BE Group AB (publ)

Interim report January-June 2008

BE Group is reporting its best quarter ever

THE SECOND QUARTER

- Net sales rose 2.1% compared to Q2 2007 to SEK 2,116M (2,073) and shipped tonnage increased by 6.1%. Organic tonnage growth was 3.5%.
- Operating profit increased to SEK 250M (170). Earnings benefited from capital gains of SEK 50M. Operating profit excluding capital gains was SEK 200M, BE Group's highest ever for a single quarter.
- Underlying EBITA[1)] improved to SEK 162M (158) and the underlying EBITA margin to 7.7% (7.6).
- Earnings per share after dilution were SEK 4.01 (2.36) and underlying earnings per share[1)] after dilution were SEK 2.72 (2.17).
- BE Group and ArcelorMittal formed a joint venture in the Swedish thin plate market.
- Growth in Central and Eastern Europe will be strengthened with the acquisition of Ferram Steel in the Czech Republic.
- Rising prices for commercial steel in all markets will have continued favourable impact on BE Group's earnings. Operating profit for the full year 2008 is expected to significantly outperform 2007.

THE FIRST HALF

- Net sales decreased during the period by 0.7% to SEK 4,111M (4,138) with tonnage growth of 3.8%.
- Operating profit increased to SEK 385M (343).
- Underlying EBITA[1)] was SEK 305M (325) and the underlying EBITA margin[1)] was 7.4% (7.8).
- Earnings per share after dilution increased to SEK 5.89 (4.88). Underlying earnings per share after dilution[1)] improved to SEK 4.69 (4.59).
- Successful integration of Czechprofil in the Czech Republic.

[1)] Definitions are provided on page 19.

BE Group, listed on the Stockholm 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 approximately 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 strong in the interim period. Trends in the BRIC countries (Brazil, Russia, India and China) were particularly strong, while growth in the United States and Europe was lower than in 2007. The robust demand has entailed high order inflows to producers and a strong price trend for steel and metals. Demand for stainless remained weak after the downturn in the second half of 2007.

As of May 2008, the latest reported month from the International Iron and Steel Institute (IISI), global steel production was 5.8% higher than in May 2007. However, this corresponds to a lower growth rate than for the full year of 2007, when production increased by 7.5%.

The general trend for commercial steel remained good in all BE Group markets in the second quarter and market prices rose, particularly in Sweden and Finland. Demand for stainless steel slumped in all markets, although prices recovered somewhat after a downturn in the first quarter.

BE Group encountered healthy demand in the Swedish market, underpinned by vigorous activity in the engineering and construction sectors. The Finnish market performed very well and demand for BE Group's products and production services was strong in most industrial sectors.

The generally high growth was sustained in Central and Eastern Europe with a surge in the tonnage trend. The trends were particularly strong in the Czech Republic and Slovakia where extensive new business establishments in the automotive industry and other sectors boosted demand. The Baltic countries, especially Latvia and Lithuania, were the only market to demonstrate a slowdown.

Outlook

The world market for steel is expected to remain buoyant in the second half of 2008. This is indicated by high order inflows to producers and further price increases for commercial steel in the third quarter, based in part on sharp price increases for iron ore, coal and freight. The latest forecast issued in mid-April by industry organization IISI is that total global demand for steel will outperform 2007 by 6-7%. Demand in EU countries is expected to increase by about 2%.

BE Group expects demand in the Swedish market to moderate in the second half of 2008 from the currently high activity level. While deconsolidation of BE Group's thin plate operations in Sweden will lower the reported growth rate, it is expected to strengthen the margin.

Continued strong performance is expected in the Finnish market, with robust demand in most sectors. Increased capacity in production service is having a positive impact on BE Group's sales in Finland.

Demand is expected to remain strong in Central and Eastern Europe, primarily in the Czech Republic and Slovakia, in an increasingly competitive market. 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 cost and capital synergies in combination with the Group's pre-existing operations in the Czech Republic.

Significant price increases for commercial steel in the third quarter will have favourable impact on BE Group, provided general demand remains stable.

The outlook for stainless steel is characterized by uncertainty and the price trend may be adverse, at least during the third quarter, due to the alloy surcharge trend.

Operating profit for the full year 2008 is expected to significantly outperform 2007.

In the next few years, BE Group intends to sharpen the focus on service to strengthen competitiveness, profitability and growth. This will involve higher investments in processing and new skills to create higher value for BE Group and its customers. Another key task – when the opportunity presents itself – will be strategic acquisitions. The deconsolidation of the thin plate business in Sweden and the acquisitions in the Czech Republic will initially reduce the service component of sales somewhat.

Financial targets

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 development for stainless steel and deconsolidation of the thin plate business in Sweden.

The financial targets are based on underlying earnings and return measurements in order to clearly illustrate the operational development. Underlying earnings are reported

Financial targets	Targets	Outcome last 12 months
Underlying sales growth	>5%	negative
Underlying EBITA margin	>6%	7.0%
Underlying return on operating capital	>40%	54.3%
Net debt/total equity	<150%	71.3%
Net debt/underlying EBITDA	<3 (multiple)	1.2 (multiple)

adjusted for exceptional items and inventory gains and losses (see definitions on page 19). BE Group applies an internal calculation model. 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.

Second quarter development

Group

Strong demand and rising prices for commercial steel increased sales in the second quarter. The continued increase in net sales and operating profit, made the second quarter the best ever for BE Group.

Net sales of SEK 2,116M (2,073) represent a 2.1% increase compared to Q2 2007. The increase is distributed between price and mix changes of -3.9% and a tonnage upturn of 3.5%. Currency effects increased net sales by 1.0%. The acquisition increased sales by 2.8% while deconsolidation of the thin plate business decreased sales by 1.3%. Comparable units sales increased by 0.6%. The thin plate business in Sweden had sales of SEK 425M in 2007.

