26	-26
Total exceptional items	**-**	**50**	**-**	**50**	**33**	**-17**

1) Recognized in Other operating revenue and expenses

Condensed consolidated balance sheet

(SEKM)	2009 Jun 30	2008 Jun 30	2008 Dec 31
Goodwill	651	575	651
Other intangible assets	56	32	48
Tangible assets	340	250	356
Investment in joint venture	122	130	138
Financial assets	3	2	4
Deferred tax assets	38	6	7
Total non-current assets	**1,210**	**995**	**1,204**
Inventories	741	1,027	1,270
Trade receivables	600	1,074	711
Other operating receivables	82	67	99
Cash and cash equivalents	93	166	125
Assets held for sale	**1,516**	**2,334**	**2,205**
Total current assets	**2,726**	**3,329**	**3,409**
Equity	**882**	**973**	**1,103**
Non-current interest-bearing liabilities	948	840	1,041
Provisions	10	15	12
Deferred tax liability	71	74	85
Total non-current liabilities	**1,029**	**929**	**1,138**
Current interest-bearing liabilities	88	22	93
Trade payables	488	1,081	781
Other current liabilities	203	308	251
Other current provisions	36	16	43
Liabilities associated with assets held for sale	**815**	**1,427**	**1,168**
Total current liabilities	**2,726**	**3,329**	**3,409**

Condensed consolidated cash flow statement

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Profit (loss) before tax	-93	251	-213	378	502	-89
Adjustment for non-cash items	3	-52	24	-51	-17	58
Income tax paid	-10	-33	10	-134	-202	-58
Change in working capital	190	-35	296	-3	-61	238
Cash flow from operating activities	**90**	**131**	**117**	**190**	**222**	**149**
Capital expenditure in intangible assets	-7	-4	-12	-10	-20	-22
Capital expenditure in tangible assets	-5	-7	-9	-15	-45	-39
Acquisitions of subsidiaries	-	-15	-	-53	-199	-146
Other cash flow from investing activities	14	-1	14	1	6	19
Cash flow before change in net debt	**92**	**105**	**110**	**113**	**-36**	**-39**
Cash flow from financing activities	-79	-204	-148	-208	-105	-45
Cash flow for the period	**13**	**-99**	**-38**	**-95**	**-141**	**-84**
Exchange rate difference in cash and cash equivalents	2	2	6	2	7	11
Change in cash and cash equivalents	**15**	**-97**	**-32**	**-93**	**-134**	**-73**

Condensed statement of changes in equity

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Equity at beginning of period	**1,015**	**942**	**1,103**	**849**	**849**	**973**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**1,015**	**942**	**1,103**	**849**	**849**	**973**
Comprehensive income for the period	-80	205	-169	297	431	-35
Dividend	-50	-175	-50	-175	-175	-50
Acquisition of treasury shares	-	-	-	-	-4	-4
Share Savings Scheme	-3	1	-2	2	2	-2
Equity at end of period	**882**	**973**	**882**	**973**	**1,103**	**882**

Segment reporting

Net sales per segment

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Sweden	**546**	**1,034**	**1,130**	**2,012**	**3,576**	**2,694**
- External	536	1,008	1,107	1,966	3,497	2,638
- Internal	10	26	23	46	79	56
Finland	**360**	**839**	**868**	**1,615**	**3,057**	**2,310**
- External	355	823	857	1,587	3,008	2,278
- Internal	5	16	11	28	49	32
CEE	**190**	**288**	**428**	**564**	**1,230**	**1,094**
- External	180	285	415	558	1,208	1,065
- Internal	10	3	13	6	22	29
Parent company and consolidated items	**-25**	**-45**	**-46**	**-80**	**-150**	**-116**
Group	**1,071**	**2,116**	**2,380**	**4,111**	**7,713**	**5,982**

EBITA per segment

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Sweden	-16	151	-33	220	302	49
Finland	-40	102	-82	170	274	22
CEE	-34	6	-64	10	-21	-95
Parent company and consolidated items	-5	-8	-7	-13	-18	-12
Group	**-95**	**251**	**-186**	**387**	**537**	**-36**

Depreciation per segment

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Sweden	5	5	9	10	19	18
Finland	6	5	12	11	22	23
CEE	3	1	7	3	10	14
Parent company and consolidated items	0	0	0	0	0	0
Group	**14**	**11**	**28**	**24**	**51**	**55**

Investments in tangible and intangible assets per segment

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Sweden	0	2	4	4	16	16
Finland	4	5	4	11	25	18
CEE	2	1	2	61	223	164
Parent company and consolidated items	6	4	11	10	18	19
Group	**12**	**12**	**21**	**86**	**282**	**217**

