

Service is key  
in partnership be-  
tween BE Group  
and LEAX

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Increased capacity  
and greater  
added value for  
Polish customers

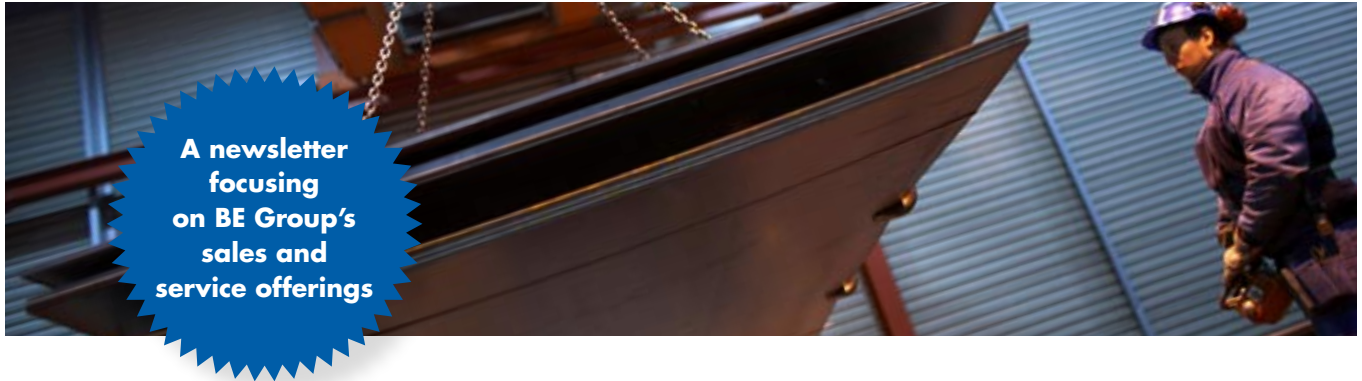
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BE Group con-  
tinues to grow in  
Central and  
Eastern Europe

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# BEING IN CENTRAL AND EASTERN EUROPE

a newsletter from BE Group 2008 **First issue**



A newsletter  
focusing  
on BE Group's  
sales and  
service offerings

Per Gullstrand, senior vice president and manager of the CEE business area:

## Understanding each customer's business



**Welcome to this the very first issue of "BEing in Central and Eastern Europe", a newsletter focusing on BE Group's sales and service offerings in steel, stainless steel and aluminium.**

Besides providing news about successful collaborations with customers, we will also be illustrating how BE Group can help your business. A further regular feature will be information on investment in new equipment and machinery at our own production sites.

BE Group invests continuously in new technology and ideas that save time and money for our customers. We see a clear trend towards more preprocessed materials and are using different technologies to meet

the demand. Examples of this include cutting, sawing, welding and drilling materials in different ways in response to customers' needs.

Central and Eastern Europe (CEE) is one of BE Group's distinct business areas.

"CEE is the fastest growing business area in BE Group. We calculate there will be yearly growth of more than 20% in the coming years,"

comments Per Gullstrand, senior vice president and manager of the CEE business area.

"CEE markets are growing and becoming more mature. Consequently, there is a great investment need in these countries. Their exports to continental Europe are increasing. Furthermore, the manufacturing and construction industries in CEE have attracted international companies to set up there. Growth in the CEE economy is expected to run at 6 to 8 percent a year up until 2010. We feel BE Group has an important role to play in this exciting and promising future."

"Over the last ten years, BE Group has

expanded its presence in CEE. Although the majority of operations are still in the build-up phase, each site already has integrated sales, warehousing and/or production facilities. To serve this growing region, we are operating in eight countries: Estonia, Latvia, Lithuania, Russia, Poland, Slovakia, the Czech Republic and Denmark."

"As the market's demand for preprocessed steel, stainless steel and aluminium increases, we are building up a knowledge bank focused on really understanding our customers' businesses. To deliver the best possible service, we work very closely with each customer in every project," explains Per Gullstrand. "BE Group is always eager to establish close contacts and discuss how we can help customers save time, reduce costs and cut capital commitments."

This newsletter is another way for us to establish contacts and give examples of the excellent service that BE Group provides to its customers.

Whether you are in the engineering, construction or automotive industry, we hope you will find some inspiring reading here!



