BE GROUP

BE Group AB (publ)

Interim Report, January-September 2007

BE Group reports underlying earnings on par with Q3 2006 despite significant turbulence in the stainless steel market

THE THIRD QUARTER

- Net sales increased by 8.1% to SEK 1,709M (corresponding quarter 2006: 1,581) and shipped volume declined by 4.6%.
- Operating profit was SEK 85M (164) after a one-time impairment of the stock value of stainless steel of SEK 27M. Underlying EBITA[1)] decreased to SEK 122M (125) and the underlying EBITA margin to 7.1% (7.9).
- Profit after tax was SEK 55M (118). Earnings per share after dilution were SEK 1.10 (2.25) and underlying earnings per share after dilution were SEK 1.55 (1.67).
- The service share of total volume remained very high.
- BE Group has decided to centralize the product supply function.

THE NINE-MONTH PERIOD OF JANUARY-SEPTEMBER

- Net sales increased during the period by 23.3% to SEK 5,848M (4,743) with volume growth of 4.6%.
- Operating profit rose to SEK 428M (383).
- Despite lower volumes and margins on stainless products, BE Group's underlying earnings and margins outperformed the corresponding period in 2006. Underlying EBITA[1)] was SEK 446M (327) and the underlying EBITA margin[1)] was 7.6% (6.9).
- Profit after tax was SEK 299M (270).
- Earnings per share after dilution increased to SEK 5.98 (5.14). Underlying earnings per share after dilution[1)] increased to SEK 6.14 (4.30).

[1] Definitions are provided on page 19

BE Group, listed on the Stockholm Stock Exchange since 24 November 2006, is one of the leading trading and service companies within 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 2006 were SEK 6.7 billion. BE Group has approximately 950 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 world market for steel and metals remained buoyant in the first nine months with high demand from China being a key market driver. The favourable trend in BE Group's markets was sustained throughout the period, but the growth rate was slower in the third quarter. This was primarily due to sharply lower demand for stainless steel, which led to stocks that were on a somewhat higher level than optimal. Demand was slightly lower for other product groups as well. Total volumes declined for the Swedish market in the third quarter while the growth rate decelerated slightly in the Finnish market, resulting in higher stocks. Solid progress continued in Eastern and Central Europe, where lower growth, primarily in the Baltic countries, was largely offset by excellent performance in the Czech Republic, Poland and Slovakia.

Following the steady rise throughout 2006 and the first six months of 2007, prices for commercial steel stabilized at a high level in the third quarter.

Due to declining nickel prices, there was a sharp downturn in market prices for stainless steel starting in spring 2007, bringing the period of rising prices that started in early 2006 to an end. The price of stainless steel including the alloy surcharge has dropped 30-40% in recent months.

The Group's average sales price per kg was 13% higher in the third quarter compared to Q3 2006 and 1% lower than Q2 2007. The decline is due to lower prices for stainless steel resulting from the falling alloy surcharge. Excluding stainless steel, the sales price per kg rose by 3% in the third quarter over the second quarter.

Outlook

The International Iron and Steel Institute (IISI) revised its forecasts for 2007 and 2008 in early October. The IISI is forecasting strong global demand for the full year of 2007, mainly driven by strong growth in China, India and Russia. The aggregate demand for steel is expected to rise to 1.2 billion tonnes in 2007, a 7% increase compared to 2006. This is consistent with the production growth of just over 7% between January 1 and August 31, 2007. Demand is expected to rise by an additional 7% in 2008. General expectations in the steel industry are for sustained favourable GDP growth and a strong industrial economy in most regions. There are also signs of rising prices for raw materials, such as iron ore. These factors indicate a sustained strong market for the steel industry with relatively high steel prices in 2008 as well.

BE Group is still experiencing strong general demand in all markets where BE Group operates. We are however forecasting a slower rate of growth in the fourth quarter compared to the same period in 2006.

The stainless steel market is expected to remain weak in the fourth quarter due to continued decreases in stock levels, but prices should gradually stabilize towards the end of the year. BE Group is expecting to earn virtually no profit on sales of stainless steel in the fourth quarter, due to impairment of the stock value of stainless steel to the estimated net realisable value, as of September 30.

BE Group continued evaluating potential acquisitions and alliances in several markets. Consolidation in Eastern European markets is expected to continue and BE Group is working actively to participate in the development.

Financial targets

BE Group has five financial targets for the operations. The outcomes for growth, profitability and return are measured over an economic cycle, while capital structure targets refer to a normal situation. Temporary deviations may occur, for instance in conjunction with acquisitions.

The financial targets are measured with a 12-month perspective and all five targets were met for the period of October 2006 – September 2007.

The financial targets are based on underlying earnings and return in order to accurately reflect operational trends. Underlying earnings are adjusted for exceptional items and stock profits and losses. As a result, temporary earnings fluctuations due to steel price trends are excluded from the analysis of operations. BE Group's internal model is used to calculate stock profits and losses (see definitions on page 19) and the calculation has not been reviewed by the company's auditor.

Financial targets	Figures	Outcome last 12 months
Underlying growth in sales	>5%	7.2%
Underlying EBITA margin	>6%	7.6%
Underlying return on operating capital	>40%	70.2%
Net debt as a percentage of total equity	<150%	108.9%
Net debt/underlying EBITDA	<3 (multiple)	1.3 (multiple)

Third quarter trend

Group

Consolidated net sales increased by 8.1% to SEK 1,709M (1,581). The rise in net sales is distributed between price and mix changes of 12.3% and the lower volume growth of 4.6%. Currency effects increased net sales by 0.4%.

