



BE GROUP

BE Group AB (publ)

Year-end report 2011

Malmö, February 7, 2012

FOURTH QUARTER 2011

- Net sales rose by 2 percent compared with the year-earlier period, amounting to SEK 1,405 M (1,383). Shipped tonnage rose by 5 percent.
- The operating result weakened to a loss of SEK 19 M (8) as a consequence of inventory losses of SEK 26 M (15) and non-recurring items amounting to a net negative SEK 11 M. The underlying operating result¹⁾ improved to SEK 18 M (7).
- Cash flow was substantially improved through the reduction of working capital.
- The loss after tax was SEK 37 M (18).
- Earnings per share²⁾ amounted to a loss of SEK 0.74 (0.37).
- During the quarter, a decision was made to implement measures that will entail annual cost savings in the region of SEK 50 M.

FULL-YEAR 2011

- Net sales amounted to SEK 5,941 M (5,129), which represents an increase of 16 percent. Shipped tonnage rose by 12 percent.
- The operating result amounted to SEK 96 M (98) and the underlying operating result¹⁾ improved to SEK 131 M (75).
- Profit after tax was SEK 20 M (29).
- Earnings per share²⁾ amounted to SEK 0.41 (0.58).
- The Board of Directors proposes that a dividend of SEK 0.25 per share (-) be paid to shareholders.

¹⁾ Operating result (EBIT) before non-recurring items, adjusted for inventory gains and losses.

²⁾ Earnings per share are both before and after dilution.

BE Group, listed on the NASDAQ OMX Stockholm exchange, is a trading and service company in steel and other metals. BE Group provides various forms of service for steel, stainless steel and aluminium applications to customers primarily in the construction and engineering sectors. In 2011, the Group reported sales of SEK 5.9 Bn. BE Group has slightly more than 900 employees in ten countries, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.

Market and business environment

During the fourth quarter the market situation was characterized by several steel producers cutting back production to meet current demand.

Compared with the situation a few years ago, the general market climate is pervaded by increased short-sightedness in the pricing of steel at all levels in the value chain.

Overall, BE Group's demand measured in tonnes developed positively in relation to the preceding year and was at largely the same level as in the third quarter. Shipped tonnage was affected favorably by inventory clearances in the Czech Republic.

Areas of strategic focus

BE Group works to increase the proportion of production services in our customer offering in the long-term. A particular priority is to increase sales to customers with operations in several of the Group's markets. A new production service center in Trebaczew, Poland entered operation in the beginning of 2012. In Finland, an additional extension of the Lapua facility is in progress and the new production facility for Lecor Ståltechnik in Kungälv, Sweden, was brought into service during the fourth quarter.

In addition, several activities are in progress throughout BE Group to improve business processes and raise the Group's efficiency and thus improve its margins and earnings.

Outlook

Based on signals from customers, we expect stable demand in the first half of 2012, primarily within Business Areas Sweden and CEE. Raised prices among producers are expected to lead to gradually increasing sales prices for BE Group's products.

Developments in the fourth quarter of 2011 Group

Net sales rose by 2 percent compared with the preceding year, amounting to SEK 1,405 M (1,383). The increase is attributable to an increase in tonnage of 5 percentage points and an acquisition effect of 1 percentage point. Price and mix effects impacted net sales negatively by 3 percentage points, while currency effects had a negative impact of 1 percentage point.

The average sales price was 3 percent lower than in the year-earlier period and 1 percent lower than in the third quarter of 2011. The general price trend over the quarter pointed downwards.

Consolidated gross profit amounted to SEK 156 M (169), corresponding to a gross margin of 11.1 percent (12.2). Adjusted for inventory losses, the underlying gross margin amounted to 12.9 percent (13.2) – an

improvement on the immediately preceding quarter.

During the quarter, decisions were made to implement a number of profitability improvement measures. The program involves personnel cutbacks in Sweden, Finland, Poland and the Czech Republic, inventory consolidation and streamlining of the product range in the Czech Republic and the centralization of production services in Poland. In Finland, negotiations have taken place that enable temporary lay-offs in the event of further weakened demand. The total reduction in personnel amounts to approximately 100 employees. The cost for these measures is expected to total SEK 26 M and has been charged against fourth quarter earnings. These measures will entail annual cost savings in the region of SEK 50 M. At the end of the quarter, the savings began to have an impact on the level of overheads, although most of the effects will be generated in the first quarter of 2012.

The operating result weakened to a loss of SEK 19 M (8) as a consequence, among other things, of inventory losses of SEK 26 M (15) and non-recurring items amounting to a negative SEK 11 M (-). Non-recurring items consist of the reversal of a provision of SEK 15 M for a guarantee to a property owner and costs for the ongoing profitability improvement program. Adjusted for inventory gains, the underlying operating result amounted to SEK 18 M (7). The operating margin was a negative 1.4 percent (0.6) and the underlying operating margin was a positive 1.3 percent (0.5).

NET SALES AND EARNINGS TREND IN THE FOURTH QUARTER

(SEK M)

| | |
|---|--------------|
| Net sales 2010 | 1,383 |
| Net sales 2011 | 1,405 |
| Operating result (EBIT) 2010 | -8 |
| Inventory losses | 15 |
| Underlying EBIT 2010 | 7 |
| Tonnage-, price-, mix- and gross margin effects | -1 |
| Changes in overheads, etc. | 12 |
| Underlying EBIT 2011 | 18 |
| Non-recurring items | -11 |
| Inventory losses | -26 |
| Operating result (EBIT) 2011 | -19 |

Sales by sales channel

BE Group's sales are conducted through three channels: inventory sales, service sales and direct sales. Of total net sales for the fourth quarter, ship-

ments from Group facilities accounted for 80 percent (80), which is broken down as follows: inventory sales 51 percentage points (51) and service sales 29 percentage points (29).