At SEK 12.29 (12.77), the average sales price per kg was 3.8% lower than during the same period in 2007. Higher prices for commercial steel offset the price downturn for stainless steel. The lower share of stainless steel in total tonnage is having a negative impact on the average sales price. The average sales price increased by 6.1% in relation to the first quarter of 2008.

Consolidated gross profit rose to SEK 388M (341), resulting in a gross margin of 18.3% (16.5). A favourable shift in the product mix strengthened the underlying gross margin to 16.5% (15.8).

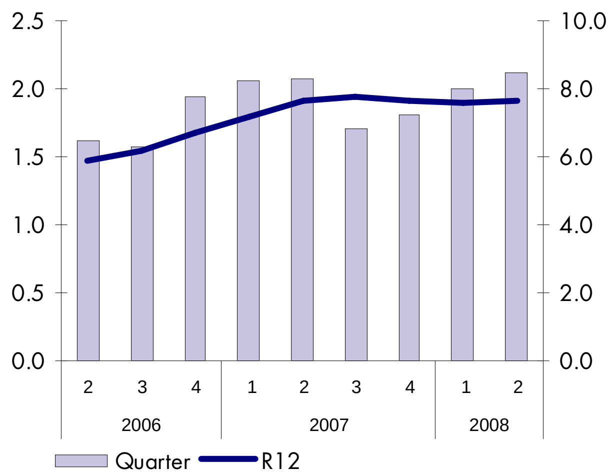
EBITA increased to SEK 251M (171) and was higher than in the first quarter of this year as well.

Second quarter sales and profit development

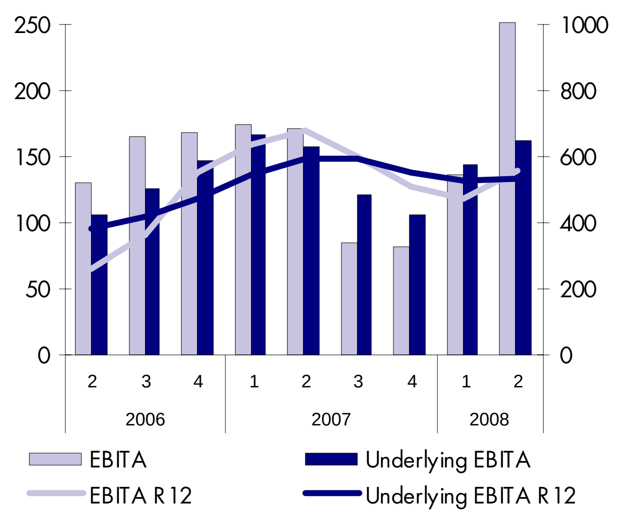
(SEKM)	Outcome	Comparable units
Net sales 2007	**2,073.4**	**2,033.3**
Net sales 2008	**2,116.2**	**2,044.7**
Operating profit 2007	**170.1**	**167.2**
Reversal of amortization of intangible assets	0.5	0.5
EBITA 2007	**170.6**	**167.7**
Inventory gains	-13.1	-13.2
Underlying EBITA 2007	**157.5**	**154.5**
Changes in tonnage, price, mix and gross margin	18.4	14.8
Overhead costs	-13.8	-11.1
Underlying EBITA 2008	**162.1**	**158.2**
Inventory gains	38.8	38.8
Exceptional items	50.2	-
EBITA 2008	**251.1**	**197.0**
Less amortization of intangible assets	-1.3	-0.5
Operating profit 2008	**249.8**	**196.5**

BE Group acquired a 50% interest in ArcelorMittal SSC AB during the quarter and formed a joint venture with ArcelorMittal directed at sales and processing of thin plate in the Swedish market. The interest in the joint venture company will be reported in the consolidated accounts as of June 2 using the equity method. BE Group's share in earnings was SEK 2M for the second quarter.

Net sales, SEK Bn
Quarter and rolling 12 months



EBITA SEK M



Deconsolidation of the Group's former operations has generated a capital gain of SEK 50M for BE Group. The acquisition of Czechprofil in the Czech Republic generated positive EBITA for the quarter of SEK 1M.

Earnings also benefited from inventory gains of SEK 39M (13). Adjusted for capital and inventory gains, underlying EBITA increased to SEK 162M (158). An increase in shipped tonnage was one factor that had a positive impact on earnings. A balanced product portfolio is contributing to improved financial performance despite weaker demand for stainless steel.

Overhead costs were higher than in 2007, primarily due to higher transport costs, additional costs in acquired companies and higher expenditures aimed at enhancing growth in the CEE business area.

The EBITA margin increased to 11.9% (8.2) and the underlying EBITA margin improved to 7.7% (7.6). The underlying EBITA margin was 7.7% (7.6) for comparable units.

Development per distribution channel

BE Group's sales are made through three distribution channels: inventory sales, service sales of processed materials and direct sales (sales of products shipped directly to 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 facilities 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 84.6% (81.3) of total tonnage for the second quarter, distributed between inventory sales at 49.5% (47.3) and service sales at 35.1% (34.0). The service component of total tonnage was 36.0% in the first quarter of 2008. The reduction of the service component is linked to the deconsolidation of the thin plate business in Sweden.

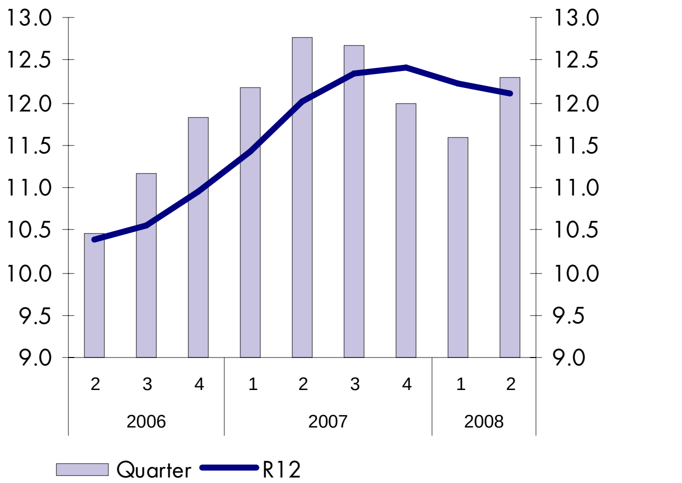
The service component of net sales was 33.8% (30.4).