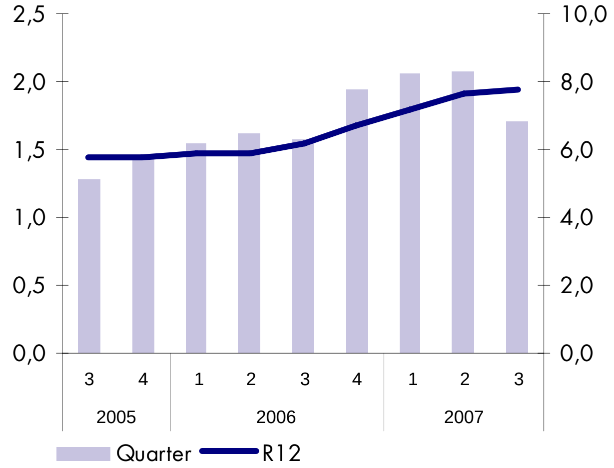
The downturn in volume is primarily attributable to a reduction in direct sales (products shipped directly to BE Group's customers by materials producers) and weaker demand for stainless steel. The service share of the total sales volume was 34%, on par with the preceding quarter. This represents an increase of 3 percentage points compared to the same period in 2006 and is on par with the highest volume percentage ever, which was recorded in the preceding quarter.

At SEK 12.67 (11.18), the average sales price per kg was higher than in Q3 2006.

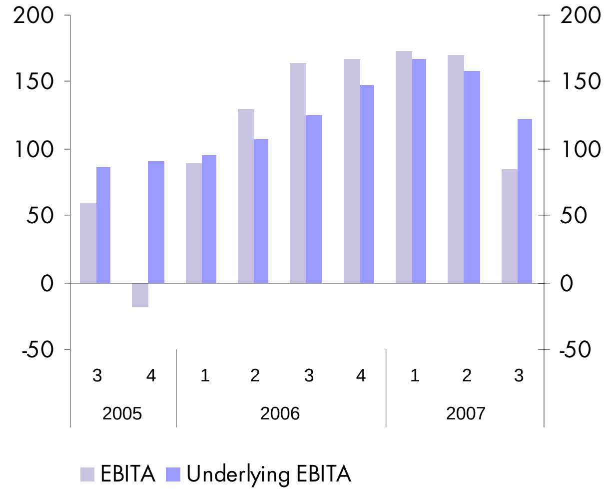
Consolidated gross profit decreased to SEK 232M (296), resulting in a gross margin of 13.6% (18.7). The underlying gross margin declined to 15.7% (17.0), but adjusted for stainless steel, the underlying gross margin for other product groups was on par with the same period in 2006.

EBITA declined to SEK 85M (165). Larger stocks and lower prices mean that the Group´s result for the third quarter is impacted by stock losses and one-time impairment of the stock value of a total of SEK 35M. The one-time impairment, recognized in September, corresponds to SEK 27M of the total amount and is based on the assessment that the sales price for a portion of the stock will drop below cost during Q4.

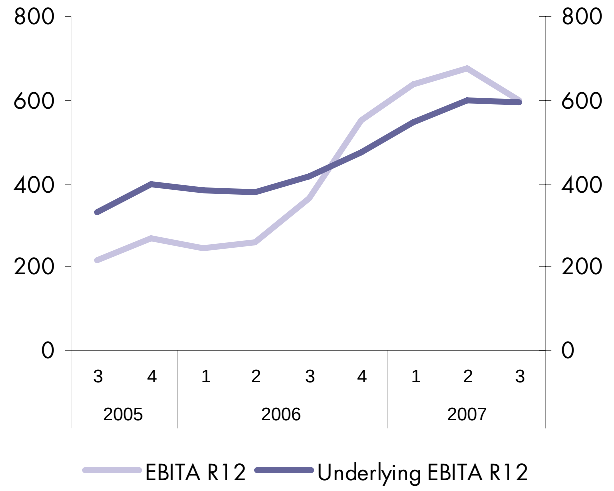
Net sales, SEK Bn
Quarter and rolling 12 months



EBITA, SEK m
Quarter



EBITA, SEK m
Rolling 12 months



Changes in profit, third quarter (SEKM)

	July-Sept
Operating profit 2006	**164**
Reversal of amortization of intangible assets	1
EBITA 2006	**165**
Exceptional items	-12
Stock profits	-28
Underlying EBITA 2006	**125**
Changes in volume, price, mix and gross margin	0
Changes in overhead costs	-3
Underlying EBITA 2007	**122**
One-time impairment of the stock value of stainless steel	-27
Other stock losses	-10
EBITA 2007	**85**
Less amortization of intangible assets	0
Operating profit 2007	**85**

Stock losses for other products were SEK 2M, which brings total stock losses including the one-time impairment to SEK 37M during the quarter. The comparison figure for 2006 includes stock profits of SEK 28M and net exceptional items of SEK 12M.

The stock losses and the one-time impairment had no effect on BE Group's underlying earnings or cash flow.

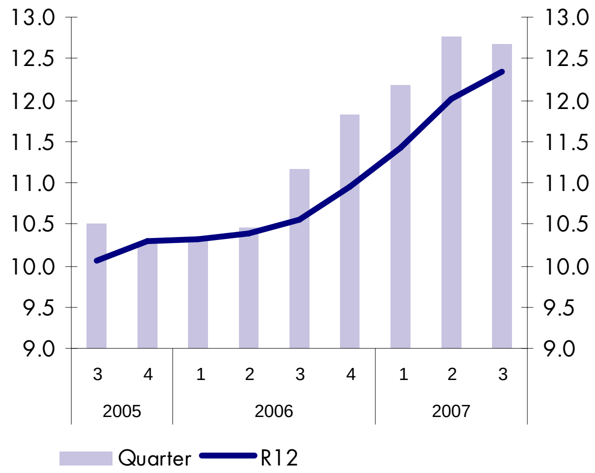
Adjusted for stock losses and the one-time impairment, underlying EBITA was SEK 122M (125), a 2.8% decrease compared to 2006. Underlying EBITA was improved by favourable price and mix changes, but the effect was offset by lower volumes, lower gross margin and higher production costs.

