

January

February

March

April

May

June

July

August

September

October

November

December

INTERIM REPORT

1 January – 30 September

2003

- Net turnover during the nine-month period fell by 7 per cent to MSEK 116.8 (125.3). Adjusted for the effects of currency exchange rates, however, turnover has increased by 5 per cent.
- Results for the nine-month period:
 - operating result of MSEK 3.6 (-1.7)
 - result after tax of MSEK 3.6 (-0.5)
 - earnings per share of SEK 0.61 (-0.08)
- During the third quarter,
 - net turnover totalled MSEK 38.4 (34.4)
 - the operating result totalled MSEK 2.1 (-2.4)
 - the result after tax was MSEK 1.7 (-1.4)
- The growth in the customer base continued satisfactorily during the third quarter. New customers included Autodesk, BMW, DHL, Honda, ING, KLA-Tancor and Toyota.
- BTS has acquired the Spanish company I-Simco S.L.



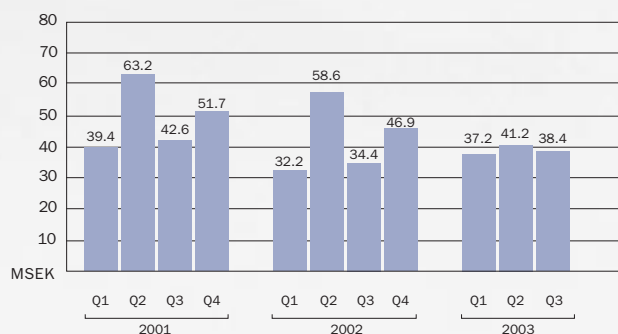
Catalysts for Profitability and Growth

INTERIM REPORT: 1 JANUARY – 30 SEPTEMBER 2003

TURNOVER

During the nine-month period, BTS' net turnover fell by 7 per cent and amounted to MSEK 116.8 (125.3). Adjusted for the effects of currency exchange rate changes, however, turnover increased by 5 per cent compared to the corresponding period in 2002.

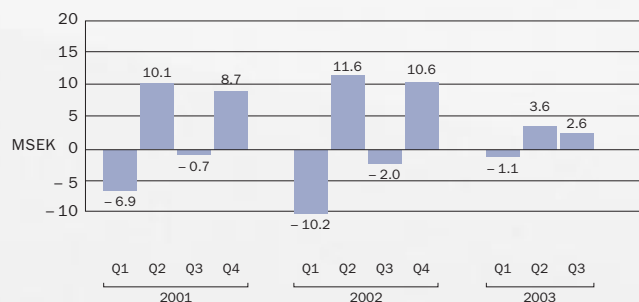
Net turnover per quarter 2001 – 2003



RESULTS

The Group's results before tax for the nine-month period improved, totalling MSEK 5.1 (-0.6). The operating result also improved, amounting to MSEK 3.6 (-1.7). The operating margin for the period was 3 (-1) per cent. These improvements in results are attributable to the fact that the company lowered total costs while simultaneously improving productivity (turnover per employee). On a rolling twelve-month basis, the operating result totalled MSEK 13.8 (8.2), with the operating margin for the corresponding period amounting to 8 (5) per cent.

Result before tax per quarter 2001 – 2003



THE THIRD QUARTER

Turnover during the third quarter totalled MSEK 38.4 (34.4), which constitutes a rise of 12 per cent compared to the corresponding period in 2002. Adjusted for changes in exchange rates, turnover during the third quarter rose by 26 per cent. The increase in turnover is primarily due to the growth of the customer base during the year.

The result before tax for the third quarter improved to MSEK 2.6 (-2.0) and the operating result was MSEK 2.1 (-2.4). The operating margin was 5 (-7) per cent.

Cash flow from current operations in the third quarter amounted to MSEK -0.3 (1.8).

As of 1 July, BTS has acquired the Spanish company I-Simco

S.L., which is active in the field of business simulations – the same niche as BTS. I-Simco S.L. has offices in Madrid and Bilbao. The company was founded in 1999 and has grown profitably every year since. The acquisition made a positive contribution to earnings per share in the BTS Group during the third quarter.

