BE Group AB (publ)

Interim Report January-June 2007

BE Group reports rising sales and profit

THE SECOND QUARTER

- BE Group is reporting increased sales and profits in the wake of robust demand and higher prices. All business areas are demonstrating strong growth and improved EBITA.1)
- Net sales increased by 27.9% to SEK 2,073.4M (corresponding quarter 2006: 1,620.9). Volume growth was 4.3%.
- Operating profit was SEK 170.1M (130.0). Underlying EBITA1) was SEK 157.5M (106.4) and the underlying EBITA margin increased to 7.6% (6.6).
- Higher alloy surcharge on stainless steel has squeezed the margin, but underlying margins excluding the alloy surcharge increased during the quarter.
- Profit after tax was SEK 117.9M (88.4).
- Measured as a percentage of total volume, the service volume has never been higher.

THE FIRST HALF

- Net sales increased by 30.8% in the first half to SEK 4,138.1M (3,162.5) with volume growth of 8.8%.
- Operating profit improved to SEK 343.4M (218.8). Underlying EBITA1) was SEK 324.5M (201.8) and the underlying EBITA margin1) was 7.8% (6.4).
- Profit after tax was SEK 244.1M (151.6).
- Earnings per share after dilution increased to SEK 4.88 (2.89). Underlying earnings per share after dilution1) improved to SEK 4.59 (2.63).

[1] Definitions are provided on pages 18-20.

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 900 employees in ten countries in northern Europe, where Sweden and Finland are its largest markets. The head office is in Malmö, Sweden. Read more about BE Group at www.begroup.com.

Market and business environment

The world market for steel and metals remained buoyant in the first half with high demand from China a key market driver. Following the steady rise throughout 2006, there was a slight increase in commercial steel prices on average during the period. Prices for stainless steel rose in the wake of a steep rise in the price of nickel through the end of May, despite a drop in base prices not including the alloy surcharge, most notably in the second quarter. The strong demand has extended lead-times for shipments from steel producers and the steel processing sector.

Developments in the markets in the Nordic region and Eastern and Central Europe where BE Group operates have tracked international patterns. The favourable trend in the Nordic region was driven primarily by the engineering and construction sectors. Demand was very strong in Sweden and Finland throughout the period and volume increases were sustained. Healthy demand for housing led to strong performance by the Swedish construction sector. The reinforcement steel market was slightly weaker in the second quarter.

Activity was high in all industrial sectors in Finland during the period, particularly engineering, with consequent higher demand for production services.

Solid progress has continued in Eastern and Central Europe in line with the general economic trend in these markets bolstered by considerable investment in infrastructure, although the growth rate has moderated slightly in the Baltic countries.

The Group's average sales price per kg was 22.4% higher in the second quarter compared to the same period in 2006 and 4.8% higher than in the first quarter of 2007. The higher percentage of stainless steel and sharp increases in the alloy surcharge for stainless contributed to the increase in the average sales price. Excluding stainless steel, the sales price per kg rose 2.9% in the second quarter compared to the first.

Outlook

The International Iron and Steel Institute (IISI) announced June that total global steel production had increased in the period of January-May 2007 by 9.1% compared to 2006. The strongest performance was recorded in China. The European market also grew, while there was a slight decline in the US market.

The IISI expects healthy global demand for the full year of 2007, with the strongest growth in China, as well as a substantial increase in total steel consumption compared to 2006. Combined with general expectations for favourable GDP growth and a strong industrial economy in most regions, these factors indicate a sustained strong market in 2007 for the steel industry with high prices for steel and metals.

BE Group is forecasting continued robust demand in the second half of 2007. A favourable trend is expected in the Swedish and Finnish engineering and construction sectors while high growth and substantial investments in infrastructure are still the hallmarks of countries in the New Markets segment. Growth is not expected to be as strong as during the last twelve-month period when the rapid recovery of European economies took place. Market prices for commercial steel should remain relatively high with essentially unchanged prices in the third quarter, while considerably lower price levels are expected for stainless steel including the alloy surcharge, due to falling prices for nickel. In the short term, expectations of a drop in the alloy surcharge may lead some customers to postpone orders for stainless steel materials.

BE Group continued evaluating potential acquisitions and alliances in all Group markets in the most recent quarter. The rate of consolidation in Eastern European markets is expected to accelerate in the future and competition for potential acquisitions has become stiffer in the last six months.

Financial targets

BE Group has five financial targets for operations. 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.

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

Financial targets	Figures	Outcome last 12 months
Underlying sales growth	>5%	11.9%
Underlying EBITA margin	>6%	7.8%
Underlying return on operating capital	>40%	78.3%
Net debt as a percentage of total equity	<150%	96.4%
Net debt/underlying EBITDA	<3 (multiple)	1.1 (multiple)

Second quarter trend

Group

As noted, the already healthy demand in BE Group's markets accelerated during the period and contributed to the increase in net profit for the second quarter compared to the same quarter in 2006. Combined with the high turnover rate for operating capital, this sustained the high underlying return on operating capital.

Consolidated net sales increased by 27.9% to SEK 2,073.4M (1,620.9) as a consequence of stronger demand in all markets and higher prices. All business areas are demonstrating high growth. The rise in net sales is distributed between price and mix changes of 23.6% and volume growth of 4.3%.

The service component of total sales increased slightly compared to the first quarter of 2007 to reach the highest volume percentage ever at 34%. The growth rate is limited by a moderate capacity shortfall, especially in the Finnish operations, but in certain aspects of the Swedish business as well. Investments in new production service facilities are in progress in Finland, aimed at increasing production capacity.