The EBITA margin declined to 5.0% (10.4), while the underlying EBITA margin declined to 7.1% (7.9).

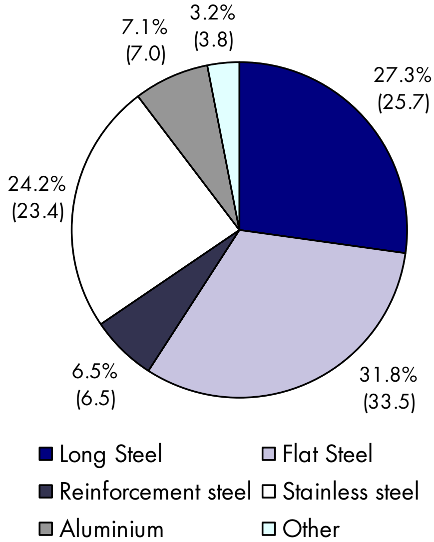
The decline in the underlying EBITA margin is entirely due to margin pressure on stainless steel and the increase in the alloy surcharge, on which there is no mark-up.

Overhead costs have remained stable since 2006. Efficiency improvements, mainly in the Swedish operations, were offset by higher costs related to organizational build-up required by the market listing of BE Group.

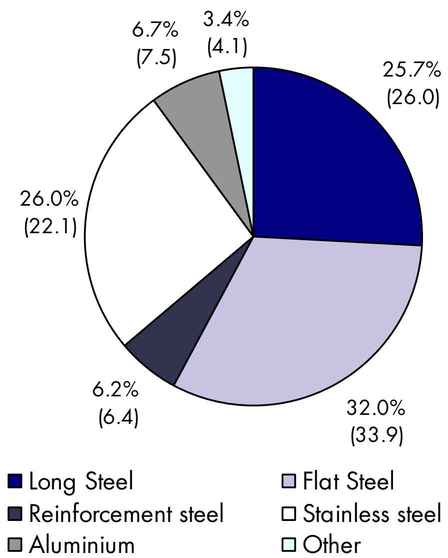
Average sales price (SEK/kg)
Quarter and rolling 12 months



Main products´share of total sales
Third quarter 2007



Main products´share of total sales
Jan-Sept 2007



Commercial steel trend

Demand for commercial steel remained on a relatively high level during the period. Increased prices resulted in a 7.1% rise in net sales compared to the same period in 2006. This was offset by 3.5% lower volumes, primarily in the Swedish operations.

Sales of long products increased during the quarter from 25.7% to 27.3% of net sales, while flat products declined to 31.8% of sales from 33.5% in 2006.

Stainless steel trend

BE Group's sales of stainless steel increased by 11.7% to SEK 414M (371) in the third quarter, primarily due to higher prices compared to Q3 2006, and accounted for 24.2% (23.4) of total quarterly sales. Sales by volume were 19.8% lower than in Q3 2006. The decline was primarily attributable to the Swedish and Finnish markets.

The market price for stainless steel consists of a base price for the primary steel product plus an alloy surcharge determined by stainless steel producers. BE Group's prices to customers in the Swedish market and for direct sales in the Finnish market are based on the base price, with no mark-up on the alloy surcharge. As a result, BE Group's margins decline when the alloy surcharge goes up.

Alloy surcharges with no mark-up accounted for approximately SEK 176M (106) or 10.3% (6.7) of total consolidated sales in Q3 2007.

The alloy surcharge, which depends on the price of nickel and other alloy metals, is determined in arrears with a lag of about two months. As a result, customers know in advance how high the future alloy surcharge will be. Thus, as a result of the severe price downturn for nickel during the summer and the third quarter, it was entirely logical that many customers put off buying stainless products and waited for the observed lower nickel prices to result in a lower alloy surcharge, and thus lower total prices, a couple of months later. Consequently, there was a steep, nickel-price generated downturn in demand for stainless products for the market in general, as well as for BE Group.

As explained above, the sharp drop in the price of nickel triggered a sudden downturn in market prices for stainless steel, which had adverse impact on Q3 profits due to stock losses and a one-time impairment of the stock value of stainless steel. The one-time impairment meant that the stock value for part of the stainless stock has been written down to the estimated net realisable value in Q4, when the stock is expected to be sold.

Business areas

Sweden business area

Sweden is reporting sales of SEK 874M (840). The increase of 4.0% is due mainly to higher prices, which offset an 10.9% downturn in volume.

EBITA declined to SEK 53M (72), primarily due to stock losses and impairment of the stock value of stainless steel. Underlying EBITA rose to SEK 69M (61). The EBITA margin was 6.1% (8.5) and the underlying EBITA margin was 7.9% (7.3).

Costs were lower than in the same period in 2006 thanks to the favourable impact of restructuring the business, which took just over a year and was completed in summer 2007. Cost reductions combined with a favourable change of the sales mix contributed to the increased underlying EBITA margin.

Finland business area

Finland is reporting sales of SEK 686M (633), an increase of 8.3%. Volume was essentially unchanged from Q2 2007 and the sales increase was attributable to higher prices. EBITA declined to SEK 40M (78). Underlying EBITA declined to SEK 57M (66). The EBITA margin was 5.8% (12.4) and the underlying EBITA margin declined to 8.3% (10.4). The underlying EBITA margin declined, mainly due to the lower gross margin resulting from the stainless steel trend and higher overhead costs.

Rising demand for processed products resulted in capacity shortfalls and long delivery times earlier in the year. Progress has been made and the situation improved during the quarter. Investments in new production service facilities aimed at increasing production capacity are in progress.

New Markets business area

New Markets, which comprises Denmark, Eastern and Central Europe, is reporting a 4.1% volume increase in Q3. Sales increased by 16.0% to SEK 193M (167). Demand for BE Group's products remained strong, particularly in Poland, the Czech Republic and Slovakia, while the trend has moderated slightly in the Baltic countries. The service share of sales continued rising on the strength of investments in production service.