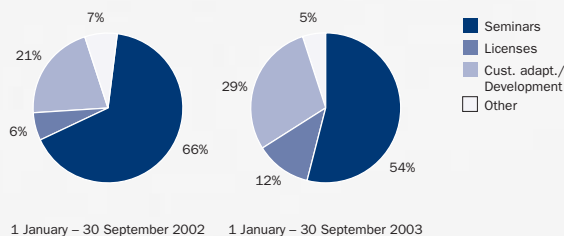
MARKET DEVELOPMENT AND NEW CUSTOMERS

The market remains uncertain. Many companies continue to be restrictive as regards their investments in training. Market conditions in the United States started to improve at the end of the second quarter, but the Nordic market remains weak.

The customer base has shown good growth during the year. New customers acquired during the first nine months included Aetna, Alcan, AutoDesk, BMW, Connex, DHL, Ford, Honda, ING, KLA-Tancor, Ingersoll-Rand, Previa, Sony Electronics, Toyota, Vodafone, Washington Mutual and Xerox.

Net turnover broken down by revenue has shown some changes as compared to previous years. For example, licence revenue has increased from 6 to 12 per cent. In the current climate, businesses are cutting down on seminars. As a result, this source of revenue has fallen from 66 to 54 per cent. The growth in the customer base has resulted in an increase of income for customer adaptations/development, with this area now accounting for 29 per cent (up from 21%).

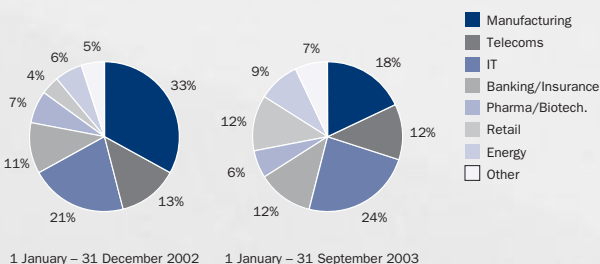
Net turnover by revenue



Sales to the new sectors on which BTS focused during the period of poor market conditions – i.e. the retail sector, pharmaceuticals and biotechnology, banking and insurance and energy – have been developed stably and positively in 2003. The proportion of income from these sectors has increased from 10 per cent in 2000 to 39 per cent in 2003.

During the same period, income from the IT and telecoms sector has fallen from 57 to 36 per cent. During the third quarter, interest in purchases and the order flow from the IT and telecoms sector have both developed positively.

Net turnover by sector



OPERATING UNITS

Net turnover per operating unit

	Jul-Sep 2003 (2002)	Jan-Sep 2003 (2002)	2002/03 rolling 12 months	2002 Full Year
MSEK				
BTS USA	23.8 (20.6)	66.7 (74.3)	85.0	92.6
BTS Nordic	8.5 (7.7)	31.7 (29.6)	47.3	45.1
BTS UK	6.1 (6.1)	18.4 (21.4)	31.5	34.5
Total	38.4 (34.4)	116.8(125.3)	163.8	172.2

Operating result per operating unit

	Jul-Sep 2003 (2002)	Jul-Sep 2003 (2002)	2002/03 rolling 12 months	2002 Full Year
MSEK				
BTS USA	3.1 (-0.7)	4.1 (-0.9)	4.3	-0.6
BTS Nordic	-1.7 (-1.1)	0.4 (-1.2)	5.1	3.5
BTS UK	0.7 (-0.6)	-0.9 (0.4)	4.4	5.6
Total	2.1 (-2.4)	3.6 (-1.7)	13.8	8.5

BTS USA

BTS USA's net turnover, adjusted to eliminate the effects of currency exchange rates, rose by 7 per cent during the first nine months of the year as compared to the corresponding period in 2002. The operating margin was 6 (-1) per cent. During the third quarter, net turnover adjusted to eliminate the effects of currency exchange rates rose by 37 per cent compared to Q3 2002. The operating margin for the third quarter was 13 (-3) per cent. Market conditions in the United States improved progressively during the third quarter.

