BE GROUP

BE Group AB (publ)

Interim Report January-September 2008

BE Group reporting higher earnings

THE THIRD QUARTER

- Net sales rose 12.3% compared to Q3 2007 to SEK 1,919M (1,709) and shipped tonnage increased by 5.5%.
- Operating profit increased by 91.8% to SEK 163M (85). Earnings were affected by inventory gains of SEK 46M, while the comparative figure for Q3 2007 was adversely affected by inventory losses of SEK 36M.
- Underlying EBITA[1)] declined by 2.5% to SEK 119M (122) and the underlying EBITA margin was 6.2% (7.1).
- Earnings per share[2)] increased to SEK 2.27 (1.10) and underlying earnings per share[2)] declined to SEK 1.32 (1.55).
- The takeover of Ferram Steel in the Czech Republic is strengthening growth in Central and Eastern Europe.

THE INTERIM PERIOD OF JANUARY-SEPTEMBER

- Net sales increased during the period by 3.1% to SEK 6,030M (5,848) with tonnage growth of 4.3%.
- Operating profit increased by 28.0% to SEK 548M (428) and underlying EBITA[1)] declined by 4.9% to SEK 424M (446). The underlying EBITA margin[1)] was 7.0% (7.6).
- Earnings per share[2)] increased to SEK 8.16 (5.98). Underlying earnings per share[2)] declined to SEK 6.01 (6.14).
- BE Group successfully integrated acquired companies in the Czech Republic and established a joint venture with ArcelorMittal in Sweden.
- An efficiency improvement programme has been initiated in response to an expected downturn in the market situation.
- Despite growing market uncertainty, operating profit for the full year is going to be the best ever for BE Group and significantly outperform 2007.

[1)] Definitions are provided on page 20.
[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 2007 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.com.

Market and business environment

Demand in the world market for steel remained buoyant in the interim period. Growth was strongest in the BRIC countries (Brazil, Russia, India and China), while the trend in the United States and Europe was weaker than in 2007. The robust demand has entailed high order influx to producers and a strong price trend for steel. Steel producers' costs for raw materials have gone up, including higher prices for iron ore. Following a sharp upswing in the first half, the price of scrap turned downward in the third quarter.

Through the end of August 2008, global steel production was 5.6% higher than during the same period in 2007, according to the World Steel Association (formerly the International Iron and Steel Institute). The growth rate is lower than for the full year of 2007, when demand grew by 7.5%.

Overall, demand in the third quarter remained high in BE Group's markets, with higher market prices. But demand moderated gradually during the quarter and the Central and Eastern European markets weakened faster than expected.

Demand weakened in the Swedish market from the previously high level. Activity remained high in the Finnish engineering and construction sectors, but here as well demand were below the levels seen in the first half. BE Group's growth in Central and Eastern Europe was strengthened by the two acquisitions finalized by the Group during the interim period.

Outlook

From the short-term perspective, the world steel market is characterized by uncertainty stemming from the global financial crisis and economic trend. The World Steel Association (WSA) has postponed its short-term forecast from early October to April 2009, noting that the impact of financial uncertainty will become more apparent in the latter part of 2008. The WSA issued a statement, that it expects demand for steel to grow in 2009 and long-term growth to outperform GDP growth.

The sharp increase in exports from China in the third quarter is regarded within the sector as a possible sign of lower demand in the important Chinese market, combined with higher production volumes. Modest growth is forecasted in total demand in EU countries while estimates are for continuing growth in the Eastern European countries, although at a lower level.

Overall, prices for commercial steel are going to decline in the fourth quarter. The downturn in scrap prices will entail lower prices for long products like beams and reinforcement steel. Steel producers are expected to limit production volumes in a bid to maintain high price levels in 2009. The demand outlook for stainless steel remains uncertain and the price trend will continue downward for the rest of the year due to lower nickel prices.

In BE Group's judgement, uncertainty regarding the general economic trend in the Swedish and Finnish markets has intensified and demand for the Group's products is likely to weaken during the rest of the year compared to the third quarter. Deconsolidation of BE Group's thin plate operations in Sweden is lowering the reported growth rate, but strengthening the margin. Increased capacity in production service is having positive impact on BE Group's sales in Finland.

Relatively good demand is expected in most markets in Central and Eastern Europe, but this is likely to be accompanied by significant price pressure due to the competitive situation and general market nervousness. BE Group assesses demand in the Czech Republic and Slovakia as stable. The two acquisitions in the Czech Republic will make a positive contribution to BE Group's growth and earnings for the full year of 2008 and generate some cost and capital synergies in combination with the Group's pre-existing operations in the Czech Republic. Demand is expected to remain good in Poland and Russia, but BE Group is forecasting a slowdown in Denmark and the Baltic countries.

A number of activities have been initiated in the CEE business area to cut costs, improve efficiency and reduce capital tied-up.

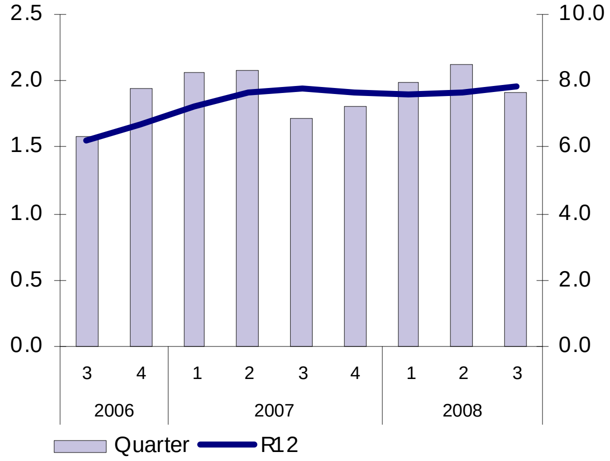
Based on the outcome during the nine-month period and the outlook for the rest of the year, overall operating profit for the full year 2008 is going to be the best ever for BE Group and significantly outperform 2007.

BE Group's strategy to increase the service component of sales remains firm. This will involve higher investments in processing and new skills to create higher value for BE Group and its customers. Another key task will be to carry out strategic acquisitions. An efficiency improvement programme has been initiated in response to the expected downturn in the market situation.