READ MORE ON: >>> [www.begroup.com](http://www.begroup.com)



Key figures for 2007

<b>Total sales:</b>	MSEK 7,650 (EUR 827 million)
<b>Customers:</b>	10,000
<b>Employees:</b>	1,000

#### Who are we?

Listed on the Stockholm Stock Exchange since November 24, 2006, BE Group is one of the leading trading and service companies in steel and other metals in Europe. The company has some 10,000 customers, primarily in the construction and engineering industries.

#### What do we do?

BE Group provides value-adding distribution and service within steel, stainless steel and aluminium. Processing of these materials at the company's many production facilities is constantly expanding. Services include flame and plasma cutting, sawing, welding, drilling, edging, painting and foiling – all exactly to customer specifications.

#### Where are we?

BE Group has a presence in ten countries in northern, central and eastern Europe. Operations are divided into three business areas: Sweden, Finland and Central and Eastern Europe (CEE). The CEE area embraces operations in eight countries: Denmark, Estonia, Latvia, Lithuania, Poland, Russia, Slovakia and the Czech Republic. BE Group's head office is in Malmö.

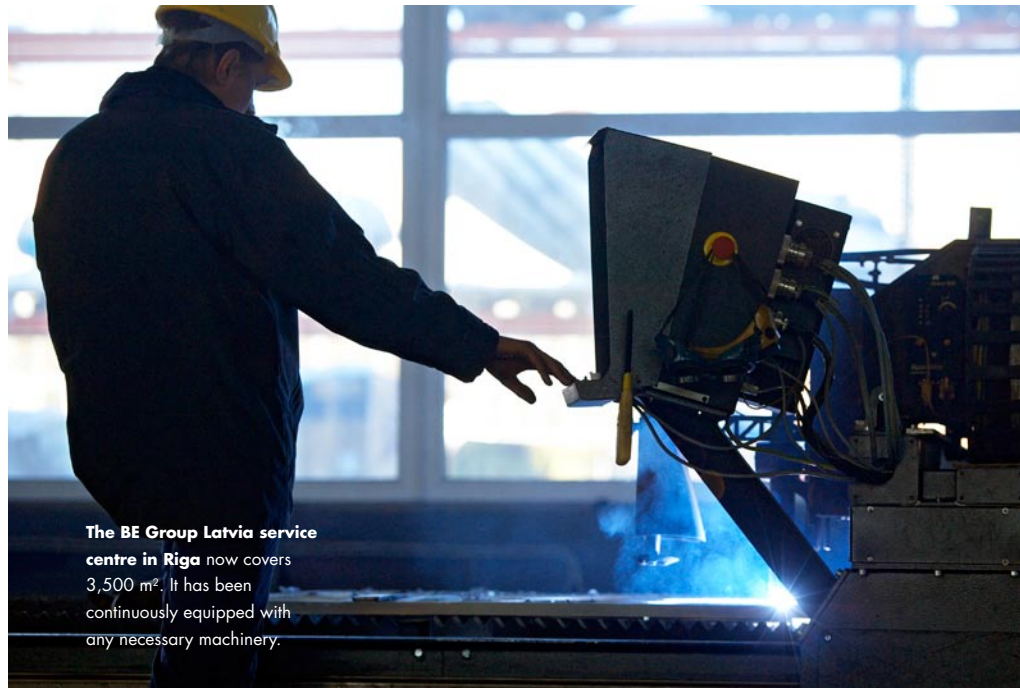
Further details of BE Group are available at [www.begroup.com](http://www.begroup.com)



## BE Group's Baltic team at German trade fair

From February 26 to 29, BE Group's Baltic team (Latvia, Lithuania and Estonia) was at the INTEC fair in Leipzig. This major fair for the subcontracting business in Germany attracted 15,000 professionals from all over Europe.

Many interested visitors came to our stand. Here, we presented not only our own wide range of production services in the Baltic States, but also BE Group's total resources. Several new enquiries for preprocessed parts have already been received. ■



**The BE Group Latvia service centre in Riga** now covers 3,500 m<sup>2</sup>. It has been continuously equipped with any necessary machinery.