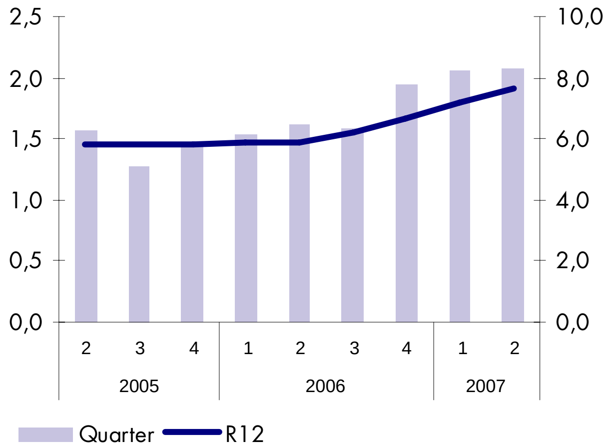
At SEK 12.77 (10.43), the average sales price per kg was higher than in the second quarter of 2006.

Consolidated gross profit rose to SEK 341.4M (279.5). Reported gross profit includes realized inventory gains of SEK 13.1M (11.8) resulting from price increases for steel.

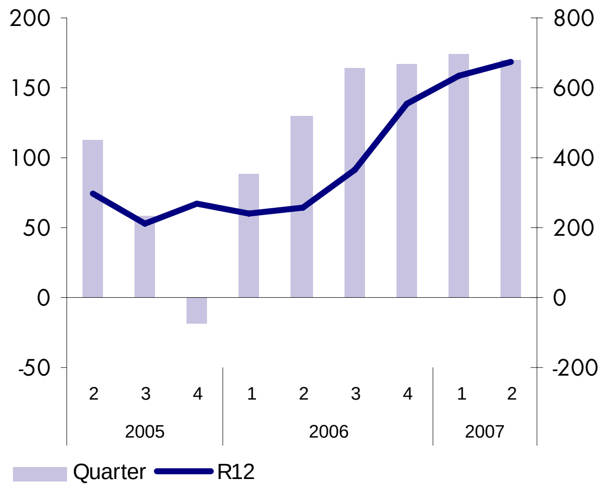
The gross margin declined slightly compared to the corresponding period in 2006 to 16.5% (17.2), mainly due to higher sales of stainless steel. The market price for stainless steel in the Swedish market and for direct sales in the Finnish market consists of a base price for the primary steel product and an alloy surcharge. The surcharge varies depending on the price of nickel and other alloy metals. Prices are set based on the base price and no mark-up is taken on the alloy surcharge, which means that margins decline when the alloy surcharge goes up. Nickel prices, and thus alloy surcharges, rose steeply during the period. Alloy surcharges with no mark-up accounted for approximately SEK 249M (84) or 12.0% (5.2) of total consolidated sales in the second quarter. Price competition was also stiffer in certain segments, primarily stainless steel, but also for thin sheet, for which capacity supply was relatively good during the period. Notably, underlying margins excluding alloy surcharges have increased successively during the year and BE Group generated record-high earnings per tonne in the second quarter.

EBITA strengthened by 30.9% to SEK 170.6M (130.3). Underlying EBITA, adjusted for inventory gains and capital gains on the sale of real estate in 2006, also increased by 48% to SEK 157.5M (106.4).

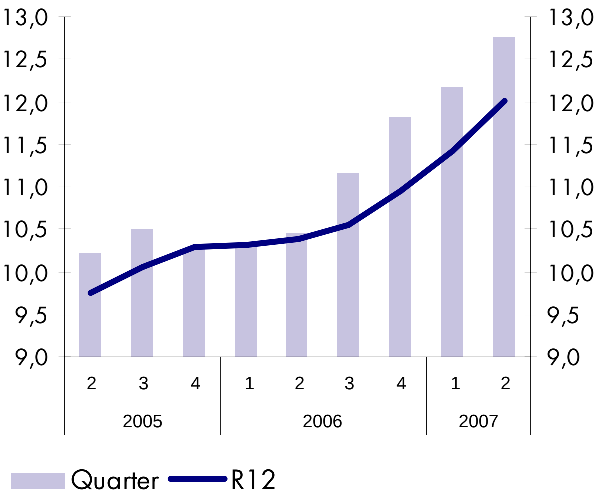
Net sales, SEK Md
Quarter and rolling 12 months



EBITA, SEK m
Quarter and rolling 12 months



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



BE Group is reporting a moderate increase in the EBITA margin to 8.2% (8.0). The underlying EBITA margin was 7.6 % (6.6).

The changes in overhead costs consist primarily of the costs of launching the common brand, building up the organization and other cost increases attributable to the market listing of BE Group.

Changes in profit, second quarter

(SEKM)	April-June
Operating profit 2006	**130.0**
Reversal of amortization of intangible assets	0.3
EBITA 2006	**130.3**
Exceptional items	-12.1
Adjustment for inventory gains or losses	-11.8
Underlying EBITA 2006	**106.4**
Changes in volume, price, mix and gross margin	61.4
Changes in overhead costs etc	-10.3
Underlying EBITA 2007	**157.5**
Adjustment for inventory gains or losses	13.1
EBITA 2007	**170.6**
Less amortization of intangible assets	-0.5
Operating profit 2007	**170.1**

Business areas

Sweden business area

Sweden is reporting sales of SEK 1,119.9M (887.7). The increase of 26.2% is attributable mainly to higher volumes and prices. Costs were lower than in the same period in 2006 due to the favourable impact of restructuring the business, which has been in progress for more than a year and will be completed in summer 2007. Rising demand for processed products has triggered a moderate capacity shortfall.