Sales trend in commercial steel

Net sales of commercial steel rose 4 percent to SEK 1,029 M (991). In terms of tonnage the increase was 6 percent. Overall, commercial steel accounted for 73 percent (72) of BE Group's net sales.

The sales price fell by 3 percent compared with the third quarter. Compared with the corresponding quarter in 2010, the decrease was 2 percent.

Sales trend in stainless steel

Compared with the year-earlier period, BE Group's sales of stainless steel rose 10 percent and amounted to SEK 234 M (213). Shipped tonnage rose by 17 percent. The proportion of net sales represented by stainless steel increased to 17 percent (15).

As a consequence of lower prices for nickel and other alloy metals, the sales price was 6 percent lower than in the year-earlier period and 7 percent lower than in the third quarter.

Sales by customer segment

In the fourth quarter, OEM customers and their partners accounted for the largest share of sales, 49 percent (54); project customers for 24 percent (22); pre-processing companies for 18 percent (15); and retailers for 9 percent (9).

Business areas

Business area Sweden

For Business Area Sweden, demand remained largely at the level established in the immediately preceding

quarters. A certain seasonal weakening was noted towards the end of the quarter, primarily among customers in the construction sector, while demand from engineering customers was stable. Net sales rose by 5 percent compared with the year-earlier period, amounting to SEK 701 M (668). Shipped tonnage rose by 2 percent and the sales price rose by 2 percent. Compared with the third quarter, the sales price decreased by 3 percent.

Sales from acquired units amounted to SEK 14 M.

The operating result rose to SEK 16 M (11) as a consequence of increased sales combined with lower overheads. Adjusted for inventory losses of SEK 8 M (5) and positive net non-recurring items of SEK 1 M associated with personnel cutbacks and the reversal of provisions, the underlying operating result rose to SEK 23 M (16).

The new production facility for Lecor Stålteknik was brought into operation during the quarter, representing a total investment of SEK 39 M.

In January 2012, CEO Roger Johansson also took on the role of Business Area Manager.

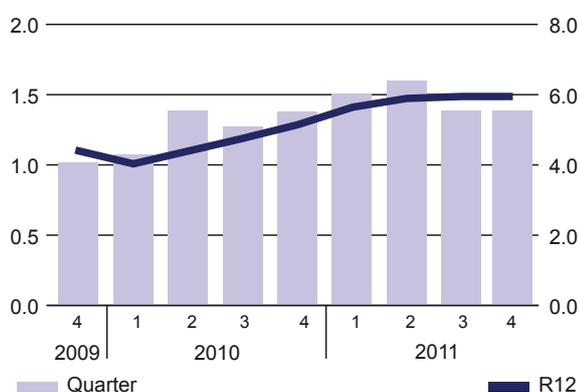
Business Area Finland

In Business Area Finland, demand remained largely at the level established in the third quarter. In the product portfolio, demand for production services from customers in the engineering sector remained stable. Sales and earnings were at the same time affected negatively by price pressure.

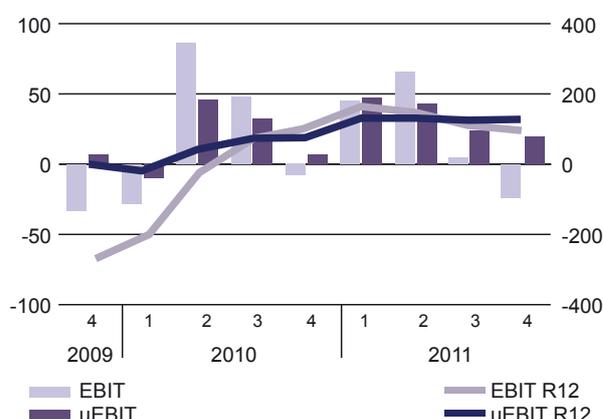
Net sales decreased by 5 percent to SEK 454 M (479). Shipped tonnage decreased by 6 percent. The average sales price in EUR rose by 2 percent compared to the year-earlier period and declined by 3 percent compared with the third quarter.

The operating result fell to SEK 2 M (7) as it was

Net sales, SEK Bn
Quarter and rolling 12 months



Operating result (EBIT), SEK M
Quarter and rolling 12 months



impacted by inventory losses of SEK 12 M (8). Adjusted for the inventory losses and non-recurring costs for personnel cutbacks, the underlying operating result was at the same level as in the preceding year, amounting to SEK 15 M (15).

The proportion of total sales accounted for by production services rose in comparison with the preceding year and amounted to 47 percent (45). The upgraded production equipment in Lahti entered operation during the third quarter. Additional expansion of the facility in Lapua is also in progress. Here the investment totals SEK 20 M and is mainly expected to burden cash flow in the first quarter of 2012. Operations are planned to commence in the spring of 2012. The investment is being made to strengthen BE Group's offering in advanced production service for engineering customers

Business Area CEE

Within the framework of the ongoing program of measures, a number of actions were initiated in the Czech and Polish operations. These measures involve inventory consolidation and streamlining of the product range in the Czech Republic and the centralization of production services in Poland.

Demand in the markets of Central and Eastern Europe has remained at the levels established after the summer. Net sales rose by 9 percent to SEK 280 M (258) as a consequence of an increase in shipped tonnage of 28 percent. The average sales price was 15 percent lower compared to the year-earlier period and 6 percent lower than in the third quarter of 2011. Among other effects, inventory consolidation in the Czech Republic entailed selling off portions of existing product inventories. Overall, this consolidation affected the period's result by SEK 5 M, including non-recurring costs.