Development commercial steel

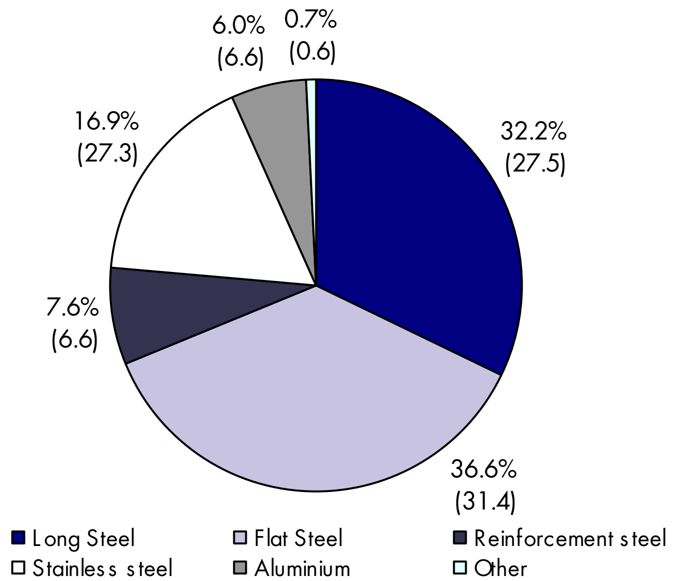
Sales of commercial steel continued to improve in the second quarter compared to preceding quarters. Compared to Q2 2007, net sales increased by 19.0%, primarily due to higher prices. Commercial steel tonnage rose by 7.5% (including acquired growth) and the average sales price increased by 10.7% to SEK 10.18 (9.20).

Long products accounted for a higher 32.2% (27.5) of net sales and flat products increased to 36.6% (31.4). Overall, commercial steel generated 76.4% (65.5) of consolidated net sales.

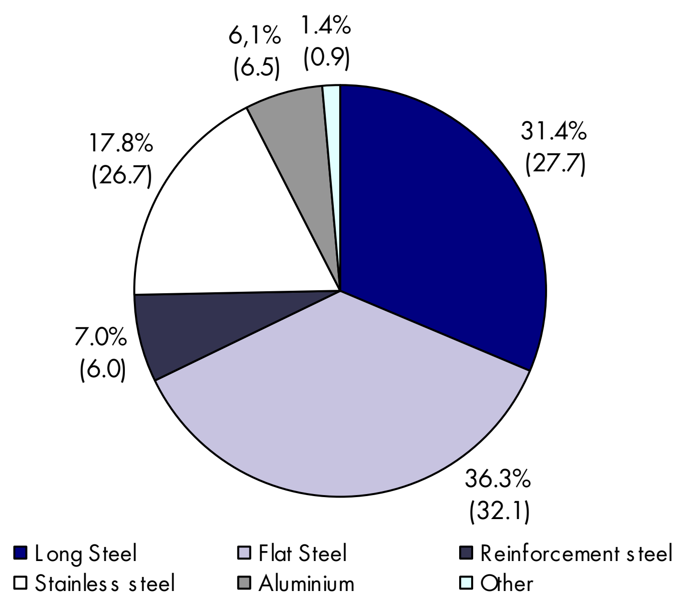
Average sales price (SEK/kg)
Quarter and rolling 12 months



Main products´share of total sales
Second quarter 2008



Main products´share of total sales
Jan-Jun 2008



Development stainless steel and aluminium

Demand for stainless steel declined in the second quarter. The average sales price was 3.2% higher than during the first quarter of 2008, but 23.8% lower than in Q2 2007.

BE Group's sales of stainless steel declined by 36.7% to SEK 359M (566) compared to the same period in 2007. The percentage of net sales generated by stainless steel declined to 16.9% (27.3). Sold tonnage was 17.3% lower than during the same period in 2007. The downturn is primarily due to the direct sales channel. Tonnage declined by 6.7% compared to the immediately preceding quarter.

The purchase price for stainless steel consists of a base price for the primary steel product and an alloy surcharge set by stainless steel producers. BE Group's prices to customers in the Swedish market are set based on the base price, with no profit margin taken on the alloy surcharge. Alloy surcharges with no mark-up accounted for SEK 111M (249) or 5.3% (12.0) of total consolidated sales for the quarter.

Aluminium sales declined slightly to SEK 126M (136) or 6.0% (6.6) of total net sales.

Business areas

Business area Sweden

Sweden is reporting net sales of SEK 1,034M (1,120). The decrease of 7.7% is primarily attributable to a 7.0% decrease in tonnage, mainly due to deconsolidation of the thin plate business. Stainless steel tonnage is continuing to decrease and the downturn of 17.8% has had adverse impact on sales and earnings.

Service sales increased during the quarter and this channel mix change enhanced profitability. EBITA increased to SEK 151M (102), primarily due to the capital gain of SEK 50M stemming from the deconsolidation of the thin plate business. Underlying EBITA declined to SEK 87M (93). The EBITA margin was 14.6% (9.1) and the underlying EBITA margin was 8.4% (8.3). BE Group's share in earnings from the joint venture with ArcelorMittal is SEK 2M.

Business area Finland

Finland is reporting higher net sales for the quarter compared to Q2 2007. The increase is primarily due to strong demand across large segments of the market. Total tonnage increased by 5.5%, while stainless steel declined by 16.3%. Finland is reporting sales of SEK 839M (820), an increase of 2.3% compared to Q2 2007.