EBITA rose to SEK 101.6M (68.3). Underlying EBITA increased to SEK 93.0M (59.8). The EBITA margin was 9.1% (7.7) and the underlying EBITA margin reached 8.3% (6.7).

Finland business area

Finland is reporting sales of SEK 819.9M (635.4), an increase of 29.0%. EBITA improved to SEK 72.5M (55.2). Underlying EBITA increased to SEK 69.0M (52.1). The EBITA margin was 8.8% (8.7) and the underlying EBITA margin rose to 8.4% (8.2), mainly due to higher volumes and growing sales of services.

The Finnish market has been defined by surging demand in essentially all industrial sectors. Certain aspects of operations have been affected by capacity shortfalls and long delivery times due to higher demand for processed products. Investments in new production service facilities are in progress aimed at improving production capacity.

New Markets business area

Volumes continued to rise in New Markets, which comprises Denmark, Eastern Europe and Central Europe. Sales increased by 27.3% to SEK 187.9M (147.6). Demand for BE Group's products strengthened, particularly in Poland, Slovakia and Denmark, while the trend in the Baltic countries moderated slightly. Profitability has been prioritized over volume, resulting in slightly lower sales growth compared to earlier periods. The service component of sales continued rising on the strength of investments in production service

EBITA declined to SEK 3.2M (12.3). Adjusted for the capital gain of SEK 13.7M on real estate sold in 2006 in Estonia and Lithuania, EBITA was negative in New Markets for the second quarter of 2006, at SEK 1.4M. Underlying EBITA rose to SEK 2.1M (negative: 1.6). The EBITA margin declined to 1.7% (8.3), while the underlying EBITA margin improved to 1.1% (negative).

Net financial items and tax

The Group is reporting net finance expense for the second quarter of SEK 7.9M (expense: 7.8) including net interest expense of SEK 7.2M (expense: 7.8). Net interest-bearing liabilities during the quarter averaged SEK 637.0M.

Tax expense for the quarter was SEK 44.3M (33.8). The increase is attributable to improved quarterly profits. Profit after tax was higher than in the second quarter of 2006 at SEK 117.9M (88.4). Earnings per share before dilution were SEK 2.36 (1.77). There is no dilution, as the company had no outstanding warrants or convertible loans as of balance day. Underlying earnings per share after dilution were SEK 2.17 (1.34).

Cash flow

BE Group had negative cash flow of SEK 151.9M (51.7) in the second quarter. The change was attributable mainly to the dividend distributed to shareholders of SEK 175.0M.

Cash flow from operating activities declined to SEK 36.6M (80.5). The decrease was due to that higher profits were offset by higher tax paid and increased working capital. The increase in working capital is seasonal, but also related to higher prices.

Cash flow from investing activities was negative at SEK 13.3M (negative: 21.6) primarily due to capital expenditure in tangible assets of SEK 13.2M (21.0).

Cash flow from financing activities was negative at SEK 175.2M (negative: 7.2), mainly due to the distributed dividend.

Trend for the half-year period

Group

As previously explained, the strong demand in BE Group's markets was reinforced during the period and the first half of the year was the best ever for BE Group.

Consolidated net sales increased by 30.8% to SEK 4,138.1M (3,162.5) on the strength of increased volumes and higher prices. There was greater price competition in certain segments, primarily stainless steel, but also for thin sheet, for which capacity supply was relatively good during the period. Service volume increased in relation to the comparison period and has never been higher. The increase in net sales is mainly distributed between price and mix changes of 22.5 % and volume growth of 8.8%. Currency effects reduced net sales by 0.5 %.

At SEK 12.47 (10.38), the average sales price per kg was higher than in the comparison period.

Consolidated gross profit increased to SEK 674.9M (523.0). Reported gross profit includes realized inventory gains of SEK 19.8M (5.6) resulting from increases in steel prices. The gross margin was 16.3%, slightly below the figure for the corresponding period in 2006 (16.5).

The alloy surcharge for stainless steel rose steeply during the period and resulted in lower margins in the second quarter than in the first. The alloy surcharge with no mark-up amounted to approximately SEK 290M of the consolidated sales increase of SEK 975.6M, compared to the same period in 2006. As explained on page 3, the gross margin was adversely affected by the higher percentage of sales of stainless steel because no mark-up is taken on the alloy surcharge for a large portion of these sales. Alloy surcharges with no mark-up accounted for SEK 448.1M or 10.8% of total sales for the half-year period.

EBITA increased to SEK 344.3M (219.5) and, adjusted for inventory gains, underlying EBITA also increased sharply to SEK 324.5M (201.8).

There was a significant increase in the EBITA margin to 8.3% (6.9). The underlying EBITA margin also rose to 7.8% (6.4).

EBITA was constrained by higher transport costs due to higher volumes. Other selling and administrative expenses were higher during the interim period than in the comparison period, primarily due to the costs of organizational build-up, creating a common brand and cost increases resulting from the market listing of BE Group.

Changes in profit, first half

(SEKM)	Jan-June
Operating profit 2006	**218.8**
Reversal of amortization of intangible assets	0.7
EBITA 2006	**219.5**
Exceptional items	-12.1
Adjustment for inventory gains or losses	-5.6
Underlying EBITA 2006	**201.8**
Changes in volume, price, mix and gross margin	140.1
Changes in overhead costs etc	-17.4
Underlying EBITA 2007	**324.5**
Adjustment for inventory gains or losses	19.8
EBITA 2007	**344.3**
Less amortization of intangible assets	-0.9
Operating profit 2007	**343.4**

Business areas

Sweden business area

Sweden is reporting sales of SEK 2,244.2M (1,717.6). The increase of 30.7% is due mainly to higher volumes and prices.