BTS Nordic

BTS Nordic's net turnover for the nine-month period totalled MSEK 31.7 (29.6), with an operating margin of 1 (-4) per cent. In the third quarter, net turnover amounted to MSEK 8.5 (7.7), and the operating margin was -20 (-14) per cent. The Nordic market remains weak. For the third quarter, BTS Spain – which acquired the company I-Simco S.L. on 1 July – contributed a turnover of MSEK 1.2 and a result of MSEK 0.1.

BTS UK

BTS UK's turnover for the first nine months of the year totalled MSEK 18.4 (21.4), of which turnover generated by BTS Australia accounted for MSEK 4.3 (5.7). Adjusted for changes in exchange rates, turnover for the nine-month period fell by 6 per cent. The operating margin was -5 (2) per cent. Turnover during the third quarter totalled MSEK 6.1 (6.1). Adjusted for changes in exchange rates, net turnover for Q3 rose by 8 per cent. The operating margin was 12 (-10) per cent.

FINANCIAL POSITION

BTS' cash flow from current operations during the nine-month period amounted to MSEK -7.6 (-5.8).

Cash flow during the period was affected by changes in exchange rates in the amount of MSEK -4.2 (-4.1). This was partly attributable to the conversion of assets and liabilities in overseas subsidiaries MSEK -1.8 (-1.4) and partly to conversion differences in liquid funds MSEK -2.4 (-2.7).

Shareholders' equity at the end of the period totalled MSEK 101.0 (98.3) and the solidity was 82 (86) per cent.

Available liquid funds totalled MSEK 62.8 (58.0) at the end of the period.

EMPLOYEES

At 30 September 2003, the BTS Group employed 100 (103) people. The average number of employees during the period was 96 (112). The acquisition of I-Simco S.L. added eight employees to the staff as of 1 July.

THE PARENT COMPANY

The parent company's net turnover amounted to MSEK 0.0 (0.0), and the result after net financial expenses was MSEK 1.1 (1.2). Liquid funds totalled MSEK 42.9 (41.0).

PROSPECTS FOR 2003

The developments of the economies in our major markets are hard to predict and remain uncertain. The result before tax for the year as a whole is forecast to be better than for 2002.

ACCOUNTING PRINCIPLES

This report has been drawn up in accordance with the recommendation of the Swedish Financial Accounting Standards Council (RR 20) concerning interim reports.

Otherwise, the principles applied are the same as those used for the previous year.

NOMINATIONS FOR MEMBERS OF THE BOARD

As regards nominations for members of the Board, at the annual general meeting held on 24 April 2003 the Chairman of the Board and a number of major shareholders stated that proposals would be presented on the basis of suggestions and opinions from all shareholders.

Before the next ordinary general meeting, the Chairman of the Board and a representative of the three largest shareholders will prepare nominations for Board positions.

Shareholders who wish to propose persons for nomination are invited to send their suggestions to the Chairman of the Board, c/o BTS Group AB, Grevgatan 34, 114 53 Stockholm, Sweden no later than 31 January 2004.

Nominations for members of the Board will be confirmed in connection with the invitation to the next ordinary general meeting.

UPCOMING REPORTS

Year end report 2003

11 February 2004

Stockholm, 23 October 2003

Henrik Ekelund
Managing Director

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INCOME STATEMENT, SUMMARY

KSEK	3 months ended		9 months ended		12 months ended	
	Sep 30 2003	Sep 30 2002	Sep 30 2003	Sep 30 2002	Sep 30 2003	Dec 31 2002
Revenues	38 427	34 424	116 824	125 287	163 767	172 230
Operating expenses	-35 869	-36 320	-111 901	-125 434	-148 464	-161 997
Depreciation	-486	-525	-1 310	-1 566	-1 514	-1 770
Operating result	2 072	-2 421	3 613	-1 713	13 789	8 463
Financial income and expenses	477	411	1 470	1 172	1 931	1 633
Result before tax	2 549	-2 010	5 083	-541	15 720	10 096
Minority shareholding	-59	-11	-23	-133	-56	-166
Taxes	-776	583	-1 486	204	-5 207	-3 517
Result for the period	1 714	-1 438	3 574	-470	10 457	6 413
Earnings per share, before dilution of shares, SEK	0.29	-0.24	0.61	-0.08	1.77	1.09
Number of shares at end of period	5 897 300	5 897 300	5 897 300	5 897 300	5 897 300	5 897 300
Average number of shares before dilution of shares	5 897 300	5 897 300	5 897 300	5 874 200	5 897 300	5 879 975
Earnings per share, after dilution of shares, SEK	0.29	-0.24	0.61	-0.08	1.77	1.09
Average number of shares after dilution of shares	5 897 300	5 905 638	5 897 300	5 882 538	5 897 300	5 879 975