Financial targets

Financial targets	Targets	Outcome last 12 months
Underlying sales growth	>5%	1.7%
Underlying EBITA margin	>6%	6.8%
Underlying return on operating capital	>40%	48.3%
Net debt/total equity	<150%	96.9%
Net debt/underlying EBITDA	<3 (multiple)	1.9 (multiple)

Net sales, SEKBn
Quarter and rolling 12 months



BE Group has five financial targets for operations, which are measured from a 12-month perspective. All targets were met in the last 12-month period except underlying sales growth, primarily due to the weaker trend for stainless steel.

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 20). BE Group applies an internal calculation model. The model has not been reviewed by the company's auditors. The outcomes for growth, profitability and return will be measured over an economic cycle, while capital structure targets refer to a normal situation. Temporary deviations may occur, for instance in conjunction with acquisitions.

Third quarter development

Group

Acquisitions and rising prices for commercial steel increased sales in the third quarter.

Net sales increased by 12.3 % to SEK 1,919M (1,709). The increase is distributed between acquired sales growth of 7.8%, price and mix changes of 6.1% and positive currency effects of 2.2%. This was offset by an organic tonnage decline of 0.5% and deconsolidation of thin plate operations in Sweden, which reduced sales by 3.3%. Thin plate operations generated sales of SEK 88M in Q3 2007. The sales increase for comparable units was 8.3%.

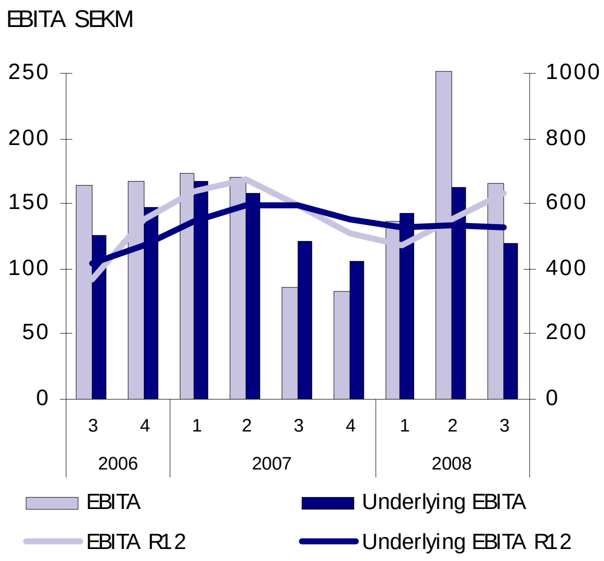
Price increases for commercial steel increased the average sales price per kg by 6.5% to SEK 13.49 (12.67) compared to the same period in 2007.

The average sales price increased by 9.8% in relation to Q2 2008.

Consolidated gross profit rose to SEK 334M (232), resulting in a gross margin of 17.4% (13.6). Earnings

Third quarter sales and profit development

(SEKM)	Outcome	Comparable units
Net sales 2007	**1,709**	**1,621**
Net sales 2008	**1,919**	**1,756**
Operating profit 2007	**85**	**79**
Reversal of amortization of intangible assets	0	1
EBITA 2007	**85**	**80**
Inventory losses	36	36
Underlying EBITA 2007	**122**	**116**
Changes in tonnage, price, mix and gross margin	18	12
Overhead costs	-21	-23
Underlying EBITA 2008	**119**	**105**
Inventory gains	46	45
EBITA 2008	**165**	**150**
Less amortization of intangible assets	-2	-1
Operating profit 2008	**163**	**149**



benefited from inventory gains of SEK 46M (-36) while the corresponding period in 2007 was impacted by inventory losses. The underlying gross margin was 15.0% (15.7). The downturn is due mainly to margin pressure in the Finnish operations and in the business area CEE.

EBITA increased to SEK 165M (85) while underlying EBITA was SEK 119M (122) adjusted for inventory gains and losses.

BE Group acquired two Czech companies during the interim period: Czechprofil in January and Ferram Steel in the third quarter. The acquisitions generated a positive EBITA for the quarter of SEK 4M.

The interest in the joint venture formed with ArcelorMittal in the second quarter is reported in the consolidated accounts using the equity method. BE Group's share in earnings was SEK 6M for the third quarter.

Overhead costs were higher than in 2007, primarily due to higher personnel costs and additional costs in acquired companies. The EBITA margin increased to 8.6% (5.0) and the underlying EBITA margin was 6.2% (7.1). The decline in the underlying EBITA margin is due primarily to margin pressure in Finland and higher total overheads. This was partially offset by favourable price effects and BE Group's share in the earnings of the joint venture with ArcelorMittal. The underlying EBITA margin was 6.0% (7.1) for comparable units.

Development per distribution channel

BE Group's sales are made through three distribution channels: inventory sales, service sales and direct sales (sales of products shipped directly to BE Group's customers from materials producers).

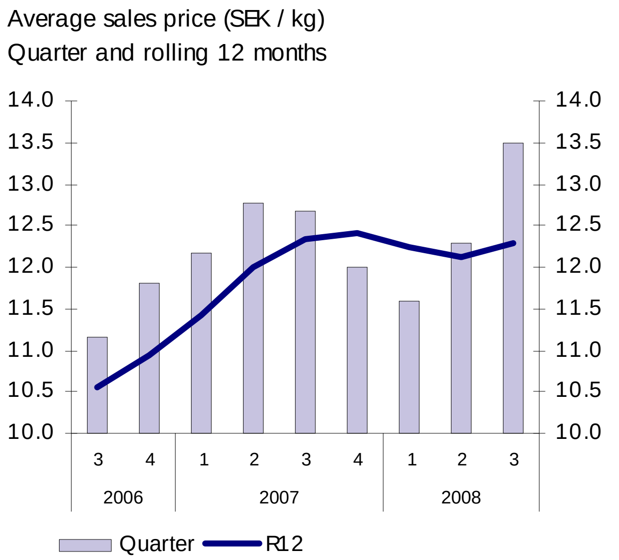
Generally, margins are highest in the more advanced segment of service sales and lowest in direct sales. BE Group is striving to increase the service component of sales by improving industrial skills and investing in sites dedicated to a variety of production services. The Group intends to increase the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

Shipments from Group facilities accounted for 83.2% (80.4) of total net sales for the third quarter, distributed between inventory sales at 51.8% (49.7) and service sales at 31.4% (30.7). The service component of total tonnage was 31.2% (33.6). The decline is related to the deconsolidation of thin plate operations in Sweden and the acquisitions in the Czech Republic.