EBITA increased to SEK 196.5M (118.1). Underlying EBITA increased to SEK 184.8M (114.1). The EBITA margin was 8.8% (6.9) and the underlying EBITA margin reached 8.2% (6.6).

Finland business area

Finland is reporting sales of SEK 1,631.4M (1,252.9), an increase of 30.2 %. EBITA rose to SEK 148.4M (99.9). Underlying EBITA increased to SEK 143.1M (98.4). The EBITA margin was 9.1% (8.0) and the underlying EBITA margin improved to 8.8% (7.9), primarily on the strength of higher volumes and continued high sales of services.

Investments in new production service facilities are in progress and a decision was made during the period to invest an additional SEK 3.1M in production equipment at the Åbo site.

New Markets business area

New Markets, which comprises Denmark, Eastern Europe and Central Europe, is reporting sustained high volume growth. Sales increased by 30.5% to SEK 377.0M (288.8).

EBITA declined to SEK 7.3M (15.6) primarily due to the sale of real estate in Estonia and Lithuania in 2006 with a capital gain of SEK 13.7M. Underlying EBITA rose to SEK 4.6M (1.8). The EBITA margin declined to 1.9% (5.4) and the underlying EBITA margin rose to 1.2% (0.6). Net profits were reduced by a one-time correction in the Danish operations of SEK 2.1M. The business trend has been otherwise favourable, despite fiercer competition, and the EBITA margin was 2.5% adjusted for the one-time correction.

Net financial items and tax

The Group is reporting net finance expense for the first half of the year of SEK 8.6M (expense: 10.0). The favourable trend for net financial items is mainly due to exchange rate gains on loans in the amount of SEK 4.8M. Net interest expense was SEK 13.4M (expense: 15.6). Net interest-bearing liabilities during the period averaged SEK 610.2M.

Tax expense for the period was SEK 90.7M (expense: 57.2). The increase is attributable mainly to higher profits during the period. Profit after tax was substantially higher than for the first half of 2006 and amounted to SEK 244.1M (151.6). Earnings per share before dilution were SEK 4.88 (3.04). There was no dilution, as the company had no outstanding warrants or convertible loans as of balance day. Underlying earnings per share after dilution were SEK 4.59 (2.63).

Cash flow

BE Group is reporting negative cash flow of SEK 150.2M (2.1) for the first half of 2007, a decline compared to the same period in 2006. The change is attributable mainly to the distributed dividend of SEK 175.0M.

Cash flow from operating activities was SEK 44.6M (6.6). The increase is related primarily to the improvement in profit. This was mainly offset by the increase in working capital, which reduced cash flow by SEK 219.4M (negative: 174.6).The increase in working capital is seasonal, but is also a consequence of higher prices.

Cash flow from investing activities was negative at SEK 19.4M (negative: 28.9) due to capital expenditure in tangible assets.

Cash flow from financing activities was negative at SEK 175.4M (24.4). The distributed dividend of SEK 175M is included in cash flow for the period.

Capital, investments and return

BE Group had working capital of SEK 765.1M (571.4) at the end of the period. Higher sales increased trade receivables by SEK 185.8M while inventory increased by SEK 397.3. The increase is due to a slight decline in the inventory turnover rate and price increases. The increases in trade receivables and inventories were offset by an increase in trade payables of SEK 283.9M and an increase in other operating liabilities of SEK 68.9M.

Capital tied-up continued to decline despite the increase in working capital and amounted to 8.0% (8.1) 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 20.5M (26,0). The capital expenditure is related primarily to investments during the final phase of restructuring the Swedish business, investments in new production equipment in Finland and reinvestments.

Return on operating capital (excluding intangible assets) improved to 86.5% (71.5) due to the improved margin and a sustained high turnover rate for operating capital.

Financial position and liquidity

Consolidated cash and cash equivalents at the end of the period totalled SEK 143.1M (202.0). The Group also had unutilized credit facilities of SEK 199.7M and unutilized credit facilities of SEK 500M earmarked for acquisitions.

Consolidated net interest-bearing liabilities were SEK 711.0M (106.6) at the end of the period and SEK 556.4M on December 31, 2006. The sharp increase in relation to the corresponding period in 2006 is attributable to the dividend of SEK 680M distributed in September 2006, which was financed with new loans. The new loans were part of the revamped financing agreement for the Group which was entered into in late September 2006. Total loan facilities amount to SEK 1,537M.

Net debt/underlying EBITDA for the preceding 12 months was a multiple of 1.1 as of June 30, unchanged compared to December 31, 2006.

Consolidated equity as of June 30 was SEK 737.9M (1,111.2) while the net debt/equity ratio was 96.4% (9.6), an increase of 12.6 percentage points since the beginning of the year.

Organization, structure and employees

The restructuring of operations in Sweden commenced in 2005 continued during the period and the move of production and warehousing will be completed in summer 2007. Measures already implemented have had a positive impact on the operation’s costs during the period compared to the first half of 2006.

BE Group opened a representation office in Shanghai during the period, whose objectives are to establish networks and monitor the Asian steel market. The new representation office will be involved in purchasing from China and Southeast Asia, building up a supplier network and monitoring trends in the Chinese and Southeast Asian steel markets.