EBITA declined and New Markets is reporting a loss of SEK 0.3M (24). Performance in 2007 has been adversely affected by higher overhead costs to build up the organization, which were not fully offset by higher sales. The value of the stainless steel stock was also impaired in the Polish and Danish operations by a total of SEK 3M. In 2006, net profits were affected by the sale of real estate in Poland that yielded a capital gain of SEK 16M. Underlying EBITA declined to SEK 2 (4). The EBITA margin declined to a negative 0.2% (14.3), while the underlying EBITA margin declined to 1.2% (2.2).

Net financial items and tax

The Group is reporting net finance expense for the third quarter of SEK 8M (expense: 3) including net interest expense of SEK 9M (expense: 3), corresponding to 4.6% (4.7) of net interest-bearing liabilities during the quarter, which averaged SEK 782M (283).

Tax expense for the quarter was SEK 22M (43), corresponding to 28.2% (26.6) of profit before tax. The decrease is attributable to lower quarterly profits. Profit after tax declined compared to Q3 2006 to SEK 55M (118). Earnings per share after dilution decreased to SEK 1.10 (2.25). Underlying earnings per share after dilution were SEK 1.55 (1.67).

Cash flow

BE Group had negative cash flow of SEK 117M (negative: 66) in the third quarter.

Cash flow from operating activities declined to a negative SEK 122M (6). The poorer outcome is due to lower profits and higher working capital. The increase in working capital is seasonal, but also related to higher price levels.

Cash flow from investing activities was negative at SEK 12 (38), primarily due to capital expenditure in tangible assets of SEK 13M (10).

Cash flow from financing activities was SEK 17M (negative: 110). A change to the capital structure was implemented in 2006.

Trend in the January-September period

Group

Consolidated net sales increased overall by 23.3% to SEK 5,848M (4,743) as a consequence of increased volumes and prices. The rise in net sales is distributed mainly between price and mix changes of 18.9% and volume growth of 4.6%. Currency effects reduced net sales by 0.2%.

At SEK 12.53 (10.63), the average sales price per kg was 17.9% higher than in the same period in 2006.

Consolidated gross profit increased to SEK 907M (819). Reported gross profit includes stock profits of SEK 10M (33) as well as the one-time impairment of stock in September of SEK 27M. The gross margin was 15.5%, slightly below the figure for the corresponding period in 2006 (17.3).

The alloy surcharge for stainless steel fluctuated sharply during the period, from an upturn in the first half to a dramatic downturn in the third quarter. The overall impact was lower margins than in the comparison period. Of the consolidated sales increase of SEK 1,105M compared to the same period in 2006, the alloy surcharge with no mark-up accounted for SEK 360M. Alloy surcharges with no mark-up accounted for SEK 624M or 10.7% of total sales for the period.

EBITA increased to SEK 429M (384) and underlying EBITA rose to SEK 446M (327).

Changes in profit, January-September (SEKM)

	Jan-Sept
Operating profit 2006	**383**
Reversal of amortization of intangible assets	1
EBITA 2006	**384**
Exceptional items	-24
Stock profits	-33
Underlying EBITA 2006	**327**
Changes in volume, price, mix and gross margin	140
Changes in overhead costs	-21
Underlying EBITA 2007	**446**
One-time impairment of the stock value of stainless steel	-27
Stock profits	10
EBITA 2007	**429**
Less amortization of intangible assets	-1
Operating profit 2007	**428**

The EBITA margin was 7.3% (8.1), while the underlying EBITA margin increased compared to the same period in 2006, to 7.6% (6.9).

Business areas

Sweden business area

Sweden is reporting sales of SEK 3,118M (2,558). The increase of 21.9% is due mainly to higher volumes and increased prices.

EBITA rose to SEK 249M (190). Underlying EBITA increased to SEK 254M (175). The EBITA margin was 8.0% (7.4) and the underlying EBITA margin was 8.2% (6.8).

Finland business area

Finland is reporting sales of SEK 2,317M (1,886), an increase of 22.9%. EBITA rose to SEK 188M (178). Underlying EBITA increased to SEK 200M (164). The EBITA margin was 8.1% (9.5) and the underlying EBITA margin was 8.6% (8.7).

New Markets business area

New Markets is reporting sustained volume growth. Sales increased by 25.2% to SEK 570M (455).

EBITA declined to SEK 7M (40). The decline is primarily due to the sale of real estate in Estonia, Lithuania and Poland in 2006, which produced a capital gain of SEK 30M. Underlying EBITA increased to SEK 7M (5). The EBITA margin declined to 1.2% (8.7), while the underlying EBITA margin was on par with the same period in 2006 at 1.2% (1.2).

Net financial items and tax

The Group is reporting net finance expense for the nine-month period of SEK 17M (expense: 13) including net interest expense of SEK 22M (expense: 13), corresponding to 4.5% (6.4) of net interest-bearing liabilities during the period, which averaged SEK 671M (279).

Tax expense for the period was SEK 112M (100), corresponding to 27.3% (27.0) of profit before tax. Profit after tax was SEK 299M (270). Earnings per share after dilution were SEK 5.98 (5.14). Underlying earnings per share after dilution were SEK 6.14 (4.30).

Cash flow

BE Group had negative cash flow of SEK 267M (negative: 64) during the nine-month period.

Cash flow from operating activities was negative at SEK 78M (13). Cash flow from financing activities was negative at SEK 32M (10). Cash flow from financing activities was negative at SEK 158M (negative: 86).

Capital, investments and return

At the end of the period, the Group had working capital of SEK 951m (654). The increase is mainly due to higher stock resulting from price increases and a slight decline in the stock turnover rate.

Capital tied-up increased due to higher stocks and amounted to 9.4% (8.6) for the period as a whole. Working capital tied-up calculated for the last 12 months remains at a historically low level.