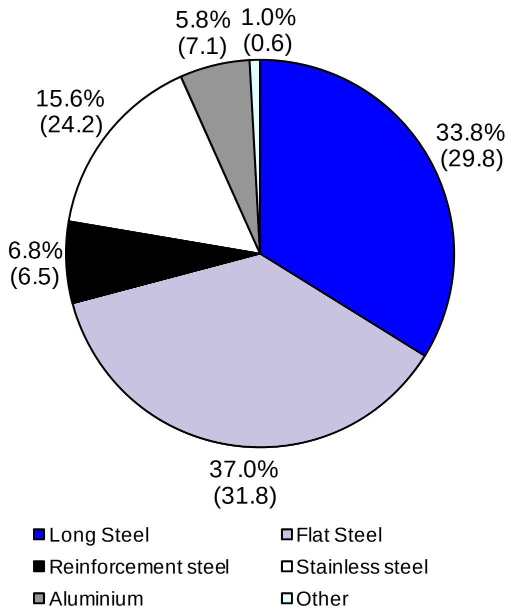
Development commercial steel

Sales of commercial steel continued to improve in the third quarter compared to immediately preceding quarters. Compared to the same period in 2007, net sales increased by 28.2%, primarily on the strength of higher prices. Expressed in tonnage, sales of commercial steel rose 5.6% and the average sales price per kg increased by 21.4% to SEK 11.41 (9.40).

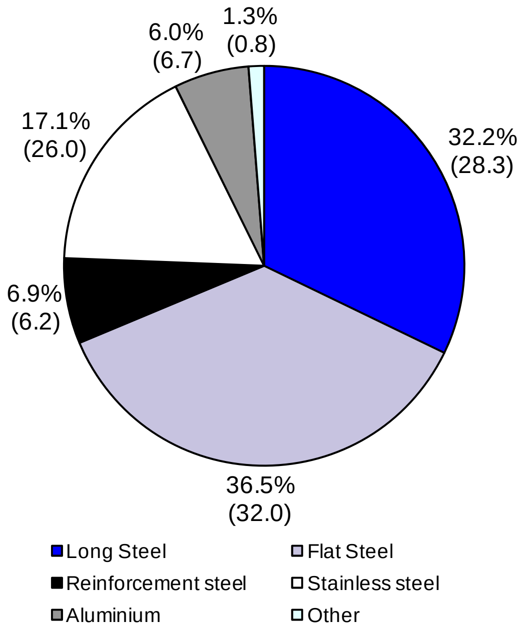
Long products accounted for a higher 33.8% (29.8) of net sales during the quarter and flat products increased to 37.0% (31.8) of net sales. Overall, commercial steel generated 77.6% (68.1) of BE Group's net sales.



Main products´share of total sales
Third quarter 2008



Main products´share of total sales
Jan-Sep 2008



Development stainless steel and aluminium

The stainless steel market stabilized somewhat during the third quarter. The average sales price was 7.8% lower than during the second quarter of 2008 and 27.4% lower than in Q3 2007.

BE Group's sales of stainless steel declined by 27.5% to SEK 300M (414) compared to the same period in 2007. The percentage of net sales generated by stainless steel declined to 15.6% (24.2). Sold tonnage was on par with the same period in 2007. BE Group's purchase price for stainless steel consists of a base price for the primary steel product and an alloy surcharge set by stainless steel producers. 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 74M (176) or 3.9% (10.3) of total consolidated sales for the quarter.

Aluminium sales declined slightly to SEK 112M (122) or 5.8% (7.1) of total net sales.

Business areas

Business area Sweden

Net sales declined by 5.8% to SEK 823M (874). The decline is primarily due to a tonnage downturn of 17.0%, mainly attributable to deconsolidation of thin plate operations. Net sales were also affected by the downturn in stainless steel.

Service sales increased during the period and this change in the distribution channel mix improved profitability. EBITA increased to SEK 74M (53), primarily due to higher prices. Underlying EBITA declined to SEK 64M (69). The EBITA margin was 9.1% (6.1), and the underlying EBITA margin was 7.8% (7.9), on par with the same period in 2007. BE Group's share of earnings from the joint venture with ArcelorMittal was SEK 6M.

Business area Finland

Finland is reporting higher net sales for the quarter compared to Q3 2007. The increase is primarily due to strong demand in large segments of the market. Total tonnage increased by 3.1% with a 13.8% increase in stainless steel. Finland is reporting sales of SEK 770M (686), an increase of 12.3% compared to the same period in 2007.

EBITA increased to SEK 89M (40) and underlying EBITA rose to SEK 58M (57). The high service component of sales and higher prices contributed to higher earnings. The EBITA margin increased to 11.6% (5.8) while underlying EBITA margin was 7.5% (8.3). Service sales including materials increased to 46.5% (45.8) of net sales, benefiting from new capacity and production equipment that has been put into operation, primarily at the Lapua site.

Business area CEE

The high-growth trend was sustained in most BE Group markets in Central and Eastern Europe. The acquisitions of the Czech companies Czechprofil s.r.o. and Ferram Steel a.s., consolidated in the Group as of January 23 and July 15 respectively, resulted in a strong growth improvement for BE Group. CEE is reporting a sales increase of 86.9% to SEK 361M (193), of which 68 percentage points were related to acquisitions. Total tonnage increased by 95.8%, generated mainly by acquired operations. The strongest growth was recorded in the Czech Republic and Slovakia, while the trend slowed in the Baltic countries and Denmark. The market weakened faster than expected during the quarter, triggering heavy price pressure. Consequently, the business area is not yet showing satisfactory profitability.