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 of SEK 12.6M (2.8) for the period, which consist entirely of internal Group services. The parent company is reporting an operating loss of SEK 9.8M (loss:18.8) and net finance expense of SEK 17.1M (expense: 2.0). The loss before tax was SEK 26.9M (loss: 20.8) and the loss after tax was SEK 19.4M (loss: 15.0).

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 14.5M (3.9).

Common name and brand in all markets

BE Group changed the names of all subsidiaries and launched a common brand for the entire Group during the period. The former Bröderna Edstrand in Sweden, Starckjohann Steel in Finland and eight subsidiaries in Eastern Europe, Central Europe and Denmark are now operating under the common name of BE Group. In order to accentuate the Group's new focus on enhanced service and service content, the BE Group logo has also been redesigned and given a more modern, softer look. Reactions to the changes, which will be fully implemented by September 2007, have been enthusiastic.

Annual general meeting

Carl-Erik Ridderstråle (chairman), Cecilia Edström, Joakim Karlsson, Lars Olof Nilsson and Lars Spongberg were re-elected to the Board of Directors and Roger Bergqvist was elected for the first time at the annual general meeting of shareholders in BE Group AB held May 15.

The registered auditing firm of KPMG Bohlins AB was reappointed as the company's independent auditor for a term of four years. Alf Svensson, authorized public accountant, is the principal auditor.

The AGM also passed the Board's proposals concerning remuneration to the Board of Directors, the Audit Committee, the Remuneration Committee and the auditors.

In accordance with the Board's proposal, the AGM resolved to declare a dividend of SEK 3.50 per share.

In accordance with the Nominating Committee's proposal, the AGM adopted new principles for appointing the Nominating Committee. 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 2007") 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 also resolved to authorize the Board to decide, on one or more occasions prior to the 2008 AGM, to acquire and transfer a maximum of 332,500 shares of the company's own stock. To enable provision of the aforementioned Matching Shares, the AGM finally resolved to transfer a maximum of 250,000 shares in BE Group AB.

Following the AGM, 26 out of 30 key management personnel accepted the invitation to participate in Share Savings Scheme 2007. SEK 0.2M was charged against profit in the second quarter in connection to the Share Savings Scheme. For further disclosures about the Share Savings Scheme, please refer to the information about the annual general meeting on the BE Group website.

Significant risks and uncertainty factors

BE Group is exposed to business and financial risks in ongoing operations. Movements in steel prices, exchange rates and interest rates are risk factors which affect the Group's financial performance and cash flow. BE Group is also exposed to refinancing and liquidity 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.

Related party transactions

Prior to the initial public offering on November 24, 2006 the Group was under the controlling influence of Nordic Capital, which owned 85.36% of the parent company, BE Group Holding AB. As of June 30, 2007, BE Group Holding AB owned 20.6% of issued capital in BE Group AB (publ). As of June 30, 2007, there were no transactions between the Group and BE Group Holding AB.

Transactions between the parent company and related parties are disclosed in Note 2 (page 15).

Significant events after the end of the period

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

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 related to net assets in Finland.

Previously published annual reports and interim reports up to mid-year 2006 were prepared in compliance with the Swedish Annual Accounts Act and the general recommendations of the Swedish Accounting Standards Board. When the IPO prospectus was prepared, historical financial information for comparison periods was restated in compliance with IFRS.

Future reporting dates

BE Group AB (publ) plans to publish financial information concerning the 2007 financial year on the following dates:

- Interim report January-September: October 26, 2007
- Year-end report 2007: February 2008

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 18, 2007
BE Group AB (publ)

Carl-Erik Ridderstråle *Chairman*	**Roger Bergqvist**	**Cecilia Edström**	**Joakim Karlsson**
Lars Olof Nilsson	**Lars Spongberg**	**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 interim report is that which BE Group AB (publ) is required to disclose under the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. It was released for publication at 1 PM on July 18, 2007.

Questions concerning this report may be directed to:

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Condensed consolidated income statement

(SEKM)	Note	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Net sales		2,073.4	1,620.9	4,138.1	3,162.5	6,681.2	7,656.8
Cost of goods sold		-1,732.0	-1,341.4	-3,463.2	-2,639.5	-5,508.4	-6,332.1
Gross profit		**341.4**	**279.5**	**674.9**	**523.0**	**1,172.8**	**1,324.7**
Selling expenses		-131.2	-116.4	-255.8	-233.0	-470.9	-493.7
Administrative expenses		-40.8	-43.8	-73.4	-80.9	-172.5	-165.0
Other operating revenue and expenses	1	0.7	10.7	-2.3	9.7	20.8	8.8
Operating profit		**170.1**	**130.0**	**343.4**	**218.8**	**550.2**	**674.8**
Financial items		-7.9	-7.8	-8.6	-10.0	-11.2	-9.8
Profit before tax		**162.2**	**122.2**	**334.8**	**208.8**	**539.0**	**665.0**
Tax		-44.3	-33.8	-90.7	-57.2	-144.3	-177.8
Profit for the period		**117.9**	**88.4**	**244.1**	**151.6**	**394.7**	**487.2**
Amortization of intangible assets		0.5	0.3	0.9	0.7	1.7	1.9
Depreciation of tangible assets		10.2	10.5	19.2	20.8	45.6	44.0
Earnings per share *)		2.36	1.77	4.88	3.04	7.90	9.75
Earnings per share after dilution **)		2.36	1.69	4.88	2.89	7.60	9.51

*) 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 on September 26, 2006.