The operating loss amounted to SEK 27 M (16) with inventory losses of SEK 6 M (2) and non-recurring costs of SEK 8 M associated with the program of measures contributing to the loss. Adjusted for the inventory losses and non-recurring costs, the underlying operating loss was SEK 13 M (14).

The centralization of production services in Poland entails the establishment of a new production center in Trebaczew. The increased capacity will mainly be used to meet existing demand from international customers. The overall investment in production equipment amounts to SEK 15 M. During 2011, SEK 11 M was invested and the facility was brought into operation in early 2012.

Net financial items and tax

Consolidated net financial items for the fourth quarter amounted to an expense of SEK 17 M (13), of which the net interest expense accounted for SEK 10 M (8). On an annual basis, this corresponds to 4.9 percent (3.6) of interest-bearing net debt. Exchange rate losses affected net financial items negatively by SEK 4 M (1).

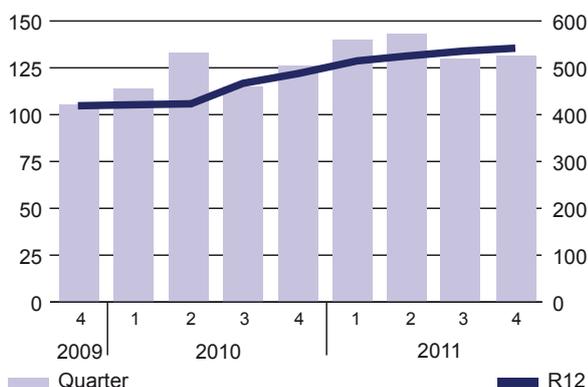
The tax expense for the quarter amounted to SEK 1 M (income 3), equivalent to negative 2 percent (positive 13) of earnings before tax. The tax percentage for the quarter was mainly due to the adjustment of deferred tax receivables related to loss making operations.

Cash flow

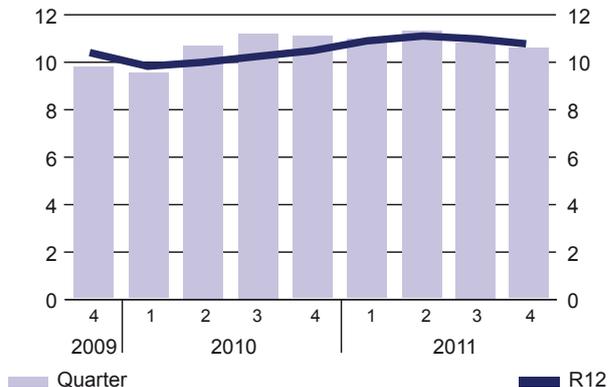
Cash flow before changes in net debt, improved and amounted to SEK 133 M (30). Cash flow from operating activities was SEK 162 M (58). The improvement is primarily attributable to a decrease in working capital.

Cash flow from investing activities was a negative SEK 29 M (28). Cash flow from financing activities was negative in the amount of SEK 6 M (2).

Tonnage, thousands of tonnes
Quarter and rolling 12 months



Average sales price, SEK/kg
Quarter and rolling 12 months



Capital and investments

Consolidated working capital amounted to SEK 430 M (519) at the end of the period. Working capital tied-up improved to 9 percent (10) based on lower average working capital during the quarter.

Of the investments of SEK 28 M (83, of which acquisitions accounted for 68) made during the period, investments in intangible assets represented SEK 12 M (5). These relate to the development of the Group's IT platform. Investments in tangible assets amounted to SEK 16 M (10) and mainly involve production equipment in Sweden, Finland and Poland.

Development over the 2011 full year

Group

Over 2011, the Group's net sales rose by 16 percent to SEK 5,941 M (5,129). The improvement is due to an increase in tonnage of 12 percentage points, positive price and mix effects amounting to 5 percentage points and an acquisition effect of 2 percentage points. Currency effects impacted net sales negatively by 3 percentage points. Price trends were volatile over the year, but compared to the 2010 full year, the average sales price rose by 4 percent.

The operating result amounted to SEK 96 M (98). Adjusted for inventory losses of SEK 20 M (gains 23) and negative net non-recurring items of SEK 15 M (-) the underlying operating result improved to SEK 131 M (75). The improvement in profit is primarily a consequence of increased sales. The operating margin amounted to 1.6 percent (1.9) and the underlying operating margin improved to 2.2 percent (1.5).

NET SALES AND EARNINGS TREND OVER THE 2011 FULL YEAR

(SEK M)

| | |
|---|--------------|
| Net sales 2010 | 5,129 |
| Net sales 2011 | 5,941 |
| Operating result (EBIT) 2010 | 98 |
| Inventory gains | -23 |
| Underlying EBIT 2010 | 75 |
| Tonnage-, price-, mix- and gross margin effects | 76 |
| Changes in overheads, etc. | -20 |
| Underlying EBIT 2011 | 131 |
| Non-recurring items | -15 |
| Inventory losses | -20 |
| Operating result (EBIT) 2011 | 96 |

Business areas

Business area Sweden

Business Area Sweden reported sales of SEK 2,843 M (2,425) – an increase of 17 percent. Shipped tonnage rose by 7 percent. Acquired units accounted for 5 percentage points of the increase in sales. The operating result amounted to SEK 83 M (73) and the underlying operating result to SEK 91 M (56). The improvement in the underlying operating result is attributable to the higher sales.

Net non-recurring items of a negative SEK 3 M (-) consisting of costs for personnel cutbacks and the closure of the Danish operations were charged against the result. These costs, totaling SEK 18 M, are offset by the reversal of a provision of SEK 15 M for a guarantee to a property owner.