EBITA increased to SEK 3M (0). Underlying EBITA was SEK 0M (2). The EBITA margin increased to 0.9% (neg) and the underlying EBITA margin was negative (1.2%). The acquired companies in the Czech Republic improved EBITA by SEK 4M. The competitive situation in CEE's market is such that in periods of rising prices, the business area cannot immediately implement price increases, which has adverse impact on underlying earnings. Aimed at reducing capital tied-up, inventory was deliberately reduced during the interim period, which had negative impact on earnings and margins. The margin was also adversely affected during the quarter by higher personnel costs and higher investments in growth, which are expected to improve CEE's earnings in the long term.

A number of initiatives to improve efficiency and reduce capital tied-up have been taken as part of integrating acquired operations and to generally enhance profitability.

Net financial items and tax

The Group is reporting net finance expense for the third quarter of SEK 9M (expense: 8) including net interest expense of SEK 12M (expense: 9). Annualized, this is equivalent to 5.6% (4.6) of net interest-bearing liabilities, which averaged SEK 879M (782) during the quarter. Net financial income benefited from exchange rate differences of SEK 4M (1).

Tax expense for the quarter was SEK 41M (22), equal to 26.6% (28.2) of profit before tax. Profit after tax was higher Q3 2007 at SEK 113M (55).

Earnings per share after dilution were SEK 2.27 (1.10). Underlying earnings per share after dilution were SEK 1.32 (1.55).

Cash flow

Cash flow was on par with 2007 and was SEK -120M (-117) for the third quarter.

Cash flow from operating activities improved slightly to SEK -121M (-122). There is a normal third-quarter increase in working capital due to seasonal effects, which has a negative impact on the cash flow. Cash flow from investing activities was negative at SEK 155M (-12), of which SEK 146M (0) was related to acquisitions. Cash flow from financing activities was SEK 157M (17), attributable to the raising of new loans related to acquisitions.

Development during the first nine months

Group

Overall during the period of January-September, consolidated net sales increased by 3.1% to SEK 6,030M compared to the same period in 2007 (5,848). The increase was distributed mainly between acquired growth of 3.8%, positive currency effects of 1.4%, and organic volume growth of 1.0%. The increases were offset by negative price and mix changes of 1.4% and deconsolidation of thin plate operations in Sweden, which reduced sales by 1.8%. Sales for comparable units increased by 1.1%

At SEK 12.39 (12.53), the average sales price per kg was 1.1% lower than during 2007.

Consolidated gross profit increased to SEK 1,041M (907). Reported gross profit includes inventory gains of SEK 78M (-17). The gross margin improved to 17.3% (15.5).

EBITA rose to SEK 552M (429) while underlying EBITA declined to SEK 424M (446).

The EBITA margin improved to 9.2% (7.3) and the underlying EBITA margin declined to 7.0% (7.6). The underlying EBITA margin was 6.9% (7.6) for comparable units.

January-September sales and profit development

(SEKM)	Outcome	Comparable units
Net sales 2007	**5,848**	**5,531**
Net sales 2008	**6,030**	**5,593**
Operating profit 2007	**428**	**405**
Reversal of amortization of intangible assets	1	1
EBITA 2007	**429**	**406**
Inventory losses	17	17
Underlying EBITA 2007	**446**	**423**
Changes in tonnage, price, mix and gross margin	39	24
Overhead costs	-61	-61
Underlying EBITA 2008	**424**	**386**
Inventory gains	78	77
Exceptional items	50	-
EBITA 2008	**552**	**463**
Less amortization of intangible assets	-4	-1
Operating profit 2008	**548**	**462**

Business areas

Business area Sweden

Sweden is reporting sales of SEK 2,835M (3,118), a decrease of 9.1%. EBITA rose to SEK 295M (249). Underlying EBITA declined to SEK 223M (254). The EBITA margin was 10.4% (8.0) and the underlying EBITA margin was 7.9% (8.2).

Business area Finland

Finland is reporting sales of SEK 2,385M (2,317), an increase of 2.9%. EBITA improved to SEK 260M (188). Underlying EBITA increased to SEK 216M (200). The EBITA increased to 10.9% (8.1) and the underlying EBITA margin rose to 9.1% (8.6).

Business area CEE

CEE recorded sustained growth. Sales increased by 62.2% to SEK 925M (570), of which 39.5 percentage points were related to acquisitions. EBITA rose to SEK 13M (7). Underlying EBITA declined to SEK 1M (7). The EBITA margin was 1.4% (1.2) and the underlying EBITA margin was 0.1% (1.2). The acquisitions in the Czech Republic generated positive EBITA for the period of SEK 5M.

Net financial items and tax

The Group is reporting net finance expense for the third quarter of SEK 16M (expense: 17) including net interest expense of SEK 30M (expense: 22). Annualized, this is equivalent to 5.4% (4.4) of net interest-bearing liabilities, which averaged SEK 744M (671) during the period.

Tax expense for the period was SEK 125M (112), equal to 23.6% (27.3) 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. At SEK 407M (299), profit after tax was higher than the first nine months of 2007.

Earnings per share after dilution were SEK 8.16 (5.98). Underlying earnings per share after dilution were SEK 6.01 (6.14).

Cash flow

BE Group’s cash flow improved during the period to SEK -215M (-267). Cash flow from operating activities improved to SEK 68M (-78). Working capital, excluding tax, has increased by SEK 234M since 31 December 2007. This was offset by higher paid tax during the period of SEK 169M (-98) due to higher preliminary withholding. Cash flow from investing activities was negative at SEK 232M (-32), including SEK 199M in cash used for acquisitions. Cash flow from financing activities was negative at SEK 52M (-158). Cash used in the amount of SEK 175M for the dividend to shareholders was offset by a net change in interest-bearing liabilities of SEK 123M.

Capital, investments and return

BE Group had working capital of SEK 1,126M (951) on September 30. The increase is attributable to growth in the CEE business area. Working capital tied-up increased to 10.7% (9.4) due to the higher average working capital.

Capital expenditures of SEK 249M (34) during the period were allocated as follows: acquisitions of fixed assets in acquired companies, SEK 211M (-); other tangible assets, SEK 25M (34); other intangible assets, SEK 13M (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) improved slightly to 66.9% (65.9). The investment in the joint venture with ArcelorMittal and the acquisitions in the Czech Republic increased average operating capital.