Capital expenditure in tangible assets during the period totalled SEK 34M (39). The capital expenditure is related primarily to building up the new structure of the Swedish business, investments in new production equipment in Finland and capital expenditures to replace equipment.

Return on operating capital (excluding intangible assets) decreased to 65.9% (79.0) due to the increase in operating capital.

Financial position and liquidity

At the end of the period, the Group had cash and cash equivalents of SEK 26M (137). The Group also had unutilized credit facilities of SEK 173M and unutilized credit facilities of SEK 500M earmarked for acquisitions.

Consolidated net interest-bearing liabilities were SEK 852M (748) on September 30, 2007, and SEK 556M on December 31, 2006. BE Group has total credit facilities of SEK 1,535M.

Net debt/underlying EBITDA for the preceding 12 months was a multiple of 1.3 as of September 30, a slight increase compared to December 31, 2006 when the ratio was a multiple of 1.1.

Consolidated equity as of September 30 was SEK 783M (552) while the net debt/equity ratio was 108.9% (135.6), an increase of 25.1 percentage points since the beginning of the year.

Organization, structure and employees

BE Group's purchasing organizations will be merged into a centralized product supply function as of January 1, 2008, which will be managed from the head office in Malmö. The new organization's responsibilities will 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 will strengthen BE Group's negotiating position vis-à-vis suppliers and streamline product flows and capital management.

As an aspect of the corporate product supply organization, BE Group opened a representation office in Shanghai during the second quarter, whose objectives are to establish networks and monitor the Asian steel markets. The new representation office will be involved in purchasing from China and Southeast Asia, building up a supplier network and monitoring market trends.

Contingent liabilities

BE Group has contingent liabilities of SEK 362M, unchanged since year-end 2006.

Parent company

The parent company BE Group AB (publ) is reporting sales – which consist entirely of internal Group services – of SEK 19M (4) for the period. The parent company is reporting an operating loss of SEK 18M (loss: 29). Net finance expense was SEK 24M (expense: 6). The loss before tax was SEK 42M (loss: 36) and the loss after tax was SEK 30 (loss: 26).

As in 2006, the parent company had no capital expenditure during the period. At the end of the period, the parent company had cash and cash equivalents of SEK 0M (29).

Common name and brand

During the period the company changed the names of all subsidiaries which are now operating under the BE Group name. BE Group has also launched a common brand for the entire company. In order to accentuate the Group's new focus on enhanced service and service content, the BE Group logo was also redesigned and given a more modern, softer look.

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 2006 annual report published on March 16, 2007. No new significant risks or uncertainty factors have arisen since that date.

Acquisition of treasury shares

The Annual General Meeting (AGM) held 15 May 2007 authorized BE Group AB (publ) to acquire a maximum of 120,000 treasury shares prior to the 2008 AGM as part of the Share Savings Scheme adopted by the AGM ("Share Savings Scheme 2007"). Based on the authorization, BE Group acquired 120,000 shares in September at an average price of

SEK 78.45 per share. The company had no treasury shares prior to the acquisition.

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's funds, which owned 85.36% of equity in the parent company. As of September 30, Nordic Capital's funds owned 20.6% of equity in BE Group AB (publ) through BE Investco Luxemburg S.a.r.l. As of June 30, 2007, there were no transactions between the Group and BE Investco Luxemburg S.a.r.l. The shares were transferred to Trenor Holding Limited, Jersey, as of October 1, 2007.

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

Significant events after the end of the period

A nominating committee has been appointed in accordance with BE Group's adopted corporate governance policy. The members of the nominating committee, based on the ownership structure as of August 31, 2007, are: Ulf Rosberg, representing Nordic Capital, Mats Gullbrand, representing AMF Pension, Jesper Bonnivier, representing Länsförsäkringar Fonder, Nils Petter Hollekim, representing Odin Fonder and Carl-Erik Ridderstråle, chairman of the board of BE Group AB (publ).

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 2006 annual report for details of the company's accounting principles and definitions of certain terms. The accounting principles applied have not changed, other than that starting with the 2007 financial year, BE Group now applies hedge accounting for a portion of the Group's loans denominated in euro and related to net assets in Finland, and that the company implemented a Share Savings Scheme in 2007, for which the accounting principles are explained below.

Personnel costs are reported for the Share Savings Scheme during the qualification period for Matching Shares, based on the fair value of the shares as of the allotment date. The fair value is based on the share price on the allotment date adjusted for the fact that no dividends are paid prior to matching. The amount corresponding to the cost to the Share Savings Scheme is recognized in equity on the balance sheet. The qualification conditions are not market-based and do affect the number of shares that BE Group will allot to the employee in connection with matching. With regard to shares earned in performance-linked schemes, we estimate the probability that performance targets will be met when personnel costs are calculated for these shares. The costs are estimated based on the number of estimated Matching Shares at the end of the qualification period. When shares are matched, social security contributions must be paid in some countries on the value of the benefit to the employee. This value is generally based on the market value of the shares on Matching Day. Provisions are made during the qualification period for these estimated social security contributions.

The new IAS/IFRS standards that took effect on 1 January 2007, IFRS 7 Financial Instruments and IAS 1 Presentation of Financial Statements have had no effect on the consolidated financial statements.

Future reporting dates

BE Group AB (publ) plans to publish financial information in the first six months of 2008 on the following dates:

- Year-end report 2007: February 5
- Annual report 2007: March
- Interim report January-March: April 23
- Annual General Meeting: April 23 in Malmö.

Malmö, October 26, 2007
BE Group AB (publ)

Håkan Jeppsson
President and Chief Executive Officer

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

Auditor's Review Report

To the board of directors of BE Group AB (publ)

Corp.Id.No. 556578-4724

Introduction

We have reviewed the consolidated and parent company financial information of BE Group AB (publ) presented in the interim report as of and for the nine-month period ended September 30, 2007 .The Board of Directors and the President of the Company is responsible for the preparation and fair presentation of the interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We have conducted our review in accordance with the Swedish standard for such reviews, (SÖG) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by FAR SRS, the institute for the accountancy profession in Sweden. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Swedish generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, a review does not enable us to express a conclusion with the same degree of assurance that an audit would do.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information presented in the nine-month interim report has not, in all material respects, been presented in accordance with IAS 34 as it relates to the consolidated BE Group and in accordance with the Annual Accounts Act as it relates to the parent company.

