

BT Industries AB (publ)

Interim report January – September 2001

- ▶ *Orders received SEK 8,927 m. (SEK 8,793 m.), up 2%*
- ▶ *Invoiced sales rose 20% to SEK 9,715 m. (SEK 8,118 m.)*
- ▶ *Income after net financial items +19%, SEK 643 m. (SEK 540 m.)*
- ▶ *Substantial slowdown in U.S., demand remains good in Europe*

Financial summary

SEK m.	July – September 3 months		January – September 9 months		October – September Moving 12 months		Full-year 2000
	2001	2000	2001	2000	2001	2000	
Orders received	2,849	2,815	8,927	8,793	12,193	11,478	12,060
Net sales	3,109	2,704	9,715	8,118	13,115	10,892	11,518
EBITDA 1)	342	301	1,037	898	1,451	1,245	1,313
Operating income	196	179	610	552	889	791	831
Income after net financial items	201	165	643	540	927	782	824

1) EBITDA = Earnings Before Interest, Tax, Depreciation and Amortization of intangible assets

Market development

The rapid and substantial economic slowdown in North America that began at the start of the year has marked the entire nine-month period. The decline thus stopped during the third quarter.

Lower demand is now clearly evident in Asia and South America as well, while demand in Europe has remained steady thus far. There has been some cautiousness with regard to investments, however, due to the weak U.S. economy and tense global situation following the terrorist attacks in the U.S.

BT's market share is estimated to have remained largely unchanged.

Orders and invoiced sales

The Group's orders received during the first nine months of the year amounted to SEK 8,927 m. (SEK 8,793 m.), an increase of 2%. Translated to comparable exchange rates, orders received declined by nearly 8% compared with the corresponding period last year - a decrease attributable entirely to North America.

Net sales amounted to SEK 9,715 m. (SEK 8,118 m.), 20% higher than the corresponding period of 2000. At comparable exchange rates, the increase was approximately 9%.

The high order backlog at the beginning of the year, in combination with an improved delivery capacity, has facilitated increased factory deliveries during the year. As a result, net sales have risen more than orders received, leading to a reduced order backlog.

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Net sales for the period January - September 2001 and 2000 by product area were as follows:

Amounts in SEK m.	January–September		Change, %
	2001	%	
Warehouse trucks	4,877	4,148	+ 18%
Counterbalanced trucks	1,268	944	+ 34%
Manual trucks	372	362	+ 3%
Total, trucks	6,517	5,454	+ 19%
- % of total	67%	67%	
Spare parts	1,462	1,218	+ 20%
Service	922	773	+ 19%
Other areas	814	673	+ 21%
Total, After Sales	3,198	2,664	+ 20%
- % of total	33%	33%	
Net sales	9,715	8,118	+ 20%

Income

The Group's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation of intangible assets) rose by 15% to SEK 1,037 m. (SEK 898 m.). Second-quarter income was charged with items affecting comparability of SEK -36 m. for pension expenses resulting from Toyota's acquisition of BT. These expenses are reported in the income statement among "Administrative expenses."

Income from long-term rentals/leasing amounted to SEK 128 m., against SEK 101 m. in the corresponding period last year. Other net financial income and expenses amounted to SEK -95 m., against SEK -113 m. in the previous year. Lower interest expenses due to generally lower rate levels have affected the financial net positively.

The Group's income after net financial items amounted to SEK 643 m. (SEK 540 m.), an increase of 19%.

Capital expenditures

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 527 m., compared with SEK 320 m. in the corresponding period a year earlier. The expansion of production capacity for electric powered warehouse trucks in Mjölby and acquisition of CESAB's plant in Italy, which finalises the acquisition of CESAB's operations, accounted for a significant share of the increased investments.

Financing and liquidity

The Group's total assets rose to SEK 12,375 m., against SEK 10,764 m. at the beginning of the year. A significant portion of the increase is attributable to

foreign exchange effects from a weaker Swedish krona.

Net borrowings amounted to SEK 1,751 m., compared with SEK 1,838 m. at the beginning of the year. The net gearing ratio was 48%, against 61% at the beginning of the year.