In line with its strategy, BE Group is continuing to increase the service component of sales. Towards that end, the company resolved in the third quarter to invest approximately SEK 26M in production service machinery, mainly for stainless steel and aluminium in Lapua and Lahti, Finland. The bulk of the investment will be in laser and water-cutting machinery for processing stainless steel, acid-resistant materials and aluminium so that BE Group can provide a more extensive range of customized products. The investment also includes bending, drilling and blasting equipment that will increase BE Group's capacity to deliver finished commercial steel components.

Earlier in the year, the Group resolved to invest approximately SEK 30M in production service equipment and operational efficiency improvements in Finland and Sweden. All investments are slated for completion in 2009.

Financial position and liquidity

Consolidated cash and cash equivalents on September 30 totalled SEK 45M (26). The Group also had unutilized credit facilities of SEK 408M and SEK 348M in unutilized credit facilities earmarked for acquisitions.

Consolidated net interest-bearing liabilities were SEK 1,064M (852) on September 30, 2008 compared to SEK 593M on December 31, 2007. The increase is primarily attributable to higher working capital financing and new loans raised in connection with acquisitions. BE Group’s long-term credit facilities, which all mature in December 2011, amount to SEK 1,842M.

Net debt/underlying EBITDA was a multiple of 1.7 (1.3) on September 30.

Consolidated equity at the end of the period was SEK 1,099M (783) while the net debt/equity ratio was 96.9% (108.9).

Organization, structure and employees

BE Group's purchasing organizations were merged as of January 2008 into a centralized product supply function. The new organization's responsibilities include contract negotiations and developing BE Group's product range. It will also act as a corporate centre of technical and production excellence. The organization has strengthened BE Group's capacity for coordinated action vis-à-vis suppliers and streamlined product flows and capital management.

Following a brief tenure as president of BE Group Sverige AB, Magnus Rosén decided in the third quarter to leave the company to become CEO of the listed Ramirent Group. Henrik Fries, logistics manager for BE Group Sverige AB, has been appointed acting president.

Contingent liabilities

BE Group has contingent liabilities of SEK 362M, unchanged since year-end 2007.

Change of president and chief executive officer

President and Chief Executive Officer Håkan Jeppsson has decided to leave his position with BE Group for the equivalent position with Inwido, a company in the Ratos Group. The process of finding a new CEO has commenced. Mr Jeppsson will continue working at BE Group during his term of notice until February 1, 2009.

The board of directors of BE Group AB has appointed CFO Torbjörn Clementz Deputy CEO of the company effective September 1, 2008. Mr Clementz has many years of experience in accounting and finance with several listed companies and has been the CFO of BE Group since spring 2003.

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 interim period. With the acquisitions of Ferram Steel and Czechprofil BE Group has multiplied turnover in the Czech Republic tenfold to become one of the five 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 acquisitions in the Czech Republic will make a positive contribution to BE Group's growth and earnings for the full year of 2008 and generate cost and capital synergies in combination with the Group's pre-existing operations in the Czech Republic.

The acquisition analysis provided below is preliminary and will be finalized no later than twelve months after acquisition date. In BE Group's judgement, the acquisitions would have affected net sales by approximately SEK 250M and EBITA by about SEK 20M during the period of January-September if they had been finalized as of January 1, 2008. The favourable earnings during the interim period are essentially due to higher prices.

Acquisition of Ferram Steel

BE Group has acquired all shares in the Czech company Ferram Steel a.s., which was consolidated in the Group as of July 15. The company, which concentrates on flat products, has sites in the cities of Opava and Ostrava, where the head office is also located. Ferram Steel reported sales of SEK 343M and operating profit of SEK 15M in 2007. The company is showing very strong development in 2008.

BE Group paid SEK 156M for the shares and the total purchase consideration including acquisition costs was SEK 167M. BE Group utilized existing credit facilities to finance the acquisition. This increased consolidated net debt by SEK 235M, including net debt of SEK 79M assumed in connection with the acquisition.

The fair value of assumed net assets is estimated at SEK 114M, which includes intangible assets in the form of customer relationships valued at SEK 9M and a corresponding deferred tax liability of SEK 2M. The estimated useful life of the customer relationships is ten years. The surplus value consists of goodwill in the amount of SEK 53M and is attributable to the company's position in the Czech market.

Acquisition of Czechprofil

BE Group has acquired all shares in Czechprofil s.r.o. in the Czech Republic. The company was consolidated in the Group as of January 23. Czechprofil does business in the market for both flat and long steel products and has an expansive service business. Net sales in financial 2007 were SEK 166M.

BE Group paid SEK 40M for the shares and the total purchase consideration including acquisition costs was SEK 46M. The acquisition was financed internally, which increased consolidated net debt by SEK 81M, including net debt of SEK 35M assumed in connection with the acquisition. Including cash and cash equivalents on the transfer balance sheet, consolidated cash and cash equivalents were reduced by SEK 38M.

The fair value of assumed net assets is estimated at SEK 16M, which includes intangible assets in the form of customer relationships valued at SEK 20M and a corresponding deferred tax liability of SEK 4M. The estimated useful life of the customer relationships is six years. The surplus value consists of goodwill in the amount of SEK 30M and is attributable to the company's position in the Czech market.

Joint venture with ArcelorMittal in thin plate

BE Group has acquired a 50% interest in ArcelorMittal SSC AB and a joint venture aimed at sales and processing of thin plate in the Swedish market was commenced on June 2. BE Group paid the purchase consideration by transferring the thin sheet business in Borlänge in a non-cash issue combined with cash consideration of SEK 15M.

The interest in the joint venture is reported in the consolidated accounts as of June 2 according to the equity method, by which 50% of profit after tax for the joint venture is reported as a share in earnings included in consolidated operating profit. The deconsolidation of BE Group's former operations generated a capital gain in the second quarter of SEK 50M.

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.

Share Savings Scheme

The Annual General Meeting of shareholders in BE Group AB held April 23 voted in favour of the Board's proposed guidelines on remuneration of key management personnel and the proposal to establish a Share Savings Scheme ("Share Savings Scheme 2008") for members of Group management and business area executive teams.