EBITA increased to SEK 102M (72) and underlying EBITA rose to SEK 83M (69). The EBITA margin was 12.1% (8.8) and the underlying EBITA margin improved to 9.9% (8.4). The high service component of sales contributes to the improved underlying EBITA margin. Service sales including materials increased to around 47% (44) of net sales, benefiting from new capacity and advanced 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. This was augmented by the positive impact on BE Group of the acquisition of the Czech company Czechprofil s.r.o., consolidated into the Group as of January 23. CEE is reporting a sales increase of 53.4% to SEK 288M (188), of which 30.8 percentage points was acquired. Total tonnage increased by 61.0%, including 43.6 percentage points of acquired tonnage growth. Particularly good demand was recorded in the Czech Republic and Slovakia, while the trend has moderated slightly in the Baltic countries. The service component of sales continued rising.

EBITA increased to SEK 6M (3). Underlying EBITA was negative at SEK 1M (2). The EBITA margin increased to 2.0% (1.7) and the underlying EBITA margin was negative (1.1%). The competitive situation in CEE's market is such that in periods of rising prices, the business area cannot immediately respond by implementing price increases, which has negative impact on underlying earnings. The margin was also adversely affected during the quarter by higher wage and transport costs, as well as higher investments in growth that will enhance CEE's earnings in the long term.

Net financial items and tax

The Group is reporting net financial income for the second quarter of SEK 1M (expense: 8) including net interest expense of SEK 9M (expense: 7). This corresponds to an annualized 5.5% (4.5) of net interest-bearing liabilities during the quarter, which averaged SEK 659M (637). Net financial income was enhanced by exchange rate differences of SEK 10M (0).

Tax expense for the quarter was SEK 51M (expense: 44), equal to 20.2% (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 200M (118), profit after tax was higher than in the second quarter of 2007.

Earnings per share after dilution were SEK 4.01 (2.36). Underlying earnings per share after dilution were SEK 2.72 (2.17).

Cash flow

Cash flow improved compared to 2007 with net cash used of SEK 99M (negative: 152) in the second quarter.

Cash flow from operating activities improved to SEK 131M (37), primarily due to a relative improvement in working capital. Cash flow from investing activities was negative at SEK 26M (negative: 13) including a cash outflow of SEK 15M to acquire shares in ArcelorMittal SSC AB. Cash flow from investing activities was negative at SEK 204M (negative: 175) primarily due to distributed dividends of SEK 175M (negative: 175).

Development during January- June

Group

Consolidated net sales decreased overall by 0.7% in the first half to SEK 4,111 (4,138). The decrease is distributed mainly between price and mix changes of -4.3% and tonnage growth of 0.9%. Currency effects increased net sales by 1.2%. Acquired growth was 2.2% and deconsolidation of the thin plate business decreased sales by 0.7%. The sales decrease for comparable units was 2.2%.

At SEK 11.94 (12.47), the average sales price per kg was 4.3% lower than during first half of 2007.

Consolidated gross profit increased to SEK 708M (675). Reported gross profit includes inventory gains of SEK 32M (20). The gross margin improved to 17.2% (16.3).

EBITA increased to SEK 387M (344), while underlying EBITA declined to SEK 305M (325).

First half sales and profit development

(SEKM)	Outcome	Comparable units
Net sales 2007	**4,138.1**	**4,098.0**
Net sales 2008	**4,111.1**	**4,004.6**
Operating profit 2007	**343.4**	**340.5**
Reversal of amortization of intangible assets	0.9	0.9
EBITA 2007	**344.3**	**341.4**
Inventory gains	-19.8	-19.9
Underlying EBITA 2007	**324.5**	**321.5**
Changes in tonnage, price, mix and gross margin	13.9	7.1
Overhead costs	-33.2	-27.3
Underlying EBITA 2008	**305.2**	**301.3**
Inventory gains	32.1	32.1
Exceptional items	50.2	-
EBITA 2008	**387.5**	**333.4**
Less amortization of intangible assets	-2.3	-1.0
Operating profit 2008	**385.2**	**332.4**

The EBITA margin improved to 9.4% (8.3) and the underlying EBITA margin declined to 7.4% (7.8).

Business areas

Business area Sweden

Sweden is reporting sales of SEK 2,012M (2,244). The decline of 10.3% is due mainly to lower tonnage and the price downturn for stainless steel.

EBITA rose to SEK 221M (197). Underlying EBITA declined to SEK 159M (185). The EBITA margin was 11.0% (8.8) while the underlying EBITA margin was 7.9% (8.2).

Business area Finland

Finland is reporting sales of SEK 1,615M (1,631), a decrease of 1.0%. EBITA improved to SEK 170M (148). Underlying EBITA increased to SEK 158M (143). The EBITA margin was 10.5% (9.1) and the underlying EBITA margin was 9.8% (8.8).

Business area CEE

CEE recorded sustained growth. Sales increased by 49.6% to SEK 564M (377) including acquired growth of 24.5 percentage points.

EBITA rose to SEK 10M (7). Underlying EBITA declined to SEK 1M (5). The EBITA margin declined to 1.8% (1.9), and the underlying EBITA margin declined to 0.2% (1.2).

Net financial items and tax

The Group is reporting net finance expense for the first half of SEK 7M (expense: 9) including net interest expense of SEK 18M (expense: 13). This corresponds to an annualized 5.6% (4.4) of net interest-bearing liabilities during the first half, which averaged SEK 637M (610).

Tax expense for the first half was SEK 84M (expense: 91), equal to 22.3% (27.1) of profit before tax. At SEK 294M (244), profit after tax outperformed the first half of 2007.

Earnings per share after dilution were SEK 5.89 (4.88). Underlying earnings per share after dilution were SEK 4.69 (4.59).