The continued positive income trend, in combination with a decrease in capital tied up in operations, contributed to an improvement of SEK 147 m. in operating cash flow during the third quarter. Since the beginning of the year cash flow has been negative, however, at SEK -25 m.

The equity ratio amounted to 30%.

Personnel

As of September 30 the Group had 7,826 employees, compared with 7,899 at year-end 2000.

During the year personnel has been increased in the business areas BT EUROPE (+201 employees) and BT INTERNATIONAL (+59 employees), while BT RAYMOND has trimmed 336 employees as part of its measures to adapt to lower demand in North America.

BT's business areas

BT's operations are organised into three business areas. In addition, BT has central, Group-wide resources for, among other things, management, accounting, finance, IT and information.

Business area BT EUROPE

Covering primarily Western Europe.

SEK m.	January – September		Full-year 2000
	2001	2000	
Orders received	5,210	4,331	6,048
Net sales	5,111	4,101	5,897
Income 1)	427	384	590
Operating margin, % 2)	8.4%	9.3%	10.0%
Operating capital 3)	1,938	1,223	1,561
No. of employees	4,705	4,432	4,504

The European market is beginning to show signs of a decline. Orders received have remained good during the period.

Since the beginning of the year orders received have increased by 20% and net sales by 25% compared with the corresponding period of 2000. The growth rate has been positively affected by the weaker Swedish krona. Of the increases, around 8

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percentage points is the direct result of foreign currency translation.

The operating margin has declined somewhat compared with the previous year. The main reason is temporary costs owing to the capacity expansion for electric powered warehouse trucks in Mjölby.

Business area BT RAYMOND

Covering primarily North America.

SEK m.	January – September 2001	2000	Full- year 2000
Orders received	3,450	4,182	5,658
Net sales	4,335	3,786	5,289
Income 1)	457	384	533
Operating margin, % 2)	10.6%	10.1%	10.1%
Operating capital 3)	1,358	1,270	1,307
No. of employees	2,581	2,826	2,917

Also the third quarter, like the earlier part of the year, was distinguished by the economic slowdown in the U.S. The total market for warehouse trucks is estimated to have decreased by more than 30%, with little change in the third quarter.

Orders received amounted to SEK 3,450 m., a decrease of 17% in SEK compared with the previous year. In USD, the decrease was 28%.

Net sales have increased by 14% to SEK 4,335 m. In USD, sales are in line with the level of the previous year.

The very positive order situation at the start of the year has facilitated a continued high delivery rate, which has also had a positive effect on production efficiency. This, combined with active measures to adapt cost levels to lower demand, has led to improvements in both income and margins compared with the previous year. Among the measures taken is a reduction in personnel in production units.

Business area BT INTERNATIONAL

Markets outside North America and Western Europe.

SEK m.	January – September 2001	2000	Full- year 2000
Orders received	819	743	1,001
Net sales	798	612	920
Income 1)	38	14	35
Operating margin, % 2)	4.8%	2.2%	3.8%
Operating capital 3)	239	146	166
No. of employees	494	420	435

As a whole, market development outside Western Europe and North America has been good. Political and economic concerns resulted in lower demand in the third quarter, however, particularly in Asia and parts of South America.

BT has defended its positions well. Orders received have remained good, and for the third quarter in line with the previous year. Net sales and income have noted good growth. During the first nine months of the year orders received rose by 10% and invoiced sales by 30%, while income improved significantly. The positive income trend is due to volume effects, among other things, though it is also the result of the action program implemented in Eastern Europe and Australia.

Mjölby November 30, 2001

Carl-Erik Ridderstråle
President and CEO

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- 1) Income = operating income + income from long-term rentals/leasing. Amortisation of goodwill at the Group level is not charged against the individual business areas.
 - 2) For definition, see Note 2 on page 7.
 - 3) Operating capital = working capital incl. the share of equity of associated companies plus tangible and intangible fixed assets, excl. goodwill.