The Swedish metal processing group BE Produktion (formerly RTS Produktion), with operations in Eskilstuna, Sweden and Rapla, Estonia, as well as a smaller operation in Romania was acquired in the first quarter. The acquisition strengthens BE Group's production service offering to major engineering customers. The operations were consolidated into BE Group as of the date in February on which BE Group assumed control.

The joint venture ArcelorMittal BE Group SSC is reported in accordance with the equity method, with BE Group's participation in earnings for the year amounting to SEK 6 M (10).

Business Area Finland

Business Area Finland's sales rose by 11 percent to SEK 2,055 M (1,846). Shipped tonnage rose by 8 percent. The operating result improved to SEK 87 M (81) and, adjusted for inventory losses, the underlying operating result improved to SEK 93 M (78).

Service sales as proportion of total sales rose to 47 percent (45).

Business Area CEE

Sales for Business Area CEE rose by 19 percent over the year to SEK 1,167 M (981). Shipped tonnage rose by 22 percent.

The operating loss amounted to SEK 35 M (22) and the underlying operating loss, adjusted for inventory losses of SEK 10 M (gains 3) and non-recurring costs for profitability improvement measures of SEK 8 M (-), was reduced to SEK 17 M (25).

Net financial items and tax

Consolidated net financial items for the year amounted to an expense of SEK 48 M (56), of which net interest amounted to an expense of SEK 38 M (34). Net interest corresponds to 4.6 percent (4.1) of net interest-

bearing liabilities, which averaged SEK 835 M (828). Net financial items were negatively impacted by exchange-rate differences in the amount of SEK 3 M (5). Net financial items were also impacted negatively by other financial expenses of SEK 7 M (16).

The tax expense for the year amounted to SEK 28 M (13), equivalent to 58 percent (31) of earnings before tax. The high tax percentage was mainly due to the adjustment of deferred tax receivables related to loss making operations.

Cash flow

During the year, cash flow before changes in net debt improved to SEK 76 M (negative 110). Cash flow from operating activities was SEK 184 M (negative 57). The improvement was mainly due to working capital freed up during the year. The cash flow effect of the decrease in working capital amounted to SEK 100 M (negative 126).

Cash flow from investing activities was a negative SEK 108 M (53), of which investments in tangible assets accounted for SEK 78 M (15).

Cash flow from financing activities was negative in the amount of SEK 7 M (positive 4).

Financial position and liquidity

Consolidated cash and equivalents were SEK 146 M (80) at year-end. At year-end, the Group had unutilized credit facilities totaling SEK 371 M.

Consolidated interest-bearing net debt amounted to SEK 773 M (842) at year-end. BE Group's total credit facilities amounted to SEK 1,273 M. The maturity date for 94 percent of the credit facility is May 2013. At year-end, consolidated equity totaled SEK 805 M (787), while the net debt/equity ratio amounted to 96 percent (107).

Organization, structure and employees

The number of employees rose to 924 compared with 910 at the beginning of the year. The average number of employees during the year amounted to 943 (909). The increase is attributable to acquired units.

Contingent liabilities

Consolidated contingent liabilities amounted to SEK 112 M (146).

Parent Company

Sales by the Parent Company, BE Group AB (publ), amounted to SEK 55 M (45) for the year and derived from intra-Group services. The operating loss amounted to SEK 38 M (39).

Net financial items amounted to SEK 13 million (negative 19). The improvement was mainly caused by

higher Group contributions received and dividends from subsidiaries and was to a certain extent offset by currency effects. The loss before tax amounted to SEK 25 M (58) and the loss after tax was SEK 25 M (60).

The Parent Company invested SEK 21 M (24) in intangible assets during the year. At the end of the year, the Parent Company's cash and equivalents were SEK 73 M (25).

Significant events after the end of the period

No significant events have taken place after the end of the period.

Related-party transactions and significant changes in ownership

No transactions took place between BE Group and related parties that had a material impact on the company's financial position and results.

Nominating Committee

The members of the Nominating Committee are Petter Stillström (Traction), Jan Andersson (Swedbank Robur Fonder), Tomas Ramsälv (Odin Fonder), and Anders Ullberg as the Chairman of BE Group AB. Following the appointment of the Nominating Committee, Nordea Fonder has sold its holding in BE Group and its representative, Thomas Ehlin, has therefore vacated his position on the Nominating Committee.

BE Group's Nominating Committee will propose to the Annual General Meeting (AGM) that Anders Ullberg be re-elected as the Chairman of the Board of BE Group AB (publ) and that Petter Stillström be elected as a new Board member. Petter Stillström is the President of AB Traction.

The proposal also includes the re-election of Board members Roger Bergqvist, Cecilia Edström, Marita Jaatinen and Lars Olof Nilsson. Lars Sponberg has declined re-election. The Nominating Committee's other proposals will be presented in the AGM notification and on the company's website.

2012 Annual General Meeting

The Annual General Meeting of BE Group will be held on Wednesday, April 25, 2012, at 4:00 p.m. in Malmö, Sweden. Further information will be available on the company's website.

Dividend proposal

The Group's dividend policy entails that, over time, BE Group shall distribute at least 50 percent of profit after tax.

The Board of Directors proposes that a cash

dividend of SEK 0.25 per share (-) be paid to shareholders, corresponding to 61 percent of profit after tax.

Significant risks and uncertainties

BE Group's profits and financial position are affected by a large number of factors. The principal risks and factors of uncertainty can be divided into sector and market risks, strategic and operational risks, and financial risks. Fluctuations in economic trends and steel prices, together with changes among suppliers, customers and personnel represent risk factors that affect the Group's financial performance and cash flow. The financial risks consist of currency, interest-rate, refinancing and credit risks. The financial risk exposure is explained in the 2010 Annual Report published in March 2011. No new significant risks or uncertainties have subsequently arisen beyond those described in this report.