## Partnership between BE Group Latvia and LEAX Service is key

**The BE Group started its operations in Latvia in the late 1990's.** Originally, it was purely a supplier of steel, stainless steel and aluminium. "However, our Latvian customers soon started to express an increasing need for preprocessed materials. Our service centre in Riga now covers 3,500 m<sup>2</sup>. It has been continuously equipped with any necessary machinery and I am really proud of what we can do for our customers today," comments Eduards Locans, managing director.

Mr Locans continues: "The customers see a real opportunity to work with us. LEAX is just one example. BE Group holds sufficient aluminium products in stock to cover this company's needs. The products are, of course, immediately ready for plasma cutting or CNC sawing before delivery to LEAX. At the moment, all materials to LEAX are passing through the machines providing these services."

LEAX is a leading provider of mechanical and electromechanical solutions for the automotive and electromechanical industries. The company specialises in "rotational geometries" such as axles and gears. It has had a Baltic presence for many years and started its own production in Riga in 2003. Service seems to be the key in the partnership between

BE Group Latvia and LEAX.

"What was vital when you decided to work with BE Group?" elicited the following response from Henriks Silenieks, logistics manager at LEAX Baltix. "We think we have found a reliable partner who is always ready to help us. We also feel confident that BE Group always delivers the highest quality.

"Quality is an integral part of day-to-day work throughout the LEAX Group. As we state on our website, 'The day we stop getting better is the day we stop being good'. Of course, this also imposes severe demands on our suppliers."



What about future collaborations with BE Group?

"For us, it is important to have a supplier with a local presence and the muscles and expertise to develop its own service offerings. It is also extremely important that the supplier is willing and able to help us, sometimes at very short notice. The ability to respond to our varying needs and develop an even wider range of products is also desirable." ■

# BE Group's offerings prove **excellent fit for Nitator's SMART<sup>®</sup> services**

**BE Group is working very closely with Nitator, a leading contract manufacturer for the heavy automotive industry.** In terms of function, design and quality, Nitator's customers have very stringent requirements.

Although Europe is presently the company's biggest market, Nitator also has customers in, for example, the USA, South America, India and China. Nitator supplies chassis and, to some extent, long products (e.g. tubes), to the automotive industry.

The company's mission is to be present as early as the development stage. In many cases, the customer describes what it is looking for in a specific production module and Nitator then assists with design and construction. This is a description of the elements in Nitator's SMART<sup>®</sup>.

At its production sites in Hyltebruk, Oskarström in Sweden and Birzai in Lithuania, Nitator specialises in pressing,

welding and assembling steel products. The Birzai site employs 65 people and is predominantly an assembly facility.

"Here, we need a partner that can serve as a subcontractor for laser-cut parts. BE Group is receiving regularly forecasts from us and order the right material, store and deliver laser-cut parts directly to our assembly facility. To outsource this kind of production service to BE Group, is of course saving time, cost and capital for us and help us to concentrate on our core-activities", says Niklas Åberg, plant manager.

He concludes: "For Nitator's future, it is vital that we strengthen our position in the heavy automotive industry. We wish to remain the best supplier for companies such as Volvo and Scania. To succeed in this, we need strong and reliable subcontractors who deliver high-quality preprocessed parts. In BE Group Lithuania, we feel we have found just such a subcontractor." ■



## Get to know us on [www.begroup.com](http://www.begroup.com)

**BE Group puts constant effort into strengthening its identity.** Last year, for example, BE Group changed the names of all its subsidiaries and launched a corporate brand for the whole group. Hand in hand with the above initiatives, BE Group launched a new website at the beginning of November 2007.

Links at [www.begroup.com](http://www.begroup.com), the "umbrella" site, take you to our "national" sites: [begroup.ee](http://begroup.ee), [begroup.ru](http://begroup.ru), [begroup.lt](http://begroup.lt), [begroup.lv](http://begroup.lv), [begroup.pl](http://begroup.pl), [begroup.cz](http://begroup.cz), [begroup.sk](http://begroup.sk), [begroup.dk](http://begroup.dk), [begroup.se](http://begroup.se) and [begroup.fi](http://begroup.fi).

These can also be accessed directly. Whichever route you take, we hope you will find lots of useful information showing what we can do for you. ■



## Increased capacity means greater **added value for Polish customers**

**To meet our customers' needs, the machinery at BE Group's production site in Gdansk has now been substantially upgraded.**

"In 2007, we invested in two new machines. This further improved the quality of the preprocessed materials going to the customer," reveals Tomasz Podgorski, managing director of BE Group Poland.