Cash flow

BE Group's cash flow improved during the first half, with net cash used of SEK 95M (negative: 150) primarily due to improved cash flow from operating activities of SEK 190M (45). Working capital, excluding tax, has increased by SEK 3M since December 31, 2007. This was offset by high tax payments during the first half for supplementary payments and preliminary withholding of SEK 34M (70). Cash flow from investing activities was negative at SEK 77M (negative: 19). Cash flow from financing activities was negative at SEK 208M (negative: 175).

Capital, investments and return

BE Group had working capital of SEK 780M (765) on June 30. Capital tied-up increased due to higher average working capital and amounted to 9.3% (8.0), which however is lower than capital tied-up for the full year of 2007.

Capital expenditures of SEK 87M (21) during the period were allocated as follows: business acquisitions, SEK 61M (-); tangible assets, SEK 16M (20); and intangible assets, SEK 10M (1). Capital expenditures in tangible assets refer primarily to reinvestments.

Return on operating capital (excluding intangible assets) declined slightly to 79.8% (86.5). The investment in the joint venture with ArcelorMittal increased average operating capital.

The Group resolved during the period to invest approximately SEK 30M in production service equipment and operational efficiency improvements in Finland and Sweden. Actions in Finland will include expansion of the new site in Lapua and shutdown of one of the two sites in Lahti. The Norrköping site will be extended with a new plasma cutting facility The investments are scheduled for completion in 2009.

Financial position and liquidity

Consolidated cash and cash equivalents on June 30 totalled SEK 166M (143). The Group also had unutilized credit facilities of SEK 201M and SEK 500M in unutilized credit facilities earmarked for acquisitions.

Consolidated net interest-bearing liabilities were SEK 694M (711) as of June 30, compared to SEK 593M on December 31, 2007. Total credit facilities amount to SEK 1,542M.

Net debt/underlying EBITDA was a multiple of 1.1 (1.0) on June 30.

Consolidated equity at the end of the period was SEK 973M (738) while the net debt/equity ratio was 71.3% (96.4).

Organization, structure and employees

BE Group's purchasing organizations were merged as of January 2008 into a centralized product supply function managed from the head office in Malmö. 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 new organization has strengthened BE Group's capacity for coordinated action vis-à-vis suppliers and streamlined product flows and capital management.

Magnus Rosén took over as the new head of business area Sweden and president of BE Group Sverige AB on July 1. Prior to joining BE Group, Mr Rosén was the Managing Director and Senior Vice President, Scandinavia at Cramo.

Contingent liabilities

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

Acquisition of Czechprofil in the Czech Republic

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

BE Group paid SEK 40M for the shares and the final 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 estimated fair value of assumed net assets is SEK 16M including 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 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.

The acquisition analysis is preliminary and will be finalized no later than twelve months after acquisition date. In BE Group's judgement, the acquisition would have had only marginal impact on net sales and EBITA in the first half if it had been finalized on January 1, 2008.

Joint venture with ArcelorMittal in thin plate

BE Group has acquired a 50% interest in ArcelorMittal SSC AB and a joint venture commenced on June 2, aimed at sales and processing of thin plate in the Swedish market. 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 company will be 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 company will be reported as a share in earnings and recognised in consolidated operating profit. Deconsolidation of BE Group's former operations generated a capital gain in the second quarter of SEK 50M.

Acquisition of Ferram Steel in the Czech Republic

In line with the strategy of growth in Central and Eastern Europe, BE Group has acquired the Czech company Ferram Steel a.s. Transfer of ownership took place after the end of the interim period on July 15.

Ferram Steel concentrates mainly on flat products. The company has sites in the eastern Czech Republic 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 also reporting a very strong first half in 2008.

With the acquisitions of Ferram Steel and Czechprofil, finalized earlier this year, 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. Ferram Steel recently invested in a logistics facility in Ostrava, which is forging substantial opportunities for further business growth in the Czech Republic, Slovakia and southern Poland.

Both 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 final purchase consideration and final surplus value will be based on the transfer balance sheet. Finalization of the transfer balance sheet and analysis of surplus values are in progress and final allocation of surplus values will be presented in the interim report for the third quarter.

Annual general meeting

Carl-Erik Ridderstråle (chairman), Roger Bergqvist, Cecilia Edström, Joakim Karlsson, Lars Olof Nilsson and Lars Spongberg were re-elected to the Board of Directors at the annual general meeting of shareholders in BE Group AB held April 23. The AGM also passed the Board's proposals concerning remuneration to the Board of Directors, the Audit Committee and the Remuneration Committee.

In accordance with the Board's proposal, the AGM resolved to declare a dividend of SEK 3.50 per share. The total dividend of SEK 174.6M was distributed on May 2.

The AGM also 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. Aimed at enabling BE Group AB's provision of "Matching Shares" in accordance with the Share Savings Scheme, the AGM resolved to authorize the Board to decide, on one or more occasions prior to the 2009 AGM, to acquire and transfer a maximum of 430,000 treasury shares. To enable provision of the aforementioned Matching Shares, the AGM resolved in favour of transfer a maximum of 323,000 shares in BE Group AB.

In order to secure coverage of social security contributions attributable to Share Savings Scheme 2007, the AGM resolved to authorize the Board to decide, upon one or more occasions but prior to the 2009 AGM, to sell up to 32,500 treasury shares on the market, as proposed by the Board.

About 30 key management personnel have accepted the invitation to participate in Share Savings Scheme 2008. SEK 1.2M was charged against profit in the second quarter in connection to the 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.

Finally, the AGM approved the Board's proposal to authorize the Board to decide, upon one or more occasions but prior to the 2009 AGM, to acquire and sell treasury shares in order to enable the Board to adjust the company's capital structure and enable financing of acquisitions. Acquisitions of treasury shares are limited to no more than 10% of all shares in BE Group from time to time, including shares acquired under current Share Savings Schemes. Transfers of treasury shares are permitted as consideration for all or part of the purchase price for acquisitions or in the open market for the purpose of financing acquisitions or other transactions.