Accounting principles

The interim report is prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's financial statements are prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Refer to the 2010 Annual Report for details of the Group's accounting principles and definitions of certain terms. The principles applied here remain unchanged in relation to those in the Annual Report with the exception of Group contributions to the Parent Company, which, effective from the 2011 financial year are reported as a financial item rather than directly against equity. In other regards, the new standards and interpretations that have entered into force effective from the 2011 financial year have had no effect on the financial reporting.

Future reporting dates

During 2012, BE Group AB (publ) intends to publish financial information on the following dates:

- The Annual Report for the 2011 financial year will be available at the end of March 2012
- The Interim Report for January-March 2012 will be published on April 25
- The Interim Report for January-June 2012 will be published on July 18
- The Interim Report for January-September 2012 will be published on October 23

Financial information is available in Swedish and English from BE Group's website and can be ordered by calling +46 (0)40 38 42 00 or e-mailing: info@begroup.com

Malmö, February 7, 2012,
BE Group AB (publ)



Roger Johansson
President and CEO

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

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This year-end report presents information that BE Group AB (publ) is required to disclose pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication on February 7, 2012 at 7.45 a.m. CET.

Condensed consolidated income statement

| (SEK M) | Note | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|-------------------------------------|------|-----------------|-----------------|-------------------|-------------------|
| Net sales | | 1,405 | 1,383 | 5,941 | 5,129 |
| Cost of goods sold | | -1,249 | -1,214 | -5,173 | -4,396 |
| Gross profit | | 156 | 169 | 768 | 733 |
| Selling expenses | | -130 | -138 | -504 | -495 |
| Administrative expenses | | -36 | -40 | -160 | -155 |
| Other operating income and expenses | 1 | -9 | 1 | -14 | 5 |
| Participation in joint venture | | 0 | 0 | 6 | 10 |
| Operating profit/loss | | -19 | -8 | 96 | 98 |
| Financial items | | -17 | -13 | -48 | -56 |
| Profit/loss before tax | | -36 | -21 | 48 | 42 |
| Tax | | -1 | 3 | -28 | -13 |
| Profit/loss for the period | | -37 | -18 | 20 | 29 |
| Amortization of intangible assets | | 5 | 4 | 20 | 12 |
| Depreciation of tangible assets | | 11 | 12 | 44 | 47 |
| Earnings per share | | -0.74 | -0.37 | 0.41 | 0.58 |
| Earnings per share after dilution | | -0.74 | -0.37 | 0.41 | 0.58 |

Consolidated statement of comprehensive income

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---|-----------------|-----------------|-------------------|-------------------|
| Profit/loss for the period | -37 | -18 | 20 | 29 |
| Other comprehensive income | | | | |
| Translation differences | -25 | -17 | -4 | -80 |
| Hedging of net investments in foreign subsidiaries | 19 | 12 | 3 | 61 |
| Tax attributable to items in other comprehensive income | -5 | -3 | -1 | -14 |
| Total other comprehensive income | -11 | -8 | -2 | -33 |
| Comprehensive income for the period | -48 | -26 | 18 | -4 |

Note 1 Non-recurring items

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---|-----------------|-----------------|-------------------|-------------------|
| Reversal of provision for guarantee to property owner | 15 | - | 15 | - |
| Costs for profitability enhancement measures | -26 | - | -26 | - |
| Closure of the Danish operations | - | - | -4 | - |
| Total non-recurring items | -11 | - | -15 | - |

Condensed consolidated balance sheet

| (SEK M) | 2011 31 Dec | 2010 31 Dec |
|--|----------------|----------------|
| Goodwill | 693 | 692 |
| Other intangible assets | 87 | 81 |
| Tangible assets | 300 | 267 |
| Investment in joint venture | 124 | 129 |
| Financial assets | 2 | 2 |
| Deferred tax assets | 19 | 34 |
| Total non-current assets | 1,225 | 1,205 |
| Inventories | 605 | 683 |
| Accounts receivables | 529 | 575 |
| Other receivables | 100 | 87 |
| Cash and equivalents | 146 | 80 |
| Assets held for sale | 2 | 2 |
| Total current assets | 1,382 | 1,427 |
| Total assets | 2,607 | 2,632 |
| Equity | 805 | 787 |
| Non-current interest-bearing liabilities | 852 | 854 |
| Provisions | 1 | 16 |
| Deferred tax liability | 58 | 62 |
| Total non-current liabilities | 911 | 932 |
| Current interest-bearing liabilities | 69 | 71 |
| Accounts payables | 637 | 598 |
| Other current liabilities | 167 | 227 |
| Other current provisions | 18 | 17 |
| Total current liabilities | 891 | 913 |
| Total equity and liabilities | 2,607 | 2,632 |

Condensed consolidated cash-flow statement

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--|-----------------|-----------------|-------------------|-------------------|
| Profit/loss before tax | -36 | -21 | 48 | 42 |
| Adjustment for non-cash items | 9 | 26 | 57 | 53 |
| Income tax paid | -8 | -4 | -21 | -26 |
| Change in working capital | 197 | 57 | 100 | -126 |
| Cash flow from operating activities | 162 | 58 | 184 | -57 |
| Investments in intangible assets | -12 | -5 | -25 | -24 |
| Investments in tangible assets | -19 | -8 | -78 | -15 |
| Acquisitions of subsidiaries | - | -16 | -7 | -16 |
| Other cash flow from investing activities | 2 | 1 | 2 | 2 |
| Cash flow before change in net debt | 133 | 30 | 76 | -110 |
| Cash flow from financing activities | -6 | -2 | -7 | 4 |
| Cash flow for the period | 127 | 28 | 69 | -106 |
| Exchange-rate difference in cash and equivalents | -4 | -3 | -3 | -11 |
| Change in cash and equivalents | 123 | 25 | 66 | -117 |