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Income statements

Amounts in SEK m.	January – September		Full-year
	2001	2000	2000
Net sales	9,715	8,118	11,518
Cost of sales	-7,059	-5,824	-8,271
Gross income	2,656	2,294	3,247
Product development	-189	-162	-219
Marketing and sales	-1,047	-888	-1,251
Administration *)	-783	-618	-866
Amortisation of goodwill	-101	-87	-120
Other operating income	127	64	106
Other operating expenses	-72	-71	-98
Income in associated companies	19	20	32
Operating income	610	552	831
Income from financial investments			
Income from long-term rentals/leasing	128	101	143
Interest income and other financial income	36	22	39
Interest expenses and other financial expenses	-131	-135	-189
Income after net financial items	643	540	824
Income tax	-276	-220	-284
Minority interests	-1	0	-1
Net income for the period	366	320	539

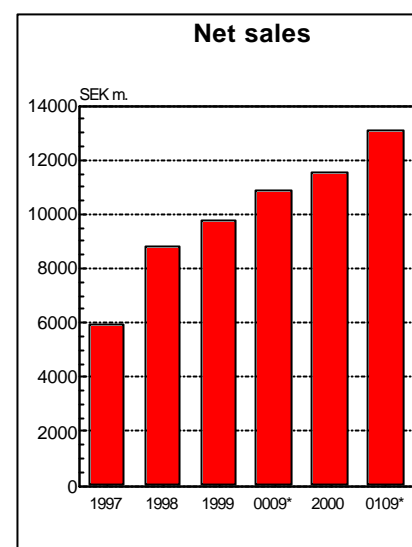
Average number of shares, thousands	28,000	28,000	28,000
Earnings per share after standard tax, SEK	13.10	11.40	17.55
Earnings per share after full tax, SEK	-	-	19.25

Total depreciation according to plan	-427	-346	-482
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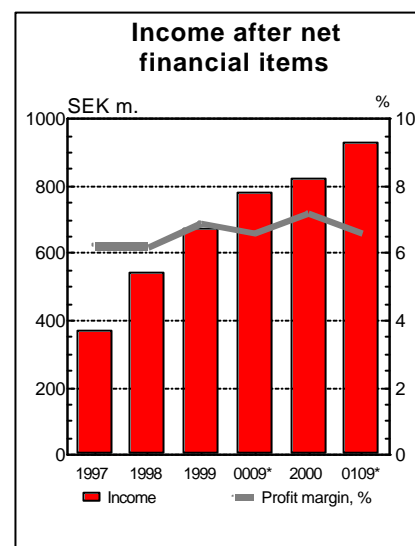
Balance sheets

Amounts in SEK m.	September 30		Dec. 31
	2001	2000	2000
ASSETS			
Fixed assets			
Goodwill	2,004	1,951	1,898
Other intangible assets	31	12	10
Tangible assets	1,909	1,488	1,600
Financial assets	2,360	1,901	1,837
Total fixed assets	6,304	5,352	5,345
Current assets			
Inventories	1,830	1,466	1,405
Current receivables	3,720	3,117	3,450
Cash and banks	521	435	564
Total current receivables	6,071	5,018	5,419
TOTAL ASSETS	12,375	10,370	10,764
EQUITY AND LIABILITIES			
Equity	3,654	2,810	3,018
Minority share	4	2	3
Provisions	840	704	731
Liabilities			
Long-term liabilities	4,748	4,041	3,807
Short-term liabilities	3,129	2,813	3,205
TOTAL EQUITY AND LIABILITIES	12,375	10,370	10,764

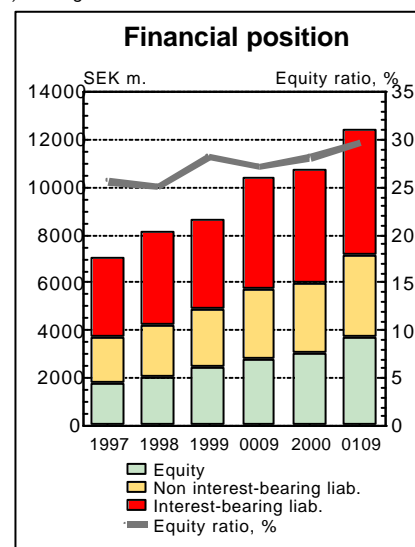
*) 2001 includes items affecting comparability of SEK -36 m.