He adds: "Our new cutting machine for carbon steel, a Behringer band saw, expanded our service offerings immediately. One of our customers learned that we can cut to more exact tolerances than they are able to in their own facilities."

Mr Podgorski summarises the advantages as follows:

- Better tolerances.
- Elimination of additional production process to obtain correct dimensions.
- Cost savings.
- Shorter lead times.

- Improved material handling in own production.
- Less capital tied up in stock.

"The other machine is a Schelling. I dare say it is the most modern aluminium-plate cutting machine in Poland today," enthuses Tomasz Podgorski. "Installation at BE Group's site in Gdansk was completed by the end of 2007. We knew



that there was a need for customised aluminium products in Poland. This new machine substantially improves our production capacity. We can now cut large plates for medium and long series of rectangular parts in aluminium."

### FACTS BE Group Poland's current service offerings:

- **Flame cutting of carbon steel plates.** This is a thermal method for cutting structural, abrasion-resistant and high-strength steels. Plates up to 4.2 × 21.0 m can be accepted. Thickness can be from 3 to 200 mm.
- **Cutting of aluminium plates** up to 3,300 mm long and between 3 and 300 mm thick.
- **Cutting of long products** (e.g. beams and tubes) up to a maximum height of 400 mm. The minimum cutting length is 10 mm.
- **Single and double-sided foiling of plates** up to 6,000 × 2,000 × 6 mm (protective and laser type foils available).

For further information, visit [www.begroup.pl](http://www.begroup.pl) or telephone +48 (0)58 6694 100. ■

# BE Group continues to grow in Central and Eastern Europe



**“This acquisition confirms BE Group’s intention to play a major role.”**

**BE Group’s latest acquisition in the CEE business area is Czechprofil s.r.o., a Czech steel service company specialising in flat and long steel products. Czechprofil was founded in 1996 and currently has an annual distribution volume of around 25,000 tonnes.**

“Focused on the service business, the company’s particular strength in long products is a perfect complement to our own product range,” states Per

Gullstrand, manager of BE Group’s CEE business area.

Run from three facilities, Czechprofil’s operations have a strong strategic presence in the southeastern regions of the Czech Republic. The company’s two warehouses and head office in Uherske Hradiste are partnered by a combined production and warehouse facility in Prerov. BE Group already had a presence in this latter town. Czechprofil has 40 employees.

“Czechprofil’s customers will con-

tinue to receive the same excellent service as before. We firmly believe that BE Group’s other customers will feel the benefits of the investment inherent in this acquisition. It strengthens our production capabilities in several ways. Just three of these are the cutting and blasting of tubes and long products, the bending of reinforced steel and, finally, gas and plasma cutting in general,” concludes Per Gullstrand.

Mr Milan Vasut, the managing director of BE Group in the Czech Republic, is very positive about the company’s future: “The market outlook is promising and we expect to grow along with our customers. This acquisition confirms BE Group’s intention to play a major role.” ■

# S NOVÝM PROFILEM PRO VÁS UDĚLÁME JEŠTĚ VÍC.

Chceme zlepšit Vaši konkurenční schopnost tím, že Vám nabídneme nejlepší služby a servis. To je důvod proč se nyní nachází Czechprofil ve skupině BE Group, což je jedna z největších obchodních společností s hutním materiálem v Evropě. To znamená, že Vám nyní nabízíme ucelený sortiment ocelových plochých a dlouhých výrobků, nerezových kulatin a kompletního sortimentu hliníkových plochých a dlouhých výrobků. Ze servisních služeb zajišťujeme dělení dlouhých výrobků na 5 pilách a jejich tryskání, pálení plochých výrobků plasmou a plamenem a dále ohýbání betonářské oceli. Za tím vším stojí dlouhodobá zkušenost.

Tímto prostě získáváte ještě silnějšího partnera. Vítejte!

Milan Vasut, Generální ředitel, BE Group Czech Republic



**BE GROUP**  
BE STRONGER WITH BE

[www.begroup.cz](http://www.begroup.cz)

## CONTACT AND SUBSCRIBE:

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