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 2007. No new significant risks or uncertainty factors have arisen since that date.

Related party transactions

Prior to the initial public offering on November 24, 2006 the Group was under the controlling influence of Nordic Capital mutual funds, which owned 85.4% of shares in the parent company. As of June 30, 2008, Nordic Capital funds owned 20.6% of the shares through Trenor Holding Limited, Jersey. As of June 30, there were no transactions between the Group and Trenor Holding Limited.

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

Significant events after the end of the period

Takeover of Ferram Steel

As discussed above, upon approval by the Czech competition authorities, BE Group took over all shares in the Czech company Ferram Steel a.s. on July 15.

Parent

The parent company BE Group AB (publ) is reporting sales, which consist of internal Group services, of SEK 24M (13) for the period. The parent is reporting an operating loss of SEK 19M (loss: 10). Net financial income totalled SEK 173M (expense: 17) due to exchange rate gains and distributed dividends from subsidiaries. The parent is reporting a loss before appropriations and tax of SEK 8 (loss: 12) and profit after tax of SEK 159M (loss: 19). The increase is mainly attributable to dividends distributed by subsidiaries.

The parent company invested SEK 46M (-) in shares in subsidiaries during the period, in relation to the acquisition of Czechprofil in the Czech Republic, and SEK 10M (-) in intangible assets. At the end of the period, the parent company had cash and cash equivalents of SEK 118M (14).

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) intends to publish the interim report for the period of January-September on October 22 and the 2008 year-end report in February 2009.

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

Malmö, July 17, 2008
BE Group AB (publ)

Carl-Erik Ridderstråle *Chairman of the Board*	**Roger Bergqvist** *Director*	**Cecilia Edström** *Director*	**Joakim Karlsson** *Director*
Lars Olof Nilsson *Director*	**Lars Spongberg** *Director*	**Thomas Berg** *Employee Representative*	**Kerry Johansson** *Employee Representative*

Håkan Jeppsson
President and Chief Executive Officer

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

The information in this report is such that BE Group AB (publ) is required to make public under the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on July 17 at 10.00 CET.

Questions concerning this report may be directed to:

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Chief Financial Officer Torbjörn Clementz, +46 (0) 70-869 07 88, e-mail: torbjorn.clementz@begroup.com

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info@begroup.com, www.begroup.com.

Condensed consolidated income statement

(SEKM)		2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Net sales		2,116.2	2,073.4	4,111.1	4,138.1	7,650.2	7,623.2
Cost of goods sold		-1,728.4	-1,732.0	-3,403.5	-3,463.2	-6,483.1	-6,423.4
Gross profit		**387.8**	**341.4**	**707.6**	**674.9**	**1,167.1**	**1,199.8**
Selling expenses		-143.0	-131.2	-281.8	-255.8	-497.8	-523.8
Administrative expenses		-48.0	-40.8	-94.6	-73.4	-156.4	-177.6
Other operating revenue and expenses	1	51.1	0.7	52.1	-2.3	-3.0	51.4
Share of earnings in joint venture		1.9	-	1.9	-	-	1.9
Operating profit		**249.8**	**170.1**	**385.2**	**343.4**	**509.9**	**551.7**
Financial items		1.0	-7.9	-7.1	-8.6	-23.0	-21.5
Profit before tax		**250.8**	**162.2**	**378.1**	**334.8**	**486.9**	**530.2**
Tax		-50.6	-44.3	-84.5	-90.7	-134.0	-127.8
Profit for the period		**200.2**	**117.9**	**293.6**	**244.1**	**352.9**	**402.4**
Amortization of intangible assets		1.3	0.5	2.3	0.9	1.8	3.2
Depreciation of tangible assets		10.7	10.2	21.7	19.2	40.1	42.6
Earnings per share		4.01	2.36	5.89	4.88	7.06	8.06
Earnings per share after dilution		4.01	2.36	5.89	4.88	7.06	8.06

Note 1 Exceptional items

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

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

Condensed consolidated balance sheet

(SEKM)	2008 June 30	2007 June 30	2007 Dec 31
Goodwill	574.6	542.1	544.5
Other intangible assets	32.5	5.2	4.5
Tangible assets	249.8	229.0	248.1
Investment in joint venture	129.7	-	-
Financial assets	2.2	1.9	2.1
Deferred tax assets	6.2	1.9	4.2
Total fixed assets	**995.0**	**780.1**	**803.4**
Inventories	1,026.8	1,122.1	942.6
Trade receivables	1,073.9	1,025.4	690.9
Other operating receivables	67.3	49.6	67.8
Cash and cash equivalents	165.5	143.1	258.5
Assets held for sale	-	-	86.8
Total current assets	**2,333.5**	**2,340.2**	**2,046.6**
Total assets	**3,328.5**	**3,120.3**	**2,850.0**
Equity	**973.1**	**737.9**	**848.9**
Long-term interest-bearing liabilities	840.2	842.9	840.3
Provisions	15.3	1.5	1.0
Deferred tax liability	73.6	72.6	71.5
Total long-term liabilities	**929.1**	**917.0**	**912.8**
Current interest-bearing liabilities	21.6	13.1	13.1
Trade payables	1,080.6	1,078.5	743.2
Other current liabilities	307.6	353.5	274.4
Other current provisions	16.5	20.3	16.7
Liabilities associated with assets held for sale	-	-	40.9
Total current liabilities	**1,426.3**	**1,465.4**	**1,088.3**
Total equity and liabilities	**3,328.5**	**3,120.3**	**2,850.0**