**) 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 on September 26, 2006.

Note 1 Other operating revenue and expenses

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Preparatory expenses for IPO	-	-1.6	-	-1.6	-8.2	-6.6
Capital gain on sale of properties	-	13.7	-	13.7	29.6	15.9
Total exceptional items	**-**	**12.1**	**-**	**12.1**	**21.4**	**9.3**
Other	0.7	-1.4	-2.3	-2.4	-0.6	-0.5
Total other operating revenue and expenses	**0.7**	**10.7**	**-2.3**	**9.7**	**20.8**	**8.8**

Condensed consolidated balance sheet

(SEKM)	2007 30 June	2006 30 June	2006 31 Dec
Goodwill	542.1	542.0	540.2
Other intangible assets	5.2	4.6	5.5
Tangible assets	229.0	216.3	226.1
Financial assets	1.9	1.9	1.9
Deferred tax assets	1.9	-	1.5
Total fixed assets	**780.1**	**764.8**	**775.2**
Inventories	1,122.1	724.8	912.1
Trade receivables	1,025.4	839.6	844.1
Other operating receivables	49.6	86.2	55.3
Cash and cash equivalents	143.1	202.0	289.3
Assets held for sale	-	7.6	-
Total current receivables	**2,340.2**	**1,860.2**	**2,100.8**
Total assets	**3,120.3**	**2,625.0**	**2,876.0**
Equity	**737.9**	**1,111.2**	**664.2**
Long-term interest-bearing liabilities to parent company	-	298.4	-
Long-term interest-bearing liabilities, other	842.9	18.7	834.6
Provisions	1.5	16.9	1.3
Deferred tax liability	72.6	54.2	64.7
Total long-term liabilities	**917.0**	**388.2**	**900.6**
Current interest-bearing liabilities	13.1	1.0	13.0
Trade payables	1,078.5	794.6	948.8
Other current liabilities	353.5	284.6	313.1
Other current provisions	20.3	45.4	36.3
Total current liabilities	**1,465.4**	**1,125.6**	**1,311.2**
Total equity and liabilities	**3,120.3**	**2,625.0**	**2,876.0**

Condensed consolidated cash flow statement

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Profit before tax	162.2	122.2	334.8	208.8	539.0	665.0
Adjustment for non-cash items	4.7	-3.7	-1.1	2.7	-14.0	-17.8
Income tax paid	-51.0	16.5	-69.7	-30.3	-57.5	-96.9
Change in working capital	-79.3	-54.5	-219.4	-174.6	-231.9	276.7
Cash flow from operating activities	**36.6**	**80.5**	**44.6**	**6.6**	**235.6**	**273.6**
Capital expenditure in tangible assets	-13.2	-21.0	-20.5	-26.0	-68.1	-62.6
Other cash flow from investing activities	-0.1	-0.6	1.1	-2.9	51.8	55.9
Cash flow from investing activities	**-13.3**	**-21.6**	**-19.4**	**-28.9**	**-16.3**	**-6.7**
Cash flow from financing activities	**-175.2**	**-7.2**	**-175.4**	**24.4**	**-126.9**	**-326.7**
Cash flow for the period	**-151.9**	**51.7**	**-150.2**	**2.1**	**92.4**	**-59.8**
Exchange rate difference in cash and cash equivalents	-0.1	-2.1	4.0	-2.0	-5.1	0.9
Change in cash and cash equivalents	**-152.0**	**49.6**	**-146.2**	**0.1**	**87.3**	**-58.9**

Condensed statement of changes in equity

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Equity at beginning of period	**796.1**	**1,032.0**	**664.2**	**970.9**	**970.9**	**1,111.2**
Effect of changed accounting principles	-	-	-	-	-	-
Adjusted equity at beginning of period	**796.1**	**1,032.0**	**664.2**	**970.9**	**970.9**	**1,111.2**
Translation differences	-3.7	-9.2	10.1	-11.3	-21.6	-0.2
Hedging of net investments after tax	2.5	-	-5.6	-	-	-5.6
Share Savings Scheme	0.1	-	0.1	-	-	0.1
Total equity after changes in assets value reported directly in equity, excluding transactions with the company's owners	**795.0**	**1,022.8**	**668.8**	**959.6**	**949.3**	**1,105.5**
Net profit for the period	117.9	88.4	244.1	151.6	394.7	487.2
Total equity after changes in net asset value excluding transactions with the company's owners	**912.9**	**1,111.2**	**912.9**	**1,111.2**	**1,344.0**	**1,592.7**
Dividend	-175.0	-	-175.0	-	-680.0	-855.0
New share issue	-	-	-	-	0.2	0.2
Equity at end of period	**737.9**	**1,111.2**	**737.9**	**1,111.2**	**664.2**	**737.9**

Segment reporting

Net sales per segment[1]

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Sweden	1,119.9	887.7	2,244.2	1,717.6	3,632.6	4,159.2
Finland	819.9	635.4	1,631.4	1,252.9	2,639.8	3,018.3
New Markets	187.9	147.6	377.0	288.8	627.1	715.3
Parent company and consolidated items	-54.3	-49.8	-114.5	-96.8	-218.3	-236.0
Group	**2,073.4**	**1,620.9**	**4,138.1**	**3,162.5**	**6,681.2**	**7,656.8**

EBITA per segment

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Sweden	101.6	68.3	196.5	118.1	287.9	366.3
Finland	72.5	55.2	148.4	99.9	263.1	311.6
New Markets	3.2	12.3	7.3	15.6	41.2	33.0
Parent company and consolidated items	-6.7	-5.5	-7.9	-14.1	-40.3	-34.2
Group	**170.6**	**130.3**	**344.3**	**219.5**	**551.9**	**676.7**