Condensed statement of changes in equity

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---|-----------------|-----------------|-------------------|-------------------|
| Equity at beginning of period | 858 | 812 | 787 | 798 |
| Effect of changed accounting principles | - | - | - | - |
| Adjusted equity at beginning of period | 858 | 812 | 787 | 798 |
| Comprehensive income for the period | -48 | -26 | 18 | -4 |
| Acquisition/sales of treasury shares | -5 | - | -3 | -10 |
| Share Savings Scheme | 0 | 1 | 3 | 3 |
| Equity at end of period | 805 | 787 | 805 | 787 |

Segment reporting

Net sales per segment

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--|-----------------|-----------------|-------------------|-------------------|
| Sweden | 701 | 668 | 2,843 | 2,425 |
| - External | 690 | 660 | 2,806 | 2,378 |
| - Internal | 11 | 8 | 37 | 47 |
| Finland | 454 | 479 | 2,055 | 1,846 |
| - External | 445 | 471 | 2,007 | 1,796 |
| - Internal | 9 | 8 | 48 | 50 |
| CEE | 280 | 258 | 1,167 | 981 |
| - External | 267 | 252 | 1,125 | 955 |
| - Internal | 13 | 6 | 42 | 26 |
| Parent Company and consolidated items | -30 | -22 | -124 | -123 |
| Group | 1,405 | 1,383 | 5,941 | 5,129 |

Shipped tonnage per segment (thousands of tonnes)

| | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 56 | 55 | 224 | 209 |
| Finland | 40 | 42 | 178 | 165 |
| CEE | 41 | 32 | 158 | 130 |
| Parent Company and consolidated items | -5 | -3 | -14 | -15 |
| Group | 132 | 126 | 546 | 489 |

Operating profit/loss (EBIT) per segment

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 16 | 11 | 83 | 73 |
| Finland | 2 | 7 | 87 | 81 |
| CEE | -27 | -16 | -35 | -22 |
| Parent Company and consolidated items | -10 | -10 | -39 | -34 |
| Group | -19 | -8 | 96 | 98 |

Operating margin per segment

| | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 2.3% | 1.6% | 2.9% | 3.0% |
| Finland | 0.4% | 1.4% | 4.2% | 4.4% |
| CEE | -9.6% | -6.0% | -3.0% | -2.3% |
| Group | -1.4% | -0.6% | 1.6% | 1.9% |

Segment reporting

Underlying operating profit/loss (uEBIT) per segment ¹⁾

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 23 | 16 | 91 | 56 |
| Finland | 15 | 15 | 93 | 78 |
| CEE | -13 | -14 | -17 | -25 |
| Parent Company and consolidated items | -7 | -10 | -36 | -34 |
| Group | 18 | 7 | 131 | 75 |

¹⁾ Operating profit/loss (EBIT) adjusted for inventory gains and losses and non-recurring items. Inventory gains and losses are the differences between the cost of goods sold at historical cost and the cost of goods sold valued at replacement cost. The company's internal model is used to calculate inventory gains and losses and has not been subject for review by the company's auditor.

Underlying operating margin per segment

| | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 3.3% | 2.4% | 3.2% | 2.3% |
| Finland | 3.2% | 3.1% | 4.5% | 4.2% |
| CEE | -4.5% | -5.2% | -1.5% | -2.5% |
| Group | 1.3% | 0.5% | 2.2% | 1.5% |

Depreciation per segment

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 5 | 5 | 18 | 18 |
| Finland | 5 | 5 | 21 | 22 |
| CEE | 3 | 3 | 11 | 12 |
| Parent Company and consolidated items | 3 | 4 | 14 | 7 |
| Group | 16 | 16 | 64 | 59 |

Investments in tangible and intangible assets per segment

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Sweden | 9 | 74 | 52 | 76 |
| Finland | 4 | 3 | 24 | 7 |
| CEE | 6 | 0 | 15 | 1 |
| Parent Company and consolidated items | 9 | 6 | 21 | 24 |
| Group | 28 | 83 | 112 | 108 |

Key data

| (SEK M unless otherwise stated) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|---|-----------------|-----------------|-------------------|-------------------|
| Earnings measurements | | | | |
| Operating profit/loss (EBIT) | -19 | -8 | 96 | 98 |
| Margin measurements | | | | |
| Gross margin | 11.1% | 12.2% | 12.9% | 14.3% |
| Operating margin | -1.4% | -0.6% | 1.6% | 1.9% |
| Capital structure | | | | |
| Net debt | 773 | 842 | 773 | 842 |
| Net debt/equity ratio | 95.9% | 107.0% | 95.9% | 107.0% |
| Equity/assets ratio | 30.9% | 29.9% | 30.9% | 29.9% |
| Working capital (average) | 529 | 575 | 525 | 528 |
| Operating capital (average) | 1,679 | 1,658 | 1,659 | 1,619 |
| Operating capital (excluding intangible assets) (average) | 897 | 916 | 879 | 893 |
| Working capital tied-up | 9.4% | 10.4% | 8.8% | 10.3% |
| Return | | | | |
| Return on operating capital (%) | -4.6% | -2.0% | 5.8% | 6.0% |
| Return on operating capital (excluding intangible assets) (%) | -6.4% | -1.7% | 13.2% | 12.4% |
| Return on equity (%) | -17.7% | -9.1% | 2.5% | 3.7% |
| Per share data | | | | |
| Earnings per share (SEK) | -0.74 | -0.37 | 0.41 | 0.58 |
| Earnings per share after dilution (SEK) | -0.74 | -0.37 | 0.41 | 0.58 |
| Equity per share (SEK) | 16.31 | 15.90 | 16.31 | 15.90 |
| Cash flow from operating activities per share (SEK) | 3.27 | 1.18 | 3.72 | -1.15 |
| Shares outstanding at period end (thousands) | 49,376 | 49,505 | 49,376 | 49,505 |
| Average number of shares (thousands) | 49,462 | 49,505 | 49,546 | 49,656 |
| Diluted average number of shares (thousands) | 49,476 | 49,549 | 49,564 | 49,704 |
| Other | | | | |
| Average number of employees | 949 | 889 | 943 | 909 |