BALANCE SHEET, SUMMARY

KSEK	09-30-03	09-30-02	12-31-02
Assets			
Intangible fixed assets	1 581	456	365
Tangible assets	2 997	3 128	3 030
Other fixed assets	1 604	2 274	1 629
Accounts receivable	38 089	28 728	31 399
Other current assets	16 365	22 093	13 698
Cash and bank	62 832	58 040	78 992
Total assets	123 468	114 719	129 113
Equity and liabilities			
Equity	100 966	98 331	104 145
Minority shareholding	163	146	134
Deferred tax liability	150	0	150
Interest bearing liabilities	0	81	58
Other liabilities	22 189	16 161	24 626
Total equity and liabilities	123 468	114 719	129 113

CASH FLOW STATEMENT, SUMMARY

KSEK	Jan-Sep 2003	Jan-Sep 2002	Jan-Dec 2002
Cash flow from current operations	-7 619	-5 823	15 423
Cash flow from investment activities	-3 016	-876	-967
Cash flow from financing operations	-3 094	-817	-872
Effect of exchange rate changes on cash	-2 431	-2 692	-2 841
Change in liquid funds	-16 160	-10 208	10 743
Liquid funds, opening balance	78 992	68 249	68 249
Liquid funds, closing balance	62 832	58 040	78 992

CHANGES IN EQUITY

KSEK	Total Equity 09-30-03	Total Equity 09-30-02
Opening balance	104 145	103 579
New capital issue	0	2 169
Dividend to shareholders	-2 949	-2 914
Conversion differences	-3 804	-4 033
Result for the period	3 574	-470
Closing balance	100 966	99 331

KEY RATIOS

	Jul-Sep 2003	Jul-Sep 2002	Jan-Sep 2003	Jan-Sep 2002	12 months ended Sep 30 2003	12 months ended Jan-Dec 2002
Revenues, KSEK	38 427	34 424	116 824	125 287	163 767	172 230
Operating result, KSEK	2 072	-2 421	3 613	-1 713	13 789	8 463
Operating margin, %	5	-7	3	-1	8	5
Profit margin, %	4	-4	3	0	6	4
Operating capital, KSEK	38 427	40 517	38 427	40 517	38 427	25 345
Return on equity, %	7	-6	5	-1	10	6
Return on operational capital, %	6	-6	11	-5	38	28
Solidity at end of period, %	82	86	82	86	82	81
Cash flow, KSEK	-4 037	3 360	-16 160	-10 208	4 790	10 743
Liquid funds at end of period, KSEK	62 832	58 040	62 832	58 040	62 832	78 992
Average number of employees	99	106	96	112	98	110
Number of employees at end of the period	100	103	100	103	100	102
Revenues for the year per employee, KSEK	1 553	1 299	1 623	1 491	1 667	1 566

DEFINITIONS

Operating Margin:

Operating result after depreciation as a percentage of revenues.

Profit Margin:

Result for the period as a percentage of revenues.

Operational Capital:

Total balance sheet reduced by liquid funds and other interest bearing assets and reduced by non-interest bearing liabilities.

Return on equity:

Result for the period (converted into whole year) as a percentage of average equity.

Return on Operational Capital:

Operating result as a percentage of average operational capital.

Solidity:

Equity as a percentage of total balance sheet.

Revenues for the Year per Employee:

Revenues (converted into whole year) divided by average number of employees.

BTS Group AB is an international consultancy
and training company active in the field of business acumen.

BTS uses tailor-made business simulations to support company managers in implementing change and improving profitability. BTS solutions and services train the entire organisation to analyse and to take decisions centred on the factors that promote growth and profitability. This generates increased emphasis on profitability and market focus, and supports day-to-day decision-making, which in turn leads to tangible, sustainable improvements in profits.

BTS customers are often leading major companies.



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