Malmö, October 26, 2007

KPMG Bohlins AB

Alf Svensson
Authorized Public Accountant

The information in this interim report is such that BE Group AB (publ)is required to publish pursuant to the Swedish Securities and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was submitted for publication on October 26, 2007 at 07.30.

Questions concerning this report may be directed to:

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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	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Net sales		1,709.4	1,580.7	5,847.5	4,743.2	6,681.2	7,785.5
Cost of goods sold	1	-1,477.1	-1,284.8	-4,940.3	-3,924.3	-5,508.4	-6,524.4
Gross profit		**232.3**	**295.9**	**907.2**	**818.9**	**1,172.8**	**1,261.1**
Selling expenses		-112.2	-110.5	-368.0	-343.6	-470.9	-495.3
Administrative expenses		-33.8	-33.2	-107.2	-114.1	-172.5	-165.6
Other operating revenue and expenses	1	-1.5	12.0	-3.8	21.7	20.8	-4.7
Operating profit		**84.8**	**164.2**	**428.2**	**382.9**	**550.2**	**595.5**
Financial items		-8.3	-3.3	-16.9	-13.4	-11.2	-14.7
Profit before tax		**76.5**	**160.8**	**411.3**	**369.5**	**539.0**	**580.8**
Tax		-21.6	-42.7	-112.3	-99.9	-144.3	-156.7
Profit for the period		**54.9**	**118.1**	**299.0**	**269.6**	**394.7**	**424.1**
Amortization of intangible assets		0.4	0.6	1.3	1.3	1.7	1.7
Depreciation of tangible assets		10.2	10.0	29.5	30.8	45.6	44.3
Earnings per share [1]		1.10	2.37	5.98	5.40	7.90	8.48
Earnings per share after dilution [2]		1.10	2.25	5.98	5.14	7.60	8.47

1) Profit for the period divided by average shares outstanding during the period. Comparative figures have been restated taking into account the split (49:1) implemented in September 2006.
2) Profit for the period divided by average shares outstanding after dilution during the period. Comparative figures have been restated taking into account the split (49:1) implemented in September 2006.

Note 1 Exceptional items

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Impairment of stock [1]	-26.8	-	-26.8	-	-	-26.8
Preparatory expenses for IPO [2]	-	-3.8	-	-5.4	-8.2	-2.8
Capital gain on sale of properties [2]	-	15.9	-	29.6	29.6	-
Total exceptional items	**-26.8**	**12.1**	**-26.8**	**24.2**	**21.4**	**-29.6**

1) Recognized in "Cost of goods sold"
2) Recognized in "Other operating revenue and expenses"

Condensed consolidated balance sheet

(SEKM)	2007 30 Sept	2006 30 Sept	2006 31 Dec
Goodwill	541.8	542.4	540.2
Other intangible assets	4.7	5.7	5.5
Tangible assets	230.3	215.8	226.1
Financial assets	2.0	1.9	1.9
Deferred tax assets	2.5	-	1.5
Total fixed assets	**781.3**	**765.8**	**775.2**
Stocks	1,110.1	766.0	912.1
Trade receivables	1,013.2	996.4	844.1
Other operating receivables	59.7	43.8	55.3
Cash and cash equivalents	26.2	137.1	289.3
Total current assets	**2,209.2**	**1,943.3**	**2,100.8**
Total assets	**2,990.5**	**2,709.1**	**2,876.0**
Equity	**782.6**	**551.8**	**664.2**
Long-term interest-bearing liabilities	841.1	856.6	834.6
Provisions	2.0	16.9	1.3
Deferred tax liability	72.6	62.4	64.7
Total long-term liabilities	**915.7**	**935.9**	**900.6**
Current interest-bearing liabilities	39.6	30.9	13.0
Trade payables	899.3	871.7	948.8
Other current liabilities	333.0	279.1	313.1
Other current provisions	20.3	39.7	36.3
Total current liabilities	**1,292.2**	**1,221.4**	**1,311.2**
Total equity and liabilities	**2,990.5**	**2,709.1**	**2,876.0**

Condensed consolidated cash flow statement

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Profit (-loss) before tax	76.5	160.8	411.3	369.5	539.0	580.8
Adjustment for non-cash items	37.8	-10.8	36.7	-8.1	-14.0	30.7
Tax paid	-28.3	-18.0	-98.1	-48.2	-57.5	-107.4
Change in working capital	-208.3	-125.8	-427.5	-300.5	-231.9	-358.9
Cash flow from operating activities	**-122.3**	**6.3**	**-77.6**	**12.8**	**235.6**	**145.2**
Acquisition of tangible assets	-13.1	-9.9	-33.6	-38.9	-68.1	-62.8
Other cash flow from investing activities	1.0	48.3	2.1	48.3	51.8	5.6
Cash flow from investing activities	**-12.1**	**38.4**	**-31.5**	**9.5**	**-16.3**	**-57.2**
Cash flow from financing activities	**17.4**	**-110.4**	**-158.1**	**-86.0**	**-126.9**	**-199.0**
Cash flow for the period	**-117.0**	**-65.8**	**-267.2**	**-63.8**	**92.4**	**-111.0**
Exchange rate difference in cash and cash equivalents	0.1	0.9	4.1	-1.1	-5.1	0.1
Change in cash and cash equivalents	**-116.9**	**-64.8**	**-263.1**	**-64.9**	**87.3**	**-110.9**