Key data

(SEKM unless otherwise stated)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Earnings measurements						
EBITA	-95	251	-186	387	537	-36
Margin measurements						
Gross margin	6.6%	18.3%	6.3%	17.2%	16.1%	11.4%
EBITA margin	-8.9%	11.9%	-7.8%	9.4%	7.0%	-0.6%
Operating margin	-8.9%	11.8%	-8.0%	9.4%	6.9%	-0.7%
Capital structure						
Net debt	940	694	940	694	1,006	940
Net debt/equity ratio	106.6%	71.3%	106.6%	71.3%	91.2%	106.6%
Equity/assets ratio	32.4%	29.2%	32.4%	29.2%	32.3%	32.4%
Working capital (average)	834	788	905	768	895	924
Operating capital (average)	1,909	1,616	1,975	1,558	1,789	1,951
Operating capital (excluding intangible assets) (average)	1,203	1,011	1,272	972	1,162	1,273
Working capital tied-up	19.5%	9.3%	19.0%	9.3%	11.6%	15.4%
Return						
Return on operating capital (%)	-20.1%	61.8%	-19.2%	49.4%	29.7%	-2.2%
Return on operating capital (excluding intangible assets) (%)	-31.7%	99.4%	-29.3%	79.8%	46.2%	-2.8%
Return on equity (%)	-31.2%	83.6%	-33.5%	63.7%	38.1%	-8.3%
Per share data						
Earnings per share (SEK)	-1.49	4.01	-3.37	5.89	7.58	-1.69
Earnings per share after dilution (SEK)	-1.49	4.01	-3.37	5.89	7.58	-1.69
Equity per share (SEK)	17.73	19.51	17.73	19.51	22.17	17.73
Cash flow from operating activities per share (SEK)	1.80	2.63	2.35	3.81	4.46	3.00
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	49,781
Diluted average number of shares (thousands)	49,740	49,883	49,739	49,880	49,857	49,786
Other						
Average number of employees	917	1,011	957	994	1,023	987

Supplementary disclosures

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Growth						
Sales growth	-49.4%	2.1%	-42.1%	-0.7%	0.8%	-21.5%
- organic tonnage growth	-38.3%	3.5%	-39.0%	0.9%	-4.0%	-25.8%
- price and mix changes	-16.8%	-3.9%	-8.9%	-4.3%	0.6%	-2.1%
- currency effects	7.2%	1.0%	7.2%	1.2%	2.3%	5.4%
- acquisitions	1.7%	2.8%	2.7%	2.2%	4.3%	5.8%
- divested operations	-3.2%	-1.3%	-4.1%	-0.7%	-2.4%	-4.8%
Adjusted earnings measurements						
Underlying EBITA	-10	162	-6	305	459	148
Adjusted margin measurements						
Underlying gross margin	14.5%	16.5%	13.9%	16.4%	15.5%	14.2%
Underlying EBITA margin	-1.0%	7.6%	-0.3%	7.4%	6.0%	2.5%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	-3.1%	64.1%	-1.0%	62.8%	39.5%	11.6%
Adjusted per share data						
Underlying earnings per share (SEK)	-0.19	2.72	-0.63	4.69	6.17	0.85
Underlying earnings per share after dilution (SEK)	-0.19	2.72	-0.63	4.69	6.17	0.85
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	-	-	-	-	2.0	4.8
Other						
Inventory gains and losses	-85	39	-180	32	46	-166
Shipped tonnage (thousands of tonnes)	105.5	172.2	218.9	344.3	613.5	488.0
Average sales prices (SEK/kg)	10.15	12.29	10.87	11.94	12.57	12.26

Underlying EBITA per segment[1)]

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Sweden	2	87	8	159	253	102
Finland	-1	83	8	158	238	88
CEE	-6	-1	-15	1	-14	-30
Parent company and consolidated items	-5	-7	-7	-13	-18	-12
Group	**-10**	**162**	**-6**	**305**	**459**	**148**

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.

Condensed parent company income statement

(SEKM)	2009 Apr-Jun	2008 Apr-Jun	2009 Jan-Jun	2008 Jan-Jun	2008 Full year	Rolling 12 months
Net sales	13	16	26	25	54	55
Administrative expenses	-19	-25	-36	-44	-80	-72
Other operating revenue and expenses	-	-	-	-	-10	-10
Operating profit (loss)	**-6**	**-9**	**-10**	**-19**	**-36**	**-27**
Financial items	1	2	220	173	263	310
Profit (loss) before tax	**-5**	**-7**	**210**	**154**	**227**	**283**
Tax	1	1	6	5	26	27
Profit (loss) for the period	**-4**	**-6**	**216**	**159**	**253**	**310**

Condensed parent company balance sheet

(SEKM)	2009 Jun 30	2008 Jun 30	2008 Dec 31
Intangible assets	29	10	18
Tangible assets	1	1	1
Financial assets	1,258	1,101	1,259
Interest-bearing receivables, group companies	62	19	30
Deferred tax assets	6	1	0
Total non-current assets	**1,356**	**1,131**	**1,308**
Current interest-bearing receivables, group companies	521	251	389
Receivables, group companies	23	24	126
Other operating receivables	37	18	48
Cash and cash equivalents	52	118	50
Total current assets	**633**	**412**	**613**
Total assets	**1,989**	**1,543**	**1,921**
Equity	**896**	**569**	**732**
Non-current interest-bearing liabilities	931	823	1,017
Provisions	0	0	0
Total non-current liabilities	**931**	**823**	**1,017**
Current interest-bearing liabilities	29	12	29
Current interest-bearing liabilities, group companies	73	116	76
Trade payables	3	3	6
Liabilities to group companies	40	7	45
Other current liabilities	17	13	16
Total current liabilities	**162**	**151**	**172**
Total equity and liabilities	**1,989**	**1,543**	**1,921**

Pledged assets and contingent liabilities - parent company

(SEKM)	2009 Jun 30	2008 Jun 30	2008 Dec 31
Pledged assets	**1,261**	**1,230**	**1,264**
Contingent liabilities	**2**	**58**	**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-Jun 2009	26	-8	11	-4	235	605	113
	Jan-Jun 2008	25	-4	7	-7	173	295	123

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).
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 profits and losses (deductions for profits 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.