*) Moving 12-months values



*) Moving 12-months values

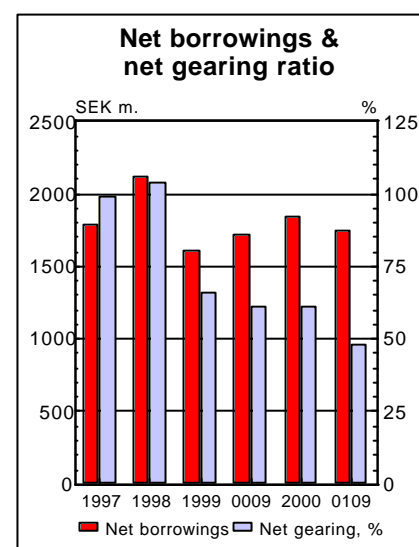
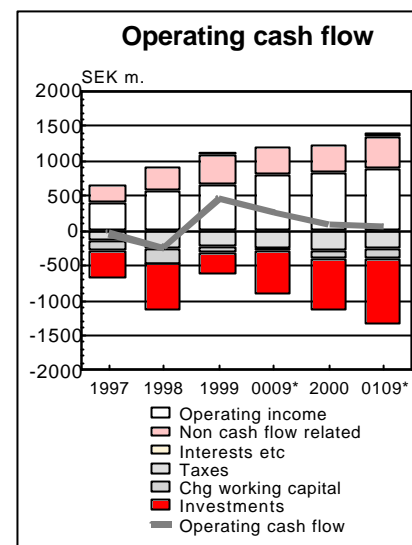


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Statements of cash flow

SEK m.	January–September 2001	2000	Full-year 2000
From operations			
Operating income	610	552	831
<i>Non cash flow related items</i>			
- Depreciation and amortisation	427	346	482
- Other	-93	-58	-74
Non cash flow related items	334	288	408
Income from long-term rentals/leasing	128	101	143
Other financial items, net	-82	-118	-142
Paid taxes	-190	-216	-290
Cash flow from operating activities before changes in working capital	800	607	950
Changes in working capital	16	38	-112
Cash flow from operations	816	645	838
From investments			
Investments in financial fixed assets	-314	-326	-230
Investments in tangible and intangible fixed assets	-527	-320	-521
Cash flow from investments	-841	-646	-751
OPERATING CASH FLOW	-25	-1	87
Acquisitions/disposals of companies, net	-4	-70	-64
From financial activities			
Changes in interest-bearing liabilities	-38	326	364
Dividend to shareholders	-	-119	-119
Cash flow from financial activities	-38	207	245
Change in cash and banks	-67	136	268
Cash brought forward	564	280	280
Translation differences, cash and banks	24	19	16
Cash and banks carried forward	521	435	564



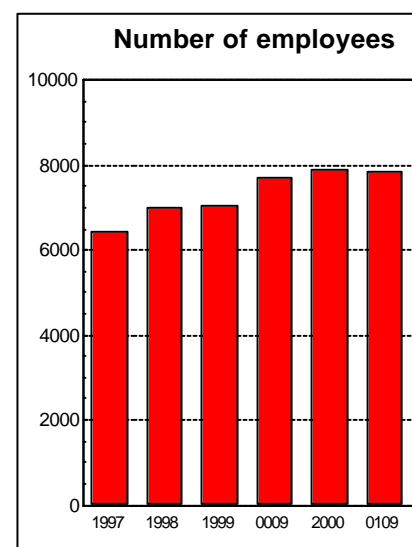
Net borrowings

SEK m.	September 30 2001	2000	December 31 2000
Interest-bearing assets	3,476	2,951	2,932
Interest-bearing liabilities	5,227	4,673	4,770
NET BORROWINGS	1,751	1,722	1,838

Changes in equity

SEK m.	September 30 2001	2000	December 31 2000
Equity, opening balance, January 1	3,018	2,442	2,442
Effect due to change in accounting principles *)	52	-	-
Currency conversion effects	218	167	156
Dividend paid	-	-119	-119
Net income for the period	366	320	539
Equity, closing balance	3,654	2,810	3,018

*) The Swedish Financial Accounting Standards Council's recommendation no. 9 on Income taxes has been applied in first half of 2001. If applied to full-year 2000, the shareholders' equity balance carried forward would have amounted to SEK 3,070 m., compared with the reported SEK 3,018 m.