Condensed statement of changes in equity

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Equity at beginning of period	**737.9**	**1,111.2**	**664.2**	**970.9**	**970.9**	**551.8**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**737.9**	**1,111.2**	**664.2**	**970.9**	**970.9**	**551.8**
Translation differences	-2.3	2.3	7.7	-8.9	-21.6	-5.0
Hedging of net investments in foreign subsidiaries after tax	0.9	-	-4.7	-	-	-4.7
Share Savings Scheme	0.6	-	0.8	-	-	0.8
Total equity after changes in assets value reported directly in equity, excluding transactions with the company's owners	**737.1**	**1,113.5**	**668.0**	**962.0**	**949.3**	**542.9**
Profit for the period	54.9	118.1	299.0	269.6	394.7	424.1
Total equity after changes in net asset value excluding transactions with the company's owners	**792.0**	**1,231.6**	**967.0**	**1,231.6**	**1,344.0**	**967.0**
Dividends	-	-680.0	-175.0	-680.0	-680.0	-175.0
Acquisition of treasury shares	-9.4	-	-9.4	-	-	-9.4
New share issue	-	0.2	-	0.2	0.2	-
Equity at end of period	**782.6**	**551.8**	**782.6**	**551.8**	**664.2**	**782.6**

Segment reporting

Net sales per segment[1]

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Sweden	873.8	840.3	3,118.0	2,557.9	3,632.6	4,192.7
Finland	685.7	633.0	2,317.1	1,885.9	2,639.8	3,071.0
New Markets	193.3	166.6	570.4	455.4	627.1	742.1
Parent company and consolidated items	-43.4	-59.2	-158.0	-156.0	-218.3	-220.3
Group	**1,709.4**	**1,580.7**	**5,847.5**	**4,743.2**	**6,681.2**	**7,785.5**

EBITA per segment

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Sweden	52.9	71.7	249.4	189.8	287.9	347.5
Finland	39.8	78.3	188.2	178.2	263.1	273.1
New Markets	-0.3	23.9	7.0	39.5	41.2	8.7
Parent company and consolidated items	-7.2	-9.2	-15.1	-23.3	-40.3	-32.1
Group	**85.2**	**164.8**	**429.5**	**384.2**	**551.9**	**597.2**

Depreciation per segment

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Sweden	5.1	5.1	13.9	14.9	24.7	23.7
Finland	4.8	4.8	14.4	14.4	19.0	19.0
New Markets	0.7	0.8	2.4	2.8	3.5	3.2
Parent company and consolidated items	0.0	0.0	0.1	0.1	0.1	0.1
Group	**10.6**	**10.6**	**30.8**	**32.1**	**47.3**	**46.0**

Capital expenditure per segment

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Sweden	8.1	7.6	20.7	23.0	41.9	39.5
Finland	3.4	4.2	10.2	11.6	20.6	19.2
New Markets	1.3	2.2	3.1	7.3	8.6	4.4
Parent company and consolidated items	0.2	0.0	0.2	0.0	0.2	0.4
Group	**13.0**	**14.1**	**34.2**	**41.9**	**71.3**	**63.5**

1) As of 2007, net sales per segment include internal and external sales. Comparative figures have been adjusted accordingly.

Condensed parent company income statement

(SEKM)	Note	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Net sales		6.3	1.4	18.8	4.2	5.6	20.2
Administrative expenses		-14.8	-8.2	-37.2	-28.2	-50.0	-58.9
Other operating revenue and expenses	**1**	-	-3.8	-	-5.4	-8.3	-2.8
Operating profit (-loss)		**-8.5**	**-10.6**	**-18.4**	**-29.4**	**-52.7**	**-41.7**
Financial items		-6.6	-4.1	-23.7	-6.1	408.9	391.3
Profit (-loss) before tax		**-15.1**	**-14.7**	**-42.1**	**-35.6**	**356.2**	**349.6**
Tax		4.5	4.2	12.0	10.0	15.9	17.9
Profit (-loss) for the period		**-10.6**	**-10.5**	**-30.1**	**-25.5**	**372.1**	**367.5**

Note 1 Exceptional items

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Preparatory expenses for IPO	-	-3.8	-	-5.4	-8.2	-2.8
Total exceptional items	**-**	**-3.8**	**-**	**-5.4**	**-8.2**	**-2.8**

Condensed parent company balance sheet

(SEKM)	2007 30 Sept	2006 30 Sept	2006 31 Dec
Tangible assets	0.5	0.2	0.3
Financial assets	1,039.5	1,031.3	1,039.5
Interest-bearing receivables, group companies	16.6	6.0	11.5
Deferred tax assets	0.3	-	-
Total fixed assets	**1,056.9**	**1,037.5**	**1,051.3**
Current interest-bearing receivables, group companies	157.1	44.8	33.2
Receivables, group companies	55.3	0.9	374.0
Other operating receivables	18.6	17.6	5.8
Cash and cash equivalents	0.4	28.6	5.5
Total current assets	**231.4**	**91.9**	**418.5**
Total assets	**1,288.3**	**1,129.4**	**1,469.8**
Equity	**379.0**	**152.0**	**592.8**
Other long-term interest-bearing liabilities	823.8	838.3	816.6
Provisions	0.4	-	-
Total long-term liabilities	**824.2**	**838.3**	**816.6**
Current interest-bearing liabilities	38.5	12.0	11.9
Current interest-bearing liabilities, group companies	23.1	113.0	21.7
Trade payables	9.0	1.7	3.6
Liabilities to group companies	3.4	2.6	4.2
Other current liabilities	11.1	9.8	19.0
Total current liabilities	**85.1**	**139.1**	**60.4**
Total equity and liabilities	**1,288.3**	**1,129.4**	**1,469.8**

Pledged assets and contingent liabilities – parent company

(SEKM)	2007 30 Sept	2006 30 Sept	2006 31 Dec
Pledged assets	**1,222.9**	**1,224.1**	**1,219.1**

Contingent liabilities
The parent company has provided payment guarantees on behalf of subsidiaries, primarily in New Markets, for trade payables and rent commitments to materials suppliers and property owners, which amount to SEK 15.1M.