About 30 employees have accepted the invitation to participate in Share Savings Scheme 2008. SEK 1.4M was charged against profit in the third quarter in connection to Share Savings Schemes 2007 and 2008. 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 September 30, 2008, Nordic Capital funds owned 20.6% of the shares through Trenor Holding Limited, Jersey. As of September 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.

Parent

The parent company BE Group AB (publ) is reporting sales, which consist of internal Group services, of SEK 39M (19) for the period. The parent is reporting an operating loss of SEK 23M (-18). Net financial income totalled SEK 157M (-24) due to exchange rate gains and distributed dividends from subsidiaries. Profit before appropriations and tax was SEK 135M (-42) and profit after tax was SEK 145M (-30). The increase is mainly attributable to dividends distributed by subsidiaries.

The parent company invested SEK 213M (-) in shares in subsidiaries during the period related to the acquisitions of Czechprofil and Ferram in the Czech Republic and SEK 13M (-) in intangible assets. At the end of the period, the parent company had cash and cash equivalents of SEK 9M (0).

Accounting principles

The interim 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 accordance with IAS 34 Interim Financial Reporting, which is consistent with the requirements imposed by the Swedish Financial Reporting Board's standard RR 31, Interim Reports for Groups.

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 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.

Future reporting dates

BE Group AB (publ) plans to publish financial information concerning during the first half of 2009 on the following dates:

- Year-end report 2008: February 5, 2009
- Annual report 2008: April 2009
- Interim report January-March: April 24
- Annual General Meeting: May 13 in Malmö

Malmö, October 22, 2008
BE Group AB (publ)

Håkan Jeppsson
President and Chief Executive Officer

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

Auditor’s Report on Review of Interim Financial Information

To the board of directors of BE Group AB (publ)
Company registration number 556578-4724

Introduction

We have reviewed the interim report of BE Group AB (publ) for the nine-month period ending September 30, 2008. The board of directors and chief executive officer are responsible for the preparation and presentation of the interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on the interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with Standard on Review Engagements (SÖG) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden (RS) and other generally accepted auditing practices in Sweden. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Accordingly, the conclusion expressed on the basis of a review does not give the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that gives us reason to believe that the accompanying interim report was not prepared, in all material respects, for the group in accordance with IAS 34 and the Annual Accounts Act, and for the parent company in accordance with the Annual Accounts Act.

Malmö, October 22, 2008

KPMG AB

Alf Svensson
Authorized Public Accountant

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 October 22 at 07:30 CET.

Questions concerning this report may be directed to:

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BE Group AB (publ), Box 225, SE-201 22 Malmö, Sweden.
Street address: Spadegatan 1. Company registration number 556578-4724. Tel: 040-38 42,00. Fax: 040-38 41 11. info@begroup.com, www.begroup.com.

Condensed consolidated income statement

(SEKM)	Note	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Net sales		1,919.2	1,709.4	6,030.2	5,847.5	7,650.2	7,832.9
Cost of goods sold		-1,585.7	-1,477.1	-4,989.2	-4,940.3	-6,483.1	-6,532.0
Gross profit		**333.5**	**232.3**	**1,041.0**	**907.2**	**1,167.1**	**1,300.9**
Selling expenses		-134.5	-112.2	-416.3	-368.0	-497.8	-546.1
Administrative expenses		-37.6	-33.8	-132.2	-107.2	-156.4	-181.4
Other operating revenue and expenses	1	-3.9	-1.5	48.2	-3.8	-3.0	49.0
Share of earnings in joint venture		5.9	-	7.8	-	-	7.8
Operating profit		**163.4**	**84.8**	**548.5**	**428.2**	**509.9**	**630.2**
Financial items		-9.1	-8.3	-16.2	-16.9	-23.0	-22.3
Profit before tax		**154.3**	**76.5**	**532.3**	**411.3**	**486.9**	**607.9**
Tax		-41.0	-21.6	-125.4	-112.3	-134.0	-147.1
Profit for the period		**113.3**	**54.9**	**406.9**	**299.0**	**352.9**	**460.8**
Amortization of intangible assets		1.5	0.4	3.8	1.3	1.8	4.3
Depreciation of tangible assets		11.0	10.2	32.7	29.5	40.1	43.3
Earnings per share		2.27	1.10	8.16	5.98	7.06	9.24
Earnings per share after dilution		2.27	1.10	8.16	5.98	7.06	9.24

Note 1 Exceptional items

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Capital gain referring to capital contributed in kind to joint venture [1)]	-	-	50.2	-	-	50.2
Total exceptional items	**-**	**-**	**50.2**	**-**	**-**	**50.2**

[1)] Recognized in "Other operating revenue and expenses"

Condensed consolidated balance sheet

(SEKM)	2008 Sep 30	2007 Sep 30	2007 Dec 31
Goodwill	631.4	541.8	544.5
Other intangible assets	43.8	4.7	4.5
Tangible assets	333.5	230.3	248.1
Investment in joint venture	136.5	-	-
Financial assets	2.3	2.0	2.1
Deferred tax assets	6.6	2.5	4.2
Total fixed assets	**1,154.1**	**781.3**	**803.4**
Inventories	1,243.7	1,110.1	942.6
Trade receivables	1,173.6	1,013.2	690.9
Other operating receivables	64.6	59.7	67.8
Cash and cash equivalents	45.4	26.2	258.5
Assets held for sale	-	-	86.8
Total current assets	**2,527.3**	**2,209.2**	**2,046.6**
Total assets	**3,681.4**	**2,990.5**	**2,850.0**
Equity	**1,099.1**	**782.6**	**848.9**
Long-term interest-bearing liabilities	998.1	841.1	840.3
Provisions	13.6	2.0	1.0
Deferred tax liability	84.7	72.6	71.5
Total long-term liabilities	**1,096.4**	**915.7**	**912.8**
Current interest-bearing liabilities	114.1	39.6	13.1
Trade payables	1,037.4	899.3	743.2
Other current liabilities	318.7	333.0	274.4
Other current provisions	15.7	20.3	16.7
Liabilities associated with assets held for sale	-	-	40.9
Total current liabilities	**1,485.9**	**1,292.2**	**1,088.3**
Total equity and liabilities	**3,681.4**	**2,990.5**	**2,850.0**