Depreciation per segment

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Sweden	5.0	4.9	8.8	9.9	24.7	23.6
Finland	4.8	4.8	9.6	9.6	19.0	19.0
New Markets	0.8	1.0	1.6	1.9	3.5	3.3
Parent company and consolidated items	-	0.1	-	0.1	0.1	-
Group	**10.6**	**10.8**	**20.0**	**21.5**	**47.3**	**45.9**

Capital expenditure per segment

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Sweden	7.7	12.8	12.6	15.4	41.9	39.0
Finland	4.4	5.1	6.8	7.4	20.6	20.0
New Markets	1.1	4.4	1.8	5.1	8.6	5.4
Parent company and consolidated items	-	-	-	-	0.2	0.2
Group	**13.2**	**22.3**	**21.2**	**27.9**	**71.3**	**64.6**

[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)	Not	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Net sales		6.3	1.4	12.6	2.8	5.6	15.3
Administrative expenses		-14.5	-11.6	-22.4	-20.0	-50.0	-52.4
Other operating revenue and expenses	1	-	-1.6	-	-1.6	-8.3	-6.7
Operating profit		**-8.2**	**-11.8**	**-9.8**	**-18.8**	**-52.7**	**-43.8**
Financial items		-3.6	-2.2	-17.1	-2.0	408.9	393.9
Profit before tax		**-11.8**	**-14.0**	**-26.9**	**-20.8**	**356.2**	**350.1**
Tax		3.3	3.9	7.5	5.8	15.9	17.5
Profit for the period		**-8.5**	**-10.1**	**-19.4**	**-15.0**	**372.1**	**367.6**

Note 1 Other operating revenue and expenses

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Preparatory expenses for IPO	-	-1.6	-	-1.6	-8.2	-6.6
Total exceptional items	**-**	**-1.6**	**-**	**-1.6**	**-8.2**	**-6.6**
Other	-	-	-	-	-0.1	-0.1
Total other operating revenue and expenses	**-**	**-1.6**	**-**	**-1.6**	**-8.3**	**-6.7**

Condensed parent company balance sheet

(SEKM)	2007 30 June	2006 30 June	2006 31 Dec
Tangible assets	0.3	0.2	0.3
Financial assets	1,039.5	1,031.3	1,039.5
Deferred tax assets	16.6	2.6	11.5
Total fixed assets	**1,056.4**	**1,034.1**	**1,051.3**
Current interest-bearing receivables, group companies	169.4	60.7	33.2
Receivables, group companies	21.6	1.0	374.0
Other operating receivables	15.5	37.9	5.8
Cash and cash equivalents	14.5	3.9	5.5
Total current assets	**221.0**	**103.5**	**418.5**
Total assets	**1,277.4**	**1,137.6**	**1,469.8**
Equity	**398.5**	**766.9**	**592.8**
Long-term interest-bearing liabilities, other	825.3	-	816.6
Total long-term liabilities	**825.3**	**-**	**816.6**
Current interest-bearing liabilities	11.9	-	11.9
Current interest-bearing liabilities, group companies	23.2	311.3	21.7
Trade payables	3.7	1.1	3.6
Liabilities to group companies	3.0	49.7	4.2
Other current liabilities	11.8	8.6	19.0
Total current liabilities	**53.6**	**370.7**	**60.4**
Total equity and liabilities	**1,277.4**	**1,137.6**	**1,469.8**

Note 2 Transactions with related parties

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
Subsidiaries	2007 Jan-June	12.6	-1.8	7.0	-4.7	-	207.6	26.2
	2006 Jan-June	2.8	-1.1	0.9	-0.9	-	64.3	360.9

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)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Earnings measurement						
EBITA	170.6	130.3	344.3	219.5	551.9	676.7
Margin measurements						
Gross margin	16.5%	17.2%	16.3%	16.5%	17.6%	17.3%
EBITA margin	8.2%	8.0%	8.3%	6.9%	8.3%	8.8%
Operating margin	8.2%	8.0%	8.3%	6.9%	8.2%	8.8%
Capital structure						
Net debt	711.0	106.6	711.0	106.6	556.4	711.0
Net debt/equity ratio	96.4%	9.6%	96.4%	9.6%	83.8%	96.4%
Working capital (average)	722.5	560.3	664.9	509.9	546.9	644.3
Operating capital (average)	1,404.1	1,208.7	1,342.9	1,159.6	1,199.7	1,309.1
Operating capital (excluding intangible assets) (average)	856.2	663.3	795.8	614.0	653.6	761.9
Working capital tied-up	8.7%	8.6%	8.0%	8.1%	8.2%	8.4%
Return						
Return on operating capital (%)	48.5%	43.0%	51.1%	37.7%	45.9%	51.5%
Return on operating capital (excluding intangible assets) (%)	79.7%	78.6%	86.5%	71.5%	84.4%	88.8%
Return on equity (%)	61.5%	33.0%	66.6%	29.2%	45.6%	63.1%
Per share data						
Earnings per share (SEK)	2.36	1.77	4.88	3.04	7.90	9.75
Earnings per share after dilution (SEK)	2.36	1.69	4.88	2.89	7.60	9.51
Equity per share (SEK)	14.76	22.26	14.76	22.26	13.28	14.76
Equity per share after dilution (SEK)	14.76	21.65	14.76	21.65	13.28	14.76
Cash flow from operating activities per share (SEK)	0.73	1.61	0.89	0.13	4.72	5.47
Shares outstanding at period end (thousands)	50,000	49,926	50,000	49,926	50,000	50,000
Shares outstanding at period end after dilution (thousands)	50,000	52,464	50,000	52,464	50,000	50,000
Average number of shares (thousands)	50,000	49,926	50,000	49,926	49,946	49,982
Average number of shares after dilution (thousands)	50,000	52,464	50,000	52,464	51,912	51,223
Other						
Average number of employees	932	926	933	916	926	937