Supplementary disclosures

| (SEK M unless otherwise stated) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--|-----------------|-----------------|-------------------|-------------------|
| Sales by main products | | | | |
| Long steel | 386 | 394 | 1,685 | 1,478 |
| Flat steel | 487 | 497 | 2,123 | 1,829 |
| Reinforcement steel | 156 | 100 | 559 | 408 |
| <i>Total commercial steel</i> | <i>1,029</i> | <i>991</i> | <i>4,367</i> | <i>3,715</i> |
| Stainless steel | 234 | 213 | 1 009 | 887 |
| Aluminium | 79 | 103 | 329 | 352 |
| Other | 63 | 76 | 236 | 175 |
| Total sales | 1,405 | 1,383 | 5,941 | 5,129 |
| Growth | | | | |
| Sales growth | 2% | 37% | 16% | 19% |
| – organic tonnage growth | 5% | 21% | 12% | 17% |
| – price and mix changes | -3% | 17% | 5% | 6% |
| – currency effects | -1% | -5% | -3% | -5% |
| – acquisitions | 1% | 4% | 2% | 1% |
| Adjusted earnings measurements | | | | |
| Underlying operating profit/loss (uEBIT) | 18 | 7 | 131 | 75 |
| Underlying EBITA | 23 | 11 | 151 | 87 |
| Adjusted margin measurements | | | | |
| Underlying gross margin | 12.9% | 13.2% | 13.3% | 13.9% |
| Underlying operating margin | 1.3% | 0.5% | 2.2% | 1.5% |
| Underlying EBITA margin | 1.6% | 0.8% | 2.5% | 1.7% |
| Adjusted return | | | | |
| Underlying return on operating capital (excluding intangible assets) | 10.5% | 5.0% | 17.1% | 9.8% |
| Adjusted per share data | | | | |
| Underlying earnings per share (SEK) | -0.12 | -0.13 | 1.02 | 0.24 |
| Underlying earnings per share after dilution (SEK) | -0.12 | -0.13 | 1.02 | 0.24 |
| Adjusted capital structure | | | | |
| Net debt/underlying EBITDA (multiple) | - | - | 4.0 | 6.3 |
| Other | | | | |
| Inventory gains and losses | -26 | -15 | -20 | 23 |
| Shipped tonnage (thousands of tonnes) | 132 | 126 | 546 | 489 |
| Average sales prices (SEK/kg) | 10.66 | 10.98 | 10.89 | 10.48 |

Condensed parent company income statement

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|-------------------------------------|-----------------|-----------------|-------------------|-------------------|
| Net sales | 14 | 10 | 55 | 45 |
| Administrative expenses | -21 | -21 | -92 | -84 |
| Other operating income and expenses | -1 | 0 | -1 | 0 |
| Operating profit/loss | -8 | -11 | -38 | -39 |
| Financial items* | 19 | -17 | 13 | -19 |
| Profit/loss before tax | 11 | -28 | -25 | -58 |
| Tax | -16 | -6 | 0 | -2 |
| Profit/loss for the period | -5 | -34 | -25 | -60 |

* Effective as of 2011, Group contributions received are reported as dividends and Group contributions paid as a financial expense in profit/loss for the period. The comparison figures for 2010 have been adjusted in accordance with the new principles. Previously, Group contributions were reported directly in equity in accordance with statement UFR 2 of the Swedish Financial Reporting Board; Group and shareholder contributions.

Statement of comprehensive income – parent company

| (SEK M) | 2011 Oct-Dec | 2010 Oct-Dec | 2011 Full-year | 2010 Full-year |
|--|-----------------|-----------------|-------------------|-------------------|
| Profit/loss for the period | -5 | -34 | -25 | -60 |
| Other comprehensive income | - | - | - | - |
| Comprehensive income for the period | -5 | -34 | -25 | -60 |

Condensed parent company balance sheet

| (SEK M) | 2011 31 Dec | 2010 31 Dec |
|---|----------------|----------------|
| Intangible assets | 71 | 64 |
| Tangible assets | 0 | 0 |
| Financial assets | 1,354 | 1,381 |
| Interest-bearing receivables, Group companies | 53 | 54 |
| Deferred tax assets | - | 0 |
| Total non-current assets | 1,478 | 1,499 |
| Current interest-bearing receivables, Group companies | 225 | 251 |
| Receivables, Group companies | 98 | 55 |
| Other operating receivables | 21 | 20 |
| Cash and equivalents | 73 | 25 |
| Total current assets | 417 | 351 |
| Total assets | 1,895 | 1,850 |
| Equity | 826 | 850 |
| Non-current interest-bearing liabilities | 835 | 837 |
| Provisions | 1 | 1 |
| Total non-current liabilities | 836 | 838 |
| Current interest-bearing liabilities, Group companies | 193 | 69 |
| Accounts payables | 6 | 9 |
| Liabilities to Group companies | 19 | 19 |
| Other current liabilities | 15 | 65 |
| Total current liabilities | 233 | 162 |
| Total equity and liabilities | 1,895 | 1,850 |
| Pledged assets | 1,309 | 1,310 |
| Contingent liabilities | 80 | 95 |