Note 2 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
BE Group Holding AB	2007 Jan-Sept	-	-	-	-	-	-	-
	2006 Jan-Sept	-	-	-	-	-680.0	-	-
Subsidiaries	2007 Jan-Sept	18.8	-2.9	11.9	-7.2	-	229.0	26.5
	2006 Jan-Sept	4.2	-1.6	1.3	-3.3	-	51.7	115.6

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 ratios

(SEKM unless otherwise stated)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Earnings measurements						
EBITA	85.2	164.8	429.5	384.2	551.9	597.2
Margin measurements						
Gross margin	13.6%	18.7%	15.5%	17.3%	17.6%	16.2%
EBITA margin	5.0%	10.4%	7.3%	8.1%	8.3%	7.7%
Operating margin	5.0%	10.4%	7.3%	8.1%	8.2%	7.6%
Capital structure						
Net debt	852.4	748.4	852.4	748.4	556.4	852.4
Net debt/equity ratio	108.9%	135.6%	108.9%	135.6%	83.8%	108.9%
Working capital (average)	857.8	613.4	736.3	546.3	546.9	720.1
Operating capital (average)	1,542.0	1,258.4	1,415.9	1,194.5	1,199.7	1,392.6
Operating capital, excluding intangible assets (average)	995.0	711.1	868.9	648.2	653.6	845.3
Working capital tied-up	12.5%	9.7%	9.4%	8.6%	8.2%	9.2%
Return						
Return on operating capital (%)	22.0%	52.2%	40.3%	42.7%	45.9%	42.8%
Return on operating capital, excluding intangible assets (%)	34.3%	92.7%	65.9%	79.0%	84.4%	70.6%
Return on equity (%)	28.9%	56.8%	53.5%	39.2%	45.6%	60.0%
Per share data						
Earnings per share (SEK)	1.10	2.37	5.98	5.40	7.90	8.48
Earnings per share after dilution (SEK)	1.10	2.25	5.98	5.14	7.60	8.47
Equity per share (SEK)	15.69	11.05	15.69	11.04	13.28	15.69
Equity per share after dilution (SEK)	15.66	10.99	15.66	10.97	13.28	15.66
Cash flow from operating activities per share (SEK)	-2.45	0.13	-1.55	0.26	4.72	2.90
Shares outstanding at period end (thousands)	49,880	49,926	49,880	50,000	50,000	49,880
Shares outstanding at period end after dilution (thousands)	49,880	52,464	49,880	52,538	50,000	49,880
Average number of shares (thousands)	49,987	49,926	49,996	49,927	49,946	49,997
Average number of shares after dilution (thousands)	49,987	52,464	49,996	52,465	51,912	49,997
Other						
Average number of employees	953	943	939	918	926	939

Supplementary disclosures*

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Growth						
Sales growth	8.1%	23.3%	23.3%	9.5%	15.4%	25.5%
- organic volume growth	-4.6%	15.9%	4.6%	6.1%	8.5%	7.2%
- price changes	12.3%	8.2%	18.9%	2.8%	7.0%	18.9%
- currency effects	0.4%	-0.8%	-0.2%	0.6%	-0.1%	-0.6%
- acquisitions	-	-	-	-	-	-
Adjusted earnings measurements						
Underlying EBITA	121.6	125.1	446.1	326.8	473.7	593.0
Adjusted margin measurements						
Underlying gross margin	15.7%	17.0%	15.8%	16.6%	16.7%	16.1%
Underlying EBITA margin	7.1%	7.9%	7.6%	6.9%	7.1%	7.6%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	48.9%	70.3%	68.5%	67.2%	72.5%	70.2%
Adjusted per share data						
Underlying earnings per share (SEK)	1.55	1.76	6.14	4.52	6.72	8.34
Underlying earnings per share after dilution (SEK)	1.55	1.67	6.14	4.30	6.46	8.33
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	1.6	1.4	1.3	1.6	1.1	1.3
Other						
Stock profits and losses	-9.6	27.6	10.2	33.2	56.8	33.8
Shipped volume (thousands of tonnes)	134.9	141.4	466.7	446.2	610.2	630.8
Average sales price (SEK/kg)	12.67	11.18	12.53	10.63	10.95	12.34

Underlying EBITA per segment[1)]

(SEKM)	2007 July-Sept	2006 July-Sept	2007 Jan-Sept	2006 Jan-Sept	2006 Full year	Rolling 12 months
Sweden	69.3	61.1	254.2	175.2	264.4	343.4
Finland	57.1	65.7	200.1	164.1	238.4	274.4
New Markets[2]	2.3	3.6	6.9	5.4	3.2	4.7
Parent company and consolidated items	-7.1	-5.3	-15.1	-17.9	-32.3	-29.5
Group	**121.6**	**125.1**	**446.1**	**326.8**	**473.7**	**593.0**

1) EBITA adjusted for stock profits and losses and exceptional items. Stock profits and losses are the differences between the cost of goods sold at historical cost and the cost of good sold for which the goods sold were valued at replacement cost. The company's internal model is used to calculate stock profits and losses.
2) Group principles for calculating stock profits and losses were implemented for New Markets in the third quarter of 2006. The effect in earlier quarters has been assessed as immaterial.

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

Definitions of key ratios

SUPPLEMENTARY DISCLOSURES

Growth	
Sales growth	Change from the preceding period as a percentage of net sales.
Adjusted growth	
Underlying growth in sales	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 stock profits and losses (deductions for profits 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 stock profits and losses (deductions for profits 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 stock profits and losses (deductions for profits 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 stock profits and losses (deductions for profits 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 stock profits and losses (deductions for profits 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	
Stock profits 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 2006 annual report for other definitions of key ratios.