Condensed consolidated cash flow statement

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Profit before tax	154.3	76.5	532.3	411.3	486.9	607.9
Adjustment for non-cash items	-9.5	37.8	-60.4	36.7	24.5	-72.6
Income tax paid	-34.8	-28.3	-169.3	-98.1	-142.3	-213.5
Change in working capital	-231.4	-208.3	-234.2	-427.5	-153.9	39.4
Cash flow from operating activities	**-121.4**	**-122.3**	**68.4**	**-77.6**	**215.2**	**361.2**
Capital expenditure in tangible assets	-3.6	-0.1	-13.9	-0.6	-0.7	-14.0
Capital expenditure in tangible assets	-8.8	-13.1	-23.5	-33.6	-60.7	-50.6
Acquisitions of subsidiaries	-145.8	-	-199.1	-	-	-199.1
Other cash flow from investing activities	3.1	1.1	4.6	2.7	3.5	5.4
Cash flow from investing activities	**-155.1**	**-12.1**	**-231.9**	**-31.5**	**-57.9**	**-258.3**
Cash flow from financing activities	**156.8**	**17.4**	**-51.5**	**-158.1**	**-195.7**	**-89.1**
Cash flow for the period	**-119.7**	**-117.0**	**-215.0**	**-267.2**	**-38.4**	**13.8**
Exchange rate difference in cash and cash equivalents	-0.2	0.1	1.9	4.1	7.6	5.4
Change in cash and cash equivalents	**-119.9**	**-116.9**	**-213.1**	**-263.1**	**-30.8**	**19.2**

Condensed statement of changes in equity

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Equity at beginning of period	**973.1**	**737.9**	**848.9**	**664.2**	**664.2**	**782.6**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**973.1**	**737.9**	**848.9**	**664.2**	**664.2**	**782.6**
Translation differences	18.3	-2.4	21.2	7.7	26.9	40.4
Hedging of net investments in foreign subsidiaries after tax	-7.0	0.9	-6.4	-4.7	-12.3	-14.0
Total equity after changes in assets value recognized directly in equity, excluding transactions with the company's owners	**984.4**	**736.4**	**863.7**	**667.2**	**678.8**	**809.0**
Profit for the period	113.3	54.9	406.9	299.0	352.9	460.8
Total equity after changes in net asset value excluding transactions with the company's owners	**1,097.7**	**791.3**	**1,270.6**	**966.2**	**1,031.7**	**1,269.8**
Dividend	-	-	-174.6	-175.0	-175.0	-174.6
Acquisition of treasury shares	-	-9.4	-	-9.4	-9.4	-
Share Savings Scheme	1.4	0.7	3.1	0.8	1.6	3.9
Equity at end of period	**1,099.1**	**782.6**	**1,099.1**	**782.6**	**848.9**	**1099.1**

Segment reporting

Net sales per segment

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Sweden	822.8	873.8	2,834.8	3,118.0	4,071.9	3,788.7
Finland	769.9	685.7	2,385.0	2,317.1	2,999.4	3,067.3
CEE	361.2	193.3	925.4	570.4	779.7	1,134.7
Parent company and consolidated items	-34.7	-43.4	-115.0	-158.0	-200.8	-157.8
Group	**1,919.2**	**1,709.4**	**6,030.2**	**5,847.5**	**7,650.2**	**7,832.9**

EBITA per segment

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Sweden	74.5	52.9	295.1	249.4	309.6	355.3
Finland	89.4	39.8	259.7	188.2	226.7	298.2
CEE	3.4	-0.3	13.3	7.0	9.1	15.4
Parent company and consolidated items	-2.4	-7.2	-15.8	-15.1	-33.7	-34.4
Group	**164.9**	**85.2**	**552.3**	**429.5**	**511.7**	**634.5**

Depreciation per segment

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Sweden	4.7	5.1	14.5	13.9	19.3	19.9
Finland	5.4	4.8	16.2	14.4	19.3	21.1
CEE	2.3	0.7	5.6	2.4	3.2	6.4
Parent company and consolidated items	0.1	0.0	0.2	0.1	0.1	0.2
Group	**12.5**	**10.6**	**36.5**	**30.8**	**41.9**	**47.6**

Capital expenditure in tangible and intangible assets per segment

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Sweden	2.4	8.1	7.0	20.7	23.5	9.8
Finland	3.3	3.4	14.5	10.2	31.6	35.9
CEE	152.8	1.3	213.7	3.1	7.2	217.9
Parent company and consolidated items	3.6	0.2	13.3	0.2	0.5	13.6
Group	**162.1**	**13.0**	**248.5**	**34.2**	**62.8**	**277.2**

Condensed parent company income statement

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Net sales	14.2	6.3	38.7	18.8	16.2	36.1
Administrative expenses	-17.9	-14.8	-61.4	-37.2	-52.5	-76.7
Operating profit	**-3.7**	**-8.5**	**-22.7**	**-18.4**	**-36.3**	**-40.6**
Financial items	-15.3	-6.6	157.2	-23.7	131.0	311.9
Profit before tax	**-19.0**	**-15.0**	**134.5**	**-42.1**	**94.7**	**271.3**
Tax	5.4	4.5	10.7	12.0	20.5	19.2
Profit for the period	**-13.6**	**-10.6**	**145.2**	**-30.1**	**115.2**	**290.5**

Condensed parent company balance sheet

(SEKM)	2008 Sep 30	2007 Sep 30	2007 Dec 31
Intangible assets	13.2	-	-
Tangible assets	0.6	0.5	0.7
Financial assets	1,269.5	1,039.5	1,054.6
Interest-bearing receivables, group companies	25.9	16.6	8.5
Deferred tax assets	0.6	0.3	0.2
Total fixed assets	**1,309.8**	**1,056.9**	**1,064.0**
Current interest-bearing receivables, group companies	289.7	157.1	111.0
Receivables, group companies	30.4	55.3	247.5
Other operating receivables	15.1	18.6	15.9
Cash and cash equivalents	9.0	0.4	200.0
Total current assets	**344.2**	**231.4**	**574.4**
Total assets	**1,654.0**	**1,288.3**	**1,638.4**
Equity	**556.5**	**379.0**	**582.8**
Long-term interest-bearing liabilities	972.7	823.8	823.3
Provisions	0.2	0.4	0.1
Total long-term liabilities	**972.9**	**824.2**	**823.4**
Current interest-bearing liabilities	27.5	38.5	12.1
Current interest-bearing liabilities, group companies	65.9	23.1	198.6
Trade payables	4.1	9.0	7.9
Liabilities to group companies	8.5	3.4	1.4
Other current liabilities	18.6	11.1	12.2
Total current liabilities	**124.6**	**85.1**	**232.2**
Total equity and liabilities	**1,654.0**	**1,288.3**	**1,638.4**