Key data – multi-quarter summary

| | 2011 | 2011 | 2011 | 2011 | 2010 | 2010 | 2010 | 2010 | 2009 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| (SEK M unless otherwise stated) | Oct-Dec | Jul-Sep | Apr-Jun | Jan-Mar | Oct-Dec | Jul-Sep | Apr-Jun | Jan-Mar | Oct-Dec |
| Net sales | 1,405 | 1,420 | 1,597 | 1,519 | 1,383 | 1,273 | 1,399 | 1,074 | 1,011 |
| Earnings measurements | | | | | | | | | |
| Operating profit/loss (EBIT) | -19 | 4 | 66 | 45 | -8 | 48 | 86 | -28 | -33 |
| Underlying operating profit/loss (uEBIT) | 18 | 23 | 43 | 47 | 7 | 32 | 46 | -10 | 7 |
| Underlying EBITA | 23 | 28 | 49 | 51 | 11 | 37 | 47 | -8 | 9 |
| Margin measurements | | | | | | | | | |
| Operating margin | -1.4% | 0.3% | 4.2% | 2.9% | -0.6% | 3.8% | 6.2% | -2.6% | -3.3% |
| Underlying operating margin | 1.3% | 1.6% | 2.7% | 3.1% | 0.5% | 2.5% | 3.3% | -0.9% | 0.7% |
| Underlying EBITA margin | 1.6% | 1.9% | 3.1% | 3.3% | 0.8% | 2.9% | 3.4% | -0.8% | 0.8% |
| Capital structure | | | | | | | | | |
| Net debt | 773 | 924 | 851 | 783 | 842 | 876 | 832 | 814 | 777 |
| Net debt/equity ratio | 95.9% | 107.7% | 98.2% | 96.5% | 107.0% | 107.9% | 104.4% | 107.1% | 97.4% |
| Equity/assets ratio | 30.9% | 29.2% | 29.1% | 26.8% | 29.9% | 29.7% | 29.2% | 29.2% | 31.8% |
| Operating capital (excluding intangible assets) (average) | 897 | 964 | 873 | 836 | 916 | 947 | 888 | 857 | 906 |
| Working capital tied-up | 9.4% | 10.5% | 8.2% | 8.2% | 10.4% | 11.7% | 9.2% | 10.9% | 12.8% |
| Return | | | | | | | | | |
| Return on operating capital (excluding intangible assets) | -6.4% | 3.7% | 33.1% | 23.5% | -1.7% | 22.4% | 39.3% | -7.0% | -13.9% |
| Underlying return on operating capital (excluding intangible assets) | 10.5% | 11.5% | 22.7% | 24.2% | 5.0% | 15.8% | 21.3% | -3.8% | 3.8% |
| Return on equity | -17.7% | -4.7% | 21.0% | 11.5% | -9.1% | 12.9% | 23.4% | -12.8% | -17.3% |
| Per share data | | | | | | | | | |
| Earnings per share (SEK) | -0.74 | -0.20 | 0.89 | 0.46 | -0.37 | 0.52 | 0.92 | -0.50 | -0.71 |
| Underlying earnings per share (SEK) | -0.12 | 0.09 | 0.55 | 0.50 | -0.13 | 0.29 | 0.31 | -0.23 | -0.09 |
| Equity per share (SEK) | 16.31 | 17.30 | 17.47 | 16.36 | 15.90 | 16.39 | 16.02 | 15.28 | 16.05 |
| Cash flow from operating activities per share (SEK) | 3.27 | -1.04 | -0.31 | 1.80 | 1.18 | -0.89 | -0.39 | -1.05 | 1.41 |
| Other | | | | | | | | | |
| Average number of employees | 949 | 962 | 955 | 935 | 889 | 882 | 887 | 882 | 882 |
| Inventory gains and losses | -26 | -19 | 23 | 2 | -15 | 16 | 40 | -18 | -32 |
| Shipped tonnage (thousands of tonnes) | 132 | 131 | 143 | 140 | 126 | 116 | 133 | 114 | 104 |
| Average sales prices (SEK/kg) | 10.66 | 10.81 | 11.20 | 10.86 | 10.98 | 11.00 | 10.49 | 9.44 | 9.70 |

Definitions of key data

SUPPLEMENTARY DISCLOSURES

Growth

| | |
|--------------|--|
| Sales growth | Change from the preceding period as a percentage of net sales. |
|--------------|--|

Adjusted earnings measurements

| | |
|--|--|
| Underlying operating profit/loss (uEBIT) | Operating profit/loss (EBIT) before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses). |
|--|--|

| | |
|------------------|---|
| Underlying EBITA | EBITA before non-recurring 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) exclusive inventory gains and losses related to joint venture. |
|-------------------------|---|

| | |
|-----------------------------|--|
| Underlying operating margin | Underlying operating profit/loss (uEBIT) as a percentage of net sales. |
|-----------------------------|--|

| | |
|-------------------------|--|
| Underlying EBITA margin | Underlying EBITA as a percentage of net sales. |
|-------------------------|--|

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 non-recurring items and adjusted for inventory 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 non-recurring 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 non-recurring 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 non-recurring items and adjusted for inventory gains and losses (deductions for gains and additions for losses). EBITDA is operating profit before depreciation and amortization. |
|----------------------------|--|

Other

| | |
|----------------------------|--|
| Inventory gains and losses | The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost. |
|----------------------------|--|

Please refer to the 2010 annual report for other definitions of key data.