Condensed consolidated cash flow statement

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Profit before tax	250.8	162.2	378.1	334.8	486.9	530.2
Adjustment for non-cash items	-52.1	4.7	-50.9	-1.1	24.5	-25.3
Income tax paid	-32.8	-51.0	-134.4	-69.7	-142.3	-207.0
Change in working capital	-34.7	-79.3	-2.8	-219.4	-153.9	62.7
Cash flow from operating activities	**131.2**	**36.6**	**190.0**	**44.6**	**215.2**	**360.6**
Capital expenditure in intangible assets	-4.4	0.0	-10.2	-0.5	-0.7	-10.4
Capital expenditure in tangible assets	-7.1	-13.2	-14.7	-20.5	-60.7	-54.9
Acquisitions of subsidiaries	-15.0	-	-53.3	-	-	-53.3
Other cash flow from investing activities	0.4	-0.1	1.5	1.6	3.5	3.4
Cash flow from investing activities	**-26.1**	**-13.3**	**-76.7**	**-19.4**	**-57.9**	**-115.2**
Cash flow from financing activities	**-204.3**	**-175.2**	**-208.3**	**-175.4**	**-195.7**	**-228.6**
Cash flow for the period	**-99.2**	**-151.9**	**-95.0**	**-150.2**	**-38.4**	**16.8**
Exchange rate difference in cash and cash equivalents	1.9	-0.1	2.1	4.0	7.6	5.6
Change in cash and cash equivalents	**-97.3**	**-152.0**	**-92.9**	**-146.2**	**-30.8**	**22.4**

Condensed statement of changes in equity

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Equity at beginning of period	**941.9**	**796.1**	**848.9**	**664.2**	**664.2**	**737.9**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**941.9**	**796.1**	**848.9**	**664.2**	**664.2**	**737.9**
Translation differences	6.4	-3.7	2.9	10.1	26.9	19.7
Hedging of net investments in foreign subsidiaries after tax	-1.8	2.5	0.6	-5.6	-12.3	-6.1
Total equity after changes in assets value recognized directly in equity, excluding transactions with the company's owners	**946.5**	**794.9**	**852.4**	**668.7**	**678.8**	**751.5**
Profit for the period	200.2	117.9	293.6	244.1	352.9	402.4
Total equity after changes in net asset value excluding transactions with the company's owners	**1,146.7**	**912.8**	**1,146.0**	**912.8**	**1,031.7**	**1,153.9**
Dividend	-174.6	-175.0	-174.6	-175.0	-175.0	-174.6
Acquisition of treasury shares	-	-	-	-	-9.4	-9.4
Share Savings Scheme	1.0	0.1	1.7	0.1	1.6	3.2
Equity at end of period	**973.1**	**737.9**	**973.1**	**737.9**	**848.9**	**973.1**

Segment reporting

Net sales per segment

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Sweden	1,034.0	1,119.9	2,012.1	2,244.2	4,071.9	3,839.8
Finland	838.9	819.9	1,615.1	1,631.4	2,999.4	2,983.1
CEE	288.3	187.9	564.2	377.0	779.7	966.9
Parent company and consolidated items	-44.9	-54.3	-80.3	-114.5	-200.8	-166.6
Group	**2,116.3**	**2,073.4**	**4,111.1**	**4,138.1**	**7,650.2**	**7,623.2**

EBITA per segment

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Sweden	151.0	101.6	220.5	196.5	309.6	333.6
Finland	101.7	72.5	170.3	148.4	226.7	248.6
CEE	5.7	3.2	9.9	7.3	9.1	11.7
Parent company and consolidated items	-7.3	-6.7	-13.3	-7.9	-33.7	-39.0
Group	**251.1**	**170.6**	**387.4**	**344.3**	**511.7**	**554.9**

Depreciation per segment

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Sweden	4.8	5.0	9.8	8.8	19.3	20.3
Finland	5.4	4.8	10.8	9.6	19.3	20.5
CEE	1.8	0.8	3.3	1.6	3.2	4.9
Parent company and consolidated items	0.0	0.0	0.1	0.0	0.1	0.1
Group	**12.0**	**10.6**	**24.0**	**20.0**	**41.9**	**45.9**

Capital expenditure per segment

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Sweden	17.3	7.7	19.6	12.6	23.5	30.5
Finland	5.4	4.4	11.2	6.8	31.6	36.0
CEE	1.0	1.1	46.9	1.8	7.2	52.3
Parent company and consolidated items	3.8	0.0	9.7	0.0	0.5	10.2
Group	**27.5**	**13.3**	**87.4**	**21.2**	**62.8**	**129.0**

Condensed parent company income statement

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Net sales	15.4	6.3	24.5	12.6	16.2	28.1
Administrative expenses	-24.8	-14.5	-43.5	-22.4	-52.5	-73.6
Operating profit	**-9.4**	**-8.2**	**-19.0**	**-9.8**	**-36.3**	**-45.5**
Financial items	1.8	-3.6	172.6	-17.1	131.0	320.7
Profit before tax	**-7.6**	**-11.8**	**153.6**	**-26.9**	**94.7**	**275.2**
Tax	2.0	3.3	5.3	7.5	20.5	18.3
Profit for the period	**-5.6**	**-8.5**	**158.9**	**-19.4**	**115.2**	**293.5**

Condensed parent company balance sheet

(SEKM)	2008 June 30	2007 June 30	2007 Dec 31
Intangible assets	9.6	-	-
Tangible assets	0.7	0.3	0.7
Financial assets	1,101.2	1,039.5	1,054.6
Interest-bearing receivables, group companies	18.9	16.6	8.5
Deferred tax assets	0.5	-	0.2
Total fixed assets	**1,130.9**	**1,056.4**	**1,064.0**
Current interest-bearing receivables, group companies	251.4	169.4	111.0
Receivables, group companies	24.4	21.6	247.5
Other operating receivables	18.0	15.5	15.9
Cash and cash equivalents	118.4	14.5	200.0
Total current assets	**412.2**	**221.0**	**574.4**
Total assets	**1,543.1**	**1,277.4**	**1,638.4**
Equity	**568.8**	**398.5**	**582.8**
Long-term interest-bearing liabilities	822.5	825.3	823.3
Provisions	0.3	-	0.1
Total long-term liabilities	**822.8**	**825.3**	**823.4**
Current interest-bearing liabilities	12.1	11.9	12.1
Current interest-bearing liabilities, group companies	116.0	23.2	198.6
Trade payables	3.2	3.7	7.9
Liabilities to group companies	6.9	3.0	1.4
Other current liabilities	13.3	11.8	12.2
Total current liabilities	**151.5**	**53.6**	**232.2**
Total equity and liabilities	**1,543.1**	**1,277.4**	**1,638.4**