Supplementary disclosures

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Growth						
Sales growth	27.9%	3.0%	30.8%	3.8%	15.4%	29.7%
- organic volume growth	4.3%	1.0%	8.8%	2.2%	8.5%	11.9%
- price changes	23.6%	1.4%	22.5%	0.5%	7.0%	18.6%
- currency effects	-	0.6%	-0.5%	1.1%	-0.1%	-0.9%
- acquisitions	-	-	-	-	-	-
Adjusted earnings measurements						
Underlying EBITA	157.5	106.4	324.5	201.8	473.7	596.5
Adjusted margin measurements						
Underlying gross margin	15.8%	16.5%	15.8%	16.4%	16.7%	16.4%
Underlying EBITA margin	7.6%	6.6%	7.8%	6.4%	7.1%	7.8%
Adjusted return						
Underlying return on operating capital (excluding intangible assets)	73.6%	64.2%	81.6%	65.7%	72.5%	78.3%
Adjusted data per share						
Underlying earnings per share (SEK)	2.17	1.41	4.59	2.76	6.72	8.55
Underlying earnings per share after dilution (SEK)	2.17	1.34	4.59	2.63	6.46	8.34
Adjusted capital structure						
Net debt/underlying EBITDA (multiple)	1.1	0.2	1.0	0.2	1.1	1.1
Other						
Inventory gains and losses	13.1	11.8	19.8	5.6	56.8	70.9
Shipped volume (thousands of tonnes)	162.3	155.4	331.8	304.8	610.2	637.3
Average sales prices (SEK/kg)	12.77	10.43	12.47	10.38	10.95	12.01

Underlying EBITA per segment[1]

(SEKM)	2007 April-June	2006 April-June	2007 Jan-June	2006 Jan-June	2006 Full year	Rolling 12 months
Sweden	93.0	59.8	184.8	114.1	264.4	335.1
Finland	69.0	52.1	143.1	98.4	238.4	283.1
New Markets[2]	2.1	-1.6	4.6	1.8	3.2	6.0
Parent company and consolidated items	-6.6	-3.9	-8.0	-12.5	-32.3	-27.7
Group	**157.5**	**106.4**	**324.5**	**201.8**	**473.7**	**596.5**

[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 for which the goods sold were valued at replacement cost. The company's internal model is used to calculate inventory gains and losses.

[2] Group principles for calculating inventory gains and losses were implemented for New Markets in the third quarter of 2006. The effect in earlier quarters has been assessed as immaterial.

Definitions of key data

Earnings measurements	
EBITA	Earnings before interest, taxes and amortization.
Margin measurements	
Gross margin	Gross profit as a percentage of net sales.
EBITA margin	EBITA (operating profit before amortization of intangible assets) as a percentage of net sales.
Operating margin	Operating profit as a percentage of net sales.
Capital structure	
Net debt	Interest-bearing liabilities less cash and cash equivalents and financial assets
Net debt/equity ratio	Net debt divided by shareholders' equity
Working capital	Inventories, trade receivables and other current receivables less trade payables and other current liabilities. The measure is an average for the period based on quarterly data.
Operating capital	Tangible assets, goodwill and other intangible assets, deferred tax assets 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.
Operating capital (excluding intangible assets)	Operating capital less goodwill and other intangible assets. The measure is an average for the period based on quarterly data.
Working capital tied-up	Annualized average working capital as a percentage of net sales.
Return	
Return on operating capital	Annualized operating profit as a percentage of average operating capital.
Return on operating capital (excluding intangible assets) (%)	Annualized EBITA as a percentage of average operating capital (excluding intangible assets).
Return on equity	Annualized net profit as a percentage of average equity.
Per share data	
Earnings per share	Net profit for the period divided by average shares outstanding during the period.
Earnings per share after dilution	Net profit for the period divided by average shares outstanding after dilution during the period.
Equity per share	Shareholders' equity divided by shares outstanding at the end of the period.
Equity per share after dilution	Shareholders' equity divided by shares outstanding after dilution at the end of the period.
Cash flow from operating activities per share	Cash flow from operating activities divided by average shares outstanding during the period.

DEFINITIONS OF KEY DATA, CONT.

Shares outstanding at end of period	The number of shares in the company at the end of the period adjusted for share issues and share splits.
Shares outstanding at end of period after dilution	The number shares in the company at the end of the period adjusted for share issues and share splits. Possible dilution is taken into account.
Average shares outstanding	The weighted average number of shares in the company during the period adjusted for share issues and share splits.
Average shares outstanding after dilution	The weighted average number of shares in the company during the period adjusted for share issues and share splits. Possible dilution is taken into account.
Other	
Average number of employees	The number of employees in the Group during the reporting period. New employees, part-time employees and paid overtime are restated as full-time equivalents. The number of employees is an average for the period.

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 price, currency effects, acquisitions and disposals.
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.

DEFINITIONS OF KEY DATA, CONT.

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.
Shipped volume	The weight of BE Group's products sold during the period in thousands of tonnes.
Average sales price	Net sales divided by shipped volume.