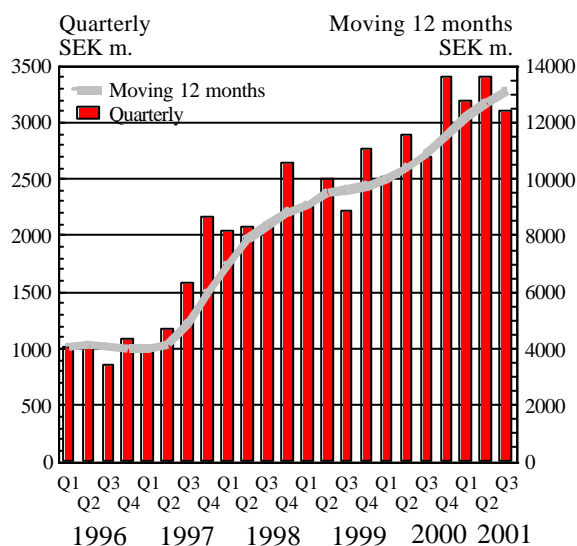
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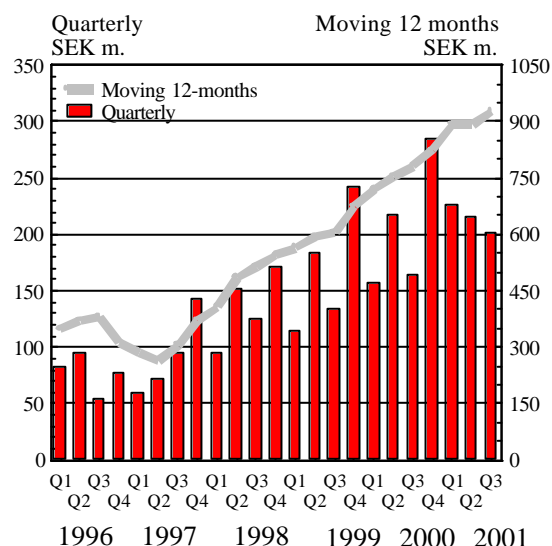
Quarterly development

Amounts in SEK m.	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	2001	2000	2001	2000	2001	2000	2000	1999
Orders received	3,108	2,855	2,970	3,123	2,849	2,815	3,267	2,684
Net sales	3,200	2,517	3,406	2,897	3,109	2,704	3,400	2,774
Cost of sales	-2,310	-1,812	-2,467	-2,077	-2,282	-1,935	-2,447	-1,968
Gross income	890	705	939	820	827	769	953	806
Gross margin, %	27.8%	28.0%	27.6%	28.3%	26.6%	28.4%	28.0%	29.1%
Operating expenses	-664	-551	-751	-601	-631	-590	-674	-567
Operating income	226	154	188	219	196	179	279	239
Interest margin LTR/leasing	38	37	52	36	38	28	42	40
Operating margin, %	8.3%	7.6%	7.0%	8.8%	7.5%	7.7%	9.4%	10.1%
Net financial items, other	-38	-33	-24	-38	-33	-42	-37	-37
Income after net financial items	226	158	216	217	201	165	284	242
Profit margin, %	7.1%	6.3%	6.3%	7.5%	6.5%	6.1%	8.4%	8.7%

Net sales



Income after financial net



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Key ratios

		January – September		Full-year
		2001	2000	2000
EBITDA margin, %	1)	12.0%	12.3%	12.6%
Operating margin, %	2)	7.6%	8.0%	8.5%
Profit margin, %	3)	6.6%	6.6%	7.2%
Interest coverage, multiple	4)	6.4	5.2	5.8
Return on capital employed, %	5)	-	-	18.5%
Return on equity, %	6)	-	-	19.7%
Net gearing ratio, %	7)	48%	61%	61%
Equity ratio, %	8)	29.6%	27.1%	28.1%