Pledged assets and contingent liabilities - parent company

(SEKM)	2008 June 30	2007 June 30	2007 Dec 31
Pledged assets	**1,229.5**	**1,223.6**	**1,229.4**
Contingent liabilities	**58.2**	**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-June 2008	-	-	-	-	-	-	-
	Jan-June 2007	-	-	-	-	-	-	-
Subsidiaries	Jan-June 2008	24.5	-4.2	7.4	-6.9	172.9	294.8	122.9
	Jan-June 2007	12.6	-1.8	7.0	-4.7	-	207.6	26.2

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 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Earnings measurements						
EBITA	251.1	170.6	387.5	344.3	511.7	554.9
Margin measurements						
Gross margin	18.3%	16.5%	17.2%	16.3%	15.3%	15.7%
EBITA margin	11.9%	8.2%	9.4%	8.3%	6.7%	7.3%
Operating margin	11.8%	8.2%	9.4%	8.3%	6.7%	7.2%
Capital structure						
Net debt	694.1	711.0	694.1	711.0	592.8	694.1
Net debt/equity ratio	71.3%	96.4%	71.3%	96.4%	69.8%	71.3%
Equity/assets ratio	29.2%	23.6%	29.2%	23.6%	29.8%	29.2%
Working capital (average)	787.7	722.5	767.8	664.9	734.7	803.8
Operating capital (average)	1,616.3	1,404.1	1,558.1	1,342.9	1,421.1	1,551.6
Operating capital (excluding intangible assets) (average)	1,011.0	856.2	971.6	795.8	873.7	981.0
Working capital tied-up	9.3%	8.7%	9.3%	8.0%	9.6%	10.5%
Return						
Return on operating capital (%)	61.8%	48.5%	49.4%	51.1%	35.9%	35.5%
Return on operating capital (excluding intangible assets) (%)	99.4%	79.7%	79.8%	86.5%	58.6%	56.6%
Return on equity (%)	83.6%	61.5%	63.7%	66.6%	46.1%	47.0%
Per share data						
Earnings per share (SEK)	4.01	2.36	5.89	4.88	7.06	8.06
Earnings per share after dilution (SEK)	4.01	2.36	5.89	4.88	7.06	8.06
Equity per share (SEK)	19.51	14.76	19.51	14.76	17.02	19.51
Equity per share after dilution (SEK)	19.51	14.76	19.51	14.76	17.02	19.51
Cash flow from operating activities per share (SEK)	2.63	0.73	3.81	0.89	4.31	7.23
Shares outstanding at period end (thousands)	49,880	50,000	49,880	50,000	49,880	49,880
Shares outstanding at period end after dilution (thousands)	49,883	50,000	49,883	50,000	49,880	49,883
Average number of shares (thousands)	49,880	50,000	49,880	50,000	49,967	49,907
Average number of shares after dilution (thousands)	49,883	50,000	49,882	50,000	49,967	49,908
Other						
Average number of employees	1,011	932	994	933	940	977

Supplementary disclosures

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Growth						
Sales growth	2.1%	27.9%	-0.7%	30.8%	14.5%	-0.4%
- organic tonnage growth	3.5%	4.3%	0.9%	8.8%	1.1%	-2.8%
- price and mix changes	-3.9%	23.6%	-4.3%	22.5%	13.3%	0.6%
- currency effects	1.0%	0.0%	1.2%	-0.5%	0.1%	0.9%
- acquisitions	2.8%	-	2.2%	-	-	1.2%
- divested operations	-1.3%	-	-0.7%	-	-	-0.3%
Adjusted earnings measurements						
Underlying EBITA	162.1	157.5	305.2	324.5	551.9	532.6
Adjusted margin measurements						
Underlying gross margin	16.5%	15.8%	16.4%	15.8%	15.8%	16.1%
Underlying EBITA margin	7.7%	7.6%	7.4%	7.8%	7.2%	7.0%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	64.1%	73.6%	62.8%	81.6%	63.2%	54.3%
Adjusted per share data						
Underlying earnings per share (SEK)	2.72	2.17	4.69	4.59	7.58	7.68
Underlying earnings per share after dilution (SEK)	2.72	2.17	4.69	4.59	7.58	7.68
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	1.0	1.1	1.1	1.0	1.0	1.2
Other						
Inventory gains and losses	38.8	13.1	32.1	19.8	-40.2	-27.9
Shipped tonnage (thousands of tonnes)	172.2	162.3	344.3	331.8	617.1	629.6
Average sales prices (SEK/kg)	12.29	12.77	11.94	12.47	12.40	12.11

Underlying EBITA per segment[1]

(SEKM)	2008 April-June	2007 April-June	2008 Jan-June	2007 Jan-June	2007 Full year	Rolling 12 months
Sweden	87.3	93.0	159.2	184.8	327.3	301.7
Finland	83.3	69.0	158.1	143.1	248.6	263.6
CEE	-1.2	2.1	1.2	4.6	9.7	6.3
Parent company and consolidated items	-7.3	-6.6	-13.3	-8.0	-33.7	-39.0
Group	**162.1**	**157.5**	**305.2**	**324.5**	**551.9**	**532.6**

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

Definitions of key data

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

[1] The definition was 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.