Pledged assets and contingent liabilities - parent company

(SEKM)	2008 Sep 30	2007 Sep 30	2007 Dec 31
Pledged assets	**1,237.2**	**1,223.6**	**1,229.4**
Contingent liabilities	**61.0**	**27.6**	**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	Jan-Sep 2008	-	-	-	-	-36.1	-	-
	Jan-Sep 2007	-	-	-	-	-63.6	-	-
Subsidiaries	Jan-Sep 2008	38.7	-9.9	19.1	-10.3	172.9	346.0	74.4
	Jan-Sep 2007	18.8	-2.9	11.9	-7.2	-	228.9	26.5

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 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Earnings measurements						
EBITA	164.9	85.2	552.3	429.5	511.7	634.5
Margin measurements						
Gross margin	17.4%	13.6%	17.3%	15.5%	15.3%	16.6%
EBITA margin	8.6%	5.0%	9.2%	7.3%	6.7%	8.1%
Operating margin	8.5%	5.0%	9.1%	7.3%	6.7%	8.0%
Capital structure						
Net debt	1,064.5	852.4	1,064.5	852.4	592.8	1,064.5
Net debt/equity ratio	96.9%	108.9%	96.9%	108.9%	69.8%	96.9%
Equity/assets ratio	29.9%	26.2%	29.9%	26.2%	29.8%	29.9%
Working capital (average)	952.8	857.8	857.3	736.3	734.7	876.0
Operating capital (average)	1,915.4	1,542.0	1,709.4	1,415.9	1,421.1	1,694.5
Operating capital (excluding intangible assets) (average)	1,274.2	995.0	1,100.8	868.9	873.7	1,098.3
Working capital tied-up	12.4%	12.5%	10.7%	9.4%	9.6%	11.2%
Return						
Return on operating capital (%)	34.1%	22.0%	42.8%	40.3%	35.9%	37.2%
Return on operating capital (excluding intangible assets) (%)	51.8%	34.3%	66.9%	65.9%	58.6%	57.8%
Return on equity (%)	43.7%	28.9%	56.2%	53.5%	46.1%	49.6%
Per share data						
Earnings per share (SEK)	2.27	1.10	8.16	5.98	7.06	9.24
Earnings per share after dilution (SEK)	2.27	1.10	8.16	5.98	7.06	9.24
Equity per share (SEK)	22.04	15.69	22.04	15.69	17.02	22.04
Equity per share after dilution (SEK)	22.03	15.69	22.03	15.69	17.02	22.03
Cash flow from operating activities per share (SEK)	-2.43	-2.45	1.37	-1.55	4.31	7.24
Shares outstanding at period end (thousands)	49,880	49,880	49,880	49,880	49,880	49,880
Shares outstanding at period end after dilution (thousands)	49,884	49,880	49,884	49,880	49,880	49,884
Average number of shares (thousands)	49,880	49,987	49,880	49,996	49,967	49,880
Average number of shares after dilution (thousands)	49,884	49,987	49,883	49,996	49,967	49,882
Other						
Average number of employees	1,031	953	1,007	939	940	997

Supplementary disclosures*

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Growth						
Sales growth	12.3%	8.1%	3.1%	23.3%	14.5%	0.6%
- organic tonnage growth	-0.5%	-4.6%	1.0%	4.6%	1.1%	-1.2%
- price and mix changes	6.1%	12.3%	-1.4%	18.9%	13.3%	-0.9%
- currency effects	2.2%	0.4%	1.4%	-0.2%	0.1%	1.2%
- acquisitions	7.8%	-	3.8%	-	-	2.9%
- divested operations	-3.3%	-	-1.8%	-	-	-1.4%
Adjusted earnings measurements						
Underlying EBITA	119.3	121.6	424.4	446.2	551.9	530.2
Adjusted margin measurements						
Underlying gross margin	15.0%	15.7%	16.0%	15.8%	15.8%	15.9%
Underlying EBITA margin	6.2%	7.1%	7.0%	7.6%	7.2%	6.8%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	37.4%	48.9%	51.4%	68.5%	63.2%	48.3%
Adjusted per share data						
Underlying earnings per share (SEK)	1.32	1.55	6.01	6.14	7.58	7.45
Underlying earnings per share after dilution (SEK)	1.32	1.55	6.01	6.14	7.58	7.45
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	2.0	1.6	1.7	1.3	1.0	1.9
Other						
Inventory gains and losses	45.6	-36.4	77.7	-16.6	-40.2	54.1
Shipped tonnage (thousands of tonnes)	142.3	134.9	486.6	466.7	617.1	637.0
Average sales prices (SEK/kg)	13.49	12.67	12.39	12.53	12.40	12.30

Underlying EBITA per segment[1]

(SEKM)	2008 Jul-Sep	2007 Jul-Sep	2008 Jan-Sep	2007 Jan-Sep	2007 Full year	Rolling 12 months
Sweden	64.1	69.3	223.2	254.2	327.3	296.3
Finland	57.9	57.1	216.0	200.1	248.6	264.5
CEE	-0.2	2.3	1.0	6.9	9.7	3.8
Parent company and consolidated items	-2.5	-7.1	-15.8	-15.1	-33.7	-34.4
Group	**119.3**	**121.6**	**424.4**	**446.1**	**551.9**	**530.2**

[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 goods sold at the replacement price. The company's internal model is used to calculate inventory gains and losses.

* Supplementary disclosures have not been examined by the company's auditors.

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.