Share data

		January – September		Full-year
		2001	2000	2000
Earnings per share after full tax, SEK	9)	-	-	19.25
Earnings per share after standard tax, SEK	10)	13.10	11.40	17.55
EBITDA per share, SEK	11)	41.60	35.65	52.00
Cash flow per share, SEK	12)	-0.90	-0.05	3.10
Equity per share, SEK	13)	130.50	100.35	107.80
No. of shares, thousands		28,000	28,000	28,000

DEFINITIONS

- 1) Operating income plus depreciation, amortisation and income from long-term rentals/leasing divided by net sales.
- 2) Operating income plus income from long-term rentals/leasing in relation to net sales.
- 3) Income after net financial items in relation to net sales.
- 4) Operating income plus interest income divided by interest expenses.
- 5) Operating income plus interest income including income from long-term rentals/leasing in relation to the average of capital employed at the opening and close of each period.
- 6) Net income for the period in relation to the average of equity at the opening and close of each period.
- 7) Net borrowings in relation to equity and the minority share at the close of each period.
- 8) Equity including the minority share in relation to total assets at the close of each period.
- 9) Net income for the period divided by the average number of shares.
- 10) Income before tax charged with standard tax of approx. 35% on income after net financial items plus non-tax deductible amortisation divided by the average number of shares.
- 11) Operating income, depreciation, amortisation and income from long-term rentals/leasing divided by the average number of shares.
- 12) Operating cash flow according to the statement of cash flows divided by the average number of shares.
- 13) Equity divided by the number of shares on the closing day.

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Five-year summary

Amounts in SEK m.	2000	1999	1998	1997	1996
Income statements					
Net sales	11,518	9,759	8,838	5,956	3,999
Gross income	3,247	2,847	2,568	1,754	1,256
Income before depreciation (EBITDA)	1,313	1,077	956	656	455
Operating income	831	660	576	389	293
Income after net financial items	824	675	544	370	311
Net income	539	431	310	168	202
<i>Total depreciation according to plan</i>	<i>-482</i>	<i>-417</i>	<i>-380</i>	<i>-267</i>	<i>-162</i>
Balance sheets					
Fixed assets	5,345	4,531	4,435	3,906	767
Current assets	5,419	4,136	3,693	3,155	1,456
Total assets	10,764	8,667	8,128	7,061	2,223
Equity	3,018	2,442	2,027	1,774	850
Minority share	3	2	2	34	-
Liabilities and provisions	7,743	6,223	6,099	5,253	1,373
Total liabilities and equity	10,764	8,667	8,128	7,061	2,223
Net borrowings					
Interest-bearing assets	2,932	2,193	1,789	1,578	170
Interest-bearing liabilities	4,770	3,796	3,908	3,361	429
Net borrowings	1,838	1,603	2,119	1,783	259
Cash flow					
Cash flow from operations	838	797	429	352	418
Cash flow from investments 1)	-751	-330	-670	-390	-194
Operating cash flow	87	467	-241	-38	224
Key ratios					
EBITDA margin, %	12.6%	12.4%	12.1%	12.2%	12.3%
Operating margin, %	8.5%	8.2%	7.8%	7.7%	8.3%
Profit margin, %	7.2%	6.9%	6.2%	6.2%	7.8%
Return on capital employed, %	18.5%	16.8%	15.3%	16.7%	27.5%
Return on equity, %	19.7%	19.3%	16.3%	12.8%	26.1%
Capital turnover rate, multiple	2.1	2.0	1.9	2.1	3.3
Interest coverage, multiple	5.8	5.2	4.2	4.9	10.8
Net gearing ratio, %	61%	66%	104%	99%	30%
Equity ratio, %	28.1%	28.2%	25.0%	25.6%	38.2%
Personnel					
Number of employees at year-end	7,899	7,054	6,975	6,444	3,688

1) Excluding acquisitions of companies

For definitions, see page 7.